

Technical Alert - Amazon



Amazon (AMZN) has been one of the markets leaders, helping propel the market higher over the last few years. As such, it is worth paying close attention to AMZN and other leaders for signs of a change in the bullish trend. For more on this please read our article ? [Are The Market Generals Leading Us To War?](#) Brett Freeze, author of Cartography Corner and principal of [Global Technical Analysis](#) �has brought three aspects to our attention in regards to AMZN that are worth being cognizant of. These three are all based on analysis done using monthly prices. He notes:

1. ***The sell pivot for active traders would have been isolated as 1993.29.�*** This means traders should be short AMZN or have sold prior longs in the stock below that price. If AMZN were to drop below 1953.98, there are significant gaps below which could lead to a more precipitous decline.
2. ***Granted, there have only been two sessions into October, but it is worth pointing out that Monthly Trend for November is developing at approximately 1967.�*** AMZN has been Trend Up for 12 months and a monthly close below monthly trend would

break this long term bullish trend. October's monthly trend is 1896.48 and as mentioned November is currently 1967.00.

3. **The September candle (circled- upper-right graph) is what Candlestick technicians refer to as the (bearish) Hanging Man.** The characteristics are a small real body, with little or no upper shadow, closing near the top of the session's range, and very long lower shadow. It is a bearish reversal pattern. The first diagram labeled the monthly trend state of consolidation.



The first dia
labeled the
monthly trer
state of con

.N. As
se below
weekly in a
t for the

time being.

© 2018 Global Technical Analysis

j.brett.freeze@globaltechnicalanalysis.com

704.408.3919

The

second graph below shows AMZN on a daily year to date basis. Note the circle which

approximates 1953.98, as discussed in point 1, lines up well with the blue support trend line.

AMZN Amazon.com, Inc. Nasdaq US

2-Oct-2018

© StockCharts.com

Open 1999.99 High 2013.39 Low 1965.77 Close 1971.31 Volume 5.4M Chg -33.05 (-1.65%) ▼

AMZN (Daily) 1971.31



Given that AMZN has been one of the leaders of the market this year, it is worth paying attention to the potential signal it may be sending.