Wellington Shields

EQUITIES PERSPECTIVE

September 29, 2023
DJIA: 33,666

When the market creates divergences, those divergences cause problems. The timing, of course, can be elusive, but the longer they persist typically the greater the problem. The most typical of these divergences is between the stock Averages and what we call the average stock. The S&P, for example, even now is a few percent above its 200-day average, while fewer than 40% of its component stocks are above their own 200-day. Semis recently hit a two-month low for the first time in a year, while the NASDAQ's rally was accompanied by a doubling in 12-month lows. Getting out of this correction will take a change in this pattern to one with better overall A/Ds and improvement in stocks above their 200-day. And it will take time. The A/Ds were up all day Thursday. It's just a start, but a start.

Uranium prices hit a 12 year high recently, offering hope to the nuclear hopeful. In part you can blame or thank Russia – gas prices spiked and Uranium prices followed after the Ukraine invasion. Fukushima, of course, had brought a halt to many projects, leaving the Uranium market over-supplied for more than a decade, according to the Financial Times. Now there is an effort by some countries to extend the life of existing reactors as they contemplate new ones. All these factors are at play in the recent price rise. Like most things these days, there is an ETF for Uranium (URA-28), Cameco (41) is 26%.

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