

# Weekly Market Analysis #504 — 5 April 2024

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## This Week

Jeffrey Gundlach, the founder of DoubleLine Capital, said, "The employment market is flashing warning signals. Temporary employment is collapsing, hours worked is collapsing, quit rate is collapsing, and the unemployment rate is now above its one-year moving average."

He believes the stock market is over-extended. "It feels like 1999... This is no place to be taking fresh aggressive positions and anything risky. I'm much more comfortable owning Japan and India. In the U.S., I would only own an equal-weighted index. I'm not interested in owning the (Mag) seven stocks that are dominating the market."

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Thinking about buying stock in a SPAC? You might want to reconsider. [Bill Bonner explains](#).

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Walmart will be entering the streaming TV advertising arena with its acquisition of the smart-TV maker Vizio. Wedbush analyst Alicia Reese said Vizio's automatic content recognition technology should give Walmart information about who is watching the TVs.

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On Wednesday, Barron's and other market reporters came out with gloom and doom about the decrease in Tesla's car sales. Bloomberg trumpeted, "Tesla Inc.'s disastrous sales report on Tuesday, and traders' aggressive selling of the stock in the months leading up to it, have the share price plunging..." I think this interpretation is biased and naïve.

Keith Fitz-Gerald points out, "We knew that was coming. The company has been kicked in the chops globally...But did you see this? First, Tesla deployed 4,053 MWh in energy storage products, the highest quarterly rollout yet...Tesla's energy storage and generation revenues have more than tripled over the past few years. They will again. And second, Tesla holds gobs of cash which means it's got plenty of strength to navigate any short-term concerns or financial pressure."

Keep in Mind: The primary objective of people in the "news" business is to maximize the number of viewers or readers. The news programs that get the most attention can garner the most advertising dollars from commercial sponsors.

The media's raw materials are the thousands of stories that come from wire services and other sources. From this river of information they pick the ones that will attract the most attention. In other words, their goal is not to tell the public about things that are important. Their goal is to guess which things the public will most want to hear about. And negative news is generally attracts more attention than positive news.

In order to remain competitive, "news" organizations have to dedicate enormous resources to keeping their fingers on the pulse of their target audience. Their analysis of what the public wants dictates what the public gets to hear about.

[Market Barometers](#)

← Use this link to see all the market barometer charts

For the first time in several weeks, none of the indexes made all-time highs. Moreover, all of the indexes declined, ranging from COMPQ at -0.8% to IWM at -2.8%.



Week-over-week: VTI -1.05%, SPX -0.95%, COMPQ -0.80%, DIA -2.24%, IWM -2.78%

## A Closer Look

Monday declined a little. Then the SPX gapped down to open at \$5204 on Tuesday. A small rise on Wednesday was followed by a big outside down day on Thursday. A lackluster trading session on Friday saw the week end at \$5204, \$50 lower than the previous week's close. The advance-decline line confirmed price action. The stocks above their 50-day and 200-day averages generally followed price, too.

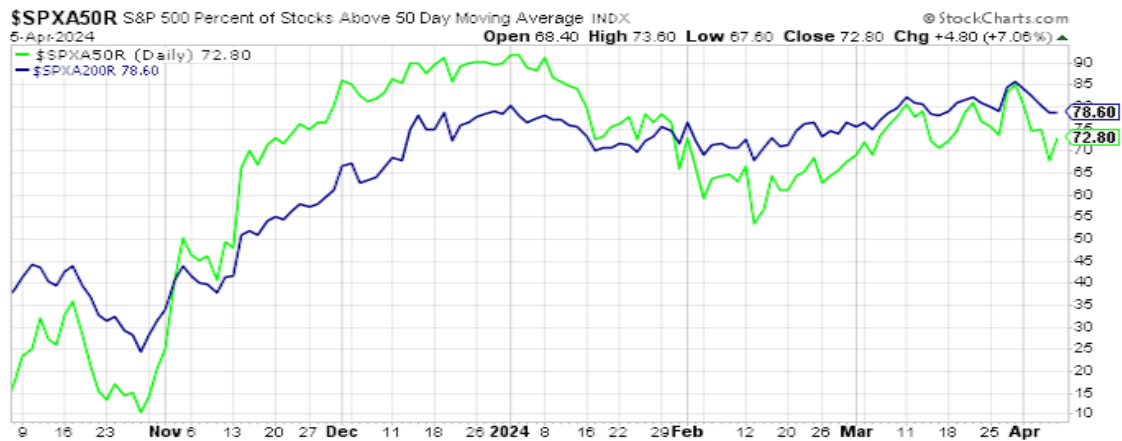


Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above 50&200 Averages](#), [NewHigh-NewLows](#)

[Bullish Universe](#)

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[Sector Universe](#)

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SPX Sector Universe Analysis for 05-Apr-2024							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">SMH</a>	SEMICONDUCTORS	ETF	UP	8.92:3.24	<<dn>>	3/2	-0.9
<a href="#">PAVE</a>	INFRASTRUCTURE	ETF	UP	5.96:3.24	<<up>>	1/1	-0.3
<a href="#">ITB</a>	HOME CONSTRUCTION	ETF	UP	5.48:3.24	DN	1/2	-0.6
<a href="#">XLE</a>	ENERGY	ETF	UP	4.92:3.24	UP	483/1	0.8
<a href="#">XLB</a>	MATERIALS	ETF	UP	4.54:3.24	<<UP>>	1/1	-0.2
<a href="#">XRT</a>	RETAIL	ETF	UP	4.28:3.24	=DN=	1/6	-0.8
<a href="#">XLI</a>	INDUSTRIALS	ETF	UP	4.20:3.24	DN	1/2	-0.3
<a href="#">XLF</a>	FINANCIALS	ETF	UP	4.08:3.24	<<up>>	1/2	-0.4
<a href="#">KIE</a>	INSURANCE SECTOR	ETF	UP	4.02:3.24	≡DN≡	1/3	-0.4
<a href="#">XLC</a>	COMMUNICATION SRVCS	ETF	UP	3.42:3.24	UP	128/1	0.0
<a href="#">SPX</a>	CAP-WTD S&P 500 INDEX	INDEX	UP	3.33:3.24	<<dn>>	1/3	-0.4
<a href="#">IYT</a>	TRANSPORT NDX	ETF	UP	2.69:3.24	dn	1/3	-0.3
<a href="#">ITA</a>	SPACE & DEFENSE	ETF	UP	2.60:3.24	DN	1/2	-0.0
<a href="#">XLK</a>	INFO TECHNOLOGY	ETF	UP	2.52:3.24	-DN-	2/6	-0.3
<a href="#">XLU</a>	UTILITIES	ETF	UP	2.11:3.24	<<UP>>	1/1	0.1
<a href="#">XLP</a>	CONSUMER STAPLES	ETF	UP	1.99:3.24	≡DN≡	1/6	-0.4
<a href="#">XLV</a>	HEALTH CARE	ETF	UP	1.94:3.24	-DN-	1/9	-0.6
<a href="#">XLY</a>	CONSUMER DISCR	ETF	UP	1.53:3.24	-DN-	1/6	-0.5
<a href="#">XLRE</a>	REAL ESTATE	ETF	UP	0.85:3.24	DN	1/7	-0.4

10 sectors did better than the SPX this week.

## Sector Relative-Strength History

13 weeks of slope history for 18 sector ETFs and the SPX.

Capital-Weighted Sector ETFs Relative Strength History

12-Jan-2024 to 05-Apr-2024

12 Jan	19 Jan	26 Jan	02 Feb	09 Feb	16 Feb	23 Feb	01 Mar	08 Mar	15 Mar	22 Mar	28 Mar	05 Apr
BLDRS	BLDRS	BLDRS	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS
SALES	SALES	SEMIS	BLDRS	BLDRS	BLDRS	COMMS	INFRA	INFRA	INFRA	INFRA	INFRA	INFRA
REALE	SEMIS	SALES	TECHS	COMMS	COMMS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS
SEMIS	REALE	TECHS	FINAN	TECHS	TECHS	INFRA	COMMS	SALES	SALES	SALES	SALES	ENRGY
FINAN	FINAN	FINAN	COMMS	FINAN	INFRA	TECHS	TRANS	TRANS	TRANS	INDUS	INDUS	MATER
INFRA	INFRA	REALE	SALES	INFRA	FINAN	FINAN	SALES	FINAN	INDUS	FINAN	MATER	SALES
TRANS	TRANS	INFRA	INFRA	SP500	TRANS	TRANS	TECHS	INDUS	FINAN	INSUR	FINAN	INDUS
DFEND	TECHS	COMMS	SP500	HLTHY	SP500	SP500	FINAN	COMMS	INSUR	MATER	INSUR	FINAN
INDUS	DFEND	TRANS	HLTHY	TRANS	HLTHY	HLTHY	INDUS	TECHS	COMMS	TRANS	ENRGY	INSUR
TECHS	INDUS	SP500	TRANS	SALES	SALES	SALES	SP500	INSUR	TECHS	SP500	SP500	COMMS
DISCR	SP500	HLTHY	REALE	INDUS	INDUS	INDUS	INSUR	SP500	SP500	COMMS	COMMS	SP500
SP500	HLTHY	INDUS	INDUS	INSUR	INSUR	INSUR	HLTHY	HLTHY	MATER	TECHS	TRANS	TRANS
HLTHY	COMMS	DFEND	INSUR	STAPL	DFEND	DFEND	DFEND	DFEND	HLTHY	ENRGY	TECHS	DFEND
MATER	DISCR	INSUR	DFEND	DFEND	STAPL	STAPL	DISCR	MATER	DFEND	HLTHY	DFEND	TECHS
COMMS	MATER	DISCR	STAPL	REALE	DISCR	DISCR	STAPL	DISCR	STAPL	DFEND	HLTHY	UTILS
INSUR	INSUR	MATER	DISCR	DISCR	REALE	MATER	MATER	STAPL	DISCR	STAPL	STAPL	STAPL
UTILS	STAPL	STAPL	MATER	MATER	MATER	REALE	REALE	REALE	ENRGY	DISCR	DISCR	HLTHY
STAPL	UTILS	UTILS	UTILS	UTILS	ENRGY	ENRGY	ENRGY	ENRGY	REALE	REALE	UTILS	DISCR
ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	UTILS	UTILS	UTILS	UTILS	UTILS	UTILS	REALE	REALE

### Details

Symbol	Slope	Synonym	Sector Name
1. SMH	8.92	SEMIS	SEMICONDUCTORS
2. PAVE	5.96	INFRA	INFRASTRUCTURE
3. ITB	5.48	BLDRS	HOMEBUILDERS
4. XLE	4.92	ENRGY	ENERGY
5. XLB	4.54	MATER	MATERIALS
6. XRT	4.28	SALES	RETAIL SALES
7. XLI	4.20	INDUS	INDUSTRIALS
8. XLF	4.08	FINAN	FINANCIALS
9. KIE	4.02	INSUR	INSURANCE
10. XLC	3.42	COMMS	COMMUNICATION SRVCS
11. SPX	3.33	SP500	S&P 500
12. IYT	2.69	TRANS	TRANSPORTATION
13. ITA	2.60	DFEND	AEROSPACE & DEFENSE
14. XLK	2.52	TECHS	TECHNOLOGY
15. XLU	2.11	UTILS	UTILITIES
16. XLP	1.99	STAPL	CONSUMER STAPLES
17. XLV	1.94	HLTHY	HEALTH CARE
18. XLY	1.53	DISCR	CONSUMER DISCR
19. XLRE	0.85	REALE	REAL ESTATE

The top 3 sectors have been the same for 6 weeks. This week energy jumped and retail sales fell.

## This Week's Selections

My sector choices for last week were: KIE 10%, PAVE 10%, XLF 10%, XLI 10%, XLK 10%, BIL 50%.

### Top ETFs By Slope

Current Holdings				Other Sectors			
Sym	Slope	Sell Stop	Last	Sym	Slope	Long	Last
PAVE	5.96% ↓	\$38.85	\$39.72 —	SMH	8.92% ↓↓	no	\$222.64 ↓↓
XLI	4.20% ↓	\$123.65	\$125.67—	ITB	5.48% ↓	no	\$111.87 ↓
XLF	4.08% ↓	\$40.70	\$41.57 ↓	XLE	4.92% ↑↑	no	\$98.08 ↑↑
KIE	4.02% ↓	\$50.45	\$51.00 ↓	XLB	4.54% ↑↑	no	\$92.77 —
XLK	2.52% ↓↓	\$205.68	\$206.45 ↓	XRT	4.28% ↓↓	no	\$74.67 ↓
				XLC	3.42% ↓↓	no	\$82.52 ↑
				SPX	3.33% ↓	Index	\$5204.34 ↓
				IYT	2.69% ↓↓	no	\$69.28 ↓
BIL	0.00% —	\$90.85	\$91.50 —	ITA	2.60% —	no	\$131.35—

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

### Analysis

[PAVE](#) tried and failed to break psychological resistance at \$40. KB and ATS are up. RSI and MACD are down. CMF peaked at the end of Feb and is now neutral. OBV is also neutral. are mildly up. Exit if it closes below \$38.85. [XLI](#) has been flat for 11 days. KB up, ATS down. RSI and MACD are down. CMF and OBV are neutral—. Exit if PAVE closes below \$123.65 [XLF](#) stalled near \$42. KB is up. ATS appears to be turning down. RSI and MACD are down. CMF is neutral and OBV is turning down. Exit if XLF closes below \$40.70. [KIE](#)'s KB seems flat and its ATS is turning down. RSI and MACD are down. CMF is down. OBV is turning down. Exit if it closes below \$50.45. [XLK](#) — KB, ATS, RSI, and MACD are down. CMF is neutral and OBV is neutral—.

[SMH](#)'s KB is turning down. ATS, RSI, and MACD are down. CMF is neutral—, but OBV is rising slightly. [ITB](#) — All 6 basic charts are down except KB, which is flat. [XLE](#) made a 9.28-year high; however, it is facing psychological and historical resistance at \$100, and KB, RSI, and CMF are all overbought. [XLB](#) ran into resistance near \$93. KB and ATS are up but RSI and MACD are turning down. CMF is positive but still falling, and the 10-day slope of OBV slightly down.

[XRT](#) — All 6 basic charts are down. [XLC](#) made a 2.46-year high. KB, ATS, and CMF are up. RSI is neutral+, while MACD, and OBV are still neutral. [SPX](#) has touched or gotten very close to \$5250 five times in the last 11 days. KB, ATS, RSI, and MACD are down. CMF has been below zero for 10 days and the 10-day slope for OBV is also down. [IYT](#) — All 6 basic charts are down. [ITA](#)'s KB is up, ATS is down. RSI and MACD are neutral—. CMF is down and OBV is flat.

### Thoughts and Decisions

XLK closed below its stop on Thursday. At this point it represents more risk than potential reward, so I'm going to sell it. ITB did not close above \$115 even once this week so pass on that. XRT is going the wrong way. And XLB is not looking promising.

This market looks unstable. I'm going to monitor my open positions daily and sell anything that closes below its current sell stop.

My sector choices for this week are: KIE 10%, PAVE 10%, XLF 10%, XLI 10%, BIL 60%.



## Other Securities You May Find Interesting

[COPX](#) — Global Copper Miners — tracks global companies involved in the copper mining industry

Price made a 98-week high. Relative-Strength is greater than SPX. All basic charts are up.

[DBA](#) — DB Agricultural Index ETF — tracks agricultural commodity index

Price made a 7.1-year high. Relative-Strength is greater than SPX. All basic charts are up.

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

MTA looks like it is turning up. Price moved above historical resistance near \$23 and broke up through a 92-week descending trendline.

[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 made a 4.5-year high and touched historical and psychological resistance near \$30.

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

If URA can get above its February 1<sup>st</sup> close, it will make a multi-year high closing price. Meanwhile, all basic charts are up and price is above the \$30 psychological resistance area.

[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 is in a 53-week rising, strong, well-collimated channel. It is above psychological resistance near \$80. There is some historical resistance going back to the Sep 27<sup>th</sup> high of \$82.90, but all basic charts are up.

[UUP](#) — US Dollar ETF

Although UUP showed some weakness this week, the basic charts are mostly up.