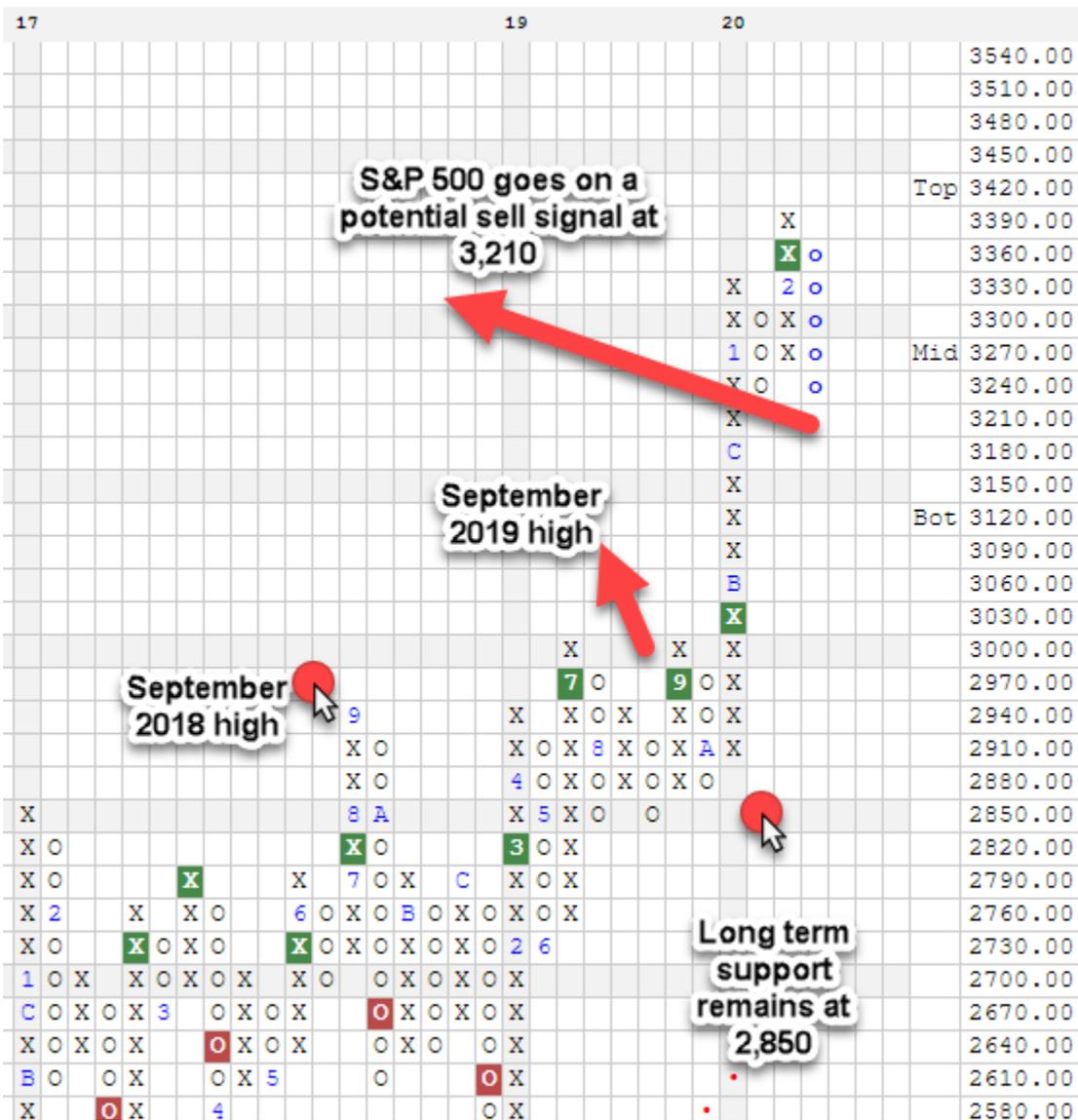


## Will This Action lead to Another Opportunity?

It certainly has been a good upward move in the North American markets since we posted our last blog reflecting the positive movement in October. We all know that stock markets go both up and down and it is important to determine what the long term trend is. **So far, any pullbacks have been buying opportunities as North American markets trade near their all- time highs.** The pull back last month to 3,240 on the S&P 500 due to the scare that came about in the markets is now being revisited with a potential lower low or a sell signal today. When we look at the S&P 500, we just saw the first real crack from the strong upward movement from 3,000. We continue with strong support until 2850. A break below that level could potentially test the prior breakdown in December 2018. However, as we look at the current pullback, stocks still look attractive with a modest pullback.



Last month we also saw the main indicator, BPNYSE, which measures the percentage of stocks that trade on the NYSE that are on a Point & Figure buy signal reverse down to the 58% level after the positive move from 42% to 64%. Today, it starts the day at the 58% level but appears to be going lower with the recent market action. **A move below 50% is certainly worth monitoring.** The prior low was 38% in August last year.



**Our longer term positive trend indicator remains pointing north in X's.** The PTNYSE, that measures the percentage of stocks in a positive trend that trade on the NYSE has broken above the 50% demarcation point to 58% and is currently at 55.52%. A move down below 40% would certainly catch your attention.

**The US S&P 500 index has been a leader and now it is being tested on a short- term basis. We have seen a reversal down in our main risk indicator** which suggests risk is higher than when we saw with the breakout in early November 2018. Where it goes from here is always unknown but a pause that refreshes the long term upward trajectory is certainly a possibility. Some more pain in the interim is a distinct possibility.

Please call or email me any questions.

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

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