MARKET TREND + FUTURE FORECAST

The Russia/Ukraine turmoil has forced investors/traders to focus on other assets with a frenzy of trading from Exchange Traded Funds (ETFs) tracking gold, currencies, commodities and government funds. The fear of a prolonged inflation and lower economic growth has brought about a stagnation similar of the 1970s. The dilemma of triple I’s (inflation, interest rates, Israel) has been replaced with (inflation, interest rates, Russia). Investors are being faced with the highest economic uncertainties which have not been seen in decades. Causative for soaring global commodities prices. The Brent Crude oil prices shot up to $139/barrel. The surge in price of oil up 25% since Russia’s invasion of Ukraine. The Fed’s stance on inflation has provided its decision to mitigate inflation with hawkish increases in interest rates. Chinese stocks imploded by the Chinese government positive statement on its regulatory blowback. The month long sell-off in the market has been bracing investors/traders with increased volatility. Emanating with trading tactics: “Spoofing” where traders flood the market with fake orders to push a stock price up or down, “scalping” where traders/activist short sellers: cash out their positions without disclosing it.

- Arms Index (Short-term trading index) /TRIN/, hovering at (0.85-0.97) for both “NASDAQ” and “NYSE”. Market pulse: correction/retraction in progress. The sharp sell-off/bear market manifesting nearly -12% for Dow Jones Ind (^DJI), -10% for S&P 500 (^GSPC) and over -22% for NASDAQ Composite (^IXIC^). Technical picture indicative of death cross pattern being established for S&P 500 and Dow Jones and S&9 500 on the verge of establishing the pattern of death cross. Dow Jones Transport (^DJT) completed its steep correction/retraction mode has broken up through 50 & 200-DMA to challenge upper head resistance (16,500-16,680). The performance of (^DJT), the complementary mode to Eliot Wave Theory. Seeking the bottoming, base building for Major Indices awaiting the “buy signal”

Major indices are set to continue ascending subject to the fundamentals of triple E’s (earnings, earnings, earnings) based on expected P/E on the major indices with replacement earnings.

- Dow Jones (^DJI) @ $1,788.00, P/E of 24: could visit 39,336 set a new closing high of 36,799.65 on 01/04/22
- Dow Jones Transport (^DJT) set a new closing high of 17,039.16 on 11/02/21
- S&P 500 (^GSPC) @ $204.25, P/E of 24: could visit 4,493.50 set a new closing of 4,796.56 set on 01/03/22.
- NASDAQ Composite (^IXIC) set a new closing high of 15,986.70 set on 11/08/21

DOW MOMENTUM (^DJI): (33,820-35,200)
S&P 500 MOMENTUM (^GSPC): (4,210-4,461)
NASDAQ COMP MOMENTUM (^IXIC): (12,908-13,830)
LONG POSITIONS

BLOCK INC /SQ/ @ 122.73
Up from 106.83. Short squeeze in progress. Add to long positions. Raise stop loss to 91 from 88. Volatile.

CHEVRON CORP /CVX/ @ 159.27
Up from 155.70. Has approached near term objective of 169. Volatility in progress to digest consolidate recent gains. Add to long positions. Raise stop loss to 139 from 128. Volatile.

ETSY, INC /ETSY/ @ 137.39
Down from 150.49. Reversal to challenge the bottom leg of its death cross (147-149). Add to long positions. Raise stop loss to 121.

OVERSTOCK.COM, INC /OSTK/ @ 50.02
Down from 51.66. Has fallen below its bottom leg of its death cross (39-41) short covering aiding its reversal. Raise stop loss to 41 from 38.

SOLAREDGE, INC /SEDG/ @ 309.76

TARGET CORP /TGT/ @ 217.97
Down from 224.73. Heading to refill the upped-gap (204-220) set on Feb '22. Add to long positions. Retain same stop loss of 195. Volatile.

COINBASE GLOBAL /COIN/ @ 173.84
Up from 170.68. Pressured by the tech/information services. Sell-off could find support at current prices (149-155) if not stopped out at 165. Add to long positions. Retain same stop loss of 165. Volatile.
ALIBABA GROUP HLDG /BABA/ @ 97.95
Down from 101.89. Made a new low of 77.08. Rebound due to short covering: Chinese stocks implosion: the culprit. Add to short positions. Recommended in Shortex #602-21 at 325.65, #604-21 at 238.16, #607-21 at 216.5, #609-21 at 199.50 and #611-21 at 157.29 to cover short at 119. Retains same stop loss of 126. Volatile.

BEYOND MEAT /BYND/ @ 45.94
Up from 42.99. Made a new low of 36.10. Recommended in Shortex #598-20 at 131.12, #610-21 at 120.45, #612-21 at 105.75 to cover short at 79. Volatile. Add to short positions. Retain stop loss to 58. Volatile.

FOOT LOCKER /FL/ @ 31.86
Stagnant. Not a good sign in today’s bear market. Liquidate/cover short if closed at or above 35.

ROKU, INC /ROKU/ @ 116.07
Down from 128.82. Continue making new lows. Downtrend below its death cross to continue. Add to short positions. Lower stop loss to 141 from 163. Volatile.

SAGE THERAPEUTICS /SAGE/ @ 33.21
Down from 34.89 to new low of 30.48. Recommended in Shortex #604-21 at 208.12, #605-21 at 184.60, #606-21 at 156.21 and #610-21 at 42.85 to cover short at 21. Add to short positions. Retain same stop loss of 44, Volatile.

ZOOM VIDEO /ZM/ @ 108.33
Down from 114.40. Making new low of 94.51. Recommended in Shortex #602-21 at 354.64 to cover short at 298, #610-21 at 295.00 and #611-21 at 259.53 to cover short at 199. Add to short positions. Lower stop loss to 136 from 151. Volatile.

SNOW SOFTWARE, INC /SNOW/ @ 201.93
Down from 221.73. Continued plunges 1st (270-221), 2nd (218-198), 3rd (180-165). Made a new low of 164.36. Add to short positions. Lower stop loss to 249 from 264. Volatile.