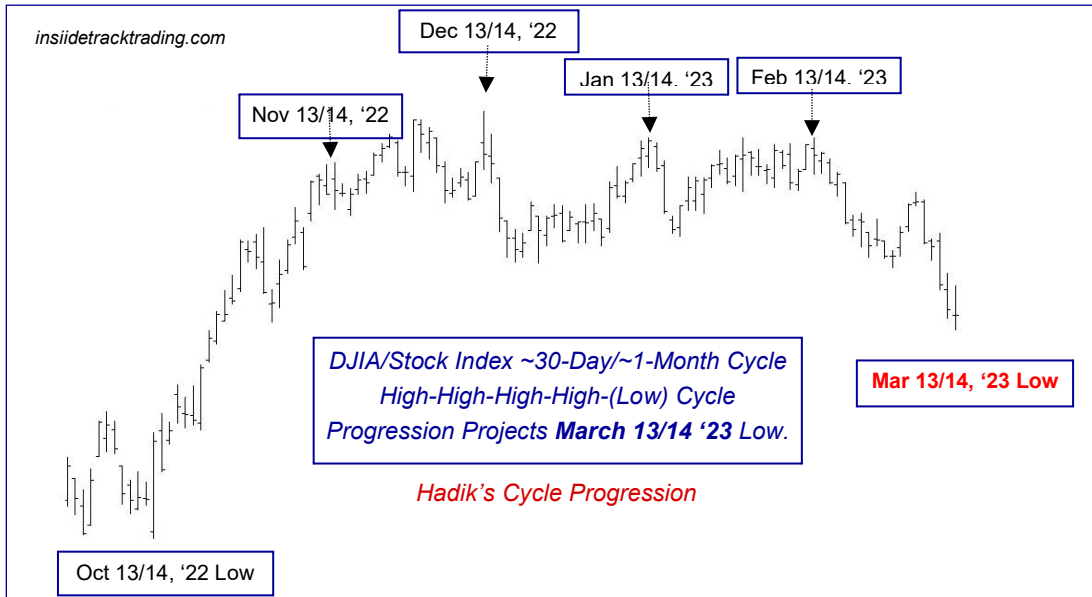


# Weekly Re-Lay

Tech Tip Review - March 14, 2023

## “HCP, Intra-Year Trend, LHRs, Wave Analysis & ~14,000/NQ-100”



**Stock Indices** continue to diverge with the NQ-100 remaining in the most positive structure. For starters, it bottomed much later than most other indexes - stretching a final low into late-Dec/early-Jan '23 when it fulfilled a 7-month/~30-week high-high-low-(low) *Cycle Progression* that projects a future low in **Aug '23**.

[That is the same time (**late-July/early-Aug '23**) the DJIA would fulfill a ~9.5 month high-high-high-low-(low) *Cycle Progression* and the S+P 500 would fulfill a related 40 - 41-week high-low-(low) *Cycle Progression*.]

A cycle of that magnitude usually creates a low that holds for at least 2 - 3 months, if not longer...

After setting that low, the NQ-100 rallied and ultimately turned its weekly trend up. (Currently, the NQ-100 would not even neutralize its weekly uptrend until a weekly close below **11,520/NQM**.)

At the same time, (late-Jan/early-Feb '23), the NQ-100 closed above its weekly 21 *High MAC* as that average was turning higher.

Both that pattern and the weekly trend pattern usually

usher in an initial peak and multi-week pullback - often retracing to the weekly trend point and/or the rising weekly 21 *High MAC*.

The NQ-100 has pulled back to the rising weekly 21 *High MAC* and retraced 50% of its Jan/Feb rally - reinforcing range-trading support and other critical levels of support near **11,800 - 11,900/NQM**.

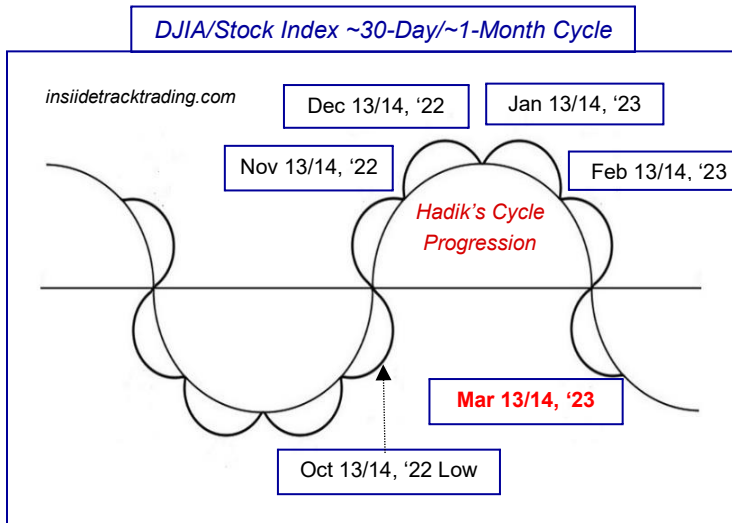
It has spiked lower into **March 13** - perpetuating a ~1-month/~30-day\*\* low (Oct 13/14 '22) - high (Nov 13/14 '22) - high (Dec 13/14 '22) - high (Jan 13/14 '23) - high (Feb 13/14 '23) - low (**Mar 13/14 '23**) *Cycle Progression* that corroborates an ~11-week low-low-(low) *Cycle Progression* this week.

(\*\*The daily *Cycle Progression* is more pronounced in some other indexes, like the DJIA, but all of them have set these mid-month turning points.)

**All of these factors favor a multi-week low taking hold at/near the March 13 low.** One other form of divergence has been observed among the NQ-100 indexes, themselves...

Tech Tip Review - March 14, 2023

## “HCP, Intra-Year Trend, LHRs, Wave Analysis & ~14,000/NQ-100”



While the June '23 NQ-100 futures closed slightly below their early-month lows, the March NQ-100 futures AND the QQQ ETF did NOT close below their early-month lows on March 10 - leaving their intra-month trends in a more positive structure.

*Another corroborating factor is the intra-year trend.*

Simply put, a market needs to give a weekly close above the trading range of the first three weeks (of a new year) in order to turn its intra-year trend up.

Once that has been triggered, that high (breakout point, the high of the first three weeks) becomes a decisive level of 'resistance turned into support' that is often retested during a subsequent pullback... before a new impulse wave (advance) emerges.

The June NQ-100 futures rallied from an early-Jan low of **10,870/NQM** to a high of **11,878/NQM** in that Jan 3 - 20, '23 time frame (3 weeks).

On Jan 27, the NQ-100 closed above that range and turned its intra-year trend up. It has remained in that intra-year uptrend ever since.

Since the early-Feb '23 peak, the NQ-100 has been slowly retreating back toward that decisive breakout level (now support).

On March 13, the NQ-100 dipped below **11,878/NQM** and then quickly reversed higher - reinforcing the decisive nature of this intra-year trend support.

On a near-term basis, the NQ-100 could provide three forms of confirmation to a developing (**March 13/14**) low... before or by the end of this week:

-- Daily close above **12,462/NQM** would turn the intra-month trend up AND have the NQ-100 closing above its descending daily 21 High MAC.

-- Daily trend turns up; This cannot occur until the close on March 16, at the very earliest, and the trigger point is not yet established.

-- Weekly close above **12,446/NQM** would generate a weekly 2 Close Reversal higher.

Any of these factors would signal at least a 1 - 2 week low in the NQ-100.

Two or more of them would confirm greater strength and reinforce the potential for the NQ-100 - and other indexes - to rally into **late-March '23**, when weekly cycles converge.

(A related ~2-month/~60-degree high-high-high-(high) Cycle Progression could even stretch a NQ-100 peak into **April 3 or 4**.)

As far as price objectives, the NQ-100 is still likely to rally to at least **~13,200** and potentially to **13,500 - 13,800** - the mid-Aug '22 high and corroborating upside targets.

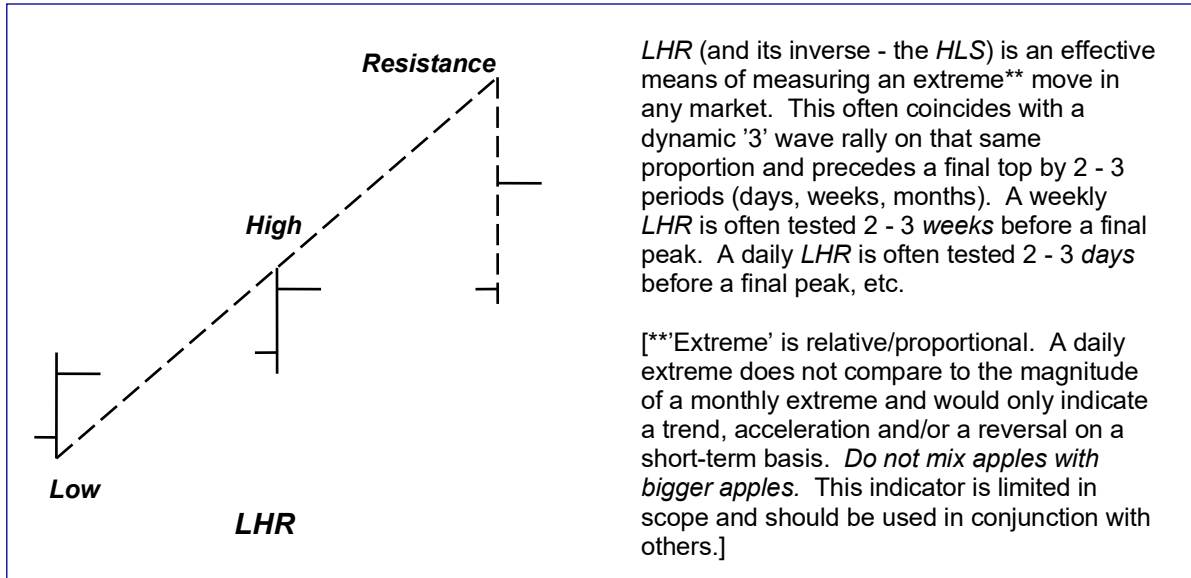
Three consecutive monthly LHRs (extreme upside monthly targets) also converged in that range.

A high near there would double the Oct/Nov '22 rally and the Jan '23 rally - two examples of range-trading. It would also fulfill a 50% rebound of the 2021/22 sell-off.

# Weekly Re-Lay

Tech Tip Review - March 14, 2023

## “HCP, Intra-Year Trend, LHRs, Wave Analysis & ~14,000/NQ-100”



LHR (and its inverse - the HLS) is an effective means of measuring an extreme\*\* move in any market. This often coincides with a dynamic '3' wave rally on that same proportion and precedes a final top by 2 - 3 periods (days, weeks, months). A weekly LHR is often tested 2 - 3 weeks before a final peak. A daily LHR is often tested 2 - 3 days before a final peak, etc.

[\*\*'Extreme' is relative/proportional. A daily extreme does not compare to the magnitude of a monthly extreme and would only indicate a trend, acceleration and/or a reversal on a short-term basis. *Do not mix apples with bigger apples.* This indicator is limited in scope and should be used in conjunction with others.]

The latest monthly LHRs - a trio of them - come into play at **13,902/NQM, 13,968/NQM & 13,997/NQM** (in the cash index, that equates to **13,616/NQ, 13,690/NQ & 13,825/NQ**) - creating a type of 2 - 3 month upside range trading target that was triggered when the NQ-100 closed above its Nov '22 - Jan '23 highs.

This type of consistently-developing synergy often reveals a 'magnetic' extreme resistance target that eventually 'draws' a market to it... even if that is not in the specified time when a LHR test would be ideal.

It is also a range-trading target since the market - *in this case, the NQ-100 Index* - repeatedly rallied to the same resistance zone (**~12,400**) and held before finally breaking out above that level. While trading below that resistance, the NQ-100 repeatedly found support near **10,900/NQM** (in Oct, Nov & Dec '22 and early-Jan '23).

Once that ~4-month/~1,500/NQM range was exceeded, in early-Feb '23, it turned focus to **~13,900/NQM** as the next upside range-trading target (a ~1,500/NQM rally above **~12,400/NQM**). *Regardless of timing, that ~13,900/NQM objective would remain the next upside range-trading target.*

[On a cash basis, the NQ-100 continues to trace out range-trading quadrants, bordered by 16,500, 15,000, 13,500, 12,000 & 10,500/NQ. The major top occurred with a high weekly close at 16,573/NQ and triggered an overall decline to 10,500/NQ. Those ranges remain pivotal with **~12,000/NQ** being the latest swing point.

That is one of several reasons why a rally to at least

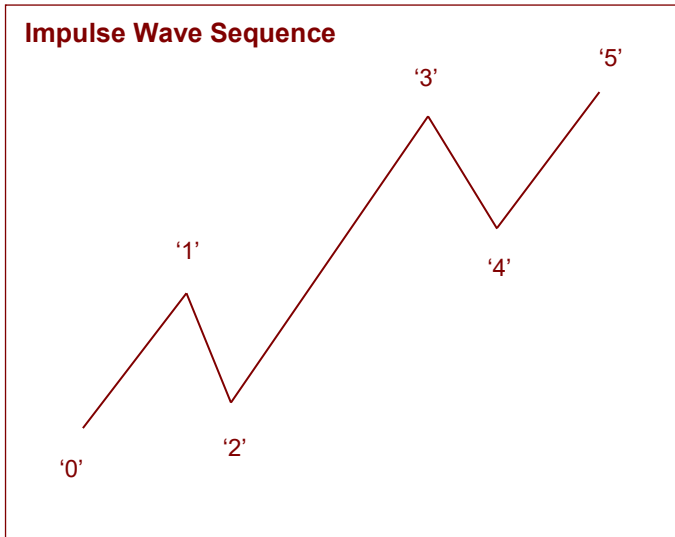
**13,500/NQ** is still a strong potential - a move that would also fulfill a 50% rebound of the entire decline.]

Based on wave action, there is a good chance the futures could spike above those levels & attack **~14,000/NQM** - where a new rally (from the March 13 low, if that holds) would equal the magnitude of the Jan/Feb '23 rally.

Tech Tip Review - March 14, 2023

## “HCP, Intra-Year Trend, LHRs, Wave Analysis & ~14,000/NQ-100”

### Impulse Wave Sequence



That is just below its declining monthly 21 High MAC near ~14,200/NQ. (Since its monthly 21 High MARC has jumped to ~14,500+ this month, the 21 MAC would continue to head down and potentially apply resistance to this advance... if it made it that high.)...

With the 1Q '23 rallies, just about every stock index fulfilled the outlook for ~20% rallies from their 4Q '22 lows. That means that a key upside objective has already been met.

That does not, however, remove the potential for additional upside - allowing remaining stock indexes to approach or attack other specific upside price targets associated with this advance.

Refer to latest publications for updated analysis and trading strategies.

This synergistic combination of price and timing indicators - all supporting a projected low on **March 13** and the holding of pivotal support near **11,800/NQM** - demonstrate how multiple indicators can work in harmony and strengthen the potential for an expected event... like a new multi-week advance.

While there are many things to conclude from this convergence, the two primary ones are the levels for a developing low (~11,800/NQM on **March 13/14**) and the related upside targets and potential for a future high (**13,500 - 13,800**, possibly spiking above **14,000/NQM**).

If a rally into **early-April '23** takes hold - as most factors are currently projecting - the intervening price action should help clarify the outlook for **2Q '23**.

Please refer to **Eric Hadik's Tech Tip Reference Library** for more detailed analysis & illustrations of related technical indicators.



HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

All **Tech Tips™** & the term **Tech Tips™** are trademarks of **INSIIDE TRACK Trading**. Information is from sources believed reliable but accuracy cannot be guaranteed. Principals/employees/associates of **INSIIDE TRACK Trading** may have positions in cited contracts. No part of this publication may be re-transmitted or reproduced w/out the editor's written consent. All analysis & trade strategies are based on entire trading session (not just 'pit-session') unless otherwise specified. Trading Strategy results are based on entry & exit at the recommended levels and do not account for slippage or commission costs. Traders exiting in-the-money long option positions can exit by taking an offsetting position in underlying futures and exercising option. Readers using this information are solely responsible for their actions & invest at their own risk. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. FUTURES TRADING INVOLVES SUBSTANTIAL RISK.** Copyright 2023 **INSIIDE Track Trading Corporation**