

# The Past Week with PnF Charting

August 25, 2022



Marcus Aurelius

Aug 25



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## Point & Figure Charts + Targets

“Nothing ever happens to a person that they are not equipped by nature to endure.”

- Marcus Aurelius -

### Stocks

S&P 500 (SPY) had reached the minimum target the past couple weeks and now made an automatic reaction move lower with increased supply, see arrow below. This suggests SPY is entering into a trading range between \$411 to \$432.

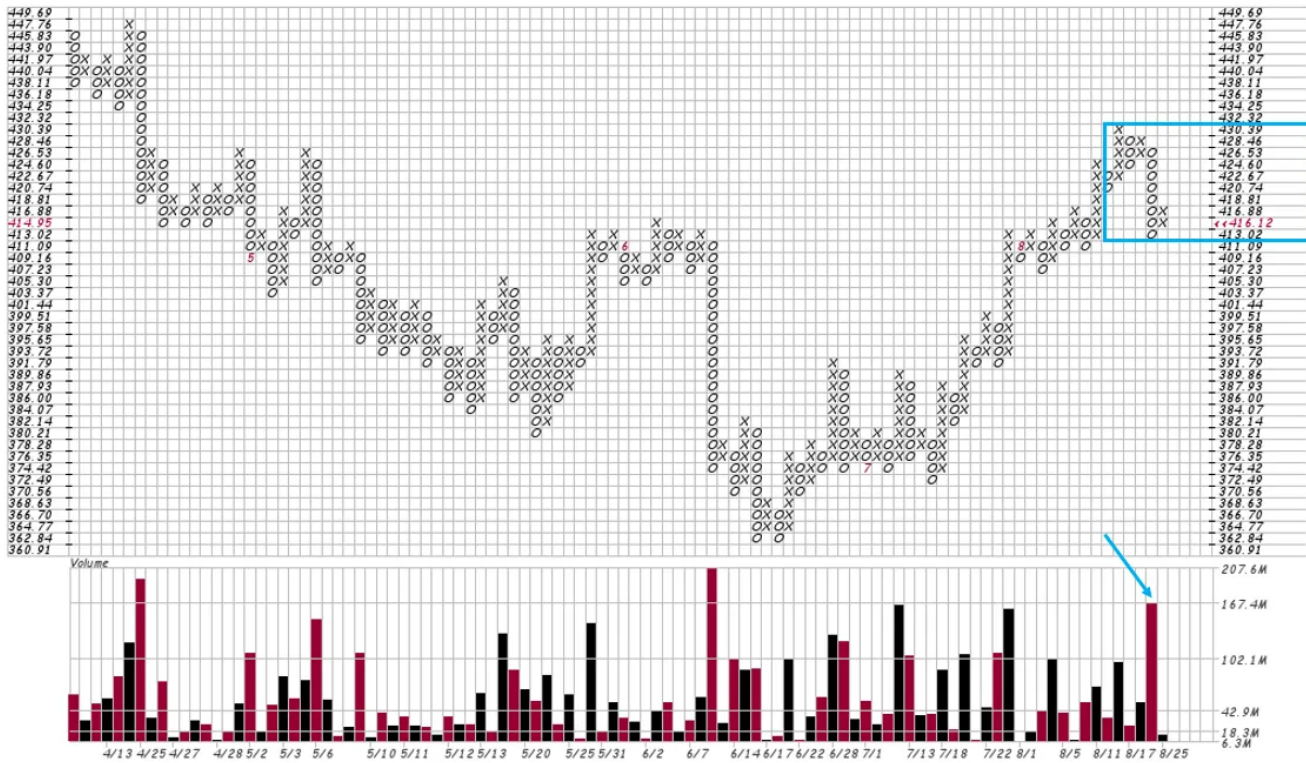
SPY SPDR S&P 500 ETF NYSE

25-Aug-2022, 13:32 ET, 60MIN, O: 415.49, H: 416.31, L: 415.25, C: 416.12, V: 859077, Chg: +0.648 (0.16%)

No recent chart pattern found

Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:1.93]

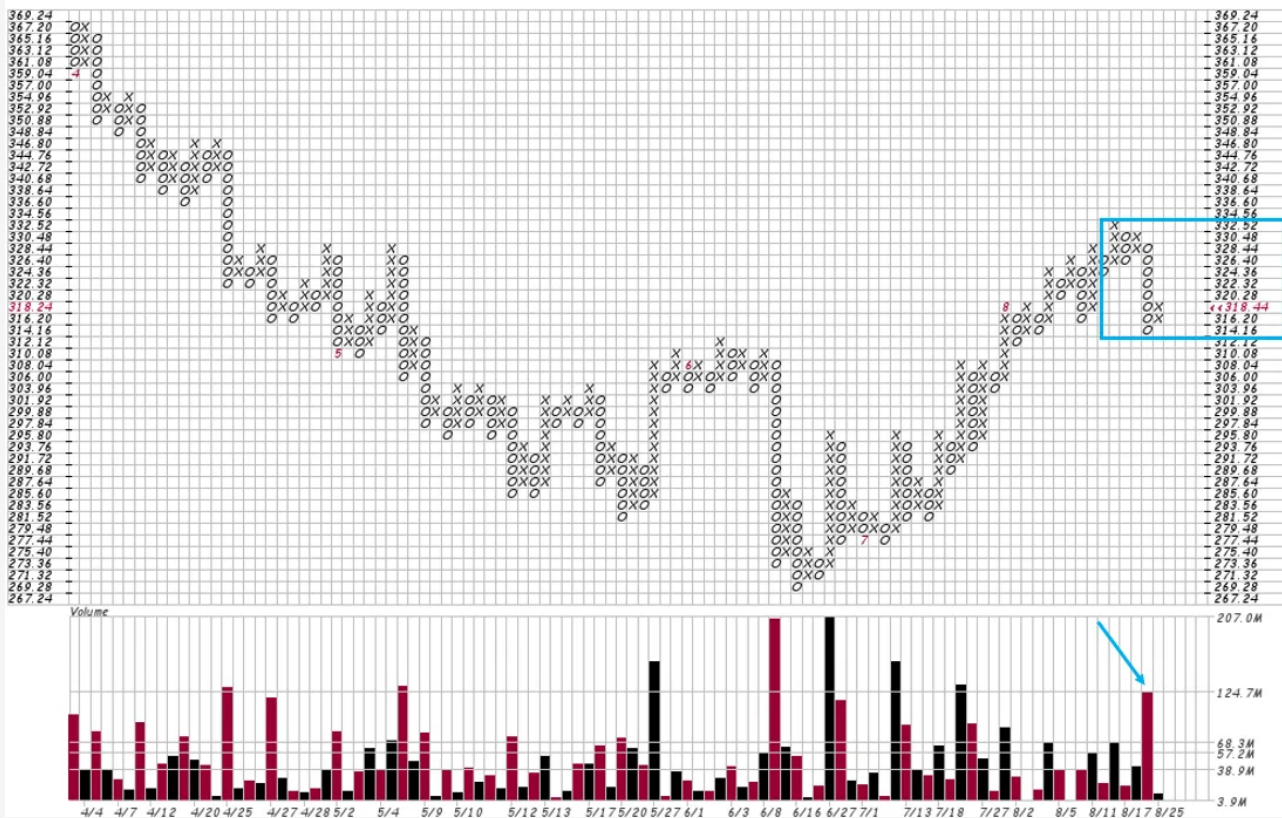
(c) StockCharts.com



Nasdaq (QQQ) also reached minimum target and has had an automatic reaction on increased supply. It is expected QQQ will remain in a trading range between \$312 to \$334.

**QQQ** Invesco QQQ Trust Nasdaq Global Mkt.  
25-Aug-2022, 13:34 ET, 60MIN, O: 317.35, H: 318.44, L: 317.16, C: 318.44, V: 745624, Chg: +1.08 (0.34%)  
No recent chart pattern found  
Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:2.04]

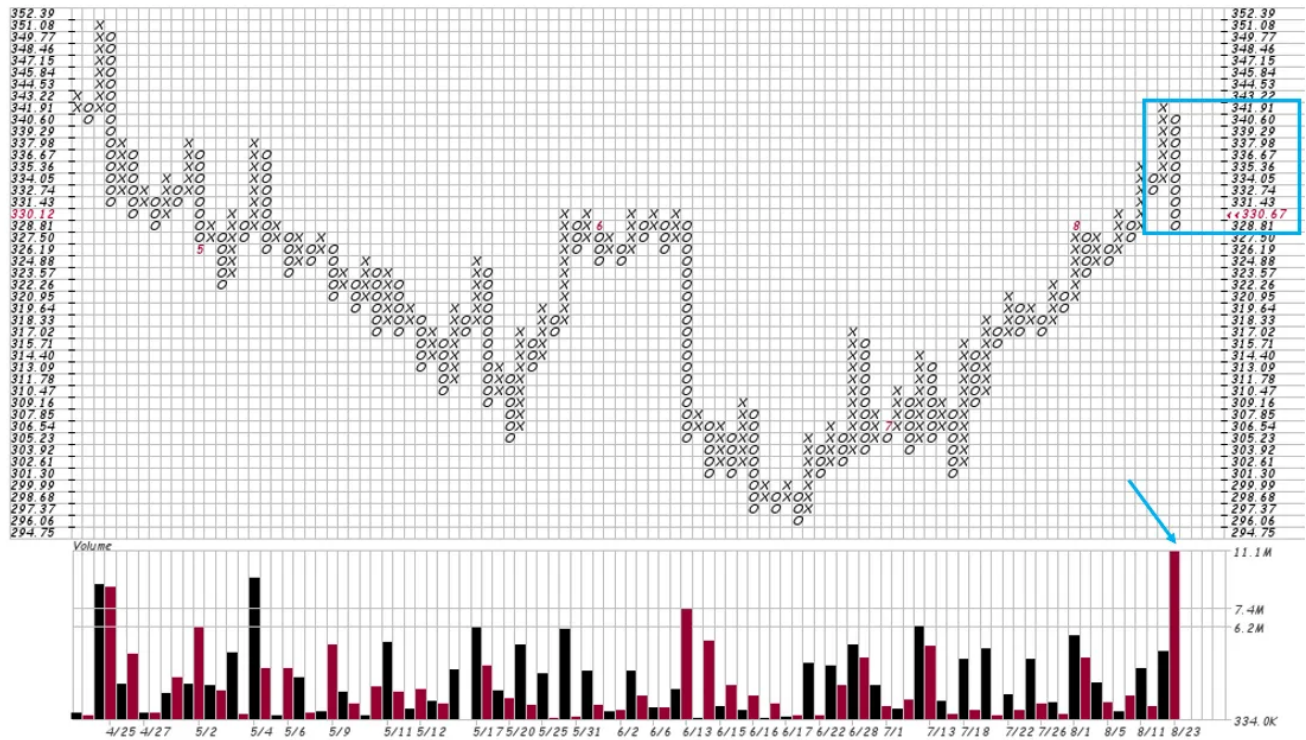
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Dow Jones Industrial Average (DIA) didn't reach our initial minimum target, but it might have been an ambitious PnF count. DIA had a large increase in supply on this automatic reaction, and expectation is for a trading range between \$327 to \$343.

**DIA** SPDR Dow Jones Industrial Average ETF NYSE  
25-Aug-2022, 13:36 ET, 60MN, O: 329.97, H: 330.72, L: 329.78, C: 330.67, V: 60399, Chg: +0.71 (0.22%)  
**P&F Pattern** Bullish Signal Reversed on 22-Aug-2022  
Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:1.31]

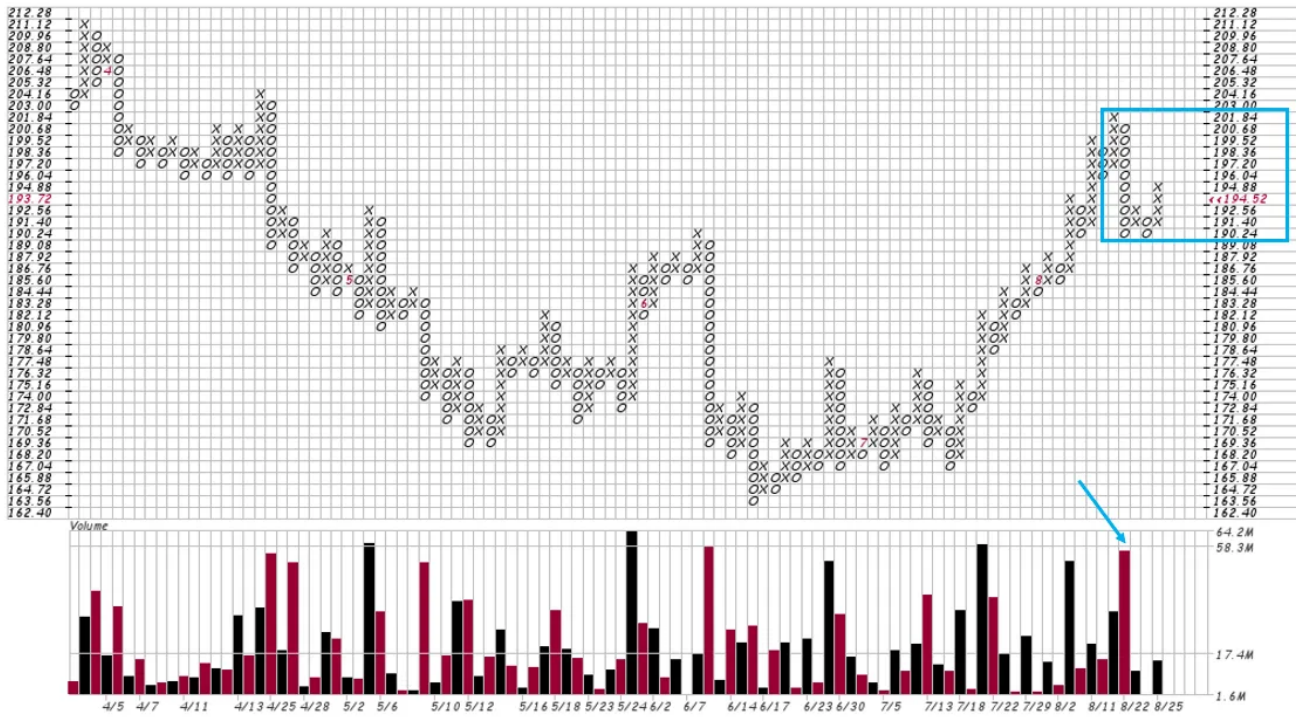
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Small Caps (IWM) didn't reach our initial minimum target, but again might have been an ambitious count. It might still reach that target with an upthrust of the trading range for the secondary test. The expected trading range is \$189 to \$203.

**IWM** iShares Russell 2000 ETF NYSE  
 25-Aug-2022, 13:37 ET, 60MN, O: 194.14, H: 194.58, L: 194.05, C: 194.52, V: 388792, Chg: +0.345 (0.18%)  
**P&F Pattern** Double Top Breakout on 25-Aug-2022  
 Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:1.16]

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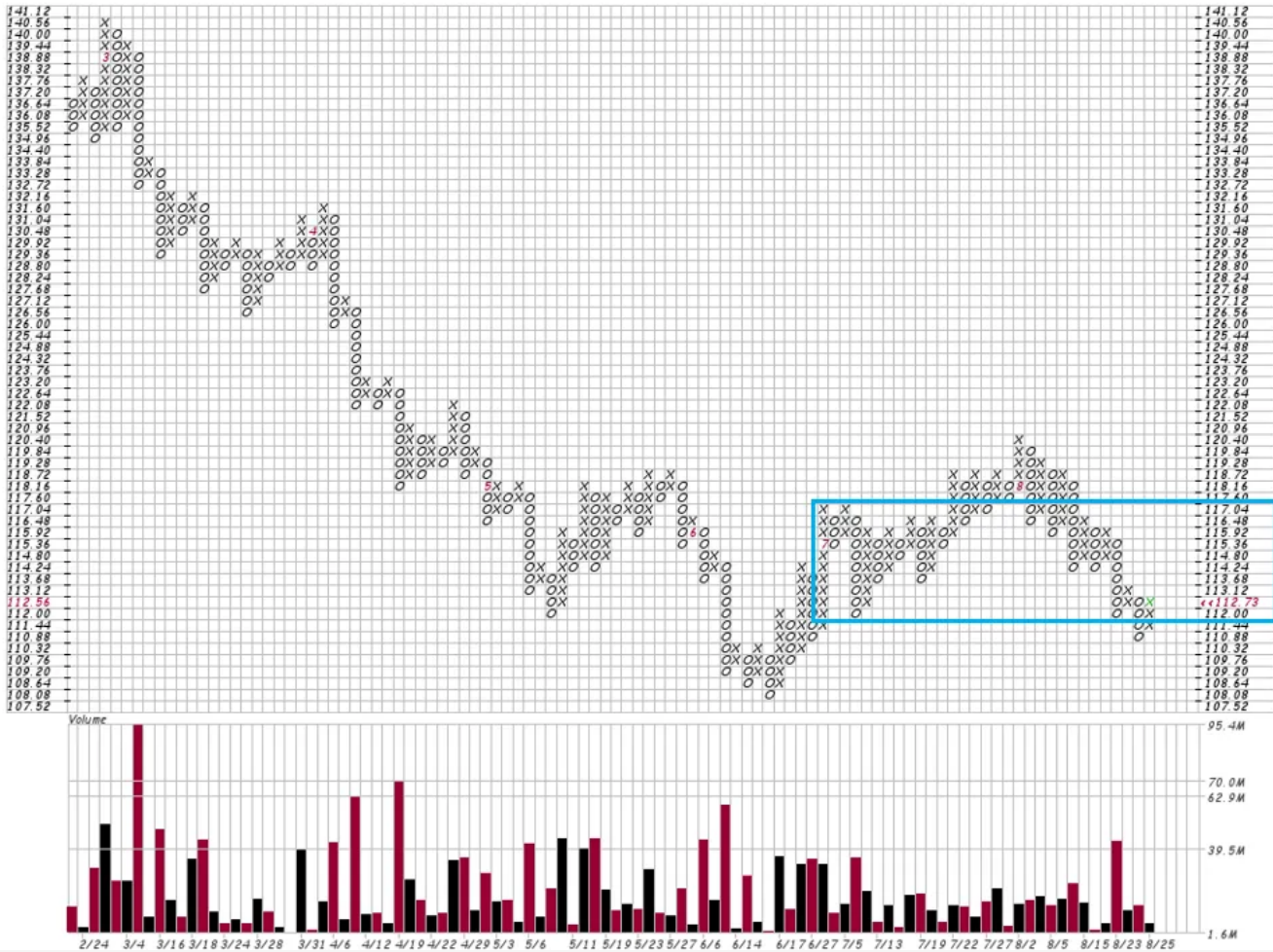
## Bonds

Bonds (TLT) remain in a trading range, but might be in a possible Phase C Spring Type Action right now. There was a large increase in supply which was stopped at the bottom of the trading range at \$112. Price dropped below on lower supply and has since sprung back into the trading range. With our current expectation that we are in Stage 1 (possibly Stage 2) of the Business Cycle, then being long Bonds would be aligned with the business cycle.



**TLT** iShares 20+ Year Treasury Bond ETF Nasdaq Global Mkt.  
 25-Aug-2022, 13:38 ET, 60MN, O: 112.29, H: 112.815, L: 112.28, C: 112.73, V: 1670694, Chg: +0.445 (0.40%)  
 No recent chart pattern found  
 Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:0.56]

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## Commodities

Commodities (DBC) are making a move out of the trading range to the upside. Our current business cycle expectation suggests commodity weakness, and with the bearish change of behavior from \$30.60 to \$24.48, that we should still be skeptical of this breakout for right now. Price below \$27.20 (dashed line) keeps the bias to the downside.

DBC Invesco DB Commodity Index Tracking Fund NYSE  
25-Aug-2022, 13:38 ET, 60MN, O: 26.73, H: 26.765, L: 26.60, C: 26.61, V: 19757, Chg: -0.11 (-0.41%)  
**P&F Pattern** Ascending Triple Top Breakout on 22-Aug-2022  
Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:0.17]

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## Weekly Highlight

China (FXI) is in the headlines today with new stimulus being released to wake the Chinese economy back up from slumber. Chinese stocks are showing strength today, and FXI has a minimum target with 5.6% higher than today.

Top stories

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**FT** Financial Times

China unveils \$44bn in new support to bolster battered economy

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China Stimulus News

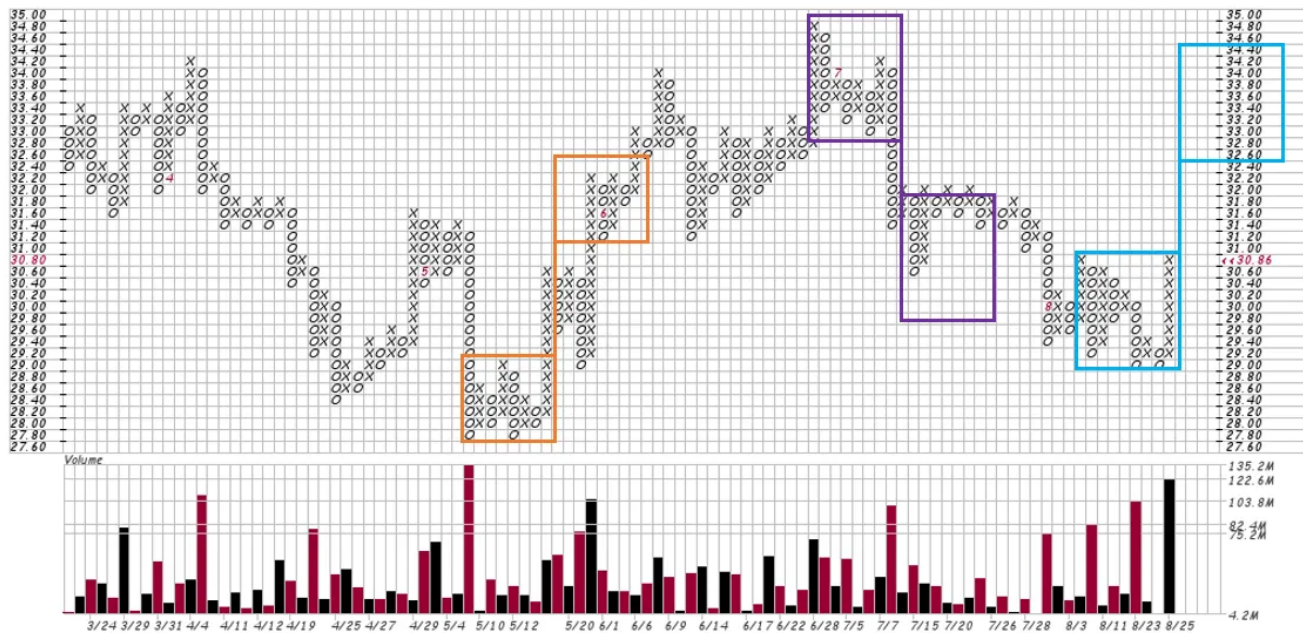
**FXI** iShares China Large-Cap ETF NYSE

25-Aug-2022, 13:41 ET, 60MN, O: 30.80, H: 30.90, L: 30.755, C: 30.86, V: 5855928, Chg: +0.055 (0.18%)

**P&F Pattern** Double Top Breakout on 24-Aug-2022

Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:0.2]

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Alibaba (**BABA**) is benefiting from the China Stimulus news, but also due to a report that the US and China are reaching an auditing agreement. BABA has recently been hit hard due to SEC suggesting possible delisting of Chinese stocks without proper auditing measures. BABA is in a trading range with current targets of 6%-20% higher from today's price.



# Chinese tech stocks extend gains on report U.S. and China nearing auditing agreement

Aug. 25, 2022 10:31 AM ET | Alibaba Group Holding Limited (BABA), BIDU, PDD, JD |

SEC Delisting Chinese Stocks Update

**BABA** Alibaba Group Holding Ltd. NYSE  
25-Aug-2022, 13:42 ET, 60MN, O: 99.98, H: 100.41, L: 99.76, C: 99.83, V: 1482826, Chg: -0.139 (-0.14%)  
**P&F Pattern** Bearish Signal Reversed on 25-Aug-2022  
Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:1.34]

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