

Good morning, everyone. Welcome to Thursday morning..

Stephen Whiteside here from TheUpTrend.com.

with today's look at North American stock market trends..

In the premarket this morning, stock index futures are fairly quiet..

Dow and S&P 500 futures are higher, while Nasdaq futures are slightly lower..

Commodities are higher across the board on Thursday morning..

Let's start off looking at the price of copper..

And copper is often referred to as dr copper..

It's considered a global economic.

barometer, mostly to do with construction activity around the world..

On a shortterm basis, this charts looking pretty bearish..

We had a high here in August, a lower high in September, and then a lower high here..

We had a low there and then a lower low..

So now we're looking to see what happens next..

Do we hold support here at the recent lower?.

Do we break it?.

And I would imagine that we're probably going to break it now..

If we look at a longer term monthly chart.

of copper, you can see that we've seen some weakness in 2022..

Most of that has to do with the construction weakness in China..

The Chinese market made a new low yesterday..

It is going to make another new low today as the market traded down overnight..

So when the Chinese ETFs open up.

in New York at 9:30, they're all going to trade lower on Thursday morning..

Now, the other economic barometer that I like to watch closely is the socks index..

The chip sector chips are basically.

included in everything that's manufactured today from, of course,.
we know cell phones and computers, but the whole world of the automobile.
industry is totally controlled by the chip sector..
And chips are still on a cell signal right now inside day yesterday..
If we look at a monthly chart of the socks.
index, you can see the weakness that we've had in 2022..
And of course, we made a new low last week..
So the first time something new is happening, of course,.
is going to be a monthly close above the previous month's high..
And not expecting that to happen in October..
Looking at a daily chart of the pros and the public, they're still in their own.
corners, and it doesn't look like the pros want to take control right away..
Now, the chip stocks that I watch.
the most, and I really try to focus on a handful of stocks each day..
I don't go wandering looking in the dark.
corners of the stock market for something to do..
I trade the stocks that I follow and that's it..
And AMD is still on a sell signal here..
Looks like it's building an area of support..
It's been trading sideways for the past couple of weeks..
It did make a new low last week, but then came back..
And so yesterday it was an inside day..
A close above 61 45 would give us a buy signal on Thursday..
Now, I talked about Nvidia last week..
It looked like the market was more.
interested in Nvidia than AMD, and that is still true..
We traded through the upper channel line on Tuesday and inside day on Wednesday.

at close above 123.17 would give us a buy signal on Thursday for Nvidia..

Now, intel is a widely watched stock because it's part of the Dow 30..

I'm going to show you why I don't trade intel or follow it..

but right now it's been trading in the channel for the past five days.

and looking for a close on Thursday above 26.62..

Now, if you look at the average true range of intel, it's currently just a little.

over 4%, which is quite big for the average stock on the stock market..

But we're in the chip sector and what you.

should be looking for in the chip sector is something more like Nvidia over 6% or.

AMD, which is up just under six and a half percent..

So if you're trying to trade for capital.

gains, you want a stock that has a fairly normal average true range for the sector.

and not go after the stock with the lowest average true range in the sector..

And intel is often that particular stock..

So if you want more volatility, if you want more opportunity for capital.

gains, you stick with the ones with a higher average true range..

And of course, if you're a risk averse, you don't go after stocks like this.

because 6.46% is actually pretty high for the average North American stock..

Now, the queues had an inside day yesterday, so we're still on a sell signal.

here that would change on Thursday with a close above 270 319..

Tesla's in the news came out with earnings..

It's down in the pre market this morning,.

still above last week's lows, so they haven't been broken yet..

So that's a good sign..

There may be a chance Tesla could start to put in a bottom here..

Things could turn around on Thursday,.

but in the premarket this morning, they are trading lower..

Now, there's a lot of talk regarding Tesla..

Of course, there always is..

Elon Musk is thinking about doing share buybacks, and then the market is looking.

at the fact that Elon Musk is probably going to have to sell more of his Tesla.

shares to afford to buy Twitter, which of course he has an obligation to do..

Now, IBM's in the news this morning, it's on a buy signal right now..

It's trading higher in the pre market,.

right up at the high from a couple of weeks ago..

So 125 is our mathematical target,.

but we did poke our head above that back in October..

Now, I haven't traded IBM in probably 2025.

years because it's got a very low average true range at 2.63%. It's not a technology.

stock and that's probably why I stopped trading it..

It's a consulting company..

It's not a technology stock anymore,.

but it is widely followed because it's part of the Dow 30..

So it's got an average true range, but that's not what I'm looking for..

I'm a more aggressive investor than probably the average investor out there..

Now, looking at the bond market,.

bonds made new lows yesterday and bond yields made new highs..

So the market has been holding up fairly.

well as the yields continue to move higher..

So I would have expected the stock market to sell off..

More on the news of these new higher yields, there's the TLT making a new low..

There's the XBB in Toronto making a new low..

We've got emerging market bonds holding up fairly well..

And then the junk bonds are still on a buy signal here from Tuesday's trading action..

Now, junk bonds have a very low average true range..

And so I personally would never trade a bond ETF..

Yes, they have buy and sell signals, yes, they trend, but the chance of making.

reasonable amount of capital gains on trading a bond ETF is rather low..

Now, I trade bonds, but I trade bonds in the futures market.

because the margin leverage on a bond is much higher than it is on an ETF..

So there is a lot more opportunity to make capital gains and capital losses.

in the bond futures market, but not the bond ETF market..

And of course, some people have a reason.

to be in the bond ETF market, but it is not me..

Next up, let's take a look at commodities, starting with the price of gold..

Made a new low for this move yesterday, coming down to the 162.50 level..

That's where we expect to find support..

If that breaks, of course, then 1562 50 is our next target..

The GLD looking pretty similar to the futures contract..

150 is our next target,.

but the low a couple of weeks ago is 151.03..

So that should be the low that you're looking for right now..

Gold miners in the US on a sell signal..

Gold miners on the TSX also on a sell signal..

Now we've got crude oil on a sell signal right now..

Had an inside day yesterday..

The USO ETF did not have an inside day..

Traded up into the channel..

Then we've got the natural gas futures.

contract and the Ung both making new lows on Thursday..

So those charts don't look very bullish..

But on the other hand, we still have energy stocks on the TSX.

on a buy signal and energy stocks on the NYSE also on a buy signal..

Heading up to try to retest the highs from back in August..

Let's finish off this morning's.

presentation looking at the major indices starting with the VIX..

The VIX is still on a sell signal,.

but didn't do anything for the market yesterday..

Trading higher, closing higher..

If we move from the right side chart.

to the midterm chart, you can see when conservative investors.

are going to feel more comfortable getting back into the market..

And that's when the VIX is going to be below 26..

And you can see on the spider ETF chart,.

even though we're on a bicycle on the right side chart,.

we've got a bit of work to do before we get above the midterm tether line..

That's also true for the Q's..

The Q's, of course, are still on a cell signal right now..

And then there's the I shares for the TSX 60..

So the first sign that more conservative money is getting back into the market is.

when we start closing above the upper tether line on the midterm charts..

And that may take a little bit of work, so I'm not going to get overly excited.

on these new daily short term right side buy signals..

Right now, the market has a bit more work to do, and certainly everybody's.

anticipating a low here in October and then a rally into the year end..

Of course, you can anticipate those.

things, but we need to see more evidence that that's actually happening..

And of course, the bond market hitting new lows is probably not supportive.

for the stock market to have a major turnaround at this time..

Okay, that's all for Thursday morning, folks..

Enjoy the rest of your day..

I won't be back on Friday..

Next time you'll hear my voice is on Sunday..