



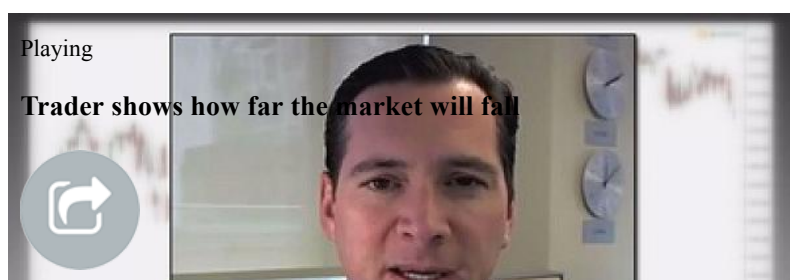
S&P is just inches away from doing something bad: Technician



20 SHARES

15 COMMENTS [Join the Discussion](#)

Annie Pei
Thursday, 13 Oct 2016 | 3:37 PM ET



Playing

Trader shows how far the market will fall




Share this video...

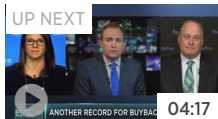
Trader shows how far the




UP NEXT



Trader shows how far the market will fall
10/13/16 2:09 PM ET



A record for corporate payouts
10/12/16 3:47 PM ET



Positive month for the financials
10/12/16 3:40 PM ET

With stocks sliding Thursday, one trader says more pain is ahead for the **S&P 500**.

The benchmark index has tumbled about 2.6 percent since hitting record intraday highs in mid-August. According to Evercore ISI technician Rich Ross, the market is set to drop another 4 percent.

Looking at a chart of the S&P 500-tracking ETF (**SPY**), Ross notes that the market has actually returned to the levels at which it was trading before the U.K. referendum to leave the EU.

Moreover, Ross takes the chart back one year and spots a "critical neckline of support" extending from November 2015, when the SPY was at \$212, to present levels.

"You've essentially erased any of those post-Brexit gains, and you're sitting on that key neckline of support," said Ross. "Our call is that you break lower beneath the neckline," he added Thursday on **CNBC's "Trading Nation."**

TRADING NATION



Behind \$6 million bearish bet

In one of Friday's biggest trades, one options trader appears to be betting big that small-cap stocks are set to sink.



Growth of shadow banking poses risk

Shadow banking has grown since the financial crisis, and experts think real risk is attached to the unregulated activity.



Here's how much stocks could fall

Rich Ross of Evercore ISI sees trouble in the charts.



Stocks will rally for this reason

This underappreciated and less-talked about trend could help the market run higher.

MORE FROM TRADING NATION

[Here's why earnings won't matter much for the financials](#)

[Apple's doing something very rare and that could send it to new highs](#)

[This surging Dow stock has more room to run: Trader](#)

[These are the cheapest stocks in the market—but beware a value trap: Technician](#)

[The S&P 500 has fallen right to a key line in the sand: Chart expert](#)

[One trader's plan to quadruple his money by betting against a sliding sector](#)

[The stock market is on the verge of a bubble: Economist](#)

[The S&P did something it hasn't since 2008 — and it could be a bad sign for stocks](#)

[Emerging markets are crushing the S&P this year — here's how to cash in now](#)

[The biggest economic horror story is real, according to a new Fed paper](#)

Once that happens, how low could the market go? Ross subtracts \$212 from the SPY's year-to-date highs at \$219 to determine that another 7-point move down could still be possible, meaning that SPY could fall to \$205 — a 4 percent decline from current levels.



That would almost completely take out all of the S&P's gains on the year.

Annie Pei
Associate Producer


RELATED SECURITIES

Symbol	Price	Change	%Change
SPY	213.12 ▲	0.11	0.05%

HIDE COMMENTS

15 Comments **CNBC** 1 Login ▾

Recommend Share Sort by Newest ▾

 Join the discussion...

GTL • 3 days ago
Technical Analysis is ridiculous. If it really worked, then all the user of it should be extremely wealthy. So are they?
^ | ▾ • Reply • Share ▾

Camus53 • 3 days ago
So the Shamans of doom and gloom gathered round the fire pits, shook their shells and bone bracelets, made sparks jump from the fires to the delight of their minions. Foretelling in ominous tone once more the coming market apocalypse!

And the minions dutifully sold their stocks creating new wealth for the long starved Shamans of the short world... until...now wait a minute... no not again...the world has not ended...and look at some of those equities breaking free from the grasps of the prophets of doom.

And the Shamans of the short world scurry back to their bunkers once more, confuzzled by market forces more powerful than their mums...

LATEST SPECIAL REPORTS ▸



Modern Medicine
Take an in-depth look at the world of modern medicine - examining the treatments, companies and people making a difference in the way we treat illness and injuries today, and laying the foundation for the medical treatments of tomorrow.



FA Playbook
Financial advisors stress that now is the time for investors to get serious about year-end financial planning checkup.



Advisor Insight
Advisor-centric content with guest columns covering practice management, investment strategies and marketing/social media.

ABOUT TRADING NATION

Trading Nation will offer enthusiast traders insights from a group of "Trader Coaches," a collection of expert CNBC Contributors who are well-versed in the daily challenges of trading. Each "Trader Coach" will have a different area of expertise, and will share their unique perspective on the markets, allowing new insights to emerge from this collaboration. Trading Nation is not simply about finding that next trade; it's a forum where enthusiast traders can hear and compare investing ideas in order to build confidence in their trading decisions.

ON-AIR VIDEO ▾



Trading Nation: Apple's winning streak
Craig Johnson, Piper Jaffray, and Stacey Gilbert, Susquehanna, discuss the trend in Apple's share price with Brian Sullivan.



Trading Nation: S&P's worst day in a month
Jonathan Krinsky, MKM Partners, and Boris Schlossberg, BK Asset Management, discuss the trend in the S&P 500 with Brian Sullivan.



Trading Nation: Trading emerging markets
David Seaburg, Cowen & Co., and Max Wolff, Manhattan Venture Partners, discuss emerging markets with Brian Sullivan.

@TRADINGNATION

more conuzzed by market forces more powerful than their mumbo jumbo.

^ | v • Reply • Share >



Kir (Politicoid) • 3 days ago

I can definitely see that happening before the end of the year. And if that starts to happen, there goes any chances of a rate hike.

^ | v • Reply • Share >



HillBilly • 3 days ago

The only way the party stops is the end of zipr or nzirp. We need to take our meds and deal with the pain

^ | v • Reply • Share >



onjoFilms • 3 days ago

This is like watching grown men read tea leaves. I can't believe anyone takes this seriously. Oh, wait, Trump is at 37%, okay, I can believe it.

^ | v • Reply • Share >



roger salucco • 3 days ago

i usually do not agree with ross but i believe he is partially correct this time with a call of a 6% down move . i believe the market is setting up for a 10% or more down move. the banks are giving us a good opening today and we may even see a few more earnings that will be reasonably good, but it is friday and after the initial opening up then a pullback and then another up that will fail will give us a bad day and and more going into monday. on the S&P it is very close to violating its one year and three year uptrend line which i believe will lead to a waterfalls selloff adding up to much more than than 10%. as we all know nothing is edged in stone in a market where the big money players can move mountains but if i am correct they will all be heading for the exits fast. i will add the dollar looks like it is topping out again in the 98 area, the dow looks like the s&p same story, oil also looks like has already topped out in the 50 dollar area and leave us not forget gold which looks like ready for next major move to 1400 before year end. amazons new hiring binge will help the unemployment number but all service jobs not what we need, manufacturing is what is needed badly.

1 ^ | v • Reply • Share >



Ricovi • 3 days ago

Our government has worked too hard to stabilize the markets and will not allow anything to derail its value. There are too many pensions and other endowments invested that need to be paid out so values must maintain. The government will have the PPT/Working Group intervene to keep the markets where needed no matter what it takes. There will not be any other significant declines in years to come. SO BUY NOW PEOPLE!!!!!!!!!!

^ | v • Reply • Share >



peter007 → Ricovi • 3 days ago

You are implying that the government can create wealth ?

^ | v • Reply • Share >



Sheldor → Ricovi • 3 days ago

LOL

ignorant

1 ^ | v • Reply • Share >



jw2016 • 3 days ago

unfortunately time is running out for the bears .. market is designed for rebound in the window of oct 14~ 19

^ | v • Reply • Share >

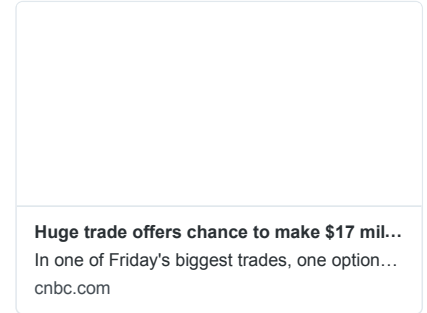
Tweets by @TradingNation

Trading Nation Retweeted



CNBC @CNBC

Huge trade offers chance to make \$17 million if stocks tank cnb.cx/2eeFjMq via @tradingnation



14 Oct



Trading Nation @TradingNation

Growth of shadow banking spurs warnings of a new credit crisis cnb.cx/2dQ6RUo

Embed

View on Twitter

HOST



Brian Sullivan

"Power Lunch" Co-Ancor

TRADING NATION TUTORIALS >

[How to use the price-to-earnings ratio >](#)

[Using support and resistance levels >](#)

MOST POPULAR



1. **Live: Sexual misconduct claims rock Trump as he maintains US election is 'rigged'**



2. **Stocks lower as dollar touches 7-month high; central bank action in focus; Pearson slides 5%**



3. **Fastest flight from Singapore to Europe set to take flight**

Elon Musk pushes back Tesla's 'surprise'



Demsgrossmeout • 3 days ago

It's pretty simple really. It's a massive ponzi scheme propped up with phony, zero interest rates. Where else can investors make any money. No one knows which day the giant bubble will burst.

3 ^ | v • Reply • Share >



product' reveal by two days



Andyliit • 3 days ago

Sure hope so. I'm sitting short on S&P futures right now. A nice 30-40 point dip would be very pleasant for me.

^ | v • Reply • Share >



Most Asia markets lower; Crown Resorts tumbles after China detains employees



Futokuko → Andyliit • 3 days ago

might wana think bigger! its election year!

^ | v • Reply • Share >



SeaHawk • 3 days ago

We won't see low until end of Jan 2017

2 ^ | v • Reply • Share >



RADICAL_1 • 3 days ago

I'm getting a very overwhelming sense that we'll be hearing "BUY, BUY, BUY we're going to new highs" from Tom Lee tomorrow or Monday at the latest!

1 ^ | v • Reply • Share >

[Subscribe](#) [Add Disqus to your site](#) [Add Disqus](#) [Add](#) [Privacy](#)



[About](#) [Site Map](#) [Digital Products](#) [Licensing & Reprints](#) [Careers](#) [Help](#) [Contact](#) [Corrections](#) [Privacy Policy](#)

[Terms of Service - New](#) [News Releases](#) [Independent Programming](#) [Switch to mobile view](#)

NEWSLETTERS

- Make It
- Breaking News
- Morning Squawk
- Evening Brief

More Free Newsletters

Email (Required)

SUBMIT

Get these newsletters delivered to your inbox, and more info about about our products and service [Privacy Policy](#)

Data is a real-time snapshot *Data is delayed at least 15 minutes
Global Business and Financial News, Stock Quotes, and Market Data and Analysis

Data also provided by  THOMSON REUTERS

© 2016 CNBC LLC. All Rights Reserved. A Division of NBCUniversal