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Technical Forecast

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April 7th, 2019

Open ETF Trades

Date Opened	Ticker	Market	Stop Loss	Strategy & Update
10/20/18 @ $21.10	RING	MSCI Global Gold Miners		Bullish Gold Miners
3/22/18 @ $23.50	SJB	ProShares Short High Yield		Short High Yield
3/15/18 @ $36.04	LIT	Global X Lithium		Bullish Lithium
2/22/18 @ $34.75	SRS	ProShares Ultra SH Real Est.		Bullish Interest Rate Space
2/9/18 @ $31.35	SH	ProShares Short S&P 500		Short S&P 500
1/16/19 @ $12.39	IAU	iShares Gold Trust		Bullish Gold

*This ETF ticker is also covered & synchronized with Weekly ETF picks

Key S&P 500 Pivot Points

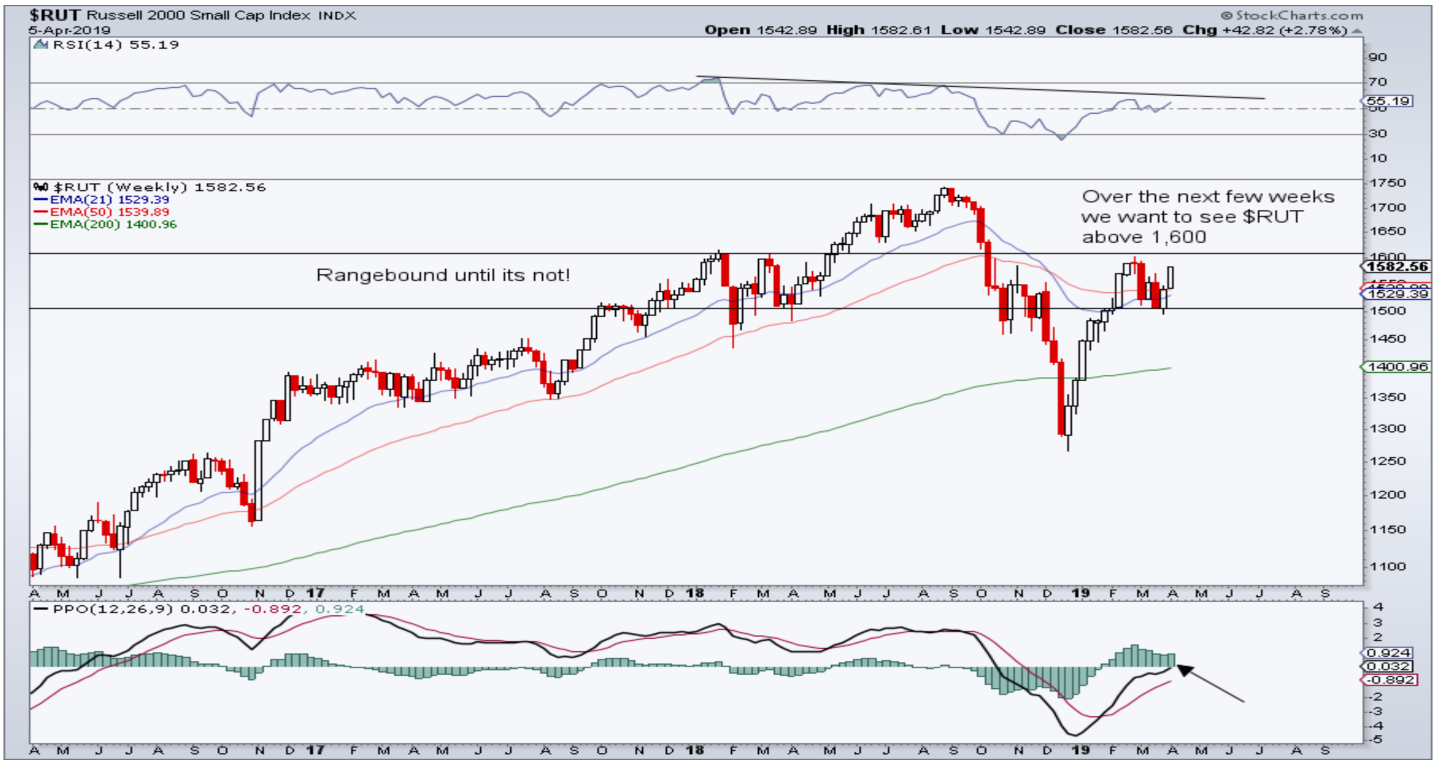
Pivot Points	S2	S1	Pivot Level	R1	R2
Weekly	2834	2863	2878	2908	2923
Monthly	2668	2751	2806	2889	2944
Closing Price			2893		

We witnessed another strong week and more importantly strong finish to the week that aided the $SPX to close at its highest level since early October of 2018. On a closing basis, we have also seen seven straight green days in the $SPX. This comes as momentum (RSI) on a weekly perspective is starting to head north of 60 and there seems to be little in the way of reaching the 70 mark, other than short-term fades. Small caps really took over this past week which is something we have been waiting and watching for. We needed to see some sign of life out of that group and we sure got it this week. Breadth also is improving slightly, as we go into further detail on this perspective on the next page. Sectors to note would be the strength seen out of the basic materials arena as well as the financial complex. The more important of the two in our eyes, financials, continue to sport a mess of a chart. It really is a case of the bulls and bears not able to make up their respective minds. Bank earnings will start to release later this week, which could certainly set the tone for the rest of the financial industry here. We are starting to see sector rotation really work its magic to carry the load for the broad market indices. This is generally a healthy characteristic when all sectors are participating in some way shape or form.

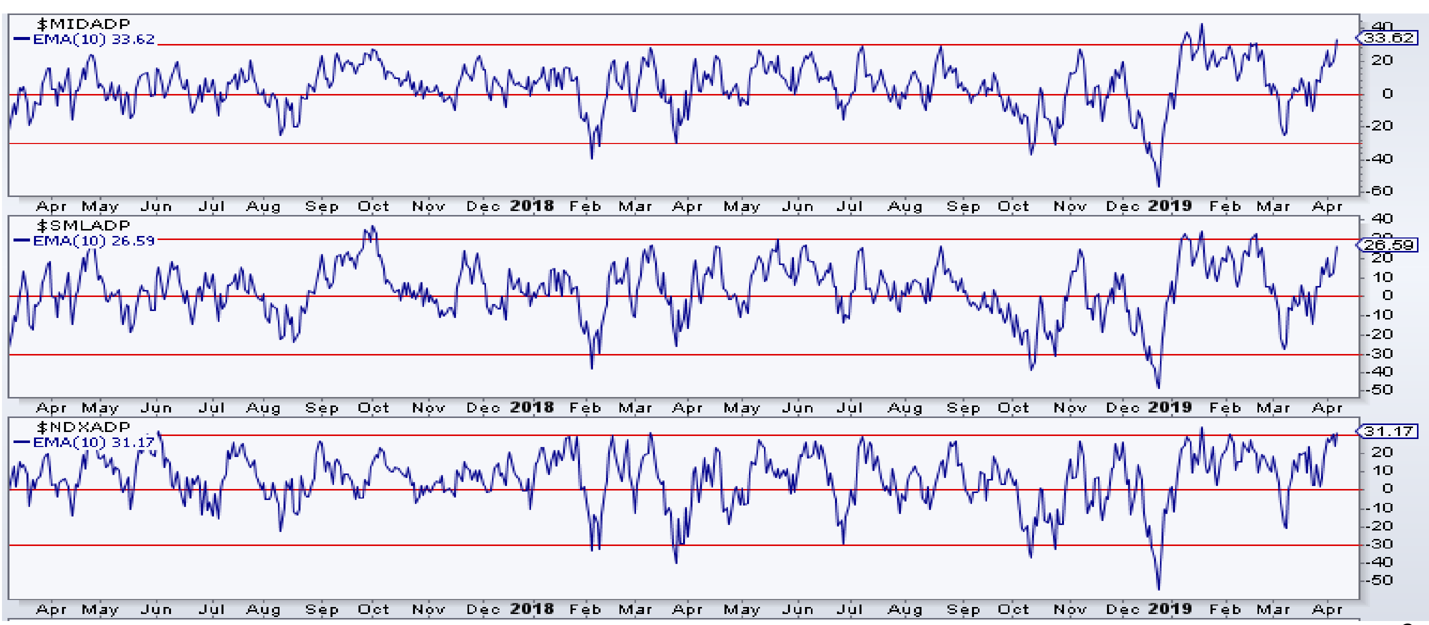
- The $RUT finishes a strong week and is seeing improved breadth
- Using 2016 in $XLB to give us a guide for 2019
- Can $XLF become the next sector that ‘smart money’ rotates into?
- Is platinum ($PPLT) just getting started?
- This Switzerland Exchange ($SMI) is breaking out of a massive consolidation range right now
- The broad market may not be hitting higher overbought conditions, but high yield is ($HYG)

How to Trade it:

The Russell 2000 index took a break from leading to the topside for a few weeks but has since recovered nicely the past couple of weeks as seen below. We are not completely out of the woods yet but price is acting well, and seeing the Russell 2000 lead relatively vs. other major indices is a great sign to see for the bulls. At this point in time we are however rangebound between 1,500 and 1,600 but breadth is steadily improving giving signs that this uptrend over the past two weeks may be here to stay. We want to see a significant move above 1,600 that would give some pop in RSI and PPO. The PPO is creeping ever so closely to crossing back above the zero line, and now it is more important than ever to see demand strike. Otherwise, the rollover effect could still be in play at least from a momentum perspective. We believe the likelyhood is minimal however because breadth has really powered its way back here this past week, especially within the small and mid cap spaces.

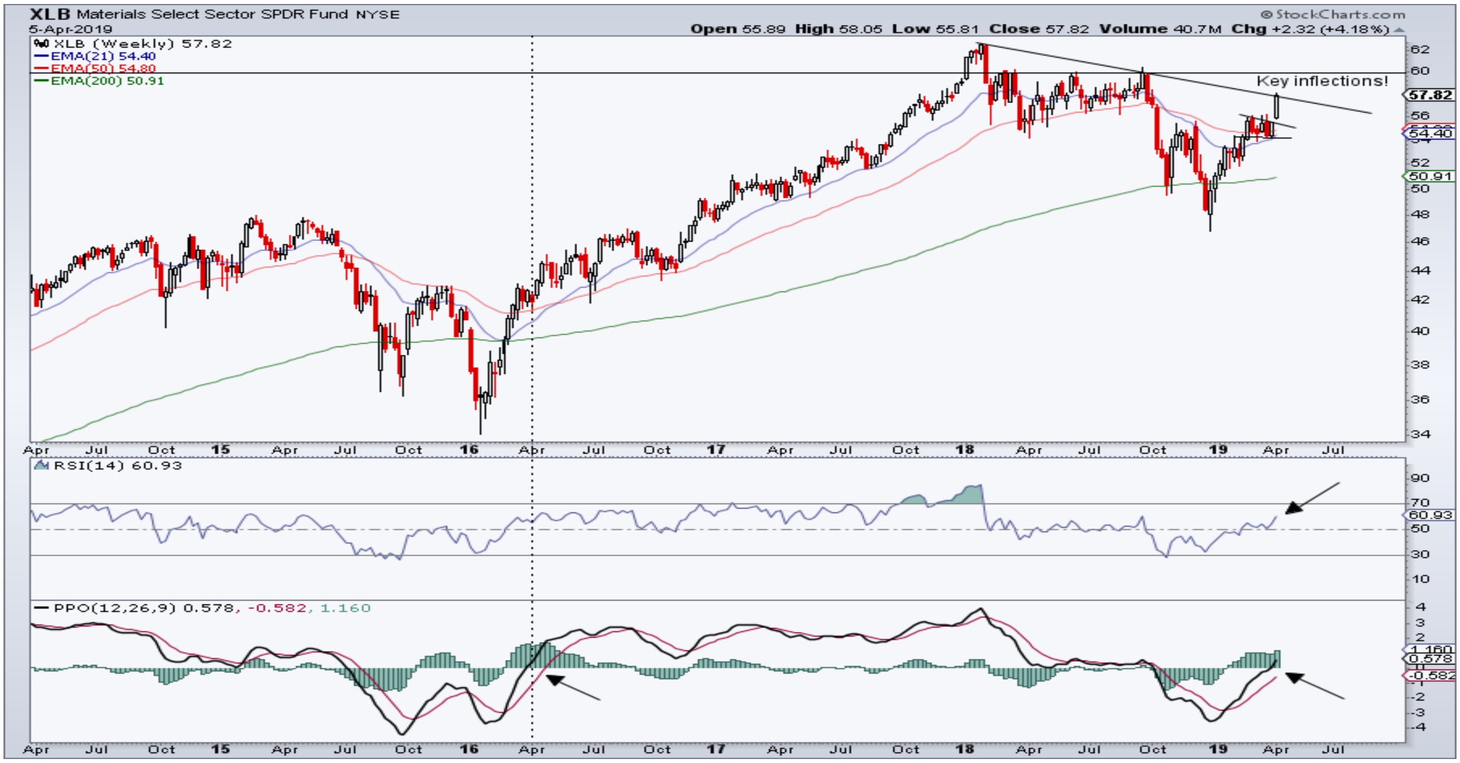


ADP for MID/SML/NDX are all shown below. You can see the lag effect that the small-caps are seeing right now but mid-caps are leading the charge here and this is a great sign to see for not only small caps to recover well, but for the entire market to gain more under the surface confidence. So many pundits will completely disregard ADP or breadth altogether and miss some incredible risk/reward scenarios.



Materials ($XLB)

Basic materials had an outstanding week as shown below by the powerful breakout gap. There is a lot to like about this chart technically, and we believe this sector could really start to heat up even more as we trade closer to $60. We want to point out the subtle similarities in April of 2016 to current day. PPO rising above the zero line, RSI breaching 60 and of course price starting to breakaway from this consolidation period.



Financials ($XLF)

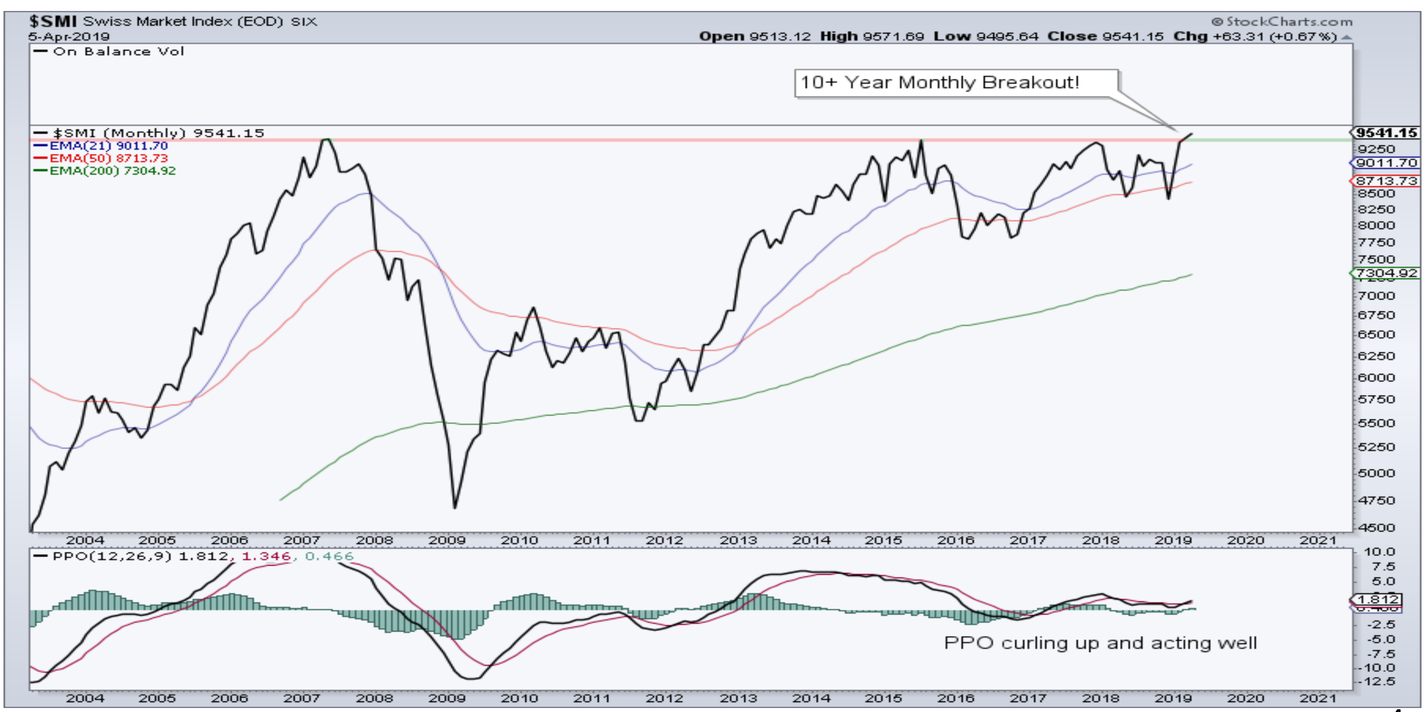
The weekly chart on financials are also starting to draw some heads technically. Its been a rough sector to make money long on for well over a year, but we are starting to see the beginnings of momentum turning a corner here positively. Price wise, we want to see $27 taken out with authority, and with many companies within this ETF reporting earnings over the next couple weeks, it definitly has the chance to turn the page.

Platinum ($PPLT)

We have been hitting on the platinum trade for a few weeks now and it looks even more obvious when we show the monthly chart of $PPLT. We are past the postive divergence stage and now awaiting the surge that can come from momentum swinging back the opposite way. Understanding this is a monthly chart, we currently sit with a breakout candle only one week in for April. Should this hold and continue higher, we could be in for a multi-month swing here. One way to see if this indeed is turning the corner is watching for RSI to crack >60.

Switzerland Exchange Index ($SMI)

The Swiss Market Index is offering something we do not see every day, or even every month. We are currently witnessing a monthly breakout in $SMI. This resistance zone goes back to 2007 and $SMI is just now testing and breaking above in 2019. This market could be on the verge of exploding should we see continued momentum act well, like we are seeing in the PPO right now. This is a long-term situation and one that should be monitored very closely.



High Yield Corporate Bonds ($HYG)

One area of the market that has took the participant by storm is the high yield corporate bond space. We show a relative ratio of HYG:IEF down below and we are seeing this ratio hold up well over the past couple of weeks. For us to continue to be confident in a bullish market thesis, we want to see this ratio hold above the most recent low just above .805. The PPO is working on crossing up above the zero line which could possibly send trend and momentum on a nice ride here.

Individually $HYG is holding up very well, as expected. There looks to be a nice channel forming and RSI continues to hit overbought conditions, with minimal fade from a momentum persective. This shows just how strong this current trend is from a momentum perspective. The PPO is looking to curl up yet again here should we see another strong push from this area of the market.