



# Technical Update

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**Catching up.** The markets can often swing from one extreme to the other with this year being a good example of how that works. But then there are other times when the markets stall into ranges that can last several months, and that is where we believe we are headed in many of the stock and commodity markets. We see these longer trading range periods as needed after big moves to the upside in order for the economy and earnings valuations to catch up to the higher stock prices as the markets anticipate these changes in advance, but then the reality may take a longer period of time to support the higher prices. There may still be quite a bit of volatility ahead for the markets, but we anticipate this will occur within a range that could last several months. We just don't know yet where the bottom end of that expected range will be.



Chart courtesy Stockcharts.com and RBC Wealth Management

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