

Weekly Market Analysis #443 — 3 February 2023

Richard "Doc" Ahrens

© All Rights Reserved

This Week

If you are holding any [Invesco funds](#), be aware that they have decided to close over 2 dozen of them. This probably won't affect any of you since the funds that get the axe are usually the small ones that are going nowhere or haven't captured much investor interest. Here are the symbols. Sorry, the links in the table are not live. (But the links in the article above are.)

PSMB	PBDM
PSMC	PBEE
PSMM	PBSM
ADRE	PBNB
BSCE	ISDX
BSDE	ISEM
DBV	IUSS
DGL	USEQ
DBS	USLB
IVDG	IDHD
IDLB	EWSC
PSMG	IVSG
IIGV	IVLC

["Zombie Companies"](#) are companies that make so little income that they spend the vast majority of it on paying the interest on their loans and they don't make enough to make any progress on paying off the loan balances. These companies were remained alive when interest rates were near zero. As interest rates rise, many are finding it hard to keep their heads above water.

The demise of these insolvent companies probably won't have a big effect on the market, but if you're holding one, it could put an unpleasant dent in your principal.

Describing sensationalist pronouncements, Keith Ftiz-Gerald said, "stuff like this needs to be taken with a grain of salt and a really big one at that. The 'end of the world' crowd has successfully predicted 10 of the last 2 corrections."

[Market Barometers](#)

← Use this link to see all the market barometer charts

All five indexes are up.



A Closer Look

The middle of the week was pretty good for the SPX. Monday and Friday weren't much fun, but the SPX is up this week, anyway. The SPX 50-day average edged above the 200-day average, which I'm sure will make the news. The NYAD mimicked price. The SPXA200R and SPXA50R are well above 50%.



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 03-Feb-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
VGK	FTSE EUROPE	ETF	UP	6.1:1.9	<<up>>	40/2	-0.2
IEFA	EUROPE/AUSTRALIA/FAR-EAST	ETF	UP	5.5:1.9	<<up>>	40/2	-0.2
IQLT	GLOBAL QUALITY	ETF	UP	5.1:1.9	<<up>>	40/2	-0.2
IEMG	EMERGING MARKETS	ETF	UP	5.0:1.9	-up-	1/2	-0.6
MOAT	MORNINGSTAR WIDE MOAT	ETF	UP	3.9:1.9	<<up>>	43/2	1.0
IGV	SOFTWARE	ETF	-UP-	2.9:1.9	-up-	22/1	1.7
RSP	UNWEIGHTED S&P 500	ETF	UP	2.8:1.9	<<up>>	40/2	0.5
IYT	DOW JONES TRANSPORTS	ETF	UP	2.6:1.9	≡UP≡	23/4	1.1
VNQ	U.S. REIT INDEX	ETF	-UP-	2.5:1.9	≡UP≡	20/1	1.0
IWM	RUSSELL 2000 SMALL-CAP	ETF	UP	2.5:1.9	<<up>>	23/2	1.0
VGT	INFORMATION TECHNOLOGY	ETF	=UP=	2.2:1.9	<<up>>	22/1	1.5
COMPQ	NASDAQ COMPOSITE	INDEX	<<UP>>	1.8:1.9	<<up>>	20/1	1.7
VTI	TOTAL STOCK MARKET	ETF	UP	1.8:1.9	<<up>>	22/1	0.7
VUG	LARGE CAP GROWTH	ETF	<<UP>>	1.8:1.9	<<up>>	20/1	1.6
QQQ	NASDAQ 100	ETF	-UP-	1.7:1.9	<<up>>	22/1	1.7
SPX	S&P 500	INDEX	UP	1.7:1.9	<<up>>	22/1	0.6
SPY	S&P 500 (LARGE-CAP)	ETF	UP	1.7:1.9	<<up>>	22/1	0.6
DIA	DOW JONES INDUSTRIALS	ETF	UP	1.5:1.9	<<up>>	3/2	0.1
USMV	USA MIN VOLATILITY	ETF	UP	0.7:1.9	≡UP≡	3/2	0.1
USO	UNITED STATES OIL FUTURES	ETF	UP	-0.5:1.9	DN	1/4	-0.9
DXY	US DOLLAR INDEX	INDEX	DN	-2.4:1.9	None	3/40	0.2

[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 03-Feb-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
PCY	EMERGING MARKET BONDS	ETF	UP	3.9:1.9	<<up>>	24/3	-0.1
SPYV	S&P 500 (VALUE)	ETF	UP	3.0:1.9	<<up>>	303/1	0.5
PFF	S&P PREFERRED	ETF	UP	2.5:1.9	<<up>>	22/1	0.1
IWN	RUSSELL 2000 VALUE	ETF	UP	2.3:1.9	<<up>>	23/2	1.0
TLH	10-20 YEAR T-BOND INDEX	ETF	DN	2.2:1.9	up	2/2	-0.1
LQD	INVESTMENT GRADE CORP BOND	ETF	UP	2.2:1.9	-up-	23/3	-0.1
TLT	U.S. 20+ YEAR T-BOND	ETF	DN	2.2:1.9	-up-	2/2	-0.0
CBON	CHINESE BONDS	ETF	UP	2.0:1.9	DN	23/2	-0.3
USIG	USD INVESTMENT GRADE CORPORATE BOND	ETF	UP	1.9:1.9	-up-	22/3	-0.0
ANGL	FALLEN ANGEL HIGH YIELD BOND	ETF	UP	1.8:1.9	<<up>>	22/3	-0.0
VTV	US LARGE CAP VALUE	ETF	UP	1.5:1.9	<<up>>	8/2	0.1
MUB	MUNICIPAL BONDS	ETF	UP	1.4:1.9	-DN-	25/2	-0.1
BGRN	GLOBAL GREEN BOND	ETF	≡UP≡	1.3:1.9	up	22/3	-0.0
BND	TOTAL BOND MARKET	ETF	UP	1.3:1.9	-up-	21/3	-0.1
GOVT	U.S. TREASURY BOND	ETF	DN	1.0:1.9	up	2/3	-0.1
IEI	3-7 YEAR TREASURY BOND	ETF	DN	0.9:1.9	<<up>>	2/3	-0.1
TIP	TIPS BOND	ETF	DN	0.6:1.9	<<DN>>	1/3	-0.1
SHV	CASH EQUIVALENT	ETF	UP	0.1:1.9	-up-	45/5	-0.0
BIL	CASH EQUIVALENT	ETF	UP	0.0:1.9	DN	270/6	-0.0

[Inflation Universe](#)

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

Inflation Universe Analysis for 03-Feb-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
COPX	GLOBAL X COPPER MINERS	ETF	UP	10.4:1.9	-up-	40/4	-1.0
GDXJ	JUNIOR GOLD MINERS	ETF	UP	8.9:1.9	<<DN>>	1/5	-1.3
GDX	MARKET VECTORS GOLD MINERS	ETF	UP	8.8:1.9	-up-	1/4	-1.0
CPER	US COPPER INDEX	ETF	UP	7.1:1.9	<<up>>	1/4	-1.0
SMH	SEMICONDUCTORS	ETF	UP	5.9:1.9	<<up>>	42/2	1.0
DBB	BASE METALS	ETF	UP	5.7:1.9	-up-	1/3	-0.9
URA	URANIUM	ETF	UP	5.1:1.9	<<DN>>	20/2	-0.3
SLV	SILVER TRUST	ETF	UP	5.0:1.9	-up-	3/8	-0.8
GLD	SPDR GOLD SHARES	ETF	UP	4.5:1.9	-up-	40/4	-0.6
PAVE	INFRASTRUCTURE	ETF	UP	3.3:1.9	≡UP≡	298/1	1.0
KBWB	BIG BANKS	ETF	UP	3.3:1.9	<<up>>	24/1	0.9
IVE	S&P 500 VALUE	ETF	UP	3.0:1.9	<<up>>	306/1	0.5
REMX	RARE EARTH METALS	ETF	UP	1.9:1.9	-up-	11/2	0.8
INFL	INFLATION BENEFICIARIES	ETF	UP	1.8:1.9	up	1/2	-0.1
VIG	DIVIDEND APPRECIATION	ETF	UP	1.5:1.9	<<up>>	8/2	0.3
LIT	LITHIUM & BATTERY TECH	ETF	-UP-	0.3:1.9	-up-	11/1	1.3
DBA	DB AGRICULTURE INDEX	ETF	DN	-0.4:1.9	<<up>>	5/1	0.3
DBC	DB COMMODITY INDEX	ETF	DN	-0.8:1.9	DN	1/4	-0.4
UNG	UNITED STATES NATURAL GAS	ETF	DN	-26.2:1.9	=DN=	1/312	-1.6

[Sector Universe](#)

← Use this link to get to the live summary table

SPX Sector Universe Analysis for 03-Feb-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XHB	HOMEBUILDERS	ETF	UP	5.6:1.9	<<up>>	50/2	1.4
XLC	COMMUNICATION SRVCS	ETF	=UP=	4.9:1.9	<<up>>	24/1	2.0
XRT	RETAIL	ETF	UP	4.1:1.9	<<up>>	38/1	1.9
XAR	SPACE & DEFENSE	ETF	UP	4.1:1.9	up	40/1	0.6
XTN	S&P TRANSPORTATION	ETF	UP	3.8:1.9	-dn-	38/2	1.5
XLB	MATERIALS	ETF	UP	3.2:1.9	<<up>>	33/2	0.1
XLF	FINANCIALS	ETF	UP	2.7:1.9	<<up>>	40/1	0.3
XLRE	REAL ESTATE	ETF	-UP~	2.6:1.9	UP	20/1	0.9
XLI	INDUSTRIALS	ETF	UP	2.4:1.9	<<up>>	43/2	0.4
XLK	TECHNOLOGY	ETF	≡UP≡	2.0:1.9	<<up>>	22/1	1.4
XLE	ENERGY	ETF	UP	1.4:1.9	<<DN>>	1/4	-0.7
XLY	CONSUMER DISCRETIONARY	ETF	DN	1.0:1.9	<<up>>	19/1	1.9
XLV	HEALTH CARE	ETF	UP	0.1:1.9	≡UP≡	2/12	-0.0
XLP	CONSUMER STAPLES	ETF	DN	0.0:1.9	≡UP≡	3/1	0.2
XLU	UTILITIES	ETF	DN	-0.1:1.9	UP	2/10	-0.3

The top five SPX sectors this week were:

1. XHB
2. XLC
3. XRT
4. XAR
5. XTN

[Auxiliary Universe](#)

← Use this link to get to the live summary table

Auxiliary Universe Analysis for 03-Feb-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
ITB	U.S. HOME CONSTRUCTION	ETF	UP	7.3:1.9	<<up>>	53/2	1.2
ARKW	NEXT GENERATION INTERNET	ETF	DN	6.0:1.9	-up-	20/1	3.8
SOXX	PHLX SEMICONDUCTORS	ETF	UP	5.8:1.9	<<up>>	42/2	1.2
XME	METALS AND MINING	ETF	UP	5.7:1.9	<<up>>	40/2	0.3
ARKK	DISRUPTIVE INNOVATION	ETF	DN	4.8:1.9	-up-	19/1	3.2
XBI	BIOTECHNOLOGY	ETF	UP	4.0:1.9	≡UP≡	24/2	0.6
IHI	U.S. MEDICAL DEVICES	ETF	UP	3.0:1.9	UP	38/4	0.4
ARKQ	AI & ROBOTICS	ETF	DN	2.9:1.9	-up-	20/1	2.9
SRVR	DATA & TRANSMISSION REIT	ETF	DN	2.9:1.9	dn	19/1	0.4
FIVG	FIFTH GENERATION NETWORKS	ETF	UP	2.8:1.9	<<up>>	22/2	0.9
ARKG	GENOMIC REVOLUTION	ETF	DN	2.7:1.9	<<up>>	19/2	1.3
WOOD	GLOBAL TIMBER & FORESTRY	ETF	UP	2.5:1.9	<<up>>	22/1	0.8
KIE	INSURANCE SECTOR	ETF	UP	2.5:1.9	up	866/2	0.2
FIW	POTABLE/WASTE WATER	ETF	UP	2.4:1.9	-up-	53/2	0.5
PPH	PHARMACEUTICALS	ETF	UP	2.3:1.9	<<up>>	2/5	-0.5
IBB	BIO-TECH & PHARMA	ETF	UP	2.2:1.9	≡UP≡	1/2	0.0
VDE	VANGUARD ENERGY ETF	ETF	UP	0.9:1.9	-DN-	1/4	-0.6
HACK	CYBER SECURITY	ETF	DN	0.2:1.9	<<up>>	20/1	1.2
XOP	OIL & GAS EXP & PROD	ETF	UP	-1.5:1.9	<<DN>>	1/3	-0.4

[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 03-Feb-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
NEM	NEWMONT MINING	STOCK	UP	8.7:1.9	<<DN>>	1/4	-1.3
NVEC	NVE CORP	STOCK	UP	8.5:1.9	up	1/1	-0.8
LYB	LYONDELL BASELL INDUSTRIES	STOCK	UP	6.7:1.9	-up-	33/1	0.3
UWMC	UWM HOLDINGS CORP	STOCK	UP	6.0:1.9	<<up>>	51/1	1.6
RMAX	REMAX	STOCK	=UP=	5.8:1.9	UP	22/1	2.5
GTJ	GETTY REALTY	STOCK	UP	5.1:1.9	≡UP≡	275/2	-0.2
XRX	XEROX	STOCK	UP	4.6:1.9	≡UP≡	1/4	-0.5
NDMO	DYNAMIC MUNICIPAL OPPTY	CEF	UP	4.6:1.9	=UP=	23/1	1.4
MPW	MEDICAL PROPERTIES	STOCK	DN	4.1:1.9	-up-	1/1	-1.1
VZ	VERIZON COMMUNICATIONS	STOCK	DN	3.6:1.9	UP	3/1	0.1
PM	PHILIP MORRIS INTL	STOCK	UP	3.2:1.9	UP	33/2	0.1
GUT	GABELLI UTILITY TRUST	CEF	UP	3.1:1.9	dn	1/5	-1.0
ROI	C&S QUALITY INCOME REALTY	CEF	<<UP>>	3.0:1.9	UP	20/1	0.9
BSTZ	SCIENCE AND TECHNOLOGY	CEF	DN	3.0:1.9	-up-	19/1	1.4
BMO	BANK OF MONTREAL	STOCK	UP	2.9:1.9	-up-	1/2	0.1
AWP	ABERDEEN GLOBAL PREMIER	CEF	DN	2.8:1.9	<<up>>	19/1	0.8
BNS	BANK OF NOVA SCOTIA	STOCK	DN	2.5:1.9	UP	20/1	1.0
SPOK	SPOK HOLDINGS	STOCK	UP	2.3:1.9	DN	1/5	-0.2
UTF	C&S INFRASTRUCTURE	CEF	UP	2.1:1.9	UP	19/1	-0.0
INTC	INTEL	STOCK	DN	2.0:1.9	UP	11/4	0.2
EPD	ENTERPRISE PRODUCTS PRTRNS LP	STOCK	UP	1.9:1.9	≡UP≡	1/2	-0.4

This Week's Selections

Decisions for last week were: COPX 10%, GDX 10%, IEFA 10%, IEMG 10%, ITB 10%, NVEC 10%, PAVE 10%, SLV 10%, and BIL 20%.

Top ETFs By Slope

Sym	Slope	Long	Last
COPX	10.4 —	yes	\$39.77 ↓
GDXJ	8.9 ↓	no	\$36.86 ↓
GDX	8.8 ↓	yes	\$30.32 ↓
NVEC	8.5 ↓	yes	\$71.91 ↑
ITB	7.3 ↑↑	yes	\$71.51 ↑↑
SMH	5.9 ↑↑	no	\$248.93 ↑↑
IEFA	5.5 ↑↑	yes	\$66.98 —
URA	5.1 ↑↑	no	\$22.16 ↓
IQLT	5.1 ↑↑	no	\$35.10 —
IEMG	5.0 ↑↑	yes	\$50.33 ↓
SLV	5.0 ↓↓	yes	\$20.57 ↓
PAVE	3.3 ↑	yes	\$29.66 ↑↑

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

Notes

Overlapping ETFs — I've chosen IEFA over VGK, SMH over SOXX, and COPX instead of DBB.

Analysis

[COPX](#) made a 40-week high before dropping on Thu and Fri and closing a little below \$40. [GDXJ](#) touched \$40 before declining fast on Thu/Fri, ending the week far below \$40. [GDX](#) also got thumped at the end of the week, stopping a little above \$30. [NVEC](#) bounced up and fell, but ended the week slightly higher. [ITB](#) made a 53-week high, lost a little Friday, but remained clearly above \$70. [SMH](#) pushed above \$250 on Thursday then pulled back to ~\$249, but all basic charts are still up.

[IEFA](#) made a 40-week high but pulled back below \$67 on Friday. [URA](#) has been doing well but fell rapidly on both Thu and Fri. [IQLT](#) made a 40-week new high. It lost some ground on Thu/Fri but remained above support at \$35. [IEMG](#) fell back from last week's new high but ended the week above the \$50 level. [SLV](#) gapped down below my \$20.85 stop on Friday. [PAVE](#) made an almost 6-year new high.

Thoughts and Decisions

9 out of these 12 showed black candles on Thursday. Only PAVE made a white candle on Friday and all 12 ended Friday lower than Thursday. However, it would be wise to remember that this was an up week for the SPX, and we shouldn't worry too much about the bumpy Thursday and Friday.

ITB, IEFA, and PAVE still look good. COPX, GDX, NVEC, IEMG, and SLV are showing weakness and all need to be monitored this week. Sell stops — NVEC stop at \$69.65. SLV stop at \$20.85 and if SLV does not get back above \$21 on Monday I'll sell it (and very probably buy SMH).

So my decisions for this week are still COPX 10%, GDX 10%, IEFA 10%, IEMG 10%, ITB 10%, NVEC 10%, PAVE 10%, SLV 10%, and BIL 20%.

©2023 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.