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Weekend Report for Monday, December 9, 2024

Bottom Line:

The SPX and NDX continue to make new ATHs almost every day. However, the DOW, RUT and NYA are diverging significantly, and breadth has been quite weak for the past several days.

Something has to give, soon. We’re going to see another strong surge higher led by expanding breadth and a catch-up in the DOW, RUT and NYA, or we’re going to see some amount of retracement in the SPX and NDX.

There is no “resistance” above recent print highs in the SPX and NDX. Downside levels in all the indices are very well defined.

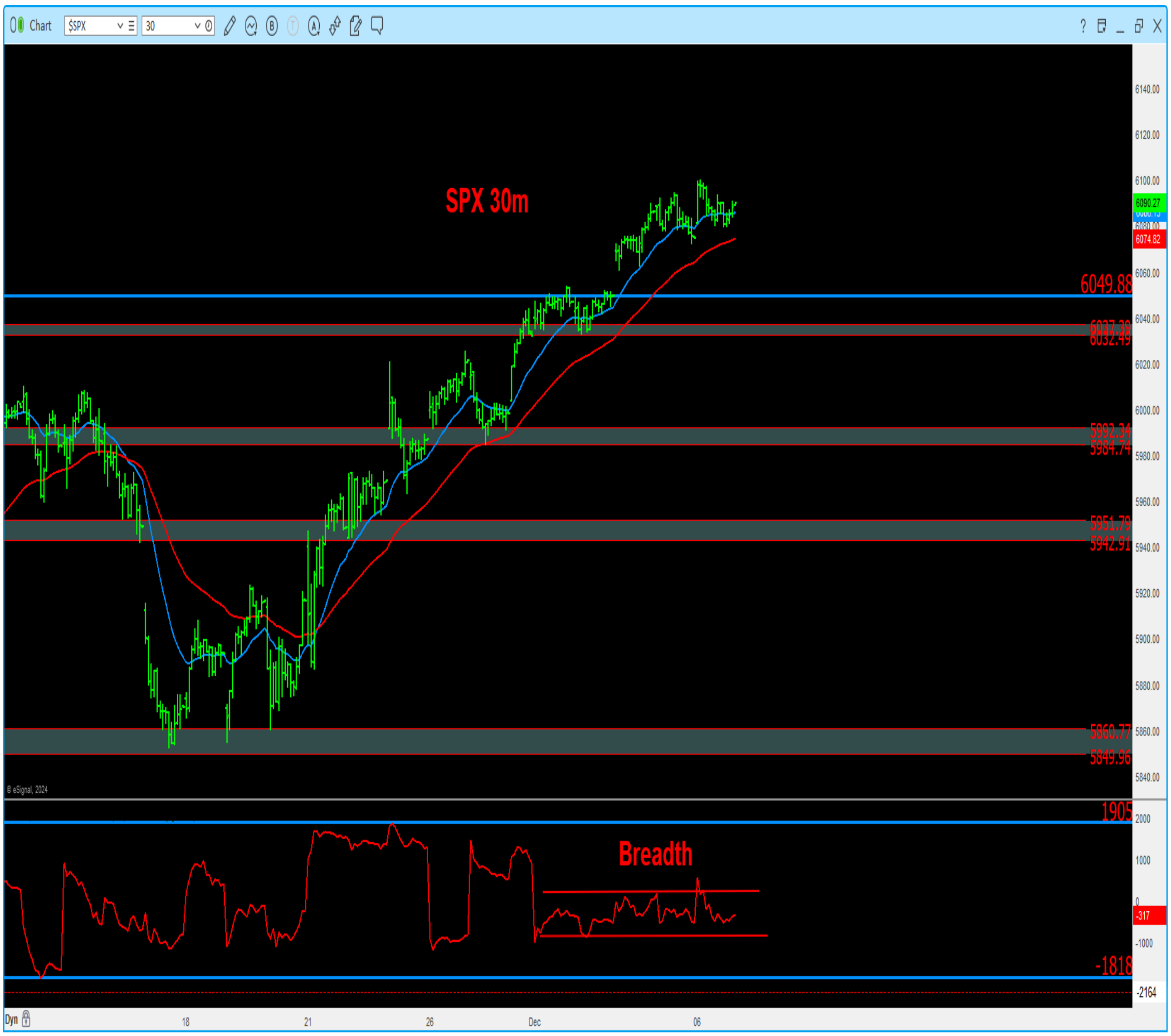
SPX

The current rally that began at the mid-November lows seems more extreme than it actually is. It is on the lower end of the scale of rallies off of pivot lows that have occurred in 2024, so far.

SPX 30m

Upper KRA: ?
Lower KRAs: 6049; 6037-6032

Persistent higher highs and lows.



NDX

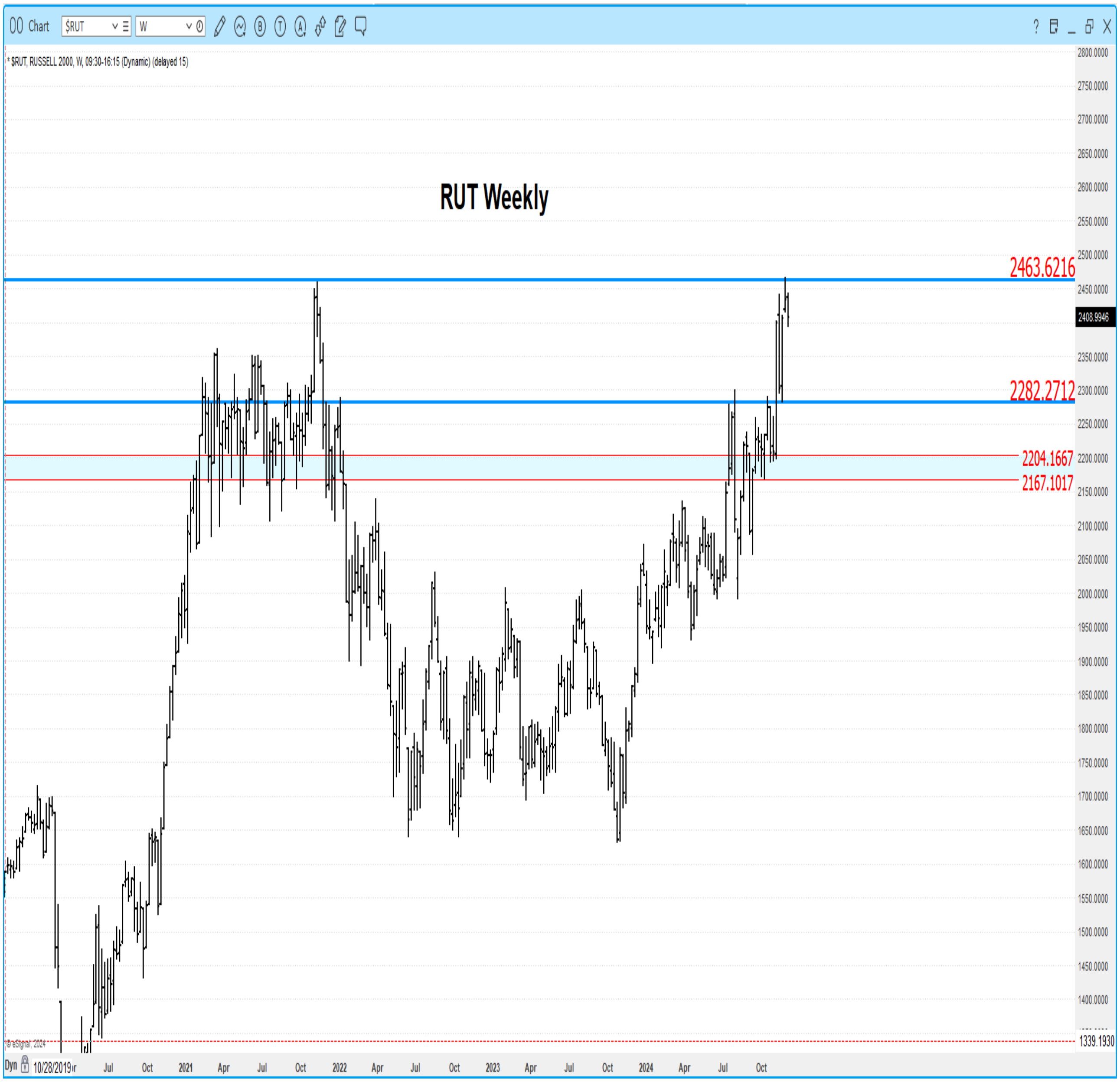
Upper KRA: ?
Lower KRA: 21235; 20494-20322

DOW

Upper KRA: 45074
Lower KRAs: 44297

RUT Weekly

Upper KRA: 2464
Lower KRA: 2282



New York Composite

Upper KRA: 20333
Lower KRAs: 19566

Internals - VIX

VIX continues to drop and closed the week at its lowest level since July. This is potentially bullish.

Internals - NYSE Data

The divergence between the SPX and the 10-day MA of NYSE advancing issues is extreme. This is a potential bearish signal. BUT….if breadth expands it can resolve this divergence in a bullish manner.

US Dollar

No change: *The Dollar had a strong vertical up move so some retracement is not a surprise. In general I would continue to favor longs.*

US 10-yr Notes

No change: *The bounce in Notes was expected. Watch <u>111’21-112’10</u> for potential resistance.*

Gold

No change: *Between important levels of two degrees.*

Crude

No change: *72.97 is a critical upside level in Crude. Crude is having trouble generating any upside traction. Consider favoring shorts.*

Bitcoin

The area near 75,000 is the critical downside KRA. BTC is making higher highs and lows within a strong uptrend.