

## Weekly Market Analysis #429 — 28 October 2022

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### This Week

The central bank of Canada met on the 26th and raised their country's primary interest rate by 50 basis points. This puts some pressure on the US Fed to reduce their next increase, or at least make some conciliatory remarks about what is to come. There's going to be another Fed meeting next week. Jared Dillian said, "The most likely scenario is that they'll hike 75 with some forward guidance talking down rate hikes in the future."

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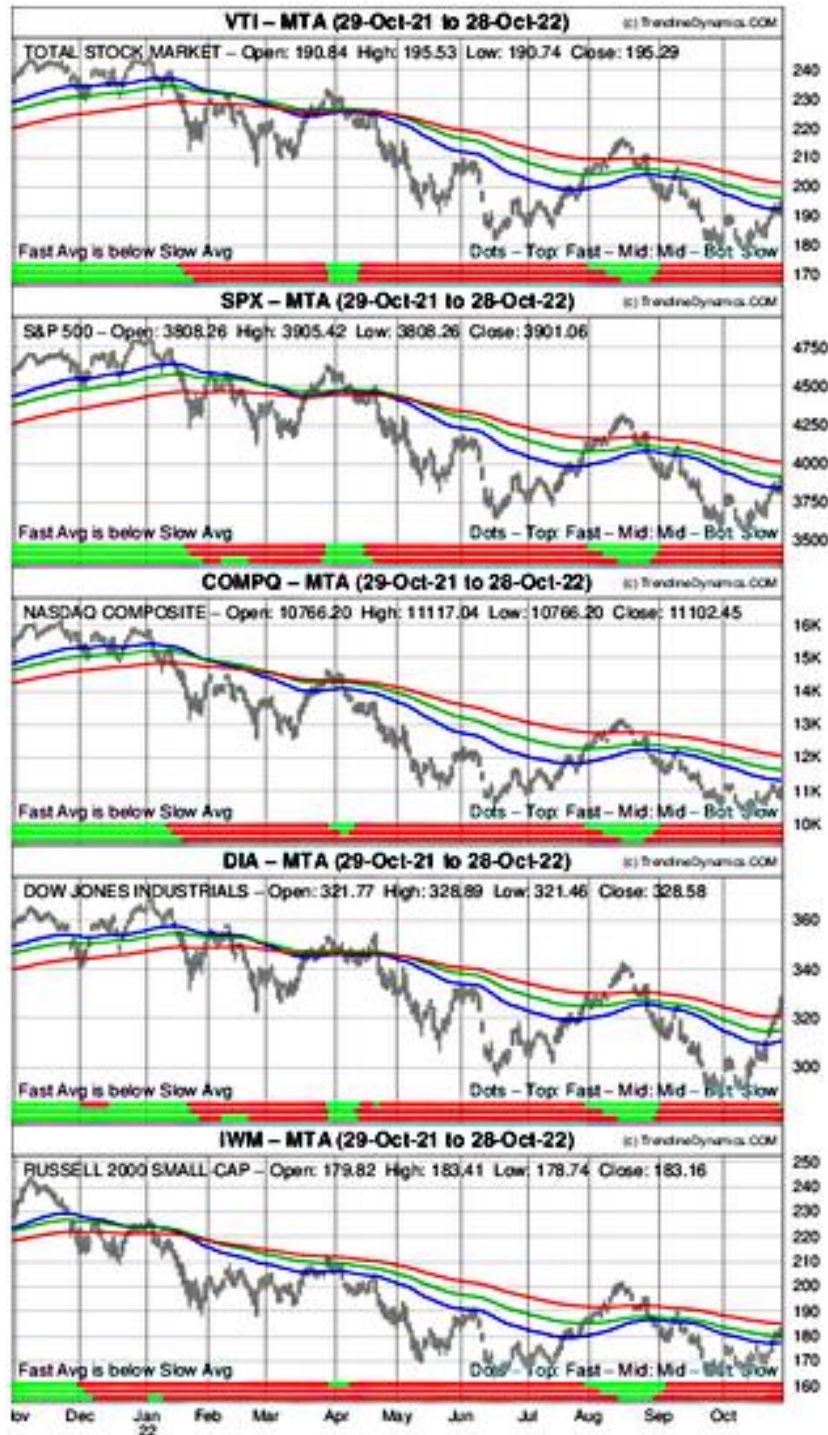
Several readers have requested I add the [DJIA](#) to the Market Barometers page. I added it this week between COMPQ and IWM. Interestingly, the Dow is doing better than the other indexes. It makes some sense that as a bear market runs out of steam, money will first flow into the stocks that are perceived to be the biggest and "best". Here's the member list sorted by weight:

1. UnitedHealth Group (UNH)
2. Goldman Sachs Group (GS)
3. Home Depot (HD)
4. Amgen (AMGN)
5. McDonald's (MCD)
6. Microsoft (MSFT)
7. Caterpillar (CAT)
8. Visa Class A (V)
9. Honeywell Intl. (HON)
10. Chevron (CVX)
11. Travelers Companies (TRV)
12. Johnson & Johnson (JNJ)
13. Salesforce (CRM)
14. American Express (AXP)
15. Apple (AAPL)
16. Walmart (WMT)
17. Boeing (BA)
18. Intl. Business Machines (IBM)
19. Procter & Gamble (PG)
20. JPMorgan Chase & Co. (JPM)
21. 3M (MMM)
22. Walt Disney (DIS)
23. Merck & Co. (MRK)
24. NIKE Class B (NKE)
25. Coca-Cola (KO)
26. Dow (DOW)
27. Cisco Systems (CSCO)
28. Verizon (VZ)
29. Walgreens Boots Alliance (WBA)
30. Intel (INTC)

## Market Barometers

← Use this link to see all the market barometer charts

All the indexes are moving up except COMPQ, which remains below the low blue line. VTI, SPX, and IWM are all within the MTA averages, and DJIA has actually moved above all three of its MTA averages. Taken together, these indexes could be signalling a market bottom. (Of course, the rising double bottom in Feb and Mar of this year could have, also, but the Apr/May decline poked a hole in that balloon. :-)



## A Closer Look

The SPX broke the AB trendline on Monday. On Tuesday, Wednesday and Thursday price flirted with the 50-day average, and on Friday it punched up through it. The next resistance level is \$3941, the 50-50 point between the 16-Aug high and the 12-Oct low. The advance–decline line was a little more positive than price, rising through the week. The SPXA50R was positive during the week but dropped on Friday.



Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above Their 50-day Averages](#), [NewHigh–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 28-Oct-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">EEM</a>	EMERGING MARKETS	ETF	DN	-5.2:-2.9	UP	1/130	0.4
<a href="#">IEFA</a>	EUROPE/AUSTRALIA/FAR-EAST	ETF	DN	-3.7:-2.9	<<UP>>	6/1	1.3
<a href="#">IEMG</a>	EMERGING MARKETS	ETF	DN	-5.0:-2.9	<<UP>>	1/128	0.4
<a href="#">IGV</a>	SOFTWARE	ETF	DN	-4.1:-2.9	UP	6/1	1.8
<a href="#">IQLT</a>	GLOBAL QUALITY	ETF	DN	-3.6:-2.9	<<UP>>	6/1	1.2
<a href="#">IWM</a>	RUSSELL 2000 SMALL-CAP	ETF	DN	-2.2:-2.9	<<UP>>	7/1	1.7
<a href="#">IYT</a>	DOW JONES TRANSPORTS	ETF	DN	-4.5:-2.9	<<UP>>	6/1	1.8
<a href="#">MOAT</a>	MORNINGSTAR WIDE MOAT	ETF	DN	-3.8:-2.9	<<UP>>	6/1	1.7
<a href="#">QQQ</a>	NASDAQ 100	ETF	DN	-4.3:-2.9	<<UP>>	6/1	1.4
<a href="#">RSP</a>	UNWEIGHTED S&P 500	ETF	DN	-2.9:-2.9	<<UP>>	6/1	1.6
<a href="#">SPY</a>	S&P 500 (LARGE-CAP)	ETF	DN	-3.0:-2.9	<<UP>>	6/1	1.5
<a href="#">USL</a>	US 12 Month Oil FUND	ETF	DN	-2.9:-2.9	UP	3/1	0.4
<a href="#">USMV</a>	USA MIN VOLATILITY	ETF	DN	-2.6:-2.9	<<UP>>	7/1	1.3
<a href="#">VGK</a>	FTSE EUROPE	ETF	DN	-3.8:-2.9	UP	6/1	1.5
<a href="#">VGT</a>	INFORMATION TECHNOLOGY	ETF	DN	-4.5:-2.9	<<UP>>	6/1	1.8
<a href="#">VNQ</a>	U.S. REIT INDEX	ETF	DN	-7.4:-2.9	<<UP>>	4/1	2.0
<a href="#">VTI</a>	TOTAL STOCK MARKET	ETF	DN	-3.0:-2.9	<<UP>>	6/1	1.6
<a href="#">VUG</a>	LARGE CAP GROWTH	ETF	DN	-4.2:-2.9	<<UP>>	5/1	1.5
<a href="#">COMPQ</a>	NASDAQ COMPOSITE	INDEX	DN	-4.1:-2.9	<<UP>>	5/1	1.4
<a href="#">DIA</a>	DOW JONES INDUSTRIALS	ETF	DN	-1.6:-2.9	<<UP>>	9/1	1.6
<a href="#">DXY</a>	US DOLLAR INDEX	INDEX	UP	1.6:-2.9		1/6	-0.4
<a href="#">SPX</a>	S&P 500	INDEX	DN	-3.0:-2.9	<<UP>>	6/1	1.5

DXY made a 6-week low and the domestic Bullish Universe ETFs responded by making multi-week highs.

## [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 28-Oct-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MHist
<a href="#">ANGL</a>	FALLEN ANGEL HIGH YIELD BOND	ETF	DN	-2.0:-2.9	≡UP≡	5/1	0.7
<a href="#">BGRN</a>	GLOBAL GREEN BOND	ETF	DN	-2.4:-2.9	dn	2/1	0.4
<a href="#">BND</a>	TOTAL BOND MARKET	ETF	DN	-2.6:-2.9	DN	3/1	0.5
<a href="#">CBON</a>	CHINESE BONDS	ETF	DN	-2.4:-2.9	DN	1/276	0.1
<a href="#">GOVT</a>	U.S. TREASURY BOND	ETF	DN	-2.2:-2.9	DN	2/535	0.3
<a href="#">IEI</a>	3-7 YEAR TREASURY BOND	ETF	DN	-1.8:-2.9	DN	3/1	0.3
<a href="#">IWN</a>	RUSSELL 2000 VALUE	ETF	DN	-2.7:-2.9	«UP»	7/1	1.8
<a href="#">LQD</a>	INVESTMENT GRADE CORP BOND	ETF	DN	-3.6:-2.9	«dn»	3/1	0.7
<a href="#">MUB</a>	MUNICIPAL BONDS	ETF	DN	-1.5:-2.9	DN	1/132	-0.1
<a href="#">PCY</a>	EMERGING MARKET BONDS	ETF	DN	-4.6:-2.9	≡UP≡	3/289	0.9
<a href="#">PFF</a>	S&P PREFERRED	ETF	DN	-3.7:-2.9	«UP»	3/1	0.5
<a href="#">SPYV</a>	S&P 500 (VALUE)	ETF	DN	-2.2:-2.9	«UP»	7/1	1.4
<a href="#">TIP</a>	TIPS BOND	ETF	DN	-3.2:-2.9	dn	4/1	0.6
<a href="#">TLH</a>	10-20 YEAR T-BOND INDEX	ETF	DN	-4.9:-2.9	=dn=	2/268	0.5
<a href="#">TLT</a>	U.S. 20+ YEAR T-BOND	ETF	DN	-6.0:-2.9	«DN»	2/581	0.5
<a href="#">USIG</a>	USD INVESTMENT GRADE CORPORATE BOND	ETF	DN	-3.0:-2.9	«UP»	3/1	0.6
<a href="#">VTV</a>	US LARGE CAP VALUE	ETF	DN	-1.9:-2.9	«UP»	7/1	1.4
<a href="#">BIL</a>	CASH EQUIVALENT	ETF	UP	0.0:-3.0	«DN»	130/1	0.0
<a href="#">SHV</a>	CASH EQUIVALENT	ETF	DN	0.0:-2.9	«DN»	4/1	0.0

Most bonds did not do very well, but the value ETFs, the SPX Preferreds, and a few bonds look like they may be turning up.

## [Inflation Universe](#)

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

Inflation Universe Analysis for 28-Oct-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">COPX</a>	GLOBAL X COPPER MINERS	ETF	DN	-3.4:-2.9	≡UP≡	3/1	0.9
<a href="#">CPER</a>	US COPPER INDEX	ETF	DN	-2.3:-2.9	DN	7/1	0.6
<a href="#">DBA</a>	DB AGRICULTURE INDEX	ETF	DN	-1.3:-2.9	=DN=	1/14	-0.3
<a href="#">DBB</a>	BASE METALS	ETF	DN	-3.4:-2.9	up	3/1	0.4
<a href="#">DBC</a>	DB COMMODITY INDEX	ETF	DN	-1.8:-2.9	=UP=	2/1	0.2
<a href="#">GDV</a>	MARKET VECTORS GOLD MINERS	ETF	DN	-3.8:-2.9	-up-	3/1	0.9
<a href="#">GLD</a>	SPDR GOLD SHARES	ETF	DN	-2.4:-2.9	≡DN≡	2/1	0.1
<a href="#">INFL</a>	INFLATION BENEFICIARIES	ETF	DN	-1.5:-2.9	-DN-	6/1	0.9
<a href="#">IVE</a>	S&P 500 VALUE	ETF	DN	-2.3:-2.9	«UP»	7/1	1.5
<a href="#">KBWB</a>	BIG BANKS	ETF	DN	-3.0:-2.9	DN	6/1	1.4
<a href="#">KRBN</a>	GLOBAL CARBON	ETF	DN	-5.6:-2.9	-dn-	9/1	2.4
<a href="#">LIT</a>	LITHIUM & BATTERY TECH	ETF	DN	-4.3:-2.9	UP	4/1	1.1
<a href="#">PAVE</a>	INFRASTRUCTURE	ETF	DN	-1.4:-2.9	UP	7/1	1.5
<a href="#">PPLT</a>	PLATINUM	ETF	DN	1.2:-2.9	UP	11/1	0.7
<a href="#">REMX</a>	RARE EARTH METALS	ETF	DN	-4.3:-2.9	≡UP≡	4/1	1.4
<a href="#">SLV</a>	SILVER TRUST	ETF	DN	-0.7:-2.9	UP	3/1	0.3
<a href="#">SMH</a>	SEMICONDUCTORS	ETF	DN	-7.3:-2.9	«UP»	3/1	1.6
<a href="#">UNG</a>	UNITED STATES NATURAL GAS	ETF	DN	-12.6:-2.9	≡UP≡	2/1	-0.4
<a href="#">URA</a>	URANIUM	ETF	DN	-2.6:-2.9	«UP»	3/1	1.0
<a href="#">VIG</a>	DIVIDEND APPRECIATION	ETF	DN	-2.5:-2.9	«UP»	7/1	1.5

Lots of inflation ETFs look like they may be turning up.

[Sector Universe](#)

← Use this link to get to the live summary table

SPX Sector Universe Analysis for 28-Oct-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">XAR</a>	SPACE & DEFENSE	ETF	DN	-2.4;-2.9	UP	7/1	2.0
<a href="#">XHB</a>	HOMEBUILDERS	ETF	DN	-2.7;-2.9	UP	4/1	1.2
<a href="#">XLB</a>	MATERIALS	ETF	DN	-3.1;-2.9	<<UP>>	6/1	1.4
<a href="#">XLC</a>	COMMUNICATION SRVCS	ETF	DN	-4.7;-2.9	<<UP>>	6/2	0.6
<a href="#">XLE</a>	ENERGY	ETF	UP	3.1;-2.9	UP	20/1	1.2
<a href="#">XLF</a>	FINANCIALS	ETF	DN	-1.6;-2.9	<<UP>>	7/1	1.6
<a href="#">XLI</a>	INDUSTRIALS	ETF	DN	-2.1;-2.9	<<UP>>	7/1	2.0
<a href="#">XLK</a>	TECHNOLOGY	ETF	DN	-4.6;-2.9	<<UP>>	6/1	1.7
<a href="#">XLP</a>	CONSUMER STAPLES	ETF	DN	-2.6;-2.9	UP	7/1	1.3
<a href="#">XLRE</a>	REAL ESTATE	ETF	DN	-7.8;-2.9	<<UP>>	4/1	2.1
<a href="#">XLU</a>	UTILITIES	ETF	DN	-5.8;-2.9	<<UP>>	4/1	1.9
<a href="#">XLV</a>	HEALTH CARE	ETF	DN	-0.8;-2.9	UP	10/1	0.9
<a href="#">XLY</a>	CONSUMER DISCRETIONARY	ETF	DN	-4.1;-2.9	UP	3/1	1.4
<a href="#">XOP</a>	OIL & GAS EXP & PROD	ETF	UP	2.0;-2.9	<<up>>	19/1	0.8
<a href="#">XRT</a>	RETAIL	ETF	DN	-3.1;-2.9	<<UP>>	6/1	2.0
<a href="#">XTN</a>	TRANSPORTATION	ETF	DN	-3.8;-2.9	-up-	6/1	1.9

All the sectors made multi-week highs with XLE leading.

[Auxiliary Universe](#)

← Use this link to get to the live summary table

Auxiliary Universe Analysis for 28-Oct-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">ARKG</a>	GENOMIC REVOLUTION	ETF	DN	-3.7:-2.9	<<UP>>	3/1	1.4
<a href="#">ARKK</a>	DISRUPTIVE INNOVATION	ETF	DN	-6.4:-2.9	UP	3/1	1.8
<a href="#">ARKQ</a>	AI & ROBOTICS	ETF	DN	-7.1:-2.9	<<UP>>	4/1	2.3
<a href="#">ARKW</a>	NEXT GENERATION INTERNET	ETF	DN	-6.1:-2.9	UP	3/1	2.3
<a href="#">FIVG</a>	FIFTH GENERATION NETWORKS	ETF	DN	-5.7:-2.9	<<UP>>	4/1	1.9
<a href="#">FIW</a>	POTABLE/WASTE WATER	ETF	DN	-1.6:-2.9	UP	7/1	1.6
<a href="#">HACK</a>	CYBER SECURITY	ETF	DN	-3.0:-2.9	UP	7/1	1.4
<a href="#">IBB</a>	BIO-TECH & PHARMA	ETF	DN	0.0:-2.9	<<UP>>	10/1	1.1
<a href="#">IHI</a>	U.S. MEDICAL DEVICES	ETF	DN	-2.9:-2.9	<<UP>>	3/1	1.0
<a href="#">ITB</a>	U.S. HOME CONSTRUCTION	ETF	DN	-2.3:-2.9	UP	7/1	1.1
<a href="#">KIE</a>	INSURANCE SECTOR	ETF	=UP=	0.2:-2.9	<<UP>>	27/1	0.9
<a href="#">PPH</a>	PHARMACEUTICALS	ETF	DN	-2.7:-2.9	UP	7/1	1.1
<a href="#">SOXX</a>	PHLX SEMICONDUCTORS	ETF	DN	-7.3:-2.9	<<UP>>	3/1	1.6
<a href="#">SRVR</a>	DATA & TRANSMISSION REIT	ETF	DN	-9.6:-2.9	<<UP>>	3/2	2.2
<a href="#">VDE</a>	VANGUARD ENERGY ETF	ETF	UP	3.0:-2.9	UP	20/1	1.1
<a href="#">WOOD</a>	GLOBAL TIMBER & FORESTRY	ETF	DN	-4.5:-2.9	DN	6/1	1.3
<a href="#">XBI</a>	BIOTECHNOLOGY	ETF	DN	-1.0:-2.9	<<UP>>	6/1	1.1
<a href="#">XME</a>	METALS AND MINING	ETF	DN	-1.8:-2.9	UP	7/1	1.5

SOXX bounced up off support at \$300 and is consolidating around \$325. VDE (XLE's brother) is doing well. KIE made a ~6-month high.

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[Stock Universe](#) Top 10 Stocks (with positive slopes) sorted by slope on September 30

1. SPOK 6.6 ↑↑
2. NVEC 5.8 ↑
3. DVN 4.4 ↑↑
4. PXD 2.8 ↑↑
5. PBR 2.0 ↑↑
6. ET 1.9 ↑↑
7. BP 1.1 ↑
8. PAA 0.9 ↑
9. AM 0.3 ↑
10. ABBV 0.3 ↑↑



## This Week's Selections

Last week's choices were: 10% VDE and 90% BIL.

### Top 10 (minus 1) ETFs By Slope

Sym	Slope	Long	Last
SPOK	6.6 ↑↑	no	\$8.34
NVEC	5.8 ↑	no	\$61.74
DVN	4.4 ↑↑	no	\$76.01
VDE	3.0 ↑↑	yes	\$124.88
PXD	2.8 ↑↑	no	\$257.31
XOP	2.0 ↑↑	no	\$148.27
PBR	2.0 ↑↑	no	\$13.45
ET	1.9 ↑	no	\$12.53
BP	1.1 ↑	no	\$33.15

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

### This Week

VDE and XLE both had slopes of 3.0 but I only showed VDE because I only invest in one or the other.

### Analysis

[SPOK](#) made a 32-week high as it punched up through resistance at \$8 and has strong money flow.

[NVEC](#) jumped from the high \$40s to the high \$60s in 5 days, then dropped 7% on Thursday and Friday.

[DVN](#) got above \$75 but couldn't break historic resistance near \$78 this week. [VDE](#) made a 20-week high and is pushing hard on the \$125 with positive money flow. (VDE and [XLE](#) still look like twins.) [PXD](#) made a 20-week high and then got knocked down hard on Friday losing 5% in one day.

[XOP](#) flirted with \$150 then closed below it on Friday. [PBR](#) closed above \$16 last week, then crumbled to \$13.45 this week. [ET](#) closed up on both Thursday and Friday, ending the week just above a level, 16-week confirmed trendline. The trendline is at \$12.50 and ET closed at \$12.53, so I'd like to see a more convincing cross before buying. [BP](#) gapped up from Wednesday's close at \$32.31 to \$33.44 Thursday's open. It declined on Thursday and again on Friday. Gaps have an unfortunate habit of falling shut and this one looks like it's already headed that way.

### My Decisions

SPOK is above \$8, VDE is still strong, and BIL continues to be a reliable place to store cash. So my picks for this week are SPOK 10%, VDE 10%, and BIL 80%. This is the first time in quite a while that I have found two securities worth investing in.