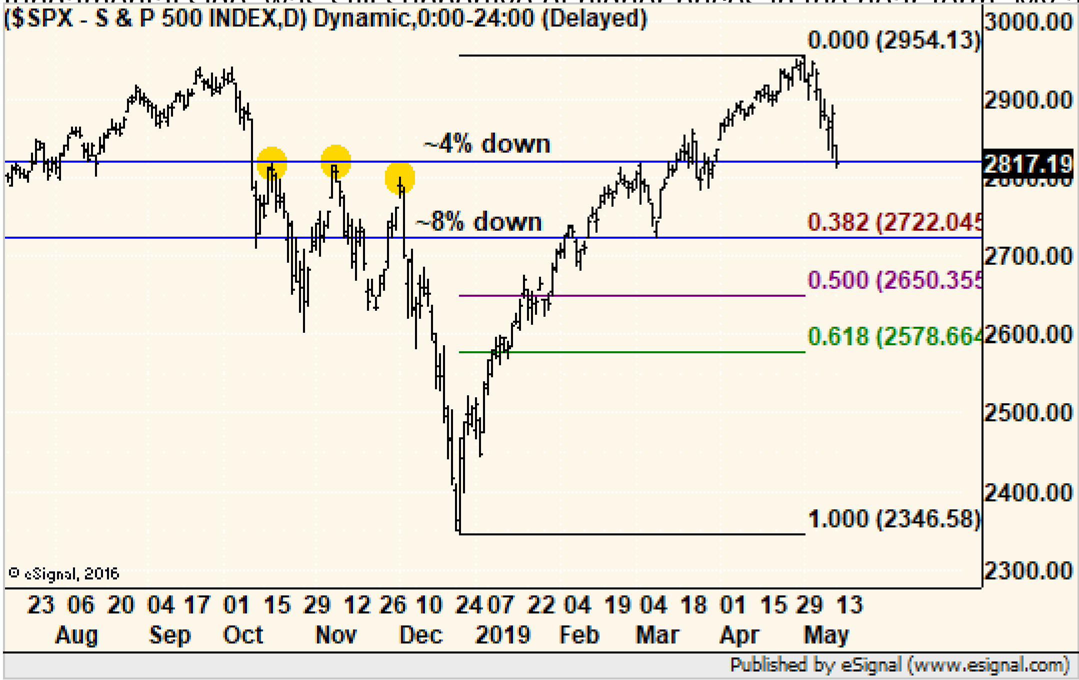
Just a week ago, I was still fairly comfortable with the bullish argument. Note that I did not say that I was a bull, or a bear, or any other market animal. What I saw on the charts, and yes, from the fundamental side, was still supportive of higher prices in the near term. My argument to

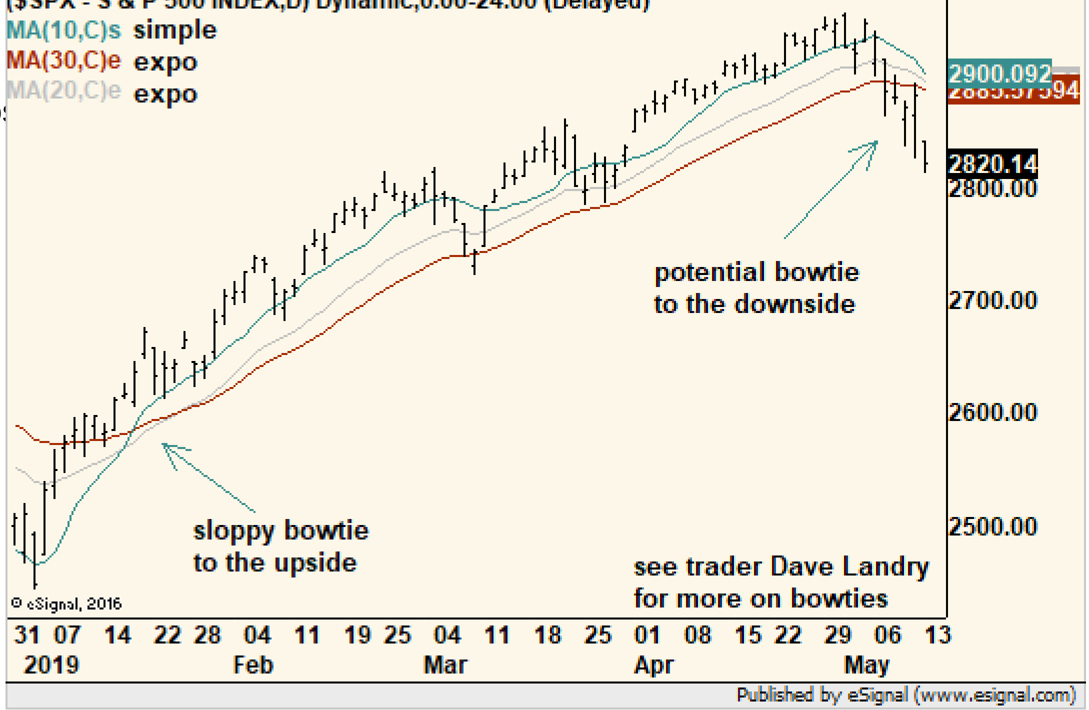
...ce where those looking

And naturally, the next



Could it be the 38.2% Fibonacci from the December low? That would be roughly an 8% decline from peak prices in May. Hmmm? that seems a bit hefty for a garden variety pullback. That?s more like a correction if we are to believe the concocted cutoffs pushed by the media *(10% is a correction, 20% is a bear market). I prefer to call then farkakteh cutoffs. (I like that this word was in MS-Word?s spell check).*

So what?s next? Well, Monday morning as the Dow is down 500 or so on the latest on-again, off-again trade talks with China, the S&P is down about 4% from its peak. That seems reasonable for a pullback. No, I am not calling a bottom here, just looking for likely places that might occur. Lo and behold, there is support there from October, November and December interim highs. But when emotions rule ? more than usual ? these are but mere suggestions of support. I certainly would not buy based solely on that. One thing that caught my eye over the past week was that these opening morning dumps have mostly been reversed as the days wore on. Again, no forecast of that but if it happens yet again then we have to admit that there is still a good desire to buy stocks, despite the news. Market breadth really did not deteriorate much. Not too much money flowed out of the major ETFs. And gold is not moving higher. All things that right now are not so bad for stocks. But keeping with money flows, each peak over the past year has been trending lower, even though prices made similar or higher highs.• That?s not great. My conclusion? It is close to decision time. **The pullback is still in line with a rising trend from December** and is still above the 200-day average. But I need some sort of signal that the upside reversal is at hand because I also see a downside bowtie cro



evaluate my stance.

Myopia As a long-time glasses and contact lens wearer, I am quite qualified to define this word. It means being able to see what?s right in front of me but not what?s out there farther away.• You may call it ?nearsighted.? As a side note, I?ve had cataract surgery on both eyes and no longer need any corrections. I won?t say it has helped my market forecasting but I am quite happy with the results, otherwise. Anyway, we often zero in on the S&P 500 as the go-to index we use in prognosticating. As some now look for a potential triple top here (I disagree with that characterization, but that is for another time), the same pattern is not evident in other major indices. The Dow is close to having three similar peaks. NYSE composite? No. Russell 2000? No. Transports? No. And even my ?four horsemen? sectors (tech, housing, retail and financial) are not even close to this formation. Therefore, it is hard for me to say that ?the market? hit resistance and fell away. Yes, the S&P 500 is the big daddy of market cap but it is also rather at the mercy of international trade. And right now, everyone seems to have their panties in a bunch over China. Without getting sucked into the politics, the Chinese stock market looks a lot weaker than the domestic market and that tells me they have a weaker hand to play. The numbers here still look pretty good (yeah, fundamental dabbling). And as long as Congress is in full gridlock mode, that is usually pretty good for stocks, too. Therefore, **I am hopeful but waiting for a sign that the buyers are back for real.** If not, this is not a falling knife I?m willing to catch.