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Weekend Report for Monday, October 14

Bottom Line:

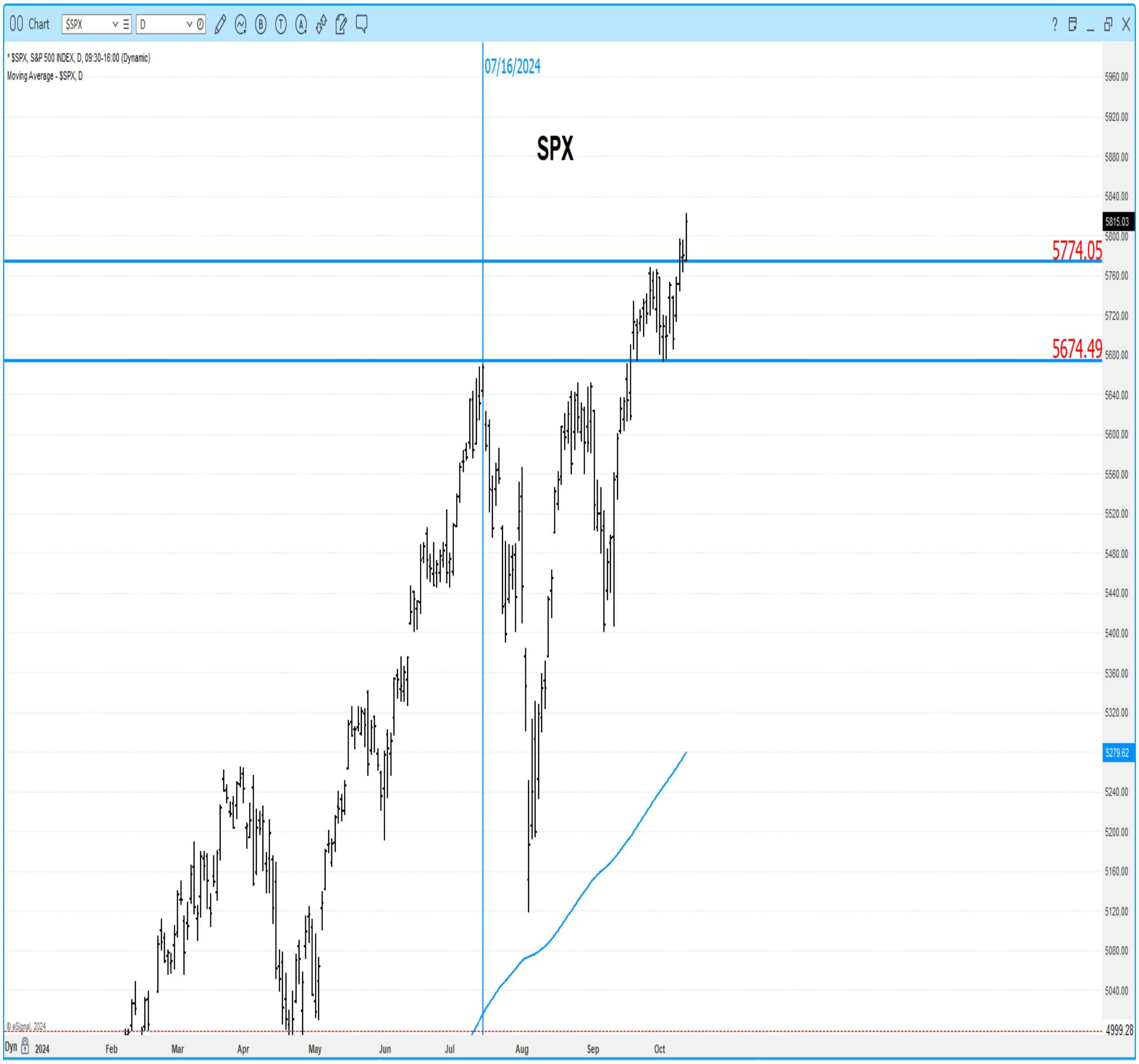
US indices continue to affirm the bull market. The SPX, DOW and NYA closed in new all-time highs. The other primary indices (NDX, RUT) are lagging, but they also are showing strength.

There is no “resistance” above Friday’s print highs in the SPX and DOW. Downside levels in the indices are all very well defined.

Higher highs and lows are being made in all the indices and in all time frames. If you want to trade against that, well, good luck.

SPX

Upper KRA: ?
Lower KRAs: 5674



NDX

Upper KRAs: 20690
Lower KRAs: 20110;19625

DOW

Upper KRA: ?
Lower KRA: 42451;41818

RUT

Upper KRAs: 2260; 2301
Lower KRA: 2169

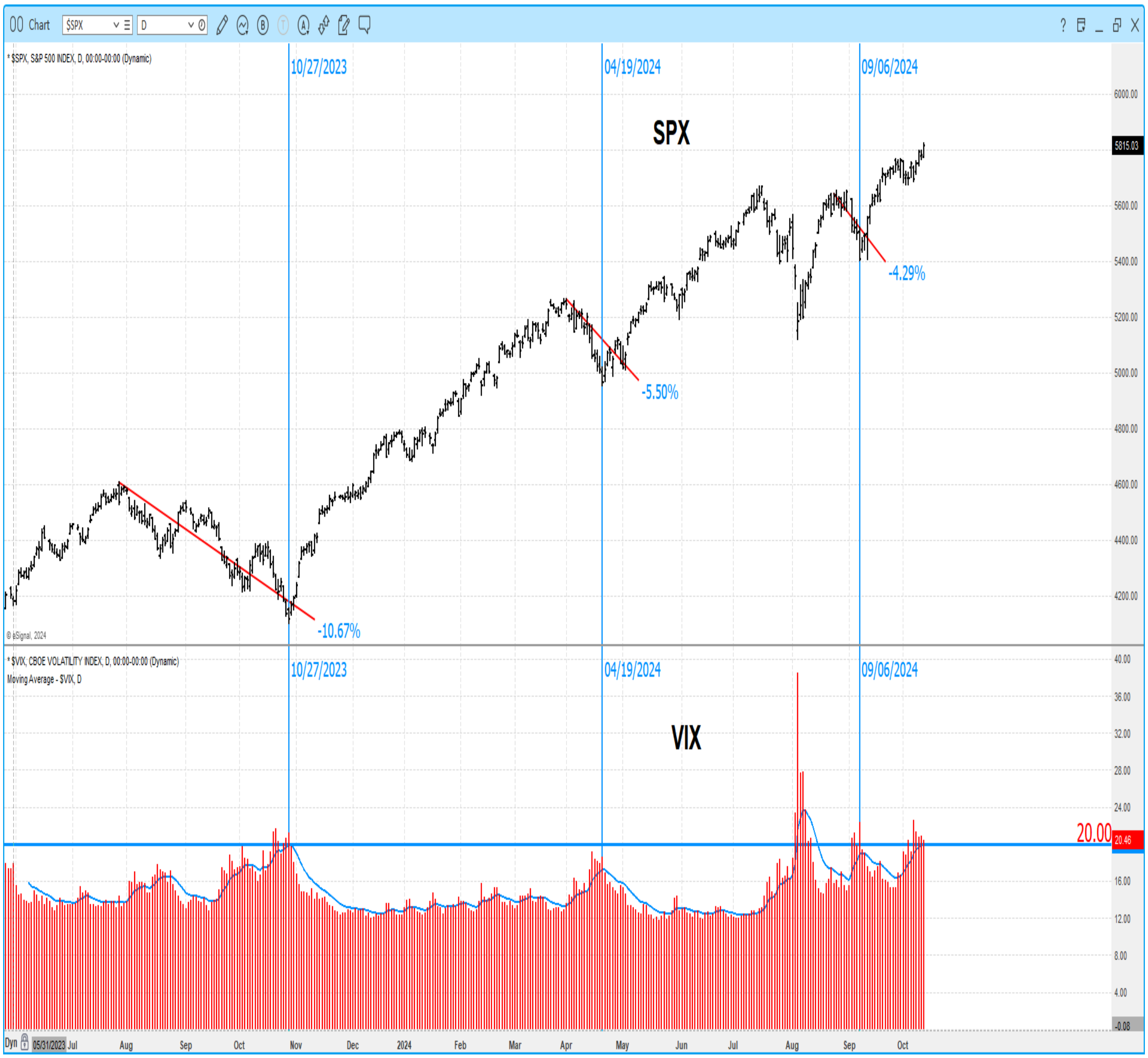
New York Composite

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

Upper KRA: ?
Lower KRA: 19496; 19316

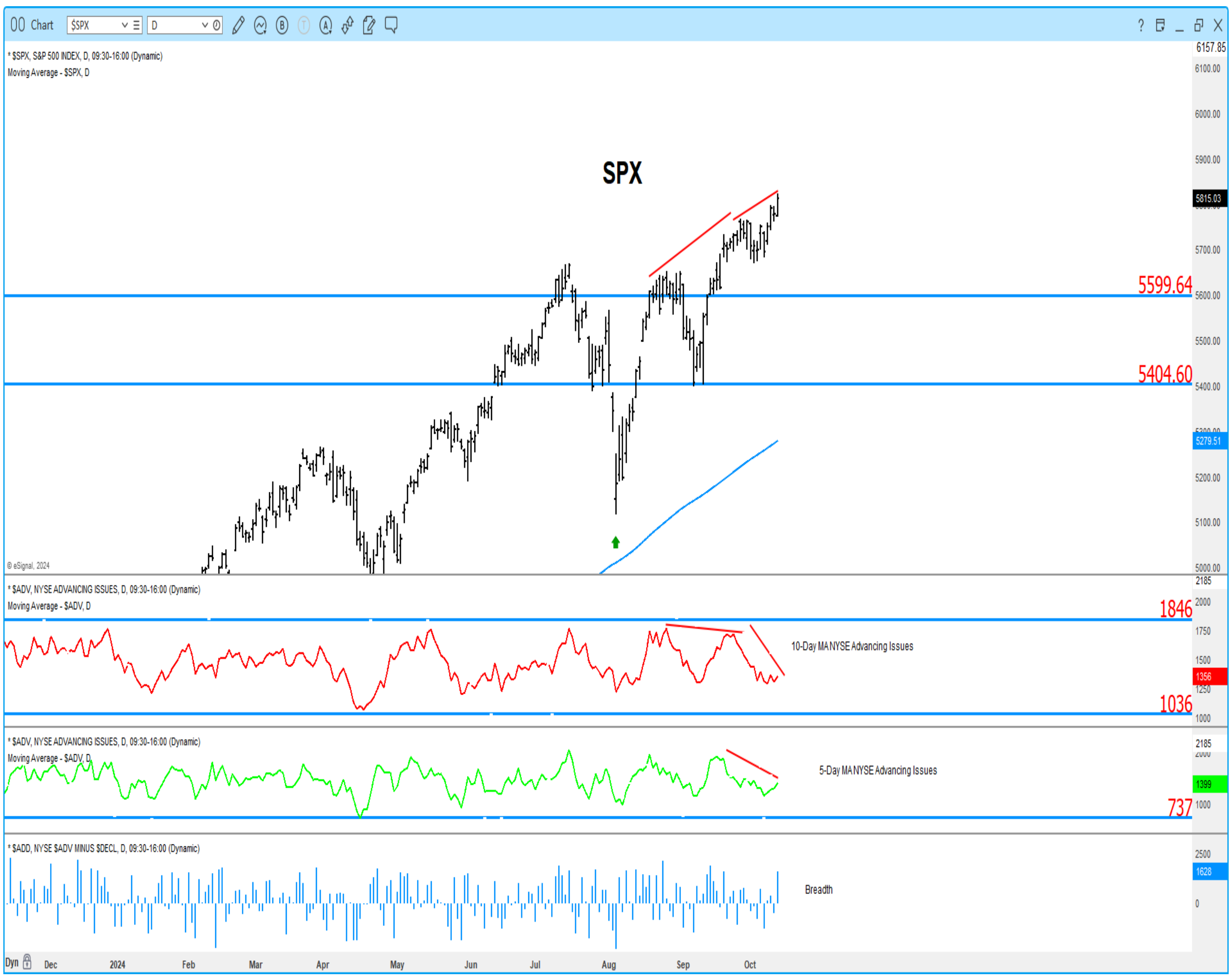
Internals - VIX

No change: VIX remains stubbornly elevated. If this is a “real” upside breakout VIX is likely to drop dramatically next week.



Internals - NYSE Data

The 10-day 5-day MAs of NYSE advancing issues have begun to expand. There is a lot of upside room before they get to anything close to "extreme". And no change to this comment from last weekend: *"New price highs will very likely lead to divergences in these two indicators, but we can't read much into that - at least initially."*



US 10-yr. Notes

No change: Notes experienced a dramatic break in their uptrend. There is no “graceful” trade at the moment.

US Dollar

No change: The Dollar also saw a significant reversal. I'm letting the dust settle.

Gold

Gold continues to make higher highs and lows.

Crude

Another contract reversing an intermediate term trend. Crude tested critical downside levels before reversing.

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.

As long as higher highs and lows remain intact favor longs.