



Technical Forecast

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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

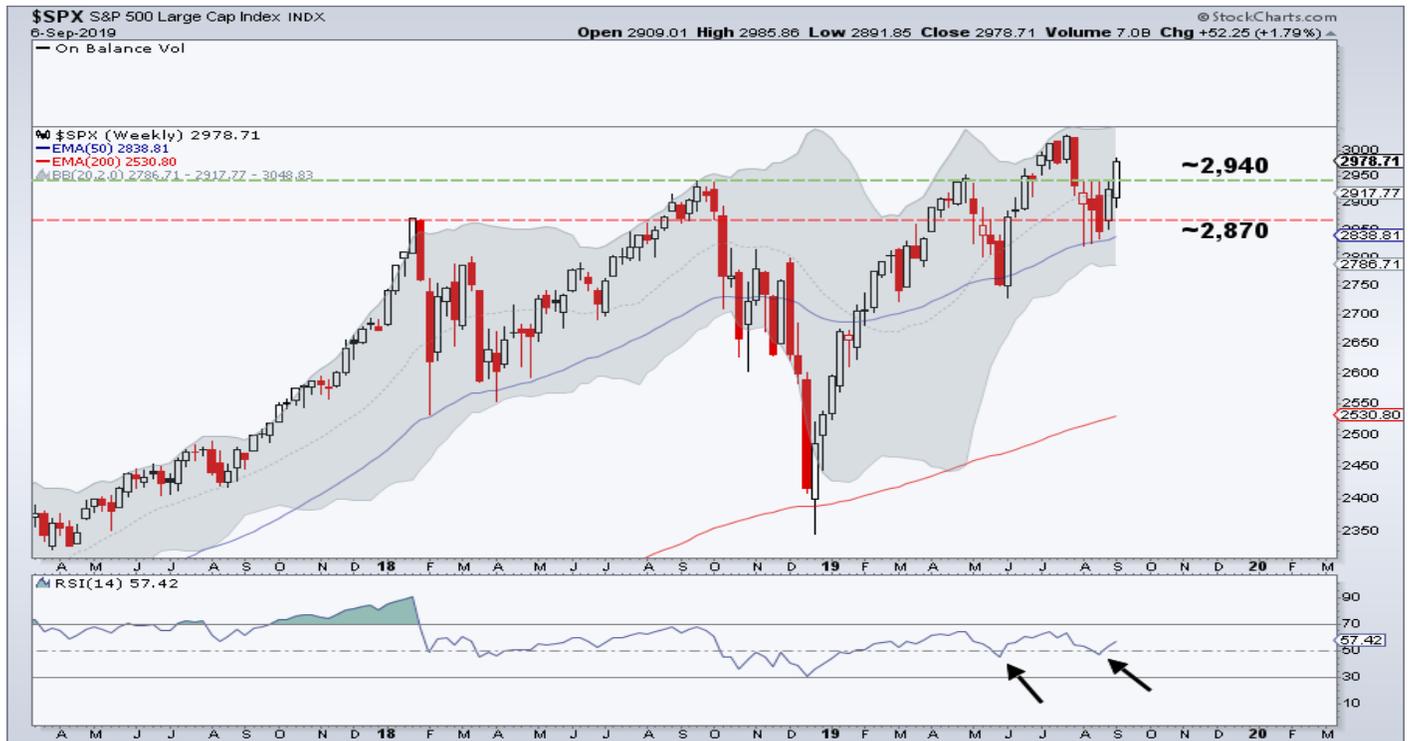
Pivot Points	S2	S1	Pivot Level	R1	R2
Weekly	2858	2918	2952	3012	3046
Monthly	2729	2828	2921	3019	3112
Closing Price			2979		

It was a shake up this week among the sector and industry groups as names that had been leading for quite some time now like metals, miners, utilities, real estate and consumer staples started to lose relative ground to areas like energy, consumer discretionary and technology. We finally saw a breakout of the range we had been in for 3-4 weeks now. Aggressive buyers showed up this week and pushed us above many consolidation phases. This should set the tone now for the bulls to carry the torch. On this breakout, we saw decent breadth to accompany price. Advancers minus decliners saw good thrust in large caps, and more of the aggressive natured areas like the NASDAQ. Small and mid-caps continue to show terrible breadth characteristics. However, they are holding steady and it makes us wonder if they can at least keep up with the general market.

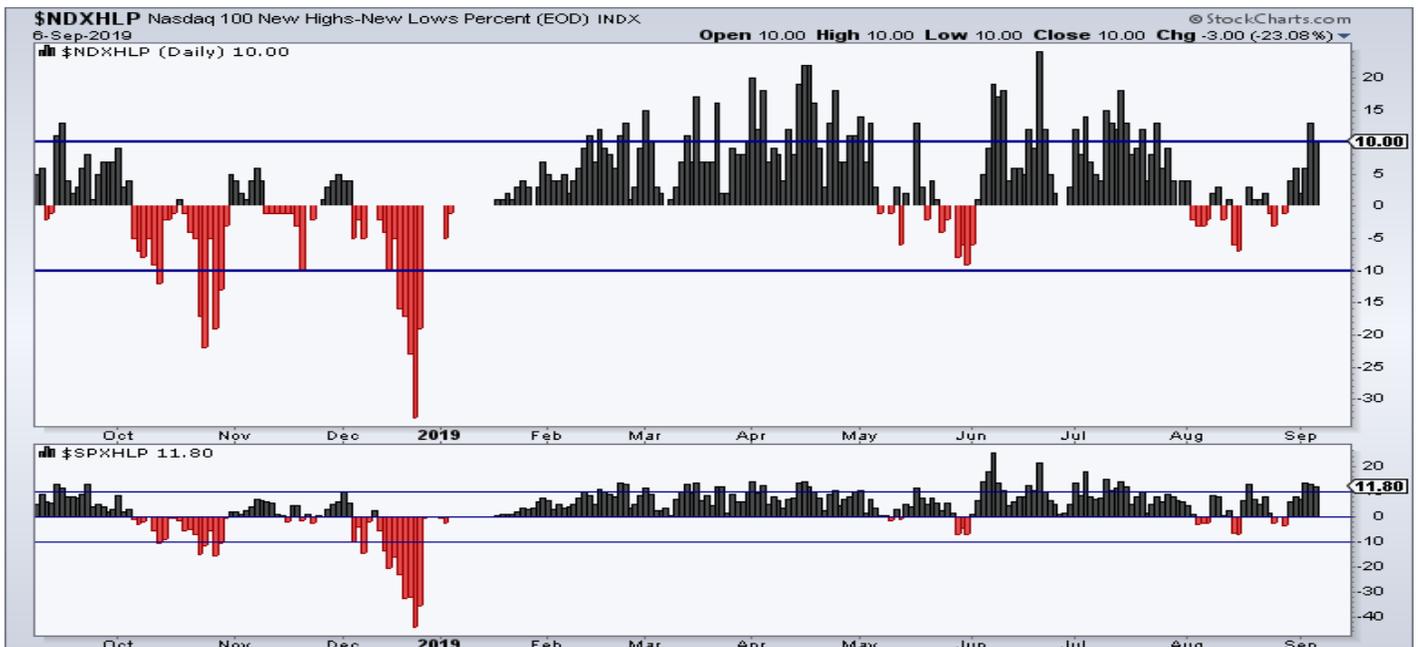
- The top end of our two price levels was breached, we now take aim at highs (\$SPX)
- China CSI 300 A-Shares looks to be working its way up out of a coiled pattern (ASHR)
- Palladium has been at rest, but can we get another push to highs? (PALL)
- Frontier markets (FM) not exactly looking healthy, but can support hold?
- Industrials (XLI) continue to show positive characteristics as we held relative lows
- Technology vs. staples showing signs of bottoming (XLK:XLP)

How to Trade it:

The S&P 500 traded above 2,940 this past week and it was off to the races with more of a risk on feature to end the week. We posted this weekly snapshot last week and want to wrap back around on these important inflection points. Because we traded above 2,940 the bulls in our view have the advantage right now. We should expect higher prices. We still want to be fully aware of the two counts however. One, if we come back to retest 2,940, that may give market participants an area to trade back into the market. If we come back to test 2,870, this will become another great opportunity. Keep risk tight however down near 2,870 because if price fails up here and goes back through 2,870, it could be yet another failed breakout. We are not of the belief that this will occur, but should be talked about none the less.



Part of the bullish argument on this recent consolidation and breakout is that breadth held in very well. Is it the best breadth we have ever seen? No, but it was constructive in nature at least for the NASDAQ100 and the S&P 500. This past week on the breakout, we saw bullish HLP thrust as shown below over 10%. This usually sets the tone and can give a trending atmosphere for momentum in price on these indices.



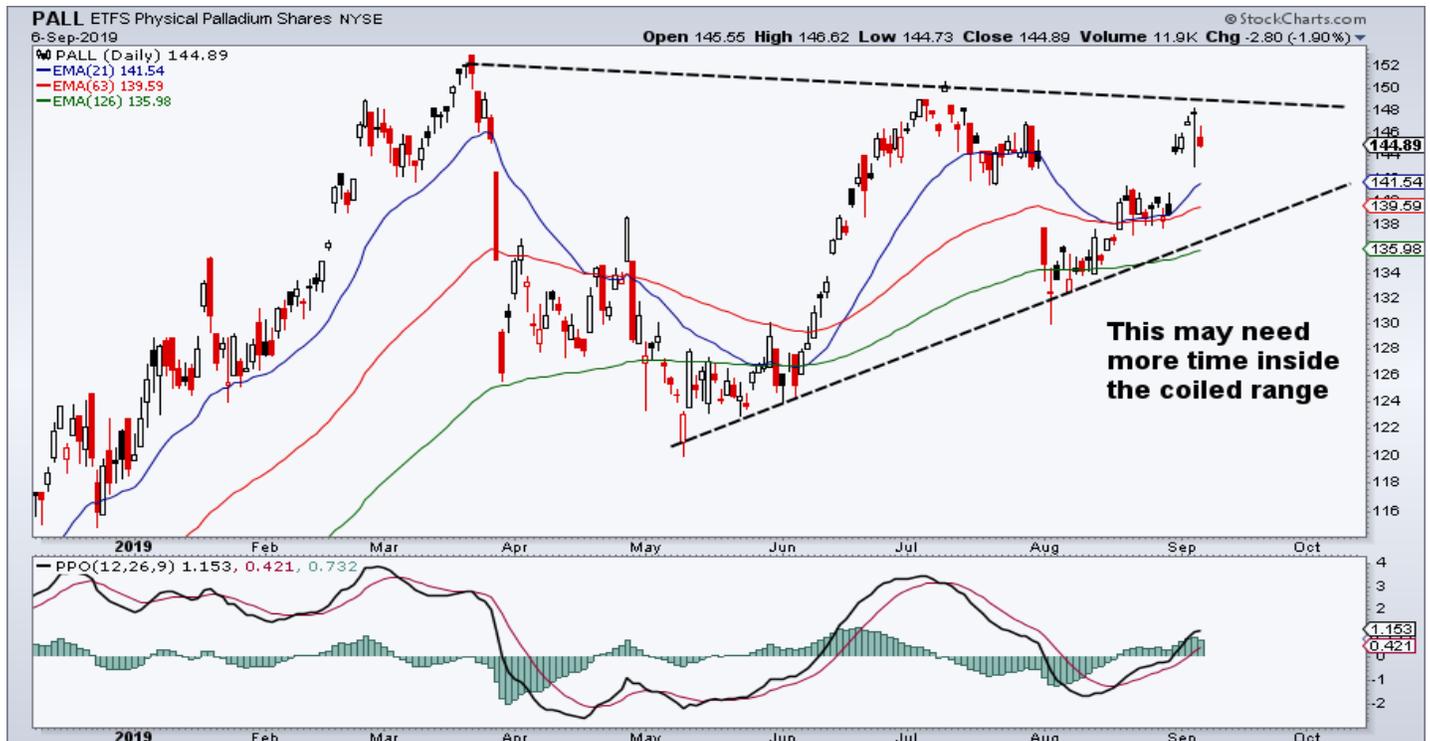
China CSI 300 A-Shares (ASHR)

China has been the talk of the political newswire. Price is now sending us more positive characteristics along with momentum. Thursday and Friday showed a breakout and follow through from the long awaited flag pattern, dating back to early 2019. The PPO needed time but it is looking healthier by the day.



Palladium (PALL)

Metals and miners had a tough week but there were a few that held in very well. Of the metals, palladium is working on a very long drawn out coiled pattern. This looks bullish in nature, but may need more time to trade before breaking out. We want to use a trade above \$149 to get long, or a retest of the bottom trend line to present a great reward to risk narrative.



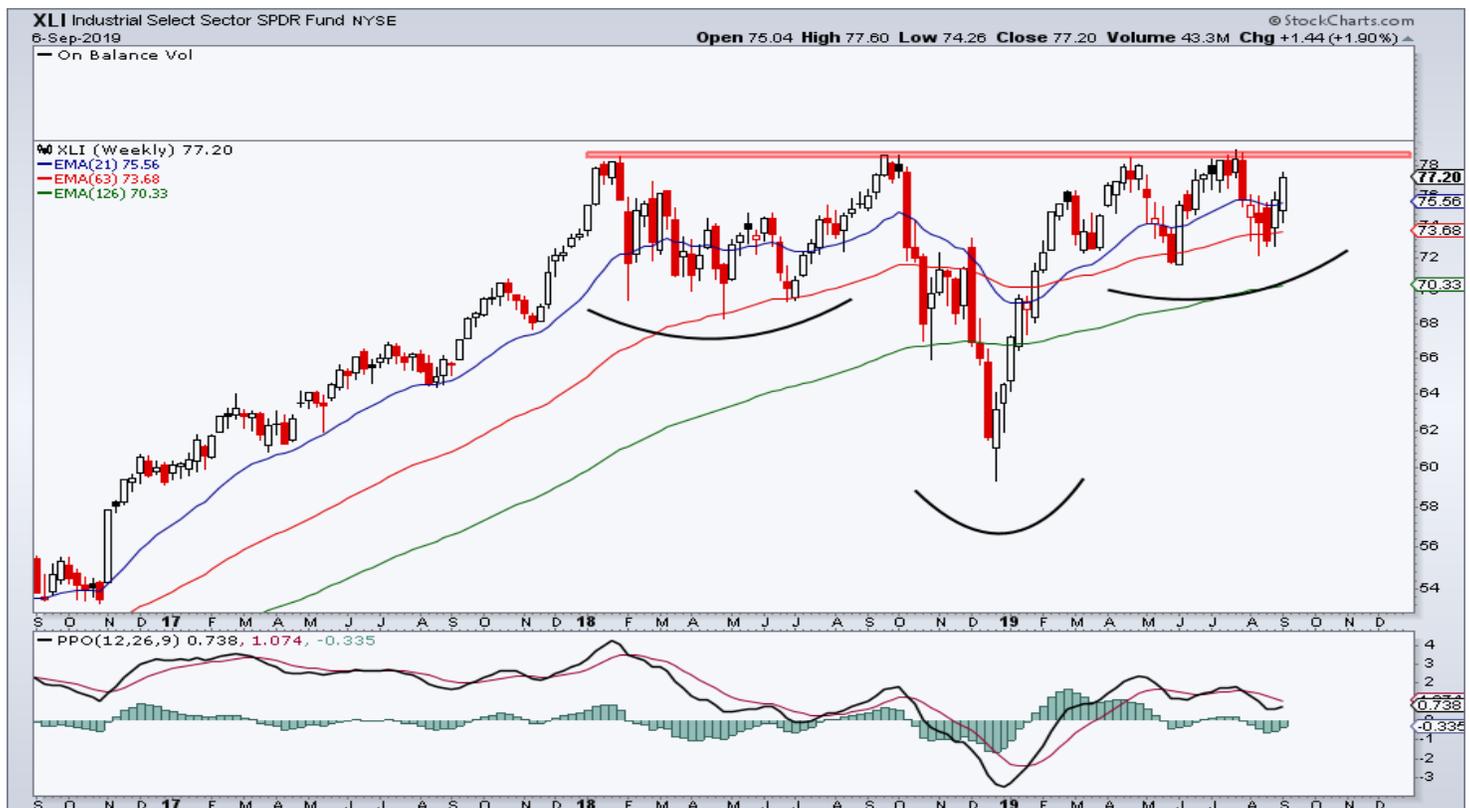
Frontier Markets (FM)

Frontier markets didn't get the memo last week and really didn't trade well at all. It is trading back into \$28.25 support as shown by the green shade below. The question here will be whether or not support holds or if momentum brings too much pressure to the downside. The PPO is below the zero line and does not look great.



Industrials (XLI)

Industrials have held in nicely, testing stops but trading well above them here this week. This might be one of our favorite setups for the longer-term, especially if we can see a breakout occur above ~\$78. You can see this level has been resistance for over 1.5 years now and if buyers get aggressive this level should be taken out in no time. We want to be long, especially over \$78-\$79.



Technology vs. Staples (XLK:XLP)

Technology versus staples is a great barometer for market health. It is a great reference for aggressive market risk or more defensive market risk. When this ratio trend down or sideways, you likely have a market that is choppy or struggling. We have seen this over the past year to almost two years now. The positive, we are developing higher lows currently with a solid PPO momentum cross. This could lead to risk on behavior.



When we dive into staples, we can see XLP looks healthy and strong on the weekly perspective. Realtime strength vs \$SPX has XLP outperforming, however, when we look to the PPO it looks to be slowing. This is a first sign of relative weakness that we want to pay attention to. Notice the histogram in green below steadily decreasing while price rises. This is a divergence we will be watching for in staples.



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