

## Weekly Market Review

**eResearch Corporation** is pleased to provide a commentary courtesy of Urban Carmel of **The Fat Pitch**.

Detailed information on **The Fat Pitch** is provided at the end of the article. However, a brief overview is provided immediately below, with the article beginning on the next page.

### WHAT IS THE FAT PITCH?

Specifically, the Fat Pitch on this site refers to two situations.

First: A Fat Pitch comes at a market turning point.

Second: The Fat Pitch is a favorable investing environment.

### Objectives

The objective of The Fat Pitch is to provide a structured, quantitative, and empirical methodology for evaluating the state of the market. At any point in time, there are a variety of factors pulling on the market. We want to determine the relative importance of each factor in order to answer two questions:

- (1) In which direction should we be investing in the market?
- (2) Are tailwinds behind this direction or are headwinds picking up?

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

# The Fat Pitch

February 17, 2019

## Weekly Market Summary

Summary: SPX has now gained 19% since Christmas Eve, while the Nasdaq is up 20% and RUT is up 23%. NDX, RUT and DJIA have all risen 8 weeks in a row.

SPX is now back within 1% of the top of its trading range from October to early December. It would be very surprising if SPX did not encounter some resistance as it nears 2790-2810. That is made more likely by the fact that consecutive weeks of gains, while bullish longer term, have most often been followed by a period of consolidation and retracement.

The longer term outlook continues improve. Equal weighted indices, which remove the influence of a few, large companies, are outperforming their traditional market capitalization weighted peers. The Nasdaq index, normalized to reduce the influence of FAANG, is just 1.5% from a new all time high (ATH). If those big companies kick into gear, the traditional indices will likewise move back to their ATHs.

The primary characteristic of this rally has been broad participation. This week, the cumulative advance/decline line for the very broad NYSE made a new ATH . This did not happen during any bear market rally over the past 40 years.

\* \* \*

Since Christmas Eve, SPX is up 19%, NDX 20% and RUT 23%. NDX, RUT and DJIA have each risen the past 8 weeks in a row (table from [alphatrends.net](http://alphatrends.net)). *Enlarge any chart in this report simply by clicking on it.* Use <Ctrl-Click>

## FEBRUARY 15, 2019

	Yest	Today	Chg	Chg%	WK %	MTD%	YTD %
SPY	274.38	277.39	3.01	1.10%	2.56%	2.78%	10.99%
QQQ	171.17	171.96	0.79	0.46%	2.02%	2.26%	11.47%
IWM	153.77	156.20	2.43	1.58%	4.24%	4.85%	16.65%
SMH	102.02	102.56	0.54	0.53%	3.75%	6.18%	17.51%
IBB	110.21	112.03	1.82	1.65%	3.92%	2.11%	16.18%
DIA	254.97	258.65	3.68	1.44%	2.92%	3.45%	10.91%
USO	11.47	11.72	0.25	2.18%	5.78%	3.35%	21.33%
XLF	25.89	26.42	0.53	2.05%	2.92%	1.89%	10.92%
TLT	121.78	121.97	0.19	0.16%	-0.31%	0.06%	0.38%
XLE	65.07	66.12	1.05	1.61%	5.05%	3.70%	15.29%
VXXB	33.73	32.60	-1.13	-3.35%	-4.76%	-7.99%	-30.62%

# The Fat Pitch

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**BW:** You can read the rest of the detailed article by clicking on the <Read more> link below. Also, you can enlarge any chart by clicking on it.

[Read more »](#)

The Fat Pitch website is here: <http://fat-pitch.blogspot.ca/>

**BW:** Info on Mr. Urban Carmel and his blog, The Fat Pitch, follows on the ensuing page.

# The Fat Pitch

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## WHAT IS THE FAT PITCH?

In baseball, a fat pitch is a hittable ball. The odds are in your favor. You might miss, but it is a situation where you should take a swing of the bat. If you swing at good pitches and avoid the crappy ones, you improve your OBP. Once on base, it becomes a running game.

The stock market serves a lot of curve balls. Now and then there comes a Fat Pitch, your odds-on opportunity to swing the bat. So, get on base and then manage your base-runners.

Specifically, the Fat Pitch on this site refers to two situations.

**First: A Fat Pitch comes at a market turning point.** It is an identifiable and quantifiable capitulation point where sellers or buyers have become exhausted and panic or euphoria is at an extreme. The Fat Pitch here is measured by a combination of (in no particular order): put-call, Trin, NYMO, sentiment, fund cash balances, major accumulation or distribution, volume, price relative to Bollinger bands, volatility, and consecutive days in a row in one direction. Swinging the bat without popping up is the hardest part.

**Second: The Fat Pitch is a favorable investing environment.** Old hands talk about there being only a few good times each year to be involved in the market. The remainder are unprofitable. I think this is correct. The Weekly Market Summary is intended to help discern when it is favorable to be long (or short) and when it is best to work on improving your French.

Every day, week, and year is a learning experience. The purpose of this site is to help refine what constitutes a Fat Pitch. Like baseball, you have to continue to work on your swing.

## Our Objectives

The objective of the Fat Pitch is to provide a structured, quantitative, and empirical methodology for evaluating the state of the market. At any point in time, there are a variety of factors pulling on the market. We want to determine the relative importance of each factor in order to answer two questions:

1. In which direction should we be investing in the market?
2. Are tailwinds behind this direction or are headwinds picking up?

Every Friday we publish a Weekly Market Summary with green, yellow, and red lights on it. Green is good and red is bad. Everything on this site is in support of this market summary.

The little tabs across the top of the site (trend, breadth, etc.) mirror the different factors we follow to monitor the market. There is nothing here that does not fit with the methodology.

Anytime you want to understand why a factor is red or green, click on the tab and read the accompanying analyses. To the fullest extent possible, we quantify and use empirics to determine the state of every factor.

**The Fat Pitch** is authored by Urban Carmel, see below.

# The Fat Pitch

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## Urban Carmel



Strategy Consultant and Finance Commentator

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