Technical Forecast

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March 31st, 2019

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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
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

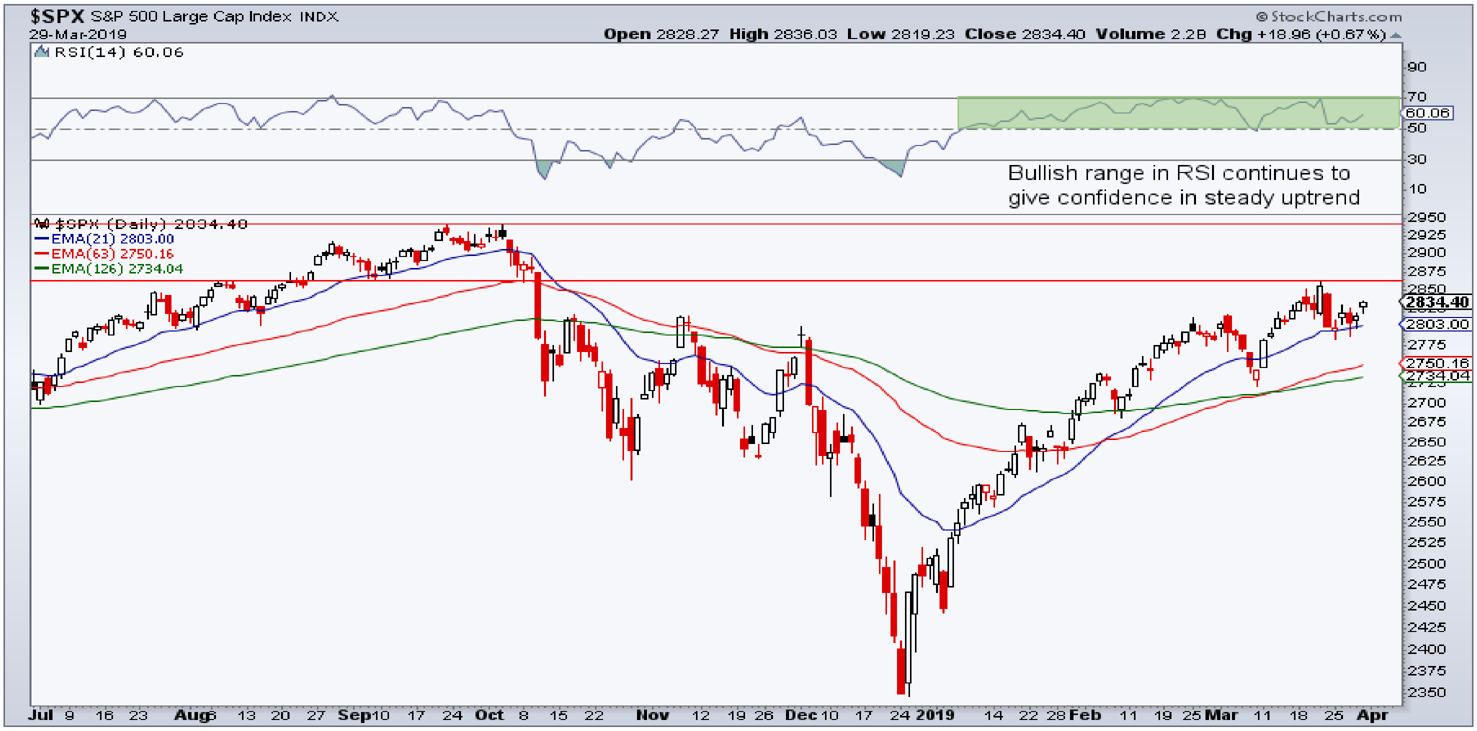
Pivot Points	S2	S1	Pivot Level	R1	R2
Weekly	2767	2801	2818	2852	2869
Monthly	2628	2706	2760	2838	2892
Closing Price			2834		

It was a strong finish to the week across many different sectors and styles of the broad market. Much of the focus on Friday was the comments made by Larry Kudlow, expressing the Presidents concern about the FOMC and how we should be seeing interest rate cuts throughout 2019, rather than hikes. These comments gave a boost to the domestic markets and allowed many sectors to break out of their one to two-week range. Industrials are starting to look very constructive right now, and many individual names are breaking out of consolidation ranges. The utilities sector has started to notice slowing of momentum given by RSI. This is likely a product of sector rotation taking place, as well as positive divergences seen across much of the interest rate picture right now. This allows money, at least for the short-term to flow back into treasuries rather than higher yielding assets like utilities. Keep in mind we are just seeing the beginning phases of this, and utilities still present very strong trends across the board.

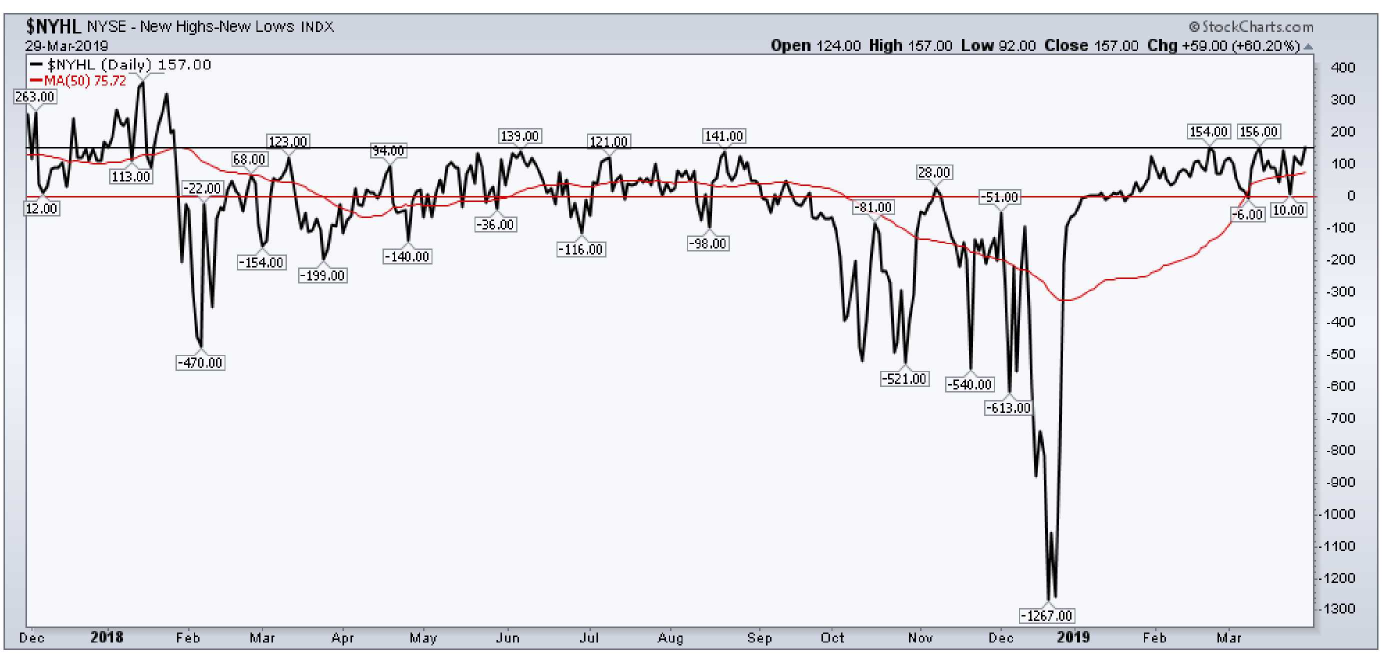
- We are seeing more new highs vs. lows within the $NYSE, looking for additional breakouts within $SPX
- Copper miners ($COPX) find a significant finish to the week
- China Internet ETF, $KWEB gaps up and is looking for strong follow through
- Hong Kong breaks out to all-time highs, something we do not normally see in downtrends ($EWH)
- Junior gold miners will need to step up here as it rides a slippery slope ($GDXJ)
- Are semiconductors due for more consolidation or can stronger hands prevail? ($SOXX)

How to Trade it:

The S&P 500 traded in a fairly tight range this past week and finally started to show some thrust heading into Thursday/Friday. We can clearly see the slight gap up on Friday and continued strength throughout most of the day. The big interest here is the fact that we held the 21 day EMA (blue). We feel that there will be strong trends out there within stocks and ETF's if the $SPX is staying on course above the 21 day EMA. To pair with this, we see RSI showing great bullish characteristics from a trend vantage point. Since rallying off the lows, we have hit overbought territory almost perfectly a few different times only to fade off and create a higher low. We believe this green shaded area is presenting the case for bullish trend and momentum within $SPX. This tells us that we can become more aggressive buying dips, so long as the 21 day EMA is trending above the 63 day EMA and RSI is holding above the 40-50 zone. On this next push higher we would like the $SPX to make an attempt at trading into the red horizontal line range between 2,860 and 2,931.



Breadth is really starting to shine on certain indices and sectors. The small caps are one of the areas of concern relatively but as we see below NYSE new highs – new lows are working out of this range and we expect to see higher highs start to bring this measure higher. We are seeing a reading of 157 currently, which is the highest reading we have seen since January of 2018.

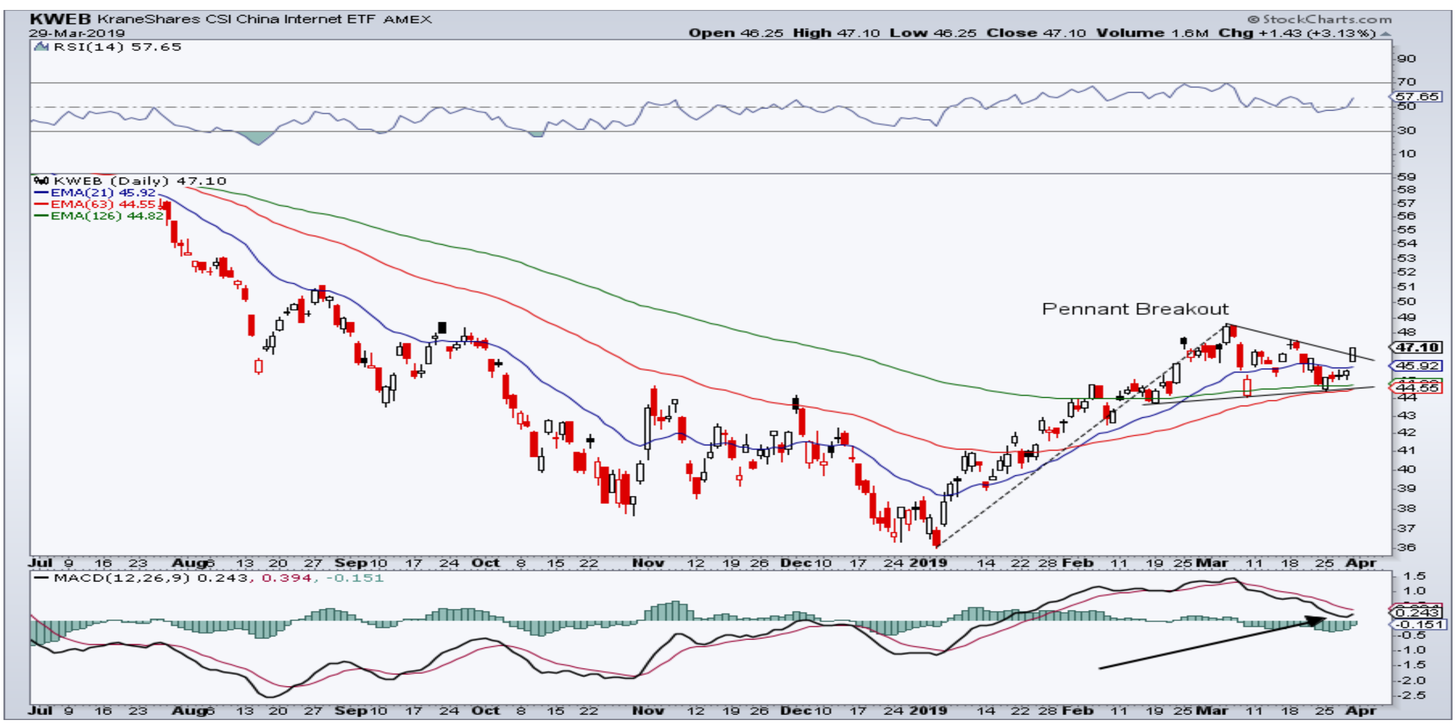


Copper ($COPX)

A big theme taking place within the market right now is coiled or flag breakouts. Copper miners are one of those ETF's trying to breach the topside of this pennant formation. This is a classic consolidation after a nice advance from early 2019. Momentum has held up well and looks ready to continue higher.

China Internet ($KWEB)

China internet names are really starting to make a move for themselves here. Friday gave a breakout candle out of a pennant type consolidation. This is all taking place just over the 21, 63 and 126 day EMA's. We believe this offers great reward to risk when using the lows from March as your stop placement. Looking at the MACD below we can also see a nice curling up action taking place just above the zero line. This is generally a bullish characteristic and shows that this name can continue on out of this larger base.



Hong Kong ($EWH)

Hong Kong has just broken out to new highs with a very strong gap up on Friday. Consolidation was taking place for much of the month of March, and this gave the ability for the MACD to 'reset' just above the zero line. We expect to see this ETF continue on its strong trend, as new highs are without a doubt not a characteristic of a downtrend. Until the evidence changes, we have to be on the long side here.

Junior Gold Miners ($GDXJ)

Gold miners and more specifcally GDXJ is looking very weak of late. We saw a gap down this past week below the 21 day EMA and is working on settling in above the 63 day EMA in red. We do not think this 'settling in' will last long however, look closely at the MACD crossover taking place above the zero line. Momentum was trying to reset but it looks to be heading back down below creating more of a rollover environment in GDXJ.

Semiconductors ($SOXX)

The semiconductor space has battled off the cyclical nature that comes with the industry quite well the past few months. More specifically to $SOXX, we have seen intra-week highs only a couple weeks ago and are looking to consolidate near highs, possibly gearing up for the next breakout higher. We want to see a weekly close above $191.50 to show buyers are indeed on board. Relative strength vs. SPY is looking strong and RSI is hanging tough just above the 60 level. Even if we do see continued consolidation within this broad range, look for price to hold up well over the 21 and 50-week EMA's

One argument for semi's to continue consolidating is the seasonal effect seen versus $SPY. April tends to see a slowing effect in this relative ratio, but once you get to May, $SOXX performs extremely well. If we breakout on the above chart, expect to see May's historical seasonality structure come early in April this year.