

# TA THRASHER ANALYTICS

OCTOBER 23, 2022



WEEKLY RESEARCH & ANALYSIS

BY ANDREW THRASHER, CMT

## SUMMARY OF MODELS

	Current	Wkly Change
Maestro Model	-17	Increasing
Volatility Risk Trigger	24	Increasing
Risk Appetite Ratios	.34	Increasing
S&P 500 Long-Term Trend	Down	Unchanged

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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	-7
Sentiment / VIX	-1
Breadth	-2
Economic	-5
<b>Total</b>	<b>-17</b>

readth is weighted double in model)

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	23%	21%
Nasdaq 100	20%	18%
Nikkei	32%	30%
VIX	59%	62%
10yr Treasury	9%	11%
5yr Treasury	9%	11%
CRB Index	41%	38%
Crude Oil	58%	53%
Gold	20%	16%
U.S. Dollar	73%	78%
Bitcoin	18%	16%

\*Green<25% Red>80%

source: trade-futures.com

## Brief Summary:

Markets moved lower most of last week, only to be lifted on Friday with a dovish WSJ article suggesting the Fed has begun to think about thinking about slowing their rate hikes. It's been a good sign that the SPX has continued to hold above the 200-week moving average and was able to close Friday above the 20-day MA. The next box it must check is making a higher-high, putting 3800 in the bull's crosshairs. This week will be full of earnings announcements, with all of the FAAMG stocks reporting. We'll also get Q3 GDP on Thursday with The Street looking for 2.3% growth. Housing data will also get some attention with Case-Shiller on Tuesday, new home sales on Wednesday and pending sales on Friday being released.

Energy continues to be the dominate sector but the whole group of offensive sectors has seen some bullish improvement to their collective sentiment score, rising to the highest level year-to-date. Fund flows have improved for SPY and the energy sector as well, I'll be looking if that continues into month-end. Fed liquidity has been supportive for equities in the short-term but has begun turning lower which could create a headwind for stocks this week. Everyone is focused on the high level of bearishness and cash levels but at what point does the 'peak bearish' trade become the 'consensus trade'?

Fixed income markets pose the biggest risk to markets in my view, with the extreme drop in bond prices being matched only by a very small sample. Stress isn't being shown in bond spreads yet, but something 'breaking' in the Treasury market, as we saw in the U.K. with their pensions, could have a knock-off effect for the rest of the financial system. Not a risk - yet- but something I'm watching closely.

# VOLATILITY: VRT

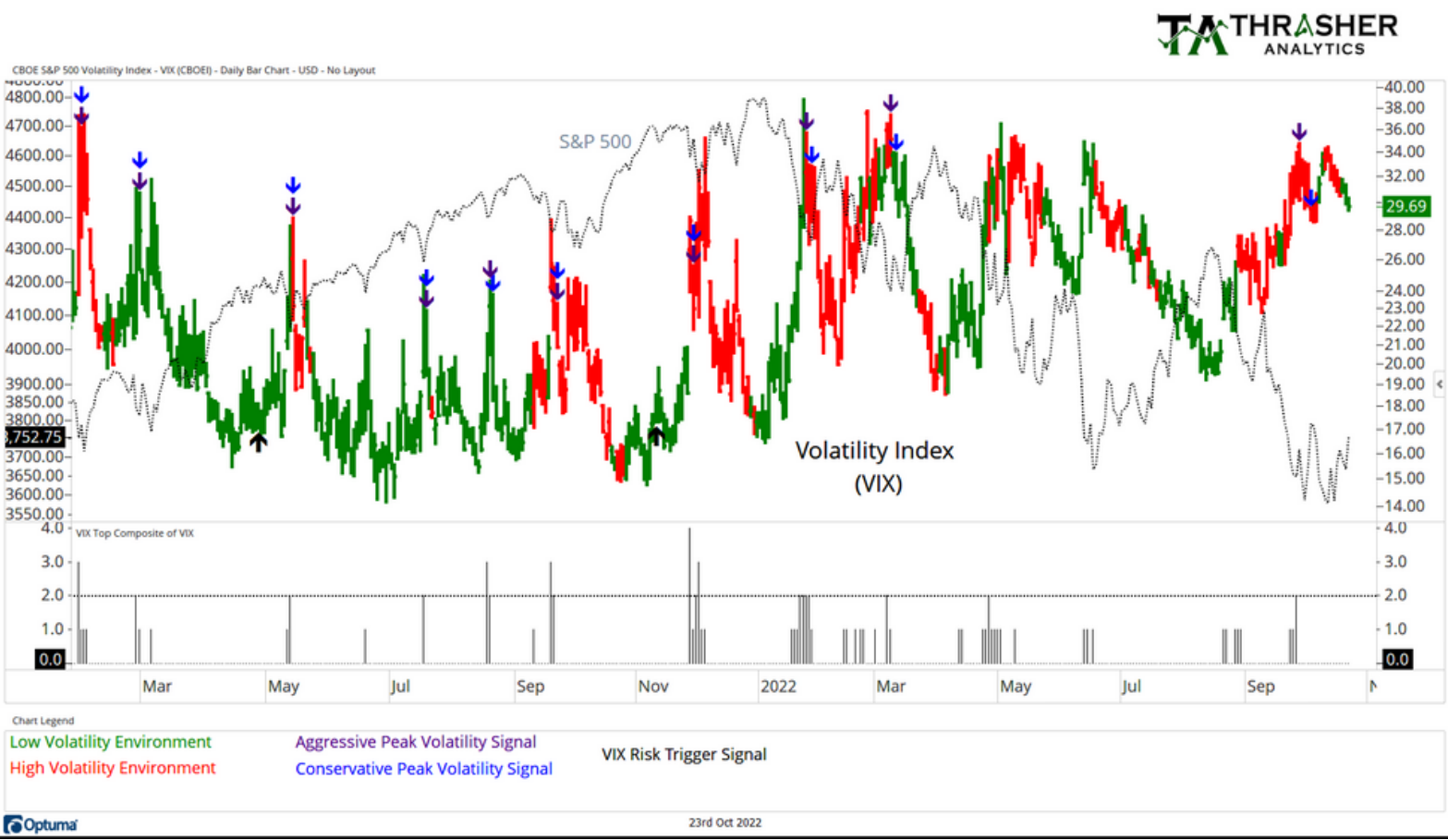


VRT moved up to 24 with Spot VIX finishing the week back below 30.



# VOLATILITY: TOP & ENVIRONMENT

The Aggressive Peak Vol Signal remains the top in the current up cycle in volatility as we still have yet to see a higher-high in volatility. VIX has moved back into a Low Volatility Environment condition.



# VOLATILITY - CURVE



The VIX curve is looking more 'normal' now with the full curve back in contango.



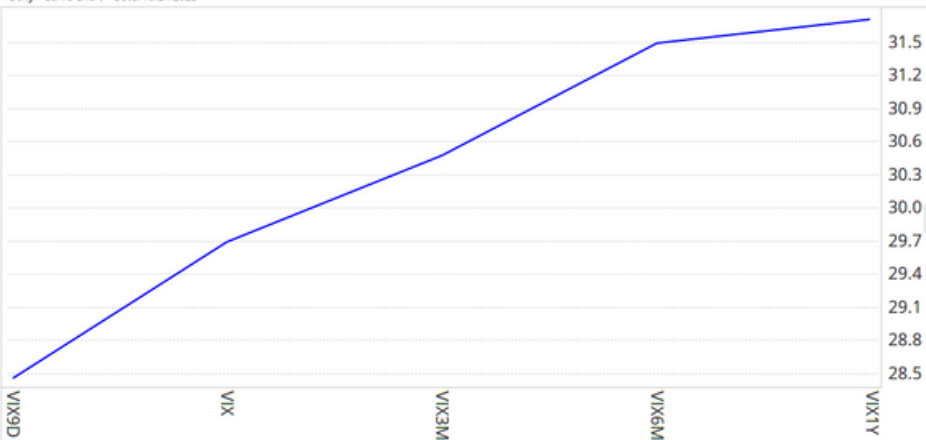
Daily - Watch List - No Layout

Name	Last	1yr %Tile
CBOE S&P 500 Short Term Volatility Index	28.46	0.6197
CBOE S&P 500 Volatility Index	29.69	0.6834
CBOE S&P 500 3-Month Volatility Index	30.47	0.6755
CBOE Mid-Term Volatility Index	31.49	0.7430
CBOE S&P 500 One-Year Volatility Index	31.71	0.8167

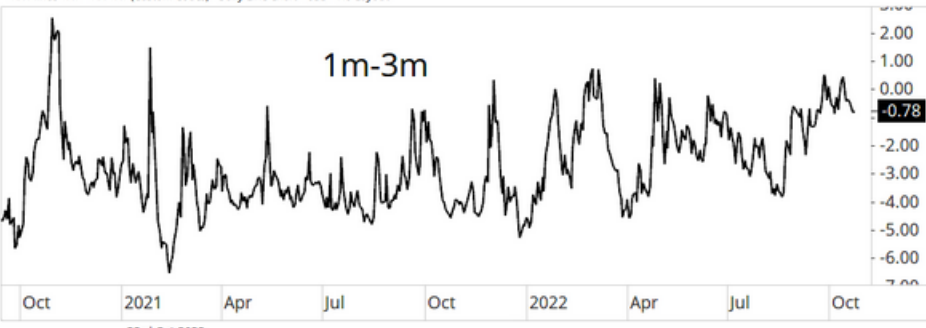
CBOE S&P 500 Short Term Volatility Index - VIX9D (CBOE) - Daily Line Chart - USD - No Layout



Daily - Curve Chart Date: 10/21/2022

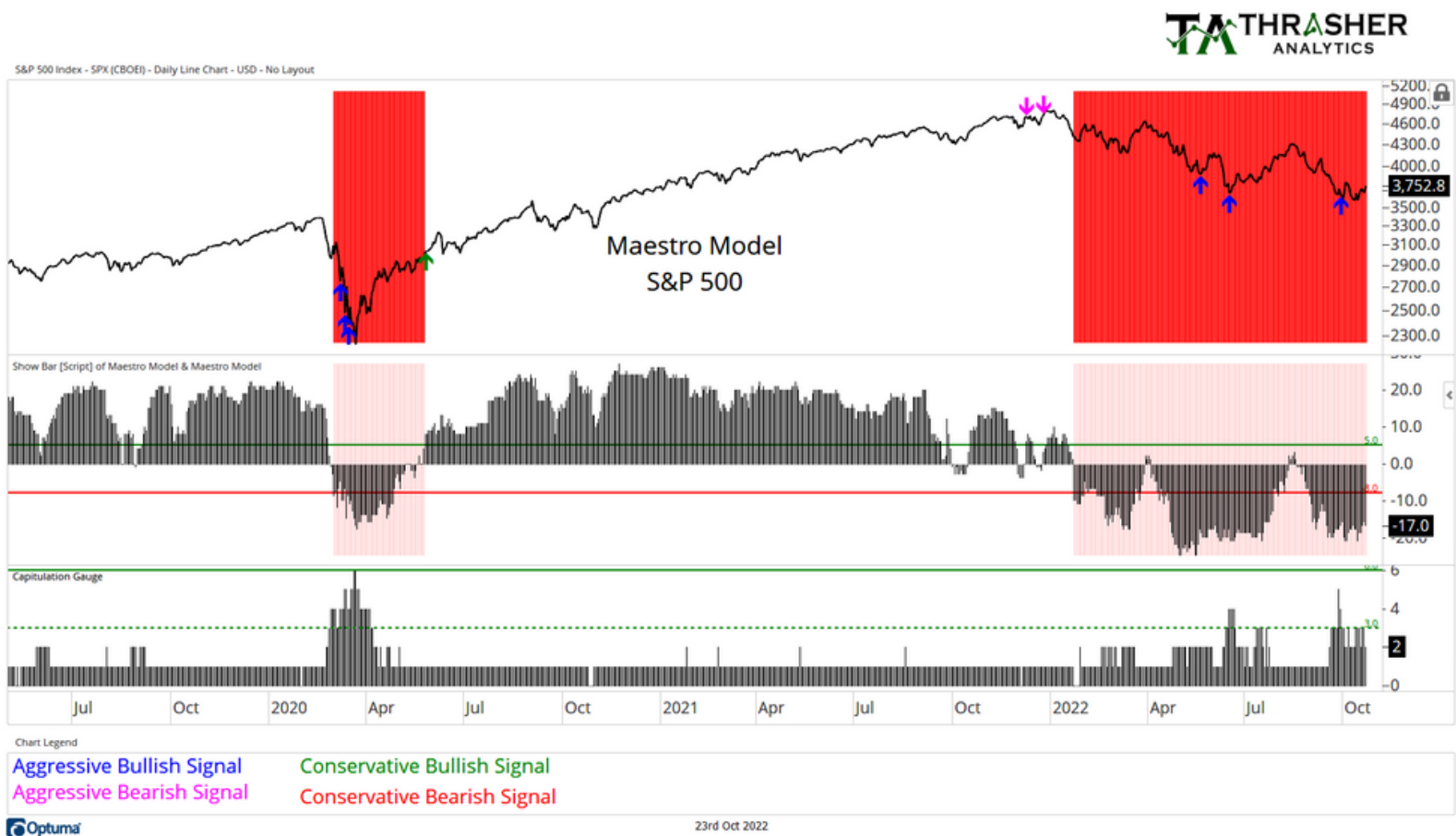


VIX Minus VW - VIX-VW (Custom Codes) - Daily Line Chart - USD - No Layout



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 -17. The breadth data has improved and helped move the overall model higher, although the categories still are showing a weak equity market.

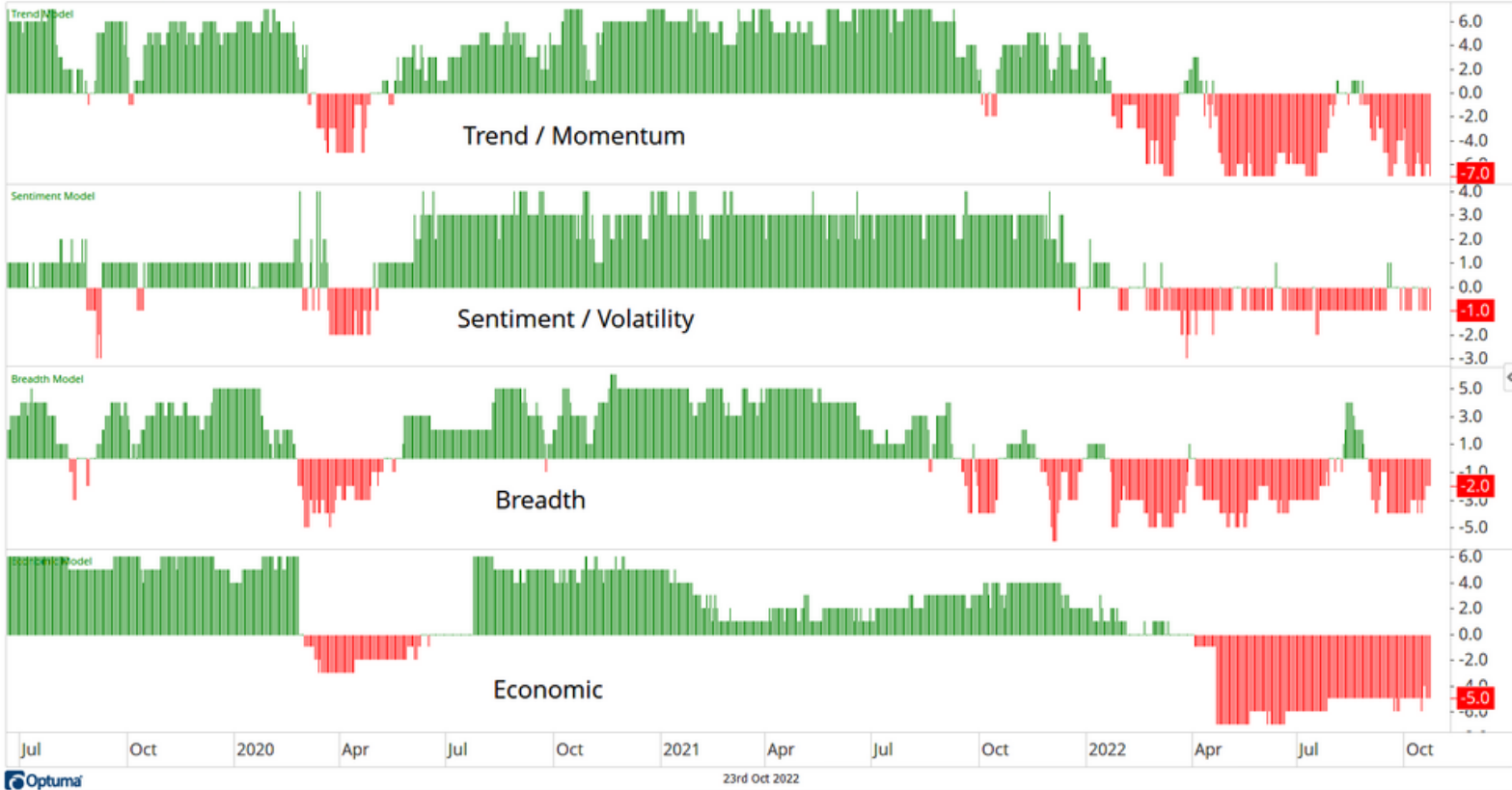




# MAESTRO MODEL - CATEGORIES



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



# SENTIMENT SCORE



Health Care and Energy remain the highest scoring Sentiment sectors and are the best performing sectors over the last 1-month. Tech has had a good rebound since it's recent signal and build up of bullish momentum divergences.

Daily - Watch List - No Layout



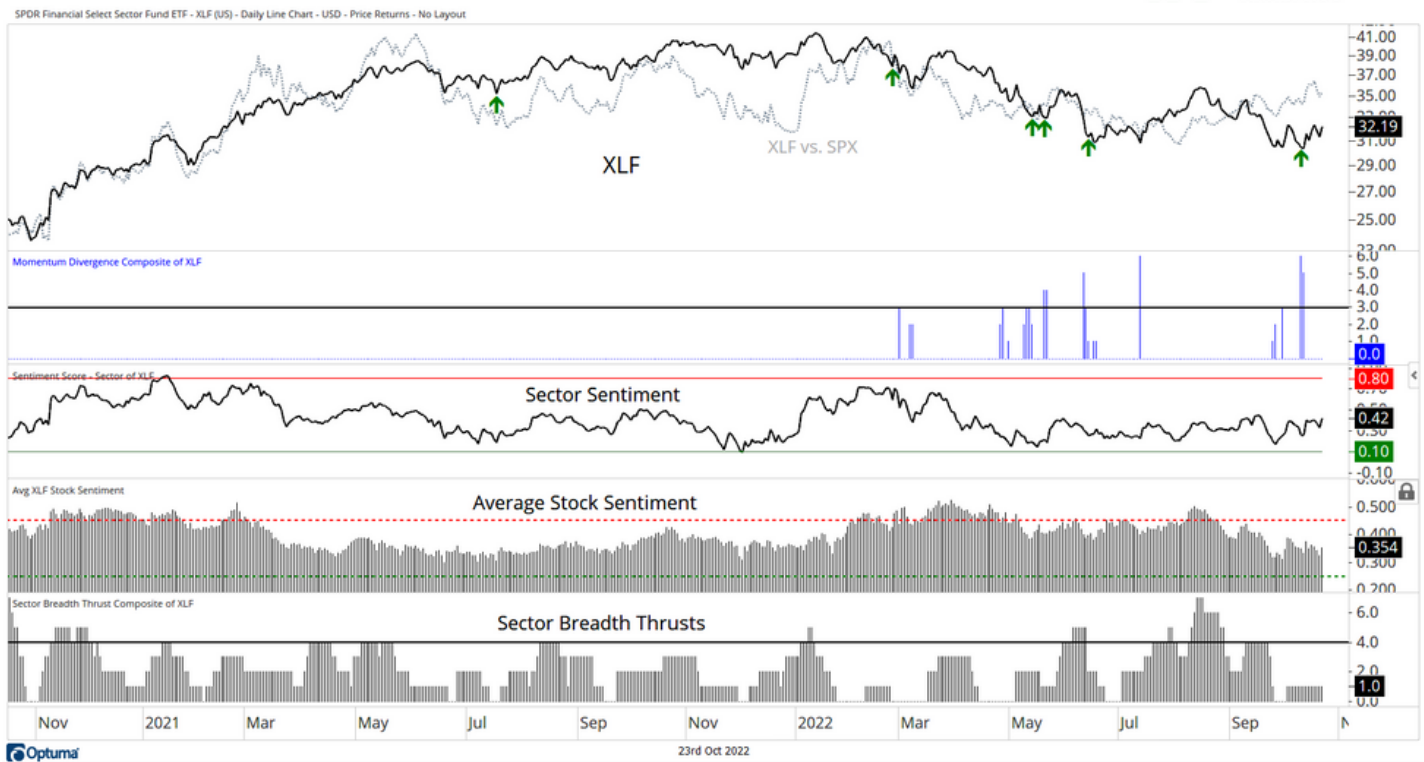
Sector	Ticker	Sentiment Score	Change in Score	1M Perf	3M Perf
SPDR Health Care Select Sector Fund ETF	XLV	0.654	-0.086	3.12%	-2.94%
SPDR Energy Select Sector Fund ETF	XLE	0.654	0.143	14.43%	21.17%
SPDR Industrial Select Sector Fund ETF	XLI	0.580	0.090	1.14%	-2.26%
SPDR Financial Select Sector Fund ETF	XLF	0.403	0.041	0.31%	-2.28%
SPDR Consumer Staples Select Sector Fund ETF	XLP	0.366	-0.045	-2.50%	-5.24%
SPDR Materials Select Sector Fund ETF	XLB	0.280	0.118	2.28%	-4.34%
SPDR Communication Services Select Sector ETF	XLC	0.233	0.020	-0.22%	-13.53%
SPDR Consumer Discretionary Select Sector Fund	XLY	0.205	0.098	-7.18%	-8.51%
SPDR Utilities Select Sector Fund ETF	XLU	0.122	0.010	-13.11%	-7.56%
SPDR Technology Select Sector Fund ETF	XLK	0.110	0.126	-1.84%	-10.64%
SPDR Real Estate Select Sector Fund ETF	XLRE	0.071	0.007	-9.45%	-17.33%



# SENTIMENT SCORE: XLF & XLY



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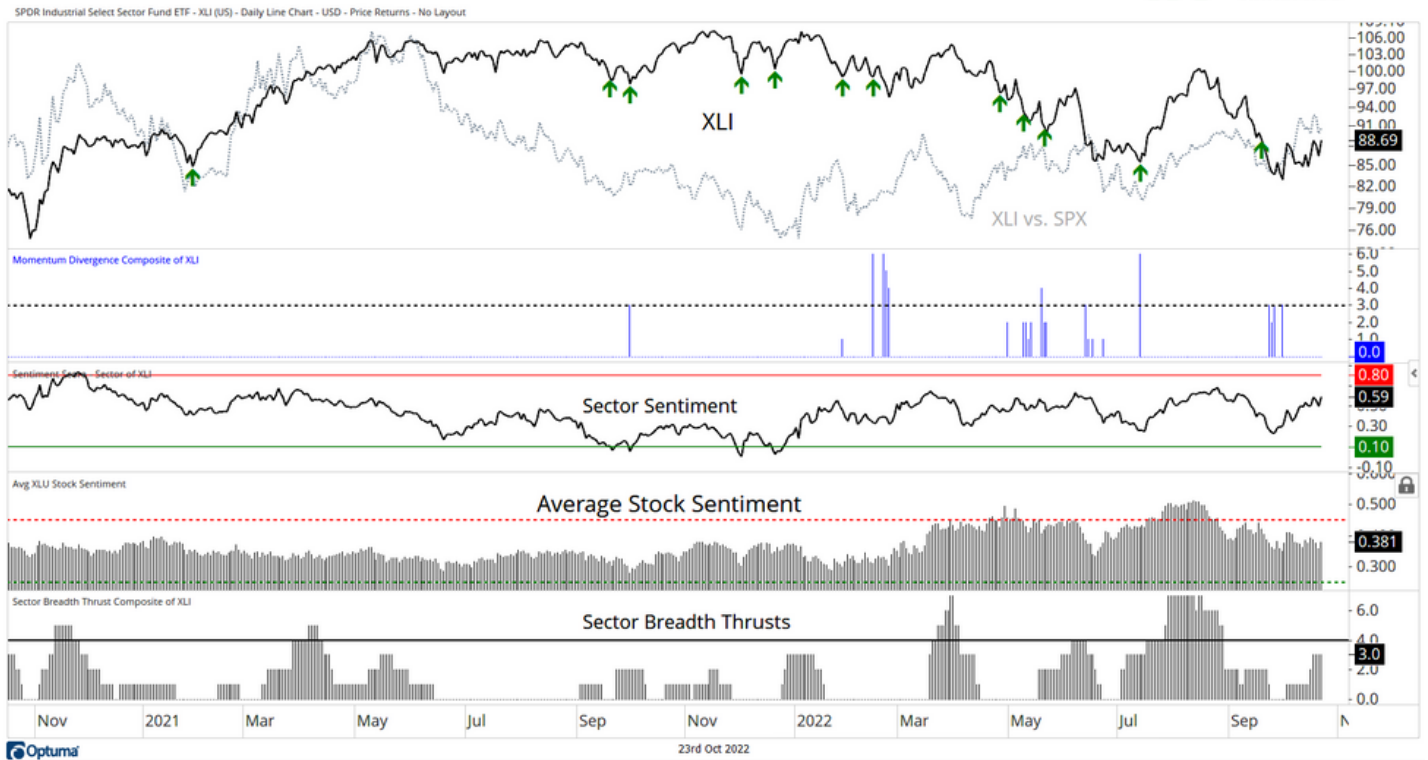
**TA THRASHER**  
ANALYTICS



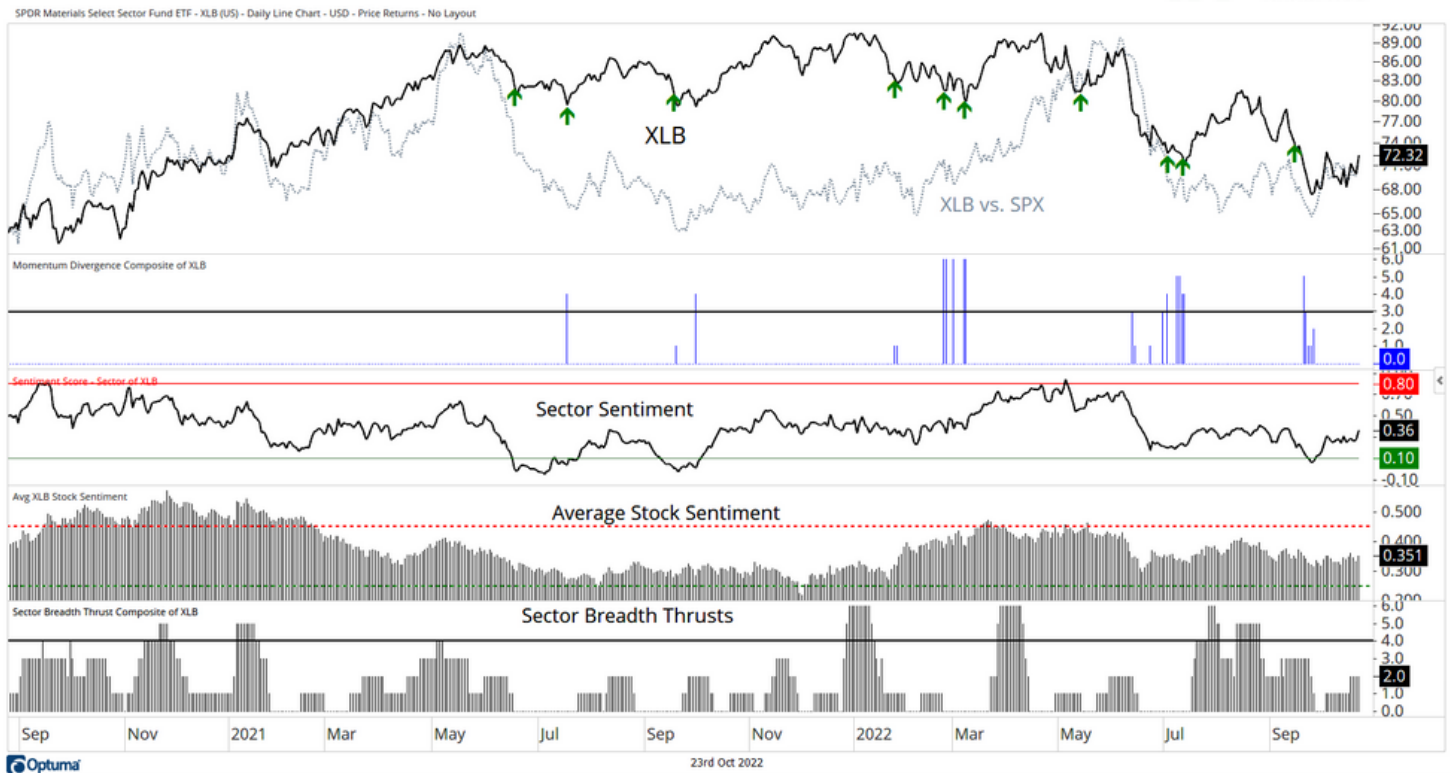
# SENTIMENT SCORE: XLI & XLB



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ANALYTICS



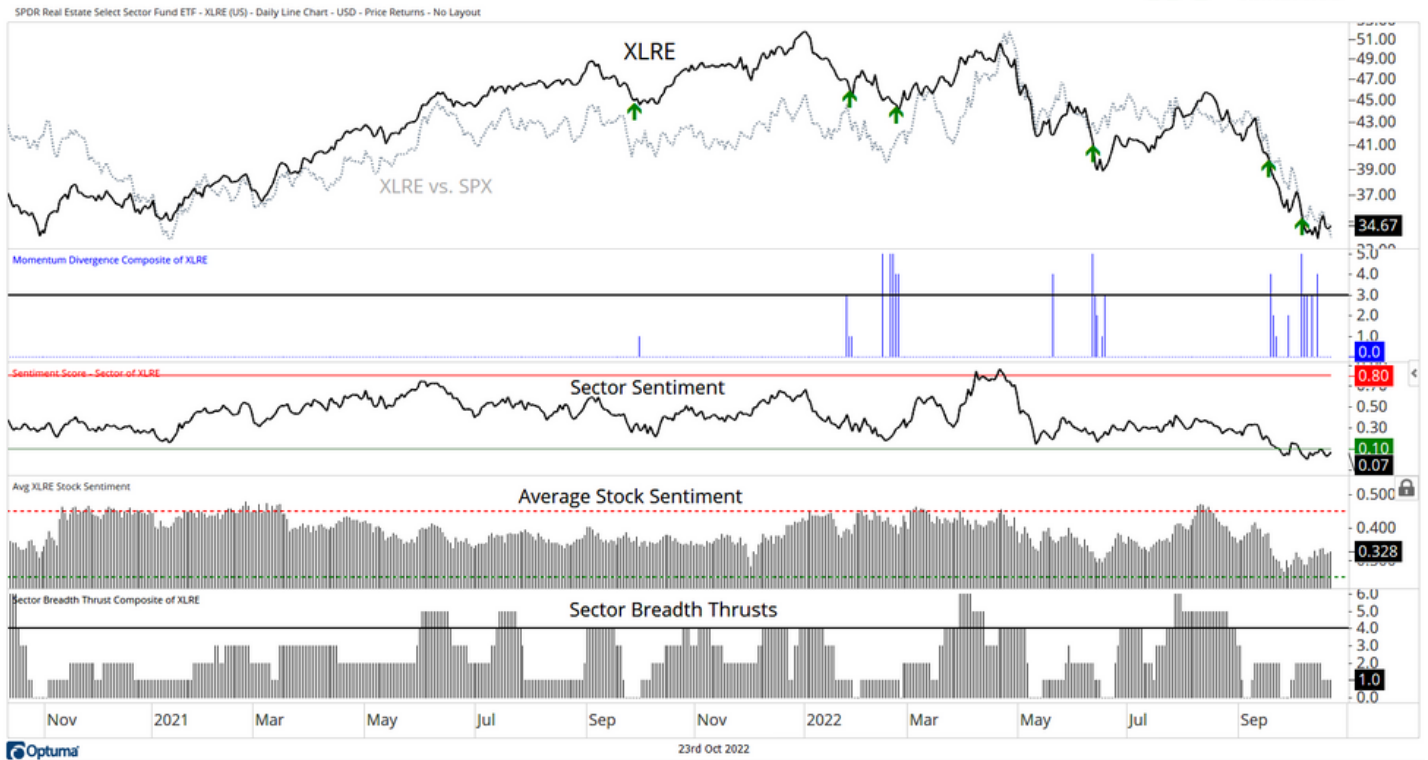
**TA THRASHER**  
ANALYTICS



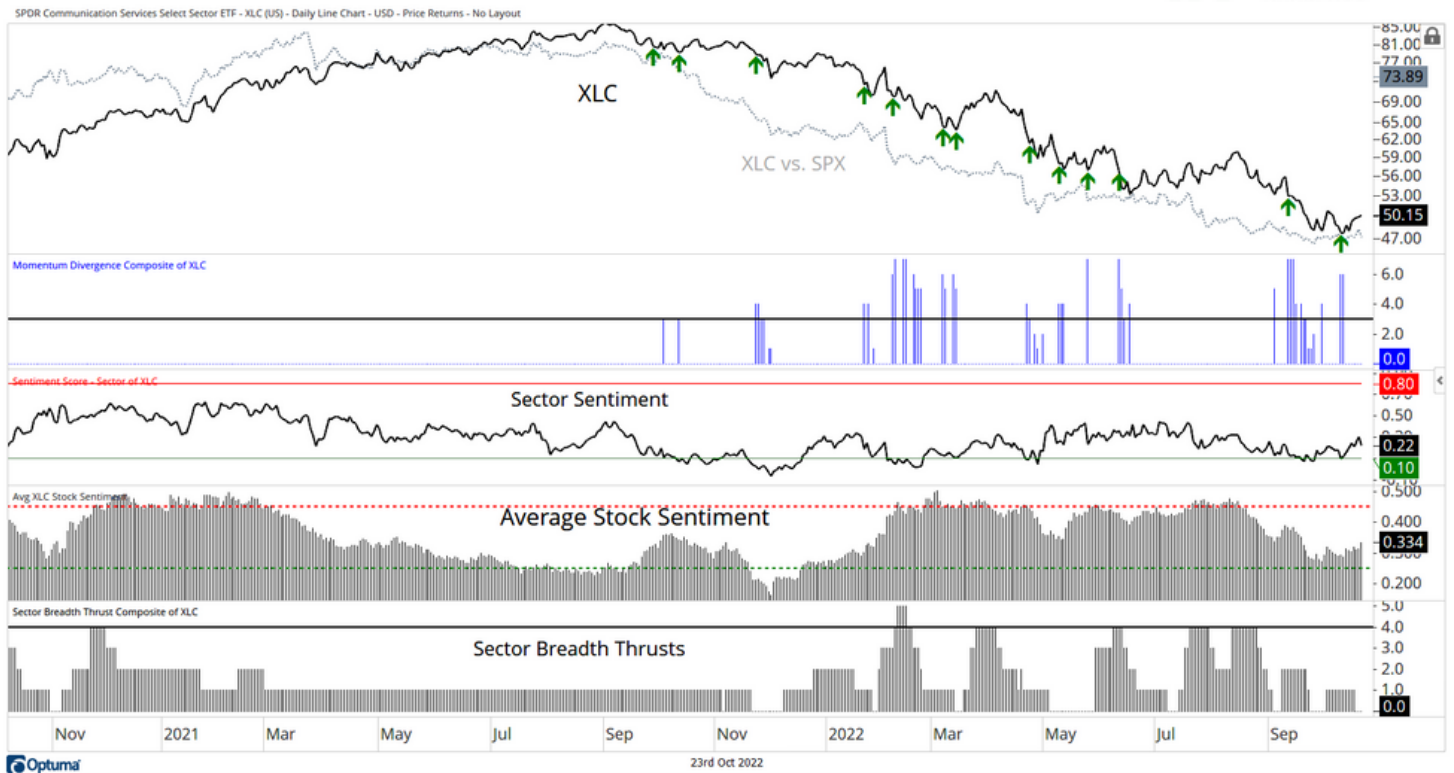
# SENTIMENT SCORE: XLRE & XLC



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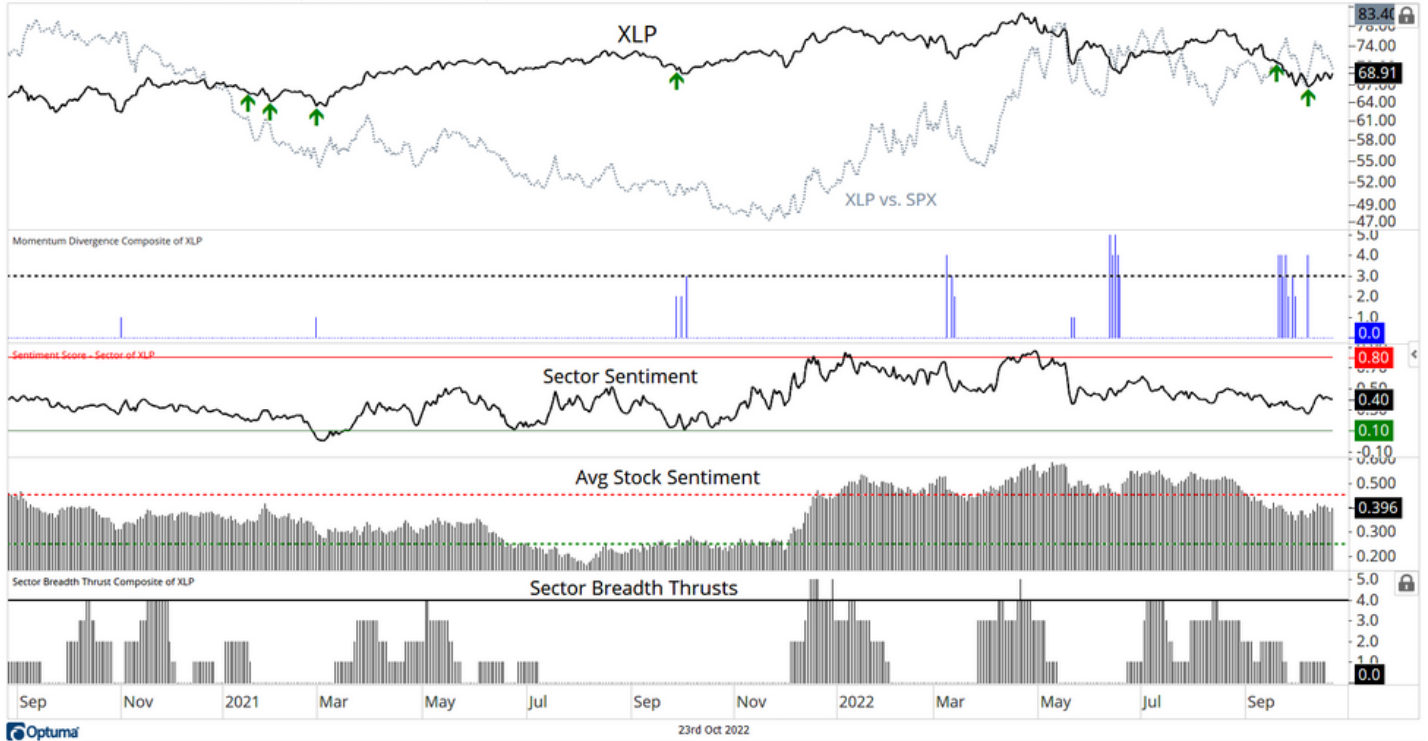


# SENTIMENT SCORE: XLP & XLU



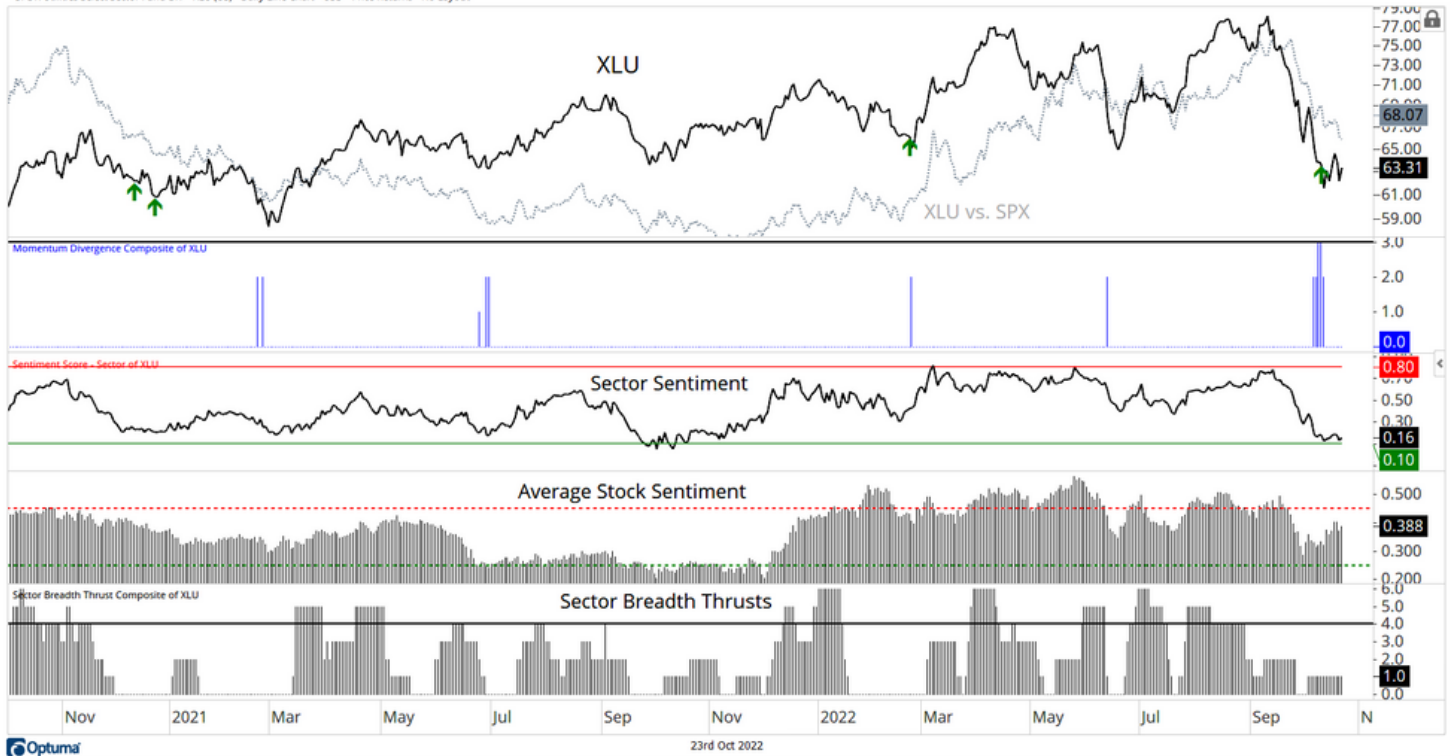
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SPDR Consumer Staples Select Sector Fund ETF - XLP (US) - Daily Line Chart - USD - Price Returns - No Layout



**TA THRASHER**  
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SPDR Utilities Select Sector Fund ETF - XLU (US) - Daily Line Chart - USD - Price Returns - No Layout

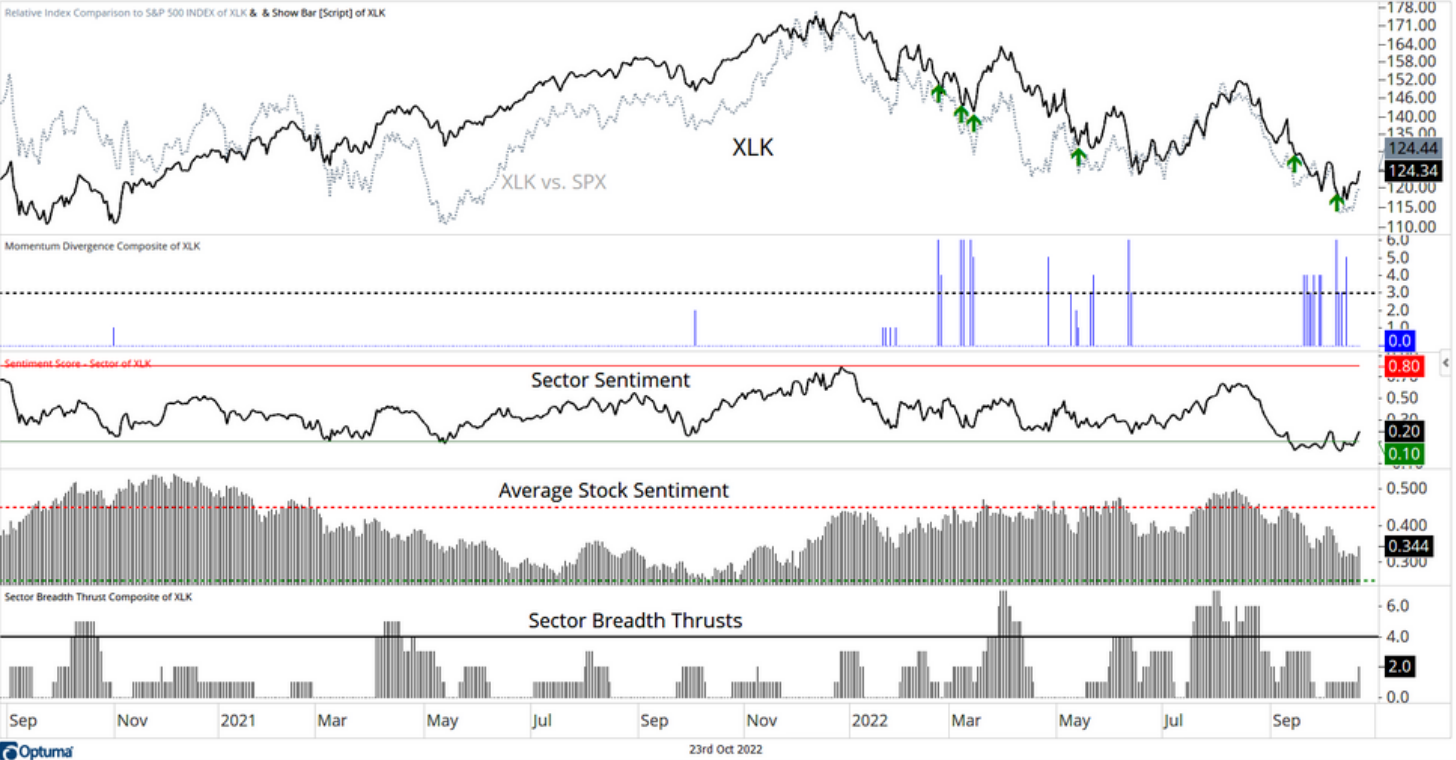




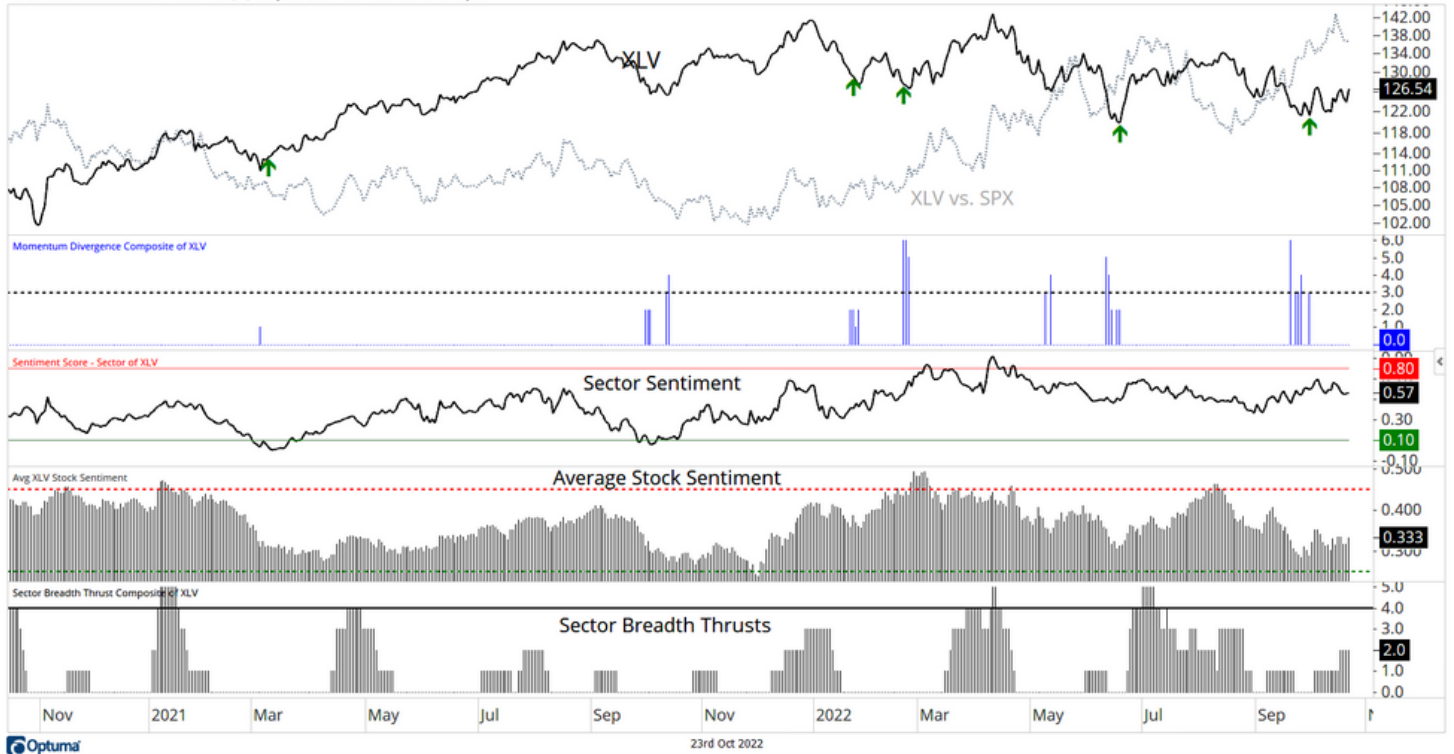
# SENTIMENT SCORE: XLK & XLV



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



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

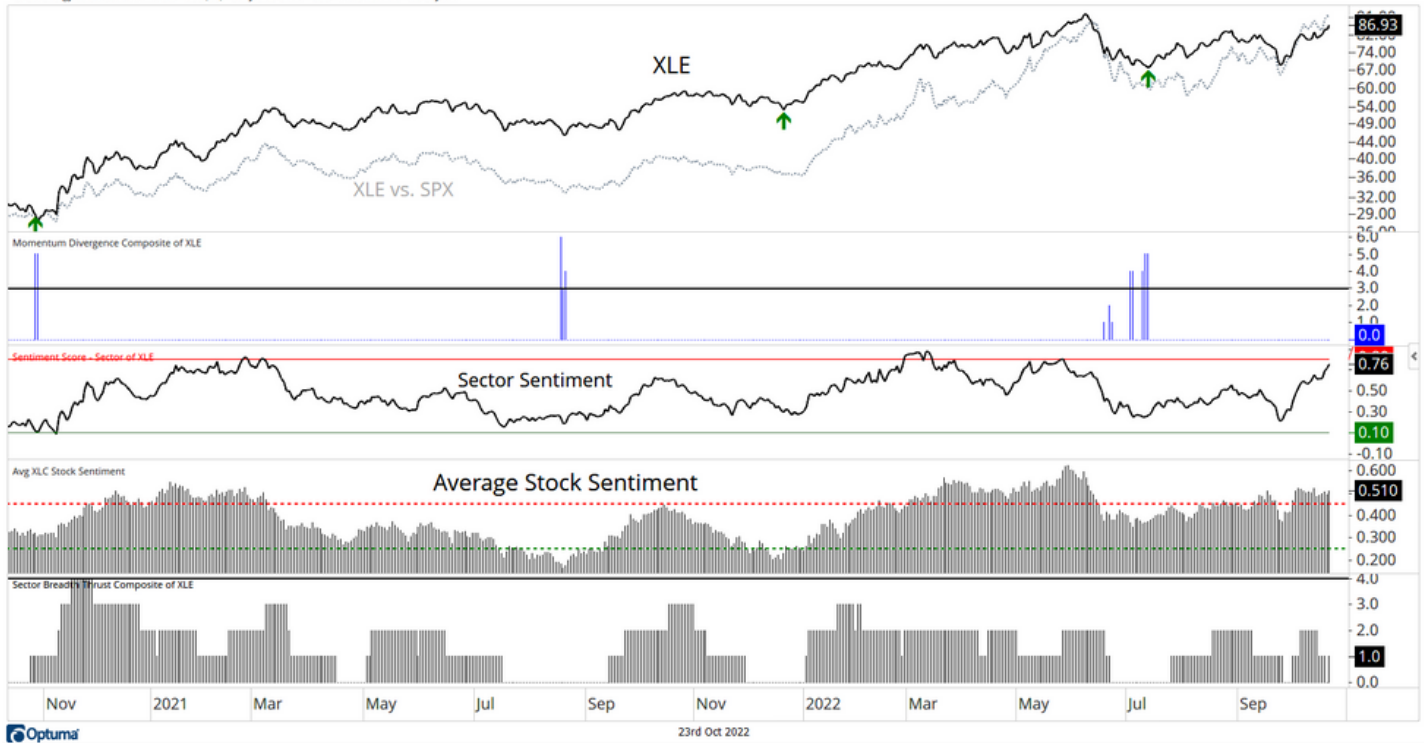


# SENTIMENT SCORE: XLE



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





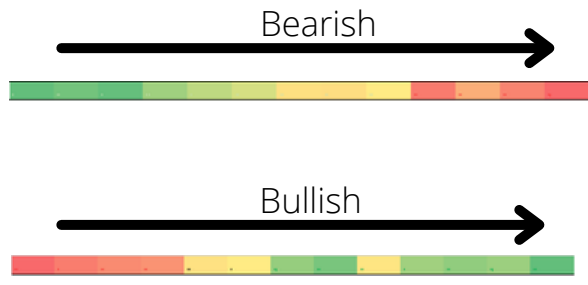
# RISK APPETITE RATIO



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 34th percentile.

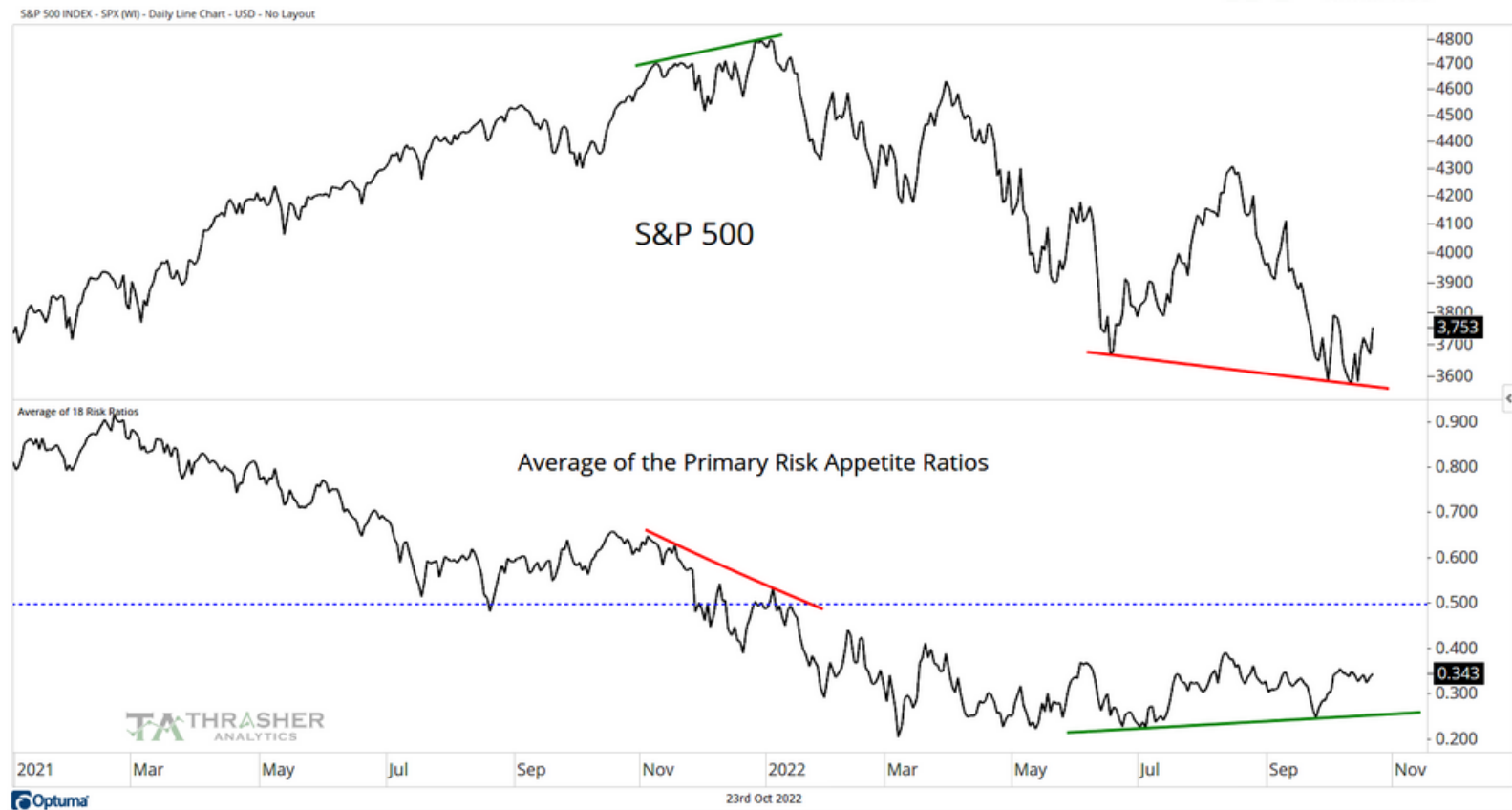
Risk Metric	-35	-34	-33	-32	-31	-30	-29	-28	-27	-26	-25	-24	-23	-22	-21	-20	-19	-18	-17	-16	-15	-14	-13	-12	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	Current
Emerging Market vs. SPX	0.17	0.18	0.15	0.11	0.06	0.06	0.08	0.13	0.14	0.14	0.15	0.13	0.16	0.16	0.18	0.14	0.13	0.14	0.09	0.09	0.14	0.09	0.10	0.11	0.11	0.16	0.14	0.09	0.11	0.02	0.05	0.06	0.01	0.00	0.07	0.03
EAFE vs. SPX	0.01	0.03	0.04	0.00	0.00	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	0.11	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
HY Debt vs. Treasury	0.94	0.90	1.00	0.99	1.00	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	0.99	1.00	0.99	0.98	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Home Construction vs. SPX	0.28	0.30	0.27	0.29	0.29	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
Offense vs. Defense Sectors	0.34	0.27	0.26	0.25	0.25	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
Broker-Dealer vs. SPX	0.56	0.58	0.58	0.58	0.63	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
S&P Growth vs. S&P Value	0.25	0.23	0.23	0.24	0.24	0.26	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
Semiconductor vs. SPX	0.10	0.10	0.07	0.07	0.09	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	0.00	0.01	0.00	0.00	0.00	0.04	0.08	0.10
Consumer Disc. Vs. Staples	0.12	0.13	0.13	0.16	0.19	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
Small Cap vs. Utilities	0.03	0.03	0.01	0.00	0.02	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
Transports vs. Utilities	0.06	0.05	0.04	0.00	0.00	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
Equal Weight vs. Cap Weight	0.72	0.77	0.78	0.83	0.86	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
Small cap vs. Large Cap	0.28	0.30	0.26	0.29	0.30	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
Equities vs. VIX	0.23	0.22	0.18	0.26	0.30	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
Aussie Dollar vs. Yen	0.94	0.94	0.98	1.00	1.00	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
Lumber vs. Gold	0.08	0.07	0.07	0.08	0.09	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	0.01	0.03	0.03	0.04	0.07	0.09	0.10	0.10	0.12	0.13	0.15	0.15	0.15
Copper vs. Gold	0.16	0.14	0.19	0.15	0.23	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
AVERAGE	0.30	0.31	0.31	0.31	0.33	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



# RISK APPETITE RATIO



Risk Appetite has stagnated recently, not seeing the same level of advance as we saw in price last week. The bulk of last week's advance came on Friday, and we did see Risk Appetite confirm by going higher as well, but just the 34th percentile, there's still a lot of work to be done here.



Stocks moved lower most of last week until the WSJ article came out two minutes after the open on Friday that suggested the Fed may begin discussing slowing their aggressive hiking after the 75 bps in November. Friday got the SPX above the 20-day moving average and 3700. As long as we hold above 3600-ish and specifically the 200-week moving average then we have a good chance bulls can take control here at least for a material counter-swing. But one step at a time, first we need at least a higher-high since we still haven't seen a higher-low. That would mean a move above 3800. Lots of possible catalysts this week from earnings with the FAAMG group all reporting at the end of the week, so we'll see if that gives the bulls the juice to get a run to the 50-day MA.

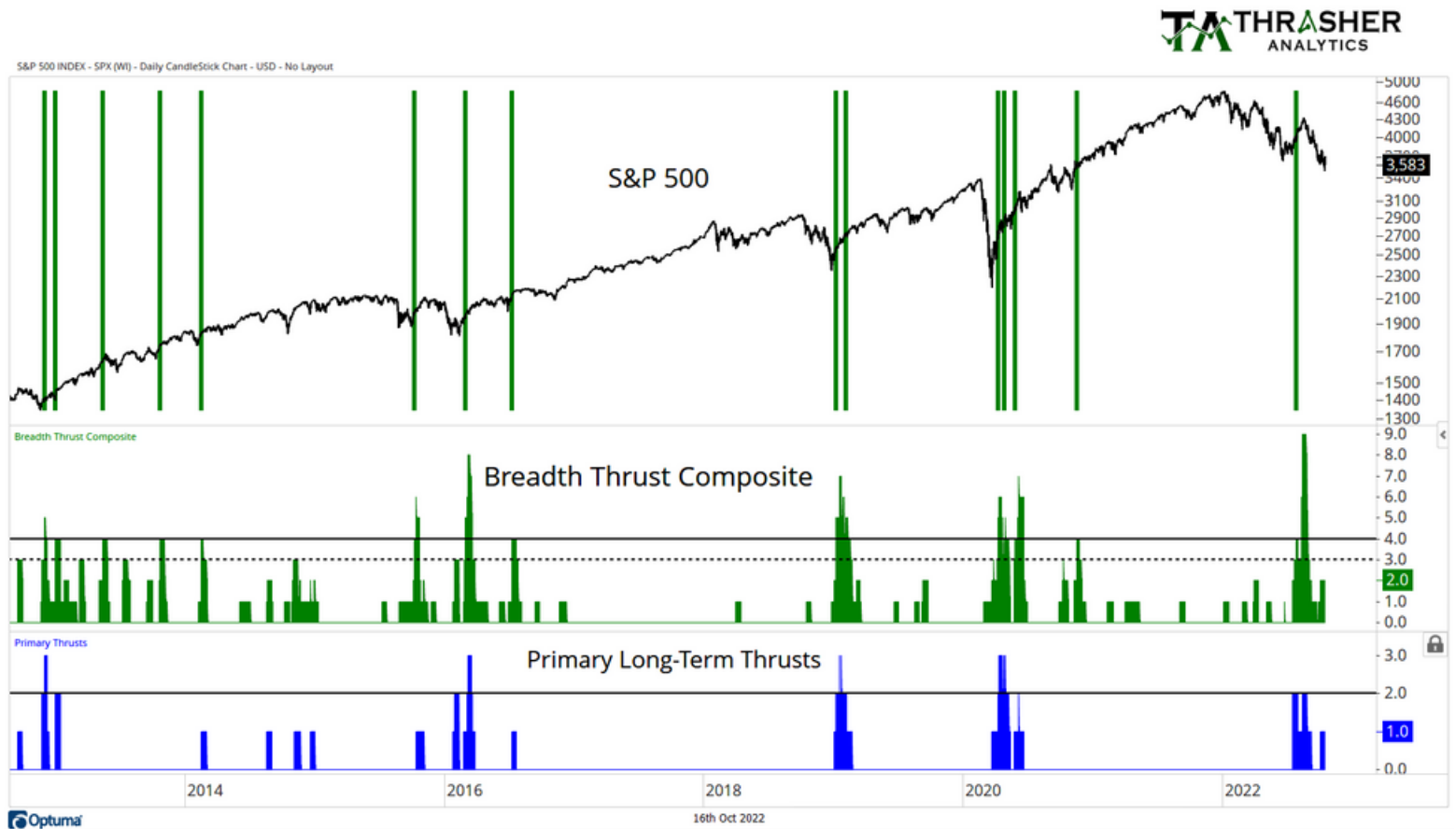


# EQUITIES - BREADTH THRUSTS



*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.*

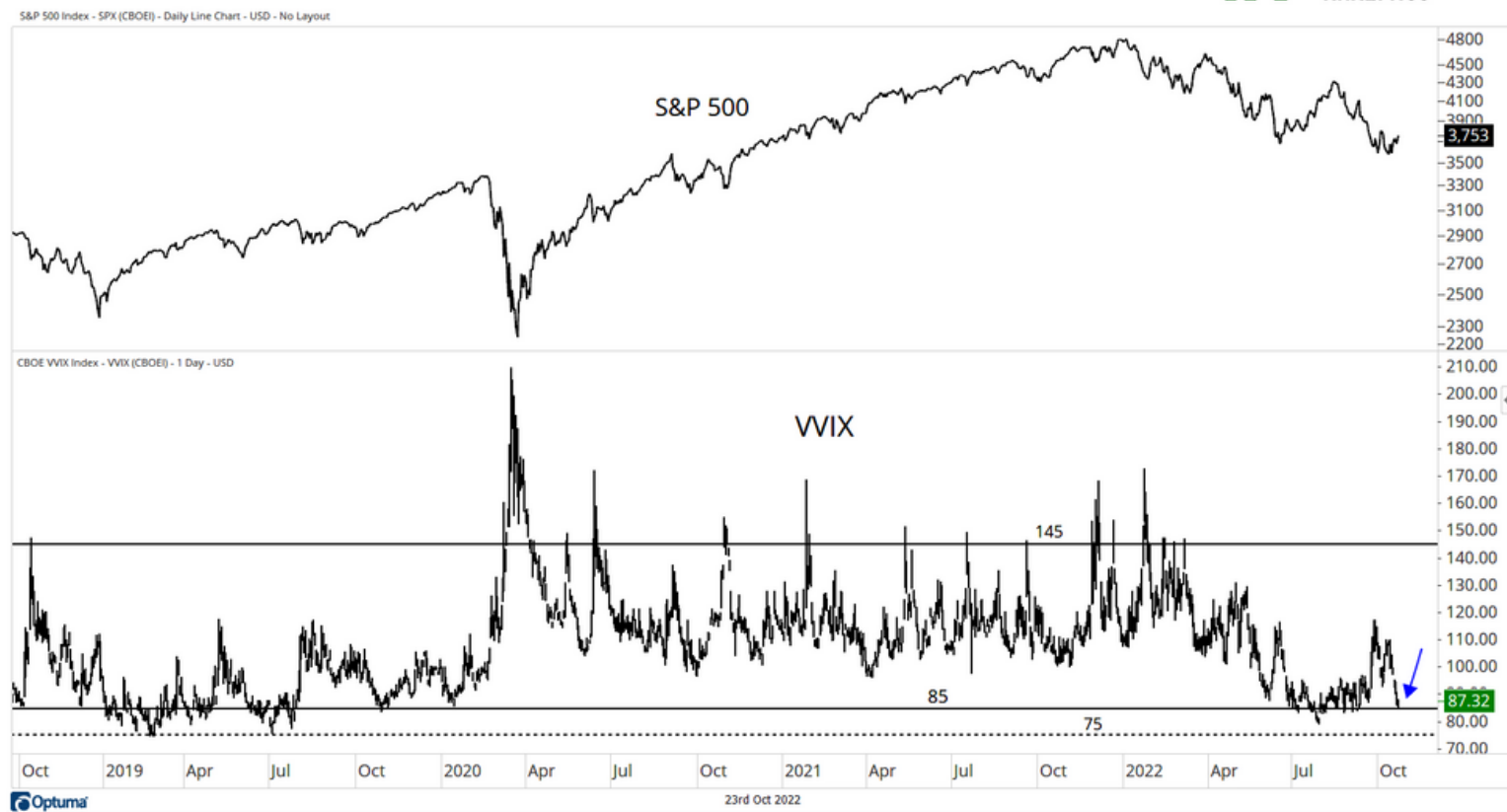
No update here, Optuma unfortunately is having some issues with the several key pieces of breadth data. I'm working with their systems team, and it should be resolved by next week's publications. (chart below is from last week)



# VOLATILITY - VVIX



The VVIX has been moving lower and is now back near 85 which has been a floor since 2020, having moved up from the 2019 floor of 75. Expectations of volatility returning the market have nearly disappeared, which was also discussed in a recent [Bloomberg article](#) that noted hedging costs against a 10% drop in the S&P 500 have fallen to the lowest level since 2017. Sentiment has been extremely bearish based on surveys and fund flows, but it seems like everyone is pointing as that being the catalyst for stocks going higher, but that's not typically how extremes in sentiment work - when everyone is expecting the same thing. that's actually the exact opposite of how contrarian trades play out! Instead, the contrarian trade - oddly - seems to be for a move lower. Weird world we live in this year!



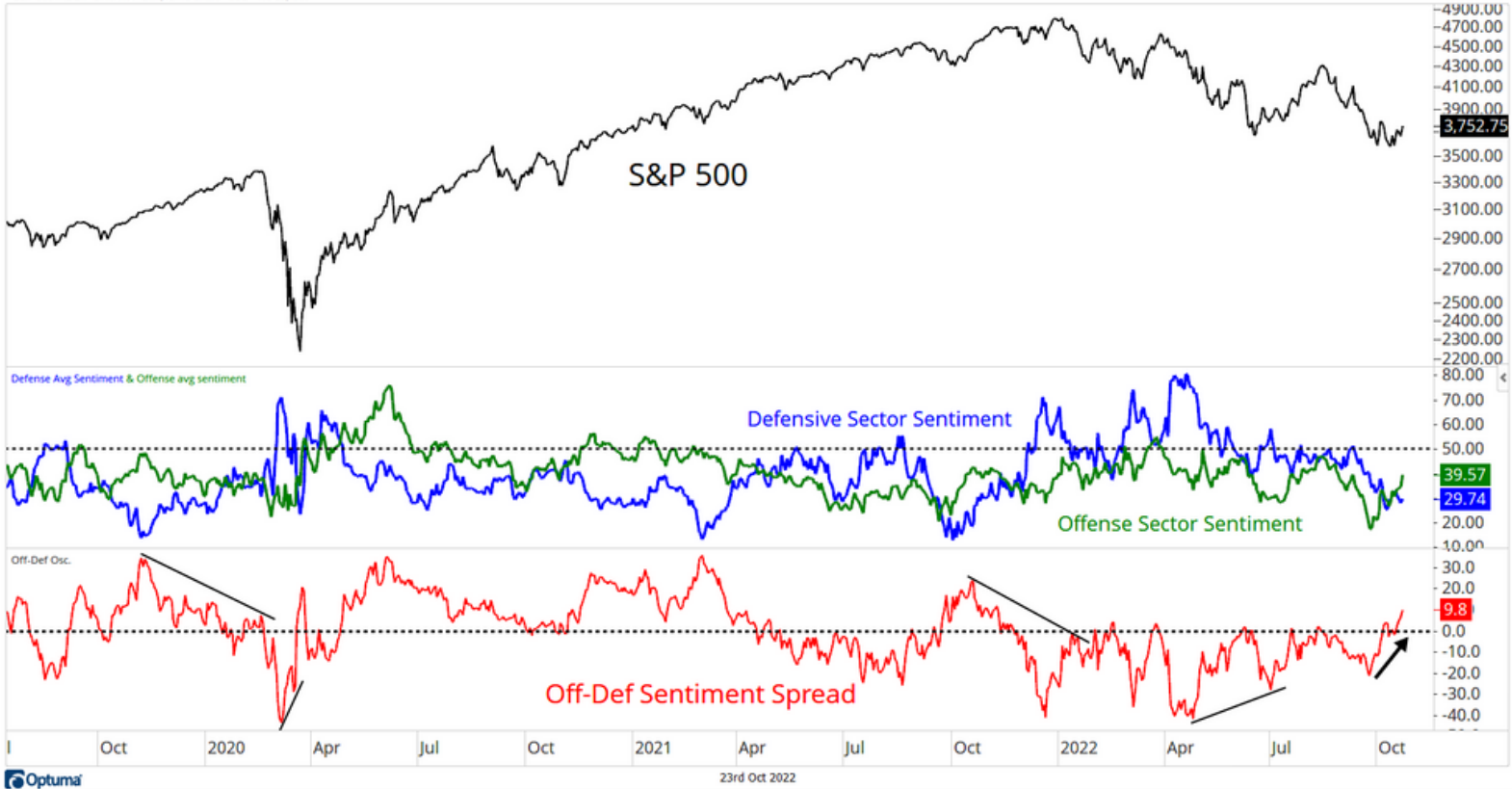
# EQUITIES - SECTOR SENTIMENT



Speaking of sentiment, the sentiment for sectors is showing a strong advance in Offensive Sectors. The spread between Offense and Defense had a big jump last week, hitting the highest level this year and one of the rare positive readings we've had in the last twelve months.



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

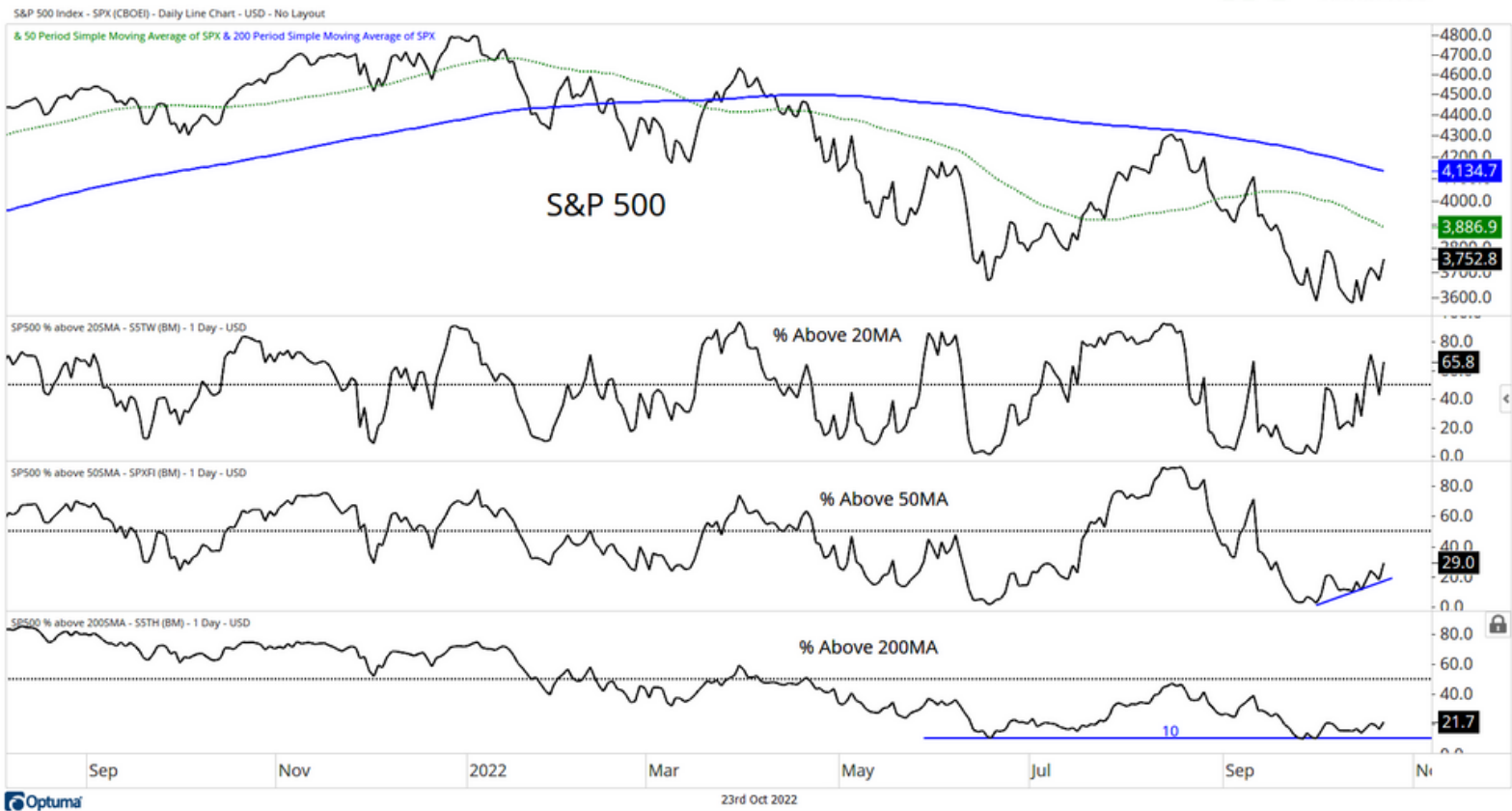




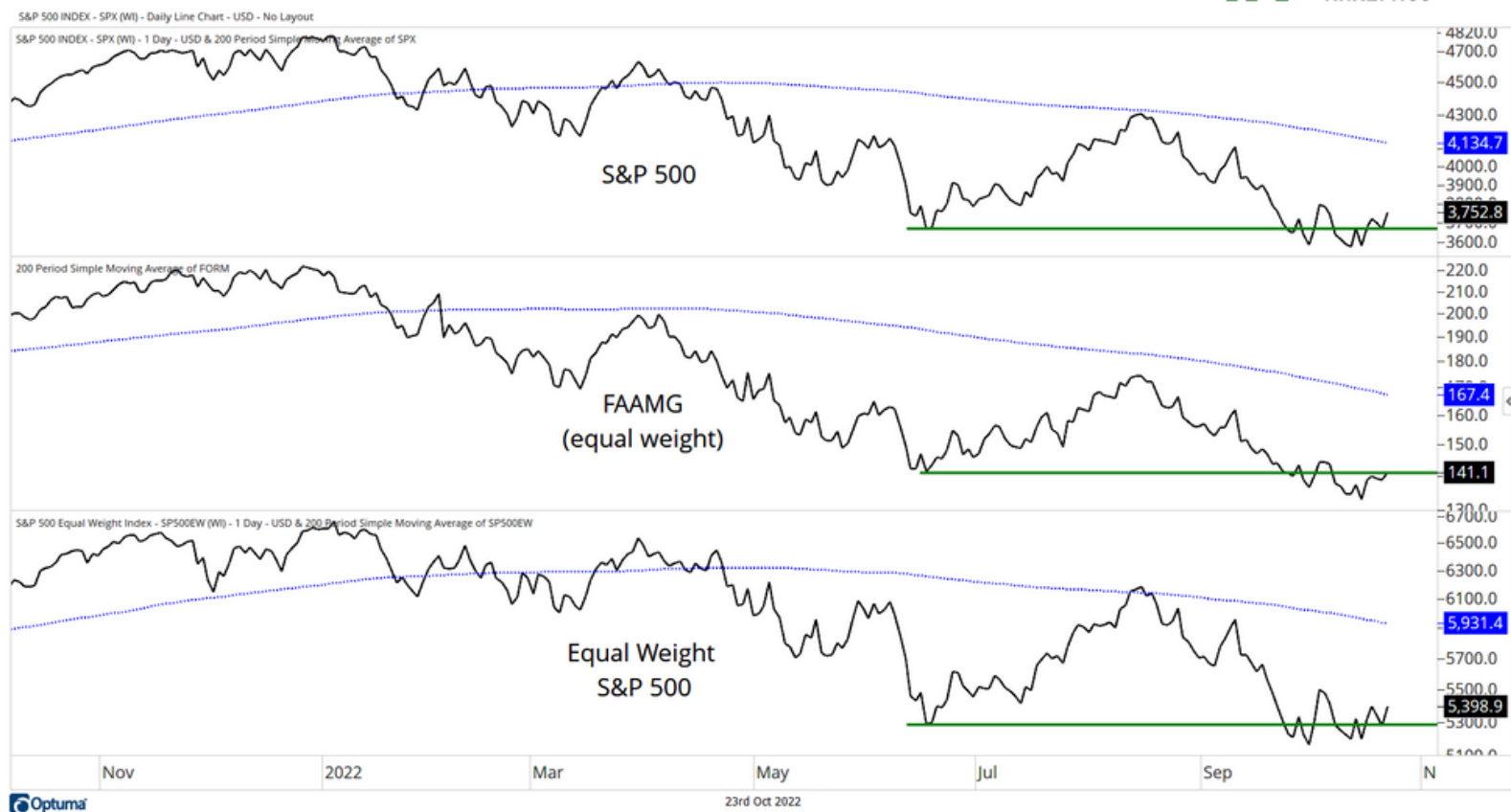
# EQUITIES - MOVE AVG BREADTH



We're seeing good improvement in intermediate moving average breadth, with nearly 30% of large cap stocks back above their 50-day moving average. As a reminder, we got to 80% at the last counter-trend high so the major focus is on that 200-day MA and 79% of stocks that are still below it. We haven't had north of 50% of stocks above the 200-day since before the Summer, so that's the data bulls need to really work on to convince the tape to belief we aren't just in another counter-trend bounce.



Equal weight S&P 500 along with cap weight S&P 500 have held above their June low and an equal weighting of the FAAMG stocks finished Friday right at the June level. FAANG reports this week (GOOGL and MSFT on Tues. META on Weds, AMZN and AAPL on Thurs.) so we'll see if we get a pop by Friday's close back above the June low or if the theme of disappointing tech draws sellers to keep the Mega Caps in distribution mode.



# EQUITIES - FED LIQUIDITY



It's not a secret that equities have held a tight correlation to Fed Liquidity over the last decade but that relationship has been even on the short-term price action this year with the Fed holding the spotlight on almost a daily basis. We can see a measure of that liquidity based on the Fed's balance sheet, reverse repo and TGA. The bounce over the last couple of weeks was supportive by liquidity but that began to shift at the end of the week with a dip lower. This got ignored on Friday w/ the WSJ headline on the Fed potential slowing their hike plan. What was a tailwind appearing to become a headwind this week.



# EQUITIES - SPY FUND FLOWS



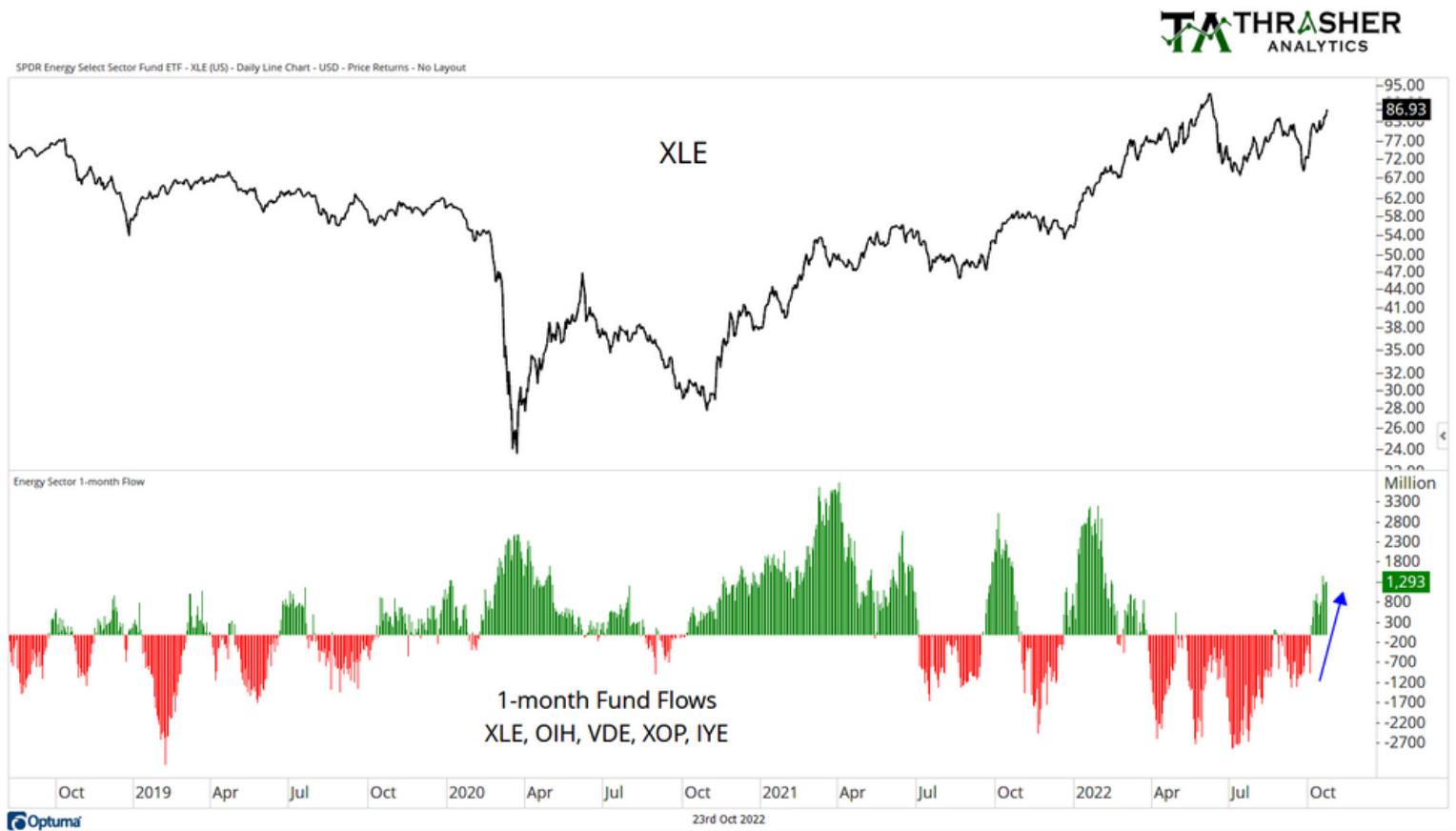
Fund flows for the SPDR S&P 500 ETF have been positive, with the ETF seeing a strong inflow on a down day just before the latest bottom. Smoothing the data over three months and we're back near the high end of the multi-month range of about \$10 billion. Will we get a breakout as investors chase into year-end? I'll be keeping my eye on this chart over the next couple of weeks and will share if we get a notable move.



# EQUITIES - XLE FUND FLOWS



I've written in the past how even though energy had been the strongest performing sector all year, we just weren't seeing any real flows into the energy sector ETFs. Instead, we were seeing outflows which didn't make a lot of sense. Energy continues to dominate, up 14% over the last month and we've now begun seeing flows turn positive, hitting the highest-level last week since January.



# SECTOR PERFORMANCE



Daily - Watch List - No Layout

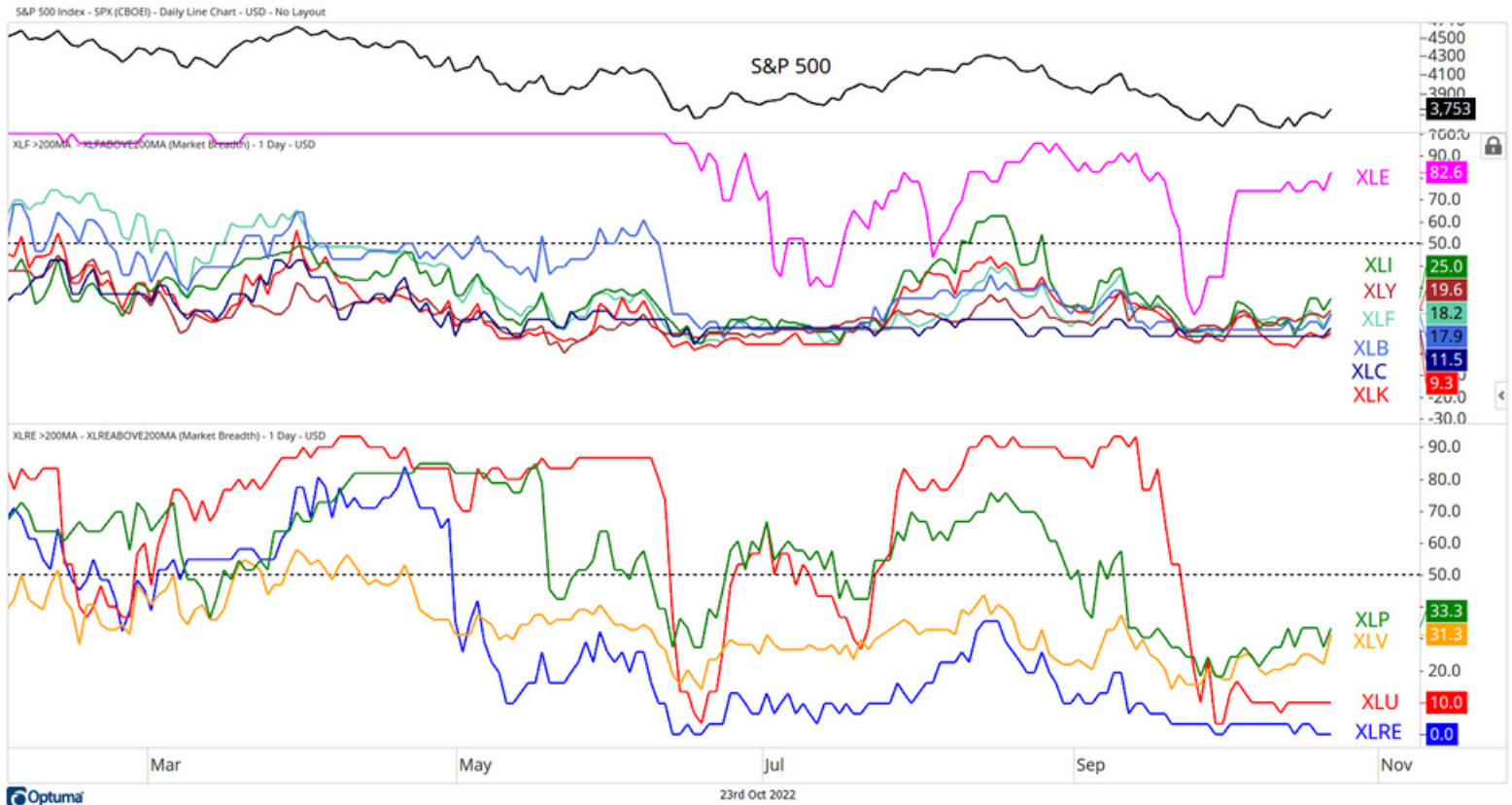
Tick	Name	2022	YTD Rel% to SPX	1W %	1M %	3M%	6M%	% from 52Wk High	% from 52Wk Low	% From 20MA	% From 50MA	% From 200MA
- Index		AVG: 0.43%						AVG: 23.04%	AVG: 7.32%	AVG: -3.03%		
DJI	Dow Jones Industrial Average	-14.46%	8.64%	4.89%	2.98%	-2.98%	-10.66%	15.89%	8.45%	4.44%	-0.14%	-5.09%
SML	S&P SmallCap 600 Index	-19.56%	2.16%	3.34%	-0.15%	-5.76%	-12.76%	23.68%	6.58%	2.41%	-2.79%	-8.06%
SPX	S&P 500 INDEX	-21.26%	0.00%	4.74%	-0.98%	-6.16%	-14.59%	22.12%	7.48%	2.22%	-3.45%	-9.24%
MID	S&P Midcap 400 Index	-18.64%	3.33%	2.98%	-1.10%	-4.37%	-12.87%	20.98%	5.78%	1.61%	-3.32%	-7.47%
NDY	NASDAQ 100 Index	-30.70%	-11.98%	5.78%	-2.81%	-10.37%	-17.57%	32.54%	8.33%	1.45%	-5.45%	-13.13%
- Sectors		AVG: 8.87%						AVG: 22.85%	AVG: 12.52%	AVG: -3.70%		
XLE	SPDR Energy Select Sector Fund ETF	56.63%	98.93%	8.28%	14.43%	21.17%	11.29%	6.84%	68.27%	10.13%	9.78%	14.71%
XLV	SPDR Health Care Select Sector Fund ETF	-10.19%	14.07%	2.13%	3.12%	-2.94%	-8.79%	11.77%	6.56%	2.14%	-0.01%	-2.78%
XLB	SPDR Materials Select Sector Fund ETF	-20.19%	1.37%	6.07%	2.28%	-4.34%	-18.81%	21.65%	8.18%	3.64%	-1.98%	-10.02%
XLI	SPDR Industrial Select Sector Fund ETF	-16.18%	6.46%	4.66%	1.14%	-2.26%	-12.11%	17.79%	7.18%	3.22%	-2.42%	-6.71%
XLF	SPDR Financial Select Sector Fund ETF	-17.57%	4.69%	3.81%	0.31%	-2.28%	-13.65%	22.80%	8.79%	3.10%	-1.71%	-8.46%
XLC	SPDR Communication Services Select Sector ETF	-35.44%	-18.01%	4.52%	-0.22%	-13.53%	-20.16%	39.10%	7.91%	2.25%	-4.43%	-17.30%
XLK	SPDR Technology Select Sector Fund ETF	-28.49%	-9.17%	6.46%	-1.84%	-10.64%	-15.53%	29.77%	10.06%	2.33%	-5.24%	-12.46%
XLP	SPDR Consumer Staples Select Sector Fund ETF	-10.63%	13.50%	2.04%	-2.50%	-5.24%	-14.40%	15.28%	4.13%	1.21%	-3.58%	-6.90%
XLY	SPDR Consumer Discretionary Select Sector Fund	-30.35%	-11.54%	5.27%	-7.18%	-8.51%	-20.89%	33.79%	7.04%	-0.16%	-7.36%	-12.75%
XLRE	SPDR Real Estate Select Sector Fund ETF	-33.08%	-15.01%	2.67%	-9.45%	-17.33%	-31.03%	33.54%	4.66%	-1.83%	-12.22%	-20.53%
XLU	SPDR Utilities Select Sector Fund ETF	-11.55%	12.33%	1.87%	-13.11%	-7.56%	-16.17%	19.06%	4.90%	-2.96%	-11.55%	-11.01%



# SECTOR - BREADTH 200-MA



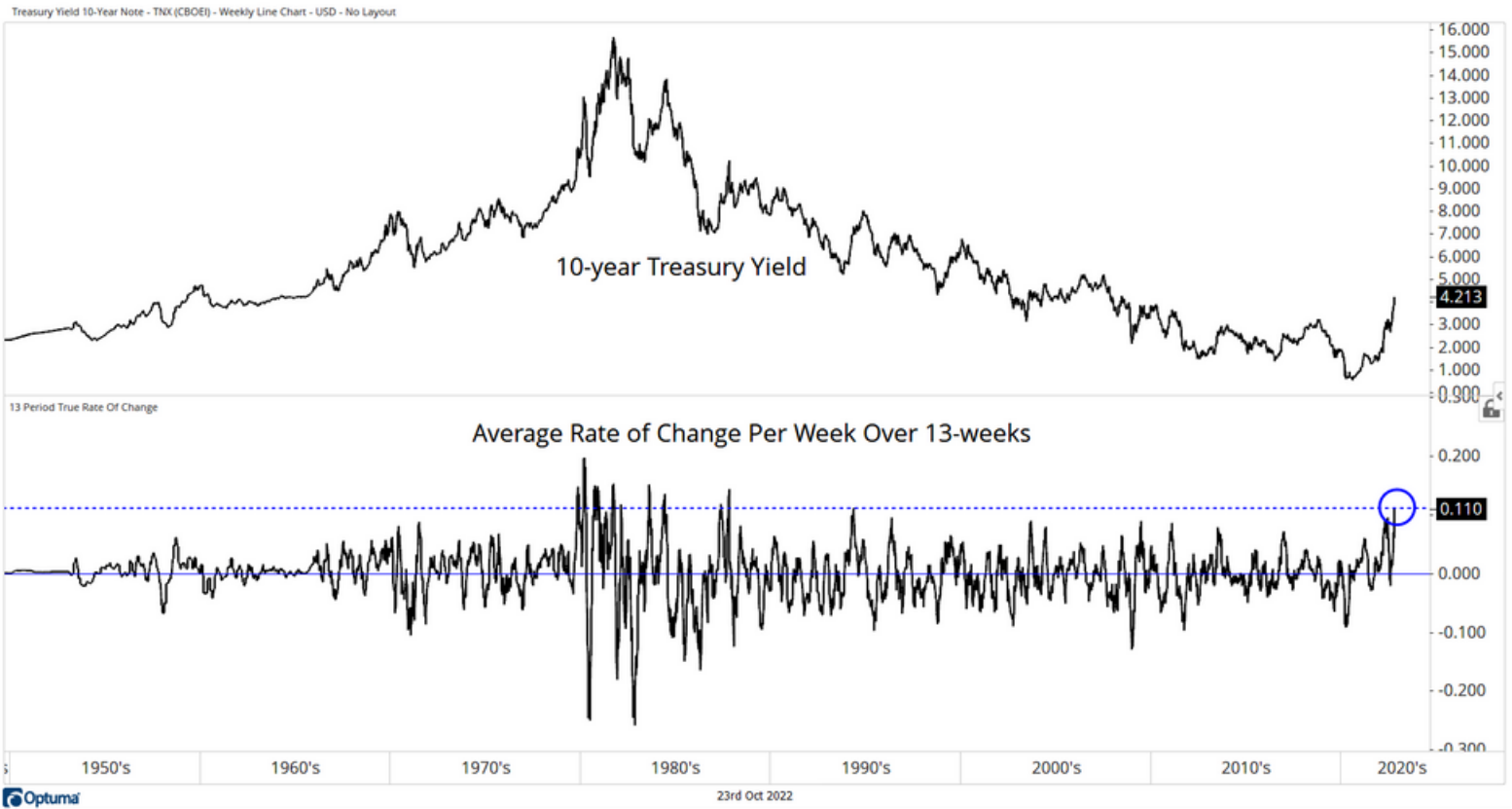
Good improvement in staples, health care and industrial sectors - each now with more than 25% of stocks above the 200-day moving average which is more than the broad market.



# FIXED INCOME - 10YR YIELD



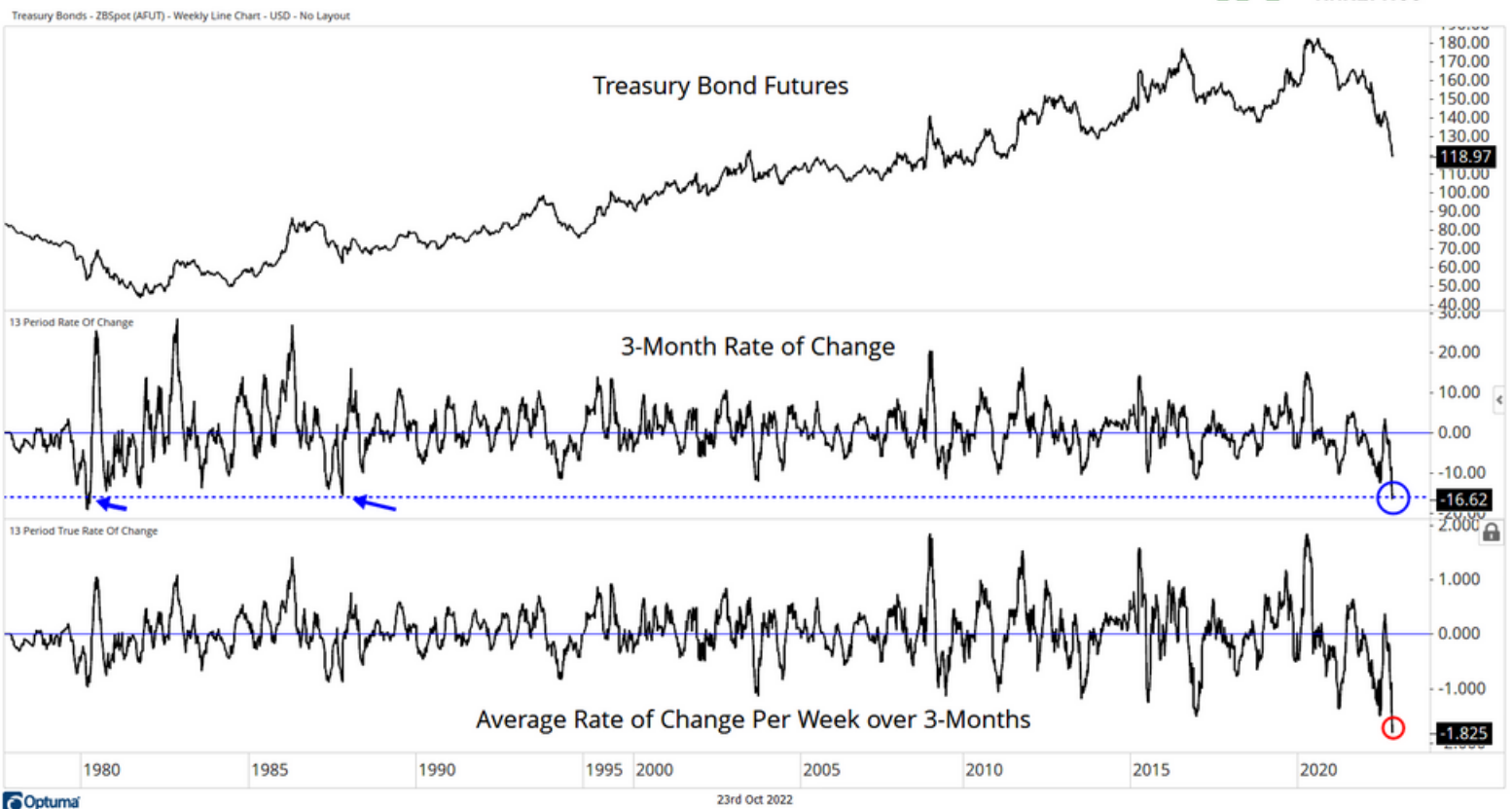
The biggest risk in my opinion right now? outside of geopolitical and energy-related.... The biggest risk in the market right now I think is something breaking in the fixed income market. We saw hints of it in the UK with the pension bailout and the Bank of England being forced to step back in as a buyer. Right now, the 10yr Treasury Yield has seen an average weekly rise of .11% over the last 3 months (13 weeks). That's the highest since the 1980s and 1970s. I'm not making the argument something *will* break, but there's been a lot of stress in fixed income markets with several notable analysts pointing out that liquidity in Treasury's isn't where it needs to be and as the Fed steps back from being a buyer there's the potential for more volatility to strike, even with the MOVE Index already at covid crisis highs.



# FIXED INCOME - BOND FUTURES



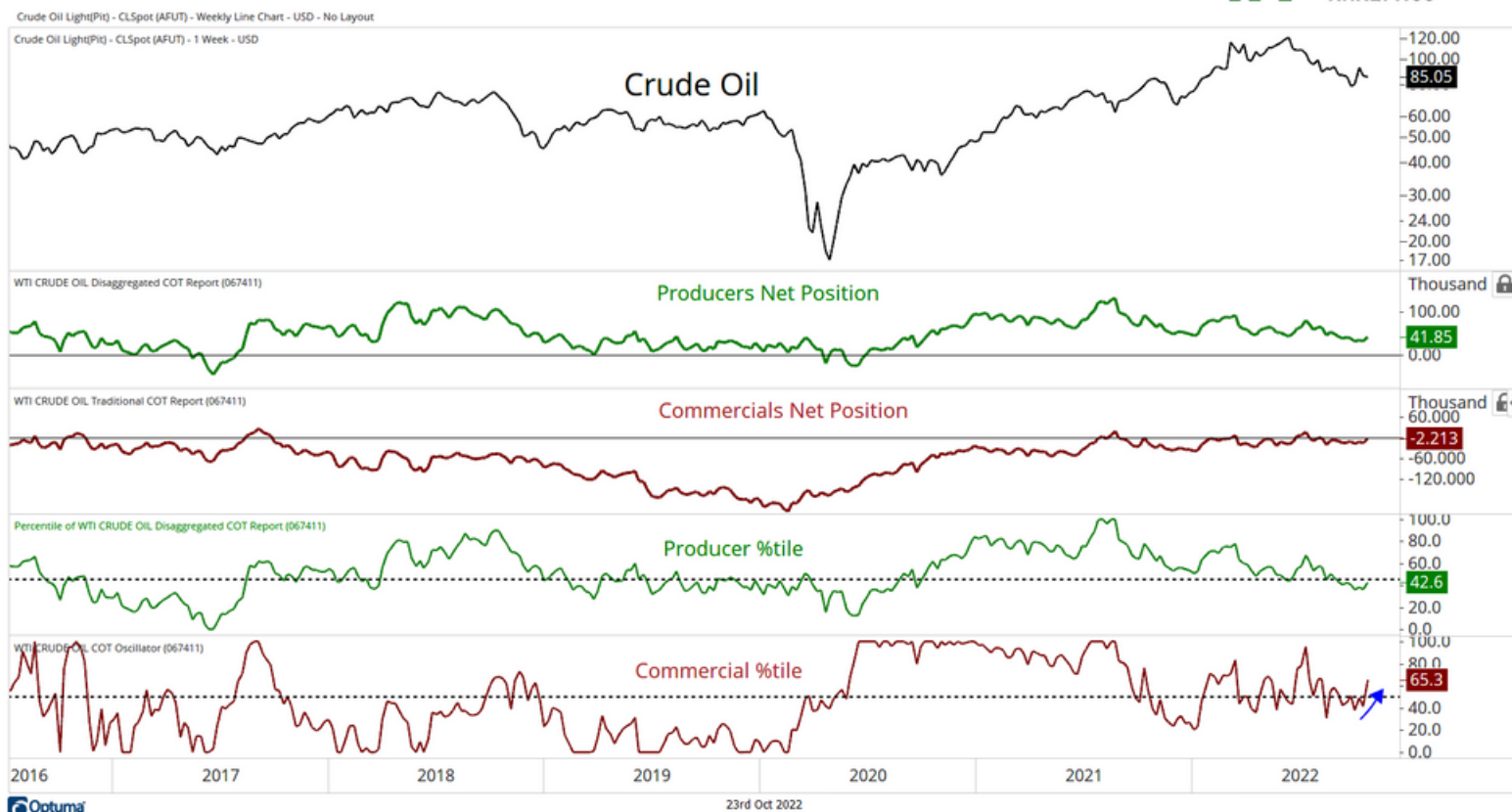
Looking now at a similar chart as the prior page, this time with the Treasury Bond Futures and the 3-month rate of change and the average change in ROC over those 3 months. Most charts you'll see just the rate of change, but this doesn't tell the whole story. What's more important is the 'path' rate of change took to get to that -16.62% which True Rate of Change tells us by giving the average ROC over the lookback period. Currently, the ROC is at the lowest level in the 80s and the prior two instances of being this depressed, we saw a move higher. This is too small a sample size to rest on but just shows the rare air we're in right now with fixed income Markets. From a True Rate of Change view, we've never seen a decline like this in the last 40 years. This is why I think the biggest risk is something like a forced liquidation, a needed bailout like in the UK or bank being in trouble. Currently the bond spreads aren't suggesting heightened stress which is a good sign, but these moves in fixed income aren't normal and are worrisome if they continue.



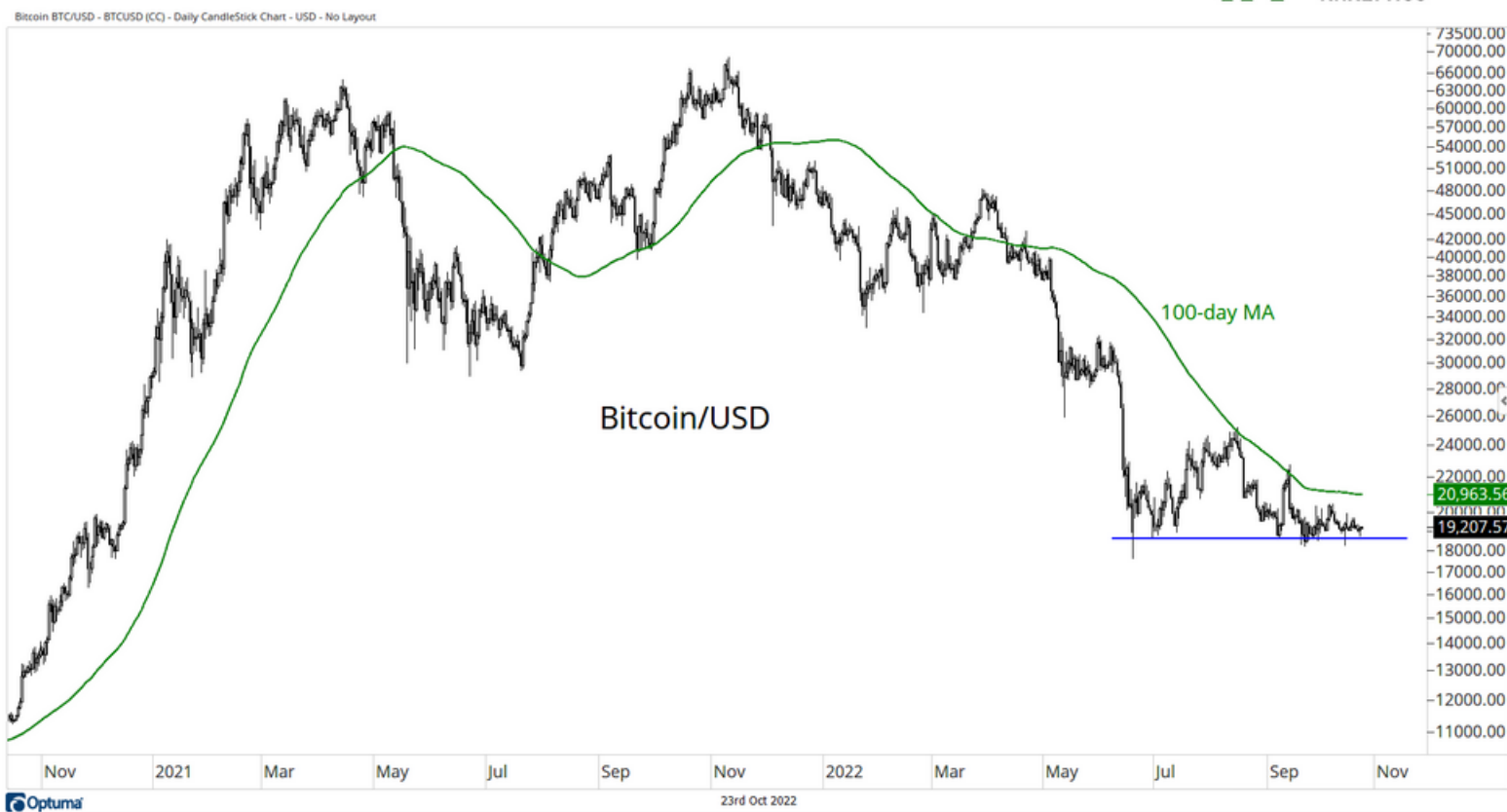
# COMMODITY - CRUDE OIL



Commercial Traders have bumped up their net exposure to crude oil, sitting nearly flat on a net basis but now at the 65th percentile. Producers also saw a rise in their net position which has been positive since 2020.



I haven't talked about crypto in quite a while. The main reason being, it's been a brutal decline and there just hasn't been much to discuss as most coins were getting punched day after day. Well, that seems to have stopped, or least slowed. Bitcoin has shifted from a waterfall decline to falling asleep. For the last month, BTC has traded in a very narrow range. Should we see a 'risk on' chase in equities, I'd expect bitcoin to get some of the bullish sympathy flow as well. I'm watching the 100-day moving average, which had been resistance on the last two swing highs. If BTC can clear \$20k and then the 100-day MA, we could see a nice base form on the daily chart that would get confirmation by some higher-highs as a possible new up trend emerged. But just like equities, one step at a time.



# DAILY SENTIMENT INDEX



Daily - Watch List - No Layout

Code	% Bullish ^	5-day MA	History
10Y DSI	9	11	
5YR DSI	9	11	
EuroDollar DSI	10	11	
Cocoa DSI	13	14	
Coffee DSI	14	18	
Yen DSI	18	9	
Swiss Franc DSI	18	16	
Bitcoin DSI	18	16	
Nasdaq DSI	20	18	
Gold DSI	20	16	
Euro DSI	20	18	
Cotton DSI	20	19	
SPX DSI	23	21	
British Pound DSI	23	24	
Australian Dollar DSI	25	19	
Silver DSI	26	18	
Palladium DSI	27	29	
Natural Gas DSI	29	39	

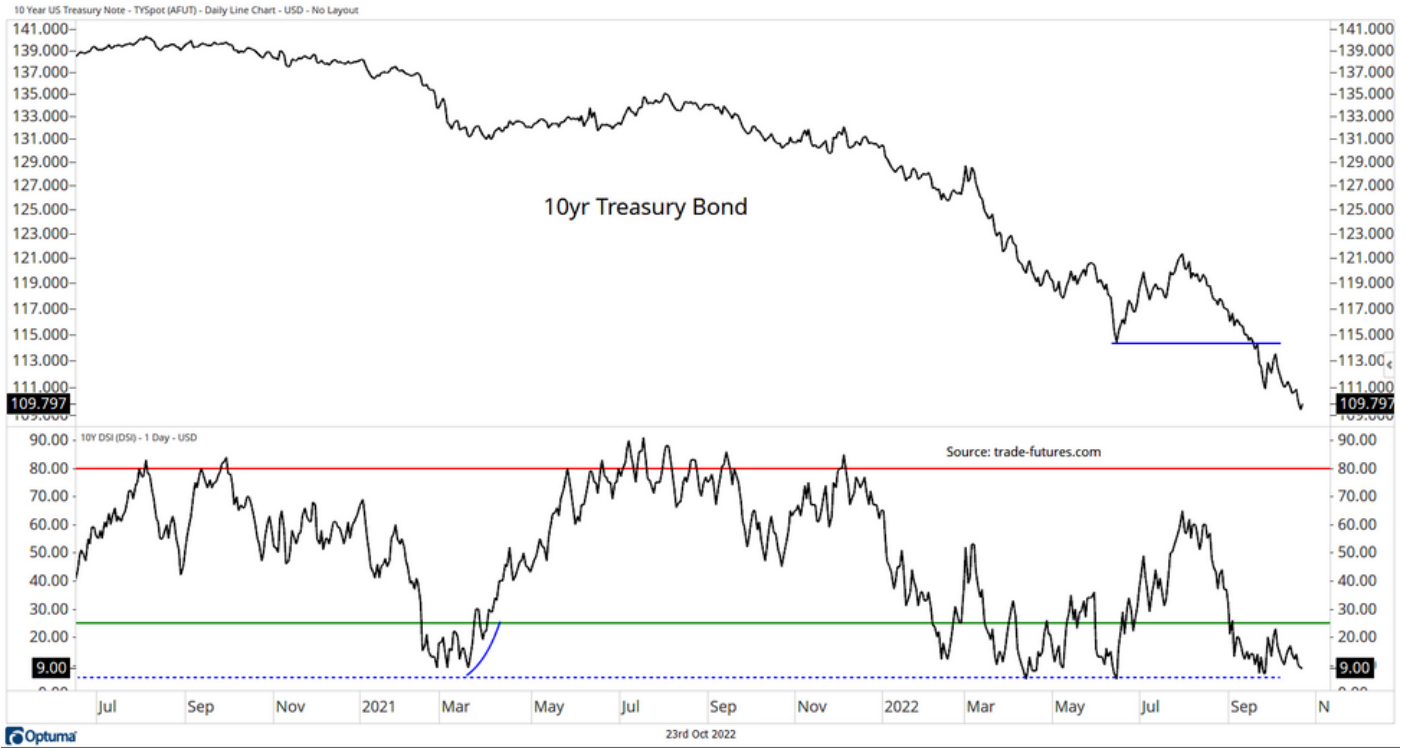
Daily - Watch List - No Layout

Code	% Bullish ^	5-day MA	History
Nikkei DSI	32	30	
New Zealand Dollar DSI	38	28	
Platinum DSI	39	35	
Wheat DSI	41	42	
Soybean DSI	41	37	
CRB Index DSI	41	38	
Copper DSI	41	35	
Crude Oil DSI	58	53	
VIX DSI	59	62	
Sugar DSI	59	64	
Heating Oil DSI	60	61	
Gasoline DSI	60	59	
Cattle DSI	65	57	
Corn DSI	70	68	
US Dollar DSI	73	78	
Lumber DSI	76	69	
Lean Hog DSI	81	71	
Orange Juice DSI	82	83	

Source: trade-futures.com



# DAILY SENTIMENT INDEX



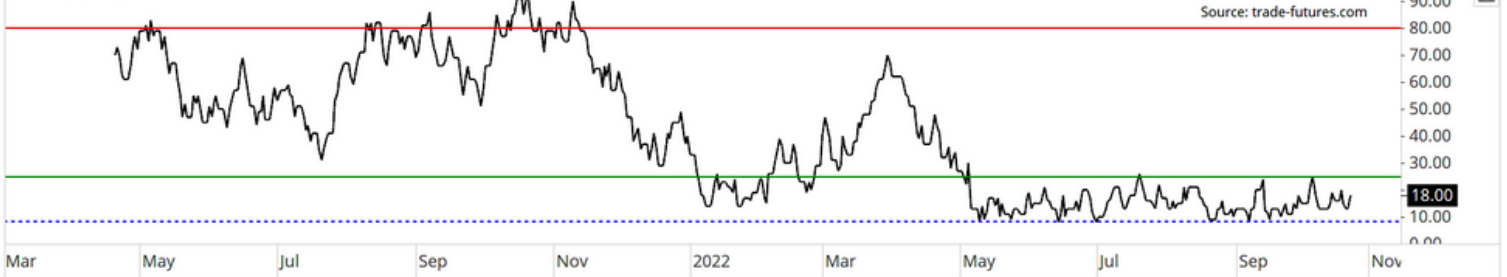
# DAILY SENTIMENT INDEX



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



Bitcoin DSI (DSI) - 1 Day - USD



23rd Oct 2022

# DAILY SENTIMENT INDEX



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



23rd Oct 2022

# DAILY SENTIMENT INDEX



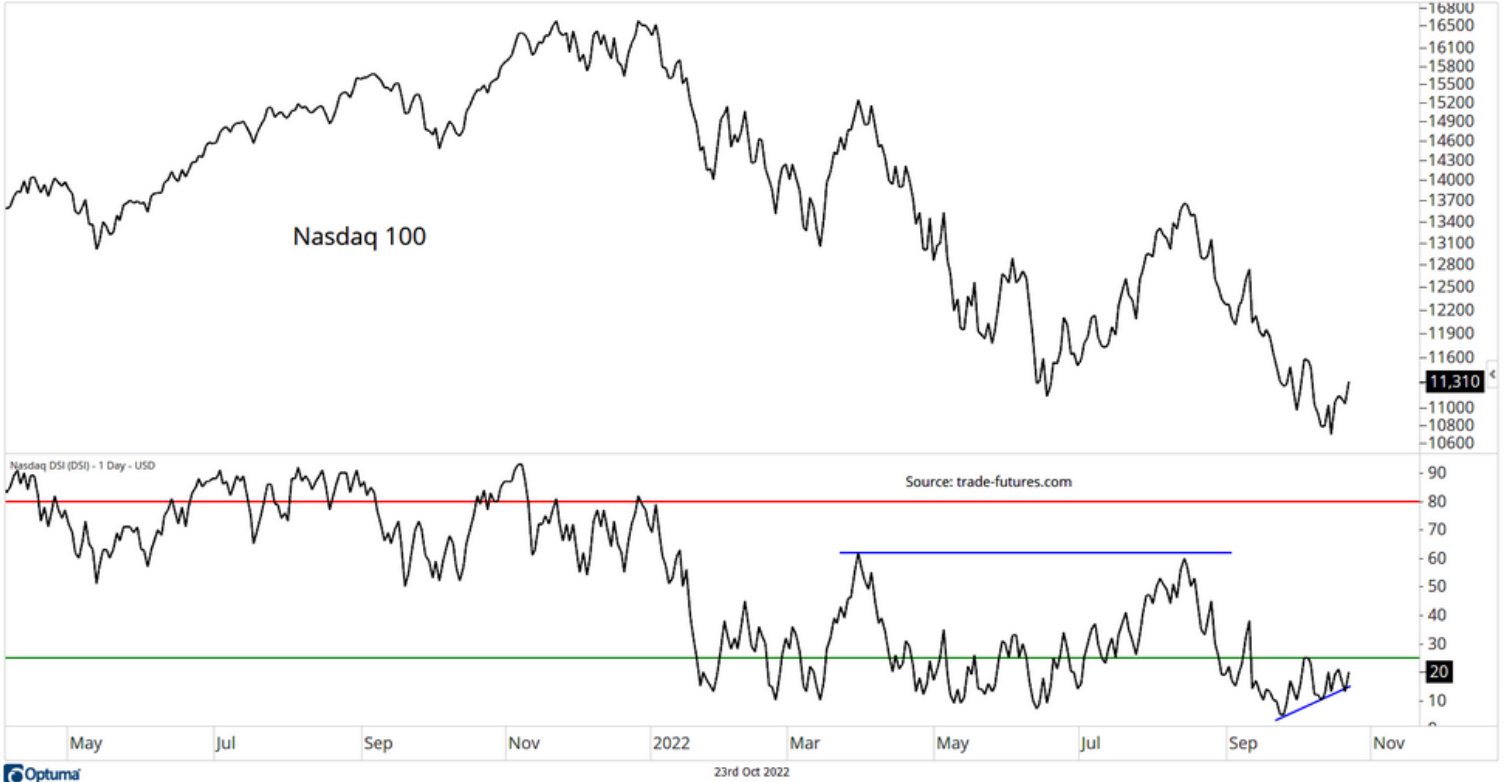
Gold Futures - GC25spot (AFUT) - Daily Line Chart - USD - No Layout



# DAILY SENTIMENT INDEX



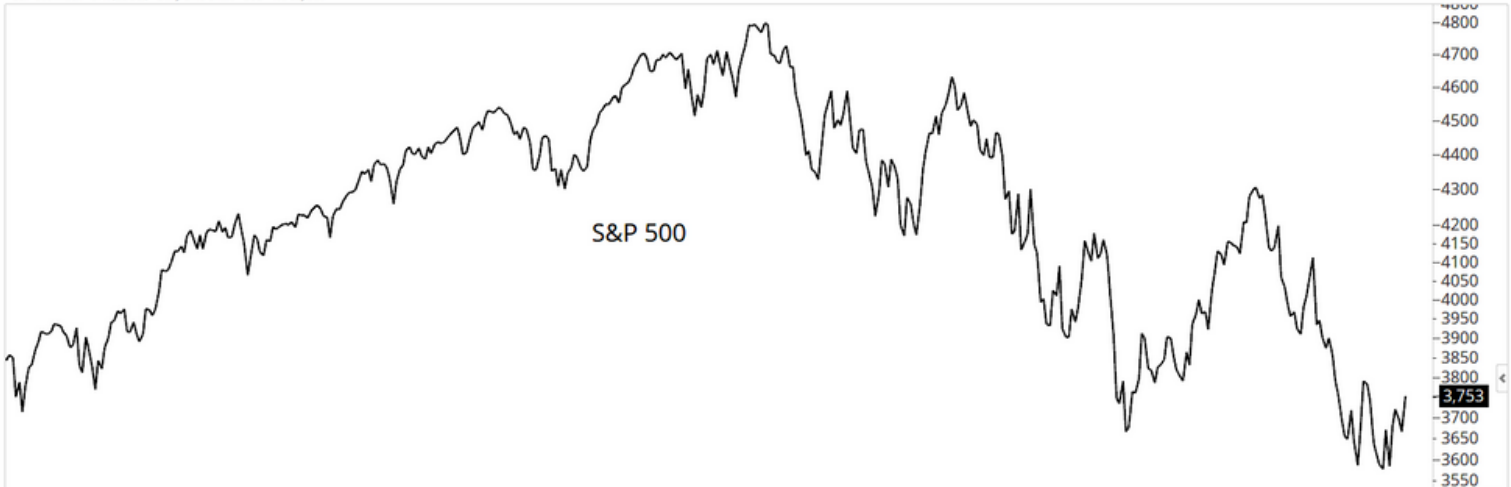
NASDAQ 100 Index - NDY (W) - Daily Line Chart - USD - No Layout



# DAILY SENTIMENT INDEX

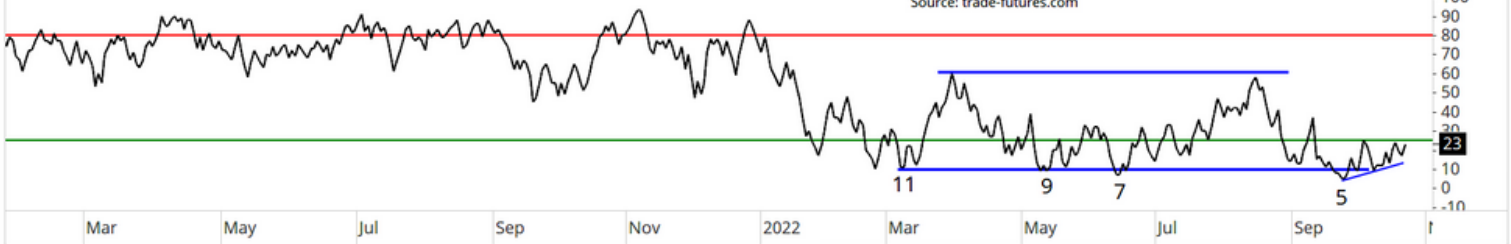


S&P 500 Index - SPX (CBOE) - Daily Line Chart - USD - No Layout



SPX DSI (DSI) - Line Chart

Source: trade-futures.com



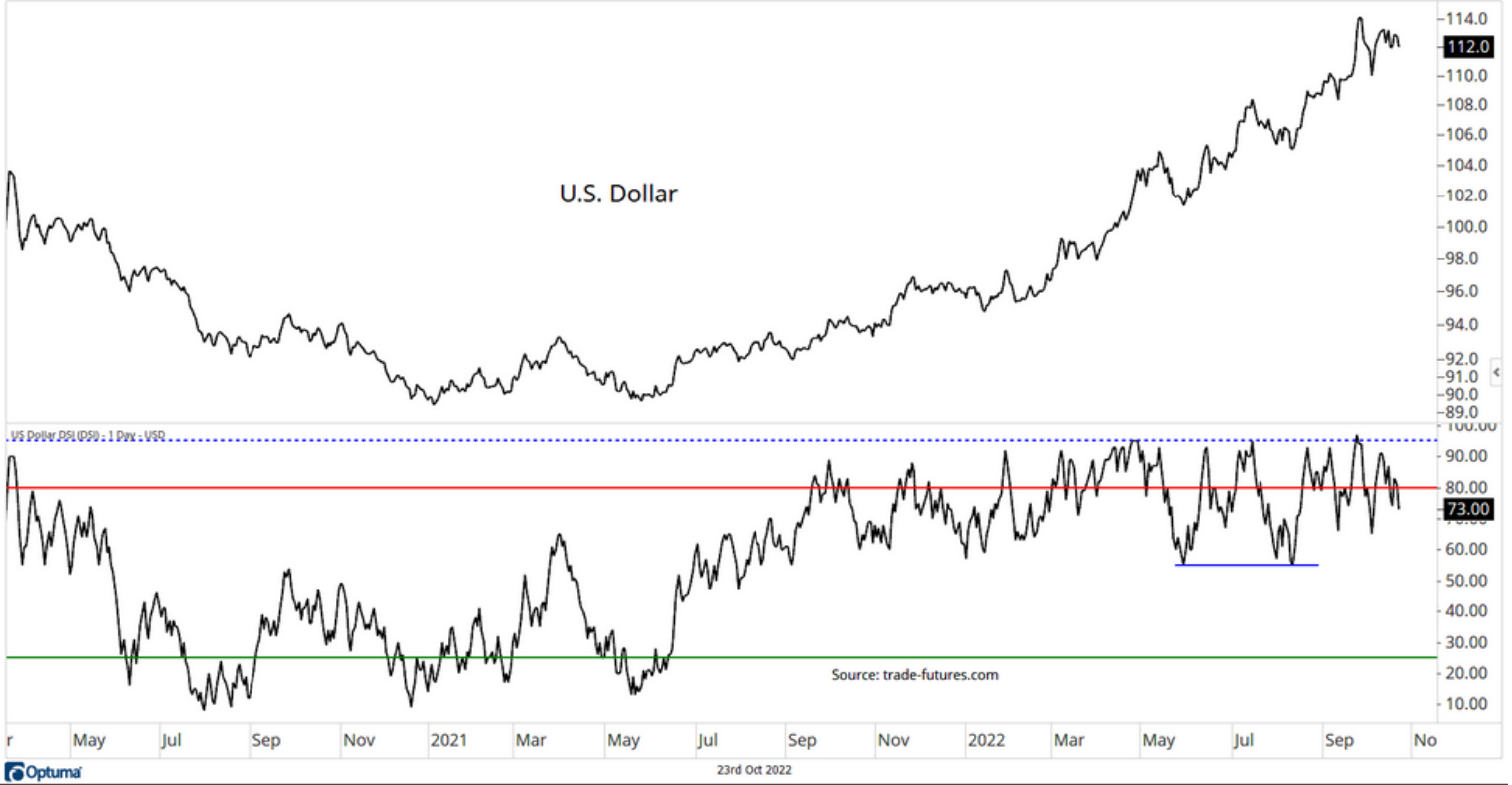
23rd Oct 2022



# DAILY SENTIMENT INDEX



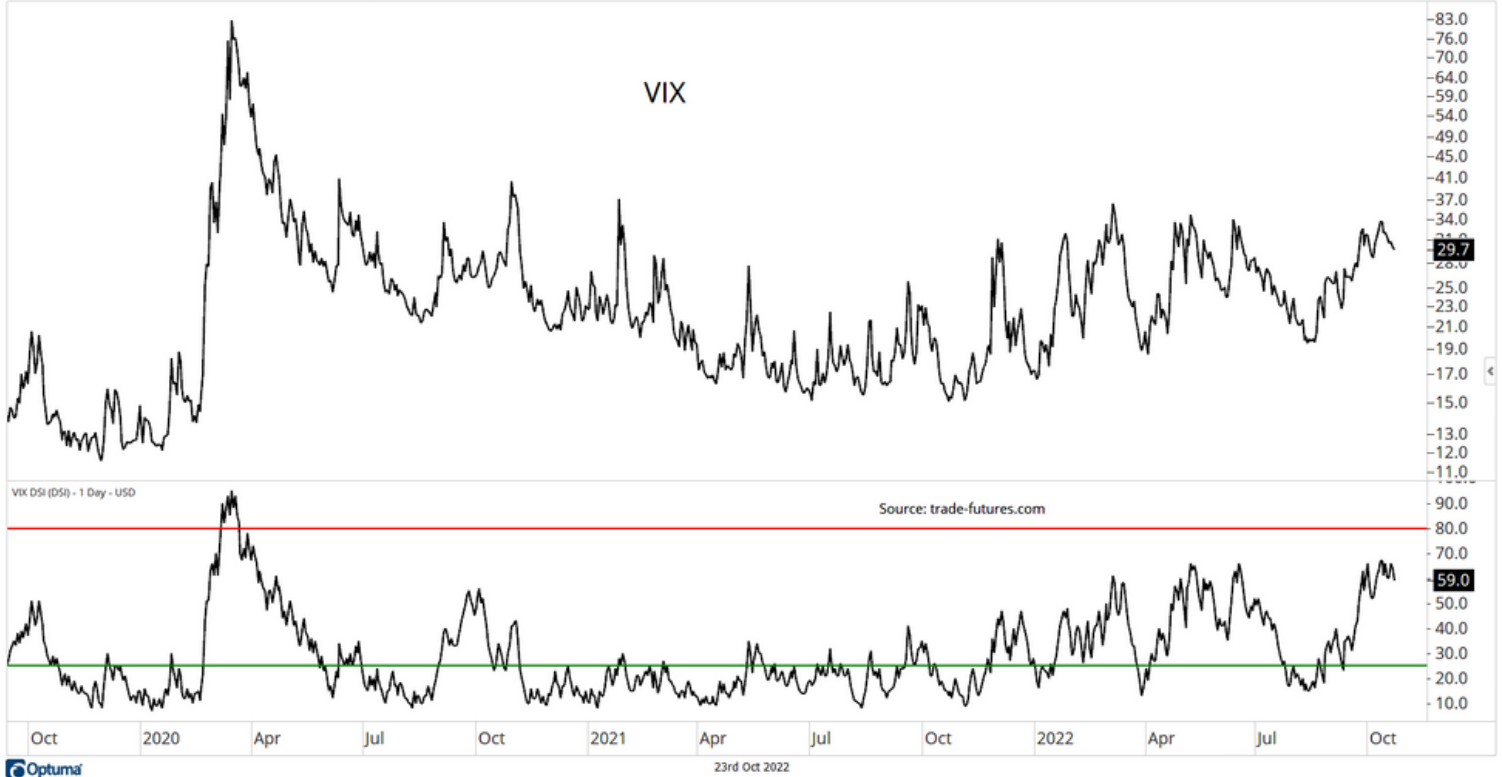
U.S. Dollar Index - DIXSpot (AFUT) - Daily Line Chart - USD - No Layout



# DAILY SENTIMENT INDEX



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



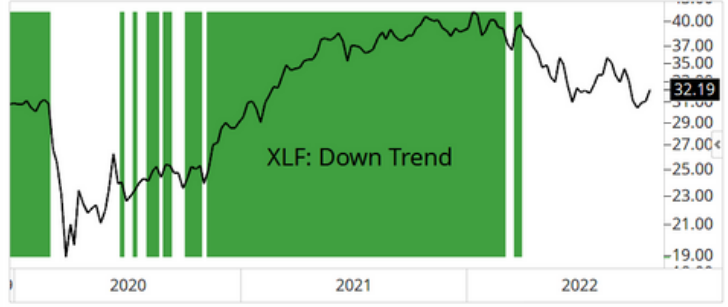
# TREND MODELS



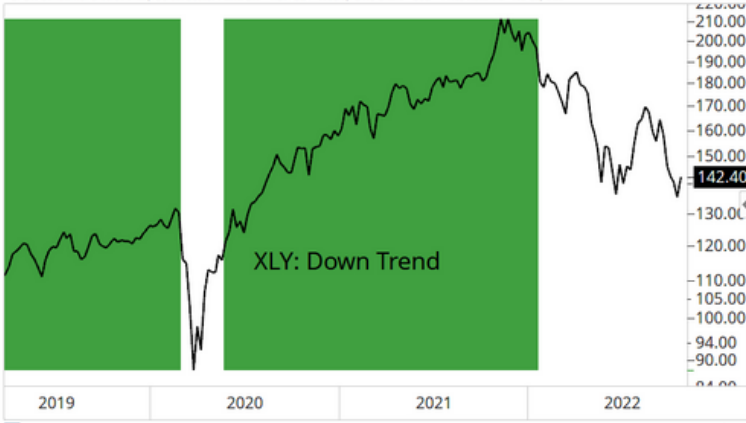
S&P 500 INDEX - SPX (W) - Weekly Line Chart - USD - No Layout



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



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



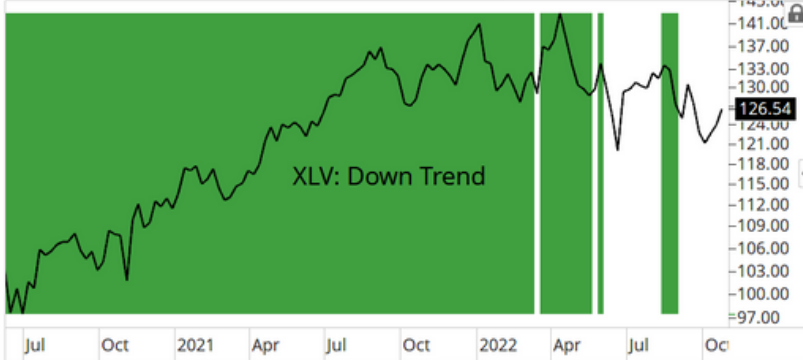
SPDR Technology Select Sector Fund ETF - XLK (US) - Weekly Line Chart - USD - Price Returns - No Layout



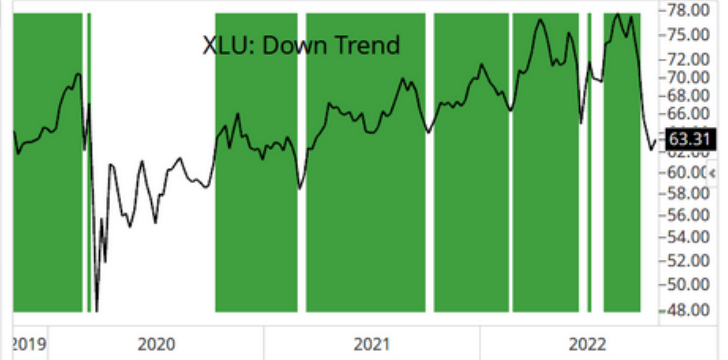
# TREND MODELS



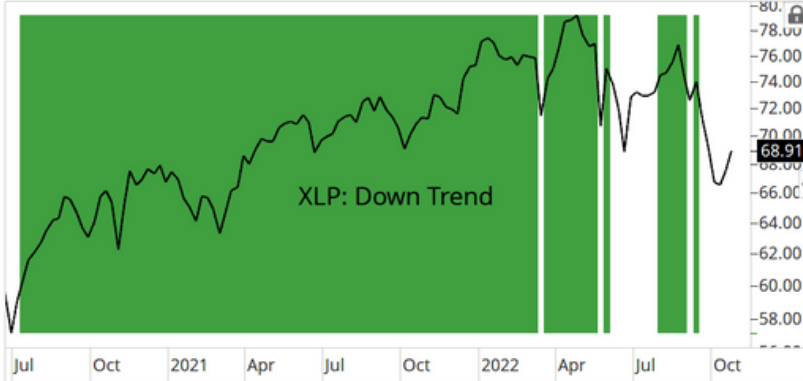
SPDR Health Care Select Sector Fund ETF - XLV (US) - Weekly Line Chart - USD - Price Returns - No Layout



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



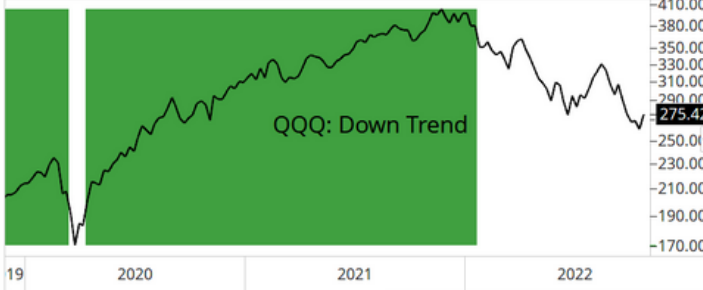
SPDR Industrial Select Sector Fund ETF - XLI (US) - Weekly Line Chart - USD - Price Returns - No Layout



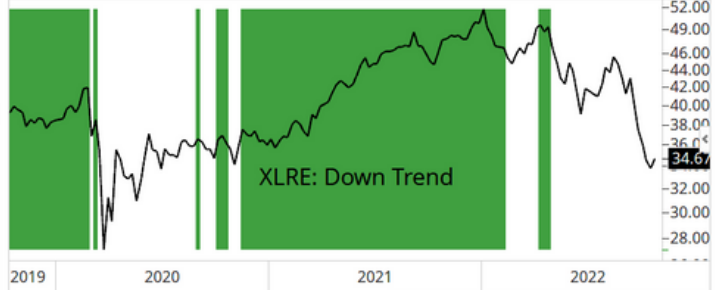
# TREND MODELS



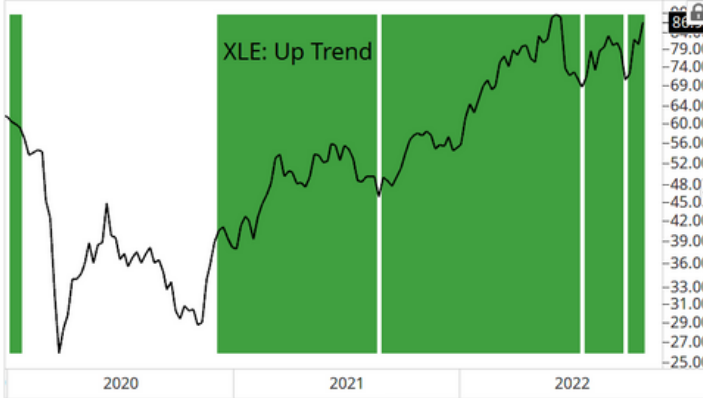
Invesco QQQ Trust - QQQ (US) - Weekly Line Chart - USD - Price Returns - No Layout



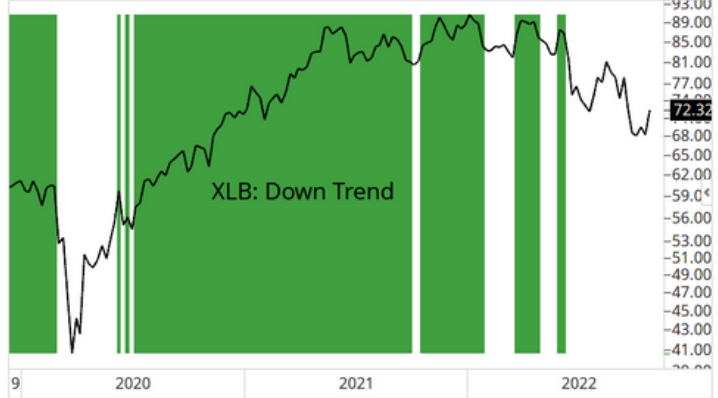
SPDR Real Estate Select Sector Fund ETF - XLRE (US) - Weekly Line Chart - USD - Price Returns - No Layout



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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