

Hello, everyone..

It's Stephen White side here with this.

weekend's edition of Stock Market Timing, Television..

Now, this was a holiday shortened week and.

the market does very focused on bond yields, which moved up sharply this week.

and looking to see if we can break out above the 2022 highs for bond yields..

Of course, bond yields rising usually equates to bonds falling in price.

and the 30 year bond was down just a tick under two and a half % on the week..

Now, there is a Fed meeting in the month of July, and it's almost 100 % consensus.

that the Fed is going to raise 25 to 50 basis points..

So that's already baked into the market..

But as you know, if you've ever watched.

any of the Fed meetings, it's not necessarily what they do..

The market often overreacts to what they say afterwards..

Everybody will be keeping an eye on that,.

especially currency traders, which have been in basically trading water, whether.

you're looking at the US Dollar index, and of course, it's a weekly chart..

They've been trading water in the channel..

That's also true for the Euro..

So currency traders really just taking the month of June off, waiting for something.

to happen in July before they put more money on the table..

Now looking at the VIX..

The VIX started to move up on Wednesday,.

peaked on Thursday and had a pull back on Friday, still on a daily buy signal..

Of course, on a short term basis, that's negative for stocks..

Looks like we're catching resistance at.

15.63, which is where we'd expect to catch it..

If we can start breaking out and closing.

above 15.63, then 18.75 certainly comes into play..

Now, of course, what's happening on a

short term basis does not affect long term investors..

Still looking for a close this coming.

Friday above \$17.49. So it came down another 50 cents this week..

If we get a close above 17.49, then yes,.

long term investors need to be concerned about what's going to happen next..

Now, on the daily charts, we did get a

sell signal for the TSX 60 and for the DOW 30..

Still waiting for a sell signal for the S&P 500, the Nasdaq 100..

Both of them did not generate sell signals.

this week, even though they traded down to the lower channel line on Thursday..

We did see a big sell off in the mid caps.

and microcaps on Thursday, but they came back into the channel on Friday..

There was certainly some interest in buying some margins on Friday..

We'll have to see if that continues this week..

Now, the market is, I would call it, very unstable at the moment..

There's just a handful of stocks still holding the market up..

What I would say to you is the first thing.

we're going to be looking for, of course, is a close below the previous week's low.

for Apple, for Meta, for Microsoft, for NVIDIA, and for Tesla..

Tesla gapped higher this week and made a new high before pulling back..

It's a bearish reversal signal, but again,.

we didn't close below the previous week's low, so not overly concerned just yet..

But that is going to be the first sign.

that something new is happening if the market starts to give up on those stocks..

Now, when I talk about those big cap tech.

stocks leading the market higher, they're leading it in several ways..

First of all, their capitalization or the.

value of the companies have continued to increase..

But also, oddly enough, they're the most actively traded stocks in the US..

Tesla is eight out of 10 days is the most actively traded stock..

When those stocks start to pull back and people start selling, that is going to.

cause a cascading effect for the rest of the market..

That's what I'm overly concerned about..

Now, at the same time that the stock market indices have been doing really well.

in 2023, being led by those big cap tech stocks..

At the other end of the market, we've got.

the financials, which are still struggling here..

On a bullish note, in March, we actually.

made a higher low for the SPDR Financial ETF..

We've been on a buy signal for a month now, but still haven't gone anywhere..

And a lot of that upward momentum has been.

from the insurance sector, not from the banks..

So the pros still haven't taken control..

When we look at US banks, we've been in the channel for the past couple of weeks..

We have not generated a buy signal..

The pros do not look like they have any interest in taking control right now..

Remember, we're looking at weekly charts here, so a longer term view of the market..

Regional banks, yes, they've come off.

their lows from a couple of months ago, but still haven't gone anywhere..

The pros still haven't shown any interest in taking control at the present time..

Now, what I'm probably seeing here is that the pros aren't aggressively selling.

anymore, but they haven't come back to buy either..

With interest rates going to continue to rise, probably for the rest of the year, I.

don't see any hope that these are going to come back anytime soon..

No interest of the broker dealers..

We have seen some positive price action for the insurance stocks..

But again, the pros have not taken control..

When we look at the Canadian market, the.

financials have not generated a weekly buy signal yet, neither have the banks..

The banks are still, the pros have shown no interest in taking control..

They did back in April, but that only lasted a couple of weeks..

Here we are looking for money to come back into Canadian banks..

Certainly, the pros are not showing any.

incredible interest in the Royal Bank right now..

In the US, Bank of America looks like this..

The further you get away from those big national banks, then you get into the.

regional banks and the pros showing no interest in taking control at the moment..

Now, there are certainly some stocks in.

the financial sector that have been doing very well..

Berkshire Hathaway is one, and you can see.

the pros took control back at the end of March, and the stock's been moving higher..

In Canada, the Canadian version of.

Berkshire Hathaway is is Fairfax and pros took control back in October..

The stock has moved up.

nicely and you can see it looks like the pros are giving up control, but you can.

get this chart action with the pros not selling they just have stopped buying..

As we got up towards \$1,000 here, it looks like the pros have.

stopped out bidding the public for shares in this particular stock..

That doesn't guarantee that it's going to go down..

It'll probably go down with the rest of the market..

But this is not necessarily a negative thing..

We need to have confirmation of negative price action as well..

And so far, we haven't got that..

So let's just assume that the pros have stopped buying..

That does not mean that they have started to sell..

And we can see that as we haven't had any.

major negative price action over the past couple of weeks..

Now, looking at Fairfax, you can see that.

investors since 2021 have been buying the dip..

And so if we get a pullback here down to.

the \$800 level, which would be about a 20 % pullback,.

we could still look for buying opportunities after a move down to the fly.

paper channel if that happens anytime soon..

And of course, if we see a 20 % pullback.

in Fairfax, we'll probably see a 20 % pullback in the overall stock market..

Let's finish off with a quick look at commodities..

No trend changes here..

Gold was up \$3.10 on the week..

Silver was up \$0.26 in change..

Trading up to the lower channel line, no change there..

Crude oil traded up to the upper channel line looking for a close this Friday above.

72.87. And we had a pull back for natural gas into the channel looking for a close.

below 244 this coming Friday to give us a weekly sell signal..

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

We've now moved into that time of the.

month where the market is going to be focused on the Fed meeting..

They've already agreed that the Fed is going to raise rates..

Of course, they'll be more concerned about what the Fed says than what it does..

Enjoy the rest of your weekend..

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