

# PHASES & CYCLES®

## January showed the way.

The “Santa Claus Rally” gave us a neutral outcome; so did the “First Five Days” of the year. That left January to tell the tale, and such a tale. All Indices: the DJI, SPX, NASDAQ and even the TSX; each managed a sizeable rise in January to make it a positive month. Therefore, based on the historic “as January goes, so will the year”, 2024 should be positive.

The question of who will be the President of the United States for the next four years will not be decided until November. Folklore suggests the best outcome would be if neither Mr. Biden nor Mr. Trump would win, as both would be second term Presidents.

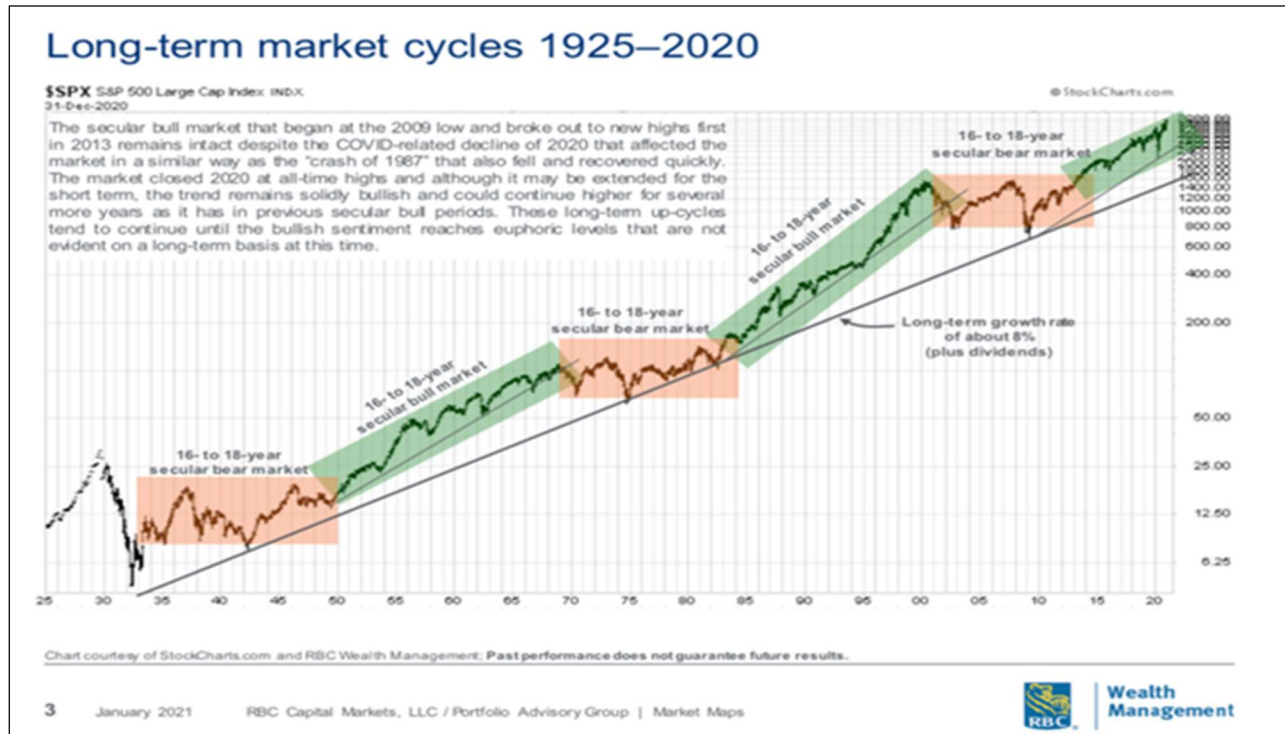
### OUTLOOK

As the table below shows (courtesy of *Investors Intelligence*), neither the percentage of stocks above their 10 week Moving Averages (10wMA) nor 30 week Moving Averages (30wMA) have changed significantly. These large numbers suggest that soon or later we should expect a minor correction, possibly during the rest of February. At the same time, the AAI (American Association of Individual Investors) Investor Sentiment Survey shows a varying rise and fall of the percentage of bulls but they are not significant changes.

The North American markets are in a bullish mode and except for a short period, they should continue to advance, despite all the negative noise emanating from those looking only at interest rates.

	SPX	% of stocks above 10wMA	% of stocks above 30wMA	AAII Bulls	AAII Bears
6 February	4942.81	55	58	49	25
30 January	4924.97	66	63	39	26
23 January	4864.60	62	61	40	27
16 January	4765.98	60	60	49	24

In the next Market Comment, I will explain the lesson of the two charts below and why technical research is regularly more important than fundamentals.



Capitalight Research · 130 King Street West, Exchange Tower Suite 1940, Toronto, Ontario M5X 2A2  
[subscriptions@capitalightresearch.com](mailto:subscriptions@capitalightresearch.com) · [Capitalightresearch.com](http://Capitalightresearch.com)

The contents of this report may NOT be copied, reproduced or distributed without the explicit written consent of Capitalight Research Inc. ©2024, Capitalight Research Inc. All rights reserved

The opinions and projections contained herein are those of Capitalight Research Inc., its principals, associates and employees (collectively "the researchers") and are subject to change without notice. The information contained herein has been obtained from sources that we believe to be reliable but cannot guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that "the researchers" are to be under no responsibility or liability whatsoever in respect thereof. "The researchers" may, from time to time, buy, own or sell securities mentioned herein. "Capitalight Research Inc." is a division of Capitalight Corp.