

## S&P500: Weekly Chart and Potential Outlooks for 2024

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Following up on our S&P500 monthly chart from the last Global Watch, let's zoom onto the weekly chart to envision how the Index could develop along a mildly bullish scenario, given the already sharp rise during January. Along the January barometer, a positive January indicates a high chance to close in the green in December. In between, yearly seasonality and longer cycles are at work. So far, the price in January has acted along a classic bull signal: from 4769 on December 29, 2023, to the previous all-time high of 4818 in the 4th week of January, the Index reached 4975 on February 2. Even the one-day pullback from 4931 to 4845 on the U.S. Fed's press conference is seen as a technical pullback toward the old resistance of 4818. Currently, the price is rising along the upper weekly B-Band (5031) toward the 5052-5084 area, then to a key Fibonacci projection of 5104 (orange level on chart's right). Could it be the top? Time will tell. Our Green Path suggests pullbacks in March toward 5000, a rebound to 5100, then mostly based on yearly seasonality, the S&P500 may correct its rise from 4103 by declining in June - first to the old 2021 all-time high

of 4818, rebounding into August and ending its decline into September-October as a springboard for the next bull phase into May 2025. This sounds like a less volatile year with 2024 ending on the plus side, clearly less steep than 2023. Is it too simple to be true?

Do you recall the Red Path in the last Global Watch? Some "bearish" market pundits claim the lower low (Covid low) of the S&P500 (2191 in March 2020) is the "true" four-year cyclical low, expecting the next major low in 2024. They were probably surprised by a new all-time high above 4818 this last month, but "moderate" Bears still expect a decline to at least 4000 (which is near the monthly Ichimoku Upper Cloud presented last month, which is also well below the Lower Cloud on the weekly chart). A bearish argument is VIX at 13.85% rebounding slowly from 12.5% with higher highs & lows being a call for a sharp rise during 2024 (VIX = Fear Index: orange dotted line). Could it happen during an election year?

The Green Path looks so much more civilized.

### S&P500 on a log scale from May 2021 in weekly candles with Ichimoku Cloud

The orange dotted line represents VIX which is rebounding (13.85%)



**Upper Panel:** Relative Strength of Small Caps v. S&P500 (green dotted line) nearing the previous support of October. The Relative Strength of ETF Emerging Markets (in \$) v. S&P500 (orange solid line) making lower lows in 2024. The Relative Strength of the Nasdaq versus the S&P500 (red dotted line) is pausing after making a higher high in January 2024.

**Lower Panel:** In January both MACD and weekly STO are rising, though STO may be a tad topy. While the monthly STO (not shown) is now entering an overbought area, the weekly overbought STO is not displaying a bearish divergence. This supports marginally more upside in the coming weeks for the S&P500 along a Green Path. The Red Path shows one S&P500 decline as envisioned by some market analysts, who are very bearish for 2024.

The vertical line in blue (set in October 2022) for the theoretical lows of the U.S. Presidential cycle (midterm election). In the years of a U.S. Presidential election or in years ending in 4, Red Path (minus 25%) rarely occurs.