

Weekly Market Analysis #471 – 18 August 2023

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This Week

"ENRGY" (XLE) jumped again, and it is now above SPX.

Capital-Weighted Sector ETFs Relative Strength History

26-May-2023 to 18-Aug-2023

26 May	02 Jun	09 Jun	16 Jun	23 Jun	30 Jun	07 Jul	14 Jul	21 Jul	28 Jul	04 Aug	11 Aug	18 Aug
TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	DISCR	BLDRS	BLDRS	BLDRS	BLDRS
BLDRS	BLDRS	BLDRS	COMMS	DISCR	DISCR	DISCR	DISCR	BLDRS	DISCR	DISCR	TRANS	TRANS
COMMS	COMMS	COMMS	BLDRS	COMMS	BLDRS	BLDRS	BLDRS	TECHS	TECHS	TRANS	DISCR	DISCR
DISCR	DISCR	DISCR	DISCR	BLDRS	COMMS	COMMS	COMMS	COMMS	TRANS	TECHS	TECHS	FINAN
STAPL	SP500	SP500	SP500	SP500	SP500	SP500	SP500	TRANS	COMMS	COMMS	COMMS	COMMS
SP500	STAPL	SALES	SALES	SALES	SALES	SALES	TRANS	SP500	SP500	SP500	INDUS	SALES
SALES	SALES	STAPL	STAPL	TRANS	TRANS	TRANS	SALES	SALES	SALES	SALES	SALES	TECHS
UTILS	HLTHY	TRANS	TRANS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	SP500	INDUS
HLTHY	UTILS	HLTHY	HLTHY	STAPL	HLTHY	HLTHY	MATER	MATER	FINAN	FINAN	FINAN	ENRGY
TRANS	TRANS	UTILS	INDUS	HLTHY	STAPL	STAPL	HLTHY	FINAN	MATER	MATER	MATER	SP500
INDUS	INDUS	INDUS	UTILS	UTILS	DFEND	MATER	DFEND	REALE	REALE	REALE	ENRGY	MATER
DFEND	DFEND	DFEND	DFEND	DFEND	MATER	DFEND	FINAN	DFEND	HLTHY	ENRGY	REALE	REALE
REALE	REALE	REALE	REALE	REALE	UTILS	FINAN	REALE	HLTHY	DFEND	HLTHY	HLTHY	HLTHY
MATER	MATER	MATER	MATER	MATER	REALE	REALE	STAPL	STAPL	ENRGY	DFEND	DFEND	TELCO
TELCO	TELCO	FINAN	FINAN	FINAN	FINAN	UTILS	UTILS	UTILS	STAPL	STAPL	TELCO	DFEND
FINAN	FINAN	TELCO	TELCO	TELCO	TELCO	TELCO	ENRGY	ENRGY	UTILS	UTILS	STAPL	STAPL
ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	TELCO	TELCO	TELCO	TELCO	UTILS	UTILS

XLE pulled back from psychological and historical resistance at \$90, but fared better than most other securities.



As before, I will buy XLE if it breaks up through \$90 this week.

[Market Barometers](#)

← Use this link to see all the market barometer charts

The market as a whole has now declined for three weeks in a row.



A Closer Look

The SPX fell again. It opened lower on Friday, but bounced up off \$4335 and rose the rest of the day. NYA turned up a little on Friday, confirming the small price rise in price, as did the percentage of stocks above their 50-day and 200-day averages.

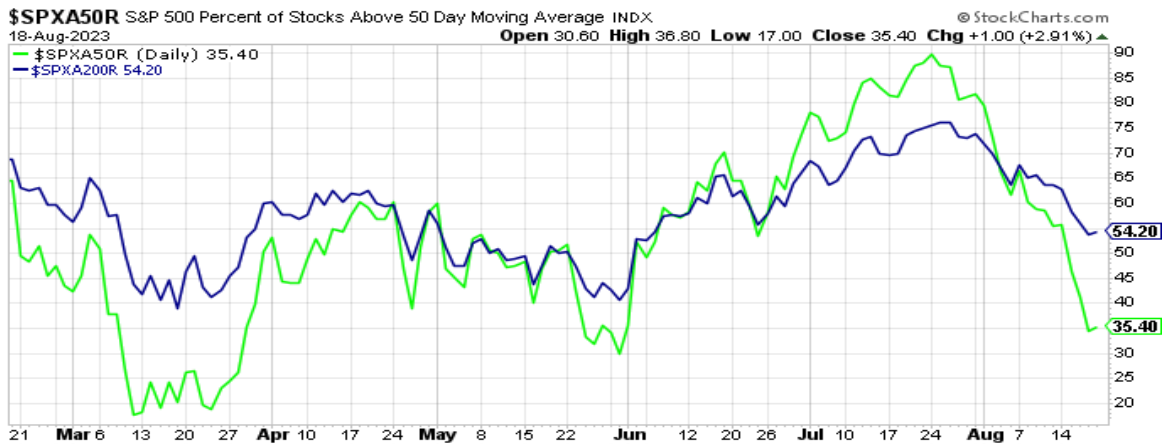


Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above 50&200 Averages](#), [NewHigh–NewLows](#)

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Cap-Wtd Sector Universe Analysis for 18-Aug-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
ITB	U.S. HOME CONSTRUCTION	ETF	UP	6.05:2.15	=DN=	2/6	-1.0
IYT	DOW JONES TRANSPORTS	ETF	UP	5.55:2.15	DN	1/7	-1.0
XLY	CONSUMER DISCR (SPX 11)	ETF	UP	5.01:2.15	=DN=	1/10	-1.1
XLF	FINANCIALS (SPX 11)	ETF	UP	3.78:2.15	≡DN≡	1/6	-0.6
VOX	COMMUNICATION SRVCS	ETF	UP	3.72:2.15	«dn»	2/7	-0.8
RTH	RETAIL	ETF	UP	3.62:2.15	=DN=	2/6	-0.4
XLK	TECHNOLOGY (SPX 11)	ETF	UP	3.61:2.10	≡DN≡	2/10	-1.1
XLI	INDUSTRIALS (SPX 11)	ETF	UP	3.59:2.15	≡DN≡	1/6	-0.6
XLE	ENERGY (SPX 11)	ETF	=UP=	3.42:2.15	=DN=	1/2	-0.2
SPX	S&P 500	INDEX	UP	3.18:2.15	=DN=	2/8	-0.7
XLB	MATERIALS (SPX 11)	ETF	UP	2.43:2.15	DN	1/6	-0.8
XLRE	REAL ESTATE (SPX 11)	ETF	UP	1.45:2.15	=DN=	1/8	-0.7
XLV	HEALTH CARE (SPX 11)	ETF	UP	1.29:2.15	≡DN≡	4/2	-0.2
IYZ	TELECOM	ETF	DN	0.79:2.15	=DN=	3/5	-0.2
ITA	U.S. AEROSPACE & DEFENSE	ETF	UP	0.74:2.15	≡DN≡	1/8	-0.3
XLP	CONSUMER STAPLES (SPX 11)	ETF	DN	0.15:2.15	DN	1/10	-0.6
XLU	UTILITIES (SPX 11)	ETF	DN	-0.68:2.15	DN	1/42	-0.5

Top 5

1. ITB (which is cap-weighted, replaces equal-weighted XHB)
2. IYT (replaces equal-weighted XTN)
3. XLY
4. XLF
5. VOX

Sector Relative-Strength History

13 weeks of slope history for the 16 sector ETFs and the SPX. (Latest changes discussed below)

26 May	02 Jun	09 Jun	16 Jun	23 Jun	30 Jun	07 Jul	14 Jul	21 Jul	28 Jul	04 Aug	11 Aug	18 Aug
TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	DISCR	BLDRS	BLDRS	BLDRS	BLDRS
BLDRS	BLDRS	BLDRS	COMMS	DISCR	DISCR	DISCR	DISCR	BLDRS	DISCR	DISCR	TRANS	TRANS
COMMS	COMMS	COMMS	BLDRS	COMMS	BLDRS	BLDRS	BLDRS	TECHS	TECHS	TRANS	DISCR	DISCR
DISCR	DISCR	DISCR	DISCR	BLDRS	COMMS	COMMS	COMMS	COMMS	TRANS	TECHS	TECHS	FINAN
STAPL	SP500	SP500	SP500	SP500	SP500	SP500	SP500	TRANS	COMMS	COMMS	COMMS	COMMS
SP500	STAPL	SALES	SALES	SALES	SALES	SALES	TRANS	SP500	SP500	SP500	INDUS	SALES
SALES	SALES	STAPL	STAPL	TRANS	TRANS	TRANS	SALES	SALES	SALES	SALES	SALES	TECHS
UTILS	HLTHY	TRANS	TRANS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	SP500	INDUS

26 May	02 Jun	09 Jun	16 Jun	23 Jun	30 Jun	07 Jul	14 Jul	21 Jul	28 Jul	04 Aug	11 Aug	18 Aug
BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	TRANS	BLDRS
SP500	SP500	SP500	SP500	SP500	TECHS	TECHS	TRANS	TRANS	TRANS	TRANS	BLDRS	TRANS
STAPL	STAPL	TECHS	TECHS	TECHS	SP500	SP500	TECHS	TECHS	INDUS	INDUS	ENRGY	ENRGY
UTILS	TECHS	STAPL	TRANS	TRANS	TRANS	TRANS	SP500	INDUS	TECHS	TECHS	INDUS	FINAN
TECHS	UTILS	DISCR	STAPL	INDUS	INDUS	INDUS	INDUS	SP500	SP500	DISCR	DISCR	INDUS
HLTHY	DISCR	INDUS	INDUS	COMMS	COMMS	DISCR	DISCR	DISCR	DISCR	SP500	TECHS	SALES
DISCR	HLTHY	COMMS	COMMS	DISCR	DISCR	COMMS	COMMS	COMMS	COMMS	ENRGY	FINAN	DISCR
COMMS	COMMS	TRANS	DISCR	STAPL	DFEND	DFEND	DFEND	DFEND	ENRGY	SALES	SP500	TECHS

Legend

Cap-Wtd	Equal-Wtd	Synonym	Sector Name	Cap-Wtd	Equal-Wtd	Synonym	Sector Name
15. ITA 0.74	13. XAR 1.90	DFEND	AEROSPACE & DEFENSE	12. XLRE 1.45	11. RSPR 2.35	REALE	REAL ESTATE
1. ITB 6.05	1. XHB 6.71	BLDRS	HOMEBUILDERS	17. XLU -0.68	16. RSPU -0.20	UTILS	UTILITIES
11. XLB 2.43	10. RSPM 2.49	MATER	MATERIALS	13. XLV 1.29	14. RSPH 0.93	HLTHY	HEALTH CARE
5. VOX 3.72	12. RSPC 2.08	COMMS	COMMUNICATION SRVCS	3. XLY 5.01	7. RSPD 3.46	DISCR	CONSUMER DISCR
9. XLE 3.42	5. RSPG 5.79	ENRGY	ENERGY	6. RTH 3.62	6. XRT 3.82	SALES	RETAIL
4. XLF 3.78	4. RSPF 4.37	FINAN	FINANCIALS	14. IYZ 0.79	15. XTL 0.10	TELCO	TELECOM
8. XLI 3.59	5. RSPN 4.11	INDUS	INDUSTRIALS	2. IYT 5.55	2. XTN 6.42	TRANS	TRANSPORTATION
7. XLK 3.61	8. RSPT 3.20	TECHS	TECHNOLOGY	10. SPX 3.18	9. SPX 3.18	SP500	S&P 500
16. XLP 0.15	17. RSPS -0.27	STAPL	CONSUMER STAPLES				

Builders, Transports, and Consumer Discretionary held steady. Tech Stocks closed below support at \$165 (so that level is now resistance). Financials jumped 5 rows, pushing ahead of Communication Services.

This Week's Selections

My choices for last week were: XLY 10%, and BIL 90%

Top ETFs By Slope

Current Holdings				Other High-Slope ETFs			
Sym	Slope	Stop	Last	Sym	Slope	Long	Last
XLY	5.0 ↓↓	\$168.75	\$162.66 ↓				

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

Analysis

XLY plowed down through its trailing stop early in the week, so it's definitely a sell.

Thoughts and Decisions

The exit of XLY provides a good opportunity to switch over from the broader array of ETFs I have been using to just sector ETFs, which is going to be easier for everyone. Also, the fact that almost the entire market got killed this week, which means we don't have convincing buy signals on anything. So I'm going to continue working hard on the switch-over to using sectors.

My choices for this week are: BIL 100%. Keep in mind that BIL is paying a 5.15% dividend at this point, so we're still making money while the rest of the market declines.

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