

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

It's Stephen Whiteside here from TheUpTrend.co In the premarket this.

morning, stock index futures are above fair value..

Commodities are mixed with crude or.

higher, while gold is lower in the premarket on Friday morning..

Now, we do have some economic numbers coming out at 8:30..

Don't think they'll be enough to really sway the market, but of course, getting.

over that 8:30 time period is always a little bit of a stumble..

Now, in the premarket this morning, we've.

got Intel trading higher up into the channel..

At the same time, we've got Ford trading lower back down to the recent low..

Now, in both cases, we're not expecting a change in trend on Friday..

Looking at the US market from Thursday's.

trading action, you can see it was rather defensive..

The leader was real estate followed by.

utilities, of course, on the other side, the side that we watch a lot more closely..

infotech and communication services were the big losers yesterday..

Looking at the VIX, the VIX is still on a buy signal..

That's negative for stocks..

Little out of sync with the market right now..

I think options traders are a little more bullish than stock traders right now..

As we saw many of the major stock market indices make new lows yesterday..

The VIX would need to close below 18.42 to give us a sell signal on Friday..

That would certainly be short-term bullish..

It would be more bullish if we started to break down below this uptrend line..

Now, when we look at where the stock market is right now and what options.

traders are doing, look at how worried options traders were back in March when.

the VIX was trading all the way up there to 30..

That is still a possibility..

But right now options traders in Chicago.

not overly concerned about the market crashing at the moment..

So just keep that in the back of your mind..

That doesn't mean we're going to change direction right away..

But options traders are not willing to.

overly hedge their positions at the moment..

Now you've probably been hearing a lot of.

people talk about the 200-day moving average..

And for a lot of investors, that's a big line in the sand..

Most of the symbols in North America are.

currently trading below the 200-day moving average..

When you look at the DOW, and it made a.

new low yesterday, you look at the S&P 500, it's broken down below the 200-day..

It has also made a new low on Thursday..

It's the Nasdaq that's still holding up,.

ran down to the 200-day moving average yesterday..

When we look at the percentage of stocks in the major North American indices and.

look at the percentage of stocks currently trading above their 200-day moving.

average, you can see the Nasdaq 100 is still the big winner..

Everybody else is down here in the 20s..

The TSX-60 is down below 20, but it is the Nasdaq that is still the holdout..

And so if those stocks continue to move.

lower, there could be a stock market crash..

Now, yesterday we talked about the.

Magnificent Seven stocks, and most of them are still holding up fairly well..

Alphabet drove down to the 200-day moving average while Amazon broke down below it..

And remember what was originally.

potentially support could act as resistance on the way back up..

Now Amazon is joining Apple and Tesla.

already below their 200-day moving averages..

Now, Microsoft was the big loser of the Magnificent Seven yesterday, down.

3.75% right back down to the lower channel line..

It is trading higher in the premarket this morning..

Now, yesterday, we talked about the fact.

that we did pop and ran right up to our next price target and stopped on a dime..

Then yesterday, we ran right back down to our price target of 328.13, we actually.

closed at 327.89, so just below that level..

But we are trading slightly higher in the premarket this morning..

Now looking at Microsoft, you can see the pros still have not taken control, unlike.

Tesla, where the pros gave up control right at the start of March..

Now looking at some other 200-day moving.

averages, whether you're looking at semiconductor, the Russell 2000, the.

microcap stocks, everybody has broken down a long time ago..

It's still the same pattern..

It's the same theme. It's the same story..

It's the same movie, lower highs, lower lows..

Even when you look at the Nasdaq, the Nasdaq just put in a lower low..

Now, a lot of symbols that you look at right now look like this where you can see.

that the Pressure Zone at the bottom of the screen has elongated..

That means that, hey, we were looking for a new trend, uptrend to start..

It did, but didn't last very long..

We're looking for another new uptrend to start..

It did, but didn't last very long. Here we are..

This is telling you the stock is broken..

Of course, where are we?.

We're right down at the bottom of the Panic Zones..

A Pressure Zone has formed..

We are seeing panic selling at the moment..

That's the time and place where retail investors usually give up the ghost..

In fact, a lot of retail investors will decide to short down here..

You look at the transport ETF, the time to short was off the top of the Panic Zones,,

where we had early warning signals and the trends started to change..

This was the time that you short..

You don't short down here..

This is the riskiest time ever to short..

This is the time that retail investors get.

enough confidence because now they have enough negative feedback all the way down..

They're getting pounded. They're getting pounded..

Finally, they throw in the towel..

And this is the time and place where markets often reverse higher..

Now, I want to talk about locking in profits..

If you have not systematically been taking money off the table this week as you've.

hit your profit targets, you should strongly think about doing it on Friday..

Now, don't completely liquidate a position..

We are coming up to monthend..

There's a full moon on the weekend..

That's usually the time and place where markets might want to change direction..

There's no guarantee..

I don't have a crystal ball..

The market still could crash, who knows?.

But you need to be systematic..

This is a business..

You need to run it like a business..

I'm talking to the people that haven't taken any money off the table this week..

If, for example, you locked in profits on Microsoft, that's great..

You don't have to do anything more than that..

You're waiting to get kicked out of the position..

But if you haven't.

taken money off the table this week, this is the time and place to do it..

Now, if you're short the 3X bulls or any.

of the 2X or 3X index ETFs, take some money off the table..

If you're long the bear ETFs,.

yes, the bulls could continue to go lower, the bears could continue to go higher..

But you want to take some money off the.

table because this is the time and place where markets can quickly reverse..

Now, if we can make it all the way into.

November, which is next week, and we don't crash, that'll take a lot of pressure off.

a lot of investors who are very concerned about an October stock market crash..

Remember, the Sell in May crowd comes back in November..

If we can make it through October without.

a major crash, that could turn a lot of people bullish on the market and willing.

to jump in to get ready for that year-end rally..

Looking at the TSX, you can see similar situation..

Utilities were the big winners..

That's not going to be very helpful..

The fact utilities went up yesterday is really not going to change very much..

Then again, it was the infotech stocks.

that were the real drag on the Canadian market on Thursday..

Now, the TSX is down at the bottom of the Panic Zones..

You can see we were there a couple of weeks ago..

We moved up to resistance..

Remember, what was previous support on the.

way down will act as resistance on the way back up..

That's exactly what happened..

So here we are down at the bottom of the Panic Zones..

Another Pressure Zone is starting to form..

It hasn't formed just yet, but here we are..

The pros: no interest in taking control on Friday..

You can see we're well below the 200-day moving average..

So any expectation when the market starts.

to move back up has to go up to where those moving averages are and no further.

because it's going to take a lot to turn the market around and get it to go higher,.

but it's going to take a lot more to get it up over resistance..

Now, what's holding the market up right now?.

Well, gold stocks are certainly playing their part..

You can see the early warning signal up there at the top of the screen..

We are projecting higher prices right now, but we were not able to get up to 1797..

We had a couple of bullish reversal signals..

When you see those, the first thing you need to do is look for the exit..

You don't have to pull the ripcord and.

jump, but just you've got to get mentally prepared..

That's not the time and place to add to a.

position, that's the time and place to look to pair back a position..

And on Friday, if you're trading the.

iShare's Global Gold ETF, we're looking for a close on Friday below 17.09. Gold is.

down five bucks in the premarket this morning..

That could actually happen..

Now, oil stocks have certainly played their part in holding the TSX up..

Again, you can see the early warning signal up there at the top of the screen..

We've started to pull back..

We're on our third day of a cell signal..

Now, the 50-day moving average is currently acting as support..

You can see a couple of weeks ago, we came.

down to the 100-day moving average and found support..

The energy stocks still have the.

opportunity to find support at these moving averages, where for everybody else.

in North America, those moving averages are acting as resistance..

Now, Infotech, of course, big loser on the TSX yesterday, not only was it the biggest.

loser, but it also broke down below the previous lows..

So not really a good sign..

You can see we've broken down below the.

200 day moving average, just like many of the other North American indices have..

And there's the right side chart for the TSX Infotech index..

Looking at the biggest loser on.

Infotech from Thursday's trading action was Celestica..

And then, of course, all the regulars are on cell signals, whether you're looking at.

BlackBerry, Dye & Durham, Lightspeed, Opentext, Shopify..

Now Shopify is interesting..

We're trying to hold the 200-day moving average that was acting as an area of.

really a sticky area for the past few weeks, but we finally broke down..

There was an open gap there, and the.

bottom of that open gap over on the left was at 65.15. We closed at 64.53.

yesterday, so we certainly filled that gap and then continued lower..

That gap is no longer in play..

Our next mathematical price target is.

62.50. If that breaks, then we're heading down to 56.25..

Let's finish off with the commodities and crude oil is on a sell signal right now..

It's trading higher in the premarket..

It was down 2.18 yesterday..

It's up a 1.50 last time I checked..

If we take out the October low, then.

there's some support there at 78.13. That would certainly be a big tell if we went.

down past that level because we recently put in a what do you know, a lower high..

Then looking at natural gas, natural gas moved up to the upper channel line.

yesterday, so any higher close on Friday would give us a buy signal..

There's an open gap just above us..

But you can see the pros never gave up control..

Even though we had this pullback and sell signal, the pros didn't give up control..

They're probably anticipating cold weather..

Maybe that's why they held in..

3.71 was our price target..

We closed at 3.70 yesterday..

Look two lines up..

That's your playing field up to 4.10. If.

we can take out 4.10, then 4.30, is that a realistic target?.

Well, we looked to the left and we popped up to that level back in August..

So if we get a buy signal here, those are your next price targets..

Now, the price of copper isn't doing anything right now..

What are the pros doing? Well, they're not doing much..

It does not look like they want to buy at the same time, I don't think they're.

too overly excited to be sellers at the present time..

I guess they're waiting for more global economic news before they do anything..

On the other hand, gold shot higher..

Pros took control and ran it back up to \$2,000..

So far, we've been unable to break out above \$2,000..

At the same time, Silver Traders not as excited trading down to the lower channel.

line yesterday, so a close below \$22.58 on Friday would give us a sell signal..

The pros are in control, but \$23.43 has.

been acting as resistance and holding silver in check..

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

Again, if you haven't been systematically.

taking money off the table this week and locking in profits, you probably want to.

do so on Friday ahead of the full moon and ahead of month end..

Enjoy the rest of Friday..

Have a great weekend, and the next time you'll hear my voice is on Monday morning..