



PERFECT APPLE TRADE

DAILY UPDATE

Apple gets spooked into the red along with rest of Wall Street as signs of war grow on Russia-Ukraine border...

February 18, 2022, 9:00 AM PST

Stock: APPLE Inc

Ticker: NASDAQ: AAPL

Price: 167.54 USD

-1.35 (-0.80%) today

Today's Apple Trade Status: Inactive

Action I'm taking: Waiting for indicators to align for the next trade

Our Key Indicator generated a red bar for Apple on Friday as market volatility increased in response to escalating tension on the Russia-Ukraine border. It is now the second in a row since yesterday's green bar flipped to the bears as that session gained downside traction heading into the close. Once the indicator morphed from bullish to bearish, the Top Strategy trade that began on Tuesday got the signal to close. The trade's closure was not unexpected, considering the sentiment on Wall Street has tacked strongly bearish in the face of the current geopolitical strife across the pond. The trade ended with a loss of \$3.91, or 2.26%, and ran for two days, its average duration over the last three years. The loss was above the average decline of 1.45% for

the same period. That compares to the trade's average gain of 3.94%, which runs for nine days. The current stats show that the trade averages a gain of 32% annually, based on its three-year performance, returning a total of \$55.75 per share during that same time frame.

Our Confirming Indicator has crossed to the bears for the first time this month. Its tumble below the zero axis line this morning breaks the streak of 10 straight sessions crossed to the bulls. Despite that streak, momentum is favoring the bears, as the indicator has generated a red bar for the last six sessions.

Apple is down about 1% late Friday morning, slightly underperforming the Dow and S&P 500 but solidly outperforming the Nasdaq for the session. The stock's bearish price action accurately mirrors the prevailing sentiment on Wall Street, as fear of a Russian invasion of Ukraine remains at the forefront of investor concern. Apple's intraday high for Thursday is \$170.54, and the stock's current price action leaves it close to the bottom of its trading range for February. Since Apple's strong bullish move during the last week of January, when the company reported better-than-expected earnings and forward guidance, the stock has been stuck in sideways mode, but the current bearish market sentiment in the broad market could end up sending it below that range. For now, short-term support remains down at \$154.70, while short-term resistance is up at \$176.65. Long-term resistance is at \$182.94, the stock's record high from late January. Apple sits at \$167.54, off 0.8% as the final morning session of the week wraps up.

Wall Street is awash in fear of a Russian invasion of Ukraine on Friday, and the lingering concern of the extent of the Federal Reserve's expected rate hikes is doing little to shift the bearish sentiment anywhere near the bulls.

All of the key equity indices are deep in the red for the week's final morning session, and volatility levels are high, as seen in the 2.5% rise in the CBOE Volatility Index (VIX).

Another reason that market volatility is running hot on Friday is that \$2.2 trillion of US stock option contracts are set to expire by the session's closing bell.

Finally, the fact that the US markets will be closed on Monday for Presidents Day is only adding to volatility levels, as investors may want to cash out and sit on the sidelines over the long holiday weekend, just in case Putin decides to proceed with an invasion of Ukraine.