

Thursday, November 7, 2024

Technical Assessment

Intermediate-Term: **Bullish**

Long-Term: **Bullish**

Much of the U.S. political uncertainty is over and, yes, many stocks soared on the news. But it was still an odd day, as many stocks were smacked. At the end of the day, a new administration can't be good for all industries.

On Wednesday, the S&P 500 tacked on 2.5%, the S&P 100 rose 2.6%, the Nasdaq jumped almost 3%, and the Nasdaq 100 popped 2.7%. All four indices gapped to all-time highs; in most cases, that is bullish as there is no overhead supply with which to contend. Only the "last" all-time high in each cycle is bad.

But the real action on Wednesday was in the smaller stocks, with the S&P MidCap 400 (MDY) spiking a bit over 4% and the S&P SmallCap 600 (SML) and the Russell 2000 (IWM) both surging about 6%. Those are all-time highs for the MDY and SML, while the IWM is getting close.

NYSE breadth was only +800, which stinks compared to the index returns. The NYSE advances/total issues and up volume/total volume were low- to mid-60%, also poor.

Financial stocks soared over 6%, with big banks and investment services going ballistic (JPM +11.5%, BAC +8.4%, WFC +13%, MS +11.6%, GS +13%). Those are the largest one-day gains for these stocks since the end of the pandemic and, before that, since the end of the financial crisis. Industrials and Energy were next, up almost 4%; Discretionary and Technology rose about 4%; and Communication Services added 2.5%; Real Estate fell 2.7%; Consumer Staples dropped 1.6%, and Utilities fell 1% as rates rose again. (Mark Arbeter, CMT)

Strengthening Sectors:

Energy, Financial

Weakening Sectors:

Real Estate, Utilities

Recent Picks:

CIEN, FCX, MS, HPQ, AVGO, CCL, ACM, ADP, PWR, BSX, CBOE, LLY, CTAS, TT, BRK/B, AMT, NEM, GLW, UBER, ISRG, CB, LDOS, VZ, GD, BAC, SOLV, LHX

INDEX	PRICE	SUPP	RESIS
NASD	18983	16000	20000
NYSE	19828	18000	20000
S&P 500	5929	5325	6000

Investing in stocks involves risks that may be exacerbated by market and/or price volatility. The stocks in this report have exhibited recent volatility and may continue to do so in the near-term, and thus may be riskier relative to the market as a whole.

Please see disclaimer on page 2.

Company	Ticker	Price	Support	Resistance
---------	--------	-------	---------	------------

Nvidia	NVDA	145.61	130	NM
--------	------	--------	-----	----

Nvidia is a visual computing company with worldwide operations and markets. It operates through two segments, Graphics and Compute & Networking. The company's four main markets are gaming, professional visualization, data center, and automotive.

Since bottoming near \$11 in October 2022, NVDA has been an absolute monster of a stock and is certainly the most-loved AI play by analysts, portfolio managers, hedge funds, and individual investors. The first advance took the shares to \$50 in August 2023 -- and after a six-month base, NVDA then popped to \$97 by March 2024. Following a one-month pause, the stock rose to \$141 in mid-June. The shares then traced out a continuous inverse head-and-shoulders (H&S) for over four months and are breaking out again to all-time highs. Based on the size of the H&S, NVDA could see a measured move to \$170-\$190.

We would put a stop-loss just below chart and moving-average support at \$130. We would take profits at \$165, with more upside possible over the long term.

Johnson Controls	JCI	81.47	75	82
------------------	-----	-------	----	----

Johnson Controls is a global industrial company. It creates intelligent buildings, efficient energy solutions, integrated infrastructure, and transportation systems.

JCI has been a fairly volatile stock over the long-term, having a massive gain from \$9 in 1990 to \$135 in 2007. From there, the stock crashed, finally bottoming back at \$9 in 2009. The stock rebounded to the mid-\$50s in 2015 before getting smacked again during the pandemic and dropping to \$23. The shares bounced back to \$82 by late 2021. Since then, JCI's price volatility has dried up a bit, a bullish sign, and the stock traded between \$46 and \$75 until late September 2024. The shares broke out to recovery highs, and retested the breakout area and 50-day average on November 4. On Wednesday, JCI broke out again with above-average volume. The shares could have a lot of room to run.

We would put a stop-loss just under chart and moving-average support at \$75. We would take profits at \$90, with the potential for greater long-term gains.

Argus Research Co. (ARC) is an independent investment research provider whose parent company, Argus Investors' Counsel, Inc. (AIC), is registered with the U.S. Securities and Exchange Commission. Argus Investors' Counsel is a subsidiary of The Argus Research Group, Inc. Neither The Argus Research Group nor any affiliate is a member of the FINRA or the SIPC. Argus Research is not a registered broker dealer and does not have investment banking operations. The Argus trademark, service mark and logo are the intellectual property of The Argus Research Group, Inc. The information contained in this research report is produced and copyrighted by Argus Research Co., and any unauthorized use, duplication, redistribution or disclosure is prohibited by law and can result in prosecution. The content of this report may be derived from Argus research reports, notes, or analyses. The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but Argus makes no representation as to their timeliness, accuracy or completeness or for their fitness for any particular purpose. In addition, this content is not prepared subject to Canadian disclosure requirements. This report is not an offer to sell or a solicitation of an offer to buy any security. The information and material presented in this report are for general information only and do not specifically address individual investment objectives, financial situations or the particular needs of any specific person who may receive this report. Investing in any security or investment strategies discussed may not be suitable for you and it is recommended that you consult an independent investment advisor. Nothing in this report constitutes individual investment, legal or tax advice. Argus may issue or may have issued other reports that are inconsistent with or may reach different conclusions than those represented in this report, and all opinions are reflective of judgments made on the original date of publication. Argus is under no obligation to ensure that other reports are brought to the attention of any recipient of this report. Argus shall accept no liability for any loss arising from the use of this report, nor shall Argus treat all recipients of this report as customers simply by virtue of their receipt of this material. Investments involve risk and an investor may incur either profits or losses. Past performance should not be taken as an indication or guarantee of future performance. Argus has provided independent research since 1934. Argus officers, employees, agents and/or affiliates may have positions in stocks discussed in this report. No Argus officers, employees, agents and/or affiliates may serve as officers or directors of covered companies, or may own more than one percent of a covered company's stock. Argus Investors' Counsel (AIC), a portfolio management business based in New York, NY, is a customer of Argus Research Co. (ARC), also based in New York. Argus Investors' Counsel pays Argus Research Co. for research used in the management of the AIC core equity strategy and model portfolio and UIT products, and has the same access to Argus Research Co. reports as other customers. However, clients and prospective clients should note that Argus Investors' Counsel and Argus Research Co., as units of The Argus Research Group, have certain employees in common, including those with both research and portfolio management responsibilities, and that Argus Research Co. employees participate in the management and marketing of the AIC core equity strategy and UIT and model portfolio products. Recipients of the Research reports in Singapore should contact the Intermediary of the Research Reports in respect to any matters arising from, or in connection with, the analysis of the report. Where the recipient is not an accredited, expert or institutional investor as defined by the Securities and Futures Act, the Intermediary accepts legal responsibility for the contents of Research Reports in respect of such recipient in accordance with applicable law. When reports are distributed by Intermediaries in Singapore, the Intermediary, and not Argus Research, is solely responsible for ensuring that the recipients of the Research Reports understand the information contained in the Research Reports and that such information is suitable based on the customer's profile and investment objectives.