

# Weekly Market Analysis #496 — 9 February 2024

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## This Week

On Friday Keith Fitz-Gerald said:

...Chinese e-commerce player Temu is going to be running its 2nd Super Bowl advertisement this weekend, along with \$10 million in giveaways. Here's why you should pay attention.

China will not evolve into the liberal, democratic society and free market economy with unlimited opportunity for Western companies that naive politicians and pundits fancy. China's goal is world domination, not coexistence. Investors need to plan accordingly...

And Again:

...MyPOV: It is better to invest because of China than in China which is why I will place my bets with companies and CEOs who have a handle on what it really means to do business with the Chinese...

[A lot of Westerners do not take China's 1000-year plan to take over the world seriously, which is exactly what the Chinese government wants them to do.]

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Some ETF companies are offering "micro-share" funds. These are funds that have lower priced shares which may be attractive to retail investors. For example, GLD shares are about \$185, but GLDM shares are about \$40 and they both track the same underlying index. (GLDM also has a significantly lower expense ration.)

<https://finance.yahoo.com/news/spdr-gold-minishares-trust-marks-123000570.html>

<https://etf.com/etfanalytics/etf-comparison/GLDM-vs-GLD>

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Thought-provoking article by Greg Morris: [The Illusion of Forecasting](#)

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I had bad data downloads on two days this week for an unknown number of symbols. I corrected the data and the website charts for all the members of the sector universe and the market indexes. Since I don't now how many other symbols have bad data, later this evening I will update all the rest and re-run all the charts on the website.

This requires manually downloading the data for about 140 symbols, so I decided I should get the weekly analysis done first and then do the time-consuming reload.

[Market Barometers](#)

← Use this link to see all the market barometer charts

All indexes have positive MTAs (although IWM still lags the others).



## A Closer Look

Price made all-time highs more than once this week. The advance-decline confirmed price action, but the stocks above their 50-day and 200-day averages did not do as well.

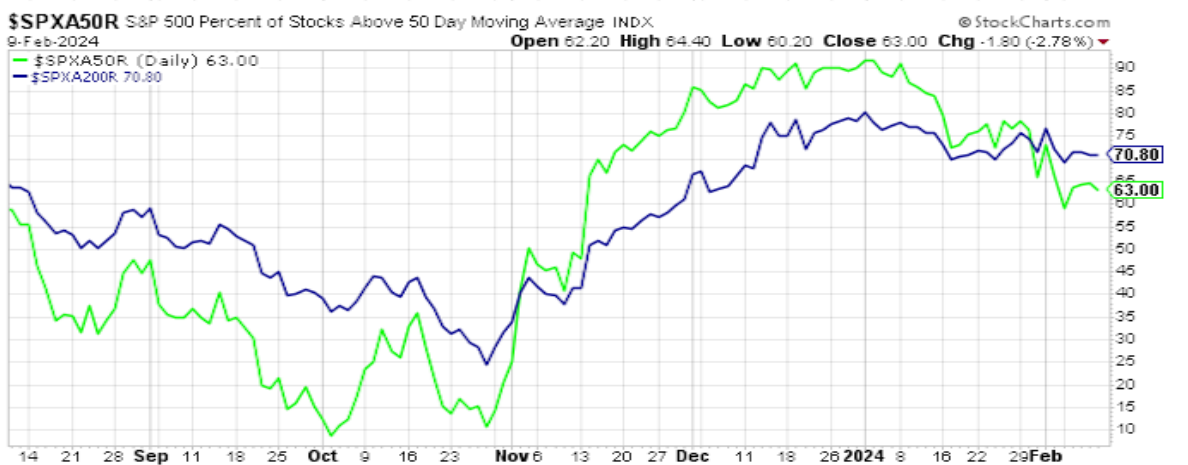


Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above 50&200 Averages](#), [NewHigh–NewLows](#)

[Bullish Universe](#)

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[Bearish Universe](#)

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SPX Sector Universe Analysis for 09-Feb-2024							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">SMH</a>	SEMICONDUCTORS	ETF	UP	7.71:3.38	=UP=	999/1	0.6
<a href="#">ITB</a>	CAP-WTD HOME CONSTRUCTION	ETF	UP	5.60:3.38	UP	3/1	0.0
<a href="#">XLC</a>	CAP-WTD COMMUNICATION SRVCS	ETF	UP	4.59:3.38	DN	1/1	0.1
<a href="#">XLK</a>	CAP-WTD INFO TECHNOLOGY	ETF	UP	4.49:3.38	=UP=	999/1	0.1
<a href="#">XLF</a>	CAP-WTD FINANCIALS	ETF	UP	4.03:3.38	≡UP≡	2/2	-0.1
<a href="#">SPX</a>	CAP-WTD S&P 500 INDEX	INDEX	UP	3.46:3.38	UP	999/1	0.2
<a href="#">XLV</a>	CAP-WTD HEALTH CARE	ETF	UP	3.39:3.38	-UP-	999/1	0.3
<a href="#">IYT</a>	CAP-WTD TRANSPORT NDX	ETF	UP	3.12:3.38	UP	94/1	0.7
<a href="#">XRT</a>	EQU-WTD RETAIL	ETF	UP	3.09:3.38	UP	5/1	0.3
<a href="#">XLI</a>	CAP-WTD INDUSTRIALS	ETF	UP	2.91:3.38	UP	999/1	0.4
<a href="#">XLP</a>	CAP-WTD CONSUMER STAPLES	ETF	UP	1.94:3.38	up	1/1	-0.0
<a href="#">XLRE</a>	CAP-WTD REAL ESTATE	ETF	UP	1.84:3.38	≡UP≡	1/10	-0.2
<a href="#">ITA</a>	CAP-WTD SPACE & DEFENSE	ETF	UP	1.84:3.38	UP	5/1	0.3
<a href="#">XLY</a>	CAP-WTD CONSUMER DISCR	ETF	UP	1.27:3.38	UP	6/1	0.6
<a href="#">XLB</a>	CAP-WTD MATERIALS	ETF	UP	0.67:3.38	≡UP≡	1/11	0.1
<a href="#">XLU</a>	CAP-WTD UTILITIES	ETF	UP	-0.68:3.38	-UP-	1/2	-0.2
<a href="#">XLE</a>	CAP-WTD ENERGY	ETF	DN	-1.24:3.38	«up»	2/2	0.2

Five sectors are showing greater relative strength than the SPX.

## Sector Relative-Strength History

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

Capital-Weighted Sector ETFs Relative Strength History													17-Nov-2023 to 09-Feb-2024	
17 Nov	24 Nov	01 Dec	08 Dec	15 Dec	22 Dec	29 Dec	05 Jan	12 Jan	19 Jan	26 Jan	02 Feb	09 Feb		
TECHS	TECHS	TECHS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	SEMIS	SEMIS		
SEMIS	SEMIS	SEMIS	TECHS	SEMIS	SALES	SALES	SALES	SALES	SALES	SEMIS	BLDRS	BLDRS		
COMMS	DFEND	DFEND	DFEND	SALES	SEMIS	REALE	REALE	REALE	SEMIS	SALES	TECHS	COMMS		
DFEND	COMMS	BLDRS	SEMIS	DFEND	REALE	SEMIS	SEMIS	SEMIS	REALE	TECHS	FINAN	TECHS		
FINAN	BLDRS	COMMS	SALES	TECHS	DFEND	DFEND	DFEND	FINAN	FINAN	FINAN	COMMS	FINAN		
SP500	FINAN	FINAN	REALE	REALE	TECHS	TRANS	TRANS	TRANS	TRANS	REALE	SALES	SP500		
BLDRS	SP500	SP500	FINAN	FINAN	TRANS	TECHS	FINAN	DFEND	TECHS	COMMS	SP500	HLTHY		
SALES	SALES	SALES	COMMS	TRANS	FINAN	FINAN	TECHS	INDUS	DFEND	TRANS	HLTHY	TRANS		
UTILS	UTILS	REALE	SP500	DISCR	DISCR	DISCR	INDUS	TECHS	INDUS	SP500	TRANS	SALES		
INDUS	REALE	DISCR	DISCR	INDUS	INDUS	INDUS	DISCR	DISCR	SP500	HLTHY	REALE	INDUS		
DISCR	DISCR	UTILS	TRANS	SP500	SP500	SP500	SP500	SP500	HLTHY	INDUS	INDUS	STAPL		
HLTHY	INDUS	INDUS	INDUS	COMMS	MATER	MATER	MATER	HLTHY	COMMS	DFEND	DFEND	DFEND		
ENRGY	MATER	MATER	UTILS	MATER	COMMS	COMMS	COMMS	MATER	DISCR	DISCR	STAPL	REALE		
REALE	HLTHY	TRANS	MATER	UTILS	UTILS	UTILS	HLTHY	COMMS	MATER	MATER	DISCR	DISCR		
MATER	STAPL	STAPL	STAPL	HLTHY	HLTHY	HLTHY	UTILS	UTILS	STAPL	STAPL	MATER	MATER		
STAPL	TRANS	HLTHY	HLTHY	STAPL	STAPL	STAPL	STAPL	STAPL	UTILS	UTILS	UTILS	UTILS		
TRANS	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY		

### Details

Symbol	Slope	Synonym	Sector Name
1. SMH	7.71	SEMIS	SEMICONDUCTORS
2. IIB	5.60	BLDRS	HOMEBUILDERS
3. XLC	4.59	COMMS	COMMUNICATION SRVCS
4. XLK	4.49	TECHS	TECHNOLOGY
5. XLF	4.03	FINAN	FINANCIALS
6. SPX	3.46	SP500	S&P 500
7. XLV	3.39	HLTHY	HEALTH CARE
8. IYT	3.12	TRANS	TRANSPORTATION
9. XRT	3.09	SALES	RETAIL SALES
10. XLI	2.91	INDUS	INDUSTRIALS
11. XLP	1.94	STAPL	CONSUMER STAPLES
12. ITA	1.84	DFEND	AEROSPACE & DEFENSE
13. XLRE	1.84	REALE	REAL ESTATE
14. XLY	1.27	DISCR	CONSUMER DISCR
15. XLB	0.67	MATER	MATERIALS
16. XLU	-0.68	UTILS	UTILITIES
17. XLE	-1.24	ENRGY	ENERGY

Rewriting the program that generates this information turned out to be a major pain. I worked on it all week and didn't get it working right until late Friday night.

## This Week's Selections

My choices for last week were: ITA 10%, ITB 10%, XLC 10%, XLI 10%, XLF 10%, XLV 10%, and BIL 40%

## Top ETFs By Slope

### Current Holdings

Sym	Slope	Stop	Last
ITB	5.60% ↓↓	\$99.35	\$103.18 ↑
XLC	4.59% ↑↑	\$71.03	\$79.17 ↓
XLK	4.49% ↑↑	\$188.37	\$207.84 ↑
XLF	4.03% ↓	\$36.85	\$39.08 —
XLV	3.39% ↑↑	\$141.76	\$144.01↑↑
XLI	2.91% ↑	\$111.37	\$116.95↑↑
BIL	0.00% —	\$90.85	\$91.52 —

### High-Slope Sectors ETFs

Sym	Slope	Long	Last
SMH	7.71% ↑↑	BUY	\$203.85 ↑↑
SPX	3.46% ↑↑	Index	\$5026.6 ↑↑
IYT	3.12% —	no	\$273.12 ↑↑
XRT	3.09% ↓↓	no	\$70.66 —
XLP	1.94% ↑↑	no	\$73.11 ↓
XLRE	1.84% ↓↓	no	\$38.41 —
ITA	1.84% ↓↓	no	\$124.66 ↑↑
XLY	1.27% ↓↓	no	\$179.90 ↑↑
XLB	0.67% ↓↓	no	\$83.14 —

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

## Analysis

[ITB](#) has been flat for 8 weeks. [XLC](#) closed near \$80 last week then fell back a bit. [XLK](#) made an all-time high and held above \$200. [XLF](#) is holding around \$39. [XLV](#) made an all-time high. [XLI](#) made another all-time high.

[SMH](#) made 4 all-time highs this week and all signs are up. [SPX](#) made 3 all-time highs this week. [IYT](#) broke its trendlines and made a 94-week high. All 6 basic charts are up. [XRT](#) won't really be interesting until it breaks \$72.50.

[XLP](#) kind of fizzled this week. [XLRE](#) is in a slow decline. [ITA](#) needs to get above \$126.60 or more to break out. [XLY](#) is up against historical and psychological resistance at \$180. [XLB](#) — CMF has been rising since mid-December while price declines. Very odd.

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## Thoughts and Decisions

I don't like being late to buy into a rally, but SMH just keeps going up. That being said, SMH needs to be watched carefully. This rally could be near its end.

So my sector choices for this week : ITA 10%, ITB 10%, SMH 10%, XLC 10%, XLI 10%, XLF 10%, XLV 10%, and BIL 30%.

