



Harry's Take

October 24, 2023

The Markets Are Acting a Little Tipsy: An Odd Pattern Break

Many patterns now are pointing not just to a top but to a major, long-term top in the stock markets... and globally, not just in the U.S.

I have been showing our monthly newsletter subscribers this chart below for a good while. It's a sideways triangle pattern in the small cap Russell 2000 Index. This index finally broke to the downside over the past week or two, a bad sign for stocks going forward. I put out a Harry's Subscriber's Update for our paid readers on October 5 when the Russell 2000 first broke the critical 1,750 level. But now, I think it is appropriate to show this chart to everyone.

Russell 2000 Triangle Finally Makes a Stumbling Break of 1,750!



Source: Investing.com

www.hsdent.com

Why? Because how the Russell broke is even more interesting. This is one of the oddest or funniest breaks I have seen. Look at what happened since the index first broke 1,750 on October 3. It yoyoed up and down and took three breaks before finally heading down more clearly. This is rare. Such a large and obvious pattern normally would follow through in a clearer, more-obvious fashion.

Recently, I also have been commenting about how the markets normally knows where they want to go, they just fake us out a lot before doing so... but increasingly, I am thinking that the markets themselves actually are getting more confused, after 14 years of unprecedented stimulus...

The markets on “crack” may finally be cracking themselves!

I heard an interesting definition of God a while back: “the collective consciousness of all human beings.” Well... aren’t the markets the collective intelligence of all investors?

If even the almighty markets are starting to act tipsy, that's a really good sign you should get safe investment-wise and be on the defensive before the markets fall over and hit the pavement much harder rather than just continuing to stumble.

It's better to be safe, not SORRY, here! We're not looking to get out of the markets and stocks forever, likely just for a year or a bit more.

Harry

Got a question or comment? You can contact us at info@hsdent.com.