



Nasdaq 100 Streaks Above 50-DMA

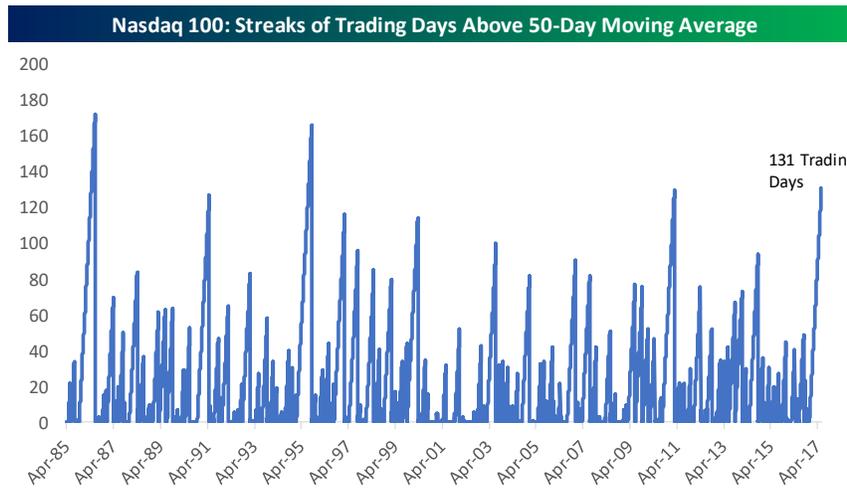
The Nasdaq 100 has closed above its 50-day moving average for 130 consecutive trading days going back to December 2016, and a close above it today would make it 131. As shown at right, though, the index is dangerously close to breaking this streak.

The second chart at right highlights historical streaks of consecutive closes above the 50-day moving average for the Nasdaq 100 throughout its history going back to 1985. At 130 trading days, the current streak is tied for the third longest ever.

The last streak of more than 100 trading days ended right at 130 back on March 10th, 2011. Only the streaks that ended in 1986 and 1995 lasted longer.

Breaks below the 50-day moving average are generally viewed as a bearish technical indicator, but we've published plenty of research over the years showing that breaks actually haven't been that bearish for a number of different indices like the S&P 500.

For the Nasdaq 100, though, breaks below the 50-day after long periods above it are indeed bearish for near-term forward returns. At right is a table showing prior 100+ trading day streaks for the Nasdaq 100 along with the index's returns over the next day, week, month, and 3 months. Over the next day and week, the index has gone on to fall quite a bit more once the streak comes to an end. Over the next week, the index has fallen 6 out of 7 times following the break with an average drop of 2.19%. Even over the next month and 3 months, the index has struggled. While the break might not occur today, when it does, history suggests more pain in the near term.



Nasdaq 100 End of 100+ Day Streaks

Date	Streak	Next Day %	Next Week %	Next Month %	Next 3 Months %
7/7/1986	172	-2.77	-5.30	-10.84	-11.74
5/14/1991	127	-3.00	-1.82	0.64	7.00
9/27/1995	166	3.34	-2.99	3.00	-0.74
2/21/1997	116	1.85	-1.60	-6.61	10.97
4/3/2000	114	-1.05	-1.93	-12.42	-10.48
8/5/2003	100	-1.19	0.89	10.75	16.24
3/10/2011	130	0.66	-2.59	1.32	-2.77
Average		-0.31	-2.19	-2.02	1.21
Median		-1.05	-1.93	0.64	-0.74
% Positive		42.9%	14.3%	57.1%	42.9%
Avg. All Periods		0.06	0.30	1.33	3.95