



## Market Observations - as of March 8, 2024

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

Last week we saw the slow drift lower from the prior Friday continue lower on Monday, Tuesday and Wednesday of last week. On Thursday, one hour before the markets opened, we saw the PCE Economic data release that was about what was expected, without a surprise. Markets reacted positively immediately in pre-market trading. Last Thursday opened with a mild Gap up that was filled in the first two hours of trading. Once the markets saw support at a higher level than the prior day's lows, the 'Dip Buyers' came out to buy the second half of the day. The strong buying continued Friday nearly all day, delivering many new all time highs in the Nasdaq Composite, the Nasdaq-100 and the S&P-500.

This week we saw a pause on Monday not far from the prior Friday's close with a brief failed rally late in the day that sold off the last hour to close near the lows of the day. Tuesday saw a significant gap down at the open with continued selling nearly all day to find support about a half hour before the close followed by a small bounce. Wednesday saw a smaller gap up and oscillations above and below the open to then close the day near Tuesday's open. Thursday saw a mild gap up with buying that continued higher most of the day. Friday saw a continuation higher to new highs in the first hour that quickly reversed and sold off even stronger the next 3 hours to give back multiple days of gains. Once support was found, we saw a mild rally for one hour followed by selling the last hour of the day to end the day near the lows of that day.

By looking at sector relative performance each day, we saw that the Semiconductor sector was again leading the markets higher on up days and lower on down days. The SOXX sector ETF was the 2<sup>nd</sup> strongest on Monday, the second weakest on Tuesday and the strongest on both Wednesday and Thursday this week. Friday saw the SOXX as the weakest sector that day.

To confuse things this week, the SOXX was Re-Valued at the open on Thursday to about 1/3 the prior value, as if a 3 for 1 stock split had occurred. I could not find any announcement of this adjustment at Black Rock or iShares who manage this ETF. Shame on their communications dept. The SOXX ended last week (Mar 1<sup>st</sup>) at \$679.84 and ended this week at \$228.13. It was not until late on Thursday that we saw the charts no longer reflecting a -65% drop that day, but a +3.43% gain for the day. It took time for all this history to be re-adjusted. The lesson is that these things can happen, and sometimes without notice. It reminds us that having backups and alternate sources for market data is important. The SMH is another Semiconductor sector ETF that some may use as well. Make sure to always check what stocks make up the majority of any sector ETF and what their weighting is within that ETF. I prefer to use the SOXX with an 11.2% weighting for NVDA vs. the SMH that currently has a 27% weighting for NVDA.

The key factor is that the Semiconductor sector has been the strongest influence in the markets again this week, both up and down and we see this reflected mostly in the Nasdaq.

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



S&P 500 weekly chart as of Mar 8, 2024 - We see new all time highs again this week but with a lower close. The Trend Line (Blue) support from Nov. 2023 to date is still being respected.



S&P 500 daily chart as of Mar 8, 2024 - Here we see a pause Monday, a decline Tuesday, a small bounce Wednesday and a stronger rally Thursday to new all time highs. Friday opened higher and delivered a new all time high before selling off strong to form a bearish engulfing candle Friday, ending the week down -0.26%.



S&P 500 15 min. chart as of Mar 8, 2024 - Here we see the pause Monday with a failed rally late in the day that sold off quickly. Tuesday saw a gap down and selling all day, crossing below the lower Expected Move and finding support late in the day near the prior week's lows (Pink line) before bouncing the last half hour. Wednesday gapped up and oscillated above and below its open with a close not far from its open, showing little change. Thursday saw a gap up and rally most of the day to new all time highs. Friday saw the rally continue to more new all time highs the first hour before selling off hard the next 3 hours. We saw a failed bounce late in the day that mostly sold off the last hour.

We do see some bullish clues from the fact that: [1] last week's lows were tested and respected this week, [2] we did see higher highs this week, and [3] the 4-month Trend Line (Blue line) has not been broken yet.

We will watch these same clues to see if they change next week or not.



DJIA weekly chart as of Mar 8, 2024 - We saw a small decline last week and again this week, but they have not been significant enough to break the (invisible-imaginary) Trend Line Support so far this year.



DJIA daily chart as of Mar 8, 2024 - Here we see a small decline last week and this week after making new all time highs. Note that the Industrials have been mostly horizontal for about 4 weeks and now straddle the flattening 20 day SMA (Yellow). This week ended with a decline of -0.93% that mostly came on Tuesday and was partially recovered in the following days.



Nasdaq weekly chart as of Mar 8, 2024 - We see new all time highs this week but with a lower close. The decline was not significant enough to break the (imaginary) Trend Line Support so far this year.



Nasdaq daily chart as of Mar 8, 2024 - Monday saw a pause near the prior Friday's close. Tuesday saw a gap down and test of the 20 day SMA. Wednesday saw a small bounce. Thursday rallied back up to deliver a new all time high. Friday opened higher and delivered another new all time high in the first hour before selling off strong the next 3 hours. The Nasdaq Composite ended the week down -1.17% but is still above all 3 of its key daily SMAs.



Russell 2000 weekly chart as of Mar 8, 2024 - We see a higher high, a higher low and a slightly higher close this week.

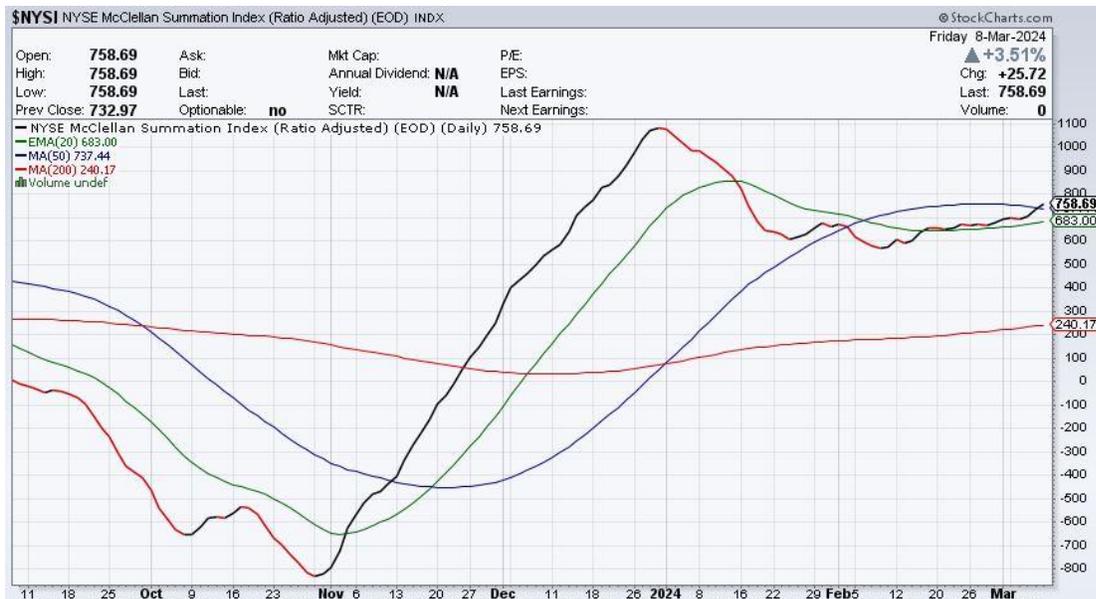


Russell 2000 daily chart as of Mar 8, 2024 - Monday saw new 52 week high before selling off to close the day lower. Tuesday saw a gap down and selling lower to find support. Wednesday saw a small bounce. Thursday saw a gap up and rally but without reaching Monday's highs. Friday saw a gap up and rally to new 52 week highs before selling off to end the day lower and end the week up +0.30%.

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



McClellan Summation Index weekly chart as of Mar 8, 2024 - Last week this Index rose a little to 693.36. This week we see another small gain to 758.69.



McClellan Summation Index daily chart as of Mar 8, 2024 - Here we can see the shallow slope higher over the past month to 758.69.



NYSE Percent above 200 day SMA daily chart as of Mar 8, 2024 - Last week we saw a small increase to 68.13%. This week we see a very small increase to 69.34%.



NYSE Percent above 50 day SMA daily chart as of Mar 8, 2024 - Last week we saw a small increase to 62.49%. This week we see an increase to 67.14%.



VIX daily chart as of Mar 8, 2024 - The VIX paused Monday then popped up on Tuesday above its 20 day SMA and tested its 200 day SMA. Then next 2 days saw a similar daily range for the VIX. Friday saw an increase up to 15.53 after the 3 hours of strong selling. We saw a drop to 14.5 late in the day with a bounce back up the last hour to end the week at 14.74.



VVIX daily chart as of Mar 8, 2024 - The Volatility of the VIX paused Monday, shot up higher Tuesday then consolidated Wednesday and Thursday before shooting up Friday above its 200 day SMA. The last two hours Friday saw a small decline.

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



Oil daily chart as of Mar 8, 2024 - Oil prices oscillated this week, down Monday and Tuesday, up Wednesday then down Thursday and Friday, remaining mostly just above its 200 day SMA. Note that the 20 day SMA has reached the 200 day, showing little change in prices in the long term.



Gold daily chart as of Mar 8, 2024 - Gold prices began their strong rally last Friday and continued higher every day this week, delivering new all time highs on Wednesday, Thursday and Friday this week. Note the strong volume every day this week. This week saw the largest weekly range so far this year.



US Dollar Index daily chart as of Mar 8, 2024 - The US Dollar Index drifted a little lower on Monday and Tuesday then accelerated lower Wednesday below its 200 day SMA to its 50 day SMA. Thursday continued lower below its 50 day SMA and Friday dropped lower to find support and bounce a little.



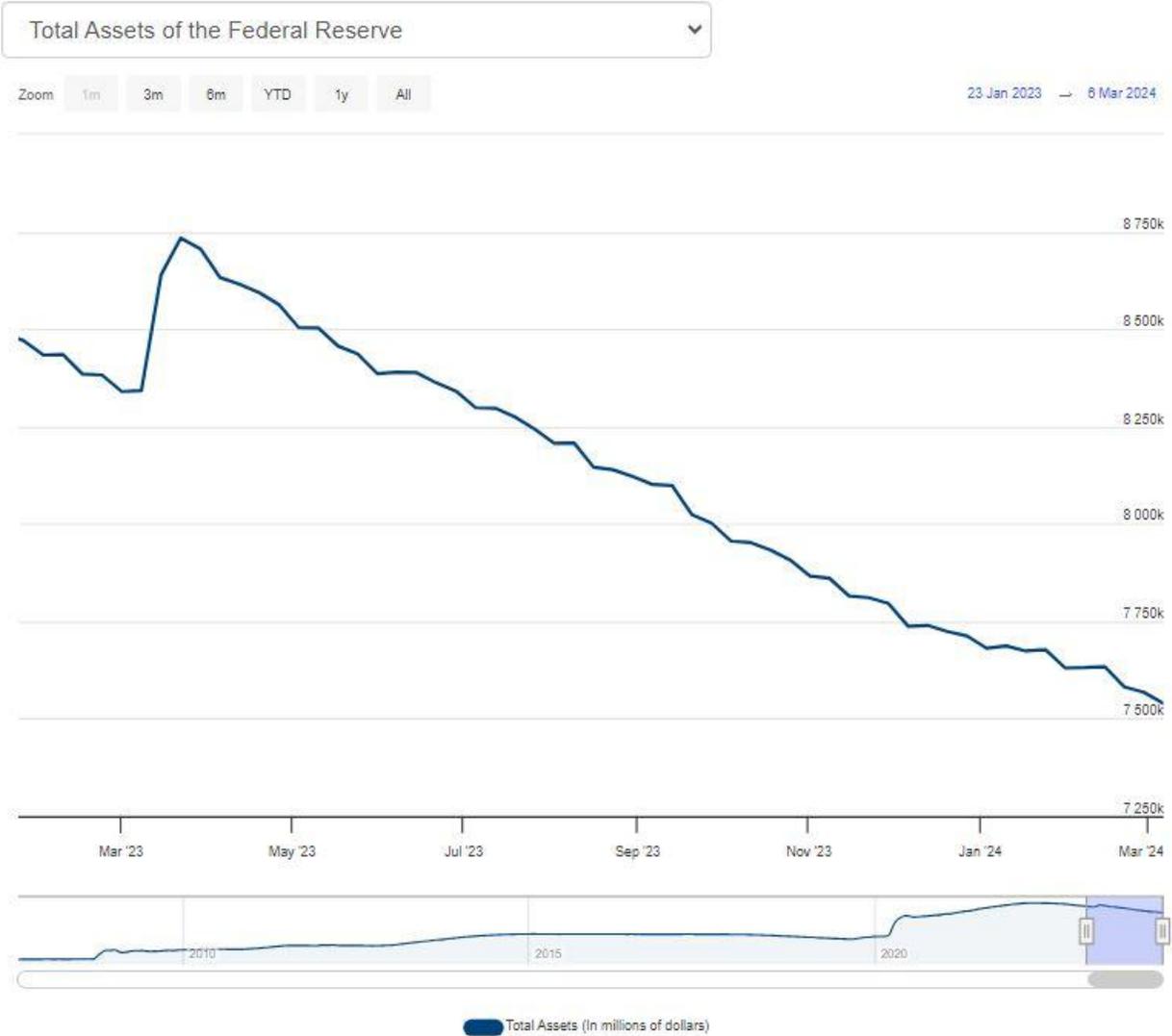
US 10 year Treasury daily chart as of Mar 8, 2024 - The 10 year Treasury paused on Monday then saw strong buying with higher highs and a higher close every day the followed, crossing above its 50 day SMA on Wednesday and ending the week above all 3 of its key daily SMAs.



US 10 year Yield daily chart as of Mar 8, 2024 - As Treasuries rose, the Yields declined after the pause on Monday we saw Yields move lower every day this week.

Date	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
2/8/2024	5.44	5.42	5.24	4.83	4.46	4.22	4.12	4.15	4.15	4.47	4.36
2/9/2024	5.44	5.43	5.26	4.86	4.48	4.25	4.14	4.17	4.17	4.48	4.37
2/12/2024	5.43	5.43	5.27	4.87	4.46	4.25	4.13	4.16	4.17	4.48	4.37
2/13/2024	5.45	5.46	5.32	4.99	4.64	4.44	4.31	4.33	4.31	4.59	4.46
2/14/2024	5.43	5.45	5.31	4.94	4.56	4.38	4.25	4.27	4.27	4.57	4.45
2/15/2024	5.43	5.45	5.30	4.93	4.56	4.36	4.22	4.25	4.24	4.54	4.42
2/16/2024	5.44	5.45	5.31	4.98	4.64	4.43	4.29	4.31	4.30	4.58	4.45
2/20/2024	5.44	5.45	5.32	4.97	4.59	4.38	4.25	4.28	4.27	4.56	4.44
2/21/2024	5.44	5.45	5.32	4.98	4.64	4.43	4.30	4.33	4.32	4.59	4.49
2/22/2024	5.45	5.45	5.32	5.02	4.69	4.49	4.33	4.35	4.33	4.58	4.47
2/23/2024	5.46	5.46	5.32	5.00	4.67	4.45	4.28	4.28	4.26	4.51	4.37
2/26/2024	5.47	5.47	5.34	5.03	4.69	4.48	4.29	4.32	4.28	4.53	4.40
2/27/2024	5.45	5.47	5.33	5.03	4.70	4.50	4.32	4.34	4.31	4.57	4.44
2/28/2024	5.45	5.43	5.31	5.00	4.64	4.44	4.26	4.28	4.27	4.53	4.40
2/29/2024	5.45	5.43	5.30	5.01	4.64	4.43	4.26	4.28	4.25	4.51	4.38
3/1/2024	5.42	5.41	5.27	4.94	4.54	4.32	4.17	4.20	4.19	4.46	4.33
3/4/2024	5.48	5.42	5.37	4.98	4.61	4.39	4.21	4.23	4.22	4.48	4.36
3/5/2024	5.47	5.40	5.35	4.94	4.54	4.32	4.13	4.15	4.13	4.39	4.27
3/6/2024	5.47	5.40	5.35	4.95	4.55	4.32	4.12	4.12	4.11	4.36	4.24
3/7/2024	5.47	5.40	5.34	4.93	4.50	4.28	4.07	4.09	4.09	4.35	4.25
3/8/2024	5.46	5.40	5.34	4.92	4.48	4.25	4.06	4.08	4.09	4.36	4.26

US Yield Rates daily table as of Mar 8, 2024 - After the pause on Monday we see midterm and longer term Yields decline this week with little change in the short term Yields.



FOMC Balance Sheet weekly chart as of Mar 6, 2024 - The Fed decreased its Balance Sheet this week by \$28.950 Billion to a new Total Assets of \$7.538857 Trillion.

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



Dow Transportation Index daily chart as of Mar 8, 2024 - The Transports paused Monday then dropped below the 50 day SMA on Tuesday. Wednesday and Thursday saw a bounce back above the 50 day and 20 day SMAs. Friday saw a decline back below the 20 day & 50 day SMAs to end the week down -0.72%.



XLE daily chart as of Mar 8, 2024 - The Energy sector saw a pullback on Monday that was followed by a rally and higher close each day this week, ending the week up +1.18%.



XLF daily chart as of Mar 8, 2024 - The Financial sector saw its slow and steady rally continued, ending this week up +0.82%.



QQQ daily chart as of Mar 8, 2024 - The Nasdaq-100 ETF saw a pause Monday followed by a gap down and selling down to the 20 day SMA on Tuesday. Wednesday saw a small bounce followed by a gap up and rally Thursday to a new all time high. Friday began with a continuation of the rally the first hour to a new all time high before selling off strong the next 3 hours. The last 2 hours Friday saw a failed bounce to end the week down -1.48% but still above its 20 day SMA.



SOXX daily chart as of Mar 8, 2024 - We covered some details about this ETF on page one of this report. The SOXX delivered new all time highs every day this week except on Tuesday. At the point where we saw new all time highs on Friday the SOXX was up 5.9% for the week just before the strong selling kicked in the 2<sup>nd</sup> hour of the day. After that strong selling Friday the SOXX ended this week up +0.67%.



XLC daily chart as of Mar 8, 2024 - The Communication Services sector has been stuck in a \$2 range from \$78.20 to \$80.25 for about a month. Friday morning saw a brief break above this range that failed and closed down on the day, back inside this range, down -0.54% for the week.

<i>INDEXes</i>	Week Ending						
<i>SECTORs</i>	1/26/2024	2/2/2024	2/9/2024	2/16/2024	2/23/2024	3/1/2024	3/8/2024
\$SPX	1.06%	1.38%	1.37%	-0.42%	1.66%	0.95%	-0.26%
\$INDU	0.65%	1.43%	0.04%	-0.11%	1.30%	-0.11%	-0.93%
\$COMPQ	0.94%	1.12%	2.31%	-1.34%	1.40%	1.74%	-1.17%
\$NDX	0.62%	1.27%	1.81%	-1.54%	1.42%	2.04%	-1.55%
\$RUT	1.74%	-0.79%	2.41%	1.13%	-0.79%	2.96%	0.30%
QQQ	0.62%	1.23%	1.87%	-1.48%	1.44%	2.02%	-1.48%
\$STRAN	1.98%	-0.64%	2.63%	-3.62%	1.87%	-0.56%	-0.72%
XLE	5.09%	-0.87%	-0.25%	2.71%	0.46%	1.37%	1.18%
XLF	1.90%	0.85%	0.26%	1.41%	1.69%	-0.02%	0.82%
XLK	0.79%	0.24%	2.77%	-2.54%	1.34%	2.66%	-1.62%
SOXX	-0.58%	-0.22%	5.53%	-0.68%	1.82%	6.81%	0.67%
XLV	-0.14%	1.95%	1.42%	1.12%	1.54%	-1.03%	0.06%
XLY	-1.84%	3.29%	1.45%	-0.49%	1.27%	2.06%	-2.55%
XRT	1.83%	1.14%	2.77%	1.20%	1.44%	3.20%	-1.82%
XLI	0.87%	1.90%	1.19%	0.92%	1.86%	1.08%	0.64%
XLU	0.38%	0.46%	-1.98%	1.59%	1.19%	-0.39%	3.29%
XME	1.15%	0.47%	-1.99%	0.84%	-0.95%	2.23%	2.09%
XLP	0.80%	2.12%	-1.43%	0.23%	2.05%	-0.43%	0.94%
XLB	0.34%	0.70%	0.04%	2.44%	1.95%	1.30%	1.58%
XLC	3.81%	2.65%	-0.71%	-0.28%	0.98%	0.38%	-0.54%
XHB	-1.02%	1.69%	2.69%	-0.35%	2.99%	2.86%	0.35%

Weekly Percent Change US Indexes and Sectors table as of Mar 8, 2024 - Note that the Nasdaq Composite and Nasdaq-100 saw both the strongest gains last week and the strongest declines this week.

Last week the SOXX was the strongest sector. This week the SOXX was again a leader on a 'daily' basis on most days (4 out of 5) both on up days and on down days (as described on page one and on the SOXX chart above).

This week the strongest 'Weekly' sectors were: XLU, XME, XLB and XLE who all delivered over +1% gains.

The weakest sectors this week included: XLY, XRT, XLK and QQQ who all delivered over -1% of losses.

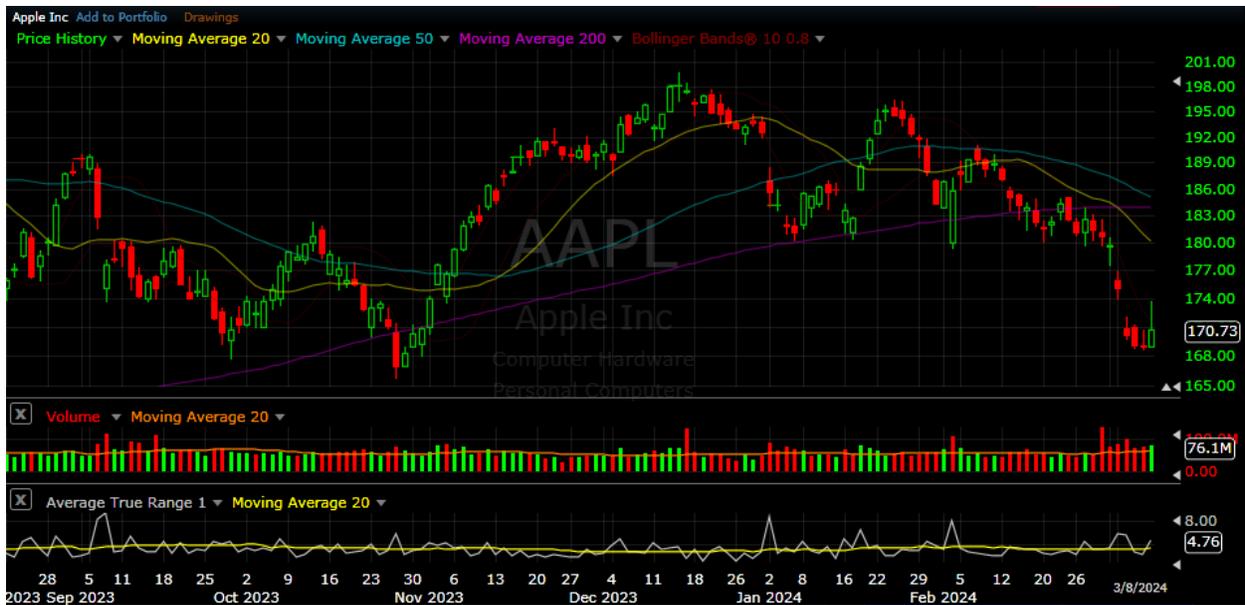
INDEXes SECTORs	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 02/26/24	End of Day 02/27/24	End of Day 02/28/24	End of Day 02/29/24	End of Day 03/01/24	End of Day 03/04/24	End of Day 03/05/24	End of Day 03/06/24	End of Day 03/07/24	End of Day 03/08/24
\$SPX	-0.38%	0.17%	-0.17%	0.52%	0.80%	-0.12%	-1.02%	0.51%	1.03%	-0.65%
\$INDU	-0.16%	-0.25%	-0.06%	0.12%	0.23%	-0.25%	-1.04%	0.20%	0.34%	-0.18%
\$COMPQ	-0.13%	0.37%	-0.55%	0.90%	1.14%	-0.41%	-1.65%	0.58%	1.51%	-1.16%
\$RUT	0.61%	1.34%	-0.77%	0.71%	1.05%	-0.10%	-0.99%	0.70%	0.81%	-0.10%
QQQ	-0.05%	0.24%	-0.53%	0.87%	1.51%	-0.36%	-1.79%	0.63%	1.52%	-1.44%
\$STRAN	-0.49%	-0.29%	-0.57%	0.86%	-0.06%	-0.27%	-1.04%	0.30%	1.11%	-0.82%

Daily Percent Change US Indexes table as of Mar 8, 2024 - The Russell was leading on 4 days this week while the QQQ led on only one day, Thursday. The Dow Industrials lagged on two days as did the QQQ. Note that the QQQ was down on the same two days as was the SOXX this week, Tuesday and Friday. Do you smell that correlation brewing with the weighting of NVDA within the QQQ?

Next we will look at a few key Stocks, the same symbols we looked at last week.



MSFT daily chart as of Mar 8, 2024 - Microsoft has been stuck in a range for nearly a month, in the \$400 to \$420 range. The 20 day SMA has become flat as price straddles this SMA. This week saw a quiet day on Monday, then a strong drop on Tuesday below the 20 day SMA. Wednesday nearly tested its 50 day SMA as support. Thursday rallied up to the 20 day SMA but failed to close above this SMA. Friday saw a drop to end the week down -2.23%.



AAPL daily chart as of Mar 8, 2024 - Apple formed an Inverted Cup-n-handle pattern that broke below \$179.50 support last Friday then recovered. This week we see a gap down Monday below \$177 that continued with lower lows and lower closes every day this week except on Friday. AAPL ended the week down -4.97% on above average volume.



NVDA daily chart as of Mar 8, 2024 - Nvidia continued its strong rally this week by delivering new all time highs every day but on Tuesday. Friday saw a new all time high in the first hour that briefly delivered a +18.37% gain for this week and over a +100% gain for 2024. The second hour Friday saw very strong selling and a -9.4% drop in one hour. The selling continued at a slower pace the next 2 hours before finding support. A failed rally lasted one hour that was followed with an hour of selling to give back most all of that small bounce, ending the week with a +6.38% gain.



AMZN daily chart as of Mar 8, 2024 - Amazon rallied the first 90 min. on Monday to deliver new 52 week highs then declined the rest of the day for a lower close. Strong selling continued all of Tuesday with a gap up and retest of Support just above the 20 day SMA on Wednesday. Thursday saw rally that failed to reach Monday's highs and was sold on Friday to end the week down -1.61%.



GOOGL daily chart as of Mar 8, 2024 - Alphabet continued its decline Monday down to its 200 day SMA. Tuesday and Wednesday both closed below the 200 day SMA. Thursday saw a rally that recovered about half of the week's losses. Friday saw a rally the first 2 hours that failed and gave back most of those gains by the close, ending the week down -1.26%.



META daily chart as of Mar 8, 2024 - Meta delivered a new all time high Monday then declined the last half of the day. Tuesday saw a decline that did not reach its 20 day SMA. Wednesday saw a small bounce. Thursday saw a gap up and stronger rally to new all time highs. Friday again delivered new all time highs in the first hour then sold off the rest of the day to end the week up +0.73%.



TSLA daily chart as of Mar 8, 2024 - Tesla had been stuck in a narrow range for over two weeks then broke down Monday below this range and crossed below its 20 day SMA. Tuesday and Wednesday delivered lower lows, lower highs and lower closes. Thursday saw a failed rally that could not even match the prior day's highs. Friday saw a gap up followed by selling most of the day to end the week down -13.47%.

Let's compare the 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	2.02%	-1.48%
MSFT	1.26%	-2.23%
AAPL	-1.57%	-4.97%
NVDA	4.39%	6.38%
AMZN	1.85%	-1.61%
GOOGL	-4.74%	-1.26%
META	3.77%	0.73%
TSLA	5.56%	-13.47%

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).

Note that only NVDA and GOOGL improved this week over last week while all the others did worse this week than last week. However, GOOGL shows a decline both last week and this week, so that leave NVDA as the star performer this week. TSLA is clearly the biggest laggard this week.

If one were to track these seven stocks on a Daily basis, then you would see greater day to day detail of their relative performance. The above charts help see this performance graphically.



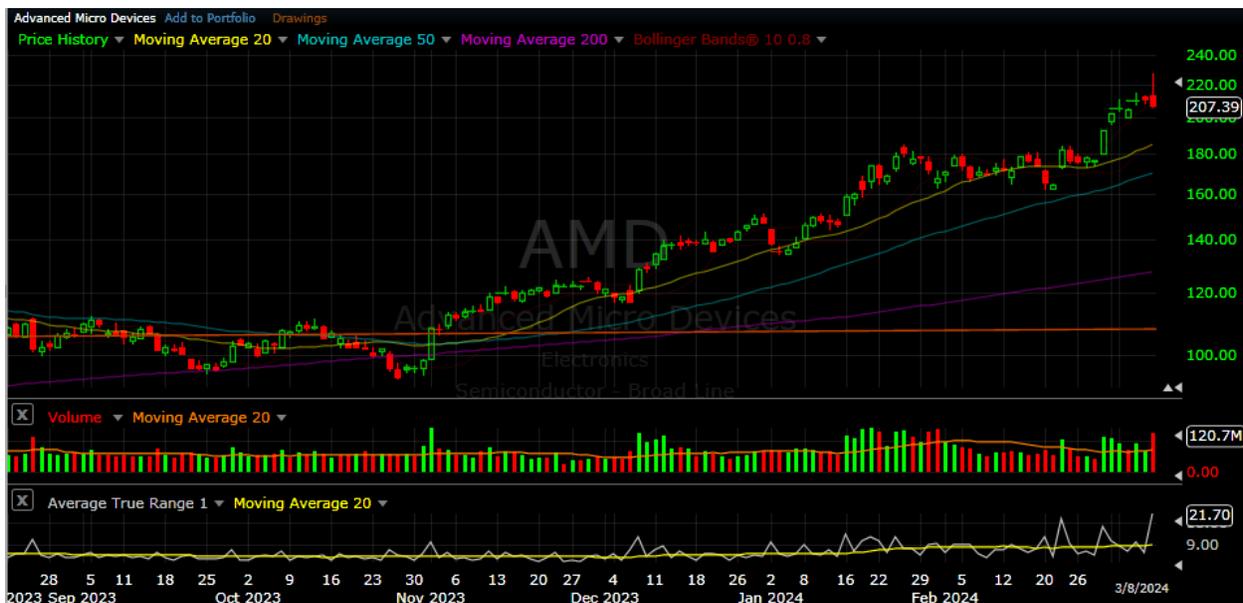
JPM daily chart as of Mar 8, 2024 - JP Morgan continued its rally this week with new all time highs every day but on Friday. Thursday saw a pull back and lower close with only a small recovery seen on Friday to end the week up +1.58%.



MA daily chart as of Mar 8, 2024 - MasterCard saw a sharp decline Monday with a test of support at its 20 day SMA. Tuesday saw a lower low and lower close just above its 20 day SMA. Wednesday saw a failed rally that could not recover all of this week's losses. Thursday saw a gap up and selling back down to the 20 day SMA. Friday saw a small rally just above the 20 day SMA to end the week down - 1.55%.



COST daily chart as of Mar 8, 2024 - Costco continued its rally with new all time highs and a higher close every day this week before reporting Earnings Thursday after the close. The reaction to Earnings on Friday was a large gap down and selling down below the 20 day SMA to end the week down -3.19%.



AMD daily chart as of Mar 8, 2024 - AMD was stuck in a range for over a month then broke out huge last Thursday and Friday. This week we see the rally continue with new all time highs on Monday, Wednesday and Friday. Tuesday saw a gap down that was fully filled quickly. Wednesday gapped up and paused most of the day. That pause continued most of Thursday. Friday saw a gap up and rally to new all time highs in the first hour that was all given back in the next 3 hours of selling. A failed rally for an hour was mostly given back the last hour on Friday, ending the week up +2.34%.



MU daily chart as of Mar 8, 2024 - Micron saw a strong rally the past 2 weeks and continued higher Monday, pulled back Tuesday with a small bounce Wednesday. Thursday saw a large gap up to new all time highs that continued higher the first hour on Friday before selling off the next 3 hours. MU ended the week up +2.60%.



NFLX daily chart as of Mar 8, 2024 - Netflix delivered a higher high Monday before pulling back the rest of the day. Tuesday saw a gap down and selling lower to find support. Wednesday failed to make any gains. Thursday saw only small gains. Friday briefly saw a higher high but then sold off to end the week down -2.34%.



CAT daily chart as of Mar 8, 2024 - Caterpillar continued its rally with new all time highs on Monday, Thursday and Friday this week. Tuesday and Wednesday saw only a small decline. Friday saw new all time highs in the first hour then sold off the rest of the day to end the week up +0.74%.

Not only Gold delivered new all time highs this week, but so did Bitcoin all while the US Dollar was in decline. We saw lots of new all time highs and new 52 week highs this week.

The NYSE New Highs minus New Lows chart (not shown) delivered new 2024 highs at 269 on Thursday and 270 Friday this week.

We saw how the Semiconductor sector led the markets both higher and lower this week. We will assume that this leadership could continue next week until we see 'evidence' that some other sector has become more dominate.

The markets seem to always provide an opportunity somewhere. Our top-down analysis helps us to quickly find these opportunities. Our chart analysis helps us determine a lower risk / high odds entry point to trade WITH the Trend.

I hope these charts and comments I share help the reader develop their own chart reading skills to find and trade high odds opportunities on their own.

Trade Smart,

CJ