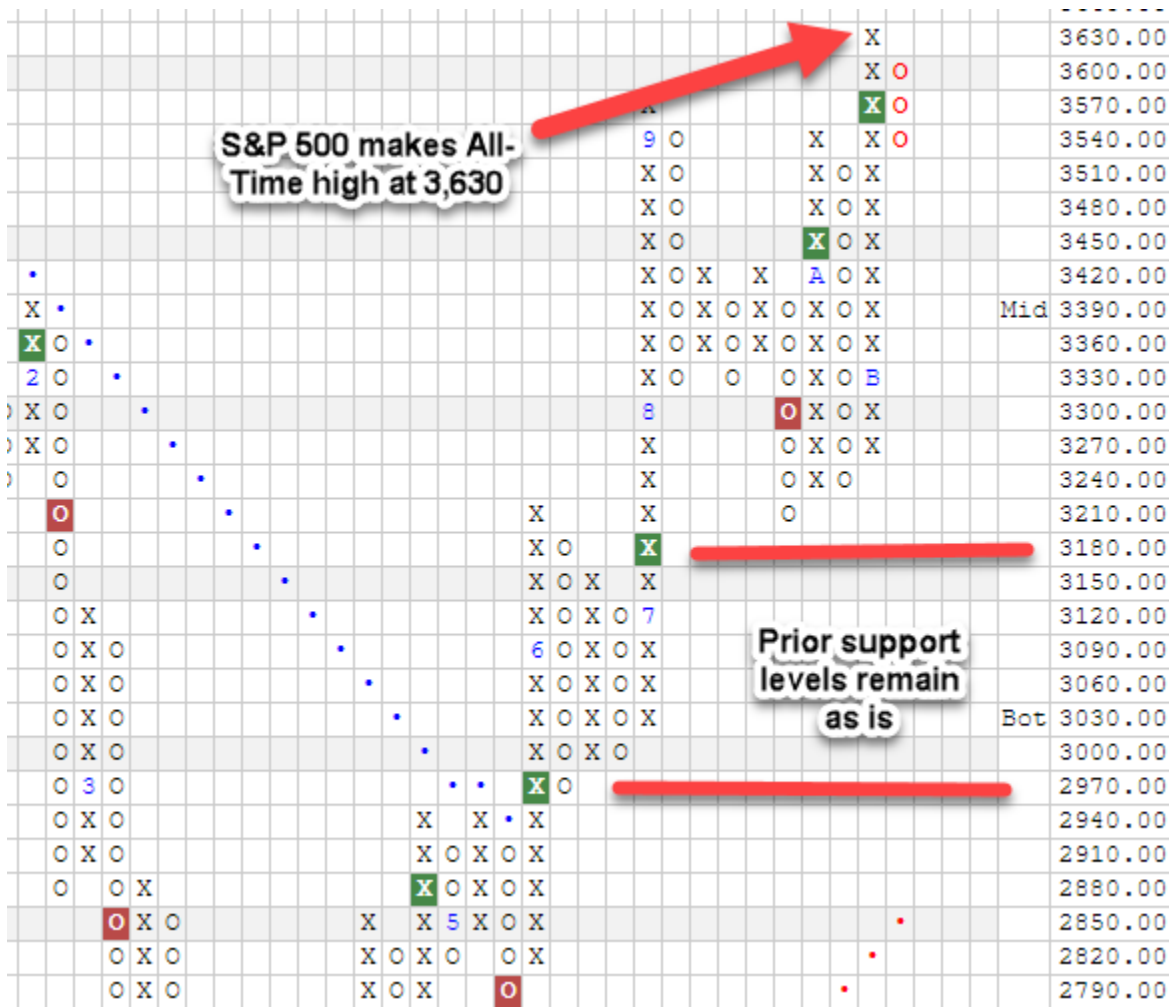


Has Anything Changed?

Only 8 business days ago, we experienced some deep concern in the markets as many stock markets sold-off and the volatility measurement for the S&P 500, known as the VIX, spiked up to 41 – just below the June high of 44. But as last week progressed, we went from good to very good as the markets seem to be celebrating a change. First, **we saw the VIX move right back down to end the week at 24.86** – well below 30, the breakout point we identified in the past. **We also saw the S&P 500 hold it's very important 3,200 support line** which we identified as being significant in the short-term. As I write this article on November 10, 2020, we now see the S&P 500 break out to new all-time highs this week. **Again, has something changed?**



Our primary indicator that measures the percentage of buy signals that trade on the NYSE as determined by the Point & Figure methodology reversed back up last week and continues to move higher.

It is interesting to note, that the longer term **Positive Trend indicator for the NYSE has moved to a multi-year high at 62%** which means that 62% of the stocks that trade on the NYSE are in Positive Trend as determined by the Point & Figure methodology. We have not seen this level since February 2018 when it was moving down at the time.

We are also **witnessing international stocks move up the ladder** as indicated by the ETF – EFA. It hit \$70 in January and today it hit \$69. It is fairly common to have some resistance at previous market high levels although the January 2017 high was \$75.

So, there seems to be a change in momentum as we entered last week and starting this week with a significant follow through suggesting something has changed. Once again, buying any pull back has been a good idea. So has the old buy and hold methodology. At some time, this too will change but not now. We will continue to watch the back and forth of the markets as we welcome new highs in the S&P 500.

Please call or email me any questions.

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

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