



Harry's Take

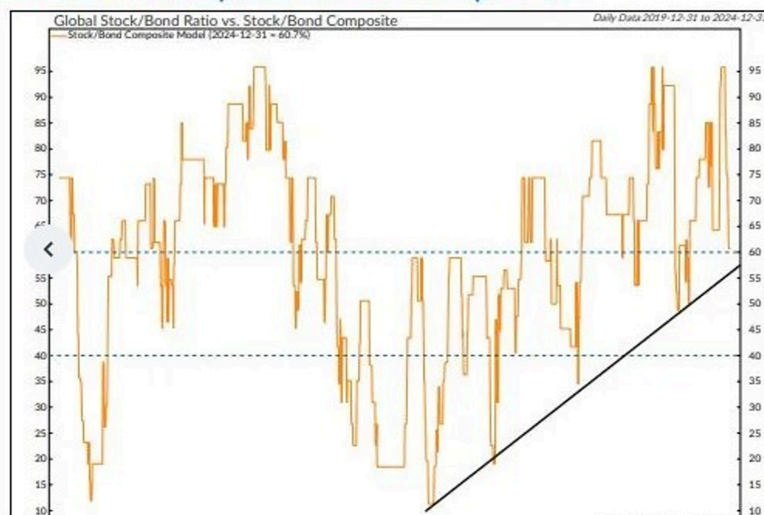
January 14, 2025

Stocks Look to Break Lower: Another Sign of a Top on December 16

As we go into the new year, already with signs of a failed Santa Claus Rally and a failed first 5 trading days in January... there is another potential sign of a top here back on December 6. This indicator from Ned Davis, one of my very respected shorter-term analysts, is saying that we could see a further reversal here if stocks break down just a bit more, which is likely just ahead.

Stock/Bond Composite Suggests Turn Point if Breaks Just Lower

Stock/Bond Composite lower but still positive



Source: <https://nz.finance.yahoo.com/news/ned-davis-warns-may-cut-183040810.html>

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Despite the recent minor bounce in stocks after the downturn since January 13 following the December 6 top, this indicator says that much further weakness in stocks here supports that this is a more significant top and the downturn will develop more to the downside in a bigger way, rather than a normal short-term correction.

A turn back down here will also increase the odds that January ends up down and that would be another indicator that points to a down year for 2025 which paves the way for that first 40% to 50% wave down in the crash of our lifetime. Stocks look to bounce a bit this morning, but a break back down below 18,880 on the Nasdaq should get the downside moving again.

I'll keep you updated on this likely developing crash in its early stages.

Harry

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

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