

Weekly Market Analysis #452 — 6 April 2023

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This Week

Wednesday — Job openings falling below 10 million for the first time in almost two years feels like a significant moment.

In the last 2 years, prices of a large number of grocery and cleaning items are up over 75% in the last two years, even at discount stores like Target.

Consumer discretionary spending, automobile manufacturers, and the leisure industry are the first areas to see decreases in consumer demand.

This chart is from Don Kaufman at Theotrader



Don marks areas that attract price and calls them "gravity points". He won't say how he determines gravity points, but they are worth watching. \$4211 and \$3931 are two long-standing gravity levels.

The green line is \$4106, which just appeared as a gravity point in the last few months (the rightmost quarter of the chart). I extended \$4106 line all the way to the left, and it touches many more price points, especially in the leftmost quarter of the chart.

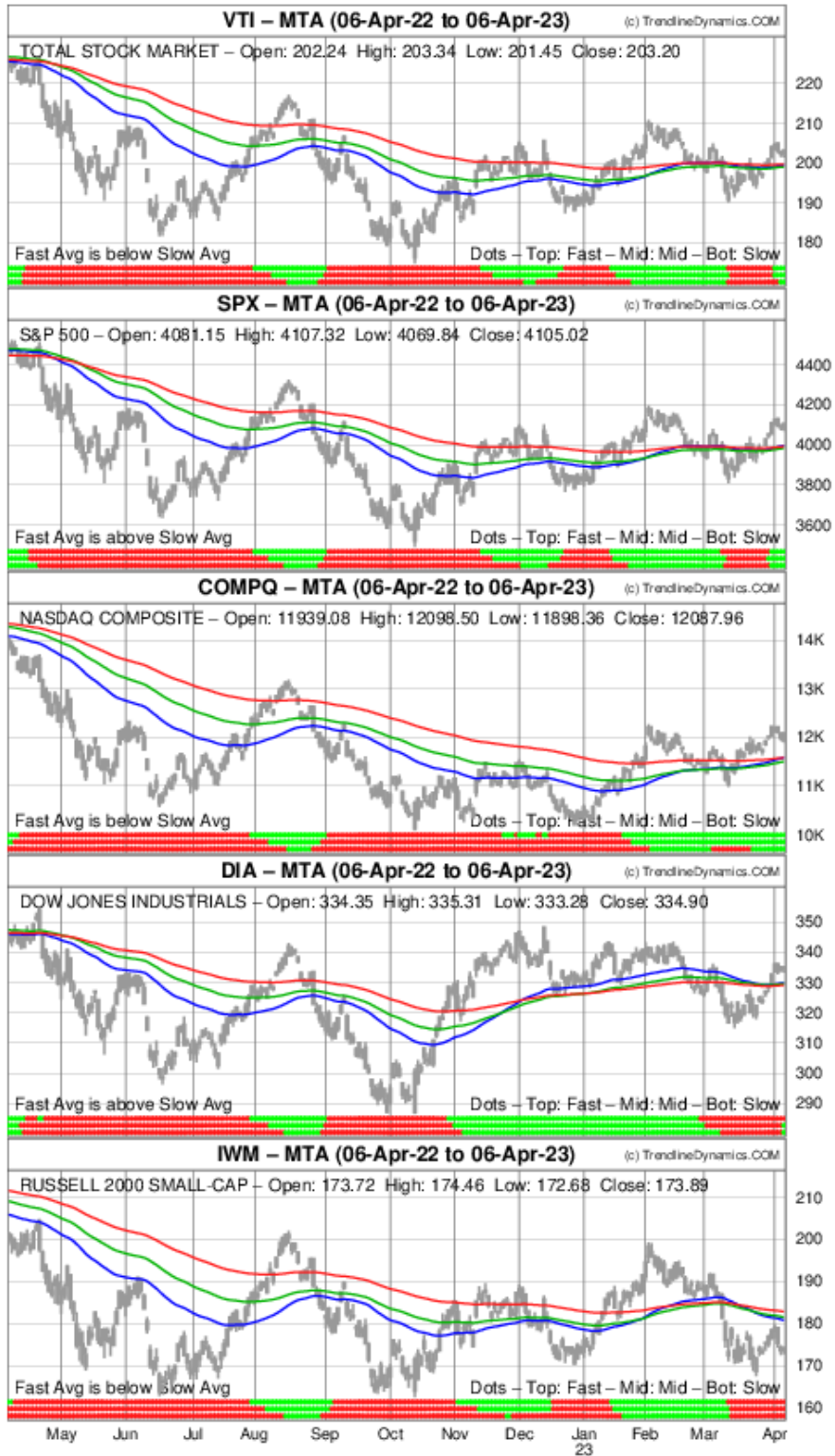
The thing Don was illustrating is that price has spent a lot of its time pinging up and down between the \$3931 and \$4211 levels.

To watch Don's end of week analysis, go to <https://www.youtube.com/watch?v=tet87cOvoGA>

[Market Barometers](#)

← Use this link to see all the market barometer charts

This week all the indexes gave up some ground, but none of the MTAs changed their signs.



A Closer Look

During this 4-day week, the SPX declined a little, the NYAD did, too. The stocks above their 50-day and 200-day averages, basically followed suit.



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

Last week I removed the universe summary tables because I had the feeling nobody was looking at them. Since no one objected, they will remain as links.

[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 06-Apr-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XLK	TECHNOLOGY	ETF	UP	4.3:0.1	UP	32/1	0.3
XLC	COMMUNICATION SRVCS	ETF	UP	3.9:0.1	UP	9/1	0.8
XLY	CONSUMER DISCRETIONARY	ETF	DN	0.8:0.1	UP	7/1	0.5
XHB	HOMEBUILDERS	ETF	UP	0.6:0.1	=dn=	4/11	-0.1
ITA	U.S. AEROSPACE & DEFENSE	ETF	UP	0.4:0.1	UP	5/1	0.5
XLP	CONSUMER STAPLES	ETF	≡UP≡	0.1:0.1	<<UP>>	12/1	0.6
XLI	INDUSTRIALS	ETF	DN	-0.5:0.1	=up=	4/2	0.2
XLB	MATERIALS	ETF	DN	-1.1:0.1	UP	4/1	0.9
XLU	UTILITIES	ETF	DN	-1.3:0.1	UP	11/1	1.2
XLV	HEALTH CARE	ETF	DN	-1.5:0.1	UP	7/1	1.1
XTN	S&P TRANSPORTATION	ETF	DN	-2.2:0.1	UP	4/1	0.5
XLRE	REAL ESTATE	ETF	DN	-2.6:0.1	<<UP>>	4/1	1.2
XRT	RETAIL	ETF	DN	-2.7:0.1	dn	4/1	0.8
XLE	ENERGY	ETF	DN	-3.0:0.1	UP	5/1	1.1
XLF	FINANCIALS	ETF	DN	-4.4:0.1	UP	3/1	1.0

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

1. XLK
2. XLC
3. XLY
4. XHB
5. ITA (I replaced XAR with ITA because ITA has about 4 times more AUM (assets under management) and it generally performs better.)

This Week's Selections

My choices for last week were: GLD 10%, NVEC 10%, SMH 10%, VGT 10%, and BIL 60%.

Top ETFs By Slope

Current Holdings				Other High-Slope ETFs			
Sym	Slope	Long	Last	Sym	Slope	Long	Last
SMH	5.2 —	yes	\$252.40 ↓	QQQ	3.9 ↑↑	no	\$318.05 ↓
NVEC	4.7 ↑	yes	\$80.45 ↓	IGV	3.7 ↑↑	no	\$299.64 ↓
VGT	4.0 ↑↑	yes	\$379.88 ↓	VUG	2.8 ↑	no	\$247.35 ↓
GLD	3.2 ↑↑	yes	\$186.49 ↑	ITB	2.4 ↓↓	no	\$67.91 ↓
				SLV	2.0 ↑↑	no	\$22.89 ↑↑
				MOAT	1.4 ↑	no	\$72.81 ↓
				IQLT	1.2 ↑↑	no	\$35.40 —
				HACK	1.2 ↑	no	\$47.17 ↓

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

Analysis

[SMH](#) remained above \$250 while the market softened. [NVEC](#) stayed above \$80. [VGT](#) closed 12 cents below \$380. [GLD](#) made a 55-week high, got above \$185, and held there.

[QQQ](#) made a 32-week high and all 6 basic charts are positive, but it's up against psych & hist resistance at \$325. [IGV](#) is flirting with psych & hist resistance at \$300. [VUG](#) is just short of psych & hist resistance at \$250. [ITB](#) fell back below \$70 and money flow is negative.

[SLV](#) is being pulled up by gold and made a 49-week high. [MOAT](#) is largely unchanged. [IQLT](#) is still positive and just needs to clear hist resistance at \$35.50. [HACK](#) has lots of overhead supply between \$47 and ~\$52.

Thoughts and Decisions

GLD, NVEC, SMH, and VGT are doing well. None of this week's high-slope ETFs make me want to run out and buy them.

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

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