Market Observations - as of December 6, 2024

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

Last week we saw a gap up to higher highs at the open on Monday that sold off and filled its gap by mid-day then saw a small bounce the last half of the day. Tuesday saw a quiet day that ended higher with new record highs seen in the S&P-500 and Dow Industrials while the Nasdaq Composite saw a quiet 'Inside' day. Wednesday saw a mild decline most of the day before the Holiday on Thursday. Friday saw a rally to new record highs in the S&P-500 and Dow Industrials while the Nasdaq Composite ended the half day with a higher high for last week.

This week we saw the Nasdaq lead the rally each day while the S&P-500, Dow Industrials and Russell 2000 saw mild pullbacks on a few days. The Dow Transports saw weakness each day this week. The frequency of new all time highs this week in these Indexes also reflects the Nasdaq's leadership this week with the Nasdaq Composite and Nasdaq-100 delivering new all time highs every day this week while the S&P-500 delivered a new all time high on four days this week and the Dow Industrials did so on one day this week. The Russell 2000 and Dow Transports did not deliver a single new record high this week.

As you look at the charts below, note where you see the strongest leadership this week. What Indexes, Sectors and Stocks showed the strongest gains this week and was that strength new this week or had it been also seen in prior weeks as well?

Oil ended this week lower, Gold was about flat, the US Dollar was mostly flat while Bitcoin saw new record highs early Thursday morning. The US 10 year Treasury rose a little while Yields declined.

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

S&P 500 weekly chart as of Dec 6, 2024 – We see a 3rd week in a row of gains with this week's gains a little smaller than the prior two weeks. We also see a new all time high this week.

S&P 500 daily chart as of Dec 6, 2024 – The S&P-500 continued higher this week with a new all time high seen every day except on Tuesday and a higher close every day except on Thursday. The S&P ended this week up +0.96%. Wednesday saw the strongest range day this week while every day this week was quiet and remained below the 20 day Average True Range.

S&P 500 15 min. chart as of Dec 6, 2024 – We saw small gains on Monday to a new all time high. Tuesday saw a pause without a new all time high. Wednesday saw a gap up and some follow through higher in the last half of the day to new all time highs at the close. Thursday saw new all time highs mid-day then declined and closed lower for the day. Friday saw a rally early up to the upper Expected Move where it found Resistance and pulled back the rest of the day to end the week about 9 point below its Expected Move. The weekly Expected Move provided Resistance on Friday that held.

Next week's S&P weekly Expected Move is +/- $61.68 from Friday's close at $6090.27.

DJIA weekly chart as of Dec 6, 2024 – The Dow Industrials saw a new all time high this week but ended the week lower.

DJIA daily chart as of Dec 6, 2024 – We see a mild decline on Monday and Tuesday then a brief spike to a new all time high on Wednesday. Thursday and Friday resumed the decline to end the week down -0.60%.

Nasdaq weekly chart as of Dec 6, 2024 – The prior two weeks saw small gains and this week saw a stronger gain in the Nasdaq Composite to new all time highs. Note the weekly True Range for this week was a little higher ($644) than the 20 week Average ($623).

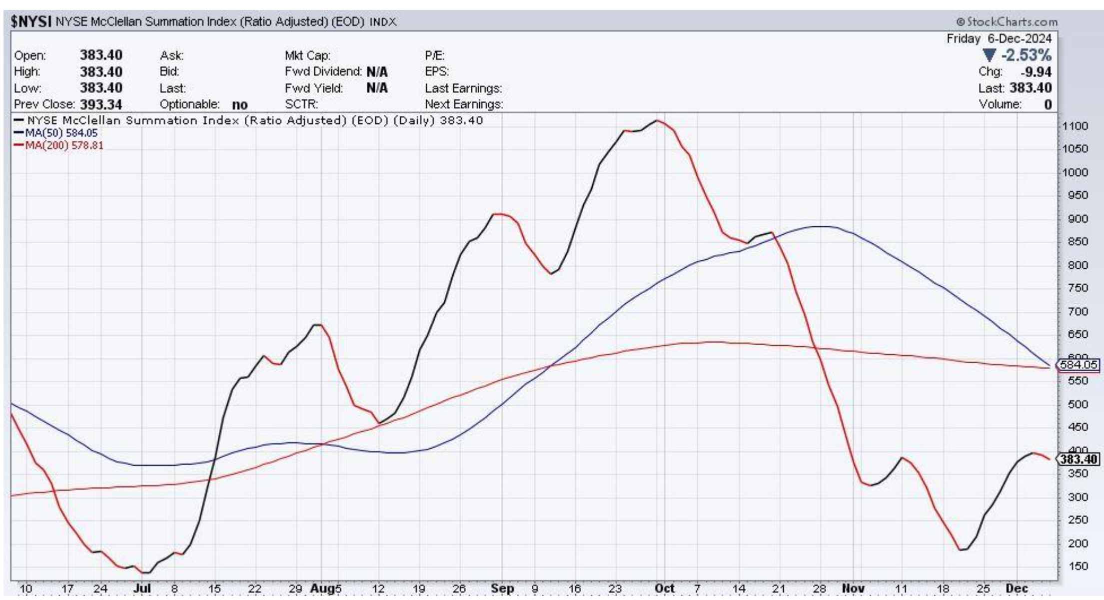
Nasdaq daily chart as of Dec 6, 2024 – The Nasdaq composite delivered a new all time high every day this week and a higher close every day except on Thursday. Wednesday saw the largest True Range day for this week and Friday saw the week ending up +3.34%.

Russell 2000 weekly chart as of Dec 6, 2024 – The Russell 2000 saw a mild decline this week that gave back all of last week’s gains plus a little more.

Russell 2000 daily chart as of Dec 6, 2024 – The Russell saw growing declines this week with a small decline Monday, a larger decline on Tuesday and the largest decline on Thursday. Wednesday saw a small bounce that filed to recover the prior day’s decline. Friday saw a narrow ‘Inside’ day to end the week down -1.06%.

Next we will look at a few key ‘**Market Internals**’.

McClellan Summation Index weekly chart as of Dec 6, 2024 – Last week we saw a bounce up to 353.10. This week we saw a small gap up and pause near 383.40.



McClellan Summation Index daily chart as of Dec 6, 2024 – We saw a bounce last week that peaked this week near 400 and rolled over lower Friday to 383.40.

NYSE Percent above 200 day SMA daily chart as of Dec 6, 2024 – Last week saw a bounce up to 71.09%. This week we see a decline below its 50 day SMA to nearly its 200 day SMA to end this week at 67.91%.

NYSE Percent above 50 day SMA daily chart as of Dec 6, 2024 – Last week saw a bounce above its 50 day SMA to 65.23%. This week we see a decline below the 50 day and 200 day SMAs to end this week at 58.79%.

VIX daily chart as of Dec 6, 2024 – The VIX declined on Monday and Tuesday then rose a little on Wednesday and Thursday before declining on Friday to new 4-month lows at 12.7 and ending this week at 12.77. The VIX crossed below its 200 day SMA on Friday Nov. 22nd and has remained below this SMA over the past two weeks.

VVIX daily chart as of Dec 6, 2024 – The Volatility of the VIX remained in a narrow range most of this week with a small increase seen on Friday after dipping to new 4-month lows earlier that day.

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

Oil daily chart as of Dec 6, 2024 – Oil prices paused Monday then rallied Tuesday above its 20 day to nearly its 50 day SMA. Wednesday tested the 50 day SMA then declined back below its 20 day SMA. The decline continued lower Thursday and Friday to end the week lower at $67.17.

Gold daily chart as of Dec 6, 2024 – Gold remained in a narrow range this week, above its 20 day SMA and below its 50 day SMA.

Bitcoin daily chart as of Dec 6, 2024 – Bitcoin paused for 3 days then rallied early Thursday morning to new all time highs. Friday saw a strong move to lower highs.

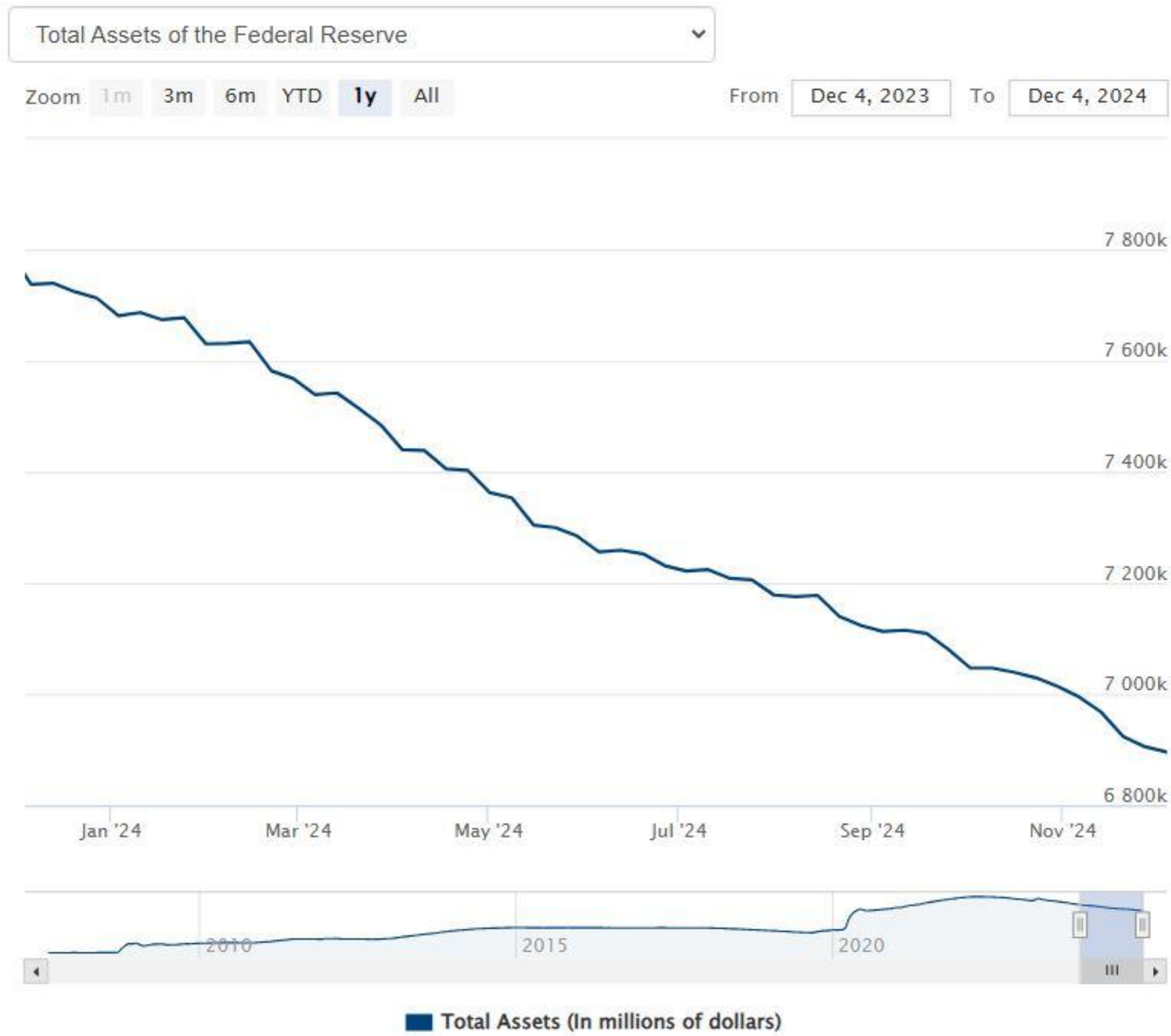
US Dollar Index daily chart as of Dec 6, 2024 – The US Dollar rallied Monday then paused the next two days. Thursday saw a decline below its 20 day SMA. Friday saw a lower low and a bounce to a higher close that remained below its 20 day SMA.

US 10 year Treasury daily chart as of Dec 6, 2024 – The 10 year Treasury saw a narrow range this week, mostly above its 200 day SMA and below its 50 day SMA until Friday's rally above the 50 day SMA, closing this week higher.

US 10 year Yield daily chart as of Dec 6, 2024 – As the Treasury rallied late this week we see a drop in the Yields on Friday below its 50 day SMA to 4.151%.

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	10yr - 2 yr
11/1/2024	4.75	4.74	4.61	4.53	4.42	4.28	4.21	4.18	4.22	4.30	4.37	4.68	4.57	0.16
11/4/2024	4.75	4.74	4.65	4.51	4.39	4.25	4.17	4.10	4.17	4.24	4.31	4.60	4.50	0.14
11/5/2024	4.72	4.72	4.64	4.49	4.39	4.27	4.19	4.11	4.16	4.22	4.26	4.55	4.44	0.07
11/6/2024	4.68	4.71	4.64	4.54	4.41	4.31	4.27	4.20	4.27	4.37	4.42	4.71	4.60	0.15
11/7/2024	4.69	4.69	4.63	4.52	4.40	4.28	4.21	4.13	4.17	4.25	4.31	4.62	4.52	0.10
11/8/2024	4.70	4.69	4.63	4.53	4.42	4.32	4.26	4.18	4.20	4.25	4.30	4.58	4.47	0.04
11/12/2024	4.70	4.70	4.63	4.54	4.45	4.38	4.34	4.29	4.32	4.38	4.43	4.70	4.58	0.09
11/13/2024	4.69	4.67	4.60	4.50	4.40	4.31	4.27	4.25	4.30	4.38	4.44	4.73	4.63	0.17
11/14/2024	4.70	4.68	4.61	4.53	4.43	4.36	4.34	4.30	4.32	4.38	4.43	4.69	4.58	0.09
11/15/2024	4.70	4.67	4.60	4.52	4.44	4.34	4.31	4.27	4.30	4.36	4.43	4.70	4.60	0.12
11/18/2024	4.70	4.65	4.63	4.52	4.44	4.33	4.29	4.25	4.28	4.35	4.42	4.70	4.61	0.13
11/19/2024	4.67	4.63	4.62	4.51	4.44	4.34	4.27	4.24	4.25	4.32	4.39	4.66	4.57	0.12
11/20/2024	4.68	4.63	4.62	4.52	4.44	4.37	4.31	4.26	4.28	4.34	4.41	4.66	4.59	0.10
11/21/2024	4.72	4.67	4.63	4.52	4.45	4.39	4.34	4.30	4.30	4.36	4.43	4.68	4.61	0.09
11/22/2024	4.72	4.67	4.63	4.53	4.46	4.42	4.37	4.32	4.30	4.35	4.41	4.67	4.60	0.04
11/25/2024	4.74	4.67	4.62	4.52	4.46	4.37	4.21	4.21	4.17	4.21	4.27	4.53	4.45	0.06
11/26/2024	4.74	4.67	4.61	4.52	4.45	4.37	4.21	4.21	4.17	4.24	4.30	4.56	4.48	0.09
11/27/2024	4.76	4.70	4.60	4.54	4.43	4.34	4.19	4.17	4.11	4.17	4.25	4.52	4.44	0.06
11/29/2024	4.76	4.69	4.58	4.52	4.42	4.30	4.13	4.10	4.05	4.10	4.18	4.45	4.36	0.05
12/2/2024	4.75	4.63	4.51	4.51	4.43	4.30	4.17	4.11	4.08	4.13	4.19	4.46	4.36	0.02
12/3/2024	4.66	4.56	4.49	4.48	4.40	4.27	4.17	4.13	4.11	4.17	4.23	4.50	4.40	0.06
12/4/2024	4.65	4.54	4.47	4.46	4.38	4.23	4.13	4.09	4.07	4.13	4.19	4.45	4.35	0.06
12/5/2024	4.59	4.53	4.46	4.46	4.38	4.23	4.15	4.10	4.07	4.12	4.17	4.43	4.33	0.02
12/6/2024	4.57	4.50	4.42	4.42	4.34	4.19	4.10	4.05	4.03	4.09	4.15	4.42	4.34	0.05

US Yield Rates daily table as of Dec 6, 2024 – Mid-term and Long-term Yields increased on Monday and Tuesday then decline the next 3 days to a low for the week on Friday. Short-term Yield saw a small decline this week.



FOMC Balance Sheet weekly chart as of Dec 4, 2024 – The Fed decreased its Balance Sheet by $9.313 Billion this week to a new Total Assets of $6.895827 Trillion.

Next we will look at a few key **Sectors**.

Dow Transportation Index daily chart as of Dec 6, 2024 – The Dow Transports saw lower lows and lower closes every day this week, crossing below its 20 day SMA on Tuesday and ending the week Friday down -4.20%, exceeding the prior lows from Nov. 20th.

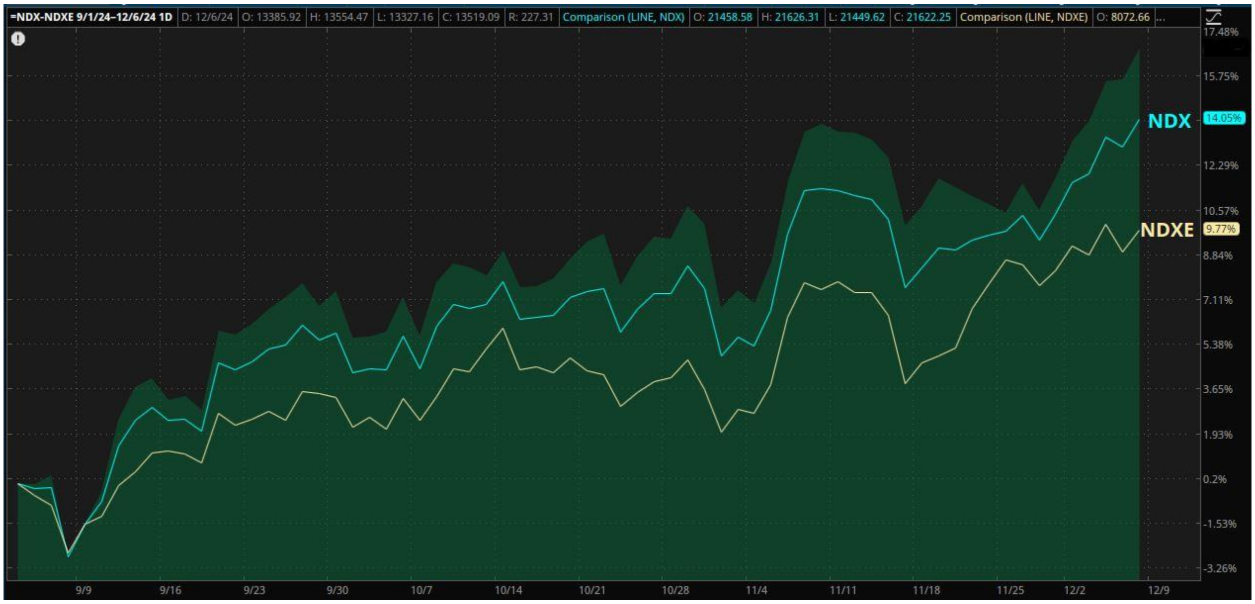
XLE daily chart as of Dec 6, 2024 – The Energy sector saw lower lows and lower closes on Monday, Wednesday and Friday this week with an ‘Inside’ day on Tuesday and Thursday. Monday crossed below its 20 day SMA and Friday crossed below its 50 day and 200 day SMAs. The XLE is now below all 3 of its key daily SMAs and was down -4.72% for this week.

XLF daily chart as of Dec 6, 2024 – The Financial sector broke below its Trend Line Support on Monday and continued lower Tuesday and Wednesday to its 20 day SMA, ending the rally from last week. Thursday and Friday saw narrow range days just above the 20 day SMA to end this week down -1.83%.

QQQ daily chart as of Dec 6, 2024 – The Nasdaq-100 ETF saw new all time highs every day this week with a higher close every day except on Thursday. Friday saw the week end up +3.28% with much larger gains this week than seen in the prior two weeks combined.

SOXX daily chart as of Dec 6, 2024 – The Semiconductor sector continues to consolidate near all 3 of its key daily SMAs. Monday saw a rally above its 20 day SMA then Tuesday pulled back to its 20 day SMA with an ‘Inside’ day. Wednesday saw a failed rally near its 50 day SMA that closed lower Thursday back below its 20 day SMA. Friday saw a small bounce and an ‘Inside’ day to end the week up +2.06%.

XLC daily chart as of Dec 6, 2024 – The Communication Services sector continued its rally this week with new all time highs every day this week and a higher close every day except on Thursday. Friday saw the largest range day and a close for the week up +2.57%.



NDX vs. NDXE Percent Change daily chart as of Dec 6, 2024 – We saw a stronger NDX than NDXE late last week that continued this week. The Green Background shows the ‘Difference’ between these two Indexes but is not to scale. That difference has been increasing the past two weeks. This shows us that the large Cap stocks within this index are having a more significant impact than seen in the Equal Weighted version of this index (NDXE).

INDEXes SECTORs	Week Ending 10/25/2024	Week Ending 11/1/2024	Week Ending 11/8/2024	Week Ending 11/15/2024	Week Ending 11/22/2024	Week Ending 11/29/2024	Week Ending 12/6/2024
$SPX	-0.96%	-1.37%	4.66%	-2.08%	1.68%	1.06%	0.96%
$INDU	-2.68%	-0.15%	4.61%	-1.24%	1.96%	1.39%	-0.60%
$COMPQ	0.16%	-1.50%	5.74%	-3.15%	1.73%	1.13%	3.34%
$NDX	0.14%	-1.57%	5.41%	-3.42%	1.87%	0.74%	3.31%
$RUT	-2.99%	0.10%	8.57%	-3.99%	4.46%	1.17%	-1.06%
QQQ	0.17%	-1.59%	5.48%	-3.42%	1.86%	0.78%	3.28%
$TRAN	-1.70%	1.53%	6.13%	-0.73%	0.81%	1.45%	-4.20%
XLE	-0.63%	-1.94%	6.50%	1.05%	2.68%	-1.79%	-4.72%
XLF	-2.08%	0.02%	5.47%	1.38%	1.72%	1.20%	-1.83%
XLK	-0.27%	-2.77%	5.92%	-3.56%	2.14%	0.06%	3.04%
SOXX	0.10%	-3.92%	4.89%	-8.71%	2.35%	-0.36%	2.06%
XLV	-2.96%	-0.57%	1.65%	-5.55%	1.64%	2.25%	-2.12%
XLY	0.65%	-0.36%	7.51%	-0.78%	2.18%	1.93%	4.72%
XRT	-3.35%	-0.09%	4.94%	-0.72%	3.13%	2.18%	0.97%
XLI	-2.78%	-1.03%	6.03%	-2.10%	2.54%	0.94%	-2.38%
XLU	-1.92%	-2.80%	1.34%	0.09%	2.78%	1.82%	-3.91%
XME	-3.96%	-0.23%	8.47%	-6.09%	5.53%	0.15%	-4.81%
XLP	-1.43%	-1.12%	0.84%	-1.06%	2.35%	1.69%	-1.01%
XLB	-3.76%	-0.88%	1.44%	-3.38%	3.08%	0.73%	-3.03%
XLC	-0.42%	1.71%	4.09%	-1.07%	1.82%	1.57%	2.57%
XHB	-7.17%	-1.66%	3.62%	-2.59%	3.68%	2.46%	-3.09%

Weekly Percent Change US Indexes and Sectors table as of Dec 6, 2024 – This week the strongest Indexes were all seen within the Nasdaq (Composite, NDX and QQQ). The S&P-500 saw a smaller gain this week than the prior two weeks. The Dow Transports, Industrials and the Russell 2000 all saw declines this week.

The Nasdaq's gains this week were larger than the prior two weeks of gains combined. We see this in the Nasdaq Composite, Nasdaq-100 and the QQQ this week. This shows us 'significant' strength this week in the Nasdaq.

The Strongest sectors this week included: XLY, QQQ, XLK and XLC that all delivered over +2.5% gains this week. XLY was the strongest sector this week and two stocks within this sector delivered most of the gains this week, TSLA and AMZN. These two stocks represent over 41% of the value of the XLY ETF.

The Weakest sectors this week included: XME, XLE, Dow Transports, XLU, XHB and XLB who all saw over a -3.0% decline this week.

INDEXes SECTORs	Mon End of Day 11/25/24	Tue End of Day 11/26/24	Wed End of Day 11/27/24	Thur Holiday 11/28/24	Fri End of Day 11/29/24	Mon End of Day 12/02/24	Tue End of Day 12/03/24	Wed End of Day 12/04/24	Thur End of Day 12/05/24	Fri End of Day 12/06/24
$SPX	0.30%	0.57%	-0.38%	n/a	0.56%	0.24%	0.05%	0.61%	-0.19%	0.25%
$INDU	0.99%	0.28%	-0.31%	n/a	0.42%	-0.29%	-0.17%	0.69%	-0.55%	-0.28%
$COMPQ	0.27%	0.63%	-0.60%	n/a	0.83%	0.97%	0.40%	1.30%	-0.18%	0.81%
$RUT	1.47%	-0.73%	0.08%	n/a	0.35%	-0.02%	-0.73%	0.42%	-1.25%	0.54%
QQQ	0.16%	0.54%	-0.79%	n/a	0.88%	1.09%	0.31%	1.23%	-0.28%	0.89%
$TRAN	2.23%	-0.32%	-0.50%	n/a	0.05%	-0.42%	-2.03%	-0.13%	-1.11%	-0.57%

Daily Percent Change US Indexes table as of Dec 6, 2024 – We did not see too many changes in leadership this week, with the Nasdaq Composite or the QQQ leading every day this week. The Transports were the laggard four days this week with the one exception of Thursday when the Russell 2000 showed its weakness.

We can clearly see the dominance of the Nasdaq this week as shown in the above table. Watching each day we can compare these Indexes to identify leadership early in the day and then see how that continues or changes during the day. This is one way to observe 'clues' as to the relative strength. Doing the same thing with a list of Sectors can also help narrow down each day's leadership and where you may want to focus your attention.

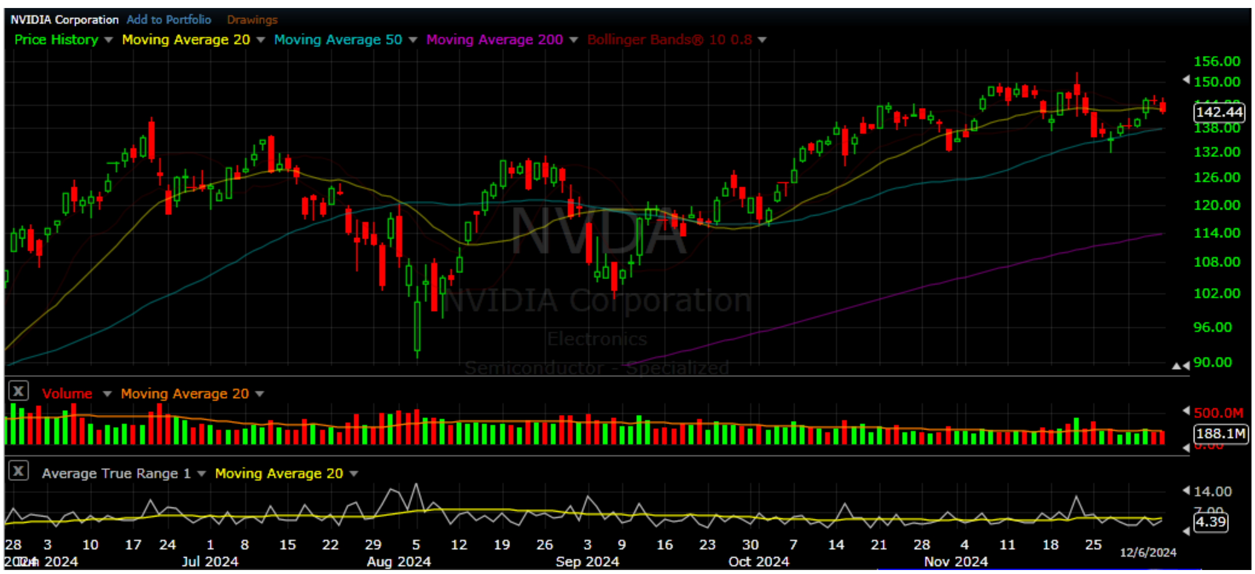
Next we will look at a few key **Stocks**. These are the same stocks that we looked at last week. Looking at the same charts over time, as they develop, is one way to see how trends continue or change, and those observations can be useful in making trading decisions, per your Trading Plan.

Nasdaq 100

Symbol	Market Cap	Last	%Change	Net Ch...
AAPL	3,670,726 M	242.84	-0.08%	-.20
NVDA	3,488,356 M	142.44	-1.81%	-2.62
MSFT	3,297,890 M	443.57	+0.21%	+.95
AMZN	2,387,223 M	227.03	+2.94%	+6.48
GOOG	2,160,414 M	176.49	+1.25%	+2.18
GOOGL	2,138,625 M	174.71	+1.20%	+2.07
META	1,574,700 M	623.77	+2.44%	+14.84
TSLA	1,249,419 M	389.22	+5.34%	+19.73
AVGO	838,509 M	179.53	+5.31%	+9.06
COST	439,799 M	992.61	+1.05%	+10.35
NFLX	399,562 M	934.74	+1.84%	+16.87

This is a table of the 10 largest stocks within the Nasdaq-100 and is sorted by their current 'Market Cap.' valuation. Note that Apple surpassed Nvidia last week and is again the largest stock.

AAPL daily chart as of Dec 6, 2024 – Apple continued its rally this week with a new all time highs seen every day this week and a higher close seen every day except on Friday, ending the week up +2.32%.



NVDA daily chart as of Dec 6, 2024 – Nvidia saw a pause Monday then rallied Tuesday and Wednesday above its 20 day SMA. Thursday saw a pause near the prior day's close. Friday saw a decline back below the 20 day SMA to end the week up +3.04%.

MSFT daily chart as of Dec 6, 2024 – Microsoft saw a strong rally Monday that was nearly +1.45 times it's ATR. Tuesday saw a pause before the rally resumed Wednesday, Thursday and Friday with higher highs and higher closes, ending the week up +4.75% and exceeding its prior highs from October and September.

AMZN daily chart as of Dec 6, 2024 – Amazon held its 'Cyber Monday' deals on Monday of this week. AMZN saw higher highs and higher closes every day this week, delivering new all time highs on Wednesday, Thursday and Friday, ending the week up +9.21%.

GOOGL daily chart as of Dec 6, 2024 – Alphabet saw a small recovery last week from its big drop two weeks ago. The recovery continued this week with a rally off of its 50 day SMA on Monday, a pause on Tuesday then a rally on Wednesday above its 20 day SMA. Thursday saw a higher high but a lower close back below its 20 day SMA. Friday rallied back above its 20 day SMA with a lower low and lower high to end the week up +3.41%.

META daily chart as of Dec 6, 2024 – Meta was held below its 50 day SMA last week. On Monday of this week we see META break above its 50 day SMA and continue higher every day that followed. We saw new all time highs every day this week except on Monday. Thursday saw a new high but closed lower. Friday saw the rally resume to end the week up +8.61%.

TSLA daily chart as of Dec 6, 2024 – Tesla gapped up on Monday but failed to exceed last week's highs. Tuesday saw a small pullback and lower close. Wednesday saw another rally begin that became stronger on Thursday to deliver new 2-year highs. Friday saw an even larger gain to new 2-year highs to end the week up +12.77%.

AVGO daily chart as of Dec 6, 2024 – Broadcom reversed its decline from last week on Monday with a high and close that exceed the prior week. Tuesday saw the rally continue higher. Wednesday saw a large gap up to the 50 day SMA then sold off to below its 20 day SMA and bounce to close back above its 20 day SMA but lower for the day. Friday saw a VERY strong rally (twice its ATR) above its 50 day SMA to end the week up +10.77%. Broadcom reports Earnings next week on Thursday.

Let's compare the above 8 stocks in the table below to help see the relative strength last week and this week. The order was changed a bit to rank from biggest to smaller current Market Cap valuation.

Stock QQQ	% Change 2 weeks ago 1.86%	% Change Last week 0.78%	% Change This week 3.28%
AAPL	2.16%	3.25%	2.32%
NVDA	-0.02%	-2.61%	3.04%
MSFT	0.68%	1.55%	4.75%
AMZN	-2.71%	5.46%	9.21%
GOOGL	-4.48%	2.54%	3.41%
META	0.91%	2.71%	8.61%
TSLA	9.93%	-2.10%	12.77%
AVGO	-0.37%	-1.31%	10.77%

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

Observations:

Only 2 stocks exceeded the QQQ 2 weeks ago, and 5 stocks exceeded the QQQ last week. This week we see 6 stocks that exceeded the QQQ.

This week we saw 4 stocks deliver gains greater than +8.5%.

TSLA was the strongest stock (on the above table) this week, and it was also the strongest 2 and 3 weeks ago.

AVGO and NVDA (both are semiconductor stocks) saw losses the prior two weeks and a positive gain this week.

Both MSFT and META saw gains 3 weeks in a row, and both saw larger gains this week that exceeded the prior two weeks of gains combined.

Each of these observations above (and other) can serve as a way to find clues in the markets and where 'strength' and persistence may reside. Those clues can then narrow your search for high odds candidates looking forward.

JPM daily chart as of Dec 6, 2024 – JP Morgan saw a decline Monday, Tuesday and Wednesday back below its 20 day SMA. Thursday saw a small rally back above its 20 day SMA that continued a little higher on Friday to end the week down -0.95%.

GS daily chart as of Dec 6, 2024 – Goldman Sachs saw a mild decline Monday, Tuesday, Wednesday and Thursday to its 20 day SMA where it found support. Friday saw a brief dip below the 20 day SMA and bounce back above to end the week down -0.97%.

COST daily chart as of Dec 6, 2024 – Costco paused last week then rallied Monday, Tuesday and Wednesday this week to new all time highs then pulled back on Thursday. Friday saw more new all time highs and ended the week up +2.13%. Costco reports Earnings next week on Thursday.

INTC daily chart as of Dec 6, 2024 – Intel saw a rally Monday above its 20 day SMA that failed and closed back below its 20 day SMA. Tuesday saw the decline continue lower below its 50 day SMA. The Decline continued Wednesday and Thursday before finding support at $20.66. Friday retested this support and closed the week down -13.01%. INTC is now below all 3 of its key daily SMAs.

WMT daily chart as of Dec 6, 2024 – Walmart continued its rally and delivered new all time highs every day this week, ending the week up +3.46%.

NFLX daily chart as of Dec 6, 2024 – Netflix saw a drop last week and then began to recover that one day drop. This week the recovery continues with a higher close every day this week and new all time highs seen on Wednesday, Thursday and Friday to end the week up +5.40%.

CAT daily chart as of Dec 6, 2024 – Caterpillar continues to consolidate near $395 for a 10th week. This week we see a decline with lower lows every day this week, crossing below its 20 day SMA on Thursday and testing its 50 day SMA on Friday, ending the week down -2.73%.

DE daily chart as of Dec 6, 2024 – John Deere saw a large rally after reporting Earnings on Nov. 21st. That rally slowed down last week with a smaller gain. This week we see a decline with a lower close every day this week, ending the week down -4.70%.

We saw a strong rally in that Nasdaq this week and with most of the biggest stocks participating. Next week could see this continue, or we could see a change in leadership with some other sectors leading. Nobody knows the future and anything is possible, so we prepare with at least 3 possible scenarios, Bullish, Bearish or Neutral. This way we are prepared and can more quickly recognize when we see 'confirmation' of a Trend that Continues, or a Trend that Changes.

Being well prepared is a great way to reduce the odds of making a mental mistake, since you already imagined that scenario and already know what to do (if anything) in that scenario.

Practice reading your charts every day, since that is the best way to improve these 'skills'.

Trade Smart,

CJ