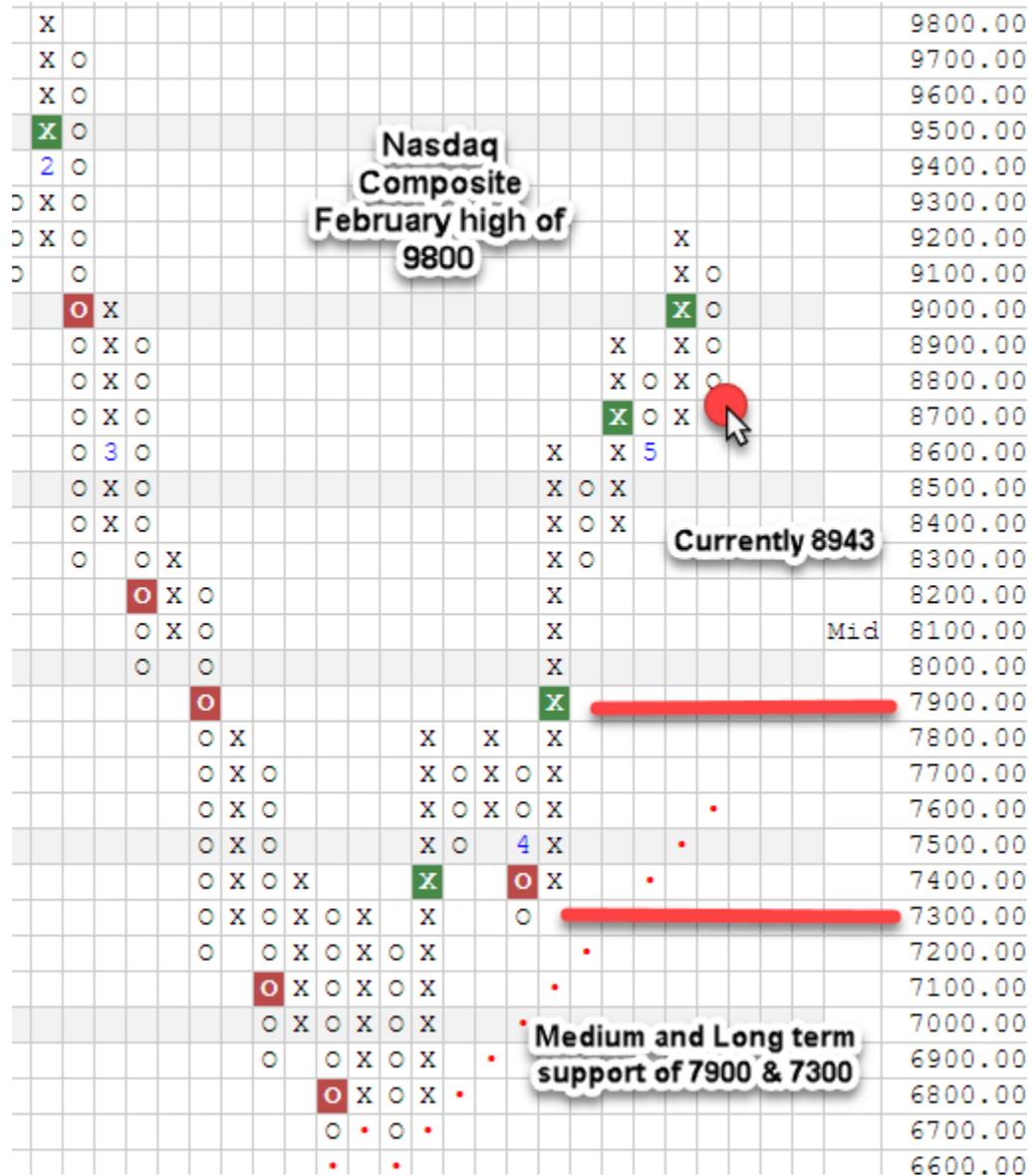


Too Far too Fast?

Volatility certainly seems to be the name of the game lately. The stock markets went down very fast and bounced back (somewhat) very fast. **The Leading Nasdaq Composite made it back to where it started the New Year** – the start of the New Decade. Remember the Roaring 20's?



Well we have had some indigestion the last couple of days with the major markets trading lower and **some significant decreases in the Bullish Percent indicators**. Remember the Bullish Percent indicator measures the percentage of stocks on a buy signal for a particular exchange or index. The New York

Bullish Percent reversed down below the 50% demarcation point to 40%. The April low is close by at 38% so we will see if we can hold that level. The lower we go the more washed out the market can become. It would be very unusual to go back to the March low of 6% for this indicator.

In the meantime, the Positive Trend indicator for the NYSE has not reversed down from the 30% level but its upside momentum is questionable as it comes in at 26.65%. **A full reversal down at 24% would put additional pressure on the main index to the downside.** The leading Nasdaq 100 currently has 80% of it's stocks in Positive Trend. Certainly one to watch for any leakage there and another indication that the Nasdaq is leading.

So, risk has certainly increased and so has the volatility since the beginning of the year. However, volatility has currently decreased since March, 2020 and is presently in a downtrend based upon the VIX. Perhaps we can witness another quick reversal to the upside but it may be awhile before Toronto's TSX and the S&P 500 get back to where they started the New Year. It can certainly be a trading market in the meantime although **gold continues to be moving forward.**

Please call or email me any questions.

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

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