On the intra-day chart of the S&P 500 our momentum indicators are neutral.

The daily chart of the S&P 500 shows the breaking of important resistance last week. Thursday's candle was a doji-like spinning top showing the tug of war between the bulls and bears at these levels. Doji are frequently seen at the end of moves.

Negative divergences remain on our momentum indicators so a pullback can happen at any time.

The weekly chart of the S&P 500 shows the stochastic giving a negative crossover from the overbought zone. This means we should see consolidation or a pullback.

The monthly chart of the S&P 500 shows the key reversal (important new low followed by higher close) in March and the follow through in April. Momentum indicators are nowhere near overbought.
The Fibonacci retracement levels from the 2007 highs are 881 (23.6%) and 1014 (38.2%).

The Nasdaq 100 broke through the 200-sma last week for the first time since September. When it broke through on Thursday it printed a spinning top on high volume, showing that buyers were being met by sellers, and it printed a doji on Friday. Doji are signs of indecision frequently seen at the end of moves.

Our momentum indicators are at high levels.

The weekly chart of the Nasdaq 100 shows it has rallied for eight consecutive weeks.

The stochastic just had a negative crossover from high levels so a period of consolidation or pullback can occur at any time.

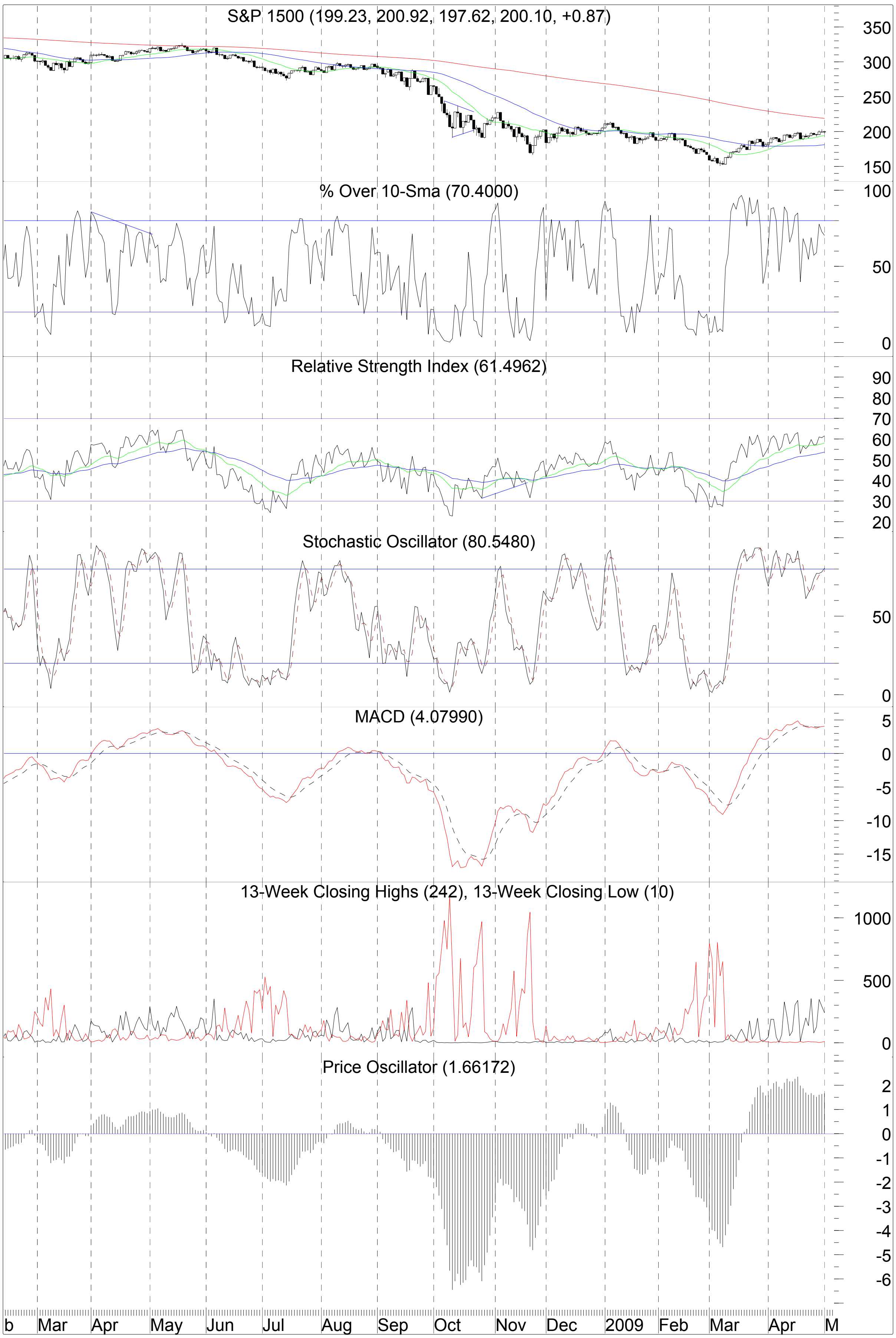
The Financial sector, the early leader of the rally off the March lows, has begun to lag. Financials made their rally high on 4/17, while other sectors have continued to make new highs. We have wondered how long the rally can go without Financials leading.

Momentum indicators are moving lower from high or overbought levels but are not oversold yet.

The weekly chart of the Financials shows a doji candle. Doji are signs of indecision frequently seen at the end of moves.

The stochastic is in the overbought zone, but hasn't crossed over yet. Still, this increases the odds of a pullback or at least consolidation.

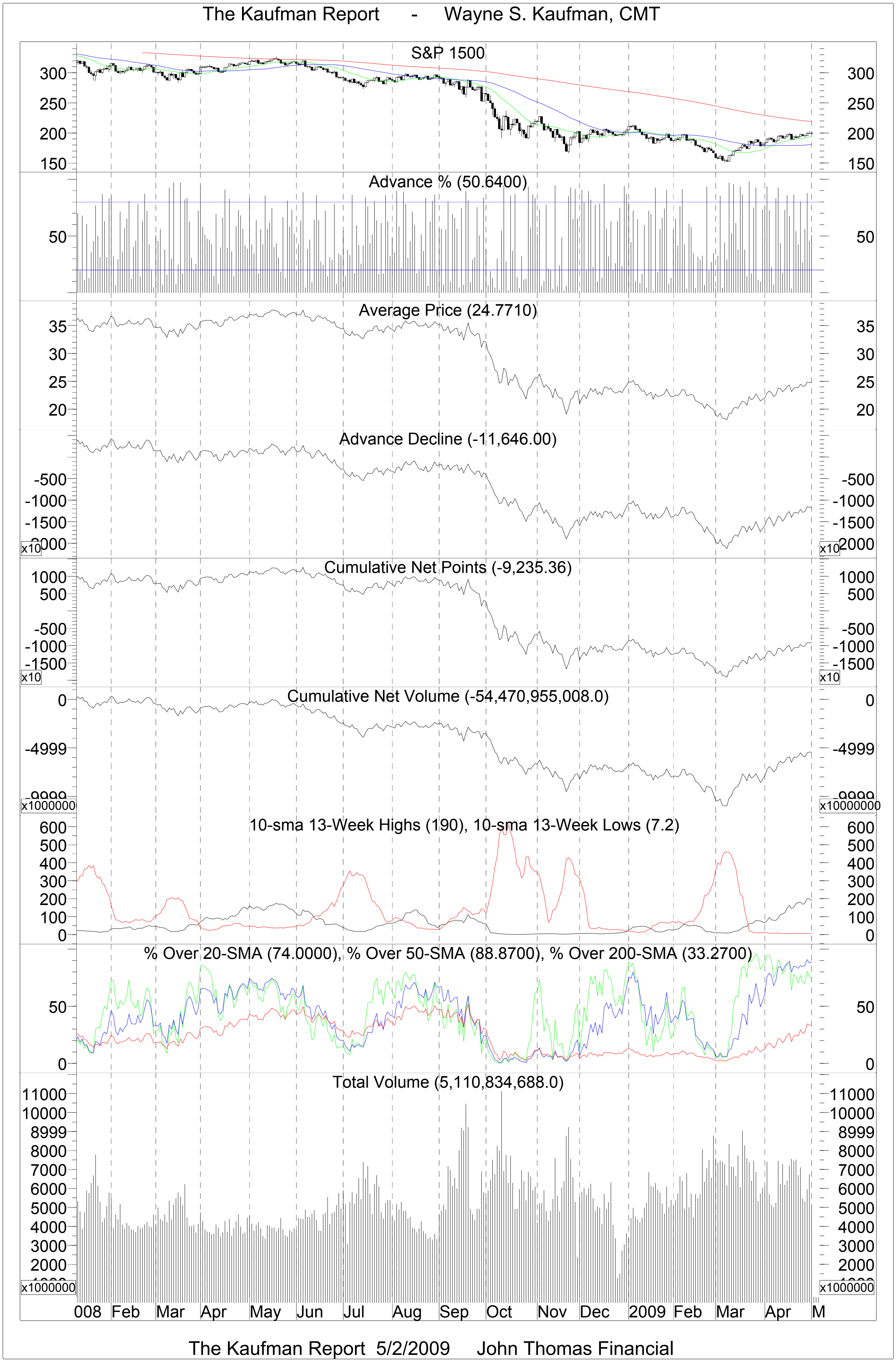
The ADR Index is outperforming the S&P 500 but not the Nasdaq Composite.



Negative divergences remain on our momentum indicators so a pullback can occur at any time.

13-week closing highs have been swamping 13-week lows.

Our price oscillator, a good indicator of trends, has been decidedly positive since mid-March.

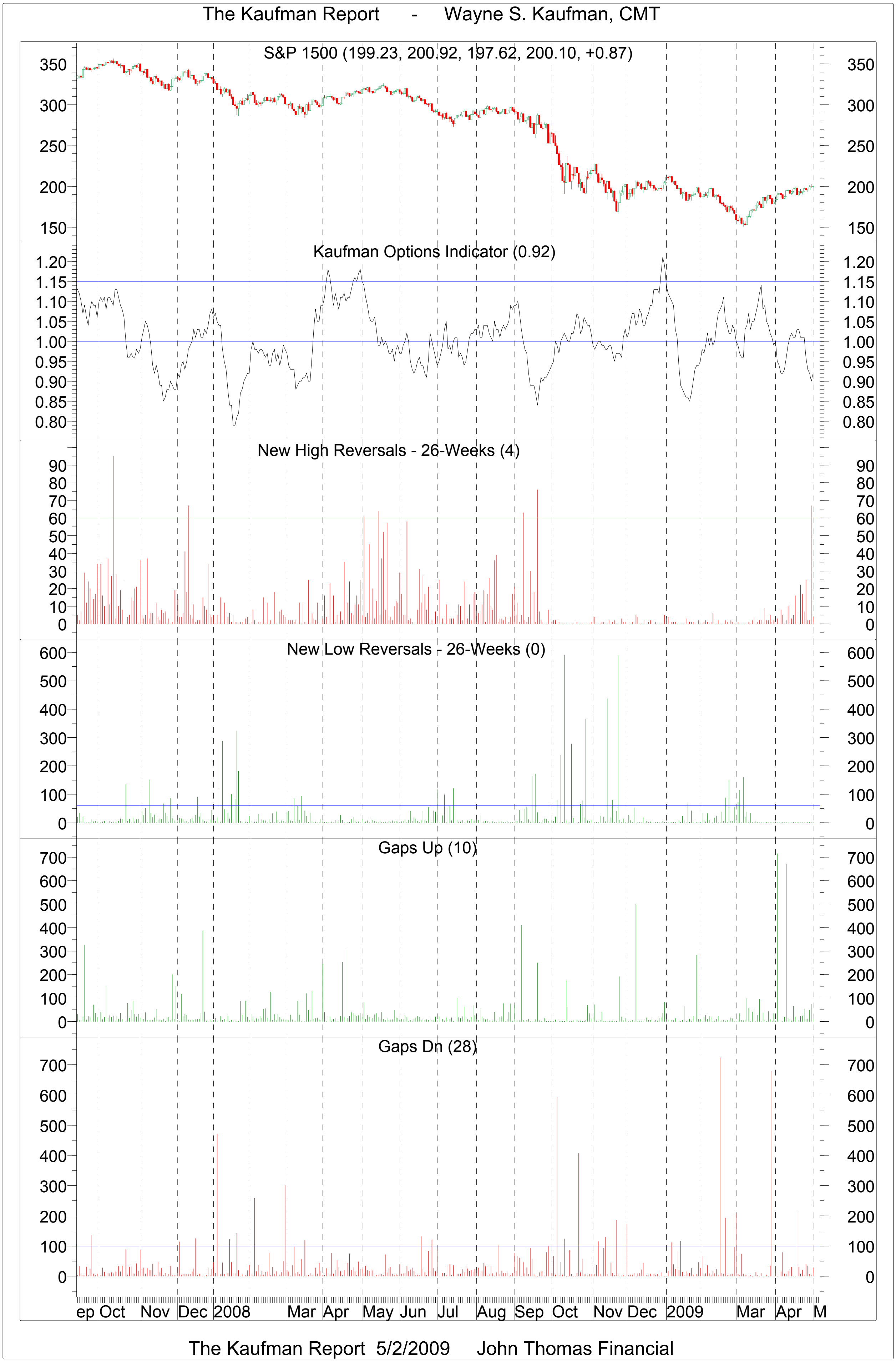


On Wednesday average price per share hit the highest since 1/6/2009.

The 10-sma of 13-week closing highs is the best since June 2007. The average of 26-week highs (not shown) is the most since 10/2007.

The percent over 200-sma is the highest since September 26th.

Volume has been decreasing for the last week.

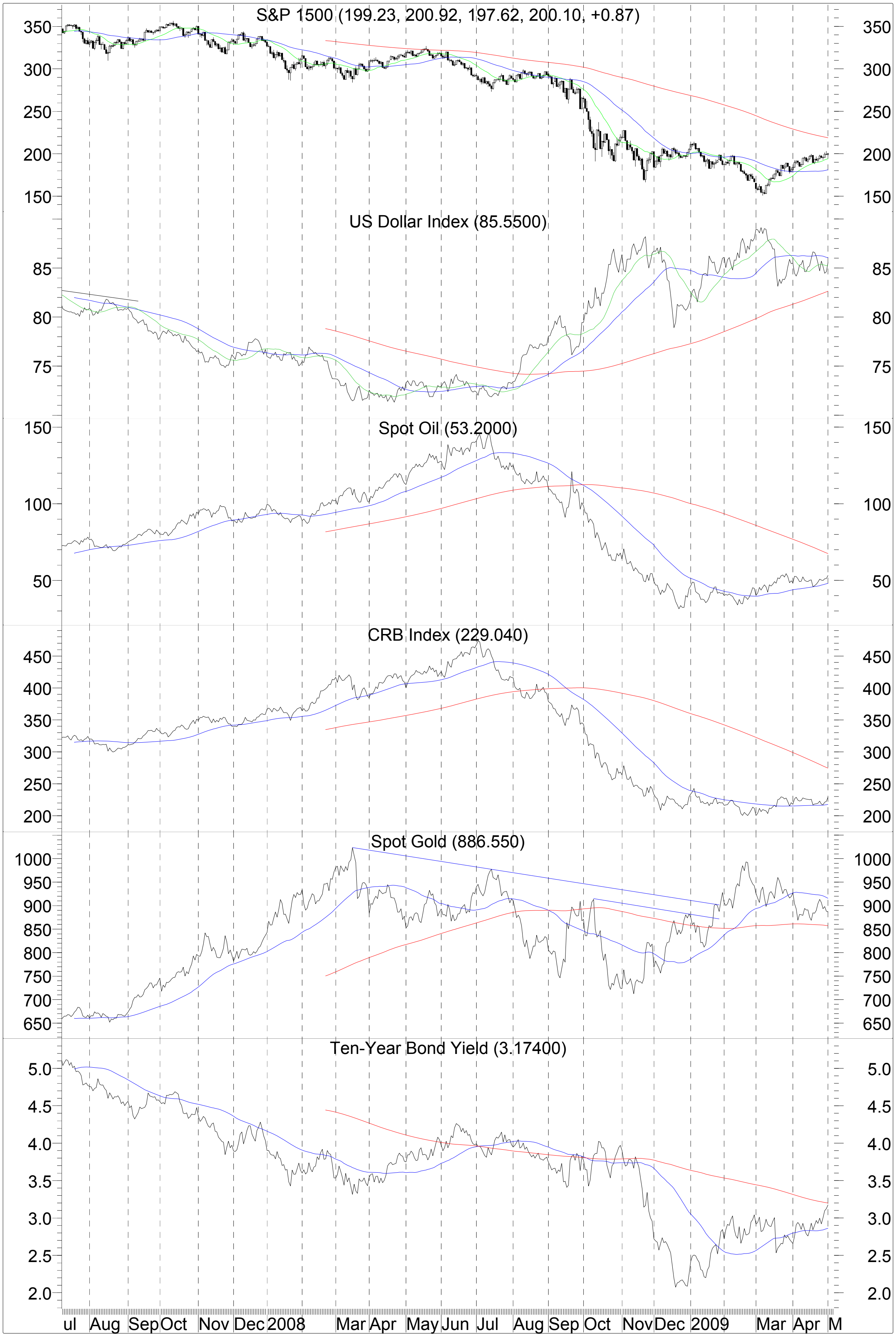


With our proprietary options indicator in negative territory we don't expect any near-term pullbacks to be deep.

Thursday's 67 new high reversals shows an increased desire to take profits.

All of our statistics of demand (green) versus (supply) show positive crossovers for all time frames. However, much of the recent rally has been due to a lack of sellers, not robust demand. On top of that it can be seen that demand has has been shrinking recently leaving stocks vulnerable to any pickup in supply.

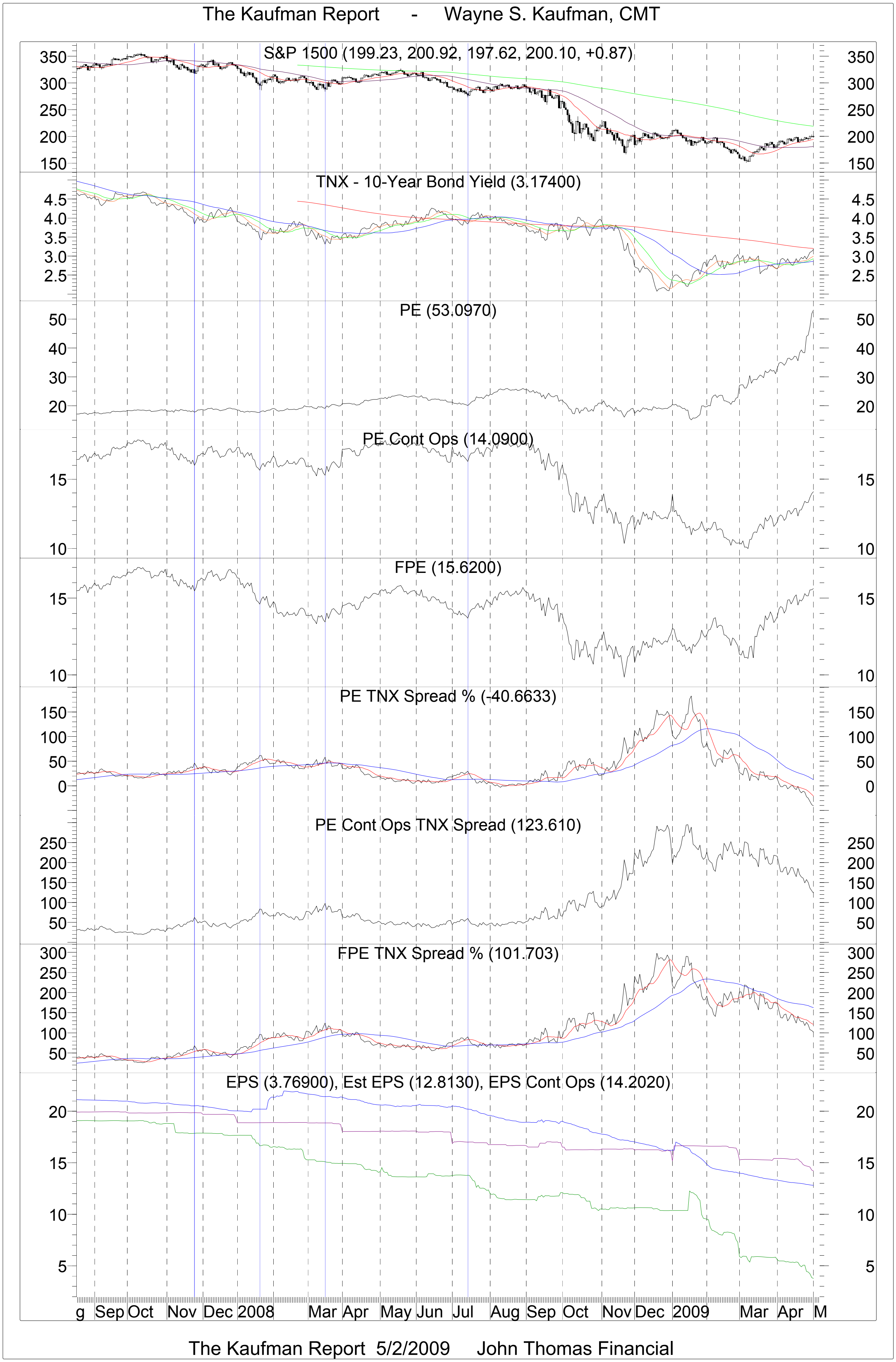
The Kaufman Report - Wayne S. Kaufman, CMT



The U.S Dollar Index continues to look toppy longer-term. There is near-term support in the low 80s.

Oil bounced off its 50-sma (blue) and remains in an up trend. It appears poised to move higher.

Gold looks weak near-term and ready to challenge support at the 200-sma (red) for a third time.



The P/E based on reported earnings is at very high levels.

P/Es based on continuing operations and analyst estimates have moved up but still make equities attractive versus bonds.

Spreads between bond yields and earnings yields show that if you believe charges are one-time and analyst estimates stocks are attractive.

Unfortunately, all three metrics of aggregate earnings, reported, continuing operations, and estimates, continue to march inexorably lower.