



The StockCharts.com Market Message

Featuring our commentators, John Murphy and Arthur Hill

Thu, Apr 26 2018 2:41 PM ET

NASDAQ 100 LEADS MARKET REBOUND -- FACEBOOK LEADS TECH SECTOR HIGHER -- VISA, HOME DEPOT, AND MICROSOFT ARE DOW LEADERS -- S&P 500 SURVIVES ANOTHER TEST OF ITS 200-DAY AVERAGE -- RISING DOLLAR CAUSES PULLBACK IN GOLD

By John Murphy

NASDAQ 100 LEADS MARKET REBOUND... Stocks are enjoying a rebound today off chart support near 200-day moving average lines. And the Nasdaq is leading it higher. Chart 1 shows the **PowerShares Nasdaq 100 (QQQ)** rising 2% today to outpace other stock indexes. After finding support from just above its 200-day moving average yesterday (red arrow), the QQQ gapped higher this morning. It's getting a lot of support from the technology sector which is today's strongest sector. Internet, software, and semiconductors are leading the tech sector higher. Facebook is the standout performer. Chart 2 shows **Facebook (FB)** gapping 10% higher today putting it back above both moving average lines. And on rising volume.



(click to view a live version of this chart)

Chart 1



(click to view a live version of this chart)

Chart 2

VISA, HOME DEPOT AND MICROSOFT LEAD DOW HIGHER... Chart 3 shows the **Dow Industrials** rebounding today after finding support near their 200-day moving average. Although today's rebound is encouraging, the Dow would still have to clear its mid-April peak (black line) to restore its uptrend. Three of today's Dow leaders are shown below. Chart 4 shows **Visa (V)** surging 4% to a new record. Chart 4 shows **Home Depot (HD)** rising 4% which puts it well above its 50-day moving average. Chart 6 shows **Microsoft (MSFT)** regaining its 50-day average. That's a pretty eclectic group of stock leaders and shows that today's rebound is broadly based. In fact, ten of eleven sectors are in the black today being led by technology, consumer cyclicals, healthcare, and energy.



Chart 3

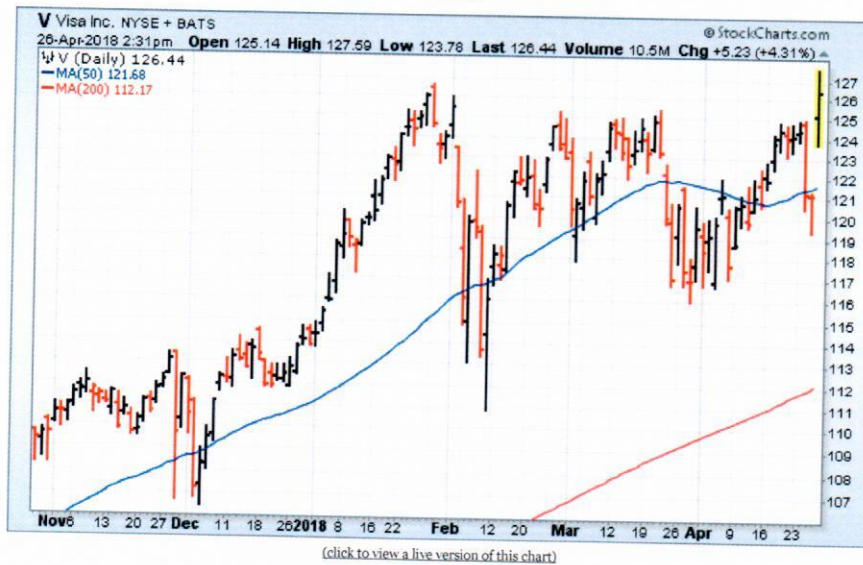


Chart 4



Chart 5

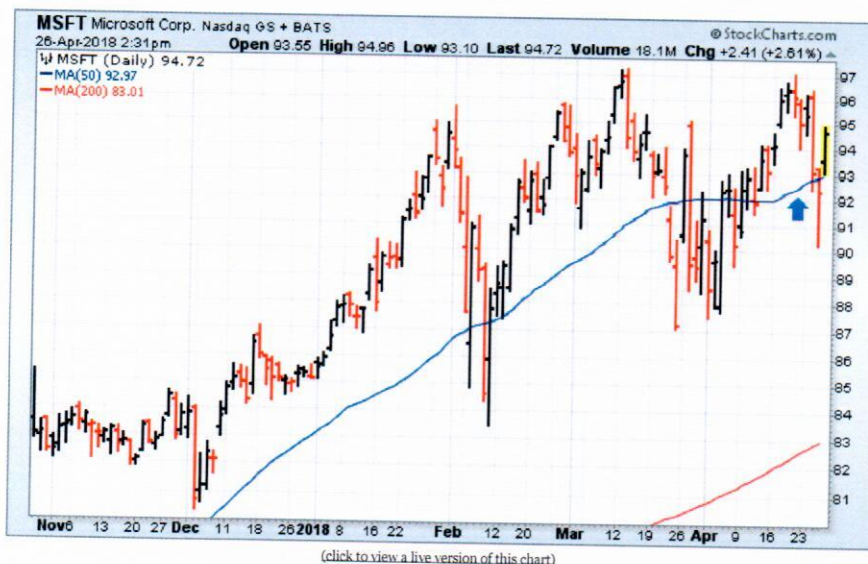


Chart 6

S&P 500 BOUNCES OFF 200-DAY AVERAGE AGAIN ... Chart 7 shows the **S&P 500** bouncing today after touching its 200-day average yesterday. This is the third time since February that the 200-day line has been tested and held. That has kept the market's major uptrend intact. Technical odds still favor the upside from current levels. The SPX, however, still needs to clear its mid-April peak (at 2717) and a falling trendline drawn over its late-January/mid-March highs to support that optimistic view. The 14-day RSI line (top of chart) is close to rising back over the 50 line. MACD histogram bars (below chart) have pulled back to their zero line and appear to be holding. That means that the MACD lines themselves are still positive. That's another encouraging sign.

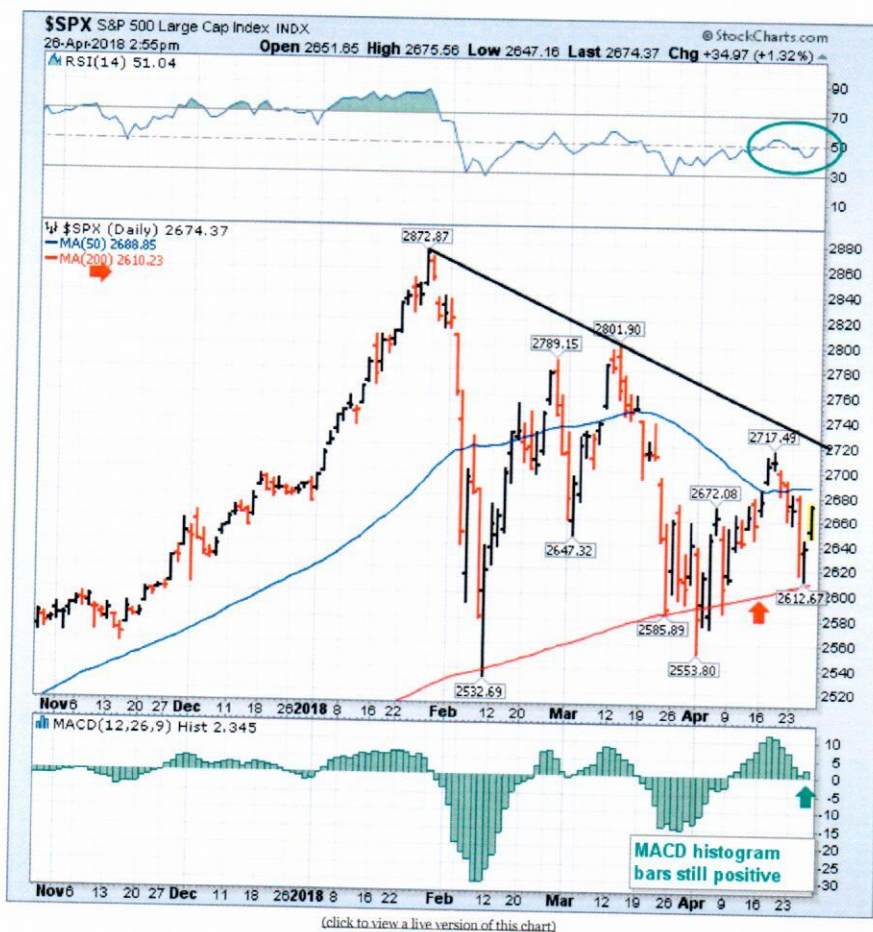


Chart 7

RIISING DOLLAR HURTS GOLD... Rising Treasury yields may be pulling the dollar higher. Chart 8 shows the **PowerShares Dollar Index (UUP)** climbing to the highest level in three months. The UUP is also trading above its 200-day average for the first time in a year. That's not a good sign for gold which has started to pull back from a test of its yearly high (brown bars). If the dollar continues to rally, that could also slow the recent rise in commodity prices. And that in turn could ease upward pressure on Treasury yields, at least temporarily. A pullback in bond yields (or a slowing of their recent advance) could boost stock prices. The 10-Year Treasury yield is pulling back today from overhead resistance just above 3% which may be supporting today's stock buying.

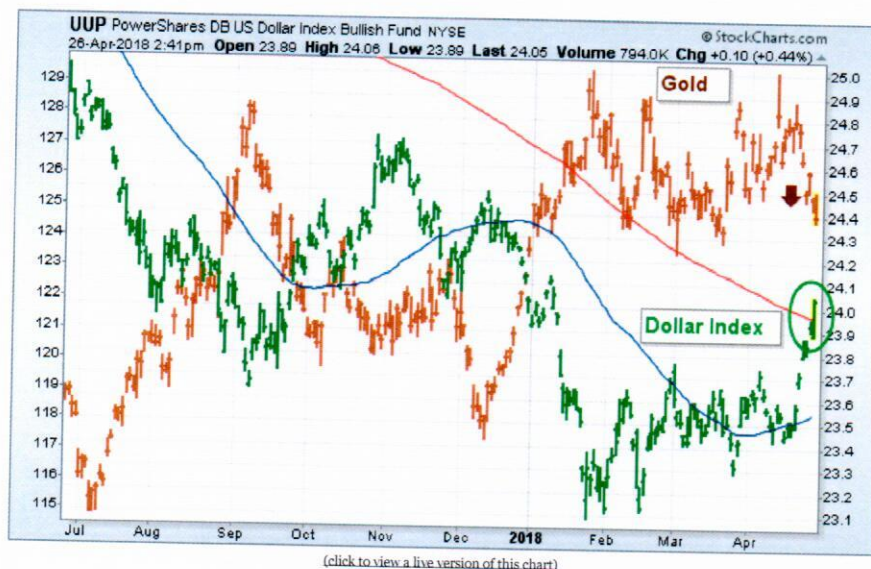


Chart 8

Copyright © StockCharts.com, Inc. All rights reserved.

You may not republish or redistribute this article in any manner without our prior written permission. Use of this article for any purpose other than your own personal, non-commercial use is a violation of our copyright and can subject you to legal liability.

Books and Instructional Videos by John Murphy

Data provided by: Interactive Data Corp.

Unless otherwise indicated, all data is delayed by 15 minutes

© 1999-2018 StockCharts.com. All Rights Reserved.