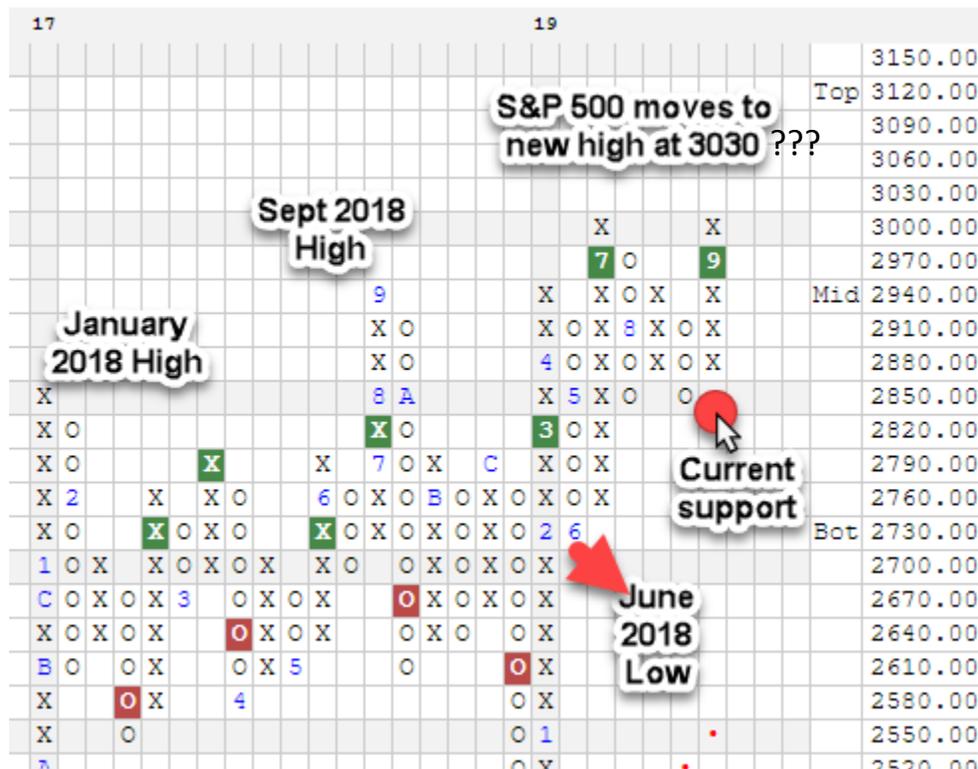


Back to New Highs?

Although many of our indicators descended to lower levels in August, the US S&P 500 has shrugged off this resistance and is looking to break out to higher highs. Will this happen is on the minds of many market players but nobody really knows for sure. **If it does happen, sustaining the new highs is likely the better the question.** What we do know is the S&P 500 just hit 3,020 which is what it hit in July of this year. This is higher than the previous September high of 2940 and the January 2018 high of 2860. Higher highs are generally perceived as a good thing but the previous highs were met with some significant selling. The good news is we have developed tighter ranges to determine if demand remains in control with 2820 being the new downside support level.



Our primary Indicator, the Bullish Percent for the NYSE (BPNYSE) that measures the percentage of NYSE stocks on a Point & Figure buy signal has reversed up to 48% but is still well below the April level of 58% or the July level of 52%. So the S&P 500 is moving ahead with fewer contributors. **We can certainly see some of the old leaders lagging the market** when we look at Amazon, Facebook, Apple and Alphabet or Google below their previous highs. The market is looking to make new highs but the prior leaders have some work to do. What is occurring will be determined in the future.

									60.00
X			4						58.00
X	O		X	O					56.00
6	O		X	O					54.00
O	5	A	X	5	X				52.00
O	X	O		X	O	7	O		50.00
3	X	O		X	O	6	O	X	48.00
O	X	O		X	O	X	8	X	46.00
4		O		X	O	X	O	9	44.00
		O		2	O		O	X	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
			O	X					28.00
			O	X					26.00
			O	X					24.00
			O	1					22.00

**BPNYSE
moving up
at 48%**

Currently, we have the BPNYSE moving up but in the lower half of the field. We also see that the Positive Trend indicator has yet to reverse up and remains in the lower half of the field. So we have our two main indicators currently advancing. We are hopeful that this this advance is the beginning of a long run.

Last blog, we did mention that we like to watch the credit market and see if high yield interest rates for Corporations are rising or falling. We like to see the HYG ETF rising which it has and did not make a lower low in August. **The upwards movement of this ETF is encouraging and something we will continue to monitor.**

7	.									89.00		
5	O	.							Top	88.50		
4	O	1	.							88.00		
X	8	X	O	.			X			87.50		
X	B	X	O	.	.	4	X	O	X	87.00		
X	O	2	X	4	.	X	O	X	O	Mid	86.50	
		O	X	O	X	O	3	O	X	8	X	86.00
		O	X	O	X	O	2	5	X	O	85.50	
		O	X	3	7	X	O	X		85.00		
	.	O		A	X	6			Bot	84.50		
	.			O	X					84.00		
	.			B	X					83.50		
				O	X					83.00		
				C	X					82.50		
				O	X					82.00		
				O	1					81.50		
				O	X	.				81.00		
				O	X	.				80.50		
				O	.					80.00		

**HYG
reverses
up to 87**

So whether this current advance can continue or will be thwarted by a tweet as we have seen in the past is certainly worth watching. **Perhaps we will get a positive tweet and see an opposite reaction?**

Please call or email me any questions.

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

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