



## Market Observations - as of May 5, 2023

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

Last week (the week ending April 28, 2023) we did not publish a 'Market Observations'.

Last week we saw a pause on Monday (April 24<sup>th</sup>) then a strong decline on Tuesday that continued lower Wednesday to deliver new lows for April and closing that day below the weekly Expected Move. Thursday (April 27<sup>th</sup>) saw a gap up at the open and a strong rally all day that continued higher Friday to end the week higher in most major indexes (except for the Russell 2000).

This week we saw the rally from late last week continue higher on Monday to nearly retest the 2023 highs in the S&P-500 and the Nasdaq Composite. The Nasdaq-100 did briefly deliver new 2023 highs on Monday before pulling back and closing the day near where it began that day.

Tuesday saw a fast decline the first 2 hours of the day then bounced the remainder of the day to recover only about  $\frac{1}{4}$  of the day's decline. Wednesday saw some oscillations before the Fed announcement, with wider oscillations in the minutes after the Fed announced 0.25% Rate Hike before a sharp decline the last hour of the day near the prior day's lows. Thursday saw a small gap down at the open and a decline the first hour with bounces and oscillations most of the day to end the day lower. The S&P remained below its lower weekly Expected Move all day on Thursday. The NYSE saw an extreme low in the 'New Highs minus New Lows' Index on Thursday at -247 for the lowest level seen since mid March.

Friday saw a gap up after the Jobs Report and rally continued higher the first hour before pausing the next 2.5 hours. We next saw a mild rally for 2 hours and a mild pull back the last hour on Friday to end the week flat in the Nasdaq and with a small decline in the S&P and Dow Industrials. The Nasdaq-100 briefly delivered new 2023 highs on Friday about an hour before the close.

The US Dollar Index remained within a narrow range the past two weeks while Oil saw a small decline last week and a sharp decline then bounce this week. Gold paused last week and rallied this week to nearly retest the all time highs from Aug. 2020.

The US 10 year Treasuries saw some mild buying pressure early last week and again early this week as Yields dipped each week in response.

Options SKEW spiked at the end of last week (April 28<sup>th</sup>) to new 2023 highs of 138.44 indicating strong hedging activities as the markets rallied that day. This shows us a lot of pessimism amongst Options Traders who rushed to put on their hedges that day.

Let's look at the charts to see what they are telling us about this week.



S&P 500 weekly chart as of May 5, 2023 - The S&P has remained within a range for 5 weeks and has not yet exceeded its Feb.2<sup>nd</sup> 2023 highs.



S&P 500 daily chart as of May 5, 2023 - The grey box shows the range of the S&P over the past 5 weeks (since March 31<sup>st</sup>). This week we saw a dip below the 20 day SMA and a test of 4050 area support on Thursday. Friday saw a rally back above the 20 day SMA to end the week down -0.80%.



S&P 500 15 min. chart as of May 5, 2023 - We saw the S&P dip below its lower weekly Expected Move last Wednesday (April 26<sup>th</sup>) then gapped back above the next day and rallied to recover most all of the week's decline. The rally continued higher last Friday (April 28<sup>th</sup>) to end last week up +0.87%.

This week we saw the rally continue the first half of Monday to higher highs then drift lower the rest of the day. Tuesday saw a sharp decline for 2 hours, testing this week's lower weekly Expected Move and then bouncing the rest of the day to recover about ¼ of the day's decline. Wednesday saw oscillations before the Fed meeting announcement, then saw wider oscillations after the rate hike was announced. The last hour saw a sharp decline to end the day below the lower weekly Expected Move. Thursday saw a gap down and decline the first hour to test support in the 4048-4050 area and oscillated above that support the rest of the day. The lows on Thursday exceeded the prior week's lows by just over 1 point. Friday saw a gap up and rally all day back above the lower weekly Expected Move to end the week with a -0.80% decline.

The rally on Friday (May 5<sup>th</sup>) saw the Nasdaq-100 only briefly exceed the prior week's highs to deliver a new high for 2023. The Nasdaq Composite came close but failed to exceed its prior 2023 high from Feb. 2<sup>nd</sup> this year.



DJIA weekly chart as of May 5, 2023 - The Dow Industrials have also been mostly horizontal for 5 weeks but with an 'expanding' range last week and even larger this week.



DJIA daily chart as of May 5, 2023 - The Dow Industrials have mostly remained inside a range from 33,240 to 34,100 for five week, exceeding the upper Resistance briefly on Monday this week, and exceeding the lower support and the 50 day SMA on Thursday. Friday saw a rally up to but could not exceed the 20 day SMA, ending the week down -1.24%.



Nasdaq weekly chart as of May 5, 2023 - The Nasdaq composite has been mostly within a range between about 11,900 and 12,230 for just over 5 weeks with this week seeing the highest weekly close over the past 5 weeks. This week saw a higher low, higher high and higher close than last week.



Nasdaq daily chart as of May 5, 2023 - This week we saw a dip below the 20 day SMA mid week then a bounce Friday back above the 20 day SMA, exceeding Monday's highs to end this week up +0.07%.



Russell 2000 weekly chart as of May 5, 2023 - The Russell 2000 has been consolidating for a full year and has been within a narrow range for 8 weeks. This week saw a lower low, lower high and lower close than last week and remains below all 3 key weekly SMAs.



Russell 2000 daily chart as of May 5, 2023 - Last week the Russell broke below its 20 day SMA on April 25<sup>th</sup> and has remained mostly below since. Monday this week we saw a brief test above the 20 day SMA that failed to close above this SMA. The lows Thursday were below the prior week's lows. Friday's bounce failed to reach the 20 day SMA, ending this week down -0.52%.

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



McClellan Summation Index weekly chart as of May 5, 2023 - Last week we saw a small decline to about 220. This week we see a bigger decline to end this week at 76.65.



McClellan Summation Index daily chart as of May 5, 2023 - Here we see a roll over and decline the past two weeks to end this week at 75.65 as both the 50 day and 200 day SMAs converge.

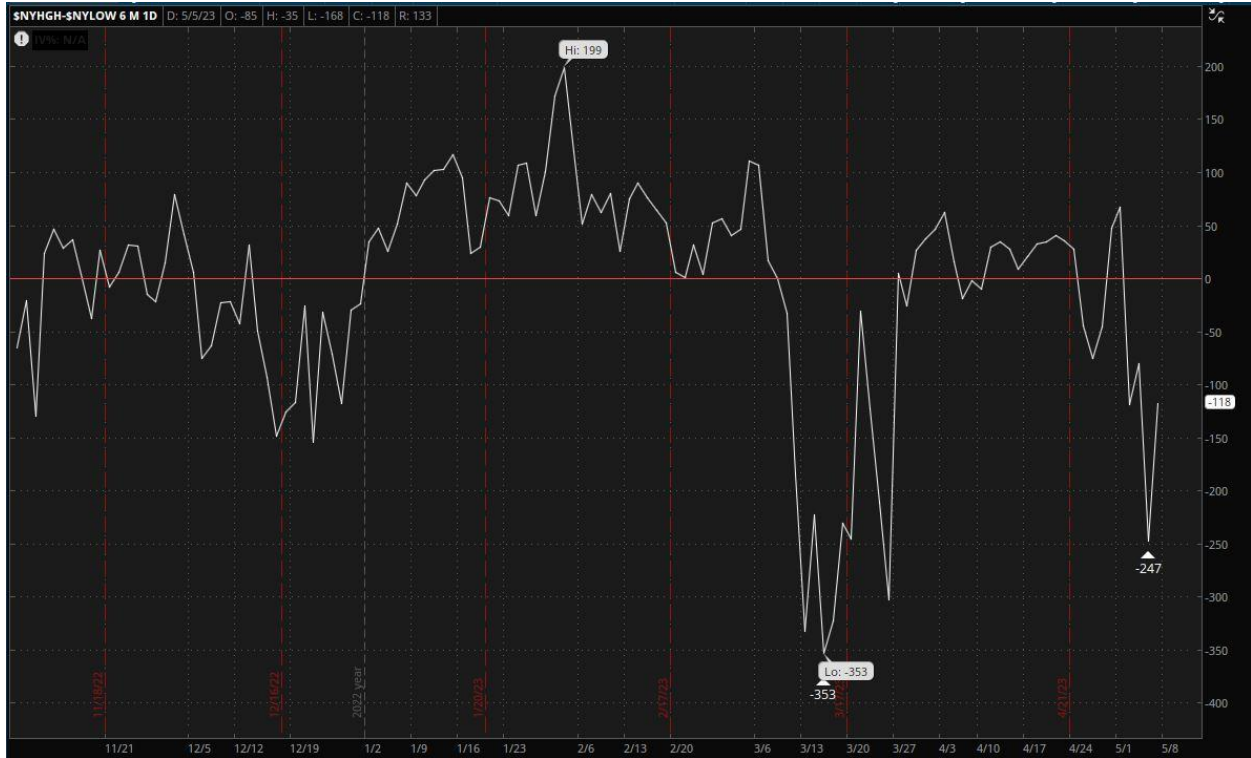


NYSE Percent above 200 day SMA daily chart as of May 5, 2023 - Last week we saw a small dip and bounce to end the week near to the 50 day SMA at about 51.5%. This week we see another dip and bounce to end this week lower at 46.90%.



NYSE Percent above 50 day SMA daily chart as of May 5, 2023 - Last week saw a dip to 34% and bounce back up to 48% where it ended last week. This week we saw another dip to about 33.5% and a bounce back up to end this week at 44.26%.





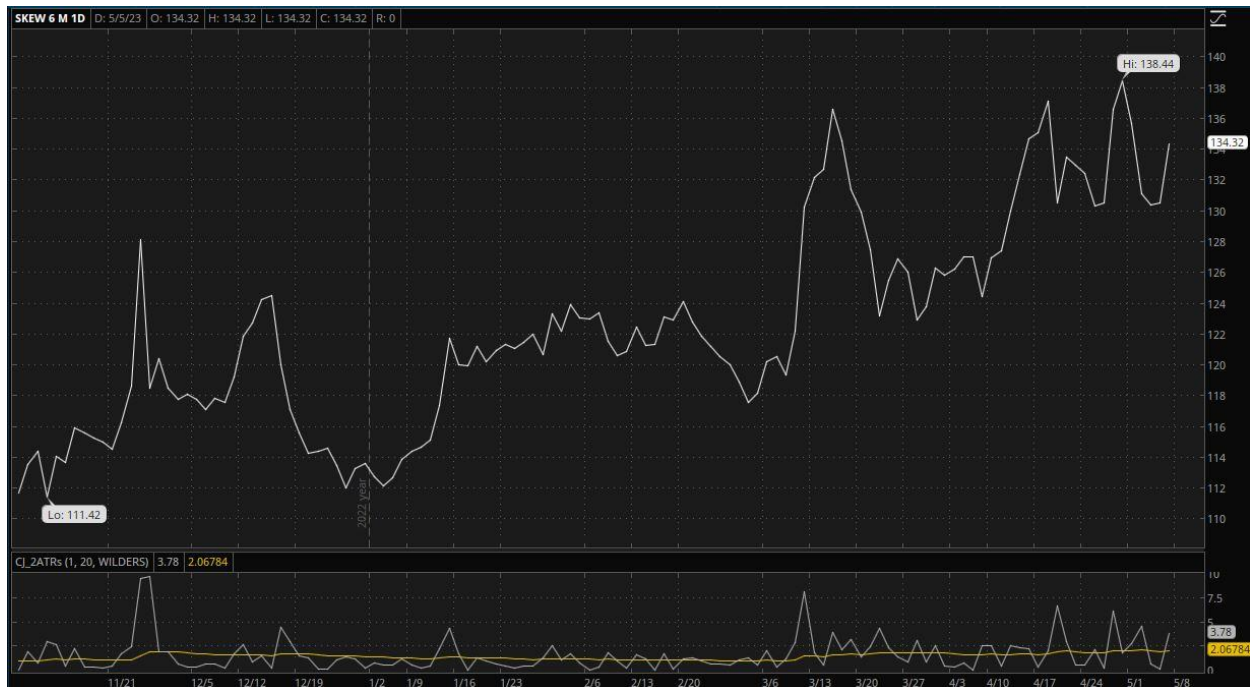
NYSE New Highs minus New Lows daily chart as of May 5, 2023 - The NYSE difference between listed stocks making new 52 week highs minus those stocks making new 52 week lows dipped to -247 on Thursday this week. We have not seen levels this low since March this year.



VIX daily chart as of May 5, 2023 - The VIX rose Tuesday, Wednesday and Thursday this week as the markets declined. Friday saw the VIX decline back below 18 to end this week at 17.19.



VVIX daily chart as of May 5, 2023 - The VVIX peaked Thursday but did not decline below its 50 day SMA on Friday as did the VIX.



SKEW daily chart as of May 5, 2023 - Options SKEW peaked with new 2023 highs last Friday (April 28<sup>th</sup>) as hedging activity peaked. The end of the month that day could have also caused some fund managers to place new hedges for May before the close.

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



Oil daily chart as of May 5, 2023 - Oil declined last week on Tuesday and Wednesday then bounce the next two days back above its 50 day SMA to recover about half of last week's decline. This week was a pause Monday then a larger decline on Tuesday and Wednesday with a brief wild drop Thursday. The bounce Friday failed to recover half of the week's decline.



Gold daily chart as of May 5, 2023 - Gold paused just below its 20 day SMA last week and continued its pause on Monday this week. Tuesday saw a rally above the 20 day SMA that continued higher Wednesday and Thursday, briefly nearly reaching its all time highs from the summer of 2020. Friday saw a pull back to its 20 day SMA and a close at \$2024.90.



US Dollar Index daily chart as of May 5, 2023 - The US Dollar Index has remained within a narrow range for over 4 weeks, briefly rallied above the 20 day SMA on Monday and Tuesday of this week before dropping back below its 20 day SMA on Wednesday for the rest of this week.



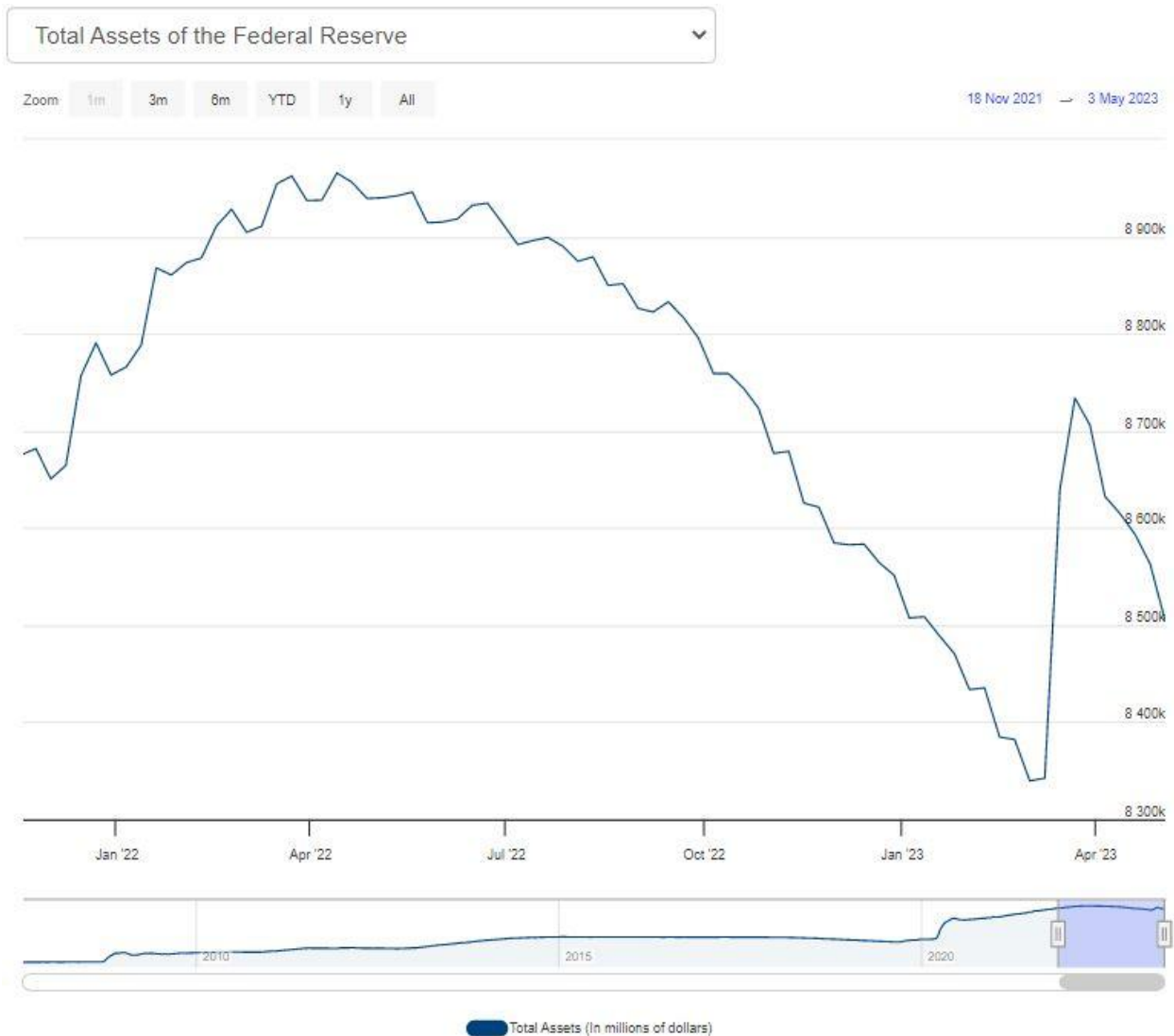
US 10 year Treasury daily chart as of May 5, 2023 - We saw a small rally and pull back last week, then another larger rally Tuesday and Wednesday this week with a pull back on Thursday and Friday.



US 10 year Yield daily chart as of May 5, 2023 - The 10 year Yields have made two waves lower the past two weeks with Thursday dipping as low as 3.30% and bouncing higher Friday to end the week at 3.44%.

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
4/3/2023	4.70	4.79	4.90	4.98	4.88	4.60	3.97	3.73	3.52	3.48	3.43	3.78	3.64
4/4/2023	4.66	4.80	4.88	4.90	4.80	4.50	3.84	3.60	3.39	3.38	3.35	3.72	3.60
4/5/2023	4.62	4.77	4.86	4.90	4.82	4.43	3.79	3.55	3.36	3.34	3.30	3.67	3.56
4/6/2023	4.57	4.85	4.91	4.98	4.93	4.51	3.82	3.59	3.37	3.34	3.30	3.66	3.54
4/7/2023	4.56	4.90	4.95	5.07	4.95	4.61	3.97	3.72	3.49	3.45	3.39	3.73	3.61
4/10/2023	4.53	4.89	5.08	5.08	4.98	4.65	4.00	3.75	3.52	3.47	3.41	3.74	3.62
4/11/2023	4.27	4.89	5.04	5.06	4.99	4.67	4.03	3.76	3.54	3.48	3.43	3.75	3.62
4/12/2023	4.27	4.89	5.02	5.10	4.98	4.64	3.95	3.68	3.46	3.43	3.41	3.75	3.64
4/13/2023	4.08	4.96	5.10	5.10	4.95	4.66	3.96	3.70	3.51	3.48	3.45	3.80	3.69
4/14/2023	4.29	4.98	5.14	5.16	5.03	4.77	4.08	3.83	3.60	3.56	3.52	3.85	3.74
4/17/2023	4.09	5.04	5.21	5.24	5.07	4.80	4.18	3.92	3.69	3.64	3.60	3.92	3.81
4/18/2023	3.89	5.04	5.20	5.19	5.09	4.81	4.19	3.92	3.69	3.63	3.58	3.91	3.79
4/19/2023	3.95	5.03	5.16	5.22	5.10	4.84	4.24	3.97	3.71	3.66	3.60	3.90	3.79
4/20/2023	3.40	5.04	5.12	5.17	5.06	4.77	4.14	3.87	3.63	3.59	3.54	3.87	3.75
4/21/2023	3.36	4.98	5.14	5.19	5.07	4.78	4.17	3.89	3.66	3.62	3.57	3.90	3.78
4/24/2023	3.54	5.09	5.20	5.15	5.06	4.76	4.12	3.84	3.60	3.56	3.52	3.85	3.73
4/25/2023	4.11	5.05	5.12	5.11	4.98	4.60	3.86	3.62	3.43	3.42	3.40	3.77	3.65
4/26/2023	3.91	5.07	5.16	5.17	5.00	4.64	3.90	3.65	3.46	3.45	3.43	3.81	3.70
4/27/2023	4.27	5.13	5.18	5.21	5.05	4.78	4.07	3.82	3.60	3.57	3.53	3.88	3.76
4/28/2023	4.35	5.14	5.10	5.20	5.06	4.80	4.04	3.75	3.51	3.49	3.44	3.80	3.67
5/1/2023	4.49	5.17	5.27	5.22	5.14	4.86	4.14	3.85	3.64	3.62	3.59	3.95	3.84
5/2/2023	4.56	5.33	5.24	5.19	5.06	4.74	3.97	3.67	3.46	3.44	3.44	3.82	3.72
5/3/2023	4.70	5.33	5.26	5.25	5.08	4.70	3.89	3.58	3.37	3.37	3.38	3.79	3.70
5/4/2023	5.76	5.24	5.26	5.23	5.04	4.59	3.75	3.47	3.29	3.32	3.37	3.80	3.73
5/5/2023	5.59	5.23	5.26	5.26	5.13	4.73	3.92	3.63	3.41	3.41	3.44	3.85	3.76

US Yield Rates daily table as of May 5, 2023 - We saw short term Yields increase this week while longer terms were flat or declined a little. The 10 year - 2 year Inversion has continued every day since July 6 2022. The 2 year - 3 month Inversion increased this week to a peak inversion of a 1.51% difference in yields on Thursday this week. The Inverted Yield Curve is one key indicator economists watch to indicate a coming recession.



FOMC Balance Sheet weekly chart as of May 3, 2023 - The Fed decreased its Balance Sheet last week by \$30.495 Billion. This week the Fed decreased its Balance Sheet by an additional \$58.774 Billion to a new Total Assets now of \$8.503994 Trillion. Their Fed's Balance Sheet is now about where it was at the beginning of January this year.

The Fed's short term lending rate was increased by 0.25% on Wednesday this week (May 3<sup>rd</sup>) to a current rate of 5.00% to 5.25%.

Next we will look at a few key Sectors.





Dow Transportation Index daily chart as of May 5, 2023 - Last week this Index dropped below all 3 of its key SMA to break below the prior March lows then bounce back above only its 200 day SMA. This week this Index oscillated above and below its 200 day SMA while remaining below its 50 day and 20 day SMAs most of this week, ending the week up +0.72% and above only its 200 day SMA.



XLE daily chart as of May 5, 2023 - The Energy sector saw a decline to its 200 day SMA last week with a bounce nearly up to its 20 day SMA. This week we see a pause Monday followed by a large decline Tuesday that continued lower the next two days. Friday saw only a small bounce to end the week down -5.76% making this sector the weakest on my list this week.



XLF daily chart as of May 5, 2023 - The Financial sector saw a dip below its 20 day SMA last week and a bounce back up to its 50 day SMA. This week we saw a brief break above its 50 day SMA on Monday without closing above this SMA. The next 3 days saw a sharp decline below the prior week's lows with a small bounce Friday to end the week down -2.53%.



QQQ daily chart as of May 5, 2023 - The Nasdaq-100 ETF has been within a range for nearly 5 weeks. Monday saw a higher high for 2023 followed by a 3 day decline below the 20 day SMA. Friday gapped up above the 20 day SMA and rallied most of the day to deliver a new 2023 high in the last hour. The QQQ ended the week up +0.10%.



SOXX daily chart as of May 5, 2023 - The Semiconductor sector has been within a \$400 to \$444 since the beginning of February this year. Last week saw a dip below this range, briefly testing \$394.59 support on Thursday then bouncing the next day to end the week down -1.12%. This week we saw a rally that failed to break above its 20 day or 50 day SMAs and delivered a higher low this Thursday with a rally Friday to test its 20 day SMA, ending this week up +0.67%.



XLC daily chart as of May 5, 2023 - Last week saw the Communication Services sector decline from its 20 day SMA to its 50 day SMA. META reported Earnings after the close on Apr. 26<sup>th</sup> with a large gap up the next day. META is a major portion of the XLC sector thus the XLC gapped up Thursday above its 20 day SMA and rallied higher Friday. This week the rally continued higher Monday to new highs for 2023 then declined the next 3 days back below its 20 day SMA this Thursday. Friday saw a bounce to end the day nearly on its 20 day SMA, down -2.62% for the week.

Last week we saw several of the largest companies report Earnings: AMZN, GOOGL, MSFT and META. This week we saw AAPL report Earnings on Thursday (May 4<sup>th</sup>) after the close. We will look at these charts below. Some had significant market reactions and others did not. Because these big companies have such a significant influence on multiple Indexes and Sectors, we keep a close eye on them and their reactions to news events such as Earnings.

Over the past few months we have often seen some of the strongest Bullish days being led by these same BIG Tech companies while we have seen strong Bearish days led by other sectors (Energy, Financial, Industrials, and Transports). Watching the leadership each day in either direction can help identify sectors and stocks that may be the strongest (or weakest) names that day, and can give us clues where to look for opportunities.

<i>INDEXes</i>	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
<i>SECTORS</i>	3/24/2023	3/31/2023	4/6/2023	4/14/2023	4/21/2023	4/28/2023	5/5/2023
\$SPX	1.39%	3.48%	-0.10%	0.79%	-0.10%	0.87%	-0.80%
\$INDU	1.18%	3.22%	0.63%	1.20%	-0.23%	0.86%	-1.24%
\$COMPQ	1.66%	3.37%	-1.10%	0.29%	-0.42%	1.28%	0.07%
\$RUT	0.52%	3.89%	-2.66%	1.52%	0.58%	-1.26%	-0.52%
QQQ	1.97%	3.23%	-0.90%	0.16%	-0.62%	1.88%	0.10%
\$TRAN	-0.49%	5.34%	-3.27%	2.01%	1.17%	-2.72%	0.72%
XLE	2.25%	6.34%	2.60%	2.65%	-2.58%	0.18%	-5.76%
XLF	0.03%	3.74%	-0.50%	2.78%	1.03%	-0.15%	-2.53%
XLK	1.97%	3.46%	-1.28%	-0.28%	-0.60%	2.08%	0.27%
SOXX	1.20%	3.54%	-4.89%	0.04%	-1.49%	-1.12%	0.67%
XLV	1.54%	1.70%	3.14%	0.79%	-0.20%	-0.57%	0.04%
XLY	0.48%	5.62%	-3.08%	1.36%	0.32%	0.33%	-0.45%
XRT	-0.31%	5.33%	-3.01%	1.17%	0.03%	-1.32%	-0.42%
XLI	0.66%	4.41%	-3.37%	2.11%	0.78%	-0.61%	-0.49%
XLU	-1.19%	3.04%	3.13%	-1.32%	1.06%	-0.92%	0.07%
XME	1.93%	5.75%	-3.39%	2.04%	-4.24%	-1.57%	-1.88%
XLP	1.68%	2.38%	0.87%	-0.24%	1.85%	1.14%	-0.34%
XLB	2.16%	5.01%	-1.28%	1.63%	-0.28%	-0.19%	-1.10%
XLC	3.26%	2.33%	1.66%	0.51%	-2.60%	3.83%	-2.62%
XHB	0.68%	3.94%	-4.84%	4.09%	3.41%	2.18%	-0.21%

Weekly Percent Change US Indexes and Sectors table as of May 5, 2023 - Over the past 2 months we have generally seen smaller changes (less than + or - 1%) up and down week to week in most of the major indexes, with the exception of the end of March where we saw strong positive moves over +3%. This correlates with what we have seen in the weekly charts (above) with a 5 week period during which prices mostly remained within a defined range.

Last week we saw the XLC as the strongest sector (thanks in large part to the META Earnings reactions) with the Transports the weakest sector.

This week we saw the Transports reverse rolls as the strongest sector followed by the SOXX and XLK. The weakest sectors this week included: XLE, XLC, XLF and XME.

INDEXes SECTORS	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 04/24/23	End of Day 04/25/23	End of Day 04/26/23	End of Day 04/27/23	End of Day 04/28/23	End of Day 05/01/23	End of Day 05/02/23	End of Day 05/03/23	End of Day 05/04/23	End of Day 05/05/23
\$SPX	0.09%	-1.58%	-0.38%	1.96%	0.83%	-0.04%	-1.16%	-0.70%	-0.72%	1.85%
\$INDU	0.20%	-1.01%	-0.68%	1.57%	0.80%	-0.14%	-1.08%	-0.80%	-0.86%	1.65%
\$COMPQ	-0.29%	-1.98%	0.47%	2.43%	0.69%	-0.11%	-1.08%	-0.46%	-0.49%	2.25%
\$RUT	-0.15%	-2.40%	-0.89%	1.20%	1.01%	0.01%	-2.10%	0.41%	-1.18%	2.39%
QQQ	-0.21%	-1.89%	0.58%	2.72%	0.69%	-0.11%	-0.87%	-0.65%	-0.35%	2.13%
\$STRAN	0.35%	-3.63%	-3.56%	2.63%	1.62%	1.01%	-1.25%	0.16%	-1.29%	2.13%

Daily Percent Change US Indexes table as of May 5, 2023 - We saw daily changes in leadership this week with the Dow Industrial most often showing weakest, and the Russell and QQQ showing 2 days of Strength this week.

Next we will look at a few key Stocks (the same names we looked at two weeks ago).



AAPL daily chart as of May 5, 2023 - Apple saw a dip below its 20 day SMA last week followed by a rally to new 2023 highs. This week saw a pause followed by a small decline below its 20 day SMA on Thursday right before reporting Earnings that evening. Friday saw a gap up and rally to new 2023 highs, ending this week up +2.29%.



MSFT daily chart as of May 5, 2023 - Microsoft reported Earnings last week on April 25<sup>th</sup> after the close and gapped up above its 20 day SMA the next day and paused near \$295. Thursday and Friday saw a rally to end last week up +7.52%. This week MSFT paused for 4 days then rallied on Friday to end this week up +1.10% with new 2023 highs.



GOOGL daily chart as of May 5, 2023 - Alphabet reported Earnings last week on April 25<sup>th</sup> after the close. Then next day saw a lower range day and close below the 20 day SMA. Thursday saw a rally above its 20 day SMA followed by a pause and Inside day on Friday to end last week up +1.83%. This week saw a slow decline back below the 20 day SMA with mostly horizontal action this week, ending this week down -1.65%.

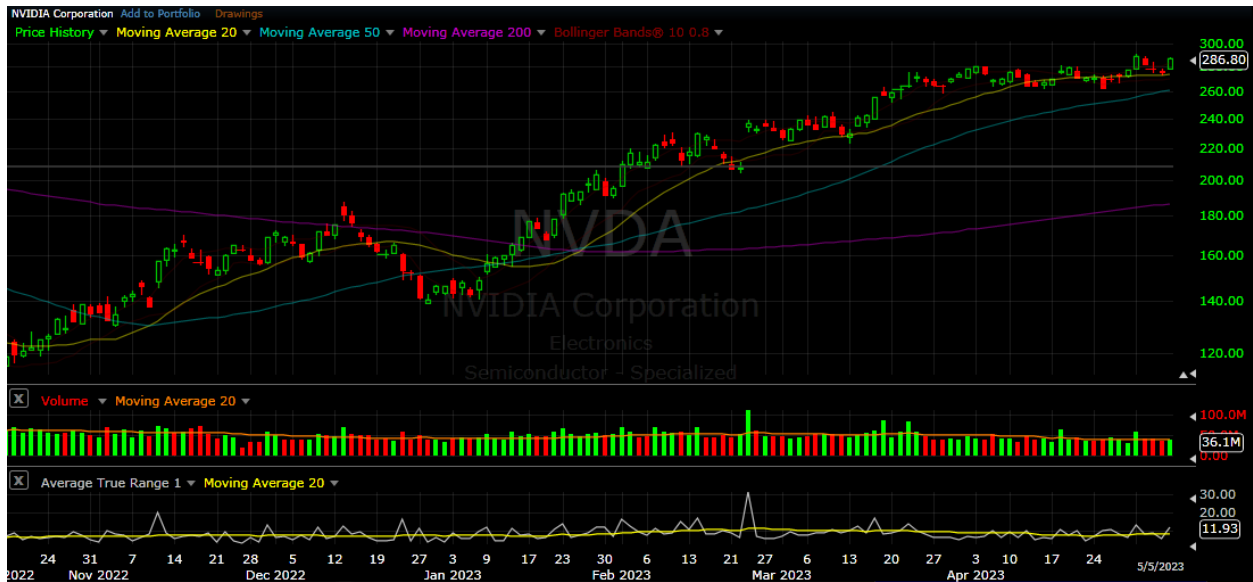


AMZN daily chart as of May 5, 2023 - Amazon dipped to its 20 day SMA then gapped up above its 200 day SMA on Thursday before reporting Earnings after the close that day. The following day saw a decline back below its 200 day SMA to end last week down -1.41%. This week saw the decline continue on Monday below its 20 day SMA then bounce the next day back above this SMA. After a 2 day pause we saw a small rally Friday to end this week up only +0.19%.



TSLA daily chart as of May 5, 2023 - Last week Tesla decline below \$153 then bounced Thursday and Friday to end last week down -0.47%. This week saw a 4 day pause then a rally on Friday up to its 20 day SMA ending the week up +3.50%.





NVDA daily chart as of May 5, 2023 - Nvidia paused last week below its 20 day SMA then rallied above this SMA on Thursday and Friday to end last week up +2.32%. This week saw a strong rally Monday to new 2023 highs followed by a 3 day slow decline back to its 20 day SMA. Friday saw a rally that failed to reach Monday's highs, ending this week up +3.36%.



META daily chart as of May 5, 2023 - Meta reported Earnings last week on April 26<sup>th</sup> after the close. The next day saw a gap up and pause near \$239 that continued to pause on Friday, ending last week up +12.88%. This week saw a small rally Monday and a brief new 2023 high on Tuesday before selling lower the rest of this week. Friday saw a lower low and lower high to end the week down -3.14%.



JPM daily chart as of May 5, 2023 - JP Morgan saw a decline to its 50 day SMA last week followed by only a small bounce Thursday and Friday to end last week down -1.64%. This week saw a large gap up Monday on news of acquisition of a failing bank that was followed with a steady decline below its 20 day and 50 day SMAs on Thursday. Friday saw a small bounce to its 20 day SMA, ending this week down -1.09%.



COST daily chart as of May 5, 2023 - Costco gave back its April gains last week breaking below its 200 day and 20 day SMAs. The bounce the next two days only saw a small recovery to end last week down -0.62%. This week saw another dip below all 3 of its key daily SMAs on Monday with oscillations between its 50 day and 20 day SMA the next two days. Thursday saw new lows for this week followed by a gap up and bounce rally Friday to end this week down another -0.62%.



INTC daily chart as of May 5, 2023 - Last week Intel declined below its 200 day and 50 day SMAs then bounce last Thursday back up to its 200 day SMA before reporting Earnings that day after the close. Intel gapped up above its 20 day SMA the next day then sold down below this SMA to end last week up +2.51%. This week saw Intel continue lower Monday and Tuesday below its 200 day SMA. Wednesday saw a gap up and rally to test its 20 day SMA as Resistance. Thursday saw another rally attempt that did cross and close above its 20 day SMA. Friday saw an Inside day to end this week up only +0.18%.



CAT daily chart as of May 5, 2023 - Caterpillar has been declining the past 3 months as it has remained mostly above \$208 support. CAT reported Earnings last week on April 27<sup>th</sup> before the open and saw a gap below its 200 day SMA in reaction with a brief dip to nearly \$204 before bouncing nearly back to its 200 day SMA. The next day saw a rally above its 200 day SMA and tested its 20 day SMA as Resistance to end last week down -0.67%. This week CAT retested its 20 day SMA Resistance and broke below its 200 day SMA to end this week down -1.70%.



WFC daily chart as of May 5, 2023 - Wells Fargo continued its decline last week from its 50 day SMA to break below its 20 day SMA and bounce last Friday to end last week down -3.61%. This week began with a gap up and failed test of its 50 day SMA on Monday followed by a gap below its 20 day SMA Tuesday, pause Wednesday and lower lows on Thursday. Friday a small bounce to end this week down -3.81%.



X daily chart as of May 5, 2023 - US Steel continued its steady decline last week, crossing below its 200 day SMA Tuesday and reporting Earnings on Thursday after the close. The decline continued Friday to new 2023 lows ending last week down -8.52%. This week we saw a pause on Monday followed by the resumption of the decline with new 2023 lows on Tuesday, Wednesday and Thursday. Friday saw a small bounce to end this week down -5.02%. The break below the 200 day SMA and below \$24 support provided a break down bearish entry last week.



BA daily chart as of May 5, 2023 - Boeing was mostly horizontal and below its 50 day SMA most of last week. BA continued its pause Monday this week before breaking to lower lows on Tuesday. Wednesday saw a failed rally up to its 50 day SMA Resistance. Thursday saw a break down to lower lows than seen in April. Friday saw a tiny bounce and inside day to end this week down -4.08%.

With the biggest names having reported Earnings the past two week we may see a bit more Trend movements if the 5 week 'range' is broken out of soon. There are more companies due to report earnings this month, but most of them are smaller than the companies that have already reported, so odds are reactions may not make as big of an impact on the indexes.

Remember, anything can happen. There could be more bank failures. There is CPI data coming out next week. The US Budget and Credit Limits are being negotiated. Nobody knows what the future will be. All we CAN do is be prepared. Prepare for a rally, for a drop, or for more horizontal chop.

I hope this helps.

Trade Smart,

CJ