

T A THRASHER ANALYTICS

MAY 22, 2022



WEEKLY RESEARCH & ANALYSIS

BY ANDREW THRASHER, CMT

SUMMARY OF MODELS

	Current	Wkly Change
Market Health Report	-8	Declining
Volatility Risk Trigger	0	Unchanged
Risk Appetite Ratios	.27	Unchanged
Bullishish Confidence Score	+2	Unchanged
S&P 500 Long-Term Trend	Down	Unchanged

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Volatility

Equities

Market Health Report

Hedge Fund Stocks

Sectors & Commodity

Sentiment

Trend Models

Sector Rotation: May	
Energy	XLE
Utilities	XLU
Consumer Staples	XLP

Fixed Income Rotation: Q2	
Emerging Market Debt	PCY
20+ Year Treasury	TLT

Market Health Report	
Breadth	-3
Momentum	-2
Sentiment	0
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	15%	17%
Nasdaq 100	12%	17%
Nikkei	34%	32%
VIX	58%	54%
10yr Treasury	33%	29%
5yr Treasury	22%	20%
CRB Index	73%	74%
Crude Oil	83%	84%
Gold	60%	56%
U.S. Dollar	74%	76%
Bitcoin	11%	13%

*Green<25% Red>80%

source: trade-futures.com

Brief Summary:

Another week of the market being open and another week of stocks going down. This time sellers pounced on the retailers with Walmart, Target, and Ross Stores seeing some of the largest declines they've experienced since going public. Their message of a potentially weakening consumer and bloated inventory levels were not taken well by the market. Things were only made worse by the mega cap stocks putting their weight down on the index to cause a lower-low. However, this move lower was not confirmed by mid, small, or micro cap indices but the 496 other stocks are no match for the 18% weighting of the four largest.

We hit - intraday - the oddly over-emphasized 20% decline level for the S&P 500. Meanwhile, BofA shares that retail accounts haven't moved much off their heavy equity allocations, suggesting if stocks keep bleeding then there's still some selling to be done by the retail investor.

Two commodities no one seems to like these days, gold and lumber, have some bullish setups based on the Commitment of Traders (COT) data. Commercial Traders are getting more bullish (or at least less bearish) and both could see moves higher.

VOLATILITY: VRT



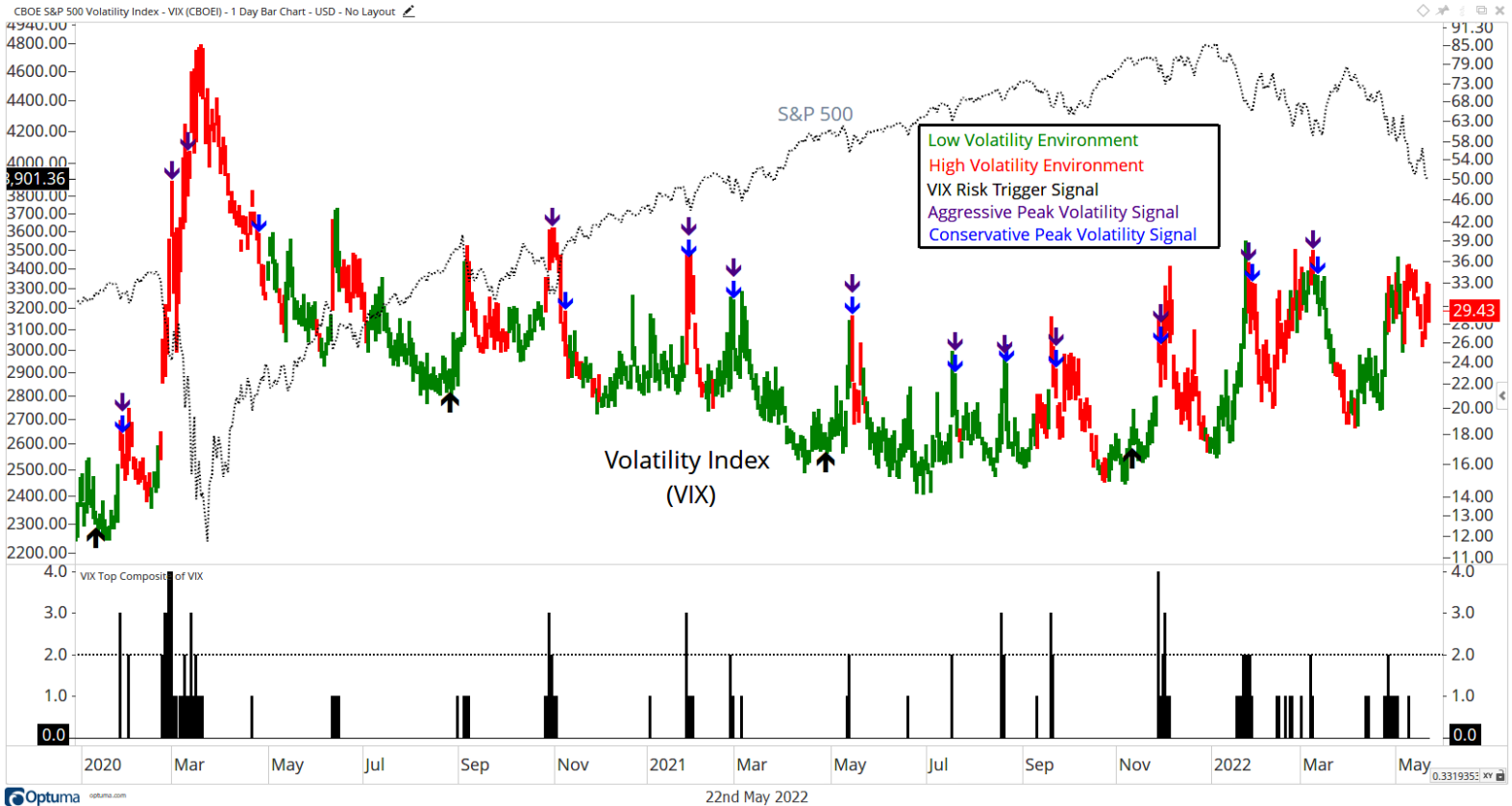
VRT is still below its signal level.



VOLATILITY: TOP & ENVIRONMENT

VIX closed the week still under 30 and in a High Volatility Environment classification.

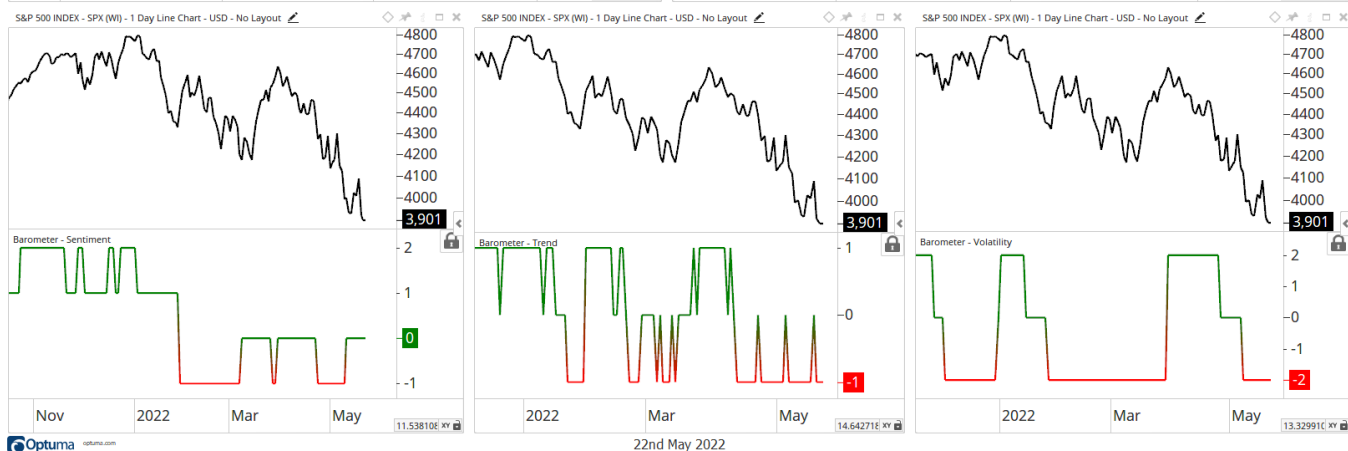
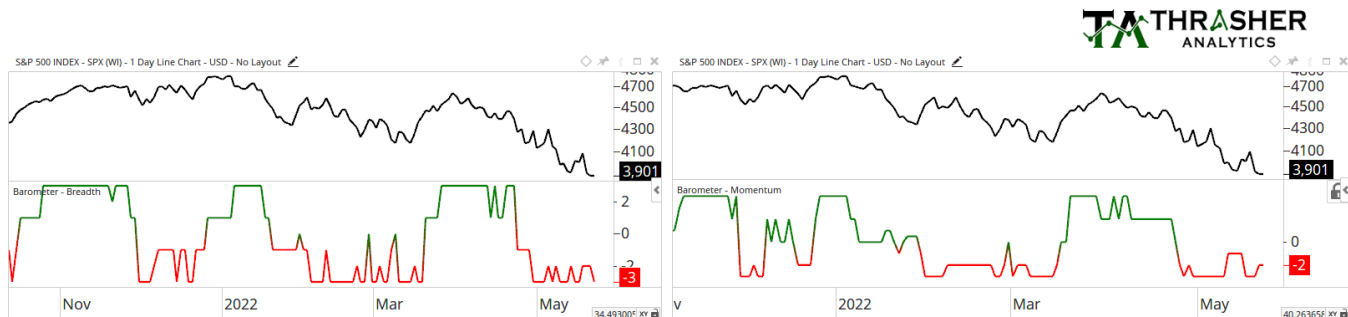
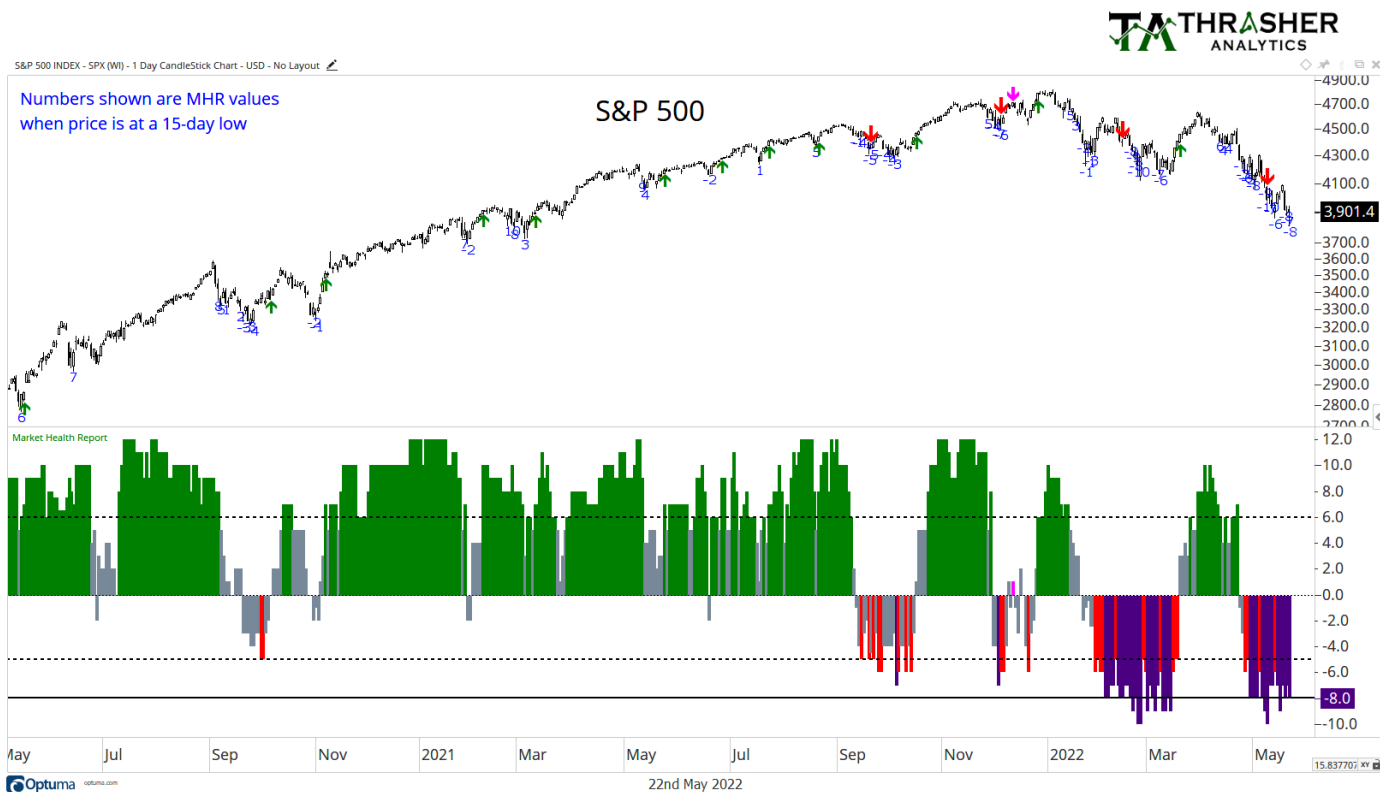
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MARKET HEALTH REPORT



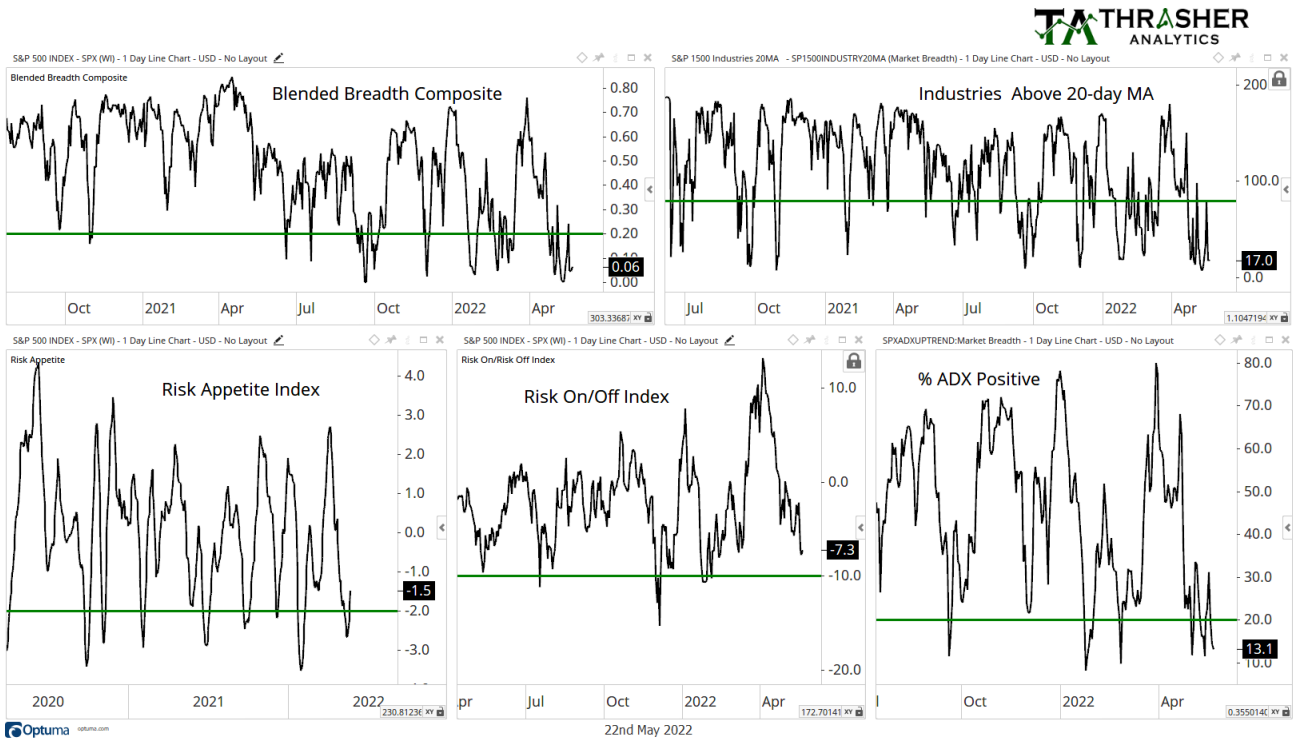
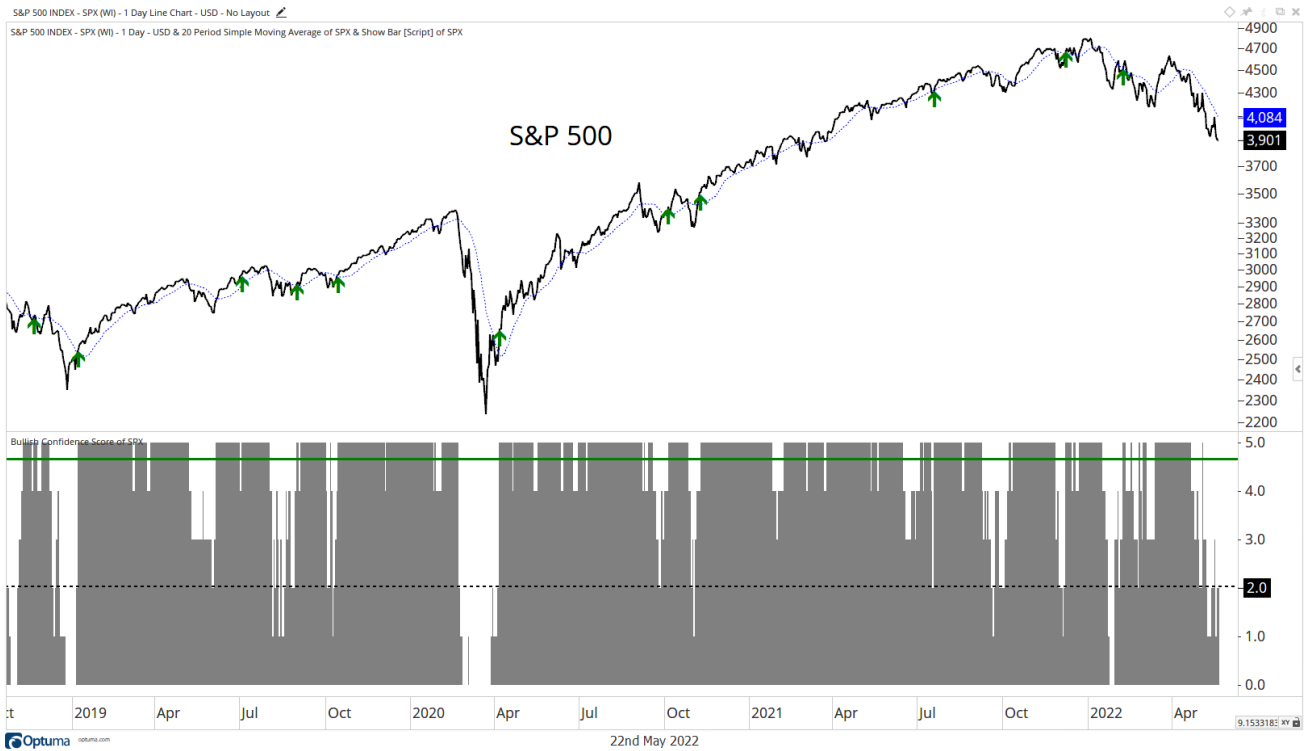
The Market Health Report (MHR) remains dropped one point to -8 with all five categories at or below zero.



BULLISH CONFIDENCE SCORE



The Bullish Confidence Score remains at +2.



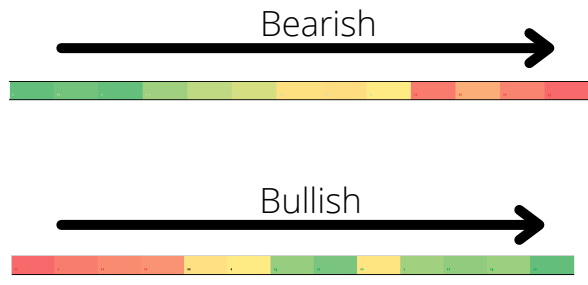
RISK APPETITE RATIO



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 35 trading days. As the data improves, it turns green and as it declines it becomes red.

The average Risk Appetite Ratio percentile is at the 27th percentile

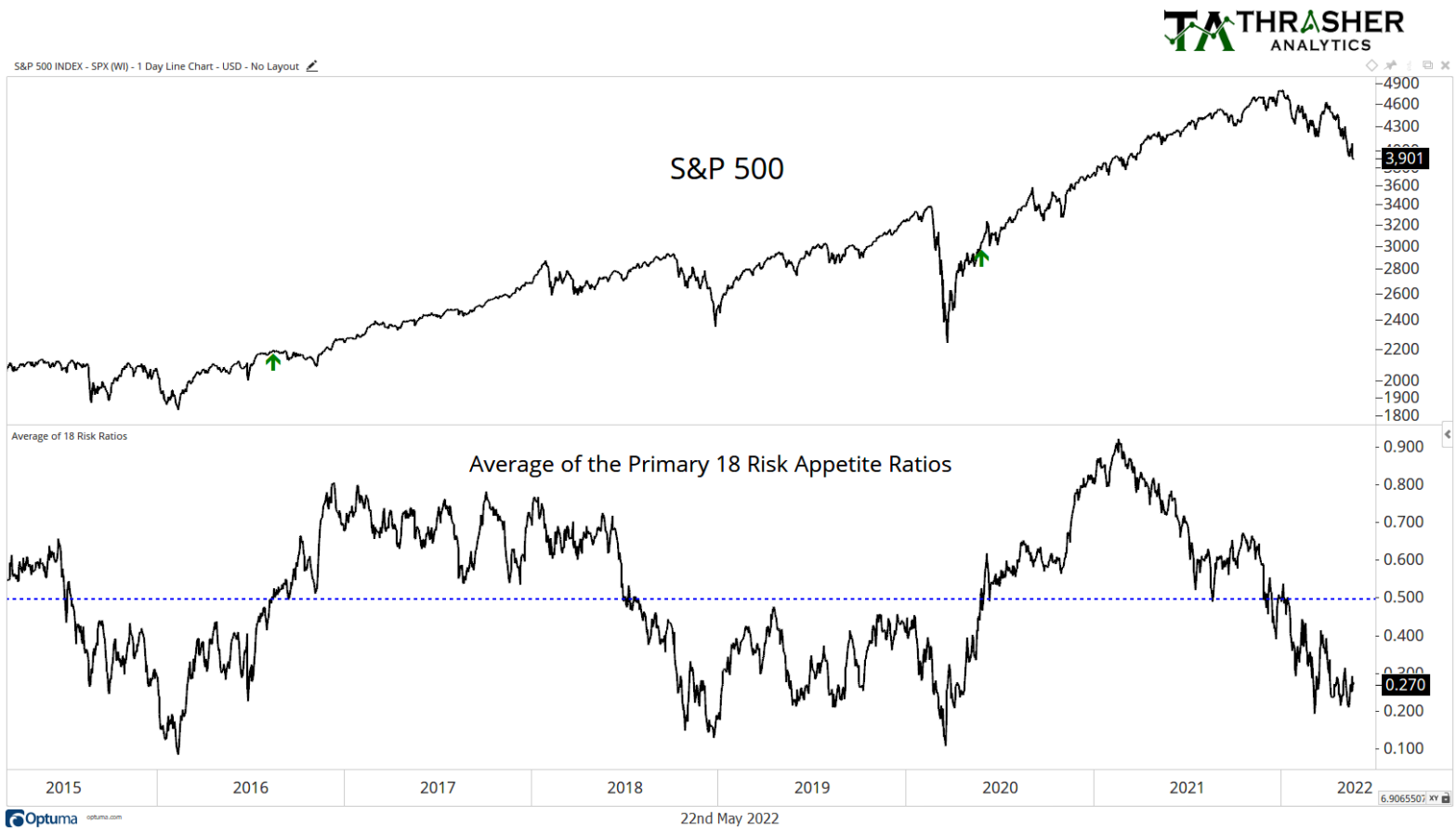
Risk Metric	-35	-34	-33	-32	-31	-30	-29	-28	-27	-26	-25	-24	-23	-22	-21	-20	-19	-18	-17	-16	-15	-14	-13	-12	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	Current
Emerging Market vs. SPX	0.07	0.10	0.13	0.11	0.10	0.07	0.08	0.09	0.09	0.10	0.10	0.08	0.03	0.01	0.00	0.05	0.02	0.04	0.06	0.03	0.15	0.13	0.13	0.08	0.07	0.05	0.06	0.07	0.09	0.08	0.09	0.09	0.10	0.15	0.21	0.22
EAFE vs. SPX	0.10	0.13	0.11	0.11	0.10	0.09	0.10	0.13	0.11	0.11	0.15	0.12	0.07	0.10	0.12	0.17	0.12	0.13	0.14	0.09	0.21	0.17	0.18	0.12	0.14	0.12	0.13	0.15	0.20	0.19	0.21	0.24	0.23	0.31	0.39	0.42
HY Debt vs. Treasury	0.79	0.75	0.86	0.93	0.93	0.98	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.90	0.91	0.91	0.90	0.81	0.85	0.88	0.88	0.97	0.96	0.99	1.00	1.00	0.90	0.88	0.75	0.75	0.84	0.84	0.90	0.74	0.76	0.70
High Beta vs. SPX	0.31	0.26	0.37	0.23	0.04	0.03	0.00	0.00	0.00	0.07	0.01	0.05	0.11	0.03	0.00	0.00	0.05	0.00	0.00	0.09	0.09	0.20	0.23	0.28	0.17	0.10	0.00	0.05	0.00	0.01	0.12	0.07	0.16	0.12	0.17	0.16
Home Construction vs. SPX	0.00	0.02	0.02	0.00	0.00	0.00	0.02	0.08	0.08	0.10	0.09	0.06	0.11	0.13	0.14	0.14	0.20	0.23	0.20	0.22	0.23	0.26	0.28	0.32	0.29	0.28	0.39	0.34	0.27	0.38	0.37	0.36	0.38	0.34	0.37	0.40
Offense vs. Defense Sectors	0.33	0.26	0.39	0.24	0.01	0.00	0.00	0.00	0.03	0.11	0.06	0.13	0.17	0.09	0.05	0.04	0.03	0.00	0.05	0.11	0.06	0.17	0.20	0.26	0.13	0.09	0.00	0.03	0.00	0.00	0.08	0.02	0.11	0.05	0.05	0.00
Broker-Dealer vs. SPX	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.16	0.13	0.18	0.23	0.13	0.18	0.23	0.14	0.09	0.09	0.09	0.10	0.05	0.04	0.08	0.13	0.10	0.14	0.07	0.06	0.04	0.07	0.06	0.06	0.02	0.05	0.09	0.13	0.16
S&P Growth vs. S&P Value	0.40	0.39	0.47	0.41	0.32	0.32	0.26	0.19	0.17	0.21	0.14	0.15	0.18	0.11	0.08	0.06	0.10	0.03	0.03	0.11	0.04	0.10	0.09	0.11	0.01	0.00	0.00	0.04	0.00	0.00	0.05	0.02	0.05	0.00	0.01	0.00
Semiconductor vs. SPX	0.37	0.28	0.32	0.17	0.12	0.10	0.00	0.00	0.00	0.05	0.00	0.07	0.09	0.09	0.03	0.05	0.10	0.04	0.01	0.14	0.11	0.20	0.22	0.24	0.18	0.17	0.08	0.18	0.12	0.14	0.26	0.21	0.32	0.29	0.32	0.32
Consumer Disc. Vs. Staples	0.20	0.16	0.20	0.14	0.05	0.02	0.01	0.00	0.00	0.05	0.03	0.04	0.09	0.06	0.01	0.00	0.03	0.00	0.00	0.01	0.00	0.08	0.06	0.08	0.00	0.00	0.00	0.00	0.00	0.03	0.07	0.04	0.08	0.09	0.12	0.08
Small Cap vs. Utilities	0.06	0.05	0.08	0.00	0.00	0.00	0.00	0.02	0.01	0.06	0.04	0.04	0.07	0.06	0.04	0.02	0.05	0.00	0.00	0.02	0.02	0.07	0.08	0.09	0.02	0.00	0.00	0.03	0.00	0.04	0.08	0.06	0.10	0.05	0.06	0.05
Transports vs. Utilities	0.21	0.00	0.04	0.00	0.00	0.02	0.00	0.04	0.04	0.09	0.09	0.10	0.16	0.18	0.20	0.18	0.24	0.18	0.23	0.27	0.26	0.31	0.33	0.36	0.31	0.25	0.19	0.23	0.18	0.21	0.21	0.18	0.24	0.06	0.01	0.02
Equal Weight vs. Cap Weight	0.50	0.50	0.42	0.44	0.51	0.48	0.55	0.66	0.66	0.66	0.74	0.70	0.73	0.83	0.83	0.84	0.80	0.87	0.86	0.75	0.84	0.80	0.85	0.81	0.89	0.85	0.88	0.81	0.86	0.93	0.92	0.92	0.93	0.97	1.00	0.99
Small cap vs. Large Cap	0.13	0.16	0.13	0.09	0.07	0.04	0.02	0.06	0.09	0.12	0.13	0.10	0.11	0.13	0.10	0.11	0.10	0.07	0.04	0.08	0.10	0.11	0.10	0.08	0.03	0.00	0.00	0.00	0.05	0.08	0.07	0.11	0.13	0.16	0.15	0.15
Equities vs. VIX	0.54	0.60	0.68	0.52	0.45	0.48	0.50	0.34	0.34	0.46	0.40	0.43	0.48	0.54	0.41	0.19	0.23	0.05	0.09	0.14	0.04	0.07	0.14	0.28	0.09	0.11	0.00	0.03	0.03	0.05	0.13	0.16	0.22	0.06	0.09	0.09
Aussie Dollar vs. Yen	0.93	0.99	1.00	0.96	0.94	0.94	0.96	0.99	1.00	0.98	0.99	0.98	1.00	1.00	0.96	0.87	0.81	0.73	0.78	0.86	0.79	0.79	0.83	0.91	0.84	0.83	0.72	0.70	0.57	0.67	0.69	0.74	0.64	0.69	0.70	
Lumber vs. Gold	0.36	0.37	0.37	0.35	0.31	0.31	0.35	0.30	0.28	0.29	0.29	0.32	0.34	0.38	0.41	0.40	0.42	0.43	0.46	0.45	0.44	0.45	0.45	0.43	0.44	0.43	0.45	0.47	0.45	0.50	0.49	0.35	0.35	0.30	0.23	0.21
Copper vs. Gold	0.41	0.43	0.50	0.54	0.48	0.38	0.39	0.27	0.28	0.26	0.30	0.36	0.34	0.27	0.36	0.24	0.19	0.15	0.22	0.16	0.07	0.03	0.03	0.11	0.04	0.00	0.00	0.00	0.04	0.00	0.15	0.15	0.19	0.12	0.18	0.17
AVERAGE	0.32	0.30	0.34	0.29	0.25	0.24	0.24	0.24	0.24	0.27	0.27	0.27	0.29	0.29	0.27	0.24	0.25	0.21	0.23	0.25	0.24	0.28	0.30	0.32	0.27	0.24	0.21	0.23	0.21	0.22	0.27	0.25	0.29	0.25	0.28	0.27



RISK APPETITE RATIO



The average Risk Appetite Ratio percentile finished the week unchanged at the 27th percentile.



EQUITIES - S&P 500 DAILY



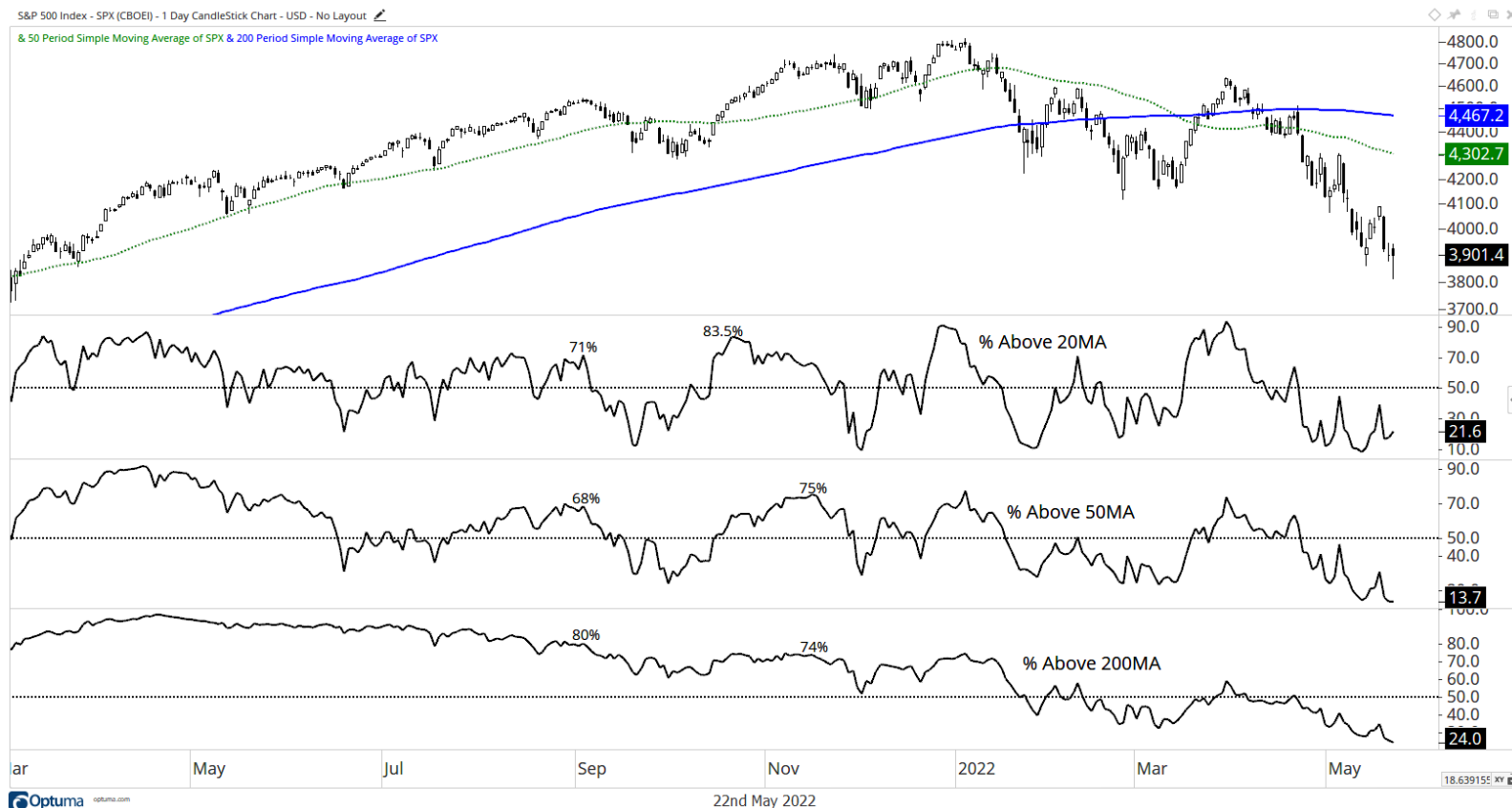
I mentioned last week that I was watching the March 2020 VWAP as potential support and that's where it appears we saw buyers attempt to come in last week. We finished 50 points above that level with some late-day buying on Friday pushing the index into a positive close on OpEx day but still down for the week. Bulls made a few attempts last week to push the index higher but sellers remained in control. We remain in 'risk off' mode with the Big 4 mega cap stocks controlling the tape, which we'll look more at later in the letter.



EQUITIES - ABOVE MAS



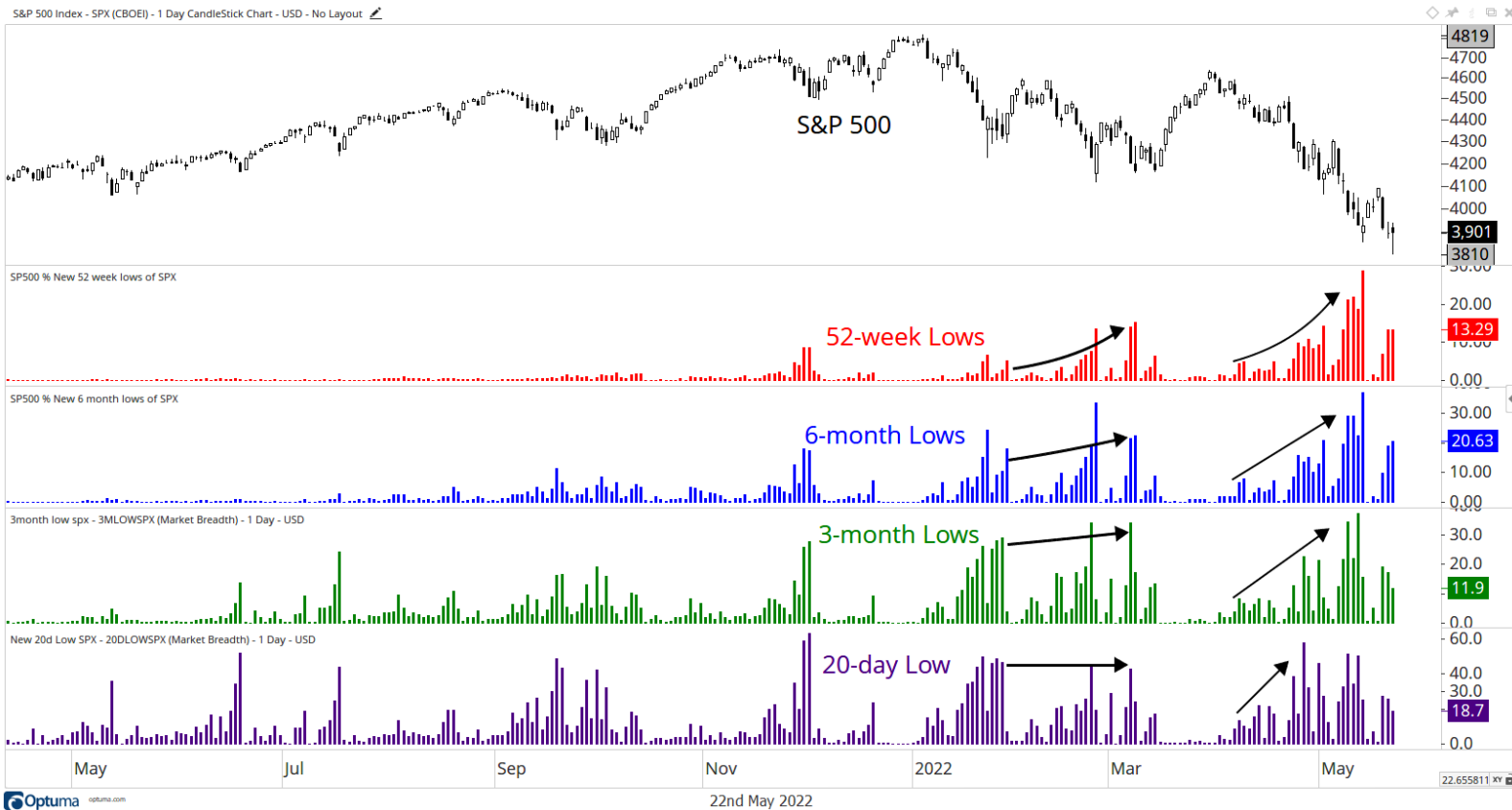
With the index closing down on another week, we continue to lose more stocks above the 200-day moving average. By Friday, we have just 24% of the S&P 500 still trading above the 200-day MA (and most of those are likely energy stocks and a few utilities). The internals remain weak for large caps.



EQUITIES - NEW LOWS



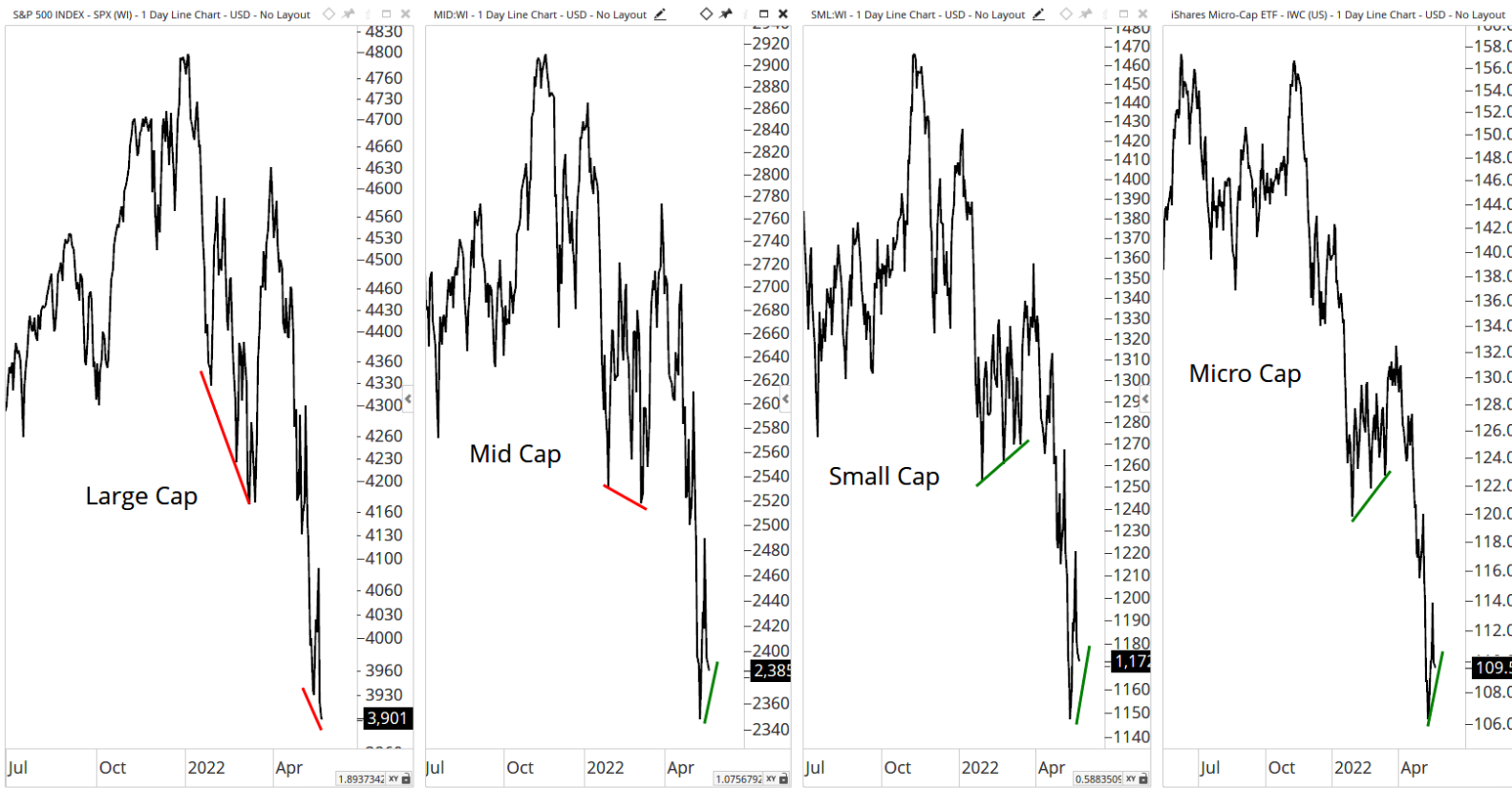
While the S&P 500 slid another -3% lower last week, most stocks didn't make a lower-low. Across timeframes, we saw fewer new lows join the index in testing/declining below the prior May low. As I've written numerous times in this letter, the mega caps are what are controlling things and when Tesla and Apple drop 3-4% (or more) in a single day, it almost doesn't matter what the other stocks do, the index is going down. As I shared on the last page, we continue to see less stocks above the 200-day MA which can occur as a function of both time and price, but we aren't seeing a major expansion new lows - but as I said - we don't have to in order to get the index to step lower.



EQUITIES - ASSET SIZE



Large-Caps were alone in making a lower-low last week. Mid-, Small-, and Micro- Caps still remain above their respective prior lows. At some point I think small caps will become 'interesting' from a buyers perspective but the broad market continues to trade on what the Big 4 do and few traders are likely paying attention to the lack of confirmation in smaller asset size indices but it's worth noting the lack of a lower-low in smaller stocks.

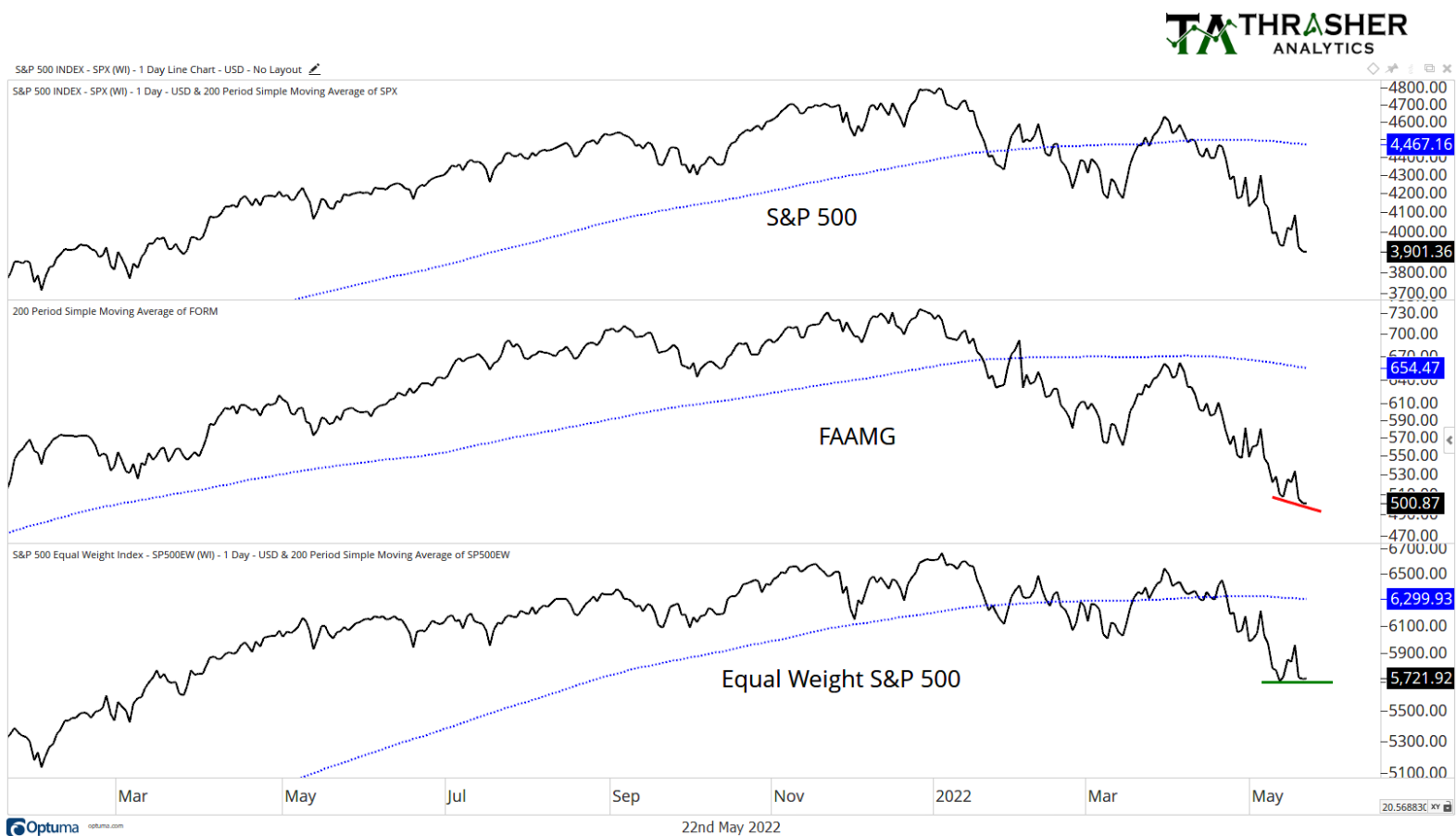


Optima optima.com 22nd May 2022

EQUITIES - FAAMG VS. EW



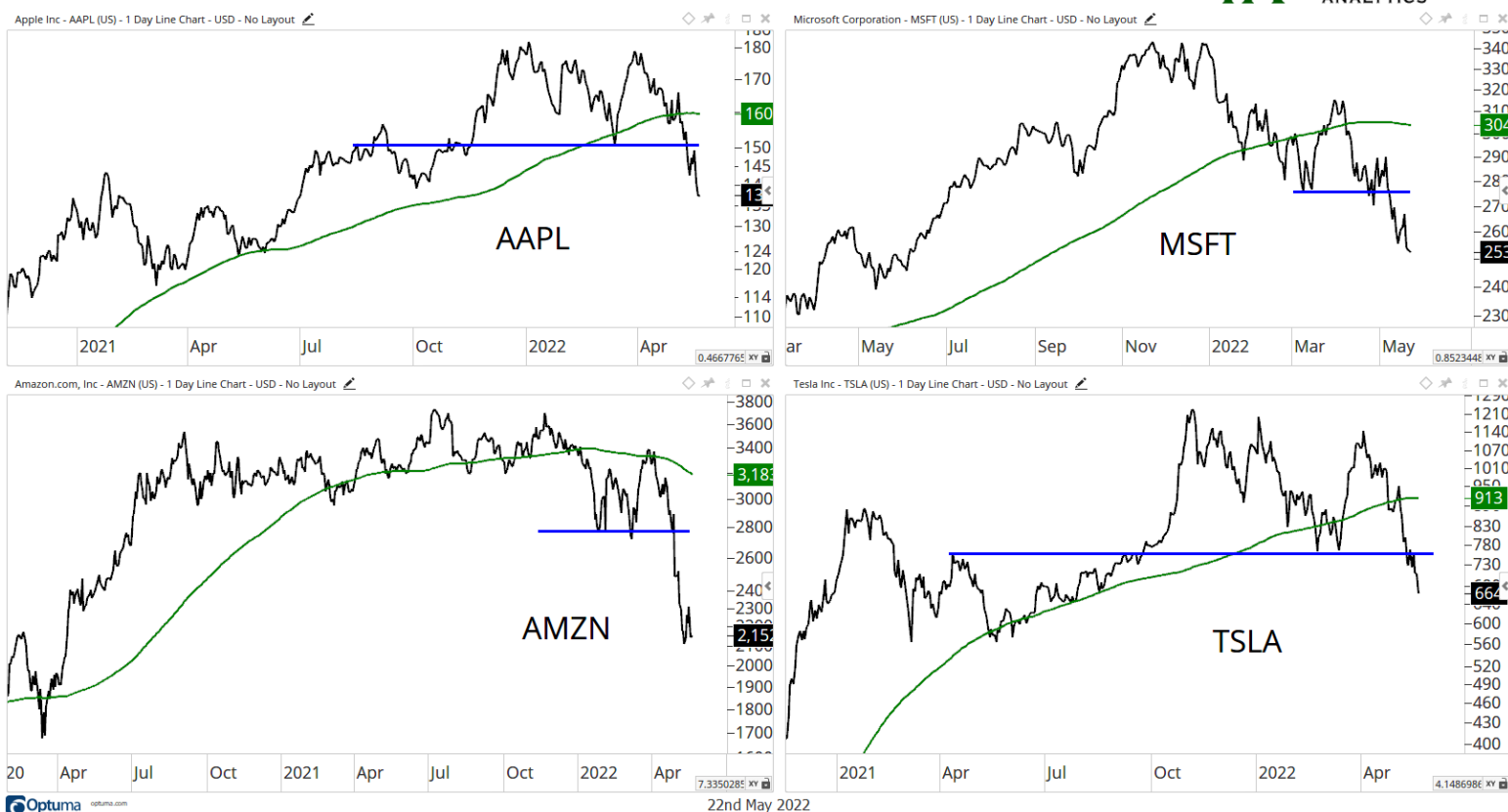
Here again we can see the weakness in FAAMG stocks impacting the broad market. an equal-weighting of the FAAMG names made a lower-low while an equal-weighting of the S&P 500 did not.



EQUITIES - BIG 4



When I reference the Big 4, that includes AAPL, MSFT, AMZN, and TSLA. Because of the decline in TSLA shares, it no longer is in the top 4 biggest stocks but I do believe it's volatility still has a major impact on the broad market. Meanwhile the *current* largest four stocks (AAPL, MSFT, AMZN, and GOOGL) account for 18.85% of the S&P 500 and are down YTD, respectively: -22%, -24%, -35%, and -24%. The broad index may just be flirting with -20% drawdown but the biggest stocks have already well breached that level and are making lower-lows.



One argument for why we may still have room to drop is based on how much equities retail investors are still holding. According to Bank of America, their private client group is still holding 63% of their accounts in equities, just barely off the high of 66% a few months ago and still well above the 54% at the Covid Cash low and 39% following the financial crisis. There's of course not a requirement we must see these figures fall below the average of roughly 55% but this data suggests there's still some selling that could take place should the account owners deem it warranted.

Chart 19: GWIM equity allocation at 63%

BofA private client equity holdings as % of AUM



Source: BofA Global investment Strategy

Bloomberg shared the below table which gives additional emphasis on the importance of the Big 4 or just mega cap tech stocks in general.

The article references the Five tech stocks (MSFT, AMZN, GOOGL, AAPL, and FB) and their massive weighting in the most popular retirement mutual funds. For instance, the T. Rowe Price Blue Chip fund has almost half of its assets in just these five names. Fidelity's Growth fund has 37% in these names. These mutual funds alone account for \$227.96 billion in assets. At an average weighting of 36.57%, that's \$83 billion worth of those five stocks. Should those equity allocations BofA referenced come down, these types of funds will be hit with redemptions and these names will likely continue to be under pressure by sellers.

Five Tech Stocks Dominate Retirement Funds

Fund name/ticker	Percent in top 5 stocks	Top 5 stocks	Year-to-date loss (%)
T. Rowe Price Blue Chip Growth/TRBCX	46.4	Microsoft, Amazon, Alphabet, Apple, Meta	-32.5
T. Rowe Price Growth Stock/PRGFX	39.0	Amazon, Microsoft, Apple, Alphabet, Rivian	-34.4
T. Rowe Price Large-Cap Growth/TRLGX	38.8	Microsoft, Amazon, Alphabet, Apple, Meta	-31.4
Fidelity Growth Company/FDGRX	37.4	Apple, Nvidia, Amazon, Microsoft, Alphabet	-30.9
Fidelity Contrafund/FCNTX	34.3	Amazon, Berkshire Hathaway, Meta, Microsoft, Apple	-26.1
Harbor Capital Appreciation/HNACX	31.8	Tesla, Apple, Amazon, Microsoft, Nvidia	-34.0
Growth Fund of America/AGTHX	28.3	Tesla, Microsoft, Amazon, Meta, UnitedHealth	-27.2

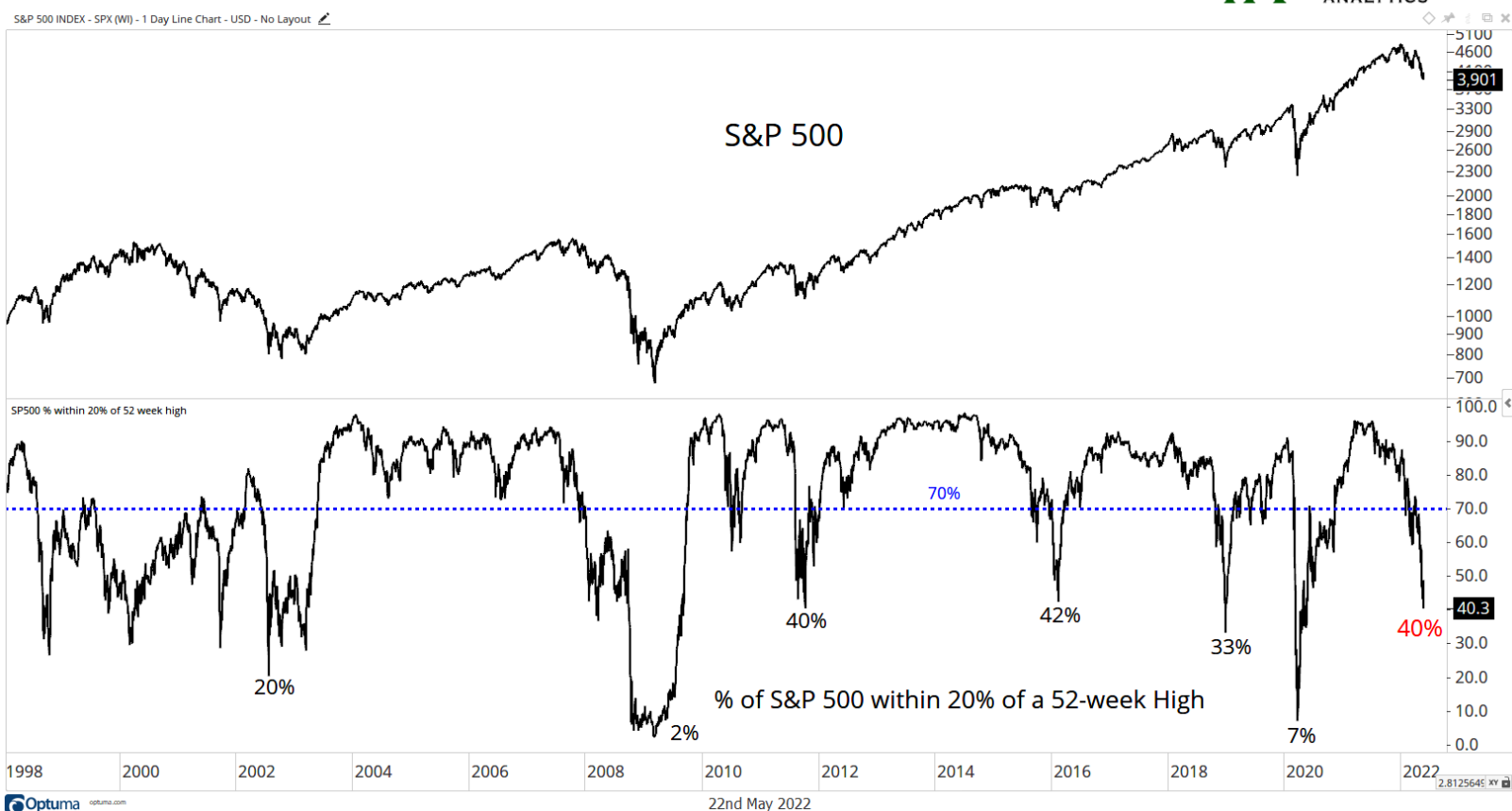
Source: BrightScope, Bloomberg

Note: Percent in top stocks as of Mar. 31, 2022; Year-to-date loss as of May 19, 2022.

EQUITIES - DOWN 20%



A lot of attention on Friday was given to the SPX dropping (intraday) -20%. I'll talk about this more later but looking at the % of stocks that are already down 20%, we hit just 40% that are still above that 20% threshold. This now matches the 2011 decline and exceeds the 2016 low.

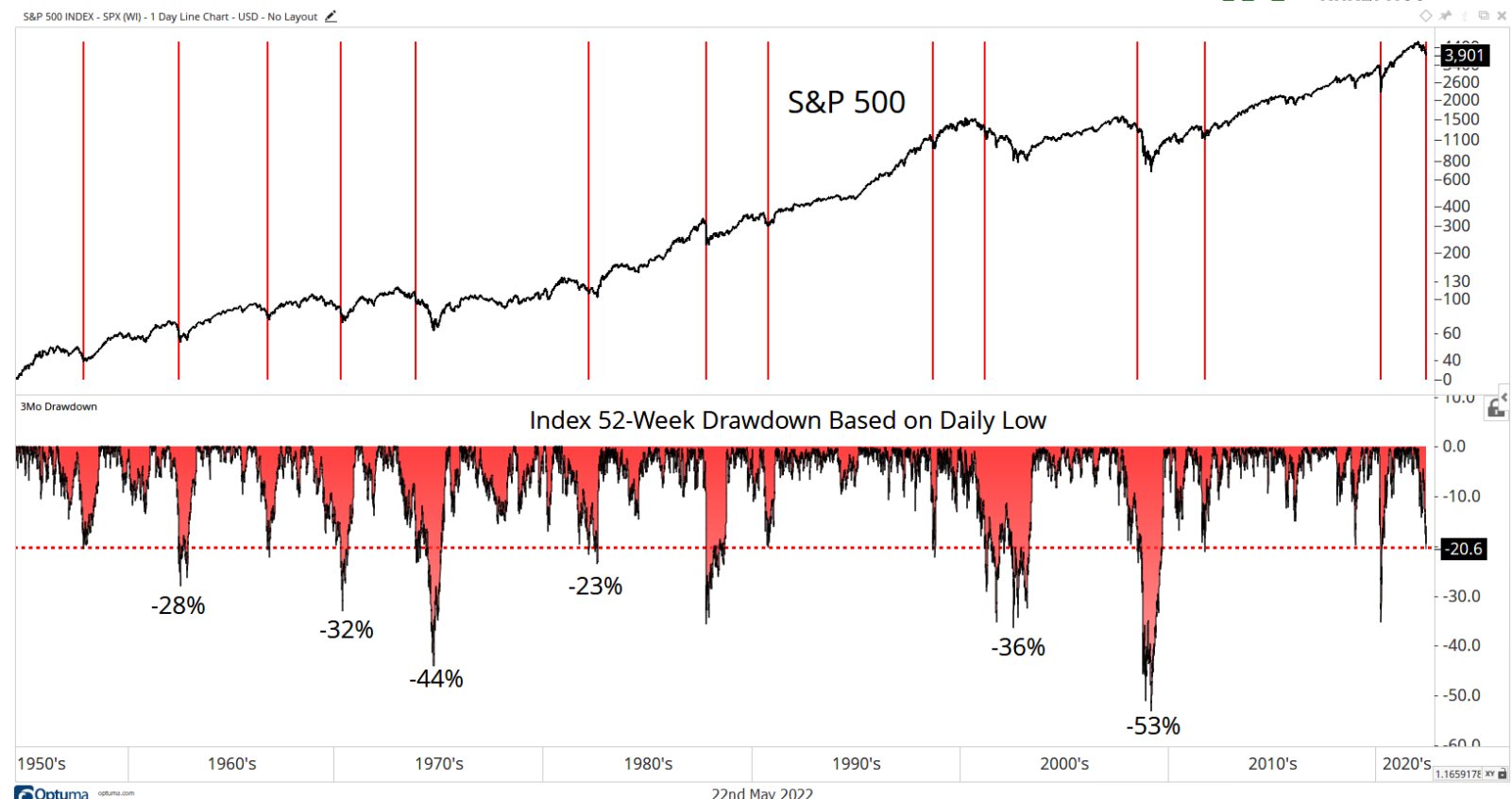


EQUITIES - "BEAR MARKET"



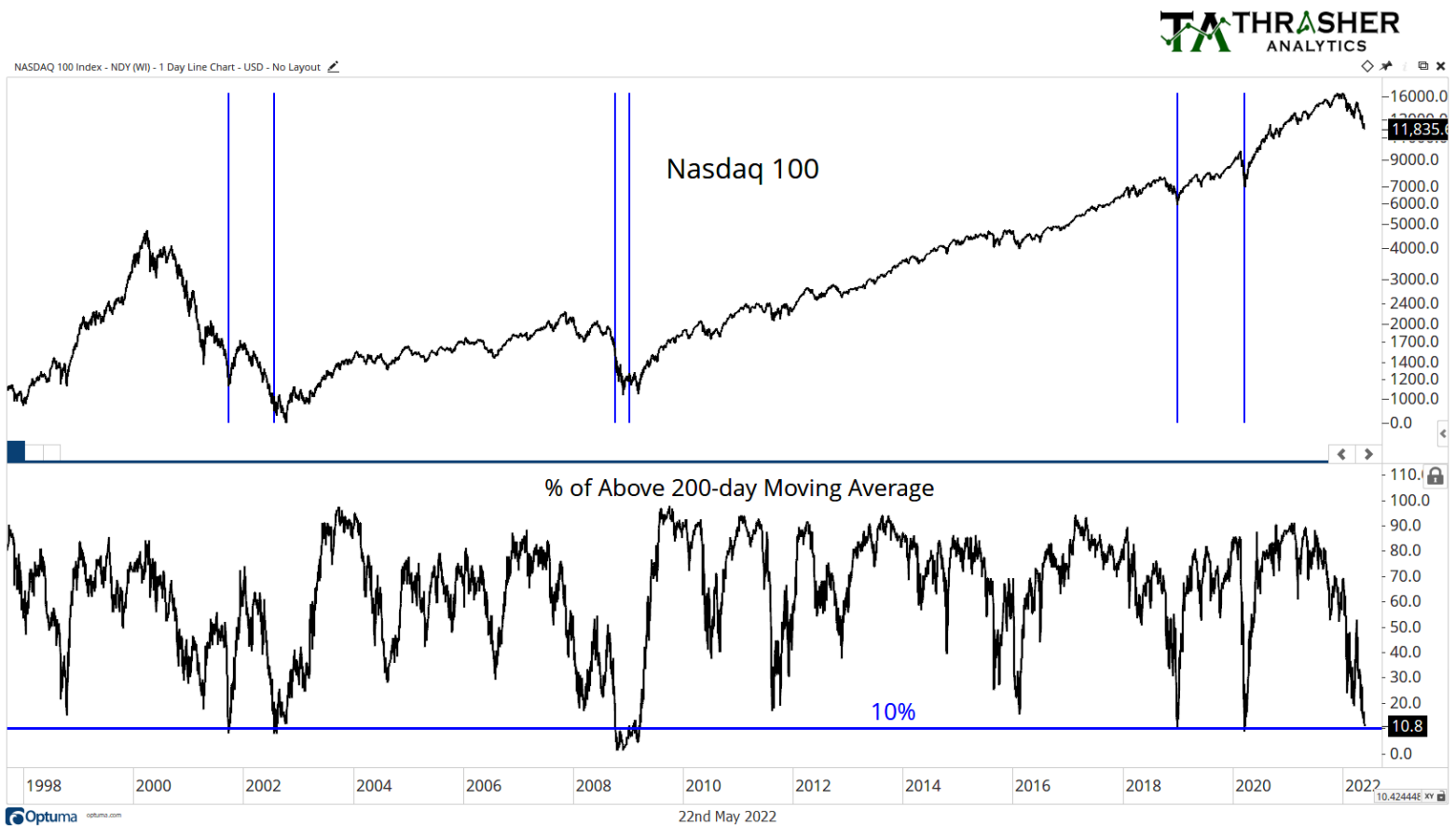
Saved by late-day buyers, the S&P 500 hit the -20% drawdown level on Friday. Looking back at history when at least an intraday low marked a -20% decline, we can see each instance since 1950 below. 20% is an arbitrary figure but psychologically it does seem that number has drawn in dip buyers interest in the past. Of the 14 declines that hit -20%, six of them exceeded that threshold (I'm excluding the '87 and '20 crashes). This means 57% of the time when we got to the "important" 20% drawdown level, the market decided 'that's enough!' and buyers took back control. The glaring exceptions are of course the 1970s, dot-com bubble, and '08 financial crisis, when stocks fell -36% to -53%.

I personally think it's a mistake to rely too heavily on market analogs and the constant pontification some analysts make of "we are repeating XYZ year." Only looking back can we say what this market will have resembled but in real-time we must take it day-by-day and look for signs of the market data improving. So far, it doesn't appear to be and we can't know how long it will take to do so. But one box we can now check is the -20% (intraday at least) drawdown.



EQUITIES - NASDAQ 100 BREADTH

Last week I wrote how the Nasdaq Composite had hit 'oversold' levels. Below we are now looking at the % of the Nasdaq 100 that's above the 200-day MA, which has fallen to 10.8%. I've drawn blue lines when this figure has breached 10%. We reached 10% in the middle (not just the end) of the dot-com bear and the '08 bear markets and at the low in the quick '18 decline and Covid Crash. Breadth can be extremely useful when viewed in the right lens, what we want to see is an *improvement* here, not just a wash out into potentially single-digit levels.



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 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	Mean Reversion Score
Mean Reversion Score 1st Quartile		AVG: -5.16%	AVG: -27.67%	AVG: -31.64%	AVG: -2.105	AVG: -65.76
Shopify Inc	SHOP	-9.60%	-37.21%	-44.61%	-1.943	-89.54
PayPal Holdings Inc	PYPL	2.17%	-21.28%	-22.30%	-1.591	-73.11
Netflix Inc	NFLX	-0.69%	-45.37%	-52.38%	-2.206	-71.53
Microsoft Corporation	MSFT	-3.28%	-9.75%	-12.28%	-1.817	-69.71
Atlassian Corporation Plc	TEAM	-6.09%	-33.14%	-40.48%	-2.017	-68.13
Carvana Co.	CVNA	-12.37%	-66.94%	-73.44%	-2.000	-67.72
Amazon.com, Inc	AMZN	-4.83%	-29.08%	-29.50%	-3.202	-63.16
ServiceNow Inc	NOW	-4.33%	-14.65%	-22.12%	-2.067	-59.44
Meta Platforms Inc	FB	-2.56%	-7.92%	-6.12%	-1.690	-59.00
Twilio Inc - Ordinary Shares Class A	TWLO	-7.00%	-24.84%	-34.93%	-1.729	-58.22
Salesforce Inc	CRM	-4.35%	-15.71%	-18.89%	-2.135	-57.57
Workday Inc	WDAY	-8.94%	-26.12%	-22.60%	-2.860	-51.93
Mean Reversion Score 2nd Quartile		AVG: -1.78%	AVG: -14.10%	AVG: -17.61%	AVG: -1.577	AVG: -37.90
Mean Reversion Score 3rd Quartile		AVG: -5.12%	AVG: -21.18%	AVG: -24.46%	AVG: -1.669	AVG: -14.49
Mean Reversion Score 4th Quartile		AVG: -4.19%	AVG: -17.88%	AVG: -18.57%	AVG: -0.909	AVG: -2.36
Snowflake Inc - Ordinary Shares - Class A	SNOW	-10.65%	-28.77%	-48.32%	-2.152	-11.62
DoorDash Inc - Ordinary Shares - Class A	DASH	-10.15%	-39.41%	-31.16%	-1.809	-11.60
Roblox Corporation - Ordinary Shares - Class A	RBLX	-4.16%	-25.40%	-36.44%	-1.732	-9.60
Palo Alto Networks Inc	PANW	-2.51%	-23.63%	-0.72%	-0.111	-7.25
Humana Inc.	HUM	0.17%	-4.55%	4.24%	0.370	-7.17
T-Mobile US Inc	TMUS	-0.23%	-5.20%	1.66%	-0.150	-3.35
Uber Technologies Inc	UBER	-4.26%	-28.55%	-32.67%	-2.349	-3.16
Expedia Group Inc	EXPE	-5.46%	-34.96%	-40.44%	-2.492	-0.12
Builders Firstsource Inc	BLDR	-9.07%	-0.56%	-15.20%	-0.013	5.15
Booking Holdings Inc	BKNG	0.67%	-5.00%	-19.13%	-1.237	6.42
Unitedhealth Group Inc	UNH	0.07%	-9.18%	3.83%	0.791	6.55
WillScot Mobile Mini Holdings Corp	WSC	-4.72%	-9.30%	-8.47%	-0.019	7.43

SECTOR PERFORMANCE



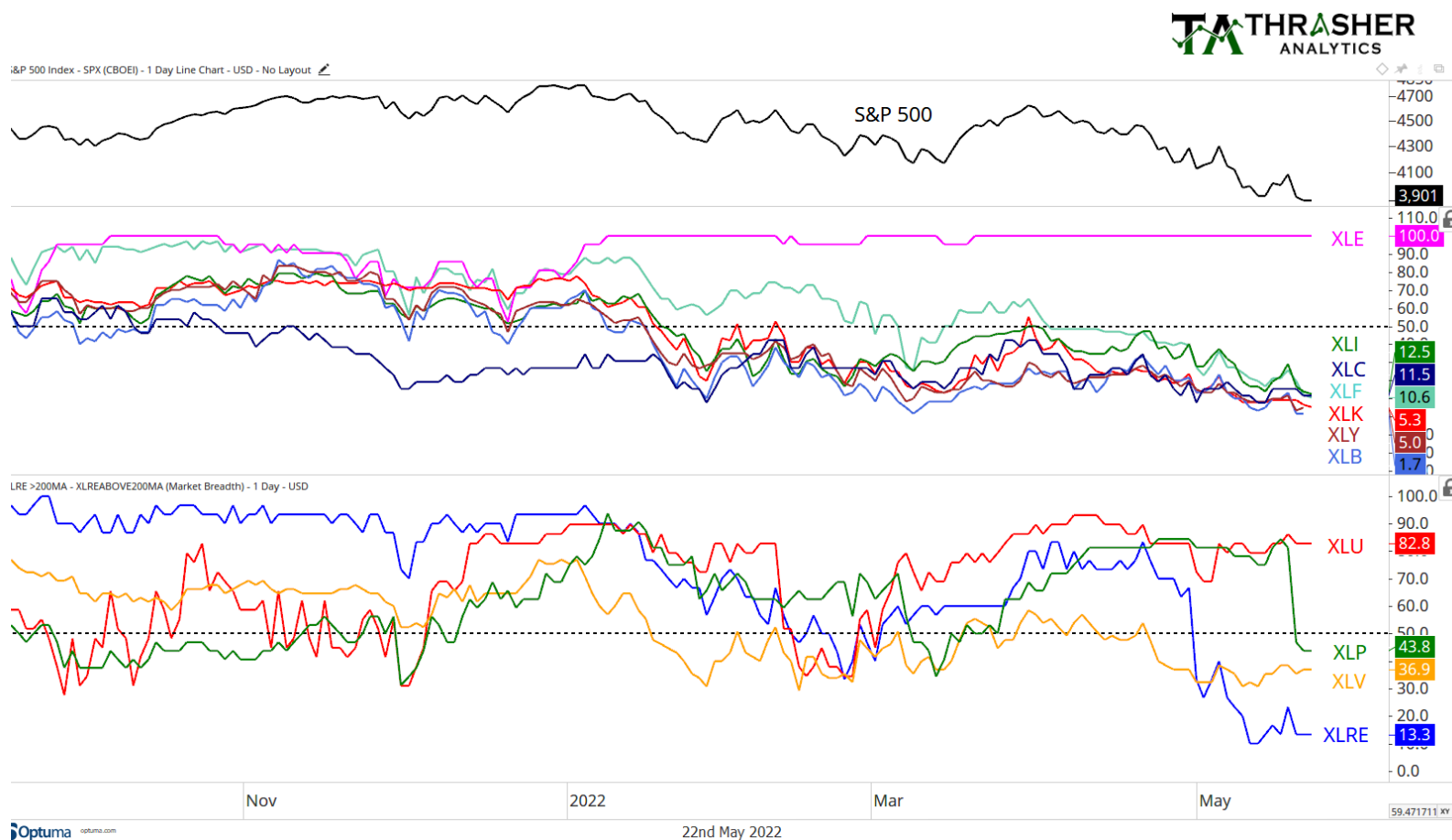
1 Day - Watch List - No Layout

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: -0.33%						AVG: 20.60%	AVG: 2.57%	AVG: -8.98%		
SML	S&P SmallCap 600 Index	-16.39%	2.15%	-1.46%	-10.75%	-9.70%	-17.65%	20.67%	2.90%	-2.76%	-7.35%	-12.06%
MID	S&P Midcap 400 Index	-16.09%	2.51%	-1.89%	-11.76%	-9.41%	-16.93%	18.49%	2.52%	-3.42%	-7.70%	-11.48%
DJI	Dow Jones Industrial Average	-13.97%	5.10%	-2.90%	-11.09%	-8.27%	-12.19%	15.40%	2.04%	-4.21%	-7.38%	-10.15%
SPX	S&P 500 INDEX	-18.14%	0.00%	-3.05%	-12.51%	-10.29%	-16.96%	19.04%	2.39%	-4.47%	-9.33%	-12.67%
NDY	NASDAQ 100 Index	-27.48%	-11.40%	-4.45%	-15.45%	-15.52%	-28.59%	29.40%	2.99%	-6.21%	-13.13%	-20.53%
- Sectors		AVG: 10.16%						AVG: 17.63%	AVG: 11.56%	AVG: -7.12%		
XLE	SPDR Energy Select Sector Fund ETF	47.33%	79.99%	1.23%	1.36%	20.16%	49.57%	3.31%	81.15%	3.78%	5.24%	30.08%
XLV	SPDR Health Care Select Sector Fund ETF	-7.89%	12.53%	0.92%	-7.49%	1.78%	-2.40%	9.51%	7.60%	-0.05%	-3.23%	-2.39%
XLU	SPDR Utilities Select Sector Fund ETF	0.22%	22.44%	0.43%	-6.58%	8.34%	6.60%	7.11%	13.89%	-0.12%	-1.84%	3.72%
XLB	SPDR Materials Select Sector Fund ETF	-9.04%	11.12%	-0.08%	-8.98%	-1.72%	-6.67%	10.71%	5.33%	-1.80%	-4.24%	-3.53%
XLC	SPDR Communication Services Select Sector ETF	-25.31%	-8.75%	-1.68%	-10.26%	-13.93%	-27.19%	32.81%	3.09%	-2.30%	-9.64%	-21.97%
XLRE	SPDR Real Estate Select Sector Fund ETF	-18.26%	-0.14%	-1.72%	-16.30%	-5.21%	-12.16%	18.82%	2.37%	-5.10%	-9.47%	-10.30%
XLF	SPDR Financial Select Sector Fund ETF	-15.70%	2.99%	-1.82%	-13.09%	-16.06%	-15.63%	21.05%	2.16%	-4.06%	-9.93%	-14.16%
XLK	SPDR Technology Select Sector Fund ETF	-24.62%	-7.91%	-3.53%	-12.47%	-14.03%	-23.50%	25.97%	3.17%	-5.52%	-10.96%	-16.51%
XLI	SPDR Industrial Select Sector Fund ETF	-15.19%	3.61%	-3.61%	-11.98%	-8.75%	-15.12%	16.81%	1.94%	-4.97%	-8.94%	-11.77%
XLY	SPDR Consumer Discretionary Select Sector Fund	-31.32%	-16.10%	-7.82%	-22.75%	-21.99%	-33.59%	34.71%	2.99%	-10.59%	-17.95%	-24.22%
XLP	SPDR Consumer Staples Select Sector Fund ETF	-8.31%	12.01%	-8.12%	-12.25%	-7.01%	-1.87%	13.08%	3.48%	-7.41%	-7.39%	-4.51%

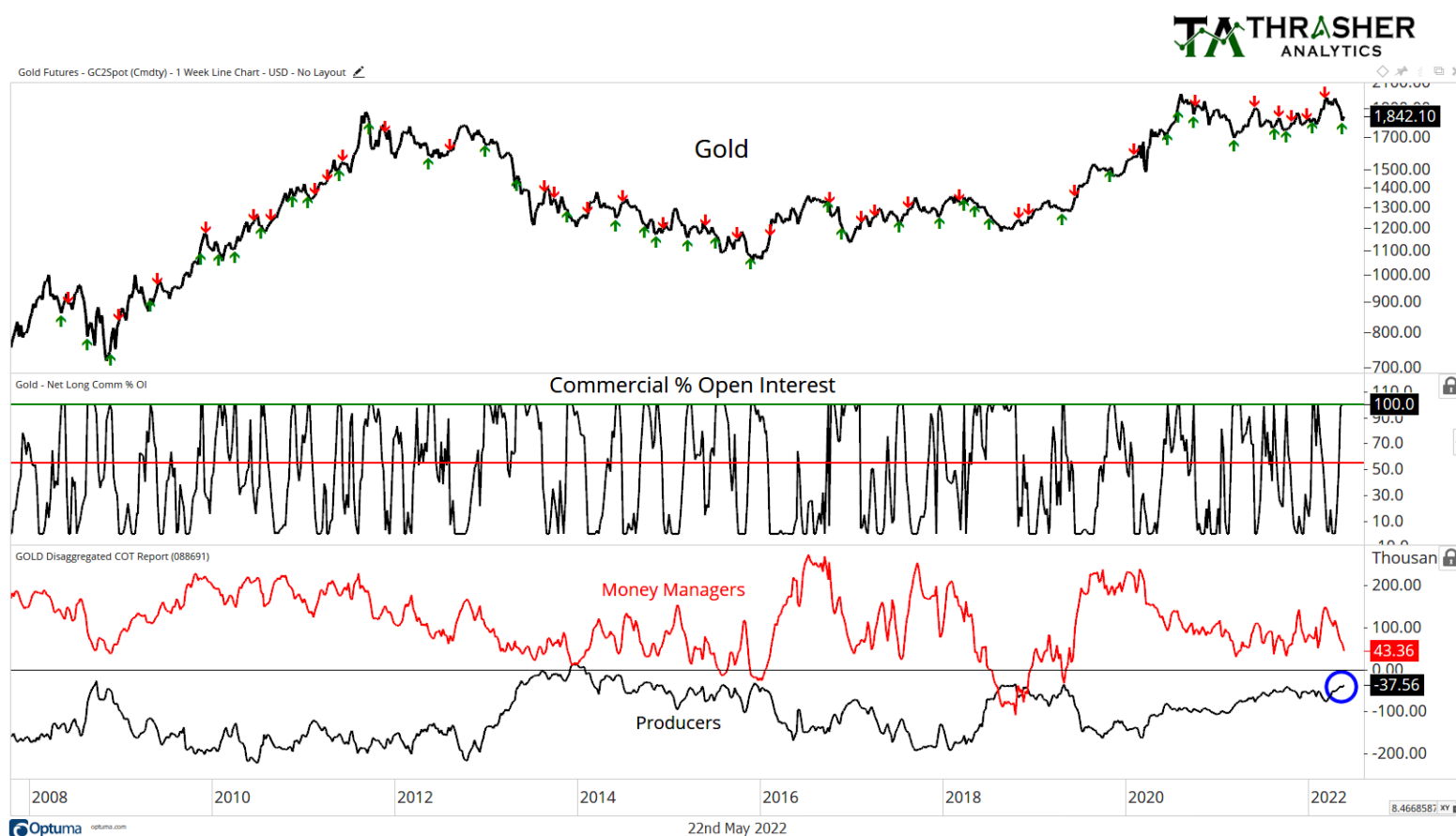
SECTOR - BREADTH



Excluding Energy, all the remaining Offense Sectors have less than 15% of their stocks above the 200-day moving average. Staples saw a big drop down as well following the large declines in TGT, WMT, and ROST following their poor earnings reports.



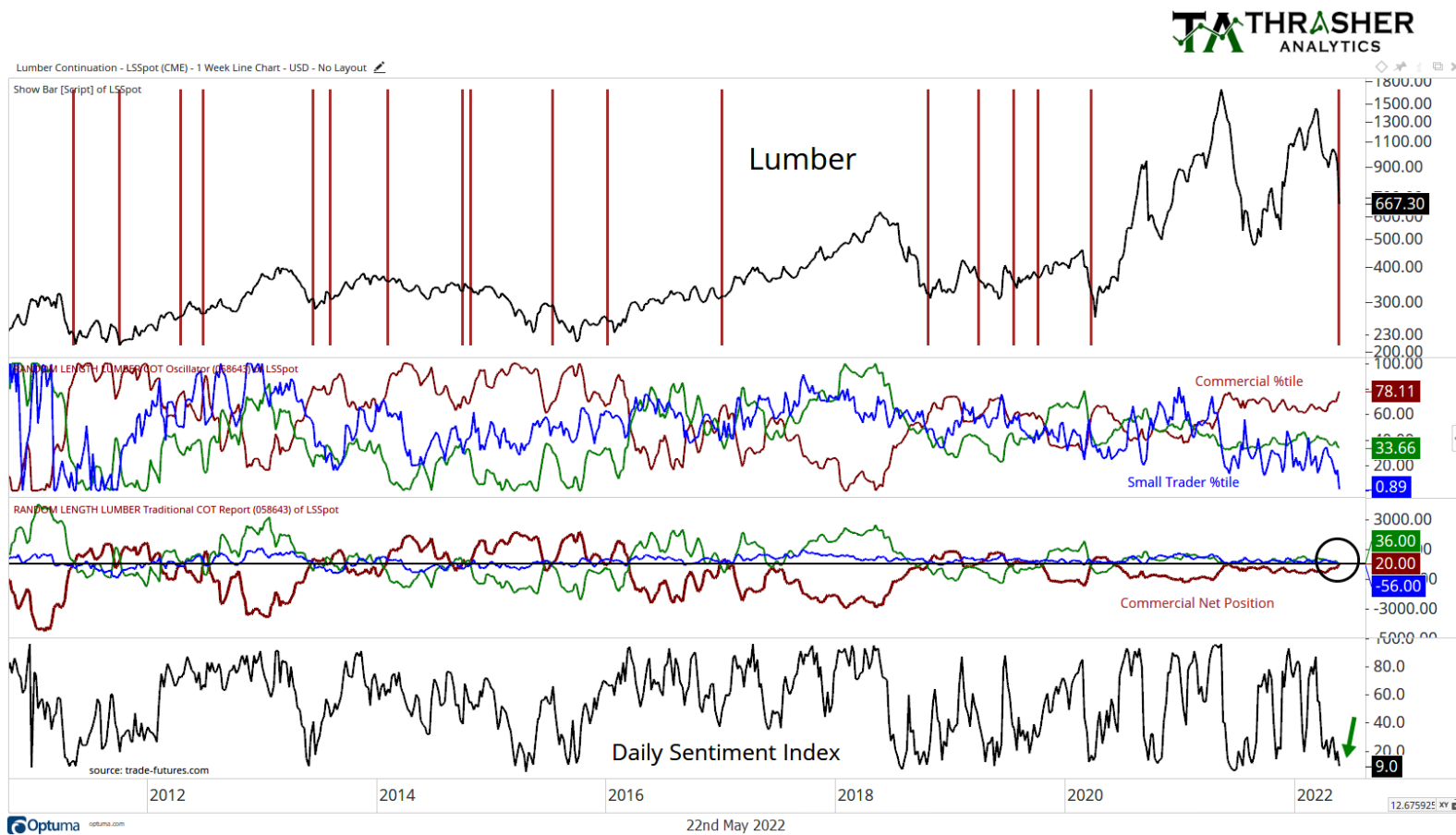
I wrote about gold last week based on the relationship of gold to the U.S. dollar suggesting we see a bounce in the metal. Gold did move higher, rising almost 2% last week. I still think gold prices could move higher based on the COT data. I've written in the last about using the % of open interest held by Commercials. First I called the top in gold when the % dropped below 60%. Commercials are now back to having their net-long at 100% of open interest. Breaking down the COT data further, we can see the sellers in gold futures are Money Managers while Producers (the assumed 'smart money') are lowering their net-shorts and holding a net position near the highest level in several years. The last time they were at this level was in 2018, after briefly going net-long in 2013, and 2008.



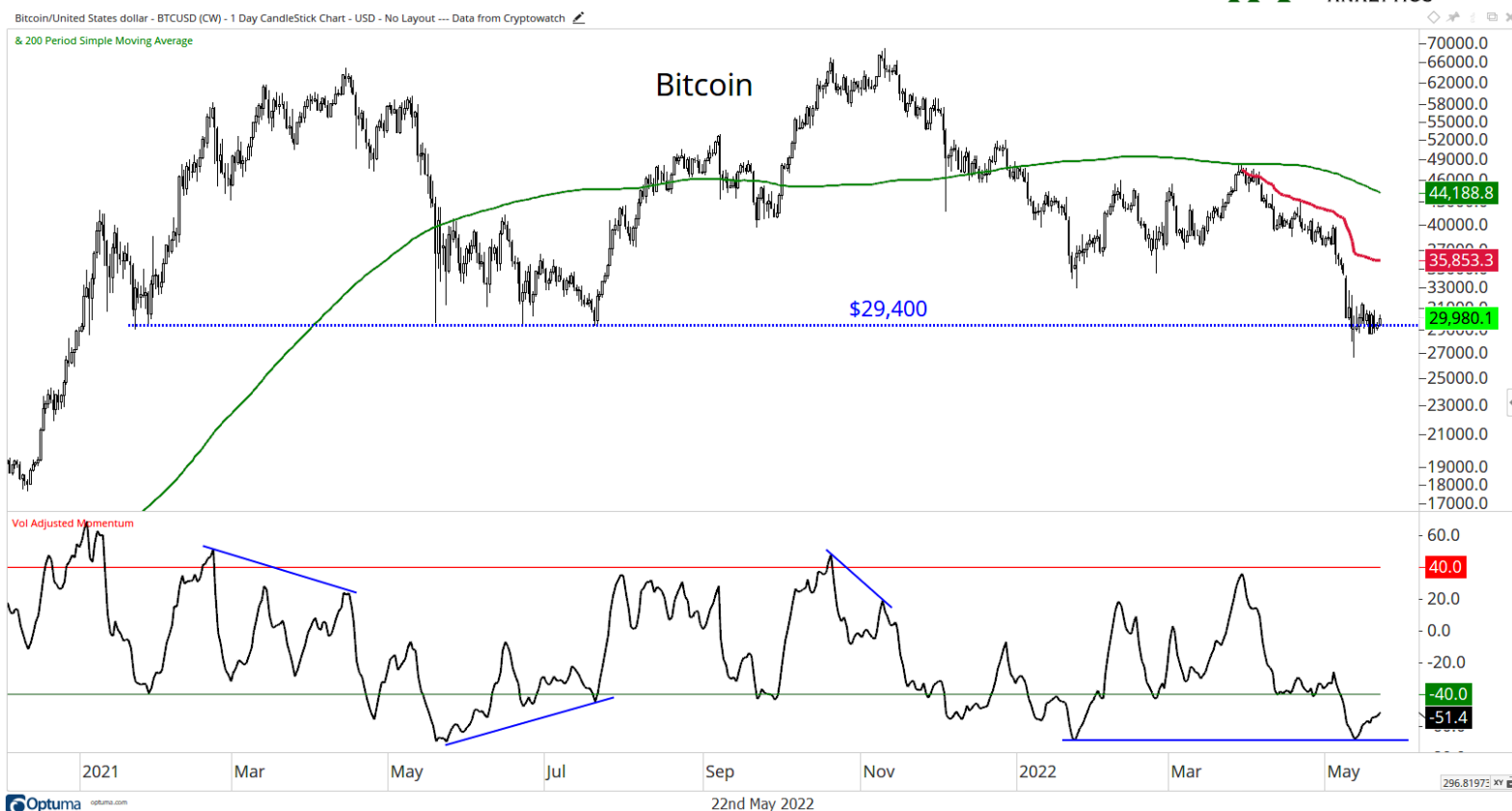
COMMODITY - LUMBER



The other commodity chart that has a bullish setup based on COT data is Lumber. Commercials have risen to a 78th percentile net position while Small Traders have dropped under the 1st percentile. Commercials have in fact now gone net-long Lumber, something they haven't done since the last major low in lumber prices before they went from \$250 to \$1500. The vertical lines on the chart show the prior instances Commercials went net-long since 2011. Meanwhile, sentiment for lumber is extremely bearish. The Daily Sentiment Index is at just 9% bullish. No one seems to be bullish on lumber except those that actually use the commodity in their business.



Bitcoin, along with most other coins, has been in a major decline now for several months. Currently the prior lows in Bitcoin seem to be drawing in some buyers, \$29,400 is the area I'm keeping an eye on. Volatility Adjusted Momentum has also fallen to the prior low and turning slightly higher. There's still a lot of work bulls need to do from here but if BTC can hold above this level then we may see the start to a constructive bounce but below that we could see further selling to \$20,000.



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
Lumber DSI	9	19	
Bitcoin DSI	11	13	
Nasdaq DSI	12	17	
SPX DSI	15	17	
Euro DSI	17	19	
Palladium DSI	21	25	
Cattle DSI	21	24	
Cocoa DSI	22	29	
5YR DSI	22	20	
EuroDollar DSI	23	21	
Swiss Franc DSI	26	22	
Copper DSI	27	22	
Australian Dollar DSI	27	25	
Yen DSI	28	26	
British Pound DSI	29	24	
10Y DSI	33	29	
Nikkei DSI	34	32	
Coffee DSI	37	38	

1 Day - Watch List - No Layout

Code	% Bullish ^	5-day MA	History
Silver DSI	41	36	
Lean Hog DSI	48	37	
Platinum DSI	50	51	
VIX DSI	58	54	
Sugar DSI	59	54	
Gold DSI	60	56	
Cotton DSI	63	71	
Corn DSI	65	75	
Wheat DSI	72	85	
Orange Juice DSI	73	71	
CRB Index DSI	73	74	
US Dollar DSI	74	76	
Heating Oil DSI	75	77	
Natural Gas DSI	77	85	
Mexican Peso DSI	81	78	
Gasoline DSI	82	82	
Crude Oil DSI	83	84	
Soybean DSI	88	85	

Source: trade-futures.com

DAILY SENTIMENT INDEX



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ANALYTICS



DAILY SENTIMENT INDEX

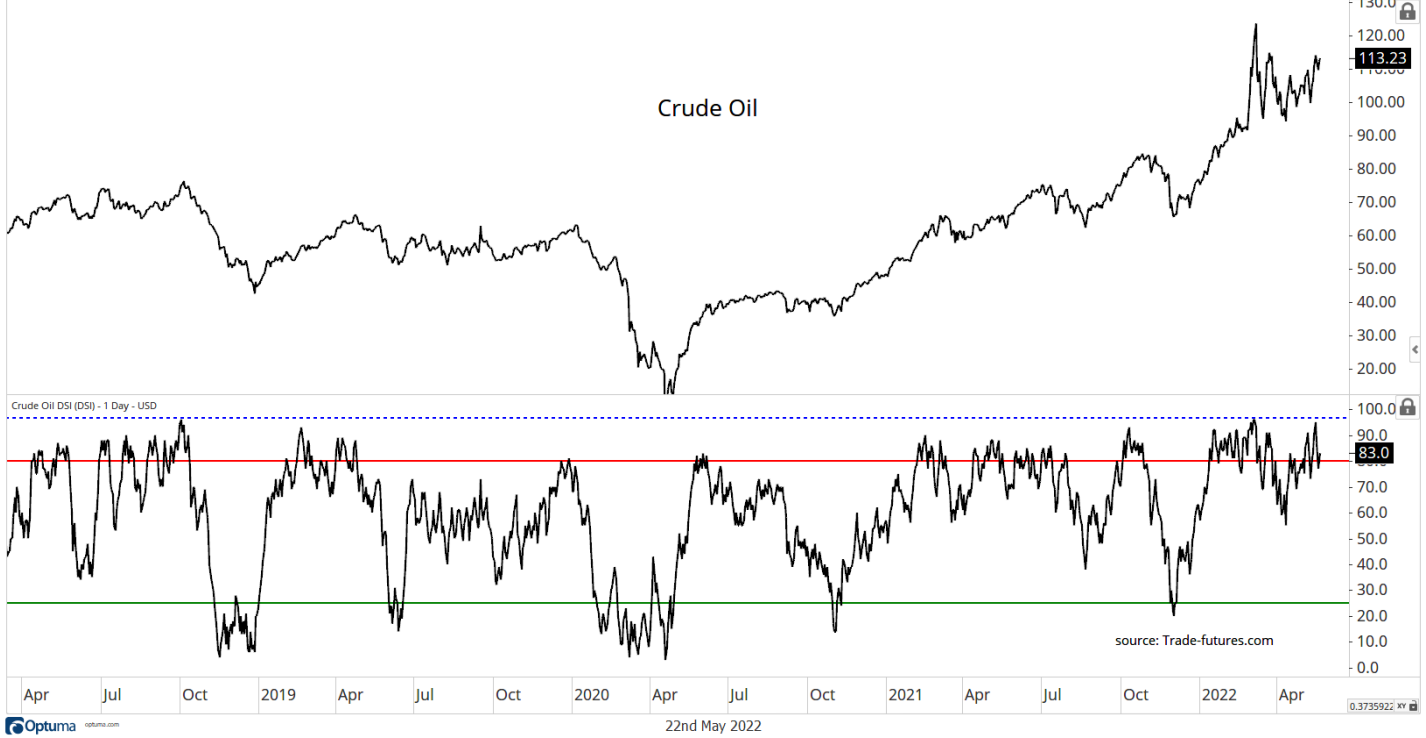


DAILY SENTIMENT INDEX



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

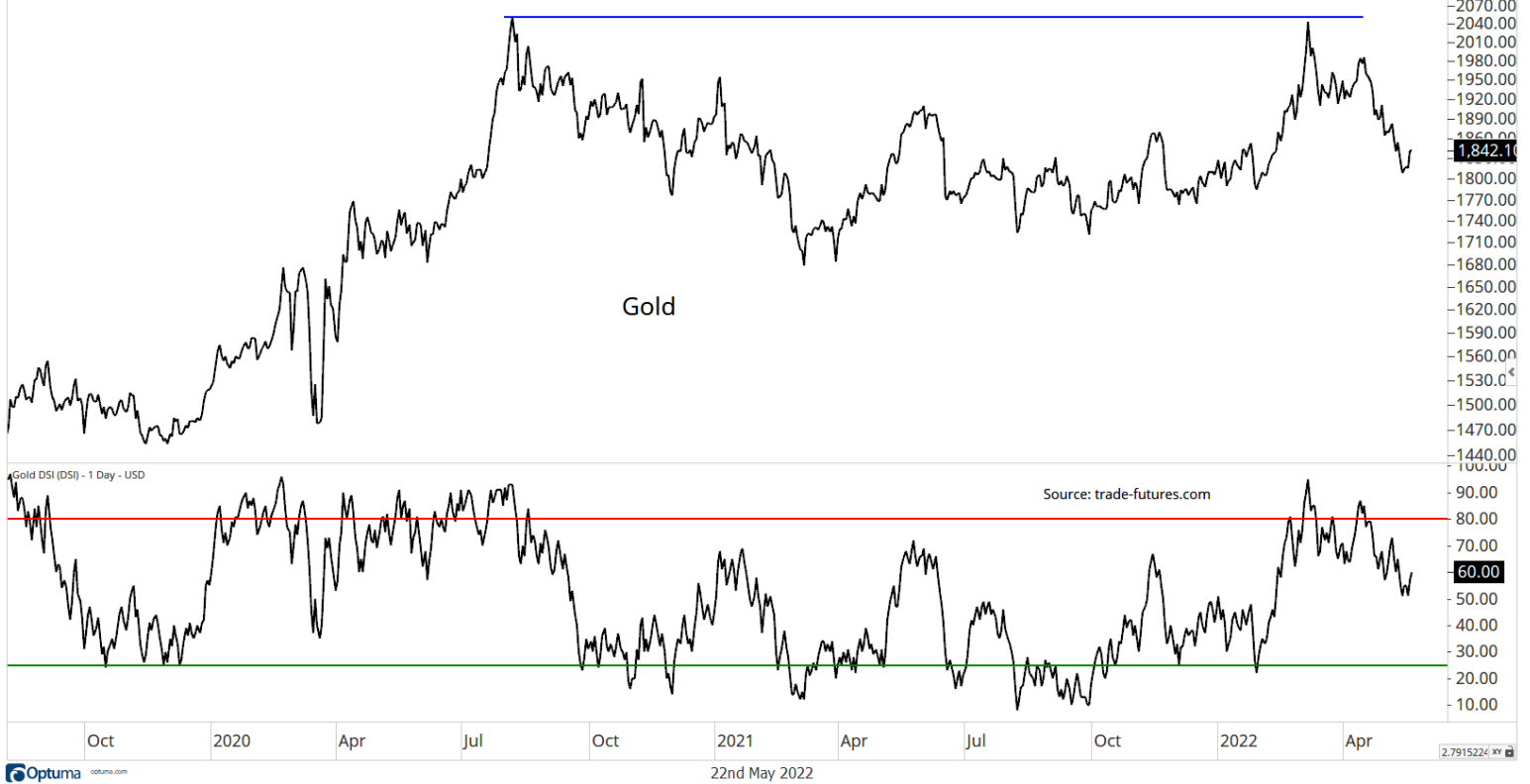


DAILY SENTIMENT INDEX



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ANALYTICS

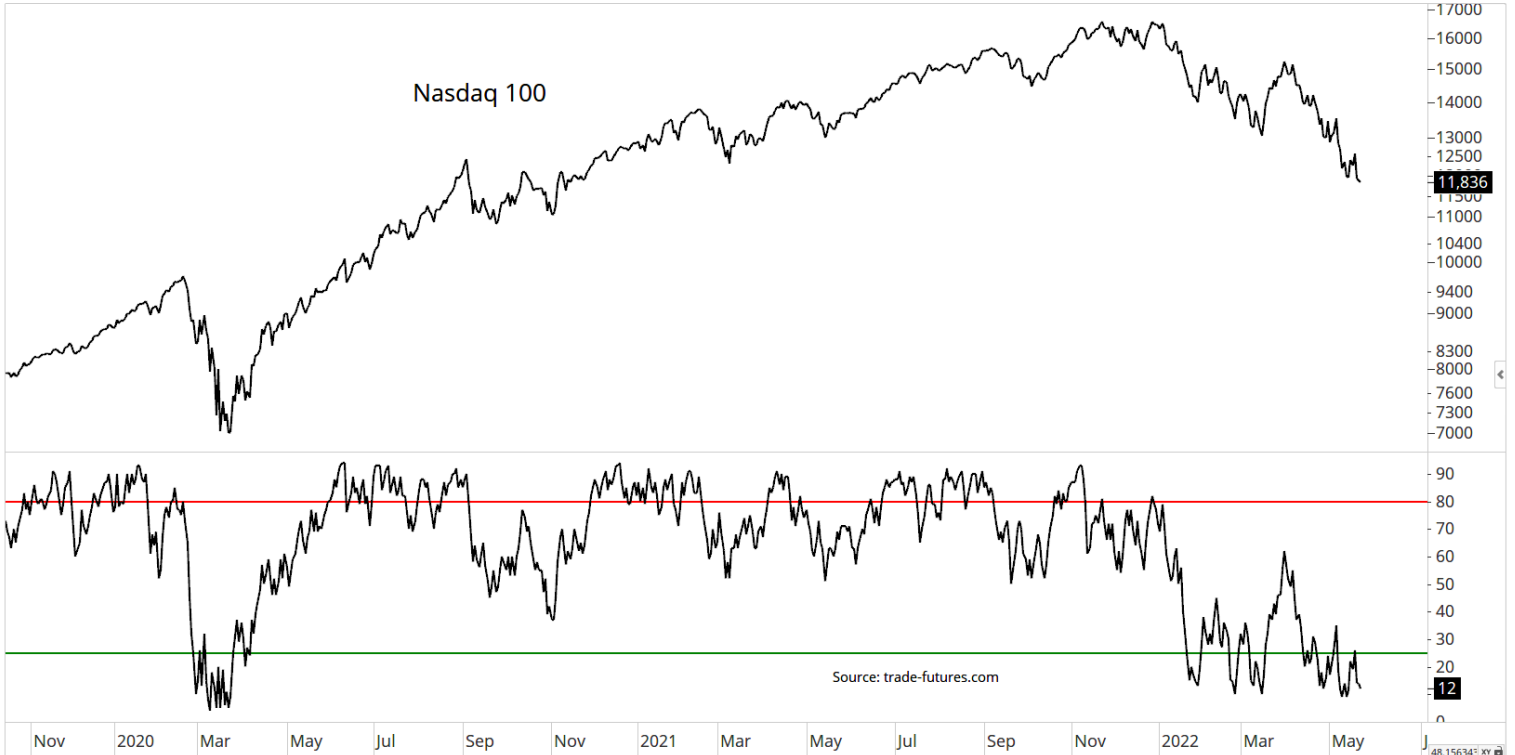
Gold Futures - GCSpot (NYMEX) - 1 Day Line Chart - USD - No Layout



DAILY SENTIMENT INDEX



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



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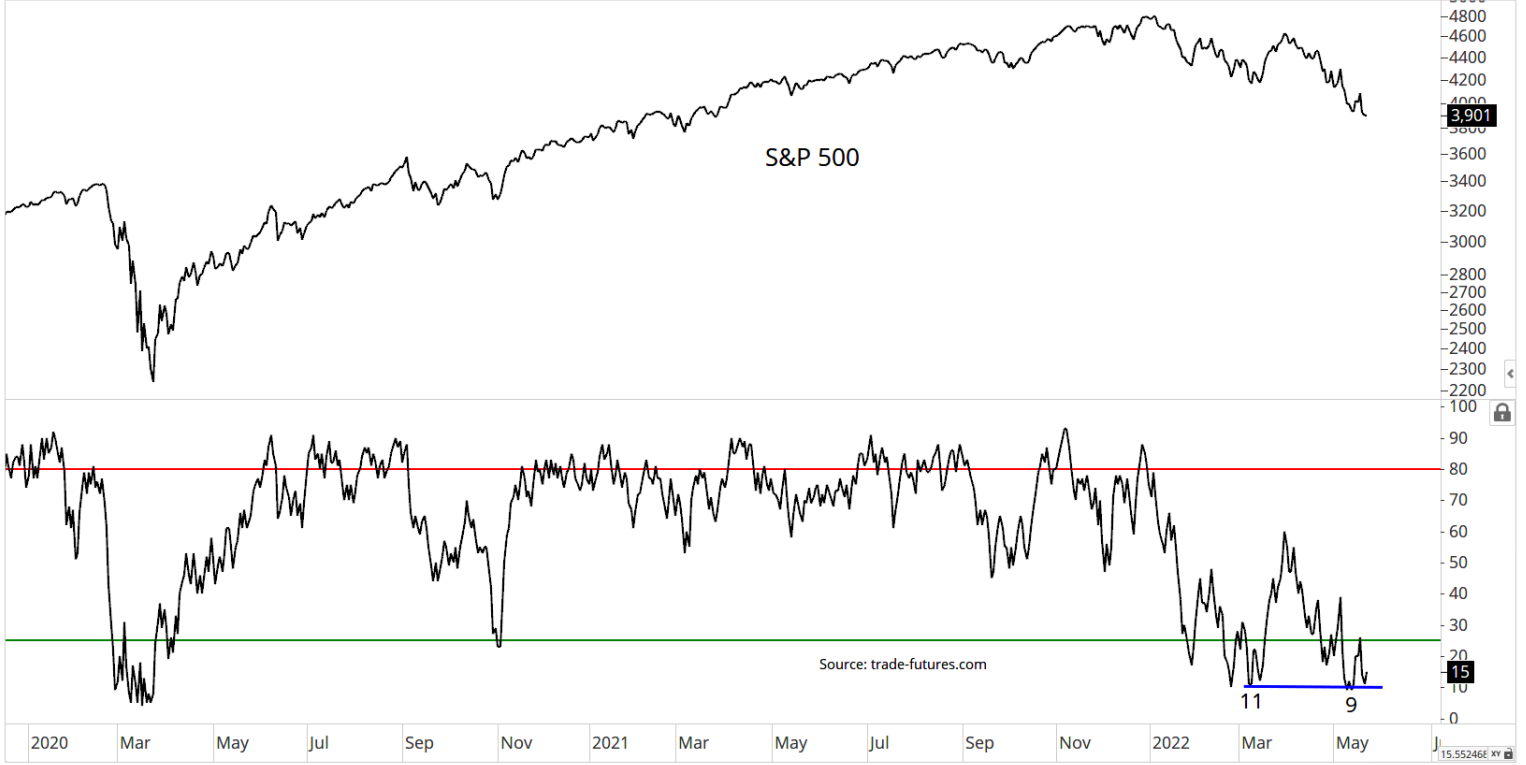
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DAILY SENTIMENT INDEX



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ANALYTICS

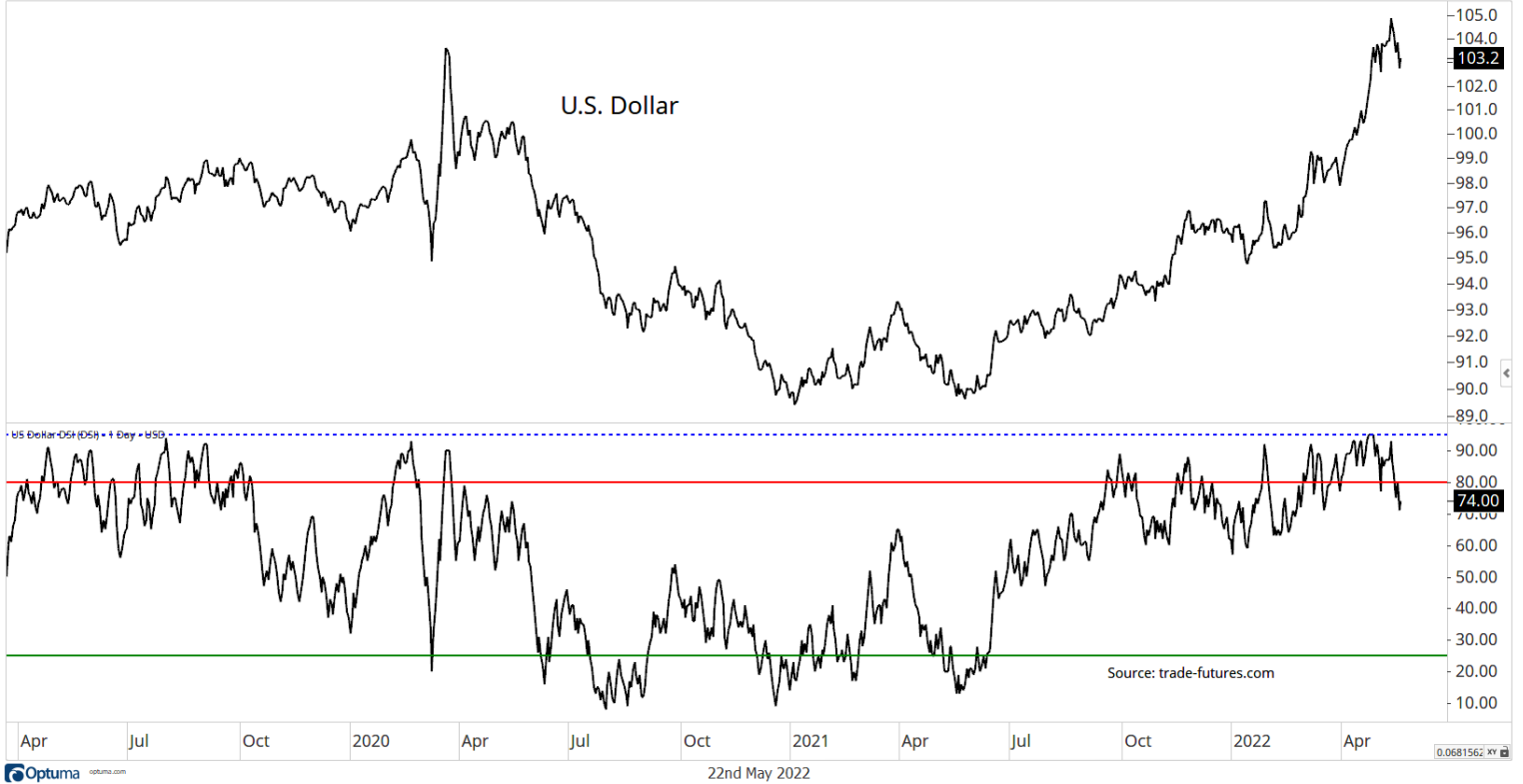
S&P 500 Index - SPX (CBOE) - 1 Day Line Chart - USD - No Layout



DAILY SENTIMENT INDEX



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

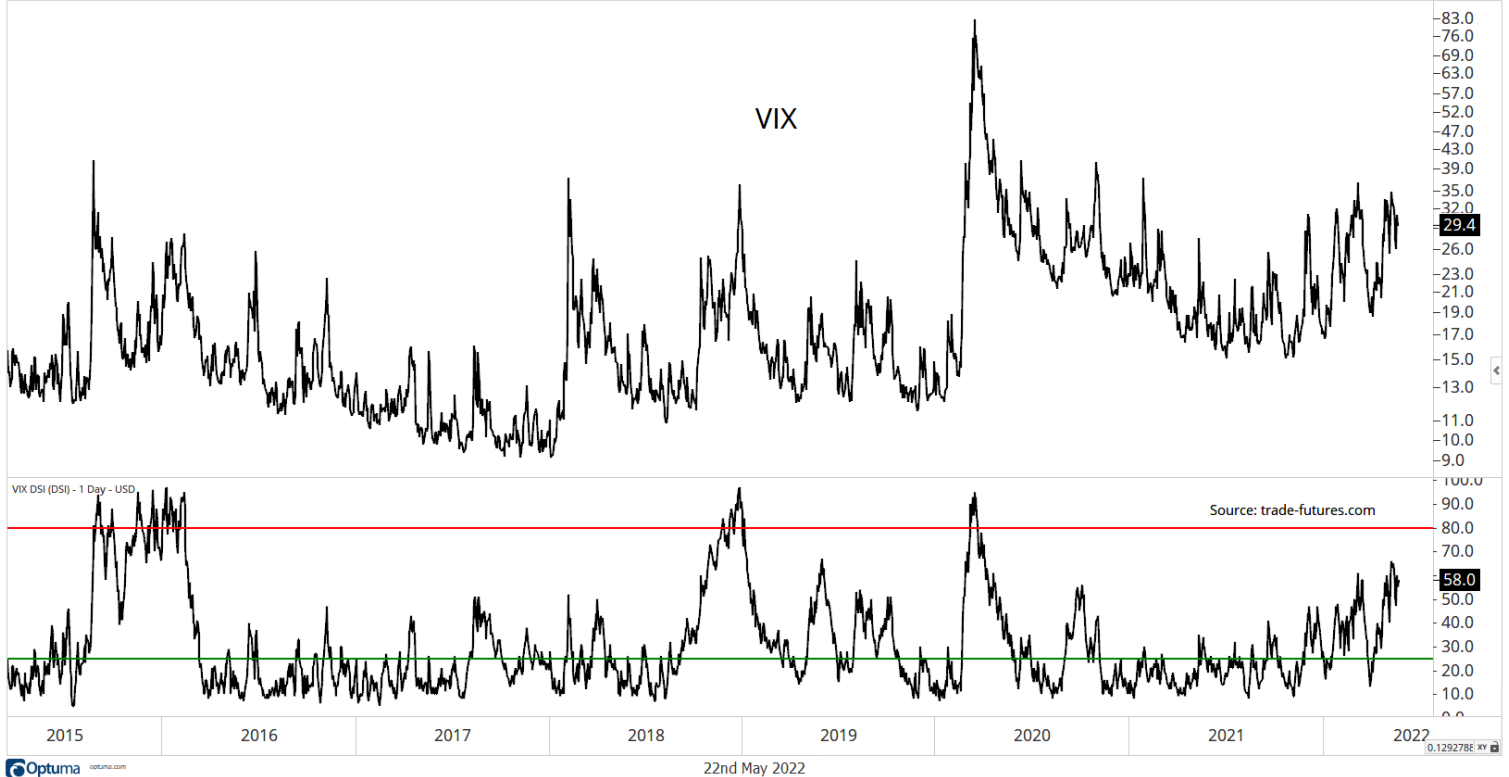


DAILY SENTIMENT INDEX



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ANALYTICS

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



TREND MODELS



TA THRASHER ANALYTICS

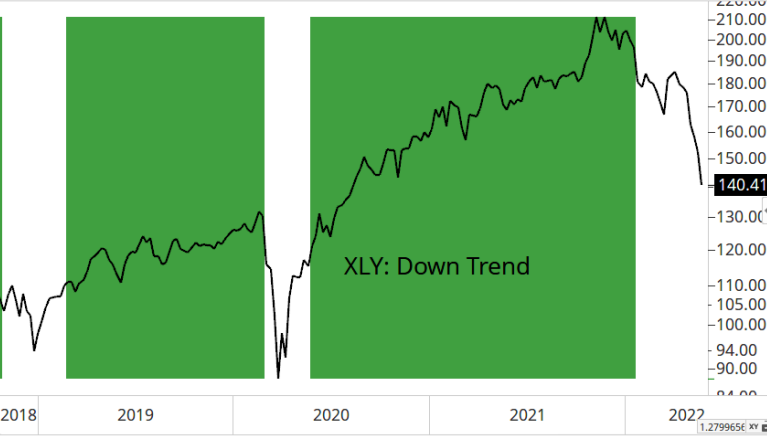
S&P 500 INDEX - SPX (W) - 1 Week Line Chart - USD - No Layout



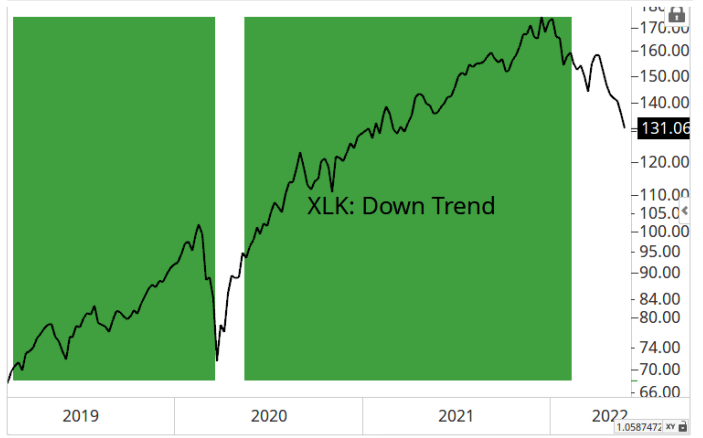
SPDR Financial Select Sector Fund ETF - XLF (US) - 1 Week Line Chart - USD - No Layout



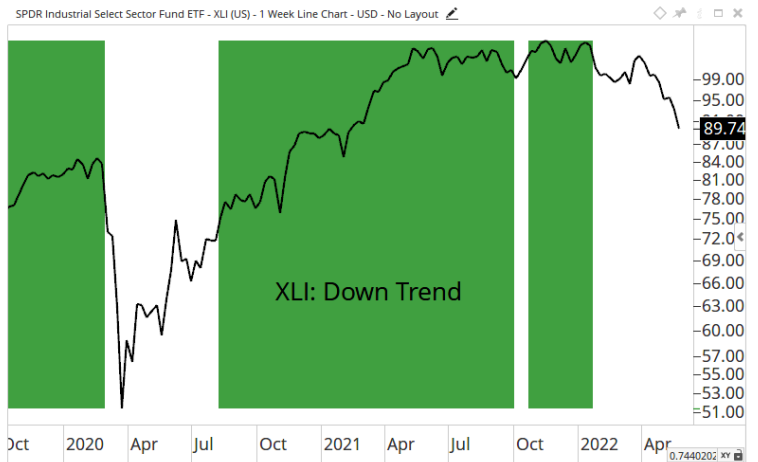
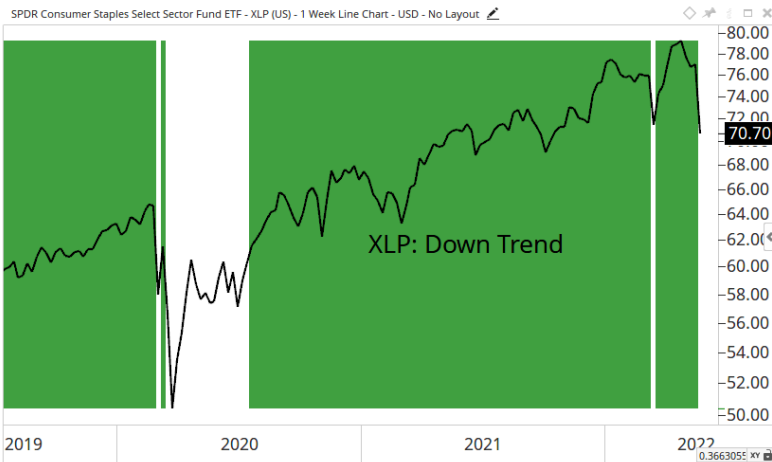
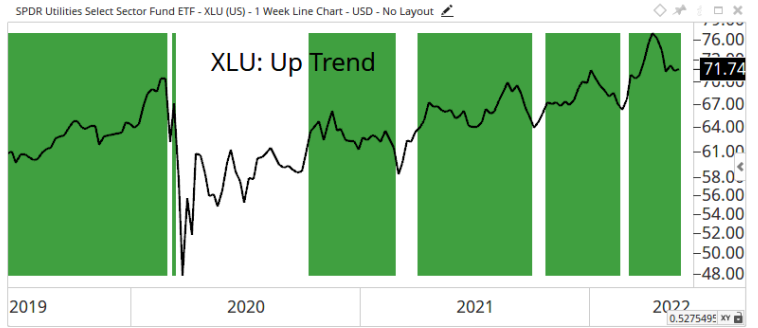
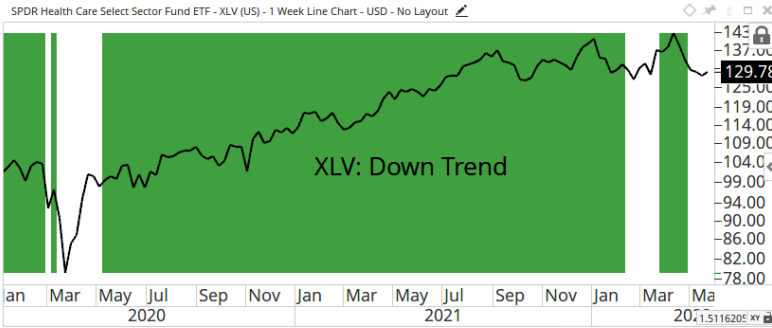
SPDR Consumer Discretionary Select Sector Fund ETF - XLY (US) - 1 Week Line Chart - USD - No Layout



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



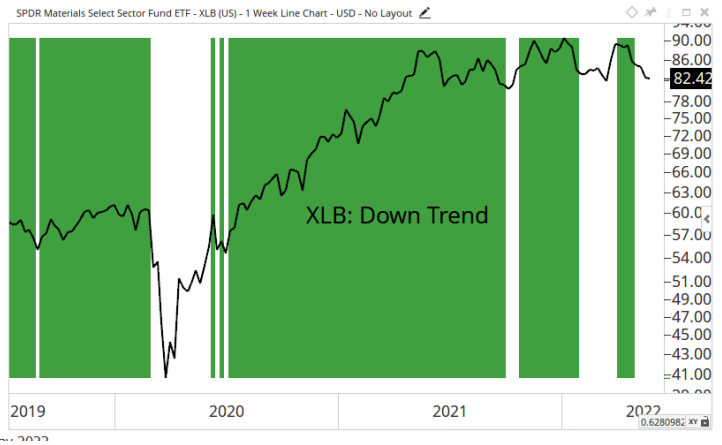
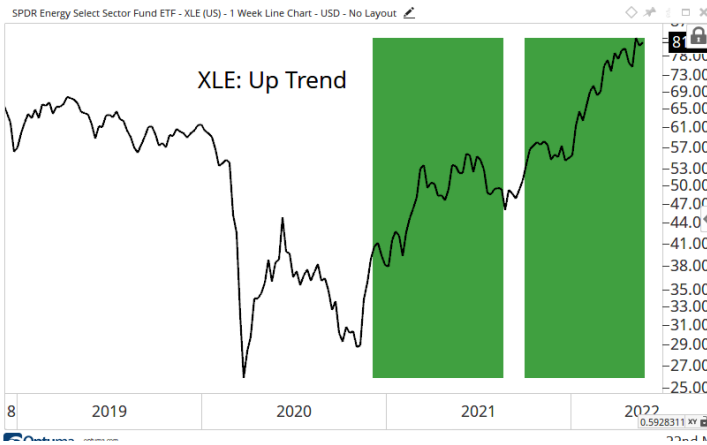
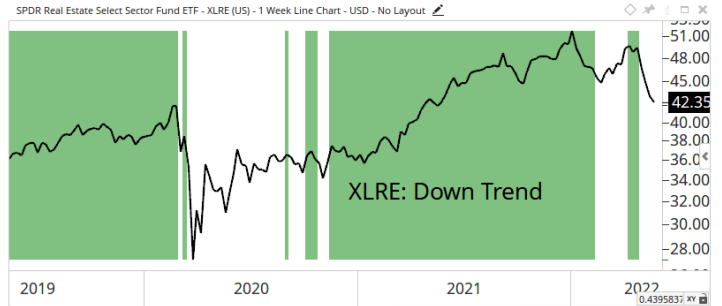
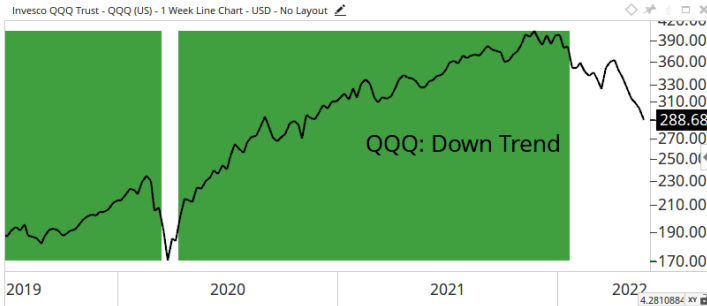
TREND MODELS



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