

Major Market Buy-Sell Review: 11-16-20

HOW TO READ THE MAJOR MARKET BUY-SELL REVIEW 11-16-20 There are three primary components to each Major Market Buy/Sell chart in this [RIAPro](#) review:

- 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 tend to work better.



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

Major Market Buy/Sell Review 11-16-20

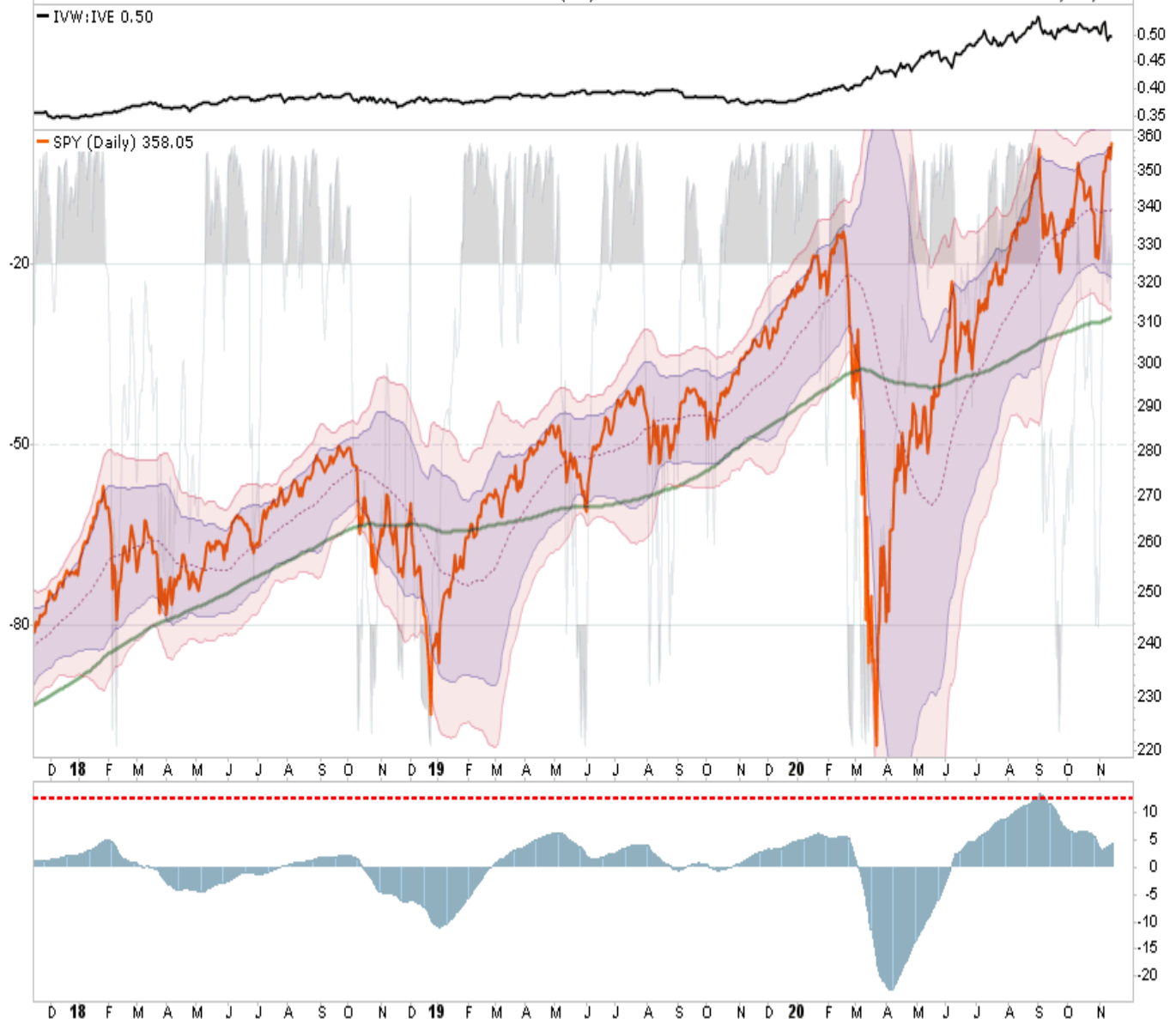
S&P 500 Index

Friday 13-Nov-2020

Open: **355.27** Ask: P/E: Options: **yes**
 High: **358.90** Ask Size: EPS: Annual Dividend: **5.68102**
 Low: **354.71** Bid: Mkt Cap: **310.1B** Yield: **1.59%**
 Prev Close: **353.21** Bid Size: Last Size: SCTR (ETF): **58.4**

▲ **+1.37%**
 Chg: **+4.84**
 Last: **358.05**
 Volume: **43,672,412**

- IVW:IVE 0.50

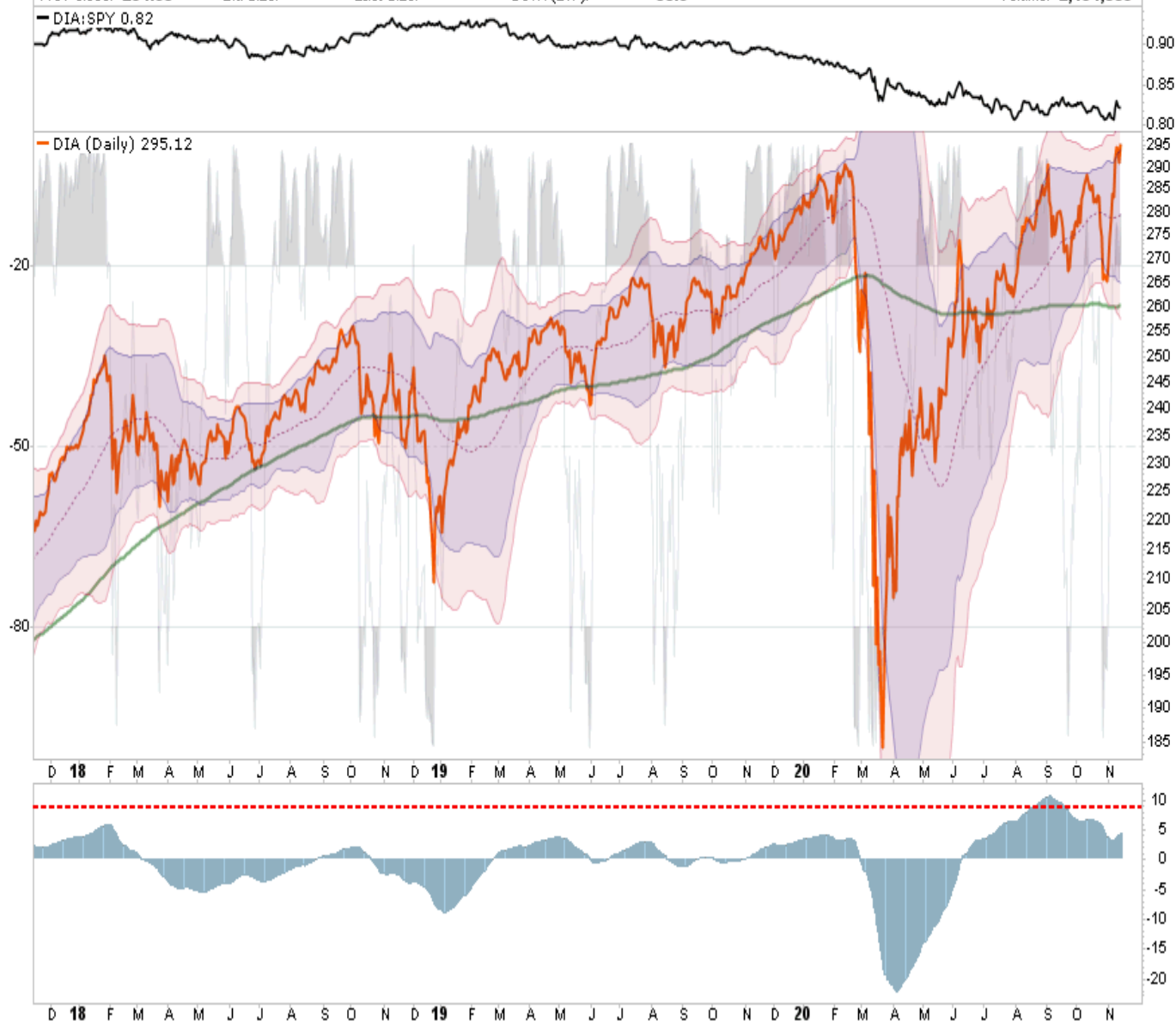


- The sharp rally this past week took the markets back to all-time highs, which is certainly bullish heading into the end of the year.
- However, the markets are now back to more extreme short-term overbought conditions, which have repeatedly been an excellent opportunity to lift profits and rebalance risks.
- Such is likely good advice as we head into early December where Mutual Funds will have to make redemptions to meet annual distribution requirements. 2013266080;
- Maintain current exposures for now, but manage risk as needed.
- Short-Term Positioning: Bullish
 - Last Week: Maintaining holdings.
 - This Week: Maintaining holdings.
 - Stop-loss set at \$310 for trading positions.
 - Long-Term Positioning: Bullish

Dow Jones Industrial Average

Open: **292.97** Ask: P/E: Options: **yes**
 High: **295.92** Ask Size: EPS: Annual Dividend: **5.86688**
 Low: **292.42** Bid: Mkt Cap: **24.8B** Yield: **1.99%**
 Prev Close: **291.05** Bid Size: Last Size: SCTR (ETF): **55.0**

Friday 13-Nov-2020

▲ **+1.40%**Chg: **+4.07**Last: **295.12**Volume: **2,494,889**

- As with SPY, the Dow has also completely reversed its oversold condition and is pushing back into resistance. 2013266080;
- Wait for weakness now to buy.
- Take profits and rebalance risks accordingly.
- Short-Term Positioning: *Bullish*
 - Last Week: No position.
 - This Week: No position.
 - Stop-loss moved up to \$260
- Long-Term Positioning: *Bullish*

Nasdaq Composite

Open: **290.01** Ask: P/E: Options: **yes**
 High: **291.57** Ask Size: EPS: Annual Dividend: **1.63284**
 Low: **287.87** Bid: Mkt Cap: **137.7B** Yield: **0.56%**
 Prev Close: **288.40** Bid Size: Last Size: SCTR (ETF): **73.0**

Friday 13-Nov-2020

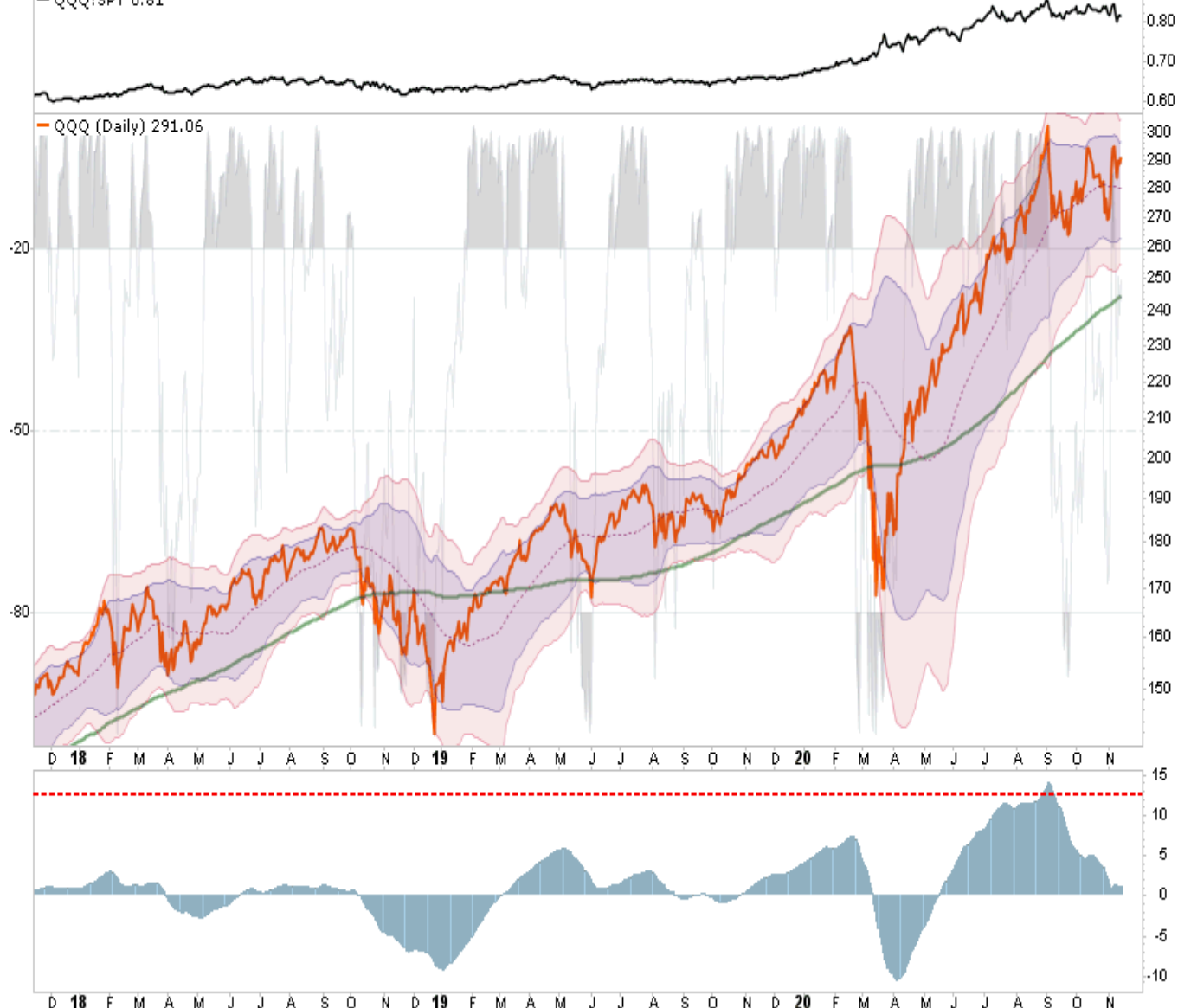
▲ **+0.92%**

Chg: **+2.66**

Last: **291.06**

Volume: **21,025,722**

— QQQ:SPY 0.81



- *The Nasdaq is not completely overbought yet, and Technology has been underperforming over the last week. We suspect that will change as the virus continues to weigh on economic growth.*
- *As noted last week: "The underperformance relative to the S&P 500 is likely going to provide another good trading opportunity soon."*
- *Markets are back to short-term overbought, so use corrections to add to holdings.*
- *Hold current positions and honor stop losses.*
- *Short-Term Positioning: Bullish*
 - *Last Week: No changes this week.*
 - *This Week: No changes this week.*
 - *Stop-loss moved up to \$240*
- *Long-Term Positioning: Bullish*

S&P 600 Index (Small-Cap)

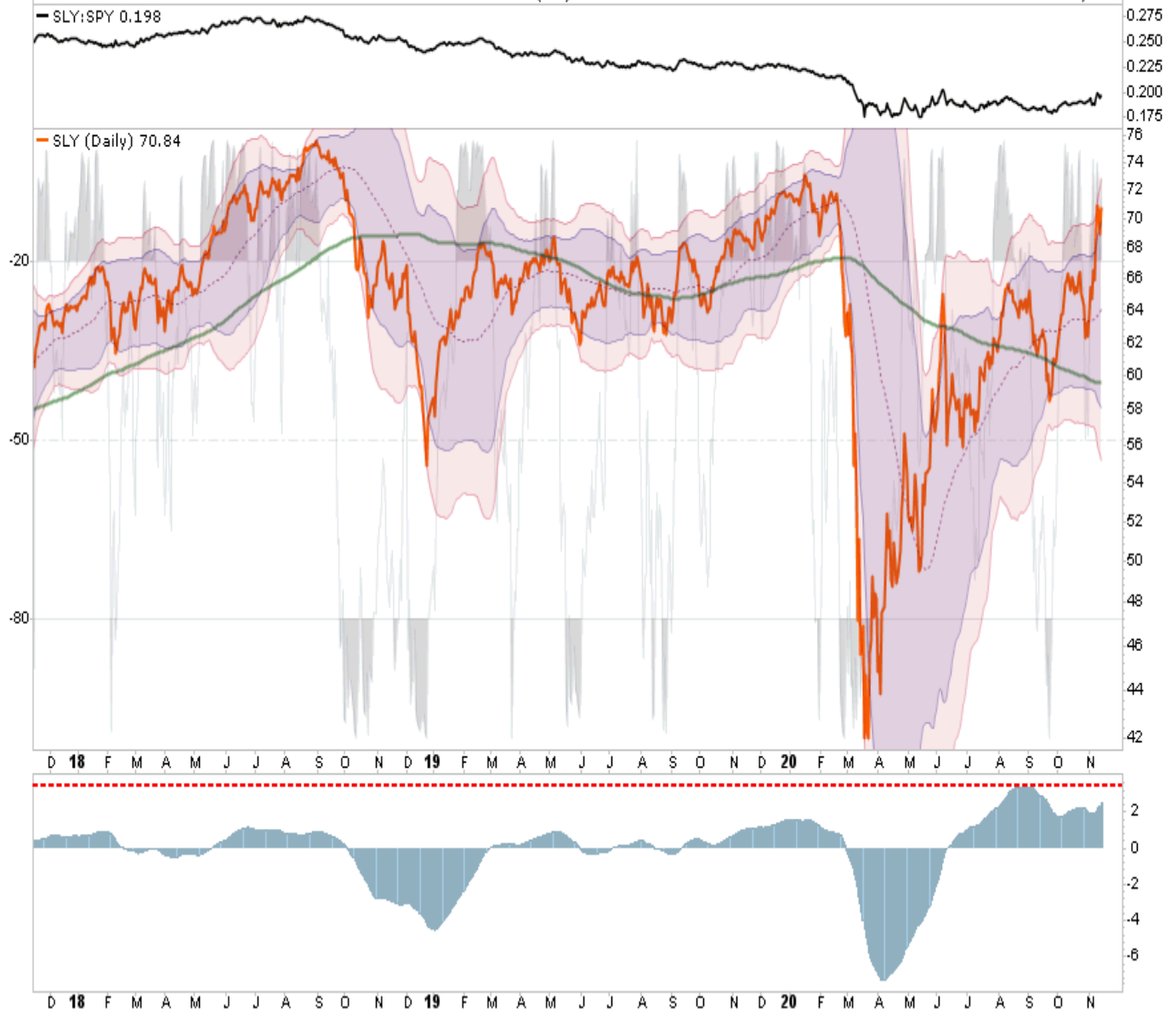
SLY SPDR S&P 600 Small Cap ETF NYSE

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Friday 13-Nov-2020

Open: **69.69** Ask: P/E: Options: **no**
 High: **71.06** Ask Size: EPS: Annual Dividend: **0.85961**
 Low: **69.69** Bid: Mkt Cap: **1.13B** Yield: **1.21%**
 Prev Close: **68.99** Bid Size: Last Size: SCTR (ETF): **88.7**

▲ **+2.68%**
 Chg: **+1.85**
 Last: **70.84**
 Volume: **20,228**



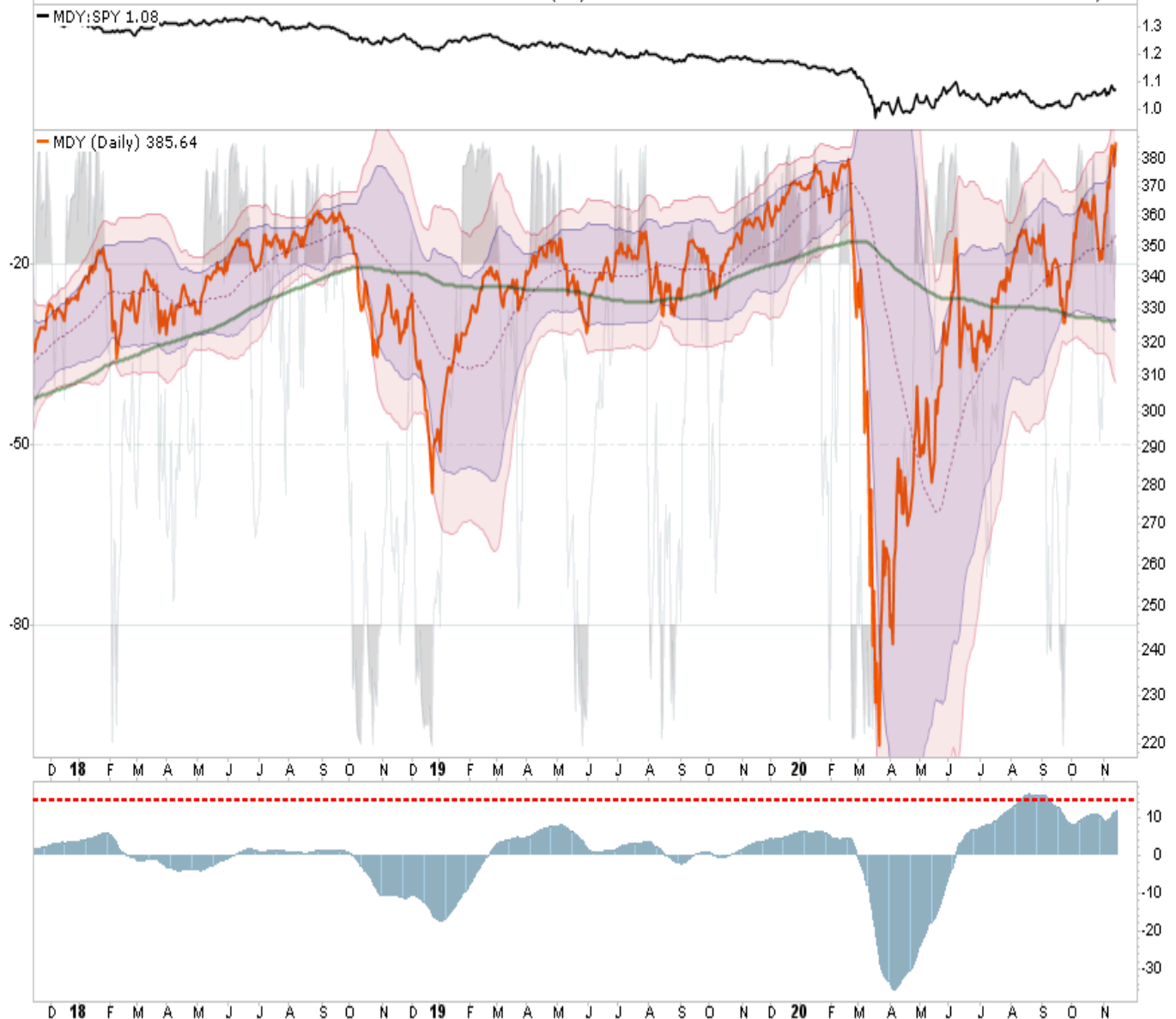
- *SLY is back to extreme overbought.*
- *Take profits and reduce risk next week.*
- *Short-Term Positioning: Bullish*
 - *Last Week: No positions*
 - *This Week: No positions.*
 - *Stop-loss set at \$60*
- *Long-Term Positioning: Bearish*

S&P 400 Index (Mid-Cap)

Friday 13-Nov-2020

Open: **380.45** Ask: P/E: Options: **yes**
 High: **386.21** Ask Size: EPS: Annual Dividend: **4.71345**
 Low: **380.45** Bid: Mkt Cap: **16.2B** Yield: **1.22%**
 Prev Close: **377.47** Bid Size: Last Size: SCTR (ETF): **79.3**

▲ **+2.16%**
 Chg: **+8.17**
 Last: **385.64**
 Volume: **634,406**



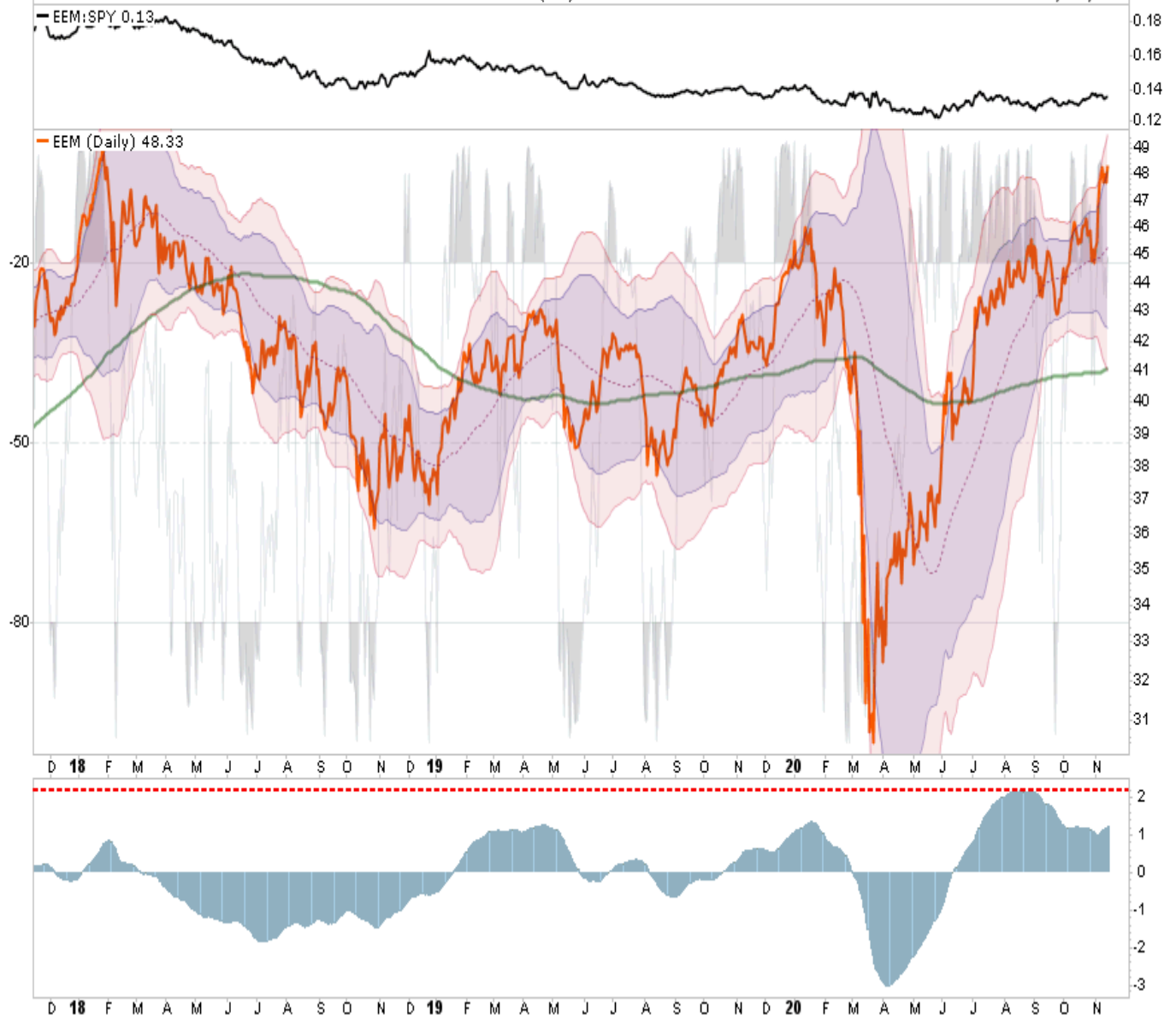
- Like SLY, MDY is back to extreme overbought levels.�
- Take profits and reduce risk accordingly. Look for pullbacks to the�50-dma that holds to add exposure.�
- The \$330 stop-loss remains intact, but just barely.�
- Short-Term Positioning: Bullish
 - Last Week: No holding
 - This Week: No holding
 - Stop Loss is set at \$330
- Long-Term Positioning: Bullish

Emerging Markets

Friday 13-Nov-2020

Open: **48.24** Ask: P/E: Options: **yes**
 High: **48.36** Ask Size: EPS: Annual Dividend: **0.89298**
 Low: **47.99** Bid: Mkt Cap: **26.1B** Yield: **1.85%**
 Prev Close: **47.66** Bid Size: Last Size: SCTR (ETF): **80.6**

▲ **+1.41%**
 Chg: **+0.67**
 Last: **48.33**
 Volume: **45,878,096**



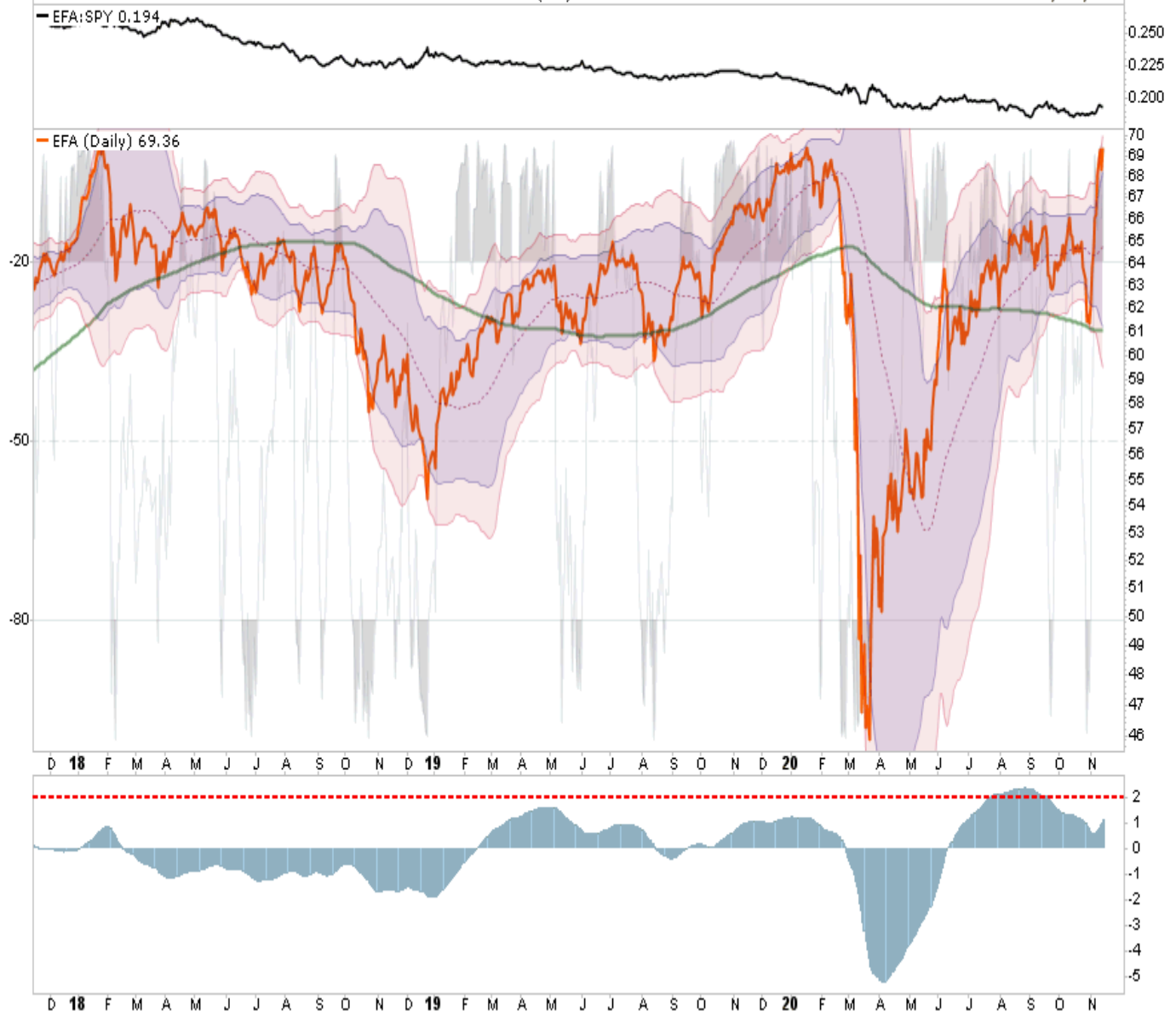
- *EEM is grossly extended and overbought. Take profits and reduce the risk for now and look for a pullback to the 50-dma for a trading opportunity.*
- **Short-Term Positioning: Bullish**
 - *Last Week: No position*
 - *This Week: No position.*
 - *Stop-loss moved to \$44 for trading positions.*
- **Long-Term Positioning: Bullish**

International Markets

Friday 13-Nov-2020

Open: **68.75** Ask: P/E: Options: **yes**
 High: **69.41** Ask Size: EPS: Annual Dividend: **1.63354**
 Low: **68.72** Bid: Mkt Cap: **49.8B** Yield: **2.36%**
 Prev Close: **68.32** Bid Size: Last Size: SCTR (ETF): **63.2**

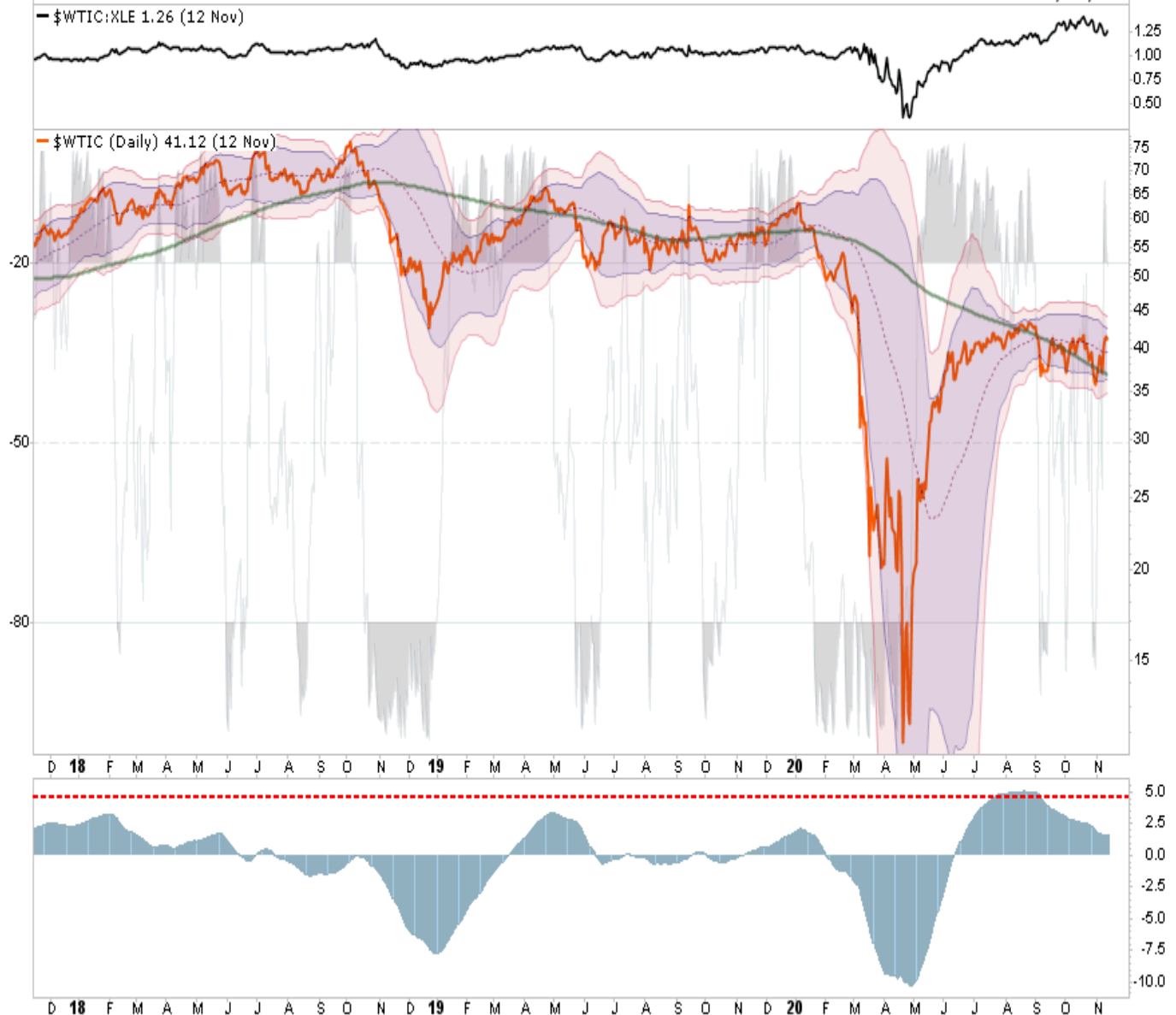
▲ **+1.52%**
 Chg: **+1.04**
 Last: **69.36**
 Volume: **17,414,908**



- *International markets are egregiously overbought and extended.*
- *Take profits and rebalance risk as needed.*
- *Use pullbacks that hold support at the 50-dma to add exposure.*
- *Maintain stops.*
- *Short-Term Positioning: Bullish*
 - *Last Week: No position.*
 - *This Week: No position.*
 - *Reset stop-loss at \$62*
- *Long-Term Positioning: Bullish*

West Texas Intermediate Crude (Oil)

Open: 41.47	Ask:	P/E:	Options: no	Thursday 12-Nov-2020
High: 42.19	Ask Size:	EPS:	Annual Dividend: N/A	▼ -0.80%
Low: 40.87	Bid:	Mkt Cap:	Yield: N/A	Chg: -0.33
Prev Close: 41.45	Bid Size:	Last Size:	SCTR:	Last: 41.12
				Volume: 38,536,600



- *The rally in oil finally came. Oil is not overbought yet, and energy stocks have finally started to outperform short-term.*
- *It is too early to jump in, but a bottom may be forming for a reasonable opportunity. We are still holding our small energy exposure, but we are building a shopping list if this rally can build support and hold.*
- **Short-Term Positioning: Bearish**
 - *Last Week: Hold positions*
 - *This Week: Hold positions*
 - *Stop for trading positions at \$32.50*
- **Long-Term Positioning: Bearish**

Gold

Open: **177.65** Ask: P/E: **-17.12** Options: **yes**
 High: **177.80** Ask Size: EPS: **-10.35** Annual Dividend: **N/A**
 Low: **176.84** Bid: Mkt Cap: **75.1B** Yield: **N/A**
 Prev Close: **175.96** Bid Size: Last Size: SCTR (ETF): **17.4**

Friday 13-Nov-2020
 ▲ **+0.70%**
 Chg: **+1.23**
 Last: **177.19**
 Volume: **5,829,547**



- After previously adding to our positions in GDX and IAU, we continue to hold our positions.
- Last week, gold and gold miners pulled back with the short-term rotation to value. Such is very likely a very limited trade and we will see a reversal back to concerns about the economy next week.
- We are going to look to add to our positions on this weakness that holds support.
- We believe downside risk is relatively limited, but as always, maintain stops.
- Short-Term Positioning: Bullish
 - Last week: No changes this week.
 - This week: No changes this week.
 - Stop-loss adjusted to \$165
 - Long-Term Positioning: Bullish

Bonds (Inverse Of Interest Rates)



- Bonds remain at historically very extreme oversold conditions. They bounced nicely last week but are not trading correctly just yet.�
- The upside potential in bonds from the current oversold condition is good and will coincide with a larger stock correction.�
- The "sell signal" is now at levels that have typically preceded more massive rallies in bonds, so continue to maintain exposure.
- Investors can add to Treasuries at current levels. Post-election, we will take our duration much further out.�
- Short-Term Positioning: Neutral
 - Last Week: Hold positions.
 - This Week: We increased TLT by 5% on Wednesday.
 - Stop-loss moved up to \$157.50
 - Long-Term Positioning: Bullish

U.S. Dollar

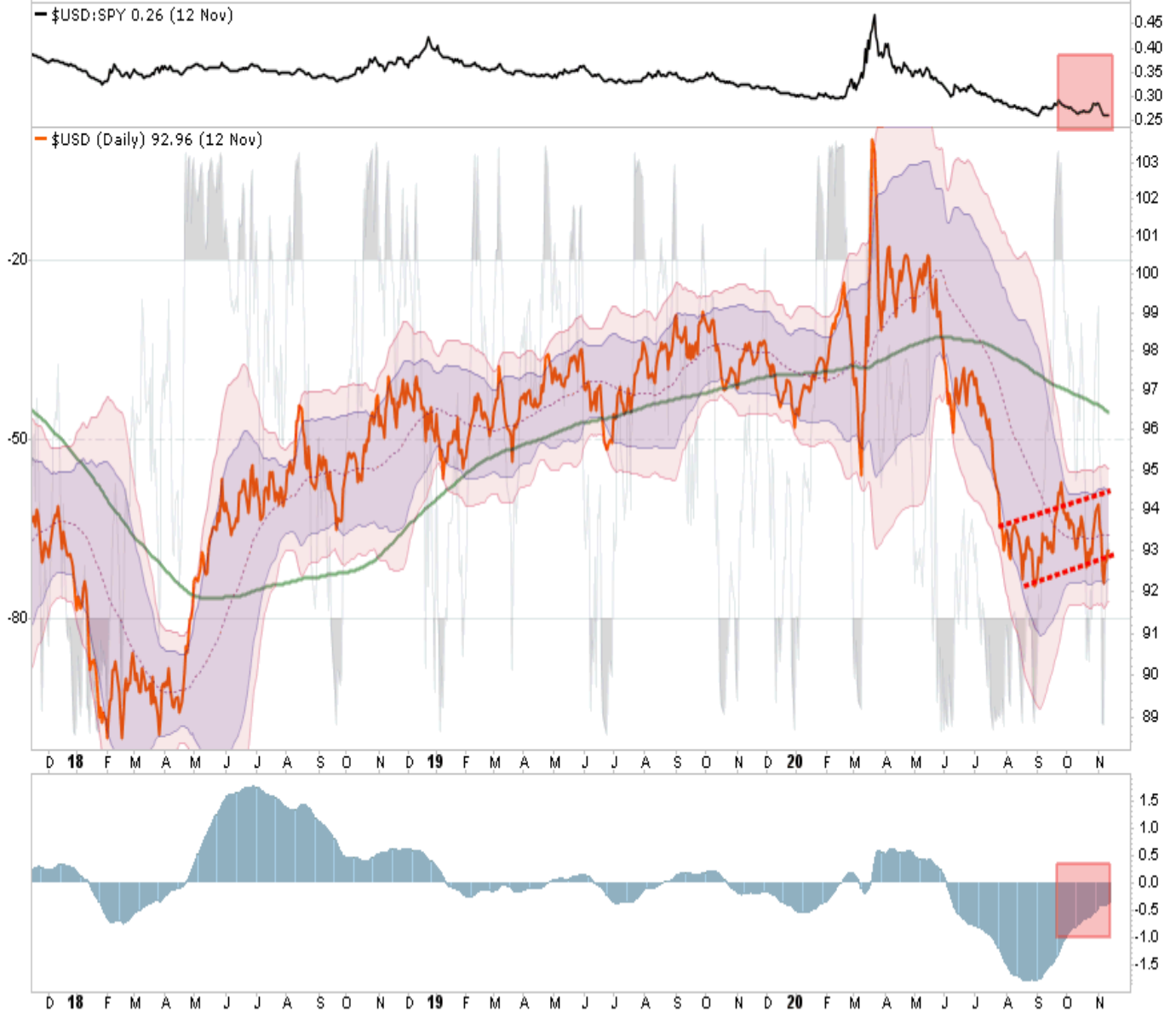
\$USD US Dollar Index - Cash Settle (EOD) ICE

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Thursday 12-Nov-2020

Open: **92.97** Ask: P/E: Options: **no**
 High: **93.12** Ask Size: EPS: Annual Dividend: **N/A**
 Low: **92.75** Bid: Mkt Cap: Yield: **N/A**
 Prev Close: **93.02** Bid Size: Last Size: SCTR:

Chg: **-0.07%**
 Last: **92.96**
 Volume: **0**



- The dollar rally stumbled last week and retested previous lows.
- However, the bottoming process continued, and the dollar rallied back into the uptrend channel it has been building.
- A breakout above that trend and the dollar rally will be on. Such will be bad for international stocks and commodities, so watch the dollar closely.
- Traders can continue to build a position here with a stop loss at recent lows. 2013266080;
- Stop-loss adjusted to \$92.