



## Market Observations - as of January 12, 2024

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

Last week began on Tuesday (Monday was a Holiday) when we saw the decline from the prior Friday morning continue lower with a gap down that was not filled. The Trend Line break we saw the prior Friday (Dec. 29<sup>th</sup>) was confirmed with a gap down and continued selling Tuesday and with a series of failed rallies, lower highs and lower lows each day last week. We also saw lower closes every day last week except on Friday when we saw a very small higher close in the S&P and Nasdaq.

This week we saw the bounce that began late last Friday resume with a vengeance. Monday saw the largest range day up in a month, crossing above the 20 day SMA in both the S&P and Nasdaq that day. The rally continued higher Tuesday and Wednesday at a much slower pace. Thursday saw some volatility up and down after the CPI data that ended the day with very little change. Friday was similar with a little bit of volatility after the PPI data that soon settled down and ended the day with very little change. The week ended up for most indexes with the Nasdaq showing greater strength while the Russell 2000 and Dow Transports saw a minor loss for the week.

Several of the big 'Magnificent Seven' stocks led the rally this week by outperforming both the Nasdaq Composite and Nasdaq-100 Indexes and some delivering new 52 week or new all time highs.

Breadth continued to decline this week as the Russell sold off and money flows appeared to be into the prior big tech leaders from 2023.

Boeing continued to be punished for their 'Door Plug' incident with FAA investigations and a class action law suit announced Friday.

Several big banks announced Earnings on Friday before the open with mixed reactions. Most beat projections but had somewhat negative forward looking statements, lower the bar for next quarter.

Oil, Gold and the US Dollar saw only small changes this week while the US Treasury Yields declined this week. We continue to see a Yield Inversion between the 2 year and 10 year that began in early July 2022 and got a little smaller this week.

As Q4 Earnings season ramps up, keep an eye on key dates for any of your holdings that may be impacted.

Next week, Monday (Jan. 15<sup>th</sup>) is a US Holiday, MLK day, so the markets will be closed until Tuesday (Jan. 16<sup>th</sup>).

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



SP&P 500 weekly chart as of Jan 12, 2024 - The S&P more than recovered last week's decline this week but also delivered new 52 week highs.



SP&P 500 daily chart as of Jan 12, 2024 - The S&P saw a large rally Monday, a pause Tuesday then a smaller rally Wednesday. Thursday saw a wide reaction to CPI data but closed the day with little change. Friday saw a smaller reaction to PPI, with new 52 week highs at the open before dropping back down and again closing the day with very little change. The S&P ended the week up +1.84%. The S&P is now above all 3 of its key daily SMAs.



S&P 500 15 min. chart as of Jan 12, 2024 - Here we see the strong rally on Monday that crossed above the descending Trend Line Resistance (Green line) early in the day and ended the day above the weekly Expected Move. Tuesday saw a gap down that was filled before mid-day and oscillated near the Expected Move. Wednesday saw a small gap up and continued rally up to new 2024 highs. Thursday saw a reaction to CPI up then down and back up to end the day nearly unchanged. Friday saw reactions to PPI with a gap up to new 52 week highs then a drop to fill the gap followed by oscillations the rest of the day near the prior day's close. The week ended with the S&P above its upper weekly Expected Move.

Note that the S&P all time highs (from Jan 2022) were nearly at the same level this week as was the +2x Expected Move. Also note that the S&P briefly broke above 4800 on Friday, another psychological level of Resistance.





DJIA weekly chart as of Jan 12, 2024 - The Dow Industrials recovered last week's decline and delivered new all time highs this week.



DJIA daily chart as of Jan 12, 2024 - The Industrials pulled back last week to find support this Monday at its 20 day SMA. We saw a pause Tuesday then the rally resumed Wednesday. Thursday saw a wide swing but a higher close. Friday saw a wide swing and new all time highs at the open before closing the day lower, ending the week up only 0.34%. The 20 day SMA provided support throughout this week.



Nasdaq weekly chart as of Jan 12, 2024 - The Nasdaq Composite saw a rally this week that recovered most of last week's decline. This week's highs failed to reach last December's highs.



Nasdaq daily chart as of Jan 12, 2024 - Monday saw a strong rally above its 20 day SMA that continued higher Tuesday and Wednesday. Thursday saw a higher high and lower low but closed the day nearly unchanged. Friday saw a smaller reaction to PPI with little change for the day, ending the week up +3.09%. The majority of this week's gains were realized on Monday. The Nasdaq is now above all 3 of its key daily SMAs.





Russell 2000 weekly chart as of Jan 12, 2024 - The Russell saw a lower high, lower low and lower close this week, ending the week down.



Russell 2000 daily chart as of Jan 12, 2024 - The Russell crossed below its 20 day SMA last week. Monday saw a strong rally above the 20 day SMA. Tuesday saw an 'Inside' day back below the 20 day SMA. Wednesday saw a pause followed by a lower high, lower low and lower close Thursday. Friday saw a higher high and higher low but a lower close to end the week down -0.01%. Monday's failed rally was confirmed Thursday with the lower low.

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



McClellan Summation Index weekly chart as of Jan 12, 2024 - Last week we saw a small decline to 985.84. The decline continued this week down to 874.86.



McClellan Summation Index daily chart as of Jan 12, 2024 - We see a steady decline last week that continued this week at a similar slope down to 874.86.



NYSE Percent above 200 day SMA daily chart as of Jan 12, 2024 - Last week we saw a small decline down to 70.31%. This week we see a very small decline lower to 69.16%.



NYSE Percent above 50 day SMA daily chart as of Jan 12, 2024 - Last week we saw a small decline down to 80.42%. This week the decline continued lower to 74.98%.





VIX daily chart as of Jan 12, 2024 - The VIX tested its 50 day SMA Resistance Monday and declined nearly every day this week, crossing below its 20 day SMA on Tuesday. Friday saw a very small higher close that remained below its 20 day SMA.



VVIX daily chart as of Jan 12, 2024 - The Volatility of the VIX declined every day this year until this Friday when we saw a sharp pop higher above its 20 day and 50 day SMAs. This could be a warning of upcoming expectations of elevated Volatility. Time will tell.

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



Oil daily chart as of Jan 12, 2024 - Oil prices dropped Monday below its 20 day SMA then slowly recovered most of that decline by Friday as Oil closed nearly on its 20 day SMA.



Gold daily chart as of Jan 12, 2024 - Gold prices dropped Monday below its 20 day SMA and found support near its 50 day SMA. Prices slowly declined until the rally Friday up to its 20 day SMA.





US Dollar Index daily chart as of Jan 12, 2024 - The US Dollar Index remained mostly horizontal this week, changing very little.



US 10 year Treasury daily chart as of Jan 12, 2024 - The US 10 year Treasury saw a sharp decline last week and a slow rally the first 3 days of this week. Thursday saw a strong rally up to its 20 day SMA that continued higher Friday above its 20 day SMA.



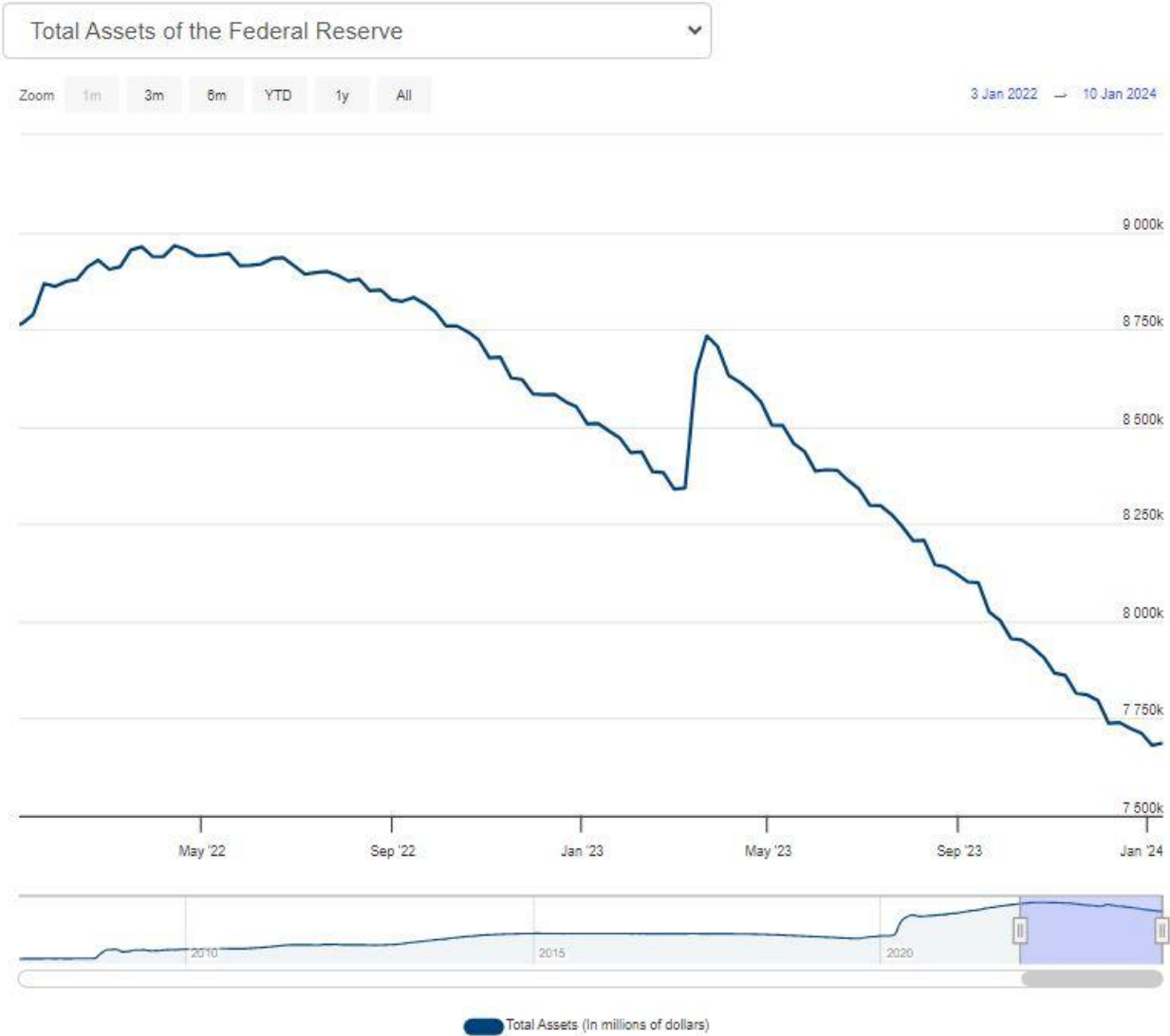


US 10 year Yield daily chart as of Jan 12, 2024 - The 10 year Yields rose last week to its 200 day SMA. This week we see a slow decline back down to nearly its 20 day SMA on Friday.

Date	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
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
12/11/2023	5.55	5.54	5.47	5.48	5.40	5.14	4.71	4.42	4.25	4.27	4.23	4.51	4.32
12/12/2023	5.53	5.53	5.46	5.48	5.41	5.14	4.73	4.42	4.23	4.24	4.20	4.48	4.30
12/13/2023	5.52	5.52	5.44	5.45	5.33	4.94	4.46	4.18	4.00	4.04	4.04	4.36	4.19
12/14/2023	5.54	5.54	5.43	5.45	5.31	4.90	4.37	4.09	3.90	3.93	3.92	4.21	4.03
12/15/2023	5.54	5.54	5.44	5.47	5.33	4.95	4.44	4.13	3.91	3.94	3.91	4.19	4.00
12/18/2023	5.52	5.52	5.46	5.47	5.36	4.95	4.43	4.15	3.94	3.97	3.95	4.23	4.05
12/19/2023	5.51	5.51	5.43	5.45	5.35	4.93	4.41	4.15	3.94	3.96	3.93	4.23	4.03
12/20/2023	5.50	5.49	5.44	5.45	5.33	4.88	4.34	4.06	3.86	3.88	3.86	4.17	3.98
12/21/2023	5.54	5.53	5.42	5.45	5.31	4.84	4.33	4.06	3.87	3.91	3.89	4.19	4.03
12/22/2023	5.54	5.52	5.44	5.45	5.31	4.82	4.31	4.04	3.87	3.92	3.90	4.21	4.05
12/26/2023	5.53	5.52	5.45	5.44	5.28	4.83	4.26	4.05	3.89	3.91	3.89	4.20	4.04
12/27/2023	5.55	5.53	5.44	5.42	5.26	4.79	4.20	3.97	3.78	3.81	3.79	4.10	3.95
12/28/2023	5.57	5.55	5.45	5.42	5.28	4.82	4.26	4.02	3.83	3.84	3.84	4.14	3.98
12/29/2023	5.60	5.59	5.40	5.41	5.26	4.79	4.23	4.01	3.84	3.88	3.88	4.20	4.03
1/2/2024	5.55	5.54	5.46	5.41	5.24	4.80	4.33	4.09	3.93	3.95	3.95	4.25	4.08
1/3/2024	5.54	5.54	5.48	5.41	5.25	4.81	4.33	4.07	3.90	3.92	3.91	4.21	4.05
1/4/2024	5.56	5.48	5.48	5.41	5.25	4.85	4.38	4.14	3.97	3.99	3.99	4.30	4.13
1/5/2024	5.54	5.48	5.47	5.41	5.24	4.84	4.40	4.17	4.02	4.04	4.05	4.37	4.21
1/8/2024	5.54	5.48	5.49	5.39	5.24	4.82	4.36	4.11	3.97	3.99	4.01	4.33	4.17
1/9/2024	5.53	5.46	5.47	5.38	5.24	4.82	4.36	4.09	3.97	4.00	4.02	4.33	4.18
1/10/2024	5.53	5.46	5.46	5.39	5.23	4.82	4.37	4.10	3.99	4.01	4.04	4.35	4.20
1/11/2024	5.54	5.47	5.46	5.38	5.22	4.75	4.26	4.02	3.90	3.95	3.98	4.32	4.18
1/12/2024	5.55	5.47	5.45	5.37	5.16	4.65	4.14	3.92	3.84	3.91	3.96	4.32	4.20

US Yield Rates daily table as of Jan 12, 2024 - Mid-Term and Longer-Term Yields increased last week then declined this week. Short-Term Yields changed very little last week and this week.

The Yield Curve remains 'Inverted' as the 2 year Yield has been higher than the 10 year Yield every day since early July 2022.



FOMC Balance Sheet weekly chart as of Jan 10, 2024 - The Fed 'Increased' is Balance Sheet this week by \$5.686 Billion to a new Total Assets of \$7.686710 Trillion.

Next we will look at a few key Sectors.





Dow Transportation Index daily chart as of Jan 12, 2024 - The Transports declined the first two trading days of 2024 then have been horizontal late last week and most all of this week, ending this week down -0.25%.



XLE daily chart as of Jan 12, 2024 - The Energy sector gapped below its 50 day and 20 day SMAs on Monday then continued lower Tuesday and Wednesday. Thursday saw an 'Inside' day then a bounce Friday to end the week down -2.36%.



XLF daily chart as of Jan 12, 2024 - The Financial sector saw a rally Monday to deliver new 52 week highs. Tuesday gapped down and gave back most of the prior day's gains. Wednesday saw a lower low but a higher close. Thursday briefly dipped below its 20 day SMA and closed back above this SMA but lower for the day. Friday again dipped below its 20 day SMA and bounce to a higher high before closing lower of the day, down -0.40% for the week. The wide range swing on Friday was driven by reactions to Earnings reported before the open that day for several key Banks within the XLF.





QQQ daily chart as of Jan 12, 2024 - The Nasdaq-100 ETF saw a large rally Monday above its 20 day SMA that continued with higher highs and higher closes every day this week. The gains seen on Thursday and Friday were very small even with the wide reactions those days to CPI and PPI reports. Friday ended the week up +3.23% and is now above all 3 of its key daily SMAs.



SOXX daily chart as of Jan 12, 2024 - The Semiconductor sector saw a sharp drop last week and a small bounce last Friday. This week we see a strong rally Monday up to its 20 day SMA that continued a little higher Tuesday but failed to close above its 20 day SMA. Wednesday, Thursday and Friday were mostly horizontal, ending the week up +2.87% but still below its 20 day SMA.





XLC daily chart as of Jan 12, 2024 - The Communication Services sector declined to its 20 day SMA support last week. This week we saw a strong rally Monday followed by higher highs every day this week. Tuesday saw a pause then the rally resumed Wednesday. Thursday saw a lower close and Friday delivered a new 52 week high to end the week up +2.46%.

<i>INDEXes</i>	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
<i>SECTORs</i>	12/1/2023	12/8/2023	12/15/2023	12/22/2023	12/29/2023	1/5/2024	1/12/2024
\$SPX	0.77%	0.21%	2.49%	0.75%	0.32%	-1.52%	1.84%
\$INDU	2.42%	0.01%	2.92%	0.22%	0.81%	-0.59%	0.34%
\$COMPQ	0.38%	0.69%	2.85%	1.21%	0.12%	-3.25%	3.09%
\$RUT	3.05%	0.98%	5.55%	2.46%	-0.34%	-3.75%	-0.01%
QQQ	0.11%	0.57%	3.36%	0.95%	0.33%	-3.12%	3.23%
\$TRAN	2.45%	-1.63%	5.29%	0.30%	-1.03%	-2.45%	-0.25%
XLE	0.11%	-3.28%	2.52%	1.78%	-1.34%	1.00%	-2.36%
XLF	2.23%	-0.11%	3.38%	0.47%	0.70%	0.40%	-0.40%
XLK	0.63%	0.58%	2.70%	0.40%	0.22%	-4.34%	4.41%
SOXX	0.12%	1.12%	9.10%	0.30%	1.09%	-5.95%	2.87%
XLV	0.53%	0.18%	1.58%	1.09%	1.01%	2.01%	1.01%
XLY	1.69%	1.23%	3.48%	0.33%	-0.37%	-3.46%	0.78%
XRT	4.95%	0.04%	5.62%	2.15%	0.39%	-4.04%	-0.84%
XLI	2.26%	0.20%	3.73%	0.64%	0.76%	-2.25%	0.61%
XLU	1.34%	-0.19%	0.88%	-1.19%	1.13%	1.89%	-1.88%
XME	5.46%	-3.98%	6.04%	6.29%	-1.55%	-2.77%	-1.10%
XLP	0.77%	-1.18%	1.61%	0.73%	1.14%	-0.03%	1.10%
XLB	2.75%	-1.70%	3.95%	1.21%	-0.07%	-1.40%	-1.06%
XLC	-1.48%	0.82%	0.77%	2.49%	0.07%	-0.85%	2.46%
XHB	3.51%	3.52%	7.05%	1.14%	0.06%	-3.39%	2.16%

Weekly Percent Change US Indexes and Sectors table as of Jan 12, 2024 - This week saw a rally in the major indexes with the Nasdaq Composite and Nasdaq-100 showing the strongest gains while the S&P and Dow Industrials showed much smaller gains. THIS is a hint to look at the 7 Biggest Stocks to see if they could be part of the reason for these observations since they correlate with the 'weighting' within each index. The Russell was down again this week but only by a tiny amount (-0.01%) while the Dow Transports was down by a stronger (-0.25%) amount.

The Strongest sectors this week included: XLK, QQQ, SOXX and XLC. This too is a clue to look at the 7 Biggest Stocks as well as each of these sectors to see what were the strongest stocks within each sector this week.

The Weakest sectors this week were: XLE, XLU, XME and XLB that each saw more than a -1.0% decline.

INDEXes SECTORs	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	Holiday 01/01/24	End of Day 01/02/24	End of Day 01/03/24	End of Day 01/04/24	End of Day 01/05/24	Holiday 01/08/24	End of Day 01/09/24	End of Day 01/10/24	End of Day 01/11/24	End of Day 01/12/24
\$SPX	n/a	-0.57%	-0.80%	-0.34%	0.18%	1.41%	-0.15%	0.57%	-0.07%	0.08%
\$INDU	n/a	0.07%	-0.76%	0.03%	0.07%	0.58%	-0.42%	0.45%	0.04%	-0.31%
\$COMPQ	n/a	-1.63%	-1.18%	-0.56%	0.09%	2.20%	0.09%	0.75%	0.00%	0.02%
\$RUT	n/a	-0.70%	-2.66%	-0.08%	-0.34%	1.94%	-1.05%	0.11%	-0.75%	-0.23%
QQQ	n/a	-1.69%	-1.06%	-0.51%	0.12%	2.07%	0.20%	0.68%	0.21%	0.05%
\$STRAN	n/a	-0.78%	-1.71%	-0.04%	0.07%	0.89%	-0.85%	0.58%	-0.44%	-0.41%

Daily Percent Change US Indexes table as of Jan 12, 2024 - The largest range day this week was seen on Monday and the Nasdaq Composite led on that day as well as led on Wednesday. The QQQ was not far behind on Monday as the 2<sup>nd</sup> strongest that day. The QQQ led on both Tuesday and Thursday this week. The Russell 2000 was the weakest on Tuesday, Wednesday and Thursday this week and delivered a small loss on Friday too. The Russell also was negative every day last week.

Next we will look at a few key Stocks.



AAPL daily chart as of Jan 12, 2024 - Apple saw a large decline last week that nearly touched its 200 day SMA. This week we see a bounce on Monday, a pause Tuesday and a small rally Wednesday. Thursday saw a small pull back and a lower close on Friday to end the week up +2.62%. Apple failed to recover half of last week's decline this week and remains below its 20 day and 50 day SMAs.





MSFT daily chart as of Jan 12, 2024 - Microsoft saw a small decline down to its 50 day SMA last week. This week MSFT saw a strong rally above its 20 day SMA on Monday that continued with higher highs every day this week except on Friday. Thursday saw a new all time high for Microsoft. Every day this week saw a higher close, ending the week up +5.63%.



GOOGL daily chart as of Jan 12, 2024 - Alphabet crossed above its 20 day SMA on Monday and delivered higher highs every day this week except on Friday. Wednesday and Thursday delivered new 52 week highs. Friday saw an 'Inside' day to end the week up +5.10%.



AMZN daily chart as of Jan 12, 2024 - Last week Amazon dropped down to its 50 day SMA on Thursday and Friday. This week we see a strong rally with higher highs and a higher close every day this week except on Friday. Tuesday crossed above its 20 day SMA and Thursday saw new 52 week highs. Friday saw an 'Inside' day to end the week up +6.46%.



NVDA daily chart as of Jan 12, 2024 - Last week Nvidia declined 2 days then began a bounce last Thursday and Friday, crossing above its 20 day SMA. This week we see the rally strengthen Monday and continue with higher highs and a higher close every day this week except on Friday. We also saw new all time highs every day this week except on Friday. Friday saw an 'Inside' day to end the week up +11.43%.



META daily chart as of Jan 12, 2024 - Meta declined 2 days last week then began its bounce last Thursday and Friday off of its 20 day SMA Support. This week we see the rally continued slowly Monday, pause Tuesday then accelerate Wednesday to deliver new 52 week highs on both Wednesday and Friday, ending the week up +6.40%.



TESLA daily chart as of Jan 12, 2024 - Tesla continued its decline last week down to its 50 day SMA Support. This week saw a pause Monday then the decline resumed Tuesday, crossing below its 50 day SMA and delivering lower lows and lower closes every day that followed, crossing below its 200 day SMA on Thursday. Friday found support at \$217.15 before closing the week down -7.83% and now below all 3 of its key daily SMAs.



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

Stock	% Change Last week	% Change This week
QQQ	-3.12%	3.23%
AAPL	-5.90%	2.62%
MSFT	-2.20%	5.63%
GOOGL	-2.83%	5.10%
AMZN	-4.41%	6.46%
NVDA	-0.86%	11.43%
META	-0.57%	6.40%
TSLA	-4.42%	-7.83%

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

NVDA saw one of the smaller declines last week and was the strongest this week. NVDA was also the strongest in 2023. It can pay to follow the leaders.

Microsoft has now replaced Apple as the largest company with a Market Cap that has exceeded Apple's valuation as of the close on Friday.

Largest 7 components of the Nasdaq-100 as of the close on Jan. 12, 2024:

NASDAQ 100				
Symbol	Market Cap	Last	%Change	Net Chng
MSFT	2,887,211 M	388.47	+1.00%	+3.84
AAPL	2,874,676 M	185.92	+0.18%	+33
GOOG	1,805,308 M	144.24	+0.40%	+57
GOOGL	1,785,407 M	142.65	+0.40%	+57
AMZN	1,597,848 M	154.62	-0.36%	-56
NVDA	1,351,337 M	547.10	-0.20%	-1.12
META	962,388 M	374.49	+1.30%	+4.82
TSLA	695,834 M	218.89	-3.67%	-8.33



JPM daily chart as of Jan 12, 2024 - JP Morgan saw a strong and steady rally in Nov. and Dec. that continued last week. This week we see a slow decline to the 20 day SMA as Earnings were announced Friday before the open. We saw a large swing up to a new all time high then a swing back down on Friday to end the week down -1.87% and now below its 20 day SMA.



BA daily chart as of Jan 12, 2024 - Boeing gapped down to its 50 day SMA on Monday on news of a 'Door Plug' that fell off mid-flight. BA traded sideways Tuesday and Wednesday then dropped lower Thursday and Friday below its 50 day SMA on news of addition FAA investigation and class action law suits. BA ended the week down -12.57%.

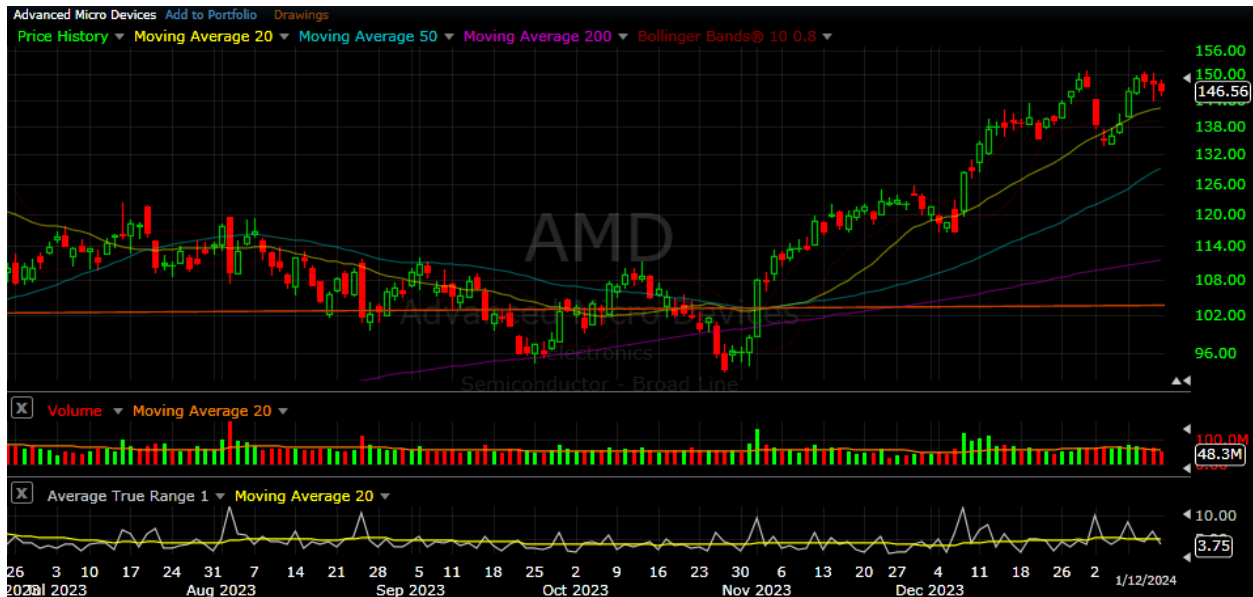


COST daily chart as of Jan 12, 2024 - Costco saw a pull back towards its 20 day SMA last week then a gap up bounce last Friday. This week we see higher highs and higher closes every day this week with new all time highs on Wed. Thur. and Friday, ending the week up +4.15%.



INTC daily chart as of Jan 12, 2024 - Intel declined last week with a small bounce last Friday. This week we see a bounce off of the 20 day SMA on Monday then a slow drift lower each day that followed, crossing back below its 20 day SMA Thursday and Friday, ending the week up +0.49% but now below its 20 day SMA.





AMD daily chart as of Jan 12, 2024 - AMD dipped below its 20 day SMA last week. This week saw AMD gap above its 20 day SMA on Monday with a strong rally that continued higher Tuesday and early Wednesday before pulling back and closing lower Wednesday. Thursday and Friday saw slightly lower closes to end the week up +5.76% and now above all 3 of its key daily SMAs.



CAT daily chart as of Jan 12, 2024 - Caterpillar saw a small pull back last week with a mild bounce last Friday. This week we see a rally Monday, pause Tuesday, and rally Wednesday before pulling back Thursday and Friday below its 20 day SMA to end the week up +0.51%.



C daily chart as of Jan 12, 2024 - Citigroup saw a rally in Nov. and Dec. that peaked last week with new 52 week highs last Thursday. This week we see a decline to the 20 day SMA by Thursday before Earnings were released on Friday before the open. Friday saw a wide swing up, down and up that ended the day higher and the week down -3.15%. C remains above all 3 of its key daily SMAs.



CRM daily chart as of Jan 12, 2024 - Salesforce saw a drop below its 20 day SMA last week. This week we see a strong rally Monday back above its 20 day SMA that continued with higher highs and higher closes every day this week, ending the week with new 52 week highs, up +8.29% for the week.

We saw how the Nasdaq led the rally this week which pointed us towards the 7 biggest stocks. 5 of these stocks showed very strong advances this week, much stronger than the Nasdaq-100 (or the QQQ).

Apple was surpassed by Microsoft this week as the largest company by Market Cap. Apple and Tesla were the weakest of the Biggest 7 stocks this week and last week.

We also saw a growing number of new 52 week highs this week as well as a few new all time highs. This is another indication of a strong market.

Thursday and Friday we saw markets pause as they reacted to the CPI and then the PPI data. By the end of each day we saw very little change in the S&P or the Nasdaq, showing that the news was digested with little net impact. This type of a reaction to 'News' is not uncommon.

Next week is a short 4-day week with the Holiday on Monday.

So far this year the S&P ended last week 'Below' its lower Expected Move and this week 'Above' its upper Expected Move. Two weeks out of two weeks so far in 2024 is 100%. This could also be due to the Options Market 'under pricing' actual risk. This 'under pricing' can be a disadvantage to traders that primarily sell option premium and an advantage to options traders that primarily buy 'cheap' options.

Be prepared for next week by imagining at least 3 scenarios, bullish, bearish or neutral and be prepared with a game plan for each scenario.

Trade Smart,

CJ