



Technical Forecast

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Open ETF Trades

Date Opened	Ticker	Market	Stop Loss	Strategy & Update
3/28/18 @ \$12.81	IAU	iShares Gold Trust		Defensive market trade
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	2564	2598	2666	2700	2768
Monthly	2415	2564	2752	2900	3088
Closing Price			2633		

Heading into this next week we want to be paying attention to a few key areas. First would be the awareness of the G-20 summit starting on November 30th in Argentina. This will likely bring more rhetoric from many different areas that will have large impacts on the current market environment. This very well could end up being a buy the rumor sell the news type of event. Time will certainly tell! Second would be current inflection points taking shape right now on a broad market perspective. Last week did not finish as strong, with gap up days being met with supply and selling late in the day, key characteristics of a bearish market environment. The 10-year yield is trying to find some support here after seeing slowing momentum signs. Other positive notes would include stocks above the 200-day EMA showing slight positive divergence on certain style indices. We discuss a few of these below.

- Lines of defense for \$SPX on the weekly perspective
- Equal weight \$QQEW showing one key positive
- Let's not forget about that 'fear' index (\$VIX)
- \$SPX % of stocks above 200-day EMA looking to add value to our overall analysis
- A check in on \$IAU as it is starting to pick up the pace
- 10 year minus 3 month yield, the curve continues to flatten
- Are we anywhere close to finding support for Crude Oil (USO)

How to Trade it:

Below shows a weekly snapshot of the \$SPX and we are starting to see the effects of sellers stepping up on almost every rally attempt. We are seeing many days where a gap up takes place near the open, and by the end of the day, price fades expressing no real interest from the buyer's side. Currently we want to be focusing on the green shaded area below around 2,600. How we react to this level will be crucial for the next 3-4 months. Support below this line is minimal with the 200-day EMA near 2,380. As we have stated in past articles, the best-case scenario for bulls is a sideways trade. The PPO below is showing no signs of momentum slowing to the downside. We discuss further breadth measures that give a more positive spin on this current environment.



Below is SPY in black and the equal weight ETF RSP in pink. As we can see, SPY made a lower closing low this past week pointing to lower prices. However, RSP has yet to make a lower low. This is one characteristic pointing toward improved breadth. We want to be paying attention to this in the coming weeks to see if this remains to be true if lows continue to print on the cap weighted SPY.



QQQ vs. QQEW

Very similar in nature is the NASDAQ version of breadth improving. Taking the equal weight version QQEW, we see that new relative lows have not been registered yet. We have seen new lows however in QQQ, pointing toward positive divergence taking place at a more significant rate than that of SPY above. We need to remain attentive to this especially as QQQ trades near \$156, possible support lows from April.



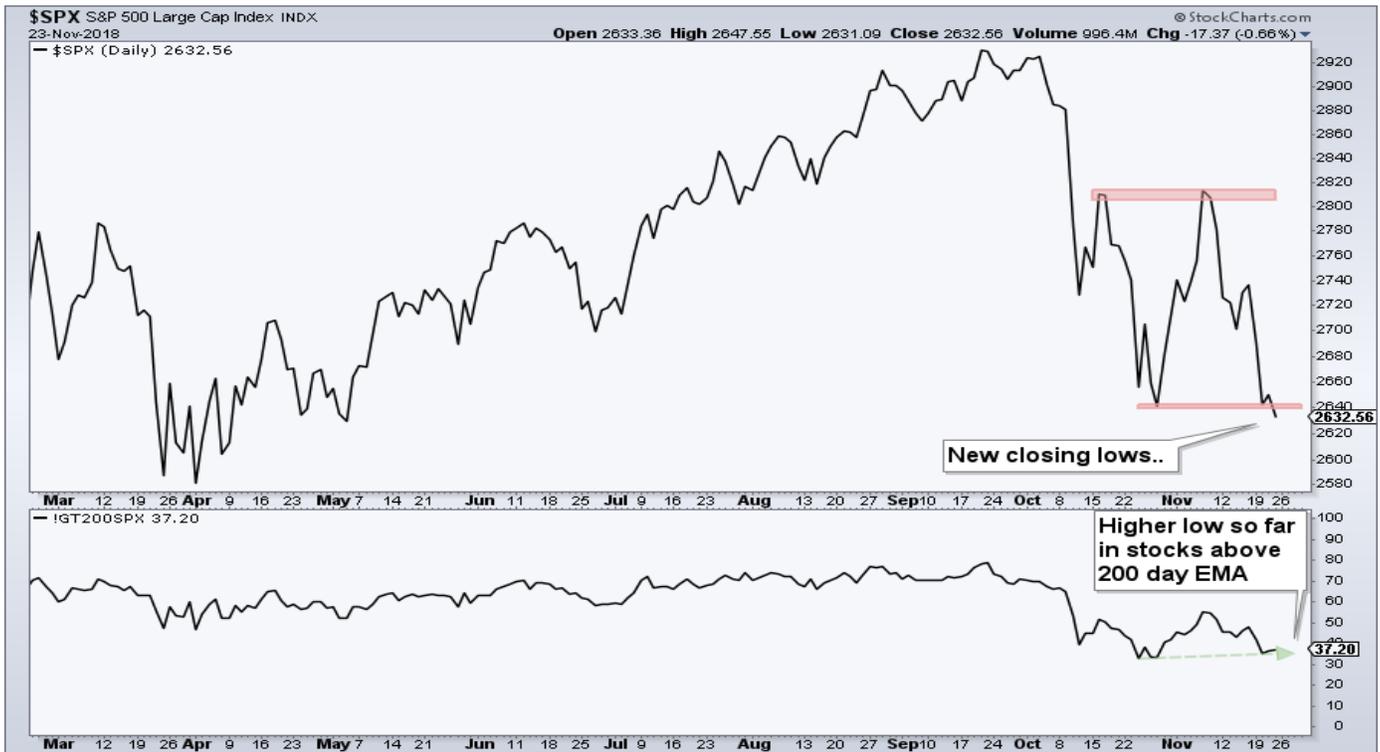
Volatility Index (\$VIX)

The fear index is staying quite elevated here as we trade out of the month of November at the end of this coming week. It has comfortably traded above 16 for well over a month now and looks to be gearing up for another big move. We say this because the longer it stays above 20, the possibility for further volatility remains higher and should allow us as market participants to become aware of this as we look for other market opportunities both long and short.



Stocks Above 200 Day EMA (\$SPX)

Another breadth indicator we are paying close attention to as we trade near critical price levels is the stocks above 200 day EMA. As mentioned above, \$SPX is printing new relative lows vs. October of this year. What we are seeing though in % of stocks above the 200 day EMA is a higher low. At the very least, another breadth indicator that is showing a difference in character versus price alone.



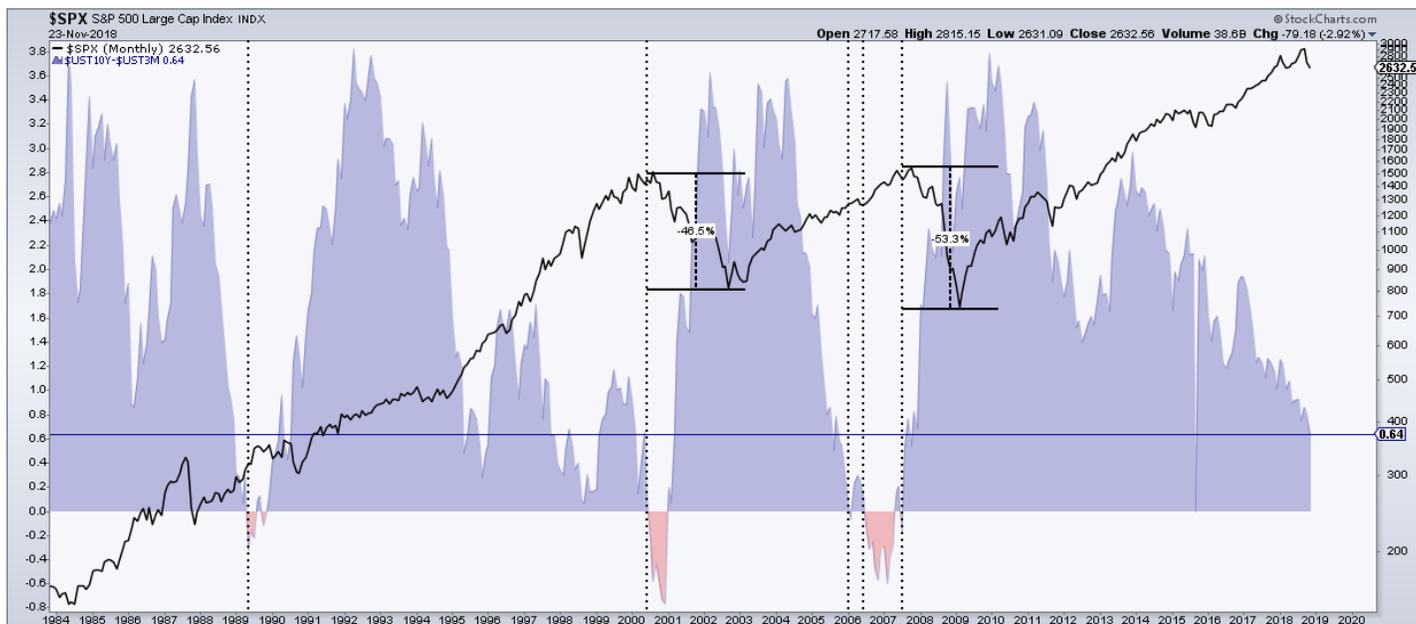
iShares Gold Trust (\$IAU)

A weekly pick of ours is IAU, and it is starting to show signs of creating a new trend upward. We are witnessing higher lows take place with a start in higher highs. The 200 day EMA will certainly add some pressure going forward, but the MACD is above zero and turning the corner upward once again.



10's - 3's (\$UST10Y-\$UST3M)

The yield discussion continues to be a major theme for market participants, so we wanted to give a check in on the 10's-3's yield curve. Right now, the shaded area is still positive, marking a positive curve, but we can see what occurs to the \$SPX if/when the curve inverts. We are a ways away yet, but it continues to trickle down lower month by month here.



Crude Oil (\$USO)

The crude oil market has seen much better days than what it has witnessed over the past 5-7 weeks. Crude itself is trying to find support just over \$50 but we should not be surprised if \$45 were to signal a more important low. None the less, expect wide swings up and down as this market tries to settle in. Both USO and Crude Oil are showing some signs of positive divergence (daily) in momentum but that is about the only thing to bite off on right now from a positive characteristic. Stay clear until more evidence starts taking place.



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