

The FRED Report – Mid Week Update

Update of Market View

Special points of interest:

- We continue to hold extra cash, for a buy point later this year, while ultimately expecting higher prices into the end of 2024.
- We do want to mention that XLF, XLV, and XLI, sectors we have been recommending all year, are doing better than Tech short-term.

This week started out a bit weaker than we expected. SPY has tested and held short term support in the 558 area, and below 555 would suggest further correction. We continue to look for a short-term high this week. We continue to hold extra cash, for a buy point later this year, while ultimately expecting higher prices into the end of 2024.

QQQ below 474 would suggest 465, below that further correction. We will take a quick look at NVDA on the next page. We have had several questions on SMCI as well. Readers should remember we have not liked this stock in some time. The failure of SMCI to move above 1000 targeted 500, which was hit. This may be making a short-term low here, but if you buy it be aware that a move below 480 would suggest 300 is possible, and we will have concerns if the stock fails to exceed 645.

We do want to mention that XLF, XLV, and XLI, sectors we have been recommending all year, are doing better than Tech short-term. Continue to diversify holdings. We still look for a short-term high this week.

We have no changes to our comments on bonds or other markets. We will recap some of our positions. In Bonds, we note that the Treasury complex remains weaker than other bond ETFs, such as Corporates and Munis – these areas are where we would focus our attention for now. Treasuries are weaker than we have suggested they would be at this time. Our concern has been that rates fall slowly into yearend, but then have trouble in 2025. Oil has seasonal weakness going into October, but after that we expect some upside. So, while Energy stock ETFs are an uptrend, we could see a dip on which to add to that area.



THE FRED REPORT

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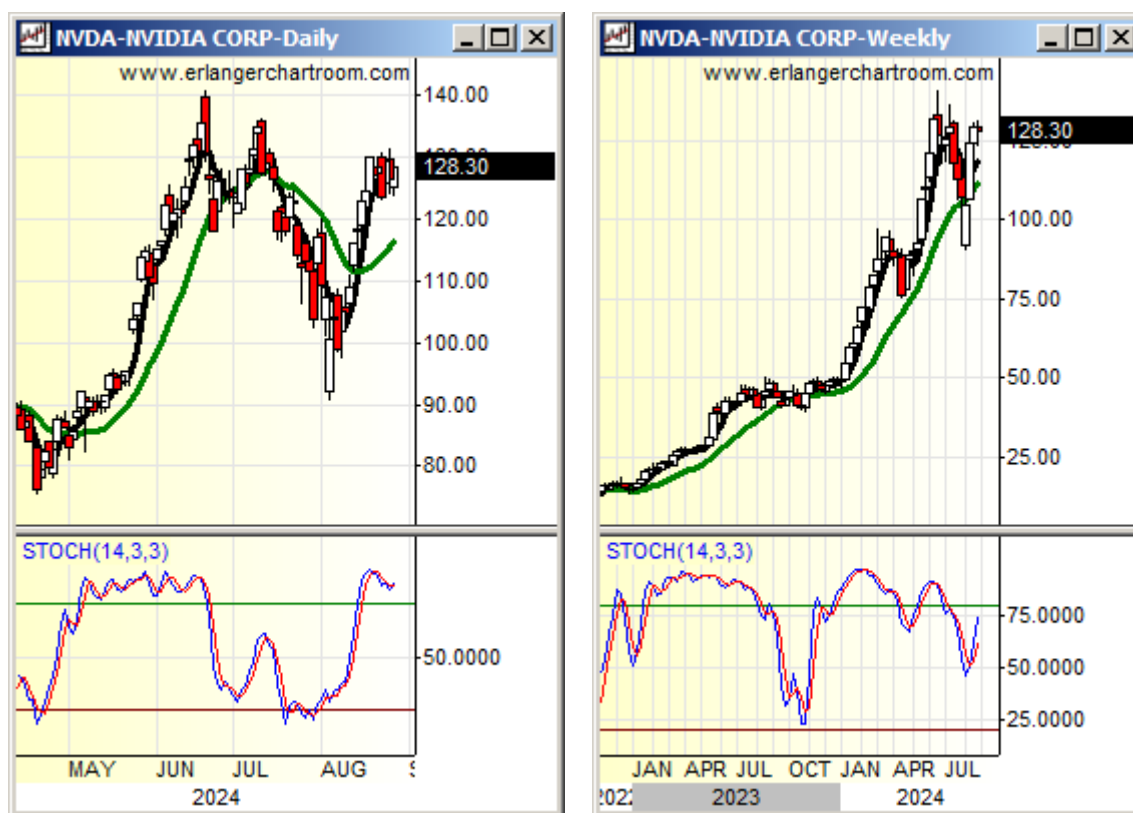
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Other Points of Interest

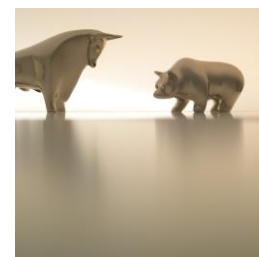
I know it is hard to believe, but we have had lots of questions on NVDA, so we will discuss it here. Unlike SMCI, this is the top stock in the Semiconductor Group, and one thing to remember is that you want to own the strongest stock even if it looks like a group will correct.

NVDA has tested, and so far, failed at the 130 to 140-area resistance. While we think it can penetrate these levels, eventually this set of earnings seems unlikely to achieve this. A close much below 124 targets 116, then 108, so be patient if this starts to break. Frankly, our guess is NVDA has a small spike up on the earnings, which would set up the short-term high we have been looking for. We show charts, below.



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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