



## Market Observations - as of January 19, 2024

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

Last week we saw a bounce that began late the prior Friday that resumed 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. The rally last week was led by narrow breadth from mostly big Tech.

This week began with a Holiday on Monday when the markets were closed. Tuesday saw little change in the major indexes as the pause from the prior Thursday and Friday continued this week. However both Tuesday and Wednesday saw some of the strongest Selling so far in 2024 with broad breadth including the Russell 2000 and the Dow Transports. Thursday and Friday saw a strong rally that was again led by a small number of big Tech names and the Semiconductor sector.

The S&P made a full swing this short week, dipping below its lower weekly Expected Move on Wednesday and then breaking and closing above its upper weekly Expected Move late on Friday. Every week so far in 2024 has seen the S&P close 'Outside' of its Expected Move. This indicates that the actual volatility of the S&P is greater than expected, and the Options market was 'Under Pricing' actual Risk.

As you look at the charts below, note how several of the Breadth Indicators show a declining market last week and this week while most of the major Indexes were UP both last week and this week. What causes this Divergence? This indicates that 'Narrow Leadership' is likely at work. This is a 'hint' that a few very big stocks could be influencing the indexes far more than are hundreds of smaller stocks due to the 'Market Cap' weighting of most Indexes. Many 'Breadth' Indicators treat every stock equally, without any weighting, so this can cause the Divergences we see.

The Semiconductor sector (SOXX) was the strongest sector last week on Monday and the 2<sup>nd</sup> strongest on Thursday. This week this sector was the strongest on Tuesday, Thursday and Friday. Last week Monday was the strongest day that week and this week Thursday and Friday were the strongest days. Do you see a correlation? The strongest days last week and this week were all led by the Semiconductor sector on those days. With the Semiconductor sector showing strength, the strongest stocks within this sector have provided several very profitable trading opportunities by watching for low risk entries and acting quickly when the opportunity presents itself.

Trading is mostly about managing Risks and Probabilities. Knowing when to be patient, and when to act is a key part of what you're Trading Plan should clearly identify. Not every trade will be profitable, but if you keep losses small and let winners run their course, you can realize a profitable system in the long run.

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



S&P 500 weekly chart as of Jan 19, 2024 - The S&P saw a strong positive week that delivered new all time highs, breaking above the prior record highs from Jan 2022.



S&P 500 daily chart as of Jan 19, 2024 - Here we see a small decline Tuesday that respected the 20 day SMA. Wednesday broke below the 20 day SMA but saw very little to no change between its open and close. Thursday gapped above the 20 day SMA and continued higher Friday to deliver new all time highs and end the week up +1.17%. Friday was also the first time the S&P has ever seen a 'Close' above \$4800.



S&P 500 15 min. chart as of Jan 19, 2024 - The S&P saw a small decline Tuesday that remained 'Inside' of last Thursday's range (Grey Box). Wednesday saw a gap down and a cross below its lower weekly Expected Move but did not close the day below the lower Expected Move. Thursday saw a gap up, a pause, a small dip to nearly fill the gap then a strong rally the last half of the day. Friday saw an even stronger rally continue nearly all day that delivered a new all time high mid day and continued higher until reaching its upper weekly Expected Move. The last hour saw some small oscillation near, above and below the upper Expected Move with a close just about 1 point above the upper Expected Move.

It is rare to see 'both' the upper and lower Expected Moves tested in the same week or 2 days apart.

So far in 2024 we have seen 3 out of 3 weeks in the S&P close each week 'Outside' of its Expected Move. This tells us that the Options market is consistently 'Under Pricing' actual Risk.



DJIA weekly chart as of Jan 19, 2024 - The Dow Industrials rallied again this week and delivered new all time highs.



DJIA daily chart as of Jan 19, 2024 - Here we see a break below its 20 day SMA on Tuesday and continued a little lower on Wednesday. Thursday saw a rally back up to the 20 day SMA that continued Friday above its 20 day SMA to deliver new all time highs late in the day, ending the week up +0.72%.



Nasdaq weekly chart as of Jan 19, 2024 - The Nasdaq Composite showed a second strong rally week this week that delivered new 52 week highs.



Nasdaq daily chart as of Jan 19, 2024 - Tuesday dipped lower to test support at its 20 day SMA. Wednesday gapped below the 20 day SMA and dropped lower looking for support. Thursday gapped back above the 20 day SMA and continued higher. Friday showed the strongest day this week delivering new 52 week highs and the largest range day this week. The Composite ended this week up +2.26%.



Russell 2000 weekly chart as of Jan 19, 2024 - The Russell again delivered a lower low and lower high this week, nearly touching its 200 week SMA. The Russell remains 'Inside' the range that it has seen for about 21 months (Green lines).



Russell 2000 daily chart as of Jan 19, 2024 - The Russell delivered new 2024 lows on Tuesday and Wednesday, nearly reaching its 50 day SMA. Thursday and Friday saw a small bounce that failed to recover all of this week's losses, ending this week down -0.34%.

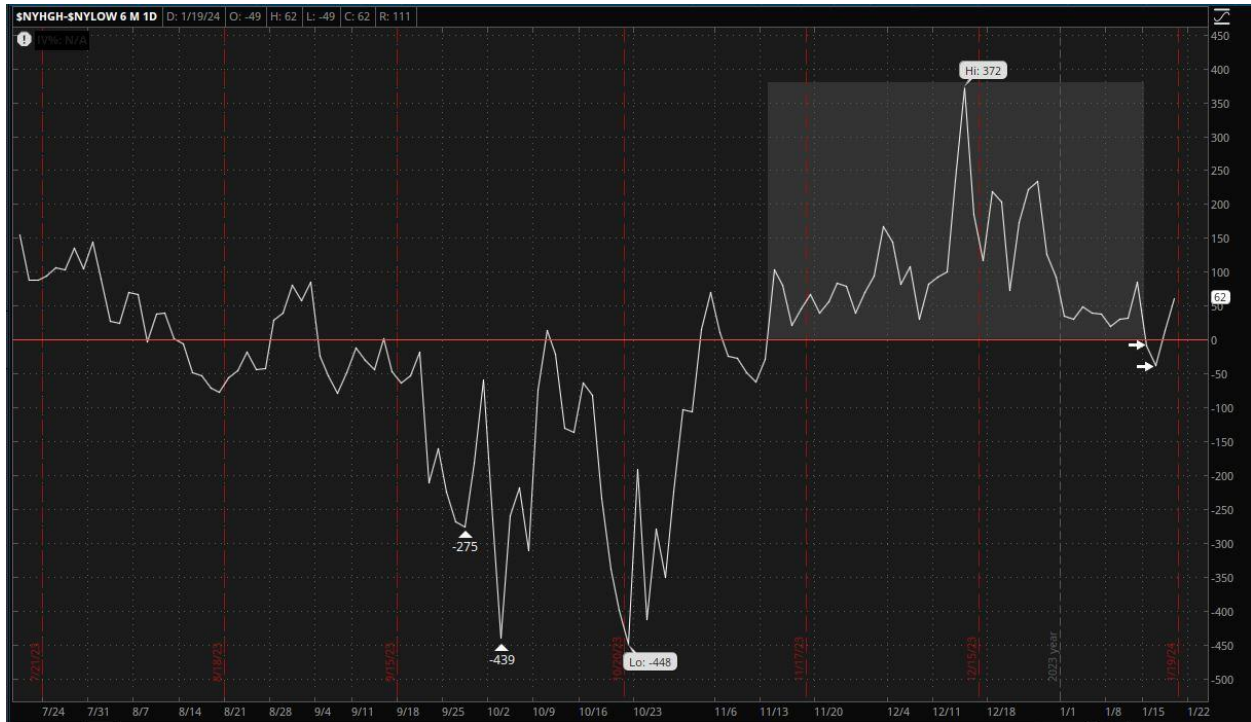
Next we will look at a few key 'Market Internals' to observe overall market breadth and volatility.



McClellan Summation Index weekly chart as of Jan 19, 2024 - Last week we saw this Index continue to decline to 874.86. This week we see a slightly bigger decline to 645.76.



McClellan Summation Index daily chart as of Jan 19, 2024 - Here we see the slope of the decline this year increase a bit steeper this week to end this week at 645.76.



NYSE New Highs - New Lows daily chart as of Jan 19, 2024 - Here we see the NYSE New Highs minus the New Lows that went 'Negative' on Tuesday (-8) and Wednesday (-37) this week before returning positive on Thursday (+15) and Friday (+62) this week. The Grey Box in the chart above shows the period where this Index remained Positive, from Nov. 14<sup>th</sup> through Jan. 12<sup>th</sup>. The brief dip to negative values this week shows us the 'Breadth' of strong selling on these days.





NYSE Percent above 200 day SMA daily chart as of Jan 19, 2024 - We saw a small decline last week to 69.16%. This week began with a decline below 64% on Tuesday and Wednesday followed by a rally up to 65.59% on Thursday and Friday.



NYSE Percent above 50 day SMA daily chart as of Jan 19, 2024 - Last week saw a small decline down to 74.98%. This week we see a dip Tuesday and Wednesday to 62% then a bounce Thursday and Friday to end this week at 65.68%.



VIX daily chart as of Jan 19, 2024 - The VIX shot up on Tuesday and Wednesday this week but did NOT cross above its 200 day SMA. Thursday and Friday show a decline back down to the 20 day and 50 day SMAs.



VVIX daily chart as of Jan 19, 2024 - The Volatility of the VIX gave us a clue last Friday of upcoming volatility and that is what we got on Tuesday and Wednesday of this week. The VVIX shot up these two days above its 200 day SMA then declined on Thursday and Friday back below all 3 key daily SMAs.

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



Oil daily chart as of Jan 19, 2024 - Oil prices saw little change this week, below its 20 day SMA most of Tuesday and Wednesday and above on Thursday and Friday as it straddled its 50 day SMA. The 20 day SMA has been flat for about a month while the 50 day SMA has declined towards the 20 day SMA over the past 2 months to nearly meet the 20 day SMA. Each SMA has a different amount of lag time, but they too tell a story about past moves in the market.



Gold daily chart as of Jan 19, 2024 - Gold prices dropped from its 20 day SMA Tuesday and below its 50 day SMA Wednesday. Thursday saw a bounce back up to its 50 day SMA that continued a little higher Friday to end the week back above its 50 day SMA.



US Dollar Index daily chart as of Jan 19, 2024 - The US Dollar Index shot up to its 200 day SMA on Tuesday then remained between its 50 day and 200 day SMAs for the rest of the week.



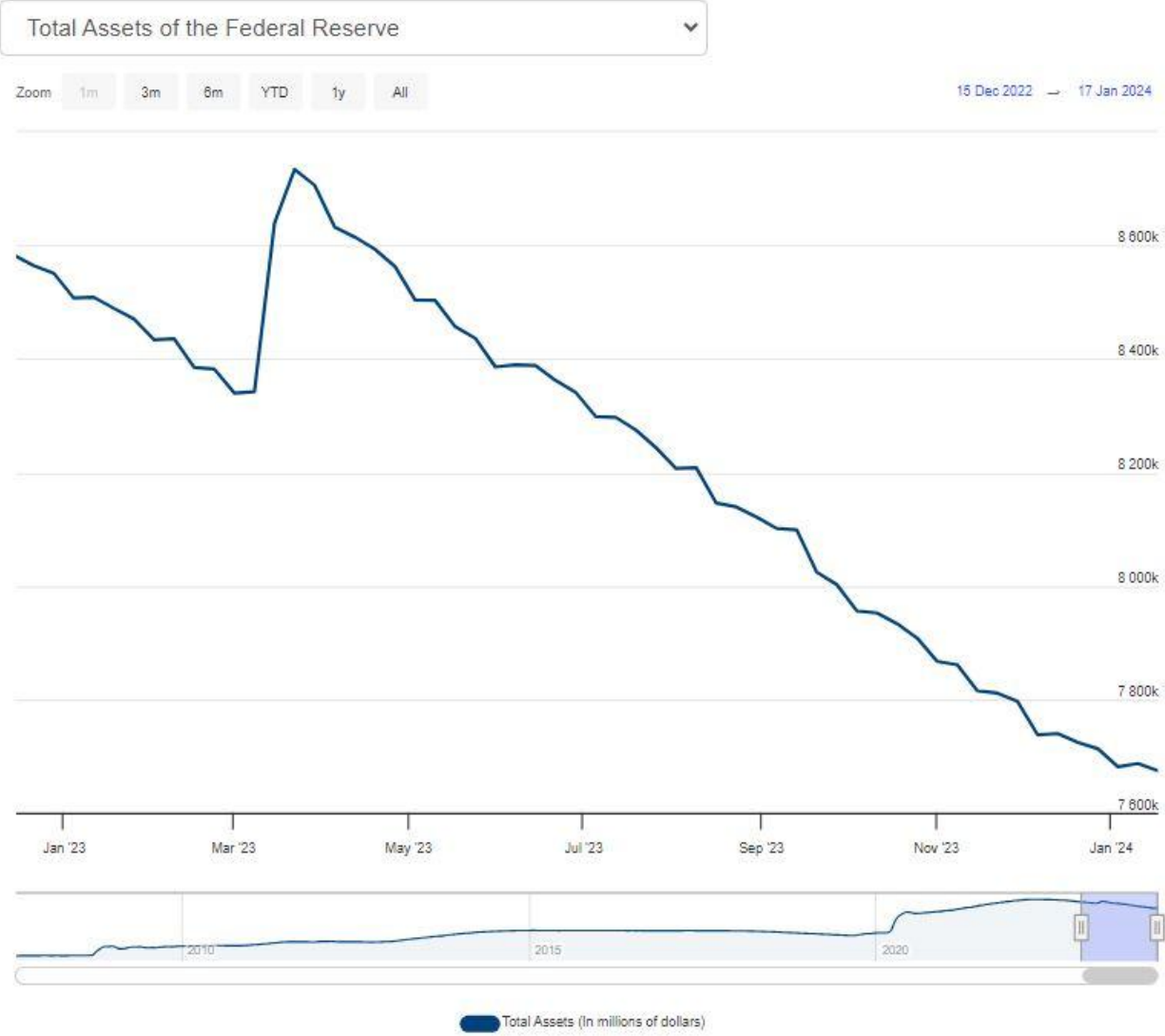
US 10 year Treasury daily chart as of Jan 19, 2024 - We see the 10 year Treasury notes sell off every day this short week, crossing below its 20 day SMA Tuesday and below its 200 day SMA on Thursday. Friday tested support near its 50 day SMA before closing the week near its 200 day SMA.



US 10 year Yield daily chart as of Jan 19, 2024 - The 10 year Yields rose every day this week, crossing above its 200 day SMA Tuesday and briefly breaking above its 50 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
01/02/2024	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
01/03/2024	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
01/04/2024	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
01/05/2024	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
01/08/2024	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
01/09/2024	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
01/10/2024	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
01/11/2024	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
01/12/2024	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
01/16/2024	5.54	5.47	5.45	5.37	5.18	4.70	4.22	4.02	3.95	4.01	4.07	4.43	4.30
01/17/2024	5.54	5.47	5.47	5.40	5.20	4.80	4.34	4.12	4.02	4.07	4.10	4.42	4.31
01/18/2024	5.53	5.48	5.45	5.39	5.20	4.80	4.34	4.13	4.04	4.10	4.14	4.48	4.37
01/19/2024	5.54	5.47	5.45	5.39	5.21	4.84	4.39	4.18	4.08	4.12	4.15	4.47	4.36

US Yield Rates daily table as of Jan 19, 2024 - Here we see an increase in the longer term and midterm yields this week while the short term yields saw little to no change.



FOMC Balance Sheet weekly chart as of Jan 17, 2024 - The Fed decreased its Balance Sheet this week by \$12.969 Billion to a new Total Assets of \$7.673741 Trillion.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of Jan 19, 2024 - The Transports dropped to its 50 day SMA on Tuesday then broke below on Wednesday. Thursday saw a strong rally back above its 50 day SMA that continued higher Friday to end the week up +0.79% but still below its 20 day SMA.



XLE daily chart as of Jan 19, 2024 - The Energy sector dropped hard on Tuesday and continued lower Wednesday and Thursday. Friday saw a small bounce to end the week down -3.04%.





XLF daily chart as of Jan 19, 2024 - The Financial sector gapped below its 20 day SMA on Tuesday and remained below this SMA Wednesday and Thursday. Friday saw a gap up and strong rally back above its 20 day SMA to end the week up +0.88%.



QQQ daily chart as of Jan 19, 2024 - The Nasdaq-100 ETF saw lower lows Tuesday and Wednesday, dipping briefly below its 20 day SMA on Wednesday. Thursday saw a gap up and rally that was followed on Friday with another gap up and bigger rally day to deliver new all time highs, ending the week up +2.84%. The dip to the 20 day SMA Wednesday gave a low risk entry opportunity this week.



SOXX daily chart as of Jan 19, 2024 - The Semiconductor sector saw a strong gain last Monday then paused for most of the rest of last week. This week we see a failed rally Tuesday above the 20 day SMA. Wednesday gapped below the 20 day SMA and delivered a lower low but failed to return to the 20 day SMA. Thursday saw a large gap up and rally that continued Friday with another gap up and stronger rally to new all time highs on strong volume, ending the week up +7.87%.



XLC daily chart as of Jan 19, 2024 - The Communication Services sector dropped Tuesday and Wednesday to its 20 day SMA. Thursday saw a gap up and rally that continued Friday to new 52 week highs, ending the week up +1.38%.

<i>INDEXes</i>	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
<i>SECTORs</i>	12/8/2023	12/15/2023	12/22/2023	12/29/2023	1/5/2024	1/12/2024	1/19/2024
\$SPX	0.21%	2.49%	0.75%	0.32%	-1.52%	1.84%	1.17%
\$INDU	0.01%	2.92%	0.22%	0.81%	-0.59%	0.34%	0.72%
\$COMPQ	0.69%	2.85%	1.21%	0.12%	-3.25%	3.09%	2.26%
\$RUT	0.98%	5.55%	2.46%	-0.34%	-3.75%	-0.01%	-0.34%
QQQ	0.57%	3.36%	0.95%	0.33%	-3.12%	3.23%	2.84%
\$TRAN	-1.63%	5.29%	0.30%	-1.03%	-2.45%	-0.25%	0.79%
XLE	-3.28%	2.52%	1.78%	-1.34%	1.00%	-2.36%	-3.04%
XLF	-0.11%	3.38%	0.47%	0.70%	0.40%	-0.40%	0.88%
XLK	0.58%	2.70%	0.40%	0.22%	-4.34%	4.41%	4.13%
SOXX	1.12%	9.10%	0.30%	1.09%	-5.95%	2.87%	7.87%
XLV	0.18%	1.58%	1.09%	1.01%	2.01%	1.01%	-0.75%
XLY	1.23%	3.48%	0.33%	-0.37%	-3.46%	0.78%	0.53%
XRT	0.04%	5.62%	2.15%	0.39%	-4.04%	-0.84%	-0.20%
XLI	0.20%	3.73%	0.64%	0.76%	-2.25%	0.61%	0.30%
XLU	-0.19%	0.88%	-1.19%	1.13%	1.89%	-1.88%	-3.70%
XME	-3.98%	6.04%	6.29%	-1.55%	-2.77%	-1.10%	-1.95%
XLP	-1.18%	1.61%	0.73%	1.14%	-0.03%	1.10%	-1.03%
XLB	-1.70%	3.95%	1.21%	-0.07%	-1.40%	-1.06%	-1.46%
XLC	0.82%	0.77%	2.49%	0.07%	-0.85%	2.46%	1.38%
XHB	3.52%	7.05%	1.14%	0.06%	-3.39%	2.16%	1.33%

Weekly Percent Change US Indexes and Sectors table as of Jan 19, 2024 - Note the strongest Index last week was the Nasdaq. The strongest index this week was again the Nasdaq (both the Nasdaq Composite and the Nasdaq-100). This is again a clue as to the narrow 'Leadership' this week since the 'Magnificent Seven' big tech stocks are more heavily weighted in these indexes.

The Strongest 3 sectors last week were the XLK, QQQ and SOXX. This week the strongest 3 sectors are SOXX, XLK and QQQ. Do you see any relationship?

Also note that the Russell 2000 has been down 4 weeks in a row. This too is a clue as to why some of the 'Breadth' indicators above have been down all 3 weeks so far in 2024.

The Strongest sectors this week were the SOXX, XLK and QQQ that were all above +2.8%.

The Weakest sectors this week were the XLU, XLE, XME, XLB and XLP that had losses greater than -1.0% this week.

To help see why the Nasdaq-100 (or QQQ) saw the greatest gains this week, we can look at the weighting for each of the 11 biggest stocks held within the QQQ in the table below.

## Nasdaq QQQ Invesco ETF (QQQ)

421.18 +8.19 (+1.98%) 01/19/24 [NASDAQ]

421.62 x 5 421.67 x 2 POST-MARKET 421.64 +0.46 (+0.11%) 17:56 ET

ETF CONSTITUENTS for Fri, Jan 19th, 2024

Notes Alerts

ETF Constituents			flipchart
Symbol	Name	% Holding	
MSFT	Microsoft Corp	8.96%	
AAPL	Apple Inc	8.80%	
AMZN	Amazon.com Inc	4.85%	
NVDA	Nvidia Corp	4.29%	
AVGO	Broadcom Ltd	4.12%	
META	Meta Platforms Inc	4.03%	
TSLA	Tesla Inc	3.21%	
GOOGL	Alphabet Cl A	2.59%	
COST	Costco Wholesale	2.42%	
ADBE	Adobe Systems Inc	2.17%	
AMD	Adv Micro Devices	2.07%	

These 11 stocks represent just over 47.5% of the total value of the QQQ. Just 11% of the stocks carry a 47.5% valuation in this 100 stock index. So you can see how the Market Cap Weighting has a significant impact by a few big stocks on these Indexes.

INDEXes SECTORs	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 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	Holiday 01/15/24	End of Day 01/16/24	End of Day 01/17/24	End of Day 01/18/24	End of Day 01/19/24
\$SPX	1.41%	-0.15%	0.57%	-0.07%	0.08%	n/a	-0.37%	-0.56%	0.88%	1.23%
\$INDU	0.58%	-0.42%	0.45%	0.04%	-0.31%	n/a	-0.62%	-0.25%	0.54%	1.05%
\$COMPQ	2.20%	0.09%	0.75%	0.00%	0.02%	n/a	-0.19%	-0.59%	1.35%	1.70%
\$RUT	1.94%	-1.05%	0.11%	-0.75%	-0.23%	n/a	-1.21%	-0.73%	0.55%	1.08%
QQQ	2.07%	0.20%	0.68%	0.21%	0.05%	n/a	-0.01%	-0.56%	1.42%	1.98%
\$TRAN	0.89%	-0.85%	0.58%	-0.44%	-0.41%	n/a	-0.83%	-0.72%	1.70%	0.66%

Daily Percent Change US Indexes table as of Jan 19, 2024 - The daily declines on Tuesday and Wednesday this week were all less than -0.75% for all but the Russell 2000 and Dow Transports on Tuesday. The 2<sup>nd</sup> biggest gain on Thursday was the QQQ and the biggest gain on Friday was the QQQ. The QQQ was also the strongest 2 days last week as well [hint]. The gains that the Transports saw on Thursday were partially given back on Friday.

Note how often last week and this week was the Russell was the weakest?

Next we will look at a few key Stocks.



MSFT daily chart as of Jan 19, 2024 - Microsoft remained near its horizontal 20 day SMA for over a month before breaking out last week. The rally continued this week after a failed new high on Tuesday and a minor pull back on Wednesday. Thursday and Friday delivered higher highs and higher closes with new all time highs seen on both Tuesday and Friday, ending the week up +2.63%. Microsoft now has a larger Market Cap valuation than Apple.



AAPL daily chart as of Jan 19, 2024 - Apple gapped down Tuesday and continued lower to test its 200 day SMA on Wednesday. Thursday saw a large gap up and rally to the 20 day SMA. Friday saw the rally continue above its 50 day SMA to nearly fill the gap from Jan. 2<sup>nd</sup>. Apple ended this week up +3.03%.



GOOGL daily chart as of Jan 19, 2024 - Alphabet saw a pull back on Tuesday and Wednesday to briefly test its 20 day SMA as support. Thursday saw a gap up and rally followed by another gap up and rally Friday to new 52 week highs, ending the week up +2.61%.



AMZN daily chart as of Jan 19, 2024 - Amazon tested its 20 day SMA as Support on Tuesday then broke below on Wednesday. Thursday saw a gap back above the 20 day SMA and small rally. Friday saw a stronger rally that failed to reach last week's highs, ending this week up +0.47%.



NVDA daily chart as of Jan 19, 2024 - Nvidia continued its rally from last week with strong gains Tuesday, resting Wednesday then resuming the rally Thursday and Friday with Friday seeing the strongest gains this week, ending the week up +8.74%.



META daily chart as of Jan 19, 2024 - Meta pulled back Tuesday and Wednesday, nearly testing its 20 day SMA as support. Thursday saw a gap up and rally to recover most all of this week's losses. The Rally continued Friday to deliver a new all time high (by 3 cents), ending the week up +2.39%.





TSLA daily chart as of Jan 19, 2024 - Tesla continued its decline this week by delivering a lower low every day, ending the week down -3.06%. On Friday Tesla came close (within \$2) to retesting its prior lows from Nov. 10<sup>th</sup>.

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	3.23%	2.84%
AAPL	2.62%	3.03%
MSFT	5.63%	2.63%
GOOGL	5.10%	2.61%
AMZN	6.46%	0.47%
NVDA	11.43%	8.74%
META	6.40%	2.39%
TSLA	-7.83%	-3.06%

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).

The strongest of these seven stocks last week was NVDA who was again the strongest this week. [hint]



JPM daily chart as of Jan 19, 2024 - JP Morgan gapped below its 20 day SMA on Tuesday then paused on Wednesday and Thursday with little change. Friday saw a rally back above its 20 day SMA to end the week up +0.75% and back above all 3 of its key daily SMAs.



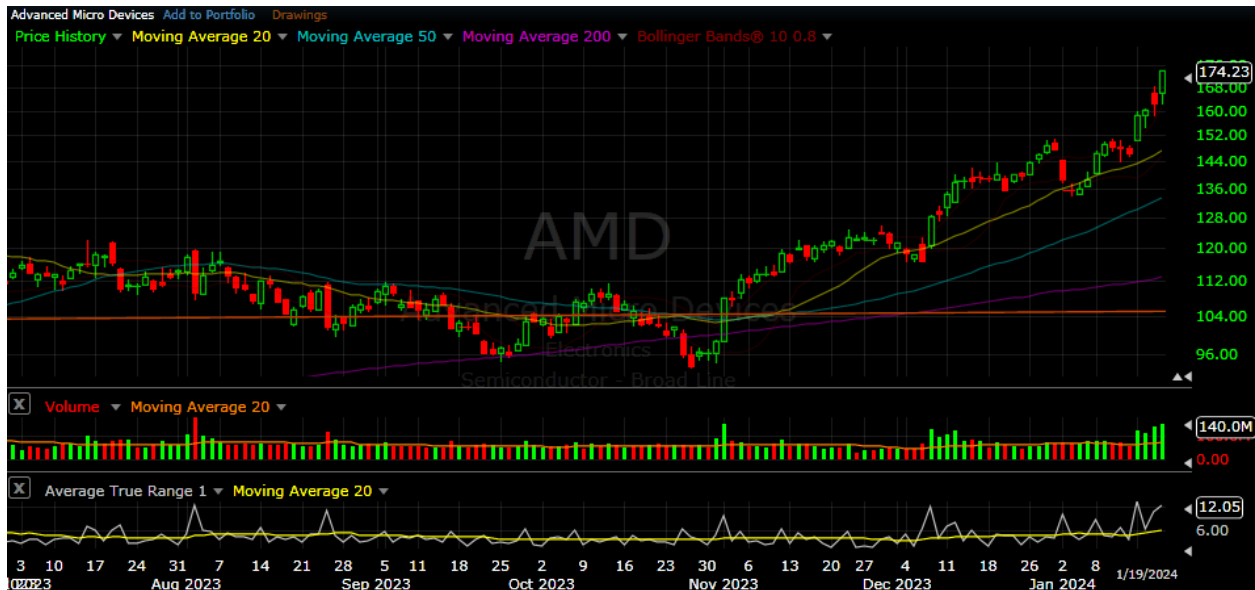
BA daily chart as of Jan 19, 2024 - Boeing gapped below its 200 day SMA and sold off strong on Tuesday to find support near \$200. Wednesday saw a small bounce that continued higher Thursday and Friday back above its 200 day SMA to end this week down -1.23%.



COST daily chart as of Jan 19, 2024 - Costco continued its rally after a brief pause on Tuesday with higher closes every day but Tuesday this week. We also saw new all time highs every day but on Wednesday this week. COST ended the week up +1.72%.



INTC daily chart as of Jan 19, 2024 - Intel straddled its 20 day SMA last week and declined Tuesday and Wednesday of this week to find support near \$45.65. Thursday and Friday saw a bounce back above its 20 day SMA and a retest of last week's highs. INTC ended this week up +2.19%.



AMD daily chart as of Jan 19, 2024 - AMD rallied above its 20 day SMA last week and retested its Dec. highs. This week began with a very strong gap up and rally Tuesday on strong volume that slowed Wednesday. Thursday and Friday saw strong gains on strong volume with new all time highs, ending the week up +18.88%.



QCOM daily chart as of Jan 19, 2024 - Qualcomm dropped below its 20 day SMA on Tuesday and Wednesday then saw a huge gap up above its 20 day SMA on Thursday that continued higher Friday with new 52 week highs, ending the week up +8.39% and now above all 3 of its key daily SMAs.



TSM daily chart as of Jan 19, 2024 - TSM saw a pause mostly below its 20 day SMA last week then rallied above its 20 day SMA on Wednesday before reporting Earnings. Thursday saw a huge gap up reaction to Earnings that rallied higher on both Thursday and Friday, ending the week up +12.80%.



PYPL daily chart as of Jan 19, 2024 - PayPal straddled its 20 day SMA last week then dropped below its 50 day SMA on Tuesday. Wednesday dipped to find support at \$56.47 early in the session then rallied strong the last half of the day to cross above its 50 day SMA. Thursday saw the rally continue and crossed above its 20 day SMA. Friday saw the rally get stronger and cross above its 200 day SMA to end the week up +7.90% and is now above all 3 of its key daily SMAs.



CRM daily chart as of Jan 19, 2024 - CRM saw a strong rally above its 20 day SMA last week. This week saw a minor pullback on Tuesday and a dip to nearly its 20 day SMA early on Wednesday before resuming its rally. Thursday and Friday saw higher highs and new 2-year highs to end the week up +3.29%.

The Narrow Breadth market rally on Thursday and Friday this week seemed to ignore the rising Yields seen in the long term Treasuries every day this week. Usually when we see rising Yields we also see a declining market. This was not so the last 2 days of this week.

This is a key 'Observation', when markets do NOT do what they usually do. This suggests to us that the strength of the rising market this week is more significant and can care less what the Treasury Yields are doing (less significant) on Thursday and Friday of this week.

Whenever you see something in the markets that is 'Not' normal, then dig a bit deeper because usually there is a significant reason behind it. We may not know 'why' something is happening, but we can certainly see what stocks or sectors are moving what way, and follow the money. This week that was the 'Semiconductor' sector.

We saw big moves on Tuesday with AMD and on Thursday with TSM. The other semiconductor stocks could be moving in sympathy with these names or with the sector. These names could also be driven by the "A.I." theme that has filled many investors with 'Hope'. Regardless of the 'Why', we find and follow the strength until it fades, then rinse and repeat.

I hope you find this report and the 'Observations' I've share useful in growing your own skills at chart reading and finding opportunities on your own.

Trade Smart,

CJ