



BULL MARKET BEHAVIOR CHECKLIST

Willie Delwiche, CMT, CFA  
Investment Strategist @ Hi Mount Research

# BULL MARKET BEHAVIOR CHECKLIST

	Bull Market Criteria	Current Reading	Bull Market Behavior?
Weekly New High - New Lows (As % of NYSE + NASDAQ Issues Traded)	Greater Than 0	Greater Than 0 (8 Consecutive Weeks)	Yes
Net New High A/D Line NYSE + NASDAQ	Rising	Rising (39 Days in a Row)	Yes
% of Global Markets Above Their 50-Day Average	Less Than 70%	Greater Than 70% (8 Day in a Row)	Yes
ACWI Long-Term Trend	Rising	Rising (47 Consecutive Weeks)	Yes
S&P 500 200-Day Average (Level vs 10-Days Ago)	Rising	Rising (194 Days in a Row)	Yes
Value Line Geometric Index Long-Term Trend	Rising	Rising (18 Consecutive Weeks)	Yes

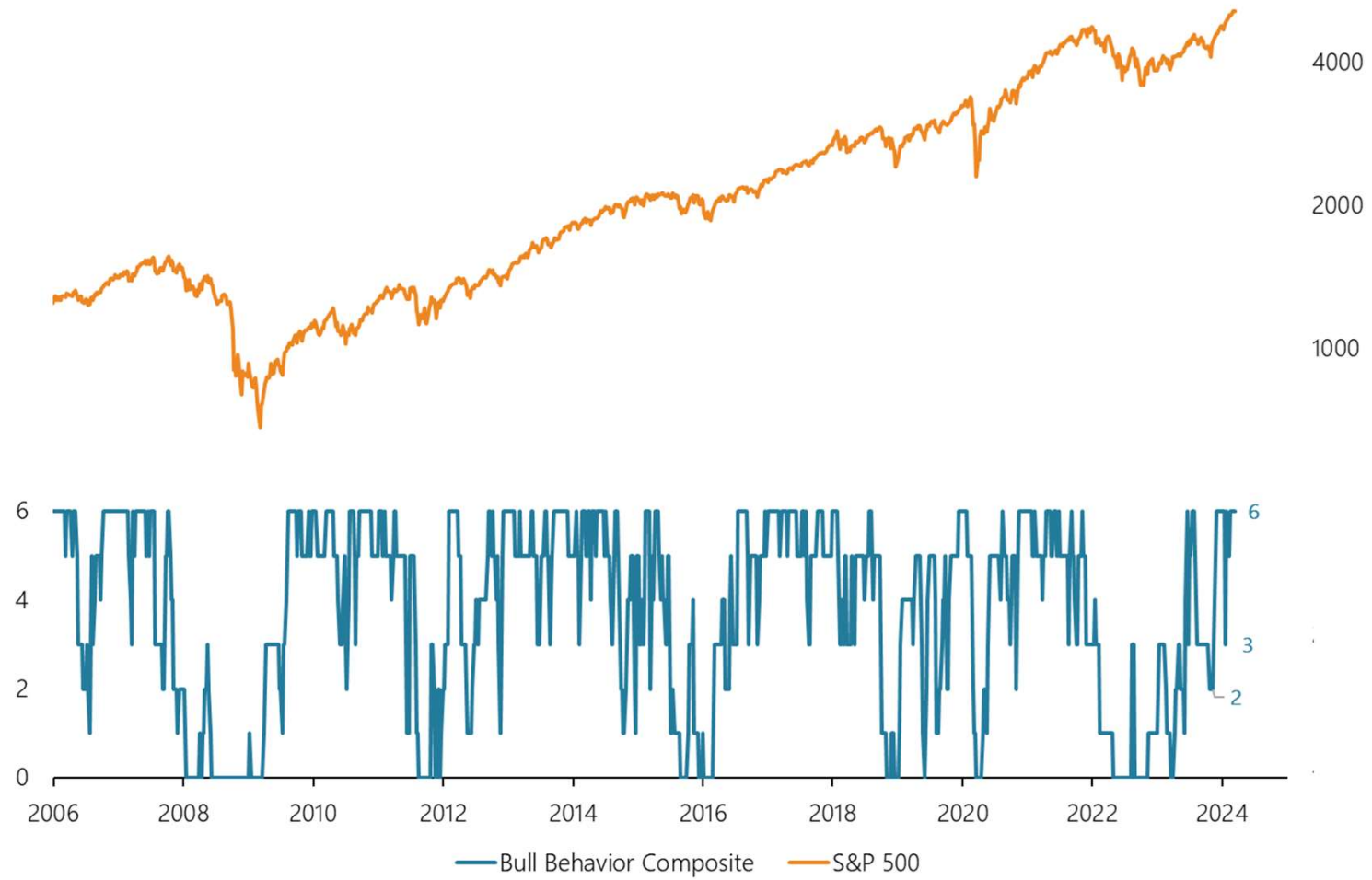
(data as of 3/15/2024)

Total:

6/6



# S&P 500 AND BULL BEHAVIOR INDICATOR

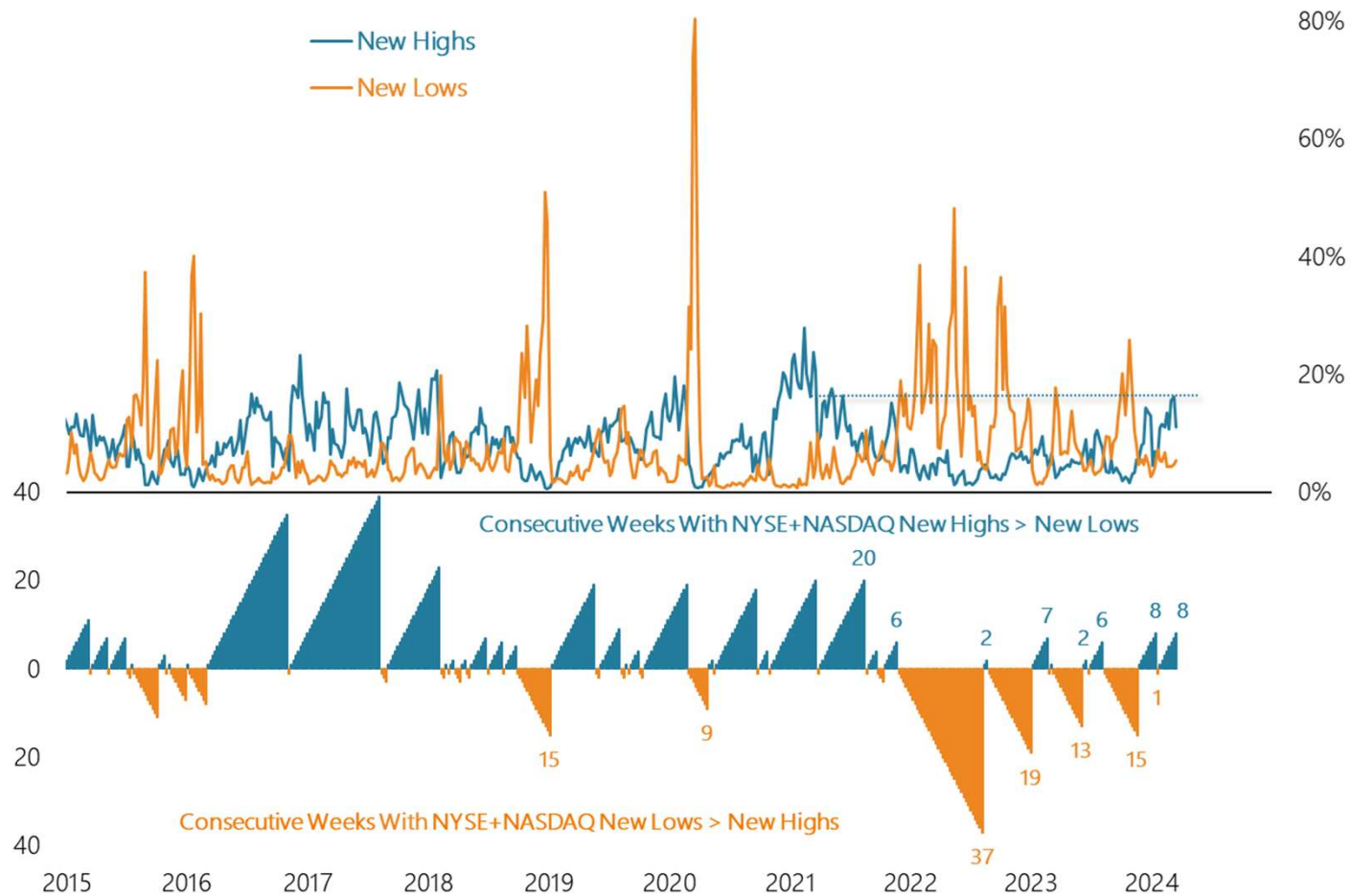


As long a breadth and trend indicators show a persistence in bull market behavior, elevated optimism can continue to simmer.

Risks become more acute after cracks emerge in the foundation and the crowd begins to turn.



# NYSE + NASDAQ NEW 52-WEEK HIGHS & LOWS

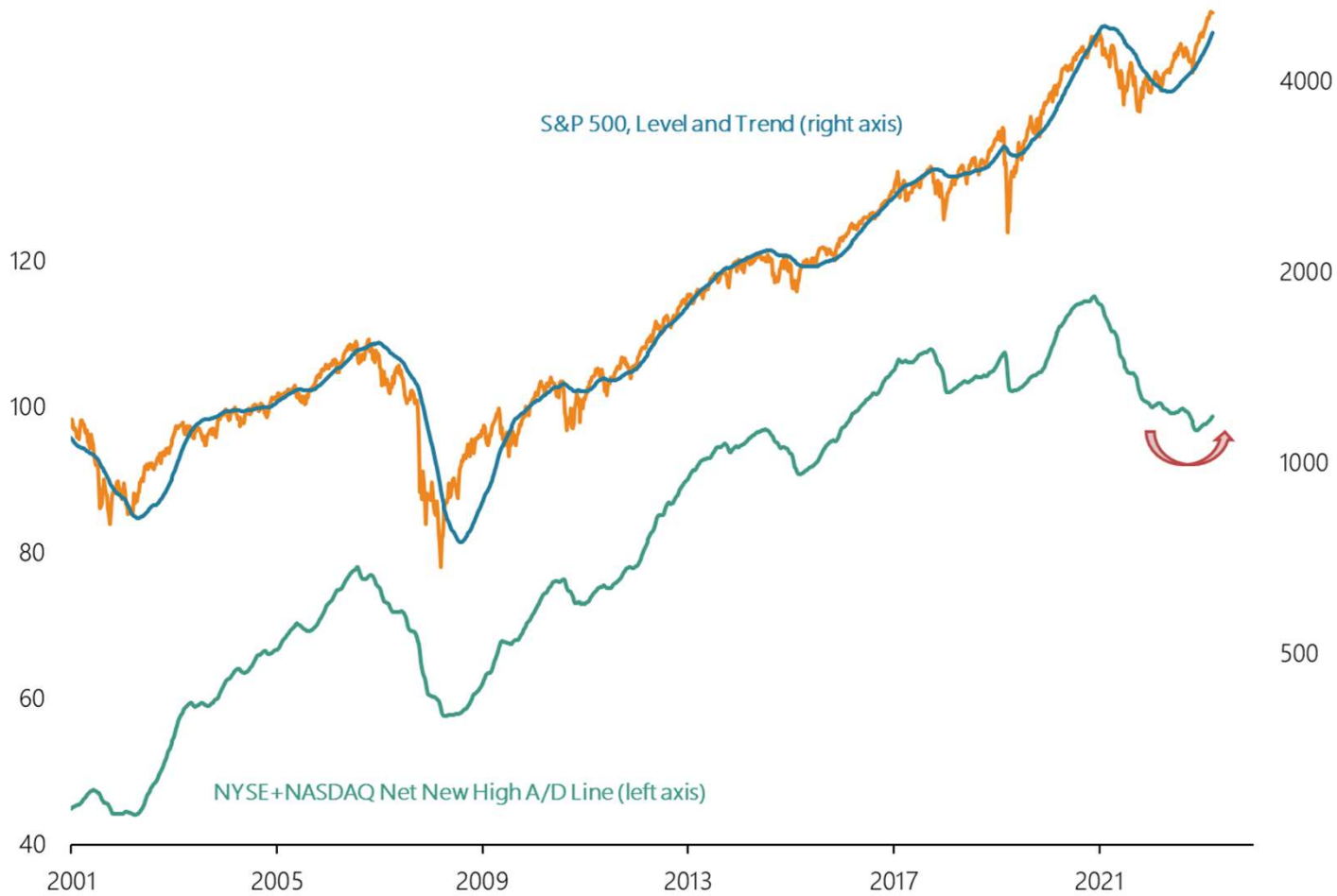


The number of stocks hitting new highs retreated last week (after hitting a new recovery high the previous week).

Much more importantly, however, new highs continue to exceed new lows and that is fuel for further gains at the index level.



# DON'T FIGHT THE TAPE!

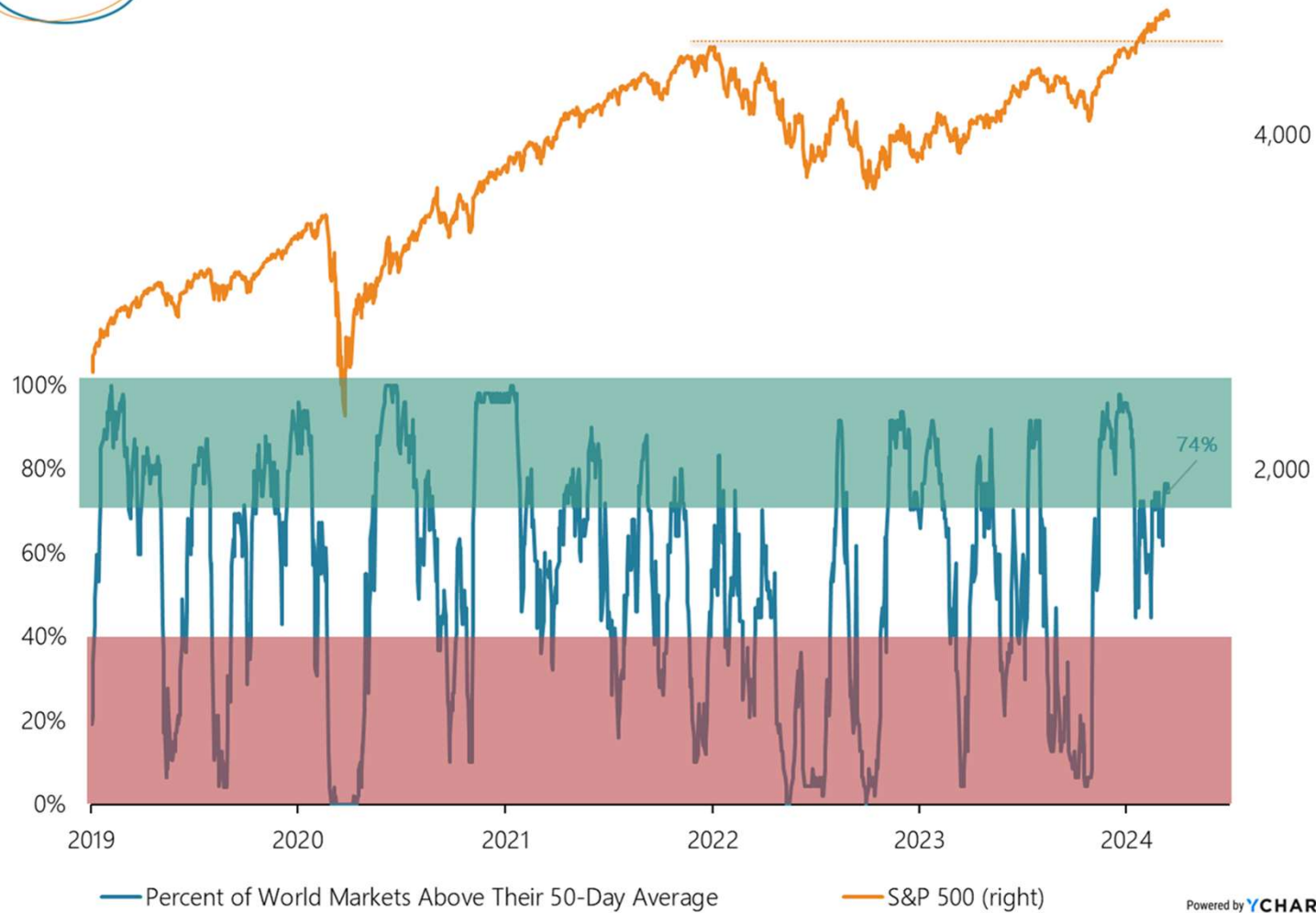


History shows that over time the S&P 500 and the trend in Net New Highs (NYSE+NASDAQ) tend to move in the same direction. Last year's divergence is resolving as the tape turns higher.

If not for a three-day hiccup earlier this year, the Net New High A/D line would be in the midst of its longest sustained expansion since prior to the S&P 500's peak in early 2022.

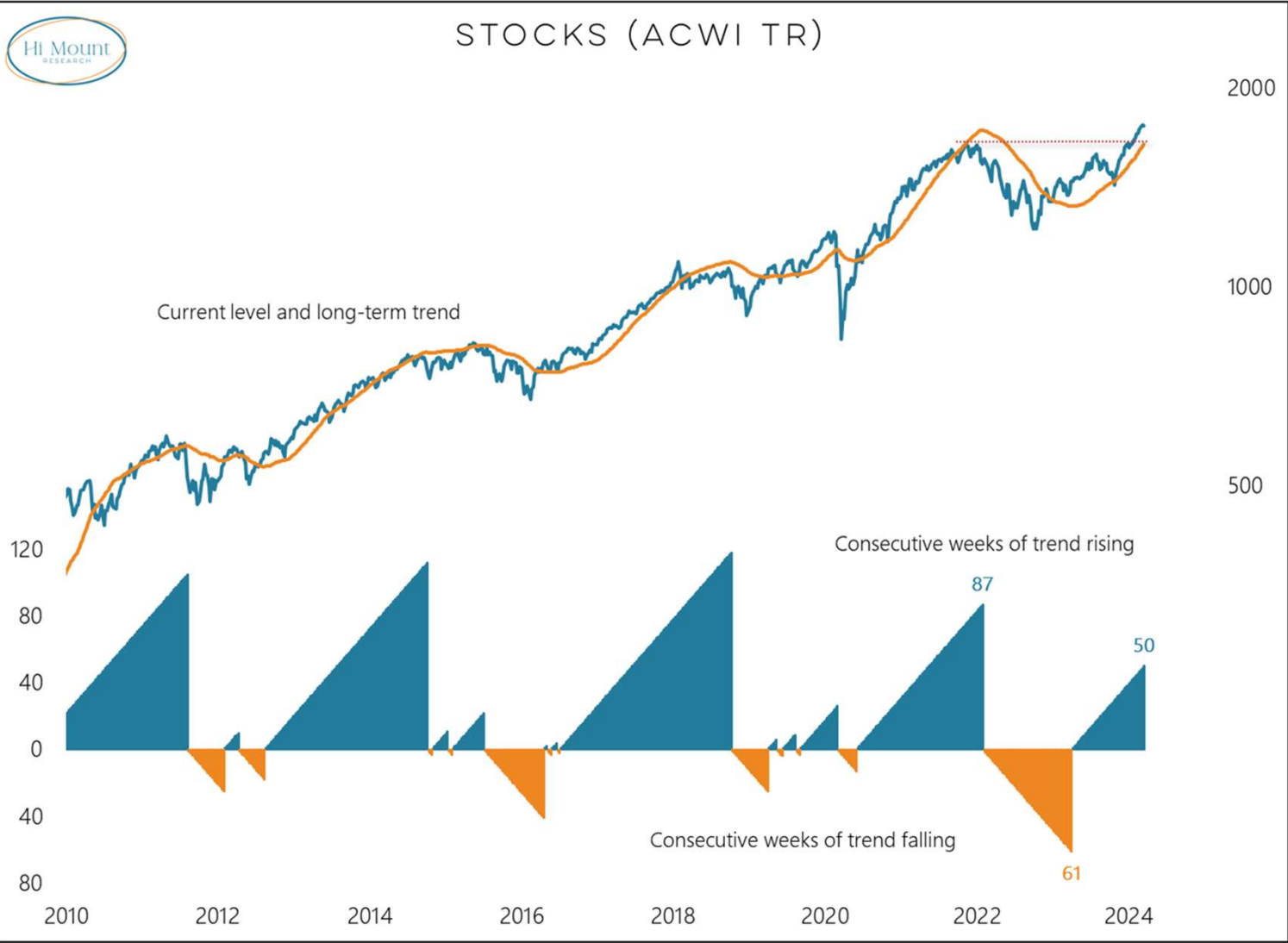


# GLOBAL BREADTH AND US STOCKS



Coming into this week, three-quarters of the markets that comprise the All-Country World Index (ACWI) were trading above their 50-day averages.

US and World indexes tend to do well when global participation is broad.



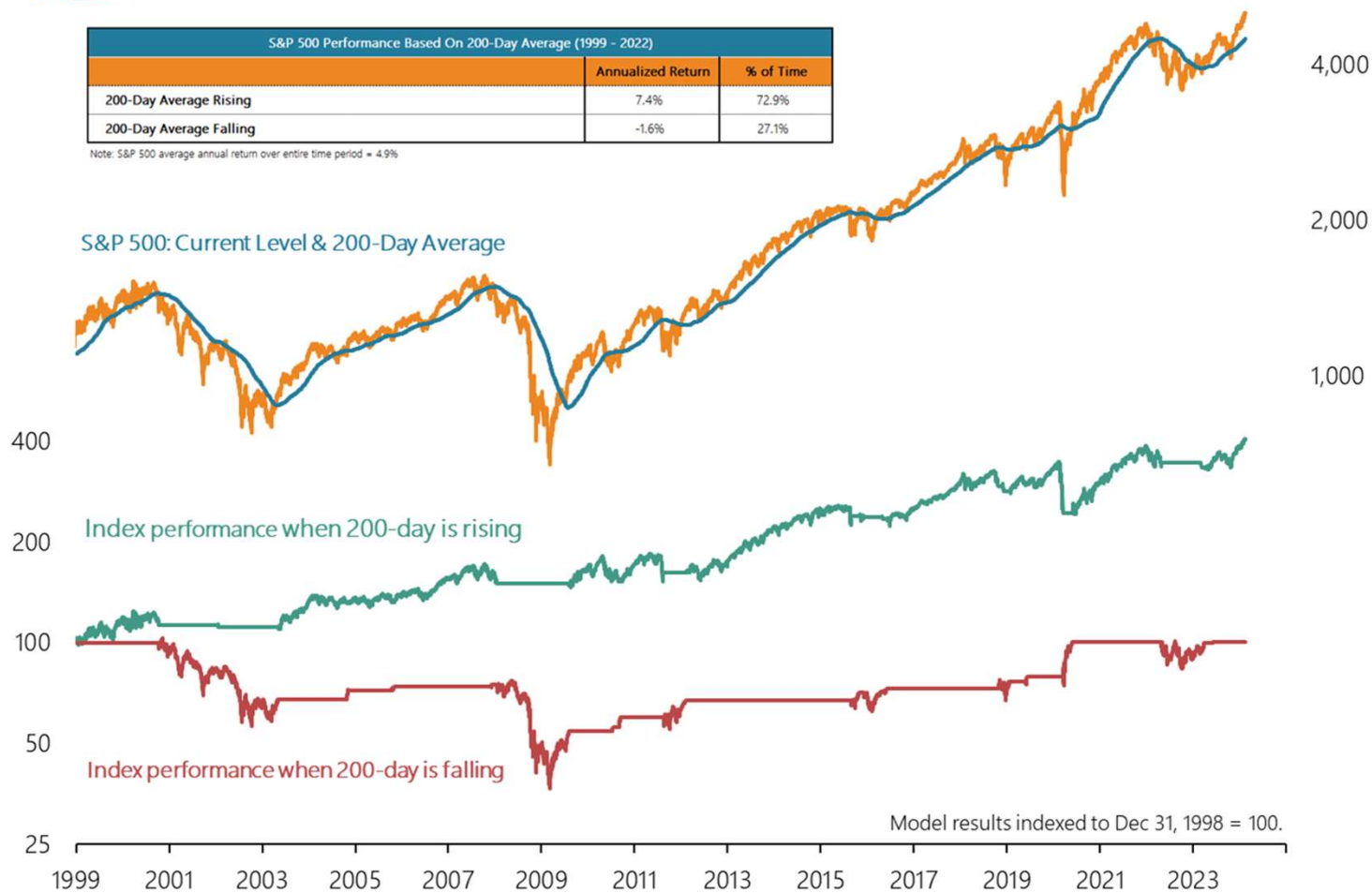
The long-term trend in the ACWI turned higher at this point last year and continues to rise. Based on how long uptrends have persisted in the past, this move does not appear extended even as the index itself climbs into uncharted territory.



## RISING 200-DAY AVERAGE IS A TAILWIND

S&P 500 Performance Based On 200-Day Average (1999 - 2022)		
	Annualized Return	% of Time
200-Day Average Rising	7.4%	72.9%
200-Day Average Falling	-1.6%	27.1%

Note: S&P 500 average annual return over entire time period = 4.9%



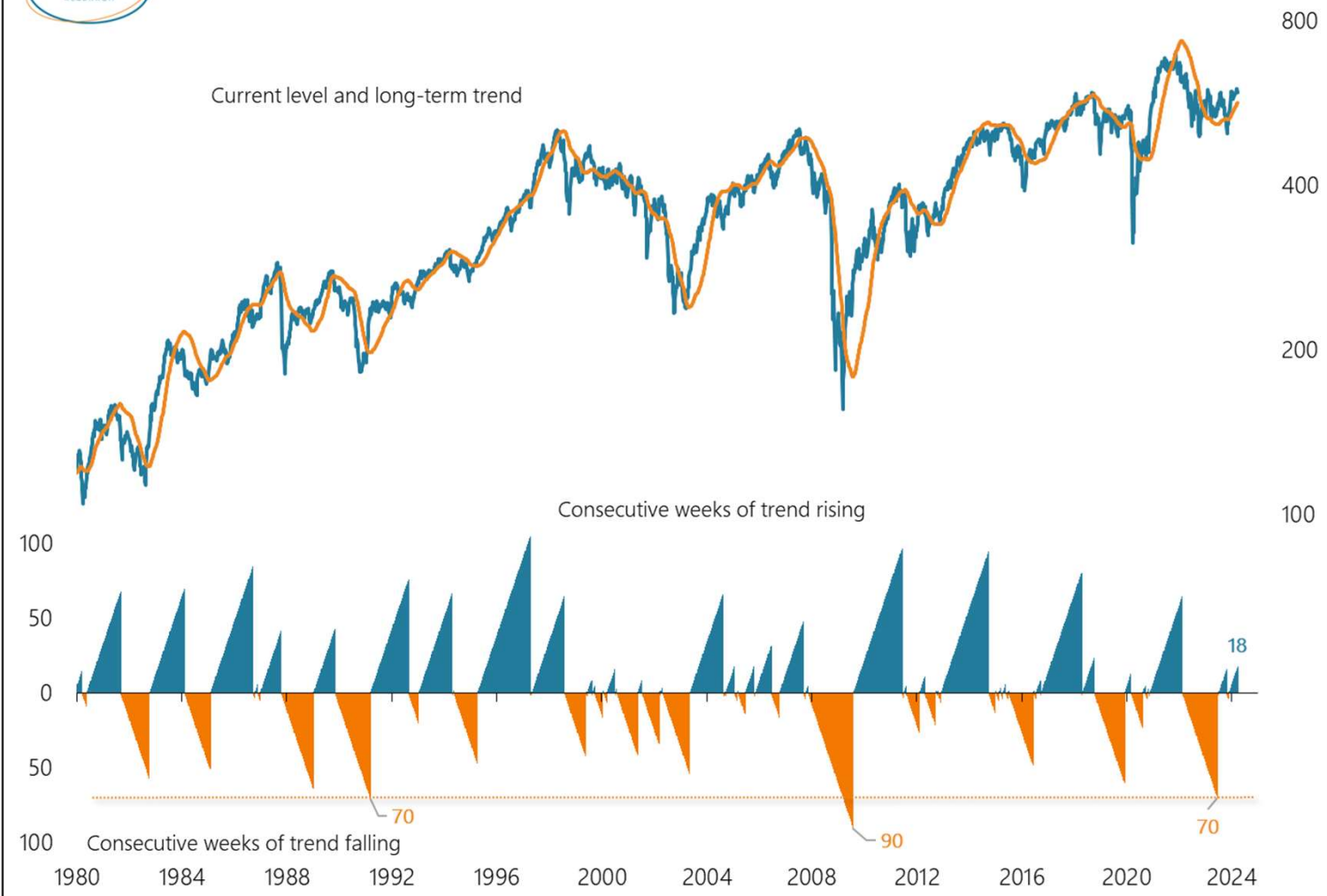
While the outsized influence of just a handful of stocks on the S&P 500 poses some risks for the market. But we can't let that blind us to the persistent pattern in the data that stretches back decades and still seems to be true: when the 200-day average is rising, the S&P 500 is usually climbing.

It is when the 200-day average rolls over that risks rise. Our goal is to follow the trend, not try to pick turning points.





# VALUE LINE GEOMETRIC INDEX



When the long-term trend in the Value Line Geometric Index (which captures the performance of the median stock in the Value Line universe of 1500+ companies) is rising, it doesn't make much sense to claim that the indexes are only being supported by a handful of mega-cap stocks.

Smaller stocks have lagged and may be more prone to stumbling but right now more stocks are moving higher than lower.