

S&P 500 "SPYDERS" (SPY)



COMMENT: New highs formed above the \$115 resistance level and almost — and now clearly into overhead trendline resistance. The 40-day model continues to move higher, but it is at extremely overbought levels. Once it turns lower, then we would have lower projections towards the 80-dma and perhaps even lower.



COMMENT: The bearish wedge pattern is now evident, with sharply rising trendline and 160-hma support our key areas of focus. With the 40-hour model at overbought levels and meandering, we'll look for its turn lower to result in a test of trendline and 160-hma support, and perhaps its breakdown as the model cycles back to oversold.



COMMENT: New lows have formed once again given, but overhead trendline resistance is bearing down quickly. Once this level is violated — then we'll expect a surge higher much like the January move higher. And, we expect the 40-day model to turn higher in confirmation very soon...further indicating a tradable bottom is in place.



COMMENT: The correction lower off the 29-level has been rather substantial indeed, with this trend forging new lows and reversing higher and retesting those lows yet once again. Thus far, lower trendline support has held the decline, which given the 40-hour model is attempting to forge a higher low — means a 200-hema breakout ahead.