



Technical Update

Portfolio Advisory Group – U.S. Equities

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I am out of the office visiting branches in Arizona through Friday.

Tech check. The Technology sector had a big down day on Tuesday, and this may be part of a topping pattern that began a few weeks ago. The sector, and many of the individual stocks now have a pattern of lower highs, and if the recent low points are also broken, we believe it would increase the potential of a larger pullback for the group. For many of the stronger Technology stocks, the technical risk window could be in the 15%–20% area below their recent highs, in our opinion. We see the potential correction risk as being high enough to warrant some profit-taking where appropriate and holding off on any new purchases until after we see how all of this develops. The challenge with a meaningful correction is that it tends to start out more slowly, and then accelerate to a low point, and it is not possible to tell in advance just how low that may be. In the meantime, we would advise going slow, being careful, and staying conservative with investment choices going forward.



Chart courtesy StockCharts.com and RBC Wealth Management

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