

# Weekly Market Analysis #458 — 19 May 2023

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## This Week

On Tuesday Barron's said:

Warren Buffett's Berkshire Hathaway and big hedge funds including Appaloosa, Third Point, and Pershing Square Capital Management revealed new positions. Managers snapped up financials and tech companies as of the end of the first quarter despite market volatility during the period.

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Louis Navallier reported:

Retail sales rose 0.4% in April, missing economists' estimates for a 0.8% increase. Excluding gas station sales, retail sales rose 0.6%. One of the details that bothered me is that retail sales have only risen 1.6% in the past 12 months, which is well below the pace of inflation. Online retail sales and spending at bars and restaurants did increase, but spending on any big-ticket items remained lackluster.

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In this week's [Thoughts From The Frontline](#), John Mauldin reported on some of the things that went on at this year's Strategic Investment Conference. The SIC is an annual assembly of many of the best financial minds in the world. Steve Blumenthal also talked about his notes from the SIC in his [On My Radar](#).

This is fascinating and informative stuff.

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Apparently Trump's suggestion about the US defaulting on the national debt was taken out of context, but I have neither the time nor the interest to look up what he actually said.

[Market Barometers](#)

← Use this link to see all the market barometer charts

SPX and COMPQ remain in the green. VTI and DIA are up but showing traces of red. IWM remains in the red.



## A Closer Look

SPX closed at \$4198 on Thursday. It peaked over \$4200 on Friday morning, then retreated to \$4192 by the end of the day. NYAD rose, but nowhere near as much as price. The percentage of stocks above their 50-day and their 200-day averages ended the week flat at 50.60%.



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

[Bearish Universe](#)

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[Inflation Universe](#)

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[Auxiliary Universe](#)

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[Special Security Universe](#)

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[Sector Universe](#)

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Sector names followed by "(SPX 11)" are members of the 11 major SPX sectors.

<b>SPX Sector Universe Analysis for 19-May-2023</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">XLC</a>	COMMUNICATION SRVCS	ETF	UP	4.2:1.2	UP	53/1	0.5
<a href="#">XLK</a>	TECHNOLOGY (SPX 11)	ETF	UP	3.7:1.2	UP	56/1	0.4
<a href="#">XHB</a>	HOMEBUILDERS	ETF	UP	3.2:1.2	UP	64/2	0.0
<a href="#">XLP</a>	CONSUMER STAPLES (SPX 11)	ETF	UP	1.9:1.2	-UP-	1/4	-0.4
<a href="#">XLY</a>	CONSUMER DISCR (SPX 11)	ETF	UP	1.8:1.2	UP	13/2	0.4
<a href="#">XLV</a>	HEALTH CARE (SPX 11)	ETF	UP	0.7:1.2	=UP=	1/7	-0.4
<a href="#">XLU</a>	UTILITIES (SPX 11)	ETF	-DN-	0.5:1.2	DN	1/7	-0.7
<a href="#">XLI</a>	INDUSTRIALS (SPX 11)	ETF	UP	-0.3:1.2	=UP=	3/3	0.1
<a href="#">XTN</a>	TRANSPORTATION	ETF	DN	-0.5:1.2	-UP-	10/3	0.3
<a href="#">ITA</a>	U.S. AEROSPACE & DEFENSE	ETF	UP	-0.6:1.2	=UP=	3/1	0.1
<a href="#">XLRE</a>	REAL ESTATE (SPX 11)	ETF	DN	-0.6:1.2	<<DN>>	1/7	-0.5
<a href="#">XLB</a>	MATERIALS (SPX 11)	ETF	DN	-0.6:1.2	-UP-	2/8	-0.1
<a href="#">XLF</a>	FINANCIALS (SPX 11)	ETF	DN	-1.8:1.2	-UP-	3/2	0.2
<a href="#">XRT</a>	RETAIL	ETF	DN	-2.0:1.2	<<up>>	4/2	0.0
<a href="#">XLE</a>	ENERGY (SPX 11)	ETF	DN	-2.6:1.2	=dn=	2/9	-0.1
<a href="#">XTL</a>	TELECOM (SPX 11)	ETF	DN	-5.0:1.2	=dn=	2/1	0.6

No change this week.

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

## This Week's Selections

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

### Top ETFs By Slope

Current Holdings				Other High-Slope ETFs			
Sym	Slope	Stop	Last	Sym	Slope	Long	Last
ITB	5.4 —	\$72.40	\$76.27 ↑	XLC	4.2 ↑	BUY	\$61.41 ↑↑
VGT	3.5 —	\$372.85	\$401.24 ↑	QQQ	3.9 ↑	BUY	\$336.51↑↑
IHI	2.4 ↓	\$54.85	\$55.39 —	XLK	3.7 ↑	BUY	\$157.48 ↑
GLD	2.2 ↓↓	\$183.75	\$183.64 ↓	VUG	3.5 —	no	\$260.74 ↑
				SLV	3.5 ↓	no	\$21.86 ↓↓
				XHB	3.2 ↑↑	no	\$71.64 —
				IGV	2.6 ↑	no	\$312.91↑↑
				XBI	2.4 —	no	\$85.37 —

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

### Analysis

[ITB](#) looks like it is starting to advance. [VGT](#) powered up to 400. [IHI](#) is declining but remains above \$55. [GLD](#) closed below my stop on Thursday and Friday, so it's time to close that. If Biden and the Congress continue [playing chicken](#), I may have to buy GLD back again.

[XLC](#) made a new 1-year high as it rose away from \$80. [QQQ](#) made a 1-year high, moved up through \$330. [XLK](#) rose 5 days in a row, made a new high, and all 6 basic charts are up. [VUG](#) made a 38-week high but its slope has been flat for weeks.

[SLV](#) declined for 2 weeks and made a 7-week new low. [XHB](#) made a 64-week high and then fell below \$72 on Friday. [IGV](#) drove up through \$300, making a 38-week high. [XBI](#) made a 14-week high on Monday but it looks like it's headed lower.

### Thoughts and Decisions

It's worth noting that XLC, XLK, and XHB — the 3 top Sector ETFs — all appeared in today's top 8 ETFs. I'm betting that Biden and McCarthy won't choose to break the global economy, especially since Biden wants to get elected again.

My choices for this week remain: IHI 10%, ITB 10%, QQQ 10%, VGT 10%, XLC 10%, XLK 10%, and BIL 40%.