

TA THRASHER ANALYTICS

JANUARY 23, 2022



WEEKLY RESEARCH & ANALYSIS

BY ANDREW THRASHER, CMT

SUMMARY OF MODELS

	Current	Wkly Change
Market Health Report	-2	Declining
Volatility Risk Trigger	0	Unchanged
Risk Appetite Ratios	.37	Declining
Bullish Confidence Score	+3	Declining
S&P 500 Long-Term Trend	Up	Unchanged

Note to Subscribers:

The Thrasher Analytics website went through an update and some of the recent subscriber accounts will require a password reset. In the next week, some of you may receive an email requesting to update your password, please use the link that will be included in the email. I'm sorry for the inconvenience. Please email if there are any problems. Thank you.

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Market Health Report

Hedge Fund Stocks

Sectors & Fixed Income

Sentiment

Trend Models

Sector Rotation: January	
Real Estate	XLRE
Technology	XLK
Materials	XLB

Fixed Income Rotation: Q1	
Emerging Market Debt	PCY
High Yield Corp. Bond	HYG

Market Health Report	
Breadth	-1
Momentum	-1
Sentiment	1
Trend	-1
Volatility	0
Total	-2

Index & Sector		
	Up Trend	Down Trend
SPX	X	
QQQ	X	
XLF	X	
XLV	X	
XLU	X	
XLP	X	
XLI	X	
XLRE	X	
XLE	X	
XLB	X	

Daily Sentiment Index		
	% Bullish	5-day MA
S&P 500	27%	46%
Nasdaq 100	15%	33%
Nikkei	20%	37%
VIX	41%	30%
10yr Treasury	44%	37%
5yr Treasury	44%	42%
CRB Index	77%	84%
Crude Oil	83%	88%
Gold	40%	42%
U.S. Dollar	73%	72%
Bitcoin	14%	20%

*Green<25% Red>80%

source: trade-futures.com

Brief Summary:

Large cap stocks are down a little over 8% with the Nasdaq 100 off by nearly 12%. This hasn't been a great start to 2022 but when we look under the hood of the market, things actually don't appear as bad as they may seem.

We are seeing less new 12-month, 6-month, 3-month, and 1-month new lows compared to levels seen in December. The selling appears to be heavily focused on the mega cap stocks. The four largest stocks in the S&P 500 have a 18.2% weighting but make up 34% of the 1-month decline in the index. I wrote a few weeks ago that the % of stocks above the 20-day moving average likely would fall under 30% if we are to follow the historical precedent and as of Friday we have just 14.5% still above the short-term average.

While the selling may be focused on the mega caps, the average drawdown is still pretty bad for the stock as well. Just over 25% of stocks are down 20% and the average drawdown for S&P 500 stocks is 15.5%, the highest average drawdown in over twelve months.

You'll notice in the letter that many of the models have held up well. The Market Health Report is 'just' at a -2 and the Bullish Confidence Score is +3. The VIX Top Composite will likely trigger a peak in volatility should we get a VIX close under the open.

The big concern is what the Fed will do and this week we get an FOMC announcement as well as quarterly reports from 6 of the 20 largest companies including Apple, Microsoft, and Tesla. The bond market doesn't seem to be overly concerned with high yield spreads still at a fairly low level. If we do see further weakness in equities, I'm watching 3300 as a key price level with a cluster of support levels sitting at that level.

VRT remains below its signal threshold. More on vol later in the letter.

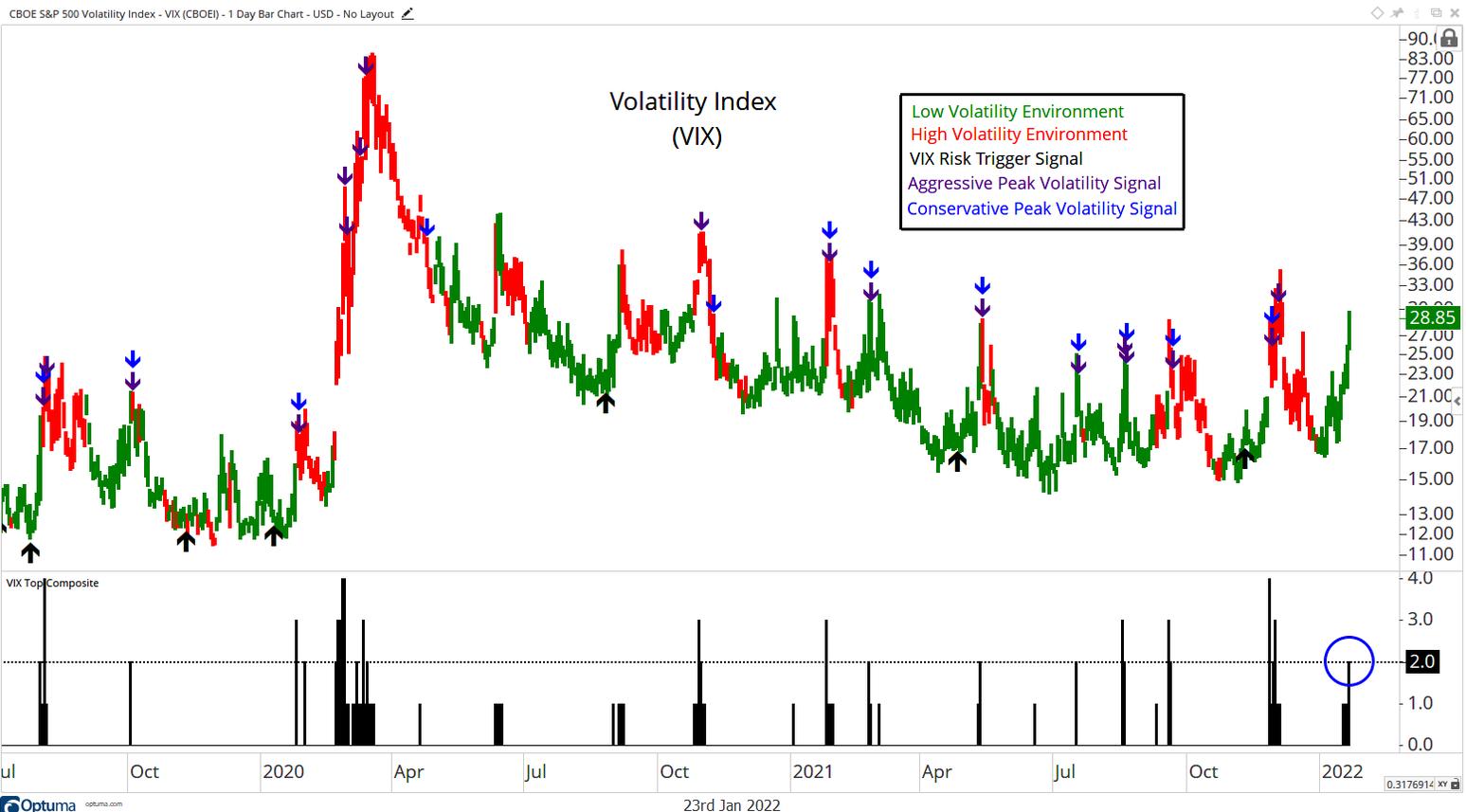
CBOE S&P 500 Volatility Index - VIX (CBOEI) - 1 Day Line Chart - USD - No Layout



VOLATILITY: TOP & ENVIRONMENT

Volatility rose up to 28.85 last week but remains in a Low Volatility Environment. Why is that? Because there are four pieces of criteria that determine the Environment and if two of the four are present then it remains a Low Vol Environment, for instance the spread between VIX and VXV (3-month vol) is still negative.

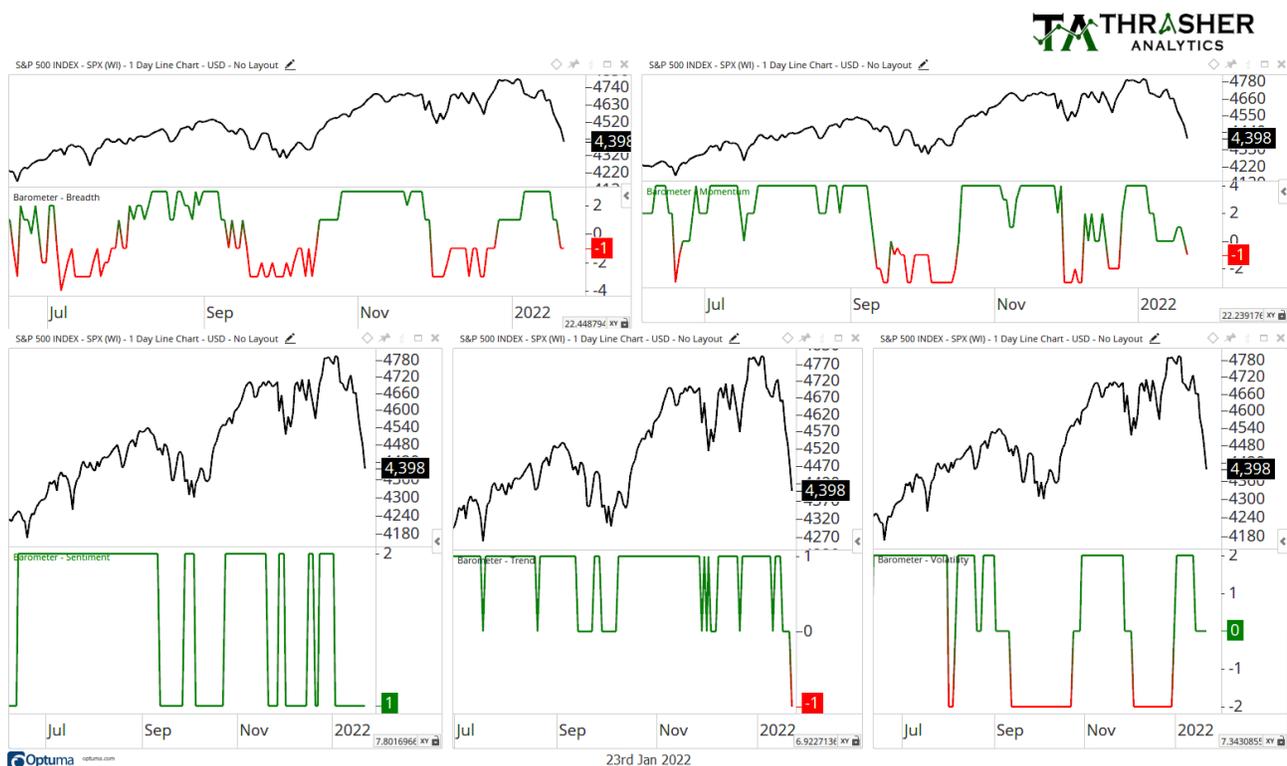
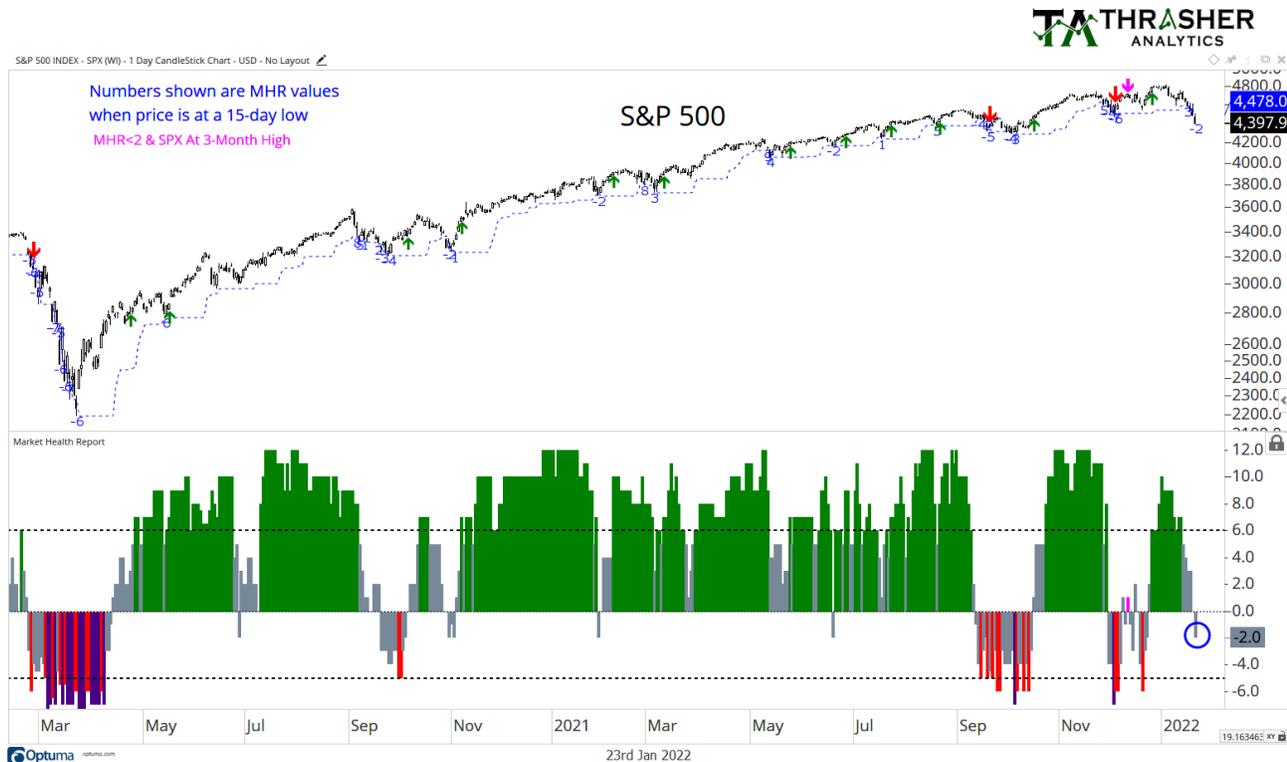
For the Peak signals, two of the four criteria here has been met and if we get a close on Monday below the open in spot VIX then we'll trigger an Aggressive Peak signal.



MARKET HEALTH REPORT



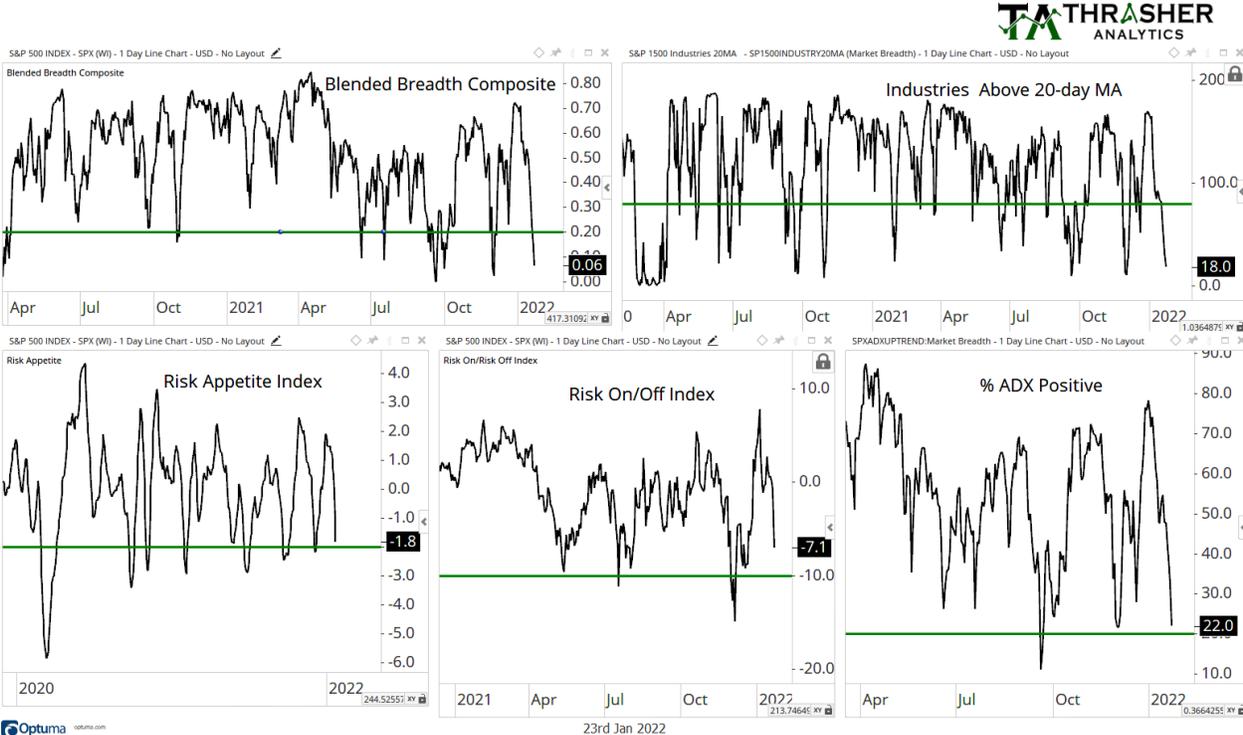
The Market Health Report (MHR) moved lower last week to -2. This may surprise you as I'm sure many readers expected the MHR to be below -5. While the data for most of the categories did worsen, with the Trend category going negative for the first time since the Covid Crash. Currently, the MHR still remains supportive of the equity market and at this point is not showing signs that a major decline is in the works. That could of course change and if it does I'll be sure to provide an update.



BULL CONFIDENCE SCORE



Three of the five Bullish Confidence Categories remain positive, albeit at a razor thin margin. The Risk Appetite Index and the ADX Trend categories sit just a few points from turning negative.



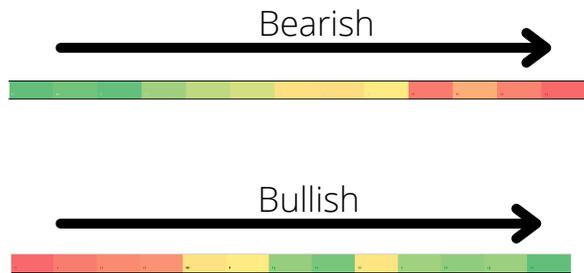
RISK APPETITE RATIO



Below is a table of 18 gauges of risk appetite such as offense vs. defense sectors, foreign markets vs. domestic, small vs. large cap, lumber vs gold, high beta vs. broad market, high yield debt vs. Treasury debt, etc. The table shows each ratio's 1-year percentile going back the last 3-months (35 trading days). As the data improves, it turns green and as it declines it becomes red.

The average Risk Appetite Ratio percentile finished higher than last week and briefly got above 50. The next page shows a chart version of the average with additional commentary.

Risk Metric	-35	-34	-33	-32	-31	-30	-29	-28	-27	-26	-25	-24	-23	-22	-21	-20	-19	-18	-17	-16	-15	-14	-13	-12	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	Current
Emerging Market vs. SPX	0.08	0.08	0.06	0.05	0.04	0.04	0.05	0.03	0.00	0.01	0.00	0.02	0.04	0.03	0.03	0.02	0.02	0.00	0.00	0.00	0.03	0.02	0.03	0.02	0.03	0.04	0.07	0.07	0.10	0.14	0.13	0.13	0.13	0.17	0.21	0.22
EAFE vs. SPX	0.08	0.07	0.09	0.08	0.08	0.08	0.07	0.03	0.00	0.01	0.00	0.04	0.05	0.09	0.06	0.05	0.05	0.02	0.03	0.02	0.01	0.02	0.02	0.05	0.10	0.08	0.12	0.08	0.09	0.12	0.16	0.15	0.17	0.23	0.26	0.29
HY Debt vs. Treasury	0.15	0.18	0.11	0.22	0.30	0.40	0.34	0.37	0.27	0.27	0.35	0.33	0.26	0.29	0.35	0.30	0.37	0.36	0.39	0.45	0.39	0.38	0.53	0.54	0.52	0.50	0.54	0.53	0.51	0.55	0.46	0.56	0.63	0.57	0.52	0.44
High Beta vs. SPX	0.69	0.72	0.62	0.65	0.73	0.75	0.70	0.67	0.54	0.53	0.53	0.43	0.48	0.42	0.57	0.56	0.59	0.61	0.57	0.54	0.52	0.51	0.59	0.63	0.53	0.57	0.55	0.54	0.63	0.63	0.59	0.65	0.58	0.50	0.46	0.35
Home Construction vs. SPX	0.61	0.72	0.73	0.79	0.74	0.76	0.77	0.80	0.74	0.71	0.71	0.65	0.61	0.59	0.62	0.67	0.65	0.65	0.68	0.72	0.70	0.75	0.61	0.66	0.64	0.60	0.36	0.38	0.43	0.41	0.49	0.38	0.26	0.19	0.12	0.16
Offense vs. Defense Sectors	0.88	0.94	0.81	0.82	0.91	0.91	0.83	0.85	0.65	0.61	0.58	0.46	0.46	0.39	0.53	0.55	0.60	0.64	0.62	0.59	0.55	0.54	0.67	0.74	0.64	0.70	0.66	0.61	0.69	0.73	0.67	0.69	0.67	0.57	0.51	0.39
Broker-Dealer vs. SPX	0.67	0.75	0.72	0.72	0.74	0.71	0.69	0.61	0.58	0.63	0.59	0.68	0.62	0.53	0.56	0.55	0.57	0.55	0.55	0.52	0.50	0.50	0.52	0.64	0.64	0.71	0.77	0.77	0.79	0.68	0.70	0.60	0.47	0.49	0.60	0.62
Value vs. Growth	0.03	0.08	0.12	0.14	0.09	0.06	0.09	0.08	0.10	0.15	0.09	0.20	0.18	0.17	0.15	0.12	0.11	0.09	0.12	0.12	0.14	0.16	0.14	0.22	0.32	0.34	0.39	0.37	0.36	0.34	0.44	0.42	0.47	0.48	0.50	0.55
Semiconductor vs. SPX	1.00	0.93	0.92	0.83	0.98	0.94	0.85	0.83	0.74	0.74	0.88	0.69	0.74	0.73	0.82	0.83	0.84	0.91	0.86	0.85	0.81	0.80	0.89	0.86	0.78	0.84	0.70	0.71	0.77	0.80	0.78	0.89	0.74	0.65	0.55	0.56
Consumer Disc. Vs. Staples	0.79	0.85	0.75	0.77	0.84	0.89	0.83	0.80	0.64	0.59	0.58	0.46	0.49	0.44	0.59	0.61	0.64	0.65	0.61	0.62	0.62	0.60	0.60	0.60	0.48	0.49	0.40	0.36	0.41	0.41	0.37	0.31	0.27	0.21	0.17	0.11
Small Cap vs. Utilities	0.40	0.42	0.23	0.25	0.29	0.32	0.20	0.17	0.03	0.01	0.01	0.00	0.09	0.07	0.18	0.20	0.23	0.25	0.19	0.18	0.16	0.14	0.23	0.23	0.10	0.16	0.09	0.10	0.18	0.14	0.08	0.11	0.04	0.00	0.00	0.00
Transports vs. Utilities	0.72	0.78	0.74	0.77	0.75	0.74	0.76	0.75	0.66	0.63	0.59	0.55	0.56	0.49	0.59	0.56	0.62	0.65	0.62	0.61	0.58	0.59	0.58	0.66	0.60	0.63	0.59	0.55	0.59	0.57	0.56	0.56	0.55	0.52	0.50	0.44
Equal Weight vs. Cap Weight	0.00	0.12	0.16	0.20	0.15	0.15	0.14	0.11	0.13	0.14	0.08	0.17	0.18	0.15	0.18	0.14	0.15	0.13	0.16	0.19	0.20	0.24	0.17	0.28	0.34	0.38	0.41	0.36	0.37	0.34	0.47	0.44	0.46	0.46	0.44	0.51
Small cap vs. Large Cap	0.00	0.05	0.00	0.03	0.04	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.07	0.10	0.10	0.11	0.09	0.07	0.07	0.08	0.08	0.11	0.10	0.05	0.07	0.05	0.04	0.05	0.01	0.03	0.03	0.00	0.00	0.00	
Equities vs. VIX	0.21	0.30	0.23	0.33	0.55	0.65	0.56	0.73	0.62	0.53	0.69	0.61	0.55	0.48	0.58	0.73	0.78	0.82	0.83	0.88	0.84	0.85	0.91	0.88	0.66	0.67	0.71	0.67	0.75	0.81	0.62	0.68	0.48	0.43	0.36	0.25
Aussie Dollar vs. Yen	0.13	0.26	0.36	0.45	0.39	0.42	0.35	0.32	0.45	0.44	0.35	0.32	0.43	0.52	0.59	0.56	0.64	0.61	0.66	0.67	0.70	0.60	0.76	0.73	0.61	0.61	0.57	0.63	0.68	0.63	0.54	0.56	0.52	0.54	0.54	0.42
Lumber vs. Gold	0.35	0.40	0.38	0.41	0.42	0.44	0.48	0.52	0.55	0.55	0.56	0.55	0.52	0.49	0.46	0.47	0.49	0.53	0.57	0.59	0.58	0.56	0.55	0.56	0.57	0.62	0.61	0.59	0.61	0.61	0.63	0.64	0.68	0.62	0.59	0.56
Copper vs. Gold	0.66	0.72	0.67	0.72	0.71	0.74	0.72	0.67	0.67	0.68	0.64	0.67	0.65	0.66	0.70	0.72	0.70	0.76	0.72	0.72	0.70	0.72	0.73	0.73	0.67	0.69	0.71	0.67	0.69	0.78	0.77	0.69	0.67	0.68	0.76	0.73
AVERAGE	0.41	0.46	0.43	0.46	0.49	0.50	0.47	0.46	0.41	0.40	0.40	0.38	0.39	0.37	0.43	0.43	0.45	0.46	0.46	0.46	0.45	0.45	0.48	0.51	0.46	0.48	0.46	0.45	0.48	0.48	0.47	0.47	0.43	0.41	0.39	0.37

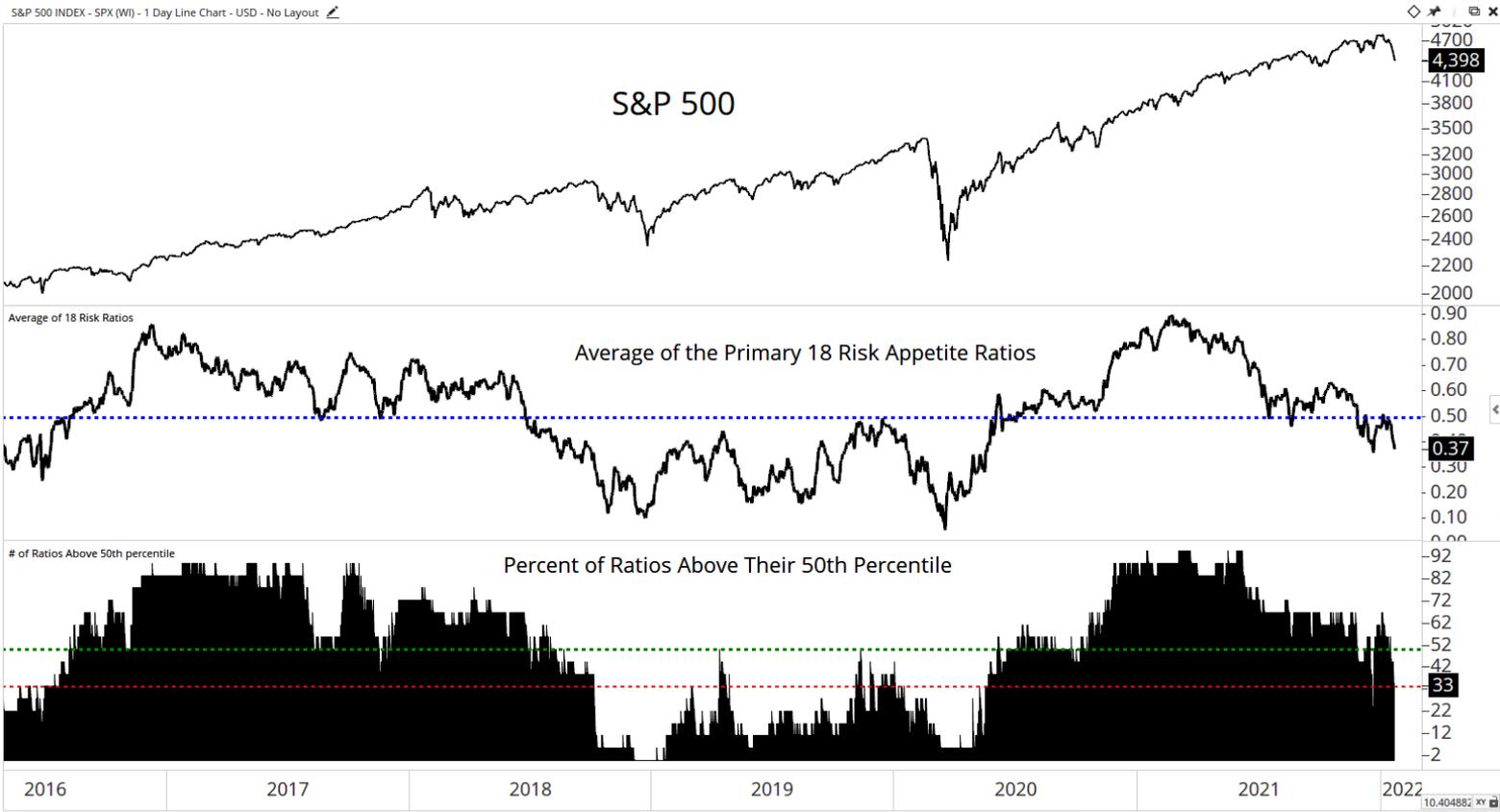


RISK APPETITE RATIO



Here's a look at the historical average of the 18 Risk Appetite Ratio.

As to be expected, risk appetite ratios moved lower last week, to the average 37th percentile. Just one third of the ratios remain above the 50th percentile. Interestingly, the international ratios are what saw some of the greatest improvement as EFA and EEM began to improve in relative performance. As did equal weight S&P 500 relative performance, which we'll discuss more later.



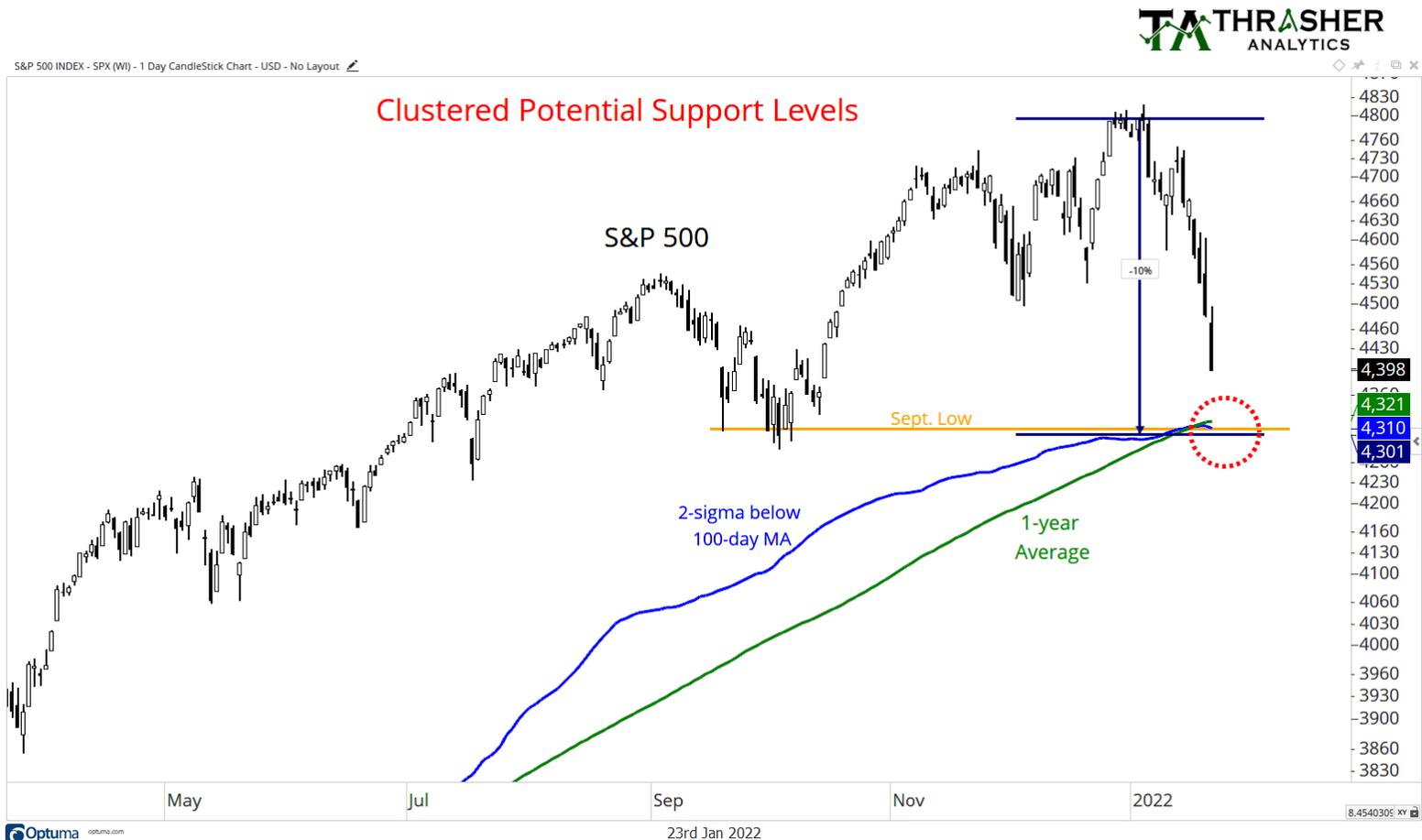
The big news last week was the break of the S&P 500 of the 200-day MA, something it hadn't done in quite a while. After setting up a bearish divergence, momentum become "oversold" for the first time since March '20. The large cap index still sits above September low, and closed Friday just 2 points under the psychological important "4400" level, round numbers like this often attract trader attention so it's no surprise we finished the week right at one.



Should equities continue to decline this week, there's a cluster of potential support levels I'm keeping a close eye on, and should draw in some attempted buyers. Between 4300 and 4320 we find:

- The September low
- 2-sigma below the 100-day moving average
- The 1-year average
- the price level to hit a 10% decline.

For one reason or another, one (or more) of these levels are being watched by technical based traders. Often we see institutional traders wait for that 10% decline before starting their dip buying campaign and I think many traders will be looking for support at that prior September low.



EQUITIES - BREADTH



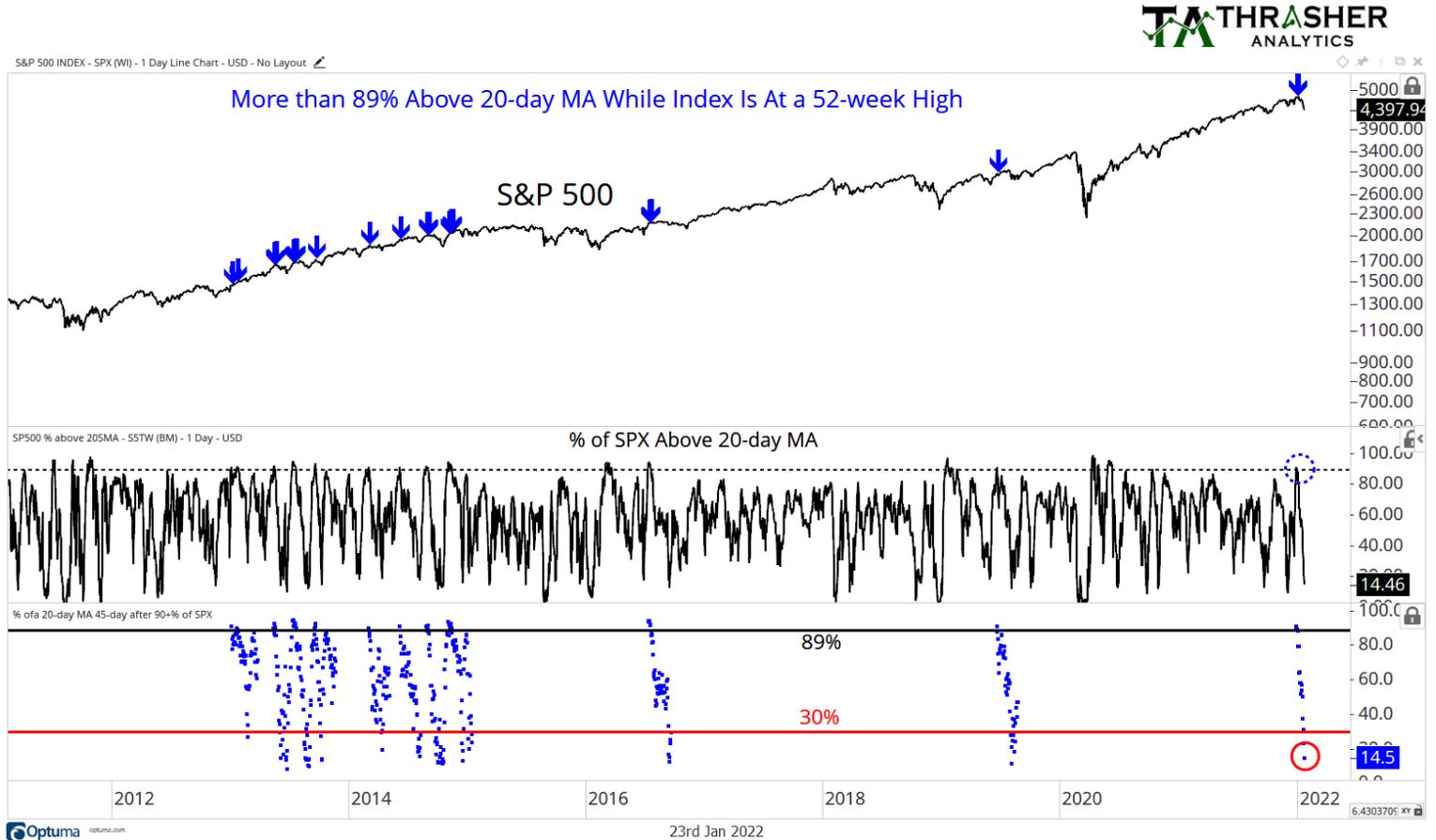
Breadth as measured by % above moving averages continued lower last week and we now have just under half of the S&P 500 still trading above the 200-day MA as the broad index closed under as well on Friday.



EQUITIES - SHORT-TERM BREADTH TA



Another update on study I first shared a few weeks ago: When over 89% of stocks are above the 20-day moving average historically the data gets "washed out" under 30%, putting downside pressure on the index. As of Friday, we now are at 14.5% of stocks above the 20-day MA, matching the historical precedent that had been set.

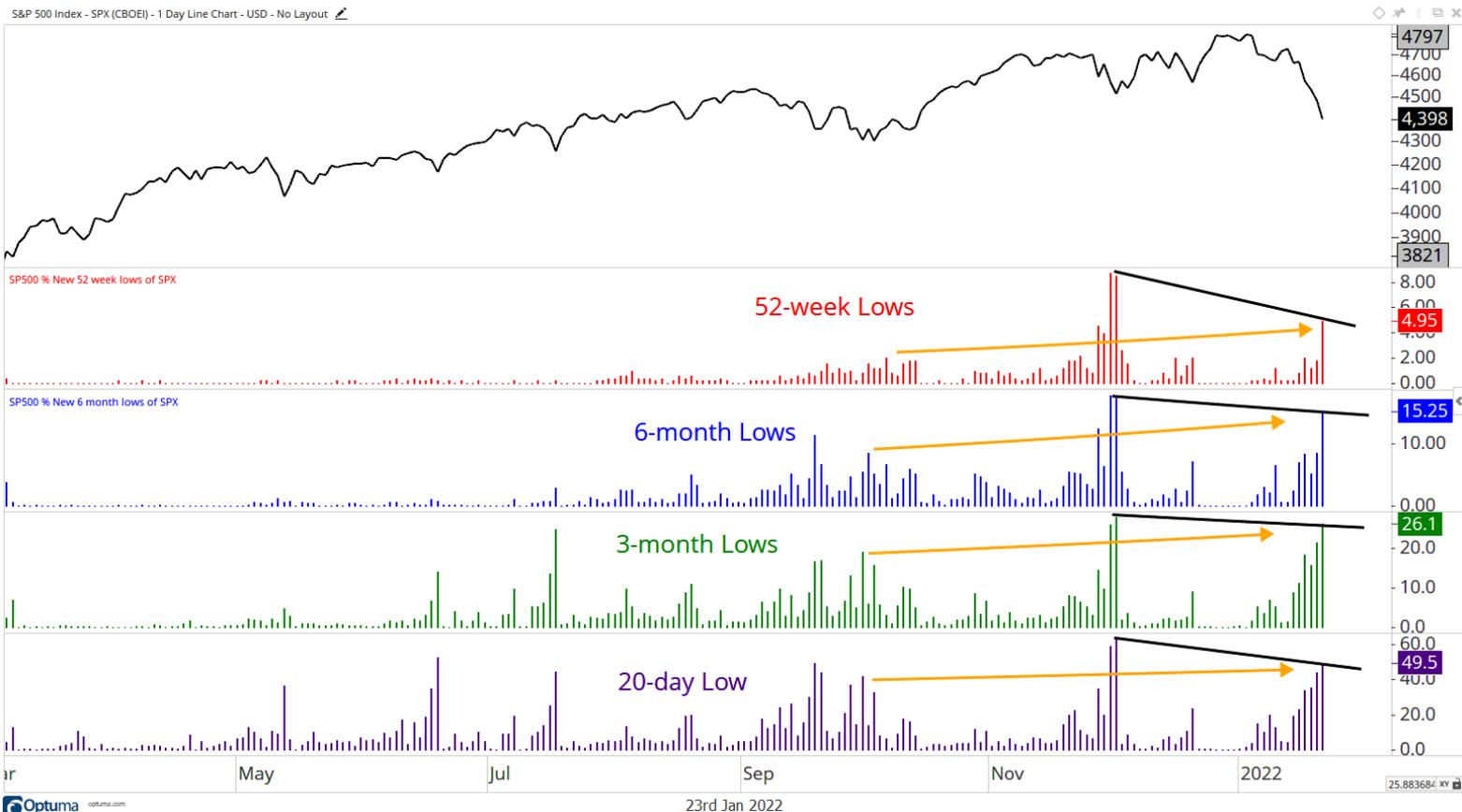


EQUITIES - NEW LOWS



While the S&P 500 broke below the prior December low, the internals aren't showing the same level of expanding selling. There's two ways we're going to look at the data as the results are a little mixed. First, across timeframes (52-week, 6-month, 3-month, 20-day) we have less new lows than in December. Roughly half the number of new 52-week lows for example. That's a positive sign that the selling by a smaller percentage of stocks is what pushed down the index. In fact, looking at the top four largest stocks in the S&P 500 their 1-month returns are: -6.12%, -9.55%, -16.3% & -9.15% vs. the index down -5.42%. These four stocks account for 18.2% of the index and made up 34% of the 1-month decline.

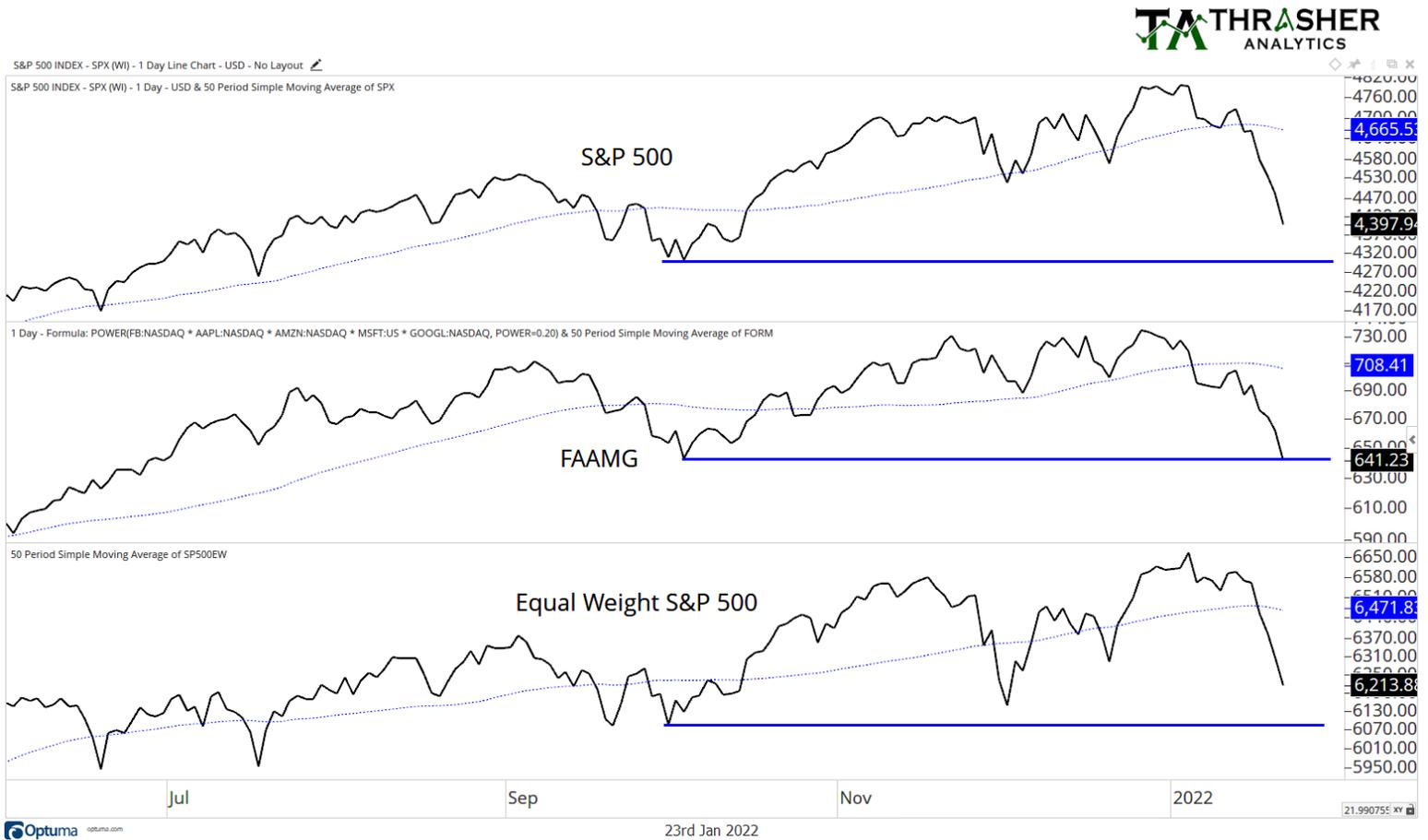
On the flip side, While the index isn't to the September low, the breadth data is considerably worse than the September levels. Part of the reason for this, in my opinion, is coming out of the Dec. dip, few stocks actually regained their drawdown. Participation was vary narrow coming into January so during this current decline, sellers piled into sell orders for the mega caps (as mentioned above), which pushed down the index but didn't cause a higher-high in new lows.



EQUITIES - FAAMG vs. EW



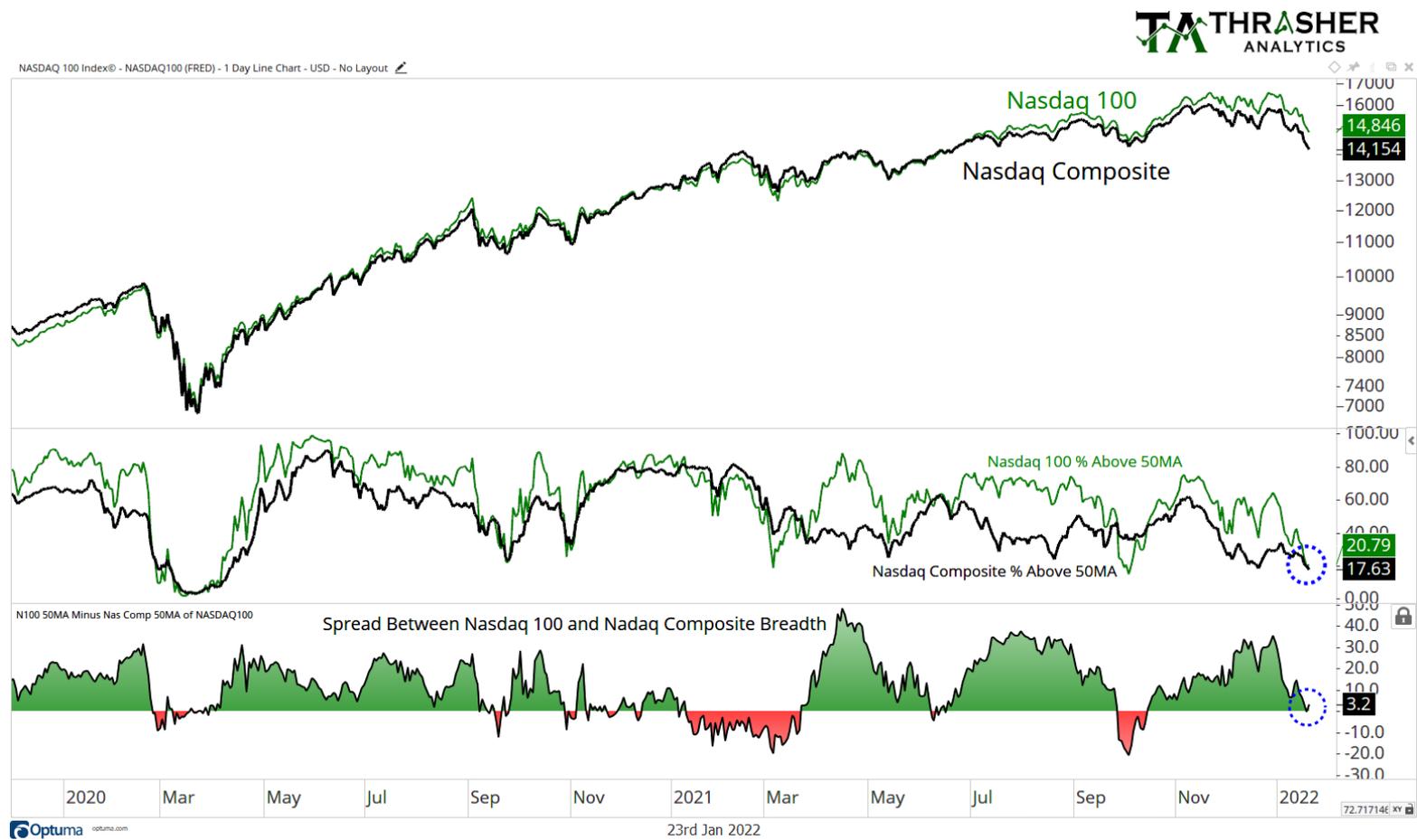
As I mentioned earlier, the S&P 500 isn't to its September low, but the FAAMG group is. The selling appears to be focused on the mega caps, which is why an equally weighted index of the FAAMG stocks has seen a larger decline than the equal weight S&P. This suggests dip buyers may not have as much work to do to recover the index, needing to bid up just the largest stocks rather than stopping the bleeding across the board.



EQUITIES - NASDAQ BREADTH



The breadth data for the Nasdaq 100 and Nasdaq Composite had created a fairly large spread, with nearly 40% more stocks in the Nasdaq 100 trading above the 50-day MA than in the Composite. This spread has now closed with both indices at 17-20% of stocks above the 50-day moving average. Once again, we can see the selling in the mega caps, which make up the Nasdaq 100 vs the Composite are what bled the most last week and helped close the gap that had formed between the more broad index and the narrow Nasdaq 100.

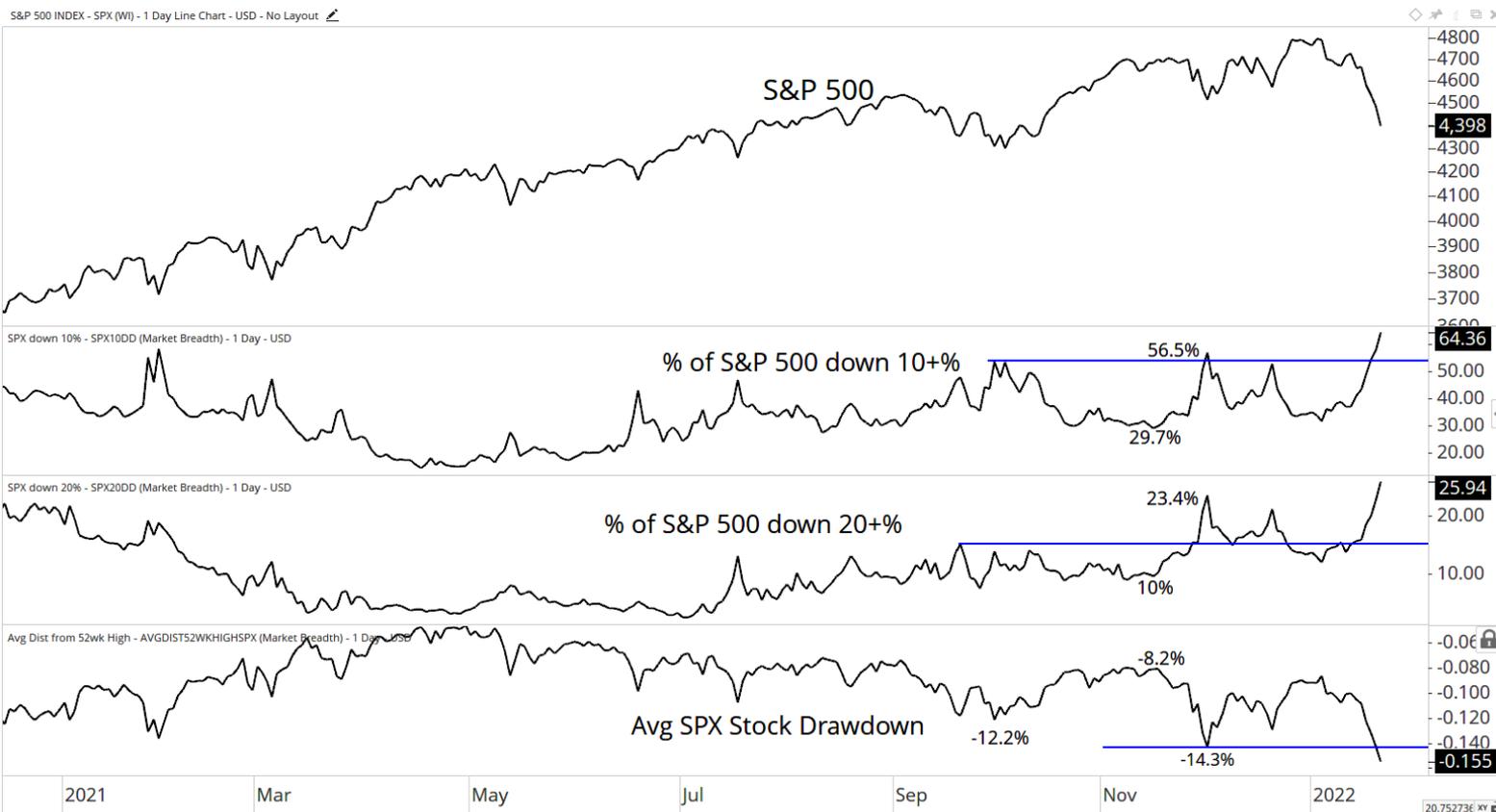


EQUITIES - DRAWDOWN - 1



The drawdown data looks pretty ugly.

We now have 64% of stocks down over 10% and just over 25% down at least 20%. The average drawdown for large cap stocks is 15.5%, the lowest level in over twelve months. Before the January decline, most individual stocks outside of the mega caps were in some form of decline and now the dam has broken on the FAAMG group, adding to the pain being felt from their fellow equity breadthen.



EQUITIES - DRAWDOWN -2



In late November I shared in this letter and publicly on my blog a study on the drawdowns of the financial, consumer discretionary, and tech sectors. I provided an update to this in December but wanted address it once more after this latest bout of selling. The key sectors to this market were the drawdown data needed to feel the most pain before we saw the index see a move like it has now. Those key areas were financials, consumer discretionary, and tech, once they hit an average of -10% drawdown within their individual holdings. As of Friday, these sector's stocks are down 18.4%, the lowest combined average in over a year.



A new section of the report I'll be sharing in the new year will be looking at the most important stocks to hedge funds. Using data from [HedgeMind](#), which publishes a list of the 50 stocks that the most hedge funds hold in their top 10 largest positions. This means these stocks likely are "in play" by many hedge funds as they accumulate shares or exit positions.

Using the Thrasher Analytics Mean Reversion Indicator (TAMRI), I've sorted the stocks by their combined (Absolute & Relative) score, showing the 1st and 4th quartiles. These are no buy and sell recommendations. These lists show stocks that have potential to mean revert higher (when the TAMRI is low) or revert lower (TAMRI is high). I've also included the 1-year z-score of each stock.

This can act as a great source of idea generation of stocks that hedge funds may be active buyers or sellers in the coming weeks. I'll provide an updated list each week.

1 Week - Watch List - No Layout

Name	Ticker	1W Change	1M Change	3M Change	1yr Z-Score	Absolute Score	Combined Score
- Combined Score 1st Quartile		AVG: -8.35%	AVG: -17.46%	AVG: -29.76%	AVG: -2.099		AVG: -5...
Five9 Inc	FIVN	-5.05%	-10.74%	-20.84%	-2.257	-66.23	-64.37
PayPal Holdings Inc	PYPL	-8.34%	-12.17%	-39.06%	-2.326	-55.95	-57.89
Shopify Inc	SHOP	-20.02%	-33.34%	-38.08%	-2.584	-55.73	-57.26
T-Mobile US Inc	TMUS	-6.36%	-15.18%	-13.56%	-2.280	-60.69	-57.19
Adobe Inc	ADBE	-3.97%	-10.19%	-18.06%	-0.858	-52.01	-51.46
Block Inc - Ordinary Shares - Class A	SQ	-11.40%	-29.31%	-52.57%	-3.032	-50.54	-51.32
RH	RH	-12.53%	-29.20%	-40.61%	-2.626	-49.93	-50.97
Twitter Inc	TWTR	-9.42%	-19.15%	-44.53%	-2.430	-45.87	-46.91
Charter Communications Inc.	CHTR	-6.25%	-12.36%	-18.50%	-1.917	-50.34	-46.48
Mercadolibre Inc	MELI	-6.25%	-11.37%	-32.66%	-2.049	-44.86	-45.47
Liberty Broadband Corp - Ordinary Shares - Se	LBRDK	-6.24%	-9.00%	-15.27%	-1.845	-46.25	-43.60
ServiceNow Inc	NOW	-4.38%	-17.53%	-23.44%	-0.983	-39.50	-39.77
+ Combined Score 2nd Quartile		AVG: -9.29%	AVG: -15.45%	AVG: -25.51%	AVG: -1.598		AVG: -3...
+ Combined Score 3rd Quartile		AVG: -8.77%	AVG: -15.98%	AVG: -25.24%	AVG: -1.078		AVG: -1...
- Combined Score 4th Quartile		AVG: -9.24%	AVG: -8.95%	AVG: -4.09%	AVG: 0.171		AVG: 8...
Elastic N.V	ESTC	-13.13%	-30.20%	-52.21%	-2.424	-4.14	-3.62
DoorDash Inc - Ordinary Shares - Class A	DASH	-11.08%	-21.41%	-45.37%	-1.828	-2.50	-2.29
Nvidia Corp	NVDA	-13.24%	-15.92%	6.92%	0.517	-5.26	-1.29
Booking Holdings Inc	BKNG	-4.29%	6.13%	-7.58%	0.301	-3.60	0.37
Snowflake Inc - Ordinary Shares - Class A	SNOW	-7.61%	-19.49%	-19.79%	-0.327	1.55	2.23
Micron Technology Inc.	MU	-15.85%	-1.29%	21.05%	0.059	-0.07	2.46
Apple Inc	AAPL	-6.16%	-5.10%	12.13%	1.192	6.89	14.21
Tesla Inc	TSLA	-10.07%	1.21%	11.97%	0.901	12.40	14.40
WillScot Mobile Mini Holdings Corp	WSC	-6.15%	-9.29%	9.78%	1.079	7.80	16.14
Expedia Group Inc	EXPE	-5.41%	9.48%	1.41%	0.723	11.49	16.85
Builders Firstsource Inc	BLDR	-14.84%	-12.79%	17.40%	1.051	11.36	17.66
Palo Alto Networks Inc	PANW	-3.10%	-8.77%	-4.77%	0.808	15.00	19.05

SECTORS - PERFORMANCE



1 Day - Watch List - No Layout

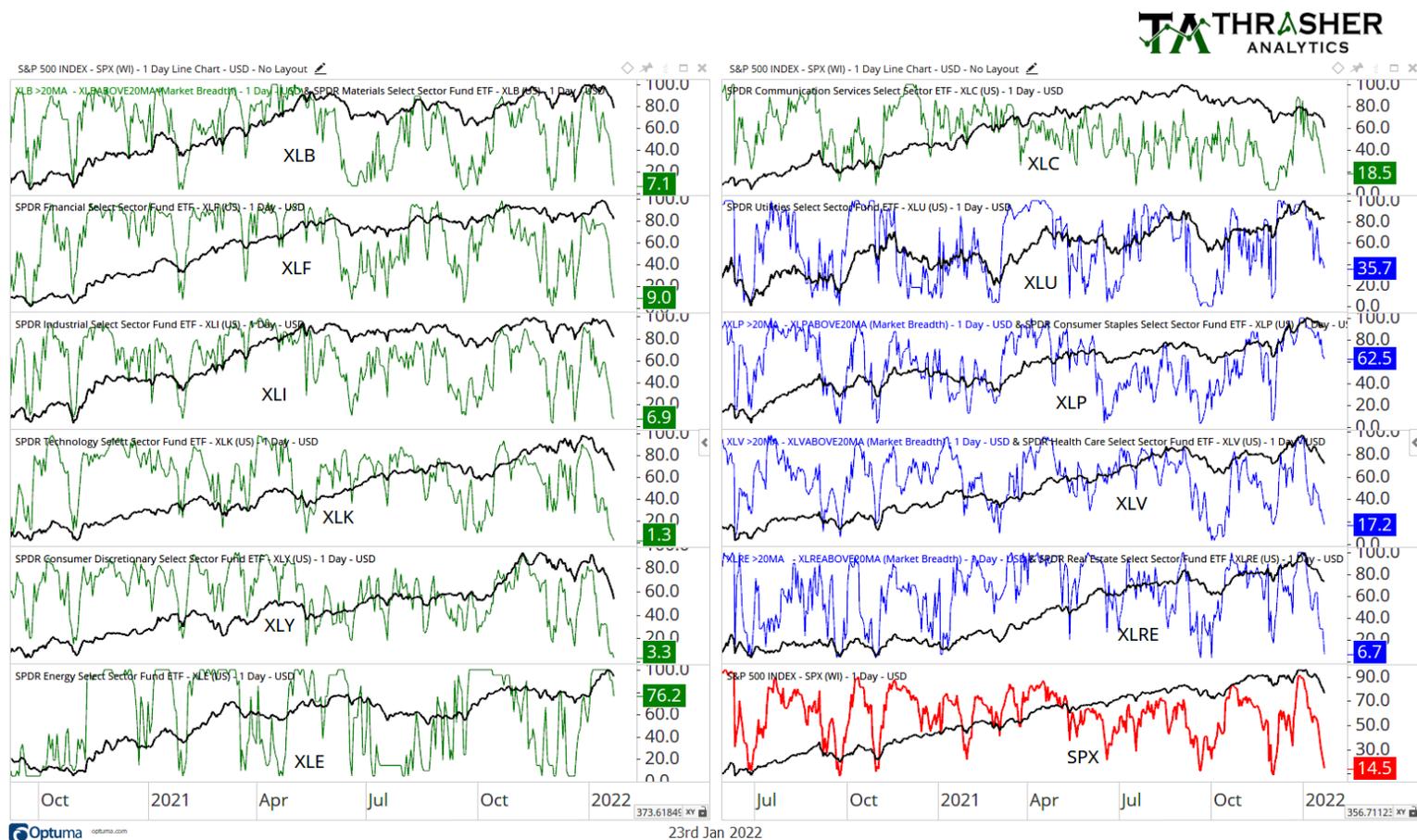
Ticker	Name	2022	YTD Rel% to SPX	1W %▼	1M %	3M%	6M%	% from 52Wk High	% from 52Wk Low	% From 20MA	% From 50MA	% From 200MA
- Index		AVG: -1.49%			AVG: 12.32%			AVG: 13.02%			AVG: -7.65%	
DJI	Dow Jones Industrial Average	-5.70%	2.19%	-4.58%	-3.46%	-3.76%	-1.53%	7.27%	14.77%	-4.84%	-4.07%	-1.99%
SPX	S&P 500 INDEX	-7.73%	0.00%	-5.68%	-5.40%	-3.34%	0.90%	8.73%	19.05%	-6.15%	-5.74%	-0.70%
NDY	NASDAQ 100 Index	-11.53%	-4.12%	-7.51%	-9.68%	-6.79%	-2.72%	13.88%	18.27%	-8.77%	-9.83%	-3.76%
IWM	iShares Russell 2000 ETF	-11.45%	-4.03%	-8.08%	-9.71%	-13.58%	-11.29%	19.42%	0.00%	-8.95%	-10.99%	-11.84%
- Sectors		AVG: 3.03%			AVG: 9.04%			AVG: 24.80%			AVG: -3.22%	
XLU	SPDR Utilities Select Sector Fund ETF	-3.83%	4.22%	-0.81%	-0.85%	2.88%	6.27%	4.16%	18.14%	-1.67%	-0.08%	2.96%
XLP	SPDR Consumer Staples Select Sector Fund ETF	-1.49%	6.76%	-1.39%	1.81%	7.38%	7.49%	2.84%	20.59%	-0.95%	1.86%	5.93%
XLRE	SPDR Real Estate Select Sector Fund ETF	-9.50%	-1.92%	-2.90%	-5.43%	-0.97%	1.52%	10.12%	30.65%	-5.36%	-4.42%	1.54%
XLE	SPDR Energy Select Sector Fund ETF	12.52%	21.94%	-3.19%	14.55%	8.78%	26.80%	4.70%	60.37%	3.95%	8.27%	16.89%
XLV	SPDR Health Care Select Sector Fund ETF	-8.11%	-0.41%	-3.43%	-5.59%	-1.27%	0.34%	8.81%	17.77%	-5.10%	-3.99%	-0.33%
XLI	SPDR Industrial Select Sector Fund ETF	-4.36%	3.65%	-4.39%	-1.19%	-3.09%	-2.27%	6.19%	19.75%	-3.79%	-3.32%	-2.00%
XLB	SPDR Materials Select Sector Fund ETF	-7.25%	0.52%	-5.36%	-3.11%	-1.12%	3.59%	8.95%	20.04%	-5.58%	-4.69%	-1.12%
XLC	SPDR Communication Services Select Sector ETF	-7.03%	0.76%	-5.67%	-6.49%	-12.06%	-11.06%	16.37%	8.70%	-6.01%	-6.61%	-9.43%
XLF	SPDR Financial Select Sector Fund ETF	-2.18%	6.01%	-6.44%	-0.62%	-4.64%	4.37%	8.39%	32.50%	-4.38%	-3.12%	0.45%
XLK	SPDR Technology Select Sector Fund ETF	-11.24%	-3.81%	-6.90%	-9.09%	-2.91%	1.61%	12.83%	23.75%	-8.32%	-8.59%	-0.01%
XLY	SPDR Consumer Discretionary Select Sector Fund	-11.75%	-4.36%	-8.19%	-8.33%	-6.73%	-0.25%	16.11%	20.56%	-9.70%	-10.70%	-3.13%

SECTOR - ABOVE 20-DAY MA



Looking across the sectors, most now have less than 10% of their stocks above the 20-day moving average. The standouts are energy and a few of the defensive sectors like Utilities, Staples, and Health Care. Communications have 18%, but that's more attributable to those stocks have been declining for several months so the 20-day MA has already "caught up" to price at this point.

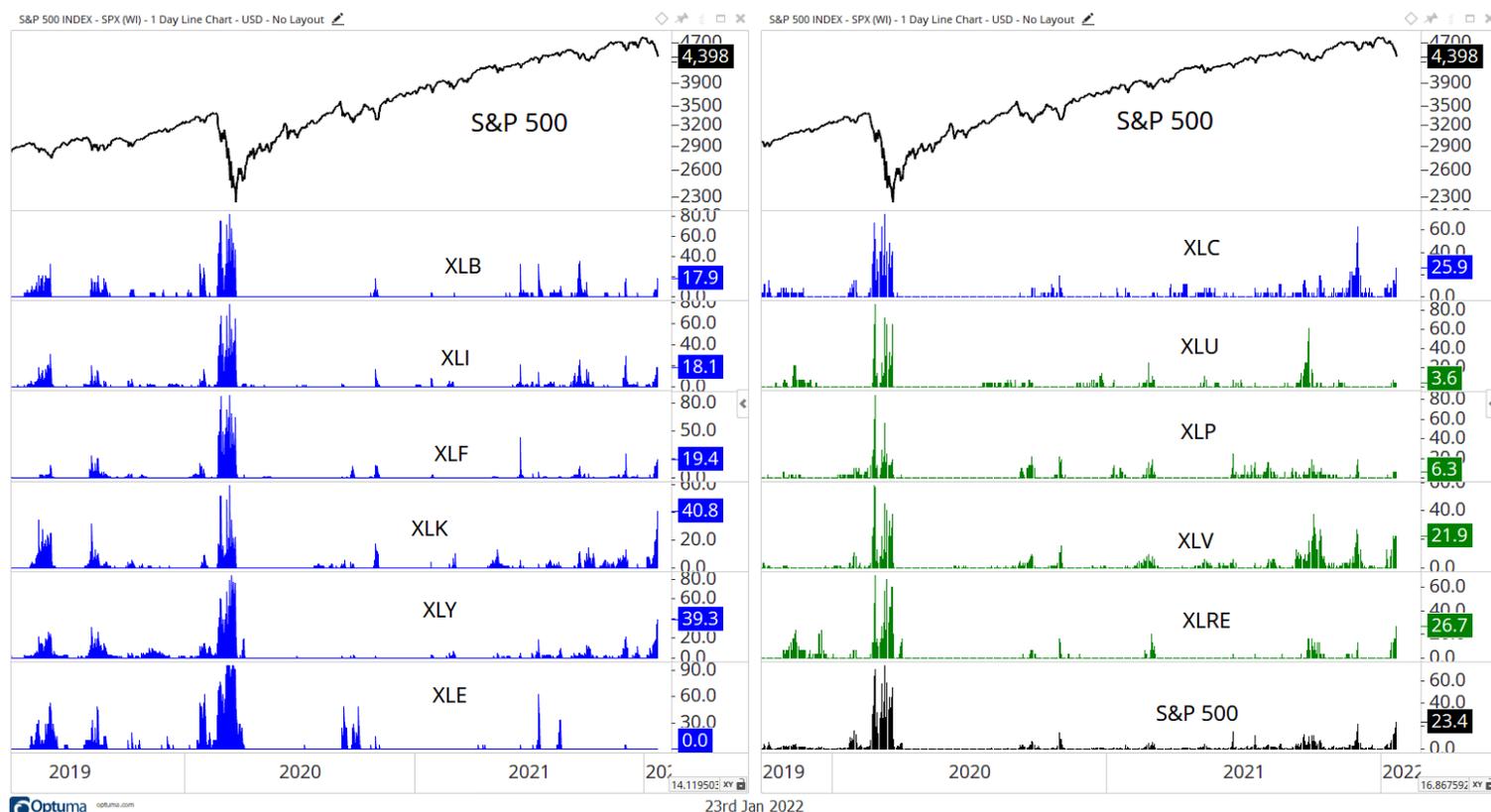
If we are in fact in a short-term correction, it appears most stocks have 'washed out' at this point as traders shift towards the defensive corners of the market.



SECTOR - "OVERSOLD"

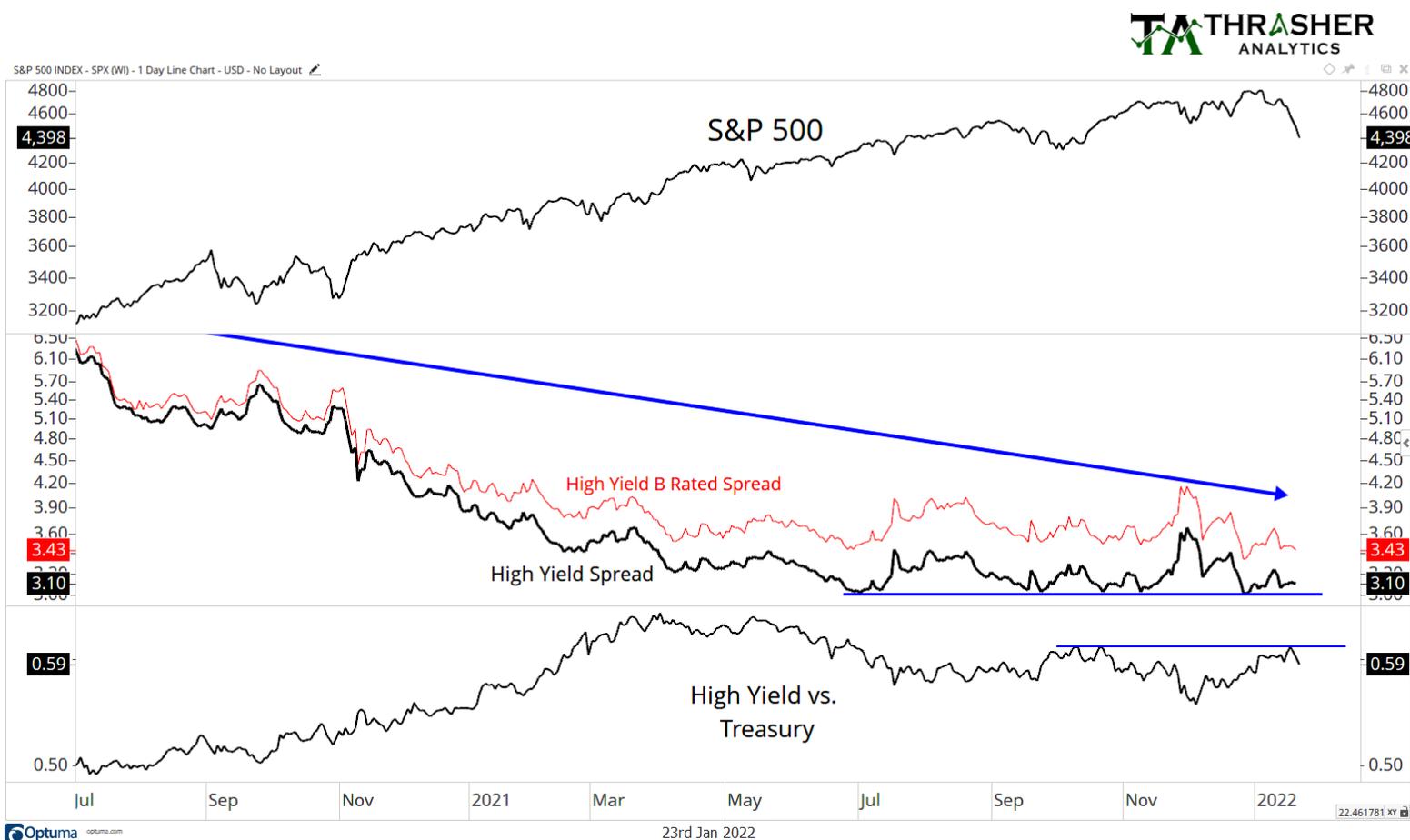


The 30 level on the 14-day RSI is viewed as when momentum becomes "oversold." I'm not a big fan of that term, but it's standard across the industry so I'll use it. It also helps quantify the condition of momentum for the sectors. Looking across the two stand out the most from a "oversold" perspective: Technology and Consumer Disc. Both have about 40% of their stocks with an RSI under 30, one of the highest levels since March '20.



FIXED INCOME - HIGH YIELD SPREAD TA

When looking for signs if a correction could turn into something more severe, we must also take the temperature of the bond market. One way to do this is looking at the spread in High Yield bonds. When fixed income markets get spooked, spreads rise. Below are the spreads for the High Yield bond index as well as specifically the B rated bonds. In the bottom panel we have HYG vs. TLT to compare junk bonds to Treasury's. Neither measures are showing any major signs of concern... yet. If the market felt there was serious worry, I'd expect to see a higher spread in junk bonds. Instead, they've barely budged.



FIXED INCOME - HIGH YIELD SPREAD

Looking at the same data but from a different angle...

Below is a chart of the HY Spread but only showing it when the S&P 500 is down at least 8%. When the market is starting a more protracted downturn, the spread has risen to a higher than at this point than it is today. Currently, this is one of the lowest spreads we've seen since 1998 when the market had fallen by 8%. The bond market doesn't always get it right, but right now bonds aren't showing the same level of concern as equities.



TA MEAN REVERSION INDICATOR



Below are short-term, intermediate, and major signals produced from improvements in the Thrasher Analytics Mean Reversion Indicator. Please refer to the summery PDF in the newsletter archive on the website for more details.

New TAMRI Signals:	
Blue (short-term):	--
Orange (intermediate):	--
Green (major):	Palladium

TA MEAN REVERSION INDICATOR



Below are short-term, intermediate, and major signals produced from improvements in the Thrasher Analytics Mean Reversion Indicator. Please refer to the summery PDF in the newsletter archive on the website for more details.



DAILY SENTIMENT INDEX



1 Day - Watch List - No Layout				1 Day - Watch List - No Layout			
Code	% Bullish ^	5-day MA	History	Code	% Bullish ^	5-day MA	History
Bitcoin DSI	14	20		Silver DSI	50	51	
Nasdaq DSI	15	33		Natural Gas DSI	50	56	
Nikkei DSI	20	37		Cocoa DSI	50	56	
SPX DSI	27	46		EuroDollar DSI	53	52	
Sugar DSI	33	30		Soybean DSI	55	50	
Lumber DSI	34	59		Wheat DSI	60	56	
Cattle DSI	34	33		Mexican Peso DSI	60	64	
Yen DSI	37	31		Copper DSI	63	64	
Platinum DSI	40	38		Palladium DSI	66	54	
Gold DSI	40	42		Corn DSI	71	65	
VIX DSI	41	30		Coffee DSI	71	78	
Australian Dollar DSI	42	48		US Dollar DSI	73	72	
British Pound DSI	44	51		Cotton DSI	73	79	
10Y DSI	44	37		Orange Juice DSI	75	75	
5YR DSI	44	42		Gasoline DSI	77	85	
Swiss Franc DSI	46	44		CRB Index DSI	77	84	
Euro DSI	47	48		Heating Oil DSI	83	87	
Lean Hog DSI	48	36		Crude Oil DSI	83	88	

Source: trade-futures.com

DAILY SENTIMENT INDEX



TA THRASHER ANALYTICS



DAILY SENTIMENT INDEX



THRASHER ANALYTICS

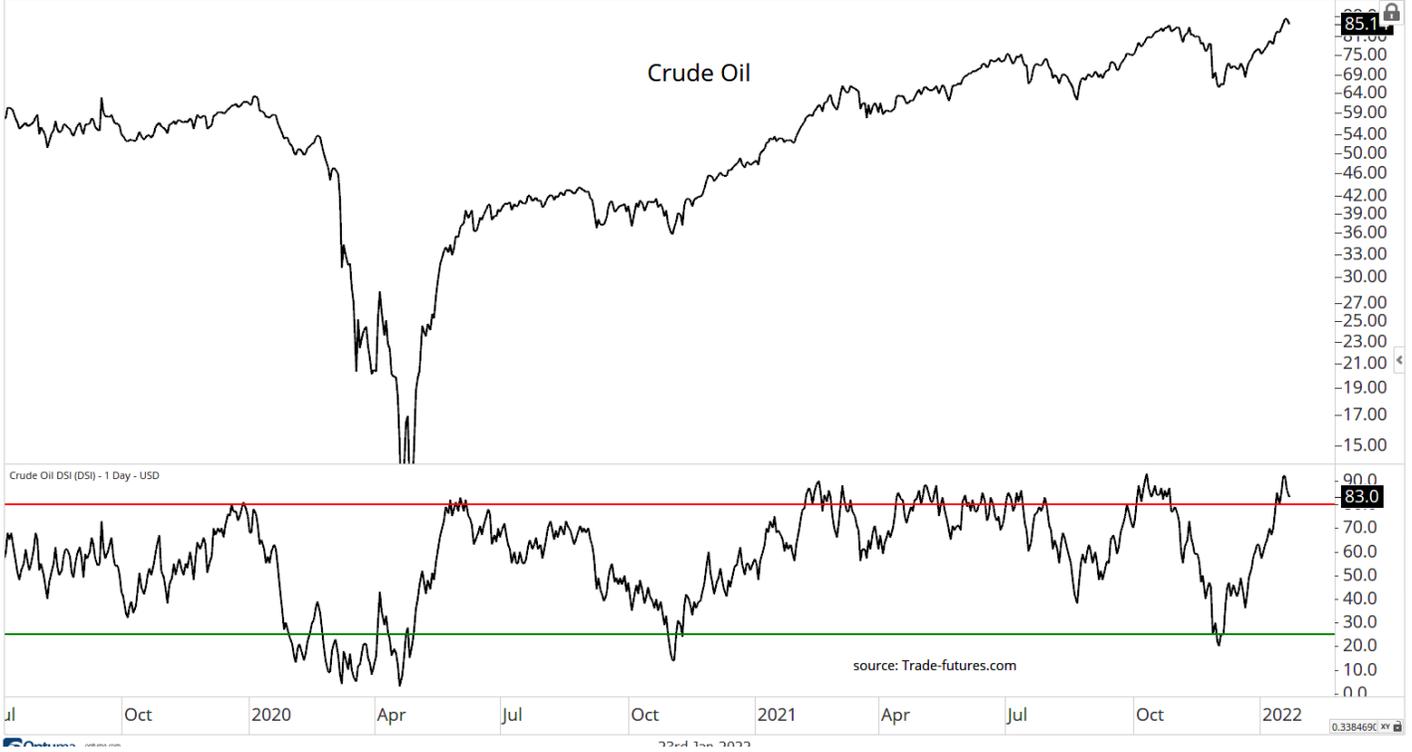


DAILY SENTIMENT INDEX



TA THRASHER
ANALYTICS

Crude Oil Light Sweet NYMEX - OILSW (W) - 1 Day Line Chart - USD - No Layout

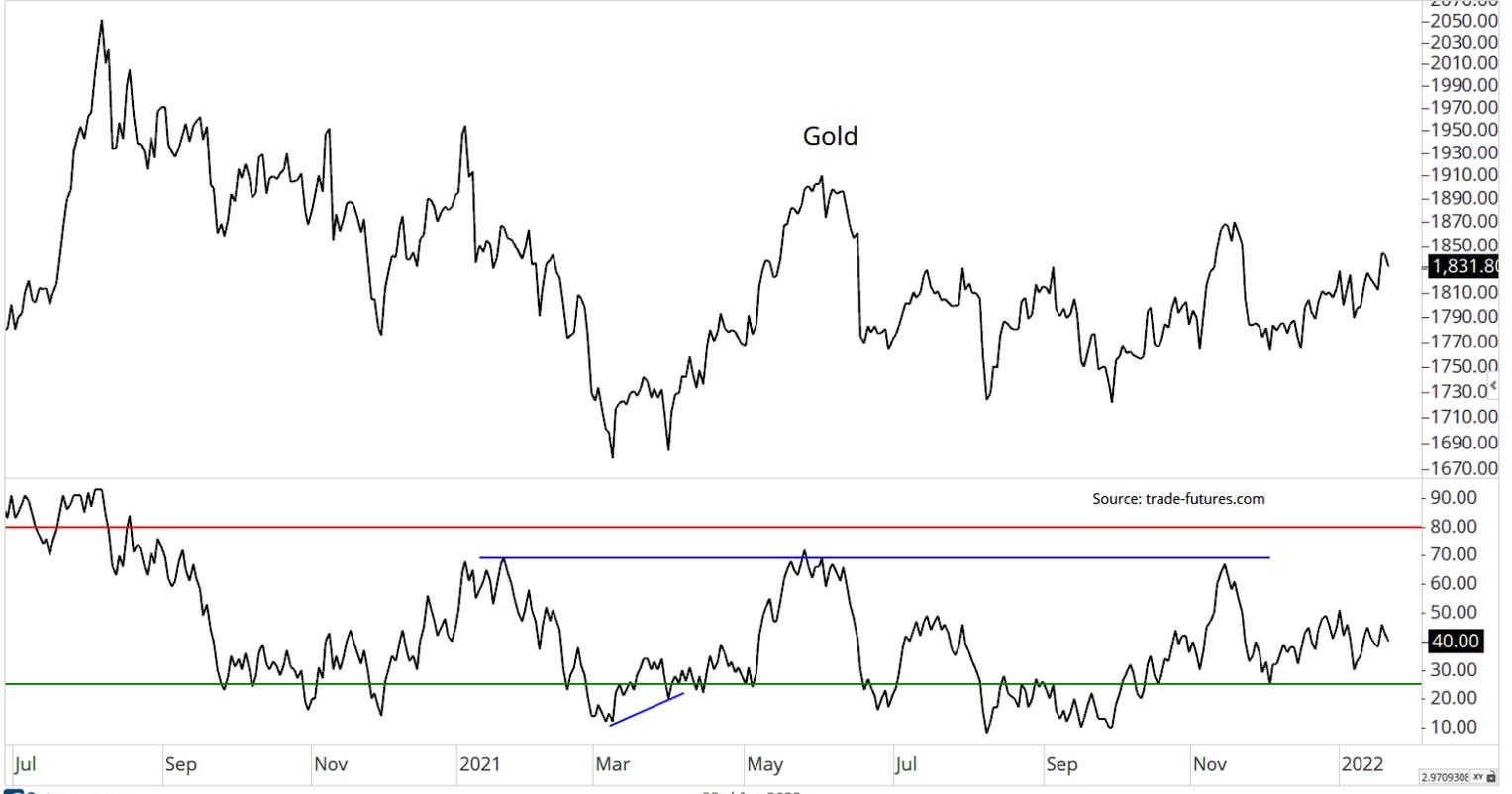


DAILY SENTIMENT INDEX



TA THRASHER ANALYTICS

Gold Futures - GCSpot (NYMEX) - 1 Day Line Chart - USD - No Layout

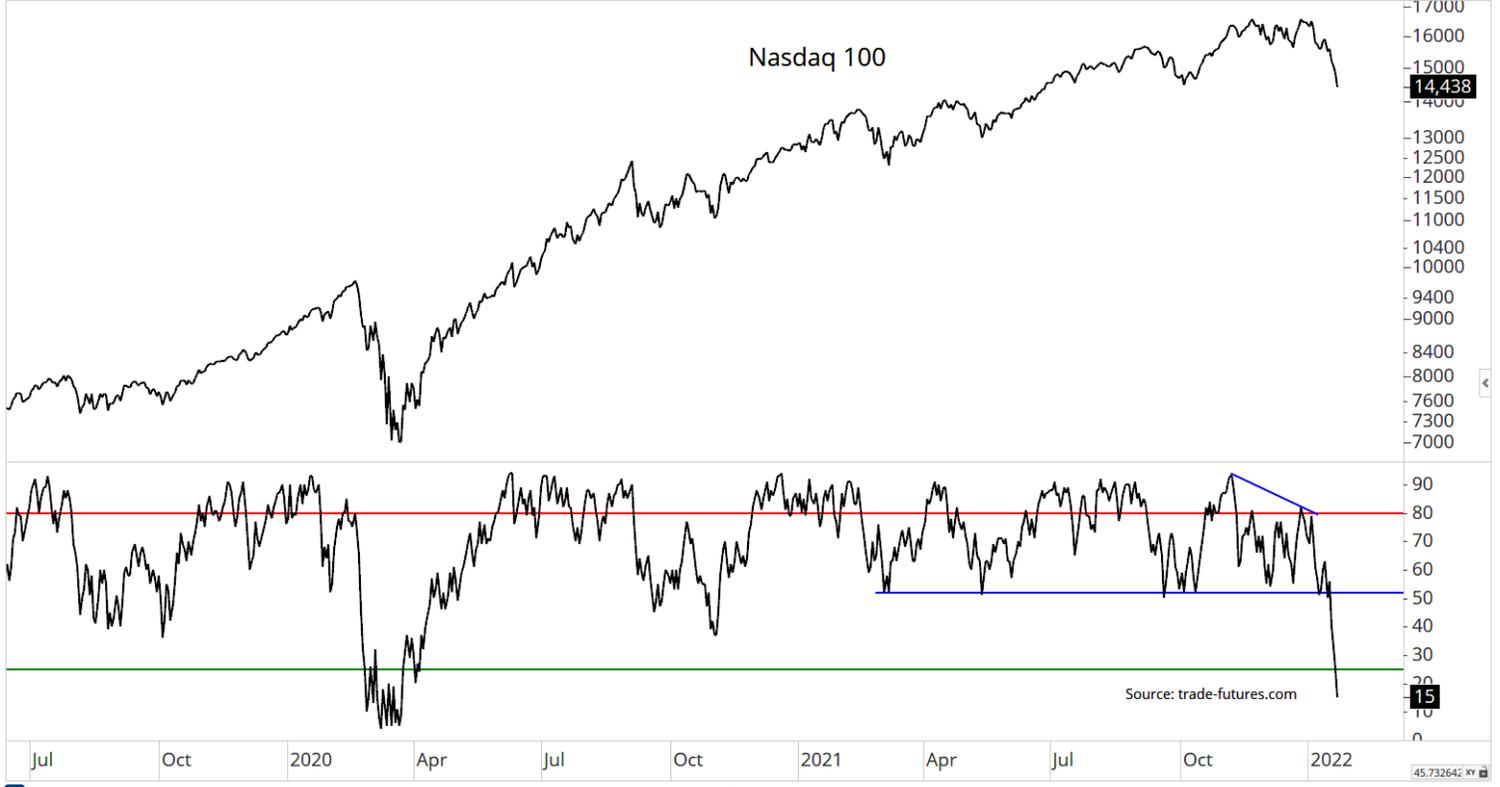


DAILY SENTIMENT INDEX



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ANALYTICS

NASDAQ 100 Index - NDY (W) - 1 Day Line Chart - USD - No Layout

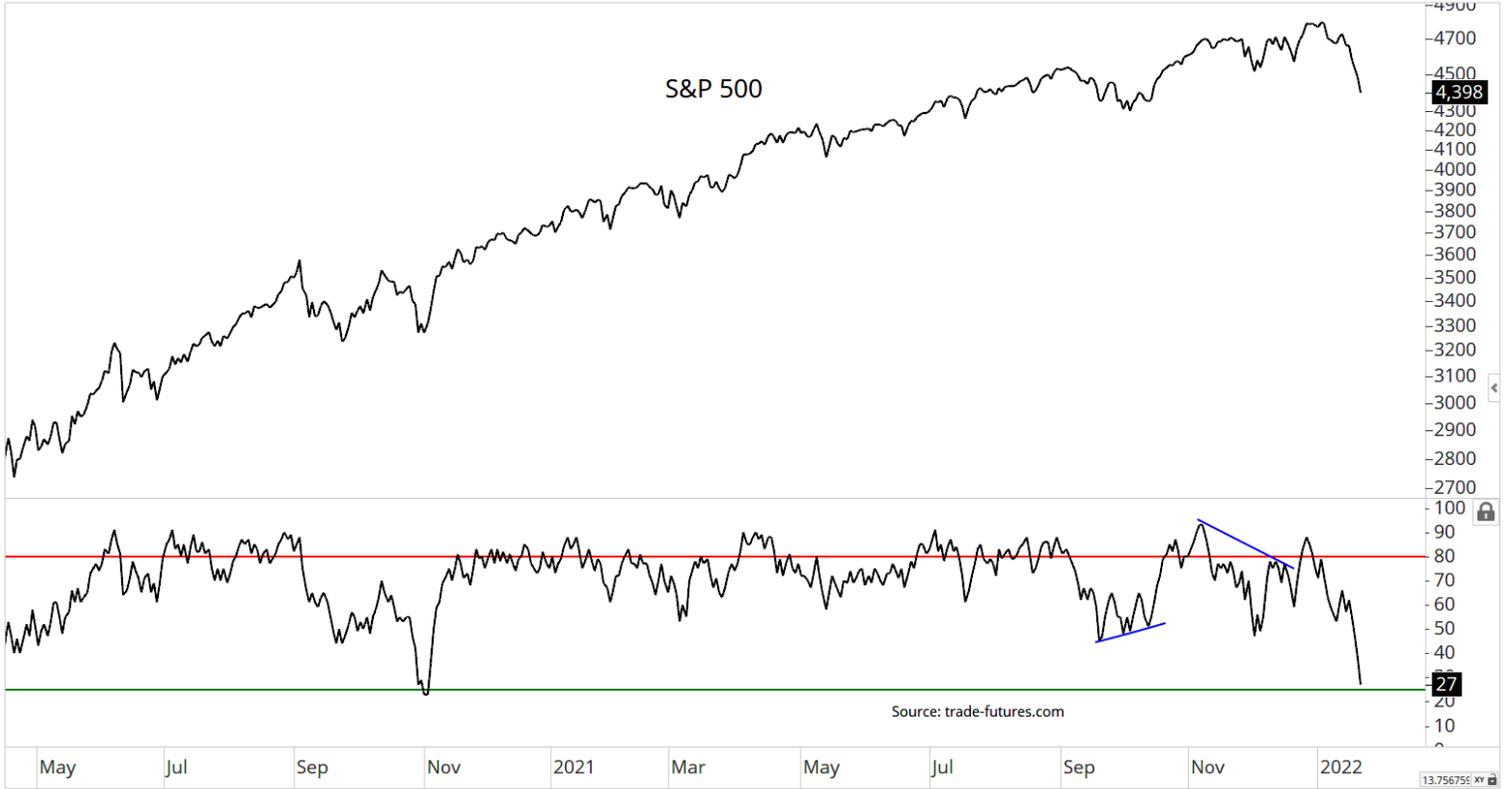


DAILY SENTIMENT INDEX



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ANALYTICS

S&P 500 Index - SPX (CBOE) - 1 Day Line Chart - USD - No Layout

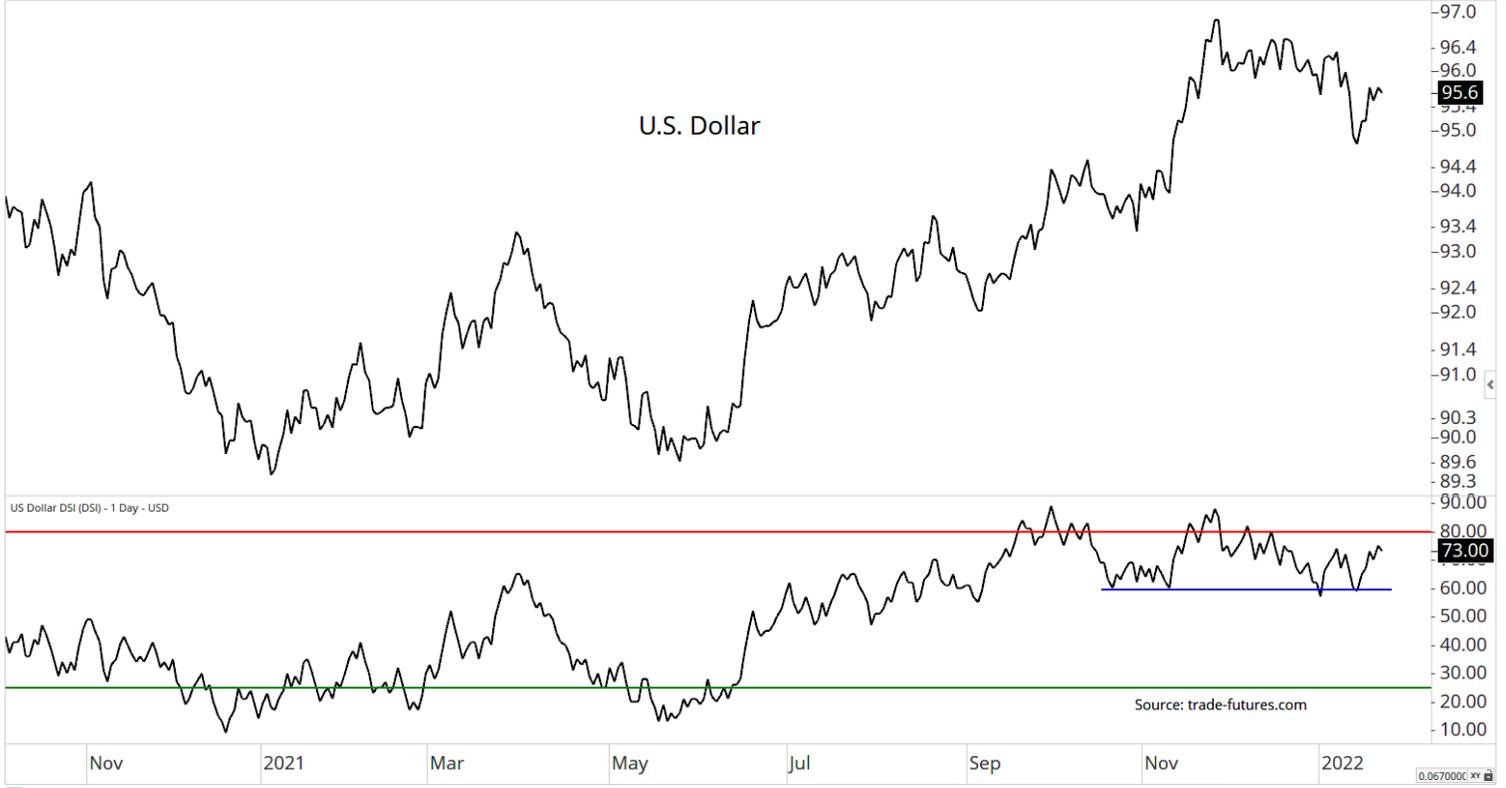


DAILY SENTIMENT INDEX



TA THRASHER
ANALYTICS

U.S. Dollar Index - DXSpot (AFUT) - 1 Day Line Chart - USD - No Layout



DAILY SENTIMENT INDEX

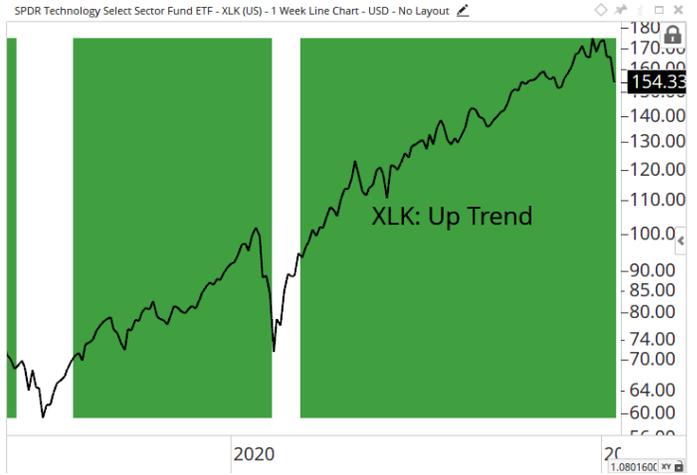
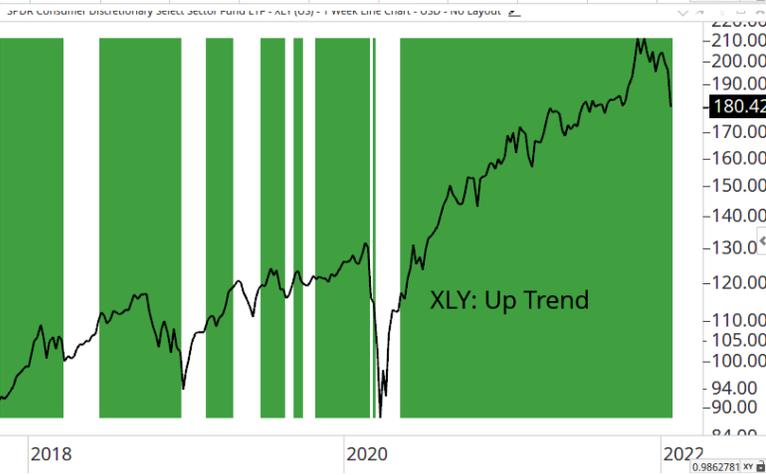
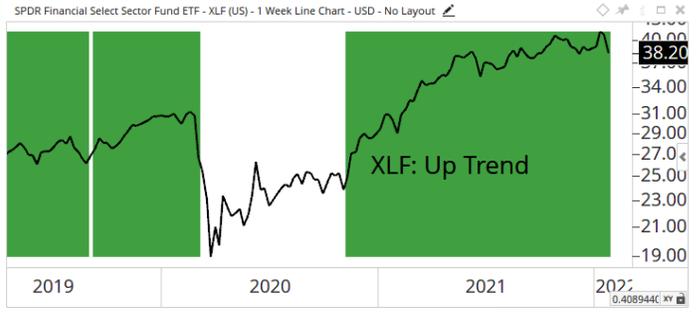


TA THRASHER
ANALYTICS

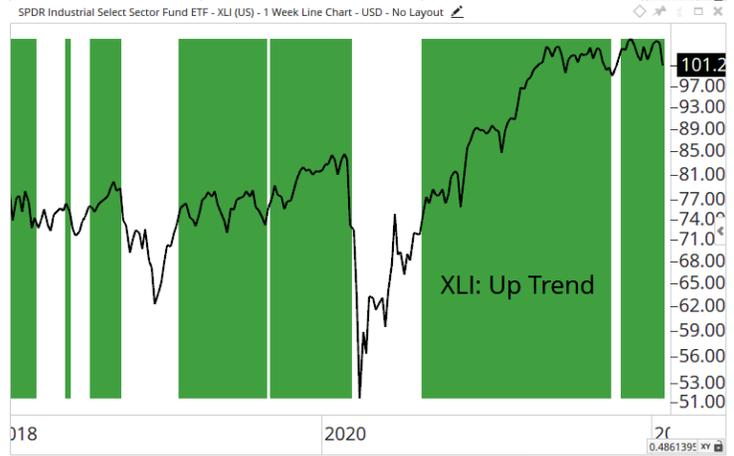
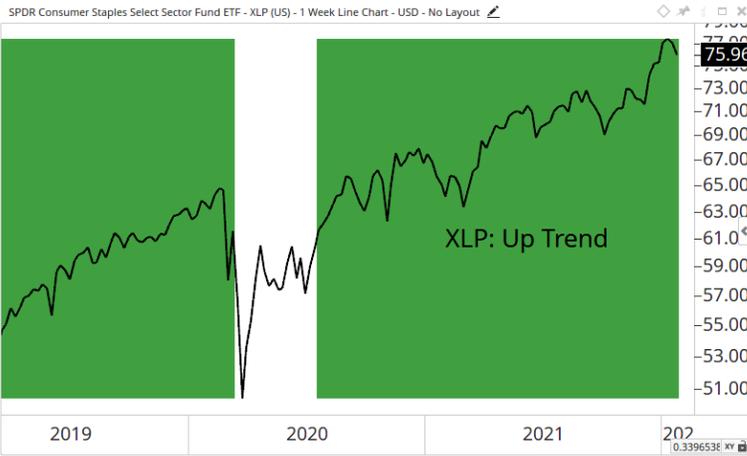
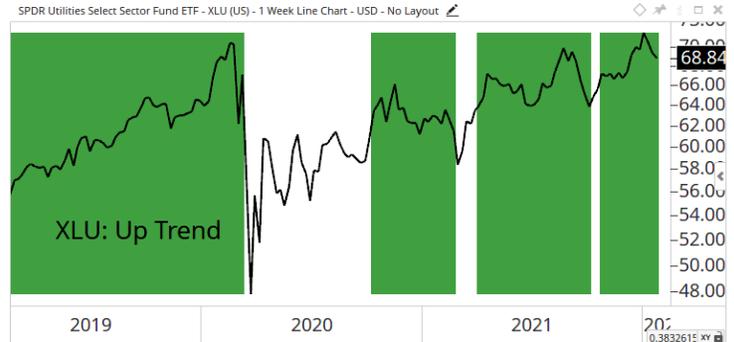
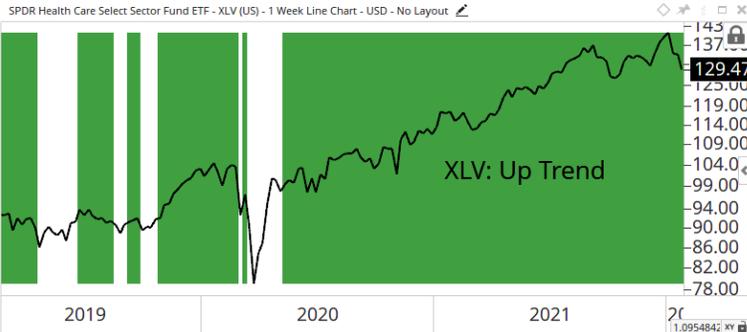
CBOE S&P 500 Volatility Index - VIX (CBOEI) - 1 Day Line Chart - USD - No Layout



TREND MODELS



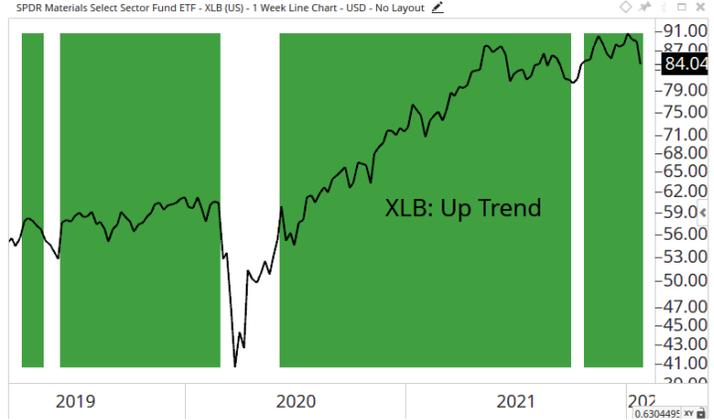
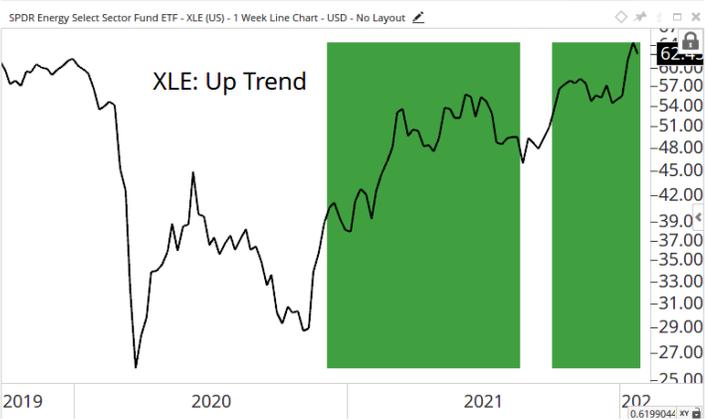
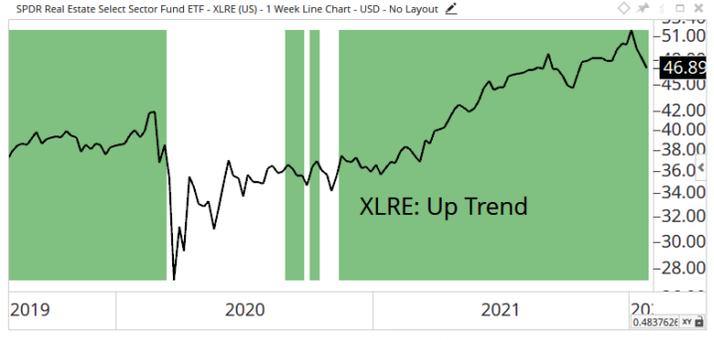
TREND MODELS



TREND MODELS



ANALYTICS



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