

Weekly Market Analysis #462 — 16 June 2023

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This Week

In his usual pithy style, Keith Fitz-Gerald wrote:

“Schuff” I wish I’d been told years ago about money and markets

- 1) Forget the “hot stocks”

Start thinking about stocks that are going to be there when you need ‘em. It’s a very short list.

- 2) Diversification is bullsh_t (even though it’s widely accepted as dogma)

It hasn’t worked for more than a decade and, in fact, is holding lots of people back. Billionaire Warren Buffett has 93% of his wealth tied up in just 4 stocks. And I submit he knows a thing or two about making money.

- 3) Mistakes are tuition

They are inevitable, and they are a part of the process. The key is learning something from your f-ups so as not to repeat ‘em.

- 4) Wannabes focus on being “right”

But the world’s most successful investors and traders focus on being profitable. It’s absolutely possible to be profitable even though you’re “wrong.”

- 5) HOW you buy is every bit as important as WHAT you buy

Most investors never make the connection, so they’ve consistently got too much risk on the table. Learning to control risk before you buy helps maximize profits over time.

Bottom Line

It’s OKAY to ask for help. Lots of folks think doing so is a sign of weakness, but that’s not true.

Learning to ask for help and guidance is a sign of strength and confidence.

[Market Barometers](#)

← Use this link to see all the market barometer charts

Everybody's up except DIA.



A Closer Look

The SPX finally broke above last August's peak to make a new 58-week high. The NYAD was nowhere near as enthusiastic and the SPX. The percentage of stocks above their 50-day and 200-day averages did well, although their rise feels a little tentative to me for some reason.

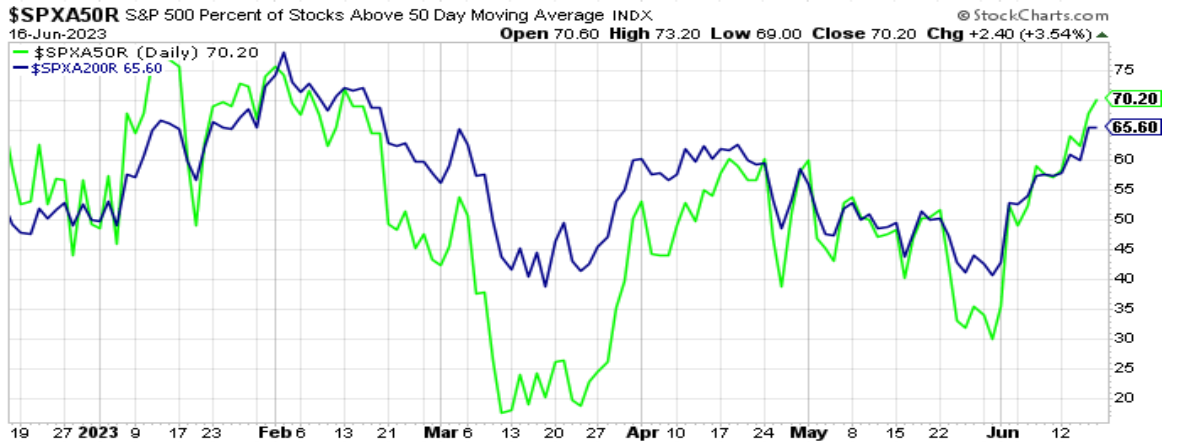


Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above 50&200 Averages](#), [NewHigh-NewLows](#)

[Bullish Universe](#)

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SPX Sector Universe Analysis for 16-Jun-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XLK	TECHNOLOGY (SPX 11)	ETF	UP	5.9:2.6	UP	73/1	0.4
XLC	COMMUNICATION SRVCS	ETF	UP	4.7:2.6	«up»	59/1	0.1
XLY	CONSUMER DISCR (SPX 11)	ETF	UP	3.5:2.6	«up»	41/1	0.9
XHB	HOMEBUILDERS	ETF	UP	2.4:2.6	«up»	71/1	0.6
XLP	CONSUMER STAPLES (SPX 11)	ETF	DN	0.0:2.6	UP	4/1	0.4
XTN	TRANSPORTATION	ETF	UP	-0.2:2.6	«up»	18/1	1.2
XLV	HEALTH CARE (SPX 11)	ETF	DN	-0.5:2.6	UP	5/1	0.4
XLI	INDUSTRIALS (SPX 11)	ETF	UP	-0.7:2.6	«up»	71/1	0.8
XLU	UTILITIES (SPX 11)	ETF	DN	-1.0:2.6	«up»	5/2	0.6
ITA	U.S. AEROSPACE & DEFENSE	ETF	DN	-1.5:2.6	-UP-	8/2	0.5
XLRE	REAL ESTATE (SPX 11)	ETF	DN	-1.6:2.6	UP	7/2	0.6
XLB	MATERIALS (SPX 11)	ETF	UP	-2.0:2.6	UP	14/1	0.7
XLF	FINANCIALS (SPX 11)	ETF	DN	-2.4:2.6	«up»	14/2	0.4
XLE	ENERGY (SPX 11)	ETF	DN	-3.4:2.6	=DN=	1/2	0.4
XRT	RETAIL	ETF	DN	-3.6:2.6	«up»	10/1	1.2
XTL	TELECOM (SPX 11)	ETF	DN	-4.4:2.6	=up=	9/1	1.1

No change in the top 5 this week, either.

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

This Week's Selections

My choices for last week were: IGV 10%, ITB 10%, QQQ 10%, VGT 10%, VUG 10%, XLC 10%, XLK 10%, and BIL 30%.

Top ETFs By Slope

Current Holdings

Sym	Slope	Stop	Last
QQQ	5.9 ↑↑	\$358.58	\$367.93 ↑
XLK	5.9 ↑↑	\$168.66	\$173.19 ↑
VGT	5.6 ↑↑	\$428.59	\$439.56 ↑
IGV	5.0 ↑↑	\$336.69	\$347.29 ↑
VUG	4.9 ↑↑	\$273.38	\$279.90 ↑
XLC	4.7 —	\$63.37	\$64.76 ↑
ITB	3.5 —	\$78.78	\$80.73 ↑↑

Other High-Slope ETFs

Sym	Slope	Long	Last
SMH	5.5 ↑↑	no	\$153.38 ↑
XLY	3.5 ↑↑	no	\$166.38↑↑
ARKG	3.5 ↑↑	no	\$34.61 ↑
ARKK	3.1 ↑↑	no	\$44.31 ↑↑
ARKW	2.9 ↑↑	no	\$57.30 ↑
ARKQ	2.8 ↑↑	no	\$55.57 ↑↑
XHB	2.4 ↑	no	\$76.47 ↑↑
HACK	2.1 ↑↑	no	\$51.07 ↑

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

Analysis

[QQQ](#) made a 61-week high and rose to almost \$368. [XLK](#) made a 73-week high as it climbed to \$173. [VGT](#) also made a 73-week as it gained about 4% this week. [IGV](#) made a 61-week high and is now approaching \$350.

[VUG](#) made a 60-week high and is now very near \$280. [XLC](#) made a 59-week high and is flirting with \$65. [ITB](#) made a 73-week high and is not above \$80.

[SMH](#) made a 73-week high and is now above \$153. [XLY](#) made a 41-week high, closing above \$166. [ARKG](#) appears to be fighting resistance at \$35. [ARKK](#) is up against historical resistance near \$45.

[ARKW](#) still needs to above \$64 to be interesting. [ARKQ](#) needs to get above \$60 before it becomes a buy. [XHB](#) made a 71-week high and has now passed through the \$75 area. [HACK](#) has neither the liquidity nor the relative strength to be a meaningful candidate.

Thoughts and Decisions

QQQ, XLK, and VGT have been climbing since the end of April. IGV and XLC have been climbing since 2nd week in May. VUG has been climbing more slowly since late April and its money flow remains positive and steady. ITB marches to its own drummer.

All these new highs look great, but from what I see in the MACD+ and the money flow for the first 5 holdings, I suspect we're approaching a consolidation or a decline. So I have tightened up the trailing stops on all 7 of my holdings. This way I can stay in while the advance continues but I'm ready to protect my gains if there's a decline.

My choices for this week remain the same: IGV 10%, ITB 10%, QQQ 10%, VGT 10%, VUG 10%, XLC 10%, XLK 10%, and BIL 30%.

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