

Each week we produce a chart book of the major financial markets to review whether the markets, as a whole, warrant higher levels of equity risk in portfolios or not. Stocks, as a whole, tend to rise and fall with the overall market. Therefore, if we get the short-term trend of the market right, our portfolios should perform respectively.

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



- Long-term trend line is currently broken
- Previous support from February lows has been broken and is now resistance.
- Currently on very deep sell-signal (bottom panel)
- Currently very oversold (top panel)
- Short-Term Positioning: Bullish
 - Buy with target of \$260
 - Stop-loss is currently \$235
- Long-Term Positioning: Bearish

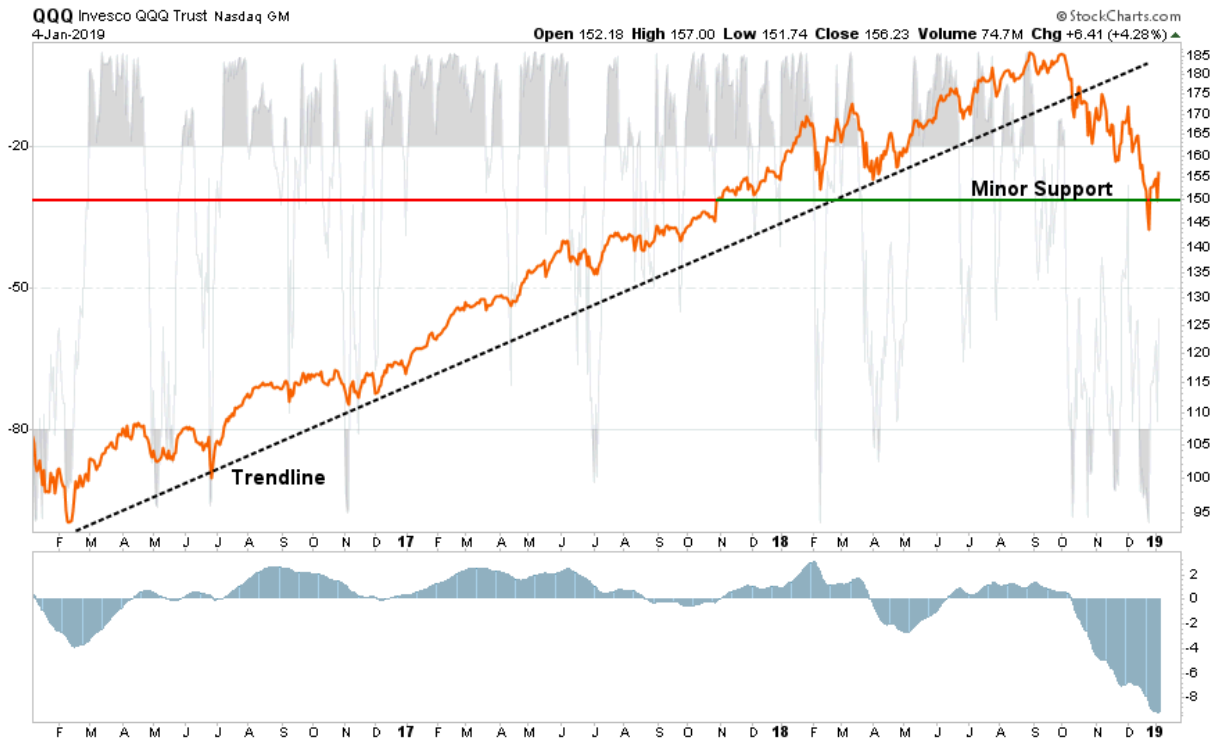
Dow Jones Industrial Average



- Long-term trend line is currently broken

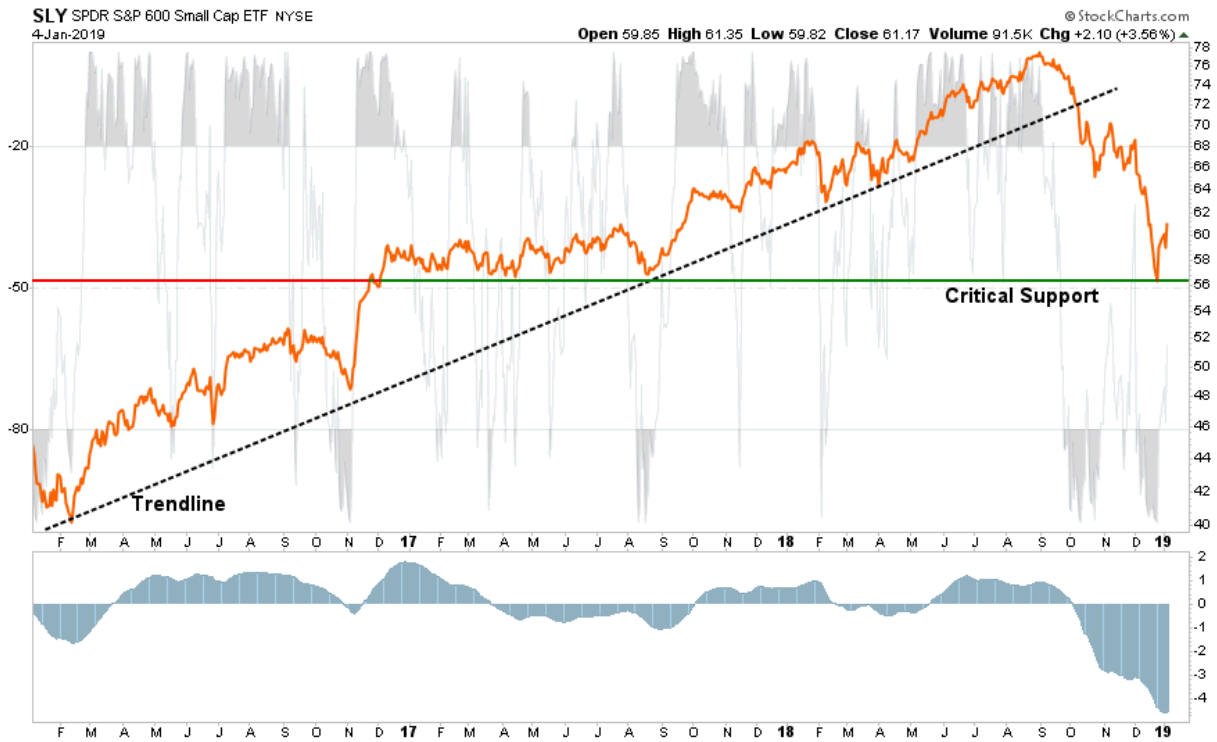
- Previous support from February lows has been broken and is now resistance.
- Currently on very deep sell-signal (bottom panel)
- Currently very oversold (top panel)
- Short-Term Positioning:
 - Bullish Buy with target of \$240
 - Stop-loss is currently \$215
- Long-Term Positioning: Bearish

Nasdaq Composite



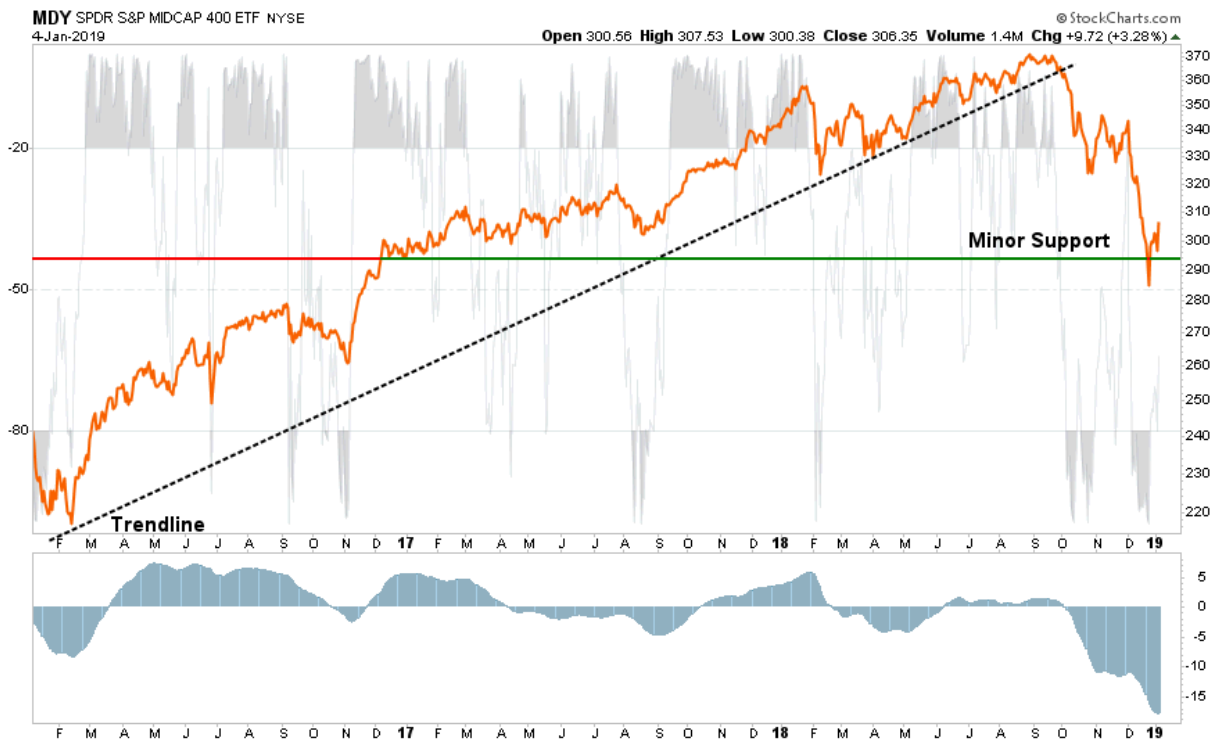
- Long-term trend line is currently broken
- Previous support from February lows has been broken but market is currently sitting on very minor support.
- Currently on very deep sell-signal (bottom panel)
- Currently very oversold (top panel)
- Short-Term Positioning: Bullish
 - Buy with target of \$160
 - Stop-loss is currently \$142.50
- Long-Term Positioning: Bearish

S&P 600 Index (Small-Cap)



- Long-term trend line is currently broken
- Previous support from 2017 consolidation is currently holding.
- Currently on very deep sell-signal (bottom panel)
- Currently very oversold (top panel)
- Short-Term Positioning: Bullish
 - Buy with target of \$65
 - Stop-loss is currently \$56
- Long-Term Positioning: Bearish

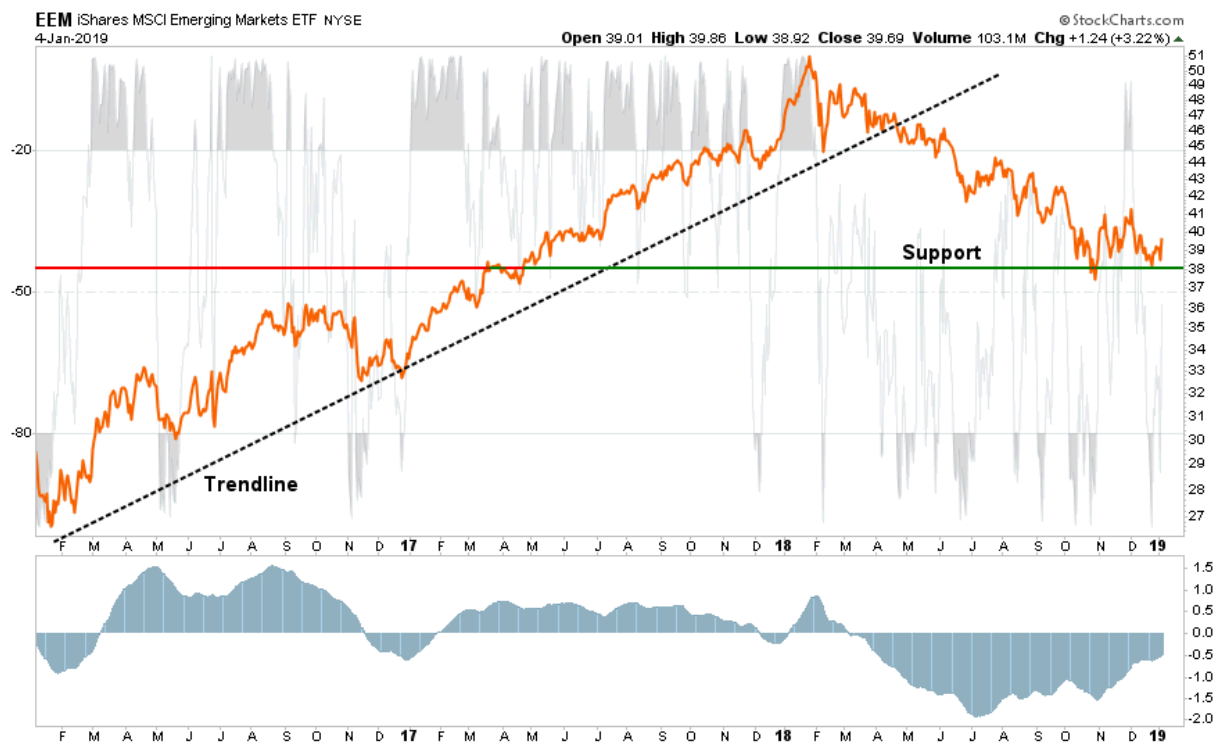
S&P 400 Index (Mid-Cap)



- Long-term trend line is currently broken

- Previous minor support from late 2016 is currently holding.
- Currently on very deep sell-signal (bottom panel)
- Currently very oversold (top panel)
- Short-Term Positioning: Bullish
 - Buy with target of \$325
 - Stop-loss is currently \$285
- Long-Term Positioning: Bearish

Emerging Markets



- Long-term trend line is currently broken
- Previous minor support from early 2017 is holding for now.
- Currently on very deep sell-signal (bottom panel)
- Currently very oversold (top panel)
- Short-Term Positioning: Bullish
 - Buy with target of \$41
 - Stop-loss is currently \$38
- Long-Term Positioning: Bearish

International Markets



- Long-term trend line is currently broken
- Previous support from early 2017 is currently holding.
- Currently on very deep sell-signal (bottom panel)
- Currently very oversold (top panel)
- Short-Term Positioning: Bullish
 - Buy with target of \$62
 - Stop-loss is currently \$57
- Long-Term Positioning: Bearish

West Texas Intermediate Crude (Oil)



- Long-term trend line is currently broken

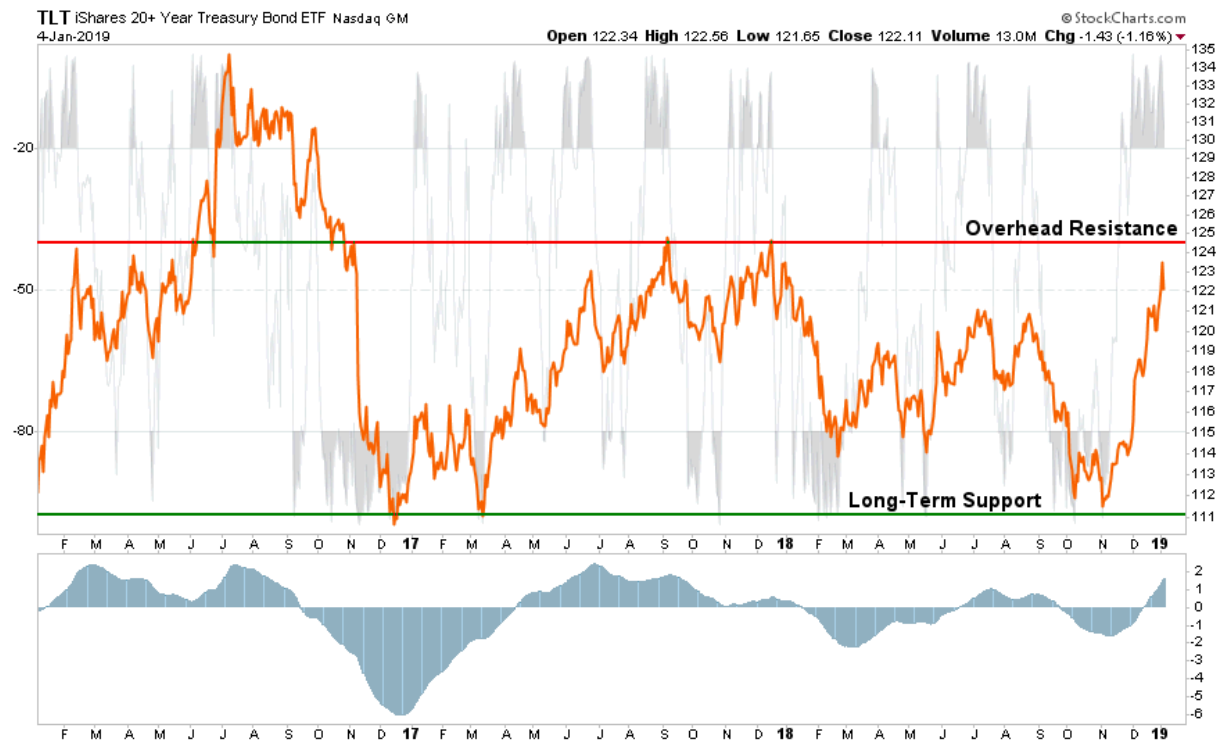
- Previous important support from the 2016-2017 consolidation is being tested.
- Currently on very deep sell-signal (bottom panel)
- Currently very oversold (top panel)
- Short-Term Positioning: Bullish
 - Buy with target of \$60
 - Stop-loss is currently \$42.50
- Long-Term Positioning: Bearish

Gold



- Long-term trend line has been recovered.
- Previous support held and price has turned higher.
- Currently on an early buy-signal (bottom panel)
- Currently very overbought (top panel)
- Short-Term Positioning: Bullish
 - Buy On Pullback To \$120
 - Stop-loss is currently \$119
- Long-Term Positioning: Improving•From•Bearish•To•Bullish

Bonds (Inverse Of Interest Rates)



- Long-term support continues to hold at \$111.
- Currently on an early buy-signal (bottom panel)
- Currently very overbought (top panel)
- Resistance currently overhead at \$124.50
- Positioning: Look to buy on pullback to \$121
- Stop-loss remains at \$117
- Long-Term Positioning: Bullish