



www.AlexanderTrading.com

Weekend Report for Tuesday, September 3

U.S. Government Required Disclaimer (Required by the Commodity Futures Trading Commission)

Futures and options trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets. Don't trade with money you can't afford to lose. This website and the products, services and other information contained herein is neither a solicitation nor an offer to Buy/Sell futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this website. The past performance of any trading system or methodology is not necessarily indicative of future results.

Trading Involves Risk

Use of any of this information is entirely at your own risk, for which Alexander Trading will not be liable.

Neither we nor any third parties provide any warranty or guarantee as to the accuracy, timeliness, performance, completeness or suitability of the information and content found or offered in the material for any particular purpose. You acknowledge that such information and materials may contain inaccuracies or errors and we expressly exclude liability for any such inaccuracies or errors to the fullest extent permitted by law. All information exists for no other than entertainment and general educational purposes.

CFTC RULE 4.41.(b)(1)(i)

Hypothetical or simulated performance results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, because these trades have not actually been executed, these results may have under-or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to these being shown.

Bottom Line:

The NYA and DOW made new all-time highs. The SPX is just below its all-time high and looks like it is about to break out of an extremely mature, tight Balance Area.

The only concern (known) at the moment is NYSE breadth. It must begin to rather dramatically expand for the rally to continue.

Important levels are very clear in all the indices.

SPX Weekly

The SPX is poised to trade to new all-time print highs after making a weekly all-time closing high. If the early August low at 5119 marked a pivot low of similar degree to others in the bull run that began at last October's low 5882 could easily be seen prior to anything resembling a retracement of significance.

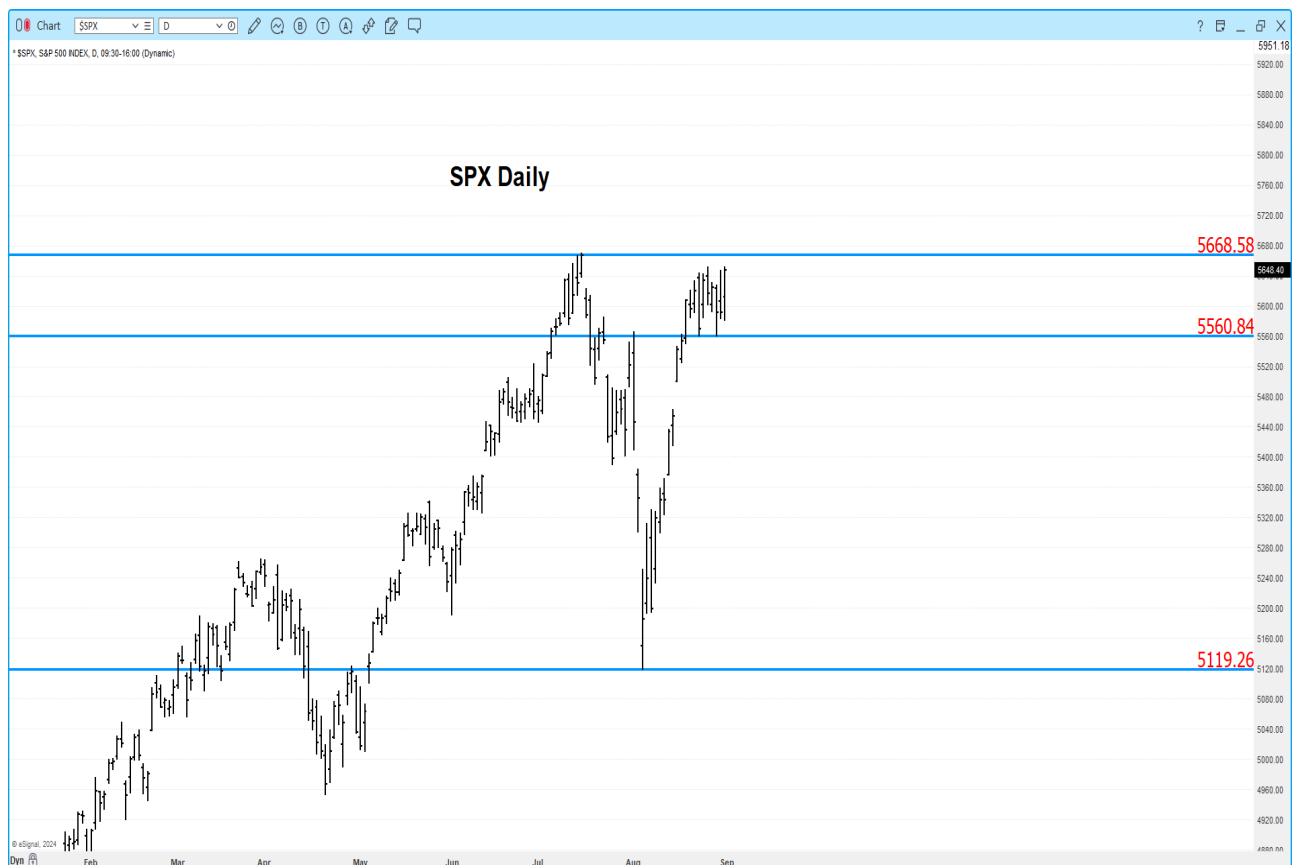


SPX

Upper KRA: 5668

Lower KRAs: 5560

A ten-day Balance area appears about to break to the upside. If it does, we'll take a look at the internals at that time. If it is "real", there should be a significant expansion in Breadth and ALL the indices should participate to the upside.

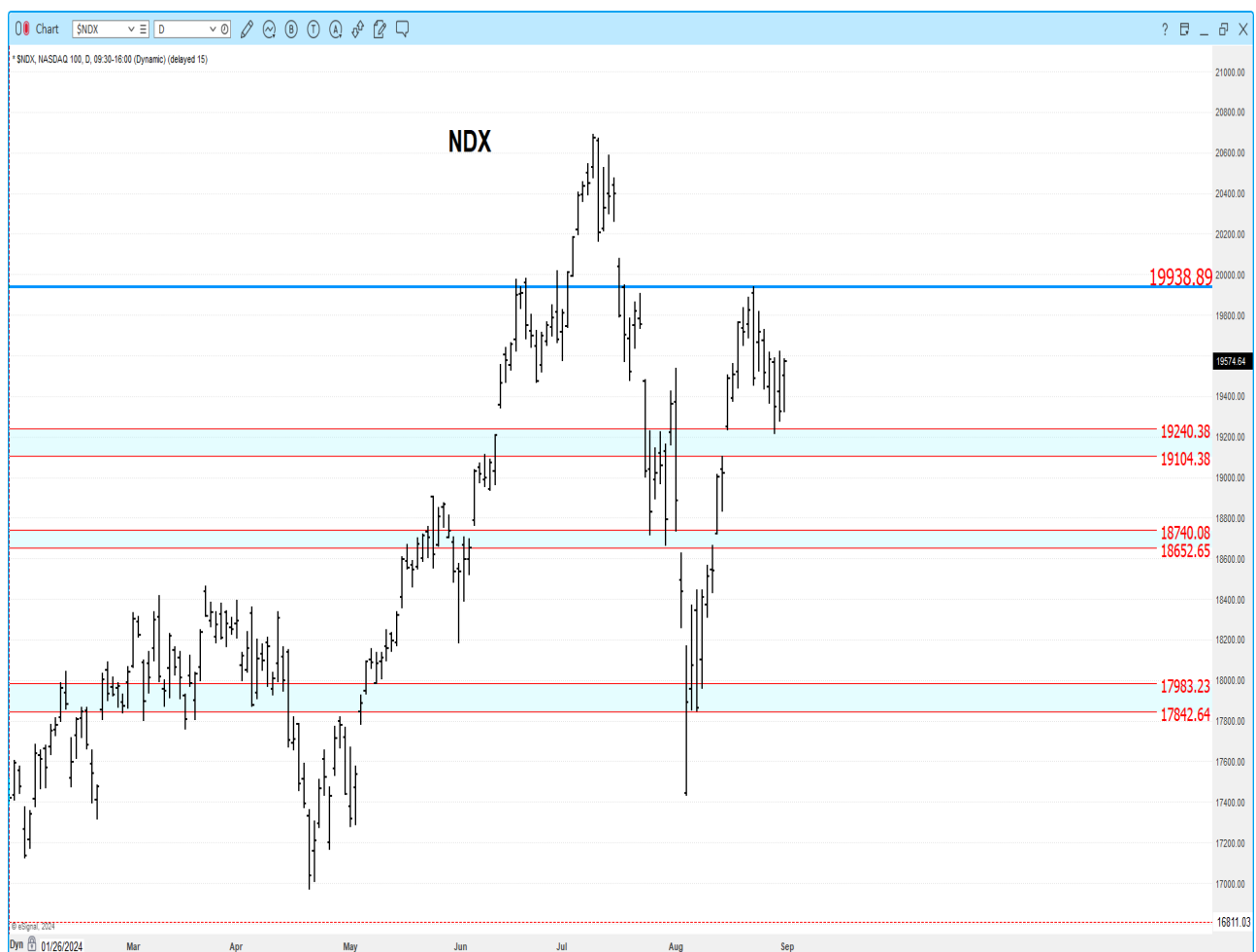


NDX

Upper KRA: 19939

Lower KRAs: 19240-19104

If the SPX is about to launch the NDX almost has to begin to play catch-up.



DOW

Upper KRA: ?

Lower KRA: 41145; 40842



RUT

Upper KRAs: 2237; 2299
Lower KRAs: 2180



New York Composite

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

Upper KRA: ?

Lower KRA: 18977

NO CHANGE: I can't see the end of the bull market in stocks anytime soon with the broad NYA making new all-time highs.



Internals - VIX

VIX is still a bit elevated relative to back in mid-July when the SPX was trading at current levels. I'm not sure what this means but it bears watching. As I posited shortly after the huge volatility spike at the end of July, it could be that we will now see a higher floor in VIX as we head into the fall.



Internals - NYSE Data

Breadth will expand if a SPX is “real”. If it doesn’t we’ll likely see a false breakout and the Balance Area range will be retraced in short order.



US 10-yr. Notes

No change:

If Notes are going to test 116'16-117'03 they should not decline much more from current levels.



US Dollar

No change: Lower lows and highs. Favor shorts.



Gold

The advance in Gold has stair-stepped higher in very two-sided trade. The trend is up but patterns like this often lead to at least sharp short-term breaks.



Crude

No change:

Crude is making lower lows and highs. Favor shorts.



Bitcoin

A client has been emailing me about Bitcoin and suggesting it's "different". It's not.

Bitcoin trades in an Auction Market. There is nothing about Bitcoin that mandates it has different "rules" regarding Auction Market behavior.

NO CHANGE: Bitcoin has been making lower lows and highs. However, the area below 55,000 keeps being strongly rejected. The 8/15 low near 56218 is the immediate downside critical level for the bullish case.

