TREND FOLLOWING WITH MICHAEL COVEL

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

Three Inflection Points to Buy Now

If you want to consistently make money in the stock market, there is no better strategy than trend following. It's so beautifully simple: Buy stocks that are in an uptrend… and hold them for as long as the uptrend lasts.

Of course, that doesn't mean you should buy a stock just because its price closed higher today than the day before. Even a few days of higher closes doesn't necessarily mean a stock is in an uptrend. It could just be a statistical blip.

That's why I developed my trend following system — to separate true upward moves from false hopes. We're especially interested in inflection points… moments a beaten-down stock enters a confirmed uptrend.

You'll find the full details in your copy of *The Trend Following Way*, one of the free gifts you received for signing up. And you can look for inflection points on your own using the $1 Million Calculator website we've created for you. (Remember: Your password for the $1 Million Calculator website is **onemillion432**.)

WEBSITE:
www.onemillioncalculator.com
PASSWORD: onemillion432

But I know you're eager to get started as soon as possible. So I asked my in-house analyst, Jonas Elmerraji, to introduce three inflection point opportunities you can get in right away. He'll tell you everything you need to know — the stock's name, its symbol, the most you should pay for it and an idea for when to sell.

If history is any guide, you should be able to sell them all for fantastic profits before their trends run their course.

I'll let Jonas take it from here.

Regards,

Michael Covel
Editor, *Trend Following*

A Trio of *Trend Following* Picks to Get You Started

Our proprietary system is always scanning the markets, looking for stocks starting new trends, and warning us when existing trends are coming to an end.

And as the portfolio manager for *Trend Following with Michael Covel*, it's my job to run the system.

You'll get all of my latest findings in your upcoming issues and email alerts. But we'll start things off with three of the most recent recommendations our system had identified. All three are showing strong uptrends, meaning you should still have plenty of time to ride them to big profits.

Let's get started!

Inflection Point #1: The Two Hottest Sectors

Health care and technology have been the two best performing sectors over 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.

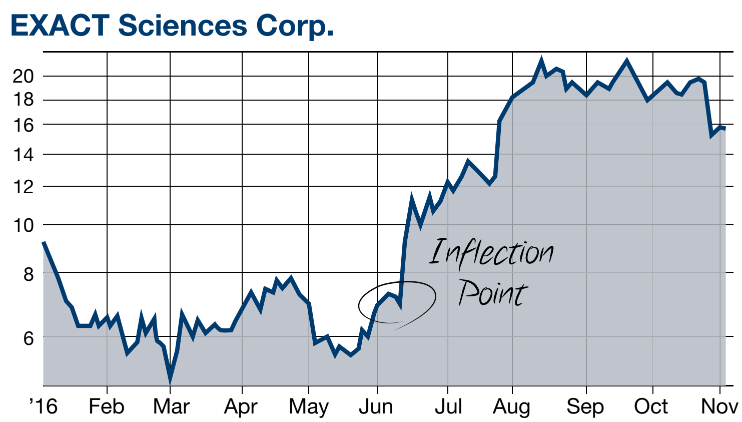
The first stock we're adding is **Exact Sciences Corp. (NASDAQ:EXAS)**.

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. 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.

Action to take: Buy shares of Exact Sciences Corp. (NASDAQ:EXAS) for $22.50 or less.

As with all the recommendations we make, risk management is key. If buyers suddenly start to lose their control of EXAS' primary trend, we need to know as soon as possible — to do that, our system selects stop loss prices.

Based on EXAS' current price, our system is placing an initial stop loss at $15.10. In other words, if it hits that price, we will sell.

But our stops are also trailing, which means that they can move higher — potentially on a daily basis if the trend in this stock continues running at its current rate. That trailing feature of our stops means that they don't just limit our risk — they're also the tool we use to lock in our profits.

We update the stop loss levels on the entire *Trend Following* portfolio on a weekly basis at the Agora Financial website. We'll let you know immediately anytime there's an action to take for your *Trend Following* portfolio.

Inflection Point #2: Speed Up Your Profits

Accelerate Diagnostics (NASDAQ:AXDX) 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.

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

Action to take: Buy shares of Accelerate Diagnostics Inc. (NASDAQ:AXDX) for $27.40 or less.

Based on AXDX's current price, our system is placing a stop loss at $17.46. Remember, our stops are trailing, which means that they can move higher — potentially on a daily basis if the trend in this stock really starts running. That trailing feature means our stops don't just limit our risk; they're also the tool we use to lock in our profits.

We update the stop loss levels of the entire *Trend Following* portfolio on a weekly basis at the Agora Financial website. And as I said, if we ever get stopped out on any of our positions, we'll let you know immediately via email with a trade alert.

Inflection Point #3: This Tech Titan Could Hand Your Portfolio a "Stream" of Profits

Many investors don't realize that **Netflix (NASDAQ:NFLX)**, has a huge competitive advantage in the sheer volume of data that it's constantly monitoring. I mentioned a moment ago that the average Netflix user consumes more than 90 minutes of streaming video daily — but what I didn't mention is the fact that Netflix's systems are designed to track those customer interactions, aggregating the data in a cloud database.

Those viewership data are used to fuel Netflix's popular internal recommendation software, which automatically suggests titles that subscribers may find interesting based on their previous viewing habits. It's also available for management to put to work when deciding on the sort of content they should greenlight and license going forward.

The data that have conventionally fueled the TV industry is awful.

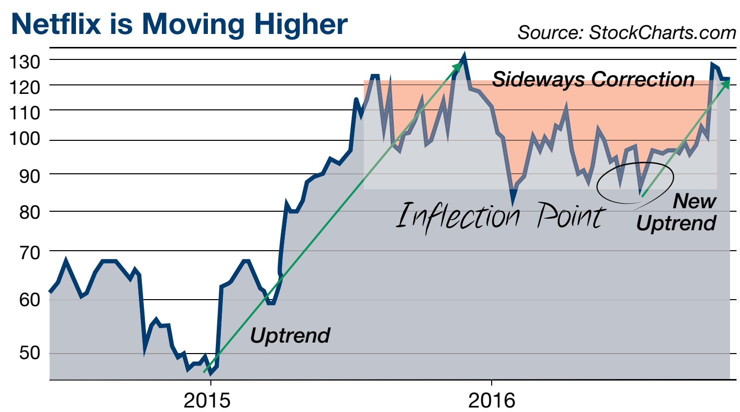
For the last 70 years or so, networks have used Nielsen ratings, which use a sample of 5,000 households to attempt to figure out the viewing habits of the 111 million households with TVs in the U.S. Generally, Nielsen ratings give networks a reasonable glimpse at what their ratings look like — but Netflix can drill down into the cloud to analyze its subscriber interaction database, getting a much fuller picture of what viewers want and what they're willing to keep paying for.

Even other internet video companies lack the deep viewer data that Netflix collects, and that gives the firm a critical advantage in the battle for streaming video supremacy.

Dissecting This Stock's Price Trend

Netflix posted profits of 12 cents per share for the quarter, earning about twice as much money as Wall Street had been expecting, on average in October 2016. At the same time, the company boosted its guidance by 140%. Shares reacted to the fundamental wins by popping 19% overnight.

That big gap higher could be the start of a meaningful trend as we round the corner to 2017.



Until those third-quarter earnings hit, Netflix hadn't been a very impressive performer. In fact, shares were down 11% between the start of 2016 and the day before the earnings release, tacking more miserable performance onto a prolonged correction that's been taking place in shares of Netflix since mid-2015.

But the earnings reaction changed NFLX's price trajectory in a big way. After doing a whole lot of nothing for a year and a half, this stock is on the verge of a move to higher ground. Shares have tested prior highs around the $130 level this fall, and after a slight correction alongside the rest of the stock market, Netflix is back within grabbing distance of that psychologically important line in the sand.

More importantly, the up move is triggering buy signal in this online video stock.

Action to take: Buy shares of Netflix Inc. (NASDAQ:NFLX) for $130 or less.

As always, risk management is key for our Netflix trade. If these new trends fall apart, we want to know as soon as possible — for that, our system selects stop loss prices.

Based on NFLX's current price, our system is placing a stop loss at $107.75.

Remember, our stops are trailing, which means that they can move higher — potentially on a daily basis if the trend in this stock continues running at its current rate. That trailing feature of our stops means that they don't just limit our risk; they're also the tool we use to lock in our profits.

And keep in mind that you'll receive updated stop loss levels on all three of the opportunities I've shared today on a weekly basis in the ***Trend Following* Portfolio** section of the Agora Financial website.

We'll also let you know immediately anytime there's an action to take for your trend following portfolio.

So stick with *Trend Following with Michael Covel* for the latest news on these stocks… as well as new buy recommendations when we identify new inflection points.

You'll hear from us again soon!

Regards,

Jonas

Jonas Elmerraji, CMT
Analyst, *Trend Following*