

Major Market Buy/Sell Review: 04-20-20

HOW TO READ THE CHARTS

There are three primary components to each chart:

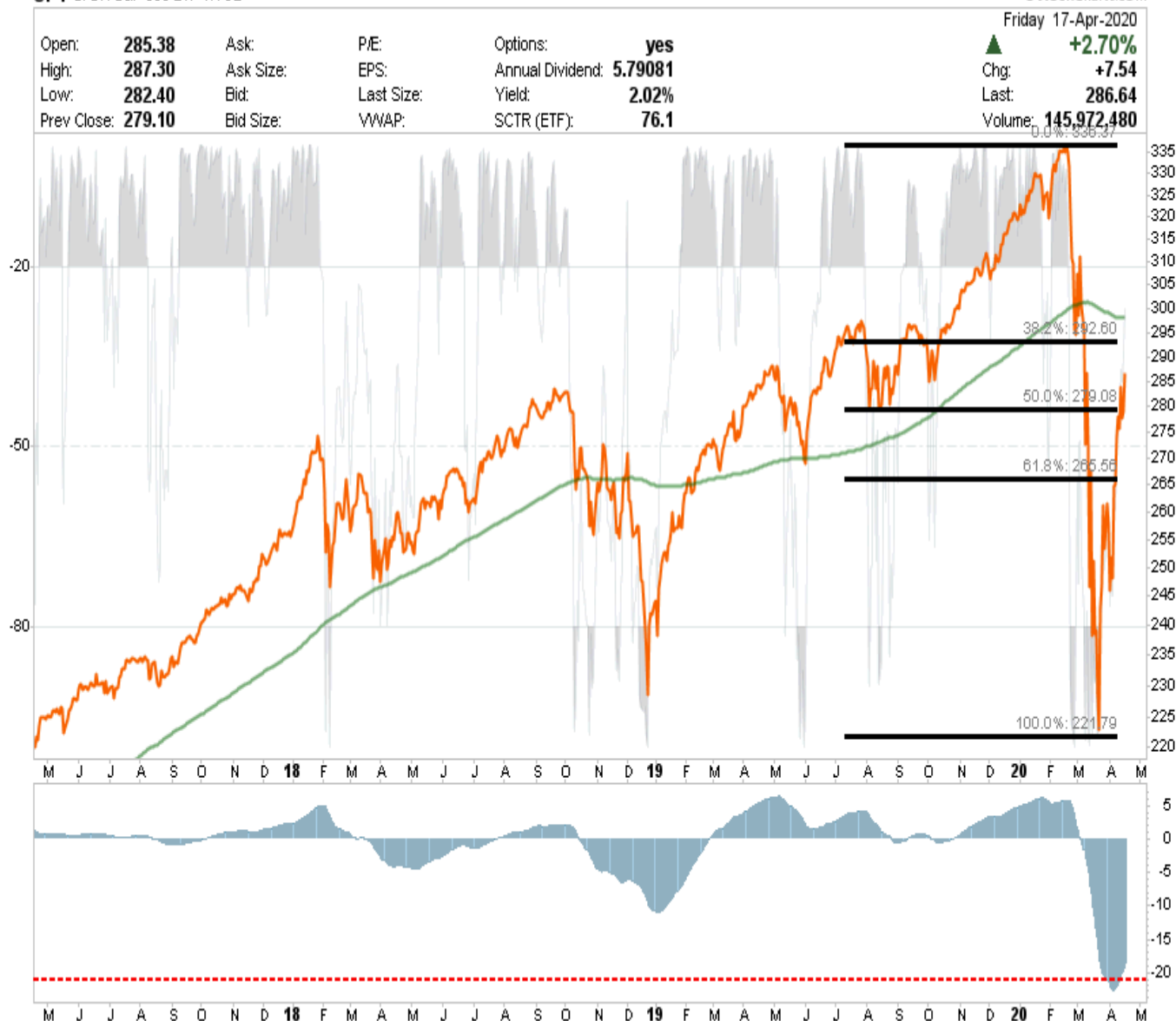
- The price chart is in orange
- The Over Bought/Over Sold indicator is in gray
- The Buy / Sell indicator is in blue.

When the gray indicator is at the TOP of the chart, there is typically more risk and less reward available at the current time. In other words, the best time to BUY is when the short-term condition is over-sold. Likewise when the buy/sell indicator is above the ZERO line investments have a tendency of working better than when below the zero line.



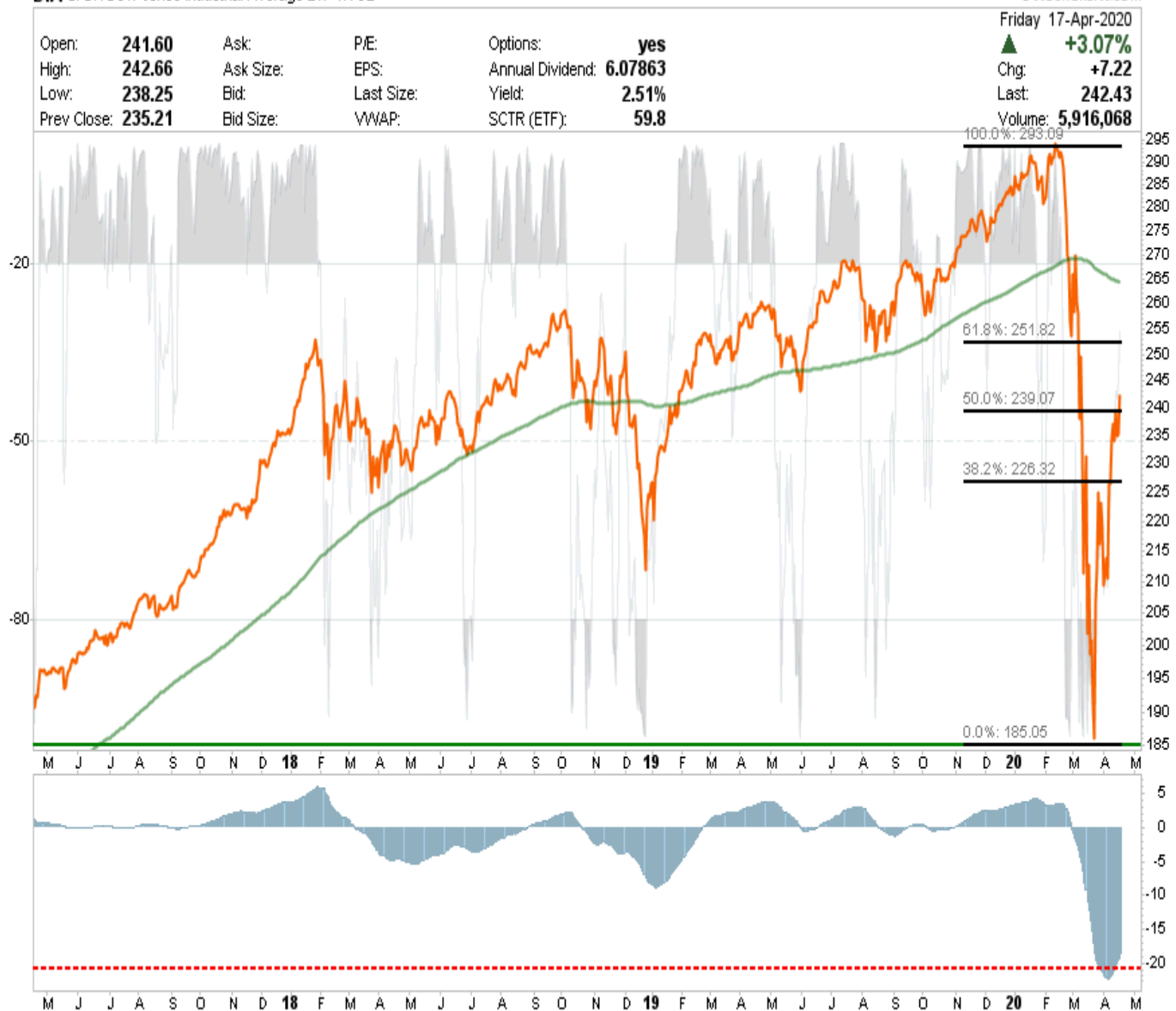
With this basic tutorial let's review the major markets.

S&P 500 Index



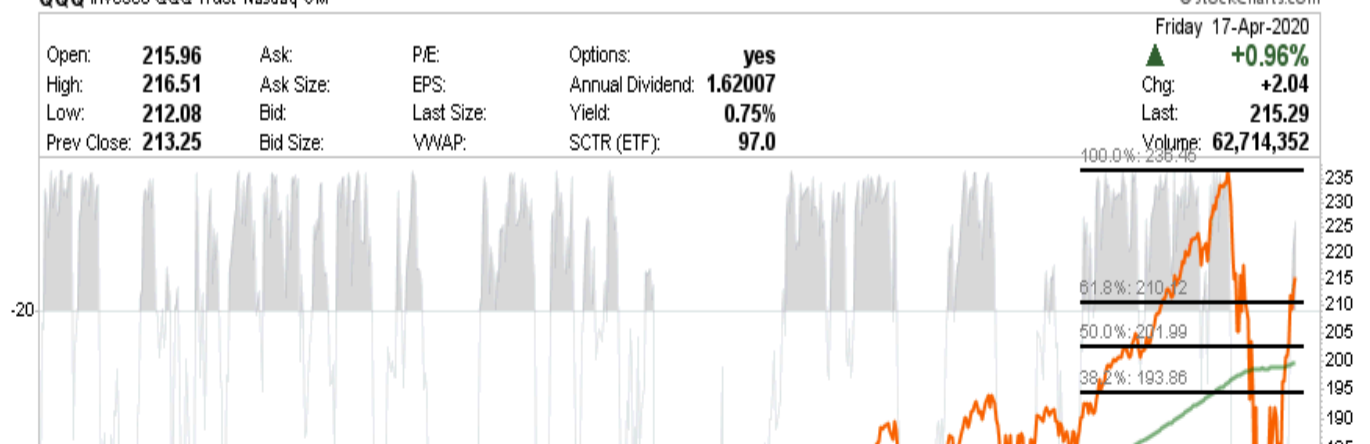
- Last week I wrote: "This past week, the market was able to muster a rally to the 50% retracement level, and on many short-term fronts is extremely overbought. While a retest, and potential break of the March lows is likely, the market does have some lift short-term."
- The break of the 50% retracement this past week, is bullish and suggests a run to the 200-dma is likely. However, the risk/reward is not in the favor of longer-term positions, so trading positions only for now.
- This still doesn't negate the risk of more volatility ahead, so be prepared for quick declines, so keep trading stops tight.
- Remain cautious for now.
- Short-Term Positioning: Bearish ? Market Risk Is High
 - Last Week: No core position
 - This Week: Trading "Rentals" Only
 - Stop-loss moved up to \$278
 - Long-Term Positioning: Bearish

Dow Jones Industrial Average



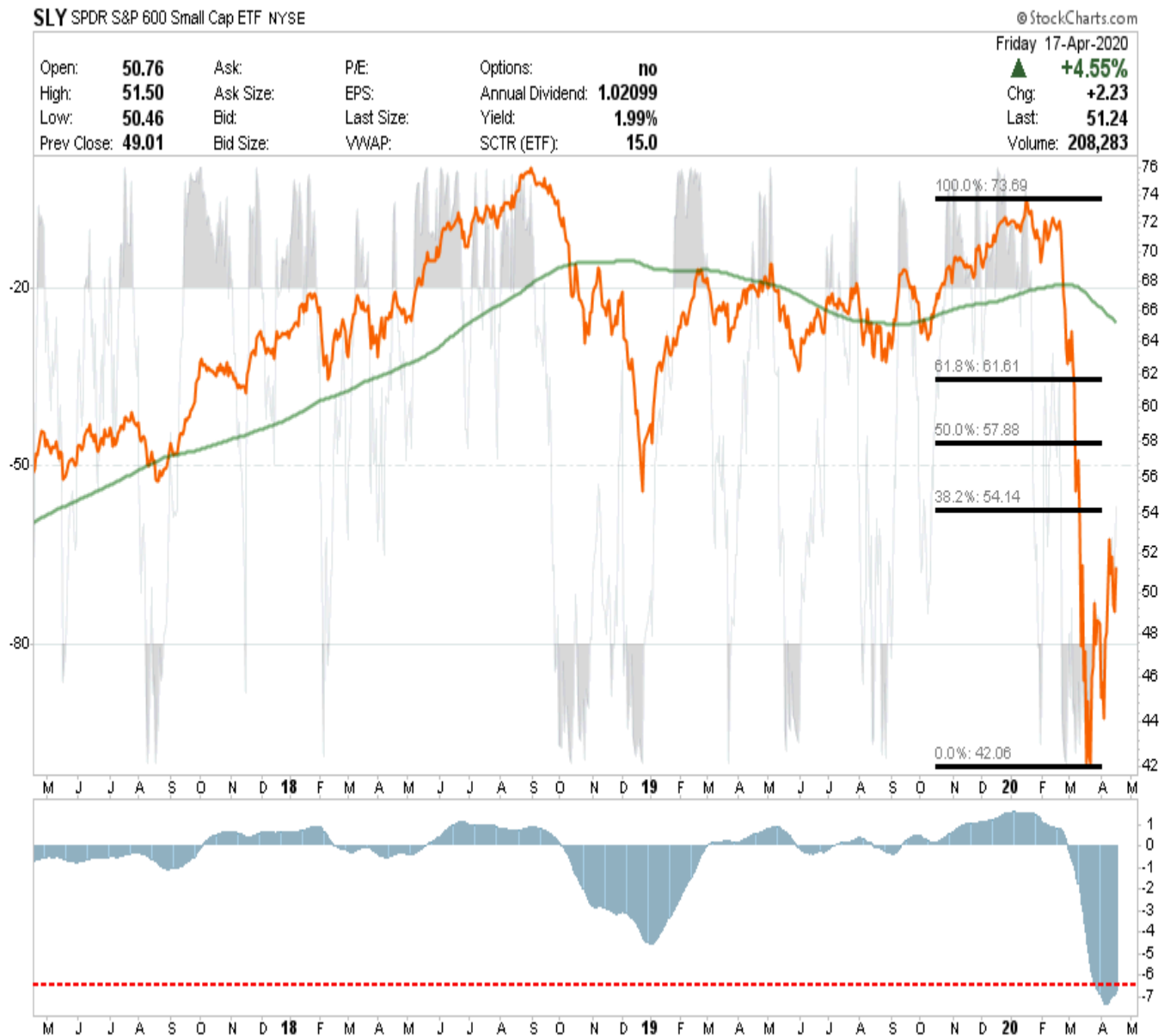
- The same situation exists with DIA. 2013266080;
- The break of the 50% retracement sets up a run to the 200-dma. 2013266080;
- Trading "rentals" only for now with a tight stop at \$238
- Short-Term Positioning: Bearish ? Market Risk Is High
 - Last Week: No positions
 - This Week: Trading "Rentals" Only
 - Stop-loss moved up to \$238
- Long-Term Positioning: Bearish

Nasdaq Composite



- As we have noted previously, QQQ is by far "the best index in town," technically speaking.
- Last week's break above the 200-dma and the 61.8% sets up a test of "all-time" highs. (Pretty incredible when you think about the amount of economic devastation that is coming.)
- But, from a trading perspective, "What is...is."
- Short-Term Positioning: Bearish ? Market Risk Is High
 - Last Week: No positions
 - This Week: Trading "Rentals" Only
 - Stop-loss moved up to \$200
- Long-Term Positioning: Bearish due to valuations

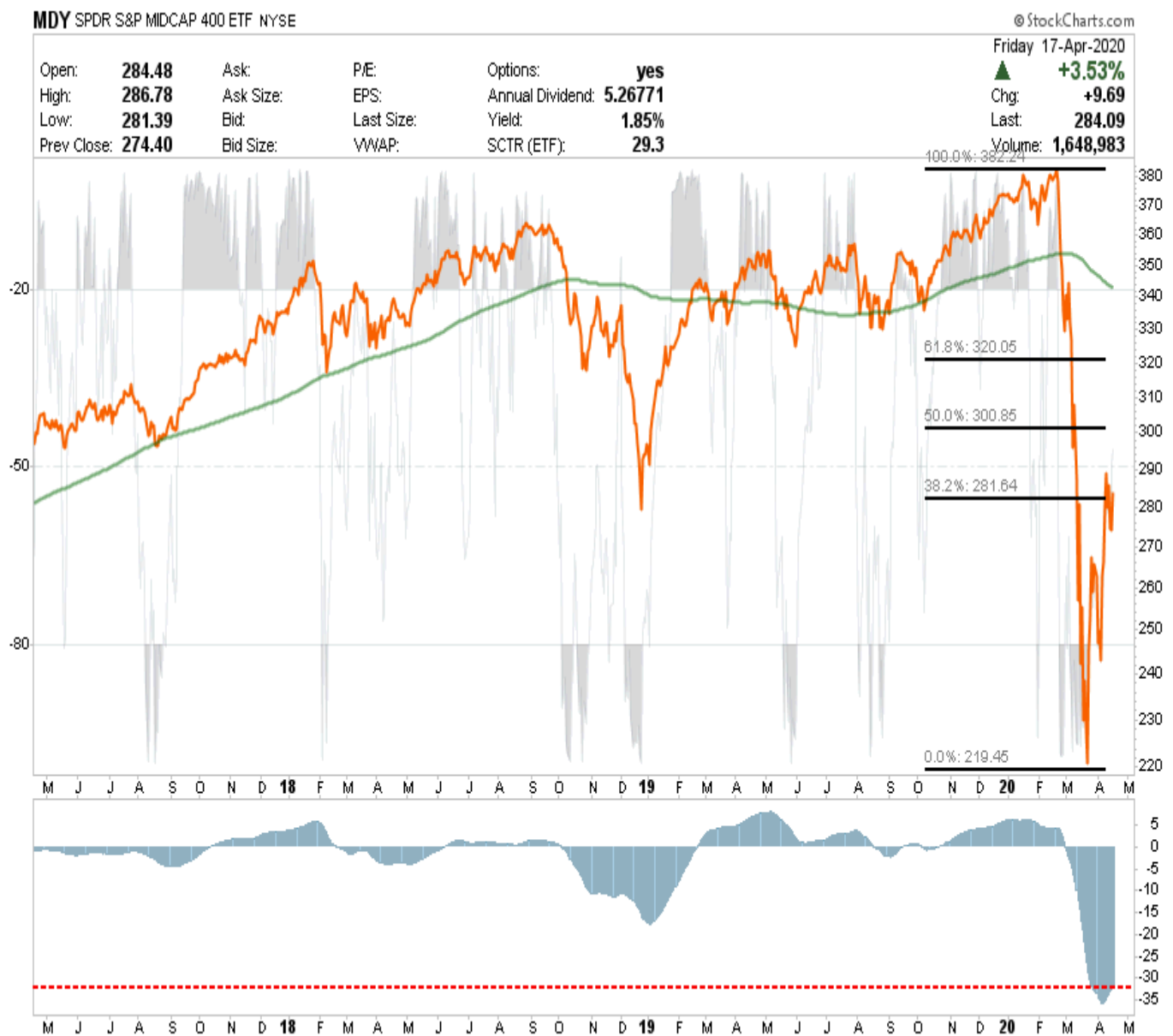
S&P 600 Index (Small-Cap)



- No change to our positioning on Small-caps which are still "no place to be as both small and mid-cap companies are going to be hardest hit by the virus."
- Be careful what you own. No positions
- Avoid small-caps. Use last week's rally to clear positions for now.
- Short-Term Positioning: Bearish ? Market Risk Is High
 - Last Week: No positions

- *This Week: No positions.*
- *Stop loss adjusted to \$44 on trading positions.*
- *Long-Term Positioning: Bearish*

S&P 400 Index (Mid-Cap)



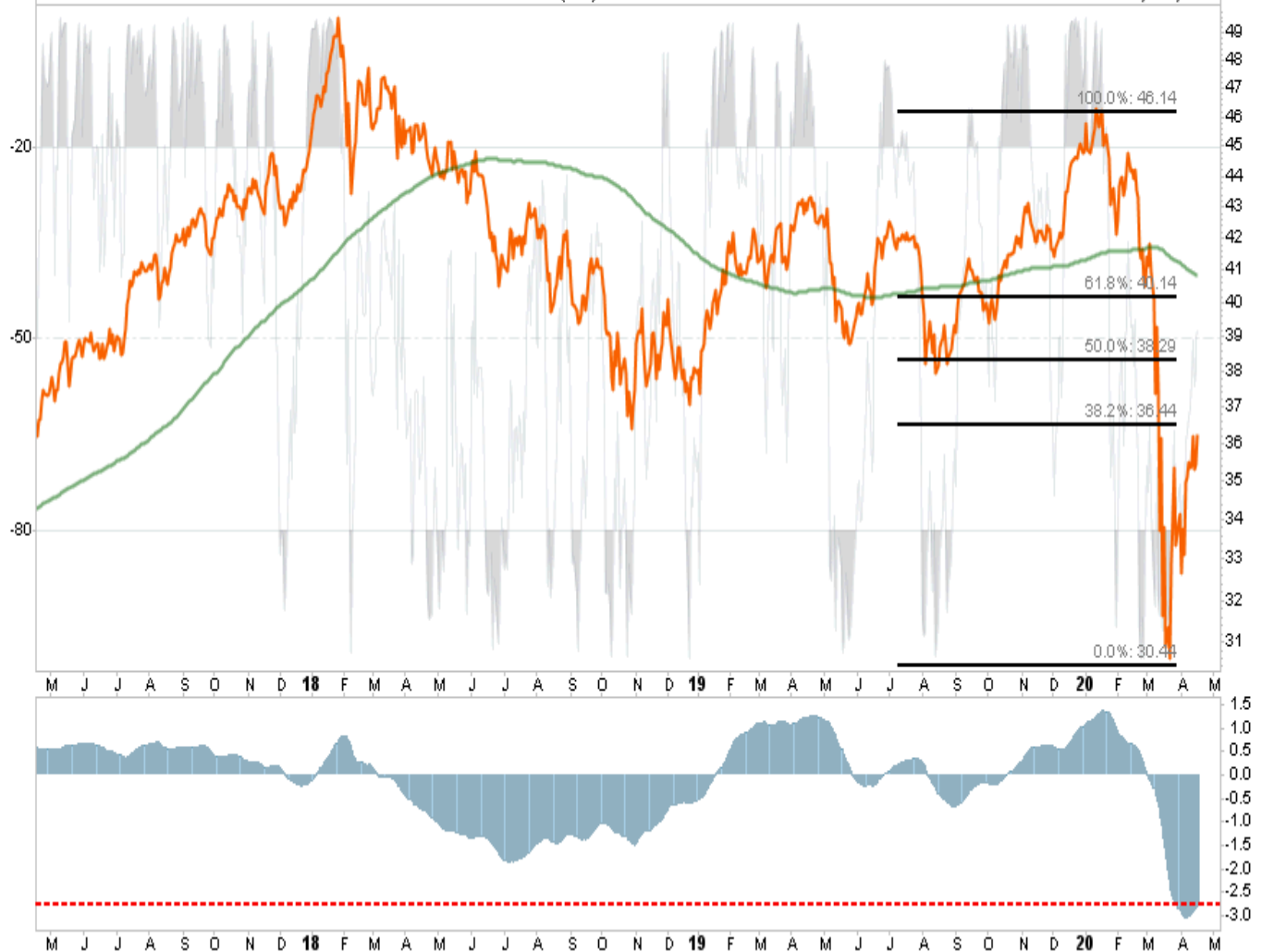
- *As with Small-cap, we have no holdings. Use last week's rally to sell positions.*
- *Short-Term Positioning: Bearish ? Market Risk Is High*
 - *Last Week: No holding*
 - *This Week: No holding*
 - *Stop Loss moved up to \$245 for trading positions.�*
- *Long-Term Positioning: Bearish*

Emerging Markets

Friday 17-Apr-2020

Open: 36.43	Ask:	P/E:	Options: yes
High: 36.47	Ask Size:	EPS:	Annual Dividend: 0.97413
Low: 36.00	Bid:	Last Size:	Yield: 2.69%
Prev Close: 35.47	Bid Size:	VWAP:	SCTR (ETF): 44.1

▲ **+2.23%**
 Chg: **+0.79**
 Last: **36.26**
 Volume: **40,869,028**



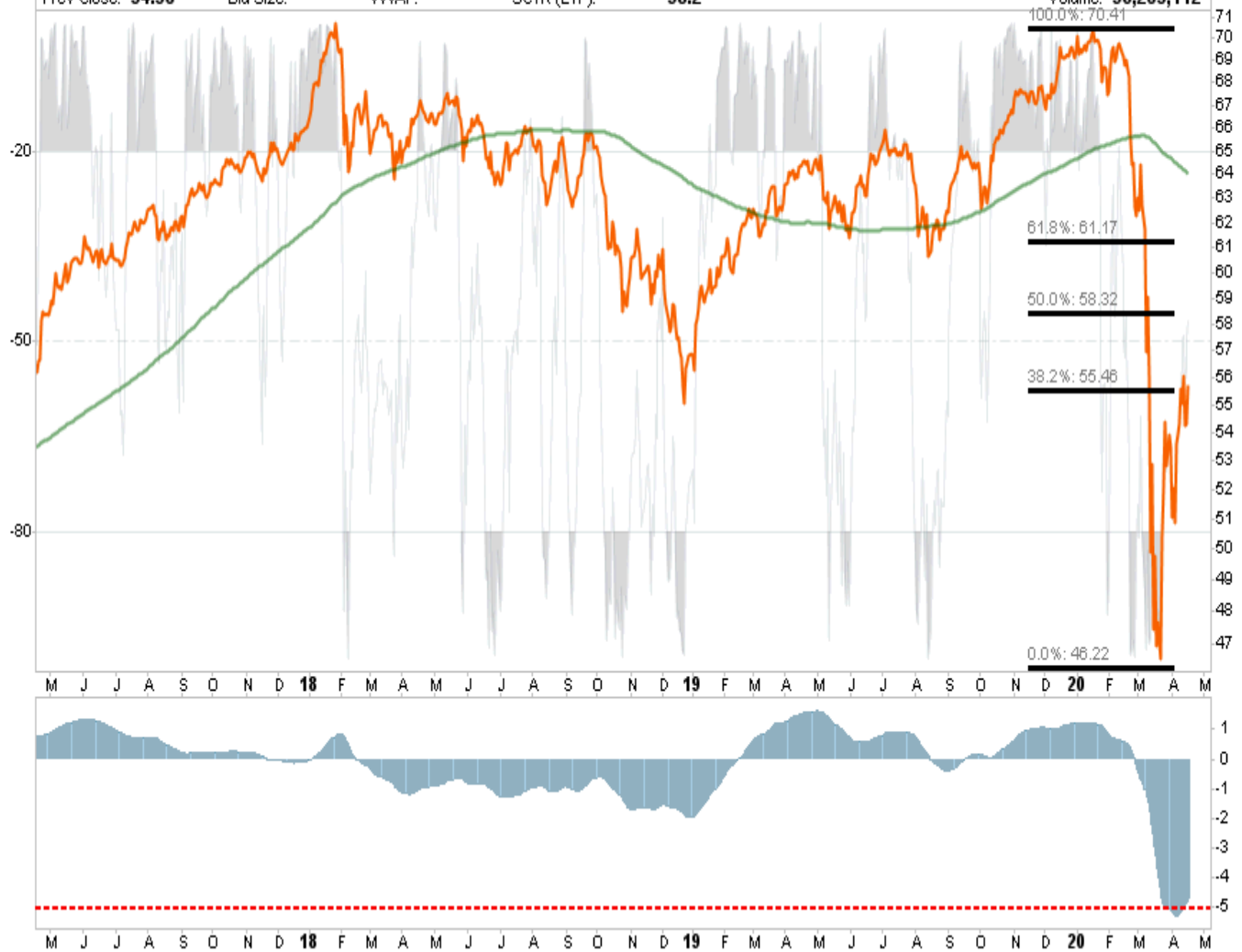
- As with small and mid-cap stocks, emerging and international markets are being hit hard by the virus. Economically, these countries are being destroyed right now.�
- We previously stated that investors should use counter-trend rallies to sell into. **If you haven't done so, use last week's rally to clear positions.**
- Short-Term Positioning: Bearish ? Market Risk Is High
 - Last Week: No position
 - This Week: No position.
 - Stop-loss moved up to \$33 for trading positions.
- Long-Term Positioning: Bearish

International Markets

Friday 17-Apr-2020

Open: **55.60** Ask: P/E: Options: **yes**
 High: **55.81** Ask Size: EPS: Annual Dividend: **2.15193**
 Low: **55.12** Bid: Last Size: Yield: **3.86%**
 Prev Close: **54.30** Bid Size: VWAP: SCTR (ETF): **38.2**

▲ **+2.65%**
 Chg: **+1.44**
 Last: **55.74**
 Volume: **36,205,112**



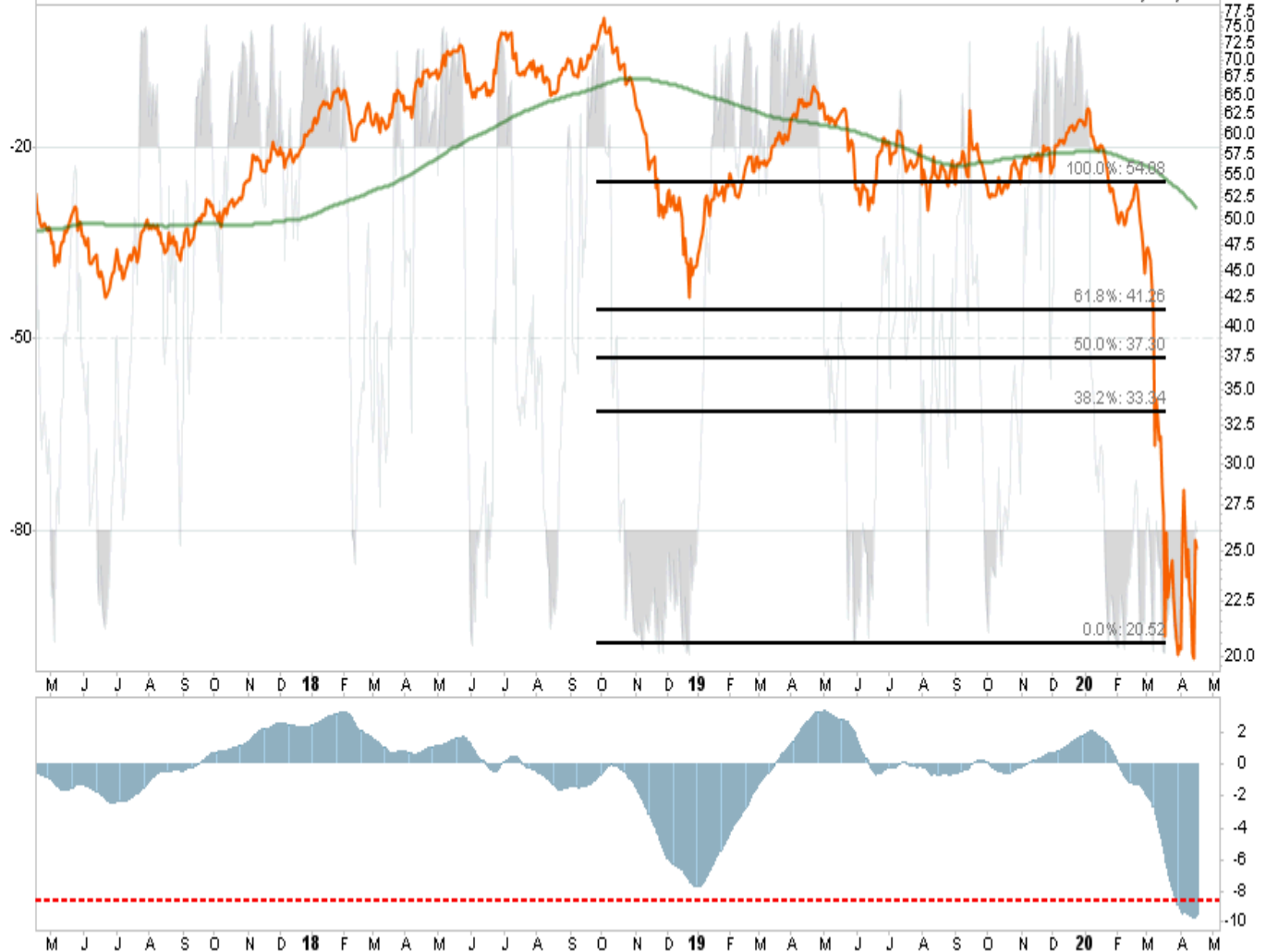
- As noted previously: "A reflexive rally is likely. Use those levels to sell into."
- Use last week's rally to sell holdings. 2013266080;
- Remain out of these markets for the time being.
- Short-Term Positioning: Bearish ? Market Risk Is High
 - Last Week: No position.
 - This Week: No position.
 - Stop-loss moved up to \$51 for trading positions.
- Long-Term Positioning: Bearish

West Texas Intermediate Crude (Oil)

Friday 17-Apr-2020

Open: **26.42** Ask: P/E: Options: **no**
 High: **26.78** Ask Size: EPS: Annual Dividend: **N/A**
 Low: **24.57** Bid: Last Size: Yield: **N/A**
 Prev Close: **25.53** Bid Size: VWAP: SCTR:

▼ **-1.96%**
 Chg: **-0.50**
 Last: **25.03**
 Volume: **66,058,300**



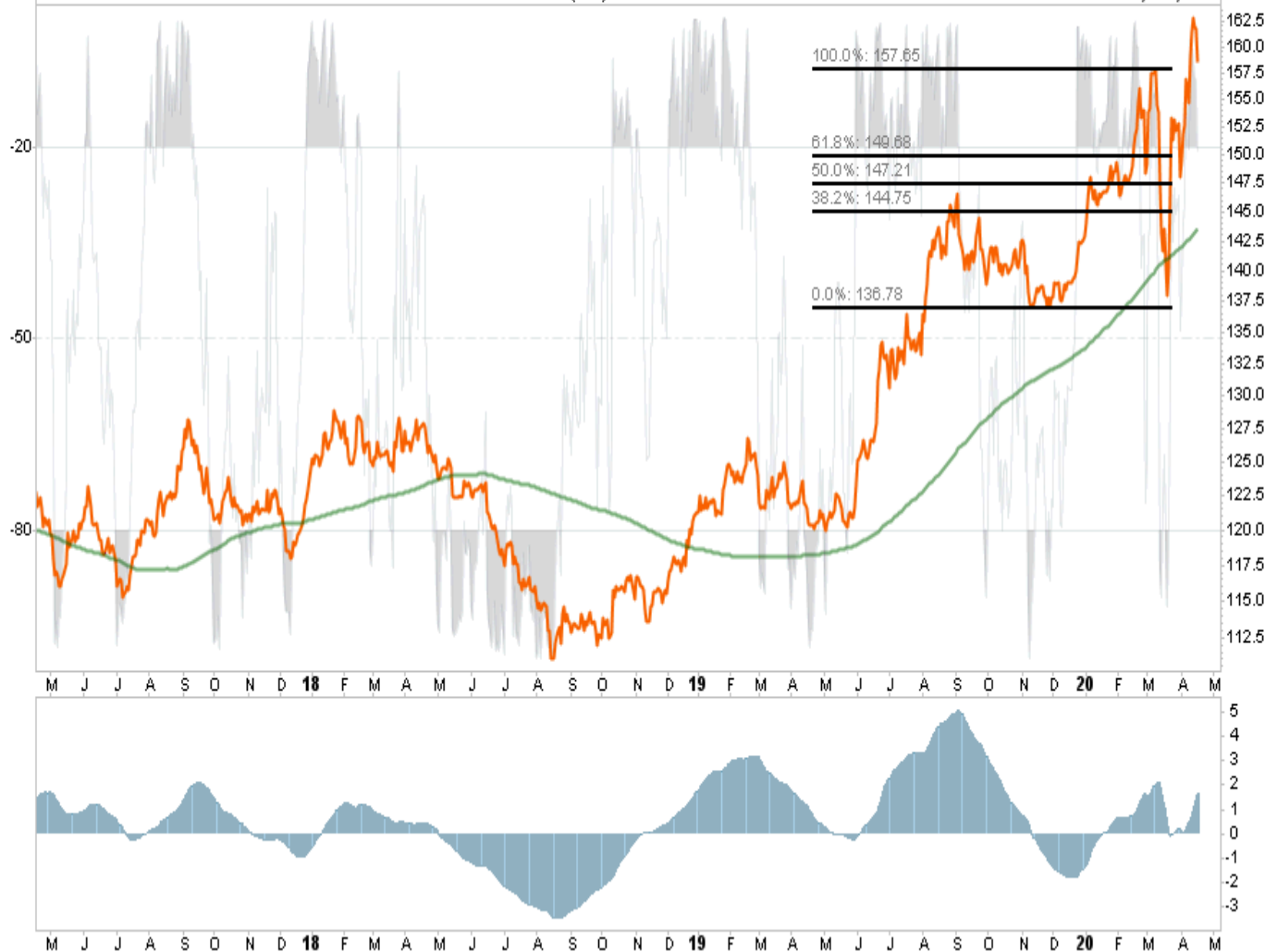
- The "spike" in oil prices on Friday was due to the change in oil futures contracts from May to June. Oil actually declined on Friday with the May contract at \$17/bbl. 2013266080;
- Regardless, \$25 is the price for June delivery of oil. Without any help on the horizon, look for the June contract to head back towards \$20/bbl. 2013266080;
- We continue to suggest using any rally to clear positions in your portfolio for now.
- We have not changed our stance on the sector from a value perspective, however, the sector still has work to do, so be patient. 2013266080;
- Avoid for now.
- Short-Term Positioning: Bearish
 - Last Week: No positions
 - This Week: No positions.
 - Stops Triggered for any direct crude oil positions.
- Long-Term Positioning: Bearish

Gold

Friday 17-Apr-2020

Open: **159.72** Ask: P/E: **-15.32** Options: **yes**
 High: **160.07** Ask Size: EPS: **-10.35** Annual Dividend: **N/A**
 Low: **158.12** Bid: Last Size: Yield: **N/A**
 Prev Close: **161.71** Bid Size: VWAP: SCTR (ETF): **96.3**

Chg: **-1.94%**
 Last: **158.57**
 Volume: **14,542,817**



- We previously added to our positions in IAU and GDX.
- The sectors are VERY overbought short-term so a pullback is likely that can be used to add to current holdings.
- Short-Term Positioning: Bullish
 - Last week: Hold positions.
 - This week: Hold positions - Look at add if support holds at \$150
 - Stop-loss moved up to \$147.50
 - Long-Term Positioning: Bullish

Bonds (Inverse Of Interest Rates)

Friday 17-Apr-2020

Open: **169.82** Ask: P/E: Options: **yes**
 High: **170.84** Ask Size: EPS: Annual Dividend: **2.97582**
 Low: **167.27** Bid: Last Size: Yield: **1.77%**
 Prev Close: **170.09** Bid Size: VWAP: SCTR (ETF): **98.5**

Chg: **-1.34%**
 Last: **167.81**
 Volume: **8,583,584**



- Bonds are back to "crazy" overbought with the Fed buying everything from the banks who are happy to mark-up prices and sell it to them. 2013266080;
- Bond prices will correct and provide a better entry point to add exposure. So, be patient for now. Short-Term Positioning: Neutral
 - Last Week: Hold positions
 - This Week: Take Profits and rebalance holdings as needed.
 - Stop-loss is \$147.50
 - Long-Term Positioning: Bullish

U.S. Dollar

Friday 17-Apr-2020

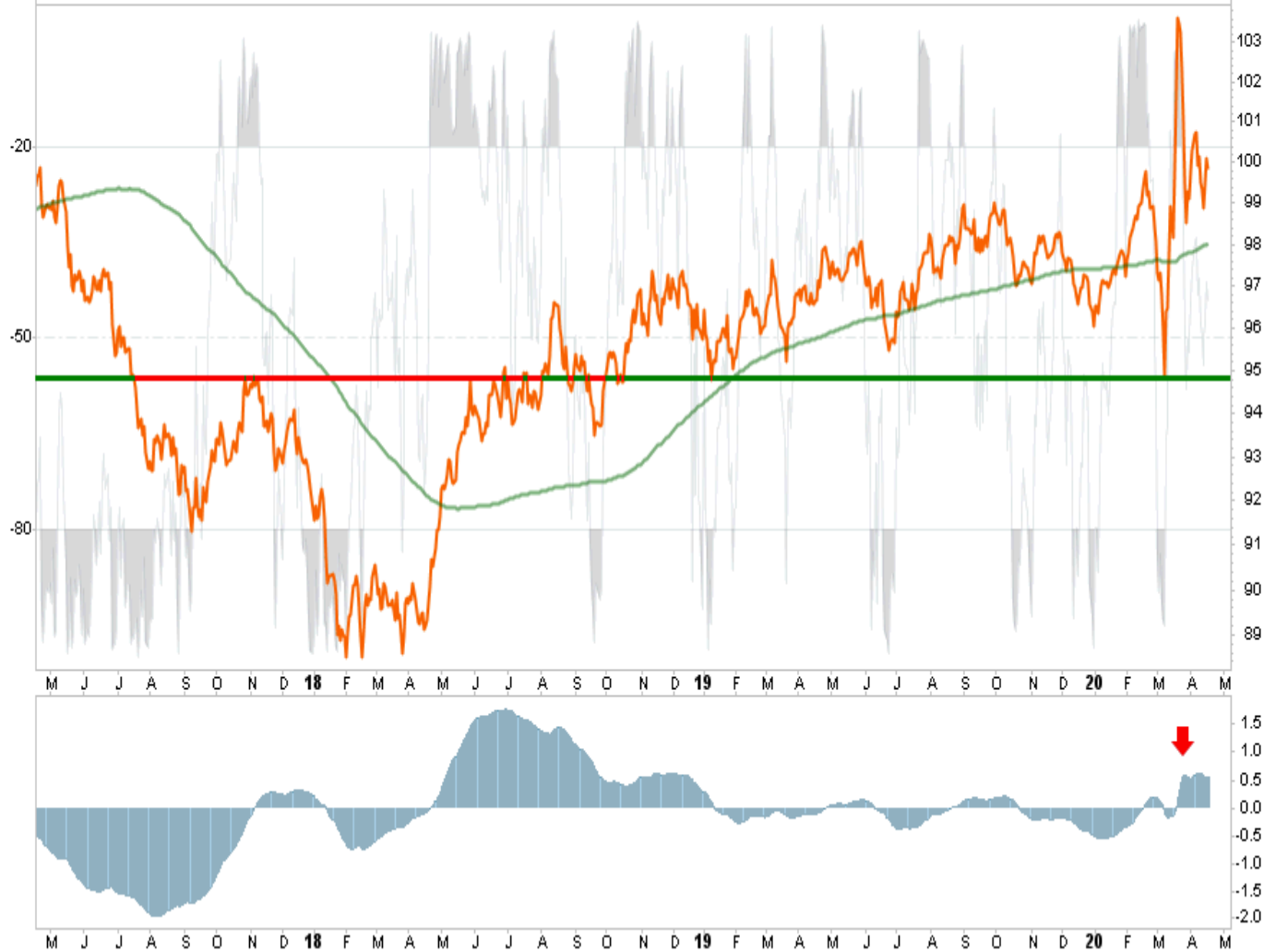
▼ -0.26%

Chg: -0.26

Last: 99.84

Volume: 0

Open: 99.97	Ask:	P/E:	Options: no
High: 100.36	Ask Size:	EPS:	Annual Dividend: N/A
Low: 99.66	Bid:	Last Size:	Yield: N/A
Prev Close: 100.10	Bid Size:	VWAP:	SCTR:



- We added a position last week to the Dollar.�
- Our reasoning was explained in detail in ["Our 5-Favorite Positions Right Now"](#)
- Stop is set at \$98