

Good morning, everyone, and welcome to Wednesday morning..

It's Stephen Whiteside here from the theUpTrend.com. In the premarket this.

morning, things are fairly mixed and they're also fairly quiet..

We've got Dow futures up while the S&P 500 and Nasdaq are trading slightly lower..

Commodities are flat, bond yields are.

flat, so not a lot going on Wednesday morning..

Now, the stock index futures, the S&P 500, the Nasdaq are trading lower..

A couple of stocks that are already on sell signals are trading down..

We've got alphabet and Meta are trading lower..

They probably have the biggest effect on premarket activity..

Now, we're going to do a little chart.

school this morning, and we'll start off looking at the US market..

Now, as we always do, we try to start off looking at the VIX..

And the VIX is one day away from a new.

high, traded back into the channel yesterday..

A close below \$17.96 would probably be the first sign that something new is happening.

on the bullish side of the overall stock market..

Of course, we're going to need to get down.

below the bottom of the Flypaper Channel before things start to really clear up..

Looking at the VIX for the Nasdaq, it.

traded right through the lower channel line yesterday, and we do expect the.

Nasdaq to probably lead us into the year end rally..

That, of course, has not started yet..

Then the Russell 2000, again, we're on a.

buy signal here that's negative for stocks..

That, of course, could start to change if.

the VIX for the Russell were to close below \$22.20 events on Wednesday..

Now, yesterday, I spent some time pooh-pooling the DOW..

Of course, we use the DOW because it's a baseline..

You're in the car, you turn on the radio, if they're going to give you any.

information about the stock market on your normal radio station, not a business radio.

station, but a normal radio station, they're going to lead off with the DOW..

It's the easiest way to keep track of what.

the overall stock market is doing or the mood of the stock market..

Two things I see on this chart..

Well, the bullish note, we did not break.

down below the recent low, so that's bullish..

On a neutral note, we traded up yesterday,.

we did not close above the previous day's high..

So that was a fairly neutral day..

Even though the DOW was up over 200 points, it doesn't really mean very much..

There's daily volatility..

The stock market swings back and forth continuously..

What we're looking for here is the start of a trend..

And yesterday did not indicate a start of a new trend..

Now, I may talk about what the DOW is doing in the premarket, but I'm probably.

never going to show a DOW chart in the presentation..

That's also true for the S&P 500, the Russell 2000, and even the TSX..

I rarely show those charts and the reason for it is nobody's trading those..

They're trading the corresponding ETF such as the DOW Diamonds..

It's important that you make all your.

decisions based on what the individual ETFs are doing or the individual stocks,.

not the corresponding index or futures contract..

Those can be out of sync, especially when you're looking at commodities, the price of gold, the price of crude oil can go up..

But at the same time, if the stock market does not want stocks right now, they can push down the corresponding ETFs and stocks in those sectors..

When we're looking at something such as the DOW Diamonds, traders can front-run the market with the ETFs, and that can be a good and a bad thing..

If Chairman Powell is speaking this afternoon investors have a hunch.

that he's going to say something bullish for the stock market, they can go in and

buy the DOW Diamonds and it can move up much faster than the index itself..

That can be good for you..

You can take your ETF up to the next price target fairly quickly..

On the downside, if they get overly

bearish, they can run down the DOW Diamonds ahead of the index..

And so while there's an underlying correspondence to it, investors can pay

whatever they want for these ETFs or corresponding stocks..

Just because the DOW is up 10 points.

doesn't mean that investors can't pay a lot more for the DOW Diamonds..

So that is true for stocks..

It's also true for commodities..

If you're out driving in the car, you turn

on the news, they may mention what the DOW is doing..

They may mention what the price of gold and the price of oil are doing and they

won't talk about the individual stocks or ETFs that correspond with those..

Yeah, it's a good guide..

I know that 99% of the people watching this video are not going to be actively

trading the price of gold, especially the futures contract..

They may be trading stocks..

They may be trading the GDL..

but they're certainly not actively trading the futures contracts..

Just be aware, there's a separation..

You need to just focus on the individual items that you're actually trading..

Not following, but trading..

The GDX is another one..

It's the major gold and silver index in the US..

We can watch it, we can set price targets, but nobody's actually trading it..

The fact that it went up to 18.75 is a

good indication, but what are people actually trading?.

Now, we can look at individual stocks..

It's hard to do because there's so many gold stocks out there..

If I'm going to look at a gold stock in

the presentation, I'm probably going to look at Barrick or one of the big cap ones.

because that's going to cover the most people watching the video..

Barrick's been nice to us lately..

It ran up to 21.88. You got to take some profits..

It ran up to 23.44, got two cents higher..

If you had an order in around there, it got filled..

Now you're sitting with a partial position..

You're looking for a breakdown on.

Wednesday below 21.63. If that doesn't happen, of course, the

lower chain line is going to continue to move lower daily..

What are people trading?.

Well, the majority of people investing in

the gold and silver market are probably using the major ETFs..

That's why we follow the GDX..

Gdx ran up to our next price target..

It started to pull back..

We're looking to get kicked out after taking profits..

Then north of the border, of course, the.

XGD is one of the most popular ETFs out there..

Again, we've had a chance to take money off the table..

It didn't get as high as 17.97. If you had.

an order and just below that, it got filled..

Congratulations..

When we look at this particular ETF, we've had a couple of bearish reversal signals..

That should be a warning that this is the.

time and place to expect the market to pull back..

There's no guarantee. There's no guarantee that the early.

warning signal on the panic zone chart, which just went off..

There's no guarantee that that's going to pull the market down..

But if we look and see what it's done recently, it's a pretty good indication.

that this is the time and place for the market to start to pull back..

Now, continuing to look at the US market, instead of looking at the S&P 500 Index.

itself, we're looking at the ETF, which is the most popular ETF in the world..

You can see that we recently made a lower-low on a Monday..

That's a bear sign..

Didn't close below it, but we did make a lower-low..

Again, it's a pattern of lower highs, lower lows..

The Nasdaq, which is looking a little more bullish because we did hold that low..

But again, in both cases, do we close above the previous day's high?.

No, we didn't. No, we didn't..

We closed at the previous day's high..

Yesterday was a fairly neutral day for the overall market..

Now, taking a broader look at the US stock.

market and farther away from those big cap tech stocks, you've got the Russell 2000..

This is an incredibly popular US ETF. You can.

see we made a new low on Monday, on.

Tuesday, did we close above the previous day's high?.

We did not..

That's a bearish sign..

That is also true for the iShare's Microcap ETF..

I realize that 99% of you do not own any US Microcap stocks..

That's not. Really what..

We're using this chart for..

This chart is a great indication of the overall mood of the average US investor..

I don't need to get on the phone and call people or poll my subscribers..

I can tell right from this chart the mood of the market..

If people are successful, if people are.

bullish about the stock market, they're going to go looking for..

Opportunities in Microcap stocks..

From this chart, I can tell you that.

they're absolutely positively not doing that at the present time..

Let's finish off today's presentation,.

taking a look at the Canadian stock market..

Typically, I would use the iShares for the.

TSX 60 to show you what's going on in the Canadian market..

Today, I was going to show the indexes themselves..

The reason for that is the Canadian market does not have as many ETF opportunities..

There are a lot of ETFs..

Most of them are very thinly traded..

There are some great sector related ETFs from iShares..

But beyond that, while other people have a sector related ETFs, again, a lot of them.

are very thinly traded, which is dangerous..

The TSX has over 200 stocks..

It was down yesterday, had an inside day, so a day of indecision..

On a bullish note, we're still holding the.

recent lows, so that could be something going forward..

The TSX 60, which is 60 stocks out of the TSX themselves, the big cap stocks..

Of course, this is a very group of companies..

A lot of them have international businesses..

A lot of them have international listings..

The international listings can help and hurt at certain times..

If there's a big rally in the US market,.

that could help also lift up some of these TSX60 stocks..

And of course, if there's a big sell-off.

in the US, that could also pull down some of these TSX60 stocks..

You can see that we had a slightly lower close yesterday, made a new low for this.

week, but we're still holding the recent low..

Now, if you take the TSX 60 stocks out of the TSX, you're left with this index,.

which was basically unchanged yesterday and having an inside day, small caps,.

fairly quiet trading yesterday, and micro caps..

Unfortunately, they traded higher.

yesterday, but they're still on a sell signal here..

Again, I can use the venture exchange similar to the micro cap stocks in the US.

as an indication of the overall mood of the Canadian investor..

Now, gold stocks are still holding up at the moment..

Without gold stocks, without energy.

stocks, the TSX would be much lower than it is now..

Energy stocks are starting to roll over..

Some of the big cap stocks have rolled over..

Not necessarily all energy stocks have rolled over just yet..

We're still waiting for some of them..

Now, what we're going to be looking for is do we continue to hold up here?.

Does the Flypaper Channel act as support?.

Does 250 act as support?.

We put in a higher high last week, which is bullish..

Now we have to see if we can put in a higher low..

Looking at the global mining sector, not.

doing well at the moment, still in the Flypaper Channel..

That's also true from material stocks..

So unlike the gold sector, these stocks are not doing well at the moment..

There's a clean technology index..

I never talk about it..

Really, as you can see, there's no reason to..

I don't know much about it and nobody ever.

asks about it, so that's why I don't talk about it..

Consumer Discretionary, this is the area of the market that should do well in a.

coming recession, not doing well at the moment..

Infotech..

Now, the reason I'm showing you this chart, of course, is because just like the.

Nasdaq-100, we are still holding support from the September lows..

Now we're looking for not only a buy signal, that would be something..

But what we would really be looking for is a breakout above the October highs..



That would be a tell that something new is really starting to happen..

Looking at the telecom services, we're on a sell signal right now..

We're still holding the recent low and that could be something going forward..

It isn't anything on Wednesday morning..

Then financial services and bank stocks, this is pretty horrible at the moment..

One of the reasons it's really horrible is that 95% of all Canadian investors have.

money in bank stocks whether they know it or not..

If they own any major ETFs, if they own any major mutual funds, they're totally.

invested in bank stocks and this is not going well at the moment..

The pros gave up control at the start of August and it does not look like.

they want to come back and take control on Wednesday..

Industrials made a new low on Tuesday..

They're down at the bottom of the panic zones..

This is what October often looks like..

I would certainly be interested in looking.

for buying opportunities if we start to move up from here..

We're seeing panic selling..

That's what we're seeing at the moment..

That's also true for the Canadian Real Estate sector..

Back in the summer, things were looking a little brighter..

We put in a higher high and a higher low..

Then we started to come into September, we put in a lower high..

That was our first warning sign..

Then we took out the recent lows, so put in a lower low..

That was a very bearish sign..

We were hoping to find support at the June low..

That didn't work out..

So the June low is now acting as resistance..

What was once support is now resistance..

It will not only be a buy signal that is.

going to make us bullish, it's also going to be a move out above the October high..

Of course, as I mentioned earlier, this is what October often looks like..

We've had panic selling here..

We want to be buyers down in this area, not sellers..

This is where the average retail investor throws in the towel..

And once they throw in the towel, that's.

usually the sign that the market is about to reverse..

Let's finish off looking at a couple of the TSX most actives..

And we've got some bright signs here..

Embridge traded back into the channel after making a higher-low on Monday..

That is going to mean something if not only we get a close above 4.4, 47, but if.

we start trading above the high from last week, we're seeing money go back into.

Bitcoin stocks as Bitcoin has had a good week..

Hut 8 is on its second day of a buy signal..

Looking at TC Energy, looking for a close.

above 47.53. And of course, the tell will be, not only did we put in a higher low,.

but if we start breaking out above the October high, that would be a higher high..

That would be bullish..

No joy for the bank stocks as we looked at a couple of minutes ago..

So TD Bank, which at one time was the big.

winner, is coming down with the rest of the banking sector..

Manulife inside day yesterday, still holding the August lows..

It could be something there in the future, but not on a Wednesday morning..

And then, Baytex, unlike some of the big.

cap energy stocks, has not rolled over just yet..

Looking for a close on Wednesday below.

\$5.84 to give us a new sell signal for Baytex..

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

It's fairly quiet out there..

Dow futures up, Nasdaq S&P 500 features.

down, commodities are barely moving anywhere on Wednesday morning..

Enjoy the rest of your day..

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