

Weekly Market Analysis #463 — 23 June 2023

Richard "Doc" Ahrens

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This Week

The Juneteenth holiday has caused a problem for my charting software. I checked the calendar tables and June 19th is marked as a holiday, so I have to dig deeper to find out why the charts have a blank day on Monday.

On Thursday Brian Swint at Barron's said:

...Higher rates work with a lag. The worry is that the rate increases so far are like the rumble of an earthquake on a tropical island. Unsettling, but the real damage comes from the tsunami that follows some time later.

The Fed's own projections see about two more quarter-point moves this year. But Powell is unlikely to make too much of that thought. He may not be sure himself how high rates need to go, but he'll know it when he sees it...

This week I received an email that started:

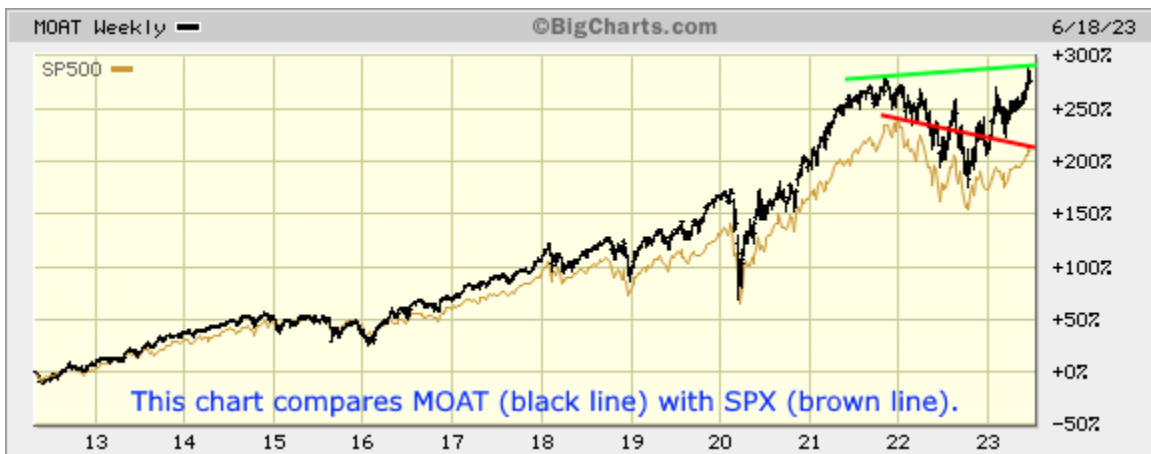
2022 was the worst year for stocks since 2008.

Now, as stocks continue to swing wildly... banks stumble... and pundits call for a 50-60% crash...

Millions of Americans are left to wonder:

What disaster will strike NEXT?

Maybe this kind of sensationalism appeals to some people but it tells me that I should be wary of anything this writer says because he or she seems to bend the facts in order to make a point..



I did some more research on [MOAT](#), which is an ETF that does value investing and focuses on securities with strong competitive advantages. It gets sold quickly when people get spooked about the market, but it also comes back quickly when the market turns back up. MOAT pay a small annual dividend, about 1%, which could be used to buy more shares. MOAT is not very exciting, but it generally outpaces the SPX.

[Market Barometers](#)

← Use this link to see all the market barometer charts

I misread the DIA chart last week. It was actually up and still is this week, so all five indexes are up.



A Closer Look

The SPX fell about 1.4% this week. The NYAD also declined, but in a slightly different order than the SPX. Meanwhile, the percentage of stocks above their 50-day and 200-day averages moved with the NYAD.

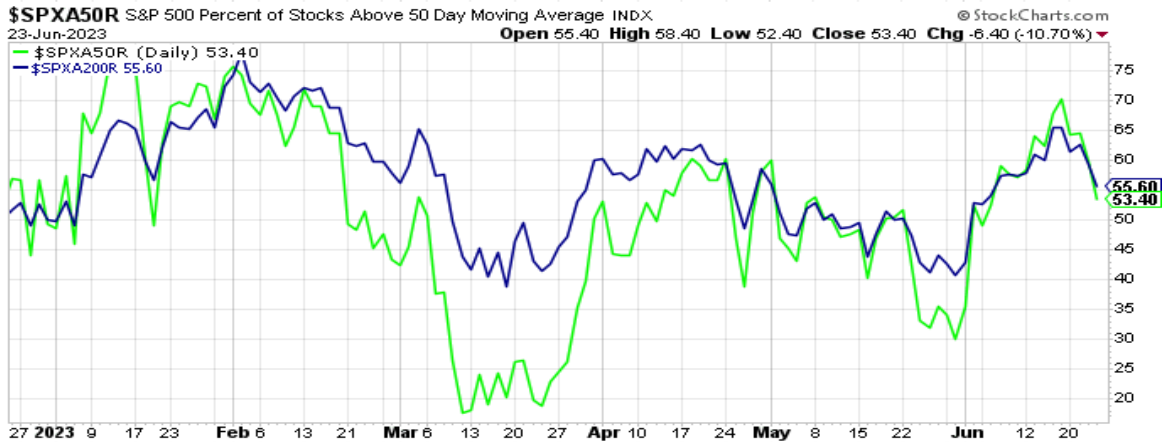


Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above 50&200 Averages](#), [NewHigh-NewLows](#)

[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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SPX Sector Universe Analysis for 23-Jun-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XLK	TECHNOLOGY (SPX 11)	ETF	UP	6.3:2.9	«up»	0/2	-0.4
XLY	CONSUMER DISCR (SPX 11)	ETF	UP	4.1:2.9	«up»	42/2	0.2
VOX	COMMUNICATION SRVCS	ETF	UP	3.7:2.9	-UP-	0/2	-0.2
XHB	HOMEBUILDERS	ETF	UP	2.8:2.9	≡UP≡	72/0	0.2
SPX	S&P 500	INDEX	UP	2.2:2.9	«DN»	0/2	0.0
XTN	TRANSPORTATION	ETF	UP	0.6:2.9	up	0/2	0.2
XLI	INDUSTRIALS (SPX 11)	ETF	UP	-0.2:2.9	up	0/2	0.2
XLP	CONSUMER STAPLES (SPX 11)	ETF	DN	-0.2:2.9	«up»	0/1	0.3
XLV	HEALTH CARE (SPX 11)	ETF	DN	-0.4:2.9	UP	6/1	0.3
XLU	UTILITIES (SPX 11)	ETF	DN	-1.0:2.9	-DN-	0/3	0.1
ITA	U.S. AEROSPACE & DEFENSE	ETF	DN	-1.2:2.9	-up-	9/2	0.1
XLRE	REAL ESTATE (SPX 11)	ETF	DN	-1.4:2.9	-up-	0/3	-0.4
XLB	MATERIALS (SPX 11)	ETF	UP	-1.6:2.9	UP	0/2	0.2
XLF	FINANCIALS (SPX 11)	ETF	DN	-2.0:2.9	up	0/3	-0.1
XLE	ENERGY (SPX 11)	ETF	DN	-3.1:2.9	DN	0/3	-0.3
XRT	RETAIL	ETF	DN	-3.1:2.9	«up»	0/2	0.3
XTL	TELECOM (SPX 11)	ETF	DN	-3.6:2.9	=DN=	0/3	-0.3

The SPX edged up into the top 5 this week, meaning that 12 sectors did worse than the SPX while only 4 did better. VOX and XLC move together. I replaced XLC with VOX this week because VOX is older and more broadly based, which makes it a little more stable.

1. XLK
2. XLY
3. VOX (was XLC)
4. XHB
5. SPX

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				Other High-Slope ETFs			
Sym	Slope	Stop	Last	Sym	Slope	Long	Last
XLK	6.3 ↑↑	SELL	\$168.65 ↓	SMH	6.5 ↑↑	no	\$147.53 ↓
QQQ	6.3 ↑↑	\$358.58	\$362.54 ↑	ARKG	4.5 ↑↑	no	\$32.79 ↓
VGT	6.0 ↑↑	SELL	\$428.80—	XLY	4.1 ↑↑	no	\$165.45—
IGV	5.6 ↑↑	SELL	\$336.71—	ARKQ	3.9 ↑↑	no	\$53.35 ↓
VUG	5.1 ↑↑	\$273.38	\$276.67 ↑	ARKK	3.9 ↑↑	no	\$42.14 ↓
XLC	4.8 —	SELL	\$64.06 ↓	ARKW	3.5 ↑↑	no	\$55.89 ↓
ITB	3.7 ↑	\$78.78	\$82.23 ↑↑	XHB	2.8 ↑↑	no	\$76.86 —
				SPY	2.3 ↑↑	no	\$433.21—

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

Analysis

[XLK](#) closed below its ATS on Wednesday and its MACD is down. [QQQ](#) is above \$360 and above its ATS. [VGT](#) closed below its ATS and its MACD is down. [IGV](#) closed below its ATS and its MACD is down.

[VUG](#)'s MACD turned down but it's still above my stop and the ATS. [XLC](#) declined through \$65, came within a penny of my stop and a penny of the ATA while the MACD fell below zero. [ITB](#) made a 74-week high and continues to climb.

[SMH](#) fell back below \$150 and its CMF is zero. [ARKG](#) got washed down with many others and its CMF is also zero. [XLY](#) has been flat for the last 8 days, which is pretty impressive right now. [ARKQ](#) retreated below \$55.

[ARKK](#) is back below historical resistance near \$45. [ARKW](#) remained above \$55 and has a positive CMF, although its MACD just turned down. [XHB](#) is stable above \$75 with a rising CMF and squeaked out a 72-week high. [SPY](#) declined and broke its low ATS stop on Friday.

Thoughts and Decisions

I'm selling XLK, VGT, IGV, and XLC. It's partly because they declined in price but it's mostly because the risk of further declines now outweighs the possibility of advances resuming right now. I will be watching XLY and XHB because they held up well while the market as a whole declined.

My choices for this week are: ITB 10%, QQQ 10%, VUG 10%, and BIL 70%.

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