

# Intelligent Investing, Daily Update June 6, 2017

Yesterday I showed that a break below SPX2435 would target SPX2430 based on symmetry. Today we got SPX2428.12. Not shabby. ☺ This made it the next quantifiable wave as the decline is now 12p. As such micro-3 is likely in at SPX2440; 5p short of my ideal target. Question is if this correction is done and new ATHs are next or if we'll see lower prices first. Symmetry breakdown below SPX2428 targets SPX2416; very close to the ideal micro-4 target. A break above SPX2436 targets SPX2445-2455. As long as price remains >SPX2415 the trend remains up.

**Figure 1: SPX 1min chart: break below SPX2428 targets SPX2416. Break above SPX2436 targets SPX2445-2455**



There's an alternate way we can now count the current advance off the SPX2353 low: minute-i,ii,iii,iv where minute-iii is smaller than minute-i. Since a 3<sup>rd</sup> wave is never the shortest wave, this means minute-v is MAX 36p. From current levels (if all of iv is in) the SPX2455 to SPX2465 is then next. This is still well within our ideal minor-3 target zone.

**Figure 2. SPX 60 min chart: alternate count for minor-3**



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Today I wanted to show the DOW, which could be forming an Ending Diagonal Triangle for intermediate-v (minor-c is now underway or may have topped. It will mean a choppy overlapping advance to new ATHs in the form of an a,b,c,d,e wave. Wave-c is now underway and close to completion. It's merely a possibility as the DOW has been lagging the other indices. But please don't hang your hat on it yet.

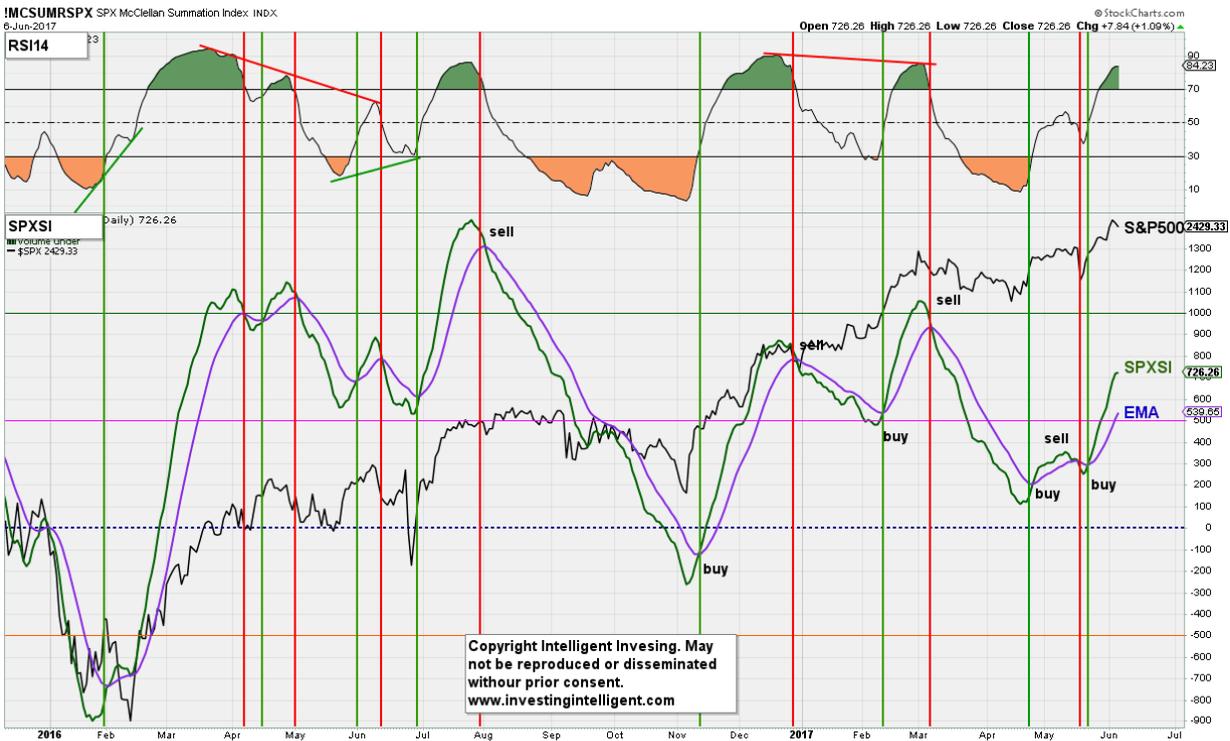
**Figure 2. DOW JONES daily TI chart. Price still above important support (SMAs, trend lines), but EDT forming?**



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The McClellan Oscillator based Summation Index for the S&P500 (SPX-SI) ended today again up, but market breadth itself was considerably lower (+8p). The uptrend is currently weakening. But, as long as the SI remains on a buy/long signal, buy/long it is until it isn't. Yesterday's 0.51 CPCE (equities put/call ratio) was indeed correct: too high for more upside. It ended today at 0.59: noise zone.

Figure 3. SPXSI continues to be on a buy.



In conclusion: As long as price remains over SPX2415 we need to look higher. Breadth is weak and suggestive of little upside, but the SPX-SI remains on buy/long. In addition, price is still above all important SMAs (5d to 200d) as well as above important uptrend trend lines. Most TIs are still on buy and pointing up. Thus the charts tell us upside continues to be more likely. Micro-4 may however already be underway.

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