



# Technical Forecast

@ETFguidePremium

September 2nd, 2019

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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	\$72.75	Long Small Caps
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	\$71.60	Bullish Weekly Setup

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

## Key S&P 500 Pivot Points

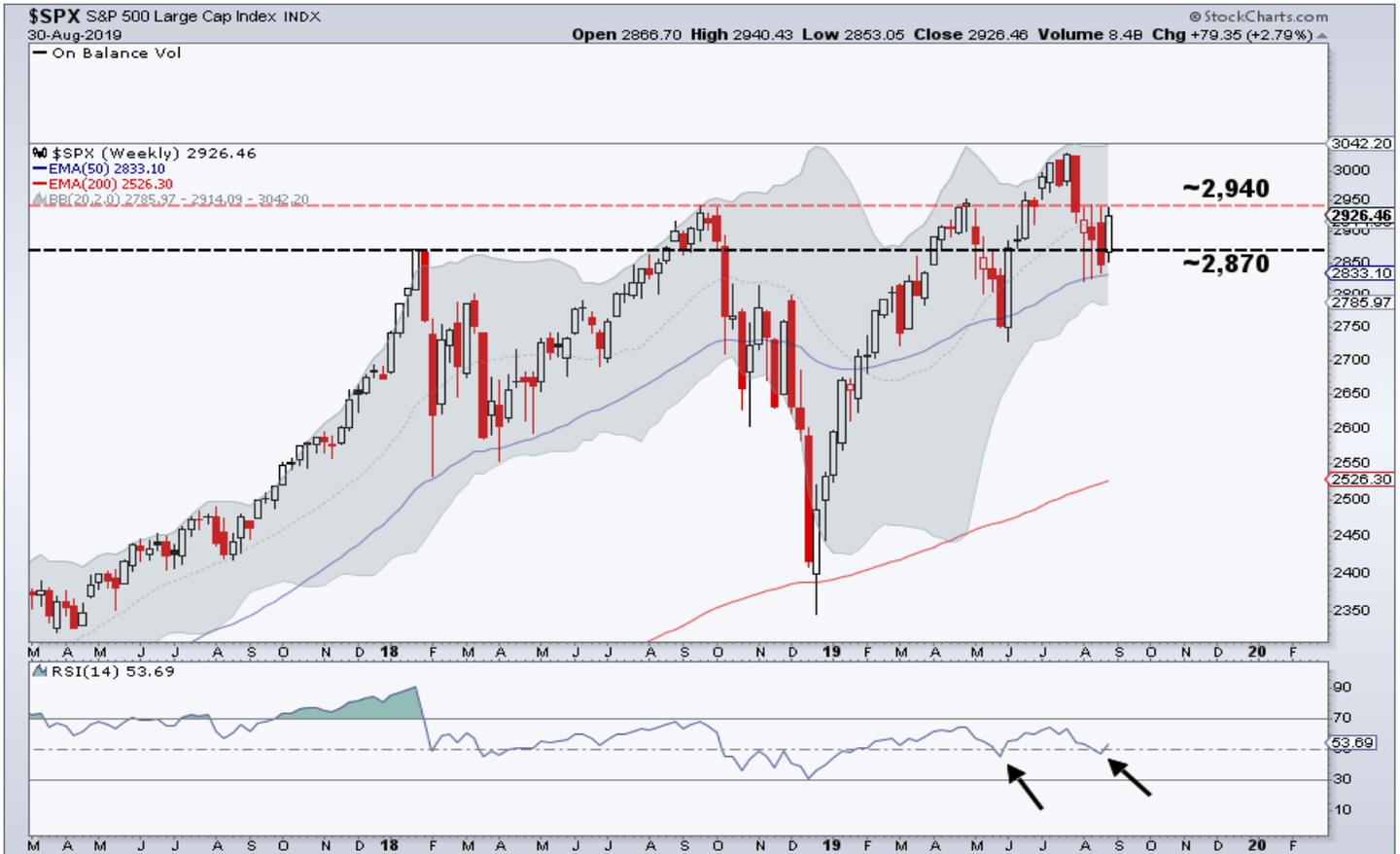
Pivot Points	S2	S1	Pivot Level	R1	R2
Weekly	2819	2873	2907	2960	2994
Monthly	2729	2828	2921	3019	3112
Closing Price			2926		

Simplicity is never a word we want to define the market with, however, we believe this current market structure is a tale of back and forth chop. When we drill down, we do start to see opportunity both on the long and short side of the market. That really becomes the beauty at the end of the day, and active managers should be salivating at the opportunity to separate themselves from the mainstream market environment where 'not everything is trending upward and simple'. This past week industrials led the sector list to the topside while communications, basic materials and financials followed closely behind. Defensive sectors were up, but relatively lagged SPY. Metals displayed a different tone, however silver, platinum and palladium continued seeing upward momentum and buying pressure. Heading into this shortened week with Labor Day, we enter a seasonally weak period for the broad market, much like we saw last fall around this same time. Be on the lookout for price counts being taken out as this will be our guide if something bigger is in the making.

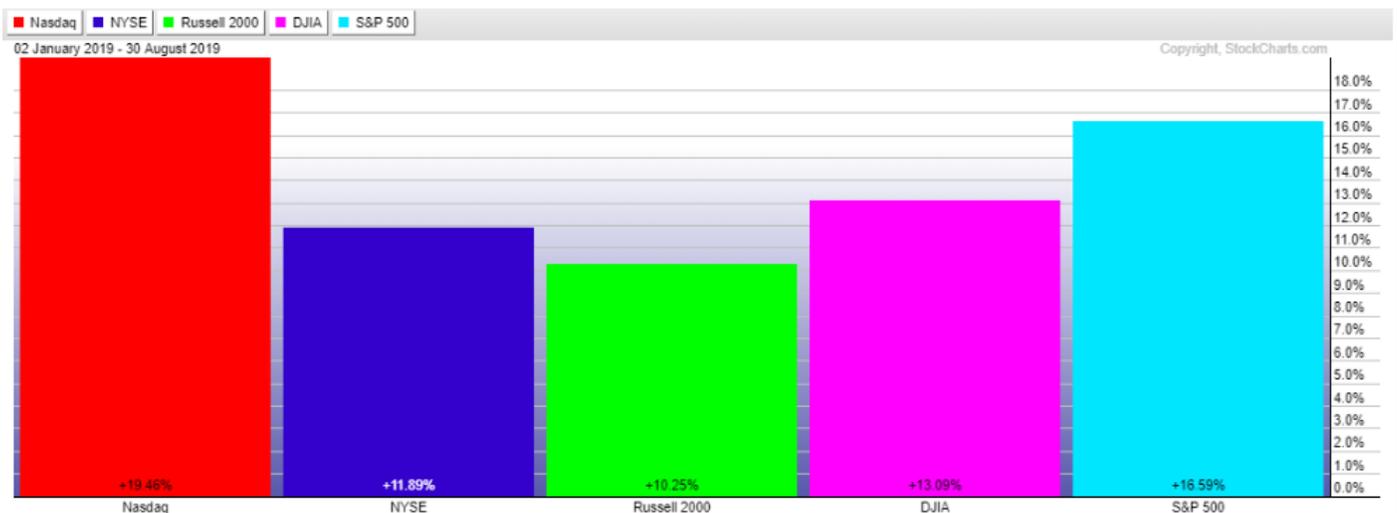
- We have two price levels we want to be watching in \$SPX this week
- Clean energy stands out on this recent test of support (PBW)
- Update on U.S. medical devices (IHI), the strong trend looks to continue
- What looked to be a breakdown in PSCT last week, may turn out to be a falling wedge
- S&P Insurance – KIE looks to be setup well heading into September
- PHO is consolidating nicely and looks to be ready for another advance

## How to Trade it:

The S&P 500 found a nice bounce back week but was unable to capitalize on the breakout of the daily range that has been forming for the past month. The areas of focus on the below chart heading into this next week are 2,940 and 2,870. If the \$SPX can start to trade out of this range, we likely have something bigger taking shape, both up and down. Create an alert and do what you have to do to keep tabs on these levels. The weekly snapshot below outlines the mess we have been trading in now for the past 21 months. More recently, RSI has held up well on the last two attempts to break down. Notice how RSI traded slightly below 50, but holding 40. This is a great characteristic to see in momentum and one that is a straw in the cap for bulls. The reason this helps the bull scenario is that we can classify momentum in a bullish range if we are 40+ and not oversold.



We want to put things in a little perspective as the media pundits can get caught up in every little move for this reason and for that reason. Below is a YTD performance graph of the domestic indices. The NASDAQ is almost up 20% with 4 months left to go in 2019. Sure, the last 21 months have been a trading range mess but let's also understand where we currently sit in relation to where we have been.



## Clean Energy (PBW)

Clean energy is currently on a nice fade back trade into what looks to be support for the time being. This week may be the deciding factor whether this support holds up or we fail. Notice back in June PPO was giving a similar reading as it curled up below the zero line. Can we see the same results? Time will tell.



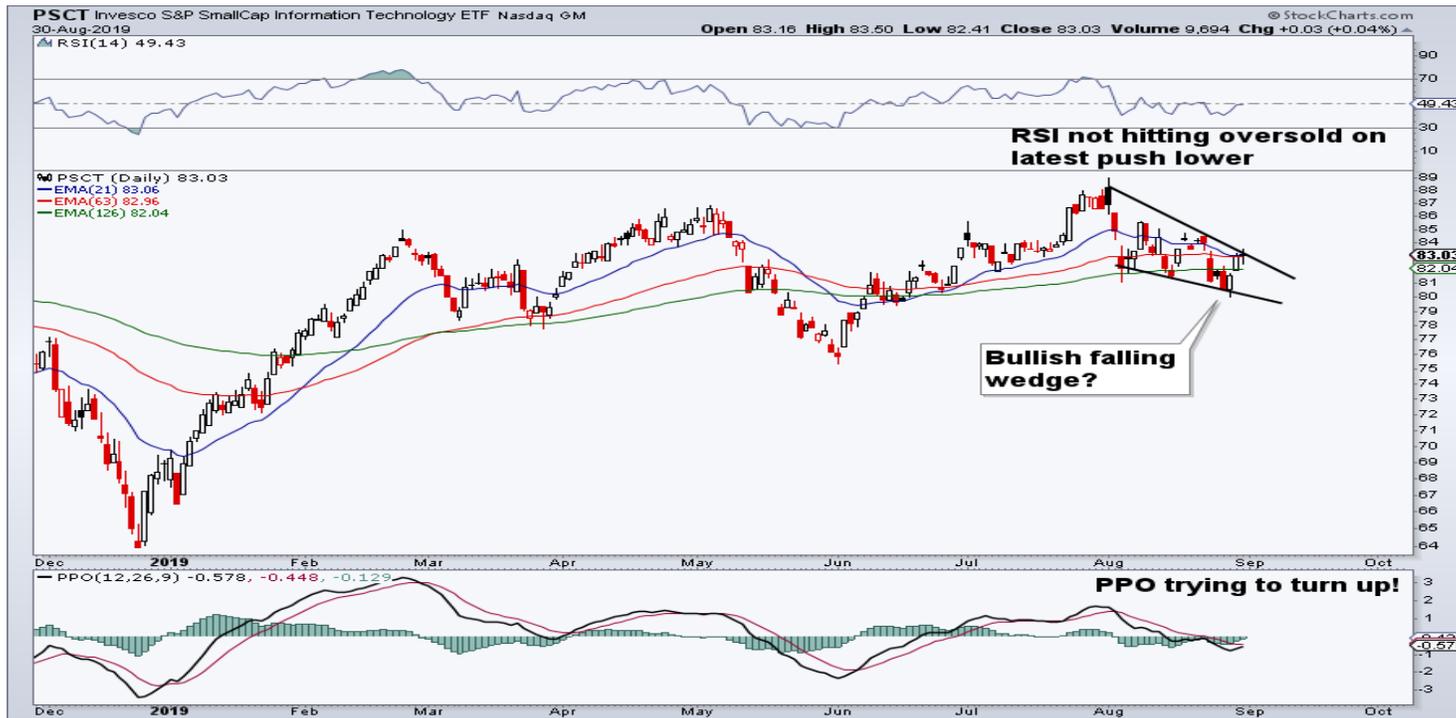
## U.S. Medical Devices (IHI)

Medical devices is one of our recommended trades and it looks to be on the verge of continuing trend after consolidation yet again. Momentum in the form of PPO is curling up above the zero line and price is very close to breaking out. We have every reason to be long this name with solid conviction creating a zone of risk off if price decides to trade below \$240.



## Small Cap Technology (PSCT)

We discussed the bearish looking PSCT situation in last weeks issue and we are starting to see a nice rebound from the initial break this past week. It now looks more like a falling wedge pattern, and further trade in this coil may get this name wound up and tight ready to break hard one way or the other. RSI holding well along with the PPO indicator.



## S&P Insurance (KIE)

A name within the financial space that is holding up quite well is the insurance space. It makes sense, as this sub-sector is more of a defensive natured complex. As of now it is holding support well and the PPO is looking to curl upward while below the zero line. This makes for an interesting situation heading into the week. Being long on a breakout above \$34 and short below \$33 would set the trade up well.



## Water Resources (PHO)

Water resources ETF PHO has been strongly talked about in this update early on in 2019 and we want to continue to follow up on this strong trend. Right now, we look to be witnessing more of a consolidation period in which we believe an eventual breakout to the topside will take place. PPO is crossing up this last week just above the zero line, setting this up well for continuation of the previous trend.



When we look at the relative chart of PHO to SPY, we see something greater is trying to take place here within this ETF. If this is truly trying to carve out a relative bottom, we could be in for much greater upside on this name. PPO is looking healthy as we want this measure to remain positive and upsloping.

