

Intelligent Investing, Daily Update June 1, 2017

Today the market rallied to new ATHs and my preferred count keeps tracking the market the best: I see no more reason to believe this is a b-wave up as it acts too impulsively. Nano-v of micro-3 of minute-iii of minor-3 of intermediate-v is now confirmed and reached our ideal SPX2428 +/-2p target today. We mention all the waves to better clarify where the market is and what to expect next. The micro-wave count suggests another pico-4 and 5 wave are required before all of micro-3 has topped. This likely means micro-3 extends. The next logical target is then SPX2445 (see table 1; the 1.236x Fib extension). Ultimately we still expect SPX2480-2490 to be reached for all of intermediate-v of major 3, before major 4 strikes another round of fear.

Minor wave FOR UP WAVES +/- 2p	wave 1	wave 2	deal wave i, iii, iv target				Minor 3 targets ideal wave 3 targets			minor 4 targets ideal wave 4 targets		Minor 5 target ideal wave 5 targets	
			i	iii	iii	iii	3	3	3	4?	1	1	1
start	2328.95	2403.87	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72
end	2403.87	2352.72	2399.02	2409.96	2427.64	2445.32	2456.26	2465.10	2473.94	2409.96	2427.64	2484.88	2502.56
length/actual price	74.92	51.15											

Figure 1: SPX 1min and 60 minute charts: Nano-iv in at SPX2404 and nano-v underway.



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Yesterday's weak non-ideal A.I. sell signal, got erased today (not surprisingly) and the MACD remains on a buy signal. Price is still above all SMAs: 5d to 200d and above important trendlines as today it managed to close even above the upper black and green trendline. The RSI5 is nicely overbought and the Bollinger Bands are expanding: price has strength and upside momentum. There's really NOTHING bearish about this chart, contrary to what you may read on many financial websites. The price chart tells us that our preferred count is tracking the market well, and that SPX2480-2490 (with a possible upside target of 2500) is on tap eventually.

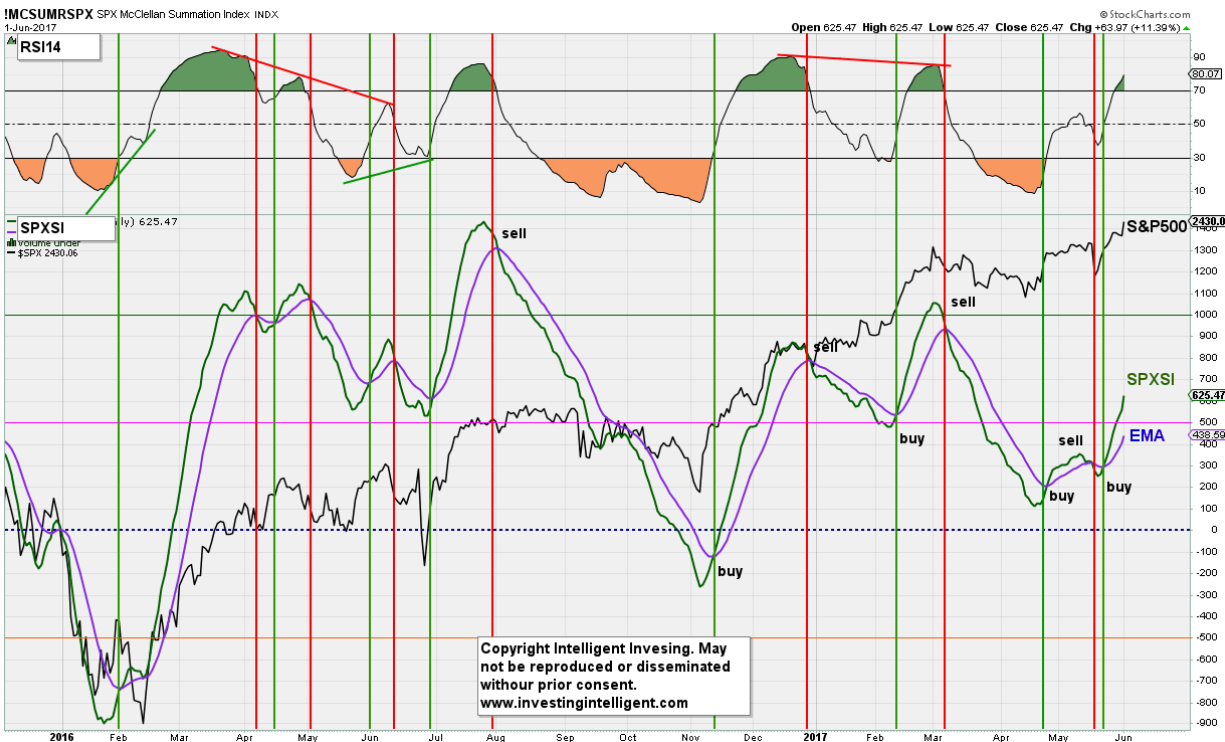
Figure 2. S&P500 daily TI chart. Price above ALL important support levels (SMAs, trend lines) all systems on buy/long.



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The McClellan Oscillator based Summation Index for the S&P500 (SPX-SI) ended today also up as market breadth improved dramatically on the S&P500 (the SPXMO ended at 65 today: this rally will therefore continue. Period). The SPXSI therefore continues to remain on a buy/long signal. And as said before: as long as the SI remains on a buy/long signal, buy/long it is. Period. The CPCE (equities put/call ratio) ended at mid-0.6s today as well and is thus not providing any additional insights: noise zone.

Figure 3. SPXSI continues to be on a buy. Nothing else.



In conclusion: Price remained over SPX2400-2390 and our view to therefore to continue to look higher was correct. SPX2404 was indeed close enough to the SPX2400 symmetry target for all of nano-iv. Nano-v is now underway and appears to extend to SPX2445 as a pico-4,5 wave are still required. Breadth increased dramatically today to SPXMO 65, which means this rally will continue; inline with my POV that SPX2480-2490 will be reached for all of major 3. Price on the daily chart continues to be above all important SMAs (5d to 200d) as well as above all important uptrend trend lines. Thus the charts tell us nothing new, but to continue to look up, until they don't. Simple.

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