



July 6, 2024

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

Market Recap and Outlook:

Trading volume declined slightly during the shortened Independence Day week, as many market participants were away.

Normal trading volumes and potentially higher volatility are expected to return next week.



The Dow continued its sideways movement this week, with the trading range narrowing further.

As the newsletter has taught, trading ranges are cyclical. While the current range has been unusually tight, it may start to widen next week or in the following weeks. Key resistance and support levels to watch are 40,100 and 38,000, respectively.

S&P 500

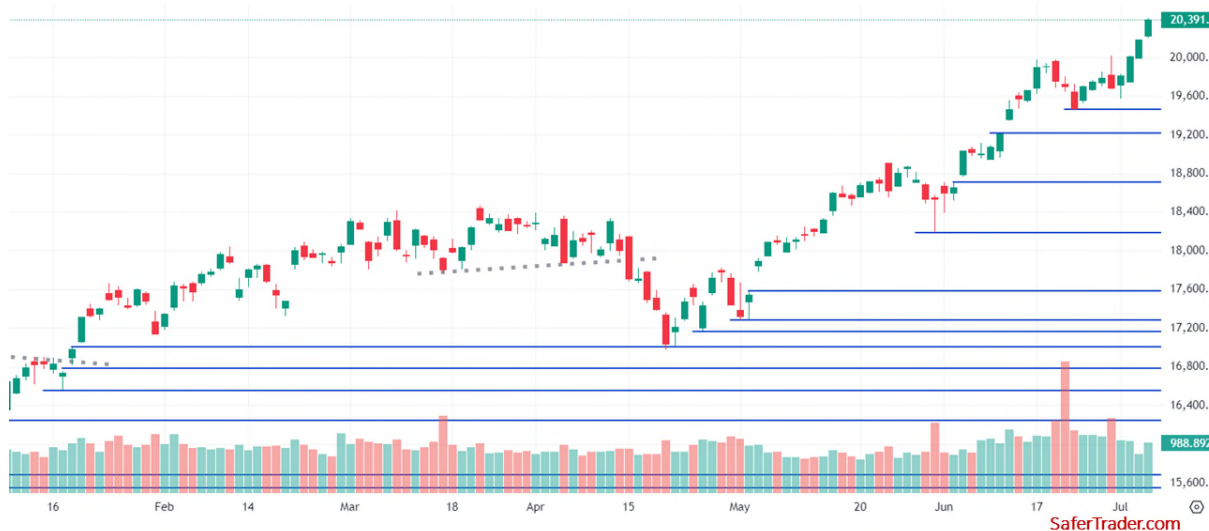


The S&P 500 continued its bullish momentum, reaching a record high this week. This upward trajectory is expected to persist until the presidential election, though a minor pullback may occur beforehand, likely towards the end of summer or in October.

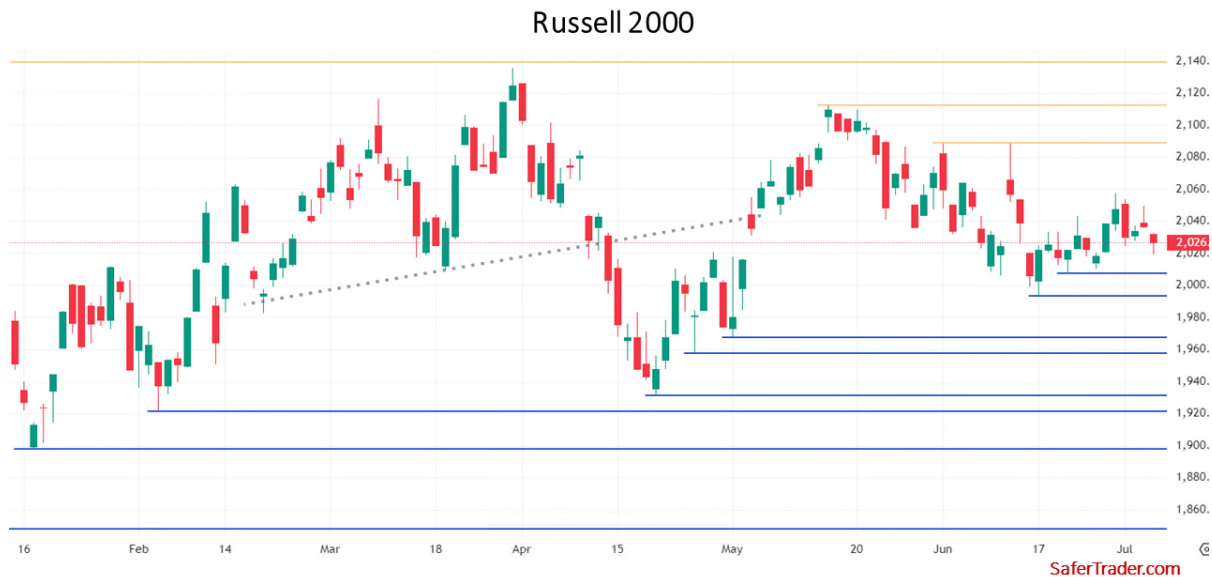
Despite the positive price action, a warning sign persists: the price-volume divergence observed since mid-May. Excluding the quadruple witching day and the last day of Q2 when institutional investors rebalanced their portfolios, trading volume decreased while prices inched higher.

It is crucial to remain vigilant for any reversal patterns that may emerge.

Nasdaq



The Nasdaq's performance mirrored that of the S&P 500 for the third consecutive week, continuing its upward trend while exhibiting price-volume divergence.



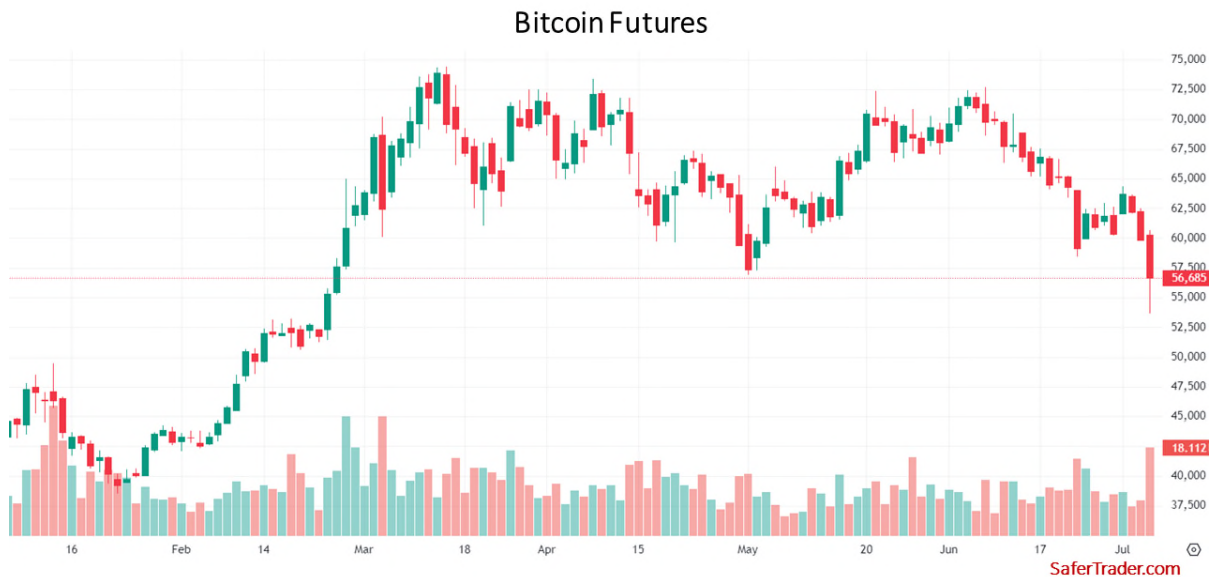
The Russell 2000 traded flat before declining slightly, with Friday's session gapping down below the 2,035 support level. The index is expected to remain range-bound, potentially with a narrower trading range between 2,090 (resistance) and 1,990 (support) or a wider range between 2,110 and 1,970.

Macroeconomic Takes:

Fed Chair Jerome Powell's comment that the U.S. is back on a "disinflationary path" further fueled risk-on sentiment in the market. However, investors remain cautious, waiting to see how the "higher for longer" interest rate environment unfolds.

The U.S. added a robust 206,000 new jobs in June, but the unemployment rate ticked up to 4.1%, its highest level since November 2021. Despite signs of a softening labor market, investors interpreted the report as positive, increasing the likelihood of interest rate cuts by the Federal Reserve.

Bitcoin, once a reliable indicator of risk appetite, has experienced a month-long decline due to concerns over potential token dumping from the defunct Japanese exchange Mt. Gox and selling pressure from leveraged players. While these factors are specific to the Bitcoin market, traders should remain cautious to determine if Bitcoin's performance will once again foreshadow broader market movements.



Conforming Credit Spread Screening:

Standard Volatility settings. **With the upcoming earnings season, please exercise caution and avoid stocks with earnings reports that could trigger significant price volatility.**

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

Disclaimer: Any content provided is for informational purposes only and should not be considered as financial advice. The views expressed are based on current market conditions and are subject to change without notice. Readers are encouraged to conduct their own research and consult with a licensed financial advisor before making any investment decisions. Neither the author nor Safer Trader LLC shall be held liable for any losses or damages arising from the use of this information. Past performance is not indicative of future results.