

MI2 TD Trade Point – SPX Deep Dive: CPI Ignites the Tape

11th September

"The best traders have no ego, only market signals."

Markets were poised coming into CPI — and now they're exploding higher post-print, validating price-led signals over headline noise. Despite multiple DeMark 13s flashing recently, none were confirmed by bearish price flips, reinforcing the notion that technical exhaustion has not yet matured into full reversal.

Wednesday's move higher is not just momentum — it's structure. Oracle's blowout on AI backlog and today's CPI miss are fueling institutional demand. This is a tape driven by **forward contracts**, **softening inflation**, and still-buried short positioning.

Current Setup (Post-CPI):

- **SPX Last: 6584.18**
- **Next Upside Target: 6803.53**
- **Key Support: 6437.39 → 6299.19 → 6117.52**
- **200-day MA: 5981.73 (distant, but relevant in a reversal scenario)**

Despite multiple **DeMark Sell Countdown 13s** (Combo/Sequential), **no active bearish flips** have emerged — invalidating the 13s *for now*. That makes today's rally structurally intact with bullish continuity.

DeMark Nuance (Tom DeMark Commentary Integration):

Per DeMark's recent analysis:

- We've seen **three recycled SPX sell setups** since July, each with its own countdown.
- A rare setup cancellation (Aug 1 close below setup low) resets the exhaustion clock.
- Under **strict combo + recycle conditions**, SPX/SPY countdowns are currently **8 and 9**, not 13 — signaling we're **approaching**, but not **at**, exhaustion.
- Market breadth confirms this — we've had **five consecutive sell Setup 9s without a single Buy Setup 4**. This anomaly often precedes trend reversal, but not until price and time align.

Translation: The top is forming — but it's not here **yet**.

Indicators & Flow:

- **A/D Line** made new highs – consistent with 3–7% shallow corrections, not full reversals.
- **MACD (12,26,9)** remains positive and expanding.
- Systematic flows remain **net long** and **shorts are pinned** — fueling forced cover bids.
- **Fed futures pricing:** 86% chance of **September rate cut**, per CME FedWatch.

Macro & Market Narrative:

- **Oracle's AI explosion** reinforces the leadership rotation to hard AI infrastructure — not just narrative, but backlog-driven.

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- CPI miss now adds a **tailwind**, flipping the Fed narrative.
- Equities have responded decisively: **breadth expansion, leadership conviction, and technical resilience.**

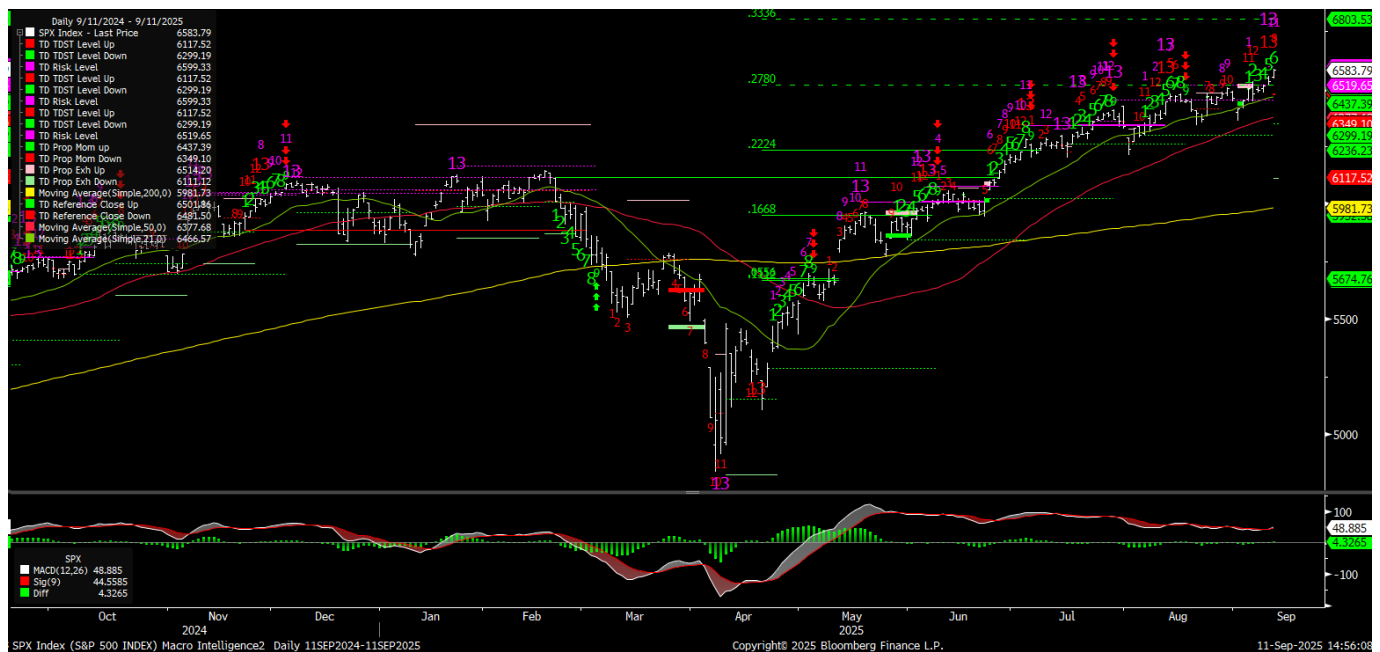
Bottom Line:

- Market is not at a top — **but it is building one.**
- Without bearish flips, **13s are caution, not reversal.**
- **Watch 6803** for reaction — this is a **measured move target.**
- **Support to watch: 6437 → 6299.** A break of these with bearish price flips would change the posture.
- Until then: **Buy dips, don't chase. Stay tactical, not dogmatic.**

Outlook:

- **Short-Term:** Trend remains up into FOMC — CPI adds fuel.
- **Medium-Term:** A major top is forming — exhaustion not complete, but progressing.
- **Strategic View:** Controlled corrections > crash risk. Rotation and macro relief can support price longer than sentiment expects.

Stay nimble. Respect structure. Follow the flips.



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