

S&P 500 Faces Further Downside Towards 1,550, Day By Day Says  
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By Blaise Robinson

(Bloomberg) -- Elliott wave count suggests S&P 500 faces “a lot more downside,” Valerie Gastaldy, technical strategist and partner at Day by Day, says in phone interview.

- \* Drop to around 1,550 would represent ~18% fall from current level of 1,881
- \* Market correction is not complete: set for downward sequence of 5 waves from Nov. top, index now somewhere in a wave 3, “most powerful one”
- \* S&P 500 bounce ahead of next Fed meeting has “very high probability to be limited to 1,950”
- \* Monthly MACD crossed to the downside, as in 2000 and 2007 at start of bear markets
- \* Overall, S&P is “far from being extremely oversold”
- \* Pull-back could push down S&P 500 to ~1,550, representing 38.2% retracement of the bull market since 2009

NOTE

- \* S&P 500 down 8% YTD, RSI at 31.5
- \* Earlier: Stoxx 600 Pierces Below 200-WMA in ‘Strongly Bearish’ Signal

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To contact the reporter on this story:

Blaise Robinson in Paris at [brobinson58@bloomberg.net](mailto:brobinson58@bloomberg.net)

To contact the editor responsible for this story:

Gaurav Panchal at [gpanchal2@bloomberg.net](mailto:gpanchal2@bloomberg.net)