

S&P 500 MARKET CYCLE



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S&P 500 TREND:
SIDEWAYS STAGE 3



GOLD TREND:
BULL MARKET STAGE 2



GOLD MINERS TREND:
BULL MARKET STAGE 2



SILVER TREND:
BULL MARKET STAGE 2

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TTI – OCT 2ND INVESTOR REPORT

This has been a wild week in the markets in terms of price action. First, we had last week with the illegal banking activity report released early that triggers some selling in the markets. Then we had a moderate price bottom setup after the markets digested that banking report and realized that nothing much would come from it right away. Then we saw a bit of upside price recovery in the US stock markets, and we've seen some traders jump into the "buy the dip" mode again really early in this dip. Yet, today, Trump and the first lady tested positive for COVID-19, and that triggered more volatility in the markets.

With that said, there are interesting price movements on a few charts.

First, on the Daily SPY chart, an Inverted Hammer pattern set up just outside a key resistance level near 335.50 on the SPY. This pattern represents a “change in trend” where the earlier bullish price trend weakened near the end of the day and prompted this shape of a candle on the chart. It is indicative of a reversal in trend – from Bullish to Bearish in this setup.

Second, on the Monthly chart, a huge **Dark Cloud Cover (DCC)** pattern has a setup which is very indicative of a major top pattern and is warning that further downside price action may be pending. This Dark Cloud Cover pattern has not yet been confirmed on the September monthly chart, but it has us paying very close attention to the price here.



Before we react, the market still needs more things to unfold to flip the long term trend. Although the last two monthly candlesticks have a bearish pattern, the price is still above key moving averages, and our momentum investing system continues to have a buy and hold signal. We act, but at this point, we can safely suggest that it appears a major top has set up in the US stock markets.

We are not altering the allocation levels or the positions related to these patterns or setups in the markets at this time. We have already prepared for this potential event by “stepping” into the longer-term uptrend after the new all-time highs were reached and not “jumping in head first” like many other investors because we suspected something like this current price reversal could setup. From the closing price level in August on the SPY, the markets have fallen just under 9% in the month of September. By stepping into this upside move in a logical and protective manner, we’ve kept our risk levels safely immune from the month-long pullback in price.



Right now, we watch to see how the markets attempt to set up after this massive Dark Cloud Cover pattern with extreme volatility levels. The markets are currently trading at 6 to 7x normal volatility ranges, so any breakdown or breakout price trend could prompt another huge price move, hence the reason we are holding some cash, limiting our exposure.

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