

# The FRED Report –

## Mid Week Update

### Update of Market View

#### Special points of interest:

- We still think a retest is likely but note this almost always within four to six weeks after the first low.
- A successful retest means strong stocks won't go down so we should be buying for models now, not waiting.
- TLT continues to rally off the bottom in the 85-area and is now testing some resistance in the 90-area. We continue to look for 92, and then 95.

Stocks have continued up this week, and some earnings reports have been favorable. We note that there is often favorable month end seasonality, where the last two days of a month, and the first five days of the new month are up more than 60% of the time. We still think a retest is likely but note this almost always within four to six weeks after the first low. This means a retest should happen by the second week in May, or not at all. As we have mentioned, a successful retest means strong stocks won't go down so we should be buying for models now, not waiting. So far things are going about as we thought. We show charts of **SPY (SPDR® S&P 500 Trust)** and **QQQ (Invesco® QQQ NASDAQ 100 Trust)**, both of which are slowly moving through resistance.

**TLT (iShare® Barclays 20 Year Treasury Bond)** continues to rally off the bottom in the 85-area and is now testing some resistance in the 90-area. We continue to look for 92, and then 95. While we remain concerned about higher rates, that is still more likely a problem in the second half. **GLD (SPDR Gold Shares)** remains above 302, our key support number. As long as that holds, that market is sideways to up.



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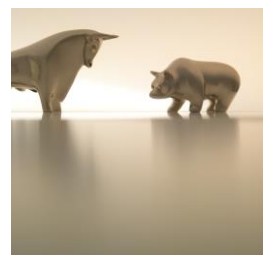
## Other Points of Interest

We will take a quick look at **SPGP (Invesco S&P 500 GARP ETF)**, an ETF we have recommended off and on for the last two years. Resistance is the 100-area, and support is the 90-area. The daily stochastic is overbought and the weekly is a buy recycle. This should test the 100-area at least and may go through. This is growth at a reasonable price – not high PE units. It is still useful in portfolios.



## 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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