

Good morning everyone and welcome to Friday morning..

It's Stephen Whiteside here from theuptrend.com in the pre market this.

morning, stock index futures and commodities are trading above fair value..

So so far it looks like we're going to see some buying at the open..

We do have US Employment numbers coming out at 8:30 and.

that could add to the pre market volatility..

Well debt ceiling seems to be fading away as a major issue for the market..

It and yesterday we saw the VIX come down hard..

I think new closing low for the VIX.

yesterday, that's supportive for higher stock prices..

Chips came back and moved up leading the market higher on Thursday..

Of course you've got the queues making a new closing high..

You've got the S&P 500 making a new.

closing high and we closed right at the 421 88 level, closed at 421 82..

Now if we can keep going from here then.

429 69 would be our next target to the upside for the spy..

Looking at the overall market you can see the spy made a new closing high yesterday..

If we look at the S&P 500 based on equal.

weighting, remember this is market cap weighting..

So Apple and Tesla have a huge responsibility for yesterday's high..

When you give every stock in the S&P 500 equal weighting, it looks more like this..

And yesterday was an interesting day for the overall US..

Stock market. We had 74 new 52 week highs..

At the same time you had more than double the number of 52 week lows..

And if we're looking year to date a.

similar statistical anomaly, we had 121 new year to date highs..

At the same time we had over 300 new year to date lows..

So you can see what the overall market is.

doing compared to what is happening on the headlines..

Now..

While most of the market's attention is focused on what's moving up, we should.

probably take a look at what's moving down and US..

Retail is not doing well at the moment..

Yesterday's big disaster was.

Dollar General which was down nearly 20% on the day..

It was already on a sell signal coming into yesterday's trading action..

So it's joining Big Lots, Dollar Tree and.

Target all getting crushed over the past couple of months..

So that's not a good sign for the overall economy..

If the stocks that probably should be able to make it through a recession..

The discount retailers are having a hell of a time at the moment..

Now moving on to the Canadian market, if we look at the seasonality chart you can.

see that we should be peaking right around now..

And so to see the market moving up the.

first day of the month, second day of the month, remember we get that automatic.

money that comes in and traders usually like to trade with that, not against it..

So here we are, we should be peaking now.

and then the month of June is historically not a good month..

Now there's an argument to be made to say that the TSX has already gone through that.

decline, so maybe the seasonality is off a bit this year..

But the TSX made a new low on Wednesday, made a slightly higher low on Thursday..

We see the TSX 60 moved up yesterday, filled the gap..

Then we saw more money go into mid cap,.

small cap and micro cap stocks on Thursday..

And that could be a good sign going forward if we look at what worked and what.

didn't work yesterday, well, it was materials and energy were the big winners.,

while infotech and utilities were the big losers yesterday..

Now when we look at materials, that really.

means anything that's mined out of the ground..

And so the materials index was up yesterday..

We saw base metals up, we saw the Global Mining index up, we saw gold stocks up.

nicely right into the channel, trading right up to the upper channel line..

So there could be buy signals in any of these sectors on Friday..

If we look at major gold stocks,.

Agnico Eagle traded into the channel, we've got Barrick trading up to the lower.

channel line, then we've got Kinross trading into the channel, we've got.

Wheaton trading right up to the upper channel line yesterday..

So there could be buy signals in any of those stocks on Friday..

And then looking at Teck Resources,.

Teck traded right up to the upper channel line and closed just below it..

So we're looking for a slightly higher.

close on Friday to give us a buy signal for Teck ..

Now, energy stocks moved up yesterday,.

they are not on a buy signal at the moment..

We saw crude oil move up nicely yesterday, it's up again in the pre market now..

Unfortunately, natural gas is continuing.

to move lower and it's lower again in the pre market on Friday morning..

So we've got Cenovus trading up into the channel, we've got Imperial Oil trading up.

into the channel, and we've got Suncor trading up into the channel..

So any of those stocks could generate a buy signal on Friday..

Now, looking at the financial sector, when.

we look at the panic zone charts, you can see that the overall financials have not.

broken down below the previous low, unlike bank stocks..

So bank stocks still looking fairly weak.

right now, would certainly consider buying any of them if they started to move up..

Now in the financial sector..

The TSX itself is doing very well at the moment..

It's had a very nice year so far..

Some of the regional banks have come back over the past few days..

We've got Canadian Western and Laurentian coming back nicely..

Laurentian had a huge big update.

yesterday, so I guess they surprised Laurentian investors on Thursday..

Then we've got insurance companies, so we've got SunLife, we've got Great West..

we've got Fairfax, we've got Industrial Alliance, all still on buy signals, unlike.

Manualife, which is still on a sell signal..

Had an inside day on Thursday..

Looking at the banks themselves..

Bank of Montreal trying to hold the lows from back in March..

Then the Bank of Nova Scotian and CIBC holding up fairly well..

They're both on sell signals, but they haven't been hit too hard..

Then looking at the National Bank, which has come down sharply over the past couple.

of days, and the Royal Bank, which broke down below the March lows a while ago..

And then we're looking at the TD Bank..

And the TD Bank is trying to hold the March lows at the moment..

Last up technology stocks, and some of them aren't doing well..

The overall technology sector, which is.

heavily weighted to shopify, is holding up okay..

But Nuvei had an inside day yesterday after making a new low for this move on.

Wednesday, trying to hold the lows from early March..

Then we're looking at Payfare, which had.

an inside day on Thursday after making a new low on Wednesday..

And then Telus International made a new low on Thursday..

Now looking at a couple of the winners..

Celestica..

There was a time when Celestica was the Shopify of the Canadian stock market, and.

it was a stock we used to talk about every day..

Boy, times have changed..

Celestica, if you had a bought it just.

above \$15, you've had several opportunities to take money off the table..

We ran up to the highs from back in February and started to fade..

So once we got up to the \$18 level, we started to pull back..

Been down the last four days in a row..

Looking at Open Text after the big pop, I wouldn't have chased it..

It's still on a buy signal here..

No change in trend..

BlackBerry, which had a big month in the month of May, still on a buy signal..

That would change on Friday with a close below 699..

Then looking at Coveo, it apparently is an.

AI stock now, and so it's had a nice run over the past couple of days..

And then looking at shopify..

Shopify popped at the start of May..

Not something I would have chased..

It's been on a sell signal for over a week now..

So no change in trend there..

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

US employment numbers came out..

They're very strong..

And the stock market is continuing to trade higher this morning..

I'm not sure why it's good for the stock.

market, because it's telling the Fed that they still haven't done their job yet..

They still haven't slowed down the overall economy..

And so that tells me they probably want to continue to raise interest rates..

But on Friday morning, the stock market doesn't seem to care..

Enjoy the rest of your day. Enjoy your weekend..

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