

# The FRED Report –

## Mid Week Update

### Update of Market View

#### Special points of interest:

- It looks to us as if this rally can take us to new rally highs on the SPX.
- We believe that the recent lows (OEF 58.05 and SPY 129.63) should be the summer lows – and these should not be retested before upside objectives are met.

So far this week is playing out as we thought it might, and **it looks to us as if this rally can take us to new rally highs on the SPX**. Indeed, given the indicator set up, this represents the best chance we have seen all year for a decent, playable rally. Our forecast remains the 140 area on SPY (1400 or so on SPX).

There are a few signposts along the way and we will discuss those briefly. On the downside, we note that while SPY went intraday slightly through our objective of 130.50, OEF did not strike 58.03 (the low was 58.05). We mention these points because **we believe that the recent lows (OEF 58.05 and SPY 129.63) should be the summer lows – and these should not be retested before upside objectives are met**. On the upside, exceeding 133.22 would suggest a test of the recent highs at 135.70 should be tested and, if exceeded, the next objective is the high end of the “Cambridge Hook” formation at 137.18 is next.

The rest of the week may chop around a bit to alleviate some of the short-term overbought readings, but we would not be surprised to see the market simply work its way higher. We will discuss sectors and such on the [Thursday conference call](#) – but we continue to believe very favorable earnings are coming in most of the sectors, and should we see some in Financials, that would be a big plus to support our positive outlook.



## Other Points of Interest

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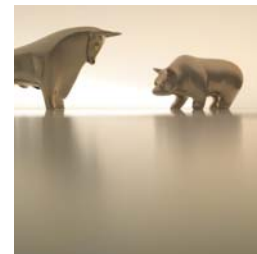
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We show Monthly charts of the Midcap and Smallcap indexes: MID and SML. The purpose here is to show that these indexes are very close to all-time highs. Given the news, short-term turbulence and such, it helps to step back to note that equities are doing pretty well here.



## About Our Organization

The FRED Report was started to provide Financial Advisors across firms and platforms access to unbiased market research. The President of The Fred Report, Fred Meissner, CMT has been practicing Technical Market Analysis since 1983 and has worked in the research departments of Merrill Lynch and Robinson – Humphrey /Smith Barney. In addition he has served the public as a portfolio manager and financial advisor. We know the problems advisors face and have devoted our career to helping advisors find the best possible investments in all environments. We want to help you help your clients and grow your business.



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