

Hello everyone and welcome to this.

weekend's edition of Stock Market Timing Television for Sunday, July 30th, 2023..

My name, of course, is Stephen Whiteside from theuptrend..

Com..

Now, Thursday was a wild day in the market..

We made a new high, pulled back, closed lower on the day..

It didn't generate a sell signal for most of the major indices..

On Friday, we did close higher on the day,.

inside day, but a new closing high for the S&P 500..

Now, we are coming up to month end, and of.

course, month end has a bullish bias to it..

Having a bullish bias does not guarantee success..

If there is negativity, the bullish bias could help dampen that negativity, but I.

certainly wouldn't bent against the market coming into month end..

Now, looking at a seasonality chart of the.

SPY, you can see that the month of July is usually bullish..

We are looking for the summer rally to end.

last week as the market was very overbought..

It continues to be overbought and we.

continue to move higher right into Friday's close..

The month of August usually has a pullback as the summer rally ends..

It's not usually a major pullback, but in certain years it has been..

And if we go back and look through the last 10 years, you'll notice that there.

have been some very bullish trading in the month of August..

If we start off with 2013, you can see.

that we peaked right at the end of July and then sold off into August..

In 2014, we started selling in late July into.

August before recovering in the second week of August and moving back up..

Looking at 2015, we got some aggressive.

selling going into the second and third week of August..

Then looking at 2016, really not much.

downside pressure until we get into September..

Then looking at 2017, you see we peaked in the middle of the first week of August and.

then saw some selling for the next couple of weeks..

Then in 2018, it was a pretty bullish year..

We caught a couple of small blips, but for.

the most part, the market continued to trade higher into the end of August..

Then in 2019, it was a more typical month.

where the selling started at the end of July into the late August..

In 2019 and 2020, very bullish year, no.

disturbance whatsoever in the month of August..

Then looking at 2021, very bullish year..

You go back into June, there was a couple of days of distress..

In July, similar situation into August..

and the market just kept moving higher through 2021..

Then in 2022, we peaked in the middle of August and saw that pull back.

and then started to move up into the first week of September..

Then things fell apart once again..

That's what the seasonality of the month of August looks like for the S&P 500..

Now, if you've been watching the stock market for any length of time, you know.

that we're in a constant state of uncertainty..

We're uncertain about what the market is focused on..

We're uncertain about how the market is going to react to a certain situation..

Are they going to react the same way they did before?.

Have the major topics they've been focusing on?.

Is that still an issue?.

Right now, is inflation still an issue?.

I know inflation is still out there..

It's affecting me and my family every day..

Watching the price of gasoline head up to.

the highs from 2022, I like to watch gasoline as a.

measure of inflation because it affects the most people..

If we look at a number like let's say.

what's the value of luxury homes in Los Angeles, if they go up or they go down,.

that doesn't affect the overall population..

I'm not sure I really would care much about analyzing that as part of inflation..

But here we've got inflation is still an issue..

Is it an issue to the market?.

It may be an issue to consumers, but is it an issue to the market?.

Is it an issue that the Fed still wants to deal with?.

Now, when we look at the bond yields on.

the 30 year bond, and this is a weekly chart, you can see we've been in a fairly.

narrower range for the past year and a half..

We peaked back in 2022, and then we've.

come back a bit and basically been trading sideways..

There's no indication that bond yields are.

going to go down and interest rates are going to go down anytime soon..

Is that still a concern of the market?.

It's really have no idea..

And so that's why we just like to watch price action as opposed to trying to.

analyze and guess which way the market is going to go next..

Now, it's often said that the market is.

forward looking, and yes, part of the market is forward looking, but.

the market tripped and fell on its face on Thursday because of news out of Japan..

So is that very forward looking?.

That if the Bank of Japan says something.

and the market stumbles, that isn't very forward looking at all..

But now what we might be seeing right now is the stock market looking past.

dealing with inflation and looking past the Fed rate tightening cycle.

and looking at what the world is going to look like beyond that..

And that could be why the stock market is continuing to move higher at this time..

Now, one of the other topics we've been dealing with in 2023 is US bank failures..

And we had another one this week, really.

small bank in Kansas City, just a couple of branches..

But banks are continuing to struggle..

And I think we're going to see a few more.

bank failures in 2023, including probably a major one at some point if the Fed is.

going to continue to raise rates into the end of 2023..

But now, the market isn't really reacting too much to China these days..

Maybe they are and we don't notice it..

But China is not doing very well..

It hasn't been for a while..

It's got a housing crisis, it's got a bank crisis..

Neither of those those two issues have gone away..

One of the ways they're dealing with the housing crisis is by demolishing hundreds.

and hundreds of condo buildings or apartment buildings..

And that's one of the ways to deal with the problem..

Now, looking at the charts this weekend,,

one of the ones I'm concerned about is the TSX and the ishares for the TSX 60..

The TSX is traded up to previous.

resistance on the daily chart and the weekly charts..

That's also true for the ishares for the TSX 60..

Our Magic number is 31.25 on the daily and weekly chart, and we closed at 31 23..

We closed very close to where we opened this week..

Looking to see if we can break out above the recent highs from earlier this year..

If we go back to the TSX chart and look at.

the daily chart, two lines up takes us up to 21,250..

If we can start breaking out above resistance and above the highs from back.

in April, then looking two lines up is realistic..

That would be one line on the weekly chart, so 21,250..

Then if we look at the ishares for the TSX 60, if we can take out the high from.

April, then 32.03 would be our next target and 32.03.

would be our next target on the weekly chart as well..

That's where I think the markets could go.

if we can punch through the resistance that we're dealing with right now..

To do that, I'm pretty sure we'd have to see commodities continue to move higher..

Of course, if they're moving higher, that means inflation is still an issue..

Looking at the VIX, and the VIX is still.

on a weekly sell signal that's supportive for higher stock prices..

The VIX is a bit harder to deal with at.

the moment because it's contracted so much..

So on the weekly chart, we are looking for a close this coming Friday above.

\$16.45. When we look at the daily chart, I really want to break out above the top of.

the fly paper channel, which is currently at \$17 and change..

On the daily right side chart, we had a wild day on Thursday..

We made a new low, came back, closed above.

the upper channel line, and then reversed all that on Friday..

So we're back to where we were on Wednesday according to the VIX..

Now, when we look at a daily chart of the VIX, you can see in April we came down and.

we were range bound for a couple of months..

Then in June we came down..

Now we've been range bound for a couple of.

months, and now we're looking to see if we can break out of the range..

The recent low was 12.73. The recent high.

was 17.08. Now we're looking to see if we will break out of that..

If we break down, that is bullish for the stock market..

If we start breaking out above 17.08, of.

course, that would be bearish for the stock market..

Last up, the seven stocks to watch..

Nothing broke this week, so the stock market has not broken..

Inside week for Apple, making a new closing high..

Big up week for Alphabet..

Then we had Amazon after dipping in the.

channel, it came back and closed higher on the week..

Meta made a new high on Friday, had a wild week..

Then looking at Microsoft, Microsoft peaked last week..

It came back this week..

So Microsoft looks like it's the weakest stock of the seven..

Then looking at NVIDIA, we had a new closing high for NVIDIA this week..

And then looking at Tesla, Tesla had a.

fairly quiet week, still trading above the upper channel line..

No change in trend for Tesla..

Okay, folks, that's all I wanted to say for this weekend..

No major trend changes..

The VIX is in a very tight range, looking for a breakout of that range..

Otherwise, enjoy the rest of July, and the.

next time you'll hear my voice is on August first or Tuesday morning..