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TREND FOLLOWING WITH MICHAEL COVEL

— A Proven Way to Beat the Market and Retire Rich —

The Man Who Broke Barings Bank and Walked Away With a Fortune

The story that changed my life in the 1990s could help you make 150% and 999% in the coming months…

INSIDE THIS ISSUE

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I was 26 years old in 1995 when the news about Nick Leeson broke…

He was the rogue trader who managed to bankrupt the world's oldest bank in just a few months.

Leeson took a huge bet that the Nikkei 225 would move higher. But it tanked, and Barings Bank, the queen's bank, one of the most established banks in England, collapsed… losing $1.4 billion.

Leeson's story made the cover of *Time* magazine… with him in handcuffs. And the media were fixated on how just one employee could bring Barings to its knees.

But shockingly, no one was asking about where that $1.4 billion went… not *The Wall Street Journal*, *Investor's Business Daily* or *The New York Times*. No one.

But I asked. I wondered. To me, as an ambitious young intern at the Futures Industry Association, that was all that mattered: Where did the money go?

Everyone knew Leeson and Barings were the big losers. But who was on the other side of that trade?

I needed to know the answer to that question… because I wanted to be like the winner.

My investigation led to profound understandings that changed my life… lessons that could help you make a lot of money in the coming months.

Who Walked Away With $1.4 Billion?

My quest for the answer began in April 1995 during a private Futures Industry Association investing conference. It took place at the Marriott Hotel at the base of the World Trade Center in Manhattan.

Renowned trader John W. Henry was giving a speech that night to talk about his fund's remarkable performance during the first quarter of 1995.

His fund had just made a fortune… at the same time Barings was pummeled. That had my attention.

Was John W. Henry the winner of the Barings sweepstakes? That was my hunch. But I couldn't prove it at that moment.

So I grabbed a transcript of Henry's speech to scour for clues.

Nothing specific.

After his speech was over, I made my way outside to chat up other attendees to see what evidence I could uncover.

That's when I had my first "Masters of the Universe" moment…

As I stood on the sidewalk looking north to midtown Manhattan, John W. Henry himself was whisked away into a waiting limo with "JWH1" plates. But before I could ask him a question… he was gone… just like that.

I turned to the guy next to me and said, "I wonder how he did it? Was he trading options?"

It turns out the guy next to me smoking a cigarette would know. He was Henry's accountant.

"We're just trading futures… up or down. It's that simple," he replied nonchalantly. And then he was gone.

That wasn't all the information I needed to prove Henry as the Barings winner. But it was a good start…

Cracking the Case

Now fast-forward a few months to a private investing conference in London…

I was a fly on the wall at a small breakout panel with three other people. One of them was the head of Dean Witter, a company that had over $250 million invested with John W. Henry.

I overheard him talking to another CEO about Barings when he playfully poked his colleague and said, "Gee, I wonder who was on the other side of the Barings trade?"

They were referring to the Futures Industry Association's board of directors — a board that happened to have only one active trader: Henry.

I knew immediately he was confirming Henry as the winner. I now knew the truth. But I couldn't prove it yet to the public. I wasn't supposed to hear that conversation.

Since summer 1994, I had been trying to arrange an interview with the most famous Turtle Trader, Jerry Parker.

So at the end of 1995, six-plus months after the London event, I reached out to Parker again.

Parker is one of the most successful traders in the world. At the time, he was already worth at least $100 million. And like John W. Henry, he was a trend following trader. Parker knew Henry. They were peers.

My last-ditch effort to meet Parker after 18 months was to send him a fax detailing the top 10 reasons he needed to meet with me now.

To my amazement, his office called me back! His assistant set up an appointment for me in Richmond, Virginia — 90 minutes from my hometown.

A few weeks later, I was in his office. He was making polite conversation, asking me what I wanted to do with my career. But I knew my time was limited with him.

He is an important, busy man. And I knew I might not ever get this chance with him again. So I finally blurted it out…

"John W. Henry was on the other side of the Barings trade, right?"

He looked at me funny. I could hear him thinking: "This kid's got a pair of balls coming into my office asking me this question."

But then he paused for a few seconds… and then offered a one-word reply: "Yes."

And there it was! After almost a year of trying to crack the Barings Bank case, I had my answer. I had solved one of the most important questions in investing history.

I was now the only one outside the system with this knowledge.

How to Be a Winner

After my *Trend Following* book came out in 2004, John W. Henry gave an interview where he finally admitted being the winner of the Barings trade. But that question and

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his reluctant answer sprung from my work more than a decade earlier.

To this day, I still wonder why the world was only interested in the failure angle of the Barings story. Why no curiosity about where that $1.4 billion went?

If they had been curious, they would have learned an invaluable lesson about trading.

See, Nick Leeson lost $1.4 billion because he ignored the trend. He tried to predict the Nikkei's direction. And he was massively wrong.

John W. Henry didn't play the prediction game. Instead, he just followed the Nikkei trend and walked away with a fortune. In fact, he made enough money to buy the Boston Red Sox, leading to three World Series titles.

Here's how John W. Henry summed up the lessons that should be learned from the Barings Bank episode:

> Leeson didn't have the ability to take a loss. If you look at the great disasters in markets on an individual basis, they are mostly individuals who refused to take a loss. They waited for the market to reflect their belief about the market.

Bottom line, the idea is to capture the majority of all trends without trying to predict in which direction the market will move. If you're not paying attention to the trends, you're losing the chance at huge gains.

And for every big trend, there will always be those on the right side of the trend and those on the wrong side. If you're following the trend, you'll always be on the right side.

In this month's issue, we're going to examine two massive trends in the markets of late… including the losers and the winners.

And we'll end with a third trend that's now forming, which we plan to ride for big gains.

Let's start by looking at the massive trend that's been happening in Europe…

Europe's Banking Disaster

Let me be frank… Europe's banking system is on the brink of collapse.

To get a sense of how bad the carnage is, take a look at the table in the next column. It shows you how much stock market value EU bank stocks have lost since 2000…

Italian Banks		**UK Banks**	
Unicredit	-95%	Barclays	-98%
Intesa Sanpaulo	-99%	RBS	-98%
Banco Popolare	-98%	Lloyds	-92%
French Banks		**Swiss Banks (non EU)**	
Crédit Agricole	-76%	Credit Suisse	-87%
Société Générale	-87%	UBS	-84%
Spanish Banks		**U.S. Banks**	
Santander	-75%	Bank of America	-76%
Bankia	-99%	Citigroup	-93%
German Banks			
Deutsche Bank	-88%		
Commerzbank	-98%		

Source: Matterhorn Asset Management AG

And a large portion of those losses came within the past year…

UniCredit has lost 72% of its value in the past 12 months. Credit Suisse, Deutsche Bank and Barclays have all seen their shares fall by more than 60% during that period.

And here's why…

Today, Europe's economic growth is virtually nonexistent. This has depressed bank profits, eroded their capital and caused bad loans to soar. Today, European banks have around $1.5 trillion of problem loans.

And negative interest rate policy (NIRP) via the European Central Bank has only made things worse….

Because of NIRP, EU banks effectively have to pay the central bank to hold cash on their balance sheets. At the same time, they can't charge high rates on the loans they make. As a result, they're getting squeezed on net interest margins.

This squeeze has led to big declines in bank profitability. Thirteen of the largest publicly traded European banks have seen profits decline by 20% since NIRP.

And Italy's banks have been hit the hardest.

Besides UniCredit, Italy's largest bank, Intesa Sanpaolo Banca, Italy's second-largest bank, is also down nearly 50%. And Italy's third- and fourth-largest banks, Monte dei Paschi di Siena and Banco Popolare, are both down roughly 80%.

These are the anchors of the Italian economy.

What's worse, the total amount of nonperforming loans held by Italian banks is roughly $400 billion.

This worthless paper makes up 18% of all of Italy's loans. That's compared with 5% worthless paper held by U.S. banks during the depths of the financial crisis in 2008–09.

This would be horrible in itself if Italy's banking problems were contained. But they're not.

Italian banks are leveraged to the hilt with Italian government debt. That means if Italian banks implode, investors will ditch Italian government bonds with all deliberate speed.

That will destroy the Italian financial system and economy. But the damage won't stop in Italy…

French banks own roughly $300 billion of Italian debt. German banks have $100 billion worth of the trash. And Spanish banks have over $70 billion of worthless notes.

As you saw in the table above, banks in France, Germany and Spain are in no position to sustain those losses.

That's frightening. And keep in mind that Italy is the third-largest economy in the eurozone. It's also the eighth-largest in the world. Italy isn't Greece.

But shockingly, Italian banks aren't the biggest danger to the global financial system. That dishonor goes to Deutsche Bank…

Worse Than Lehman Bros.

In June, the International Monetary Fund declared that "among the [globally systemically important banks], Deutsche Bank appears to be the most important net contributor to systemic risks."

In other words, if there's a financial institution with the power to crater the world's economy like Lehman Bros. did, it's Deutsche Bank.

And Deutsche Bank is in even worse condition than Lehman Bros. was when it collapsed in 2008–09.

Before its implosion, Lehman had leverage of debt-to-assets of 31-to-1. In comparison, Deutsche Bank currently has astounding leverage of 40-to-1.

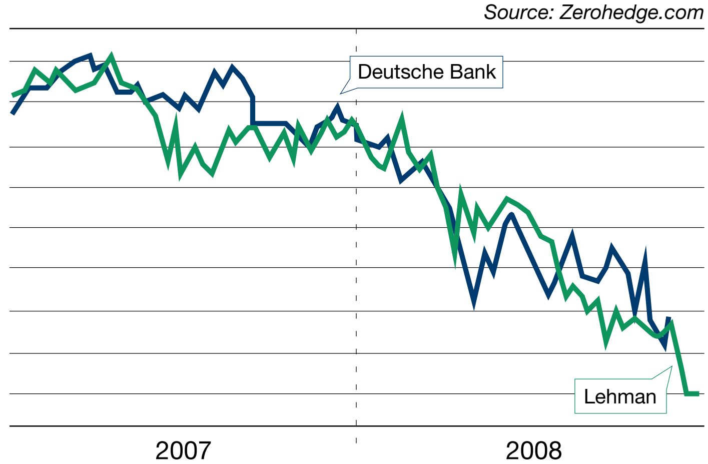
Not only is NIRP impairing Deutsche Bank's ability to repair its balance sheet, but it's also limiting its ability to raise cash. It can't sell its assets in illiquid credit markets and it can't raise new capital.

Deutsche Bank is walking dead…

Its share price is $13.61. That's lower than it was during the depths of the global financial crisis in 2008.

And as you can see in the next column, Germany's biggest bank and the anchor of the European economy is following in the same path as Lehman Bros…

Source: Zerohedge.com

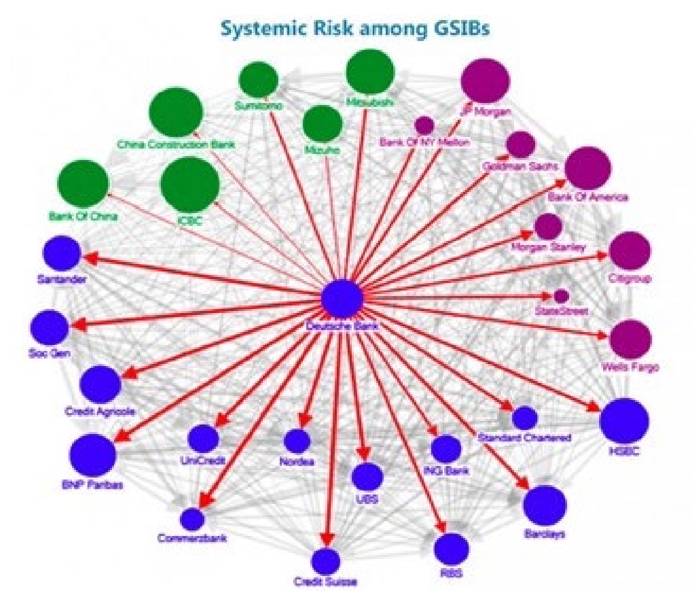


Why should you care if a big German bank goes under?

Well, as Bloomberg reports:

> In particular, Germany, France, the U.K. and the U.S. have the highest degree of outward spillovers as measured by the average percentage of capital loss of other banking systems due to banking sector shock in the source country.

To see how far Deutsche Bank's poisonous tentacles could spread, have a look at this graphic from *The Wall Street Journal*. It shows how connected Deutsche is to the largest and most important banks in the world.



Source: Wall Street Journal

Can you say "contagion"?

Plus, Deutsche has more than $72 trillion of derivatives exposure. That means one single bank owns 13% of the total outstanding global derivatives on the planet.

To put that into perspective, that's four times the size of the entire EU economy. If that derivative bomb explodes, central planners will not be able to contain it.

That's what we saw with the subprime crisis in the U.S. in 2008. And it infected the entire world with lightning speed.

European banks are clearly the big losers of dire system instability. But as I mentioned earlier, there are always winners on the other side of major losers.

And one of the biggest winners benefiting from the collapse of Europe's banks has been gold.

A Golden Trend

As the trouble in Europe's banks came front and center at the beginning of the year, investors started piling into the yellow metal.

That's because they began to realize that global central banks have started losing control.

Since 2008, central bankers have cut rates more than 650 times to boost spending and growth… and it hasn't worked.

The U.S., Europe and Japan are all growing at the slowest pace in decades.

Our debt-fueled global economy is clearly running out of juice. And the continued feckless efforts of our central bankers is only distorting markets and crushing the financial system.

Their easy monetary policy is the main reason for banks hemorrhaging losses while employing such massive leverage.

Investors are clearly sensing that things are coming undone… especially when desperation moves like NIRP are only making things worse.

Sure, stocks are up. But the "real" economy barely moves. And global debt levels are higher than they've ever been before.

That has investors worried. And they've been buying the safe haven of gold.

The price of gold is up 26% this year. We've avoided the meltdown in European banks. And we've been on the right side of the trend with our *Trend Following* recommendations **Hecla Mining (NYSE:HL)**, **Barrick Gold (NYSE:ABX)** and **Yamana Gold (NYSE:AUY)**, which are up 89%, 51% and 33%, respectively. We'll ride these trends for as long as they last.

As you can see, when big trends happen, you can always be on the right side if you follow a trend following approach.

While European banks played the role of Barings, our gold recommendations were on the other side of the trade… the winning side.

The Next Big Trend Is Forming…

So now we know about the massive downtrend in European banks and corresponding uptrend in gold.

But what other waves are forming in the global economy that we can profit from?

Well, contrary to prevailing sentiment, even though the S&P and Nasdaq are already trading at all-time highs… they could go much higher still.

When you have lunatics manipulating interest rates around the world, crazy things can happen in the market.

With central banks pushing yields into negative territory, stocks could move much higher than anyone thinks possible.

Here's why…

Zero interest rates and now NIRP have made it impossible for savers and retirees to earn safe income in traditional investments. They're desperately looking for other sources of income, including stocks.

The average dividend yield of the S&P 500 index, for example, is 2%, which is much higher than what many government bonds are paying.

Think about it…

If you're an investor looking for income, would you rather buy a 10-year Treasury bond with a yield of about 1.5% or shares of Verizon, which are currently paying a dividend yield of 4.22%?

As long as NIRP continues to drive yields into negative territory, stocks could continue to move higher.

And there's one sector that's likely to see the biggest gains: biotech.

How do we know? By relying on the only indicator that matters: price.

The Nasdaq Biotech Index has just jumped 20%, which is defined by many as a new bull market. In other words, the biotech sector is trending higher.

And this month, Jonas has two ways for us to ride this momentum for big profits…

BOOK OF THE MONTH: *Street Smarts*, by Jim Rogers

Wall Street legend and best-selling author Jim Rogers offers investing insights and analysis like none other.

In his fascinating memoir *Street Smarts*, Rogers offers unique observations from his lifetime in the markets, including his time at the immensely successful Quantum Fund, which allowed him to retire when he was just 37 years old.

Rogers provides vivid observations on how the world really works and what trends he sees shaping our future. He also discusses the decline of the West and the steps you can take to prosper in tomorrow's economy.

Jim Rogers is one of the greatest investors Wall Street has ever known. And *Street Smarts* finds him at his best. I had the pleasure of interviewing Jim recently in Singapore. You can listen to the interview by clicking here.

"Buy What's Working": Two Small-Cap Trends to Grab on To

By Jonas Elmerraji, CMT

To make a fortune in the stock market, all you need to do is buy what's working…

That's one of those platitudes that's easier said than done. Like "Buy low, sell high."

Or "Make your losers smaller than your winners."

Sure, if you do those things, you'll see some outstanding performance — but that advice doesn't give you any clues on how to actually pull them off!

Even though performance data are freely available for every stock, sector and index out there, most folks don't have a clue about what's actually working in this market.

If you walked up to the average investor on the street today and asked them what's working in this market, you'd probably get a few "ums" and head scratches. Maybe they'd tell you the name of a stock or two they own that's happened to perform well. But they couldn't give you more specific information than that.

As a trend follower, you've got a distinct advantage when it comes to knowing what's working in the market — you know what's working because, odds are, we already own it in the *Trend Following* portfolio.

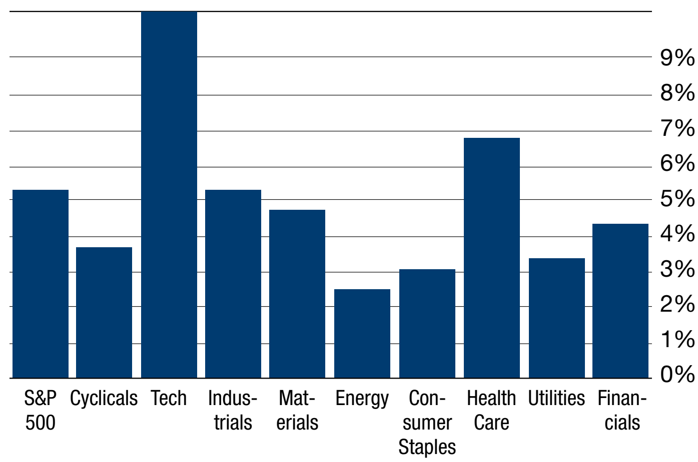
But today, I want to update you on which sectors are currently the strongest. Then we'll take that one step further, with two brand-new buy signals from our trend following system…

Looking at the performance of all sectors over the last two months in the next column, it's easy to see the sectors that are leading the market.

As you can see, health care and technology have been the two best performing sectors over the last two months.

Tech and Healthcare

The Two Hottest Sectors in the Last Two Months



That's good because, as we already know, big trends tend to persist. Leaders keep on leading. So stocks in these sectors are the ones you want to own.

And yes, you *do* want to own stocks, even though investor sentiment is tanking right now…

According to the AAII U.S. Investor Sentiment Bullish Index, the percentage of market participants who think that stock prices will rise in the next six months is at just 29.8%.

That's the lowest sustained level of bulls in the survey in recent memory. To find a meaningfully lower level of optimism for U.S. stocks, you'd need to rewind the clock back to March 1989!

At the same time that the stock market has *never been higher*, investors are convinced that this is the end of the rally.

But the data tell a different story. According to research done by Jeff Saut at Raymond James:

> In all the previous times when the S&P 500 has made a new all-time high, following at least 52

weeks below the old high-water mark, the average return over the next 12 months has been 12.28% (median +12.30%) with an average pullback of 5.48% (median 2.73%).

In other words, new highs beget more new highs — markets trend. No surprise there.

And owning the right sectors is the key to multiplying that average 12.28% return in the year ahead…

Of course, it shouldn't come as a huge surprise that health care is one of the best sectors in the S&P 500 right now. After all, our latest buy signal came in shares of **Evolent Health (NYSE:EVH)** just last month. As I write, we're already up double digits on it. And it also shouldn't come as a surprise that this month's two new buy signals are in the health care sector as well…

That's right, I said two new buy signals.

As a reminder, once a quarter, our system generates buy signals on two stocks. The last time it did that, we picked up shares of Hecla Mining and Yamana Gold, a pair of stocks that have been powerful performers, up 89% and 33%, respectively, as I write. So today, we're looking to replicate that stellar performance with a pair of small-cap health care trades that are trending.

Read on for the full details…

Adding Two Health Trades to the Portfolio

The first stock we're adding to our portfolio this month is **Exact Sciences Corp. (NASDAQ:EXAS)**.

Exact Sciences is a $2 billion medical diagnostics stock that's working on eradicating colorectal cancer. The firm's big product is Cologuard, a cancer screen that uses DNA to test for cancer and precancer.

The game changer with Cologuard is the fact that it's a highly sensitive, but noninvasive test. Until Exact introduced its test, a patient's options for colorectal cancer screening were to undergo an invasive test like a flexible sigmoidoscopy or colonoscopy, or a fecal immunochemical test (or FIT), which is less invasive but needs to be done every year and can miss some polyps and cancers.

Cologuard tests only need to be performed every three years, and they can be done at home.

And Exact Sciences has been aggressively marketing the benefits of Cologuard, pushing revenues dramatically higher in 2016. A year ago, during the second quarter of 2015, 21,000 Cologuard tests were completed — this most recent quarter, that number ballooned to 54,000 tests. Clearly, the prospect of taking the Cologuard test versus something like a colonoscopy is an easy sell.

And it could be about to get easier. Right now, one of the biggest downsides of taking the Cologuard test is price. Cologuard can cost as much as $649 out of pocket for patients, making cheaper tests still competitive today. But this relatively new test is quickly adding new insurance companies to the list of health care plans that cover it, and the test is covered by Medicare nationwide. That increasing availability, coupled with this year's marketing blitz, is driving demand for the tests.

At this point, Exact Sciences isn't profitable yet — like a lot of other small medical tech companies, it's spending more on marketing and R&D than it takes in. But the firm is well capitalized, with $224 million in cash on its balance sheet, versus just $6 million in debt. That cash cushion gives it plenty of time to mature its business model.

The last time our system triggered a buy on EXAS, shares moved as much as 150% higher.

Action to take: Buy shares of Exact Sciences Corp. (NASDAQ:EXAS) for $22.50 or less. We're setting our stop loss at $13.53.

The other stock we're buying this month is **Accelerate Diagnostics (NASDAQ:AXDX)**.

Accelerate is a $1 billion biotech company that's developed a method of speeding up medical testing. Today, it takes days of incubation in a petri dish to get enough bacterial material for technicians to effectively identify and diagnose a test strain, a necessary step before doctors can prescribe a treatment. That wait is a nuisance for most medical tests, but it's potentially life-threatening among certain groups and certain types of infections.

For instance, more than 140,000 lives are lost each year from infections acquired in hospitals, either through the infections themselves or through inappropriate antibiotics to treat them. Pinpointing the specific strain of bacterium can be a critical step in treating it effectively.

Likewise, the medical world is dealing with the increasing threat of drug resistance in bacteria. When health care professionals simply prescribe antibiotics as a catchall to handle any infection, the risks of drug-resistant mutant strains increase.

Accelerate Diagnostics has developed a diagnostic device that fixes those issues. The firm's *in vitro* diagnostics device speeds up the incubation period for test samples, making testing that currently takes two–three days require as little as a few hours to complete.

Accelerate is another early-stage company. The firm's Accelerate ID/AST device is still in development. When it hits the market, the intended goal is to rapidly identify and find antibiotic susceptibility of bacteria specimens.

There are some huge cost pressures that will create an immediate market for the shortened testing periods of the Accelerate ID/AST. Currently, the system is being tested in 12 trial sites, as a way to get FDA approval. Accelerate's road map puts the U.S. launch of the system happening later this year.

Like Exact Sciences, Accelerate Diagnostics is well-capitalized. The firm currently carries $102 million in cash on its balance sheet, with zero debt.

The last time our system triggered a buy on AXDX, shares moved an incredible 999% higher. Could that happen again? It's possible.

Action to take: Buy shares of Accelerate Diagnostics Inc. (NASDAQ:AXDX) for $23.50 or less. We're setting our stop loss at $16.93.

In both of these cases, investors are getting excited about innovative medical testing products that could dramatically change how diagnostics are done. But I'm not a Ph.D. in biochemistry — I can't speak to the prospects of either company from that viewpoint. The business story isn't what's driving our buy signals here.

Instead, it's all about the trend…

It's no coincidence that both of this month's buy signals are coming from health care testing stocks. As an industry, medical testing stocks are heating up, and the trends are undeniable.

Short Sellers Could Mean Tall Gains

Another important stock consideration for both of these companies is short interest. Like a lot of biotechnology companies, Exact Sciences and Accelerate Diagnostics have very large positions held short. In other words, a big group of market participants is betting that these stocks are going to fall.

Thing is, when shorts are wrong and the price action starts to move against them, it sets up the potential for a short squeeze — basically, as these two stocks move higher and short sellers' losses mount, they're forced to buy back shares, driving prices even higher and sending even more short sellers clicking "buy."

If a short squeeze happens in either of these stocks, it could dramatically ramp up their uptrends.

As always, risk management is key for our Exact Sciences and Accelerate Diagnostics trades. If these new trends fall apart, we want to know as soon as possible — for that, our system selects stop loss prices.

Our stops are starting out at $13.53 for EXAS and $16.93 for AXDX.

Remember, our stops are trailing, which means they can move higher. You can find the up-to-date stop losses and all the information about our model portfolio in the "Portfolio" tab of our website. And as always, we'll let you know immediately anytime there's an action to take for your *Trend Following* portfolio.

One final note on risk — because these two stocks are small, volatile biotech-like names, I'm recommending that you size your positions to account for that risk. One way to do that is by simply buying half as many shares of each stock as you would for a more typical position, making the pair of them weighted like a single stock normally would be in your trend following portfolio.

For more guidance on how many shares of a stock you should buy for a full-sized position, be sure to have a look at the Position Size Calculator on the *Trend Following* website.

Regards,

Michael Covel
with Jonas Elmerraji, CMT

Note about our strategy: Professional trend followers normally use several systems to trade future contracts across diverse portfolios. That pure trend following strategy is impossible to implement in a newsletter format. For that reason, we will not be recommending futures in Trend Following with Michael Covel. *And instead of publishing all signals triggered by the system, we've developed a ranking system to limit the number of stocks/ETFs recommended. We realize this deviates from a pure trend following strategy. But this is the easiest way to implement trend following in a newsletter format, while remaining true to core principles.*

BLUNDER OF THE MONTH: A Crash Is Imminent!

In May 2010, economist and author Paul B. Farrell issued a stark warning to investors in MarketWatch.

The title of his piece was right to the point: "Warning: Crash Dead Ahead. Sell. Get Liquid. Now."

The Dow was heading for 12,000! And Farrell said a correction was a certainty.

But not just any correction. This one was likely to be worse than the 2000 dot-com crash and the 2008 meltdown combined.

We're talking "end of times" stuff.

And the "wise men" of investing agreed with Farrell.

Legendary investors like George Soros and Jeremy Grantham were all calling for an apocalyptic bursting of the "Super Bubble."

So what's happened since then?

There's been no crash. No Great Depression II. Instead, the Dow has gone from approaching 12,000 to a new high of 18,569 as I write.

How could the smart money be so wrong?

First, it's impossible to reliably time the markets… even for the world's most successful investors.

Second, back in 2010, no one could foresee the lengths to which global central banks would go to prop up the markets with interest rate manipulation and "stimulus."

The lesson here is markets can go far higher for far longer than anyone can know. In this case, that's been true since May 2010.

It's impossible to know how far the trend higher will go. That's why we don't make predictions… or we'll end up with egg on our face like Paul B. Farrell.

Instead, we just ride the trends that form in whichever direction they take us. It's a far easier and far more profitable way to invest.

Trend Following Portfolio

COMPANY	TICKER	ENTRY DATE	ENTRY PRICE	CURRENT PRICE	GAIN/ LOSS	ACTION TO TAKE	STOP LOSS PRICE
Accelerate Diagnostics Inc.	**AXDX**	**8/16/16**	**NEW!**	**$22.33**	**NEW!**	**Buy up to $23.50**	**$16.93**
Exact Sciences Corp.	**EXAS**	**8/16/16**	**NEW!**	**$21.81**	**NEW!**	**Buy up to $22.50**	**$13.53**
Evolent Health	EVH	7/19/16	$23.45	$25.62	9.25%	Buy up to $25.00	$18.50
Fairmount Santrol Holdings Inc.	FMSA	6/14/16	$7.03	$7.97	13.37%	Buy up to $8.90	$5.92
Continental Resources	CLR	5/17/16	$41.46	$47.74	15.15%	Buy up to $43.00	$40.06
Hecla Mining	HL	4/20/16	$3.70	$7.12	92.43%	Buy up to $3.70	$3.82
Yamana Gold Inc.	AUY	4/20/16	$4.28	$5.68	32.71%	Buy up to $4.60	$4.29
Barrick Gold Corporation	ABX	3/15/16	$14.19	$21.37	50.60%	Buy up to $14.00	$16.89

Notes: Returns are based on recommended entry and exit prices as mentioned in the *Trend Following* alerts. Brokers' fees are not taken into consideration when calculating returns. If you are not receiving the *Trend Following* e-mail alerts, please send us an e-mail to customerservice@agorafinancial.com. All prices as of 8/15/2016.