

# Weekly Market Analysis #476 – 22 September 2023

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## This Week

Some time ago I saw a chart called the Smooth Heikin Ashi. I spent a couple of hours searching the internet and eventually turned up an explanation of how to calculate it. Like many things on the internet, the documentation had some errors in it. However, since I already understood the original Heikin Ashi, it didn't take me too long to identify and correct the errors in the article. Then I replaced their exponential moving average with a somewhat quieter average, and created the Smooth Heikin Ashi show in the third chart.



If you look at the red and green dots at the bottom of the ATS chart (top) with the red and green candles in the Smooth Heikin Ashi chart (bottom), you will see a significant level of correlation. The correlation is not 100%. (100% would mean one of the charts was superfluous.) But as you look at the new set of basic charts, you will see strong correlation between the ATS, the Smooth Heikin Ashi, and the MACD+.

**CAVEAT:** Heikin Ashi is not a price chart. On Friday SPX is \$4320 but the Smoothed Heikin Ashi was still above 4400. When looking at Heikin Ashi charts, focus on patterns. not values.

[Market Barometers](#)

← Use this link to see all the market barometer charts

VTI fell ~3.3%, SPX fell over 2.9%, COMPQ 3.6%, DJIA 1.9%, and IWM 3.8%. They are all lower than their August 24<sup>th</sup> lows.



## A Closer Look

The SPX made a 15-week low, bounced around but closed this week with a down move on Friday that cancelled the rest of the week. On the whole, NYAD moved with price. Stocks above their 50-day average made a 25-week low.

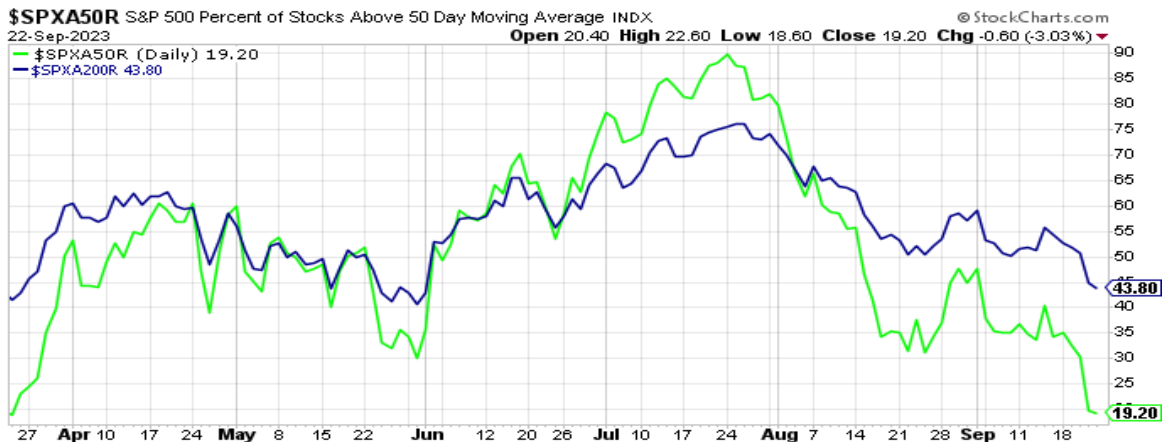


Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above 50&200 Averages](#), [NewHigh–NewLows](#)

[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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[Sector Universe](#)

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<b>SPX Sector Universe Analysis for 22-Sep-2023</b>							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">XLE</a>	CAP-WTD ENERGY (LG)	ETF	UP	5.19:0.28	DN	1/3	-0.6
<a href="#">XLF</a>	CAP-WTD FINANCIALS (XL)	ETF	UP	1.95:0.28	=DN=	1/4	-0.0
<a href="#">XLY</a>	CAP-WTD CONSUMER DISCR (XL)	ETF	UP	1.59:0.28	=DN=	1/15	-0.5
<a href="#">XLC</a>	CAP-WTD COMMUNICATION SRVCS	ETF	UP	1.41:0.28	=DN=	1/4	-0.2
<a href="#">XLI</a>	CAP-WTD INDUSTRIALS (LG)	ETF	UP	1.07:0.28	=DN=	1/15	-0.4
<a href="#">SPX</a>	CAP-WTD S&P 500 INDEX	INDEX	UP	0.92:0.28	DN	1/15	-0.3
<a href="#">IYT</a>	CAP-WTD TRANSPORT NDX	ETF	UP	0.90:0.28	=DN=	1/14	-0.3
<a href="#">ITB</a>	CAP-WTD HOME CONSTRUCTION (SML)	ETF	UP	0.79:0.28	=DN=	1/15	-0.9
<a href="#">XLB</a>	CAP-WTD MATERIALS (MD)	ETF	UP	0.70:0.28	DN	1/16	-0.4
<a href="#">XRT</a>	EQU-WTD RETAIL (XS)	ETF	UP	0.49:0.28	=DN=	1/15	-0.3
<a href="#">XLV</a>	CAP-WTD HEALTH CARE (XL)	ETF	UP	0.45:0.28	=DN=	1/10	-0.2
<a href="#">XLK</a>	CAP-WTD INFO TECHNOLOGY (XXL)	ETF	UP	0.44:0.25	=DN=	1/15	-0.7
<a href="#">XLRE</a>	CAP-WTD REAL ESTATE (MD)	ETF	UP	-0.51:0.28	=DN=	1/46	-0.4
<a href="#">ITA</a>	CAP-WTD SPACE & DEFENSE (SML)	ETF	DN	-0.64:0.28	=DN=	1/45	-0.5
<a href="#">XLP</a>	CAP-WTD CONSUMER STAPLES (LG)	ETF	DN	-1.67:0.28	=DN=	1/46	-0.0
<a href="#">XLU</a>	CAP-WTD UTILITIES (MD)	ETF	DN	-2.09:0.28	=DN=	1/2	0.4

The top five jostled around with financial rising to second place and consumer discretionary to third.

1. XLE — energy
2. XLF — financials
3. XLY — consumer discretionary
4. XLC — Communication Services
5. XLI — Industrials

## Sector Relative-Strength History

13 weeks of slope history for the 15 sector ETFs and the SPX.

**Capital-Weighted Sector ETFs Relative Strength History** 30-Jun-2023 to 22-Sep-2023

30 Jun	07 Jul	14 Jul	21 Jul	28 Jul	04 Aug	11 Aug	18 Aug	25 Aug	01 Sep	08 Sep	15 Sep	22 Sep
TECHS	TECHS	TECHS	DISCR	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	ENRGY	ENRGY	ENRGY	ENRGY
DISCR	DISCR	DISCR	BLDRS	DISCR	DISCR	TRANS	TRANS	TRANS	BLDRS	TRANS	FINAN	FINAN
COMMS	BLDRS	BLDRS	TECHS	TECHS	TRANS	DISCR	DISCR	ENRGY	TRANS	BLDRS	DISCR	DISCR
BLDRS	COMMS	COMMS	COMMS	TRANS	TECHS	TECHS	COMMS	DISCR	FINAN	FINAN	TRANS	COMMS
SP500	SP500	SP500	TRANS	COMMS	COMMS	COMMS	SALES	FINAN	DISCR	DISCR	BLDRS	INDUS
TRANS	TRANS	TRANS	SP500	SP500	SP500	INDUS	FINAN	SALES	SALES	INDUS	COMMS	SP500
INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	SALES	TECHS	COMMS	INDUS	COMMS	INDUS	TRANS
HLTHY	HLTHY	MATER	MATER	FINAN	SALES	SP500	INDUS	INDUS	COMMS	SALES	SALES	BLDRS

**Equal-Weighted Sector ETFs Relative Strength History** 30-Jun-2023 to 22-Sep-2023

30 Jun	07 Jul	14 Jul	21 Jul	28 Jul	04 Aug	11 Aug	18 Aug	25 Aug	01 Sep	08 Sep	15 Sep	22 Sep
BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY
TECHS	TECHS	TRANS	TRANS	TRANS	TRANS	TRANS	TRANS	BLDRS	BLDRS	BLDRS	BLDRS	FINAN
SP500	TRANS	TECHS	TECHS	INDUS	INDUS	ENRGY	ENRGY	TRANS	TRANS	FINAN	FINAN	BLDRS
TRANS	SP500	SP500	INDUS	TECHS	TECHS	INDUS	FINAN	FINAN	FINAN	TRANS	INDUS	INDUS
INDUS	INDUS	INDUS	SP500	SP500	DISCR	DISCR	INDUS	INDUS	INDUS	INDUS	TRANS	SP500
COMMS	DISCR	DISCR	DISCR	DISCR	SP500	FINAN	SALES	SALES	SALES	SALES	SALES	TECHS
DISCR	COMMS	COMMS	COMMS	COMMS	ENRGY	TECHS	DISCR	DISCR	SP500	SP500	TECHS	MATER
DFEND	DFEND	DFEND	DFEND	SALES	SALES	SALES	TECHS	SP500	TECHS	TECHS	SP500	SALES

### Legend

Cap-Wtd	Equal-Wtd	Synonym	Sector Name	Cap-Wtd	Equal-Wtd	Synonym	Sector Name
14. ITA -0.64	10. XAR 0.06	DFEND	AEROSPACE & DEFENSE	5. XLI 1.07	4. RSPN 1.04	INDUS	INDUSTRIALS
4. XLC 1.41	12. RSPC -0.17	COMMS	COMMUNICATION SRVCS	9. XLB 0.70	7. RSPM 0.64	MATER	MATERIALS
3. XLY 1.59	13. RSPD -0.19	DISCR	CONSUMER DISCR	13. XLRE -0.51	11. RSPR -0.05	REALE	REAL ESTATE
15. XLP -1.67	16. RSPS -2.66	STAPL	CONSUMER STAPLES	10. XRT 0.49	8. XRT 0.49	SALES	RETAIL
1. XLE 5.19	1. RSPG 6.42	ENRGY	ENERGY	6. SPX 0.92	5. SPX 0.92	SP500	S&P 500
2. XLF 1.95	2. RSPF 2.42	FINAN	FINANCIALS	12. XLK 0.44	6. RSPT 0.89	TECHS	TECHNOLOGY
11. XLV 0.45	14. RSPH -1.20	HLTHY	HEALTH CARE	7. IYT 0.90	9. XTN 0.22	TRANS	TRANSPORTATION
8. ITB 0.79	3. XHB 1.98	BLDRS	HOMEBUILDERS	16. XLU -2.09	15. RSPU -1.88	UTILS	UTILITIES

Energy, Financials, and Discretionary Spending remain in the top 5, but Transportation was replaced by Communication Services and Home Builders was replaced by Industrials.

### Murphy's Law

Looking at Retail Sales, the "RTH" ETF has been removed because of a lack of liquidity. It only had an average daily volume of 4,000 shares, which means that if you bought it you might take a beating when it was time to sell it. Unfortunately, an extensive search for a cap-weighted Retail Sector ETF didn't turn up any qualified candidates. Although XRT is an equal-weighted retail-sector ETF, it now appears in both the cap-weighted and equal-weighted lists because I haven't been able to find a cap-weighted Retail ETF with sufficient daily volume.

If any of you know of a market cap-weighted ETF for the Retail Sector, please let me know. The only ones I found were IBUY and ONLN, but they are both for on-line retailers, not retail per se.

[[ By the way, Murphy's Law was not named after Murphy, but another man with the same name. ]]

## This Week's Selections

My choices for last week were: XLE 20%, XLY 20%, BIL 60%

### Top ETFs By Slope

#### Current Holdings

Sym	Slope	Stop	Last
BIL	0.00% —	\$90.85	\$91.73
XLE	5.19% ↑↑	\$90.45	\$89.31
XLY	1.59% ↓↓	\$157.32	\$160.93

#### High-Slope Sectors ETFs

Sym	Slope	Long	Last
XLF	1.95% ↓↓	no	\$33.66 ↓
XLC	1.41% ↓↓	no	\$65.62 ↓
XLI	1.07% ↓↓	no	\$101.79 ↓↓
SPX	0.92% ↓↓	Index	\$4320.06 ↓↓
IYT	0.90% ↓↓	no	\$234.22 ↓
ITB	0.79% ↓↓	no	\$78.88 ↓↓
XLB	0.70% ↓↓	no	\$78.37 ↓
XRT	0.49% ↓↓	no	\$59.59 ↓

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

### Analysis

[XLE](#) broke its trailing stop and all 6 basic charts are negative. [XLY](#) looks about the same as XLE.

[XLF](#), [XLC](#), [XLI](#) – all 6 basic charts down. [IYT](#) is down 12.3% since July 31<sup>st</sup>. [ITB](#) is down 11.2%. [XLB](#) is "only" down 8.6%. [XRT](#) is down 12.1%.

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### Thoughts and Decisions

I included SPX Index in the High Slope Sectors table just so you could see where it lies.

XLE was swept down by the broader market. My guess is that it is going to continue higher after a while; however, the numbers say it's time to protect my capital. So I'm selling XLE and XLY and going back to "cash" (BIL) and its 5.9% dividend.

I did a scan of all the securities in my small but diverse database. There are some notes on page 7 about some things that are going up.

My choice for this week is BIL 100%.

## Five Securities Bucking the Market

[DBC](#) — DB Commodity Index ETF

tracks a diversified commodity index

DBC declined just a little over 1% this week while the average stock fell 2%. Right now basic charts are mixed, but DBC is worth watching.

[EPD](#) — Enterprise Products Partners

provider of midstream energy services to producers of natural gas, natural gas liquids (NGLs), crude oil, petrochemicals and refined products

EPD just made a 65-week high. All basic charts are up except CMF.

[KIE](#) — SPDR S&P Insurance Sector ETF

KIE rose 1 penny and made a 30-week high while the market fell 2%. Four basic charts are up while CMF and RSI are neutral.

[URA](#) — Uranium

global uranium mining industry ETF

URA made a 72-week new high. All 6 basic charts are up although CMF is soft as it declines toward zero.

[USO](#) — United States Oil Fund

invests primarily in futures contracts for light, sweet crude oil, other types of crude oil, diesel-heating oil, gasoline, natural gas, and other petroleum-based fuels.

USO made a 62 week high. 5 basic charts are up while CMF is neutral.