



Market Observations - as of December 8, 2023

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

Last week we saw the consolidation pause continue with a narrow horizontal range on Monday and Tuesday. Wednesday saw a gap up that was quickly sold off as a failed rally, ending the day flat or slightly negative. Thursday saw a decline the first half of the day to new lows for the week. The second half of Thursday saw a mild bounce that accelerated in the last 30 min. of the day at the end of the month of November. Friday was the start of a new month (December) that saw a strong rally the first half of the day that delivered new highs for the week in the S&P that came within 1 point of testing \$4600. The Nasdaq was notably the weaker index on Wednesday, Thursday and Friday last week, failing to retest its highs seen early on Wednesday and ending the week near the highs seen on Monday and Tuesday of last week (near \$14,300).

This week we saw a large gap down and selling early on Monday that took the S&P back to the prior week's pause level (centered near \$4555) while the Nasdaq Composite dropped below the prior week's range before bouncing the last half of the day back to the bottom of last week's range. Tuesday remained inside the pause range. Wednesday saw a gap up and a failed rally that sold off to new lows for the week in the S&P while the Nasdaq sold off to a higher low for this week at the close. Thursday saw another gap up but with follow through higher this time with a mild rally seen most of the day. Friday saw the rally continue higher after some wild swing after the open on Jobs data and then Consumer Survey reactions. The S&P-500 and DJIA both delivered new 52 week highs near the end of the day on Friday this week while the Nasdaq was a little shy of making any new 52 week highs but did end the week at a higher high for this week.

Breadth was not that strong this week, with only a brief peak at the open on Wednesday that quickly sold off lower.

The VIX delivered a new 3 year low on Friday this week.

Oil prices mostly declined this week with a small bounce seen on Friday. Gold prices made a new all time high briefly Sunday night then quickly sold off Monday and a little lower on Friday.

The US 10 year Yields saw a small bounce Monday then declined Tuesday, Wednesday and Thursday. Friday saw a gap up to recover most of the week's decline.

Wednesday after the close we saw AMD announce a new AI chip that saw a strong positive reaction Thursday and Friday in the market. Thursday morning Alphabet announced a new AI Program (Gemini) that also drove strong positive reactions Thursday but saw a little pull back on Friday. A.I. news has been a key market driver this year, so whenever we hear of a new product release, we look to see if that could fuel a strong move in the markets, and it often does. We saw 2 examples of that this week.

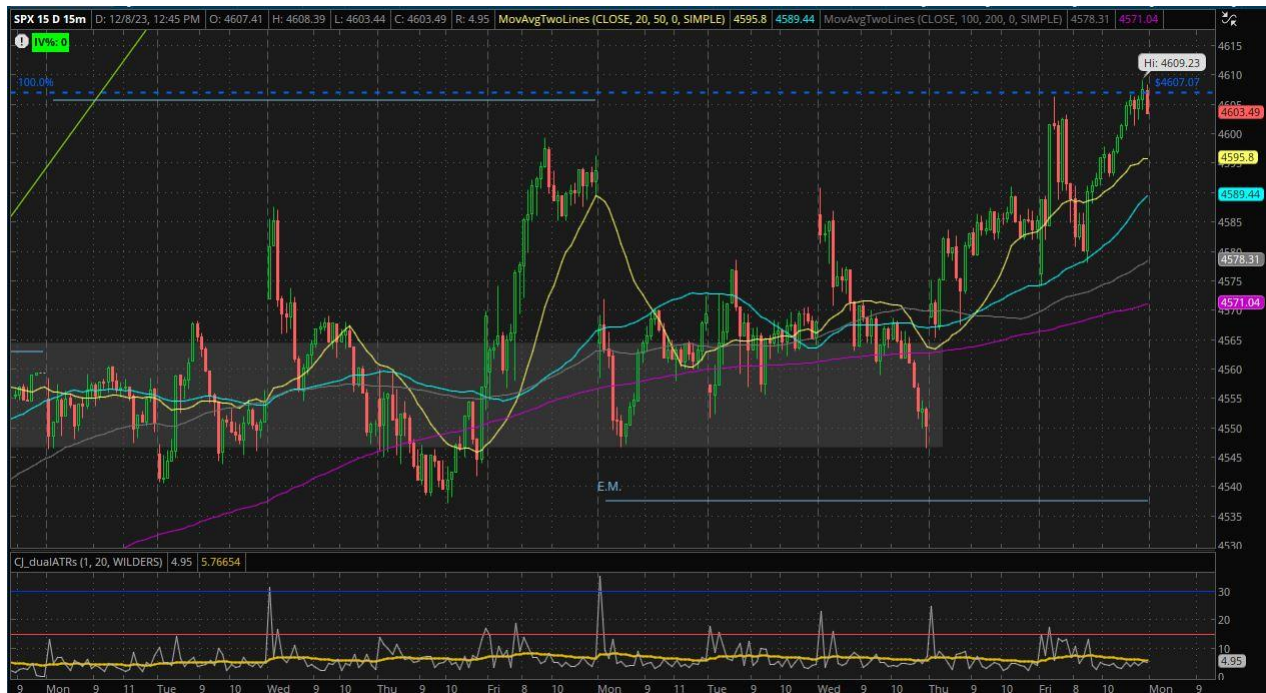
Now, let's look at the charts to see what they are telling us this week.



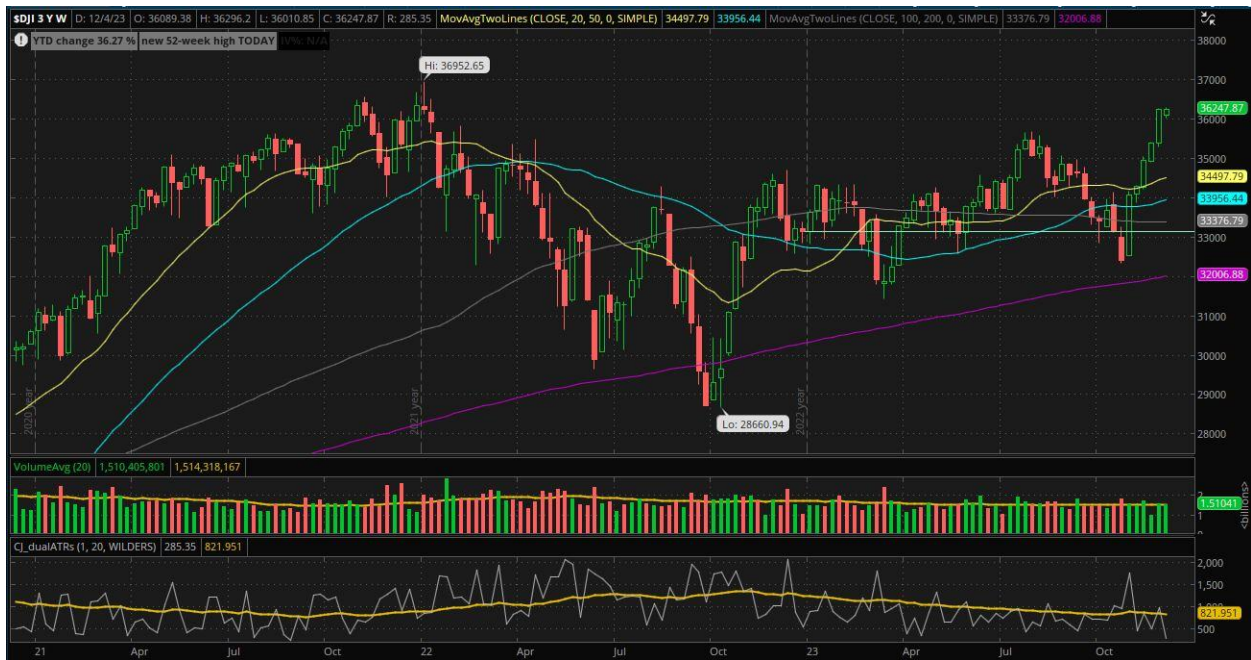
S&P 500 weekly chart as of Dec 8, 2023 - It may be difficult to see in this chart, but the S&P has again continued higher for a 6th week in a row. Last week and this week show only small gains as this rally slows down.



S&P 500 daily chart as of Dec 8, 2023 - After a pause for about 2 weeks, we see higher highs late this week on Thursday and Friday. Friday's highs exceeded the prior highs from last week and from July of this year to deliver a new 52 week High. This also delivers a 'Full' retracement (100%) of the July 27th to Oct. 27th decline (blue Fibonacci levels). The S&P ended this week up +0.21%.



S&P 500 15 min. chart as of Dec 8, 2023 - The S&P closed last week and this week 'Inside' its weekly Expected Move. We see the chop zone (Grey box) from last week continue to contain prices this week for at least half of the day on Monday, Tuesday and Wednesday, as support was tested twice. We also see higher highs nearly every day this week. Wednesday's gap up failed and changed into a loss that day. Thursday's gap up was successful at finding follow through higher that day. Friday saw some wild swings in the morning that came within 1 point of the prior July highs, and then quickly sold off. A rally then began mid-day that continued the rest of the day, delivering new 52 week highs late in the day and closing the week above \$4604.



DJIA weekly chart as of Dec 8, 2023 - We see a 6th week in a row of a rally with higher highs each week. This week we see new 52 week highs as well. Last week saw a strong gain while this week was minimal.



DJIA daily chart as of Dec 8, 2023 - The Industrials were mostly horizontal this week but did deliver a new 52 week high on Friday and ended the week near the highs of this week's range, ending the week up a fraction at +0.01%.



Nasdaq weekly chart as of Dec 8, 2023 - Here we see a 6th week of the rally, with small gains the prior 2 weeks and a bullish engulfing week this week.



Nasdaq daily chart as of Dec 8, 2023 - We saw a dip Monday then higher highs each day that followed. Wednesday saw a failed rally. Thursday and Friday delivered most of this week's gains, ending this week up +0.69%. Note the 20 day SMA (Yellow) acted as support this week, even without a 'touch'.



Russell 2000 weekly chart as of Dec 8, 2023 - The Russell 2000 has been within a range since April 2022 (Green horizontal lines). This week we see a cross above the 200 week SMA (Purple). Note how all 3 of the key weekly SMAs are horizontal and have been horizontal for most all of this year. This shows us little to NO Trend over this 20 month period.



Russell 2000 daily chart as of Dec 8, 2023 - The Russell paused for about 2 weeks then saw a one day huge gain last Friday crossing above its 200 day SMA. Monday of this week we saw a smaller gain continue higher for one day then pull back the next 2 days. Thursday and Friday saw a small rally that failed to deliver higher highs for this week, ending this week up +0.98%.

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



McClellan Summation Index weekly chart as of Dec 8, 2023 - Last week we saw an advance up to 331.29. This week we see a 6th week of advances to end this week at 535.27.



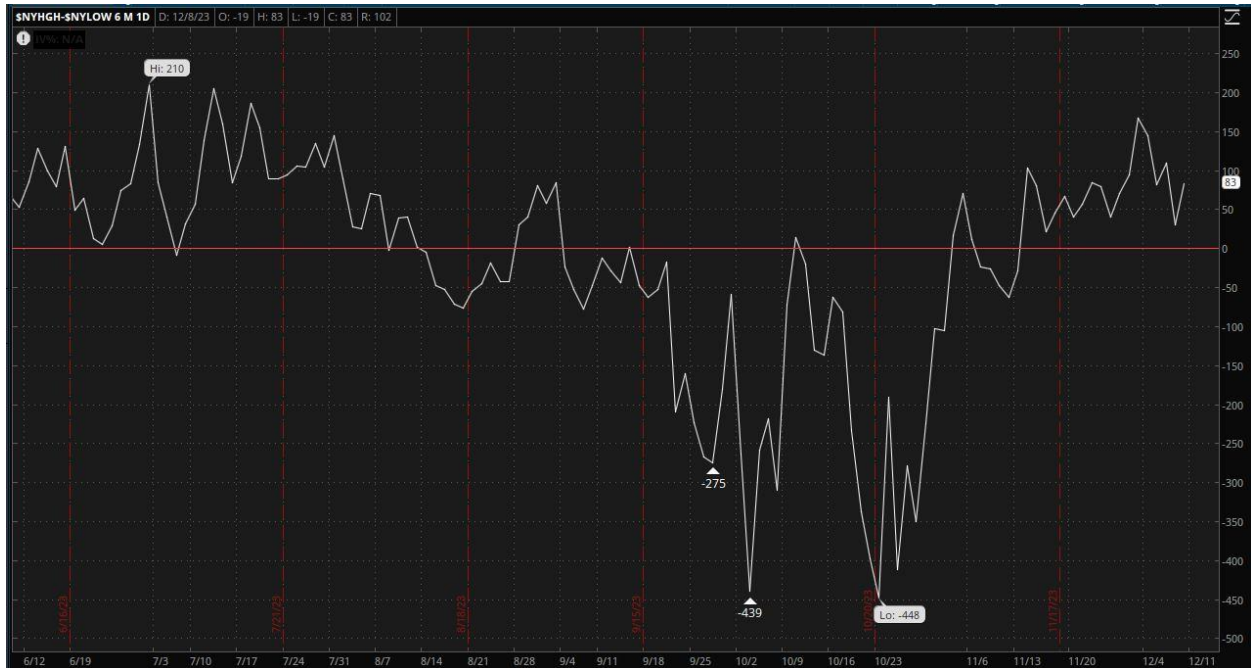
McClellan Summation Index daily chart as of Dec 8, 2023 - Here we can see a rather steady advance for most of November that continues into December up to 535.27.



NYSE Percent above 200 day SMA daily chart as of Dec 8, 2023 - Last week we saw a strong advance up to 62.52%. This week we see a pause for a day then a small pull back Tuesday and Wednesday. Thursday and Friday see a small advance to end this week at 61.78%.



NYSE Percent above 50 day SMA daily chart as of Dec 8, 2023 - Last week we saw a strong advance up to 79.49%. This week we see a pause Monday, a small decline Tuesday and Wednesday then a small advance Thursday and Friday to end this week at 77.08%.



NYSE New Highs minus New Lows daily chart as of Dec 8, 2023 - Note that we have only seen 'Positive' values every day since Nov. 14th. Last Friday we saw a peak at +167 with smaller positive values every day this week. This peak last Friday also correlated with the large move in the Russell 2000 that day.



VIX daily chart as of Dec 8, 2023 - The VIX has remained within a narrow range for about 2.5 weeks, below all 3 of its key daily SMAs. This Friday we saw a new 3-year low in the VIX at 12.35. We have not seen a lower VIX daily close since Jan. 17th of 2020 (pre pandemic).



VVIX daily chart as of Dec 8, 2023 - The Volatility of the VIX rose the prior 2 weeks then declined this week to end this week back down at 81.11.

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



Gold daily chart as of Dec 8, 2023 - Gold briefly spiked up late Sunday night (Asia market hours) to a new all time high at \$2152.30 then quickly sold off in the overnight session and on Monday's USA session. Tuesday, Wednesday and Thursday were mostly horizontal with some additional selling seen on Friday to end the week at \$2020.80.



Oil daily chart as of Dec 8, 2023 - Oil prices continued to decline this week with smaller drops seen on Monday and Tuesday then a bigger drop on Wednesday. Thursday saw a pause near the prior day's lows. Friday saw a small bounce to end this week at \$71.26.



US Dollar Index daily chart as of Dec 8, 2023 - The US Dollar continued to strengthen Monday, Tuesday and Wednesday this week, crossing above its 200 day and 20 day SMAs. Thursday saw a drop back down to its 200 day SMA. Friday saw a bounce back above its 20 day SMA.



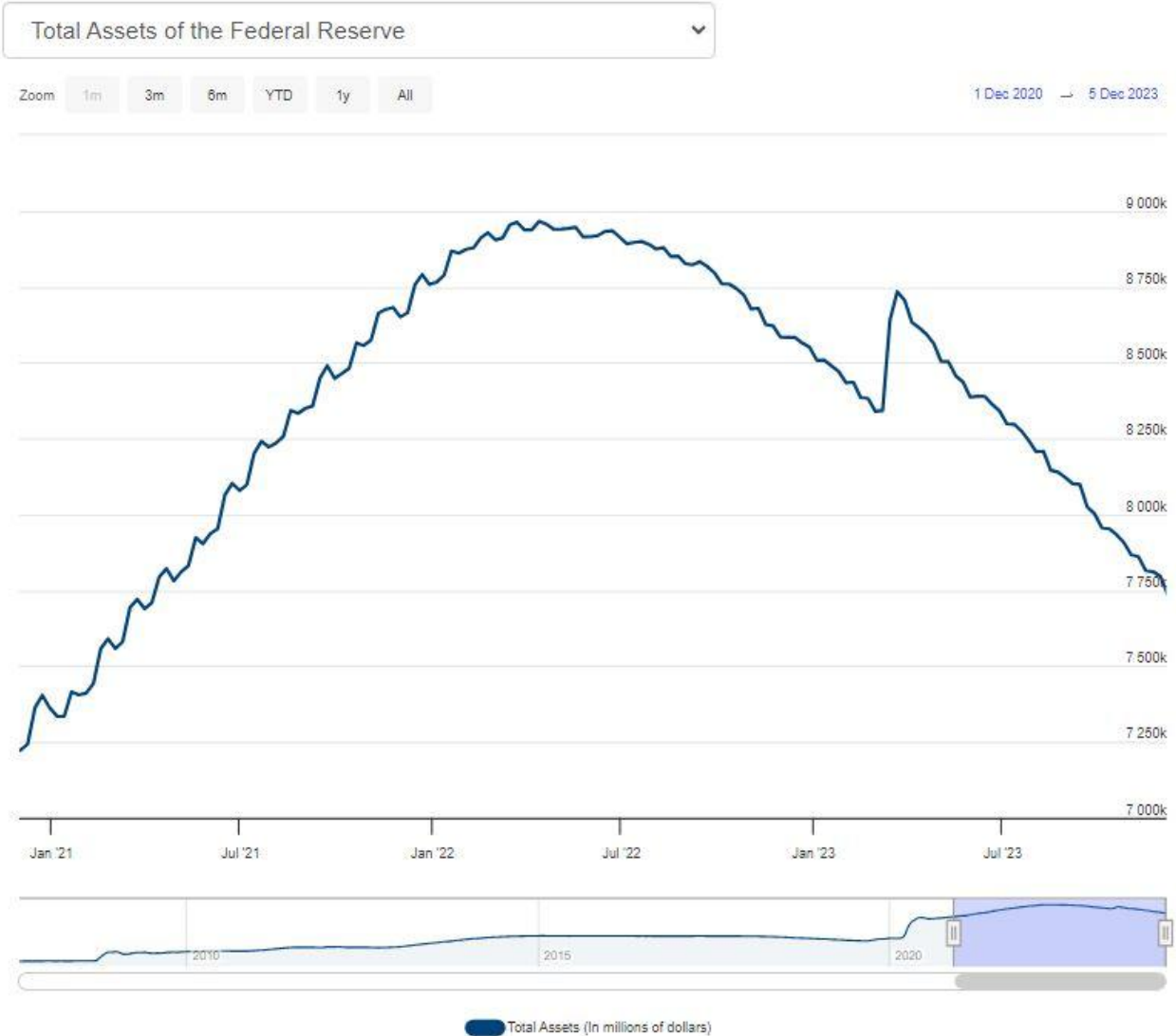
US 10 year Treasury daily chart as of Dec 8, 2023 - The 10 year continued its slow rally this week, nearly reaching its 200 day SMA on Wednesday before declining a bit on Thursday. Friday saw a sharp decline on higher volume.



US 10 year Yield daily chart as of Dec 8, 2023 - The 10 year Yields are nearly the inverse chart of the Treasuries, and saw a decline this week that paused Thursday before popping up a bit on Friday to end this week near 4.245%.

| 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 |
|------------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|
| 11/6/2023 | 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 |
| 11/7/2023 | 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 |
| 11/8/2023 | 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 |
| 11/9/2023 | 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 |
| 11/20/2023 | 5.53 | 5.55 | 5.54 | 5.46 | 5.43 | 5.25 | 4.89 | 4.62 | 4.44 | 4.46 | 4.42 | 4.74 | 4.57 |
| 11/21/2023 | 5.52 | 5.54 | 5.53 | 5.45 | 5.42 | 5.24 | 4.86 | 4.60 | 4.41 | 4.44 | 4.41 | 4.75 | 4.57 |
| 11/22/2023 | 5.54 | 5.55 | 5.54 | 5.47 | 5.42 | 5.26 | 4.89 | 4.62 | 4.44 | 4.46 | 4.42 | 4.73 | 4.55 |
| 11/24/2023 | 5.55 | 5.56 | 5.54 | 5.48 | 5.45 | 5.27 | 4.92 | 4.67 | 4.49 | 4.51 | 4.47 | 4.79 | 4.60 |
| 11/27/2023 | 5.54 | 5.54 | 5.49 | 5.47 | 5.45 | 5.24 | 4.84 | 4.60 | 4.38 | 4.43 | 4.39 | 4.72 | 4.53 |
| 11/28/2023 | 5.53 | 5.53 | 5.47 | 5.45 | 5.42 | 5.21 | 4.73 | 4.49 | 4.29 | 4.36 | 4.34 | 4.70 | 4.52 |
| 11/29/2023 | 5.53 | 5.52 | 5.45 | 5.48 | 5.38 | 5.12 | 4.64 | 4.40 | 4.22 | 4.28 | 4.27 | 4.62 | 4.44 |
| 11/30/2023 | 5.56 | 5.54 | 5.45 | 5.49 | 5.38 | 5.16 | 4.73 | 4.48 | 4.31 | 4.38 | 4.37 | 4.72 | 4.54 |
| 12/1/2023 | 5.55 | 5.53 | 5.43 | 5.45 | 5.33 | 5.05 | 4.56 | 4.31 | 4.14 | 4.22 | 4.22 | 4.58 | 4.40 |
| 12/4/2023 | 5.55 | 5.53 | 5.46 | 5.47 | 5.41 | 5.10 | 4.64 | 4.40 | 4.23 | 4.30 | 4.28 | 4.61 | 4.43 |
| 12/5/2023 | 5.54 | 5.51 | 5.45 | 5.46 | 5.37 | 5.06 | 4.57 | 4.33 | 4.14 | 4.20 | 4.18 | 4.48 | 4.30 |
| 12/6/2023 | 5.54 | 5.50 | 5.45 | 5.47 | 5.38 | 5.07 | 4.60 | 4.33 | 4.12 | 4.16 | 4.12 | 4.40 | 4.22 |
| 12/7/2023 | 5.53 | 5.54 | 5.44 | 5.47 | 5.36 | 5.05 | 4.58 | 4.31 | 4.11 | 4.16 | 4.14 | 4.42 | 4.25 |
| 12/8/2023 | 5.54 | 5.53 | 5.44 | 5.49 | 5.39 | 5.13 | 4.71 | 4.45 | 4.24 | 4.28 | 4.23 | 4.49 | 4.31 |

US Yield rates daily table as of Dec 8, 2023 - The longer-terms and mid-terms continued to decline this week with a small bounce seen on Friday. The shorter terms saw very little change this week.



FOMC Balance Sheet weekly chart as of Dec 6, 2023 - The Fed decreased its Balance Sheet this week by \$58.760 Billion to a new Total Assets of \$7.737385 Trillion. In the 3-year chart above you can see that the slope of Increases seen in 2021 is steeper than the rate of declines seen in 2023 by a factor of at least 2 times slower decline.

Next we will look at a few key 'Sectors'.



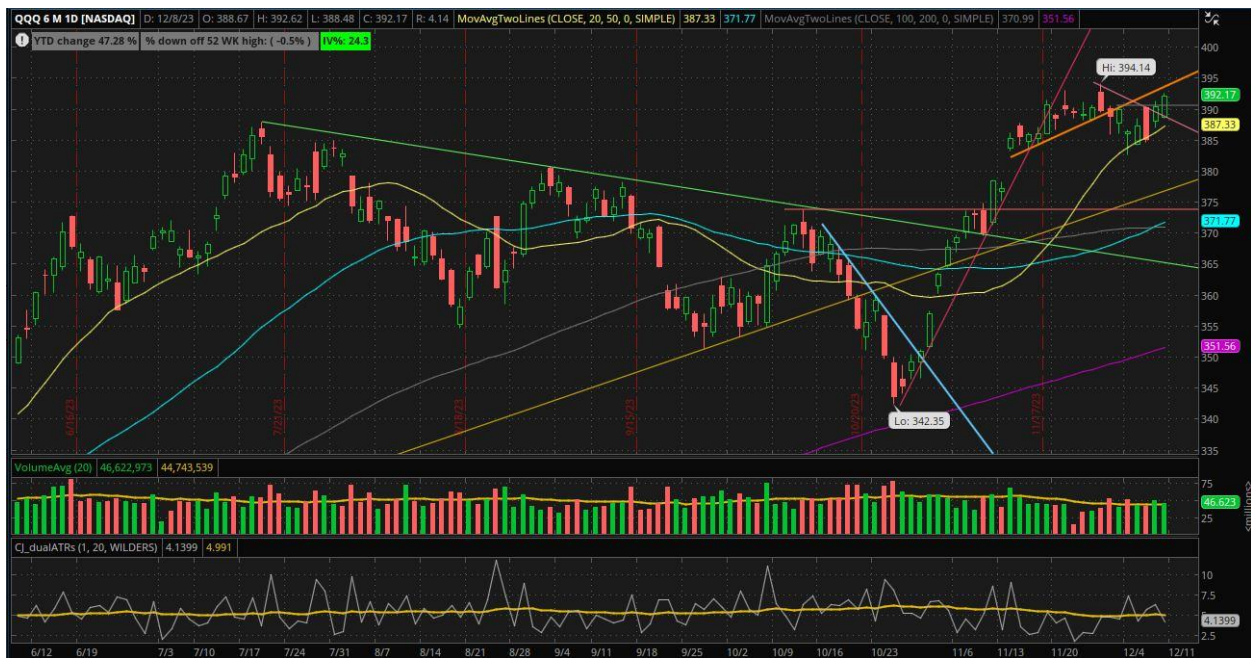
Dow Transportation Index daily chart as of Dec 8, 2023 - The Transports saw a huge advance last Friday that continued a little higher on Monday of this week. Tuesday and the rest of this week saw a slow decline with a pause on Thursday and the lowest close this week on Friday, ending this week down -1.63%.



XLE daily chart as of Dec 8, 2023 - The Energy sector paused Monday near its 20 day and 200 day SMAs then saw a strong decline the next 3 days with lower lows on Thursday. Friday saw a small bounce to end the week down -3.28%.



XLF daily chart as of Dec 8, 2023 - The Financial sector briefly delivered a higher high early on Wednesday before dropping hard. Otherwise, most of this week was horizontal and mostly just below last week's highs. The XLF ended this week down -0.11%.



QQQ daily chart as of Dec 8, 2023 - The Nasdaq-100 ETF dropped below last week's lows on Monday of this week but mostly stayed above its 20 day SMA support. Each of the following days saw higher highs but with a failed rally on Wednesday that closed 30 cents below its 20 day SMA. Thursday and Friday saw the rally resume. Friday's highs failed to exceed the prior week's highs, ending this week up +0.57%.



SOXX daily chart as of Dec 8, 2023 - The Semiconductor sector dropped Monday and Tuesday to its 20 day SMA. Wednesday saw a gap up and failed rally to close back below its 20 day SMA. Thursday and Friday saw a strong rally with strong volume seen on Friday, ending the week up +1.12% and above all 3 of its key daily SMAs.



XLC daily chart as of Dec 8, 2023 - The Communication Services sector continued its decline Monday and Tuesday this week below its 20 day SMA. Wednesday saw a gap up and failed rally that could not reach its 20 day SMA and closed the day lower. Thursday saw a gap up but with positive follow through higher crossing above its 20 day SMA. Friday saw a gap down and rally to higher highs to end the week up +0.82%. META and GOOGL are the two largest components in this ETF and these two stocks represent just over 48% of its total value.

| INDEXes | Week Ending | Week Ending | Week Ending | Week Ending | Week Ending | Week Ending | Week Ending |
|---------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| SECTORS | 10/27/2023 | 11/3/2023 | 11/10/2023 | 11/17/2023 | 11/24/2023 | 12/1/2023 | 12/8/2023 |
| \$SPX | -2.53% | 5.85% | 1.31% | 2.24% | 1.00% | 0.77% | 0.21% |
| \$INDU | -2.14% | 5.07% | 0.65% | 1.94% | 1.27% | 2.42% | 0.01% |
| \$COMPQ | -2.62% | 6.61% | 2.37% | 2.37% | 0.89% | 0.38% | 0.69% |
| \$RUT | -2.61% | 7.56% | -3.15% | 5.42% | 0.54% | 3.05% | 0.98% |
| QQQ | -2.62% | 6.49% | 2.90% | 2.02% | 0.90% | 0.11% | 0.57% |
| \$TRAN | -6.19% | 7.06% | -0.59% | 3.51% | 1.08% | 2.45% | -1.63% |
| XLE | -6.24% | 2.42% | -3.77% | 1.53% | 0.28% | 0.11% | -3.28% |
| XLF | -2.33% | 7.41% | 0.38% | 3.24% | 1.06% | 2.23% | -0.11% |
| XLK | -1.72% | 6.60% | 4.52% | 1.83% | 0.88% | 0.63% | 0.58% |
| SOXX | -2.83% | 6.96% | 4.11% | 4.21% | -0.03% | 0.12% | 1.12% |
| XLV | -3.84% | 3.47% | -0.89% | 1.57% | 2.25% | 0.53% | 0.18% |
| XLY | -1.38% | 7.11% | 0.74% | 3.56% | 0.66% | 1.69% | 1.23% |
| XRT | -2.25% | 7.20% | -3.61% | 5.70% | 1.01% | 4.95% | 0.04% |
| XLI | -2.29% | 5.35% | 0.94% | 2.98% | 0.69% | 2.26% | 0.20% |
| XLU | 1.21% | 5.33% | -2.49% | 3.27% | 0.64% | 1.34% | -0.19% |
| XME | 1.00% | 3.69% | -3.55% | 6.44% | 1.48% | 5.46% | -3.98% |
| XLP | -1.03% | 3.26% | 0.31% | 0.77% | 1.32% | 0.77% | -1.18% |
| XLB | -0.46% | 5.12% | -1.81% | 3.76% | 1.06% | 2.75% | -1.70% |
| XLC | -5.16% | 7.09% | 1.35% | 2.34% | 1.27% | -1.48% | 0.82% |
| XHB | -1.52% | 10.99% | 0.09% | 6.31% | 0.18% | 3.51% | 3.52% |

Weekly Percent Change US Indexes and Sectors table as of Dec 8, 2023 - Note that this week we see a flat Dow Industrials and a declining Transports. The S&P was up a little while the Nasdaq-100 and Composite were up by nearly 3x what the S&P did this week. The Russell was the strongest this week and last week.

The Strongest sectors this week included: XHB, XLY and SOXX that all delivered over +1%. The XLC was also a bit stronger than the Nasdaq was this week.

The Weakest sectors this week included: XME, XLE, XLB, Transports and LXP that all saw a loss of more than -1.1%. With 7 out of 16 sectors down this week, we have a hint of 'narrow' leadership this week.

The XME went from the strongest last week to the weakest this week. That shows leadership in either direction.

The XHB (Home Builders) sector was strong last week and this week, indicating 'strong' demand for new homes, even with the higher mortgage rates. Seems the supply of existing homes is very limited with very few home owners willing to sell and trade a low interest rate mortgage for a higher rate mortgage. New Home Builders are also getting creative at helping out new buyers with creative financing.

| INDEXes SECTORS | Mon | Tue | Wed | Thur | Fri | Mon | Tue | Wed | Thur | Fri |
|--------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | End of Day 11/27/23 | End of Day 11/28/23 | End of Day 11/29/23 | End of Day 11/30/23 | End of Day 12/01/23 | End of Day 12/04/23 | End of Day 12/05/23 | End of Day 12/06/23 | End of Day 12/07/23 | End of Day 12/08/23 |
| \$SPX | -0.20% | 0.10% | -0.09% | 0.38% | 0.59% | -0.54% | -0.06% | -0.39% | 0.80% | 0.41% |
| \$INDU | -0.16% | 0.24% | 0.04% | 1.47% | 0.82% | -0.11% | -0.22% | -0.19% | 0.17% | 0.36% |
| \$COMPQ | -0.07% | 0.29% | -0.16% | -0.23% | 0.55% | -0.84% | 0.31% | -0.58% | 1.37% | 0.45% |
| \$RUT | -0.35% | -0.46% | 0.61% | 0.29% | 2.96% | 1.04% | -1.38% | -0.21% | 0.87% | 0.67% |
| QQQ | -0.09% | 0.26% | -0.10% | -0.24% | 0.29% | -0.93% | 0.25% | -0.58% | 1.40% | 0.43% |
| \$STRAN | -1.26% | -0.59% | 0.00% | 1.36% | 2.96% | 0.40% | -1.52% | -0.39% | 0.45% | -0.58% |

Daily Percent Change US Indexes table as of Dec 8, 2023 - Here we see daily changes in leadership with the Nasdaq showing weakness on Monday and Wednesday this week and the Transports on Tuesday and Friday. The Industrials saw smaller losses Wednesday and small gains on Thursday. The Russell showed some relative strength on Monday and Friday while the Nasdaq Composite showed a relatively small gain on Tuesday and the Nasdaq-100 showed an impressive gain on Thursday, the largest daily gain seen any day this week. Looking at the strongest stocks on Thursday within the Nasdaq-100 is a good place to identify strong 'leadership' that day. (hint)

Next we will look at a few key **Stocks**, starting with the 7 biggest names in the Nasdaq-100 by Market cap.



AAPL daily chart as of Dec 8, 2023 - Apple saw a small dip on Monday to test support at its 20 day SMA. Tuesday saw a strong rally to new 4-month highs. Wednesday saw higher high and a failed rally that only gave back about half of the prior day's gains. Thursday and Friday delivered more new highs to end the week up +2.34%.



MSFT daily chart as of Dec 8, 2023 - Microsoft continued lower Monday then rallied up to its 20 day SMA on Tuesday. Wednesday saw a failed rally that gave back most of the prior day's gains. Thursday saw a small bounce that continued higher Friday, crossing above its 20 day SMA by 36 cents and ending the week down only -0.07%.



GOOGL daily chart as of Dec 8, 2023 - Alphabet continued its decline on Monday then saw a bounce and gap fill on Tuesday. Wednesday saw a failed rally that gave back about half of the prior day's gains. Alphabet announced a new AI program (Gemini) before the open on Thursday and saw a large gap up above its 20 day and 50 day SMAs and a rally up to \$138.56 that soon pulled back and closed the day at \$136.93. Friday saw a decline below its 20 day SMA and a bounce to end the week up +2.37% and above all 3 of its key daily SMAs.



AMZN daily chart as of Dec 8, 2023 - Amazon has been mostly horizontal for 2 to 3 weeks, dropping to its 20 day SMA on Monday, spanning its range on Tuesday then failing Wednesday to close back below its 20 day SMA. Thursday and Friday saw small bounces off of its 20 day SMA to end the week up +0.27%.



NVDA daily chart as of Dec 8, 2023 - Nvidia continued its decline Monday to its 50 day SMA support. Tuesday saw a bounce to recover most of this week's losses. Wednesday saw a gap up and failure to drop back to its 50 day SMA. Thursday saw a small rally and 'Inside' day. Friday saw the rally continue higher to end the week up +1.59%.



META daily chart as of Dec 8, 2023 - Meta continued its decline on Monday near its 50 day SMA. Tuesday and Wednesday saw META continue to straddle its 50 day SMA. Thursday saw a strong rally to recover most of this week's losses that continued higher on Friday to cross and close above its 20 day SMA, ending the week up +2.44% and now above all 3 of its key daily SMAs.



TSLA daily chart as of Dec 8, 2023 - Tesla has been mostly horizontal for over 3 weeks. Monday straddled the 50 day SMA. Tuesday and Wednesday saw slightly higher closes. Thursday and Friday mostly remained horizontal to end the week up +2.10%.

Out of the above 7 big stocks 4 delivered more than a +2.0% gain this week: AAPL, META, GOOGL and TSLA. Also, all 4 of these stocks are also now above all 3 of their key daily SMAs (20d, 50d and 200d).



JPM daily chart as of Dec 8, 2023 - JP Morgan continued its 5-week rally on Monday and Tuesday this week then saw a gap up and big drop on Wednesday to give back all of this week's gains plus some. Thursday saw a tiny bounce that continued higher Friday but failed to return to Wednesday's highs, ending this week up +1.07%. Friday saw the highest 'close' seen so far this year.



BA daily chart as of Dec 8, 2023 - Boeing continued its rally this week for a 6th week. Monday and Tuesday saw a pause in gains that was followed by higher highs and a higher close Wednesday. Thursday was a wide range dip to test Support but still managed closed up on the day. Friday saw a large gain to new 2-year highs, ending the week up +4.63%. Note the above average volume on both Thursday and Friday this week. Also note the 'Cup-n-handle' pattern formed in Oct. and early Nov. with \$197 as the Resistance level. BA closed above its 50 day SMA on Nov. 10th and gapped up the next day and has continued its rally since.



COST daily chart as of Dec 8, 2023 - Costco continued its rally this week with higher highs every day but Wednesday. Tuesday, Thursday and Friday also delivered new 52 week highs each of those days. Friday ended the week up +2.44%.



INTC daily chart as of Dec 8, 2023 - Intel continued its decline this week with lower lows Monday, Tuesday and Wednesday, crossing below its 20 day SMA on Tuesday. Thursday saw a small bounce up to its 20 day SMA but failed to cross above it. Friday saw another bounce that did cross and close above its 20 day SMA, ending the week down -2.38%.



AMD daily chart as of Dec 8, 2023 - AMD continued its decline on Monday and Tuesday then saw a failed rally Wednesday that gapped above the 20 day SMA but closed back below and lower than the prior day's close. Wednesday after the markets closed AMD announced a new AI Chip. Thursday saw a strong gap up above its 20 day SMA and huge rally (2.8 x ATR) on huge volume (2.38 x Avg. Volume) as an overreaction to the AI Chip news. Friday saw a higher high and higher close to end the week up +6.20%. Friday's range was back to Average but the Volume was still well above average. We have seen the AI topic drive the markets this year, so it was little surprise to see the over reactions to the AMD news this week. (Similar reactions seen with GOOGL and their AI New Product release this week.)



SLB daily chart as of Dec 8, 2023 - Schlumberger resumed its decline this week with lower lows seen every day except on Friday. SLB ended this week down -6.40% as it moved 'with' Oil prices this week.



TGT daily chart as of Dec 8, 2023 - Target tested Resistance at its 200 day SMA on Monday and closed lower. The decline continued Tuesday and paused Wednesday. Thursday saw a gap up and rally back up to its 200 day SMA Resistance. Friday saw a failed rally above its 200 day SMA that closed back below this SMA, ending the week up +0.30%. The 200 day SMA continued to provide Resistance this week.



CRM daily chart as of Dec 8, 2023 - Salesforce saw a huge rally last week after announcing Earnings. This week we see a decline Monday and slow drift lower most of this week, ending this week down - 3.53%.

This week ended with most indexes higher but with only a small gain. This week also ended with not all sectors moving higher for the week (9 up and 7 down). These two observations suggest less breadth in this week's gains. We can confirm this observation with what we saw in the NYSE Percent above the 200 day and Percent above the 50 day SMAs as both of these breadth charts declined this week. Also the NYSE New Highs minus New Lows declined this week while remaining positive.

The mixed market condition this week shows us that 'narrow' leadership could be at work. We saw an example of this with the huge one day gains in AMD and GOOGL after making an AI related product announcement. Also, the Jobs report this week saw mixed reactions on Friday until the U.M. Consumer Sentiment data came out 90 min. later with a mostly positive reaction seen in the markets. This market continues to react and over-react to news, so be alert of key economic reports and Fed announcements going forward.

Prepare for next week with several possible scenarios in mind. Imaging a bullish market condition, a bearish market or a neutral sideways market, and what action, if any, is appropriate for you to take in each scenario. Identify what 'Confirmation' you would need to see to verify what scenario is in play.

Observe and learn every day as the markets do whatever they do.

Trade Smart,

CJ