

The Week Ahead

The market is continuing to march upward with the tailwinds of the Federal Reserve. 2021 was an a record year and the market is beginning to ask the question as to whether this can continue or if a long overdue correction is at hand.

As with all trading weeks, we would advise to pay particular attention to the Industrial production numbers that are due on Friday. Any future weakness will likely be seen here first. So do pay attention to this. All things being considered, this should be another big week with the bias being to the bullish side.

S&P Futures Support Levels

Intraday Support Levels

The ES futures have significant intraday support levels:

1st Level of Support
4500-4502.50

2nd Level of Support
4425-4427.50

3rd Level of Support
4325-4327.50

As with any level of support, these levels may or may not hold depending on the conditions of the day. Trading futures contains extreme levels of risk. Only individuals with proper training should attempt.

Disclaimer: These levels are for information only. This is not a recommendation to buy or sell in either the ES futures or the S&P Index.

Index Daily/Weekly Support Levels

The S&P Daily Index has the following support levels:

1st Level of Daily Support
4495-4500.50

2nd Level of Daily Support
4410-4415.50

Weekly Support Levels:

1st Level of Weekly Support
4108-4113.50

2nd Level of Weekly Support
3578-3583.50



Announcements this week

Consumer Price Index	Wednesday 7:30 a.m. CST
Producer Price Index	Wednesday 7:30 a.m. CST
Jobless Claims	Thursday 7:30 a.m. CST
Industrial Production	Friday 7:30 a.m. CST
GDP Report 4th Qtr 2021	Friday 7:30 a.m. CST



Internal Indicator Status

The current indicator continues to be in the extended range.

We continue our caution about taking on any new positions in this market. The market is extended and could experience a significant correction at any time.



Trading Tip of the Week

As the market continues to trade in extended ranges our most important tip of this week is to stay with your plan and don't allow the exuberance of the market pull you into something that will be costly. Continue to watch your volume profile settings and only engage a trade if all conditions are met. Patience is a difficult trait to have during times of extended up trends. We are currently in one of those time frames and the success or failure of your year will likely be gauged in the next three months. Wait for the 15% correction and start buying. With the Federal Reserve backing up this market, the long play is the best play.

Items of Interest

There are many things to always pay attention to in any market, but the clear attention getter is that of crude oil. Typically crude oil takes a seasonal downturn into the winter months and then trends higher into the spring and summer months. Notably, crude oil has not had its seasonal pullback and has continued trending higher. This continued trend higher gives us concern on multiple fronts. This can lead to significantly higher levels of inflation and potentially to a recession if it persists into the \$100/barrel range.

With current inflation running higher than the past 30 years, commodity prices must be monitored with signs of higher costs being pushed through at the producer level.

