

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

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

Well, yesterday was a fairly quiet day..

It was an inside day for a lot of technology stocks and the Nasdaq 100..

This morning is fairly quiet as well..

We are waiting for CPI numbers that are coming out at 8:30 this morning and that.

could add some volatility in the premarket..

We also have a whole bunch of Fed speakers this week..

I think there's 20 of them out there..

They could also add some intraday volatility to the market depending on what.

they say and how people take to what they say..

The VIX had an inside day on Monday..

We're looking for a close on Tuesday above.

\$16.69 to give us a buy signal for the VIX..

That, of course, would be negative for stocks, Apple, Amazon, Meta..

They all had inside days on Monday..

Those are days of indecision, pause days..

We're looking for a breakout of the.

previous day's range to tell us which way the market wants to go next..

There's the Nasdaq-100 with an inside day.

on Monday, also an inside day for chip stocks in the semiconductor sector..

Not so much for the DOW..

It edged slightly higher..

The S&P 500 closed slightly lower on the.

day, and then the TSX closed up on the day..

We're still dealing with the bearish.

reversal signal from a couple of weeks ago and looking for a move up to 30..

47, and that would take us up to the.

bottom of that open gap if we can take out the high from a couple of weeks ago..

Looking at the S&P sectors, five of the 11 were up on the day, but to notice that.

energy stocks were up less than 1 % while utilities were down over 1 %..

So a little more weakness than strength on Monday..

If we go through the Fly Paper channel.

charts for the different sectors, you'll notice that only a couple are actually.

holding the market up at the moment, and that is certainly technology..

Typically, when a market is trading above the Fly Paper channel, we consider it in a.

bull market, and investors typically like to buy the dips..

When we're in the channel, it's neutral..

We call the FlyPaper channel because symbols get stuck to it..

You'll notice that when we saw a weakness in September and October, the technology.

sector was still stuck to the bottom of the FlyPaper channel..

Even though we were seeing weakness, we couldn't break away from it..

And then eventually, we turned around and started to move back up..

Communication services, pretty similar..

These are where all the technology stocks.

and social media stocks that everybody loves to follow..

This is where those stocks are located..

Then when we start walking through the rest of the sectors, you'll notice that.

most of them are either stuck in the FlyPaper channel or are below it..

And that's not a good sign..

We need that to change if we're going to.

take the rest of the market up with us into year end..

But so far, financials are stuck..

We've got consumer discretionary stuck,.

consumer staples stuck, not even able to get into the channel at the moment..

Then we've got industrials, healthcare, looking at the material sector, not.

looking very pretty, not looking pretty for real estate..

Then looking at just utilities, for example, this is how it works..

Back in October, this is how the utilities looked..

At that time, I would have asked you to.

look up to the Fly Paper channel looking for a move up to the \$62 to \$65 area..

Notice that's pointing down at the time..

You can just take your mouse and just move it across, follow the channel down..

A month later, here's what happened..

We moved up into the Fly Paper channel,.

stopped, and are starting to pull back down..

Fly Paper channel is still holding us in check for the utility sector..

Then looking at the energy sector, which has held the market up in 2023, has.

started to break down below the Fly Paper channel..

That's not a good sign for the energy sector..

It could be a good sign for the inflation picture and for consumers in.

general if crude oil continues to move lower from here..

Looking at the Canadian market, and we did.

have energy and technology up at the top yesterday..

What didn't work? Well, some of the interest sensitive areas.

such as real estate and utilities didn't pan out very well on Monday..

Looking at consumer staples, they've been the big winner over the past few weeks..

And then the infotech, of course, looks very similar to how it looks in the US..

Energy stocks are holding the recent lows, unlike the US market..

And let's hope they continue to hold those lows at the 250 level..

What's not working?.

Well, materials are not working..

And then anything to do with mining?.

There's the Global Mining Index, there's the Global Gold Index..

Then looking at financials, they're just.

getting into the Fly Paper channel right now, so are the industrials..

We've got consumer discretionary up at the top of the Fly Paper channel still unable.

to break out above the highs from a couple of months ago..

Then we've got healthcare, which traded into the channel and pulled back..

We've got marijuana stocks that traded up to the channel and pulled back..

Then looking at real estate, again,.

hitting the flypaper channel and starting to pull back..

Telecom services have traded up into the.

FlyPaper channel and are holding the highs from back in September..

Those are holding them in check at the moment..

It's not a pretty picture..

Even though we had a big rally, it has not been able to cause most of the sectors to.

be able to break out above the FlyPaper channel to tell us that.

things are clearing up and the market is becoming more bullish..

It is still a handful of stocks that are leading this market higher..

That doesn't mean you can't trade up into.

the FlyPaper channel and trade it back down..

But if people are hoping for a year-end.

rally that's broadly based, so far, that has not started at all..

Okay, folks, everybody's waiting for those CPI numbers coming at 8:30..

Have a great day..

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