

Morning, everyone. Welcome to Wednesday morning..

Stephen Whiteside here from theuptrend. com..

In the premarket this morning, stock index futures are slightly below fair value..

Commodities are mixed with the energies.

higher while gold is lower on Wednesday morning..

Well, we are coming up to month end, quarter end, and a long weekend, and all.

of those usually have a bullish bias to them..

So even if there's bad news over the next.

couple of days, I don't expect to see any aggressive selling this week..

When we look at the seasonality chart, and.

typically we get selling in June, which we did in the Canadian market, not so much in.

the US market, which is a little concerning..

Then in July, we usually get a summer rally..

So we'll have to see how that works out this year..

But the US market is certainly not in sync with the seasonalities in 2023..

Now, the TSX had a nice big up day yesterday..

Not enough to give us a buy signal..

We are trading a little lower in the.

premarket this morning than we see that the TSX 60 also moved up into the channel..

When we take the TSX 60 out of the TSX, you're left with the midcap stocks and.

they traded up to the bottom of an open gap yesterday..

So that could hold us in check..

Then we had a small gain for small caps.

and a nicer gain for the venture exchange trading up into the channel..

So there was some interest in microcap stocks on Tuesday..

Now, if we look at what worked on Tuesday,.

we had consumer discretionary followed by infotec, followed by real estate..

What didn't work was energy..

Not by much, though..

We had an inside day for energy stocks, then materials, and consumer staples..

So consumer discretionary in, consumer staples out..

So consumer discretionary is back on a buy signal..

In percentage terms, the big winner yesterday was Sleep Country..

In market cap terms, it was Magna..

Not enough to give us a buy signal, but trading up into the channel..

Then looking at InfoTech,.

it was really the Bitcoin stocks that were the big winners yesterday..

Hut 8 and Bitfarms were the big winners in percentage terms..

You can see Bitfarms had an inside day on Tuesday..

Then looking at real estate, the index moved up to the lower channel line..

The big winner in percentage terms was Primaris, then followed by Firstcap..

So as you can see, Primaris back on a buy signal..

I'd be waiting to see if it could take out the high from a couple of weeks ago..

Then looking at energy stocks, had an inside day yesterday..

We saw TC Energy pulled back..

We saw a little bit of selling in Suncor,.

but an inside day and a little bit of selling in Canadian Natural Resources..

Again, having an inside day or a day of indecision..

Then looking at gold stocks, looks like we're holding the low from four days ago..

We had the Barrick trade slightly higher..

A close above 22.07 on Wednesday would give us a buy signal..

Not expecting to see that..

B2 Gold was down yesterday..

Kinross was also lower on the day..

Then looking at financials, a big up move yesterday for financials..

Looking for a close above 351.12. We close at 350..

67. We could certainly see a buy signal for.

financials and a buy signal in bank stocks..

We do have the TD Bank back on a buy signal as of Tuesday's close..

No joy yet for CIBC and certainly no joy for Manulife, both higher on the day..

Let's finish off looking at commodity prices..

And copper has been on a sell signal for the last two days..

That, of course, is not helpful for the overall mining sector..

Gold was down \$10 yesterday..

It's down \$7 and changed this morning..

So starting to break away from \$1937.50,.

you can expect psychological support at \$1900..

Then our next mathematical target is \$1875..

And if you look back to the month of.

February and March, you can see we traded below that..

Those lows could certainly be a legitimate.

target to the downside and a potential area of support..

You can also see that the pros have had no interest in gold since the middle of May..

That has not changed..

They did have a little bit of interest in.

the price of silver, and so silver has been holding up better..

We are looking at silver closing at the lower channel line..

A close above 23.75 would give us a buy signal on Wednesday..

Not expecting that to happen..

Here's a quick little tutorial..

Historically, silver has been much more volatile than the price of gold..

One of the reasons, of course, is silver.

is only trading in the 20s where gold is trading up near \$2,000..

Now, when you look at the average true range of silver, it's currently at 2.78 %..

When you compare that to the price of gold, the average true range for gold is.

currently at 1.26 %, so less than half of the volatility of silver..

If this was a stock, I'd certainly.

tell you not to consider trading it because there's not enough volatility to.

make money compared to other options that you have in the stock market..

But we're not looking at a stock, we're looking at a futures contract..

And when you're trading futures contracts, you get a lot more bang for your buck with.

your margin than you do in the stock market..

So there's a lot more risk reward in.

trading actual futures contracts than there is in the stock market..

And remember, those two words are equal..

Risk and reward are much greater trading futures contracts..

And so that's why you can trade something.

that has an average true range of only 1.26 %..

It's like being a currency trader..

When you're trading currencies, the margin.

and the leverage in currencies is much higher than the stock market..

Now, when you look at currency ETFs,.

they're not worth considering as a trading option..

But when you look at the currency futures.

contracts, they have a lot more leverage and they are certainly worth trading..

And they're probably one of the biggest trading instruments in the world..

Now, looking at the price of lumber,.

somebody was asking me about the price of lumber..

Yeah, we're making new lows here..

If we were going to get a buy signal here,.

then move up to 400 would certainly be a legitimate target to the upside..

Now looking at the energy sector, we've.

got crude oil working its way into a nice little triangle there..

So looking for a breakout or a breakdown..

Right now, it looks like we're going to.

see a breakdown and probably a retest of the low from early May..

It's been very sloppy trading over the.

last month and you can tell the pros in the public are intertwined..

Nobody really wants to make much of a.

commitment in the crude oil sector at the moment..

You probably want to give it more breathing room..

Use the mid term chart instead of the.

right side chart and just give it more room to breathe because nobody knows which.

way they want the market to go at the present time..

Now, compare that to natural gas..

When we look at the mid term chart for natural gas, we are starting.

to see some bullish signs here, which is probably a good thing..

In 2023, natural gas hasn't done much..

Certainly, it has.

had a lot of volatility in a much smaller range than it has over the past few years..

So we are looking for a nice big up move in natural gas..

Pros are currently in control, so we're.

looking to see if we can continue to move higher from here..

Okay, folks, that is all for Wednesday morning..

Have a great day..

Stay out of the smoke..

It's pretty smoky out there this morning..

Nice little haze over the city and you can certainly smell it..

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

Enjoy the day and we'll talk to you again soon..