THRASHER ANALYTICS

FEBRUARY 13, 2022

WEEKLY RESEARCH & ANALYSIS   **BY ANDREW THRASHER, CMT**

SUMMARY OF MODELS

	Current	Wkly Change
Market Health Report	-8	Unchanged
Volatility Risk Trigger	0	Unchanged
Risk Appetite Ratios	0.37	Rising
Bullishish Confidence Score	+4	Rising
S&P 500 Long-Term Trend	Up	Unchanged

Sector Rotation: February	
Energy	XLE
Financials	XLF
Technology	XLK

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

Market Health Report	
Breadth	-3
Momentum	-2
Sentiment	-1
Trend	0
Volatility	-2
Total	-8

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

Daily Sentiment Index	% Bullish	5-day MA
S&P 500	33%	39%
Nasdaq 100	29%	35%
Nikkei	30%	37%
VIX	40%	34%
10yr Treasury	18%	19%
5yr Treasury	23%	23%
CRB Index	88%	84%
Crude Oil	92%	85%
Gold	52%	45%
U.S. Dollar	71%	65%
Bitcoin	30%	34%

Green<25% Red>80%

source: trade-futures.com

Brief Summary:

You'll notice in the sector trend charts and the table above that many sectors have moved into down trends as equity weakness continues to take a firm grasp on U.S. equities. Friday saw a move in the S&P 500 back under the 200-day MA and setup a back-to-back 80% down day, which has often led to at least a short-term relief rally. Breadth continues to look choppy as we still don't have an expansion in new net-52week lows but the 6-month lows list has been expanding on this decline compared to prior 2021 pullbacks. We've hit 45% of stocks that have experienced a 52-week low in the prior week, more than the roughly 33% that prior pullbacks experienced but still below the key 50% threshold that's often associated with larger drawdowns.

Energy stocks continue to lead, and we now have just two sectors that are showing a positive year-to-date performance (XLE and XLF). The ratio between energy and tech stocks appears to be making a major shift, heavily driven by the latest weakness in the FAAMG stocks. Russian equities look interesting here, following the largest volume day in RSX since 2018 and the Russian ETF experiencing a 2-sigma decline driven by the Ukraine headlines.

Equities continue to look shaky and the digestion of the Fed news, slowing economic data, macro headlines for the energy crisis and Russia plague traders emotions, sending volatility whipsawing through financial markets. We aren't seeing signs of major fracturing in stocks just yet but there's few bullish data sets to grasp on to either.

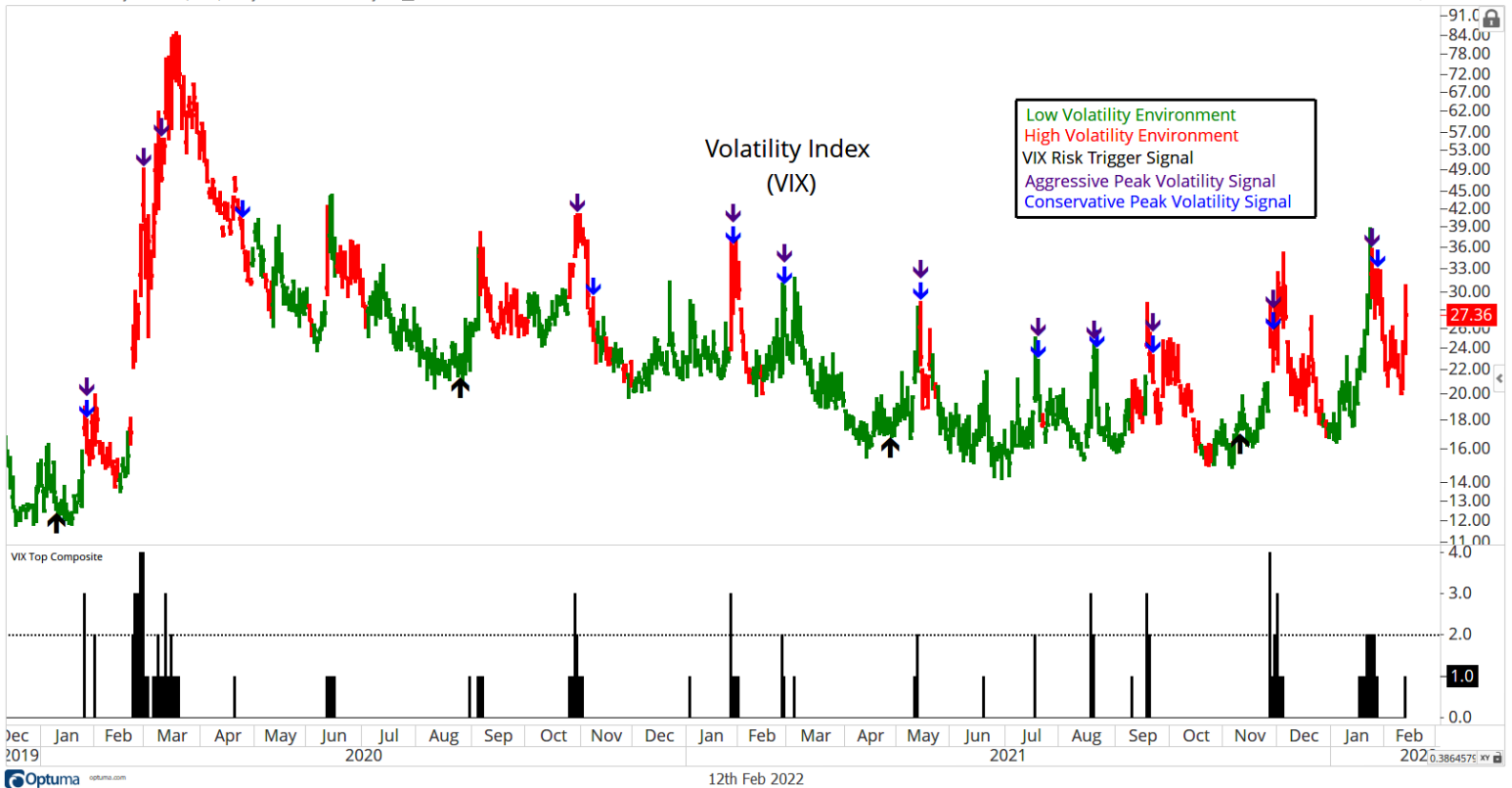# Volatility: VRT

VRT remains below its signal threshold.

VIX remains below our prior Peak signals but also remains in a high volatility environment, which we saw a good example of on Friday with the tick up in volatility which got to over 30 intraday.
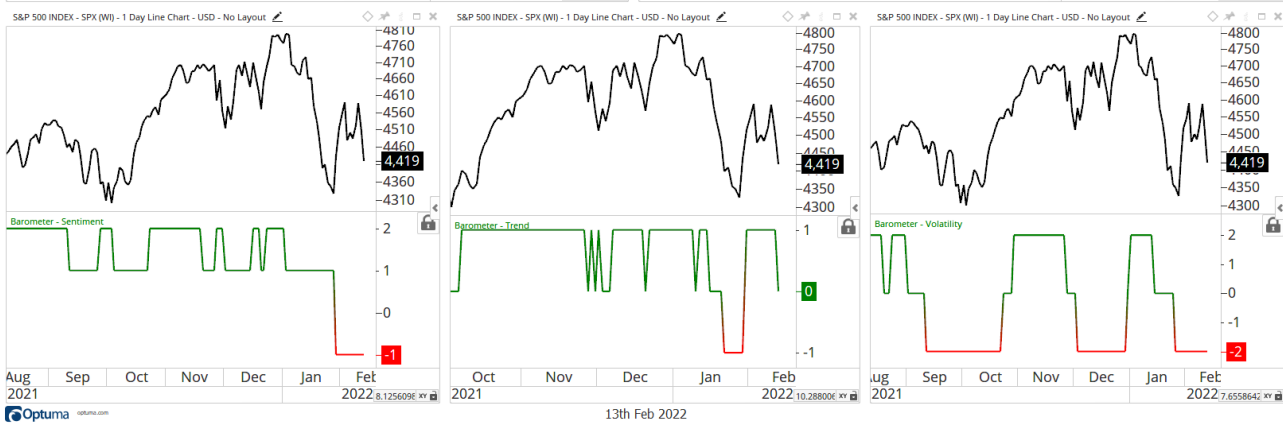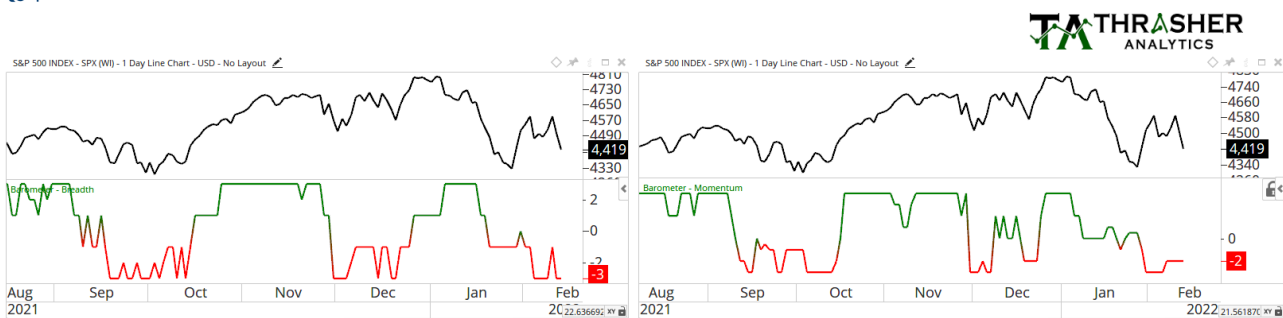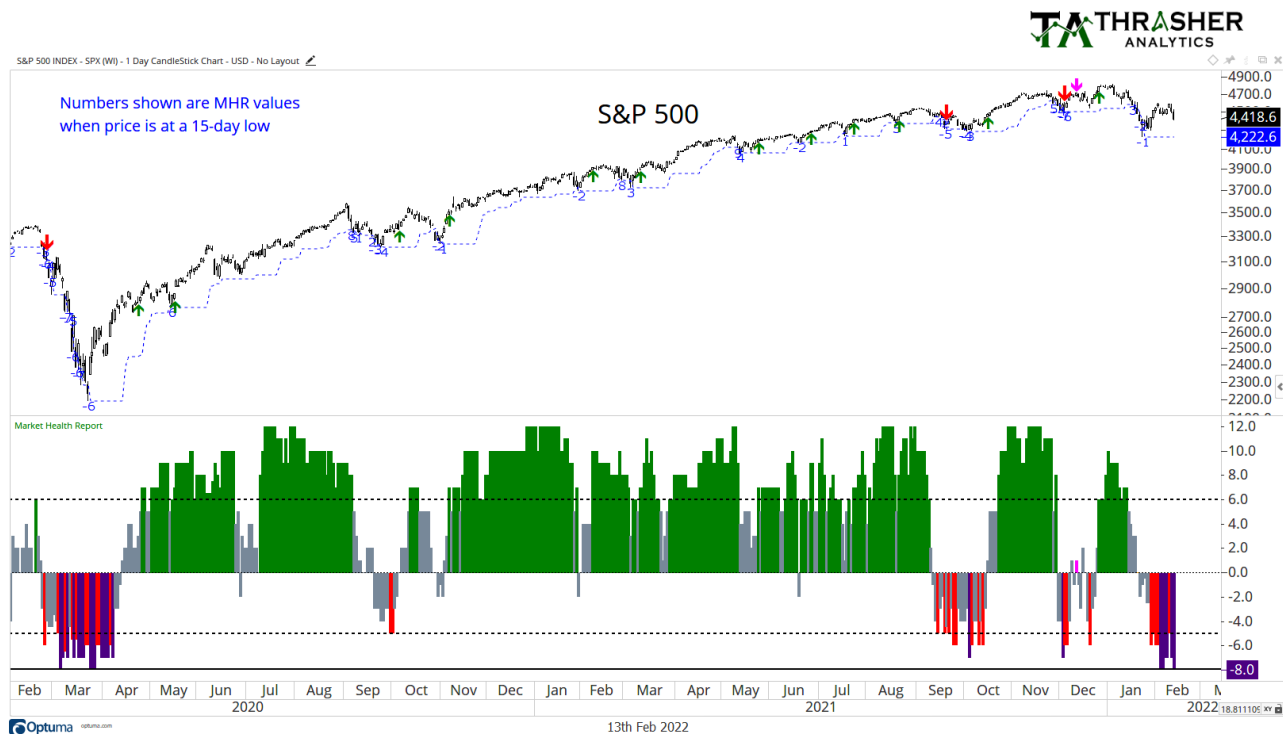
The Market Health Report (MHR) remained low last week, finishing again at -8. For new subscribers, refer back to last week's letter for additional comments on -8 readings in the MHR.

Bullish Confidence Score

We saw some improvement to the Bullish Confidence Score, which rose to +5 mid-week before ticking a little lower to +4 on Friday. We've seen good improvement in the five categories and we'd like to see them get back to +5 and hold there but the markets remain shaky and messy with headlines whipsawing equities.
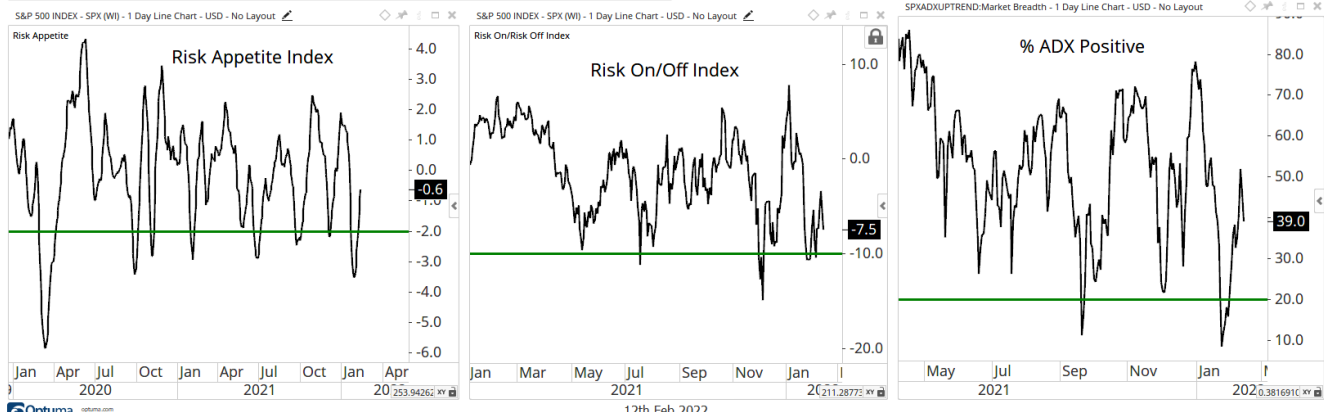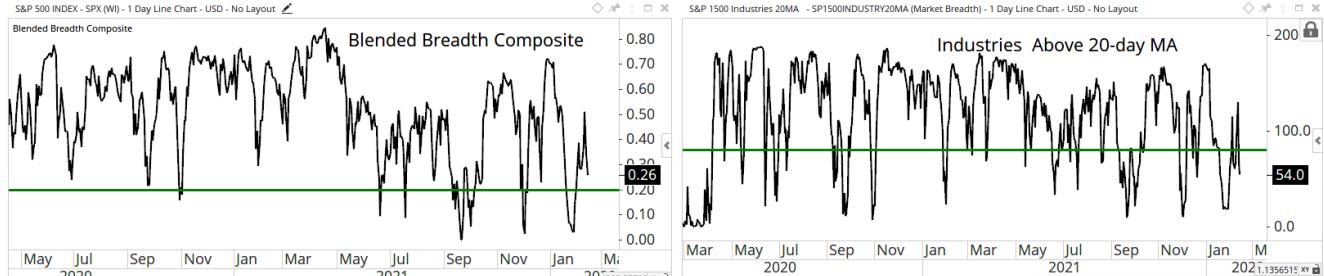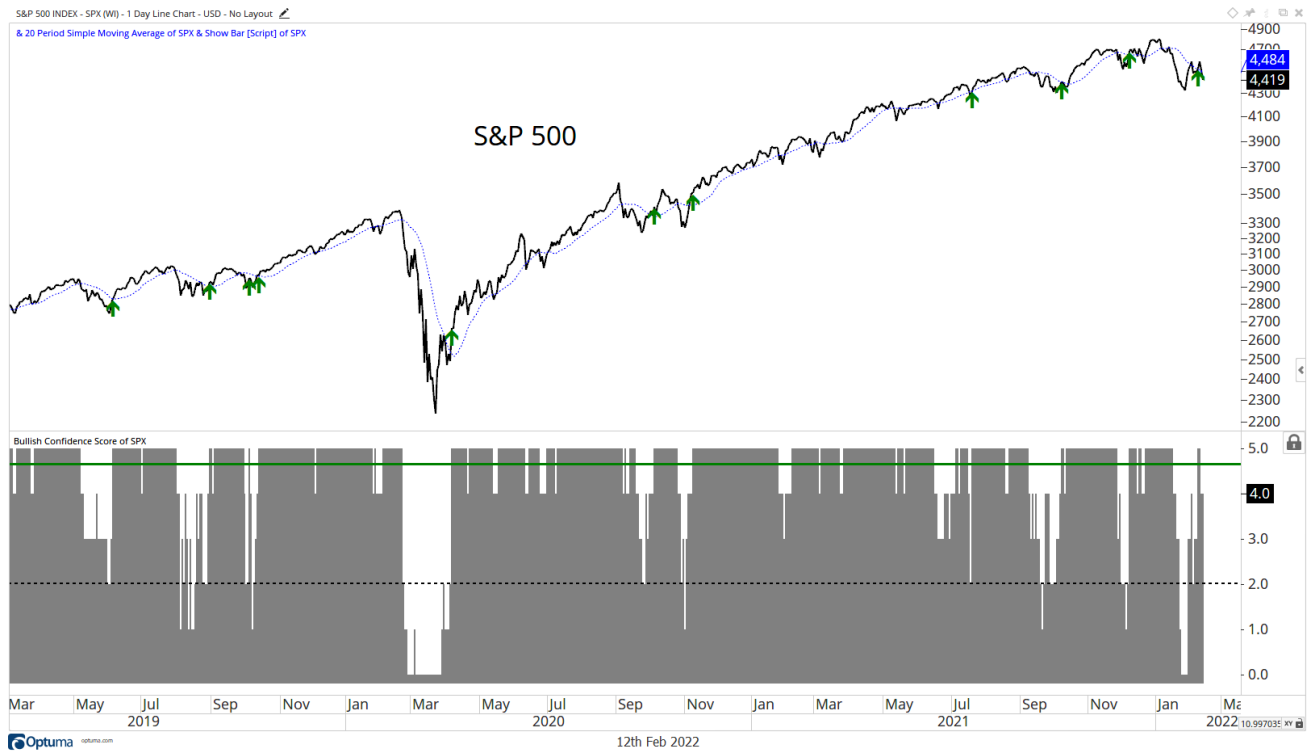
Below is a table of 18 gauges of risk appetite such as offense vs. defense sectors, foreign markets vs. domestic, small vs. large cap, lumber vs gold, high beta vs. broad market, high yield debt vs. Treasury debt, etc. The table shows each ratio's 1-year percentile going back the last 3-months (35 trading days). As the data improves, it turns green and as it declines it becomes red.

The average Risk Appetite Ratio percentile saw a slight improvement last week.

| 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	0.0203	0.018	0	0	0	0.0303	0.0249	0.028	0.021	0.0276	0.0399	0.0693	0.0721	0.1037	0.1357	0.1348	0.1329	0.1328	0.1674	0.208	0.2207	0.1764	0.2014	0.1769	0.1611	0.115	0.1487	0.1472	0.1208	0.1515	0.1463	0.149	0.1524	0.1549	0.1826	0.1937
EAFE vs. SPX	0.0545	0.053	0.0236	0.0291	0.0214	0.0125	0.0201	0.0233	0.0512	0.1036	0.0835	0.1169	0.0778	0.0864	0.1203	0.1601	0.1533	0.1749	0.2261	0.2599	0.2934	0.2162	0.2496	0.2422	0.2436	0.1302	0.1123	0.1267	0.1148	0.1564	0.1441	0.1703	0.1538	0.162	0.1904	0.2157
HY Debt vs. Treasury	0.2989	0.374	0.3646	0.3873	0.4485	0.391	0.3768	0.5266	0.538	0.5219	0.5047	0.5371	0.5257	0.5118	0.5498	0.4634	0.5629	0.6282	0.5731	0.517	0.4359	0.4856	0.4765	0.5373	0.3815	0.3985	0.4357	0.4707	0.4579	0.4499	0.5256	0.5161	0.5554	0.5791	0.5982	0.4711
High Beta vs. SPX	0.5577	0.59	0.6071	0.5692	0.535	0.5234	0.506	0.5901	0.6287	0.5289	0.5713	0.5459	0.5425	0.6297	0.6338	0.5945	0.6472	0.5782	0.5019	0.455	0.3543	0.4083	0.4168	0.4432	0.3489	0.3108	0.3789	0.4232	0.3303	0.2092	0.2836	0.3291	0.3801	0.4986	0.5356	0.4414
Home Construction vs. SPX	0.6684	0.651	0.6504	0.6778	0.7246	0.6996	0.7506	0.6072	0.6578	0.6372	0.5953	0.3628	0.3779	0.4305	0.4088	0.4935	0.3836	0.2639	0.1856	0.1226	0.1643	0.3328	0.2961	0.1451	0.0956	0.0912	0.1272	0.1092	0.1267	0.1314	0	0.035	0.0796	0.1089	0.0137	0.0468
Offense vs. Defense Sectors	0.5516	0.597	0.6351	0.6204	0.591	0.5526	0.5442	0.671	0.7419	0.637	0.6989	0.6611	0.6146	0.6903	0.7312	0.6724	0.6881	0.6694	0.5729	0.5073	0.392	0.4712	0.476	0.5025	0.4031	0.3736	0.4738	0.5764	0.4947	0.3452	0.4576	0.4536	0.4847	0.5668	0.571	0.4883
Broker-Dealer vs. SPX	0.546	0.565	0.5487	0.5498	0.5152	0.5048	0.4952	0.5206	0.6374	0.6433	0.7086	0.7693	0.7672	0.7924	0.6797	0.701	0.6	0.4691	0.4866	0.5991	0.6216	0.5798	0.6171	0.6219	0.6825	0.6006	0.566	0.6293	0.566	0.6539	0.7832	0.83	0.875	0.8662	0.8918	0.879
S&P Growth vs. S&P Value	0.8537	0.859	0.8919	0.8584	0.8518	0.8357	0.81	0.8282	0.7398	0.6354	0.6162	0.5712	0.5848	0.603	0.6206	0.5212	0.5312	0.489	0.4764	0.4642	0.4073	0.4246	0.3586	0.392	0.3665	0.439	0.5137	0.5102	0.529	0.4153	0.4736	0.4336	0.446	0.4758	0.4384	0.3637
Semiconductor vs. SPX	0.8301	0.843	0.9097	0.861	0.8533	0.8074	0.8029	0.8883	0.8622	0.78	0.8372	0.6961	0.7092	0.7661	0.7966	0.7773	0.8864	0.7389	0.648	0.5467	0.562	0.6049	0.464	0.5478	0.3571	0.3319	0.4942	0.482	0.5597	0.4522	0.4557	0.4794	0.5396	0.6394	0.577	0.4138
Consumer Disc. Vs. Staples	0.6094	0.638	0.6487	0.6066	0.6152	0.622	0.5988	0.5999	0.5972	0.4802	0.4883	0.3993	0.3588	0.4091	0.4136	0.3714	0.311	0.2666	0.213	0.1686	0.1055	0.1982	0.2017	0.1247	0.0242	0.0267	0.1477	0.2041	0.1555	0.0712	0.122	0.1211	0.1883	0.2895	0.2482	0.131
Small Cap vs. Utilities	0.2022	0.235	0.2527	0.1921	0.1751	0.1596	0.1373	0.2279	0.2343	0.1001	0.1632	0.088	0.1	0.1771	0.1351	0.0801	0.1124	0.0402	0	0	0	0.1016	0.1092	0.0891	0	0.0223	0.0574	0.1322	0.055	0.01	0.0478	0.0676	0.1183	0.1642	0.197	0.1623
Transports vs. Utilities	0.5649	0.62	0.6475	0.6152	0.6092	0.5803	0.5899	0.5825	0.6566	0.604	0.6308	0.5908	0.5536	0.5861	0.5716	0.5647	0.5645	0.5465	0.5228	0.5029	0.4447	0.5342	0.4962	0.4736	0.3916	0.3912	0.3671	0.4923	0.4605	0.4069	0.3406	0.3653	0.4172	0.4237		0.2962
Equal Weight vs. Cap Weight	0.1433	0.151	0.1327	0.1647	0.1874	0.2033	0.2377	0.1708	0.2846	0.3376	0.3812	0.4137	0.3616	0.3662	0.34	0.4679	0.4382	0.4636	0.4637	0.4407	0.5116	0.5569	0.5957	0.5178	0.5085	0.4037	0.3682	0.3821	0.3382	0.4908	0.4133	0.4667	0.4798	0.511	0.5423	0.6349
Small cap vs. Large Cap	0.1029	0.109	0.0926	0.0743	0.0736	0.0822	0.0835	0.1078	0.1038	0.0519	0.0746	0.0483	0.0407	0.0458	0.0113	0.0271	0.0304	0	0	0.0029	0.0616	0.0579	0.0198	0	0	0.0364	0.0475	0	0.0135	0.0124	0.0361	0.0617	0.0743	0.0822		0.1113
Equities. vs. VIX	0.7279	0.781	0.8188	0.8279	0.8755	0.8417	0.8467	0.9052	0.8789	0.6613	0.6672	0.7145	0.6733	0.7467	0.8056	0.6187	0.6841	0.4813	0.4294	0.3578	0.2485	0.2247	0.1877	0.1215	0.151	0.1927	0.2826	0.4251	0.4292	0.2941	0.3503	0.3635	0.4469	0.554	0.3195	0.1675
Aussie Dollar vs. Yen	0.5626	0.636	0.6111	0.6575	0.6686	0.7005	0.6038	0.755	0.725	0.6088	0.6103	0.5659	0.6277	0.6787	0.6266	0.5352	0.5622	0.5377	0.5412	0.4237	0.405	0.4024	0.4249	0.3664	0.2959	0.3944	0.4479	0.4348	0.4911	0.4156	0.4763	0.5549	0.6082	0.631		0.5298
Lumber vs. Gold	0.4704	0.491	0.5294	0.5656	0.5907	0.5766	0.561	0.546	0.5559	0.5723	0.6181	0.6107	0.5866	0.6132	0.6142	0.6315	0.6408	0.6776	0.6233	0.587	0.5559	0.5142	0.4726	0.4464	0.4517	0.4807	0.4383	0.3984	0.4314	0.4716	0.5071	0.5373	0.5712	0.6034	0.6397	0.6095
Copper vs. Gold	0.717	0.7	0.7556	0.723	0.7194	0.7001	0.7232	0.7297	0.7284	0.6665	0.6866	0.7122	0.668	0.6889	0.778	0.7669	0.6863	0.6663	0.6754	0.7554	0.733	0.6376	0.6458	0.7304	0.7295	0.662	0.6457	0.7091	0.7218	0.7077	0.7137	0.6521	0.6252	0.7216	0.7655	0.5778
AVERAGE	0.47	0.50	0.51	0.50	0.50	0.49	0.48	0.52	0.54	0.48	0.50	0.47	0.46	0.50	0.50	0.48	0.48	0.43	0.41	0.39	0.36	0.39	0.37	0.36	0.31	0.29	0.33	0.37	0.35	0.33	0.34	0.36	0.39	0.44	0.44	0.37

Bearish

Bullish
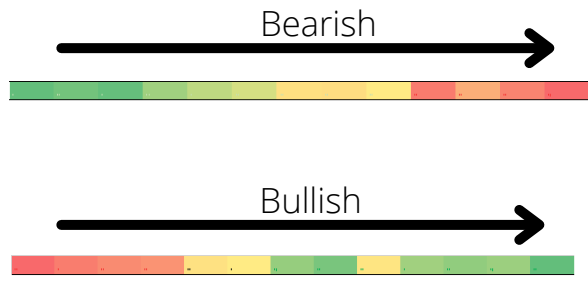
Risk Appetite Ratio

The average of the 18 RARs moved to the 37th percentile by Friday, slightly higher than the week before but still well below the midline. Most of the improvement came from the international ratios and small caps.
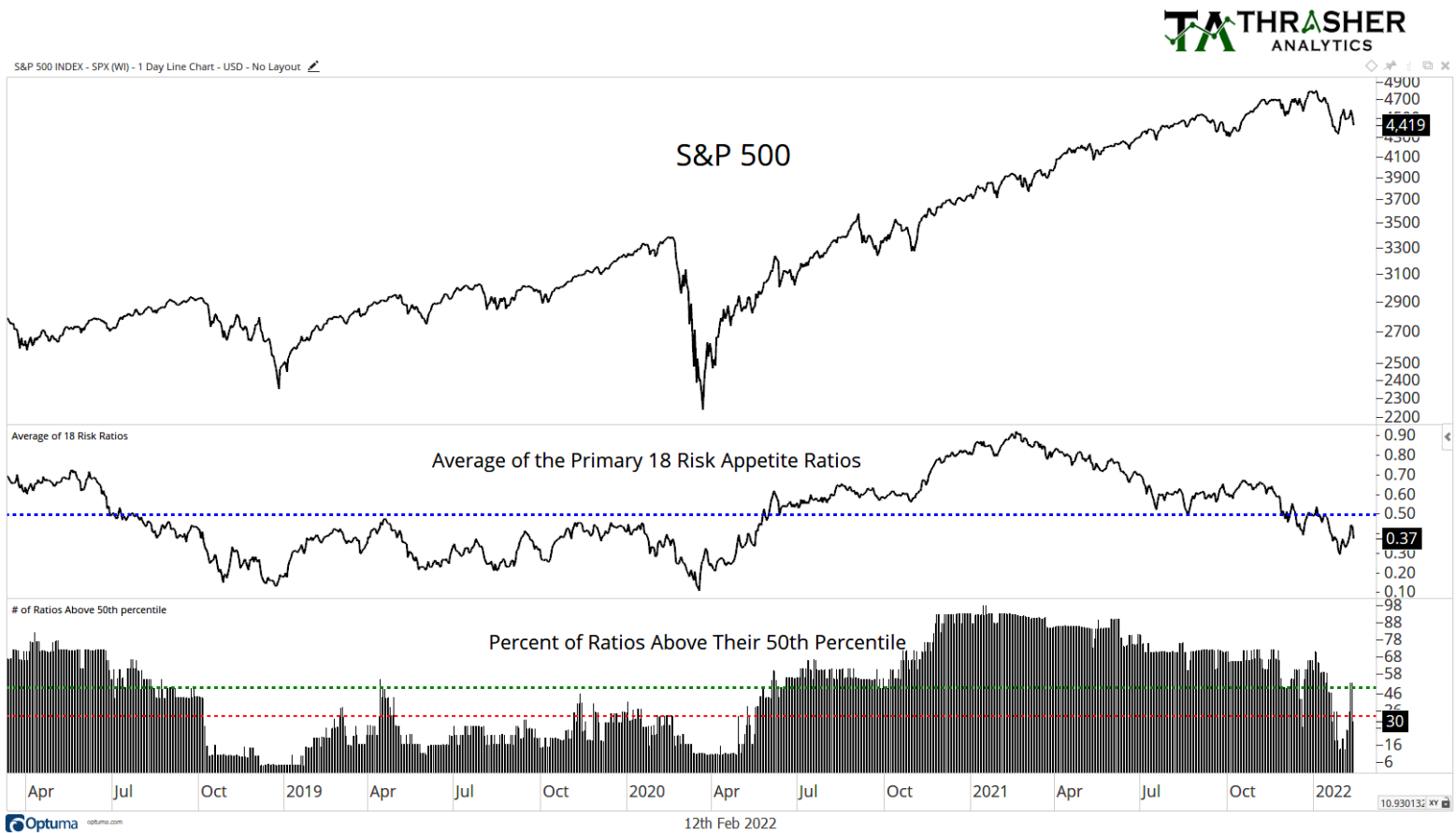
Markets attempted to rally but saw a few steps backward on Thursday and Friday with news about the Fed and Russia. The S&P 500 got back to the 100-day MA and the Sept. high but were unable to hold at these levels before finishing on Friday back below the 200-day MA. Momentum was also unable to break out, struggling to hold above 50 on the RSI. We continue to be in a multi-month range for U.S. large caps and this messy market has continued to punish both sellers and buyers as whipsaws persist.
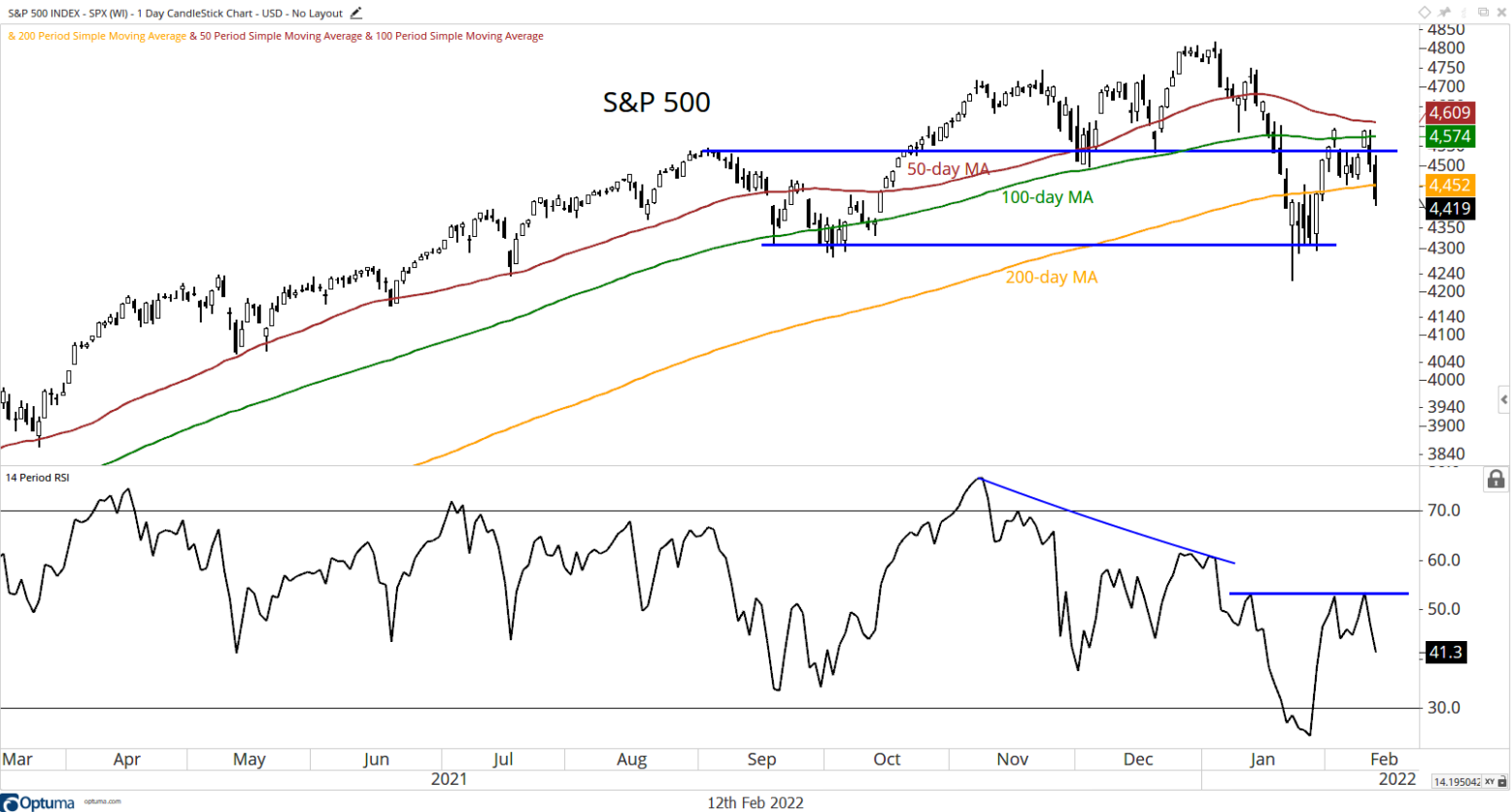
I shared this chart two weeks ago, looking at the weekly price action of the Nasdaq Composite. I noted that we were getting closer to seeing the Volatility Adjusted Momentum get 'oversold' which had been a good washout level on the weekly chart for the index. I wrote that I was watching 14,100 and want to see buyers regain that price level to get confidence. Buyers took us back to that level and sellers stomped it back down. Seeing 14,100 unable to hold is discouraging and we still haven't seen VaM get to -40 and registered as being 'oversold', so more downside is still possible for the Nasdaq Composite.
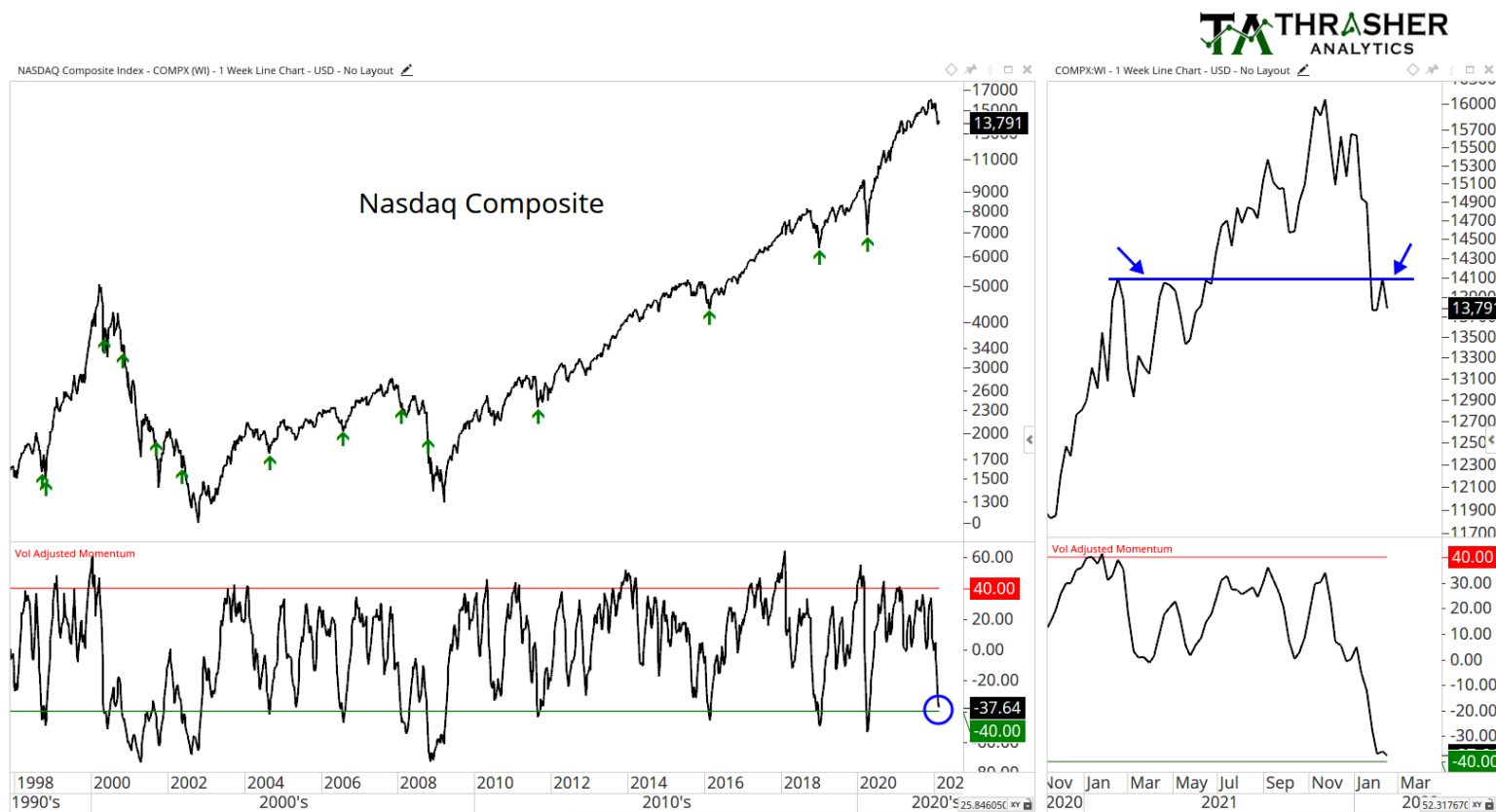
On Friday we had a second 80+% down day for the S&P 500 following an 80% down day on Thursday as well. Seeing back-to-back days of 80% of stocks declining has often been followed by short-term bounces. The caveat though is when they happen above and below the 200-day MA. I've plotted both on the chart below with green (above 200MA) or red (below 200MA) arrows. The bounces produced when the index is above the 200-day MA are often longer lasting and are 'trusting.' We last saw this occur on Dec. 1st before stocks bounced over 6%.   The last back-to-back 80% day when under the 200-MA was Jan 21 which saw just a 4% counter-trend rally.

We still often see a bounce but quite often it's followed by additional selling of varying degrees. With that, we could see some early week strength this next week as dip buyers take a swing, they'll want to get the SPX back above the 200-MA and ideally produce a 85% up day (85% of stocks advance) to show renewed control.

Last week I wrote about how we weren't seeing an expansion (yet) in net new-52 week lows and in fact we still had more 52-week highs than lows. This remains true but I wanted to follow that up with this chart below, showing the expansion in new 6-month lows compared to the prior minor pullbacks since September '21.

Across asset sizes we are seeing higher-highs in new 6-month lows while the index is still above the October lows. This tells us the market is very disjointed right now and helps explain why the multi-month consolidated has been playing out - we have expanding 6-month lows but still have (barely) bullish net-52 week highs data. The 1-year gains are being digested and some of the resulting weakness is showing up in the 6-month data.
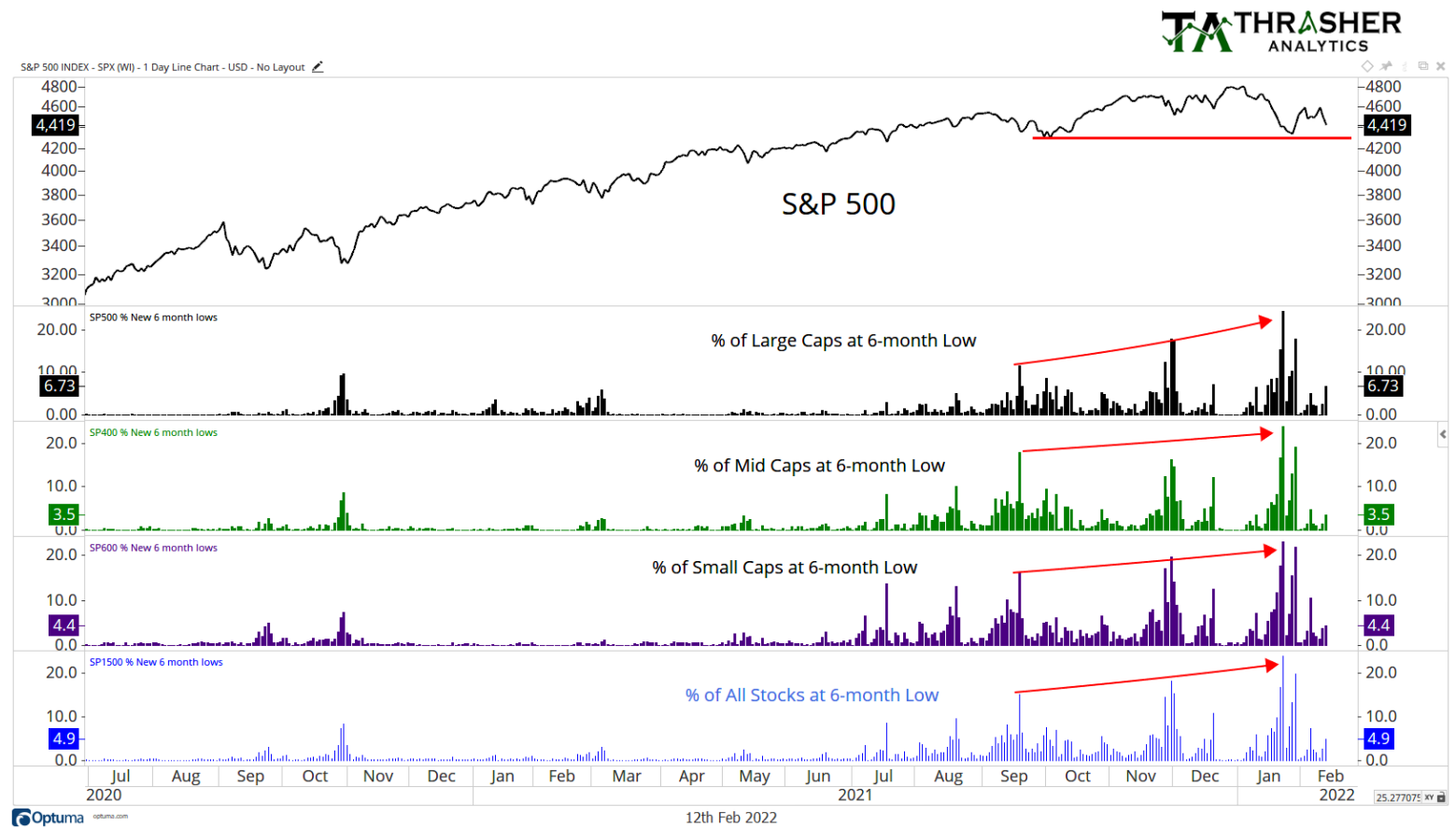
Turning back to the topic of 52-week lows, I shared this chart in December, focusing on that most large declines (greater than 10%) are accompanied by at least half of stocks hitting a 52-week low over the prior week. At that time in Dec., we weren't seeing more than one-third of stocks hitting 52-week lows (dotted green line and arrows). Note the horizontal red lines, each showing when we breached the 50% threshold. All but one (2014) saw prices continue to move lower, not necessary in a straight line but rarely did we see an immediate bounce higher, they were often followed by brief counter-relief rallies and then a continued decline.

We'll take a closer look at the current setup on this chart on the following page.
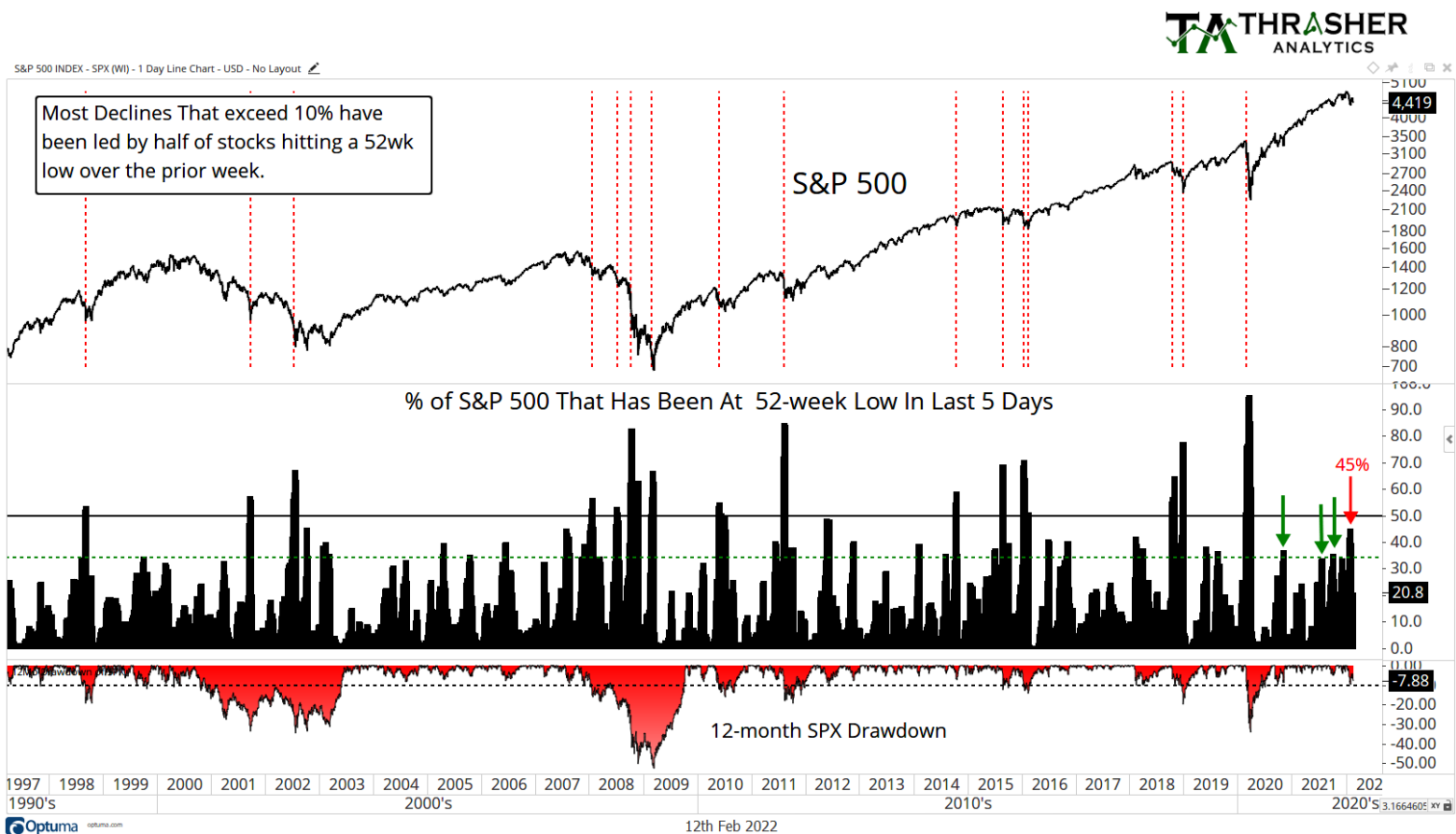
Here's the same chart but zooming in on the last couple of years. You can see that in Q4 '18 we hit the 50% threshold pretty quickly in October. During the Covid Crash we got there in late-February when the market was down just 8%. Since then, the dips in equities have barely breached the one-third level, showing the level of internal strength during brief periods of weakness.

Taking an updated look at the data, we did breach the 33% level that had capped prior declines and hit 45% on January 27th. This is not quite the 50% threshold but we've getting close. I'll keep monitoring the data and see if we hit 50% on further weakness
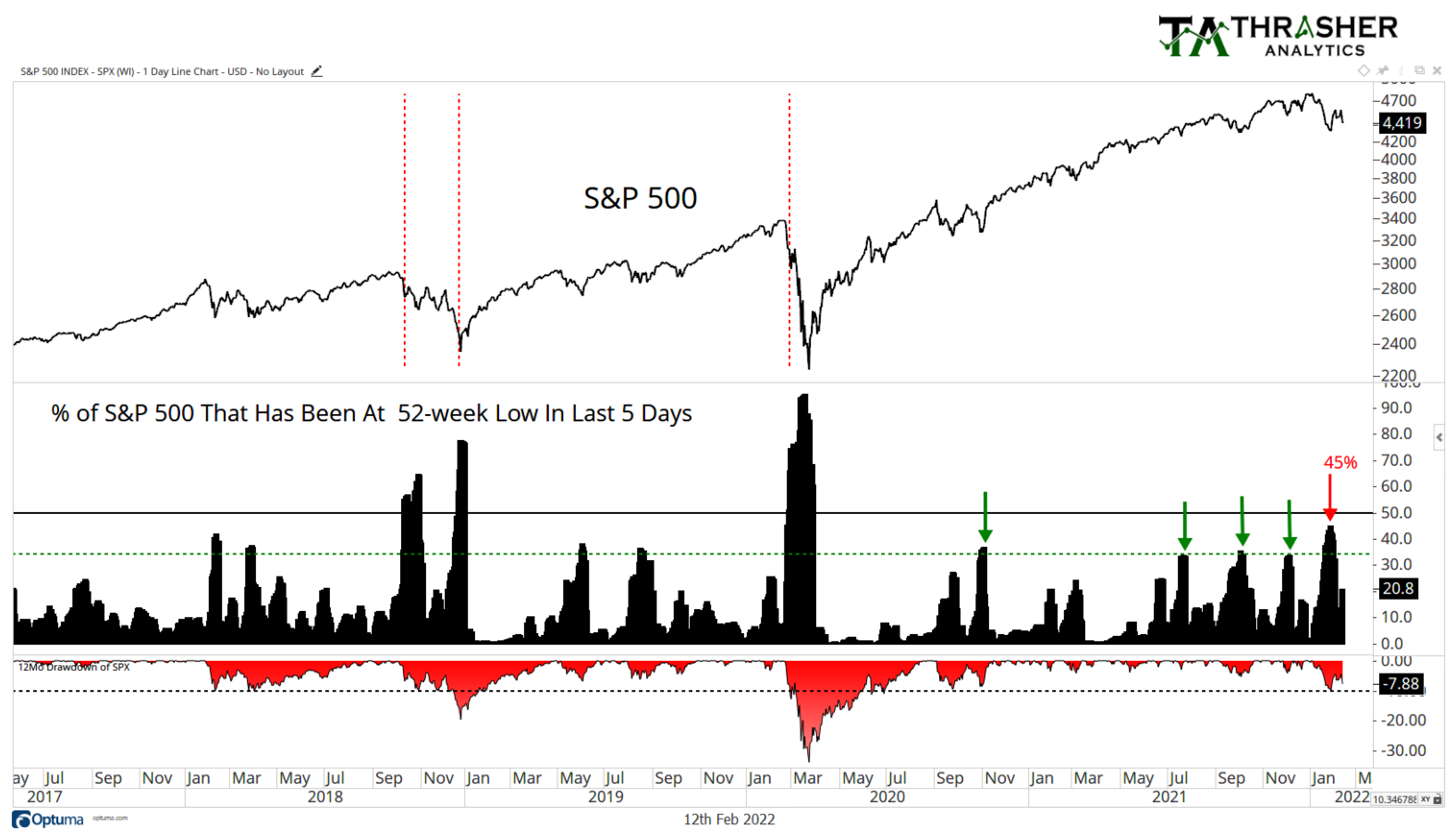
Checking in on the latest drawdown data, we hit 69% of stocks down over 10% by the end of January, pulling back to "just" 60% as of Friday. However, a little more concerning is the uptick in stocks down 20+% which peaked at 32% in January but has not shown more improvement as we're at 29.5% right now.
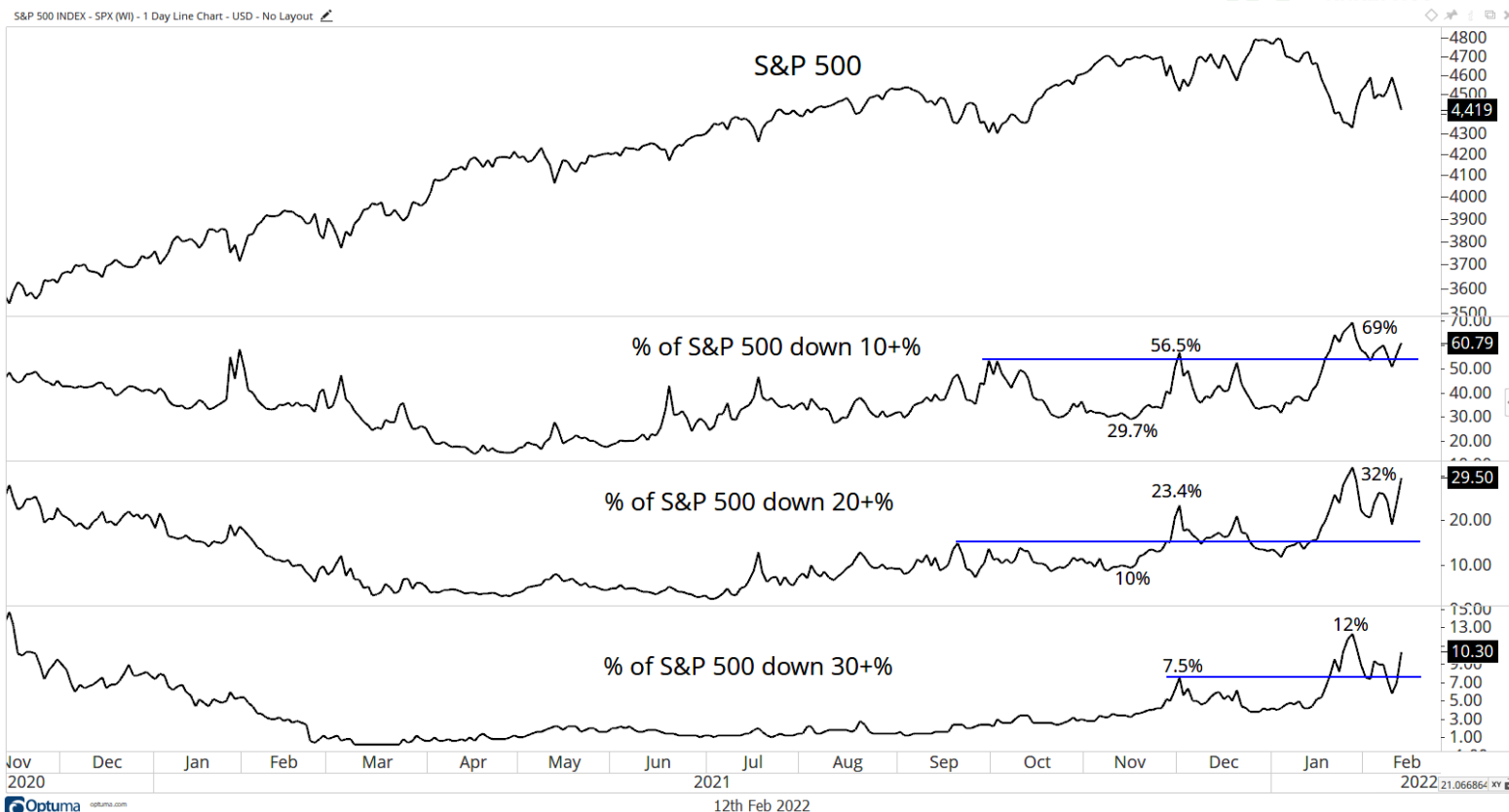
Joining the back-to-back 80% down day chart suggesting we could see at least a brief counter-trend rally, on Friday we also saw the VVIX breach 145. Over the last couple of years this level on the VVIX has often brought in dip buyers to U.S. large caps. We saw it "work" quite well in 2021 and also at the end of January 2022.
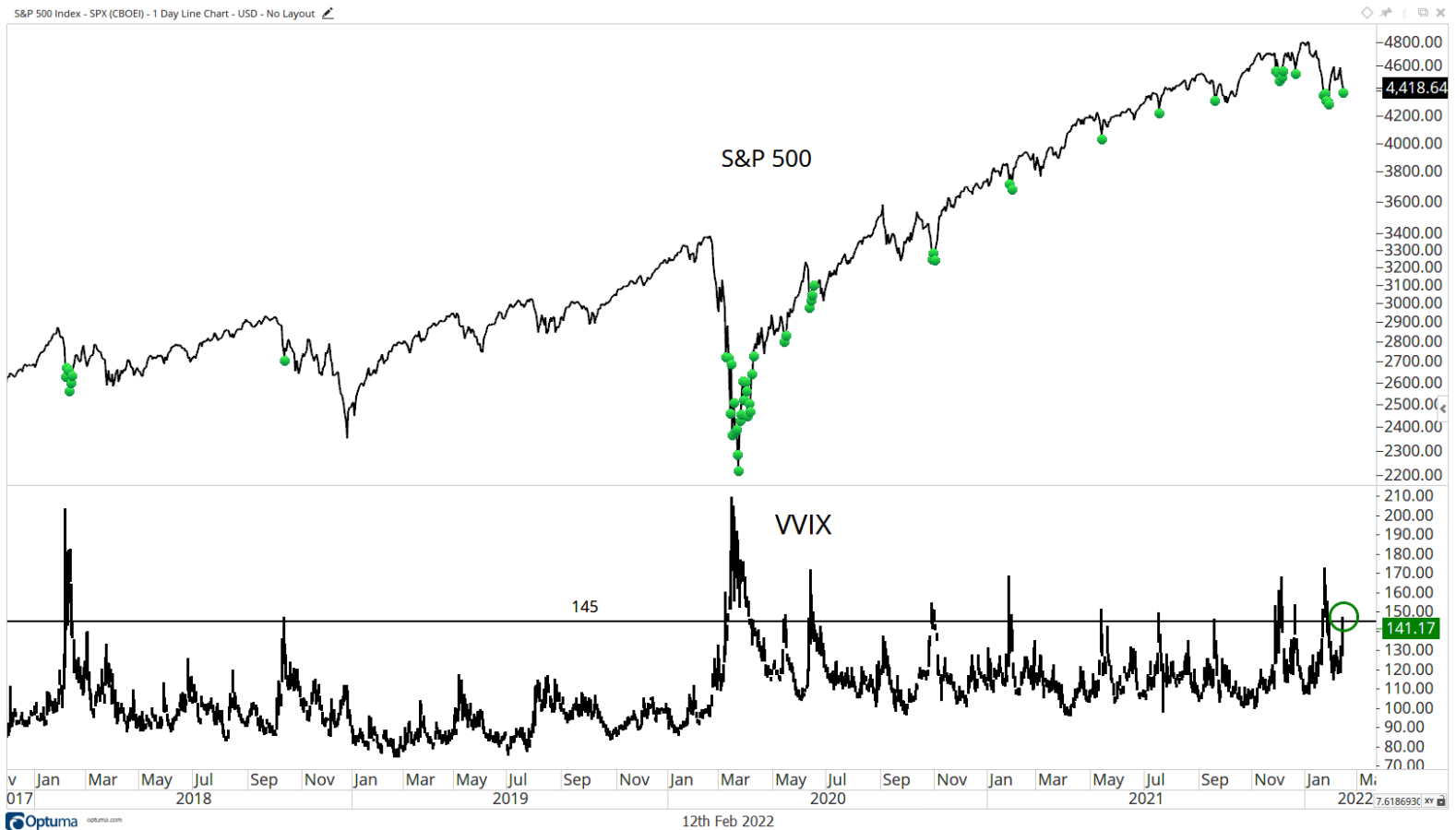
FAAMG stocks have been weighing heavy on the broad market recently. In fact, the equally weighted basket of FB, AMZN, AAPL, MSFT, & GOOGL made a lower-low on Friday, breaching again the October low. This is transpiring with the Equal Weight S&P 500 and the Cap Weight still above those key price levels.

Equities - Cannabis
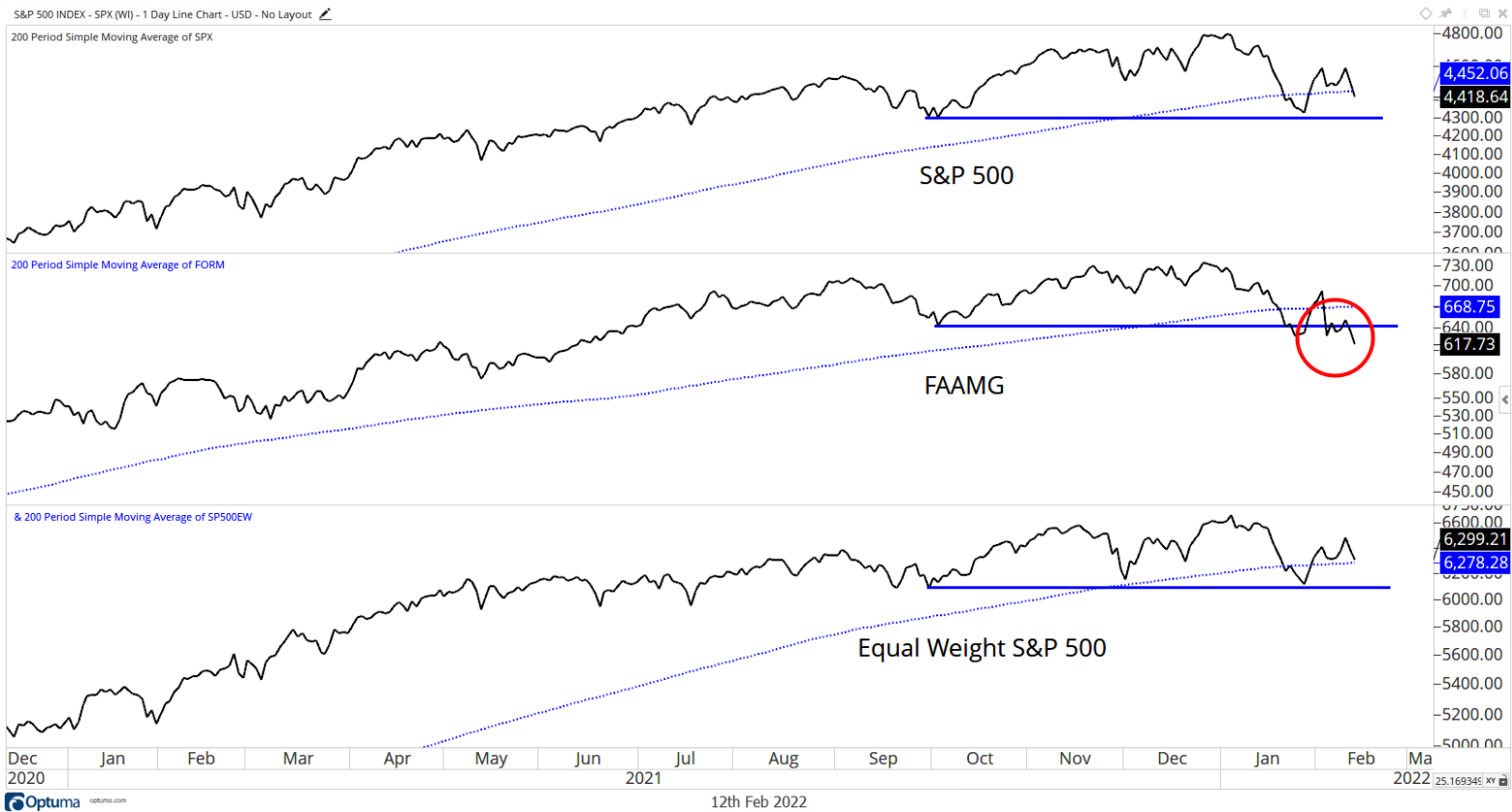
Cannabis stocks had a horrible 2021 but appear to be trying to buck that bearish trend to kickstart 2022. MSOS, an ETF that tracks U.S. cannabis stocks has bounced 20% from its lows and has recently regained its 50-day Moving Average and sits just below the 100-day MA. I'm watching the $25 area which has been a key price level in the last couple of months. Momentum is also back to the high-end of its multi-month range, so a breakout here with a higher-high would also be bullish.

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 not 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.

Name	Ticker	1W Change	1M Change	3M Change	1yr Z-Score	Absolute Score	Combined Score ⌃
Combined Score 1st Quartile		AVG: -2.99%	AVG: -17.07%	AVG: -33.48%	AVG: -2.055		AVG: -51.67
PayPal Holdings Inc	PYPL	-8.56%	-38.54%	-48.94%	-2.815	-72.51	-76.06
Shopify Inc	SHOP	-2.51%	-25.38%	-44.11%	-2.257	-57.91	-60.59
Five9 Inc	FIVN	4.60%	-2.45%	-11.63%	-1.509	-55.47	-57.27
Adobe Inc	ADBE	-7.71%	-7.19%	-28.48%	-1.247	-54.76	-56.63
Block Inc - Ordinary Shares - Class A	SQ	-0.91%	-23.78%	-54.55%	-2.511	-54.34	-54.91
Meta Platforms Inc - Ordinary Shares - Class A	FB	-7.40%	-33.83%	-35.64%	-3.046	-51.51	-53.93
RH	RH	1.12%	-17.42%	-38.10%	-2.134	-45.74	-47.74
Netflix Inc	NFLX	-4.60%	-27.68%	-39.40%	-2.239	-47.41	-46.38
Twitter Inc	TWTR	-2.98%	-9.65%	-32.57%	-1.977	-43.52	-45.97
Fiserv, Inc.	FISV	-7.13%	-10.50%	-2.95%	-1.823	-45.54	-40.38
Salesforce.com Inc	CRM	-5.17%	-8.94%	-32.34%	-1.466	-39.77	-40.34
Mercadolibre Inc	MELI	5.39%	0.53%	-33.05%	-1.635	-37.63	-39.84
Combined Score 2nd Quartile		AVG: 0.64%	AVG: -1.44%	AVG: -15.39%	AVG: -0.809		AVG: -28.14
Combined Score 3rd Quartile		AVG: 1.04%	AVG: -9.59%	AVG: -23.28%	AVG: -0.915		AVG: -12.51
Combined Score 4th Quartile		AVG: 1.70%	AVG: -4.81%	AVG: -10.72%	AVG: 0.571		AVG: 10.09
Elastic N.V	ESTC	1.99%	-15.90%	-45.82%	-1.729	-6.56	-5.36
DoorDash Inc - Ordinary Shares - Class A	DASH	-3.53%	-28.17%	-52.18%	-2.098	-6.07	-5.29
Bill.com Holdings Inc	BILL	2.21%	17.26%	-29.20%	0.398	-6.64	-5.20
Micron Technology Inc.	MU	10.58%	-4.97%	23.09%	1.044	-2.92	-0.35
Snowflake Inc - Ordinary Shares - Class A	SNOW	6.52%	-2.00%	-19.49%	0.225	1.30	2.70
Tesla Inc	TSLA	-6.86%	-16.26%	-29.63%	0.385	4.02	5.85
Booking Holdings Inc	BKNG	3.56%	3.92%	-3.40%	1.722	6.61	11.10
Builders Firstsource Inc	BLDR	2.35%	-13.04%	1.70%	1.043	10.02	14.98
Apple Inc	AAPL	-2.18%	-2.05%	11.48%	1.371	7.77	15.16
WillScot Mobile Mini Holdings Corp	WSC	3.10%	-0.39%	6.01%	1.353	12.79	22.60
Palo Alto Networks Inc	PANW	-1.04%	-2.92%	3.32%	1.043	22.62	26.31
Expedia Group Inc	EXPE	3.67%	6.79%	5.46%	2.092	31.32	38.58

Sectors - Performance

THRASHER ANALYTICS

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: -1.26%					AVG: 11.72%	AVG: 14.05%		AVG: -4.87%	
IWM	iShares Russell 2000 ETF	-9.47%	-2.35%	1.51%	-7.46%	-15.83%	-9.97%	17.62%	7.07%	0.12%	-4.97%	-9.14%
DJI	Dow Jones Industrial Average	-4.40%	3.12%	-1.00%	-4.18%	-3.29%	-2.10%	5.99%	13.72%	-0.70%	-2.24%	-0.86%
SPX	S&P 500 INDEX	-7.29%	0.00%	-1.82%	-6.25%	-4.96%	-0.65%	8.30%	18.67%	-1.45%	-4.12%	-0.75%
NDY	NASDAQ 100 Index	-12.66%	-5.79%	-3.00%	-10.04%	-11.09%	-5.15%	14.98%	16.75%	-3.06%	-8.15%	-5.31%
− Sectors			AVG: 3.37%					AVG: 9.16%	AVG: 21.38%		AVG: -2.28%	
XLE	SPDR Energy Select Sector Fund ETF	26.86%	36.84%	2.19%	11.36%	22.05%	40.65%	0.13%	55.98%	5.89%	15.60%	28.37%
XLB	SPDR Materials Select Sector Fund ETF	-7.30%	0.00%	1.06%	-6.00%	-6.07%	-2.90%	9.00%	16.12%	-0.92%	-3.47%	-1.35%
XLF	SPDR Financial Select Sector Fund ETF	2.71%	10.79%	0.02%	-3.09%	0.12%	3.38%	3.81%	26.53%	1.50%	1.64%	4.61%
XLI	SPDR Industrial Select Sector Fund ETF	-6.10%	1.29%	-0.75%	-6.19%	-6.32%	-5.85%	7.90%	11.85%	-2.09%	-3.89%	-3.76%
XLP	SPDR Consumer Staples Select Sector Fund ETF	-2.41%	5.26%	-0.84%	-1.92%	3.31%	4.59%	3.75%	19.46%	-0.82%	-0.47%	4.24%
XLV	SPDR Health Care Select Sector Fund ETF	-7.55%	-0.28%	-1.55%	-4.79%	-2.18%	-1.19%	8.26%	18.48%	-0.73%	-3.09%	-0.29%
XLU	SPDR Utilities Select Sector Fund ETF	-6.36%	1.01%	-2.12%	-3.30%	0.51%	-1.61%	6.68%	15.03%	-1.83%	-3.12%	0.05%
XLY	SPDR Consumer Discretionary Select Sector F	-11.72%	-4.78%	-2.13%	-9.84%	-11.14%	-0.84%	16.08%	20.60%	-2.01%	-7.38%	-3.29%
XLC	SPDR Communication Services Select Sector E	-10.77%	-3.76%	-2.61%	-9.88%	-13.43%	-16.48%	19.74%	0.36%	-4.41%	-7.78%	-12.68%
XLRE	SPDR Real Estate Select Sector Fund ETF	-12.33%	-5.44%	-2.72%	-7.12%	-5.71%	-1.84%	12.94%	26.55%	-3.10%	-6.57%	-2.45%
XLK	SPDR Technology Select Sector Fund ETF	-10.92%	-3.91%	-2.95%	-7.78%	-6.30%	1.06%	12.51%	24.20%	-2.33%	-6.59%	-0.42%

Sector performance so far in 2022 has been broadly weak with one large outlier: energy. XLE is up 23% with all other sectors (except XLF, which s barely holding positive) down on the year from -2.4% to -14.2%.
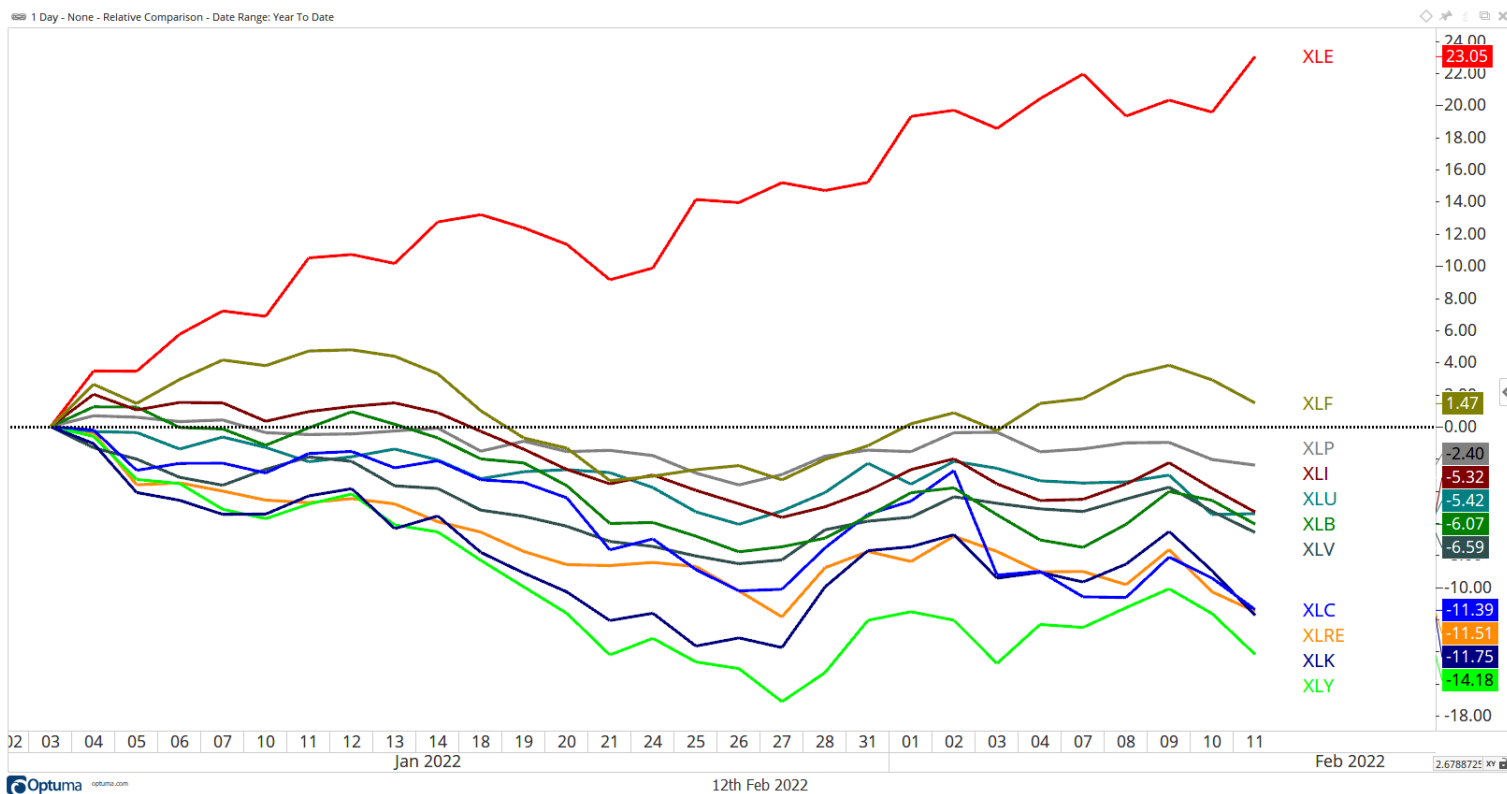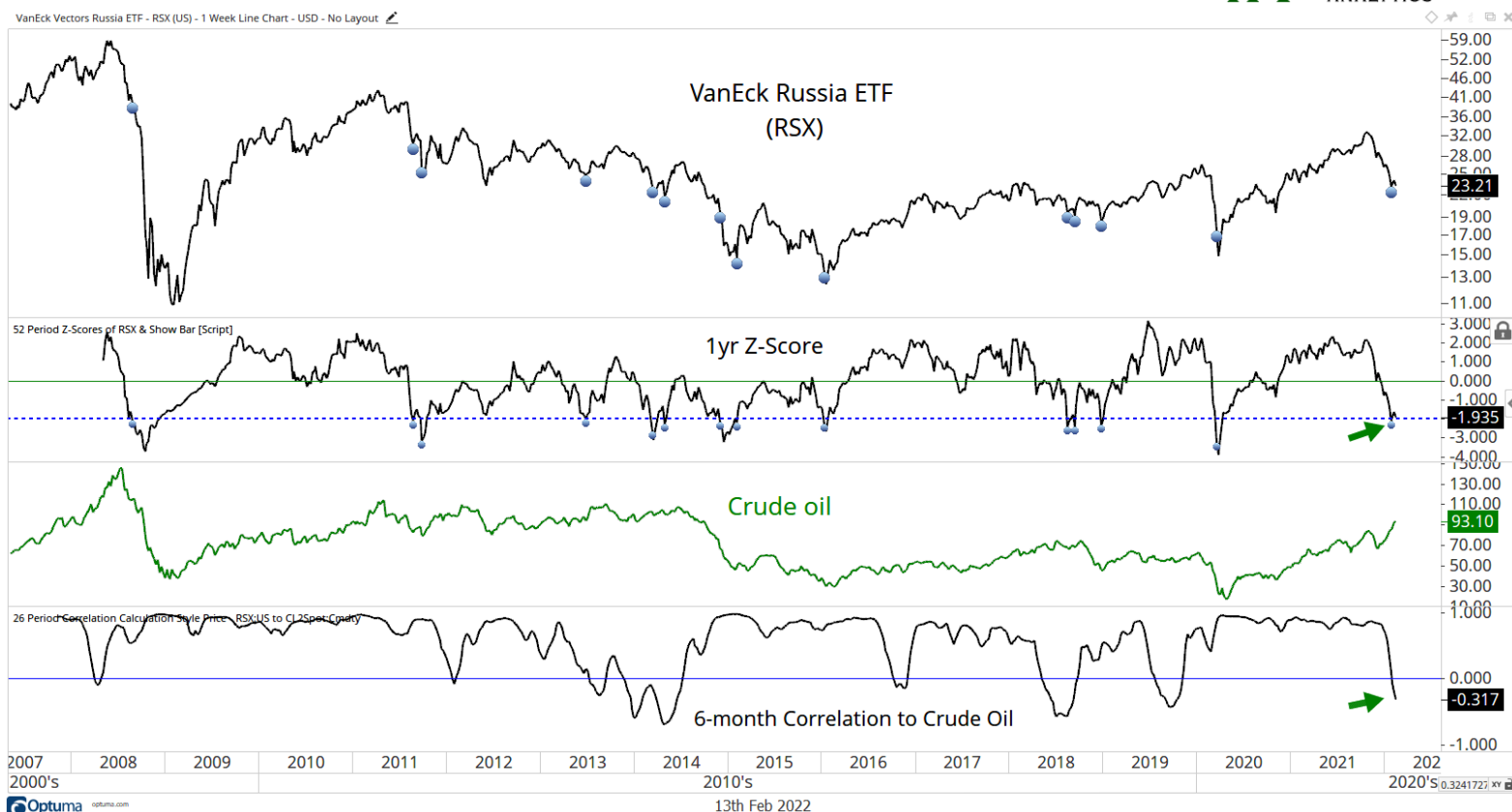
Looking specifically at two sectors and their relative performance between each other, Technology vs. Energy has an extremely interesting setup. Below is the weekly ratio of XLK vs XLE which had set a new all-time high last year before tech stumbled and energy strengthened. Since then, we've seen a break back below the key 2000 high and under the 100-week moving average. The big question right now is whether this is the start to a much larger rotation. If not, then that 2.25/2.3 area on the ratio chart needs to be regained by tech bulls and eventually the 100-week MA as well but currently the bias is clearly in favor of energy and there's still quite a bit of ground to make up before this ratio gets back to 1.

Tech vs. Energy
(XLK/XLE)
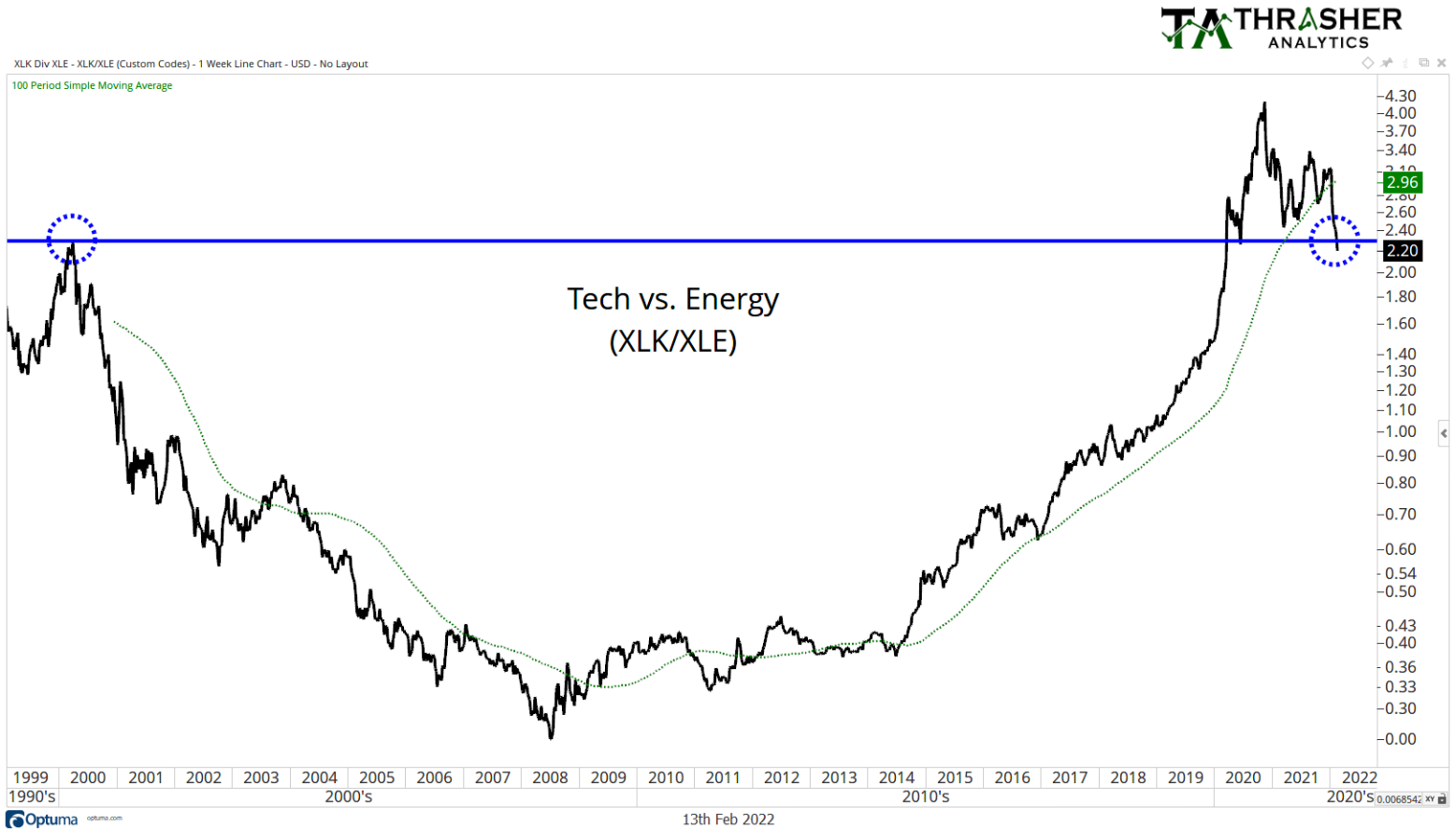
Okay hear me out here... If you were to think of the most hated, most volatile, and least understood market right now, would you not instantly think of Russia? Russian stocks fell nearly 10% intraday on Friday, finishing down -7.6% and are off over -30% from the October high in RSX, the VanEck ETF. This has been a 2-sigma move when looking at the 1-year z-score, which has often marked some major lows or at least counter-trend bottoms since 2009. Because of the strong commodity focus of Russia, RSX has a strong correlation to crude oil, but that correlation has recently broken with oil prices hitting higher-highs and RSX making lower-lows. Friday saw the largest single volume day in RSX since April '18, which was quickly followed by a 8% bounce in the ETF

If Putin *doesn't* invade Ukraine and if crude continues to move higher, I'm watching if RSX get a relief rally following that heavy volume day on Friday, suggesting many investors have abandoned ship on their Russian exposure. This isn't to say all the bad news has already been priced in, that's something that can only be known after the fact, but from a sentiment perspective, it seems RSX has few fans these days. Also, you'll see on the next page RSX got an orange TAMRI signal as well.

VanEck Vectors Russia ETF - RSX (US) - 1 Week Line Chart - USD - No Layout

VanEck Russia ETF (RSX)

52 Period Z-Scores of RSX & Show Bar [Script]

1yr Z-Score   -1.935

26 Period Correlation Calculation Style Price - RSX.US to CL2Spot:Cmdty

Crude oil   93.10

6-month Correlation to Crude Oil   -0.317

13th Feb 2022
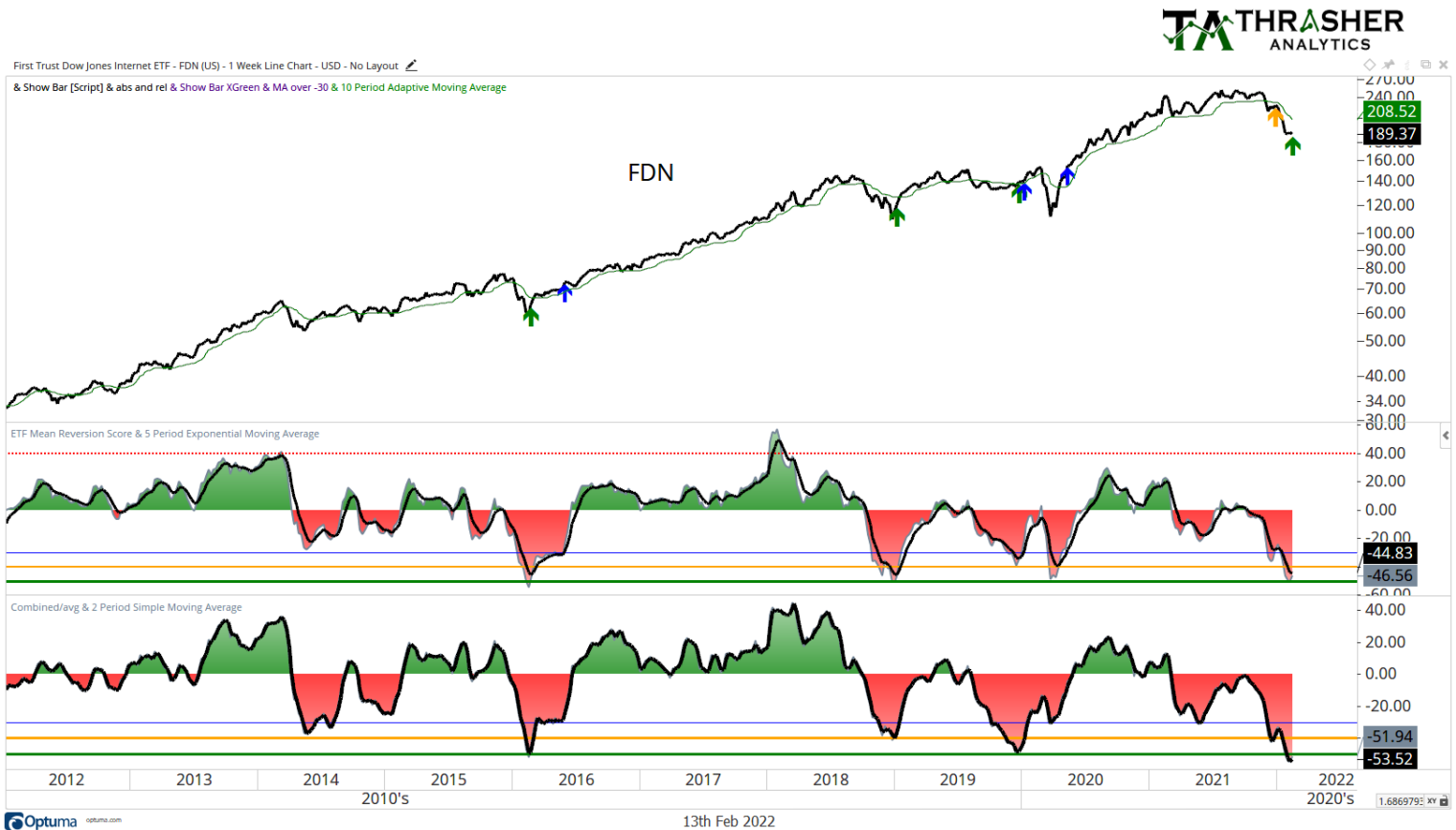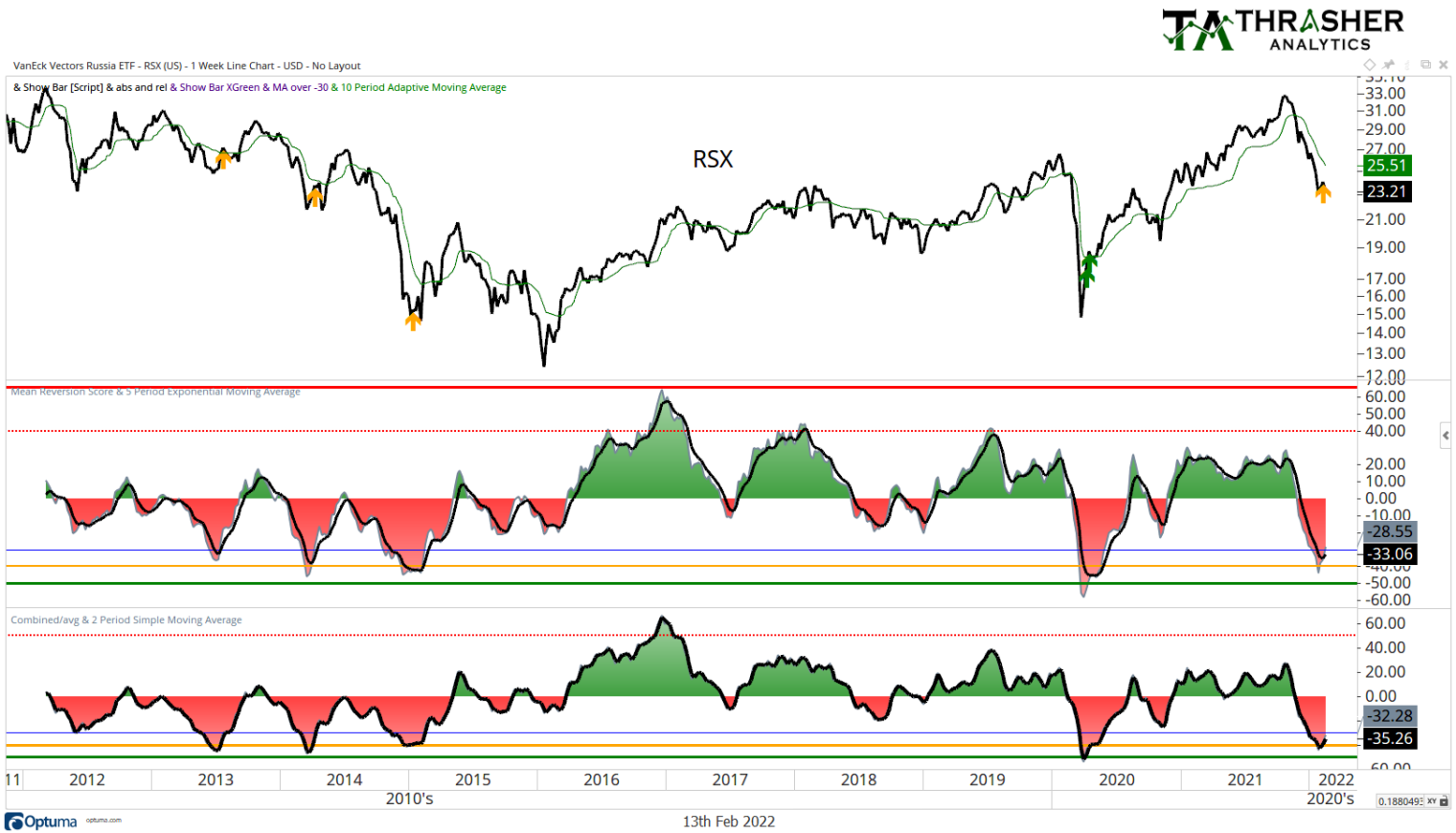
TA Mean Reversion Indicator

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):
HACK
Orange (intermediate):
RSX
Green (major):
FDN

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.

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.

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

TA

Code	% Bullish ^	5-day MA	History
10Y DSI	18	19	
Yen DSI	22	20	
5YR DSI	23	23	
Swiss Franc DSI	25	26	
Sugar DSI	26	27	
Australian Dollar DSI	28	32	
Nasdaq DSI	29	35	
Nikkei DSI	30	37	
Bitcoin DSI	30	34	
EuroDollar DSI	31	34	
SPX DSI	33	39	
VIX DSI	40	34	
Platinum DSI	40	38	
Euro DSI	40	45	
British Pound DSI	44	45	
Orange Juice DSI	50	58	
Gold DSI	52	45	
Mexican Peso DSI	54	56	

Code	% Bullish ^	5-day MA	History
Silver DSI	57	53	
Palladium DSI	59	53	
Lean Hog DSI	60	66	
Copper DSI	61	69	
Wheat DSI	68	63	
Natural Gas DSI	68	68	
Cotton DSI	70	74	
Cattle DSI	70	67	
US Dollar DSI	71	65	
Lumber DSI	71	68	
Cocoa DSI	71	67	
Corn DSI	80	79	
Coffee DSI	80	81	
Soybean DSI	83	86	
Heating Oil DSI	88	81	
CRB Index DSI	88	84	
Gasoline DSI	92	85	
Crude Oil DSI	92	85	

Source: trade-futures.com

Daily Sentiment Index

10-Year T-Note (P) Continuation - TY_FSpot (CBOT) - 1 Day Line Chart - USD - No Layout

10yr Treasury Bond

Source: trade-futures.com

13th Feb 2022

Daily Sentiment Index

Crude Oil

source: Trade-futures.com

13th Feb 2022
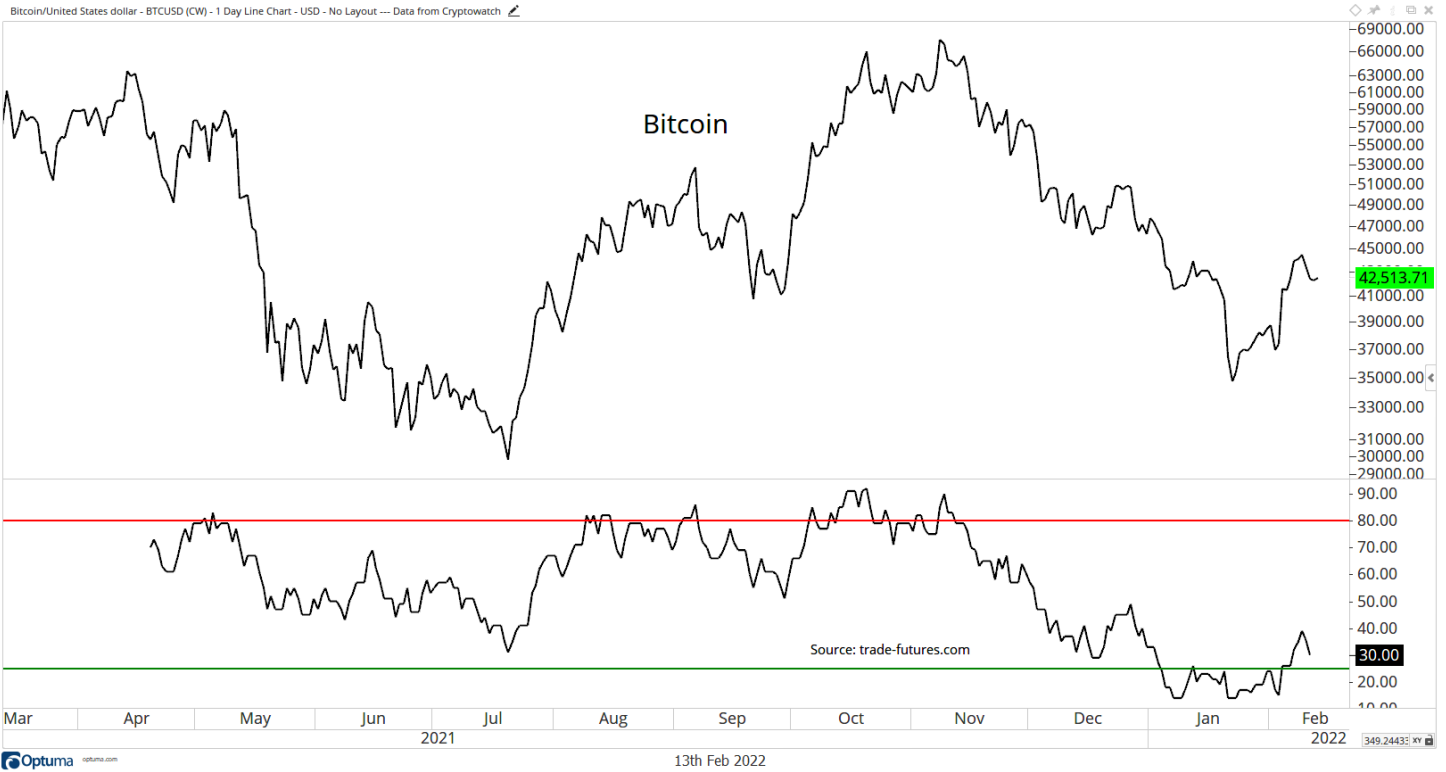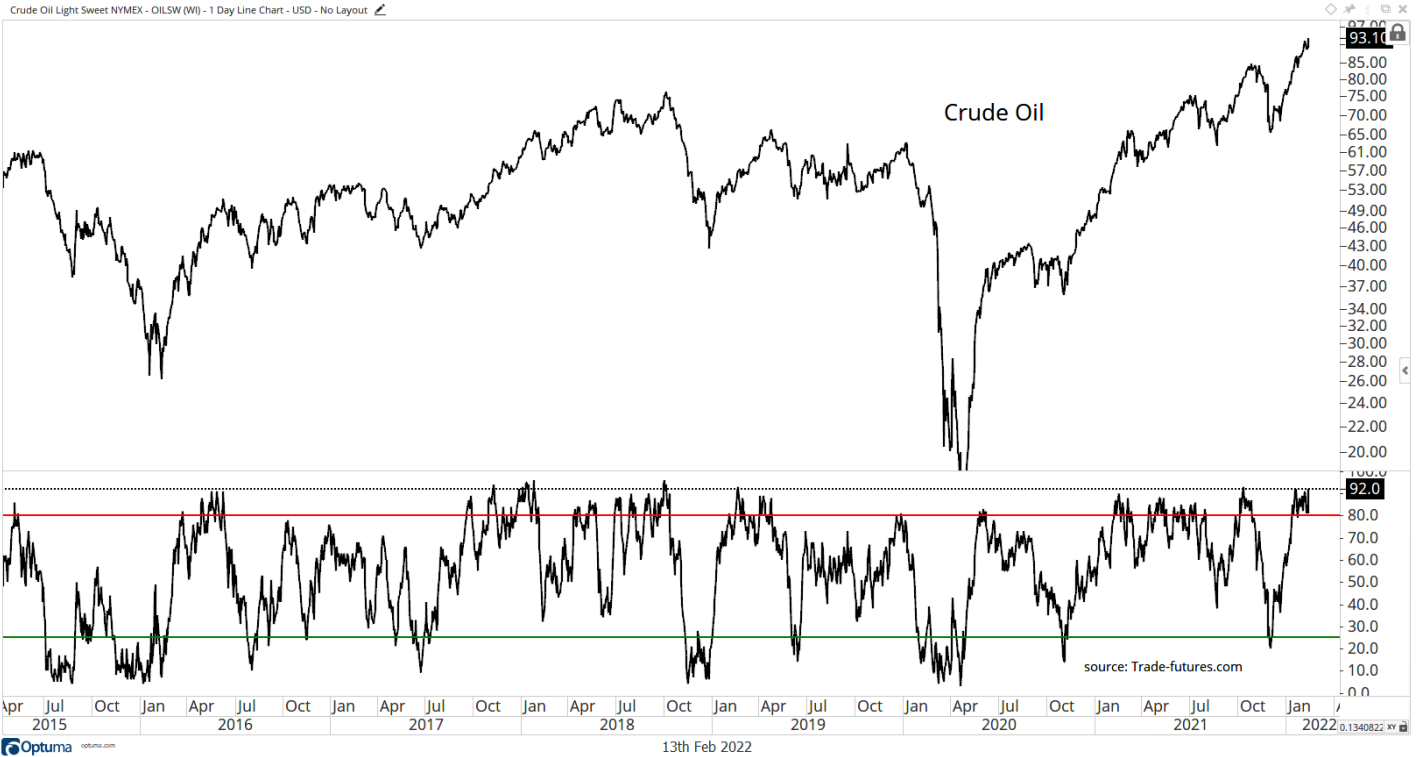
Daily Sentiment Index

TA THRASHER ANALYTICS

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

Gold

1,842.10

Source: trade-futures.com

Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb
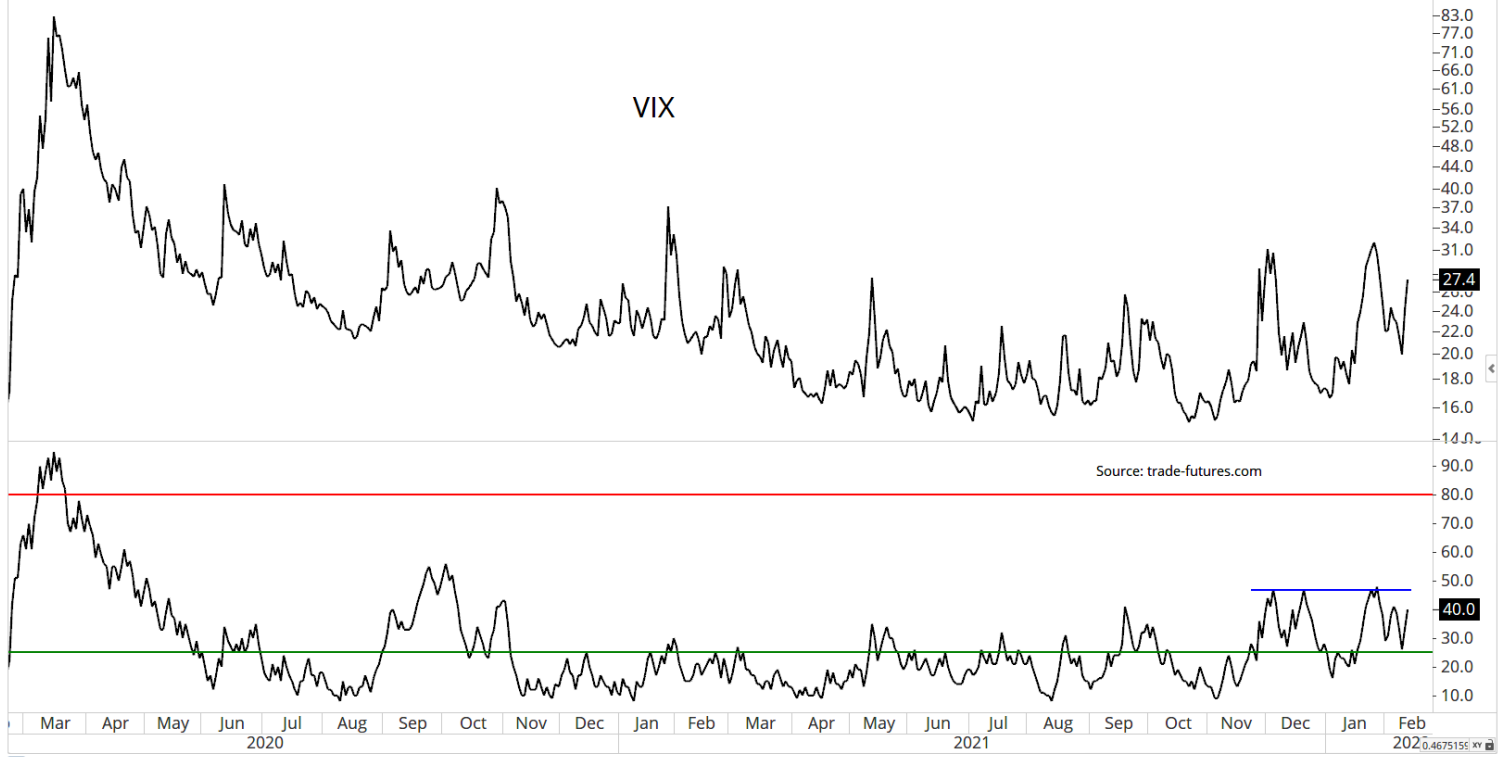
2019 | 2020 | 2021 | 2022

Optuma optuma.com

13th Feb 2022

Daily Sentiment Index

TA
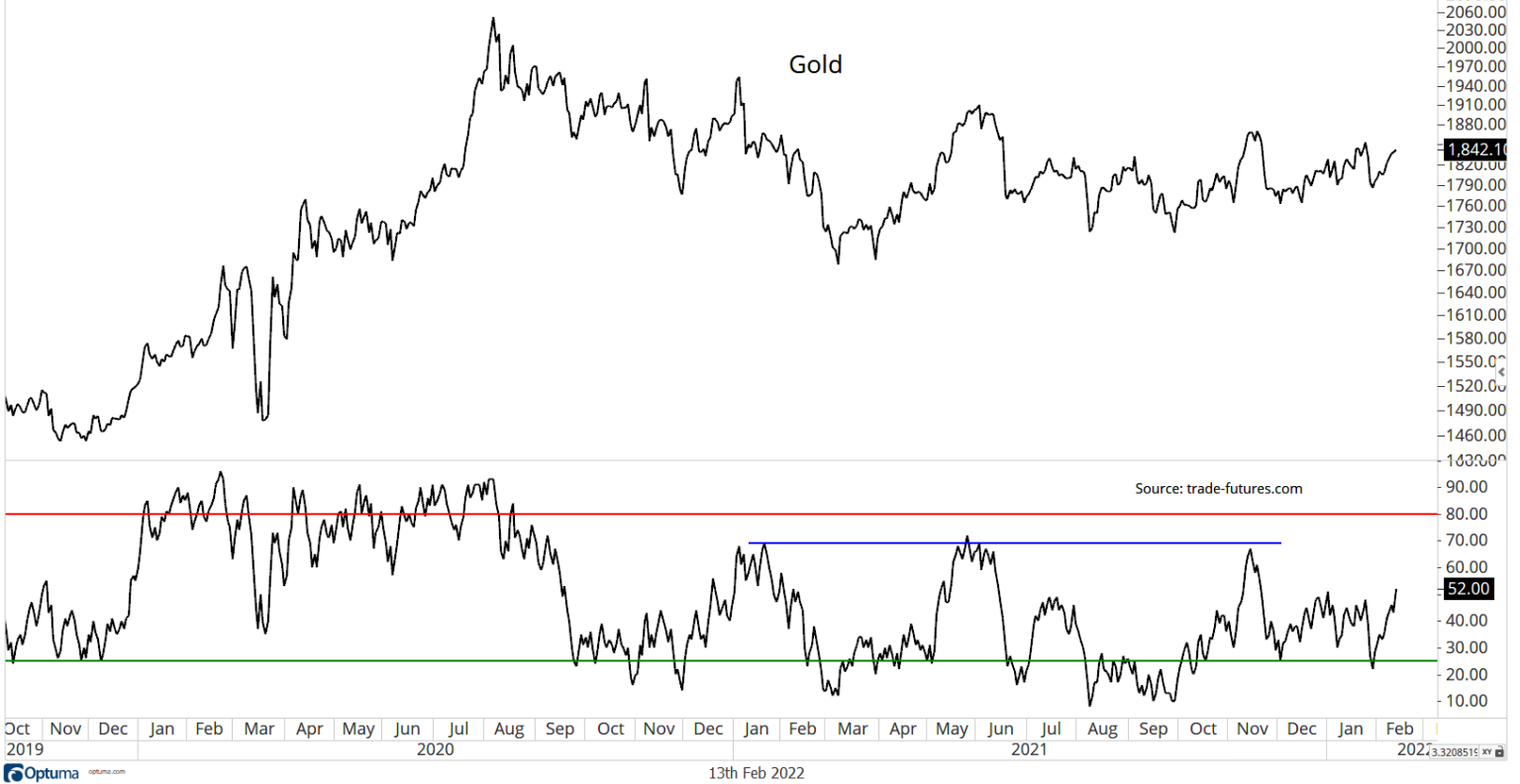
THRASHER
ANALYTICS

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

Nasdaq 100

14,254

Source: trade-futures.com

29

Jul   Sep   Nov   Jan   Mar   May   Jul   Sep   Nov   Jan   Mar   May   Jul   Sep   Nov   Jan
2019   2020   2021   2022

Optuma   optuma.com   13th Feb 2022
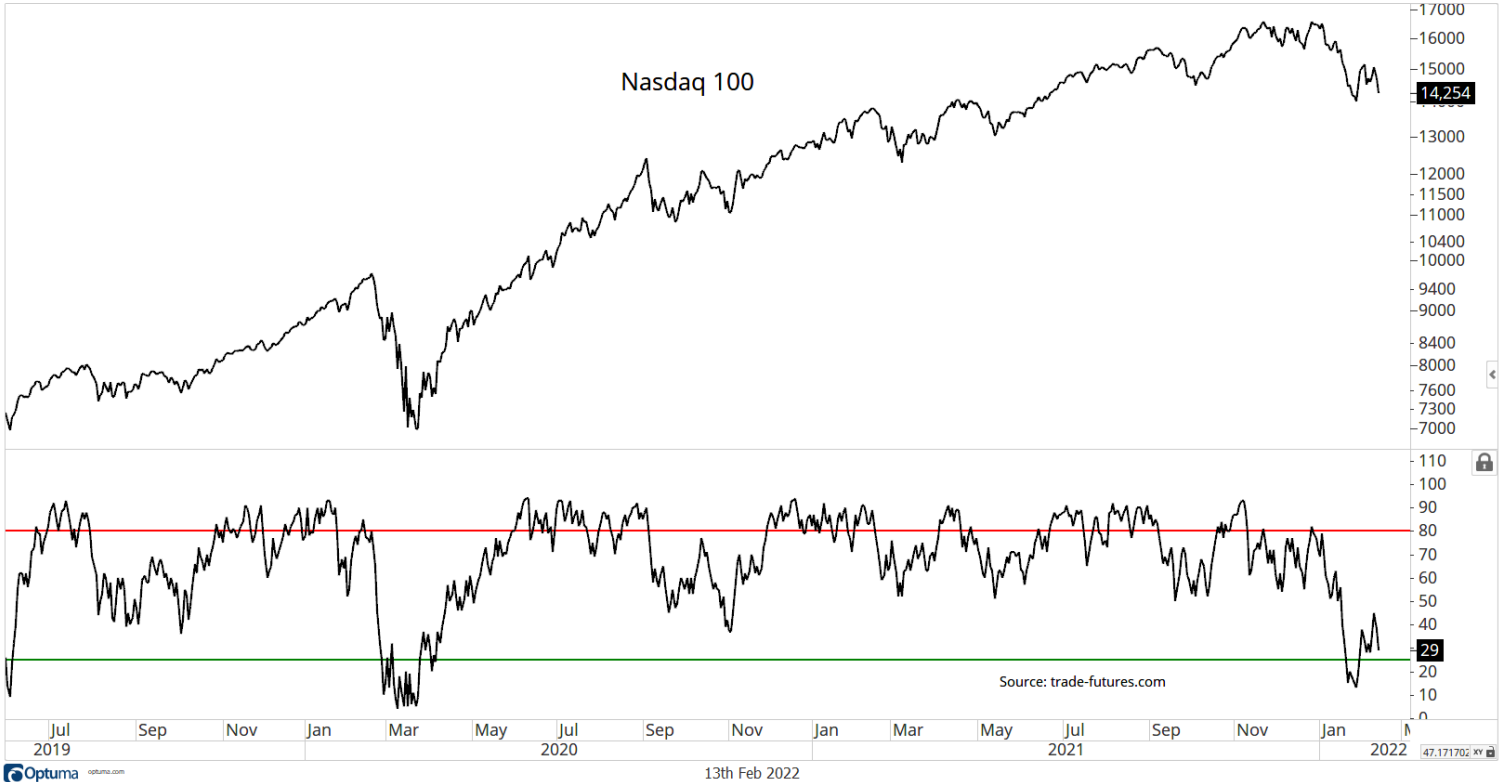
DAILY SENTIMENT INDEX

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

S&P 500

4,919
4,800
4,700
4,600
4,500
4,419
4,400
4,300
4,200
4,100
4,000
3,900
3,800
3,700
3,600
3,500
3,400
3,300
3,200
3,100
3,000
2,900
2,800

100
90
80
70
60
50
40
33
30
20
10

Source: trade-futures.com

May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | M

2020 | 2021 | 2022

13.68376€ XY
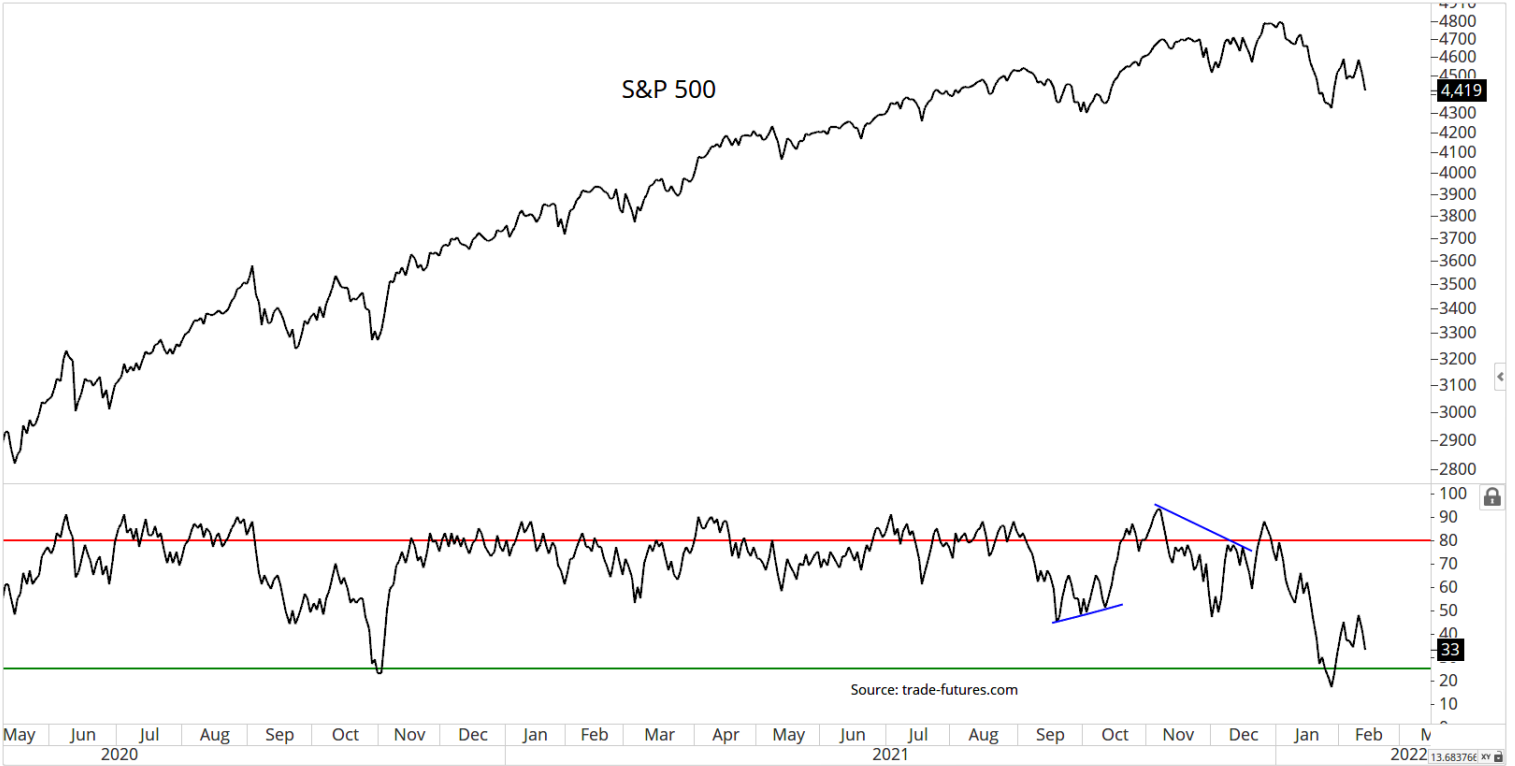
Optuma   optuma.com   13th Feb 2022

Daily Sentiment Index

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

U.S. Dollar

97.4
97.0
96.4
96.1
95.4
95.0
94.3
94.0
93.4
93.0
92.6
92.3
92.0
91.6
91.3
91.0
90.6
90.3
90.0
89.6

90.00
80.00
71.00
60.00
50.00
40.00
30.00
20.00
10.00

Source: trade-futures.com

| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb |

2021

13th Feb 2022

Optuma optuma.com

Daily Sentiment Index

TA
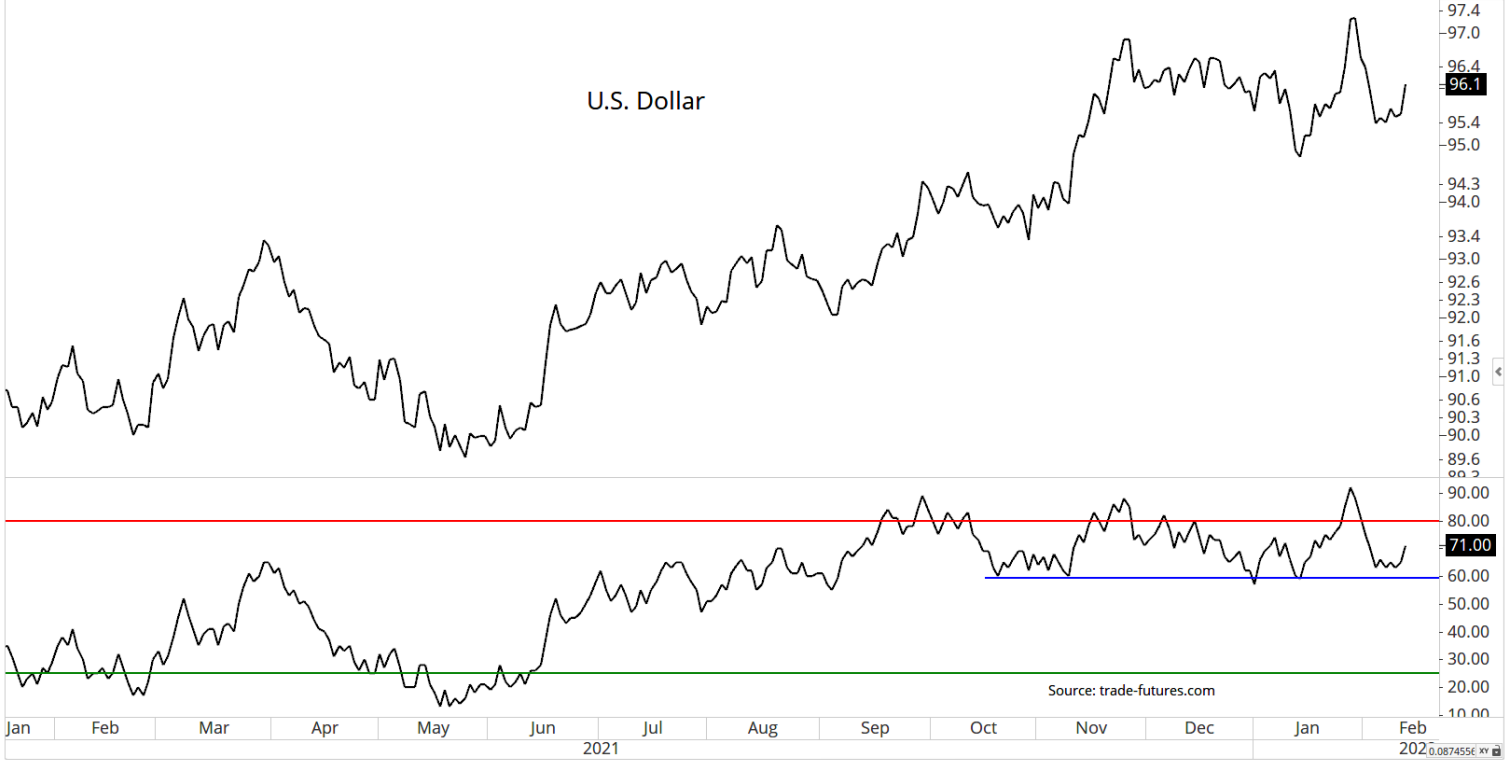
THRASHER
ANALYTICS

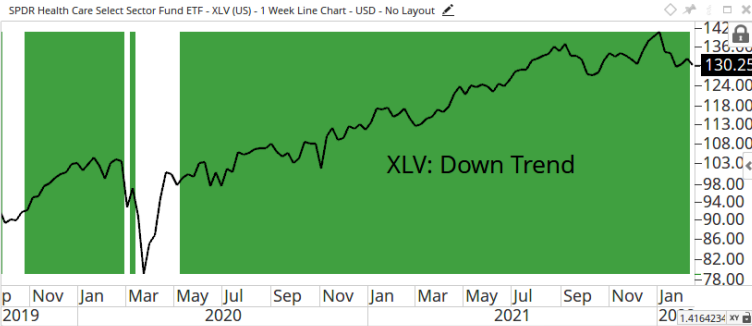CBOE S&P 500 Volatility Index - VIX (CBOEI) - 1 Day Line Chart - USD - No Layout

VIX

Source: trade-futures.com

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
			2020													2021								202

13th Feb 2022

Optuma   optuma.com

TREND MODELS

Trend Models

SPDR Health Care Select Sector Fund ETF - XLV (US) - 1 Week Line Chart - USD - No Layout

XLV: Down Trend

SPDR Utilities Select Sector Fund ETF - XLU (US) - 1 Week Line Chart - USD - No Layout

XLU: Up Trend

SPDR Consumer Staples Select Sector Fund ETF - XLP (US) - 1 Week Line Chart - USD - No Layout

XLP: Up Trend

SPDR Industrial Select Sector Fund ETF - XLI (US) - 1 Week Line Chart - USD - No Layout

XLI: Down Trend

THRASHER ANALYTICS

12th Feb 2022

Trend Models

DISCLAIMER: