

THE CANADIAN TECHNICIAN



U.S. Edition

Big Green Highs

Weekly Market Review
April 09, 2021



WITH
GREG SCHNELL

MARKET COMMENTARY

The S&P 500 closed on a new high again. Almost all the sectors had a good week with most making fresh highs. I really like the mega-cap tech names here. They are running higher. The market of stocks looks set to continue the uptrend.



As I mentioned, almost all the US sectors are hitting new highs, but Europe is also hitting new highs. Australia finally got out of bed and joined the party this week. Asia was down slightly (less than a percent) for the most part.

Remarkably the currencies had the USD moving lower, but commodities did not rally significantly. Commodity related stocks were down or marginally up. EEM - emerging markets - did break down below the trend line and close there. CEW - emerging market currencies - dropped and closed near the lows. This is typically directionally related to commodities. Why the weakness in commodities? I don't have a good answer, but they might just need time to relax after a stellar 6 months.

It's all makes for a pretty bullish view. It does feel a little exuberant but when indexes are tagging new highs worldwide, it is bullish. As we get very bullish, I usually get cautionary, but few charts are yelling caution. One example would be more stocks declining big (greater than 5%) than rising (greater than 5%). Considering how big the indexes were up, with the strength of the mega-cap names, it was odd to see big decliners slightly outpace big gainers. Is that being too fussy?

I would suggest it's open water ahead until something changes.

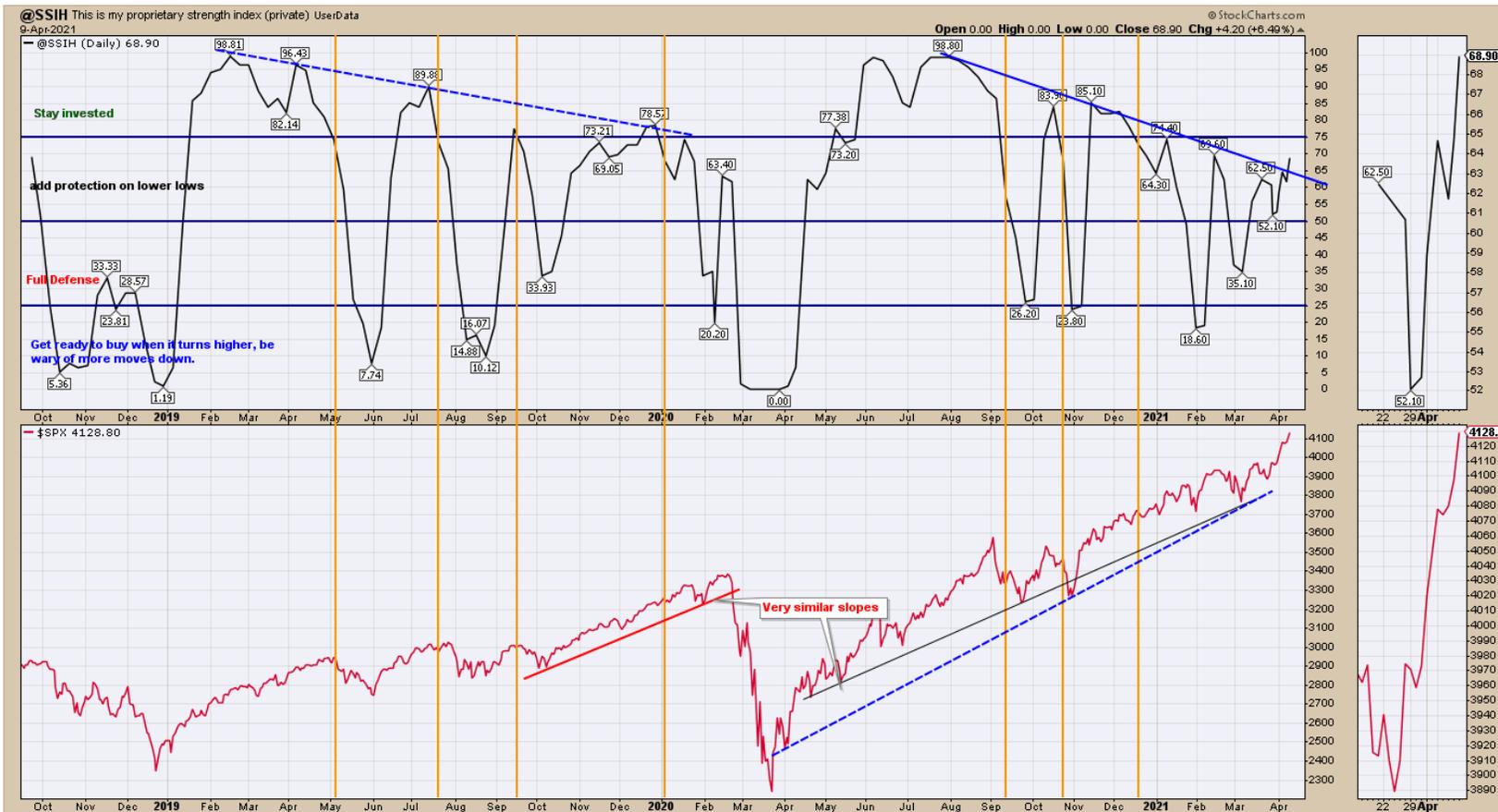
Summary: The \$SPX has made three higher weekly closes in a row. All the sectors are participating with the exception of energy so far. With tech, communications services, and consumer discretionary leading the party, I have trouble arguing. The rally is under way. I won't let a weak Monday or Tuesday wear me out. I plan to use a weak day to find more trades until proven wrong.

Let's hit the charts.

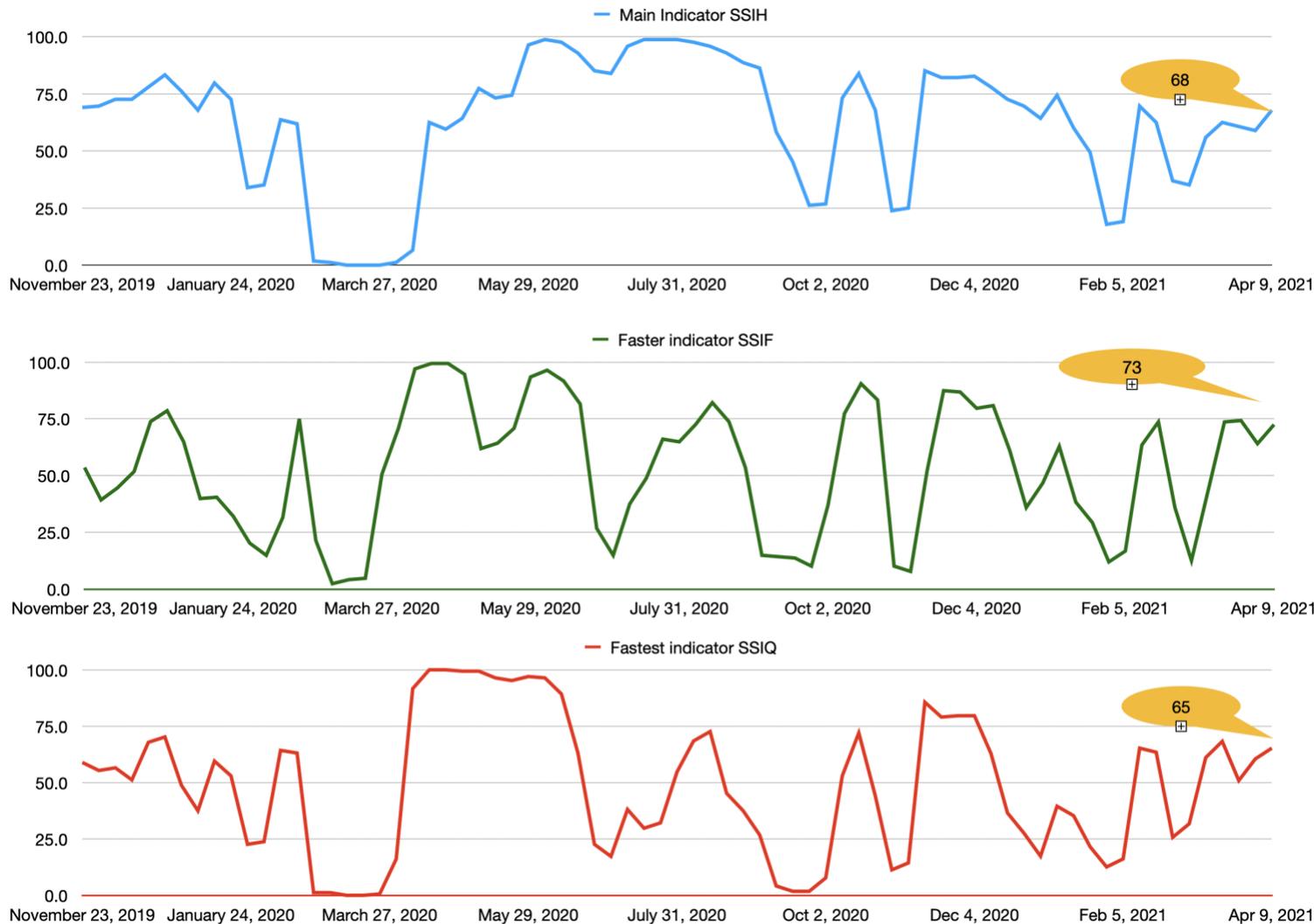
@SSIH - BOUNCING UP TO END THE WEEK

The Schnell Strength Index closed at an 8-week high. It finally broke the downtrend! However, it has been making higher highs and lows since early March. Choppiness in the index is mirrored on the indicator. It seems it is finally breaking out! Keep watching.

I post a preliminary SSIH reading Tuesdays after the close and Thursdays close/Friday's open on Thursday night or Friday morning. It doesn't bounce a lot, but weekend closes matter. This will allow you to position before weekends.



SSIH, SSIF, SSIQ INDICATOR



The chart shows the SSIH in the top panel. The indicator is making a higher high.

The SSIF is also up this week near the 75% mark. Can it break back through into the higher ground?

The SSIQ is making a higher low and a higher high, so that gives me some encouragement. The last low was a higher low. Bullish.

The SSIQ is bouncing above 50%. The indexes are hitting new highs. All three indexes are making higher highs. It all seems to be confirming.

APRIL MONTHLY CONFERENCE CALL RECORDING LINK

Dwight and I hosted the April conference call Monday, April 5. Click to view. [April Conference Call](#). My selection for a title in mid-March was that defensives were trying to lead. Things definitely improved long before this conference call.

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Defensives Are Trying To Lead

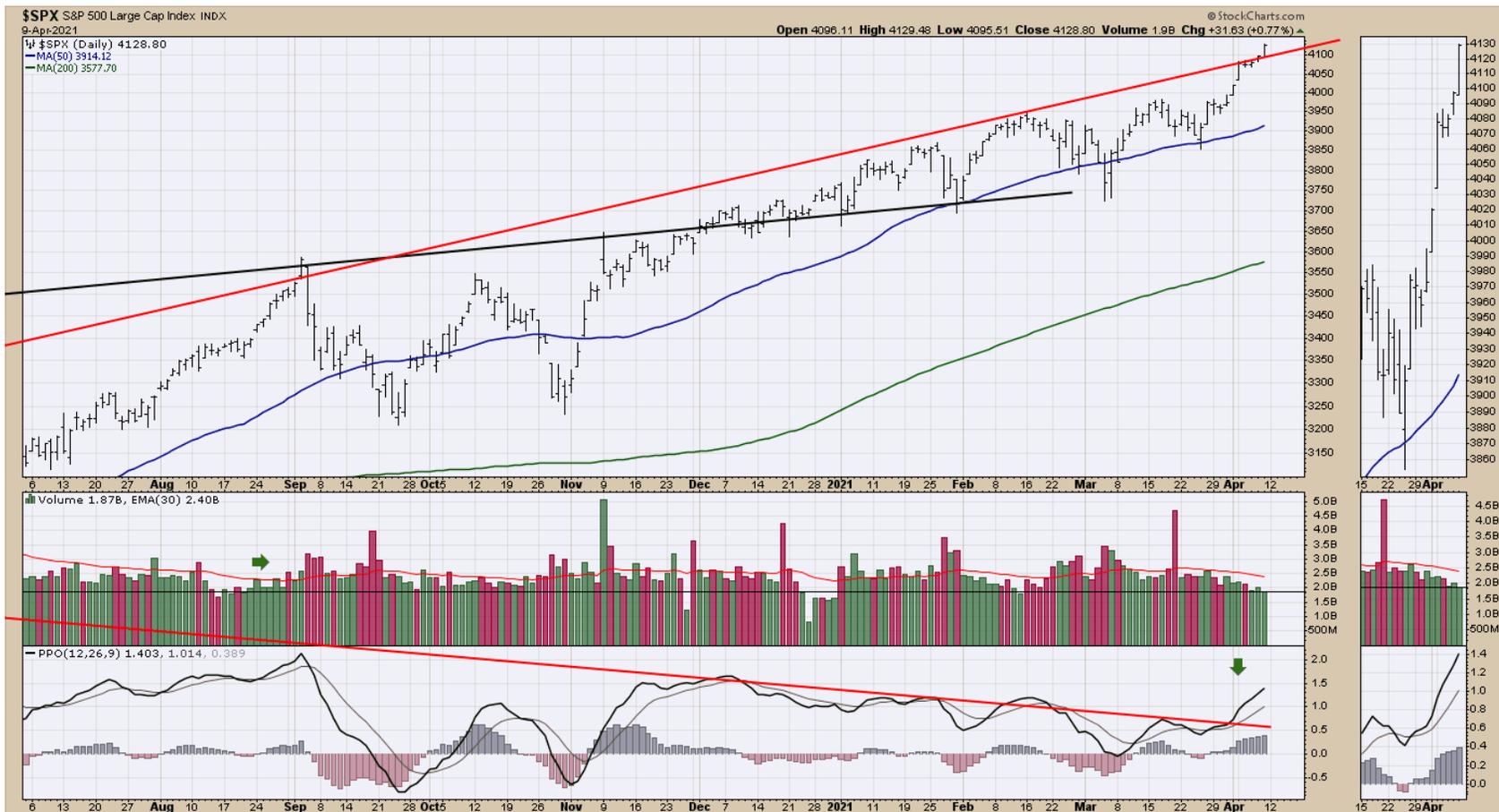
April Monthly Conference Call
April 5, 2021 at 5 PM ET

WITH
GREG SCHNELL

AND
DWIGHT GALUSHA

\$SPX - SECOND WEEKLY CLOSE AT NEW HIGHS

The daily chart of the S&P 500 shows the index closing at all-time highs, right at the top of the bar. We haven't seen a higher volume down day since the low. What a rally! A couple of things are worth noting. The low volume is similar to the February top. Other than February, we haven't seen volume this light since August. That's a caution sign. The second is the big uptrend in red is breaking. The church spire top in September did the same thing on accelerating volume though. Still bullish. [\\$SPX](#)



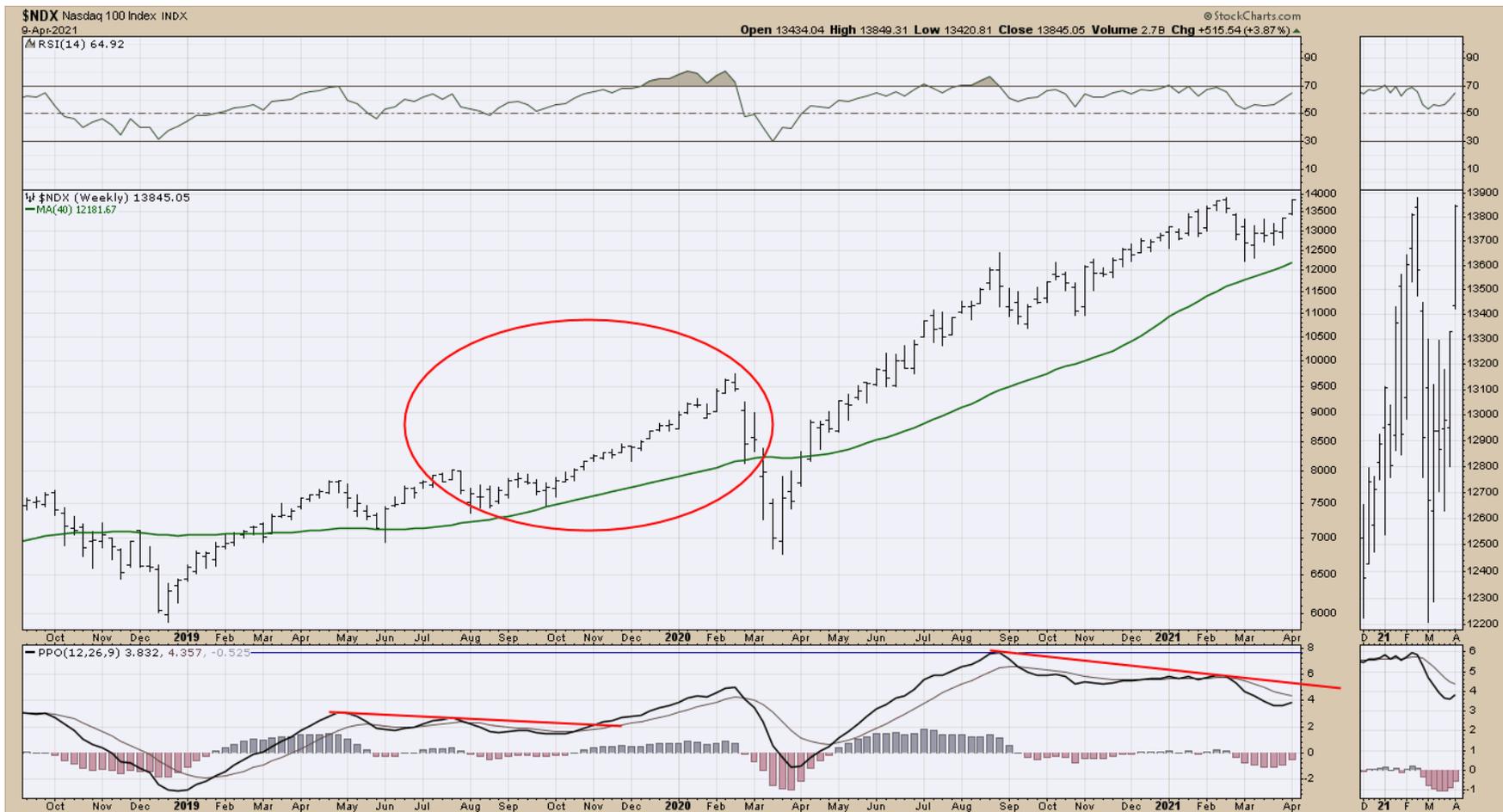
\$NDX - NASDAQ 100 DAILY CHART

The **\$COMPQ** is pushing higher. The volume spike from February at 10 Billion shares per day marked the top as we noted. Now the volume has normalized back to levels in August and September. That's good in my opinion. The reddit volume, the SPAC surge, the electric jolt has subsided. We had 3 distribution days two weeks ago near the lows, so no problems there. As we head into Options Friday, I'm wary, but not expecting a mood change. We are testing prior highs and I'm watching price action, but it all looks bullish.



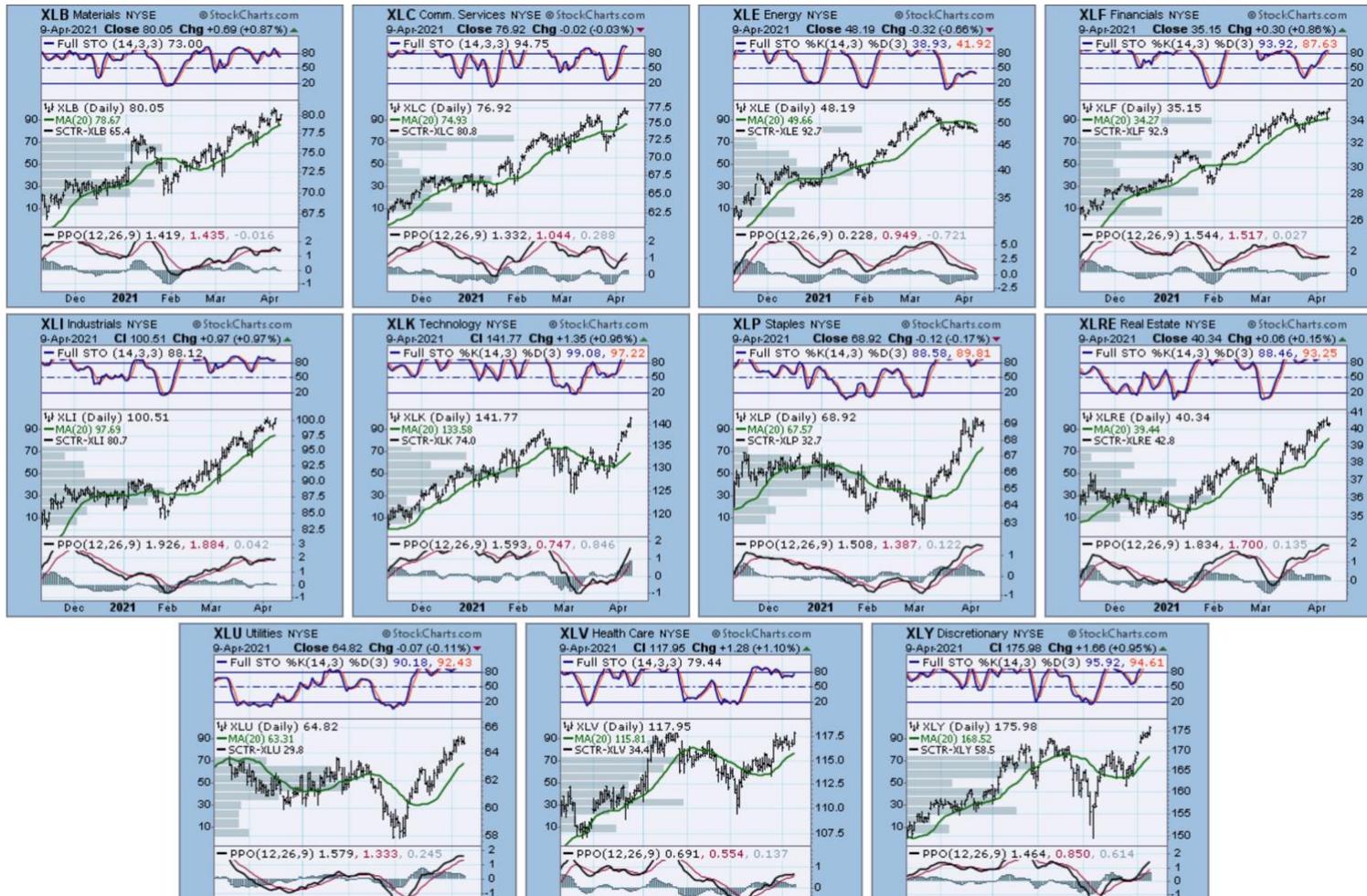
\$NDX - NASDAQ 100

This is the weekly chart of the NASDAQ 100 closing at the highest weekly close. [\\$NDX](#). It is an uptrend! We are testing an all-time high this week which is important to watch for more success. A weak Monday or Tuesday is a normal way to start scaring everyone, but all the data suggests we are still ready to trend higher. Mega-cap and growth stocks looks set to help lift this market.



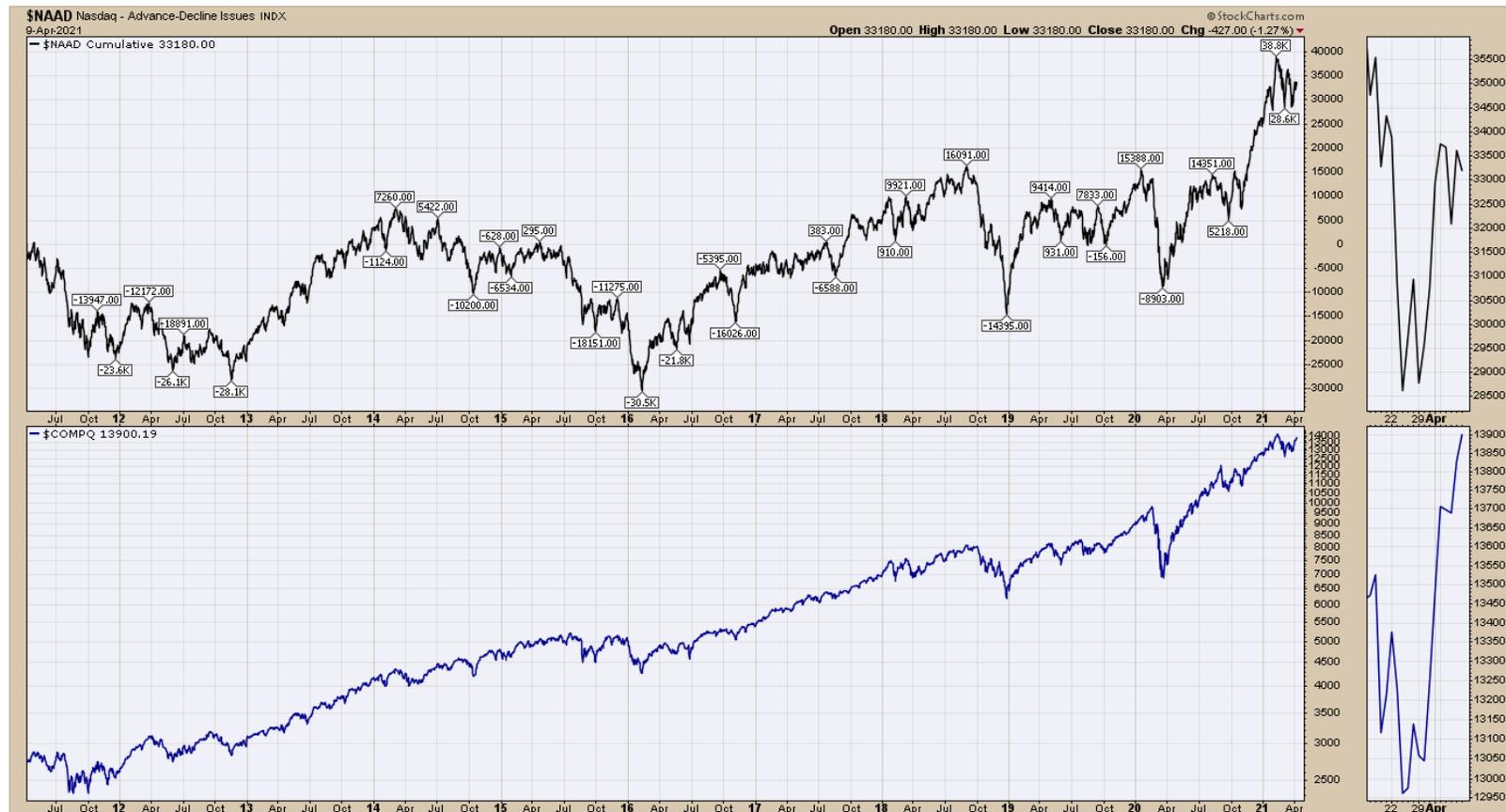
SECTORS ARE RACING HIGHER

10 of the sectors are flying higher this week. Look at the surge in technology. Energy is pausing. When all the sectors are carrying higher, that is very bullish.



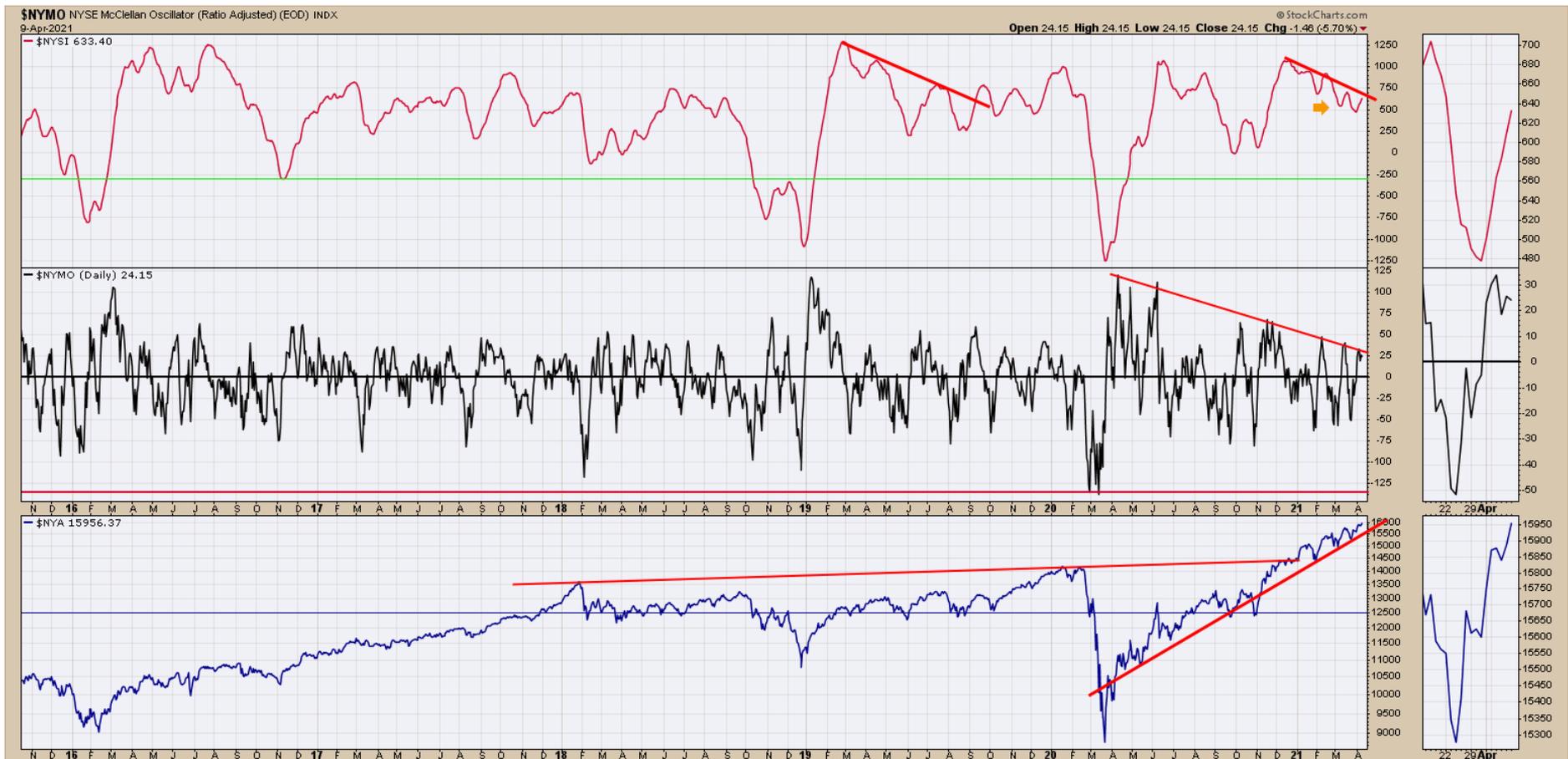
\$NAAD - THE ADVANCE/DECLINE LINE FOR THE NASDAQ

All of the above is positive. Let me ballast my enthusiasm with a couple of charts that are cautionary. Much like the Masters golf course is understanding where not to miss, the stock market has the same. It is not uncommon for the Nasdaq advance/decline line to underperform the price action sometimes. A long-term chart shows that 'event' occasionally like July 2017 where it didn't matter. However, we should at least be aware that it is lagging and not avoid a clue that the underlying stock moves might be suspect like July 2015. [\\$NAAD](#) - close up. [\\$NAAD Long term](#) - shown below.



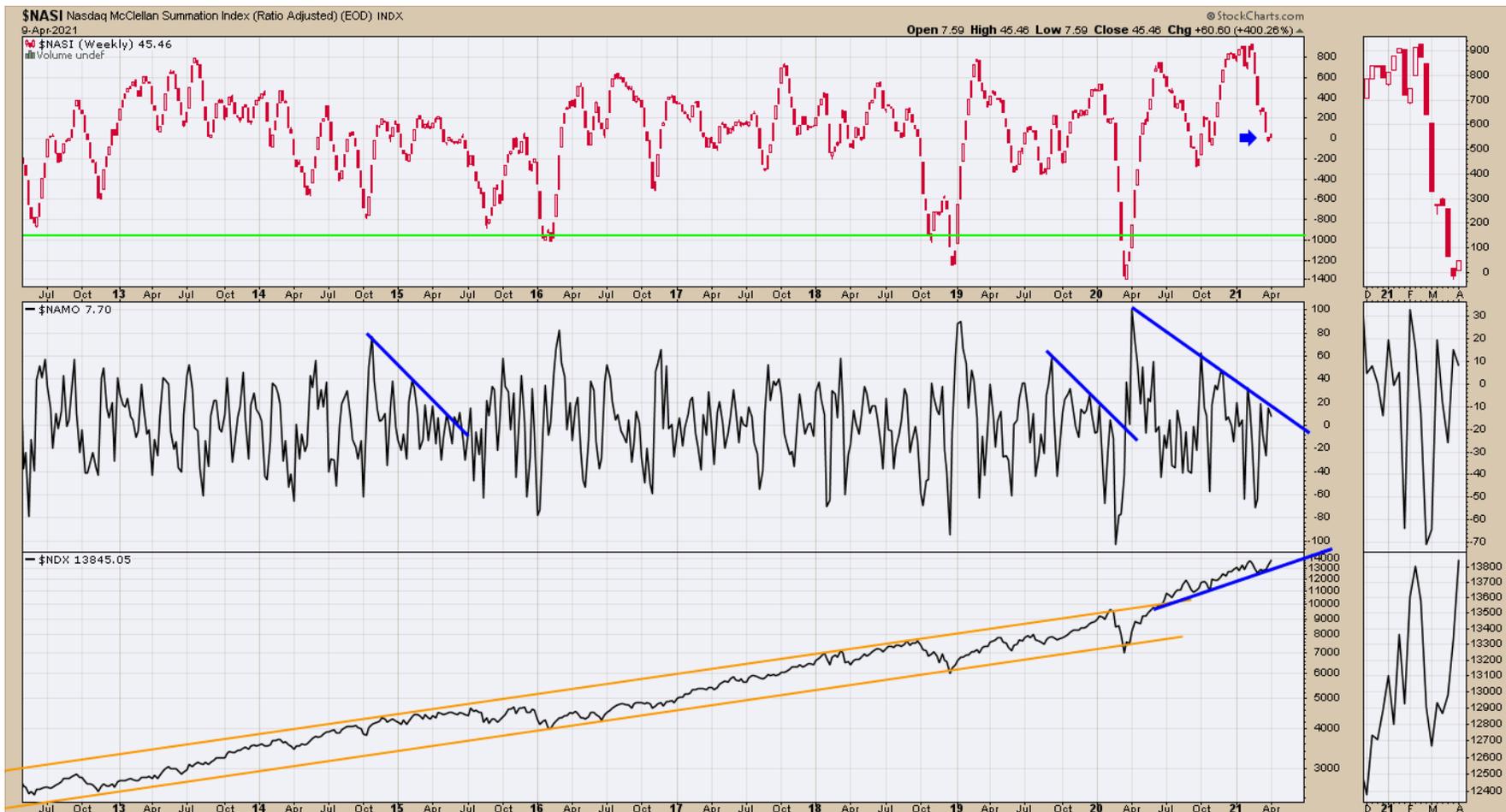
\$NYMO AND \$NYSI - NYSE MCCLELLAN OSCILLATORS

This [\\$NYMO](#) chart (middle panel) is hanging in positive territory with lower highs since the recession. Moves below zero are when markets weaken a little (general statement) - ([NYMO - ChartSchool](#)) Moves below 400 on the \$NYSI (top panel) is where I expect bigger pullbacks. So far neither one of these breakdowns are happening, but it's close enough to be a focus. When it dumps, it is nice to stand aside.



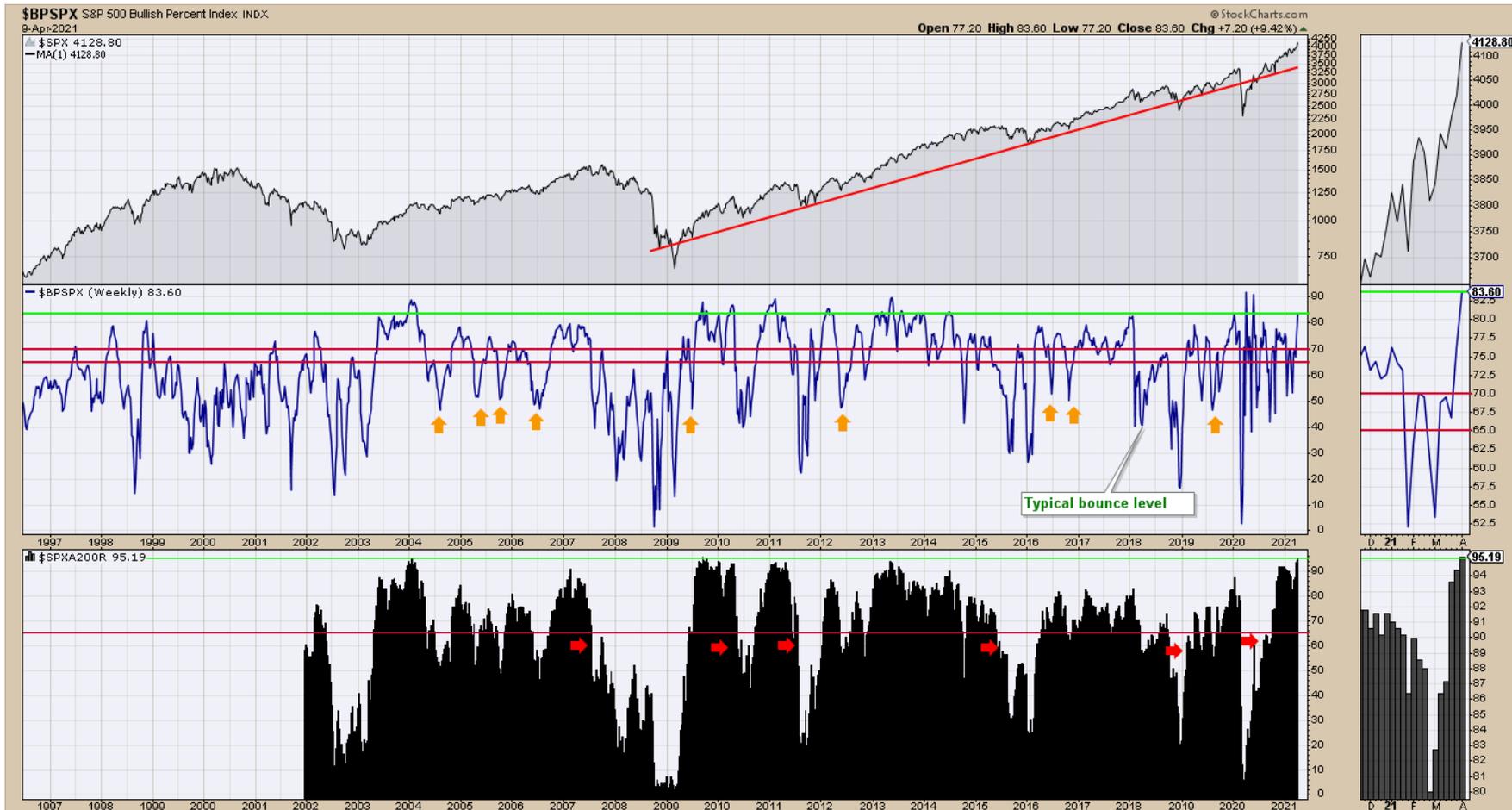
\$NAMO AND \$NASI - NASDAQ MCCLELLAN OSCILLATORS

This chart is the Nasdaq version of the NYSE chart above. The middle panel is just above zero. The top panel is just above zero which is the cautionary level for this stock exchange. As long as we go higher - no problem! If both move below zero, I'd change my tune. [\\$NAMO](#)



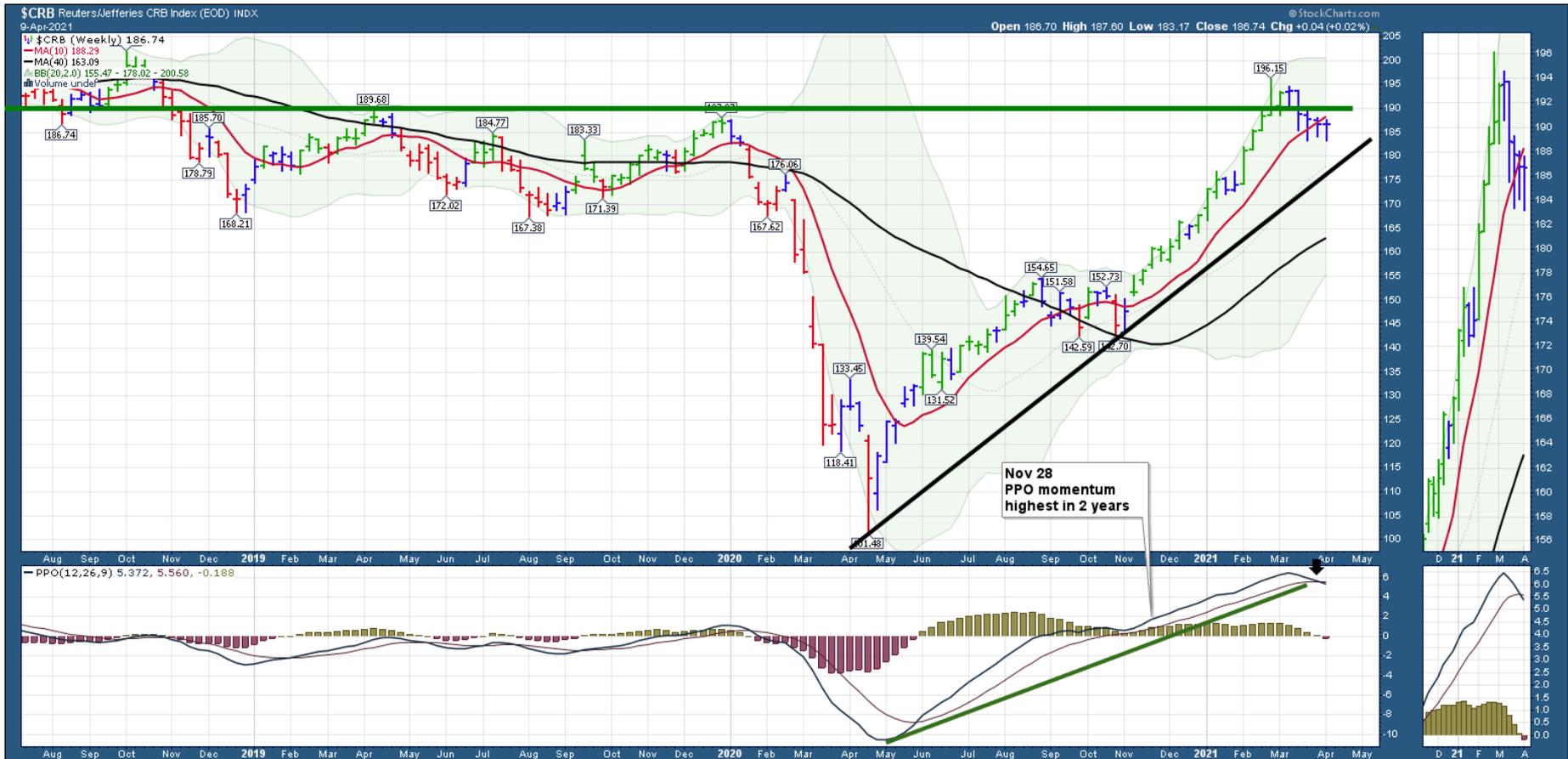
\$BSPSX - BULLISH PERCENT INDEX

Back to bullish charts. The middle panel has soared to having one of the highest bullish percent indexes in 25 years. 83% of the S&P 500 stocks are on a buy signal! In the lower panel, the percentage of stocks above the long-term 200-day moving average is at 95%. Markets don't typically long-term top with so many stocks so strong. 2018 was an example of a quick mood change. Bullish.



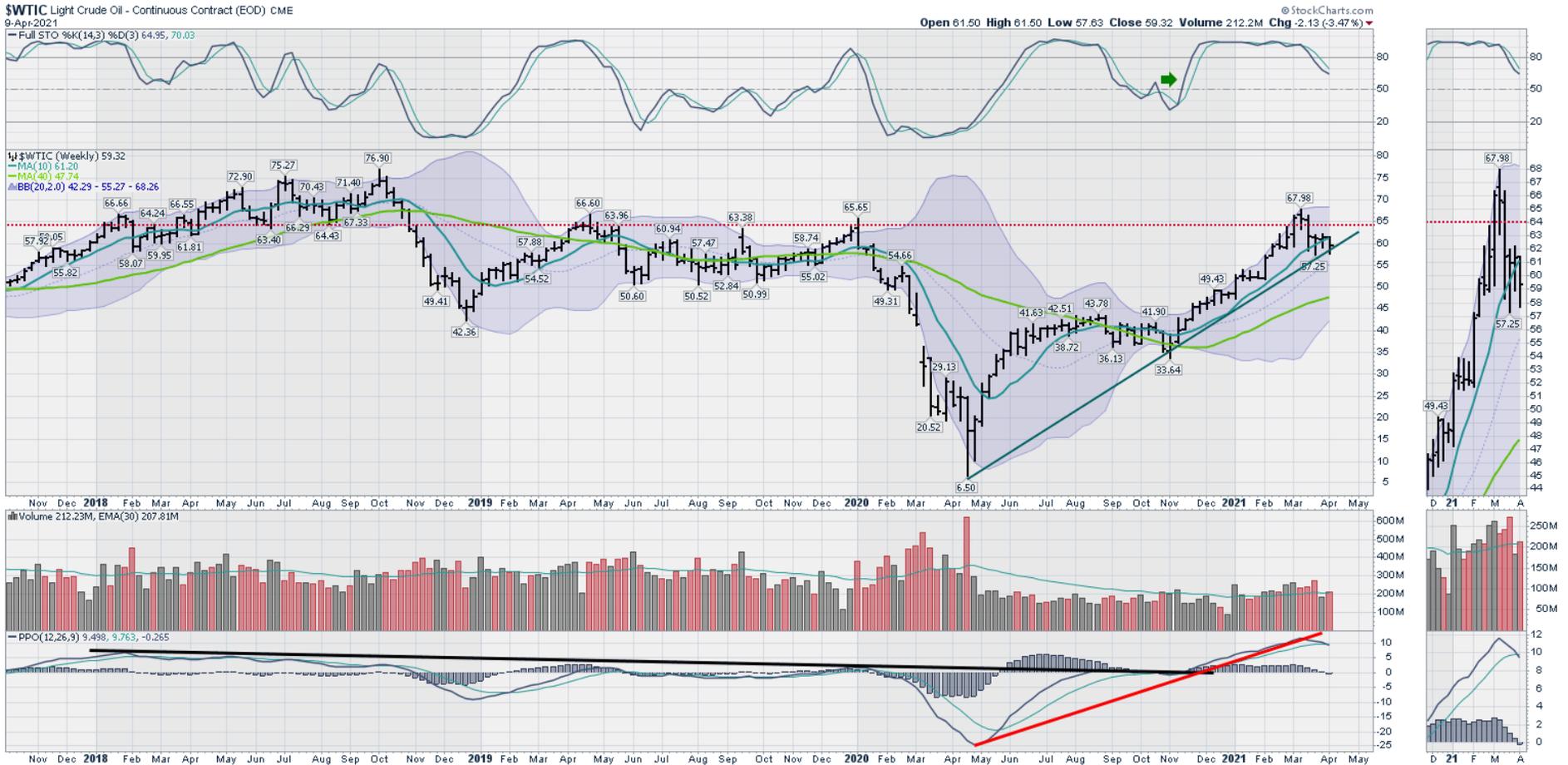
\$CRB - PPO SELL SIGNAL

The \$CRB is heavily weighted with liquid energy (Oil and Gas) dominating the index (42%). Two sell signals are kicking in this week. The PPO trend line is crossing the signal line. The second is the break of the 10-week moving average. While it may just be an oscillation below the line, in combination with the momentum sell signal, it definitely suggests protecting commodity related trades.



\$WTIC - CRUDE OIL

Crude oil continues to hover around \$60, but the crude oil related stocks are breaking down below the trend line if you look at the XOP ETF or the XEG.TO ETF in Canada. The PPO is giving a sell signal this week on the crude oil chart and all the price action this week was below the 10-week MA. I still think it is better to be cautious in the energy space until something starts to improve.



\$BPGDM - GOLD MINERS BULLISH PERCENT INDEX

On the gold miners chart below, four of four are now on a buy signal above the 20 DMA. Gold is bouncing off a double bottom. [\\$BPGDM](#) . I continue to like the setup for this trade. Next is to see the \$BPGDM move above 50%.



APRIL MONTHLY CONFERENCE CALL VIDEO REPLAY LINK

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Defensives Are Trying To Lead

April Monthly Conference Call
April 5, 2021 at 5 PM ET



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MARKET SUMMARY

The sort order of the sectors is very bullish on the US market. XLK, XLY, XLC are strong leadership sectors. Technology is soaring. Oddly, Semiconductors were weaker than healthcare and utilities. Energy was weak again. On the Canadian side, the \$TSX was up on the week, but considerably less than the \$SPX and the \$NDX. Technology led and the materials (with Gold) did well. Healthcare is marijuana related and that group got hit hard this week.

SYMBOL	NAME	SCTR	CLOSE	% CHG	+/-
XLK	Technology	74.0	141.77	4.64	
XLY	Discretionary	58.5	175.98	3.87	
XLC	Communications	80.8	76.92	3.14	
XRT	Retail	99.5	92.21	3.02	
XLF	Financials	93.0	35.15	1.97	
XLI	Industrials	80.8	100.51	1.75	
XLP	Staples	32.7	68.92	1.38	
XLV	Healthcare	34.4	117.95	1.34	
XLU	Utilities	29.8	64.82	1.31	
SMH	Semiconductors	95.3	256.08	1.24	
XLB	Materials	65.5	80.05	0.70	
IYR	Real Estate	44.6	93.96	0.41	
XLE	Energy	92.8	48.19	-4.21	
XOP	E & P	97.1	78.49	-8.26	

SYMBOL	NAME	CLOSE	% CHG	+/-
\$SPTTK	Technology	196.48	4.00	
\$SPTMT	Materials	318.86	3.86	
\$SPTRE	Real Estate	335.93	2.34	
\$SPTGD	Gold Miners	301.87	2.26	
\$RTCM	Income Trusts	238.03	2.23	
\$SPTTS	Telecom	181.70	1.62	
\$TSX	\$TSX	19228.03	1.25	
\$SPTUT	Utilities	333.61	1.17	
\$SPTCD	Discretionary	268.96	1.09	
\$SPTFS	Financials	349.81	0.69	
\$SPTIN	Industrials	356.68	0.58	
\$SPTCS	Staples	669.17	0.41	
\$SPTEN	Energy	116.54	-3.27	
\$SPTHHC	HealthCare	77.89	-5.90	

GLOBAL VIEW

The globe rallied, with a little weakness in Asia. Most of the Asian exchanges were down less than a percentage point. Europe and North America were broadly positive. Commodities are on the right. Copper still looks topy, but the precious metals did ok. Lumber has no interest in double topping and blew right through the old high. For some reason the industrial metals were a mixed bag this week, even though the US Dollar was down.

SYMBOL	NAME	CLOSE	% CHG	+/-
\$NDX	Nasdaq 100 ----	13845.06	3.87	
\$SPX	S&P 500 ----	4128.80	2.71	
\$AORD	Australia	7252.30	2.66	
\$GBDOW	London	310.95	2.57	
\$BVSP	Brazil	117669.90	2.10	
\$INDU	Dow ----	33800.60	1.95	
\$TSX	Canada	19228.03	1.25	
\$CAC	France	6169.41	1.09	
\$DAX	Germany	15234.16	0.84	
\$MXX	Mexico	47627.67	0.81	
\$KOSPI	South Korea	3131.88	0.61	
\$IDDOW	Indonesia	1265.50	0.57	
\$IBEX	Spain	8565.80	-0.14	
\$NIKK	Japan	29768.06	-0.29	
\$HSI	Hong Kong	28698.80	-0.79	
\$BSE	India	49591.32	-0.88	
\$SSEC	Shanghai	3450.68	-0.97	
\$RTSI	Russia	1417.77	-3.34	

SYMBOL	NAME	CLOSE	% CHG	+/-
\$LUMBER	Lumber	1125.50	11.15	
\$SUGAR	Sugar	0.15	5.10	
SIL	Silver Miners	42.91	3.90	
GDJ	Gold Miners	34.73	3.36	
\$SILVER	Silver	25.32	1.51	
REMX	Rare Earth Metals	77.43	1.47	
\$COPPER	Copper	4.04	1.24	
\$GOLD	Gold	1744.80	0.95	
SLX	Steel	55.78	0.47	
\$SOYB	Soybean	1403.00	0.07	
\$HOIL	Heating Oil	1.81	-1.31	
LIT	Lithium	58.97	-1.37	
\$COCOA	Cocoa	2354.00	-1.59	
\$BRENT	Brent Crude	62.95	-2.61	
\$GASO	Gasoline	1.96	-2.98	
\$WTIC	WTI Crude	59.32	-3.47	
\$NATGAS	Natural Gas	2.53	-4.28	
HMMJ.TO	Marijuana Stocks	11.67	-4.89	

VIDEO OF THE WEEK

The April monthly conference call link. The [April Monthly Conference call](#) will be held on Monday April 5 at 5 PM EDT. Passcode = Staples

Here is the link to the chart list. [Weekly Charts](#)

Here is a link to this week's video. [Weekly Video](#)

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Tech Gets A Bid

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April 01, 2021



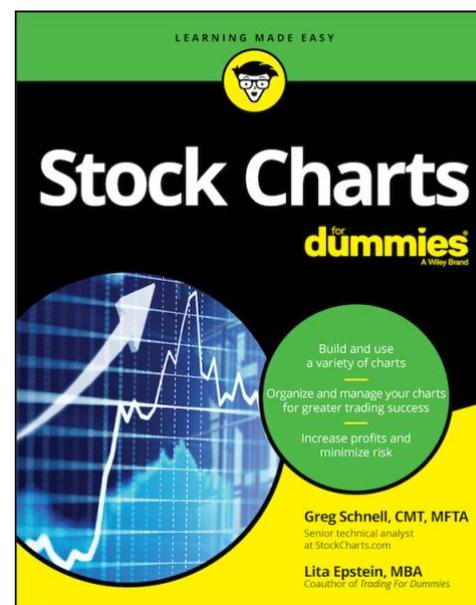
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Good trading,
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BIOGRAPHY GREG SCHNELL, CMT, MFTA.

Greg Schnell, CMT, is the chief technical strategist at gregschnell.com specializing in intermarket and commodities analysis. Greg's work has been regular reading on the world-leading StockCharts.com platform for thousands of investors. Hedge funds, RIA's, portfolio managers, technicians and private investors consider the charts Greg displays. Greg Schnell is valued for his timely, in-depth, unique analysis that generates a valued perspective. Greg has won multiple awards as the Top Independent Analyst of the Year in Canada.



Based in Calgary, Canada, he is a past board member of the Canadian Society of Technical Analysts (CSTA) and past chairman of the CSTA Calgary chapter. As an active member of CMT Association, Greg speaks throughout North America on technical analysis. Greg is the co-author of Stock Charts for Dummies.