

TA THRASHER ANALYTICS

AUGUST 14, 2022



WEEKLY RESEARCH & ANALYSIS

BY ANDREW THRASHER, CMT

SUMMARY OF MODELS

	Current	Wkly Change
Maestro Model	+3	Unchanged
Volatility Risk Trigger	48	Unchanged
Risk Appetite Ratios	.39	Improving
S&P 500 Long-Term Trend	Down	Unchanged

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Volatility

Equities

Maestro Model

Hedge Fund Stocks

Sectors & Commodity

Sentiment

Trend Models

Sector Rotation: August	
Energy	XLE
Utilities	XLU
Health Care	XLV

Fixed Income Rotation: Q3	
Emerging Market Debt	PCY
Convertible Bond	CWB

Maestro Model	
Trend / Momentum	
Sentiment / VIX	
Breadth	
Economic	
Total	6

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	51%	43%
Nasdaq 100	56%	49%
Nikkei	65%	59%
VIX	15%	17%
10yr Treasury	54%	56%
5yr Treasury	51%	51%
CRB Index	38%	33%
Crude Oil	60%	60%
Gold	41%	40%
U.S. Dollar	62%	61%
Bitcoin	21%	20%

*Green<25% Red>80%

source: trade-futures.com

Brief Summary:

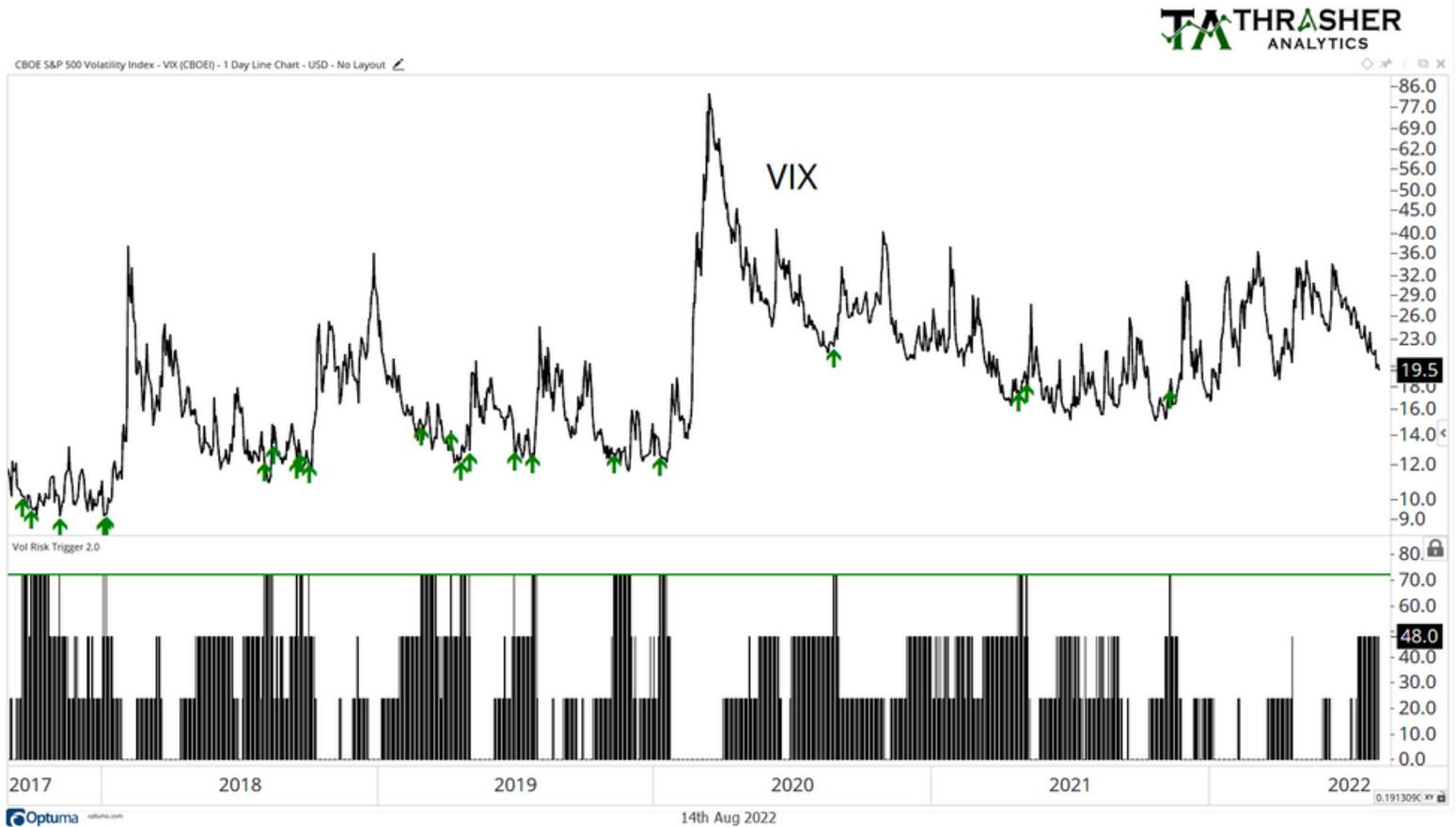
Once again, energy was the best performing sector last week, up +7.4% with all sectors moving higher. The S&P 500 was able to breach the critical 50% recovery level with small caps also testing the 200-day moving average by Friday as well. The market is putting a lot of weight on the belief the Fed will pause or slow their hiking cycle, even though all the Fed Speak we've gotten since the last FOMC announcement has been attempting to talk the market away from that belief. This week we'll get a look at several housing indicators with NAHB on the 15th, Building Permits and Starts on the 16th, and Existing Sales on the 18th. We'll also get Retail Sales on the 17th along with the minutes from July's FOMC meeting. WMT and TGT also report earnings this week, following their big guide lower and WMT recent announcement of cutting 200 corporate jobs.

The breadth data continues to improve, we've now had 9 breadths which is a multi-year high. In this week's letter I introduce a new and improved model, called Maestro Model which replaces the Market Health Report. I'll also soon be releasing a new sentiment model for sectors. I continue to strive to bring the best forms of analysis to subscribers, giving a unique and powerful view of the market that can't be found anywhere else.

VOLATILITY: VRT

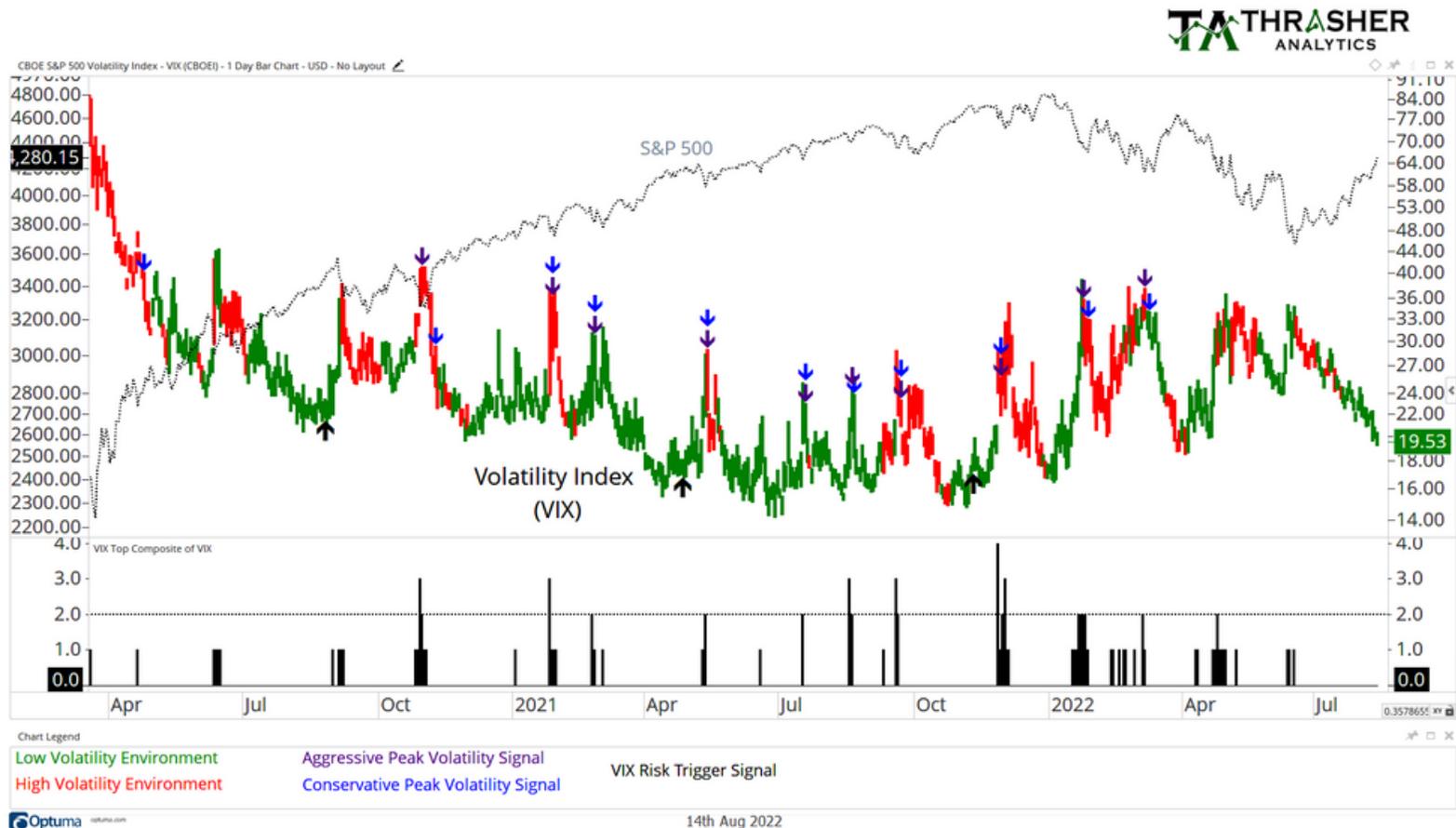


VRT remains elevated but not quite to a signal threshold.



VOLATILITY: TOP & ENVIRONMENT

The VIX moved lower last week and remains in a Low Volatility Environment.



VOLATILITY - CURVE

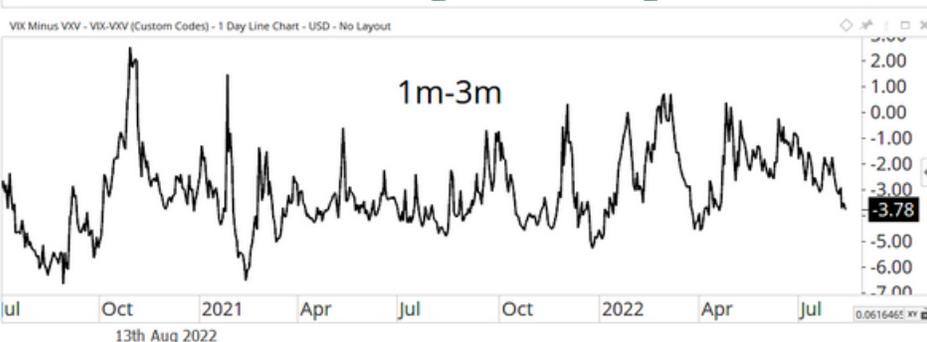
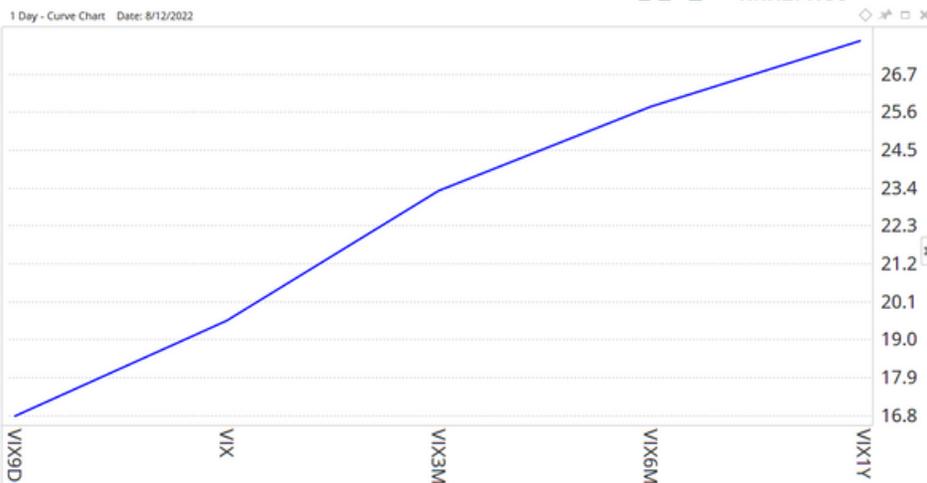
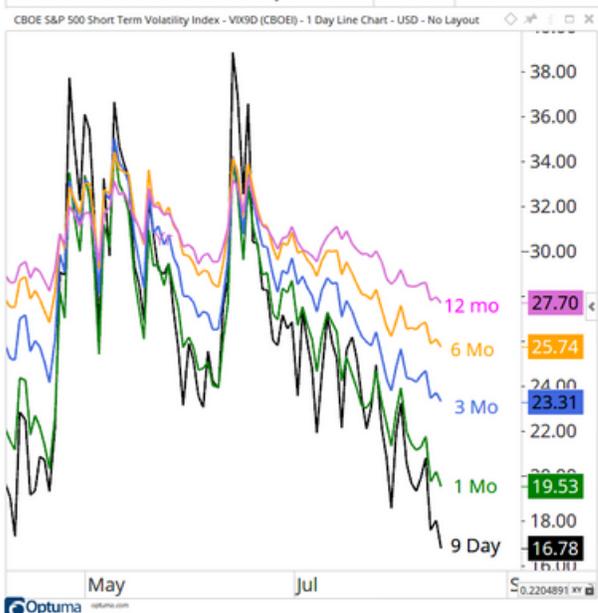


There's now almost a 11 point spread between 12-month and 9-day volatility as the curve continues to steepen.



1 Day - Watch List - No Layout

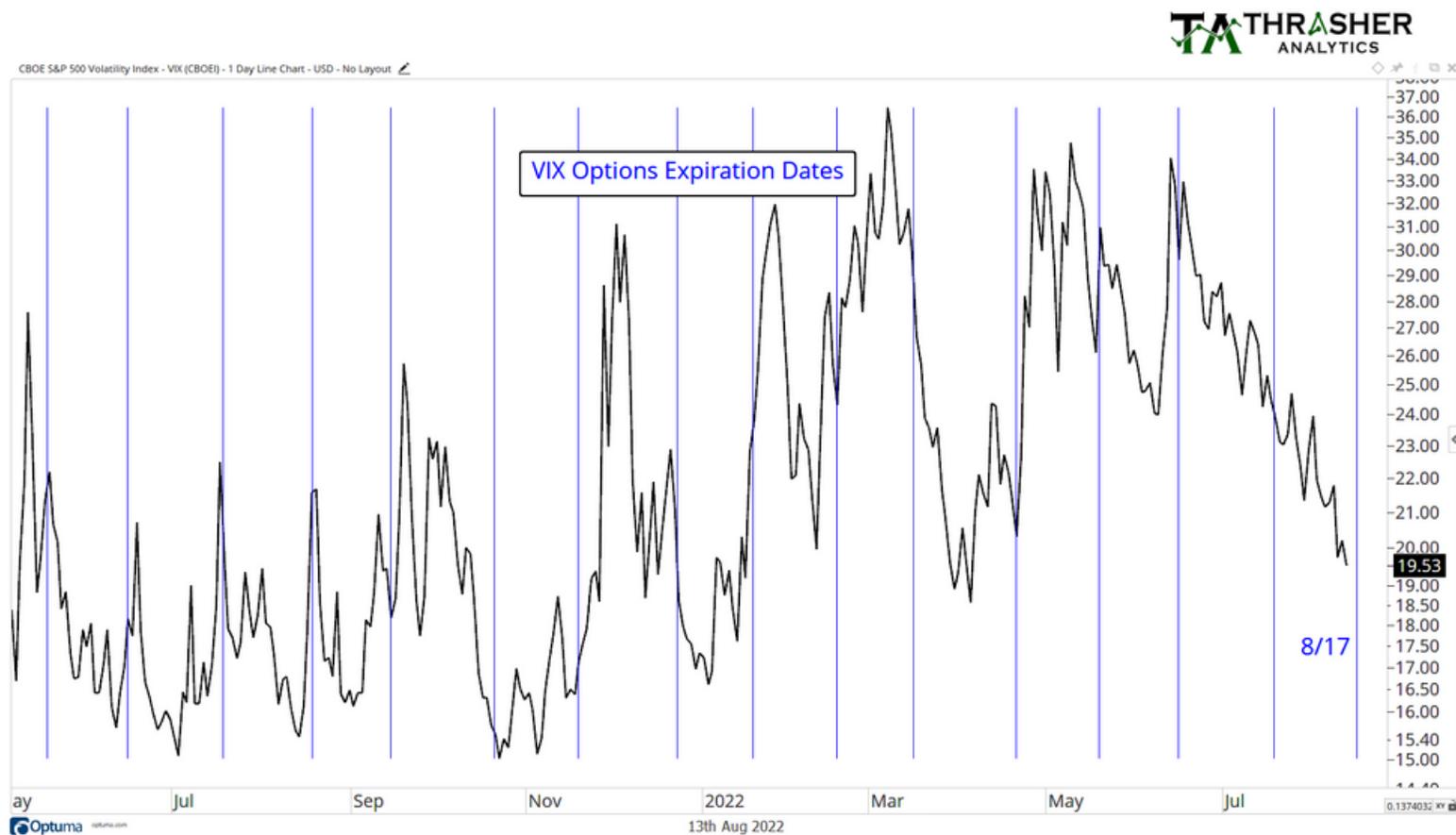
Name	Last	1yr %Tile
CBOE S&P 500 Short Term Volatility Index	16.78	0.2014
CBOE S&P 500 Volatility Index	19.53	0.2108
CBOE S&P 500 3-Month Volatility Index	23.31	0.2355
CBOE Mid-Term Volatility Index	25.74	0.2570
CBOE S&P 500 One-Year Volatility Index	27.70	0.3619



VOLATILITY - OPEX

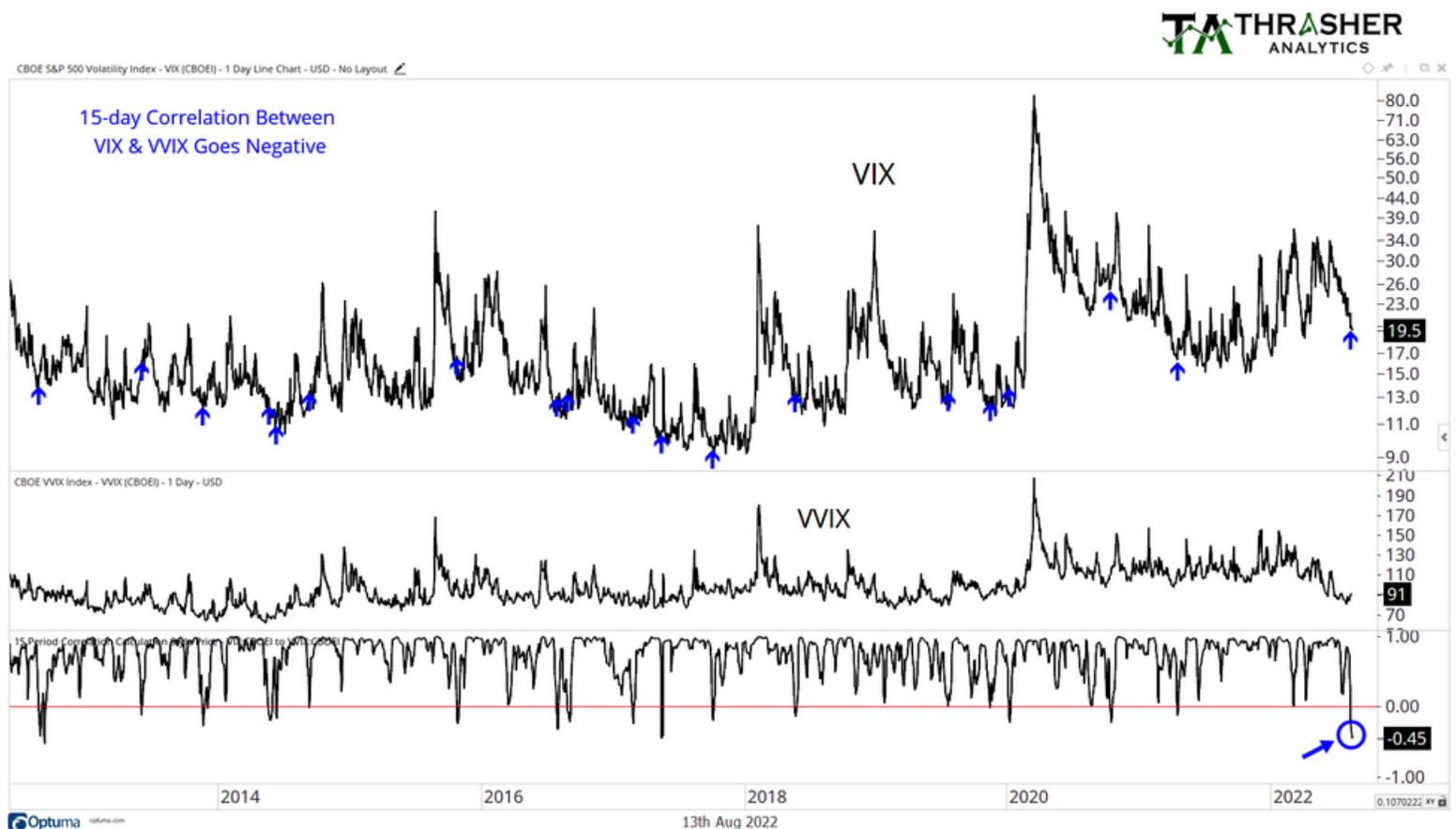


This week brings another option expiration for VIX contracts. While June brought crickets, we often see major moves coming out of opex.



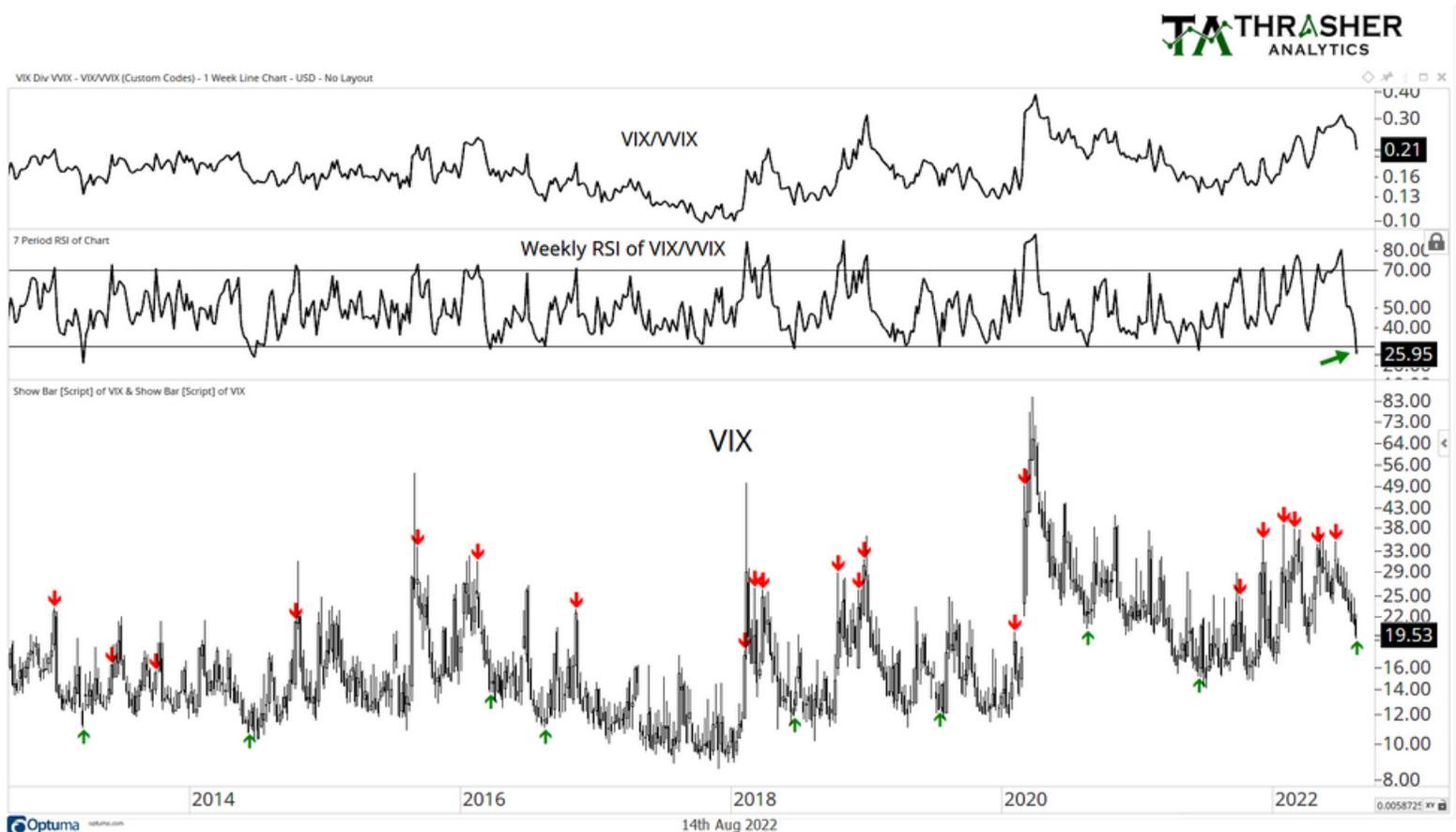
VOLATILITY - VVIX vs. VIX CORREL TA

Volatility of the VIX (VVIX) has been inching higher recently while spot VIX moves lower and closed under 20 on Friday. We don't see a break in correlation between these two very often, in fact its the lowest 3-week correlation in several years as shown by the chart below. I've noted blue arrows when the 14-day correlation goes negative between VVIX and VIX, with many significant increases in volatility often following.



VOLATILITY - VVIX/VIX MOMENTUM

I shared the below chart last December just as VIX was peaking in the low 30s and fell back into the teens and it's time to discuss momentum of the ratio between VIX and VVIX again. Last December I highlighted the 'overbought' condition calling for lower volatility, now we have the opposite development, momentum on the weekly chart has become 'oversold' which we don't see happen very often. You can see green arrows when weekly momentum using the RSI goes under 30 and the 'reaction' in volatility that has often followed. Sentiment has seen a big shift from overly fearful to overly confident as equities saw a strong move over the last few weeks, this has caused a possible overdone decline in spot VIX that appears ripe for reversion based on its relationship with VVIX.



I've very excited to introduce a new model to you, one that will be replacing (as a big upgrade!) the old Market Health Report.

Previously, the Market Health Report (MHR) relied on inputs separated between four categories: Sentiment, Trend, Momentum, Breadth, and Volatility. Some of these categories remain, some have been combined and one has been added in order to create the new Maestro Model. In musical terms, the Maestro is the conductor, interpreting the score of music (data) and communicating adjustments to draw out the best sound possible from the performers. I've named this model the Maestro Model as it interprets the data from the market and economy, communicating in a clear and concise message the necessary adjustments being call for with regards to risk and market direction.

The major changes from MHR are the combining of VIX and Sentiment categories, volatility in my opinion is a gauge of sentiment and better fits within that broad category. The same with Momentum and Trend, these have been combined as they tell the same similar story. A new category, economic, has been added to measure higher frequency economic data that's market-sensitive data. Each category contains more inputs than the MHR. The full model has a range of -27 to +27. The MHR relied on signals occurring at 15-day lows, Maestro no long has such constraint. The new model also incorporates other proprietary indicators and models developed at Thrasher Analytics, including for example, the VIX Top Composite, Breadth Thrust Composite. Maestro also gives two sets of signals: Aggressive and Conservative.

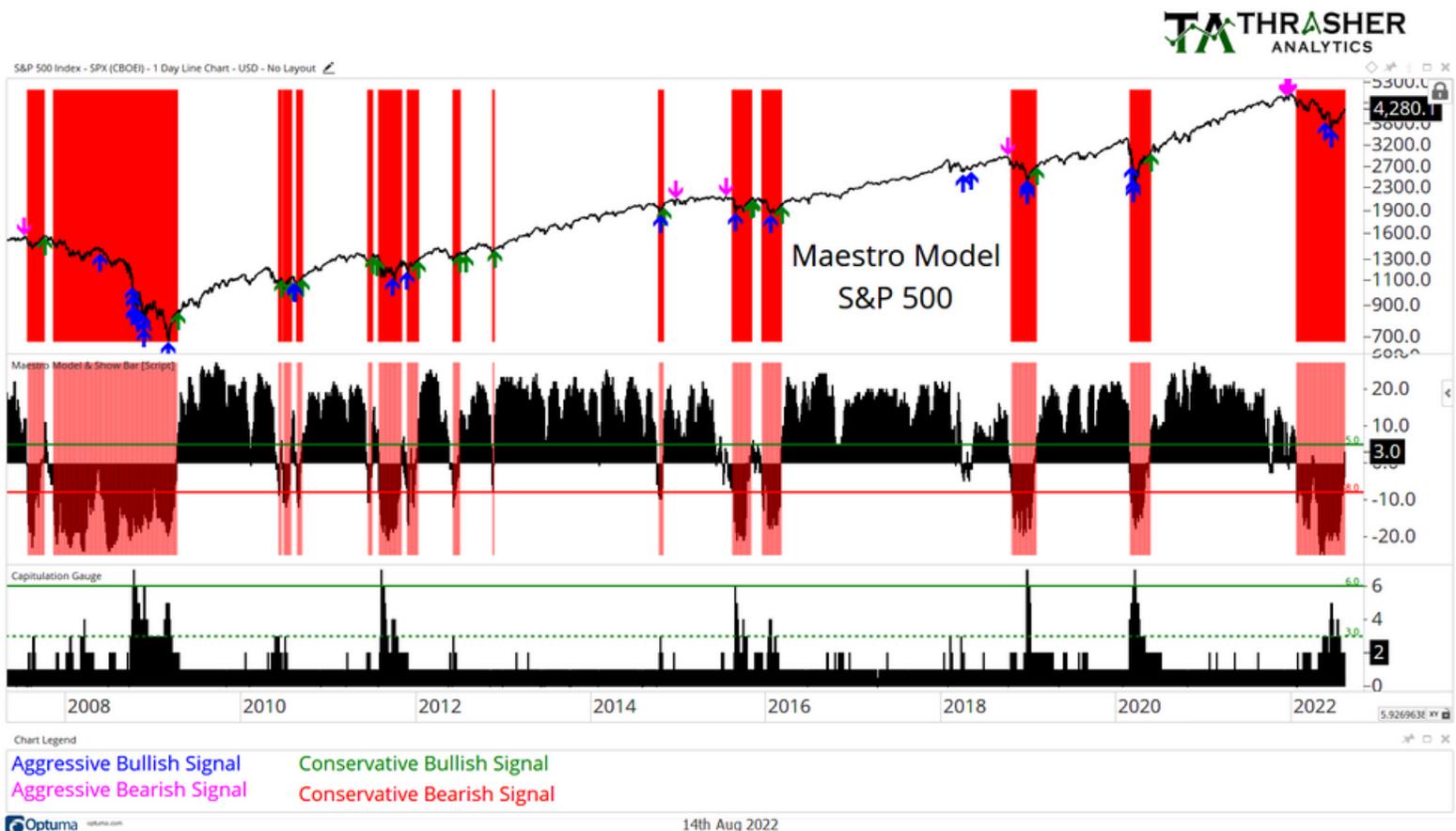
With the introduction of the Maestro Model is the Capitulation Gauge. This is a quantitative tool to gauge when the market has capitulated on the downside, potentially signaling a low in equities that is used within the Aggressive Bullish signal. Some of Capitulation Gauge inputs include things like less than 20% of stocks above the 200-day MA, the VIX Top Composite, Over 25% of stocks with a bullish momentum divergence, sentiment (DSI) is under 10% bullish.

- **Aggressive Bearish:** Highest SPX close in 6-months with the model at less than +9 and at least one of category negative.
- **Aggressive Bullish:** Lowest SPX low in 3-weeks with the model off its low by 10-25% and the Capitulation Gauge at a +2 or higher or the model higher by 50% or more and the Capitulation Gauge is above zero.
- **Conservative Bullish:** Model is greater than +5 and has less than two categories negative.
- **Conservative Bearish:** Model is less than -8.

MAESTRO MODEL - HISTORY



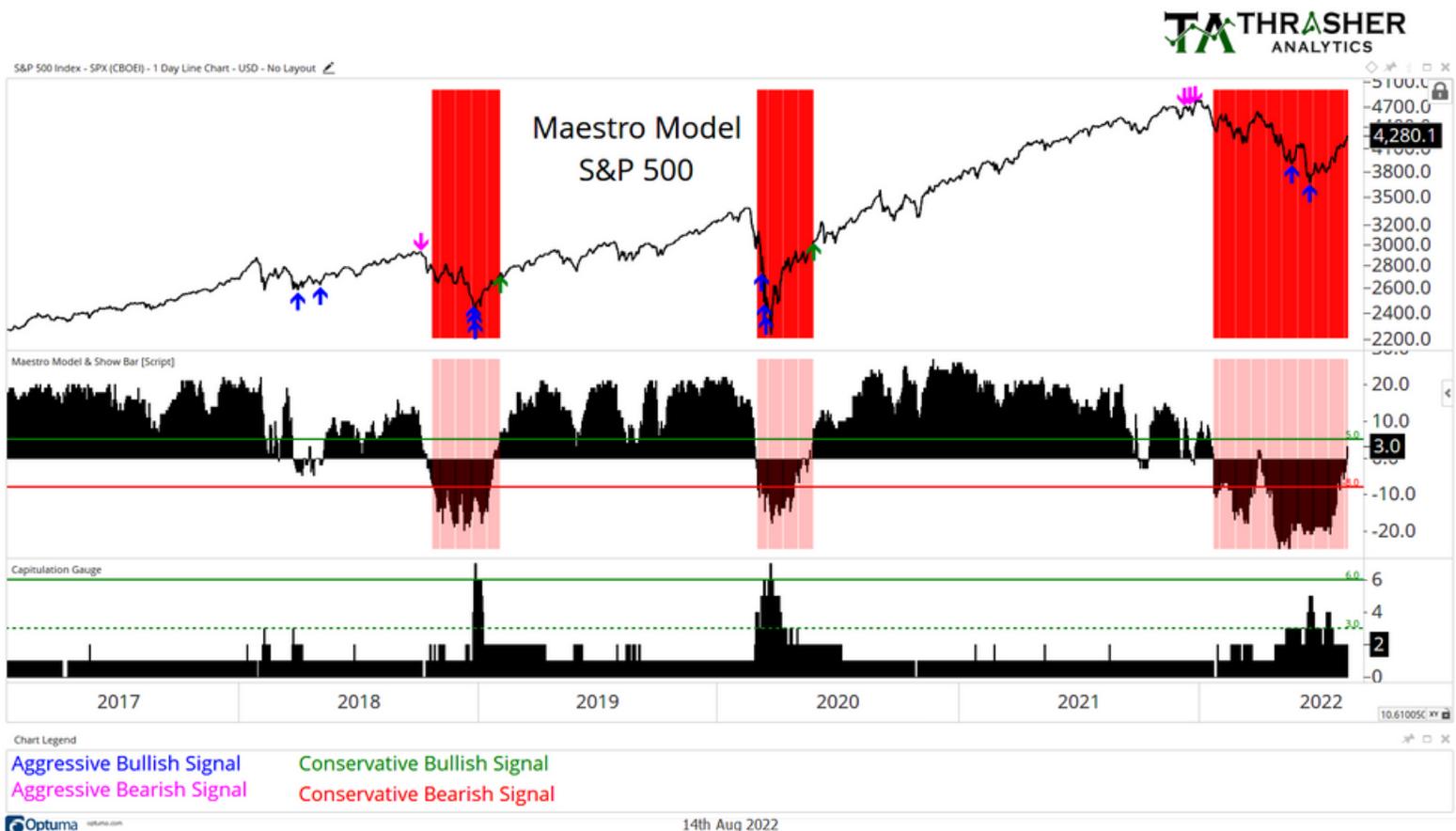
Below is a look at the model since 2007, which is as far back as some of the data inputs go in their history so I unfortunately can't take the full market further. In the bottom panel you can see the Capitulation Gauge. The middle panel shows the Maestro Model and overlaid on the S&P 500 chart are the various signals, with a color coded legend at the bottom of the chart. As the model changes I'll of course provide detailed commentary.



MAESTRO MODEL - CURRENT



Below is a look at the model over the last few years. The Aggressive Signal highlighted the drop in the model's score at the peak with the full score falling under -8 a couple of weeks later, with a Conservative Bearish signal. We've had two Aggressive Bullish signals, one ahead of a brief bounce and the second at the immediate low in June. We finished last week at +3, just a few points from a Conservative Bullish signal.



MAESTRO MODEL - CATEGORIES



Here we have each of the individual categories that feed the Maestro Model. You may notice the below values add up to -1 which is different than the prior page showing the model at +3. This is because the Breadth category receives a double weighting in the model. This is because I believe breadth is the most important and most impactful category to evaluate the market, which truly is a market of individual stocks that we can evaluate through breadth.



SENTIMENT SCORE - SOON!

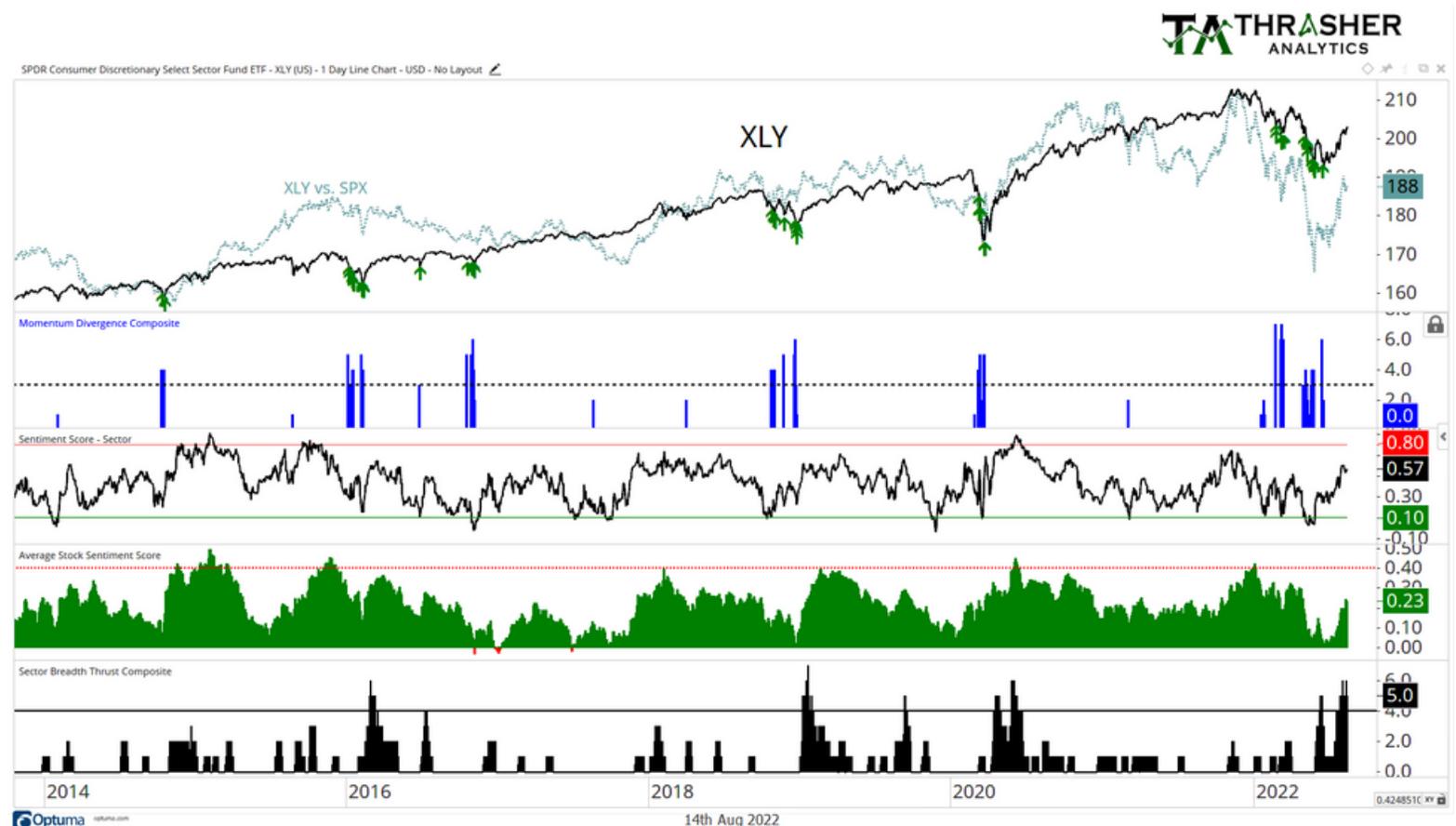


That's not all!

I also have another set of models to roll out but didn't want to overwhelm you with too much at once. But to give you a sneak peek at what's coming, check out the chart below. I've developed a Sentiment Score that will be applied to sectors and potentially individual stocks. I'll be going into much greater detail very soon about what this Score is and how it's used. I considered using this new tool as a topic of a paper to publish in a professional journal (I think it's that unique and useful!) but instead I'm going to make it a feature of Thrasher Analytics, giving subscribers an extra edge in evaluating markets.

(Also notice the inclusion of sector breadth thrusts and a tool to measure momentum divergences)

Stay tuned!



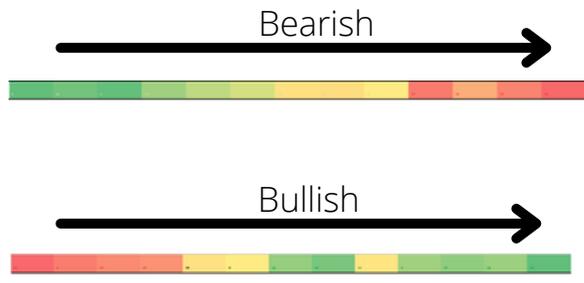
RISK APPETITE RATIO



Below is a table of 17 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 39th percentile.

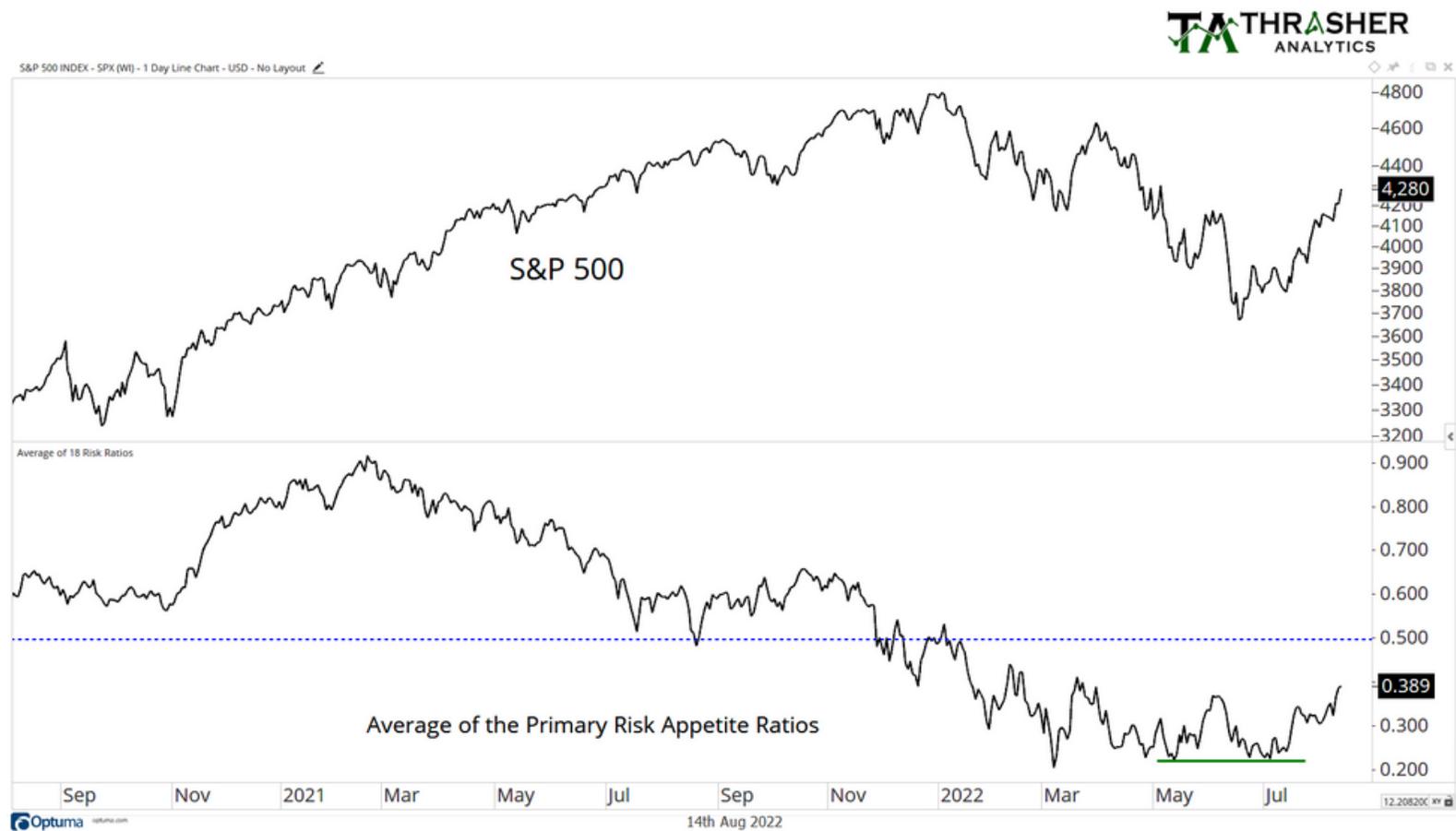
Risk Metric	-35	-34	-33	-32	-31	-30	-29	-28	-27	-26	-25	-24	-23	-22	-21	-20	-19	-18	-17	-16	-15	-14	-13	-12	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	Current		
Emerging Market vs. SPX	0.23	0.20	0.22	0.27	0.27	0.29	0.24	0.22	0.19	0.20	0.21	0.15	0.17	0.18	0.15	0.10	0.16	0.13	0.09	0.09	0.10	0.11	0.13	0.09	0.06	0.00	0.00	0.01	0.00	0.03	0.04	0.06	0.06	0.02	0.04	0.01		
EAFE vs. SPX	0.16	0.15	0.15	0.24	0.23	0.26	0.20	0.05	0.03	0.03	0.04	0.01	0.07	0.10	0.02	0.00	0.08	0.08	0.00	0.00	0.05	0.09	0.07	0.06	0.01	0.01	0.03	0.00	0.00	0.01	0.00	0.02	0.01	0.02	0.02	0.00		
HY Debt vs. Treasury	0.75	0.85	0.87	0.79	0.70	0.65	0.64	0.59	0.66	0.79	0.85	0.73	0.72	0.66	0.69	0.73	0.73	0.82	0.83	0.81	0.71	0.76	0.72	0.81	0.82	0.85	0.72	0.80	0.77	0.78	0.88	0.80	0.78	0.90	0.99	0.98		
Home Construction vs. SPX	0.24	0.21	0.23	0.22	0.22	0.25	0.35	0.43	0.39	0.38	0.40	0.43	0.48	0.50	0.48	0.45	0.46	0.46	0.44	0.48	0.54	0.49	0.48	0.46	0.46	0.43	0.47	0.37	0.34	0.40	0.39	0.44	0.35	0.40	0.42	0.41		
Offense vs. Defense Sectors	0.00	0.07	0.04	0.02	0.00	0.00	0.00	0.04	0.02	0.09	0.08	0.03	0.03	0.04	0.02	0.04	0.11	0.18	0.26	0.27	0.22	0.21	0.13	0.22	0.21	0.32	0.31	0.29	0.31	0.32	0.32	0.31	0.29	0.35	0.38	0.40		
Broker-Dealer vs. SPX	0.14	0.18	0.19	0.29	0.27	0.22	0.19	0.22	0.13	0.14	0.12	0.11	0.15	0.14	0.06	0.14	0.20	0.27	0.29	0.31	0.34	0.34	0.32	0.24	0.30	0.29	0.26	0.28	0.28	0.32	0.35	0.36	0.40	0.39	0.46	0.45		
S&P Growth vs. S&P Value	0.19	0.21	0.19	0.13	0.15	0.12	0.11	0.18	0.21	0.24	0.25	0.21	0.18	0.19	0.22	0.22	0.21	0.23	0.28	0.32	0.28	0.24	0.19	0.28	0.29	0.34	0.34	0.34	0.39	0.42	0.40	0.38	0.38	0.40	0.37	0.38		
Semiconductor vs. SPX	0.03	0.08	0.08	0.06	0.00	0.00	0.00	0.01	0.02	0.12	0.14	0.10	0.13	0.17	0.25	0.27	0.28	0.34	0.40	0.42	0.37	0.35	0.34	0.41	0.41	0.38	0.40	0.42	0.45	0.49	0.47	0.41	0.27	0.34	0.34	0.38		
Consumer Disc. Vs. Staples	0.02	0.06	0.04	0.02	0.00	0.00	0.01	0.06	0.03	0.07	0.06	0.02	0.03	0.03	0.02	0.05	0.08	0.13	0.17	0.18	0.15	0.13	0.08	0.13	0.14	0.15	0.14	0.14	0.16	0.18	0.17	0.20	0.15	0.20	0.22	0.24		
Small Cap vs. Utilities	0.10	0.13	0.12	0.09	0.07	0.03	0.01	0.06	0.03	0.07	0.06	0.11	0.11	0.06	0.06	0.07	0.05	0.09	0.11	0.16	0.22	0.23	0.17	0.15	0.13	0.17	0.13	0.12	0.12	0.12	0.14	0.13	0.15	0.17	0.12	0.17	0.18	0.19
Transports vs. Utilities	0.12	0.17	0.15	0.11	0.09	0.05	0.02	0.10	0.07	0.12	0.12	0.08	0.08	0.06	0.05	0.08	0.13	0.21	0.27	0.25	0.20	0.18	0.11	0.15	0.15	0.18	0.19	0.14	0.15	0.17	0.21	0.22	0.17	0.24	0.26	0.24		
Equal Weight vs. Cap Weight	0.66	0.67	0.71	0.78	0.71	0.74	0.76	0.70	0.66	0.65	0.61	0.64	0.70	0.70	0.62	0.62	0.67	0.69	0.70	0.67	0.71	0.73	0.79	0.70	0.74	0.67	0.68	0.68	0.60	0.58	0.62	0.68	0.65	0.66	0.72	0.71		
Small cap vs. Large Cap	0.13	0.13	0.17	0.18	0.14	0.14	0.16	0.21	0.16	0.20	0.20	0.16	0.19	0.22	0.17	0.18	0.21	0.26	0.31	0.28	0.24	0.26	0.29	0.28	0.28	0.24	0.26	0.29	0.28	0.28	0.33	0.39	0.34	0.38	0.40	0.42		
Equities vs. VIX	0.10	0.17	0.17	0.12	0.13	0.11	0.17	0.15	0.17	0.20	0.24	0.19	0.15	0.16	0.17	0.25	0.21	0.25	0.28	0.32	0.31	0.30	0.24	0.32	0.36	0.42	0.35	0.31	0.40	0.42	0.43	0.42	0.40	0.52	0.49	0.55		
Aussie Dollar vs. Yen	0.85	0.85	0.86	0.86	0.84	0.78	0.81	0.77	0.78	0.81	0.82	0.78	0.78	0.80	0.85	0.87	0.87	0.93	0.93	0.93	0.87	0.92	0.91	0.95	0.85	0.81	0.78	0.78	0.81	0.79	0.82	0.88	0.86	0.86	0.88	0.92		
Lumber vs. Gold	0.17	0.16	0.16	0.17	0.19	0.23	0.22	0.22	0.22	0.26	0.25	0.26	0.24	0.24	0.24	0.29	0.24	0.25	0.23	0.22	0.17	0.16	0.14	0.14	0.11	0.09	0.10	0.08	0.05	0.08	0.03	0.07	0.11	0.16	0.16	0.15		
Copper vs. Gold	0.00	0.00	0.03	0.05	0.06	0.02	0.00	0.00	0.03	0.15	0.11	0.03	0.00	0.01	0.00	0.02	0.09	0.05	0.09	0.05	0.07	0.09	0.11	0.14	0.13	0.18	0.15	0.13	0.11	0.08	0.15	0.16	0.13	0.19	0.24	0.20		
AVERAGE	0.23	0.25	0.26	0.26	0.24	0.23	0.23	0.24	0.22	0.27	0.27	0.24	0.24	0.25	0.24	0.26	0.28	0.32	0.34	0.34	0.32	0.32	0.30	0.33	0.32	0.32	0.31	0.30	0.31	0.32	0.34	0.35	0.32	0.36	0.39	0.39		



RISK APPETITE RATIO



The average Risk Appetite Ratio percentile move up last week to the 39th percentile.



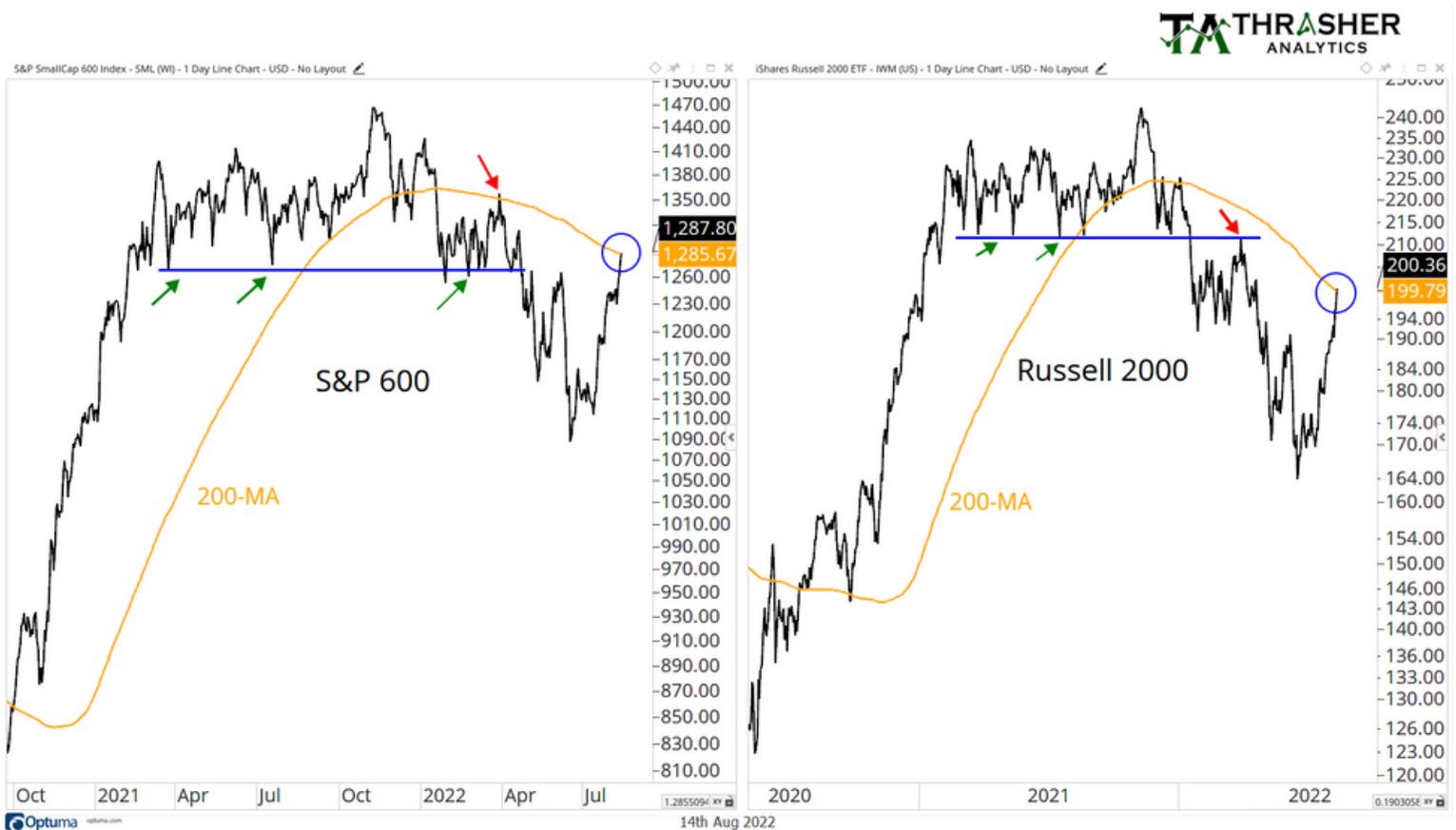
Last week I wrote about the significance of the 50% recovery threshold, which we began to test last Thursday and saw a solid break above on Friday. If we can continue to hold above that level (4232-ish) and 4200 then bulls should stay in control of this tape. We closed the week with RSI north of 70 for the first time this year and with price now setting its targets on the 200-day MA which is 49 points away.



EQUITIES - KEY PRICE LEVELS



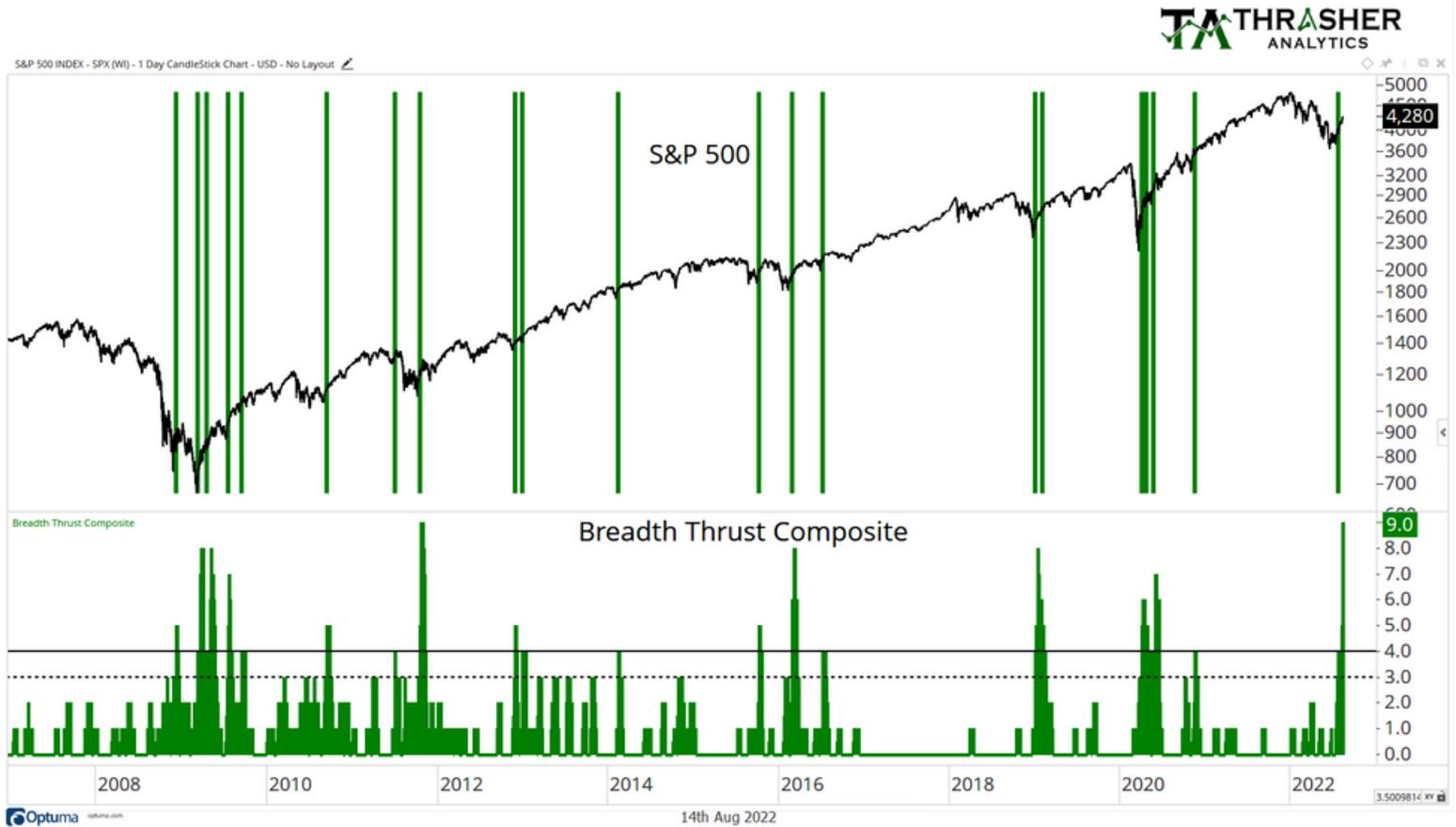
Speaking of the 200-day moving average, small cap stocks are already at that level right now. Both the S&P 600 and Russell 200 saw slightly closes above the 200-MA on Friday. I'm watching this week if price can hold this break above. The old saying of "bad things happen under the 200-day" gets put behind us if we see more asset classes recover this long-term average and hold above.



EQUITIES - BREADTH THRUSTS



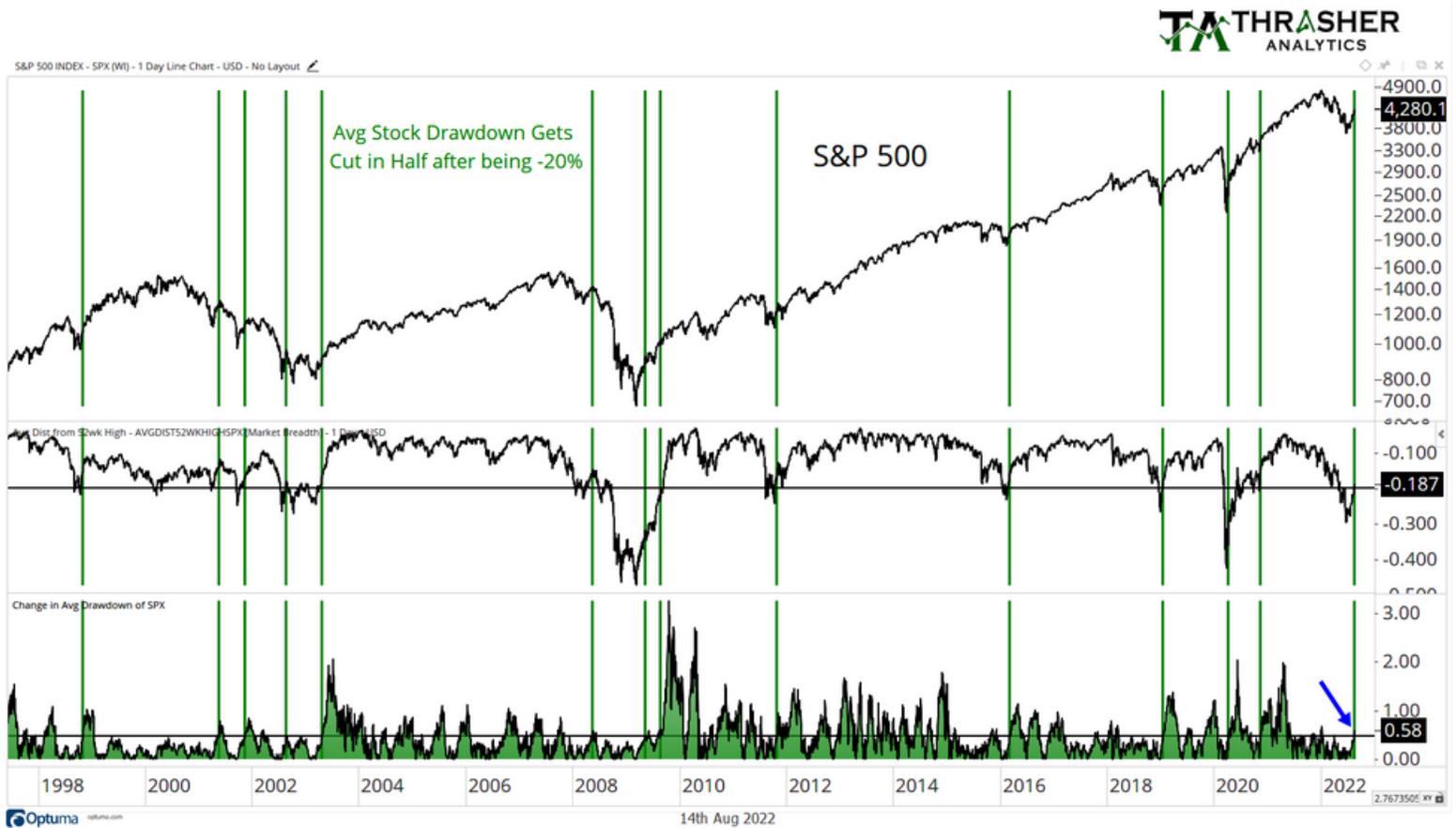
We got some more thrusts last week, pushing to the total to a multi-year high of 9! this is the most we've seen since 2011. As a reminder, the Breadth Thrust Composite is part of the Maestro Model.



EQUITIES - BREADTH THRUSTS



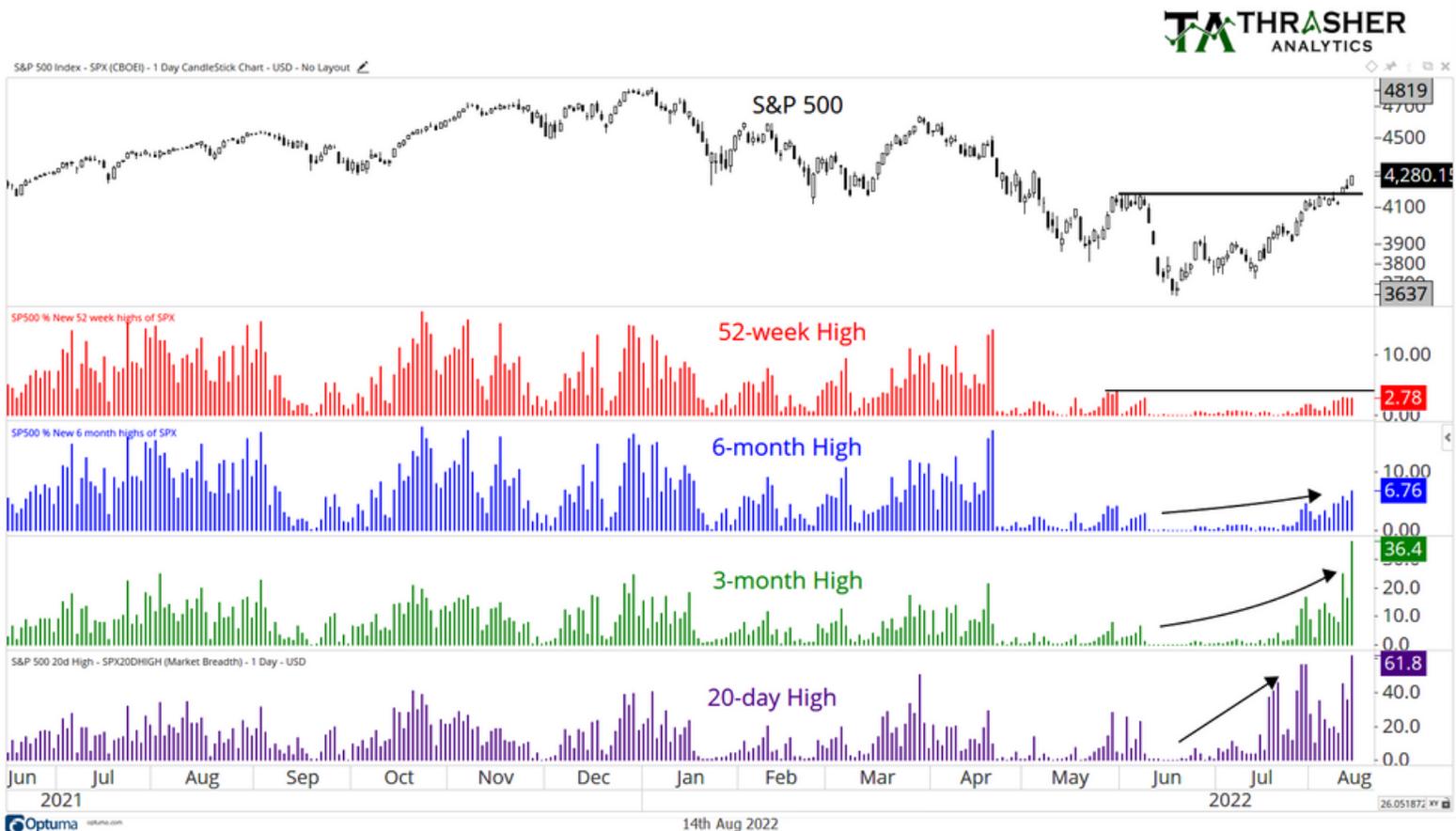
One of the latest thrusts we've seen has been in the average stock drawdown being cut in half. We've seen this occur during counter-trend rallies in 2001 and 2008 but it's also followed major lows as well. Stocks are digging themselves out of a large hole, but the drawdown has now been cut in half for the average large cap stock.



EQUITIES - NEW HIGHS



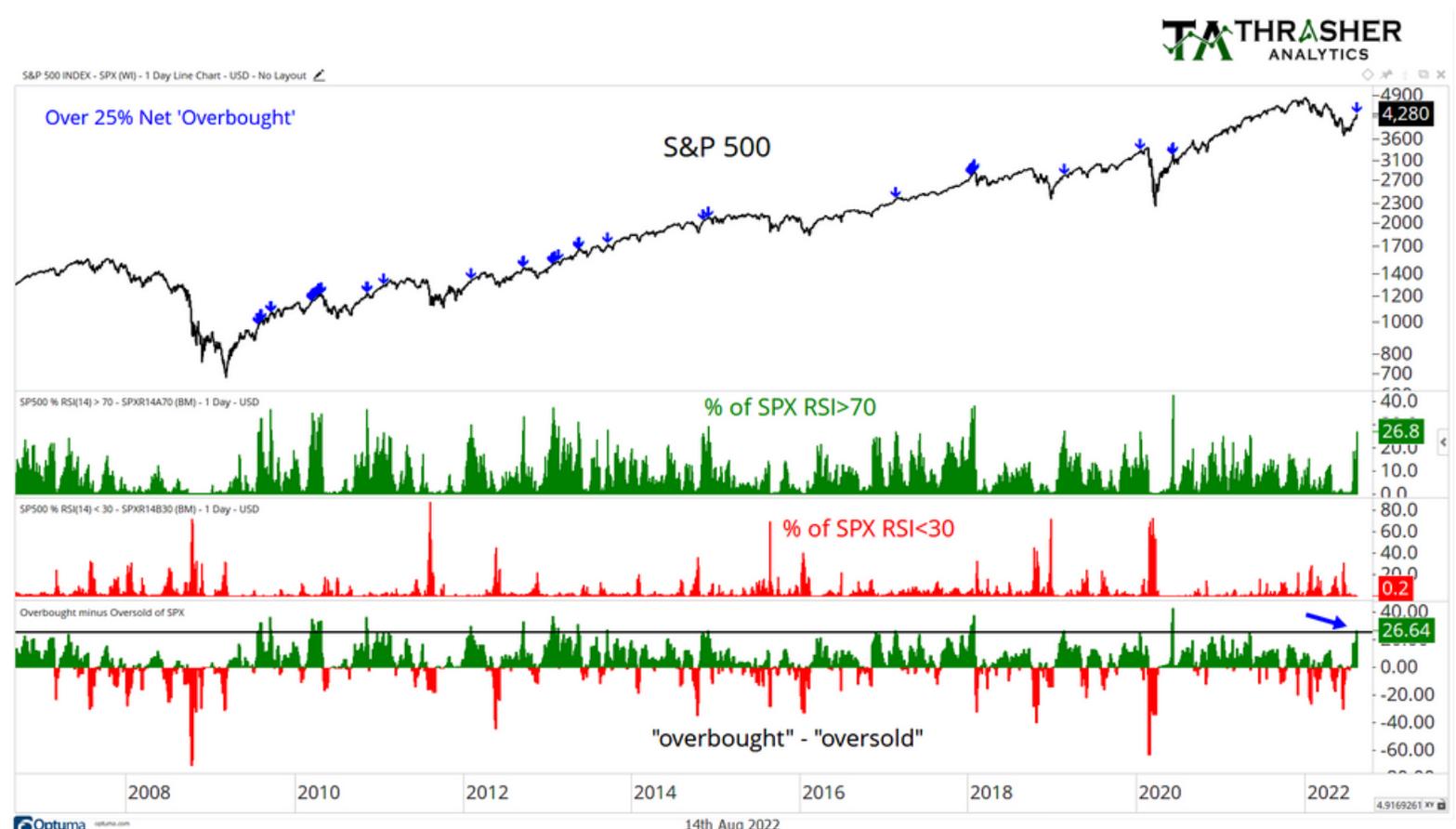
Across most lookback periods we're seeing an expansion in new highs. For 20-day, 3-month, and 6-month highs we're seeing stocks recovering. Over 60% of stocks made a 20-day high on Friday, a multi-year high. This only holdout is the 52-week high list, which still sits below the prior June high even as the index breaks above its own June high. I'll be watching this week if we begin seeing more new 52-week highs and get this lookback period to confirm what the shorter periods are showing.



EQUITY - MOMENTUM



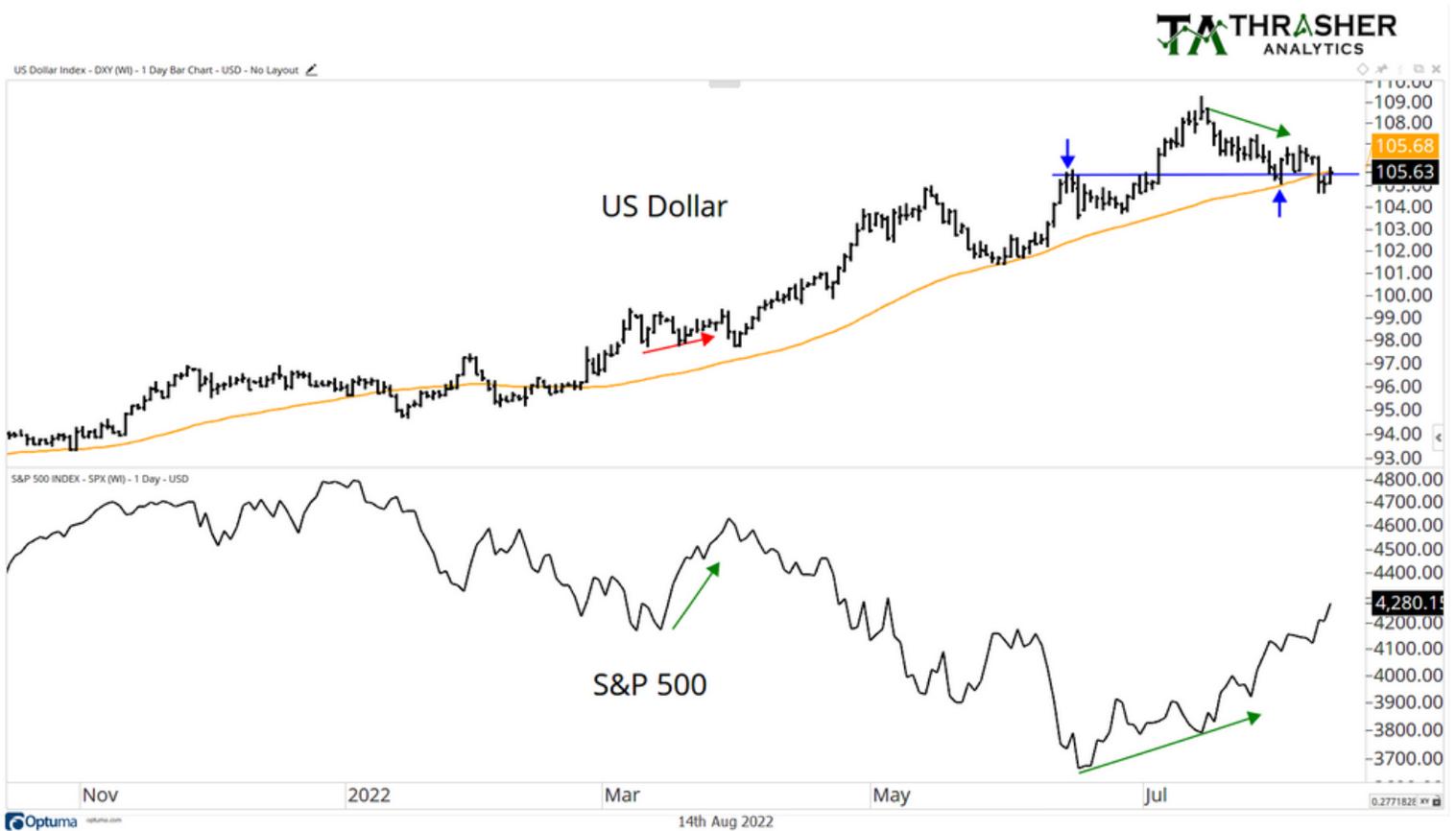
As of Friday we have 26.8% of large cap stocks holding a 14-day RSI over 70. This puts the net 'overbought' (% overbought minus % oversold) at 26.6%, the highest reading since just after the Covid Crash in 2020. When we last had over a net over 25% in 2020 we did see a minor pullback in the Index has recent gains got digested. What stands out to me is we never saw a net over 25% during the Financial Crisis during counter-trend rallies. We saw stocks get 'overbought' but not to the degree they are now until the final low in 2009 was put in. Several notable peaks did occur with this many stocks over-extended but when coming off a major low the pullbacks have been fairly minor.



EQUITY - U.S. DOLLAR IS KEY



The dollar continues to be key for equity traders and we've still not seeing major weakness in the U.S. currency. Last week we saw a drop under the 50-day moving average that the dollar attempted to recover on Friday with a slight bounce higher. The Dollar Index still holds above 105. I'm watching if we can get a more durable lower-low in the dollar or if we see a move back above the 50-day MA and a possible run at the prior high. The trend in the dollar is a major 'tell' for macro risk appetite and is a chart to keep a close eye on.



EQUITY - SHORT COVERING



Part of what's driven stocks higher in recent weeks has been a massive short covering according to data from Goldman Sachs based on their prime book, shown below. Goldman noted we're in the middle of their 3rd largest (so far) hedge fund short covering event. Those pounding the table on this still being a counter-trend rally point to this data as a sign the market isn't seeing 'real' buying but just an unwind of shorts, artificially pushing the market higher. That very well could be true but the if SPX can hold above 4200 then 'real' buyers very well could emerge to take the baton and push markets higher. But if we don't hold key levels, then there's plenty of bearish data out there to latch on to that can drive stocks lower.



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 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: 2.96%	AVG: 22.26%	AVG: 2.11%	AVG: -0.873	AVG: -44.51
Workday Inc	WDAY	8.98%	19.07%	-6.98%	-1.031	-55.82
Netflix Inc.	NFLX	9.93%	33.33%	37.76%	-0.934	-55.16
Shopify Inc	SHOP	-0.12%	14.59%	7.98%	-1.049	-50.70
Twilio Inc - Ordinary Shares Class A	TWLO	2.33%	-6.27%	-19.07%	-1.202	-46.58
ServiceNow Inc	NOW	2.36%	2.50%	10.90%	-0.688	-44.70
Salesforce Inc	CRM	-0.15%	8.20%	11.90%	-0.757	-42.96
Advanced Micro Devices Inc.	AMD	-1.45%	27.07%	5.76%	-0.511	-42.22
Zendesk Inc	ZEN	0.82%	2.55%	-32.82%	-1.440	-42.21
Carvana Co.	CVNA	10.90%	107.65%	12.09%	-1.003	-40.91
Block Inc - Ordinary Shares - Class A	SQ	0.25%	31.23%	-8.57%	-0.890	-39.00
Nvidia Corp	NVDA	-1.47%	18.13%	0.18%	-0.856	-37.04
Microsoft Corporation	MSFT	3.18%	9.06%	6.25%	-0.120	-36.88
Mean Reversion Score 2nd Quartile		AVG: 5.37%	AVG: 18.57%	AVG: 9.42%	AVG: -0.576	AVG: -26.47
Mean Reversion Score 3rd Quartile		AVG: 2.35%	AVG: 8.64%	AVG: 3.82%	AVG: -0.648	AVG: -14.37
Mean Reversion Score 4th Quartile		AVG: 2.65%	AVG: 17.72%	AVG: 21.38%	AVG: 1.036	AVG: 4.95
Apple Inc	AAPL	4.08%	17.04%	9.42%	1.229	-6.45
Builders Firstsource Inc	BLDR	3.48%	16.48%	8.70%	0.649	-6.06
Elastic N.V	ESTC	-3.29%	6.20%	28.54%	-0.634	-5.32
Transdigm Group Incorporated	TDG	6.00%	26.08%	15.83%	1.618	-3.22
Godaddy Inc	GDDY	3.02%	11.38%	5.62%	1.203	-0.64
Uber Technologies Inc	UBER	1.44%	45.34%	24.55%	-0.284	-0.27
Roblox Corporation - Ordinary Shares - Clas	RBLX	3.88%	24.00%	83.93%	-0.451	3.26
Humana Inc.	HUM	2.66%	2.79%	15.38%	2.012	10.61
Unitedhealth Group Inc	UNH	1.61%	4.83%	8.82%	1.705	11.48
Fiserv, Inc.	FISV	3.10%	17.53%	14.27%	1.144	15.05
WillScot Mobile Mini Holdings Corp	WSC	4.50%	33.05%	25.98%	2.145	18.63
T-Mobile US Inc	TMUS	1.31%	7.91%	15.50%	2.093	22.31

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: 0.16%			AVG: 12.47%			AVG: 18.61%			AVG: 8.75%	
MID	S&P Midcap 400 Index	-7.99%	2.46%	4.42%	14.22%	10.35%	-1.23%	10.63%	19.55%	5.86%	9.40%	0.42%
SML	S&P SmallCap 600 Index	-8.13%	2.31%	3.91%	14.27%	10.88%	-1.03%	12.84%	19.03%	5.44%	9.00%	0.17%
SPX	S&P 500 INDEX	-10.20%	0.00%	3.26%	12.08%	8.91%	-3.13%	11.17%	17.69%	5.13%	8.29%	-1.13%
DJI	Dow Jones Industrial Average	-7.09%	3.46%	2.92%	8.97%	6.40%	-2.81%	8.64%	13.85%	3.95%	6.31%	-0.42%
NDY	NASDAQ 100 Index	-16.88%	-7.44%	2.71%	15.50%	13.56%	-4.83%	19.08%	22.91%	5.87%	10.73%	-3.49%
- Sectors		AVG: 6.35%			AVG: 13.14%			AVG: 22.83%			AVG: 7.34%	
XLE	SPDR Energy Select Sector Fund ETF	41.39%	57.44%	7.38%	13.89%	0.46%	11.45%	15.90%	73.84%	5.61%	3.22%	11.72%
XLF	SPDR Financial Select Sector Fund ETF	-8.94%	1.40%	5.55%	12.46%	7.59%	-11.34%	14.72%	17.09%	6.47%	8.68%	-3.37%
XLB	SPDR Materials Select Sector Fund ETF	-10.47%	-0.31%	5.20%	11.61%	-0.15%	-3.43%	12.12%	15.92%	5.85%	5.48%	-3.27%
XLC	SPDR Communication Services Select Sector ETF	-23.33%	-14.62%	4.33%	8.37%	3.30%	-14.07%	31.03%	12.94%	4.48%	5.55%	-11.13%
XLRE	SPDR Real Estate Select Sector Fund ETF	-12.10%	-2.12%	4.16%	11.15%	8.33%	0.26%	12.71%	17.89%	5.21%	8.31%	-0.99%
XLI	SPDR Industrial Select Sector Fund ETF	-5.64%	5.07%	3.87%	14.69%	8.60%	0.48%	7.45%	18.47%	6.47%	9.82%	1.35%
XLY	SPDR Consumer Discretionary Select Sector Fund	-16.89%	-7.45%	3.41%	20.08%	15.94%	-5.86%	20.99%	27.71%	6.60%	13.19%	-3.27%
XLU	SPDR Utilities Select Sector Fund ETF	7.18%	19.35%	3.35%	9.73%	8.68%	14.46%	0.66%	21.07%	5.71%	8.17%	9.00%
XLK	SPDR Technology Select Sector Fund ETF	-13.38%	-3.54%	2.44%	16.53%	14.54%	-2.76%	14.93%	22.98%	6.03%	11.08%	-0.52%
XLV	SPDR Health Care Select Sector Fund ETF	-5.16%	5.61%	1.65%	3.78%	5.01%	2.59%	6.83%	12.52%	1.87%	3.68%	1.05%
XLP	SPDR Consumer Staples Select Sector Fund ETF	-2.07%	9.04%	1.17%	4.02%	-0.40%	0.35%	7.17%	10.69%	1.80%	3.53%	1.29%

SECTOR - BREADTH



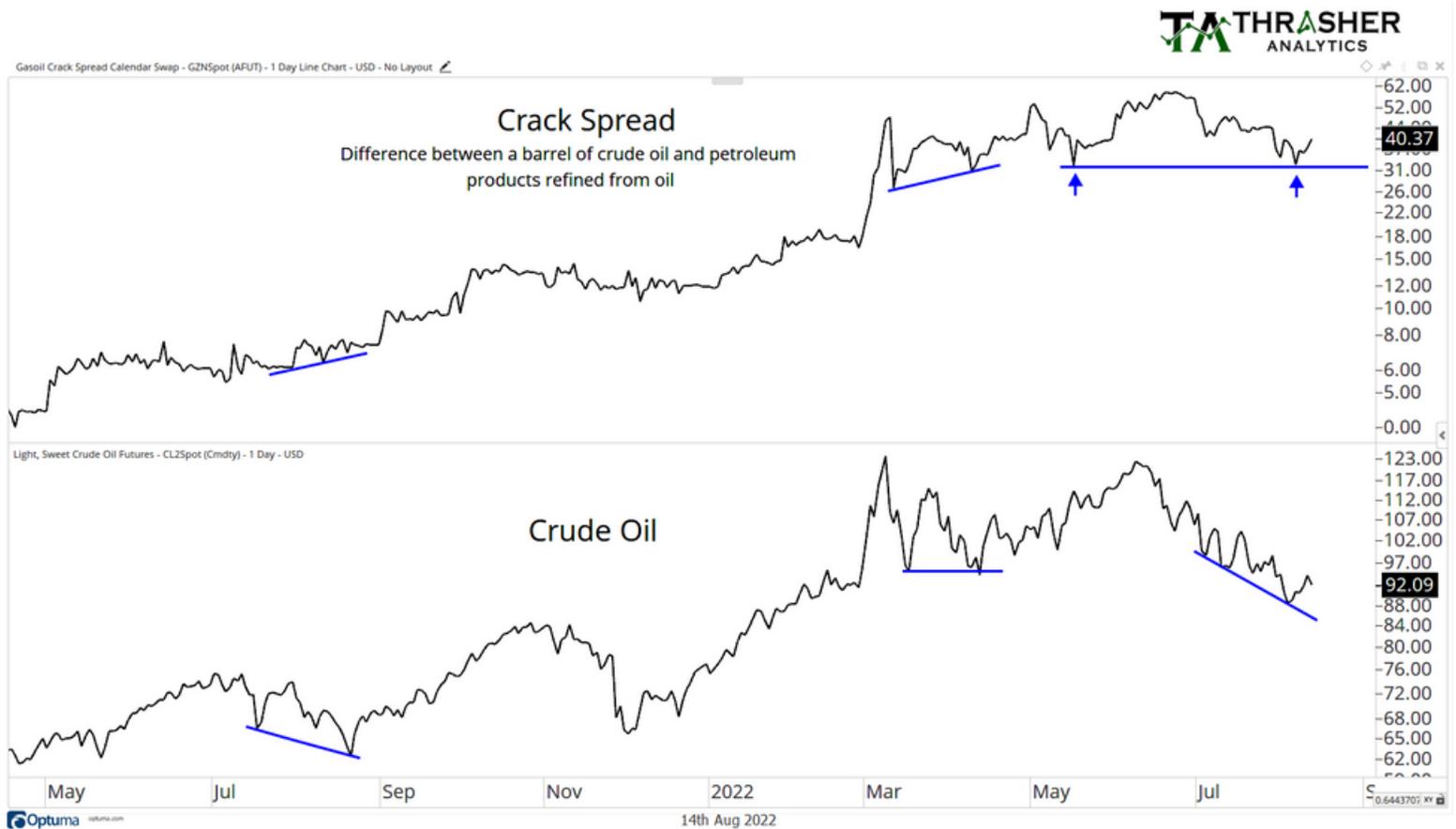
Big improvement in several sectors with XLI, XLB, XLE, XLP, and XLU all now with more than half of stocks above the 200-day MA.



COMMODITY - CRUDE OIL



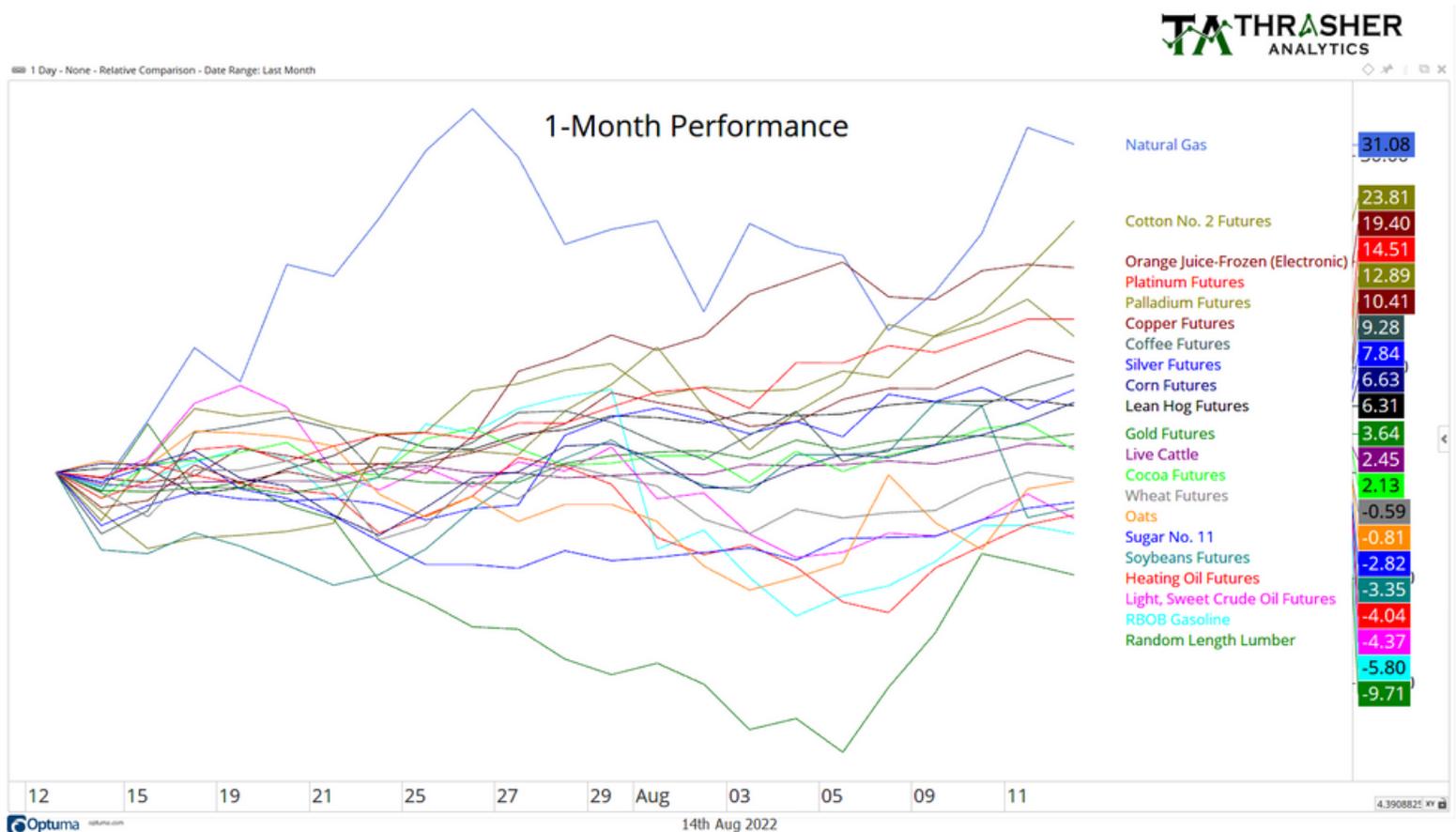
Crude oil bounced back above \$90/barrel last week. I discussed the bullish setups in oil last week but this week I wanted to focus on the Crack Spread, the difference in price between oil and products refined from the commodity. The Crack Spread often leads oil, and so far it's not making a lower-low and is suggesting oil prices should hold firm and could get back to \$100.



COMMODITY - 1-MONT CHANGE



Last week I looked at the performance of grocery store commodities. Below we are looking at the 1-month performance across commodities. The latest CPI inflation data showed a small tick lower in the YoY figure but food prices at home actually rise, from 12.2% to 13.1%, attributed to I wrote in last week's letter. How have commodities done over the last month? Many are materially higher, natural gas is up 31%, Cotton +23%, orange juice +19%, metals are up 7 to 14%. The worst performing commodity is lumber and it rose 25% just last week.



DAILY SENTIMENT INDEX



1 Day - Watch List - No Layout

Code	% Bullish ▲	5-day MA	History
VIX DSI	15	17	
Bitcoin DSI	21	20	
Cocoa DSI	22	24	
EuroDollar DSI	25	23	
Yen DSI	30	33	
British Pound DSI	31	32	
Lumber DSI	35	32	
CRB Index DSI	38	33	
Euro DSI	39	41	
Wheat DSI	40	36	
Gold DSI	41	40	
Silver DSI	42	40	
Cattle DSI	45	45	
Australian Dollar DSI	47	43	
Coffee DSI	48	41	
SPX DSI	51	43	
5YR DSI	51	51	
Heating Oil DSI	52	43	

1 Day - Watch List - No Layout

Code	% Bullish ▲	5-day MA	History
10Y DSI	54	56	
Nasdaq DSI	56	49	
Palladium DSI	57	63	
Platinum DSI	58	53	
Copper DSI	58	48	
Crude Oil DSI	60	60	
Sugar DSI	61	55	
Orange Juice DSI	61	59	
Gasoline DSI	61	62	
US Dollar DSI	62	61	
Nikkei DSI	65	59	
Swiss Franc DSI	71	68	
Corn DSI	72	61	
Soybean DSI	74	67	
Cotton DSI	74	53	
Natural Gas DSI	75	73	
Lean Hog DSI	75	78	
Mexican Peso DSI	87	82	

Source: trade-futures.com

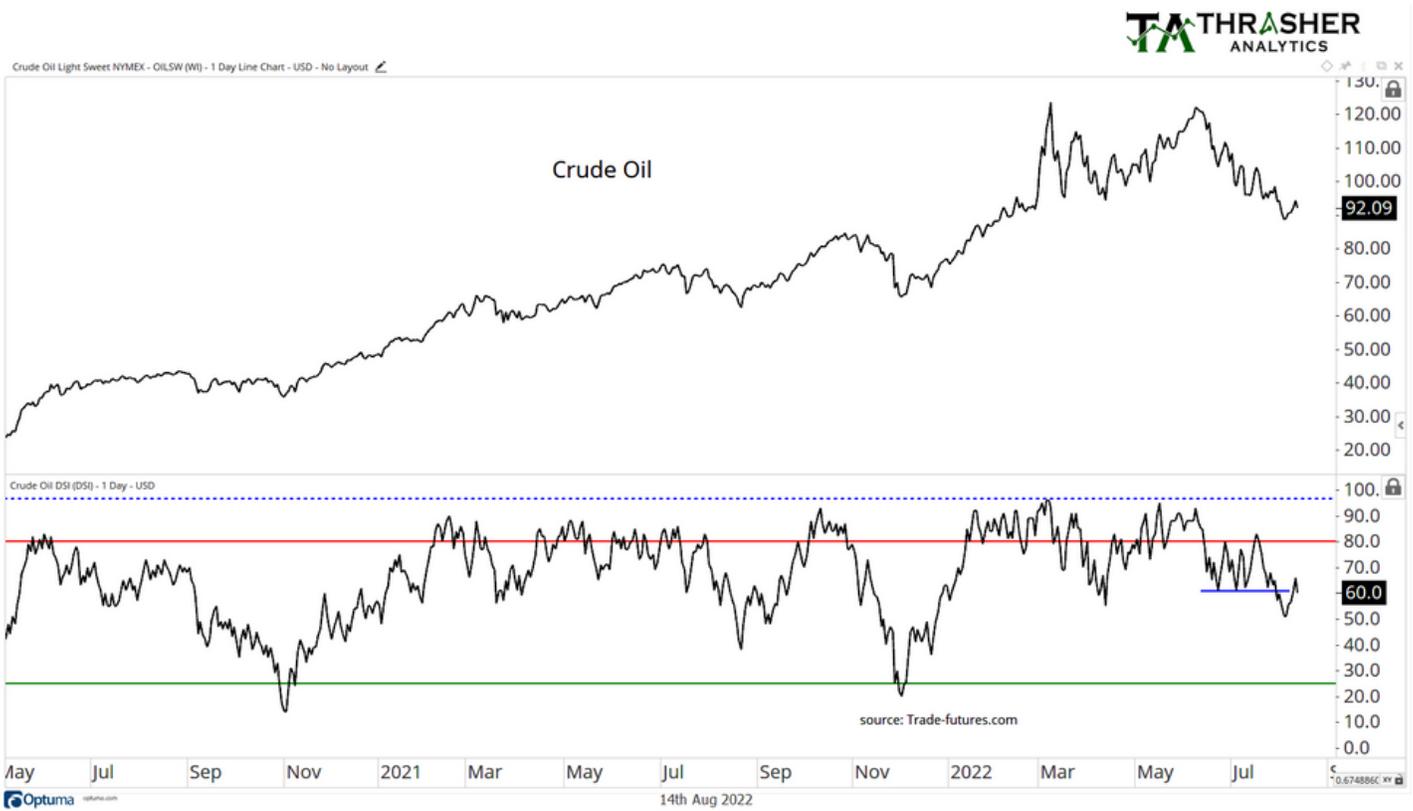
DAILY SENTIMENT INDEX



DAILY SENTIMENT INDEX



DAILY SENTIMENT INDEX



DAILY SENTIMENT INDEX

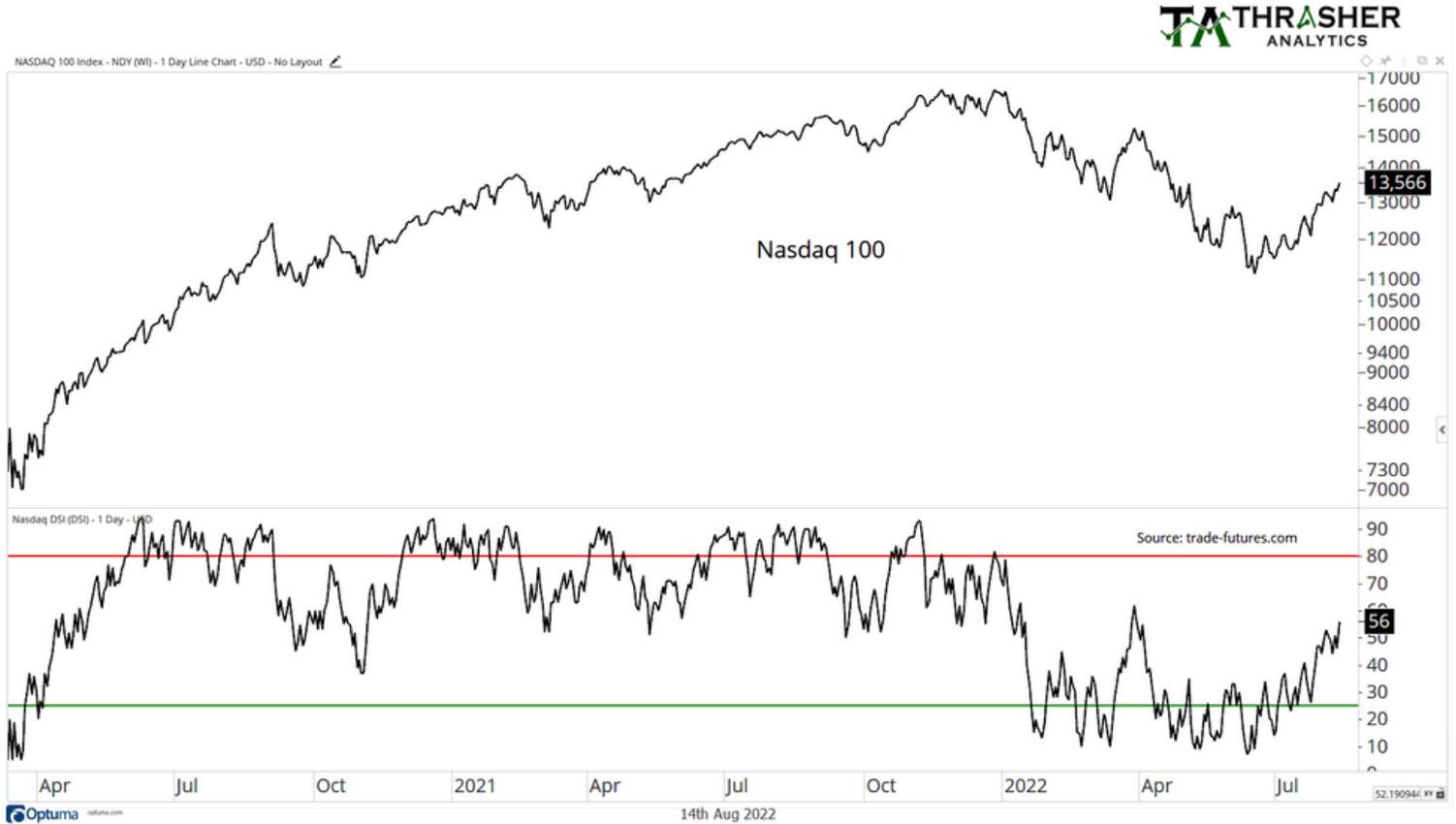


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Gold Futures - GCSpot (NYMEX) - 1 Day Line Chart - USD - No Layout



DAILY SENTIMENT INDEX

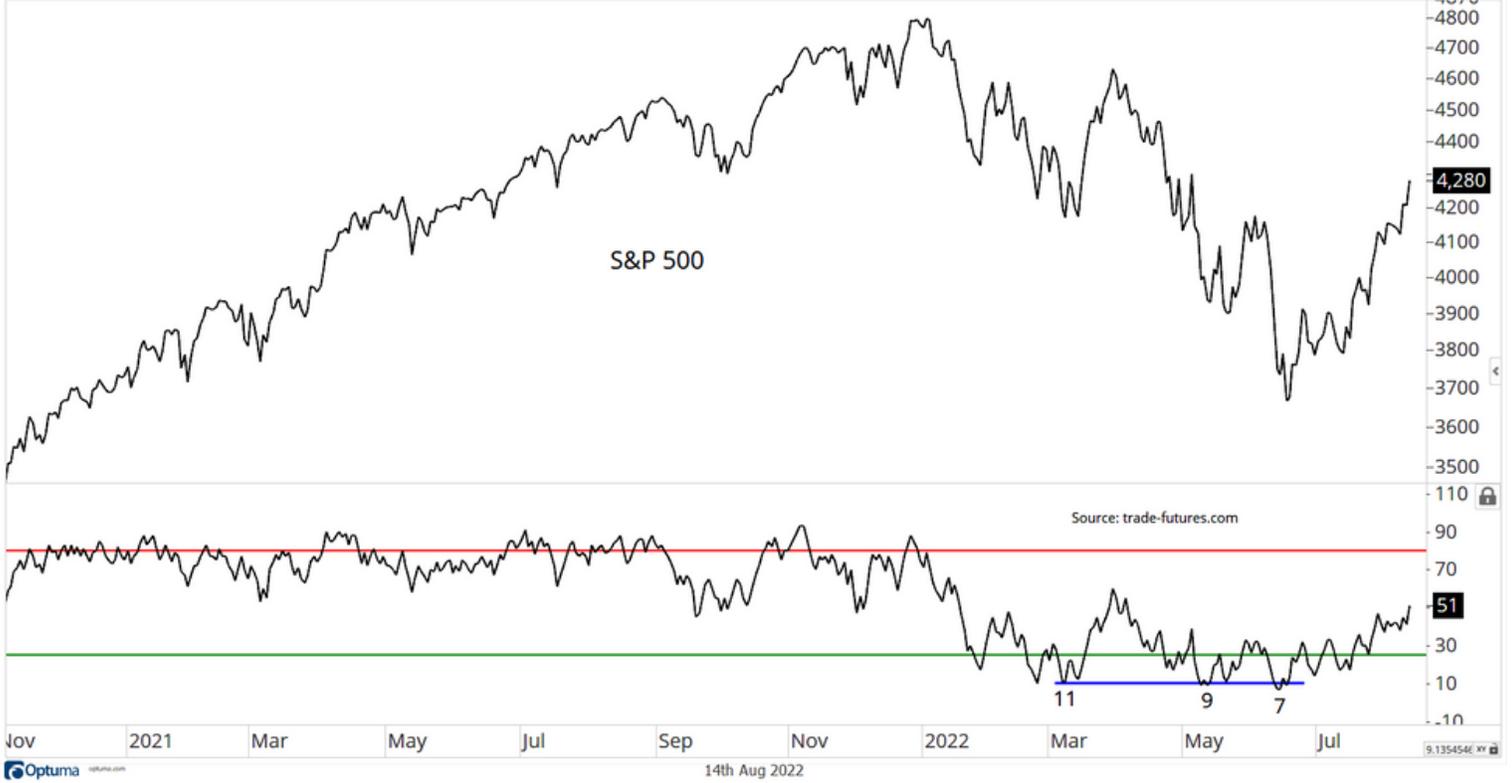


DAILY SENTIMENT INDEX



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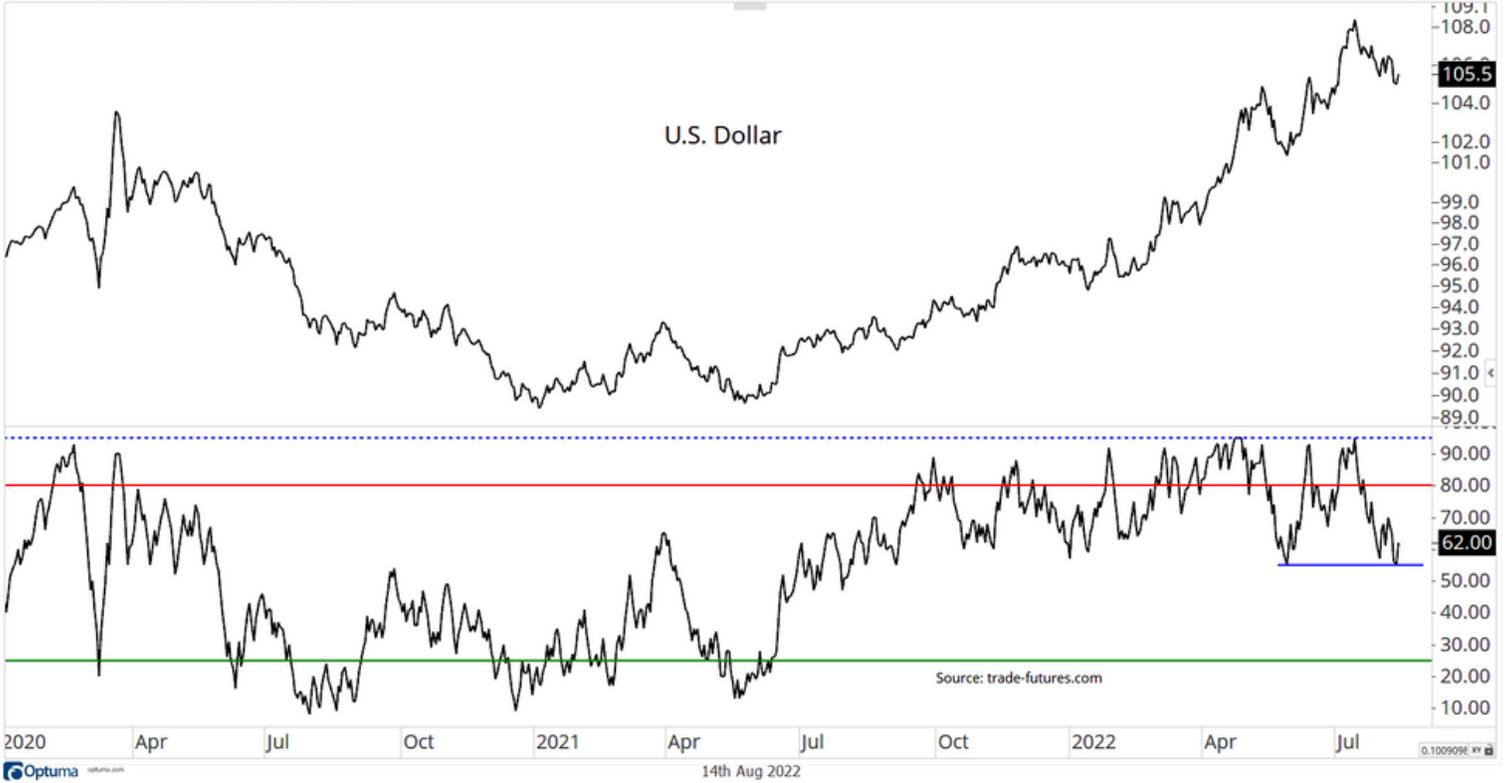
S&P 500 Index - SPX (CBOE) - 1 Day Line Chart - USD - No Layout



DAILY SENTIMENT INDEX



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



DAILY SENTIMENT INDEX



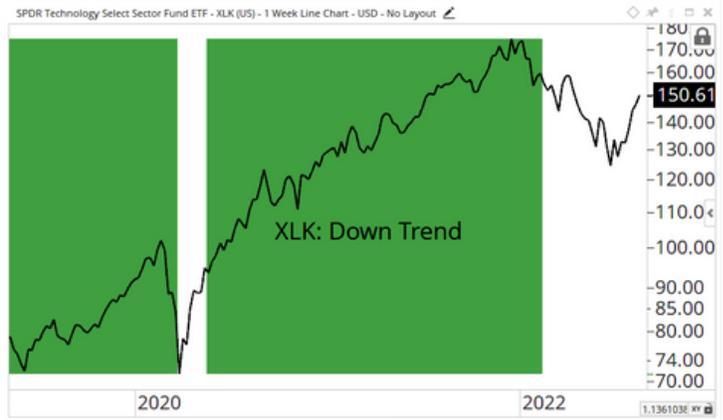
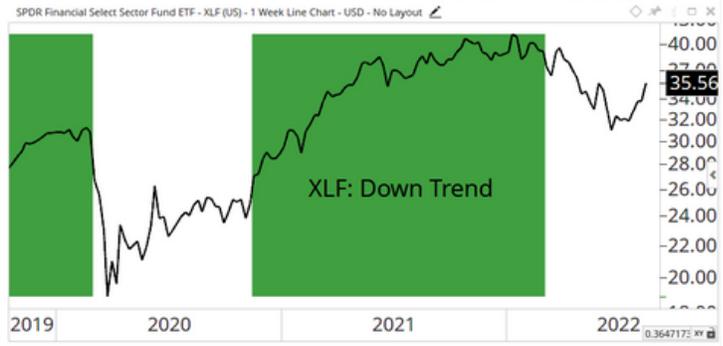
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TREND MODELS



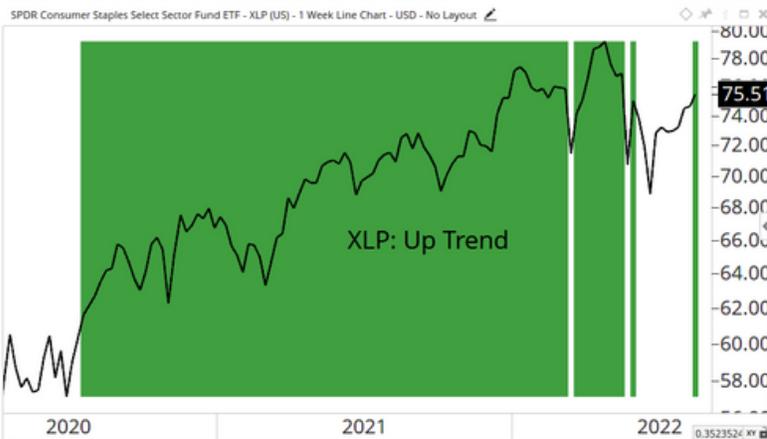
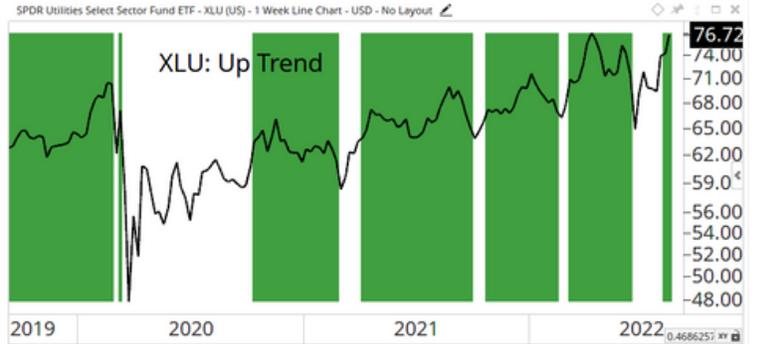
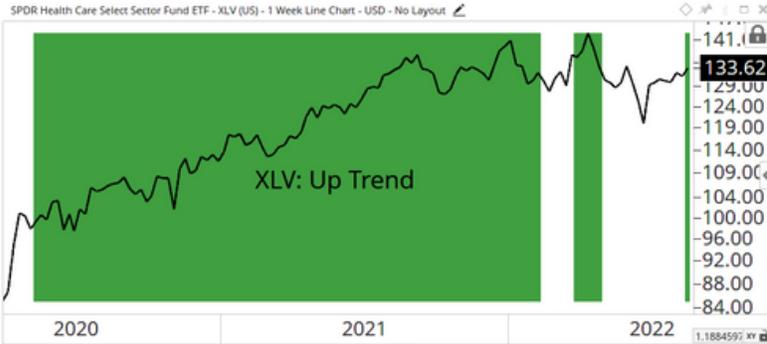
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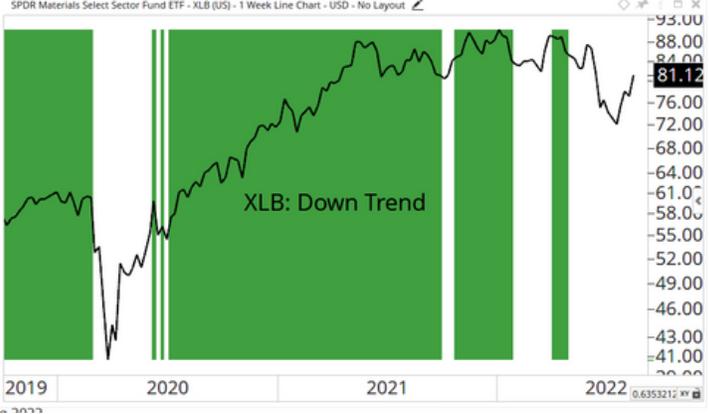
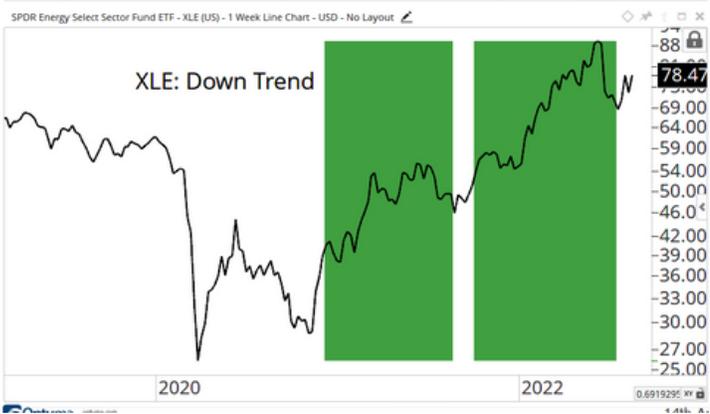
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14th Aug 2022

TREND MODELS



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