

January 30, 2024

Big Sky

Summary

During my four days in Montana for a wedding, I was struck not just by the state's beauty but the similarities Montana shares with the condition of certain parts of the domestic equity market.

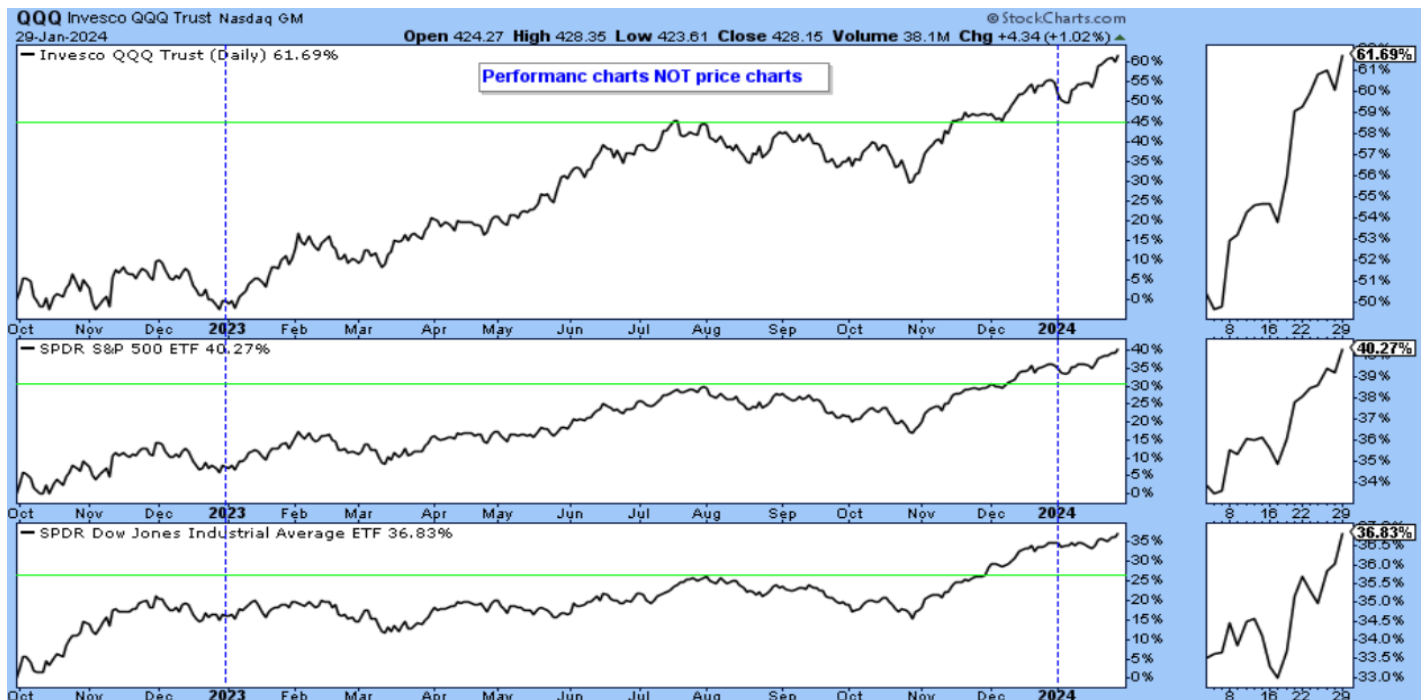
Just Sayin'

Montana is known for its diverse terrain, beauty, vastness, and wide-open spaces. If we define "beauty" as the extremely bullish price trends of certain parts of the domestic equity market and "vastness and wide-open spaces" as the distance between the current price and their next significant support level(s), then we can also say that Wall Street's 2024 start has been diverse, beautiful, and vast.

Bob Farrell would say, "Exponential rapidly rising or falling markets usually go further than you think, but they do not (usually) correct by going sideways." To this I reiterate, "Bulls make money, Bears make money, Pigs go broke." Yesterday morning J.P. Morgan wrote (paraphrase):

With the FOMC meeting and quarterly Treasury refunding announcements on Wednesday, several employment reports culminating with January nonfarm payrolls on Friday morning, **peak week of the Q4 earnings season, with ~40% of the S&P's market cap on the calendar—we do not have a strong view on this week's Mega-Cap Tech earnings and, where possible, would consider buying downside index protection in 1-week or 2-week tenor** [emphasis mine].

Figure 1: Performance Since October 2022 – figures in white box on right. | Identify price support (please see **NOTE** below) while implementing a risk management discipline. I feel the odds favor that the rate of ascent will/should slow and, at some point, change. *Especially if the equity market broadens again and the recent negative divergences are alleviated.*



NOTE: The green horizontal lines shown above and below represent *performance* support levels, **not** price support levels. **Please reach out for the price support levels of any of the charts shown.**

Figure 2: Performance Since October 2022 – figures in white box on right. | Identify price support while implementing a risk management discipline. I feel the odds favor that the rate of ascent will/should slow and, at some point, change. *Especially if the equity market broadens again and the recent negative divergences are alleviated.*

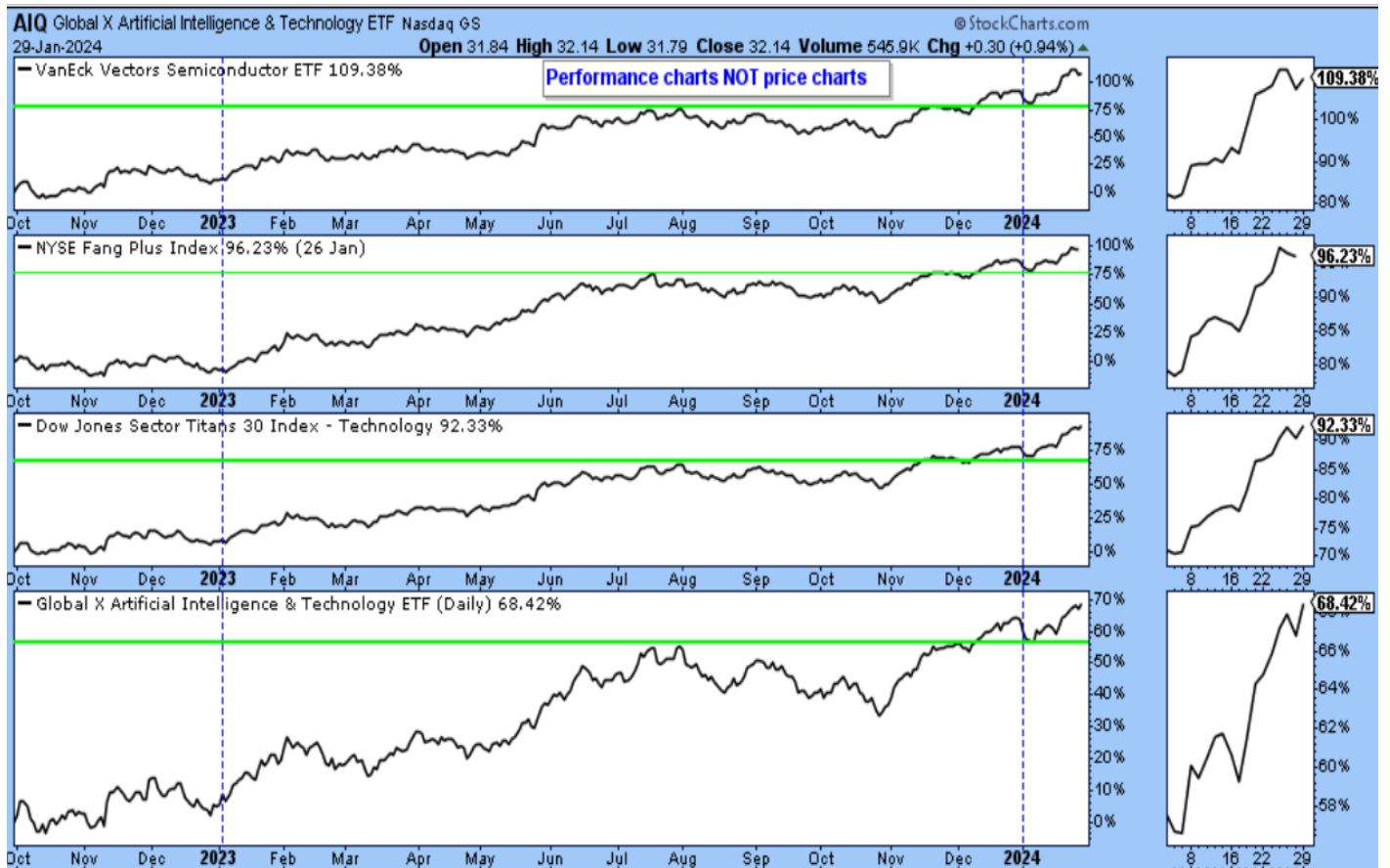


Figure 3: Performance Since October 2022 – figures in white box on right. | Identify price support while implementing a risk management discipline (*tighten stop loss points, at a minimum*) if you are involved in any of these. I feel the odds favor that the rate of ascent will/should slow, and at some point, change. *Especially if the equity market broadens again and the negative divergences are alleviated.*

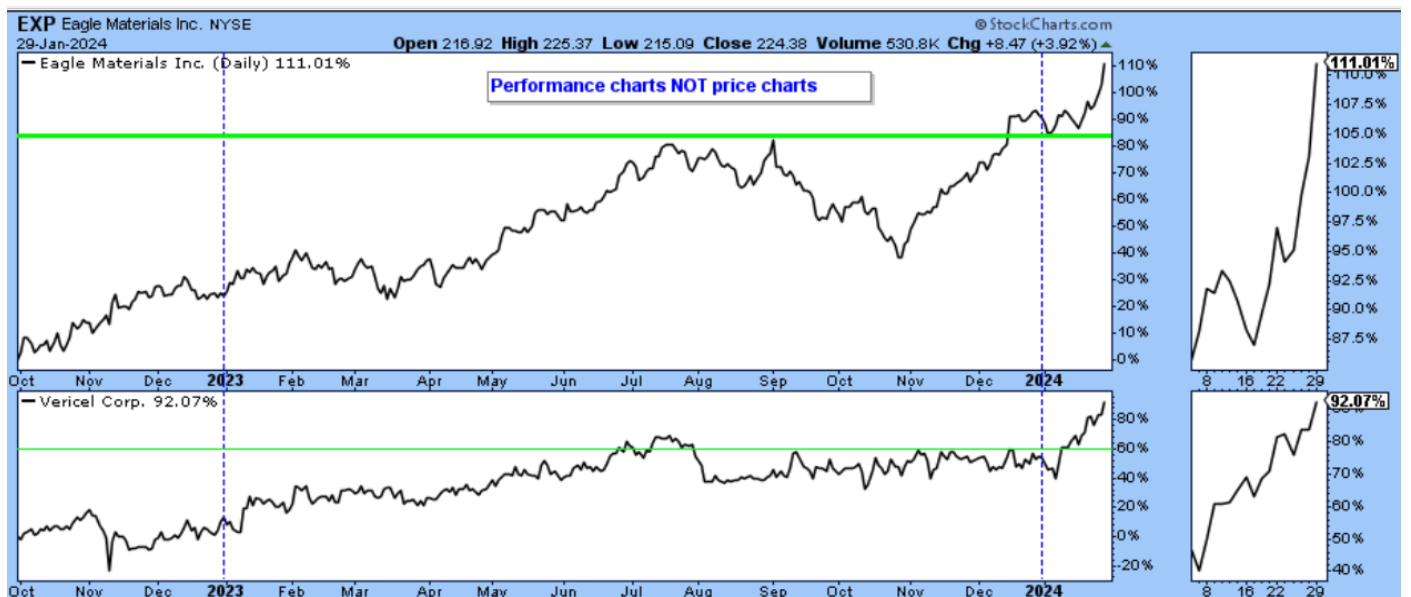


Figure 4: Performance Since October 2022 – figures in white boxes on right. | Identify price support and *tighten stops, minimum*. I feel the odds favor that the rate of ascent will/should slow, and, at some point, change. Especially if the equity market broadens and the negative divergences are alleviated.

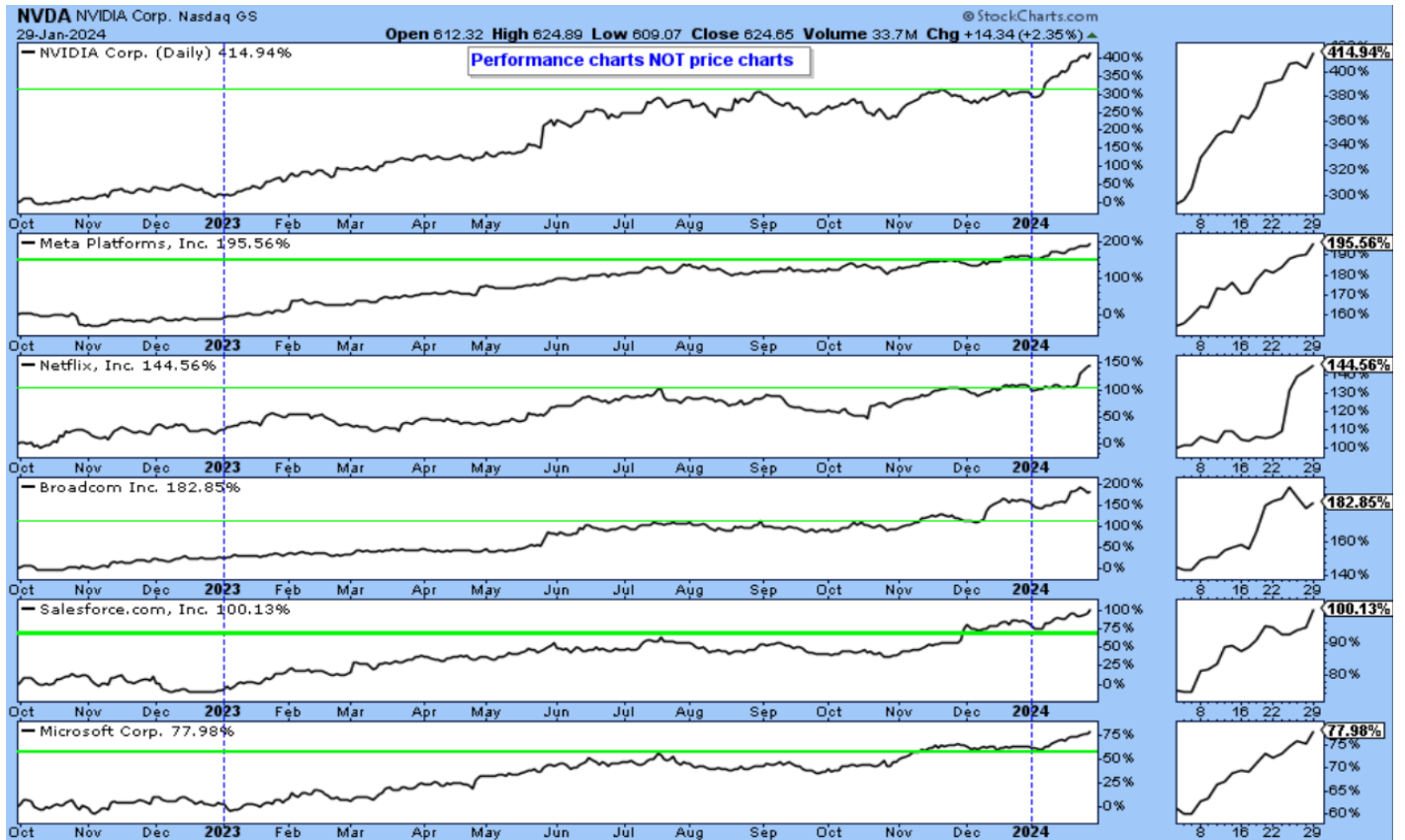
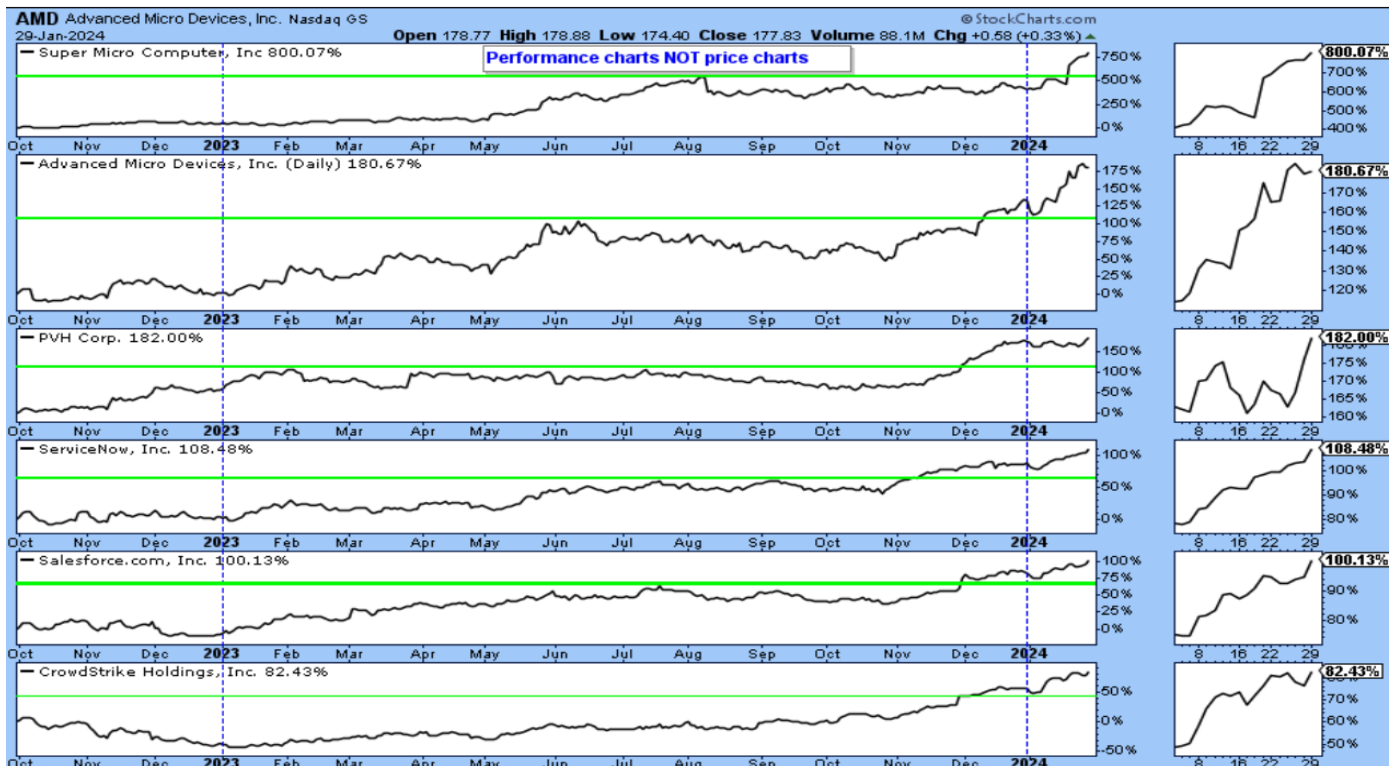


Figure 5: Performance Since October 2022 – figures in white box on right. | Identify price support and *tighten stops, at a minimum*. I feel the odds favor that the rate of ascent will/should slow, and at some point, change. Especially if the equity market broadens and the negative divergences are alleviated.



Please let me know if you would like to schedule a call to go over the process and discipline underpinning our **Smart Sector with Catastrophic Stop**, **Smart Sector International**, and/or **Smart Sector Fixed Income** strategies. The disclosures and Fact Sheet information can be found here: <https://dhfunds.com/literature>.

Day Hagan Asset Management appreciates being part of your business, either through our research efforts or investment strategies. Please let us know how we can further support you.

Art Huprich, CMT®
Chief Market Technician
Day Hagan Asset Management

—Written 01.29.2024. Chart source: Stockcharts.com unless otherwise noted.

Upcoming Events

[Day Hagan/Ned Davis Research Smart Sector® with Catastrophic Stop, hosted by Art Day, on February 21, 2024, at 1:15 p.m. EDT](#)

[Day Hagan/Ned Davis Research Smart Sector® with Catastrophic Stop, hosted by Art Day, on February 21, 2024, at 4:15 p.m. EDT](#)

[Day Hagan Technical Analysis, hosted by Art Huprich, CMT, on February 15, 2024, at 4:15 p.m. EDT](#)

Disclosure

The data and analysis contained herein are provided “as is” and without warranty of any kind, either express or implied. Day Hagan Asset Management (DHAM), any of its affiliates or employees, or any third-party data provider, shall not have any liability for any loss sustained by anyone who has relied on the information contained in any Day Hagan Asset Management literature or marketing materials. All opinions expressed herein are subject to change without notice, and you should always obtain current information and perform due diligence before investing. DHAM accounts that DHAM, or its affiliated companies manage, or their respective shareholders, directors, officers and/or employees, may have long or short positions in the securities discussed herein and may purchase or sell such securities without notice. The securities mentioned in this document may not be eligible for sale in some states or countries, nor be suitable for all types of investors; their value and income they produce may fluctuate and/or be adversely affected by exchange rates, interest rates or other factors.

Investment advisory services offered through Donald L. Hagan, LLC, a SEC registered investment advisory firm. Accounts held at Raymond James and Associates, Inc. (member NYSE, SIPC) and Charles Schwab & Co., Inc. (member FINRA, SIPC). Day Hagan Asset Management is a dba of Donald L. Hagan, LLC.

For more information, please contact:

Art Huprich, CMT

Art.Huprich@DayHagan.com

For more information, please contact us at:

Day Hagan Asset Management

1000 S. Tamiami Trail

Sarasota, FL 34236

Toll Free: (800) 594-7930

Office Phone: (941) 330-1702

Website: <https://dayhagan.com> or <https://dhfunds.com>