



Harry's Take

September 10, 2024

Harry's Take July 10, 2024: A Crash in the Making Now?

In the September issue I showed how the Russell 2000 was creating the biggest of many divergences, which are good indicators of a major top. It is the only major index that has not made new highs over those way back in November 2021 in the U.S.; the Nasdaq did thus far at its July 10th top, and the S&P 500 at its July 16 top.

This chart shows the Russell 2000 which has been the big divergence of the major indices in the U.S. It also had a peak on July 16 with the S&P 500, but at 2,300 that was not a new high over November 8, 2021, at 2,459. That was still 6.5% shy, and now it's heading down again.

Russell 2000 Divergence Still Bearish: Can't Make New High Thus Far



Source: Investing.com

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I pointed out this divergence again in the September newsletter for our paid subscribers. But just recently the Russell 2000 stopped its rally at 2,234, failing to make a new high

even over its previous one at 2,300 on July 16. Hence, this makes two failures to retest the November 8, all-time high... which makes it likely it is failing altogether here.

It already broke through the previous minor high of 2,112 on yesterday, Monday the 9th. The next support will be at 1,932 just another 8.5% down. Breaking that will look very weak. And then, the strongest break will come going convincingly through 1,634. It will already be down 33% from its highs by then.

I've already given clear signals to get out of stocks, but I know some people hold out. This is the best guidance for the investors that are still in stocks. Sell now, or on any of these imminent breaks if they occur.

We may well get to watch the beginning stage of a major crash this month and the next, as September and October are infamous for being crash months. And you know my ultimate targets: Down 87% on the S&P 500, and 94% on the Nasdaq, the two major indices where most investors have been piling in to a classic top.

Harry

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

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