



MARKETGAUGE

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January 2023

Early Trend Trades

by

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About this report

This report is intended to highlight potential trend trade opportunities based on pattern that combine basic support and resistance with MarketGauge's January Trend Trade, and Triple Play (Leadership & Volume Trend) indicators.

The data in this report is as of January 6, 2023.

- Who is this for?
 - If you don't have our January Trend Trade instruction or our Triple Play indicators, you should still be able to see why these trends are being highlighted.
 - If you have Triple Play, then you'll better appreciate the setups based on the indicators.
 - If you have our January Trend Trade instruction, then you should look closely at the initial Jan. O.R. patterns.
 - If you are a member of our Complete Trader membership, then you have all of the above and more and I urge you to look at the Real Motion indicators on these charts also.

If you'd like to learn more and get access to the Triple Play indicators and training and/or the January Trend Trade setups you can...

- [Click here to see if the special holiday offer of a 3 in 1 package is still available](#)
- Contact our Chief Strategy Consultant, Rob Quinn at:
 - rob@marketgauge.com
 - (407) 770-7637
 - [Schedule a call with Rob here](#)

How to Read The Report

- There is a daily and weekly perspective on each chart.
- Price moving averages are simple and the same settings for each time frame
 - 10 period = Magenta
 - 50 period = Blue
 - 200 period = Green
- The sub-graph indicators are MarketGauge's proprietary Triple Play indicators. The simplest interpretation is to 'red over blue' is bullish. They are used to confirm and anticipate price trends.

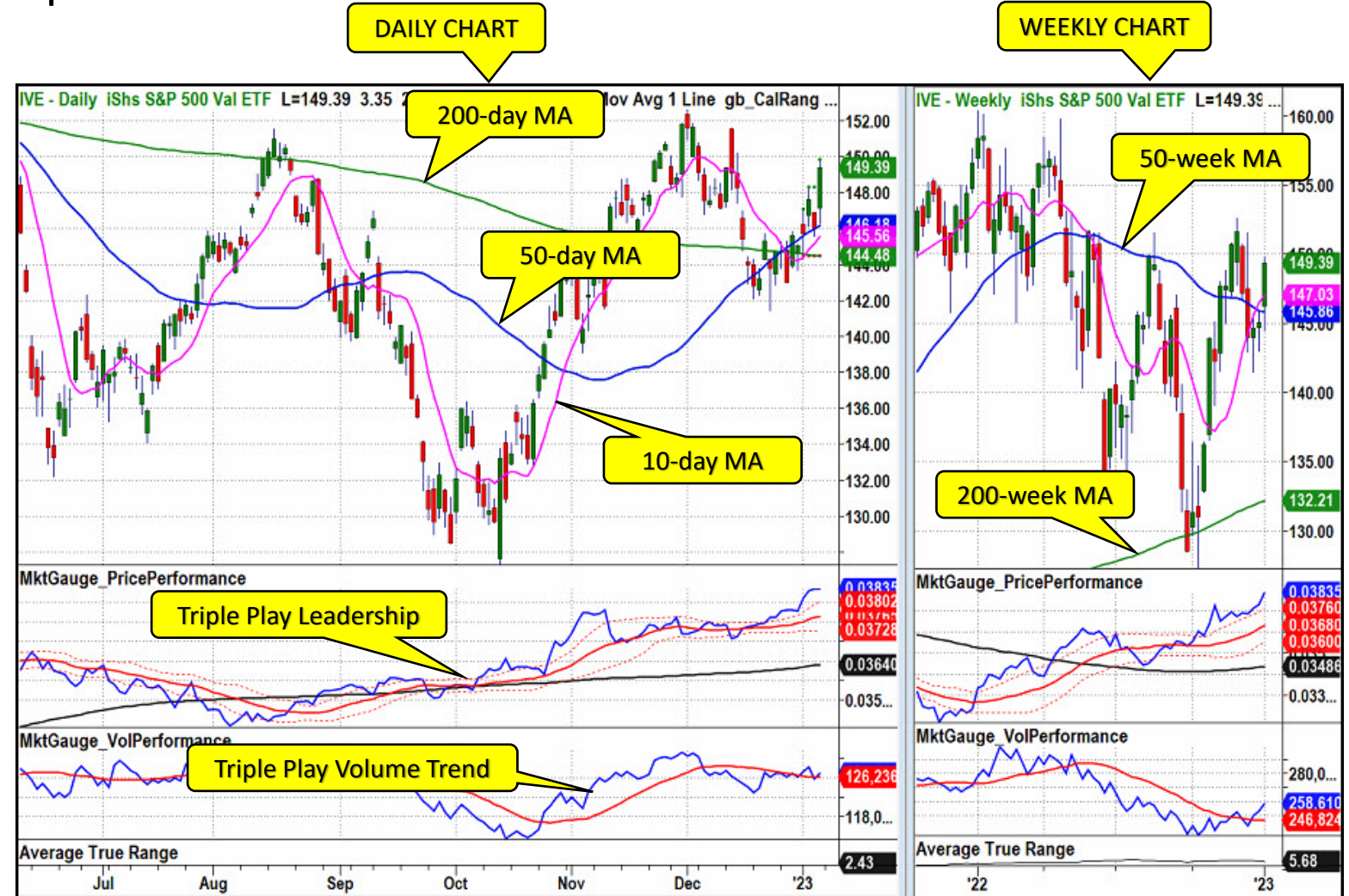


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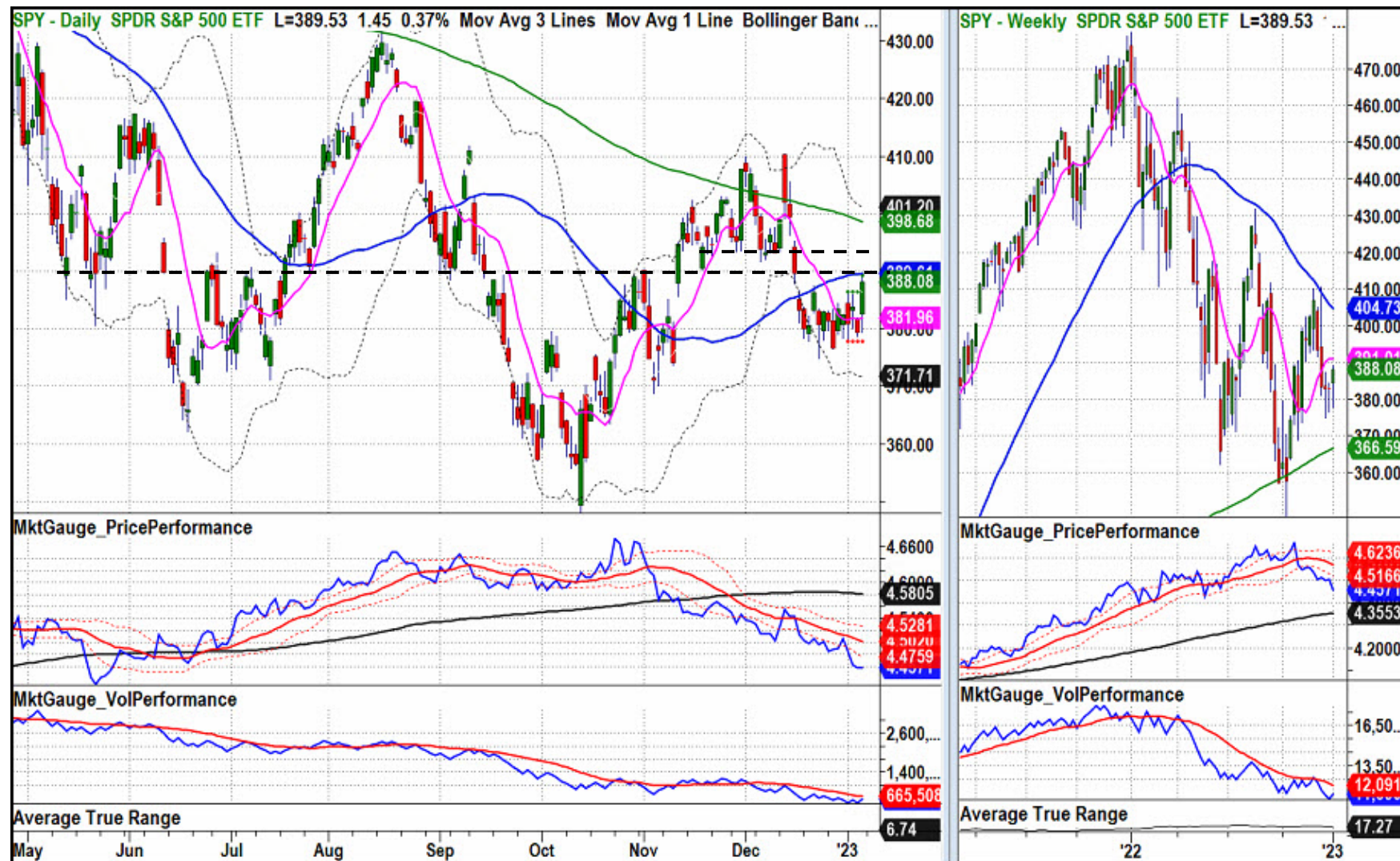


Bullish Trends

Strong Leadership and Initial January
Trend Trade Breakout

SPY

- The SPY had a solid Jan. Trend Initial (O.R.) breakout on Friday Jan. 6th. Other key Market Watch ETFs that broke out included: IVE, IWM, and DIA.
- The 390 level marked on the chart and the 50-day MA have both been pivotal in the last 6 months and a move over them would confirm the Jan. breakout.
- The Volume Trend is still weak, and QQQ didn't breakout, so it's important to get more confirmation.
- The Leadership line is based on ACWI demonstrating the SPY's underperformance globally.
- The initial move has been up. If there is a reversal and break to a Jan. low watch out for SPY and QQQ with bearish leadership.



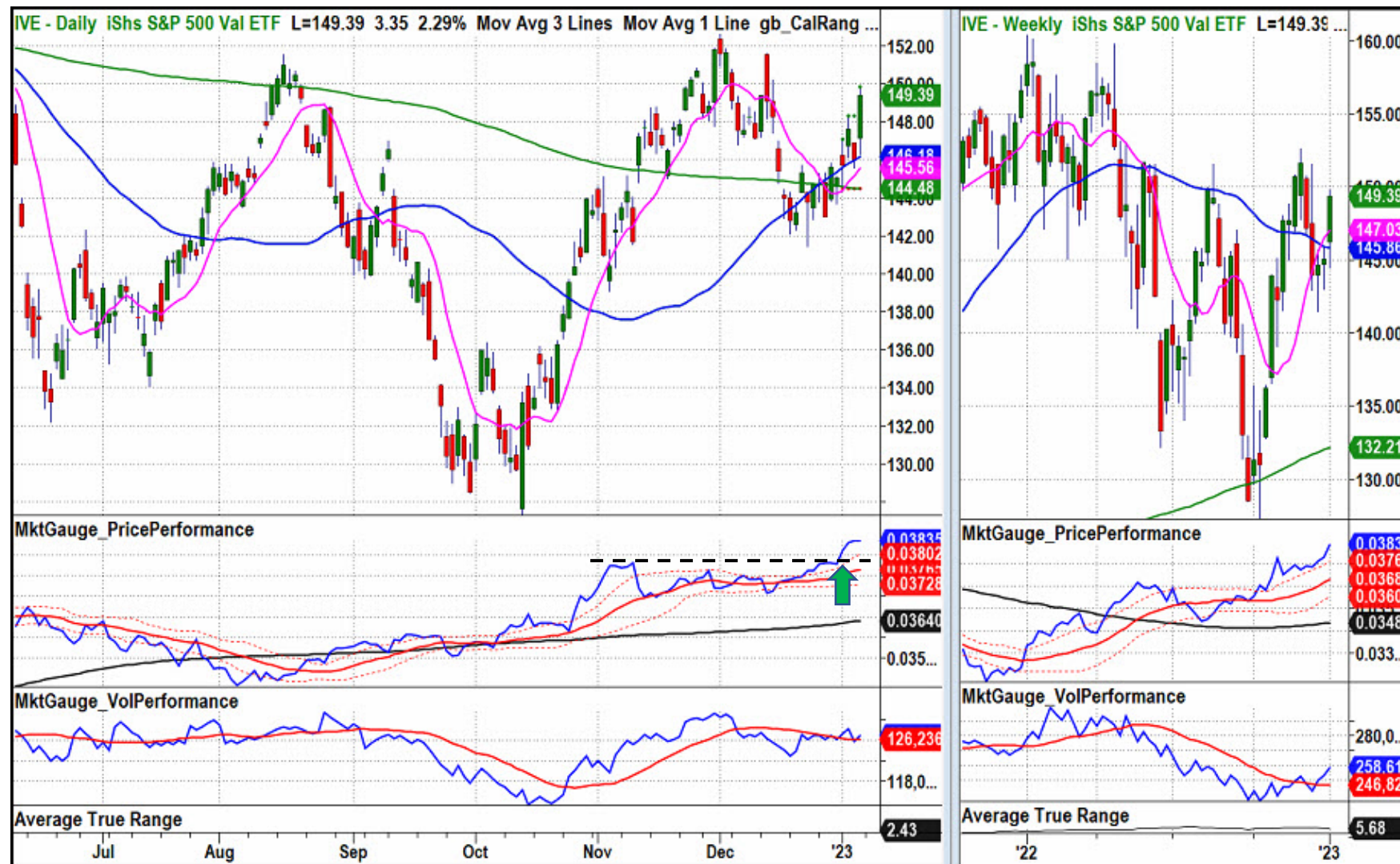
QQQ

- The QQQ did not have a Jan. Trend Initial (O.R.) breakout on Friday Jan. 6th (1/6). All the other Market Watch ETFs did breakout (SPY, IWM, DIA).
- I don't expect it to lead the market higher, but it would be better if it at least followed the Jan. Trend Trade breakout pattern.
- Given the resistance level market by the dashed lines on the chart it has a tough chart for the bulls.
- Keep an eye on AAPL, MSFT, and GOOG as they still represent roughly 30% of the QQQ.
- The initial move has been up. If there is a reversal and break to a Jan. low watch out for SPY and QQQ with bearish leadership.



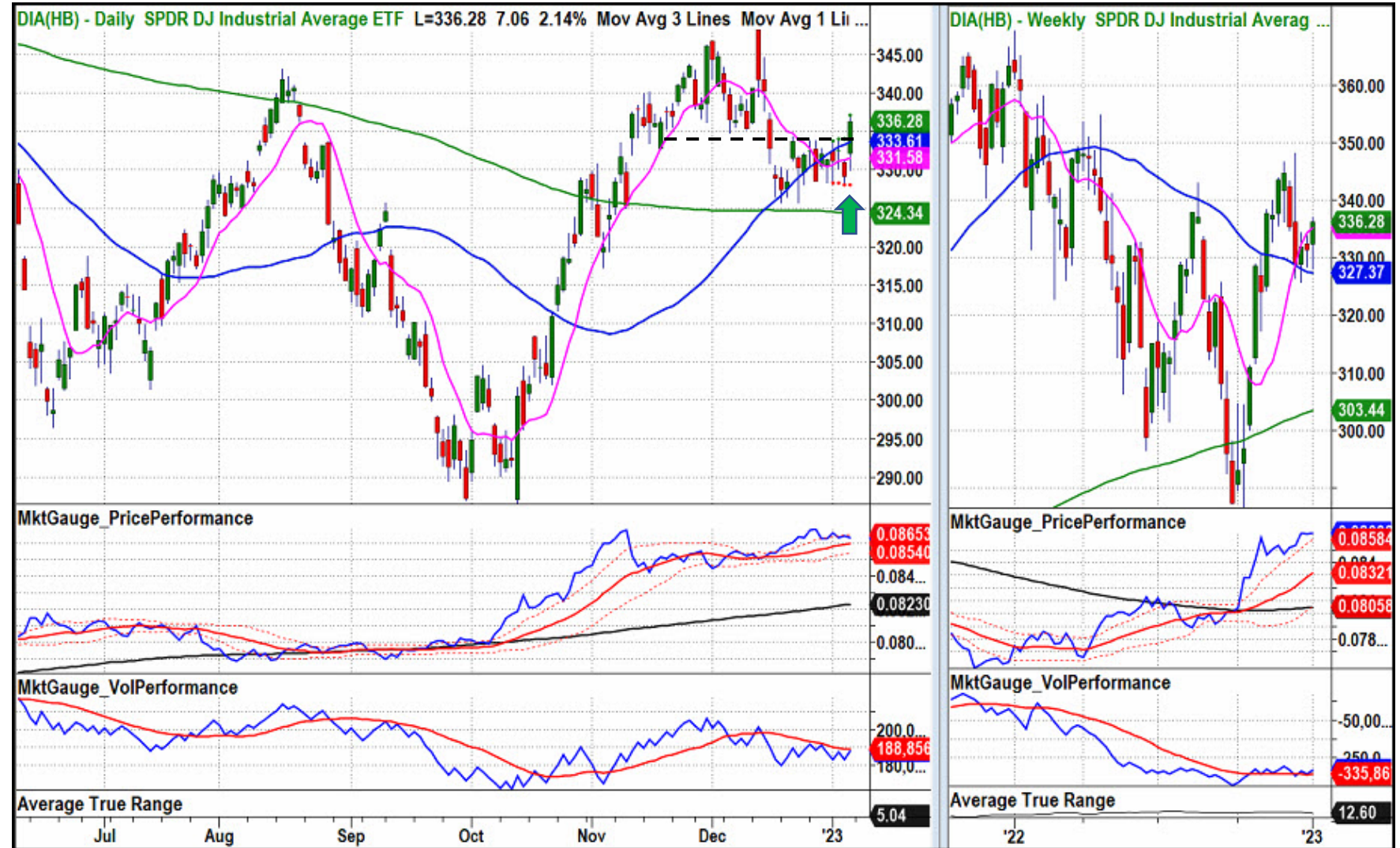
IVE

- IVE has the strongest leadership of (SPY, IVE, QQQ, IWM, DIA) with a new high.
- Confirmed early Jan Trend breakout.



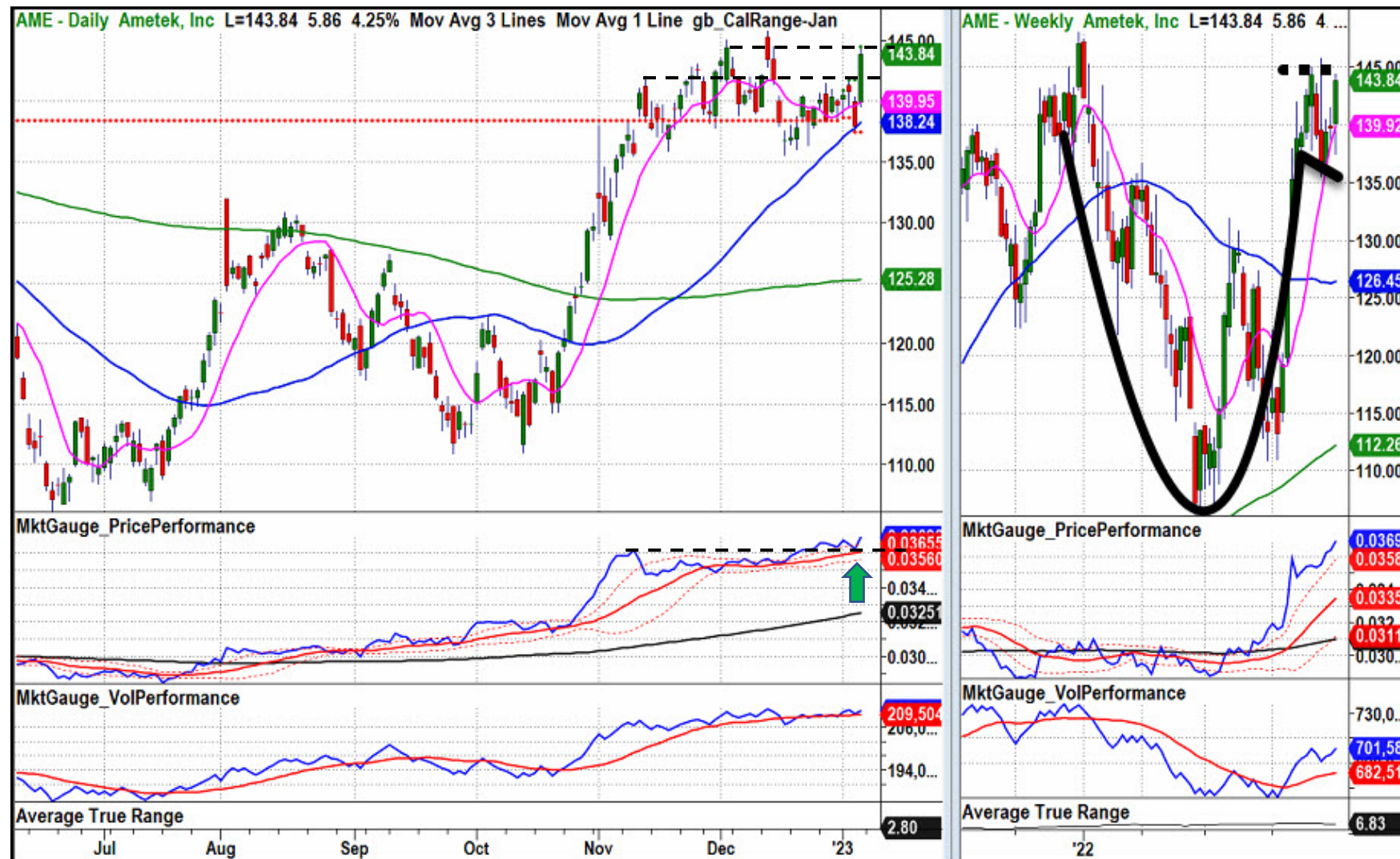
DIA

- IVE and DIA strongest early Jan Trend breakouts of (SPY, IVE, QQQ, IWM, DIA) with a new high.
- It's not a confirmed break as it has not "continued", and the Volume Trend is not confirming, so wait for confirmation.



AME

- The weekly chart shows a nice cup and handle pattern near all-time highs
- 12/2/22 set the closing high (dotted line on daily chart) is 144.38, and had a high of 145.03
- Look for a move over 145 to continue. A breakout should not trade back below the low of the day on Jan. 6th, rounded down to 139.50.
- Look for a pullback to hold around the 142 breakout level.
- Note the new highs in the Leadership indicator.



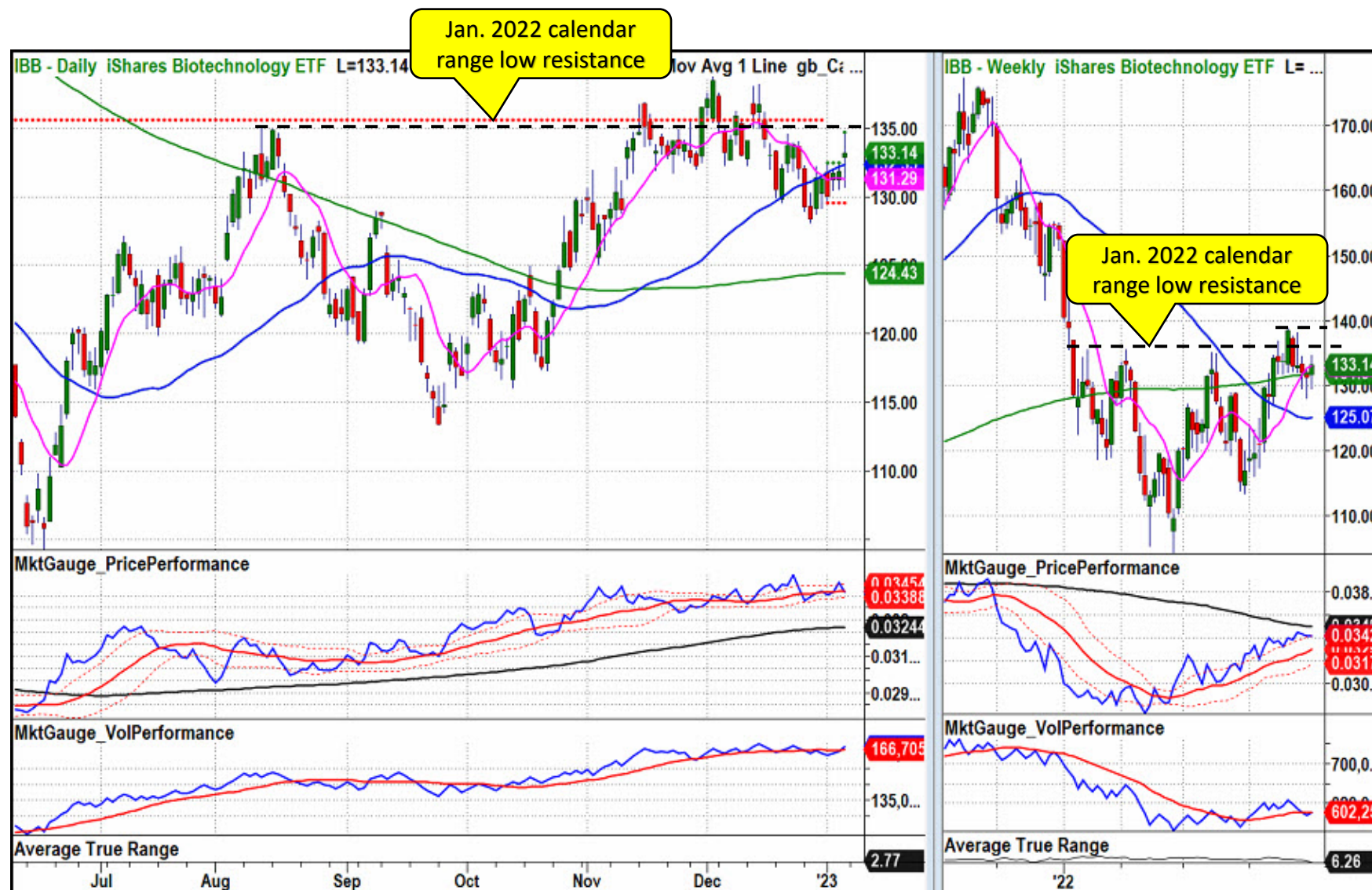
FSLR

- A leader in 2022, still in a strong up trend, and breaking its early Jan. range
- Recent swing low in price create a bullish divergence with the leadership indicator that didn't make a swing low
- Confirmation of a move higher would be a significant move over the Jan. 6th high
- 150 should be good support



IBB

- IBB is on this list to be sure it's on your watch list if it breaks 135.
- It has a weak close over the Jan. 6th high that needs be a confirmed by a break of the 135 level.
- The Leadership line has not rallied with the price in the last week, which is concerning.
- As you can see on the weekly chart, a move over 139 would represent a move out of a 12-month base.



ITW

- Strong initial Jan. breakout of the Jan. O.R. Look for confirmation over the breakout high.
- Leadership indicator has broken to new highs ahead of price, which is bullish.
- Look for support on a pull back between 225 and 223.



MNST

- The weekly chart is the reason MNST is on this list. Notice the 6 weeks of consolidation at all time highs.
- It does not have a Jan. early breakout. It's still consolidating.
- Watch for a close over 103 and then confirmation after that.
- Leadership and Volume Trend indicators have been impressive since September.



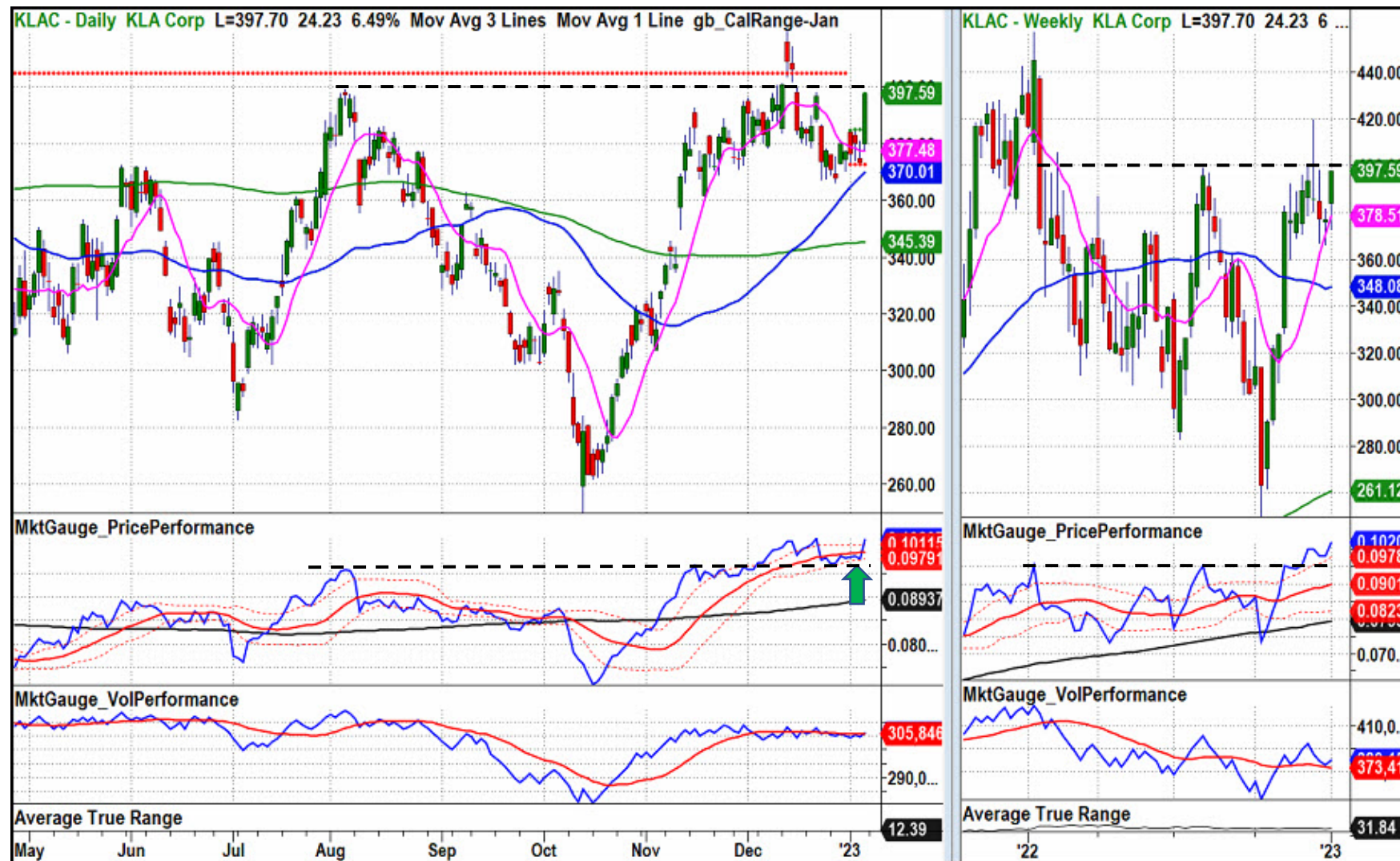
TXT

- Leadership and Volume Trend have been very impressive on TXT since the Oct. move over the 50-day. Look at the weekly indicators to see the shift in October.
- A move over 72 would be a confirmed Jan. Trend Trade breakout. It needs to break over 72.50 to breakout of the range resistance since Nov.
- Look for support at the high of the Jan. breakout – 71.50.



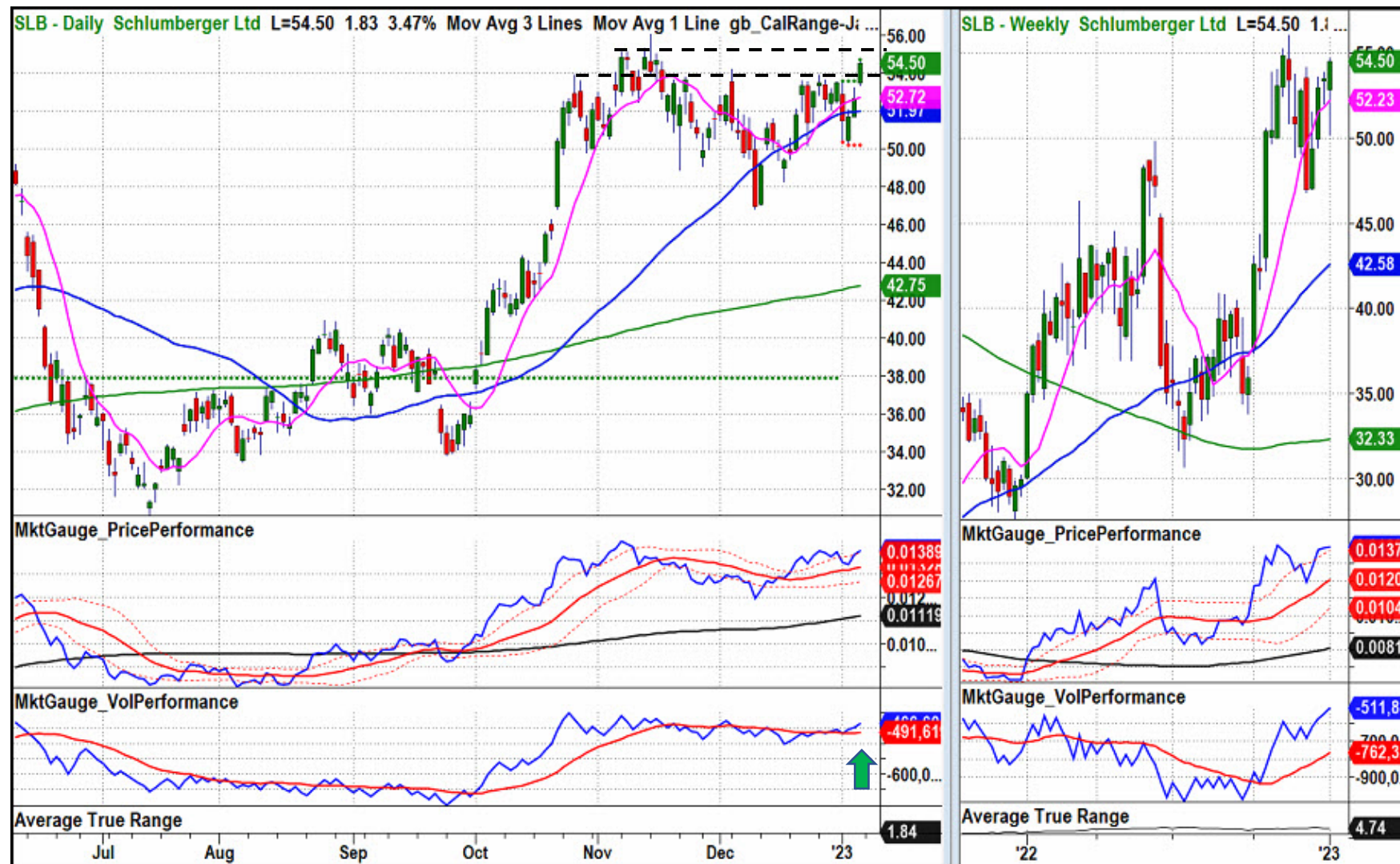
KLAC

- The SMH broke out of its Jan O.R. so I looked for a stronger semiconductor for this list – KLAC.
- It has a big Jan. initial breakout. A confirmation move with a close over 400 should continue higher in a stable general market.
- Note the significance of the 400 level marked on the weekly chart.
- Note the Leadership indicator breaking out to all time highs.
- Look for support around 384-385.



SLB

- If energy is going to continue higher, OIH looks better than XLE, XOP or USO, and SLB, a major part of OIH, looks even better.
- The Jan. O.R. breakout also cleared an important level of 54.
- If it confirms with a move over 54.70, it should not trade below 52.
- Watch out for resistance at 55.25 – the high dashed line on the chart.
- Leadership turned very bullish in mid-Dec. and the Volume Trend is turning bullish now.



GDX

- The Jan. 6th move represents a confirmed Jan. O.R. breakout.
- Any correction should find support around 30.
- Notice the strong daily Leadership indicator crossed the long-term average in early Nov. and stayed bullish since.
- Notice the weekly closed over the 200-week average for the first time since June 2022.



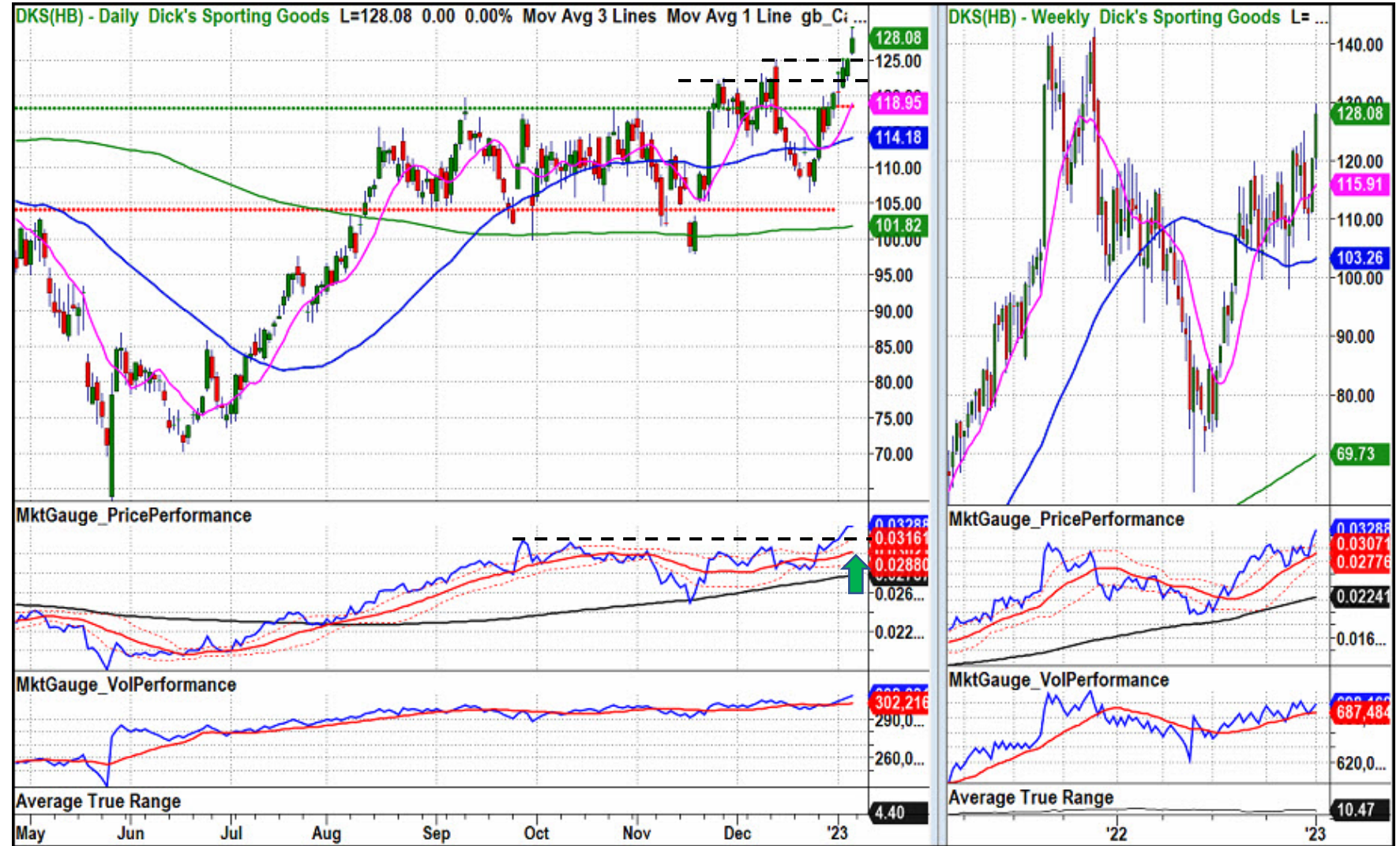
CAT

- CAT broke out to new all-time highs, on an initial Jan. breakout.
- Rather than chase, look for a new consolidation or a pull to the 244-240 area.
- Leadership and Volume Trend indicators look strong.



DKS

- DKS broke out to new 52-week high, on an initial Jan. breakout.
- Rather than chase, look for a new consolidation or a pull to the 125-123.50 area.
- Leadership and Volume Trend indicators look strong.



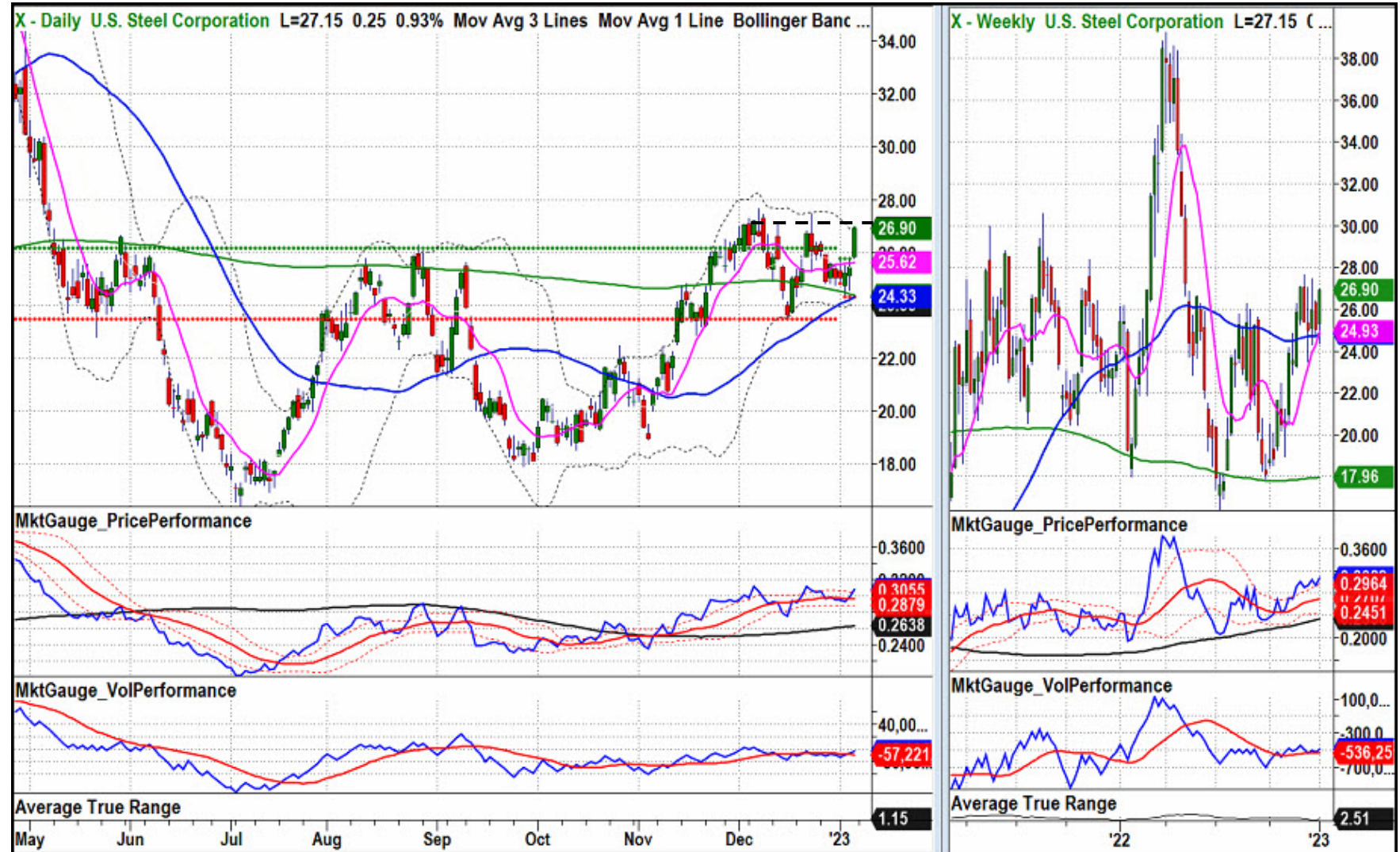


Bullish Trends with a *“Triple Play Squeeze”*

A “Triple Play Squeeze” is simply the Bollinger Bands being narrow relative to the last 50 days. When the market breaks in the same direction as the Leadership and Volume Trend, the move can be explosive.

X

- It's hard to imagine U.S. Steel being a market leader, and it has significant weekly resistance from current levels to 30. However, it has compressed consolidation in a bullish trend. If nothing else, it could be a good measure of the market's appetite for cyclical trades.
- A close over 27.22, marked on the chart, would represent a confirmed Jan. O.R. breakout and Squeeze breakout.



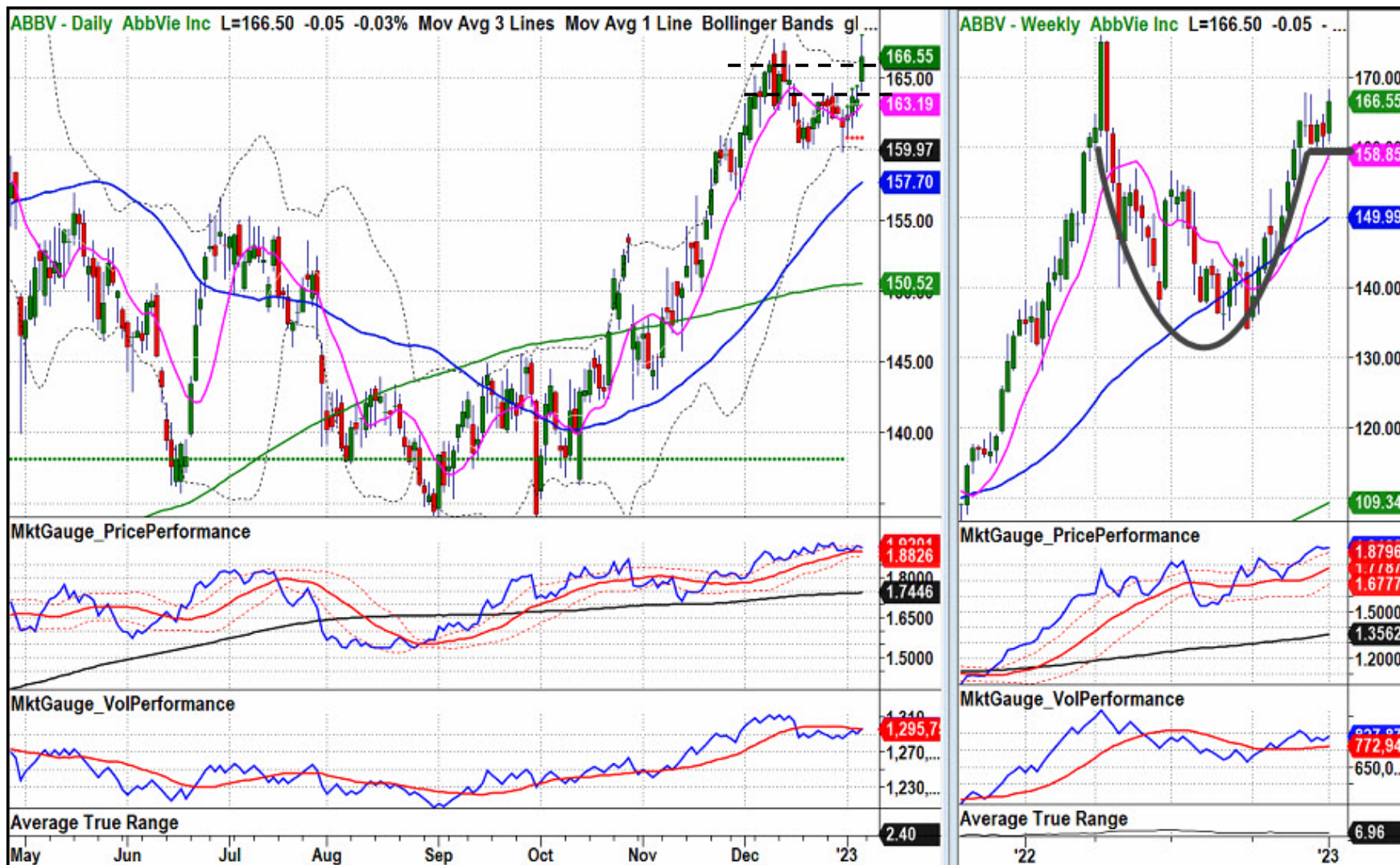
STT

- STT is leading in the financial sector.
- A close over 81, (marked on the chart) would represent a confirmed Jan. O.R. breakout and Squeeze breakout.



ABBV

- ABBV should be less impacted by a recession.
- It's in a strong trend with a cup and handle pattern and squeezed.
- The Jan. 6th close was a new high close and a confirmed Jan O.R. breakout.
- It should continue higher unless it trades under the Jan. 6th low.
- One note of concern is the weak volume trend.





Bearish Trends

Weak Leadership Trend and Weak Initial
January Trend

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AAPL

- AAPL's breakdown below 140 and then 135 with the Volume Trend strongly negative makes it a candidate for a short until it demonstrates a confirmed January O.R. breakout over 130.
- **The best short trigger will be a confirmed breakdown below the January low.**
- Additionally, 135 is likely to be significant resistance. If it rallies to this level and rollovers over this will be another opportunity.



PANW

- As you can see on the weekly chart, 140 is a big support level that has been broken.
- With very negative Leadership and Volume Trend indicators and a bearish Jan. O.R. breakdown, PANW is bearish until it closes over 144.



- Looking to short UNH, a “leader” in healthcare, which seems to be a universally favored sector sounds risky, and it probably is. So look for well defined risk points. It’s extended on the downside, but sitting at important support at about 487.
- Its weekly Leadership and Volume Trend have not been this weak since 2019.
- Prior to last week, it’s only had one weekly close below its 200-day MA (June 17, 2022) since the pandemic crash in 2020.
- **It has a confirmed Jan. O.R. breakdown, and for all the reasons above, a move below 487 could lead to a January surprise to the downside.**
- Additionally, a rally up to the 500-510 area that rollovers over is another potential trade.
- There’s good support at 550.

