

Good morning, everyone..

Welcome to Monday morning..

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

Well, last week was an interesting week..

It turned out to be an inside week of the.

previous week, which was also an inside week..

So two inside weeks in a row for the S&P 500 and for the Nasdaq 100..

Price activity contracted last week and.

we're looking for a breakout of not last week's high or low or the previous weeks,.

but we have to go back three weeks and we're looking for a breakout or a.

breakdown of that bar to tell us which way the market wants to go next..

An inside week, just like an inside day is a pause..

It's a time of indecision where the market.

really doesn't know where it wants to go next..

It's looking for a clue and that clue may.

come this week from the Fed, which meets on Tuesday..

Then, of course, the announcement comes out on Wednesday..

Now, the commodities, on the other hand, helped the TSX move up..

It was up five days in a row last week and.

traded right back up to previous resistance..

You can see that this level has held us in check all year..

We were able to trade a slightly above it.

back in the start of the year and we're going to be looking to see if we can take.

out the early 2023 highs and that would open up a move up to 21,250 on the TSX..

Looking at the VIX, it was down slightly on the week..

It's still on a weekly sell signal that is.

supportive for the market going higher on a long term basis..

That would change this coming Friday if the VIX were to close above.

\$16.70. Now, if you're trading the market on Monday, we're looking for the VIX to.

close above \$14.67. It made a new low on Friday, then.

it reversed and closed higher on the day back in the channel..

We did see some selling in the U. S..

Markets on Friday..

Now, if the stock market is going to have a major correction in September or.

October, as these are seasonally weak times for the stock market historically..

We're going to need to see the VIX start.

breaking out above the 200 day moving average..

That's what held us in check back in August..

So far, we're nowhere near that level..

We're still trading below the 100 and 50-day moving averages..

The options market is not overly concerned.

about the stock market going forward at this time..

Now, what might not be good for the stock.

market right now is the US dollar index continues to move higher..

We also saw bond yields move up last week..

That open gap is not holding us in check any longer..

We are now trading above it..

The trend for bond yields and interest rates is still pointing higher..

Now everybody's expecting the Fed to pause..

I'm not sure they should given the fact.

that inflation is still out of control for a lot of people..

Of course, their models do not directly.

reflect how the consumers have to deal with inflation..

But we saw crude oil continue to move up.

last week up another three and nearly a half %, 3.45 % on the week..

We're continuing to move higher on crude oil..

Now, the price of gold also moved up last.

week, just \$3.50, but that was enough to help the Canadian stock market..

We also saw the price of silver, which reversed on the week, had a bullish.

reversal week and closed higher on the week..

So both of those commodities helped the Canadian stock market moved higher..

Now, speaking of inflation, we saw cattle, live cattle make a new high last week..

We also saw a new high for cocoa..

We also saw a new high for frozen orange juice and for the price of sugar..

So it's pretty obvious that some.

commodity traders haven't got the memo from the Fed to help fight inflation..

Now, on the other hand, we traders have.

been very supportive of the Fed and we made a new loaf for wheat on Friday..

Remember when Russia invaded Ukraine, the.

price of wheat popped dramatically as the world was concerned about the global wheat.

market being disrupted by the war in Ukraine..

All of those fears have seemed to have.

dissipated and not really an issue at the moment..

Now looking at the seasonality chart for.

the S&P 500, you can see that we historically peak in the middle of the.

month and sell off going into the end of the month..

Did that start on Friday?.

Well, only time will tell..

This week may start out quiet, but it may end rather violently, either to the upside.

or to the downside, depending on what the Fed does on Wednesday..

Now what didn't work last week?.

Well, in the US market, it was home builders back on a weekly sell signal..

We had Biotechs down last week, so they've.

been on a sell signal for a few months now..

Semiconductors have been on a sell signal for over a month..

Then we've got industrials on the second week of a sell signal for industrials..

What worked? Well, in the Canadian market, it was base.

metals were up nicely followed by marijuana stocks..

Marijuana stocks is not a big component of the Canadian stock market..

And then we've got utilities up nicely,.

almost trading up to the upper channel line..

So we don't have far to go to generate a weekly buy signal for utilities..

And then we've got information technology, which was up just under one % on the week..

Now looking at the energy sector, energy.

stocks on this side of the border moved up last week..

We're stuck here, trapped, holding on to the 17.19 level..

We're trying to break out above the high from early 2022..

That's holding us in check right now..

If we can start breaking out above that.

high, then 18.75 comes into play for the XEG..

Now looking at the XLE in New York, we did.

make a new high for this move last week before pulling back, just four cents..

We're trying to break through the 93.75.

level, which is held us in check for in 2022..

We got as high as 93.69. So getting pretty close to that 93.75 level,.

if we can take that out, then \$100 does come into play or resistance could do what.

it's supposed to do, which is hold us in check..

This might be the time and place where energy stocks start to top out..

Let's finish off today's presentation looking at some numbers for Monday..

We've already looked at the VIX..

The iShares for the TSX is up five days in a row last week..

We need a close blow of \$30.56 on Monday..

Not expecting that to happen, of course..

and that lower channel is going to continue to move higher daily..

Well, where did we end the day on Friday?.

Well, our next price target was \$31.25, and we closed at \$31.25..

Now, if we can move higher from here, then 31.64 is our next price target..

Now, the S&P 500 ended Friday on a sell signal..

And so we're coming into Monday with a new sell signal for the S&P 500..

Things would change on Monday with a close above \$448.51 for the SPY..

In the premarket this morning, we are trading lower..

Looking at our price targets, you can see.

that 453.13 held us in check in the month of August, and now we're.

going to look to see if 437.50 can act as support in the month of September..

Then looking at the Nasdaq-100, the Triple Qs ended Friday on a sell signal looking.

for a close on Monday above 376.23. Not expecting that to happen from.

what we're seeing in the premarket this morning..

Now we're starting to move down from 375..

We haven't really broken away from it just yet..

The high on Friday was 376.32, so we haven't broken away..

If we start to break down below the previous week's low, then 359.38 would be.

our next target to the downside for the triple queues..

Then looking at semiconductor,.

semiconductors are starting to close just below the \$200 level..

If we take out the August lows, then.

187.50 is our next price target for the semiconductor ETF, which is the XSD..

Okay, folks, that is all for this morning's presentation, expecting to see a.

little selling at the open at the same time..

Commodity prices are moving up slightly on Monday morning..

Have a great day..

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