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Weekend Report for Monday, October 30

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Bottom Line:

The current market environment is uncertain and likely to be volatile. This presents great opportunity, but it is also not the time to use large leverage. Could the US (and world) indices crash? Absolutely! But they could also open down Monday and scream 2% higher during the day.

This is a time to know thyself. If you are an inexperienced and/or undercapitalized trader you **MUST** be patient, not panic or chase, and take trades that have defined risk and that **YOU** understand.

There is infinite opportunity; we have a finite amount of money.

Be standing when the market is in a position you recognize and fits your risk parameters.

Oh, ignore 99.9% of Twitter/YouTube, etc....



SPX

The SPX has reached a downside KRA.

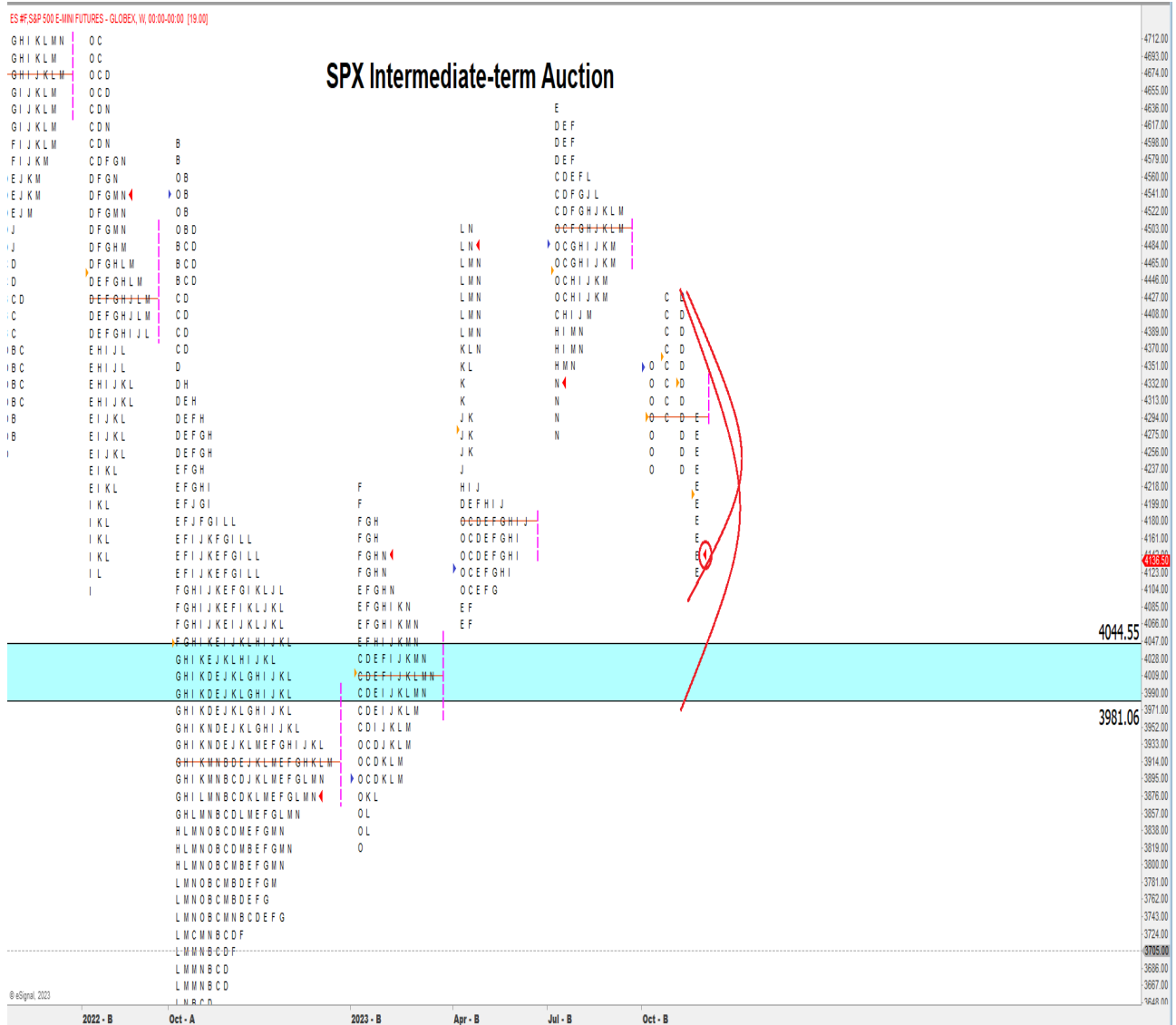
Upper KRA: 4233

Lower KRA: 4496-4047



SPX - Intermediate-term Auction

Potential Auction paths...



NDX

The NDX does not have any objective support from an Auction Market perspective until much lower. This does NOT mean it has to trade sharply lower, but there is nothing structurally to keep it from doing so.

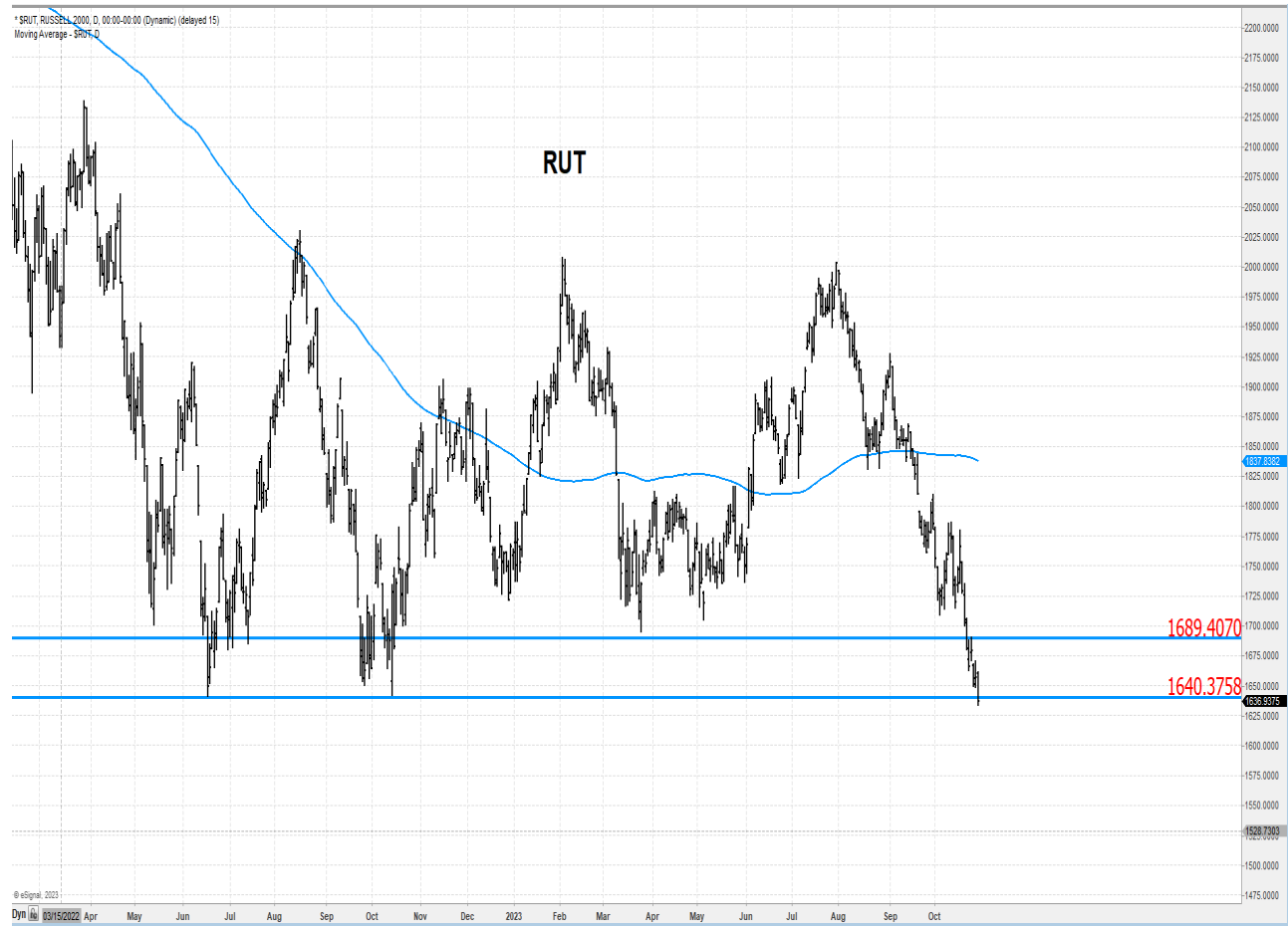
Upper KRA: 14600



RUT

The RUT is in the abyss.

Upper KRA: 1689



DOW

Lower KRA: 32827-32583



Internals

Internals to hover around the upper cusp of “extreme”. It can get a LOT more extreme.



VIX

VIX is hanging around recent highs, but nothing extreme - yet.



US 10-yr Notes

NO Change: Notes/bonds have been relentlessly lower. The trend is most certainly down but be alert for a potentially sharp retracement at anytime.



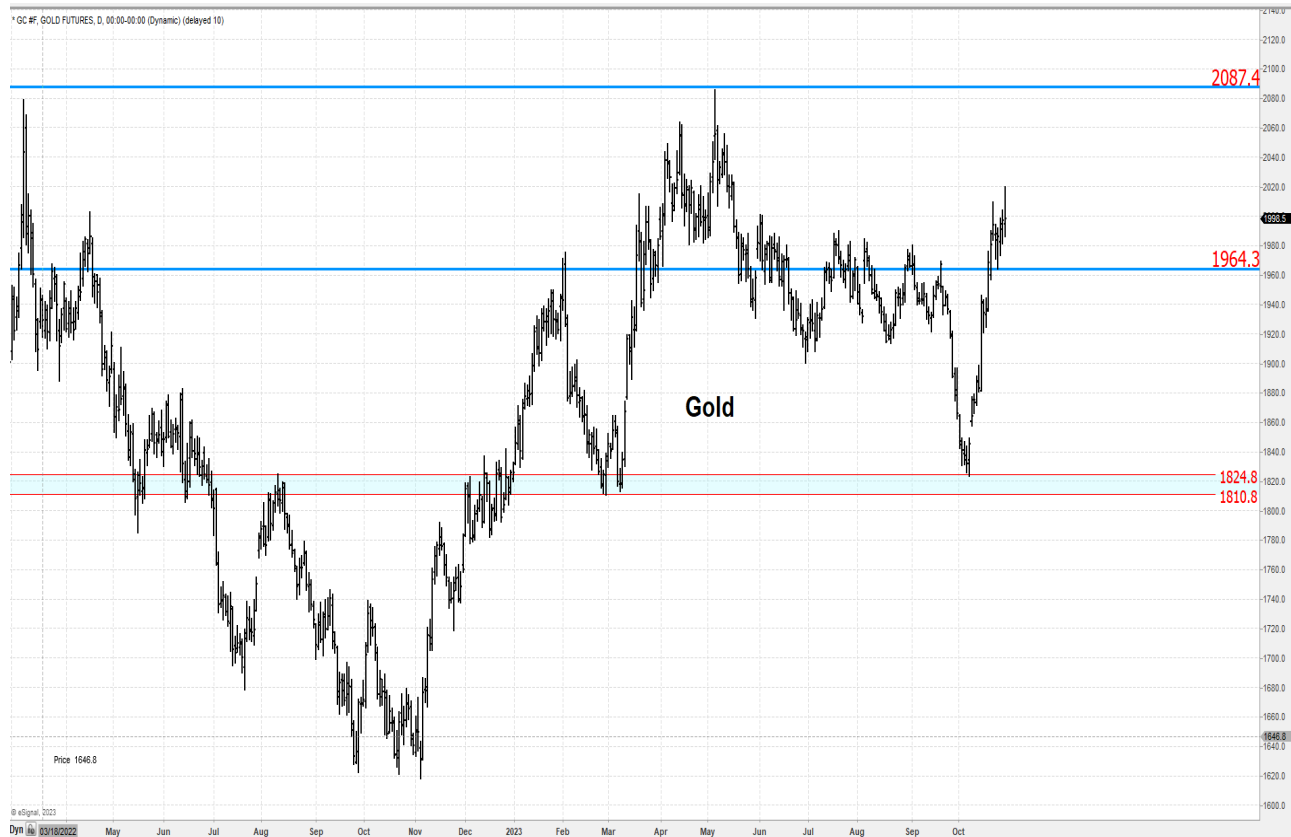
US Dollar

No change: *The US Dollar has been a persistent, two-sided grind higher since the end of July. My guess (emphasis guess) is to favor shorts against the recent high.*



Gold

No change: *Gold is about as vertical as a contract gets. Favor longs, but there is no graceful entry and this contract could pull back sharply in a retracement at anytime.*



Crude

No change: Obviously, Crude is likely to be wildly volatile for a while. Be aware of that. 81.70 is the key downside level.

