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Weekend Report for Monday, November 4, 2024

Bottom Line:

I trade and teach market analysis based almost entirely on price action through the lens of Auction Market Principles. The primary precept of Auction Market Principles is that all markets follow specific stages of development, and that those stages have specific behavior “personalities”. The consistency of this process is uncanny and it applies to all degrees of time.

It is predictive only in that the stages of development are always in effect and consistent; it is not a method of picking tops and bottoms. This is critically important to understand and is one of its distinguishing characteristics within the broad characterization of “technical analysis”.

A change in trend in any degree can only be determined in hindsight. Fading market movement - up or down and in any timeframe. In spite of this almost the entire trading industry from institutions down to Joe in Topeka in his boxer shorts tries to constantly bet on tops and bottoms.

The US primary indices have been/are in bull trends. The *initial* signal of a change in trend from an Auction Market perspective occurred in the SPX last week with the lower low and high on the daily chart. Additionally, the primary indices have been diverging against one another at pivot highs for weeks.

Next week we have the US election for president and important congressional seats. The Fed Follies begin on Thursday and carry into Friday. There is no doubt these events could have a dramatic impact on market structure and price direction.

Focus on price action and the levels that we have as guides. Trade lightly, or simply let the dust settle and let opportunity come to you.

SPX

Upper KRAs: 5813; 5881
Lower KRA: 5674

NDX

Upper KRA: 20377; 20691
Lower KRAs: 19625

DOW

Upper KRA: 42594;43327
Lower KRAs: 41687

RUT

Upper KRAs: 2300; 2233
Lower KRA: 2195; 2169

New York Composite

Upper KRA: 19656; 19905
Lower KRAs: 19232

Internals - VIX

VIX does not stay above 20 for long in bull trends. It will often spike sharply above 20 at important pivot lows.

Something else to watch next week.

Internals - NYSE Data

The 10-day MA of NYSE advancing issues suggests that *timewise* we may be near an important low. Please see the video for examples and more details.

US 10-yr. Notes

Notes are in a persistent downtrend with no objective "support" near.

US Dollar

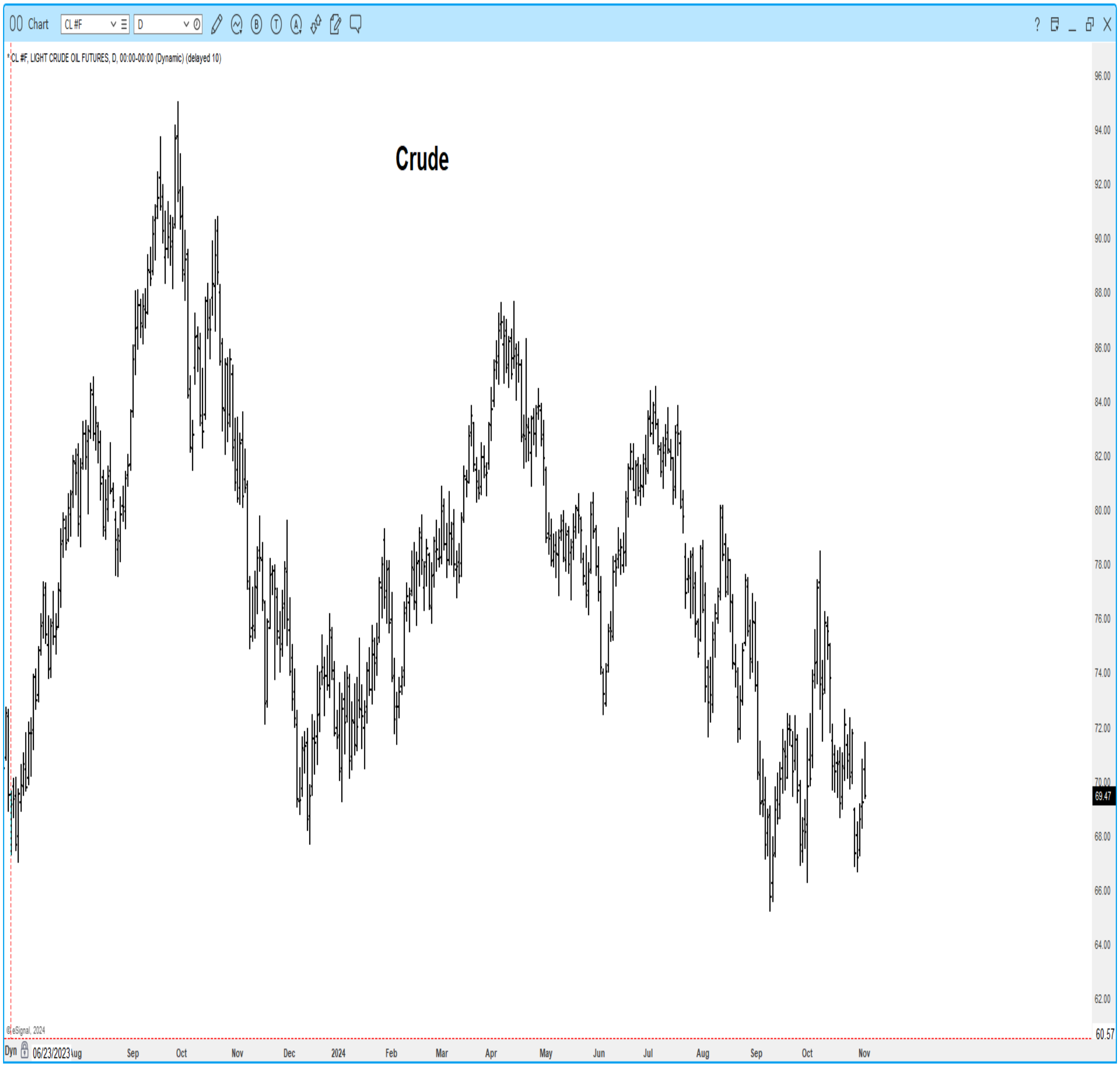
Between critical levels.

Gold

Gold continues to make higher highs and lows.

Crude

No change: Crude is whippy between intermediate term levels.



Bitcoin

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

Bitcoin is testing a MAJOR upper KRA. It continues to make higher highs and lows.