



Market Observations - as of November 17, 2023

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

Last week we saw the rally continue with higher closes each day last week except on Thursday. Breadth was negative each day last week except on Friday when it turned positive. This suggests 'narrow' breadth was lifting the markets Monday, Tuesday and Wednesday. Thursday saw slightly higher highs and a pause the first half of the day, then a sharp turn negative mid day as there was a negative reaction to the failed 30 year Bond Auction that drove sharp selling the 2nd half of the day to the close. Friday saw a small gap up, a brief pause the first hour before a rally kicked into gear for the rest of the day. Friday saw strong breadth and wider participation in the rally for the first time last week. Friday's rally was led by the Semiconductor sector as the strongest sector all day.

This week we saw a pause on Monday followed by a strong gap up early Tuesday on CPI data with only mild follow through higher the rest of the day on strong Breadth. Wednesday, Thursday and Friday was a pause within a narrow range for the rest of this week even with November Options Expiration on Friday.

The US 10 year Yields dropped to the 4.45% area on Tuesday then again on Thursday and Friday this week. The US Dollar also saw a very strong decline on Tuesday this week.

Oil prices remained within a range on Monday, Tuesday and Wednesday then saw a sharp drop on Thursday. Friday saw a bounce the recovered most of the prior day's decline.

Last week the Russell 2000 and Dow Transports saw declines while most major indexes were up. This week we see the Russell 2000 and Dow Transports were up the strongest with greater gains than the major indexes.

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



S&P 500 weekly chart as of Nov 17, 2023 - The S&P saw a 3rd week of gains, larger than last week's gains and rose off of the 20 week SMA support this week.



S&P 500 daily chart as of Nov 17, 2023 - Here we can see the pause Monday near last Friday's close then a big gap up on Tuesday and rally above the Expected Move and above 4500. The rest of this week saw a pause near these new highs, ending the week up 2.24%.



S&P 500 15 min. chart as of Nov 17, 2023 - Last week closed within 1 point of the 61.8% Fibonacci Retracement level (based upon the July 27th to October 27th decline). This week we see that Monday saw a small gap down and fill followed by spending 2/3 of the day loitering near this same 61.8% level. Tuesday we see a strong gap up and rally that crossed above the upper weekly Expected Move in the first 15 min. of the session and continued higher, up to the 78.6% Fibonacci Retracement level where it paused for the rest of this week within a narrow range. Most of this week's gains were delivered on Tuesday.

The 50% Fibonacci level also provided support several times last week before advancing to the 61.8% level. Funny how those Fibonacci levels often provide either support or resistance. Regardless if its random or not, if it works, I'll use it.



DJIA weekly chart as of Nov 17, 2023 - The Dow Industrials saw a 3rd week of a rally, stronger than last week's advance and off of its 20 week SMA support this week.



DJIA daily chart as of Nov 17, 2023 - We saw a strong advance last Friday that continued a little higher on Monday this week. Tuesday saw a big gap up and rally that continued a bit higher on Wednesday. Thursday and Friday saw a pause near these new highs to end the week up +1.94%.



Nasdaq weekly chart as of Nov 17, 2023 - Here we see a 3rd week of a rally that crossed above its 20 week SMA (Yellow) last week and continued a bit stronger this week.



Nasdaq daily chart as of Nov 17, 2023 - We saw the Nasdaq Composite cross above its Resistance Trend Line (Blue line) early last week and broke above its October highs (Pink line) last Friday. This week we see a pause on Monday near last week's close then a big gap up on Tuesday and rally higher Tuesday and Wednesday. Wednesday saw a higher high, higher low and higher close. Thursday saw a lower high, lower low and a higher close. Friday saw a higher high, higher low and higher close to end the week up +2.37%. The last 3 days this week remained within a narrow range.



Russell 2000 weekly chart as of Nov 17, 2023 - The Russell saw a down week last week followed by a stronger up week this week that found Resistance near its 20 week and 50 week SMAs.



Russell 2000 daily chart as of Nov 17, 2023 - Last week we saw a decline in the Russell that paused last Friday and this Monday. Tuesday saw a big gap up and rally above its 50 day SMA that continued higher Wednesday to test its 200 day SMA (Purple) then pull back. Thursday saw a small decline followed by a small rally Friday to end the week up +5.42%.

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



McClellan Summation Index weekly chart as of Nov 17, 2023 - Last week we saw a mild advance up to -435.59. This week we see a stronger advance up to -162.26.



McClellan Summation Index daily chart as of Nov 17, 2023 - Last week this Index nearly reached its 50 day SMA. This week we see it cross above the 50 day SMA and continue higher to -162.26.



NYSE Percent above 200 day SMA daily chart as of Nov 17, 2023 - Last week we saw a decline each day except on Friday to end last week at 38.43% on a small bounce. This week we see a small advance Monday then strong advance Tuesday and a smaller advance Wednesday to nearly the 50% level. Thursday saw a small pull back followed by an advance Friday to end this week at 50.62%. Just over half of the NYSE Listed Stocks are now above their 200 day SMAs.



NYSE Percent above 50 day SMA daily chart as of Nov 17, 2023 - We saw a break above its 200 day SMA then a pull back last week to 40% and a small bounce last Friday to end last week at 44.66%. This week we saw a very small advance Monday followed by a large advance Tuesday that continued a little higher Wednesday above 65%. Thursday saw a small pull back then another advance on Friday to end this week at 66.57%.

Note how these two NYSE Percent Breadth Indexes correlate well with what we saw in the Russell 2000 this week.



VIX daily chart as of Nov 17, 2023 - The VIX mostly declined this week with only a small bounce seen on Thursday.



VVIX daily chart as of Nov 17, 2023 - Monday showed a bit higher ‘uncertainty’ that vanished after the CPI data came out on Tuesday as the VVIX remained in a narrow range the rest of this week.

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



Oil daily chart as of Nov 17, 2023 - Oil rallied above its 200 day SMA on Monday and Tuesday then sold lower Wednesday and Thursday to new 4-month lows. Friday saw a bounce to recover most of the prior day's decline.



Gold daily chart as of Nov 17, 2023 - Gold found support at its 50 day SMA last week and respected that support on Monday this week. Tuesday saw a rally above its 200 day SMA that saw higher highs the rest of this week, crossing and closing above its 20 day SMA on Thursday and Friday.



US Dollar Index daily chart as of Nov 17, 2023 - The US Dollar Index saw a small decline Monday then a sharp decline on Tuesday. Wednesday and Thursday saw only a tiny bounce before declining lower on Friday to end this week near its 2017 highs.



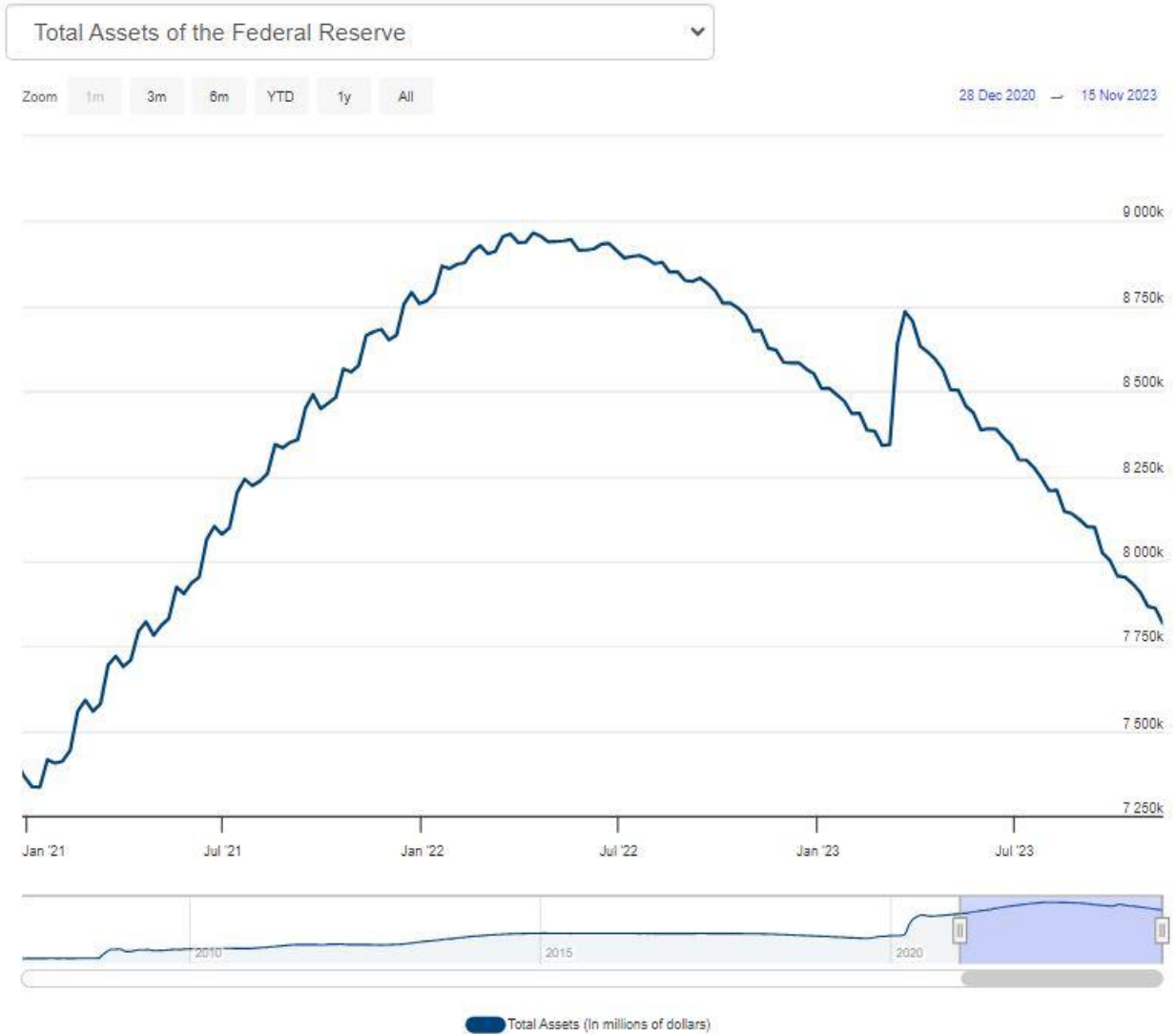
US 10 year Treasury daily chart as of Nov 17, 2023 - The US 10 year Treasury continued its decline with a lower low Monday this week. Tuesday saw a strong rally above its 50 day SMA. Wednesday, Thursday and Friday remained quiet near Tuesday's close.



US 10 year Yield daily chart as of Nov 17, 2023 - The Yield is nearly the exact inverse of the Treasury, with a small increase Monday and a sharp decline Tuesday to the 4.45% area. Wednesday saw a small bounce that was all given back on Thursday. Friday saw a lower decline and another close near Tuesday's close.

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
11/01/2023	5.56	5.55	5.57	5.54	5.51	5.37	4.95	4.76	4.67	4.75	4.77	5.13	4.96
11/02/2023	5.52	5.56	5.54	5.53	5.50	5.38	4.98	4.78	4.65	4.68	4.67	4.99	4.82
11/03/2023	5.53	5.56	5.53	5.50	5.45	5.29	4.83	4.62	4.49	4.55	4.57	4.93	4.77
11/06/2023	5.53	5.56	5.56	5.49	5.47	5.33	4.93	4.72	4.60	4.66	4.67	5.00	4.84
11/07/2023	5.53	5.56	5.55	5.48	5.47	5.33	4.91	4.64	4.53	4.58	4.58	4.91	4.75
11/08/2023	5.52	5.54	5.54	5.49	5.46	5.34	4.93	4.65	4.51	4.54	4.49	4.82	4.64
11/09/2023	5.53	5.56	5.54	5.50	5.46	5.39	5.03	4.77	4.65	4.68	4.62	4.97	4.77
11/10/2023	5.53	5.55	5.53	5.47	5.46	5.38	5.04	4.80	4.65	4.68	4.61	4.93	4.73
11/13/2023	5.53	5.55	5.55	5.49	5.48	5.37	5.02	4.80	4.66	4.69	4.63	4.95	4.75
11/14/2023	5.52	5.55	5.52	5.45	5.41	5.24	4.80	4.56	4.42	4.45	4.44	4.80	4.61
11/15/2023	5.52	5.54	5.53	5.46	5.41	5.27	4.90	4.68	4.52	4.56	4.53	4.87	4.68
11/16/2023	5.53	5.55	5.51	5.46	5.38	5.23	4.83	4.59	4.43	4.47	4.45	4.82	4.63
11/17/2023	5.52	5.54	5.50	5.42	5.39	5.24	4.88	4.64	4.45	4.47	4.44	4.80	4.59

US Yield Rates daily table as of Nov 17, 2023 - We saw a sharp decline in most Terms on Tuesday, a tiny failed bounce Wednesday and Thursday and Friday a repeat of Tuesday's levels. Most all terms declined this week with the biggest changes seen in the longer Terms.



FOMC Balance Sheet weekly chart as of Nov 15, 2023 - The Fed decreased its Balance Sheet this week by \$45.70 Billion to a new Total Assets of \$7.814991 Trillion. The average weekly decline since April 5th 2023 has been about \$26.36 Billion.

Next we will look at a few key Sectors.



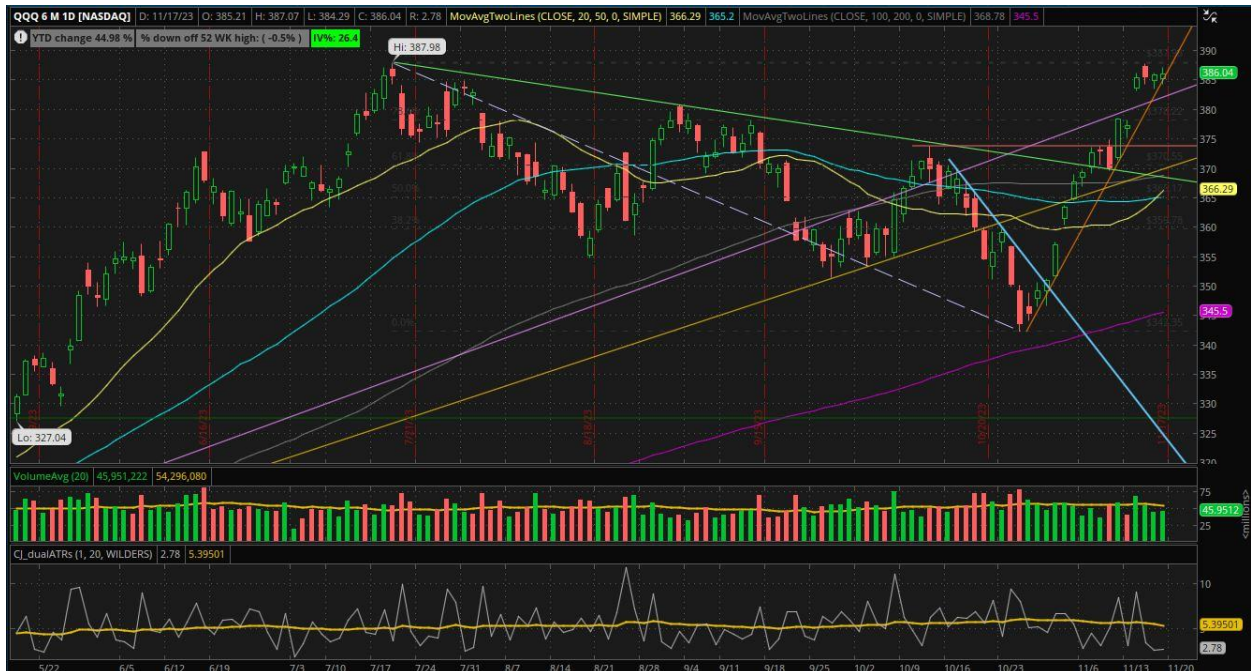
Dow Transportation Index daily chart as of Nov 17, 2023 - The Transports saw a big rally 2 weeks followed by a pause last week. The pause continued on Monday of this week then saw a strong gap up and rally above the 50 day and 200 day SMAs on Tuesday. Wednesday continued higher. Thursday pulled back below its 200 day SMA and tested its 50 day SMA as support. Friday saw a gap up back above its 200 day SMA to end the week up +3.51% and is now above all 3 of its key daily SMAs.



XLE daily chart as of Nov 17, 2023 - The Energy sector saw a sharp decline last week. This week we saw a rally back up to its 200 day SMA on Monday and Tuesday followed by a failed rally on Wednesday with a lower close. Thursday saw a gap down and selling to lower lows. Thursday's bounce continued Friday to test its 20 day SMA as Resistance and close nearly on its 200 day SMA, up +1.53% for the week.



XLF daily chart as of Nov 17, 2023 - The Financial sector saw a huge rally 2 weeks ago, paused last week and continued its pause on Monday of this week. Tuesday saw a big gap up and rally that continued with higher highs, higher lows and higher closes every day, coming within 4 cents of its September prior highs on Friday, ending the week up +3.24%.



QQQ daily chart as of Nov 17, 2023 - The Nasdaq-100 ETF paused Monday then saw a large gap up and Rally on Tuesday. Wednesday briefly saw a higher high but closed near the prior day's close. Thursday and Friday saw little change to end the week up +2.02%.



SOXX daily chart as of Nov 17, 2023 - The Semiconductor sector paused near its 100 day SMA (Grey) on Monday then saw a large gap up and rally Tuesday. Every day that followed saw a higher close each day this week. We saw higher highs on Tue, Wed. and Friday this week. The SOXX ended this week up +4.21%.



XLC daily chart as of Nov 17, 2023 - The Communication Services sector saw a strong rally 2 weeks ago and a pause last week with a small rally last Friday. This week we see a pause Monday near Friday's close. Tuesday saw a large gap up and rally. Wednesday saw an 'Inside' day. Thursday saw new 52 week highs and a higher close. Friday saw another 'Inside' day to end the week up +2.34%.

Note in the above 6 Sector charts, that the SOXX and XLF rallied each day this week (after Monday's pause) while the other sectors saw a pause on Monday and large gains on Tuesday that then paused the last 3 days of this week with very little change. The XLC rallied Tuesday and Thursday this week.

INDEXes	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
SECTORS	10/6/2023	10/13/2023	10/20/2023	10/27/2023	11/3/2023	11/10/2023	11/17/2023
\$SPX	0.48%	0.45%	-2.39%	-2.53%	5.85%	1.31%	2.24%
\$INDU	-0.30%	0.79%	-1.61%	-2.14%	5.07%	0.65%	1.94%
\$COMPQ	1.60%	-0.18%	-3.16%	-2.62%	6.61%	2.37%	2.37%
\$RUT	-2.22%	-1.48%	-2.26%	-2.61%	7.56%	-3.15%	5.42%
QQQ	1.79%	0.16%	-2.92%	-2.62%	6.49%	2.90%	2.02%
\$TRAN	-1.08%	-0.73%	-1.69%	-6.19%	7.06%	-0.59%	3.51%
XLE	-5.16%	4.50%	0.75%	-6.24%	2.42%	-3.77%	1.53%
XLF	-0.39%	0.51%	-3.04%	-2.33%	7.41%	0.38%	3.24%
XLK	2.62%	0.24%	-2.78%	-1.72%	6.60%	4.52%	1.83%
SOXX	1.38%	-0.73%	-4.07%	-2.83%	6.96%	4.11%	4.21%
XLV	0.99%	0.14%	-1.64%	-3.84%	3.47%	-0.89%	1.57%
XLY	-0.23%	-1.02%	-4.58%	-1.38%	7.11%	0.74%	3.56%
XRT	-3.35%	-0.32%	1.04%	-2.25%	7.20%	-3.61%	5.70%
XLI	-0.59%	0.96%	-3.00%	-2.29%	5.35%	0.94%	2.98%
XLU	-2.85%	3.58%	-2.14%	1.21%	5.33%	-2.49%	3.27%
XME	-3.22%	-0.73%	-3.07%	1.00%	3.69%	-3.55%	6.44%
XLP	-3.11%	0.19%	0.70%	-1.03%	3.26%	0.31%	0.77%
XLB	-0.71%	-0.45%	-3.01%	-0.46%	5.12%	-1.81%	3.76%
XLC	2.04%	0.24%	-0.82%	-5.16%	7.09%	1.35%	2.34%
XHB	-2.12%	-1.04%	-4.46%	-1.52%	10.99%	0.09%	6.31%

Weekly Percent Change US Indexes and Sectors table as of Nov 17, 2023 - We noted that the Russell 2000 and Dow Transports were the weakest indexes last week and then the strongest this week, up over 3.5% for the week. This also correlates with what we saw in some of the 'Market Internals' charts above with the decline last week and rally this week.

The strongest Sectors this week included: XME, XHB, XRT, SOXX, XLB, XLY and the Transports who all delivered over +3.5% gains this week.

Every sector delivered some positive gains this week, even the weakest sectors. The Weakest sectors this week included: XLP, XLE and XLV with less than +1.6% gains this week.

INDEXes SECTORS	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day
	11/06/23	11/07/23	11/08/23	11/09/23	11/10/23	11/13/23	11/14/23	11/15/23	11/16/23	11/17/23
\$SPX	0.18%	0.28%	0.10%	-0.81%	1.56%	-0.08%	1.91%	0.16%	0.12%	0.13%
\$INDU	0.10%	0.17%	-0.12%	-0.65%	1.15%	0.16%	1.43%	0.47%	-0.13%	0.01%
\$COMPQ	0.30%	0.90%	0.08%	-0.94%	2.05%	-0.22%	2.37%	0.07%	0.07%	0.08%
\$RUT	-1.29%	-0.28%	-1.10%	-1.57%	1.07%	0.01%	5.44%	0.16%	-1.52%	1.35%
QQQ	0.41%	0.95%	0.06%	-0.77%	2.25%	-0.31%	2.15%	0.08%	0.09%	0.02%
\$TRAN	-0.07%	-0.44%	-0.15%	-1.04%	1.12%	-0.33%	3.31%	0.72%	-0.99%	0.80%

Daily Percent Change US Indexes table as of Nov 17, 2023 - We saw changes in leadership every day this week, with the Dow Industrials twice showing weakness and the Russell 2000 twice showing strength this week. Gains and losses were all rather small on Monday, and then all were strong and positive on Tuesday. Wednesday saw all positive but small gains with the exception of some strength seen in the Transports and Dow Industrials. Thursday saw mostly small changes with the exception of strong declines in the Russell and Transports. Friday saw very small gains with the exception of the strong gains in the Russell and Transports. Over the past 2 to 3 weeks we have seen the Russell and Transports get whipped around more than the other indexes, both up and down. This could be a hint of where greater 'volatility' may be found.

Next we will look at a few key Stocks.



AAPL daily chart as of Nov 17, 2023 - Apple continued its rally from late October with alternating days of up and pause. This week we saw a pause on Monday with an 'Inside' day followed by 3 days of higher highs and higher closes. Friday saw a small pull back to end the week up +1.77%.



MSFT daily chart as of Nov 17, 2023 - Microsoft continued its rally from late October with a pause on Monday followed by new all time highs on Tuesday, Wednesday and Thursday. Friday saw a pullback to end the week up +0.25%.



GOOGL daily chart as of Nov 17, 2023 - Alphabet saw an 'Inside' day on Monday then gapped above its 50 day SMA on Tuesday and delivered higher highs, higher low and higher closes on Tuesday, Wednesday and Thursday. Friday saw a lower high, lower low and lower close to end the week up +2.05%.



AMZN daily chart as of Nov 17, 2023 - Amazon saw an 'Inside' day on Monday then gapped up on Tuesday to deliver new 52 week Highs on both Tuesday and Wednesday before selling lower on Wednesday. Thursday saw lower lows and a bounce to close near the prior day's close. Friday saw the bounce continue higher to end the week up +1.13%.



TSLA daily chart as of Nov 17, 2023 - Tesla saw a rally 2 weeks ago, a pull back last week then a resumption of the rally this week with a rally Monday above its 20 day and 200 day SMAs. Tuesday saw a strong gap up and rally that continued higher Wednesday above its 50 day SMA. Thursday saw selling back below the 50 day SMA that continued lower Friday with lower lows but a higher close to end the week up +9.15%.



NVDA daily chart as of Nov 17, 2023 - Nvidia saw a strong rally the past 2 weeks and continued higher on Monday and Tuesday of this week. Wednesday briefly saw a higher high before selling off lower. Thursday saw an 'Inside' day followed by a higher high and higher low on Friday but with a lower close to end the week up 1.99% and just shy of retesting its August all time highs.



META daily chart as of Nov 17, 2023 - Meta continued its rally on Monday and Tuesday this week, briefly delivering a higher high Wednesday before selling lower. META continued lower Thursday then bounced to close higher than the prior day. Friday saw a higher high, higher low and higher close to end the week up +1.91%.

Out of the seven biggest stocks above, only GOOGL and TSLA did better than +2.0% gains this week. GOOGL delivered +2.05% gains this week and TSLA delivered +9.15%.



JPM daily chart as of Nov 17, 2023 - JP Morgan not only continued its rally this week but accelerated with stronger gains than last week. After the ‘pause’ on Monday, JPM delivered higher highs, higher lows and higher closes every day, ending this week up +4.36%. (FYI, JPM was up +2.40% last week.)



GS daily chart as of Nov 17, 2023 - Goldman Sachs saw small gains on Monday then a large gap up above its 200 day SMA and rally higher Tuesday. The rest of this week GS remained inside of Tuesday’s range without any higher highs to end the week up +4.20%.



COST daily chart as of Nov 17, 2023 - Costco saw a strong rally last Friday that continued with higher highs, higher lows and higher closes on Monday, Tuesday and Wednesday this week. Thursday saw a gap down and strong selling to give back all of this week's gains before seeing a bounce. Friday saw an 'Inside' day near the prior day's close to end this week nearly flat, up only +0.01%.



INTC daily chart as of Nov 17, 2023 - Intel saw a strong positive reaction to Earnings on October 27th that continued higher 2 weeks ago (+7.3%) that slowed and paused last week (+2.2%). This week we see the pause continue Monday, then resume higher Tuesday and the rest of this week with bigger gains Wednesday and again on Thursday. Friday saw smaller gains with more new 52 week highs, ending this week up +12.74%. Thursday saw a 2x ATR range day on high volume.



AMD daily chart as of Nov 17, 2023 - AMD continued its rally this week but at a bit slower pace. Monday saw an 'Inside' day this week followed by a gap up to higher highs on Tuesday. Wednesday saw a pullback that continued a little lower Thursday before bouncing to recover most of the prior day's losses. Friday saw a higher high and higher close to end the week up +1.71%.



X daily chart as of Nov 17, 2023 - US Steel saw a rally in late October then has mostly paused in a horizontal range last week and this week, ending this week down -0.49%.



SLB daily chart as of Nov 17, 2023 - Schlumberger seems to be falling down the stairs since mid September. Last week we saw a decline below its 200 day SMA. This week we see a small bounce Monday and Tuesday that failed and rolled over Wednesday and Thursday back below its 200 day SMA to new 4-month lows. Friday saw a bounce that failed to get above its 200 day SMA, ending the week down -0.84% and is now below all 3 of its key daily SMAs.



TGT daily chart as of Nov 17, 2023 - Target saw a small decline Monday and a tiny rally Tuesday above its 20 day SMA that tested its 50 day SMA as resistance and closed between these two SMAs. Target reported Earnings Wednesday before the open and saw a strong positive reaction, gapping up to open above \$126 and rallied up to \$131.53 that day. Thursday saw an 'Inside' day followed by a higher high but lower close on Friday, ending the week up +21.14%.

Most of this week's gains were seen on Tuesday as a likely positive reaction to CPI data.

This week we saw very little whip-saws as November Options expired on Friday.

Next week we have a USA Holiday on Thursday where the US markets will be closed that day, followed by a short day on Friday that closes at 1:00 pm ET.

We continue to see some stronger daily moves both up and down in the Russell 2000 and the Dow Transports as these two indexes seem to react more significantly to daily events.

We saw a few sectors continue to rally each day this week (after Monday's pause) while the major indexes seemed to pause for 3 days after the big move on Tuesday. These can be clues as to where we may find relative strength and are worth watching for possible trade opportunities.

Have a wonderful 'Thanksgiving Holiday' this week as I wish for each of you good health, success and happiness.

Trade Smart,

CJ