

## Weekly Market Analysis #451 — 31 March 2023

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### This Week

After a few US and Swiss banks got into trouble, regulators elsewhere are taking a serious look at the banks in their countries. This morning (Apr 2<sup>th</sup>) I got this from Marc Chaikin:

A few days ago, the authorities raided all the major banks in France, which are now facing over \$1 billion in fines for money laundering and tax evasion.

And it's not just France. Authorities around the world – from Germany to the UK to Puerto Rico – are now cracking down on banks.

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Keith Fitz-Gerald said:

I'll give him this... Fed Chair Jerome Powell is in firm command of the obvious, noting that "The speed of the run [on SVB], it's very different from what we've seen in the past, and it does kind of suggest that there's a need for possible regulatory and supervisory changes, just because supervision and regulation need to keep up with what's happening in the world."

Ya think?

Enrages me because it didn't have to happen in the first place.

Regulators constantly cry about the need for regulation, controls, and supervision, but those things all existed already.

The real problem is that regulators didn't do their jobs and should be held accountable along with management, greedy bankers... the whole lot of 'em, including the Fed.

Fixing this doesn't have to be complicated.

My plan would be super simple.

- Banks have 60 days to decide if they're an investment, merchant, or commercial bank.
- Bring back Glass-Steagall. Individual—read mom and pop—customer deposits are no longer allowed as collateral. Or give customers a choice in exchange for "safety" vs. higher returns.
- Any bank engaging in derivatives or other "investments" instead of actual banking does not receive a government backstop. Period.

Banking should be boring, not an abuse of public trust.

I agree completely. The Glass-Steagall Act of 1933 forced traditional banks **to refrain from stock and derivative speculation in order to protect depositors from potential losses**. Glass-Steagall aimed to prevent a repeat of the 1929 stock market crash and the wave of commercial bank failures. Traditional banks were given FDIC account protection while investment banks were not.

Glass-Steagall was repealed in 1999 after years and years of relentless lobbying and bribery, er, um, "political contributions" from the banking industry, whose primary goal was to let traditional bankers get a seat at the gambling table (i.e., the stock and derivative markets).

[Market Barometers](#)

← Use this link to see all the market barometer charts

The prices of all the indexes are turning up right now, but the MTA is warning us that we're not out of the woods yet.



## A Closer Look

The SPX powered up 4 out of 5 days this week. The advance-decline was up 5 out of 5 days, as were the stocks above their 50-day and 200-day averages, which both got above (or at least up to) their 50% levels for the first time in several weeks.



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

This week I'm removing the universe summary tables because I have the feeling nobody was looking at them anyway. The links remain for those who would like to have a look. I left the SPX sector table in because it shows which way the money is flowing in the market as a whole.

[Bullish Universe](#)

← Use this link to get to the live summary table

[Bearish Universe](#)

← Use this link to get to the live summary table

[Inflation Universe](#)

← Use this link to get to the live summary table

[Auxiliary Universe](#)

← Use this link to get to the live summary table

[Special Security Universe](#)

← Use this link to get to the live summary table

[Sector Universe](#)

← Use this link to get to the live summary table

SPX Sector Universe Analysis for 24-Mar-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">XLK</a>	TECHNOLOGY	ETF	UP	3.4:-0.1	UP	29/1	0.6
<a href="#">XLC</a>	COMMUNICATION SRVCS	ETF	UP	2.9:-0.1	UP	6/1	0.8
<a href="#">XHB</a>	HOMEBUILDERS	ETF	UP	1.5:-0.1	«dn»	2/1	-0.3
<a href="#">XAR</a>	SPACE & DEFENSE	ETF	UP	1.2:-0.1	«up»	2/1	-0.7
<a href="#">XLY</a>	CONSUMER DISCRETIONARY	ETF	DN	0.6:-0.1	UP	3/1	0.1
<a href="#">XLI</a>	INDUSTRIALS	ETF	«DN»	-0.2:-0.1	«dn»	2/18	-0.7
<a href="#">XTN</a>	S&P TRANSPORTATION	ETF	DN	-0.7:-0.1	dn	1/11	-1.1
<a href="#">XLP</a>	CONSUMER STAPLES	ETF	DN	-0.9:-0.1	«UP»	4/2	0.2
<a href="#">XLB</a>	MATERIALS	ETF	DN	-1.2:-0.1	«dn»	2/1	-0.5
<a href="#">XRT</a>	RETAIL	ETF	DN	-1.7:-0.1	«dn»	1/12	-0.7
<a href="#">XLRE</a>	REAL ESTATE	ETF	DN	-2.1:-0.1	«dn»	1/21	-0.9
<a href="#">XLU</a>	UTILITIES	ETF	DN	-2.3:-0.1	«dn»	1/21	-0.1
<a href="#">XLV</a>	HEALTH CARE	ETF	DN	-2.3:-0.1	UP	3/2	0.5
<a href="#">XLF</a>	FINANCIALS	ETF	DN	-3.1:-0.1	«dn»	1/1	-1.1
<a href="#">XLE</a>	ENERGY	ETF	DN	-3.9:-0.1	«UP»	2/1	-0.6

The top five SPX sectors were unchanged since except for XLY's MTA turning down.

1. XLK
2. XLC
3. XHB
4. XAR
5. XLY

## This Week's Selections

My choices for last week were: GLD 10%, NVEC 10%, SMH 10%, and BIL 70%.

### Top ETFs By Slope

#### Current Holdings

Sym	Slope	Long	Last
NVEC	4.3 —	yes	\$82.99 ↑↑
SMH	5.2 —	yes	\$263.19↑↑
GLD	2.5 ↑↑	yes	\$183.22—

#### Other High-Slope ETFs

Sym	Slope	Long	Last
VGT	3.6 ↑↑	BUY	\$385.47↑↑
QQQ	3.4 ↑↑	no	\$320.93↑↑
IGV	3.0 ↑↑	no	\$304.70↑↑
VUG	2.3 ↓↓	no	\$249.44↑↑
ITB	2.7 ↓↓	no	\$70.29 ↑↑
CPER	1.4 —	no	\$24.94 —
MOAT	1.1 ↓↓	no	\$73.83 ↑
IQLT	0.8 ↑	no	\$35.30 ↑↑

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

### Analysis

[NVEC](#) made a 197-week high and pushed up through \$80. Last week's MTA down signal for [ARKQ](#) turned out not to be a glitch...oops. [SMH](#) made a 50-week high and it's way above \$250 now. [GLD](#) is now over \$180 with most of its 6 basic charts positive.

[VGT](#) made a 31-week high and is now well over \$370. [QQQ](#) made a 31-week high and all 6 basic charts are positive. [IGV](#) also made a new high and closed just above \$300. [VUG](#) was carried up by the market but stopped just short of psych & hist resistance at \$250.

[ITB](#) got above \$70 but its CMF is negative and its RSI is neutral. [CPER](#) is up against psych & hist resistance at \$25. [MOAT](#) is up against psych & hist resistance at \$75 and 70-week trendline resistance just above \$76. [IQLT](#) has all 6 basic charts positive and is almost clear of hist resistance.

### Thoughts and Decisions

NVEC, SMH, and GLD are all doing well. I was concerned about overlap between QQQ and VGT so I went to [ETF.COM's Comparison Tool](#). There is overlap, but QQQ is a general, high-tech fund and VGT really does stick to information-tech. Also, VGT performs a little better than QQQ overall.

I'm going to buy VGT but I'm not going any farther. This market rally could keep going but it could also vanish in a puff of smoke, so I don't want to take on too much exposure right now.

So this week my choices are still: GLD 10%, NVEC 10%, SMH 10%, VGT 10%, and BIL 60%.

I've been looking at Nvidia for some time because its GPUs are key hardware for all the AI development that has been going on. SMH has a 13.56% position in NVDA and VGT has a 5.59% position, so by buying 10% SMH and 10% VGT, I have close to a 2% position in Nvidia. (Not an intentional move, just a happy coincidence.)

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