



Market Observations - as of July 14, 2023

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

Last week was a shortened Holiday week where we saw markets pause Monday and Wednesday before gapping down hard at the open on Thursday with a bounce the last half of the day that failed to recover that day's decline. Friday saw another failed rally that sold off hard the last 2.5 hour of the day to end the week down in most indexes.

This week we saw a pause Monday near the prior Friday's close. Tuesday we saw a small drift higher that saw the S&P recover most of the drop from the last 2.5 hours on last Friday while the Nasdaq failed to recover its drop from the last 2.5 hours of selling last Friday.

Wednesday saw a gap up and follow through rally the first hour before stalling and oscillating within a range the rest of the day. Thursday saw another gap up with a follow through rally that continued all day.

Friday saw the rally continue the first hour before slow and steady selling began that continued all day with most markets closing the day near the lows for that day.

The rally this week seen on Wednesday, Thursday and the first hour on Friday was significant in that it exceeded a 2 standard deviation move for this week for the S&P before pulling back later on Friday.

The US Dollar began a sharp decline last Friday (July 7th) and continued every day this week but on Friday (July 14th). Wednesday and Thursday this week saw the strongest declines in the Dollar this week while Friday saw a pause near the prior day's lows. A weak Dollar impacts all USD priced commodities as prices have to go up just to compensate for the weaker Dollar. Supply and Demand factors continue to impact commodities on top of the weaker Dollar.

Treasuries rallied this week on that weaker dollar, with the 10 year making advances every day this week except on Friday, and inversely causing Yields to drop this week. Wednesday and Thursday saw the largest moves in the 10 year Treasuries this week with well above average daily volume each of the two days.

Oil prices rallied as the Dollar became weaker with higher highs and higher lows last Friday (July 7th) that continued every day this week except on Friday.

The NASDAQ announced (late 8pm ET on July 7th) a 'Special rebalancing' of its Nasdaq-100 index (NDX) to address the '... Over concentration in the Index by redistributing the weights'. [Visit [Nasdaq.com/press-release](https://www.nasdaq.com/press-release) to see the actual notice.] We have seen the weighting of the 7 biggest names in the NDX grow from 45% to 55% of the total value of the 100 stock index this year, and it looks like the Nasdaq has finally decided to address this concentration of value. The new weighting will go into affect at the Market Open on Monday July 24th. This explains the strong selling we saw the first 30 min. on Monday (July 10th) in the 7 biggest stocks before resuming to more normal behavior.

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



S&P 500 weekly chart as of July 14, 2023 - Last week we saw a pullback that gave back about half of the prior week's gains. This week we see the rally resume with higher highs and new 52 week highs.



S&P 500 daily chart as of July 14, 2023 - Monday saw a test of the 20 day SMA as support and closed higher than the prior day. Every day that followed delivered higher highs and higher lows with new 52 week highs seen on Wednesday, Thursday and Friday. Friday declined to end the day on a lower close, ending the week up +2.42%. Monday provided a 'buyable dip' off of the 20 day SMA support.



S&P 500 15 min. chart as of July 14, 2023 - Here we see the mid-day dip as a test of support on Monday that was followed by a resumption of the rally. The gains Monday were small but increased each of the following 3 days. Wednesday gapped open above its Expected Move (E.M.) and remained above this level the rest of this week. Wednesday only saw follow through higher the first hour then oscillated the rest of the day. Thursday saw a gap up that paused for an hour then rallied higher the rest of the day. Friday saw the rally continue the first hour then sellers stepped in and slowly saw prices decline the rest of the day. Briefly on Thursday and for over an hour on Friday we saw the S&P cross above its +2x (twice) its upper Expected Move for this week. Friday's close was below this +2x E.M. but well above its +1x E.M.

The Expected Move is a measure of a 1 standard deviation move up or down in the S&P as priced by the SPX Options market the prior Friday after the close. The Options market is pricing the Risk of a 1 standard deviation move for the following week. When the S&P closes a week inside its Expected Move, then the Options market either over priced Risk or properly priced the actual Risk. When the S&P closes the week 'outside' of its Expected Move then we know that the Options Market 'Under Priced' actual Risk. The Expected Move is an estimate of Risk for a time period. The actual risk is not known until the end of that time period when the actual price change can be precisely measured.

As an Options Trader, we can gain a statistical advantage by focusing on 'Buying' Options when they are cheap (Under priced) and use Strategies (or Spreads) that focus on 'Selling' Options (collecting premium) when Options are expensive.

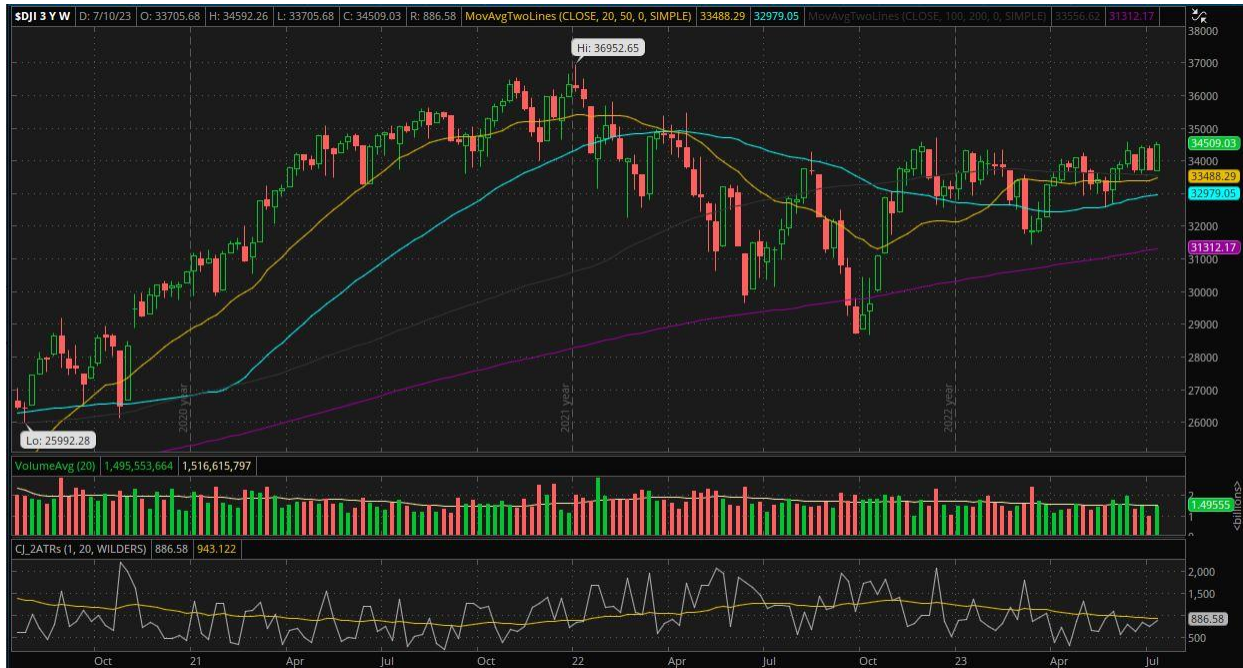
Over the past 5 weeks we have seen 4 weeks where the S&P closed the week 'Outside' it's Expected Move. That is a significant Indication of the 'Under Pricing of Risk' by the Options Market. Over the prior 10 weeks (April 6th thru June 9th) we only saw 1 week where the S&P closed 'Outside'.

Below is a picture of the spread sheet I use to track the S&P Expected Move each week, and how often we see a weekly close Inside or Outside, Above or Below the Expected Move that year.

Weekly SPX 'Expected Move'										
2023										
				Below	Above	At Expiration		Outside	wks	
VIX	As of the Close on:		Expct'd Move	+/- \$	Lower EM	Upper EM	3	7	10	28
	Date	\$ SPX	Expiration Date	Expct'd Move			Below	Above	35.71%	
24.80%	3/10/2023	\$3,861.59	3/17/2023	\$111.90	\$3,749.69	\$3,973.49	0	0	0	1
25.51%	3/17/2023	\$3,916.64	3/24/2023	\$121.26	\$3,795.38	\$4,037.90	0	0	0	1
21.74%	3/24/2023	\$3,970.99	3/31/2023	\$89.03	\$3,881.96	\$4,060.02	0	1	1	1
18.70%	3/31/2023	\$4,109.31	4/6/2023	\$60.18	\$4,049.13	\$4,169.49	0	0	0	1
18.40%	4/6/2023	\$4,105.02	4/14/2023	\$75.72	\$4,029.30	\$4,180.74	0	0	0	1
17.07%	4/14/2023	\$4,137.64	4/21/2023	\$57.63	\$4,080.01	\$4,195.27	0	0	0	1
16.77%	4/21/2023	\$4,133.52	4/28/2023	\$62.21	\$4,071.31	\$4,195.73	0	0	0	1
15.78%	4/28/2023	\$4,169.48	5/5/2023	\$72.20	\$4,097.28	\$4,241.68	0	0	0	1
17.19%	5/5/2023	\$4,136.25	5/12/2023	\$68.93	\$4,067.32	\$4,205.18	0	0	0	1
17.03%	5/12/2023	\$4,124.08	5/19/2023	\$63.51	\$4,060.57	\$4,187.59	0	1	1	1
16.81%	5/19/2023	\$4,191.98	5/26/2023	\$63.48	\$4,128.50	\$4,255.46	0	0	0	1
17.95%	5/26/2023	\$4,205.45	6/2/2023	\$78.89	\$4,126.56	\$4,284.34	0	0	0	1
14.60%	6/2/2023	\$4,282.37	6/9/2023	\$54.87	\$4,227.50	\$4,337.24	0	0	0	1
13.83%	6/9/2023	\$4,298.86	6/16/2023	\$63.78	\$4,235.08	\$4,362.64	0	1	1	1
13.54%	6/16/2023	\$4,409.59	6/23/2023	\$51.21	\$4,358.38	\$4,460.80	1	0	1	1
13.44%	6/23/2023	\$4,348.33	6/30/2023	\$53.64	\$4,294.69	\$4,401.97	0	1	1	1
13.59%	6/30/2023	\$4,450.38	7/7/2023	\$53.64	\$4,396.74	\$4,504.02	0	0	0	1
14.83%	7/7/2023	\$4,398.95	7/14/2023	\$58.72	\$4,340.23	\$4,457.67	0	1	1	1
13.34%	7/14/2023	\$4,505.42	7/21/2023	\$55.00	\$4,450.42	\$4,560.42				

The Expected Move can be tracked for any symbol (Stock, ETF or Index) that has a liquid Options Market. The higher the Options contract daily volume, the more useful the data in pricing Risk.

I choose to track the SPX since it has the most liquid Options Market of any symbol. I also choose to manually draw the Expected Move levels on my SPX chart each week as you can see above (SPX 15 min chart).



DJIA weekly chart as of July 14, 2023 - The Dow gave back most of its prior week's gains last week. This week we see all of those gains recovered plus a new 2023 high was delivered this week.



DJIA daily chart as of July 14, 2023 - Last week's decline nearly reached its 50 day SMA. Monday saw a lower low then a higher close. Tuesday crossed above its 20 day SMA and continued higher Wednesday. Thursday saw a narrow pause 'Inside' day and was followed by a new 2023 high and a higher low on Friday to end the week up +2.29%.



Nasdaq weekly chart as of July 14, 2023 - The Nasdaq composite gave back about half of its prior week's gains last week. This week we see a strong resumption of the rally and new 52 week highs.



Nasdaq daily chart as of July 14, 2023 - Monday saw a lower dip to the 20 day SMA as a test of support that was followed with a higher close. Every day that followed this week saw a higher high and higher low and every day but Friday saw a higher close. The Nasdaq delivered new 52 week highs Wednesday, Thursday and Friday this week. Friday saw higher highs in the first hour then sold off the rest of the day to end the week up +3.32%.



Russell 2000 weekly chart as of July 14, 2023 - The Russell saw tests of its 50 week SMA as support the prior 3 weeks. This week we see a higher high and higher low as the Russell breaks above its 1900 area Resistance the prior 5 weeks.



Russell 2000 daily chart as of July 14, 2023 - Here we see the 'Darvas' Box between 1820 and 1905 that contained price during the prior 5 weeks including Monday of this week. Tuesday saw the Russell break above this 'Box'. Wednesday saw a gap up that continued higher Thursday. Friday saw a lower high and lower low to end the week up +3.56%.

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



McClellan Summation Index weekly chart as of July 14, 2023 - Last week we saw a narrow range that ended the week at +341.81. This week we see a larger advance that ended this week at +573.33.



McClellan Summation Index daily chart as of July 14, 2023 - We saw a brief pause last week that resumed its advancing higher this week to end this week at +573.33.



NYSE Percent above 200 day SMA daily chart as of July 14, 2023 - Last week ended at 60.32%. We see advancing levels resume this week that nearly reached 69% on Thursday before a pullback on Friday to end this week at 66.61%.



NYSE Percent above 50 day SMA daily chart as of July 14, 2023 - Last week ended at 67.80%. We see advancing levels resume this week that nearly reached 83% on Thursday before a pullback on Friday to end this week at 77.48%.



VIX daily chart as of July 14, 2023 - The VIX briefly shot up above its 50 day SMA at the Open on Monday then drifted lower each day this week, crossing below its 20 day SMA on Wednesday and delivering narrow range days on Thursday and Friday.



VVIX daily chart as of July 14, 2023 - The Volatility of the VIX was mostly horizontal and unchanged this week as the markets rallied.

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



US Dollar Index daily chart as of July 14, 2023 - The US Dollar began to break down last Friday (July 7th) and continued lower every day this week, accelerating its decline on Wednesday and Thursday to new 52 week lows. Friday saw another new 52 week low but with a small bounce to close the day higher. A weaker Dollar tends to drive up the prices on all US Dollar based commodities to maintain 'value'. This week was the largest weekly move we have seen in the USD since Nov. 2022.



Oil daily chart as of July 14, 2023 - Oil prices saw higher highs every day this week until finding Resistance Thursday at its 200 day SMA. Friday saw a decline from the 200 day SMA to end the week at \$75.27.



Gold daily chart as of July 14, 2023 - Gold saw a higher close each day this week except on Friday where prices pulled back from the 50 day SMA to end the week at \$1959.3.



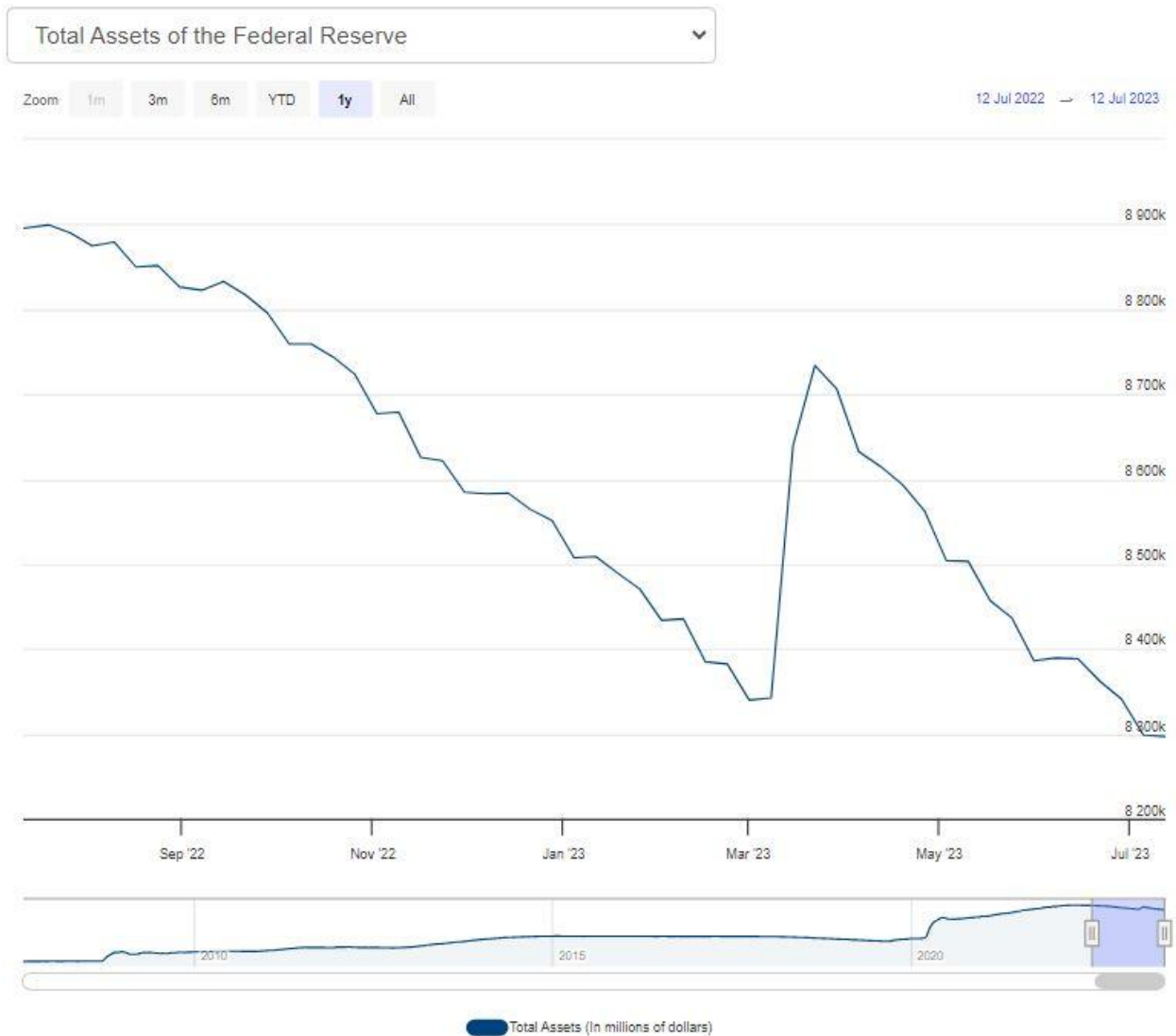
US 10 year Treasury daily chart as of July 14, 2023 - We saw a rally in the 10 year 4 days this week, slowly on Monday and Tuesday then accelerating on Wednesday and Thursday crossing above its 20 day SMA. Note the above average volume on Wednesday and Thursday. Friday saw a pull back nearly to its 20 day SMA on lighter volume.



US 10 year Yield daily chart as of July 14, 2023 - As the Treasuries were bought up this week we see the Yield decline, crossing below its 20 day SMA on Thursday and bouncing on Friday.

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
07/03/2023	5.27	5.40	5.44	5.52	5.53	5.43	4.94	4.56	4.19	4.03	3.86	4.08	3.87
07/05/2023	5.28	5.38	5.44	5.51	5.52	5.40	4.94	4.59	4.25	4.11	3.95	4.17	3.95
07/06/2023	5.32	5.47	5.46	5.52	5.54	5.44	4.99	4.68	4.37	4.22	4.05	4.23	4.01
07/07/2023	5.32	5.47	5.46	5.52	5.53	5.41	4.94	4.64	4.35	4.23	4.06	4.27	4.05
07/10/2023	5.34	5.47	5.48	5.53	5.54	5.38	4.85	4.54	4.25	4.14	4.01	4.24	4.05
07/11/2023	5.35	5.48	5.49	5.53	5.55	5.44	4.88	4.52	4.24	4.13	3.99	4.22	4.03
07/12/2023	5.36	5.49	5.47	5.52	5.53	5.35	4.72	4.36	4.07	3.97	3.86	4.14	3.96
07/13/2023	5.37	5.50	5.47	5.51	5.49	5.27	4.59	4.21	3.93	3.85	3.76	4.07	3.90
07/14/2023	5.37	5.49	5.49	5.53	5.52	5.34	4.74	4.35	4.04	3.94	3.83	4.11	3.93

US Yield Rates daily table as of July 14, 2023 - The shortest terms advanced a little this week while the Yields in the 6 month and longer terms declined this week.



FOMC Balance Sheet weekly chart as of July 12, 2023 - The Fed decreased its Balance Sheet this week by only \$1.389 Billion to a new Total Assets of \$8.296923 Trillion. Over the past year the Fed has decreased its Balance Sheet at a Lot slower pace than what it announced over a year ago.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of July 14, 2023 -The Transports continued its strong rally on Monday and Tuesday this week, with a smaller advance on Wednesday before pulling back a little. Thursday saw an 'Inside' day followed by a decline on Friday to end the week up +1.72%. We saw new 52 week highs on both Tuesday and Wednesday this week.



XLE daily chart as of July 14, 2023 - The Energy sector continued its advance on Monday, Tuesday and Wednesday where it encountered some Resistance near its 200 day SMA. Thursday saw a small pull back followed by a stronger decline on Friday to end the week up +0.82%.



XLF daily chart as of July 14, 2023 - The Financial Sector continued its rally on Monday, Tuesday and Wednesday with a pause and 'Inside' day on Thursday before several key stocks within this sector reported quarterly Earnings before the open on Friday. Reactions to Earnings were mixed and we saw a higher high and a decline to end the day lower with a bearish engulfing candle, ending the week up +1.96%.



QQQ daily chart as of July 14, 2023 - The Nasdaq-100 ETF saw a brief dip below its 20 day SMA on Monday with a close back above that SMA. For the rest of the week we saw each day deliver a higher high and a higher low with a higher close every day but on Friday, ending the week up +3.50%. We saw new 52 week highs on Wednesday, Thursday and Friday this week.



SOXX daily chart as of July 14, 2023 - The Semiconductor sector dipped below its 20 day SMA late last week. Monday we saw a rally above the 20 day SMA with a retest Tuesday as the SOXX straddled the 20 day SMA but with a higher high, higher low and higher close. The rally higher continued the rest of this week with a lower close on Friday to end the week up +4.81%. We saw new 52 week highs on both Thursday and Friday this week.



XLC daily chart as of July 14, 2023 - The Communication Services sector dipped Monday to find support at its 20 day SMA. A 3 day rally followed, delivering new 52 week highs on Tuesday, Wednesday and Thursday and pulling back a bit on Friday to end the week up +3.23%.

<i>INDEXes</i>	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
<i>SECTORS</i>	6/2/2023	6/9/2023	6/16/2023	6/23/2023	6/30/2023	7/7/2023	7/14/2023
\$SPX	1.83%	0.39%	2.58%	-1.39%	2.35%	-1.16%	2.42%
\$INDU	2.02%	0.34%	1.25%	-1.67%	2.02%	-1.96%	2.29%
\$COMPQ	2.04%	0.14%	3.25%	-1.44%	2.19%	-0.92%	3.32%
\$RUT	3.27%	1.90%	0.52%	-2.87%	3.68%	-1.27%	3.56%
QQQ	1.79%	-0.04%	3.79%	-1.33%	1.90%	-0.86%	3.50%
\$TRAN	1.78%	0.66%	3.86%	-0.71%	5.73%	0.19%	1.72%
XLE	1.43%	1.79%	-0.58%	-3.49%	4.93%	-0.47%	0.82%
XLF	2.15%	1.07%	1.30%	-2.06%	2.96%	-0.36%	1.96%
XLK	1.29%	-0.53%	4.33%	-2.42%	3.09%	-1.52%	2.79%
SOXX	-1.21%	0.78%	4.24%	-4.49%	4.65%	-2.54%	4.81%
XLV	2.19%	0.08%	1.37%	0.25%	0.55%	-2.81%	2.09%
XLY	3.31%	2.68%	3.21%	-0.36%	2.64%	-0.26%	3.28%
XRT	1.59%	3.16%	2.12%	-0.83%	3.11%	0.19%	2.10%
XLI	2.64%	1.45%	2.98%	-1.67%	3.91%	-1.04%	2.27%
XLU	0.82%	1.95%	1.37%	-2.60%	0.63%	-0.08%	2.23%
XME	4.16%	1.70%	2.86%	-1.73%	4.37%	-0.57%	2.04%
XLP	0.25%	-0.68%	2.13%	-0.49%	0.53%	-0.96%	1.12%
XLB	3.06%	0.55%	3.48%	-2.07%	4.02%	-1.97%	2.49%
XLC	1.61%	0.08%	2.45%	-0.92%	1.59%	-0.05%	3.23%
XHB	3.50%	2.79%	2.38%	0.75%	4.48%	-2.93%	7.12%

Weekly Percent Change US Indexes and Sectors table as of July 14, 2023 - The strongest Index in the above table was the Russell this week followed by the Nasdaq. Clearly the 'Special Rebalancing' notice from the Nasdaq did not hurt the markets this week. The strong 'Breadth' we saw this week in the 'Market Internals' section also correlate with the strength of the Russell 2000 this week.

The Strongest sector this week was the XHB followed by SOXX, QQQ, XLY and XLC who all delivered over +3% gains this week.

Every sector was up this week. The weakest sector this week also provided a small gain this week, the XLE. The sectors that provided less than a +2% gain this week included: XLE, XLP, Transports and XLF.

INDEXes SECTORs	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 07/03/23	Holiday 07/04/23	End of Day 07/05/23	End of Day 07/06/23	End of Day 07/07/23	End of Day 07/10/23	End of Day 07/11/23	End of Day 07/12/23	End of Day 07/13/23	End of Day 07/14/23
\$SPX	0.12%	n/a	-0.20%	-0.79%	-0.29%	0.24%	0.67%	0.74%	0.85%	-0.10%
\$INDU	0.03%	n/a	-0.38%	-1.07%	-0.55%	0.63%	0.93%	0.25%	0.14%	0.33%
\$COMPQ	0.21%	n/a	-0.18%	-0.82%	-0.13%	0.18%	0.55%	1.15%	1.58%	-0.18%
\$RUT	0.43%	n/a	-1.26%	-1.64%	1.22%	1.64%	0.96%	1.05%	0.91%	-1.01%
QQQ	0.24%	n/a	0.00%	-0.76%	-0.32%	0.03%	0.49%	1.26%	1.70%	-0.02%
\$TRAN	0.54%	n/a	-0.57%	-0.81%	1.04%	1.03%	1.40%	-0.16%	-0.01%	-0.55%

Daily Percent Change US Indexes table as of July 14, 2023 - Note how the QQQ was the weakest index on Monday and Tuesday then flipped to being the strongest on Wednesday and Thursday this week. The Transports were strong on Tuesday then showed weakness on Wednesday and Thursday. The Russell showed its strength on Monday and its weakness on Friday.

Next we will look at a few key Stocks, the same symbols we looked at last week.



AAPL daily chart as of July 14, 2023 - Apple declined last week and continued its decline on Monday and Tuesday of this week, briefly breaking below its 20 day SMA each day. Wednesday saw a gap up and a wider range day. Thursday saw a smaller narrow range 'Inside' day. Friday saw another narrow range day to end the week up only +0.01%.



MSFT daily chart as of July 14, 2023 - Microsoft continued to decline on Monday and Tuesday before gapping up to its 20 day SMA on Wednesday to deliver a higher high. Thursday and Friday saw higher highs, higher lows and higher closes to end the week up +2.38%.



GOOGL daily chart as of July 14, 2023 - Alphabet paused last week then gapped down Monday below its 50 day SMA to retest its prior lows. Tuesday saw lower lows, low high but a higher close. Wednesday saw a gap up and brief cross above its 50 day SMA but closed below that SMA. Thursday saw a gap up to its 20 day SMA and a strong rally that continued higher Friday to end the week up +4.97%.



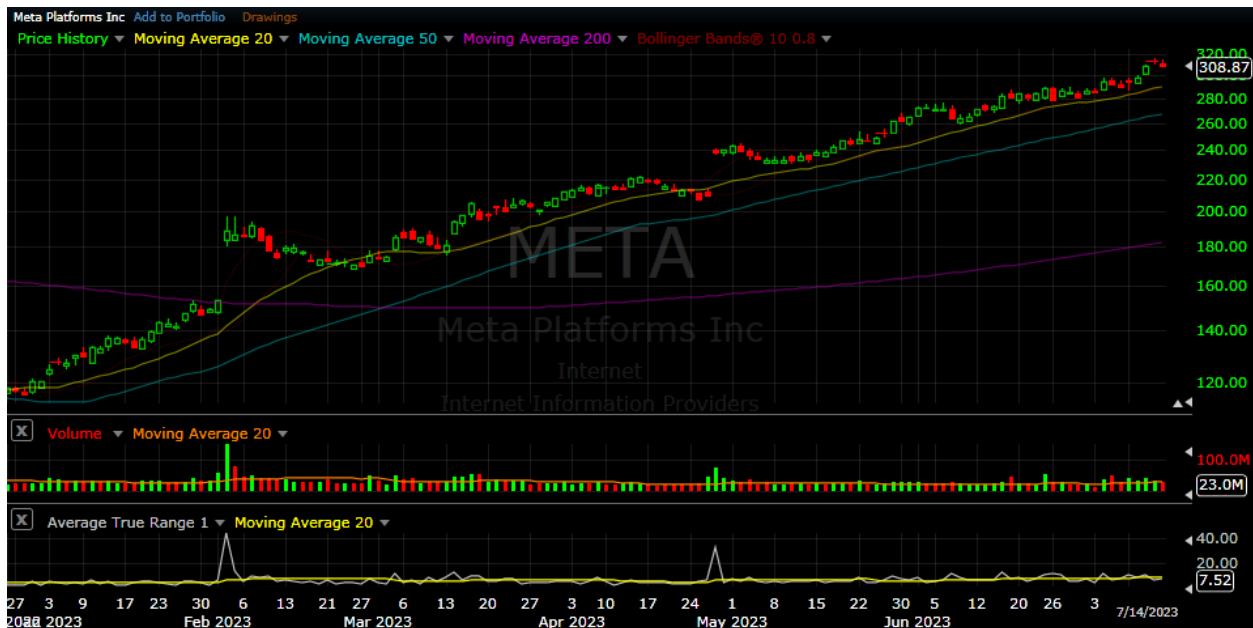
AMZN daily chart as of July 14, 2023 - Amazon paused within a range the prior 2 weeks. Monday saw a gap down and selling below its 20 day SMA to find support near \$126. Tuesday crossed back above its 20 day SMA and we see higher highs and higher lows every day that followed this week. Thursday and Friday delivered new 2023 highs, ending the week up +3.78%.



TSLA daily chart as of July 14, 2023 - Tesla continued its decline on Monday then saw a small bounce on Tuesday. The next 3 days all saw higher highs and higher lows to end the week up +2.53%.



NVDA daily chart as of July 14, 2023 - Nvidia paused near its 20 day SMA the prior 2 weeks. Monday and Tuesday of this week we see that pause continue just above its 20 day SMA. Wednesday saw a gap up and rally that continued with new all time highs on both Thursday and Friday with a lower close on Friday to end the week up +6.98%.



META daily chart as of July 14, 2023 - Meta continued its slow rally just above its 20 day SMA on Monday and Tuesday this week, then gapped up on Wednesday and Thursday to deliver new 52 week highs. Friday saw a pull back, lower high, lower low and lower close to end the week up +6.31%.

Let's compare the above 7 biggest stocks in the table below to help see the relative strength last week as compared to this week.

Stock	% Change Last week	% Change This week
QQQ	-0.86%	3.50%
AAPL	-1.70%	0.01%
MSFT	-0.97%	2.38%
GOOGL	-0.18%	4.97%
AMZN	-0.44%	3.78%
TSLA	4.84%	2.53%
NVDA	0.48%	6.98%
META	1.24%	6.31%

In the table above the green highlighted values are where the gains were greater than were the QQQ's gains for that week. Note that other than TSLA, the same 4 stronger names last week were also stronger this week. TSLA was a little weaker this week and did not exceed the gains of the QQQ but still delivered +2.53% gains this week.

Note also, that the strongest stock in this list of 7 last week was TSLA and this week was NVDA.

This highlights the odds that favor the stronger stocks and how they often 'continue' to remain stronger. (At least 4 out of 5 did so this week.) Identifying strength, and assuming that the odds favor that that strength will continue, is one way to put the odds in your favor. The same applies to Weakness and assuming that that weakness will continue.

We do NOT trade a symbol only because of its show of strength, but we keep it on our watch list each day as a bull candidate to patiently wait for a buyable dip. Likewise, we watch weakness for a failed rally to sell. The chart conditions still must meet our trade criteria. Keeping a list of strength for bullish opportunities and weakness for bearish opportunities is how we keep a small list of higher odds opportunities.



JPM daily chart as of July 14, 2023 - JPM continued its rally this week with a pause on Thursday before reporting Earnings on Friday before the open. Earnings reactions were positive at first then faded in the first 2 hour of Friday to end the week up +3.76%. JPM delivered new 52 week highs on Tues. Wed. and Friday.



COST daily chart as of July 14, 2023 - Costco remained below its 20 day SMA most of Monday then crossed back above its 20 day SMA on Tuesday. Wednesday saw a strong rally with a pause and 'Inside' day on Thursday. Friday again saw a strong rally to deliver new 2023 highs, ending the week up +4.12%.



INTC daily chart as of July 14, 2023 - Intel tested its 50 day SMA as support last week and bounced last Friday. The Bounce continued Monday, Tuesday and Wednesday this week, crossing above its 20 day SMA on Wednesday. Thursday saw a higher high but a lower close after a test of its 20 day SMA as support. Friday saw a decline below its 20 day SMA to end the week up +4.08%.



FDX daily chart as of July 14, 2023 - FedEx continued its rally this week with a small gain on Monday then a strong gain on Tuesday that continued higher Wednesday. Thursday saw a decline after deliver a higher high that continued lower Friday to end the week up +2.47%. FDX delivered new 52 week highs on Tues. Wed. and Thursday.



CAT daily chart as of July 14, 2023 - Caterpillar continued its rally with higher highs, higher lows and a higher close on Monday, Tuesday and Wednesday of this week. Thursday saw a pause with an 'Inside' day and a higher close. Friday saw a higher high, higher low but a lower close to end the week up +4.26%.



RVN daily chart as of July 14, 2023 - Rivian held onto most of its gains from last week and briefly delivered a higher high on Monday and Thursday this week then pulling back a bit on Friday to end the week up +0.49%.



SLB daily chart as of July 14, 2023 - SLB saw a huge rally last Friday and continued higher this week with higher highs, higher lows and a higher close every day this week except on Friday where we saw an 'Inside' day to end the week up +7.09%.

This week delivered a strong rally with only a mild pull back seen on Friday. There were plenty of opportunities for the Bulls with both buyable dips seen on Monday and key Break Outs seen last Friday, Monday and Tuesday of this week.

By following the strongest stocks in the strongest sectors, we can improve our odds of finding a strong bullish opportunity. By keeping a small list of higher odds opportunities, we can patiently wait for a dip to buy when our Risk/Reward/Probabilities are in our favor.

Trade Smart,

CJ