



# Technical Forecast

@ETFguidePremium

March 29th, 2020

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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 @ \$227.52	IHI	iShares U.S. Medical Devices		Long Medical Devices

**\*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	2011	2277	2457	2721	2902
Monthly	2530	2742	3068	3280	3606
Closing Price			2542		

It was another record week in the books as many markets were able to show somewhat of a relief rally. Breadth tried to improve during the middle of the week, but sustainability remains to be an issue when looking at our key domestic indices. The weekly charts show some stop to the bleeding, but we should expect continued volatility throughout the weeks to come as the \$VIX measures elevated levels yet. Weekly sector leadership came from more of the defensive side as utilities and real estate topped the charts. The utilities sector was up over 16%! The search for yield continues to be a key theme here even as short-term interest rates drop down into negative territory. The big picture heading into this next week will be how many of these individual names and sectors respond to the counter trend bounce. Could we see a higher low develop? Could we see a washout yet of the lows made already? Both scenarios need to have a plan associated.

- Be comfortable with volatility but understand the opportunities for the long-term (\$COMPQ)
- Counter trend bounce in the solar space has lower prices becoming the target (TAN)
- Treasury bonds try and break from balance on Friday (TLT)
- Cocoa looks to be on the verge of another break lower (NIB)
- The Euro looks to pivot off the lows from last week (\$EURUSD)
- Semiconductors trade back into long-term support, will it hold? (SOXX)
- Still awaiting this breadth thrust, and we could be waiting another week or two (\$NYA200R)

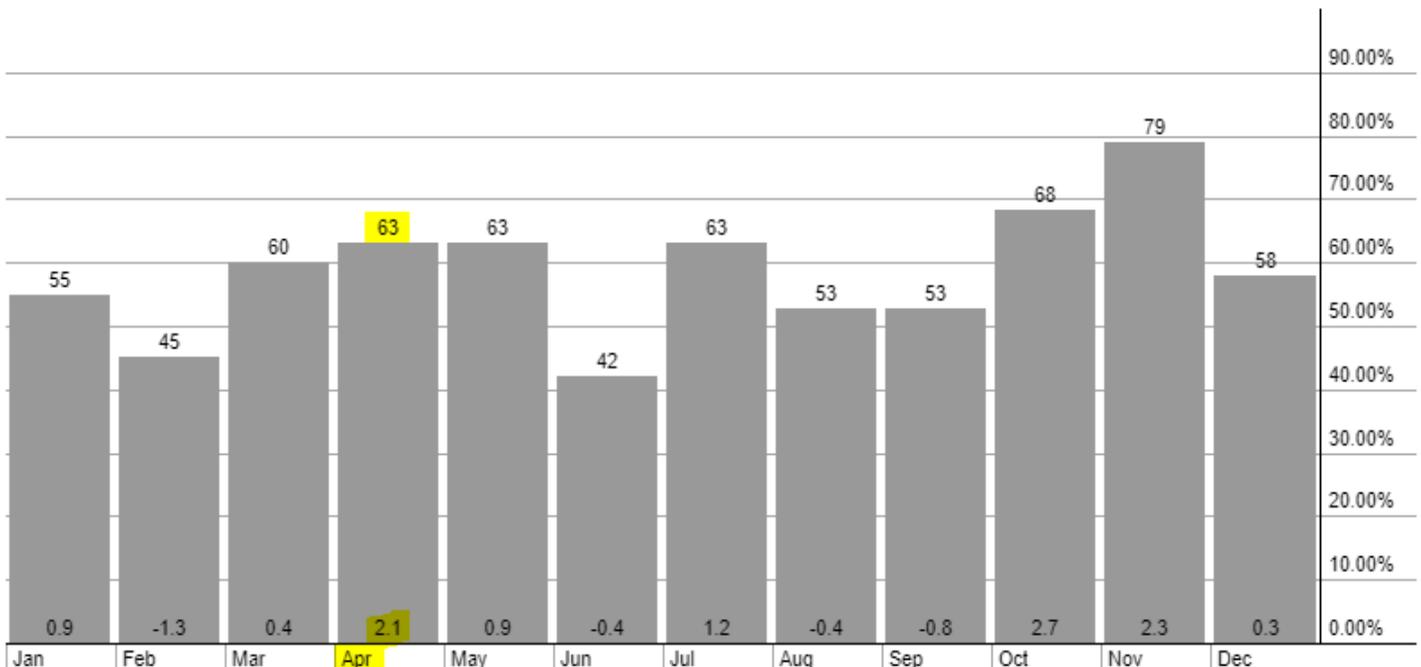
## How to Trade it:

For the NASDAQ holding this week on the longer-term charts was constructive, at least for the time being. We can see on the chart below that we have a bullish engulfing candle from both the open and the close as well as full range, high to low. This very well could put a stop to the bleeding, understanding that volatility is still top of hand and seeing 2-5% daily moves should be expected in this environment. We also want to point out the retracement levels taken from the closing high to the open of this past week. The 38.2% and 50% retracement zones demand our attention as we trade into this next week. Sellers may try and become aggressive up at those levels, so be prepared and ready to defend if you are long.



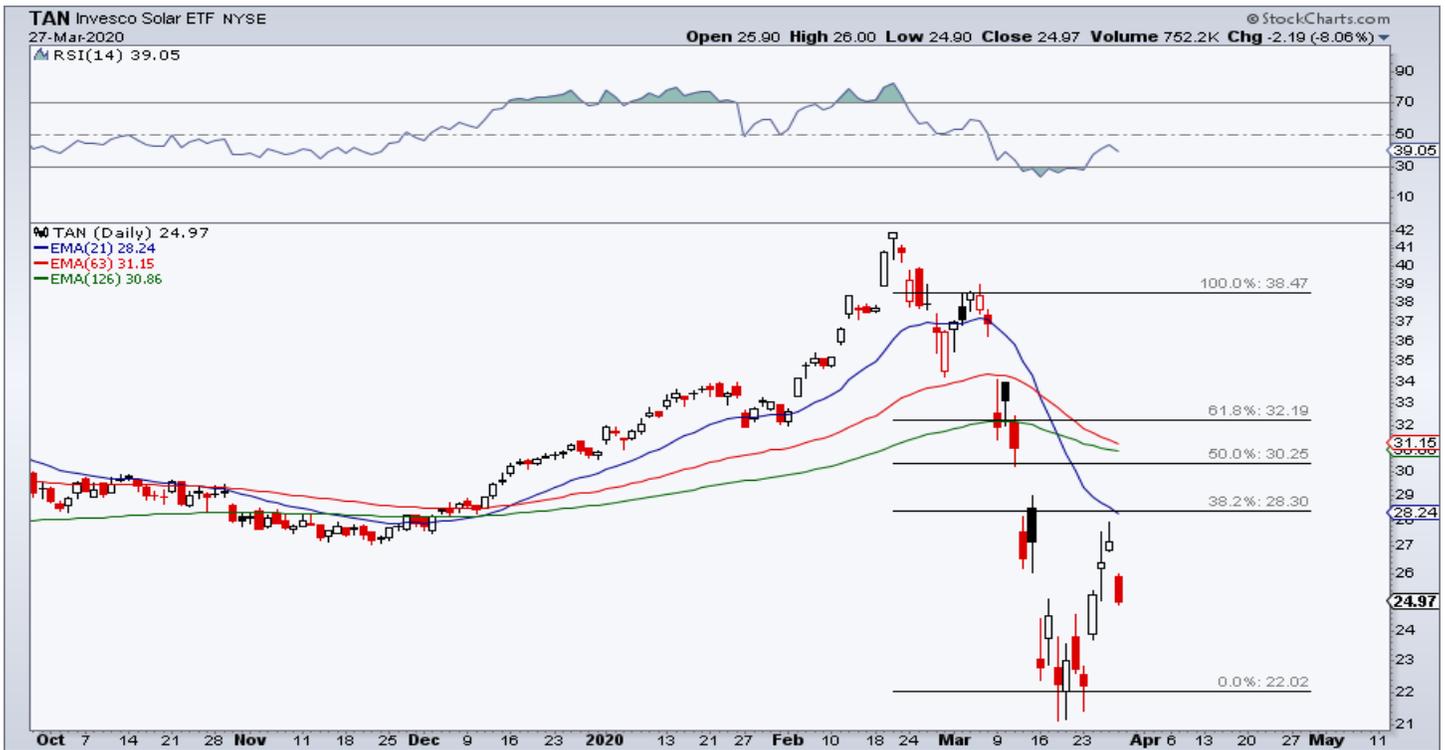
To follow through with a bullish engulfing week at the close, we also have a seasonal upper hand coming to fruition in the month of April. Over the past 19 years we have seen the month of April register a positive return 63% of the time, with the average return being 2.1%.

% of Months in Which \$COMPQ Closed Higher Than It Opened From 2001 to 2020



## Invesco Solar (TAN)

We mention retracement counts as a gauge to help provide potential areas of price that buyers or sellers can become aggressive at. Below, TAN has resistance as we trade into the \$28 level with declining EMA's as well. Notice we do not have any positive divergence yet either. More consolidation and/or time is needed here.



## 20+ YR TSRY Bonds (TLT)

The last time we reported TLT presented a bearish weekly close that lead to a fade and decent rally back to really put us in more of a sideways range the past couple of weeks. The trend here seems to be well intact yet however, and not seeing oversold conditions on RSI gives a resilient theme to treasury bond prices.



## Cocoa (NIB)

The cocoa ETF NIB has an interesting pattern taking shape over the past 10+ years. The overall downtrend has continued and is on the brink of breaking lower again on the monthly chart. Pay close attention to the PPO possibly rolling over at the zero line. If we break trendline here, price could trade aggressive to the downside.



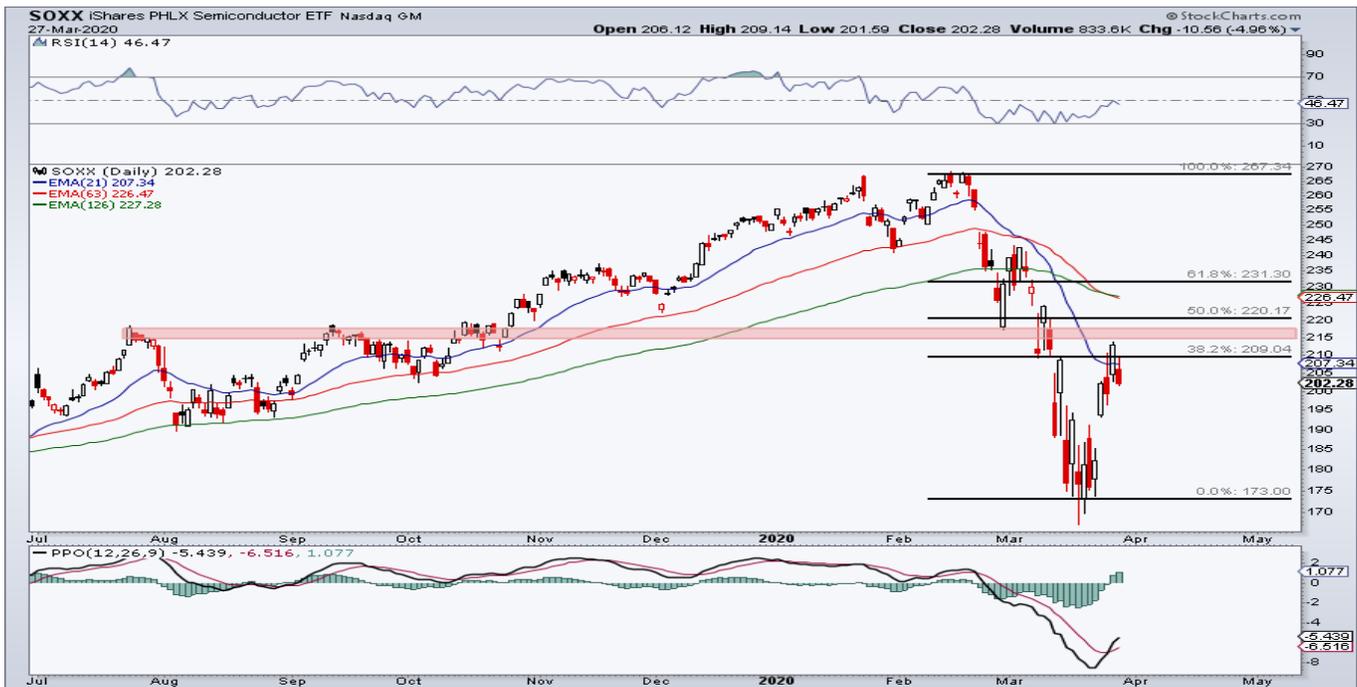
## Euro (\$EURUSD)

The chart below shows a monthly chart of the Euro. We have an interesting candle taking shape as of now that looks to be more of a doji style. We have two days left in the month before this officially closes. Notice the PPO looking to curl up. We are expecting a very big move to the topside here in the Euro.



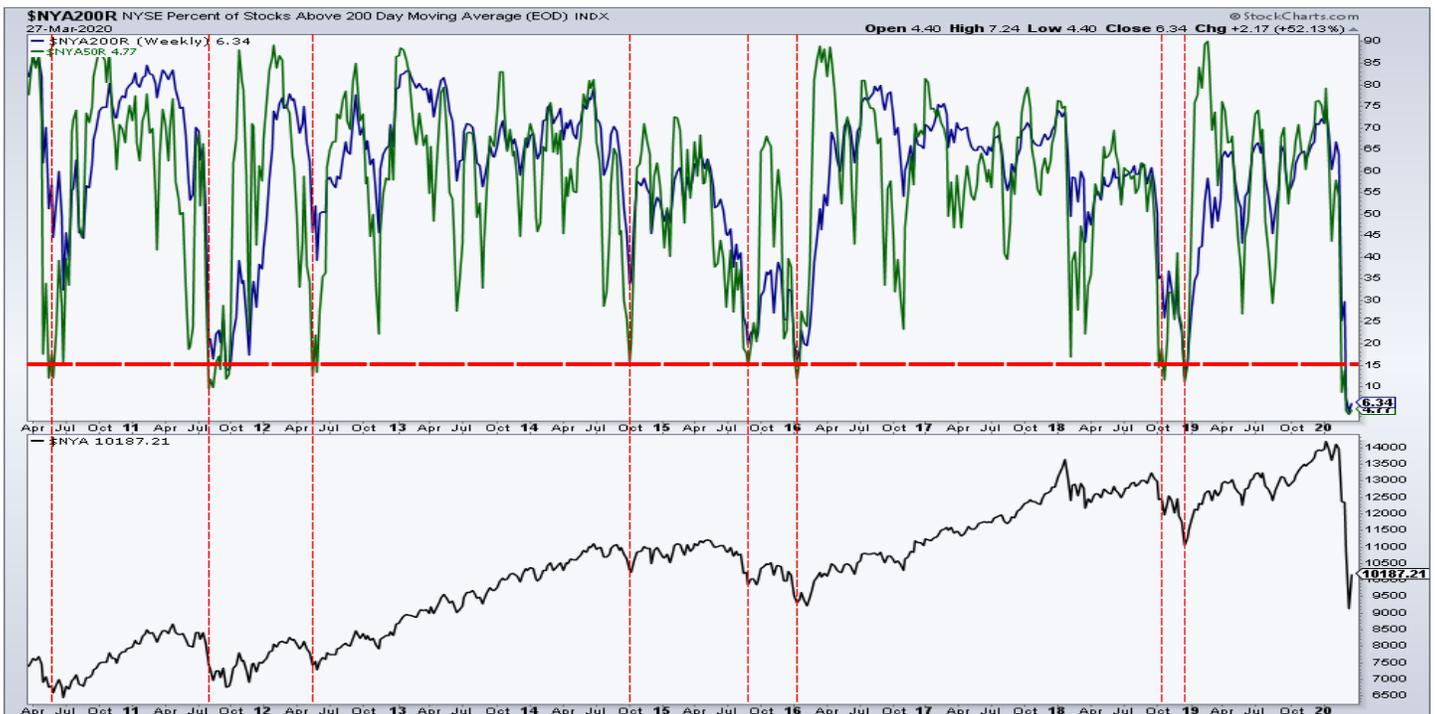
## Semiconductors (SOXX)

The semiconductor space saw a nice bounce here this week. We want to see SOXX hold \$173 in order to be on the long side. We would recommend buying this on a dip that remains above \$173. Long-term support shows very significantly around this level. We do expect more choppy behavior in the coming week however.



## NYSE Percent of Stocks Above 200-day MA (\$NYA200R)

Before we get too excited about any setup from the long side, we want to see breadth start to improve. So far we are seeing little of that evidence in the market place. Can this change next week? Certainly, but as of right now we still have a bleak number of stocks well below their respective 200 day MA's.



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