

# THE McCLELLAN MARKET REPORT

## DAILY EDITION

Prepared after the close of trading on Tuesday, January 11, 2022

## CURRENT OPINIONS

**STOCKS: Bearish for short, intermediate, and long term trading styles.** Tuesday's pop is just a countertrend rally. More decline is ahead, toward a bottom due Jan. 21-24.

**BONDS: Neutral short, intermediate, and long term.** We could see a short term buy opportunity in a few days, from this oversold condition, just not yet.

**GDM & GOLD: Bullish short and intermediate term.** Gold is rebounding okay from last week's dip, and the upturn in the Price Oscillator Tuesday promises us a higher closing high.

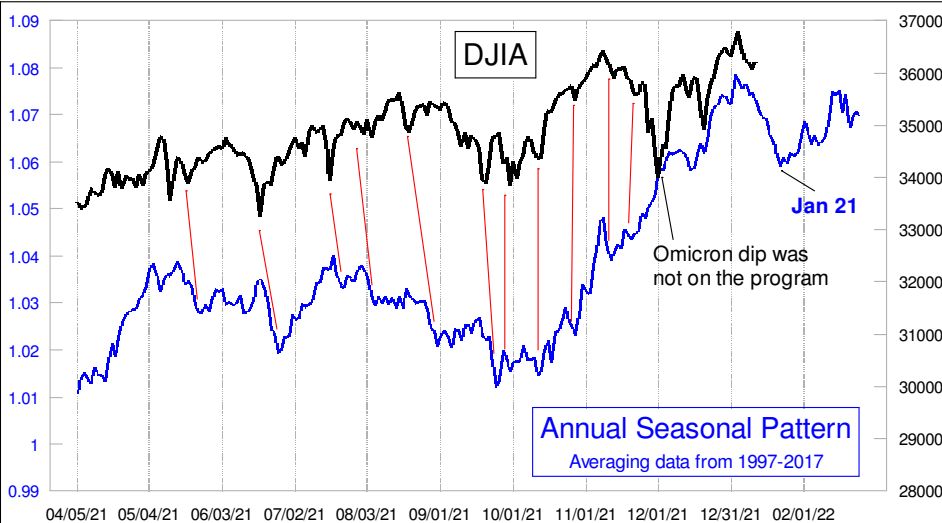
Note: Time frames mentioned refer to trading styles, and not to the duration of a forecast.

Tech stocks added to Monday's rebound on Tuesday, pulling the Nasdaq higher quite a bit, and dragging the other indices along for the ride. Breadth was positive, which took the NYSE's McClellan A-D Oscillator back up above zero after just one day below it. That conveys a message that the bears are not ready to take charge. But it does not yet affirm that the bulls are in charge.

I have a special technique for identifying future turning points for prices, something we cover in our twice monthly *McClellan Market Report* newsletter, calling them Timing Models. Someday I intend to get the book written that will reveal everything about this technique to the world. That's on my to-do list.

I bring this up because I have two signals calling for a top due Jan. 12. Each signal exists independently of the others. Having multiple signals adds weight to the message.

I have viewed those signals as likely to be just the top of a countertrend rally, because the Annual Sea-



Segment	Rank	Score	Current Managed Account Program Positions		
Sm Cap Value	2	0.18%	Stock Optimizer: 50% 2x Inverse SP500, 50% Cash		
Sm Cap Grwth	5	-4.87%	RS2000: 25% 2x SP500, 25% 2x NDX, 50% Cash		
Lg Cap Value	1	2.23%	Rising Star: 50% Invested, 50% Cash		
Lg Cap Grwth	4	-2.27%	Program funds managed by Global Investment Solutions, LLC		
Cash	3	0.00%	For more information, call (866) 547-3123		

ADV-DECL	ADV	DECL	A-D	10%T	5%T	A-D OSC	SUMM INDEX	OSC UNCH'd	OSC TO ZERO	
NYSE	01/11/22	2461	892	1569	136.735	70.988	65.747	1118.155	202	-1112
NASDAQ	01/11/22	3204	1444	1760	-246.160	-260.175	14.014	-1727.878	-232	-512
NDQ 100	01/11/22	87	13	74	-0.424	0.405	-0.830	11.520	-1	15
VOLUME	UP VOL	DN VOL	UV-DV	10%T	5%T	Volume OSC	SUMM INDEX	OSC UNCH'd	OSC TO ZERO	
NYSE	01/11/22	3417259	659203	2758056	338729	134004	204725	-502488	543454	-3551049
NASDAQ	01/11/22	3354742	992125	2362617	172914	170121	2793	1676072	175708	119842
NDQ 100	01/11/22	712491	63837	648655	22619	1511	21107	-174854	43726	-378423
PRICES	HIGH	LOW	CLOSE	10%T	5%T	PRICE OSC	OSC Direction	OSC UNCH'd	Sum/10 Level	1%T
DJIA	36271.47	35769.38	36252.02	36121.10	35894.39	226.710	DOWN	36347.81	35690.35	34478.39
NYComp	17298.01	17053.04	17294.54	17069.75	16977.23	92.523	UP	17162.27	16893.96	16389.48
SP500	4714.13	4638.27	4713.07	4710.41	4679.56	30.852	DOWN	4741.26	4651.79	4389.28
SP400	2807.45	2757.49	2807.04	2804.65	2798.71	5.939	DOWN	2810.59	2793.37	2684.13
NASDAQ	15158.71	14837.63	15153.45	15371.17	15422.74	-51.570	DOWN	15319.60	15469.15	14632.33
Nasdaq 100	15848.56	15496.91	15844.12	16034.41	16029.36	5.048	DOWN	16039.46	16024.82	14942.13
Russ2000	2196.65	2154.81	2194.00	2217.96	2235.85	-17.891	DOWN	2200.06	2251.95	2205.61
GDM	872.46	855.18	871.52	867.45	872.83	-5.381	UP	862.07	877.67	914.23
Feb Gold	1823.10	1799.70	1818.50	1804.53	1802.20	2.338	UP	1806.87	1800.09	1802.35
Mar Bonds	156.09	155.28	155.94	158.40	159.35	-0.956	DOWN	157.44	160.21	160.95
DJI Osc Rising Index:	60%	Neutral, Trend Dn			DJI Osc Pos & Rising:		50%	Neutral, Rising		
NDX stocks >100MA:	48	Arms Index:	0.53	VIX: 18.41		Uppr Band: 23.61		Lwr Band: 15.90		

sonal Pattern in the first chart says that prices are supposed to be heading lower until Jan. 21. Incidentally, one of those Timing Model signals says a bottom is due Jan. 24, which is just one trading day later. The DJIA in that first chart seems to be doing a pretty good job of following the path of the Annual Seasonal Pattern.

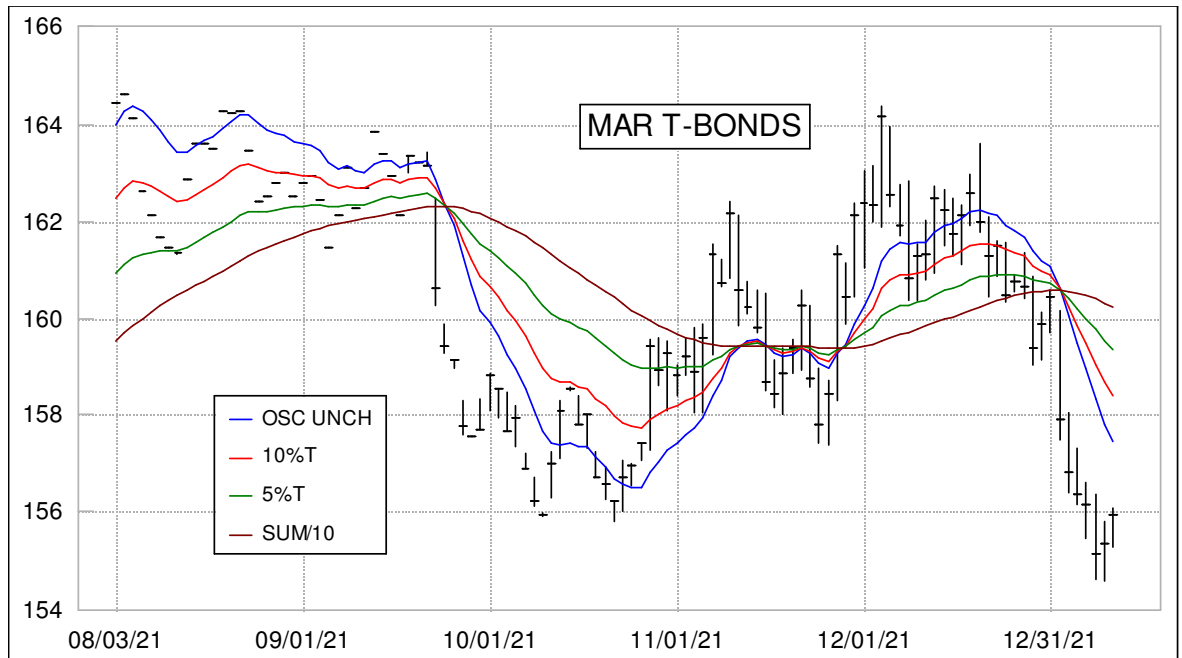
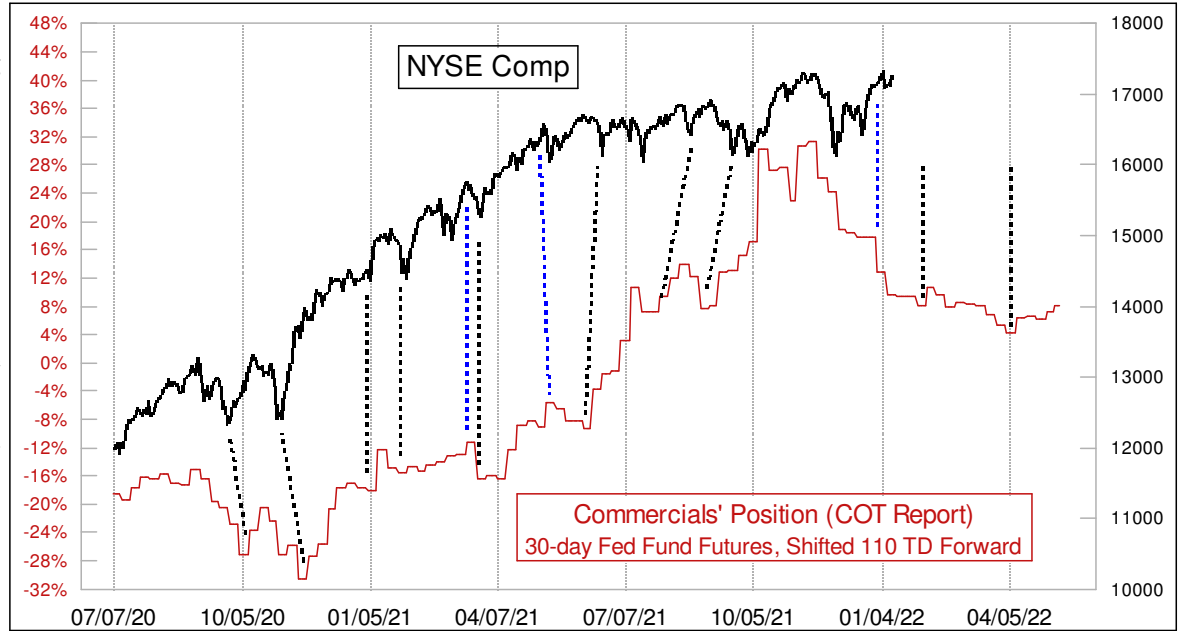
The market is supposed to be breaking down hard now, according to both that Annual Seasonal Pattern and the Fed Funds COT model shown in the top chart on page 2. We got the initial down wave this model showed us for late November, thanks in part to the Omicron scare, but then prices rebounded back a lot more strongly than this model implied. Now we are supposed to be seeing another hard leg down, and the market is taking its sweet time to get going on that project.

Just ahead is a preliminary bottom due in late January, which fits pretty well with the Jan. 21/24 bottom described above. Then it says the market meanders gently lower toward a more significant bottom due the first week of April. I will work on identifying the timing of that early April bottom as it gets closer.

I have been tracking this model for a few years now, and it is semi-normal for a move like the one it shows ahead of us to be delayed in the actual price action. Then the market realizes it has work to do, and so like a college student cramming on the night before the final exam, the market gets the work done quickly. So even though the market is acting now like it does not want to follow this model, I remain confident that the market will get around to it eventually.

**T-Bond** prices rose for a second day, and they are now starting to close the gap to the blue Price Oscillator Unchanged line. The price has to close above that level in order to turn up the Price Oscillator, and so until that happens one can still argue that bond prices are in a downtrend. Having a negative and falling Price Oscillator is not a good condition to try to argue with, although obviously the turns do come, and oversold conditions can matter.

I would still rather wait for a few more days to get evidence that this is not just a snapback.



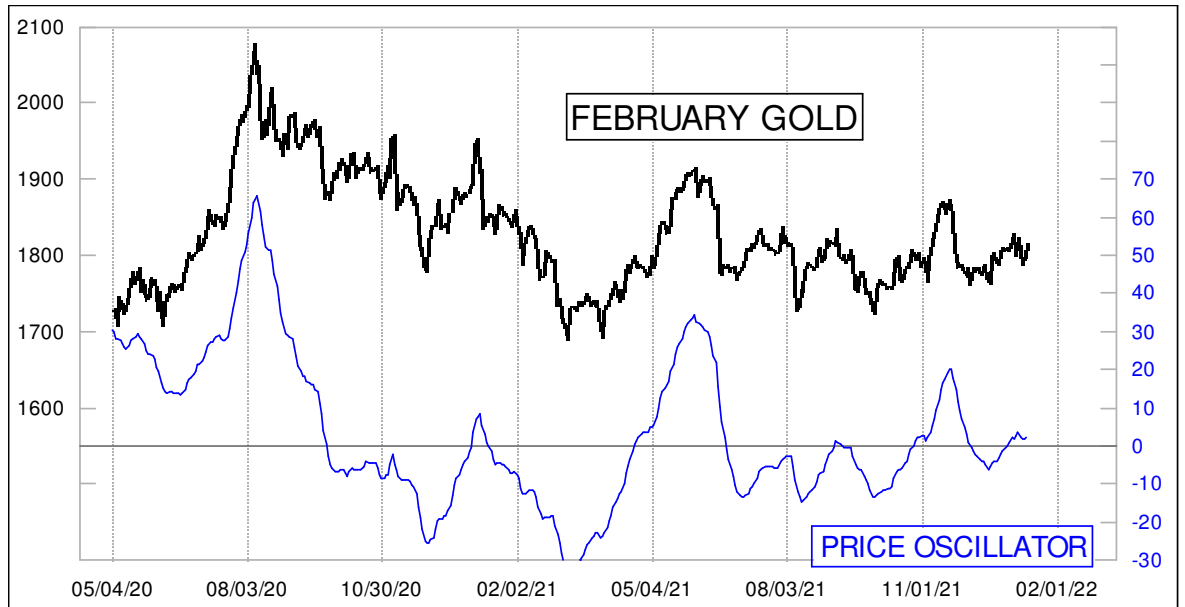
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We also publish the twice monthly *McClellan Market Report* newsletter, which is available by separate subscription at \$195/year.

Sneaking up on that blue line makes for a better crossing than trying to get it all done at once.

**Gold** had a nice pop, adding 20 points to Monday's gains. That was enough to turn up the Price Oscillator for gold, as is just barely visible in the final chart. Importantly, this upturn occurs while the Price Oscillator is still above zero, and that action carries the message that we should expect a higher closing high on the ensuing move.

That message does not tell us exactly how much higher. And it is not a perfect messenger; sometimes it fails. But it is a worthwhile message to listen to.





**Stocks Currently on a "Buy"**

Company Name	Symbol	Buy Date	Buy Price	Current	% Change
Apple	AAPL	3/11/2019	\$44.73	\$175.08	291.46%
Tesla	TSLA	10/20/2020	\$421.94	\$1,064.40	152.26%
Boeing	BA	3/23/2021	\$241.25	\$216.02	-10.46%
Citigroup	C	3/23/2021	\$70.91	\$67.11	-5.36%
Alteryx	AYX	4/19/2021	\$82.49	\$60.08	-27.17%
Freeport-McMoran	FCX	6/9/2021	\$40.70	\$42.98	5.60%
DANA	DAN	6/10/2021	\$25.90	\$24.35	-5.98%
Terex	TEX	7/30/2021	\$47.92	\$46.32	-3.34%
Visa	V	8/2/2021	\$239.78	\$214.38	-10.59%
Ally Financial	ALLY	9/3/2021	\$51.06	\$50.54	-1.02%
Capital One Financial	COF	9/3/2021	\$157.26	\$158.51	0.79%
Chipotle	CMG	9/13/2021	\$1,867.19	\$1,581.61	-15.29%
Goldman Sachs	GS	9/16/2021	\$396.68	\$403.05	1.61%
Tenneco	TEN	10/7/2021	\$14.54	\$13.02	-10.45%
Mosaic	MOS	11/5/2021	\$37.35	\$40.36	8.06%
Merck	MRK	11/5/2021	\$81.61	\$81.68	0.09%
Abiomed	ABMD	11/17/2021	\$343.50	\$319.10	-7.10%
Nvidia	NVDA	12/6/2021	\$300.37	\$278.17	-7.39%
Home Depot	HD	12/17/2021	\$387.98	\$386.67	-0.34%
Medifast	MED	1/3/2022	\$215.83	\$196.46	-8.97%
Wynn Resorts	WYNN	1/3/2022	\$87.77	\$85.30	-2.81%
Amphenol	APH	1/7/2022	\$82.12	\$82.61	0.60%
Mercadolibre	MELI	1/7/2022	\$1,085.36	\$1,166.07	7.44%
TechTarget	TTGT	1/7/2022	\$84.25	\$88.32	4.83%
Mid America	MAA	1/10/2022	\$214.70	\$213.58	-0.52%

**Stocks Currently on a "Buy"**

Company Name	Symbol	Buy Date	Buy Price	Current	% Change

**Sell Date**

Company Name	Symbol	Buy Date	Sell Date	Buy Price	Sale Price	% Change
EPAM Systems	EPAM	12/17/2021	1/7/2022	\$636.33	\$556.68	-12.52%
Microsoft	MSFT	5/3/2021	1/5/2022	\$247.79	\$316.38	27.68%
Zoom Video	ZM	10/25/2021	12/29/2021	\$279.79	\$181.81	-35.02%
O'reilly Automotive	ORLY	10/29/2021	12/29/2021	\$622.32	\$708.14	13.79%
Lennar	LEN	12/17/2021	12/29/2021	\$105.84	\$116.10	9.69%
Kb Home	KBH	12/20/2021	12/28/2021	\$40.58	\$44.69	10.13%
Edwards Life Sciences	EW	9/13/2021	12/27/2021	\$119.35	\$130.58	9.41%
Century Aluminum	CENX	4/6/2021	12/22/2021	\$15.30	\$16.85	10.13%
Hovnanian	HOV	6/4/2021	12/10/2021	\$110.45	\$131.87	19.39%
Facebook	FB	8/2/2021	12/1/2021	\$351.95	\$310.60	-11.75%
Mastercard	MA	3/18/2021	11/22/2021	\$367.00	\$321.30	-12.45%
Micron Technology	MU	9/16/2021	11/22/2021	\$74.63	\$83.86	12.37%
Exxon	XOM	9/21/2021	11/19/2021	\$53.64	\$60.71	13.18%

Buy and Sell signals are generated by technical indicators often referred to as "directional" indicators. Each stock generates its own signals based on its share price action, and independent of other factors, including our views about the overall market trend. In backtesting, best results were obtained when new positions were taken upon "New Buy" signals, and when stocks that generate a "Sell" were promptly removed from a portfolio. Since many of the stocks in this program carry above average risk, stocks should be bought only by investors financially able to purchase speculative stocks. Investors should be prepared to lose their entire investment and

PRUDENCE should be displayed when entering a position. Trading based on these signals is available in a managed accounts program through Global Investment Solutions, LLC. For more information on this program, see [http://www.mcoscillator.com/market\\_reports/rising\\_star\\_stocks.html](http://www.mcoscillator.com/market_reports/rising_star_stocks.html) or contact Roger Kliminski at 949-660-7960 or [Roger@Globalinvestsolutions.com](mailto:Roger@Globalinvestsolutions.com).

