

Viper ETF Report

February 9, 2017



It has been another week of quiet trading as the **Spyder Trust (SPY)** is down just \$0.10 since last Friday's close. The Dow Industrials as of Wednesday's close is down 6.5 points for the week. According to AAll the individual investors has become a bit more positive as the bullish % rose 3% to 35.8%. The bearish % dropped 6.5% to 27.7%. This is an encouraging sign and there has not been any movement this week in the VIX as it is at 11.45. A daily close above 15 will warn of a correction.

The **Spyder Trust (SPY)** continues to hold above its rising 20 day EMA at \$228.20 with the daily starc- band at \$226.75. There is weekly chart support in the \$225 area. The apparent rising wedge formation (lines a and b) has resistance just below \$231. The S&P A/D turned up Wednesday from its WMA and has further support at line c.

The **PowerShares QQQ Trust (QQQ)** has made further new highs this week. The upper boundary of the trading range and the daily starc+ band are at \$127.60. The weekly starc+ band is at \$129.09 with monthly pivot resistance at \$130.16. The rising 20-day EMA is now at \$124.45. The daily Nasdaq 100 A/D has turned sharply higher and has made convincing new highs. The daily WMA is also still rising strongly with good support now at line c.

The **iShares Russell 2000 (IWM)** dropped down to the \$134 level Wednesday but then closed well above the lows. Still IWM needs a daily close above the December 9th high at \$138.25 to confirm a resumption of the post-election rally. The 20-day EMA is flat at \$135.40. The more important support at the 20-week EMA is 3% lower at \$130.93. The daily A/D line has moved further below its WMA and has dropped below the recent low which is a sign of weakness.

The **SPDR Dow Jones Industrials (DIA)** made a new high Tuesday which is a positive sign but the Dow A/D line is still slightly below its WMA.

Summary: Last week's improvement in the technical studies has not yet triggered any heavier buying so far this week. This has made some traders more nervous. Other than the lagging action of the small cap stocks there has not yet been any conclusive evidence of a sharper correction. It seems like the market is waiting for a catalyst but other than earnings we only have the Consumer Sentiment data on Friday. The yield on the 10 Year T-Note has dropped sharply this week with important support now in the 2.30% area.

Asian markets were up slightly other than Japan's Nikkei which was down 0.50%. The Euro zone markets are now showing solid gains before the US open. The S&P futures are now up three points and are challenging the near term resistance at 2295. A close above 2297 will make those on the short side quite nervous. It would take a drop below the support at 2281 to weaken the technical outlook.

The weekly close in the TBT and energy ETFs will be important. Investors and traders should look to buy XLU as it appears to be making a major turn. Investors could also buy the XLB. Also recommend reducing the position in KRE as the risk has increased.

Market Tracking ETFs

The daily analysis on IWM has deteriorated some this week but the analysis of the SPY and QQQ still look strong. The intermediate term analysis is still clearly positive and only a sharp weekly downside reversal could weaken this outlook.

Traders are 50% long the iShares Russell 2000 (IWM) at \$137.07 and 50% long at \$135.83 (average \$136.45) with a stop at \$131.74.

Traders are 50% long the Spyder Trust (SPY) at \$225.77 with a stop now at \$221.77

For the PowerShares QQQ Trust (QQQ) investors are 50% long at an average price of \$115.39 and 50% long at at \$118.91 with a stop for now at \$117.67.

Traders are 25% long QQQ at \$117.88 and 50% long at \$118.91 with a stop for now at \$117.67

Sector Tracking ETFs

The **Vanguard Financial (ETF)** formed a doji on Monday and has declined over the past two days as it was down 0.70% on Wednesday. The daily indicators are now slightly negative but VFH is still above the support in the \$58-\$59 area. **Investors and traders who are not in KRE are 50% long at \$59.95 and 50% long at \$59.28 (average \$59.61) with a stop at \$56.84 (risk of 4.6%)**



The **Vanguard Small-Cap Growth ETF (VBK)** is a bit lower this week but it is still in a tight range with key resistance at \$138.55. There is weekly support at \$134.50 with the rising 20-week EMA at \$132.13. The weekly RS is still above its WMA but has formed lower highs. The OBV is still acting stronger than prices. **Investors and traders are 50% long at \$136.30 and 50% long at \$136.06 using a weekly close under 130.71 as the stop.**

The **ProShares Ultrashort (TBT)** gapped lower on Wednesday and closed just above the daily starc-band at \$38.33. Volume was heavy at almost double the average. The weekly close will be important as will the strength of the next rally. Yields are up a bit in early trading. **Investors and traders are 50% long at \$39.95. Use a weekly close under the quarterly pivot at \$38.29 as the stop for now.**



The **Utilities Sector Select (XLU)** has been able to move above the eight-week highs. The weekly RS looks ready to move above its WMA and the downtrend, line a, this week. The OBV is even stronger as it has already broken out to the upside. **Investors should be 50% long at \$48.64. Add a 50% long position at \$49.27 or better. Use a hard stop now at \$47.67. Traders could also go 50% long at \$49.27 with a stop at \$47.67. (risk of 3.3%)**

The **SPDR KBW Regional Banking ETF (KRE)** closed back below its 20 day EMA. The daily RS is now back below its WMA. The OBV after breaking out to the upside in January has now dropped below support which is a worrisome development. **Traders are 50% long at \$55.89 and 50% long at \$55.26 (average \$55.57). Would sell 50% on the open to reduce the exposure as the risk has increased. Use a stop on the remaining position at \$53.33.**

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The **iShares Dow Jones Transportation (IYT)** has been in a very tight range this week and is up slightly. The weekly studies are positive but the daily studies are slightly negative. **Investors and traders are 50% long at \$165.52 and 50% long at \$164.22 (average \$164.87) with a stop at \$160.77**

The **SPDR S&P Biotech (XBI)** was up 0.90% on Wednesday but is still below the important resistance at \$68.14. A close above this weekly high would be an upside breakout with the weekly starc+ band at \$72.03. The daily studies are positive and have gotten stronger this week. **Investors are 50% long at**

\$61.84 with a stop at \$57.88. Traders are 50% long at \$61.84 and would raise the stop to \$60.58. Traders added 50% long at \$62.78 or better with the same stop.

The **First Trust Dow Jones Internet (FDN)** dropped down to the 20 day EMA and then closed strong. A higher weekly close will suggest FDN is ready for another strong push to the upside. The daily RS and OBV are positive and rising. **Investors who were not in both QQQ and XLK are now 50% long at \$81.16 and added 50% long at \$80.56 (average \$80.86) with a stop at \$78.73. Traders are still 50% long from \$80.86 as previously sold 50% at \$85.67 for a 6% profit. Traders use a stop at \$83.56.**

The **Technology Select Sector (XLK)** has made further new highs this week with quarterly pivot resistance at \$51.45. The weekly starc+ band and monthly pivot resistance are in the \$52.15 area. The weekly studies will turn back up with a higher weekly close. **Traders are now 50% long at an average price of \$46.31 with a stop at \$48.75. We earlier sold the 50% long position from \$46.31 at \$50.66 for a 9.4% profit.**

Crude oil dropped on Monday and Tuesday but then reversed to the upside on Wednesday to close higher. There is key resistance now at \$55 for the April contract

The **Energy Sector Select (XLE)** came close to the daily starc- band on Wednesday but did manage to close higher. The major breakout level from November was also tested. The daily RS is still acting weak while the OBV is acting much better. The declining 20-day EMA at \$73.53 is now the first key level of resistance. **Traders are 50% long XLE at \$70.62 with a stop at \$69.77. Investors and traders added 50% long at \$74.14 with a stop at \$69.77.**

The **SPDR S&P Oil & Gas (XOP)** dropped down to test the 61.8% retracement support at \$38.14 before closing a \$1 higher. The declining 20-day EMA is now at \$40.48 which is the first barrier on the upside. A weekly close below \$40.48 may cause the weekly RS to drop below its WMA. The OBV is acting stronger. **Traders are 50% long at \$37.24 with a stop at \$36.56. Added 50% long at \$40.78 with the same stop.**

The **SPDR S&P Metals & Mining ETF (XME)** is higher this week but still below the January high at \$34.45 and the daily starc+ band at \$35.09. The weekly indicators look strong and the daily studies are now slightly positive. **Traders are 50% long at \$32.46 and 50% long at \$31.59 with a stop at \$30.23. Sell 50% at \$34.68 or better.**

The **Materials Sector Select (XLB)** dropped down to test stronger support before closing a bit higher. The weekly indicators still indicate that this is a pullback with the major uptrend. The daily RS is negative but the OBV has stayed positive. A move back above \$52.32 will be positive. **Traders are 50% long at \$51.05 with a stop at \$49.23. Added 50% long at \$52.28 with the same stop. Investors go 50% long at \$51.65 or better with a stop at \$49.23.**

The **Consumer Discretionary Select (XLY)** triggered a daily doji buy signal after testing the 20 day EMA. It has held above the monthly pivot at \$83.45. A further rally is needed to turn the daily indicators positive. **Investors and traders are 50% long at \$84.09 and added 50% long at \$83.26 (average \$83.67) with a stop at \$80.55**

Country & Overseas ETFs

The **iShares MSCI Canada (EWC)** dropped down to test the 20 day EMA and is now trying to turn higher. The daily indicators are now mixed but the weekly OBV continues to lead prices higher. The weekly starc+ band is now at \$28.45. **Traders are 50% long at \$26.76 with a stop at \$26.37.**

The **iShares MSCI Europe Financials (EUFN)** has dropped this week but this may change today as the Euro banks are higher in early trading after some positive earnings reports. **Traders are 50% long at \$19.14 with a stop now at \$18.82.**

New & Open Recommendations					
Market	Symbol	Type	Position	Entry	Stop
Utilities Sector Select	XLU	Investors/Traders	Buy 50%	49.27	47.67
SDPR S&P Regional Banks	KRE	Traders	Sell 50%	Open	
SPDR S&P Metals & Mining	XME	Traders	Sell 50%	\$34.68 OB	

Symbol	ETF Name	Close	QPivot	20 D EMA	starc+	starc-	Monthly	Weekly
DXJ	WT Japan Hdgd Eqty Fd	50.19	41.36	50.28	51.46	48.85		
EPI	Wisdom Tree India Earnings	22.12	21.04	21.40	22.33	21.51		
EUFN	iShs MSCI Euro Finl ETF	19.31	16.46	19.56	20.17	19.15		
EWA	iShs MSCI Australia ETF	21.45	20.10	21.30	21.82	21.08		
EWC	iShs MSCI Canada ETF	27.10	25.11	27.03	27.65	26.59		
EWG	iShs MSCI Germany ETF	27.22	25.22	27.28	27.87	26.93		
EWH	iShs MSCI Hong Kong ETF	21.16	20.92	20.85	21.32	20.76		
EWI	iShs MSCI Italy Capped ETF	23.64	10.85	24.07	24.48	23.13		
EWJ	iShs MSCI Japan ETF	51.09	49.13	50.73	51.62	50.28		
EWL	iShs MSCI Switzerland Cppd ETF	30.76	29.82	30.47	31.15	30.29		
EWM	iShs MSCI Malaysia ETF	29.36	32.84	29.19	29.75	28.89		
EWP	iShs MSCI Spain Capped ETF	27.03	25.80	27.26	27.96	26.73		
EWS	iShs MSCI Singapore ETF	21.82	21.71	21.56	22.10	21.59		
EWT	iShs MSCI Taiwan ETF	31.62	30.16	31.21	32.09	31.07		
EWU	iShs MSCI UK ETF	31.59	31.12	31.37	31.97	31.04		
EWV	iShs MSCI Mexico Capped ETF	45.47	49.55	44.56	47.18	43.64		
EWY	iShs MSCI S Korea Capped ETF	58.01	55.32	57.23	59.40	57.37		
EWZ	iShs MSCI Brazil Capped ETF	37.58	32.07	36.68	38.47	36.1		
FXI	iShs China Large-Cap ETF	37.58	36.37	36.59	37.39	36.23		
IEFA	iShs Core MSCI EAFE ETF	55.64	53.18	55.35	56.33	54.98		
IEV	iShs Europe ETF	39.76	38.07	39.68	40.43	39.28		
ILF	iShs Latin Am 40 ETF	30.66	27.06	30.03	31.3	29.72		
RSX	VanEck Vctrs Russia ETF	21.45	18.16	21.49	22.26	21.04		
TUR	iShs MSCI Turkey ETF	34.95	38.42	33.33	35.92	33.19		
VTI	Vanguard Total Stock Mrkt ETF	118.26	108.54	117.55	119.59	116.39		