

APRIL 14, 2023

Stratos Self Check

At the beginning of the year when most market experts were expecting a major selloff in the S&P 500, Stratos published our year-end target of 4473. We provide clear and open communication on our market calls, which we feel is something distinctive in our industry.

Stratos has confidently guided stock investors since mid-October 2022 during the moments after the S&P was making new lows. After a significant bear market rally in the S&P 500 that started in the middle of June 2022, Stratos identified the 4300 level as a potential key resistance level, which eventually led to last year's low in October. We became confident the market would continue to drop when the S&P failed to close above 4100 on September 13.

On October 14 when we wrote "[Mr. Hyde Should Prevail](#)" and the S&P was trading 3583, we stated, "Our strategic plan is based on a short-term bullish scenario. Two closes above 3750 could indicate a bear market rally [which took place on October 21, 2022]...that could test the 4100 level in the S&P 500." We forecasted that if the S&P was able to "sustain the 3474 level," we would remain bullish. We believed "the overall market pessimism" concerning China and Ukraine was already priced in, which turned out to be correct. Stratos predicted our **final resistance level of 4132**. We later stated that two closes above 4132 would indicate the beginning of a new bull market, which was confirmed for a second in February. Stratos also suggested that if the S&P closed above 4307 twice, it would confirm the beginning of the new bull trend.

Stratos' December blog, "[Will the Fed Turn Into Dr. Jekyll?](#)" discussed how the S&P 500 had rallied to trade as high as 4100. We forecasted that "Stratos would be looking to reduce [U.S.] equity exposure, anticipating a continuation of the major downtrend." Our intermediate support level was 3784, which the S&P closed at on December 28, 2022.

In our January blog, "[A Ray of Light](#)," we said, "We consider **4152 through 4307 no man's land**. If this level is unable to be sustained, Stratos will evaluate if it is appropriate to reduce equity exposure by selling our underperformers." On February 13, expected further declines. This year's S&P high was 4195 with a year-high close at 4179 on February 2.

Stratos' March blog, "[Is It Bear Weather?](#)" discussed how we raised our intermediate level of support in the S&P 500 to 3861 based on new highs in February. After correctly predicting stocks would retreat from our no man's land (4152-4307), we wrote, "We are looking for an opportunity to put money back to work around our new **intermediate level of support (3861)**," which took place on March 10.

Our April blog, "[Is This a Bull Market?](#)" is now predicting the likelihood of no man's land (4152-4307) being breached towards the end of the summer or sooner. If the S&P fails to sustain our intermediate support of 3861, we would consider this a negative.



Stratos S&P 500 Market Analysis

No Man's Land:
4152-4307

Intermediate support:
3861

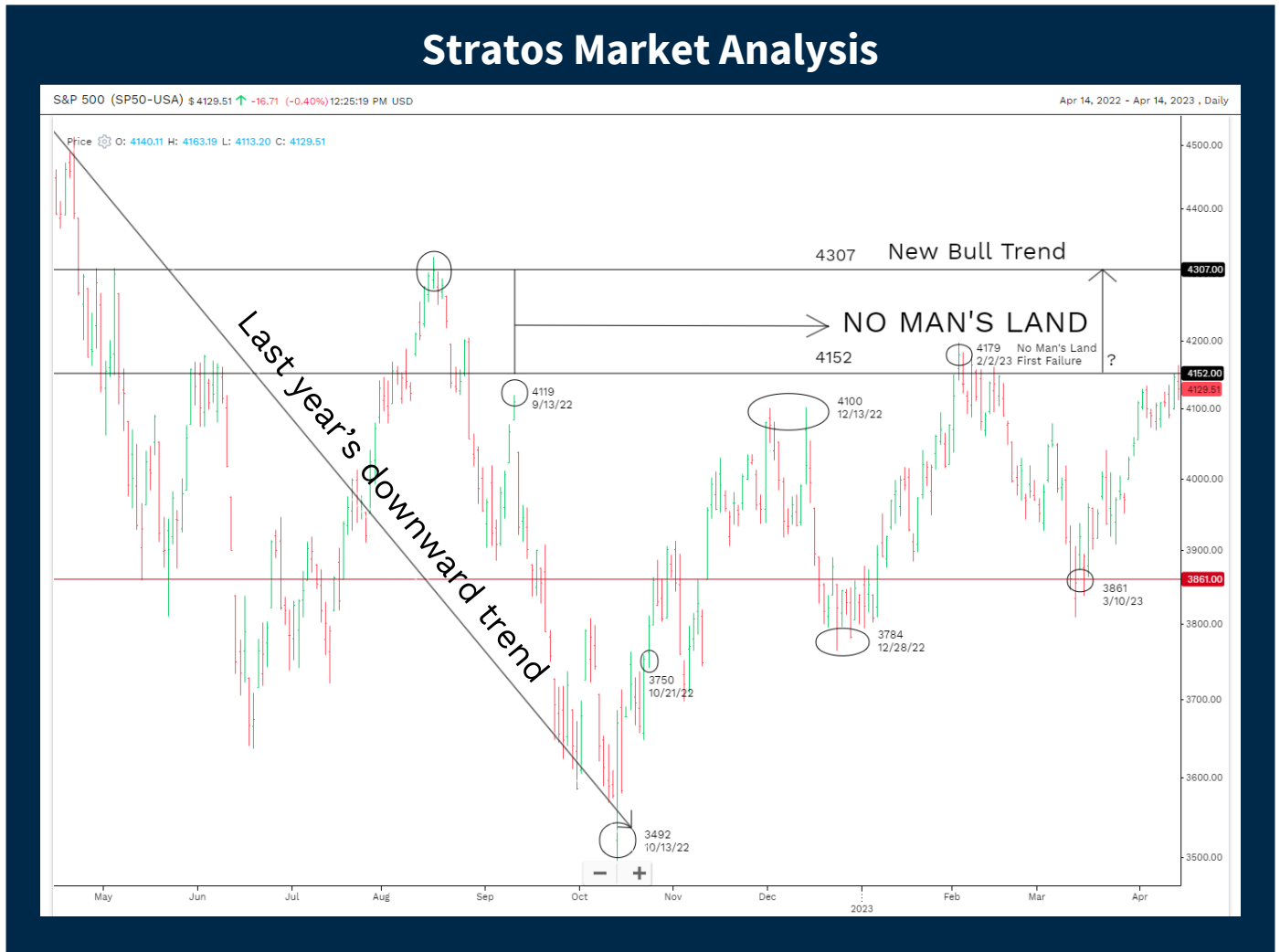
Primary support:
3672

Base camp support:
3537

Line in the sand:
3392

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Have a look at the one-year chart below to help visualize what we have written.



Be sure to have a look at our newly improved [website](#) to learn more about what we have to offer.

Good Trading for the Long Term!

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