

Morning, everyone. Welcome to Friday morning..

It's Stephen Whiteside here from theuptrend..

Com. In the premarket this morning, stock index.

futures and commodities are trading below fair value..

DOW futures currently down 150 points..

So far, it looks like we're going to see.

some selling at the open on Friday morning..

Now, today is options expiration for the February options..

And you say to yourself, Well, I don't.

trade options, so that doesn't affect me at all..

Well, it can affect you because a lot of.

positions in the market are hedged using options..

And the reason they hedge those positions,.

of course, is to reduce risk but also to increase leverage..

Investors can often take on much.

larger positions if they use options to hedge those positions..

And if they unwind them today and don't put them back on right away, then that can.

often affect the price of the underlying securities..

While speaking of options, of course, we.

watch the VIX Index every day and it moved back into the channel..

Of course, being in the channel is a neutral zone..

So on Friday, we're looking for a close above \$20.51 for the VIX..

Now, the VIX has been in a tight range for.

months now, and this range has been bracketed by a bullish.

reversal signal here and a bearish reversal signal there..

Neither one has been taken out so far..

So looking for a breakout of that range, and you can see the top of the range is up.

there at 21.88 and we may be heading for that level on Friday..

And of course, if we start to break out.

above that, that would certainly be negative for stocks..

Some other things that are negative for stocks..

Well, the US dollar index.

made a new high for this move before pulling back ever so slightly on Thursday..

And then bonds continued to move lower on.

Thursday, which means bond yields continued to move higher..

Whether you're looking at the 30 year or.

the 10 year or any of them, they continued to move up..

And that, of course, can be negative for stocks..

Another thing that could be negative for.

not only stocks, but the global economy is the Baltic Dry Index..

Now, this chart looks a little strange,.

and that's because there's just one data point per day..

The open high low close, it's all the same..

And so right now, if you look at the bottom right hand corner of the screen,.

you'll see that we are making new lows, and these are multi year lows..

And so if the Baltic Dry Index, which measures the.

shipping capacity versus the supply of dry bulk carriers..

Now, what's a dry bulk carrier?.

Well, these are ships that move around.

materials that go into making other things..

So it could be wheat, it could be coal, it could be iron ore..

That's the type of things that dry bulk carriers carry around the world..

And a lot of people use it as a.

measurement of the health of the global economy..

And looking at this chart, the patient is in major cardiac arrest at the moment..

If we look at a weekly chart of the.

Baltic Dry Index, you can see we are breaking down below 625..

And so if you were in this business, you.

could have got twice as much money for shipping stuff just a few month.

ago, and three times as much money if you go back to just last September..

And of course, you can see you could have got a lot more money previously..

So this is not a good sign for that.

particular industry, but it's also not a good sign for the global economy..

Now, we didn't get cell signals yesterday for the major index ETF, so we follow..

Looking at the SPY, you can.

see we need a close below 407.14 on Friday, and that is certainly doable..

I noticed, going through the reports last night, that the iShares Canada ETF traded.

in New York actually closed just a penny below the lower channel line after.

putting in a lower high just a couple of days ago..

Some of the weakness in the Canadian.

market was from the info tech sector, which had a big down day yesterday..

And that was probably due to Shopify, which had a huge down day on Thursday..

Now, we came in to Thursday morning seeing.

that Shopify had generated a new buy signal..

And of course, I always tell you to look.

and see what's happening in the premarket before you go ahead and take a signal..

And yesterday when we looked at Shopify,.

and this chart is Shopify trading on the TSX, it was down over 10 %.

or around 10 % in the premarket, and it ended the day down over 15 %..

So we saw some additional weakness once the market opened..

And if you're short Shopify.

at the moment, then \$56.25 and \$50 are the next two targets to the downside..

Now, we're also watching Tesla and our next mathematical.

price target was \$218.75. We got as high as \$217.65 yesterday..

And so we often tell you to put your order.

in a little below what the price target is..

And of course, yesterday's trading activity, which generated a bearish.

reversal signal, was stopped by the 200 day moving average..

So hopefully you're watching that as well..

Looking down on Friday.

for Tesla, we need to close below 189.82. Now we're also watching.

Apple and Apple put in a bearish reversal day a few weeks ago..

Now, we hit 156.25 again yesterday before pulling back, and so that would be.

considered a lower high if we continue to move lower from here..

And also, we were watching Microsoft this.

week, which traded down into the channel yesterday..

So looking for a close on Friday below 260.97. And you can see the bearish.

reversal day marks the high for this particular move..

That's why we watch them..

That often happens, and that is certainly what's happening to Microsoft right now..

Okay, folks, that is all for this morning's presentation..

Stock index futures and commodities are trading below fair value..

So again, it does look like.

we're going to see some selling at the open on Friday morning..

Enjoy your Friday, enjoy your weekend..

Next time you'll hear my voice.

is on Sunday..