

Weekly Market Analysis #438 — 30 December 2022

Richard "Doc" Ahrens

© All Rights Reserved

This Week

The Wall Street Journal reported that Vladimir Putin has banned oil sales to countries imposing a price cap from Feb through June. He said he might make exceptions (probably when Russia gets too low on cash).

With Russia getting snippy with its customers and OPEC reducing production, the price of oil is very likely to go up again. Some people estimate it will go above \$100 a barrel, so we could see another rally in energy ETFs like VDE.

- - - - -

The U.S. military's nuclear fleet is the largest consumer of uranium fuel in the world. About 160 U.S. ships are nuclear-powered. Currently the U.S. relies heavily on state-owned sources in Russia for our uranium supply. Apparently somebody didn't think this through very carefully.

- - - - -

Last year I was going off about corporate stock buybacks. The corporations rationalized it as a way to return money to their shareholders. They said dividends would lead to taxes, but share buybacks did not generate taxable events. But the real reason for the share buybacks was to pump up the price of their shares.

The Fed had effectively dropped interest rates to zero. Corporate executives got rewarded for keeping share prices rising. Buybacks were a way to pump up prices. So all the executives had to do was use the Fed's free money to buy the company's shares and then the shares were "retired", vaporized with the stroke of a pen.

The Fed passed out free money, corporate greed channeled it into the stock market, and the people in the C-Suites got hefty bonuses. Everything was going great until the extra money in the system inevitably triggered inflation. Now, as always, it's the people who actually work for a living who get the short end of the stick.

- - - - -

"The furnaces of the world are now burning about 2,000,000,000 tons of coal a year. When this is burned, uniting with oxygen, it adds about 7,000,000,000 tons of carbon dioxide to the atmosphere yearly. This tends to make the air a more effective blanket for the earth and to raise its temperature. The effect may be considerable in a few centuries."

Waitemata and Kaipara Gazette, August 14, 1912

Since then we have added thousands of factories, about 1.45 billion cars, and increased CO2 emissions from 7 billion tons to 34 billion tons.

[Market Barometers](#)

← Use this link to see all the market barometer charts

Nothing really changed much this week. The four red indexes remain so. The Industrials still hover above their MTA averages.



A Closer Look

The SPX edged down another \$5 this week. The Advance-Decline line confirmed price action. The SPXA200R ended the week at exactly 50% and the SPXA50R closed at 49.4%.



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 30-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
VGK	FTSE EUROPE	ETF	UP	5.0:0.3	«DN»	2/1	-0.9
IEFA	EUROPE/AUSTRALIA/FAR-EAST	ETF	UP	4.4:0.3	=DN=	2/2	-0.7
IQLT	GLOBAL QUALITY	ETF	UP	4.3:0.3	«DN»	1/5	-0.8
EEM	EMERGING MARKETS	ETF	DN	2.4:0.3	«DN»	2/2	-0.4
IEMG	EMERGING MARKETS	ETF	DN	2.3:0.3	«DN»	2/2	-0.4
DIA	DOW JONES INDUSTRIALS	ETF	UP	2.3:0.3	-UP-	1/1	-0.4
USMV	USA MIN VOLATILITY	ETF	UP	1.6:0.3	UP	1/1	-0.4
RSP	UNWEIGHTED S&P 500	ETF	-DN-	1.4:0.3	-UP-	1/7	-0.4
MOAT	MORNINGSTAR WIDE MOAT	ETF	=DN=	1.1:0.3	-UP-	1/7	-0.7
IYT	DOW JONES TRANSPORTS	ETF	DN	0.7:0.3	=DN=	0/7	-0.7
SPX	S&P 500	INDEX	DN	0.5:0.3	«UP»	1/7	-0.4
SPY	S&P 500 (LARGE-CAP)	ETF	DN	0.5:0.3	«UP»	1/7	-0.5
VTI	TOTAL STOCK MARKET	ETF	DN	0.4:0.3	-UP-	1/7	-0.5
VGT	INFORMATION TECHNOLOGY	ETF	DN	-0.3:0.3	-UP-	1/7	-0.7
VNQ	U.S. REIT INDEX	ETF	DN	-0.4:0.3	-UP-	1/7	-0.6
IWM	RUSSELL 2000 SMALL-CAP	ETF	DN	-0.5:0.3	«UP»	1/10	-0.2
IGV	SOFTWARE	ETF	DN	-0.8:0.3	«UP»	1/7	-0.3
QQQ	NASDAQ 100	ETF	DN	-1.2:0.3	-dn-	0/122	-0.7
VUG	LARGE CAP GROWTH	ETF	DN	-1.3:0.3	«UP»	1/125	-0.6
COMPQ	NASDAQ COMPOSITE	INDEX	DN	-1.5:0.3	-dn-	0/126	-0.5
DXY	US DOLLAR INDEX	INDEX	DN	-2.3:0.3	None	2/29	0.1
USL	US 12 Month Oil FUND	ETF	DN	-2.8:0.3	=UP=	4/1	1.0

[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 30-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
PCY	EMERGING MARKET BONDS	ETF	UP	3.8:0.3	DN	0/5	-1.1
VTV	US LARGE CAP VALUE	ETF	UP	2.1:0.3	UP	1/7	-0.4
SPYV	S&P 500 (VALUE)	ETF	UP	1.7:0.3	-UP-	2/2	-0.4
LQD	INVESTMENT GRADE CORP BOND	ETF	DN	1.7:0.3	up	0/6	-0.9
TLT	U.S. 20+ YEAR T-BOND	ETF	DN	1.5:0.3	DN	0/6	-1.7
TLH	10-20 YEAR T-BOND INDEX	ETF	DN	1.4:0.3	≡DN≡	0/6	-1.2
USIG	USD INVESTMENT GRADE CORPORATE BOND	ETF	DN	1.4:0.3	=DN=	0/5	-0.7
MUB	MUNICIPAL BONDS	ETF	UP	1.1:0.3	=UP=	0/5	-0.3
ANGL	FALLEN ANGEL HIGH YIELD BOND	ETF	DN	0.9:0.3	<<up>>	0/7	-0.4
BND	TOTAL BOND MARKET	ETF	DN	0.8:0.3	DN	0/5	-0.6
BGRN	GLOBAL GREEN BOND	ETF	DN	0.8:0.3	-up-	0/5	-0.5
GOVT	U.S. TREASURY BOND	ETF	DN	0.5:0.3	DN	0/5	-0.5
IEI	3-7 YEAR TREASURY BOND	ETF	DN	0.4:0.3	DN	0/5	-0.3
CBON	CHINESE BONDS	ETF	DN	0.3:0.3	=DN=	14/0	-0.0
TIP	TIPS BOND	ETF	DN	0.0:0.3	DN	0/6	-0.5
SHV	CASH EQUIVALENT	ETF	DN	0.0:0.3	<<DN>>	2/1	0.0
BIL	CASH EQUIVALENT	ETF	UP	0.0:0.3	<<UP>>	2/1	0.0
IWN	RUSSELL 2000 VALUE	ETF	DN	-0.4:0.3	dn	1/10	-0.2
PFF	S&P PREFERRED	ETF	DN	-0.6:0.3	<<dn>>	0/7	-0.4

[Inflation Universe](#)

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

Inflation Universe Analysis for 30-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
SLV	SILVER TRUST	ETF	UP	8.5:0.3	«up»	1/2	-0.5
COPX	GLOBAL X COPPER MINERS	ETF	UP	8.4:0.3	≡DN≡	1/2	-0.9
GDV	MARKET VECTORS GOLD MINERS	ETF	UP	7.1:0.3	≡DN≡	2/2	-0.8
CPER	US COPPER INDEX	ETF	UP	3.9:0.3	≡DN≡	2/1	-0.2
KRBN	GLOBAL CARBON	ETF	UP	3.3:0.3	-dn-	0/42	-3.2
PAVE	INFRASTRUCTURE	ETF	UP	2.7:0.3	«UP»	1/2	-0.6
GLD	SPDR GOLD SHARES	ETF	UP	2.7:0.3	DN	26/0	-0.1
DBB	BASE METALS	ETF	UP	2.7:0.3	«DN»	2/1	-0.6
SMH	SEMICONDUCTORS	ETF	≡DN≡	2.3:0.3	-UP-	1/7	-1.4
VIG	DIVIDEND APPRECIATION	ETF	UP	2.2:0.3	UP	1/1	-0.5
INFL	INFLATION BENEFICIARIES	ETF	UP	2.1:0.3	-UP-	2/2	-0.3
IVE	S&P 500 VALUE	ETF	UP	1.7:0.3	UP	2/2	-0.3
DBA	DB AGRICULTURE INDEX	ETF	DN	-0.5:0.3	-up-	11/1	0.3
KBWB	BIG BANKS	ETF	DN	-1.4:0.3	≡UP≡	2/0	0.3
URA	URANIUM	ETF	DN	-1.9:0.3	UP	4/1	0.4
DBC	DB COMMODITY INDEX	ETF	DN	-2.3:0.3	≡UP≡	2/1	0.3
REMX	RARE EARTH METALS	ETF	DN	-4.2:0.3	DN	0/89	-1.6
LIT	LITHIUM & BATTERY TECH	ETF	DN	-5.0:0.3	-dn-	0/87	-1.1
UNG	UNITED STATES NATURAL GAS	ETF	DN	-12.2:0.3	«dn»	1/45	-3.9

[Sector Universe](#)

← Use this link to get to the live summary table

SPX Sector Universe Analysis for 30-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XLI	INDUSTRIALS	ETF	UP	3.2:0.3	-UP-	1/1	-0.5
XLB	MATERIALS	ETF	UP	2.9:0.3	dn	1/7	-0.9
XLV	HEALTH CARE	ETF	UP	2.6:0.3	<<UP>>	2/1	-0.4
XAR	SPACE & DEFENSE	ETF	UP	2.5:0.3	-dn-	1/2	-0.1
XHB	HOMEBUILDERS	ETF	UP	2.3:0.3	<<UP>>	1/7	-0.5
XLP	CONSUMER STAPLES	ETF	UP	2.2:0.3	=up=	2/1	-0.5
XLF	FINANCIALS	ETF	=DN=	1.5:0.3	<<UP>>	2/1	-0.1
XLU	UTILITIES	ETF	UP	1.4:0.3	-up-	2/1	-0.3
XLE	ENERGY	ETF	UP	0.6:0.3	UP	4/1	0.4
XRT	RETAIL	ETF	DN	0.1:0.3	<<UP>>	2/10	-0.6
XLK	TECHNOLOGY	ETF	DN	-0.1:0.3	<<UP>>	1/7	-0.8
XLRE	REAL ESTATE	ETF	DN	-0.3:0.3	dn	2/7	-0.6
XTN	S&P TRANSPORTATION	ETF	DN	-0.9:0.3	dn	1/10	-0.7
XLC	COMMUNICATION SRVCS	ETF	DN	-1.4:0.3	<<UP>>	2/7	-0.3
XOP	OIL & GAS EXP & PROD	ETF	DN	-3.0:0.3	-UP-	4/2	0.3
XLY	CONSUMER DISCRETIONARY	ETF	DN	-3.8:0.3	<<dn>>	1/127	-0.5

[Auxiliary Universe](#)

← Use this link to get to the live summary table

Auxiliary Universe Analysis for 30-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
ITB	U.S. HOME CONSTRUCTION	ETF	UP	4.5:0.3	=up=	0/3	-0.7
PPH	PHARMACEUTICALS	ETF	UP	3.8:0.3	<<UP>>	0/1	-0.5
IBB	BIO-TECH & PHARMA	ETF	UP	2.8:0.4	<<UP>>	0/8	-0.7
XME	METALS AND MINING	ETF	UP	2.5:0.3	<<UP>>	1/2	-0.7
IHI	U.S. MEDICAL DEVICES	ETF	UP	2.3:0.3	=DN=	2/1	-0.3
KIE	INSURANCE SECTOR	ETF	UP	2.1:0.3	<<UP>>	0/1	-0.2
SOXX	PHLX SEMICONDUCTORS	ETF	DN	1.9:0.3	<<UP>>	0/7	-1.2
FIW	POTABLE/WASTE WATER	ETF	UP	1.7:0.3	UP	1/2	-0.4
WOOD	GLOBAL TIMBER & FORESTRY	ETF	DN	1.2:0.3	-dn-	1/7	-0.6
XBI	BIOTECHNOLOGY	ETF	DN	0.4:0.3	-UP-	2/7	0.1
VDE	VANGUARD ENERGY ETF	ETF	UP	0.1:0.3	UP	4/1	0.5
FIVG	FIFTH GENERATION NETWORKS	ETF	DN	-0.2:0.3	UP	1/7	-0.7
HACK	CYBER SECURITY	ETF	DN	-0.5:0.3	-UP-	1/7	-0.3
SRVR	DATA & TRANSMISSION REIT	ETF	DN	-0.7:0.3	<<dn>>	2/7	-0.6
ARKQ	AI & ROBOTICS	ETF	DN	-4.6:0.3	-dn-	1/133	-0.4
ARKG	GENOMIC REVOLUTION	ETF	DN	-5.0:0.3	<<dn>>	0/140	-0.6
ARKK	DISRUPTIVE INNOVATION	ETF	DN	-6.2:0.3	-dn-	1/273	-0.6
ARKW	NEXT GENERATION INTERNET	ETF	DN	-6.3:0.3	=dn=	1/275	-0.5

[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 30-Dec-2022							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
NVEC	NVE CORP	STOCK	UP	7.1:0.3	=DN=	1/3	-0.4
UWMC	UWM HOLDINGS CORP	STOCK	-DN-	6.6:0.3	DN	0/8	-3.4
GTY	GETTY REALTY	STOCK	UP	6.5:0.3	=up=	271/3	-0.5
IIPR	INNOVATIVE INDUSTRIAL PROPERTIES	STOCK	DN	5.1:0.3	-UP-	0/9	-1.6
PM	PHILIP MORRIS INTL	STOCK	UP	4.7:0.3	<<UP>>	4/1	-0.7
NEM	NEWMONT MINING	STOCK	DN	4.1:0.3	-DN-	22/2	-0.3
WBA	WALGREENS BOOTS ALLIANCE	STOCK	UP	4.1:0.3	<<dn>>	0/7	-1.9
BTI	BRITISH AMERICAN TOBACCO	STOCK	UP	2.3:0.3	up	1/5	-0.8
MO	ALTRIA GROUP	STOCK	UP	2.1:0.3	-up-	2/1	-0.4
SPOK	SPOK HOLDINGS	STOCK	UP	2.0:0.3	<<UP>>	1/2	0.3
GUT	GABELLI UTILITY TRUST	CEF	UP	1.9:0.3	UP	14/1	0.1
AM	US LOW VOL HIGH DIV	ETF	UP	1.7:0.3	UP	4/1	0.2
IRM	IRON MOUNTAIN	STOCK	<<DN>>	1.7:0.3	<<UP>>	1/9	-1.0
UTG	REAVES UTILITY INCOME FUND	MUTUAL	DN	0.6:0.3	=DN=	0/7	-1.0
LYB	LYONDELL BASELL INDUSTRIES	STOCK	DN	0.5:0.3	<<UP>>	2/1	0.2

This Week's Selections

Decision for last week were: COPX 10%, KIE 10%, NVEC 10%, PAVE 10%, and BIL 60%.

Top ETFs By Slope

Sym	Slope	Long	Last
SLV	8.5 ↑↑	no	\$22.02
COPX	8.4 ↓	yes	\$35.43
GDX	7.1 ↓↓	no	\$28.66
NVEC	7.1 ↓↓	yes	\$64.75
VGK	5.0 ↓↓	no	\$55.44
IEFA	5.5 ↑↑	no	\$61.64
IQLT	5.7 ↑↑	no	\$32.39
CPER	3.9 ↓	no	\$23.09
PPH	3.8 ↓	no	\$77.74
PCY	3.8 ↓	no	\$18.67
IBB	2.8 ↓↓	no	\$131.29
PAVE	2.7 ↓↓	yes	\$26.54
KIE	2.1 ↓↓	yes	\$40.95

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

Analysis

[SLV](#) is knocking hard on the \$22 level, closing above it 4 times in the last 2 weeks. [COPX](#) is in a slow 3-week decline and CMF has been negative since Dec 13. [GDX](#) has been flat throughout December and CMF has been negative since Dec 15. [NVEC](#) has been swinging around \$65 since its big rally in late October. [VGK](#) has been between \$55 and \$57.50 since Nov 12. CMF went negative on Dec 14. [IEFA](#) has been in a declining channel for over a year. After a small rally in November, CMF has been falling throughout December. [IQLT](#) looks just like IEFA for the last 4 months.

[CPER](#) has been flirting with \$23 since the start of December despite an increasingly negative CMF. [PPH](#) made a try for \$80 on Dec 14th. Other than that it has been hanging around \$77.50 since late November. [PCY](#) had a nice rally in November, then CMF started to slide in December and price followed 7 days later. [IBB](#) has been in a rising channel for 7 months. It also has strong historical resistance around \$135. Its CMF has been net positive since late October, and it seems to have found support near \$130. [PAVE](#)'s 25-week channel (24-Feb to now) is very strong with 7 touch points. Money flow is turning up. A bounce off \$26 might make it a buy. [KIE](#) bounced up off psychological and historical support at \$40 on Dec 20th.

Thoughts and Decisions

My guess is that SLV will go up from here so buy it. Move the stop on COPX up to \$34.85. Watch GDX for an open & close above \$30 on the same day. Move the stop on NVEC up to \$62.85. Avoid VGK, IEFA, and IQLT for now. I think they're going to start sliding. IQLT has the best chance of rallying, but nobody seems to be paying attention to it. CPER could rise, but it seems stuck at \$23 for now. Pass on PPH, PCY, and IBB until their MACDs turn up. PAVE looks like it's turning back up. Loosen its stop to \$26.20. KIE also looks like it is turning back up, but sell if it closes below \$39.80.

So my decisions for this week are COPX 10%, KIE 10%, NVEC 10%, PAVE 10%, SLV 10%, and BIL 50%.

©2022 Trendline Dynamics ("TLD") is not a registered investment advisor. The purpose of this educational newsletter is to impart technical analysis and trading skills by showing how they are used in real time and on real securities. The contents of this newsletter are only my opinions and descriptions of how I trade. No mention of a particular security, index, derivative, or other instrument in the newsletter constitutes a recommendation to buy, sell, or hold that or any other security, nor does it constitute an opinion on the suitability of any security, index, or derivative for anyone other than myself. TLD hereby expressly disclaims any and all representations and warranties that: (a) the content of its newsletters is correct, accurate, complete, or reliable; (b) any of its newsletters will be available at any particular time or place, or in any particular medium; and (c) that any omission or error in any of its newsletters will be corrected. TLD's newsletter is published and distributed in accordance with applicable United States and foreign copyright and other laws. Without the prior written consent of TLD, no person or entity, directly or indirectly, may copy, reproduce, recompile, decompile, disassemble, reverse engineer, distribute, publish, display, perform, modify, upload to create derivative works from, transmit, or in any way exploit all or any part of TLD's website, its newsletter, or any other material belonging to TLD. At any given time TLD's principals may or may not have a financial interest in any or all of the securities, funds, bonds, and/or commodities mentioned.