



Market Observations - as of August 25, 2023

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

Last week we saw the decline continue and even strengthen a bit. Monday saw a mild rally that failed to exceed prior highs and reversed on Tuesday to deliver Lower Lows in the S&P and a lower close in both the S&P and Nasdaq. The S&P delivered Lower Lows every day last week except on Monday. The Nasdaq composite delivered Lower Lows every day last week except on Tuesday. The Nasdaq again showed a greater decline last week than did the S&P. Friday saw a gap down at the open then rallied most of the day filling the opening gap and closing the day near the highs of the day.

This week we saw the rally last Friday continue Monday, pause Tuesday and resume higher Wednesday with more strength and delivered a new high for the week. We saw strength in the Semiconductor sector on Wednesday in sympathy with the NVDA Earnings expectations. NVDA reported Earnings after the close on Wednesday and most eyes were watching that stock shoot up \$44 in afterhours trading.

Thursday's open saw a gap up to new highs for the week that very quickly reversed in the first few minutes to see strong selling all day and delivered the largest range down day for this year by the close.

Friday saw a small gap up and a pause as markets waited for Jay Powell to speak from Jackson's Hole. We saw some wild reactions to Jay Powell as markets rallied up, down, up higher, down lower before settling mid day near its open. The last half of Friday saw a mild rally to retest the Powell Reaction highs from earlier in the day and pulled back just a little at the close.

Compared to the wide day on Thursday, Friday delivered a lower low and a lower high but ended the day closer to its highs for the day.

By the end of the week we saw mixed performance with the Dow Industrials, Dow Transport and the Russell 2000 were all down for this week while the S&P-500 and Nasdaq Composite were up for the week. We will also see 'mixed' results for this week when we look at the Sector weekly performance below.

The McClellan Oscillator and Summation Index continued lower this week into negative values while the NYSE Percent above the 200 day and 50 day SMAs oscillated with only a small decline this week.

Oil prices declined the first 3 days of this week then saw a small bounce on Thursday and Friday. The US Dollar oscillated in a narrow range the first 3 days of this week then raised higher on Thursday and Friday. Gold prices mirrored the USD this week, up a little for 3 days then drifting lower the last 2 days this week. US Yield rates peaked this week on Tuesday with new multi-year highs seen in the 10 year Yields. Fixed rate 30 year Mortgage rates rose to new 22 year highs this week, nearing 7.5%.

With Jay Powell continuing to focus on achieving a 2% inflation rate, the markets show increasing 'odds' for a potential Fed rate hike on Sept 20th and/or on Nov. 1st.

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



S&P 500 weekly chart as of Aug 25, 2023 - We see a small bounce this week, with an 'Inside' week and higher close this week, showing a 'pause' in the prior 3 weeks decline just above the 20 week SMA.



S&P 500 daily chart as of Aug 25, 2023 - The S&P broke below its 50 day SMA last week on Aug. 15th and continued lower last week. This week we saw a rally up to the 50 day SMA with higher highs the first 4 days this week. The 50 day SMA provided Resistance early on Thursday and a large drop was delivered Thursday that was nearly 2x its Average True Range and exceeded the lows of the prior 2 days, nearly returning to last Friday's close. Friday saw a lower low, lower high but a higher close to end the week up +0.82%.



S&P 500 15 min. chart as of Aug 25, 2023 - After an up-down oscillation early Monday we saw the rally from last Friday resume. Tuesday saw higher highs but then pulled back to test support at the July 6th Lows. Wednesday saw a strong rally most of the day, the strongest day seen this week, so far.

Thursday saw a gap up at the open the briefly broke above the upper weekly Expected Move before quickly selling off with strong selling all day, breaking below the prior support at the July 6th Lows and giving back most of this week's gains.

Friday saw a small gap up and pause as the markets waited for Jay Powell to speak. Once Jay spoke we saw several wide swings, up, down to deliver new lows for this week and then up, pausing near the July 6th lows mid-day before the last 2 hours rally to end the day near the middle of this week's range.



DJIA weekly chart as of Aug 25, 2023 - The Dow Industrials continued lower this week, briefly crossing below its 20 week SMA, delivering a lower low, lower high and lower close for the week.



DJIA daily chart as of Aug 25, 2023 - The Dow Industrials crossed below its 50 day SMA last Thursday on Aug. 17th and has remained below that SMA most all of this week. On Thursday we see a wide range day that tested the 50 day SMA as Resistance, respected that Resistance and continued lower all day. Friday saw a lower low, lower high and a higher close to end the week down -0.45%.



Nasdaq weekly chart as of Aug 25, 2023 - The Nasdaq Composite saw a bounce this week with a higher low, higher high and a higher close after testing Support at its 20 week SMA last week.



Nasdaq daily chart as of Aug 25, 2023 - The Nasdaq composite saw higher highs Monday, Tuesday, Wednesday and at the open on Thursday where it found Resistance at its 50 day SMA (just above its 20 day SMA) and was followed with strong selling all day on Thursday. Thursday was one of the widest range days this year. Friday saw a lower low, lower high but a higher close to end the week up +2.26%. The Nasdaq crossed below its 50 day SMA on Aug. 10th and has remained below since.



Russell 2000 weekly chart as of Aug 25, 2023 - The Russell 2000 has been stuck inside a range (1650 - 2030) for nearly a year and a half and ended this week near the middle of that range where all 3 SMAs are tightly clustered together.



Russell 2000 daily chart as of Aug 25, 2023 - This week the Russell remained within a narrow range from 1845 to 1870 with a brief break lower on Friday (thanks to Jay Powell), ending the week down -0.31%. We have seen several tests of the 200 day SMA (Purple) Support but no close below, so far.

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



McClellan Summation Index weekly chart as of Aug 25, 2023 - Last week we saw a strong decline that crossed below the 200 week SMA and ended the week at +217.99. This week the decline continued crossing below its 50 week SMA to end this week in the negative at -70.72.



McClellan Summation Index daily chart as of Aug 25, 2023 - The sharp decline we saw last week that crossed below its 200 day SMA continued this week to end this week in the negative at -70.72.

We see a continuation of the down trend this week in the McClelland Summation Index. The McClelland Oscillator and Summation Index is often more closely correlated with the Russell 2000 week to week since it is based upon all NYSE listed stocks and treats each stock with equal weighting. Thus it is not a surprise to see both the Russell 2000 and the McClellan Summation Index down again this week, but down not as strong this week as last week.



NYSE Percent above 200 day SMA daily chart as of Aug 25, 2023 - Last week ended with a one day bounce Friday to end last week at 51.37%. This week we saw a dip to 49%, a bounce to 52% and a decline to end this week only slightly lower at 51.09%.



NYSE Percent above 50 day SMA daily chart as of Aug 25, 2023 - Last week we saw a sharp decline to 37.54%. This week we saw a dip, bounce and dip to end this week slightly lower at 36.04%.

The above two NYSE Percent indicators saw little change this week, suggesting a pause in the down trend.



VIX daily chart as of Aug 25, 2023 - The prior two and a half weeks the VIX has remained above its 20 day SMA (Yellow) and tested its 200 day SMA (Purple) last Friday. This week we see a slow decline for 3 days to the 20 day SMA. Thursday saw a gap below the 20 day SMA that quickly rose all day back above Monday's close. Friday saw a large range day decline (mirror of Thursday's move) to break and close below its 20 day SMA for the first time since Aug. 1st.



VVIX daily chart as of Aug 25, 2023 - The Volatility of the VIX shot up last week then saw a large decline last Friday. This week the decline continued below its 20 day SMA Monday, below its 50 day SMA Tuesday and below its 200 day SMA on Wednesday. Thursday saw a pop up but failed to reach its 50 day SMA. Friday saw a large decline back below its 200 day SMA to end the week at a low not seen since July 3rd.



SKEW daily chart as of Aug 25, 2023 - Thursday saw a drop in Options SKEW as strong selling drove a stronger desire for hedging that is reflected in the SKEW. The lows for the SKEW this week have not been seen since early May of this year.

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



Oil daily chart as of Aug 25, 2023 - Oil prices drifted lower after testing the 20 day SMA as Resistance on Monday and trading lower Tuesday and Wednesday. Thursday saw a narrow range pause with a slightly higher close. Friday saw higher prices that ended the week about 68 cents below last week's close.



Gold daily chart as of Aug 25, 2023 - Gold prices paused Monday and rallied Tuesday a little and Wednesday rallied up to the 50 day SMA. Thursday saw a retest of the 50 day SMA Resistance. Friday saw a retest of both the 20 day and 50 day SMA Resistance before closing lower.



US Dollar Index daily chart as of Aug 25, 2023 - The US Dollar oscillated above and below its 200 day SMA the first 3 days this week then rallied with a higher high Wednesday and Thursday. Friday saw a higher high, higher low and higher close.



US 10 year Treasury daily chart as of Aug 25, 2023 - The 10 year sold lower on Monday and continued lower Tuesday. Wednesday saw a rally higher on stronger volume. Thursday and Friday saw selling on even stronger volume.



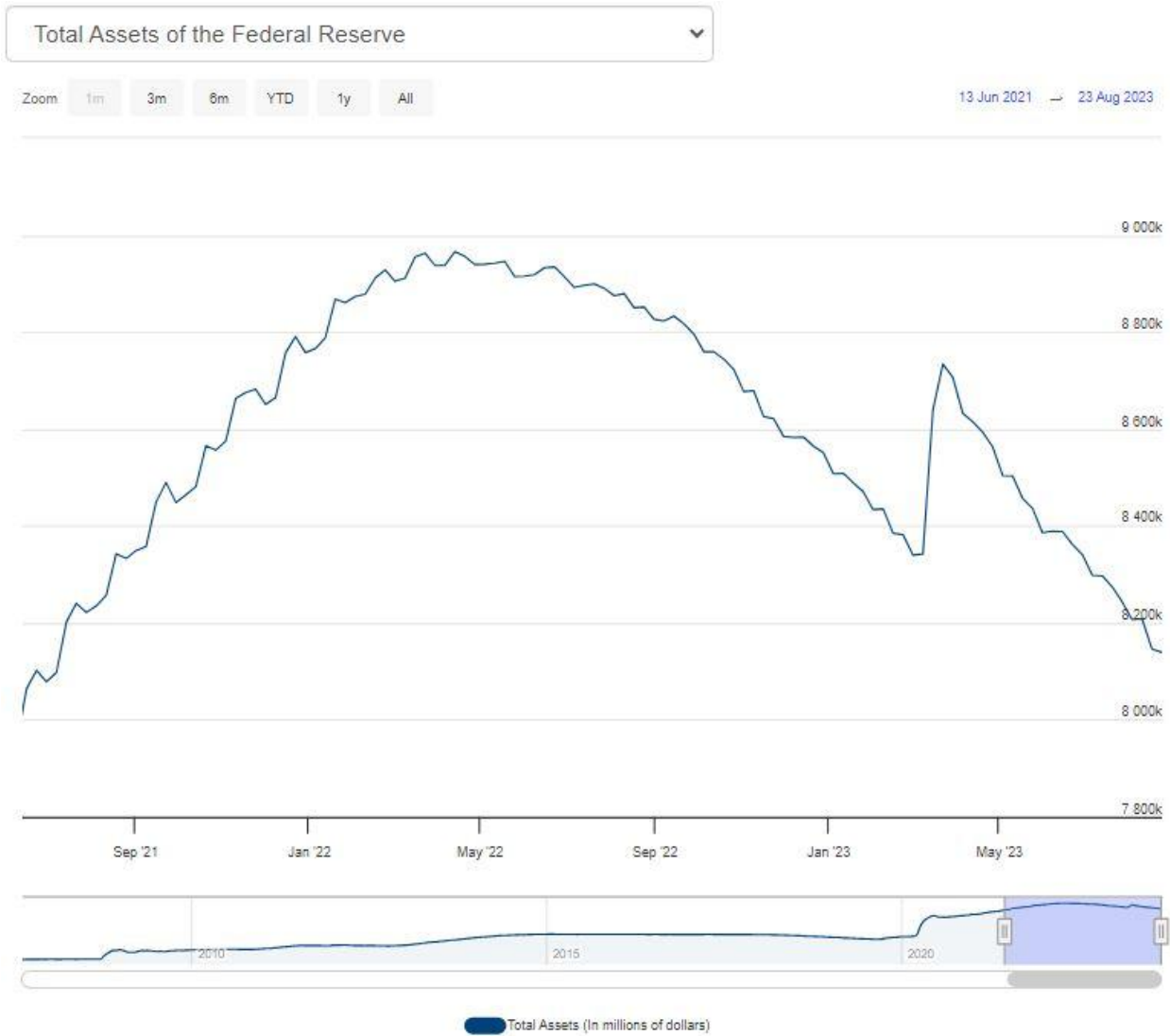
US 10 year Yield daily chart as of Aug 25, 2023 - The 10 year Yield peaked on Tuesday at new multi-year highs. Wednesday saw a drop in Yields as buying became stronger. Thursday saw a pause followed by a rally to slightly higher yields as the selling continued on even stronger volume.



US 10 year Yield weekly chart as of Aug 25, 2023 - The 10 year Yield peaked on Tuesday this week at a high of 4.362%. We have to look back to the 4th quarter of 2007 to find a higher Yield rate.

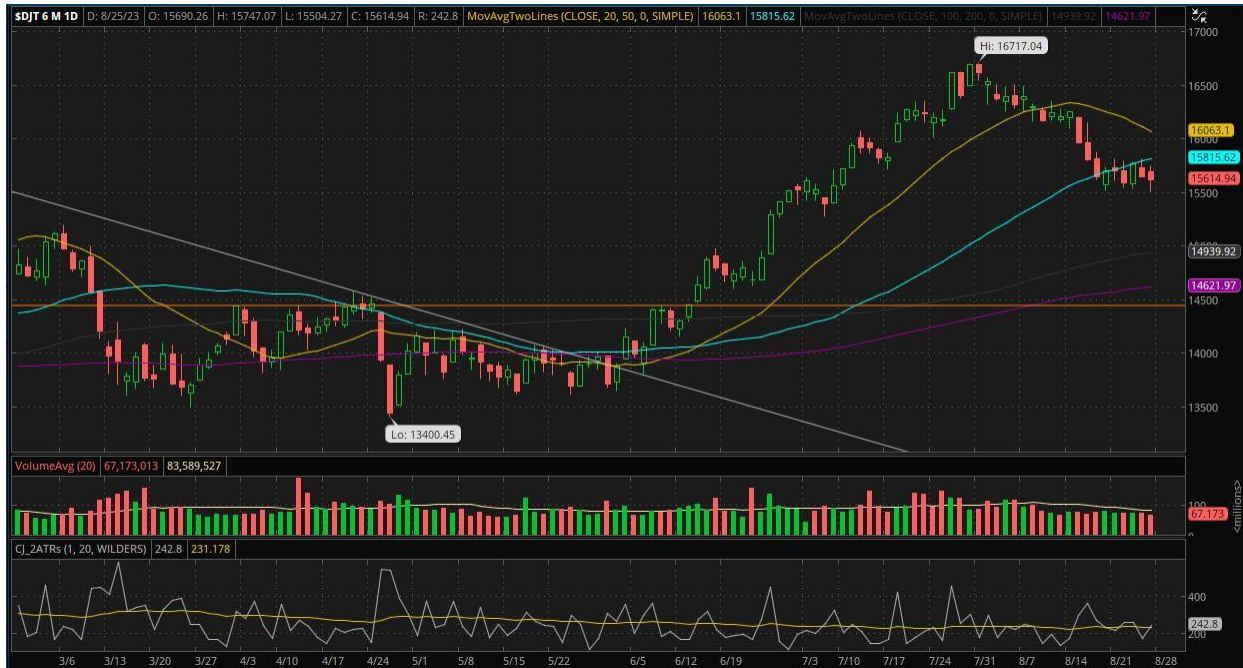
Date	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
08/01/2023	5.49	5.54	5.54	5.57	5.54	5.38	4.92	4.57	4.24	4.15	4.05	4.30	4.11
08/02/2023	5.48	5.53	5.53	5.54	5.52	5.36	4.88	4.54	4.24	4.17	4.08	4.35	4.17
08/03/2023	5.54	5.52	5.54	5.53	5.52	5.37	4.90	4.58	4.30	4.26	4.20	4.49	4.32
08/04/2023	5.54	5.51	5.54	5.52	5.50	5.33	4.78	4.45	4.15	4.10	4.05	4.36	4.21
08/07/2023	5.54	5.51	5.56	5.53	5.53	5.30	4.76	4.44	4.16	4.13	4.09	4.42	4.27
08/08/2023	5.54	5.53	5.57	5.52	5.53	5.35	4.74	4.36	4.10	4.06	4.02	4.35	4.20
08/09/2023	5.51	5.52	5.55	5.34	5.54	5.35	4.79	4.41	4.12	4.07	4.00	4.33	4.18
08/10/2023	5.55	5.52	5.54	5.53	5.52	5.33	4.82	4.47	4.21	4.17	4.09	4.41	4.24
08/11/2023	5.54	5.51	5.54	5.54	5.52	5.36	4.89	4.56	4.31	4.26	4.16	4.45	4.27
08/14/2023	5.55	5.52	5.56	5.53	5.56	5.37	4.96	4.64	4.36	4.29	4.19	4.46	4.29
08/15/2023	5.53	5.52	5.56	5.51	5.55	5.36	4.92	4.64	4.36	4.31	4.21	4.49	4.32
08/16/2023	5.52	5.53	5.56	5.54	5.54	5.37	4.97	4.68	4.42	4.37	4.28	4.55	4.38
08/17/2023	5.55	5.52	5.56	5.54	5.53	5.36	4.94	4.67	4.42	4.38	4.30	4.58	4.41
08/18/2023	5.53	5.52	5.55	5.54	5.52	5.35	4.92	4.63	4.38	4.34	4.26	4.55	4.38
08/21/2023	5.55	5.53	5.57	5.55	5.58	5.37	4.97	4.70	4.46	4.42	4.34	4.64	4.45
08/22/2023	5.54	5.53	5.57	5.55	5.57	5.39	5.02	4.75	4.49	4.44	4.34	4.61	4.42
08/23/2023	5.54	5.53	5.57	5.56	5.55	5.35	4.95	4.64	4.36	4.30	4.19	4.46	4.27
08/24/2023	5.55	5.53	5.58	5.57	5.59	5.39	4.98	4.69	4.39	4.34	4.23	4.49	4.30
08/25/2023	5.56	5.53	5.61	5.59	5.61	5.44	5.03	4.72	4.44	4.37	4.25	4.50	4.30

US Yield Rates daily table as of Aug 25, 2023 - Short term Yields drifted higher this week while longer term Yields peaked on Monday and Tuesday then pulled back a little the rest of this week.



FOMC Balance Sheet weekly chart as of Aug 23, 2023 - The Fed decreased its Balance Sheet this week by \$6.661 Billion to a new Total Assets of \$8.139066 Trillion.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of Aug 25, 2023 - The Transports crossed and closed below its 50 day SMA last Thursday and then closed back above last Friday. This week saw the Transports cross and close below its 50 day SMA on Monday and remained below at the close each day this week while this sector remained inside a narrow range. The Transports ended the week down -0.55%.



XLE daily chart as of Aug 25, 2023 - The Energy sector declined the first 3 days this week, crossing below its 20 day SMA on Wednesday. Thursday saw a test of the 20 day SMA that failed. Friday saw a brief break above the 20 day SMA but then closed back below, ending the week down -1.37%.



XLF daily chart as of Aug 25, 2023 - The Financial sector crossed below its 50 day SMA last Wednesday and crossed below its 200 day SMA last Thursday. The XLF remained below these two SMAs most all of this week with a test of the 50 day SMA Resistance on Thursday and a test of the 200 day SMA Resistance on Friday, ending the week up only +0.03%.



QQQ daily chart as of Aug 25, 2023 - The rally seen last Friday after the gap down, continued on Monday and Wednesday this week with a brief pause on Tuesday. Wednesday saw a test of the 50 day and 20 day SMAs as Resistance. Thursday saw a brief break above the 50 day SMA that only lasted a few min before selling lower all day to deliver the widest range down day seen this year. Friday saw a lower low, lower high and a higher close to end the week up +1.64%.



QQQ 5 min. chart as of Aug 25, 2023 - The large gap up on Thursday at the open (thanks to NVDA Earnings) was very quickly reversed and filled in under 15 minutes. This was a significant showing of the strong convictions by the Bears. After filling Thursday's gap we see a brief pause for less than 15 min. before strong selling really kicked into gear the next 2 hours, and continued most all day.

On Friday we see the wild reaction swings to Jay Powell's speech that eventually settle down. Buyers showed some mild convictions the last half of Friday.



SOXX daily chart as of Aug 25, 2023 - We saw the Semiconductor sector rally on Monday and Wednesday with a higher high but lower close on Tuesday. Wednesday saw this sector lead in sympathy with NVDA Earnings Expectations. Thursday saw a very wide range day as the decline gave back all of this week's gains. Friday saw lower lows, thanks to Jay Powell, before a rally the rest of the day ended Friday slightly higher on the day and up +1.04% for the week.



XLC daily chart as of Aug 25, 2023 - The Communication Services sector crossed below its 50 day SMA last Thursday and gapped lower last Friday. This week saw a bounce with higher high and higher lows on Monday, Tuesday and Wednesday as the XLC crossed back above its 50 day SMA on Wednesday. Thursday peaked with a test of the 20 day SMA as Resistance before selling off most all day back below

its 50 day SMA. Friday saw a lower low that exceeded the prior week's lows, a lower high and a slightly higher close to end the week up +0.49%.

INDEXes	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
SECTORs	7/14/2023	7/21/2023	7/28/2023	8/4/2023	8/11/2023	8/18/2023	8/25/2023
\$SPX	2.42%	0.69%	1.01%	-2.27%	-0.31%	-2.11%	0.82%
\$INDU	2.29%	2.08%	0.66%	-1.11%	0.62%	-2.21%	-0.45%
\$COMPQ	3.32%	-0.57%	2.02%	-2.85%	-1.90%	-2.59%	2.26%
\$RUT	3.56%	1.51%	1.09%	-1.22%	-1.65%	-3.41%	-0.31%
QQQ	3.50%	-0.91%	2.09%	-2.98%	-1.56%	-2.21%	1.64%
\$TRAN	1.72%	2.56%	2.85%	-2.25%	-0.67%	-3.14%	-0.55%
XLE	0.82%	3.50%	1.84%	1.25%	3.43%	-1.21%	-1.37%
XLF	1.96%	2.95%	-0.17%	-0.82%	0.03%	-2.69%	0.03%
XLK	2.79%	0.08%	1.03%	-3.81%	-2.49%	-1.16%	2.27%
SOXX	4.81%	-1.44%	4.39%	-3.77%	-5.13%	-1.23%	1.04%
XLV	2.09%	3.45%	-0.77%	-2.06%	2.47%	-1.58%	-0.09%
XLY	3.28%	-2.25%	1.04%	-0.70%	-1.07%	-4.16%	1.23%
XRT	2.10%	1.27%	1.76%	-0.70%	-1.15%	-1.71%	-4.37%
XLI	2.27%	0.87%	0.56%	-1.74%	0.60%	-2.43%	0.28%
XLU	2.23%	2.41%	-2.07%	-4.55%	0.91%	-1.67%	0.22%
XME	2.04%	0.16%	1.99%	-1.90%	-1.41%	0.49%	-1.58%
XLP	1.12%	1.82%	0.62%	-1.91%	0.20%	-2.38%	-0.82%
XLB	2.49%	0.59%	1.81%	-1.99%	-1.02%	-2.28%	-0.04%
XLC	3.23%	-2.37%	4.96%	-2.50%	0.04%	-3.07%	0.49%
XHB	7.12%	-1.21%	2.38%	-0.69%	-0.75%	-4.41%	-0.30%

Weekly Percent Change US Indexes and Sectors table as of Aug 25, 2023 - The Dow Industrials, Transports and Russell 2k all declined this week while the S&P saw a small gain and the Nasdaq composite the strongest gains. This suggests that tech had a significant impact on this week's market actions.

The strongest sector this week was the XLK which also confirms the tech leadership this week. Other strong sectors this week included: QQQ, XLY and SOXX that all delivered over +1% gains.

The weakest sector this week was the XRT. A lot of Retail Earnings were reported last week and this week and a common negative topic was the significant impact of slippage (Theft). Other weak sectors this week included: XME, XLE and XLP.

Sectors were evenly split this week with 8 gainers and 8 decliners.

INDEXes SECTORs	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 08/14/23	End of Day 08/15/23	End of Day 08/16/23	End of Day 08/17/23	End of Day 08/18/23	End of Day 08/21/23	End of Day 08/22/23	End of Day 08/23/23	End of Day 08/24/23	End of Day 08/25/23
\$SPX	0.58%	-1.16%	-0.76%	-0.77%	-0.01%	0.69%	-0.28%	1.10%	-1.35%	0.67%
\$INDU	0.07%	-1.02%	-0.52%	-0.84%	0.07%	-0.11%	-0.51%	0.54%	-1.08%	0.73%
\$COMPQ	1.05%	-1.14%	-1.15%	-1.17%	-0.20%	1.56%	0.06%	1.59%	-1.87%	0.94%
\$RUT	-0.24%	-1.29%	-1.28%	-1.15%	0.51%	-0.18%	-0.28%	1.04%	-1.27%	0.40%
QQQ	1.12%	-1.05%	-1.06%	-1.09%	-0.13%	1.61%	-0.14%	1.58%	-2.14%	0.78%
\$TRAN	0.26%	-1.76%	-0.98%	-1.04%	0.37%	0.03%	-0.72%	1.13%	-0.76%	-0.21%

Daily Percent Change US Indexes table as of Aug 25, 2023 - We saw daily leadership changes with the Nasdaq Composite showing its strength 3 days this week. The QQQ showed its strength on one day and the Transports showed strength on one day this week but weakness on two days.

Next we will look at a few key Stocks.



APL daily chart as of Aug 25, 2023 - Apple appears to have ended its decline last Friday and rallied every day this week except on Thursday when it saw a large decline that gave back the prior two days of gains. Friday ended the week with a small rally day. Apple was up this week by +2.36%.



MSFT daily chart as of Aug 25, 2023 - Microsoft looks like it ended its decline last Friday and rallied Monday, Tuesday and Wednesday with higher highs and higher lows each day, crossing above its 20 day SMA on Wednesday. Thursday gapped up to nearly its 50 day SMA before selling off all day back below its 20 day SMA and gave back a large portion of this week's gains. Friday saw a small rally that tested the 20 day SMA but closed below to end the week up +2.05%.



GOOGL daily chart as of Aug 25, 2023 - Alphabet remained below its 20 day SMA on Monday and Tuesday then gapped above this SMA on Wednesday. Thursday opened up and delivered new 52 week highs before selling off back below its 20 day SMA. Friday saw a lower low, lower high and closed nearly right on its 20 day SMA, ending the week up +1.90%.



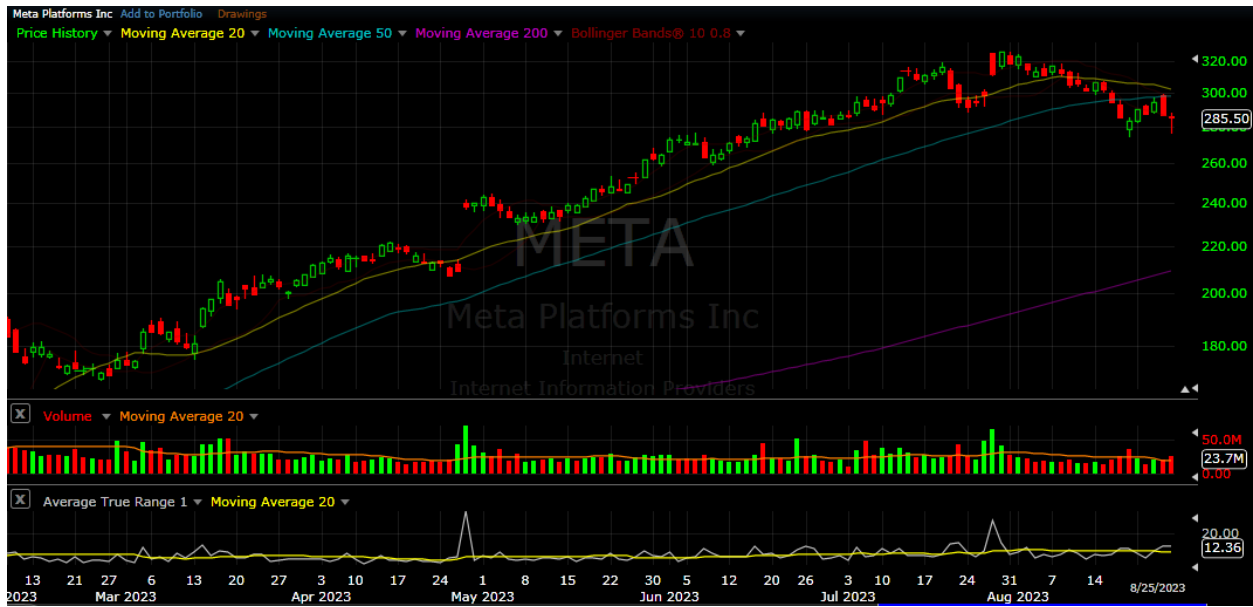
AMZN daily chart as of Aug 25, 2023 - Amazon crossed below its 20 day SMA last Thursday and tested support at its 50 day SMA last Friday. This week saw a rally the first 3 days that straddled the 20 day SMA each day. Thursday gapped up to new highs for this week then quickly sold off below its 20 day SMA and tested support at its 50 day SMA where it closed on Thursday. Friday saw lower lows, lower highs and a higher close to end the week up only +0.03%.



TSLA daily chart as of Aug 25, 2023 - Tesla accelerated down most of August to finally find some support last Friday. This week we saw a strong rally Monday and Tuesday then paused the rest of this week in the \$230 to \$240 range, ending the week up +10.72%.



NVDA daily chart as of Aug 25, 2023 - Nvidia reported Earnings on Wednesday this week, after the close. All eyes were watching this stock due to its huge move up on last quarter's Earnings. This week we saw NVDA rally Monday, gap up and pull back Tuesday, then rally on Wednesday leading up to Earnings. The NVDA options market was pricing in a Measured Market Move of about \$44 dollars at the close Wednesday. Wednesday after hours trading saw NVDA pop up that amount above Wednesday's close and then hold up for a while. Prices drifted a bit lower over the following hours of afterhours trading. At the open on Thursday, NVDA opened up about \$35 above the prior day's close for new all time highs and then sold lower most of the day. By the time of the close on Thursday NVDA had giving back all but 68 cents of its Earnings Reactions gains. Friday saw strong selling continue to end the week up +6.28% and still above its 20 day SMA. Thursday's highs briefly saw new all time highs and a peak of about +16% above last Friday's close.



META daily chart as of Aug 25, 2023 - Meta crossed below its 50 day SMA last Wednesday and continued lower to find support last Friday. META rallied the first 3 days this week to test its 50 day SMA as Resistance on Wednesday. Thursday saw a brief gap above the 50 day SMA that quickly sold off back below the 50 day SMA and below the prior two day's lows. Friday saw a lower low, lower high and lower close to end the week up +0.79%.

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	-2.21%	1.64%
AAPL	-1.86%	2.36%
MSFT	-1.20%	2.05%
GOOGL	-1.62%	1.90%
AMZN	-3.75%	0.03%
TSLA	-11.19%	10.72%
NVDA	5.98%	6.28%
META	-6.10%	0.79%

In the table above the **green highlighted** values are where the gains were greater (or less negative) than were the QQQ's gains for that week.

All four of last week's leaders (in Green) were again leaders this week, beating the QQQ. The strongest name this week (TSLA) was also the weakest name last week as it flipped its role from leading markets down last week to leading markets up this week.

This is a good example of why it can be important to also track the weakest leaders, since they could remain a leader when markets change from bearish to bullish.



JPM daily chart as of Aug 25, 2023 - JP Morgan continues its decline for a 4th week, crossing below its 50 day SMA last week and again on Monday this week. Tuesday saw a strong decline as JPM remained below the 50 day SMA all of this week, ending the week down -1.29%.



CAT daily chart as of Aug 25, 2023 - Caterpillar crossed below its 20 day SMA last Friday and remained below all of this week, ending the week down -0.45%.



COST daily chart as of Aug 25, 2023 - Costco saw a sharp decline last Thursday and Friday and continued lower crossing below its 50 day SMA on Monday of this week. COST continued lower this week with a larger range drop on Thursday and a small bounce Friday to end the week down -1.82%.



AMD daily chart as of Aug 25, 2023 - AMD saw a rally Monday, pullback Tuesday and a sympathy rally Wednesday as Nvidia's Earnings approached. Thursday saw a gap above the 20 day SMA that quickly sold off back below the 20 day SMA and continued lower, exceeding last week's lows. Friday saw a lower low, lower high and small bounce and higher close to end the week down -3.03%.



INTC daily chart as of Aug 25, 2023 - Intel saw a large decline last week with only a small bounce last Friday. This week saw a rally up to the 50 day SMA Resistance in the first 3 days then a strong drop Thursday that gave back all of this week's gains plus a bit more. Friday saw a bounce to recover about half of the prior day's losses, ending the week up +1.53%.



HAL daily chart as of Aug 25, 2023 - Halliburton saw last week's decline continue this week with a cross below its 20 day SMA on Monday and lower lows the next two days. Thursday saw an 'Inside' day with the pause continuing Friday to end the week down -3.17%.



SLB daily chart as of Aug 25, 2023 - SLB saw a failed rally Monday above its 20 day SMA the closed back below this SMA. Tuesday and Wednesday saw lower lows. Wednesday saw a rally up to its 20 day SMA where it found Resistance. Thursday saw a decline from the 20 day SMA that gave back about half of the prior day's gains. Friday saw lower lows, lower highs and a lower close to end the week down - 2.71%.



TGT daily chart as of Aug 25, 2023 - Target reported Earnings last Wednesday and saw a gap up and selling back down to nearly the prior day's close. The rally last Thursday and Friday could not break above its 50 day or 20 day SMAs. This week we saw a lower close Monday and a gap down Tuesday to exceed last week's lows. The rest of this week drifted lower to end the week down -7.18%.



DE daily chart as of Aug 25, 2023 - John Deere saw a huge drop last week, both before and after reporting Earnings before the open on Friday, crossing below all 3 SMAs last week. This week saw the selling continue with less momentum on Monday and Tuesday. Wednesday saw a bounce that failed to follow through. Thursday gave back most of the prior day's gains. Friday saw a very small bounce to end the week down -1.72%.

Important Note: We saw (above) how all seven of the biggest stocks in the Nasdaq-100 ended this week up while nearly all (but one) of the other charts above (JPM - - DE) ended this week down. (Hint) Does this look like big tech could be leading this week's bounce in the Nasdaq composite (and a smaller bounce in the S&P)?

What sectors were up and what sectors were down this week?

Do you see a 'trend'?

What do you think will happen if some or all of these big tech names turn Bearish?

Think about it and be 'prepared' just in case.

Trade Smart,

CJ