



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
10/4/18 @ \$88.87	LABU	Biotech Bull 3x		Bullish Biotech
10/12/18 @ \$62.50	TNA	Small Cap Bull 3x		Seasonally Bullish

***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	2521	2560	2623	2663	2725
Monthly	2551	2656	2735	2840	2920
Closing Price			2600		

Sellers once again had control of the week as any sort of strength in the broad market was met with pressure from the topside. Friday was a great example of structured selling taking place. Utilities once again lead all sectors this week followed by communications. Financials and energy were the laggards and have really been leading this market lower since early fall. Below you will see how bad the performance from the regional banking sector is taking effect on \$KRE. Globally, we have not been seeing much strength from either developed or emerging and this is likely going to have more effect on companies within the US over the coming year. Coming into the week ahead, many will be focused the FOMC meeting and their decision regarding the December rate hike. Stayed tuned as volume may dry up heading into the holiday week.

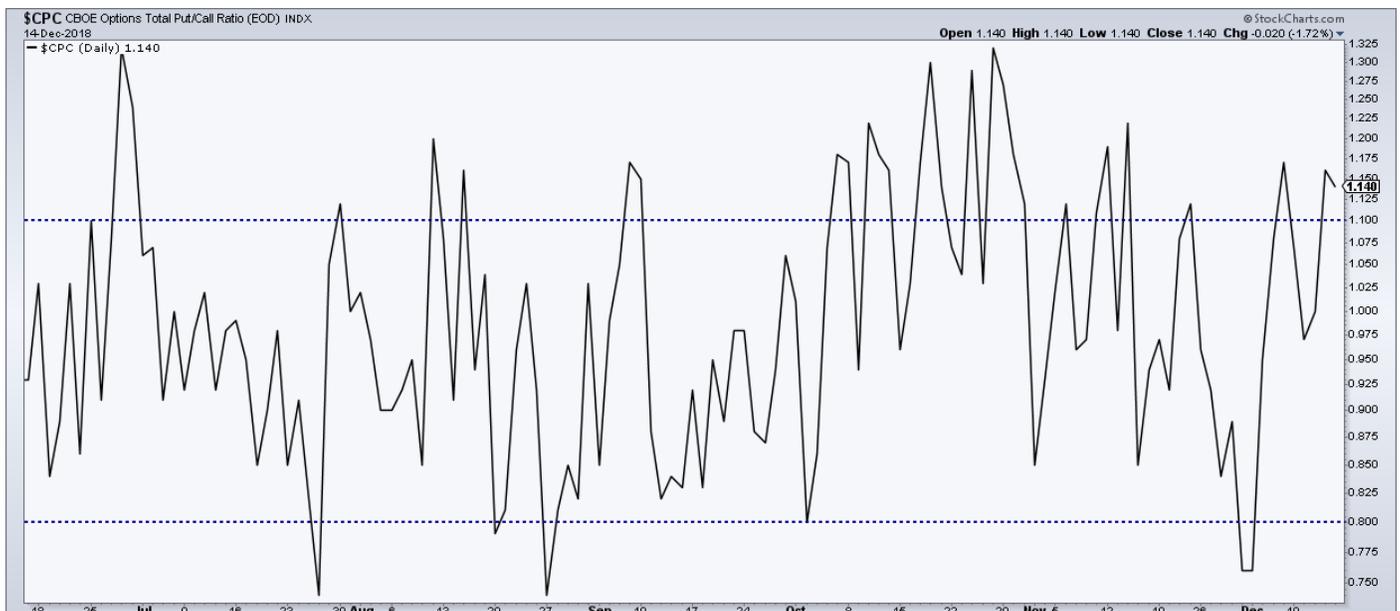
- All eyes are on \$SPX 2,600
- Small caps are not seeing the love this holiday season \$IJR
- Where is market sentiment and can we take anything away from the current perspective?
- % of stocks above the 200-day moving average \$NYSE
- Will this turn out to be a bear flag in emerging markets? \$EEM
- Another big component leading this market lower \$KRE

How to Trade it:

As if the market knew, the \$SPX closed right on 2,600 last Friday to close out the week. Below we show a yearly candle chart of the \$SPX. We wanted to highlight this as there is only two weeks left before this candle will close for the year. As of this moment, it looks to be more of a reversal candle, where we traded up earlier in the year, to fall back near the end of the year at or below the open. If this does end up following through to the downside, the longer-term outlook for this market projects to be rough. This would also portray that the weakness seen throughout the back half of this year, could likely just be the beginning as support from a very long-term perspective seen below could best be defined as the rising 21 period EMA. This of course does not need to happen immediately or at all for that matter, but a reversal candle of this magnitude should be respected.

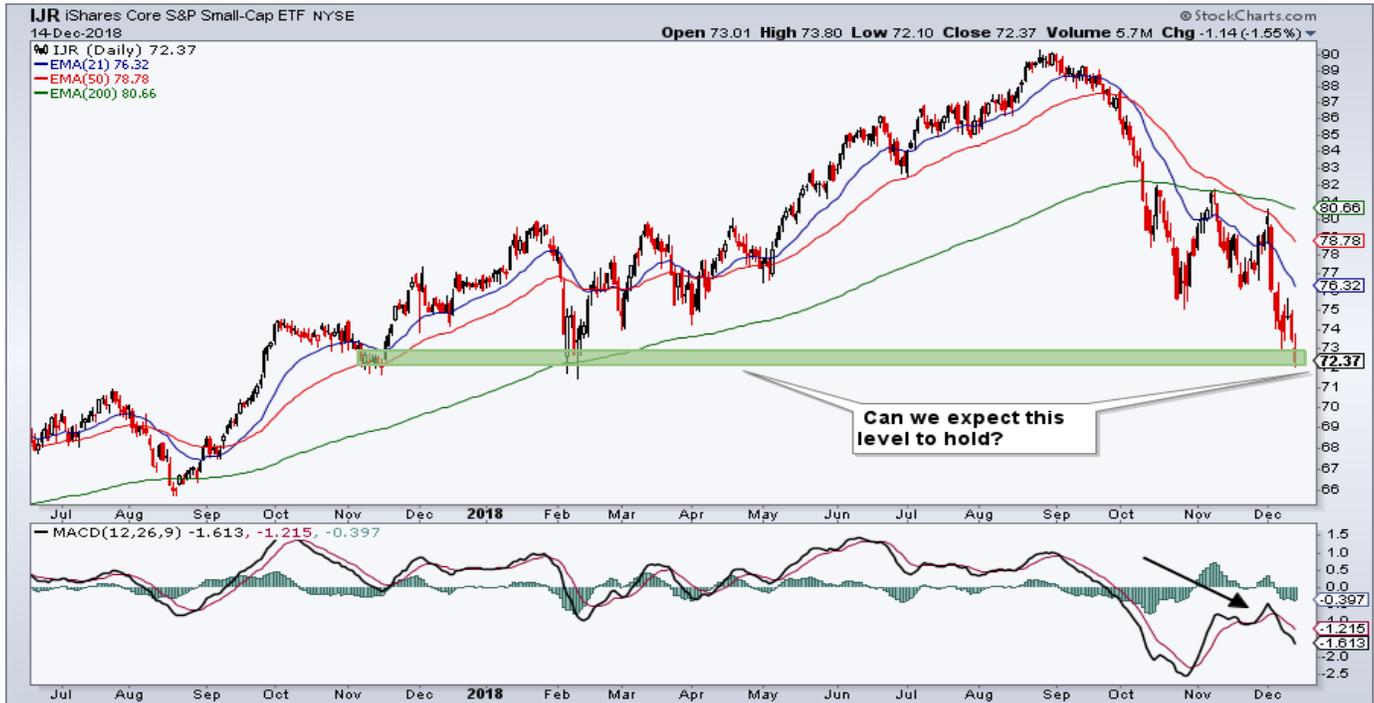


The \$CPC ratio is reaching higher levels once again as fear is starting to settle in as a normal occurrence within this market. If we start to see another higher spike, this would likely suggest capitulation of some sort. Time will tell but we will certainly be ready for this type of event.



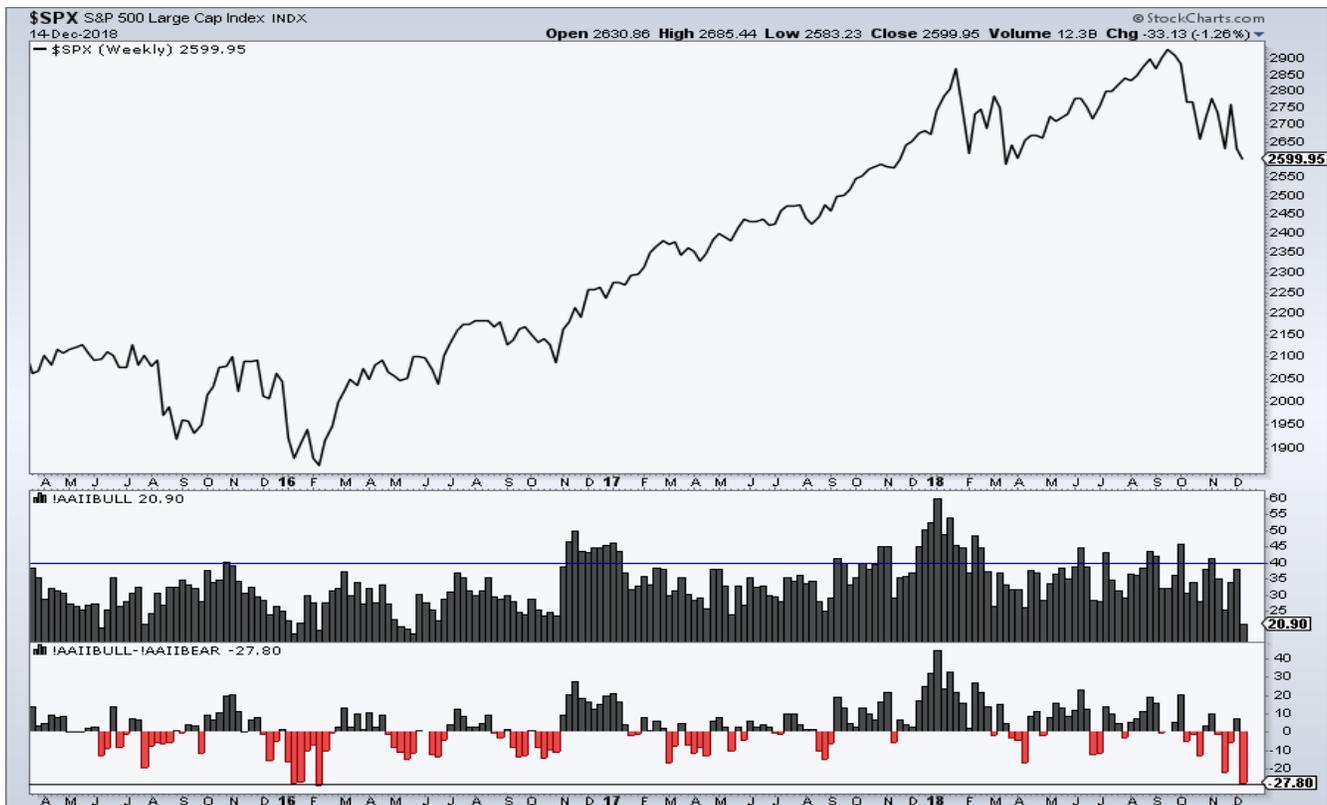
Small Caps (\$IJR)

Small caps have been a leader in the clubhouse in terms of downside. IJR is now at an interesting inflection point where support could very well show up, but if buyers do not step up to the plate this could get even more ugly. The MACD is not suggesting good momentum but we are still above the October low, so the possibility of positive divergence is still available should we see buyers.



AAII Bull Bear

Sentiment as expected is deteriorating right now at levels not seen since early 2016. From a contrarian perspective, this is a great characteristic to see if we do see positive things technically. However, we are not seeing a lot out there that suggests being contrarian yet.



% of Stocks above 200 DMA (\$NYA200R)

NYSE stocks above the 200 DMA is slipping at an alarming rate. This really has been making lower highs since the middle of 2016. As a breadth characteristic, this is great trend perspective to be aware of for the general market. To resolve this, we need time and aggressive buyers creating more of a thrust to the upside.



Emerging Markets (\$EEM)

Emerging markets continue to struggle and look to be forming more of a bear flag currently. Notice the channel being formed below. The RSI also continues to be in bear market territory. This is when RSI travels from 60 to oversold conditions (back and forth), price will rally and then fade off as sellers constantly take control. If we see a channel break here, this bear flag would then be confirmed.



Regional Banks (\$KRE, \$XLF)

The regional banking sector has seen better days. Right now, \$KRE is sitting on price support from September of 2017. Buyers have the ability to step in here and create more of a double bottom rally. Should they do this, it would be on positive divergence on the MACD. None the less, a break or rally here defines one's risk fairly well.



The relative ratio to XLF does not look well at all. The trend here changed in June of this year and has since underperformed consistently. Making lower lows here is not a sign of a great trend. In a healthy bull market, we want to be seeing KRE outperforming XLF, and this RS line heading up and to the right.

