

NASDAQ Momentum Diverging

eResearch Corporation is pleased to provide an article by Keith Richards of **VALUETREND**.

In this article, Mr. Richards reviews the NASDAQ and looks for buying opportunities.

The article is reproduced below, beginning on the next page, or you can go directly to it at the following link: <http://www.valuetrend.ca/nasdaq-momentum-diverging/>

You can also visit the **VALUETREND** website at the link below:
<http://www.valuetrend.ca/>

eResearch Corporation was established in 2000 as Canada's first equity issuer-sponsored research organization. As a primary source for professional investment research, its Subscribers (subscription is free!!!) benefit by having written research on a variety of small- and mid-cap, under-covered companies.

eResearch also provides unsponsored research reports on middle and larger-sized companies, using a combination of fundamental and technical analysis.

eResearch complements its corporate research coverage with a diversified selection of informative, insightful, and thought-provoking research publications from a wide variety of investment professionals.

eResearch provides its professional investment research and analysis directly to its extensive subscriber network of discerning investors, and electronically through its website: www.eResearch.ca.

eResearch does not manage money or trade with the general public, provides full disclosure of all fee arrangements, and adheres to the strict application of its Best Practices Guidelines.

Bob Weir, CFA: Director of Research

Note: All of the comments, views, opinions, suggestions, recommendations, etc., contained in this Article, and which is distributed by eResearch Corporation, are strictly those of the Author and do not necessarily reflect those of eResearch Corporation.

Monday, September 18, 2017

NASDAQ Momentum Diverging

By: Keith Richards (bio at end)

See the chart on the next page.

The NASDAQ has put in a new high on declining momentum. Oscillators like the short-term Stochastics indicator – and more importantly the 14-week RSI and the longer-term MACD indicator show us that enthusiasm is waning on the NAZ. Volume is lower over the summer, but that is not unusual.

On the positive side is the trend, which is inarguably in an up-trend (higher highs and lows, above the important moving averages).

Money-flow (Accumulation/Distribution, bottom pane) is trending up – although that indicator is off a bit of late—no doubt due to the summer’s lower volume.

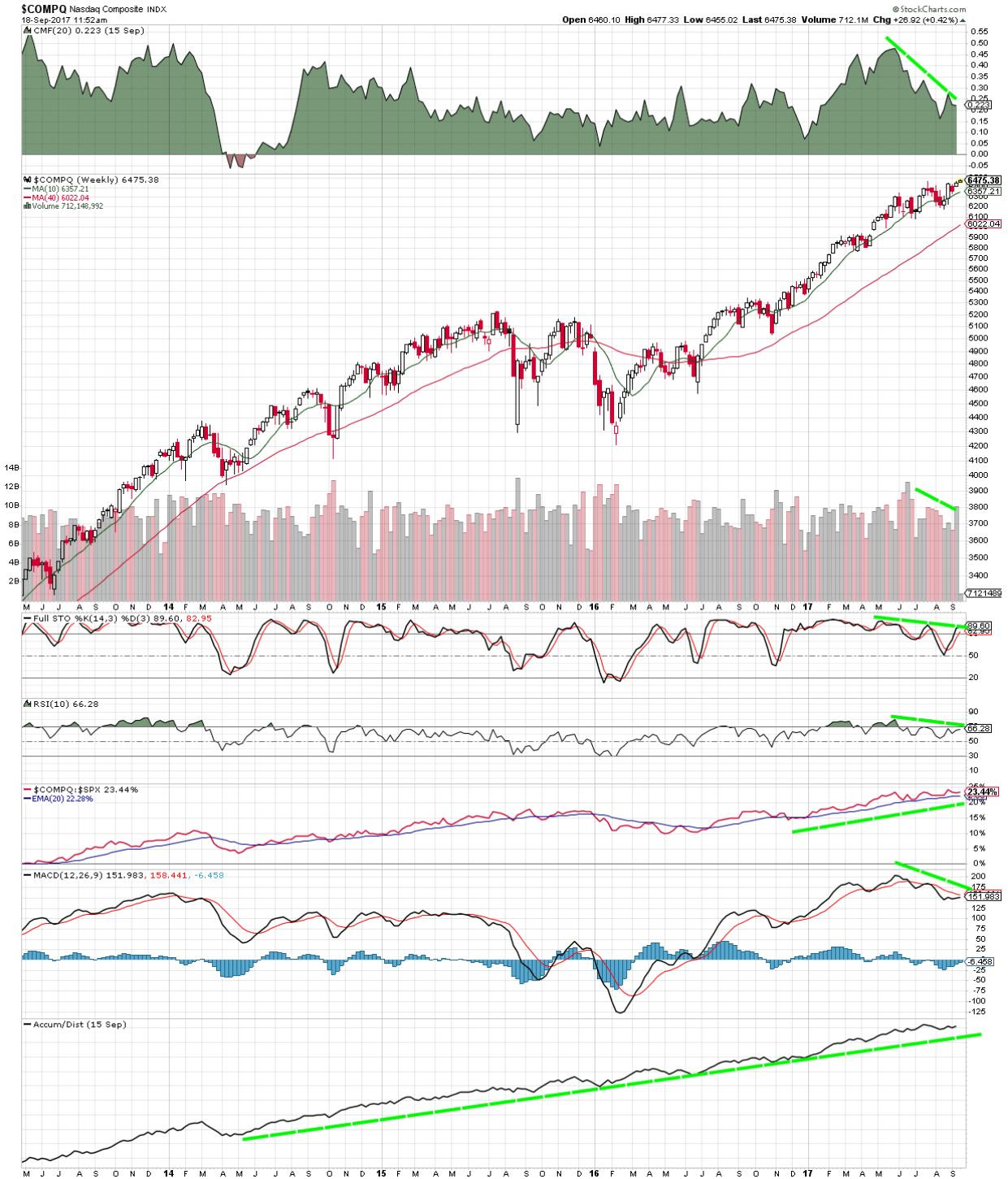
The top pane is money-flow momentum (Chalkin) – it is a short-term picture of the state of enthusiasm by market participants. It is diverging negatively.

So, it would appear that the major price trend tools are telling us the big picture is fine.

But, the momentum oscillators and the short-term money-flow oscillator are showing some near-term signs of weakness. Mind you, that has been going on for the entire summer – as discussed on [this blog](#).

VALUETREND

LIMIT YOUR RISK. KEEP YOUR MONEY.



The Nasdaq's largest weightings are in Apple, Microsoft, the FANGs (Facebook, Amazon, Netflix, Google) Intel, Cisco, and Comcast. I won't print all of the charts for those stocks here. But I will note that the biggest holding of Apple and Microsoft are supporting the new highs on the index.

Of the FANGS, Facebook is making new highs, Netflix is flat, and Amazon & Google are lower than their recent highs. All are trending nicely up from a longer term perspective.

For the remaining “biggies”: Comcast is flat, while Intel and Cisco are off of their highs. Their trends are wavering – neutral at best. No dominant uptrend to be seen here.

All in, NAZ is likely going to pause for a bit – given the mixed messages of its top components – and the divergences in the indicators noted above. I would not expect much of a precipitous drop, though. The trend is showing no signs of breaking. Any hesitation or pull-back on the better components of the index – or the index itself, will probably represent a buying opportunity.

#####

INVESTMENT ANALYSIS | WEALTH MANAGEMENT | PORTFOLIO MANAGEMENT
LIMIT YOUR RISK. KEEP YOUR MONEY.

See **About The Author** below.

ABOUT THE AUTHOR



ValueTrend Founder and Owner, Keith Richards, has been in the securities industry since 1990. ValueTrend manages over \$100 million through a discretionary investment service for high-net-worth clients.

Keith Richards has been in the securities industry since 1990 and is a highly regarded member of the small, exclusive community of Chartered Market Technicians in Canada. Mr. Richard’s articles appear regularly in INVESTORS DIGEST, MONEYLETTER, GLOBE AND MAIL, and the TORONTO STAR newspapers.

His appearances on BNN Television have inspired producers to acknowledge him as “**one of [our] most accurate technical analysts.**” Mr. Richard’s first book, SMARTBOUNCE: 3 ACTION STEPS TO PORTFOLIO RECOVERY, is available in bookstores and directly through his blog page www.valuetrend.ca/blog/. His second book, SIDEWAYS: USING THE POWER OF TECHNICAL ANALYSIS TO PROFIT IN UNCERTAIN TIMES was released in late 2011. He has been critical of the commission-based, follow-the-pack approach to investing – where brokers succeed regardless of performance.

#####