

## Weekly Market Analysis #486 — 1 December 2023

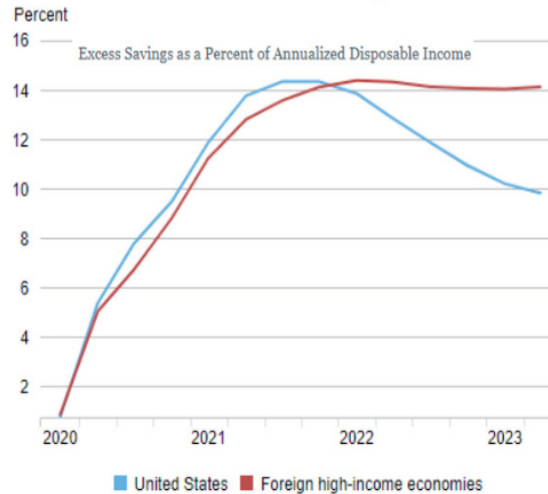
Richard "Doc" Ahrens

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### This Week

Americans are spending their "excess" savings which is likely to raise Consumer Discretionary stocks, as well as retail stocks.

#### Americans the only consumers who are spending down excess savings

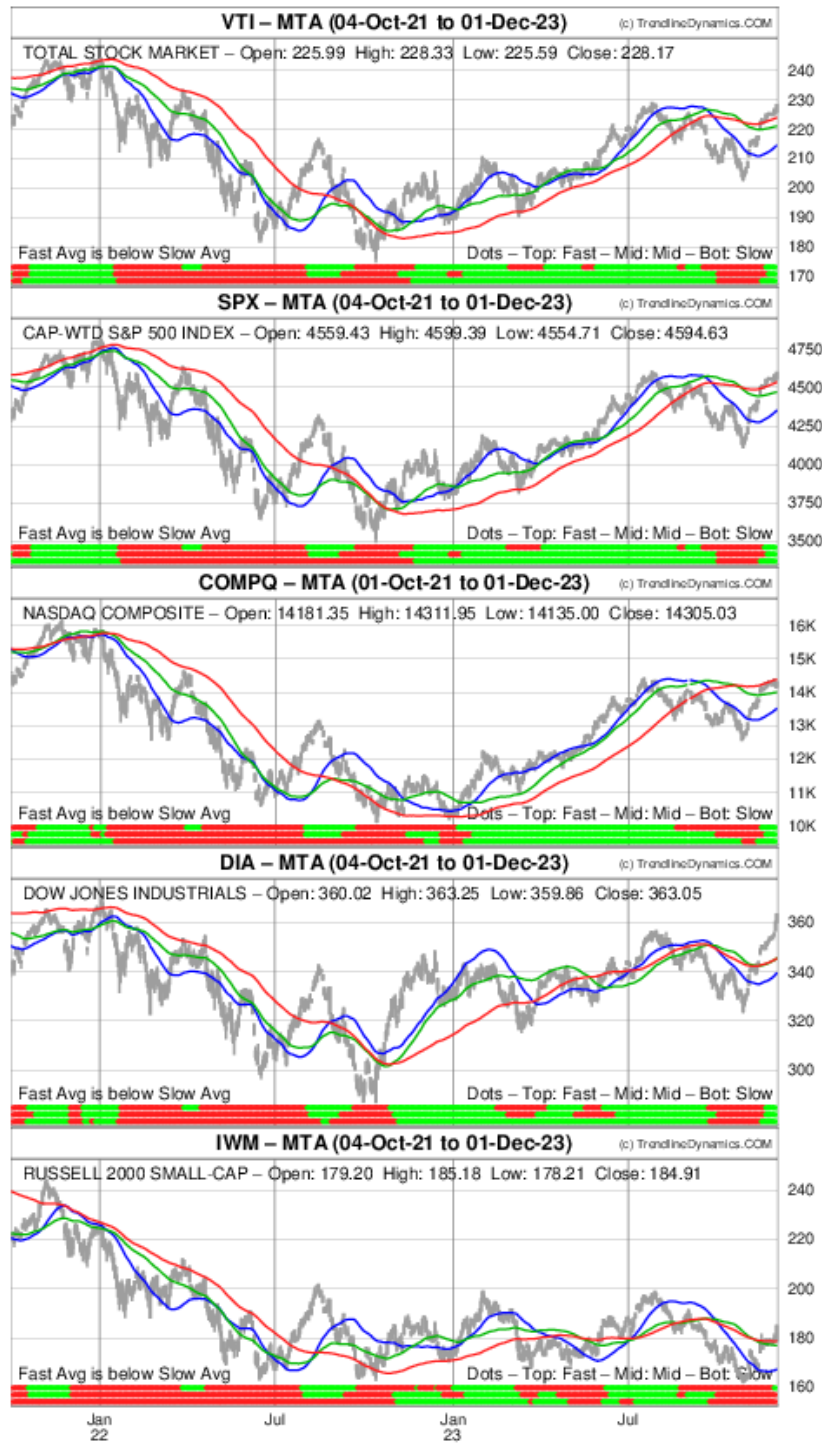


Many people seem to be expecting the Fed to lower the base interest rate. I think Powell is going to raise it one more time, in part, just to show he can. This will rattle a lot of people.

[Market Barometers](#)

← Use this link to see all the market barometer charts

As before, all the major indexes are up except IWM.



## A Closer Look

The SPX got a small boost on Thursday, then it went crazy on Friday. The market will probably give some of that back on Monday. The advance-decline line and the stocks above their 50-day and 200-day averages both did better than price.



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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SPX Sector Universe Analysis for 01-Dec-2023							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">XLK</a>	CAP-WTD INFO TECHNOLOGY (XXL)	ETF	UP	3.16:1.15	up	999/1	-0.0
<a href="#">ITA</a>	CAP-WTD SPACE & DEFENSE (SML)	ETF	UP	2.38:1.15	-UP-	885/1	0.5
<a href="#">ITB</a>	CAP-WTD HOME CONSTRUCTION (SML)	ETF	UP	2.29:1.15	<UP>	183/3	0.2
<a href="#">XLC</a>	CAP-WTD COMMUNICATION SRVCS	ETF	UP	1.80:1.15	=up=	1/2	-0.1
<a href="#">XLF</a>	CAP-WTD FINANCIALS (XL)	ETF	UP	1.61:1.15	-UP-	40/1	0.6
<a href="#">SPX</a>	CAP-WTD S&P 500 INDEX	INDEX	UP	1.17:1.15	<UP>	85/1	0.2
<a href="#">XRT</a>	EQU-WTD RETAIL (XS)	ETF	UP	1.16:1.15	<UP>	17/1	0.9
<a href="#">XLRE</a>	CAP-WTD REAL ESTATE (MD)	ETF	<<UP>	0.93:1.15	-UP-	17/1	1.0
<a href="#">XLY</a>	CAP-WTD CONSUMER DISCR (XL)	ETF	DN	0.57:1.15	-UP-	11/1	0.3
<a href="#">XLU</a>	CAP-WTD UTILITIES (MD)	ETF	DN	0.37:1.15	UP	10/1	0.2
<a href="#">XLI</a>	CAP-WTD INDUSTRIALS (LG)	ETF	≡UP≡	0.36:1.15	-UP-	13/2	0.5
<a href="#">XLB</a>	CAP-WTD MATERIALS (MD)	ETF	≡UP≡	0.15:1.15	UP	13/1	0.7
<a href="#">IYT</a>	CAP-WTD TRANSPORT NDX	ETF	DN	-0.17:1.15	<UP>	13/2	0.8
<a href="#">XLP</a>	CAP-WTD CONSUMER STAPLES (LG)	ETF	DN	-0.49:1.15	-UP-	10/1	0.3
<a href="#">XLV</a>	CAP-WTD HEALTH CARE (XL)	ETF	DN	-0.64:1.15	<UP>	11/2	0.4
<a href="#">XLE</a>	CAP-WTD ENERGY (LG)	ETF	UP	-2.01:1.15	-DN=	4/2	0.4

ITA rose to the middle of the top 3.

1. XLK — Technology
2. ITA — Defense and Aerospace
3. ITB — Home Builders pushed Communication Services out of the top 3.

## Sector Relative-Strength History

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

Capital-Weighted Sector ETFs Relative Strength History

08-Sep-2023 to 01-Dec-2023

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

### Legend

Cap-Wtd	Equal-Wtd	Synonym	Sector Name	Cap-Wtd	Equal-Wtd	Synonym	Sector Name
2. IIA 2.38	1. XAR 3.01	DFEND	AEROSPACE & DEFENSE	11. XLI 0.36	9. RSPN 0.24	INDUS	INDUSTRIALS
4. XLC 1.80	7. RSPC 0.80	COMMS	COMMUNICATION SRVCS	12. XLB 0.15	11. RSPM -0.28	MATER	MATERIALS
9. XLY 0.57	12. RSPD -0.60	DISCR	CONSUMER DISCR	8. XLRE 0.93	10. RSPR 0.15	REALE	REAL ESTATE
14. XLP -0.49	14. RSPS -1.42	STAPL	CONSUMER STAPLES	7. XRT 1.16	6. XRT 1.16	SALES	RETAIL
16. XLE -2.01	13. RSPG -1.11	ENRGY	ENERGY	6. SPX 1.17	5. SPX 1.17	SP500	S&P 500
5. XLF 1.61	2. RSPF 1.85	FINAN	FINANCIALS	1. XLK 3.16	4. RSPT 1.27	TECHS	TECHNOLOGY
15. XLV -0.64	15. RSPH -1.67	HLTHY	HEALTH CARE	13. IYT -0.17	16. XTN -2.40	TRANS	TRANSPORTATION
3. IIB 2.29	3. XHB 1.62	BLDRS	HOMEBUILDERS	10. XLU 0.37	8. RSPU 0.73	UTILS	UTILITIES

The top five are the same as last week, but Home Builders switched places with Communications.

## This Week's Selections

My choices for last week was: ITA 10%, XLC 10%, XLK 10%, and BIL 70%..

### Top ETFs By Slope

#### Current Holdings

Sym	Slope	Stop	Last
BIL	0.00%	\$90.85	\$91.44
XLK	3.16%	\$181.89	\$185.58
ITA	2.38%	\$117.37	\$121.28
XLC	1.80%	\$69.77	\$69.91

#### High-Slope Sectors ETFs

Sym	Slope	Long	Last
ITB	2.29% ↑↑	no	\$89.53 ↑
XLF	1.61% ↑↑	BUY	\$36.17 ↑↑
SPX	1.17% ↑↑	Index	\$4594.63 ↑↑
XRT	1.16% ↑↑	no	\$67.05 ↑↑
XLRE	0.93% ↑↑	no	\$38.01 ↑↑
XLY	0.57% ↑↑	no	\$171.09 ↑↑
XLU	0.37% ↑↑	no	\$63.53 ↑
XLI	0.36% ↑↑	no	\$108.74 ↑↑

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

### Analysis

[XLK](#) has actually been flat for two weeks, but it made another all-time high this week. The MACD just turned down, but price remains above the ATS. [ITA](#) made a 17-year high, its MTA turned positive, and all basic charts are still up. [XLC](#) pulled back below \$70 even though the SPX made a 85-week high. Several basic charts have turned down but XLC is still within the gravitational pull of \$70.

[ITB](#) made a 3.5-year high. It's MTA is up, but its money flow is more-or-less flat. [XLF](#)'s volume has returned. It's MTA is up. It made a 40-week high. And this week's price movement was up on Wednesday, Thursday, and Friday. [SPX](#) broke its July high of \$4589, but the biggest part of the move happened on Friday. [XRT](#) (to no one's surprise) jumped on December 1<sup>st</sup> with rising money flow.

[XLRE](#)'s slope has been climbing for the last 4 weeks while the 10-year Treasury bond yield steadily fell from 4.7% in mid\_October to 4.23% on Friday. [XLY](#) rose above the center line of its 47-week rising channel on strong money flow. [XLU](#) is still above \$60 but has been hanging around \$62.50 for the last 3 weeks. [XLI](#) looks pretty good, except for its anemic slope of 0.36% per month.

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### Thoughts and Decisions

I want to see ITB above \$90 before I'll buy it. Despite its declining slope for the last 12 weeks, I'm going to buy XLF. "Everybody" is expecting the Fed to lower interest rates, but if they don't, then XLRE is very likely to decline. XLY (Consumer Discretionary) has a huge amount of overhead supply. XLU's MTA is down, XLI's MTA just came on but I'd like to see price get above \$110.

My sector choices for this week are: ITA 10%, XLC 10%, XLF 10%, XLK 10%, and BIL 60%.

## Other Securities You May Find Interesting

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

Seems to have found support near \$24.

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

Rising away from \$26.

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

MTA is up, slope is up to 1.8, and 5 of 6 basic charts are up.

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

Consolidating around \$29.

[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.

Still around \$70.

[UUP](#) — US Dollar ETF

May have found a low near \$29. Wait for a 1-2-3 setup or other reliable signal.