

Weekly Market Analysis #601 — 13 February 2026

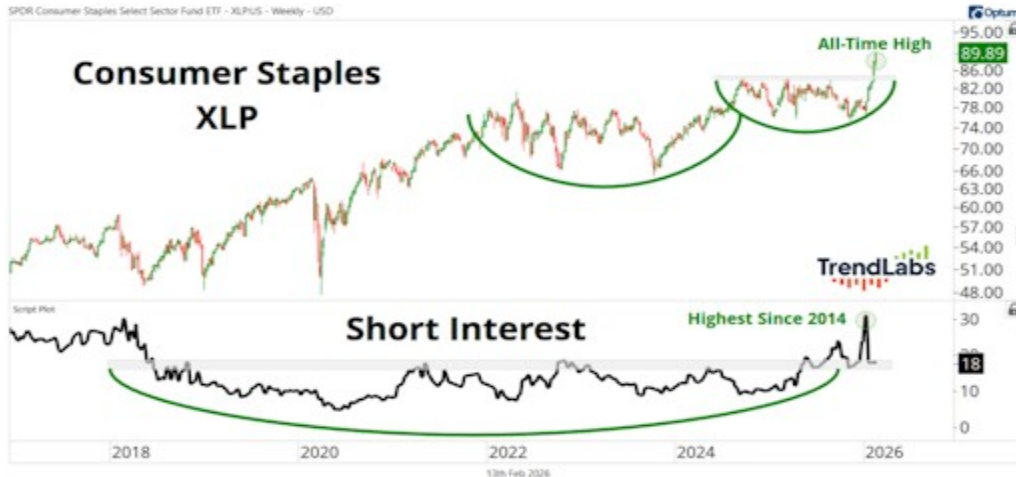
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This Week

Consumer Staples Breaks Out

Sam Gatlin at TrendLabs provided this nice [7-year chart of XLP](#), Consumer Staples, breaking out to a new all-time high. Sam's article is worth reading.



And the smaller chart underneath that reminds us...

Short Sellers Have to Buy Sometime

When investors buy shares in a stock and the stock goes down, they can either sell their shares or just hold on. When investors "short" a stock, they borrow shares from their broker and sell them. They believe the price is going to go down and their plan is to buy the stock back later at a lower price. If the price of the stock goes up (or even goes sideways), then short sellers eventually have to buy to "cover" (close out) their short positions.

Many people use the amount of "short interest" as a gauge of bearish market sentiment. But short interest can cause an interesting side effect. Short sellers are guaranteed buyers in the long run. If price starts to rise, the short sellers are forced to buy to cover, which creates a cascading buying effect. As the short sellers buy to cover their short positions, they drive prices higher, like with XLP.

A good rule of thumb is that when short interest reaches 20% of the float (the total number of shares available for the general public to trade), then it becomes a bullish indicator,

This week I added VGK, the European ETF, to the sector universe. It broke out at the end of last April and is up 21% since then. It's also up 95% since its low in Sep 2022. And it pays a dividend of about 3.5% a year. While it obviously doesn't count as a US stock market sector, it is an economic sector and, in my opinion, it's doing too well to ignore.

My guess is that there is some overlap with the ETFs already in our Sector Universe due to ADRs (American Depositary Receipts) in the US market for European stocks. I haven't had time to check on that yet due to the ongoing work Kiley and I are doing on the new charting system.

Market Barometers

The MTAs for all 5 major indexes remain green, but the month-over-month results are far less optimistic, with 4 out of 5 being negative and the other one barely positive.



Month-over-month: DJIA: 0.1%, SPX: -1.6%, VTI: -1.6%, COMPQ: -4.2%, IWM: -1.0%

A Closer Look

The SPX has been banging back and forth between \$6800 and just under \$7000 this year. BPSPX was stronger than price at the end of the week and is still positive. NYAD was even stronger than BPSPX. SPXA50R and SPXA200R fell off a bit this week but are still positive at well over 60%.



[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 21-Nov-2025 to 13-Feb-2026

21 Nov	28 Nov	05 Dec	12 Dec	19 Dec	26 Dec	02 Jan	09 Jan	16 Jan	23 Jan	30 Jan	06 Feb	13 Feb
BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	GOLD	GOLD	GOLD
SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	GOLD	GOLD	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS
GOLD	GOLD	GOLD	GOLD	GOLD	SEMIS	SEMIS	GOLD	GOLD	GOLD	BIOTC	BIOTC	BIOTC
TECHS	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	DFEND	DFEND	DFEND	DFEND	ENRGY
EUROP	TECHS	TECHS	TECHS	EUROP	EUROP	EUROP	EUROP	HLTHY	HLTHY	EUROP	ENRGY	DFEND
HLTHY	EUROP	EUROP	EUROP	TECHS	TECHS	TECHS	DFEND	EUROP	EUROP	ENRGY	INFRA	INFRA
DFEND	DFEND	SP500	SP500	TRANS	TRANS	TRANS	TRANS	TRANS	TRANS	HLTHY	TRANS	INDUS
SP500	SP500	INFRA	TRANS	INFRA	BANKS	BANKS	BANKS	SALES	BANKS	INFRA	EUROP	TRANS
UTILS	UTILS	DFEND	INFRA	BANKS	INFRA	DFEND	TECHS	BANKS	SALES	TRANS	BANKS	BANKS
INFRA	INFRA	UTILS	ENRGY	SP500	SALES	SALES	SALES	INFRA	INFRA	BANKS	INDUS	EUROP
DISCR	ENRGY	TRANS	DFEND	SALES	SP500	INFRA	INFRA	TECHS	INDUS	INDUS	HLTHY	STAPL
COMMS	COMMS	ENRGY	COMMS	DFEND	DFEND	SP500	SP500	INDUS	ENRGY	SALES	SALES	HLTHY
INDUS	DISCR	COMMS	BANKS	COMMS	COMMS	COMMS	FINAN	SP500	TECHS	TECHS	STAPL	BLDRS
ENRGY	TRANS	INDUS	SALES	ENRGY	INDUS	FINAN	COMMS	ENRGY	SP500	SP500	SP500	SALES
TRANS	INDUS	BANKS	INDUS	INDUS	FINAN	INDUS	INDUS	FINAN	COMMS	COMMS	BLDRS	SP500
FINAN	INSUR	INSUR	UTILS	INSUR	INSUR	INSUR	ENRGY	COMMS	FINAN	STAPL	TECHS	COMMS
SALES	FINAN	SALES	INSUR	FINAN	ENRGY	ENRGY	INSUR	INSUR	BLDRS	BLDRS	COMMS	TECHS
INSUR	BANKS	FINAN	FINAN	UTILS	UTILS	UTILS	UTILS	BLDRS	INSUR	FINAN	FINAN	REALE
REALE	SALES	DISCR	REALE	STAPL	STAPL	STAPL	STAPL	STAPL	STAPL	INSUR	REALE	UTILS
BANKS	REALE	REALE	BLDRS	BLDRS	BLDRS	REALE	BLDRS	UTILS	REALE	REALE	INSUR	FINAN
MATER	MATER	BLDRS	STAPL	REALE	REALE	BLDRS	REALE	REALE	UTILS	UTILS	UTILS	INSUR
STAPL	STAPL	STAPL	DISCR	DISCR	DISCR	DISCR	DISCR	DISCR	DISCR	MATER	MATER	MATER
BLDRS	BLDRS	MATER	MATER	MATER	MATER	MATER	MATER	MATER	DISCR	DISCR	DISCR	DISCR

Details

Symbol	Slope	Synonym	Sector Name	Symbol	Slope	Synonym	Sector Name
1. GLD	6.70	GOLD	GOLD	13. ITB	1.77	BLDRS	HOMEBUILDERS
2. SMH	5.73	SEMIS	SEMICONDUCTORS	14. XRT	1.62	SALES	RETAIL SALES
3. XBI	4.78	BIOTC	BIOTECH	15. SPX	1.09	SP500	S&P 500
4. XLE	4.68	ENRGY	ENERGY	16. XLC	0.67	COMMS	COMMUNICATION SRVCS
5. ITA	3.89	DFEND	AEROSPACE & DEFENSE	17. IGM	0.52	TECHS	TECHNOLOGY
6. PAVE	3.35	INFRA	INFRASTRUCTURE	18. XLRE	0.29	REALE	REAL ESTATE
7. XLI	2.95	INDUS	INDUSTRIALS	19. XLU	0.06	UTILS	UTILITIES
8. IYT	2.93	TRANS	TRANSPORTATION	20. XLF	0.00	FINAN	FINANCIALS
9. KBE	2.79	BANKS	BANKS	21. KIE	-0.36	INSUR	INSURANCE
10. VGK	2.61	EUROP	EUROPE	22. XLB	-10.81	MATER	MATERIALS
11. XLP	2.24	STAPL	CONSUMER STAPLES	23. XLY	-12.71	DISCR	CONSUMER DISCR
12. XLV	2.02	HLTHY	HEALTH CARE				

The top 6 sectors are essentially unchanged, although Defense and Energy switched places. Consumer Discretionary remains in last place for a 4th week while Consumer Staples rose from 19th to 11th.

Sector Universe

← Use this link to get to the live summary table

The order of the sector ETFs 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 13-Feb-2026								
Symbol	Synonym	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
GLD	GOLD	SPDR GOLD SHARES	ETF	UP	6.70:1.12	up	2/1	3.3
SMH	SEMIS	SEMICONDUCTORS	ETF	UP	5.73:1.12	UP	2/0	0.7
XBI	BIOTC	BIOTECHNOLOGY	ETF	UP	4.78:1.12	DN	0/1	-0.6
XLE	ENRGY	ENERGY	ETF	UP	4.68:1.12	UP	999/0	2.3
ITA	DFEND	SPACE & DEFENSE	ETF	UP	3.89:1.12	≡DN≡	3/0	0.7
PAVE	INFRA	INFRASTRUCTURE	ETF	UP	3.35:1.12	-up-	450/1	1.4
XLI	INDUS	INDUSTRIALS	ETF	UP	2.95:1.12	=up=	999/1	1.2
IYT	TRANS	TRANSPORT NDX	ETF	UP	2.93:1.12	=up=	0/2	1.5
KBE	BANKS	S&P BANK SECTOR	ETF	UP	2.79:1.12	=DN=	0/2	1.0
VGK	EUROP	FTSE EUROPE	ETF	UP	2.61:1.12	«up»	350/1	1.2
XLP	STAPL	CONSUMER STAPLES	ETF	UP	2.24:1.12	up	999/0	1.1
XLV	HLTHY	HEALTH CARE	ETF	UP	2.02:1.12	DN	1/0	0.0
ITB	BLDRS	HOME CONSTRUCTION	ETF	UP	1.77:1.12	«DN»	21/0	0.7
XRT	SALES	RETAIL	ETF	UP	1.62:1.12	«dn»	0/2	0.1
SPX	SP500	CAP-WTD S&P 500 INDEX	INDEX	UP	1.09:1.12	=up=	1/1	-0.9
XLC	COMMS	COMMUNICATION SRVCS	ETF	UP	0.67:1.12	-up-	1/4	-0.7
IGM	TECHS	EXPANDED TECH SECTOR	ETF	UP	0.52:1.12	DN	1/1	-2.2
XLRE	REALE	REAL ESTATE	ETF	DN	0.29:1.12	-DN-	48/0	0.3
XLU	UTILS	UTILITIES	ETF	UP	0.06:1.12	≡UP≡	999/0	-0.5
XLF	FINAN	FINANCIALS	ETF	UP	0.00:1.12	≡DN≡	0/11	-0.4
KIE	INSUR	INSURANCE SECTOR	ETF	DN	-0.36:1.12	-dn-	0/14	-0.2
XLB	MATER	MATERIALS	ETF	DN	-10.81:1.12	-up-	9/0	-4.4
XLY	DISCR	CONSUMER DISCR	ETF	DN	-12.71:1.12	-DN-	0/289	-7.3

MoM price changes for the top 5 sectors: [GLD](#): 9.3%, [SMH](#): 2.9%, [XBI](#): -1.2%, [XLE](#): 14.2%, [ITA](#): -2.6%

MoM price changes for the Big 8 (the Mag 7 plus AVGO): [AAPL](#): -0.8%, [AMZN](#): -16.4%, [AVGO](#): -6.0%, [GOOGL](#): -8.2%, [META](#): 3.5%, [MSFT](#): -12.7%, [NFLX](#): -12.9%, [TSLA](#): -4.8%

This Week's Selections

Last week my sector choices were: ITA, IYT, KBE, PAVE, SMH, XBI, XLE, XLI, and BIL (20%)

Top Sector ETFs By Slope

Symbol	MTA	ARI	SSlope	8% Stop	Close	Position
GLD	UP	Up	6.70%	\$430.22	\$462.62	no
SMH	UP	Up	5.73%	\$381.60	\$407.72	Hold 10%
XBI	UP	Up	4.78%	\$115.47	\$122.86	Hold 10%
XLE	UP	Up	4.68%	\$50.58	\$54.35	Hold 10%
ITA	UP	Up	3.89%	\$224.27	\$234.87	Hold 10%
PAVE	UP	Up	3.35%	\$51.19	\$55.12	Hold 10%
XLI	UP	Up	2.95%	\$160.85	\$174.17	Hold 10%
IYT	UP	Up	2.93%	\$75.70	\$79.91	Hold 10%
KBE	UP	Up	2.79%	\$62.02	\$65.09	Hold 10%
VGK	UP	Up	2.61%	\$82.31	\$88.70	NEW
XLP	UP	Up	2.24%	\$82.35	\$89.51	BUY
XLV	UP	Up	2.02%	\$146.89	\$157.67	SOLD
ITB	UP	Up	1.77%	\$104.48	\$113.57	no
XRT	UP	Up	1.62%	\$83.61	\$87.84	no
SPX	UP	Up	1.09%	\$6420.31	\$6836.17	INDEX
XLU	UP	Up	0.06%	\$42.78	\$46.50	no
URA	UP	Up	5.60%	\$49.41	\$51.91	no

Analysis

[GLD](#) bounced around between \$450 and \$470. [SMH](#) ran into resistance near \$420 for a second time, but it has been making higher lows since late November. [XBI](#) has been declining for 16 days. It went below its 8% stop last week, which caused the program to reset to a lower low level. I think \$115.47 is too low, so I'm going to use \$118.48 (the close on Dec 2) as a stop. [XLE](#) made an all-time high. [ITA](#) found support near \$225 and is now above \$230. [PAVE](#) made an 8.6-year high and all basic charts are up.

[XLI](#) made an all-time high. [IYT](#) reached \$82, then fell, but it appears to have found support near \$80. [KBE](#) (Naturally, I bought this very near the top on Monday, just over \$67.) It had a volatility burst 2 weeks ago but has been climbing ever since and has cleared psychological resistance near \$60. [VGK](#) just made a 6.7-year high and is approaching psychological resistance near \$90. [XLP](#) made another all-time high and all basic charts are up so it's still a buy. [XLV](#) is still flat. I sold it Monday for about \$156.40.

[ITB](#) is rising but it's approaching about 14M shares of historical resistance from September. Then there's about 100M shares around the \$120 level from August to November of 2024. [XRT](#) has been slowly declining since mid-January. [SPX](#) fell off rapidly on Thursday, ending at \$6836, then stalled on Friday as volume fell off by 50%. [XLU](#) made an all-time high, moving up on heavy volume. [URA](#) may have support support near \$50.

Thoughts and Decisions

I sold XLV. I will buy XLP. I probably won't move on VGK for a week or two because I haven't been watching it and I need to study it for a while.

So my sector choices this week are: ITA, IYT, KBE, PAVE, SMH, XBI, XLE, XLI, XLP and BIL (10%).

New Highs and Lows

9 securities made all-time highs, including consumer staples. Interestingly, Consumer Discretionary made a 5.5-year low.

SECURITIES MAKING NEW HIGHS DURING THE WEEK OF 13-Feb-2026					
SYMBOL	COMPANY	INSTR	MTA	SLOPE	WEEKS
DJIA	DOW JONES INDUSTRIALS	INDEX	UP	1.72	999
EEM	EMERGING MARKETS	ETF	UP	3.60	999
JNJ	JOHNSON AND JOHNSON (DK)	STOCK	UP	6.13	999
RSP	EQU-WTD S&P 500 INDEX	ETF	UP	1.72	999
WMT	WALMART STORES	STOCK	UP	4.70	999
XLE	ENERGY	ETF	UP	4.68	999
XLI	INDUSTRIALS	ETF	UP	2.95	999
XLP	CONSUMER STAPLES	ETF	UP	2.24	999
XLU	UTILITIES	ETF	UP	0.06	999
ACWX	ACWI INDEX MINUS U.S.	ETF	UP	2.84	900
USMV	USA MIN VOLATILITY	ETF	UP	0.27	721
IEMG	EMERGING MARKETS	ETF	UP	3.38	669
KBWB	BIG BANKS	ETF	UP	3.24	460
VIG	DIVIDEND APPRECIATION	ETF	UP	1.36	459
IEFA	EUROPE/AUSTRALIA/FAR-EAST	ETF	UP	2.50	454
IQLT	GLOBAL QUALITY	ETF	UP	2.29	454
IWN	SMALL-CAP VALUE	ETF	UP	3.46	454
PAVE	INFRASTRUCTURE	ETF	UP	3.35	450
EPD	ENTERPRISE PRODUCTS PRINRS	STOCK	UP	2.23	448
PM	PHILIP MORRIS INTL	STOCK	UP	3.00	447
EMXC	EMERGING MARKETS + CHINA	ETF	UP	4.99	430
BMO	BANK OF MONTREAL (DS 1829)	STOCK	UP	3.62	413
BNS	BANK OF NOVA SCOTIA (DS 1833)	STOCK	UP	4.29	413
AZN	ASTRAZENECA	STOCK	UP	23.30	352
NVS	NOVARTIS	STOCK	UP	5.27	352
VGK	FTSE EUROPE	ETF	UP	2.61	350
TSM	TAIWAN SEMICONDUCTOR	STOCK	UP	6.64	330
AMCR	AMCOR PLC (DK)	STOCK	UP	105.99	315
ED	CONSOLIDATED EDISON (DK)	STOCK	UP	1.99	314
LMT	LOCKHEED MARTIN	STOCK	UP	8.57	314
SECURITIES MAKING NEW LOWS DURING THE WEEK OF 13-Feb-2026					
XLY	CONSUMER DISCR	ETF	DN	-12.71	289
INFY	INFOSYS	STOCK	DN	-0.70	269
RWAY	RUNWAY GROWTH FINANCE	CEF	DN	-2.14	217
HTGC	HERCULES CAPITAL	STOCK	DN	-1.38	109
BBSI	BARRETT BUSINESS SERVICES	STOCK	DN	-2.88	86
NFLX	NETFLIX	STOCK	DN	-7.58	64

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