



# Harry's Take

November 19, 2024

## Russell 2000 Backed Off New High: Critical Make or Break

The Russell 2000 small caps failing to make a new high has been one of three divergences in the rally following the November 2021 stock top and the mini crash into late 2022. The other 2 have been the IBB Biotech Index and Ethereum in the crypto sector. On November 11, the Russell rallied to near its November all-time high of 2,459, hitting 2,442 intraday before falling back to as low as 2,298 on the 15th. Hence, it failed to break out of that divergence, and still stands.

## Russell 2000 Fails to Make New Highs; Hence, Still in Divergence



Source: Investing.com

[www.hsdent.com](http://www.hsdent.com)

If the Russell 2000 can rally again and break above 2,459, it would break that divergence and suggest that new highs will continue to come in the stock market. If it does not break the divergence, then it will become a double top and continue to be even more bearish for stocks.

If IBB Biotech can break above 149.90 it would also argue further for continued new highs. And Ethereum would have to break back above its high of \$3,375 likewise, to argue for new highs in the broader crypto sector to continue.

If these three divergences continue downward, then this major top will continue to look complete across markets.

Harry

Got a question or comment? You can reach us at [info@hsdent.com](mailto:info@hsdent.com).

*Disclaimer: Copyright 2020 HS Dent Publishing LLC. These e-letters (the "E-letters") are created and authored by Harry Dent (the "Content Creator") and are published and provided for informational purposes only. The information in the E-letters constitutes the Content Creator's opinions. None of the information contained in the E-letters constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable for any specific person. The Content Creator is not advising and will not advise you personally concerning the nature, potential, value or suitability of any particular security, portfolio of securities, transaction, investment strategy or other matter. To the extent that any of the information contained in the E-letters may be deemed to be investment advice, such information is impersonal and not tailored to the investment needs of any specific person. From time to time, the Content Creators or their affiliates may hold positions or other interests in securities mentioned in the Newsletters and may trade for their own accounts on the information presented. The material in these Newsletters may not be reproduced, copied, or distributed without the express written permission of HS Dent Publishing, LLC.*