

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

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

In the premarket this morning, and it is.

fairly early, stock index futures and commodities are trading below fair value..

So far, it looks like we're going to see a.

little selling at the open on Tuesday morning..

Now, we don't have any major economic numbers coming out this week, but we do.

have a lot of Fed speakers out there roaming the country, and that could, of.

course, affect the market on an intraday basis..

We'll just have to wait and see what they say and how the market reacts..

Now, the VIX is still on a sell signal, so fear is still falling..

We're looking for a close on Tuesday above.

\$19.19 to change that, not expecting that to happen on Tuesday..

If you've been with us for a while, not.

only were we looking for a sell signal in the VIX, we're also looking for a.

breakdown of the Uptrend line and a move down below the Fly Paper channel..

And so far, we have got those things..

So we know options traders are not overly spooked at the moment..

Now, the stock traders are a bit tired..

They took the market up sharply last week..

Yesterday was an inside day for the S&P 500..

We're trading up towards the October highs, still trying to break that pattern..

We made a low here..

We made a lower high here..

We made a lower low here..

Now we're looking to see if we can break.

that pattern and possibly put in a higher high..

There's lots of resistance up here at the.

437.50 level from October, and just above that is the top of an open gap at 438.43..

Those numbers are going to play an important role over the next few days..

Now, the first thing I look for is did we close below the previous days low?.

We certainly didn't do that for the S&P 500..

We do have several open gaps below..

I always tell you to look at gaps ahead of us, not behind us..

But we are expecting a little pullback, a little consolidation this week..

Maybe we come down and fill that first open gap..

We'll just have to wait and see how things work out..

Now, on a short term basis, the market is very maxed out as you could expect..

Here is the percentage of S&P 500 stocks.

currently trading above their five day moving average..

And if you look, you'll see we hit a new.

high last week for this particular time frame..

And so what that tells us is that the day traders are currently maxed out..

They are looking to take profits right now..

They're looking to see what other stocks they should be in or not be in..

And so we'll have to give them a little time..

Now, a pullback here does not guarantee.

that we go all the way from the top, all the way back down to the bottom..

But we do need to work off this overbot condition..

We can do that by, yes, pulling back..

But we can also do that by trading sideways for a little bit..

Now, for longer term investors who really haven't been participating in.

much of the market this year, the percentage of stocks in the S&P 500.

currently trading above their 200 day moving average, we're coming off a low,.

but certainly not as low as we've previously been..

This chart goes all the way back to 2020..

If we're going to have a year end or.

Christmas rally, why can't we just go back up to the highs from 2023?.

That could certainly be doable..

That's not too far away, and that would.

certainly take a large percentage of the stock market up..

Of course, if we can eventually break out above those highs, then getting back to.

the 2020 highs would certainly be a new bull market for the overall stock market..

We're certainly getting ahead of ourselves..

If we can just get from here back here,.

that would be an incredible year and rally for the market..

Looking at the Canadian market, the.

iShares for the TSX 60, we're certainly projecting higher prices here..

We've got an open gap to get over..

We've got mathematical targets to get over..

We did have a pullback yesterday, or expecting a pullback today given the fact.

that crude oil and gold are trading lower in the premarket this morning..

Those commodities are so much more.

important to the Canadian market than the US market..

You can see we're trying to get to 30..

47, and just above that is an open gap at 30.66. The US market has a wall..

There's the Canadian markets wall up at those levels..

Now, what can hold the Canadian market back?.

Well, there's the financials, and they ran into a wall at 343.75..

Energy stocks have just put in a lower high, and they're starting to pull back..

There's certainly the possibility of a new.

daily, short term sell signal for the energy sector on Tuesday..

Then looking at gold stocks, looks like.

they also put in a lower high on Friday, pulled back on Monday, expecting another.

pullback today with the price of gold trading lower this morning..

You can see on the index, we were trying.

to get above 281.25. We traded above it for a couple of.

days, but couldn't hold any gains up there..

Now we're going to be looking to see if we.

can hold 265.63. You can see that acted as support.

last week, so we'll have to see if we can hold that..

Then looking at Canadian Infotech, we ran into 187.50 and stopped..

We've been dealing with that for the past couple of days..

You can see back in August..

we had a nice high up there, which was higher than the previous high..

That was a little bit of a fake out, but.

looking to see if we can break out above 187.50 for Infotech..

Then looking at telecom services, again..

we ran into resistance at 168.75, looking to see if we can take that out..

You can see that 175 is a legitimate target..

Now we're trying to break this pattern of lower highs and lower lows..

I think the best stock to watch to see if that happens is Apple..

You can see we made a low in September, then another low in October..

We made a lower high in October..

Now, we're looking to see if we can change that pattern..

That would be very important for the overall market..

This is the most widely held stock in the world..

Our mathematical price target for resistance right now is 181.25..

If we can take that out, then 187.50 comes into play..

Let's finish off this morning's presentation looking at commodities..

Copper made a new high for this move yesterday..

Gold, on the other hand, has been treading water for the past few days..

On Tuesday, we're looking for a close below 1978 to give us a sell signal..

For silver, we're looking for a close.

below 22.67 on Tuesday to give us a sell signal..

Crude oil already on a sell signal..

Looks like it may make a lower low for this move today, and that would take us.

down towards the \$75 level as our next target..

Then natural gas back on a sell signal..

Natural gas, of course, is nicknamed the widowmaker because it is.

so volatile and has a lot of trouble holding a trend for any length of time..

Looking at the Fly Paper channel, we.

traded slightly above it back in early October..

We did not break away from it..

We really need natural gas to break away.

and then that would tell us that a new bull market in natural gas is starting..

That is certainly not the case on Tuesday morning..

Okay folks, that is all for Tuesday morning..

We are looking for some selling at the.

open, but we're not looking for a lot of damage to be caused on Tuesday morning..

Have a great day, folks..

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