November 9, 2024

Here are the informational and educational contents of your Screening Reports, including all attachments and links to files, if any.

<u>Market Recap and Outlook:</u>

This week's focus was on the presidential election and the FOMC meeting, both of which resulted in outcomes supporting bullish trends.

Major indexes closed the week at record highs, driven by the so-called "Trump trade," with sectors like financials seen as potential big winners due to President-elect Donald Trump's policies. Investors are especially anticipating broader benefits, including potentially reduced government regulation in Trump's second term.

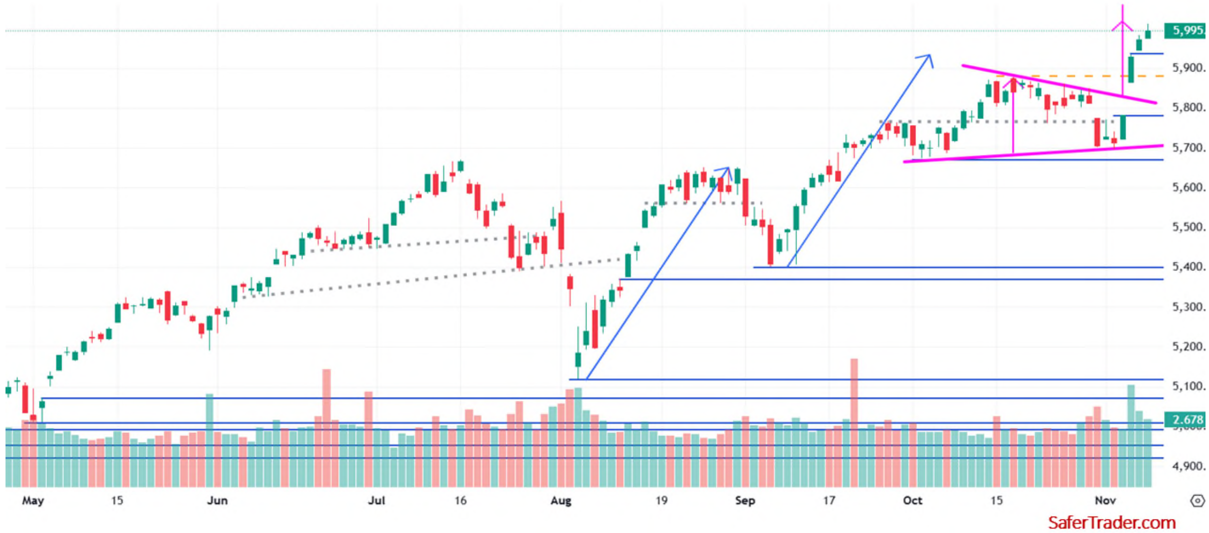
With the holiday season approaching, the stock market is expected to edge higher. Though the U.S. faces some economic challenges, such as soaring debt, no significant actions are likely until the new president officially takes office.

Dow

On Wednesday, the Dow surged, breaking its previous record high (43,325) and dismissing concerns of the false breakout from two weeks prior.

Strong bullish momentum is expected to continue, with 43,325 now serving as a critical support level. Maintaining this level will help prevent another false breakout.

S&P 500



Similarly, the S&P 500 soared to a new high with an up gap following the election. This gap mirrors the down gap on Oct 31, forming a bullish “island.”

The Wednesday rally also reached the target level 5,935 projected by the **blue wave replication**. The index now seems on track to reach the 6,000 target forecasted by many investment banks.

Additionally, October’s sideways movement could be interpreted as a **continuation triangle**, whose base may help estimate further targets.

Nasdaq

The Nasdaq also formed a bullish island and broke its previous record high. Unlike the S&P 500 and the Dow, however, the Nasdaq saw another gap up on Thursday. In a new trend, the first gap typically signals the trend’s initiation, while subsequent gaps act as continuation signals, suggesting further rises are likely.

Russell 2000

The Russell 2000 has been the strongest performer since Election Day, rallying on Wednesday with an up gap that hit the target based on the **blue wave** projection. The index also broke the year's high along the way. It is anticipated to continue rising, potentially challenging its all-time high.

Macroeconomic Takes:

Warren Buffett sold off more stocks in Q3, bringing Berkshire Hathaway's cash reserves to a record $325 billion. This substantial cash position is due to his market indicator (the ratio of the total U.S. stock market value to GDP) signaling caution, as it now exceeds 200% and is over two standard deviations above the mean.

Buffet Indicator

Source: Current Market Valuation

The Fed cut interest rates by 25 basis points, bringing the overnight rate to 4.50%. Nonetheless, the 10-year Treasury yield continues to edge up, indicating a higher term premium for U.S. bonds. However, this divergence between policy intent and market prices reveals a contradiction in economic principles, which may signal potential risks on the horizon.

<u>Conforming Credit Spread Screening:</u>

High Volatility settings. Due to the election result, the average daily range soared over the 1% threshold that triggers high volatility mode.

The screening report is displayed in PDF and Excel, with identical contents. To further analyze the data in the Excel report, subscribers can select and copy the data entries of interest into a spreadsheet application for their own personalized studies. Subscribers must double-check the earnings announcement dates on their own.

Stay safe and Trade cautiously,

Shane

www.SaferTrader.com

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