


**TIDT**  
The Intelligent Day Trader

... informed trader 

**MARKET WEEKLY** *(Weekly FunTech Report)*

**Date:** 3<sup>rd</sup> September 2021

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

***FUN (Fundamental Analysis)***

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

**Current Situation – (03/09/2021)**

- Dow Jones Industrial Average retreated on Friday 03/08/2021 and the S&P 500 slipped from a record high after the August jobs report came in short of expectations, showing the impact of the delta fuelled Covid resurgence. Nonfarm payrolls increased by 235,000 in August, the Labour Department said Friday. Economists surveyed by Dow Jones were expecting 720,000 jobs.
- On one hand, these latest jobs number is not good for the economy. The report marks a significant slowdown from July's revised number of 1.053 million and comes as the delta variant of Covid-19 has led to health restrictions being put back in place in some states and cities.
- On the other hand, a surprisingly low jobs number this morning clouds the tapering outlook considerably as only 235k jobs were added in August, likely giving the Fed pause and pushing out their plans to announce their bond taper plans,
- Federal Reserve Chairman Jerome Powell has always emphasized the need for more strong jobs data before the central bank would start to unwind its massive bond-buying program, and the disappointing report could change expectations about when the Fed will start its tapering process.

**Previously – (27/08/2021)**

- Last week, investors grew worried that the Fed's potential move to pull back monetary stimulus could slow down the economic recovery that is already challenged by the spread of the delta Covid-19 variant.
- Stocks were higher Monday following a volatile week on Wall Street, led by reopening stocks as the Food and Drug Administration approved its first Covid-19 vaccine. Shares of vaccine makers traded higher Monday after the FDA granted full approval for the two-dose Pfizer-BioNTech vaccine for Covid-19. Pfizer shares rose 2.9%. Its partner BioNTech's stock jumped 9% and Moderna is 6% higher. Trillium Therapeutics is soaring on news that it'll be acquired by Pfizer. Its shares are up 189%.
- Travel and leisure stocks reacted positively to the news, with Delta and American Airlines moving more than 2% higher. Carnival and Norwegian Cruise Lines gained about 4%.
- Nomi Prins, author of "Collusion: How Central Bankers Rigged the World," told CNBC's "Squawk Box Europe" on Monday that she didn't believe the Fed would announce a tapering of bond purchases at this meeting. She suggested that this was because the effect of the spread of the delta variant continued to be seen, in the fact that it had forced the Fed to make the event virtual at the last minute.
- **Week ended 27/08/2021, traders eagerly awaited the Jackson Hole symposium on Thursday 26/08/2021 and Friday 27/08/2021 for clues on the Fed's timeline for dialling back its \$120 billion a month bond-buying program. The Fed made no announcement on tapering and the market continue to sustain its all-time high.**

Source: Bloomberg news, CNBC news.

## TECH (Technical Analysis)

### Week ahead

#### NDX - NASDAQ 100

For weekly technical analysis on major stock indices and Pre-Market checklist click: [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. We may have a correction at some point this year but we expect the equity market to close with gains this year.**
- The Fed tapering plans 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.
- **24<sup>th</sup> 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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