

105.0	-67.0	アンリツ	1804	+58	トヨ
1849		ソニー			日野
2033	-41	TDK	7640	-170	三菱
84.0	-4.0	アルパック	1034	-32	アイシ
1886		横河電	1141	-22	マツ
106	-6	アドバンテ	3935	-5	ホン
2095		キエンス	29590	-345	スス
591	-11	デンソー	3152	-53	SUB
173	-4	カシオ	1362	+9	ヤマハ
688	-28	フナック	13885	-155	シマ



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Signs of Market Consolidation - 4 Interesting Charts

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The funding markets seem to have found a temporary footing as central banks attempted to counter the outbreak with their own shock and awe bazookas. The ECB unveiled an EUR 750bio bond purchase 5 days ago while the Fed announced unlimited quantitative easing yesterday as their latest salvo. The US Congress is also debating an upsized USD2 trillion stimulus package.

On the medical front, although the confirmed cases reported globally continue to rise together with the death toll, we have good news out of China where there is an announcement in the relaxation of the travel restrictions imposed on Wuhan.

All these sparked a rally in equities led by US equities futures which is currently up 5% in both the S&P 500 and Nasdaq at the time of this report writing. While it is unlikely that the bear trend in equities will end, given that the economic impact of this outbreak potentially overshadow that of the Global Financial Crisis, **there are signs of the market reaching a temporary consolidation phase.**

Below are 4 charts that might be interesting.

✉ Thomas@PZHconsultants.com

🌐 www.pzhconsultants.com



- 1) **The US Treasuries (UST) finally reversed their selloff and rallied over the last 2 days** (treasuries prices have an inverse relationship with yields). This is a sign that the Fed's QE measure is restoring some calm in the market which saw heavy selling of Treasuries to raise cash. As we recall in my previous report, UST temporarily lost its traditional flight to quality correlation with equities during last 2 weeks' violent asset selloff because everyone was just selling everything to raise funding.



- 2) **The stock market has lost ALL of the post-Trump election gains.** We are hovering at the point of breakout of the Trump rally which started in 2016 which in turn forms a natural support. More interestingly, if we zoom into the chart over the last 2 days... ..



- 3) **Doji stick technical indicator sighted yesterday.** This is a sign of market INDECISION. Although this does not necessary signal a reversal, it does indicator that the market is struggling to make new lows in the recent selling trend.



- 4) **Divergence between S&P and VIX.** The equities volatility index VIX also known as the "fear index" is reversing in spite of the continued selloff in equities over the last few days. Usually VIX climbs higher as volatility increases during equities selloffs. The fact that there is a divergence shows signs of market exhaustion for shorts.

Bottomline: The bear trend in equities is still intact but there is risk that the market will go through a consolidation phase soon. Time to lock in some profits for short positions.