

Intelligent Investing, Daily Update June 19, 2017

Well, SPX2416 was all she wrote and I've be reiterating often enough for people to know that as long as that level held, and especially SPX2406, there was nothing to be bearish about. True to form, the S&P500, DOW and NYA rocketed to new highs today. Tech is obviously lagging, but we continue our focus on the broader indices. My counts remain the same: minor-5 underway (OEW), minute-v underway (EWT). See Figures 1A, B; respectively. Using the EWT count as the ideal path forward, price should now be wrapping up micro-3 of minute-v to around SPX2356, then a ~10p drop for micro-4 to SPX2346, to be followed by micro-5 to SPX2361 or ideally SPX2374. Note the breakout symmetry target (purple arrow, Fig 1B) targets SPX2461.

Figure 1. SPX 60 min chart: minor-4 became a flat. Minor-5 (OEW) or Minute-v of Minor-3 (EWT) underway



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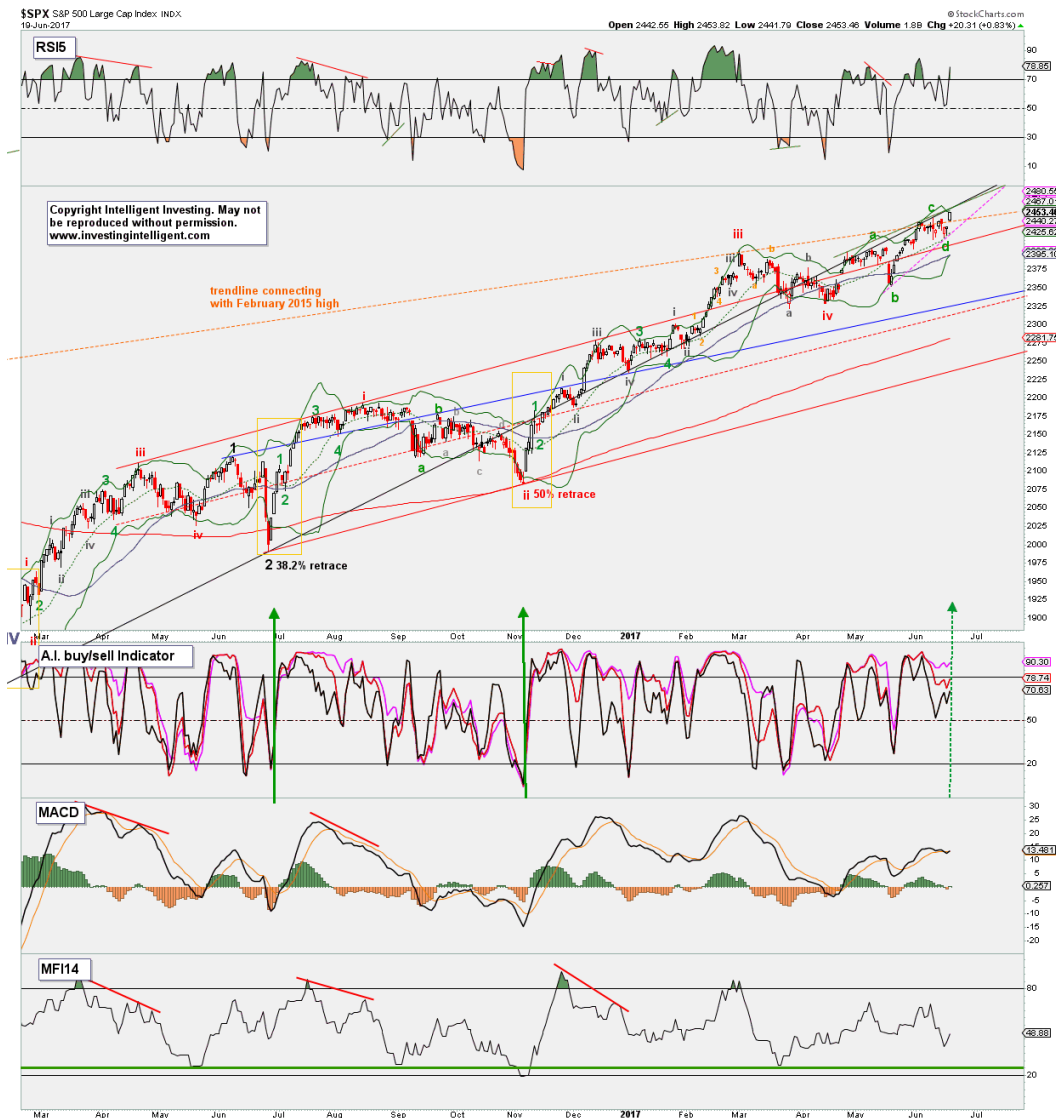
The aforementioned path forward is also exemplified by the ideal wave tracker table (see below), where SPX2356 is the 1.382x extension and 2474 the 1.618x extension. SPX2485-2505 remains the ideal major-3 top target zone.

Table 1. Ideal wave tracker table has next target at SPX2456-2474 +/- 2p. Ultimate SPX2485-2405 target remains

Minor wave FOR UP WAVES +/- 2p	wave 1	wave 2	minute-iii targets				Minor 3 targets			minor 4 targets		Minor 5 target		
			deal wave i	iv	iii, iv target	3 of iii	iii	ideal wave 3 targets	3	ideal wave 4 targets	iv/4	4	ideal wave 5 targets	5
start	2328.95	2403.87	0.618x 1	0.764 x1	1.00x 1	1.236x 1	1.382x 1	1.500x1	1.618x 1	0.764x 1	1.00x 1	1.764x 1	2.000x 1	
end	2403.87	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	2352.72	
length/actual price	74.92	51.15			2427.64	2445.32	2456.26	2465.10	2473.94	2409.96	2427.64	2484.88	2502.56	
Difference					0.70	-0.88				5.74				

Today price accomplished something significant: it broke above the trendline connecting the February 2015 price high. All TIs are pointing back up, price remains above all important short-term to long-term SMAs as well as important trend lines. Resistance is at the upper green and black uptrend lines. With new ATHs there's simple very little that's bearish about this chart. The EDT count (a, b, c, d, e) remains a possibility but is becoming less likely as price continues to look impulsive (5-waves up) to the upside. EDTs are internally all 3-wave sequences. But we'll keep it for now: so there's no surprises. The EDT now targets ~SPX2480.

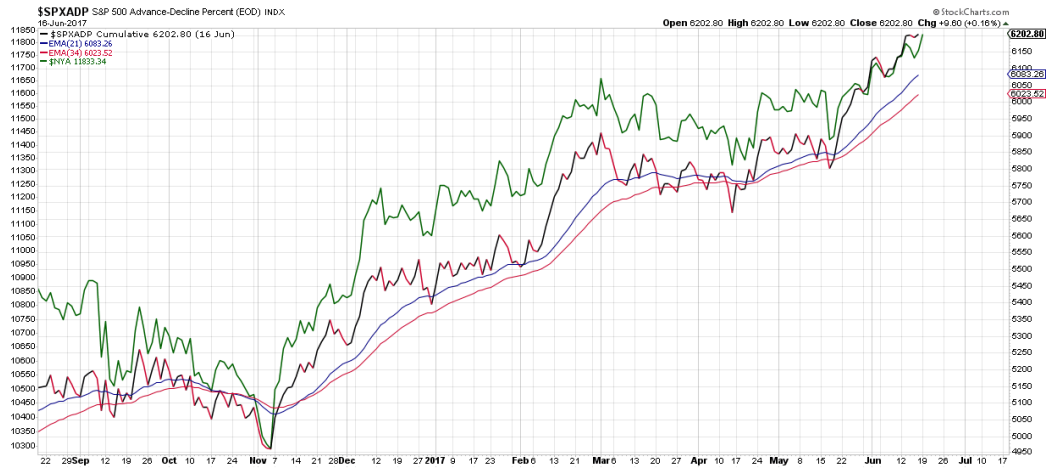
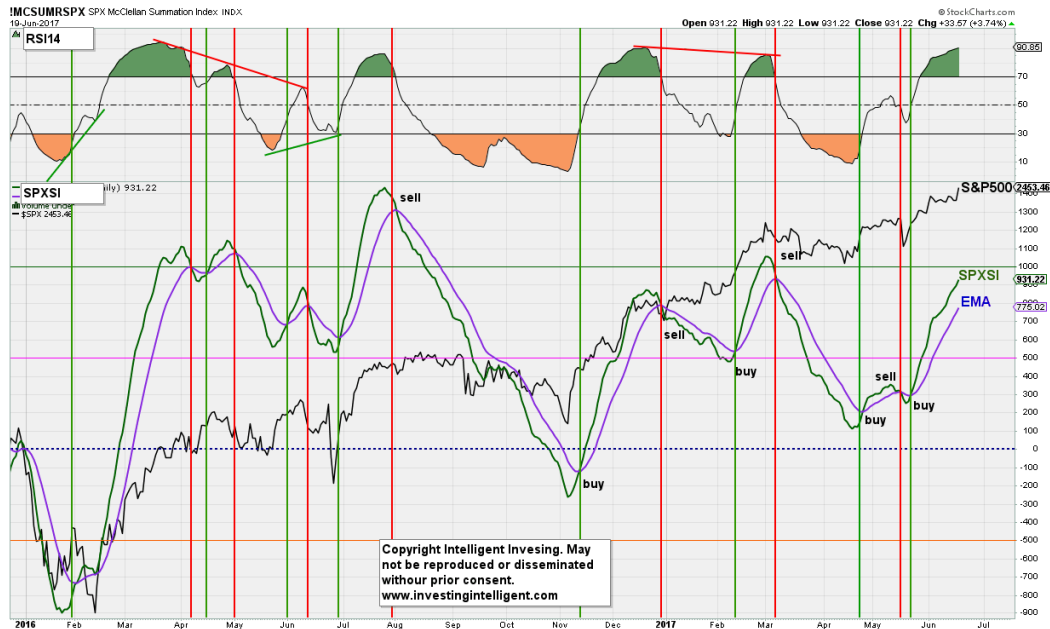
Figure 2. SPX daily chart: price remains above all important SMAs and trend lines, TIs are pointing back up.



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Starting to sound like a broken record, but the McClellan Oscillator based Summation Index for the S&P500 (SPX-SI) continues to gain as market breadth remains positive on the S&P500 and improved today. It therefore remains on a buy/long signal. **As long as the SI remains on a buy/long signal, buy/long it is. Pure and simple ☺.** Some of you asked if I could show the Advancing/Declining issue for the S&P500 instead of that for the NYA since I mainly discuss the S&P500 (Figure 3B). What we see is that the SPX-AD continues to make new ATHs. We would need to see negative divergence to announce an important top is forming. So far that hasn't happened yet; which suggests an additional 4th and 5th wave could be required (per the EWT count). Just be aware of this.

Figure 3. SPXSI remains on buy/long. SPX-A/D continues to make new ATHs



In conclusion: I expect SPX2355-2375 to be reached over the next few days. I prefer to see then a 4th wave correction followed by one last 5th wave to SPX2485-2505 to complete all of major-3. This would ideally setup negative divergence on the market breadth indicators. But for now, price held SPX2416, broke over SPX2446 to new ATHs and SPX2460s are next.

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