



## Market Observations - as of March 1, 2024

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

Last week we did not publish a 'Market Observations' for the week ending Feb 23, 2024. We will include some key observations from the prior week in this week's Market Observations.

Last week began with a Holiday on Monday. On Tuesday we saw a gap down at the open followed by a slow decline most of the day on both Tuesday and Wednesday. The last half hour on Wednesday saw a small rally to the close. All eyes were watching NVDA that reported Earnings after the close on Wednesday as NVDA strongly beat the expected numbers and traded as much as \$70 higher in after hours trading. We saw a large gap up Thursday in most markets at the open on with a rally higher all day. Thursday's strong rally seems to be in sympathy with or a contagion of 'Mania' with NVDA which can happen when all eyes are on one stock. Friday saw a small gap up at the open that quickly sold off to fill the gap and dip a bit lower. The remainder of Friday saw a small drift lower to close the day lower than the prior day as only a small portion of the prior day's gains were given back on Friday.

This week we saw the slow drift lower from the prior Friday continue lower on Monday, Tuesday and Wednesday of this week. On Thursday, one hour before the markets opened, we saw the PCE Economic data release that was about what was expected, without a surprise. Markets reacted positively immediately in pre-market trading. Thursday opened with a mild Gap up that was filled in the first two hours of trading. Once the markets saw support at a higher level than the prior day's lows, the 'Dip Buyers' came out to buy the second half of the day. The strong buying continued Friday nearly all day, delivering many new all time highs in the Nasdaq Composite, the Nasdaq-100 and the S&P-500.

The US Dollar Index drifted lower last week and was mostly horizontal this week.

Oil prices were mostly horizontal last week and rallied higher this week.

Gold prices saw a small rally last week then a strong rally this week, with Friday (March 1<sup>st</sup>) seeing a huge move higher to close this week at \$2091.60..

This week was dominated by the Semiconductor sector as it was the strongest sector on Monday, Thursday and Friday. Last week the Semiconductor sector was the strongest sector on Thursday, thanks to NVDA.

As February came to an end on Thursday this week, we have included monthly charts for the major indexes to help keep a long term perspective in mind. On these charts we use a log price scale to better show perspective over longer time periods.

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



SPY monthly chart as of Feb 29, 2024 - We see 4 months in a row of a rally off of the 20 month SMA (Yellow) Support and a new all time high this month. Note how extended price is now above its 20 month SMA as compared to the past 15 years.



S&P 500 weekly chart as of Mar 1, 2024 - After a one week pause, we see gains last week and this week to new all time highs. Price also remains above the Orange Trend Line Support for a fourth month.



S&P 500 daily chart as of Mar 1, 2024 - After a small pull back last Friday and Monday, Tuesday and Wednesday of this week we see a rally Thursday that continued Friday to deliver new all time highs, ending this week up +0.95%. The prior week saw the S&P up by +1.66%.

Note the daily True Range (White) in the lower panel for the 4 days of 'quiet' small range day followed by Thursday and Friday with 'Average' range days, near the 20 period ATR (Yellow). ATR is an easy way to see quiet days as well as the big move days (like Thursday Feb. 22<sup>nd</sup>).

FYI, my 'Dual ATRs' study is available for Think-or-Swim for free at my website.



S&P 500 15 min. chart as of Mar 1, 2024 - Last week we saw a gap down Tuesday that continued slowly lower Tuesday and Wednesday followed by a small rally the last 30 min. on Wednesday. After the NVDA Earnings event, Thursday opened with a large gap up and rally all day, crossing above its upper weekly Expected Move by mid day. Friday saw a gap up at the open that was filled in the next hour or so before slowly drifting lower the last half of the day. Last week closed above the upper Expected Move.

The drift lower continued this week on Monday, Tuesday and Wednesday. Thursday gapped up at the open (thanks to PCE reactions) then filled its gap in the next 2 hours and found support. The last half of Thursday saw a rally that continued nearly all day on Friday, delivering new all time highs throughout the day. This week closed 'Inside' the weekly Expected Move.



DJIA monthly chart as of Feb 29, 2024 - Here we see a 4<sup>th</sup> month rally off of the 20 month SMA support to new all time highs this week. This rally continues but has slowed a bit the past 2 months.



DJIA weekly chart as of Mar 1, 2024 - Here we see a pause two weeks ago followed by a strong rally last week to new all time highs. This week was mostly a pause near last week's close.



DJIA daily chart as of Mar 1, 2024 - We saw a strong bounce off of the 20 day SMA last week with most of last week's gains seen on Thursday and Friday when the Industrials delivered a new all time high. This week we see a drift lower for 3 days then a very small rally Thursday and Friday to end this week down -0.11%. The prior week saw the Industrials closed up +1.30%.



Nasdaq Composite monthly chart as of Feb 29, 2024 -We see four months in a row of a rally to nearly retest the all time highs from late 2021.



Nasdaq weekly chart as of Mar 1, 2024 - We saw a small pull back two weeks ago then the rally resumed last week and this week, delivering new all time highs this week.



Nasdaq daily chart as of Mar 1, 2024 - Last week dipped below its 20 day SMA on Tuesday and Wednesday then gapped up and rallied last Thursday. Last Friday saw a higher high but a lower close. Last week ended with a +1.40% gain.

This week we saw the slow drift lower continue Monday, Tuesday and Wednesday before the rally resumed on Thursday and Friday. Friday's rally broke above the prior highs from Nov. 2021 (Blue Dash Line) to deliver new all time highs, ending this week up +1.74%.



Russell 2000 monthly chart as of Feb 29, 2024 - The Russell has been mostly stuck within a range for about 22 months (two Green horizontal lines). Last week we saw a small decline followed by a rally this week to again test the Resistance near the top of this range.



Russell 2000 weekly chart as of Mar 1, 2024 - We see a small pull back last week then a rally this week to break above the upper Green Line Resistance and deliver a new 20 month high.



Russell 2000 daily chart as of Mar 1, 2024 - Last week the Russell dipped down to its 20 day SMA (Yellow) on Wednesday then bounced higher Thursday and Friday to end last week down -0.79%. This week we see the rally continue Monday then gap up on Tuesday above the upper Green Horizontal line. Wednesday saw a small pull back before resuming the rally Thursday and Friday to deliver new 52 week highs on Friday, ending this week up +2.96%.

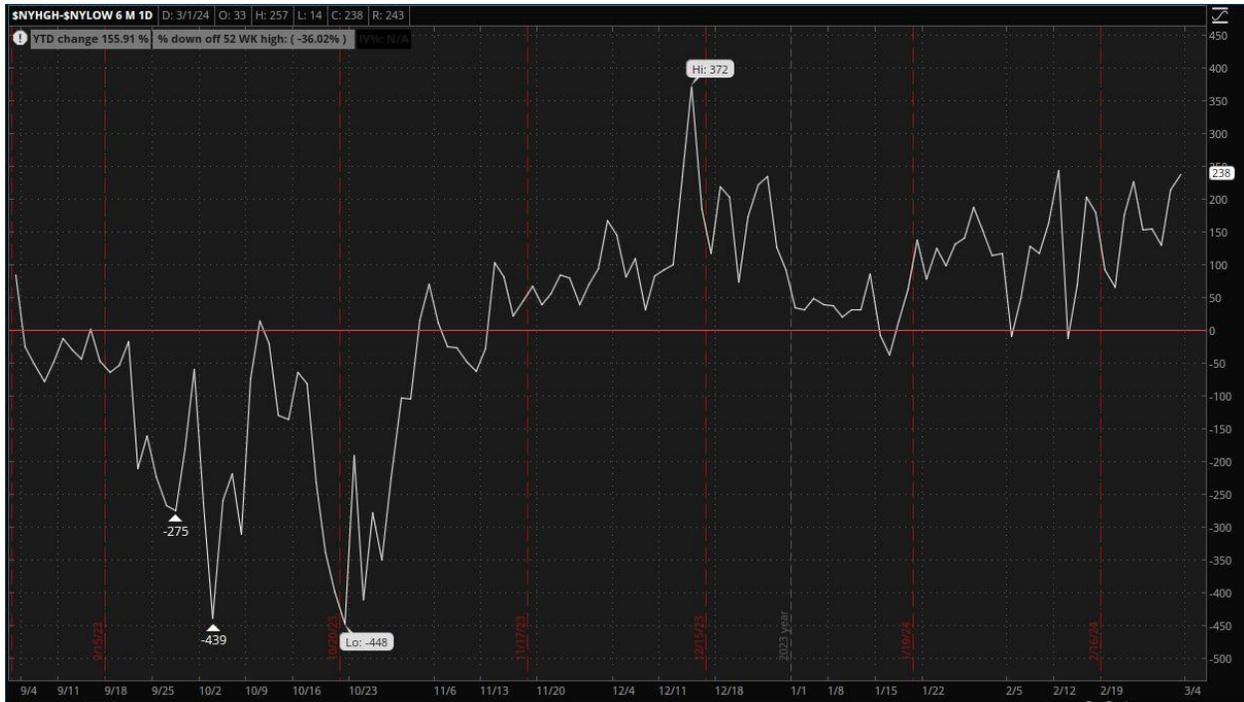
Next we will look at a few key 'Market Internals'.



McClellan Summation Index weekly chart as of Mar 1, 2024 - Last week we saw a small gain with this Index closing at 668.00. This week we see another small gain to end this week at 693.36.



McClellan Summation Index daily chart as of Mar 1, 2024 - We saw a small dip the first week in February then small gains the next 3 weeks.



NYSE New Highs - New Lows daily chart as of Mar 1, 2024 - The NYSE New 52 week Highs minus New 52 week Lows count saw shallower dips the prior two weeks and ended this week 238 more new highs than new lows.



NYSE Percent above 200 day SMA daily chart as of Mar 1, 2024 - Last week ended with 66.61% of NYSE stocks above their 200 day SMAs and this week increased a little to 68.13%.



NYSE Percent above 50 day SMA daily chart as of Mar 1, 2024 - Last week ended with 60.28% of NYSE stocks above their 50 day SMAs and this week we see a small increase to 62.49%.



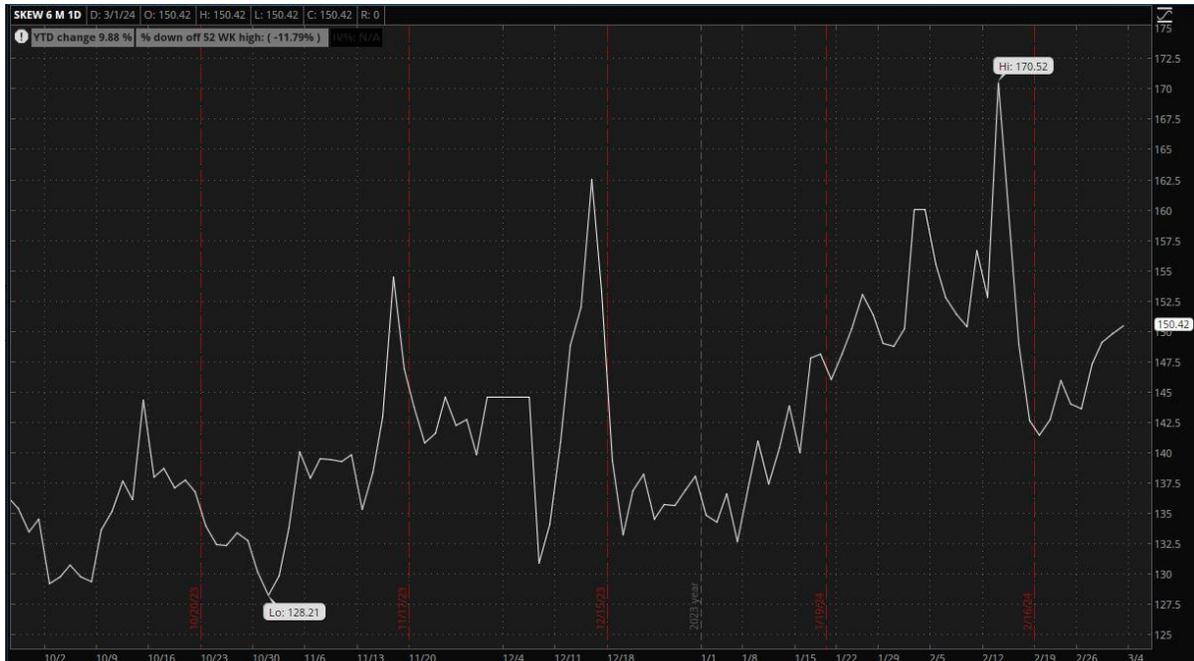
VIX Weekly chart as of Mar 1, 2024 - The VIX has seen an overall decline in Range over the prior two years with this year (2024) remaining mostly below its 50 week SMA (Blue).



VIX daily chart as of Mar 1, 2024 - Last week we saw a brief spike above the 200 day SMA (Purple) on Tuesday and Wednesday then a gap down Thursday and a cross below the 20 day SMA (Yellow) last Friday. This week we saw a decline below the 20 day and 50 day SMAs Monday and Tuesday and a small bounce on Wednesday above its 50 day SMA. Thursday gapped up above the 20 day then declined during the day below its 20 day and 50 day SMAs. Friday saw new lows for this week below the 50 day SMA.



VIX daily chart as of Mar 1, 2024 - The Volatility of the VIX shot up to its 200 day SMA last Tuesday and declined nearly to its 50 day SMA on Wednesday. Last Thursday saw a gap down below its 50 day and 20 day SMAs and then closed a little lower last Friday. This week we see the VVIX within a narrow range for 3 more days then decline lower on Thursday and Friday.



SKEW daily chart as of Mar 1, 2024 - Options SKEW spiked up to 170.52 on Feb. 13<sup>th</sup> then quickly dropped to 141.45 on Feb. 20<sup>th</sup>. Since that wide swing we have seen SKEW slowly drift higher to a more average level of 150.42.

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



Oil daily chart as of Mar 1, 2024 - Oil prices were mostly horizontal last week, straddling its nearly flat 200 day SMA (Purple) before dipping down to its 20 day SMA (Yellow) last Friday. This week we see a rally off of the 20 day SMA support Monday, crossing above its 200 day SMA on Tuesday then pausing Wednesday and Thursday. Friday saw a stronger rally that peaked at \$80.85 and closed at \$79.81.



Gold daily chart as of Mar 1, 2024 - Gold prices straddled its 20 day and 50 day SMAs most of last week and continued to do so the first 3 days of this week. Thursday saw a rally above the 50 day SMA that continued much stronger Friday that peaked at \$2097.10 and closed at \$2091.60 on very strong volume.



US Dollar Index daily chart as of Mar 1, 2024 - The US Dollar declined a little last week and remained mostly flat this week, remaining between its 20 day and 200 day SMAs.



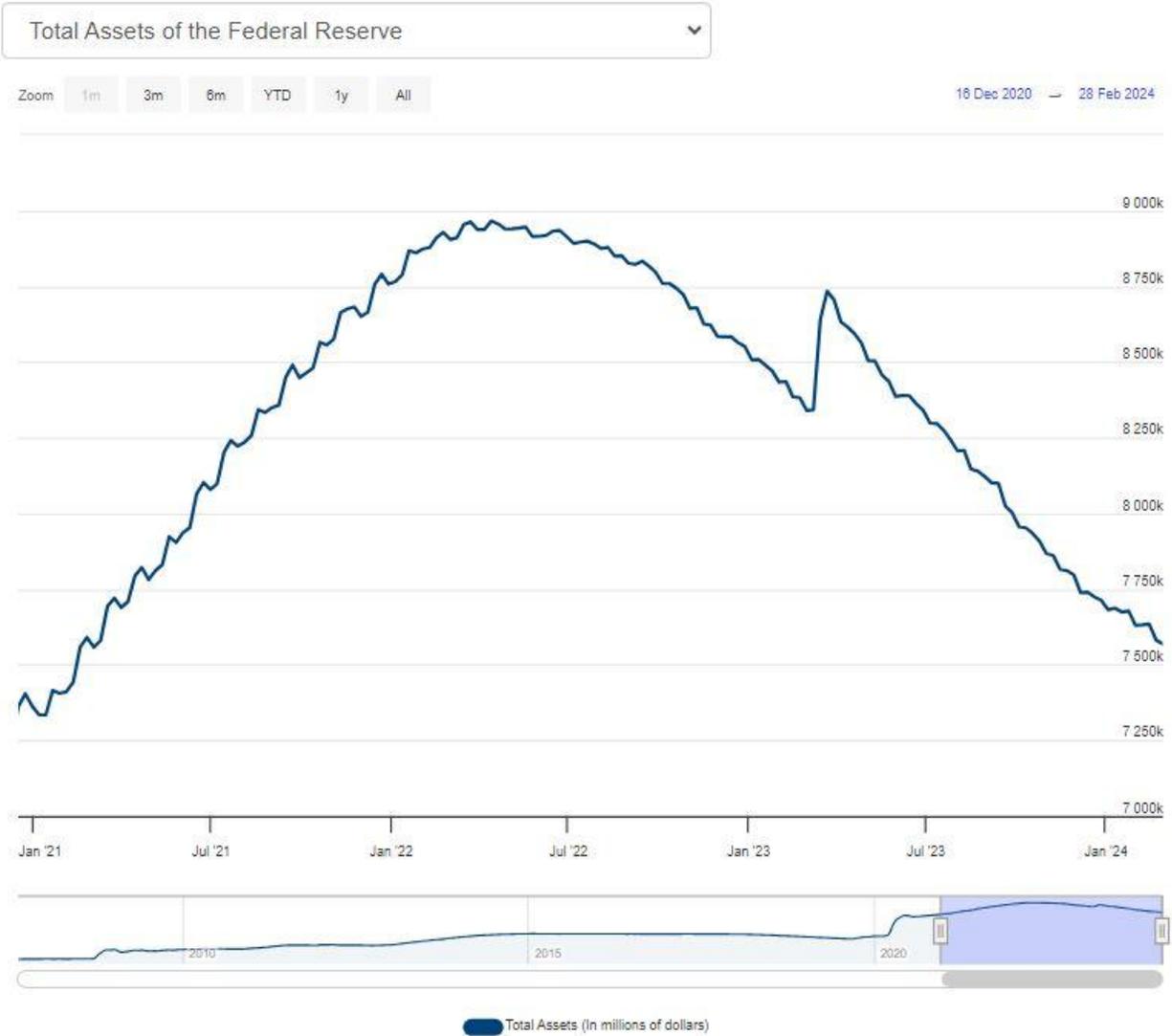
US 10 year Treasury daily chart as of Mar 1, 2024 - The 10 year Treasuries saw a small decline last week and a small bounce last Friday. This week saw a lower close on Monday then higher closes every day the followed to end this week above its 20 day and 200 day SMAs.



US 10 year Yield daily chart as of Mar 1, 2024 - The rally this week in the 10 year was reflected with a decline in Yields mostly on Thursday and Friday of this week, crossing below its 20 day SMA and ending this week nearly on its 200 day SMA.

Date	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
2/1/2024	5.42	5.38	5.15	4.68	4.20	3.96	3.80	3.83	3.87	4.21	4.10
2/2/2024	5.43	5.42	5.22	4.81	4.36	4.14	3.99	4.02	4.03	4.33	4.22
2/5/2024	5.42	5.42	5.25	4.87	4.46	4.27	4.13	4.16	4.17	4.46	4.35
2/6/2024	5.44	5.41	5.23	4.82	4.39	4.14	4.03	4.07	4.09	4.39	4.29
2/7/2024	5.43	5.40	5.23	4.83	4.41	4.16	4.06	4.09	4.09	4.41	4.31
2/8/2024	5.44	5.42	5.24	4.83	4.46	4.22	4.12	4.15	4.15	4.47	4.36
2/9/2024	5.44	5.43	5.26	4.86	4.48	4.25	4.14	4.17	4.17	4.48	4.37
2/12/2024	5.43	5.43	5.27	4.87	4.46	4.25	4.13	4.16	4.17	4.48	4.37
2/13/2024	5.45	5.46	5.32	4.99	4.64	4.44	4.31	4.33	4.31	4.59	4.46
2/14/2024	5.43	5.45	5.31	4.94	4.56	4.38	4.25	4.27	4.27	4.57	4.45
2/15/2024	5.43	5.45	5.30	4.93	4.56	4.36	4.22	4.25	4.24	4.54	4.42
2/16/2024	5.44	5.45	5.31	4.98	4.64	4.43	4.29	4.31	4.30	4.58	4.45
2/20/2024	5.44	5.45	5.32	4.97	4.59	4.38	4.25	4.28	4.27	4.56	4.44
2/21/2024	5.44	5.45	5.32	4.98	4.64	4.43	4.30	4.33	4.32	4.59	4.49
2/22/2024	5.45	5.45	5.32	5.02	4.69	4.49	4.33	4.35	4.33	4.58	4.47
2/23/2024	5.46	5.46	5.32	5.00	4.67	4.45	4.28	4.28	4.26	4.51	4.37
2/26/2024	5.47	5.47	5.34	5.03	4.69	4.48	4.29	4.32	4.28	4.53	4.40
2/27/2024	5.45	5.47	5.33	5.03	4.70	4.50	4.32	4.34	4.31	4.57	4.44
2/28/2024	5.45	5.43	5.31	5.00	4.64	4.44	4.26	4.28	4.27	4.53	4.40
2/29/2024	5.45	5.43	5.30	5.01	4.64	4.43	4.26	4.28	4.25	4.51	4.38
3/1/2024	5.42	5.41	5.27	4.94	4.54	4.32	4.17	4.20	4.19	4.46	4.33

US Yield Rates daily table as of Mar 1, 2024 - Last week saw very little change in both long term and short term yields. This week we see yields oscillate a little then the longer term yields dropped on Thursday and Friday.



FOMC Balance Sheet weekly chart as of Feb 28, 2024 - Last week we saw the Fed decrease its Balance Sheet by \$52.191 Billion (Feb. 21, 2024) and this week we saw a decrease of another \$13.876 Billion to a new Total Assets of \$7.567807 Trillion. This is still more stimulus than what we saw back in January of 2021.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of Mar 1, 2024 - Last week saw the Transports drop lower Tuesday and Wednesday then rallied back above its 50 day SMA on Thursday and above its 20 day SMA on last Friday, ending last week up +1.87%. This week we see a 3-day decline back below both SMAs then a rally Thursday above the 50 day SMA but closed just below its 20 day SMA. Friday again found Resistance at its 20 day SMA and closed lower, down -0.56% this week.



XLE daily chart as of Mar 1, 2024 - The Energy sector was mostly horizontal last week and this week until Friday's strong rally, ending this week up +1.37%.



XLF daily chart as of Mar 1, 2024 - The Financial sector continued its rally last week, up +1.69%. This week we saw a horizontal pause with little change, ending this week down -0.02%.



QQQ daily chart as of Mar 1, 2024 - The Nasdaq-100 ETF declined below its 20 day SMA last Tuesday and Wednesday then gapped up big last Thursday and opened higher Friday to new highs before pulling back to close the day a little lower, ending last week up +1.44%. After a slow drift lower for 3 days the QQQ rallied Thursday and Friday this week to new all time highs, ending this week up +2.02%.



SOXX daily chart as of Mar 1, 2024 - Last week the Semiconductor sector declined Tuesday and Wednesday, dipping below its 20 day SMA both days. Last Thursday saw a big gap up and rally to new highs. Friday saw higher highs at the open then drifted lower during the day to end last week up +1.82%. This week we saw a pause Monday and Tuesday and a small dip Wednesday. Thursday gapped up and rallied to new highs that continued stronger Friday to new all time highs on strong volume, ending this week up +6.81%.

Not only was the SOXX the strongest sector this week, it was also the strongest sector on Monday, Thursday and Friday of this week and on Thursday of last week (NVDA day).



XLC daily chart as of Mar 1, 2024 - The Communication Services sector saw a small dip Tuesday and Wednesday of last week to test Support near its 20 day SMA. Last Thursday saw a gap up that continued a little higher last Friday but failed to deliver a higher high, ending last week up +0.98%. This week we saw a drop below the 20 day SMA on Monday, a failed bounce Tuesday and another cross below the 20 day SMA on Wednesday. Thursday saw a small gap up and rally that continued higher Friday, without delivering a new high, ending this week up +0.38%.



NDX vs. NDXE Year to Date Percent Change chart as of Mar 1, 2024 - We have seen how the Market Cap. 'Weighting' of key Indexes has enabled a few very big stocks to dominate these Indexes with narrow leadership. We see this affect this year in the chart above that compares the Nasdaq-100 (NDX) to the Equal Weighted Nasdaq-100 (NDXE) measured with the % change so far this year. The NDX has led the NDXE nearly every day so far this year.

The green background is the 'difference' between these two Indexes but is not using the same Percentage "Scale". It does, however, show us visually when the differences between these two Indexes Expands and Contracts. This helps us see the impact of the 'Weighting' methods used on these Indexes.



SPY vs. Sectors Year to Date Percent Change chart as of Mar 1, 2024 - Here we see the Year-to-date Percent Change for the SPY and for 13 Sectors. This chart should make it clear why most of my bullish trades this year have been with leading stocks within the SOXX, XLK and XLC sectors. Note the steep slope of the SOXX over the past 2 days (Feb 29 and Mar 1) and back on Feb. 22<sup>nd</sup> (NVDA day).

<i>INDEXes</i>	Week Ending						
<i>SECTORs</i>	1/19/2024	1/26/2024	2/2/2024	2/9/2024	2/16/2024	2/23/2024	3/1/2024
\$SPX	1.17%	1.06%	1.38%	1.37%	-0.42%	1.66%	0.95%
\$INDU	0.72%	0.65%	1.43%	0.04%	-0.11%	1.30%	-0.11%
\$COMPQ	2.26%	0.94%	1.12%	2.31%	-1.34%	1.40%	1.74%
\$NDX	2.86%	0.62%	1.27%	1.81%	-1.54%	1.42%	2.04%
\$RUT	-0.34%	1.74%	-0.79%	2.41%	1.13%	-0.79%	2.96%
QQQ	2.84%	0.62%	1.23%	1.87%	-1.48%	1.44%	2.02%
\$TRAN	0.79%	1.98%	-0.64%	2.63%	-3.62%	1.87%	-0.56%
XLE	-3.04%	5.09%	-0.87%	-0.25%	2.71%	0.46%	1.37%
XLF	0.88%	1.90%	0.85%	0.26%	1.41%	1.69%	-0.02%
XLK	4.13%	0.79%	0.24%	2.77%	-2.54%	1.34%	2.66%
SOXX	7.87%	-0.58%	-0.22%	5.53%	-0.68%	1.82%	6.81%
XLV	-0.75%	-0.14%	1.95%	1.42%	1.12%	1.54%	-1.03%
XLY	0.53%	-1.84%	3.29%	1.45%	-0.49%	1.27%	2.06%
XRT	-0.20%	1.83%	1.14%	2.77%	1.20%	1.44%	3.20%
XLI	0.30%	0.87%	1.90%	1.19%	0.92%	1.86%	1.08%
XLU	-3.70%	0.38%	0.46%	-1.98%	1.59%	1.19%	-0.39%
XME	-1.95%	1.15%	0.47%	-1.99%	0.84%	-0.95%	2.23%
XLP	-1.03%	0.80%	2.12%	-1.43%	0.23%	2.05%	-0.43%
XLB	-1.46%	0.34%	0.70%	0.04%	2.44%	1.95%	1.30%
XLC	1.38%	3.81%	2.65%	-0.71%	-0.28%	0.98%	0.38%
XHB	1.33%	-1.02%	1.69%	2.69%	-0.35%	2.99%	2.86%

Weekly Percent Change US Indexes and Sectors table as of Mar 1, 2024 - Note how the gains (or loss) this week for the S&P-500 and Dow Industrials were less than what we saw last week while the Nasdaq gains (Composite, NDX and QQQ) were stronger this week than last week. This is another way to see the 'Narrow' Leadership this week as reflected by the Divergence between the major indexes.

Also note the Russell's loss last week was more than recovered this week.

Last week the strongest sectors were: XHB, XLP, XLB, Transports, XLI and SOXX who all delivered over +1.8% gains last week. The weakest sector and only declining sector last week was XME. XLE and XLC also delivered less than +1% gains last week.

This week the strongest sectors included: SOXX, XRT, XHB and XLK who all delivered over +2.5% gains. The weakest sectors this week included: XLV, Transports, XLP, XLU and XLF who all had losses this week.

	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
INDEXes	Holiday	End of Day								
SECTORS	02/19/24	02/20/24	02/21/24	02/22/24	02/23/24	02/26/24	02/27/24	02/28/24	02/29/24	03/01/24
\$SPX	n/a	-0.60%	0.13%	2.11%	0.03%	-0.38%	0.17%	-0.17%	0.52%	0.80%
\$INDU	n/a	-0.17%	0.13%	1.18%	0.16%	-0.16%	-0.25%	-0.06%	0.12%	0.23%
\$COMPQ	n/a	-0.92%	-0.32%	2.96%	-0.28%	-0.13%	0.37%	-0.55%	0.90%	1.14%
\$RUT	n/a	-1.41%	-0.47%	0.76%	0.25%	0.61%	1.34%	-0.77%	0.71%	1.05%
QQQ	n/a	-0.75%	-0.40%	2.93%	-0.29%	-0.05%	0.24%	-0.53%	0.87%	1.51%
\$TRAN	n/a	-1.06%	0.77%	1.54%	0.62%	-0.49%	-0.29%	-0.57%	0.86%	-0.06%

Daily Percent Change US Indexes table as of Mar 1, 2024 - The Transports showed strength two days last week and weakness 3 days this week. The Russell 2000 showed weakness 3 days last week and 1 day this week and then strength 2 days this week.

The biggest daily gain seen all of last week was seen in the Nasdaq Composite on 'Thursday' (NVDA day). The biggest daily gain seen all of this week was on Friday in the QQQ.

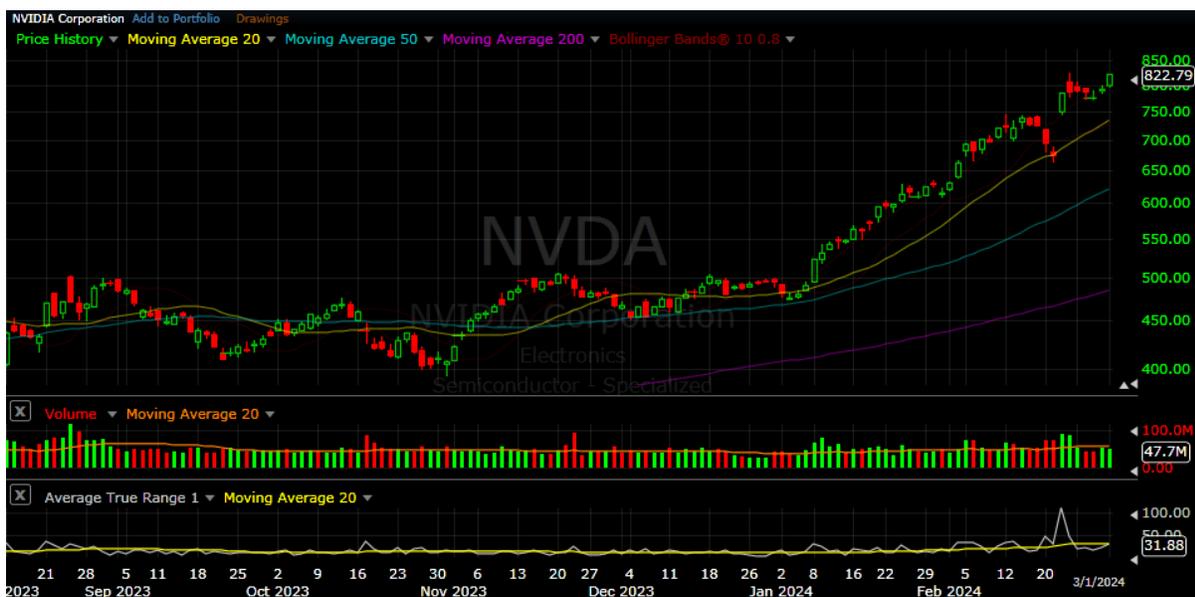
Next we will look at a few key Stocks. As you look at the charts, you may compare how well each stock did last week vs. this week. Did it do better this week? What sector is it in? How has that sector done this week vs. last week?



MSFT daily chart as of Mar 1, 2024 - Last week MSFT continued its decline Tuesday and Wednesday then gapped up above its 20 day SMA on Thursday and continued higher early Friday before trading lower, ending last week up +1.55%. This week began drifting lower 3 days below its 20 day SMA then rallied higher Thursday back above its 20 day SMA and continued higher Friday to end this week up +1.26% and back above all 3 of its key daily SMAs.



AAPL daily chart as of Mar 1, 2024 - Apple tested its support again last week near \$180 and bounced Thursday above its 200 day SMA just to return last Friday to selling below its 200 day SMA, ending last week up +0.12%. This week continued lower and again testing support Tuesday and Thursday before breaking below on Friday to briefly deliver new 2024 lows before bouncing back up to end this week down -1.57%.



NVDA daily chart as of Mar 1, 2024 - Nvidia saw a decline last week on Tuesday and Wednesday to its 20 day SMA before reporting Earnings Wednesday after the close. Reaction to Earnings was very strongly positive with a pop up nearly +\$70 in after-hours trading. Thursday's gap open and rally that followed continued higher Friday with another gap up to new all time highs, but this time with selling that quickly filled Friday's gap then bounce about half of that range where NVDA remained the rest of the day, ending last week up +8.54%. This week saw a very slow drift lower for 3 days then a small rally Thursday and a bit bigger rally on Friday to end this week up +4.39%.



AMZN daily chart as of Mar 1, 2024 - Amazon saw a dip to nearly its 20 day SMA last Tuesday then a small rally Wednesday. Thursday saw a gap up that continued higher Friday to end last week with new all time highs, up 3.23% for the week. This week we see a slow decline for 3 days then a strong rally Thursday that continued higher Friday to new all time highs, ending this week up +1.85%.



GOOGL daily chart as of Mar 1, 2024 - Alphabet opened lower last Tuesday then rallied above its 50 day SMA on Wednesday. Thursday gapped up to nearly its 20 day SMA then pulled back a little last Friday to end last week up +2.45%. Last week's failed rally was confirmed with lower lows on Monday this week. Tuesday saw a pause then lower lows on Wednesday. Thursday saw a tiny bounce that was mostly given back the next day, ending this week down -4.74%.



META daily chart as of Mar 1, 2024 - Meta has kept most of its Earnings Reaction from Feb. 1<sup>st</sup> and continued higher last week +2.37% to new all time highs. This week the rally continued higher to more new all time highs, ending this week up +3.77%.



TSLA daily chart as of Mar 1, 2024 - We see a failed rally on Feb. 16<sup>th</sup> that was followed by lower lows last week. Last week mostly hovered just above the 20 day SMA, ending last week down -3.99%. This week we saw a rally Monday above its 20 day SMA Support that continued a little higher Tuesday before closing lower that day. The rest of this week TSLA has remained inside a narrow range, ending this week up +5.56%.

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

Stock	% Change Last week	% Change This week
QQQ	1.44%	2.02%
MSFT	1.55%	1.26%
AAPL	0.12%	-1.57%
NVDA	8.54%	4.39%
AMZN	3.23%	1.85%
GOOGL	2.45%	-4.74%
META	2.37%	3.77%
TSLA	-3.99%	5.56%

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 saw 5 stocks doing better than the QQQ last week and only 3 stocks this week. META and NVDA were leaders both last week and this week while TSLA changed from laggard last week to leader this week. The bar was set a little higher this week than last week with the QQQ delivering +2.02% this week.

We saw above how the Semiconductor sector was strong most of this week and last week, which accounts for NVDA being a leader both weeks. Other Semiconductor stocks that led this week included: AMD, QCOM, MRVL, AVGO, KLAC, MU, AMAT and TSM to name a few.



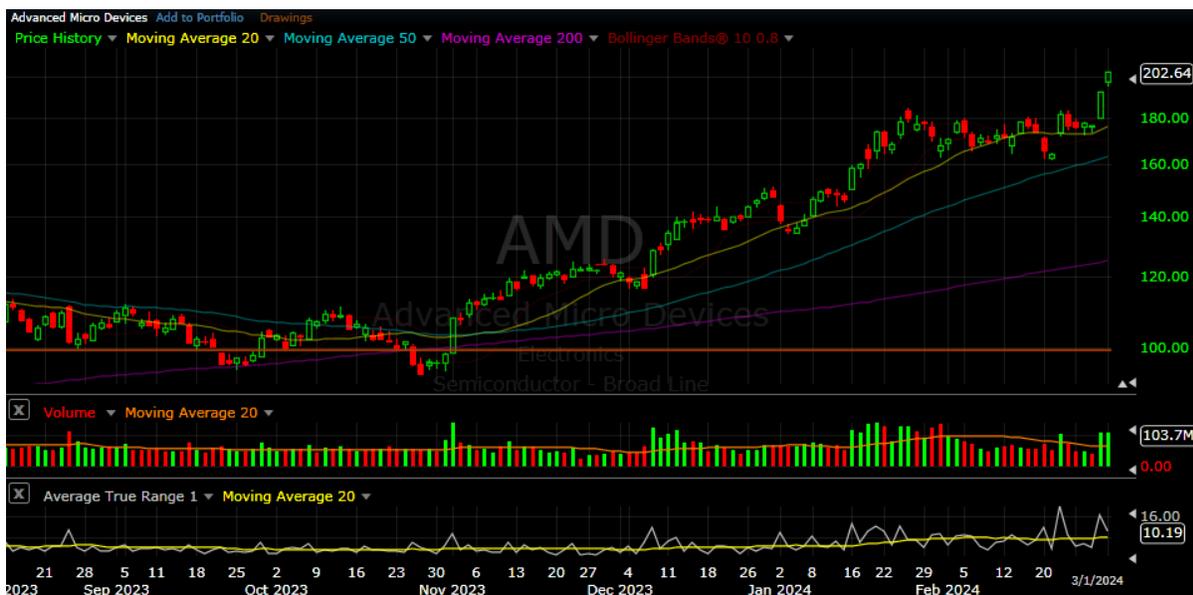
JPM daily chart as of Mar 1, 2024 - JP Morgan has continued its slow and steady rally for about 4 months. Last week it closed up +2.77% and this week added another +0.71% as it also delivered new all time highs this Friday.



MA daily chart as of Mar 1, 2024 - MasterCard dropped hard last Tuesday below its 20 day SMA just to rally back above the next day and continue higher Thursday and last Friday, ending last week up +1.13%. This week the rally slowed but still managed additional gains of +0.68% and a new all time high on Wednesday.



COST daily chart as of Mar 1, 2024 - Costco continued its rally last week with +1.93% gains and this week delivered a new all time high on Thursday and ended this week up another +1.56%. Costco reports Earnings next week on Mar. 7<sup>th</sup>.



AMD daily chart as of Mar 1, 2024 - AMD has remained mostly within a \$162.5 to \$180.5 range for nearly 5 weeks, before and after reporting Earnings on Jan. 30<sup>th</sup>. AMD has remained mostly flat for so long that the 20 day SMA has become flat as well. Last week we saw a small gain of +1.52%. This week AMD continued to loiter just above its 20 day SMA until Thursday morning, 1 hour before the open, when PCE data was announced and AMD shot up and broke above Resistance before the open. AMD gapped up at the open and saw a very strong rally Thursday, delivering a +2x ATR range day on strong volume. The rally continued Friday on strong volume to new all time highs, ending this week up +14.80%.



MU daily chart as of Mar 1, 2024 - Micron saw a mild rally last Tuesday and Wednesday then gapped up last Thursday above its 50 day and 20 day SMAs. Last Friday saw a higher high and higher close to end last week up +8.18%. This week saw a gap up Monday and pause the next 3 days before a strong rally on Friday to end this week up +10.64% on strong volume.



NFLX daily chart as of Mar 1, 2024 - Netflix dipped to nearly its 20 day SMA last Tuesday and Wednesday then gapped up last Thursday and paused last Friday to end last week down -0.07%. This week we saw the pause continue Monday then a gap up Tuesday, pause Wednesday and Thursday then a stronger rally on Friday to end this week up +6.13%.



CAT daily chart as of Mar 1, 2024 - Caterpillar declined last Tuesday and Wednesday to test support at its 20 day SMA. Thursday gapped up and continued higher last Friday to end last week up +0.61%. This week we saw a higher high, higher low and higher close every day this week, ending this week up +3.96%.

This week we saw the bulls return. If you had been tracking the strongest names in the strongest sectors, then you may have caught some bulls early as they broke out last week or this week.

The time and effort we spend tracking the performance of the strongest names in the strongest sectors helps us prepare for these higher odds opportunities when they do occur.

The 'why' usually does not matter. The PCE data that came out this week an hour before the open on Thursday was not a surprise. The data does not matter. It is the Markets' reactions that matter. The market may be emotional or irrational, often. What matters is what traders are doing with their money (buying or selling) and the trends they create. We will never know 'why' each trader is doing what they are doing. Our focus is on the 'tape' that exposes what the markets are doing, and recognizing when our high odds/low risk opportunity appears and only then taking the appropriate action.

I hope this helps.

Trade Smart,

CJ