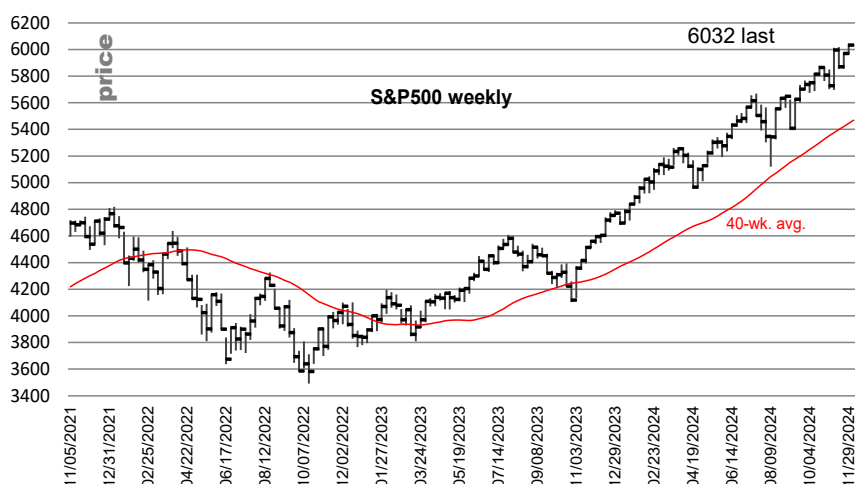


360° WEEKEND REPORT

MSA

December 1, 2024

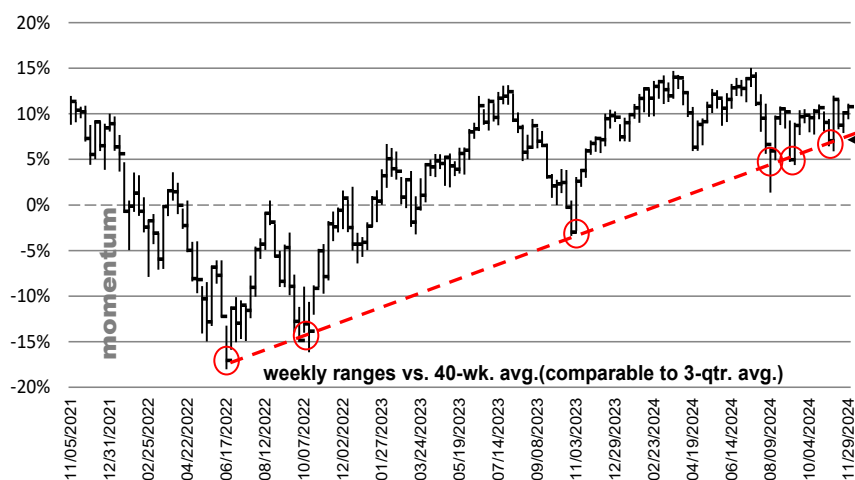
The U.S. stock market, gold & silver, and Bitcoin



As MSA has stated in many reports over the past few months, **certain key asset categories have been moving totally opposite each other**, such as **T-Bonds** being down in price/up in yield while U.S. stocks were rising. And as T-Bonds were declining, the **Dollar Index** (U.S. piece of paper vs. other pieces of paper) has been having a rally that excited and teased many.

But this past week (which was only three and a half trading days) finally saw T-Bonds move vertically out of their dark hole and the Dollar Index get whacked. True, the stock market continued up last week, but we haven't been arguing that the inverse action between T-Bonds and the U.S. stock market had to be linked daily or weekly, but in their general trend swings. So let's see if T-Bonds' violent upturn last week might basically coincide with U.S. stocks rolling over very soon.

In last weekend's report we showed the S&P 500's weekly action vs. its **3-qtr. moving avg.** and noted that breakage of that metric, *starting in January*, would



occur at a price in the low **5960s!** Around last week's lows. For the remaining weeks in this quarter, breakage of that large quarterly metric requires a weekly close at **5724**.

Major evolution in technical research since 1992

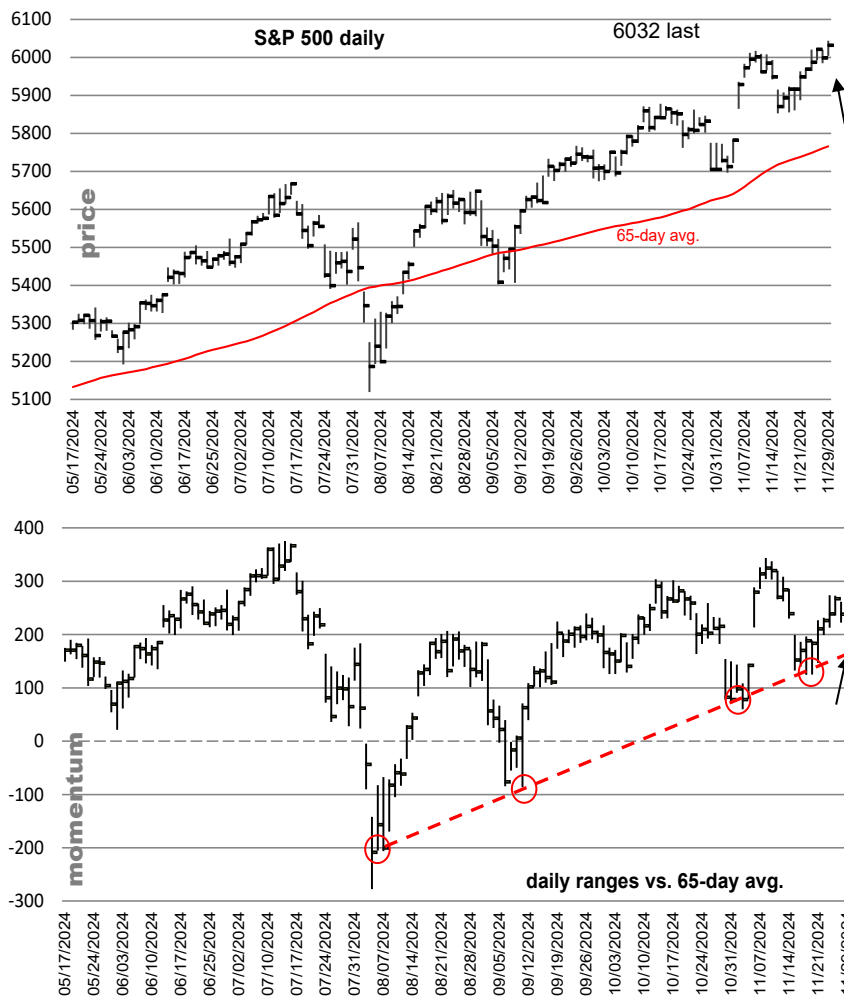
Momentum Structural Analysis, LLC. michaeloliver@olivermsa.com

For MSA's history and an introduction to its methods visit: www.olivermsa.com

For the charts on page one we use the S&P 500 and its 40-wk. momentum (comparable to a 3-qr. moving avg., except 40-wk. momentum adjusts weekly rather than quarterly). It has a very clear trend structure tracing back to its 2022 lows. Multiple reaction low weekly closing readings define that **structure**, a trend line not otherwise evident to price-chart watchers.

Close this week at 5860 and that structure breaks. For the week ending **December 13th** that occurs at **5875; the 20th, 5905; and the 27th, 5935**.

Now let's drop down from that long term metric to a lesser metric, 65-day moving avg. (comparable to a 3-mo. moving avg.) Daily bars are shown here on both charts.

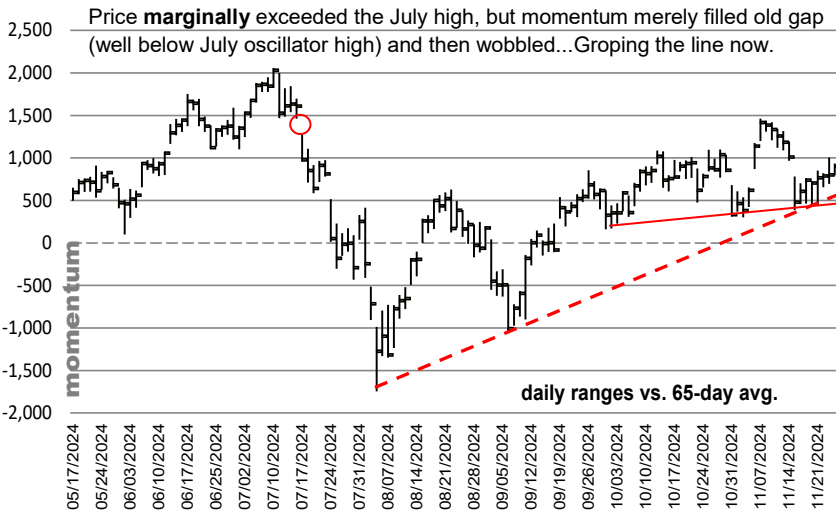
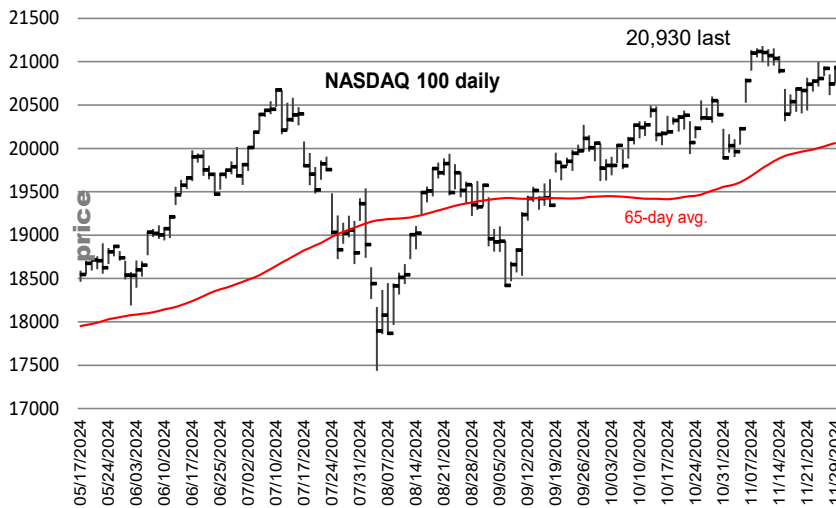


Since the August lows, this momentum has carved out a four-point uptrend. A low daily closing reading in August; then the pullback into September; etc. Close Monday at **5923** or Tuesday at **5929** (add **six** points per day) and it breaks. The black arrow notes the spot.

Meaning this lesser time-scale metric will break not far from what's needed to break the longer-term metrics. That's not always the case, but when that "coincidence" occurs, it simply increases the trigger levels' validity.

Not shown here, but when we drop down to **3-wk. avg. momentum** (a trader's time-scale), it will break this coming week with any daily close **below 5953.21**.

The dominoes are closely lined up. No sneezing allowed!



NASDAQ 100: monthly momentum

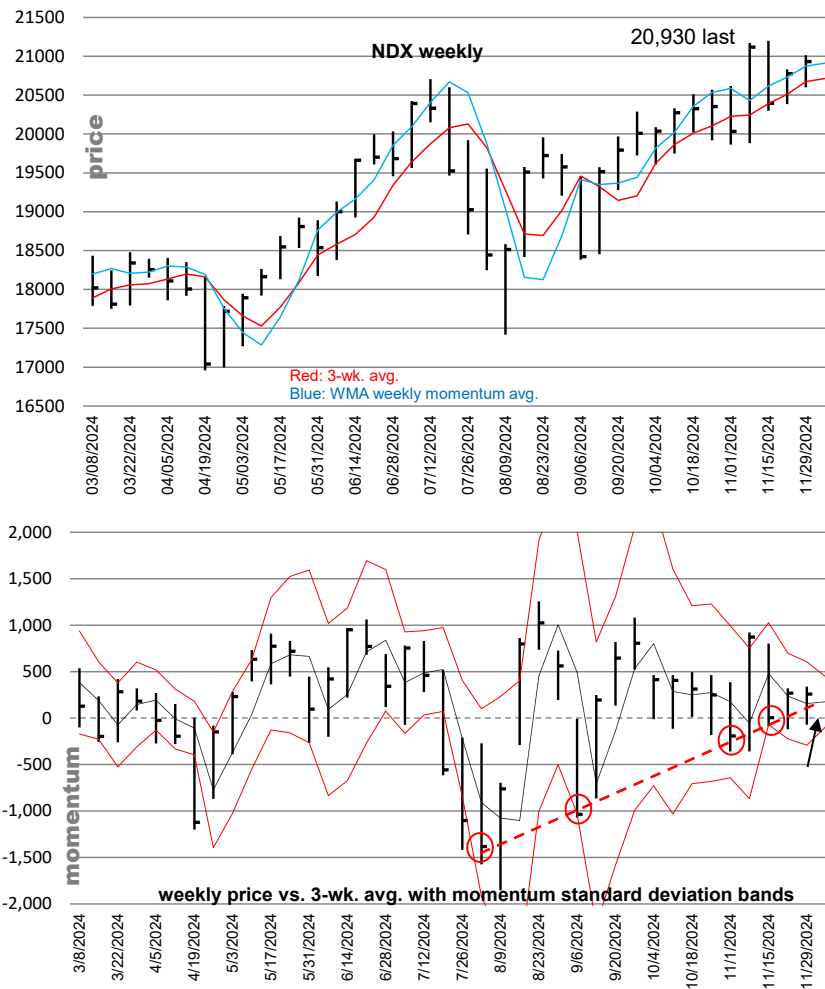
In last weekend's report we showed **3-qtr. avg. momentum** (not shown here) in weekly bar format and specified that for the rest of this quarter a weekly close at **19,580** would break its massive trend structure to the downside. The sell trigger number for **next quarter** is currently projected to adjust up to **20,600**. But we again note that the massive breakage level for that long-term trend metric will be *in your face* after the next twenty trading days.

As for price action, NDX still saw its best levels in the two days after the election. Despite the S&P 500 nipping out those comparable highs since, NDX remains below them. It's not a big deal either way, but the leader index is shifting to a laggard and that's not good for the bulls.

Two structures converge on this significant momentum oscillator (the **65-day avg.** is equivalent to using a 3-mo. moving avg., except the 65-day adjusts daily instead of monthly).

The dashed red uptrend will break if NDX closes Monday at **20,656**, Tuesday at

20,678, or Wednesday at **20,700**. Adjust that number up twenty-two points per day (factoring in the rise in the 65-day avg.). That trigger level is about 1% below Friday's close. And about twenty points below that sell trigger, the shorter line will break (three oscillator lows going back to September). You can bet if this trend situation shifts, once we get into next quarter after the next twenty trading days, that price won't be in a happy place vs. quarterly momentum's massive trigger level (see last weekend's report for that visibly pregnant chart).



NASDAQ 100: weekly momentum

Here's the 3-wk. moving avg. oscillator, a trader's time scale. Since the August lows, momentum has crafted an uptrend.

The structure is plotted through weekly closing readings and has been used repeatedly the past five weeks. No sharp upside, just "holding." You don't want to close a week back under the zero line now. The 3-wk. avg. for this week is **20,714.20**.

Once again, we have trigger levels on weekly momentum very near monthly trigger levels for the rest of this month. If you're a forever bull, you don't want to trigger them, because quarterly momentum's trigger numbers that say it's over will be right below current prices after the next twenty trading days pass.

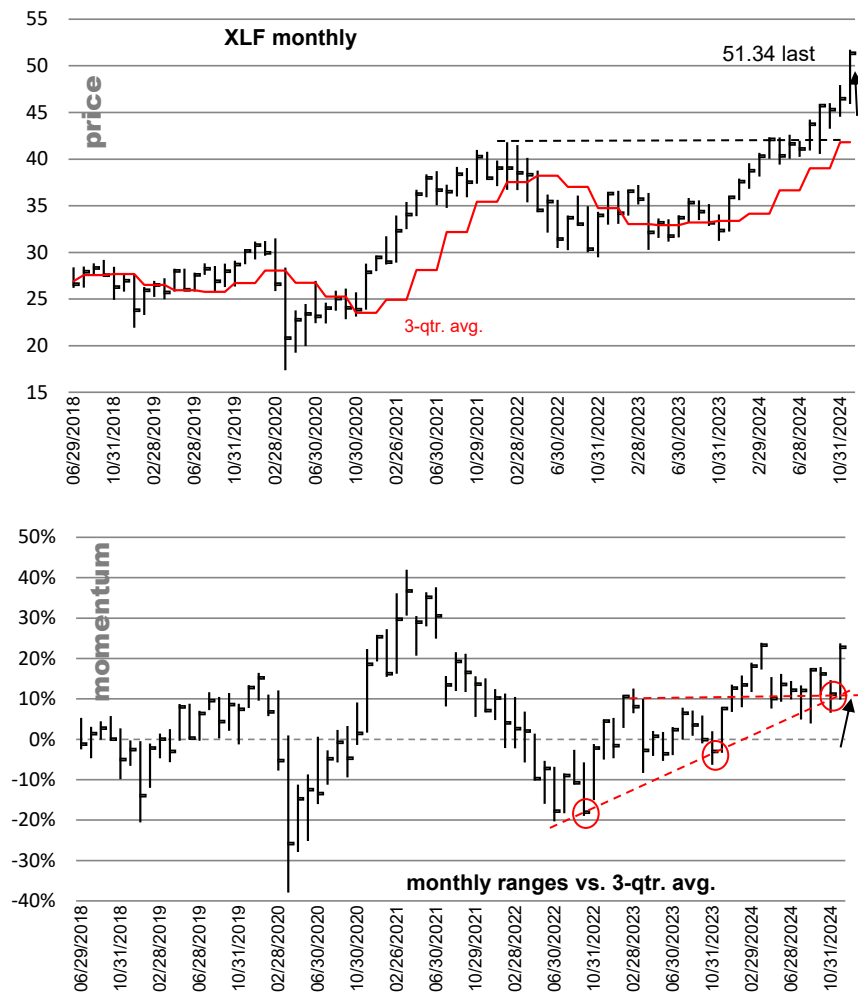
In recent reports we've focused in on **T-Bonds** as an inverse situation. Their action last week was dramatic but unsurprising. Let's see *very soon* if the stock market exhibits opposite movement. Right now there's nothing to add to our recent T-Bond assessments. Also, for the **Dollar Index**, see the report issued last week. Its recent "surprise" collapse was in fact no surprise. Again, a key asset category to watch for trend as it's inverse to T-Bonds, and frankly since 2009 it has been *broadly* in sync with the U.S. stock market, something that few observers recognize.

XLF (Financial Select Sector SPDR): quarterly momentum

Again, the most noticeable post-election surge was in this sector and among the big banks. Nice. Everything is great! It took it almost two years, but finally the action took out the early 2022 highs! Note that price chart level going forward.

And it was at those prior highs in the **42.5** area that distributors exited. But then came the breakout above that four-month horizontal zone. Do not close a month back below that horizontal level. Even then the price chart watchers will start to wonder (justifiably) **what's going on.**

Quarterly momentum has seen three waves to the upside since summer 2022. It developed a three-point uptrend through low monthly closes. A monthly close next quarter at **49.20 (at the arrows)** will break that uptrend and the horizontal structure (defined by three low monthly closing readings since early this year all just above the +10% level).

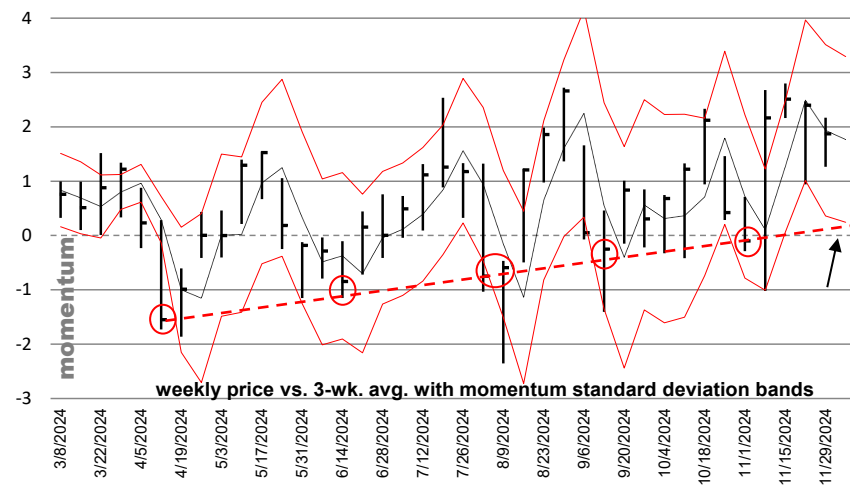
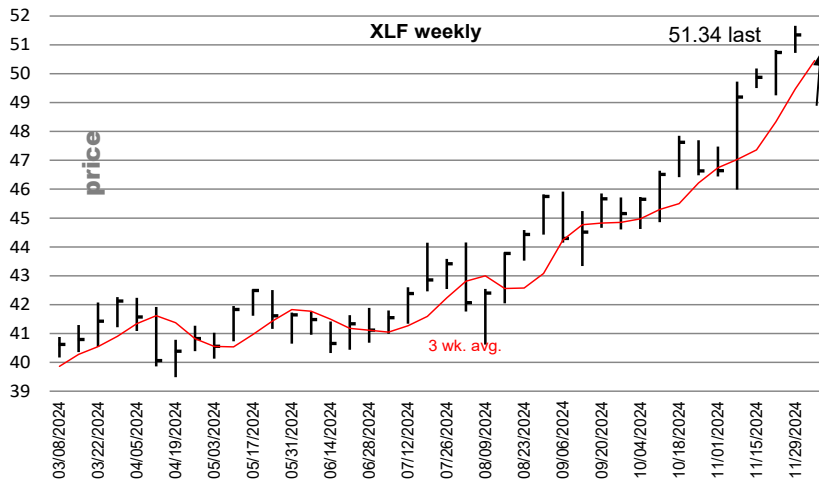


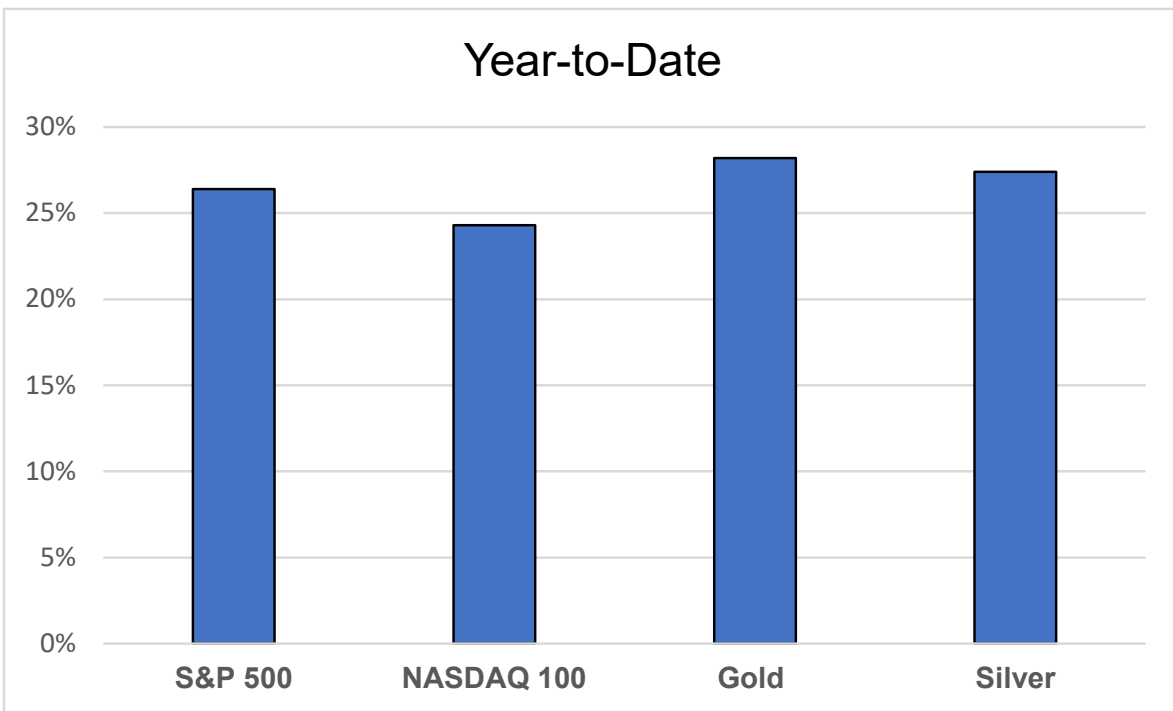
That's why it's very important the weekly momentum situation (next page) not break down now—as that would put the quarterly momentum structure into massive jeopardy next month.

XLF (Financial Select Sector SPDR): weekly momentum

Since its lows earlier this year, weekly momentum has crafted a massive and clear uptrend structure. It's very unusual for this "trading scale" metric to build one of this duration and with this many defining low weekly closes. Go back to the April lows on the price chart and try to build such an uptrend.

A weekly close below the rising 3-wk. avg. will break the integrity of that structure and shift this trend to negative. This week the zero line is at **50.45**, and next week it's estimated to be around **50.91**, rising each week.



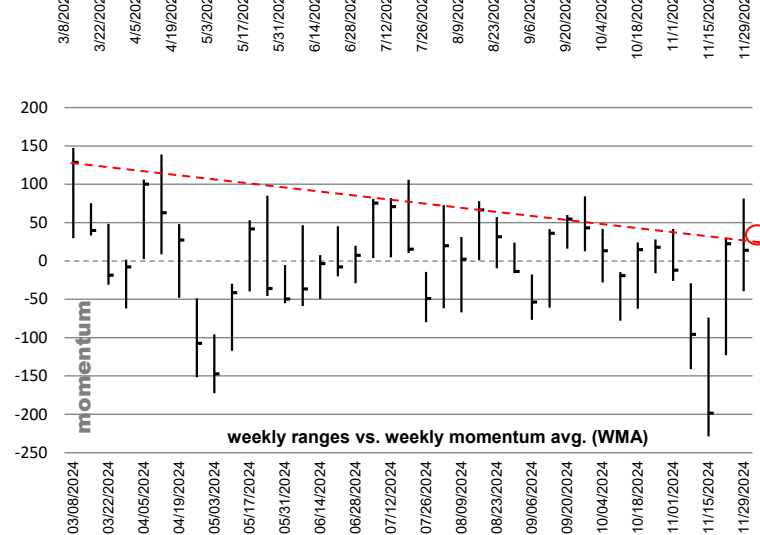
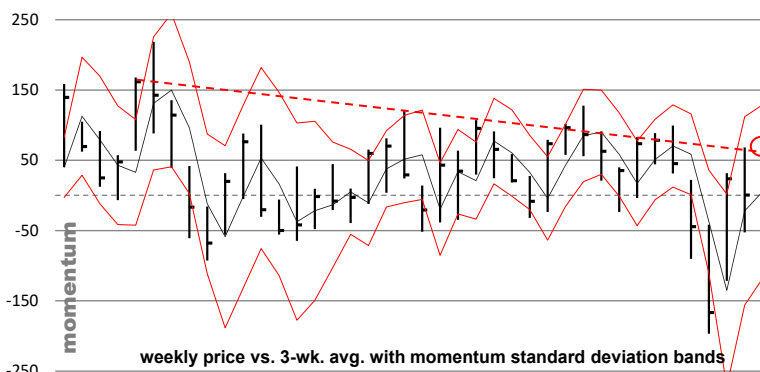
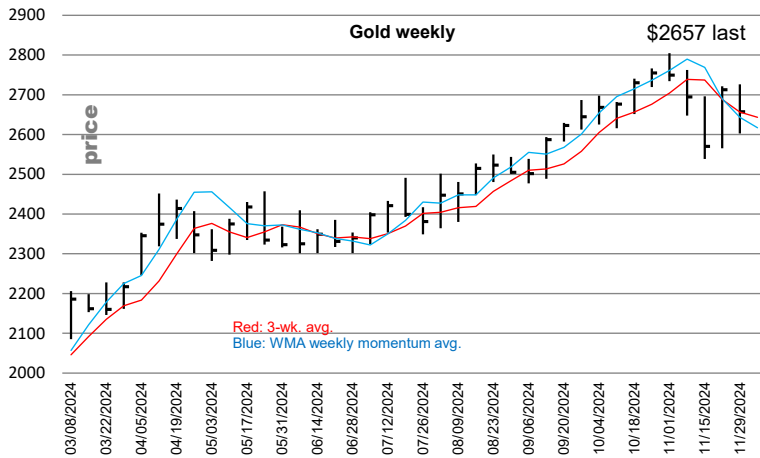


Still, all the cheering and bubbly tone are from *forever long* stock investors! There's little froth on the part of gold and silver investors. Yes, November was a down month for monetary metals and up for the U.S. stock market. But year-to-date, monetary metals are gaining more. Hmm.

Wanna chuckle?

Let's go back about a quarter of a century (a life investment-grade span of time). Gold has gained **838%** since January 2000. The S&P 500 has gained **330%** since January 2000. Wait until late 2025!

Gold: weekly momentum



Before we get into gold's charts, a few comments on other major markets that will *add* to gold's upward dynamics.

The U.S. stock market, T-Bonds, and the Dollar Index. The last two have jolted in the directions we expected, Bonds up/Dollar down, which should indicate two things. First, a likely coincident but inverse move by the U.S. stock vs. T-Bonds. Meaning, U.S. stock market to the downside. And second, the start (for the first time in a long-time) of asset flows out of that bubble and into the only two viable alternatives: T-Bonds (viable as an alternative to stocks, but only for a while) and monetary metals. So what the stock market does in the coming days and weeks could well indicate the start of that major shift. Watching gold is important, but be fully aware of what the U.S. stock market is doing in terms of producing the *initial* breakages hence asset flows out.

MSA doesn't reference long-term metrics here, because frankly they're not the least bit "in play." Meaning they engaged positively back in March and aren't near any structures below that might jeopardize that positive trend restart signal (in fact, any development of structures below them is totally immature).

These weekly momentum charts are a trading time-scale metric and will likely provide the best signals that the current rebound is fully engaging back to the upside. Note: MSA rotates this week to the **February Gold 2025 future**, now \$14 above December.

There was a cleansing flush finally (after the election news) and then a quick rebound. The next level to watch on the **3-wk. avg. oscillator** is defined by the gradual downtrend structure. That structure is plotted across several intraweek highs and many peak weekly closing readings. Close this coming week on February futures at **\$2711** and consider it a breakout. The February contract settled last week at \$2681.

MSA's proprietary **WMA** oscillator has a similar structure plotted through at least five peak weekly closing readings. Close this week at **\$2640** or higher (yes, that's below last week's price close) and this oscillator will close over that trend line. *It's common for WMA to lead the 3-wk. avg. oscillator in trend turns.*

Silver: weekly momentum

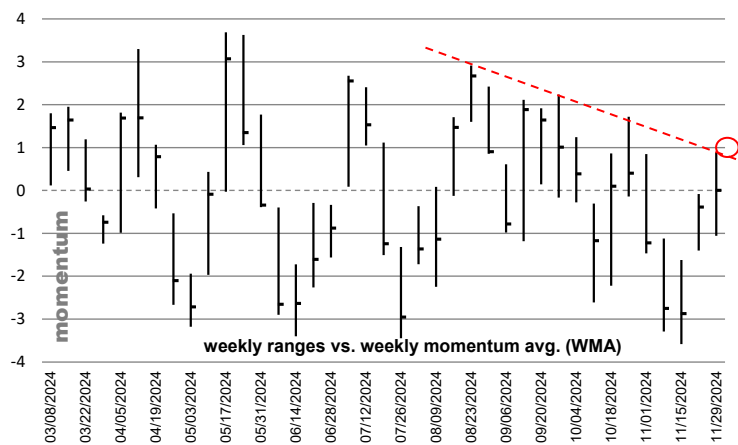
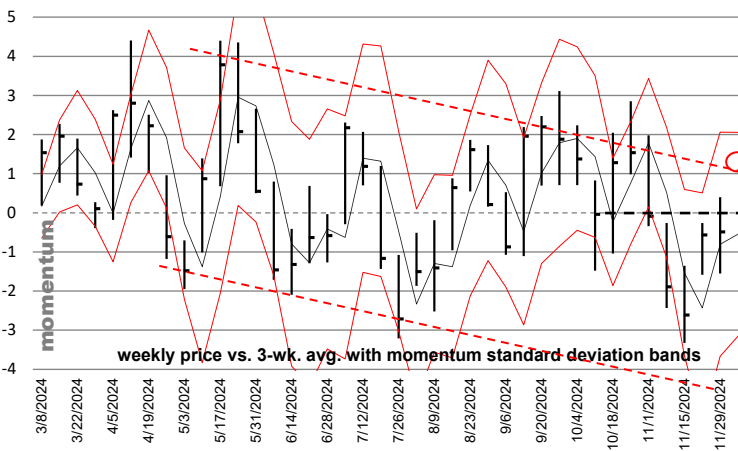
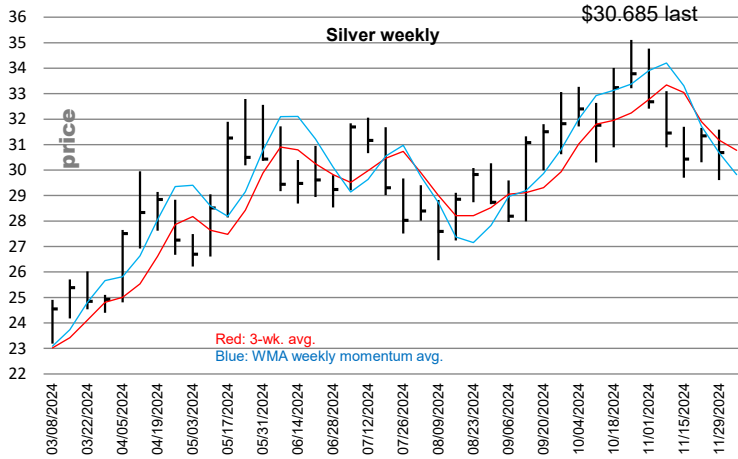
This is a trading time-scale metric.

Note: MSA rotates this week to the **March 2025 Silver** future, which is trading .41 above the December future.

For the **3-wk. avg.** oscillator, we'd first like a weekly close credibly over the zero line (by let's say .10). This week that means having March silver settle the week above **\$30.88** (the March future closed last week at \$31.10, so it could be what we'd call a "default" move over that balance point). We've also plotted a parallel channel on the momentum chart defined by peak weekly closing readings and low closes since April. Settling this week at **\$31.88** would credibly clear that trigger level.

Our **WMA** oscillator has a trend line through four intraweek peak readings going back to August, a rare event for this oscillator to establish so many precise points on a line. It will come out this week if the March contract settles the week at **\$30.82** (again, a price level that's below where the March contract settled last week).

However, as we usually say, watch the mama market gold. As it goes, so will silver. Have no doubt.

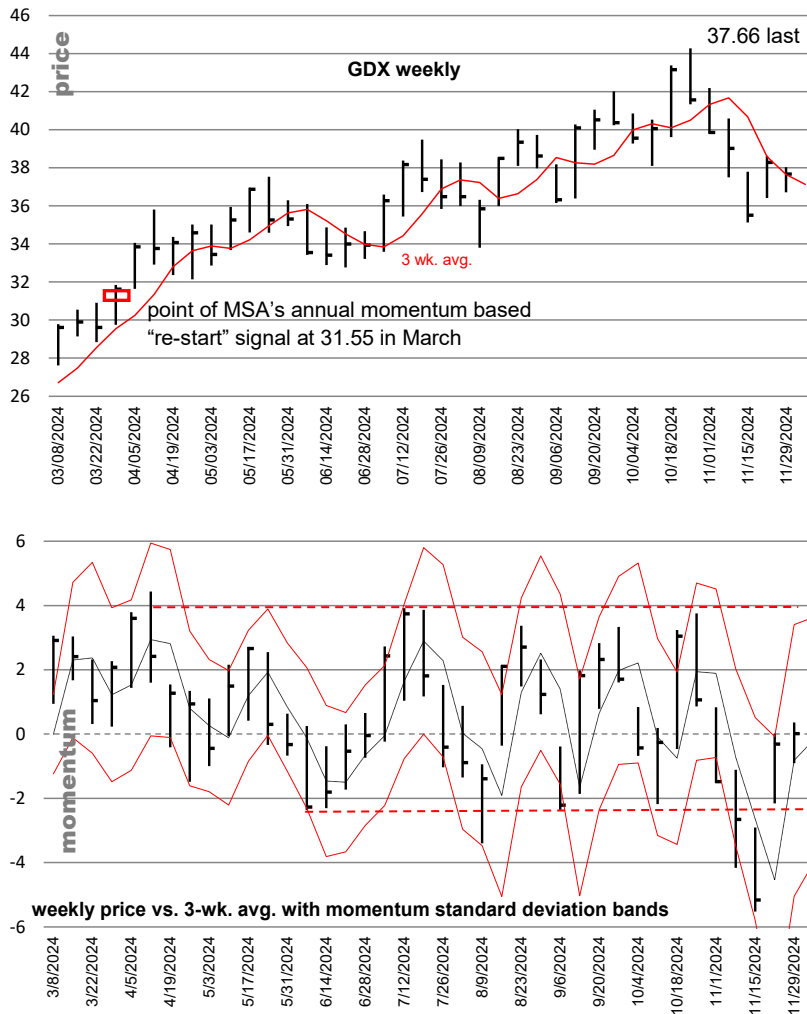


**GDX (VanEck Gold Miners ETF):
weekly momentum**

Yes, a much deeper percent drop than the metals. Now beginning to recover.

The first elbow over the curbstone occurred two weeks ago in getting well back above the prior "normal" low-end floor around the -2 level.

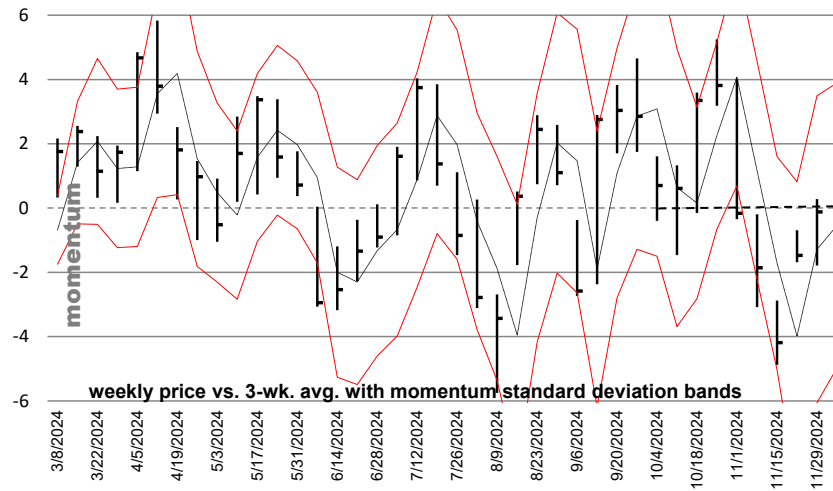
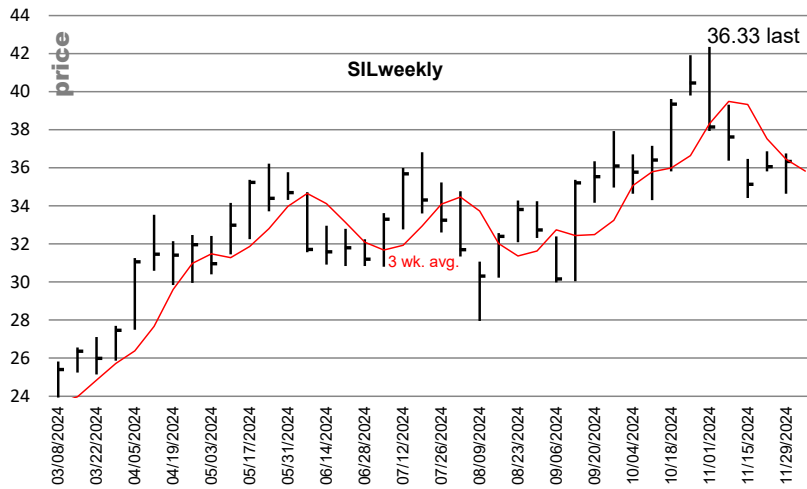
Note that the behavior, until the post-election panic selloff, had been highs around +4 and lows around -2. In other words, a routine positive bias in the ebbs and flows. No doubt the recent low cleansed many. Now momentum is back above the -2 level and at the zero line/3-wk. avg. Close this week **above 37.13** and that will close over that falling average. Will update once that is achieved.



**SIL (Global X Silver Miners ETF):
weekly momentum**

In the case of SIL's weekly momentum, it's clear that the zero line area on weekly closes acted as a floor in October. Action traded below the black horizontal, but there were no weekly closes below in that drop. It was closed below in early November, and action is now back at that balance point. Closing out this week at **35.84** or higher will be above the falling 3-wk. avg. balance point. A first solid upturn signal.

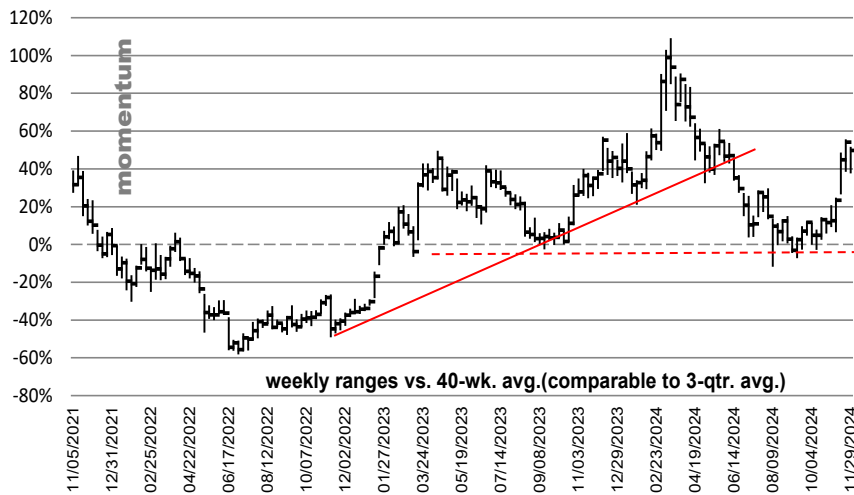
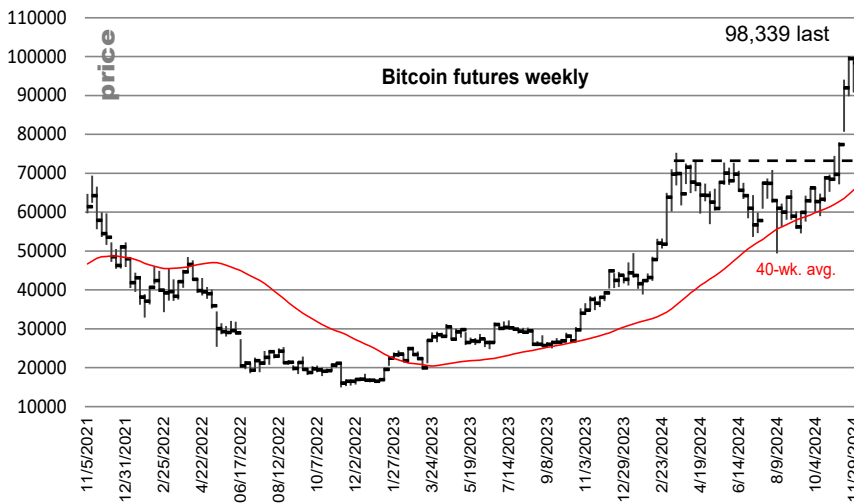
As always, as goes gold, so will the miners, only in an exaggerated swinging manner on either side of gold. So pay attention to gold's technicals.

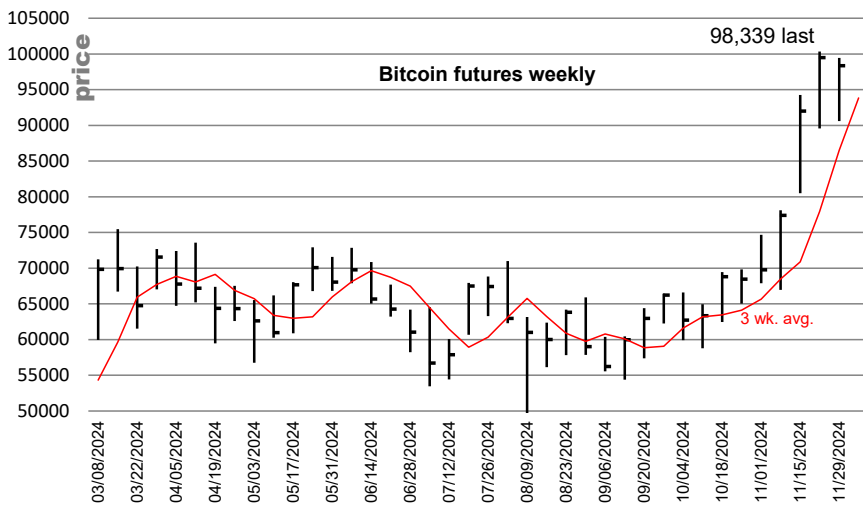


Bitcoin futures: long-term momentum

The recent momentum chart lows this summer did hold at the lowest weekly at the same level of the prior low close back in early 2023 (after the action rose over the zero line early that year), noted with red horizontal. However, the momentum uptrend since 2022 had *already* been broken. That makes us suspicious of the current bubble-like surge in terms of it holding and sustaining.

A level that now seems so far below as to be impossible is the low \$70,000s. Don't ever abort back down into that prior zone of protracted distribution. Long-term momentum factors will cave if that level is revisited, even if price looks like it's pulling back to support.



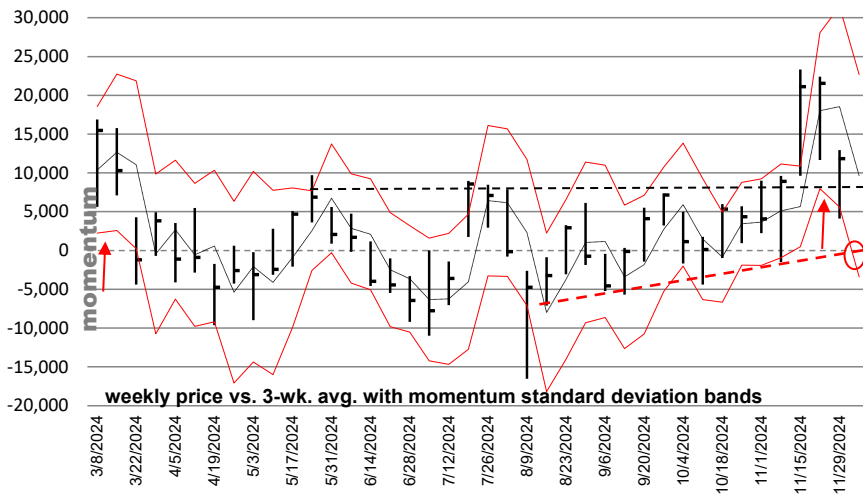


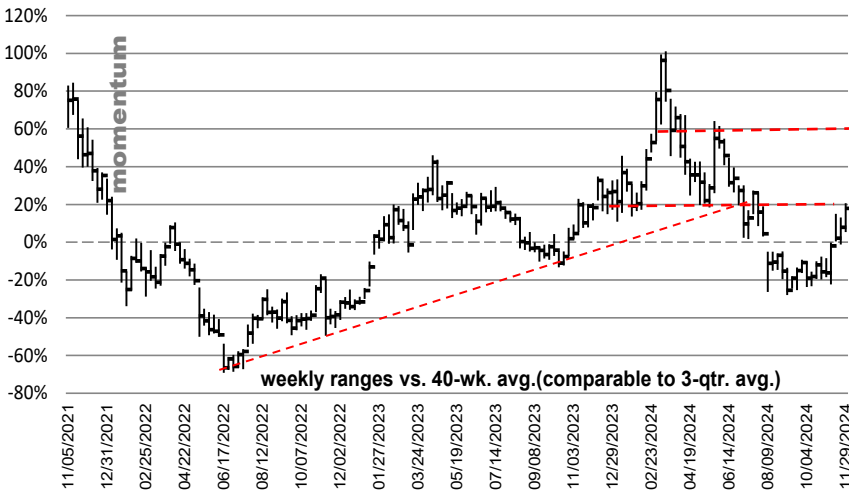
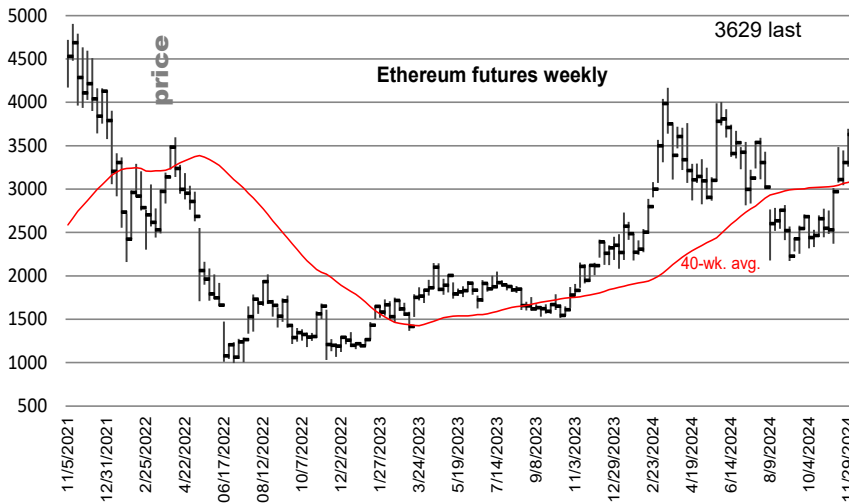
Bitcoin futures: shorter-term momentum

When this momentum metric breaks down, it doesn't argue that it's over. Frankly, the massive long-term momentum breakage levels are very far below. But a breakage of this metric should be noted, as it can at least start a pullback worth noticing.

Weekly momentum reached overbought levels as indicated by our lower weekly momentum SD bands rising well over the zero line (red arrows note recent and past instance) in the recent surge. The last such overbought band level was back in March, which was followed by a painful and layered pullback by price into August.

If this week settles at **98,835**, that will put momentum on a close below the zero line/rising 3-wk. avg. and the gradual red uptrend line. The buy/sell forces could then shift favoring the sellers. Not major trend breakage, but enough of a kick in the gut to generate selling and doubt.





Ethereum futures: long-term momentum

So far the momentum advance, after having broken the major trend this summer, is back up to the level of prior oscillator breakage (lower red horizontal). It will be interesting to see if it can clear that and perhaps advance to next likely resistance (upper red horizontal). Or not.

But in terms of expecting a sustainable advance here, we can't take that positive view. Watch to see if momentum starts to stall or decline in the next few weeks. That will argue that this rally just might have reached a problem/important resistance level.

*Key trigger levels for a given market, if specified, are noted in each report in **bold type** for quick visual reference.*

Personal positions in markets mentioned in this report: SLV calls, PHYS, and PSLV, and QQQ puts

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