



August 31, 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:**

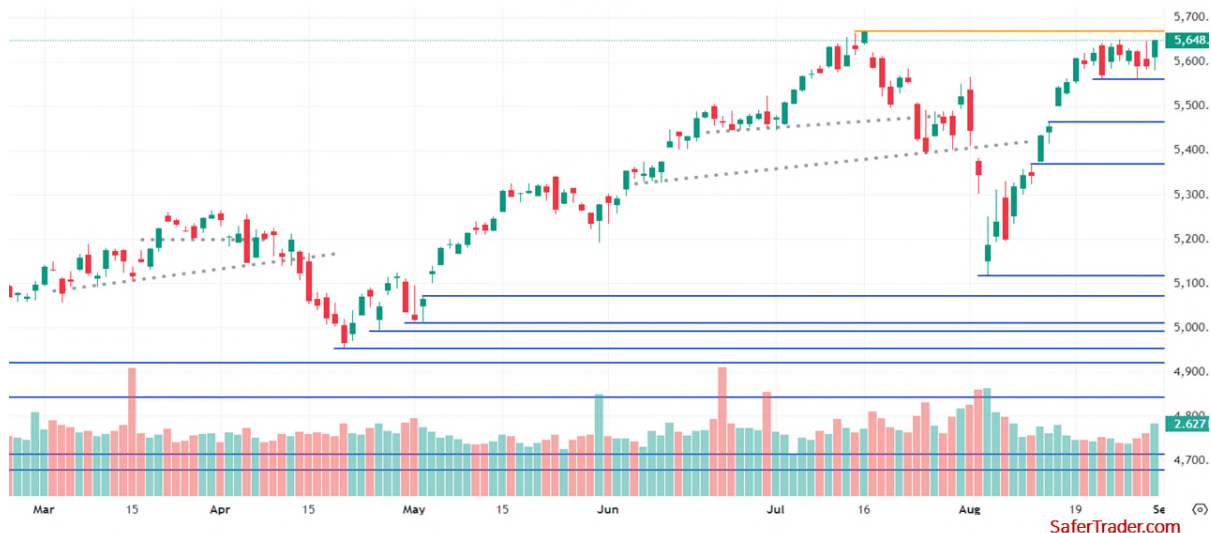
After three weeks of upward movement, the market plateaued this week.

The current sideways movement appears to be forming a continuation pattern. Once the most recent swing highs are surpassed, the uptrend is expected to resume.



As predicted in the last newsletter, the Dow reached a new record high this week. The breakout was accompanied by a surge in volume, indicating a healthy breakout. Traders can anticipate the upward trend to persist.

## S&P 500



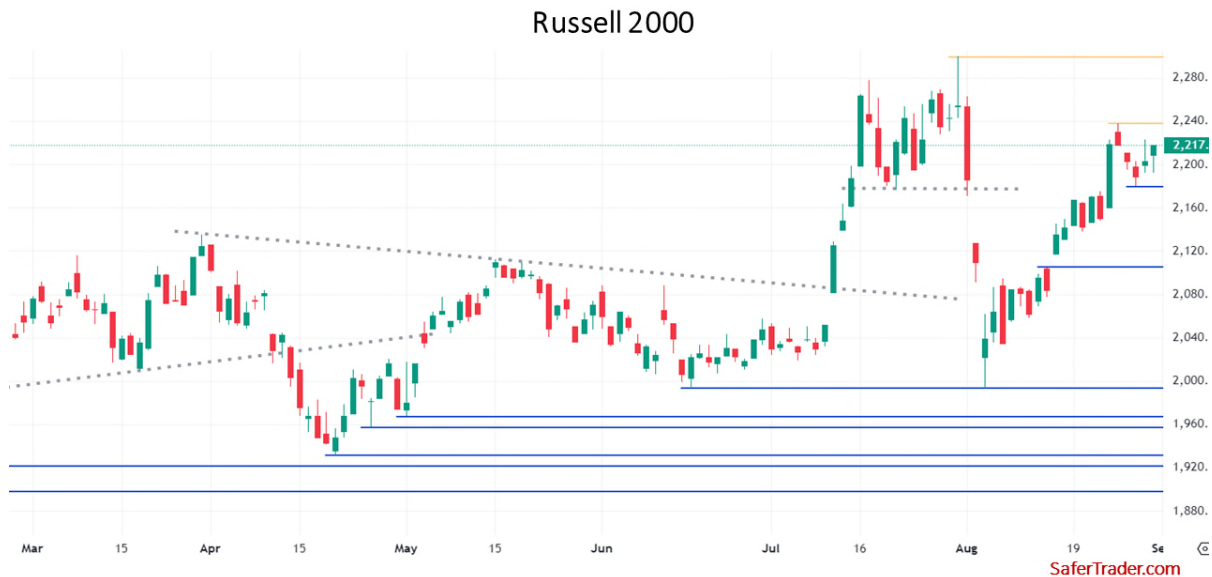
After three weeks of upward movement, the S&P 500 has entered a consolidation phase.

The record high set on July 16th was immediately followed by a downward gap, indicating strong resistance at that level. Now that the index has filled the gap, the next step is to prepare for a challenge to the record high. Once a breakout occurs, the current bullish run is expected to continue.

## Nasdaq



The Nasdaq retraced but bounced up once it touched the August 15th up gap. Overall, no bearish signal has emerged. The bullish run is expected to continue once the consolidation phase is complete.



The Russell 2000 is currently facing strong resistance at 2,300 and strong support at 2,105, causing it to move sideways within the middle. It's crucial to monitor which side of this consolidation zone will be broken first, as this will likely trigger another significant directional move.

### **Macroeconomic Takes:**

The most significant event was Nvidia's earnings report. The AI chip maker's stock price fell despite reporting fantastic earnings, demonstrating one of the greatest "Buy the rumor, sell the news" events in history. Production delays with their highly anticipated Blackwell chips are to blame. The company's quarterly report — the most eagerly awaited part of the tech industry's earnings season — met or exceeded analysts' estimates on nearly every measure. However, Nvidia investors have become accustomed to exceptional quarters, and the latest numbers didn't quite reach that bar.

The S&P Case-Shiller index reached a new all-time high in June. Housing prices nationwide rose 5.4% in June from the year prior. Twenty of the nation's large metropolitan areas gained 6.5% from the year prior. On an unadjusted basis, this marked the national index's fourth consecutive all-time high. However, with the stock markets declining in July and August, the index is expected to show a decrease in the next release.

With interest rates remaining high, yield-seeking investors are driving record demand for high-yield bonds (also known as junk bonds). These bond enthusiasts have made 2024 a busy year for the issuance of new corporate high-yield bonds, with \$357 billion sold so far, surpassing even the easy money days during the pandemic. Meanwhile, the issuance of US-leveraged loans is also happening at its fastest pace on record.

### **Conforming 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,

A handwritten signature in black ink that reads "Shane". The script is cursive and fluid.

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