

THE CANADIAN TECHNICIAN



U.S. Edition

Interesting Mix

Weekly Market Review
April 23, 2021



With
GREG SCHNELL

MARKET COMMENTARY

The S&P 500 closed near a new high again. The market pushed down Monday, Tuesday and Thursday but could not build any downside momentum. The resilience is impressive. The Nasdaq is building out a consolidation zone after the run up off the March lows. All of the indexes are poised to break out higher, and the breadth suggests that is probably what comes next.



Globally, the markets were down around 1%, which is not exactly plummeting. It looks more like a consolidation within an uptrend and the SSIH suggests that in the US markets as well.

Commodities had an up week, as industrial metals commodity related trades were up nicely. The charts related to electric vehicles were setting up and some of the strongest charts in the list were the industrial metal miners. Corn, Soybean and Wheat had big moves higher too.

This week saw more stocks up big than down big, which is interesting with the indexes finishing slightly lower. I am expecting a turn towards the materials, industrials, energy and technology sectors.

While bitcoin finished the week around \$50,000, it traded as low as \$47,500. Once again, the wide range in Bitcoin is a lot more difficult

to buy and hold with a 27% pullback off the highs in a little more than a week.

Summary: A major trend line is breaking in commodities. I want to be part of that trade as it breaks out. The clean tech space is a massive user of commodities, so my favorite way to play a lot of these ideas is through the commodity related stocks. In particular, look to the industrial metal miners. I don't want to be a turkey waiting as the commodities move higher, so I am setting up in the clean tech related trades expecting to climb higher.

Let's hit the charts.

GREGSCHNELL.COM

THE CANADIAN TECHNICIAN

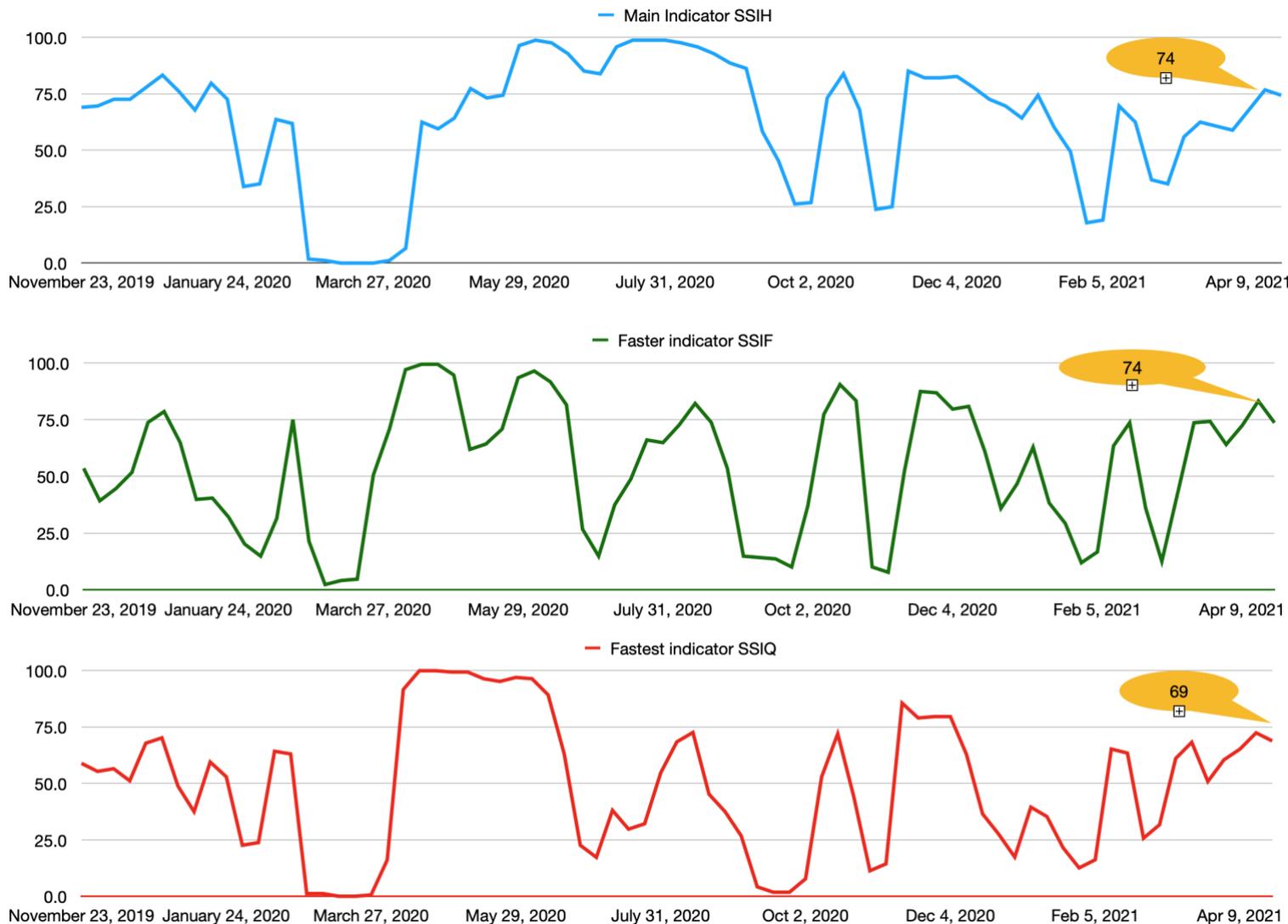
@SSIH - HIGHEST WEEKLY CLOSE SINCE DECEMBER

The Schnell Strength Index closed at a 4-month high. It looks very strong.

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 holding up at a high level.

The SSIF is also up this week at the 74% mark. Nice strong level.

The SSIQ is making higher lows and higher highs. It pulled back slightly this week.

The stock market indexes are hitting new highs. All three Strength indexes are making higher highs. It all seems to be confirming.

MAY MONTHLY CONFERENCE CALL

Dwight and I will host [The May conference call](#) on Sunday May 2, at 5 PM EDT. Passcode = Rally

THE CANADIAN TECHNICIAN



Commodities Break A Major Trend

May Monthly Conference Call
May 2, 2021 at 5 PM ET



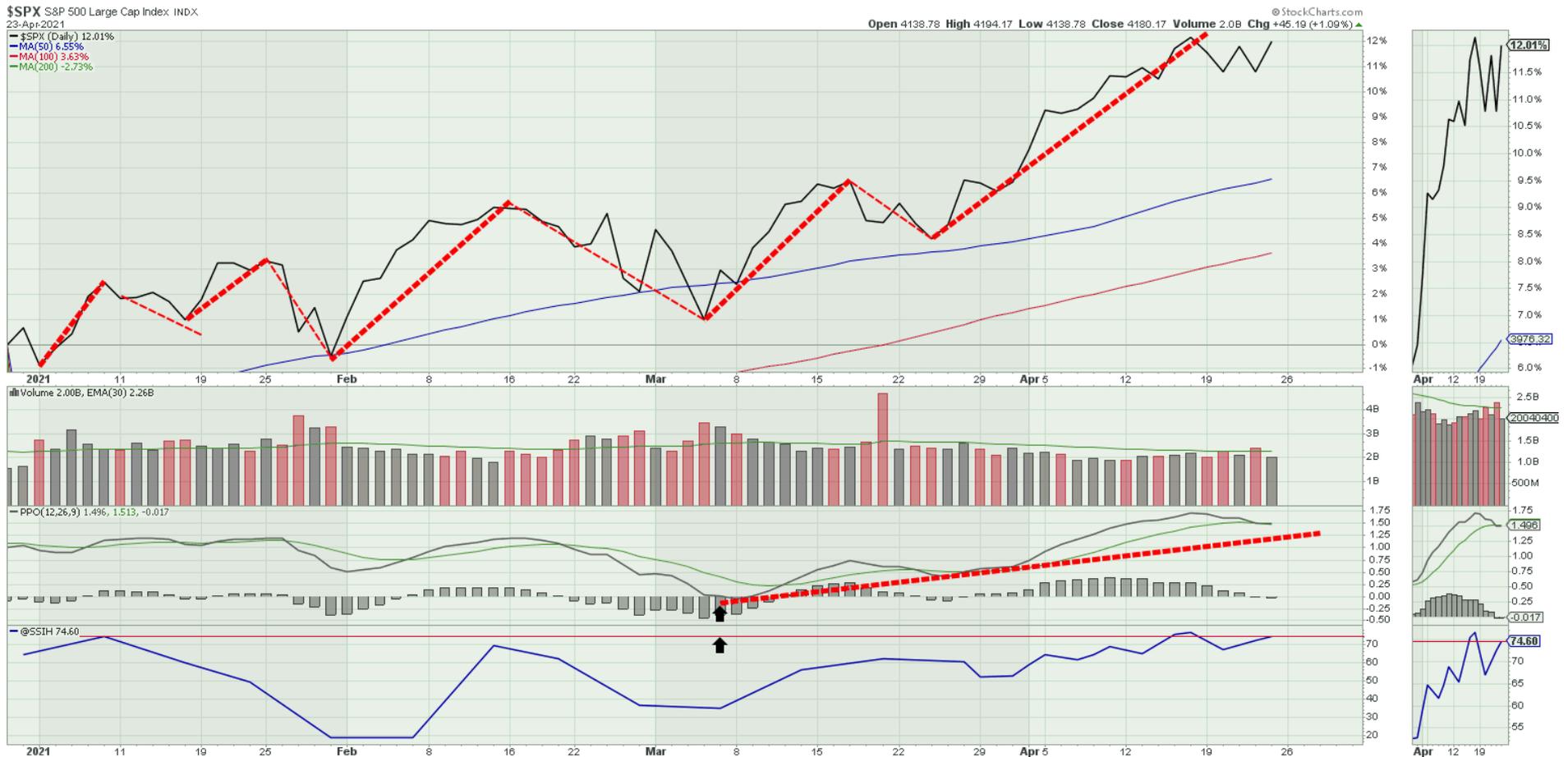
WITH
GREG SCHNELL



AND
DWIGHT GALUSHA

\$SPX - ANOTHER WEEKLY CLOSE NEAR NEW HIGHS

The year-to-date line chart of the S&P 500 shows the index closing near all-time highs. Still bullish. All the breadth indicators are still positive. The market consolidated some of the steep gains over the last month. Large cap tech reports this week and we have a Fed meeting but neither are expected to upset the trend. [\\$SPX](#)



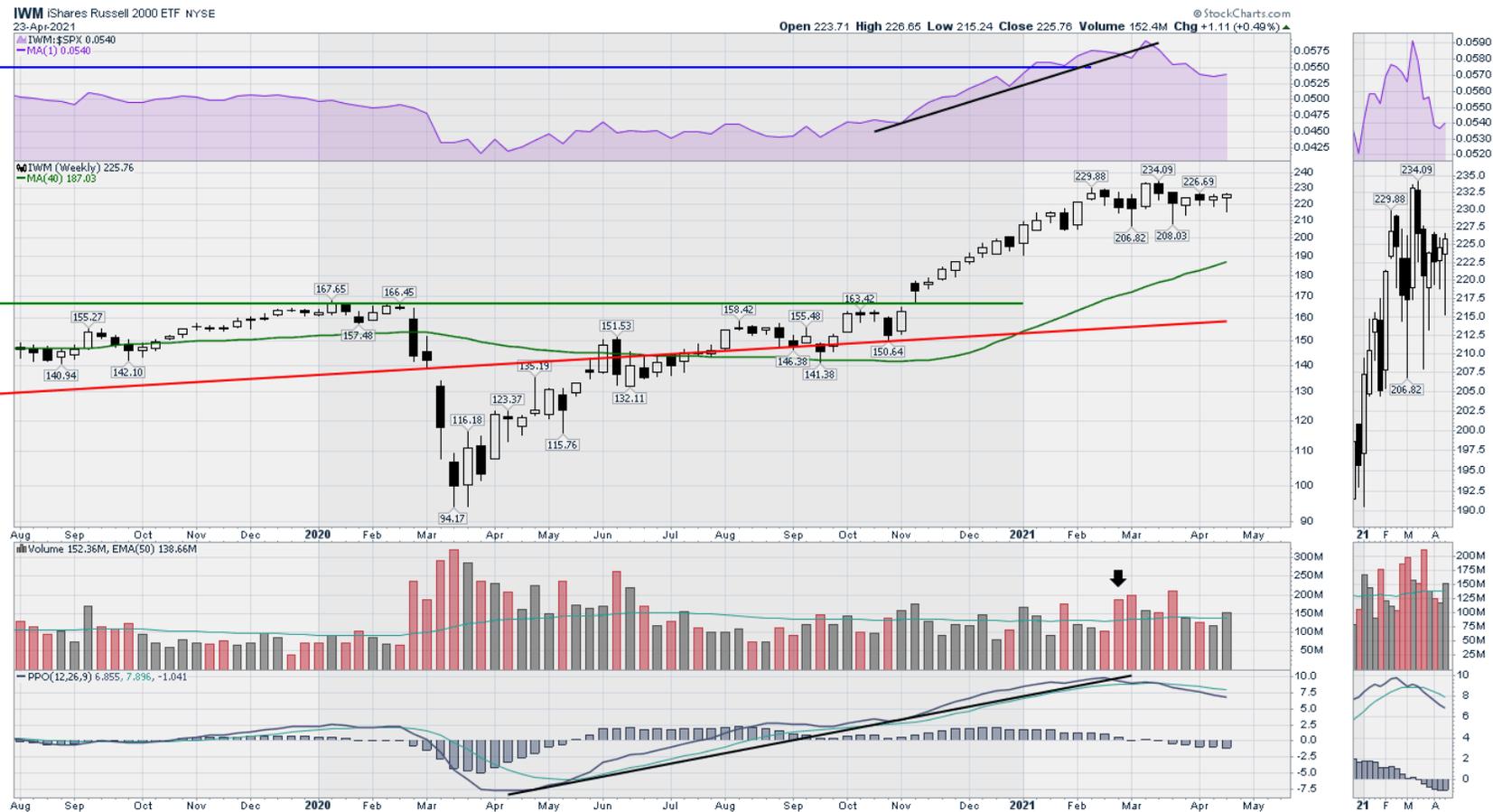
\$NDX - NASDAQ 100 DAILY CHART

The **\$COMPQ** is pushing higher. We continue to test prior highs and I'm watching price action, but it all looks bullish. The PPO is getting close to the downtrend line in momentum. Cautionary but still bullish. It definitely appears to be a cup with handle setup on the price chart. This is typically a very bullish formation. With the big guns reporting, this looks set for an upside move.



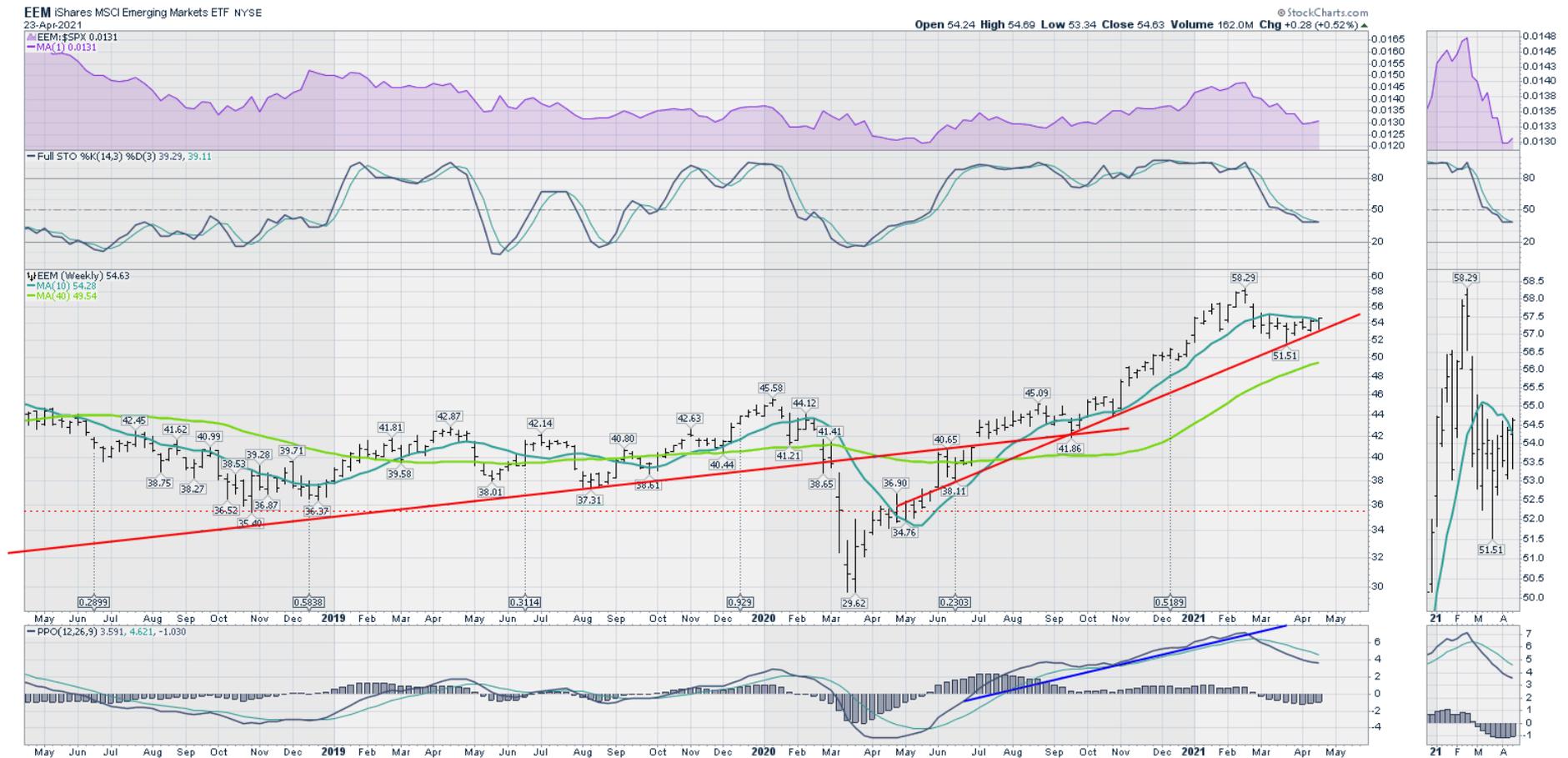
IWM - TRACKING THE RUSSELL 2000 SMALL CAPS

IWM One of the distinct candle patterns are the buying tails on the lower half of the price candles since February. As price pushes down mid-week, buyers show up to push it higher by the end of the week, leaving a buying tail underneath. The opposite would be 'selling' wicks on the top. Notice there are none. This keeps closing in the same range. This is a volatility contraction as the price bars are getting smaller. Eventually this should meaningfully break out in a volatility expansion, presumably to the upside.



EEM - EMERGING MARKETS ETF

The emerging markets ETF is one that I typically associate with moves in commodities. This chart closed just above the 10-week moving average for the first time since February. As the US Dollar weakens, the global charts that relate to commodities can improve. The rest of the developed world had a slower week, but the rest of the world is also dealing with a COVID surge, whereas the USA is not. If the USA is going to be coming back bigger and stronger, commodities will probably rise with demand. [EEM](#)



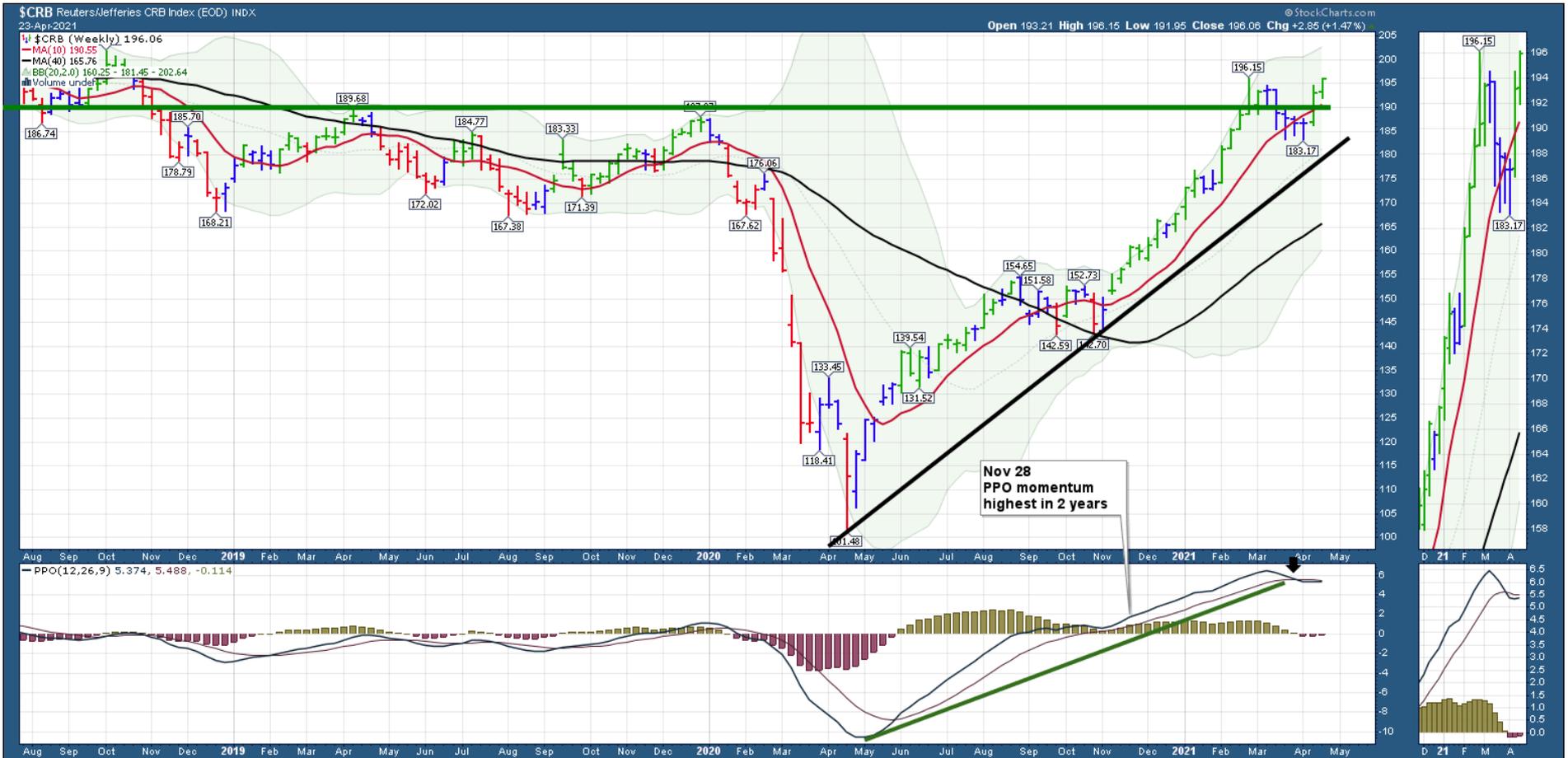
\$SSEC - SHANGHAI

The China chart shows a giant base with the 2021 breakout failing in March. The support of the uptrend line held and now we sit at the apex of the two lines. Any sort of push higher will be 7-week highs, but more importantly a breakout above the 'tariff' base again. China is a major consumer of commodities with large manufacturing industries. A renewed uptrend in these three charts (IWM, EMM, \$SSEC) hints at more commodity demand and probably higher commodity company stocks. [\\$SSEC](#)



\$CRB - COMMODITY RESEARCH BUREAU INDEX

The surge in industrial metals continued this week as copper made higher highs. Oil continued to hold in the low 60's. Commodities including natural gas, lumber, corn, soybean, wheat, steel, lithium and rare earth metals all moved higher. After a 6-week delay, the commodities are getting their mojo back which also corresponds with the US dollar dropping. [\\$CRB](#)



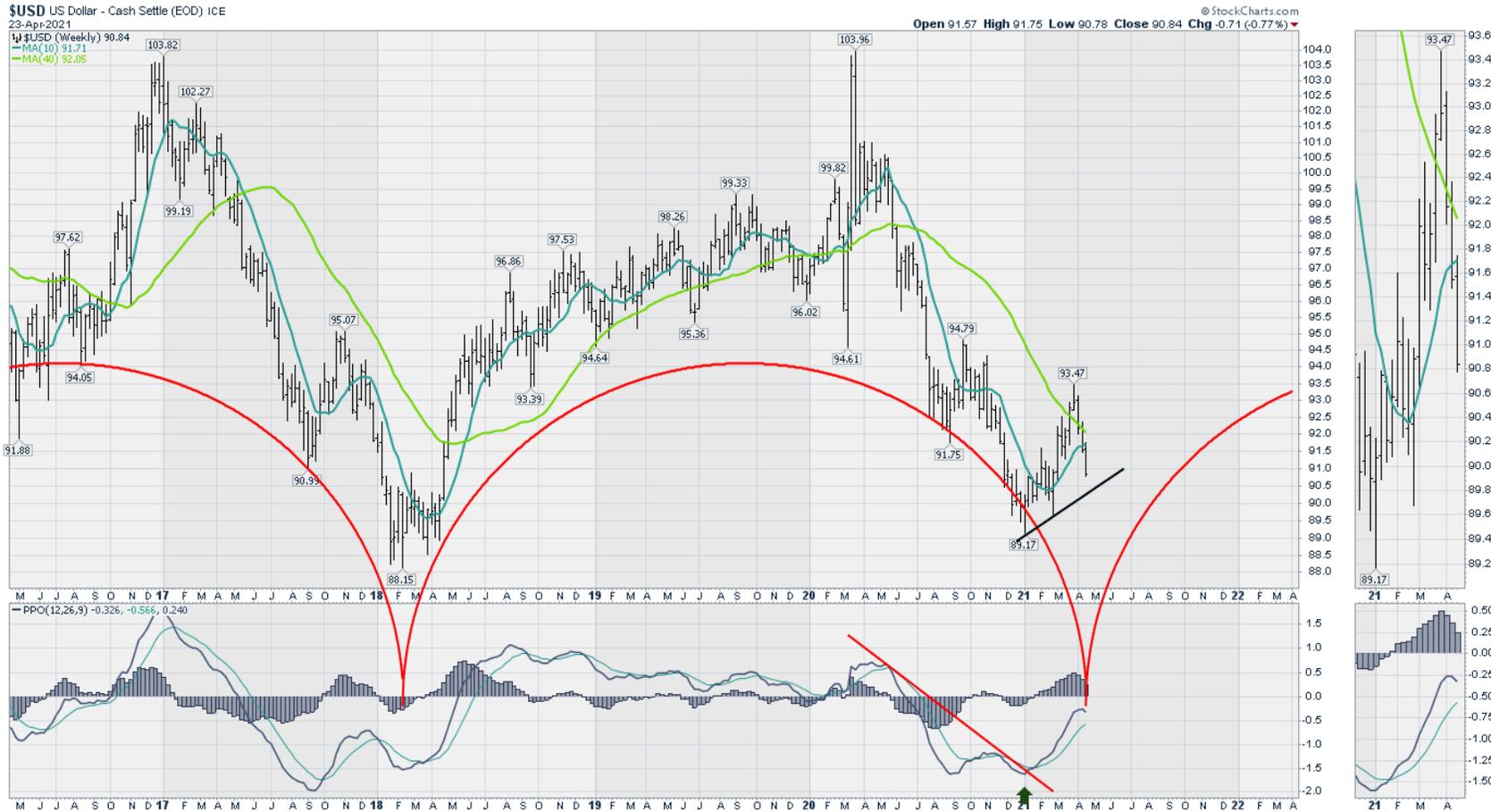
COMMODITIES TRY TO TURN UP

The charts of different commodity related ETF's all tried to turn up this week. Only XOP is still lower than April 1. The timely SSIH caution we got in February helped us avoid the downtrends through March. It looks like we are starting our next leg higher. One of the areas that will use a lot more commodities is the government push into electric. [Metals Chart](#).



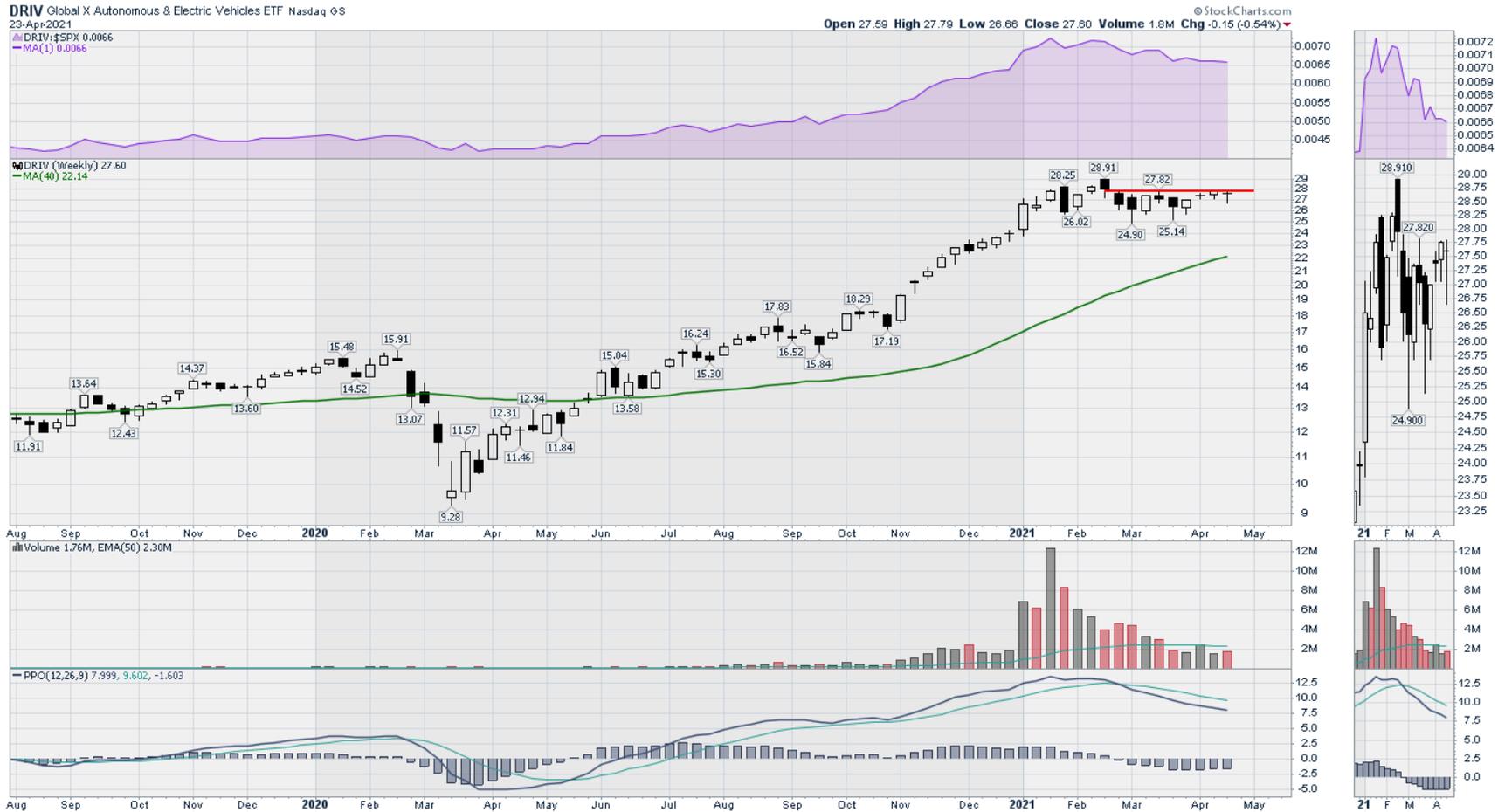
\$USD - US DOLLAR

US Dollar. The US dollar continued its drop this week. The pace of dropping is almost twice as fast as the run up. There is a 2021 trend line that looks like it will come into play this week. Based on the charts breaking out though, it would appear the commodities are expecting a weak or at least a flat dollar move, rather than up. Watch to see if the Fed impacts this.



DRIV - AUTONOMOUS AND ELECTRIC VEHICLE ETF

Considering the big down-thrust on the various electric vehicle stocks, the related ETF managers did a great job of staying with the strongest stocks. An example is the DRIV ETF. The lowest weekly closing low was about 10% off the highs. With the turn in the EV stocks, I created a separate video this week, working through them. The link is on the next page. [DRIV](#)



ELECTRIC VEHICLE RELATED STOCKS VIDEO

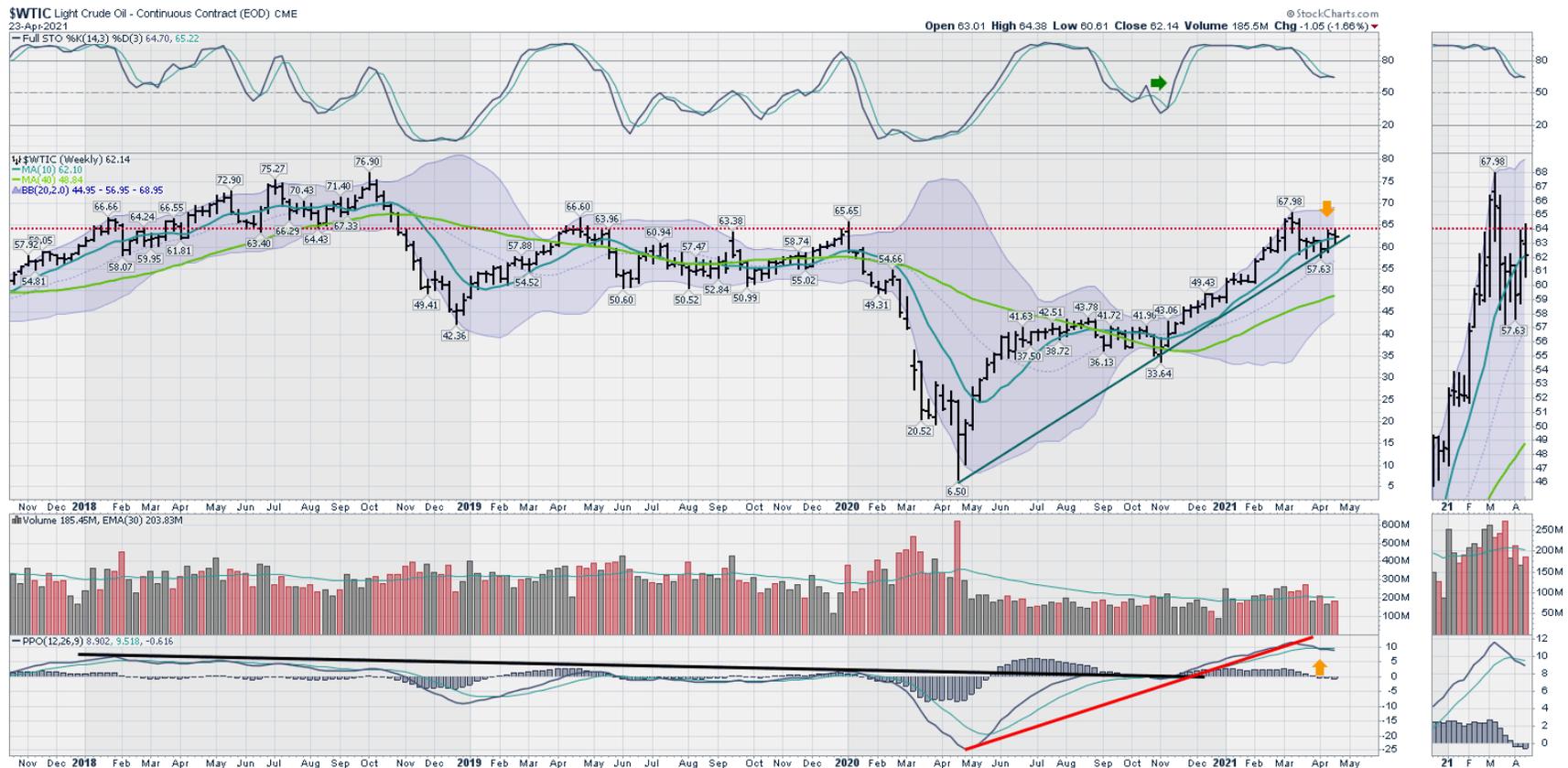
After a minimal number of setups last week, we had a stunning turn this week. Lots of nice setups. This video is a separate cut of the last twenty minutes of the weekly video. [Clean Tech Stocks are setting up!](#)



Clean Tech

\$WTIC - CRUDE OIL

Crude oil continues to hover around \$60 - \$65, making a higher high, higher low, and a slightly lower close. The PPO is on a sell signal on the crude oil chart and yet the close this week held above the 10-week MA. I am watching for the charts to start to improve with the OIH or XOP ETF trying to move back above the 20 DMA. [\\$WTIC](#). With all the other commodities starting to turn higher, and the oil traders basically blowing off the 'OPEC' congressional bill that passed this week, it would appear to me the base is being built. These oil related charts should be watched for setups.



\$COPPER - HIGHER CLOSING HIGH

Copper continues to make another run towards the all-time highs at \$4.58. \$4.34 was the highest closing week level. Stay focused on the industrial commodities. The big miners VALE, BHP, FCX, RIO, TECK are all set up.



MARKET SUMMARY

Oddly, Semiconductors again continue to be weaker than healthcare and utilities. If I had not seen all of the nice setups on the electric vehicle side, I would be more cautious this week. But the CLEAN TECH list of growth names is a wonderfully broad setup. The subtle weakness in XOP suggests to me that the selling in oil is dropping. Canada was weaker across the spectrum, but the whole \$TSX was only down a 1.3% so not exactly a disaster! Energy looks a little worse.

SYMBOL	NAME	SCTR	CLOSE	% CHG	+/-
IYR	Real Estate	70.8	98.20	1.95	▲
XLV	Healthcare	47.1	123.68	1.81	▲
XRT	Retail	99.5	93.28	0.58	▲
XLI	Industrials	73.6	101.56	0.42	▲
XLB	Materials	76.2	82.91	0.30	▲
XLF	Financials	90.6	35.38	-0.06	▬
XLP	Staples	28.8	69.57	-0.34	▬
XLK	Technology	62.9	142.70	-0.42	▬
XLC	Communications	59.7	76.45	-0.51	▬
XLU	Utilities	28.1	66.58	-0.94	▬
XLY	Discretionary	47.2	177.82	-1.14	▬
SMH	Semiconductors	85.2	249.20	-1.27	▬
XLE	Energy	91.8	47.54	-1.78	▬
XOP	E & P	95.9	75.88	-2.10	▬

SYMBOL	NAME	CLOSE	% CHG	+/-
\$SPTCD	Discretionary	278.43	1.24	▲
\$SPTRE	Real Estate	339.91	0.37	▲
\$SPTFS	Financials	352.22	0.13	▬
\$SPTGD	Gold Miners	312.85	0.05	▬
\$SPTTS	Telecom	183.58	-0.26	▬
\$SPTCS	Staples	665.59	-0.49	▬
\$SPTHC	HealthCare	72.76	-0.64	▬
\$SPTUT	Utilities	330.85	-0.64	▬
\$SPTMT	Materials	326.41	-0.96	▬
\$RTCM	Income Trusts	235.34	-1.03	▬
\$TSX	\$TSX	19102.33	-1.29	▬
\$SPTIN	Industrials	348.44	-1.93	▬
\$SPTTK	Technology	187.83	-4.13	▬
\$SPTEN	Energy	113.18	-4.15	▬

GLOBAL VIEW

The globe paused this week. Most markets were up or down 1%. India continues to struggle with COVID, and the market has been pushing down there. Commodities are on the right. Copper got a big surge, and the copper miners did too. Gold and the precious metal miners were flat on the week. Lumber continues to rally to new highs, but the wood ETF sold off a bit. I like the industrial metals pushing higher. Here's a link to the [\\$GTX](#) chart that shows commodities are breaking the major trend line now. I'm onboard!

SYMBOL	NAME	CLOSE	% CHG	+/-
\$SSEC	Shanghai	3474.17	1.39	■
\$RTSI	Russia	1511.85	0.99	■
\$MXX	Mexico	49091.09	0.75	■
\$HSI	Hong Kong	29078.75	0.38	■
\$IBEX	Spain	8618.60	0.06	
\$AORD	Australia	7320.70	-0.07	
\$SPX	S&P 500 ----	4180.17	-0.13	
\$KOSPI	South Korea	3186.10	-0.39	■
\$INDU	Dow ----	34043.49	-0.46	■
\$CAC	France	6257.94	-0.46	■
\$BVSP	Brazil	120530.06	-0.48	■
\$IDDOW	Indonesia	1259.14	-0.53	■
\$NDX	Nasdaq 100 ----	13941.44	-0.72	■
\$GBDOW	London	311.67	-1.09	■
\$DAX	Germany	15279.62	-1.17	■
\$TSX	Canada	19102.33	-1.29	■
\$BSE	India	47878.45	-1.95	■
\$NIKK	Japan	29020.63	-2.23	■

SYMBOL	NAME	CLOSE	% CHG	+/-
\$SOYB	Soybean	1516.00	6.57	■
\$LUMBER	Lumber	1238.60	6.05	■
\$NATGAS	Natural Gas	2.82	5.15	■
LIT	Lithium	63.27	4.18	■
\$COPPER	Copper	4.34	4.03	■
REMX	Rare Earth Metals	80.08	1.91	■
SLX	Steel	58.74	1.26	■
\$SUGAR	Sugar	0.17	1.14	■
\$COCOA	Cocoa	2410.00	0.08	
GDX	Gold Miners	36.06	0.08	
HMMJ.TO	Marijuana Stocks	10.76	-0.09	
SIL	Silver Miners	43.96	-0.09	
\$SILVER	Silver	26.07	-0.11	
\$GOLD	Gold	1777.80	-0.13	
\$BRENT	Brent Crude	66.12	-0.97	■
\$HOIL	Heating Oil	1.88	-1.15	■
\$WTIC	WTI Crude	62.14	-1.66	■
\$GASO	Gasoline	2.01	-1.84	■

VIDEO OF THE WEEK

The May monthly conference call link. [The May conference call](#) will be Sunday May 2, at 5 PM EDT. Passcode = Rally

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

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

**THE
CANADIAN
TECHNICIAN**



Interesting Mix

Weekly Market Review
April 23, 2021



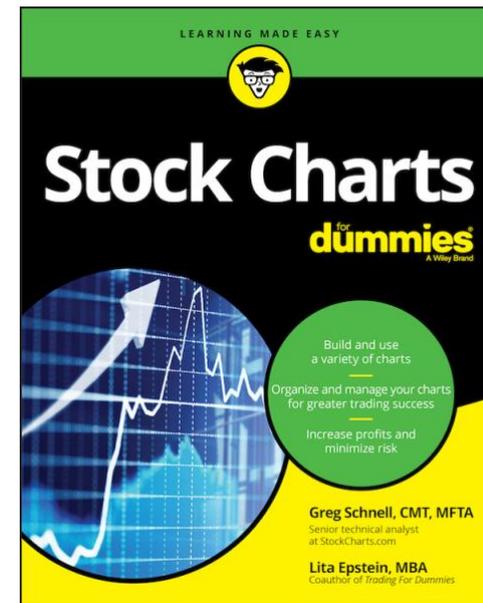
Disclaimer:

Greg Schnell is an independent analyst and does not invest for clients. Greg Schnell does not collaborate to create a positive/negative market bias, nor is he paid to promote any particular stock or perspective. These charts and descriptions are not an instruction to buy or sell. You as a reader, are solely responsible for every investing decision you make. Greg Schnell and any of his companies or relationships with other companies, are not responsible for trades. The ideas presented here are opinion. Trading and investing involves risk to you and is solely yours.

Good trading,
Greg Schnell, CMT, MFTA.

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.