

Hello, everyone. It's Stephen Whiteside here from the.

uptrend.com with this weekend's edition of Stock Market Timing Television..

Well, it was a holiday shortened week that was negative for the markets..

Let's start off today by doing a little history lesson..

Let's start off doing a little recap of.

what's been going on for the past six months..

The market started off making a major low in October, and of course, that's a.

seasonal time where you look for a major low..

Then we had a nice run into the end of November, early December,.

depending on what symbol you're looking at..

The market was really led higher by a couple of major indices, the TSX 60, which.

only has 60 stocks, and the DOW30, which only has 30 stocks..

If you take a broader look at what happened during that time period, yes,.

most of the rest of the market was moving up, but not to the same intensity..

The S&P 500 was not able to break out above the summertime lows..

That's also true for the Nasdaq..

Then since that rally started to peter out, you can see we.

had a nice decline into the end of the year..

Then at the start of the year, we had a nice run up into the end of January..

In February, we've had trouble and we've.

been pulling back over the past couple of weeks..

What's been interesting in this last rally, a lot of the stocks.

that didn't participate in the October to December rally started to participate..

They put in some amazing percentage returns..

To see the ARK Innovation ETF go from the low 30s.

into the 40s, that's quite a tremendous return on a short term basis..

So for short term traders, this has been quite a time period the start of.

2023, if you're a long term investor, it really doesn't mean very much.

looking at a monthly chart of ARC innovations or to look at Peloton..

I've got a subscriber that rides his Peloton every day and trades it.,

and he's learned to trade it both sides, going long and then going short..

And the stocks had a tremendous.

run in 2023 to come off the eight dollar level to go all the way up to 17..

That's over 100 % move and normally that would be something to be very proud of..

From a trading point of view, it certainly is..

From a long term investment point of view, there's not a lot to say about the stock..

The stock was up over 160 at one time and now it's trading at \$12..

So if you're a long term investor, it hasn't been that great..

But from a short term.

trading point of view, the January rally was quite intense..

Now, one of the big standouts in 2023 has been Tesla..

Tesla was a big failure in 2022..

You can see the skid marks across the bottom of the screen..

Here's a bunch of opportunities that failed very quickly..

And then we came down to the \$100 level and we were contemplating whether.

Tesla would break \$100 dollars, but it did not..

And in short order, it came back and has.

moved up over 100 % in a very short period of time..

So congratulations to anyone that's trading Tesla on the long side..

You can see the early warning signal up.

there, but we haven't really had a lot of fall through to the downside just yet..

And it is certainly a standout against many other stocks in its sector..

Now, I don't know who flipped the switch.,

but somebody flipped the switch on January first and took us from risk off to risk.

on, which is bizarre because nobody wants to fight the Fed as the Fed.

wants us to go into recession to fight inflation..

And there's a bunch of sectors that.

traditionally don't do well during a recession, but they did well in January..

So whether you're looking at.

financials, whether you're looking at consumer discretionary or retail stocks or.

homebuilders, they all had nice runs in January..

They've all started to fade in February,.

but they certainly put in some good numbers in January..

And that also includes real estate stocks..

So everybody's starting to fade now..

Who knows how much they're going to fade..

Only time will tell..

Now, one of the things that we've been concerned about is the fact we had those.

nice rallies and the DOW took us up and then stopped..

That's the 34,375 level..

We've come back to support at 32,812.50..

We've been here before, and now we're going to see what happens next..

Do we start to take in out those lows from.

a couple of months ago, or do we reverse and move higher from here?.

TSX 60 moved up to 1250 and then started to pull back..

We were also looking at the Nasdaq, which moved up to 12,500..

This is the Nasdaq 100..

We were watching the Russell 2000 turn back at 2000..

We were watching the SOX index turn back at 3,125..

And then we were looking at microcaps..

And US microcaps peaked.

four weeks ago, did not make it to 125, and we've been pulling back ever since..

Now, that peak from four weeks ago is lower than the previous peak..

So that is a bearish sign..

And then a bearish sign for the Canadian market..

The Venture exchange did move up to the.

625 level over a month ago and it has been treading water ever since..

So yes, some of the market has.

moved up nicely in 2023, and some of the market has not..

But we are looking at those levels of resistance..

We wanted to see, could the market punch through those?.

And if they could and start making higher.

highs, that would be overall bullish for the market..

Of course, some people want to know why?.

Why is all this going on?.

There are several markets that are much bigger than the stock market..

And if you start off with currencies, you can see that since the October lows in.

the stock market, the US dollar has been falling..

That stopped happening about four weeks ago and we've been moving up ever since..

And the US dollar index is back on a weekly buy signal as of Friday's close..

Of course, with the US dollar moving up, you have other currencies.

around the world such as the euro and the Japanese yen moving lower..

Now, another market that's much bigger than the stock market is the bond market..

And you can see it peaked four weeks ago and has been moving down ever since..

Falling bond prices puts pressure on yields and yields have.

been moving up over the past couple of weeks..

And that could put pressure on the stock market..

Now, what's interesting, what's happening.

right now is the bond yield curve has inverted..

And historically, financial institutions.

like longer term 30 year yields to be higher than shorter term yields..

And right now, the yield on the 30 year bond is 3.93 %..

On the 10 year, it's 3.94 %..

And then on the five year, it's 4.21 %..

So when you've got short term yields.

rising over long term yields, that's a bond yield inversion..

And historically, when bond yields invert..

it suggests that investors expect weak economic growth and.

possibly even a recession, which can lead to lower corporate earnings and.

reduced demand for stocks, causing a decline in stock prices..

That's the world we live in right now, and that's probably why stock prices have had.

trouble making higher highs over the past few weeks..

Now, moving on to the VIX of the fear index..

It certainly spiked above the upper.

channel line this week, but did not close there..

So we're going to remain long term bullish.

on the market as long as the VIX does not close above 22.63 this coming Friday..

Now, looking at the daily charts of the.

VIX, you can see the 200 day moving average has been acting as resistance..

And unless the VIX can get up and over.

that, the the decline in the stock market may come to an end soon..

Now, we are watching the VIX trade above.

2,188, but on Thursday and Friday, it came back and closed below that level..

And we're sitting right at the upper channel line as of the close on Friday..

Things would change on Monday.

if the VIX were to close below \$20.05. If that doesn't happen on Monday,.

of course, that lower channel line is going to continue to move higher daily..

Now, looking at a daily chart of the S&P 500, we made a new low on Friday..

We're not only on a right side sell signal, but we're also on a mid term sell.

signal for the S&P 500, and we're starting to trade below all the moving averages..

The 200 day moving average is no longer acting as support, and we are hanging on.

to the 100 day moving average at the present time and projecting lower prices..

Looking at the weekly panic zone chart for.

the S&P 500, you can see we've got an early warning signal up there..

So we're anticipating.

lower prices right now based on that off that early warning signal..

And we traded down into the channel..

So a close below this week's low this.

coming Friday would give us a weekly sell signal..

That's also true for the Canadian market..

Looking at the TSX it too traded down to the lower channel line..

So a close below this week's low.

coming up this Friday would give us a new weekly sell signal..

That's also true for the TSX 60..

Now, a couple of weeks ago, I mentioned that there was four stocks I was watching.

closely, and three of the four actually made new lows for this move on Friday..

Apple has filled that open gap, so that open gap is no longer in play..

There's the new low on Friday..

Certainly recovered going into the close..

We made a new low for Microsoft, a new low for Shopify on Friday,.

and this gap looks like it's been filled as of Friday's close..

Then we've got Tesla. Tesla is still holding up..

It traded below the lower channel line on Friday but did not close below it..

On Monday, we're looking for a close below 194.43. Now, one interesting thing that.

happened during the week, we saw NVIDIA pop on Thursday..

I mentioned that I wouldn't chase that..

In fact, I'd probably fade it if I was trading NVIDIA..

It did pull back on Friday..

The chip sector certainly got a pop on.

Thursday, but you can see AMD faded that on Friday..

And we saw Intel, which actually closed up on Thursday, but then made a new low.

and is now breaking down below the December lows..

So that big up move for NVIDIA on Thursday.

really didn't help the market on a long term basis..

Now, let's finish off with commodity prices..

We saw copper pulled back 4 % on the week..

So an outside reversal week for copper..

Still on a buy signal here, no change in trend..

Gold continued to move lower, down 1.8 %..

We see the bearish reversal signal a.

couple of weeks ago, marking the high, and we've pulled back down to support at 18.

12.50. Lots of history of support at this level over the past year or two..

And then if that breaks, you can see that.

back last summer, the 1750 level did act as support..

So certainly a legitimate target to the downside..

Now, we've been talking about the fact.

that silver has been leading the markets lower..

And once again, it was down more than gold, down 4.53 %..

It's broken down below 2187.50 heading towards 1875..

And then looking at the energy sector, crude oil not doing anything, the pros not.

doing anything, and natural gas might have made a significant low this week..

We had a bullish reversal signal..

The pros have not....

They're not close to taking control..

But when you look at this, you've got to.

assume that the pros are probably not aggressively selling any longer, and they.

may be getting ready to start to accumulate..

And then, of course, when they do, we look for a nice up move in natural gas..

So that could happen over the next few weeks..

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

A lot of people want to be very bullish on the stock market..

The Fed is trading against against us, the.

currencies are trading against us, and the bonds are trading against us..

So I'm not sure what percentage chance the market could move higher from here..

I think we have to go down before we go up..

And previously, we looked at the seasonality of the VIX, which is to move.

higher from this particular time, and that could.

put some weight against the stock market moving up over the next month..

Enjoy the rest of your weekend..

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