



## TUESDAY MAY 24, 2016

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	PRICE	CHANGE	VOLUME	UP/DN %	UP/DN VOL %
Dow:	17,706.05	+213.12	<b>3.63</b>	329	250
Nasdaq:	4,861.06	+95.27	<b>1.94</b>	366	523
S&P 500:	2,076.06	+28.02			
10 yr note:	1.84%	-1bps			
Volatility:	14.42	-1.40			
EUR-USD:	1.114	-0.008	Crude Oil:	48.62	+0.54
USD-JPY:	110.15	+0.93	CRB-Com:	183.34	+0.15

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Markets rally sharply as institutional money eyes a bargain, moving back into the market following weeks of steady declines. The Nasdaq (+2%) led gains S&P 500 (+1.4%) and Dow (+1.2%). This is the largest gain for these indexes since March 1, March 11 and May 10, respectively. Short covering could have also influenced today's rally given investors large hedge positions after week's of equity declines. Nevertheless today's rally marks a turning point for markets, shifting the momentum back into an uptrend. Volatility fell 8.9% as investors anxiety eased.

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No trade however Upbreakout would have lost today... need to normalize the shutoff parameter with the VIX like I do for capitulation instead of just having the trade shutoff beyond a 2% move in the market.

## ECONOMIC REPORTS:

**April New Home Sales:** +16.6%. New home sales jumped to a 619,000 annual rate, its fastest pace since January 2008. Sales are now 23.8% higher over the past year while the median sales price gained to \$321,100, the highest level on record and 9.7% higher than a year ago (WSJ). Inventories remain low however, dropping to a 4.7 month supply from March's 5.5 month level.

**May Richmond Manufacturing:** -15 to -1. Mirroring last weeks Empire State and Philadelphia manufacturing reports, activity in the Richmond region slowed as the dollar strengthened in May, curtailing manufacturing recent rebound during the second quarter.