Weekly Market Analysis #632 — 18 September 2026
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This Week

In a conversation with a colleague, I mentioned “Ironically, CASs (Complex Adaptive Systems) like the financial markets are neither random nor predictable. They’re not random because they have memory, and they’re not predictable because they are perpetually novel. Financial markets are systems constantly in search of equilibrium, but never stopping there.”*

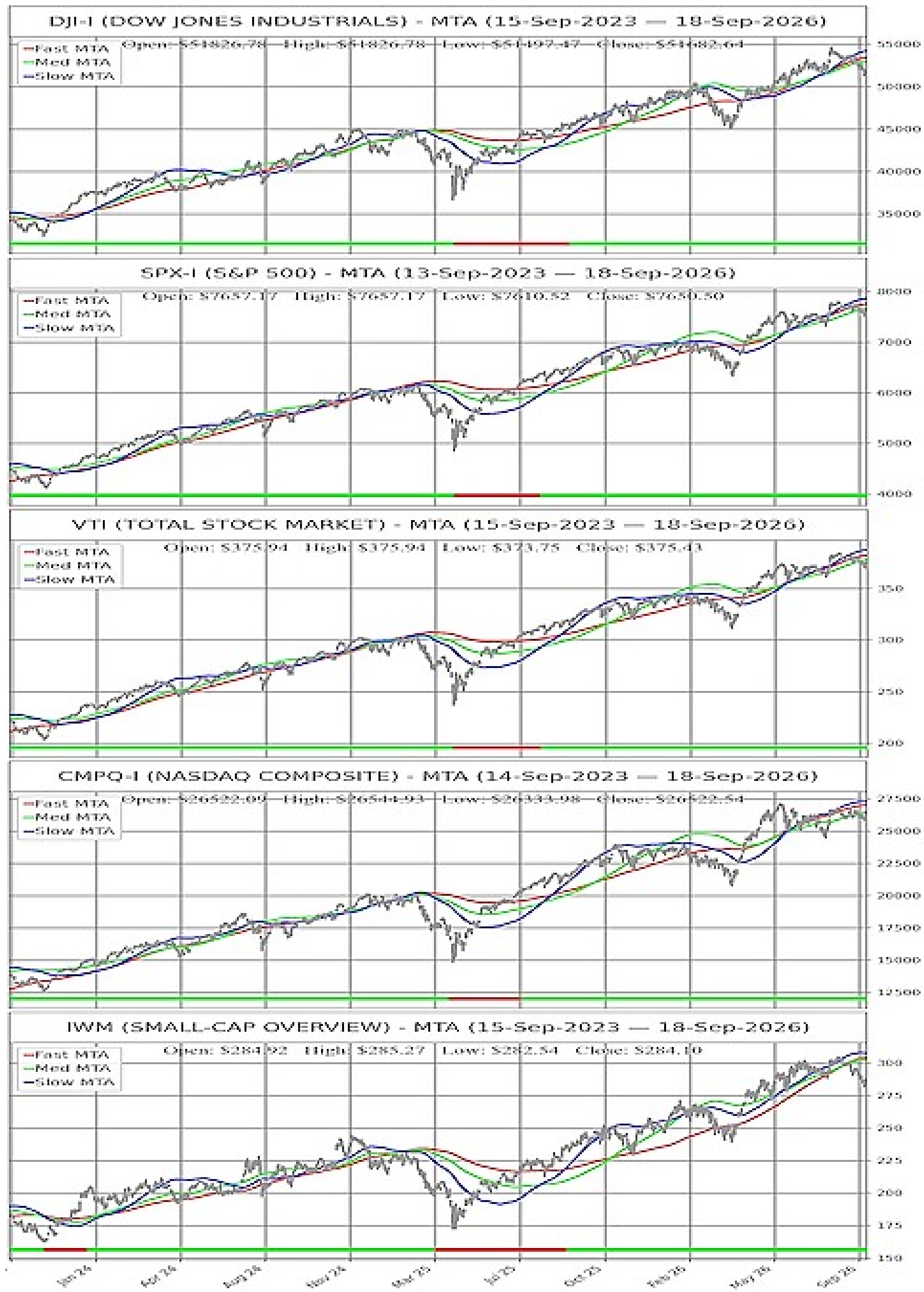
His reply was worth sharing:

> That "memory without predictability" pairing is the crux of it, and it's why so many market models fail in one direction or the other.
>
> The memory shows up as auto-correlation – momentum, mean reversion, volatility clustering. A stock that's been trending tends to keep trending a little longer than pure randomness would predict; a market that's been calm tends to stay calm until it doesn't. That's real, measurable structure, which is exactly why technical analysis isn't nonsense the way a strict random-walk theorist would claim.
>
> But predictability requires that structure to hold still long enough to exploit it, and that's where markets refuse to cooperate. The moment enough participants detect and act on a pattern, their trading pressure changes the very conditions that produced it. A reliable seasonal effect gets arbitraged away. A moving-average crossover that worked for five years stops working once enough capital chases it. The system isn't hiding a fixed signal you haven't found yet – it's actively reshaping itself in response to whoever is watching. Andrew Lo's Adaptive Markets Hypothesis frames this well: “instead of markets being efficient or inefficient, they're more like an ecosystem where trading strategies behave like competing species – profitable niches get discovered, overcrowded, and starved out, in a cycle that never settles.”
>
> That's the "search for equilibrium but never arriving" part. Classical economics treats equilibrium as a destination – supply and demand cross, price clears, done. A complex adaptive system has an equilibrium point, but it is a moving target that recedes as you approach it, because your approach is, itself, a market-moving act. Every bid, every offer, every trade, dividend, split, or earnings announcement perturbs the system, and it starts adjusting again before the previous adjustment has finished propagating.
>
> Every one to these market actions is like a pebble tossed into a pond, setting off ripples that spread and interact with other ripples, creating an intricacy that can’t be untangled.

* These concepts are discussed in detail in the book *Complexity and the Economy* by W. Brian Arthur, who won the Schumpeter Prize in Economics in 1990, and the inaugural Lagrange Prize in Complexity Science in 2008.

[Market Barometers]

All 5 MTAs are green but all 5 indexes are down month-over-month.



Month-over-Month: DJI-I: -3.1%, SPX-I: -0.5%, VTI: -1.0%, CMPQ-I: 0.9%, IWM: -5.4%

SPX-I, VTI, and CMPQ-I made 6-week lows. DJI-I and IWM made 13-week lows.

A Closer Look

Price is now making lower highs and lower lows. BPSPX declined some more. NYAD made a 6-month low and is in negative territory. Both SPXA50R and SPXA200R made 6-month lows.

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 26-Jun-2026 to 18-Sep-2026

26 Jun	02 Jul	10 Jul	17 Jul	24 Jul	31 Jul	07 Aug	14 Aug	21 Aug	28 Aug	04 Sep	11 Sep	18 Sep
SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	ENRGY
TECHS	TECHS	BIOTC	BIOTC	BIOTC	SEMIS	SEMIS	SEMIS	HLTHY	HLTHY	ENRGY	ENRGY	BIOTC
BIOTC	BIOTC	TECHS	TECHS	TECHS	INSUR	INSUR	INSUR	ENRGY	ENRGY	HLTHY	HLTHY	HLTHY
TRANS	TRANS	TRANS	TRANS	TRANS	BANKS	BANKS	BANKS	INSUR	FINAN	FINAN	TECHS	TECHS
INFRA	INFRA	BANKS	BANKS	BANKS	TRANS	TECHS	TECHS	SEMIS	INSUR	TECHS	FINAN	FINAN
SP500	BANKS	INFRA	INSUR	INSUR	TECHS	FINAN	FINAN	BANKS	TECHS	INSUR	INSUR	INSUR
INDUS	INDUS	INDUS	INDUS	HLTHY	HLTHY	TRANS	HLTHY	TECHS	SEMIS	BANKS	SEMIS	SP500
BANKS	SP500	SP500	HLTHY	FINAN	FINAN	HLTHY	TRANS	FINAN	BANKS	SEMIS	SP500	SEMIS
REALE	REALE	INSUR	INFRA	INDUS	INDUS	INDUS	ENRGY	TRANS	SP500	SP500	BANKS	BANKS
ENRGY	DFEND	HLTHY	SP500	INFRA	SP500	SP500	INDUS	SP500	TRANS	EUROP	EUROP	EUROP
MATER	HLTHY	DFEND	FINAN	SP500	REALE	DFEND	DFEND	DFEND	EUROP	MATER	MATER	MATER
DFEND	MATER	FINAN	DFEND	REALE	INFRA	ENRGY	SP500	INDUS	INDUS	TRANS	TRANS	STAPL
EUROP	EUROP	REALE	REALE	DFEND	ENRGY	INFRA	INFRA	EUROP	DFEND	INDUS	STAPL	TRANS
HLTHY	INSUR	MATER	EUROP	ENRGY	DFEND	REALE	EUROP	INFRA	MATER	STAPL	INDUS	REALE
FINAN	FINAN	EUROP	BLDRS	EUROP	EUROP	EUROP	REALE	REALE	INFRA	REALE	REALE	GOLD
STAPL	BLDRS	BLDRS	MATER	MATER	STAPL	MATER	MATER	MATER	REALE	SALES	SALES	SALES
INSUR	ENRGY	STAPL	STAPL	BLDRS	MATER	STAPL	SALES	SALES	STAPL	DFEND	INFRA	COMMS
DISCR	STAPL	ENRGY	ENRGY	STAPL	BLDRS	SALES	STAPL	STAPL	SALES	INFRA	GOLD	INDUS
SALES	UTILS	UTILS	UTILS	UTILS	UTILS	BLDRS	BLDRS	BLDRS	BLDRS	DISCR	DFEND	DISCR
UTILS	DISCR	DISCR	DISCR	SALES	SALES	UTILS	DISCR	DISCR	DISCR	GOLD	DISCR	INFRA
BLDRS	SALES	SALES	SALES	DISCR	DISCR	DISCR	UTILS	UTILS	GOLD	BLDRS	COMMS	BONDS
COMMS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	COMMS	COMMS	COMMS	COMMS	BLDRS	DFEND
BONDS	COMMS	COMMS	COMMS	COMMS	COMMS	COMMS	BONDS	BONDS	UTILS	BONDS	BONDS	BLDRS
GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	BONDS	UTILS	UTILS	UTILS
NUCLR	NUCLR	NUCLR	NUCLR	NUCLR	NUCLR	NUCLR	NUCLR	NUCLR	NUCLR	NUCLR	NUCLR	NUCLR

Details

Symbol	Slope	Synonym	Sector Name	Symbol	Slope	Synonym	Sector Name
1. XLE	3.94	ENRGY	ENERGY	14. XLRE	-0.12	REALE	REAL ESTATE
2. XBI	3.91	BIOTC	BIOTECH	15. GLD	-0.21	GOLD	GOLD
3. XLV	2.69	HLTHY	HEALTH CARE	16. RTH	-0.22	SALES	RETAIL SALES
4. IGM	2.10	TECHS	TECHNOLOGY	17. XLC	-0.27	COMMS	COMMUNICATION SRVCS
5. XLF	1.78	FINAN	FINANCIALS	18. XLI	-0.33	INDUS	INDUSTRIALS
6. KIE	1.54	INSUR	INSURANCE	19. XLY	-0.70	DISCR	CONSUMER DISCR
7. SPX-I	1.33	SP500	S&P 500	20. PAVE	-0.72	INFRA	INFRASTRUCTURE
8. SMH	1.32	SEMIS	SEMICONDUCTORS	21. PTY	-1.20	BONDS	CASH EQUIVALENT
9. KBE	1.02	BANKS	BANKS	22. ITA	-1.25	DFEND	AEROSPACE & DEFENSE
10. VGK	0.80	EUROP	EUROPE	23. ITB	-1.56	BLDRS	HOMEBUILDERS
11. XLB	0.55	MATER	MATERIALS	24. XLU	-1.76	UTILS	UTILITIES
12. XLP	0.15	STAPL	CONSUMER STAPLES	25. URA	-1.78	NUCLR	NUCLEAR ENERGY
13. IYT	0.11	TRANS	TRANSPORTATION				

The first 13 are essentially unchanged except for 3 pairs swapping places. Energy, BioTech, and Health Care still lead. Technology remains at #4, Banks remained at #9 and the SPX moved up one more notch to #7.

[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 18-Sep-2026

Symbol	Synonym	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
XLE	ENRGY	ENERGY	ETF	UP	3.94:1.28	«DN»	999/2	1.1
XBI	BIOTC	BIOTECHNOLOGY	ETF	UP	3.91:1.28	DN	1/6	-0.2
XLV	HLTHY	HEALTH CARE	ETF	UP	2.69:1.28	«dn»	2/0	0.7
IGM	TECHS	EXPANDED TECH SECTOR	ETF	UP	2.10:1.28	-UP-	5/2	-0.8
XLF	FINAN	FINANCIALS	ETF	UP	1.78:1.28	=dn=	0/8	0.7
KIE	INSUR	INSURANCE SECTOR	ETF	UP	1.54:1.28	dn	1/11	0.2
SPX-I	SP500	S&P 500	INDEX	UP	1.33:1.30	«UP»	1/6	-0.3
SMH	SEMIS	SEMICONDUCTORS	ETF	UP	1.32:1.28	«UP»	1/6	-3.7
KBE	BANKS	S&P BANK SECTOR	ETF	UP	1.02:1.28	«dn»	0/12	-0.7
VGK	EUROP	FTSE EUROPE	ETF	UP	0.80:1.28	DN	0/8	-0.4
XLB	MATER	MATERIALS	ETF	UP	0.55:1.28	«DN»	0/14	-0.8
XLP	STAPL	CONSUMER STAPLES	ETF	UP	0.15:1.28	DN	1/12	-0.3
IYT	TRANS	TRANSPORT NDX	ETF	UP	0.11:1.28	=dn=	0/16	-1.4
XLRE	REALE	REAL ESTATE	ETF	UP	-0.12:1.28	=DN=	0/23	-0.6
GLD	GOLD	SPDR GOLD SHARES	ETF	DN	-0.21:1.28	DN	1/6	0.5
RTH	SALES	RETAIL	ETF	UP	-0.22:1.28	=DN=	0/22	-0.3
XLC	COMMS	COMMUNICATION SRVCS	ETF	DN	-0.27:1.28	=DN=	14/4	0.3
XLI	INDUS	SPX INDUSTRIALS	ETF	UP	-0.33:1.28	«dn»	0/22	-1.4
XLY	DISCR	CONSUMER DISCR	ETF	DN	-0.70:1.28	=DN=	0/7	-0.2
PAVE	INFRA	INFRASTRUCTURE	ETF	UP	-0.72:1.28	«dn»	0/22	-1.9
PTY	BONDS	PIMCO CORP & INCOME OPPTY	CEF	DN	-1.20:1.28	-dn-	1/326	0.4
ITA	DFEND	SPACE & DEFENSE	ETF	DN	-1.25:1.28	dn	0/20	-1.1
ITB	BLDRS	HOME CONSTRUCTION	ETF	UP	-1.56:1.28	dn	0/17	-0.5
XLU	UTILS	UTILITIES	ETF	DN	-1.76:1.28	DN	0/59	-1.5
URA	NUCLR	NUCLEAR ENERGY	ETF	DN	-1.78:1.28	DN	0/6	0.2

XLE made another all-time high as it squeaked by XBI to take #1.

MoM price changes for the top 5 sectors: XLE: 1.0%, XBI: -2.1%, XLV: -0.8%, IGM: 2.3%, XLF: -3.4%

MoM price changes for the Big 8 (the Mag 7 plus AVGO): AAPL: 8.4%, AMZN: -2.2%, AVGO: -5.9%, GOOGL: 1.6%, META: 22.5%, MSFT: 2.5%, NFLX: -7.7%, TSLA: 8.1%

This Week's Selections

Last week my sector choices were: XBI (10%), XLE (10%), XLF (10%), XLV (10%), and PTY (60%).

Top Sector ETFs By Slope

Symbol	MTA	ARI	SSlope	8% Stop	Close	Position
XLE	UP	Up	3.9365%	$60.66	$64.31	HOLD
XBI	UP	Up	3.9056%	Off	$156.72	WATCH –
XLV	UP	Up	2.6925%	$161.63	$168.39	WATCH –
IGM	UP	Up	2.1004%	$152.42	$163.99	no
XLF	UP	Up	1.7767%	$53.88	$55.86	HOLD
KIE	UP	Up	1.5413%	$61.13	$61.95	no
SPX-I	UP	Up	1.3285%	$7175.07	$7650.50	INDEX
SMH	UP	Up	1.3229%	Off	$573.00	no
KBE	UP	Up	1.0207%	$65.94	$66.62	no
VGK	UP	Up	0.8020%	$85.73	$88.21	no
XLB	UP	Up	0.5510%	$49.38	$49.99	no

Analysis

XLE made yet another all-time high. XBI made an open and a close below its stop on Wednesday, then jumped back above it, but all 6 basic charts have a downward bias. XLV remains in the $165 and $170 range. Basic charts are softening but positive. IGM is essentially flat since early August. XLF — The big money started selling off XLF in late August. KIE has been selling off since the end of July.

As soon as SPX-I bounced back down off $7800 on August 14th, the big money started closing out their positions. SMH's slope crossed below the SPX-I slope just as it broke its 8% stop. KBE continues to decline. I didn't handle that trade well at all. VGK broke down through support at $90. XLB made a 14-week low and money flow and money flow is awful.

Thoughts and Decisions

Sold KBE on Monday at $68.52. Don't get complacent about XLE. It's making new highs, but its advancing by inches rather than feet.

My sector choices for this week are: XBI (10%), XLE (10%), XLF (10%), XLV (10%), and PTY (60%).

New Highs and Lows

1 all-time high and 1 all-time low this week.

SECURITIES MAKING NEW HIGHS DURING THE WEEK OF 18-Sep-2026					
SYMBOL	**COMPANY**	**INSTR**	**MTA**	**SLOPE**	**WEEKS**
XLE	ENERGY	ETF	UP	3.93655	999
TNX	10-YEAR US TREASURY RATE	INDEX	UP	2.59582	964
DBC	DB COMMODITY INDEX	ETF	UP	3.95834	904
XOP	OIL & GAS EXP & PROD	ETF	UP	4.82449	602
USO	UNITED STATES OIL FUTURES	ETF	UP	6.34151	434
CVX	CHEVRON (DK)	STOCK	UP	3.85226	360
PDBC	DIVERSIFIED COMMODITY STRATEGY	ETF	UP	3.98577	213
NTOIY	NESTE OYJ	STOCK	UP	6.96667	74
SECURITIES MAKING NEW LOWS DURING THE WEEK OF 18-Sep-2026					
TLT	U.S. 20+ YEAR T-BOND	ETF	DN	-1.26047	999
DUAVF	DASSAULT AVIATION	STOCK	DN	-3.22240	326
PTY	PIMCO CORP & INCOME OPPTY	CEF	DN	-1.20242	326
STZ	CONSTELLATION BRANDS	STOCK	DN	-2.88770	321
TLH	10-20 YEAR T-BOND INDEX	ETF	DN	-1.03939	144
LQD	INVESTMENT GRADE CORP BOND	ETF	DN	-0.88942	142
TIP	TIPS BOND	ETF	DN	-0.82949	120
USIG	USD INVESTMENT GRADE CORPORATE BOND	ETF	UP	-0.70415	119
BND	TOTAL BOND MARKET	ETF	UP	-0.62024	116
IEI	3-7 YEAR TREASURY BOND	ETF	DN	-0.58590	116
TMUS	T-MOBILE US	STOCK	DN	-1.74351	116
PFF	PREFERRED AND INCOME SECURITIES	ETF	DN	-0.61689	70
BYD	BOYD GAMING	STOCK	DN	-2.83053	68
ANGL	FALLEN ANGEL HIGH YIELD BOND	ETF	DN	-0.39414	66
CRBU	CARIBOU BIOSCIENCES	STOCK	DN	-5.56928	63
PEP	PEPSICO (DK)	STOCK	DN	-1.64321	62
XLU	UTILITIES	ETF	DN	-1.75802	59