

The Deviant Standard

Rigorous preparation for volatile markets

Summary

Very little to say today about a market that did very little.

Markets on Wednesday

We have very little to add to our market commentary as markets did very little on Wednesday. From its highest to lowest, the maximum range seen by the Dow was less than 103 points, the smallest since April 28th. We discussed the NR7 day that we put in on last Friday, and today qualifies again. After breaking above the daily 200 SMA on Tuesday, the Dow tried to test the level, but was a few points shy before heading up to new retrace highs. It closed the day up a mere 4.69 points.

None of the moves was large enough to alter our view of the wave count, even short-term. The move up from June 9th lows at 9,669 still counts out well as five waves, with EWO, MACD, and RSI confirming. The move is getting somewhat long in the tooth, and may have already turned at as of Wednesday's high. Only time will tell.

Still unclear, is whether that five wave up is:

- A wave [c] that completes a correction;
- A [c] wave in a complex correction that is not yet complete;
- A third wave that in an impulse that ends a running flat correction from May 25th;
or
- A third wave in an impulse that begins a sequence leading higher, whether motive or corrective

Since these possibilities were considered in the previous issue, there is little to add today.

Outlook for Thursday

As discussed last issue, we expect a small degree 5 waves up to be ending or already ended, leading that a turn down that either retraces a portion of the move up from 9,669 or begins a new leg down. Once the move begins we should have better clues about which possibility is developing.