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Weekend Report for Monday, May 13

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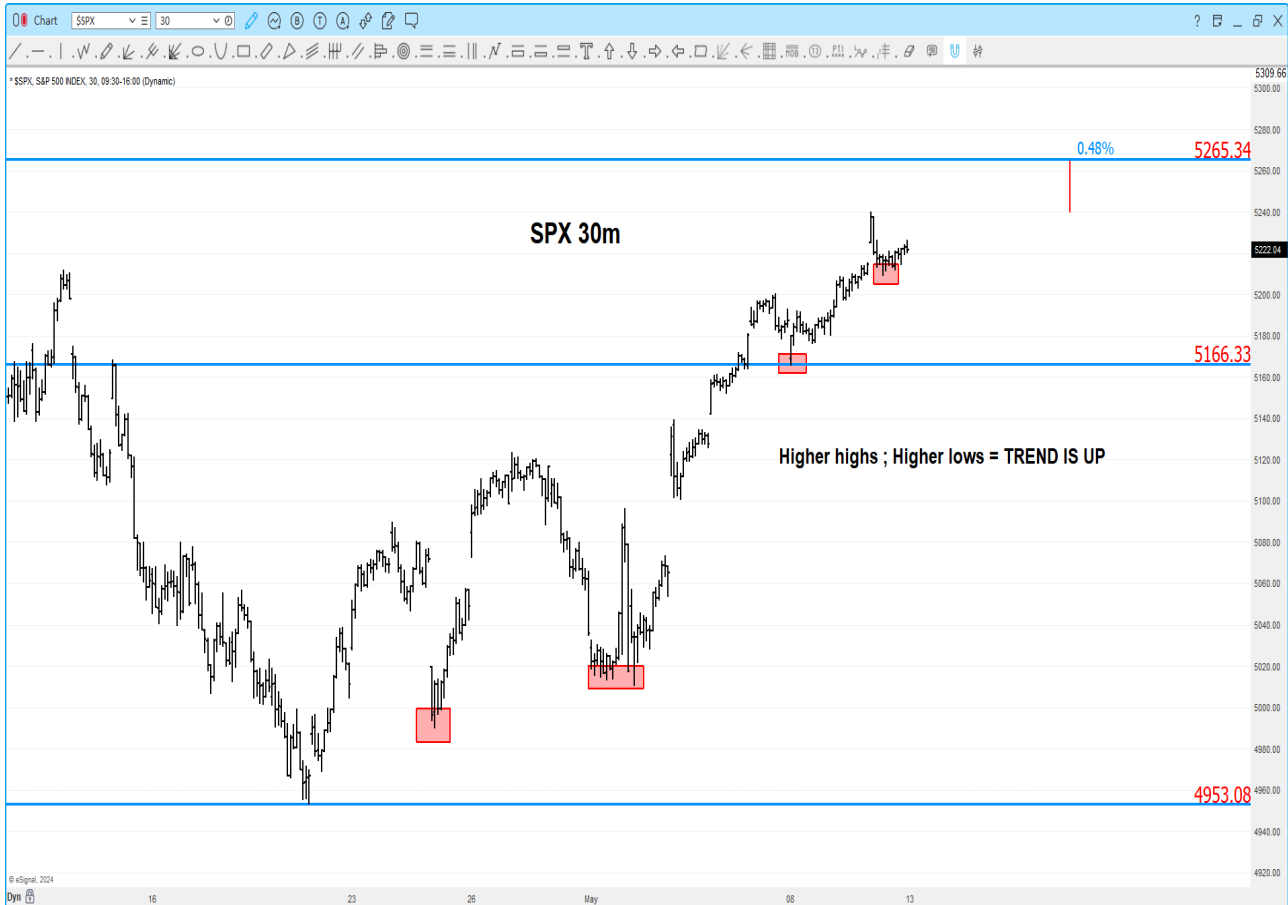
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Bottom Line:

The trend is up in the US stock indices in all degrees of time.

Here is the most important, and frankly only the only relevant from a trading perspective information, you need to know:



SPX

Upper KRA: 5265

Lower KRA: 5166

A close below 5166 would be the initial signal of a potential change in trend on an intermediate to longer time frame.



NDX

Upper KRA: 18465

Lower KRA: 17985

A close below 17985 would be the initial signal of a potential change in trend on an intermediate to longer time frame.



DOW

Upper KRA: 39890

Lower KRA: 38814

The DOW has closed higher eight consecutive days. You know what that means? Nothing. It's trivia. Bull runs typically have streaks like this.

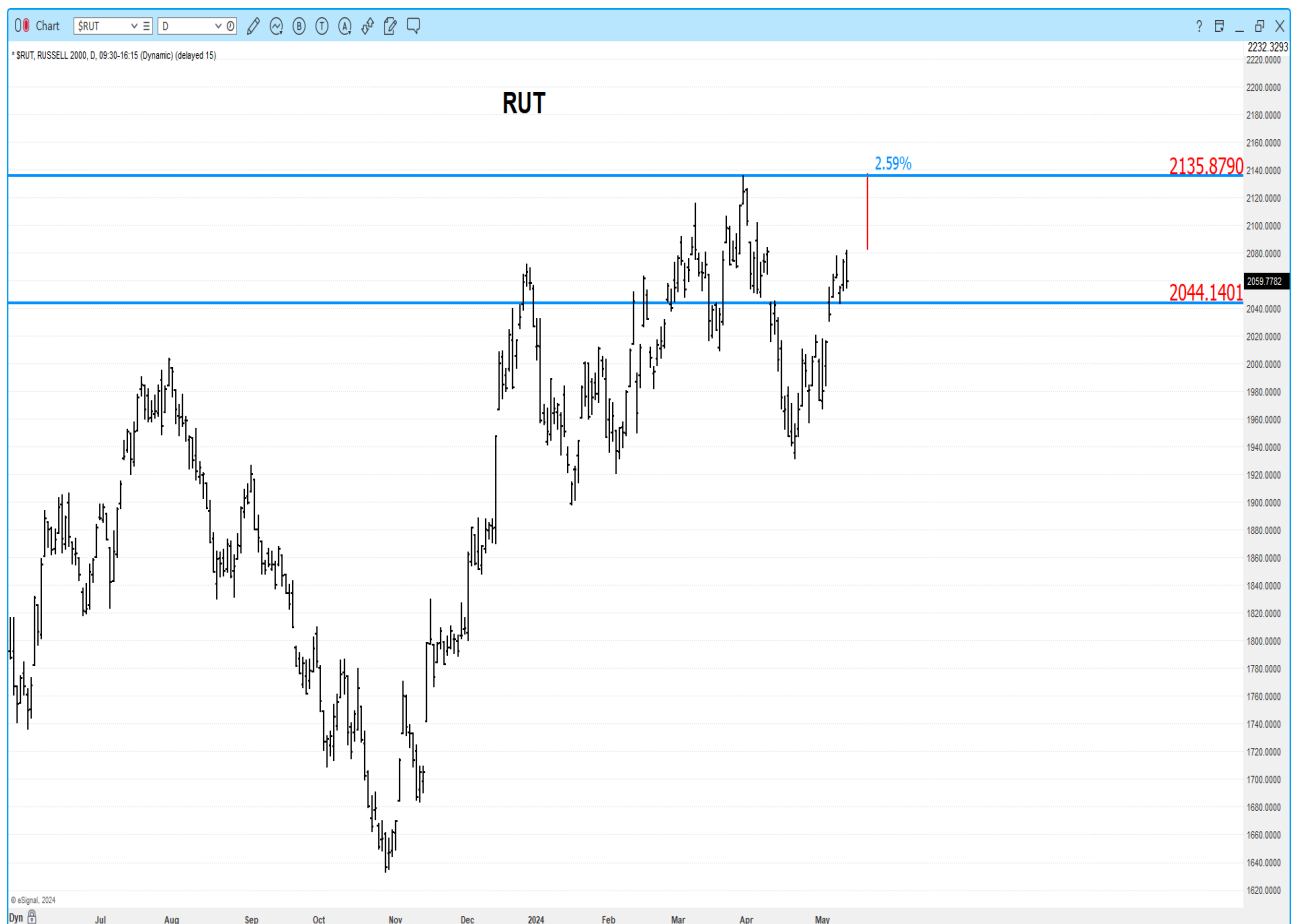


RUT

Upper KRA: 2136

Lower KRA: 2044

The Russell 2000 is part of the “other” economy and continues to be an outlier. It gapped up on Friday but reversed and closed near its lows.



New York Composite

Upper KRA: 18342

Lower KRA: 17918

The New York Composite is an index of all companies listed on the New York Stock exchange. It is confirming the trend of the SPX, NDX and DOW.



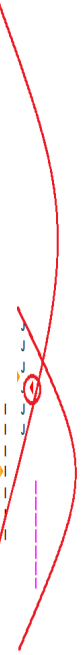
SPX Profile

Market Profile is a graphing format that gives a unique perspective of price behavior. It highlights trade activity on the horizontal scale of the chart. In doing so, it provides a visual display of the Auction Market Process. The Auction Market Process of Development is a three-step process of price behavior that occurs in all degrees of time - 1) Trend; 2) Stop ; 3) Develop.

The May auction is not even one-half over and it is already extremely vertical. This will inevitably transition into Balance. The indices are highly unlikely to continue higher at the current rate of change. The SPX is in Step 1 of the Auction Market Process of Development. My guess is that it is close (time-wise) to ending and we will soon begin to see more day-to-day development (Balance).

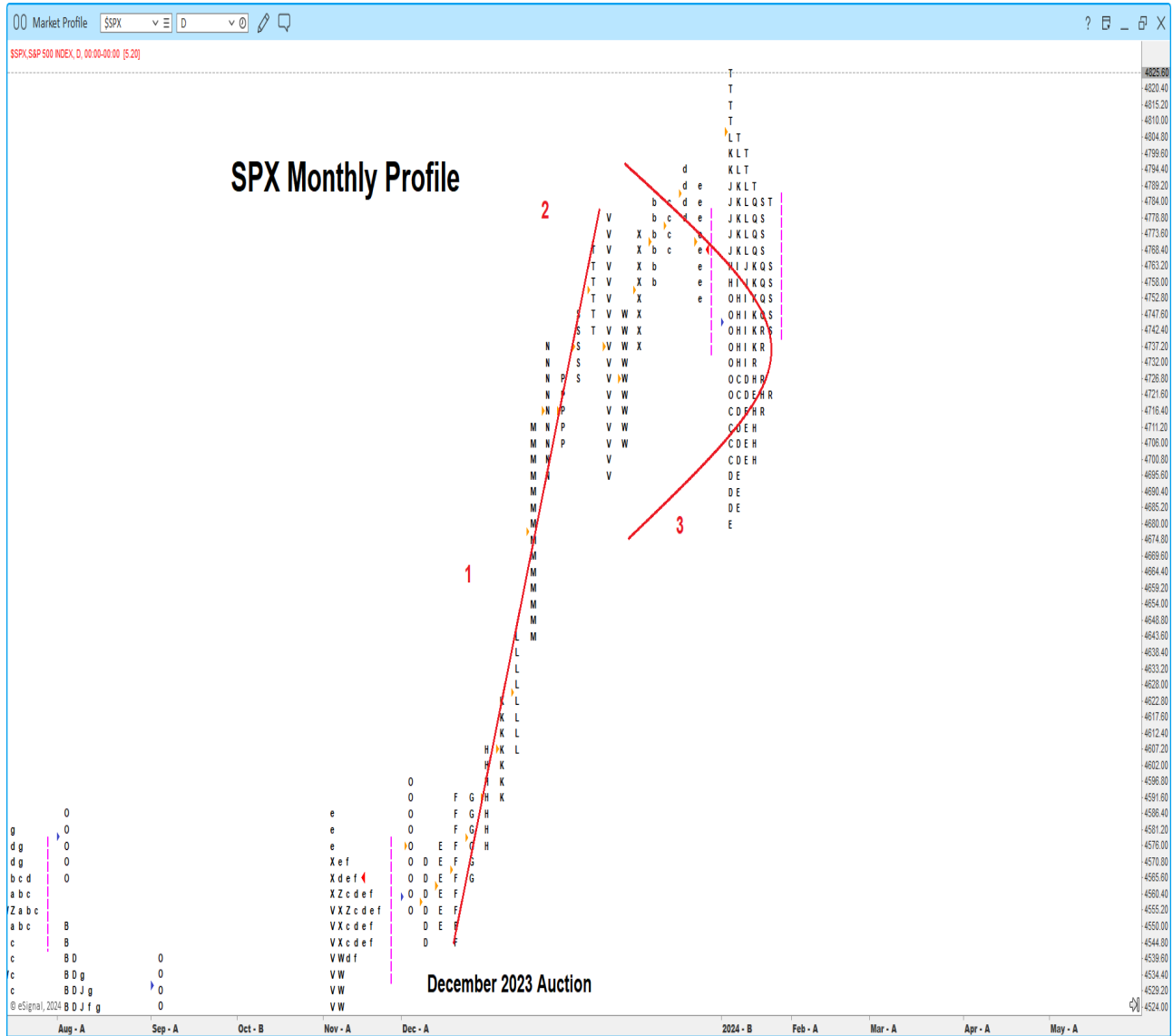
SPX Monthly Profile

Wd	O
Wd	OD
WXcd	OD
WXc	OD
Xbc	OD
VXabc	OCD
Vabc	CDEI
Vabc	CDEHI
Vb	BCDEHIK
Vb	BCDEHIK
V	BCDEHIK
HV	BDEIK
HV	BDEIK
HLMNSTV	DEIJKLP
HLMNSTV	DEIJKLP
GHLMNST	DEIJKLP
GHLMNST	DEIJKLP
DGHLMNST	DJJKLP
DGHLNST	DJJKLP
ODGHLNPT	JKLP
ODGHLNPT	LP
ODFGHKLWP	LPe
OFHKL	LPe
Y	OEFKLP
Ye	OEFKLP
Ybe	OEFK
XYbe	OEFK
XYbe	E
XYbcde	E
Xbcde	E
Xbcde	E
Xcde	E
Xc	E
LX	QRSYZaf
LQX	QRSXYaf
LPQ	RSXYaf
ILPQ	RSXYa
ILPQ	RSTXa
ILPQ	RSTXa
IPQ	RSTXa
GHNVPQ	STXa
GHN	TXa
GHN	TXa
GHN	TX
GHN	TX
BGNVW	TX
BGMNVW	TX
BMN	T
RFMN	T



5333.04
5328.56
5320.08
5313.60
5307.12
5300.64
5294.16
5287.68
5281.20
5274.72
5268.24
5261.76
5255.28
5248.80
5242.32
5235.84
5229.36
5222.88
5216.40
5209.92
5203.44
5196.96
5190.48
5184.00
5177.52
5171.04
5164.56
5158.08
5151.60
5145.12
5138.64
5132.16
5125.68
5119.20
5112.72
5106.24
5099.76
5093.28
5086.80
5080.32
5073.84
5067.36
5060.88
5054.40
5047.92
5041.44
5034.96
5028.48
5022.00
5015.52
5009.04
5002.56
4996.08
4989.60
4983.12
4976.64
4970.16
4963.68
4957.20

Last December's Auction was similar to the one we are in now. It went vertical (Step 1) into mid December, then stopped (Step 2) and chopped and churned in a Balance Area (Step 3) for the next several weeks.



Internals

NYSE data, VIX and Volume are all things I watch as part of the puzzle. At the moment PRICE ACTION and the Auction Market Process of Development offer the best guide.

I'll update the above when they become more relevant.

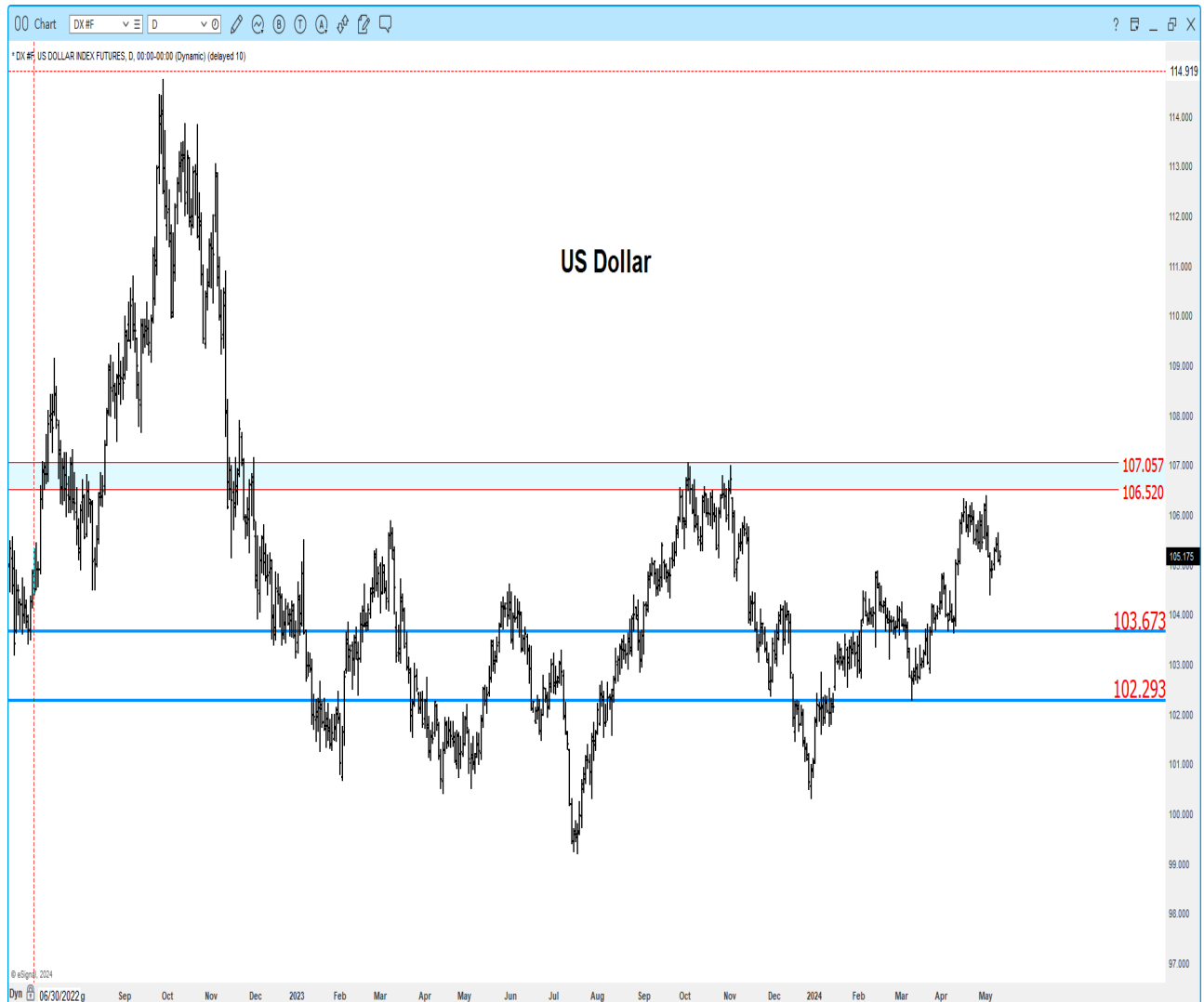
US 10-yr Notes

Notes are in a long-term downtrend.



US Dollar

No change: The Dollar is just below a critical intermediate term KRA.



Gold

2258-2221 is the critical downside KRA in Gold.



Crude

Crude is testing an intermediate term KRA.

