



Market Observations - as of May 3, 2024

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

Last week we saw a rally on Monday and Tuesday followed by a pause on Wednesday that recovered about half of the losses from the prior week. Thursday saw a large gap down (GDP reaction) at the open that quickly reversed and filled most of that day's gap by the close. Friday saw a gap up (PCE reaction) and rally most of the day to recover about 75% of the prior week's decline and found Resistance near the 20 day SMA.

This week: we pointed out last week that we would watch for a close above the 20 day SMA the following week, and we did not need to wait long since we saw that happen on Monday of this week for both the Nasdaq Composite and the S&P-500. However, that event Monday did not act as confirmation for the bulls since we saw strong selling on Tuesday that continued lower on Wednesday. Wednesday afternoon, as the FOMC notice came out and Jay Powell did his press conference we saw a large rally for one hour followed by an even larger sell off the last hour to close the day lower than the prior day's close. Thursday saw a gap up that was quickly filled before a mild rally began about 30 min. after the open and continued most of the day. Friday saw a large gap up (AAPL) that was not filled as those gains were retained most all day.

We again saw mixed reactions to Earnings this week with a negative reaction to AMD on Wednesday, a positive reaction to QCOM on Thursday and a positive reaction to AAPL lifting most markets on Friday.

We saw a much weaker Jobs report on Friday but that was mostly ignored as the markets were on an Apple high before the open. The large gap up at the open Friday was mostly retained for the day since we saw little to no follow through higher and little to no gap filling that day.

Oil prices saw a steady decline this week while Gold prices saw a small decline and oscillation just above \$2300. The US Dollar Index paused for 3 days then saw a decline Thursday and Friday this week.

Treasuries paused the first half of this week then reacted to the FOMC Wednesday afternoon with a pop higher that continued higher Thursday and Friday as Yields declined.

April came to an end on Tuesday with a strong decline, ending the 5 month rally seen in most markets since the end of Oct. 2023. April was also the largest range month we have seen so far this year.

As we look at various charts below, note where you see similar behavior as well as changes in behavior. This is a useful way to identify trends and changes in trends. Catching a new trend early has a key benefit of providing limited risk if wrong, and larger potential gains if correct.

Let's look at the charts.



SP&P 500 monthly chart as of April 30, 2024 - April saw a strong decline, giving back the prior month and a half of gains. This pull back may have ended the string of 5 months of advances and break the (Purple) Trend line support but was not large enough to even come near the 20 month SMA (Yellow) that was support when the 5-month rally began at the end of Oct. 2023.



SP&P 500 weekly chart as of May 3, 2024 - Here we see a 3 week decline in April that tested the 20 week SMA (Yellow) and found support there. We saw a rally last week and this week off of that support.



S&P 500 daily chart as of May 3, 2024 - Monday we saw a pause just below the 50 day SMA then a sharp decline Tuesday and Wednesday below the 20 day SMA. Wednesday saw a large upper wick on that candle due to the FOMC reactions. Thursday saw a mild rally that could not reach the 20 day SMA. Friday saw a large gap up and test of the 50 day SMA, closing just 2 points below the 50 day SMA and ending the week up +0.55%. The S&P is now above its 200 day and 20 day SMAs, but below its 50 day SMA.



S&P 500 15 min. chart as of May 3, 2024 - Monday saw a horizontal pause, Tuesday saw a strong decline that continued Wednesday as the lower weekly Expected Move was tested multiple times. Wednesday afternoon we see the one hour rally post FOMC that was followed by 1 hour of strong selling to end the day right on the lower Expected Move. Thursday saw a brief dip below the Expected Move then a mild rally most of the day. Friday saw a large gap up to new highs for the week then some oscillations before flattening out for the day near the open, ending the day without any follow through higher or lower.

This week closed 'Inside' the weekly Expected Move.

Next week's Expected Move for the S&P is +/- \$62.44 from Friday's close at \$5127.79.



DJIA monthly chart as of April 30, 2024 - The Dow Industrials gave back over 2 months of gains in April, ending the 5-month string of advances.



DJIA weekly chart as of May 3, 2024 - Here we see 3 weeks of declines that crossed below the 20 week SMA. Last week we saw a small rally that continued higher this week, crossing back above the 20 week SMA.



DJIA daily chart as of May 3, 2024 - The Industrials struggled with the 20 day SMA Resistance every day this week until Friday when we saw a large gap above the 20 day SMA just to find new Resistance at the 50 day SMA, ending the week up +1.14%. The DJIA is now above its 200 day and 20 day SMAs, but below its 50 day SMA.



Nasdaq monthly chart as of April 30, 2024 - The Nasdaq Composite saw a strong decline in April, giving back about a month and a half of gains after delivering a new all time high in March.



Nasdaq weekly chart as of May 3, 2024 - We saw two small declining weeks followed by a strong declining week in April that crossed below the 20 week SMA. Last week saw a strong bounce back above the 20 week SMA that continued a little higher this week.



Nasdaq daily chart as of May 3, 2024 - Monday saw a small gain and close above the 20 day SMA. Tuesday saw strong selling that continued lower Wednesday, even after the large post FOMC swing late on Wednesday. Thursday saw a rally that failed to break above the 20 day SMA. Note how the 20 day SMA acted like Resistance Tuesday, Wednesday and Thursday this week. Friday saw a large gap up above the 20 day and above the 50 day SMAs without much follow through higher or gap filling lower, ending the week up +1.43% and now above all 3 of its key daily SMAs.



Russell 2000 monthly chart as of April 30, 2024 - In April the Russell gave back nearly two months of gains but still is above its 20 month and 50 month SMAs.



Russell 2000 weekly chart as of May 3, 2024 - The Russell saw 3 weeks of declines in April, crossing below its 20 week SMA to find support near its 200 week SMA. Last week we saw a rally up to its 20 week SMA and this week we see a cross above the 20 week SMA.

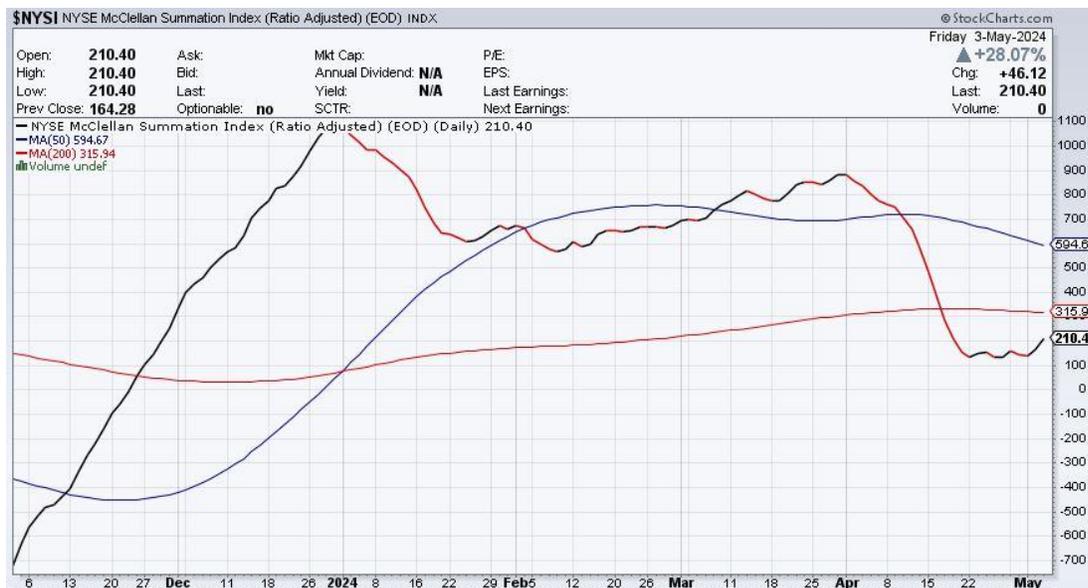


Russell 2000 daily chart as of May 3, 2024 - On Monday we saw a cross and close above the 20 day SMA. Tuesday saw strong selling back below the 20 day SMA that continued a little lower on Wednesday. Thursday saw a gap up to the 20 day SMA and close above. Friday saw a gap up above the 50 day SMA that did not hold and closed back about 4 points below the 50 day SMA, ending the week up +1.68%.

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



McClellan Summation Index weekly chart as of May 3, 2024 - This Index saw a narrow pause last week at 136.85 followed by a small gain this week up to 210.40.



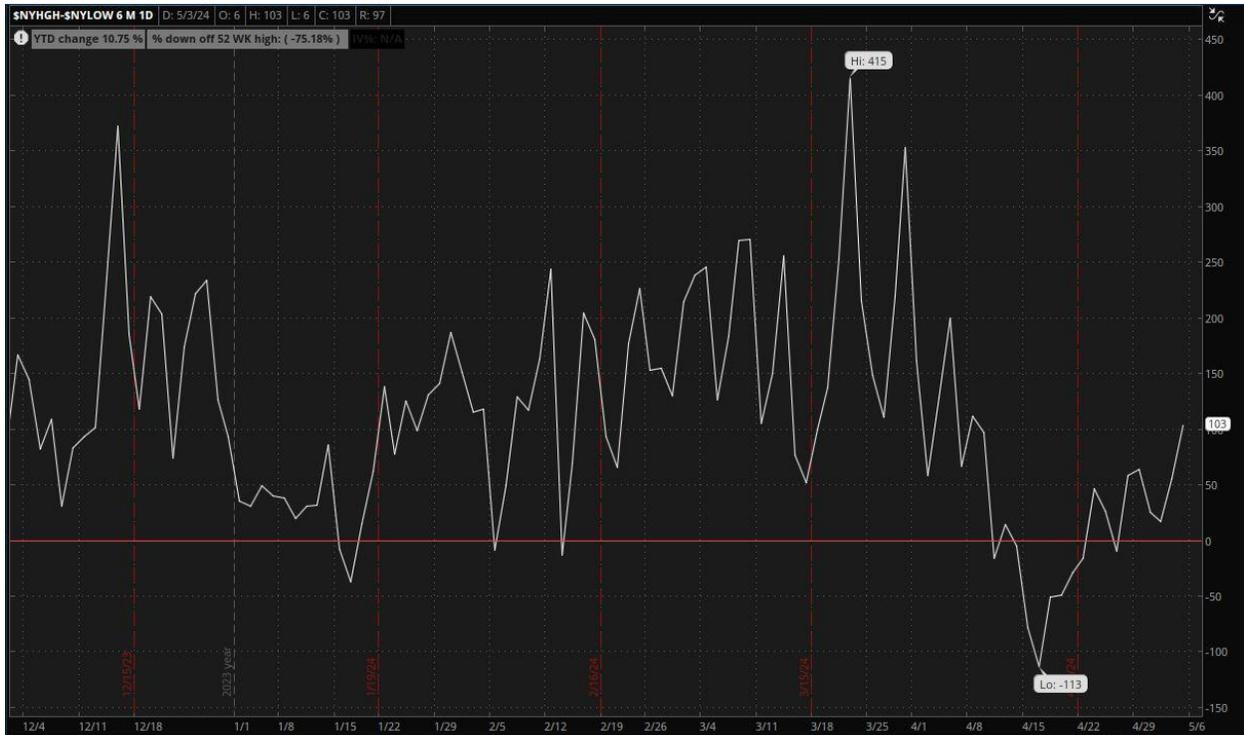
McClellan Summation Index daily chart as of May 3, 2024 - Here we see some narrow oscillations last week then a small gain late this week to end this week at 210.40.



NYSE Percent above 200 day SMA daily chart as of May 3, 2024 - Last week ended at 66.71%. This week we saw a dip below 64% than a bounce late in the week to end this week at 68.70%.



NYSE Percent above 50 day SMA daily chart as of May 3, 2024 - Last week ended at 44.96%. This week we saw a dip to about 40% then a bounce up to end this week at 51.61%.



NYSE New Highs - New Lows daily chart as of May 3, 2024 - We saw a positive value each day this week, ending the week with 103 more new highs than new lows.



VIX Weekly chart as of May 3, 2024 - We have seen a decline in the peaks of the VIX over the past two years with the peak two weeks ago testing the (Yellow) Trend Line Resistance and the 200 week SMA (Purple).



VIX daily chart as of May 3, 2024 - This week we saw last week's slow decline continue lower on Monday, crossing below the 200 day and 50 day SMAs. Tuesday saw a spike up that continued higher early Wednesday before beginning its slow decline. Thursday saw the decline cross back below the 200 day and 50 day SMAs then continued lower Friday below its 100 day SMA (Grey) to end the week at new 1-month lows.



VVIX daily chart as of May 3, 2024 - The Volatility of the VIX saw a huge spike Wednesday that appears to be caused by one bad tick in the CBOE computation at the time the Fed Meeting Minutes came out, exactly at 11:00am PT. Data errors do happen. Thursday saw a decline that continued lower Friday to new 52 week lows.

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



Oil daily chart as of May 3, 2024 - Oil prices delivered a lower low, lower high and lower close every day this week, crossing below its 50 day SMA on Tuesday and below its 200 day SMA on Wednesday. Friday saw a close near the 100 day SMA, down -6.77% for the week.



Gold daily chart as of May 3, 2024 - Gold prices paused Monday then dropped to \$2297 on Tuesday. The rest of the week we saw Gold remain in a range from \$2291 to \$2339 and ending the week at \$2310.10.



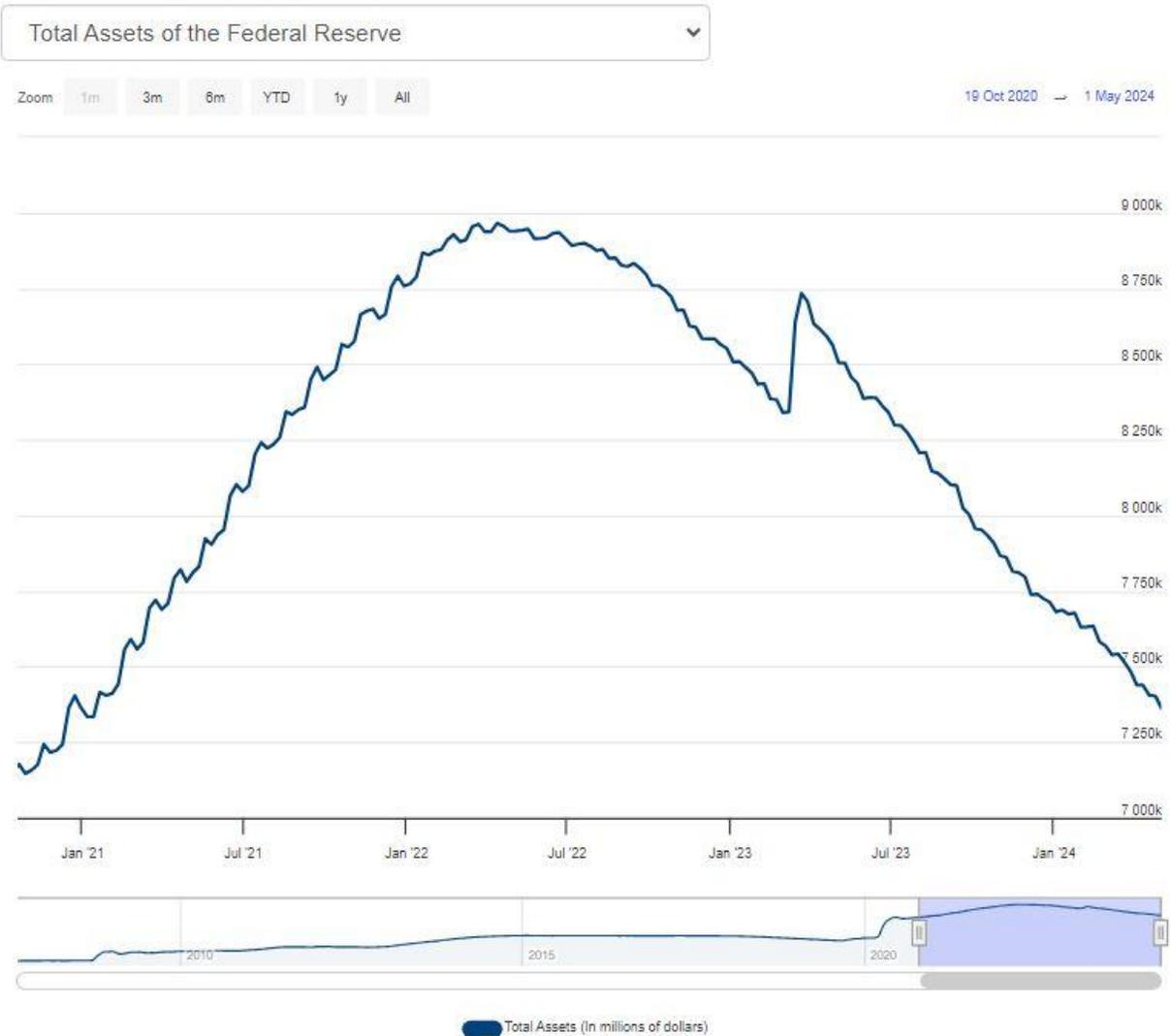
US Dollar Index daily chart as of May 3, 2024 - The US Dollar oscillated 3 days this week inside of last week's range. Thursday saw a break down below the 20 day SMA that continued lower Friday with a brief test of its 50 day SMA.



US 10 year Treasury daily chart as of May 3, 2024 - The 10 year Treasury stayed within last week's range the first 3 days of this week before breaking higher on Thursday, crossing above its 20 day SMA and continued higher Friday. Yields declined late this week in mirror image to the Treasuries.

Date	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
4/8/2024	5.48	5.49	5.43	5.41	5.35	5.07	4.78	4.60	4.43	4.43	4.42	4.65	4.55
4/9/2024	5.48	5.49	5.43	5.41	5.34	5.03	4.74	4.52	4.37	4.38	4.36	4.60	4.50
4/10/2024	5.49	5.50	5.45	5.44	5.40	5.19	4.97	4.77	4.61	4.59	4.55	4.76	4.64
4/11/2024	5.48	5.51	5.45	5.44	5.38	5.17	4.93	4.77	4.61	4.60	4.56	4.77	4.65
4/12/2024	5.48	5.50	5.45	5.42	5.36	5.13	4.88	4.70	4.54	4.53	4.50	4.73	4.61
4/15/2024	5.49	5.51	5.45	5.44	5.38	5.16	4.93	4.78	4.65	4.65	4.63	4.85	4.74
4/16/2024	5.49	5.51	5.45	5.44	5.39	5.18	4.97	4.83	4.69	4.69	4.67	4.88	4.77
4/17/2024	5.49	5.49	5.45	5.44	5.38	5.16	4.93	4.77	4.62	4.61	4.59	4.81	4.71
4/18/2024	5.49	5.52	5.46	5.44	5.39	5.18	4.98	4.83	4.68	4.67	4.64	4.85	4.74
4/19/2024	5.49	5.51	5.45	5.44	5.39	5.17	4.97	4.81	4.66	4.65	4.62	4.83	4.72
4/22/2024	5.49	5.50	5.42	5.44	5.39	5.16	4.97	4.81	4.66	4.65	4.62	4.84	4.72
4/23/2024	5.49	5.50	5.45	5.44	5.39	5.14	4.86	4.76	4.63	4.62	4.61	4.84	4.73
4/24/2024	5.49	5.50	5.46	5.44	5.40	5.17	4.89	4.78	4.64	4.66	4.65	4.88	4.78
4/25/2024	5.48	5.51	5.47	5.46	5.41	5.21	4.96	4.85	4.70	4.71	4.70	4.93	4.82
4/26/2024	5.48	5.51	5.46	5.45	5.40	5.21	4.96	4.84	4.68	4.68	4.67	4.89	4.78
4/29/2024	5.48	5.51	5.45	5.45	5.43	5.20	4.97	4.80	4.65	4.64	4.63	4.86	4.75
4/30/2024	5.48	5.51	5.46	5.45	5.44	5.25	5.04	4.87	4.72	4.71	4.69	4.90	4.79
5/1/2024	5.47	5.50	5.46	5.51	5.43	5.21	4.96	4.79	4.64	4.64	4.63	4.85	4.74
5/2/2024	5.51	5.47	5.46	5.50	5.42	5.16	4.87	4.71	4.57	4.57	4.58	4.82	4.72
5/3/2024	5.51	5.48	5.45	5.50	5.41	5.12	4.81	4.63	4.48	4.49	4.50	4.75	4.66

US Yield Rates daily table as of May 3, 2024 - We saw little change in the yields the first 3 days of this week then we saw a drop in Mid-Term and Longer-Term yields on Thursday and Friday as the shorter terms saw little change late this week.



FOMC Balance Sheet weekly chart as of May 1, 2024 - The Fed decreased its Balance Sheet this week by \$39.960 Billion to a new Total Assets of \$7.362474 Trillion. The total reductions to the Balance Sheet for the month of April were \$122.265 Billion.

This week the Fed announced their plan to reduce their monthly target decline for their Balance Sheet from \$60 Billion to \$25 Billion per month.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of May 3, 2024 - The Transports paused Monday then saw a strong decline Tuesday that continued a bit lower on Wednesday. Thursday saw a gap up to retest the highs of this week. Friday saw another gap up above its 20 day SMA and found Resistance at its 200 day SMA, ending the week up +1.17%.



XLE daily chart as of May 3, 2024 - The Energy sector saw a small rally and closed above its 20 day SMA on Monday. Tuesday and Wednesday saw strong selling, crossing and closing below its 50 day SMA Wednesday. Thursday saw a narrow 'Inside' day above the 50 day SMA. Friday saw a lower low for the week and a close nearly on the 50 day SMA, ending the week down -3.31%.



XLF daily chart as of May 3, 2024 - The Financial sector continued its slow decline along its declining 20 day SMA, with a close nearly on the 20 day and 50 day SMAs on Monday and closes below the 20 day SMA every day that followed, ending the week 2 cents below its 20 day SMA, down -0.66% for the week.



QQQ daily chart as of May 3, 2024 - The Nasdaq-100 ETF closed higher Monday, just above its 20 day SMA. Tuesday saw a strong decline that continued lower Wednesday but did not exceed the prior week's lows. Wednesday saw a small bounce higher followed by a big gap up on Friday above its 20 day SMA to test its 50 day SMA as Resistance, ending the week up +1.04%. Most all of this week's gains were not realized until Friday, thanks likely go to Apple.



SOXX daily chart as of May 3, 2024 - The Semiconductor sector rally from last week continued higher on Monday with a close just below the 50 day SMA. Tuesday saw selling back below the 20 day SMA that continued lower Wednesday to its 100 day SMA (Grey). Thursday saw an 'Inside' day and small bounce. Friday saw a gap above the 20 day SMA and then a narrow range day to end the week down -0.34%. A few key components of the SOXX reported Earnings this week: NXPI, AMD and QCOM. MCHP reports on Monday (May 6) after the close.



XLC daily chart as of May 3, 2024 - The Communication Services sector saw a decline on Monday and Tuesday with a small bounce on Wednesday. Thursday saw a small rally that continued Friday to find Resistance at its 50 day SMA and closed Friday just below its 50 day and 20 day SMAs, ending the week up +0.12%.

<i>INDEXes</i>	Week Ending						
<i>SECTORs</i>	3/22/2024	3/28/2024	4/5/2024	4/12/2024	4/19/2024	4/26/2024	5/3/2024
\$SPX	2.29%	0.39%	-0.95%	-1.56%	-3.05%	2.67%	0.55%
\$INDU	1.97%	0.84%	-2.27%	-2.37%	0.01%	0.67%	1.14%
\$COMPQ	2.85%	-0.30%	-0.80%	-0.45%	-5.52%	4.23%	1.43%
\$NDX	2.98%	-0.46%	-0.80%	-0.58%	-5.36%	3.99%	0.97%
\$RUT	1.60%	2.54%	-2.87%	-2.92%	-2.77%	2.79%	1.68%
QQQ	3.01%	-0.53%	-0.80%	-0.50%	-5.39%	3.94%	1.04%
\$TRAN	3.31%	1.25%	-1.80%	-2.65%	-2.67%	0.58%	1.17%
XLE	1.73%	2.18%	3.89%	-1.99%	-1.21%	0.81%	-3.31%
XLF	1.93%	1.69%	-1.31%	-3.63%	0.80%	1.09%	-0.66%
XLK	2.25%	-0.78%	-0.87%	-0.50%	-6.27%	3.79%	1.36%
SOXX	3.16%	0.21%	-1.90%	-1.61%	-9.02%	9.33%	-0.34%
XLV	0.42%	1.57%	-3.05%	-3.01%	0.03%	0.73%	0.62%
XLY	2.85%	0.64%	-2.75%	-0.97%	-4.15%	3.62%	1.14%
XRT	2.35%	2.28%	-5.47%	-3.74%	-0.99%	2.97%	0.18%
XLI	2.91%	0.60%	-0.23%	-2.20%	-1.98%	1.82%	0.09%
XLU	1.46%	2.80%	-0.75%	-1.47%	1.92%	1.16%	3.35%
XME	2.70%	4.04%	2.89%	-1.00%	-0.81%	-0.08%	-0.02%
XLP	0.88%	0.95%	-2.66%	-1.28%	1.44%	1.54%	0.38%
XLB	0.99%	1.66%	-0.13%	-3.07%	-1.07%	0.63%	0.01%
XLC	3.47%	-0.20%	1.05%	-1.44%	-2.29%	0.81%	0.12%
XHB	4.97%	1.22%	-2.69%	-4.01%	-3.91%	3.55%	1.45%

Weekly Percent Change US Indexes and sectors table as of May 3, 2024 - The strongest Index this week was the Russell 2000 followed by the Nasdaq Composite. The Nasdaq-100 did not do as well as the Nasdaq Composite, that suggests that the Biggest stocks (aka the Magnificent seven) were mixed and not the primary leaders this week. This is an assumption based on the stronger weighting of these seven stocks in the Nasdaq-100 than in the Nasdaq Composite. Looking at the charts below will help clarify where the leadership this week can be found.

The Strongest sectors this week included: XLU, XHB, XLK and the Dow Transports.

The Weakest sectors this week included: XLE, XLF, SOXX and XME that all had losses this week.

INDEXes SECTORS	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 04/22/24	End of Day 04/23/24	End of Day 04/24/24	End of Day 04/25/24	End of Day 04/26/24	End of Day 04/29/24	End of Day 04/30/24	End of Day 05/01/24	End of Day 05/02/24	End of Day 05/03/24
\$SPX	0.87%	1.20%	0.02%	-0.46%	1.02%	0.32%	-1.57%	-0.34%	0.91%	1.26%
\$INDU	0.67%	0.69%	-0.11%	-0.98%	0.40%	0.38%	-1.49%	0.23%	0.85%	1.18%
\$COMPQ	1.11%	1.59%	0.10%	-0.64%	2.03%	0.35%	-2.04%	-0.33%	1.51%	1.99%
\$RUT	1.02%	1.79%	-0.36%	-0.72%	1.05%	0.70%	-2.09%	0.32%	1.81%	0.97%
QQQ	1.01%	1.50%	0.34%	-0.48%	1.54%	0.41%	-1.89%	-0.72%	1.28%	2.00%
\$TRAN	0.93%	1.39%	-2.32%	1.45%	-0.82%	0.28%	-2.00%	-0.30%	2.49%	0.75%

Daily Percent Change US Indexes table as of May 3, 2024 - We saw daily changes in leadership this week, with the Russell leading on Monday and Wednesday while the Dow Industrials, Transports and QQQ led one day each this week. The Transports saw weakness on both Monday and Friday this week.

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



MSFT daily chart as of May 3, 2024 - Microsoft was a decline on Monday and Tuesday this week then began a mild rally on Wednesday that continued higher Thursday and Friday, ending the week up only +0.08%, remaining below its 20 day and 50 day SMAs.



AAPL daily chart as of May 3, 2024 - Apple gapped up above its 50 day SMA on Monday then sold off on Tuesday below its 50 day SMA. Wednesday saw lower lows and a lower close below its 20 day SMA. Thursday gapped up above its 50 day SMA before reporting Earnings that evening. Friday saw a large gap up above its 200 day SMA in reaction to Earnings and the announcement of a huge stock buy-back of \$110 Billion, the largest in history. Apple sold off a little on Friday to end the week up +8.32% and now above all 3 of its key daily SMAs.



NVDA daily chart as of May 3, 2024 - Nvidia rallied above its 20 day and 50 day SMAs last Friday and remained above both SMAs on Monday of this week. Tuesday saw a small decline that close lower but still above both SMAs. Wednesday saw a gap down and strong selling below both SMAs in the first half of the day then a failed rally in the last 2 hour thanks to the FOMC reactions. Thursday saw a slow rally above its 20 day SMA that gapped higher Friday above its 50 day SMA to end the week up +1.20% and now above all 3 of its key daily SMAs.



AMZN daily chart as of May 3, 2024 - Amazon gapped above its 20 day SMA on Monday but could not close above. Tuesday saw strong selling below its 20 day and 50 day SMAs before reporting Earnings after the close. Wednesday saw a whip saw of reactions, gapping above both SMAs then reacting to the Fed before closing lower below its 20 day and above its 50 day SMAs. Thursday saw a pause then a rally the last half of the day that continued higher Friday where it paused, ending the week up +3.67%.



GOOGL daily chart as of May 3, 2024 - Alphabet saw a large gap up last Friday after Earnings. This week we see a decline on Monday and Tuesday that filled about half of last Friday's big gap. Wednesday saw an 'Inside' day. Thursday saw a small rally and higher close. Friday saw a dip and rally to end the week down -2.74%.



META daily chart as of May 3, 2024 - Meta saw a large gap down last Thursday and then remained inside that day's range last Friday and the first four days of this week. Friday saw a gap up and rally to a higher close to end this week up +1.96%. Not much of last week's gap has been filled so far.



TESLA daily chart as of May 3, 2024 - Tesla saw a positive reaction to Earnings last week. This week we saw a strong gap up above its 50 day SMA on Monday with some follow through higher in reaction to news about Elon in China. The next 3 days saw lower lows and lower closes as the news reaction faded. Friday saw a slightly higher close to end the week up 7.67%.

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	3.94%	1.04%
MSFT	1.80%	0.08%
AAPL	2.61%	8.32%
NVDA	15.14%	1.20%
AMZN	2.86%	3.67%
GOOGL	11.59%	-2.74%
META	-7.85%	1.96%
TSLA	14.44%	7.67%

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).

The strongest this week was AAPL followed by TSLA and AMZN. All were likely driven by reactions to Earnings or News.



JPM daily chart as of May 3, 2024 - JP Morgan continued its slow decline this week, tracking just above its 20 day SMA and closing below its 50 day SMA on Friday, ending the week down -1.54%.



GS daily chart as of May 3, 2024 - Goldman Sachs has seen a strong rally since crossing above its 20 day SMA on April 22nd. We saw higher highs every day this week except on Tuesday. Friday delivered new all time highs for GS, ending this week up +2.48%.



COST daily chart as of May 3, 2024 - Costco has been sandwiched between its 20 day and 50 day SMAs most of last week which continued for three days this week. Thursday closed just above the 50 day SMA and continued higher Friday to end the week up +2.02% and is now above all 3 of its key daily SMAs.



AMD daily chart as of May 3, 2024 - AMD continued higher Monday then delivered a higher high Tuesday but with a lower close before reporting Earnings after the close. Wednesday saw a gap down and some selling lower in reaction. Thursday saw a lower low but a higher close with a mild bounce. Friday saw a small gap up and higher close to end the week down -4.32%.



MU daily chart as of May 3, 2024 - Micron saw a small bounce last week that paused on Monday of this week. Tuesday saw a lower close followed by a gap down Wednesday to lower lows. Thursday saw an 'Inside' day small bounce. Friday saw a gap up that failed to reach its 20 day SMA, ending the week down -0.12%.



INTC daily chart as of May 3, 2024 - Intel gapped down last week on Earnings. The decline continued this week with lower lows and lower closes Monday, Tuesday and Wednesday. Thursday saw a small bounce and 'Inside' day. Friday saw a small gap up and narrow range day to end the week down -3.07%.



NFLX daily chart as of May 3, 2024 - Netflix saw a horizontal range last week centered near \$560. This week that horizontal range continued with an 'Inside' day Monday, a small decline Tuesday and failed bounce Wednesday. Thursday saw a gap up and rally above \$560 that continued Friday above \$579 to end this week up +3.23%.



CAT daily chart as of May 3, 2024 - Caterpillar saw a gap down and bounce last week after reporting Earnings. The bounce continued higher this week on Monday to find Resistance at its 50 day SMA. Tuesday saw strong selling that continued lower Wednesday. Thursday briefly dipped lower just below last week's lows then rallied higher to close higher on the day. Friday saw a slightly higher range and weak close to end the week down -1.93%.



BA daily chart as of May 3, 2024 - Boeing reported Earnings last week and saw a whip saw reaction up to its 20 day SMA Resistance and down the next day to new 52 week lows. Last Friday saw only a small bounce. This week we see a stronger bounce Monday to retest the 20 day SMA as Resistance. Tuesday and Wednesday retested the 20 day SMA but failed to close above each time. Thursday saw a gap up above the 20 day SMA and a rally higher that continued higher Friday at a much slower pace, ending the week up +7.52%.

We continue to see mixed reactions to Earnings and Economic news this week, so it remains important to be prepared for any reaction. It is not rare to see a company beat their Revenue expectations, but then say something in a conference call that can cause doubts regarding forward looking earnings potential. You never know what may be said and how investors will respond to it.

This is why we do not ever try to predict future price actions. We let the talking heads on TV play that game, since that is what they are being paid for, to make predictions without ever being held accountable.

Trading is mostly about understanding probabilities, and putting on positions ONLY when you believe you may have a statistical edge. The late Mark Douglas explained this well with his 'Traders Paradox'. Look it up and grasp its profound meaning.

The market continues to offer opportunities, for the prepared mind. So be well prepared.

Trade Smart,

CJ