

TA THRASHER ANALYTICS

OCTOBER 30, 2022



WEEKLY RESEARCH & ANALYSIS

BY ANDREW THRASHER, CMT

SUMMARY OF MODELS

	Current	Wkly Change
Maestro Model	-14	Increasing
Volatility Risk Trigger	24	Increasing
Risk Appetite Ratios	.36	Increasing
S&P 500 Long-Term Trend	Down	Unchanged

TABLE OF CONTENTS

Volatility

Equities

Maestro Model

Sector Sentiment

Sectors & Commodity

Sentiment

Trend Models

Sector Rotation: October	
Energy	XLE
Utilities	XLU
Health Care	XLV

Maestro Model	
Trend / Momentum	-5
Sentiment / VIX	-1
Breadth	-2
Economic	-4
Total	-14

(breadth is weighted double in model)

Index & Sector		
	Up Trend	Down Trend
SPX		X
QQQ		X
XLV		X
XLX		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	25%	26%
Nasdaq 100	25%	26%
Nikkei	40%	38%
VIX	41%	47%
10yr Treasury	20%	17%
5yr Treasury	17%	15%
CRB Index	44%	45%
Crude Oil	74%	70%
Gold	21%	23%
U.S. Dollar	65%	66%
Bitcoin	29%	26%

*Green<25% Red>80%

source: trade-futures.com

Brief Summary:

We shift from a big earnings week last week to a big economic week this week. We'll get October jobs numbers and ISM Manufacturing Index data as well as the FOMC announcement and most importantly (or at least most likely to be impactful for markets) the Powell press conference following the announcement. Expectations are for a 75 pt hike this month and a move to 50 pts in December that Powell will need to handle delicately as he's been vocal on being data dependent, in which we just had a 40-year high in YoY headline CPI that was MoM more than double expectations. The market has begun to try and front-run a Powell Pivot, doing an excellent job at not being distracted by the large drops in stocks like Amazon, Facebook, and Google, traders moved their interest to industrials.

Breadth data has continued to improve, and we've had a significant number of Breadth Thrusts trigger. We now must-see price confirmation of the bullish breadth data which would require a break above the 200-day moving average - a change in market character which would involve prior resistance being taken out by buyers. Seasonality is back in favor for stock buyers as we shift into the final two months of the year and a large chunk of earnings season is also now behind us. This creates the opportunity for performance chasing to ensue and help fuel a possible rally into year-end - at least in certain corners of the market.

Sector Sentiment for Industrials has breached .80, which has caused a major headwind for the sector each time this has happened since 2006. While it's been a strong performer recently, this overheating of sentiment suggests a pause or retreat in relative performance may be in the cards for the Industrial sector. Fund Flows have been strong for both equities and a few bond funds, note those charts towards the end of the letter along with the long-term sentiment chart for XLI.

VOLATILITY: VRT

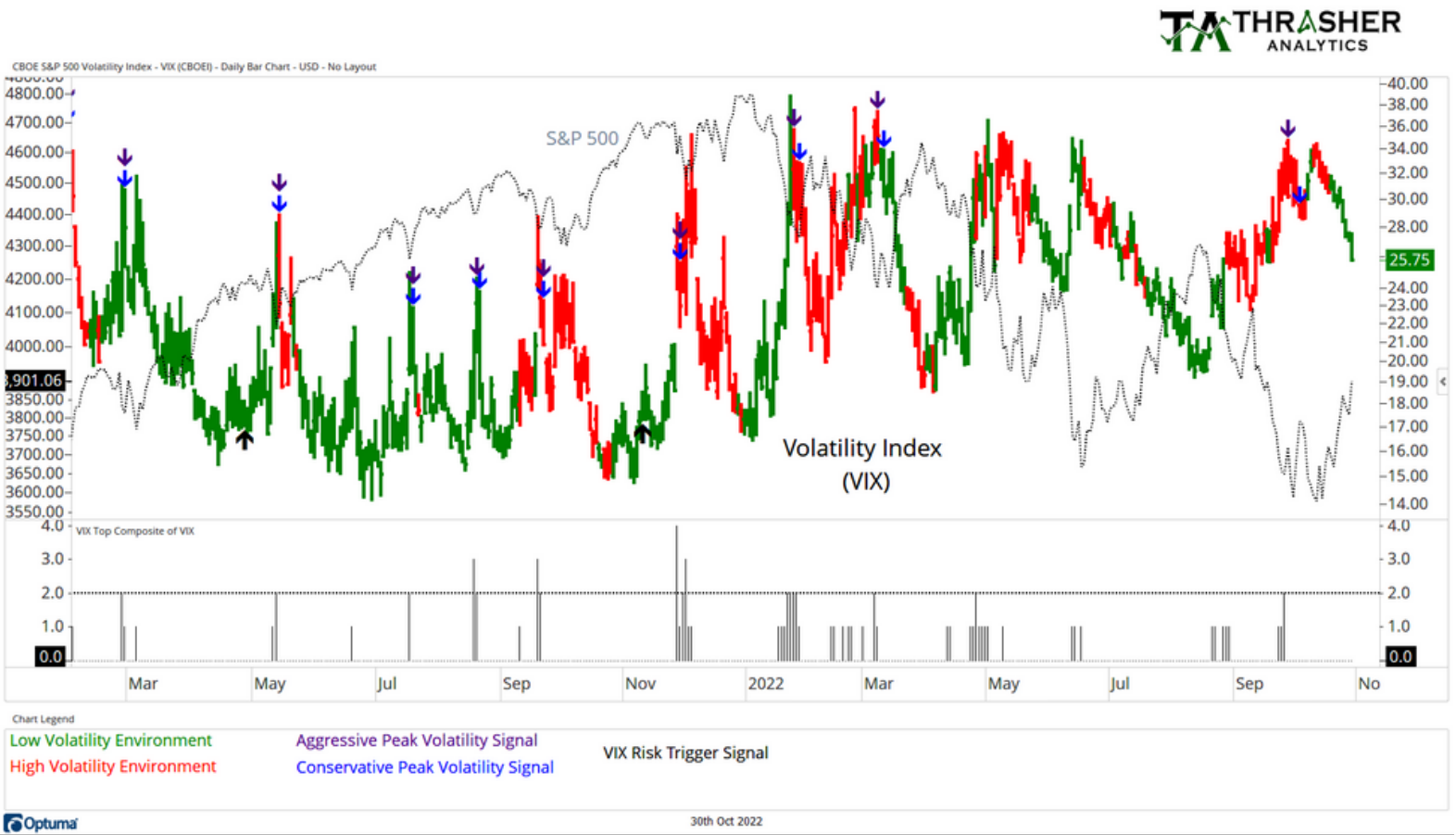


VRT remains at 24 with Spot VIX finishing the week under 26.



VOLATILITY: TOP & ENVIRONMENT

The Aggressive Peak Vol Signal remains the top in the current up cycle in volatility. VIX has remained in a Low Volatility Environment condition.



VOLATILITY - CURVE



Interesting activity in vol last week with 9-day vol moving above 1- and 3-month. This is likely due to a premium being placed on volatility for this week as we get big economic releases like jobs, ISM, and the FOMC announcement.



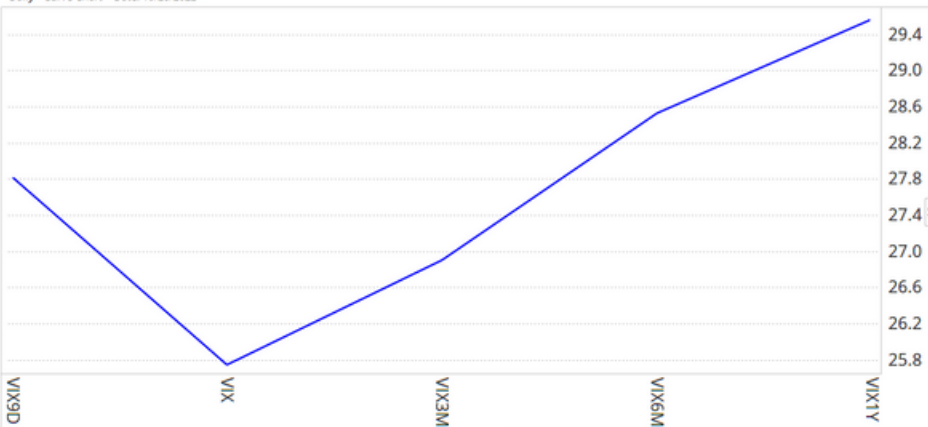
Daily - Watch List - No Layout

Name	Last	1yr %Tile
CBOE S&P 500 Short Term Volatility Index	27.81	0.5960
CBOE S&P 500 Volatility Index	25.75	0.4988
CBOE S&P 500 3-Month Volatility Index	26.90	0.4557
CBOE Mid-Term Volatility Index	28.53	0.4928
CBOE S&P 500 One-Year Volatility Index	29.57	0.5684

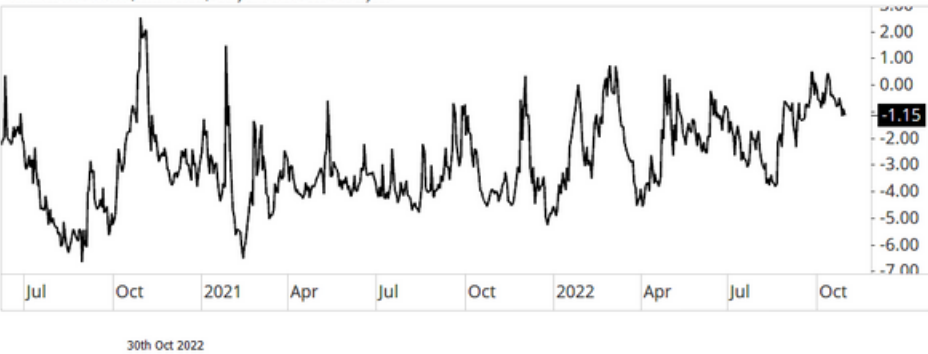
CBOE S&P 500 Short Term Volatility Index - VIX9D (CBOE) - Daily Line Chart - USD - No Layout



Daily - Curve Chart Date: 10/28/2022



VIX Minus VIX - VIX-VIX (Custom Codes) - Daily Line Chart - USD - No Layout

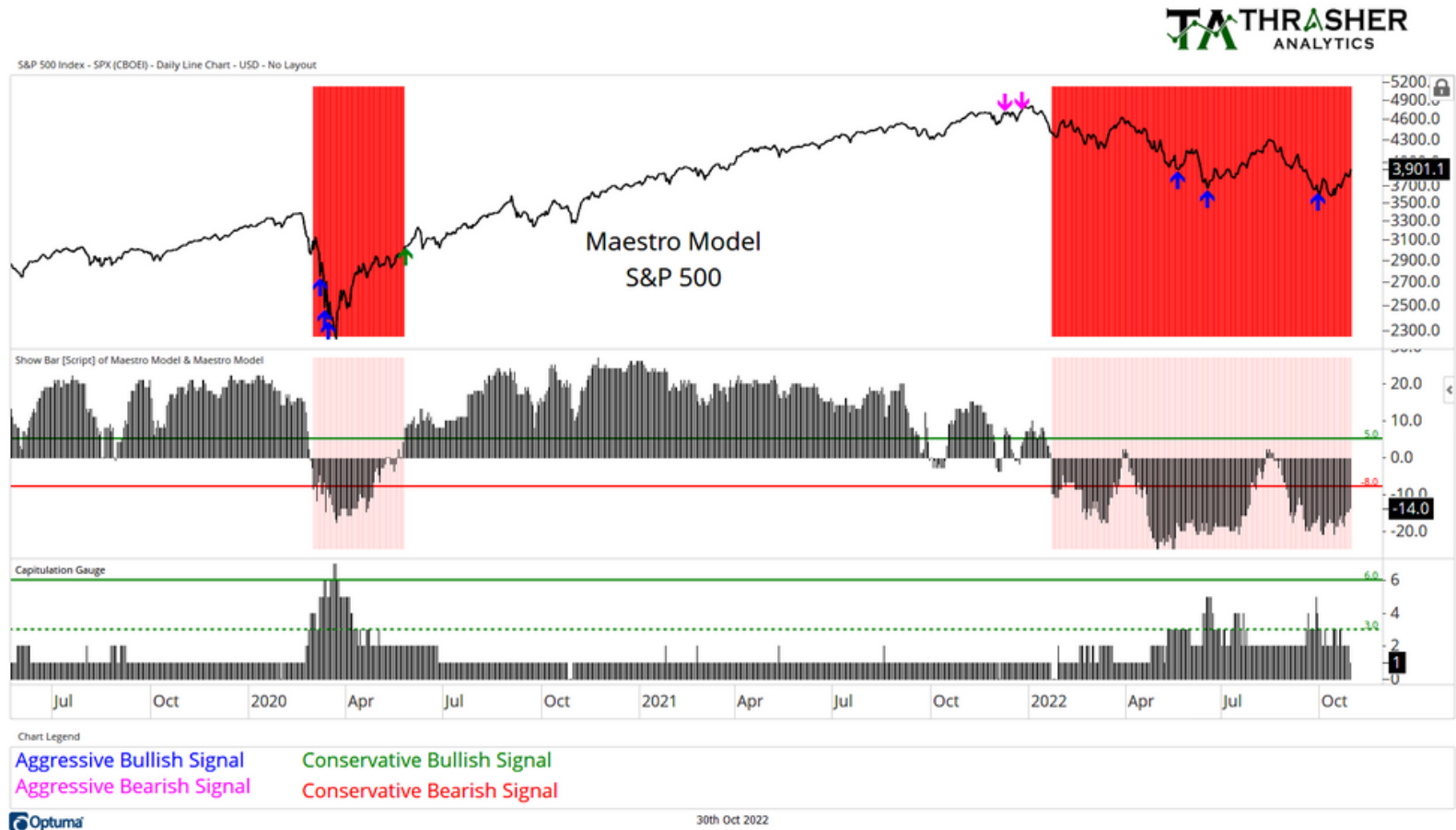


MAESTRO MODEL



Please be sure to check out the Maestro Model Summary PDF in the Archive on the website.

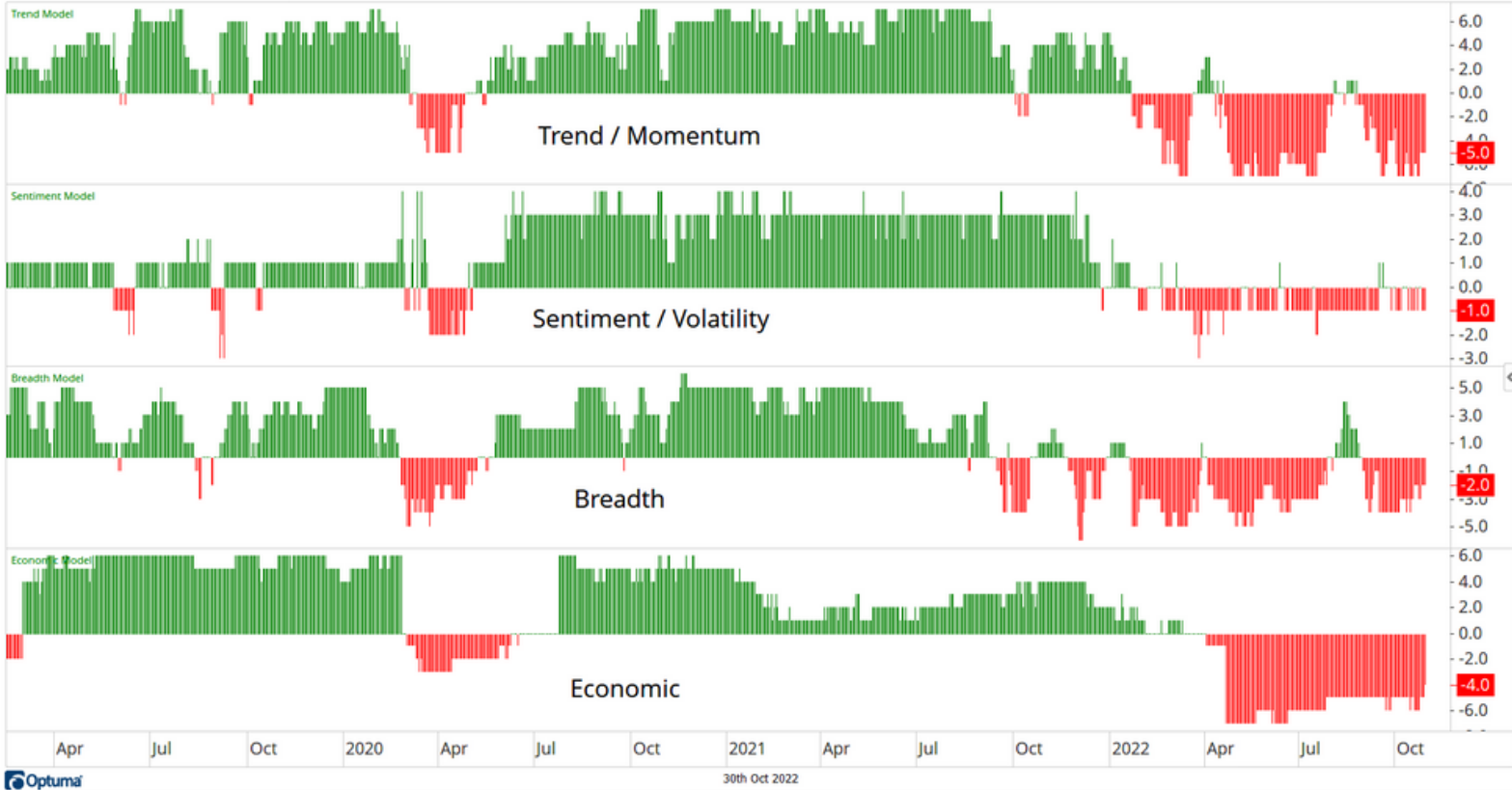
The Maestro Model moved higher last week to -14. All four categories still remain negative.



MAESTRO MODEL - CATEGORIES



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



SENTIMENT SCORE



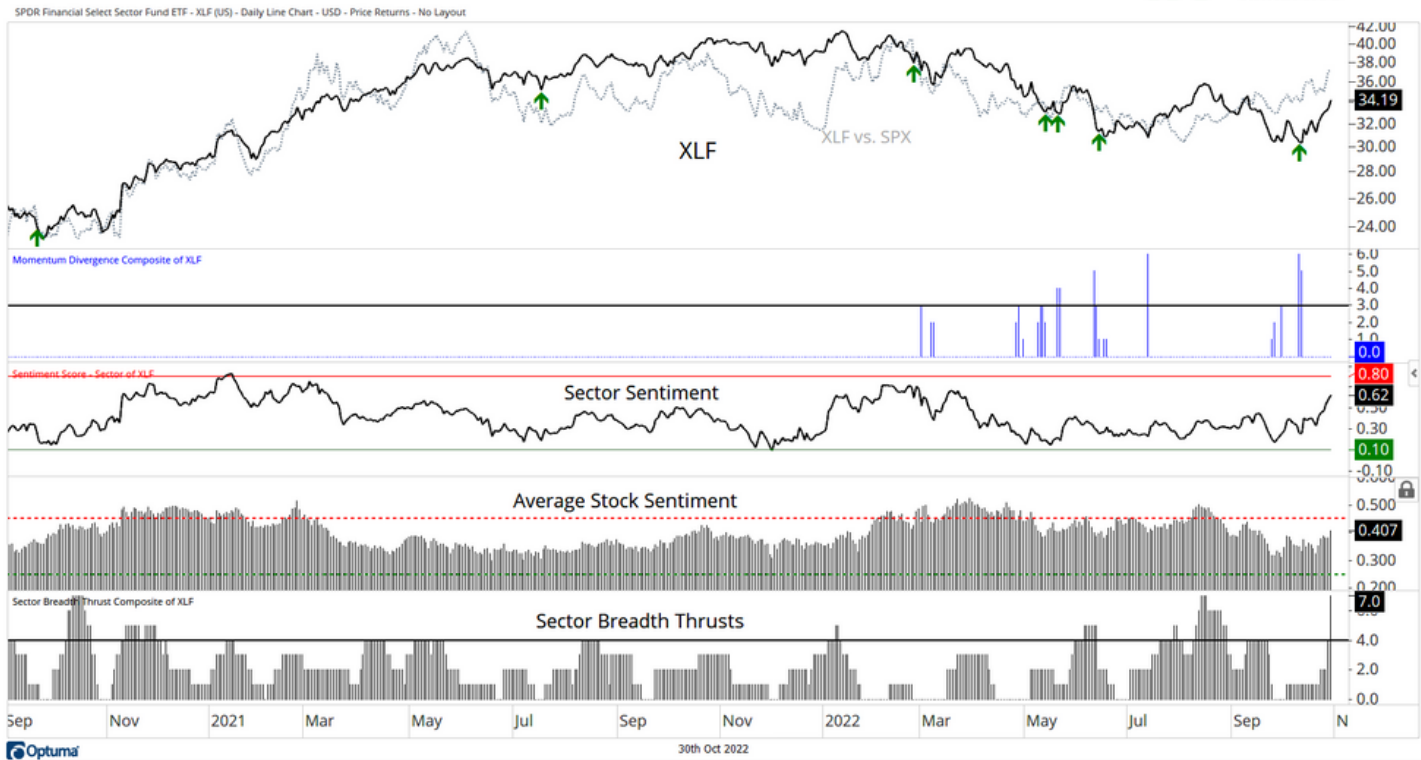
Industrials had a really strong week in performance and sentiment. In fact, the sector now has the highest sentiment score at 0.81. However, readings over .80 can be a bearish for a sector, which I'll discuss in more detail later in the letter. Other notable developments were the 7 breadth thrusts registered for health care, financials, and industrial sectors.

Sector	Ticker	Sentiment Score	Change in Score	1M Perf	3M Perf
SPDR Industrial Select Sector Fund ETF	XLI	0.81	0.220	10.77%	0.97%
SPDR Energy Select Sector Fund ETF	XLE	0.77	0.013	22.93%	18.75%
SPDR Health Care Select Sector Fund ETF	XLV	0.69	0.126	7.28%	0.02%
SPDR Financial Select Sector Fund ETF	XLF	0.62	0.202	10.18%	2.86%
SPDR Consumer Staples Select Sector Fund ETF	XLP	0.56	0.164	5.97%	-2.53%
SPDR Materials Select Sector Fund ETF	XLB	0.41	0.044	8.00%	-3.05%
SPDR Utilities Select Sector Fund ETF	XLU	0.36	0.200	-3.13%	-8.06%
SPDR Technology Select Sector Fund ETF	XLK	0.28	0.084	4.21%	-8.77%
SPDR Real Estate Select Sector Fund ETF	XLRE	0.23	0.163	0.46%	-16.64%
SPDR Consumer Discretionary Select Sector Fund ETF	XLY	0.22	-0.007	-3.69%	-7.52%
SPDR Communication Services Select Sector ETF	XLC	0.15	-0.072	-1.33%	-12.97%

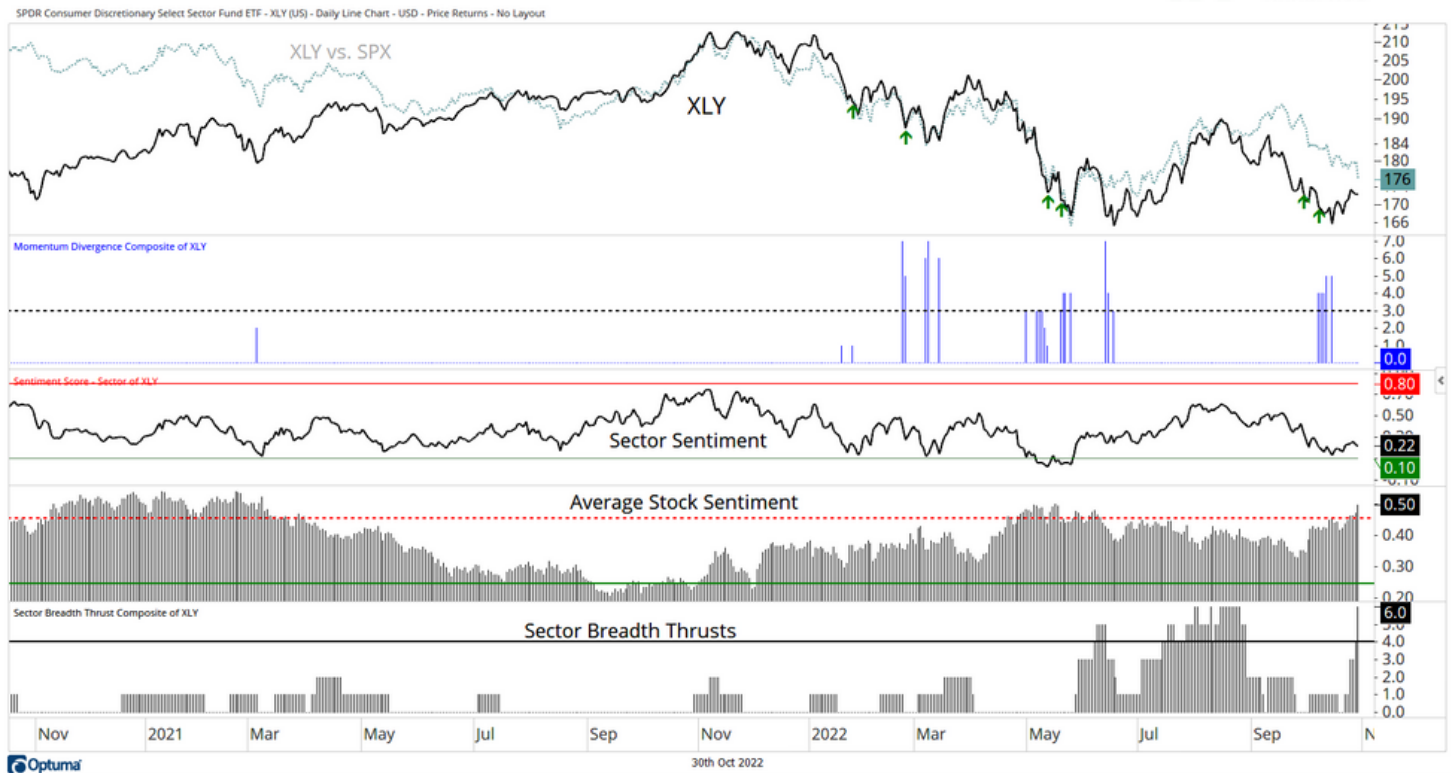
SENTIMENT SCORE: XLF & XLY



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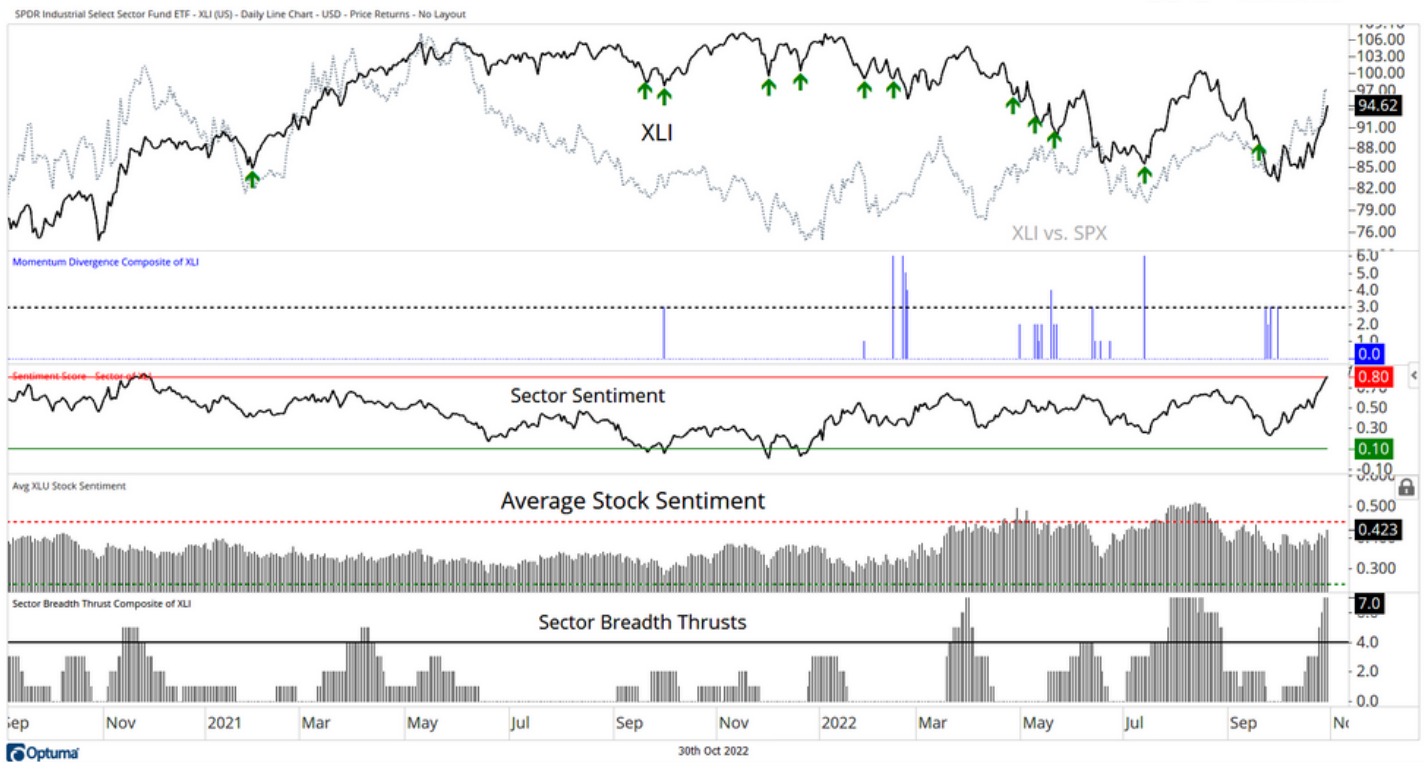
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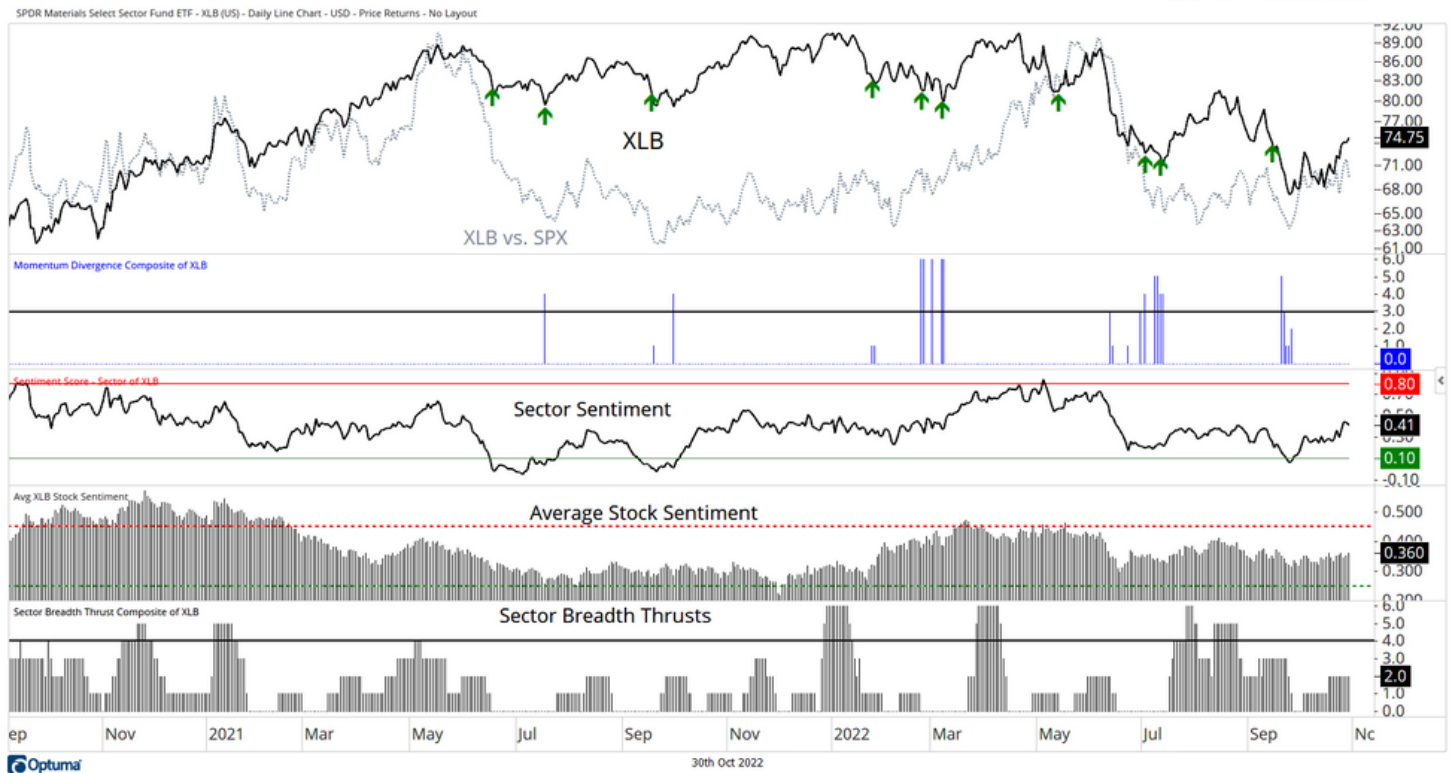
SENTIMENT SCORE: XLI & XLB



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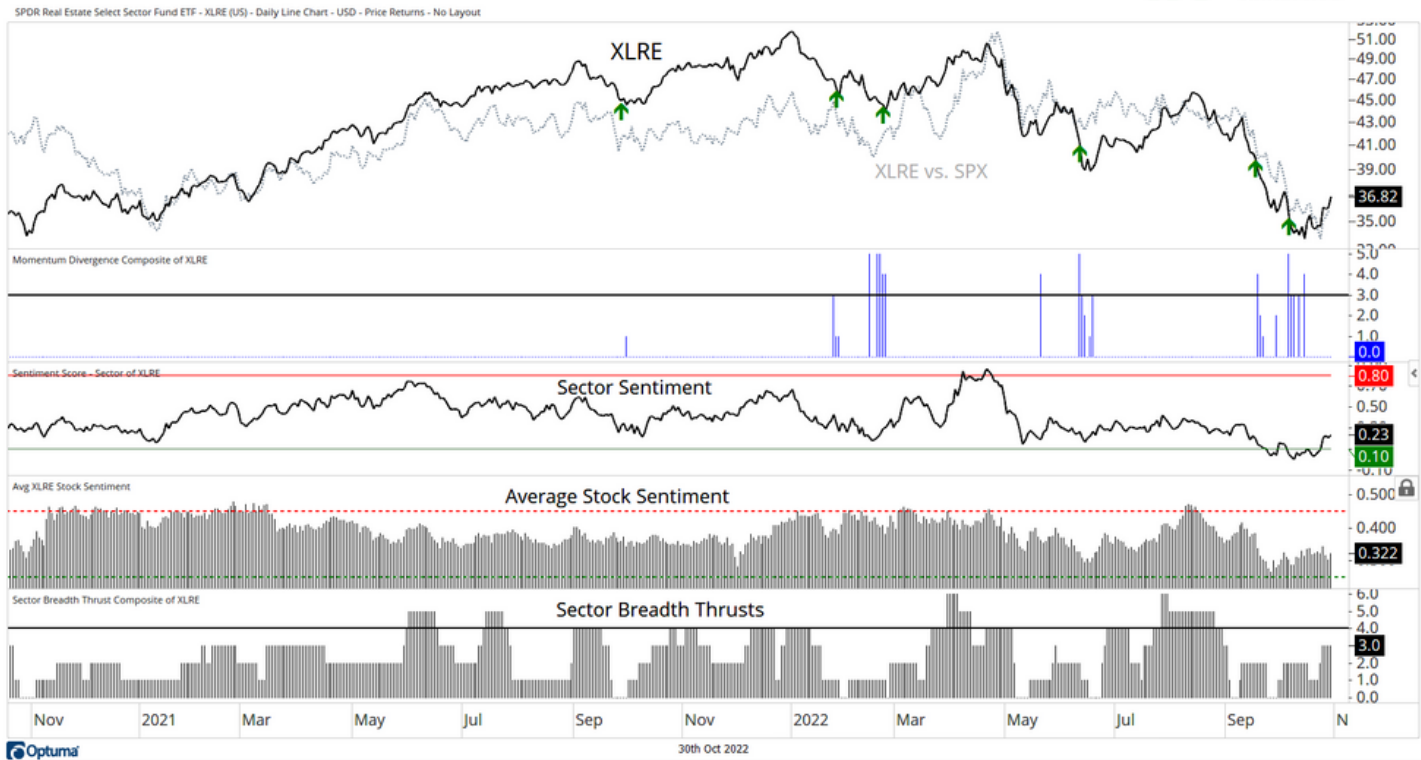
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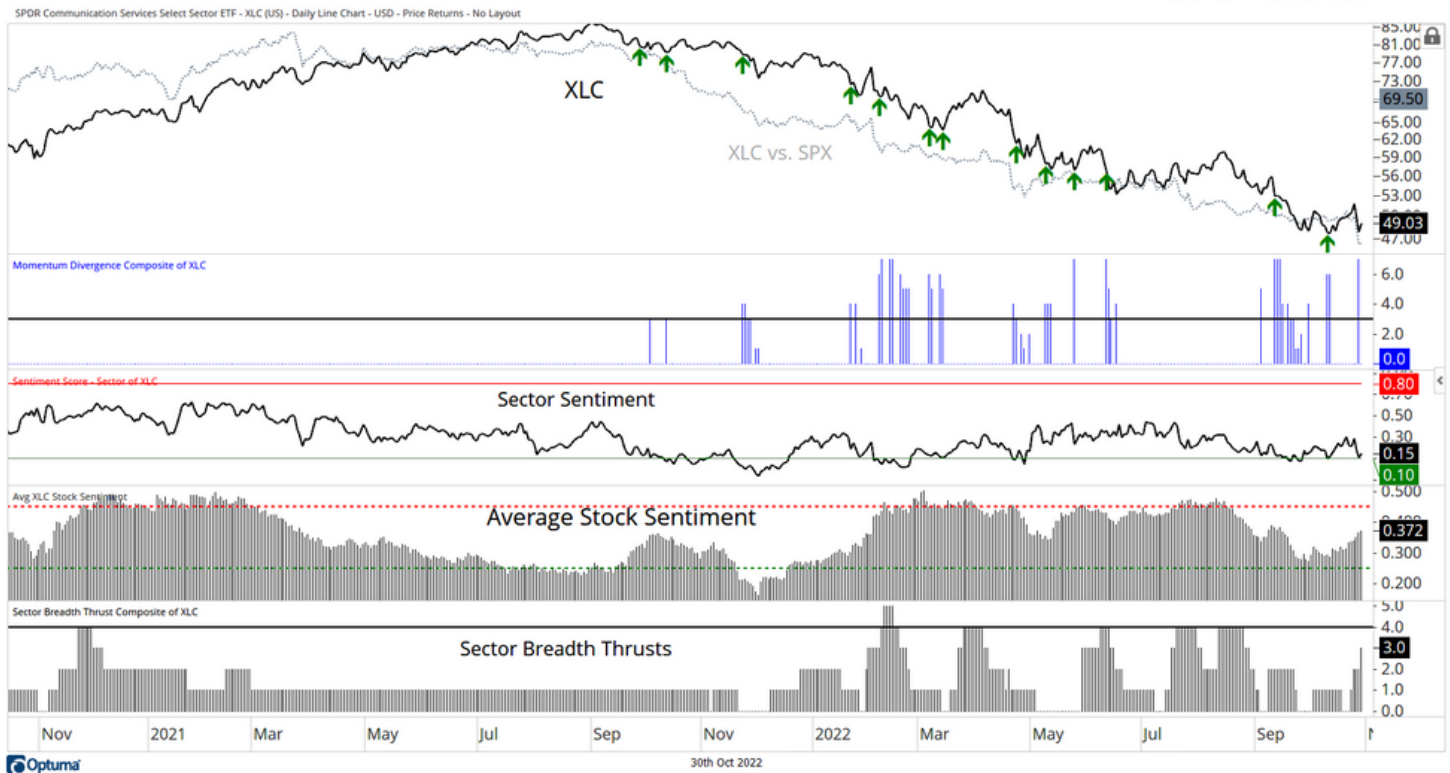
SENTIMENT SCORE: XLRE & XLC



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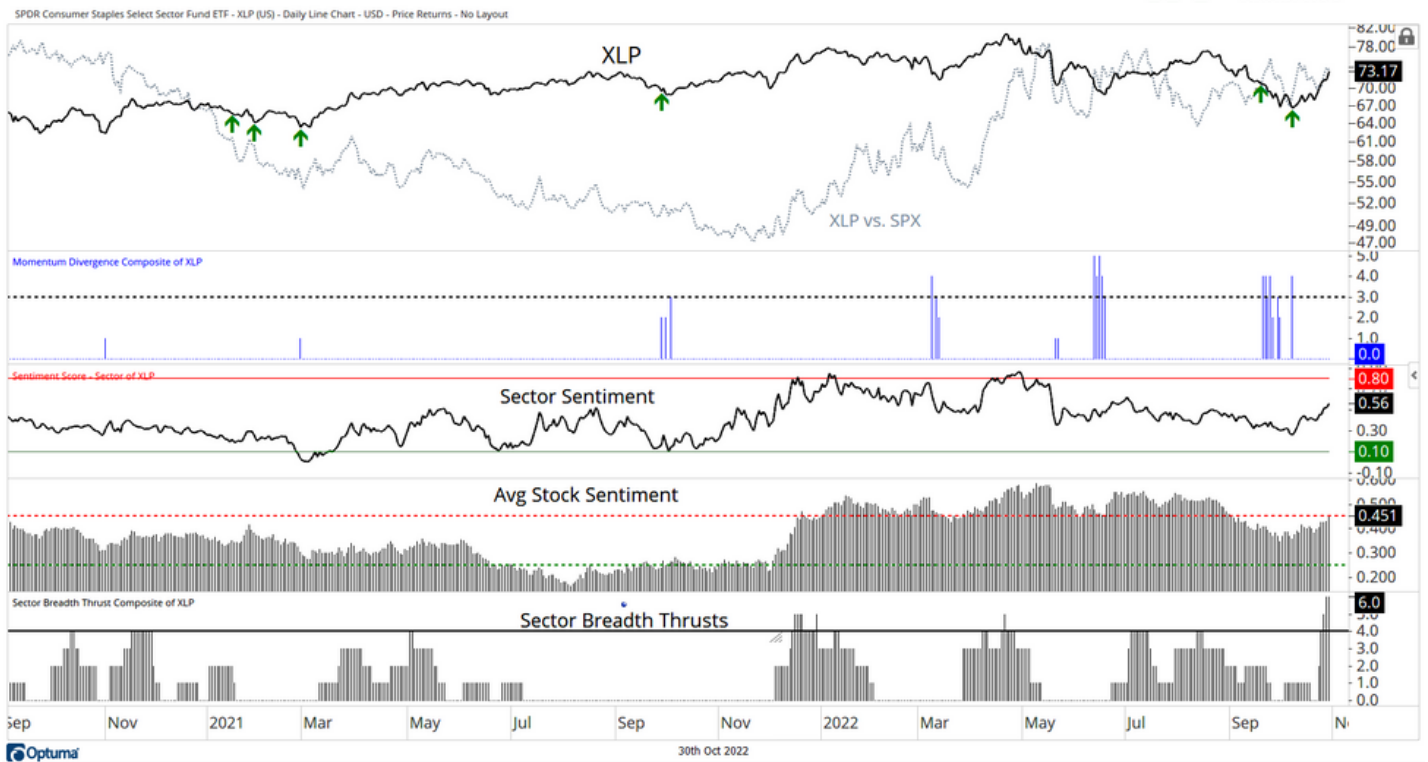
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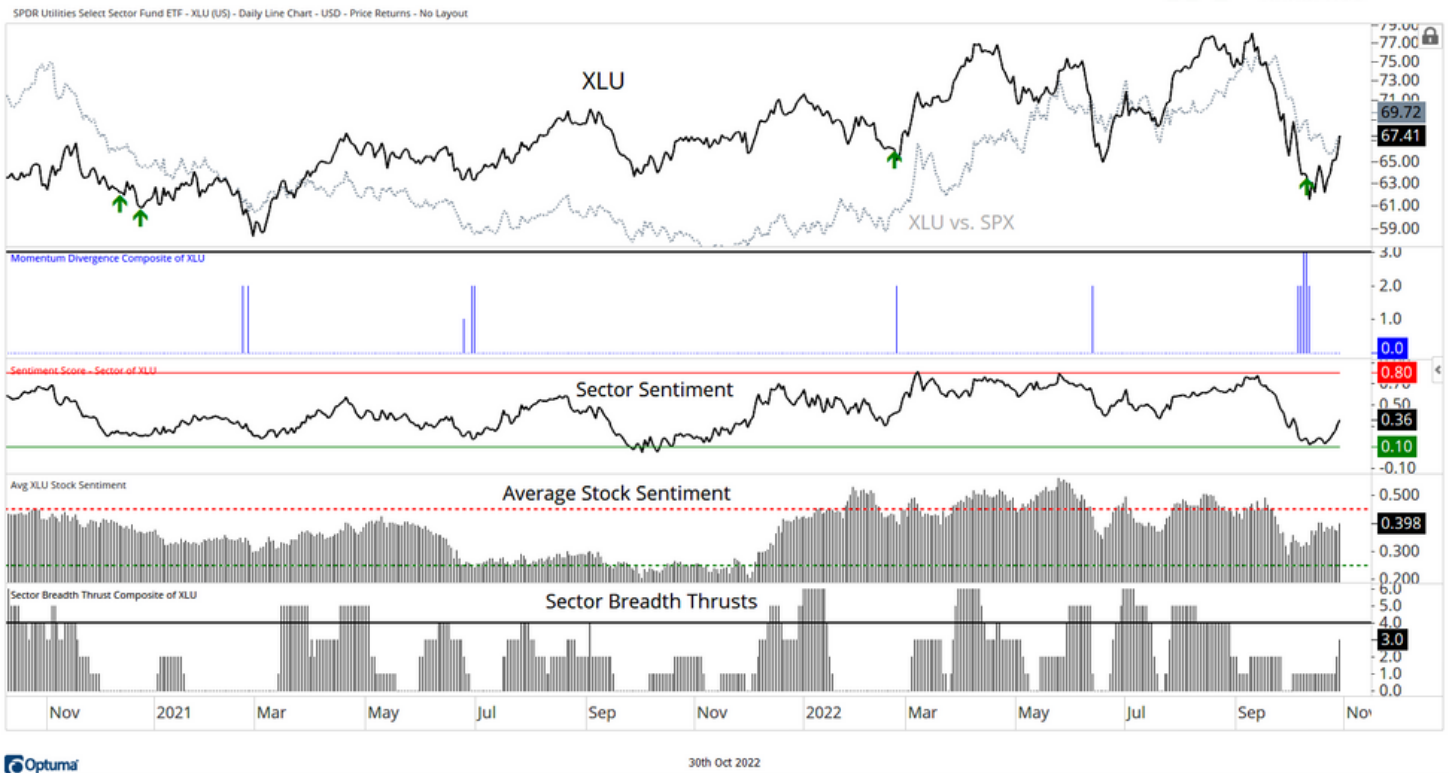
SENTIMENT SCORE: XLP & XLU



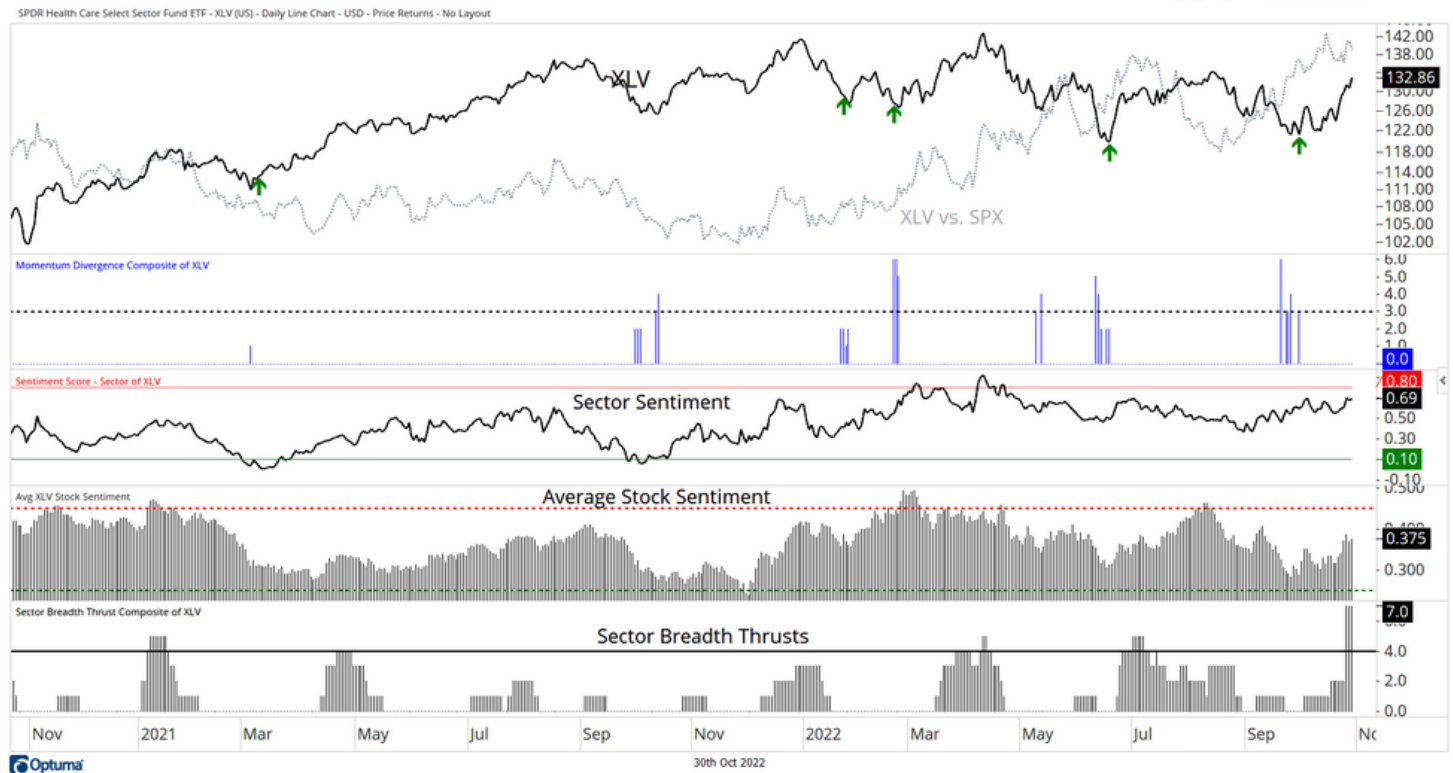
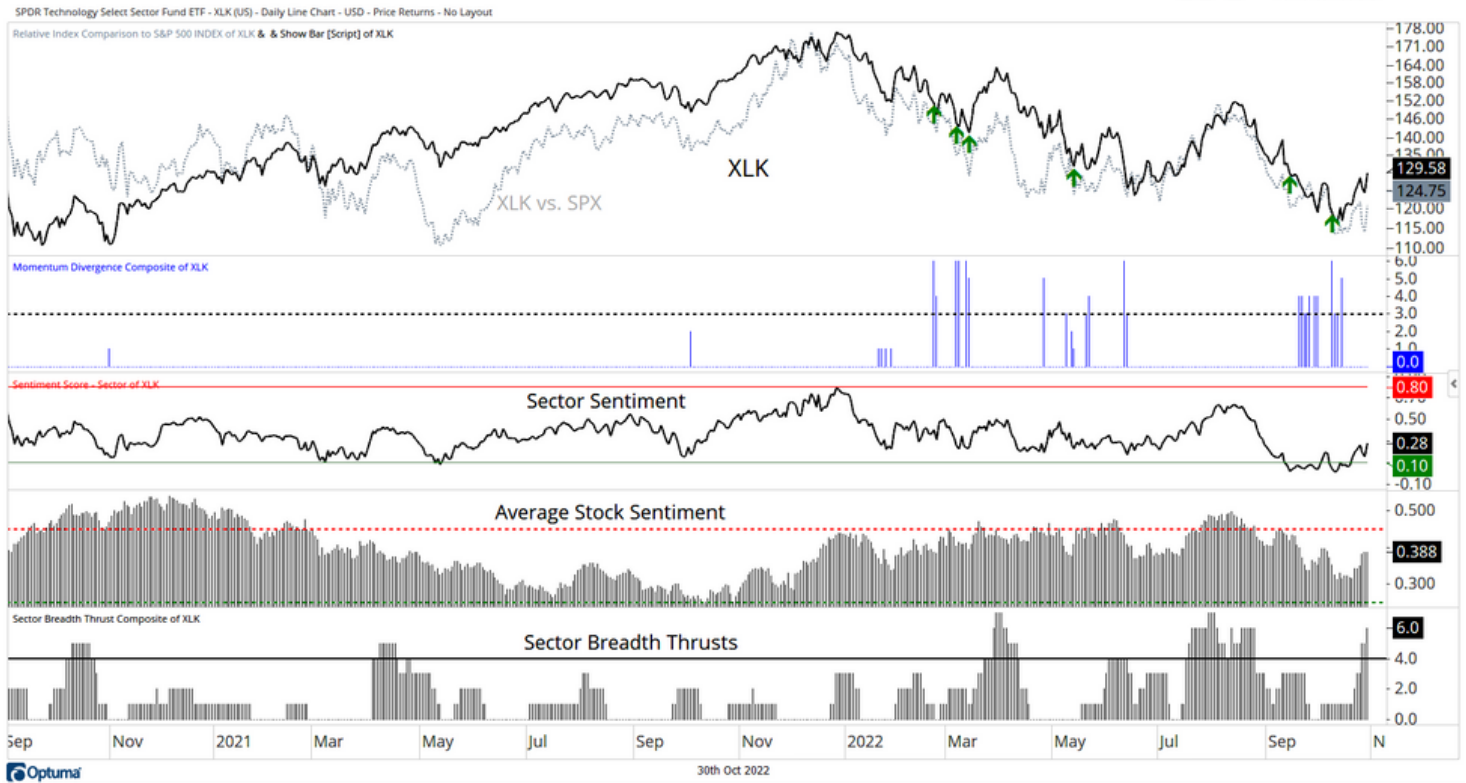
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SENTIMENT SCORE: XLK & XLV

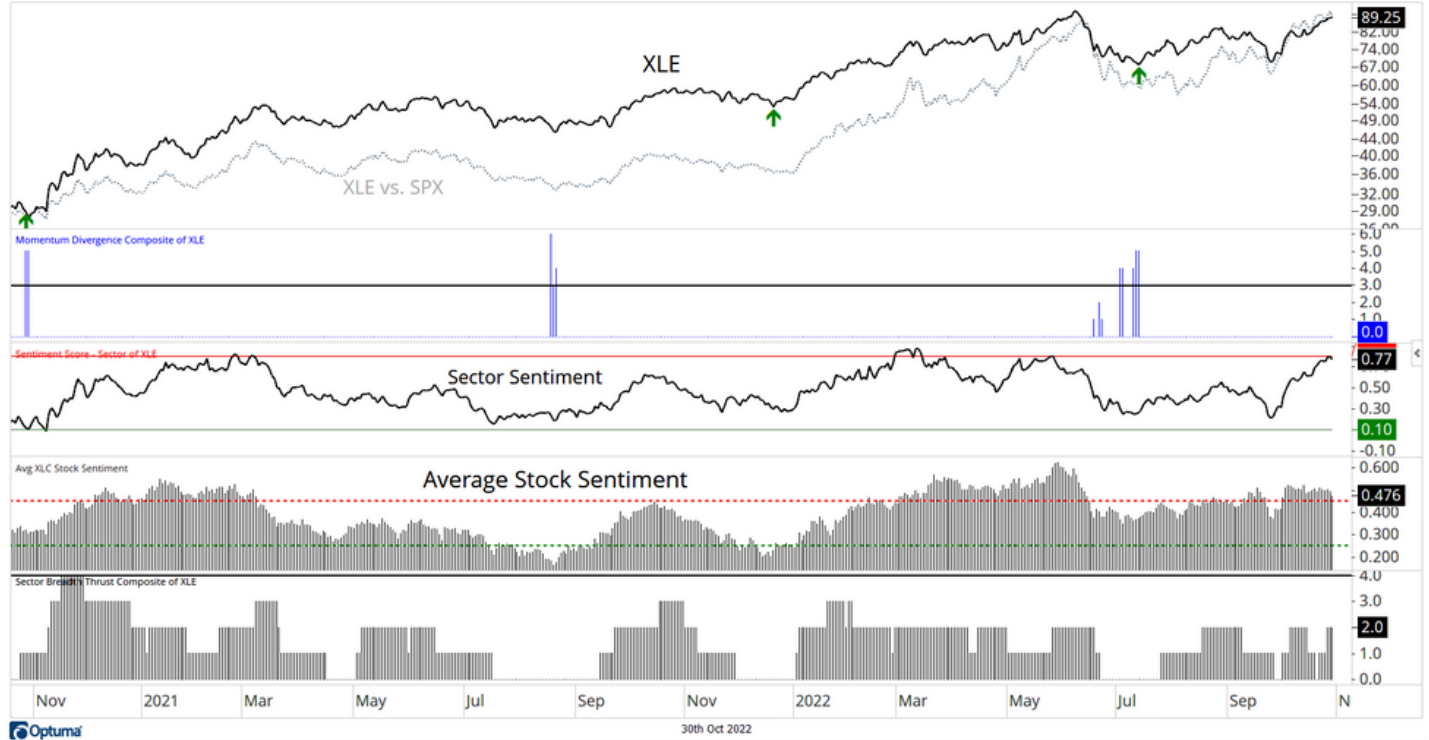


SENTIMENT SCORE: XLE



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SPDR Energy Select Sector Fund ETF - XLE (US) - Daily Line Chart - USD - Price Returns - No Layout



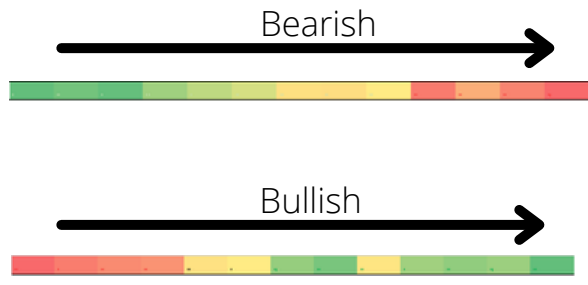
RISK APPETITE RATIO



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 36th 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	0.06	0.08	0.13	0.14	0.14	0.15	0.13	0.16	0.16	0.18	0.14	0.13	0.14	0.09	0.09	0.14	0.09	0.10	0.11	0.13	0.16	0.14	0.09	0.11	0.02	0.05	0.06	0.01	0.00	0.07	0.03	0.00	0.00	0.09	0.08	0.00
EAFE vs. SPX	0.05	0.06	0.11	0.10	0.12	0.14	0.12	0.10	0.12	0.15	0.07	0.05	0.03	0.05	0.10	0.17	0.13	0.18	0.13	0.09	0.16	0.17	0.15	0.15	0.12	0.17	0.17	0.14	0.11	0.15	0.11	0.04	0.08	0.19	0.16	0.07
HY Debt vs. Treasury	1.00	1.00	0.88	0.87	0.85	0.90	0.91	0.91	0.82	0.91	0.83	0.86	0.98	0.91	0.89	0.93	0.90	1.00	1.00	1.00	0.99	1.00	0.99	0.98	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.93	0.90	0.89	0.91	
Home Construction vs. SPX	0.30	0.30	0.23	0.19	0.22	0.28	0.33	0.30	0.32	0.31	0.36	0.29	0.30	0.38	0.36	0.38	0.42	0.46	0.44	0.48	0.49	0.51	0.53	0.49	0.41	0.37	0.36	0.41	0.27	0.25	0.26	0.27	0.37	0.39	0.40	
Offense vs. Defense Sectors	0.29	0.31	0.26	0.28	0.25	0.20	0.24	0.23	0.21	0.15	0.09	0.09	0.14	0.17	0.16	0.17	0.18	0.24	0.26	0.32	0.28	0.26	0.21	0.24	0.26	0.18	0.22	0.24	0.27	0.29	0.33	0.29	0.31	0.27	0.27	0.25
Broker-Dealer vs. SPX	0.62	0.59	0.66	0.63	0.72	0.73	0.74	0.71	0.76	0.72	0.64	0.57	0.55	0.56	0.58	0.66	0.62	0.71	0.69	0.71	0.74	0.78	0.73	0.76	0.77	0.68	0.62	0.68	0.66	0.65	0.70	0.67	0.66	0.74	0.87	0.88
S&P Growth vs. S&P Value	0.28	0.27	0.22	0.22	0.19	0.19	0.21	0.22	0.21	0.20	0.21	0.24	0.25	0.25	0.22	0.20	0.19	0.20	0.20	0.22	0.16	0.14	0.12	0.13	0.12	0.08	0.12	0.11	0.11	0.11	0.12	0.12	0.15	0.05	0.09	0.01
Semiconductor vs. SPX	0.12	0.09	0.04	0.06	0.04	0.09	0.09	0.08	0.11	0.05	0.05	0.05	0.08	0.06	0.02	0.03	0.06	0.09	0.13	0.15	0.04	0.00	0.00	0.01	0.00	0.00	0.04	0.08	0.10	0.08	0.08	0.07	0.06	0.09	0.09	0.09
Consumer Disc. Vs. Staples	0.21	0.22	0.19	0.20	0.21	0.20	0.22	0.19	0.14	0.09	0.09	0.08	0.12	0.15	0.12	0.10	0.11	0.16	0.17	0.19	0.17	0.12	0.10	0.11	0.09	0.08	0.11	0.12	0.09	0.10	0.12	0.11	0.13	0.12	0.12	0.12
Small Cap vs. Utilities	0.05	0.05	0.03	0.02	0.05	0.03	0.04	0.04	0.03	0.00	0.00	0.01	0.05	0.08	0.12	0.14	0.13	0.17	0.20	0.25	0.24	0.22	0.23	0.29	0.29	0.26	0.29	0.27	0.27	0.29	0.30	0.29	0.30	0.31	0.30	0.29
Transports vs. Utilities	0.05	0.06	0.03	0.00	0.03	0.00	0.02	0.00	0.01	0.00	0.00	0.03	0.10	0.13	0.18	0.19	0.20	0.23	0.28	0.35	0.33	0.33	0.33	0.42	0.39	0.38	0.38	0.38	0.36	0.36	0.37	0.42	0.40	0.44	0.40	0.38
Equal Weight vs. Cap Weight	0.84	0.82	0.88	0.82	0.87	0.89	0.83	0.76	0.77	0.69	0.69	0.63	0.62	0.67	0.69	0.76	0.78	0.82	0.80	0.79	0.85	0.86	0.89	0.86	0.83	0.84	0.79	0.83	0.76	0.73	0.71	0.69	0.73	0.87	0.95	0.91
Small cap vs. Large Cap	0.32	0.33	0.35	0.35	0.38	0.36	0.36	0.35	0.36	0.29	0.25	0.20	0.23	0.29	0.28	0.33	0.33	0.38	0.35	0.38	0.37	0.38	0.42	0.42	0.41	0.39	0.42	0.42	0.36	0.34	0.33	0.28	0.34	0.41	0.45	0.44
Equities vs. VIX	0.34	0.31	0.17	0.20	0.19	0.19	0.21	0.16	0.13	0.14	0.07	0.02	0.01	0.07	0.02	0.02	0.06	0.10	0.11	0.06	0.03	0.01	0.00	0.00	0.04	0.03	0.05	0.08	0.07	0.08	0.10	0.10	0.14	0.17	0.16	0.22
Aussie Dollar vs. Yen	1.00	1.00	0.94	0.91	0.88	0.88	0.89	0.88	0.85	0.80	0.75	0.74	0.73	0.77	0.77	0.70	0.79	0.76	0.77	0.72	0.70	0.66	0.64	0.68	0.71	0.69	0.76	0.78	0.77	0.79	0.79	0.78	0.81	0.83	0.80	0.80
Lumber vs. Gold	0.08	0.13	0.15	0.09	0.04	0.04	0.04	0.08	0.06	0.01	0.00	0.00	0.02	0.02	0.00	0.01	0.01	0.01	0.03	0.03	0.04	0.07	0.09	0.10	0.10	0.12	0.13	0.15	0.15	0.15	0.11	0.09	0.10	0.09	0.07	
Copper vs. Gold	0.25	0.27	0.27	0.26	0.29	0.31	0.32	0.32	0.28	0.27	0.21	0.20	0.20	0.19	0.24	0.21	0.15	0.17	0.19	0.15	0.12	0.21	0.22	0.20	0.21	0.24	0.21	0.19	0.19	0.30	0.33	0.29	0.25	0.37	0.35	0.31
AVERAGE	0.34	0.35	0.33	0.31	0.32	0.33	0.33	0.32	0.31	0.29	0.26	0.25	0.27	0.28	0.28	0.30	0.30	0.34	0.34	0.35	0.34	0.34	0.34	0.35	0.34	0.33	0.33	0.34	0.32	0.34	0.34	0.33	0.34	0.37	0.37	0.36



RISK APPETITE RATIO



Risk Appetite advanced higher last week to the 36th percentile but didn't show the same level of strength as the index, largely due to the big moves in mega caps like Amazon which was a headwind for sectors like Consumer Disc. Notable strength has been shown in Broker Dealer vs. SPX (88th) equal vs cap weight (91st) and Home Construction (88th).



EQUITIES - S&P 500 DAILY



Equities continued to rally last week, closing on Friday back above the 50-day moving average. The fact that equities were able to shrug off the big drops in META, GOOGL, and AMZN was impressive. The next level of interest is the 50% retracement level from the current swing high to the October low, which sits at 3940. From there the 200-day moving average comes into focus and will be a critical test for equity bulls.

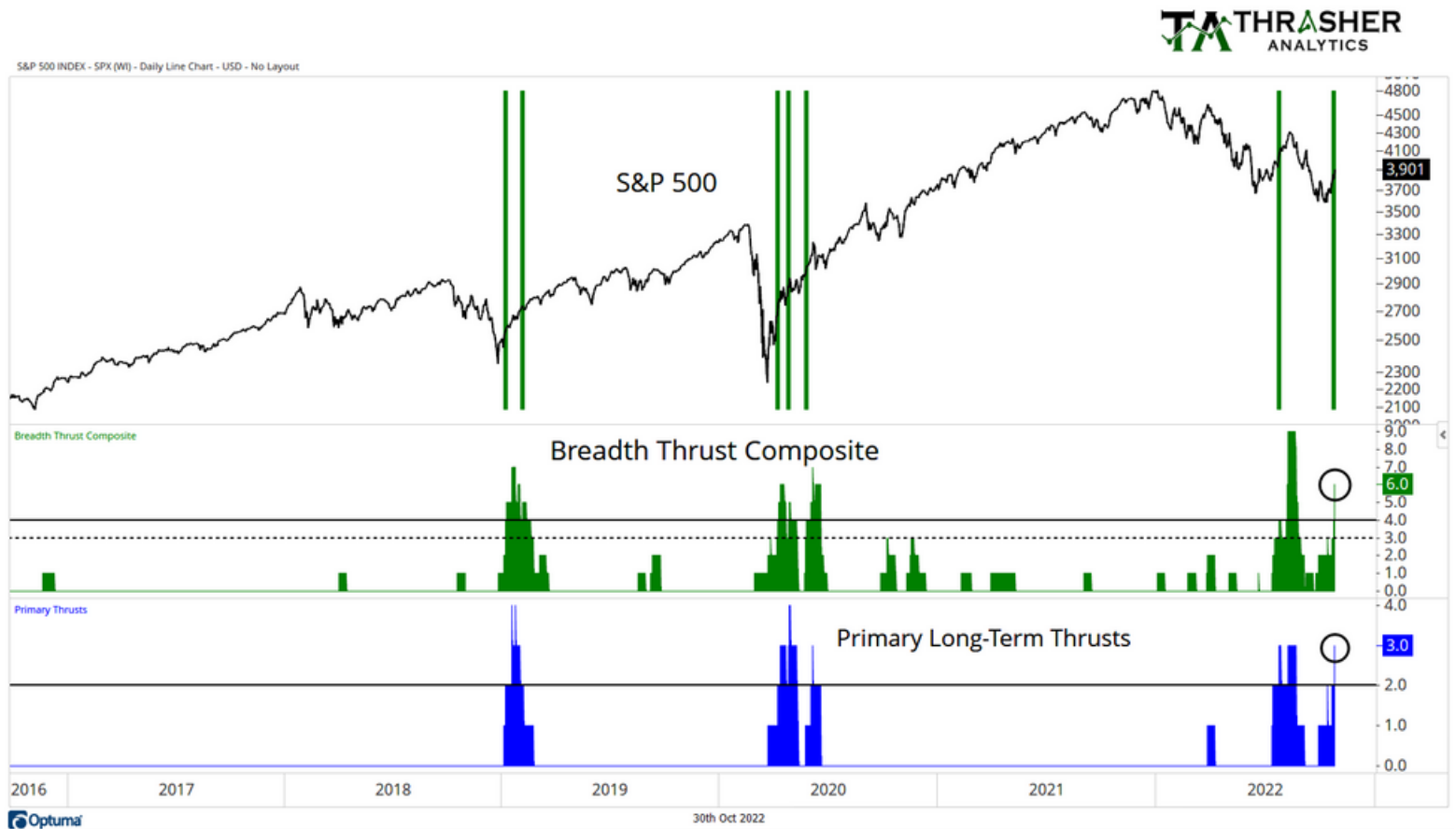


EQUITIES - BREADTH THRUSTS



I've added an add'l section of the breadth thrust composite chart, titled Primary Long-Term Thrusts. These are the handful of thrusts that are in the original composite that have the best track record and only have the highest bar to clear to signal. The original composite is still what 'feeds' the breadth category of the Maestro Model.

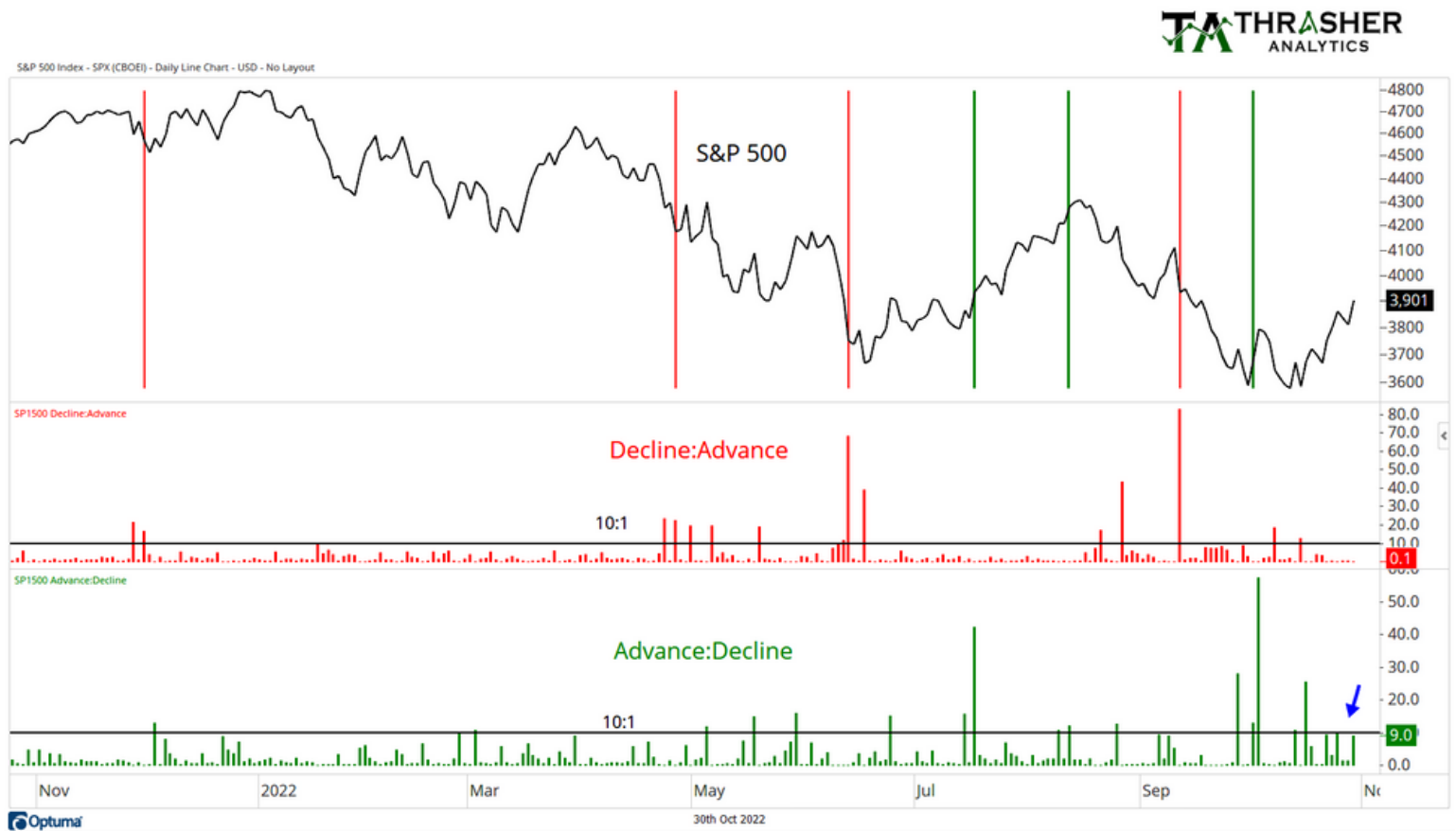
Friday's equity rally brought with it more Breadth Thrusts, sending our tally to +6 and also moving the Primary Thrusts to +3.



EQUITY - ADVANCE - DECLINE



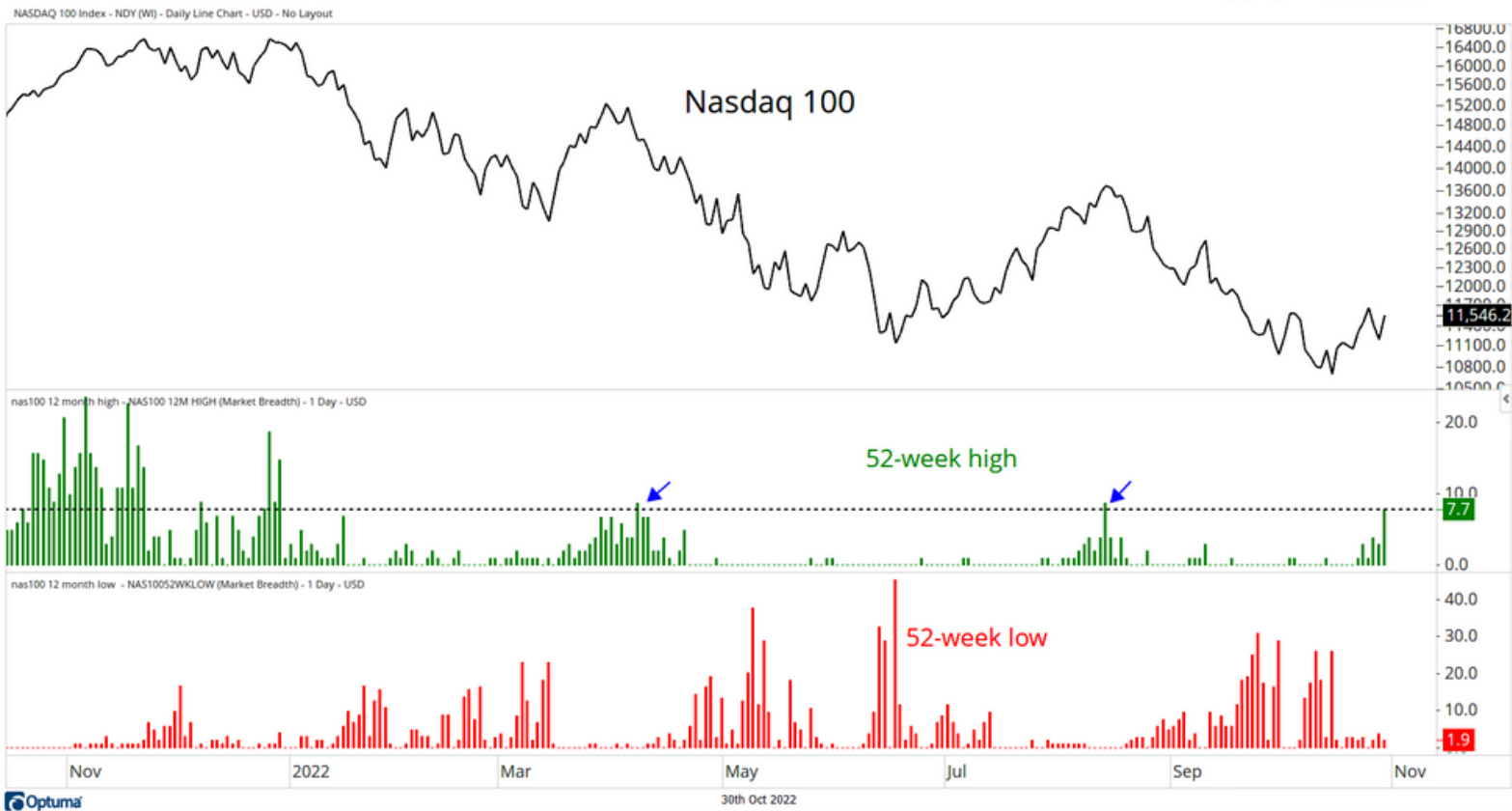
One of the Breadth Thrusts tracked in our Composite is the daily Advancing to Declining stock list for the S&P 1500. This was developed by NDR and looks for two 10:1 days of Advancing without a 10:1 day favoring Declining. We haven't seen this signal since the latest low but we've gotten very close with several 9:1 Advancing days over the last two weeks, including on Friday. The recent strength in small caps should help push this indicator higher, we'll see if we get a strong enough day to give us another 10:1 day soon.



EQUITIES - NASDAQ NEW HIGHS



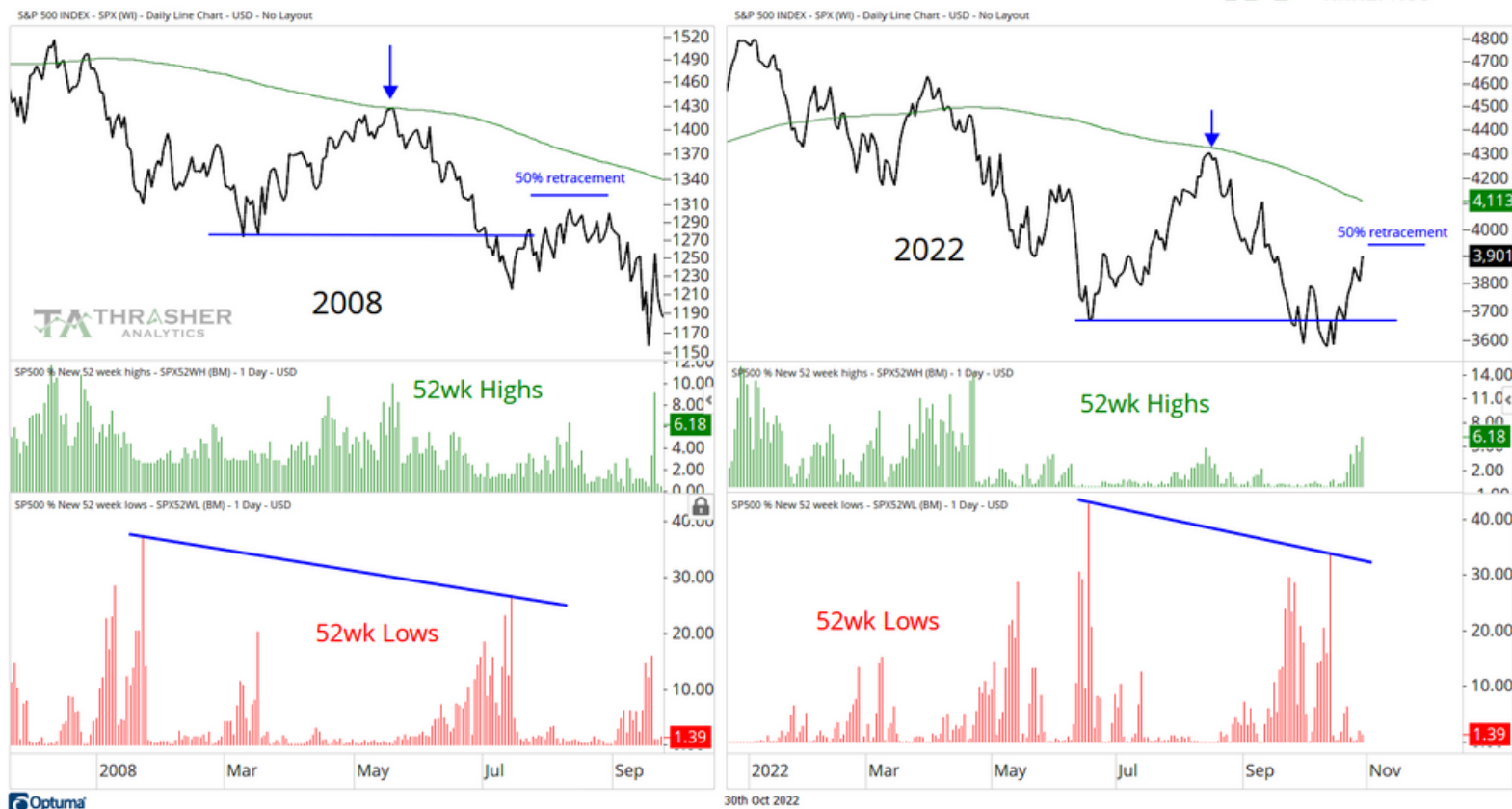
The percent of Nasdaq 100 stocks making new 52-week highs hit 7.7% on Friday, which is near the prior counter-trend highs we've seen this year. From here I'm watching if we expansion in the new 52-week high list, suggesting individual stock support of a possible trend change higher for U.S. equities.



EQUITIES - BREADTH DIVERGENCE

A lot of attention in the news and social media has been given to the lower number of 52-week lows in the S&P 500 on the latest October low in this Index. I agree that this is a bullish development, but we can't forget that price confirmation is extremely important. Using 2008 as an example, we saw a significant drop in 52-week lows that summer after failing to breach the 200-day MA, just like we've seen play out in our market today. The Index rallied and regained the prior low; however, it was unable to clear the 50% retracement level and didn't get a chance to test the 200-day MA again before resuming the down trend. This isn't today that's what will happen today, but I use it as an example of why we need price confirmation, ideally a break above a prior resistance level like the 200-day moving average to solidify the idea that bulls have regained control. Breadth improvement is step one, trend confirmation is step two and a critical step at that!

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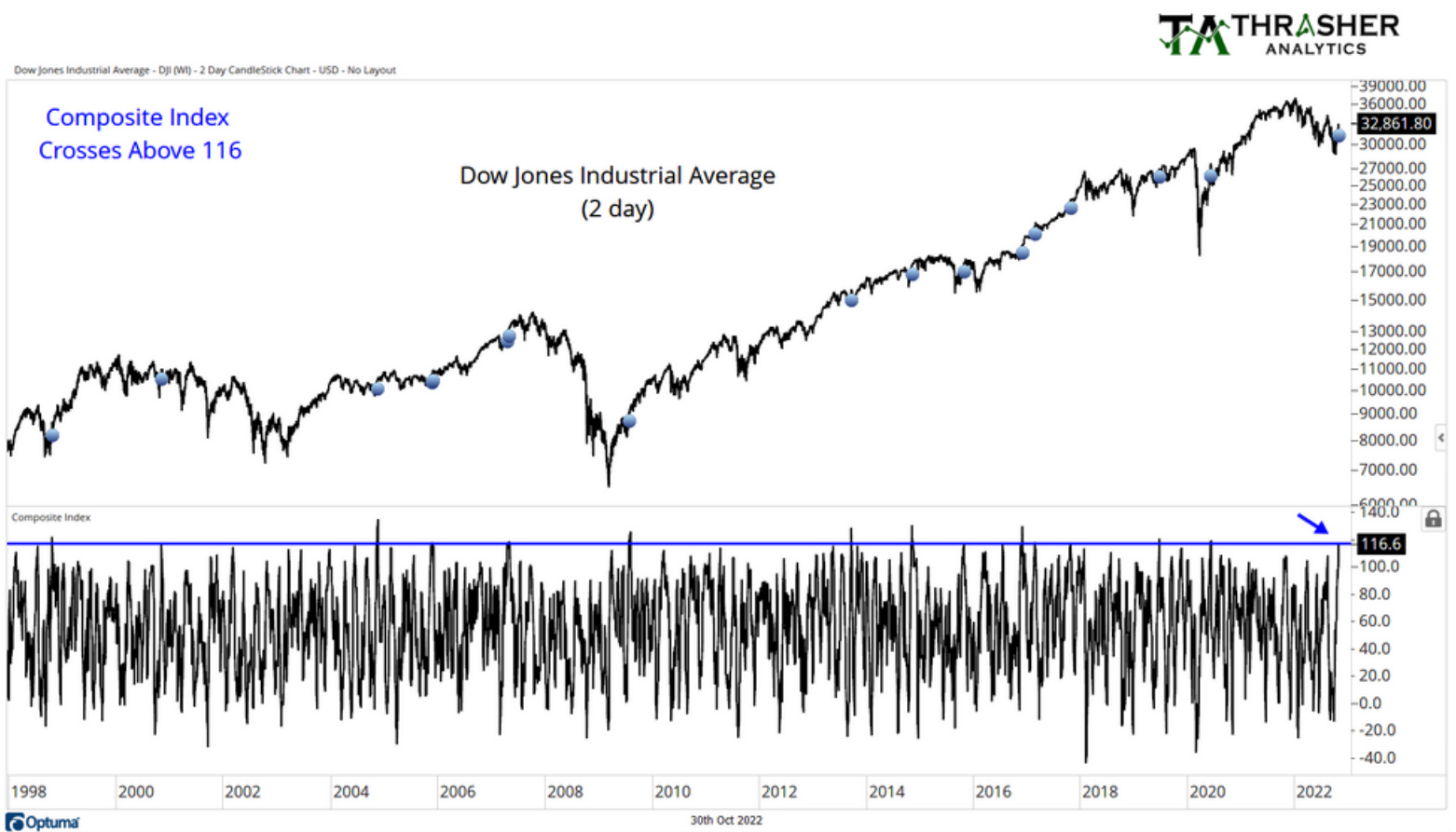
A lot of the strength in stocks recently has been in defensive sectors like health care along with energy and industrials. One area that hasn't seen much love are IPO stocks. They had initially put in a bullish divergence of a higher-low but recently has seen their relative performance sink lower. Buyers don't seem interested in taking on beta risk of high-flier IPOs, preferring "real economy" names that haven't had the same margin compression risks.



EQUITIES - DOW MOMENTUM



The Dow Jones Industrial Average has been on a strong move higher lately, and its momentum is hitting levels we don't see very often. Below is a 2-day chart of the Dow back to the late 1990s along with the Composite Index. I've plotted blue dots when the momentum indicator has breached 116 (like it did on Friday) and what stands out is this doesn't typically happen in down trends or before a period of bearish mean-reversion. Instead, we see this strong level of momentum when the Dow is coming out of a down trend, which is a great sign for today's market!



Below is a table looking at some of the fund flow data for the sectors and several bond ETFs. What stands out immediately is the massive 1-month flow % of AUM for LQD and TLH, over 16% of both funds were traded as inflows this month as investors chase after these bond funds. I also think it's interesting that XLC saw 6% of its AUM in 1-month inflows, despite the poor performance of the sector. Meanwhile, SPY took in 15.8 billion over the last month, a massive 4.38% of the AUM, the chase is on!

Daily - Watch List - Fund Flows Layout

Name	Ticker	Net Flows YTD	Net Flows 3 Month	Net Flows 1 Month	1 Month Flow % of AUM
- Bond ETFs					
iShares iBoxx \$ Investment Grade Corporate Bond ETF	LQD	4,659,975,105	3,094,783,321	5,775,739,921	16.70%
iShares 10-20 Year Treasury Bond ETF	TLH	4,656,039,075	1,173,661,183	835,242,096	16.19%
iShares 20+ Year Treasury Bond ETF	TLT	13,792,126,322	4,931,643,160	1,722,727,520	6.93%
iShares 1-3 Year Treasury Bond ETF	SHY	9,865,870,235	3,621,087,245	1,857,581,946	6.35%
iShares 3-7 Year Treasury Bond ETF	IEI	3,139,238,742	400,501,382	364,018,001	3.00%
iShares 7-10 Year Treasury Bond ETF	IEF	7,469,510,073	2,233,337,187	237,200,411	1.10%
iShares TIPS Bond ETF	TIP	-7,483,947,043	-2,534,393,275	-2,067,011,215	-8.21%
- SPDR Equity ETFs					
SPDR Communication Services Select Sector ETF	XLC	-1,070,913,075	-164,140,622	518,401,150	6.40%
SPDR S&P 500 ETF	SPY	-7,182,151,113	17,758,502,147	15,865,632,608	4.38%
SPDR Financial Select Sector Fund ETF	XLF	-7,039,321,882	1,114,432,526	817,969,173	2.66%
SPDR Energy Select Sector Fund ETF	XLE	-189,832,505	307,352,395	958,383,680	2.26%
SPDR Real Estate Select Sector Fund ETF	XLRE	452,406,956	97,851,719	89,635,537	1.93%
SPDR Technology Select Sector Fund ETF	XLK	597,347,929	312,123,806	637,375,372	1.70%
SPDR Health Care Select Sector Fund ETF	XLV	6,384,546,964	-14,853,960	274,366,208	0.70%
SPDR Materials Select Sector Fund ETF	XLB	-1,409,753,880	-584,184,408	34,514,743	0.66%
SPDR Industrial Select Sector Fund ETF	XLI	-2,659,792,771	3,208,674	65,095,034	0.52%
SPDR Consumer Discretionary Select Sector Fund ETF	XLY	-2,190,517,364	660,265,936	-11,948,134	-0.08%
SPDR Consumer Staples Select Sector Fund ETF	XLP	3,306,406,610	598,891,464	-160,592,485	-1.04%
SPDR Utilities Select Sector Fund ETF	XLU	3,812,612,098	533,869,673	-502,227,005	-3.30%

EQUITIES - SPY FUND FLOWS



Last week I noted the 3-month net fund flow chart for SPY, citing a watch for expansion in inflows above the prior 2022 highs. We did in fact see more money flow into SPY, sending the 3-month total to \$17.76 billion, the highest level since January. This suggests investors in fact chasing after equity exposure rather than just pulling down shorts.



EQUITIES - XLI FUND FLOWS



While XLI has seen strong recent performance, its fund flows still aren't showing much interest by investors. The 3-month net flow has improved but remains negative and until Thursday, the 1-month flow was also negative. If we are to continue to see strength in industrial stocks, we'll likely see interest show up in the flows data for XLI very soon, but it's not there yet.



SECTOR PERFORMANCE



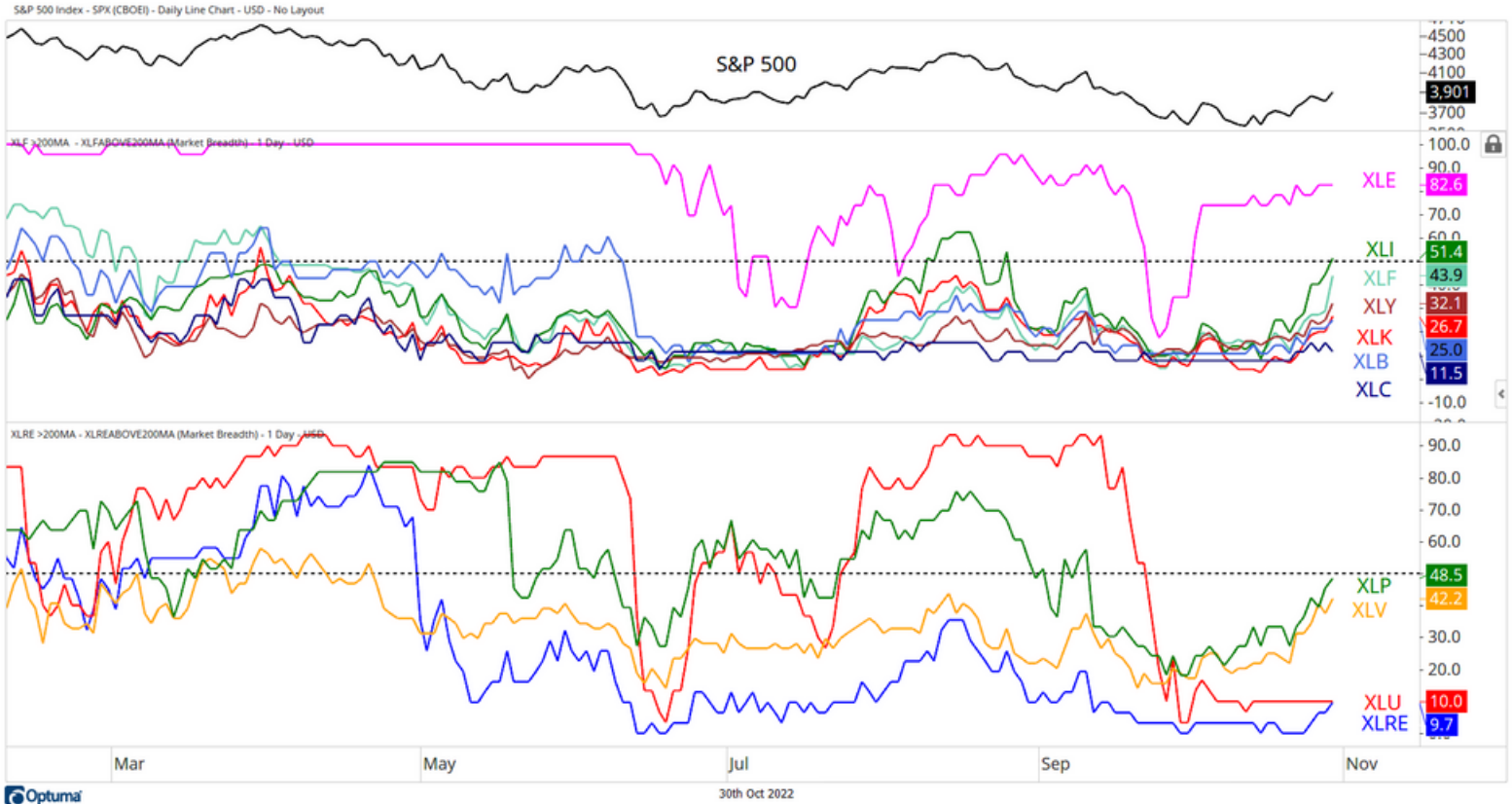
Daily - Watch List - No Layout

Tick	Name	2022	YTD Rel% to SPX	1W %	1M %	3M%	6M%	% from 52Wk High	% from 52Wk Low	% From 20MA	% From 50MA	% From 200MA
- Index		AVG: 1.18%						AVG: 19.40%	AVG: 12.30%	AVG: 2.63%		
DJI	Dow Jones Industrial Average	-9.57%	10.49%	5.72%	10.71%	1.02%	-3.11%	11.07%	14.66%	7.88%	6.24%	0.67%
SML	S&P SmallCap 600 Index	-14.62%	4.32%	6.15%	9.32%	-2.66%	-4.01%	18.99%	13.13%	6.41%	4.28%	-1.97%
MID	S&P Midcap 400 Index	-14.32%	4.68%	5.31%	7.46%	-1.85%	-5.26%	16.78%	11.39%	5.08%	2.81%	-2.15%
SPX	S&P 500 INDEX	-18.15%	0.00%	3.95%	4.89%	-4.21%	-9.01%	19.04%	11.73%	4.90%	1.54%	-5.16%
NDY	NASDAQ 100 Index	-29.25%	-13.56%	2.09%	0.46%	-9.21%	-14.19%	31.13%	10.59%	3.07%	-1.73%	-10.58%
- Sectors		AVG: 9.21%						AVG: 19.47%	AVG: 17.18%	AVG: 1.37%		
XLE	SPDR Energy Select Sector Fund ETF	60.81%	96.47%	2.67%	22.93%	18.75%	15.71%	4.35%	72.76%	7.22%	11.23%	16.75%
XLI	SPDR Industrial Select Sector Fund ETF	-10.58%	9.26%	6.69%	10.77%	0.97%	-3.18%	12.29%	14.34%	7.63%	5.05%	-0.10%
XLF	SPDR Financial Select Sector Fund ETF	-12.45%	6.97%	6.21%	10.18%	2.86%	-4.34%	18.00%	15.55%	7.23%	5.17%	-2.22%
XLB	SPDR Materials Select Sector Fund ETF	-17.50%	0.79%	3.36%	8.00%	-3.05%	-13.85%	19.02%	11.82%	4.99%	2.32%	-6.54%
XLV	SPDR Health Care Select Sector Fund ETF	-5.70%	15.21%	4.99%	7.28%	0.02%	-0.65%	7.36%	11.88%	5.39%	5.21%	2.17%
XLP	SPDR Consumer Staples Select Sector Fund ETF	-5.11%	15.93%	6.18%	5.97%	-2.53%	-8.32%	10.04%	10.57%	6.21%	3.12%	-0.96%
XLK	SPDR Technology Select Sector Fund ETF	-25.47%	-8.95%	4.21%	4.21%	-8.77%	-12.19%	26.81%	14.70%	5.61%	0.60%	-8.12%
XLRE	SPDR Real Estate Select Sector Fund ETF	-28.93%	-13.17%	6.20%	0.46%	-16.64%	-24.80%	29.42%	11.15%	4.45%	-4.46%	-14.96%
XLC	SPDR Communication Services Select Sector ETF	-36.88%	-22.88%	-2.23%	-1.33%	-12.97%	-19.79%	40.46%	5.50%	-0.73%	-4.86%	-18.25%
XLU	SPDR Utilities Select Sector Fund ETF	-5.83%	15.06%	6.48%	-3.13%	-8.06%	-8.24%	13.82%	11.70%	4.42%	-4.22%	-5.10%
XLY	SPDR Consumer Discretionary Select Sector Fund	-29.09%	-13.37%	1.80%	-3.69%	-7.52%	-15.52%	32.60%	8.96%	1.85%	-4.05%	-10.42%

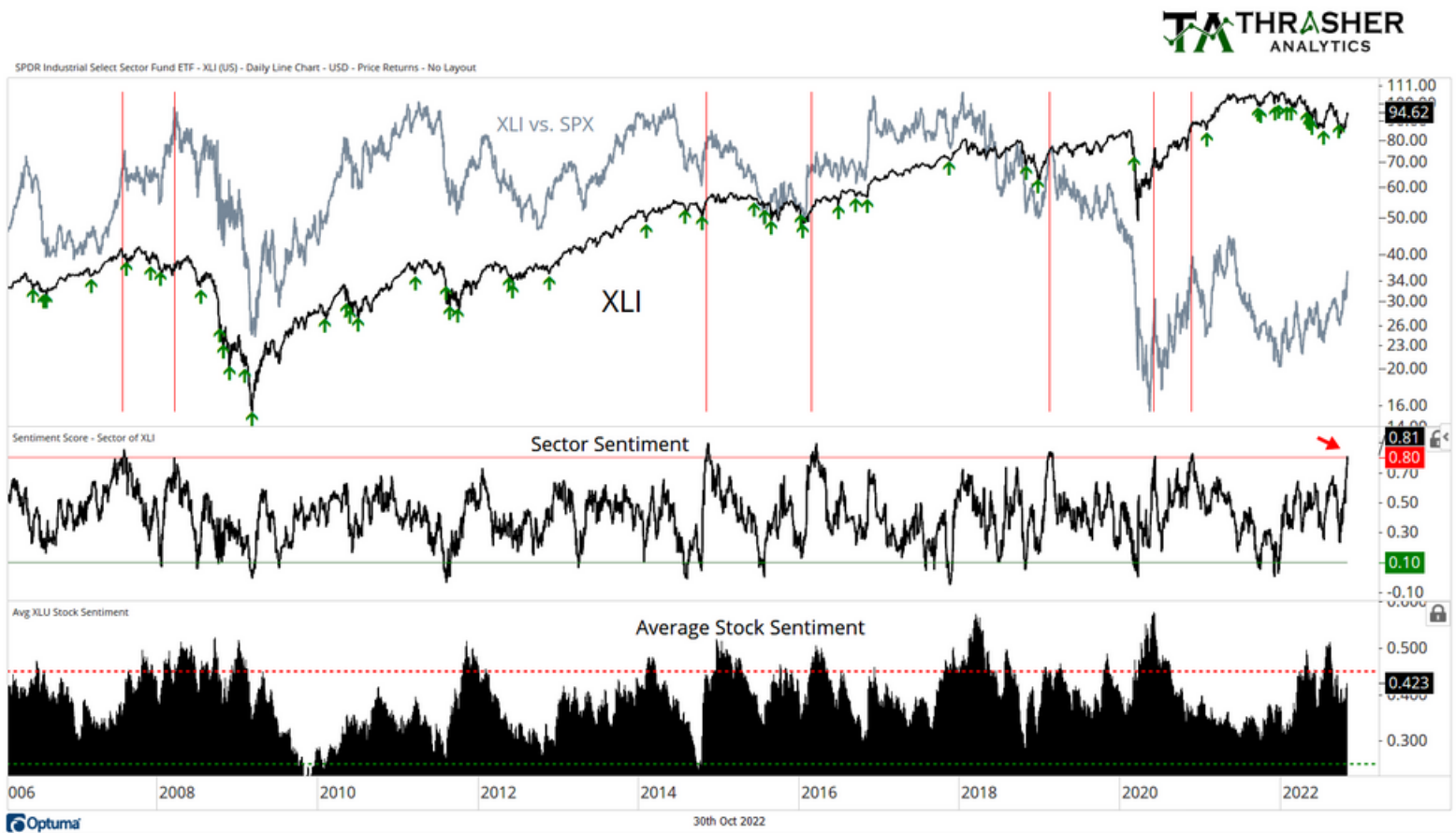
SECTOR - BREADTH 200-MA



XLI joins XLE with more than 50% of stocks above the 200-day MA and XLP is close behind at 48%.



I mentioned in the sector sentiment section of the letter that XLI has moved to the highest score but also that it had moved above .80. Below is a longer-term look at the sentiment chart for the Industrial sector and I've drawn red vertical lines when its Sector Sentiment has breached .8 in the past. This hasn't been bullish for the sector, each time seeing fairly significant trend changes in its relative performance vs. the market. While the sample size is small - since 2006, XLI has been able to "push past" this elevated sentiment and continue showing strong relative performance. There's been a chase to get equity exposure via value and 'real economy' corners of the market, which has benefited many industrial names, but this likely will cause a 'sentiment peak' for the sector and negative impact its relative performance going forward.



DAILY SENTIMENT INDEX



Daily - Watch List - No Layout

Code	% Bullish ▲	5-day MA	History
Coffee DSI	8	11	
Cotton DSI	10	15	
EuroDollar DSI	13	13	
Cocoa DSI	15	14	
Palladium DSI	16	20	
Yen DSI	17	18	
5YR DSI	17	15	
10Y DSI	20	17	
Swiss Franc DSI	21	23	
Gold DSI	21	23	
Australian Dollar DSI	21	25	
SPX DSI	25	26	
Nasdaq DSI	25	26	
Bitcoin DSI	29	26	
Silver DSI	30	32	
Euro DSI	30	31	
Wheat DSI	32	34	
Natural Gas DSI	34	35	
Copper DSI	35	38	

Daily - Watch List - No Layout

Code	% Bullish ▲	5-day MA	History
Platinum DSI	38	38	
British Pound DSI	38	34	
Sugar DSI	40	48	
Nikkei DSI	40	38	
VIX DSI	41	47	
New Zealand Dollar DSI	43	41	
Soybean DSI	44	39	
CRB Index DSI	44	45	
Lumber DSI	52	60	
Lean Hog DSI	62	69	
US Dollar DSI	65	66	
Corn DSI	65	67	
Cattle DSI	66	69	
Gasoline DSI	72	71	
Crude Oil DSI	74	70	
Orange Juice DSI	76	83	
Heating Oil DSI	79	71	
Mexican Peso DSI	89	88	

Type Code or Name to add an item to the watchlist

Source: trade-futures.com

DAILY SENTIMENT INDEX



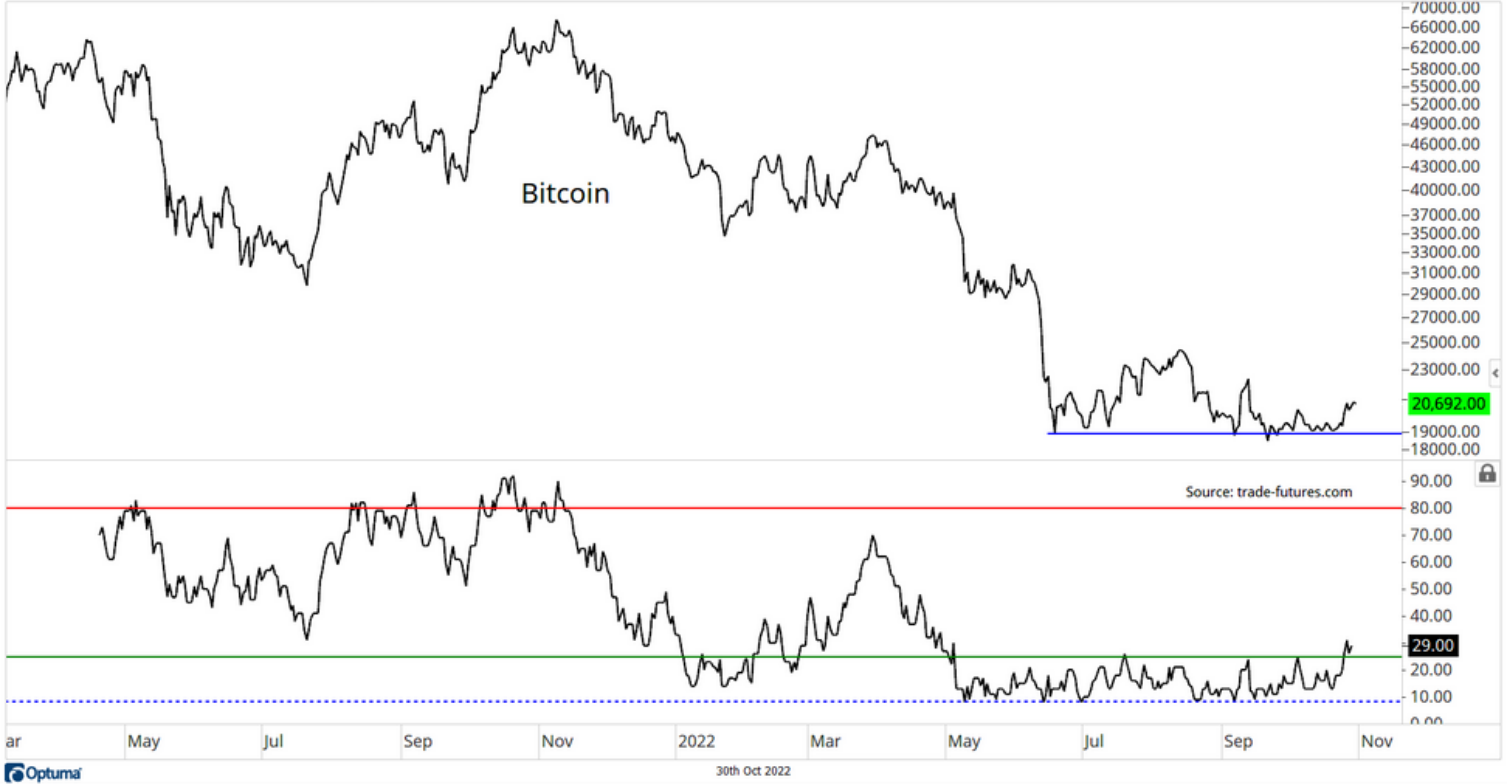
TA THRASHER
ANALYTICS



DAILY SENTIMENT INDEX



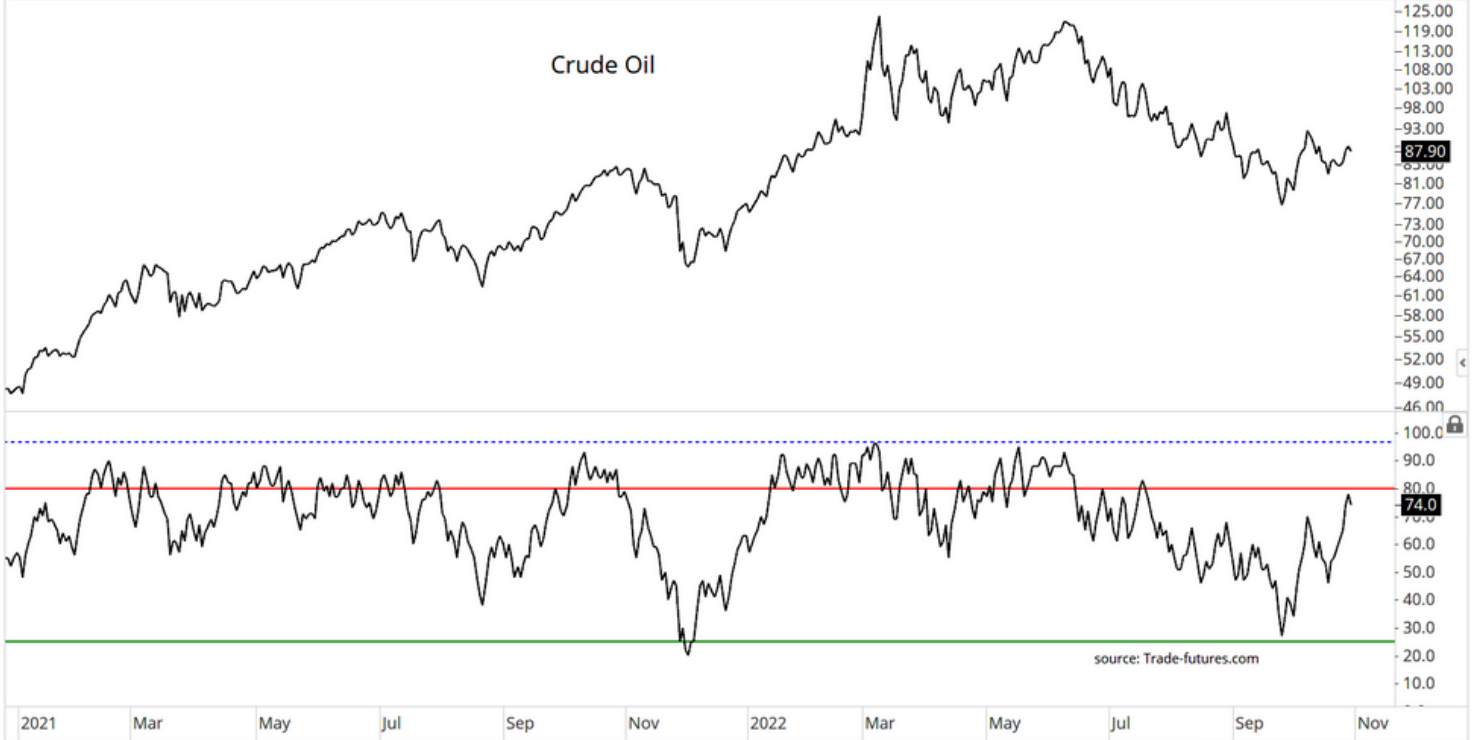
Bitcoin/United States dollar - BTCUSD (CW) - Daily Line Chart - USD - No Layout --- Data from Cryptowatch



DAILY SENTIMENT INDEX



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



30th Oct 2022

DAILY SENTIMENT INDEX



Gold Futures - GC25spot (AFUT) - Daily Line Chart - USD - No Layout



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30th Oct 2022

DAILY SENTIMENT INDEX



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

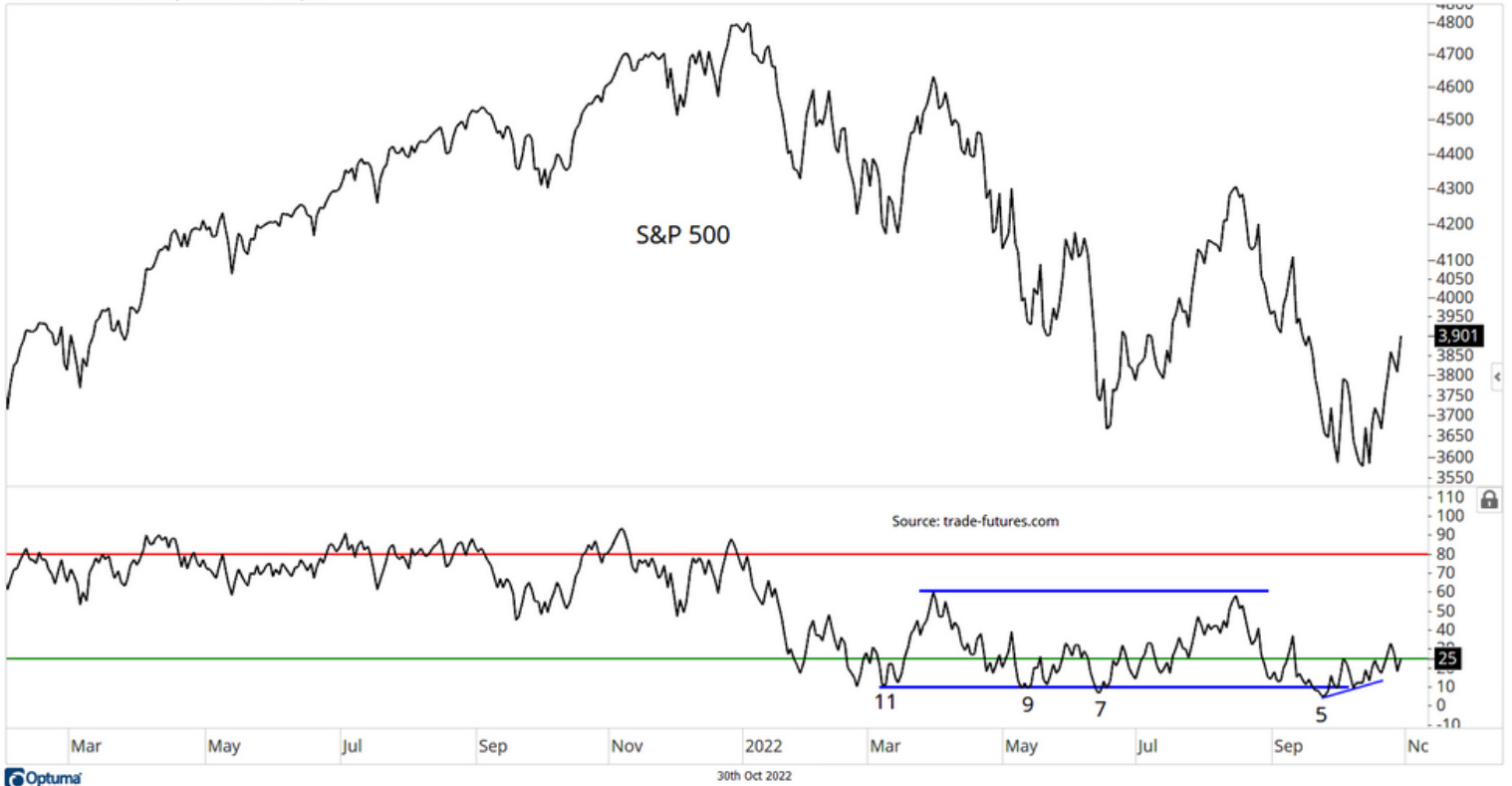


30th Oct 2022

DAILY SENTIMENT INDEX



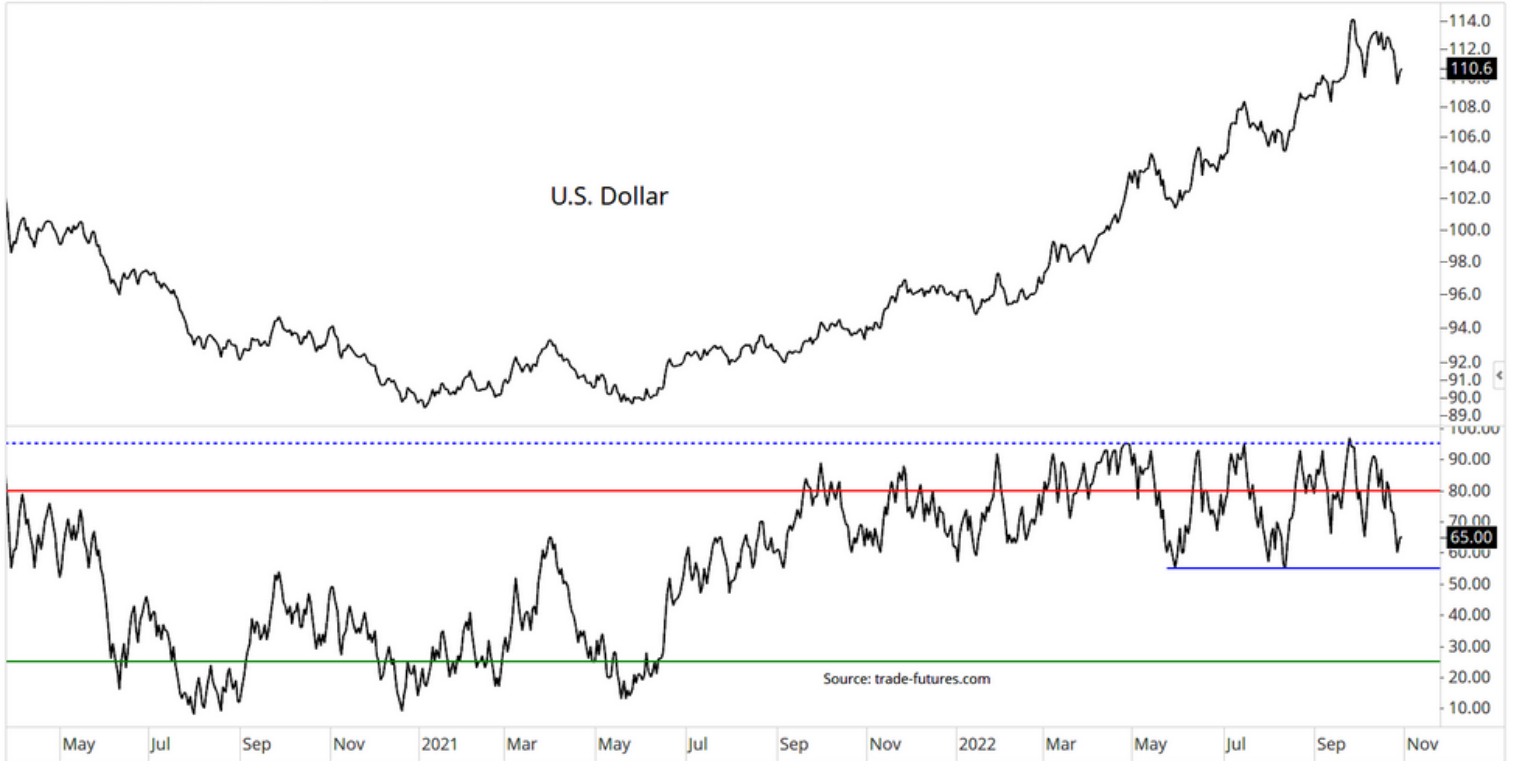
S&P 500 Index - SPX (CBOE) - Daily Line Chart - USD - No Layout



DAILY SENTIMENT INDEX



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



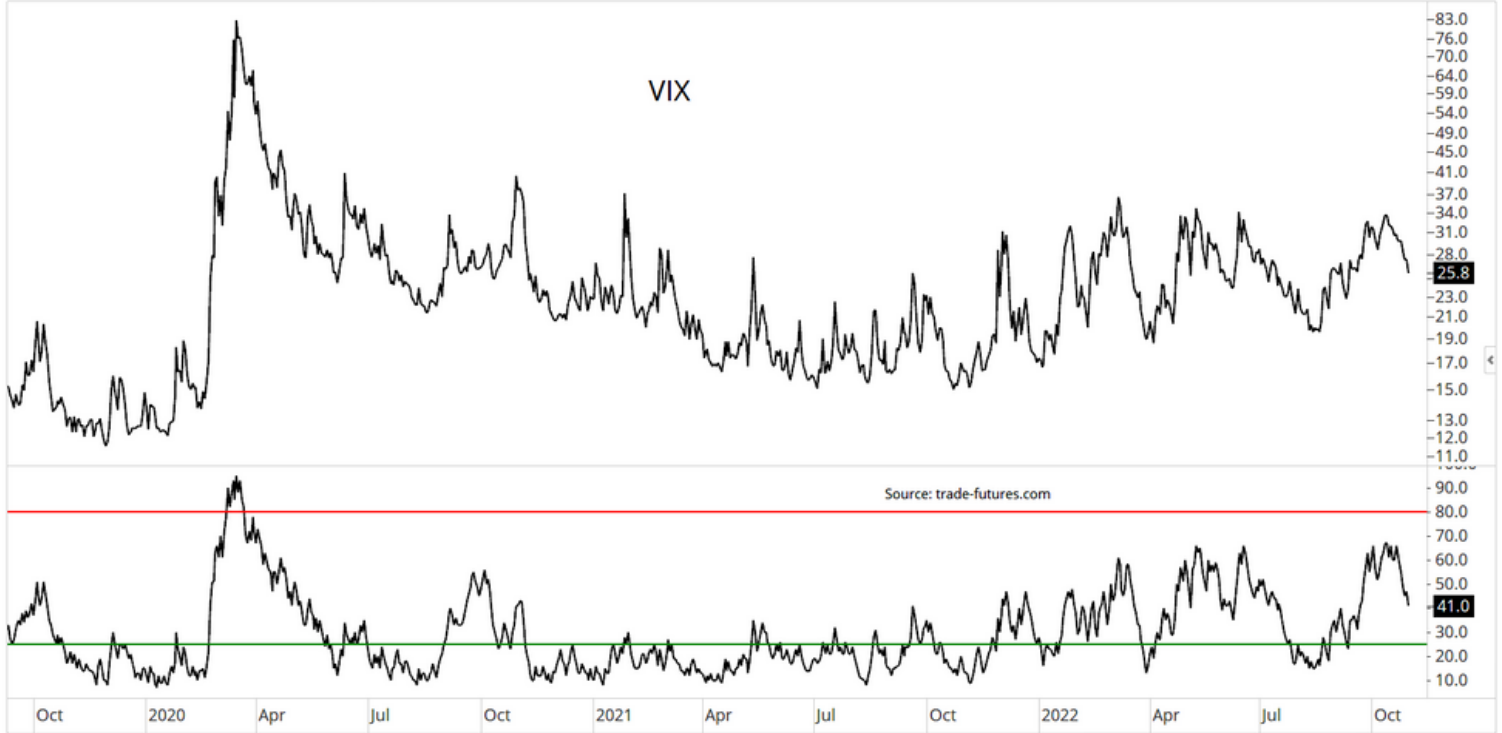
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30th Oct 2022

DAILY SENTIMENT INDEX

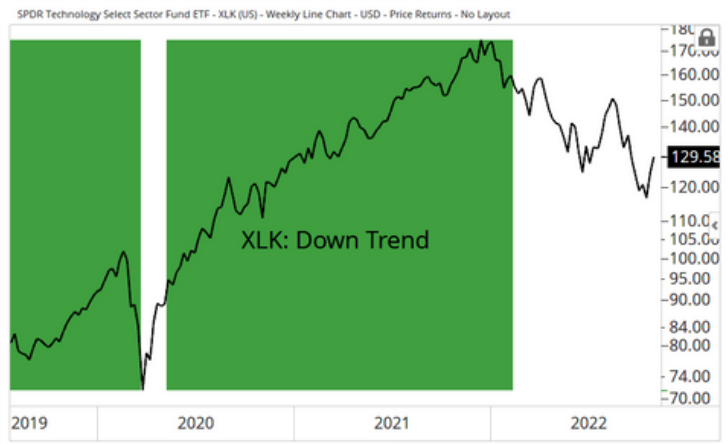
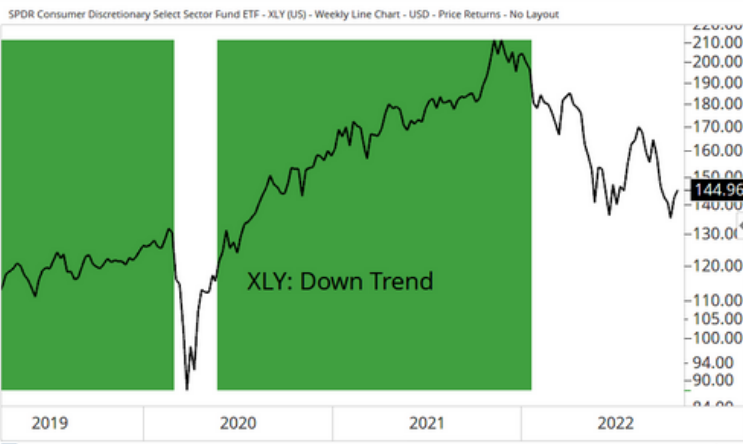
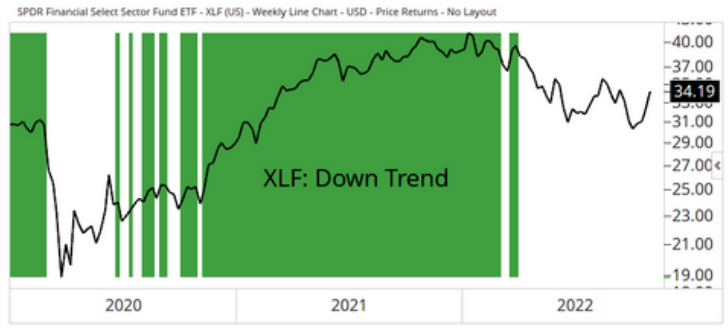
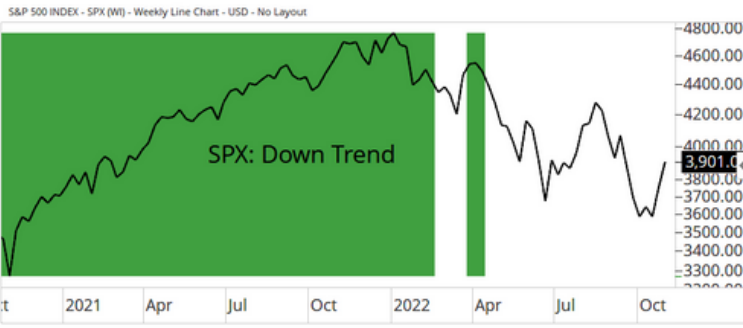


CBOE S&P 500 Volatility Index - VIX (CBOE) - Daily Line Chart - USD - No Layout



30th Oct 2022

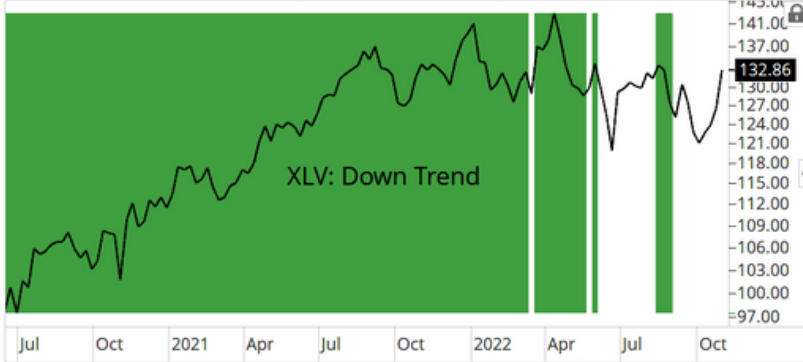
TREND MODELS



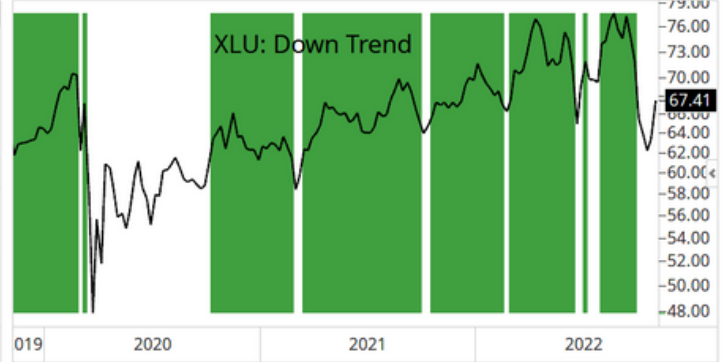
TREND MODELS



SPDR Health Care Select Sector Fund ETF - XLV (US) - Weekly Line Chart - USD - Price Returns - No Layout



SPDR Utilities Select Sector Fund ETF - XLU (US) - Weekly Line Chart - USD - Price Returns - No Layout



SPDR Consumer Staples Select Sector Fund ETF - XLP (US) - Weekly Line Chart - USD - Price Returns - No Layout



SPDR Industrial Select Sector Fund ETF - XLI (US) - Weekly Line Chart - USD - Price Returns - No Layout



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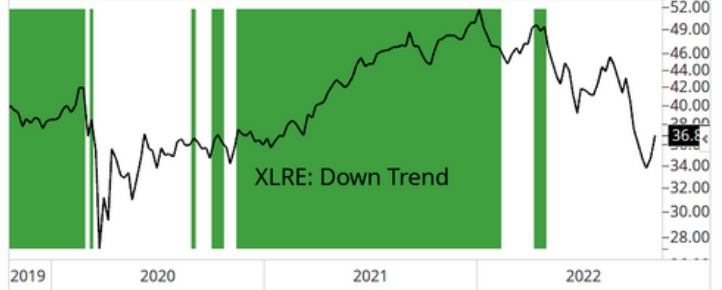
TREND MODELS



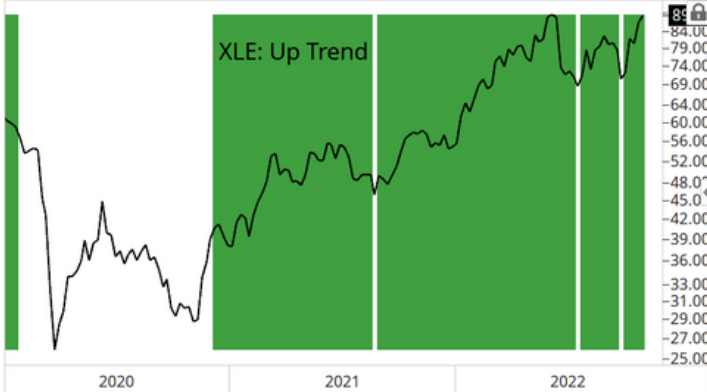
Invesco QQQ Trust - QQQ (US) - Weekly Line Chart - USD - Price Returns - No Layout



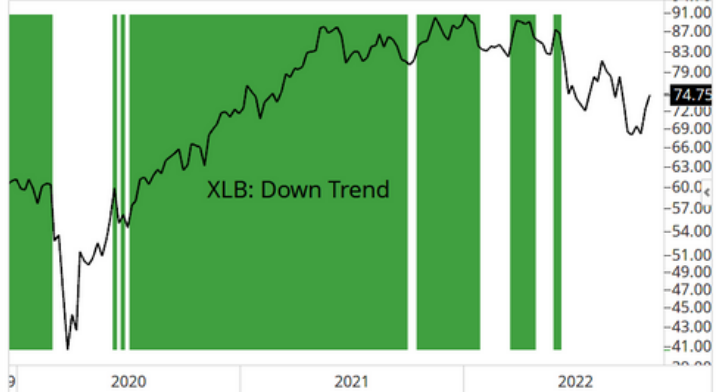
SPDR Real Estate Select Sector Fund ETF - XLRE (US) - Weekly Line Chart - USD - Price Returns - No Layout



SPDR Energy Select Sector Fund ETF - XLE (US) - Weekly Line Chart - USD - Price Returns - No Layout



SPDR Materials Select Sector Fund ETF - XLB (US) - Weekly Line Chart - USD - Price Returns - No Layout



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