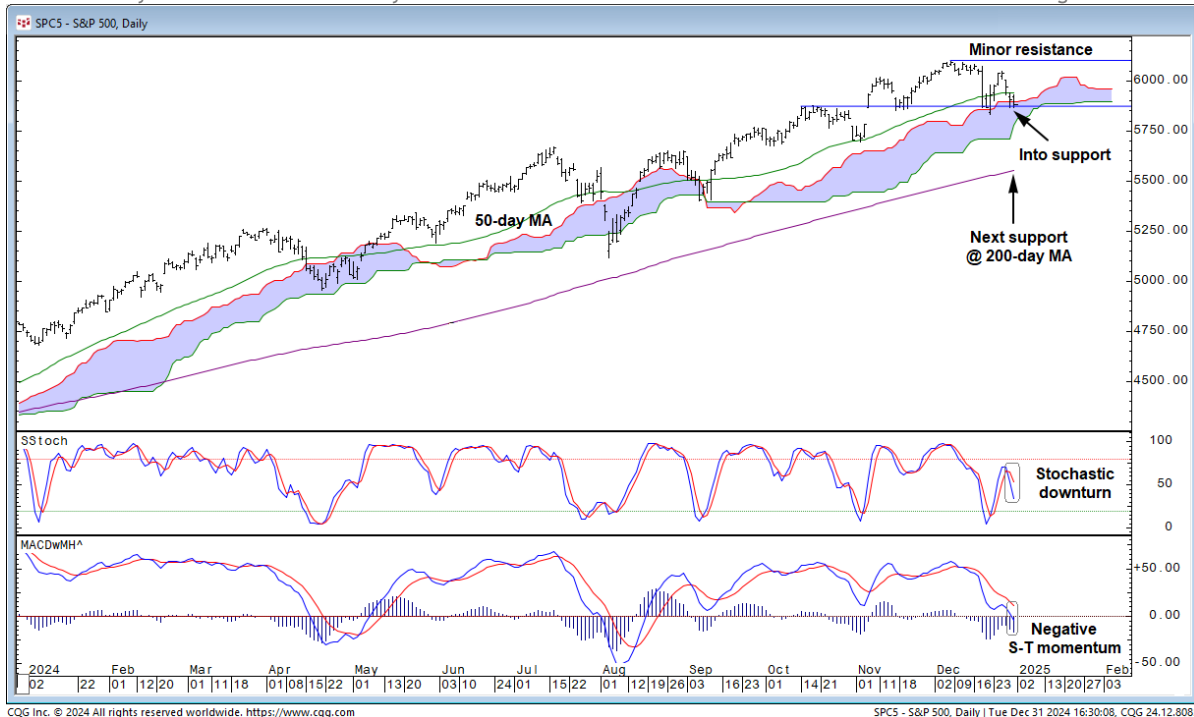




U.S. Equities

S&P 500 Index (SPX, 5881.63)

Daily Bar Chart + 50- & 200-day MAs + Cloud Model + Stochastic Oscillator + MACD Indicator w/Histogram

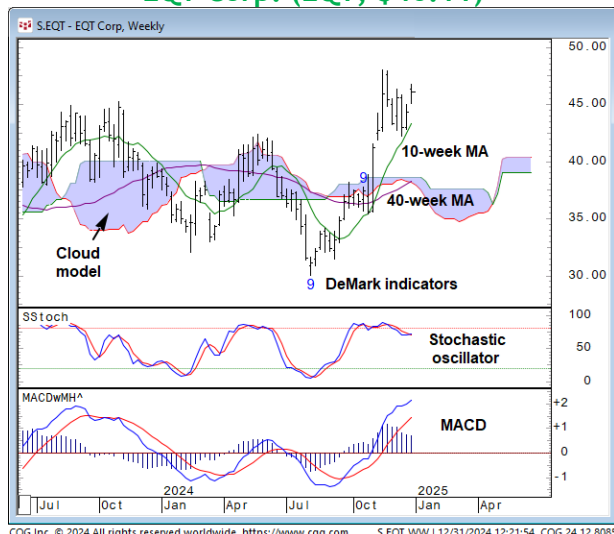


SUPPORT: ~5871 | RESISTANCE: ~6100

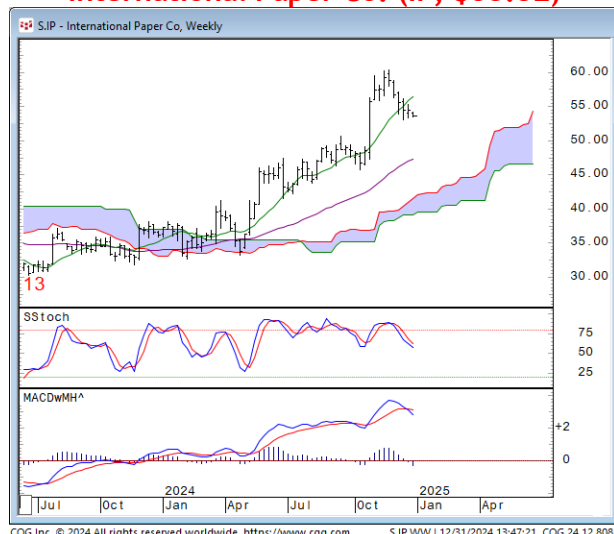
- § **SHORT-TERM BIAS - BEARISH ▼:** Short-term momentum has shifted negative behind the SPX, and the daily stochastics have turned lower, increasing risk that initial support will soon be broken. A breakdown is made more likely by new intermediate-term 'sell' signals that were confirmed last week (featured on page 3). The setup supports a correction over the coming weeks, noting the positive seasonal influences from the elusive Santa Claus rally end this week. Below 5870 and the daily cloud, the 200-day MA provides next support near 5550.
- § **LONG-TERM BIAS - NEUTRAL:** Our long-term indicators suggest a Q1 correction is likely to give way to a trading range of several months in duration. The SPX shows signs of long-term upside exhaustion per the DeMARK® Indicators after having neared a long-term measured move objective of 6120. Similar long-term 'sell' signals preceded corrective environments in 2018 and 2022. The monthly MACD histogram also ticked lower in Q4, indicating that upside momentum behind the cyclical uptrend has decreased. Since our intermediate- and long-term indicators show deterioration, we think a correction could be significant. The 200-day MA is about 5.5% below current levels, and long-term cloud-based support is about 9.0% below.
- § **TACTICS:** Use an intraday relief rally to deploy top-down hedges in anticipation of a Q1 correction. Hold positions in strong uptrends that have the support of their rising 20-day MAs but consider using stop-losses since they are likely to be affected by a broad sell-off. Reduce exposure to stocks that have intermediate-term 'sell' signals. Hold off on adding exposure unless there is a technical catalyst, such as a breakout. Reduce exposure to fixed income because 10-year Treasury yields are poised to move higher in Q1 following a major breakout.

Bullish & Bearish Charts* (S&P 500)

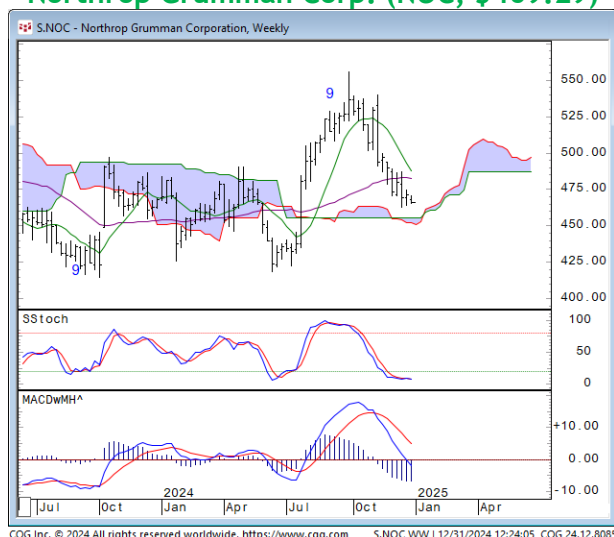
EQT Corp. (EQT, \$46.11)



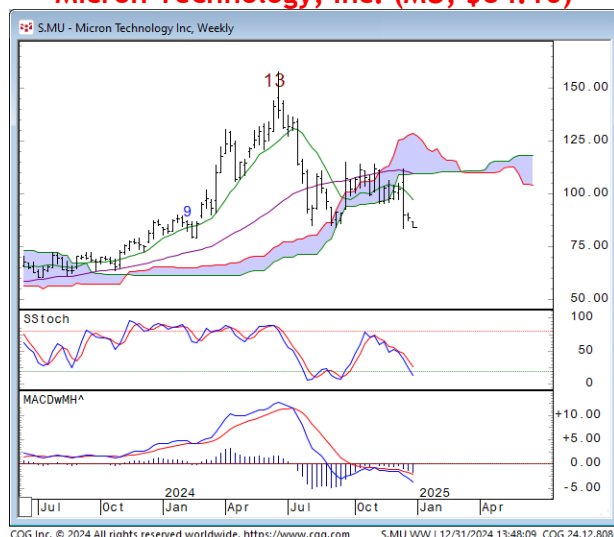
International Paper Co. (IP, \$53.82)



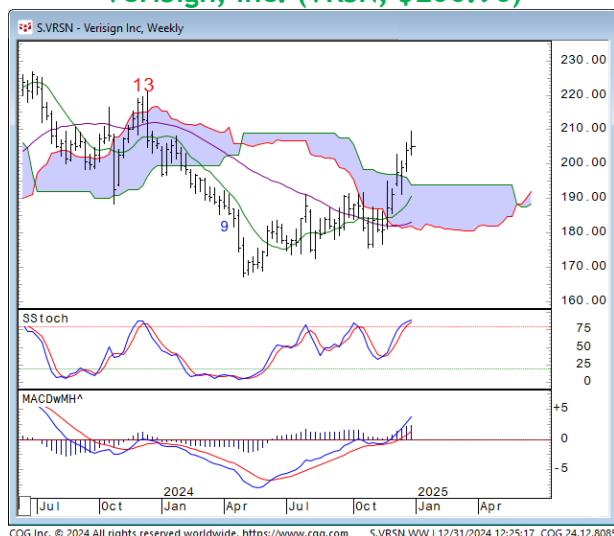
Northrop Grumman Corp. (NOC, \$469.29)



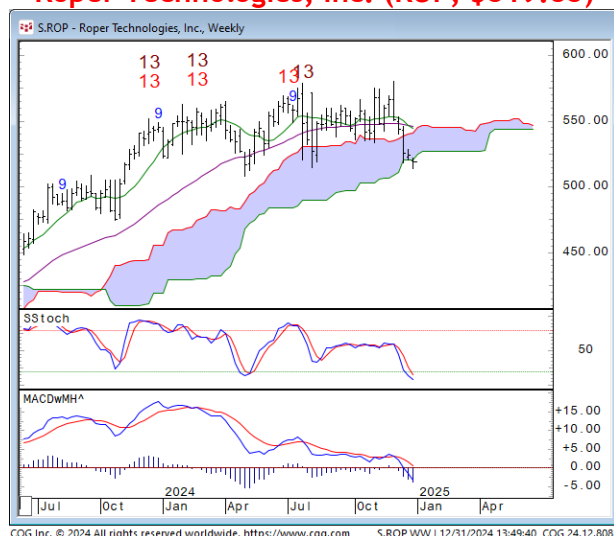
Micron Technology, Inc. (MU, \$84.16)



VeriSign, Inc. (VRSN, \$206.96)



Roper Technologies, Inc. (ROP, \$519.85)

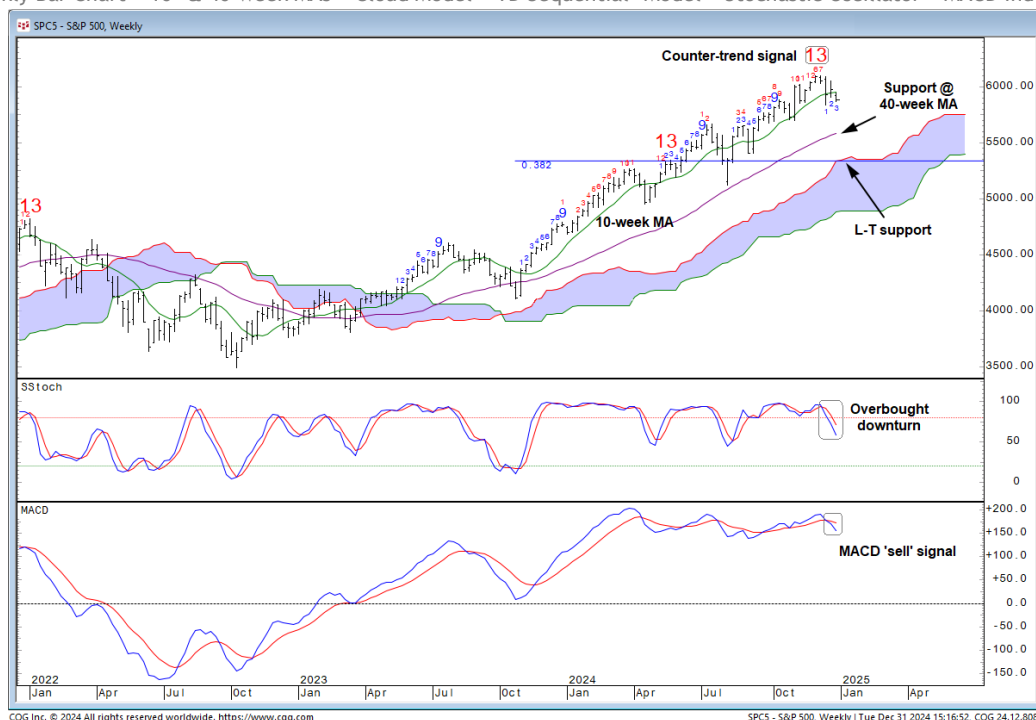


* Indicators are labeled on the first chart. Green/red headers denote bullish/bearish intermediate-term setups.

Technical Themes

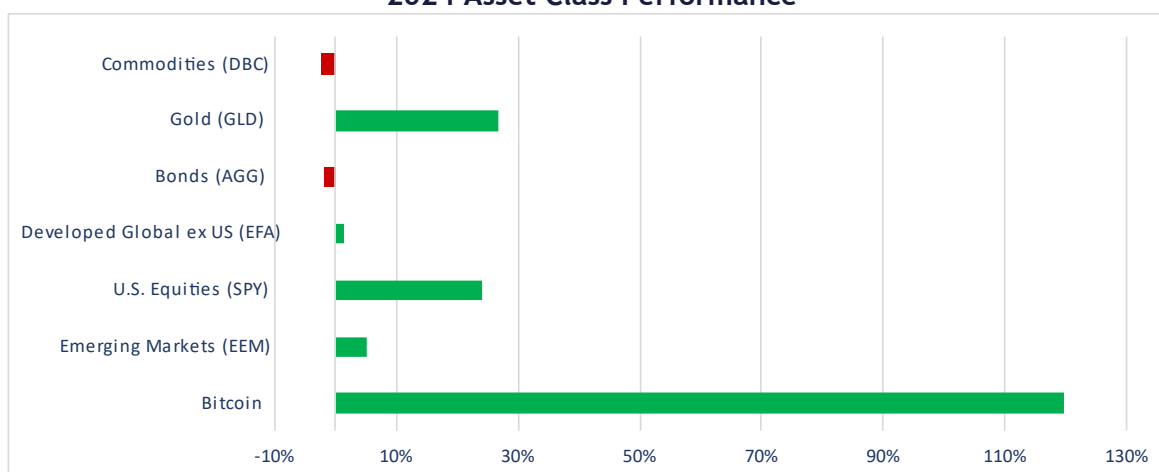
S&P 500 Index (SPX, 5881.63)

Weekly Bar Chart + 10- & 40-week MAs + Cloud Model + TD Sequential® Model + Stochastic Oscillator + MACD Indicator



§ Last week, the SPX confirmed 'sell' signals from the weekly stochastics and MACD, supporting a correction in the early part of the New Year. The weekly DeMARK Indicators® also have confirmed a 'sell' signal, supporting at least seven more weeks of corrective price action. Key support levels to watch are the 200-day (~40-week) MA, currently near 5552 but rising over time. Below that level is major support near 5337, defined by a 38.2% Fibonacci retracement level and the weekly cloud model, where we think a correction could go before maturing.

2024 Asset Class Performance

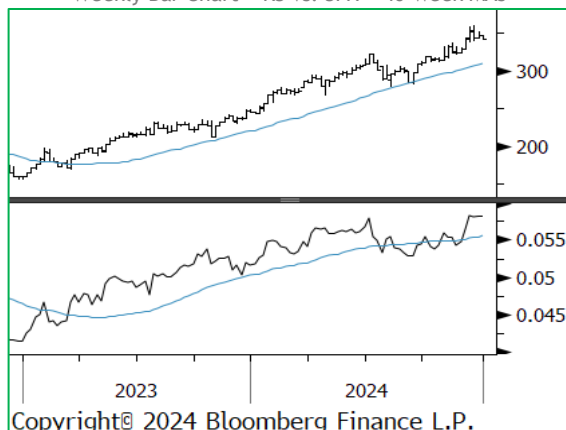


§ In 2024, we saw strong returns for U.S. equities, bitcoin, and gold. It was the second year in a row that SPY gained over 20%, which is the first occurrence since 1998. The ~27.0% return for GLD was its best since 2010. Cash (not shown) generated a ~5.2% return this year. Commodities, per ETF-proxy DBC, ended slightly negative on the year, with WTI crude oil as a primary drag on performance. A recent surge in Treasury yields resulted in a negative return for broad bond-proxy AGG in 2024.

U.S. Sectors

S&P 500 Communication Services Index

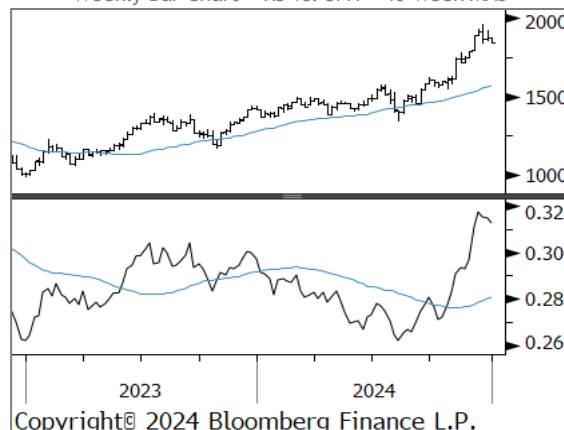
Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **OVERWEIGHT:** The communication services sector maintains positive momentum in relative terms but appears due for a pause.

S&P 500 Consumer Discretionary Index

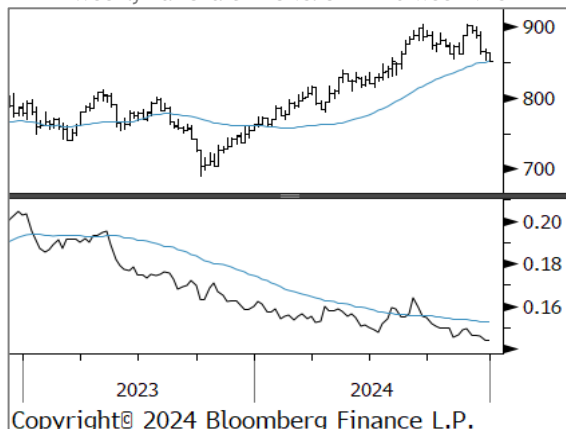
Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **EQUAL-WEIGHT ▼:** The consumer discretionary sector shows signs of intermediate-term exhaustion versus the SPX.

S&P 500 Consumer Staples Index

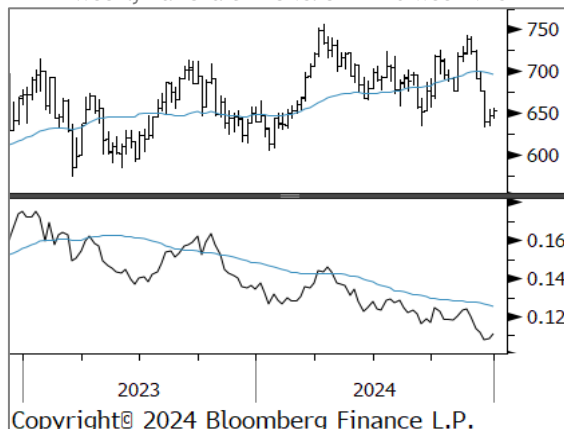
Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **EQUAL-WEIGHT:** The ratio of the S&P 500 Consumer Staples Index should stabilize in response to long-term oversold conditions.

S&P 500 Energy Index

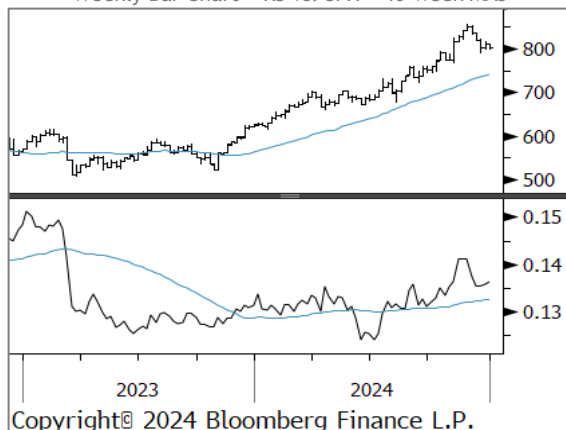
Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **EQUAL-WEIGHT ▲:** The S&P 500 Energy Index is seeing an oversold bounce in relative terms, helped by improved momentum in oil prices.

S&P 500 Financials Index

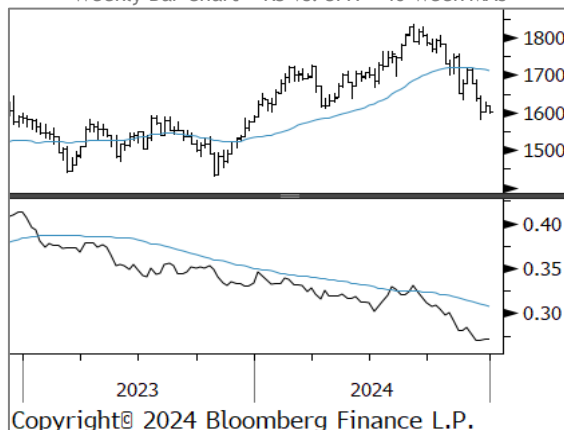
Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **EQUAL-WEIGHT:** The S&P 500 Financials Index is seeing near-term stabilization above support in its ratio versus the SPX.

S&P 500 Health Care Index

Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **EQUAL-WEIGHT ▲:** The healthcare sector has seen downside momentum alleviate relative to the SPX, warranting an equal-weight bias.

U.S. Sectors

S&P 500 Industrials Index

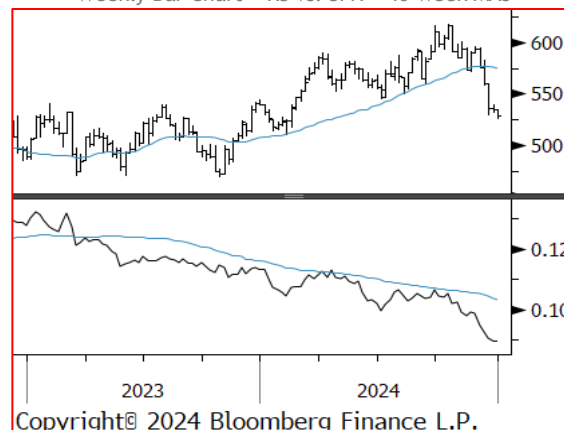
Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **UNDERWEIGHT:** The industrials sector should see a brief respite from its primary trend of underperformance versus the SPX.

S&P 500 Materials Index

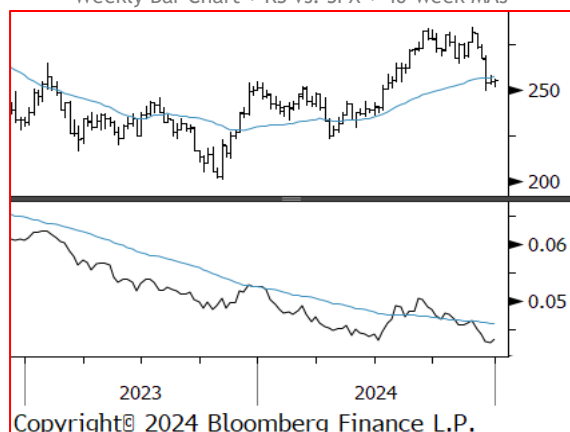
Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **UNDERWEIGHT:** The materials sector should remain an intermediate-term underperformer after a long-term breakdown in absolute terms.

S&P 500 Real Estate Index

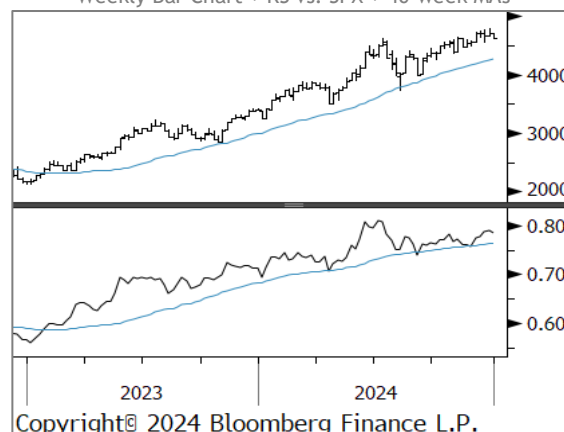
Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **UNDERWEIGHT:** The ratio of the S&P 500 Real Estate Index is poised to stabilize at support, so we will be watching for a momentum shift.

S&P 500 Information Technology Index

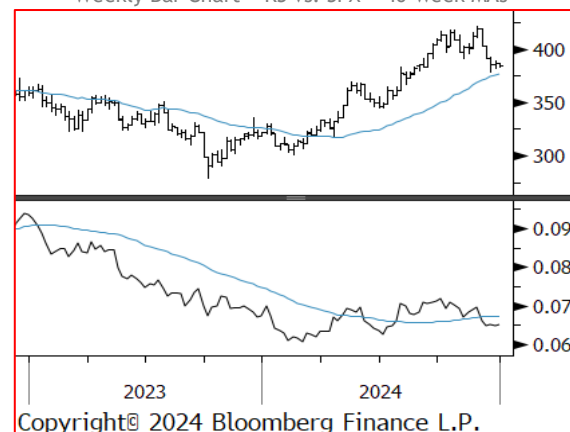
Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **EQUAL-WEIGHT:** The technology sector has seen relative momentum neutralize from a short- and long-term perspective.

S&P 500 Utilities Index

Weekly Bar Chart + RS vs. SPX + 40-week MAs



- § **UNDERWEIGHT:** An intermediate-term downtrend has a hold on the ratio of the S&P 500 Utilities Index versus the SPX.

S&P 500 Sector Indices vs. SPX

5-day Relative Rotation Graph®

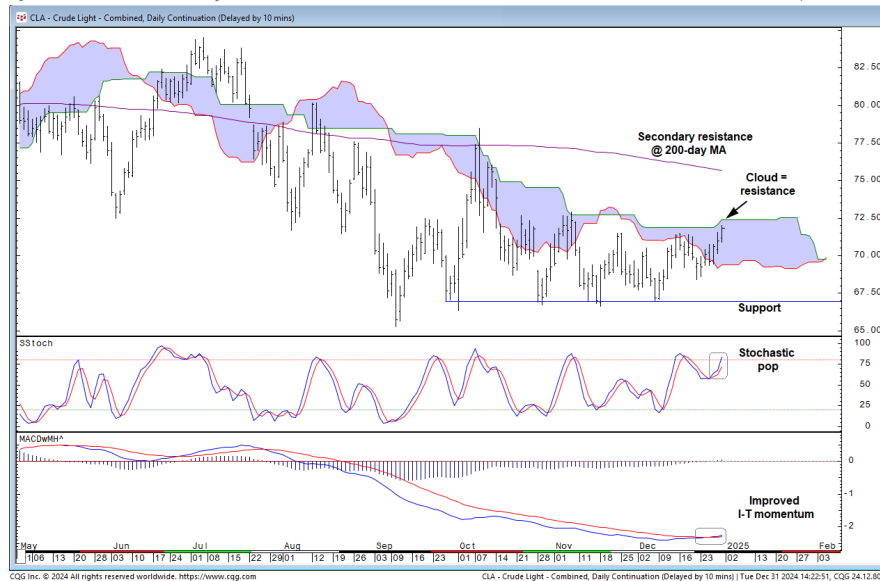


- § The 5-day RRG suggests megacap-heavy sectors (former upside leadership) should exhibit downside leadership in the near term.

WTI Crude Oil and Gold

WTI Crude Oil (\$71.72/bbl.)

Daily Bar Chart + 200-day MA + Cloud Model + Stochastic Oscillator + MACD Indicator (100-200-21)

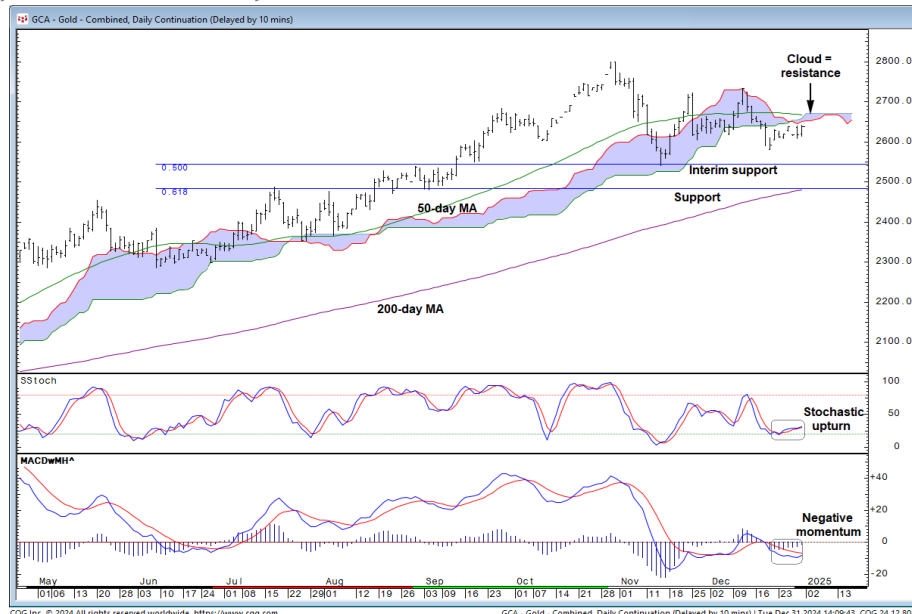


SUPPORT: ~\$67 | RESISTANCE: ~\$72

- § After breaking out of a short-term triangle pattern within its primary downtrend, WTI crude oil is now testing resistance at the daily cloud, just above \$72/bbl. The daily stochastics have a stochastic 'pop', and the weekly MACD is back on a 'buy' signal, increasing the chances that the cloud is cleared for a bigger counter-trend move. A breakout would target the 200-day MA (~\$76/bbl.). Well-tested support for WTI crude oil is near \$67/bbl.

Gold (\$2641.00/oz.)

Daily Bar Chart + 50- & 200-day MAs + Cloud Model + Stochastic Oscillator + MACD Indicator w/Histogram



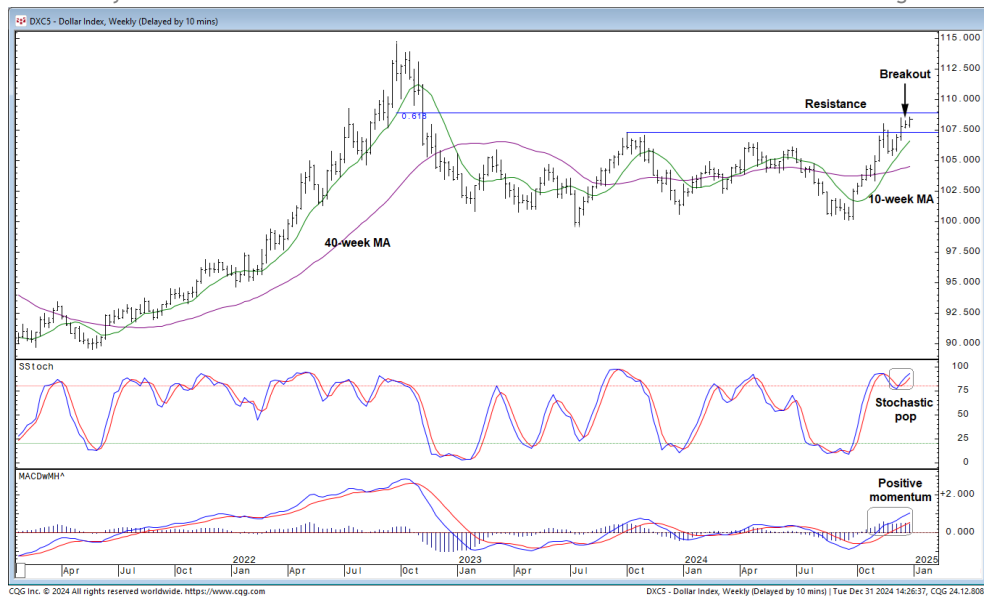
SUPPORT: ~\$2540 | RESISTANCE: ~\$2672

- § Gold remains in a correction within its long-term uptrend after a breakdown below the daily cloud. Short-term momentum is improving, and the setup in the daily stochastics suggests gold will test resistance at the cloud (~\$2672/oz.). If it can get back above the cloud, it would be a bullish short-term development, but our intermediate-term gauges still point lower. Targeted support from the cloud breakdown is near \$2480/oz., and interim support is ~\$2544/oz.

Currencies and Treasury Yields

Dollar Index (DXY, 108.5)

Weekly Bar Chart + 10- & 40-week MAs + Stochastic Oscillator + MACD Indicator w/Histogram

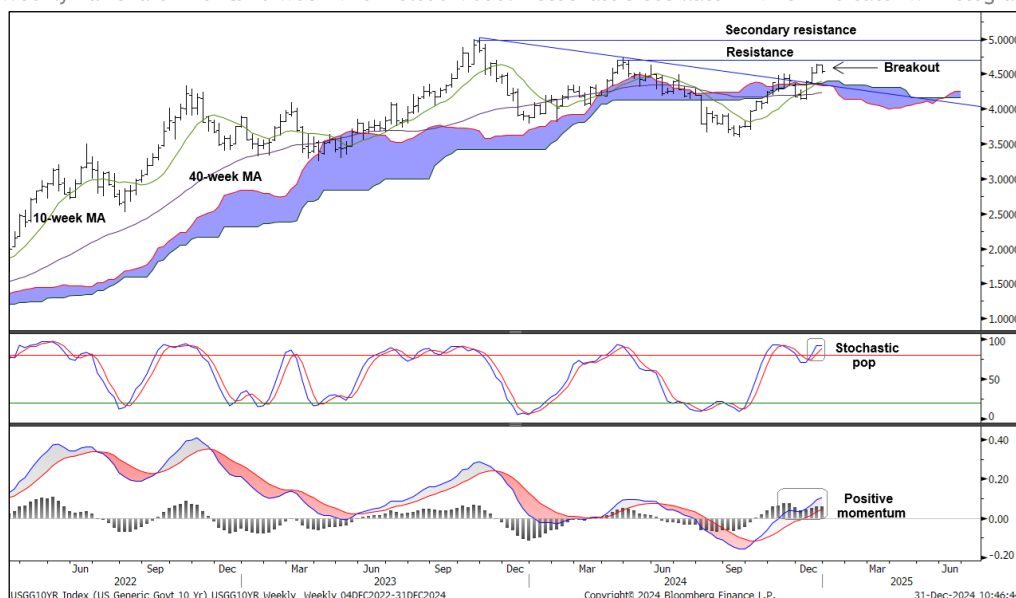


SUPPORT: ~107.2-107.4 | RESISTANCE: ~109.0

- § The Dollar Index has broken out above long-term trading range resistance, supporting a stronger dollar in 2025. The weekly stochastics have popped higher above the 80% level, propelling the Dollar Index toward the next resistance around 109.0. Coupled with positive intermediate-term momentum, the dollar looks poised to advance over the next several weeks, primarily against the euro. Initial support is now at former resistance near 107.4.

10-Year U.S. Treasury Yields (4.57%)

Weekly Bar Chart + 10- & 40-week MAs + Cloud Model + Stochastic Oscillator + MACD Indicator w/Histogram



SUPPORT: ~4.35% | RESISTANCE: ~4.70%

- § 10-year Treasury yields have broken out from their cyclical downtrend, which had been in place since late 2023. Next resistance at 4.70% is likely to be tested soon per the weekly stochastics, which have a 'pop' associated with the breakout above the downtrend line. Positive intermediate-term momentum supports higher 10-year yields in the coming weeks. Secondary resistance is at the 2023 high, near 5.00%. Support is defined by the 50-day MA.

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