



MARKET WEEKLY FUNTECH
Presented by The Intelligent Day Trader (TIDT)

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Market	Factor	Indicators
ASX 100, FTSE 100 & NDX 100	ECONOMIC	INFLATION

FUN (Fundamental)

Inflation, Strong job numbers, FED Tapering expected before the end of the year or early 2022, Covid Delta Variant.

Current Situation – (20/08/2021)

- FED's July meeting minutes released Wednesday indicated that Federal Reserve officials at their July gathering made plans to pull back the pace of their monthly bond purchases likely before the end of the year. However, the central bankers wanted to be clear that the reduction, or tapering, of assets was not a precursor to an imminent rate hike. The minutes noted that "some" members preferred to wait until early in 2022 to start tapering. Looking ahead, most participants noted that, provided that the economy were to evolve broadly as they anticipated, they judged that it could be appropriate to start reducing the pace of asset purchases this year," the minutes stated, adding that the economy had reached its goal on inflation and was "close to being satisfied" with the progress of job growth. However, committee members broadly agreed that employment has not met the "substantial further progress" benchmark the Fed has set before it would consider raising rates.
- As a result, Major U.S. stock averages fell early in the week and rebounded on Friday 20th August but closed the week in red amid fears of the Federal Reserve pulling back its stimulus.
- Markets have been well prepared for tapering; it will not come as a surprise. However, this week market remain indecisive.

Previously – (13/08/2021)

- Stocks rose on Wednesday 11th August 2021 after inflation jumped, but not by quite as much as investors feared when stripping out volatile food and energy prices. The core consumer price index, which excludes food and energy, increased by 0.3% last month, slightly less than expected and well below the average 0.8% pace of the past three months. The inflation reading supported the Federal Reserve's belief that high price pressures are "transitory" as the economic recovers from the pandemic-triggered recession.
- The Labour Department reported that the consumer-price index rose 5.4% from a year earlier, for the month of July, and 0.5% from the previous month according to economists surveyed by Dow Jones. Core inflation, however, rose by just 0.3% in July (and 4.3% on a year-over-year basis).
- The government said CPI increased 0.5% in July on month-to-month basis. Used car prices, which investors have been watching as one sign of out-of-control inflation, rose just 0.2% in July after surging more than 10% in the prior month.
- Sharp post-pandemic price increases in some parts of the economy appear to be fading, but rent is one area in which inflation is expected to stick around. Economists say there are signs the spike in inflation is temporary, as Federal Reserve officials have contended. But one big part of consumers' out-of-pocket expenditures is rent, and that is expected to rise well into the future.

Source: Bloomberg news, CNBC news.

TECH (Technical)

Week ahead

NDX - NASDAQ 100

For full weekly technical analysis and key resistance and support levels for major stock indices, follow Pre-Market Checklist at: [PRE-MARKET CHECKLIST – The Intelligent Day Trader](#)

Source: TIDT (The Intelligent Day Trader)

THE WEEK AHEAD – PRICE ACTION

TIDT KRS Expectations

ASX 200				FTSE 100				NDX 100			
7198	XXXX	7380	7401	7902	7432	XXXX	7196	XXXXX	14050	14325	14397
7017	7120	7335	7359	XXXX	XXXX	XXXX	XXXX	12889	13845	14128	14247
XXXX	XXXX	XXXX	XXXX	7130	6940	7050	6992	XXXXX	XXXXX	XXXXX	XXXXX

TIDT KRS (The Intelligent Day Trader Key Resistance and Support)

For complete and extended KRS on major stock indices visit: [TIDT KRS – The Intelligent Day Trader](#)

Source: TIDT (The Intelligent Day Trader)

ONGOING THEMES

- **Good first halves for the market usually bode well for the rest of the year. Whenever there has been a double-digit gain in the first half, the Dow and S&P 500 have never ended that year with an annual decline, according to Refinitiv data going back to 1950.**
- The Fed and rising Inflation concern will continue to dominate the market in the weeks ahead.
- Stocks have gone a relatively long period without any major sell-off. The S&P 500 notched its fifth positive month in a row, rising 2.2% in June. The broad index also posted its best first half since 2019.
- **24th June** - U.S. \$1 trillion infrastructure package - White House had struck an infrastructure deal with a bipartisan group of senators. The lawmakers have worked for weeks to craft a roughly \$1 trillion package that could get through Congress with support from both parties. **The framework will include \$579 billion in new spending on transportation like roads, bridges and rail, electric vehicle infrastructure and electric transit, among other things.**
- The stock market overall has been bolstered by a strong earnings reporting season, with nearly a quarter of the S&P 500 having already reported. Of those companies, 88% have reported a positive surprise, according to FactSet. That would mark the highest percentage of reported surprises within the S&P since 2008 if that figure holds throughout the earnings season.
- <https://www.cnbc.com/2021/08/02/as-the-economy-hits-its-peak-stock-market-gains-could-be-harder-to-come-by.html>

Source: Bloomberg news, CNBC news.

Risk Warning:

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