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Eastern Time, October 30, 2024

9:30 AM

Professor Montgomery Keane (Helmsman)

Sharing Topics:

- 1. U.S. Stocks at a Crossroads – Key Data This Week Will Set the Course.**
- 2. GOOG Pre-Market Surge of 6%! How to Identify Such Trends Through Technical Patterns?**
- 3. Crypto Market Trading Strategy**

Good morning, my friends!

I'm Montgomery Keane, your old friend. Waiting for opportunities amid market volatility and uncertainty is a test that every true investor must undergo. As 2024 nears its end, the current stock market resembles a drifting ship, sometimes veering off course, sometimes turbulent, with no clear direction. But as the Bible says, "Patience is the deepest proof of faith." Endurance through adversity is the true strength that makes us winners.



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Over the past months, we've witnessed the ups and downs of the U.S. stock market amid various forces at play. These seemingly chaotic movements are, in fact, the market's way of self-adjusting. Each period of uncertainty is the prelude to the next breakthrough. This is a moment of transition—the market is reshaping, and opportunities are reemerging! The wisdom here is to maintain a calm perspective and stick with assets that hold real value, as short-term waves cannot shake long-term worth.

Friends, hidden within the current fog are unique opportunities. Temporary fluctuations actually open a window to buy quality assets at a low price. 2024 has taught us that value investing remains king. Market volatility reminds us not to be swayed by short-term movements. Select high-quality assets, place funds in companies with long-term potential, and remain patient, waiting for growth. This isn't just a strategy; it's a belief in the future.

At this market juncture, we're not merely reflecting on the past but also preparing for the upcoming opportunities. Now is the perfect time to strengthen ourselves, enhance our skills, and patiently wait and learn, as every practical experience adds invaluable knowledge. Ralph Waldo Emerson once said, "The



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harder I work, the luckier I get.” This quote reminds us to seize every moment amid adversity to enrich and prepare ourselves for future opportunities.

This year-end challenge symbolizes a new beginning. Friends, remember our purpose: investing has never been a quick-rich race; it’s a journey filled with wisdom and patience. The future lies in our belief in long-term value, as the Bible says, “If one does not sow, how can there be a harvest?” Today’s patience is the foundation for tomorrow’s rewards.

Recently, U.S. companies have indeed faced challenging times, with many CEOs indicating that current profit pressures are unprecedented, even in a “worst profit state.” However, this earnings season has also brought an important signal: the upward trend in U.S. stocks may no longer rely solely on tech stocks, as the future could see growth spread across more sectors.

From the current market perspective, recent gains have primarily come from companies with oversold stock prices and temporarily impacted earnings. As expectations for Fed rate cuts strengthen, these stocks have received favorable support, becoming the main drivers of short-term gains. In contrast, several major tech giants at high valuations continue to consolidate due to concerns



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about profit prospects. The larger the market cap, the more limited the adjustment space, making it challenging for these big players to lift the broader market in the short term.

Therefore, the steady rise in U.S. stock indices relies heavily on the gradual recovery of traditional industries. Friends, today's market is no longer limited to the dance of tech giants alone—the real opportunity lies in broadening our horizons and seeking potential in underexplored areas. Our current portfolio of high-quality strategies includes mostly traditional sector stocks stabilizing at the bottom, with only SMCI from the NVIDIA supply chain as a tech stock. Remember, the market is a friend of time—patience and waiting for these quality picks to rebound is key to our success.

In Tuesday's after-hours trading, Alphabet (GOOG) shares soared by nearly 6%, driven by better-than-expected Q3 earnings, particularly in the cloud segment. Google's ad revenue also impressed, reaching \$65.85 billion, exceeding expectations, while cloud revenue surged 35% to \$11.4 billion.

As the first tech giant to report earnings this week, Alphabet will be followed by Meta, Microsoft, and other big names. Although large tech stocks have generally



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risen this year, investor expectations vary regarding each company's AI spending and growth outlook, leading to divergent stock performances. Friends, now is an ideal time to focus on tech giants investing heavily in cloud and AI to drive growth.

Before the earnings release, we analyzed GOOG's expected movement through technical indicators, and it was clear that the report would positively impact the stock price. We anticipated an increase of up to 10%, which has proven accurate. This time, AlphaStream 5.0 used its data modules and real-time assessments to provide a clear signal of the impending upside before it appeared in the charts.

This raises the question: how can we predict similar trends in trading by analyzing technical patterns and stock positions?





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As shown in the chart, after earnings on April 25, the stock rose nearly 10% the following day; however, the earnings report on July 23 led to a 5% drop, while yesterday's report again pushed the stock up close to 6%. Interestingly, the earnings expectations for these three reports were nearly identical, with no significant changes in the company's fundamentals. So why did the stock react so differently? The answer lies in the subtle relationship between stock position and market sentiment.

When earnings were released on April 25, the stock was clearly in an upward trend, and the report likely fueled further buying. Without overly high expectations, the market accepted the results, and investors chose to continue buying in anticipation. By July 23, however, the stock had reached an absolute high, closing below the middle line of the Bollinger Bands on the daily chart. Without an exceptional earnings surprise, the market naturally viewed the report as negative, extending the correction trend.

Now consider GOOG's latest earnings report. Prior technical analysis showed a slight breakout following a period of sideways movement—a typical bullish rebound pattern. As long as there wasn't negative news in the report, investors were likely to buy, pushing the stock upward. This demonstrates the close link



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between earnings impact and stock position, where a bullish trend is unlikely to reverse without significant negative news when technicals are strong.

This is the delicate balance between technicals, stock position, and market sentiment. Friends, learning to interpret these signals is key to taking control in the market.



When it comes to the relationship between market sentiment and stock price, SMCI is a prime example today. News broke that Ernst & Young would no longer serve as the company's registered auditor, causing a significant pre-market drop and sparking market panic. But friends, let's approach this event calmly and objectively.



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First, looking at SMCI's valuation, its P/E ratio has dropped below 30, and its price has fallen from a high of \$122.90 to around \$37, stabilizing over time, with much of the negative impact already absorbed. This latest setback at the bottom seems to be an overreaction by the market. Fundamentally, SMCI remains unchanged, continuing as one of NVIDIA's key suppliers.

Technically, since January 19, SMCI's daily candlestick chart shows a 35.94% gap, and the current downtrend, triggered by negative news, may well close this gap. Yet, this also presents an excellent buying opportunity for us. Such bottom-level setbacks often signal institutional moves, intended to induce panic selling among retail investors. If you're selling now, it's a classic retail mindset. A qualified investor knows to counter the panic and buy boldly when others are fearful.

Remember, the company's fundamentals remain solid; the stock price reflects market sentiment. Finding low-P/E stocks under 20x, especially those in partnership with NVIDIA, is a rare opportunity!



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Therefore, we suggest that investors who bought above \$40 consider adding shares confidently around the \$31 level. Friends, market fear is the moment for us to act boldly. This drop is an ideal chance to buy high-quality stocks at a low point—don't let it pass by!



Take a look at TSLA's stock behavior following its last three earnings reports, and you'll see a similar pattern. On April 23, TSLA's stock was at an absolute low near the lower Bollinger Band, leading to a strong rebound post-earnings. By July 23, the stock was at a high, prompting a natural correction after the report. Then on October 23, the stock was once again near the lower Bollinger



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Band, rebounding about 20% post-earnings. Doesn't this pattern mirror GOOG's behavior? This again proves the delicate balance between stock position, technicals, and market sentiment.

Technical analysis is widely used in trading and serves as a foundational skill for almost every investor. Many of you have likely noticed our frequent use of the Bollinger Bands (BOLL) indicator. Its application on candlestick charts is straightforward and highly accurate. AlphaStream 5.0 has long integrated the Bollinger Bands into its data model, enabling us to make more precise market forecasts.

So, how can Bollinger Bands help identify support and resistance in stocks? In this afternoon's session, I'll provide an in-depth technical analysis, exploring the practical use of this fundamental tool.

Friends, opportunities often lie in the details—bring your questions, and don't miss out this afternoon!



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In the past two trading days, Bitcoin has surged over 8%, now just shy of the all-time high of \$74,000 set in March. On Tuesday (October 29), Bitcoin reached as high as \$73,433. Other cryptocurrencies like Ethereum and Dogecoin have also rallied, drawing significant market attention.

Analysts have labeled this Bitcoin rally the “Trump trade,” attributing it to Trump’s open support for digital assets during his campaign. The latest predictions show Trump leading in the polls, with survey results indicating a close race with Harris. Bitcoin’s recent performance reflects growing market expectations for a Trump victory. Only once Bitcoin consistently holds above \$70,000 will the market feel more confident in its ability to surpass the March high.

Trump has promised to make the U.S. the global cryptocurrency hub, whereas Harris favors a more stringent regulatory framework. Their differing stances contrast sharply with the strict regulations under the Biden administration. The relationship between Musk and Trump’s campaign team has further boosted market sentiment, enhancing traders’ optimism. Regardless of the election outcome, market forecasts indicate that Bitcoin could reach a peak of \$80,000 by the end of November.



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To date, U.S. spot Bitcoin ETFs have seen \$3.6 billion in inflows, undoubtedly bolstering market confidence. Friends, we're at a pivotal moment, and volatility may continue to rise leading up to and after the November election.



As shown in the chart, Bitcoin is encountering clear resistance around the \$73,800 level. As we analyzed yesterday, \$73,800 has not been broken, and a breakthrough today is unlikely. Bitcoin bulls will likely continue to consolidate around this crucial level, building the momentum needed for a breakout. We anticipate that within the next seven trading days, there's over a 90% chance Bitcoin will surpass \$73,800. Therefore, every pullback presents an opportunity, and continuing to establish a long position is the most prudent approach at this time.

You may notice that each pullback is relatively slow and challenging, whereas upward moves are swift and powerful—this is the strength of the trend at work.



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Trading Strategy

- **Entry Point: Go long around \$71,600**
- **Stop-Loss: \$70,900**
- **Target: \$73,200**

For more timely trading strategies, feel free to add my assistant on Telegram!
That's all for this morning's session; see you this afternoon as we continue our trading journey!

AI 5.0





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Eastern Time, October 30, 2024

3:30 AM

Professor Montgomery Keane (Helmsman)

Sharing Topics:

- 1. META Earnings Incoming: Can It Replicate GOOG's Strong Performance?**
- 2. Technical Insights: How to Use Bollinger Bands to Forecast Price Ranges.**

Good afternoon, my friends!

I am Montgomery Keane, your longtime friend. As investors, we all know the market can sometimes feel like a stormy sea—no matter how well-planned our strategy, there's always the chance of a "black swan" event that brings unexpected shocks. Such sudden negative news often triggers panic selling, causing sharp price swings. But friends, it's in these moments that our mindset and strategies are truly put to the test.



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When facing a black swan event, the first thing to do is stay calm and not let emotions take over. While panic selling can drive prices down, often this volatility isn't actually rooted in changes to a company's fundamentals. So, our first step should be to analyze the fundamentals closely, assessing whether the event genuinely impacts the company's core business, financial stability, or long-term outlook. If the fundamentals remain solid, then this downturn may just be a short-term market reaction rather than a true reflection of the company's prospects.

SMCI faced a classic black swan event today. Ernst & Young's sudden exit as the registered auditor created a short-term negative impact, but when we think it through, the company's fundamentals remain unchanged. It's still a key supplier for NVIDIA and remains stable in its core business. So, this drop looks more like an overreaction from the market, making it a prime opportunity to buy low and increase positions.

A sudden dip due to negative news at a low price point is often the time for institutional investors to gradually build positions. By adding in batches, they can steadily increase quality holdings at a lower cost.



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Friends, market volatility is inevitable, but we can choose how we respond to it. A black swan event doesn't spell disaster—it's a chance to reassess our holdings and an opportunity to buy good assets at a low. Remember, the market's panic and despair often uncover deeper opportunities. Stay calm, view these fluctuations with an institutional mindset, and stick to the right strategy—once the storm passes, the dawn will surely reappear!

Today's October ADP employment report showed an increase of 233,000 jobs, indicating that job growth remains strong. This data reflects a resilient labor market, providing more support for the overall economy. However, with inflationary pressures, this could slow down the Federal Reserve's pace of rate cuts. While job growth is positive for the economy, it also brings some volatility risk to the market. A continuously growing labor market suggests that rates may decrease at a slower pace, so investors should keep a close watch on the potential impact of this factor.

After yesterday's close, GOOG's earnings report slightly exceeded expectations, with the stock rising about 6% today. This aligns with our prediction that even with an earnings beat, the gains typically wouldn't surpass 10%. Later tonight, after the close, Facebook's parent company Meta (META) will release its Q3



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earnings. This social media giant has quickly become a leader in AI, standing alongside Microsoft (MSFT), Google (GOOG/GOOGL), and Amazon (AMZN) in tech innovation.

So far this year, Meta's stock has risen 66%, with a 26% gain in the past three months. In comparison, Amazon is up 25%, Google 21%, and Microsoft 15% over the same period. Wall Street expects Meta's Q3 earnings per share (EPS) to reach \$5.25, with revenue around \$40.2 billion, compared to \$4.50 and \$34.1 billion in the same period last year. Ad revenue is projected at \$39.7 billion, up from \$33.6 billion last year. Meanwhile, Reality Labs (which includes Quest augmented reality device sales) is expected to increase revenue from \$210 million to \$312 million.

Recent earnings reports have mostly exceeded expectations, but many companies' stock prices have already priced in the good news at higher levels. As a result, the stock prices often see only slight increases after the earnings announcements before entering a consolidation phase. This trend is primarily determined by the current index levels and the companies' stock price positions.



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Yesterday, our technical analysis indicated that GOOG displayed a strong bullish trend, suggesting a high probability of an upward movement, which also implies that the earnings report results are likely to be positive. Looking at MEAT, its daily candlestick chart also shows a bullish pattern. However, it's important to note that the stock has already risen over 60% this year, and its market cap is approaching \$1.52 trillion. Given the current index levels, MEAT's potential for a significant surge is relatively limited.

More importantly, the middle band of the Bollinger Bands has not significantly opened upward, indicating that the upward momentum may be insufficient. Therefore, we need to remain cautious regarding the earnings gamble on MEAT; the potential for gains may be limited, and its risk-to-reward ratio doesn't match that of GOOG, making participation less secure. Investing requires finding a



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balance between opportunity and risk, so remember to assess calmly and move forward steadily.

AlphaStream 5.0's technical stock selection system integrates many mainstream technical indicators in the market, filtering potential buy and sell opportunities through historical candlestick charts and moving average data. After deep analysis of big data by AI, AlphaStream 5.0 can provide precise buy and sell signals. This is why large institutions in the market equip themselves with their own quantitative trading systems—maintaining these systems can cost millions of dollars each year, but their high success rates provide strong support for investment decisions.

Before the global public testing of AlphaStream 5.0, I will start with technical analysis to help everyone understand why AlphaStream 5.0 performs so impressively with candlestick charts. Of course, the sudden nature of black swan events is difficult for AI to predict, but when they do occur, we have effective strategies to respond.

This afternoon, I will share with everyone a technical piece on the use of Bollinger Bands. Some of you may not be familiar with Bollinger Bands, so to



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put it simply, it's a simple yet practical technical indicator commonly used by professional traders worldwide. Today, we will start with the first core function of Bollinger Bands—determining the price range. Once you master Bollinger Bands, you'll be able to make initial assessments of the trends for any investment target.

The core of technical analysis lies in accurately grasping timing and space, which refers to the buy and sell points as well as the price fluctuations.

Regardless of the trading instrument or time frame, prices will typically move within the Bollinger Bands. Therefore, we can use Bollinger Bands to estimate the range of price fluctuations, addressing the issue of "space."



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As shown in the figure, we can display the Bollinger Bands indicator in any charting or trading software. Since prices typically move within the Bollinger Bands most of the time, can we make an initial assessment of the price range? For example, the buy point B and the sell point S in the chart.



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In trading, anticipating the price range is crucial. By assessing the potential upward or downward movement of prices, we can better determine when to enter (buy) and when to exit (sell). This not only helps optimize profits but also effectively reduces losses. The guiding role of Bollinger Bands in trading is very intuitive and deserves our attention.



Techniques without practical guidance are worthless, so combining training with real-world practice is key to achieving profits. As shown in the image, the daily chart of SMCI shows multiple short-term buy signals near the lower Bollinger Band, while several short-term sell signals also appeared near the



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upper Bollinger Band. For short-term traders, these signals are highly valuable references. For medium-term traders, they can refer to the weekly Bollinger Bands, which provide a more accurate grasp of trends—simple yet practical.

Currently, SMCI is in a Wave 4 decline, triggered by emotional sell-offs from a black swan event. It is expected that it will take a few more days to digest the negative sentiment. The upcoming Q3 earnings report will act as a catalyst for a rebound. After previous significant drops, SMCI has experienced strong recoveries. Today's decline has triggered panic stop-loss selling, which is what we often refer to as "bloody chips." Technically, the stock price is at a low, and with a demand for a rebound from the oversold condition, this presents a good opportunity to add to positions.

Combined with fundamental analysis, the gap around \$31 provides support, and the expectation for a rebound is strong. Especially considering the oversold conditions and market capitalization management, SMCI currently offers great value. The first target could be around the gap at \$48. Friends, opportunities are often hidden in market panic. Sticking to technical analysis, along with good mindset management, is the right path to achieving profits.



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The use of Bollinger Bands can be divided into three phases: consolidation, uptrend, and downtrend. Just now, we used SMCI as an example. At yesterday's close, the stock price was supported by the middle band of the Bollinger Bands, showing a rebound trend. However, after today's decline, it is clear that we have entered a downtrend phase.

During an uptrend, each pullback will find support at the middle band of the Bollinger Bands. However, once the price drops below the middle band, it indicates that the one-sided uptrend has changed. At this point, the lower band becomes a good buying opportunity. Conversely, when the price approaches the upper band after a significant rise, it is typically a good selling point. Similarly, after a decline, the area below the lower band provides a solid buying opportunity. Mastering these key points of the Bollinger Bands can help us identify buying and selling opportunities across different market phases, allowing for a steady approach.





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Because the crypto market operates continuously 24/7 without pre-market and after-hours trading sessions, the use of technical indicators in the crypto market becomes even more precise.

I believe the recent trading strategies for Bitcoin have made everyone feel this firsthand. As shown in the chart, every time the price approaches the lower and upper bands of the Bollinger Bands on the daily candlestick chart, standard buy and sell signals have been given. Today, Bitcoin is once again nearing the upper band of the Bollinger Bands, and after some consolidation, it is likely to either continue breaking upward or adjust downward to build bullish momentum.

The effectiveness of Bollinger Bands is particularly evident during consolidation periods. By relying on the upper and lower bands of the Bollinger Bands for swing trading—buying low and selling high—the accuracy can be very high. Of course, any single indicator should only be used as a reference; combining multiple indicators can more effectively improve win rates. This is why in AlphaStream 5.0, we integrate sentiment analysis, information dynamics, and technical indicators to form a comprehensive trading strategy system. This integrated strategy is the core of our trading system, helping us navigate the crypto market steadily.



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Many people tend to chase prices and buy stocks when they're at their highs, only to end up losing the profits they initially gained. However, once we understand the role of Bollinger Bands in assessing price movement and incorporate it into our trading system, these mistakes can be completely avoided. A simple technical point can connect key investment insights. As we master more concepts related to Bollinger Bands, anyone can quickly become a skilled practitioner!

Next, we can clarify our investment direction—focusing on sectors that offer both imaginative potential and achievable performance. Currently, the global upgrade of artificial intelligence remains booming. Both software and hardware are entering a complete industrial cycle. The hardware supply chain, led by Nvidia, is expected to continue leading in this market, from the wave of AI computer upgrades to the realization of Tesla's autonomous driving—all pointing toward the future of AI. Therefore, large-cap tech stocks in AI will still be our preferred investment direction during any future pullbacks.

At the same time, the opportunities in the crypto market should not be overlooked. With Trump likely to return to the White House, the dynamics of the crypto market could be completely rewritten, presenting unprecedented growth



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opportunities. Recently, the returns in the crypto market have significantly outperformed traditional stock markets, showcasing a strong profit potential. Friends, the intersection of AI and the crypto market is something we should fully seize. The future belongs to those brave and wise investors.



As shown in the chart, after four consecutive days of gains, Bitcoin is currently facing resistance at the previous high of \$73,800, with a minor pullback today. The daily candle closed bearish, as expected, and although volatility was limited today, this does not alter our strategy of buying on dips. We're patiently awaiting a potential breakout opportunity tomorrow.

Our trading strategy remains unchanged from this morning's recommendation. For more timely updates and strategies, feel free to add my assistant on Telegram to stay updated on market movements.



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That's it for today's discussion. Don't forget to log into our website, participate in quizzes, and earn points for a chance at the community's lucky wheel spin! Have a great day, and see you tomorrow!

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