

PHASES & CYCLES®

THE CORRECTIVE PERIOD IS OVER.

The third corrective period, within the bull market that commenced in 2009, ended in October 2022.

Each of these corrective moves, in 2016 and 2018, were falsely labelled as bear markets and ended at the time when the consensus was the loudest. However, by then the correction was over and the markets were on their way to new all-time high levels.

The same is true of the one that started in January 2022. It actually ended in October 2022, but it was not completely convincing at the time. Although the SPX actually completed a correction exactly ½ of the previous rise (from March 2020 to January 2022), which is usually a good sign of an end, but more proof was needed. This occurred in January 2023, when the two positive *January signals* were complimented with a rare

“Breadth Thrust” signal, and when the seven portfolio managers interviewed for an article in the papers were all bearish.

Although the final nail in the coffin is not in yet, which would come when the SPX rises above 4250- 4300, the above-mentioned signals are truly convincing that the correction is over, and that the SPX will eventually overcome the current all time high at 4800.

Only a decline below 3800 would reverse the current positive outlook.

OUTLOOK

Similar levels to watch in Toronto are 21,00 for a breakout and 19,000 for major support. The Energy & Materials sectors still lead, and so does Royal Bank in Financials and the railways in Transports.

S&P 500 (SPX)



S&P/TSX (TSX)



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