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Technical Forecast

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March 3rd, 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

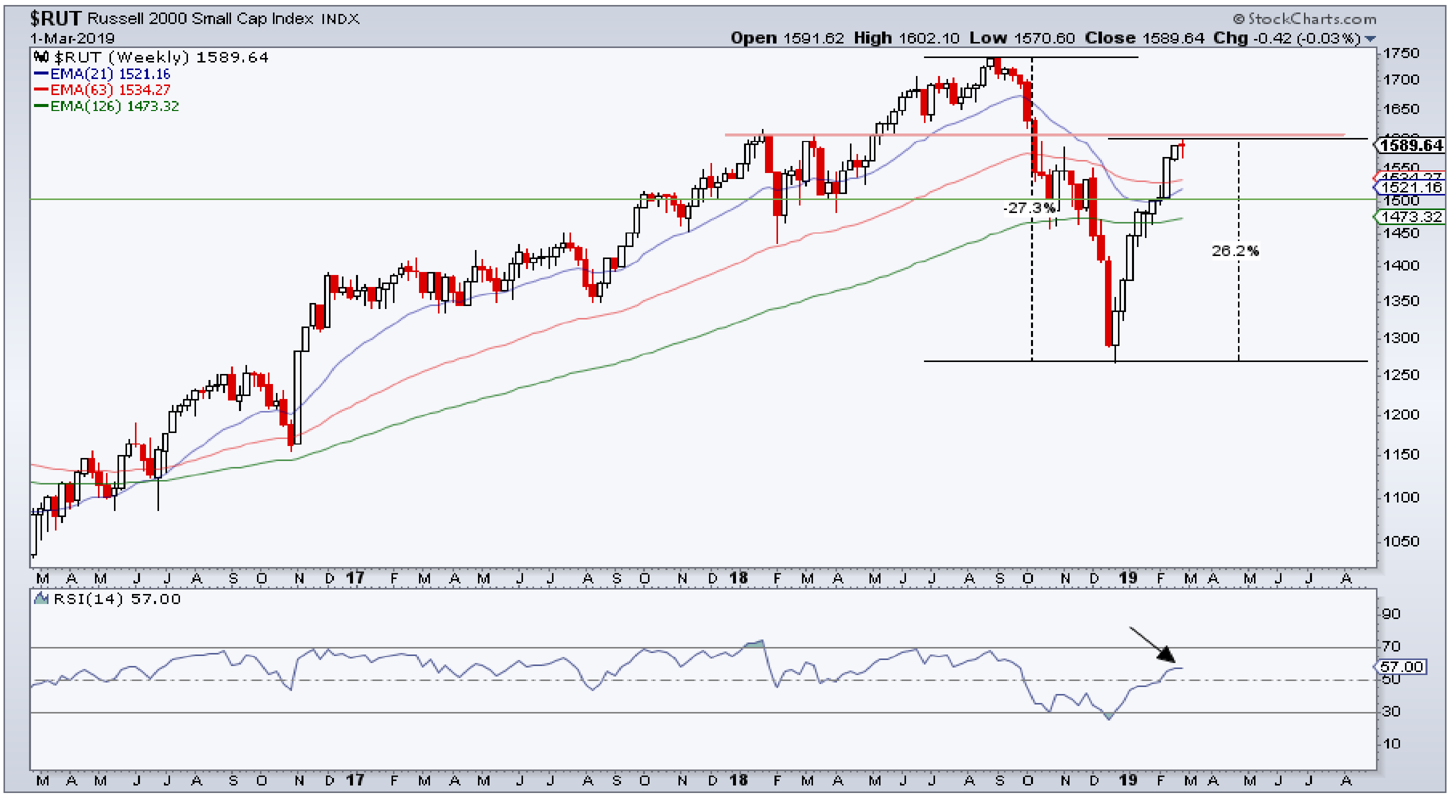
Key S&P 500 Pivot Points

Pivot Points	S2	S1	Pivot Level	R1	R2
Weekly	2759	2781	2797	2820	2836
Monthly	2628	2706	2760	2838	2892
Closing Price			2804		

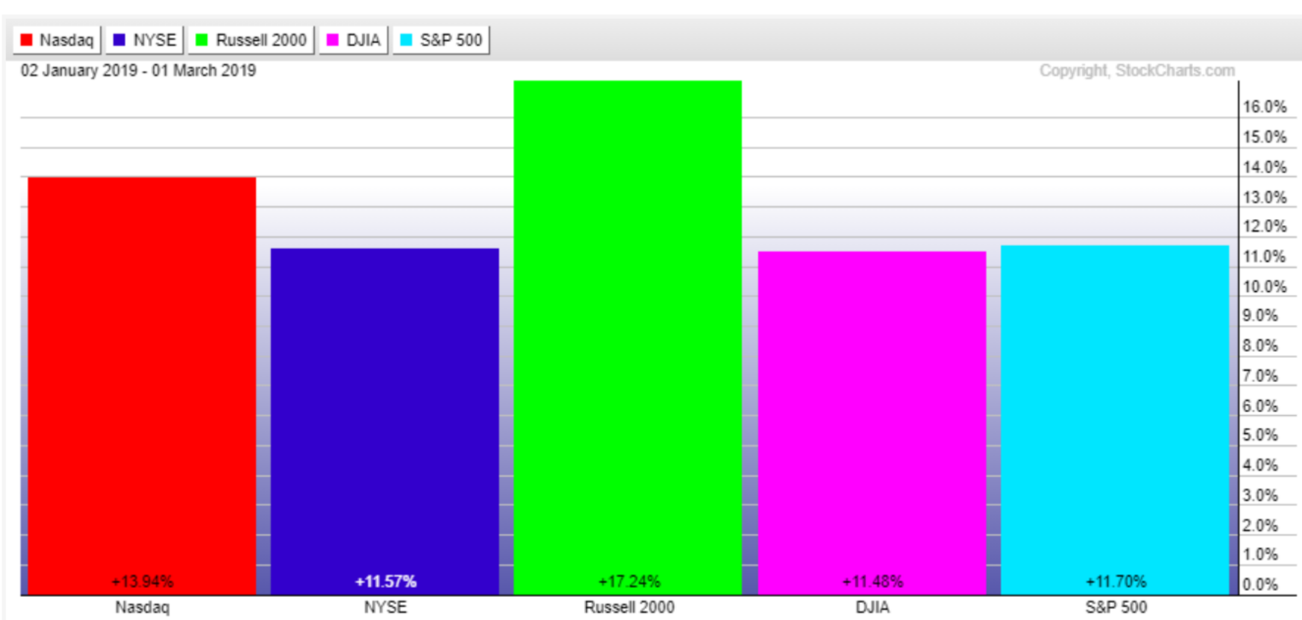
We are now two full months through the 2019 year and the S&P 500 is up 11.70%. Yes, this is skewed a little because we are coming off extreme lows, but strength has certainly been shown in more areas than just the top 5 market cap weighted stocks. This has been a broad rally off the lows and many areas still are showing good breadth and trend characteristics. Energy lead this past week as oil and other key energy components tried to bounce back in the commodity space. Technology continued its strong push forward coming in just ahead of the financial sector. When financials are top 3-4 performing sectors, you can tell that the market is in a much better place health wise. Even though we have seen nice uptrends throughout the year so far, we need to keep awareness high as we are starting to slow down on the momentum front. This aligns close to key resistance levels in certain names and indices. We will discuss the $RUT right off the bat and be able to see firsthand the slowing characteristics.

- If a pause if necessary, this would be the likely time to see consolidation ($RUT)
- Healthcare (XLV) lagging relatively but looks ready for another run at highs
- HYG:TLT surging this this past week showing a firm risk on situation
- $TAN solar could be in for sideways consolidation
- A slight cautionary characteristic coming from the transport sector ($TRAN)
- Palladium vs. Platinum, important inflection points from a long-term perspective

How to Trade it:
A major focus is on the Russell 2000 because of its ability to give awareness to risk on or risk off periods. What was leading to the downside in the correction, $RUT. What is leading to the upside currently, $RUT. Right now we see the $RUT trading into a nice window where the opportunity for a consolidation or scale back phase is more probable than it has been the past two months. The first awareness tool we can use here is price, last week the $RUT saw a slighly negative return week. This tells us momentum is starting to slow to the topside. Characteristics like this take time to develop and do not have to occur immidietely. The candle from last weeks print was more of an indicision candle than anything. Sellers almost got ahold of the week, but buyers battled their way back for Friday's close. RSI is starting to rollover just under 60. Normally a sign that weakness could be seen ahead. 1,600 looks to be an area of sell pressure, and we want to be buying if we see a chance at 1,500 on the downside.



We hit on the solid performance we have seen throughout the first two months of the year. As we stated above, when risk is on, we see strength in indices like the Russell 2000 and the NASDAQ. These are going to be some key awareness tools to utilize if we start to see any consolidation or trade back into support zones.



Healthcare ($XLV)

A sector that has not been performing relatively well but technically well is the healthcare sector. Within healthcare however, biotechs and devices has been performing very well. $XLV looks to be sporting more of a flag type bullish consolidation, which might give us a breakout to test the highs from early December.

High Yield vs. 20+ Year Treasury ($HYG:$TLT)

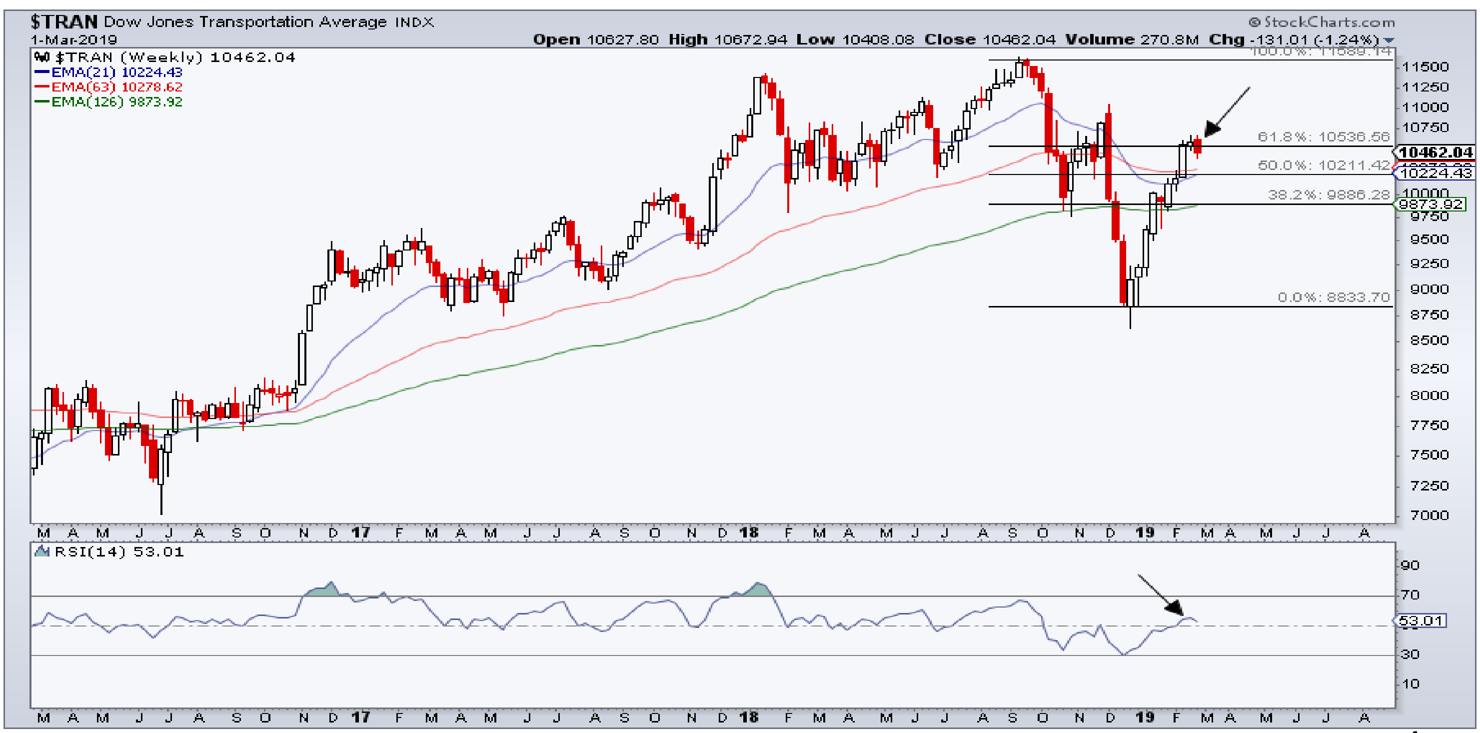
Another great indicator to judge the health of the market is watching this ratio below. We can see this past week saw another surge out of a consolidation zone, confirming the recent advance in many other areas of the market. We want to be aware of how this ratio acts this week, as the individual names could start to see a pause in their respective trends, putting a pause on this ratio near important overhead supply.

Invesco Solar ($TAN)

The solar space has been performing on all cylinders lately, but can $TAN break through this important battle zone of resistance. It is major for a couple reasons, one would be price itself traded right up to $25.80 this past week and faded immidietely. Second, would be the volume that is present at given price on the selloff in June of last year and the volume on the rise throughout the month of February. These are both key characteristics in judging whether or not we consolidate here or fail.

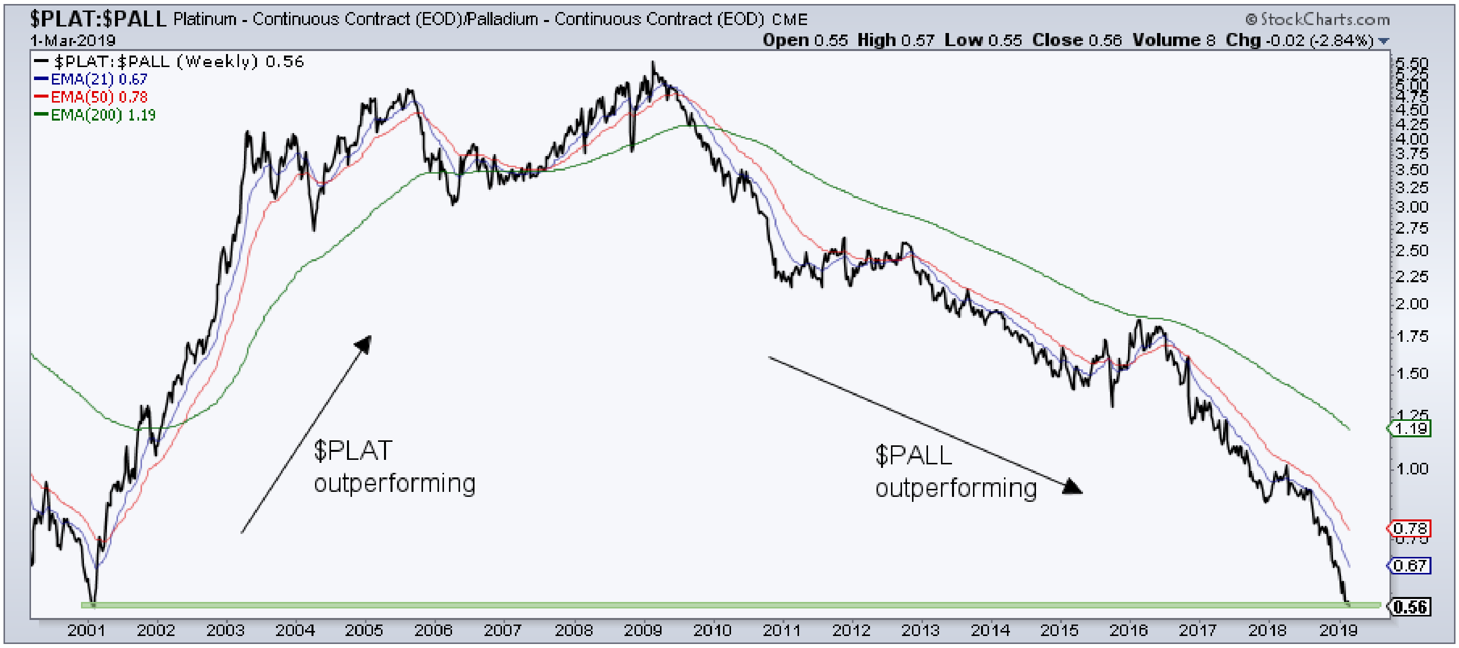
Dow Jones Transportation Average ($TRAN)

$TRAN printed a bearish engulfing candle this week, in a space in which we want performing well for the overall market to follow. This is another clue that we could be in for a consolidation or fade back in other indices and names. Utilize the areas of the 38.2 and 50% retracements as potential support should we fall back. Notice the RSI fading off just under 60, a key clue that momentum could certainly be failing here.



Palladium vs. Platinum ($PLAT:$PALL)

The $PLAT:$PALL ratio is reaching levels not seen since 2001. This outperformance from Palladium is outstanding and something that every trend follower would love to be apart of. The next question we pose is, can this outperformance continue? We want to be aware of any reversals taking place as this ratio essentially works on a double bottom, we will have to wait and see for confirmation.



If we take a peak at a long-term Palladium chart, we see that we are just starting to trade above the 100% extension off the 2016 lows. The 161.8% extension is all the way up near 2,142. $PLAT not shown individually below is sporting extreme lows near record support, that also makes it intriuging from a risk perspective. This relative ratio above will become a space we want to be paying close attention to throughout 2019.