

## Weekly Market Analysis #455 – 28 April 2023

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### This Week

There's a Fed meeting this week. They should make an announcement on Wednesday. The market seems to have priced in another 25 basis point hike, but we won't really know what the reaction will be until the middle of Thursday. By then we'll see which way the market jumps.

Interpreting the Slope Chart



Slope is a derivative of price. There is a small lag between price itself and slope. The lag is about 10 market days (2 weeks). That's why the peak in slope at point B is a little behind the peak in price and point A. The slope for COPX on April 28<sup>th</sup> is essentially flat at 2.9, even though the price of COPX has been falling since April 18<sup>th</sup>.

Indicator design always involves compromises. The MTA and Slope are fairly long-term indicators and they are specifically designed to filter away the effects of short-term movements. Filtering introduces lag. There's no way around it. Usually the 2-week lag in slope doesn't make much difference. But since I sort the ETFs by slope to decide which ones to analyze, sometimes the lag cause an ETF like COPX to make it into the top 8 ETFs even though it's not all that interesting this week.

[Market Barometers](#)

← Use this link to see all the market barometer charts

All the indexes except IWM closed slightly higher than they did last week.



## A Closer Look

The SPX stalled on Monday, dropped on Tuesday and Wednesday, then powered up to a new 12-week high on Thursday and Friday. But it did not top its February 3<sup>rd</sup> closing price yet. The NYAD didn't rise quite as high at the end of the week. Neither did the percentage of stocks above their 50-day averages and their 200-day averages.



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

[Bullish Universe](#)

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[Bearish Universe](#)

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[Sector Universe](#)

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<b>SPX Sector Universe Analysis for 28-Apr-2023</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">XLC</a>	COMMUNICATION SRVCS	ETF	UP	4.6:1.2	«UP»	45/4	-0.2
<a href="#">XLK</a>	TECHNOLOGY	ETF	UP	4.1:1.2	«UP»	4/5	-0.3
<a href="#">XLP</a>	CONSUMER STAPLES	ETF	UP	1.8:1.2	«UP»	50/1	0.1
<a href="#">XHB</a>	HOMEBUILDERS	ETF	UP	1.7:1.2	«UP»	12/2	0.6
<a href="#">XLY</a>	CONSUMER DISCRETIONARY	ETF	UP	1.5:1.2	«UP»	1/2	-0.1
<a href="#">XLU</a>	UTILITIES	ETF	UP	0.9:1.2	≡up≡	14/3	-0.3
<a href="#">XLV</a>	HEALTH CARE	ETF	UP	0.9:1.2	-UP-	2/3	-0.3
<a href="#">ITA</a>	U.S. AEROSPACE & DEFENSE	ETF	UP	0.7:1.2	-up-	1/5	-0.4
<a href="#">XLB</a>	MATERIALS	ETF	UP	0.0:1.2	≡up≡	1/4	-0.2
<a href="#">XLI</a>	INDUSTRIALS	ETF	UP	-0.2:1.2	«UP»	1/5	-0.1
<a href="#">XLE</a>	ENERGY	ETF	UP	-0.5:1.2	«UP»	2/4	-0.3
<a href="#">XLRE</a>	REAL ESTATE	ETF	DN	-1.2:1.2	«UP»	7/4	0.3
<a href="#">XTN</a>	S&P TRANSPORTATION	ETF	DN	-1.5:1.2	«UP»	7/5	0.1
<a href="#">XRT</a>	RETAIL	ETF	DN	-2.1:1.2	-UP-	3/5	-0.1
<a href="#">XLF</a>	FINANCIALS	ETF	DN	-2.6:1.2	≡up≡	1/3	0.3

Same top 5 sectors this week but XLP moved up to #3.

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

This week Marc Chaikin reminded me, "50% of a stock's movement is driven by the sector it's in." This means that even if you buy the best stock in a weak sector, you can still lose money. Buying the best stocks in the best sectors is the way to make money.

## This Week's Selections

My choices for last week were: GLD 10%, ITB 10%, NVEC 10%, SMH 10%, VGT 10%, and BIL 50%.

### Top ETFs By Slope

#### Current Holdings

Sym	Slope	Stop	Last
ITB	4.1 ↑↑	\$69.04	\$75.79 ↑↑
VGT	3.9 ↓↓	\$369.19	\$384.36 ↑
NVEC	3.3 ↓↓	<b>SELL</b>	\$75.41 ↓↓
GLD	3.3 ↓	\$181.80	\$184.80—
SMH	3.0 ↓↓	<b>SELL</b>	\$247.25—

#### Other High-Slope ETFs

Sym	Slope	Long	Last
SLV	5.6 —	no	\$23.00 —
QQQ	4.1 ↓	no	\$322.56 ↑
IGV	3.8 ↓	no	\$296.50 ↓
VUG	3.5 —	no	\$252.03 ↑
ARKW	3.4 ↓↓	no	\$47.67 ↓
COPX	2.9 —	no	\$39.49 —
IQLT	2.8 ↑↑	no	\$36.27 —
IHI	2.6 ↑↑	<b>BUY</b>	\$56.77 ↑↑

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

### Analysis

[ITB](#) made a 65-week new high and closed above psych and hist resistance level \$75 on Friday. [VGT](#) closed below the \$373.30 stop level on Tuesday, the next day it closed exactly at the stop level on Wednesday, so I didn't sell yet. [NVEC](#) closed below \$77.85 on Monday and did worse on Tuesday so I sold it. [GLD](#) remained above \$184. [SMH](#) opened below \$246.45 on Tuesday and declined all day so I sold it. (Then, of course, it climbed all day Thursday and Friday.)

[SLV](#)'s continues down. [QQQ](#)'s bounced off \$310 on Tuesday and made a 35-week high on Friday. [IGV](#) is now below \$300. [VUG](#) bounced off \$243 on Tuesday and made a 34-week high above \$250 on Friday.

[ARKW](#) spent the week below \$50. Money flow is negative. [COPX](#)'s CMF is positive but everything else is unimpressive. [IQLT](#) has spent the last 13 days hanging around \$36. [IHI](#) made a 51-week high and held above \$55 this week with strong money flow.

### Thoughts and Decisions

I moved the stops up into the Current Holdings table so they don't get lost in the text. The only three ETFs of any interest this week are IHI, QQQ, and VUG. I'd like to see IHI break its 27-week high trendline before I buy it. The same goes for QQQ. If VUG makes an open and a close above \$250, I will probably buy it.

So this week my choices are: GLD 10%, ITB 10%, VGT 10%, and BIL 70%.