

TIDT
The Intelligent Day Trader

... informed trader 

MARKET WEEKLY *(Weekly FunTech Report)*

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Contributor: Muiyiwa Efunshile, TIDT Founder & Director of Trading

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 – (17/09/2021)

- S&P 500 falls Friday, notches second straight week of losses in September slump.
- Stocks dipped on Friday as investors remain cautious due to a **resurgent Covid virus, a Federal Reserve meeting next week and a historical tendency for September to be a weak month for equities.**
- The Dow Jones Industrial Average lost 166.44 points or 0.5% to close at 34,584.88, dragged down by a nearly 2.9% drop in Dow Inc. The S&P 500 shed 0.9% to 4,432.99 and the Nasdaq Composite lost 0.9% to close at 15,043.97.
- The Dow slipped less than 0.1% this week, for its third straight week of declines. The Dow has not had a 3-week losing streak since September 2020. The S&P 500 fell nearly 0.6% since Monday for its second straight week of losses. The Nasdaq Composite dropped close to 0.5% this week.
- Some of the volatility that comes during September is often surrounding so-called quadruple witching, which occurred at the close Friday. This is the expiration of stock index futures, stock index options, stock options, and single-stock futures.
- The Federal Reserve meets for two days next week and on Wednesday is expected to give further clues as to when it may start to slow its \$120 billion in monthly bond purchases that have supported the recovery, but also perhaps aided in a jump in inflation.

U.S.

Previously – (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.

Source: Bloomberg news, CNBC news.

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EU

Current Situation – (17/09/2021)

- European markets close lower as growth fears weigh on global sentiment; Anglo American sinks 8%
- Data on Friday showed that U.K. retail sales fell unexpectedly in August, dropping 0.9% month-on-month against a Reuters average forecast for a 0.5% rise. The fourth consecutive monthly decline marks the longest negative streak since records began.
- Investors in recent days have been reacting to softer U.S. inflation data which tempered expectations of imminent tapering of asset purchases by the Federal Reserve, and weak retail sales figures from China, which suggested a slowdown in the global economic recovery.
- Shares in Asia-Pacific were mixed on Friday after taking losses for much of the week as concerns about China's regulatory crackdown and slowing global growth weighed on risk sentiment.

EU

Previously – (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.

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

- “We expect volatility to increase over the next month driven by a **seasonal pickup in investor uncertainty, continued virus uncertainty, and significant monetary and fiscal policy catalysts,**” wrote John Marshall, head of derivatives research for Goldman Sachs, in a note Friday. Marshall cited data showing S&P 500 volatility typically increased by 27% from August to October.
- **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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