



MOMENTUM STRUCTURAL ANALYSIS

July 26, 2019

GOOGL and AMZN (two biggies)



GOOGL

Two differing vistas.

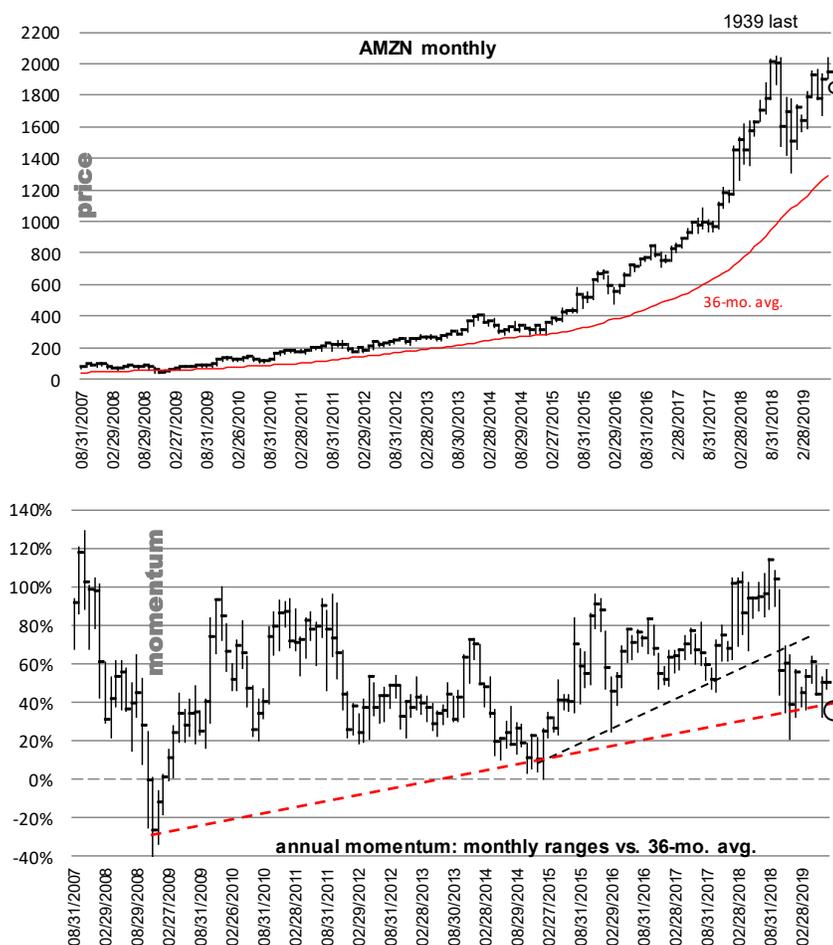
Price shows rangebound action since 2018, up/down/up/down and now “up”—on news.

Annual momentum shows clear trend breakage. The structure goes back to 2010. The red line on momentum is defined by a reaction low monthly close of 2010, a low close in late 2015, a low close in early 2016, and the April 2018 low closing reading (plus quite a few intramonth oscillator lows that have tagged that structure).

GOOGL broke it in late 2018 and has since been confined below—while price teases both ways.

In sum, MSA is skeptical about the must-hold view of this stock—due to its hefty weighting in the S&P and NDX. It can't be left out of one's portfolio, right? We suggest there are things to do in the world of markets other than assume that GOOGL's price knows best (which is confusing anyway), while momentum is groping

around **below a broken annual momentum uptrend.**



AMZN

This leader symbol hasn't broken its aged annual momentum uptrend, red-lined. MSA has been monitoring it month by month in that regard. When it goes, we think the broader market won't take it well.

Meanwhile, its annual momentum action has taken out the upward wave that lasted from 2014 to 2018 (black dashed line). And the action since then is groveling—while obviously trying to avoid a close below the final structure.

Note the action of prior lows along the red line (plotted through reaction low monthly closing readings since 2008). At prior lows on that line AMZN did not labor long in producing a sharp upturn. This time it has labored on the line a long time—eight months. And it can't seem to do more than not break the red line. It's hugging it almost every month.

If it closes out next month at **1838** or lower, that will credibly break the red line structure, circled on both charts.

That is a slight adjustment since our last report.

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