

S&P500 Teases Breakout Levels

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The S&P500 is poised to break out from its 2022 downtrend line (chart 1). The benchmark index opened yesterday at 4069, traded to a high of 4100, before backing off to close at 4019. 4019 is up 14% from the lows of October, but more importantly a close of 4100 or higher would signal a breakout from the downtrend that began at the start of 2022.

S&P500 - Tuesday 12/13/22

KEY STATS	
Open	4,069.38
Day High	4,100.96
Day Low	3,993.03
Prev Close	4,019.65

In the 12/1/22 World Snapshot, TPA stated:

?After rallying over 120% from the lows of March 2020 to the highs of December 2021, the S&P500 broke down below its major long-term uptrends in January. Stocks have established a distinct pattern of lower highs, a downtrend, in 2022. Chart 2 shows that the recent rally?puts the market right at its 2022 downtrend line. What will happen now? While a breakout above the 2022 downtrend line would be significantly positive, as a decline from here would confirm this year?s overwhelmingly negative pattern. TPA leans toward a positive outcome at this juncture.?

If the S&P500 can sustain a close to 4100 or greater, stocks should continue to move higher.

S&P500 – 18 months



S&P500 - zoom

