2021-03-16

SEVENS REPORT

Technical Perspectives
(Updated 03/14/21)

S&P 500

- Technical View: The **medium-term trend in the stock market remains bullish** underscored by the latest record highs, while Dow Theory also remains decidedly bullish.
- Dow Theory: **Bullish (since the week of September 9, 2019)**
- Key Resistance Levels: 3960, 4005, 4098
- Key Support Levels: 3899, 3821, 3731

WTI Crude Oil

- Technical View: Oil prices have continued to grind higher, reaching fresh 52-week highs in recent weeks, which has confirmed the bullish technical outlook.
- Proprietary Model: **Bullish (since the week of November 23, 2020)**
- Key Resistance Levels: $67.62, $69.54, $71.51
- Key Support Levels: $64.69, $63.47, $61.95

Gold

- Technical View: Gold is currently in a counter-trend pullback; however, the longer-term trend remains bullish given the multi-year rally off the 2018 lows.
- Proprietary Model: **Bullish (since the week of June 17, 2019)**
- Key Resistance Levels: $1775, $1837, $1915
- Key Support Levels: $1680, $1649, $1589

10-Year T-Note Yield

- Technical View: The 10-year yield has accelerated higher to hit new 52-week highs recently, underscoring the dominant upward trend in the benchmark yield.
- Proprietary Model: **Bullish (since the week of November 9, 2020)**
- Key Resistance Levels: 1.681, 1.740, 1.874
- Key Support Levels: 1.554, 1.396, 1.301

Dollar/Yen

- Technical View: The USD/JPY has been pinned in a trading range for several years and the low end of the range appears to be supporting the currency pair here.
- Proprietary Model: **Neutral (since the week of July 9, 2018)**
- Key Resistance Levels: 109.56, 110.69, 111.51
- Key Support Levels: 108.37, 106.75, 105.24

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3/16/2021

SEVENS REPORT

Fundamental Market View
(Updated 03/14/21)

Near-Term General U.S. Stock Market Outlook

This is designed to provide a snapshot of our near-term (1 month) outlook for stocks. For general equity market exposure, we use a mix of SPHB (S&P 500 High Beta) and SPLV (S&P 500 Low Volatility) to create an aggressive, neutral or defensive stance on general equity market exposure.

Near Term Stock Market Outlook: **Neutral** **SPHB: 50%** **SPLV: 50%**	*The S&P 500 hit a new all-time high last week thanks to an early-week moderation in the rise in yields, combined with growing economic reopening expectations. The four pillars of the rally remain intact (historic Fed stimulus, future fiscal stimulus, vaccine optimism and no double-dip recession) and as long as that's the case, the medium- and long-term outlook for stocks is positive.*

Tactical Allocation Ideas:

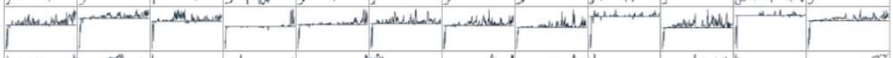
- **What's Outperforming: Value and cyclical sectors have outperformed growth over the past month, and beyond some near-term volatility, we think that can continue. RSP, XLI, XLV, XLP, XLF.**
- **What's Underperforming: Tech has lagged over the past few months, but not materially and we view a rotation from growth to value as one that should be focused on reducing tech overweights, not abandoning super-cap tech.**

Long Term Fundamental Outlook for Other Asset Classes

	Fundamental Outlook	Market Intelligence
Commodities	**Neutral**	*Commodities hit fresh multi-year highs last week on upbeat demand expectations amid the new stimulus and the broader global economic reopening process. However, some near-term profit taking in energy saw the complex collectively end off the best levels. Generally, the outlook for commodities remains very favorable with the global economic recovery and rising inflation.*
US Dollar	**Neutral**	*The Dollar Index rose to multi-month highs last week as the 10-year Treasury yield rose on Friday following growing expectations for an economic reopening. But while increased volatility may support the dollar near term, as long as stimulus expectations aren't materially altered, the dollar will remain under pressure.*
Treasuries	**Neutral**	*The 10-year yield surged to another one-year high last week on continued rising expectations for economic reopenings as the vaccination distribution continues. The 10-year yield rose above 1.60%.*

Click on the charts to see enlarged versions.

For an explanation of each category below, please click here

	Comm. Svcs (XLC)	Cons. Discr. (XLY)	Cons. Staples (XLP)	Energy (XLE)	Financials (XLF)	Health Care (XLV)	Industrials (XLI)	Materials (XLB)	Real Estate (XLRE)	Technology (XLK)	Utilities (XLU)	S&P 500 (SPY)
Trend	Uptrend	Uptrend	Neutral	Uptrend	Uptrend	Uptrend	Uptrend	Uptrend	Uptrend	Uptrend	Neutral	Uptrend
Timing	Neutral	Good	Neutral	Neutral	Neutral	Good	Poor	Poor	Neutral	Good	Neutral	Neutral
OB/OS	Overbought	Neutral	Neutral	Overbought	Overbought	Neutral	Overbought	Overbought	Overbought	Neutral	Neutral	Overbought
5-Day Change (%)	2.80	2.36	2.34	-1.26	1.00	1.60	2.24	1.65	5.25	2.91	3.17	2.25
YTD Change (%)	9.52	2.42	-2.47	34.42	15.54	1.25	8.21	7.28	7.50	2.48	0.13	5.50
% Stocks > 50-DMA	80.77	85.25	71.88	100.00	96.92	42.86	89.19	85.71	93.33	64.00	89.29	79.21
1-Year Price Chart												
10-Day A/D Line												
Cumulative AD Line												
50-DMA Spread (%)												
% Stocks > 50-DMA												
Net % At 52-Wk Highs												
Relative Strength												
Sector Weight (%)	11.16	12.30	6.01	2.92	11.43	12.89	8.63	2.68	2.46	26.91	2.61	N/A
Trailing P/E Ratio	31.72	62.14	21.81	--	19.24	22.80	52.49	30.72	67.78	35.13	20.90	32.14
P/E vs 10y Range (%ile)	100.00	99.30	84.00	--	99.80	89.90	99.90	99.80	99.90	98.90	97.60	99.90
Price-Book Ratio	4.44	11.69	6.45	1.81	1.53	4.75	5.61	3.23	3.70	10.40	2.08	4.33
Dividend Yield	0.91	0.72	2.80	4.29	1.84	1.70	1.54	1.91	2.86	0.95	3.47	1.51
Most O/B Stocks	DISH FOX VIAC	MCD SBUX GPS	MO WBA TSN	PXD FANG CVX	BEN HIG AJG	CI XRAY ABC	EXPD WM ITW	NUE LIN MOS	PEAK EXR O	PAYX ADP GLW	EVRG DTE LNT	EVRG DISH DTE
Most O/S Stocks	TTWO EA	VFC TSLA	COST CL			CTLT EW BDX	ROL VRSK	BLL		VNT SNPS VRSN	AWK	VFC BLL CTLT
	Comm. Svcs (XLC)	Cons. Discr. (XLY)	Cons. Staples (XLP)	Energy (XLE)	Financials (XLF)	Health Care (XLV)	Industrials (XLI)	Materials (XLB)	Real Estate (XLRE)	Technology (XLK)	Utilities (XLU)	S&P 500 (SPY)

2021-03-17

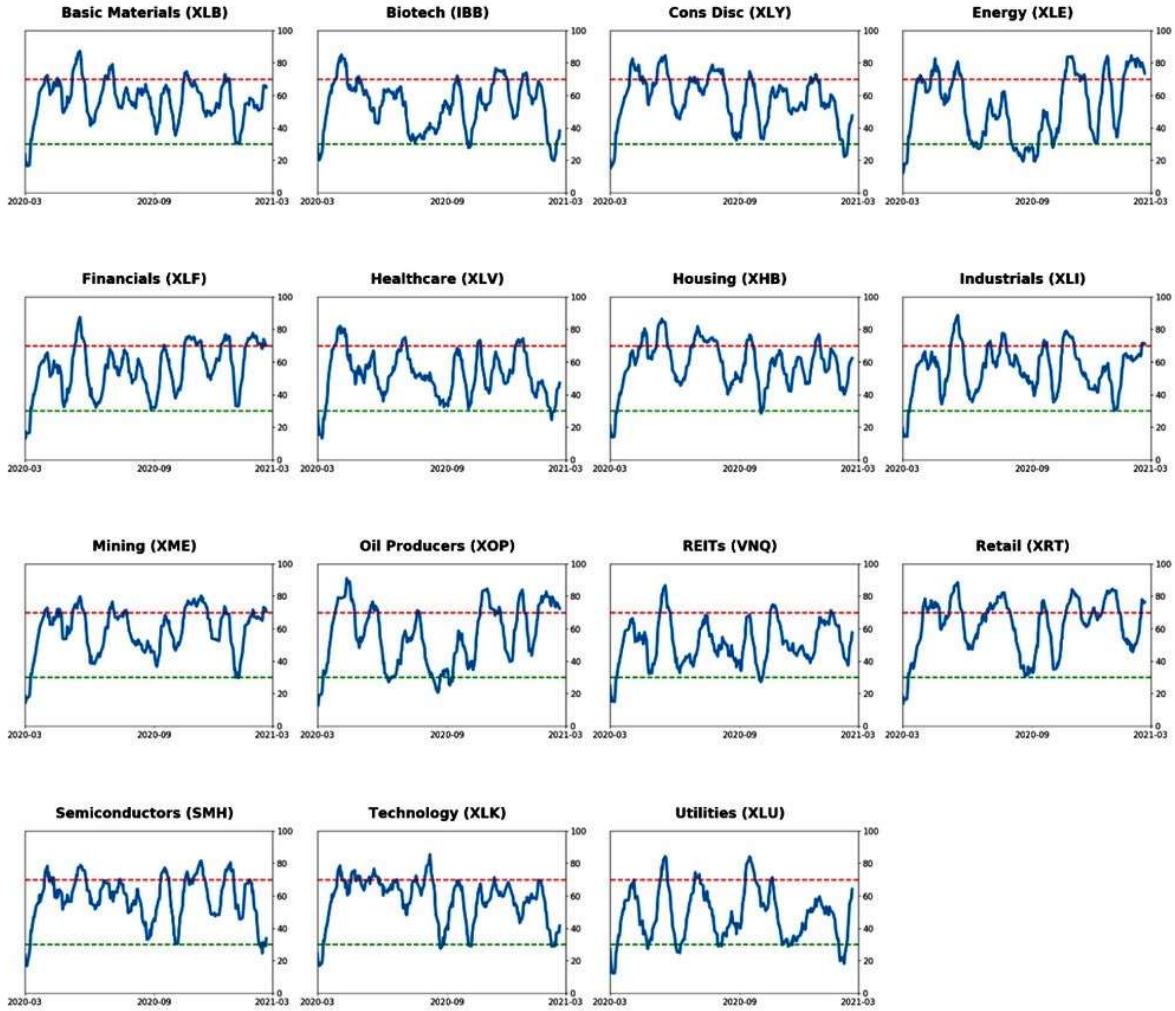
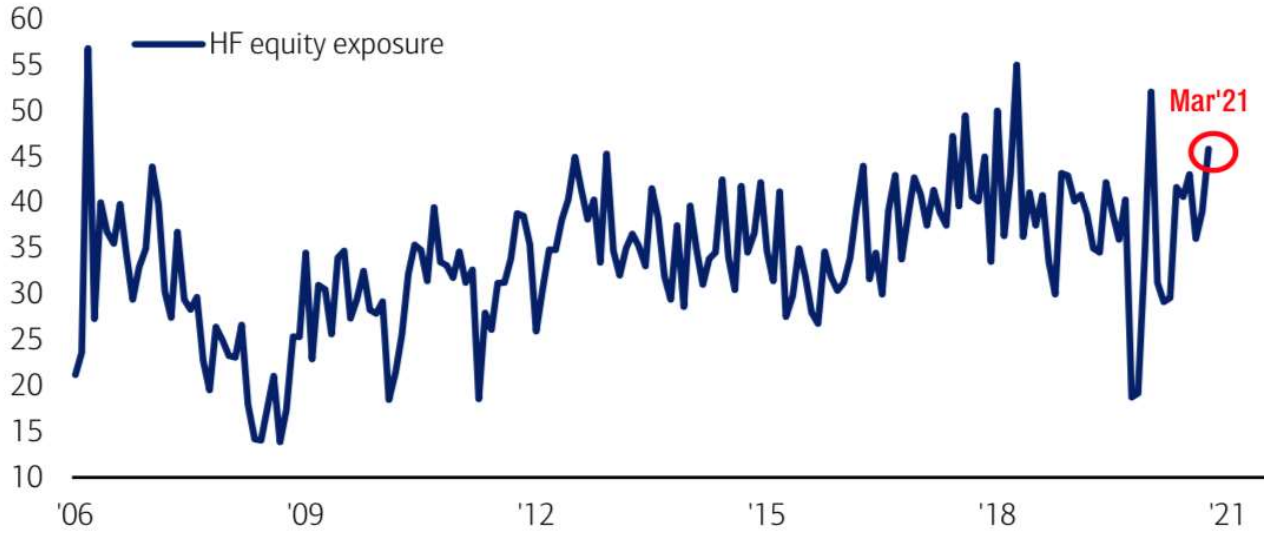

Basic Materials (XLB)
Biotech (IBB)
Cons Disc (XLY)
Energy (XLE)
Financials (XLF)
Healthcare (XLV)
Housing (XHB)
Industrials (XLI)
Mining (XME)
Oil Producers (XOP)
REITs (VNQ)
Retail (XRT)
Semiconductors (SMH)
Technology (XLK)
Utilities (XLU)
100
80
60
40
20
0
2020-03
2020-09
2021-03

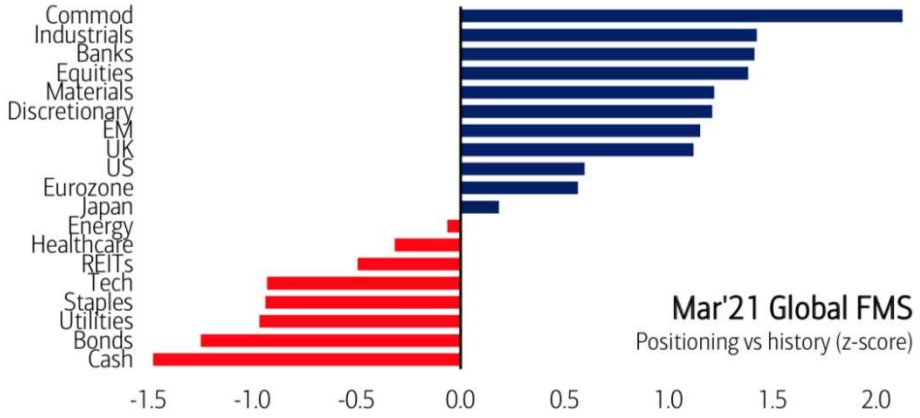
Exhibit 20: Hedge funds' exposure to equities highest since Jun'20
Hedge funds' Net Exposure to Equities



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

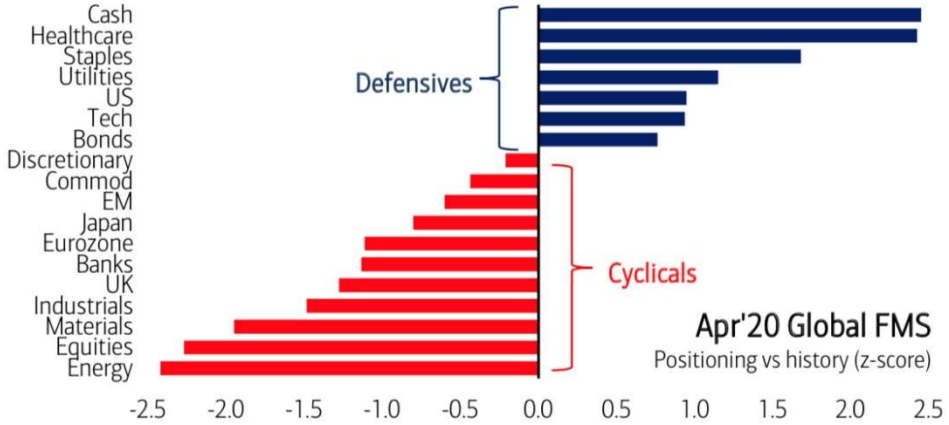
Exhibit 16: FMS shows cyclical consensus is "cyclical"….
BofA FMS positioning vs history z-scores



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

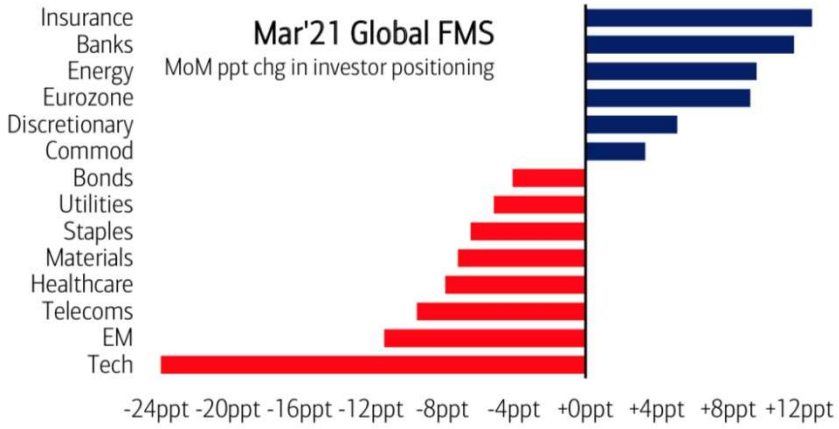
Exhibit 17: …compared to "defensive" in Apr'20
BofA FMS positioning vs history z-scores



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

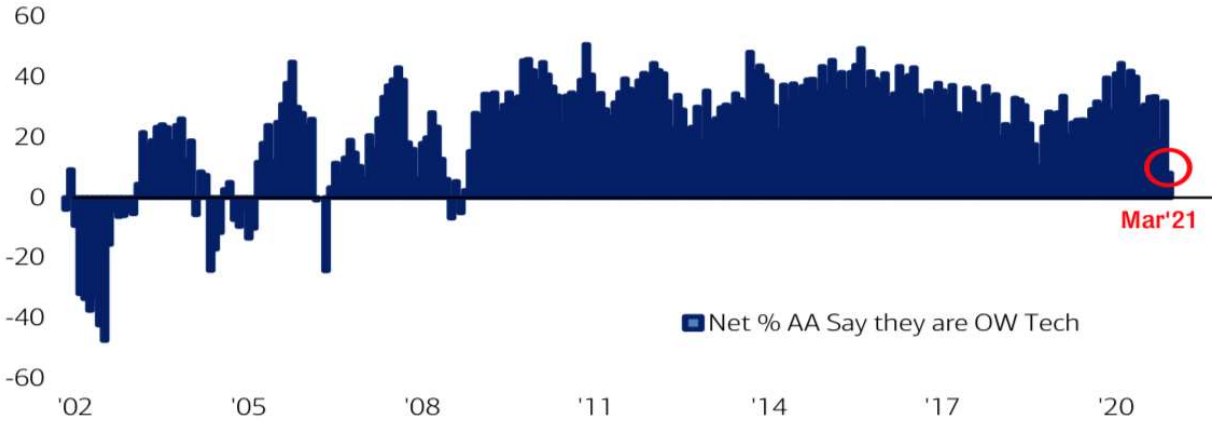
Exhibit 18: FMS investors add insurance, banks, energy in March
Month on Month change in FMS investor positioning



Source: BofA Global Fund Manager Survey

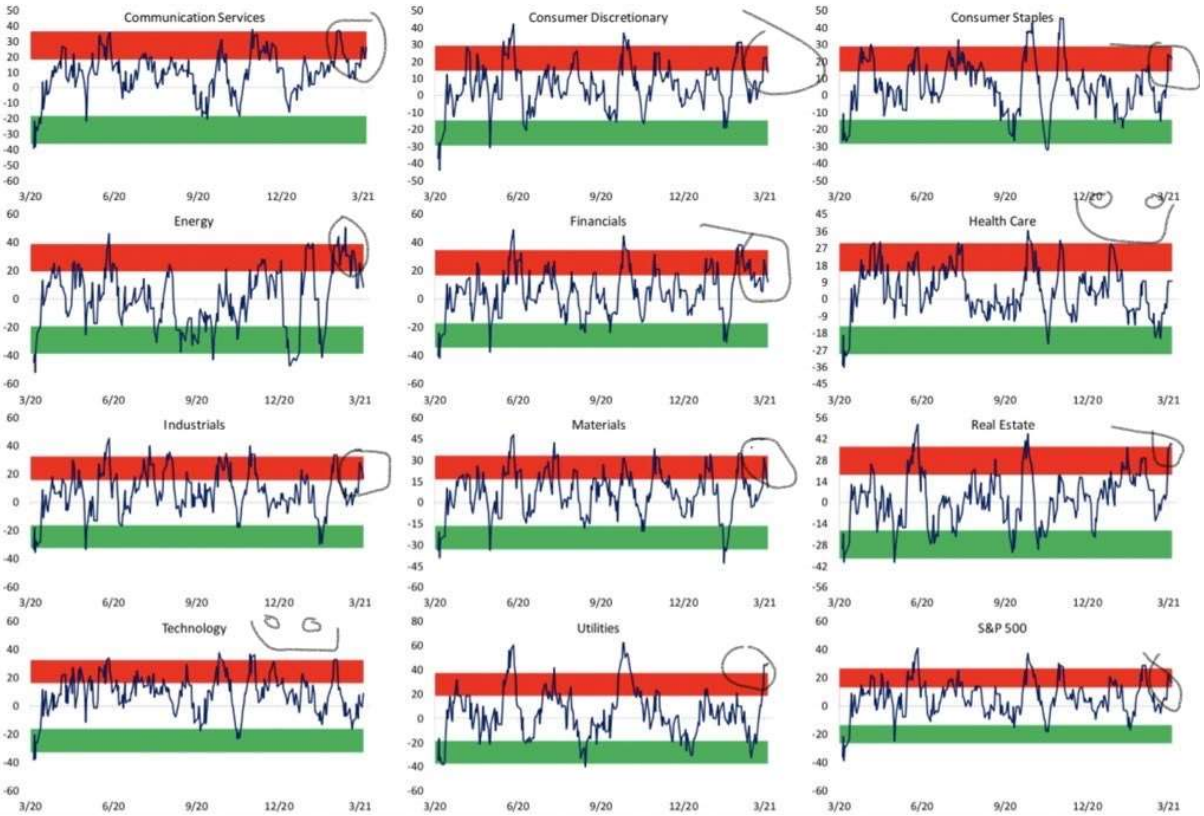
BofA GLOBAL RESEARCH

Exhibit 24: FMS tech overweight cut to lowest level since Jan'09
Net % AA Say they are OW Tech



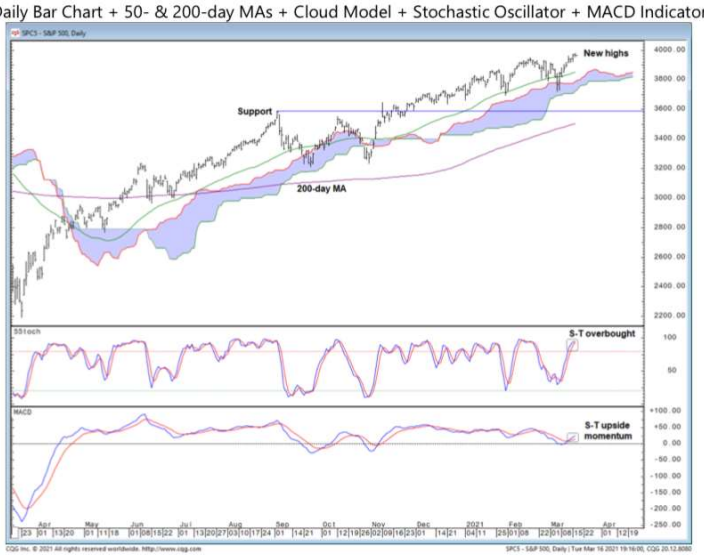
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH



S&P 500 Index (SPX, 3962.71)

Daily Bar Chart + 50- & 200-day MAs + Cloud Model + Stochastic Oscillator + MACD Indicator



SUPPORT: ~3588 | **RESISTANCE:** N/A

- **SHORT-TERM BIAS – BEARISH:** The SPX has cleared final resistance from February on improved short-term momentum reflected by the daily MACD indicator. The rally has failed to yield a whipsaw in the *weekly* MACD indicator, however, which suggests that short-term overbought conditions will give way to a pullback. We think a bearish short-term bias is still appropriate given the recent loss of intermediate-term momentum. However, we are keeping a close eye on the CBOE Volatility Index (VIX) as it tests key support near 20; a breakdown below that level would suggest overbought excesses for the inversely-correlated SPX can be absorbed via a period of consolidation rather than a significant pullback.
- **LONG-TERM BIAS – BULLISH:** New all-time highs have been registered by the major indices for a bullish long-term takeaway. Momentum is positive according to the monthly MACD indicator, which reminds us to view short-term volatility within a bullish framework. Intermediate-term momentum has faltered, but we see this as a normal and healthy byproduct of prolonged intermediate-term overbought conditions. The monthly DeMARK Indicators® support a four-month consolidation phase that would allow the steep uptrend to moderate and therein become more sustainable over the long term.
- **TACTICS:** Close out top-down hedges if the VIX posts consecutive daily closes below 20, otherwise continue to manage risk of another pullback. Stay with long positions that are supported by positive intermediate-term momentum (i.e., weekly MACD "buy" signals), while temporarily reducing exposure to stocks that lose momentum following overbought "sell" signals (i.e., weekly stochastic downturns). Remain positioned for a relief rally in growth relative to value, and in large caps relative to small caps.

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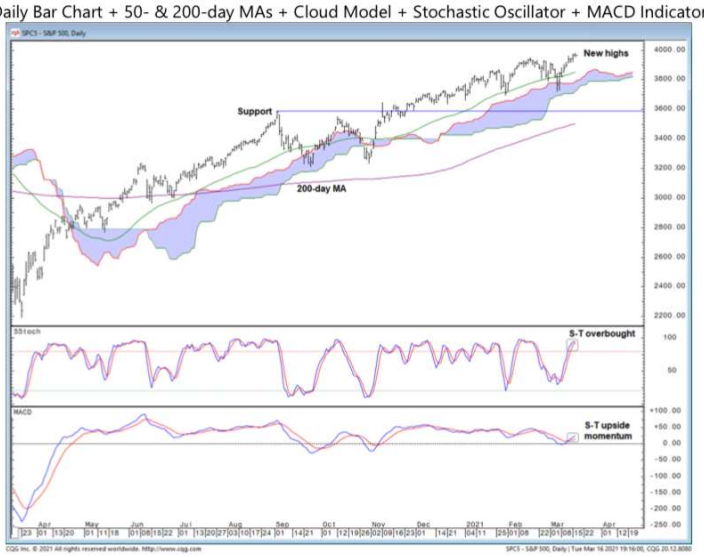

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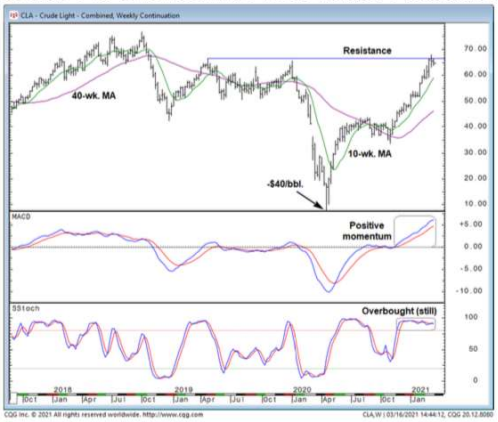
WTI Crude Oil and Gold

WTI Crude Oil ($64.80/bbl.)

Weekly Bar Chart + 10- & 40-week MAs + MACD Indicator + Stochastic Oscillator

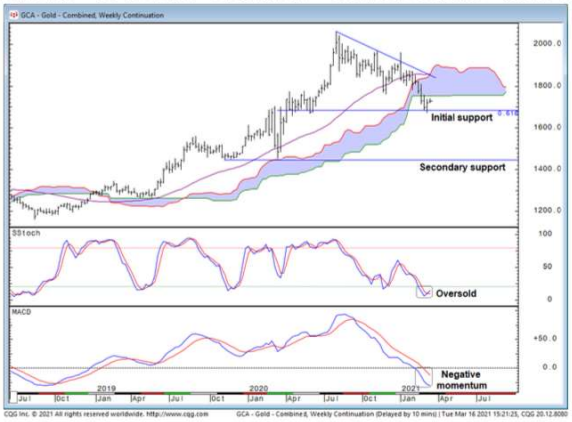


SUPPORT: ~58 | **RESISTANCE:** ~66

- WTI crude oil prices have been moving steadily higher since bottoming in November after a corrective phase. Intermediate-term momentum has been positive for several months according to the weekly MACD indicator, allowing intermediate-term overbought conditions to be sustained for a prolonged period. When the weekly stochastics fall below 80%, it would be an impetus to reduce exposure in anticipation of another corrective phase. For now, there are only signs of short-term upside exhaustion as long-term resistance in the mid-$60s/bbl. is tested. The 50-day (~10-week) MA can be used as a gauge of initial support.

Gold ($1730.90/oz.)

Weekly Bar Chart + 40-week MA + Cloud Model + Stochastic Oscillator + MACD Indicator



SUPPORT: ~1675-1685 | **RESISTANCE:** ~1760

- Gold prices have stabilized since breaking down below cloud-based support in an extension of their seven-month downtrend. There is additional support near $1675-$1685/oz., based in part on a Fibonacci retracement level, that would be a natural place for an oversold bounce. We expect gold to meet resistance near former support of ~$1760/oz., or if the equity market weakens, closer to the 200-day (~40-week) MA. Momentum is likely to remain to the downside from an intermediate-term perspective, but we think a neutral bias is appropriate as long as initial support remains intact.

Currencies and Treasury Yields

Dollar Index (DXY, 91.87)

Weekly Bar Chart + 40-week MA + MACD Indicator + Stochastic Oscillator

SUPPORT (S-T): ~91.0 | **RESISTANCE (S-T):** ~92.8

- The Dollar Index has seen notable improvement in intermediate-term momentum within its one-year downtrend. The weekly MACD indicator flashed a "buy" signal in January that continues to support the relief rally. The 200-day (~40-week) MA is a near-term hurdle near 92.8, but we believe the Dollar Index is capable of making a 38.2% Fibonacci retracement of its downtrend in the months ahead in a further reaction to long-term oversold conditions behind the U.S. dollar. A return to long-term support near 88.5 appears unlikely, with initial support now defined by the daily cloud model (not shown) near 91.0.

10-Year U.S. Treasury Yields (1.62%)

Weekly Bar Chart + 50-week MA + TD Combo® Model + Cloud Model + MACD Indicator + Stochastic Oscillator

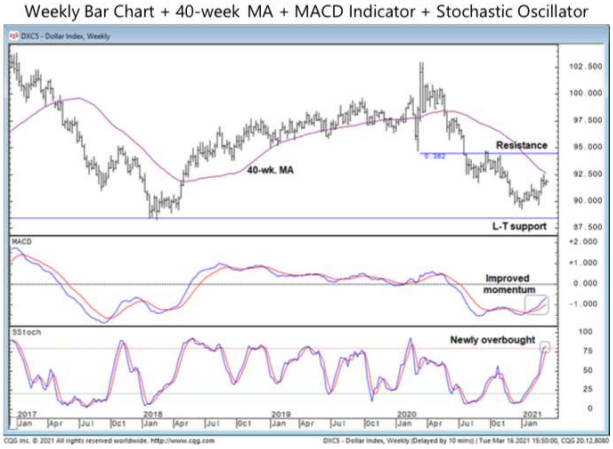
SUPPORT: ~1.18% | **RESISTANCE:** ~2.13%

- 10-year Treasury yields have confirmed yet another breakout, having cleared a Fibonacci level that targets the next retracement level near 2.1%. The breakout is unlikely to give way to immediate upside follow-through, however, noting it is associated with signs of upside exhaustion per the DeMARK Indicators® (denoted by the "9"). A return to cloud-based support near 1.2% is made less likely by the breakout, but we would not rule out a return to the 50-day MA as 10-year Treasury yields consolidate. Intermediate-term overbought conditions have been sustained on positive momentum, although we think momentum will neutralize for a few weeks as Treasury bond benchmarks stabilize near support on their charts.

Currencies and Treasury Yields

Dollar Index (DXY, 91.87)

Weekly Bar Chart + 40-week MA + MACD Indicator + Stochastic Oscillator



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Technical Themes

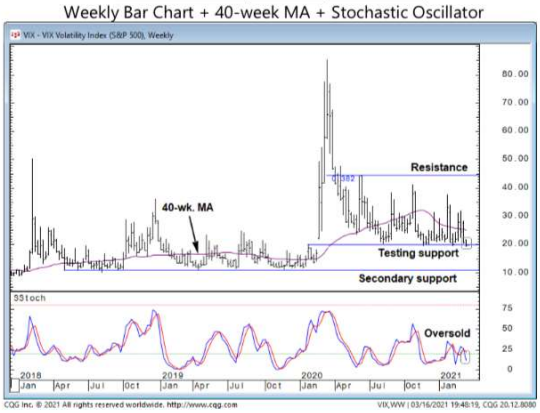
iShares Russell 2000 ETF (IWM, $230.50)

Daily Bar Chart + 50- & 200-day MAs + TD Sequential® Model + Stochastic Oscillator

- Small-cap stocks have outperformed recently reminiscent of early February, but IWM now shows signs of short-term exhaustion reminiscent of *mid*-February. There is a new counter-trend "13 sell" signal from the DeMARK Indicators® that has implications for two weeks of consolidation, at a minimum. This would help IWM relieve itself of short-term overbought conditions within the context of its steep uptrend. We expect a corresponding pullback relative to the SPX given similar signs of exhaustion in the ratio between the two benchmarks (representing small caps versus large caps). Initial support for IWM is near $208, made more important by the fact that secondary support is so far below, near $173-$174.

CBOE Volatility Index (VIX, 19.79)

Weekly Bar Chart + 40-week MA + Stochastic Oscillator



- With the major indices having reached new highs, sentiment has naturally become more bullish, evident in the investor polls and transactional gauges like the Fear & Greed Index and the VIX. We have been watching the VIX closely as it tests support near 20 where oversold conditions have returned. Yesterday's close below 20 leaves a breakdown pending confirmation today as the Fed announcement hits the tape. A breakdown by the VIX would be a contrarian bullish development for the inversely-correlated SPX, putting a new floor at the 2018-2019 lows near 11, supporting a lower-volatility regime than over the past year.

U.S. Market Internals

		16-Mar	15-Mar	12-Mar	11-Mar	10-Mar
Price	S&P 500 Index (SPX)	3962.71	3968.94	3943.34	3939.34	3898.81
	SPX % Change	-0.16%	0.65%	0.10%	1.04%	0.60%
Breadth	NYSE Advancers	1528	2650	2285	3152	3115
	NYSE Decliners	2626	1505	1861	1026	1047
	SPX % > 50-day MA	**80%**	79%	75%	74%	72%
	SPX % Oversold	0%	0%	1%	1%	7%
	SPX % Overbought	53%	55%	46%	33%	30%
	McClellan Oscillator	52	134	121	127	67
Sentiment	CNN Fear and Greed Index	56	59	56	51	50
	AAII Bull-Bear Spread	**25.9**	**25.9**	**25.9**	**25.9**	**25.9**
	CBOE Volatility Index (VIX)	19.79	20.03	20.69	21.91	22.56
Leadership	NYSE New 52-Week Highs	143	**350**	**423**	**364**	**309**
	NYSE New 52-Week Lows	0	1	0	0	2
	NYSE NH – NL	143	**349**	**423**	**364**	**307**
Volume	NYSE Volume (Billions)	3.21	3.51	3.09	3.47	3.97
	NYSE Up/Down Volume	-2.9	1.7	2.1	2.1	3.1

DeMARK Indicators®

Counter-Trend "Buy"/"Sell" Signals*:

Communication Services: **CMCSA, NWS**
Consumer Discretionary: None
Consumer Staples: None
Energy: None
Financials: **IVZ**
Health Care: None
Industrials: MMM, PWR
Materials: **MOS**
Real Estate: None
Technology: None
Utilities: EVRG

** Short-term counter-trend signals in the S&P 500 from the TD Sequential® and TD Combo® models; we* **boldface** *high-conviction signals per our methodology.*

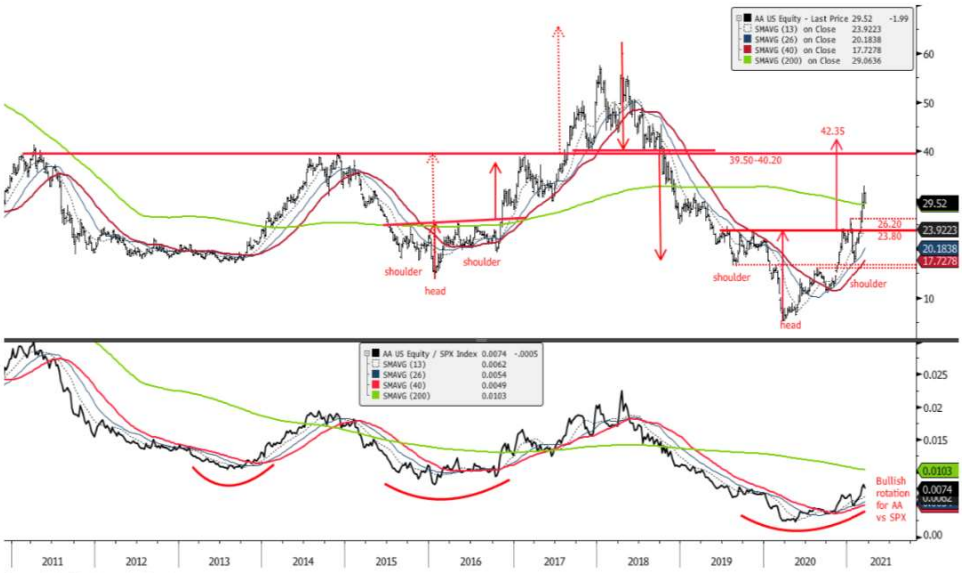
Ten bullish stock charts for the 3 R's

Alcoa (AA): Head and shoulders bottom points higher

AA is a SMID cap Metals and Mining stock with a mid 2019 to early 2021 head and shoulders bottom and bullish rotation (aka leadership) vs the SPX from the 2020 relative lows. The current up cycle for AA rhymes with those off the lows from 2016, 2013 and 2009. Holding the 26.20-23.80 range would keep the head and shoulders bottom pattern intact with upside potential to chart resistance at 39.50-40.20 and the pattern count at 42.35.

This stock has a bullish trading cycle with rising 26 and 40-week MAs on both an absolute and relative price basis. Holding above the 26 and 40-week MAs near 20.18 and 17.73, respectively would maintain this positive trend for AA.

Chart 13: Alcoa (AA) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.
AA: A head and shoulders bottom remains firmly in place above 26.20-23.80 with upside potential to 39.50-40.20 and 42.35.



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Emerson Electric (EMR): Big base breakout points higher

EMR is a large cap Electrical Equipment stock that broke out from a big 2-year+ base in late 2020. Holding above the 80-77 breakout zone would keep this breakout intact with upside potential to pattern counts at 102 and 118. The rising 26 and 40-week MAs underpin this stock's breakout point and offer support in the 78.90-74.09 area.

EMR has shown leadership vs the SPX since April 2020 and has a bullish trading cycle (rising 26 and 40-week MAs), but we would like to see a decisive push above the declining 200-week MA to provide additional confirmation of this stock's leadership trend.

Chart 16: Emerson Electric (EMR) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.
EMR: Holding above the 80-77 would keep a big 2-year+ base breakout intact with upside potential to pattern counts at 102 and 118.

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Comcast (CMCSA): Bullish trend targets 62-63 next

CMCSA is a large cap Media stock that broke out from the 1-year+ base highlight in Stock Flash: Four Bulls: CMCSA, DPZ, KBH & ROKU and Four Bears: JNPR, KEY, SLB & TBPH 23 September 2020. This stock has achieved a pattern count at 56 with additional upside potential to the full 1-year+ base pattern count at 62-63. Dips that hold above or near support at 53-52 maintain a bullish bias for CMCSA.

CMCSA has a bullish trading cycle as defined by rising 26 and 40-week MAs on both an absolute and relative price basis. These MAs offer support near 49.90 and 47.30, respectively, with the 40-week MA aligned with the 1-year+ base breakout point at 48-47.

Chart 15: Comcast (CMCSA) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.
CMCSA: A 1-year+ base projects to 56 (achieved) and 62-63. Holding 53-52 on dips keep the immediate pattern bullish.

Source: BofA Global Research, Bloomberg

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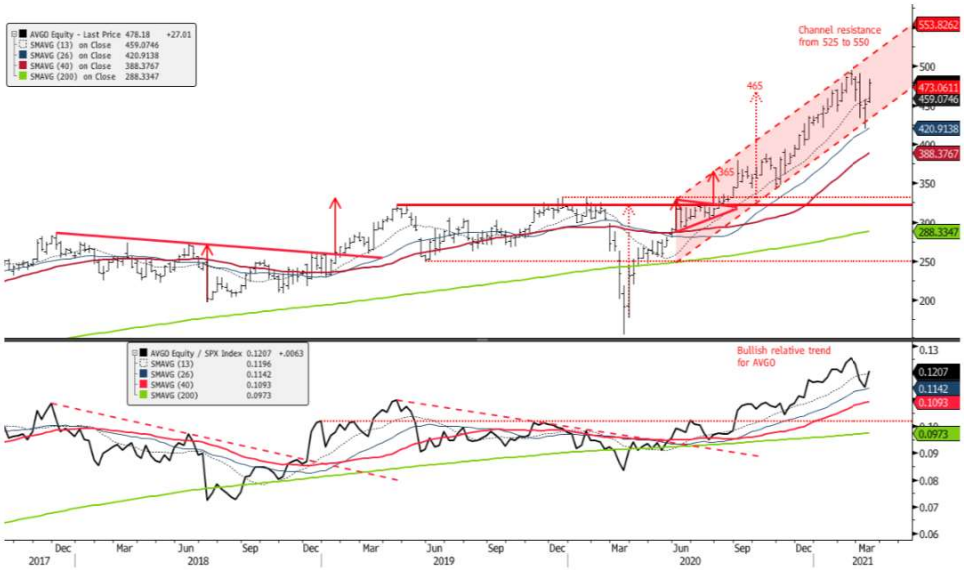
Broadcom (AVGO): Rising channel favors more upside

AVGO is a large cap Semiconductor stock that remains within a solid uptrend with rising 26 and 40-week MAs on both an absolute and relative price basis. We highlighted AVGO as a technically attractive stock in Thematic Stock Charts: Ten technically attractive high beta stocks 10 August 2020. Although this stock has achieved the upside count for its summer 2020 breakout at 465, the rising channel makes a case for further upside into the 525-550 range. Any interim dips that hold the rising 13 and 26-week MAs in the 459 to 420 range, with rising channel support and the recent low at 432-419, keep the chart pattern constructive for AVGO.

Chart 14: Broadcom (AVGO) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.
AVGO: A rising channel remains intact with supports from 459 to 419 and upside potential to 525-550.



Source: BofA Global Research, Bloomberg

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Hess (HES): 5-year+ big base breakout watch

HES is a large cap Oil and Gas Exploration and Production stock that is on 5-year+ big base breakout watch. The big resistance at 74.00-74.81 has held so far but if first support at 65-64.80 (chart levels) to 61.85 (rising 13-week MA) holds, the immediate potential is for a decisive breakout above 74.00-76.24 (resistance and the most recent peak) to confirm the big base and upside potential to counts at 95 and 116 with the 2014 peaks at 101.96 and 104.50.

If a bigger correction occurs and first support at 65-64.80 breaks, the next support is the higher low from early February at 53.43 along with the 200, 26 and 40-week MAs in the 54.29-51.43 area.

HES has shown leadership vs the SPX since late 2020, but we would like to see a decisive push above the declining 200-week MA to provide additional confirmation of this stock's leadership trend. This would suggest that the 2021 test of the mid 70s is different from similar tests of the mid 70s in late 2019 and late 2018 as well as increase the potential for a bullish breakout for HES from a 5-year+ big base.

Chart 18: Hess (HES) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.
HES: 5-year+ big base breakout watch. Resistance holds so far, but if support at 65 to 61.85 holds, the immediate potential is for a big base breakout above 74-76.26.

Source: BofA Global Research, Bloomberg

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Herc Holdings (HRI): Upside to 122 and 134 not ruled out

HRI is a SMID cap Capital Goods stock that has had a massive rally. The November 2020 breakout above 50 projected to 76 and 88, which the stock has exceeded. February's rally beyond 73 has put in an even bigger 2-year+ base with upside potential to pattern counts at 122 and 134. Immediate supports come in at 91.24 and 81.67 with additional support at the 73 area breakout point.

Chart 17: Herc Holdings (HRI) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.
Although HRI has had a huge rally, the breakout above 73 puts in a big 2-year+ base that projects to 122 and 134. Key supports: 91.24, 81.67 and the 73 area.

Source: BofA Global Research, Bloomberg

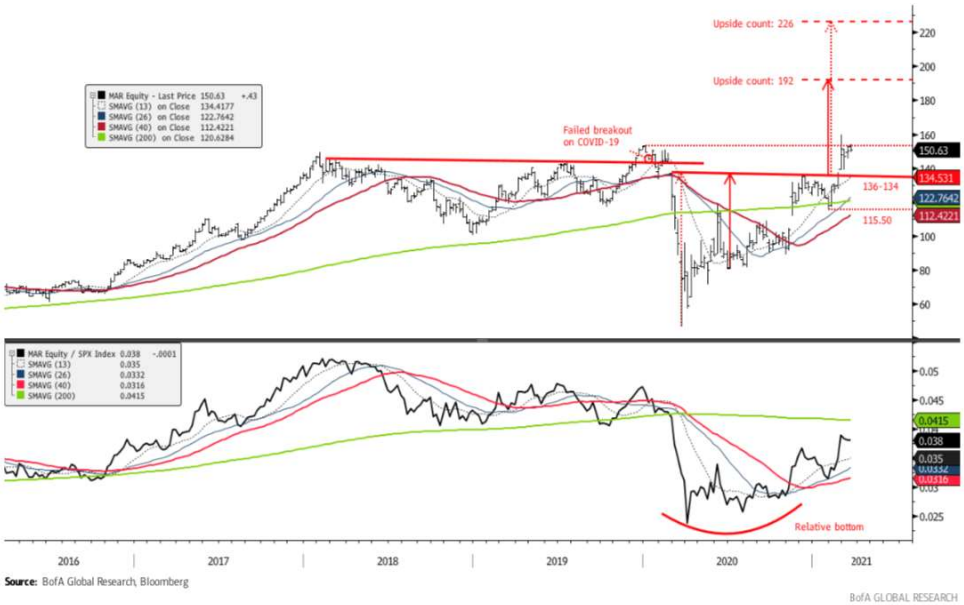
BofA GLOBAL RESEARCH

Marriott (MAR): Big breakout suggest more upside

MAR is a large cap Hotel stock with a bullish breakout above 136-134 that favors upside beyond the late 2019/early 2020 peaks near 153 to pattern counts at 192 and 226. If MAR struggles with its 153 peak area, key supports on dips are 136-134 (recent breakout point) and 115.50 (recent higher low).

Rising 26 and 40-week MAs on both an absolute and relative price basis reflect a bullish trading cycle for MAR. If needed, the 26 and 40-week MAs offer support in the 122.76 to 112.42 range.

Chart 19: Marriott (MAR) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.
MAR: Breakout above 136-134 targets 192 and 226. If MAR struggles with its pre-COVID-19 peak near 153, watch supports at 136-134 and 115.50 on dips.



Source: BofA Global Research, Bloomberg

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Occidental (OXY): Double bottom breakout targets 37-40

OXY is a large cap Integrated Oil and Gas stock and a US Top 10 Ideas for 1Q 2020 with bullish technicals (Thematic Stock Charts: Technicals on the Top 10 US Ideas for 1Q21 04 January 2021). A double bottom breakout remains firmly in place above 24.50 (pattern breakout point), which is backed up by a rising 13-week MA at 23.77, with upside potential to chart resistance at 37.25 and the pattern count at 40.

Rising 26 and 40-week MAs on both an absolute and relative price basis reflect a bullish trading cycle for OXY. This stock has also broken out from a year-long base relative to the SPX, which confirms the bullish breakout on the stock's absolute price chart.

Chart 20: Occidental (OXY) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.
OXY: A double bottom breakout intact above 24.50, which is backed up by the 13-week MA at 23.77. Upside potential to resistance at 37.25 and the pattern count at 40.

Source: BofA Global Research, Bloomberg

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World Fuel Services (INT): Double bottom points higher

INT is a SMID Cap Oil and Gas Refining and Marketing stock with a double bottom from the 2020 lows. Continuing to hold the 31.26-28 range (chart levels and 200, 26 and 40-week MAs) would keep this bullish pattern intact with upside potential to 41.75 (pattern count) and 44.00-44.33 (late 2019 peak). This bullish technical setup is similar to the bullish setup from 2018 – an absolute price double bottom and bullish rotation or bottoming relative to the SPX.

Chart 22: World Fuel Services (INT) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.
INT: Double bottom from the 2020 lows rhymes with the double bottom from the 2018 lows. Upside potential to 41.75 to 44 range. Support at 31.26 to 28.

Source: BofA Global Research, Bloomberg

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Walt Disney (DIS): Late 2020 breakouts target 201 to 225

DIS is a large cap Entertainment stock that we highlighted as bullish in Stock Flash: S&P 500 ranks and screens. Four positive charts: DE, DIS, MS and UNP 25 August 2020. This stock struggled into late October but weekly MAs held as support prior to bullish breakouts in November and December. These breakouts project to 201 (achieved) and 225. The immediate trend is bullish above 183.40-181.50 (chart support and rising 13-week MA) with the next support in the 160-153 range (late January higher low and December breakout point).

Chart 21: Walt Disney (DIS) (top) and relative to the S&P 500 (bottom): Weekly bar chart with moving averages.

DIS: Late 2020 breakouts target 201 (achieved) and then 225. The immediate trend is bullish above 183.40-181.50 with the next support in the 160-153 range.

Source: BofA Global Research, Bloomberg

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Equity Trade Signals

- Ned Davis Research CMG U.S. Large Cap Long/Flat Index: **Buy Signal – 100% U.S. Large Cap Equity Exposure**
- Long-term Trend (13/34-Week EMA) on the S&P 500 Index: **Buy Signal – Bullish for Equities**
- Volume Demand (buyers) vs. Volume Supply (sellers): **Buy Signal – Bullish for Equities**
- S&P 500 Index 200-day Moving Average Trend: **Buy Signal – Bullish for U.S. Large Cap Equities**
- S&P 500 Index 50-day vs. 200-day Moving Average Cross: **Buy Signal – Bullish for US Large Cap Equities**
- NASDAQ Index 200-day Moving Average Trend: **Buy Signal – Bullish for U.S. Large Cap Technology Equities**
- Don't Fight the Tape or the Fed: Indicator Reading = **-1 (Bearish Signal for Equities)**
- Value vs. Growth Factor Model: **The Model is Neutral**

Investor Sentiment Indicators

- NDR Crowd Sentiment Poll: **Excessive Optimism (S/T Bearish for Equities)**
- NDR Daily Trading Sentiment Composite: **Neutral Optimism (S/T Bullish for Equities)**

Fixed Income Trade Signals

- CMG Managed High Yield Bond Program: **Sell Signal – Bearish for High Yield Corporate Bonds**
- Zweig Bond Model: **Sell Signal – Bearish on High Grade Corporate and Long-Term Treasury Bonds**