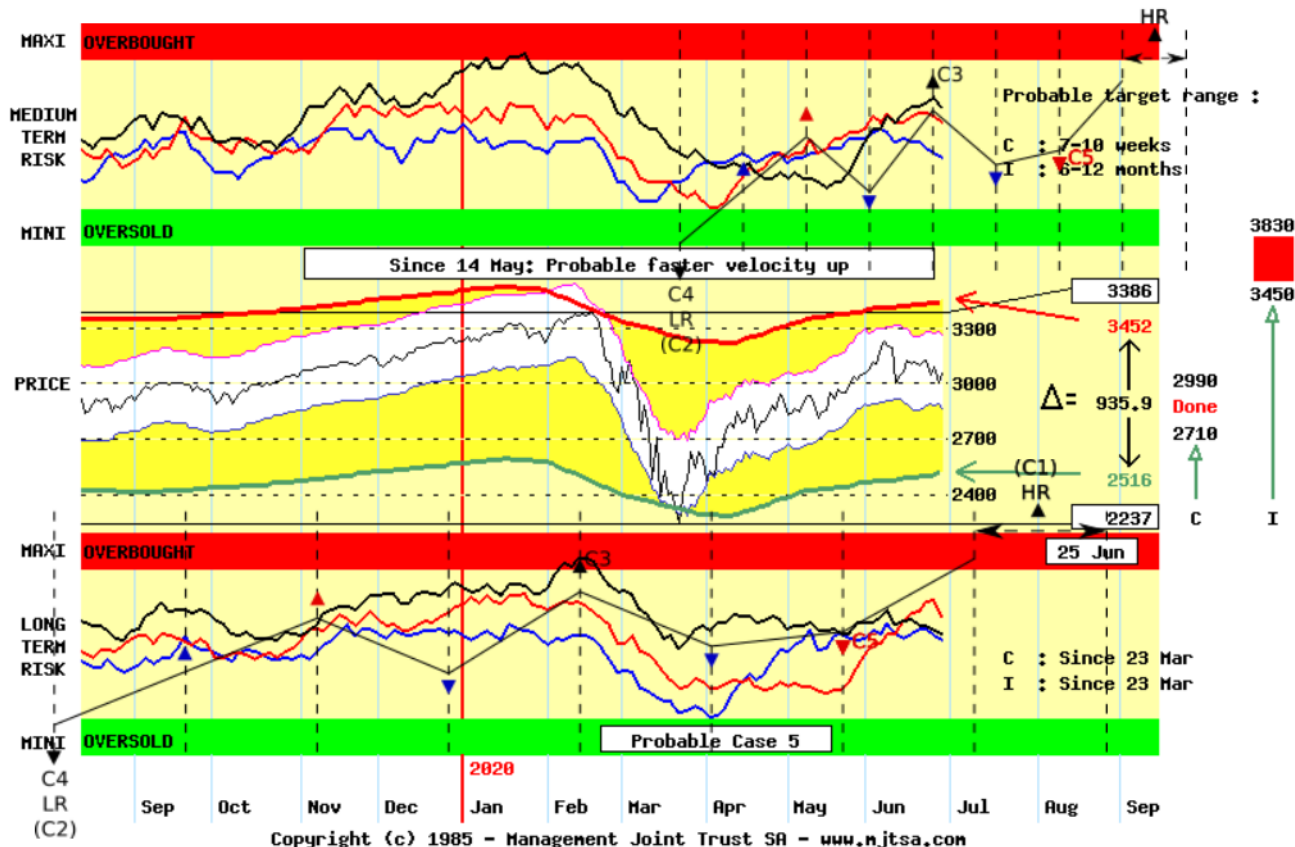


<https://www.mjtsa.com/single-post/2020/07/02/Equities-Markets-could-resume-their-bounce-during-July>

S&P500 – daily graph or the perspective over the next 2 to 3 months



Executive Summary:

Despite short term downside risk, the S&P500 and the Eurostoxx 50 should resume their uptrend, with likely new all-time-highs into mid/late summer.

In the initial stages of this new leg up, Cyclical assets, such as US Small Caps are likely to outperform, probably into early/mid August as the rally could be accompanied by a new bounce in US long term yields.

EuroStoxx 50 Index:

Downside risk towards 3'100 - 3'000 in the coming weeks. Thereafter likely new all-time-highs into mid/late summer.

S&P500 Index:

Despite the current uptrend, there is a downside risk towards the mid/low 2'900s in the coming weeks. Thereafter likely new all-time-highs into mid/late summer.

US10Y yields:

Probably bouncing higher from early/mid July into early/mid August, possibly into the 0.9–1.2%.

Russell 2000 vs the S&P500 Index:

The ratio is likely to bounce between 8% and 13% from early / mid July into August as both equities rise and yields bounce.

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