

# Weekly Market Analysis #596 — 9 January 2026

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### This Week

I spent the entire week trying to identify and fix the bug that was preventing my charting software from running as it should. That included 3 days of trying to build a bridge inside the code that would replace the broken with an alternative implementation. I finished that late Friday night. It did not work.

The "bug" in my code was a perfectly normal programming practice among C programmers in the 1990s. But at some point in the last decade, someone working on what is now called "Modern C" decided it wasn't necessary to support that kind of code. So when I went to update and recompile my C modules, the new compiler created object code that would not run. Ironically, this is an example of backward compatibility not being what it used to be.

For this week's analysis, I will be relying heavily on StockCharts.com. If you are not inclined to spend a couple of years developing your own charting software, StockCharts provides an extensive range of expertly-crafted indicators and chart formats. StockCharts is used by a huge number of Chartered Market Technicians and other professional technical analysts.

Rather than trying to rewrite my charting software — some 25,000 lines of code — I am going to replace my C charting software with Python. I have already started writing a detailed description of my charting system and, with the boost of AI, my goal is to start having some new charts up on the website by next Friday.

My big advantage is that I already know what I want. I just have to write it down. (Although writing a rigorous description of the chart layouts is going to be a lot tougher than it sounds.)

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Good Commentaries

Steve Blumenthal – [Why QE Is Likely Coming Back](#)

John Mauldin – [The Bipolar Economy](#)

## Market Barometers

Here are rough equivalents of the MTA charts. My MTA uses an End-Point Moving Average. These charts were generated with the slower Exponential Moving Average, but they still show that all 5 major indexes are continuing upward.



Month-over-month: DJIA: 3.0%, SPX: 1.2%, VTI: 1.1%, COMPQ: 0.1%, IWM: 2.1%

## A Closer Look

The SPX was up every day except Wednesday. It had a big up-day on Friday, ending the week over \$6900. BPSPX did better than price, ending the week at a strong 66. NYAD confirmed price. So did SPXA50R and SPXA200R, finishing Friday at 67 and 72.



[S&P Price](#) [Bullish Percent](#) [Advance-Decline Line](#) [Stocks Above Averages](#)

[Bullish Universe](#)

← Use this link to get to the live summary table

[Bearish Universe](#)

← Use this link to get to the live summary table

[Inflation Universe](#)

← Use this link to get to the live summary table

[Auxiliary Universe](#)

← Use this link to get to the live summary table

[Dividend Universe](#)

← Use this link to get to the live summary table

The Relative Strength History table shows the sector with the highest slope at the top and the sector with the lowest slope at the bottom. The lower table shows the corresponding ETFs and their slopes for the current week.

Relative Strength History 17-Oct-2025 to 09-Jan-2026

17 Oct	24 Oct	31 Oct	07 Nov	14 Nov	21 Nov	28 Nov	05 Dec	12 Dec	19 Dec	26 Dec	02 Jan	09 Jan
SEMS	SEMS	SEMS	SEMS	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC
BIOTC	BIOTC	BIOTC	BIOTC	SEMS	SEMS	SEMS	SEMS	SEMS	SEMS	GOLD	GOLD	SEMS
GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	SEMS	SEMS	GOLD
TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY
DFEND	DFEND	DFEND	DFEND	DFEND	HLTHY	TECHS	TECHS	TECHS	TECHS	TECHS	TECHS	DFEND
COMMS	UTILS	UTILS	UTILS	SP500	DFEND	DFEND	SP500	SP500	TRANS	TRANS	TRANS	TRANS
INFRA	COMMS	SP500	SP500	HLTHY	SP500	SP500	INFRA	TRANS	INFRA	BANKS	BANKS	BANKS
SP500	INFRA	INFRA	INFRA	UTILS	UTILS	UTILS	DFEND	INFRA	BANKS	INFRA	DFEND	TECHS
UTILS	SP500	COMMS	HLTHY	INFRA	INFRA	INFRA	TRANS	ENRGY	SP500	SALES	SALES	SALES
SALES	DISCR	DISCR	DISCR	DISCR	DISCR	ENRGY	ENRGY	DFEND	SALES	SP500	INFRA	INFRA
DISCR	SALES	HLTHY	COMMS	COMMS	COMMS	COMMS	COMMS	COMMS	DFEND	DFEND	SP500	FINAN
INDUS	HLTHY	SALES	INDUS	INDUS	INDUS	DISCR	INDUS	BANKS	COMMS	COMMS	COMMS	COMMS
TRANS	INDUS	INDUS	TRANS	TRANS	ENRGY	TRANS	BANKS	SALES	ENRGY	INDUS	FINAN	INDUS
BLDRS	TRANS	TRANS	SALES	ENRGY	TRANS	INDUS	UTILS	INDUS	INDUS	FINAN	INDUS	ENRGY
BANKS	BLDRS	FINAN	ENRGY	SALES	FINAN	INSUR	INSUR	INSUR	INSUR	INSUR	INSUR	INSUR
HLTHY	FINAN	ENRGY	FINAN	FINAN	SALES	FINAN	SALES	FINAN	FINAN	ENRGY	ENRGY	SP500
FINAN	BANKS	BLDRS	BANKS	BANKS	INSUR	BANKS	FINAN	REALE	STAPL	STAPL	STAPL	STAPL
ENRGY	ENRGY	BANKS	REALE	REALE	BANKS	SALES	DISCR	BLDRS	BLDRS	BLDRS	REALE	BLDRS
MATER	REALE	REALE	BLDRS	INSUR	REALE	REALE	REALE	STAPL	REALE	REALE	BLDRS	REALE
INSUR	MATER	MATER	MATER	MATER	MATER	MATER	BLDRS	UTILS	DISCR	DISCR	DISCR	DISCR
REALE	INSUR	INSUR	INSUR	BLDRS	STAPL	STAPL	STAPL	DISCR	UTILS	UTILS	UTILS	MATER
STAPL	STAPL	STAPL	STAPL	STAPL	BLDRS	BLDRS	MATER	MATER	MATER	MATER	MATER	UTILS

Details

Symbol	Slope	Synonym	Sector Name	Symbol	Slope	Synonym	Sector Name
1. XBI	6.66	BIOTC	BIOTECH	12. XLC	1.27	COMMS	COMMUNICATION SRVCS
2. SMH	4.65	SEMS	SEMICONDUCTORS	13. XLI	1.24	INDUS	INDUSTRIALS
3. GLD	4.49	GOLD	GOLD	14. XLE	0.92	ENRGY	ENERGY
4. XLV	2.88	HLTHY	HEALTH CARE	15. KIE	0.82	INSUR	INSURANCE
5. ITA	2.55	DFEND	AEROSPACE & DEFENSE	16. SPX	0.55	SP500	S&P 500
6. IYT	2.26	TRANS	TRANSPORTATION	17. XLP	-0.45	STAPL	CONSUMER STAPLES
7. KBE	2.09	BANKS	BANKS	18. ITB	-0.76	BLDRS	HOMEBUILDERS
8. IGM	1.90	TECHS	TECHNOLOGY	19. XLRE	-0.79	REALE	REAL ESTATE
9. XRT	1.88	SALES	RETAIL SALES	20. XLY	-13.42	DISCR	CONSUMER DISCR
10. PAVE	1.66	INFRA	INFRASTRUCTURE	21. XLB	-13.97	MATER	MATERIALS
11. XLF	1.29	FINAN	FINANCIALS	22. XLU	-14.39	UTILS	UTILITIES

The top 4 sectors remained essentially the same. Technology declined from 5<sup>th</sup> to 8<sup>th</sup>. Defense and Aerospace jumped from 8<sup>th</sup> to 5<sup>th</sup>. Transports and Banks held steady, as did Sales an Infrastructure.

## Sector Universe

← Use this link to get to the live summary table

The order of the sector ETF's and their synonyms in this SPX Sector Universe Summary table should match the order of the synonyms in the rightmost column of the Relative Strength History Table above. This table provides a quick look at sector MTA status, Relative-Strength, Chaikin Money Flow, the number of weeks since price made a New High and New Low, and the MACD Histogram score.

SPX Sector Universe Summary for 09-Jan-2026								
Symbol	Synonym	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
<a href="#">XBI</a>	BIOTC	BIOTECHNOLOGY	ETF	UP	6.66:1.51	<<DN>>	209/2	-0.8
<a href="#">SMH</a>	SEMIS	SEMICONDUCTORS	ETF	UP	4.65:1.51	<<dn>>	999/0	0.8
<a href="#">GLD</a>	GOLD	SPDR GOLD SHARES	ETF	UP	4.49:1.51	≡UP≡	2/0	-0.1
<a href="#">XLV</a>	HLTHY	HEALTH CARE	ETF	UP	2.88:1.51	<<up>>	999/0	0.1
<a href="#">ITA</a>	DFEND	SPACE & DEFENSE	ETF	UP	2.55:1.51	=DN=	991/0	0.9
<a href="#">IYT</a>	TRANS	TRANSPORT NDX	ETF	UP	2.26:1.51	≡UP≡	999/0	0.0
<a href="#">KBE</a>	BANKS	S&P BANK SECTOR	ETF	UP	2.09:1.51	dn	999/0	-0.4
<a href="#">IGM</a>	TECHS	EXPANDED TECH SECTOR	ETF	UP	1.90:1.51	DN	3/0	0.0
<a href="#">XRT</a>	SALES	RETAIL	ETF	UP	1.88:1.51	-UP-	202/0	-0.1
<a href="#">PAVE</a>	INFRA	INFRASTRUCTURE	ETF	UP	1.66:1.51	UP	446/0	0.0
<a href="#">XLF</a>	FINAN	FINANCIALS	ETF	UP	1.29:1.51	<<DN>>	999/0	-0.0
<a href="#">XLC</a>	COMMS	COMMUNICATION SRVCS	ETF	UP	1.27:1.51	<<UP>>	1/0	-0.1
<a href="#">XLI</a>	INDUS	INDUSTRIALS	ETF	UP	1.24:1.51	<<UP>>	999/0	0.3
<a href="#">XLE</a>	ENRGY	ENERGY	ETF	DN	0.92:1.51	-dn-	38/0	0.4
<a href="#">KIE</a>	INSUR	INSURANCE SECTOR	ETF	DN	0.82:1.51	<<DN>>	0/0	-0.3
<a href="#">SPX</a>	SP500	CAP-WTD S&P 500 INDEX	INDEX	UP	0.55:1.51	<<UP>>	999/0	0.0
<a href="#">XLP</a>	STAPL	CONSUMER STAPLES	ETF	DN	-0.45:1.51	-UP-	3/6	-0.2
<a href="#">ITB</a>	BLDRS	HOME CONSTRUCTION	ETF	UP	-0.76:1.51	<<UP>>	13/0	-0.0
<a href="#">XLRE</a>	REALE	REAL ESTATE	ETF	DN	-0.79:1.51	<<up>>	0/36	0.0
<a href="#">XLY</a>	DISCR	CONSUMER DISCR	ETF	UP	-13.42:1.51	<<UP>>	5/0	2.5
<a href="#">XLB</a>	MATER	MATERIALS	ETF	DN	-13.97:1.51	UP	5/0	2.7
<a href="#">XLU</a>	UTILS	UTILITIES	ETF	DN	-14.39:1.51	-DN-	0/507	2.8

MoM price changes for the top 5 sectors: [XBI](#): 2.0%, [SMH](#): 4.0%, [GLD](#): 6.5%, [XLV](#): 3.4%, [ITA](#): 14.0%

MoM price changes for the Mag 7 plus AVGO: [AAPL](#): -7.0%, [AMZN](#): 6.7%, [AVGO](#): -16.5%, [GOOGL](#): 2.6%, [META](#): 0.5%, [MSFT](#): 0.2%, [NFLX](#): -3.5%, [TSLA](#): -1.4%<sup>x</sup>

## This Week's Selections

Last week my sector choices were: GLD, IYT, SMH, XBI, XLV, BIL (50%).

### Top Sector ETFs By Slope as of 31-Dec-2025

Symbol	MTA	ARI	SSlope	8% Stop	Close	Position
XBI	UP	Up	6.66%	\$116.32	\$124.50	Hold 10%
SMH	UP	Up	4.65%	\$358.08	\$389.22	Hold 10%
GLD	UP	Up	4.49%	\$383.40	\$414.47	Hold 10%
XLV	UP	Up	2.88%	\$146.89	\$157.31	Hold 10%
ITA	UP	Up	2.55%	\$214.33	\$232.97	<b>BUY</b>
IYT	UP	Up	2.26%	\$71.75	\$77.99	Hold 10%
KBE	UP	Up	2.09%	\$58.47	\$63.25	<b>WATCH +</b>
IGM	UP	Up	1.90%	\$123.48	\$131.15	no
XRT	UP	Up	1.88%	\$82.88	\$90.09	no
PAVE	UP	Up	1.66%	\$46.12	\$50.13	<b>WATCH +</b>
XLF	UP	Up	1.29%	\$51.89	\$55.73	<b>BUY</b>
XLC	UP	Up	1.27%	\$109.86	\$117.91	no
XLI	UP	Up	1.24%	\$149.06	\$161.93	<b>BUY</b>
SPX	UP	Up	0.55%	\$6408.98	\$6966.28	INDEX

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

## Note

SMH's 8% stop has overtaken the manual stop, so my manual adjustment is no longer necessary.

## Analysis

[XBI](#) made a 4-year high on Wednesday, then fell back into its \$120 and \$125 range. [SMH](#) ended the week at an all-time high. [GLD](#)'s RSI bounced up off 50 one week ago which is a sign of strength. [XLV](#) made an all-time high on Wednesday and remains above \$155. [ITA](#) did follow through, making a 991-week high. [IYT](#) made an all-time high this week, after its RSI bounced up off 50 last week and CMF remained positive. [KBE](#)'s RSI bounced up off 50 a week ago and price made an all-time high, but its CMF remains below zero.

[IGM](#) — After a big rise from April 2025, IGM had and blow-off top in late October. Since then it formed a converging channel (see detail on next page. [XRT](#) made a ~4-year high, but it's right in the middle of psychological resistance (\$90) and heavy historical resistance from 4 years ago. [PAVE](#) made an 8.5-year high and closed a few cents north of \$50. If it can follow through, it will become a buy. [XLF](#) made an all-time high, it's above \$55, and its RSI is nicely positive just above 60. [XLC](#) made a local high on December 30<sup>th</sup> but it needs to get above historical resistance in September to become interesting. [XLI](#) made an all-time high, it's above \$160, and its RSI is strong at 64. [SPX](#) made an all-time high and closed above \$6900.

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## Thoughts and Decisions

Buy ITA, XLF, and XLI.

My sector choices this week are: GLD, ITA, IYT, SMH, XBI, XLF, XLI, XLV, BIL (20%).

## IGM Detail

IGM is in a 5 touch-point, converging, rising channel. For the last 2 weeks price has been essentially flat.



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