

# Weekly Market Analysis #431 — 11 November 2022

Richard "Doc" Ahrens

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## This Week

VTI ended the week up with Friday's close about 4.9% higher than the previous Friday. SPX was also up 4.9%. DIA was up 4%, COMPQ up 6.1%, and IWM up 3.7%. Much of this was due to a big jump in the market on Thursday after the CPI (Consumer Price Index) edged lower.

The news reported:

...huge post-CPI price action on Thursday, with major averages posting their best daily return in over 2-years as the S&P 500 posted its biggest daily percent gain since April 6, 2020, of 5.5% (its 15th best trading day since 1953 as per Bespoke), the Nasdaq Composite its biggest daily pct gain since March 24, 2020, at 7.35% and the Dow with its biggest daily pct gain since May 18, 2020, of 3.7%. The decelerating inflation data helped spark a rise in stocks and induced a sharp decline in Treasury yields and the dollar, boosting sentiment across the board...

The softening of the CPI encouraged investors because it signaled a small decrease in inflation, and raised hopes that the Fed might stop (or at least slow) raising the base interest rate. Investors were also optimistic because of reports that there was dissension in the Fed, with some insiders supporting a slowdown in rate hikes.

However,

- A significant part of the big rise on Thursday was due to a short squeeze. (A short squeeze is caused when there are lots of short sellers in the market and a large advance in prices forces them to cover their short positions by buying. As the short sellers join in with the bullish buyers, it can cause a buying frenzy that feeds on itself.
- A number of respected analysts said this looked more like a typical bear market rally.
- The Fed has already done enough damage to the economy to make a recession almost inevitable.

Trendline DE says the descent is slowing, but trendline ABC says it's not time for dancing in the streets yet. All things considered, the best course is still cautious optimism.



[Market Barometers](#)

← Use this link to see all the market barometer charts

The MTA says the Dow has turned up. It makes sense that the best rated stocks would turn up first.



## A Closer Look

The SPX has formed an ABC setup, and that setup was confirmed by price breaking the MN trendline that connects the highs on Aug 16 and Nov 1. Interestingly, SPX broke both the MN trendline and the previous local high – Nov 1<sup>st</sup> – on the same day, providing a second confirmation to the ABC setup. The NYAD confirmed price action while the SPXA50R was even more optimistic, except 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.

<b>Bullish Universe Analysis for 11-Nov-2022</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">EEM</a>	EMERGING MARKETS	ETF	DN	-3.2:-1.1	UP	8/1	1.4
<a href="#">IEFA</a>	EUROPE/AUSTRALIA/FAR-EAST	ETF	DN	-0.7:-1.1	-UP-	12/1	1.8
<a href="#">IEMG</a>	EMERGING MARKETS	ETF	DN	-3.0:-1.1	UP	8/1	1.4
<a href="#">IGV</a>	SOFTWARE	ETF	DN	-3.1:-1.1	-UP-	8/1	0.8
<a href="#">IQLT</a>	GLOBAL QUALITY	ETF	DN	-0.6:-1.1	-UP-	12/1	1.7
<a href="#">IWM</a>	RUSSELL 2000 SMALL-CAP	ETF	DN	0.0:-1.1	<<up>>	9/3	0.7
<a href="#">IYT</a>	DOW JONES TRANSPORTS	ETF	DN	-1.9:-1.1	-UP-	9/1	1.9
<a href="#">MOAT</a>	MORNINGSTAR WIDE MOAT	ETF	DN	-1.8:-1.1	-UP-	9/1	1.7
<a href="#">QQQ</a>	NASDAQ 100	ETF	DN	-3.4:-1.1	<<UP>>	8/1	1.1
<a href="#">RSP</a>	UNWEIGHTED S&P 500	ETF	DN	-0.4:-1.1	-UP-	9/1	1.1
<a href="#">SPY</a>	S&P 500 (LARGE-CAP)	ETF	DN	-1.2:-1.1	-UP-	9/1	0.9
<a href="#">USL</a>	US 12 Month Oil FUND	ETF	UP	-0.6:-1.1	DN	1/2	0.1
<a href="#">USMV</a>	USA MIN VOLATILITY	ETF	DN	-0.7:-1.1	-UP-	9/1	0.6
<a href="#">VGK</a>	FTSE EUROPE	ETF	DN	-0.2:-1.1	-UP-	12/1	1.9
<a href="#">VGT</a>	INFORMATION TECHNOLOGY	ETF	DN	-2.9:-1.1	-UP-	8/1	1.2
<a href="#">VNQ</a>	U.S. REIT INDEX	ETF	DN	-4.8:-1.1	<<DN>>	8/1	1.7
<a href="#">VTI</a>	TOTAL STOCK MARKET	ETF	DN	-1.2:-1.1	<<UP>>	9/1	0.9
<a href="#">VUG</a>	LARGE CAP GROWTH	ETF	DN	-3.4:-1.1	<<UP>>	8/1	1.1
<a href="#">COMPQ</a>	NASDAQ COMPOSITE	INDEX	DN	-3.3:-1.1	-UP-	8/1	1.1
<a href="#">DIA</a>	DOW JONES INDUSTRIALS	ETF	UP	1.5:-1.1	-UP-	12/1	0.7
<a href="#">DXY</a>	US DOLLAR INDEX	INDEX	UP	0.7:-1.1		1/12	-0.6
<a href="#">SPX</a>	S&P 500	INDEX	DN	-1.2:-1.1	<<UP>>	9/1	0.9

USL is showing some life.

[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 11-Nov-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">ANGL</a>	FALLEN ANGEL HIGH YIELD BOND	ETF	DN	-1.3:-1.1	-UP-	8/3	0.4
<a href="#">BGRN</a>	GLOBAL GREEN BOND	ETF	DN	-2.0:-1.1	-UP-	6/3	0.6
<a href="#">BND</a>	TOTAL BOND MARKET	ETF	DN	-2.2:-1.1	<<UP>>	5/3	0.6
<a href="#">CBON</a>	CHINESE BONDS	ETF	DN	-2.3:-1.1	DN	4/1	0.4
<a href="#">GOVT</a>	U.S. TREASURY BOND	ETF	DN	-2.0:-1.1	-dn-	5/537	0.5
<a href="#">IEI</a>	3-7 YEAR TREASURY BOND	ETF	DN	-1.4:-1.1	≡UP≡	6/3	0.5
<a href="#">IWN</a>	RUSSELL 2000 VALUE	ETF	DN	0.1:-1.1	-UP-	11/3	0.8
<a href="#">LQD</a>	INVESTMENT GRADE CORP BOND	ETF	DN	-2.8:-1.1	UP	7/3	0.9
<a href="#">MUB</a>	MUNICIPAL BONDS	ETF	DN	-1.2:-1.1	<<UP>>	7/1	0.5
<a href="#">PCY</a>	EMERGING MARKET BONDS	ETF	DN	-2.6:-1.1	UP	8/1	1.6
<a href="#">PFF</a>	S&P PREFERRED	ETF	DN	-3.3:-1.1	-UP-	6/1	1.1
<a href="#">SPYV</a>	S&P 500 (VALUE)	ETF	-UP-	0.5:-1.1	-dn-	11/1	0.7
<a href="#">TIP</a>	TIPS BOND	ETF	DN	-2.3:-1.1	-dn-	7/1	0.4
<a href="#">TLH</a>	10-20 YEAR T-BOND INDEX	ETF	DN	-4.5:-1.1	dn	4/3	1.1
<a href="#">TLT</a>	U.S. 20+ YEAR T-BOND	ETF	DN	-5.8:-1.1	-UP-	4/3	1.3
<a href="#">USIG</a>	USD INVESTMENT GRADE CORPORATE BOND	ETF	DN	-2.4:-1.1	-UP-	6/3	0.7
<a href="#">VTV</a>	US LARGE CAP VALUE	ETF	UP	0.9:-1.1	-UP-	12/1	0.7
<a href="#">BIL</a>	CASH EQUIVALENT	ETF	UP	0.0:-1.1	=dn=	2/1	0.0
<a href="#">SHV</a>	CASH EQUIVALENT	ETF	DN	0.0:-1.1	-UP-	2/1	0.0

Two value stock ETFs, SPYV and VTV, have turned positive.

## [Inflation Universe](#)

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

<b>Inflation Universe Analysis for 11-Nov-2022</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">COPX</a>	GLOBAL X COPPER MINERS	ETF	DN	0.9:-1.1	UP	21/1	4.4
<a href="#">CPER</a>	US COPPER INDEX	ETF	DN	0.4:-1.1	-UP-	20/1	2.9
<a href="#">DBA</a>	DB AGRICULTURE INDEX	ETF	DN	-1.2:-1.1	«DN»	4/1	0.3
<a href="#">DBB</a>	BASE METALS	ETF	DN	-1.7:-1.1	UP	11/1	1.5
<a href="#">DBC</a>	DB COMMODITY INDEX	ETF	UP	-0.3:-1.1	=up=	1/2	0.3
<a href="#">GDV</a>	MARKET VECTORS GOLD MINERS	ETF	DN	-0.4:-1.1	-UP-	19/1	3.2
<a href="#">GLD</a>	SPDR GOLD SHARES	ETF	DN	-1.3:-1.1	-UP-	12/1	1.2
<a href="#">INFL</a>	INFLATION BENEFICIARIES	ETF	UP	1.3:-1.1	-UP-	22/1	0.9
<a href="#">IVE</a>	S&P 500 VALUE	ETF	-UP-	0.5:-1.1	UP	11/1	0.7
<a href="#">KBWB</a>	BIG BANKS	ETF	DN	-0.4:-1.1	-UP-	9/1	1.2
<a href="#">KRBN</a>	GLOBAL CARBON	ETF	DN	-1.9:-1.1	-UP-	2/3	0.0
<a href="#">LIT</a>	LITHIUM & BATTERY TECH	ETF	DN	-2.2:-1.1	«UP»	8/1	1.7
<a href="#">PAVE</a>	INFRASTRUCTURE	ETF	UP	1.5:-1.1	UP	12/1	1.0
<a href="#">PPLT</a>	PLATINUM	ETF	UP	3.5:-1.1	UP	33/1	1.6
<a href="#">REMX</a>	RARE EARTH METALS	ETF	DN	-1.1:-1.1	«DN»	8/1	2.3
<a href="#">SLV</a>	SILVER TRUST	ETF	DN	1.8:-1.1	UP	20/1	2.1
<a href="#">SMH</a>	SEMICONDUCTORS	ETF	DN	-4.0:-1.1	-UP-	11/1	2.6
<a href="#">UNG</a>	UNITED STATES NATURAL GAS	ETF	DN	-12.5:-1.1	«up»	4/1	1.4
<a href="#">URA</a>	URANIUM	ETF	DN	-1.2:-1.1	-UP-	8/1	0.8
<a href="#">VIG</a>	DIVIDEND APPRECIATION	ETF	DN	0.0:-1.1	UP	11/1	0.8

PPLT jumped \$4 overnight to open at \$95 Thursday, and there doesn't seem to be any news about platinum anywhere. Seems kind of strange.

[Sector Universe](#)

← Use this link to get to the live summary table

SPX Sector Universe Analysis for 11-Nov-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">XAR</a>	SPACE & DEFENSE	ETF	-UP-	1.4:-1.1	UP	12/1	1.1
<a href="#">XHB</a>	HOMEBUILDERS	ETF	DN	-1.2:-1.1	-UP-	11/1	1.7
<a href="#">XLB</a>	MATERIALS	ETF	DN	0.2:-1.1	<<DN>>	12/1	1.7
<a href="#">XLC</a>	COMMUNICATION SRVCS	ETF	DN	-4.7:-1.1	-dn-	2/1	0.7
<a href="#">XLE</a>	ENERGY	ETF	UP	6.6:-1.1	-UP-	411/3	-0.1
<a href="#">XLF</a>	FINANCIALS	ETF	-UP-	1.5:-1.1	-UP-	27/1	1.0
<a href="#">XLI</a>	INDUSTRIALS	ETF	UP	1.6:-1.1	-UP-	12/1	1.3
<a href="#">XLK</a>	TECHNOLOGY	ETF	DN	-2.9:-1.1	-UP-	9/1	1.2
<a href="#">XLP</a>	CONSUMER STAPLES	ETF	DN	-0.5:-1.1	-UP-	9/1	0.5
<a href="#">XLRE</a>	REAL ESTATE	ETF	DN	-5.2:-1.1	<<DN>>	8/1	1.9
<a href="#">XLU</a>	UTILITIES	ETF	DN	-4.2:-1.1	-UP-	6/2	1.3
<a href="#">XLV</a>	HEALTH CARE	ETF	UP	1.2:-1.1	-UP-	29/1	0.2
<a href="#">XLY</a>	CONSUMER DISCRETIONARY	ETF	DN	-4.0:-1.1	-dn-	2/118	0.6
<a href="#">XOP</a>	OIL & GAS EXP & PROD	ETF	UP	5.2:-1.1	-UP-	22/3	0.1
<a href="#">XRT</a>	RETAIL	ETF	DN	-0.6:-1.1	-UP-	9/3	1.0
<a href="#">XTN</a>	S&P TRANSPORTATION	ETF	DN	-0.9:-1.1	-UP-	9/1	1.4

XLE made an 8-year high. Meanwhile XLF, XLI, and XLV are advancing.

[Auxiliary Universe](#)

← Use this link to get to the live summary table

Auxiliary Universe Analysis for 11-Nov-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">ARKG</a>	GENOMIC REVOLUTION	ETF	DN	-2.0:-1.1	<<UP>>	8/3	1.6
<a href="#">ARKK</a>	DISRUPTIVE INNOVATION	ETF	DN	-5.3:-1.1	-UP-	6/263	1.3
<a href="#">ARKQ</a>	AI & ROBOTICS	ETF	DN	-5.6:-1.1	<<UP>>	2/4	0.9
<a href="#">ARKW</a>	NEXT GENERATION INTERNET	ETF	DN	-4.9:-1.1	<<dn>>	2/262	0.2
<a href="#">FIVG</a>	FIFTH GENERATION NETWORKS	ETF	DN	-3.4:-1.1	<<UP>>	8/1	1.3
<a href="#">FIW</a>	POTABLE/WASTE WATER	ETF	-UP-	0.6:-1.1	<<DN>>	9/1	0.9
<a href="#">HACK</a>	CYBER SECURITY	ETF	DN	-1.9:-1.1	-UP-	2/1	0.1
<a href="#">IBB</a>	BIO-TECH & PHARMA	ETF	UP	2.6:-1.1	-UP-	13/1	0.8
<a href="#">IHI</a>	U.S. MEDICAL DEVICES	ETF	DN	-1.3:-1.1	-UP-	8/1	0.8
<a href="#">ITB</a>	U.S. HOME CONSTRUCTION	ETF	DN	-0.5:-1.1	-UP-	12/1	1.6
<a href="#">KIE</a>	INSURANCE SECTOR	ETF	UP	2.7:-1.1	<<up>>	29/2	0.1
<a href="#">PPH</a>	PHARMACEUTICALS	ETF	DN	-0.3:-1.1	UP	11/1	0.3
<a href="#">SOXX</a>	PHLX SEMICONDUCTORS	ETF	DN	-4.2:-1.1	-UP-	11/1	2.6
<a href="#">SRVR</a>	DATA & TRANSMISSION REIT	ETF	DN	-7.2:-1.1	-UP-	7/1	2.5
<a href="#">VDE</a>	VANGUARD ENERGY ETF	ETF	UP	6.4:-1.1	-UP-	300/2	-0.1
<a href="#">WOOD</a>	GLOBAL TIMBER & FORESTRY	ETF	DN	-1.5:-1.1	-UP-	9/1	1.5
<a href="#">XBI</a>	BIOTECHNOLOGY	ETF	DN	0.0:-1.1	<<dn>>	8/3	0.8
<a href="#">XME</a>	METALS AND MINING	ETF	UP	1.1:-1.1	<<up>>	11/1	0.8

VDE continues to do well. IBB rose and KIE ended the week flat.

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[Stock Universe](#) Top 10 Stocks (with positive slopes) sorted by slope on November 11

1. NVEC 13.0 ↑↑
2. SPOK 9.0 ↑↑
3. SPG 5.3 ↑↑
4. DVN 4.7 ↓
5. GTY 4.2 ↑↑
6. BP 3.8 ↑↑
7. PRU 3.7 ↑↑
8. AM 3.7 ↑↑
9. EGLE 2.6 ↑↑
10. SLX 2.1 ↑↑



## This Week's Selections

Last week's choices were: NVEC 10%, SPOK 10%, VDE 10%, and BIL 70%.

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

Sym	Slope	Long	Last
NVEC	13.0 ↑↑	yes	\$66.49
SPOK	9.0 ↑↑	yes	\$8.69
VDE	6.4 ↑↑	yes	\$130.72
PPLT	3.5 ↑↑	no	\$95.49
KIE	2.7 ↑↑	no	\$40.81
IBB	2.6 ↑↑	no	\$134.25
PAVE	1.5 ↑↑	no	\$27.36
DIA	1.5 ↑↑	no	\$337.79
INFL	1.3 ↑↑	no	\$32.42
VTV	0.9 ↑↑	no	\$142.23

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

### This Week

This week there are enough ETFs to fill the chart so I have stopped filling in with individual stocks for now. SPOK and NVEC remain in the list because I have position in them.

### Analysis

[NVEC](#) is holding above \$65 and money flow is still positive, but there is overhead supply as far up as \$80. [SPOK](#) remains between \$8.50 and \$9.00. CMF is a little negative and OBV is mostly flat. [VDE](#) closed above \$130 3 times this week. Money flow has slowed but remains positive. [PPLT](#) broke above \$90 and made a 33-week high. Its CMF and OBV are both up, but it has low volume and high volatility. [KIE](#) completed a second week of closing above \$40 and made a 29-week high, but was flat on the week. OBV is down a little but CMF is still positive.

[IBB](#) approaches historical resistance at \$135 but money flow is strong. [PAVE](#) money flow has been rising since late September as price navigates resistance around \$28. [DIA](#) broke up out of a 43-week falling, well-collimated channel on Thursday on positive CMF and OBV. There is historical resistance at \$340 and more above that. [INFL](#) just broke up through \$32 but while OBV is up, CMF is barely above zero. [VTV](#) is approaching its Aug 16<sup>th</sup> close near \$143.50. CMF is positive and OBV is rising, but its 0.9 slope is not very competitive.

### My Decisions

Nothing this week made me sit up and take notice. PPLT is jumpy. KIE is a wait for greater than \$42, IBB is a wait for > \$135, and PAVE is a wait for > \$28.

So my picks for this week remain NVEC 10%, SPOK 10%, VDE 10%, and BIL 70%.

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