

Were You Aware ...?

With action so far this week, we've witnessed the Bullish Percent for the NDX [BPNDX](#) dip below the 30% mark. Remember, bullish percent indicators measure the percentage of stocks within a universe that are trading on Point & Figure buy signals. It is not a directional call for the market. We use bullish percent charts to gauge risk, breadth, and participation within a given universe.

This particular chart focuses solely on the roughly 100 stocks within the Nasdaq 100 Index. Technology stocks have been under pressure in recent weeks, which has put downward pressure on prices. Interestingly, this action has pushed this indicator down to the 24% mark which we typically do not encounter unless the market is experiencing some upheaval. This go-round we can look to trade war concerns with countries like China and the poor public relations issues many of the big technology firms have been dealing with recently. Other times within the past decade we have seen the BPNDX fall to similar levels include the January - February pullback in early 2016, the Flash Crash and devaluation of Chinese currency in August 2015, the US credit downgrade in August 2011, the official bottom of the recession in March 2009, and during the height of the recession in October 2008.

Other Times We've Seen BPNDX in this territory:

- January - February pullback in 2016
- Flash Crash & Chinese Currency Devaluation August 2015
- US Credit Downgraded August 2011
- Official Market Bottom of Recession March 2009
- Height of the Recession October 2008

Other Observations:

- This time around, equity markets look healthy from a technical perspective as both the Domestic Equities asset class and Technology sector continue to rank #1 in their respective DALI rankings. Technology has actually gotten stronger relative to the rest of the broad sectors during recent weeks
- The BPNDX sinking to these levels also hints that while there is still the potential for it to fall further, there is not much more room for it to fall before we see some sort of reversal
- Think of this like a rubber band - in January we were stretched near the top of the range (historically speaking) and now we are at the opposite field position where we are stretched to the downside
- Those with exposure to the Nasdaq 100 or its constituents may wish to set an activity alert on the BPNDX for a column reversal into X's from further washed out levels, or see this chart exceed the 30% mark while in X's before putting money to work in this area.

Bullish Percent for NDX (BPNDX)

