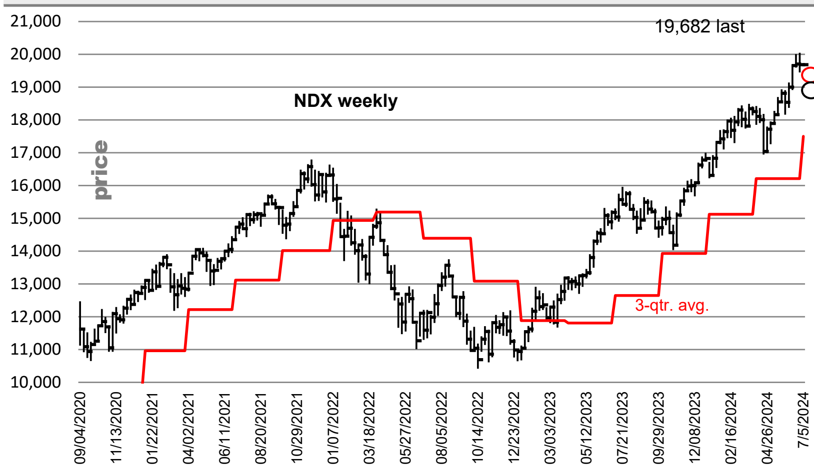
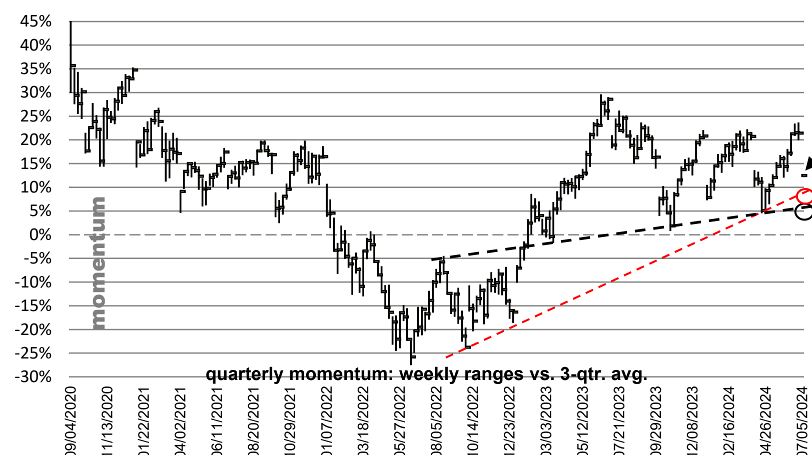
360° WEEKEND REPORT

June 30, 2024

U.S. stock market: new numbers





Leader index, NASDAQ 100: long-term momentum

The 3-qtr. moving avg./zero line applicable for the new quarter is 17,499.60.

The red-line structure will come out if we see NDX close a week at **18,900**. That's **3.9%** below the June close.

The most lethal and convincing action will be breakage of the multi-point momentum structure as defined by the black line. That will occur this quarter if any week closes at **18,532**. And frankly, even trading there should be a major alarm bell. That's **5.8%** below the June close.

This arrow notes where momentum will open next week if NDX is trading at the same price it closed June/last week.

Not shown here, but in running NDX vs. its **3-mo. avg.**, we found that time-scale has a massive defining structure that also traces back to late 2022. And for July its trend structure will break at almost identical levels. Hence, 3-mo. momentum agrees with 3-qtr. avg. momentum in the major sell signals.

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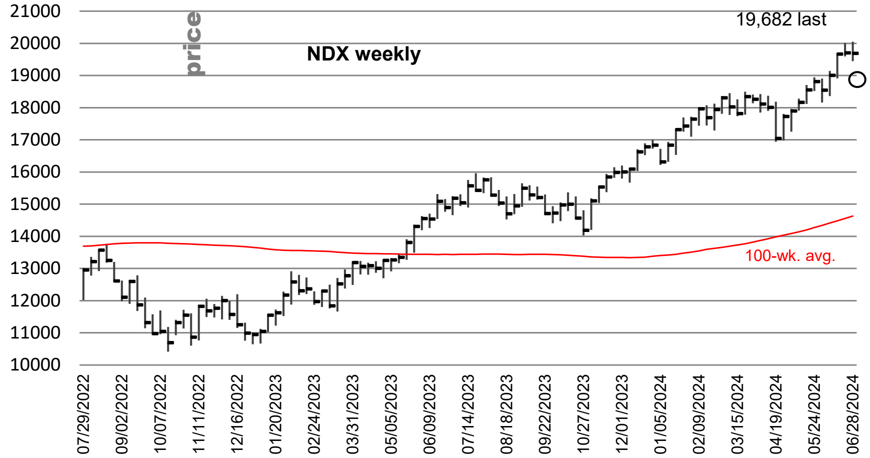
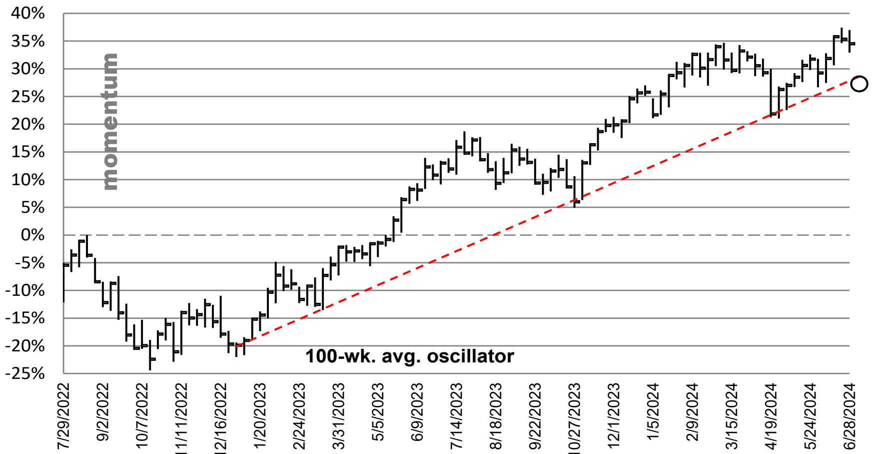
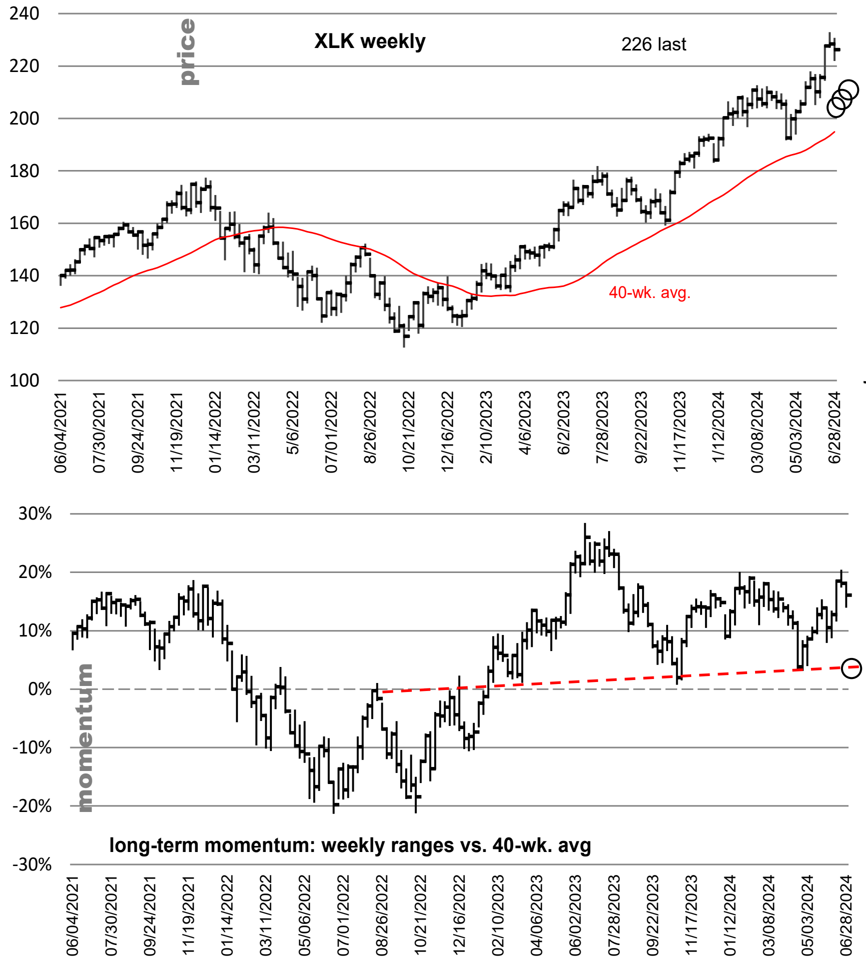




Here's **100-wk. avg. momentum**, an even longer-term metric.

Close this week at **18,737** and that's below the red-line trend structure. Adjust that trigger level up to around **18,818** for the following week.

In sum, we have too many varying time-scales of trend measure that all create a chorus of "*meaningful downside starting*" if NDX drops about 4% to especially 5.8% below its current price.



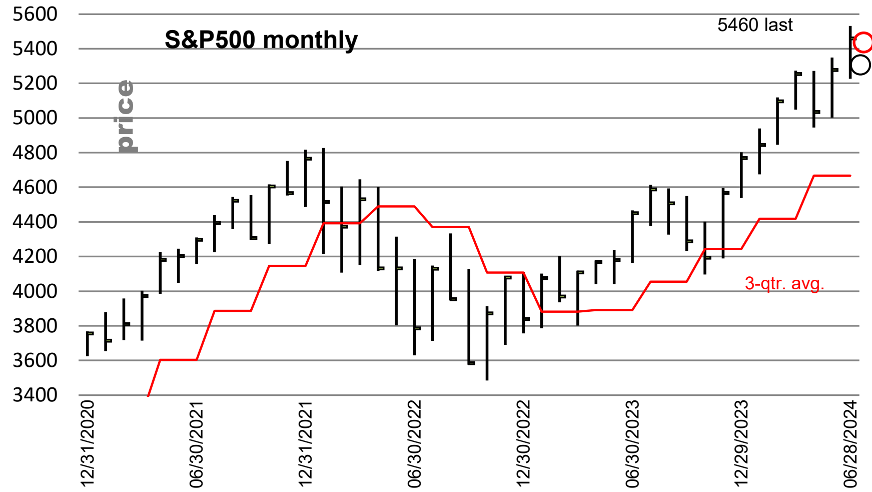
XLK (Technology Select Sector SPDR)

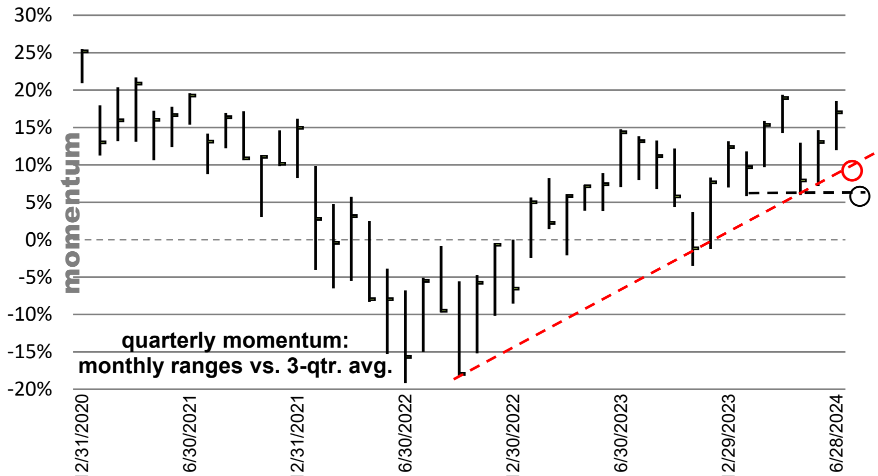
Here we use 40-wk. momentum, comparable to the 3-qtr. avg.

We find the same multi-point structure below momentum as we do on the NDX chart on page one. A weekly close this week at **204** or the following week at **205.60** will break it. That number adjusts up weekly. By the final week of July a weekly close at **208.80** will do.

Basically what momentum declares is that if you're long, you don't want to see price drop back even marginally below the crest of price highs seen in March. That might look okay on price, but not on momentum.

Yes, and **50% (!)** of this ETF is front-end weighted with MSFT, AAPL, and NVDA.





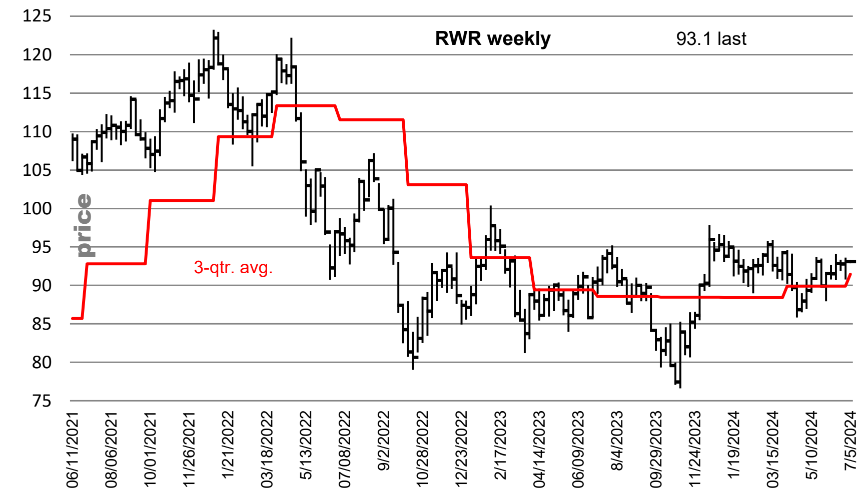
S&P 500: quarterly momentum

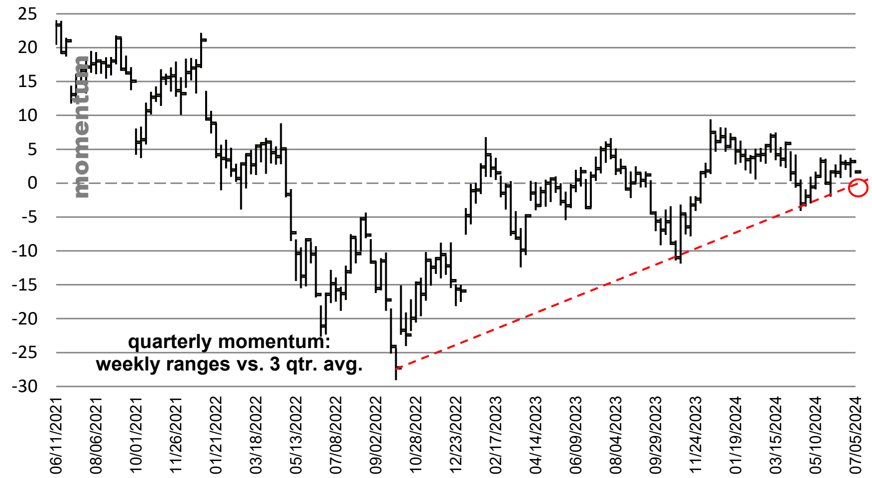
There are two trigger levels based on quarterly momentum.

Close even a week in July at **5426** and the uptrend structure (red line on momentum) will crack. Consider that the first warning of major trend shift.

The more negative event is any **trade** next quarter **to 5272** (which takes out the dual quarterly oscillator lows of Q1 and Q2 this year, horizontal black line).

Year-to-date: S&P500 up 14.4%; NDX up 16.9%; Dow 30 up 3.8%; Russell 2000 up .98%





RWR (SPDR Dow Jones REIT ETF)

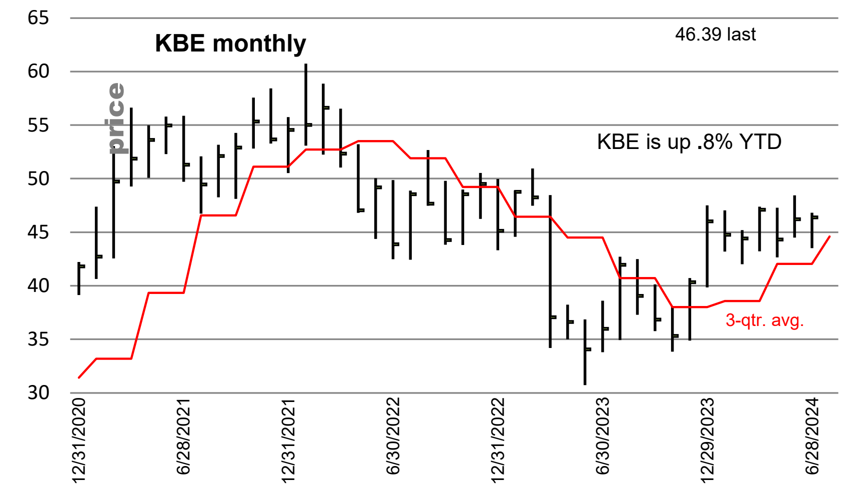
This is primarily comprised of commercial real estate.

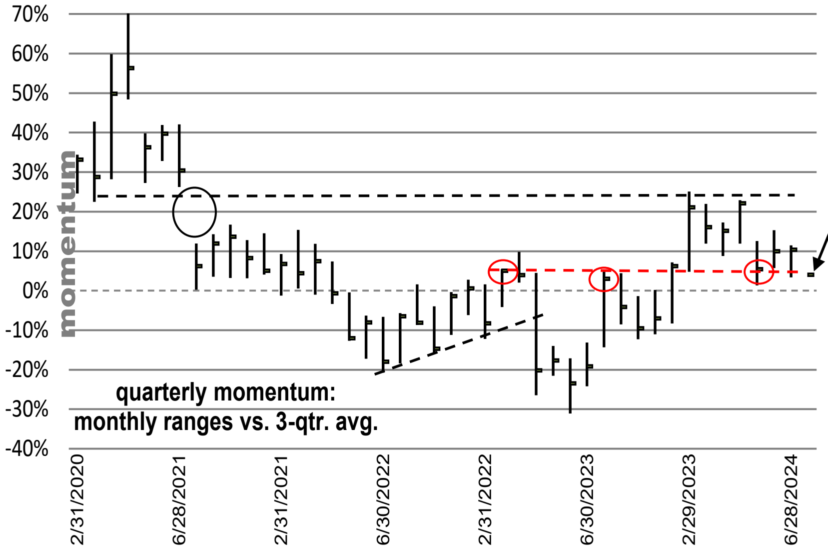
Price has been mostly confined in the lower third of the past several years' range. No exuberance here, just an anemic stall while a handful of heavily weighted tech stocks have led the major indices higher. Year-to-date the REIT ETFs (RWR and VNQ) are down 2.3%.

Meanwhile since late 2022, quarterly momentum has produced several up waves and consumed the clock. Seven quarters of advance via a quarterly momentum oscillator make this aged.

A structure to be watched: close a week in July (the trend structure rises over time) at **90** and that credibly breaks the uptrend on momentum while also being amply below the zero line. The uptrend is plotted through three low weekly closing readings going back to September 2022.

VNQ (Vanguard Real Estate ETF, not shown here) is a perfect overlay of RWR. For VNQ a weekly close in July at **82.40** breaks its quarterly momentum structure. VNQ closed June at 83.76.





KBE (SPDR S&P Bank ETF)

After the mini-crash in March 2023 (a minor three-point black uptrend was one of the metrics we used to warn of that ambush), KBE rebounded. Price rallied halfway back to the 2021 peak and stalled. Meanwhile, quarterly momentum rallied up to the oscillator level of the prior quarterly momentum oscillator gap (now filled) left back in 2021 and stalled there.

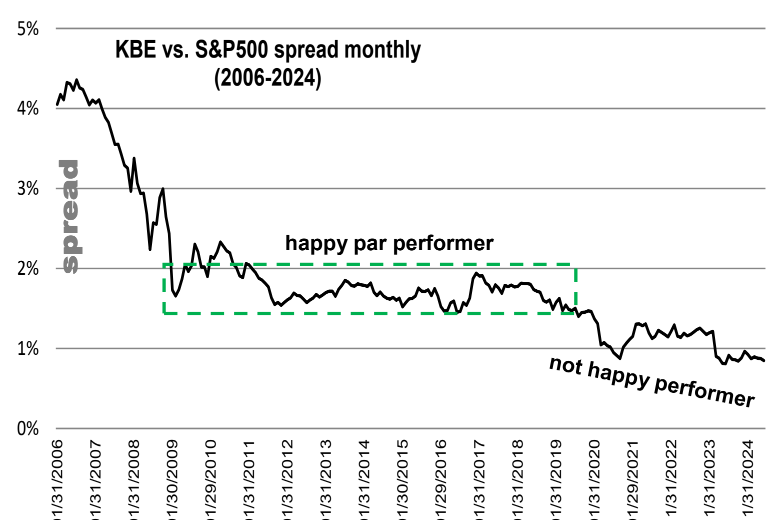
Now look at the lows seen on momentum last quarter. Twice the action dropped down to a pair of prior momentum peak monthly closing readings and used that level as support. In fact, April's close was basically on that line (third circle).

If KBE opens July where it closed June, then this arrow shows where the momentum reading will be—basically trying to use that structure again.

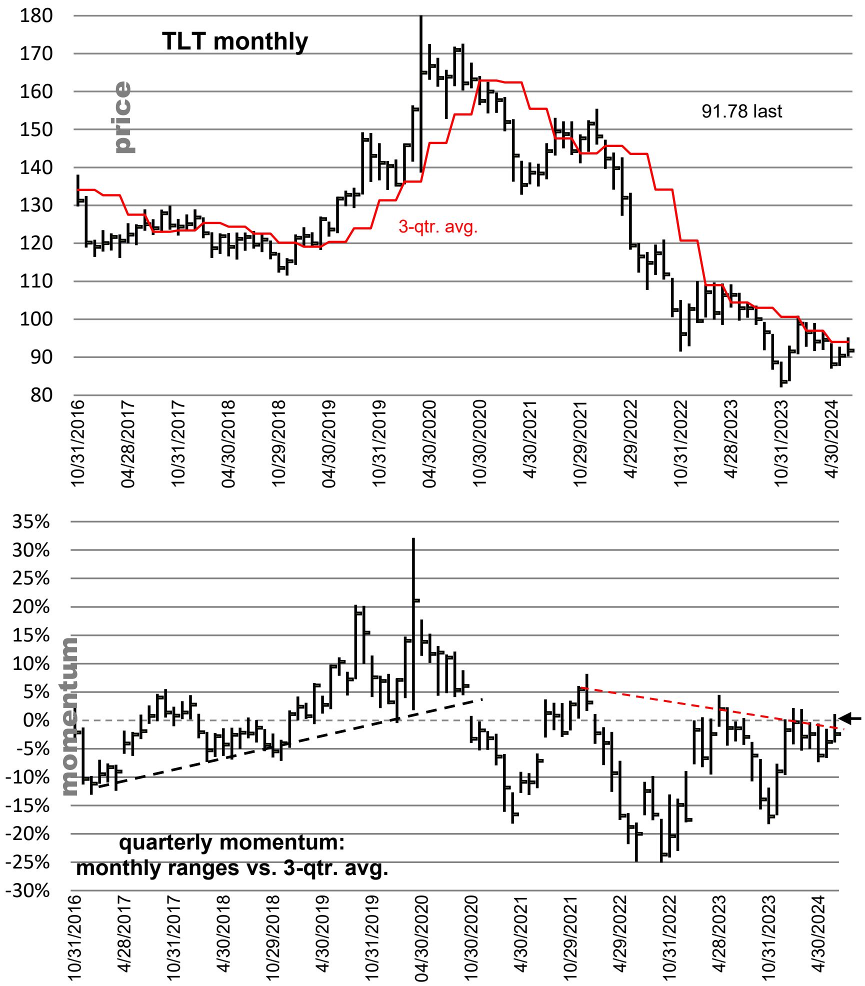
We're going to go big here. Closing a month below the red horizontal will break initial support (**46.25** will do that), especially after having used that red-line level repeatedly last quarter as support. But MSA prefers to see the action drop below the zero line/3-qtr. avg. Even a weekly close below the zero line is a loud alarm bell. To close below the 3-qtr. avg./zero line requires a price of **44.59** (or 3.8% below June's close).

Relative performance of banks vs. the S&P 500

Obviously banks underperformed (led) the collapse of 2008 and 2009, ignored by investors **all during 2007**. Bank performance melted while the S&P 500 was beating its chest.



However, during most of the QE bull from 2009 to 2019, banks were a par performer. **Meaning just as good a place to be as the S&P!** However, in 2020 and the past several quarters, performance has been melting. New multi-decade lows. Even the Fed's aggressive post-covid stimulus didn't sustain KBE's performance bounce. MSA has noted similar melting behavior by the consumer discretionary sector (XLY), which is supposed to be a leader in performance during bull trends (chart in last weekend report).



TLT (iShares 20 yr.+ U.S. T-Bond ETF)

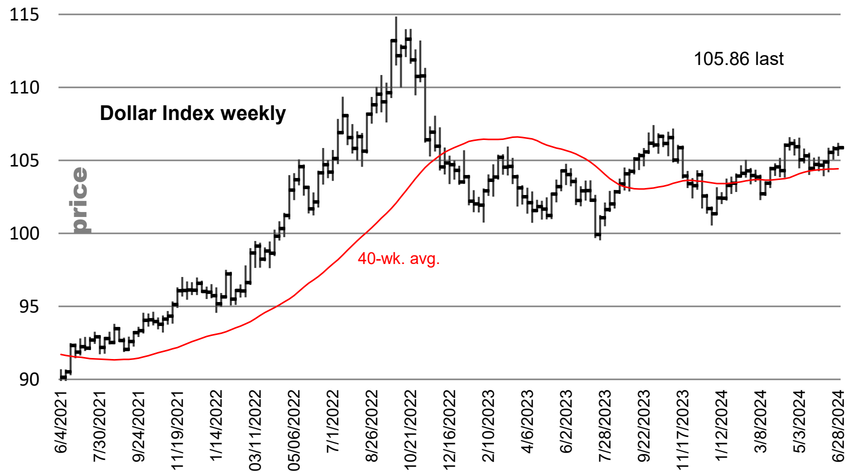
Action this past quarter has again pushed up to a key momentum structure. Intramonth we'd seen levels where if a month had closed it would have been a breakout via this metric. But a late month backoff so far leaves that breakout pending.

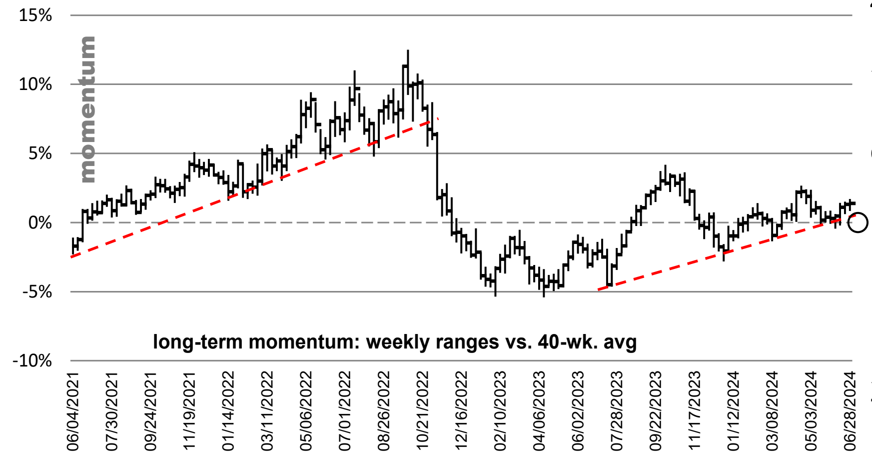
Closing a month during this quarter at **93.49** will take out the gradual downtrend through three sets of peak monthly closes and also close above the zero line the first time in over a year. The arrow notes the spot.

Note: *When* a momentum trend structure is this clear and crowded by action, it *usually* argues the intent to break through.

We'd noted in prior reports that other momentum metrics similar in duration to this 3-qtr. avg. (e.g., 50-wk. momentum) had managed to break through comparable structures, but this monthly-bar version didn't manage a monthly close over its structure. MSA is biased due to various technicals that an upside emergence here is still likely despite the late month wobble. But we wait for that number.

Repeating: We think that as the stock market begins to trigger its negative levels (prior pages), it will in turn assist this market to the upside.





Dollar Index (cash)

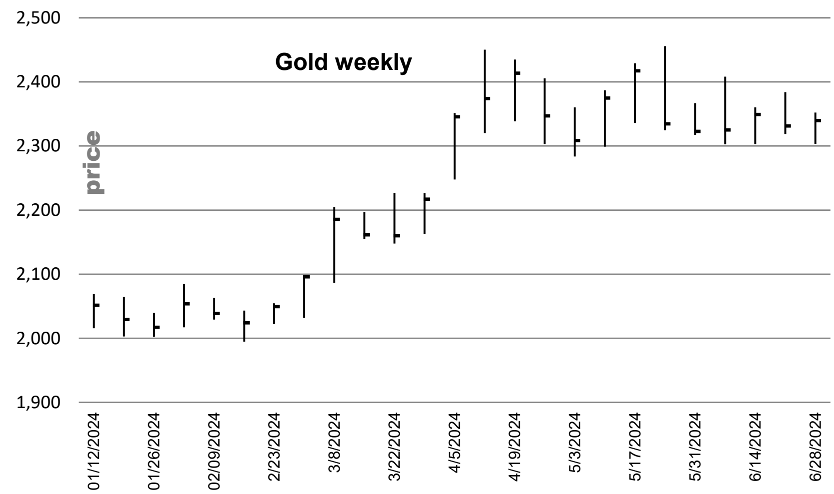
The structure is set, clear, and not far below.

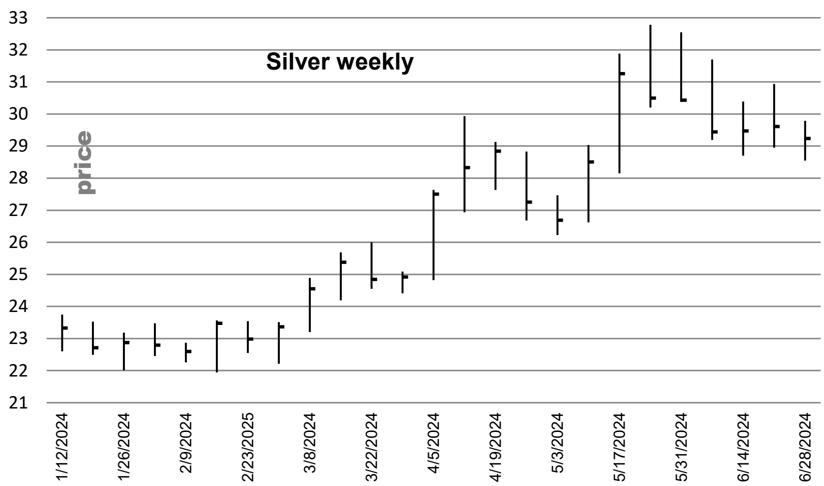
Closing this week below the zero line/40-wk. avg. will break it. That requires **104.40** or lower. The number won't change during July. That breakage should shake the Dollar out of its most boring action in many years (a lateral range since October 2022).

Quarterly momentum (not shown here) offers a fairly tight trigger level to this 40-wk. momentum sell signal. **A monthly close this quarter below 104.05** will break the 3-qtr. avg. momentum structure. Decimals different from 40-wk. momentum.

It's very interesting that this momentum oscillator of the Dollar Index has been up-ticking (anemically) in sync with the U.S. stock market's quarterly momentum trend advance since late 2022.

Please note that recent (minor) firmness in the Dollar is entirely due to the Japanese Yen's ongoing collapse (a crisis that's bordering on affecting major central banks, we suggest). The Yen is 13.6% of the Dollar Index. Other currencies such as the Euro, British Pound, and Canadian Dollar have net-on-balance been non-events over the recent few quarters in terms of affecting the Dollar Index.





Gold and silver: price action so far this year

February's low was to some extent a wash-out low, before gold and silver's long-term momentum factors (36-mo. momentum, 100-wk. momentum, etc.) engaged. Look at how events unfolded.

In early April gold produced highs above $2400 and a peak weekly close also credibly above $2400. It matched that close in May as well. But since its first pullback from that April surge high, it has gone lateral. Ho hum. And frankly, ho hum is a statement. Unlike surge highs of the past three years, this one did not spike and collapse only to labor well below the spike high. Instead, gold has picked its teeth only. A pause, we argue.

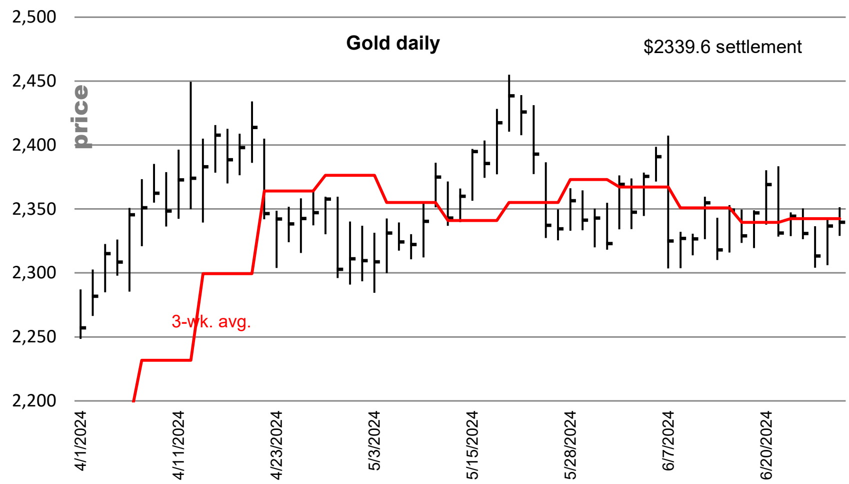
Now look at silver. Its April surge produced a peak weekly close below $29. But unlike gold, which then went lateral, silver surged again well above its first surge high of April. And silver's pullback has since produced weekly closes that remain above that peak weekly close of April, unlike gold, which has gone horizontal. So for those who claim silver is again a "dog," pause and look at the action so far this year. **From its low in that February drop, gold has gained 22.8% as of its top tick. Silver, since its February low, has gained 49%.**

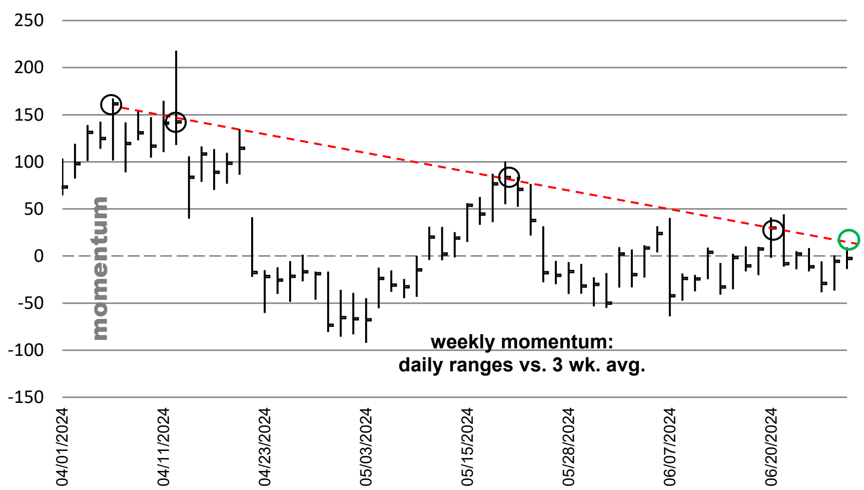
Note: *MSA's last* ***major buy signal*** *was when gold emerged through its 100-wk. and 36-mo. avg. momentum breakout structures (long-term metrics that were shown in prior reports)—at which point MSA declared the rangebound period for gold since mid-2020 was over. The bull trend was then entering a likely acceleration phase. Gold's price then (when it registered those long-term momentum breakouts in March) was on either side of $2100. That was an optimal time to rejoin gold—***if you'd wrongly exited before then***.*

As for silver, MSA had defined its annual momentum resurgence breakout (the signal that said the silver bull was back fully in gear) in April. Our major buy signal applicable for that month was $25.27 based on 36-mo. avg. momentum. We also offered a weekly closing breakout during April at $25.96 based on 100-wk. and 200-wk. momentum structures (in March 31st report). Not some entry point well over $30, which is a level that no doubt many late-comers finally (!) got excited about.

On the following pages we update some more "trading-scale" metrics that will indicate when the recent short-term pullback is ending.

Year-to-date: Silver up **21.4%**; gold up **12.9%**. Compare to the various U.S. stock indices YTD on page 4.



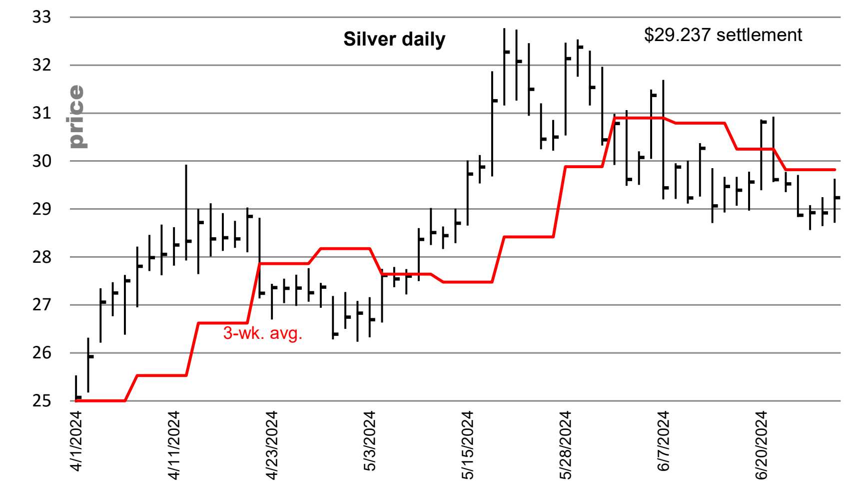


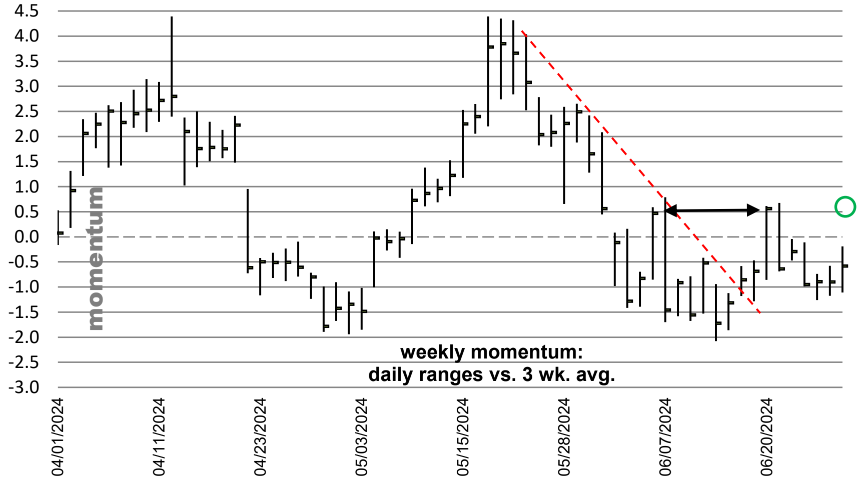
Gold: weekly momentum in daily bar format

The trend line on momentum is plotted through peak daily oscillator closes going back to early April. Closing a day at **$2357** this week will close above that structure. We're using August Gold currently.

If this breakout engages, there's a good chance of gold regaining over $2400 yet again. (Gold has traded above $2400 three months in a row now.) That will no doubt make many price chart watchers begin to realize this isn't a topping situation.

Based on several factors, MSA argues that gold getting credibly up into the $2500s will highly likely generate the sort of further advance that will stun many—and perhaps even make financial TV shows shift their attention from NVDA to gold.



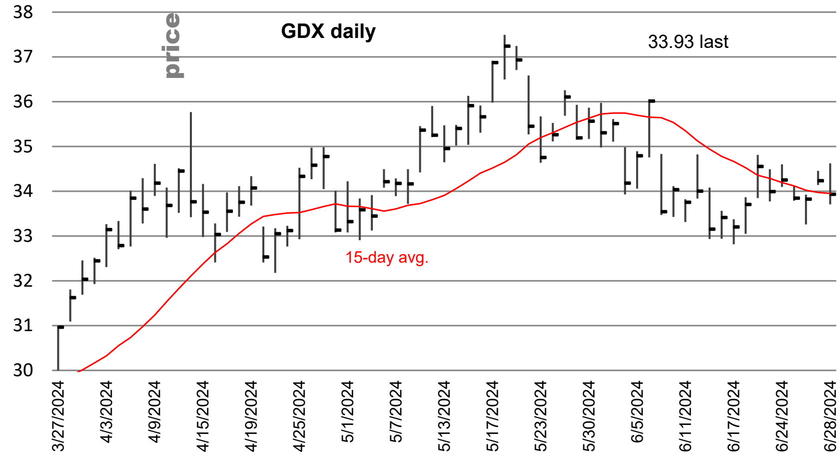


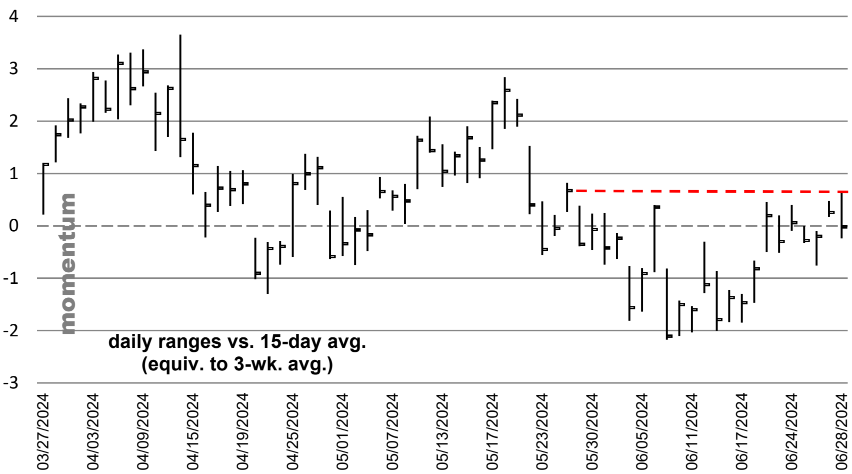
Silver: weekly momentum in daily bar format

We're rotating from July Silver to September Silver on July 1st.

Settle any day this week at **$30.04** and that's a breakout over the dual high daily closing readings of the past month. The action has already worked its way out above a steep downtrend.

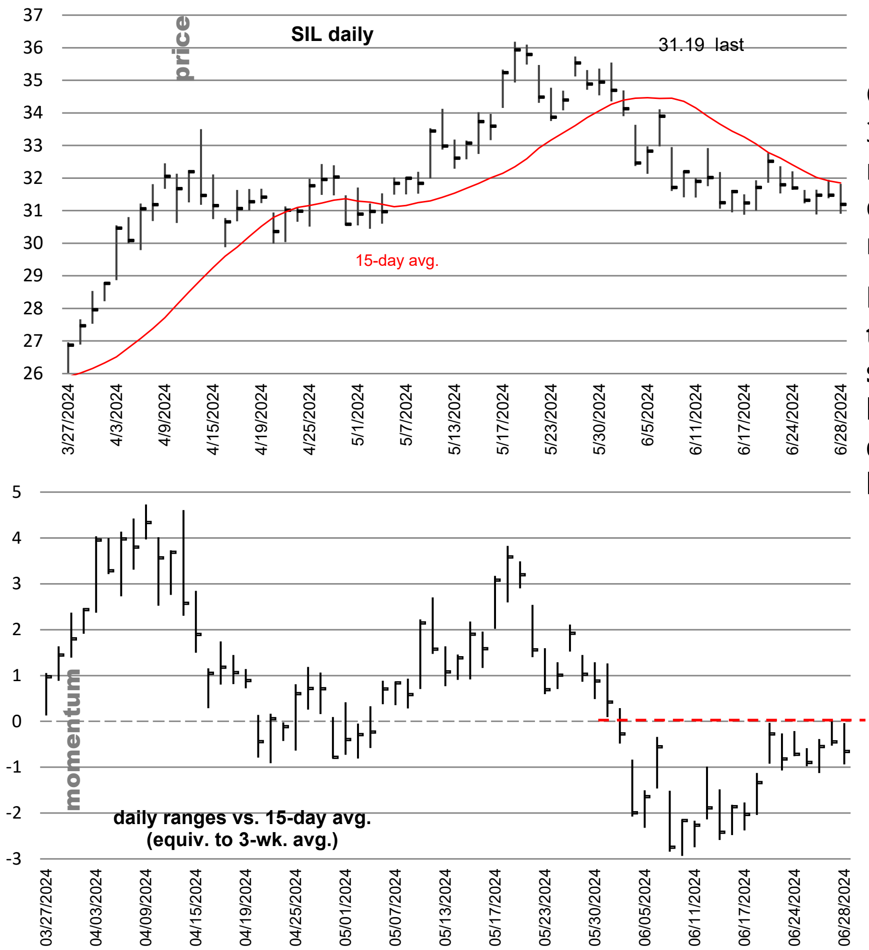
September Silver settled last Friday at $29.56.





GDX (VanEck Gold Miners ETF): weekly momentum

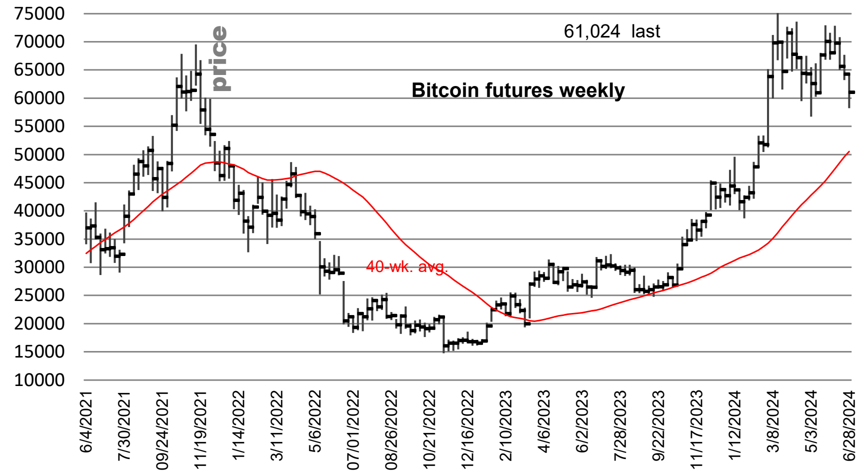
Close Monday, Tuesday, or Wednesday at **34.53** and that's a breakout of a five-week-wide momentum base. Adjust that number up to 34.58 for Thursday and Friday.

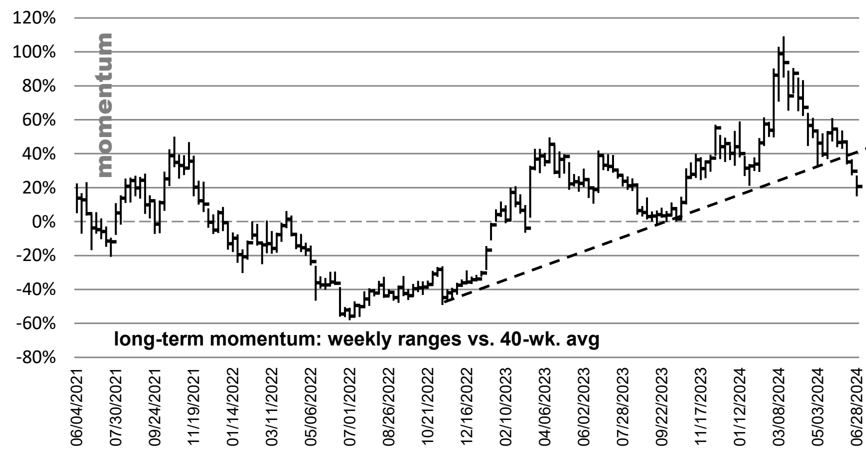


SIL (Global X Miners ETF): weekly momentum

Close Monday at **31.70**, Tuesday at 31.65, or Wednesday at 31.60 (that number adjusts down about .05 per day) and that will clear the zero line resistance.

Note: it's best to always remember that the miners will follow gold and silver, and that attention should first be paid to the metals in terms of defining these weekly momentum breakouts.



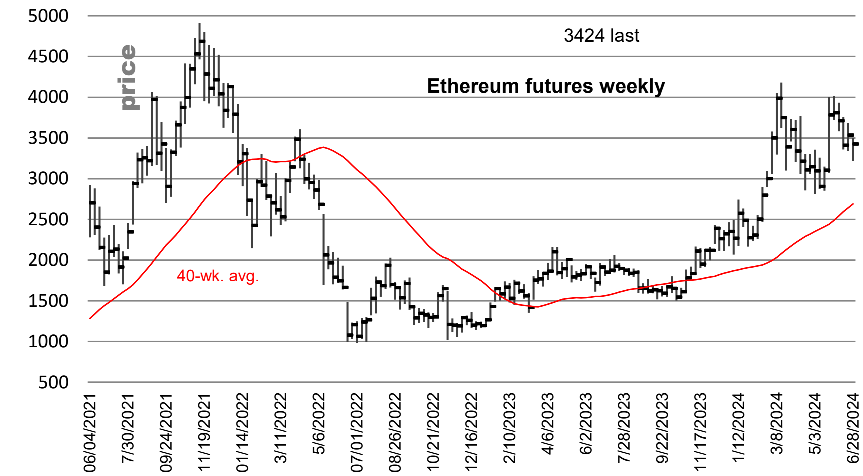


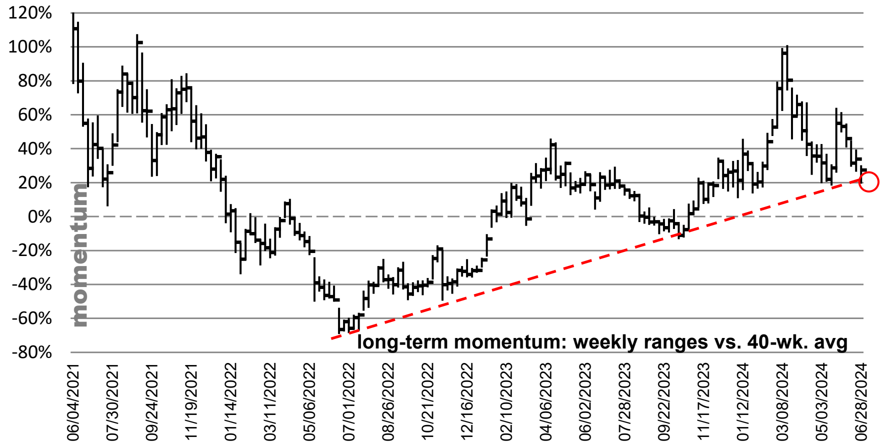
Bitcoin futures: long-term momentum

The momentum trend is broken.

There's always room for counter-trend moves in any given trend, whether up or down. We suspect resistance to any rally will be found around 65,000 to 66,000 (not that there must a rally).

Next possible bounce/support, within the context of a now negative trend, might be around the rising 40-wk. avg. (similar to the 3-qtr. and 200-day avgs.). That average is now at 51,412 and rising 800+ points per week. (In the case of Bitcoin and Ethereum, MSA uses the front-month contract until expiration, as that's closest to cash crypto prices which most investors are more focused on.)





Ethereum futures: long-term momentum

The trend is being pressured. Close this week at **3277** or next week at **3329** and the momentum trend will be broken.

An update of the **Bloomberg Commodity Index** will be issued in the next few days.

*Key trigger levels for a given market, if specified, are noted in each report in **bold type** for quick visual reference.*

Personal positions in markets mentioned in this report: Sprott Physical Gold Trust, Sprott Physical Silver Trust, GDX calls, SLV, SLV calls, and QQQ puts