

Weekly Market Analysis #516 – 28 June 2024

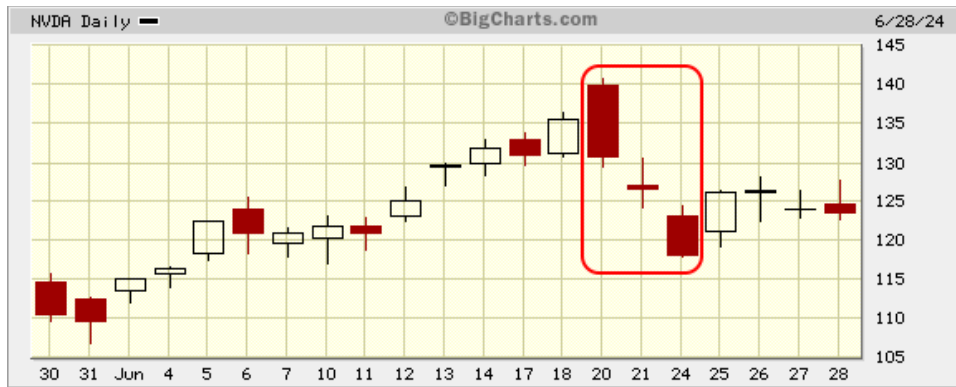
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This Week

On Friday, June 7, Nvidia did a 10-to-1 stock split, cutting the share price from around \$1000 a share to the neighborhood of \$100 a share. The shift in price made the stock more accessible for retail investors. The stock price waivered in the days before and after the split, but stabilized during the week. The pre-split high was around \$1150 a share, and it ended the week near \$123.50, so people who bought before the split made a quick profit of a little more than 7%.

It can be argued that since the majority of the stock is held by professional investors, then the resilience of the stock after the split was a foregone conclusion. Admittedly, it was the most probable outcome, but it was far from a sure thing. If a few big players had gotten nervous and sold, the 3-day decline on Thursday through Monday could have continued.



Veteran analyst Keith Fitz-Gerald has been accurately calling the play-by-play for NVDA (and other stocks) for quite some time now, so he's earned a place on the list of people you shouldn't bet against.

For 9 months, the equal-weighted S&P 500 (RSP) did pretty well as far as keeping up with the SPX, but since mid-April, the cap-weighted SPX pulled away, showing that the majority of the stocks (the mid-caps and small-caps) are not keeping up with the really-big-caps.



Market Barometers

← Use this link to see all the market barometer charts

None of the indexes made new highs this week; however, the sky is not falling. All 5 indexes have positive MTAs, even though DIA and IWM have two rows of red dots. The well-collimated channels say: VTI and SPX: 26-week rising, COMPQ: 16-week rising, DIA: 34-week rising, IWM: 23-week rising.



Week-over-week: VTI: -0.3%, SPX: -0.1%, COMPQ: 0.2%, DIA: -0.1%, IWM: 1.3%

A Closer Look

The low point of the week was SPX opening at \$5459.58 on Monday. It rose on Tuesday through Thursday, then declined from Thursday's close of \$5482.87 to Friday's \$5460.48, about -0.41% . The advance-decline line bottomed on Wednesday, but was overall flat for the week. The stocks above their 50 and 200-day averages dropped farther than the index. But overall, the last 9 days look like a garden variety consolidation as upward momentum tests resistance at \$5500.

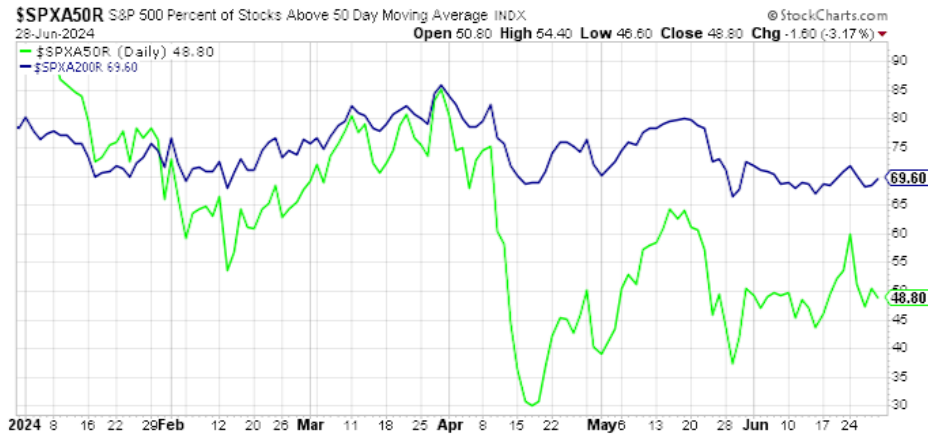


Chart links: [SPX Price](#), [Advances Minus Declines](#), [Stocks Above 50&200 Averages](#), [NewHigh-NewLows](#)

[Bullish Universe](#)

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SPX Sector Universe Analysis for 28-Jun-2024							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
SMH	SEMICONDUCTORS	ETF	UP	8.30:2.15	«DN»	1/3	-1.3
IGM	EXPANDED TECH SECTOR	ETF	UP	4.23:2.15	up	1/3	-0.2
SPX	CAP-WTD S&P 500 INDEX	INDEX	UP	2.45:2.15	up	2/2	-0.1
XLU	UTILITIES	ETF	UP	2.26:2.15	«up»	1/8	-0.6
XLC	COMMUNICATION SRVCS	ETF	UP	2.13:2.15	«up»	304/1	0.1
XLP	CONSUMER STAPLES	ETF	UP	1.20:2.15	-up-	3/4	-0.2
ITA	SPACE & DEFENSE	ETF	UP	1.10:2.15	=UP=	1/8	-0.3
XLV	HEALTH CARE	ETF	UP	0.95:2.15	≡up≡	13/2	-0.2
XRT	RETAIL	ETF	UP	0.79:2.15	-UP-	2/2	-0.3
XLY	CONSUMER DISCR	ETF	DN	0.53:2.15	«up»	13/2	0.3
XLRE	REAL ESTATE	ETF	DN	0.35:2.15	-UP-	1/4	-0.1
XLF	FINANCIALS	ETF	UP	0.23:2.15	«up»	4/2	-0.0
KIE	INSURANCE SECTOR	ETF	UP	0.08:2.15	«up»	4/2	-0.0
BIL	CASH EQUIVALENT	ETF	UP	0.00:2.15	-DN-	4/1	0.0
XLI	INDUSTRIALS	ETF	UP	-0.16:2.15	≡up≡	1/2	-0.1
XLB	MATERIALS	ETF	UP	-0.23:2.15	up	2/9	-0.2
PAVE	INFRASTRUCTURE	ETF	UP	-1.06:2.15	«up»	1/18	-0.1
XLE	ENERGY	ETF	DN	-1.10:2.15	«up»	4/1	0.8
IYT	TRANSPORT NDX	ETF	DN	-2.04:2.15	UP	6/1	0.7
ITB	HOME CONSTRUCTION	ETF	UP	-2.19:2.15	«DN»	2/21	-0.2

The week-over-week price changes for the top 5 sectors are: SMH: -1.6%, IGM (replacement for XLK): 0.2%, XLU: -1.8%, XLC: 0.8%, XLP: -1.4%. That's not great, but it's an average of -0.76%, which is not a big deal.

Sector Relative-Strength History

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

Capital-Weighted Sector ETFs Relative Strength History													05-Apr-2024 to 28-Jun-2024	
05 Apr	12 Apr	19 Apr	26 Apr	03 May	10 May	17 May	24 May	31 May	07 Jun	14 Jun	21 Jun	28 Jun		
SEMIS	SEMIS	ENRGY	ENRGY	ENRGY	UTILS	UTILS	UTILS	UTILS	SEMIS	SEMIS	SEMIS	SEMIS		
INFRA	ENRGY	SEMIS	SEMIS	UTILS	ENRGY	ENRGY	SEMIS	SEMIS	UTILS	UTILS	UTILS	TECHS		
BLDRS	INFRA	INFRA	INFRA	SEMIS	SEMIS	SEMIS	DFEND	DFEND	DFEND	DFEND	SP500	SP500		
ENRGY	BLDRS	MATER	UTILS	INFRA	DFEND	DFEND	STAPL	STAPL	STAPL	SP500	COMMS	UTILS		
MATER	MATER	INDUS	MATER	INDUS	INFRA	INFRA	INFRA	SP500	SP500	COMMS	DFEND	COMMS		
SALES	INDUS	COMMS	INDUS	MATER	INDUS	STAPL	FINAN	INFRA	COMMS	STAPL	STAPL	STAPL		
INDUS	FINAN	BLDRS	FINAN	DFEND	MATER	INDUS	ENRGY	FINAN	SALES	SALES	SALES	DFEND		
FINAN	COMMS	FINAN	COMMS	FINAN	FINAN	FINAN	INDUS	INSUR	FINAN	HLTHY	HLTHY	HLTHY		
INSUR	INSUR	UTILS	DFEND	COMMS	STAPL	MATER	SP500	COMMS	INSUR	FINAN	FINAN	SALES		
COMMS	SALES	SP500	SP500	STAPL	COMMS	SP500	MATER	MATER	MATER	INSUR	REALE	DISCR		
SP500	SP500	INSUR	BLDRS	SP500	SP500	INSUR	INSUR	INDUS	INFRA	MATER	INSUR	REALE		
TRANS	DFEND	DFEND	INSUR	INSUR	INSUR	COMMS	COMMS	ENRGY	INDUS	INDUS	MATER	FINAN		
DFEND	UTILS	SALES	STAPL	BLDRS	BLDRS	SALES	SALES	SALES	HLTHY	REALE	INDUS	INSUR		
UTILS	TRANS	STAPL	SALES	SALES	SALES	BLDRS	HLTHY	HLTHY	ENRGY	INFRA	DISCR	INDUS		
STAPL	STAPL	TRANS	TRANS	HLTHY	HLTHY	HLTHY	BLDRS	BLDRS	REALE	DISCR	INFRA	MATER		
HLTHY	HLTHY	HLTHY	HLTHY	DISCR	DISCR	DISCR	DISCR	DISCR	DISCR	ENRGY	ENRGY	INFRA		
DISCR	DISCR	DISCR	DISCR	TRANS	TRANS	REALE	REALE	REALE	BLDRS	BLDRS	BLDRS	ENRGY		
REALE	REALE	REALE	REALE	REALE	REALE	TRANS	TRANS	TRANS	TRANS	TRANS	TRANS	TRANS		

Details

Symbol	Slope	Synonym	Sector Name
1. SMH	8.30	SEMIS	SEMICONDUCTORS
2. IGM	4.23	TECHS	TECHNOLOGY
3. SPX	2.45	SP500	S&P 500
4. XLU	2.26	UTILS	UTILITIES
5. XLC	2.13	COMMS	COMMUNICATION SRVCS
6. XLP	1.20	STAPL	CONSUMER STAPLES
7. IIA	1.10	DFEND	AEROSPACE & DEFENSE
8. XLV	0.95	HLTHY	HEALTH CARE
9. XRT	0.79	SALES	RETAIL SALES
10. XLY	0.53	DISCR	CONSUMER DISCR
11. XLRE	0.35	REALE	REAL ESTATE
12. XLF	0.23	FINAN	FINANCIALS
13. KIE	0.08	INSUR	INSURANCE
14. XLI	-0.16	INDUS	INDUSTRIALS
15. XLB	-0.23	MATER	MATERIALS
16. PAVE	-1.06	INFRA	INFRASTRUCTURE
17. XLE	-1.10	ENRGY	ENERGY
18. IYT	-2.04	TRANS	TRANSPORTATION
19. ITB	-2.19	BLDRS	HOMEBUILDERS

Semiconductors and Technology continue to lead. SPX passed Utilities.

This Week's Selections

My sector choices for last week were: 10% SMH, 10% XLK (now IGM), and BIL 80%.

Top ETFs By Slope

Current Holdings

Sym	Slope	Sell Stop	Last
SMH	8.30% ↓	\$255.48	\$260.70 ↓↓
IGM	4.23% ↑↑	\$89.75	\$94.31 ↑
BIL	0.00% —	\$90.85	\$91.78 —

Other Sectors

Sym	Slope	Long	Last
SPX	2.45% ↑↑	Index	\$5,460.48—
XLU	2.26% ↓↓	no	\$68.14 ↓↓
XLC	2.13% ↑	no	\$85.66 ↑↑
XLP	1.20% ↓↓	no	\$76.58 ↑
ITA	1.10% ↓↓	no	\$132.05 ↓
XLV	0.95% ↑	no	\$145.75 ↓
XRT	0.79% ↓↓	no	\$74.98 ↓
XLY	0.53% ↑↑	no	\$182.40 ↑↑
XLRE	0.35% —	no	\$38.41 —

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

Analysis

[SMH](#) fell the week before this and went flat this week. Basic charts are mixed, but price is above my stop. [IGM](#) (which replaced XLK) fell the previous week and rose this week. It remains above its stop.

[XLU](#) – MTA is up but slope is declining rapidly and most basic charts are down. [XLC](#) broke \$85, made a 5.8-year high, and most basic charts are positive. [XLP](#)'s basic charts are down or neutral.

[ITA](#) price basic price charts are down. [XLV](#) got very close to its February 23rd high of \$147.86. Breaking that might make it interesting, but its average slope is only about 2.25% a year, so we'll have to reevaluate it if/when it breaks out.

[XRT](#) – all basic charts remain neutral or down. [XLY](#)'s MTA has two averages rising, but it is still down and it's slope is only neutral+. [XLRE](#) has a negative MTA and it's slope is only neutral+.

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Thoughts and Decisions

XLC broke out above \$85 so I'm going to buy it.

My choices for this week are: 10% IGM, 10% SMH, 10% XLC, and BIL 70%.

Other Securities

Starting this week I'm going to change this page, eliminating individual stocks like EPD but adding ETFs that have broken out to new highs. I'm going to keep the commodity ETFs and add a few more. Readers are invited to make suggestions about what they would like to see here going forward.

[VUG](#) — MTA is up, slope is 3.90 (vs SPX at 2.15). VUG just made a 382-week high (7. mumble years). Price indicators are up except for MACD, which is neutral—. I would buy this.

[COPX](#) — MTA is up, slope is 1.39, but slope has been falling since April and the basic price charts are all down.

[EEM](#) — MTA is up and slope is 1.35, basic charts are mixed.

[VIG](#) — MTA is up and slope is 1.19, might get interesting if it gets above \$185

[DBA](#) — MTA is up and slope is 1.15, needs to get above \$25

[EMXC](#) — MTA is up and slope is 1.07, made a 2-year high, all basic charts are up. This is worth a look.

[USMV](#) — MTA is up and slope is 0.97, made a 12-year high, all basic price charts are up. I would buy this.

[UUP](#) — MTA is up. Slope is only 0.75 but it is rising. Nade a 6-month high, so it's worth a look.

[USO](#) — MTA is up and slope is 0.51. Needs to get above its April high.

[DBC](#) — No

EFA — Just added, but this is also a "No"

[URA](#) — No

Analysis: VUG and USMV look good.

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