



September 28th, 2023

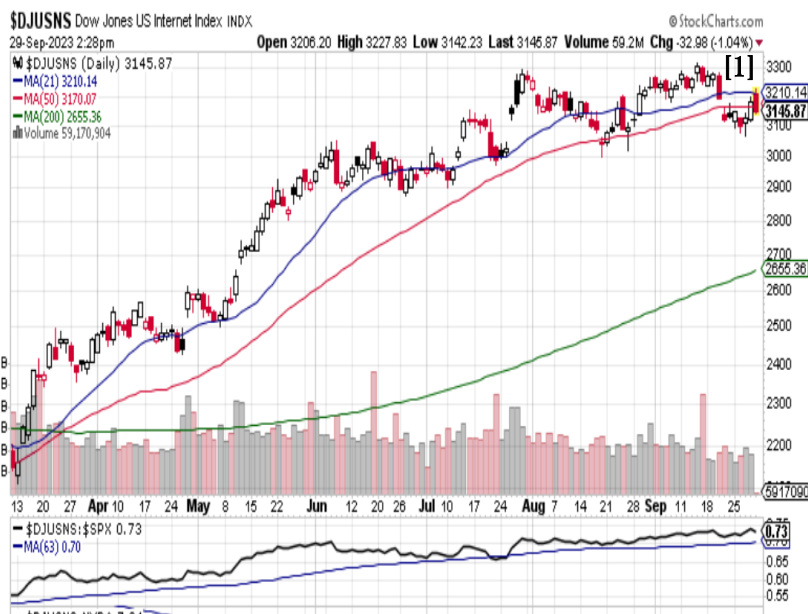
Sectors Update



Simple Moving Averages: 20-period / 50-period

After a week of consistent selling, the XLK has reached the short-term support [1]. This is a logical level where short sellers take some profits, triggering a short-term pullback. The attempt to reverse so far looks very weak and indicates poor demand at the support. Energy stocks have dominated the scene, but the XLE has failed to make a new high [2]. Within the sector, Coal Stocks are making new highs. We expect a short-term consolidation for the XLE. Utilities are breaking to the downside. On Thursday [3], we had the highest volume signature since March in the XLU, but there is still no sign of a short-term reversal.

Internet Index



The Dow Jones Internet Index is testing the 21-day moving average. The P&F count for this index has been fulfilled. Leadership indexes tend to create higher lows and higher highs in both reaccumulation and distributional structures, which makes the tape reader's task more challenging. The last reaction shows a volume spike at the top and slightly increased velocity to the downside.

Strategy:

A rejection of the 21-day moving average would confirm the deterioration of demand for this sector.



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The Megacaps / AAPL



After the lower high in early September, AAPL has just made a marginal lower low. Springs in a downtrend are low-probability opportunities, and Wyckoffians rarely trade them. Now, we want to assess how much demand emerges around this level (former resistance). The volume and spreads of the last down bars are slightly diminishing, leaving some room for a technical rally within the context of the downtrend channel. We want to monitor this stock closely for its impact on the index. Any break below the support could trigger further liquidations in the indexes.

The Megacaps / NVDA



The attempt to rally at point [2] is weaker than at point [1]. We will likely retest the high-volume zone highlighted in yellow. A rejection of this level on high volume could confirm a Last Point of Supply (LPSY) in play. We need to be prepared to reassess our bias if a solid close above the 50 SMA materializes.

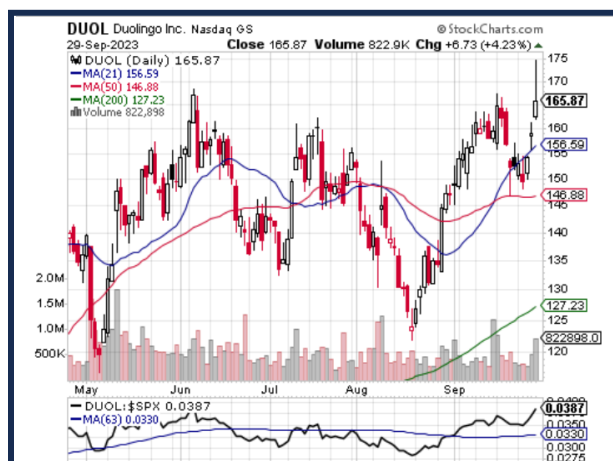


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Strength



Volatility has diminished, and the relative strength is close to marking a new high. The stock has held up during Friday's selloff. A few days of low-volume testing in the \$460-70 range followed by a break of the \$470 resistance will confirm the continuation pattern.



The rally from \$125 to \$165 has good volume and spread, a sign of strength followed by a 30% retracement. We are now in a potential Phase E. The recent supply spike suggests some short-term testing.



Tight consolidation on relatively low volume, potential continuation. The last down bar does not look threatening so far; the volume is very low. The 50 SMA is acting as support.



After the supply spike in early August, the volume has contracted, suggesting absorption. The 21 SMA has acted as support, indicating aggressive demand for the stock.



September 29th, 2023

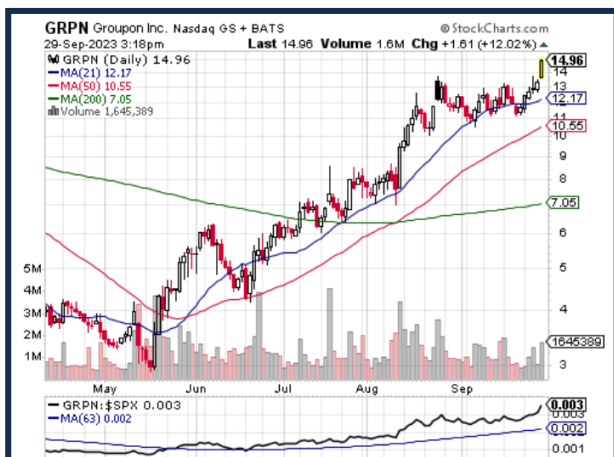
Strength



Local breakout confirmed by the volume increase. The last small bar in the upper half of the range looks like a strong test. Higher lows and higher highs on both price and relative strength confirm that institutional demand is present.



Despite the high volume signature, all the reactions are very small (with low results to the downside), and we are consistently making higher highs and higher lows. We will look for a gentle retest of the 21 SMA on diminishing volume.



A classic continuation pattern confirmed by a strong close on average volume. The causality is limited, but the momentum is strong. The 21 SMA is acting as support, indicating strong absorption.



A good stock for campaigners, but some supply is present in the last ten bars. A pullback in Crude Oil could cool off the stock for a week. We will closely follow the 21 and 50 sma in the next weeks.



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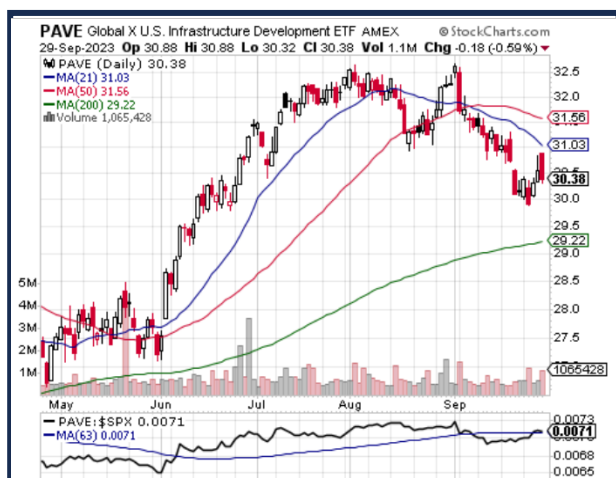
Weakness



A well-established downtrend in price and relative strength, with the 50 SMA acting as resistance. Any short-term pullback could offer short-selling opportunities with a stop-loss placed at the moving average.



After the breakdown in August, the 21 SMA is acting as resistance. Some residual demand is present at the lows, suggesting that buyers are not completely exhausted, but three consecutive poor closes indicate weakness.



Compared to other weak stocks on this list, the breakdown is very recent. We need to see a clear rejection below the 63 SMA on the relative strength, as it generally offers a good resistance point for short sellers.



Extreme weakness, but the downmove looks overextended in the short term. A pullback to the 21 SMA would provide a better point of entry.



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