

Real time stock market education



Stock Market Newsletter

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The stock market is showing signs of breaking down. Looks like the "Santa Claus" rally has run its course.

Remember "The Moving Average Squeeze"?

For the last few weeks, I have been mentioning something I call the moving average squeeze.

What it is is when a stock consolidates between the 200 day moving average and the 50 day moving average.

What typically happens is that the stock eventually gets "squeezed" out of the moving averages.

Just like what is happening right now with the Semiconductor Holders.

Some observations about this pattern:

- The 50 and 200 day moving averages go in the opposite direction. If the 50 day moving average is rising, then the 200 day moving average is declining
- The 200 day moving average usually wins. The inevitable breakout *typically* goes in the direction of the 200 day moving average. For the Semiconductor Holders, the 200 day moving average is going down.

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Here's a stock breaking down

Audible Inc, ADBL, has had a significant run up in price from around \$10 in August to a double top high of \$30.65 by mid-December.

The stock has made two downswings from that high - both of these downswings are of equal price. Often a matching price swing is where price reverses back in the primary direction. For this stock, the primary direction is up.

If the stock is to reverse back up, then it should occur at these price levels.

If not, then expect much lower prices in a hurry.



Possible buying (or selling) opportunities can be anticipated in advance using Fibonacci analysis.

If you were ever interested in knowing how Fibonacci retracements work, then now is the time.

Want to know how to spot possible reversals like I am showing for this stock?

Yes! Show Me How!

Then click on over to [Fibonacci Retracements](#) and sign up for my free fibonacci trading lessons.

- You'll learn how Fibonacci analysis pinpoints trading opportunities before they happen.
- Plus, you'll get to use my custom made Fibonacci calculators to determine buying and selling levels.

Visit fibonacci-retracements.com and sign up now.

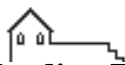
Trade well!!

Dave


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