

Special Report - US New 52-Week Highs

In this sector, I discuss some of the outstanding uptrends in the US markets. Figures within the brackets are their market capitalisation (b=billion), as of Friday (16-September).

Autozone (\$13.7b) - In a strong bull trend, with new price highs established consistently since late August. In the absence of resistance above, \$350 is the next upside target.

O'Reilly Automotive (\$9.7b) - Broke to new price highs in early September, and following a consolidation, the stock is renewing to the upside once more. The next resistance is at \$80.

Bristol-Myers (\$52b) - After trading beneath \$30 for two weeks, the pharmaceutical giant finally cracked this resistance. The stock is reasserting the long-term uptrend. Overweight.

Amazon (\$109b) - The internet titan broke out to new long-term highs last Friday, surging from \$220 to \$240 (see right). This upward dynamic may be worth buying into.

Coca-Cola (\$163b) - The global consumer firm edged to a new 52-week price high last Friday. While there is short-term resistance at \$72, the overall trend is bullish and worth a short-term long position.

Visa (\$74b) - The financial behemoth is on the verge to breaking the \$90 resistance. From its long-term chart, this will be a breakout worth following as the next resistance is at \$98. A break of this resistance leads to new all-time highs. Buy.

Colgate-Palmolive (\$46b) - Surged to new year highs last Friday; and broke north of the \$86-92 congestion range. The next target is the round number level at \$100.

Kimberly-Clark (\$27.3b) - After a consolidation at \$70-66, the personal care giant is renewing to the upside. The crossover above \$70 will be a short-term buying signal, as this is a long-term price high (see right).

Hershey (\$13.5b) - The consolidation pattern in this confectionary company is slowly giving way to a new uptrend. The pattern of rising lows - \$54 and \$56 - supports an upside breakout. Overweight.

Costco Wholesale (\$37b) - Has traded persistently higher since early August. By breaking the former highs at \$84, the retailer signalled that a new uptrend is underway. Buy.

Consolidated Edison (\$16.8b) - The utility company made a swift recovery from the early August selloff. And after a three-week consolidation, the stock rallied to new price highs last week. This reasserts the medium-term uptrend.

TJX (\$22b) - The retailer gapped through the range resistance at \$56. No doubt, this is a bullish signal and worth a short-term long.

Whole Foods Market (\$12.2b) - Is testing the major range resistance at \$67.5. Given the sharp recovery rally since August, a breakout is not to be ruled out. Could be worth a short-term long.

Dollar General (\$13b) - After a two-week consolidation at \$34-37, the discount retailer is renewing to the upside. The former resistance at \$34 has now turned into support. Overweight.

Precision Castparts (\$25.7b) - The metal-product maker has recovered from the August correction, and is now on the verge of establishing new highs. The decisive breakout above the \$170 resistance will be a bullish signal. Watch to buy.

Duke Energy (\$26b) - The sharp rally from \$17 has led to a minor upside breakout at \$19 (see right). As prices edge above \$19.5, another leg up is possible.

Southern Co (\$36.5b) - This utility giant recovered swiftly from the market correction in early August. Following a month-long consolidation, prices surged last week to new long-term highs (see right). This is a bullish pattern, buy on setbacks.

Church & Dwight (\$6.3b) - The long-term uptrend in this chemical firm is renewing firmly. More encouragingly, the stock made new relative highs. Thus, overweight.

Conclusion: After writing this review, I became more bullish about the US market.

For one, these bullish breakouts came from a variety of industries - from auto to technology to global consumer. This is a bull market characteristic.

Second, these stocks are not small-cap stocks; but, large, blue-chip companies. It takes more money to move these stocks than their smaller counter-parts. Thus, I think that there is actually more stock buying than people perceived.

Third, if these stocks can produce these upside breakouts when the market sentiment is still so bearish, I believe they have more upside potential when investor's mood turns more bullish.

In short, the cliché that *'there is always a bull market somewhere'* certainly rings true. Having seen these excellent rallies, I hesitate to take an overly bearish stance on US equities, especially as the **US Selling Climax** surged to its highest level since March 2009 (see below). Beware the doom merchants!

