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Weekend Report for Monday, September 23

Bottom Line:

Last week's Wednesday's cash session lows are critical for the bullish case. As long as they hold, the indices should trade higher from here.

There is nothing obvious that would indicate anything other than a very short-term top possibly occurring.

SPX

Upper KRA: 5735
Lower KRAs: 5596

Anytime any of the indices goes up a few percent gurus come out of the woodwork picking the next top because the market is “overbought”.

For perspective I have highlighted the rally from the August 8 low to the August 26 high that took 15 trade days. If the current rally were to have a similar time and magnitude, the SPX would reach 5970 on about September 27.

BY NO MEANS is this a forecast. Actually I would be surprised if the current rally travels as far and fast as the immediate previous one. *But it could*.

General trade strategy should be to favor longs as long as 5596 is not broken.


Chart
$SPX
D
* $SPX, S&P 500 INDEX, D, 09:30-16:00 (Dynamic)
Moving Average - $SPX, D
09/27/2024
10.43%
5970.10
SPX
5735.35
10.43%
5596.00
15 Bars
5402.74
15 Bars
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep

NDX

Upper KRA: 19958
Lower KRA: 19300

DOW

Upper KRA: 42166
Lower KRA: 41392

RUT

Upper KRAs: 2260; 2301
Lower KRA: 2189

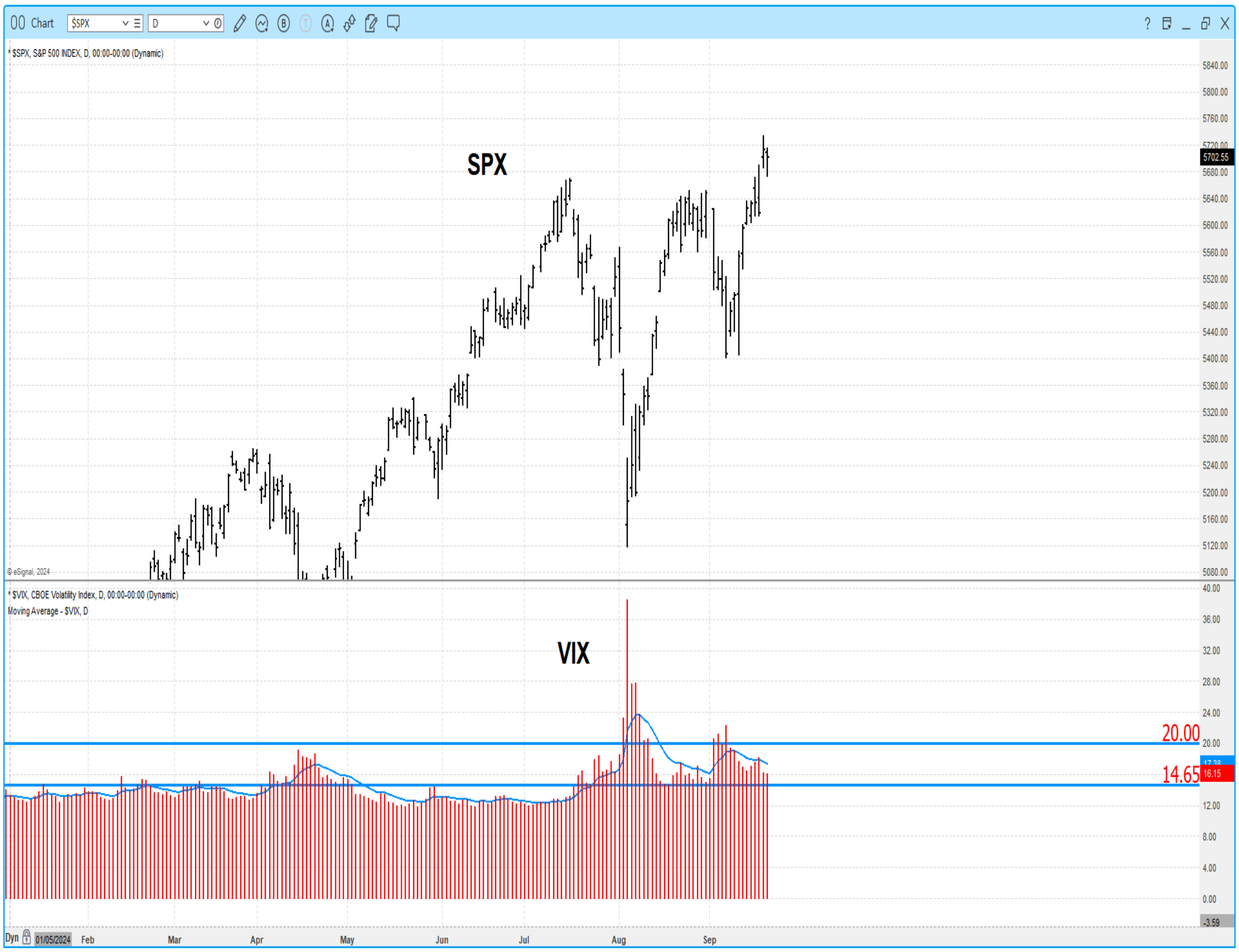
New York Composite

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

Upper KRA: 19474
Lower KRA: 19171

Internals - VIX

VIX remains relatively elevated. Its recent low is 14.65 and if it closes below that level it is likely at least short-term bullish.



Internals - NYSE Data

The 10-day MA of NYSE advancing issues is reaching an upper extreme. This is typically a sign of strength and that any retracement is likely to be temporary.

There are exceptions - like in mid-July when the SPX topped and dropped almost 10%. Again, the 5600 level is critical to the immediate bullish thesis.

US 10-yr. Notes

Notes remain in an uptrend.

US Dollar

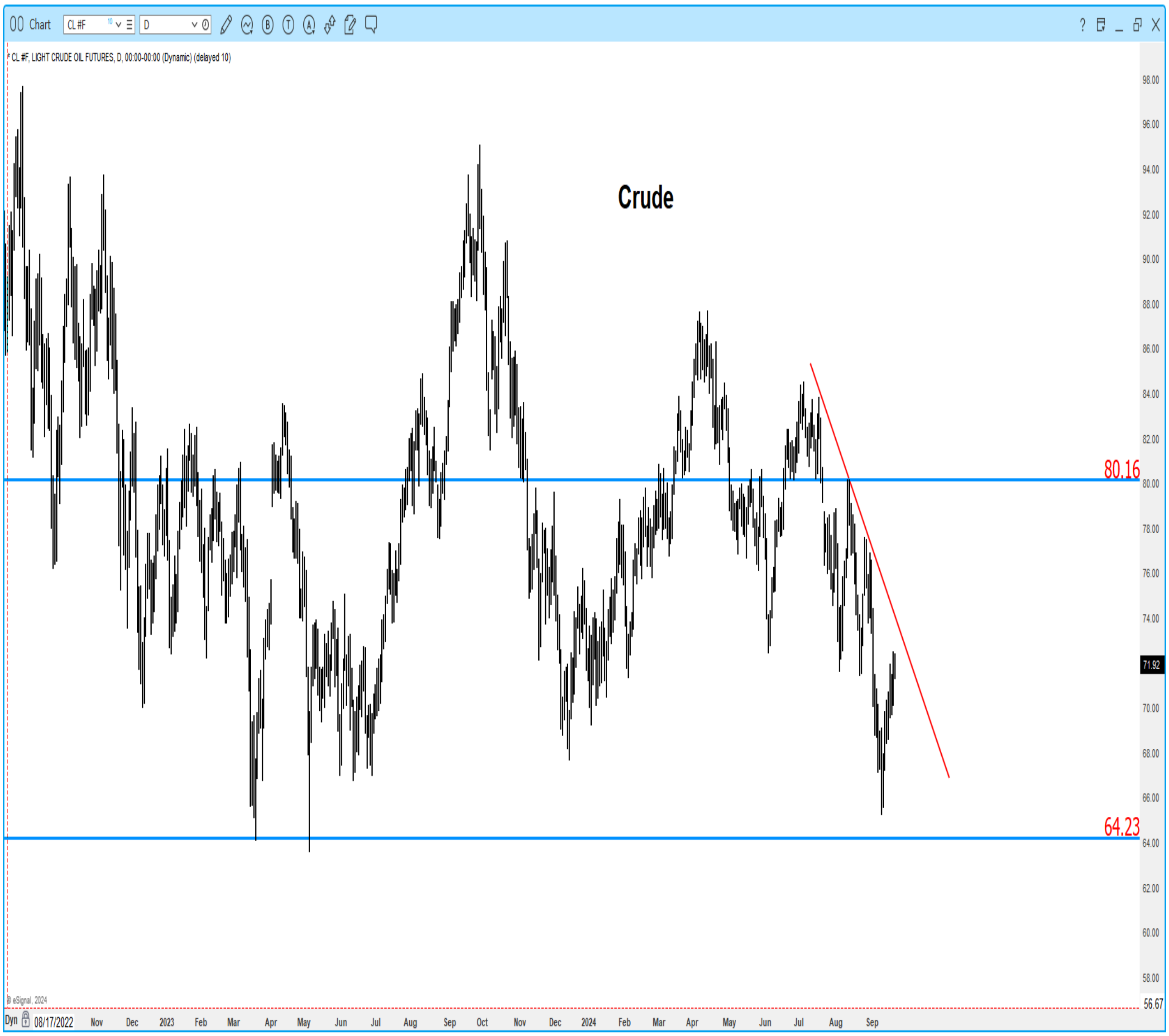
No change: Lower lows and highs. Favor shorts.

Gold

Favor longs.

Crude

Crude continued to make lower lows and highs. If the downstrend is intact, Crude should be near another short-term top.



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.

Bitcoin will ideally hold 57400 under a bullish scenario.