


TIDT
The Intelligent Day Trader

... informed trader 

MARKET WEEKLY *(Weekly FunTech Report)*

Date: 10th September 2021

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

FUN (Fundamental Report)

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

U.S.

Current Situation – (10/09/2021)

- The Dow Jones Industrial Average declined for a fifth straight day Friday as economic uncertainty loomed. For the week, the Dow is down roughly 2.2% in its second negative week in a row. The S&P 500 is off about 1.7% for the week, while the Nasdaq Composite is 1.6% lower. **The S&P 500 and the Dow haven't recovered since the poor jobs report last Friday, falling each day since, including all four trading days of this holiday-shortened week.**
- Investors are wringing their hands over growth, but are seeing higher inflation at the same time. The August producer prices index released Friday showed wholesale costs for businesses rose 8.3% on an annual basis, its biggest advance on record since at least 2010. The PPI accelerated 0.7% for the month, above the 0.6% Dow Jones estimate. The more important consumer price index for August will be released on Tuesday.
- The Federal Reserve kicks off a two-day meeting on Sept. 21, and the Street will be watching for an update on the central bank's bond-buying program.

U.S.

Previously – (03/09/2021)

- On Wednesday, the Dow Jones Industrial Average and S&P 500 fell for the third day straight. The Dow shed 68 points, and the S&P 500 slid 0.13%. The Nasdaq Composite was the relative underperformer, dipping 0.6%, as Facebook, Apple, Netflix, and Google-parent Alphabet closed lower. The Nasdaq fell for the first session in five, after notching a record close on Tuesday.
- Dysfunction in the labour market amid the Covid-19 pandemic was reinforced Wednesday when the Labour Department's Job Openings and Labour Turnover Survey showed job openings outnumbered the unemployed by more than 2 million in July.
- Investors will be watching for the latest weekly jobless claims data, set to release Thursday morning, for a greater look at the employment picture.
- Federal Reserve said in its latest "Beige Book" that U.S. businesses are experiencing rising inflation that is being intensified by a shortage of goods and likely will be passed onto consumers in many areas.
- The Fed also reported that growth overall had "downshifted slightly to a moderate pace" amid rising public health concerns during the July through August period that the report covers.
- The deceleration in economic activity was largely attributable to a pullback in dining out, travel, and tourism in most Districts, reflecting safety concerns due to the rise of the Delta variant, and, in a few cases, international travel restrictions

Source: Bloomberg news, CNBC news.

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EU

Current Situation – (10/09/2021)

- **E.U.:** European stock markets closed lower on Friday, reversing earlier gains, as traders weighed concerns over rising inflation and central bank action. The pan-European Stoxx 600 also finished the week in the red, falling 1.2%. Utilities shares led the losses Friday, down 1.3%. European investors continued to digest the European Central Bank's decision on Thursday to slow down bond buying under its pandemic emergency purchase programme (PEPP) in response to higher inflation and stronger GDP growth across the euro zone. The ECB also modestly revised up its medium-term inflation forecasts.
- **E.U.:** On Thursday, the European Central Bank left its monetary policy unchanged, but said that it will slow the pace of its asset-purchase program.
- **U.K.:** Britain's economy barely grew in July, as the spread of the Delta variant of Covid-19 took hold following the easing of lockdown restrictions, official data showed on Friday. Economic output rose just 0.1% in July, Economists polled by Reuters had mostly expected month-on-month growth of 0.6% in gross domestic product. The ONS said some businesses had complained of staff being unable to come to work because they were required to self-isolate and a fall in construction output was linked to post-lockdown problems in global supply chains. Finance minister Rishi Sunak said the recovery was well underway, but the weak growth is likely bolstering the case of Bank of England policymakers who think it is premature to start talking about raising interest rates — despite signs that inflation is set to rise sharply.

EU

Previously – (03/09/2021)

- European stocks closed lower on Wednesday, reflecting cautious trade in global markets amid nervousness over economic growth and a resurgence in Covid cases.
- European investors are erring on the side of caution ahead of Thursday's European Central Bank meeting. A recent spike in euro zone inflation and an uptick in economic indicators has led some market watchers to anticipate a more hawkish tone from policymakers.
- The declines in Europe come after a choppy trading session in U.S. markets on Tuesday. The Dow Jones Industrial Average fell more than 200 points as investors reassessed the growth outlook following a smooth ride in the market this year. U.S. stocks continued to fall on Wednesday.
- The negative sentiment stateside comes as concerns over the potential economic hit of the delta variant weighed on investor sentiment, with Goldman Sachs downgrading its U.S. economic growth outlook over the weekend.
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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.
- 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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