US Stock Express

Daniel Yue

Email: info@ihandbook.org   www.ihandbook.org   ©

Hindenburg Omen

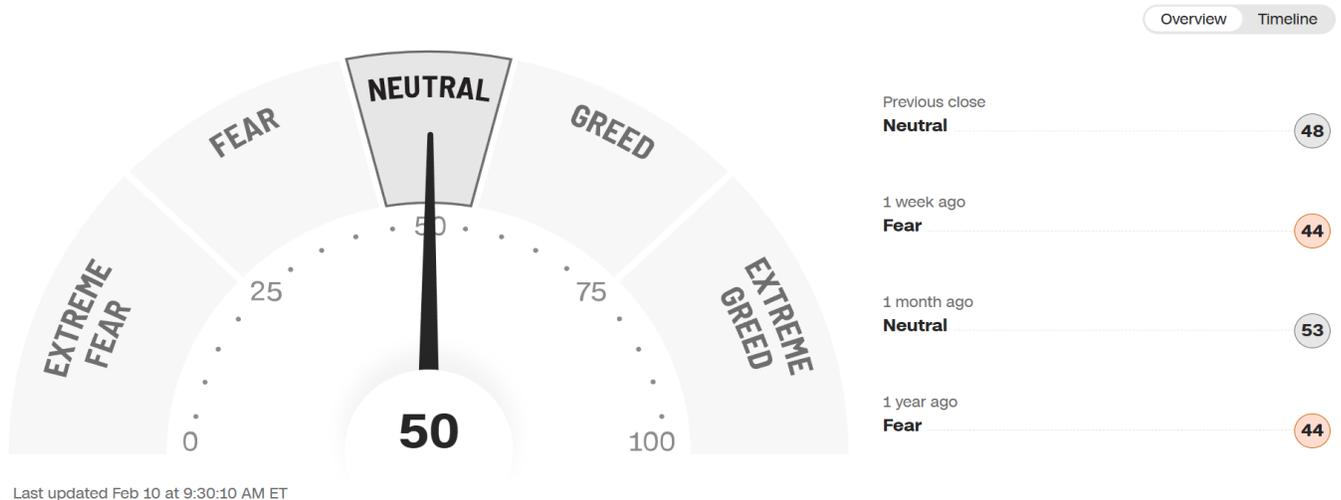S&P 500 Index - SPX (WI) - Daily Line Chart - USD - No Layout

ALL STAR CHARTS

S&P 500

5,577

Hindenburg Omen

Criteria
The S&P 500 must be above its 50 day moving average.
New 52 week highs & new 52 week lows must both be greater than 2.8% of all advancing and declining issues.
The McClellan Oscillator is negative.

finbold.com

Please refer to The Express of 20251103

Fear & Greed Index

What emotion is driving the market now?
<u>Learn more about the index</u>

Overview   Timeline

NEUTRAL

FEAR   GREED

EXTREME FEAR   EXTREME GREED

50   25   75   0   100

50

Last updated Feb 10 at 9:30:10 AM ET

Previous close **Neutral**	48
1 week ago **Fear**	44
1 month ago **Neutral**	53
1 year ago **Fear**	44

<u>N̲orth E̲ast W̲est S̲outh is *NEWS*</u>

With the widespread adoption of generative AI, many users are extending everyday etiquette into the digital realm, frequently using "please" and "thank you" in conversations. However, this politeness is imposing a heavy economic and environmental burden. OpenAI CEO Sam Altman has pointed out that managing these polite phrases costs the company tens of millions of dollars annually. In terms of resource consumption, a single "thank you" interaction consumes approximately 0.0003 kilowatt-hours of electricity and 10 to 50 milliliters of cooling water. Considering ChatGPT's 700 million weekly active users, the cumulative energy and water waste globally is staggering.

According to ADP research, US private companies added an average of 6,500 jobs per week in the four weeks ending January 24, 2026, higher than the previous period, indicating a slight acceleration in hiring.

While the Dow Jones Industrial Average broke the 50,000-point mark for the first time last Friday, causing market euphoria, David Kelly, Chief Global Strategist at Morgan Asset Management, issued a stern warning. He described the current situation as "low hiring, low layoffs, low growth." Job openings have fallen from 6.9 million in November to 6.5 million in December, a five-year low. A deeper crisis lies in demographics: the U.S. working-age population is currently declining by approximately 20,000 people per month, coupled with a slowdown in immigration, causing the engine of job creation to nearly stall.

Mexican authorities announced today that a group of robotic dogs will be deployed to assist police in combating crime during the 2026 FIFA World Cup, which will be co-hosted by Mexico, the United States, and Canada from June 11 to July 19.

Under the Takaichi effect, Tokyo Nikkei 225 today went up 1286.60 points (2.28%) and closed at 57650.54, the highest level in the world. Bitcoin rose $1025.15 (+1.50%) at $69486.42.

Hindenburg Omen: Definition, Criteria, and Example

`Finance` `Stock Markets` `#Hindenburg Omen` `#Market Indicators` `#Stock Market Crash` `#Technical Analysis` `#Financial Forecasting`

A comprehensive guide to understanding the Hindenburg Omen, a technical market indicator that signals the increased risk of a stock market crash.

The Hindenburg Omen is a technical market indicator designed to signal an increased probability of a stock market crash. Developed by Jim Miekka, this indicator is named after the Hindenburg disaster of 1937 and is used by traders and analysts to identify periods of heightened risk in the stock markets. It relies on multiple criteria to issue a signal and is often considered a controversial yet intriguing tool in financial forecasting.

Definition

The Hindenburg Omen is a complex indicator that uses several criteria to predict the likelihood of a significant market downturn. It combines various market data points to identify imbalances and potential stress points in the stock market.

Criteria

The Hindenburg Omen signal is based on the following critical criteria:

1. New Highs and Lows

On the New York Stock Exchange (NYSE), the daily number of new 52-week highs and new 52-week lows must both exceed a specific threshold, typically set at 2.2% of the total issues traded that day.

2. Ratio of Highs to Lows

The number of new 52-week highs must not be greater than twice the number of new 52-week lows to ensure a balanced market breadth.

3. McClellan Oscillator

The McClellan Oscillator, which measures the difference between advancing and declining issues, must be negative on that day, indicating a dominant downtrend.

4. Institutional Participation

The NYSE must be in an uptrend, as indicated by its 10-week moving average. This criterion ensures that the market is under significant institutional participation, which could exacerbate any downward movement.

Example

Historical Context

A notable example of the Hindenburg Omen signal occurred before the 2008 financial crisis. The indicator flashed multiple warnings in th[e] months leading up to the crisis, highlighting the increased risk of a market downturn. Although the Hindenburg Omen is not infallible an[d] does not predict crashes with certainty, it has often preceded periods of elevated market volatility.

Applicability

For Traders

Traders use the Hindenburg Omen to adjust their portfolios, either by reducing exposure to equities or by implementing hedging strategies. It serves as an alert to reassess market conditions and enhance risk management practices.

For Analysts

Market analysts incorporate the Hindenburg Omen into broader market analysis to provide insights and recommendations to clients. Giv[en] its reliance on multiple criteria, it is often used in conjunction with other technical indicators.

Comparisons and Related Terms

Technical Indicators

- Relative Strength Index (RSI): A momentum oscillator used to identify overbought or oversold conditions.
- Moving Average Convergence Divergence (MACD): A trend-following momentum indicator.
- Bollinger Bands: A volatility indicator comprised of a moving average and two standard deviations.

Market Breadth Indicators

- Advance-Decline Line: A tool used to measure market breadth by comparing the number of advancing stocks to declining stocks.
- Volume Weighted Average Price (VWAP): An indicator that provides the average price a security has traded at throughout the day.

Largest Companies by Marketcap

Companies: **10,652**　total market cap: **$142.046 T**

Rank by [Market Cap] [Earnings] [Revenue] [Employees] [P/E ratio] [Dividend %] [Market Cap gain] [More +]

Rank	Name	Market Cap	Price	Today	Price (30 days)	Country
1	NVIDIA NVDA	$4.615 T	$189.57	▾ 0.25%		USA
2	Apple AAPL	$4.031 T	$274.27	▾ 0.13%		USA
3	Alphabet (Google) GOOG	$3.817 T	$315.55	▾ 2.73%		USA
4	Microsoft MSFT	$3.095 T	$416.52	▴ 0.68%		USA
5	Amazon AMZN	$2.224 T	$207.23	▾ 0.71%		USA
6	TSMC TSM	$1.856 T	$357.92	▴ 0.76%		Taiwan
7	Meta Platforms (Facebook) META	$1.708 T	$675.34	▾ 0.30%		USA
8	Saudi Aramco 2222.SR	$1.667 T	$6.89	▴ 0.70%		S. Arabia
9	Broadcom AVGO	$1.632 T	$344.25	▴ 0.09%		USA
10	Tesla TSLA	$1.584 T	$422.30	▴ 1.19%		USA
11	Berkshire Hathaway BRK-B	$1.078 T	$499.99	▴ 0.39%		USA
12	Walmart WMT	$1.028 T	$128.97	▾ 0.04%		USA
13	Eli Lilly LLY	$939.22 B	$1,048	▴ 0.32%		USA
14	JPMorgan Chase JPM	$883.78 B	$324.65	▴ 0.79%		USA
15	Samsung 005930.KS	$758.80 B	$113.49	▾ 0.36%		S. Korea

Market Observation

Hindenburg Omen

Recent market condition has something strange, basically the market is going in a horizontal platform, but record highs can be seen every now and then. Some individual investors also cannot accustom to the current situation. That is even the market is on record high, the total money and profit in their stock account is diminishing.

At once they would blame their luck is so poor, it is a period of development of individual stocks, perhaps the stocks they purchased were falling and others are rising. Especially some new-comers of investment would be blamed lack of experience. Hang on! It may be due to Hindenburg Omen. Please refer to The Express of 20251103, I pointed out because of the Hunter Moon and the trend will last till 21st June 2026.

As for Hindenburg Omen, sometimes it is accurate but sometimes not, so what should we do? Since individual stocks are developing, today may be other stocks higher, your stock lower; but next day will be in turn, your stock higher and others are lower. Therefore, should buy at average price of the year. But the problem lies how can we know the average price of year 2026 since now is just February.

First, you should pick up some stocks from Top 10 capitalization, fix a day of buying every month, say on the first day of calendar month. After 12 months of buying, you will find your total price will be very near to the average price of the year no matter rising or falling. Why choose from top 10? Because they are of actual power and even there is a stock crash or collapse, their recovery power will be quite strong, much stronger than any defensive stocks. And I

would suggest 4 stars to do so, that is NVDA, GOOG, TSM and TSLA. If your capital is limited, just fix one stock and buy it every month. But if you have more capital, you can try to buy 2 stocks, or choose the 2 that is retreating. Or you can fix one stock, and the rest 3 try to find out one stock that is in correction.

Do you still remember once in the North, East, West, South is NEWS, I reported. The law and order in London are not so good because of too many new immigrants. They ride on a motor cycle and dash to pedestrian and seized away their iPhone and went away. One day, the iPhone of a local citizen was seized away by a Middle East motorbike driver, and when the driver found it is not Apple but just Samsung, he drove back and threw the Samsung phone on the ground angrily and went away. The owner of iPhone was very happy at first for he could get back his phone, but his sense of self-esteem was much hurt, for even a thief would not like his property.

It shows that the demand of Apple iPhone is still quite great now no matter in east or west. People are saying there is no more new ideas in Apple iPhone these years, the hotness has gone away, and that's why September is the worst month of stocks every year. For recently the product introduction of Apple in September has nothing new under the sun and made September became the weakest month of the year. Anyway, Apple is now ranking number 2 in the world. Besides Apple, Samsung is the most popular phone under the sun, overthrown all other brands of lower cost and price. Now Samsung has entered into top 15 of market capitalization where China and India could not.

Even Elon Musk shifted his focus from Mars to Moon, the stocks of space industry are the same. NASA is still the key institution of Landing on Mars and not SpaceX or Elon Musk. It is delayed and not cancelled. NASA has not yet made any official feedback, some said that it means they have no change on their original target. Anyway, we better wait for the official announcement of NASA and see whether they would find another contractor like Blue Origin, or carrying on their project without any changes.