

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

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

In the premarket this morning, stock index futures are slightly below fair value..

Commodities are slightly above fair value..

So far, it looks like we're going to have a quiet open on Monday morning..

No major economic numbers coming out.

today, so expect it to be a fairly quiet day..

Now, last time we talked, we were coming off a bearish reversal Thursday..

And of course, when we look at a bearish.

reversal day, it can often mark the top for a market..

And if we go back looking at the SPY, you.

can see we had a bearish reversal day there that marked the top, then another.

one there that marked the top, and another one there that marked the top..

But this time around it may not have worked..

Remember, these are one day events..

They come up, they need to be acknowledged and watched..

But we need to see fall through on a bearish reversal day..

We need to see fall through to the downside..

On a bullish reversal day, we need to see the follow through to the upside..

We're looking to see if we're going to get that follow through..

You can see the big bar that we had on.

Thursday and it engulfed the previous day's bar..

We were looking for a breakout of.

Thursday's range to tell us which way the market wanted to go next..

Oddly enough on Friday, we continue to push higher, putting in a higher high..

On Thursday, I was also concerned about.

the fact that the chips were not participating in last week's rally..

Well, on Friday, what happened?.

Well, chips actually led the market higher, so that was helpful..

And so pushing the Nasdaq up again, we're.

making higher highs here, which are a positive sign for the market..

At the same time, we are coming up to resistance..

And you can see the high from late August there, up there at 380..

83, that's a potential target within the grasp on Monday..

And then above that, you can see that 38.

2.81 would be our next target above that level if we can take out the August high..

Now, the Nasdaq-100 is market cap weighted..

So Apple and Microsoft make up over 20 % of the value of the Nasdaq-100..

And then if you go down the list, most of.

the ones are the ones we look at regularly..

But you see, Broadcom is in there, and.

that's a stock we don't take a look at very often..

But there's what Broadcom is looking like at the moment..

Now, at the other end of the.

scale, Lucid is the least important stock in the Nasdaq-100..

Its value is or its weighting in the Nasdaq-100 is less than 1%..

So not giving the Lucid group a lot of.

ability to move the Nasdaq-100 if it doubled, tripled or whatever, nobody would.

really notice except Lucid shareholders, of course..

If we look at the Nasdaq-100 and assume that the majority of the gains are made by.

the Magnificent Seven, if we take that away, you can see that if we look at an.

equal weighted version of the Nasdaq-100 that hasn't really moved that much over.

the last week and certainly has not taken out the October high..

That's if you give every stock in the Nasdaq-100 equal weighting..

Now, the next 100 stocks or the Nasdaq..

let's say 200, is known as the Nasdaq Next Gen ETF..

You can see that it really isn't participating in this week's rally at all..

So once again, it is those big cap tech stocks that everybody's loved in 2023..

That pattern has not changed..

You can also see that in the S&P 500..

If we look at the SPY compared to the equal weighted version of the SPY, the

rest of the S&P 500 isn't really participating at the moment..

And then, of course, we've also pointed

out the fact that the Russell 2000, the microcap stocks are not participating..

And we've also pointed out that in Canada, the small cap and microcap stocks,,

again, are not participating in this recent rally..

Now, as I've mentioned before, we're in a

risk-off situation at the moment, and that makes it very, very hard.

to make money outside of those big cap tech stocks that everybody loves..

So you can do the best job at stock

picking at the moment and pick out the best stocks in different sectors..

If the market's not interested, they're

not interested and that's just the way it is at the moment..

Now, the VIX is still supportive for higher stock prices..

The VIX is still on a weekly sell signal..

That won't change unless the VIX closes

above \$19.47 this coming Friday on a shorter term basis..

If you're trading the market on Monday, we're going to remain short term bullish

on the market as long as the VIX does not close above \$17.05 on Monday..

And of course, that upper channel line is going to continue to move lower daily..

Now we've talked about the seasonality of the VIX..

We're in the middle of November right now,.

expecting the VIX to continue to move lower into Christmas..

And that would be supportive of a year end rally in the stock market..

If we move on to the Canadian market for.

the week, the TSX actually lost money on the week..

What worked?.

Well, Infotech worked just like in the US, but the rest of the market, not so much..

Financial services ended the week up a quarter of a %..

Then what didn't work? Gold stocks rolled over..

They're back on a weekly sell signal..

Then we've got materials already on a weekly sell signal..

No change in trend for marijuana stocks and no change in trend for base metals..

Those were all the biggest losers on the TSX for the week..

Energy stocks did come down but did not.

generate a sell signal, so we've got a little bit more to go..

If we see energy stocks continue to move.

lower this week, we could end the week on a weekly sell signal..

Let's finish off with the five charts the world's watching..

And we've got the US dollar index in the channel..

Once again, it actually ended the week higher..

The euro did something similar, ended the week slightly lower..

So no change in trend for the major currencies this week..

No change in trend for interest rates either..

Bond yields were actually up on the week..

So both currencies and bond yields are.

trading in the channel on the weekly charts..

Then looking at the price of crude oil,.

we're on our second week of a weekly sell signal right now..

We held \$75 at the close..

If that breaks, then \$68..

75, and then \$62..

50 would be our next targets to the downside for the price of crude oil..

And then last up, we're looking at the.

price of gold, which traded down into the channel looking for a close below \$1918..

50 this coming Friday to give us a weekly sell signal for gold..

And as we expected, the \$2,000 level was.

going to act as both mathematical and psychological resistance..

And so far, that \$2,000 level has held us in check..

Yes, we traded above it, but we did not break away from it on a weekly basis..

That's a bear sign for the price of gold..

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

Higher highs last week are bullish..

Chip stocks moving up but sharply on Friday, that's bullish..

It is a risk off market, though, so it's very hard to make money in this market as.

most of the money is focused on a very small percentage of the stocks..

Falling commodity prices are good for the.

US market, but not so helpful for the Canadian market, which is unfortunate..

Okay, folks, it looks like we're going to get a fairly quiet open on Monday morning,.

and we may see Monday turn out to be an inside day or a day of indecision..

Enjoy the rest of your Monday, and the.

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