

Good morning, everyone..

Welcome to Monday morning..

It's Stephen Whiteside here from theuptrend..

com..

In the pre-market this morning, things are fairly quiet..

We have stock index futures trading right around fair value..

Commodities are trading lower with both.

gold and crude oil, down in the pre-market on Monday morning..

We have no major economic numbers coming out today, so it's all about people.

getting over their hangovers from Sunday night's football game..

Now, last week, the S&P 500 was finally.

able to close above 5,000, and did the week above that level..

Hasn't broken away from 5,000 just yet, but it's still looking very bullish..

Now, while the stock market is making all-time highs, you'd think the VIX would.

be making all-time lows, but that is not the case..

We are still on a weekly sell signal here that's supportive for higher stock prices..

That would change this coming Friday if we were to close above 14..

80. Now, looking at a daily chart of the VIX,.

we're still on a sell signal here that's supportive for higher stock prices..

Things would change on Monday today if the VIX were to close above 13..

88..

Now, if we stand back a bit, we can see that the VIX was able to head up over 15.

in January, and the market really didn't seem to be too concerned about that..

We did not have a major sell-off in January, so we're really looking for a.

breakout above 15 to tell us that the market is really concerned about the.

prospects for the stock market going forward..

Now, you may have seen or heard a headline.

like this over the past week, and we are in a unique period for the stock market..

If we go back to October, we were looking for a seasonal low..

We are looking for a move up into a.

Christmas rally, and then we weren't looking for much more than that..

The market has surprised everybody and.

continued that Christmas rally into the new year..

Here we are halfway through February, and we're still making higher highs..

We haven't seen that in quite a while..

Here's the rally that they're talking about in 1972..

Now, we did not peak at that point in March of '72..

If we look at a monthly chart here, we actually peaked later in the year..

But once we peaked, we had a huge sell-off.

over the next couple of years, and we lost about 50% of the market's value..

Now, I'm using a monthly chart here.

because I just wanted to show you another historical event, and that was the fact.

that it took 10 years to get back to where we were in late 1972..

That is also another piece of history that people may not be talking about..

It's one thing to talk about the major rally..

It's another thing to talk about the major decline that happened afterwards..

Now, a lot of people are talking about the.

Dot Com Bubble and looking at a potential AI bubble that's going on right now..

And there are a lot of stocks doing really well at the moment..

There are a handful of mega cap stocks.

that are also doing very well at the moment..

So we've got Meta, we've got Microsoft, and of course, we've got NVIDIA..

It's significant to watch these because they are huge, huge companies..

It's not the fact that we've got a lot of.

companies doing well, it's that we've got these mega caps..

Now, a year ago, it would have been Apple and Tesla that we would have been focused.

on, but they're not really in play in 2024..

Now, if we go back to 2000 and look at that dot com bubble..

Now, if NVIDIA is the backbone of the AI revolution, back in 2000, Cisco was the.

backbone of the Internet revolution, and technically it still is..

All those data centers have Cisco equipment running them in the background..

Now, Cisco eventually became a.

member of the Dow 30, so it is still a huge global company..

Back in 2000, it peaked at a little over.

\$80, and then over the next couple of years, it gave up everything..

You go from a \$10 stock to an \$80 stock,.

you're doing pretty good, then you give it all up..

Then Akamai, probably the start of the cloud computing revolution..

This is a daily chart of Akamai..

It was an IPO..

I remember it coming out just like it was yesterday..

It got as high as \$344. 87..

Then over the next couple of years, once the bubble burst, it gave up all of that.

and basically became a penny stock before recovering..

Now, Yahoo, back in 2000, was the Google of its day, and it got as high as \$125..

03. And then over the next couple of years,.

after the bubble burst, we gave up all that, and it got down under \$5 eventually..

So history doesn't repeat itself, but it often rimes..

And so we could see a AI bubble burst at some point..

For that to happen, first of all, we need daily sell signals that turn into weekly.

sell signals that turn into monthly sell signals..

That's when a bubble burst coming into Monday's trading action, We.

don't have daily sell signal, so nothing really to worry about on Monday morning..

Now, looking at a weekly chart of the Dow.

Diamond, so we made a new closing high last week..

A new closing high for the S&P 500 for the.

Nasdaq 100, even though equal related Nasdaq made a new high, and the next.

generation Nasdaq also made a new high last week..

Who didn't make a new high?.

Well, iShares for the TSX-60 made a new.

high on the previous week and then pulled back ever so slightly last week..

So No concern there..

We're still closing above the upper channel line..

Now, looking at the winners and losers for the week, it was the chip sector was the.

big winner, followed by biotechs, pharmaceuticals, and then the.

biggest winner in the Canadian market was the energy sector..

But as you can see, we're not expecting a weekly change in trend this week..

What didn't work?.

Well, anything that you mine basically got hit hard last week..

Canadian gold stocks were the biggest.

losers, followed by the GDX followed by silver miners, followed by copper miners..

So any ETF that was mining related, materials related, got hit hard last week..

So no change in trend there..

Now, looking at the world of commodities,.

we had crude oil move up last week and it's still on a buy signal here..

No change in trend..

We saw gasoline move higher, up over nine % on the week..

At the same time, we had natural gas drop over 11 % on the week..

So no change in trend for either of those two..

The GLD pulled back..

It's still on a buy signal here..

Things would change this coming Friday if the GLD were to close below \$185..

84..

No joy for Palladium making a new low..

We saw platinum pull back..

We saw silver close slightly lower on the week..

No change in trend..

We're still on a sell signal for silver..

Now, somebody was asking me about.

commodity ETFs, and I haven't really explored them too much..

We took a look at several that are on sell signals right now..

Then there's one that's on a buy signal at.

the moment, and we were wondering what the differences were between those..

When you look at this particular ETF, so we're looking at the GSG, it says it's a.

commodity ETF that doesn't actually own any commodities..

It looks like all it owns at the moment is treasury bills..

So that's a bit strange..

I'm not sure how that exactly works, but I certainly wouldn't want to be using that.

to track the world of commodities at this time..

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

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

Let's see if the S&P 500 can hold 5,000 throughout the week..

Have a great day, folks..

Next time you'll hear my voice is on Tuesday morning, and at that time, we'll.

take a closer look at the Canadian stock market..