



Market Observations - as of Mar. 31, 2023

By Carl Jorgensen - For Objective Traders - For educational purposes only. Not Financial Advice.

With the end of the month and quarter we will include a few long term monthly charts in this week's 'Market Observations' to help keep a big picture perspective in mind. This helps us remember how the markets got to where they are now.

Last week we saw a mild drift higher in most markets before the Fed meeting announcement and Rate Hike 2 hours before the close last Wednesday. Once the expected +25 basis points rate hike was announced we saw a large fast swing up and down that was mostly up in the first 45 minutes. The last 75 minutes of the day saw a volatile drop that ended with most major indexes down over -1.6% and the Russell down -2.8% for the day. Thursday was more wide range moves that delivered lower lows in the S&P and an 'Inside day' in the Nasdaq. Friday saw slightly lower lows with a higher close to end last week with small gains in most indexes.

This week we saw a brief gap up Monday that was quickly filled with selling most of the day. The slow and steady selling continued Tuesday to lower lows. Wednesday changed character with a gap up and strong rally to new highs for the week. Thursday saw another gap up at the open that stalled out and declined to partially fill that day's gap before buyers returned the last 2 hours to rally back up to and a little above that day's open. Friday saw a steady rally most of the day to end the week with new March highs.

The rally that began March 13th saw a brief pause and decline from March 22nd (Fed Day) through Tuesday of this week (March 28th). Resistance Trend Lines drawn between the highs from March 22nd to March 27th were broken on most charts at the open on Wednesday (March 29th). The gap up and follow through rally that developed early Wednesday gave us clues of a possible 'resumption' of the Bullish Trend that began March 13th.

Breaking Trend Lines can often be an early sign of a change in Trend. A Trend Line break can be an early signal but it is also often a false signal of a fake out, so one must use additional confirmation to reduce the number of fake outs, managing risk and position size to weather the higher odds of fake outs.

The last 3 days of this week were also the last 3 days of the Quarter, a time when Fund Managers may do adjustments (rebalancing) of their portfolios or 'window dressing' since they are required to publish their holdings each quarter. This activity could be part of the bullish demand seen the last 3 days of this week. It is impossible to know for sure.

We have included a few extra charts this week to help see the percentage change so far in 2023 for key Indexes, Sectors and Stocks.

Now let's look at the charts to see what they are telling us.



S&P 500 monthly chart as of Mar 31, 2023 - The S&P remains below its 20 month SMA (yellow) with a rally in Jan. a decline in Feb. and a rally in March 2023 to continue nearly 11 months of consolidation. Support was tested at the 50 month SMA in Oct. 2022. The 50 month SMA continues to slope upward while the 20 month SMA became flat in the middle of 2022.



S&P 500 weekly chart as of Mar 31, 2023 - Last week we saw the S&P close on the converging 20 week and 50 week SMAs and remaining below the Resistance Trend Line (Grey line) since the Feb. 2nd highs. This week we see a break above both SMAs and the Trend line but not above the prior Feb. 2nd highs. So far we see mostly consolidation in 2023 with higher lows and lower highs.



S&P 500 daily chart as of Mar 31, 2023 - Monday saw a failed rally and decline that continued lower Tuesday. Wednesday saw a gap up and rally that crossed above the 50 day SMA and Resistance Trend Lines either at the open or later in the day.

The Resistance Trend line on the above chart (Grey line) was drawn between the Feb. 2nd highs and the Feb. 14th highs and was broken late Wednesday this week. A more aggressive Trend Line could have also been drawn between the Feb. 14th highs and the Mar. 6th highs that would have seen false break outs on Mar. 22nd and Mar. 27th and a gap above this level at the open on Mar. 29th. Either Trend Line works, however, the more aggressive one has higher odds for fake outs but also may trigger earlier when a change in Trend occurs. Most trading criteria have a trade-off between the pros and cons of that method and both the pros and cons should be fully understood and considered.

The S&P continued higher on Thursday and Friday to end the week up +3.48% and is now above all 3 of its key daily SMAs.



S&P 500 15 min. chart as of Mar 31, 2023 - In the above 15 min. chart we see the more aggressive Trend Line (Orange line) drawn between the highs of Mar. 22nd and 27th. Note the decline continued Monday and Tuesday of this week at a slower pace than the rally the last 3 days of this week. The gap up on Wednesday crossed above the Resistance Trend Line (Orange line) and continued higher Wednesday, Thursday and Friday. Early on Thursday we saw the S&P come within 2.2 points of the upper weekly Expected Move. Friday the S&P crossed above the upper Expected Move at the open and remained above all day, ending this week above (Outside) the weekly Expected Move, above 4100 and above the Jan 27th prior Highs.



DJIA monthly chart as of Mar 31, 2023 - The Dow Industrials dipped below its 50 month SMA (Blue) in Sept. and Oct. last year then straddled the 20 month SMA (Yellow) for four months with lower lows seen in March as this month remained below the 20 month SMA all month and closed below as well.



DJIA weekly chart as of Mar 31, 2023 - So far in 2023 the Industrials have remained below the Dec. 2022 highs and broke below the 20 week SMA in Feb. and below the 50 week SMAs in March. We saw support found two weeks ago with a bounce last week that crossed above its 50 week SMA this week to nearly reach its 20 week SMA by the end of this week.



DJIA daily chart as of Mar 31, 2023 - Last week we saw a failed rally on the 22nd that closed last week below all 3 of its key SMAs. This week we saw higher highs and higher lows every day except on Tuesday as the Industrials crossed back above its 200 day and 20 day SMAs early this week and crossed above its 50 day SMA on Friday to end the week up +3.22% and now above all 3 of its key SMAs.



Nasdaq monthly chart as of Mar 31, 2023 - The Nasdaq composite spent the last 3 months of 2022 and the first month of 2023 within a range that straddled the 50 month SMA. Last month we saw a higher highs and a higher low but a lower close in a range above the 50 month SMA. In March we saw a lower low and lower high but a higher close near to the prior month highs with only a brief dip below the 50 month SMA.



Nasdaq weekly chart as of Mar 31, 2023 - We saw a 5 week rally at the beginning of 2023, followed by a 5 week pull back. Support was found 2 weeks ago and we saw last week move higher and remain above 200 week and 50 week SMAs then continue higher this week to nearly test the 2023 highs seen on Feb. 2nd.



Nasdaq daily chart as of Mar 31, 2023 - Here we see the highs last week on Mar. 22nd that continued lower Monday and Tuesday this week. The Resistance Trend Line (Grey line) is drawn between the Mar. 22nd highs and the Mar. 27th highs and was gapped above on Wednesday's open. Wednesday, Thursday and Friday saw the continuation higher to end the week with the highest close in 2023 but shy of exceeding the highs from Feb. 2nd, ending this week up +3.37% and above all 3 of its key SMAs. The Nasdaq composite has been above all 3 of its key SMAs since Mar. 16th, one day after the 'Golden Cross' (50 day SMA crossed above the 200 day SMA) on Mar. 15th.



Russell 2000 monthly chart as of Mar 31, 2023 - The Russell has been mostly horizontal and straddling its 50 month SMA (Blue) for most of 2022 and continued to do so in Jan. 2023. February saw a higher high and higher low with Resistance found near its 20 month SMA (Yellow) with a lower Close. March saw a new low for 2023 and a lower high with a close just below its 50 month SMA.



Russell 2000 weekly chart as of Mar 31, 2023 - We see the failed rally in the 5th week of this year followed by a decline the next 6 weeks to deliver new 2023 lows last week. This week saw a bounce that failed to reach any of its weekly SMAs.



Russell 2000 daily chart as of Mar 31, 2023 - Last week ended with new 2023 lows last Friday but with a higher close that day. This week saw higher highs and higher lows every day but on Tuesday (which was an 'Inside' day) crossing above its 20 day SMA on Friday to end the week up +3.89%. Out of the above 4 indexes, the Russell saw the largest gains this week.

As the first quarter of 2023 has now ended, let's look at a comparison chart (below) to see how much these four indexes have gained so far this year.



Indexes Year to Date Percentage change daily chart as of Mar 31, 2023 - The Nasdaq-100 is up over +20.6%, the Nasdaq composite is up over +16.7%, the S&P-500 is up over +7.0%, the Russell 2000 is up over +2.3% and the Dow Industrials are up over +0.4%. The chart above shows a comparison of these 4 indexes by using liquid ETFs that are very close in value to these indexes.

In last week's 'Market Observations' we dug into some of the details of the weighting of the largest stocks in these indexes, and how those names have a very large weighting and influence in various indexes. You can see their impact in the above chart with the Nasdaq leading the rally so far this year. The greatest divergence between these indexes was seen over the last 3 weeks of this quarter as the distance between the NDX and SPY grew significantly.

Next we will look at a few key 'Market internals'.



McClellan Summation Index weekly chart as of Mar 31, 2023 - Last week we saw a smaller decline down to -415.66. This week we see a bounce up to -194.97.



McClellan Summation Index daily chart as of Mar 31, 2023 - We saw a slowing of the rate of decline late last week and see a reversal to a positive slope this week, ending this week at -194.97. This breadth chart shows a change in trend this week, possibly ending the decline that began early February.



NYSE Percent above 200 day SMA daily chart as of Mar 31, 2023 - We saw oscillations between 39 and 44 for over two weeks, ending last week at 40.61%. This week we see an increase each day to end this week over 50% at 54.19%.



NYSE Percent above 50 day SMA daily chart as of Mar 31, 2023 - We saw declining oscillations in the prior two weeks that ended last week at 19.63%. This week we see an increase up to 39.69%.



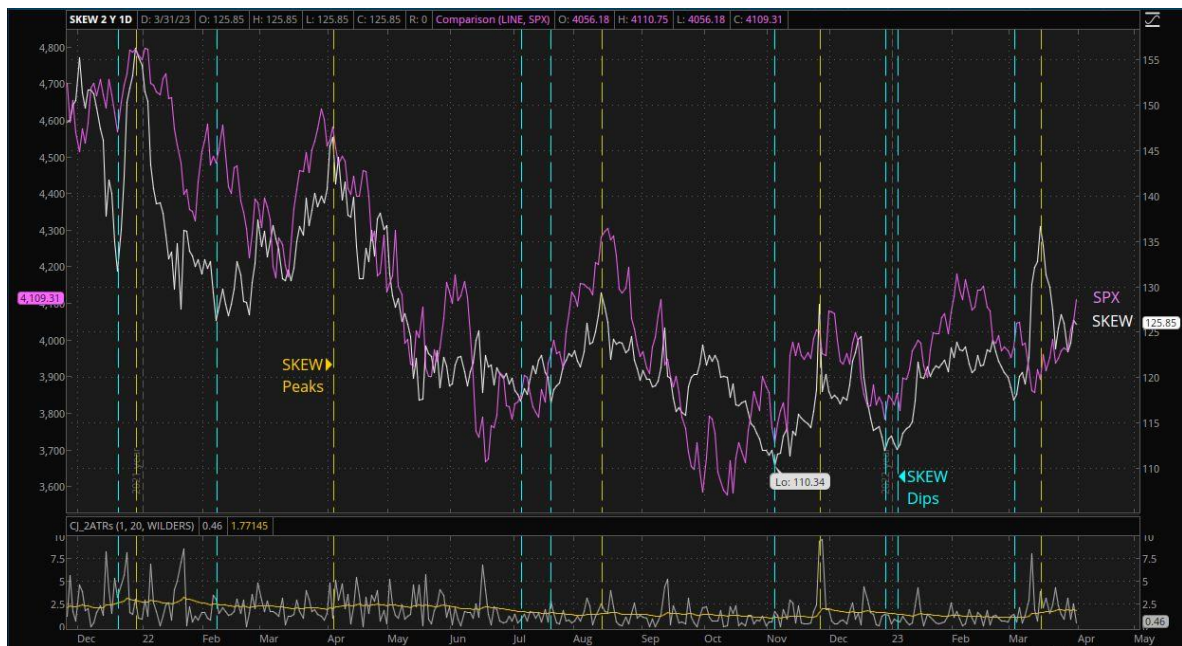
VIX weekly chart as of Mar 31, 2023 - Over the past 3 years we see some 'consolidation' in the VIX with declining peaks last year that continue lower this year (Yellow Trend Line). Also support has increase a bit over the past two year (Grey Trend Line).



VIX daily chart as of Mar 31, 2023 - In Jan. we see a decline in VIX as the markets rallied. The market decline after the Feb. 2nd highs did NOT cause a major increase in the VIX, but a mild increase as markets sold off. We did not see a pop in the VIX until March 9th when banking issues blew up. The VIX peaked on March 13th just as the market was making lower lows and found some support. The S&P has rallied since Mar. 13th and the VIX has slowly declined since. This is mostly 'normal' VIX behavior.



VVIX daily chart as of Mar 31, 2023 - The Volatility of the VIX shot up on Mar. 9th and peaked on Mar. 15th. Since that peak the VVIX has slowly declined back below its 3 SMAs.



SKEW vs. S&P daily chart as of Mar 31, 2023 - This chart shows Options SKEW (White) vs. the S&P (Purple) over the past 16 months. High extreme levels in SKEW are caused by very aggressive buyers of Out-Of-The-Money Options that are willing to pay high premiums for those contracts. To help check for any correlation between the SKEW and the S&P I have drawn vertical dash lines at SKEW Peaks in Yellow and at SKEW Dips in light Blue. As you may observe, there are some correlations between these two at times, and a number of times when there is little to no correlation or an inverted correlation. This study indicates that SKEW may show us peaks in hedging activity, but those peaks are not reliable indications of a change in trend in the S&P.

Next we will look at a few key Commodities, Currency and Treasuries.



Oil daily chart as of Mar 31, 2023 - Last week Oil prices saw a small bounce and pause from the new 2023 lows. This week we saw a strong rally Monday that continued with higher highs each day this week, crossing above its 20 day SMA Tuesday and ending the week nearly on its 50 day SMA.



Gold daily chart as of Mar 31, 2023 - Last week we saw several brief breaks above \$2000 in Gold prices. This week began with a smaller dip Monday and rally Tuesday that continued Wednesday with a small gain and pause. Thursday saw another rally and brief test above \$2000. Friday saw another test above \$2000 with a small decline late in the day. We seem to see lots of tests of Resistance near \$2000 with smaller dips in between each test. This chart suggests that Supply may be fully consumed soon and when that happens, prices will continue higher looking for supply.



US Dollar Index daily chart as of Mar 31, 2023 - The US Dollar drifted a little lower this week with support being tested again near the 102 area.



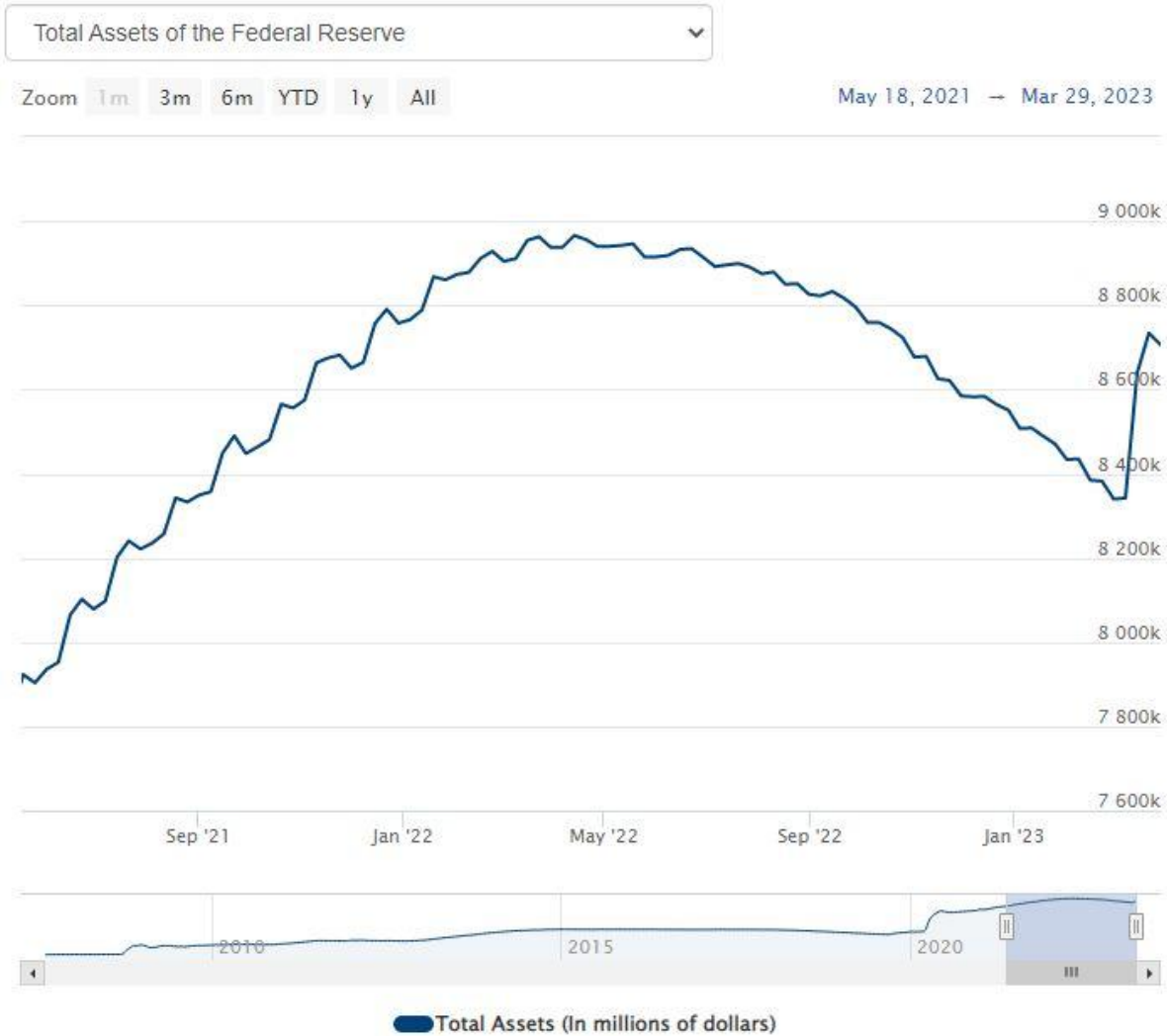
US 10 year Treasury daily chart as of Mar 31, 2023 - We saw aggressive buyers step in March 9th and continued buying for over 2 weeks to drive Treasuries up to the peak on March 24th. We saw a decline the first 3 days of this week back below the 200 day SMA. Thursday saw a pause and some buying returned on Friday back above the 200 day SMA.



US 10 year Yield daily chart as of Mar 31, 2023 - Inverse to the Treasuries, we see the Yield decline from Mar. 9th to Mar. 24th then bounce Monday and Tuesday and pause Wednesday this week as Treasuries were sold early this week. Thursday and Friday saw Yields decline as buyers returned.

Date	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
03/01/2023	4.67	4.82	4.90	5.02	5.20	5.06	4.89	4.61	4.27	4.17	4.01	4.17	3.97
03/02/2023	4.75	4.80	4.91	5.02	5.18	5.04	4.89	4.63	4.32	4.24	4.08	4.24	4.03
03/03/2023	4.75	4.79	4.91	5.01	5.18	5.03	4.86	4.60	4.26	4.15	3.97	4.12	3.90
03/06/2023	4.75	4.79	4.93	5.02	5.22	5.05	4.89	4.61	4.27	4.16	3.98	4.14	3.92
03/07/2023	4.80	4.88	5.04	5.12	5.32	5.22	5.00	4.66	4.31	4.17	3.97	4.11	3.88
03/08/2023	4.77	4.88	5.06	5.21	5.34	5.25	5.05	4.71	4.34	4.19	3.98	4.11	3.88
03/09/2023	4.83	4.96	5.05	5.19	5.32	5.18	4.90	4.56	4.22	4.10	3.93	4.09	3.88
03/10/2023	4.81	4.91	5.01	5.08	5.17	4.90	4.60	4.31	3.96	3.86	3.70	3.90	3.70
03/13/2023	4.62	4.81	4.87	4.87	4.81	4.30	4.03	3.88	3.68	3.65	3.55	3.85	3.70
03/14/2023	4.47	4.77	4.88	4.95	4.93	4.45	4.20	4.05	3.78	3.74	3.64	3.91	3.77
03/15/2023	4.23	4.56	4.75	4.85	4.73	4.19	3.93	3.83	3.59	3.57	3.51	3.82	3.70
03/16/2023	4.22	4.66	4.74	4.92	4.94	4.49	4.14	3.99	3.72	3.67	3.56	3.87	3.71
03/17/2023	4.31	4.51	4.52	4.79	4.71	4.26	3.81	3.68	3.44	3.45	3.39	3.76	3.60
03/20/2023	4.34	4.56	4.81	4.84	4.80	4.34	3.92	3.77	3.56	3.55	3.47	3.83	3.65
03/21/2023	4.07	4.50	4.78	4.89	4.96	4.68	4.17	3.98	3.73	3.68	3.59	3.90	3.73
03/22/2023	4.16	4.56	4.79	4.91	4.95	4.56	3.96	3.76	3.54	3.53	3.48	3.83	3.68
03/23/2023	4.26	4.48	4.73	4.84	4.80	4.38	3.76	3.57	3.39	3.39	3.38	3.78	3.66
03/24/2023	4.28	4.48	4.74	4.78	4.76	4.32	3.76	3.58	3.41	3.40	3.38	3.77	3.64
03/27/2023	4.22	4.47	4.91	4.90	4.86	4.51	3.94	3.79	3.59	3.57	3.53	3.90	3.77
03/28/2023	4.24	4.39	4.80	4.86	4.90	4.55	4.02	3.84	3.63	3.60	3.55	3.90	3.77
03/29/2023	4.34	4.50	4.80	4.91	4.92	4.59	4.08	3.87	3.67	3.62	3.57	3.91	3.78
03/30/2023	4.74	4.77	4.97	4.94	4.92	4.63	4.10	3.87	3.66	3.61	3.55	3.88	3.74
03/31/2023	4.74	4.79	4.85	4.97	4.94	4.64	4.06	3.81	3.60	3.55	3.48	3.81	3.67

US Yield Rates daily table as of Mar 31, 2023 - We saw most Yields decline this month for most terms. The 10 year - 2 year Inversion continues with a peak Inverted spread of 107 basis points seen on March 8th. The 2 year - 3 months Inversion spread peak at 98 basis points on March 24th. Only the Fed Funds rate is set by the Fed, and the markets set the Yields for the Treasuries based on Supply and Demand.



FOMC Balance Sheet weekly chart as of Mar 29, 2023 - After two weeks of very large increases in the Balance Sheet, this week we see a small decrease of \$27.845 Billion to a current Total Assets now of \$8.705942 Trillion. Jay Powell has created a pickle of a situation, with significant increases to the Balance Sheet (Stimulus) that feeds inflation while at the same time increasing Interest Rates to try to reduce inflation. Lots of risks remain in both banking and economic (balloon) cycles, so stay alert as we know that 'Anything' can happen.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of Mar 31, 2023 - The Transports found support last Friday as it bounced off of the \$13,486 level. Every day this week we saw higher highs, higher lows and a higher close with a cross above its 200 day SMA Monday and a pause near its 20 day SMA Thursday. Friday saw the largest daily gains for this week, ending the week up +5.34%.



XLE daily chart as of Mar 31, 2023 - After finding support last Friday, this week the Energy sector saw higher highs, higher lows and a higher close every day this week, crossing above its 20 day SMA on Wed. and above its 200 day SMA on Thursday. Friday closed higher to end the week up +6.34%.



XLF daily chart as of Mar 31, 2023 - The Financial sector saw a huge decline this month thanks to the bank failures. Last Friday saw new 2023 lows near its prior July 2022 lows with a bounce that day. This week we saw a gap up Monday and pause Monday and Tuesday. Wednesday saw another gap up and small rally. Thursday saw higher highs that exceeded the prior week's highs before pulling back most of the day. Friday saw a higher high, higher low and higher close to end the week up +3.74%.



QQQ daily chart as of Mar 31, 2023 - The QQQ formed a cup-n-handle pattern from Feb. 2nd highs Resistance (Grey line) to last week's highs that failed to remain above this resistance. Monday and Tuesday this week saw a decline continue from last week's highs. Wednesday saw a gap above the Resistance Trend Line (Grey-Blue line) and Thursday saw a break above the Cup-n-handle resistance. Friday saw the largest gains and volume, ending the week up +3.23%.



SOXX daily chart as of Mar 31, 2023 - The Semiconductor sector declined last Friday and continued lower Monday and Tuesday this week to find support at its 50 day SMA. The trend changed Wednesday with a gap up and rally nearly to retest the Feb. 2nd highs. Thursday and Friday saw new highs for 2023 to end the week up +3.54%.



XLC daily chart as of Mar 31, 2023 - The Communication Services sector saw a pause for 4 days last week and continued in that range with a small decline on Monday and Tuesday and a small rally on Wednesday and Thursday this week. Friday saw a strong break above last week's highs to realize most of this week's gains on the last day of the week, ending the week up +2.33%.

<i>INDEXes</i>	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
<i>SECTORs</i>	2/17/2023	2/24/2023	3/3/2023	3/10/2023	3/17/2023	3/24/2023	3/31/2023
\$SPX	-0.28%	-2.67%	1.90%	-4.55%	1.43%	1.39%	3.48%
\$INDU	-0.13%	-2.99%	1.75%	-4.44%	-0.15%	1.18%	3.22%
\$COMPQ	0.59%	-3.33%	2.58%	-4.71%	4.41%	1.66%	3.37%
\$RUT	1.44%	-2.87%	2.00%	-8.07%	-2.64%	0.52%	3.89%
QQQ	0.49%	-3.09%	2.68%	-3.71%	5.83%	1.97%	3.23%
\$TRAN	0.62%	-3.35%	3.31%	-5.98%	-3.07%	-0.49%	5.34%
XLE	-6.34%	0.20%	3.07%	-5.31%	-6.85%	2.25%	6.34%
XLF	-0.27%	-2.01%	0.93%	-8.50%	-5.92%	0.03%	3.74%
XLK	-0.40%	-2.67%	2.98%	-3.12%	5.66%	1.97%	3.46%
SOXX	-0.39%	-2.32%	3.28%	-3.50%	5.07%	1.20%	3.54%
XLV	-0.38%	-2.64%	0.51%	-3.89%	1.38%	1.54%	1.70%
XLY	1.63%	-4.46%	1.70%	-5.54%	2.27%	0.48%	5.62%
XRT	3.44%	-6.71%	0.83%	-6.07%	-3.70%	-0.31%	5.33%
XLI	0.87%	-2.64%	3.35%	-4.50%	-2.35%	0.66%	4.41%
XLU	1.14%	-2.73%	-0.54%	-2.76%	3.96%	-1.19%	3.04%
XME	1.66%	-4.25%	9.83%	-11.14%	-5.73%	1.93%	5.75%
XLP	0.97%	-1.32%	-0.23%	-1.97%	1.41%	1.68%	2.38%
XLB	-0.89%	-0.14%	4.20%	-7.59%	-3.42%	2.16%	5.01%
XLC	0.71%	-3.81%	2.85%	-4.57%	5.26%	3.26%	2.33%
XHB	0.36%	-3.22%	3.10%	-4.85%	-0.82%	0.68%	3.94%

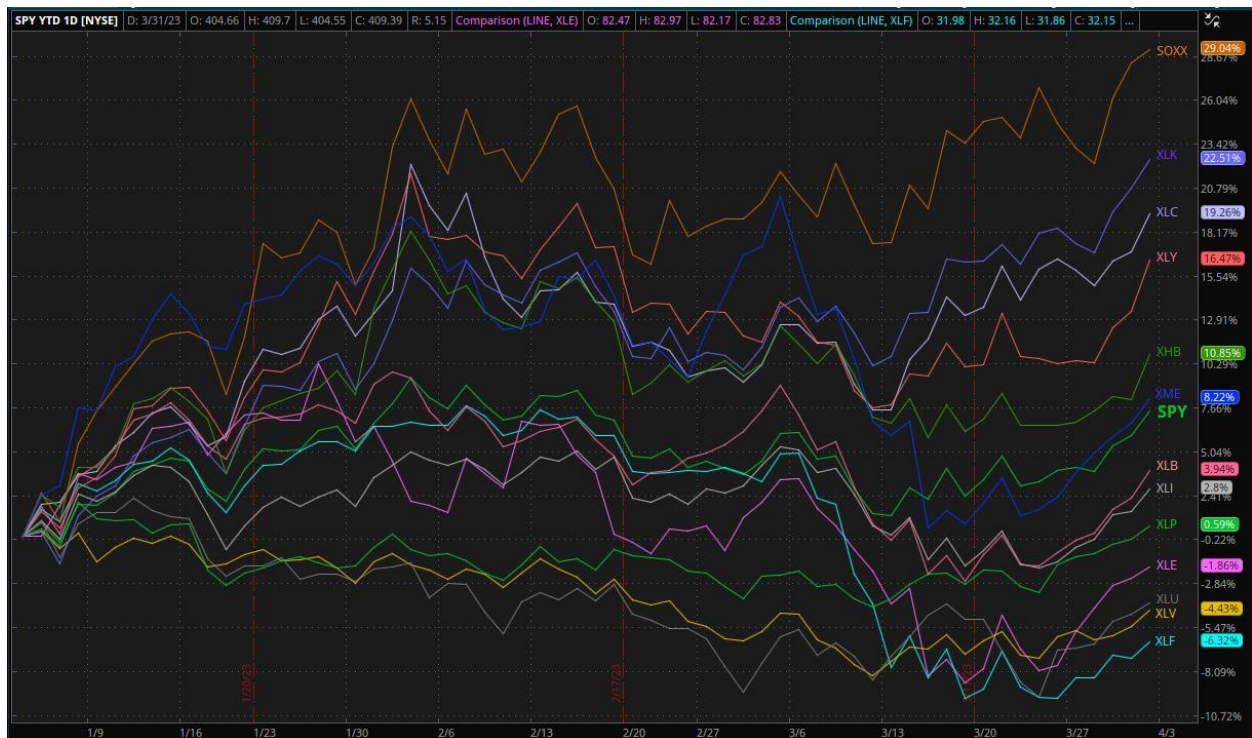
Weekly Percent Change US Indexes and Sectors table as of Mar 31, 2023 - All 4 of the Indexes above gained over +3% this week with the Russell gaining the most. That could also explain why we saw strong gains this week in several of the above 'Market Internals'. In recent weeks the Nasdaq had most often led on rally days and weeks, but was not as strong this week.

The strongest sectors this week included: XLE, XME, XLY, Transports, XRT and XLB that were all above +5%. This can help explain the strong showing in the S&P this week.

The weakest sectors this week included: XLV, XLC and XLP that were all up this week by less than +2.4%. With all sectors up this week, that is yet another clue as to the 'Breadth' of this week's gains.

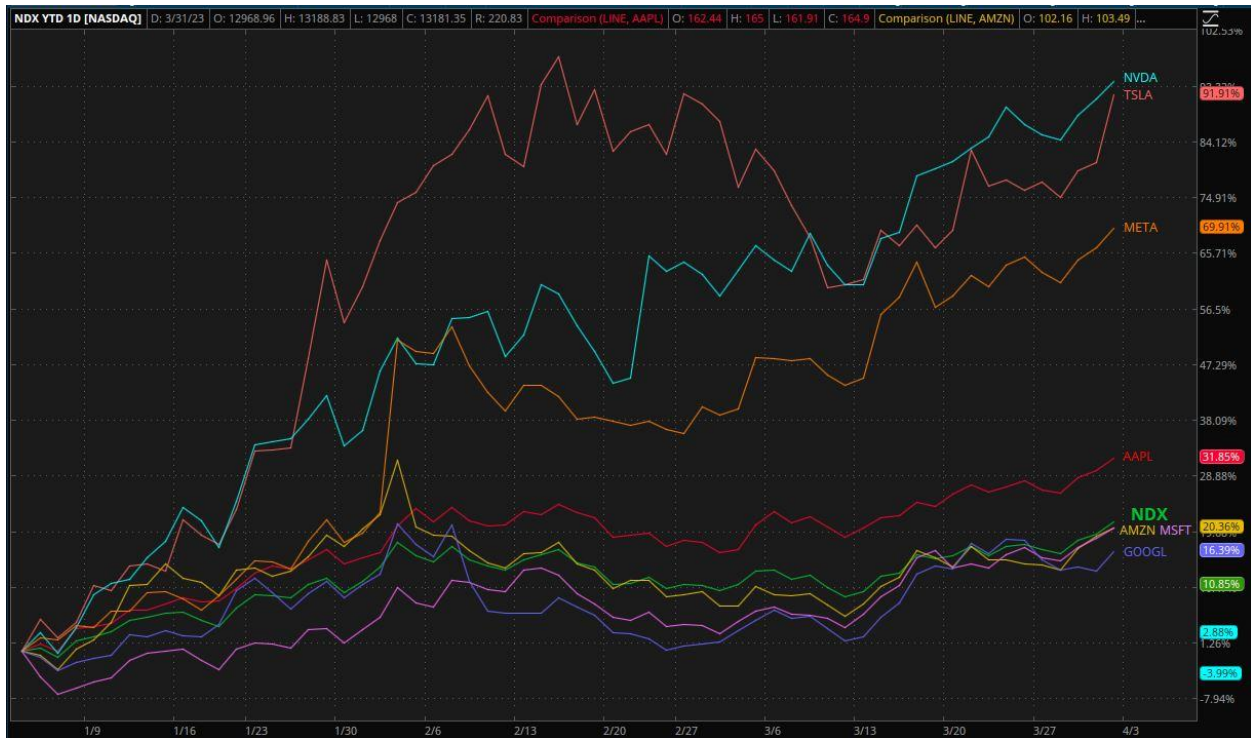
INDEXes SECTORs	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 03/20/23	End of Day 03/21/23	End of Day 03/22/23	End of Day 03/23/23	End of Day 03/24/23	End of Day 03/27/23	End of Day 03/28/23	End of Day 03/29/23	End of Day 03/30/23	End of Day 03/31/23
\$SPX	0.89%	1.30%	-1.65%	0.30%	0.56%	0.17%	-0.16%	1.42%	0.57%	1.44%
\$INDU	1.20%	0.98%	-1.63%	0.23%	0.41%	0.60%	-0.12%	1.00%	0.43%	1.26%
\$COMPQ	0.39%	1.58%	-1.60%	1.01%	0.31%	-0.47%	-0.45%	1.79%	0.73%	1.74%
\$RUT	1.11%	1.88%	-2.83%	-0.41%	0.85%	1.08%	-0.06%	1.08%	-0.18%	1.93%
QQQ	0.20%	1.43%	-1.36%	1.19%	0.37%	-0.69%	-0.53%	1.82%	0.95%	1.66%
\$STRAN	-0.06%	1.67%	-2.03%	-0.16%	0.14%	1.32%	0.34%	0.99%	0.41%	2.19%

Daily Percent Change US Indexes table as of Mar 31, 2023 - Note how the Transports were not only one of the stronger sectors this week, but also lead on 3 days this week, Mon. Tue. and Fri. with brief weakness Wednesday that was still up +0.99% that day. Also note that the QQQ was the weakest on Mon. and Tue. then became the strongest on Wed. and Thursday. The QQQ did not lead on Friday but it was still up by +1.66% that day.



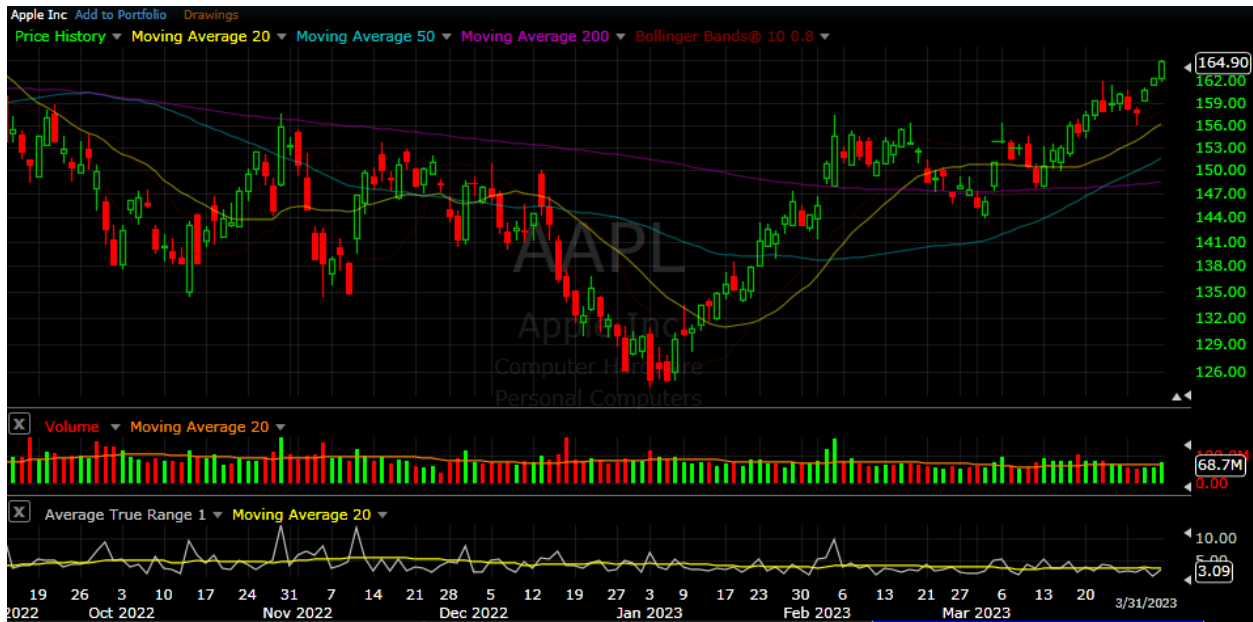
SPY vs. Sectors YTD Percentage change daily chart as of Mar 31, 2023 - Here we have a chart showing the percentage change since the beginning of 2023. This gives us a visual way to compare the SPY to 13 Sectors. Six sectors have performed better than the SPY so far this year. The strongest sectors included the SOXX, XLK, XLC, XLY, XHB and XME. The other sectors have performed less than the SPY so far this year with the XLF the weakest. You can see the XLF drop in early March as the banking crisis fears grew.

Last week we looked at the weighting of the 7 largest companies in the major indexes (Nasdaq-100, S&P) and saw how these few stocks have a VERY significant influence on most of the Major Indexes. Below is a comparison chart to see how each of these 7 big stocks have done so far in 2023 in comparison to each other and compared to the Nasdaq-100 (NDX).



NDX vs. Biggest 7 stocks YTD Percentage change daily chart as of Mar 31, 2023 - NVDA (+90%) and TSLA (+68%) have both seen very significant gains so far this year with META close behind (+76%). AAPL (+26.9%), AMZN (+22.9%), MSFT (20.2%) and GOOGL (+17.5%). Note that TSLA has seen a roller coaster so far this year while NVDA has seen a much steadier rally up. This type of comparison can help identify 'strength' which could influence trading or portfolio weighting decisions. It is also a method to 'see' when Trends may change or Leadership is rotated into other stocks.

Next we will look at a few key Stocks.



AAPL daily chart as of Mar 31, 2023 - Apple saw a small dip Monday and Tuesday then resumed its rally Wednesday, Thursday and Friday, ending the week with new 2023 highs, up +2.90% for the week.



MSFT daily chart as of Mar 31, 2023 - Microsoft also saw a dip Monday and Tuesday then a gap up and rally Wednesday, Thursday and Friday, ending the week with new 2023 highs, up +2.76% for the week.



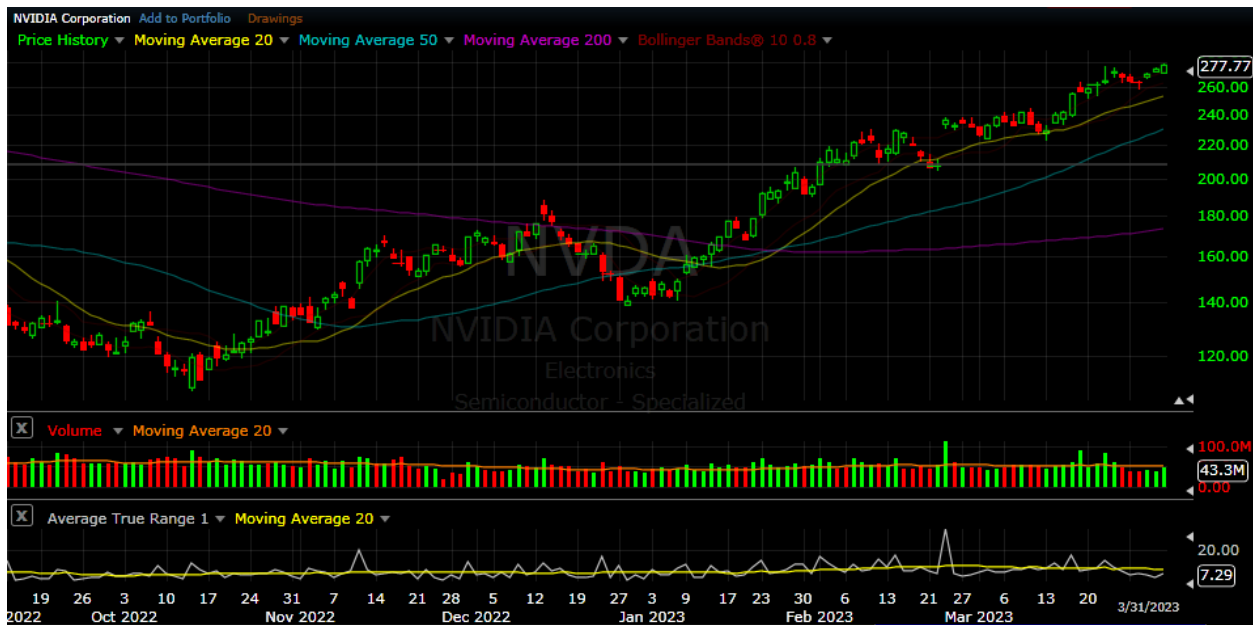
GOOGL daily chart as of Mar 31, 2023 - Last week the Alphabet rally failed to reach its prior Feb. highs and pulled back a little last Thursday and Friday. This week we saw a sharp decline Monday and Tuesday below its 200 day SMA. Wednesday and Thursday saw a pause above and below the 200 day SMA. Friday saw a strong rally to recover a portion of this week's losses, ending the week down -1.62%.



AMZN daily chart as of Mar 31, 2023 - Amazon saw a failed rally Monday that sold off back below its 50 day SMA on Tuesday. Wednesday saw a gap up and rally that continued higher Thursday and Friday to end the week up +5.26%.



TSLA daily chart as of Mar 31, 2023 - Tesla saw a slow drift lower last week just above its 20 day SMA that continued Monday and Tuesday this week. Wednesday saw a small rally that continued higher Thursday. Friday saw a strong rally above the prior week's highs and ending this week up +8.95%.

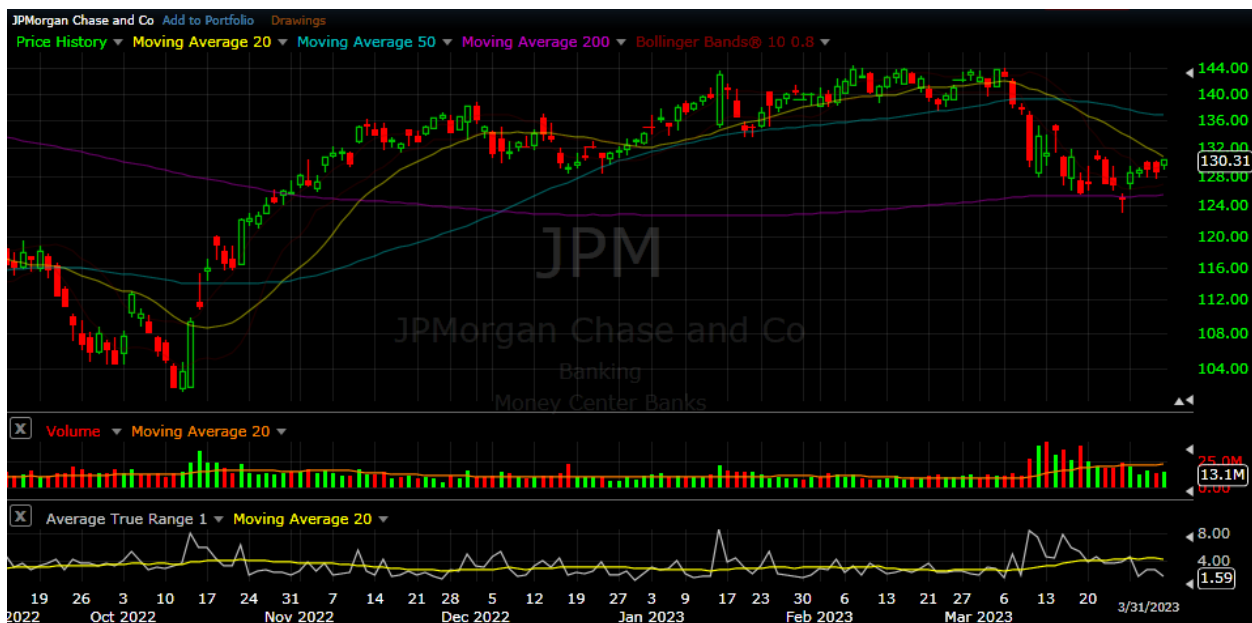


NVDA daily chart as of Mar 31, 2023 - Nvidia has seen a rather steady rally nearly all of 2023. The decline we saw last week on Thursday and Friday continued lower on Monday and Tuesday of this week. Wednesday saw a change with a gap up and rally that continued higher Thursday and Friday, delivering new 52 week highs on Friday, ending the week up +3.73%.

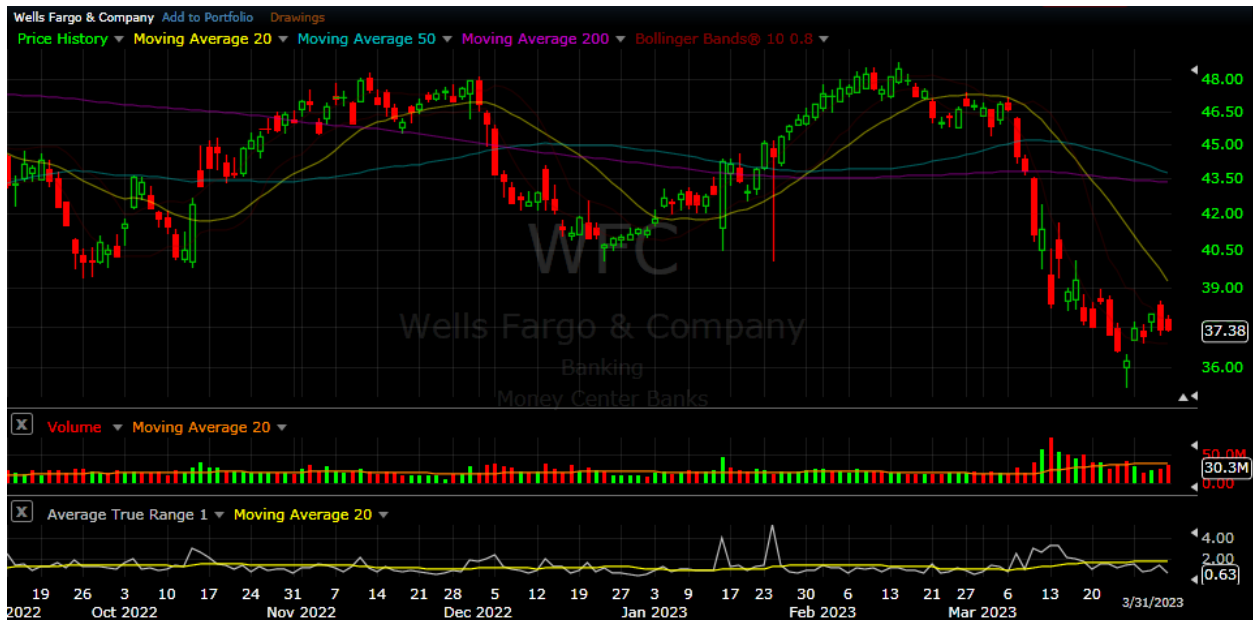


META daily chart as of Mar 31, 2023 - Meta saw a pull back on Monday and Tuesday followed by a gap up and rally Wednesday. Thursday and Friday both delivered new 2023 highs, higher lows and a higher close to end the week up +2.88%.

Out of the seven biggest stocks above, what names delivered more than a +3.3% gain this week (greater than the NDX this week)? Are any of these same stocks also included in the 3 strongest names on the Year-to-Date Percentage change chart on page 26 above?



JPM daily chart as of Mar 31, 2023 - JP Morgan delivered a new 2023 low last Friday and bounced Monday back into a narrow range for most of this week. Friday saw a slightly higher high and close to end the week up +4.32%.



WFC daily chart as of Mar 31, 2023 - Wells Fargo Bank saw new 2023 lows last Friday. Monday saw a gap up without much follow through. Tuesday saw a pause 'Inside' day. Wednesday saw a small rally then opened higher Thursday just to sell lower most of the day. Friday saw an 'Inside' day to end the week up +3.17%.



INTC daily chart as of Mar 31, 2023 - Intel formed a Cup-n-handle with persistent Resistance near \$30.4 since last November. Monday and Tuesday saw a small decline as INTC formed a 'handle'. Wednesday saw a gap up and strong rally that broke above this key Resistance level early in the day as well as crossing above its 200 day SMA. The rally slowed but continued higher Thursday and Friday as it delivered new 2023 highs and ended the week up +11.27% and is now above all 3 of its key SMAs.



MU daily chart as of Mar 31, 2023 - Micron saw a decline Monday and Tuesday before reporting Earnings after the close on Tuesday. Wednesday saw positive reactions to Earnings with a gap up and rally to over \$64. Thursday saw some of those gains given back. Friday saw a large gap down as a majority of the post Earnings gains were given back. MU ended the week down -1.34%.



CAT daily chart as of Mar 31, 2023 - Caterpillar found support 2 weeks ago near its 200 day SMA (Purple) and nearly retested that support last Friday. Monday CAT saw a rally that continued all week with higher highs and higher lows every day this week, crossing above its 20 day SMA on Friday and ending the week up +5.45%.



DE daily chart as of Mar 31, 2023 - John Deere tested support at its 200 day SMA last Friday and saw a rally follow every day this week, crossing above its 20 day SMA Thursday and above its 50 day SMA on Friday, ending the week up +7.16% and is now above all 3 of its key SMAs.



X daily chart as of Mar 31, 2023 - US Steel found support just above its 200 day SMA 2 weeks ago and retested support last Friday with a higher low than the prior week. A rally followed every day this week except on Friday. X found Resistance at its 20 day SMA Thursday and was followed by an 'Inside' day on Friday, ending the week up +4.40%.



BA daily chart as of Mar 31, 2023 - Boeing found support 2 weeks ago at \$192.41 the 2023 lows and retested support last Friday with a higher low at \$193.92. This week saw a rally with higher highs, higher lows and a higher close every day this week, crossing above its 20 day SMA on Tuesday and crossing above its 50 day SMA the following day. BA ended the week up +7.54%.

This week we saw several 'Industrial' names rally every day this week while Big Tech and Semiconductors (prior leaders) changed from Bearish to Bullish at the open on Wednesday. Only a few of the biggest 7 stocks performed better than the NDX this week. The Russell 2000 and the Transports shows some strength this week.

Breadth indicators showed us broad strength to this week's rally.

Oil and Gold prices moved up while the US Dollar shows some potential weakness.

Lots of Trend Lines were broken at the open on Wednesday, giving broad confirmation that the buyers are back and are active.

Both the S&P and Nasdaq showed 'slow' declines on Monday and Tuesday and were followed with a STRONG rally the rest of this week. Trends do change, and keeping track of those changes can help one confirm when the odds may have changed in your favor. Trend Lines are one of many methods to help identify when changes in Trends may occur. However, every method also has false signals, so it is very important to fully understand both the pros and cons of any method BEFORE you decide to use it.

Hope this helps.

Trade Smart,

CJ