

Weekly Market Analysis #485 — 24 November 2023

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This Week

Are you making money from your investments but losing money on daily finances?

Do you have a bank account? If so, why?

I know, it sounds like a peculiar question, but bear with me.

In 1990 I moved to Dallas. I walked into a bank to open a savings account and the nice lady who was helping me said there would be a \$20 a month service charge. I said, "Oh, so you want to charge me for using my money?" She got a funny look on her face like a kid who got caught with their hand in the cookie jar. I got up and left. A few blocks away I found a community credit union. No fees, better service, better interest on savings. I haven't had a bank account since.

As a customer of a bank, if something goes wrong with my account, they generally assume it's my fault and it's an uphill battle to get it fixed. As a member of a credit union, if there's a problem with my account, I talk with a service rep and together we figure out what went wrong. An additional benefit of credit unions is better interest rates on loans and, importantly, credit cards. My current credit union VISA charges me 12.9% interest, about half of the current average offer.

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Do you have more than 2 credit cards? Again, why?

Maybe you have good reasons for having 3-4 credit cards, but each credit card is one more hand in your wallet at the end of the month. I have one credit card I use for almost everything. I also have a second credit card in case something gets jammed up on my usual card. I can't remember the last time I used the second card.

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Charles Gave of GaveKal Research wrote an article on November 15th entitled "A Ratio to Watch" about one of his favorite indicators. It is the ratio of the SPX divided by the price of gold. This is a very long-term indicator. Its purpose is to warn about bear markets, and especially big, crippling bear markets that Charles calls "Ursus Magnus". I will be implementing the Gave SPX/Gold indicator in the near future.

[Market Barometers](#) ← Use this link to see all the market barometer charts

All the major indexes are up except IWM.



A Closer Look

Due to Thanksgiving, most of the senior traders were on vacation this week. The SPX did well on Monday, then went to sleep. The advance-decline line and the stocks above their 50-day and 200-day averages did better than price. Things will get back to normal in the coming week.



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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[Auxiliary Universe](#)

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[Special Security Universe](#)

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[Sector Universe](#)

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SPX Sector Universe Analysis for 24-Nov-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XLK	CAP-WTD INFO TECHNOLOGY (XXL)	ETF	UP	2.22:0.32	-up-	999/0	0.6
ITA	CAP-WTD SPACE & DEFENSE (SML)	ETF	≡UP≡	1.48:0.33	-UP-	190/0	0.7
XLC	CAP-WTD COMMUNICATION SRVCS	ETF	UP	1.37:0.33	UP	90/0	0.6
ITB	CAP-WTD HOME CONSTRUCTION (SML)	ETF	«UP»	0.68:0.33	=up=	12/2	0.9
XLF	CAP-WTD FINANCIALS (XL)	ETF	=UP=	0.59:0.33	UP	15/0	0.8
SPX	CAP-WTD S&P 500 INDEX	INDEX	=UP=	0.41:0.33	UP	16/0	0.6
XRT	EQU-WTD RETAIL (XS)	ETF	«UP»	0.00:0.33	UP	12/0	0.8
XLU	CAP-WTD UTILITIES (MD)	ETF	DN	-0.46:0.33	«UP»	9/1	0.4
XLY	CAP-WTD CONSUMER DISCR (XL)	ETF	DN	-0.47:0.33	UP	9/0	0.7
XLRE	CAP-WTD REAL ESTATE (MD)	ETF	DN	-0.47:0.33	UP	10/0	0.9
XLI	CAP-WTD INDUSTRIALS (LG)	ETF	DN	-0.49:0.33	UP	11/0	0.8
XLB	CAP-WTD MATERIALS (MD)	ETF	DN	-0.83:0.33	UP	10/0	0.8
XLV	CAP-WTD HEALTH CARE (XL)	ETF	DN	-1.17:0.33	UP	6/0	0.7
XLP	CAP-WTD CONSUMER STAPLES (LG)	ETF	DN	-1.17:0.33	≡UP≡	1/2	0.4
IYT	CAP-WTD TRANSPORT NDX	ETF	DN	-1.46:0.33	UP	10/0	1.3
XLE	CAP-WTD ENERGY (LG)	ETF	UP	-1.77:0.33	dn	3/1	0.4

Five sectors did better than the SPX this week and ITA rose to the middle of the top 3.

1. XLK — Technology
2. ITA — Defense and Aerospace
3. XLC — Communication Services

Sector Relative-Strength History

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

01 Sep	08 Sep	15 Sep	22 Sep	29 Sep	06 Oct	13 Oct	20 Oct	27 Oct	03 Nov	10 Nov	17 Nov	24 Nov
ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	TECHS	TECHS
BLDRS	TRANS	FINAN	FINAN	FINAN	FINAN	FINAN	COMMS	COMMS	COMMS	COMMS	COMMS	DFEND
TRANS	BLDRS	DISCR	DISCR	COMMS	COMMS	COMMS	FINAN	FINAN	HLTHY	HLTHY	DFEND	COMMS
FINAN	FINAN	TRANS	COMMS	DISCR	DISCR	HLTHY	HLTHY	HLTHY	FINAN	FINAN	FINAN	BLDRS
DISCR	DISCR	BLDRS	INDUS	SP500	SP500	SP500	SP500	SP500	SP500	DFEND	SP500	FINAN
SALES	INDUS	COMMS	SP500	INDUS	HLTHY	MATER	MATER	MATER	MATER	SP500	BLDRS	SP500
INDUS	COMMS	INDUS	TRANS	MATER	MATER	DISCR	INDUS	INDUS	TECHS	TECHS	SALES	SALES
COMMS	SALES	SALES	BLDRS	HLTHY	INDUS	INDUS	DISCR	TECHS	DFEND	MATER	UTILS	UTILS
SP500	SP500	SP500	MATER	TRANS	TECHS	TECHS	TECHS	SALES	INDUS	SALES	INDUS	DISCR
TECHS	MATER	MATER	SALES	TECHS	TRANS	SALES	SALES	DISCR	SALES	INDUS	DISCR	REALE
MATER	TECHS	TECHS	HLTHY	SALES	SALES	TRANS	TRANS	DFEND	STAPL	STAPL	HLTHY	INDUS
HLTHY	HLTHY	HLTHY	TECHS	BLDRS	BLDRS	REALE	DFEND	TRANS	DISCR	UTILS	ENRGY	MATER
DFEND	DFEND	DFEND	REALE	REALE	REALE	DFEND	REALE	STAPL	UTILS	DISCR	REALE	STAPL
REALE	REALE	REALE	DFEND	DFEND	DFEND	BLDRS	STAPL	REALE	TRANS	REALE	MATER	HLTHY
STAPL	STAPL	STAPL	STAPL	UTILS	STAPL	STAPL	UTILS	UTILS	REALE	TRANS	STAPL	TRANS
UTILS	UTILS	UTILS	UTILS	STAPL	UTILS	UTILS	BLDRS	BLDRS	BLDRS	BLDRS	TRANS	ENRGY

Legend

Cap-Wtd	Equal-Wtd	Synonym	Sector Name	Cap-Wtd	Equal-Wtd	Synonym	Sector Name
2. IIA 1.48	1. XAR 2.15	DFEND	AEROSPACE & DEFENSE	11. XLI -0.49	9. RSPN -0.67	INDUS	INDUSTRIALS
3. XLC 1.37	7. RSPC -0.05	COMMS	COMMUNICATION SRVCS	12. XLB -0.83	12. RSPM -1.30	MATER	MATERIALS
9. XLY -0.47	13. RSPD -1.82	DISCR	CONSUMER DISCR	10. XLRE -0.47	11. RSPR -1.07	REALE	REAL ESTATE
13. XLP -1.17	14. RSPS -2.34	STAPL	CONSUMER STAPLES	7. XRT -0.02	6. XRT -0.02	SALES	RETAIL
16. XLE -1.77	10. RSPG -0.73	ENRGY	ENERGY	6. SPX 0.41	3. SPX 0.41	SP500	S&P 500
5. XLF 0.59	2. RSPF 0.84	FINAN	FINANCIALS	1. XLK 2.22	5. RSPT 0.07	TECHS	TECHNOLOGY
14. XLV -1.17	15. RSPH -2.67	HLTHY	HEALTH CARE	15. IYT -1.46	16. XTN -3.62	TRANS	TRANSPORTATION
4. ITB 0.68	4. XHB 0.16	BLDRS	HOMEBUILDERS	8. XLU -0.46	8. RSPU -0.05	UTILS	UTILITIES

Aerospace & Defense has been rising since October and now it's #2. Home Builders spent 4 weeks at the bottom of the heap. They jumped to #6 last week and #4 this week. Finance seems to meander. Health Care was climbing nicely for 11 weeks and now it's 3rd from the bottom.

This Week's Selections

My choice for last week was: BIL 80%, XLC 10%, and XLK 10%.

Top ETFs By Slope

Current Holdings

Sym	Slope	Stop	Last
BIL	0.00%	\$90.85	\$91.58
XLK	2.22%	\$181.89	\$184.41
XLC	1.37%	\$69.77	\$70.96

High-Slope Sectors ETFs

Sym	Slope	Long	Last
ITA	1.48% ↑↑	BUY	\$118.49 ↑↑
ITB	0.68% ↑↑	no	\$86.75 ↑↑
XLF	0.59% ↑	no	\$35.38 ↑↑
SPX	0.41% ↑↑	Index	\$4559.34 ↑↑
XRT	0.00% ↑↑	no	\$63.89 ↑↑
XLU	-0.46% ↑↑	no	\$62.69 —
XLY	-0.47% ↑↑	no	\$168.24 ↑↑
XLRE	-0.47% ↑↑	no	\$36.32 —

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

Analysis

[XLK](#) made another all-time high this week. All basic charts are up but XLK may be reaching a peak or a pause (consolidation). [XLC](#) made a 90-week high and all basic charts are up as XLC cleared \$70. [ITA](#) made a 190-week high, its MTA turned positive, and all basic charts are up. [ITB](#) is having trouble getting through overhead supply at \$87.50. OBV is turning up while CMF is turning down. [XLF](#)'s is now above \$35 and all 6 basic charts are up but, oddly enough, volume has fallen for the last two weeks.

[SPX](#) continues to close in on the July high of \$4589. 5 of 6 basic charts are up. OBV is flat this week but that is likely a product of the 4-day trading week. [XRT](#) is still near the top of its strong 16-week converging, downward-sloping channel. 5 of 6 basic charts are up but OBV has been in a decline since the end of August. [XLU](#) appears to have found support near \$55 and is now above \$60. The slope is climbing since the October low, the MTA is starting to show a little green and all 6 basic charts are up. XLU pays a dividend of about 3.4%, which is below my threshold of interest for dividend investments but it has been rising since 2000 and is more than double the SPX average of 1.6%. It's not sirloin but it's not chopped liver. either. [XLY](#) has been making lower lows and lower highs since July. CMF below -3 in October implies that \$150 was the bottom, but it's MTA is still down and its slope is still far below the SPX. [XLRE](#) has been declining since January 2022 and its slope has been in the bottom 5 for 12 of the last 13 weeks.

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Thoughts and Decisions

I'm going to buy ITA this week, but for now with a tight stop like XLK and XLC. For all three ETFs, I'm going to use a close below the ATS as my exit signal. If the SPX gets over \$4600, I will consider loosening those stops.

My sector choices for this week are: ITA 10%, XLC 10%, XLK 10%, and BIL 70%.

Other Securities You May Find Interesting

[DBC](#) — DB Commodity Index ETF — tracks a diversified commodity index

Bad money flow continues.

[EPD](#) — Enterprise Products Partners — provider of midstream energy services to producers of natural gas, natural gas liquids (NGLs), crude oil, petrochemicals and refined products

Got above \$26. See 10-year chart below.

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

MTA is up, slope is 1.4, and KIE just made a 17-year high.

[URA](#) — Uranium — global uranium mining industry ETF

Rising and made a 102-week new high.

[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.

Bouncing around \$70. Poor money flow.

[UUP](#) — US Dollar ETF

Declining and bad money flow.

From mid 2015 to the end of 2019, EPD hung around in the \$25-\$30 range. Now it's back in that range. This stock is going nowhere...however, it pays a [dividend of more than 7% a year](#), and that dividend has been [steadily increasing since 1999](#).



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