



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	Out	Closed @ \$80.48
5/3/19 @ \$227.52	IHI	iShares U.S. Medical Devices		Long Medical Devices
6/28/19 @ \$45.59	PZD	Invesco Cleantech	\$41.00	Bullish Clean Technology
7/12/19 @ \$78.39	XLI	SPDR Industrials	Out	Closed @ \$81.11
10/11/19 @ \$37.41	EWL	MSCI Switzerland		Bullish Switzerland
12/6/19 @ \$18.44	COPX	Copper Miners	Out	Closed @ \$17.49

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

Key S&P 500 Pivot Points

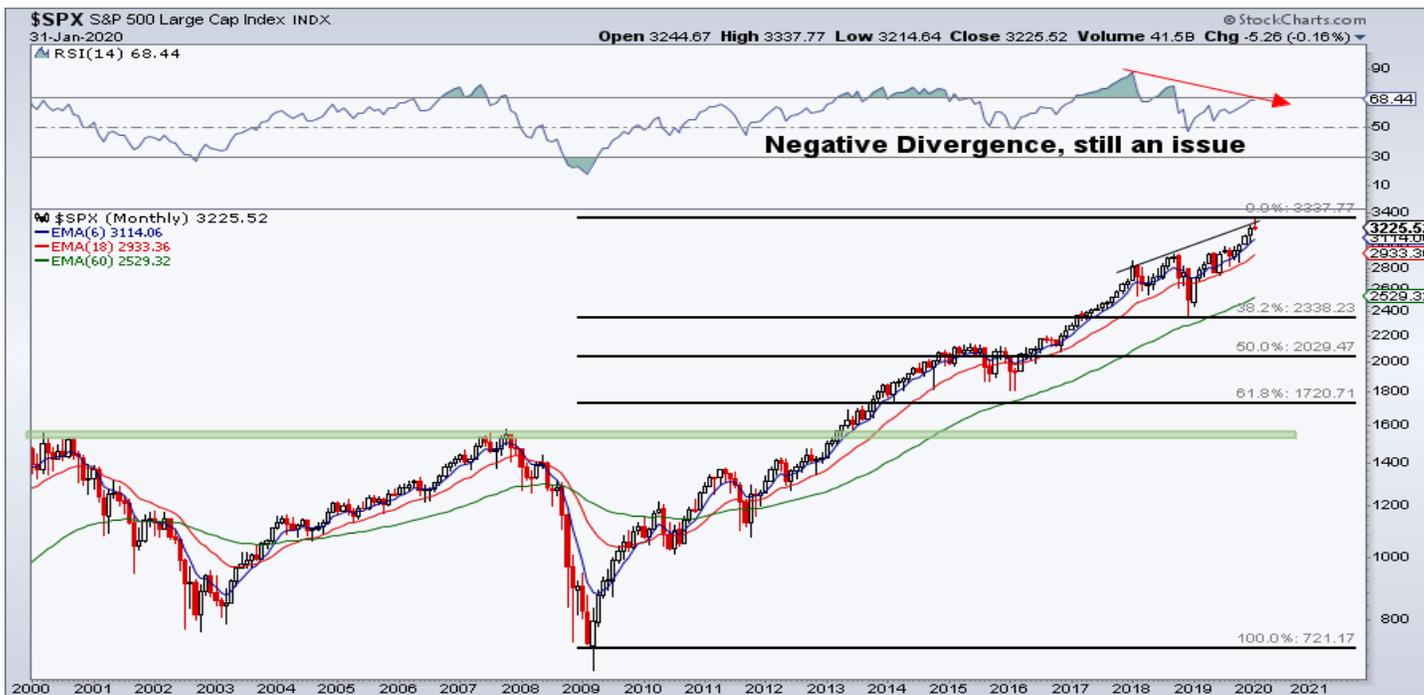
Pivot Points	S2	S1	Pivot Level	R1	R2
Weekly	3166	3196	3245	3274	3323
Monthly	3136	3181	3259	3304	3383
Closing Price			3226		

The volatility continued to heighten itself over the past week, much to our warning in last weeks newsletter that the short-term trend could see some bumpy action. With bonds acting well and seeing momentum issues start to climb on the aggressive names in the market, we were ripe for the taking. We now enter this next week and see just how aggressive this downside pressure could get. What you'll see on the following pages, are charts that depict the potential for further downside, just given the atmosphere. Specifically, we have certain retracement counts that we want to be aware of on the \$SPX. Fear not, however, as there are certain pockets of the market that offer either solid yield or solid uptrends that remain intact. We want to be focusing in on these groups and names that show specific relative strength compared to the market over the past one to two weeks of trading.

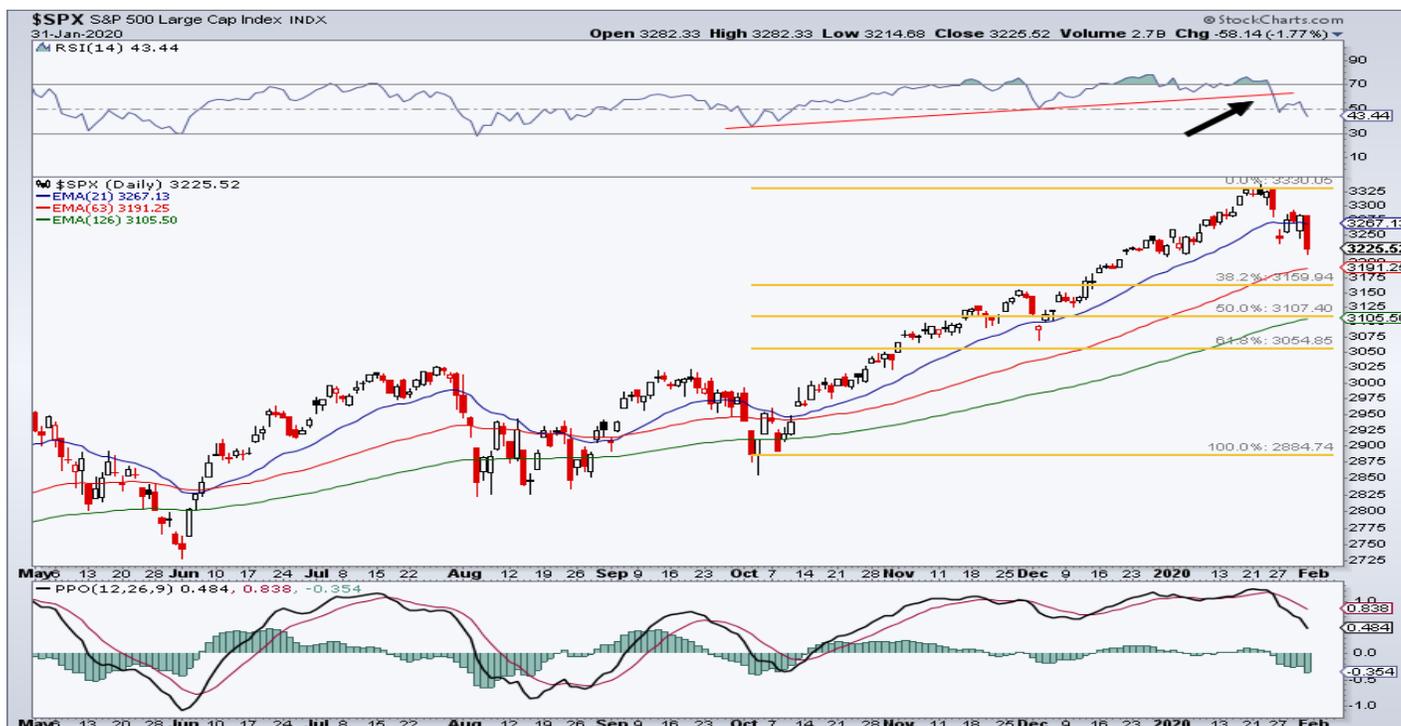
- \$SPX following through on weakness, keep these counts on your radar
- This ratio has gone nowhere the last three years, why is that important to us? (HYG:IEF)
- A low reading in \$NYSE Advance - Decline Volume
- Silver showing signs of a bull flag continuation pattern (SLV)
- How about precious metals (DBP) looking to breakout to new highs
- Emerging Markets Sovereign Debt holds a very nice trend yet (PCY)
- Dividend stocks likely to find relative strength during this time period over \$SPX (DVY:\$SPX)

How to Trade it:

We show two consecutive charts of the \$SPX on this page. The first chart being the monthly chart that goes back 20 years, and the second, the daily chart which we had in the update last week. First we'll start with the monthly chart and examine the characteristics that could maybe give us an edge after we just finished the month of January and head into February. The first thing that stands out to us is the very strong trend that has been underway, with certain corrections along the way of course. Secondly, the January monthly candle suggest exhaustion in price, as we left excess prices near the highs and closed the month on the lows. This gives a better probability of decline as we head into February. Along with this point is the negative divergence issue that remains to be a problem from the looks of RSI.



We still want to be targeting the 38.2% retracement near 3,159 on \$SPX as shown below. This level will give us another good area to express risk and see if aggressive buyers can hold in or not. If they do not, we are likely headed then down to the 50% retracement count of 3,107.



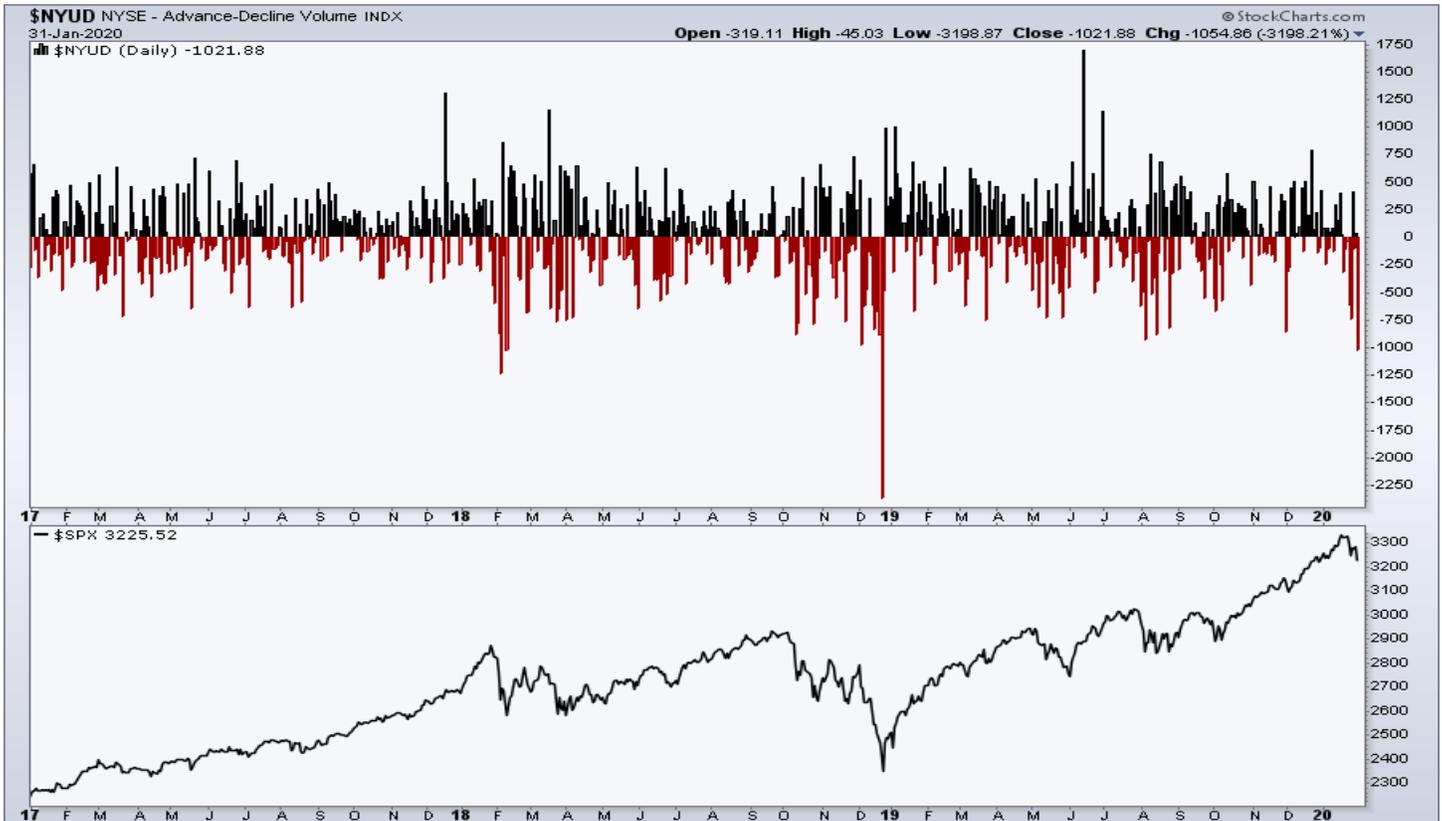
High Yield vs. 7-10 YR Treasury (HYG:IEF)

The ratio of HYG:IEF has gone essentially nowhere the past three years. Sure, it has tried moving higher, but the overall trend here has been sideways. In aggressive markets, we do not want to see this ratio move below the green shaded zone. Rolling over this ratio would hint at more issues for the broad market risk appetite.



\$NYSE Advance – Decline Volume (\$NYUD)

Advancers minus decliners volume has seen a reading of under -1000 for the first time since 2018. This shows just how aggressive this selling pressure has been even as price is within spitting distance of highs. When we have breadth thrusts like this, positive or negative, it makes us pay attention as something is changing.



Silver (SLV)

With defensive areas of the market seeing some 'love' over the past couple of trading sessions, it is no surprise to see silver consolidating to potentially gear up for a move higher. This looks to be more of a bullish pennant or flag pattern that suggests an attempt of price to see 2019 highs up near \$18.



Precious Metals (DBP)

Following along with the metals category, DBP is sporting a cup with handle technical pattern that suggests much higher price than where we stand today. This is a classic bullish continuation pattern that we do not necessarily see all that often in the markets. A breakout this next week would not be a surprise to us.



Emerging Markets Sovereign Debt (\$PCY)

An area that is holding trend well and also gives a solid dividend yield is the ETF PCY. Yielding nearly 4.8% and giving a solid uptrend for investors, it might not be a terrible place to have money sitting until the dust settles on a potential (but necessary) corrective phase in the equity markets.



Select Dividend vs. S&P 500 (DBY:\$SPX)

Another defensive characteristic that bodes well for the dividend payers is the ratio of DVY to \$SPX. Notice the positive divergence on this most recent low in the ratio. This suggests to us that DVY could be in for relative gains vs \$SPX. This does not necessarily mean DVY will give positive absolute gains however.



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