



Above is a momentum chart (momentum rules everything). Above is the daily SPY going back to mid 2003 and the top window is the RSI. When the daily RSI (14) for the SPY reaches 80 (did on 8/28/20) it suggests its not the final high. The red thin vertical lines on the times when the daily RSI reached 80. Final highs can form when the RSI stop around the 70 level (Identified in pink regions). September option expiration week has odds of being higher 77% of the time (September 14-18). The week after option expiration is the weakest week of the year. If August closes at an all time high then September is down 79% of the time (Steve Deppe). Also the early October period is weak in regards to Seasonality. Yesterday we said, "Momentum rules for now but sentiment is at extremes. Another interesting bit of Information, if August is up 5% or more (Up so far 7.24%) then first week of September (This week) is up 72% of the time. It common for signals to generate around Holiday's and the coming weekend is "Labor Day" and markets are closed on the following Monday. We would like to see an uptick close greater than +500 come this Friday to suggest exhaustion of the uptrend." If this signal is triggered, it would suggests next week (the week before option expiration week) to be down. Therefore we could see a "Seesaw" in the market over the next couple weeks. Join us on twitter. [@OrdOracle](#)

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Today's decline gives credit to what we said yesterday, "We don't believe the rally from the March low is done and another rally to new highs is possible. There is still a possibility that the Selling Climax low of August 11 may be tested before the next impulse rally up will start. This coming weekend is Labor day holiday and a week from today, next Monday is when markets are closed. Gold markets have a good history of reversing around holidays. If gold markets rally into this Friday (Labor day weekend) then it could present a high and if declining into Friday could be a low. There is no guarantee that a pull back will occur to test 8/11 low; but we have found that the higher the Volume on the "Selling Climax" the more likely that "Selling Climax" low will be tested and the 8/11 low had very high volume. Another thing, the higher the volume on the "Selling Climax" the more likely the test will hold. Another Impulse is wave coming and a test of the 8/11 low is possible and if tested would be a good place to add to positions. Silver stocks should outperform gold stocks on the next potential impulse rally. The next impulse wave high may end the rally phase that began at the March low. So the next high could lead to a multi month consolidation that could extend into next year." Long GDX on 7/8/20 at 38.62. www.ord-oracle.com. New Book release "The Secret Science of Price and Volume" by Timothy Ord, buy www.Amazon.com.

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