



## Week Ahead

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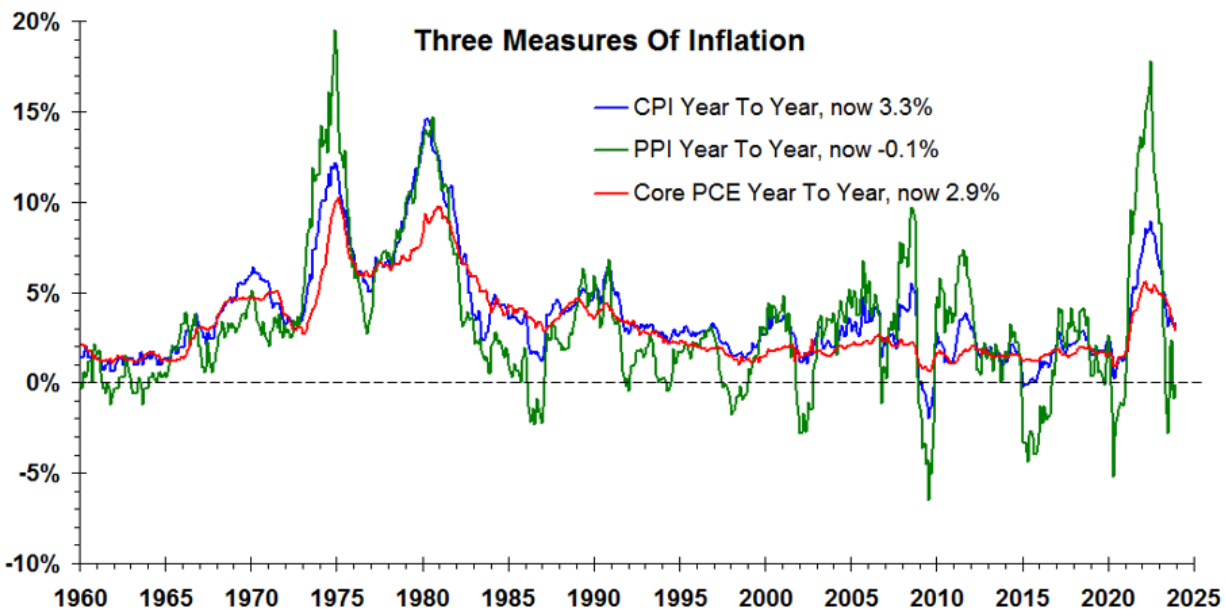
 **Week of January 29, 2024**

### Up, Up & Away – Good Growth, Good Spending With Lower Inflation

**Stocks took a tumble early in the year with a brief small correction, but ever since, they've been rallying. Last week, we got economic growth numbers for 4Q23 GDP on a real annualized basis, and the data came in much stronger than expected at 3.3% with expectations at 2.0%.**

The inflation data out last week also came in much better than expected, with Core PCE on a year-to-year basis hitting a 2 handle at 2.9%. Personal spending data is up 6.5% on a year-to-year basis – and that says the consumer remains strong. So far, the consumer is contributing more to the economy than most economists have expected. The data we are getting does not get much better than this! In our view, the Federal Reserve should be able to cut interest rates in the first quarter of this year.

### Inflation Has Fallen Sharply On All Measures



Source: Bureau of Labor Statistics, Bureau of Economic Analysis, January 26, 2024

**The Consumer Keeps Giving - The Consumer Is Holding Up And Spending More Than Expected**



Source: Bureau of Economic Analysis, January 26, 2024

**Leaders Of The Pack – Technology With Semiconductors Top Performers**

Looking at what is working and what is not working in the S&P 500 shows that Semiconductors are maintaining their leadership role in the market. Leaders being the best performers indicates that a bull market is still intact.

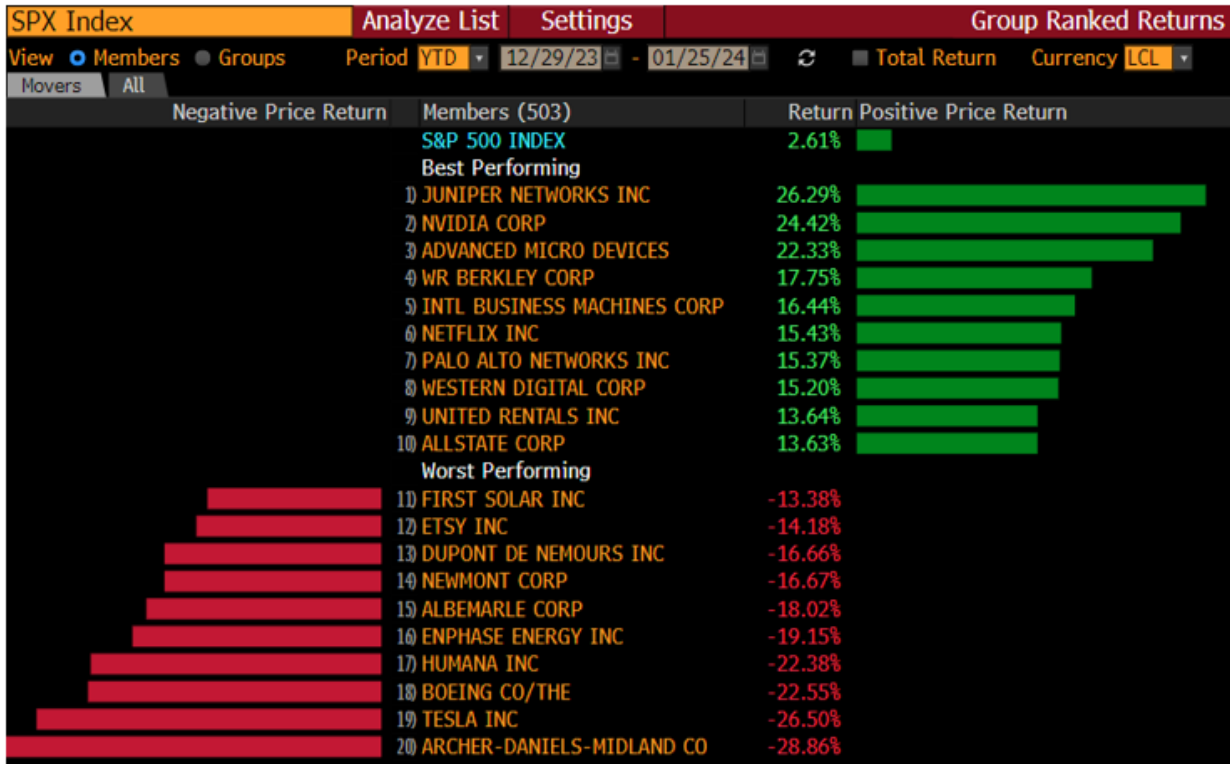
**S&P 500 Industry Group Performance Year-to-Date**

SPX Index		Analyze List	Settings	Group Ranked Returns				
View	Members	Groups	Period	YTD	12/29/23 - 01/25/24	Total Return	Currency	LCL
Hovers		All	Negative Price Return		Groups (158)	Return Positive Price Return		
			S&P 500 INDEX			2.61%		
			Best Performing					
		1)	S&P 500 SEMICONDUCTORS			13.77%		
		2)	S&P 500 PROP&CASULT IDX			9.85%		
		3)	S&P 500 INT MED SVC			9.59%		
		4)	S&P 500 MOVIES&ENTR IDX			9.34%		
		5)	S&P 500 TRAD C&DIST IDX			9.04%		
		6)	S&P 500 IT CONS&SERV IDX			8.53%		
		7)	S&P 500 SYSTEMS SFTW IDX			8.03%		
		8)	S&P 500 INTGR TELCM IDX			7.96%		
		9)	S&P 500 SEMICNDCTR EQUIP			7.00%		
		10)	S&P 500 MULTI-SEC HL IDX			6.78%		
				Worst Performing				
		11)	S&P 500 FERT&AGR CHM IDX			-6.24%		
		12)	S&P 500 FOOTWEAR INDEX			-7.18%		
		13)	S&P 500 Copper			-7.35%		
		14)	S&PERS			-7.64%		
		15)	S&P 500 CONST&ENGIN IDX			-8.25%		
		16)	S&P 500 ID PW PRD EN TRD			-11.01%		
		17)	S&P 500 DRUG RETAIL IDX			-11.49%		
		18)	S&P 500 GOLD INDEX			-16.67%		
		19)	S&P 500 AUTOMBL MANF IDX			-23.78%		
		20)	S&P 500 AGRICUL PDCTS IDX			-24.31%		

Source: Bloomberg, January 26, 2024

## Week of January 29, 2024

### S&P 500 Stock Performance Year-to-Date



Source: Bloomberg, January 26, 2024

### Raising Long-Term Target Range On S&P 500 To 5400-6144

This week we take a technical look at the eight largest stocks by market capitalization. This type of analysis is like looking under the hood of the car to see if the engine for the market is working well. If these stocks look strong technically, it gives confirmation of the direction of the S&P 500 index. Our analysis revealed that all eight stocks (representing 34% of the market cap overall) are technically strong. Some of the stocks have rallied sharply and may be due for a correction, but any correction should be bought, in our view. This analysis gives confidence in our outlook for the S&P 500 to achieve 5200-5400 this year.

We did a deeper dive into the technical projections on the S&P 500, given the recent breakout to new highs and the strength in the top market cap stocks. *Using the monthly Fibonacci projection levels, this analysis revealed that the target range has improved significantly and is pointing to a range of 5400-6144.*

*We maintain that all pullbacks in the equity market are a buying opportunity with the uptrend improving and the high-end possible target is now 6144 or a 25% gain to the upside. This would translate into a 30% move for the Nasdaq.*

## Monthly S&P 500 With Fibonacci Projections From 2020 Lows – Range 5400-6144



## Nasdaq Breaking Out Relative To The S&P 500

We believe the Nasdaq represents the “Digital Index” of our era. The Nasdaq is the leading index in this market and has just broken out of a four-year consolidation against the S&P 500. This points to significant outperformance, and the market is being led by high beta growth stocks. We continue to favor Growth over Value and believe we are likely in a Super Cycle for Growth.

## Nasdaq 100 Relative To S&P 500: Major Breakout Pointing To Nasdaq Outperformance



## Week of January 29, 2024

### Apple (AAPL) Consolidating In An Uptrend

The technical pattern of AAPL is called "Step of Stairs," which is a bullish upward pattern. Weekly price momentum, as measured by the Moving Average Convergence/Divergence (MACD) and Relative Price Index (RSI), remains strong to the upside.

### Apple (APPL) With Weekly MACD and RSI



### Microsoft (MSFT) –A Huge Breakout But Short-Term Extended

Microsoft had a huge base breakout of a pattern known as a "Cup and Handle." The stock has rallied sharply. Weekly price momentum is positive, but the stock looks extended, so a consolidation / correction could happen. But the trend is bullish.



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### Microsoft (MSFT) With Weekly MACD and RSI





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## Alphabet – Big Base & Trying to Break Out With Bullish Momentum

### Alphabet (GOOGL) With Weekly MACD and RSI





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## Amazon Downtrend Broken But Faces Resistance – Neutral to Positive

### Amazon (AMZN) With Weekly MACD And RSI



## NVIDIA – Leader of the Pack With Huge Breakout But Very Extended, Expect A Correction

A major upside breakout for NVIDIA (NVDA) from a cup and handle pattern, and the stock went parabolic on the move. Price momentum remains positive, but the stock is extremely extended. We would expect a pullback, but additional highs should be anticipated.





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### NVIDIA (NVDA) With Weekly MACD And RSI





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### Meta (META) With Weekly MACD And RSI





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## Berkshire Hathaway – Bullish Step of Stairs Pattern With Positive Momentum

### Berkshire Hathaway (BRK.B) With Weekly MACD and RSI





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## Taiwan Semiconductor – Breakout After Long Consolidation With Positive Momentum

Taiwan Semi (TSM) has been in a trading range for almost two years. In the recent earnings report the company gave guidance to higher future revenues and capital spending, which investors took as positive news. The stock broke out of this trading range on improving and bullish price momentum pointing to a test of the old highs in the stock.

## Taiwan Semiconductor (TSM) With Weekly MACD And RSI





## Week of January 29, 2024

### Market Performance

	Last 1/26/2024	Month End 12/29/2023	Month to Date	Quarter End 12/29/2023	Quarter to Date	Year End 12/29/2023	Year to Date	Year Ago 1/26/2023	Year To Year
S&P 500	4890.97	4769.83	2.5%	4769.83	2.5%	4769.83	2.5%	4060.43	20.5%
NASDAQ Composite	15455.36	15011.35	3.0%	15011.35	3.0%	15011.35	3.0%	11512.41	34.2%
NASDAQ 100	423.81	409.52	3.5%	409.52	3.5%	409.52	3.5%	293.34	44.5%
Russell 2000	1978.33	2027.07	-2.4%	2027.07	-2.4%	2027.07	-2.4%	1903.06	4.0%
S&P Consumer Discretionary Sector	1377.67	1418.09	-2.9%	1418.09	-2.9%	1418.09	-2.9%	1125.24	22.4%
S&P Consumer Staples Sector	769.72	762.32	1.0%	762.32	1.0%	762.32	1.0%	764.07	0.7%
S&P Energy Sector	643.85	640.05	0.6%	640.05	0.6%	640.05	0.6%	714.77	-9.9%
S&P Financial Sector	642.82	626.35	2.6%	626.35	2.6%	626.35	2.6%	602.72	6.7%
S&P Health Care Sector	1622.26	1590.37	2.0%	1590.37	2.0%	1590.37	2.0%	1558.72	4.1%
S&P Industrials Sector	960.37	964.73	-0.5%	964.73	-0.5%	964.73	-0.5%	852.73	12.6%
S&P Information Technology Sector	3598.29	3397.16	5.9%	3397.16	5.9%	3397.16	5.9%	2375.40	51.5%
S&P Materials Sector	520.05	539.62	-3.6%	539.62	-3.6%	539.62	-3.6%	527.24	-1.4%
S&P Real Estate Sector	241.83	251.58	-3.9%	251.58	-3.9%	251.58	-3.9%	251.33	-3.8%
S&P Communications Sector	268.00	246.00	8.9%	246.00	8.9%	246.00	8.9%	181.30	47.8%
S&P Utilities Sector	311.10	321.92	-3.4%	321.92	-3.4%	321.92	-3.4%	350.38	-11.2%
S&P 500 Total Return	10598.23	10327.83	2.6%	10327.83	2.6%	10327.83	2.6%	8656.27	22.4%
3 month Treasury Bill Price	98.66	98.66	0.0%	98.66	0.0%	98.66	0.0%	98.83	-0.2%
3 month Treasury Bill Total Return	244.95	243.98	0.4%	243.98	0.4%	243.98	0.4%	232.68	5.3%
10 Year Treasury Bond Future	111.03	112.89	-1.6%	112.89	-1.6%	112.89	-1.6%	114.86	-3.3%
10 Year Treasury Note Total Return	290.47	294.12	-1.2%	294.12	-1.2%	294.12	-1.2%	290.73	-0.1%
iShares 20+ Year Treasury Bond ETF	93.78	98.88	-5.2%	98.88	-5.2%	98.88	-5.2%	106.98	-12.3%
S&P Municipal Bond Total Return	270.52	272.94	-0.9%	272.94	-0.9%	272.94	-0.9%	264.66	2.2%
iShares S&P National Municipal Bond NAV	107.44	108.42	-0.9%	108.42	-0.9%	108.42	-0.9%	108.02	-0.5%
S&P 500 Investment Grade Corporate Bond Total Return	451.30	455.89	-1.0%	455.89	-1.0%	455.89	-1.0%	437.48	3.2%
S&P Investment Grade Corporate Bond	90.72	91.76	-1.1%	91.76	-1.1%	91.76	-1.1%	91.19	-0.5%
S&P Investment Grade Corporate Bond Total Return	478.58	482.66	-0.8%	482.66	-0.8%	482.66	-0.8%	461.55	3.7%
SPDR Bloomberg High Yield Bond ETF	95.01	94.73	0.3%	94.73	0.3%	94.73	0.3%	93.63	1.5%
iShares iBoxx High Yield Corporate Bond ETF	77.63	77.39	0.3%	77.39	0.3%	77.39	0.3%	76.39	1.6%
Gold	2018.52	2062.98	-2.2%	2062.98	-2.2%	2062.98	-2.2%	1929.21	4.6%
Bitcoin	41994.36	41935.34	0.1%	41935.34	0.1%	41935.34	0.1%	23080.96	81.9%

Source: Bloomberg, Sanctuary Wealth, January 28, 2024

### Data, Data, Data & Then Some

**This week will see a series of potential market movers: more corporate earnings, lots of economic data, and a tone-setting Fed meeting.**

Corporate earnings will continue to roll in this week, and we'll see whether the markets will ride the momentum of good news. There's also a ton of meaningful data coming out this week, including several data points on jobs, manufacturing and capital goods.

But arguably what everyone is waiting for is the FOMC meeting on Tuesday and Wednesday. The expectation is that the tone of any comments coming from Fed Chair Jerome Powell and the Fed Governors may signal when the first rate cut of the year will drop. The waiting game continues.



# Calendar

## Mon.

Earnings: Alexandria RE, Cadence Bank, Calix Networks, Cleveland-Cliffs, Crane, Equity Lifestyle Properties F5 Networks, Franklin Resources, Graco, Harmonic, Helmerich & Payne, Nucor, Pacific Premier, PotlatchDeltic, Sanmina, SoFi Technologies, Super Micro Computer, Whirlpool, Woodward

## Tue.

9:00 am S&P Case-Shiller home price index (20 cities)  
10:00 am Job openings, Consumer confidence

Earnings: A.O. Smith, Advanced Micro Devices, Alphabet, Ashland, Boston Properties, Camec, Chubb, Corning, Danaher, Electronic Arts, Equity Residential, General Motors, Hawaiian Holdings, HCA, Hubbell, JetBlue Airways, Johnson Controls, Juniper Networks, Lending Club, Littelfuse, Match Group, Microsoft, Modine Manufacturing, Mondelez International, MPLX, MSCI, Pentair, Pfizer, PulteGroup, Skyworks Solutions, Starbucks, Stryker, Sysco, Teck Resources, Teradyne, Unum Group, United Parcel Service

## Wed.

8:15 am ADP employment  
8:30 am Employment cost index  
9:45 am Chicago Business Barometer (PMI)  
2:00 pm Fed interest-rate decision

Earnings: Aptiv, Automatic Data Processing, Aflac, Agnico-Eagle Mines, Alamos, Align Technology, AvalonBay, Avery Dennison, Boeing, Boston Scientific, Brinker International, C.H. Robinson, Canadian Pacific, Core Labs, Corteva, Digi International, Evercore, Extreme Networks, Flex, Fortive, GlaxoSmithKline, Hess, Hess Midstream Partners, Kulicke & Soffa, Lennox International, Mastercard, Meritage Homes, Methanex, MetLife, MGIC Investment, Nasdaq, New York Community, Nutrien, Old Dominion Freight Line, Phillips 66, PTC, Qorvo, Qualcomm, Rayonier, Rockwell Automation, Roper, Silicon Labs, Tetra Tech, Teva Pharmaceutical Industries, Thermo Fisher Scientific, Thomson Reuters, UGI Corp, Vista Outdoor, West Fraser

## Thu.

8:30 am Initial jobless claims, U.S. productivity  
9:45 am S&P U.S. manufacturing PMI (final)  
10:00 am ISM manufacturing

Earnings: 1-800-FLOWERS, Altria, Apple, Atlassian, Ball Corp, Beazer Homes, Becton Dickinson, Brookfield Infrastructure, Brunswick, Camden Property, Canadian Natural Resources, Cardinal Health, Cenovus Energy, Clorox, Colliers, Columbia Sportswear, Coursera, Deckers Outdoor, Dolby Labs, Dover, DXC Technology, Eastman Chemical, Eaton, Ferrari, First Majestic Silver, Gildan Activewear, Hartford Financial, Hologic, Honeywell, Hub Group, Huntington Ingalls, Illinois Tool Works, International Paper, Janus Henderson Group, Kirby, Lancaster Colony, Lazard, MACOM Technology Solutions, Merck, Meta Platforms, Microchip Technology, Oaktree Specialty Lending, Parker-Hannifin, Peloton Interactive, Pitney Bowes, Quest Diagnostics, Royal Caribbean, Sally Beauty, Sanofi, Sirius XM Holdings, Skechers USA, SkyWest, Spire, Stanley Black & Decker, Tractor Supply, Trane, U.S. Steel, Wabash National, WestRock

## Fri.

8:30 am U.S. nonfarm payrolls, U.S. unemployment rate, U.S. hourly wages  
10:00 am Factory orders, Consumer sentiment (final)

Earnings: AbbVie, Aon, Bristol Myers Squibb, Brookfield Renewable Partners, Cboe Global Markets, Charter Communications, Chevron, Church & Dwight, Cigna, Enbridge, Exxon Mobil, LyondellBasell, Magna, Piper Sandler, Regeneron Pharmaceuticals, Regeneron Pharmaceuticals, Restaurant Brands International, Saia, Telus, W.W. Grainger, WisdomTree

Source: MarketWatch/Kiplinger

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