



Welcome to the Wyckoff Market Report! In each issue you'll find a concise analysis of the overall U.S. market, a "Chart of Interest," as well as industry groups of interest, and up to 20 liquid stocks or ETFs identified through the weekly selection process we use to populate our own watchlists. We focus on stocks and ETFs in emerging uptrends after building a cause, anticipating that they may become actionable in the future.

**MARKET ANALYSIS: NASDAQ100 (HOURLY)**



**Market trend:**

Long-term: UP  
Intermediate: TRADING RANGE  
Short-term: UP

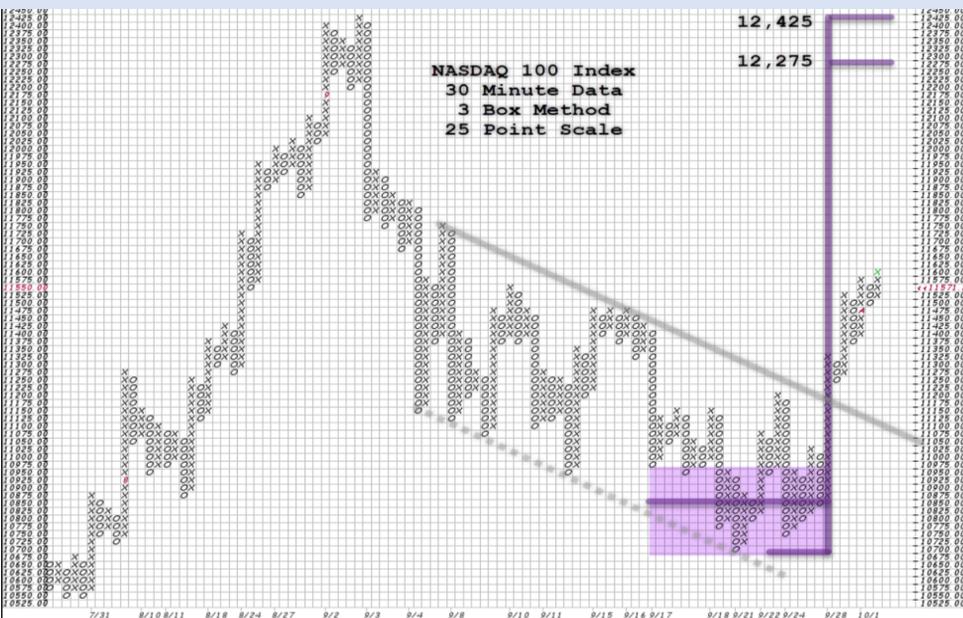
**Point-and-Figure targets:**

Up swing count: 12,275 - 12,425

**Analysis:**

The current intraday rally is acting as a Change of Behavior on the way out of the trading range. After aggressive selling and profit-taking, the Nasdaq100 temporarily resumed its leadership. However, the President's Covid diagnosis created a new uncertainty which was reflected in Friday's rotation back to Value. Even though the current intraday structure suggests that the rally will continue, a failure below 11,150 would negate the current labeling.

**MARKET ANALYSIS: NASDAQ100 PnF CHART (30 MINS)**



**Analysis:**

Here is an intraday Point-and-Figure chart of the Nasdaq100 with the following parameters: 30-minute data, 3-box reversal and 25-point box size. The latest stopping action and final test produced a consolidation range with a horizontal point count projecting to price objectives of 12,275 - 12,425. This would bring the Nasdaq100 back to the level of September's Buying Climax for a potential retest of this important resistance conditional on a successful Back Up action. With additional upward progress, this price structure can yield a larger Point-and-Figure horizontal count and even higher prices.

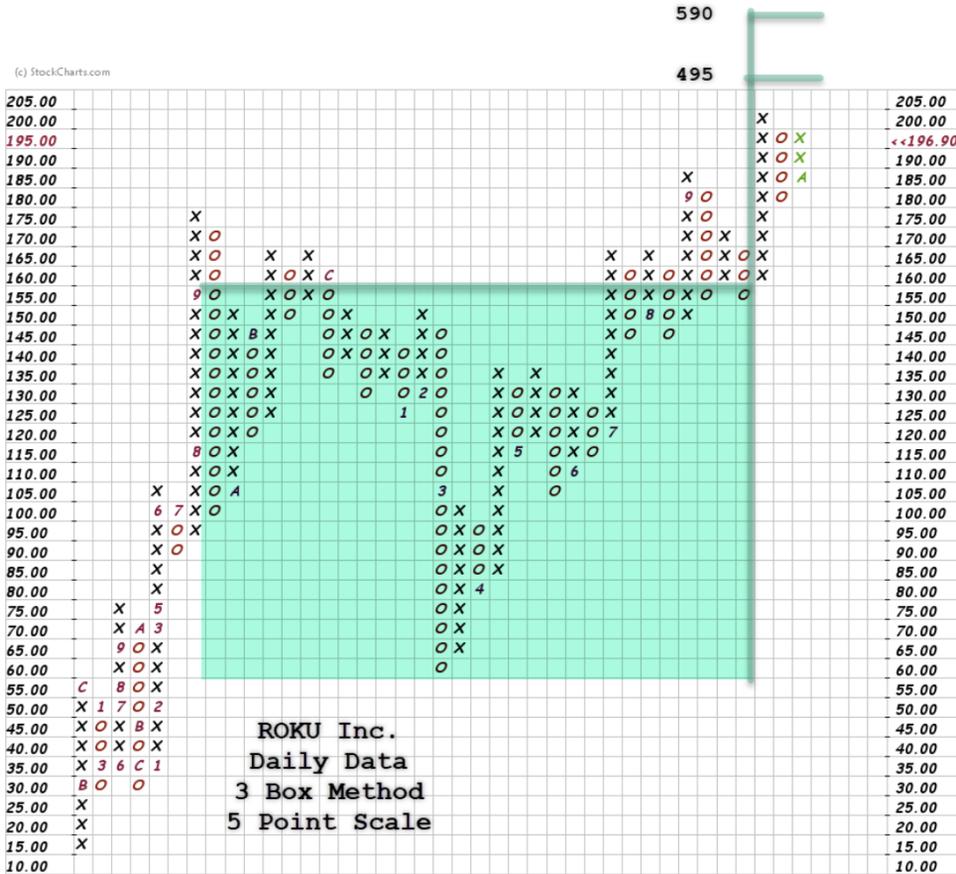
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CHART OF INTEREST: ROKU, Inc. (ROKU)



**Analysis:** Long-term causality appears to be nearing completion. The current price action is showing signs of absorption of Supply from the 2019 highs. The most recent reactions around the highs of the trading range are shallower than previous reactions, indicating that Supply is diminishing. Relative strength is leading ROKU to new highs.



ROKU Point-and-Figure chart

**Analysis:** This is a Point-and-Figure chart of ROKU with following parameters: daily data, 3-box reversal and 5-point box size. Re-accumulation campaign counts in this chart project to minimum and maximum targets of \$495 and \$590, respectively. The PnF chart shows multiple segments, suggesting that there may be several stepping-stone trading ranges as the uptrend unfolds.

ROKU Inc.  
Daily Data  
3 Box Method  
5 Point Scale



### INDUSTRY GROUPS OF INTEREST



**Symbol:** \$DJUSAM (Medical Equipment)

**Analysis:** The Medical Equipment group continues to be in well-established price and relative strength uptrends. Relative strength improved during the Covid-19 decline, which suggested this group would outperform during the recovery rally. Currently the price is at all-time high and RS is completing a re-accumulation structure, which is expected to resolve into a new RS uptrend.

**Notable stocks in the group:**

A, DHR, ISRG, MTD, STAA, STE, SYK, TDNM



**Symbol:** \$DJUSFD (Food Retailers and Wholesalers)

**Analysis:** The Food Retailers and Wholesalers group is making new price highs after minimal damage during the Covid-19 reaction. Relative strength is currently emerging above its moving average. This group has been a relative strength leader for quite some time, and we expect this to continue until a more prominent Change of Behavior occurs.

**Notable stocks in the group:**

SY, PFGC, CASY, GO



**TOP STOCKS OF INTEREST**



**ISRG:** Price broke out of a long-term re-accumulation range in July, re-establishing leadership character.



**MTD:** Price is in a short-term trading range with RS making new all-time highs.



**STAA:** In a Back-up after breaking out of a long-term re-accumulation to an all-time high.



**STE:** Breakout to an all-time high out of a flat re-accumulation range with RS confirming.



**SYK:** Change of Behavior in relative strength from down to up, with higher highs and higher lows in price.



**TNDM:** Flat Back-up re-accumulation pattern with relative strength in an uptrend.



**TOP STOCKS OF INTEREST**



**A:** Long-term re-accumulation in early 2018 has now resolved into a confirmed uptrend.



**DHR:** One of the strongest stocks in the group, with price and RS in accelerating uptrends.



**CASY:** Diminished volatility with price approaching an all-time high as RS progresses upwards.



**GO:** A recent IPO with a Back-up into the accumulation trading range. Relative strength still needs to improve.



**PFGC:** Higher highs and higher lows in both price and relative strength after a deep V-bottom in Feb-March.



**SY:** Higher highs and higher lows in price, with relative strength emerging. Now in Back-up position.



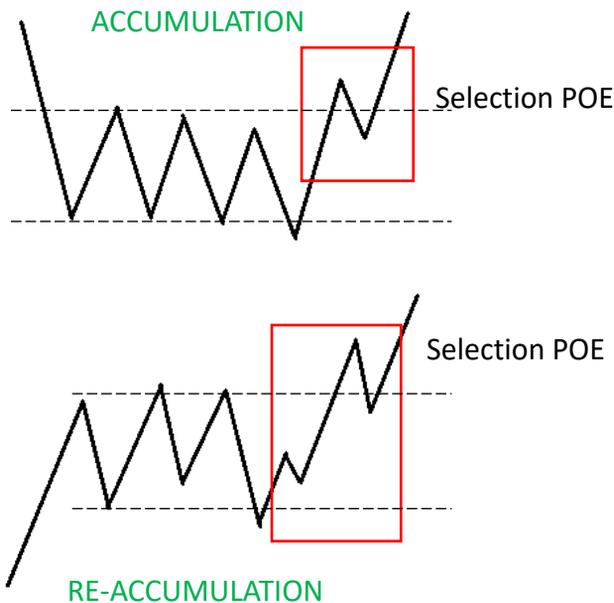
## SELECTION METHODOLOGY

**During a market uptrend, we seek large and mid-cap stocks as well as liquid ETFs:**

1. In sync with the trend of the overall market
2. In confirmed uptrends in both absolute and relative performance
3. Included in industry groups displaying both absolute and relative outperformance
4. That present substantial reward-to-risk ratios, with price objectives estimated by Point-and-Figure counts
5. In or approaching potentially actionable positions within Wyckoff price structures

**During a market downtrend, we highlight inverse ETFs or defensive stocks likely to benefit from the decline.**

### Schematic illustrations of our screening algorithm during an uptrend



#### Criteria for candidate selection in a market uptrend

1. The stock or ETF price displays absolute and relative strength compared with the market.
2. The stock's or ETF's industry group also shows outperformance.
3. PnF price targets suggest attractive reward-to-risk ratios.
4. The stock or ETF is in or approaching an actionable position.
5. Purchase of any stock selection should be timed to coincide with a rally phase in stock indexes.

### Schematic illustration of our screening algorithm during a downtrend:



#### Criteria for candidate selection in a market downtrend

1. The industry group or sector displays weakness relative to the market and may have an associated inverse ETF, OR
2. Defensive industry groups or stocks are typically in an established uptrend.
3. PnF price targets suggest attractive reward-to-risk ratios.
4. The stock or inverse ETF is in or approaching an actionable position.



## TERMINOLOGY AND IMPORTANT NOTE ON INDUSTRY GROUPS AND STOCKS OF INTEREST

**Key to Wyckoff Abbreviations (to learn more, please see “Wyckoff Schematics” at [www.wyckoffanalytics.com/wyckoff-method/](http://www.wyckoffanalytics.com/wyckoff-method/))**

BC – Buying Climax	AR – Automatic reaction (after BC)	LPS – Last point of support
SC – Selling Climax	AR – Automatic rally (after SC)	LPSY – Last point of supply
SOS – Sign of Strength	ST – Secondary test	POE – Point of entry
SOW – Sign of Weakness	UT – Upthrust	ChoCh – Change of character
PnF – Point & Figure	UTAD – Upthrust after distribution	ChoBeh – Change of behavior
TR – Trading range	BO – Breakout	SO – Shakeout

The stocks and ETFs profiled in this newsletter are potential candidates for our personal watchlists as of the date of publication of this newsletter. They may not yet be actionable, but we may consider them for investment when the market is either in or poised to resume an uptrend after building a sufficient cause. However, at any time it's possible that deterioration of a stock's price and volume signature (or of the overall market environment) will undermine its attractiveness as a trade candidate. In addition, please note that by listing any security in this newsletter, we are not making a commitment to trade it in our own accounts, nor are we recommending it for purchase. (See “Full Disclosure”, below). All traders need to make investment decisions (including point of entry, initial stop-loss and trade management) that are consistent with their own goals, trading plan and risk tolerance.

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