



Market Observations - as of March 15, 2024

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

Last 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.

This week we saw a gap down and selling the first hour on Monday that found support and rallied back up to the base of the opening gap. Tuesday saw a strong gap up followed by strong selling to fill that gap in only 15 minutes before the Dip Buyers stepped in with persistent buying all day nearly reaching last week's highs in the S&P, less so with the Nasdaq Composite. Wednesday saw a pause within a narrow range with a hint of selling the last hour. Thursday saw selling nearly all day with a failed rally in the last 30 min of the day. Friday saw a gap down and lower lows for the week in the Nasdaq Composite while the S&P did not exceed Monday's lows.

The Nasdaq-100 often led this week on both up days and down days as the Semiconductor sector and several of the Biggest Tech names led on both up days and down days. On Friday we saw this index break below both this week's and last week's lows.

The US Dollar got stronger every day this week except on Wednesday. Gold prices slowly drifted a little lower this week while the US 10 year Yields shot up higher from 4.089% last Friday to 4.304% this Friday.

Next week we have the Fed Meeting on Wednesday and most expect 'No' rate change due to the small increases with Inflation seen in the latest reports.

Also next week NVDA holds its GTC A.I. Developers conference with very large expected attendance. It is possible that NVDA may choose to make some key strategic announcements at this conference.

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



S&P 500 weekly chart as of Mar 15, 2024 - The S&P stalled for a 2nd week with an ‘Inside’ week this week with little net change.



S&P 500 daily chart as of Mar 15, 2024 - We saw a dip Monday followed by a rally Tuesday that failed to reach the prior highs from last week. Wednesday saw a pause that was followed by a decline Thursday and Friday breaking below its 4-month Support Trend Line (Blue line), ending the week down -0.13% and remaining above its 20 day SMA.



S&P 500 15 min. chart as of Mar 15, 2024 - Here we can see the gap down Monday and selling the first hour to find support before it then rallied the rest of the day without filling the opening gap. Tuesday saw a gap up, a fast fill the gap in 45 min. that reversed and began a strong rally the rest of the day, with a failed dip mid day. Tuesday's highs came close but failed to retest the prior week's all time highs. Wednesday saw a pause with some selling the last hour. Thursday saw selling most of the day. Friday continued lower and broke below the 4-month Support Trend Line (Blue line) mid day and remained below the rest of the day.



DJIA weekly chart as of Mar 15, 2024 - For a 3rd week in a row we see a lower weekly close this week, even after a slightly higher high and higher low this week.



DJIA daily chart as of Mar 15, 2024 - The Industrials continue to straddle the nearly flat 20 day SMA this week, closing above and below, ending the week down only -0.02%.



Nasdaq weekly chart as of Mar 15, 2024 - We see an 'Inside' week this week with a lower close. Note that most of the declines over the past 6 months lasted only 2 to 3 weeks.



Nasdaq daily chart as of Mar 15, 2024 - Monday saw a dip to nearly the 20 day SMA. Tuesday rallied to a lower high, failing to reach the prior week's high. The next 3 days saw a steady decline, crossing below its 20 day SMA and delivering new lows for the week on Friday, ending the week down -0.70%.



Russell 2000 weekly chart as of Mar 15, 2024 - The Russell delivered a lower high, lower low and lower close this week.

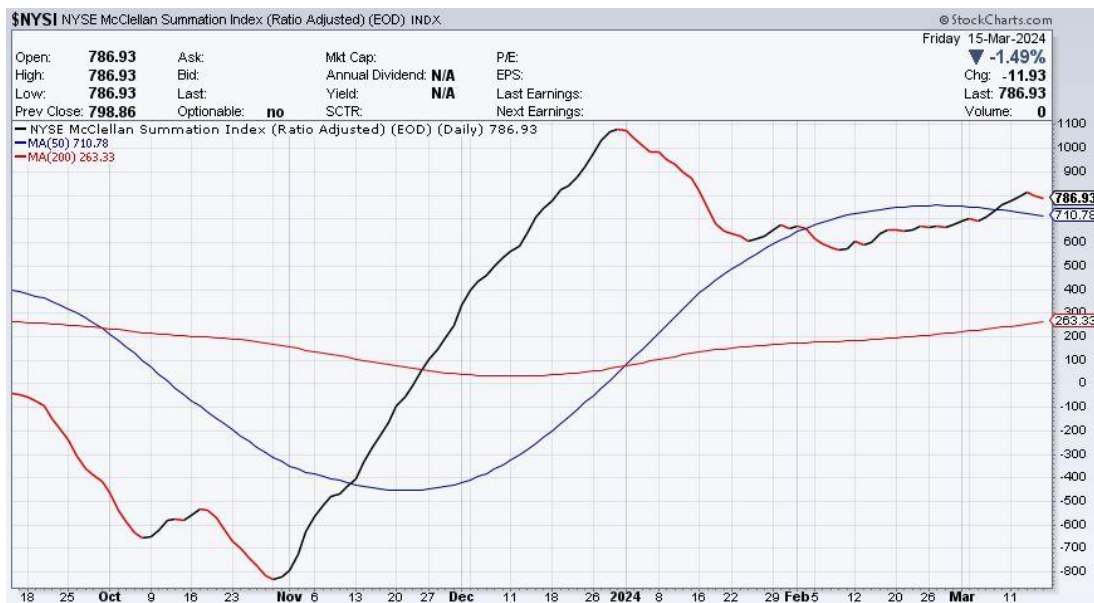


Russell 2000 daily chart as of Mar 15, 2024 - We saw a lower close on Monday and Tuesday then a failed rally on Wednesday that was followed by a strong day of selling on Thursday, crossing below its 20 day SMA. Friday saw only a small bounce to end the week down -2.08% and still below its 20 day SMA.

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



McClellan Summation Index weekly chart as of Mar 15, 2024 - Last week we saw a small gain to 758.69. This week see another small gain to 786.93.



McClellan Summation Index daily chart as of Mar 15, 2024 - This week we saw a small increase to about 815 on Wednesday that was followed by a decline Thursday and Friday to end this week at 786.93.



NYSE Percent above 200 day SMA daily chart as of Mar 15, 2024 - We saw small changes the first 3 days this week then a strong drop Thursday to 68.25% and then a small bounce to end this week at 68.56%.



NYSE Percent above 50 day SMA daily chart as of Mar 15, 2024 - Percentages rose a little Wednesday to about 69% then dropped Thursday to 62% before seeing a small bounce Friday to end this week at 63.48%.



VIX daily chart as of Mar 15, 2024 - The VIX popped up on Monday above all 3 SMAs then drifted lower Tuesday below its 200 day and 20 day SMAs. Wednesday declined a little lower to its 50 day SMA. Thursday shot back up and closed Thursday and Friday above its 20 day SMA.



VVIX daily chart as of Mar 15, 2024 - The Volatility of the VIX opened higher Monday then declined to its 20 day SMA and continued lower Tuesday nearly to its 50 day SMA. The next 3 days saw higher levels indicating growing uncertainty about the future of the VIX.

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



Oil daily chart as of Mar 15, 2024 - Oil prices straddled its 20 day and 200 day SMAs on Monday and Tuesday then rallied higher Wednesday and Thursday. Friday saw a pause near the higher close from the prior day, ending this week at \$81.00.



Gold daily chart as of Mar 15, 2024 - Gold saw a large rally last week to new all time highs at \$2203. This week we see a slow small decline to \$2159.40.



US Dollar Index daily chart as of Mar 15, 2024 - We saw a strong decline in the USD last week. This week we see a pause near last week's lows then a rally on Thursday that continued a little higher on Friday with a test of the 50 day SMA.



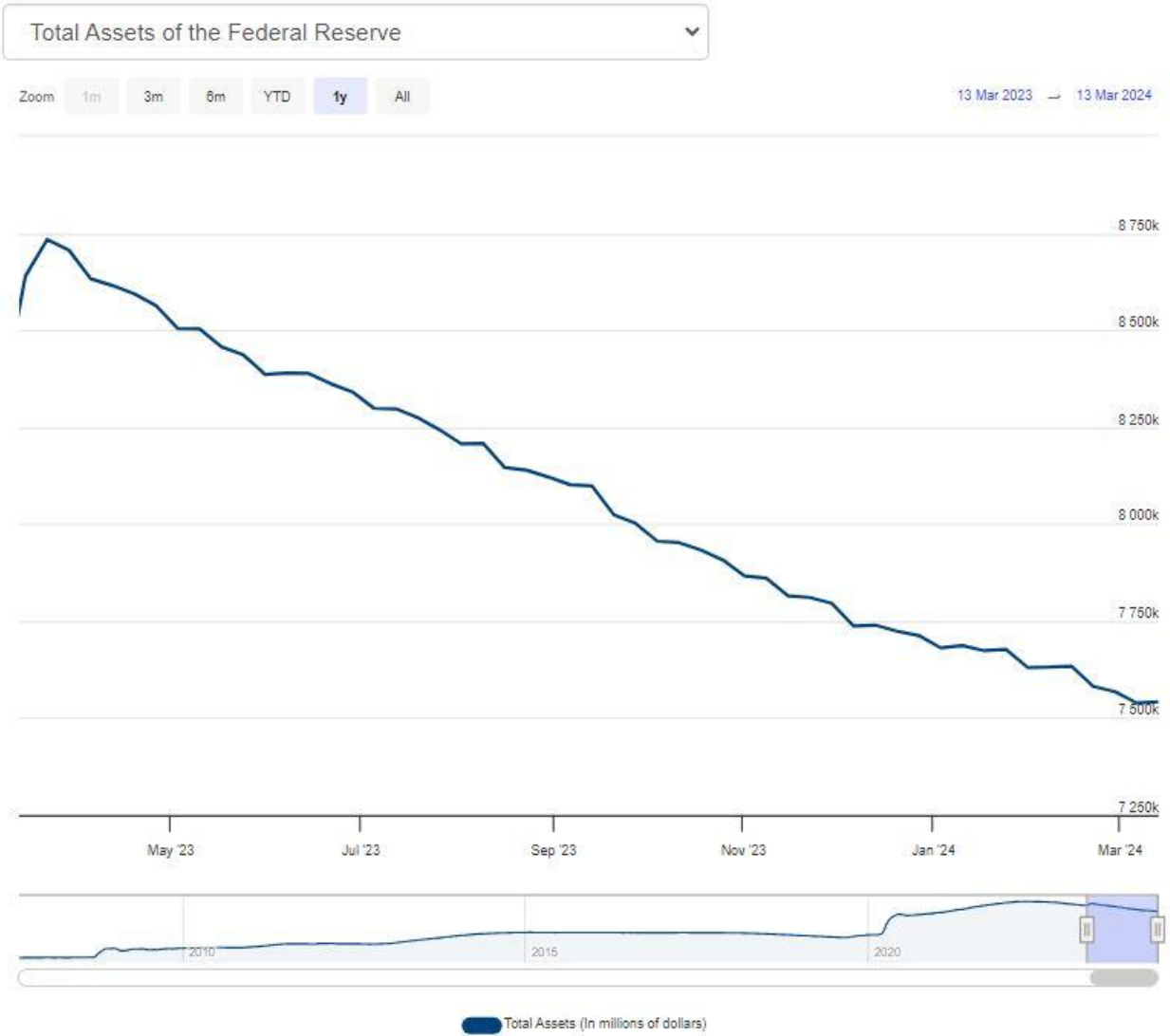
US 10 year Treasury daily chart as of Mar 15, 2024 - The rally we saw the prior 9 days was all given back this week with a decline below all 3 SMAs this week with a close this week just below the close from Feb. 27th.



US 10 year Yield daily chart as of Mar 15, 2024 - As the 10 year Treasuries sold off this week the 10 year Yields rose sharply from 4.089% last Friday to 4.304% this Friday.

Date	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
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
3/11/2024	5.48	5.41	5.35	4.95	4.51	4.26	4.08	4.09	4.10	4.36	4.26
3/12/2024	5.48	5.41	5.37	5.00	4.58	4.33	4.15	4.16	4.16	4.42	4.31
3/13/2024	5.48	5.41	5.37	5.01	4.61	4.37	4.19	4.20	4.19	4.45	4.35
3/14/2024	5.48	5.42	5.38	5.04	4.68	4.46	4.29	4.30	4.29	4.54	4.44
3/15/2024	5.48	5.41	5.38	5.05	4.72	4.51	4.33	4.33	4.31	4.55	4.43

US Yield Rates table as of Mar 15, 2024 - The mid-term and longer-term Yields decreased last week and increased more this week while the short-term Yields changed very little.



FOMC Balance Sheet weekly chart as of Mar 13, 2024 - The Fed increased its Balance Sheet this week by \$3.112 Billion to a new Total Assets of \$7.541969 Trillion.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of Mar 15, 2024 - We have seen very little change over the past 3 weeks that continued quiet the first 3 days this week before breaking down Thursday below its 20 day and 50 day SMAs and continued lower on Friday to end the week down -1.40%.



XLE daily chart as of Mar 15, 2024 - The Energy sector rallied last week (+1.18%) and accelerated this week up with an additional +3.84%.



XLF daily chart as of Mar 15, 2024 - The Financial sector continued higher Monday, Tuesday and Wednesday to then deliver new 52 week highs on Thursday before selling and closing lower. Friday saw a small bounce to end this week up +0.42%.



QQQ daily chart as of Mar 15, 2024 - We saw a dip to the 20 day SMA on Monday followed by a failed rally on Tuesday that failed to reach the prior high. The next 3 days saw declines to lower lows, crossing below its 20 day SMA on Friday and exceeding the prior lows from both this week & last week. The QQQ ended this week down -1.16%.



SOXX daily chart as of Mar 15, 2024 - The big drop last Friday continued lower Monday before finding support. Tuesday saw a failed rally that was followed by resumption of the decline on Wednesday, Thursday and Friday, crossing below its 20 day SMA on Friday, ending the week down -4.11%.



XLC daily chart as of Mar 15, 2024 - The Communication Services sector dipped to its 20 day SMA on Monday then rallied higher Tuesday and Wednesday, failing to match the prior high from last week. After this failed rally we saw a decline on Thursday and Friday to end the week below its 20 day SMA, down -0.38% for the week.

INDEXes	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
SECTORs	2/2/2024	2/9/2024	2/16/2024	2/23/2024	3/1/2024	3/8/2024	3/15/2024
\$SPX	1.38%	1.37%	-0.42%	1.66%	0.95%	-0.26%	-0.13%
\$INDU	1.43%	0.04%	-0.11%	1.30%	-0.11%	-0.93%	-0.02%
\$COMPQ	1.12%	2.31%	-1.34%	1.40%	1.74%	-1.17%	-0.70%
\$NDX	1.27%	1.81%	-1.54%	1.42%	2.04%	-1.55%	-1.17%
\$RUT	-0.79%	2.41%	1.13%	-0.79%	2.96%	0.30%	-2.08%
QQQ	1.23%	1.87%	-1.48%	1.44%	2.02%	-1.48%	-1.16%
\$TRAN	-0.64%	2.63%	-3.62%	1.87%	-0.56%	-0.72%	-1.40%
XLE	-0.87%	-0.25%	2.71%	0.46%	1.37%	1.18%	3.84%
XLF	0.85%	0.26%	1.41%	1.69%	-0.02%	0.82%	0.42%
XLK	0.24%	2.77%	-2.54%	1.34%	2.66%	-1.62%	-0.83%
SOXX	-0.22%	5.53%	-0.68%	1.82%	6.81%	0.67%	-4.11%
XLV	1.95%	1.42%	1.12%	1.54%	-1.03%	0.06%	-0.73%
XLY	3.29%	1.45%	-0.49%	1.27%	2.06%	-2.55%	-1.25%
XRT	1.14%	2.77%	1.20%	1.44%	3.20%	-1.82%	-0.01%
XLI	1.90%	1.19%	0.92%	1.86%	1.08%	0.64%	-0.21%
XLU	0.46%	-1.98%	1.59%	1.19%	-0.39%	3.29%	-0.45%
XME	0.47%	-1.99%	0.84%	-0.95%	2.23%	2.09%	-3.50%
XLP	2.12%	-1.43%	0.23%	2.05%	-0.43%	0.94%	0.49%
XLB	0.70%	0.04%	2.44%	1.95%	1.30%	1.58%	1.62%
XLC	2.65%	-0.71%	-0.28%	0.98%	0.38%	-0.54%	-0.38%
XHB	1.69%	2.69%	-0.35%	2.99%	2.86%	0.35%	0.41%

Weekly Percent Change US Indexes and Sectors table as of Mar 15, 2024 - All of the indexes listed above were down this week with the Russell 200 down the most. The second strongest decline this week was seen with the Nasdaq-100 which we know is also very heavily weighted by a few big Tech Stocks. We have often seen the narrow leadership over the past several weeks leading the markets higher as well as lower.

The strongest sectors this week included: Energy (XLE) as well as XLB, XLP, XLF and XHB.

The weakest sectors this week included: SOXX, XME and the Transports.

Note the important correlation above, where if we ignore the Russell and look at the second strongest index, the NDX we can see that it was the 2nd strongest Index 2 weeks ago at the SAME TIME when the SOXX was the strongest sector. And on this week we see that the NDX was the second weakest Index and the SOXX was the weakest Sector. This confirms that there is likely a strong reason for this relationship. If we next look at the biggest components within the SOXX (NVDA) we may see if this correlation continues to correlate.

	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
INDEXes	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day
SECTORS	03/04/24	03/05/24	03/06/24	03/07/24	03/08/24	03/11/24	03/12/24	03/13/24	03/14/24	03/15/24
\$SPX	-0.12%	-1.02%	0.51%	1.03%	-0.65%	-0.11%	1.12%	-0.19%	-0.29%	-0.65%
\$INDU	-0.25%	-1.04%	0.20%	0.34%	-0.18%	0.12%	0.61%	0.10%	-0.35%	-0.49%
\$COMPQ	-0.41%	-1.65%	0.58%	1.51%	-1.16%	-0.41%	1.54%	-0.54%	-0.30%	-0.96%
\$RUT	-0.10%	-0.99%	0.70%	0.81%	-0.10%	-0.81%	-0.02%	0.30%	-1.96%	0.40%
QQQ	-0.36%	-1.79%	0.63%	1.52%	-1.44%	-0.37%	1.43%	-0.77%	-0.24%	-1.19%
\$STRAN	-0.27%	-1.04%	0.30%	1.11%	-0.82%	0.43%	0.61%	-0.39%	-1.34%	-0.70%

Daily Percent Change US Indexes table as of Mar 15, 2024 - Note how every day this week and 4 out of 5 days last week the Russell 2000 was either Leading or Lagging. Also note this week that the QQQ was the weakest on both Wednesday and Friday and then the least weak on Thursday. We see some oscillation this week and last week as markets sort out the changes with a small group of big tech stocks.

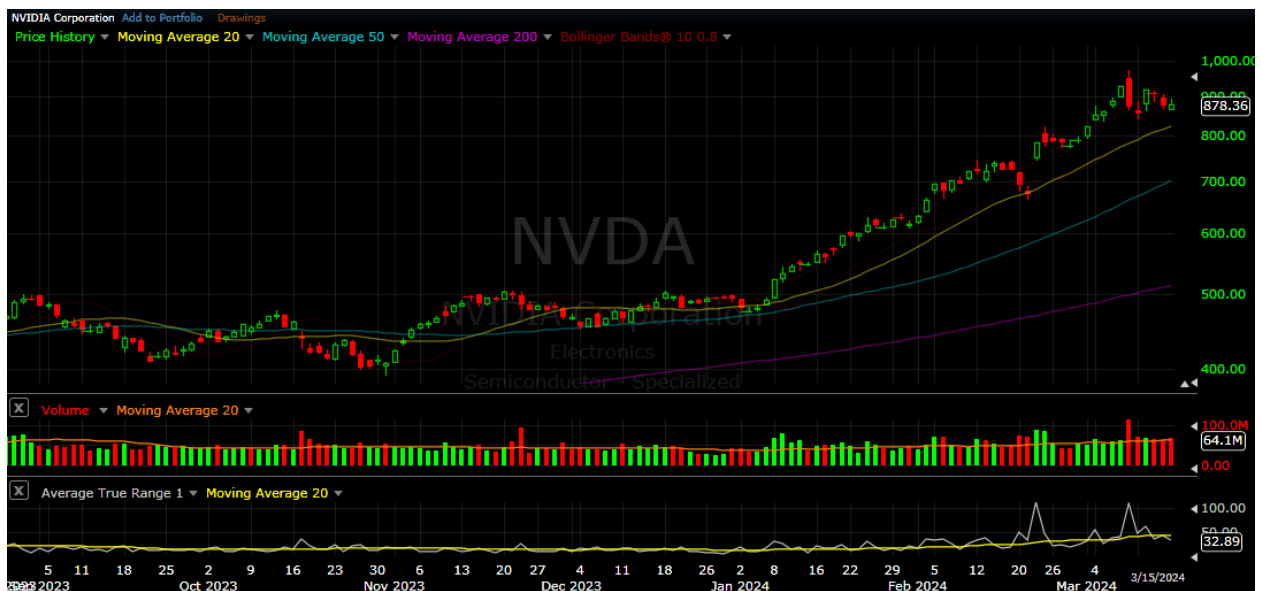
Next we will look at a few key Stocks.



MSFT daily chart as of Mar 15, 2024 - Microsoft crossed below its 20 day SMA last week and struggled to get back above that SMA. This week Microsoft gapped down Monday but failed to test its 50 day SMA or the prior week's lows. Tuesday saw a gap up and strong rally above its 20 day SMA that continued with a higher high on Wednesday and a new all time high on Thursday. Friday saw a pullback to end the week up +2.51%. We saw strong volume on Friday that was likely related to quad witching expiration.



AAPL daily chart as of Mar 15, 2024 - Apple saw a sharp decline last week and opened this week with a gap up and higher close that struggled near last Friday's highs. Apple remained within a range from about \$170.75 to \$174 most of this week, ending this week up +1.11%. We saw strong volume on Friday that was likely related to quad witching expiration.



NVDA daily chart as of Mar 15, 2024 - NVDA saw a sharp decline last Friday that continued lower on Monday of this week. We saw a failed rally on Tuesday with a decline the following 3 days, ending the week up +0.35%. Monday's low this week was respected by the end of this week and was not exceeded.



AMZN daily chart as of Mar 15, 2024 - Amazon continues mostly horizontal again this week straddling below and above its 20 day SMA and ending this week a few cents above its 20 day SMA, down -0.53% for the week.



GOOGL daily chart as of Mar 15, 2024 - Alphabet dipped below its 200 day SMA last week and began its bounce last Thursday and Friday. The bounce continued higher with higher highs every day this week except on Friday when we saw a pullback back below its 50 day SMA to end the week up +4.26%.



META daily chart as of Mar 15, 2024 - Meta delivered a new all time high last Friday then pulled back on Monday this week, closing below its 20 day SMA. Tuesday saw a failed rally that could not fill Monday's gap area. Wednesday, Thursday and Friday followed with lower closes, crossing back below its 20 day SMA on Friday, ending the week down -4.32%.



TSLA daily chart as of Mar 15, 2024 - Tesla resumed its decline last Monday as it broke below its 20 day SMA and continued lower. This week we see a failed rally on Monday that was followed with 3 days over lower lows. Friday saw a very small bounce to end the week down -6.71%.

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

Stock	% Change Last week	% Change This week
QQQ	-1.48%	-1.16%
MSFT	-2.23%	2.51%
AAPL	-4.97%	1.11%
NVDA	6.38%	0.35%
AMZN	-1.61%	-0.53%
GOOGL	-1.26%	4.26%
META	0.73%	-4.32%
TSLA	-13.47%	-6.71%

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 one stock showed a positive gain both last week and this week. (NVDA)

Did any stock show a negative loss both last week and this week? (TSLA & AMZN)

What stocks improved this week over last week and ended this week with a gain? (MSFT, AAPL, GOOGL)

These kinds of comparisons are one way to help identify relative strength week to week.



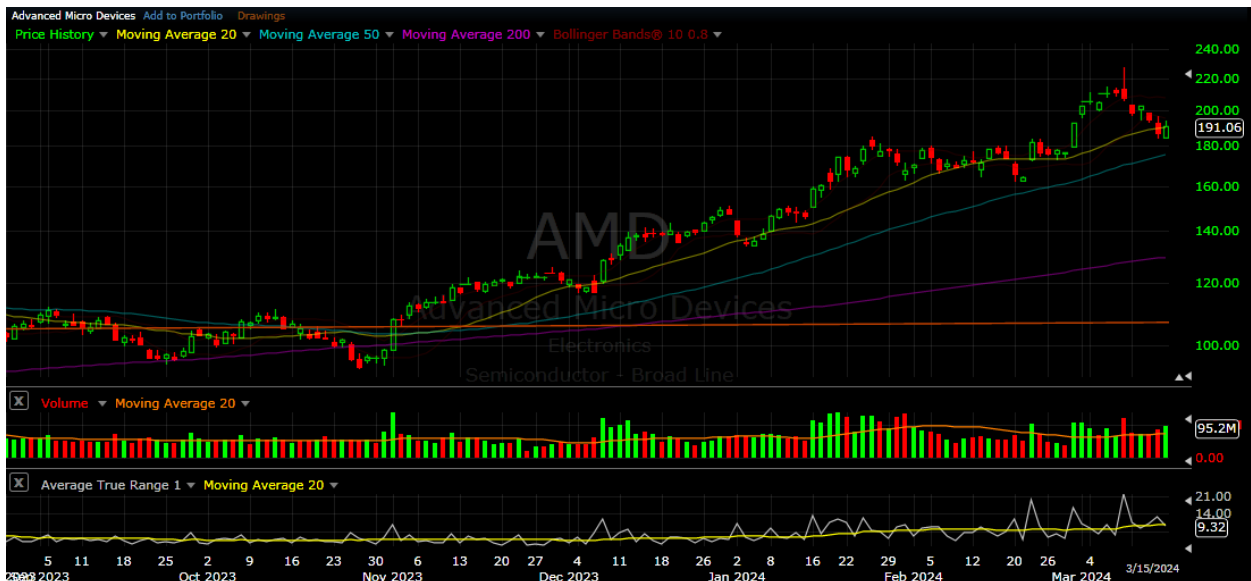
JPM daily chart as of Mar 15, 2024 - JP Morgan saw only a small pullback at Monday's open before resuming its rally Tuesday and Wednesday to new all time highs. Thursday saw a pull back that nearly tested its 20 day SMA as support on Friday before recovering most of the prior day's decline to end this week up +1.11%.



MA daily chart as of Mar 15, 2024 - Mastercard straddled its 20 day SMA most of last week and continued to do so on Monday of this week. Tuesday, Wednesday and Thursday saw a rally to new all time highs. Friday saw a pull back to end the week up +1.40%.



COST daily chart as of Mar 15, 2024 - Costco saw a sharp decline late last week after reporting Earnings. This week we see the decline continue lower on Monday without reaching its 50 day SMA. Tuesday saw a bounce back up to its 20 day SMA without crossing above that SMA. Wednesday and Thursday loitered just below the 20 day SMA and declined a little on Friday to end the week nearly flat, up only +0.01%.



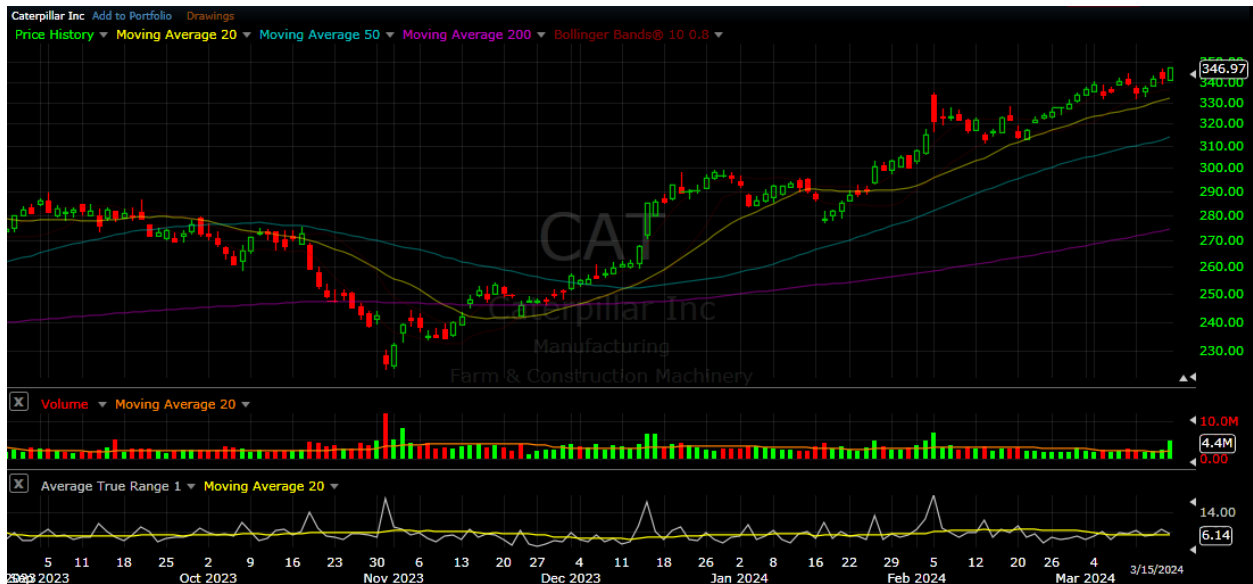
AMD daily chart as of Mar 15, 2024 - AMD delivered a new all time high last Friday before closing lower that day. This week we see the decline continue lower Monday, and paused Tuesday. Every day this week we saw lower lows except on Friday when we saw a small bounce back above the 20 day SMA to end this week down -7.87%.



MU daily chart as of Mar 15, 2024 - Micron delivered a new all time high last Friday before closing lower on the day. This week we see a decline on Monday, a failed rally on Tuesday and a decline Wednesday and Thursday to its 20 day SMA. Friday saw a small bounce to end this week down -4.48%. Micron reports Earnings next week on Wednesday after the close.



NFLX daily chart as of Mar 15, 2024 - Netflix saw a new 52 week high last Monday then pulled back to remain in the \$595 to \$615 range the rest of the week. This week we see the horizontal pause continue until Thursday and Friday where we see higher highs and lower lows as Bearish Engulfing candles, ending this week up only 0.18%.



CAT daily chart as of Mar 15, 2024 - Caterpillar saw a pullback on Monday then resumed its rally with higher highs every day that followed, delivering new all time highs on Friday, ending the week up +2.29%.



BA daily chart as of Mar 15, 2024 - Boeing saw a big drop in January, and then paused for about 8 week just above \$200 level support. We can see an inverted Cup-n-handle pattern just above this \$200 support area. Last Friday we see Support Break and BA delivered its lowest close for 2024 that day. This week we see the decline continue even stronger with large gaps down on Monday and Tuesday with lower lows and a lower close every day this week except on Friday when we saw a small bounce, ending the week down -8.04%.

We saw Boeing aircraft in the news nearly every day with different incidents each day. That bad news put a lot of pressure on BA stock and we see that in the charts this week.

We continue to see the Markets react quickly with mostly Emotional Reactions before all the facts have had time to be gathered or reported. It takes time for Markets to regain a more rational behavior. Knowing this and learning to observe these behaviors can help one find high odds trading opportunities that may only last a day or two.

We do not know what will happen next week, nobody does. However, we can study the more common behaviors and be prepared for anything, by using our imagination to work through what we would do and when, for a variety of possible scenarios. Being prepared with a plan, multiple plans, is how we improve our odds of more likely doing the right thing.

I hope this helps.

Trade Smart,

CJ