



Market Observations - as of October 13, 2023

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

Last week we saw a pause on Monday with the Nasdaq while the S&P continued a little lower. Tuesday saw a stronger decline in most all Indexes. Wednesday saw a mild bounce higher in most indexes. Thursday saw a decline and retest of support before bouncing back up to see minimal losses at the close of the day. Friday saw a gap down on Jobs data that retested support in the first 40 min before beginning a strong rally 10 min. later. The rally accelerated faster the hour that began 90 min. after Friday's open. The last half of Friday saw a mild drift higher to end the week with Nasdaq delivering new 2 week highs and the S&P delivering new highs for this week.

This week we saw a reaction to the attack on Israel last weekend with a gap down at the open on Monday that soon rallied to higher highs for the day. Tuesday saw the rally continue with higher highs and higher lows. Wednesday saw higher highs and higher lows in the Nasdaq while the S&P delivered an 'Inside Day' (with lower highs and higher lows). Thursday saw new highs for the week in both the Nasdaq and S&P in the first half of the day before the markets saw a 'no show' for the Bond Auction at about 1pm ET with a fast and strong decline in the markets that followed for just over an hour when a bounce recovered about 1/3 of the sharp decline in the last 2 hours of the day. Friday saw a small gap up and failed rally in the first 30 min. that was followed with steady selling most all day.

By the end of this week the Nasdaq Composite had given back all of its gains this week and ended the week with a very small loss. The S&P ended this week by giving back about $\frac{3}{4}$ of its gains for this week, ending this week with a small gain.

We saw how the Nasdaq led the markets higher the first 3 days this week, and at times we saw the Biggest 7 stocks were leading that rally. We also saw how the Biggest 7 stocks led the decline on Friday, with the Semiconductor and Tech Sectors the weakest sectors most of the day on Friday.

Oil prices gapped up on Monday as a reaction to the attack on Israel last weekend. Oil declined a little during the week then shot up again on Friday to end this week up nearly \$5. Military Defense contractors (sector) also shot up on Monday in reaction to the attack.

The US Dollar Index continued its slow decline the first 3 days of this week then shot higher Thursday and Friday. Gold prices saw a strong rally this week with a HUGE move higher on Friday to \$1945.9.

Monday was a Holiday for the Bond markets. Tuesday saw a higher open that continued higher until Thursday's market open that saw a sharp decline that nearly gave back all of this week's advances in one day. Friday saw a small bounce. Yields move in an inverse pattern, shooting higher on Thursdays selling.

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



SP&P 500 weekly chart as of Oct 13, 2023 - This week we see a higher high, higher low and higher close as compared to last week. The 11-month Support Trend Line (Orange line) drawn from Oct. 2022 lows to March 2023 lows, was briefly broken below last week but the S&P remained above the Trend Line this week.



SP&P 500 daily chart as of Oct 13, 2023 - The Strong rally day we saw last Friday continued this week on Monday and Tuesday, crossing above its 20 day SMA on Tuesday. Wednesday saw a pause with an 'Inside' Day. Thursday briefly delivered a higher high mid day just before the sharp selling began at 1pm ET that dropped to the 20 day SMA and delivered a 'Bearish Engulfing' day. Friday saw a lower high, lower low and lower close less than 2 points above its 20 day SMA, ending the week up +0.45%.



S&P 500 15 min. chart as of Oct 13, 2023 - Here we can see how this week's upper weekly Expected Move provided Resistance on both Tuesday and Thursday, that was respected at each test. This is an example of why we track the weekly Expected Move, since it can be a useful marker to see how price acts when it reaches these key levels. If the Expected Move is respected as either Support or Resistance, then that is a useful clue. If the Expected Move is exceeded, that too is a useful clue as to the relative strength of the Bears or Bulls. The S&P ended the week by giving back about $\frac{3}{4}$ of this week's gains. This week also ended above the 11-month Support Trend Line (Yellow line in the above 15 min. chart).

I like to use key prior Highs and Lows, Trend Lines, daily Simple Moving Averages and the Expected Move as markers on my chart. These markers are not predictions, but serve as sign posts or markers. When Price arrives at one of these markers, it is a key point to observe price's behavior there. I look to see if Price respects that level as either Support or Resistance, or, if it blows right through that level as if it was not there. Either case gives me an indication of who has the stronger convictions, the Bulls or the Bears.

These key levels may often be used by some traders as a 'stop' location to exit a position. Other traders may use these locations as a confirmation level to then enter a new position. In either case, we do NOT know the intentions of each trader, but we can observe the net effect of all market participants in the chart, and that is what can give us useful clues.



DJIA weekly chart as of Oct 13, 2023 - This week was the first up week after a string of 5 down weeks in a row in the Industrials.



DJIA daily chart as of Oct 13, 2023 - Last week found some support near \$32,846 and closed last Friday up with the largest range day seen since early June. This week continued higher Monday and Tuesday then paused on Wednesday near its 200 day and 20 day SMAs. Thursday saw a dip with a lower high, lower low and lower close. Friday saw a bounce with a higher high, higher low and higher close, ending the week up +0.79% but still below all 3 of its key daily SMAs.



Nasdaq weekly chart as of Oct 13, 2023 - The Nasdaq Composite saw another higher week with a higher high and higher low but a slightly lower close. The 20 week SMA (Yellow) was tested this week. This was the 3rd week in a row that straddled the 9-month Support Trend Line (Orange line).



Nasdaq daily chart as of Oct 13, 2023 - The strong rally we saw last Friday continued this week with higher highs and higher lows Monday, Tuesday and Wednesday with Wednesday closing above its 50 day SMA. Thursday briefly saw a higher high in the first hour after the open then saw strong selling at 1pm ET. Support was found on Thursday near Monday's close then saw a small bounce the last 2 hours of the day, closing back below its 50 day SMA. Friday saw a tiny gap up that was immediately filled and turned into more selling most of the day to find support below last Friday's close. A very small bounce the last 2 hours followed to end the week down -0.18%.



Russell 2000 weekly chart as of Oct 13, 2023 - The Russell saw a higher high and higher low this week; however that was in the context of a lower close. This shows us a failed rally this week.



Russell 2000 daily chart as of Oct 13, 2023 - Last Friday's bounce continued higher on Monday and Tuesday this week, pausing on Wednesday near its sharply declining 20 day SMA. Thursday saw a strong decline that continued lower Friday to end this week down -1.48% and not far from last week's lows.

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



McClellan Summation Index weekly chart as of Oct 13, 2023 - Last week we saw a strong decline continue to -653.92. This week we see a small bounce to end this week at -582.92.



McClellan Summation Index daily chart as of Oct 13, 2023 - This week saw little change on Monday followed by a positive increase on Tuesday and Wednesday, flat Thursday and a small decline on Friday to end this week at -582.92.



NYSE Percent above 200 day SMA daily chart as of Oct 13, 2023 - Last week we saw a small bounce late in the week to end the week at 37.31%. This week we see the bounce continue higher Monday and Tuesday and slow Wednesday. Thursday saw a sharp decline that continued lower Friday to end this week at 36.97%, only slightly higher for the week.



NYSE Percent above 50 day SMA daily chart as of Oct 13, 2023 - Last week we saw a dip and small bounce to end the week at 19.68%. This week we saw the bounce continue Monday, Tuesday and Wednesday to peak this week near 31.8%. Thursday saw a sharp drop to nearly 26% and continued to decline on Friday to end this week at 24.91%.



VIX daily chart as of Oct 13, 2023 - The VIX saw a brief pop at the open on Monday before it resumed its decline Monday, Tuesday and the first half of Wednesday. We saw a small increase that peaked Wednesday at 1:45pm ET then resumed its decline to end the day lower. Thursday continued lower until the pop up at 1pm ET that ended the day higher but still below its 20 day SMA. Friday saw a larger pop that peaked at 20.78 and ended the day and week at 19.30.



VVIX daily chart as of Oct 13, 2023 - The Volatility of the VIX shows us a 4 day decline this week then a large pop higher on Friday as uncertainty increased. Friday's highs in the VVIX were at a level not seen since mid March this year. There are no shortages for sources of uncertainty in this market and the VVIX is reflecting that.

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



Oil daily chart as of Oct 13, 2023 - Oil declined last week but saw a sharp gap up Monday of this week due likely to the attack on Israel. Oil prices paused Tuesday then declined Wednesday and Thursday back below its 50 day SMA. Friday saw a sharp rally in prices to new highs for this week. The lows this week were above the lows of the prior week.



Gold daily chart as of Oct 13, 2023 - Gold saw a small rally last Friday, then a large gap up and rally Monday of this week. Tuesday saw a pause then the rally resumed Wednesday and Thursday with higher highs. Friday saw a huge rally up to \$1945.9 over \$100 higher than prices seen last week. Friday's range was the largest seen since mid March this year.



US Dollar Index daily chart as of Oct 13, 2023 - The US Dollar Index continued its slow decline the first 3 days of this week then saw a sharp rally Thursday and Friday back above its 20 day SMA.



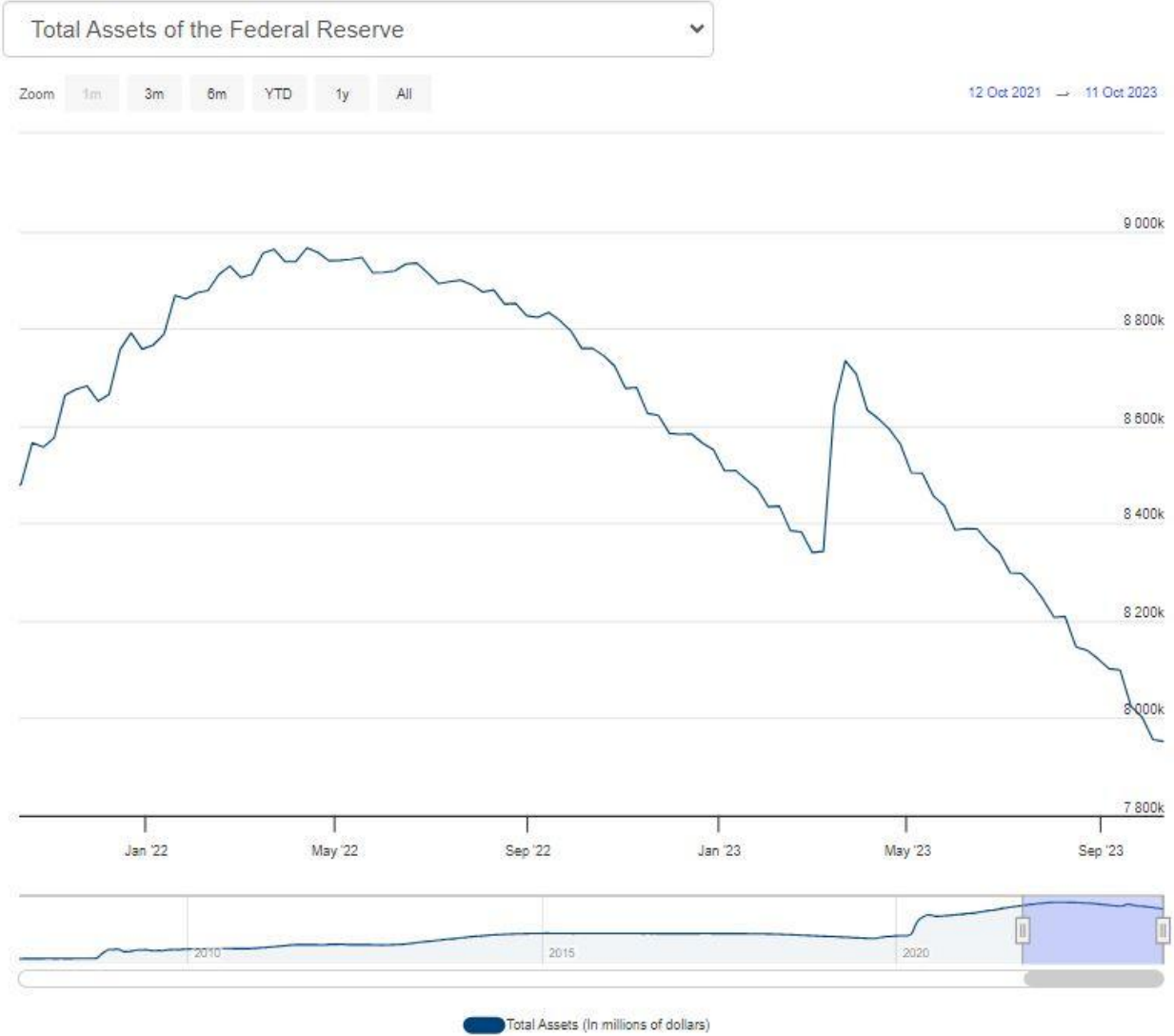
US 10 year Treasury daily chart as of Oct 13, 2023 - Monday was a Holiday for the Bond market. Tuesday and Wednesday saw stronger buying (with volume) while Thursday saw sharp Selling back below its 20 day SMA (with volume). Friday saw an 'Inside' day.



US 10 year Yield daily chart as of Oct 13, 2023 - As Treasuries were bought this week we see the Yields drop Tuesday, Wednesday and at the open on Thursday before the Yields popped much higher. Friday saw an 'Inside' day just above its 20 day SMA.

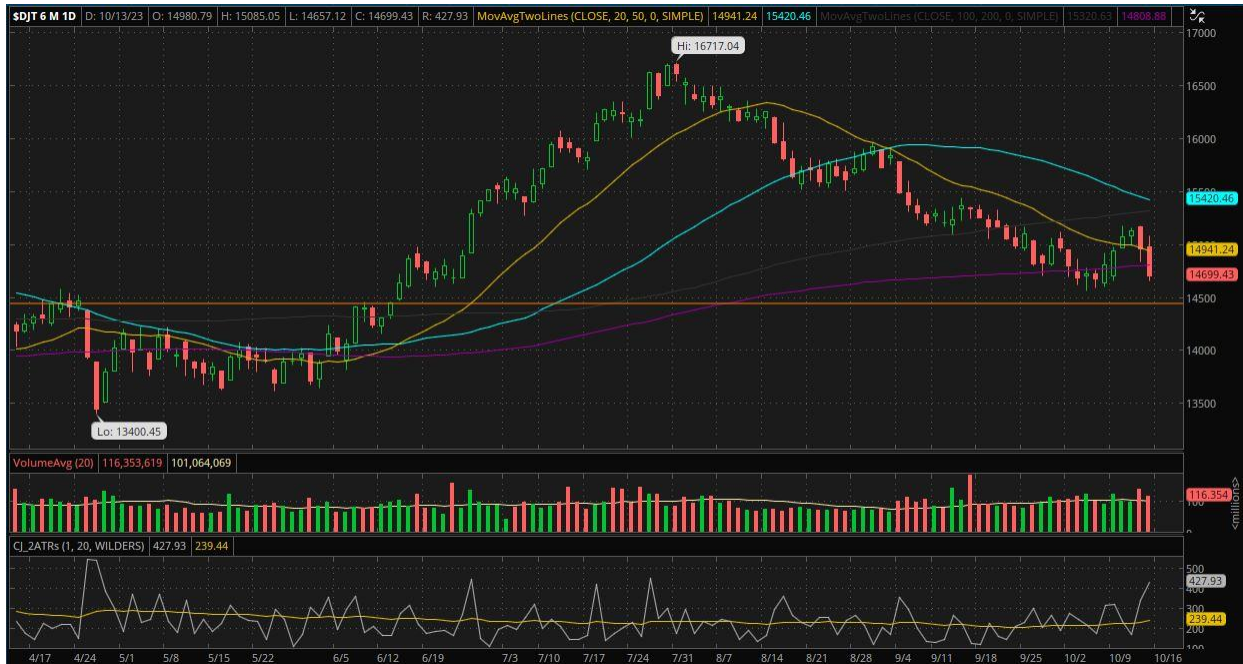
Date	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
9/11/2023	5.52	5.56	5.55	5.58	5.51	5.40	4.97	4.64	4.40	4.37	4.29	4.56	4.37
9/12/2023	5.52	5.56	5.56	5.58	5.53	5.42	4.98	4.66	4.41	4.36	4.27	4.54	4.35
9/13/2023	5.53	5.56	5.55	5.60	5.51	5.42	4.96	4.64	4.39	4.34	4.25	4.52	4.34
9/14/2023	5.52	5.57	5.55	5.59	5.50	5.42	5.00	4.68	4.42	4.38	4.29	4.57	4.39
9/15/2023	5.51	5.56	5.56	5.60	5.49	5.43	5.02	4.72	4.45	4.41	4.33	4.59	4.42
9/18/2023	5.53	5.56	5.55	5.60	5.51	5.44	5.05	4.74	4.46	4.41	4.32	4.57	4.40
9/19/2023	5.53	5.56	5.54	5.59	5.51	5.45	5.08	4.79	4.51	4.47	4.37	4.60	4.43
9/20/2023	5.53	5.57	5.56	5.61	5.51	5.47	5.12	4.82	4.52	4.46	4.35	4.57	4.40
9/21/2023	5.52	5.57	5.57	5.61	5.52	5.46	5.12	4.85	4.61	4.57	4.49	4.74	4.56
9/22/2023	5.52	5.58	5.56	5.61	5.52	5.46	5.10	4.80	4.57	4.53	4.44	4.70	4.53
9/25/2023	5.54	5.58	5.58	5.60	5.52	5.45	5.09	4.83	4.62	4.61	4.55	4.84	4.67
9/26/2023	5.54	5.58	5.58	5.61	5.53	5.45	5.04	4.84	4.62	4.62	4.56	4.86	4.70
9/27/2023	5.54	5.59	5.58	5.62	5.53	5.49	5.10	4.89	4.67	4.69	4.61	4.91	4.73
9/28/2023	5.56	5.61	5.56	5.61	5.53	5.46	5.04	4.83	4.62	4.63	4.59	4.90	4.71
9/29/2023	5.55	5.60	5.55	5.61	5.53	5.46	5.03	4.80	4.60	4.61	4.59	4.92	4.73
10/2/2023	5.56	5.60	5.62	5.62	5.58	5.49	5.12	4.88	4.72	4.73	4.69	5.00	4.81
10/3/2023	5.55	5.60	5.62	5.62	5.58	5.49	5.15	4.95	4.80	4.84	4.81	5.13	4.95
10/4/2023	5.56	5.58	5.61	5.62	5.57	5.42	5.05	4.85	4.72	4.75	4.73	5.05	4.87
10/5/2023	5.57	5.59	5.61	5.62	5.56	5.39	5.03	4.82	4.68	4.73	4.72	5.06	4.89
10/6/2023	5.59	5.60	5.63	5.64	5.59	5.43	5.08	4.87	4.75	4.79	4.78	5.13	4.95
10/10/2023	5.60	5.61	5.61	5.63	5.57	5.37	4.96	4.74	4.62	4.66	4.66	5.03	4.85
10/11/2023	5.58	5.59	5.61	5.63	5.56	5.38	4.99	4.73	4.59	4.61	4.58	4.92	4.73
10/12/2023	5.61	5.59	5.63	5.63	5.58	5.43	5.06	4.82	4.69	4.73	4.70	5.05	4.86
10/13/2023	5.60	5.58	5.62	5.62	5.57	5.41	5.04	4.80	4.65	4.66	4.63	4.97	4.78

US Yield Rates daily table as of Oct 13, 2023 - The 10 year Yield peaked last week at 4.81 and pulled back this week to 4.63%. The short terms saw little change this week.



FOMC Balance Sheet weekly chart as of Oct 11, 2023 - The Fed decreased its Balance Sheet this week by \$3.728 Billion to a new Total Assets of \$7.952054 Trillion.

Next we will look at a few key Sectors.



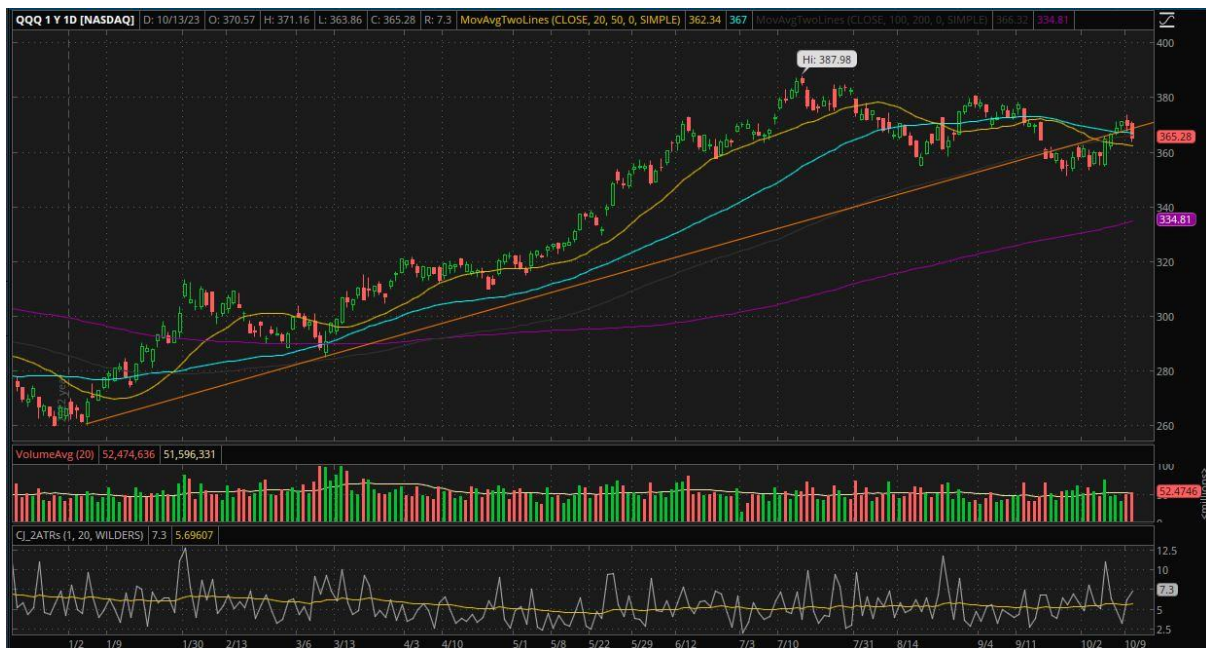
Dow Transportation Index daily chart as of Oct 13, 2023 - The Transports saw last Friday's rally continue higher on Monday and Tuesday this week then pause on Wednesday above its 20 day SMA. Thursday saw a drop that closed below its 20 day SMA that continued lower Friday below its 200 day SMA, ending this week down -0.73% and now below all 3 of its key SMAs.



XLE daily chart as of Oct 13, 2023 - The Energy sector saw a gap up Monday, pause Tuesday and small decline on Wednesday as it moved in a way that is similar to oil prices. Thursday saw a failed rally attempt. Friday saw a gap up and rally above its 50 day and 20 day SMAs, ending the week up +4.50%. The XLE is now above all 3 of its key SMAs.



XLF daily chart as of Oct 13, 2023 - The rally late last week paused on Monday this week with an 'Inside' day. Tuesday saw the rally resume higher. Wednesday saw a pause with a slightly higher close. Thursday saw a lower high and lower low, possibly in anticipation of several key Earnings the next day before the open by several key Financial sector stocks. Friday saw a gap up at the open that slowly sold off most of the day to end the week up +0.51% but still below all 3 of its key SMAs.



QQQ daily chart as of Oct 13, 2023 - The QQQ broke below its 9-month Support Trend Line (Orange line) the prior 2 weeks and straddled that Trend Line this week, closing above on Monday. Last Friday's rally continued this week with higher highs 4 days in a row with a lower close Thursday. Friday saw selling resume with a lower high, lower low, crossing below its 9-month Trend Line and below its 50 day SMA to end the week up only +0.16%.



QQQ 15 min. chart as of Oct 13, 2023 - Here we see how the QQQ crossed back above its Trend Line and remained above most of Tuesday, Wednesday and Thursday. Friday crossed back below this Trend Line and ended this week nearly flat, only about half a point above last Friday's close.



SOXX daily chart as of Oct 13, 2023 - The Semiconductor sector saw an 'Inside' day on Monday then resumed the rally Tuesday, Wednesday and Thursday with higher highs, higher lows and higher closes, crossing & closing above its 50 day SMA on Thursday. Friday saw a large range decline below the 50 day SMA and nearly reaching its 20 day SMA, ending the week down -0.73%. The SOXX was the strongest sector on my list on Thursday and was the weakest sector on Friday this week.



XLC daily chart as of Oct 13, 2023 - The Communication Services sector saw a strong rally last Friday that continued higher 3 days this week, peaking on Wednesday. Thursday saw selling with lower highs and lower lows that continued lower on Friday to end the week up +0.24%. The XLC remains above all 3 of its key SMAs.

<i>INDEXes</i>	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
<i>SECTORs</i>	9/1/2023	9/8/2023	9/15/2023	9/22/2023	9/29/2023	10/6/2023	10/13/2023
\$SPX	2.50%	-1.29%	-0.16%	-2.93%	-0.74%	0.48%	0.45%
\$INDU	1.43%	-0.75%	0.12%	-1.89%	-1.34%	-0.30%	0.79%
\$COMPQ	3.25%	-1.93%	-0.39%	-3.62%	0.06%	1.60%	-0.18%
\$RUT	3.63%	-3.61%	-0.24%	-3.82%	0.48%	-2.22%	-1.48%
QQQ	3.73%	-1.33%	-0.48%	-3.34%	0.10%	1.79%	0.16%
\$TRAN	1.41%	-3.96%	0.86%	-2.29%	-0.13%	-1.08%	-0.73%
XLE	3.60%	1.44%	-0.04%	-2.22%	1.21%	-5.16%	4.50%
XLF	2.06%	-1.12%	1.55%	-2.93%	-1.46%	-0.39%	0.51%
XLK	4.44%	-1.94%	-2.25%	-2.45%	-0.29%	2.62%	0.24%
SOXX	5.41%	-3.53%	-2.58%	-3.14%	1.99%	1.38%	-0.73%
XLV	0.12%	-1.13%	0.10%	-1.14%	-1.08%	0.99%	0.14%
XLY	3.04%	-0.54%	1.80%	-6.15%	0.03%	-0.23%	-1.02%
XRT	4.21%	-4.07%	0.40%	-3.98%	2.13%	-3.35%	-0.32%
XLI	2.12%	-2.91%	-0.60%	-2.66%	-0.40%	-0.59%	0.96%
XLU	-1.56%	0.86%	2.79%	-1.75%	-6.89%	-2.85%	3.58%
XME	5.54%	-3.29%	3.71%	-3.03%	1.84%	-3.22%	-0.73%
XLP	-0.39%	-0.61%	0.49%	-1.99%	-1.90%	-3.11%	0.19%
XLB	3.74%	-2.41%	-0.11%	-3.62%	0.23%	-0.71%	-0.45%
XLC	2.63%	-0.21%	0.82%	-2.56%	-0.08%	2.04%	0.24%
XHB	6.21%	-3.57%	-2.89%	-3.21%	0.51%	-2.12%	-1.04%

Weekly Percent Change US Indexes and Sectors table as of Oct 13, 2023 - This week we saw that the Dow Industrials were the strongest index and the Russell 2000 the weakest. The S&P saw a mild rally while the Nasdaq was nearly flat for the week.

The Strongest Sector this week was clearly the Energy (XLE) sector followed by the XLU and XLI. Note that the Energy sector was the weakest sector last week. Leadership works both ways, up and/or down.

The Weakest sectors this week included: XHB, XLY, XME, SOXX and Transports.

INDEXes SECTORS	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 10/02/23	End of Day 10/03/23	End of Day 10/04/23	End of Day 10/05/23	End of Day 10/06/23	End of Day 10/09/23	End of Day 10/10/23	End of Day 10/11/23	End of Day 10/12/23	End of Day 10/13/23
\$SPX	0.01%	-1.37%	0.81%	-0.13%	1.18%	0.63%	0.52%	0.43%	-0.62%	-0.50%
\$INDU	-0.22%	-1.29%	0.39%	-0.03%	0.87%	0.59%	0.40%	0.19%	-0.51%	0.12%
\$COMPQ	0.67%	-1.87%	1.35%	-0.12%	1.60%	0.39%	0.58%	0.71%	-0.63%	-1.23%
\$RUT	-1.58%	-1.69%	0.11%	0.14%	0.81%	0.60%	1.14%	-0.15%	-2.20%	-0.84%
QQQ	0.85%	-1.75%	1.36%	-0.29%	1.68%	0.51%	0.55%	0.71%	-0.35%	-1.26%
\$STRAN	-1.14%	-0.78%	0.29%	-0.32%	0.88%	0.90%	0.89%	0.34%	-1.07%	-1.76%

Daily Percent Change US Indexes table as of Oct 13, 2023 - Leadership changed daily, with the Dow Industrials, Nasdaq Composite and Dow Transports each leading higher one day this week and leading lower on one day this week. The Russell 2000 led the markets higher Tuesday then led the markets lower on both Wednesday and Thursday. Yes indeed, leadership works both ways.

Next we will look at a few key Stocks.



AAPL daily chart as of Oct 13, 2023 - Apple saw a strong rally last week that continued with higher highs for 4 days this week, crossing above its 50 day SMA Wednesday and peaking Thursday before pulling back on Friday with a lower high, lower low and lower close just above its 50 day SMA, up +0.77% for the week.



MSFT daily chart as of Oct 13, 2023 - Microsoft saw a strong rally last Friday and continued higher with higher highs every day this week. Friday saw a lower close to end the week up only +0.14%.



GOOGL daily chart as of Oct 13, 2023 - Alphabet continued last week's rally with higher highs the first 4 days this week, delivering a new 52 week high on Thursday before closing lower. Friday saw selling continue with a lower high, lower low and lower close to end the week down -0.16%.



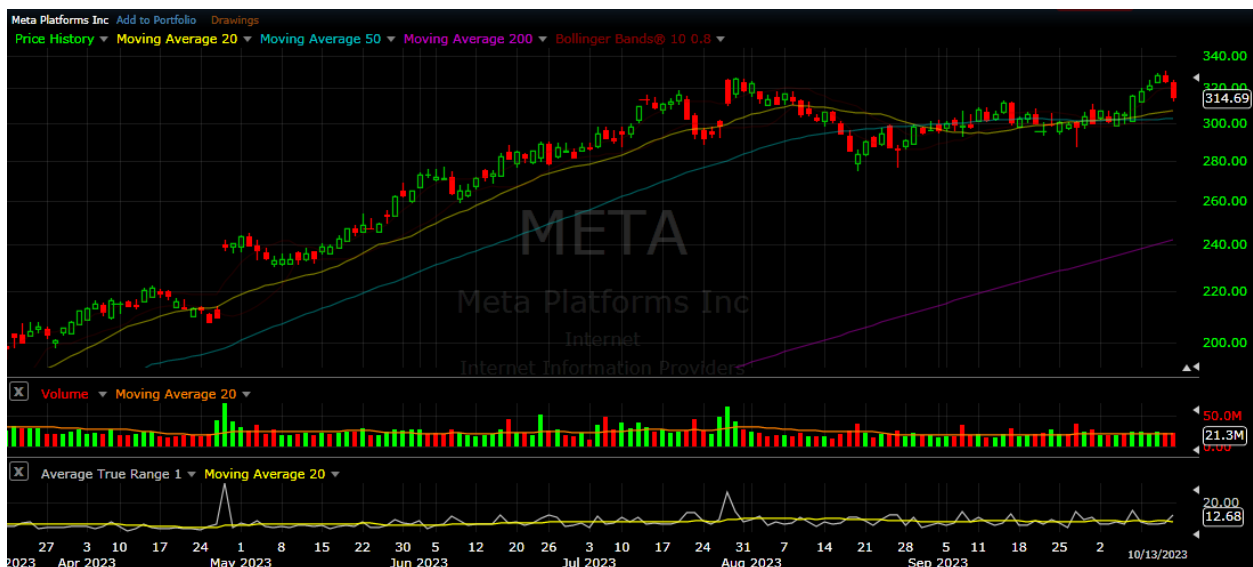
AMZN daily chart as of Oct 13, 2023 - Amazon saw a bounce last Friday and continued higher this week with higher highs for 4 days in a row, crossing above its 20 day SMA on Wednesday and testing its 50 day SMA as Resistance on Thursday. Friday saw selling with a lower high, lower low and a close just a few cents above its 20 day SMA, up +1.43% for the week.



TSLA daily chart as of Oct 13, 2023 - Tesla has been inside a consolidation pattern for several months, straddling its 20 day and 50 day SMAs. Monday saw an 'Inside' day that straddled the 20 day SMA. Tuesday saw a failed rally that found Resistance at \$268.94 before closing lower. The next 3 days we see a series of lower highs and lower lows crossing below its 20 day SMA on Friday and finding Support near its 50 day SMA to end this week down -3.61%. Tesla reports Earnings next week on Wednesday (Oct. 18th) after the close.



NVDA daily chart as of Oct 13, 2023 - Nvidia saw a rally late last week that paused on Monday of this week before resuming higher Tuesday, Wednesday and Thursday. Friday saw a strong selling day that ended the week down -7.21%.



META daily chart as of Oct 13, 2023 - Meta had been in a flat narrow range for over 5 week until last Friday's strong rally break out. The rally continued higher this week with higher highs 4 days in a row with a lower close on Thursday. Friday saw strong selling to end the week down -0.23%.



JPM daily chart as of Oct 13, 2023 - JP Morgan saw a bounce last Friday with an 'Inside' day on Monday this week. Tuesday saw a small rally higher. Wednesday and Thursday marked time with small range days near the 20 day SMA before Earnings were due to be reported on Friday before the open. Friday saw a gap up and rally the first 30 min. before selling lower most of the day to fill only a small portion of the opening gap, ending the week up +2.00% and now above all 3 of its key SMAs.



GS daily chart as of Oct 13, 2023 - Goldman Sachs saw a large drop last week with only a small bounce. This week saw an 'Inside' day Monday followed by a small rally on Tuesday. Wednesday and Thursday saw lower highs and lower lows. Friday saw a slightly higher low and higher high but a lower close to end this week down -1.02% and still below all 3 of its key SMAs. Goldman reports Earnings next week on Tuesday (Oct. 17th) before the open.



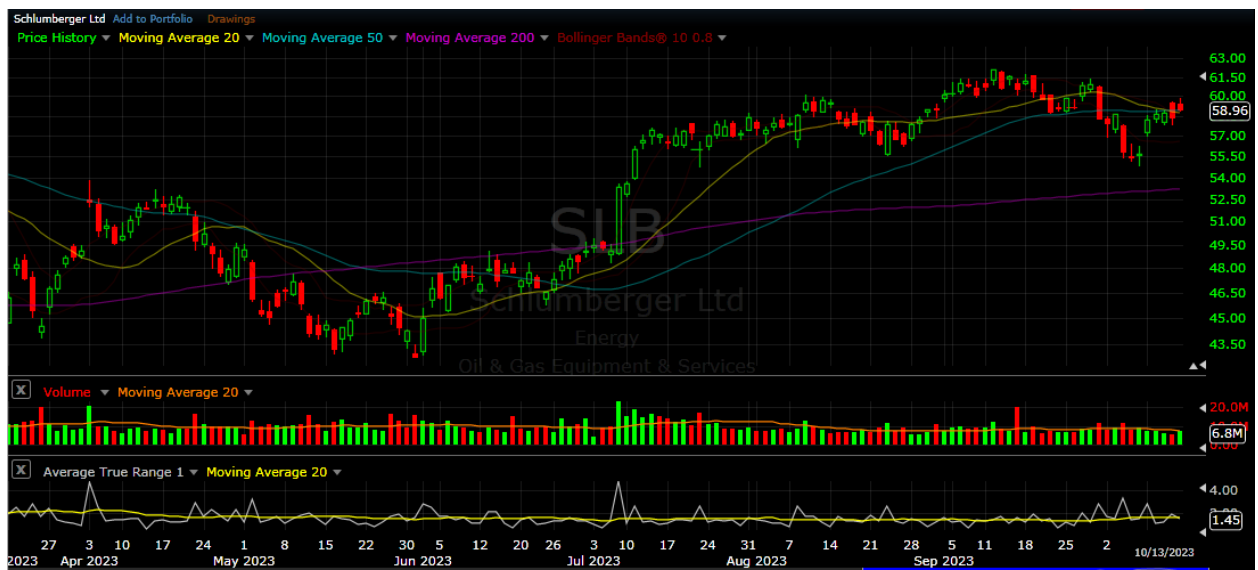
COST daily chart as of Oct 13, 2023 - Costco briefly delivered new 52 highs last week then declined sharply last Friday. This week we see a small bounce and 'Inside' day Monday that closed higher Tuesday and Wednesday above its 20 day SMA. Thursday saw a higher high and a test of the 20 day SMA as Support. Friday saw a higher close for the week, ending the week up +1.67% and back above all 3 of its key SMAs.



AMD daily chart as of Oct 13, 2023 - AMD saw a rally the past 2 weeks, crossing above its 50 day SMA last Friday. This week we see Monday pause with an 'Inside' day just above its 50 day SMA. Tuesday, Wednesday and Thursday saw higher lows and higher highs on 2 of these 3 days. Friday saw strong selling back below its 50 day SMA to end the week down -2.00%.



INTC daily chart as of Oct 13, 2023 - Intel saw a big rally and a drop to give those gains all back in September. The past 2 weeks we have seen a mild bounce. This week began with an 'Inside' day Monday that was followed with higher highs and higher lows Tuesday, Wednesday and Thursday. Friday saw strong selling to give back all of this week's gains plus a bit more, ending this week down -0.61% but still above all 3 of its key SMAs.



SLB daily chart as of Oct 13, 2023 - Schlumberger saw a sharp decline last week with Oil prices. This week began with a gap up on Monday and continued higher Tuesday and Wednesday as it tested its 50 day SMA as Resistance. Thursday gapped up then immediately began selling lower, crossing below its 50 day and 20 day SMAs. Friday gapped up above its 20 day and 50 day SMAs and sold a little lower to end the week up +5.85% and above all 3 of its key SMAs.



TGT daily chart as of Oct 13, 2023 - Target has seen several months of a steady decline. It seems that TGT found support last Friday as we see this week a small rally Monday and Tuesday with a pause on Wednesday. Thursday gapped up above its 20 day SMA and immediately sold off back below its 20 day SMA but still closing higher for the week. Friday saw a small bounce back above its 20 day SMA to end the week up +6.64%.



DE daily chart as of Oct 13, 2023 - John Deere has seen a bear trend since the end of July. Last week saw lower lows. This week we see a mild rally Monday then a gap up on Tuesday to cross above its 20 day SMA. Wednesday saw a higher high, higher low but a lower close. Thursday saw strong selling crossing below its 20 day SMA with a wide range day. Friday saw a small 'Inside' day as DE remained below its 20 day SMA, ending the week up +0.56% but below all 3 of its key SMAs.



LMT daily chart as of Oct 13, 2023 - Lockheed is an example of the big gap up on Monday driven by news of the attack on Israel this weekend. LMT closed above its 50 day SMA on Monday and every day this week, ending the week up +10.06%. LMT reports Earnings next week on Tuesday before the open.

War is a terrible thing that I do now wish on anybody for any reason. We did see several reactions to this news this week in the markets, with the price of Oil, the Energy sector (XLE) and with 'Defense' related companies (ITA Sector). Even if you do not trade these sectors or commodities, one should be aware of the impacts world events have on these markets, both in the short term and long term.

The VIX and VVIX have suggested a significant increase in 'uncertainty' on Friday this week. We should remain cautious going forward with many major current issues that can impact markets. Remember, markets are mostly an 'Emotional' and 'Irrational' environment that often observes over-reactions to events. All the more reason to prepare for next week by imagining at least 3 scenarios: Bullish, Bearish or Neutral. A mental rehearsal helps prepare one to make the right decisions, without delay, as your pre-determined confirmation event is observed.

Earnings, Economic Reports, changing Interest Rates, a House Speaker selection, war in Ukraine and Israel, plenty of uncertainty ahead.

Trade Smart,

CJ