

Viper ETF Report

February 4, 2019

	1-Feb		20 Day	20 Week	Weekly	Weekly	Weekly	Daily	% Above
Sym	Close	Qpivot	EMA	EMA	starc+	starc-	A/D	A/D	20 Day EMA
SPY	270.06	258.96	262.70	265.78	284.54	235.94	↑	↑	2.8%
QQQ	167.45	161.75	162.70	165.31	180.20	142.38	↑	↑	2.9%
IWM	149.18	143.01	144.82	148.41	157.62	128.24	↑	↑	3.0%
DIA	250.18	239.82	244.07	245.51	264.64	218.38	↑	↑	2.5%
NYSE	12,330	11,758	11,994	12,145	12,839	10,921	↑↑	↑↑	2.8%

It was another week of solid gains for the stock market with the Dow Utilities leading the way up 2.3% followed by a 2% gain in the iShares Transportation Average (IYT). The SPY, QQQ, IWM and DIA had solid gains of over 1%.



There was no change in the advance/decline analysis as the daily, weekly and monthly analysis are positive. As per your requests this newly created table summarizes my analysis and will now be a regular feature especially if there are any changes. All of the monthly A/D lines are above their WMAs except the



Russell 2000. All of the market average ETFs are trading above their 20 week EMAs. The ETFs are also well above their 20 day EMAs so a pullback is not out of the question.

The **Spyder Trust (SPY)** closed above the 61.8% resistance at \$269.46 but did form a daily doji on Friday. A daily close below \$269.18 would trigger a daily doji sell signal. There is next important resistance at \$277.37. The monthly S&P 500 A/D line closed January at a new high (see chart) and the weekly A/D has turned sharply higher. This further confirms the strong move above resistance at line a. The daily A/D made a new high last week and is well above its rising WMA. The rising 20 day EMA is at \$262.70 which is 2.8% below Friday's close.

The **iShares Russell 2000 (IWM)** did surpass the 50% resistance at \$149.04 and formed a doji on Friday. The 61.8 % resistance is at \$154.54. There is additional weekly resistance in the



\$152-\$153 area. There is short term support now at \$145.37 with the 20 day EMA at \$144.82. The weekly Russell 2000 A/D line and OBV are above their WMAs and positive.

The **NYSE Composite** was up 1.7% last week as the 61.8% resistance at 12,291 was overcome. The December high and resistance is at 12,624. The close was just above the 20 month EMA at 12,247. The monthly NYSE All A/D and the NYSE Stocks Only A/D line have turned up from their WMAs which were tested in December. The bearish divergence resistance in the weekly NYSE All A/D line has been decisively overcome. This confirms a positive intermediate-term uptrend. There were 97 New Highs on Friday and just 10 New Lows. The chart I [Tweeted Friday](#) shows that the H/L analysis has bottomed.

The **Invesco QQQ Trust (QQQ)** moved above the daily downtrend at \$167.84 on Thursday and formed a doji on Friday. The 61.8% resistance is at \$170.39. There is initial support now at \$165.50-\$166 with the 20 day

EMA rising at \$162.70. This support was tested last week. The QPivot is at \$161.75. The daily Nasdaq 100 A/D line has moved to new rally highs as the 12/3 peak was also overcome. AMZN reports after the close on Monday it does makes up 8.7% of QQQ.

The **SPDR Dow Jones Industrials (DIA)** also formed a doji with a low of \$249.75 that should be watched on a closing basis early in the week. The 61.8% Fibonacci resistance at \$248.35 has been overcome with the daily downtrend at \$254.91. The weekly Dow A/D line and OBV are both positive and rising.

Summary: There was little to disappoint the market bulls last week with strong rallies in beaten down Apple and Facebook, strong jobs growth and economic news that was overall pretty good. Of course the skeptics will point out that if the job growth continues at the current rate the Fed may have to consider a rate hike.

On Friday the ISM Manufacturing Index came in better than expected while the Consumer Sentiment was a bit lower and needs to be watched in the coming months. This week the calendar is light though Fed Chair Powell is speaking Wednesday night and trade concerns are always hanging over the market.

The earnings season so far has been better than expected as with about half the S&P 500 reporting earnings are up 18% from a year ago. In addition to Google we get earnings from Disney, Twitter and Snap. The combination of the daily dojis in the market tracking ETFs along with last week's strong gains does favor a pullback this week. Many of the inverse ETFs also formed dojis on Friday as one of my students brought to my attention just after the close.

Many of the Asian markets are closed this week. China's markets is closed all week and South Korea is closed until Thursday for the Lunar New Year. Japan's Nikkei was up Monday as was the Hang Seng. The Eurozone markets are down slightly in early trading and are showing little change. The March S&P futures are slightly higher in early trading with the minor resistance at 2716 and the daily starc+ band at 2750. There is support at 2675 which was last Thursday's low

Viper ETF Sector Report									
Ticker	1-Feb	Q - Pivot	2019	Starc+	Starc-	Monthly OBV	Monthly RS	Weekly OBV	Weekly RS
XLY	107.19	102.96	8.3%	115.50	92.64	↑	↑	↑	↑
XLP	53.22	52.04	4.8%	55.71	47.91	↑	↑	↑	↓
XLE	64.89	63.02	13.1%	69.77	53.76	↓	↓	↑	↓
XLV	90.75	87.73	4.9%	96.69	79.56	↑	↑	↑	↓
VFH	65.29	61.85	10.0%	68.92	56.55	↓	↓	↑	↑
XLI	71.88	68.12	11.6%	75.64	60.67	↓	↓	↑	↑
XLB	53.51	52.20	5.9%	57.63	46.97	↓	↓	↑	↓
XLK	66.67	65.27	7.6%	71.73	56.4	↓	↓	↑	↓
XLU	54.55	53.64	3.1%	57.3	49.31	↑	↑	↑	↓
IYT	182.07	175.66	10.3%	193.65	154.07	↑	↓	↑	↓
XLRE	34.12	31.67	10.1%	34.77	29.75	↑	↑	↑	↑

After January's trading the monthly OBV for XLV and XLRE turned back to positive. Many of the weekly OBV readings flipped back to positive last week after dropping barely below their WMAs the prior week. A higher close is need to confirm the positive signals in XLP, XLE, VFH, XLU, IYT and XLRE. The weekly RS turned negative on XLB and XLK.

There is a new recommendation for investors in XLU which closed the week back above its QPivot. XLE lead the sectors last week and XOP has been quiet but given my bullish analysis on crude oil ([see charts](#)) traders should look at XOP.

The revised buy levels in the Vanguard Small Cap Growth (VBK) and Consumer Discretionary Select (XLY) were hit Thursday. The 2nd buy level in XLY has been lowered in reaction to earnings from AMZN.

Investors						
Symbol	Name	Position	Entry	Current	P/L	Stop
EEM	iShares MSCI Emerging Markets	50% Long	40.74	42.76	4.96%	39.29
XLV	Health Care Select	100%	89.05	90.75	1.91%	85.33
Traders						
Symbol	Name	Position	Entry	Current	P/L	Stop
GLD	SPDR Gold Trust	50% Long	114.83	124.69	8.59%	114.46
SPY	Spyder Trust	100% Long	264.64	267.58	1.11%	259.49
QQQ	Invesco QQQ Trust	100% Long	161.905	165.68	2.33%	155.57
USO	United States Oil Fund	100% Long	10.94	11.63	6.31%	\$10.73
FDN	First Trust Dow Jones	50% Long	126.41	132.48	4.80%	\$123.28
SMH	Market Vectors Semiconductor	50% Long	96.24	97.82	1.64%	91.77
VBK	Vanguard Small-Cap Growth	50% Long	167.64	170.19	1.52%	161.39
XLV	Health Care Select	50% Long	89.045	90.75	1.91%	85.33
XME	SPDR S&P Metals & Mining	50% Long	28.64	30.51	6.53%	27.33
EEM	iShares MSCI Emerging Markets	50% Long	40.74	42.76	4.96%	39.29
XLY	Consumer Discretionary	50% Long	107.66	107.19	-0.44%	102.83

Market Tracking ETFs

Traders are 50% long the Spyder Trust (SPY) at \$265.61 and added 50% at \$263.67 with a stop at \$259.49.

For the Invesco QQQ Trust (QQQ) traders are 50% long at \$161.64 and would add 50% long at \$162.17 or better with a stop at \$155.57 (risk of 3.9%)

ETF Recommendation



The Utilities Sector Select (XLU) closed the week back above the QPivot at \$53.64 which indicates that the correction is over. The weekly RS has turned up but is still below its WMA. The weekly OBV has flipped back to positive. The daily indicators are positive with the 20 day EMA at \$53.53. XLU has a yield of 3.3% with the dividend paid quarterly. **Investors go 50% long at \$54.43 or better and 50% long at \$53.77 with a stop at \$51.39 (risk of 5%)**

The Market Vectors

Semiconductors (SMH) was higher last week and still has initial targets in the \$100 area. Is A strong close above this level should signal a move to \$105. The rising 20 week EMA at \$93.84 was tested last week. The weekly studies have moved further into positive territory and the daily indicators are also positive. The rising 20 day EMA is at \$92.77. **Traders are 50% long at \$96.27 (Thursday's open) and would add 50% long at \$94.08 or better with a stop at \$91.77 (risk of 3.6%)**

The Vanguard Small-Cap Growth (VBK) I still acting strong as it was up 2.1% last week closing just below the 61.8% resistance at \$170.66. There is next weekly resistance from last fall in the \$172.40-\$173 area. The weekly starc+ band is at \$178.57. The rising 20 day EMA is at \$163.80 with the QPivot at \$159.56. The weekly technical studies are positive as the OBV is rising very sharply. **Traders are 50% long at \$167.64 (Thursday's open) and would add 50% long at \$165.38 or better with a stop at \$161.39 (risk of 3.1%)**



First Trust Dow Jones Internet (FDN) gained 1.7% last week after again testing the 20 week EMA at \$126.92. The resistance at \$131.38 has been overcome so the next target is at \$135 while the weekly starc+ band is at \$142.50. The weekly RS has moved further above its WMA consistent with a market leader. Earnings from GOOG are the last earning's hurdle as it makes up 9.8% of the ETF. The rising 20 day EMA is at \$127.23. **Traders are 50% long at \$126.41 with a stop at \$123.28**

Health Care Select (XLV) dropped to a low of \$87.49 last Monday and finished the week at \$90.75 up 2% for the week. There is monthly pivot resistance at \$94.85 with chart resistance in the \$95.20 area. The weekly RS has turned higher but is still slightly below its WMA. The weekly OBV shows a bullish zig-zag formation as it has turned higher from its flat WMA. **Investors and traders are 50% long at \$88.64 and added 50% long on the open Thursday at \$89.45. Use a stop at \$85.33.**



SPDR S&P Metals & Mining (XME) rose 3.6% last week as it has reached the downtrend, line a. The weekly starc+ band is at \$32.42 with quarterly pivot resistance at \$32.23. The daily downtrend is being tested. The weekly RS has moved further above its WMA. The weekly OBV has broken through the resistance at line b, which is a positive sign. The daily indicators are positive with the 20 day EMA at \$28.03. **Traders are 50% long at \$28.64 with a stop at \$27.33**

The **Consumer Discretionary Select (XLY)** closed above its daily downtrend in the middle of the week but then gave up some gains on Friday in reaction to earnings from AMZN which could decline a bit further based on the daily chart. The weekly studies on XLY are positive but

the RS has turned lower. The daily studies are mixed. **Traders are 50% long at \$107.66 and would now add 50% long at \$105.82 or better with a stop at \$102.83 (risk of 3.7%)**

The weekly analysis on the **April crude oil contract** has turned more bullish as I discuss in this week's article on Forbes.com. Crude is flat in early trading.

The **SPDR S&P Oil & Gas (XOP)** has not moved with crude oil or XLE but the weekly OBV shows a bullish formation as it has turned up from its WMA. A higher weekly close will suggest a move to the \$35 area. **Traders go 50% long at \$30.46 or better and 50% long at \$30.04 with a tight stop at \$29.34 (risk of 3%)**

United States Oil Fund (USO) was up 3.4% last week as it rebounded sharply from the Monday low at \$10.78. The close above Wed. high at \$11.54 is a good sign. The daily starc+ band is at \$10.93 with the 20 week EMA in the same area. The close was still below the QPivot at \$11.71. The daily OBV is positive and the rising weekly OBV is closer now to its WMA. **Traders are 50% long at \$11.06 and added 50% long at 10.82 last Monday (average \$10.94) use a stop at \$10.73. Sell 50% at \$11.94 or better.**



The SPDR Gold Trust (GLD) gained another 1.3% last week and the weekly starc+ band is now at \$126.18. The quarterly pivot resistance has been exceeded with monthly pivot resistance at \$126.43 and \$128.10. There is weekly chart resistance at \$128.67, line a. The weekly doji buy signal in early October (see arrow) has led to some nice profits. The weekly OBV has moved through the downtrend, line b, from 2016 and looks very

strong. **Traders are 50% long at \$114.83 with a stop now at \$120.83.**

Country & Global ETFs

There was a new weekly sell signal in EPI last week but no new buys.

The **iShares MSCI Emerging Markets (EEM)** was up 1.3% for the week as it rallied sharply on Wednesday. The close was above the quarterly pivot resistance with the 50% resistance in the \$44 area and the weekly starc+ band at \$44.64. The emerging markets may be getting a bit too popular but there are no signs of a top from the daily OBV. **Investors and traders are 50% long at \$40.74 and would cancel the order to add. Use a stop now at \$39.29.**

Market	Symbol	Type	Position	Entry	Stop
Utilities Sector Select	XLU	Investors	Buy 50%	54.43 OB	51.39
	XLU	Investors	Buy 50%	53.77	51.39
Market Vectors Semiconductor	SMH	Traders	Buy 50%	94.08	91.77
Vanguard Small Cap Growth	VBK	Traders	Buy 50%	165.38 OB	161.39
Consumer Discretionary Select	XLY	Traders	Buy 50%	105.82 OB	102.83
United States Oil	USO	Traders	Sell 50%	\$11.94 OB	10.47
SPDR S&P Oil & Gas	XOP	Traders	Buy 50%	30.46 OB	29.34
	XOP	Traders	Buy 50%	30.04	29.34