



Technical Forecast

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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	2860	2884	2897	2921	2934
Monthly	2668	2751	2806	2889	2944
Closing Price			2907		

The market stayed steady this past week as the \$VIX index is trading back down near \$12. We haven't seen these levels since last October in the volatility arena, and meanwhile the \$CPC ratio is sitting compressed at .74, well into the 'complacent' territory. The \$SPX is holding the 8 and 21-day EMA's very well and we continue to see rotation among sectors. For example, as pointed out in last weeks updated, the financial arena is starting to attract aggressive buyers as earnings start to roll in. JP Morgan kicked things off on Friday, we now look to Citigroup, Goldman Sachs and a plethora of others. Another aspect that we have been looking toward is a relief rally in yields. We are seeing that currently take place this past week and the big question will be, can it continue? The energy and healthcare sectors continue to lag from an absolute and relative standpoint. However, there are certain standouts within healthcare that look to be holding up.

- The \$RUT closing in on 1,600 once again but can momentum change its tune?
- What to expect from the 5 YR yield, continued downtrend or legitimate change of pace?
- Are we seeing a rising wedge patten in \$PHO?
- Make or break point for U.S. broker dealers? \$IAI
- Silver miners need to step up at a key inflection point \$SIL
- Dynamic food and beverage looking to breakout of this multi-year consolidation \$PBJ
- China continues to sport bullish characteristics within RSI, even with supply up ahead \$MCHI

How to Trade it:

The Russell 2000 continues to try and create this consolidation range between 1,600 and 1,500. As other major indices take a crack at all-time highs and even some create new highs, this is the one index that is still well below the highs from last fall. If this broad market wants to continue higher and trend well, we would expect to see the \$RUT start to lead again, and break above this resistance zone. The one caution of worry that we would be highlighted is the MACD situation below. Momentum is trying to hold above the zero line and trend higher here. What we do not want to happen right now is a rollover type situation pushing the MACD back below the zero line. As of this moment, we would expect to see momentum pick up here upon a breakout, and really drive this index toward highs.



The \$VIX index as mentioned on the previous page is back down to low levels where fear is not an issue for market participants. We will without a doubt have periods where the \$VIX finds a pop and we see an overall trade back in equities. One way to help with these periods is looking at the \$CPC ratio, that currently sits at .74. When we see this type of reading it can produce periods of complacency. With earnings coming up the next few weeks, we could certainly see an improved volatility reading as well.



5 YR Yield (\$UST5Y)

Yields are starting to creep back into discussion as we see positive divergence take place on the most recent low toward the end of March and into April. The next hurdle will become changing the overall trend here as RSI stays within a bearish type range between 30-60. If we can get back up above 2.45-2.50, we think this has the opportunity to change the perspective on rates once again.



Water Resources (\$PHO)

PHO has been on a very nice trend here but has since seen a tighter range of higher highs and higher lows. This creates the rising wedge formation seen below. This trend is strong, but the RSI is starting to fade on each of the last highs. This creates a momentum divergence and keeps our awareness levels on the higher side. If we see a break in price below the bottom trend line, we would expect to see a complete reset in momentum.



U.S. Broker Dealers (\$IAI)

Within the improving financial sector, we see broker dealers starting to attempt a bigger breakout here. There is resistance between \$62 and \$63, but momentum looks very solid in term of the PPO crossing up above the zero line. We believe the trend is very strong here and will eventually see a breakout of this range.



Silver Miners (\$SIL)

Silver miners are looking very topy, and Friday's close was below key support. The rounding top and PPO do not support this situation improving at this point in time. The PPO is firmly crossing below the zero line, and the gap lower from Wednesday into Thursday of last week shows just how much negativity is around this name.



Dynamic Food and Beverage (\$PBJ)

Dynamic food and beverage has consolidated for nearly 4 years now and is testing once again the top of its range. We saw an attempt at breaking out in early 2018 but this ended up being a failed situation. The PPO is strong, rising above the zero line and looking very healthy. With no surprise many of the top holdings are trending very well, they include, \$SBUX, \$YUM and \$MDLZ.



MSCI China (\$MCHI)

MSCI China is still trying to make its way off the lows here but is trending very well giving confidence to market participants that this will continue. Even as heavier supply starts to make a presence from \$65-\$70, we see the importance of focusing on RSI when trends start to emerge. What we have seen is a bullish characteristic painting the picture that this trend has the ability to continue up into supply and likely above as the time goes on.



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