

The Past Week with PnF Charting

September 1, 2022



Marcus Aurelius

Sep 1



Point & Figure Charts + Targets

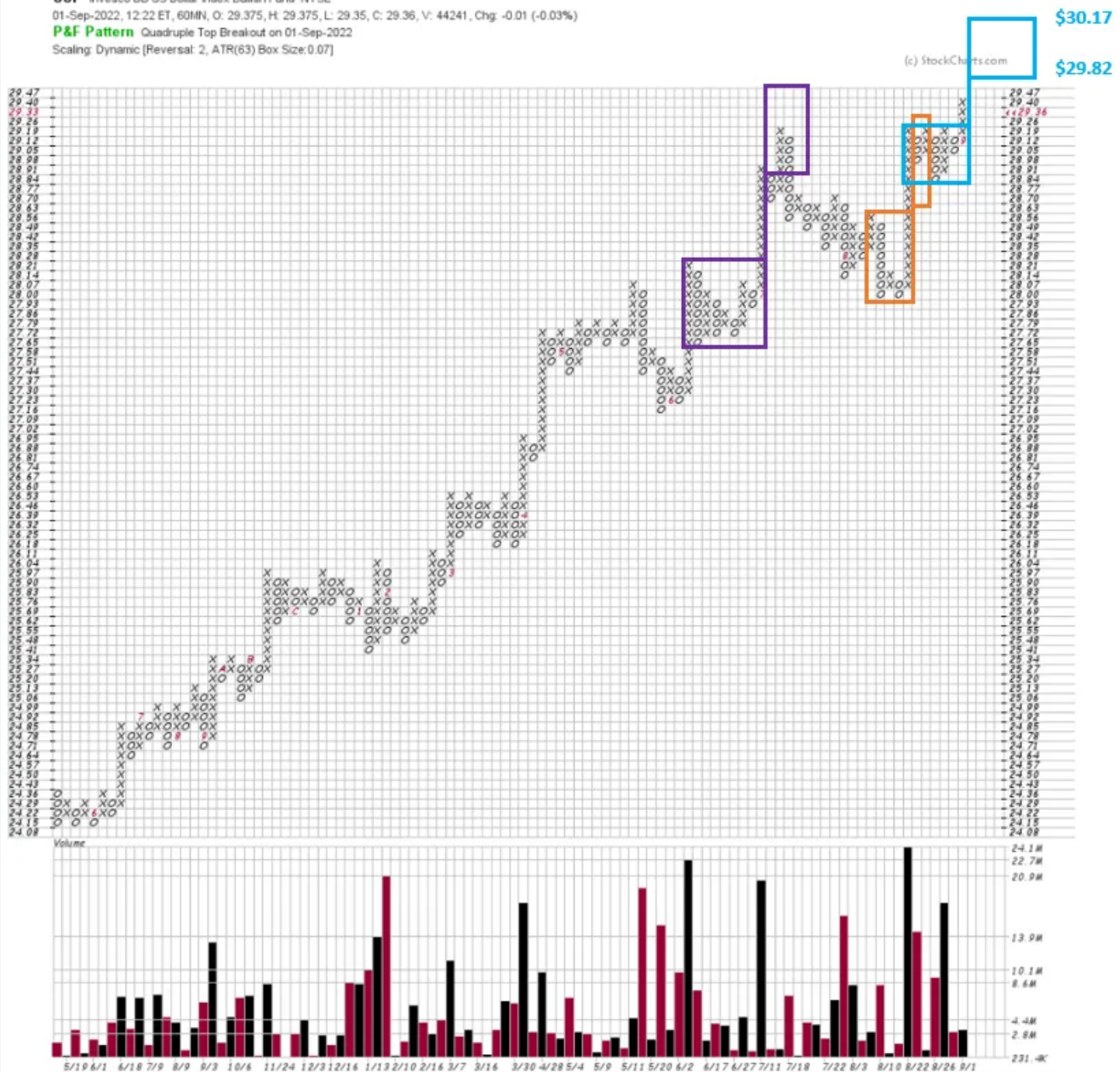
“The best revenge is not to do as they do.”

- Marcus Aurelius -

US Dollar

US Dollar (UUP) continues to grind higher after a possible larger trading range now seems unlikely. Current targets point to ~\$30, which is ~2% higher from today. Some possible backing up action and consolidating at current levels should be expected.

UUP Invesco DB US Dollar Index Bullish Fund NYSE
 01-Sep-2022, 12:22 ET, 60MN, O: 29.375, H: 29.375, L: 29.35, C: 29.36, V: 44241, Chg: -0.01 (-0.03%)
P&F Pattern Quadruple Top Breakout on 01-Sep-2022
 Scaling: Dynamic [Reversal: 2, ATR(63) Box Size: 0.07]



Stocks

The idea last week was that Stocks had completed the Q3 Bear Market Rally, and we were entering into trading ranges until the Sep 16 Quarterly Expirations and Sep 30 Q3 End which would then lead into the Q4 Thunderstorms. It looks like those Q4 Thunderstorms are rolling in early, so stay frosty out there.

S&P 500 (SPY) developed a fast distribution top and looks to have already met targets. The dashed line is the top of the previous trading range that was used to count the Q3

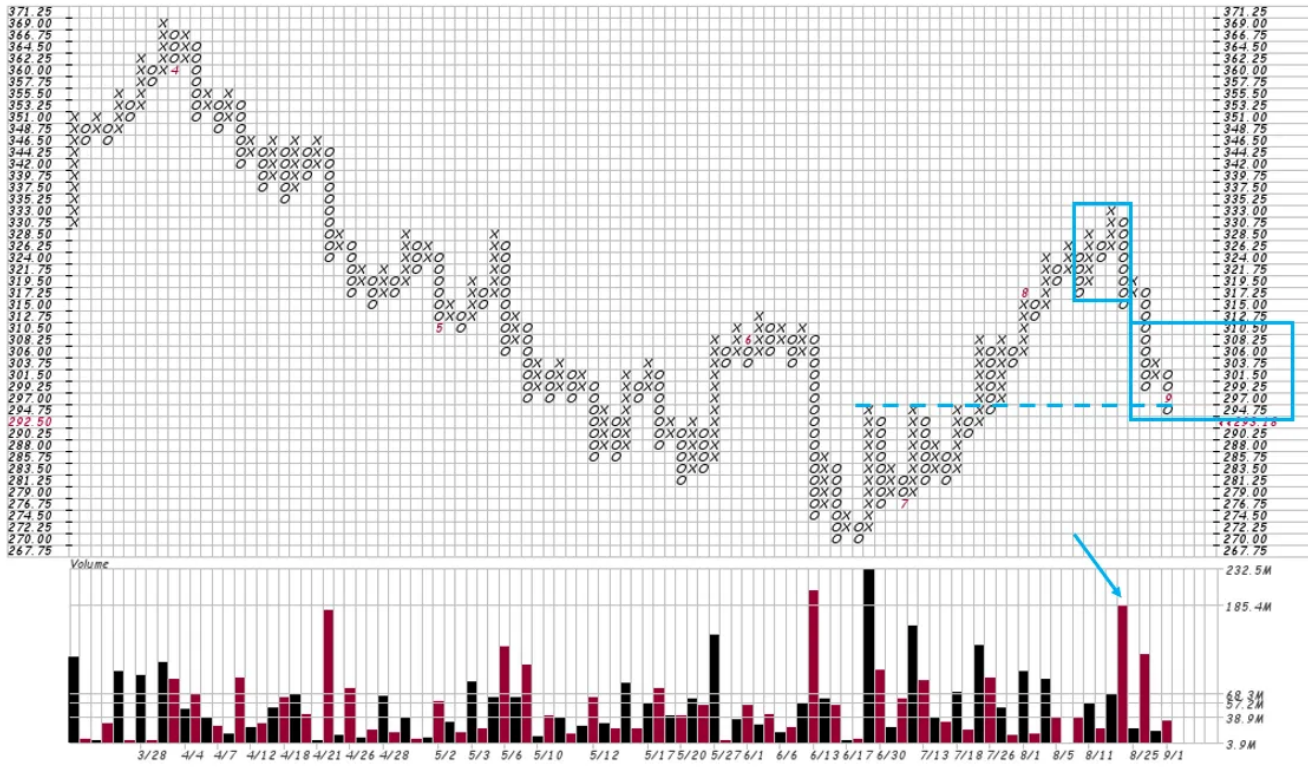
Bear Market Rally. It would seem likely that a trading range could develop here, but don't count anything out.



Nasdaq (QQQ) has reached targets after the fast distribution top and similar to SPY, at levels that a potential trading range could develop.

QQQ Invesco QQQ Trust Nasdaq Global Mkt.
 01-Sep-2022, 11:57 ET, 60MN, O: 293.79, H: 294.92, L: 293.13, C: 293.18, V: 4930506, Chg: -0.61 (-0.21%)
P&F Pattern Descending Triple Bottom Breakdown on 01-Sep-2022
 Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:2.25]

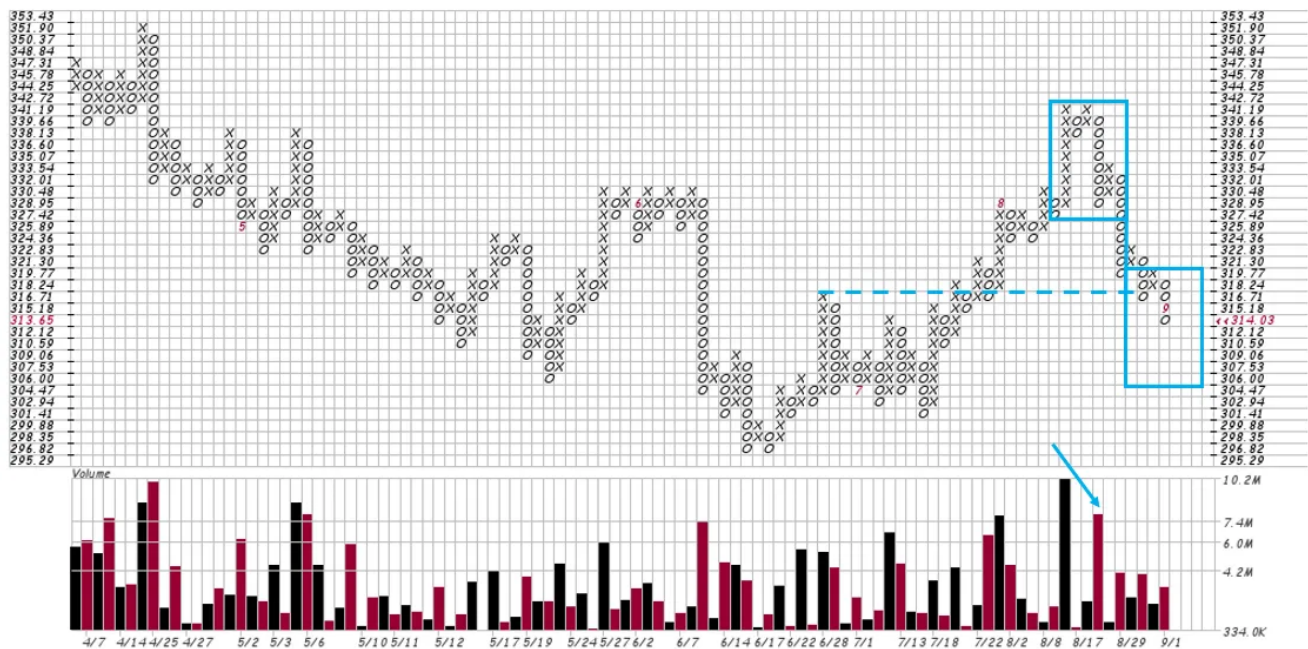
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Dow Jones Industrial Average (DIA) is a similar story as SPY & QQQ.

DIA SPDR Dow Jones Industrial Average ETF NYSE
 01-Sep-2022, 11:59 ET, 60MN, O: 313.19, H: 315.20, L: 313.02, C: 314.035, V: 282575, Chg: +0.845 (0.27%)
P&F Pattern Descending Triple Bottom Breakdown on 01-Sep-2022
 Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:1.53]

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Small Caps (IWM) is the same story as the others. It should be noted the large increase of supply off the top. Qualities of Distribution.

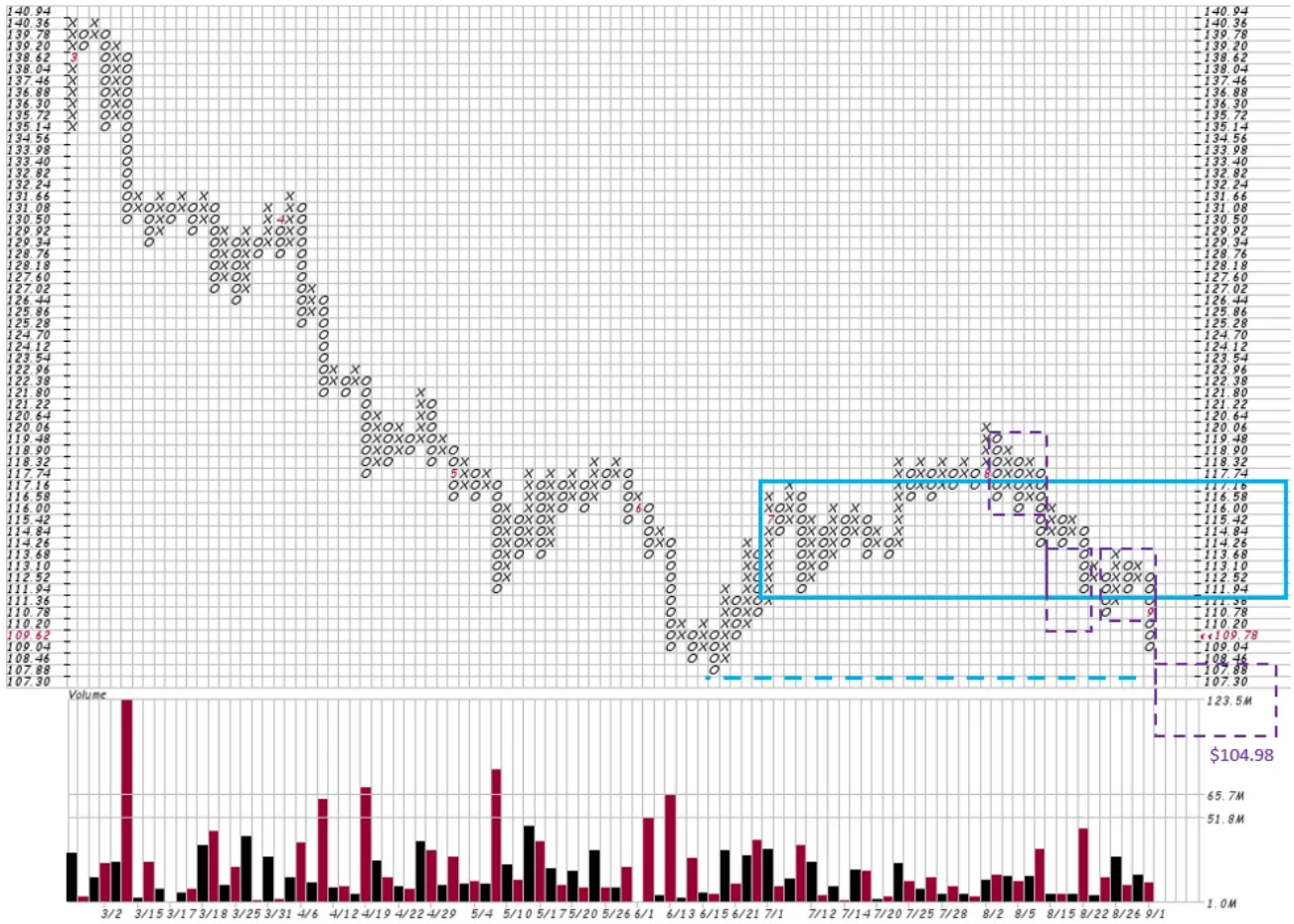


Bonds

Bonds (TLT) have broken down below the trading range with current short term targets at or below the June lows. With expectations now for higher rates for longer after Powell’s Jackson Hole speech, this is a very tough spot for Bonds. If we’re in Stage 1, a sharp drop in Stocks & Commodities could lead to a flight to safety for Bonds. While if this is Stage 6, pain could be ahead for all 3 assets. Right now, price action around the June Lows will be most telling.

TLT iShares 20+ Year Treasury Bond ETF Nasdaq Global Mkt.
 01-Sep-2022, 12:12 ET, 60MN, O: 109.63, H: 109.81, L: 109.63, C: 109.785, Chg: +0.15 (0.14%)
P&F Pattern Double Bottom Breakdown on 31-Aug-2022
 Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:0.58]

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Commodities

Commodities (DBC) remained below \$27.20 (dashed line) since last week and is currently in the making of a sign of weakness toward the bottom of the trading range.

DBC Invesco DB Commodity Index Tracking Fund NYSE
 01-Sep-2022, 12:20 ET, 60MN, O: 25.32, H: 25.365, L: 25.295, C: 25.30, V: 27220, Chg: -0.02 (-0.08%)
P&F Pattern Bullish Signal Reversed on 30-Aug-2022
 Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:0.18]

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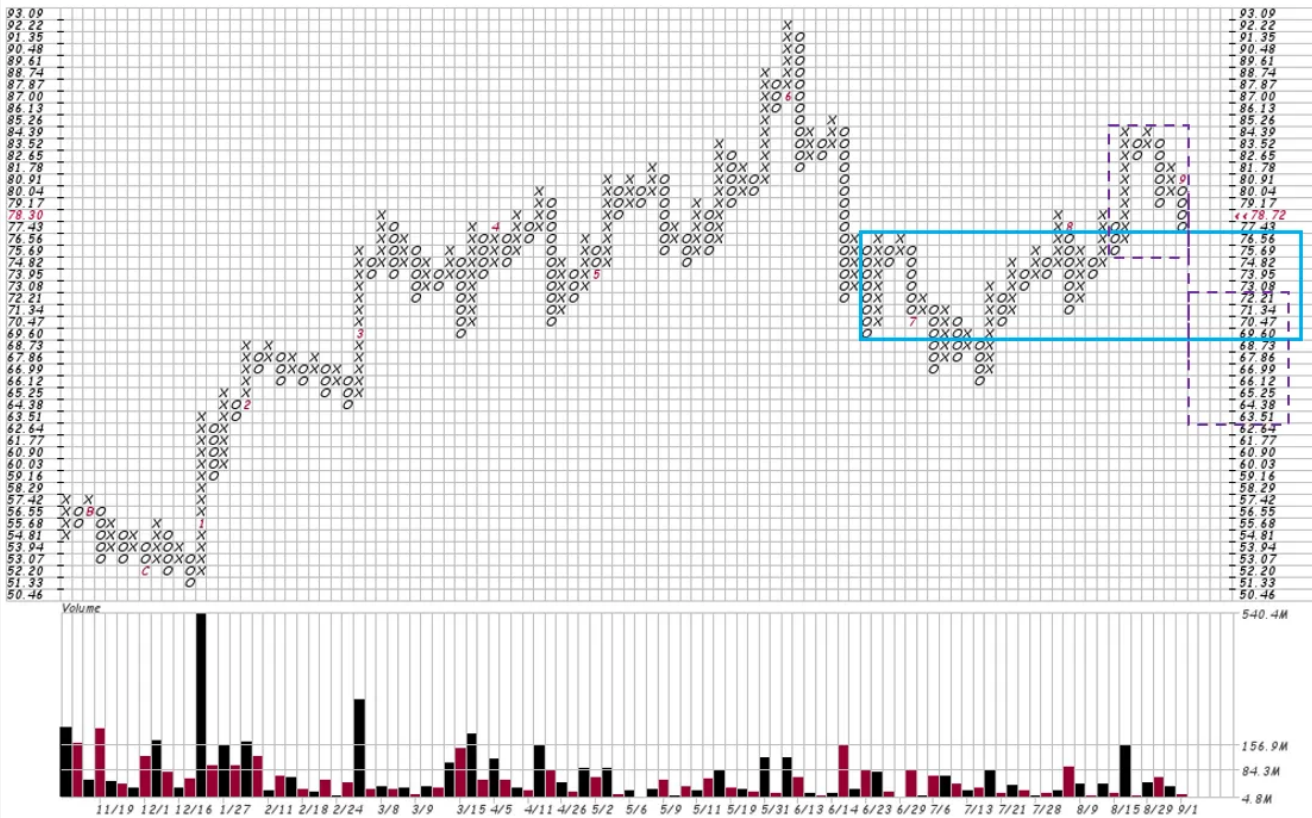
Weekly Highlight

Want to talk about Fed Demand Destruction? Then let's talk Energy!

Energy (XLE) has been in a trading range since the bearish change of behavior in May / June. Price has recently performed an upthrust failing to overcome the ~\$85 level. Aligning with the concept that a harder recession is coming, expect Energy to weaken further as demand dries up.

XLE Energy Select Sector SPDR Fund NYSE
01-Sep-2022, 12:24 ET, 60MN, O: 78.95, H: 79.11, L: 78.67, C: 78.72, V: 278673, Chg: -0.23 (-0.29%)
P&F Pattern Descending Triple Bottom Breakdown on 01-Sep-2022
Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:0.87]

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Valero (VLO) is performing similar price action as XLE, but as already broken back down into the trading range and the upthrust was of weaker nature. VLO is a refiner of transportation fuels (i.e. Oil into Gasoline), and aligning with a weaker commercial and consumer demand for gasoline coming, expect Valero to be a laggard.

VLO Valero Energy Corp NYSE
 01-Sep-2022, 12:28 ET, 60MN, O: 111.79, H: 112.27, L: 111.32, C: 111.52, V: 83624, Chg: -0.26 (-0.23%)
P&F Pattern Bullish Signal Reversed on 01-Sep-2022
 Scaling: Dynamic [Reversal: 2, ATR(63) Box Size:1.61]

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1 Comment




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Paul Bergin Writes Financial Food for Thought Sep 1  Liked by Marcus Aurelius

Nice work! Also had three opportunity to see your presentation on Wyckoff analytics, well done. Best of luck

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