

Hello everyone, it's Stephen Whiteside here from theuptrend.com with this.

weekend's edition of Stock Market Timing Television..

Well the 50th week of 2022 has come and gone..

It was another very noisy week..

We had some inflation numbers come out and the market overreacted to the upside..

We had the Fed announcement and the Fed.

press conference and the market really underreacted to that..

And then on Friday we saw the real reaction to that Fed day with the market.

selling off going into the close on Friday, the theme here is still the same..

The market is topping right now and we expect it to continue lower from here..

It may not do so this week, but we are expecting lower prices into 2023..

Now let's start off looking at the VIX..

The VIX is broken right now..

It actually closed slightly lower on the.

week after trading up into the channel on the daily charts..

After the Fed announcement we came down.

and actually generated a sell signal which is supportive for higher stock prices..

But I think with the.

big options expiration day on Friday that the VIX is a little out of sync and may.

take a couple of more days before it gets back in sync with the stock market..

Now we've been talking about the fact that the market has topped when the VIX has.

come down towards 18.75 in 2022 and that appears to be what happened recently..

A couple of weeks ago we got down towards 18.75 and then quickly reversed..

And so we are expecting to continue higher from here..

The bear market is probably not going to end until we see the VIX back up over 40.,

which would probably indicate some extreme panic selling and that would probably be a.

good time to look at putting long term money back in the stock market..

Now looking at the weekly charts here we're starting off with the DOW diamonds..

You can see that we put in a new early.

warning signal there at the top of the screen..

We actually had a bearish reversal week..

We actually made a new high this week and.

then pulled back closing lower on the week..

In fact we closed below the previous week's low, which is bearish..

And you can see down at the bottom of the screen there that the pros are giving up.

control of the DOW and that's kind of important since the DOW has really been.

leading the market higher over the past couple of months..

Now we ran up to the 343..

75 level and reversed..

And where do we come down to this week?.

Well our next mathematical target to the downside was 328..

13 and we closed at 328.97..

So pretty close..

So we are looking to see if we break that this week and then 312..

50 would be our next target to the downside..

Looking at the S&P 500 ETF the SPY,.

our target was 406.25. We certainly had time to lock in some profits up there..

And now we're coming down towards 375, this nice downtrend line..

A lot of market technicians are watching this line closely, and once again, we.

failed at trying to break out above that trend line..

Now looking at the weekly right side chart for the SPY, we did come right down to the.

lower channel line, did not close below it..

We're a couple of dollars away from closing below 380.35 this coming Friday..

Now looking at the Nasdaq..

The Nasdaq really hasn't participated in the recent rally..

It did pull back again..

It closed below the previous week's low, which is bearish..

The pros have not taken control over the past couple of months..

Unlike the DOW and the S&P 500, this week was a bearish reversal week..

So we are expecting to go down and retest the recent lows or even break them..

We are looking for a close this coming Friday below 274.10..

We closed at 274.25..

So we're right on the edge of a new weekly sell signal..

And then looking at the Ishares for the TSX 60..

Nice new early warning up there..

We traded up to the 31..

25 level and reversed and came back down..

Our first target is 29..

69 and we closed at 29..

64..

And we also closed just below the lower channel line..

So the TSX, if you're using the Ishares for the TSX 60 to track the Canadian.

market, we are back on a weekly sell signal as of Friday's close..

Now, I've been hammering home the risk off trade for the past month or so..

And the reason for that is there's a huge divergence in the market..

Yes, the DOW has had a really nice rally over the last couple of months..

That's wonderful..

And we should encourage that always..

But at the same time, the rest of the market was not following along..

So that's a big red flag telling us that this rally is probably not sustainable..

Remember, the DOW is only 30 stocks and they're very unique stocks..

Most of them are global, most of them are not paying any taxes..

So they don't have as much geographical risk as a lot of other stocks do..

Yeah, seeing the DOW move up like that, that's a wonderful thing..

It's just the fact that the rest of the market wasn't following..

So the DOW is doing very well this year..

It's only down 6.82%. You'll see that?.

That's not a lot when we look at some of the other areas of the market..

Now, of course, you can divide the market up by market cap..

And so when you look at the small stocks, the micro cap stocks, you can see that.

really no participation in the recent rally..

Yes, we were able to generate a buy.

signal, and now this week we've generated a sell signal..

So that's over with..

So the fact that some money came back in was not that big a deal..

We were looking for sectors of the market to start taking out recent highs..

You've got to start changing the pattern of lower lows and lower highs..

You've got to change the pattern, you've got to start putting in higher highs..

Now the DOW was able to do that, but again, not the rest of the market..

So more and more money was going into fewer and fewer stocks..

And that's the recipe for disaster..

Now US Microcap stocks, according to the.

Ishares Microcap ETF are down 22.45% for the year..

Back on a weekly sell signal looking north of the border..

No participation whatsoever in the recent.

rally, even though the TSX was able to move in step with the Dow..

No interest in microcap stocks whatsoever..

And we're down 38.73% on the Venture Exchange for 2022..

Now, last week we talked about IPO stocks..

Again, no participation in the recent rally, down over 55% on the year..

Then of course, another ETF you can use to.

track what's been going on is the Titanic, I mean the ARK Innovation ETF..

It's down 64.86% on the year..

And as you can see, there's been no new.

money coming to this ETF over the past couple of weeks..

Now, every day I've been showing Apple and Tesla..

The reason for that is these stocks have not participated in the recent rally..

That was a big warning sign..

Apple is down 26.1% on the year..

Tesla is down 62.44% on the year..

It held above 150 on Friday, but after hours it started to break down below 150..

So I wouldn't be surprised if it got down to \$100 in 2023..

Of course, I'm not going to take any.

financial positions based on that theory, but now that we're down below, starting to.

head down below 150. 100 seems to be the next logical target to the downside..

We've got some mathematical targets in.

between, but I wouldn't be surprised if in 2023 we saw Tesla down towards \$100..

Now, what is Tesla?.

Tesla is a series of lower highs and lower lows..

And until that pattern changes, then the.

conversation is always going to be about lower prices..

Let's take a look at those megatrends..

And no changes this week we saw bonds continue to move higher..

I tracked the third year bond, but of.

course there's the TLT and the XBB both closing slightly higher on the week..

So money is not coming out of the bond market to save the stock market right now..

Then we've got the US dollar..

It made a new low this week and I would.

imagine the volatility was around the inflation numbers in the Fed meeting,.

but it came back and closed just slightly lower on the week..

So this could be the time and place that the US Dollar wants to move back up again..

Then, looking at the metals, we've got copper pulling back..

Now, copper had a bearish reversal week a.

few weeks ago and we have not traded through that high..

So that bearish reversal week is still in play..

Notice that the pros are starting to give up control here..

They haven't abandoned Copper yet, but they're starting to give up control..

Now. They have given up control on Gold, and.

Gold was down \$6.40 on the week, so no major selling yet..

But the pros have given up control and.

they look like they want to give up control on silver..

It'll take a while for them to get down to.

that level, but Silver has been leading Gold over the past couple of weeks..

So this rally may have come to a stop this week..

And then looking at energy, Crude Oil, nothing going on there..

Pros still no interest in taking control and certainly no interest in taking.

control of Natural Gas at the present time..

Let's finish off..

Could there be a Christmas rally?.

Yes, there could be..

I've been talking about the percentage of.

stocks currently trading above their 50 day moving average..

What we want to do is see it come down,,

back down to the lower area, the lower range down here..

We're starting to make our way down there..

But if we also take a shorter term view,.

if you take a look at the percentage of stocks on the TSX currently trading above.

their five day moving average, we've come right down to the bottom of the range..

So, yeah, there could be a rally this week..

Of course, the first sign that something.

new is happening is if we close above the previous week's high, and I doubt very.

much we're going to be able to do anything like that..

So, yeah, there could be some buying going.

into Christmas on a very short term basis, but it's probably not going to generate a.

lot of new buy signals on either the daily or weekly charts..

Now the same is true for the S&P 500..

We've been looking at a market in which was very overbought where the percentage.

of stocks currently trading above their 50 day moving average was up at the top of.

the range and we were expecting it to come down..

You can see this week that it has come down..

This is a daily chart, but at the same time, while that's been coming down, the.

percentage of stocks on the S&P 500 currently trading above their five day.

moving average has come right down to the bottom here..

So there's no guarantee we can cluster down here for a week or so..

There's no guarantee that you're going to.

get an immediate return, but we are very oversold on a short term basis..

We are not oversold on a longer term basis..

So yeah, we could certainly get a bounce.

this week and get some sort of Christmas rally into year end..

We'll just have to wait and see..

I am betting that we are going to continue to move lower into 2023..

Okay, folks, that's all for this weekend's presentation..

If you run out of gift ideas, you can.

always donate blood and give the gift of life..

If you've got some time over the Christmas holidays, I'm sure there's some blood.

donors clinics somewhere near you and holiday schedule..

We're going to do a regular schedule this week..

I'm not sure when..

I'm going to post a video next weekend and then the week between Christmas and New.

Year's, I think we'll publish just on the Wednesday and then we'll do a weekend.

update on the following on the New Year's weekend..

But I'm not sure that we're going to be.

around much over the week between Christmas and New Year's..

Okay, folks, thank you very much for your time and attention..

Of course, if you have any questions, please send me an email..

And next time you'll hear my voice is on Tuesday morning..

Thank you..