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Weekend Report for Monday, July 28

Bottom Line:

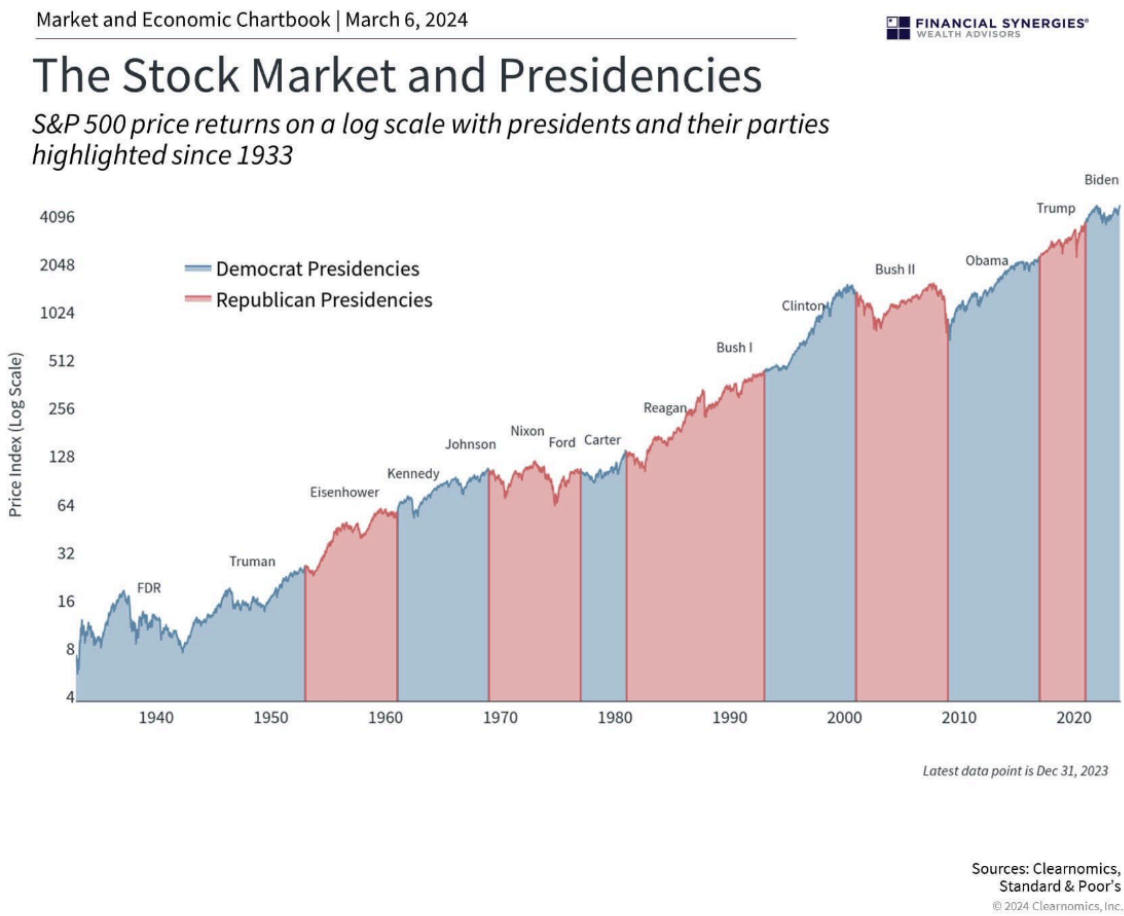
There is a Fed meeting on Wednesday followed by closely watched US job market data released at 8:30 AM, EST on Thursday and Friday.

The SPX and NDX remain relatively weak. The DOW, NYA and particularly the RUT have already retraced substantial amounts of last week's drop.

You don't see this continued type of incredibly disparate trade among/between the major US indices in intermediate to long-term bull OR bear markets.

I think we are still in a bull market.

Oh, one last thing - it doesn't matter. Well, maybe for your blood pressure but not for the stock market.



SPX

Upper KRA: 5556
Lower KRAs: 5403-5377

The SPX bottomed on Thursday right into a KRA, in the process maintaining a cycle consistent since the April low. It did not quite close the gap created on 6/12 but that could still occur.

WIth all the news beginning with the Fed announcement at 2:00 PM Wednesday followed by reports on Thursday and Friday, we may see the indices trade in a range between Wednesday’s high and low until Wednesday afternoon.


* $SPX, S&P 500 INDEX, D, 09:30-16:00 (Dynamic)
SPX
5669.65
5555.74
5402.51
5377.19
-4.85%
7 Bars
7 Bars
5 Bars
15 Bars
2024
Feb
Mar
Apr
May
Jun
Jul

NDX

Upper KRA: 19472-19788
Lower KRA: 18693

No change:

It's interesting how the macro/fundamental view of a stock, index or market can flip on a dime. Less than a week ago almost every single analyst being trotted out by CNBC went to great lengths to explain why AI is just getting started and multiple expansion and earnings and so on and so on were justified and JUST BUY.

This is simply example #234,097,126 of why you have to be your own analyst. I'll reserve any dramatic calls until I see the rally following this decline. But for sure I will be analyzing the NDX (and all other markets and assets) based on its <u>PRICE ACTION</u>.

My general thoughts about the NDX mirror those above for the SPX.

Chart
$NDX
D
* $NDX, NASDAQ 100, D, 09:30-16:00 (Dynamic) (delayed 15)
NDX
20715.46
19787.93
19472.18
18693.62
-9.54%
-8.04%
19023.66
21879.93
© eSignal, 2024
06/01/2023
Aug
Sep
Oct
Nov
Dec
2024
Feb
Mar
Apr
May
Jun
Jul

DOW

Upper KRA: 41376
Lower KRA: 39807

RUT

Upper KRA: 2278
Lower KRAs: 2176

New York Composite

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

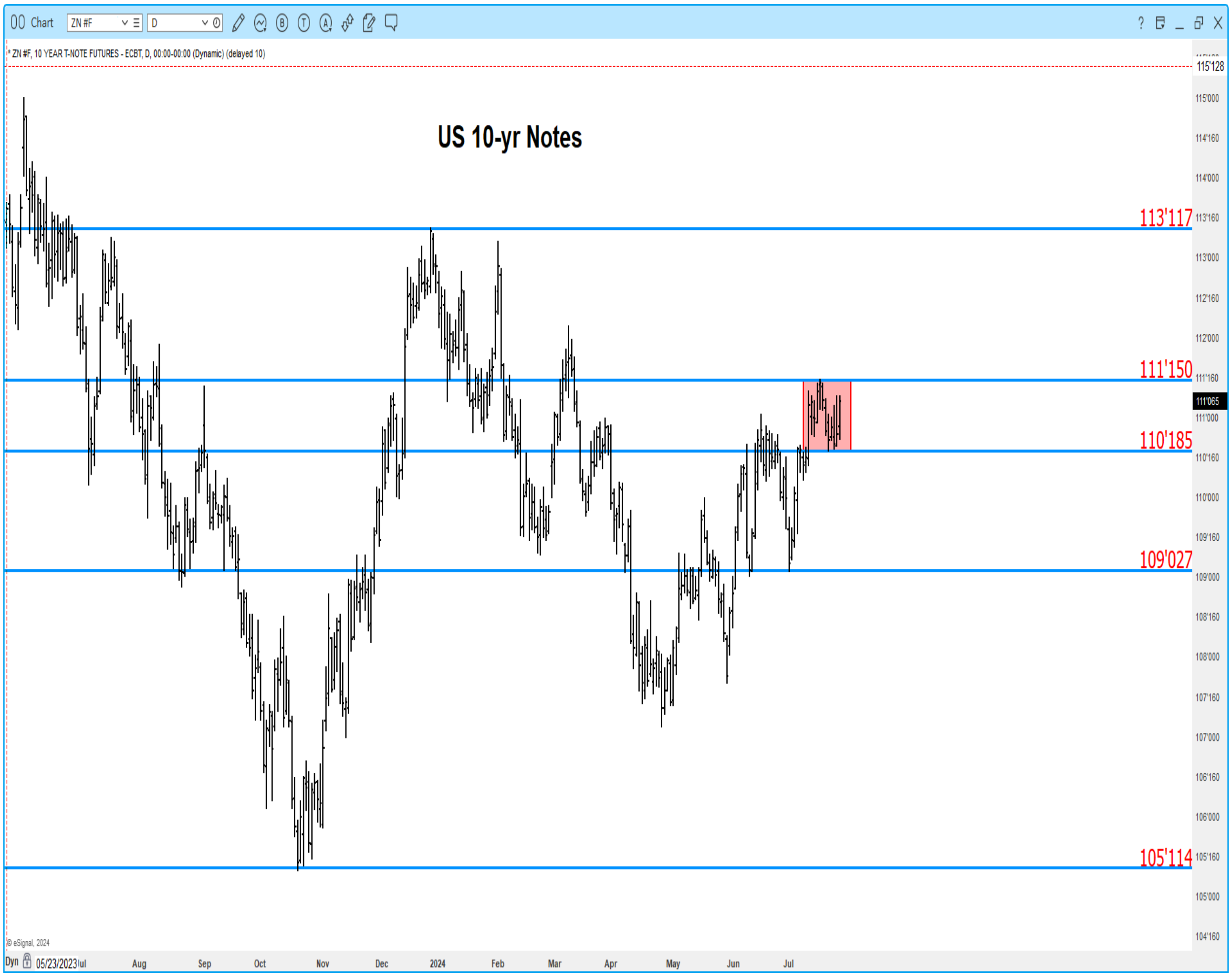
Upper KRA: 18798
Lower KRAs: 18292

Internals - VIX

VIX spiked to its highest level since the period of last April's decline on Thursday. As you can see, VIX has been making lower spike highs since the 2022 fall low. Each of these spike highs has resulted in a significant swing low. Next week may tell us if this is another swing low.

US 10-yr. Notes

Notes are in a well-defined Balance Area. Consider going with the break.

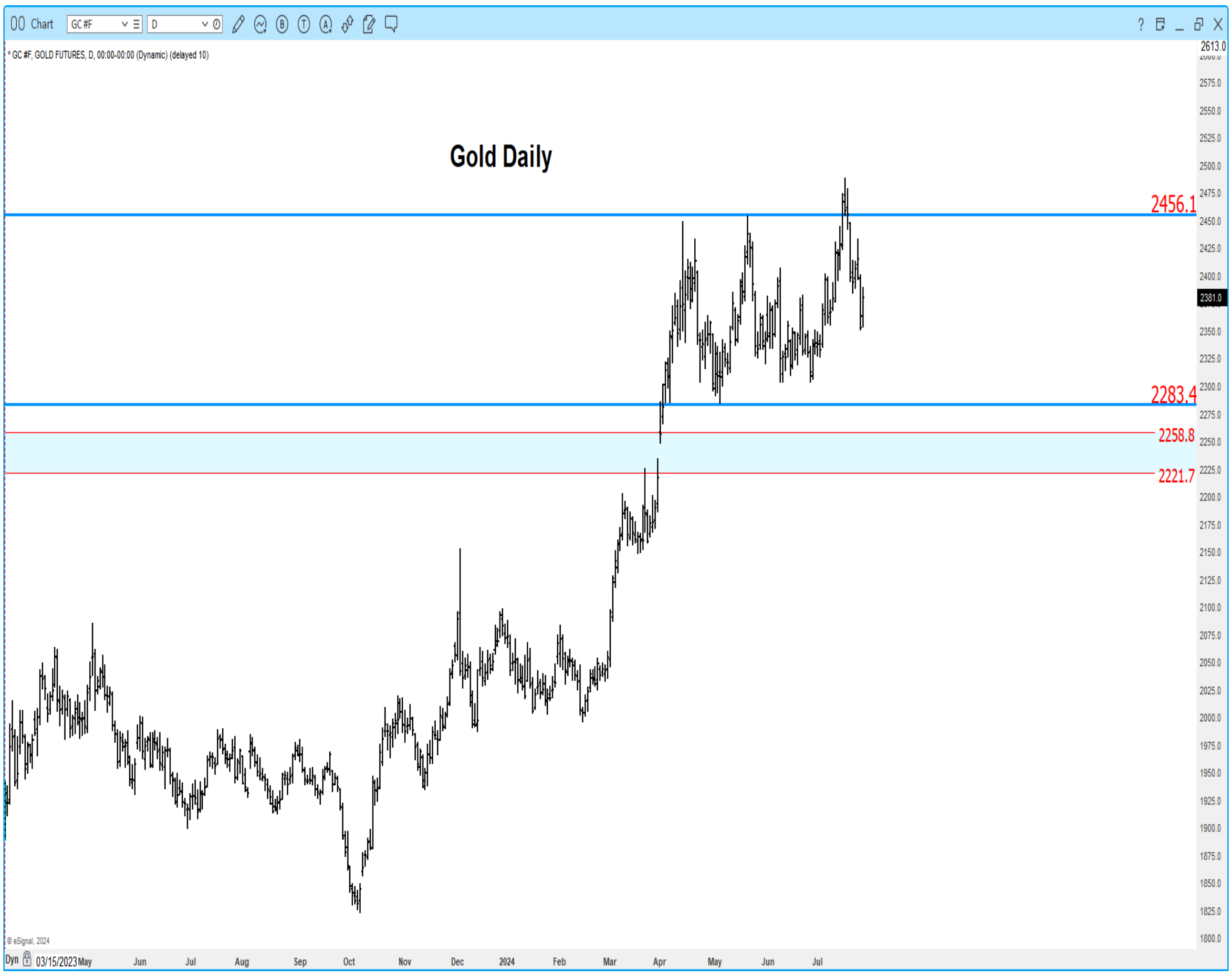


US Dollar

In a similar position as Notes.

Gold

No change: *The sharp drop in Gold should be watched closely. Price action suggests the real potential of a false breakout trade. If that is the case, Gold is likely to continue to accelerate lower below* ***2283*** *very quickly.*



Crude

Between important levels.