

TA THRASHER ANALYTICS

FEBRUARY 6, 2022



WEEKLY RESEARCH & ANALYSIS

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SUMMARY OF MODELS

	Current	Wkly Change
Market Health Report	-8	Declining
Volatility Risk Trigger	0	Unchanged
Risk Appetite Ratios	0.34	Rising
Bullishish Confidence Score	+3	Rising
S&P 500 Long-Term Trend	Up	Unchanged

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Volatility

Equities

Market Health Report

Hedge Fund Stocks

Sectors & Commodity

Sentiment

Trend Models

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	-3
Sentiment	-1
Trend	1
Volatility	-2
Total	-8

Index & Sector		
	Up Trend	Down Trend
SPX	X	
QQQ	X	
XLF	X	
XLY	X	
XLK	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	37%	38%
Nasdaq 100	32%	32%
Nikkei	34%	31%
VIX	41%	35%
10yr Treasury	24%	31%
5yr Treasury	27%	33%
CRB Index	88%	88%
Crude Oil	91%	87%
Gold	35%	33%
U.S. Dollar	66%	71%
Bitcoin	26%	21%

*Green<25% Red>80%

source: trade-futures.com

Brief Summary:

I said last week the theme was that equities had hit a fork in the road, and I'd argue that theme continued to play out and we've yet to see which path they will take. All eyes are on central banks as the Lagarde from the ECB turned abruptly hawkish during a Q&A last week, suggesting we may begin seeing an even faster pace of tapering and rise in rates than initial expected out of Europe. This setups for a global path of tapering/tightening, just as the U.S. economy is pulling back on fiscal support as well....not ideal timing!

Breadth data remains weak and wasn't assisted by massive price moves in stocks like Facebook, dropping 25% between Thursday and Friday. We haven't seen an expansion in fewer net-new highs just yet, but we can't rule out that happening with less stocks above the 20/50/200 day moving averages. Dip buyers have made an attempt to move into Nasdaq 100 futures, a historically bullish sign for equities.

The Market Health Report has fallen to a -8, the lowest reading since March 2020 and as I show in the letter, often is followed by further price weakness but also setups for a solid track record of an eventual bullish signal as well. The markets remain messy and price action resembles little of what traders grew used to in 2021. Bond volatility sits near its 1-year high and credit spreads are beginning to move higher.

VOLATILITY: VRT



VRT remains below its signal threshold.



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



Optuma optuma.com

6th Feb 2022

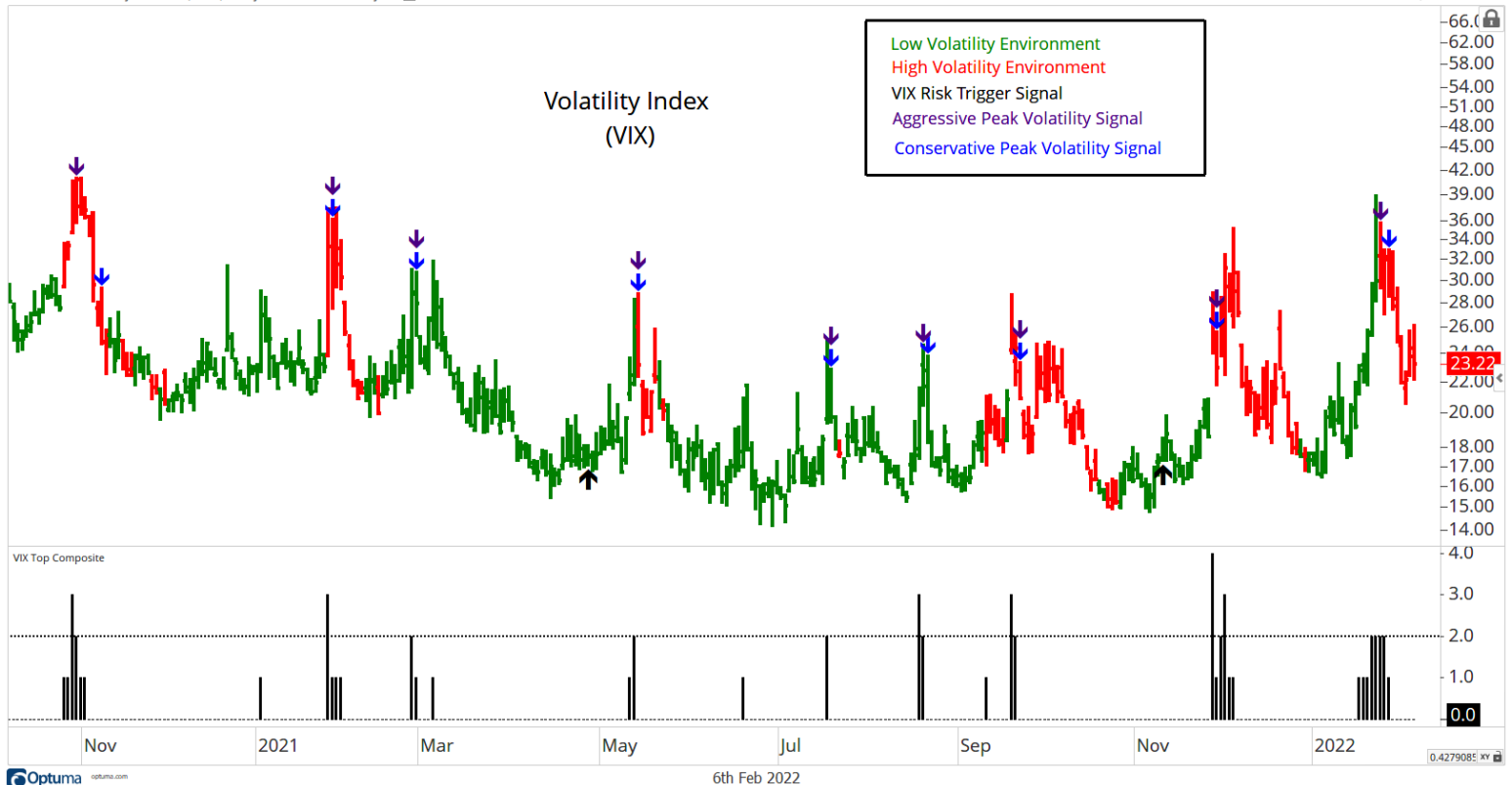
VOLATILITY: TOP & ENVIRONMENT



VIX remains below our prior Peak signals but also remains in a high volatility environment, suggesting volatility is still prone to make large intra-week moves.



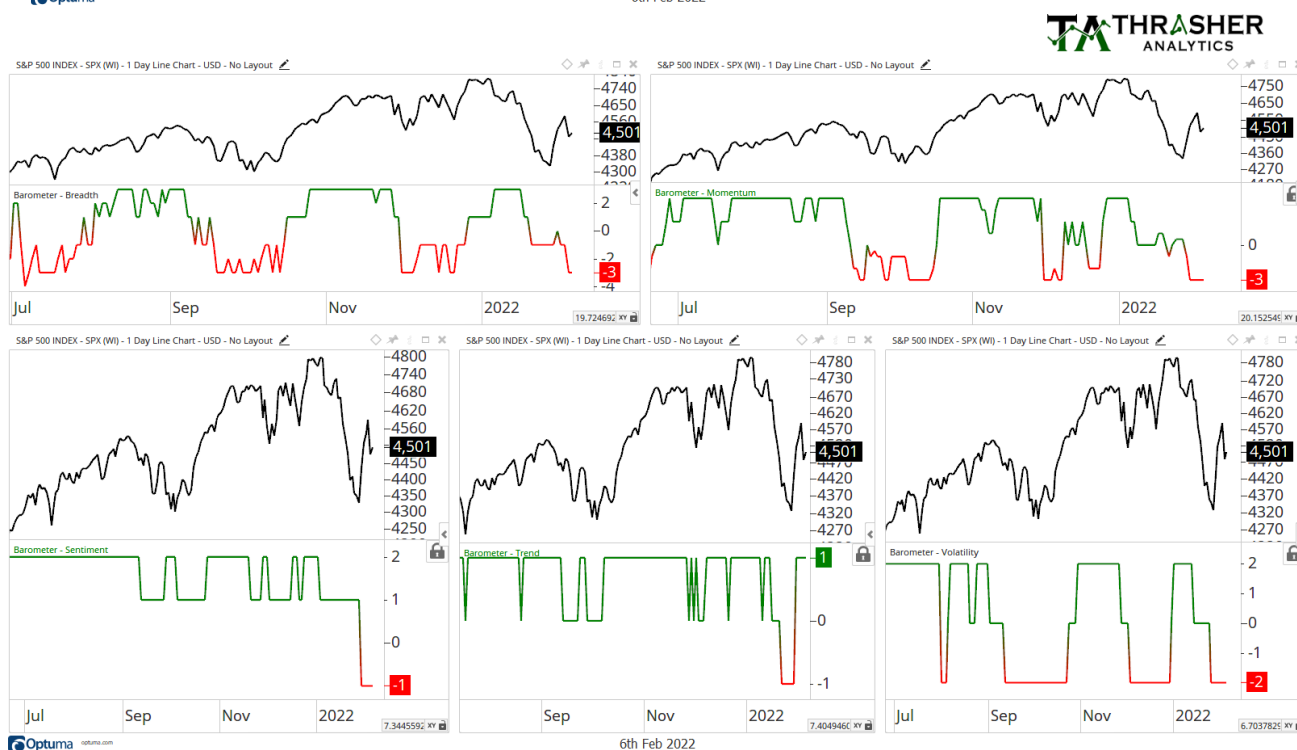
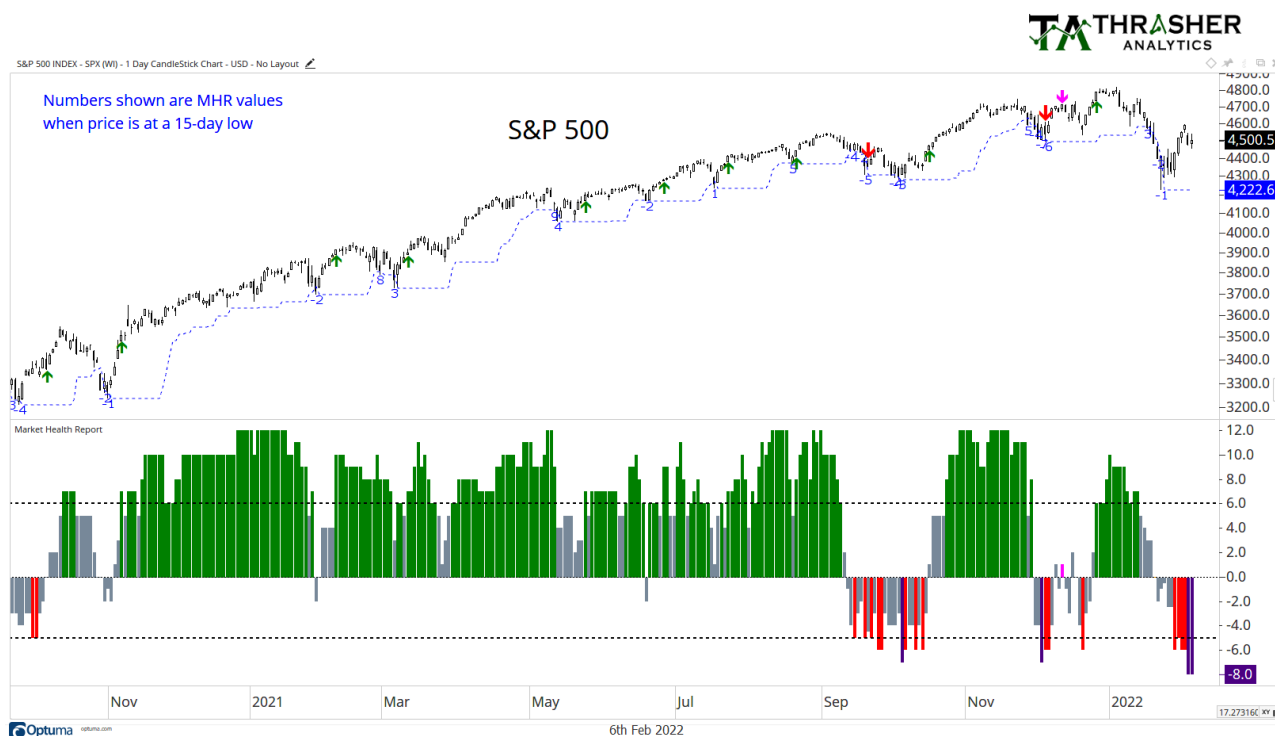
CBOE S&P 500 Volatility Index - VIX (CBOE) - 1 Day Bar Chart - USD - No Layout



MARKET HEALTH REPORT



The Market Health Report (MHR) continued to move lower last week, even though we saw equities get a bounce. MHR finished at -8. For the first time since the current decline in stocks started, sentiment has now gone negative and breadth sunk to a lower-low. I'll look more at the MHR on the next page.

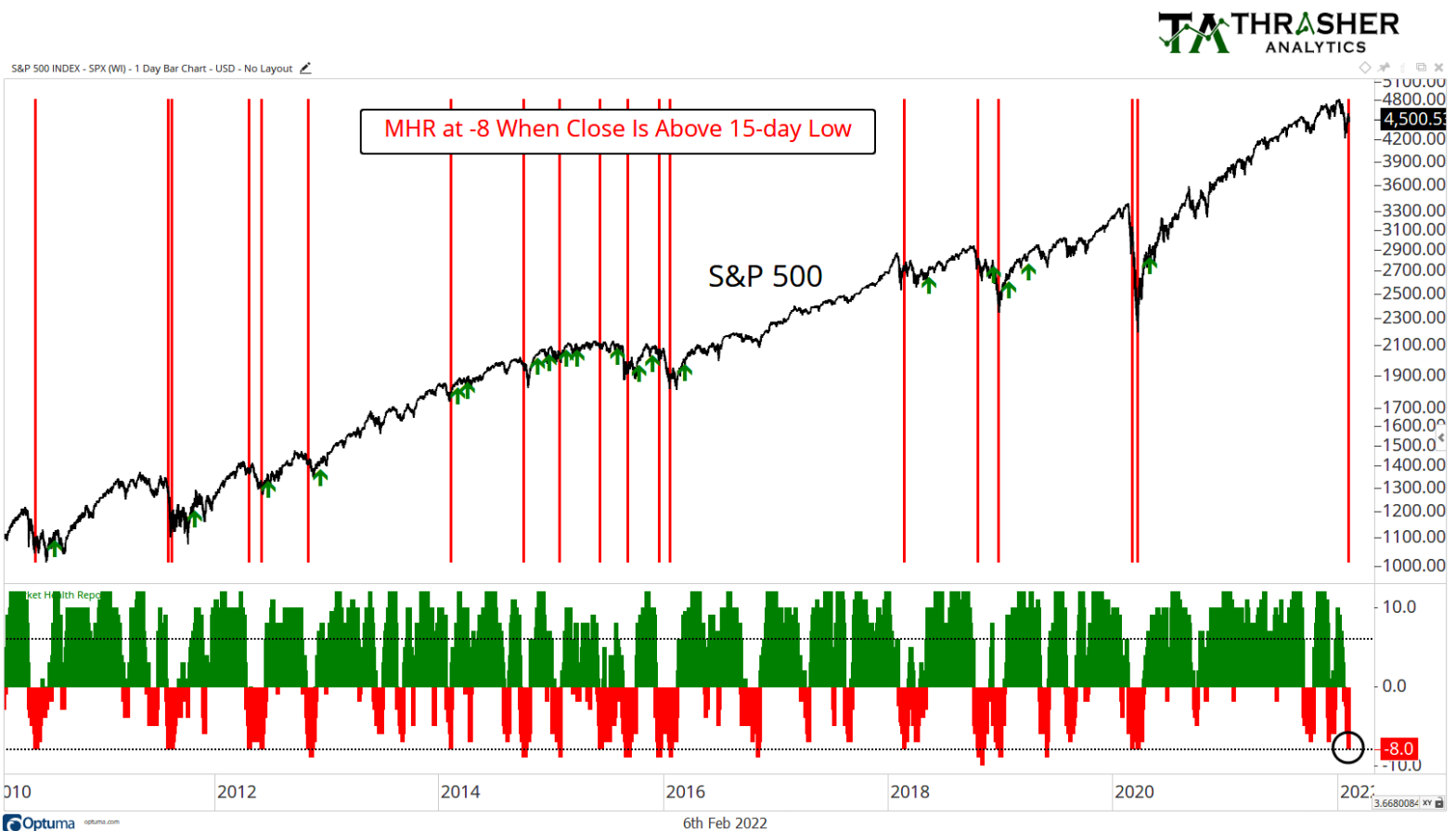


MARKET HEALTH REPORT



While MHR is at -8, it hasn't triggered a bearish signal since we haven't seen a new 15-day low in price. But looking back at prior -8 readings when SPX was above a 15-day low, we get the chart below. The major takeaway is that only a few occurrences saw an immediate low in price. Most of the time we continued to see weakness in equities. Q4 '18 has been a similar pattern in price to today and like in '18, we saw a -8 occur on the first counter-trend bounce on Oct. 17th, 2018.

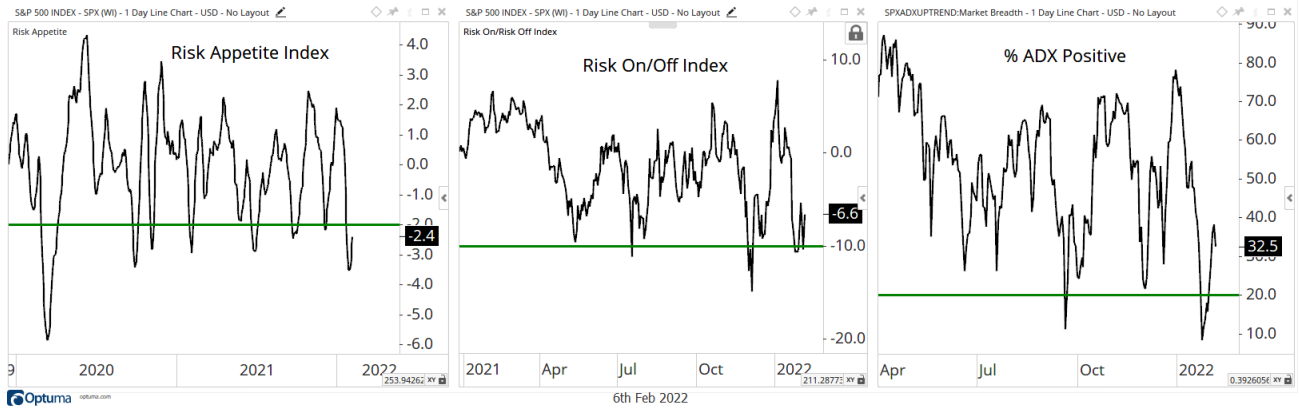
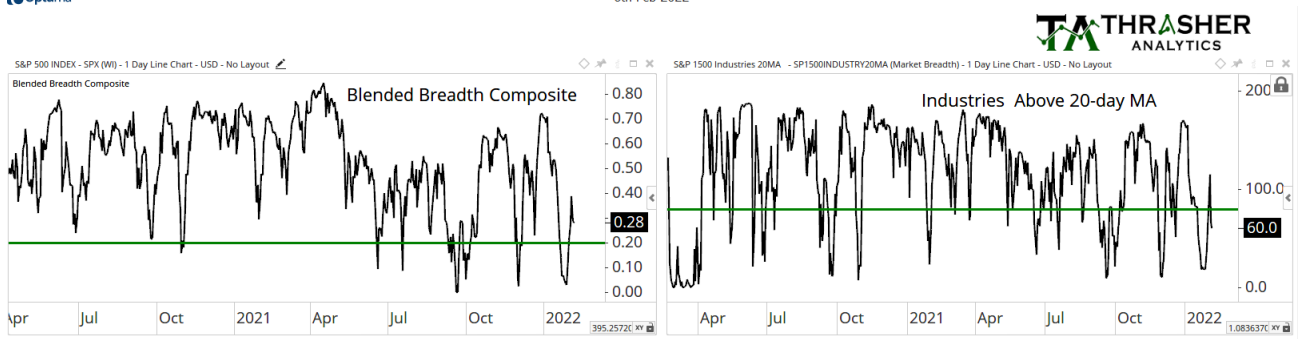
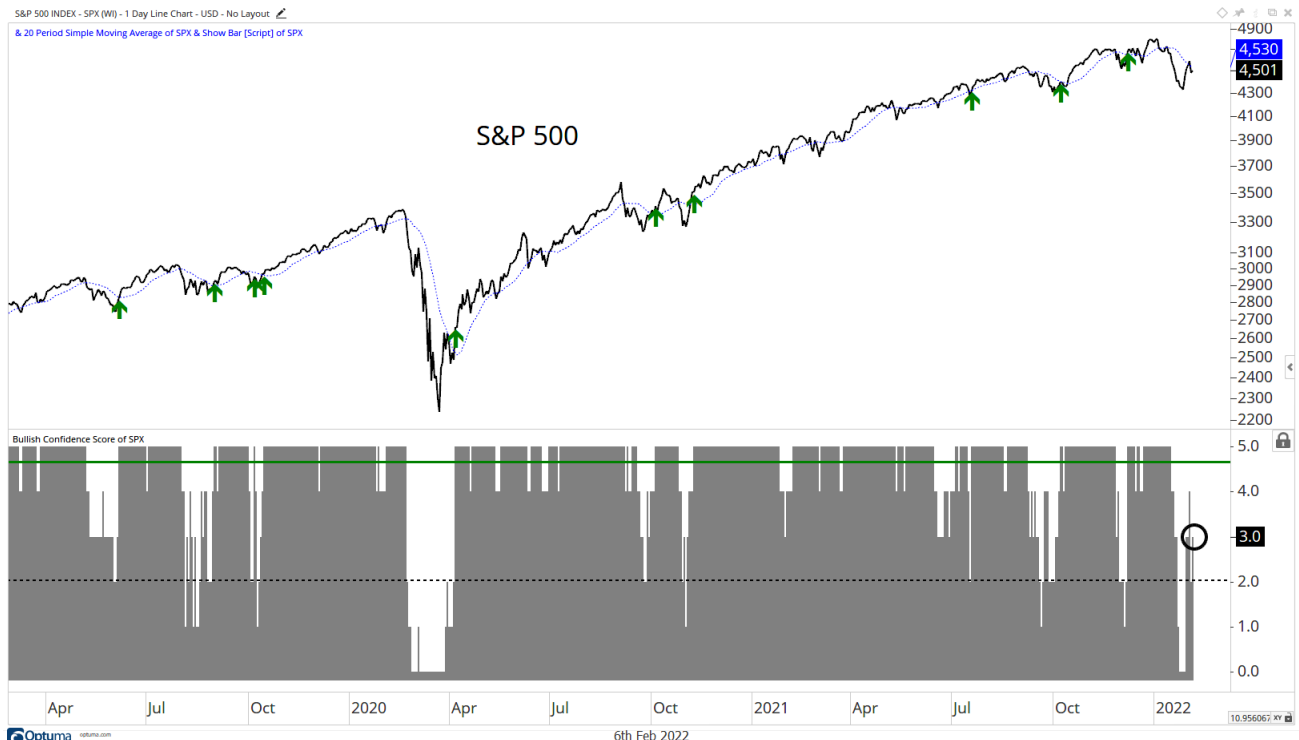
The one positive is when we see MHR get this low, the following bullish signal, when the model goes to +6 has produced some great signals (green arrows) that equities would continue to rally. I'm looking forward to whenever we do in fact get some strength back into the Market Health Report, but as of now, we have a lot of work to do to get there.



BULLISH CONFIDENCE SCORE



We saw some improvement to the Bullish Confidence Score, which rose to +3 last week. We're still 2 categories short of getting a bullish signal with Risk Appetite Index and Industry breadth still weak.



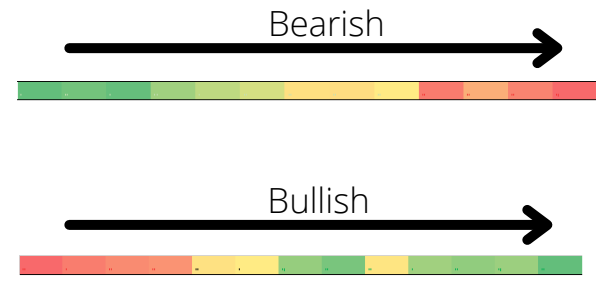
RISK APPETITE RATIO



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 saw a slight improvement last week.

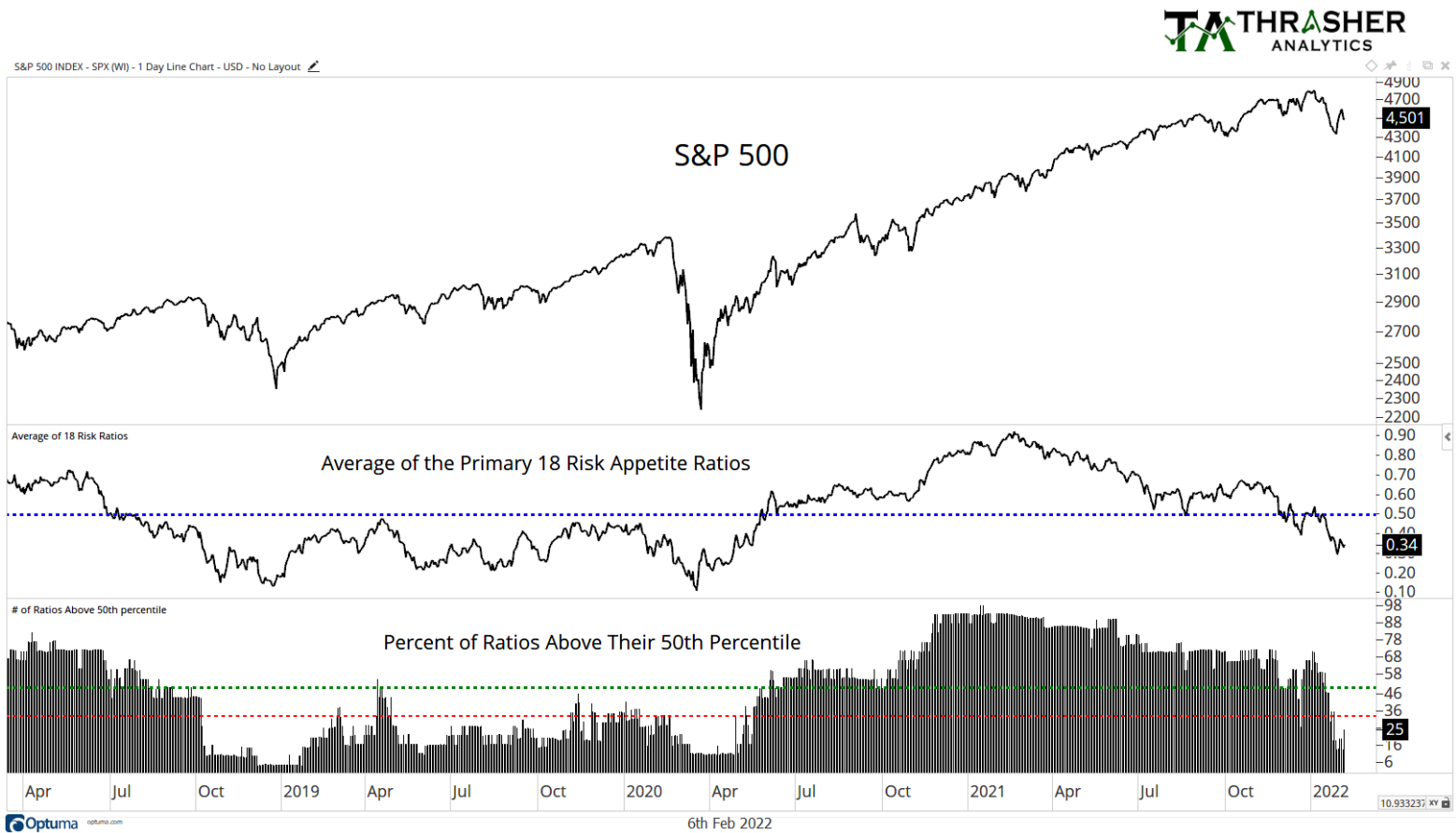
Risk Metric	-35	-34	-33	-32	-31	-30	-29	-28	-27	-26	-25	-24	-23	-22	-21	-20	-19	-18	-17	-16	-15	-14	-13	-12	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	Current
Emerging Market vs. SPX	0	0.023	0.0445	0.0343	0.0323	0.0203	0.0179	0	0	0	0.0303	0.0249	0.028	0.021	0.0276	0.0399	0.0693	0.0721	0.1037	0.1357	0.1348	0.1329	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
EAFE vs. SPX	0	0.042	0.0487	0.0884	0.0577	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
HY Debt vs. Treasury	0.3506	0.33	0.2562	0.291	0.3464	0.2989	0.3735	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
High Beta vs. SPX	0.5259	0.428	0.4753	0.4158	0.5653	0.5577	0.5899	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
Home Construction vs. SPX	0.7136	0.653	0.609	0.5893	0.6249	0.6684	0.6507	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
Offense vs. Defense Sectors	0.5783	0.459	0.4617	0.3872	0.5321	0.5516	0.5973	0.6351	0.6204	0.591	0.5526	0.5442	0.671	0.7418	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
Broker-Dealer vs. SPX	0.5923	0.681	0.6184	0.5253	0.5573	0.546	0.5654	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
S&P Growth vs. S&P Value	0.8891	0.759	0.785	0.8021	0.8222	0.8537	0.8587	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
Semiconductor vs. SPX	0.8755	0.688	0.7378	0.7264	0.8202	0.8301	0.8427	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
Consumer Disc. Vs. Staples	0.5785	0.462	0.4925	0.4357	0.5851	0.6094	0.6384	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
Small Cap vs. Utilities	0.0113	0	0.0934	0.0653	0.1812	0.2022	0.2347	0.2527	0.1921	0.1751	0.1596	0.1373	0.2279	0.2348	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
Transports vs. Utilities	0.5949	0.549	0.5584	0.4928	0.59	0.5649	0.6203	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
Equal Weight vs. Cap Weight	0.0764	0.173	0.1841	0.1498	0.1833	0.1433	0.1509	0.1327	0.1647	0.1874	0.2033	0.2377	0.1708	0.2846	0.3376	0.3812	0.4137	0.3616	0.3462	0.34	0.4679	0.4382	0.4636	0.4637	0.4407	0.5116	0.5569	0.5957	0.5178	0.5085	0.4037	0.3652	0.3821	0.3382	0.4908	0.4133
Small cap vs. Large Cap	0.0009	0	0.0796	0.0877	0.1042	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	0.113	0.0271	0.0304	0	0	0	0.0028	0.0619	0.0579	0.0198	0	0	0.0364	0.0475	0	0.0135	0.0324
Equities vs. VIX	0.6897	0.607	0.5457	0.476	0.5797	0.7279	0.781	0.8188	0.8279	0.8755	0.8417	0.8467	0.9052	0.8788	0.6613	0.6672	0.7145	0.6733	0.7467	0.8058	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	0.2981	0.3503
Aussie Dollar vs. Yen	0.3505	0.338	0.4273	0.5221	0.5938	0.5626	0.6357	0.6111	0.6575	0.6886	0.7006	0.6038	0.755	0.728	0.6088	0.6103	0.5659	0.6277	0.6787	0.6266	0.5352	0.5622	0.5232	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
Lumber vs. Gold	0.5625	0.553	0.5245	0.4921	0.462	0.4704	0.4907	0.5294	0.5656	0.5907	0.5756	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	0.4728	0.4464	0.4517	0.4807	0.4383	0.3984	0.4314	0.4716	0.5071
Copper vs. Gold	0.6382	0.665	0.6485	0.6626	0.7047	0.717	0.7003	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	0.793	0.6376	0.6458	0.7904	0.7295	0.662	0.6457	0.7091	0.7218	0.7077	0.7137
AVERAGE	0.45	0.41	0.42	0.40	0.46	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



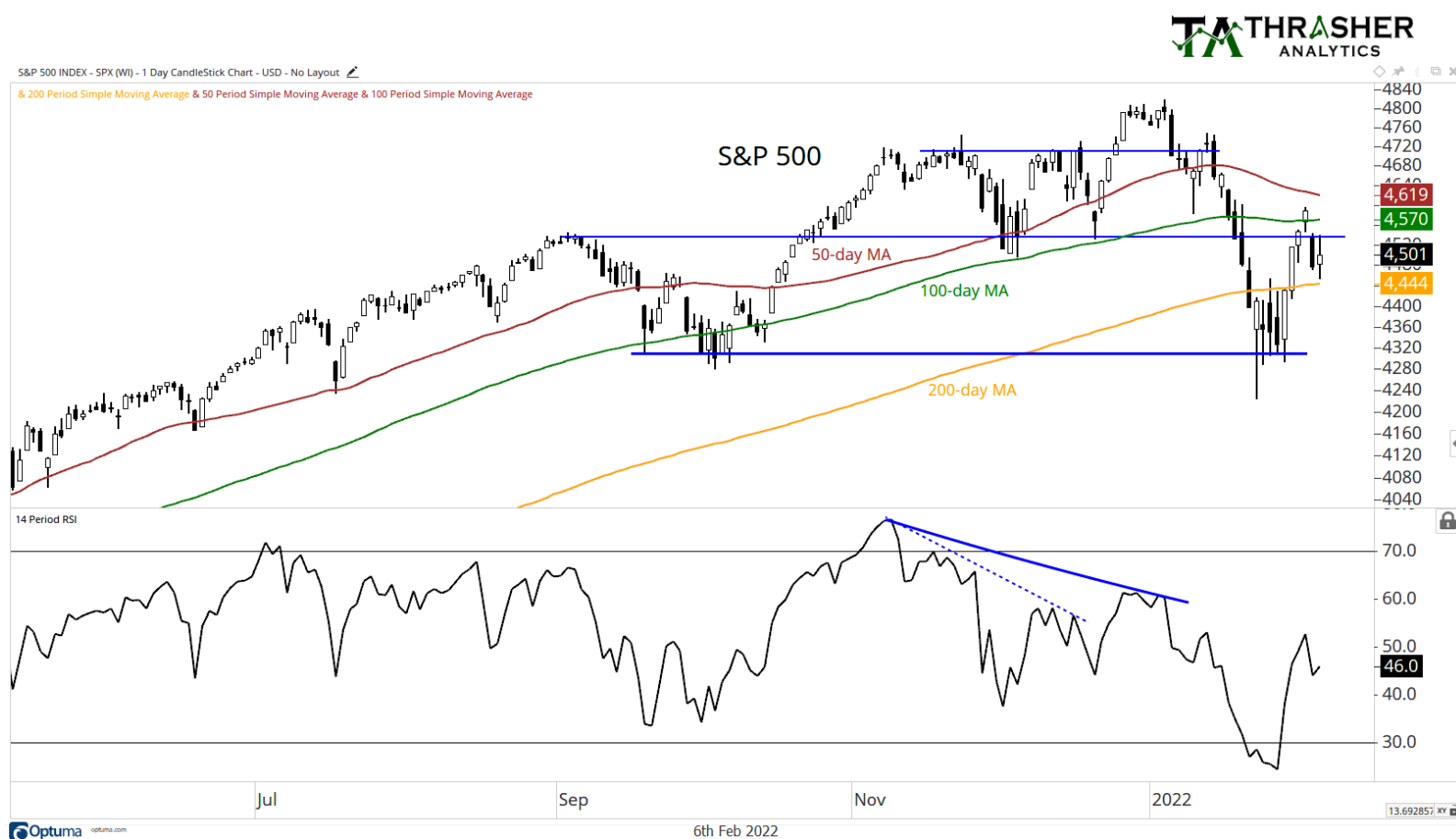
RISK APPETITE RATIO



The average of the 18 RARs moved to the 34th 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 the broker-dealer ratio.



After an attempt to move back above the 100-day moving average and the prior September high, The market went 'risk off' on Thursday and was unable to make up enough ground on Friday to recover. On the positive side, we do now have the S&P 500 back above the 200-day moving average and momentum is sitting just below 50, bulls want to get the RSI back in a bullish range, meaning lows in the 40s and no longer see dips into the 30s. The equity picture remains messy and large caps remain in a multi-month consolidation.



EQUITIES - MA BREADTH - 1



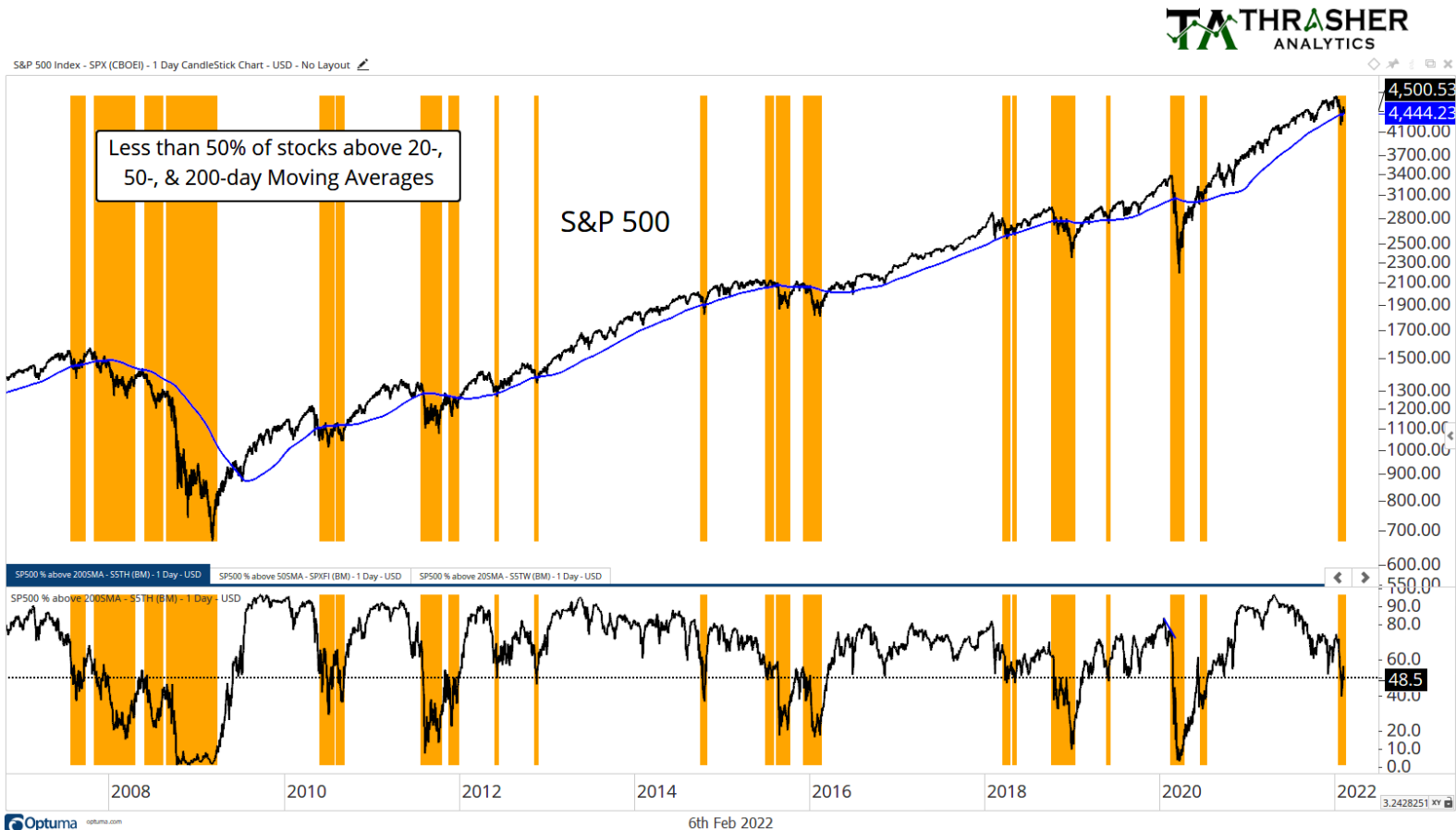
We no longer have a majority of stocks above the 20-, 50-, or 200-day moving averages. While the index has regained its long-term MA, just 48.5% of stocks share that achievement. I'll show on the next page why this sets up for a messy market.



EQUITIES - MA BREADTH - 1



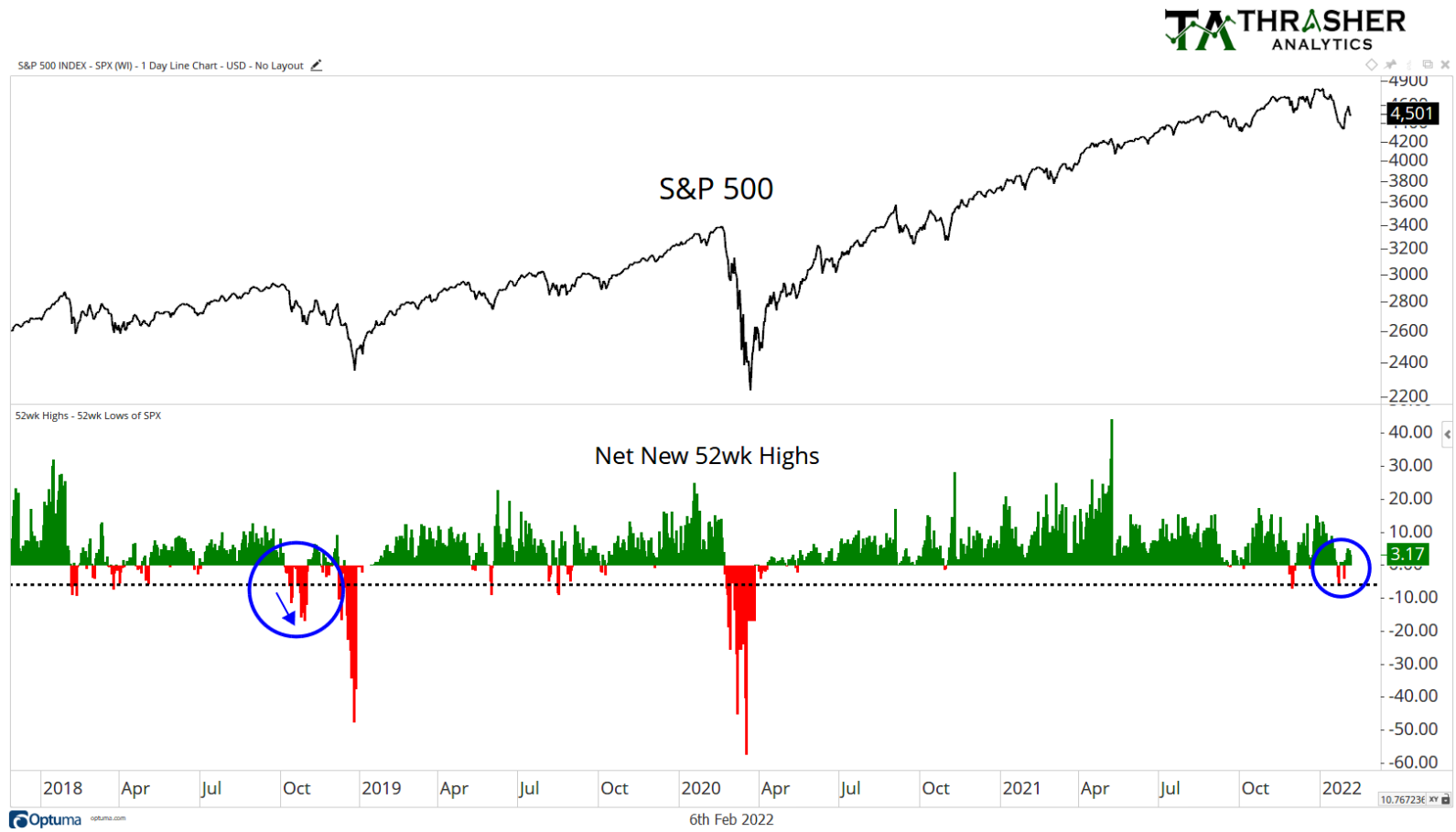
Looking back at market history of when there were less than 50% of stocks above the 20-, 50-, or 200-day moving averages, the trading environment got less than ideal. As you can see on the chart below during the orange periods, Often price action poor until we exited this environment due to an improvement in breadth.



EQUITIES - NET NEW HIGHS



I mentioned earlier that environment of Q4 '18 looks similar to what we're experiencing today. To that, one difference is the new net 52-week high data today vs. 2018, at least so far. In '18 we saw an expansion in new new-52week lows and sellers took control of the tape. We broke below -10% net new lows early on due to bearish market internals. Today we haven't seen a net move under 10%. While many stocks are down 20+%, there's still many that are holding near highs in the financial and energy sectors. I'll be watching this figure closely to see if we begin experiencing an expansion in bearish breadth due to a lack of new highs and a growing is the new lows, a characteristic that accompanies continued bearish price action.

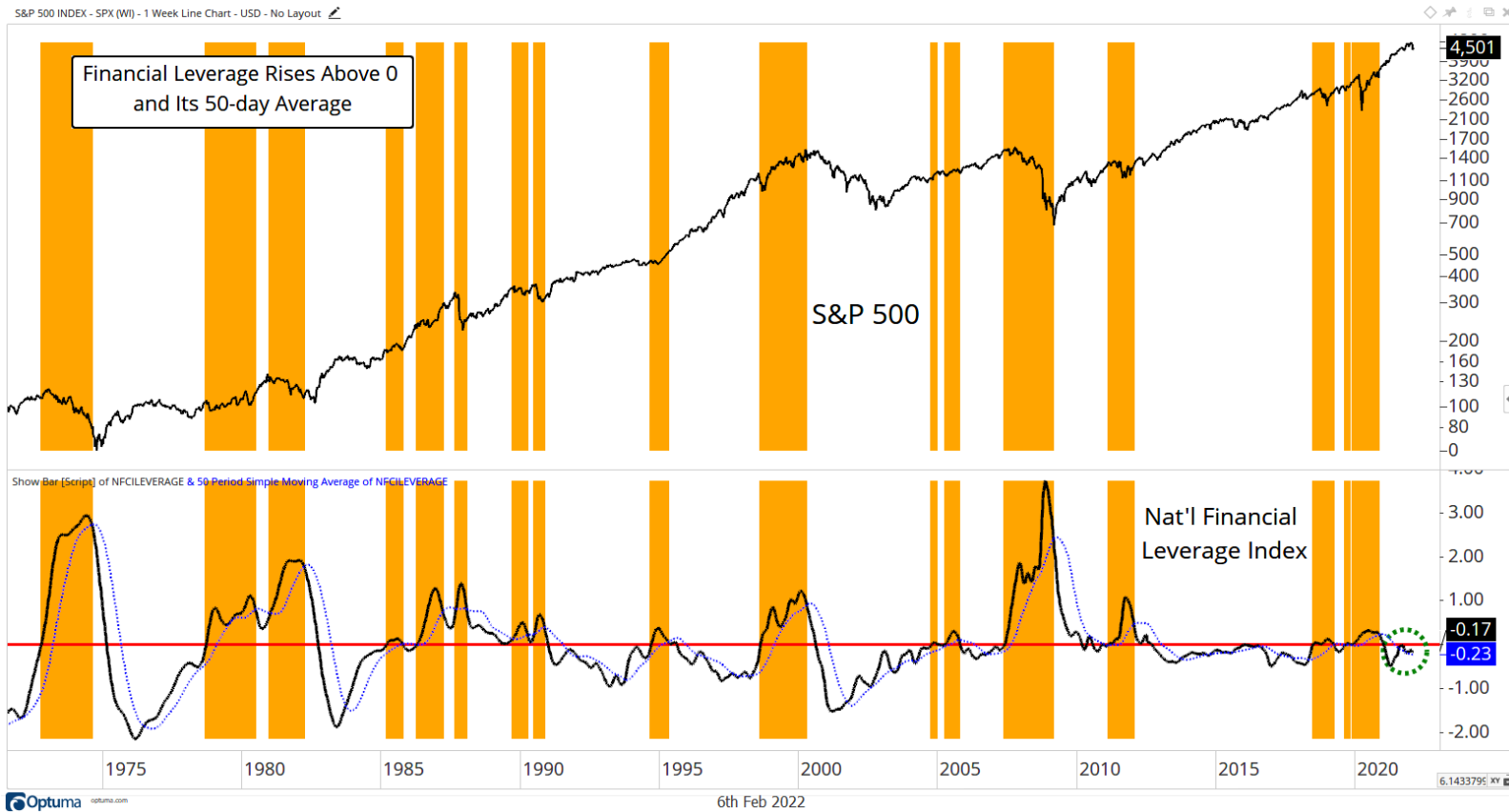


EQUITIES - FINANCIAL LEVERAGE



The focus on the Fed and macro-driven events has picked up quite a bit this year, and rightfully so. While the bond market is seeing an increase in volatility (more on this later), there has yet to be any rippling effects over to the National Financial Leverage Index (NFLI). Historically when the NFLI goes positive, financial markets begin to turn sour. The chart below goes back to the 1970s, showing each time NFLI rose and stayed above its 50-day average, markets showed a penchant to move 'risk off' the most recent examples were Q4 '18 and just before the Covid Crash.

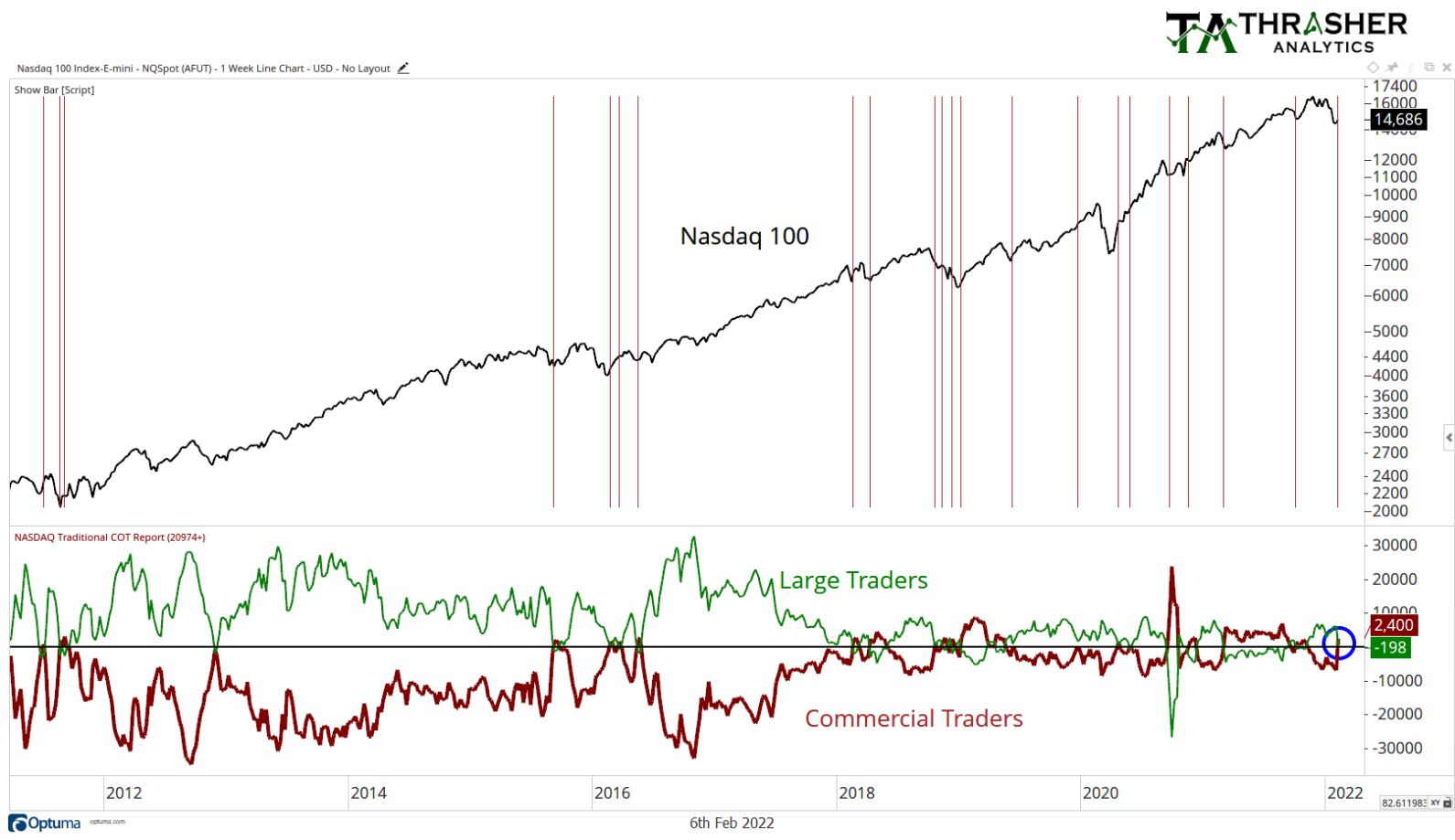
The good news: The NFLI is at -17, so as of yet, there isn't a concern of financial leveraged during the expectation of rising rates choking off fixed income markets.



EQUITIES - NASDAQ COT



Commercial Traders have bought the dip in Nasdaq 100 futures. This is a positive sign that dip buyers haven't entirely been sent out to pasture! Below I've plotted lines each time Commercial Traders went net-long Nasdaq 100 contracts, something they often do just before or at market lows. Do note that they were early in 2018, attempting to go net-long Nasdaq futures well ahead of the final low, but for the other instances, their timing was fairly accurate.



HEDGE FUND STOCKS



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.

Name	Ticker	1W Change	1M Change	3M Change	1yr Z-Score	Absolute Score	Combined Score [▲]
Combined Score 1st Quartile		AVG: -1.38%	AVG: -21.37%	AVG: -30.72%	AVG: -1.969		AVG: -52.31
PayPal Holdings Inc	PYPL	-22.90%	-33.14%	-45.79%	-2.837	-69.09	-71.83
Five9 Inc	FIVN	3.63%	-8.99%	-20.90%	-1.849	-65.84	-65.88
Shopify Inc	SHOP	0.43%	-36.40%	-40.28%	-2.311	-62.64	-64.59
Block Inc - Ordinary Shares - Class A	SQ	-1.37%	-32.59%	-57.22%	-2.691	-55.82	-56.34
Adobe Inc	ADBE	-0.89%	-9.44%	-21.04%	-0.709	-51.61	-51.35
RH	RH	3.10%	-24.61%	-38.74%	-2.266	-49.73	-51.19
Netflix Inc	NFLX	6.72%	-31.92%	-40.58%	-2.121	-51.58	-49.10
Meta Platforms Inc - Ordinary Shares - Class A	FB	-21.42%	-29.51%	-26.73%	-2.749	-48.32	-48.14
Twitter Inc	TWTR	4.73%	-14.53%	-31.00%	-1.980	-45.49	-46.81
Mercadolibre Inc	MELI	-1.27%	-23.22%	-30.09%	-1.916	-44.05	-45.65
Charter Communications Inc.	CHTR	3.12%	-6.60%	-9.77%	-1.223	-42.53	-40.03
Amazon.com, Inc	AMZN	9.49%	-5.44%	-6.51%	-0.976	-39.43	-36.77
Combined Score 2nd Quartile		AVG: 1.99%	AVG: -9.67%	AVG: -15.78%	AVG: -0.766		AVG: -32.03
Combined Score 3rd Quartile		AVG: 5.24%	AVG: -16.05%	AVG: -19.41%	AVG: -0.915		AVG: -13.74
Combined Score 4th Quartile		AVG: 6.21%	AVG: -11.55%	AVG: -9.27%	AVG: 0.459		AVG: 6.28
Bill.com Holdings Inc	BILL	37.85%	-7.02%	-21.28%	0.329	-8.37	-7.28
Alphabet Inc	GOOGL	7.46%	-1.08%	-3.21%	0.977	-9.09	-5.87
Elastic N.V	ESTC	2.95%	-27.51%	-48.57%	-1.883	-6.50	-5.48
DoorDash Inc - Ordinary Shares - Class A	DASH	-5.00%	-33.85%	-49.44%	-2.125	-5.00	-4.37
Snowflake Inc - Ordinary Shares - Class A	SNOW	8.76%	-18.61%	-22.08%	-0.141	0.02	1.05
Booking Holdings Inc	BKNG	1.24%	1.82%	0.91%	1.047	-1.78	3.17
Builders Firstsource Inc	BLDR	0.68%	-22.05%	14.66%	0.960	1.22	6.30
Tesla Inc	TSLA	9.09%	-12.63%	-17.12%	0.762	4.69	6.83
Apple Inc	AAPL	1.21%	-2.92%	15.08%	1.656	7.17	14.99
WillScot Mobile Mini Holdings Corp	WSC	0.14%	-9.89%	5.90%	1.161	7.16	16.98
Palo Alto Networks Inc	PANW	3.90%	-7.41%	1.26%	1.155	17.66	22.17
Expedia Group Inc	EXPE	6.28%	2.54%	12.71%	1.607	19.84	26.88

SECTORS - PERFORMANCE



1 Day - Watch List - No Layout

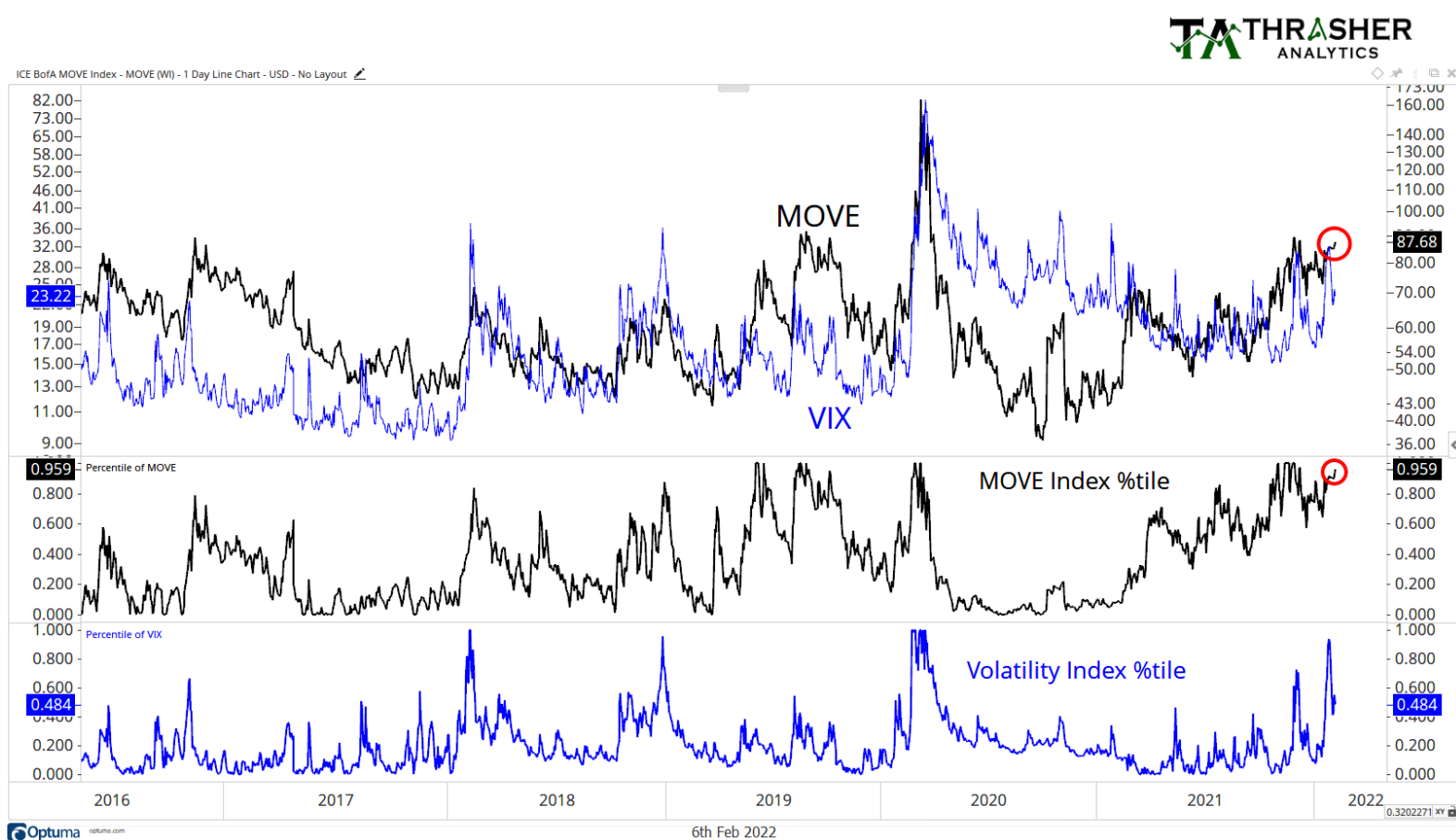


Ticker	Name	2022	YTD Rel% to SPX	1W %	1M %	3M%	6M%	% from 52Wk High	% from 52Wk Low	% From 20MA	% From 50MA	% From 200MA
- Index		AVG: -1.98%						AVG: 10.71%	AVG: 15.39%	AVG: -4.28%		
NDY	NASDAQ 100 Index	-9.96%	-4.65%	1.66%	-9.74%	-10.11%	-2.58%	12.35%	20.36%	-1.77%	-6.22%	-2.27%
IWM	iShares Russell 2000 ETF	-10.82%	-5.56%	1.60%	-11.82%	-16.84%	-9.05%	18.85%	5.47%	-2.95%	-7.21%	-10.74%
SPX	S&P 500 INDEX	-5.57%	0.00%	1.55%	-6.11%	-3.84%	2.22%	6.60%	20.87%	-0.65%	-2.57%	1.27%
DJI	Dow Jones Industrial Average	-3.44%	2.26%	1.05%	-4.65%	-2.86%	0.85%	5.04%	14.87%	-0.36%	-1.14%	0.23%
- Sectors		AVG: 2.52%						AVG: 8.11%	AVG: 23.55%	AVG: -1.13%		
XLE	SPDR Energy Select Sector Fund ETF	24.14%	31.47%	4.98%	16.39%	19.81%	42.03%	1.57%	59.92%	6.31%	15.69%	26.78%
XLF	SPDR Financial Select Sector Fund ETF	2.69%	8.75%	3.56%	-1.16%	0.25%	9.47%	3.83%	29.40%	1.03%	2.11%	4.91%
XLY	SPDR Consumer Discretionary Select Sector F	-9.80%	-4.48%	3.54%	-11.78%	-12.15%	2.15%	14.26%	23.22%	-1.77%	-6.33%	-1.10%
XLV	SPDR Health Care Select Sector Fund ETF	-6.10%	-0.55%	1.39%	-3.85%	-1.53%	-0.97%	6.81%	20.35%	0.22%	-1.48%	1.46%
XLK	SPDR Technology Select Sector Fund ETF	-8.21%	-2.79%	1.01%	-8.10%	-3.98%	3.54%	9.85%	27.98%	-0.46%	-4.26%	2.89%
XLU	SPDR Utilities Select Sector Fund ETF	-4.33%	1.32%	0.77%	-3.07%	2.84%	2.58%	4.66%	17.52%	-0.40%	-0.87%	2.28%
XLI	SPDR Industrial Select Sector Fund ETF	-5.39%	0.20%	0.41%	-6.48%	-4.95%	-2.41%	7.20%	12.81%	-2.61%	-3.32%	-3.06%
XLP	SPDR Consumer Staples Select Sector Fund E	-1.58%	4.23%	0.28%	-2.23%	4.56%	7.49%	2.93%	20.48%	-0.31%	0.97%	5.37%
XLB	SPDR Materials Select Sector Fund ETF	-8.27%	-2.85%	-0.12%	-8.19%	-4.61%	0.07%	9.95%	14.90%	-3.38%	-4.65%	-2.35%
XLRE	SPDR Real Estate Select Sector Fund ETF	-9.88%	-4.56%	-0.28%	-8.68%	-2.95%	0.54%	10.50%	30.09%	-1.77%	-4.26%	0.50%
XLC	SPDR Communication Services Select Sector E	-8.38%	-2.97%	-1.58%	-8.81%	-12.19%	-13.28%	17.58%	2.43%	-3.88%	-6.08%	-10.52%

FIXED INCOME - VOLATILITY



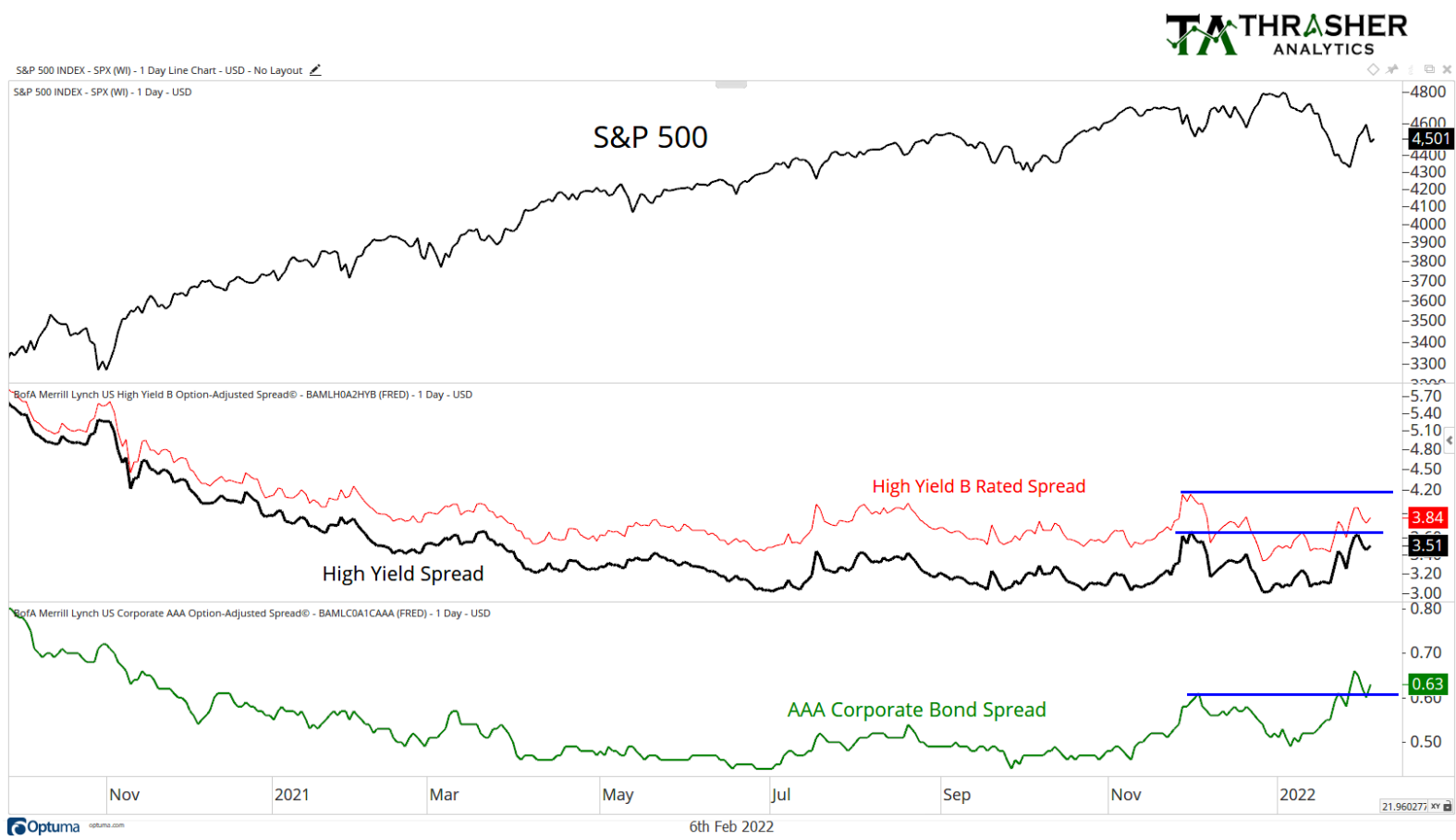
Along with commodities, bonds are the major headline kicking off 2022. Below is a chart comparing the MOVE Index, the measure of bond volatility along with the Volatility Index, the measure of equity volatility. The MOVE Index is just off its 52-week high, sitting at the 96th percentile while equity volatility is well off its 52-week high at the 48th percentile. Fixed Income is the massive tail that can wag the dog and right now there's a lot of nervousness in bond land as shown by the rising level of bond VIX.



FIXED INCOME - SPREADS



In a prior letter I noted that we weren't seeing an expansion in high yield spreads, and that's still the case today but we are seeing movement in AAA credit spread so I want to share this chart once again. Below we have the HY Spread, the B-rated spread, and the AAA-rated spread. In the first two mentioned, we are still under the prior high but AAA credit is showing a greater degree of nervousness, rising to a higher-high as the market begins demanding a higher yield on the higher quality debt. This is interesting as we often see the high yield markets move first, but this time it's the AAA debt that has become skittish. From here we want to see if HY debt also starts to see its spread widen, confirming what's transpiring in higher quality bonds.



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):	--

DAILY SENTIMENT INDEX



1 Day - Watch List - No Layout

Code	% Bullish ^	5-day MA	History
Yen DSI	23	26	
10Y DSI	24	31	
Swiss Franc DSI	25	30	
Australian Dollar DSI	25	32	
Bitcoin DSI	26	21	
5YR DSI	27	33	
Sugar DSI	28	26	
Nasdaq DSI	32	32	
EuroDollar DSI	33	42	
Nikkei DSI	34	31	
Gold DSI	35	33	
Platinum DSI	36	39	
SPX DSI	37	38	
Lumber DSI	38	21	
Silver DSI	40	39	
VIX DSI	41	35	
British Pound DSI	45	46	
Euro DSI	47	38	

1 Day - Watch List - No Layout

Code	% Bullish ^	5-day MA	History
Wheat DSI	55	54	
Mexican Peso DSI	55	58	
Orange Juice DSI	57	63	
Lean Hog DSI	57	58	
Palladium DSI	60	65	
Cocoa DSI	60	51	
Copper DSI	63	61	
Cattle DSI	63	54	
US Dollar DSI	66	71	
Corn DSI	72	74	
Coffee DSI	74	73	
Natural Gas DSI	75	81	
Cotton DSI	77	82	
Soybean DSI	86	85	
CRB Index DSI	88	88	
Heating Oil DSI	91	88	
Crude Oil DSI	91	87	
Gasoline DSI	93	94	

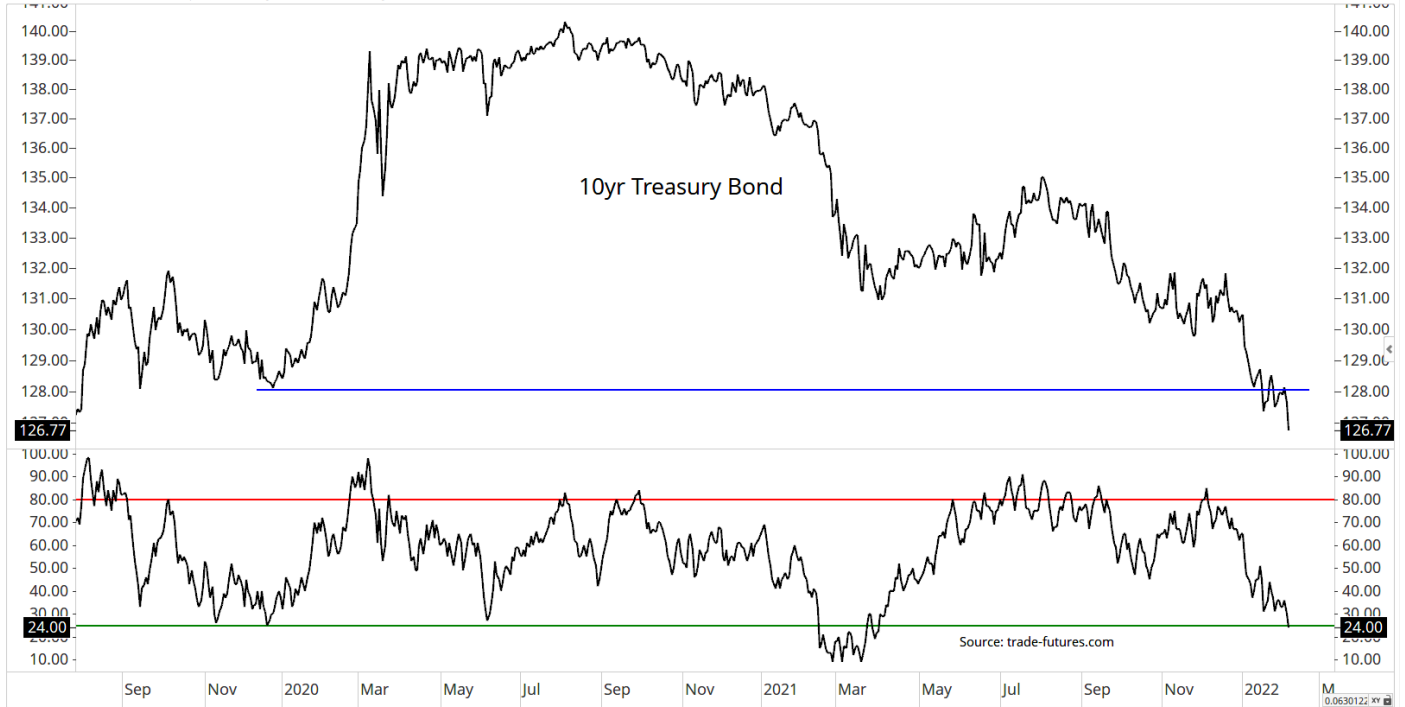
Source: trade-futures.com

DAILY SENTIMENT INDEX



TA THRASHER
ANALYTICS

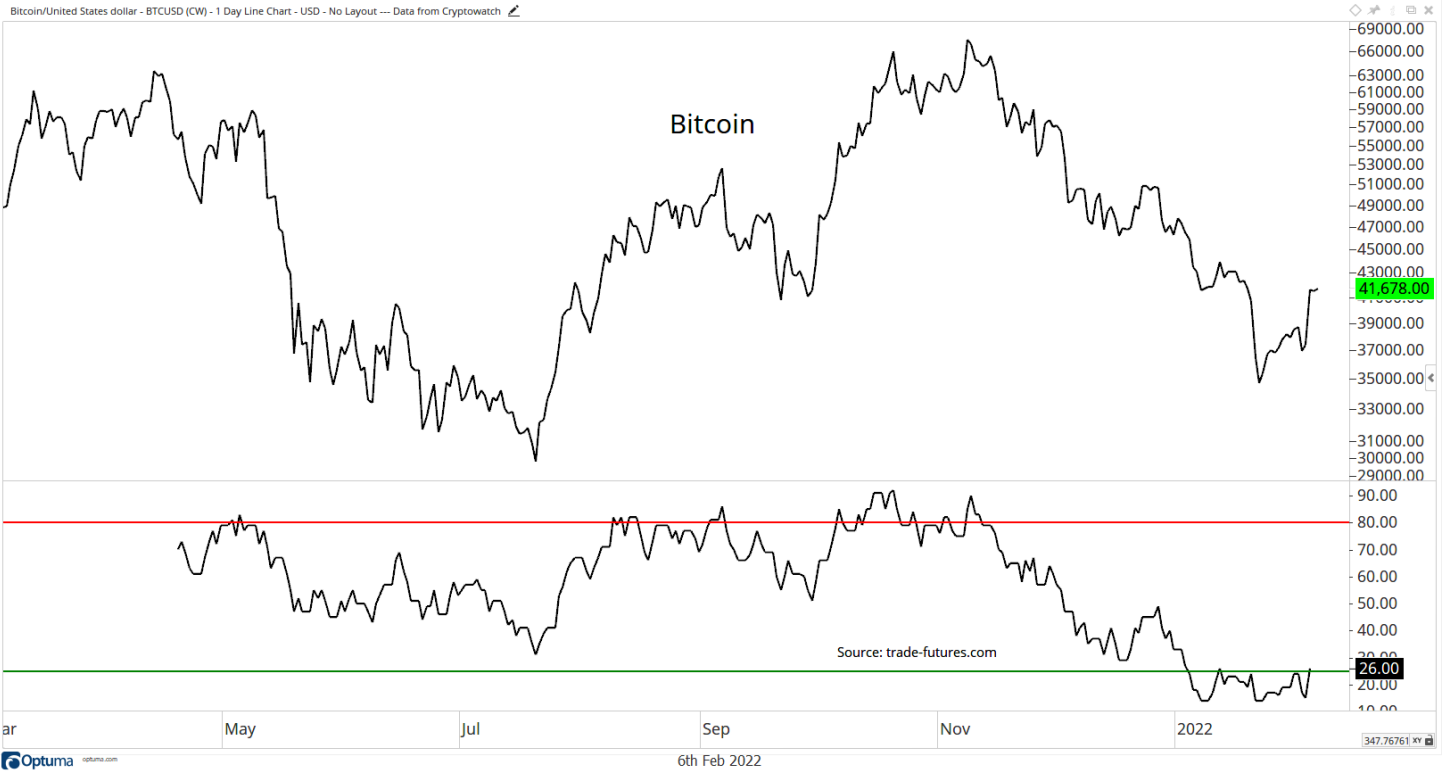
10-Year T-Note (P) Continuation - TY_FSpot (CBOT) - 1 Day Line Chart - USD - No Layout



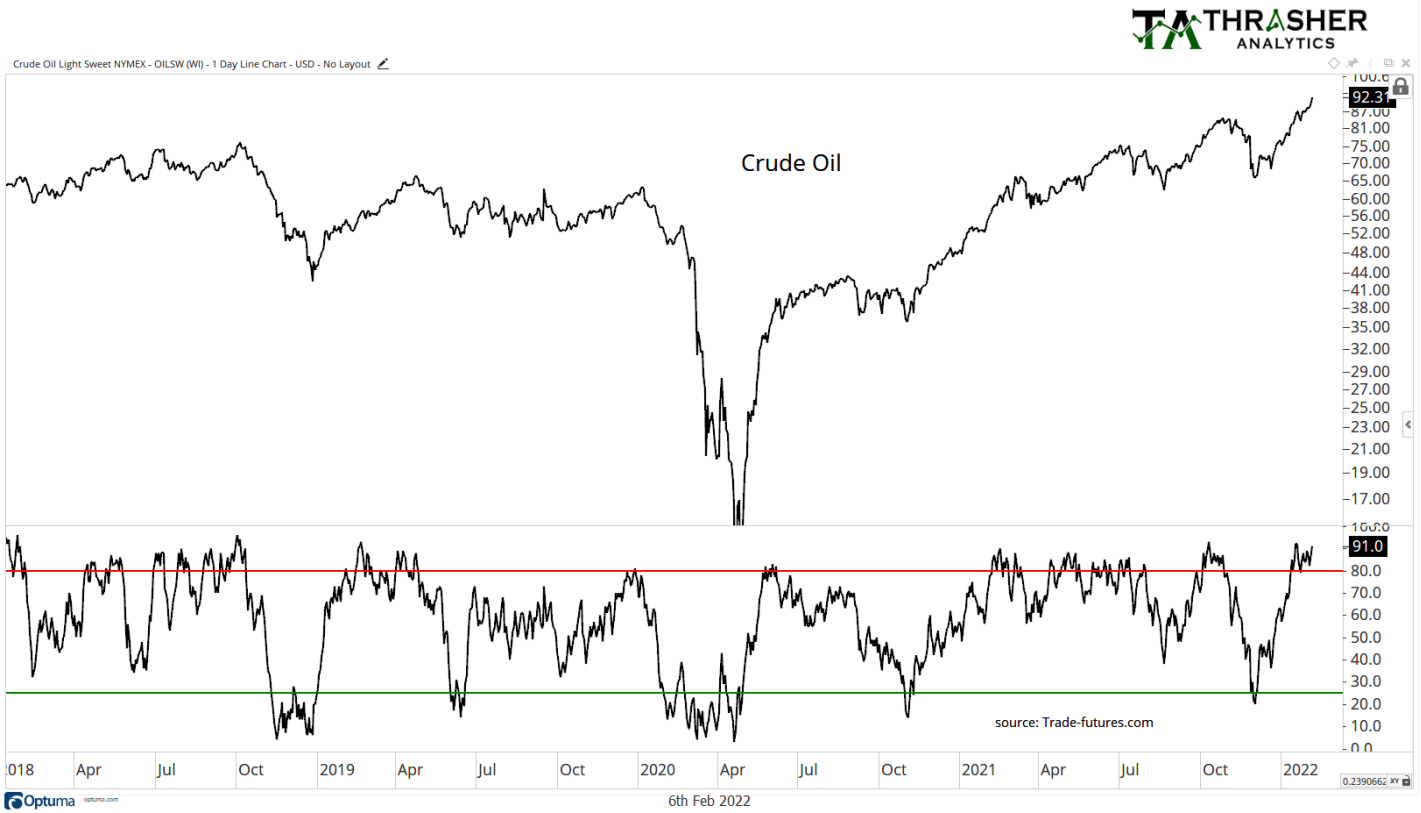
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6th Feb 2022

DAILY SENTIMENT INDEX



DAILY SENTIMENT INDEX



DAILY SENTIMENT INDEX



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ANALYTICS

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



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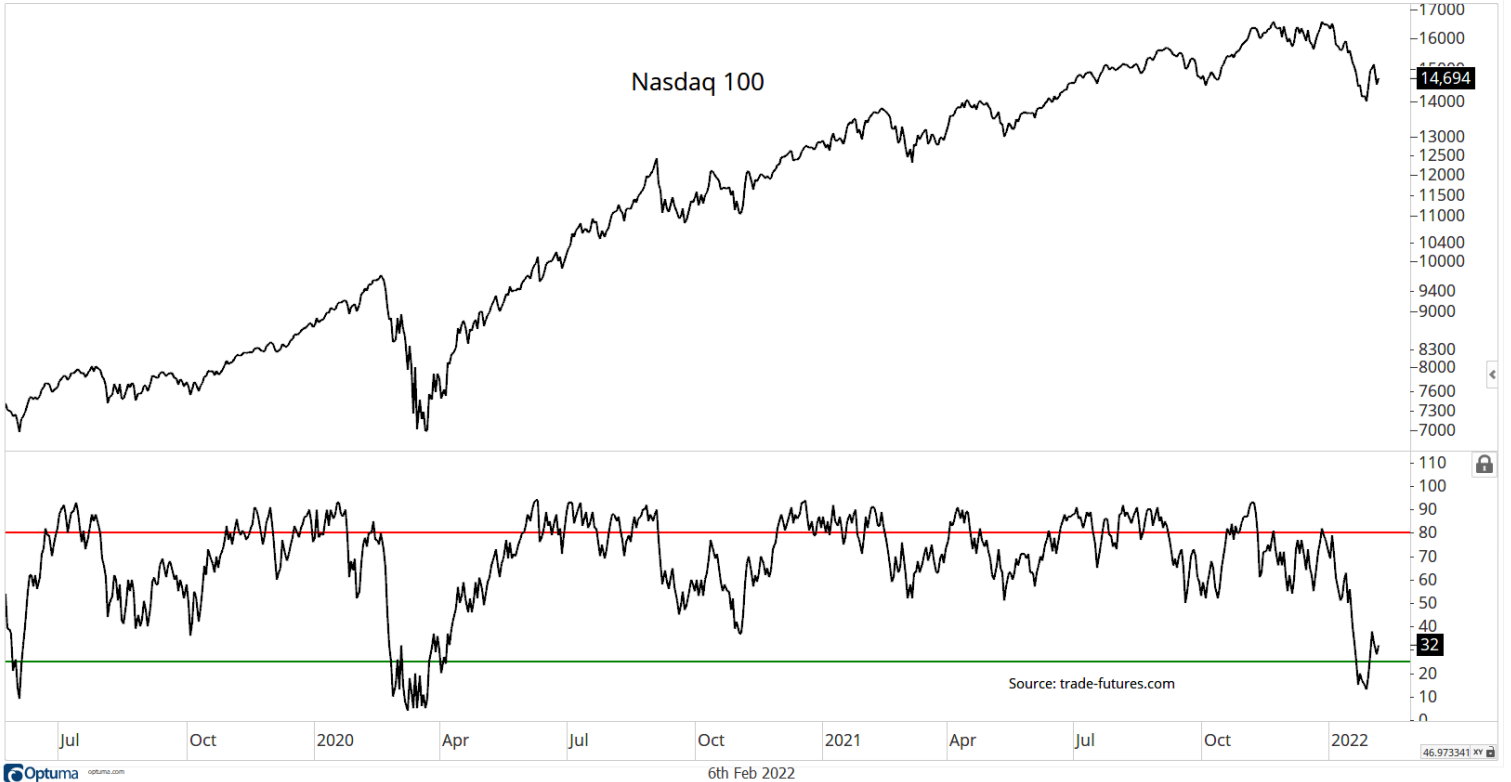
DAILY SENTIMENT INDEX



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

Nasdaq 100



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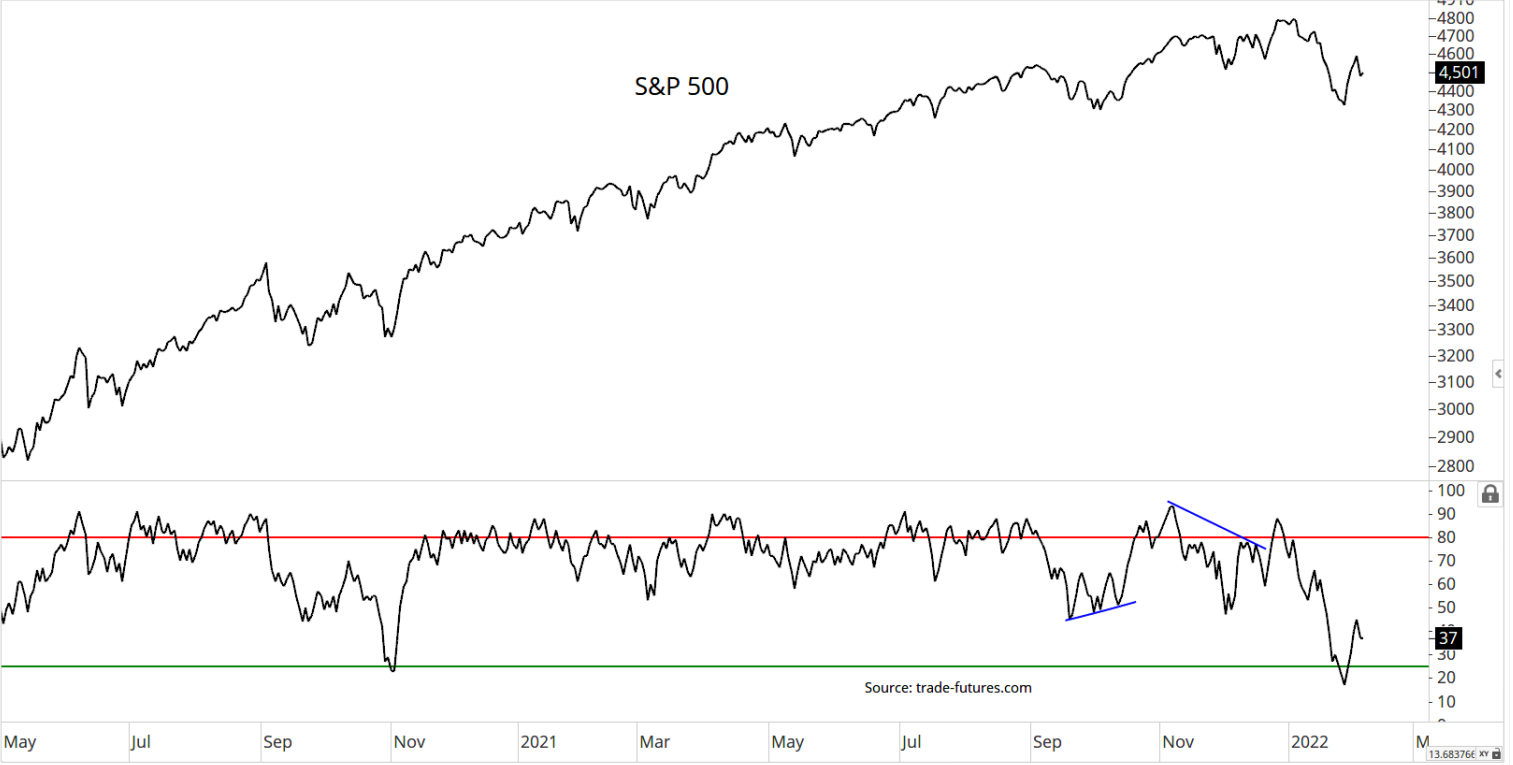
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46.973341 xy

DAILY SENTIMENT INDEX



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



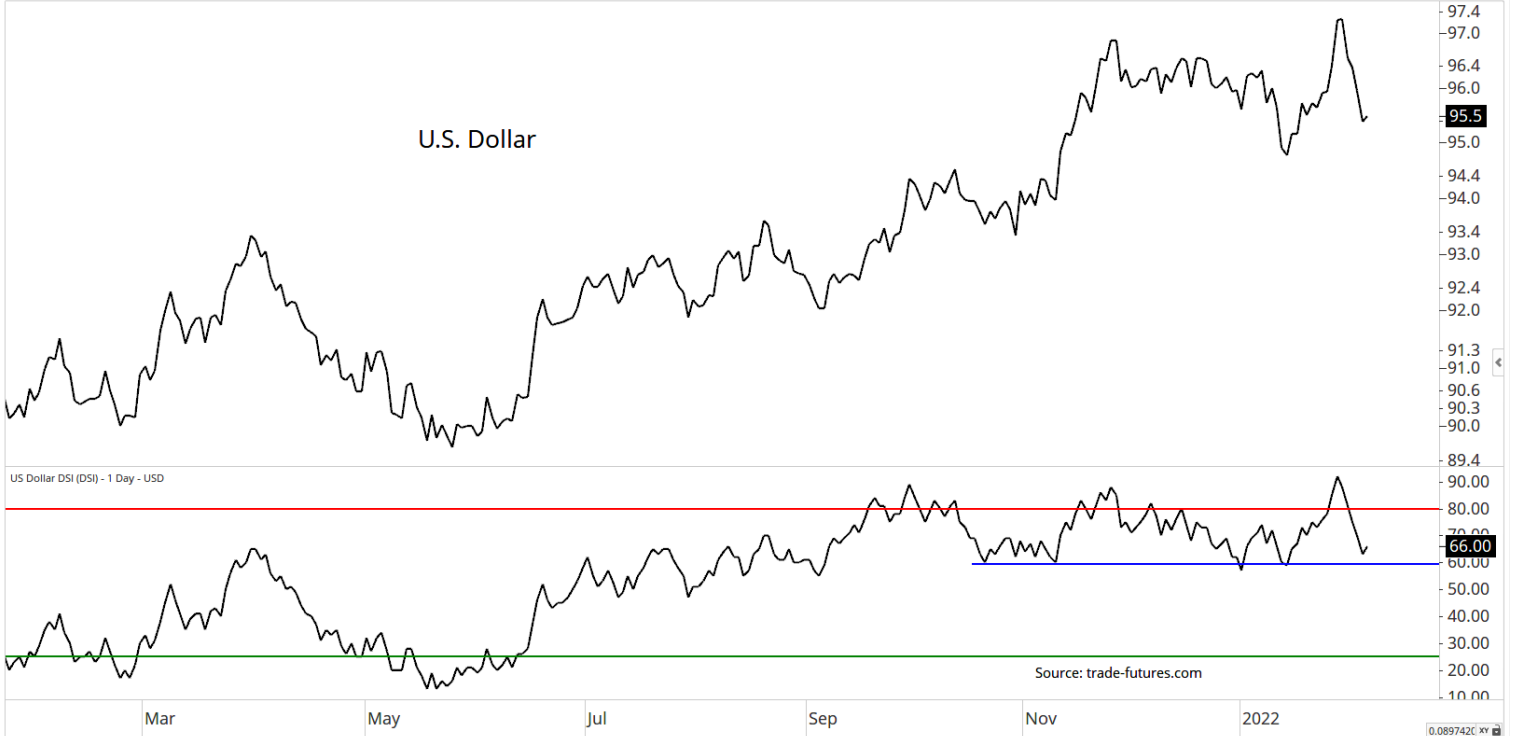
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DAILY SENTIMENT INDEX



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

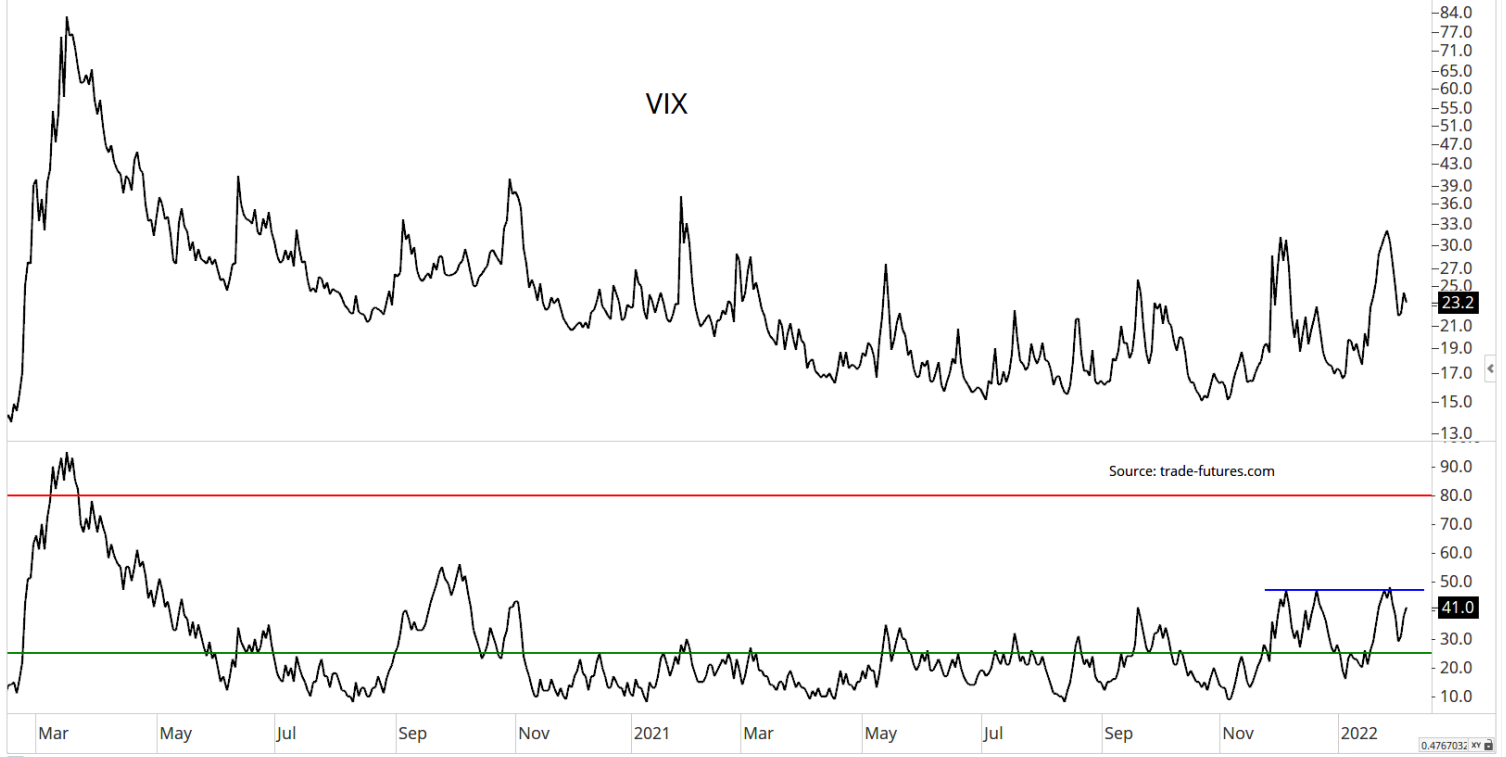


DAILY SENTIMENT INDEX

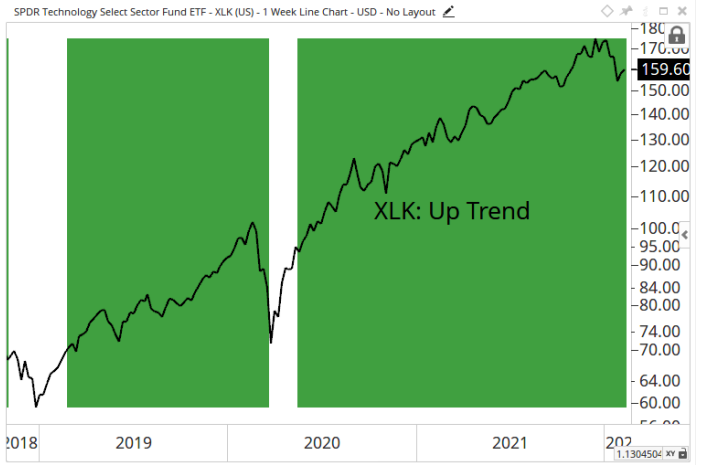
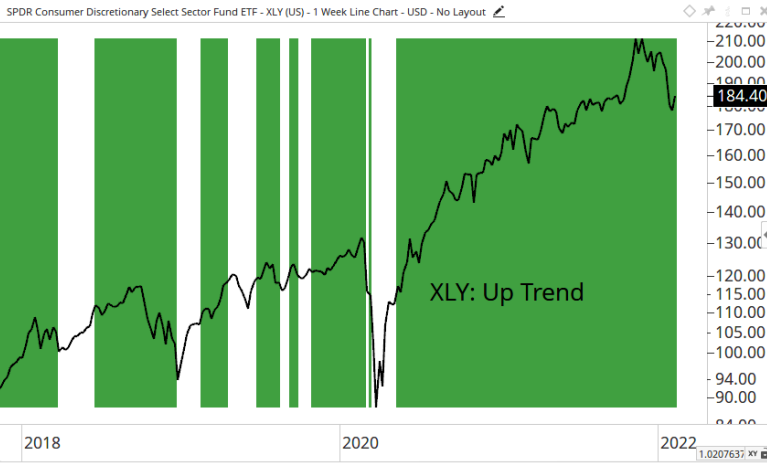
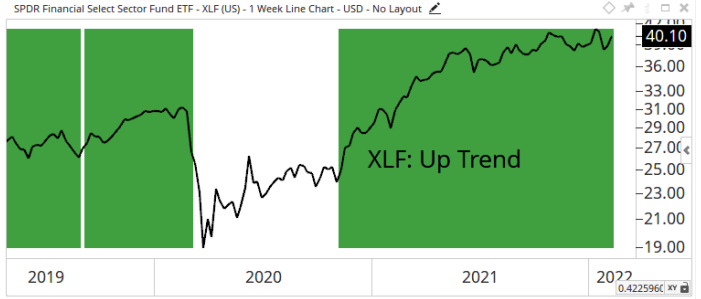
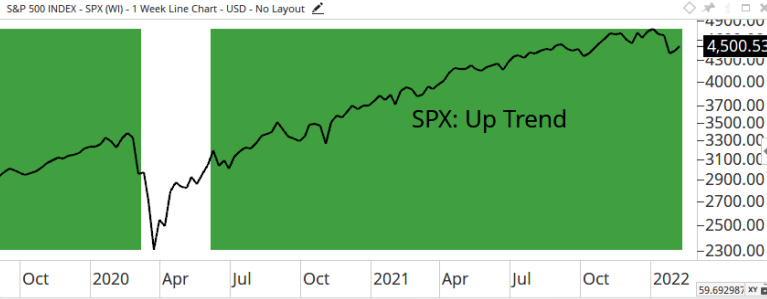


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CBOE S&P 500 Volatility Index - VIX (CBOE) - 1 Day Line Chart - USD - No Layout



TREND MODELS



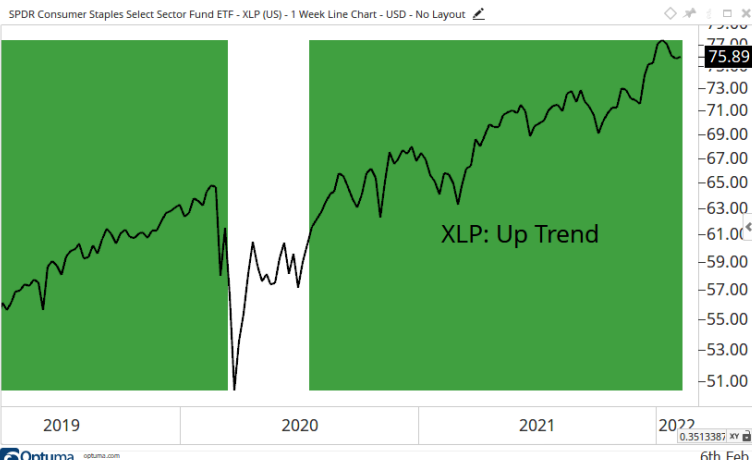
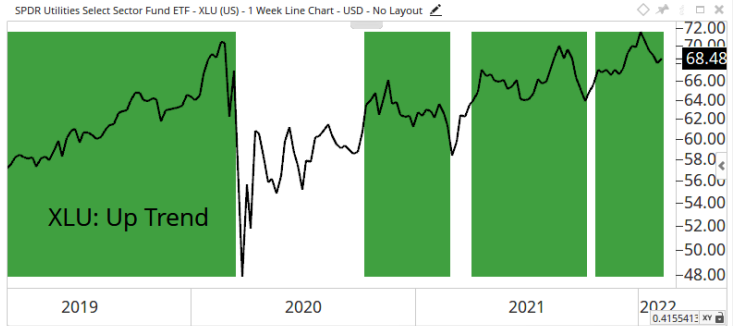
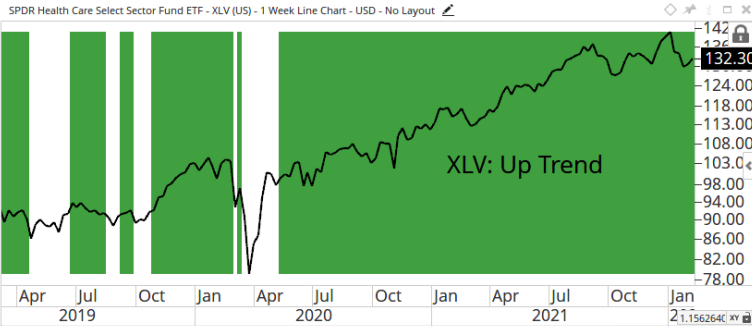
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TREND MODELS



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TREND MODELS



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