

Weekly Market Analysis #422 — 9 September 2022

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This Week

Here's the market in a single chart.



There is a confirmed, high, 8-month, descending trendline through points A, B, and C. There is an almost confirmed (point e was a near miss) trendline through D, F, and close to 'e'. The divergence of the low trendline from the high shows that the downward swings are increasing in size. On the right side of the chart, the high trendline coincides with the declining 200-day moving average.

There is a confirmed, rising, 3-month trendline through points F, G, and H. If it holds, trendline FGH not cross ABC until the last week in November.

It will take more than a \$208 advance (over 5%) to give any sign that this decline is faltering. A 5% advance from here is certainly within the realm of possibility, but calculated two different ways the odds are currently about 62% that the decline will continue and FGH will be broken first.

As prominent sportswriter Hugh Keough used to say: "The race is not always to the swift, nor the battle to the strong; but that is the way to bet."

This week I replaced most of the securities in the Stock Universe with securities that readers have asked me about or colleagues have recommended. This shifted the list from stocks only to stocks and ETFs, and expanded the list from about 50 to over 70.

[Market Barometers](#)

← Use this link to see all the market barometer charts

All four indexes have turned up this week but all four MTAs are solid red..



A Closer Look

The June 16 low was \$3640 and the August 16 high was \$4325. Last week price closed just below the high/low midpoint near \$3982.5. This week it stopped at \$4067.36, within 0.1% of the orange Fibonacci level (0.618 of the way from the low line to the high line). This could mark a significant reversal level. On the other hand, it could be just an interesting coincidence. The SPX came up this week, and the NYAD and the SPXA50R confirmed it, but the brick wall we have to get over is the 200-day average.



Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above Their 50-day Averages](#), [NewHighs–NewLows](#)

[Bullish Universe](#)

← Use this link to get to the live summary table

These are ETFs that are likely to do well during bull markets.

Bullish Universe Analysis for 09-Sep-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
EEM	EMERGING MARKETS	ETF	DN	-1.0:1.1	«UP»	1/115	-0.5
IEFA	EUROPE/AUSTRALIA/FAR-EAST	ETF	DN	-1.5:1.1	-UP-	2/111	-0.4
IEMG	EMERGING MARKETS	ETF	DN	-0.9:1.1	«UP»	1/8	-0.5
IGV	SOFTWARE	ETF	DN	1.0:1.1	«dn»	2/8	-0.7
IQLT	GLOBAL QUALITY	ETF	DN	-1.4:1.1	«dn»	2/111	-0.5
IWM	RUSSELL 2000 SMALL-CAP	ETF	=DN=	2.2:1.1	-UP-	2/8	-1.0
IYT	DOW JONES TRANSPORTS	ETF	-DN-	2.1:1.1	«UP»	2/0	-0.9
MOAT	MORNINGSTAR WIDE MOAT	ETF	DN	0.9:1.1	«UP»	2/8	-0.7
QQQ	NASDAQ 100	ETF	DN	1.3:1.1	«UP»	2/8	-0.9
RSP	UNWEIGHTED S&P 500	ETF	≡DN≡	1.0:1.1	-UP-	2/7	-0.4
SPY	S&P 500 (LARGE-CAP)	ETF	DN	1.0:1.1	«UP»	2/8	-0.6
USL	US 12 Month Oil FUND	ETF	«DN»	-3.5:1.1	DN	1/27	-1.3
USMV	USA MIN VOLATILITY	ETF	≡DN≡	0.9:1.1	-UP-	2/8	-0.4
VGK	FTSE EUROPE	ETF	DN	-2.2:1.1	«UP»	2/0	-0.3
VGT	INFORMATION TECHNOLOGY	ETF	DN	1.3:1.1	-dn-	2/8	-1.1
VNQ	U.S. REIT INDEX	ETF	DN	0.1:1.1	«UP»	2/0	-0.4
VTI	TOTAL STOCK MARKET	ETF	DN	1.1:1.1	«UP»	2/6	-0.6
VUG	LARGE CAP GROWTH	ETF	DN	1.7:1.1	«UP»	2/6	-0.9
COMPQ	NASDAQ COMPOSITE	INDEX	DN	1.5:1.1	«UP»	2/8	-0.9
DIA	DOW JONES INDUSTRIAL AVERAGE	ETF	DN	0.6:1.1	«UP»	2/8	-0.6
SPX	S&P 500	INDEX	DN	0.9:1.1	«UP»	2/8	-0.6

All MTAs are down.

[Bearish Universe](#)

← Use this link to get to the live summary table

These are ETFs that are likely to do well during bear markets.

Bearish Universe Analysis for 09-Sep-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
ANGL	FALLEN ANGEL HIGH YIELD BOND	ETF	DN	0.1:1.1	=dn=	2/8	-0.1
BGRN	GLOBAL GREEN BOND	ETF	DN	-0.4:1.1	«DN»	1/12	-0.2
BND	TOTAL BOND MARKET	ETF	DN	-0.5:1.1	DN	0/12	-0.2
CBON	CHINESE BONDS	ETF	DN	-1.2:1.1	=UP=	0/105	-0.2
GOVT	U.S. TREASURY BOND	ETF	DN	-0.6:1.1	-DN-	0/12	-0.2
IEI	3-7 YEAR TREASURY BOND	ETF	DN	-0.4:1.1	-DN-	0/12	-0.1
IWN	RUSSELL 2000 VALUE	ETF	≡DN≡	1.1:1.1	-UP-	2/8	-0.9
LQD	INVESTMENT GRADE CORP BOND	ETF	DN	-0.7:1.1	DN	0/125	-0.4
MUB	MUNICIPAL BONDS	ETF	DN	-0.4:1.1	=dn=	0/16	-0.1
PCY	EMERGING MARKET BONDS	ETF	DN	-0.2:1.1	-dn-	1/7	-0.4
PFF	S&P PREFERRED	ETF	DN	0.0:1.1	DN	1/11	-0.4
SHV	CASH EQUIVALENT	ETF	DN	0.0:1.1	=DN=	1/5	-0.0
SPYV	S&P 500 (VALUE)	ETF	DN	0.4:1.1	-UP-	2/8	-0.4
TIP	TIPS BOND	ETF	DN	-1.1:1.1	«dn»	0/125	-0.4
TLH	10-20 YEAR T-BOND INDEX	ETF	DN	-1.4:1.1	DN	0/261	-0.6
TLT	U.S. 20+ YEAR T-BOND	ETF	DN	-1.8:1.1	-DN-	0/425	-0.7
USIG	USD INVESTMENT GRADE CORPORATE BOND	ETF	DN	-0.6:1.1	DN	0/125	-0.3
VTV	US LARGE CAP VALUE	ETF	≡DN≡	0.3:1.1	-UP-	2/8	-0.3

And all bearish ETFs have red MTAs.

[Inflation Universe](#)

These are ETFs that are likely to do well during strong inflation.

Inflation Universe Analysis for 09-Sep-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
COPX	GLOBAL X COPPER MINERS	ETF	DN	-4.5:1.1	<<UP>>	2/0	-0.3
CPER	US COPPER INDEX	ETF	DN	-3.8:1.1	DN	2/0	-0.4
DBA	DB AGRICULTURE INDEX	ETF	DN	-1.2:1.1	=up=	1/3	-0.1
DBB	BASE METALS	ETF	DN	-3.2:1.1	<<UP>>	1/7	-1.0
DBC	DB COMMODITY INDEX	ETF	UP	-2.4:1.1	DN	1/25	-0.8
GDV	MARKET VECTORS GOLD MINERS	ETF	DN	-7.6:1.1	<<dn>>	2/1	0.1
GLD	SPDR GOLD SHARES	ETF	DN	-1.9:1.1	DN	1/1	-0.2
INFL	INFLATION BENEFICIARIES	ETF	-DN-	0.5:1.1	-UP-	2/1	-0.4
IVE	S&P 500 VALUE	ETF	≡DN≡	0.5:1.1	=UP=	2/8	-0.4
KBWB	BIG BANKS	ETF	DN	0.4:1.1	=UP=	2/8	-0.2
KRBN	GLOBAL CARBON	ETF	DN	-2.5:1.1	≡dn≡	0/26	-2.9
LIT	LITHIUM & BATTERY TECH	ETF	<<DN>>	2.3:1.1	<<UP>>	2/0	-0.5
PAVE	INFRASTRUCTURE	ETF	UP	3.2:1.1	≡UP≡	2/0	-0.7
PPLT	PLATINUM	ETF	DN	-2.3:1.1	DN	2/0	0.1
REMX	RARE EARTH METALS	ETF	UP	3.4:1.1	<<UP>>	4/0	-0.2
SLV	SILVER TRUST	ETF	DN	-4.5:1.1	DN	2/1	-0.1
SMH	SEMICONDUCTORS	ETF	DN	-0.7:1.1	<<UP>>	2/8	-0.9
UNG	UNITED STATES NATURAL GAS	ETF	UP	8.0:1.1	=DN=	0/4	-2.9
URA	URANIUM	ETF	UP	3.8:1.1	=UP=	18/0	0.9
VIG	DIVIDEND APPRECIATION	ETF	≡DN≡	0.9:1.1	-UP-	2/8	-0.5

6 of the inflation ETFs have both rising slopes and rising MTAs.

[Sector Universe](#)

← Use this link to get to the live summary table

SPX Sector Universe Analysis for 09-Sep-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XAR	SPACE & DEFENSE	ETF	DN	0.7:1.1	«UP»	2/0	-0.7
XHB	HOMEBUILDERS	ETF	DN	1.8:1.1	-dn-	2/8	-0.6
XLB	MATERIALS	ETF	DN	-0.6:1.1	-UP-	2/8	-0.3
XLC	COMMUNICATION SRVCS	ETF	DN	-1.3:1.1	«UP»	2/12	-0.4
XLE	ENERGY	ETF	UP	1.7:1.1	up	1/3	-0.7
XLF	FINANCIALS	ETF	DN	0.9:1.1	-UP-	2/6	-0.3
XLI	INDUSTRIALS	ETF	«DN»	2.1:1.1	-UP-	2/0	-0.7
XLK	TECHNOLOGY	ETF	DN	1.2:1.1	«dn»	2/8	-1.1
XLP	CONSUMER STAPLES	ETF	-DN-	0.4:1.1	«UP»	2/10	-0.4
XLRE	REAL ESTATE	ETF	DN	0.3:1.1	-UP-	2/0	-0.4
XLU	UTILITIES	ETF	UP	3.2:1.1	-DN-	3/0	-0.2
XLV	HEALTH CARE	ETF	DN	-0.4:1.1	«UP»	2/0	0.1
XLY	CONSUMER DISCRETIONARY	ETF	UP	3.2:1.1	=UP=	2/6	-0.5
XOP	OIL & GAS EXP & PROD	ETF	UP	3.1:1.1	=UP=	1/3	-1.0
XRT	RETAIL	ETF	DN	1.7:1.1	«UP»	2/6	-1.1
XTN	TRANSPORTATION	ETF	DN	1.0:1.1	DN	2/6	-1.1

4 of the sector ETFs have both rising slopes and rising MTAs.

[Auxiliary Universe](#)

← Use this link to get to the live summary table

Auxiliary Universe Analysis for 09-Sep-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
ARKG	GENOMIC REVOLUTION	ETF	DN	4.3:1.1	-dn-	2/10	-0.3
ARKK	DISRUPTIVE INNOVATION	ETF	DN	0.2:1.1	<<UP>>	2/10	-0.4
ARKQ	AI & ROBOTICS	ETF	DN	0.3:1.1	-UP-	2/0	-1.4
ARKW	NEXT GENERATION INTERNET	ETF	DN	-0.4:1.1	<<UP>>	2/10	-0.6
FIVG	FIFTH GENERATION NETWORKS	ETF	DN	0.1:1.1	-dn-	1/9	-0.9
FIW	POTABLE/WASTE WATER	ETF	UP	3.4:1.1	=UP=	2/0	-0.6
HACK	CYBER SECURITY	ETF	DN	0.2:1.1	<<dn>>	2/11	-0.7
IBB	BIO-TECH & PHARMA	ETF	DN	2.5:1.2	-UP-	3/10	0.1
IHI	U.S. MEDICAL DEVICES	ETF	DN	-0.3:1.1	-UP-	3/8	0.2
ITB	U.S. HOME CONSTRUCTION	ETF	DN	0.5:1.1	<<UP>>	2/10	-0.5
KIE	INSURANCE SECTOR	ETF	=DN=	0.7:1.1	<<DN>>	2/5	-0.2
KWEB	CHINA INTERNET	ETF	DN	-0.6:1.1	DN	0/3	-0.2
PPH	PHARMACEUTICALS	ETF	DN	-2.6:1.1	<<UP>>	2/68	-0.1
SOXX	PHLX SEMICONDUCTORS	ETF	DN	-0.8:1.1	-UP-	2/8	-0.9
SRVR	DATA & TRANSMISSION REIT	ETF	DN	-0.8:1.1	<<dn>>	2/12	-0.5
VDE	VANGUARD ENERGY ETF	ETF	UP	2.2:1.1	up	1/3	-0.7
WOOD	GLOBAL TIMBER & FORESTRY	ETF	DN	-1.7:1.1	-UP-	1/8	-0.8
XBI	BIOTECHNOLOGY	ETF	UP	6.2:1.1	-dn-	2/5	-0.5
XME	METALS AND MINING	ETF	UP	0.9:1.1	<<UP>>	2/0	-1.0
DXY	US DOLLAR INDEX	INDEX	UP	1.6:1.1	-up-	258/1	0.0

4 of the auxiliary sector ETFs have both rising slopes and rising MTAs (DXY doesn't count because it's an index).

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[Stock Universe](#) Top 10 Stocks Sorted by Slope on September 9th

1. WWOW 5.90
2. SMM 5.80
3. GTY 5.10
4. DVN 5.10
5. PAA 4.80
6. PBR 4.20
7. VIC 4.00
8. URA 3.80
9. REMX 3.40
10. IRM 3.30

This Week's Selections

Last week's choices were: VICI 10%, UNG 10%, and SHV 70%.

Top 10 ETFs By Slope

Sym	Slope	Long	High-15%	High-7.5%	Last
UNG	8.0 ↓↓	yes	\$28.40	\$30.90	\$27.89
XBI	6.2 ↓↓	no	\$79.48	\$86.49	\$88.01
VICI	4.0 ↓↓	yes	\$29.82	\$32.45	\$33.72
URA	3.8 ↑↑	no	\$20.26	\$22.05	\$23.86
REMX	3.4 ↓	no	\$89.68	\$97.59	\$103.52
FIW	3.4 ↓↓	no	\$72.00	\$78.35	\$81.33
PAVE	3.2 ↓↓	no	\$23.39	\$25.45	\$26.57
VDE	2.2 ↑	no	\$100.06	\$108.89	\$113.86
DXY	1,6 ↑	no	\$93.34	\$191.57	\$108.97
EPD	1.4 ↑	no	\$22.70	\$24.70	\$26.70

Legend: Up: ↑, Down: ↓, Flat/Stable: —

Analysis

[UNG](#) dropped ~10% on Monday, closing a dollar below both my personal \$29.80 and its 15% \$28.40 so it had to go. [XBI](#), of course, bounced as soon as I sold it but its money flow is anemic so I need to watch it for a while and see what develops. [VICI](#) climbed away from last Friday's lows. [URA](#) climbed this week. If it gets above \$24 I'll give it a serious look. [REMX](#) gapped up to \$103.52. Be careful of gaps since they have a tendency to get closed later.

[FIW](#) climbed back above \$80 on market strength. We'll see how far it goes. [PAVE](#) charts look almost identical to the FIW charts. [VDE](#) kind of flopped around this week. [DXY](#) shouldn't have come through on this list. I need to tighten up my filters. Oops. [EPD](#) charts look pretty good with four rising channels ranging from 125 weeks on down.

My Decisions

UNG is out and there's nothing good enough to buy. So now I'm down to: VICI 10% and SHV 80%.