



Market Observations - as of April 5, 2024

By Carl Jorgensen - For Objective Traders - For educational purposes only. Not Financial Advice.

Last week we saw lower closes on both Monday and Tuesday after very quiet trading most of the day. Wednesday saw a divergence between the S&P and Nasdaq, with the Nasdaq gapping up just to fill the opening gap quickly and deliver new lows for the week before a brief rally the last 31 min. of the day. The S&P also saw a gap up on Wednesday but only filled about half of its opening gap before resting most of the day before delivering a strong rally the last 31 min. of the day to new highs for the week. Thursday saw only a small rally with the Nasdaq failing to deliver higher highs while the S&P rallied in the last 32 min. to new highs for the week, and new all time highs, exceeding the prior week's highs.

The S&P delivered new all time highs last week while the Nasdaq showed some weakness with a consolidation pattern last week of lower highs and higher lows. Friday the markets were closed for the Good Friday Holiday.

This week we saw a Gap Up on Monday in the Nasdaq Composite that failed and sold off to fill the gap and end the day nearly flat while the S&P failed to exceed last week's highs and sold off most of the day. Tuesday saw a large gap down and some follow through lower the first hour before finding support and slowly rallied to end the day with only a small fraction of the opening gap filled. Wednesday saw a rally the first 2 hours that paused until selling stepped in the last hour. Thursday saw a strong gap up at the open that paused most of the day before VERY strong selling the last 2 hours of the day delivered new lows for the week. Friday saw a strong rally the first half of the day that recovered about half of the prior day's decline then paused the last half of the day.

It appears that the markets continue to over-react to various 'News' events as we saw opening gaps and wild swings this week.

Gold continued its rally to new all time highs this week while the US Dollar oscillated up-down-up with little overall change. Oil saw a strong rally this week, accelerating its rally this year.

The 10 year Treasuries saw strong selling this week with the Yields increasing accordingly.

Earnings season is about to begin this next week, so keep an eye on your holdings and if there are any key dates you should make note of in advance.

Markets saw strong selling on one day (Thursday) this week but also showed a strong recovery the following day. The 2024 Bull Trend is still alive, but tested its support on Thursday. We will watch for how strong the recovery continues next week, or, if Support is Tested again.

Let's look at the charts to see what they are telling us.



S&P 500 weekly chart as of Apr 5, 2024 - We saw a decline this week that tested the Support Trend Line (Purple line). Note that price is now extended well above its 20 week SMA (Yellow).



S&P 500 daily chart as of Apr 5, 2024 - Here we see a small decline Monday followed by a gap down Tuesday that tested support at the Trend Line (Purple line). Wednesday saw a small bounce and pause. Thursday saw a gap up then strong selling, crossing below its 20 day SMA and delivering new lows for

this week. Friday saw a bounce that crossed back above its 20 day SMA and recovered about half of the prior day's decline. The S&P ended this week down -0.95%.



S&P 500 15 min. chart as of Apr 5, 2024 - Here we can see the decline the first half of Monday then a pause the rest of the day. Tuesday saw a large gap down that continued lower the first hour, crossing below its lower weekly Expected Move then slowly rallied a little higher the last half of the day back above its Expected Move. Wednesday saw a rally that filled about 2/3 of Tuesday's gap in the first 2 hours, then paused and sold off the last hour to nearly the prior day's close. Thursday saw a strong gap up but without much follow through. Mid day saw a small bounce that was followed by VERY Strong selling the last 2 hours of the day, crossing back below its lower Expected Move, delivering new lows for the week. Friday saw a bounce the first half of the day that recovered just over half of the prior day's decline, crossing back above its lower Expected Move. The last half of Friday saw a decline that retested its lower Expected Move and bounced a little the last hour to end the week 'Inside' its Expected Move. We saw the lower Expected Move pierced on 3 days this week and closing below on Thursday.

Next week's S&P Expected Move is +/- \$ 86.32 from Friday's close at \$5204.34. This is the largest Expected Move we have seen so far in 2024.



DJIA weekly chart as of Apr 5, 2024 - The Industrials gave back most of the gains from the prior two weeks this week. It still is well above all 3 of its key Weekly SMAs.



DJIA daily chart as of Apr 5, 2024 - We saw a small decline on Monday followed by a gap down on Tuesday to its 20 day SMA. Wednesday paused near its 20 day SMA. Thursday gapped up and sold off below its 20 day SMA and its 50 day SMA before finding support. Friday saw a bounce back above its 50 day SMA to end this week down -2.27%.



Nasdaq weekly chart as of Apr 5, 2024 - The Nasdaq Composite saw a decline this week but managed to close this week above its Nov. 2021 prior highs (Blue dash line).



Nasdaq daily chart as of Apr 5, 2024 - Monday saw a failed rally and nearly flat close. Tuesday saw a gap down and straddled its 20 day SMA. Wednesday saw a small bounce that continued to straddle its 20 day SMA. Thursday saw a gap up and strong selling below its 20 day SMA and found support above its 50 day SMA. Friday saw a bounce to recover about half of the prior day's decline, ending this week back above its Nov. 2021 highs (Blue dash line), 8 points above its 20 day SMA and down -0.80% for the week.



Russell 2000 weekly chart as of Apr 5, 2024 - The Russell saw a strong decline this week that gave back all of last week's gains plus a bit more.

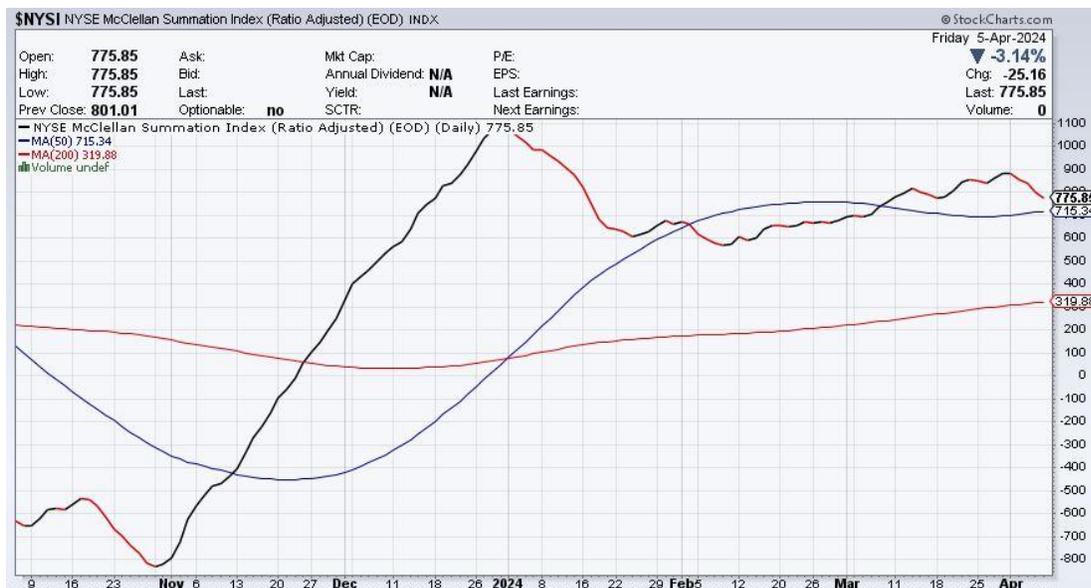


Russell 2000 daily chart as of Apr 5, 2024 - Monday saw a decline followed by a gap down and a close below the 20 day SMA. Wednesday saw a bounce back above the 20 day SMA. Thursday saw a gap up and strong selling back down to the prior day's lows. Friday saw a small bounce that failed to reach its 20 day SMA, ending the week down -2.87%.

Next we will look at a few key 'Market Internals'.



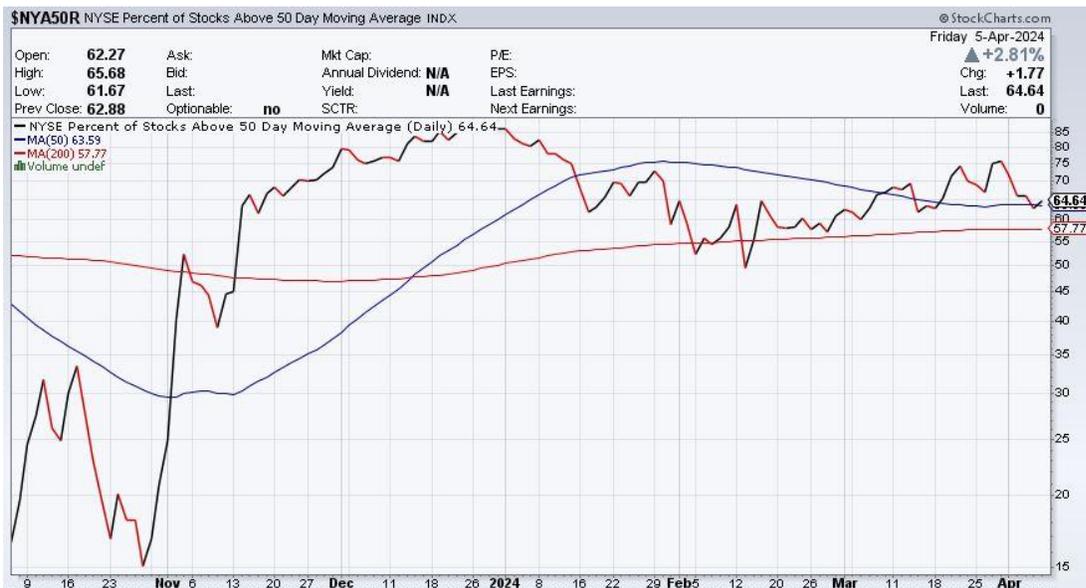
McClellan Summation Index weekly chart as of Apr 5, 2024 - Last week saw a small increase to 882.22. This week we see a decline to 775.85.



McClellan Summation Index daily chart as of Apr 5, 2024 - This week we see a steady decline in this index to end this week at 775.85.



NYSE Percent above 200 day SMA daily chart as of Apr 5, 2024 - Last week peaked at 74.91%. This week we see a decline to end the week at 71.10%.



NYSE Percent above 50 day SMA daily chart as of Apr 5, 2024 - Last week peaked at 75.77%. This week we saw a decline through Thursday and small bounce Friday to end this week at 64.64%.



VIX daily chart as of Apr 5, 2024 - The VIX closed higher on Monday, Tuesday and Thursday this week with only a small decline on Wednesday. Thursday saw the VIX peak at 16.92 and was followed by a rather small decline on Friday to end the week at 16.03.



VVIX daily chart as of Apr 5, 2024 - The Volatility of the VIX also closed higher on Monday, Tuesday, Thursday and Friday this week with only a small decline on Wednesday and a small increase on Friday.

Next we will look at a few key Commodities, Currency and Treasuries.



Oil daily chart as of Apr 5, 2024 - Oil continued its rally with higher highs every day this week, breaking above its Resistance Trend Line (Green line) Monday as the rally this year accelerated. Price has increased its distance above its 20 day SMA this week which is another sign of acceleration. Oil prices ended this week at \$86.73 after delivering new 2024 highs on Friday.



Gold weekly chart as of Apr 5, 2024 - Gold has broken out the past few weeks to new all time highs. Note how the \$2080 area provided Resistance over the past 4 years.



Gold daily chart as of Apr 5, 2024 - Gold delivered a new all time high every day this week, peaking at \$2350 on Friday. Gold began its acceleration last Friday and continued stronger this week with Friday (April 5th) seeing the strongest range day this year with strong volume.



US Dollar Index daily chart as of Apr 5, 2024 - The US Dollar Index rose Monday, declined on Tuesday, Wednesday and Thursday then rose on Friday to end the week with a small decline.



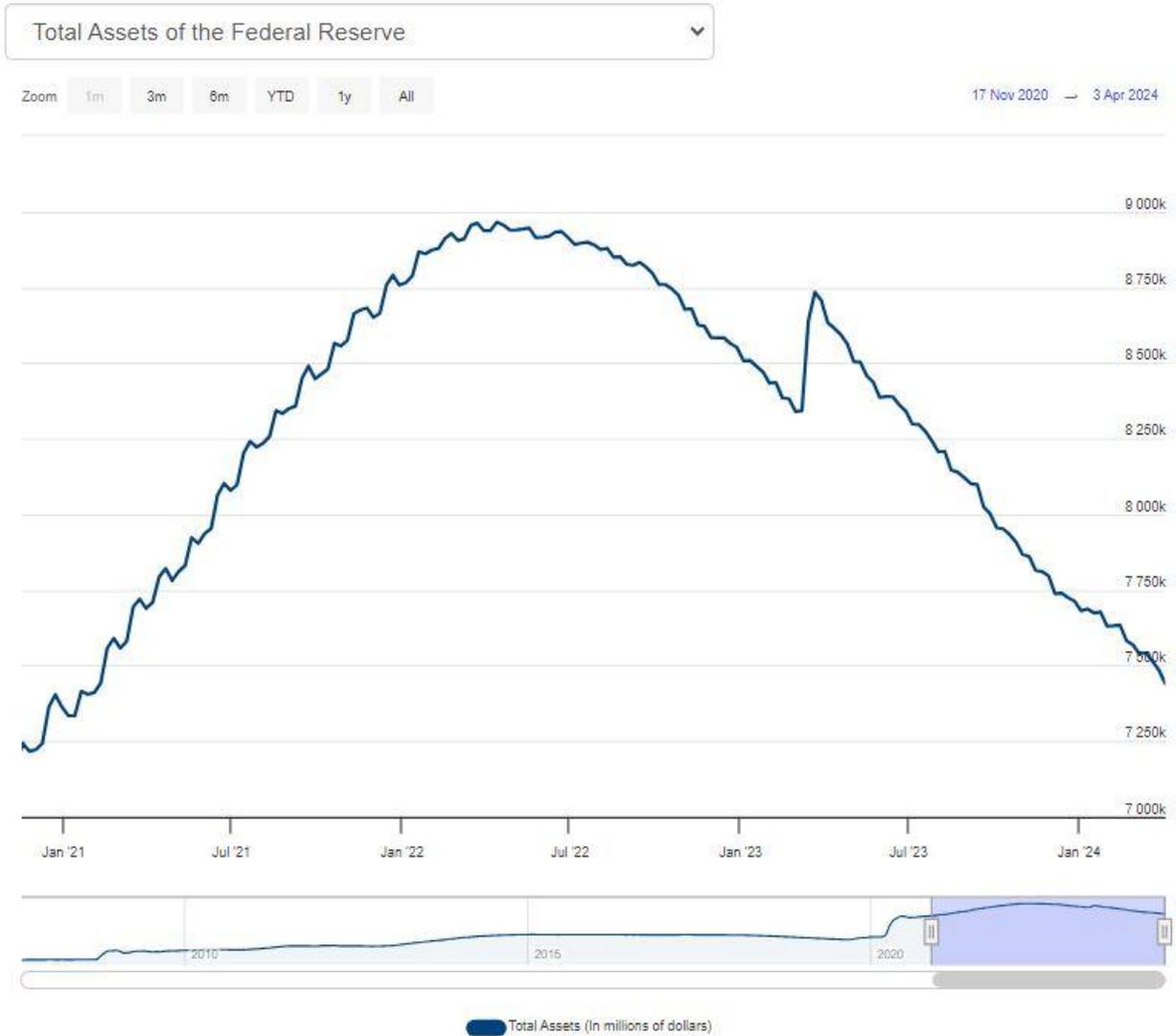
US 10 year Treasury daily chart as of Apr 5, 2024 - The 10 year Treasury saw strong selling Monday from its 20 day and 50 day SMAs down below its 200 day SMA. Tuesday saw the decline continue lower with a small bounce on Wednesday. Thursday saw a small rally up to nearly its 200 day SMA that failed and declined stronger Friday to end the week with the lowest close of this week.



US 10 year Yield daily chart as of Apr 5, 2024 - The 10 year Yields look like the Inverse chart of the Treasuries, with yields popping higher Monday and Tuesday, then pausing Wednesday and Declining on Thursday. Friday saw a bounce to end the week higher.

Date	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
3/5/2024	5.47	5.40	5.35	4.94	4.54	4.32	4.13	4.15	4.13	4.39	4.27
3/6/2024	5.47	5.40	5.35	4.95	4.55	4.32	4.12	4.12	4.11	4.36	4.24
3/7/2024	5.47	5.40	5.34	4.93	4.50	4.28	4.07	4.09	4.09	4.35	4.25
3/8/2024	5.46	5.40	5.34	4.92	4.48	4.25	4.06	4.08	4.09	4.36	4.26
3/11/2024	5.48	5.41	5.35	4.95	4.51	4.26	4.08	4.09	4.10	4.36	4.26
3/12/2024	5.48	5.41	5.37	5.00	4.58	4.33	4.15	4.16	4.16	4.42	4.31
3/13/2024	5.48	5.41	5.37	5.01	4.61	4.37	4.19	4.20	4.19	4.45	4.35
3/14/2024	5.48	5.42	5.38	5.04	4.68	4.46	4.29	4.30	4.29	4.54	4.44
3/15/2024	5.48	5.41	5.38	5.05	4.72	4.51	4.33	4.33	4.31	4.55	4.43
3/18/2024	5.48	5.41	5.39	5.06	4.73	4.52	4.36	4.35	4.34	4.57	4.46
3/19/2024	5.48	5.41	5.39	5.06	4.68	4.47	4.31	4.31	4.30	4.54	4.44
3/20/2024	5.47	5.41	5.36	5.01	4.59	4.41	4.25	4.28	4.27	4.53	4.45
3/21/2024	5.48	5.40	5.36	5.01	4.62	4.42	4.26	4.28	4.27	4.53	4.44
3/22/2024	5.46	5.40	5.34	4.98	4.59	4.36	4.20	4.22	4.22	4.47	4.39
3/25/2024	5.46	5.41	5.36	5.00	4.54	4.39	4.23	4.25	4.25	4.51	4.42
3/26/2024	5.46	5.41	5.36	5.00	4.56	4.38	4.22	4.23	4.24	4.49	4.40
3/27/2024	5.45	5.41	5.36	4.99	4.54	4.36	4.18	4.18	4.20	4.45	4.36
3/28/2024	5.46	5.42	5.38	5.03	4.59	4.40	4.21	4.20	4.20	4.45	4.34
4/1/2024	5.44	5.41	5.36	5.06	4.72	4.51	4.34	4.33	4.33	4.58	4.47
4/2/2024	5.42	5.40	5.34	5.05	4.70	4.51	4.35	4.37	4.36	4.61	4.51
4/3/2024	5.42	5.40	5.33	5.03	4.68	4.48	4.34	4.36	4.36	4.61	4.51
4/4/2024	5.41	5.40	5.32	5.00	4.65	4.46	4.30	4.31	4.31	4.57	4.47
4/5/2024	5.43	5.41	5.34	5.05	4.73	4.54	4.38	4.39	4.39	4.65	4.54

US Yield Rates daily table as of Apr 5, 2024 - Here we see the mid-term and longer term Yields pop higher Monday and Tuesday, pause Wednesday and then decline on Thursday. Friday saw a surge higher to end the week with higher yields as compared to the end of last week. The Short-term Yields declined the first 4 days of this week then popped back up on Friday.



FOMC Balance Sheet weekly chart as of Apr 3, 2024 - The Fed decreased its Balance Sheet this week by \$45.181 Billion to a new Total Assets of \$7.439558 Trillion. Jay Powell sent out a dozen or so Fed Members this week to tamp down the comments he made last week that may have sounded too accommodative with hints of rate decreases later this year. Fed members hinted at no rate decreases this year, if you can translate their double-speak.

Next we will look at a few key Market Sectors.



Dow Transportation Index daily chart as of Apr 5, 2024 - The Transports declined Monday then gapped down Tuesday to test for Support below its 50 day and 20 day SMAs before closing back above both SMAs. Wednesday saw a small rally. Thursday saw a gap up and strong selling to close below both its 50 day and 20 day SMAs. Friday saw a bounce that recovered about half of the prior day's decline, ending the week back above its 20 day and 50 day SMAs, down -1.80% for the week.



XLE daily chart as of Apr 5, 2024 - The Energy Sector rally began its rally last Friday and continued higher this week with higher highs every day, delivering a 9-year new High on Friday, and ending the week up +3.89%. This was the strongest sector on my list this week.



XLF daily chart as of Apr 5, 2024 - The Financial sector delivered a new all time high last Friday then declined with a lower close every day this week except on Friday. Thursday saw the largest range day so far this year with a close below its 20 day SMA and only a small bounce on Friday to end the week down -1.31%.



QQQ daily chart as of Apr 5, 2024 - Monday the QQQ saw a failed rally and flat close. Tuesday saw a gap down below its 20 day SMA and a small bounce that tested the 20 day SMA as Resistance. Wednesday saw another bounce attempt that closed above its 20 day SMA. Thursday saw a large gap up and failure, selling down below its 20 day and 50 day SMAs. Friday saw a small bounce that failed to close above its 20 day SMA, ending the week down -0.80%.



SOXX daily chart as of Apr 5, 2024 - The Semiconductor sector saw a failed rally Monday that briefly exceeded the prior week's highs. Tuesday gapped down and closed just below its 20 day SMA. Wednesday saw a small rally to close back above its 20 day SMA. Thursday saw a gap up and strong selling below its 20 day SMA to lower lows for this week and below the prior week's lows. Friday saw a small bounce that failed to reach its 20 day SMA, ending the week down -1.90%.



XLC daily chart as of Apr 5, 2024 - The Communication Services sector was quiet last week then rallied a little on Monday to new 2-year Highs, exceeding the highs from the prior 2 weeks. Tuesday saw an 'Inside' day. Wednesday saw the rally resume higher with more new 2-year highs. Thursday gapped higher to new 2-year highs then sold off but did NOT deliver a new low for this week. Friday saw a small rally to end this week up +1.05%.

INDEXes	Week Ending						
SECTORs	2/23/2024	3/1/2024	3/8/2024	3/15/2024	3/22/2024	3/28/2024	4/5/2024
\$SPX	1.66%	0.95%	-0.26%	-0.13%	2.29%	0.39%	-0.95%
\$INDU	1.30%	-0.11%	-0.93%	-0.02%	1.97%	0.84%	-2.27%
\$COMPQ	1.40%	1.74%	-1.17%	-0.70%	2.85%	-0.30%	-0.80%
\$NDX	1.42%	2.04%	-1.55%	-1.17%	2.98%	-0.46%	-0.80%
\$RUT	-0.79%	2.96%	0.30%	-2.08%	1.60%	2.54%	-2.87%
QQQ	1.44%	2.02%	-1.48%	-1.16%	3.01%	-0.53%	-0.80%
\$STRAN	1.87%	-0.56%	-0.72%	-1.40%	3.31%	1.25%	-1.80%
XLE	0.46%	1.37%	1.18%	3.84%	1.73%	2.18%	3.89%
XLF	1.69%	-0.02%	0.82%	0.42%	1.93%	1.69%	-1.31%
XLK	1.34%	2.66%	-1.62%	-0.83%	2.25%	-0.78%	-0.87%
SOXX	1.82%	6.81%	0.67%	-4.11%	3.16%	0.21%	-1.90%
XLV	1.54%	-1.03%	0.06%	-0.73%	0.42%	1.57%	-3.05%
XLY	1.27%	2.06%	-2.55%	-1.25%	2.85%	0.64%	-2.75%
XRT	1.44%	3.20%	-1.82%	-0.01%	2.35%	2.28%	-5.47%
XLI	1.86%	1.08%	0.64%	-0.21%	2.91%	0.60%	-0.23%
XLU	1.19%	-0.39%	3.29%	-0.45%	1.46%	2.80%	-0.75%
XME	-0.95%	2.23%	2.09%	-3.50%	2.70%	4.04%	2.89%
XLP	2.05%	-0.43%	0.94%	0.49%	0.88%	0.95%	-2.66%
XLB	1.95%	1.30%	1.58%	1.62%	0.99%	1.66%	-0.13%
XLC	0.98%	0.38%	-0.54%	-0.38%	3.47%	-0.20%	1.05%
XHB	2.99%	2.86%	0.35%	0.41%	4.97%	1.22%	-2.69%

Weekly Percent Change US Indexes and Sectors table as of Apr 5, 2024 - Note that all of the major indexes were down this week, with the smallest decline seen this week in the Nasdaq and the largest decline seen in the Russell 2000. This is nearly a complete reversal in Leadership from what we saw last week, with the strong Russell 2000 and weak Nasdaq-100.

This change in Leadership we see this week suggests we may want to look at the 'Magnificent Seven' stocks to see if any of these names outperformed the Nasdaq-100 Index this week.

The strongest sectors this week were: XLE, XME and XLC that delivered over +1% gains this week.

The weakest sectors this week were: XRT, XLV, XLY, XHB and XLP who all delivered over -2% of losses this week.

13 out of the 16 sectors I track were down this week.

INDEXes SECTORS	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 03/25/24	End of Day 03/26/24	End of Day 03/27/24	End of Day 03/28/24	Holiday 03/29/24	End of Day 04/01/24	End of Day 04/02/24	End of Day 04/03/24	End of Day 04/04/24	End of Day 04/05/24
\$SPX	-0.31%	-0.28%	0.86%	0.11%	n/a	-0.20%	-0.72%	0.11%	-1.23%	1.11%
\$INDU	-0.41%	-0.08%	1.22%	0.12%	n/a	-0.60%	-1.00%	-0.11%	-1.35%	0.80%
\$COMPQ	-0.27%	-0.42%	0.51%	-0.12%	n/a	0.11%	-0.95%	0.23%	-1.40%	1.24%
\$RUT	0.10%	-0.19%	2.13%	0.48%	n/a	-1.02%	-1.80%	0.54%	-1.08%	0.47%
QQQ	-0.36%	-0.32%	0.34%	-0.19%	n/a	0.21%	-0.86%	0.22%	-1.53%	1.18%
\$TRAN	-0.64%	-0.37%	1.12%	1.14%	n/a	-1.11%	-1.15%	0.72%	-1.02%	0.76%

Daily Percent Change US Indexes table as of Apr 5, 2024 - Leadership changed daily (as often happens) with the Transports beginning this week by showing its weakness, then changed to show relative strength on Wednesday and Thursday. The Russell 2000 showed its weakness on Tuesday and Friday. The Nasdaq showed some strength on Friday this week by outperforming the S&P.

Next we will look at a few key Stocks, the same names we looked at last week.



MSFT daily chart as of Apr 5, 2024 - Microsoft gapped up Monday and briefly exceeded last week's highs before pulling back a little. Tuesday saw a gap down and nearly tested its 20 day SMA as Support, exceeding the prior week's lows briefly before bouncing a bit. Wednesday saw a higher high, higher low but a lower close. Thursday saw a gap up and failed rally before selling off, delivering a new low for the week and closing below its 20 day SMA. Friday saw a bounce that recovered most of the prior day's drop, ending this week up +1.14%.



AAPL daily chart as of Apr 5, 2024 - Apple resumed its Decline on Monday and Tuesday with lower lows and delivering a new low for this year on Tuesday. Wednesday saw a small bounce. Thursday tested its 20 day SMA as Resistance then sold off to deliver its lowest close for this week. Friday saw a small bounce 'Inside' day to end the week down -1.11%.



NVDA daily chart as of Apr 5, 2024 - Nvidia paused Monday just above its 20 day SMA before gapping below its 20 day SMA on Tuesday. Wednesday remained just below its 20 day SMA with a lower close. Thursday saw a gap up above its 20 day SMA that sold off to new lows for this week. Friday saw a small bounce and 'Inside' day to end the week down -2.60%.



AMZN daily chart as of Apr 5, 2024 - Amazon resumed its rally this week with new 52 week highs on Monday, Thursday and Friday. We saw higher highs, higher lows and a higher close this week as compared to last week, ending this week up +2.60%. Note the space between price and the 20 day SMA increased this week, showing some positive acceleration.



GOOGL daily chart as of Apr 5, 2024 - Alphabet saw a strong rally on Monday to new all time highs. We saw a pause the next two days that remained near these new highs. Thursday saw selling that gave back all of this week's gains. Friday saw a strong bounce that recovered about 2/3 of the prior day's decline, ending this week up +1.04%.



META daily chart as of Apr 5, 2024 - Meta's decline last week did not deliver new March Lows. This week we saw a META finding support at the open then closing higher. Tuesday saw a rally with higher highs, higher lows and a higher close just above its 20 day SMA. We saw higher highs, higher lows and a higher close every day that followed, delivering a new all time high on both Thursday and Friday, ending the week up +8.60%.



TSLA daily chart as of Apr 5, 2024 - Tesla resumed its decline with a lower low, lower high and lower close on Monday. Tuesday saw a gap down below its 20 day SMA and found some support. Wednesday saw a small bounce higher. Thursday saw a strong rally the first half of the day, above its 20 day SMA that reversed mid day and declined to close back below its 20 day SMA. Friday saw a gap down and selling at the open to give back all of the prior day's gains. About 90 min after the open news came out and we saw a strong drop to \$160.51 and bounce back up to the \$168 area in just 35 min. The rest of the day saw a slow decline to end the week down -6.19%.

Let's compare the above 7 stocks in the table below to help see the relative strength last week and this week.

Stock	% Change Last week	% Change This week
QQQ	-0.53%	-0.80%
MSFT	-1.87%	1.14%
AAPL	-0.46%	-1.11%
NVDA	-4.17%	-2.60%
AMZN	0.84%	2.60%
GOOGL	0.11%	1.04%
META	-4.71%	8.60%
TSLA	2.90%	-6.19%

In the table above the **green highlighted** values are where the gains were greater than were the QQQ's gains for that week (or less negative).

We can see from the above table how AAPL, NVDA and TSLA saw declines greater than the -0.80% QQQ decline this week. We can also see the 'Fantastic Four' that not only saw gains this week, but gains more than +1% with META beating all the others by delivering a +8.60% gain this week.

Note that META was the weakest on this list last week and became the strongest this week. Also note how TSLA was the strongest last week and then the weakest this week. Don't be confused by these changes in Leadership but recognize it as a possible trading opportunity. I love to see these changes in character, since they usually offer great trading opportunities in either the bull and bear directions, since they are showing us their 'Volatility' and their ability to deliver significant swings in either direction.

I found that both TSLA and META delivered me great trading opportunities this week. Study their charts to see where you may have found a valid trade opportunity this week.



JPM daily chart as of Apr 5, 2024 - JP Morgan delivered a new all time high on Monday then closed lower. JPM continued its decline with lower lows every day this week with a small bounce on Friday to end this week down -0.27%. JPM reports Earnings next week before the open on April 12th.



MS daily chart as of Apr 5, 2024 - Morgan Stanley declined on Monday and Tuesday then saw a small bounce on Wednesday. Thursday saw a gap up to new highs for this year before selling off to new lows for this week. Friday saw a lower high, lower low and higher close to end this week down -1.79%.



COST daily chart as of Apr 5, 2024 - Costco paused last week then resumed its Decline this week, breaking below its 50 day SMA on Monday and breaking below its March 11th lows on Tuesday to find support Wednesday at \$697.27 and madding a small bounce. Thursday saw a failed rally and a lower close. Friday saw a small bounce to end the week down -2.58%.



AMD daily chart as of Apr 5, 2024 - AMD saw a big rally in early March and gave it all back the same month. Last week we saw a pause near the 50 day SMA. This week that pause continued on Monday as it again straddled and closed above its 50 day SMA. Tuesday saw a gap down and close below the 50 day SMA. Wednesday saw a small bounce that tested and respected its 50 day SMA as Resistance. Thursday saw a gap above the 50 day SMA that sold off strong to break below and exceed the March lows. Friday saw a small bounce to end this week down -5.58%.



MU daily chart as of Apr 5, 2024 - Micron saw a strong rally last week as continued follow through higher after March 20th Earnings and the large gap up the next day. This week we see the rally continue with more new all time highs on Monday, Wednesday and Thursday this week. Tuesday saw a pause 'Inside' day and Thursday saw a lower close that continued a little lower on Friday to end the week up +4.83%.



NFLX daily chart as of Apr 5, 2024 - Netflix saw a brief decline last week that paused this week on Monday and Tuesday near its 20 day SMA. Wednesday saw a rally that nearly reached last week's highs. Thursday saw a new 2-year high before selling off back down to close near its 20 day SMA. Friday saw a gap up and rally to nearly the prior day's highs, ending this week up +4.75%.



CAT daily chart as of Apr 5, 2024 - Caterpillar saw a small pull back on Monday and Tuesday then resumed its rally on Wednesday with new all time highs. Thursday saw another new all time high before selling off to a higher low. Friday saw a higher low and higher close to end the week up +3.51%.



AA daily chart as of Apr 5, 2024 - The rally we saw last week in Alcoa continued this week with higher highs and higher lows every day this week except on Friday. Thursday delivered new highs for this year then closed lower while not exceeding the prior day's lows. Friday saw a lower low, lower high but a higher close to end the week up +7.99%.

Some of the significant observations this week included: the relative strength of 4 out of the 7 'Magnificent Seven' Big stocks, how they showed us very strong gains this week, suggesting 4 of these big stocks are back in favor this week.

We saw Role Reversals between last week and this week with TSLA and META with large moves.

Also, we saw some split performance this week within the Semiconductor sector (SOXX):

NVDA	-2.60%
AMD	-5.58%
QCOM	1.32%
INTC	-12.36%
MU	4.83%

By using our top-down study of the markets, we can improve our odds by finding the strongest stocks in the strongest sectors (or the weakest stocks in the weakest sectors). This process makes finding Bullish and Bearish trade opportunities much more efficient and results in higher odds opportunities. We will take advantage of any statistical advantage that we can use to our benefit.

Trade Smart,

CJ