

Weekly Market Analysis #540 — 13 December 2024

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This Week

The SPX went down a little, the DJIA is down 7 days in a row, and the RSP is down 10 days in a row.



More of the SPX index's stocks closed lower than higher on Thursday, 326 down versus 174 up. On Friday declining stocks outnumbered advancing stocks 2 to 1. According to analysts, that's the tenth consecutive day of more falling stocks than rising stocks, the longest streak since 2001.

Ironically, the S&P 500 made more than one all-time high during those 10 days. What's going on? It appears that the stocks of the big tech companies have continued to pull the SPX up even though the majority of the stocks in the index have been losing ground.

Is this signaling the top of the market? Maybe. But there is psychological and historical support at \$6000. There's a 50-day moving average at \$5900. There's historical support at \$5850. As the SPX breaks down through those levels (i.e., **IF** it does), it will provide increasing evidence that the index is starting to turn down. If it breaks down through its 200-day average, or if the MTA turns down, or the 50-day average crosses below the 200-day average, that will be even stronger evidence.

But until those events start happening, there's no point in speculating (or worse, worrying). Worrying about market internals like declines outnumbering advances or the Equally-weighted SPX turning down is a waste of your time and your psychic energy.

The amygdala, the primitive part of the brain that is always on the lookout for trouble, equates uncertainty with danger. So avoid listening to the fear mongers on television and the internet. Anybody who says they are sure they know what is coming next is either lying or delusional.

— The information is out there. Remain calm and listen to what the market is telling you. —

[Market Barometers](#)

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COMPQ was the only index to make an all-time high. All MTAs remain up, and all 5 indexes are still up Month-over-Month. But only COMPQ was up Week-over-Week.

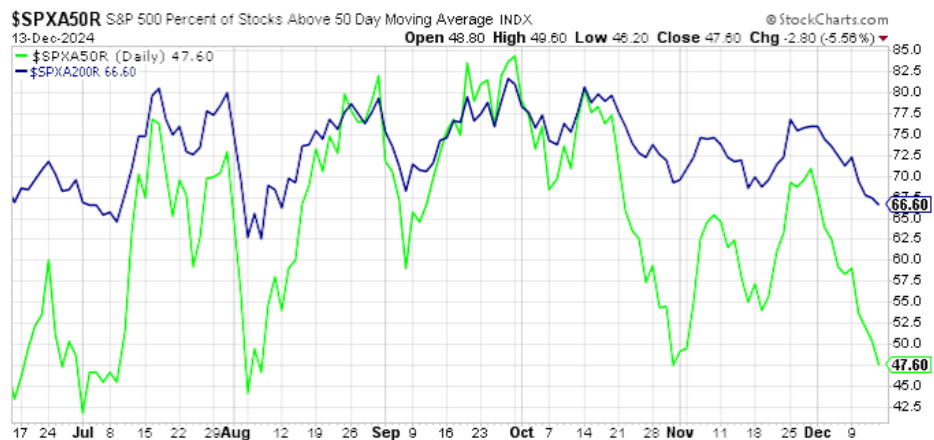


Week-over-week: VTI: -0.8%, SPX: -0.6%, COMPQ: 0.3%, DIA: -1.7%, IWM: -2.5%

Month-over-month: VTI: 2.0%, SPX: 1.7%, COMPQ: 4.3%, DIA: 0.4%, IWM: 0.5%

A Closer Look

The SPX was either down or sideways except on Wednesday. It ended the week down about \$40 (-0.64%). The Advance-Decline line was considerably less enthusiastic than price. And both the stocks above their 50-day averages and the stocks above their 200-day went down 5 days in a row.



[S&P Price Chart](#)

[Advance-Decline Line](#)

[Stocks Above Averages](#)

[Bullish Universe](#)

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[Bearish Universe](#)

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SPX Sector Universe Summary for 13-Dec-2024							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XLY	CONSUMER DISCR	ETF	UP	5.25:2.41	<<UP>>	999/1	0.2
KBE	S&P BANK SECTOR	ETF	UP	5.15:2.41	DN	1/5	-0.6
XLF	FINANCIALS	ETF	UP	3.73:2.41	DN	1/5	-0.4
XLC	COMMUNICATION SRVCS	ETF	UP	3.66:2.41	up	327/2	0.0
PAVE	INFRASTRUCTURE	ETF	UP	3.55:2.41	DN	1/5	-0.6
KIE	INSURANCE SECTOR	ETF	UP	2.80:2.41	DN	1/5	-0.8
IGM	EXPANDED TECH SECTOR	ETF	UP	2.76:2.41	up	999/2	-0.0
XRT	RETAIL	ETF	UP	2.44:2.41	DN	147/1	-0.2
XLI	INDUSTRIALS	ETF	UP	2.30:2.41	DN	1/5	-0.4
IYT	TRANSPORT NDX	ETF	UP	2.21:2.41	DN	1/6	-0.5
SPX	CAP-WTD S&P 500 INDEX	INDEX	UP	2.16:2.41	-DN-	1/2	-0.1
XLU	UTILITIES	ETF	UP	1.81:2.41	DN	1/5	-0.7
ITA	SPACE & DEFENSE	ETF	UP	1.69:2.41	DN	1/5	-0.4
GLD	SPDR GOLD SHARES	ETF	UP	1.43:2.41	<<DN>>	5/1	0.3
XLRE	REAL ESTATE	ETF	UP	1.19:2.41	DN	1/5	-0.5
XLE	ENERGY	ETF	UP	0.94:2.41	DN	1/6	-0.6
XLP	CONSUMER STAPLES	ETF	UP	0.73:2.41	=up=	1/3	-0.3
ITB	HOME CONSTRUCTION	ETF	UP	0.43:2.41	DN	1/17	-0.9
SMH	SEMICONDUCTORS	ETF	UP	0.14:2.41	up	1/2	-0.1
XLB	MATERIALS	ETF	UP	0.00:2.41	DN	1/17	-0.5
BIL	CASH EQUIVALENT	ETF	DN	0.00:2.41	=UP=	2/1	0.0
XLV	HEALTH CARE	ETF	DN	-1.12:2.41	DN	1/31	-0.4

MoM price changes for the top 5 sectors were all up: [XLY](#): 9.4%, [KBE](#): -1.4%, [XLF](#): -0.2%, [XLC](#): 4.0%, [PAVE](#): -2.1%

MOM changes for the Big 7 were up: [AAPL](#): 8.7%, [AMZN](#): 7.6%, [GOOGL](#): 8.1%, [META](#): 7.5%, [MSFT](#): 4.8%, [NFLX](#): 9.7%, [TSLA](#): 40.2%

Sector Relative-Strength History

13 weeks of slope history for 20 sector ETFs and the SPX.

Relative Strength History 20-Sep-2024 to 13-Dec-2024

20 Sep	27 Sep	04 Oct	11 Oct	18 Oct	25 Oct	01 Nov	08 Nov	15 Nov	22 Nov	29 Nov	06 Dec	13 Dec
REALE	REALE	UTILS	UTILS	UTILS	UTILS	GOLD	BANKS	BANKS	BANKS	BANKS	BANKS	DISCR
UTILS	UTILS	BLDRS	BLDRS	BLDRS	GOLD	UTILS	GOLD	FINAN	DISCR	DISCR	DISCR	BANKS
BLDRS	BLDRS	REALE	REALE	GOLD	BLDRS	BANKS	UTILS	INFRA	FINAN	FINAN	FINAN	FINAN
BANKS	BANKS	GOLD	GOLD	DFEND	BANKS	FINAN	FINAN	DISCR	INFRA	INFRA	INFRA	COMMS
INSUR	GOLD	INSUR	DFEND	REALE	DFEND	DFEND	INFRA	COMMS	COMMS	COMMS	COMMS	INFRA
GOLD	INSUR	BANKS	INSUR	BANKS	INSUR	INDUS	DISCR	GOLD	INSUR	INSUR	INSUR	INSUR
FINAN	DFEND	DFEND	BANKS	INSUR	INDUS	INSUR	INDUS	INDUS	INDUS	INDUS	TRANS	TECHS
STAPL	FINAN	DISCR	INDUS	INDUS	FINAN	INFRA	COMMS	INSUR	TRANS	TRANS	INDUS	SALES
DFEND	STAPL	FINAN	DISCR	FINAN	REALE	DISCR	INSUR	UTILS	UTILS	UTILS	TECHS	INDUS
HLTHY	DISCR	INDUS	FINAN	DISCR	INFRA	REALE	DFEND	TECHS	TECHS	TECHS	UTILS	TRANS
INDUS	INDUS	STAPL	INFRA	INFRA	DISCR	BLDRS	TECHS	TRANS	GOLD	DFEND	SP500	SP500
SP500	HLTHY	SP500	COMMS	TECHS	TECHS	TECHS	TRANS	DFEND	DFEND	SP500	SALES	UTILS
DISCR	SP500	COMMS	SP500	SP500	SP500	COMMS	REALE	SP500	SP500	GOLD	DFEND	DFEND
COMMS	COMMS	MATER	STAPL	COMMS	COMMS	SP500	SP500	REALE	REALE	SALES	GOLD	GOLD
MATER	MATER	INFRA	MATER	MATER	MATER	TRANS	BLDRS	SEMIS	SALES	REALE	REALE	REALE
TECHS	TECHS	HLTHY	TECHS	STAPL	TRANS	MATER	SEMIS	BLDRS	ENRGY	ENRGY	ENRGY	ENRGY
INFRA	INFRA	TECHS	HLTHY	TRANS	SEMIS	SEMIS	MATER	SALES	SEMIS	BLDRS	BLDRS	STAPL
TRANS	TRANS	TRANS	TRANS	SEMIS	STAPL	STAPL	STAPL	MATER	BLDRS	STAPL	STAPL	BLDRS
SALES	SALES	SALES	SEMIS	HLTHY	HLTHY	SALES	SALES	ENRGY	MATER	MATER	MATER	SEMIS
SEMIS	SEMIS	SEMIS	SALES	SALES	SALES	HLTHY	ENRGY	STAPL	STAPL	SEMIS	SEMIS	MATER
ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY

Details

Symbol	Slope	Synonym	Sector Name	Symbol	Slope	Synonym	Sector Name
1. XLY	5.25	DISCR	CONSUMER DISCR	12. XLU	1.81	UTILS	UTILITIES
2. KBE	5.15	BANKS	BANKS	13. ITA	1.69	DFEND	AEROSPACE & DEFENSE
3. XLF	3.73	FINAN	FINANCIALS	14. GLD	1.43	GOLD	GOLD
4. XLC	3.66	COMMS	COMMUNICATION SRVCS	15. XLRE	1.19	REALE	REAL ESTATE
5. PAVE	3.55	INFRA	INFRASTRUCTURE	16. XLE	0.94	ENRGY	ENERGY
6. KIE	2.80	INSUR	INSURANCE	17. XLP	0.73	STAPL	CONSUMER STAPLES
7. IGM	2.76	TECHS	TECHNOLOGY	18. ITB	0.43	BLDRS	HOMEBUILDERS
8. XRT	2.44	SALES	RETAIL SALES	19. SMH	0.14	SEMIS	SEMICONDUCTORS
9. XLI	2.30	INDUS	INDUSTRIALS	20. XLB	0.00	MATER	MATERIALS
10. IVT	2.21	TRANS	TRANSPORTATION	21. XLV	-1.12	HLTHY	HEALTH CARE
11. SPX	2.16	SP500	S&P 500				

The top 6 sectors were essentially the same as last week except for some shuffling.

This Week's Selections

My sector choices last week were: 10% IGM, 10% KBE, 10% KIE, 10% PAVE, 10% XLC, 10% XLF, 10% XLY, and BIL 30%.

Top Sector ETFs By Slope

Symbol	MTA	Slope	8%-Stop	21D-Stop	Close	Position
XLY	UP	5.25	\$216.65	\$224.94	\$235.49	Hold
KBE	UP	5.15	\$54.35	\$60.13	\$59.08	SOLD
XLF	UP	3.73	\$45.58	\$49.96	\$49.54	SOLD
XLC	UP	3.66	\$92.86	\$98.86	\$100.94	Hold
PAVE	UP	3.55	\$39.72	\$44.47	\$43.17	SOLD
KIE	UP	2.8	\$53.73	\$59.67	\$58.40	SOLD
IGM	UP	2.76	\$96.99	\$102.93	\$105.42	Hold
XRT	UP	2.44	\$76.61	\$82.21	\$83.27	No
XLI	UP	2.3	\$126.44	\$140.33	\$137.43	No
IYT	UP	2.21	\$64.47	\$72.37	\$70.08	No
SPX	UP	2.16	\$5,567.00	\$6,015.29	\$6,051.09	INDEX

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

Analysis

[XLY](#) made an all-time high and all basic charts are up. [KBE](#) — sold Thursday when it opened below \$60. [XLF](#) — sold Tuesday when it opened below \$50. [XLC](#) held above \$100 despite declines in other sectors. [PAVE](#) — opened slightly higher on Monday but fell to \$44.25 by then end of the first hour so I sold it.

[KIE](#) — sold Tuesday because it closed below \$60 on Monday. [IGM](#) made another all-time high but there is some weakness in the basic charts. Keep an eye on this one. [XRT](#) — By looking at the end of the year for the last few years on the MTA chart, this rally in retail looks like a seasonal pattern. Pass for now. [XLI](#) — all basic charts are now down. [IYT](#) continues down.

Thoughts and Decisions

I was too lenient when it came to selling KBE and XLF and it cost me some money. I need to be quicker on executing sell signals and avoid indulging in hopeful thinking.

I sold KBE, XLF, PAVE, and KIE. I don't see anything to buy this week so my choices for this week are: 10% IGM, 10% XLC, 10% XLY, and BIL 70%.

— In investing, "hope" is a four-letter word. Hope destroys profits. —

New Highs

There were 5 all-time highs this week, including COMPQ and QQQ.

SECURITIES MAKING NEW HIGHS ON 13-Dec-2024					
SYMBOL	COMPANY	INSTR	MTA	SLOPE	WEEKS
AAPL	APPLE	STOCK	UP	2.54	999
COMPQ	NASDAQ COMPOSITE	INDEX	UP	2.74	999
IGM	EXPANDED TECH SECTOR	ETF	UP	2.76	999
QQQ	NASDAQ 100	ETF	UP	2.28	999
XLY	CONSUMER DISCR	ETF	UP	5.25	999
TSLA	TESLA MOTORS	STOCK	UP	18.24	728
META	METaverse	ETF	UP	3.00	633
DBA	DB AGRICULTURE INDEX	ETF	UP	2.19	406
GOOGL	ALPHABET INC	STOCK	UP	1.69	406
VUG	LARGE CAP GROWTH	ETF	UP	2.92	406
AMZN	AMAZON.COM	STOCK	UP	4.49	378
XLC	COMMUNICATION SRVCS	ETF	UP	3.66	327
CM	CANADIAN IMPERIAL BANK (DS 1868)	STOCK	UP	4.66	256
ARKQ	AI & ROBOTICS	ETF	UP	8.29	149
STK	SELIGMAN PREMIUM TECHNOLOGY	CEF	UP	1.64	147
XRT	RETAIL	ETF	UP	2.44	147
INFY	INFOSYS	STOCK	UP	1.80	135
ETV	TAX-MANAGED BUY-WRITE	CEF	UP	1.95	113

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