

TA THRASHER ANALYTICS

NOVEMBER 13, 2022



WEEKLY RESEARCH & ANALYSIS

BY ANDREW THRASHER, CMT

SUMMARY OF MODELS

	Current	Wkly Change
Maestro Model	-3	Increasing
Volatility Risk Trigger	24	Unchanged
Risk Appetite Ratios	.48	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: November	
Energy	XLE
Financials	XLF
Health Care	XLV

Maestro Model	
Trend / Momentum	1
Sentiment / VIX	-2
Breadth	1
Economic	-4
Total	-3

(Breadth 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	37%	27%
Nasdaq 100	36%	25%
Nikkei	56%	46%
VIX	33%	38%
10yr Treasury	26%	19%
5yr Treasury	27%	19%
CRB Index	45%	40%
Crude Oil	66%	62%
Gold	57%	43%
U.S. Dollar	47%	63%
Bitcoin	13%	15%

*Green<25% Red>80%

source: trade-futures.com

Brief Summary:

Stocks staged a strong rally last week and the S&P 500 now sits just over 2% from its 200-day moving average. Health Care, Industrials, and Financials saw their Trend Model change to positive (joining Energy). The market saw a massive de-hedging following the softening CPI data. The result was a big pop for the most beaten down stocks. In this week's letter I share the data showing the worst performing large cap stocks coming into last week were the best performers and the strongest stocks actually had an average weekly return that was negative. I also take a look at prior dash-for-trash days and the results are mixed, we saw groups of them in October and November of 2008 as well as in March and April of 2009, following the final market low.

Looking at sector leadership, historically we see a big shift leadership from those that lead on the way down vs. the ones that lead following a market bottom. We take a look at the 2002 and 2009 low examples and compare them to today.

Risk appetite has continued to improve, rising to the 48th percentile and joining the Maestro Model in also improving, advancing to a -3. Both are still below their bullish thresholds, but improvement is still much appreciated! I also share this week several key VIX charts as we enter option expiration week. Spot VIX is 'oversold' relative to VVIX and a divergence has been created between the two, similar to August just before we saw a move higher in volatility.

VOLATILITY: VRT

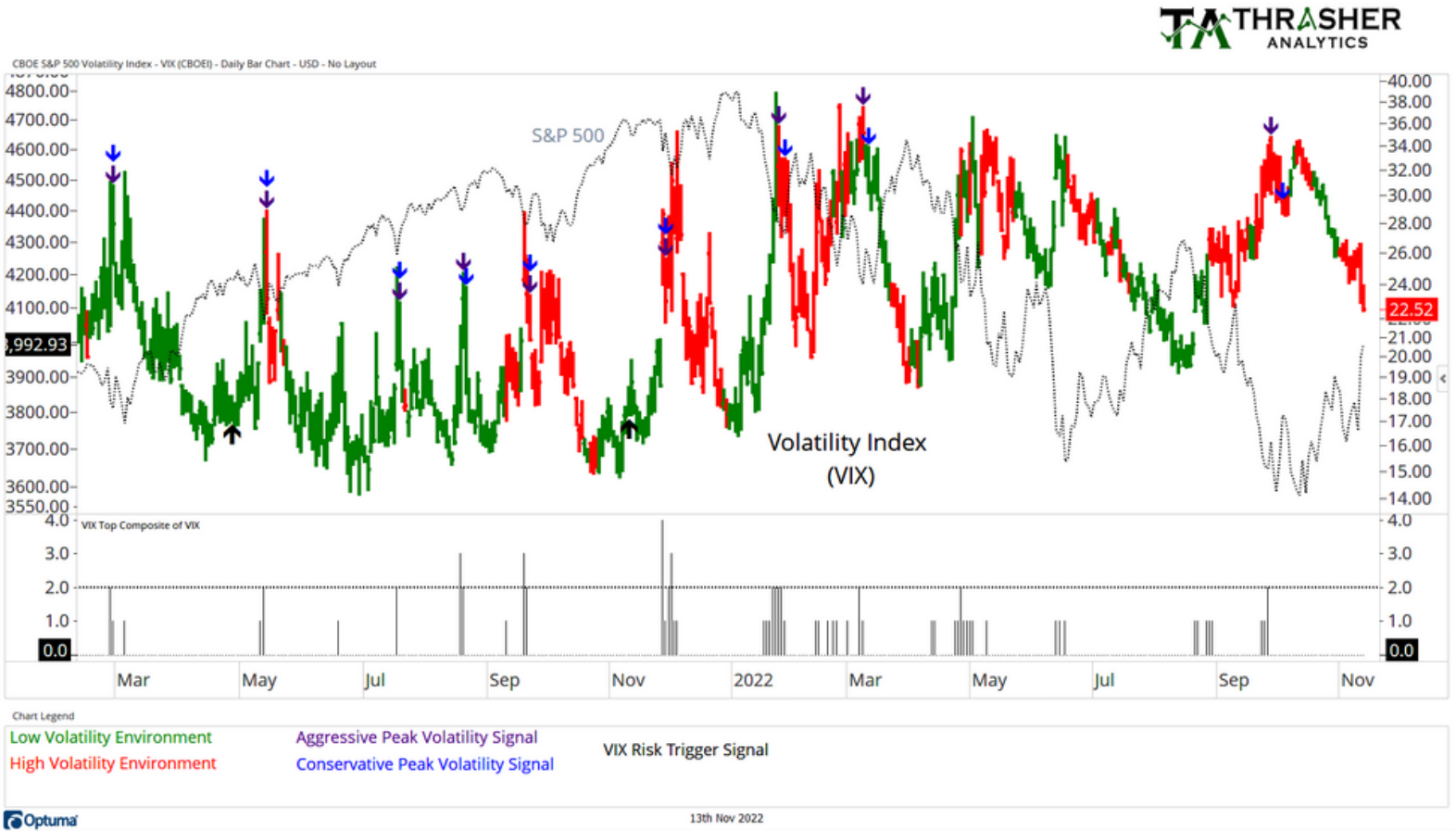


VRT remains at 24 with Spot VIX finishing the week under 23.



VOLATILITY: TOP & ENVIRONMENT

The Aggressive Peak Vol Signal remains the top in the current up cycle in volatility. VIX remains in a High Volatility Environment category.



VOLATILITY - CURVE



Big drop in 9-day and 1-month volatility, both now under 23 with the full curve except 1-year vol now sub-40th percentile.



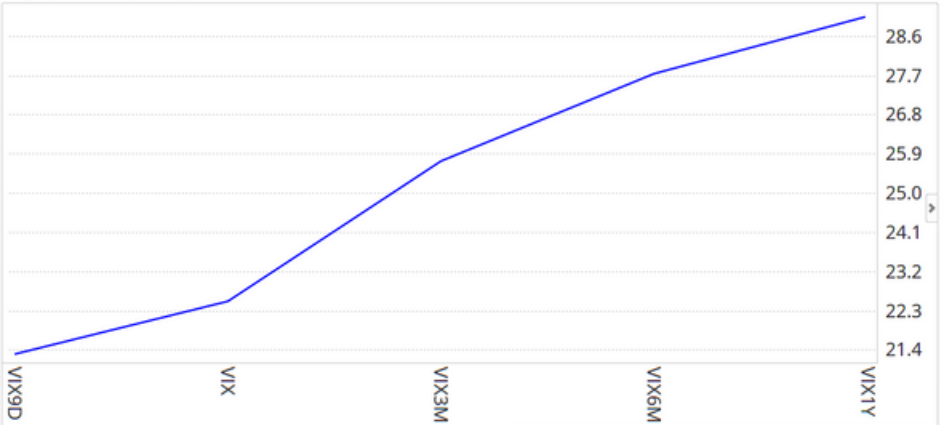
Daily - Watch List - No Layout

Name	Last	1yr %Tile
CBOE S&P 500 Short Term Volatility Index	21.31	0.3583
CBOE S&P 500 Volatility Index	22.52	0.3090
CBOE S&P 500 3-Month Volatility Index	25.74	0.3355
CBOE Mid-Term Volatility Index	27.74	0.3736
CBOE S&P 500 One-Year Volatility Index	29.07	0.4651

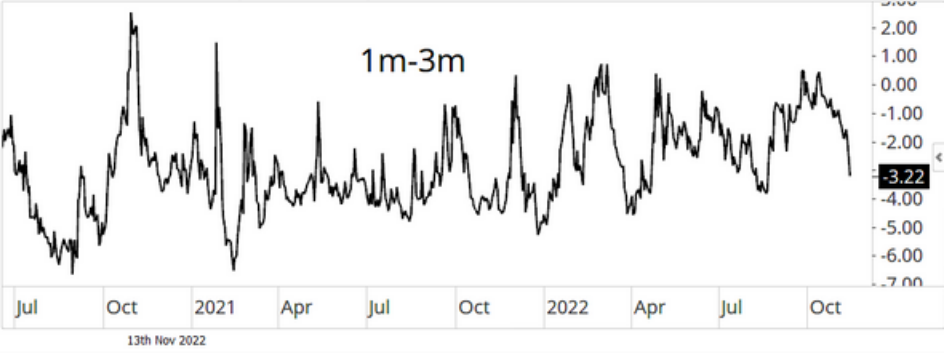
CBOE S&P 500 Short Term Volatility Index - VIX9D (CBOE) - Daily Line Chart - USD - No Layout



Daily - Curve Chart Date: 11/11/2022



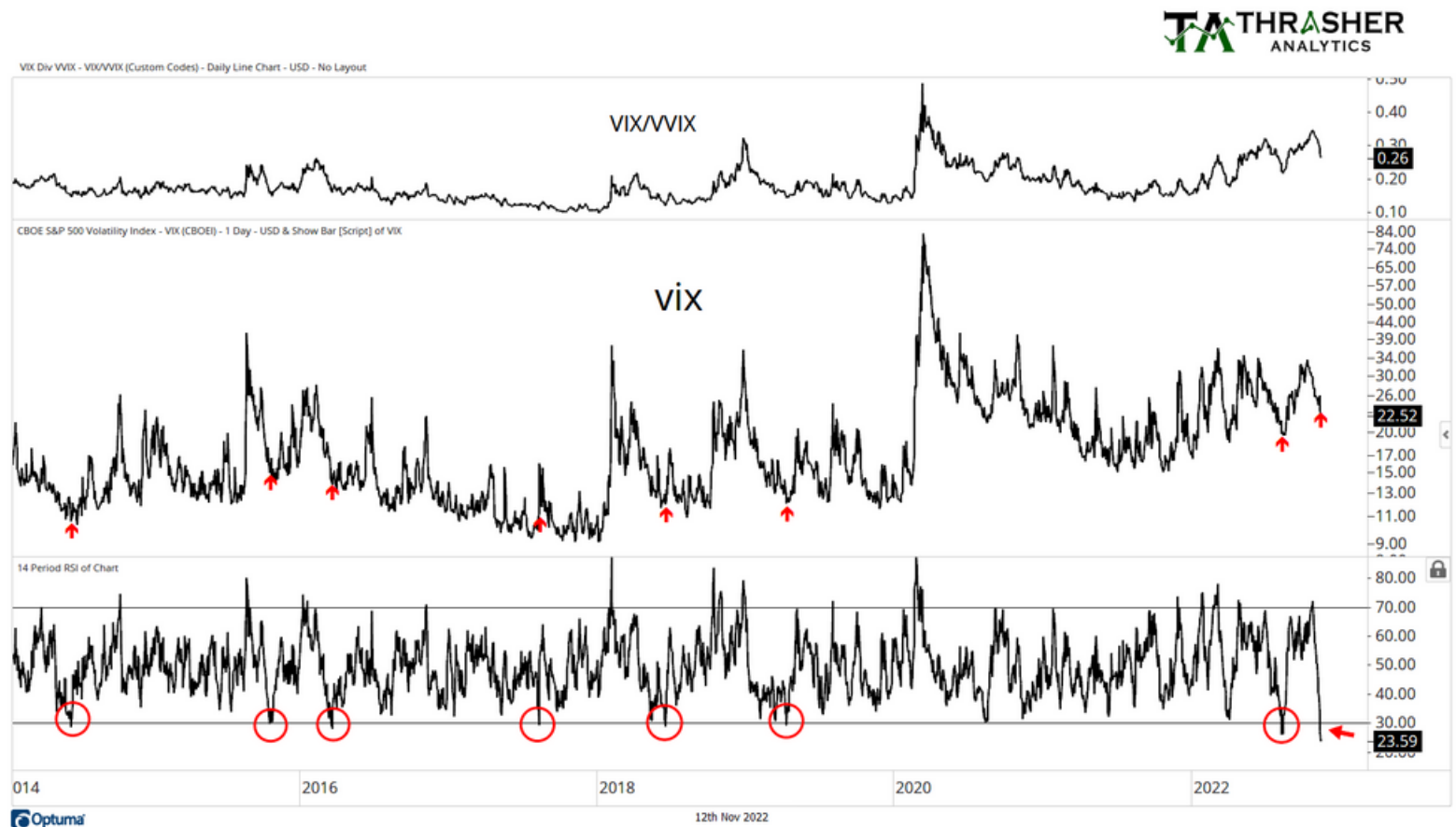
VIX Minus VIX - VIX-VIX (Custom Codes) - Daily Line Chart - USD - No Layout



VOLATILITY: 'OVERSOLD'



It's time to talk about the relationship between VIX and VVIX again. I last discussed this ratio when calling the bottom in spot VIX back in August when VIX bottomed under 20 and rose near 35. Once again, the ratio has become "oversold" and the 14-period RSI for the ratio is the lowest it's been in several years after the VIX saw a big move lower last week and the VVIX moved higher (a chart showing this is on the next page). Going back to 2014, when momentum has been "oversold" for the VIX/VVIX ratio, there hasn't been an instance that didn't result in spot VIX moving higher.



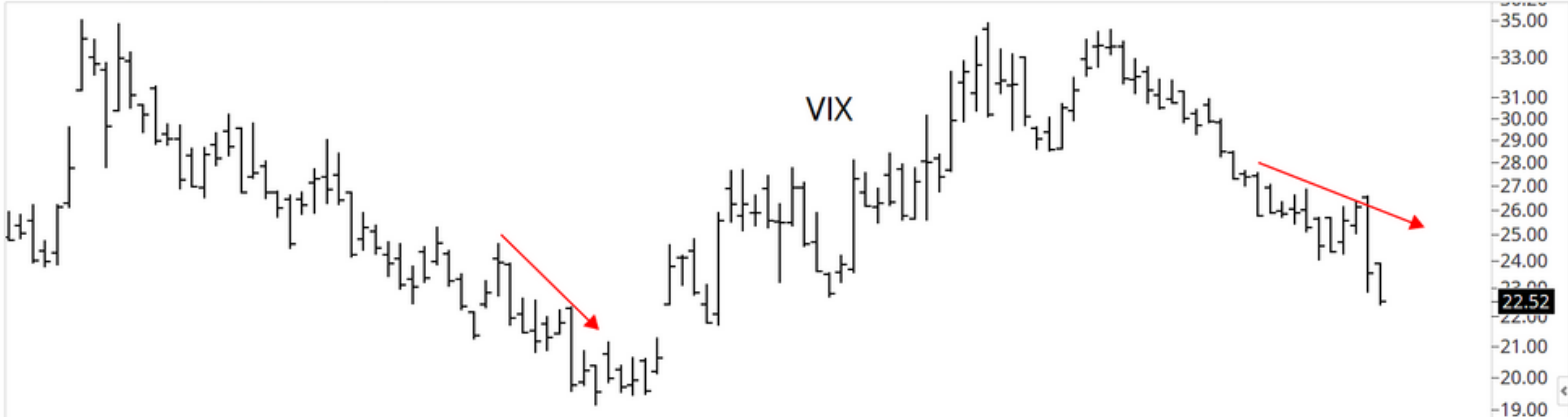
VOLATILITY: VVIX



Spot VIX has been moving lower while VVIX (Volatility of the VIX) has been moving higher. A similar divergence occurred into the August VIX low before a move up near 35 occurred. Will we see the same response again?



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



CBOE VIX Index - VVIX (CBOE) - 1 Day - USD



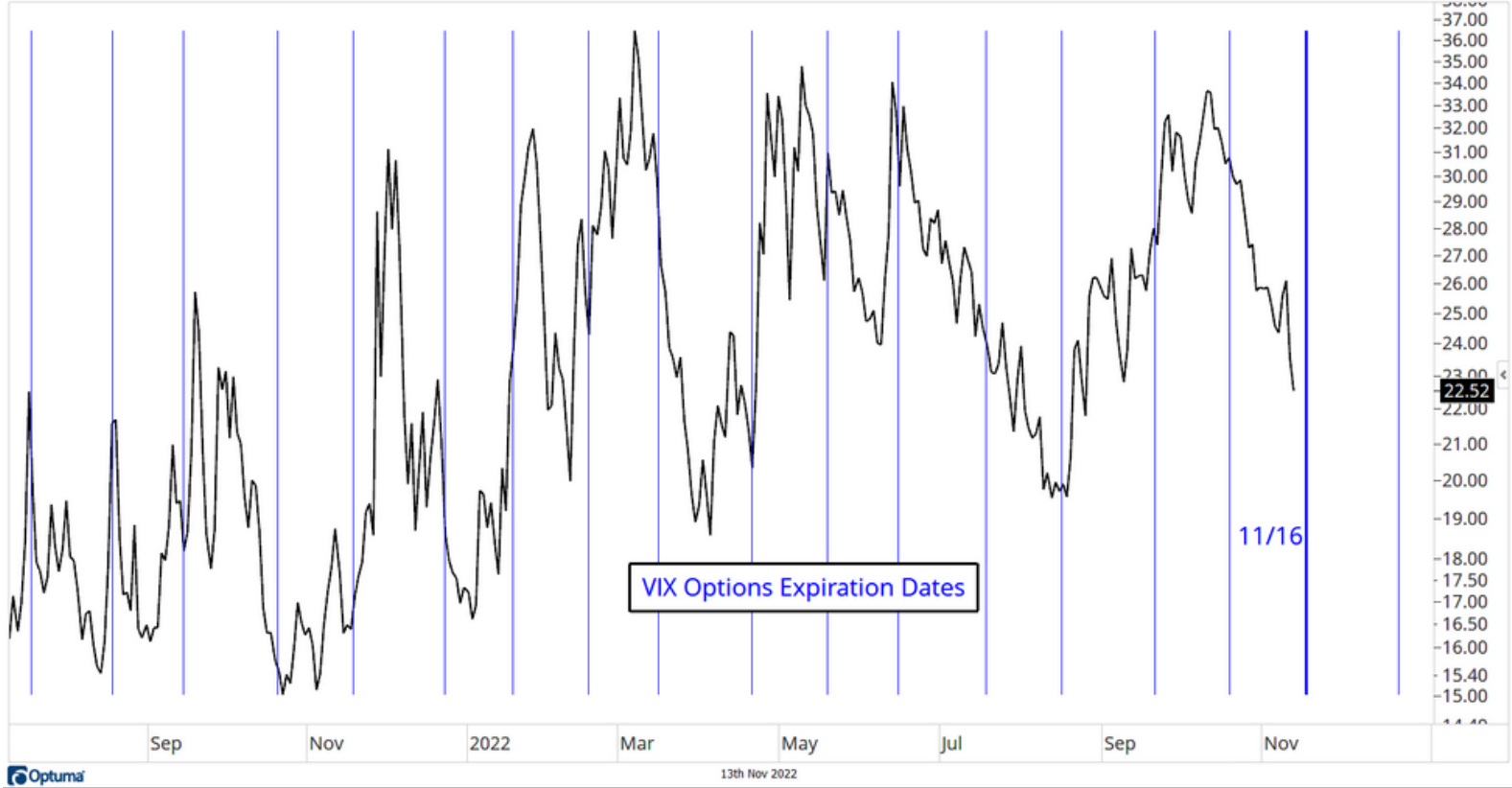
VOLATILITY: OPEX



Meanwhile, all of these interesting developments are taking place in volatility just as we enter option expiration week. As I often point out, we regularly see major turning points take shape following OpEx for VIX contracts.



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

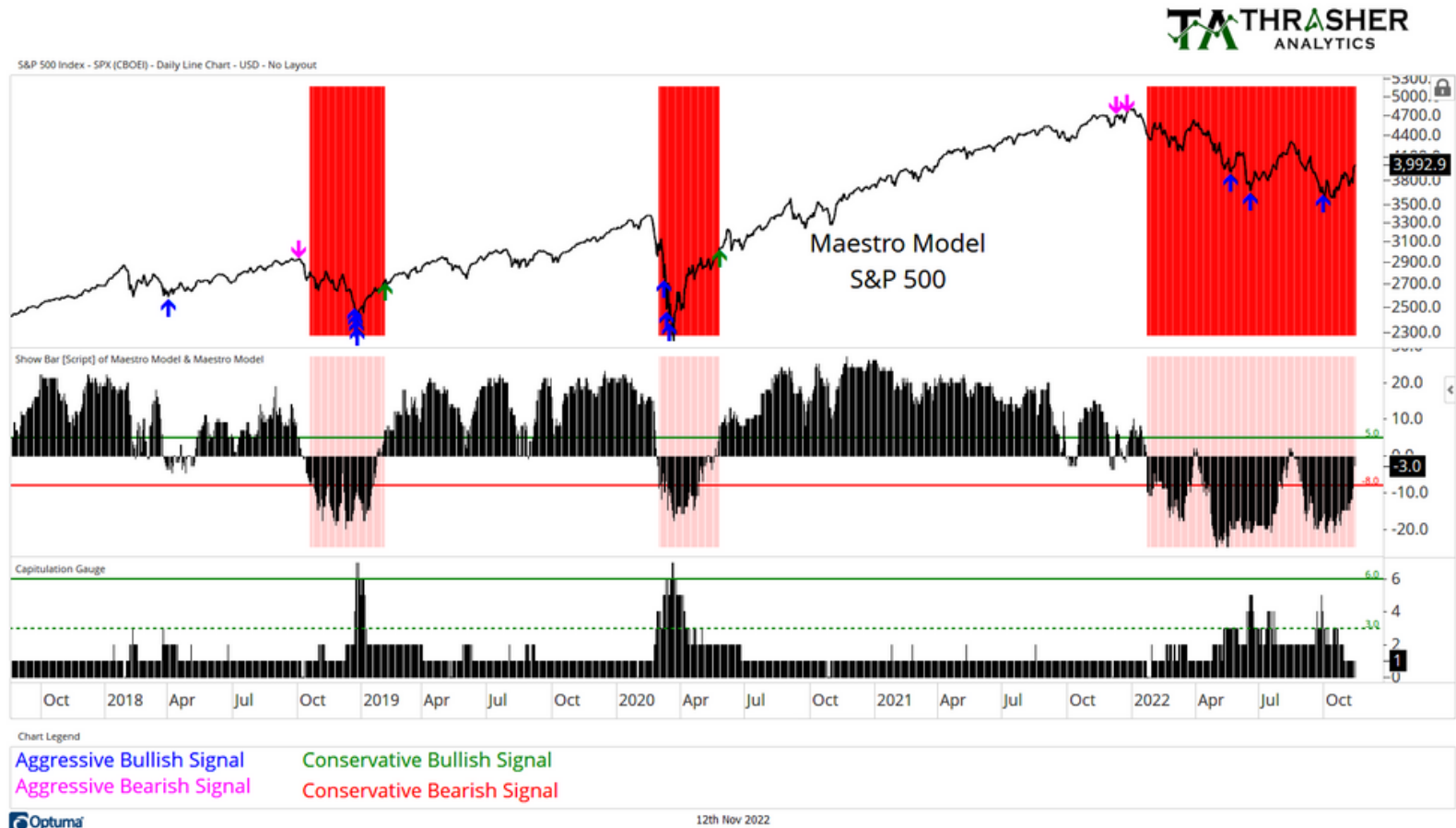


MAESTRO MODEL



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

The Maestro Model moved up to -3 last week. Two of the four categories have turned positive.



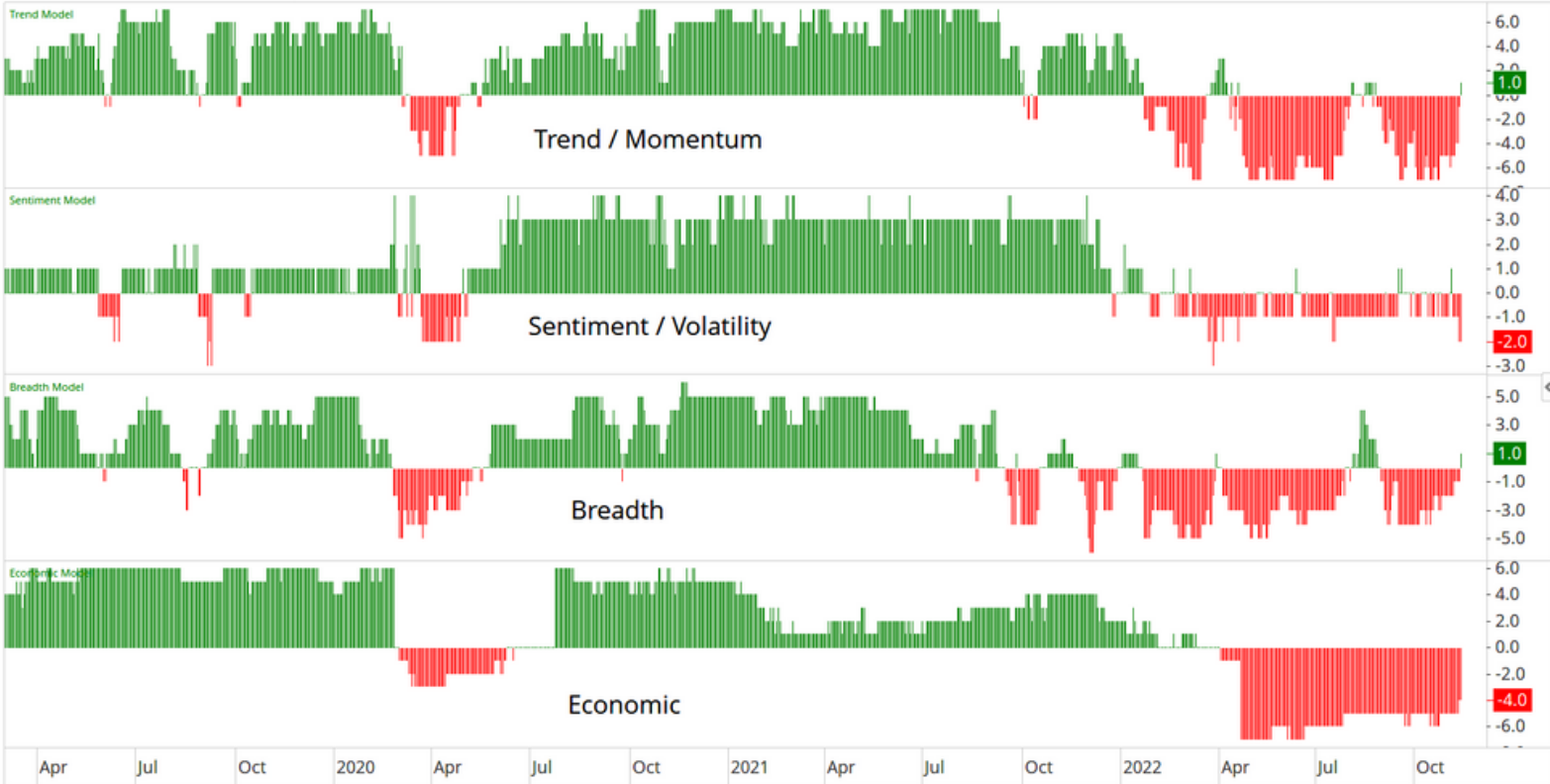
MAESTRO MODEL - CATEGORIES



Trend and Breadth both have turned positive while Sentiment has moved to a -2, its lowest level since mid-July.



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



SENTIMENT SCORE



Noted previously that Industrial sector sentiment had become 'overheated' and while XLI continued to rally, it did begin to under-perform at the end of last week. XLV, XLI, and XLY average stock sentiment is now above 0.45, a heightened level. Interesting to see XLY average stock sentiment so high with the sector itself at just 0.2. This suggests the sector is being held down largely due to Amazon and Tesla's impact but the overall sentiment for the other stocks is favorable. S&P 500 Growth saw a strong week, rising 8.3% after last week's note that sentiment for Growth had likely bottomed out. Growth was the 2nd best performing factor last week of the ones I track.



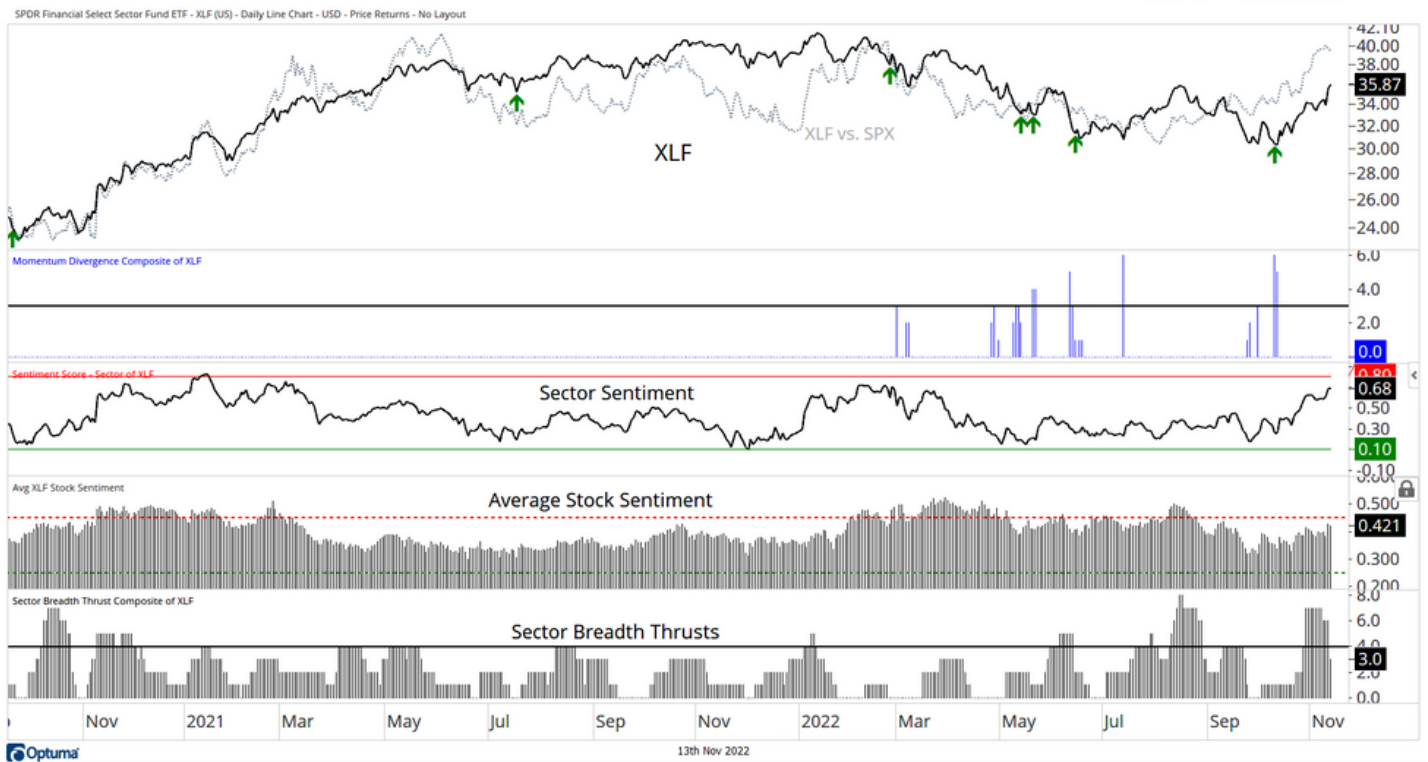
Daily - Watch List - No Layout

Sector	Ticker	Sector Sentiment	Change in Score	1W Perf	1M Perf	3M Perf	
SPDR Industrial Select Sector Fund ETF	XLI	0.8023	-0.05	4.69%	16.49%	1.19%	
SPDR Materials Select Sector Fund ETF	XLB	0.6956	0.13	7.73%	17.63%	2.05%	
SPDR Financial Select Sector Fund ETF	XLF	0.6846	0.10	5.78%	18.15%	2.46%	
SPDR Energy Select Sector Fund ETF	XLE	0.6666	-0.07	1.87%	17.17%	19.58%	
SPDR Health Care Select Sector Fund ETF	XLV	0.5640	-0.10	1.77%	8.68%	0.91%	
SPDR Consumer Staples Select Sector Fund ETF	XLP	0.4390	-0.11	2.32%	9.26%	-1.79%	
SPDR Technology Select Sector Fund ETF	XLK	0.3926	0.28	10.04%	13.87%	-9.84%	
SPDR Real Estate Select Sector Fund ETF	XLRE	0.3725	0.08	7.05%	12.42%	-13.49%	
SPDR Utilities Select Sector Fund ETF	XLU	0.3655	-0.05	1.48%	6.98%	-9.82%	
SPDR Communication Services Select Sector ETF	XLC	0.3386	0.26	9.41%	4.89%	-14.52%	
SPDR Consumer Discretionary Select Sector Fund	XLY	0.1958	0.09	5.52%	4.65%	-12.68%	

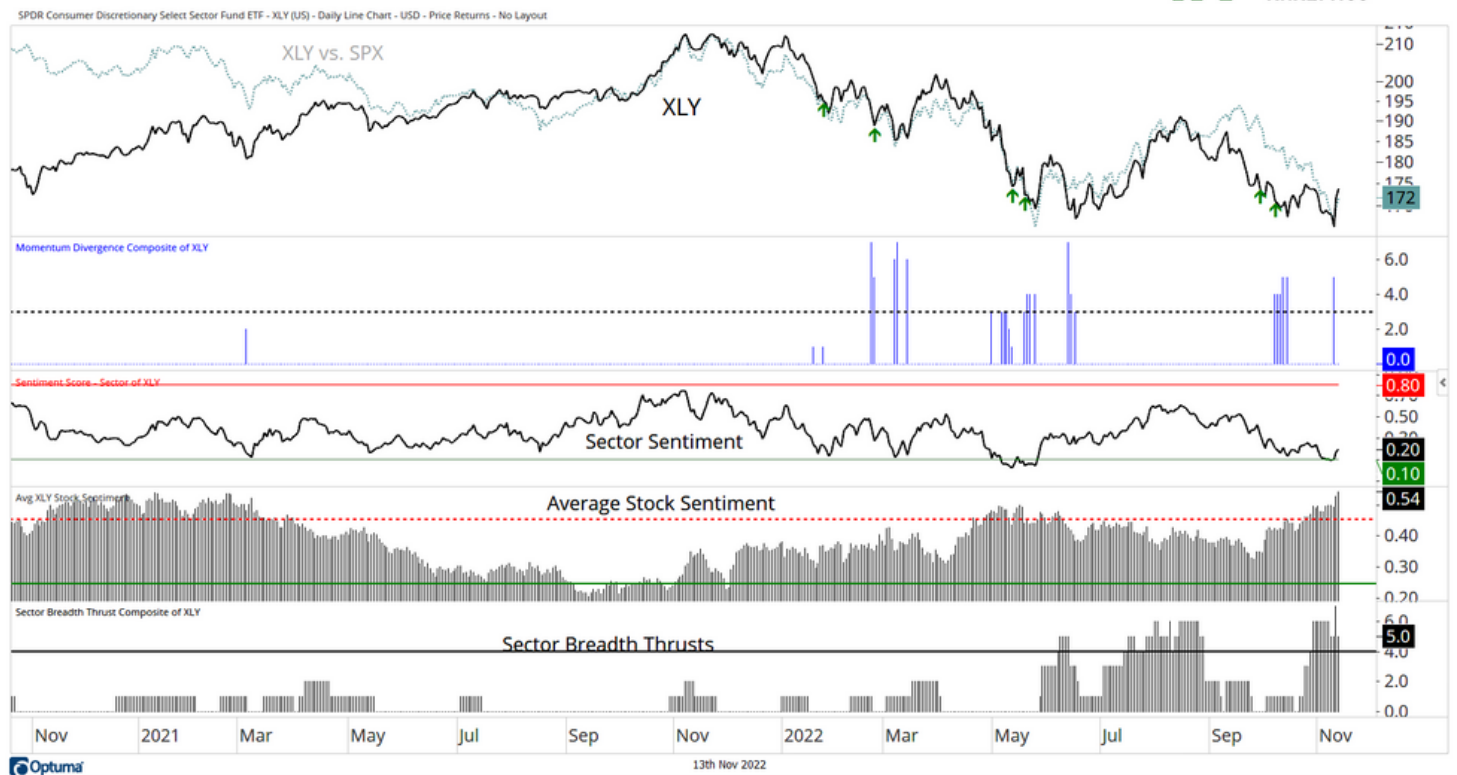
SENTIMENT SCORE: XLF & XLY



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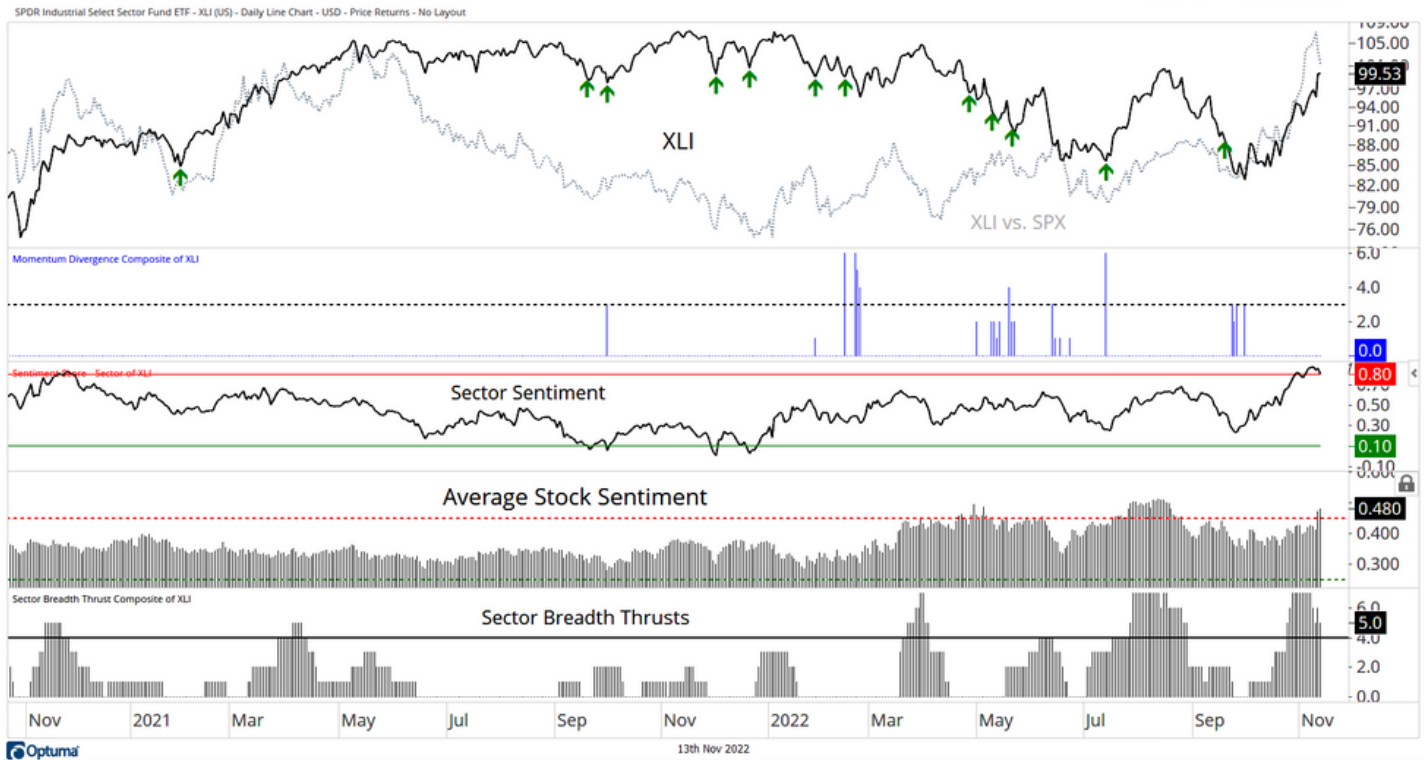
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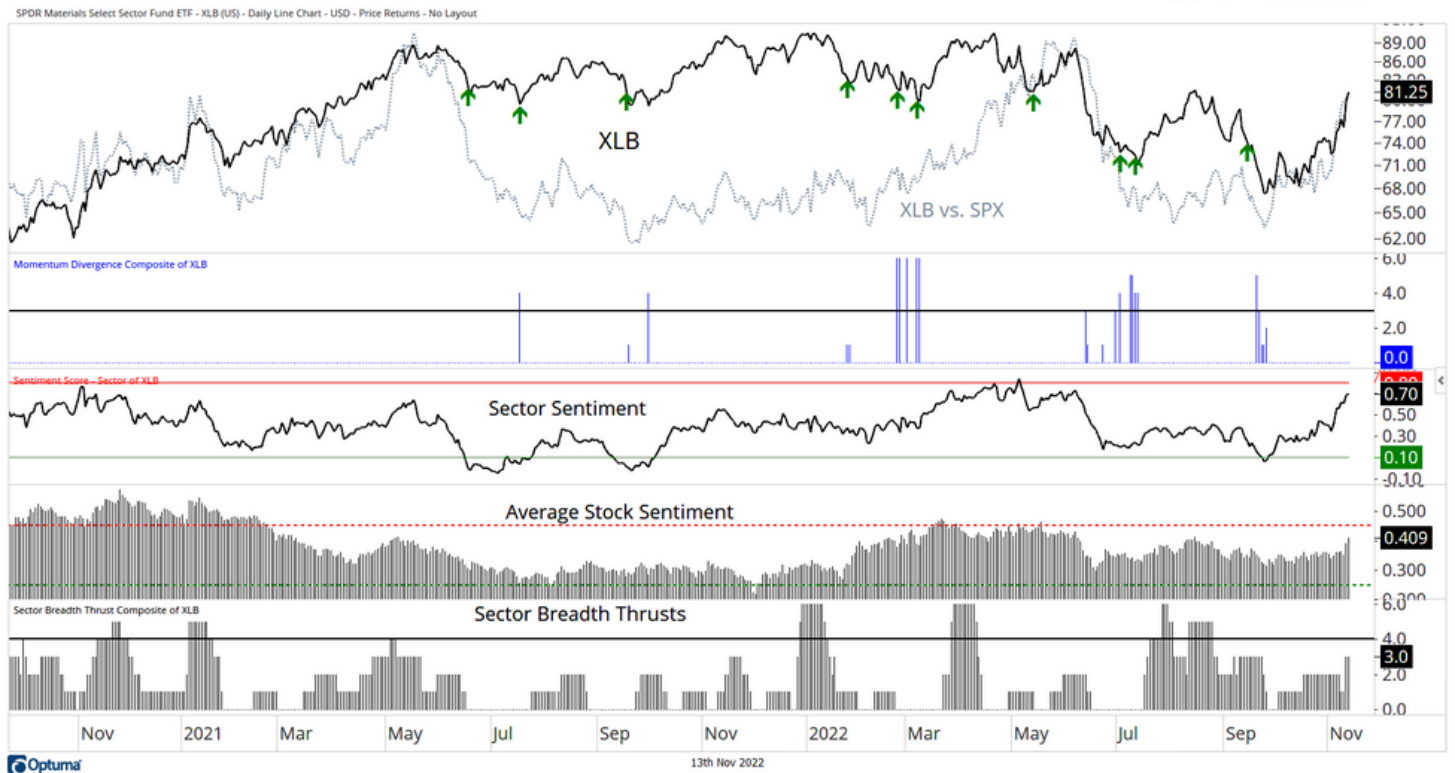
SENTIMENT SCORE: XLI & XLB



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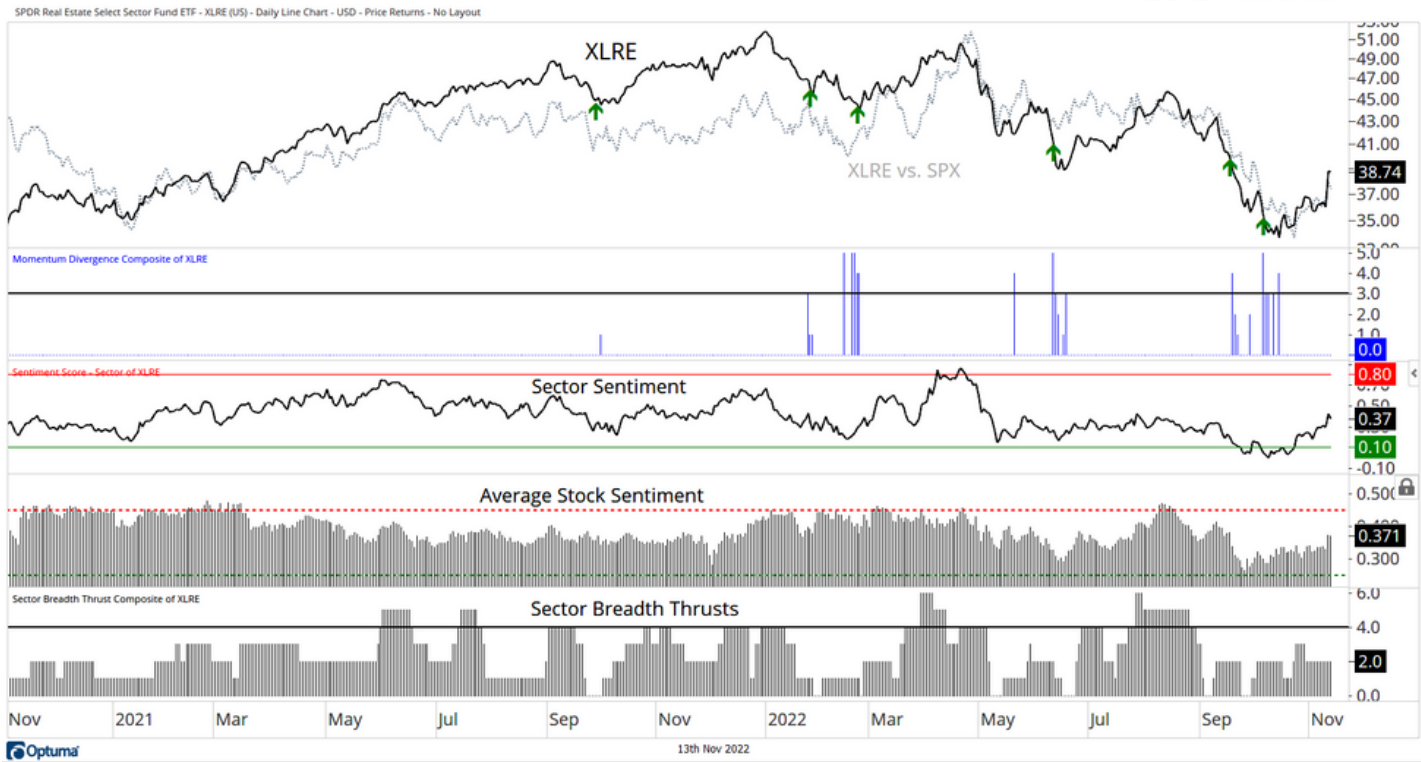
TA THRASHER
ANALYTICS



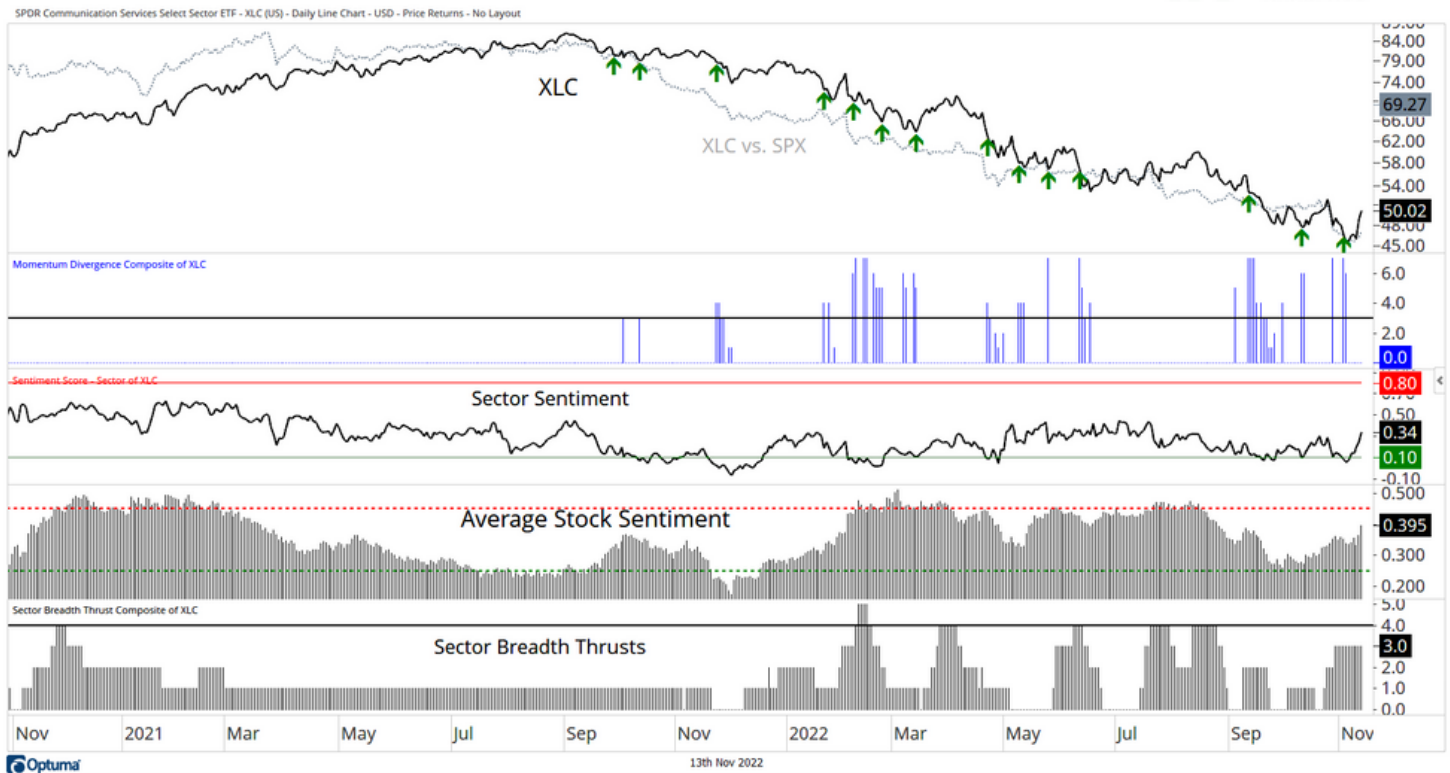
SENTIMENT SCORE: XLRE & XLC



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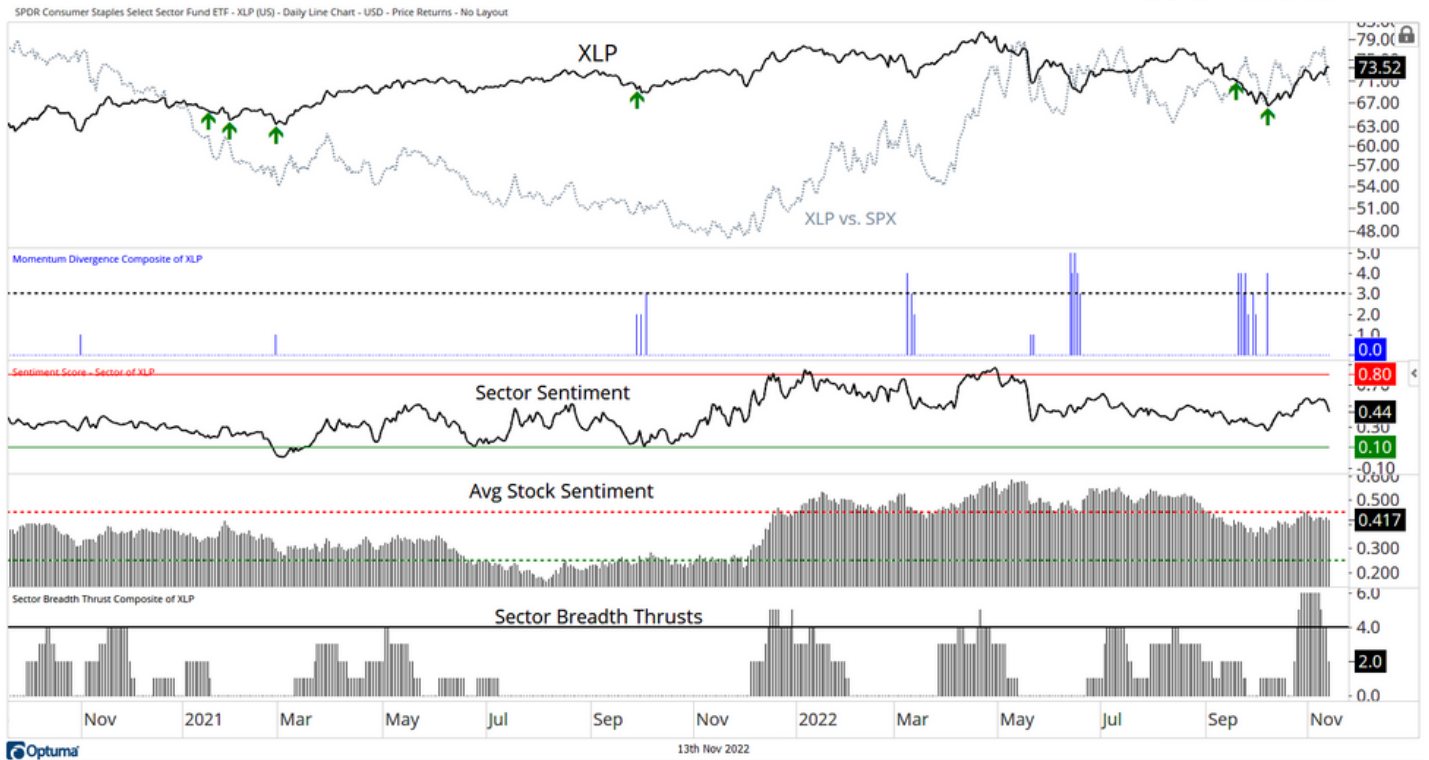
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ANALYTICS



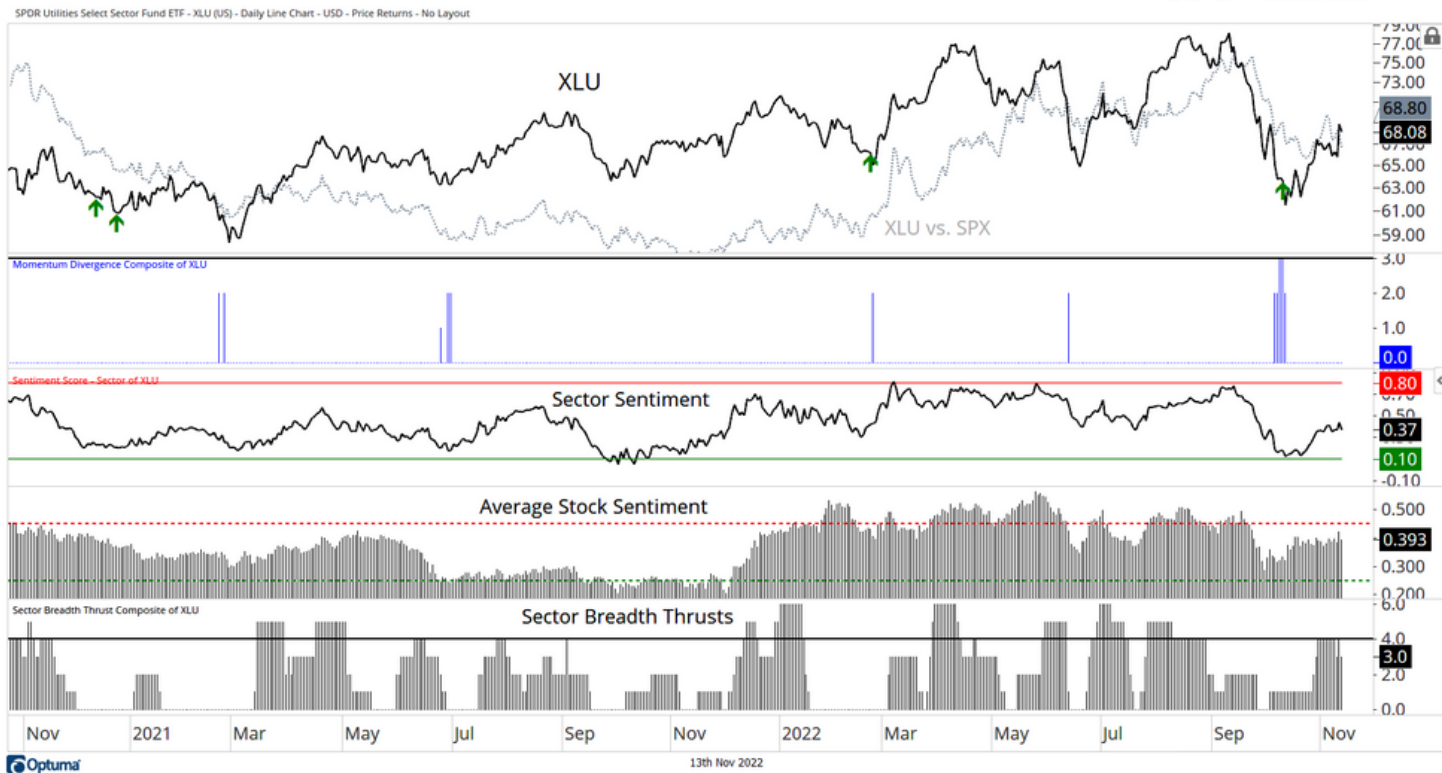
SENTIMENT SCORE: XLP & XLU



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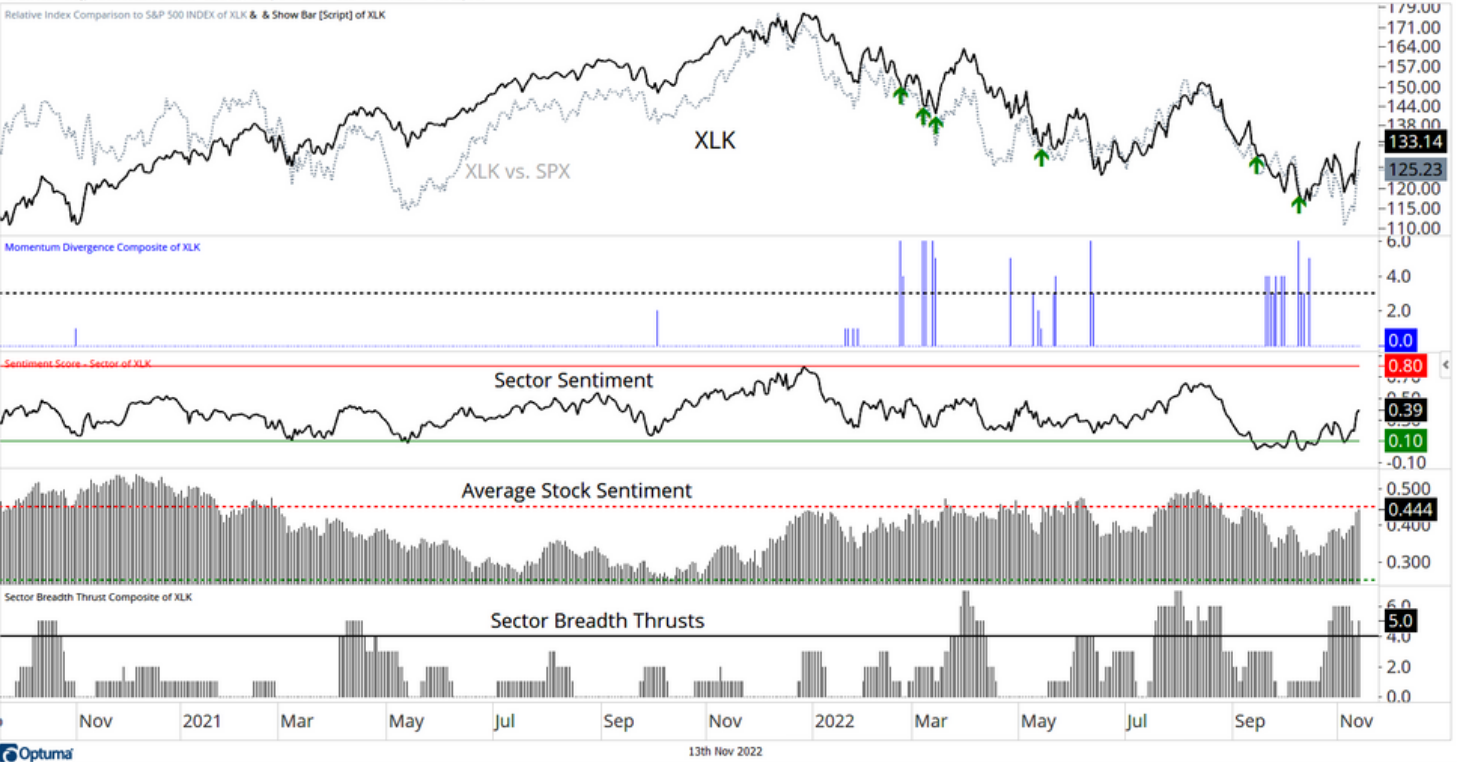


SENTIMENT SCORE: XLK & XLV



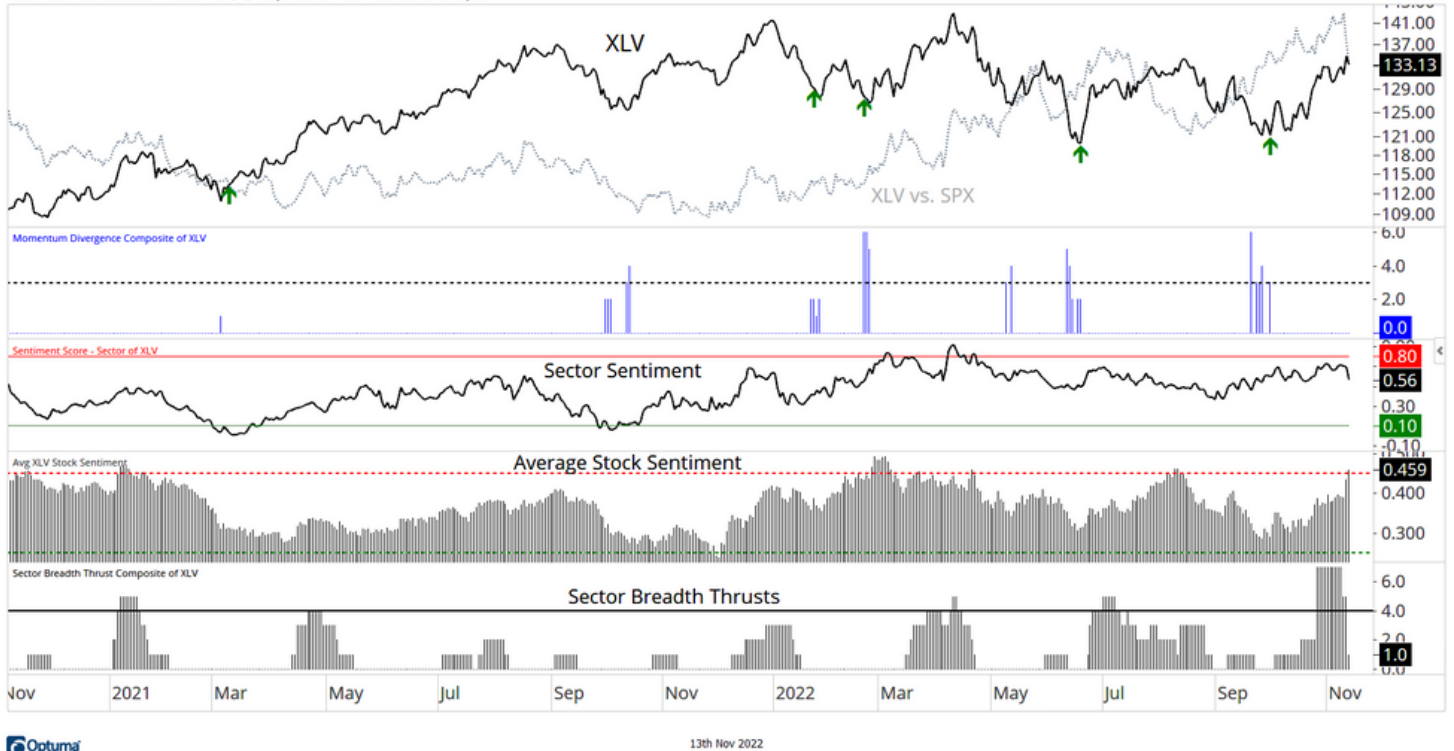
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SPDR Technology Select Sector Fund ETF - XLK (US) - Daily Line Chart - USD - Price Returns - No Layout



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

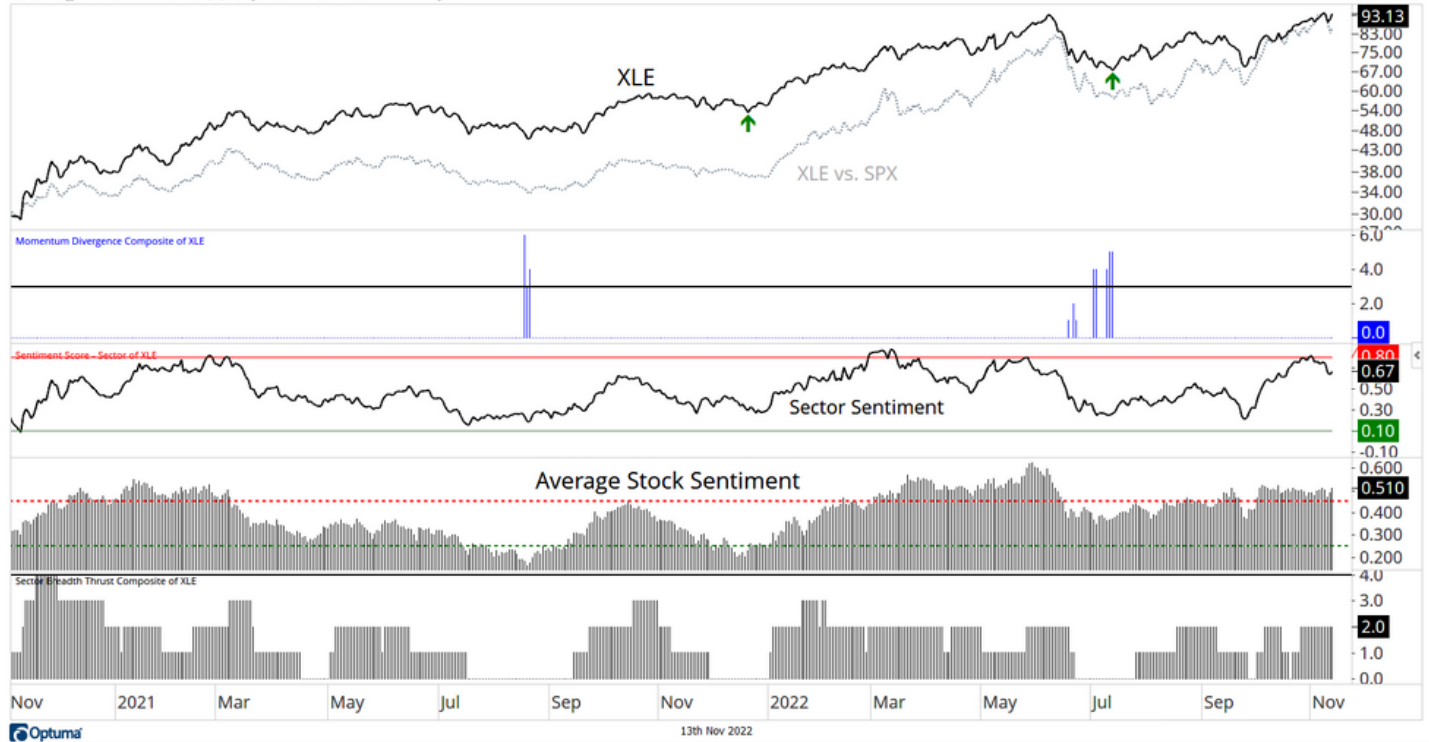


SENTIMENT SCORE: XLE



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ANALYTICS

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



Optima

13th Nov 2022

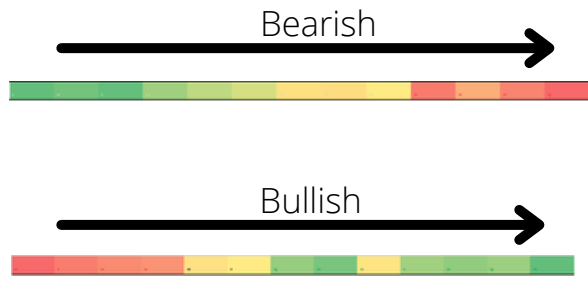
RISK APPETITE RATIO



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 48th 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	0.14	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	0.02	0.10	0.16	0.22	0.33	0.29	0.30	0.31	0.24	0.31
EAFE vs. SPX	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	0.06	0.14	0.21	0.23	0.41	0.36	0.41	0.45	0.46	0.53
HY Debt vs. Treasury	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	1.00	0.93	0.90	0.89	0.93	0.91	0.89	0.88	0.87	0.55	0.98	0.94	0.89	0.87	0.89
Home Construction vs. SPX	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	0.37	0.39	0.40	0.38	0.39	0.35	0.32	0.34	0.33	0.31	0.36	0.51	
Offense vs. Defense Sectors	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	0.25	0.24	0.18	0.18	0.21	0.23	0.24	0.17	0.28	
Broker-Dealer vs. SPX	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	0.92	0.99	1.00	1.00	1.00	1.00	1.00	1.00	0.92	
S&P Growth vs. S&P Value	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	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.09	0.13	
Semiconductor vs. SPX	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	0.00	0.04	0.08	0.10	0.08	0.08	0.07	0.06	0.09	0.06	0.09	0.08	0.08	0.16	0.18	0.23	0.21	0.33
Consumer Disc. Vs. Staples	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	0.12	0.13	0.10	0.11	0.12	0.11	0.12	0.09	0.19	0.26
Small Cap vs. Utilities	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	0.31	0.31	0.26	0.23	0.25	0.30	0.29	0.26	0.29	0.33
Transports vs. Utilities	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	0.36	0.36	0.37	0.42	0.40	0.44	0.40	0.38	0.40	0.39	0.33	0.35	0.38	0.48	0.48	0.44	0.46	0.54	
Equal Weight vs. Cap Weight	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	0.95	1.00	1.00	1.00	1.00	1.00	0.98	0.99	1.00	0.98
Small cap vs. Large Cap	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	0.49	0.52	0.47	0.49	0.49	0.46	0.44	0.40	0.43	
Equities vs. VIX	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	0.21	0.21	0.19	0.21	0.26	0.27	0.24	0.20	0.34	
Aussie Dollar vs. Yen	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	0.83	0.81	0.77	0.74	0.82	0.83	0.81	0.78	0.74	
Lumber vs. Gold	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	0.11	0.09	0.10	0.09	0.07	0.07	0.06	0.05	0.04	0.02	0.05	0.03	0.04	0.03	0.01
Copper vs. Gold	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	0.27	0.34	0.34	0.33	0.48	0.40	0.40	0.42	0.40	0.50
AVERAGE	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	0.36	0.34	0.33	0.33	0.34	0.32	0.34	0.34	0.33	0.34	0.37	0.37	0.36	0.37	0.39	0.37	0.38	0.43	0.43	0.43	0.41	0.44	0.48



RISK APPETITE RATIO



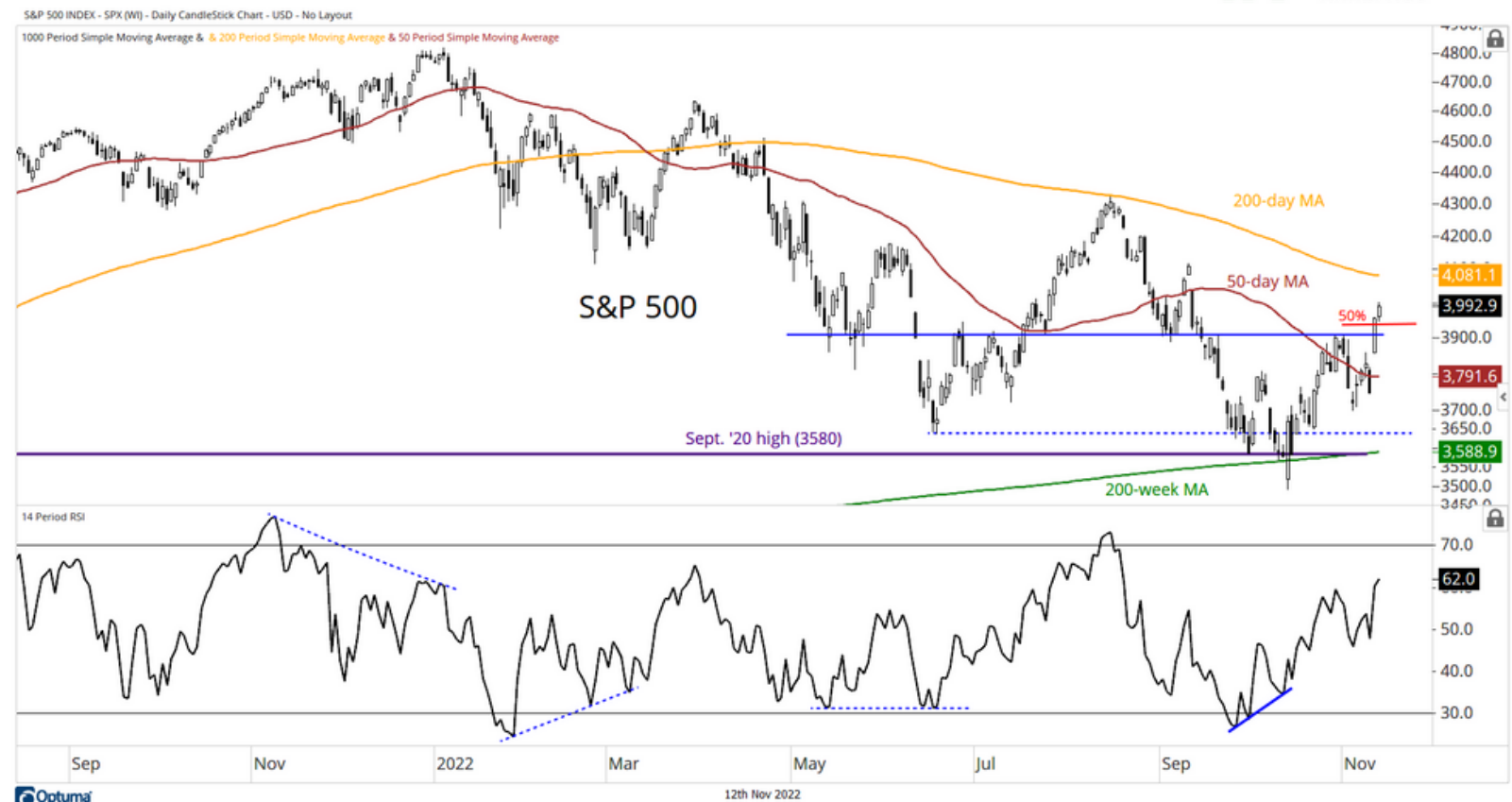
Risk Appetite has continued to improve, rising to its highest level since January. Another bullish few days could push us over the 50th Percentile, a bullish development.



EQUITIES - S&P 500 DAILY



The S&P 500 saw a strong rally on Thursday and Friday, with a big gap up following Weds. decline. The index now sits just a little over 2% from the 200-day Moving Average. While Risk Appetite has been improving, and so has breadth, it makes sense to not get too greedy as we see how price reacts to the 200-day MA and if once again traders use this level to unload supply onto the market or if we see a bullish breakout. A big source of buying pressure at the end of last week was the unwinding of shorts, which suggests we haven't seen a big come back of buyers to the market, but a good first step is the takedown of the bearish positioning. However, if we do see stocks reverse and now The Street has unloaded its hedges, they become more vulnerable to a downside break. Something to be aware of as we get close to a holiday week that likely brings lower volume but historically positive seasonality.

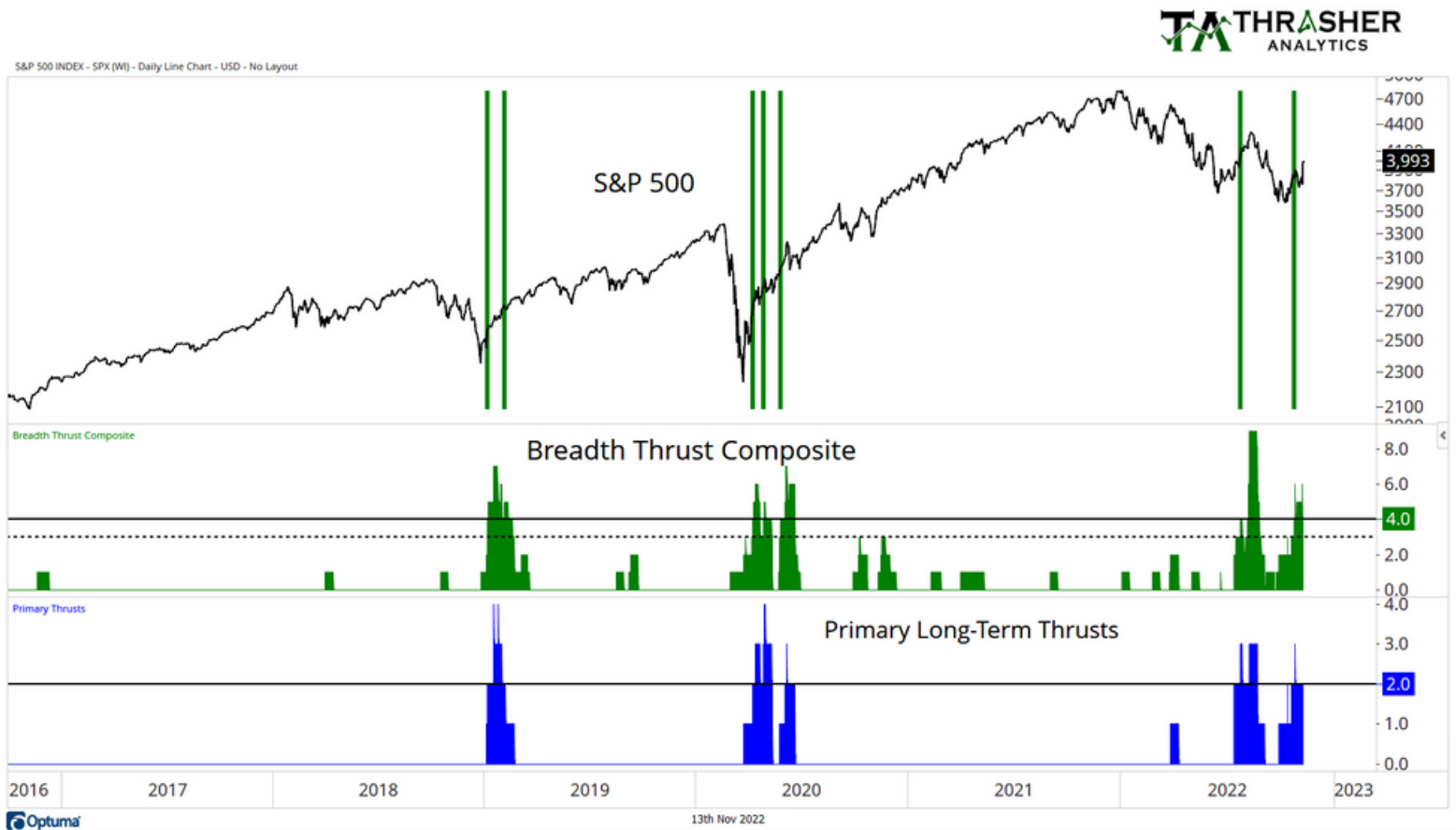


EQUITIES - BREADTH THRUSTS



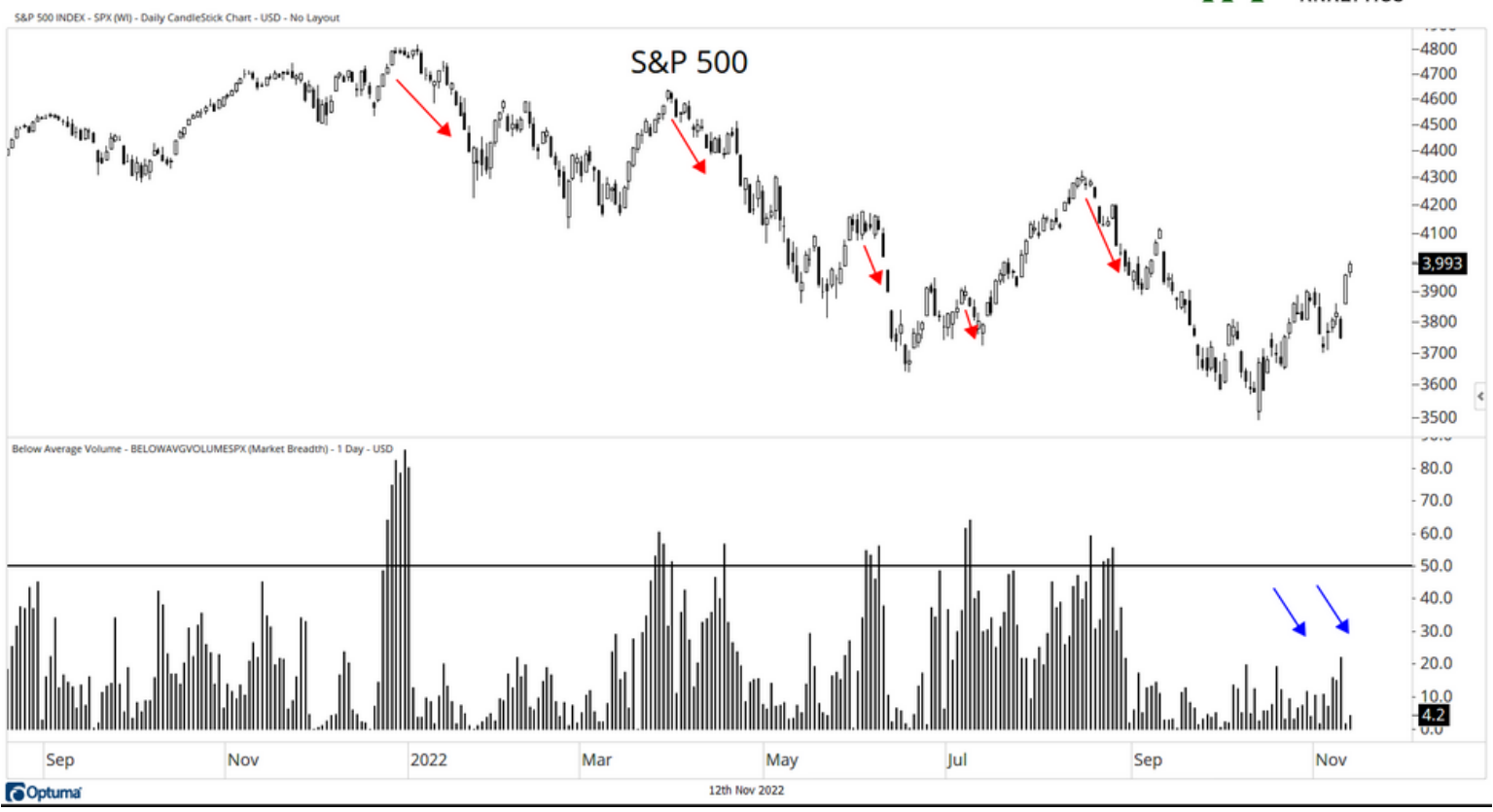
I've added an add'l section of the breadth thrust composite chart, titled Primary Long-Term Thrusts. These are the handful of thrusts that are in the original composite that have the best track record and only have the highest bar to clear to signal. The original composite is still what 'feeds' the breadth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

On Thursday, the rolling count of Breadth Thrusts hit +6, with two rolling out of the lookback window on Friday (which is why we're now at +4). The strong action over the last two days was positive for breadth as we now have just over 50% of stocks back above the 200-day MA.



EQUITY - BELOW AVERAGE VOLUME

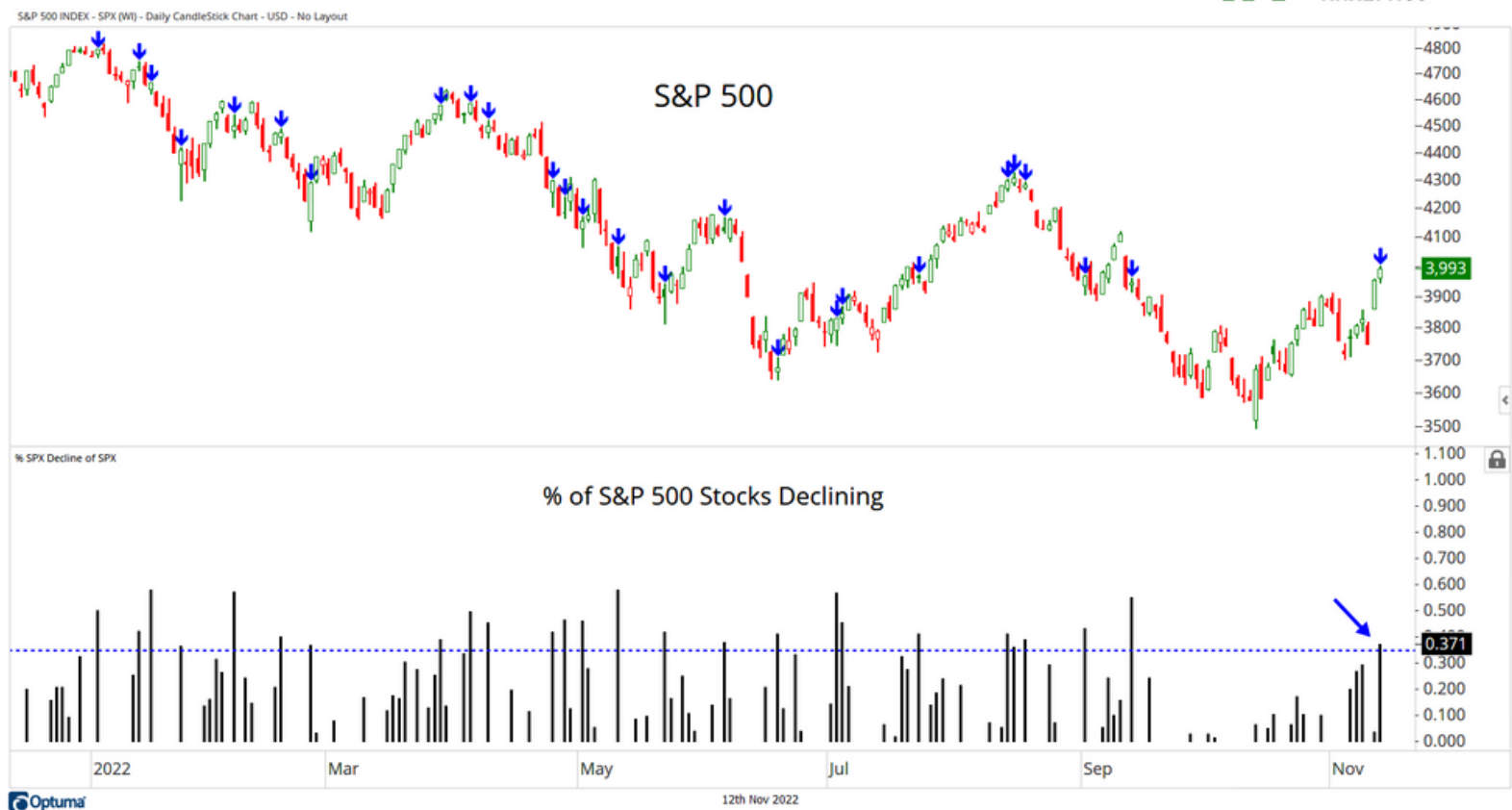
One positive to this latest short-term trend higher is that volume has been holding firm. Prior counter-trend advances have been produced on low volume which made them suspect. This time - so far - volume has been strong and we haven't had a day of over 50% of stocks trading on below average volume since the August peak.



EQUITIES - % DECLINING

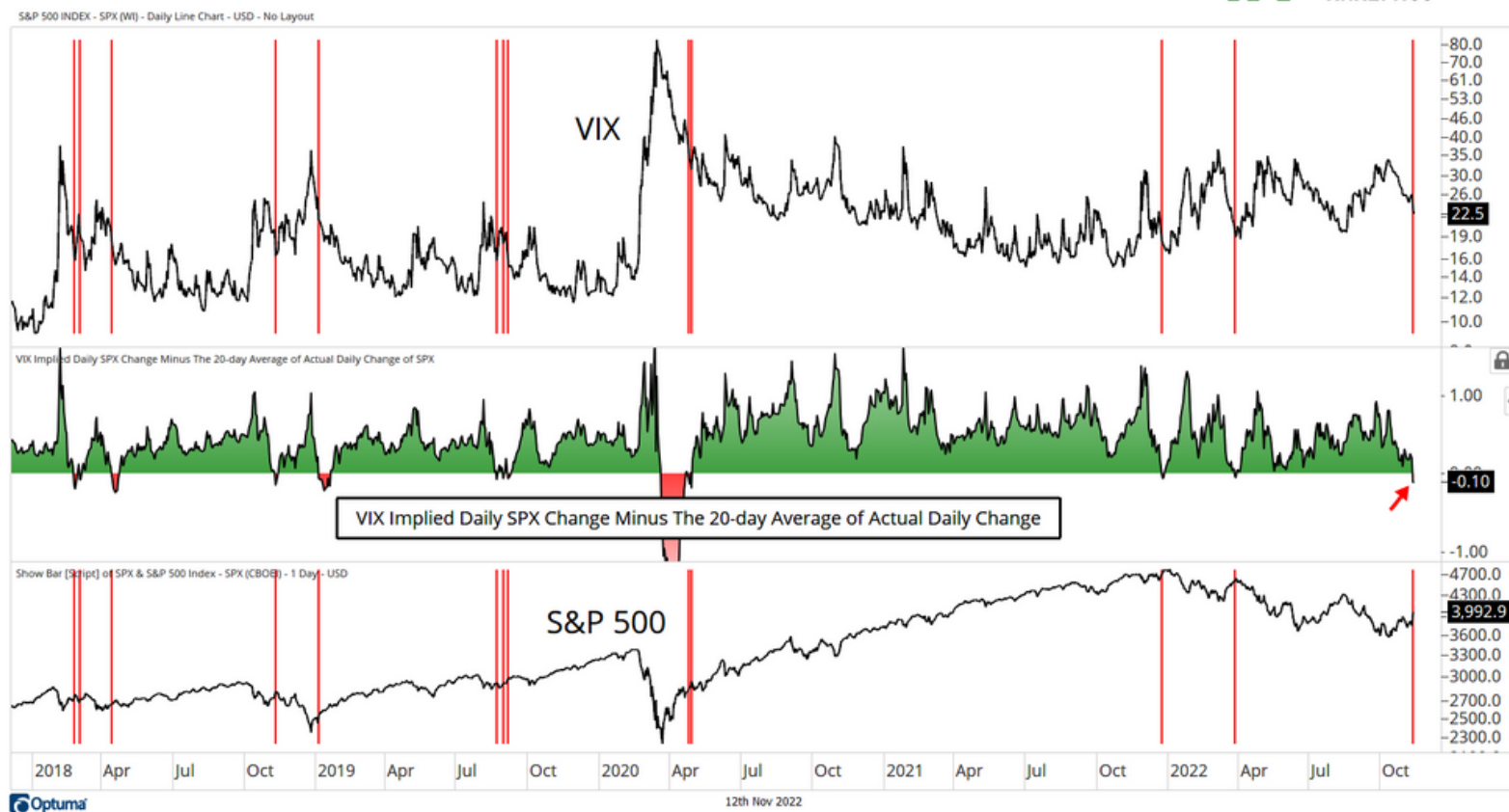


While volume has been bullish, I did notice that we had an awfully lot of stocks declining on Friday for such a strong move higher in the index. 37% of large cap stocks moved lower on Friday, which as the blue arrows show on the chart, hasn't been bullish for equities this year. Ideally, we see strong upside participation with less than 30% of stock declining on up days.



EQUITIES - VIX RELATIVE VALUE - 1

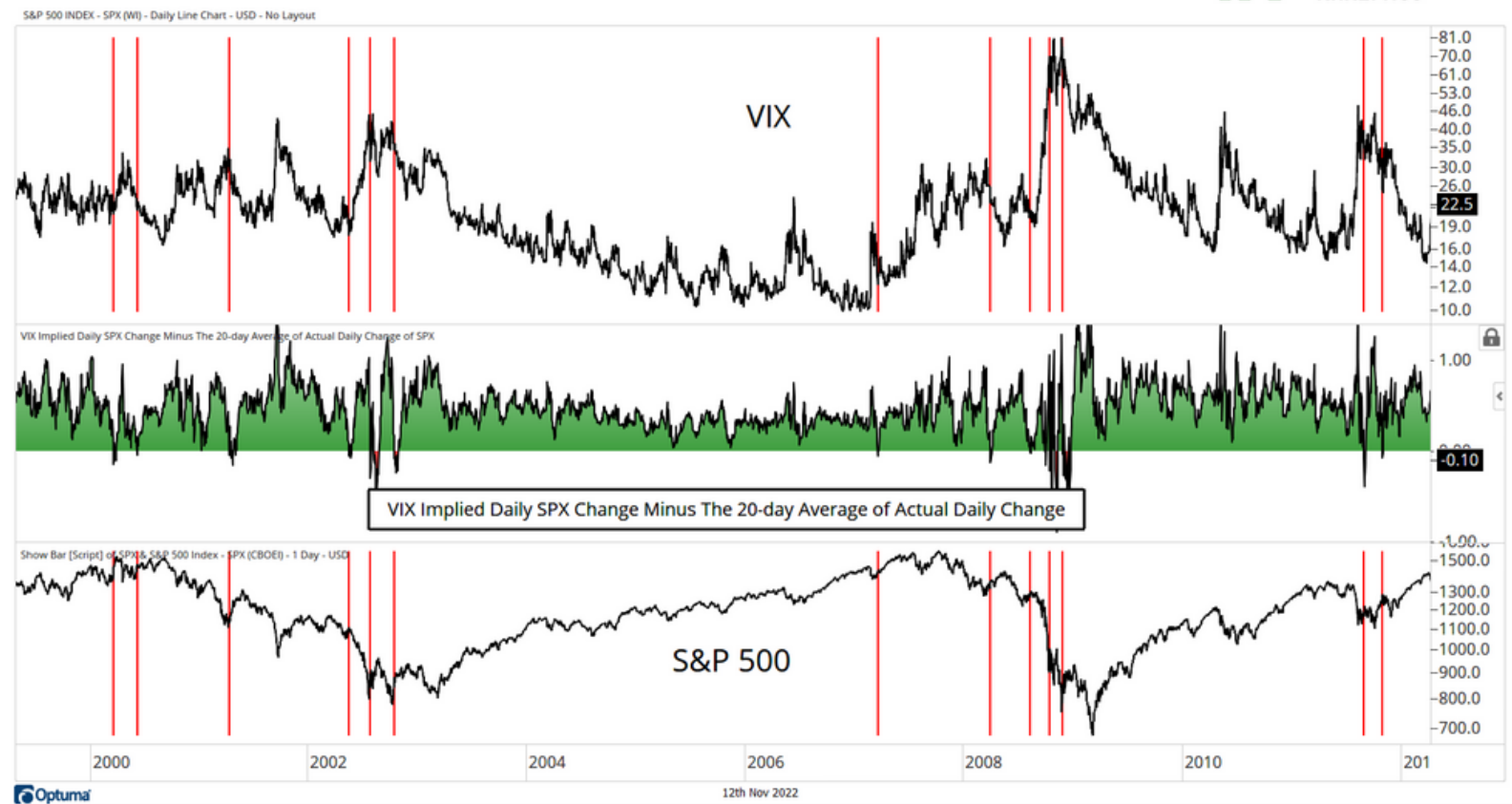
On Thursday and Friday, the VIX became "overvalued" relative to the realized volatility of the equity index. We haven't seen spot VIX below the 20-day average of daily change since April. This has both bullish and bearish implications. The prior two occurrences saw equities move lower and volatility move higher (the first of which was the peak in January). However, when we look at prior instances after stocks had already been moving lower, like in 2020 and 2018 (and more examples on the next page), the move lower in spot VIX vs. the avg 20-day change has been more a sign of confirmation a low was in for the market than a sign that VIX was ready to spike higher.



EQUITIES - VIX RELATIVE VALUE -2

Below is another look at the prior chart but for the 2002 bottom and 2008 financial crisis. The scariest example is of course in mid-2008 after equities had peaked and one of the second counter-trend rallies in stocks that was then followed by the VIX going from 20 to 80 as the market imploded in the fall of '08. This has also happened after the final low in '02 and also back in 2011 after the final low was put in for the SPX. Which do we see this time? What concerns me is the latest firming up in VVIX, which I noted has been rising. The past occurrences are too much of a mixed bag to give a definite call but in the short-term, I do think VIX has been beaten down as we saw the market de-hedge last week and throw out the volatility protection with the proverbial bathwater.

 **THRASHER**
ANALYTICS



Having looked at sector leadership and the shift from worst performers taking over as leadership, I'm not sure the same can be applied to the individual stock level. The dash-for-trash argument can be used to justify both bulls and bears (we'll look at while later in the letter) but last week's price action based on prior performance truly was amazing.

Below are three tables of market data. First, on the left is breakdown into 15 bins based on last week's performance of all S&P 500 stocks with an included column showing their performance *before* last week. Note at the best performing group averaged up nearly 21% last week alone but on average these stocks were down over 40% coming into last week. Meanwhile, the best performing group before last week was up on average 23% and was the 2nd worst performing group past week with an average of -1.43%. The second and third columns show the best and worst performing stocks for the week. Several banks noted a huge drop in short positions for many of these names in the second column as short sellers bought back the stocks, sending share soaring. This suggests we may not have actually seen a renewed bullish bias yet. While de-hedging can be viewed as a good first sign, it needs to be followed up by actual investors choosing to increase long equity exposure rather than just taking down short equity exposure.

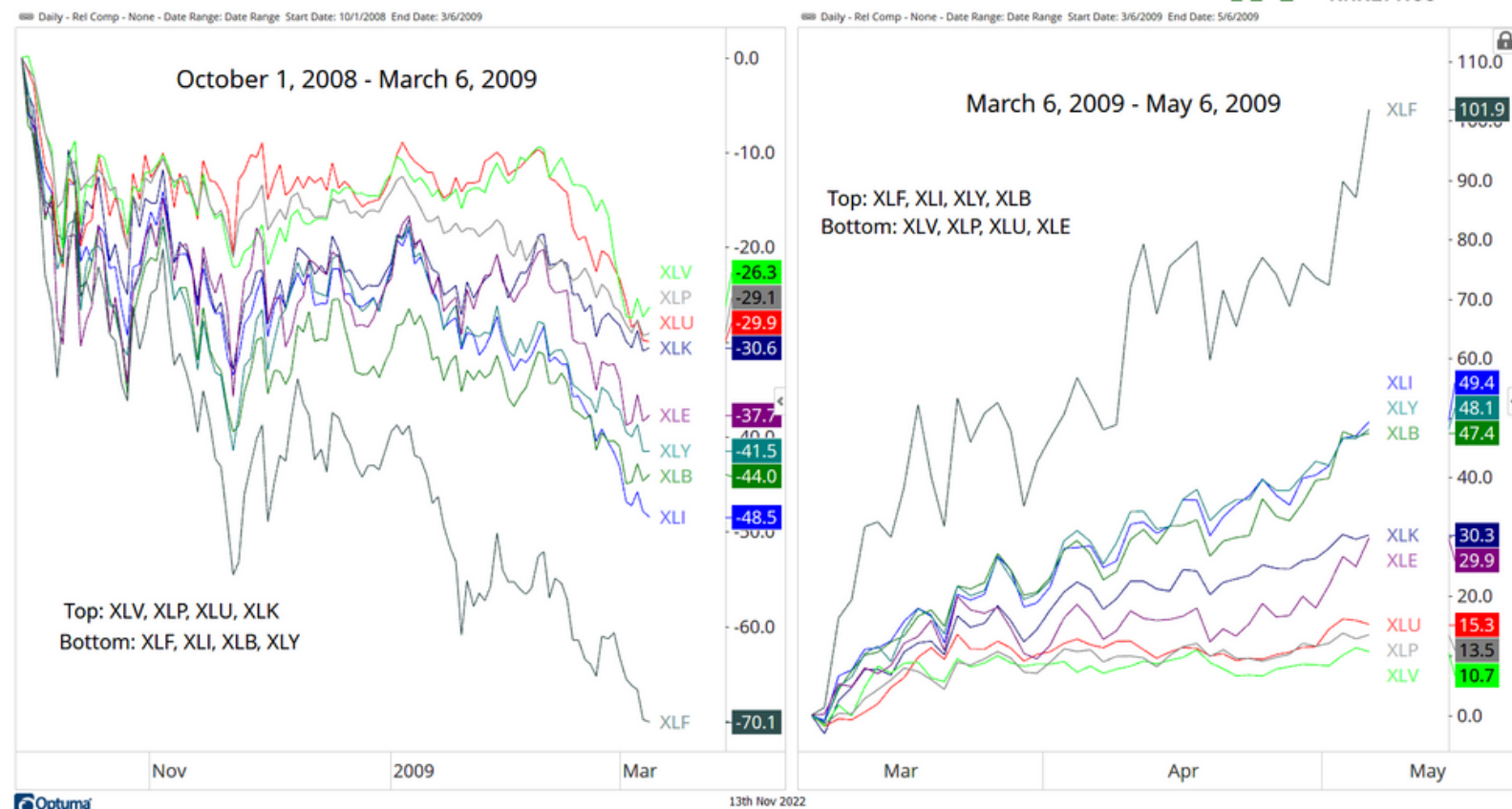


Daily - Grouped Performance - No Layout			Daily - Best Performers - No Layout			Daily - Worst Performers - No Layout		
Ticker	YTD Perf. Before This Week	Perf This Week	Ticker	YTD Perf. Before This Week	Perf This Week	Ticker	YTD Perf. Before This Week	Perf This Week
+ Perf This Week 15th Bin	AVG: -43.47%	AVG: 20.81%	SEDG	-21.94%	31.92%	CBOE	-1.61%	-10.29%
+ Perf This Week 14th Bin	AVG: -37.25%	AVG: 15.48%	TROW	-47.71%	29.67%	MCK	59.57%	-10.20%
+ Perf This Week 13th Bin	AVG: -39.86%	AVG: 12.30%	DISH	-58.85%	27.34%	D	-14.55%	-8.15%
+ Perf This Week 12th Bin	AVG: -31.24%	AVG: 10.76%	IVZ	-31.67%	25.68%	RE	21.63%	-7.34%
+ Perf This Week 11th Bin	AVG: -29.80%	AVG: 8.93%	META	-73.01%	24.49%	WRB	36.33%	-6.82%
+ Perf This Week 10th Bin	AVG: -19.57%	AVG: 7.89%	CZR	-54.41%	22.23%	HII	30.64%	-6.71%
+ Perf This Week 9th Bin	AVG: -16.45%	AVG: 6.83%	MHK	-50.60%	22.00%	ELV	13.62%	-6.70%
+ Perf This Week 8th Bin	AVG: -13.43%	AVG: 5.72%	PYPL	-60.13%	21.08%	TTWO	-38.93%	-5.79%
+ Perf This Week 7th Bin	AVG: -9.75%	AVG: 4.59%	MKTX	-43.11%	21.07%	NOC	35.06%	-5.75%
+ Perf This Week 6th Bin	AVG: 1.65%	AVG: 3.62%	ALGN	-72.47%	21.03%	CI	40.28%	-5.68%
+ Perf This Week 5th Bin	AVG: -2.73%	AVG: 2.69%	PARA	-48.41%	20.81%	TSLA	-41.10%	-5.54%
+ Perf This Week 4th Bin	AVG: 5.14%	AVG: 1.61%	AMAT	-41.73%	20.53%	CAH	54.44%	-5.34%
+ Perf This Week 3rd Bin	AVG: 3.50%	AVG: 0.32%	CE	-45.29%	20.25%	ABC	21.63%	-5.34%
+ Perf This Week 2nd Bin	AVG: 23.20%	AVG: -1.43%	POOL	-48.30%	20.07%	EVRG	-8.76%	-5.13%
+ Perf This Week 1st Bin	AVG: 11.30%	AVG: -4.93%	MCO	-33.70%	19.85%	DIS	-35.71%	-4.59%
Type Code or Name to add an item to the watchlist			COO	-35.40%	19.84%	SJM	9.98%	-4.53%
			SNPS	-24.95%	19.82%	HSY	18.38%	-4.43%
			MTCH	-67.47%	19.57%	HUM	19.01%	-4.26%
			ANSS	-46.67%	19.54%	LW	34.84%	-4.24%
			ADBE	-49.61%	19.39%	MOH	3.92%	-3.95%
			LRCX	-41.66%	19.37%	CAG	5.36%	-3.95%
			FTNT	-34.47%	19.17%	GL	21.63%	-3.75%
			EFX	-44.30%	18.95%	LMT	35.53%	-3.70%
			KMX	-51.79%	18.78%	CPB	16.96%	-3.66%
			ON	-6.96%	18.77%	PCG	26.11%	-3.59%
			MCHP	-26.65%	18.74%	BMY	26.35%	-3.58%
			IDXX	-43.54%	18.69%	JKHY	8.07%	-3.31%

EQUITIES - SECTOR LEADERSHIP 1

The next three pages I'm going to look at sector leadership. We can use what sectors are leading to gain insight into the probability of a final low having been made, looking at the March 2009 and October 2002 lows compared to today.

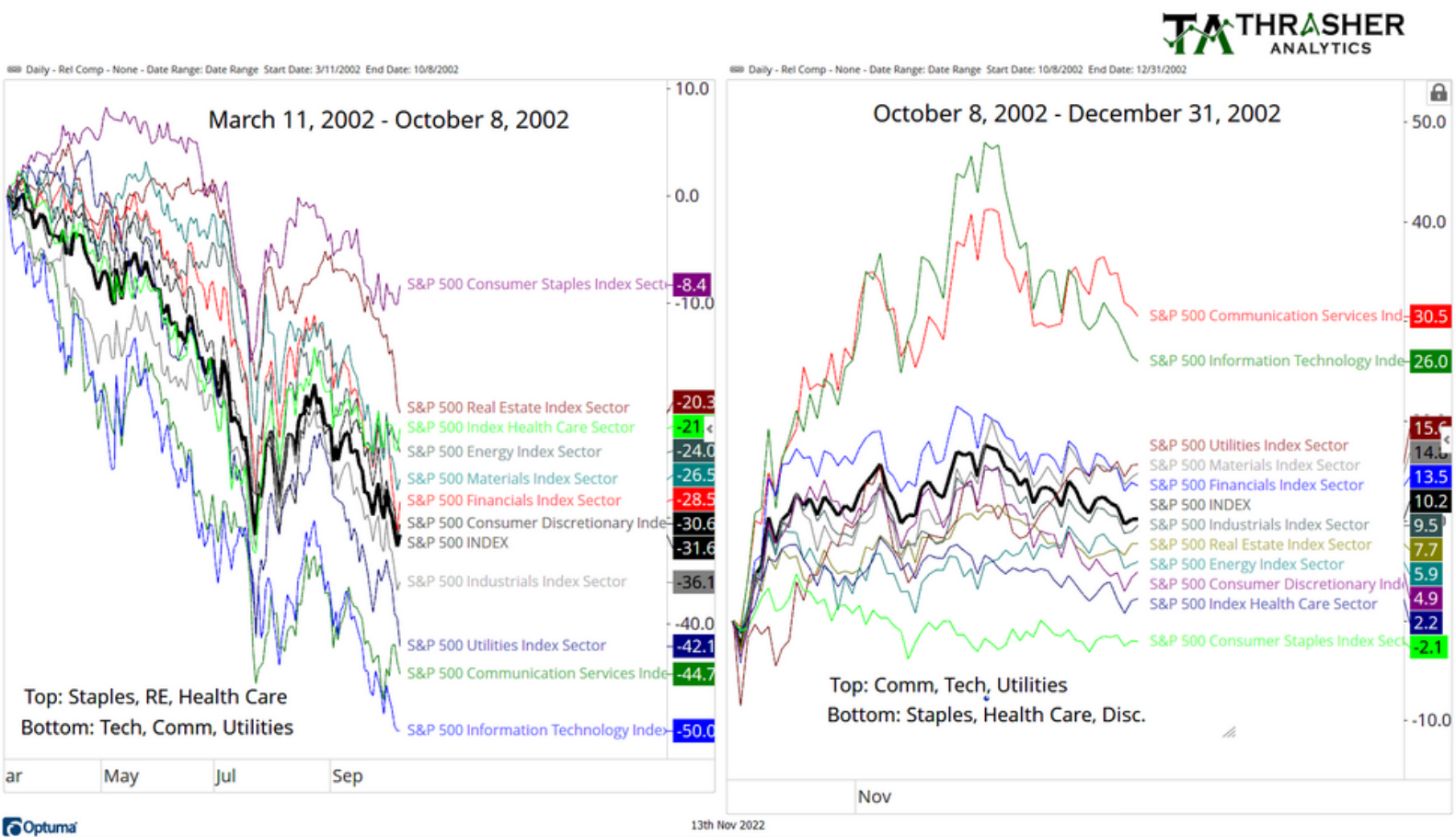
First, let's look at the Financial Crisis. We have on the left the sectors from October '08 until the March 6th bottom in the S&P 500 and then on the right we have the next three months after the low. Notice that the worst performers going into the final low were the strongest performers when the market turned. Financials, Industrials, Consumer Disc. and Materials went from bottom of the barrel to king of the hill once the market had bottomed out. Meanwhile, the star performers of health care, utilities, staples, and tech were the biggest laggards after March 6th.



EQUITIES - SECTOR LEADERSHIP 2

Now we have the bottom in 2002. I've switched from the ETFs to the indices since the ETFs didn't all have history back in 2002. Once again, we can see the worst performers (tech, communications, utilities) were the best performers after the market bottomed and the best became the worst (staples, health care).

We often see what lead us into the low doesn't lead out us on the way up. Next, we'll take a look at the current market.



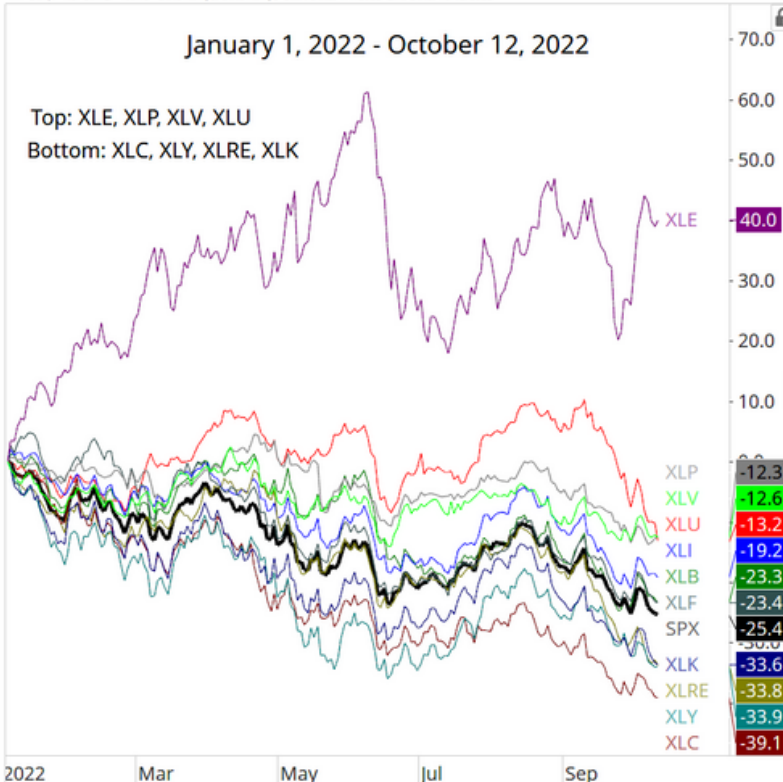
EQUITIES - SECTOR LEADERSHIP 3

Below we have the sector ETFs for this year until the S&P 500 low in October and then from that low until Friday. Leadership into October had been Energy, Staples, Health Care, and Utilities. The worst performers were Communications, Consumer Disc. Real Estate, and Tech. Since that mid-October low, the strongest sectors have been Materials, Financials, Industrials and still Energy. So far, this isn't fitting the historical precedent of sector leadership rotation we've seen at prior major lows.

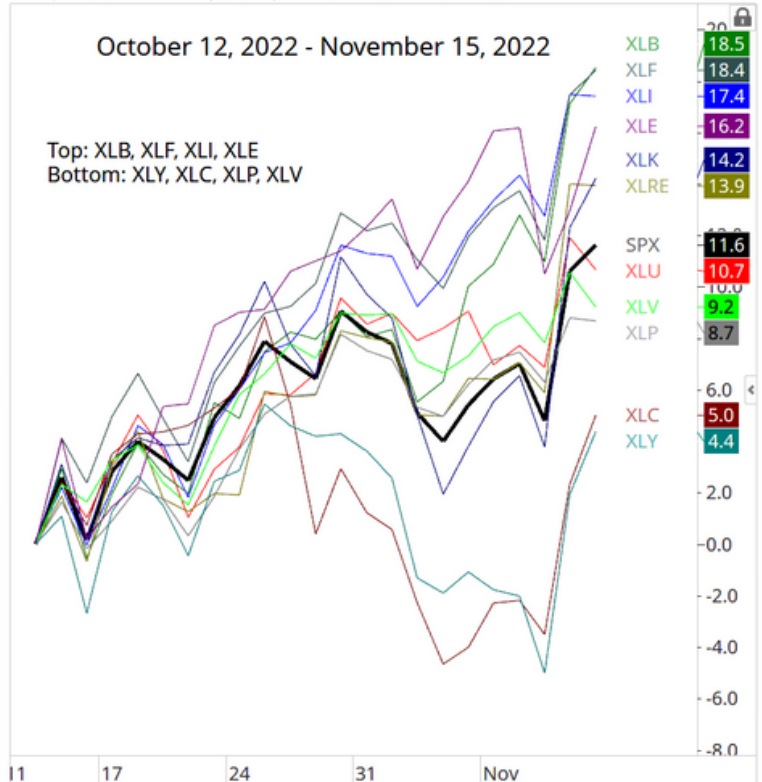
The strongest sectors since October 12th were also sectors that were outperforming going into the low and the worst performers into the low are still the laggards today (communications, consumer disc.). While it's very possible we see this change if the market continues higher and consumer disc and communications improve. It is encouraging to see tech and real estate have been outperforming since October 12th even though they aren't in the top 4 best performing sectors.



Daily - Rel Comp - None - Date Range: Date Range Start Date: 1/1/2022 End Date: 10/12/2022



Daily - Rel Comp - None - Date Range: Date Range Start Date: 10/12/2022 End Date: 11/15/2022



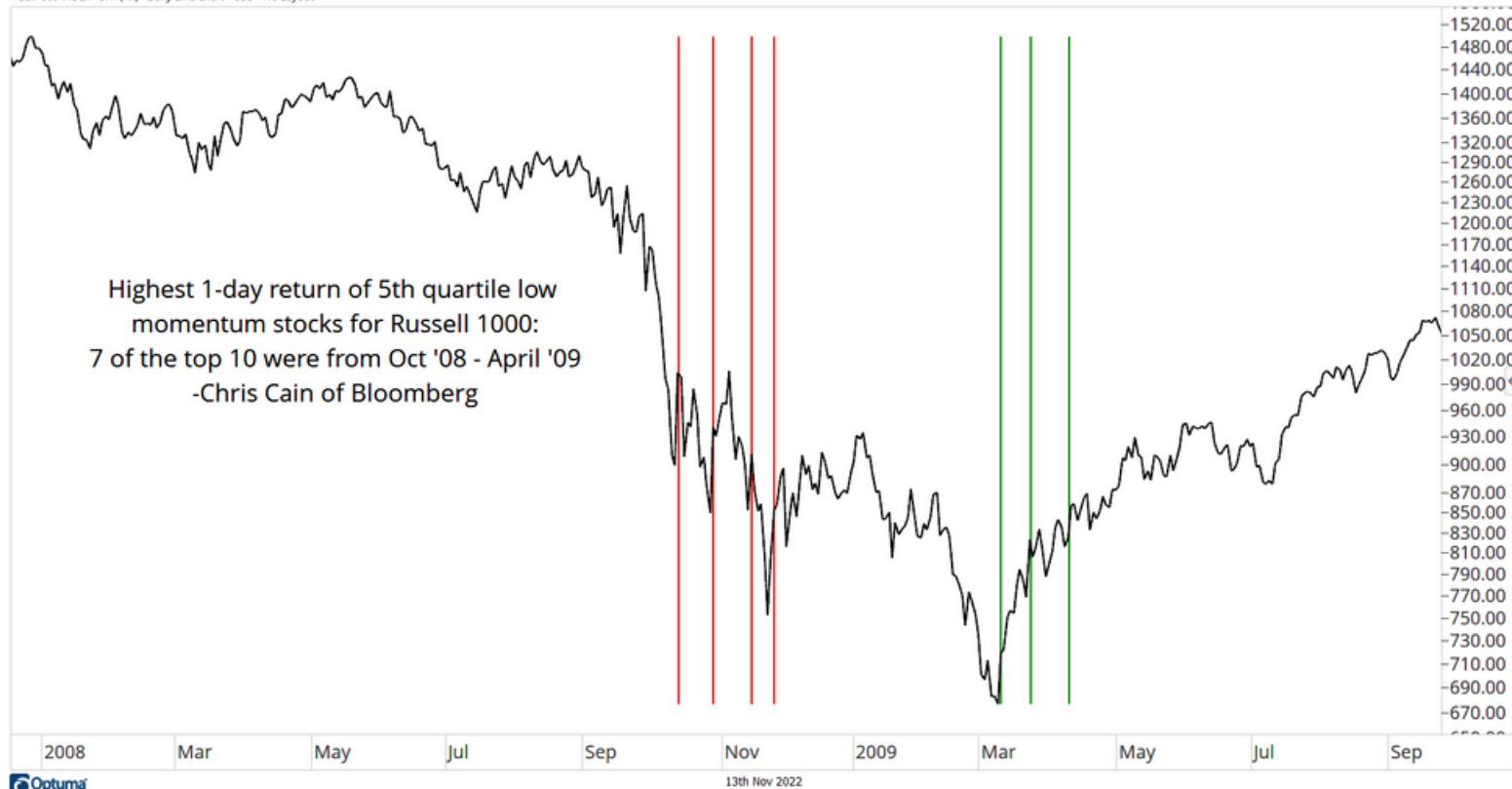
EQUITIES - DASH FOR TRASH



I noted previously that the strong price action on Thursday and Friday was heavily driven by de-hedging following the CPI print as traders took down their short exposure, driving markets higher. Chris Cain of Bloomberg shared an interesting stat, that Thursday topped the list of the strongest 1-day return for the 5th quartile low momentum stocks (meaning the stocks with the strongest downside momentum - the losers). The other dates on the list are from 2020 and the Financial Crisis. Focusing more on the 08-09 period (as the Covid Crash was anything but normal) I've marked each instance with a vertical line. There was a group of dash-for-trash days during brief relief rallies and then three instances following the final March '09 low. This suggests that dash-for-trash days can occur within and after a down trending market. I share this to point out that if you see either bulls or bears justify their position based on the dash-for-trash' then they are both right - and both wrong. The sample size is small but can fit in either side's argument.



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



SECTOR PERFORMANCE



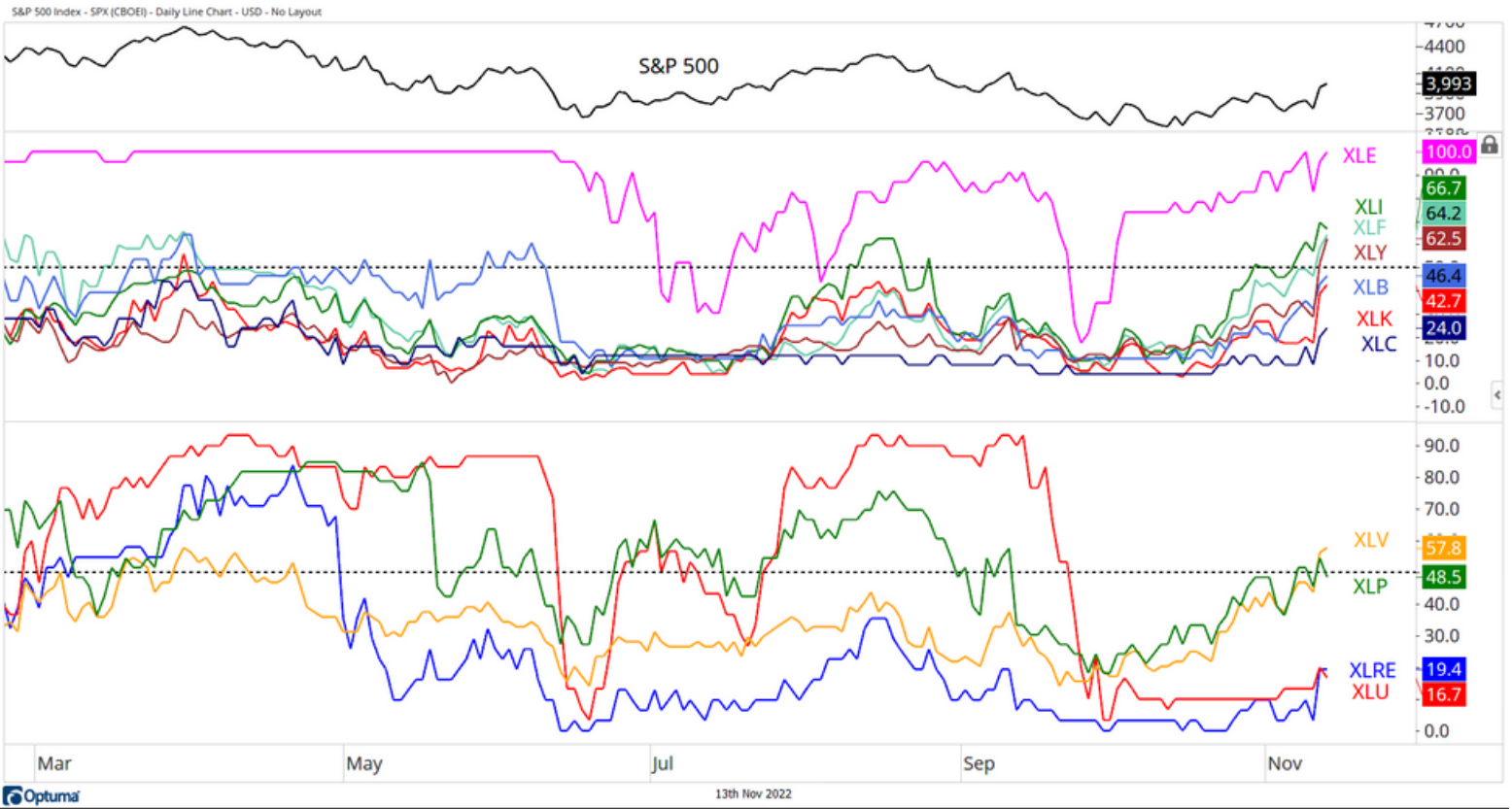
Daily - Watch List - No Layout

- Ticker	Name	2022	YTD Rel% to SPX	1W %	1M %	3M %	6M %	% from 52Wk High	% from 52Wk Low	% From 20MA	% From 50MA	% From 200MA	
- Index		AVG: 1.71%						AVG: 16.90%		AVG: 15.52%		AVG: 6.64%	
DJI	Dow Jones Industrial Average	-7.13%	10.86%	4.15%	15.42%	1.23%	6.01%	8.67%	17.75%	5.38%	8.92%	3.71%	
SML	S&P SmallCap 600 Index	-12.09%	4.93%	5.19%	12.39%	-2.55%	7.39%	15.76%	16.47%	5.76%	8.08%	1.47%	
MID	S&P Midcap 400 Index	-10.90%	6.35%	5.25%	11.76%	-1.69%	7.84%	13.40%	15.84%	6.03%	7.55%	2.21%	
SPX	S&P 500 INDEX	-16.22%	0.00%	5.90%	11.26%	-5.09%	1.47%	17.14%	14.36%	5.05%	5.31%	-2.16%	
NDY	NASDAQ 100 Index	-27.59%	-13.57%	8.84%	9.50%	-11.10%	-1.26%	29.51%	13.18%	5.36%	3.32%	-7.19%	
- Sectors		AVG: 10.15%						AVG: 16.91%		AVG: 21.42%		AVG: 5.77%	
XLF	SPDR Financial Select Sector Fund ETF	-8.14%	9.65%	5.78%	18.15%	2.46%	7.72%	13.98%	21.22%	7.31%	10.06%	3.31%	
XLB	SPDR Materials Select Sector Fund ETF	-10.33%	7.04%	7.73%	17.63%	2.05%	-0.17%	11.98%	21.54%	9.63%	11.75%	2.20%	
XLE	SPDR Energy Select Sector Fund ETF	67.80%	100.30%	1.87%	17.17%	19.58%	19.74%	0.51%	80.27%	5.22%	13.40%	19.73%	
XLI	SPDR Industrial Select Sector Fund ETF	-5.94%	12.28%	4.69%	16.49%	1.19%	8.47%	7.74%	20.28%	7.29%	10.56%	5.46%	
XLK	SPDR Technology Select Sector Fund ETF	-23.43%	-8.60%	10.04%	13.87%	-9.84%	0.21%	24.80%	17.85%	6.89%	6.01%	-4.50%	
XLRE	SPDR Real Estate Select Sector Fund ETF	-25.23%	-10.75%	7.05%	12.42%	-13.49%	-7.17%	25.74%	16.95%	7.51%	3.94%	-9.43%	
XLP	SPDR Consumer Staples Select Sector Fund ETF	-4.66%	13.81%	2.32%	9.26%	-1.79%	-3.05%	9.61%	11.10%	3.25%	4.39%	-0.25%	
XLV	SPDR Health Care Select Sector Fund ETF	-5.51%	12.79%	1.77%	8.68%	0.91%	5.63%	7.17%	12.11%	2.29%	4.81%	2.31%	
XLU	SPDR Utilities Select Sector Fund ETF	-4.89%	13.53%	1.48%	6.98%	-9.82%	-4.53%	12.96%	12.81%	3.69%	-0.69%	-4.06%	
XLC	SPDR Communication Services Select Sector ETF	-35.61%	-23.14%	9.41%	4.89%	-14.52%	-12.31%	38.93%	11.50%	3.17%	0.33%	-14.72%	
XLY	SPDR Consumer Discretionary Select Sector Fund	-29.03%	-15.29%	5.52%	4.65%	-12.68%	-0.32%	32.54%	10.00%	2.93%	-1.05%	-9.02%	

SECTOR - BREADTH 200-MA



Energy moved back to having 100% of stocks above the 200-day MA and is joined now by XLI, XLF, XLY, and XLV with more than 50% above the long-term average.



DAILY SENTIMENT INDEX



Daily - Watch List - No Layout

Code	% Bullish ^	5-day MA	History
Bitcoin DSI	13	15	
Coffee DSI	16	13	
EuroDollar DSI	19	16	
10Y DSI	26	19	
Wheat DSI	27	26	
5YR DSI	27	19	
VIX DSI	33	38	
Natural Gas DSI	34	40	
Australian Dollar DSI	35	26	
Nasdaq DSI	36	25	
SPX DSI	37	27	
Lumber DSI	40	40	
Corn DSI	40	44	
Palladium DSI	41	30	
Yen DSI	43	28	
British Pound DSI	44	32	
CRB Index DSI	45	40	
US Dollar DSI	47	63	
Swiss Franc DSI	50	33	

Daily - Watch List - No Layout

Code	% Bullish ^	5-day MA	History
Cocoa DSI	50	48	
Euro DSI	51	35	
Nikkei DSI	56	46	
Gold DSI	57	43	
Silver DSI	60	51	
Platinum DSI	60	53	
Soybean DSI	61	59	
Cotton DSI	61	57	
Lean Hog DSI	63	62	
Heating Oil DSI	64	65	
Crude Oil DSI	66	62	
Orange Juice DSI	71	82	
Gasoline DSI	72	70	
Cattle DSI	72	73	
New Zealand Dollar DSI	74	58	
Copper DSI	74	55	
Sugar DSI	79	72	
Mexican Peso DSI	85	87	

Type Code or Name to add an item to the watchlist

Source: trade-futures.com

DAILY SENTIMENT INDEX



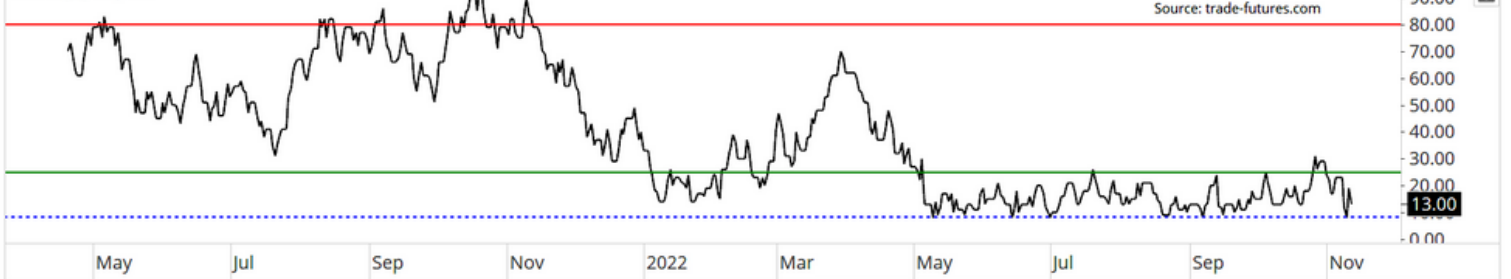
DAILY SENTIMENT INDEX



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



Bitcoin DSI (DSI) - 1 Day - USD

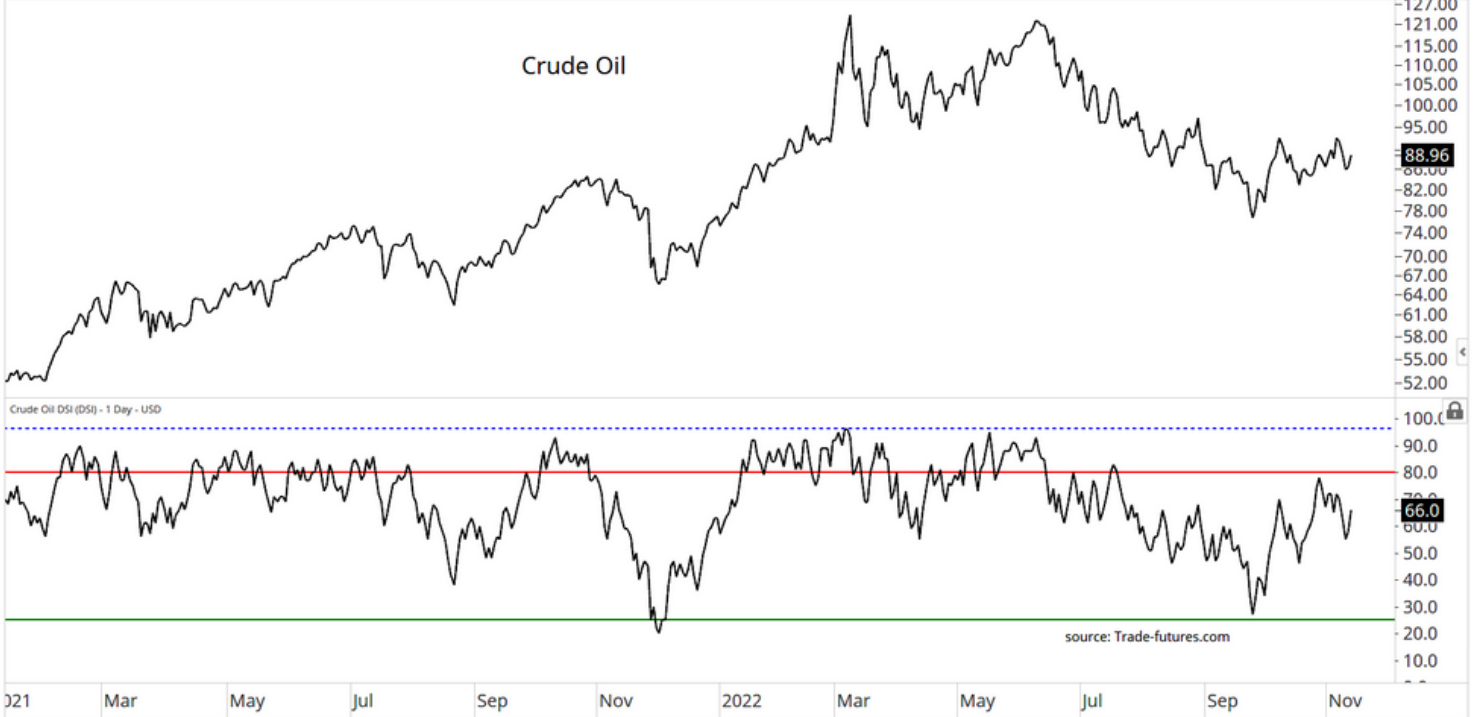


13th Nov 2022

DAILY SENTIMENT INDEX



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



13th Nov 2022

DAILY SENTIMENT INDEX



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

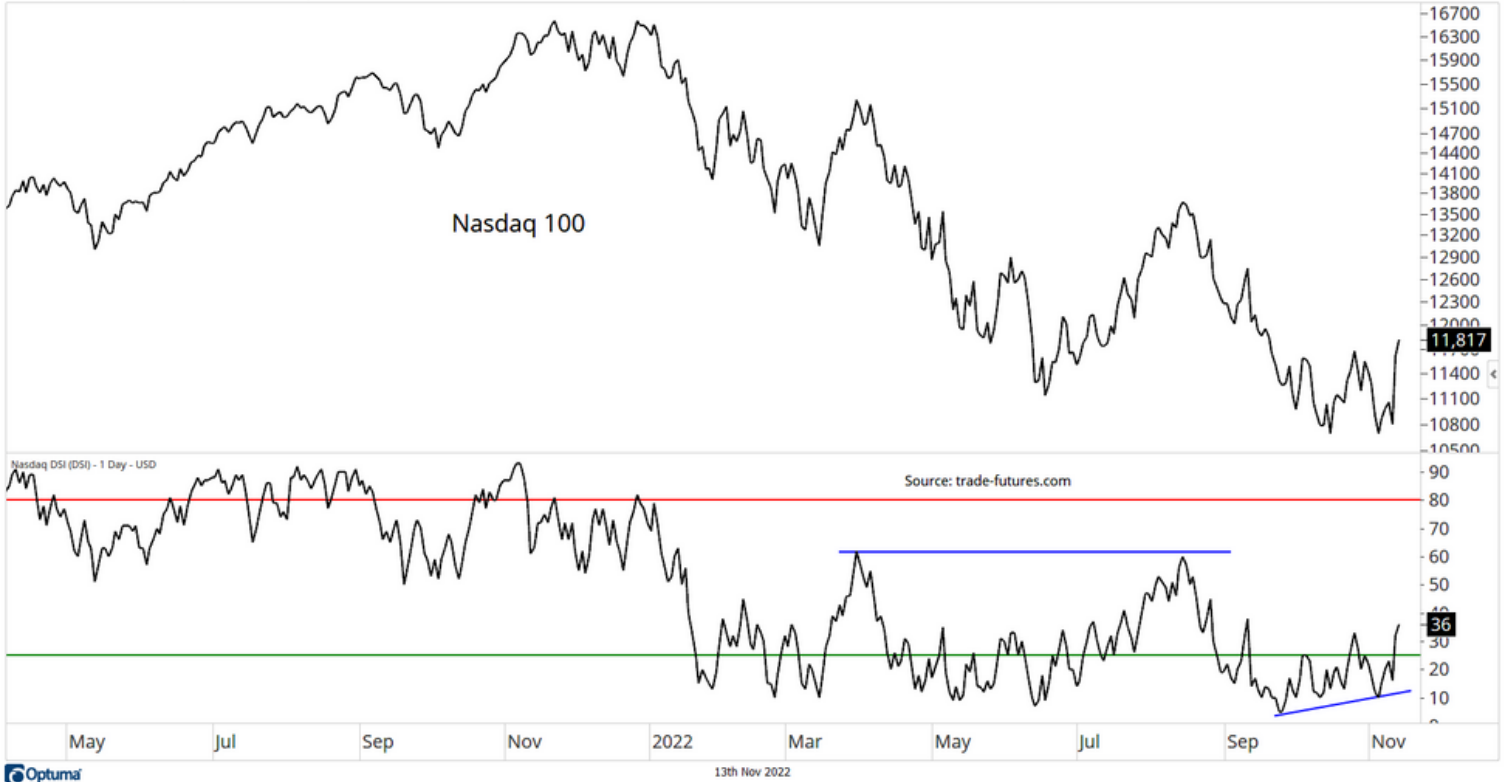


13th Nov 2022

DAILY SENTIMENT INDEX



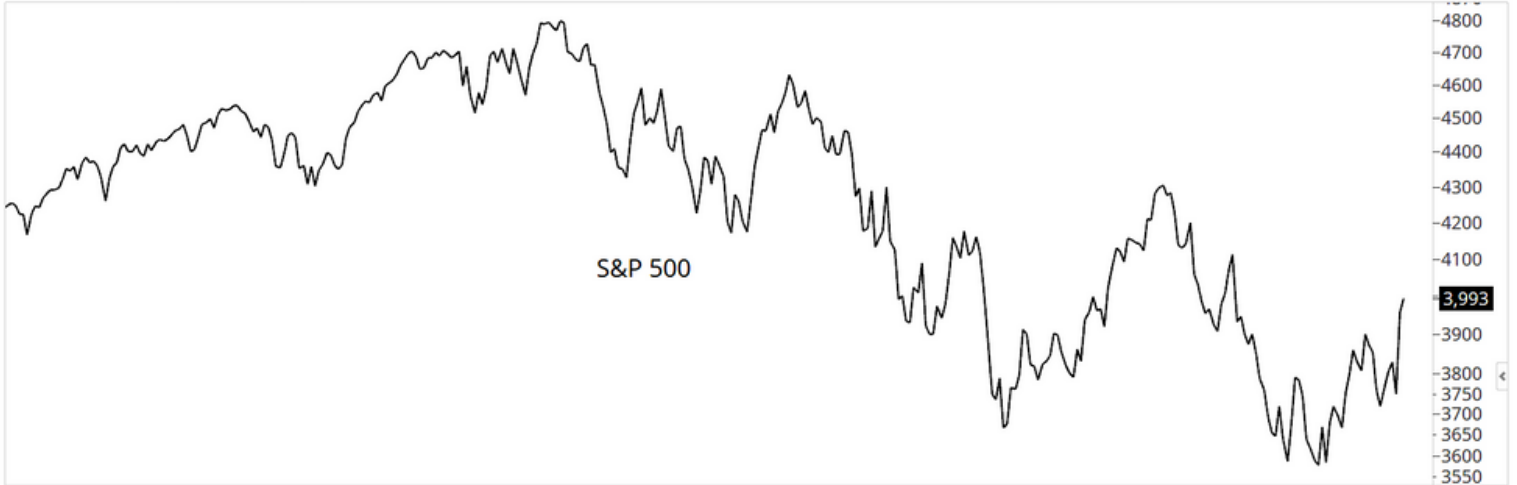
NASDAQ 100 Index - NDY (W) - Daily Line Chart - USD - No Layout



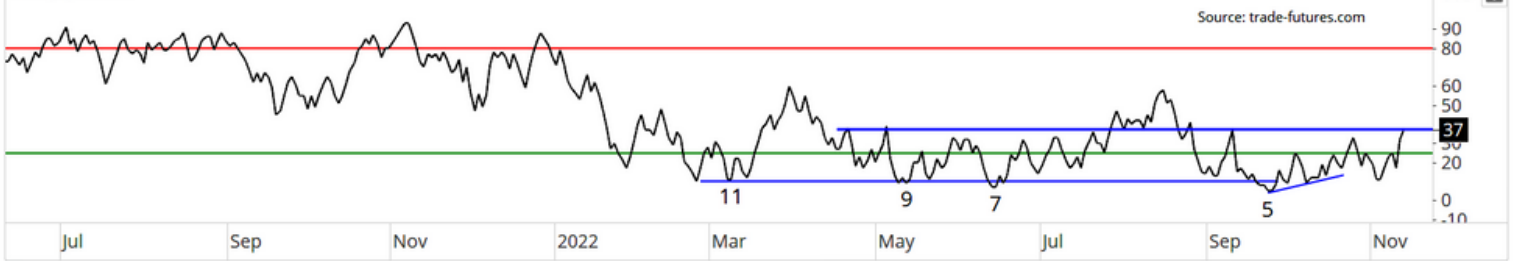
DAILY SENTIMENT INDEX



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



SPX DSI (DSI) - Line Chart



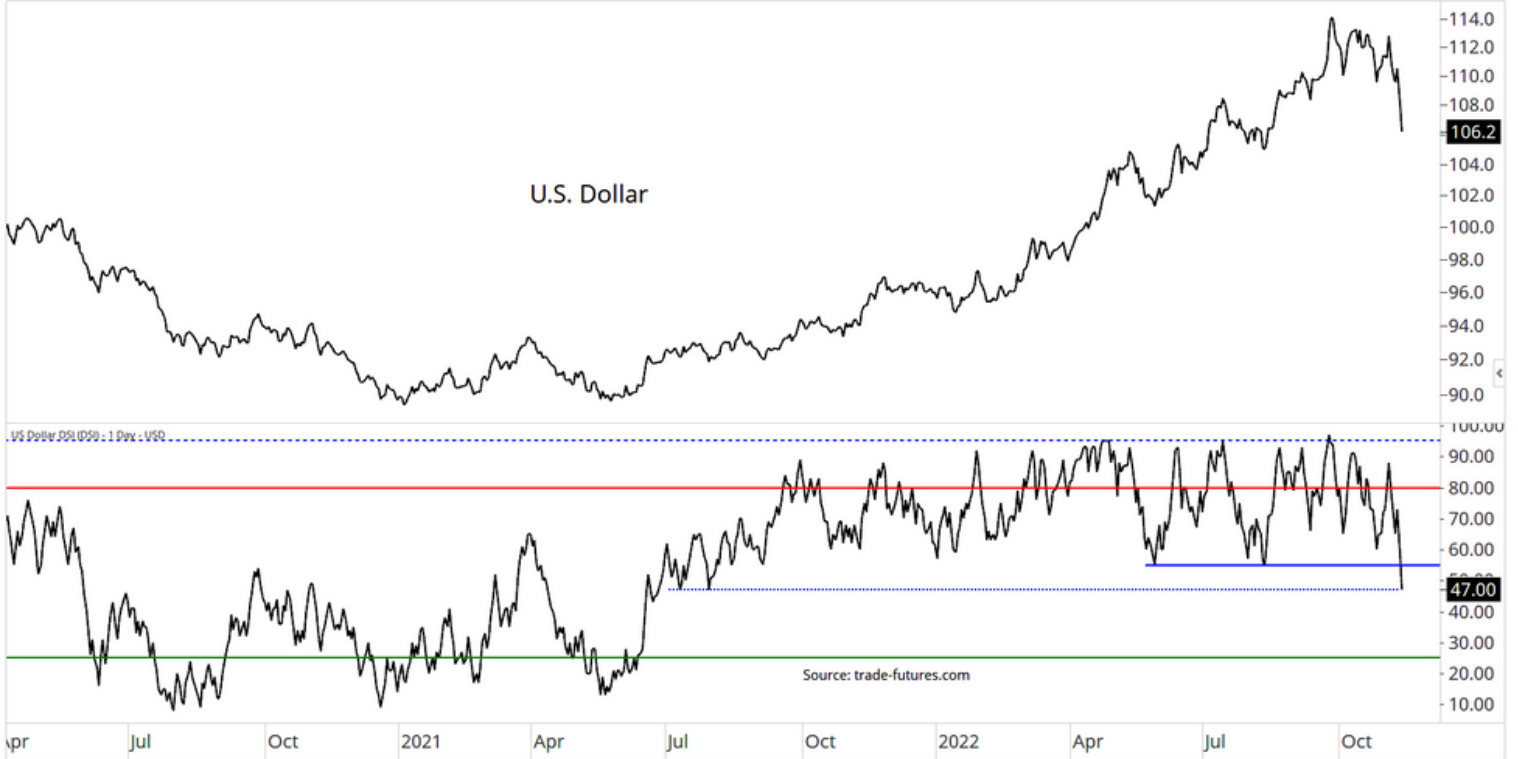
Optima

13th Nov 2022

DAILY SENTIMENT INDEX



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

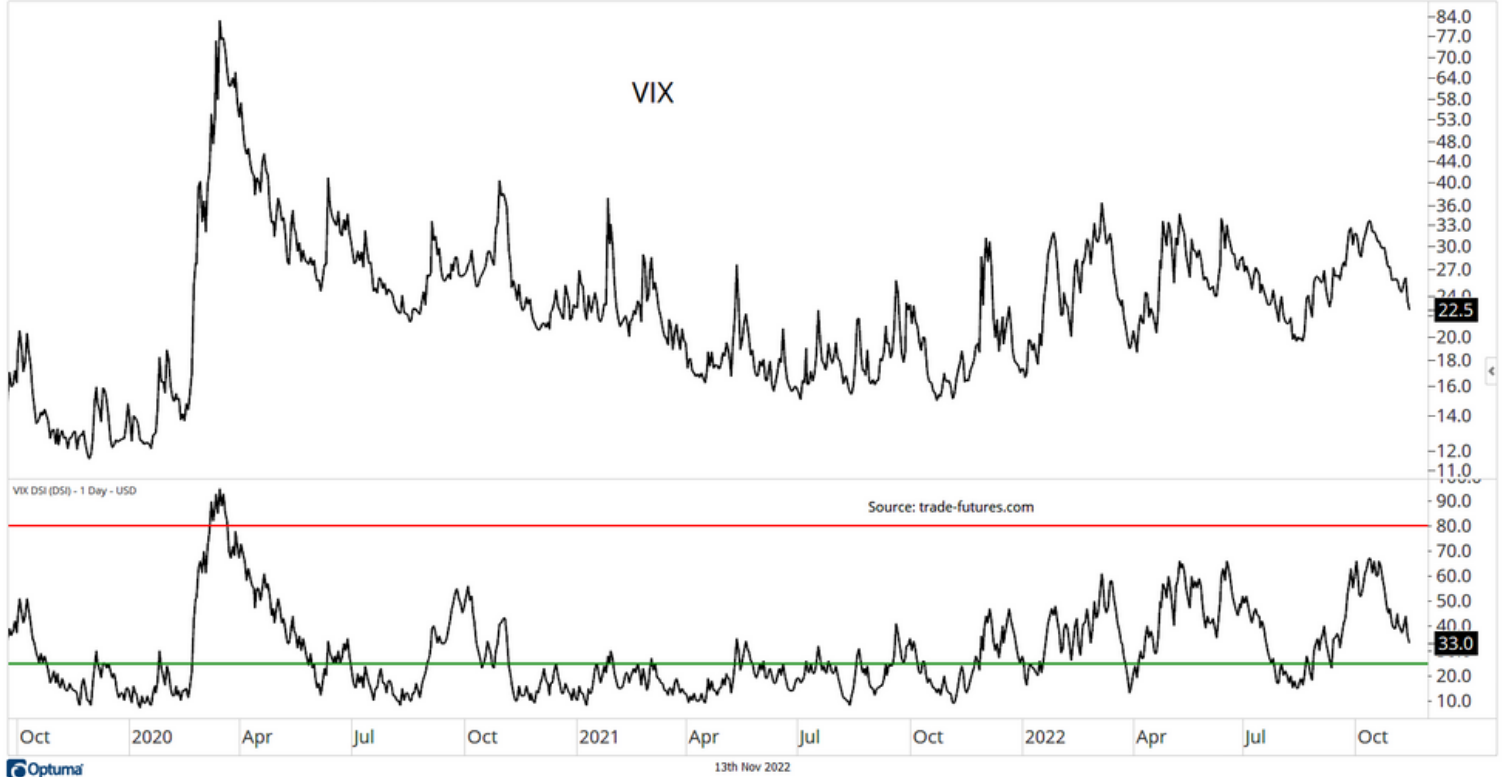


13th Nov 2022

DAILY SENTIMENT INDEX



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



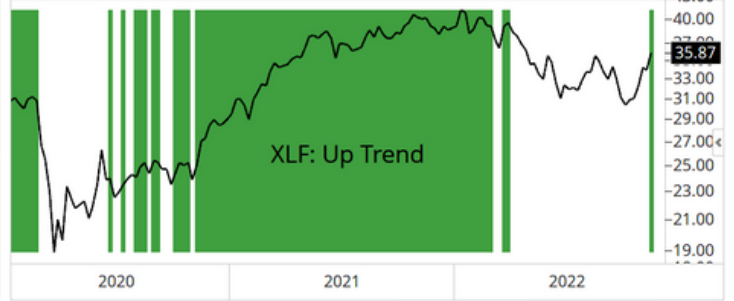
TREND MODELS



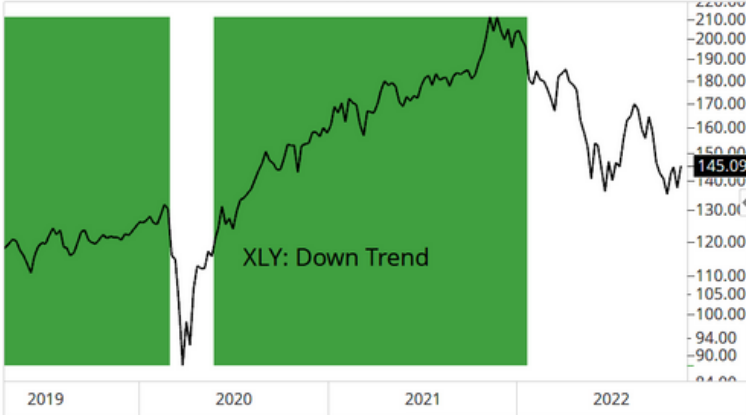
S&P 500 INDEX - SPX (W) - Weekly Line Chart - USD - No Layout



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

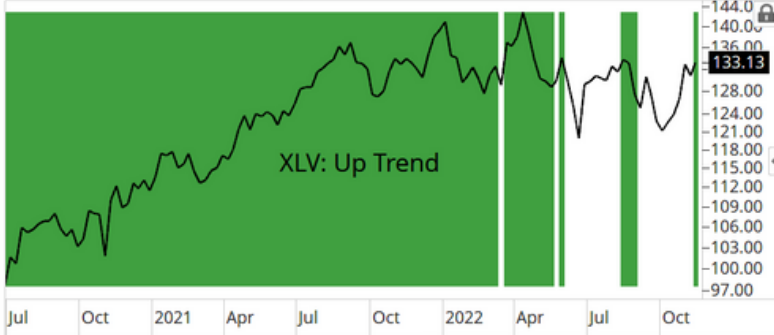


19th Nov 2022

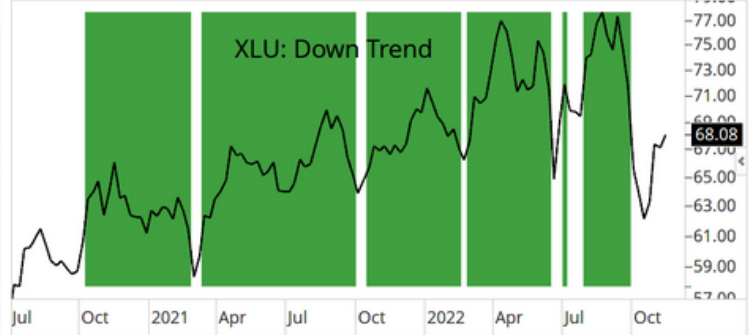
TREND MODELS



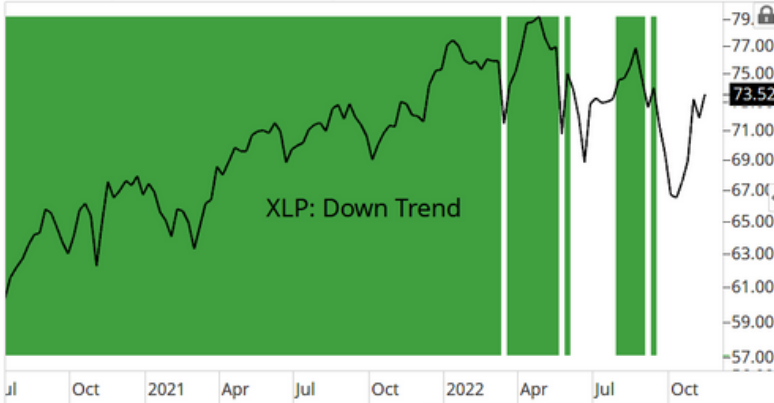
SPDR Health Care Select Sector Fund ETF - XLV (US) - Weekly Line Chart - USD - Price Returns - No Layout



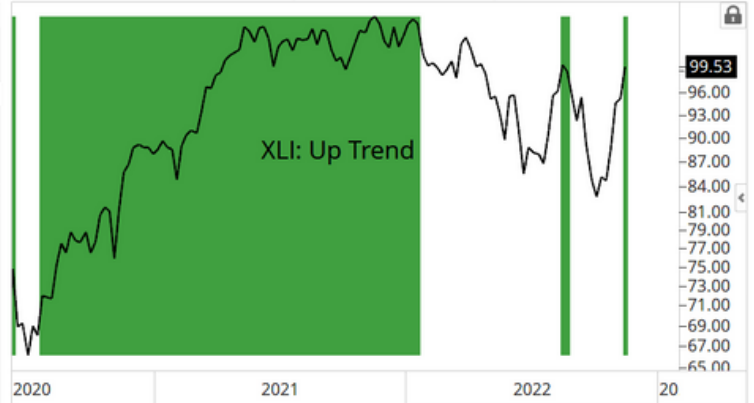
SPDR Utilities Select Sector Fund ETF - XLU (US) - Weekly Line Chart - USD - Price Returns - No Layout



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



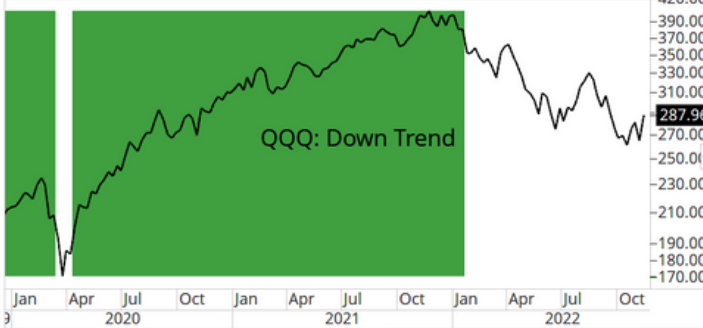
SPDR Industrial Select Sector Fund ETF - XLI (US) - Weekly Line Chart - USD - Price Returns - No Layout



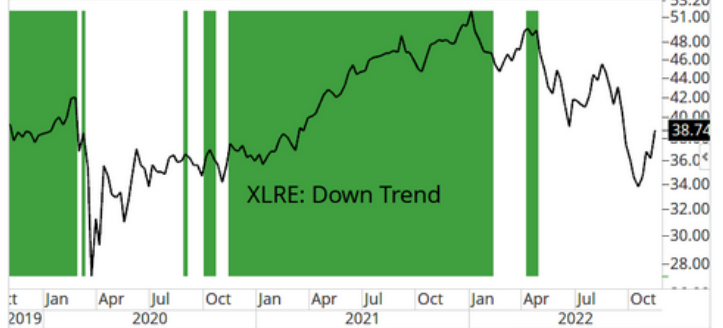
TREND MODELS



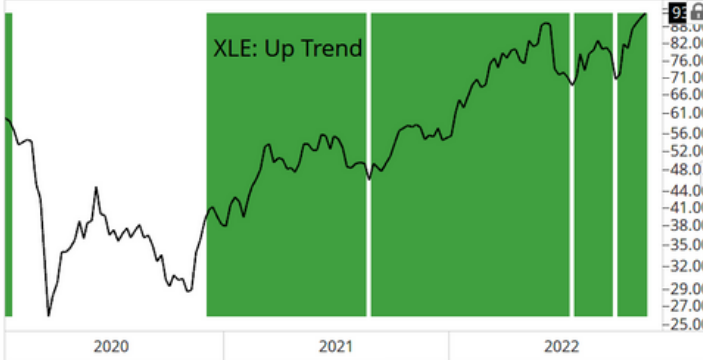
Invesco QQQ Trust - QQQ (US) - Weekly Line Chart - USD - Price Returns - No Layout



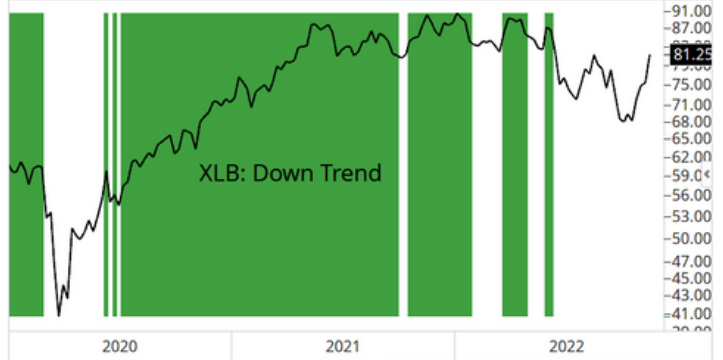
SPDR Real Estate Select Sector Fund ETF - XLRE (US) - Weekly Line Chart - USD - Price Returns - No Layout



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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