



## Market Observations - as of April 26, 2024

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

Last week we saw a gap up Monday that reversed and filled its small gap and continued lower with a strong decline all day. Tuesday saw a narrow range pause near the prior day's lows. Wednesday saw a continuation of selling the first half of the day and a failed rally the last half of the day. Thursday saw another failed rally and retest of Resistance before selling off the last half of the day to lower lows for the week then paused near these new lows. Friday saw a gap down and strong selling all day to new lows for April and March. Last week we saw the strongest declining week in the Nasdaq Composite in over 2 years and the strongest in the S&P-500 in one year.

This week we saw a rally Monday and Tuesday followed by a pause on Wednesday that recovered about half of the losses from the prior week. Thursday saw a large gap down (GDP reaction) at the open that quickly reversed and filled most of that day's gap by the close. Friday saw a gap up (PCE reaction) and rally most of the day to recover about 75% of the prior week's decline and found Resistance near the 20 day SMA.

We again saw over-reactions this week to economic news, with a negative reaction to GDP on Thursday morning and a positive reaction to PCE on Friday morning.

The rally this week could be either: a failed rally that is followed by a decline to lower lows next week, or the beginning of a stronger rally that continues higher. A key level to watch next week will be a decisive close above the 20 day SMA. Closing above the 20 day SMA will cause some buyers to be more comfortable re-entering the market. A close above the 50 day SMA will likely cause even more buyers to get back in. Anything can happen, so we prepare with multiple scenarios in mind.

Oil prices rose a little this week while Gold dropped to its 20 day SMA early this week. The US Dollar saw a small decline this week that it reversed on Friday. The 10 year Treasury saw some stronger selling on Thursday with only a small bounce on Friday.

We saw both positive and negative reactions to Earnings this week with several big names reporting.

We saw the Semiconductor Sector leading on most days this week, with a few semis doing most of the heavy lifting while others fell off.

As we look at the charts below, note the strongest names in the strongest sectors as high odds candidates for long positions and the weakest names in the weakest sectors as short position candidates.

Let's look at the charts.



S&P 500 weekly chart as of Apr 26, 2024 - We saw a bounce this week off of the 20 week SMA support. This week's range was smaller than last week, but did recover a major portion of last week's decline.



S&P 500 daily chart as of Apr 26, 2024 - We saw a rally Monday and Tuesday up to the 5057 area (Red dash line) and a pause Wednesday. Thursday gapped down at the open but rallied back up to 5057 where it found Resistance. Friday gapped up and rallied up to within 2 points of its 20 day SMA, ending this week up +2.67%.



S&P 500 15 min. chart as of Apr 26, 2024 - Last week saw a huge decline that closed below its lower weekly Expected Move, the largest Expected Move of the year. This week we saw a rally Monday and Tuesday that close above the upper weekly Expected Move. Wednesday oscillated but again closed above the upper Expected Move. Thursday gapped down at the open then rallied all day to find resistance at 5057 (Red dash line) prior support. Friday gapped up above the upper Expected Move and delivered new highs for the week. This week saw a close above the upper weekly Expected Move, and this week had the 2<sup>nd</sup> largest Expected Move so far this year.

Drawing lines on our chart can help us remember where key levels of prior support or resistance are located, as well as where the weekly Expected Move is located.



DJIA weekly chart as of Apr 26, 2024 - Last week we saw lower lows in the Industrials as the decline slowed just below its 20 week SMA (Yellow). This week we see a small bounce that again closed below the 20 week SMA.



DJIA daily chart as of Apr 26, 2024 - We saw a mild rally on Monday and Tuesday and then a test of the 20 day SMA as Resistance on Wednesday with a small decline. Thursday saw a large gap down with only a small bounce. Friday saw the mild bounce continue to end the week up +0.67%.



Nasdaq weekly chart as of Apr 26, 2024 - We see a strong bounce this week that did not fully recover last week's decline, but did recover about 75% of it, crossing back above the 20 week SMD.



Nasdaq daily chart as of Apr 26, 2024 - We saw a small bounce Monday that failed to exceed the prior day's highs. Tuesday saw the rally continue higher. Wednesday saw a higher high then a pull back to close the day nearly flat. Thursday saw a big gap down and rally that recovered about 75% of that day's gap. Friday saw a gap up and rally to find Resistance near the 20 day SMA, ending the week up +4.23%.



Russell 2000 weekly chart as of Apr 26, 2024 - The Russell rallied from its 200 week to nearly its 20 week SMAs this week, delivering an 'Inside' week that failed to exceed the prior week's highs.



Russell 2000 daily chart as of Apr 26, 2024 - The Russell saw a strong rally on Monday and Tuesday that nearly recovered the entire decline from the prior week. Wednesday saw a small quiet pullback. Thursday saw a gap down and bounce that failed to fill much of that day's gap. Friday saw a rally that failed to exceed the prior highs from Tuesday and Wednesday, ending this week up +2.79%.

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



McClellan Summation Index weekly chart as of Apr 26, 2024 - Last week we saw a large decline to 157.18. This week we see a very small decline to 136.85.



McClellan Summation Index daily chart as of Apr 26, 2024 - Here we can see the sharp decline last week that flattened this week to end this week at 136.85.

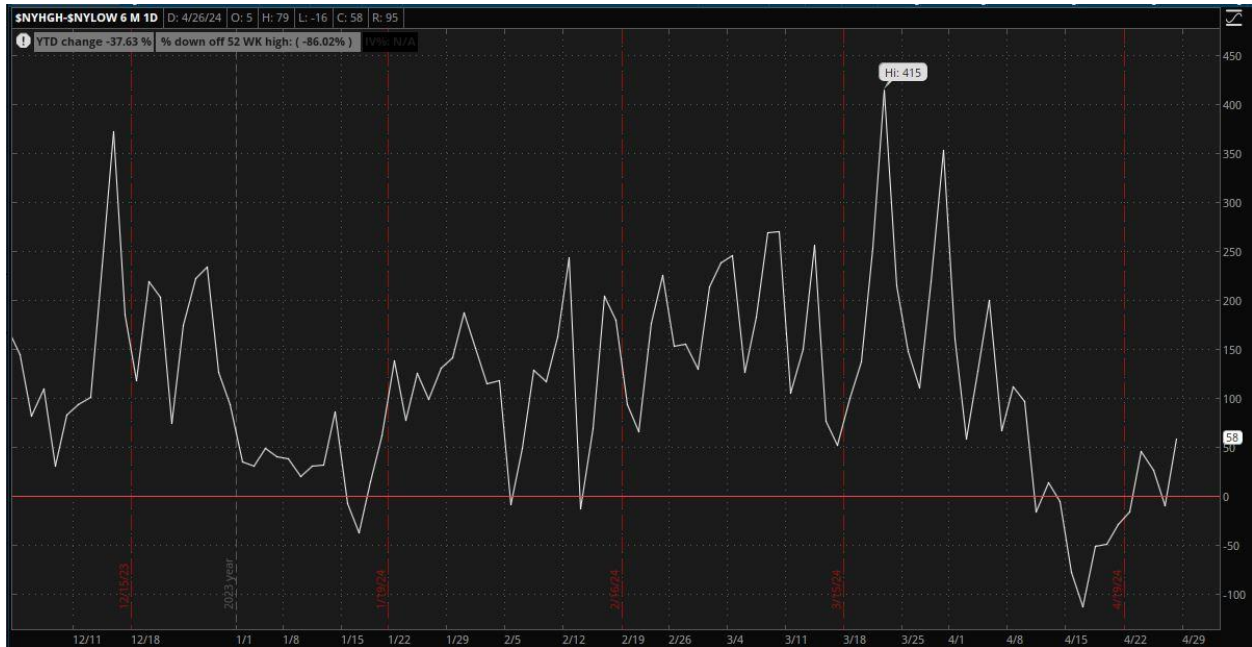


NYSE Percent above 200 day SMA daily chart as of Apr 26, 2024 - Late last week we saw a small bounce up to 62.99%. This week we see the bounce continue higher to over 68% then declined Thursday and bounced a little on Friday to end this week at 66.71%.



NYSE Percent above 50 day SMA daily chart as of Apr 26, 2024 - Last week we saw a dip to about 31% and a bounce to end last week at 6.28%. This week we see the bounce continue up to about 48% then decline Thursday to about 42% and bounced Friday to end this week at 44.96%.





NYSE New Highs - New Lows daily chart as of Apr 26, 2024 - We saw negative values every day last week. This week we saw a -16 on Monday, a +46 on Tuesday, +26 on Wednesday, -10 on Thursday and +58 on Friday.



VIX daily chart as of Apr 26, 2024 - The VIX saw a huge swing last Friday. This week we saw a steady decline every day except for a pause on Wednesday. The VIX nearly reached its 50 day and 200 day SMAs by the end of this week.



VVIX daily chart as of Apr 26, 2024 - The Volatility of the VIX saw a decline on Monday and Tuesday with a pause on Wednesday. Thursday saw a brief peak above its 20 day SMA that declined during the day back below all 3 of its key SMAs. Friday saw a lower low to end the week.

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



Oil daily chart as of Apr 26, 2024 - Oil prices slowly drifted higher this week from \$82 to \$84 while remaining below its 20 day SMA.



Gold daily chart as of Apr 26, 2024 - Gold prices dropped hard on Monday and continued lower Tuesday to its 20 day SMA. The decline paused Wednesday and rose a little on Thursday and Friday as it remained just below its 20 day SMA.



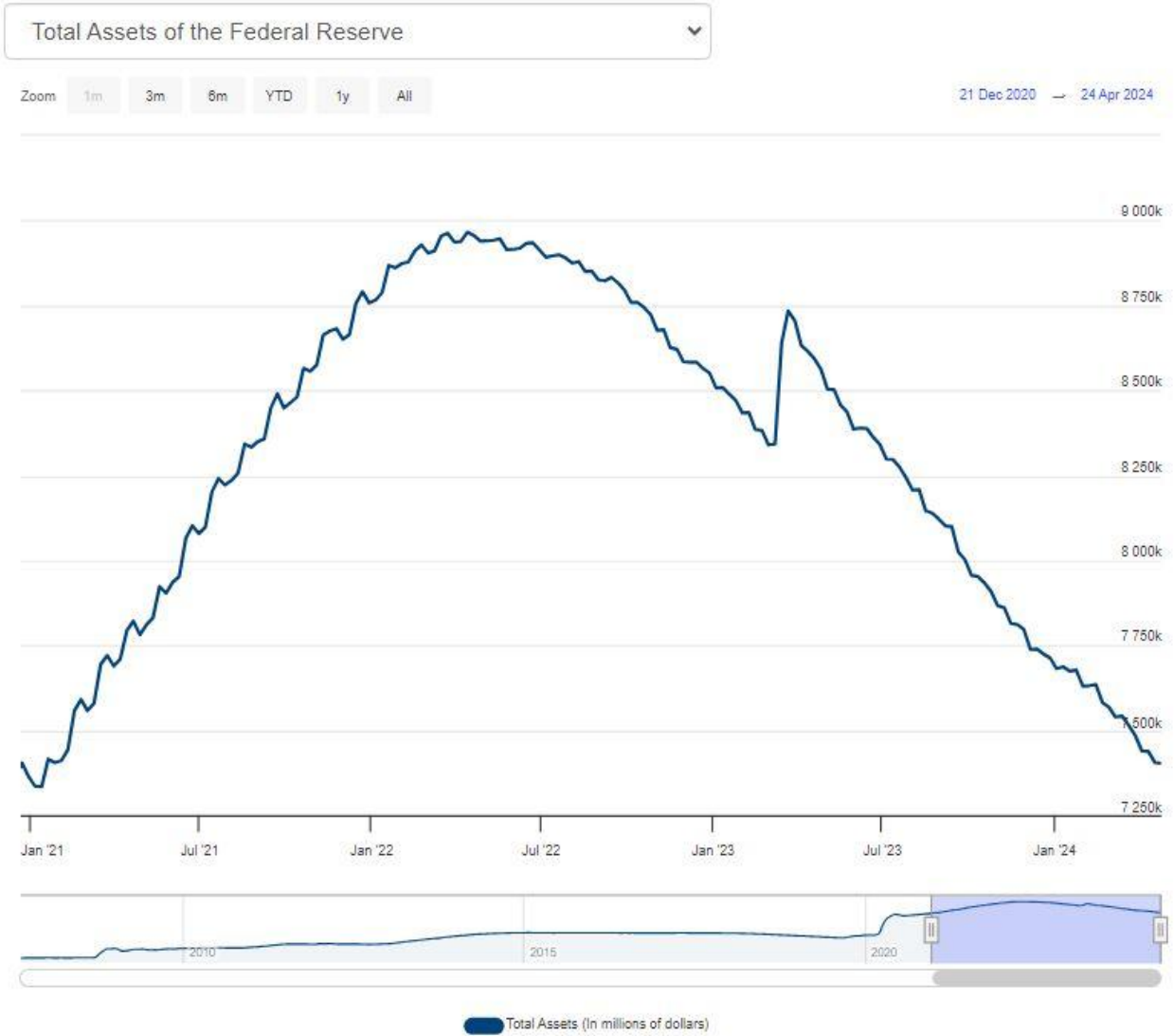
US Dollar Index daily chart as of Apr 26, 2024 - The US Dollar paused Monday, dropped Tuesday, paused Wednesday and dropped a little on Thursday. Friday saw a rally that recovered most of this week's decline in one day.



US 10 year Treasury daily chart as of Apr 26, 2024 - The US 10 year Treasury paused this week then sold off strong on Thursday with volume. Friday saw a small bounce.

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
04/01/2024	5.49	5.47	5.44	5.41	5.36	5.06	4.72	4.51	4.34	4.33	4.33	4.58	4.47
04/02/2024	5.49	5.45	5.42	5.40	5.34	5.05	4.70	4.51	4.35	4.37	4.36	4.61	4.51
04/03/2024	5.47	5.44	5.42	5.40	5.33	5.03	4.68	4.48	4.34	4.36	4.36	4.61	4.51
04/04/2024	5.47	5.49	5.41	5.40	5.32	5.00	4.65	4.46	4.30	4.31	4.31	4.57	4.47
04/05/2024	5.47	5.50	5.43	5.41	5.34	5.05	4.73	4.54	4.38	4.39	4.39	4.65	4.54
04/08/2024	5.48	5.49	5.43	5.41	5.35	5.07	4.78	4.60	4.43	4.43	4.42	4.65	4.55
04/09/2024	5.48	5.49	5.43	5.41	5.34	5.03	4.74	4.52	4.37	4.38	4.36	4.60	4.50
04/10/2024	5.49	5.50	5.45	5.44	5.40	5.19	4.97	4.77	4.61	4.59	4.55	4.76	4.64
04/11/2024	5.48	5.51	5.45	5.44	5.38	5.17	4.93	4.77	4.61	4.60	4.56	4.77	4.65
04/12/2024	5.48	5.50	5.45	5.42	5.36	5.13	4.88	4.70	4.54	4.53	4.50	4.73	4.61
04/15/2024	5.49	5.51	5.45	5.44	5.38	5.16	4.93	4.78	4.65	4.65	4.63	4.85	4.74
04/16/2024	5.49	5.51	5.45	5.44	5.39	5.18	4.97	4.83	4.69	4.69	4.67	4.88	4.77
04/17/2024	5.49	5.49	5.45	5.44	5.38	5.16	4.93	4.77	4.62	4.61	4.59	4.81	4.71
04/18/2024	5.49	5.52	5.46	5.44	5.39	5.18	4.98	4.83	4.68	4.67	4.64	4.85	4.74
04/19/2024	5.49	5.51	5.45	5.44	5.39	5.17	4.97	4.81	4.66	4.65	4.62	4.83	4.72
04/22/2024	5.49	5.50	5.42	5.44	5.39	5.16	4.97	4.81	4.66	4.65	4.62	4.84	4.72
04/23/2024	5.49	5.50	5.45	5.44	5.39	5.14	4.86	4.76	4.63	4.62	4.61	4.84	4.73
04/24/2024	5.49	5.50	5.46	5.44	5.40	5.17	4.89	4.78	4.64	4.66	4.65	4.88	4.78
04/25/2024	5.48	5.51	5.47	5.46	5.41	5.21	4.96	4.85	4.70	4.71	4.70	4.93	4.82
04/26/2024	5.48	5.51	5.46	5.45	5.40	5.21	4.96	4.84	4.68	4.68	4.67	4.89	4.78

US Yield Rates daily table as of Apr 26, 2024 - The short terms saw little change this week while the mid-term and long-term yields paused the first 2-3 days this week then shot up higher on Thursday with only a small decline seen on Friday.



FOMC Balance Sheet Weekly chart as of Apr 24, 2024 - The Fed decreased its Balance Sheet this week by only \$3.072 Billion to a new Total Assets of \$7.402434 Trillion.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of Apr 26, 2024 - The Transports saw strong selling the prior 2 weeks then saw a bounce this week on Monday and Tuesday to find Resistance near its 200 day SMA. Wednesday saw a sell off to return most all of this week's gains the prior two days. Thursday saw a rally that failed to reach the prior day's highs. Friday saw some selling to end the week up +0.58% but still below all 3 of its key daily SMAs.



XLE daily chart as of Apr 26, 2024 - The Energy sector rallied up to its 20 day SMA on Monday then straddled that SMA the next three days. Friday saw a decline below the 20 day SMA to end the week up +0.81%.



XLF daily chart as of Apr 26, 2024 - The Financial sector continued higher Monday above its 50 day SMA and Tuesday above its 20 day SMA. Wednesday saw a pause then a small decline Thursday that briefly dipped below its 20 day and 50 day SMAs before bouncing and ending the day nearly at its 20 day SMA. Friday saw a higher high, higher low but a lower close 3 cents below its 20 day SMA, up +1.09% for the week as the 20 day and 50 day SMAs are about to converge.



QQQ daily chart as of Apr 26, 2024 - The Nasdaq-100 ETF saw a small bounce Monday then continued higher Tuesday and early Wednesday before pulling back a little. Thursday saw a gap down and rally to recover about 75% of the opening gap. Friday saw a gap up and rally that peaked about 50 cents shy of the 20 day SMA, ending the week up +3.94%.





SOXX daily chart as of Apr 26, 2024 - The Semiconductor sector saw a small bounce Monday that continued higher with higher highs and a higher close every day this week, ending the week above its 20 day SMA, up +9.33% for the week.



XLC daily chart as of Apr 26, 2024 - The Communication Services sector paused its decline on Monday then rallied above its 50 day SMA on Tuesday. Wednesday saw a higher high and higher close but failed to reach its 20 day SMA. Thursday saw a gap down thanks to negative reactions to Earnings from META and CMCSA. Friday saw a gap up thanks to positive reactions to Earnings from GOOGL and SNAP. The XLC ended the week up +0.81%.

INDEXes	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
SECTORs	3/15/2024	3/22/2024	3/28/2024	4/5/2024	4/12/2024	4/19/2024	4/26/2024
\$SPX	-0.13%	2.29%	0.39%	-0.95%	-1.56%	-3.05%	2.67%
\$INDU	-0.02%	1.97%	0.84%	-2.27%	-2.37%	0.01%	0.67%
\$COMPQ	-0.70%	2.85%	-0.30%	-0.80%	-0.45%	-5.52%	4.23%
\$NDX	-1.17%	2.98%	-0.46%	-0.80%	-0.58%	-5.36%	3.99%
\$RUT	-2.08%	1.60%	2.54%	-2.87%	-2.92%	-2.77%	2.79%
QQQ	-1.16%	3.01%	-0.53%	-0.80%	-0.50%	-5.39%	3.94%
\$TRAN	-1.40%	3.31%	1.25%	-1.80%	-2.65%	-2.67%	0.58%
XLE	3.84%	1.73%	2.18%	3.89%	-1.99%	-1.21%	0.81%
XLF	0.42%	1.93%	1.69%	-1.31%	-3.63%	0.80%	1.09%
XLK	-0.83%	2.25%	-0.78%	-0.87%	-0.50%	-6.27%	3.79%
SOXX	-4.11%	3.16%	0.21%	-1.90%	-1.61%	-9.02%	9.33%
XLV	-0.73%	0.42%	1.57%	-3.05%	-3.01%	0.03%	0.73%
XLY	-1.25%	2.85%	0.64%	-2.75%	-0.97%	-4.15%	3.62%
XRT	-0.01%	2.35%	2.28%	-5.47%	-3.74%	-0.99%	2.97%
XLI	-0.21%	2.91%	0.60%	-0.23%	-2.20%	-1.98%	1.82%
XLU	-0.45%	1.46%	2.80%	-0.75%	-1.47%	1.92%	1.16%
XME	-3.50%	2.70%	4.04%	2.89%	-1.00%	-0.81%	-0.08%
XLP	0.49%	0.88%	0.95%	-2.66%	-1.28%	1.44%	1.54%
XLB	1.62%	0.99%	1.66%	-0.13%	-3.07%	-1.07%	0.63%
XLC	-0.38%	3.47%	-0.20%	1.05%	-1.44%	-2.29%	0.81%
XHB	0.41%	4.97%	1.22%	-2.69%	-4.01%	-3.91%	3.55%

Weekly Percent Change US Indexes and Sectors table as of Apr 26, 2024 - Note the strongest gains this week were seen in the Nasdaq Composite and the Nasdaq-100. The smallest gains this week were seen in the Dow Industrials and Transports.

We saw mixed reactions to Earnings this week with negative reactions to META and positive reactions to TSLA, MSFT and GOOGL.

The strongest Sector this week was the SOXX by a large margin (+9.33%) followed by QQQ, XLK, XLY and XHB that all had over +3% gains this week.

The SOXX was also the weakest sector last week. And this week we see it as the strongest sector on Monday, Wednesday and Thursday, the 2<sup>nd</sup> strongest on Friday and the 3<sup>rd</sup> strongest on Tuesday. It seems that the SOXX may lead its sector in either direction. Semiconductor stocks that reported Earnings this week included: TXN and KLAC with positive reactions and INTC with a negative reaction. Next week we will see NXPI, AMD and QCOM report Earnings.

The weakest sectors this week included: XME (the only negative loss this week), the Transports, XLB and XLV who all delivered less than a +0.75% gain this week.

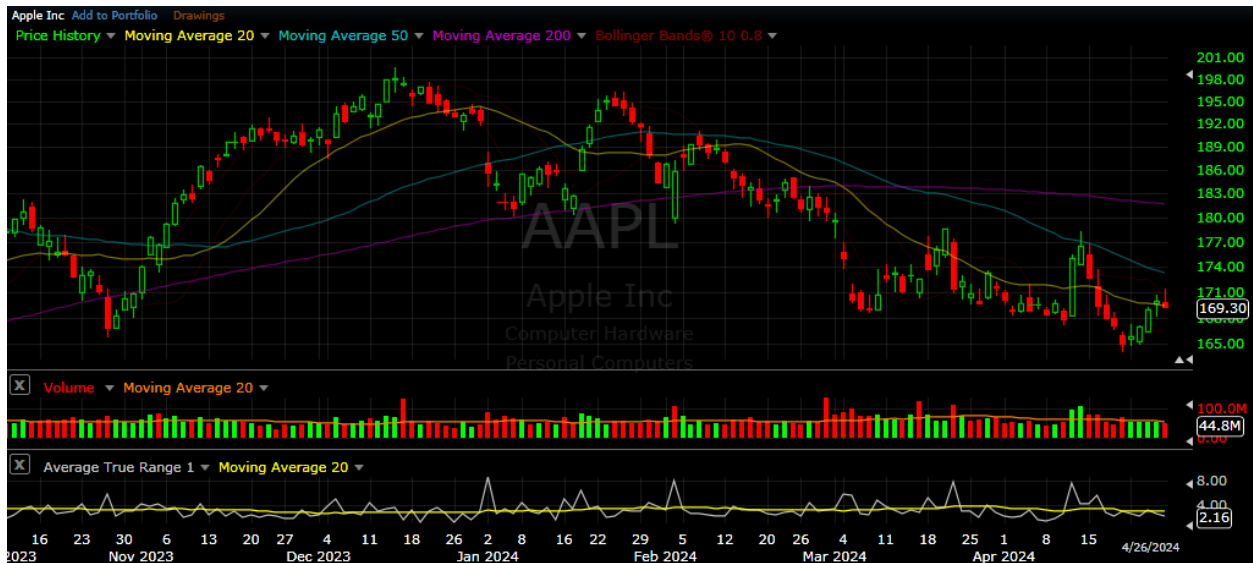
	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
INDEXes	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day	End of Day
SECTORS	04/15/24	04/16/24	04/17/24	04/18/24	04/19/24	04/22/24	04/23/24	04/24/24	04/25/24	04/26/24
\$SPX	-1.20%	-0.21%	-0.58%	-0.22%	-0.88%	0.87%	1.20%	0.02%	-0.46%	1.02%
\$INDU	-0.65%	0.17%	-0.12%	0.06%	0.56%	0.67%	0.69%	-0.11%	-0.98%	0.40%
\$COMPQ	-1.79%	-0.12%	-1.15%	-0.52%	-2.05%	1.11%	1.59%	0.10%	-0.64%	2.03%
\$RUT	-1.37%	-0.42%	-0.99%	-0.26%	0.24%	1.02%	1.79%	-0.36%	-0.72%	1.05%
QQQ	-1.65%	0.01%	-1.22%	-0.57%	-2.07%	1.01%	1.50%	0.34%	-0.48%	1.54%
\$TRAN	-0.71%	-0.92%	-1.70%	-0.26%	0.92%	0.93%	1.39%	-2.32%	1.45%	-0.82%

Daily Percent Change US Indexes table as of Apr 26, 2024 - The Dow Industrials were the weakest 3 days this week and the Dow Transports were the weakest on two days this week. The Nasdaq Composite was the strongest on Monday and Friday this week, with the QQQ the strongest on Wednesday. Only the Transports were positive on Thursday while all the other indexes were negative that day. This reversed on Friday when only the Transports were negative that day. Interesting.

Next we will look at a few key Stocks.



MSFT daily chart as of Apr 26, 2024 - Microsoft saw a mild rally Monday, Tuesday and Wednesday then a large gap down and small bounce Thursday before reporting Earnings after the close. Friday saw a gap up (after Earnings) and rally to nearly its 50 day SMA then slowly sold lower during the day to end the week up +1.80%.



AAPL daily chart as of Apr 26, 2024 - Apple saw strong selling last week down to new 2024 lows. This week we see a mild rally Monday and Tuesday then a stronger gain on Wednesday nearly to its 20 day SMA. Thursday saw higher highs above the 20 day SMA that continued higher Friday before selling lower to close just below its 20 day SMA, up +2.61% for the week. Apple reports Earnings next week on May 2<sup>nd</sup>.



NVDA daily chart as of Apr 26, 2024 - Nvidia saw a sharp decline last week. This week we see a small bounce Monday followed by higher highs every day this week except on Thursday. Tuesday saw a gap up and Rally, Wednesday saw a gap up and sell off all day. Friday saw a gap up and strong rally above its 50 day and 20 day SMAs. Nvidia ended the week up +15.14% and is now above all 3 of its key daily SMAs.



AMZN daily chart as of Apr 26, 2024 - Amazon saw strong selling last week that paused Monday of this week near its 50 day SMA. Tuesday saw a small rally above its 50 day SMA that was sold off Wednesday below its 50 day SMA. Thursday saw a gap down and small bounce. Friday saw a gap up and rally back above its 50 day SMA to end the week up +2.86%. Amazon reports Earnings next week on April 30<sup>th</sup>.



GOOGL daily chart as of Apr 26, 2024 - Alphabet saw a rally off of its 20 day SMA support on Monday, Tuesday and Wednesday this week. Thursday saw a large gap down and rally back above its 20 day SMA before reporting Earnings after the close. Friday saw a large gap up to new all time highs that sold off a little during the day to end the week up +11.59%.



META daily chart as of Apr 26, 2024 - Meta sold off the prior two weeks then saw a pause on Monday this week near last week's lows. Tuesday saw a small rally above its 50 day SMA that gapped up Wednesday above its 20 day SMA before selling lower all day, crossing back below its 20 day and 50 day SMAs before reporting Earnings after the close. Thursday saw a large gap down (post Earnings) with only a small bounce. Friday paused near the prior day's highs to end this week down -7.85%.



TSLA daily chart as of Apr 26, 2024 - Tesla continued lower Monday to new 2024 lows. Tuesday saw a small rally and higher close before reporting Earnings after the close. Wednesday saw a strong gap up and briefly broke above its 20 day SMA but closed below. Thursday saw a rally to higher highs and a higher close. Friday briefly saw a higher high but sold lower to pause near the prior day's close, ending this week up +14.44%.

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	-5.39%	3.94%
MSFT	-5.40%	1.80%
AAPL	-6.54%	2.61%
NVDA	-13.59%	15.14%
AMZN	-6.18%	2.86%
GOOGL	-2.31%	11.59%
META	-6.02%	-7.85%
TSLA	-14.03%	14.44%

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 the strongest stock this week was NVDA, and it did not report Earnings this week. The 2<sup>nd</sup> strongest was TSLA and the 3<sup>rd</sup> strongest this week was GOOGL, both saw positive reactions to Earnings this week.

This makes NVDA's strength this week even more notable after it saw a negative decline last week. We don't worry about the 'why' a stock moves, we simply study its behaviors to be able to recognize when a high odds opportunity exists and then try to take advantage of those opportunities.



JPM daily chart as of Apr 26, 2024 - JP Morgan saw a dip the prior two weeks than a bounce began late last week. The bounce continued this week with a higher high and higher close every day this week, crossing above its 50 day SMA on Monday and above its 20 day SMA on Wednesday. JPM ended the week up +4.14%.



GS daily chart as of Apr 26, 2024 - Goldman Sachs hovered just below its 20 day SMA last week then rallied on Monday above its 20 day SMA and continued higher Tuesday. Wednesday saw an 'Inside' day pause followed by a small dip on Thursday. Friday saw a strong rally to new all time highs, ending the week up +5.83% and is now above all 3 of its key daily SMAs.





COST daily chart as of Apr 26, 2024 - Costco saw a small decline last week then began a rally Monday with higher highs seen every day this week and a higher close every day but on Thursday. COST ended the week with a test of its 50 day SMA, up +2.94% for the week.



AMD daily chart as of Apr 26, 2024 - AMD has seen a 3 week decline that changed this week with a small bounce Monday that continued with higher highs on Tuesday and Wednesday before pulling back late Wednesday and early Thursday. Friday closed a little higher to end the week up +7.34%. AMD reports Earnings next week on April 30<sup>th</sup>.



MU daily chart as of Apr 26, 2024 - Micron saw a sharp decline last week. That ended Monday this week with a higher close. We saw higher highs every day that followed except on Thursday. Friday saw another small gain to end the week up +7.56%.



INTC daily chart as of Apr 26, 2024 - Intel has seen 3 weeks of decline before this week. This week began with a pause Monday and Tuesday then a small failed rally Wednesday. Thursday saw a small rally to a higher high before reporting Earnings after the close. Friday saw a strong gap down to new 2024 lows, ending the week down -6.78%.



NFLX daily chart as of Apr 26, 2024 - Netflix had been mostly horizontal for about a month and a half before reporting Earnings last week and seeing a gap down last Friday after reporting. This week we do not see follow through lower but a mostly horizontal reaction, ending this week up +1.12%.



CAT daily chart as of Apr 26, 2024 - Caterpillar saw a decline the prior two weeks that paused this Monday then rallied up to its 20 day SMA and briefly above its 20 day SMA on Wednesday before closing back below. CAT reported Earnings on Thursday before the open and saw a gap down Thursday below its 50 day SMA. Friday saw a small bounce to end the week down -3.18%.



BA daily chart as of Apr 26, 2024 - Boeing has been in a sharp decline most of this year. We saw a pause last week near the new lows for 2024. This week we saw that pause continue Monday and Tuesday before reporting Earnings Wednesday before the open. The Initial reaction Wednesday at the open was up to nearly its 20 day SMA then sharply and quickly down all day. The decline continued lower early Thursday before finding support near \$159.70 then rallied up to \$168. Friday saw a pause near the prior day's close to end this week down -1.53%.

We are still in the peak of Earnings Season, so keep an eye on any holdings that may be affected.

We saw reactions to Earnings and to Economic news this week in either direction. With most news events we often see the markets return to where they were just before that news came out. We saw that this week with the negative reaction to GDP Thursday morning that was mostly recovered by the close that day. Strong reactions to Earnings usually main in place for a while and may take a lot longer to recover (weeks to months).

Watching the major Indexes (S&P and Nasdaq) next week, and if they continue higher and close above their 20 day SMAs will be a key level. Also the 50 day SMA for similar reasons. Buyers become more confident buying stocks above these key SMAs if they feel a bullish trend is established. Likewise, if we see these indexes fail to close above these key SMAs, then all eyes will see what we see, and that may encourage the Bears to sell a failed rally. Anything CAN happen, so we prepare for multiple scenarios so that we will take the appropriate action when we see the confirming evidence in the charts.

Trade Smart,

CJ