

Good Morning, everyone, and welcome to Tuesday morning..

It's Stephen Whiteside here from theuptrend.com..

In the premarket this morning, things are fairly quiet..

Stock index futures are slightly below fair value..

DOW futures currently down 60 points..

So far, it looks like we're going to have a fairly quiet open on Tuesday morning..

Now, sometimes markets can be highly.

correlated, and that means that they move in sync with each other..

The market that we watch the closest for.

correlation is the correlation between the S&P 500 and the VIX..

We expect if the VIX is going down that the S&P 500 will be going up..

If the VIX is going up, we expect the S&P 500 to go down..

Now, another area of the market that has a strong correlation is the correlation.

between the US dollar index and the stock market and the price of gold..

Now, not all correlations, they're not guaranteed..

Sometimes they work, sometimes they don't..

Now, when we go back to the month of February, we had a nice big move up in the.

US dollar index, and we're seeing the start of that now..

The US dollar index has been on a buy signal for a couple of weeks now..

If we can continue to move higher from here, the last time that we rallied like.

this, we saw the S&P 500 pull back sharply through the month of February into March..

We also saw the price of gold pull back as well..

Now, so far, the price of gold has already started to pull back..

It's down again in the premarket this morning..

So that correlation is working..

What hasn't started yet is the move down in the stock market..

So no guarantee that the US dollar index.

is going to be able to continue to move higher from here..

But if it does, we may see a negative.

effect on the stock market and a continued negative effect on the price of gold..

Now, the VIX traded in the channel on Monday, a close above 1807 would give us a.

buy signal, and we would expect that to be negative for stocks..

Now, once again, it was technology stocks leading the market higher..

I didn't notice it that much on the Nasdaq 100, up just a third of a %..

It was more visible looking at the chip sector with the stocks.

trading higher and the spider, Semiconductor ETF up over 1 % on the day..

Looking at the S&P 500, we barely moved yesterday..

Our next mathematical target on the SPY is 421.88. On the index itself, it's.

421.75. What the market is really watching right now is not that number..

They're watching the big round number of 4200 or 420 on the SPY..

The market is having trouble with that level at the moment..

If it can punch through it, and we got.

pretty close to it yesterday, we can get up to 4,218..

75 on Tuesday..

Looking at the DOW Diamonds, we traded down into the channel, dipped below the.

lower channel line but did not close there..

On Tuesday, we're looking for a close.

below 332.32 to give us a new sell signal for the DOW Diamonds..

Now, Nike continued to lead the DOW lower.

yesterday, but we also saw Walgreen Boots put in a new low..

Now, this was an interesting move..

We're looking for support at 31.25. The high of the day was actually 31.27,.

and we closed at 31.19. So the stock is really trying to hold on to that 31.25.

level, even though we made a new low yesterday intraday..

We, of course, care about where things.

close and it closed right up at that level of the 31.25 area of support..

Now, the Canadian market didn't trade on Monday..

On Friday, we traded up.

closing just above the lower channel line looking for a close on Tuesday above.

31.36. Now, US bank stocks were up yesterday..

Canadian bank stocks pulled back on Friday..

Canadian banks start reporting earnings.

this week, so that could add to the volatility in the banking sector..

On Friday, Canadian energy stocks ended the week on a buy signal..

On Monday, we saw a small pullback in US energy stocks down less than half a %..

Still waiting for a buy signal for this sector in the US..

Looking at gold stocks on the TSX, they.

traded up on Friday, filling the open gap and then closing higher on the day..

On Monday, we saw the GDX pull back, having an inside day..

So a day of indecision for gold stocks in the US on Monday..

Let's finish off today's presentation looking at commodities..

The price of copper is trying to hold support here..

It's been on a sell signal for a few weeks now..

Then we had an inside day for the GLD and the SLV and the USO on Monday..

So no change in trend for gold or silver..

And the price of crude oil is still on a buy signal here treading water..

We need a close on Tuesday below 62.99 to give us a sell signal for the USO..

Looking at gasoline, new high for this move on Monday..

And then looking at the natural gas, big.

pullback on Monday, trading back down to the upper channel line..

Looking for a close on Tuesday below.

\$6.71. Okay, folks, that is all for this morning's presentation..

So far, it looks like we're going to see a quiet open at 9:30 Tuesday morning..

Have a great day..

Next time you'll hear my voice is on Wednesday morning..