



SPECIAL PREPARATION REPORT FOR 08-14-2019

Markets have been exceptionally volatile and emotional as continual discussion and speculation regarding trade talks have captured market discussion. At least temporarily, with the delay of some tariffs, markets regained a positive tone.

While the market gave us an excess high on 7-26, it was not an impressive excess high nor was the following day that began to lead the market lower.

Following Tuesday's rally, as you will see on the graphic below, there are two short-term references. The first is at 2917.50, which was Tuesday's pullback low with the upper reference at 2946, which is an eight-day trading range high.

Acceptance back above 2946 would then target the all-time high. Acceptance with downside continuation below 2917.50, quickly increases the odds that Tuesday was simply a relief rally that allowed short-term inventory to come back into balance.

Acceptance back below 2917.50 would initially target the 2900 level, followed by the 2870 range.

