



# Technical Forecast

@ETFguidePremium

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## Open ETF Trades

Date Opened	Ticker	Market	Stop Loss	Strategy & Update
10/20/16 @ \$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
5/3/19 @ \$81.23	IJR	iShares Core S&P Small Caps		Long Small Caps
5/3/19 @ \$227.52	IHI	iShares U.S. Medical Devices		Long Medical Devices
6/28/19 @ \$45.59	PZD	Invesco Cleantech		Bullish Clean Technology
7/12/19 @ \$78.39	XLI	SPDR Industrials		Bullish Weekly Setup
7/26/19 @ \$55.36	KRE	SPDR Regional Banking	\$52	<b>Stopped Out</b>

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

## Key S&P 500 Pivot Points

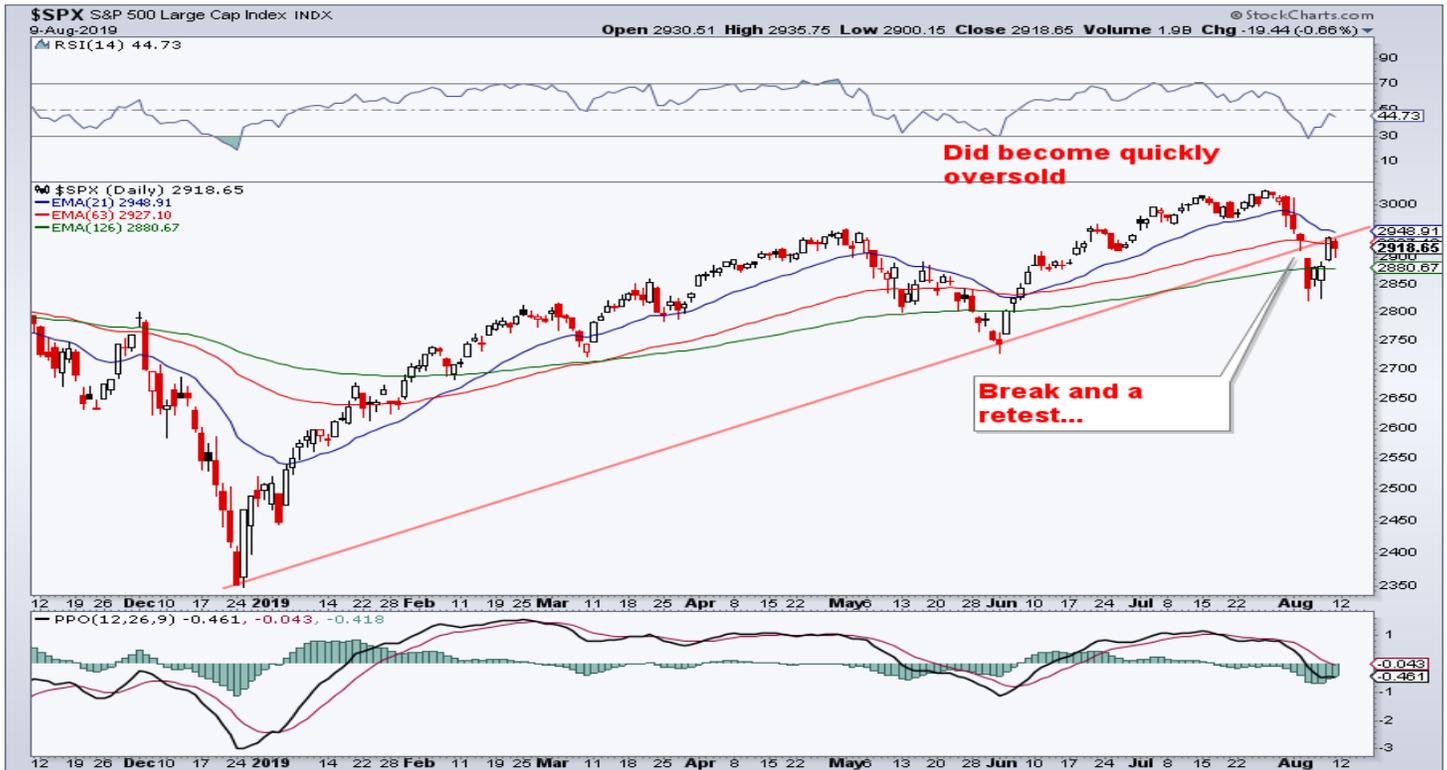
Pivot Points	S2	S1	Pivot Level	R1	R2
Weekly	2777	2848	2893	2964	3010
Monthly	2911	2946	2987	3022	3063
Closing Price			2919		

Volatility was still very much in the driver seat this week, even as many of the broad indexes tried to rally off the gap lower from Monday's session. The \$SPX ended up finishing down .44% on the week with energy leading the charge to the downside among the sector list. Should we be surprised at this point? No, this has been the ugliest sector for quite some time now. We did see a few sectors try and squeak out gains on the week, many were defensive in nature like XLRE and XLU. We are seeing very nice setups taking shape in these two sectors, as last week we noted the healthy consolidation in the real estate sector. Interest rates still seem to be in a downfall, so inherently this should benefit treasury products and more defensive high yield names. Silver and gold remained strong but in the short-term these names look a bit overheated. Copper looks very ugly and did break down this week. We discuss the longer-term situation in Dr. Copper down below, and how this should really spark a warning sign for aggressive asset classes in the weeks/months to come.

- \$SPX breaks the uptrend with a gap lower and is now retesting
- Are gold miners in for a corrective phase with momentum waning? (GDX)
- Greece continues to roll over, a good short candidate? (GREK)
- Dr. Copper looks sick and further downside is expected
- Aerospace and Defense (PPA) continues to show incredible relative strength
- Brazil small caps (BRF) sporting more of a clean retest and go type trend
- S&P Mid-cap growth vs. mid-cap value look intriguing on a weekly basis

## How to Trade it:

Last week we were sitting on the uptrend line seen below for the \$SPX. Monday opened up and we immediately gapped lower and pushed lower. The market tried to rally it back toward the end of the week but the reality of the situation is that this trend line is going to be a hindrance as we trade back into it on a retest. This trendline resistance sits right near 2,930 and should be used as a key inflection point as we traded into this week both to the topside and the downside. Because price broke down early in the week, momentum is the next clue we want to be leaning on. The story does not seem to become much easier as RSI did reach oversold and the PPO is now down below zero. It is trying to cross up above zero but we will need a strong thrust this week to get that done. 2,850 looks to be solid closing support for the time being on the \$SPX so do not be afraid to trade short-term vs. this inflection point.

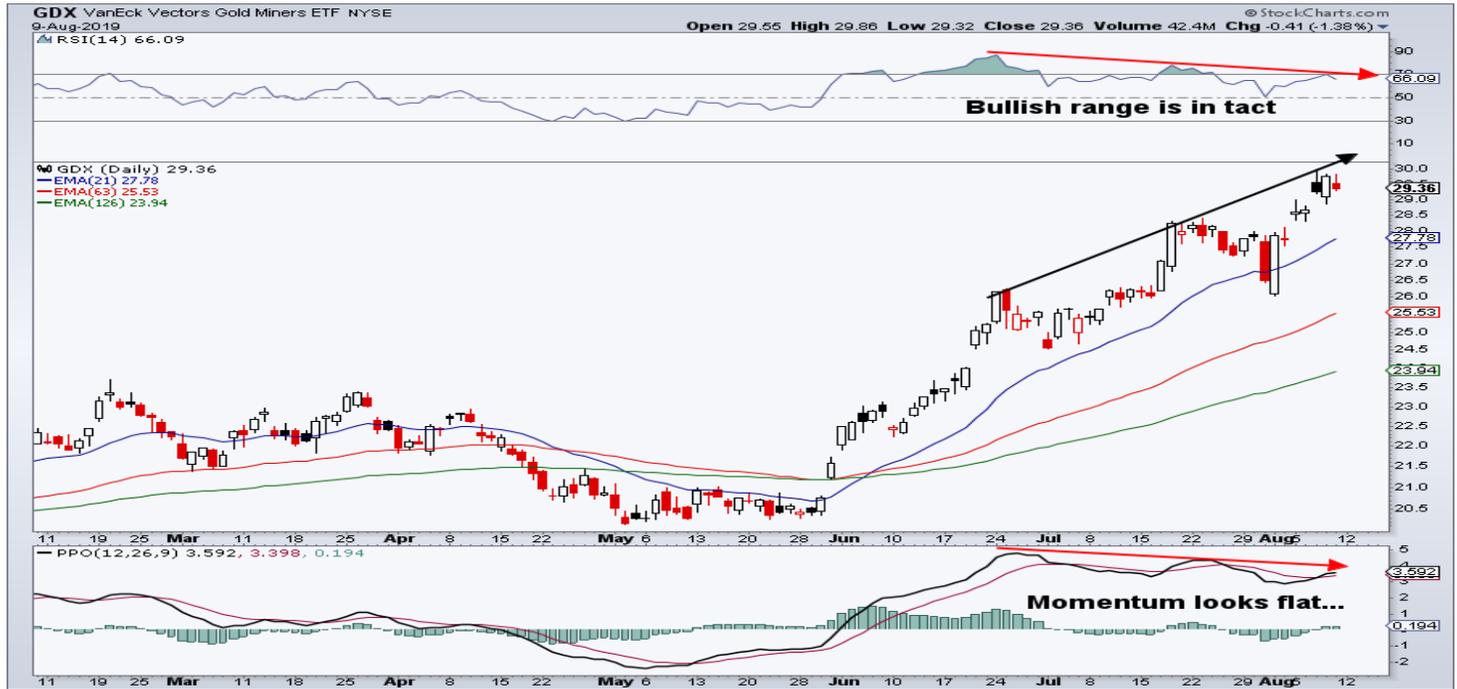


A worrisome chart is HYG:IEF as this relative ratio dating back four years is looking very susceptible to cracks. High yield credit breaking down vs. treasury credit is not something we see in strong market environments. If this level can not hold it together, look out below for the equity market.



## Gold Miners (GDX)

Gold miners have traded very well over the last couple of months. We are starting to see the third major high set in however, that is paired with three lower highs in momentum. This is divergence that we need to pay attention to. It could certainly lead to consolidation, but many holding from the lows in May, could certainly feel the need to exit their position. The trend is strong but new entries should be cautious up here.



## Greece (GREK)

Greece has been trying to hold up as an emerging market but has recently gapped lower on the charts and has not looked back. There looks to be resistance up here near \$10, and the PPO indicator is on the brink of crossing over to the downside. The positive situation here is that GREK has actually showed solid relative strength vs. \$SPX over 2019.



## Copper (\$Copper)

This may be the biggest situation in terms of health for the broad market. Copper is looking more and more like it is rolling over and breaking down from a head and shoulders top. This suggest a move down near the lower \$2.00 level and very much a risk off situation on an absolute basis. Momentum looks terrible and if this does truly continue to trend lower, it could spell trouble for the world and domestic markets.



## Aerospace and Defense (PPA)

An industry that has held up extremely well is the Aerospace and Defense ETF PPA. The trend has breached the 63 day EMA in red only once since trading above it in January, and we saw an immediate pop right back to highs. RSI did not hit oversold conditions, showing that momentum is in a bullish trading range. PPO is looking to curl and cross up just as it centers itself around the zero line.



## Brazil Small Cap (BRF)

Brazil held up well on a retest this week and traded right into support near \$23.70. It now will battle with the down sloping trendline in red, but more consolidation may be needed before a breakout occurs. The PPO is what looks very constructive here as it curls up just up the zero line.



## S&P Mid-Cap Growth vs. Mid-Cap Value (IJK:IJJ)

A positive ratio that is occurring in the market right now (there are not many) is mid-cap growth vs. mid-cap value. On a weekly basis we started to see signs of a breakout last week, and further confirm this breakout as of the close on Friday. If this can continue to trend higher, this could certainly help the domestic market 'risk on' spectrum as other areas really paint a fearful situation.



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