



August 24, 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:**

Major indexes shifted bullish due to the previous week's up gaps, and the bullish momentum extended into this week.

Fed Chair Powell's statement that it's time to adjust policy, with significant progress towards the 2% inflation target and a sustainable path in place, further fueled the bullish trend. The September rate cut is on the way. The adjusted monetary policy is poised to stimulate both the stock and bond markets.



The Dow's ongoing uptrend has approached the record high and now is challenging two resistance levels. This suggests a potential slowdown in bullish momentum in the coming weeks. Despite this, a new record high is anticipated in the near future.

## S&P 500



The S&P 500 has returned to near its record high and filled the down gap that triggered the bearish trend in mid-July. Bullish sentiment is expected to continue.

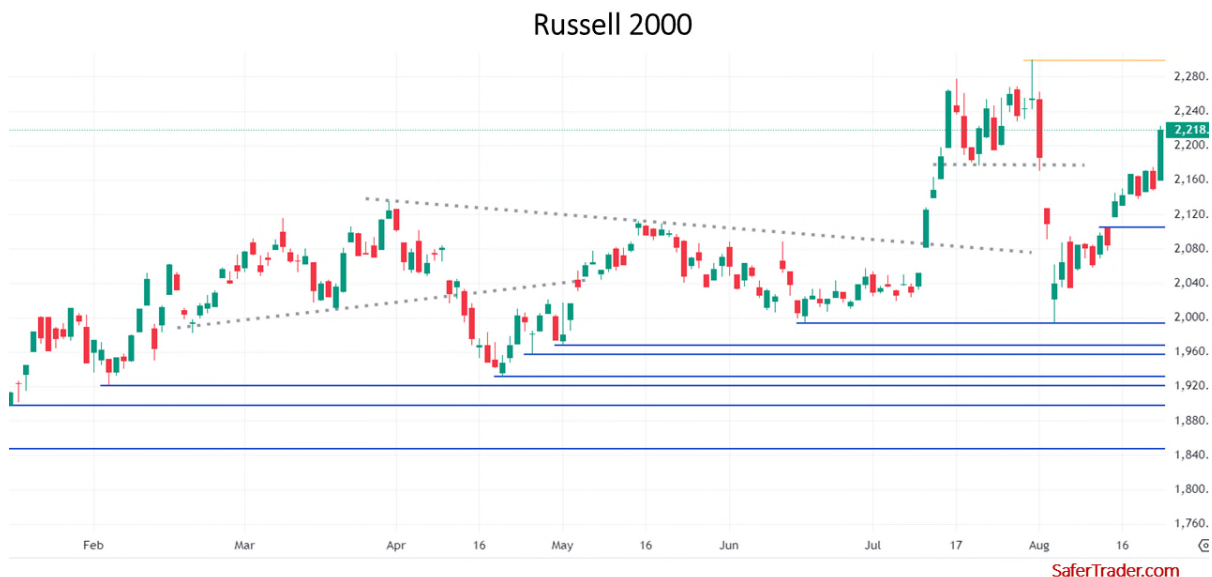
However, the record high itself acts as a resistance level, potentially slowing the bullish momentum in the coming weeks.

Volume is a crucial factor to watch. Since the index reversed in early August, volume has not increased, suggesting potential exhaustion in buying power. This raises the possibility of a retracement before a new record high is established.

## Nasdaq



The Nasdaq is also showing bullish momentum, but the significant down gap on July 17th poses a challenge. Filling this gap may take time, suggesting a sideways trend is likely in the coming weeks.



The Russell 2000, after being suppressed by the neckline of a double-top pattern earlier in the week, saw a strong boost on Friday, finally overcoming the bear of this pattern.

As a barometer of the economy, this bullish momentum in the small-cap index signals optimism among traders.

### **Macroeconomic Takes:**

The Jackson Hole Conference took place this week, with Jay Powell's keynote speech on Friday suggesting that a rate reduction may begin soon, most likely during the September FOMC meeting. The remaining question is how much the rate will be cut.

Although the Fed took too long to cut rates, Goldman Sachs estimates the risk of a recession at 20%. Economists were initially alarmed by a weaker-than-expected July jobs report, but recent data on retail sales and jobless claims have significantly eased concerns that the world's largest economy is headed for, or already in, a recession.

As the anticipated rate reduction looms, mortgage rates have hit a new low for 2024. The average rate for a 30-year fixed loan dropped to 6.46%. Borrowing costs have decreased significantly from their peak of 7.48% earlier this year, providing house hunters with more purchasing power and encouraging some hesitant buyers to enter the market.

### **Confirming Credit Spread Screening:**

**Standard** Volatility settings.

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*

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