

We Got An Official Confirmed Hindenburg Omen Stock Market Crash Warning Signal On May 20th, 2019

[Robert McHugh, Ph.D.](#) May 26, 2019

The stock market has generated an official confirmed Hindenburg Omen stock market crash warning signal as of May 20th, 2019. While it only takes two observations for an official Hindenburg Omen, this one so far has five observations, the most recent coming on May 24th, 2019, with more possible. The last official Hindenburg Omen came in 2018 and led to a stock market crash at the end of 2018. In this article we will point out how much greater the risk of a crash is if we have a five or more observations H.O. versus a 2 to 4 observations H.O., which is the case at this time

So, ***what is a Hindenburg Omen?*** It is the alignment of several technical factors that measure the underlying condition of the stock market — specifically the NYSE — such that the probability of a stock market crash occurring is *higher than normal*, and the probability of a severe decline is quite high. ***This Omen has appeared before all of the stock market crashes, or panic events, of the past 34 years except one, except the mini-crash of July/August 2011.*** Except for that one crash, no stock market crash (a decline greater than 15 percent) occurred over the past 34 years without the presence of a Hindenburg Omen. ***Another way of looking at it is, without an official confirmed Hindenburg Omen, we are pretty safe. On the other hand, if we have an official Hindenburg Omen, then a critical set of market conditions necessary for a stock market crash exists. As of May 25th, 2019, we have such a condition in the market, as we have a new official Hindenburg Omen.*** The time horizon for a crash is through September 24th, 2019.

We got a first Hindenburg Omen observation on Friday, May 17th, 2019, and a second official confirming Hindenburg Omen observation Monday, May 20th, 2019, meaning we are now on the clock watching for a stock market crash, and at the very least a significant decline. There is a much higher-than-random probability of a stock market crash starting sometime over the next four months. All criteria were met Friday May 17th, 2019 and again on Monday, May 20th, 2019. May 17th's observation saw 112 NYSE New 52 Week Highs, and 80 NYSE New 52 Week Lows according to the Wall Street Journal, the lower of the two coming in at 2.65 percent of the number of NYSE stocks traded, above the 2.2 percent threshold required for a Hindenburg Omen observation. Total NYSE issues traded were 3,016. New Highs were not more than twice New Lows, the McClellan Oscillator was negative at -71.94, and the 10 Week Moving Average (50 Day Moving Average) was higher than it was ten weeks earlier. The second observation on May 20th, 2019 occurred within the required 36-day period necessary for a cluster (two or more observations) to occur. Monday May 20th's observation saw 72 NYSE New 52 Week Highs, and 116 NYSE New 52 Week Lows according to the Wall Street Journal, the lower of the two coming in at 2.39 percent, above the 2.2 percent threshold required for a Hindenburg Omen observation. Total NYSE issues traded were 3,011. New Highs were not more than twice New Lows, the McClellan Oscillator was negative at negative -117.47, and the 10 Week Moving Average (50 Day Moving Average) was higher than it was 10 weeks earlier. After the H.O. became official on May 20th, there were an additional three observations on May 22nd, May 23rd, and May 24th, giving this Omen a total of four so far.

This is the first Hindenburg Omen since September 21st, 2018, and only the forty-ninth over the past 34 years, since 1985. We got crashes after ten of the 48 completed Hindenburg Omens over the past 34 years, 20.8 percent of the time. However, if we consider Omens that have five observations or more, crashes occurred 28 percent of the time.

To continue reading this fascinating article, (With Charts) please click THIS LINK:

<https://www.gold-eagle.com/article/we-got-official-confirmed-hindenburg-omen-stock-market-crash-warning-signal-may-20th-2019>