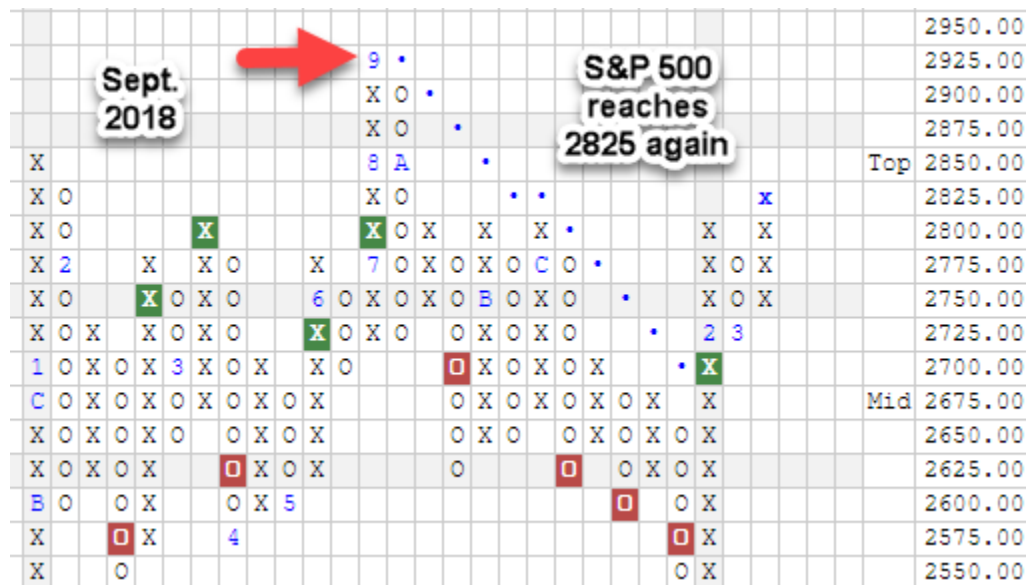
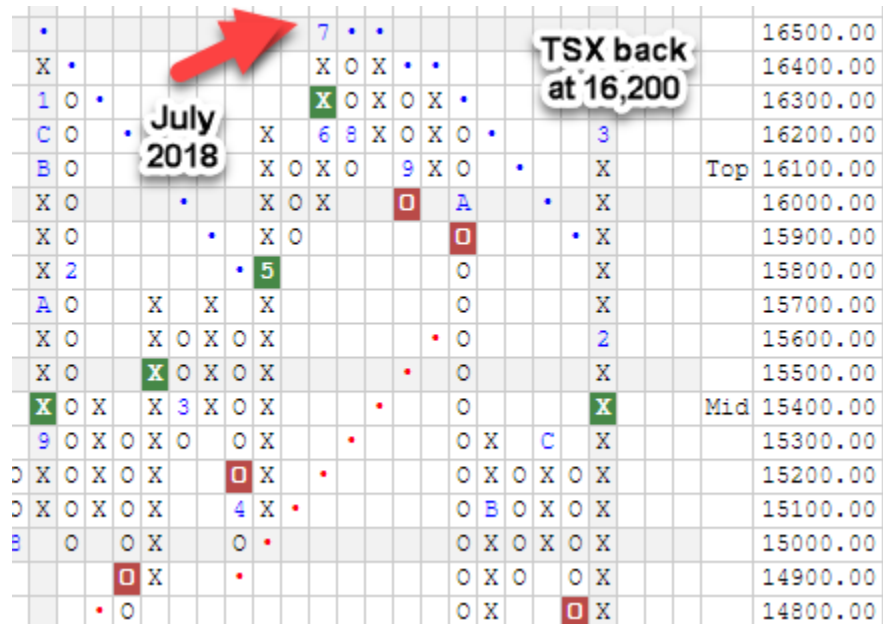


The S&P 500 Breaks Through 2825!

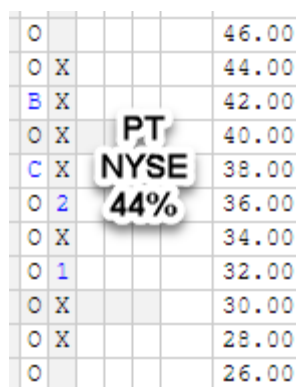
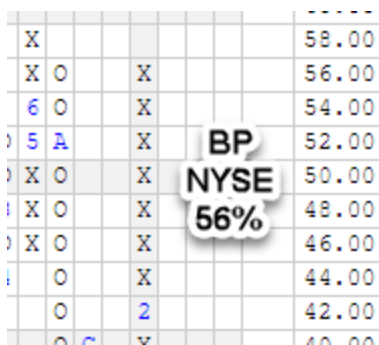
Are we going back to the top? *It's been around 6 months since the S&P 500 peaked in September at around 2940* and subsequently descended to the 2350 level on December 24, 2108 - Merry Christmas (not). **We saw many of our indicators hit rock bottom and then reverse up in January** which led to my New Year's blog – Did we Hit Rock Bottom? Well, for the time being anyways. It continues to be a very impressive reversal through what was deemed the final resistance level of 2825 which we could not conquer in the 4th quarter of 2018 despite 3 attempts. **We are now looking up at the previous top.** How far we go continues to be a guessing game that we are able to reassess every day. So far, it's been exactly what we hoped for. I'm sure we can always think of something better but as of today it looks OK. The opportunity was obviously more pronounced in early January with washed out indicators.



Many of the international markets have also moved up in 2019 and **the Toronto TSX certainly has not been a laggard**. Remember, it peaked a bit earlier last year in July 2018 at around 16,500 and has made it back to the 16,200 level. So this has certainly not been a one person show.



We also continue to see many of indicators move ahead including the NYSE Bullish Percent. It currently sits at the 56% level. However, we did see the S&P 500 Bullish Percent reverse down to 66% from 72% so we still have around two thirds of the 500 stocks that make up the S&P 500 on buy signals. Finally, the longer term NYSE Positive trend indicator sits at 44% - still below the half way point we have discussed many times before. **So the primary bullish percent indicators in the US are now beyond 50% and the Positive Trend indicator for NYSE is below 50%.** Remember in October 2018, this Positive Trend indicator moved below 50% and it turned out to be sending a message for those that were listening. Currently, we have good field position going north. When that changes will be a discussion for the future.



Please call or email me any questions.

Point & Figure Charts and stock market data provided by Nasdaq Dorsey Wright

Disclaimer Notice: This publication is solely the work of Michael Farrell for the private information of his clients. Although the author is a Manulife Securities Advisor, he is not a financial analyst at Manulife Securities Incorporated (“Manulife Securities”). This is not an official publication of Manulife Securities. The views, opinions and recommendations are those of the author alone and they may not necessarily be those of Manulife Securities. This publication is not an offer to sell or a solicitation of an offer to buy any securities. This publication is not meant to provide legal, accounting or account advice. As each situation is different, you should seek advice based on your specific circumstances. Please call to arrange for an appointment. The information contained herein was obtained from sources believed to be reliable; however, no representation or warranty, express or implied, is made by the writer, Manulife Securities or any other person as to its accuracy, completeness or correctness.