

Weekly Market Analysis #492 — 12 January 2024

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This Week

Randall Kroszner, a former Federal Reserve board governor, said that it's too early to predict the central bank will cut interest rates in March — as many investors and economists expect — as the labor market remains strong. Federal Reserve Bank of Cleveland President Loretta Mester also said March is probably too early to lower rates.

Bank earnings were in focus Friday morning with large caps JPM, Citi, Wells, Bofa, BK scheduled. Overall results were disappointing, nudging the market lower.

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Microsoft briefly overtook Apple as the world's most valuable listed company on Thursday, before Apple grabbed back the crown by the time the stock markets closed. The jockeying shows how much excitement over artificial intelligence is changing the technology sector.

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Home prices continue to rise and rents are finally falling after a major run-up. Redfin said the median asking rent in the U.S. fell in December by 0.8% from one year earlier. Rents have fallen for three months in a row after a building boom.

Home buyer confidence rose in December, as consumers anticipated falling mortgage rates. Fannie Mae said its home purchase sentiment index rose 6.2 points from one year ago, to 67.2. The rate on the average 30-year fixed mortgage was 6.62% last week, down from 7.79% in October.

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The Securities and Exchange Commission approved almost a dozen [exchange-traded funds for the BitCoin cryptocurrency](#)...The SEC had some strong words about Bitcoin even as it approved the ETFs, saying it's a "speculative, volatile asset."

There's a reason these companies spent millions going through the long and expensive registration process for their new ETFs. Keith Fitz-Gerald says it's because they can make money from it, so watch your step if you feel the urge to buy these. The high volatility is likely to cause challenges for a variety of indicators.

The "cheapest" Bitcoin fund is the Bitwise Bitcoin ETF (BITB) which has an expense ratio of 0.20%.

[Market Barometers](#)

← Use this link to see all the market barometer charts

All major indexes are still up although COMPQ didn't quite keep up and IWM looks anemic.



A Closer Look

Price powered up to a 102-week new high this week but the advance-decline line did not confirm price. Stocks above their 50-day and 200-day averages also declined.



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 12-Jan-2024							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
ITB	CAP-WTD HOME CONSTRUCTION	ETF	UP	9.35:3.41	-UP-	2/1	-1.0
XRT	EQU-WTD RETAIL	ETF	UP	6.39:3.41	<<DN>>	2/4	-1.8
XLRE	CAP-WTD REAL ESTATE	ETF	UP	5.66:3.41	up	2/4	-1.1
XLF	CAP-WTD FINANCIALS	ETF	UP	4.62:3.41	<<up>>	89/1	-0.5
IYT	CAP-WTD TRANSPORT NDX	ETF	UP	4.29:3.41	-dn-	2/1	-0.8
ITA	CAP-WTD SPACE & DEFENSE	ETF	UP	4.16:3.41	<<UP>>	1/5	-1.3
XLI	CAP-WTD INDUSTRIALS	ETF	UP	3.58:3.41	=UP=	2/1	-0.7
XLK	CAP-WTD INFO TECHNOLOGY	ETF	UP	3.45:3.41	-UP-	2/1	-0.2
XLY	CAP-WTD CONSUMER DISCR	ETF	UP	3.26:3.41	<<DN>>	2/1	-0.7
SPX	CAP-WTD S&P 500 INDEX	INDEX	UP	3.17:3.41	up	102/1	-0.2
XLV	CAP-WTD HEALTH CARE	ETF	UP	2.93:3.41	=UP=	89/1	0.3
XLB	CAP-WTD MATERIALS	ETF	UP	2.87:3.41	UP	2/4	-0.9
XLC	CAP-WTD COMMUNICATION SRVCS	ETF	UP	2.74:3.41	up	98/1	0.0
XLU	CAP-WTD UTILITIES	ETF	UP	1.88:3.41	-DN-	4/3	-0.2
XLP	CAP-WTD CONSUMER STAPLES	ETF	UP	1.56:3.41	-UP-	2/1	0.0
XLE	CAP-WTD ENERGY	ETF	DN	-1.31:3.41	≡DN≡	1/4	-0.5

Three sectors (and SPX) made significant new highs.

Sector Relative-Strength History

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

Capital-Weighted Sector ETFs Relative Strength History

20-Oct-2023 to 12-Jan-2024

20 Oct	27 Oct	03 Nov	10 Nov	17 Nov	24 Nov	01 Dec	08 Dec	15 Dec	22 Dec	29 Dec	05 Jan	12 Jan
ENRGY	ENRGY	ENRGY	ENRGY	TECHS	TECHS	TECHS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS
COMMS	COMMS	COMMS	COMMS	COMMS	DFEND	DFEND	TECHS	SALES	SALES	SALES	SALES	SALES
FINAN	FINAN	HLTHY	HLTHY	DFEND	COMMS	BLDRS	DFEND	DFEND	REALE	REALE	REALE	REALE
HLTHY	HLTHY	FINAN	FINAN	FINAN	BLDRS	COMMS	SALES	TECHS	DFEND	DFEND	DFEND	FINAN
SP500	SP500	SP500	DFEND	SP500	FINAN	FINAN	REALE	REALE	TECHS	TRANS	TRANS	TRANS
MATER	MATER	MATER	SP500	BLDRS	SP500	SP500	FINAN	FINAN	TRANS	TECHS	FINAN	DFEND
INDUS	INDUS	TECHS	TECHS	SALES	SALES	SALES	COMMS	TRANS	FINAN	FINAN	TECHS	INDUS
DISCR	TECHS	DFEND	MATER	UTILS	UTILS	REALE	SP500	DISCR	DISCR	DISCR	INDUS	TECHS
TECHS	SALES	INDUS	SALES	INDUS	DISCR	DISCR	DISCR	INDUS	INDUS	INDUS	DISCR	DISCR
SALES	DISCR	SALES	INDUS	DISCR	REALE	UTILS	TRANS	SP500	SP500	SP500	MATER	SP500
TRANS	DFEND	STAPL	STAPL	HLTHY	INDUS	INDUS	INDUS	COMMS	MATER	MATER	SP500	HLTHY
DFEND	TRANS	DISCR	UTILS	ENRGY	MATER	MATER	UTILS	MATER	COMMS	COMMS	COMMS	MATER
REALE	STAPL	UTILS	DISCR	REALE	STAPL	TRANS	MATER	UTILS	UTILS	UTILS	HLTHY	COMMS
STAPL	REALE	TRANS	REALE	MATER	HLTHY	STAPL	STAPL	HLTHY	HLTHY	HLTHY	UTILS	UTILS
UTILS	UTILS	REALE	TRANS	STAPL	TRANS	HLTHY	HLTHY	STAPL	STAPL	STAPL	STAPL	STAPL
BLDRS	BLDRS	BLDRS	BLDRS	TRANS	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY

Legend

Cap-Wtd	Equal-Wtd	Synonym	Sector Name	Cap-Wtd	Equal-Wtd	Synonym	Sector Name
6. ITA 4.16	8. XAR 4.26	DFEND	AEROSPACE & DEFENSE	7. XLI 3.53	10. RSPN 3.73	INDUS	INDUSTRIALS
13. XLC 2.74	13. RSPC 2.93	COMMS	COMMUNICATION SRVCS	12. XLB 2.87	11. RSPM 3.38	MATER	MATERIALS
9. XLY 3.26	6. RSPD 4.73	DISCR	CONSUMER DISCR	3. XLRE 5.66	4. RSPR 5.61	REALE	REAL ESTATE
15. XLP 1.56	15. RSPS 1.81	STAPL	CONSUMER STAPLES	2. XRT 6.39	2. XRT 6.39	SALES	RETAIL
16. XLE -1.31	16. RSPG -1.18	ENRGY	ENERGY	10. SPX 3.17	12. SPX 3.17	SP500	S&P 500
4. XLF 4.62	3. RSPF 5.65	FINAN	FINANCIALS	8. XLK 3.45	5. RSPT 4.76	TECHS	TECHNOLOGY
11. XLV 2.93	9. RSPH 4.21	HLTHY	HEALTH CARE	5. IYT 4.29	7. XTN 4.65	TRANS	TRANSPORTATION
1. ITB 9.35	1. XHB 8.24	BLDRS	HOMEBUILDERS	14. XLU 1.88	14. RSPU 2.01	UTILS	UTILITIES

The top 3 sectors remain unchanged. XLF continues to rise. IYT is flat. ITA continues to decline while XLI keeps advancing.

Other Securities You May Find Interesting

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

Made 100-week low.

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

NTA down, slope flat

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

Made 17-year high

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

Jumped over \$30 level and gapped up to ~7-year high

X [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.

Price down, money flow negative

X [UUP](#) — US Dollar ETF

After gapping down 6% on Dec 18th, price may have found support near \$27

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