

# Weekly Market Analysis #472 – 25 August 2023

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## This Week

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

Capital-Weighted Sector ETFs Relative Strength History												02-Jun-2023 to 25-Aug-2023	
02 Jun	09 Jun	16 Jun	23 Jun	30 Jun	07 Jul	14 Jul	21 Jul	28 Jul	04 Aug	11 Aug	18 Aug	25 Aug	
TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	DISCR	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	
COMMS	COMMS	COMMS	COMMS	DISCR	DISCR	DISCR	BLDRS	DISCR	DISCR	TRANS	TRANS	TRANS	
BLDRS	BLDRS	BLDRS	DISCR	COMMS	BLDRS	BLDRS	TECHS	TECHS	TRANS	DISCR	DISCR	ENRGY	
DISCR	DISCR	DISCR	BLDRS	BLDRS	COMMS	COMMS	COMMS	TRANS	TECHS	TECHS	COMMS	DISCR	
SP500	SP500	SP500	SP500	SP500	SP500	SP500	TRANS	COMMS	COMMS	COMMS	FINAN	FINAN	
STAPL	SALES	SALES	SALES	SALES	SALES	TRANS	SP500	SP500	SP500	INDUS	SALES	COMMS	
SALES	STAPL	STAPL	TRANS	TRANS	TRANS	SALES	SALES	SALES	SALES	SALES	TECHS	SALES	
HLTHY	TRANS	TRANS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	SP500	INDUS	INDUS	
UTILS	HLTHY	HLTHY	STAPL	HLTHY	HLTHY	MATER	MATER	FINAN	FINAN	FINAN	ENRGY	SP500	
TRANS	UTILS	INDUS	HLTHY	STAPL	STAPL	HLTHY	FINAN	MATER	MATER	MATER	SP500	TECHS	
INDUS	INDUS	UTILS	UTILS	DFEND	MATER	DFEND	REALE	REALE	REALE	ENRGY	MATER	MATER	
DFEND	DFEND	DFEND	DFEND	MATER	DFEND	FINAN	DFEND	HLTHY	ENRGY	REALE	REALE	HLTHY	
REALE	REALE	REALE	REALE	UTILS	FINAN	REALE	HLTHY	DFEND	HLTHY	HLTHY	HLTHY	REALE	
MATER	MATER	MATER	MATER	REALE	REALE	STAPL	STAPL	ENRGY	DFEND	DFEND	DFEND	DFEND	
FINAN	FINAN	FINAN	FINAN	FINAN	UTILS	UTILS	UTILS	STAPL	STAPL	STAPL	STAPL	STAPL	
ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	UTILS	UTILS	UTILS	UTILS	UTILS	

XLE literally jumped from being 9<sup>th</sup>-ranked to being in the middle of the Top 5. Ironically, this happened as XLE's price declined 1.4% this week. This surprising outcome occurred because of the approximately 9.5 market day lag in the smoothing of the slope, the big run-up in XLE from June 23<sup>rd</sup> to August 11<sup>th</sup>, and its gradual decline during the last 2 weeks.



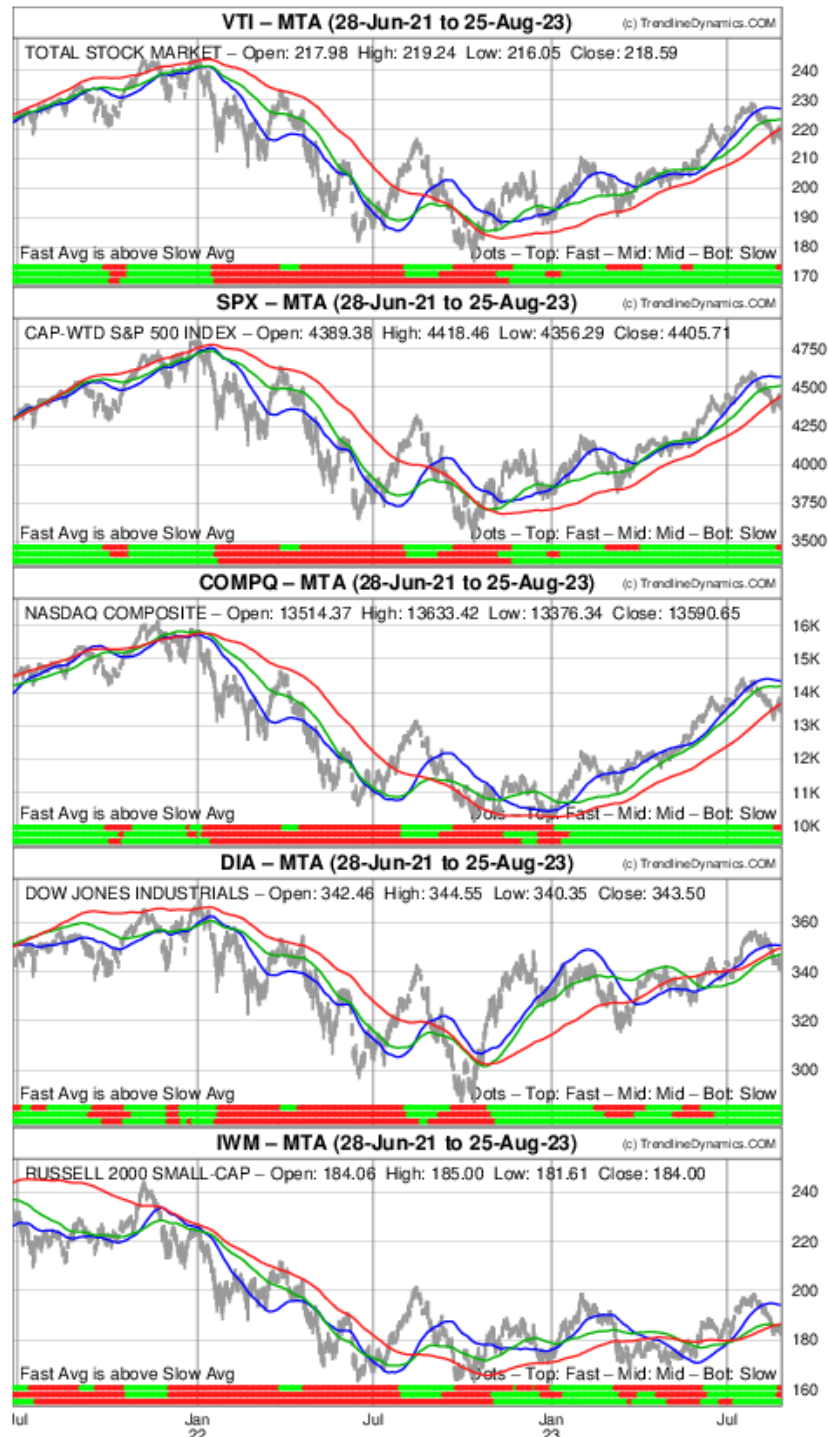
The combination of these things caused the (still rising) XLE slope to slow just a little. Meanwhile, the other top sectors have been declining for 4-5 weeks and their slopes are already in decline. If you look at the charts for [ITB](#), [IYT](#), [XLE](#), [XLY](#), and [XLF](#), you will be able to see the differences in their respective advances, subsequent declines, and the effect on their slopes.

BTW, XLE never managed to break up through \$90, so I'm still waiting for that, or an MACD+ buy signal.

## Market Barometers

← Use this link to see all the market barometer charts

For the week — VTI closed up 0.7%. SPX closed up 0.8%. COMPQ did the best, closing up almost 2.3% (largely due to NVDA). DIA closed down -0.5%, and IWM closed down almost -0.4%. As Don Kaufman would say, "Four out of five indexes ended the week **massively** unchanged."



## A Closer Look

The SPX formed a local low on Thursday and Friday during the week of the 14<sup>th</sup>. It ended the week of the 25<sup>th</sup> marginally higher, just above \$4400. NYAD did not confirm the price advance. Neither did the percentage of stocks above their 50-day and 200-day averages.

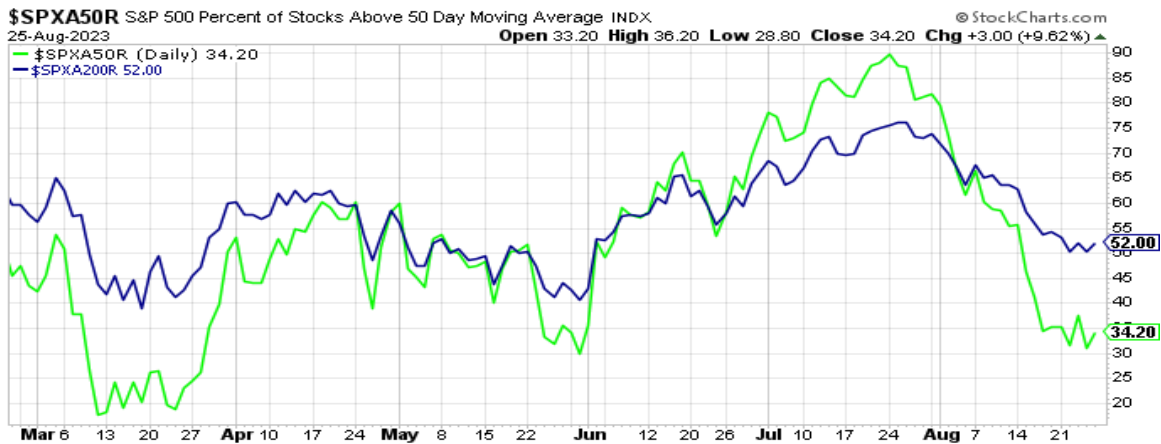


Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above 50&200 Averages](#), [NewHigh–NewLows](#)

[Bullish Universe](#)

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[Bearish Universe](#)

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[Inflation Universe](#)

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[Sector Universe](#)

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<b>Cap-Wtd Sector Universe Analysis for 25-Aug-2023</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">ITB</a>	CAP-WTD HOME CONSTRUCTION (SML)	ETF	UP	5.00:1.33	-DN-	1/7	-1.2
<a href="#">IYT</a>	CAP-WTD TRANSPORT NDX	ETF	UP	4.69:1.33	<<dn>>	1/9	-0.7
<a href="#">XLE</a>	CAP-WTD ENERGY (LG)	ETF	UP	3.98:1.33	DN	1/3	-0.6
<a href="#">XLY</a>	CAP-WTD CONSUMER DISCR (XL)	ETF	UP	3.93:1.33	<<dn>>	2/1	-0.6
<a href="#">XLF</a>	CAP-WTD FINANCIALS (XL)	ETF	UP	3.47:1.33	-DN-	1/7	-0.6
<a href="#">XLC</a>	COMMUNICATION SRVCS	ETF	UP	3.30:1.33	<<dn>>	2/1	-0.6
<a href="#">RTH</a>	CAP-WTD RETAIL (XS)	ETF	UP	3.21:1.33	<<UP>>	1/8	-0.6
<a href="#">XLI</a>	CAP-WTD INDUSTRIALS (LG)	ETF	UP	3.12:1.33	<<dn>>	2/8	-0.4
<a href="#">SPX</a>	CAP-WTD S&P 500 INDEX	ETF	UP	2.54:1.33	<<dn>>	2/1	-0.3
<a href="#">XLK</a>	CAP-WTD INFO TECHNOLOGY (XXL)	ETF	UP	2.46:1.29	<<dn>>	3/1	-0.0
<a href="#">XLB</a>	CAP-WTD MATERIALS (MD)	ETF	UP	1.99:1.33	<<dn>>	1/7	-0.4
<a href="#">XLV</a>	CAP-WTD HEALTH CARE (XL)	ETF	UP	1.28:1.33	DN	1/3	-0.3
<a href="#">XLRE</a>	CAP-WTD REAL ESTATE (MD)	ETF	UP	0.84:1.33	-DN-	2/9	-0.2
<a href="#">ITA</a>	CAP-WTD SPACE & DEFENSE (SML)	ETF	UP	0.60:1.33	<<dn>>	2/11	-0.2
<a href="#">XLP</a>	CAP-WTD CONSUMER STAPLES (LG)	ETF	DN	-0.19:1.33	=dn=	1/22	-0.5
<a href="#">XLU</a>	CAP-WTD UTILITIES (MD)	ETF	DN	-1.23:1.33	dn	2/2	-0.0

XLE jumped into the top five (See page 1) and discretionary spending, XLY, slipped to 4<sup>th</sup>.

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

## Sector Relative-Strength History

13 weeks of slope history for the 16 sector ETFs and the SPX.

Capital-Weighted Sector ETFs Relative Strength History

02-Jun-2023 to 25-Aug-2023

02 Jun	09 Jun	16 Jun	23 Jun	30 Jun	07 Jul	14 Jul	21 Jul	28 Jul	04 Aug	11 Aug	18 Aug	25 Aug
TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	DISCR	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS
COMMS	COMMS	COMMS	COMMS	DISCR	DISCR	DISCR	BLDRS	DISCR	DISCR	TRANS	TRANS	TRANS
BLDRS	BLDRS	BLDRS	DISCR	COMMS	BLDRS	BLDRS	TECHS	TECHS	TRANS	DISCR	DISCR	ENRGY
DISCR	DISCR	DISCR	BLDRS	BLDRS	COMMS	COMMS	COMMS	TRANS	TECHS	TECHS	COMMS	DISCR
SP500	SP500	SP500	SP500	SP500	SP500	SP500	TRANS	COMMS	COMMS	COMMS	FINAN	FINAN
STAPL	SALES	SALES	SALES	SALES	SALES	TRANS	SP500	SP500	SP500	INDUS	SALES	COMMS
SALES	STAPL	STAPL	TRANS	TRANS	TRANS	SALES	SALES	SALES	SALES	SALES	TECHS	SALES
HLTHY	TRANS	TRANS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	SP500	INDUS	INDUS

Equal-Weighted Sector ETFs Relative Strength History

02-Jun-2023 to 25-Aug-2023

02 Jun	09 Jun	16 Jun	23 Jun	30 Jun	07 Jul	14 Jul	21 Jul	28 Jul	04 Aug	11 Aug	18 Aug	25 Aug
BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	TRANS	BLDRS	ENRGY
SP500	SP500	SP500	SP500	TECHS	TECHS	TRANS	TRANS	TRANS	TRANS	BLDRS	TRANS	BLDRS
STAPL	TECHS	TECHS	TECHS	SP500	SP500	TECHS	TECHS	INDUS	INDUS	ENRGY	ENRGY	TRANS
TECHS	STAPL	TRANS	TRANS	TRANS	TRANS	SP500	INDUS	TECHS	TECHS	INDUS	FINAN	FINAN
UTILS	DISCR	STAPL	INDUS	INDUS	INDUS	INDUS	SP500	SP500	DISCR	DISCR	INDUS	INDUS
DISCR	INDUS	INDUS	COMMS	COMMS	DISCR	DISCR	DISCR	DISCR	SP500	TECHS	SALES	SALES
HLTHY	COMMS	COMMS	DISCR	DISCR	COMMS	COMMS	COMMS	COMMS	ENRGY	FINAN	DISCR	DISCR
COMMS	TRANS	DISCR	STAPL	DFEND	DFEND	DFEND	DFEND	ENRGY	SALES	SP500	TECHS	SP500

### Legend

Cap-Wtd	Equal-Wtd	Synonym	Sector Name	Cap-Wtd	Equal-Wtd	Synonym	Sector Name
14. ITA 0.60	12. XAR 1.59	DFEND	AEROSPACE & DEFENSE	8. XLI 3.12	5. RSPN 3.45	INDUS	INDUSTRIALS
6. XLC 3.30	13. RSPC 1.50	COMMS	COMMUNICATION SRVCS	11. XLB 1.99	10. RSPM 2.09	MATER	MATERIALS
4. XLY 3.93	7. RSPD 2.60	DISCR	CONSUMER DISCR	13. XLRE 0.84	11. RSPR 1.71	REALE	REAL ESTATE
15. XLP -0.19	15. RSPS -0.68	STAPL	CONSUMER STAPLES	7. RTH 3.21	6. XRT 3.43	SALES	RETAIL
3. XLE 3.98	1. RSPG 6.31	ENRGY	ENERGY	9. SPX 2.54	8. SPX 2.54	SP500	S&P 500
5. XLF 3.47	4. RSPF 4.18	FINAN	FINANCIALS	10. XLK 2.46	9. RSPT 2.39	TECHS	TECHNOLOGY
12. XLV 1.28	14. RSPH 0.52	HLTHY	HEALTH CARE	2. IYT 4.69	3. XTN 5.19	TRANS	TRANSPORTATION
1. IITB 5.00	2. XHB 5.76	BLDRS	HOMEBUILDERS	16. XLU -1.23	16. RSPU -0.78	UTILS	UTILITIES

In the Cap-Weighted Sector ETFs, Builders, Transports, and Financials remained unchanged. Discretionary Spending moved down one to 4<sup>th</sup> place.

