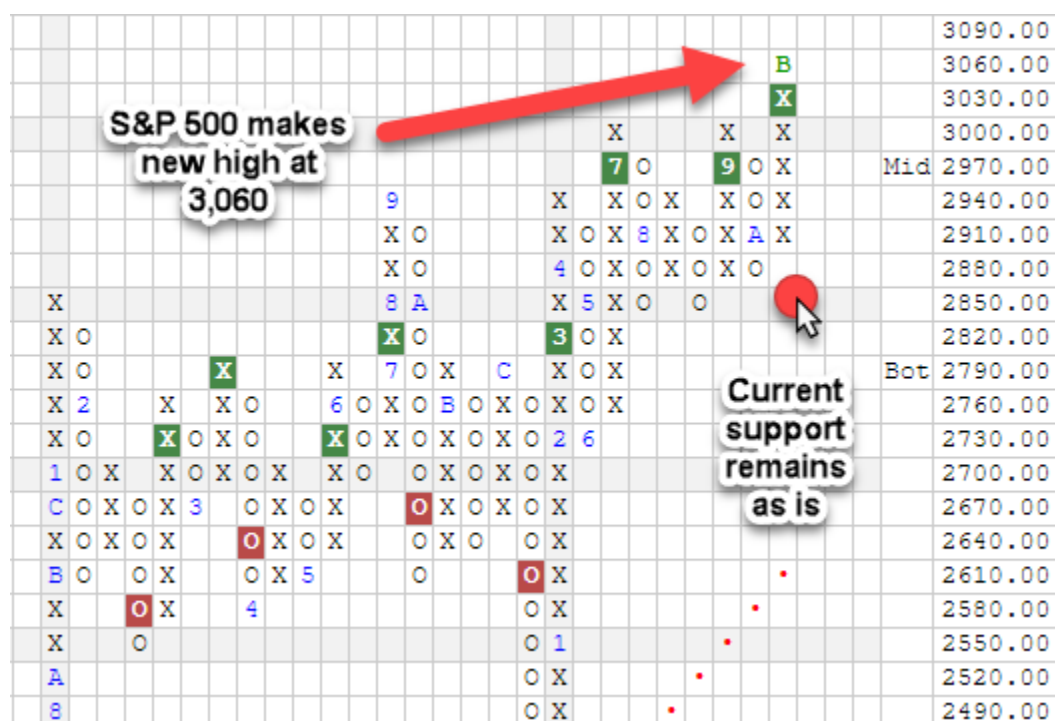


The Breakout

Last week we saw the US S&P 500 definitively breakout to the upside despite seeing some questionable earnings from a number of industrial companies during earnings season. Many pundits were talking about an earnings recession and an industrial recession and there was certainly truth in those prognostications. **However, the US stock market and many more global stock markets ignored these headwinds and moved to the upside** suggesting the future may still have some growth. We will have to wait and see.



In the month of October, our primary Indicator, the Bullish Percent for the NYSE (BPNYSE) that measures the percentage of NYSE stocks on a Point & Figure buy signal made a higher low as it reversed up from the 42% level and now is looking to move north beyond 52% which was the July high for this indicator. **If we start making some higher highs and higher lows in this indicator beyond the 50% level then a bullish development is likely to continue.**

			X																			70.00	
1			1	O																		68.00	
X	O	C	O																			66.00	
X	O	A	2																			64.00	
C	3	9	O																			62.00	
X	5	X	O																			60.00	
X	8	X	O			X				4												58.00	
X	O		O			X	O			X	O											56.00	
X		O	X	6	O					X	O											54.00	
X		O	X	O	5	A				X	5	X									B	52.00	
		O	X	O	X	O				X	O	7	O	X								X	50.00
		O	X	3	X	O				X	O	6	O	X	O							X	48.00
		O	O	X	O					X	O	X	8	X	O							X	46.00
				4	O					X	O	X	O	9	A	X							44.00
				O						2	O		O	X	O								42.00
				O	C	X						O	X										40.00
				O	X	O	X					O											38.00
				O	B	O	X																36.00
				O	X	O	X																34.00
				O	X	O	X																32.00
				O	O	X																	30.00

BPNYSE hits Bull Confirmed Status at 52%

It is certainly nice to see the international markets also move ahead and go on another buy signal at \$67 when we look at the Ishares MSCI EAFE ETF – EFA. The prior high here was \$75 in January 2018

																								70.00	
X	•																							75.00	
X	O	•																						74.00	
X	O	•	•																					73.00	
X	2	X	5	•																				72.00	
1	O	X	O	4	O	•																		71.00	
B	O	X	O	X	O	•	•																	70.00	
A	O	X	3	X	O	X	9	•																69.00	
9	O	X	O	6	X	O	X	O	•														B	Top	68.00
6	O			0	X	O	X	O	•	•												X		67.00	
X				7	8	A	4	•	X	•	X													66.00	
5						0	3	O	9	O	X													Mid	65.00
X						O	B	X	O	X	O	X												64.00	
4						O	X	O	2	8	X	A												63.00	
X						•	O	X	O	X	O													62.00	
3						•	O	C	X															Bot	61.00
1						•		0	1															60.00	

International ETF makes new signal at \$67.00

So, it's good to see this advance be reflected in a broad based rally on a number of fronts with the opportunity to go higher. Whether it does or not will continue to be influenced by the daily news and the real news.

Please call or email me any questions.

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

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