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Weekend Report for Monday, July 14

Bottom Line:

From last weekend's update:

The immediate levels that are important are highlighted on the charts. This is a wonderful time NOT to overthink this; let price action be your guide.

The predominant assumption appears to be that the current spate of divergences is signaling a top of significance. This may be true, BUT…..if these divergences resolve themselves differently than most are assuming they will then we could actually see acceleration UP very soon.

So, back to actual price action. ***If the DOW, RUT, NYA begin taking out upside levels it is likely the current divergences are going to resolve bullishly.***

The broadening of the rally in the US stock market as evidenced by the late week strength in the DOW, RUT, NYA and equal weight SPX is potentially quite bullish.

IF the bullish thesis is correct last week's lows in the primary indices should hold on any retracement.

SPX

Upper KRA: 5656
Lower KRAs: 5578; 5448

NDX

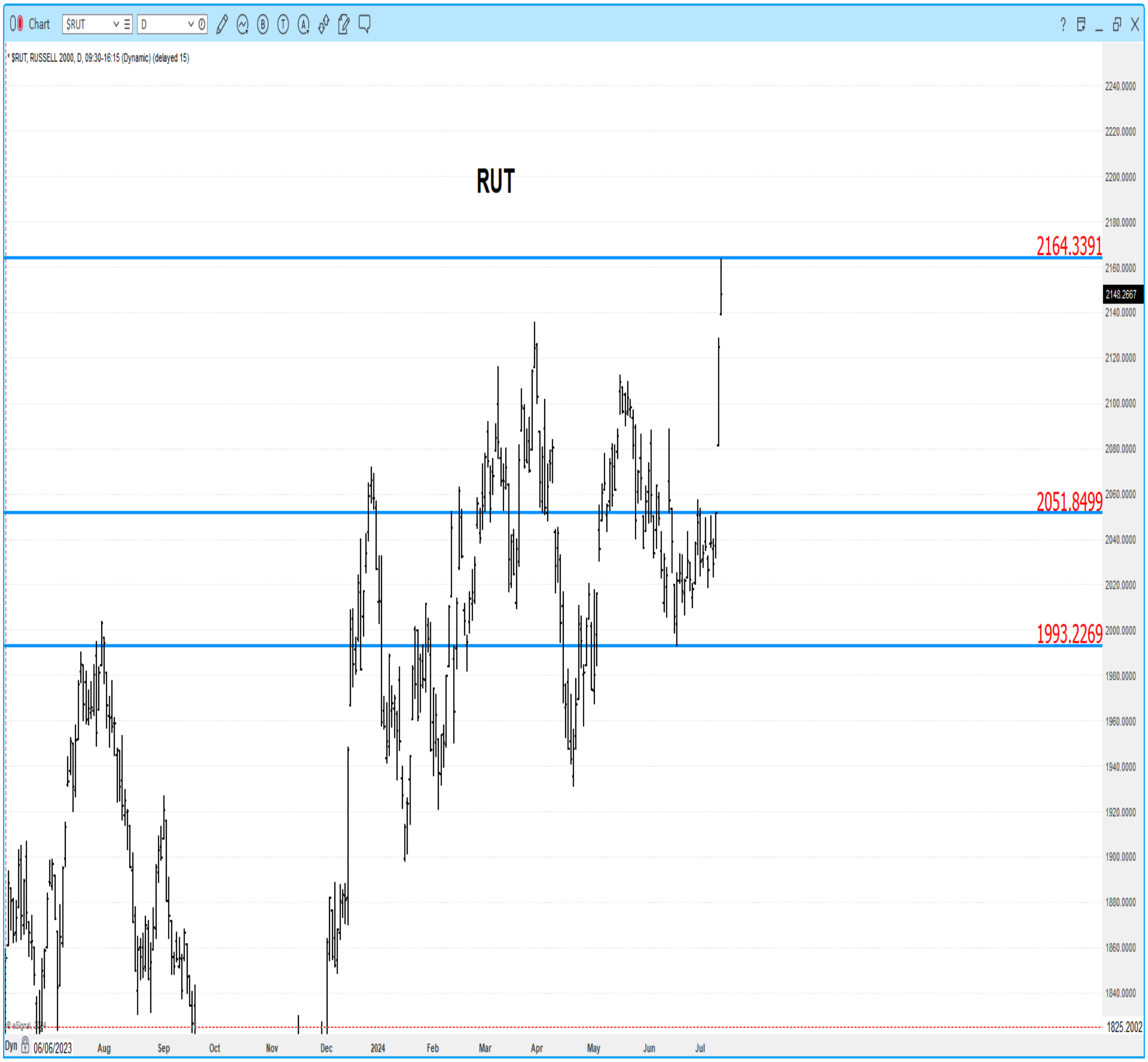
Upper KRA: 20690
Lower KRA: 20165

DOW

Upper KRA: 40258
Lower KRA: 39623

RUT

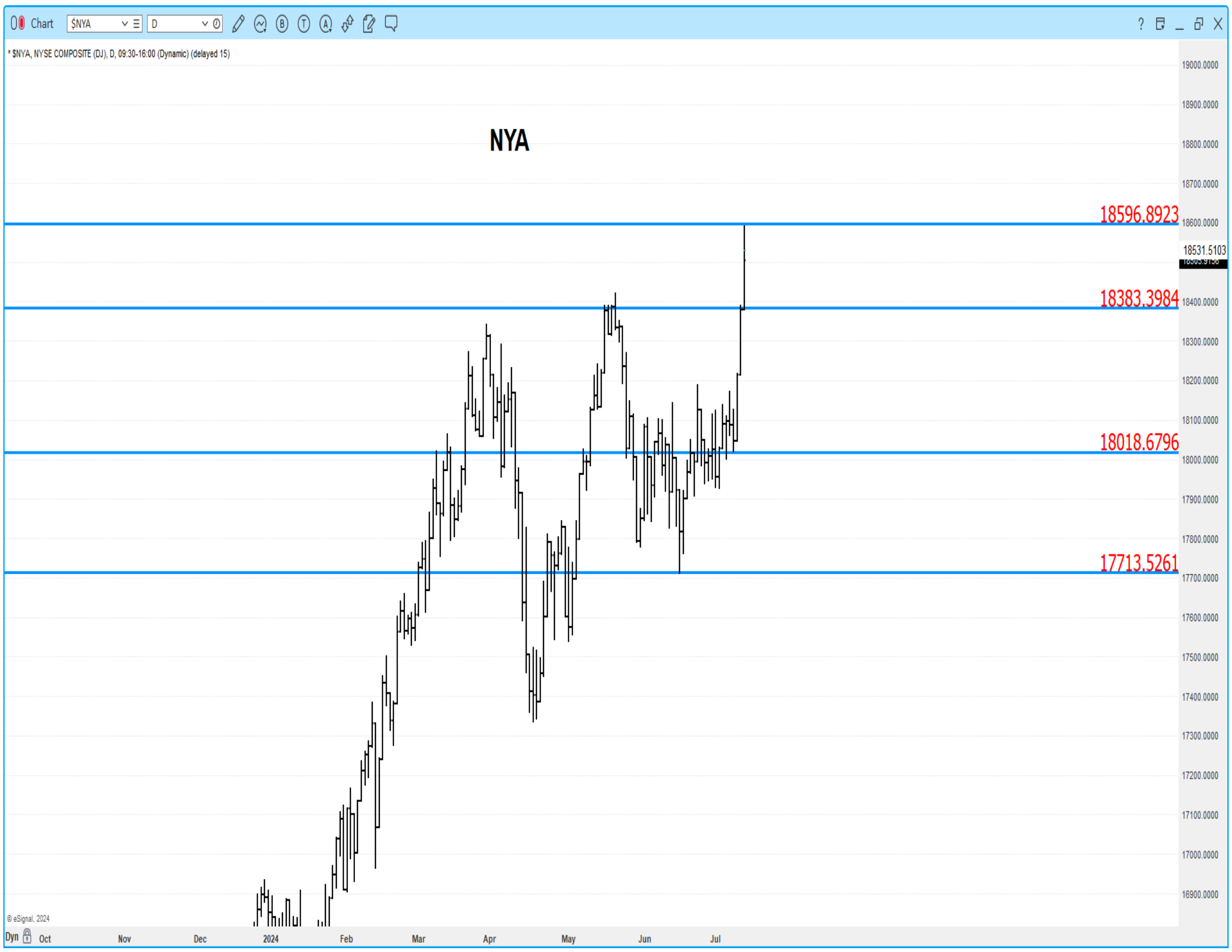
Upper KRA: 2164
Lower KRAs: 2051



New York Composite

This is an index of every stock listed on the NYSE, so it is a broad composite view.

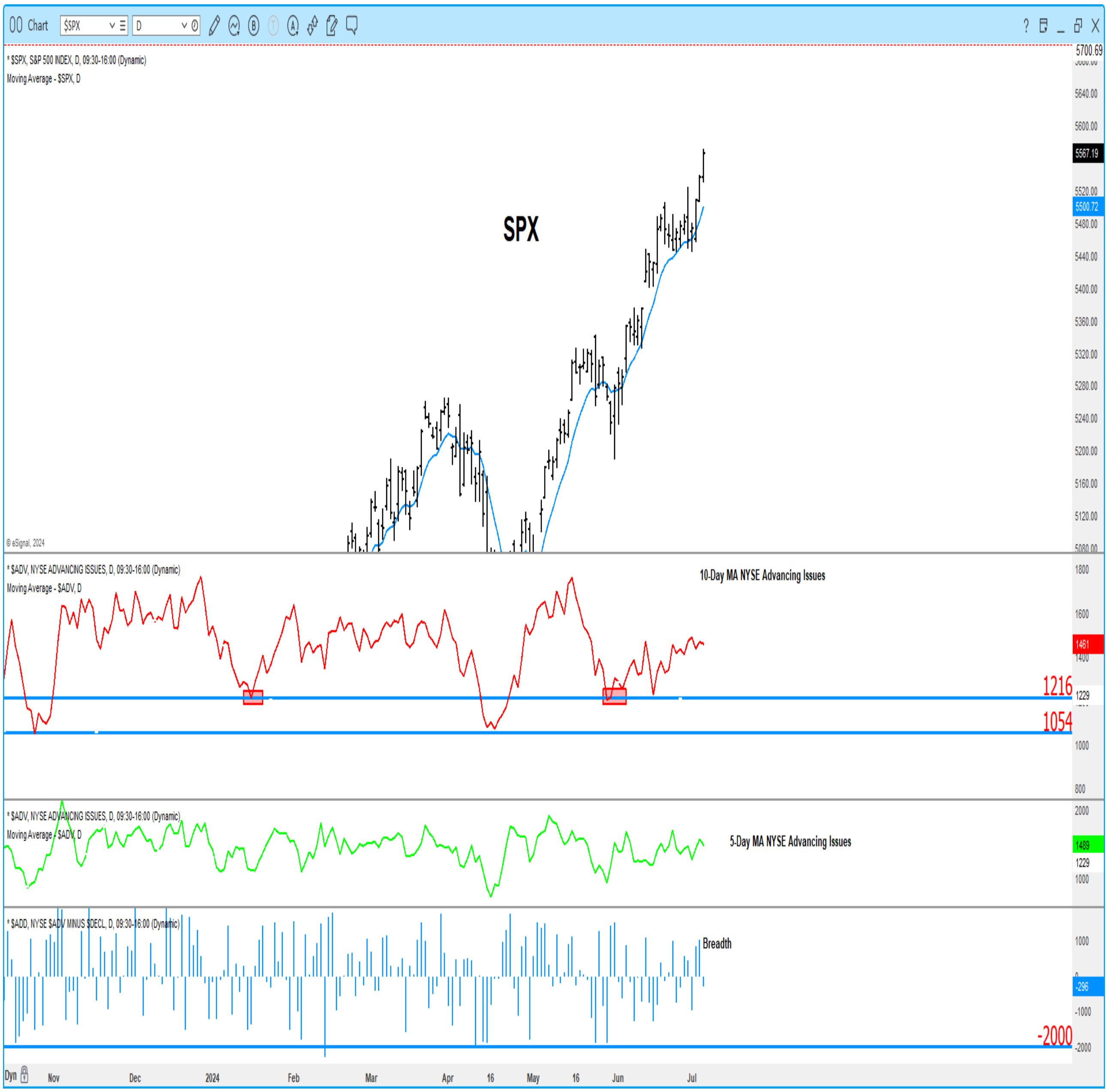
Upper KRA: 18596
Lower KRAs: 18383



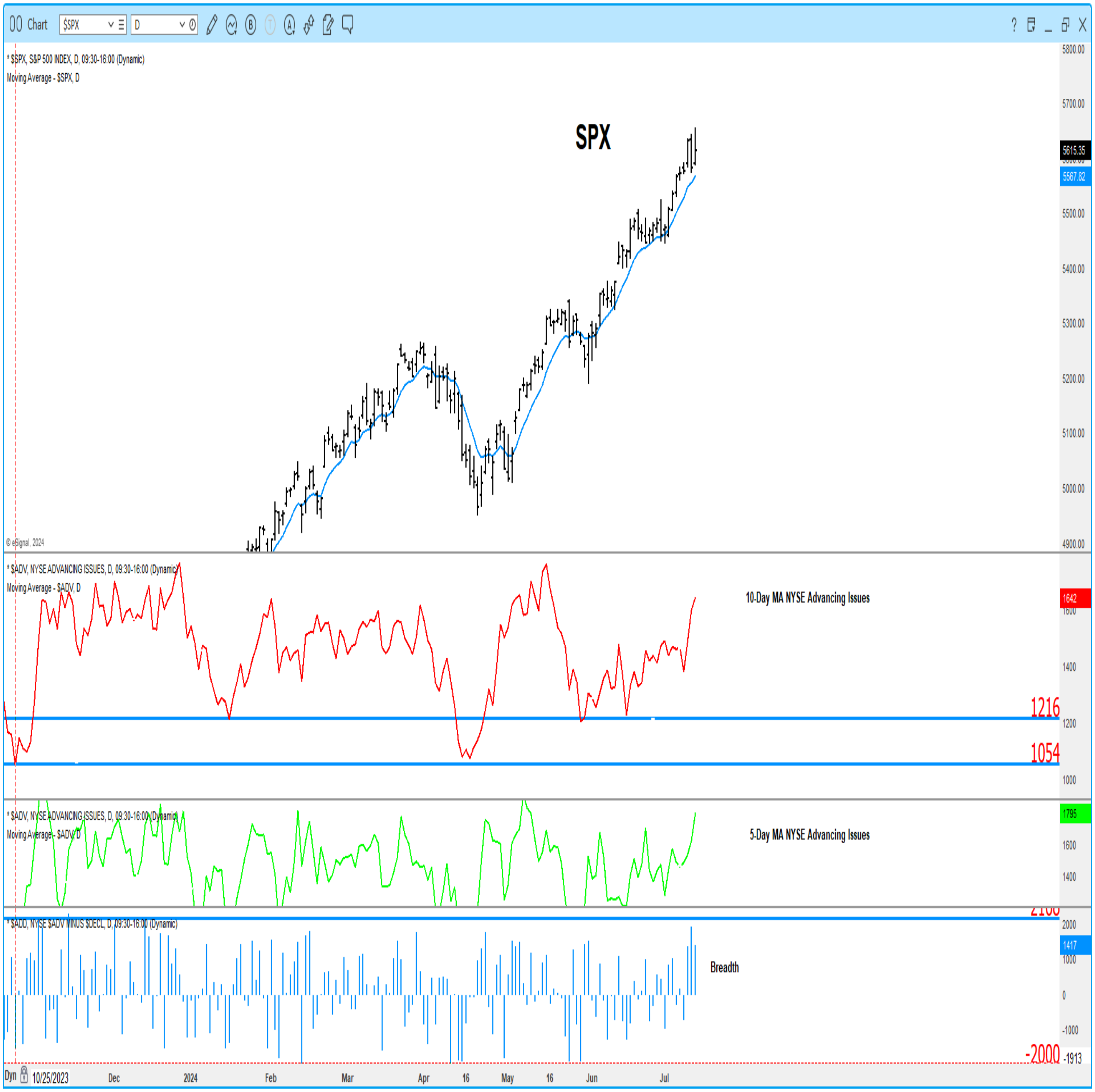
Internals

From last weekend's update:

This can't get any closer to "something has to give".



Breadth is expanding and trending higher.



US 10-yr. Notes

Notes are making higher highs and lows intermediate-term.

US Dollar

Between significant levels. Recent conviction is strong, down.

Gold

No change: Getting “overdue” for a test of either upper or lower critical levels.

Crude

Short-term trend is up.