

## Weekly Market Analysis #435 — 9 December 2022

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### This Week

Here's a good article from Greg Morris about people who feel compelled to make forecasts.

<https://stockcharts.com/articles/dancing/2022/12/why-some-make-forecasts-348.html>

2022 had the worst first week of December (-4.4%) for the Nasdaq since 1975.

This week Barron's said:

Oil prices continued to fall further below \$80 Wednesday. Despite all the recent news about oil supply—OPEC cutting production and the price cap on Russian exports—the more crucial factor for prices is demand.

Oil has dropped as "recession worries dominated the headlines," wrote Edward Moya, an analyst at OANDA. "It seems to have happened quickly but the crude demand outlook is getting crushed as we are in a slowdown basically across all the major economies."

Brent crude, the benchmark global price, fell below \$80 per barrel on Tuesday for the first time since January and slipped even further on Wednesday. Oil stocks fell, too, with the SPDR S&P Oil & Gas Exploration & Production ETF off by 2.8%.

In case there are still people who believe that market price movements are random walks, here is this week's SPX chart. The lines on the chart were drawn by a computer, so they are completely objective. The green line, and especially the red line, show auto-correlation of critical points in market prices.



If you generate a random walk chart, you will (very) occasionally be able to draw 3-touch trendlines through critical points (peaks or valleys). But I've never seen a 4-touch trendline on a random walk chart; whereas 4-touch trendline are common in stock charts.

## [Market Barometers](#)

← Use this link to see all the market barometer charts

All the indexes have been declining. VTI and SPX are "in the river" (within the range of the MTA averages). COMPQ and IWM are lagging. DIA is running hot but it has lost about 2.4% since Thanksgiving.



## A Closer Look

The SPX backed off to around \$3931 then edged up a bit. The other indicators roughly matched price action this week.

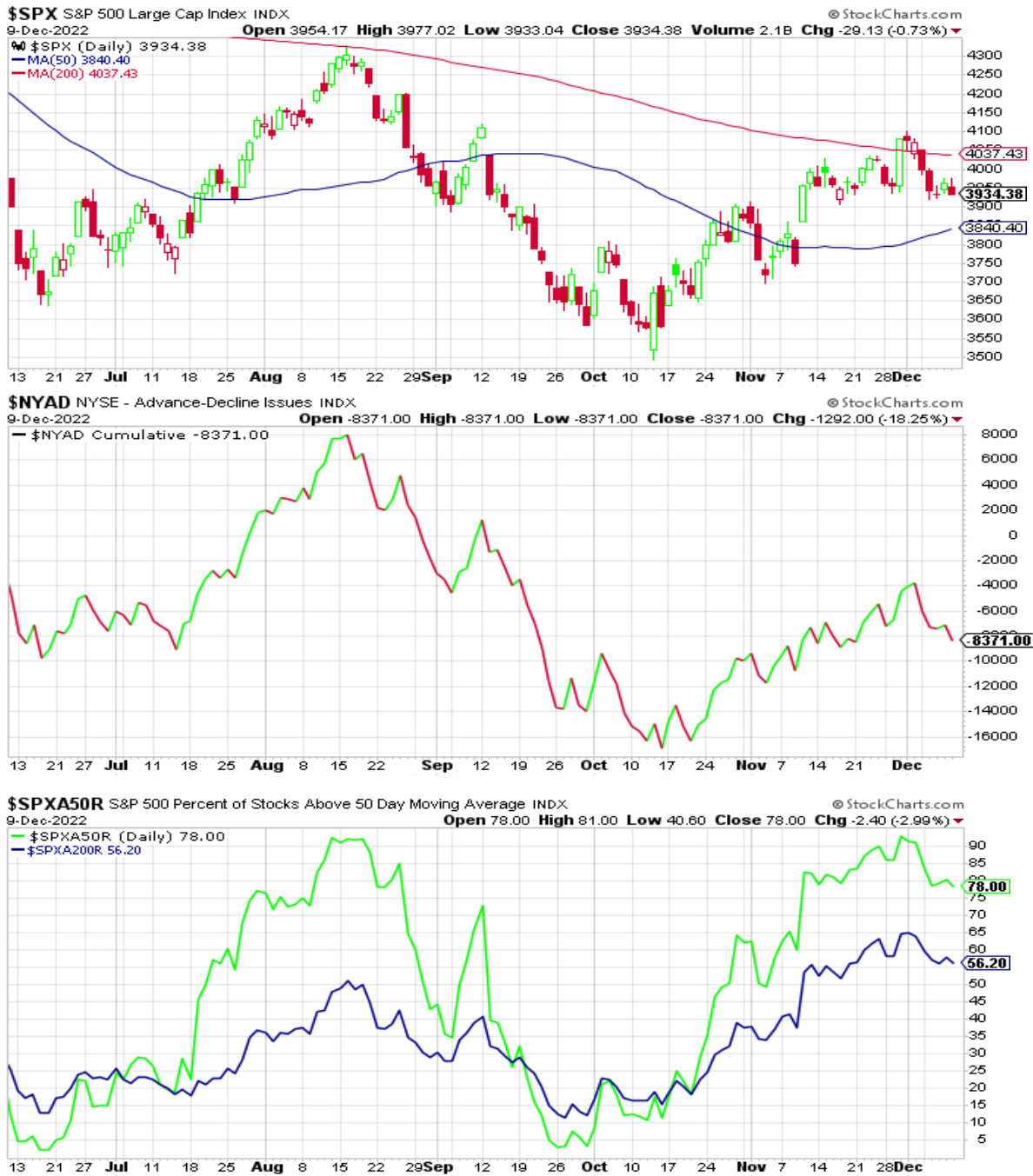


Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above 50&200 Averages](#), [NewHigh-NewLows](#)

[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 09-Dec-2022</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">VGK</a>	FTSE EUROPE	ETF	UP	6.2:1.9	up	1/2	-0.7
<a href="#">IQLT</a>	GLOBAL QUALITY	ETF	UP	5.5:1.9	up	1/2	-0.5
<a href="#">IEFA</a>	EUROPE/AUSTRALIA/FAR-EAST	ETF	UP	5.2:1.9	«up»	1/2	-0.6
<a href="#">DIA</a>	DOW JONES INDUSTRIALS	ETF	UP	4.2:1.9	≡up≡	1/4	-0.8
<a href="#">RSP</a>	UNWEIGHTED S&P 500	ETF	UP	3.1:1.9	up	1/3	-0.7
<a href="#">EEM</a>	EMERGING MARKETS	ETF	DN	2.8:1.9	«DN»	1/2	-0.1
<a href="#">MOAT</a>	MORNINGSTAR WIDE MOAT	ETF	UP	2.8:1.9	up	1/4	-0.6
<a href="#">IEMG</a>	EMERGING MARKETS	ETF	DN	2.7:1.9	«DN»	1/2	-0.1
<a href="#">USMV</a>	USA MIN VOLATILITY	ETF	UP	2.6:1.9	up	1/2	-0.4
<a href="#">IYT</a>	DOW JONES TRANSPORTS	ETF	UP	2.6:1.9	=up=	1/4	-1.1
<a href="#">SPY</a>	S&P 500 (LARGE-CAP)	ETF	UP	2.0:1.9	≡up≡	1/4	-0.6
<a href="#">SPX</a>	S&P 500	INDEX	UP	1.9:1.9	≡up≡	1/4	-0.6
<a href="#">VTI</a>	TOTAL STOCK MARKET	ETF	UP	1.9:1.9	«DN»	1/4	-0.7
<a href="#">IWM</a>	RUSSELL 2000 SMALL-CAP	ETF	UP	1.9:1.9	≡DN≡	1/4	-0.9
<a href="#">VGT</a>	INFORMATION TECHNOLOGY	ETF	DN	1.2:1.9	≡up≡	1/4	-0.6
<a href="#">QQQ</a>	NASDAQ 100	ETF	DN	0.3:1.9	≡up≡	1/4	-0.5
<a href="#">VNQ</a>	U.S. REIT INDEX	ETF	DN	0.2:1.9	«DN»	1/2	-0.4
<a href="#">VUG</a>	LARGE CAP GROWTH	ETF	DN	0.1:1.9	«DN»	1/4	-0.5
<a href="#">COMPQ</a>	NASDAQ COMPOSITE	INDEX	DN	-0.1:1.9	«DN»	1/4	-0.5
<a href="#">IGV</a>	SOFTWARE	ETF	DN	-0.2:1.9	≡up≡	1/4	-0.6
<a href="#">DXY</a>	US DOLLAR INDEX	INDEX	DN	-1.9:1.9	None	1/1	0.0
<a href="#">USL</a>	US 12 Month Oil FUND	ETF	DN	-2.2:1.9	≡DN≡	1/11	-1.2

I updated the summary tables. Now they are sorted by slope.

## [Bearish Universe](#)

← Use this link to get to the live summary table

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

<b>Bearish Universe Analysis for 09-Dec-2022</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">PCY</a>	EMERGING MARKET BONDS	ETF	DN	3.7:1.9	up	1/2	0.0
<a href="#">VTV</a>	US LARGE CAP VALUE	ETF	UP	3.7:1.9	<<DN>>	1/3	-0.7
<a href="#">SPYV</a>	S&P 500 (VALUE)	ETF	UP	3.5:1.9	=DN=	1/3	-0.7
<a href="#">IWN</a>	RUSSELL 2000 VALUE	ETF	UP	2.2:1.9	DN	1/4	-0.9
<a href="#">LQD</a>	INVESTMENT GRADE CORP BOND	ETF	DN	1.4:1.9	<<up>>	14/1	0.2
<a href="#">USIG</a>	USD INVESTMENT GRADE CORPORATE BOND	ETF	DN	1.0:1.9	<<up>>	14/1	0.2
<a href="#">MUB</a>	MUNICIPAL BONDS	ETF	DN	0.8:1.9	up	16/2	0.1
<a href="#">ANGL</a>	FALLEN ANGEL HIGH YIELD BOND	ETF	DN	0.6:1.9	≡up≡	1/2	0.0
<a href="#">TLH</a>	10-20 YEAR T-BOND INDEX	ETF	DN	0.5:1.9	<<up>>	13/1	0.6
<a href="#">BGRN</a>	GLOBAL GREEN BOND	ETF	DN	0.4:1.9	<<up>>	13/1	0.2
<a href="#">BND</a>	TOTAL BOND MARKET	ETF	DN	0.4:1.9	<<up>>	13/1	0.2
<a href="#">TLT</a>	U.S. 20+ YEAR T-BOND	ETF	DN	0.3:1.9	<<up>>	14/1	1.2
<a href="#">IEI</a>	3-7 YEAR TREASURY BOND	ETF	DN	0.1:1.9	-up-	13/2	0.1
<a href="#">GOVT</a>	U.S. TREASURY BOND	ETF	DN	0.1:1.9	<<up>>	13/1	0.2
<a href="#">BIL</a>	CASH EQUIVALENT	ETF	UP	0.0:1.9	DN	1/1	-0.0
<a href="#">SHV</a>	CASH EQUIVALENT	ETF	DN	0.0:1.9	UP	1/1	-0.0
<a href="#">TIP</a>	TIPS BOND	ETF	DN	-0.2:1.9	UP	1/1	0.3
<a href="#">PFF</a>	S&P PREFERRED	ETF	DN	-0.2:1.9	DN	1/4	-0.3
<a href="#">CBON</a>	CHINESE BONDS	ETF	DN	-0.7:1.9	≡UP≡	9/1	0.5

Emerging market bonds (PCY) and value stock ETF are leading.

## [Inflation Universe](#)

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

<b>Inflation Universe Analysis for 09-Dec-2022</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">COPX</a>	GLOBAL X COPPER MINERS	ETF	UP	9.3:1.9	up	1/1	-0.1
<a href="#">GDV</a>	MARKET VECTORS GOLD MINERS	ETF	UP	7.8:1.9	up	1/2	-0.4
<a href="#">SLV</a>	SILVER TRUST	ETF	UP	6.6:1.9	≡up≡	32/1	0.7
<a href="#">PPLT</a>	PLATINUM	ETF	UP	5.2:1.9	≡DN≡	1/2	-0.4
<a href="#">SMH</a>	SEMICONDUCTORS	ETF	UP	5.0:1.9	«up»	1/2	-0.8
<a href="#">PAVE</a>	INFRASTRUCTURE	ETF	UP	4.9:1.9	«DN»	1/2	-0.8
<a href="#">INFL</a>	INFLATION BENEFICIARIES	ETF	UP	4.2:1.9	DN	1/4	-1.1
<a href="#">CPER</a>	US COPPER INDEX	ETF	«UP»	3.9:1.9	«DN»	1/1	0.3
<a href="#">KRBN</a>	GLOBAL CARBON	ETF	UP	3.7:1.9	≡DN≡	15/1	0.8
<a href="#">VIG</a>	DIVIDEND APPRECIATION	ETF	UP	3.5:1.9	up	1/3	-0.6
<a href="#">IVE</a>	S&P 500 VALUE	ETF	UP	3.5:1.9	up	1/3	-0.7
<a href="#">DBB</a>	BASE METALS	ETF	-UP-	3.1:1.9	up	24/1	0.4
<a href="#">GLD</a>	SPDR GOLD SHARES	ETF	UP	2.1:1.9	up	1/2	0.0
<a href="#">REMX</a>	RARE EARTH METALS	ETF	DN	1.4:1.9	«DN»	1/2	-0.5
<a href="#">KBWB</a>	BIG BANKS	ETF	DN	1.3:1.9	DN	1/7	-1.4
<a href="#">URA</a>	URANIUM	ETF	DN	-0.4:1.9	≡DN≡	1/8	-0.8
<a href="#">DBA</a>	DB AGRICULTURE INDEX	ETF	DN	-1.0:1.9	DN	1/20	-0.1
<a href="#">DBC</a>	DB COMMODITY INDEX	ETF	DN	-1.3:1.9	DN	1/10	-0.7
<a href="#">LIT</a>	LITHIUM & BATTERY TECH	ETF	DN	-1.4:1.9	DN	1/2	-0.2
<a href="#">UNG</a>	UNITED STATES NATURAL GAS	ETF	DN	-9.0:1.9	DN	1/38	-2.5

[Sector Universe](#)

← Use this link to get to the live summary table

<b>SPX Sector Universe Analysis for 09-Dec-2022</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">XLB</a>	MATERIALS	ETF	UP	5.2:1.9	«DN»	1/2	-0.8
<a href="#">XLI</a>	INDUSTRIALS	ETF	UP	5.2:1.9	≡up≡	1/3	-0.9
<a href="#">XLE</a>	ENERGY	ETF	UP	4.4:1.9	≡DN≡	1/7	-1.7
<a href="#">XLF</a>	FINANCIALS	ETF	UP	4.2:1.9	«DN»	1/4	-1.1
<a href="#">XAR</a>	SPACE & DEFENSE	ETF	UP	3.8:1.9	=DN=	1/5	-0.9
<a href="#">XRT</a>	RETAIL	ETF	DN	3.7:1.9	«up»	1/3	-0.9
<a href="#">XLV</a>	HEALTH CARE	ETF	UP	3.5:1.9	«up»	1/2	-0.1
<a href="#">XLP</a>	CONSUMER STAPLES	ETF	UP	3.0:1.9	«up»	1/2	-0.4
<a href="#">XHB</a>	HOMEBUILDERS	ETF	UP	2.9:1.9	«up»	1/2	-0.4
<a href="#">XTN</a>	S&P TRANSPORTATION	ETF	DN	2.2:1.9	DN	1/4	-1.5
<a href="#">XOP</a>	OIL & GAS EXP & PROD	ETF	UP	2.0:1.9	DN	1/10	-2.2
<a href="#">XLK</a>	TECHNOLOGY	ETF	DN	1.5:1.9	≡up≡	1/2	-0.6
<a href="#">XLU</a>	UTILITIES	ETF	UP	0.5:1.9	«up»	1/2	0.0
<a href="#">XLRE</a>	REAL ESTATE	ETF	DN	0.1:1.9	«DN»	1/2	-0.4
<a href="#">XLC</a>	COMMUNICATION SRVCS	ETF	DN	-0.8:1.9	≡up≡	1/3	-0.4
<a href="#">XLY</a>	CONSUMER DISCRETIONARY	ETF	DN	-1.9:1.9	=up=	1/4	-0.4

One of the reasons I started sort the summary tables by slope was to make it easier to see trends in the sectors. We'll talk more about that pretty soon.

[Auxiliary Universe](#)

← Use this link to get to the live summary table

<b>Auxiliary Universe Analysis for 09-Dec-2022</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">IBB</a>	BIO-TECH & PHARMA	ETF	UP	4.9:1.9	<<up>>	1/2	-0.6
<a href="#">XME</a>	METALS AND MINING	ETF	UP	4.9:1.9	-DN-	1/2	-0.7
<a href="#">SOXX</a>	PHLX SEMICONDUCTORS	ETF	DN	4.2:1.9	-UP-	1/2	-0.7
<a href="#">ITB</a>	U.S. HOME CONSTRUCTION	ETF	UP	4.2:1.9	UP	1/2	-0.2
<a href="#">VDE</a>	VANGUARD ENERGY ETF	ETF	UP	4.1:1.9	DN	1/7	-1.8
<a href="#">KIE</a>	INSURANCE SECTOR	ETF	UP	3.9:1.9	=up=	1/3	-0.5
<a href="#">FIW</a>	POTABLE/WASTE WATER	ETF	UP	3.6:1.9	=DN=	1/2	-0.6
<a href="#">PPH</a>	PHARMACEUTICALS	ETF	UP	3.3:1.9	<<up>>	23/1	0.1
<a href="#">WOOD</a>	GLOBAL TIMBER & FORESTRY	ETF	DN	2.7:1.9	=DN=	1/2	-0.5
<a href="#">IHI</a>	U.S. MEDICAL DEVICES	ETF	DN	2.3:1.9	UP	1/2	-0.0
<a href="#">FIVG</a>	FIFTH GENERATION NETWORKS	ETF	DN	1.4:1.9	≡DN≡	1/4	-0.6
<a href="#">XBI</a>	BIOTECHNOLOGY	ETF	DN	1.0:1.9	<<DN>>	1/4	-0.5
<a href="#">HACK</a>	CYBER SECURITY	ETF	DN	0.4:1.9	=up=	1/4	-0.2
<a href="#">SRVR</a>	DATA & TRANSMISSION REIT	ETF	DN	-0.6:1.9	<<DN>>	1/3	-0.5
<a href="#">ARKG</a>	GENOMIC REVOLUTION	ETF	DN	-1.6:1.9	<<DN>>	1/7	-0.7
<a href="#">ARKK</a>	DISRUPTIVE INNOVATION	ETF	DN	-2.5:1.9	<<DN>>	1/4	-0.7
<a href="#">ARKQ</a>	AI & ROBOTICS	ETF	DN	-2.7:1.9	<<DN>>	1/2	-0.2
<a href="#">ARKW</a>	NEXT GENERATION INTERNET	ETF	DN	-3.1:1.9	-UP-	1/4	-0.4



[Special Security Universe](#)

← Use this link to get to the live summary table

New Page - The summary table for this universe is way too big to fit on one page, but now that the securities are sorted by slope, it makes sense to show the top half of the universe.

<b>Special Security Universe Analysis for 09-Dec-2022</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">UWMC</a>	UWM HOLDINGS CORP	STOCK	UP	15.1:1.9	-up-	41/1	0.1
<a href="#">IIPR</a>	INNOVATIVE INDUSTRIAL PROPERTIES	STOCK	DN	13.0:1.9	≡up≡	25/3	-1.7
<a href="#">NVEC</a>	NVE CORP	STOCK	UP	11.1:1.9	-DN-	1/6	-1.3
<a href="#">WBA</a>	WALGREENS BOOTS ALLIANCE	STOCK	UP	8.0:1.9	«up»	1/3	-1.5
<a href="#">GTY</a>	GETTY REALTY	STOCK	UP	6.7:1.9	=up=	75/1	-0.3
<a href="#">AM</a>	US LOW VOL HIGH DIV	ETF	UP	4.3:1.9	-DN-	1/6	-1.4
<a href="#">IRM</a>	IRON MOUNTAIN	STOCK	UP	4.1:1.9	=up=	1/1	-0.2
<a href="#">PM</a>	PHILIP MORRIS INTL	STOCK	UP	4.0:1.9	≡up≡	1/1	0.1
<a href="#">SPOK</a>	SPOK HOLDINGS	STOCK	UP	4.0:1.9	≡dn≡	2/8	-0.4
<a href="#">NEM</a>	NEWMONT MINING	STOCK	DN	2.8:1.9	«DN»	1/2	-0.5
<a href="#">CSQ</a>	CALAMOS STRATEGIC	CEF	DN	2.3:1.9	-DN=	1/4	-0.8
<a href="#">BTI</a>	BRITISH AMERICAN TOBACCO	STOCK	UP	2.3:1.9	UP	22/2	0.1
<a href="#">BMO</a>	BANK OF MONTREAL	STOCK	UP	2.1:1.9	≡up≡	1/5	-1.3
<a href="#">KMI</a>	KINDER MORGAN	STOCK	UP	1.9:1.9	≡up≡	1/7	-1.3
<a href="#">XRX</a>	XEROX	STOCK	DN	1.8:1.9	≡up≡	1/3	-0.3

## This Week's Selections

Last week's choices were: COPX 10%, KIE 10%, NVEC 10%, PAVE 10% , SPOK 10%, VDE 10%, and BIL 40%.

### Top ETFs By Slope

Sym	Slope	Long	Last
NVEC	11.1 ↓↓	yes	\$61.88
COPX	9.3 ↑↑	yes	\$36.55
GDX	7.8 ↑↑	no	\$29.07
SLV	6.6 ↑↑	no	\$21.56
VGK	6.2 –	no	\$56.69
IQLT	5.5 ↑↑	no	\$33.31
PPLT	5.2 ↑↑	no	\$94.82
IEFA	5.2 ↑↑	no	\$62.85
SMH	5.0 ↑↑	no	\$220.04
PAVE	4.9 ↑↑	yes	\$27.30
VDE	4.1 ↓↓	yes	\$115.27
SPOK	4.0 ↓↓	yes	\$8.15
KIE	3.9 ↓	yes	\$41.27

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

### Analysis

[NVEC](#) is consolidating between about \$61 and \$67. Not surprising after its upward burst in mid-October. [COPX](#)'s gap above \$35 has not fallen shut yet. It has been in consolidation for last 7 days. [GDX](#) still pushing on \$30. OBV is flat. CMF is neutral. [SLV](#) made 32-wk high. All 6 short-term charts are up. [VGK](#) consolidating between about \$56.50 and \$57.50.

[IQLT](#) consolidating between \$33 and \$34. [PPLT](#) has a median volume of 79K shares per day. As a thinly-traded security, it's no surprise that its price movements have lots of gaps. I'm dropping PPLT from my database because of its low liquidity. [IEFA](#) seems to be consolidating between \$62 and \$63. [SMH](#) has spent 4 weeks between \$215 and \$230. Its short-term indicators are divided. [PAVE](#) looked like it was breaking out last week. After one day above \$28, it's back in the 4-week \$27-\$28 range.

[VDE](#) all 6 short-term indicators are down this week. Price is below critical support at \$120. [SPOK](#) – While the rest of the market was declining, SPOK broke back above \$8 on Friday. [KIE](#) made a new high on the 30<sup>th</sup>, the same day the SPX made a local high. And KIE declined as the SPX did in the 7 days since then.

### My Decisions

Sell NVEC if it closes below \$60. Keep COPX. Wait for GDX to close above \$30. Wait for VGK to break \$57.50. Wait for IQLT's CMF to turn up. Wait for IEFA to close above \$63.75. If SMH's CMF stays positive, buy SMH when its MACD turns up. Sell PAVE if it closes below \$26.50. Sell VDE. Keep SPOK. Keep but monitor KIE.

My decisions for this week are COPX 10%, KIE 10%, NVEC 10%, PAVE 10% , SPOK 10%, and BIL 50%.

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