

Weekly Market Analysis #437 — 23 December 2022

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This Week

This week's report is going to be very short, partly because the SPX traded in a relatively tight \$3764–\$3889 range (3.3%) on light volume. Most of the big traders went on vacation early this week and won't be back until the markets open on January 3rd.

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The Industrials, Healthcare, Energy, Financials, and Staples sectors are leading while the Communications, Technology, and Discretionary sectors are lagging.

As tech stocks fall, a couple of consumer staples (PEP and COST) have crept up into the top 10 holdings of the tech-heavy Nasdaq QQQ. The Consumer Staples ETF (XLP) is only down about 2% so far this year while the QQQ is down more than 30%.

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In the Thursday edition, Barron's said:

The tech-heavy Nasdaq Composite index fell another 2.2% on Thursday and is down more than 33% in 2022. The index is on track to fall in all four quarters for the first time ever, according to Dow Jones Market Data.

In a year characterized by rising interest rates, among other things, Big Tech stocks have really felt the pain. FAANG stocks—Facebook's parent Meta, Apple, Amazon, Netflix and Google's owner Alphabet—have lost \$3.03 trillion in market cap in 2022, almost 25% of the total market cap lost in the U.S.

The stark statistics just keep coming. Amazon.com stock closed below its pandemic 2020 closing low Thursday for the first time—the shares are close to 50% down this year. It's one of 26 S&P 500 stocks currently below 2020 lows, while 45 have dropped below that level at some point.

Such drops can lend themselves to buying opportunities in the long run. However, with more rate hikes to come and a potential recession in 2023, investors may be waiting a while.

[Market Barometers](#)

← Use this link to see all the market barometer charts

Four of the five indexes are now solid red.



A Closer Look

SPX ended this week slightly lower than the previous Friday, below its 50-day average, and only slightly above the mid-point of the last local low (Oct 12) and the last local high (Nov 30). The Advance-Decline line mimicked price, as did the stocks above their respective 50-day and 200-day averages.



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.

Bullish Universe Analysis for 23-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
VGK	FTSE EUROPE	ETF	UP	5.8:1.1	<<dn>>	1/5	-1.3
IQLT	GLOBAL QUALITY	ETF	UP	5.1:1.1	<<UP>>	1/5	-1.1
IEFA	EUROPE/AUSTRALIA/FAR-EAST	ETF	UP	5.0:1.1	<<dn>>	1/5	-1.0
DIA	DOW JONES INDUSTRIALS	ETF	UP	3.0:1.1	=UP=	1/6	-0.7
EEM	EMERGING MARKETS	ETF	DN	2.8:1.1	<<dn>>	1/1	-0.8
IEMG	EMERGING MARKETS	ETF	DN	2.7:1.1	<<dn>>	1/1	-0.7
RSP	UNWEIGHTED S&P 500	ETF	UP	2.1:1.1	<<UP>>	1/6	-0.8
MOAT	MORNINGSTAR WIDE MOAT	ETF	UP	2.1:1.1	=UP=	1/6	-1.0
USMV	USA MIN VOLATILITY	ETF	UP	2.1:1.1	-UP-	1/6	-0.7
IYT	DOW JONES TRANSPORTS	ETF	<<DN>>	1.7:1.1	<<UP>>	1/6	-1.0
SPX	S&P 500	INDEX	-DN-	1.2:1.1	<<UP>>	1/6	-0.7
SPY	S&P 500 (LARGE-CAP)	ETF	-DN-	1.2:1.1	<<dn>>	1/6	-0.8
VTI	TOTAL STOCK MARKET	ETF	-DN-	1.1:1.1	<<UP>>	1/6	-0.8
VGT	INFORMATION TECHNOLOGY	ETF	DN	0.7:1.1	<<UP>>	1/6	-1.0
IWM	RUSSELL 2000 SMALL-CAP	ETF	DN	0.3:1.1	=dn=	1/9	-0.6
VNQ	U.S. REIT INDEX	ETF	DN	0.2:1.1	<<UP>>	1/6	-1.0
IGV	SOFTWARE	ETF	DN	-0.1:1.1	<<dn>>	1/6	-0.6
QQQ	NASDAQ 100	ETF	DN	-0.2:1.1	<<dn>>	1/6	-1.0
VUG	LARGE CAP GROWTH	ETF	DN	-0.3:1.1	<<UP>>	1/6	-0.9
COMPQ	NASDAQ COMPOSITE	INDEX	DN	-0.6:1.1	<<dn>>	1/6	-0.9
DXY	US DOLLAR INDEX	INDEX	DN	-2.4:1.0	None	1/1	0.2
USL	US 12 Month Oil FUND	ETF	DN	-3.1:1.1	dn	3/1	0.8

[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 23-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
PCY	EMERGING MARKET BONDS	ETF	UP	4.4:1.1	DN	1/4	-1.0
VTV	US LARGE CAP VALUE	ETF	UP	2.6:1.1	-UP-	1/6	-0.7
SPYV	S&P 500 (VALUE)	ETF	UP	2.4:1.1	=dn=	1/6	-0.8
TLT	U.S. 20+ YEAR T-BOND	ETF	DN	2.1:1.1	«DN»	1/4	-1.5
LQD	INVESTMENT GRADE CORP BOND	ETF	DN	2.1:1.1	up	1/4	-0.8
TLH	10-20 YEAR T-BOND INDEX	ETF	DN	1.9:1.1	up	1/4	-1.1
USIG	USD INVESTMENT GRADE CORPORATE BOND	ETF	DN	1.6:1.1	-UP-	1/4	-0.6
MUB	MUNICIPAL BONDS	ETF	UP	1.2:1.1	«UP»	1/4	-0.3
ANGL	FALLEN ANGEL HIGH YIELD BOND	ETF	DN	1.2:1.1	«UP»	1/3	-0.2
BND	TOTAL BOND MARKET	ETF	DN	1.1:1.1	≡DN≡	1/4	-0.4
BGRN	GLOBAL GREEN BOND	ETF	DN	1.0:1.1	-UP-	1/3	-0.4
GOVT	U.S. TREASURY BOND	ETF	DN	0.7:1.1	-DN-	1/4	-0.4
IEI	3-7 YEAR TREASURY BOND	ETF	DN	0.5:1.1	=DN=	1/4	-0.2
IWN	RUSSELL 2000 VALUE	ETF	DN	0.4:1.1	=dn=	1/9	-0.7
TIP	TIPS BOND	ETF	DN	0.1:1.1	-DN-	1/4	-0.5
CBON	CHINESE BONDS	ETF	DN	0.1:1.1	DN	2/3	-0.1
BIL	CASH EQUIVALENT	ETF	UP	0.0:1.1	«dn»	1/2	-0.0
SHV	CASH EQUIVALENT	ETF	DN	0.0:1.1	UP	1/1	-0.0
PFF	S&P PREFERRED	ETF	DN	-0.2:1.1	≡DN≡	1/6	-0.5

[Inflation Universe](#)

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

Inflation Universe Analysis for 23-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
COPX	GLOBAL X COPPER MINERS	ETF	UP	9.3:1.1	«dn»	1/3	-1.0
SLV	SILVER TRUST	ETF	UP	8.4:1.1	-UP-	34/2	-0.2
GDX	MARKET VECTORS GOLD MINERS	ETF	UP	7.8:1.1	-dn-	1/4	-1.0
KRBN	GLOBAL CARBON	ETF	UP	5.6:1.1	«dn»	2/3	-0.5
SMH	SEMICONDUCTORS	ETF	UP	4.2:1.1	«UP»	1/6	-1.7
CPER	US COPPER INDEX	ETF	UP	4.1:1.1	=dn=	1/4	-0.4
PAVE	INFRASTRUCTURE	ETF	UP	3.6:1.1	«UP»	1/6	-0.9
DBB	BASE METALS	ETF	UP	3.3:1.1	DN	1/4	-1.0
INFL	INFLATION BENEFICIARIES	ETF	UP	2.8:1.1	=dn=	1/6	-0.6
VIG	DIVIDEND APPRECIATION	ETF	UP	2.8:1.1	-UP-	1/6	-0.9
GLD	SPDR GOLD SHARES	ETF	UP	2.7:1.1	=DN=	25/1	-0.2
IVE	S&P 500 VALUE	ETF	UP	2.3:1.1	=UP=	1/6	-0.7
DBA	DB AGRICULTURE INDEX	ETF	DN	-0.8:1.1	=UP=	10/2	0.3
KBWB	BIG BANKS	ETF	DN	-0.8:1.1	-dn-	1/9	-0.5
URA	URANIUM	ETF	DN	-1.7:1.1	=UP=	3/10	0.0
REMX	RARE EARTH METALS	ETF	DN	-2.0:1.1	DN	1/86	-2.1
DBC	DB COMMODITY INDEX	ETF	DN	-2.2:1.1	≡dn≡	1/2	0.1
LIT	LITHIUM & BATTERY TECH	ETF	DN	-3.6:1.1	«dn»	1/82	-1.2
UNG	UNITED STATES NATURAL GAS	ETF	DN	-9.6:1.1	DN	1/42	-3.4

[Sector Universe](#)

← Use this link to get to the live summary table

SPX Sector Universe Analysis for 23-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XLI	INDUSTRIALS	ETF	UP	3.9:1.1	-UP-	1/6	-0.8
XLB	MATERIALS	ETF	UP	3.9:1.1	-dn-	1/6	-1.3
XLV	HEALTH CARE	ETF	UP	3.0:1.1	-UP-	1/5	-0.6
XHB	HOMEBUILDERS	ETF	UP	3.0:1.1	-UP-	1/6	-0.6
XAR	SPACE & DEFENSE	ETF	UP	2.9:1.1	<<UP>>	3/1	-0.3
XLP	CONSUMER STAPLES	ETF	UP	2.6:1.1	-UP-	1/5	-0.7
XLF	FINANCIALS	ETF	UP	2.2:1.1	-dn-	1/7	-0.7
XRT	RETAIL	ETF	DN	1.4:1.1	<<dn>>	1/9	-1.4
XLU	UTILITIES	ETF	UP	1.4:1.1	=UP=	1/5	-0.6
XLE	ENERGY	ETF	UP	1.3:1.1	<<UP>>	3/2	-0.0
XLK	TECHNOLOGY	ETF	DN	1.0:1.1	<<dn>>	1/6	-1.1
XTN	S&P TRANSPORTATION	ETF	DN	0.4:1.1	-dn-	1/9	-1.3
XLRE	REAL ESTATE	ETF	DN	0.2:1.1	<<dn>>	1/6	-1.0
XLC	COMMUNICATION SRVCS	ETF	DN	-0.9:1.1	-dn-	1/6	-0.9
XOP	OIL & GAS EXP & PROD	ETF	DN	-1.9:1.1	dn	2/2	0.0
XLY	CONSUMER DISCRETIONARY	ETF	DN	-2.9:1.1	DN	1/126	-1.2

[Auxiliary Universe](#)

← Use this link to get to the live summary table

Auxiliary Universe Analysis for 23-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
ITB	U.S. HOME CONSTRUCTION	ETF	UP	5.0:1.1	-UP-	1/3	-0.6
PPH	PHARMACEUTICALS	ETF	UP	3.9:1.1	-UP-	1/4	-0.6
IBB	BIO-TECH & PHARMA	ETF	UP	3.8:1.1	=UP=	1/6	-0.6
SOXX	PHLX SEMICONDUCTORS	ETF	DN	3.6:1.1	<<UP>>	1/6	-1.5
XME	METALS AND MINING	ETF	UP	3.4:1.1	=dn=	1/6	-0.8
IHI	U.S. MEDICAL DEVICES	ETF	UP	2.6:1.1	-UP-	1/5	-0.7
KIE	INSURANCE SECTOR	ETF	UP	2.5:1.1	<<UP>>	2/8	-0.4
FIW	POTABLE/WASTE WATER	ETF	UP	2.4:1.1	<<UP>>	1/6	-0.8
WOOD	GLOBAL TIMBER & FORESTRY	ETF	DN	1.9:1.1	DN	1/6	-1.1
XBI	BIOTECHNOLOGY	ETF	DN	0.8:1.1	≡UP≡	1/6	-0.0
VDE	VANGUARD ENERGY ETF	ETF	UP	0.8:1.1	<<UP>>	3/2	0.0
FIVG	FIFTH GENERATION NETWORKS	ETF	DN	0.7:1.1	=UP=	1/6	-1.2
HACK	CYBER SECURITY	ETF	DN	0.2:1.1	=UP=	1/6	-0.6
SRVR	DATA & TRANSMISSION REIT	ETF	DN	-0.2:1.1	-dn-	1/6	-1.0
ARKG	GENOMIC REVOLUTION	ETF	DN	-3.4:1.1	-dn-	1/27	-0.5
ARKQ	AI & ROBOTICS	ETF	DN	-3.7:1.1	<<dn>>	1/132	-0.9
ARKK	DISRUPTIVE INNOVATION	ETF	DN	-4.3:1.1	DN	1/269	-0.9
ARKW	NEXT GENERATION INTERNET	ETF	DN	-4.6:1.1	<<dn>>	1/270	-0.9

[Special Security Universe](#)

← Use this link to get to the live summary table

This is the top half (or so) of the universe.

Special Security Universe Analysis for 23-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
UWMC	UWM HOLDINGS CORP	STOCK	UP	11.7:1.1	DN	1/7	-3.6
NVEC	NVE CORP	STOCK	UP	8.3:1.1	<<up>>	4/1	0.0
IIPR	INNOVATIVE INDUSTRIAL PROPERTIES	STOCK	DN	7.9:1.1	<<UP>>	1/8	-2.2
GTY	GETTY REALTY	STOCK	UP	6.6:1.1	<<UP>>	270/1	0.0
WBA	WALGREENS BOOTS ALLIANCE	STOCK	UP	5.9:1.1	<<dn>>	1/6	-2.0
PM	PHILIP MORRIS INTL	STOCK	UP	4.8:1.1	=UP=	1/1	-0.8
NEM	NEWMONT MINING	STOCK	DN	4.0:1.1	-dn-	3/1	-0.2
IRM	IRON MOUNTAIN	STOCK	UP	3.0:1.1	DN	1/6	-1.4
BTI	BRITISH AMERICAN TOBACCO	STOCK	UP	2.5:1.1	up	1/4	-0.7
AM	US LOW VOL HIGH DIV	ETF	UP	2.3:1.1	UP	3/2	-0.1
SPOK	SPOK HOLDINGS	STOCK	UP	2.3:1.1	=UP=	6/1	0.8
MO	ALTRIA GROUP	STOCK	UP	2.1:1.1	-UP-	1/4	-0.4
GUT	GABELLI UTILITY TRUST	CEF	UP	1.5:1.1	=UP=	2/2	-0.1
XRX	XEROX	STOCK	DN	1.4:1.1	DN	1/7	-1.7
UTG	REAVES UTILITY INCOME FUND	MUTUAL	DN	1.1:1.1	<<UP>>	1/6	-1.2
CSQ	CALAMOS STRATEGIC	CEF	DN	1.1:1.1	<<dn>>	1/7	-1.0
NDMO	DYNAMIC MUNICIPAL OPPTY	CEF	DN	0.7:1.1	<<dn>>	1/5	-1.3
LYB	LYONDELL BASELL INDUSTRIES	STOCK	DN	0.6:1.1	-dn-	1/6	-0.2
KMI	KINDER MORGAN	STOCK	DN	0.5:1.1	-UP-	2/2	-0.2

This Week's Selections

Last week I said:

I'm going to set a hard stop on COPX for any close below \$34.60. NVEC has been flat for 8 weeks. I'm setting a hard stop on it for any close below \$62. Wait for GDV to close above \$30. If SLV bounces up off \$21, I'll probably buy it mid-week. Watch VGK for a bounce up off \$55. IQLT, IEFA, SMH, KRBN, and ITB — caution. Hard stop on PAVE for any close below \$26.30. Hard stop on KIE for any close below \$39.45. Sell SPOK.

My decisions for this week are COPX 10%, KIE 10%, NVEC 10%, PAVE 10%, and BIL 60%.

COPX remained above \$34.60. NVEC remained above \$62. GDV remained below \$30. SLV gapped up above \$21. When price gaps up, it has a bad habit of falling back down, so I didn't buy SLV yet but I'll be watching it. VGK is holding above \$55 but it's ATS and MACD are still down. IQLT and IEFA are stalled. SMH is falling. KRBN, ITB, and PAVE are stalled. ITB is now above \$41.

The upshot of all this is that I'm not making any changes this week.