



Technical Update

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Stretched out. The advance in the S&P 500 from the low of three weeks ago is now over 12%, which has been unusually strong and among the best gains for a short period the market has seen in a long time. During this period, the volume has been declining, which we think is an indication of less power and commitment behind the move and leaves the index vulnerable to a pullback that may also be more volatile. Remember that pullbacks are generally faster and sharper than advances for both stocks and indexes, so don't be surprised if a quick correction develops soon. We believe that the market action for this year is all part of an important bottoming process but we believe the volatility is still there and will likely continue to be with us in both directions.



Chart courtesy StockCharts.com and RBC Wealth Management

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