

TA THRASHER ANALYTICS

JANUARY 8, 2023



WEEKLY RESEARCH & ANALYSIS

BY ANDREW THRASHER, CMT

SUMMARY OF MODELS

	Current	Wkly Change
Maestro Model	-6	Decreasing
Volatility Risk Trigger	48	Increasing
Risk Appetite Ratios	0.49	Increasing
S&P 500 Long-Term Trend	Down	Unchanged

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Volatility

Equities

Maestro Model

Sector Sentiment

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Sentiment

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CFA Society
Indianapolis

Third Annual

FORECAST SYMPOSIUM

Gainbridge Fieldhouse

Tuesday, January 24th, 5 - 10PM



Andrew
Thrasher



Keynote
Cliff Asness



This event is now sold out, I don't believe it'll be recorded but if it is and I'm able to share a link I'll be sure to provide one to Thrasher Analytics subscribers.

I have the great honor to be one of two speakers at the upcoming CFA Society of Indianapolis Forecast Symposium later this month. The event will be taking place at the Gainbridge Fieldhouse in downtown Indianapolis, the home of the Indianapolis Pacers.

Ciff Asness of AQR will be the keynote speaker and I can't wait to hear what he has to say as we move into the new year! I'll be discussing my paper that won the Charles Dow Award, Forecasting a Volatility Tsunami as well as how I use technical analysis as a Portfolio Manager.

Sector Rotation: January	
Energy	XLE
Financials	XLF
Industrials	XLI

Maestro Model	
Trend / Momentum	-1
Sentiment / VIX	-2
Breadth	1
Economic	-5
Total	-6

(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	27%	19%
Nasdaq 100	22%	16%
Nikkei	30%	24%
VIX	15%	19%
10yr Treasury	40%	28%
5yr Treasury	35%	27%
CRB Index	39%	40%
Crude Oil	35%	42%
Gold	81%	77%
U.S. Dollar	33%	37%
Bitcoin	18%	16%

*Green<25% Red>80%

source: trade-futures.com

Brief Summary:

The consolidation in stocks continued last week with Friday giving an attempt to breakout. Breadth data supported the move and continues to show good improvement as more stocks move higher. This week we'll get another look at inflation with CPI reported on Thursday and Powell will be delivering a speech on Tuesday. Q4 earnings season kicks off with banks at the end of the week. Consensus is for 0% YoY EPS growth for S&P 500 companies and -5% growth ex-energy.

We now have more sectors in up trends as defined by Thrasher Analytics trend models than in down trends, that's something I was never able to say last year! We'll see if/how long it lasts. Sentiment data has improved. The biggest worry for the market in my view is the narrowing of dispersion in the VIX. This is a condition that can persist for several weeks, and we still don't have a VRT signal, but the lack of any movement in volatility is beginning to suggest a degree of over-confidence. This is something I'll be monitoring closely and see if a setup occurs that warrants a stronger warning of a possible VIX spike. At this time, that warning isn't supported by enough data.

VOLATILITY: VRT



VRT has ticked back up to 48. I'm watching this closely as it's possible we get a signal in the coming weeks, stay tuned.



VOLATILITY: TOP & ENVIRONMENT

VIX remains in a Low Volatility Environment.

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



VOLATILITY - CURVE



With CPI coming out this week, I'm assuming that's why we're seeing a bump in 9-day vol as hedges cover that data release. The rest of the VIX futures curve remains in contango.



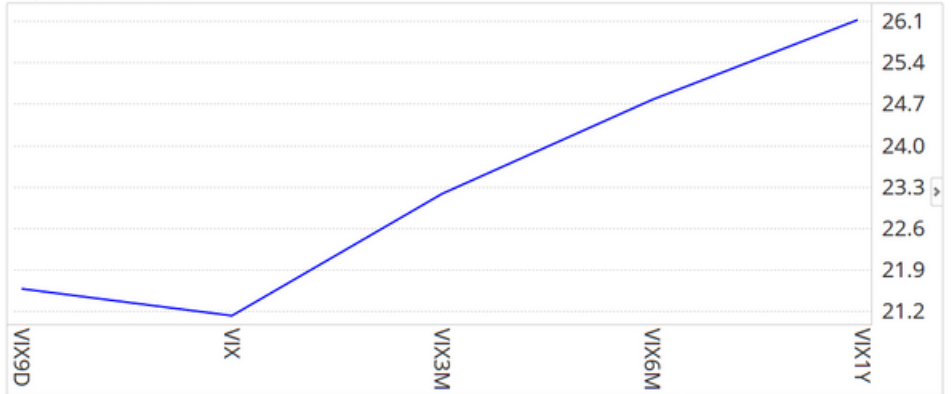
Daily - Watch List - No Layout

Name	Last	1yr %Tile
CBOE S&P 500 Short Term Volatility Index	21.57	0.2849
CBOE S&P 500 Volatility Index	21.13	0.1864
CBOE S&P 500 3-Month Volatility Index	23.18	0.1130
CBOE Mid-Term Volatility Index	24.77	0.0422
CBOE S&P 500 One-Year Volatility Index	26.16	0

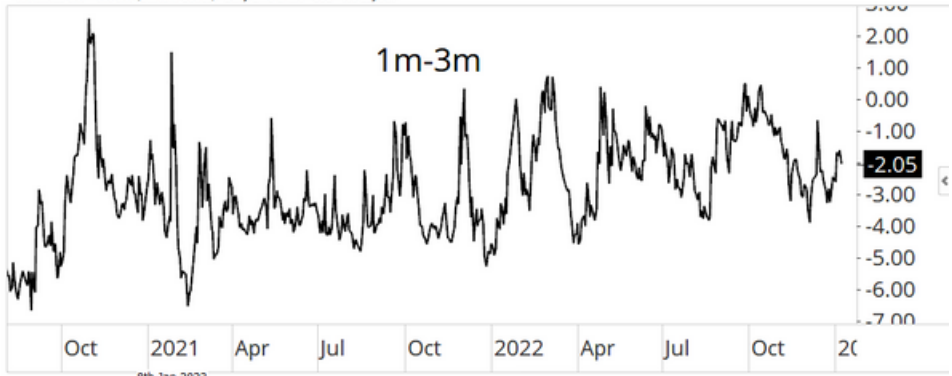
CBOE S&P 500 Short Term Volatility Index - VIX9D (CBOE) - Daily Line Chart - USD - No Layout



Daily - Curve Chart Date: 1/6/2023



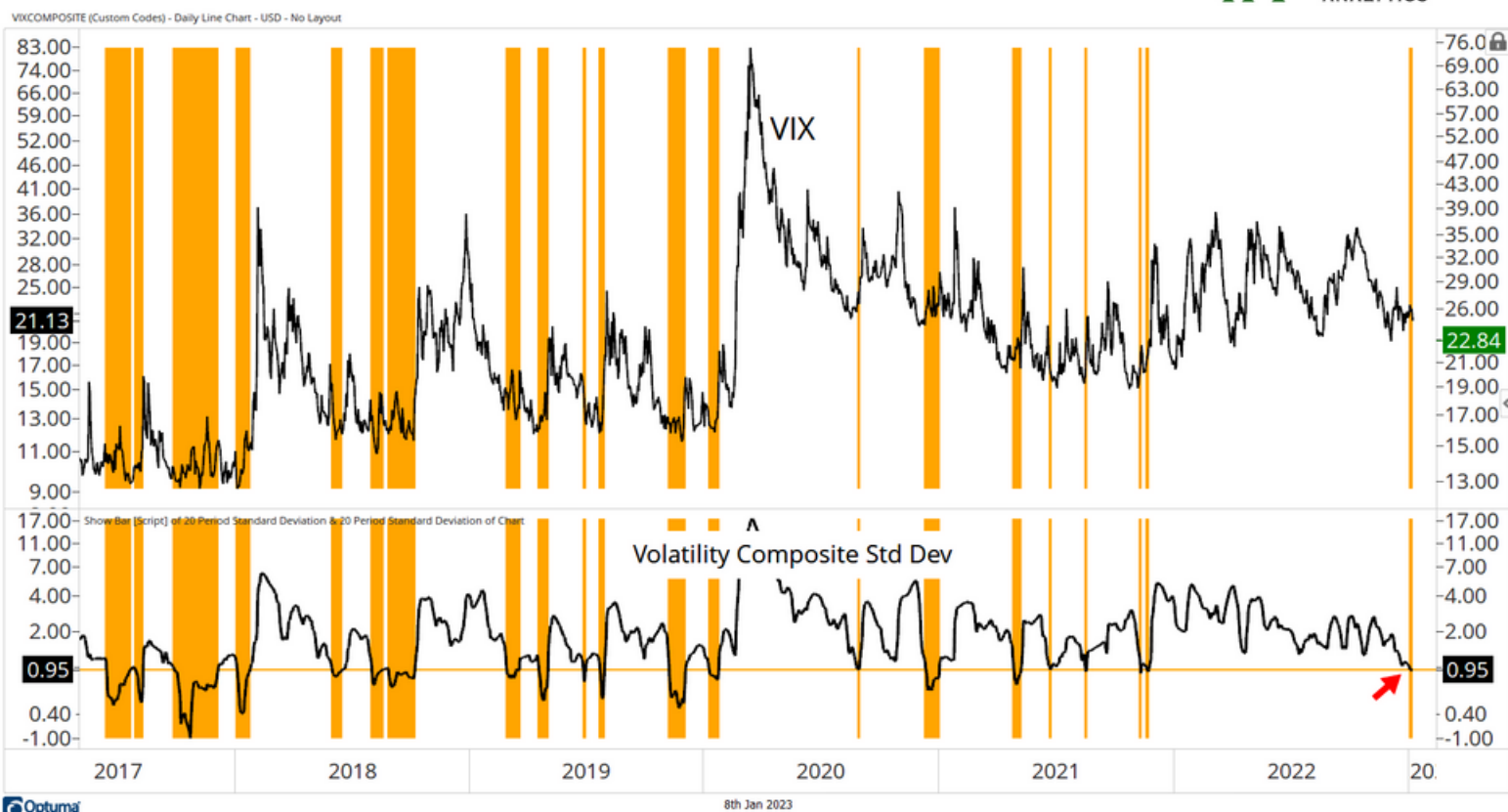
VIX Minus VIXV - VIX-VIXV (Custom Codes) - Daily Line Chart - USD - No Layout



VOLATILITY - DISPERSION

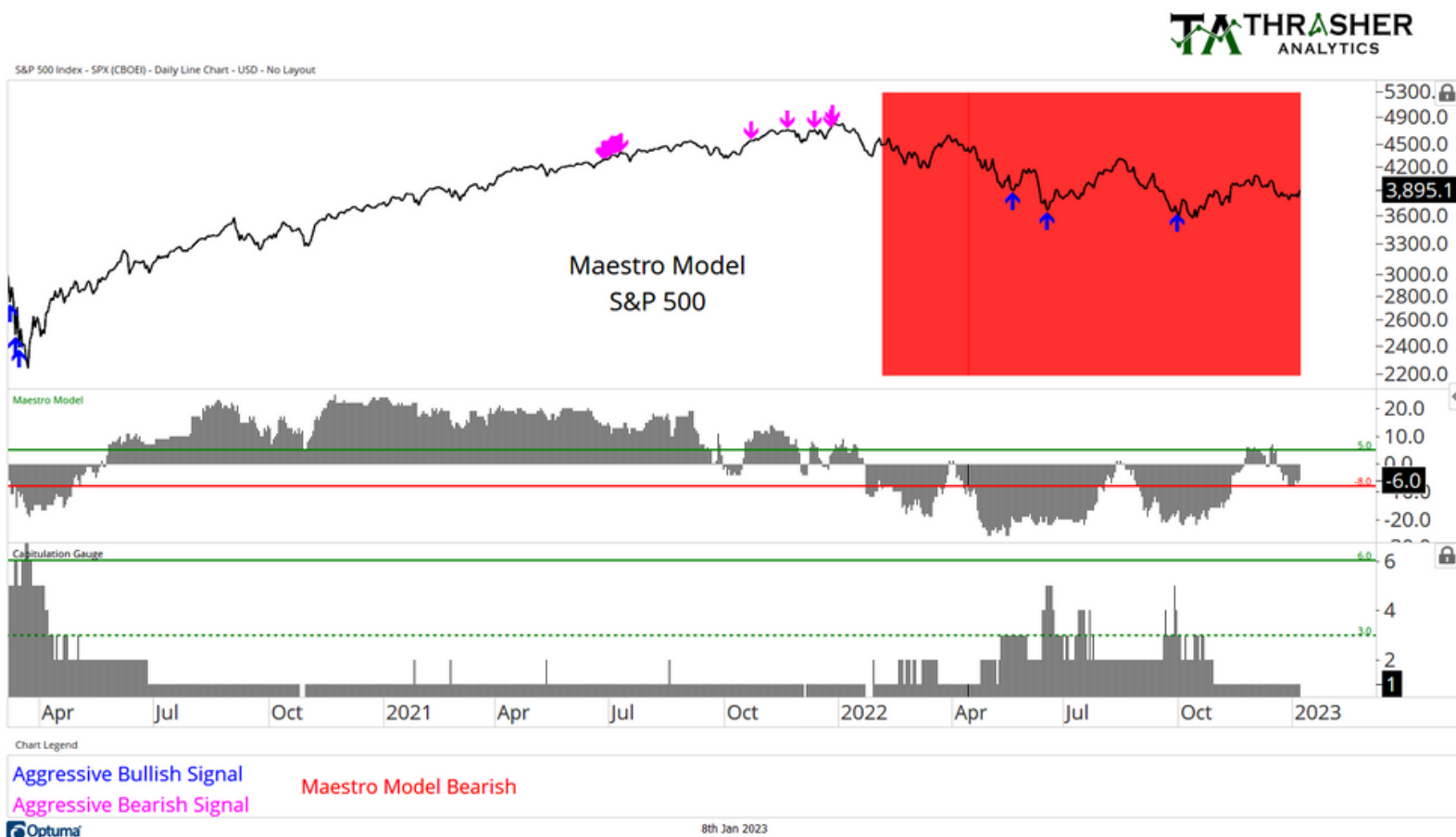


The last two weeks I've discussed the narrowing of dispersion for the VIX. Below is a composite of the Volatility indices for the major equity indexes and as you can see, it's dropped quite a bit. I've plotted orange lines to show when the standard deviation for the VIX composite has been at its currently level. It's important to recognize this is a condition/environment *not* a stand-alone signal. As you can see, dispersion can stay compressed for several weeks before a resulting spike in volatility has occurred. The length of contraction isn't significant (in my eyes). From a volatility standpoint, the start of the year could get interesting!



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

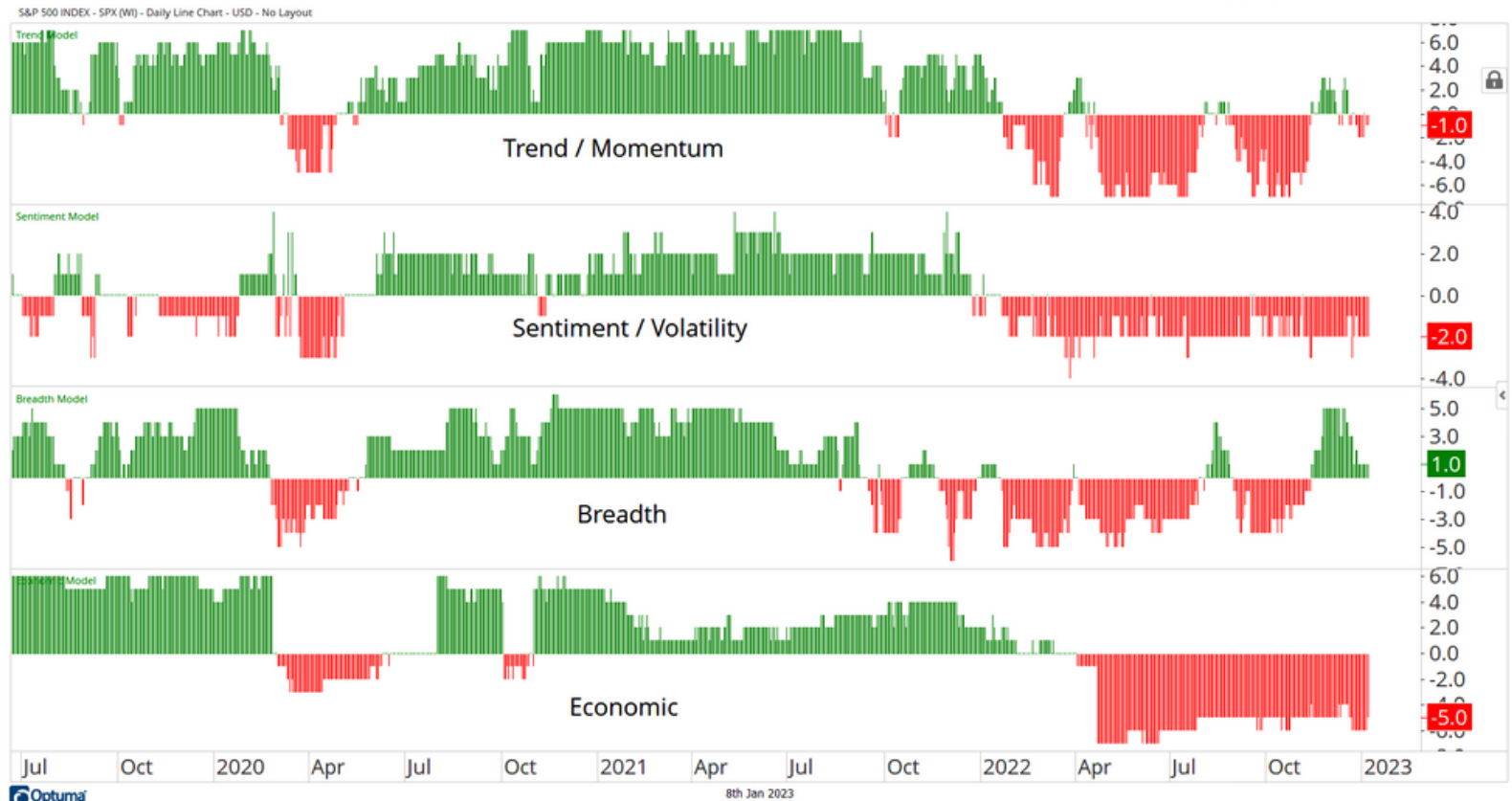
I'm making some changes to the Maestro Model to make it easier to read and interpret. Nothing is changing within the underlying categories but instead I'm simplifying the Bullish Signals and rolling the Conservative Bullish Signal into the Model itself (Red portion of the chart below). This allows the data to provide Aggressive (blue arrows) signals and then the full model signals. I believe this improves the interpretation of the data and gives a clearer message for what the model is showing. To repeat, the underlying data and the 4 categories are not changing and continue to feed the full Maestro Model as they always have.



MAESTRO MODEL - CATEGORIES



Trend/Momentum fell by 1-point last week while the rest of the categories finished the week at the same level as last Friday.



SENTIMENT SCORE



There's been a strong uptick in sector sentiment scores for offense sectors over the last week. XLU average stock sentiment has risen to a multi-week high of 0.48 which suggests excessive bullishness for the sector. Biggest upticks in sentiment last week were in XLC and XLF.

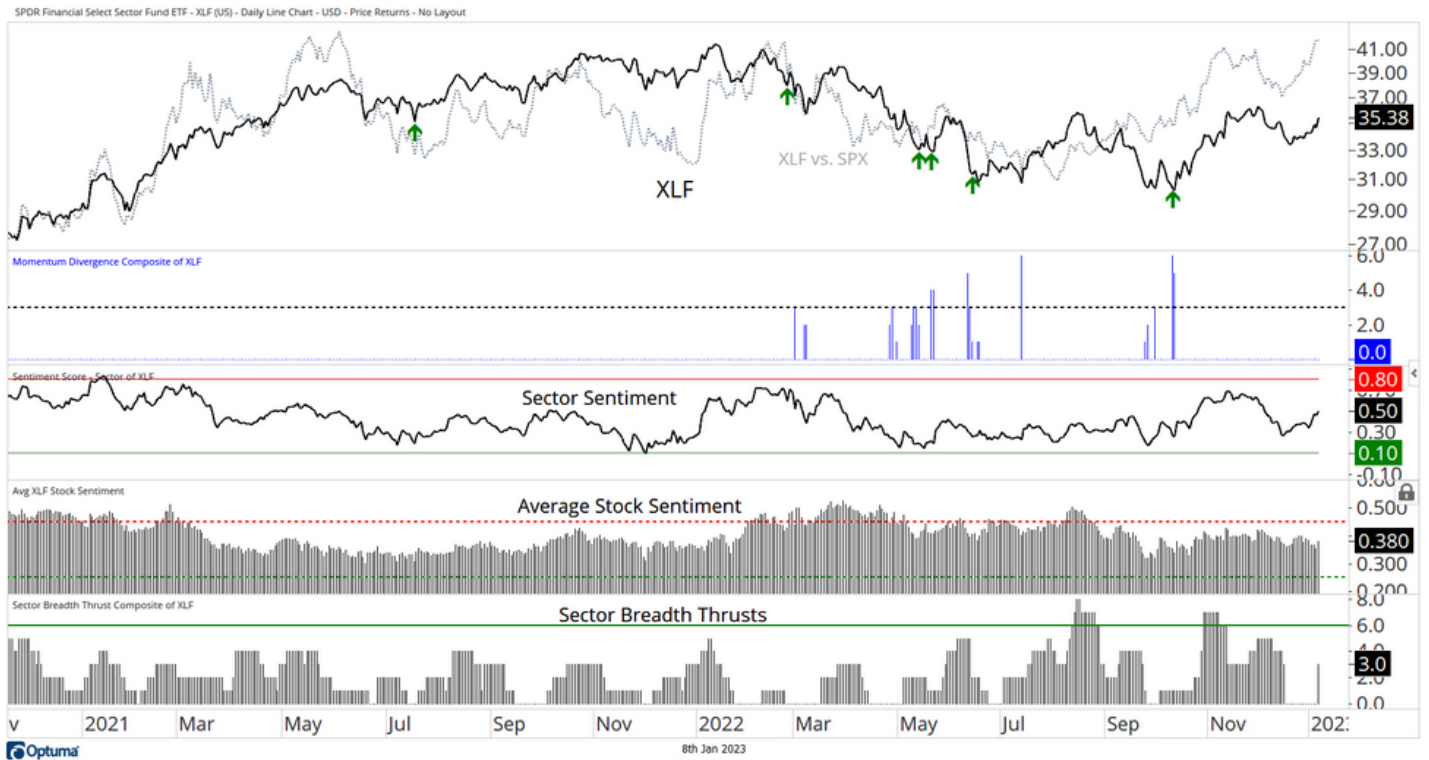
Daily - Watch List - No Layout

Sector	Ticker	Sector Sentiment	Change in Score	1W Perf	1M Perf	3M Perf
SPDR Industrial Select Sector Fund ETF	XLI	0.68	0.05	2.75%	1.49%	16.23%
SPDR Materials Select Sector Fund ETF	XLB	0.64	0.04	3.46%	-1.23%	12.85%
SPDR Utilities Select Sector Fund ETF	XLU	0.52	-0.09	0.71%	-0.10%	9.05%
SPDR Consumer Staples Select Sector Fund ETF	XLP	0.51	-0.04	1.65%	0.04%	12.25%
SPDR Financial Select Sector Fund ETF	XLF	0.50	0.13	3.45%	1.87%	11.82%
SPDR Health Care Select Sector Fund ETF	XLV	0.48	-0.11	-0.13%	-1.25%	8.30%
SPDR Communication Services Select Sector ETF	XLC	0.47	0.16	5.02%	1.51%	0.64%
SPDR Energy Select Sector Fund ETF	XLE	0.38	-0.03	0.10%	2.63%	6.21%
SPDR Real Estate Select Sector Fund ETF	XLRE	0.36	0.06	2.57%	-0.37%	7.10%
SPDR Technology Select Sector Fund ETF	XLK	0.21	-0.01	0.23%	-4.25%	-0.97%
SPDR Consumer Discretionary Select Sector Fund	XLY	0.04	0.00	2.25%	-5.35%	-9.33%

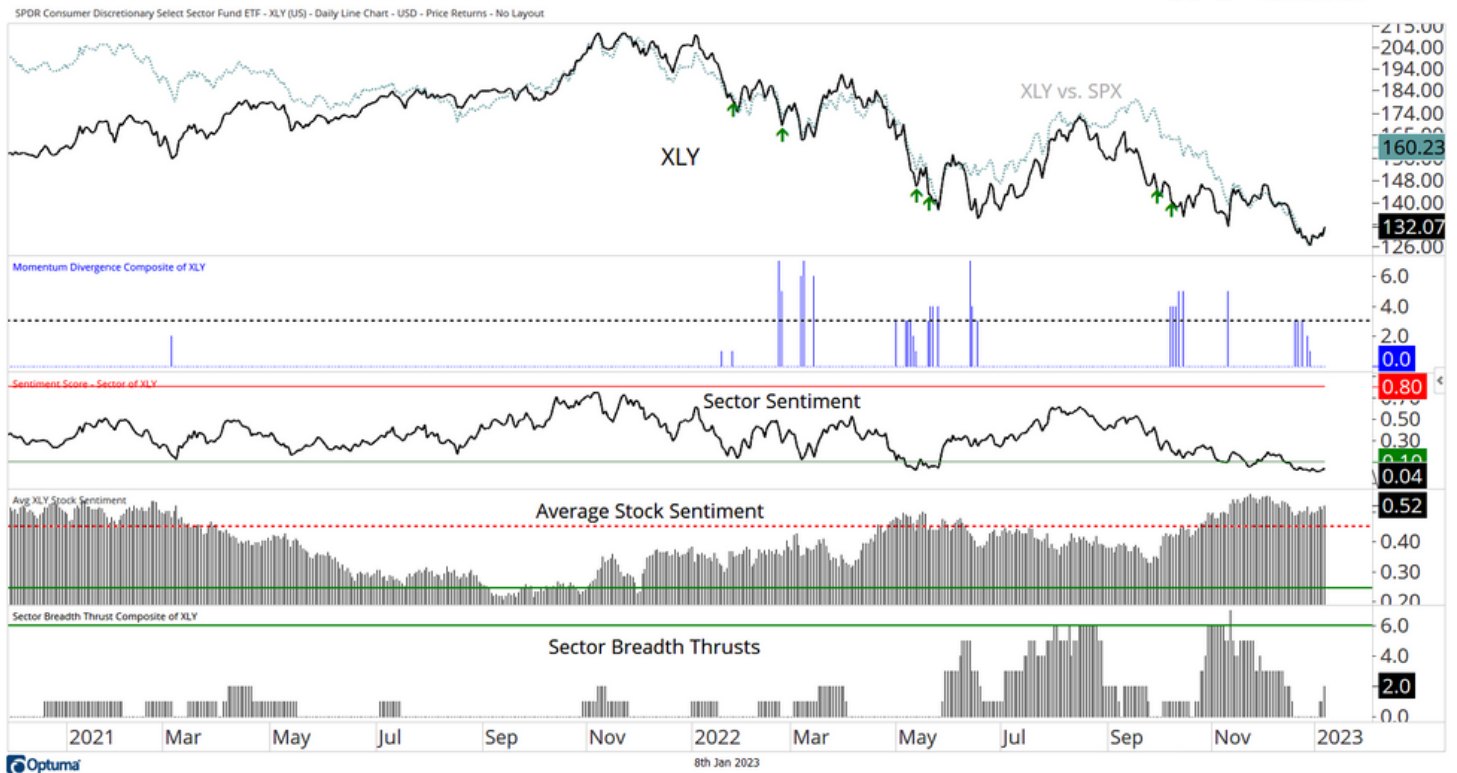
SENTIMENT SCORE: XLF & XLY



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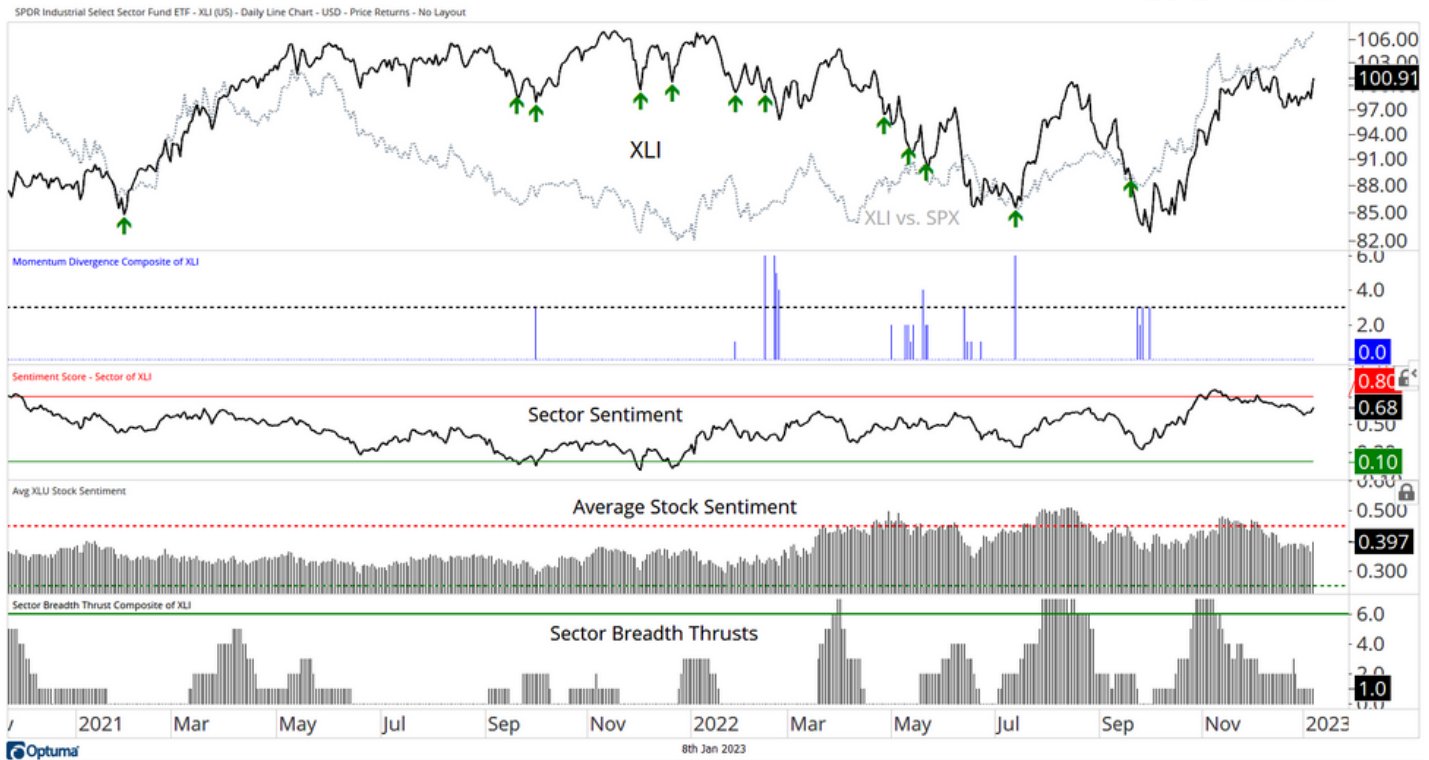
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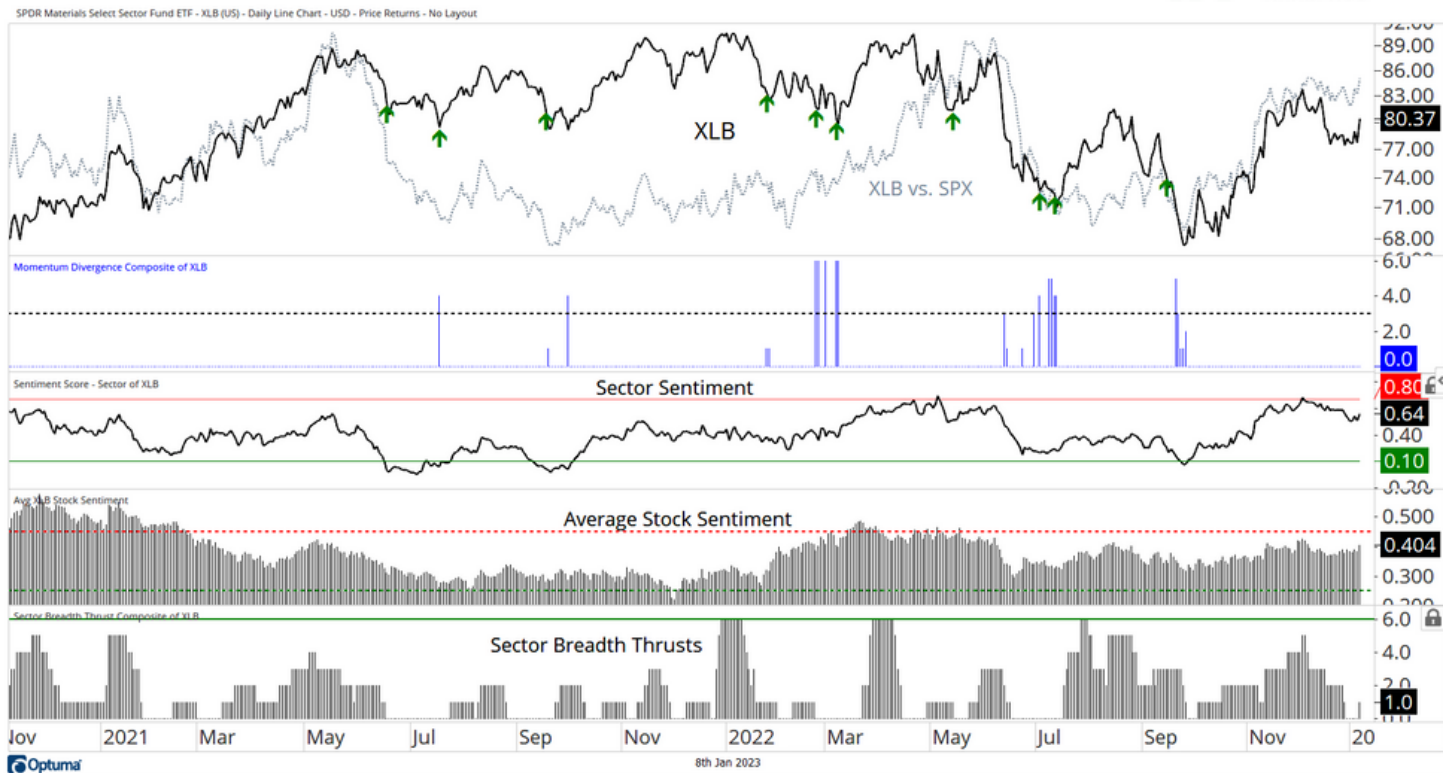
SENTIMENT SCORE: XLI & XLB



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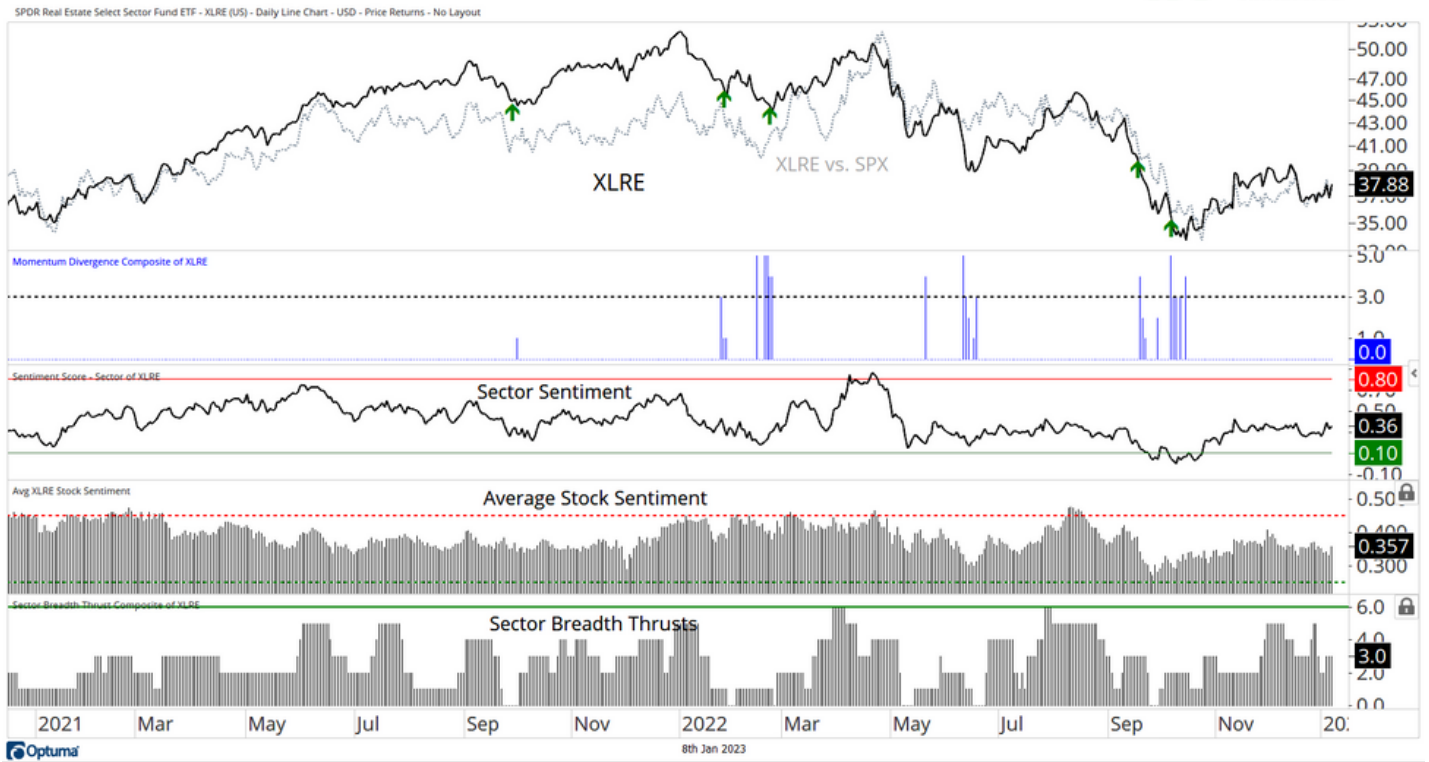
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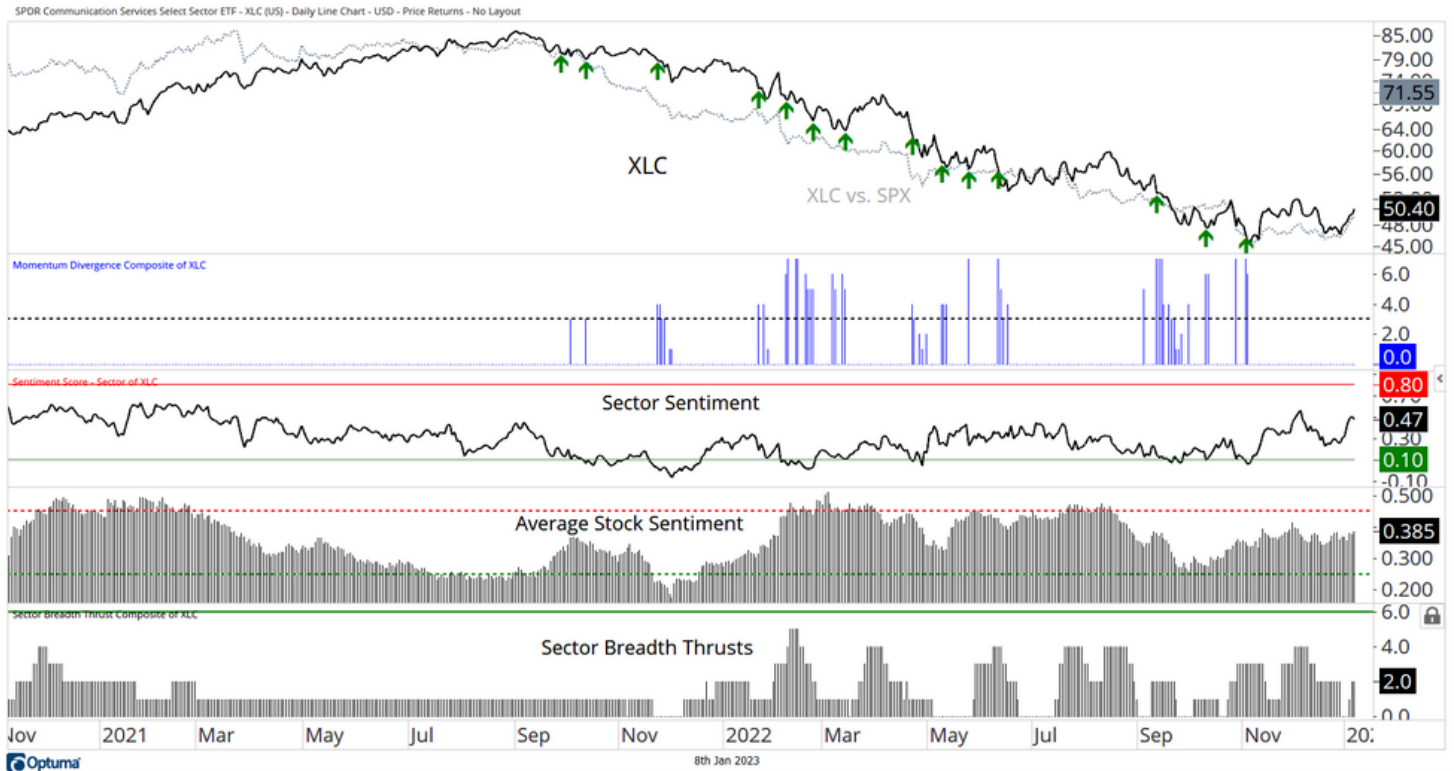
SENTIMENT SCORE: XLRE & XLC



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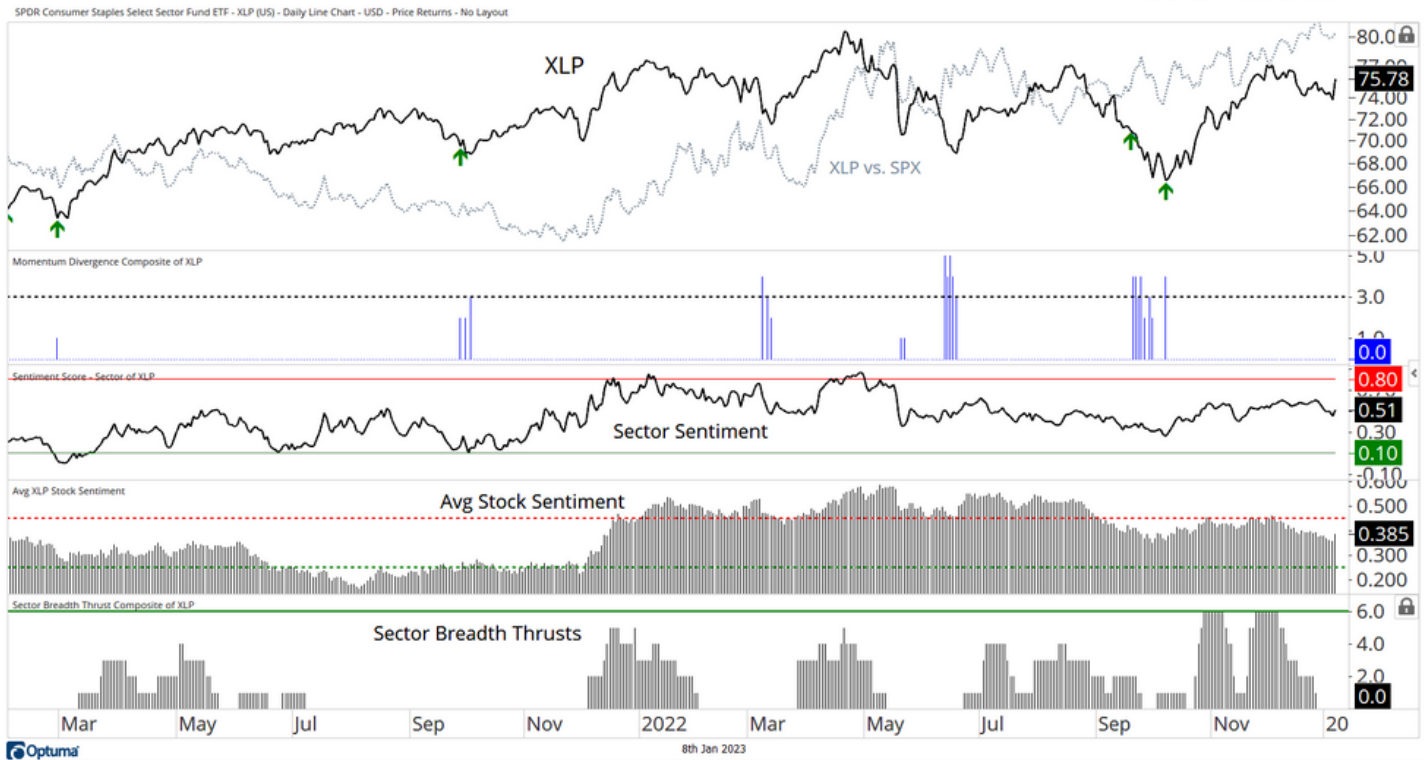
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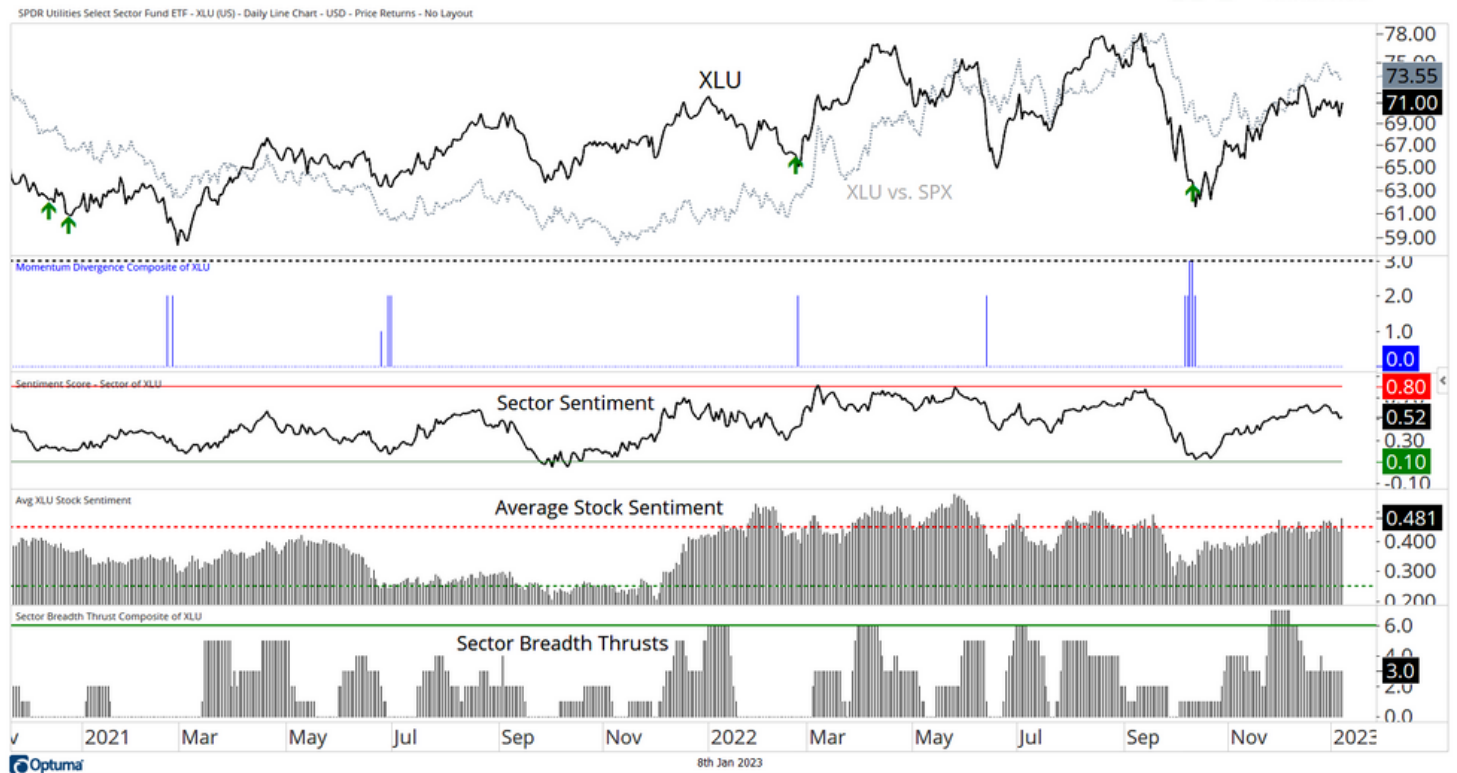
SENTIMENT SCORE: XLP & XLU



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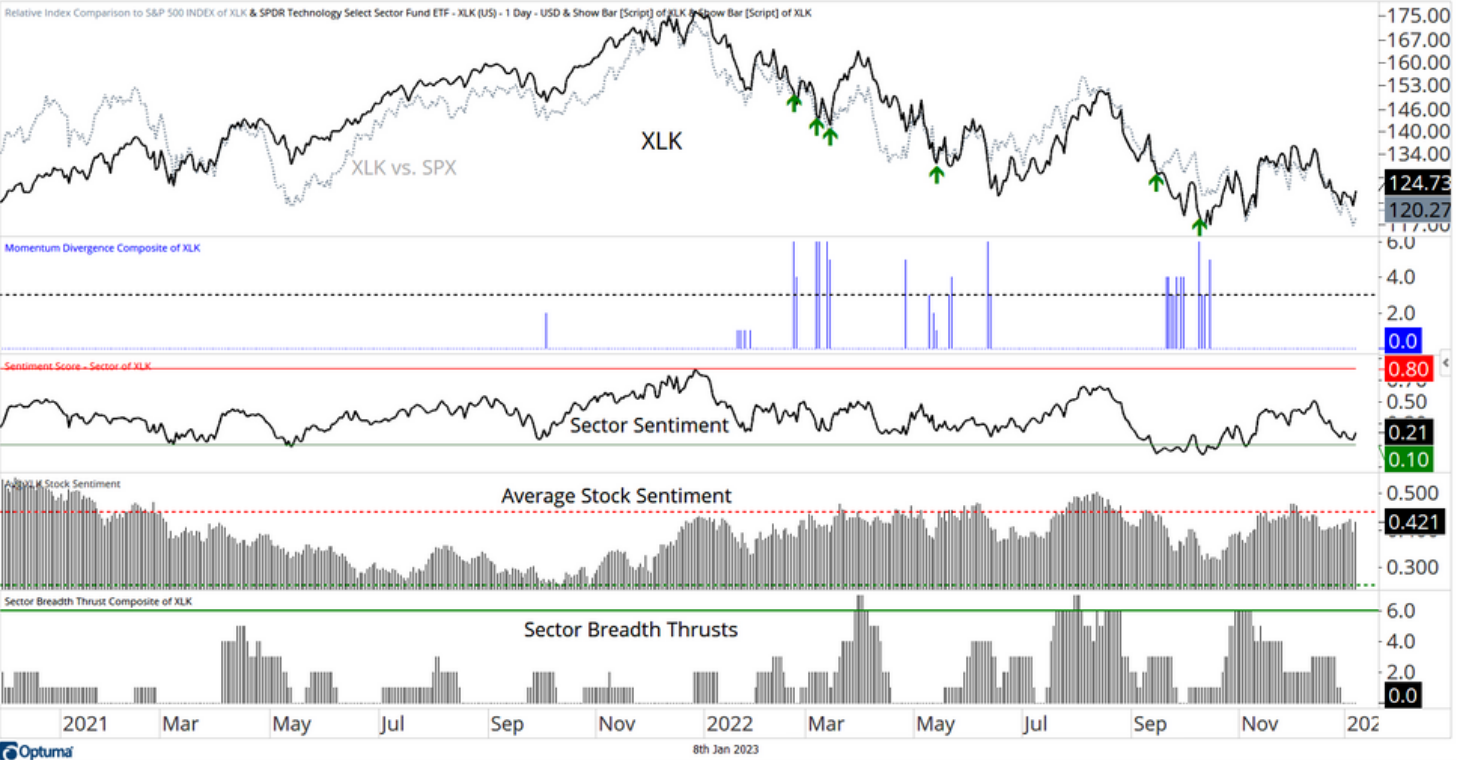


SENTIMENT SCORE: XLK & XLV



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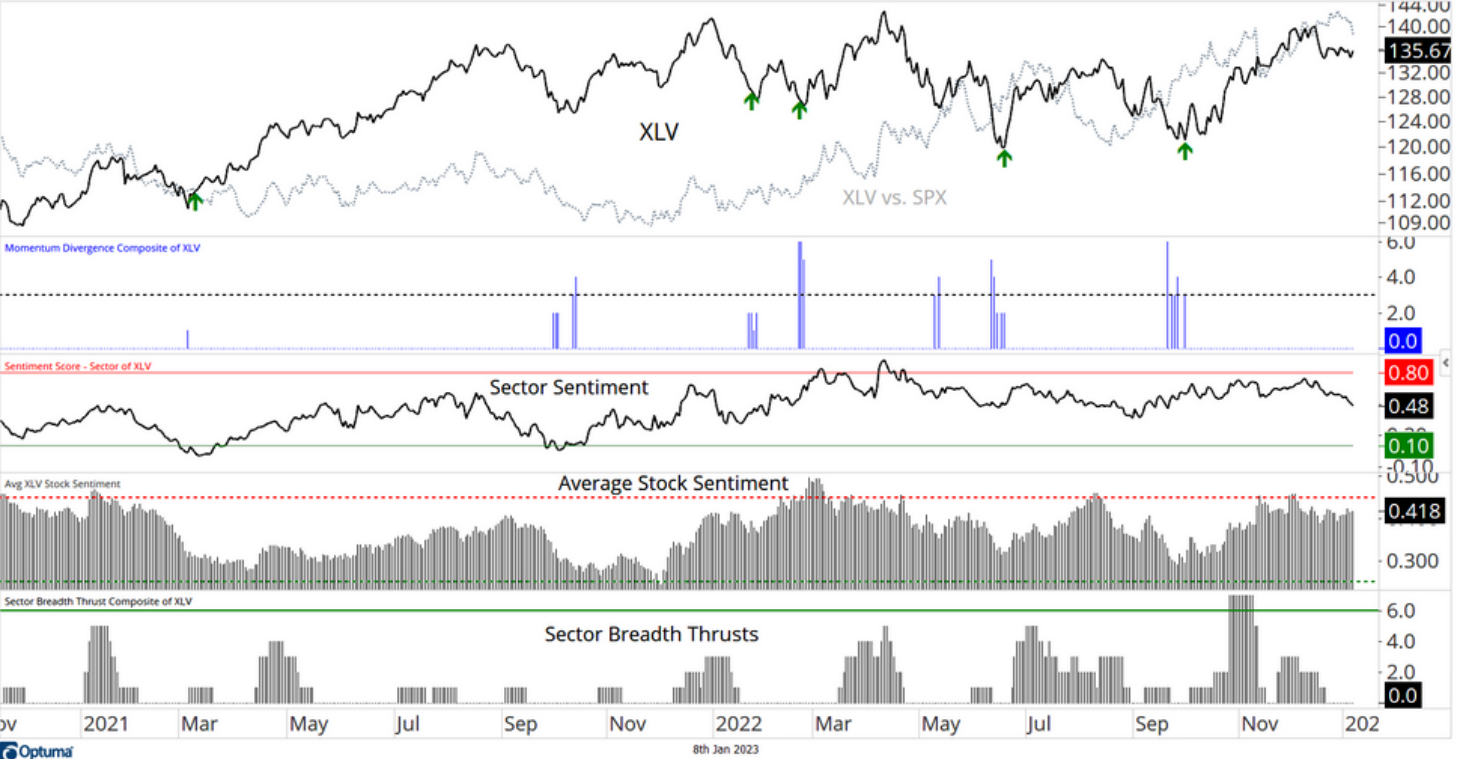
SPDR Technology Select Sector Fund ETF - XLK (US) - Daily Line Chart - USD - Price Returns - No Layout



Optima

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



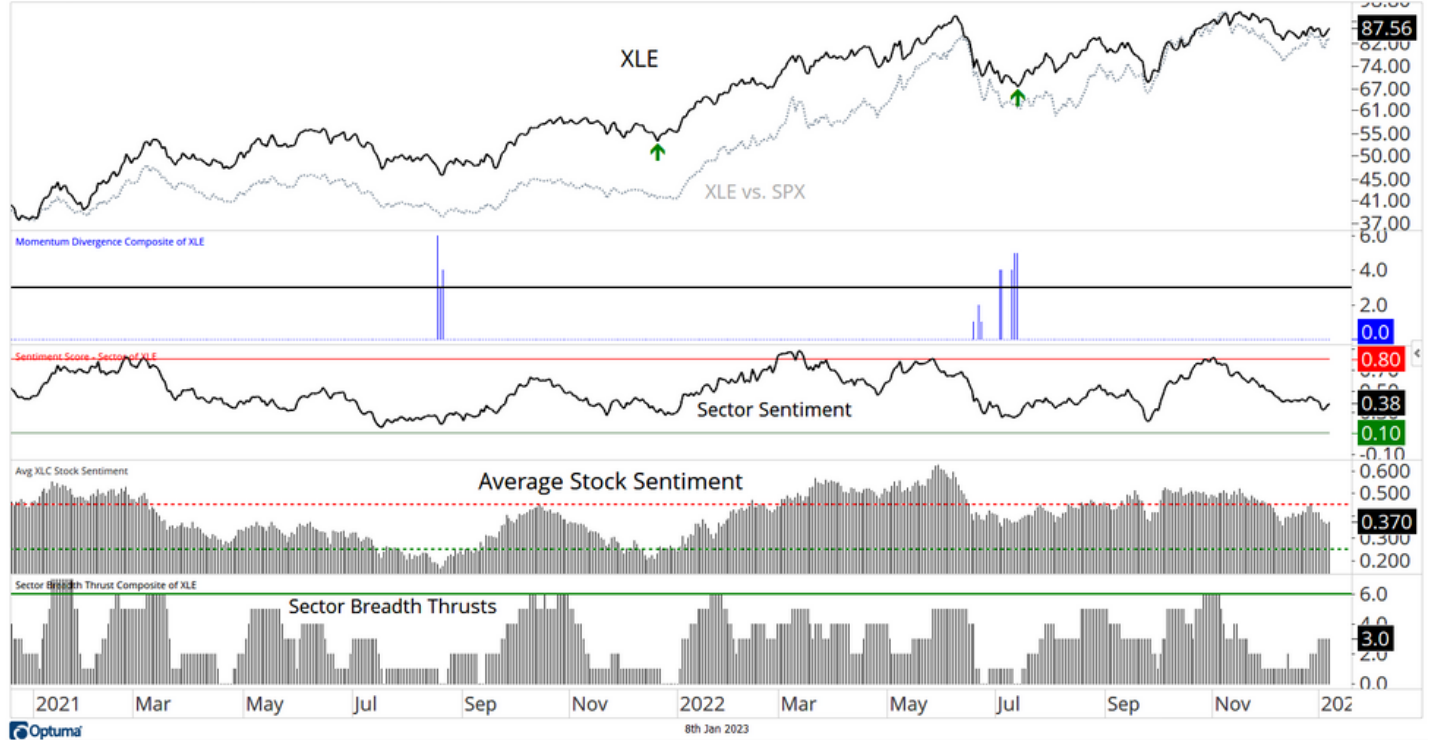
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SENTIMENT SCORE: XLE



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



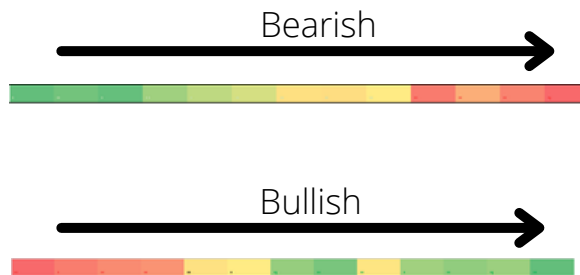
RISK APPETITE RATIO



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 49th percentile.

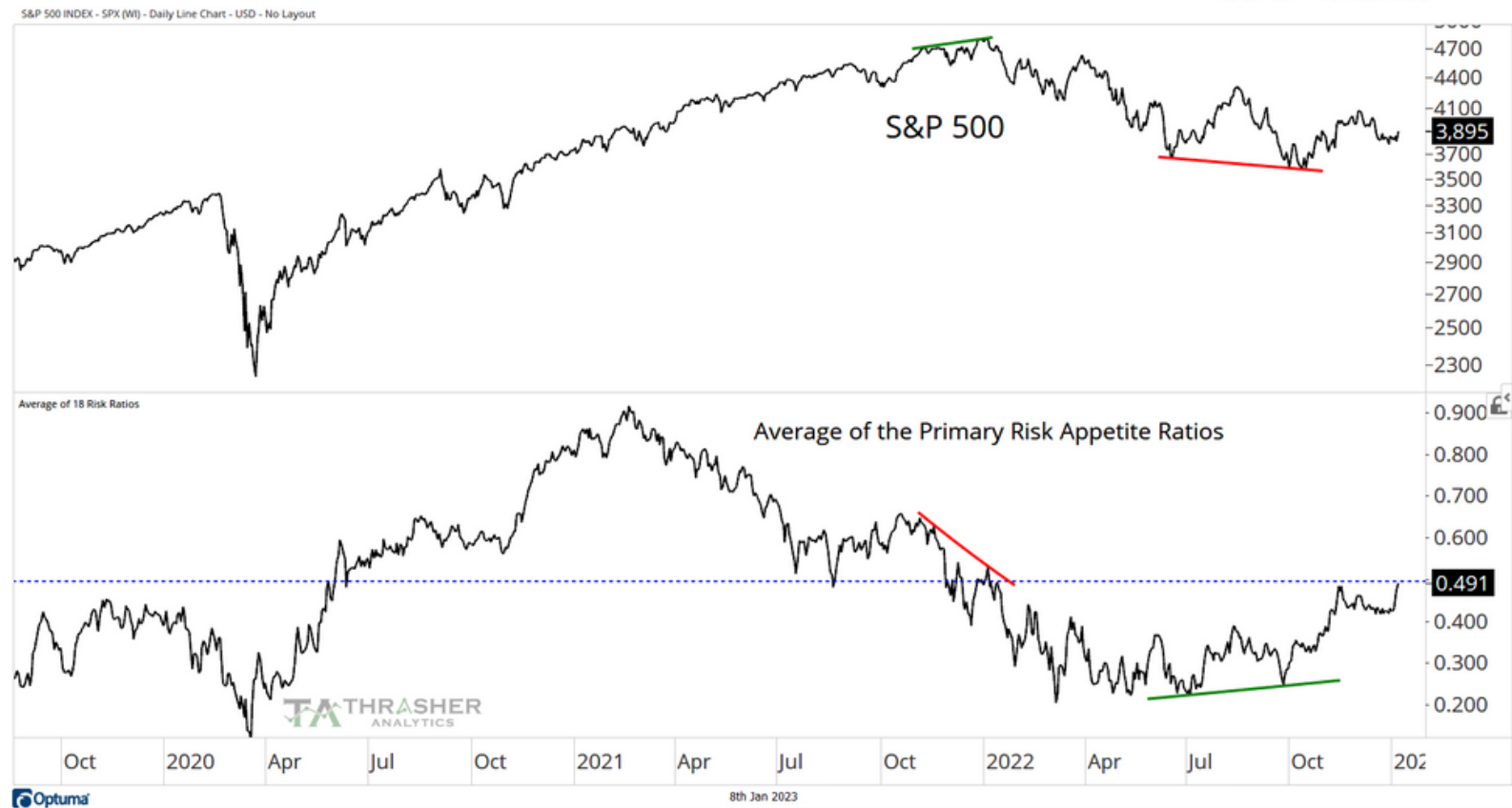
Risk Metric	-35	-34	-33	-32	-31	-30	-29	-28	-27	-26	-25	-24	-23	-22	-21	-20	-19	-18	-17	-16	-15	-14	-13	-12	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	Current	
Emerging Market vs. SPX	0.38	0.34	0.36	0.32	0.29	0.24	0.25	0.23	0.28	0.37	0.36	0.35	0.37	0.40	0.45	0.43	0.45	0.45	0.38	0.32	0.35	0.35	0.43	0.47	0.46	0.44	0.46	0.43	0.51	0.50	0.49	0.45	0.50	0.59	0.43	0.62	
EAFE vs. SPX	0.51	0.54	0.56	0.54	0.52	0.52	0.55	0.59	0.61	0.65	0.55	0.62	0.63	0.66	0.74	0.75	0.73	0.79	0.71	0.73	0.77	0.76	0.81	0.86	0.88	0.85	0.89	0.88	0.92	0.93	0.91	0.86	0.95	1.00	1.00	1.00	
HY Debt vs. Treasury	0.85	0.77	0.79	0.82	0.81	0.79	0.75	0.75	0.71	0.76	0.79	0.69	0.65	0.65	0.59	0.53	0.54	0.63	0.63	0.63	0.60	0.56	0.58	0.62	0.66	0.68	0.65	0.71	0.75	0.72	0.73	0.77	0.71	0.70	0.68	0.66	
Home Construction vs. SPX	0.48	0.47	0.43	0.42	0.41	0.44	0.45	0.45	0.45	0.48	0.46	0.50	0.48	0.48	0.48	0.57	0.55	0.55	0.57	0.59	0.61	0.72	0.73	0.69	0.66	0.67	0.71	0.68	0.69	0.66	0.68	0.66	0.78	0.84	0.88	0.90	
Offense vs. Defense Sectors	0.38	0.32	0.32	0.27	0.23	0.26	0.26	0.24	0.20	0.22	0.24	0.24	0.24	0.18	0.13	0.10	0.10	0.11	0.12	0.15	0.11	0.08	0.09	0.06	0.07	0.08	0.01	0.03	0.00	0.00	0.04	0.06	0.03	0.05	0.07	0.11	
Broker-Dealer vs. SPX	0.91	0.89	0.86	0.85	0.89	0.87	0.86	0.88	0.89	0.93	0.86	0.86	0.87	0.85	0.87	0.81	0.78	0.83	0.81	0.76	0.70	0.71	0.76	0.77	0.77	0.80	0.83	0.83	0.83	0.87	0.84	0.83	0.87	0.88	0.92	0.92	
S&P Growth vs. S&P Value	0.13	0.12	0.12	0.10	0.06	0.07	0.08	0.07	0.06	0.03	0.10	0.11	0.10	0.10	0.07	0.06	0.08	0.08	0.08	0.10	0.10	0.06	0.05	0.06	0.05	0.04	0.02	0.02	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.00	0.00
Semiconductor vs. SPX	0.45	0.37	0.40	0.39	0.35	0.39	0.40	0.37	0.35	0.34	0.41	0.41	0.37	0.39	0.37	0.38	0.44	0.44	0.45	0.48	0.44	0.40	0.43	0.38	0.37	0.39	0.31	0.29	0.25	0.25	0.29	0.29	0.28	0.33	0.31	0.37	
Consumer Disc. Vs. Staples	0.27	0.20	0.19	0.18	0.15	0.17	0.18	0.18	0.17	0.19	0.20	0.22	0.20	0.19	0.17	0.15	0.17	0.19	0.21	0.20	0.20	0.17	0.14	0.13	0.15	0.12	0.12	0.11	0.11	0.15	0.16	0.17	0.23	0.27	0.28	0.28	
Small Cap vs. Utilities	0.35	0.30	0.32	0.30	0.29	0.29	0.27	0.28	0.26	0.29	0.31	0.30	0.33	0.27	0.21	0.22	0.24	0.22	0.19	0.19	0.17	0.14	0.16	0.16	0.17	0.18	0.16	0.15	0.11	0.10	0.15	0.17	0.15	0.16	0.20	0.21	
Transports vs. Utilities	0.56	0.49	0.51	0.47	0.46	0.45	0.43	0.45	0.41	0.49	0.48	0.46	0.48	0.40	0.35	0.34	0.34	0.34	0.40	0.39	0.42	0.37	0.40	0.37	0.33	0.34	0.32	0.32	0.29	0.27	0.30	0.31	0.30	0.32	0.35	0.38	
Equal Weight vs. Cap Weight	0.97	0.91	0.90	0.93	0.97	0.97	0.94	0.99	0.96	1.00	0.91	0.94	0.94	0.92	0.97	0.97	0.95	0.95	0.95	0.95	0.95	0.98	1.00	0.95	0.95	0.95	1.00	1.00	1.00	0.98	0.97	0.95	1.00	1.00	1.00	1.00	
Small cap vs. Large Cap	0.48	0.45	0.44	0.48	0.47	0.46	0.44	0.51	0.54	0.59	0.55	0.53	0.60	0.50	0.49	0.48	0.51	0.46	0.43	0.39	0.39	0.38	0.48	0.42	0.47	0.49	0.50	0.49	0.46	0.43	0.50	0.50	0.49	0.54	0.54	0.54	
Equities vs. VIX	0.31	0.32	0.32	0.36	0.38	0.45	0.50	0.49	0.39	0.41	0.50	0.54	0.59	0.47	0.39	0.37	0.39	0.36	0.29	0.39	0.45	0.35	0.35	0.35	0.39	0.48	0.37	0.43	0.39	0.35	0.40	0.39	0.33	0.39	0.39	0.48	
Aussie Dollar vs. Yen	0.75	0.77	0.75	0.75	0.74	0.75	0.66	0.68	0.74	0.65	0.60	0.62	0.62	0.63	0.67	0.69	0.69	0.69	0.70	0.66	0.61	0.63	0.41	0.46	0.43	0.48	0.49	0.52	0.56	0.54	0.49	0.46	0.42	0.57	0.53	0.58	
Lumber vs. Gold	0.02	0.00	0.01	0.00	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.03	0.04	0.02	0.02	0.02	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.02	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Copper vs. Gold	0.41	0.37	0.32	0.29	0.26	0.30	0.29	0.28	0.29	0.30	0.39	0.36	0.37	0.37	0.39	0.40	0.42	0.39	0.36	0.34	0.38	0.34	0.32	0.34	0.30	0.31	0.32	0.35	0.34	0.36	0.32	0.31	0.24	0.20	0.30	0.32	
AVERAGE	0.48	0.45	0.45	0.44	0.43	0.44	0.43	0.44	0.43	0.45	0.45	0.46	0.46	0.44	0.43	0.43	0.44	0.44	0.43	0.43	0.43	0.41	0.42	0.42	0.42	0.43	0.42	0.43	0.43	0.42	0.43	0.42	0.43	0.46	0.47	0.45	



RISK APPETITE RATIO



Risk Appetite saw a big improvement to the 49th %tile last week. As we move into a new year, the lookback periods for the risk ratios will begin dropping off some of the highest levels which will be a positive improvement for the percentiles. This is important to recognize, and I'll show why on the next page.



RISK APPETITE RATIO



Below is the Risk Appetite Ratios back in 2008. Because of the bear market lasting over a year, the lookback periods in May '08 improved as many of them peaked in around May '07 so their percentiles 'artificially' suggested improvement in risk appetite. This caused the Average to rise above 50 but then whipsawed back below 50 as the market rolled over. Fast forward to May '09 after the market did bottom, we saw higher-highs in Risk Appetite as true bullishness began to show stronger improvement in risk appetite.



Has the multi-week range finally broken? It's possible, with Friday's move forcing the index to get its first weekly close in the last five weeks. We're now back at the 50-day moving average and the critical price level discussed in prior letters (pink line). We kick off earnings season this week and get a CPI report on Thursday. Both of these could add fuel to the bullish fire, which is also getting some support by the breadth data (discussed later). As of right now, the move higher on Friday is positive but we still need to get above that 200-day MA and until then, we can't argue that a new uptrend has started for the U.S. index.

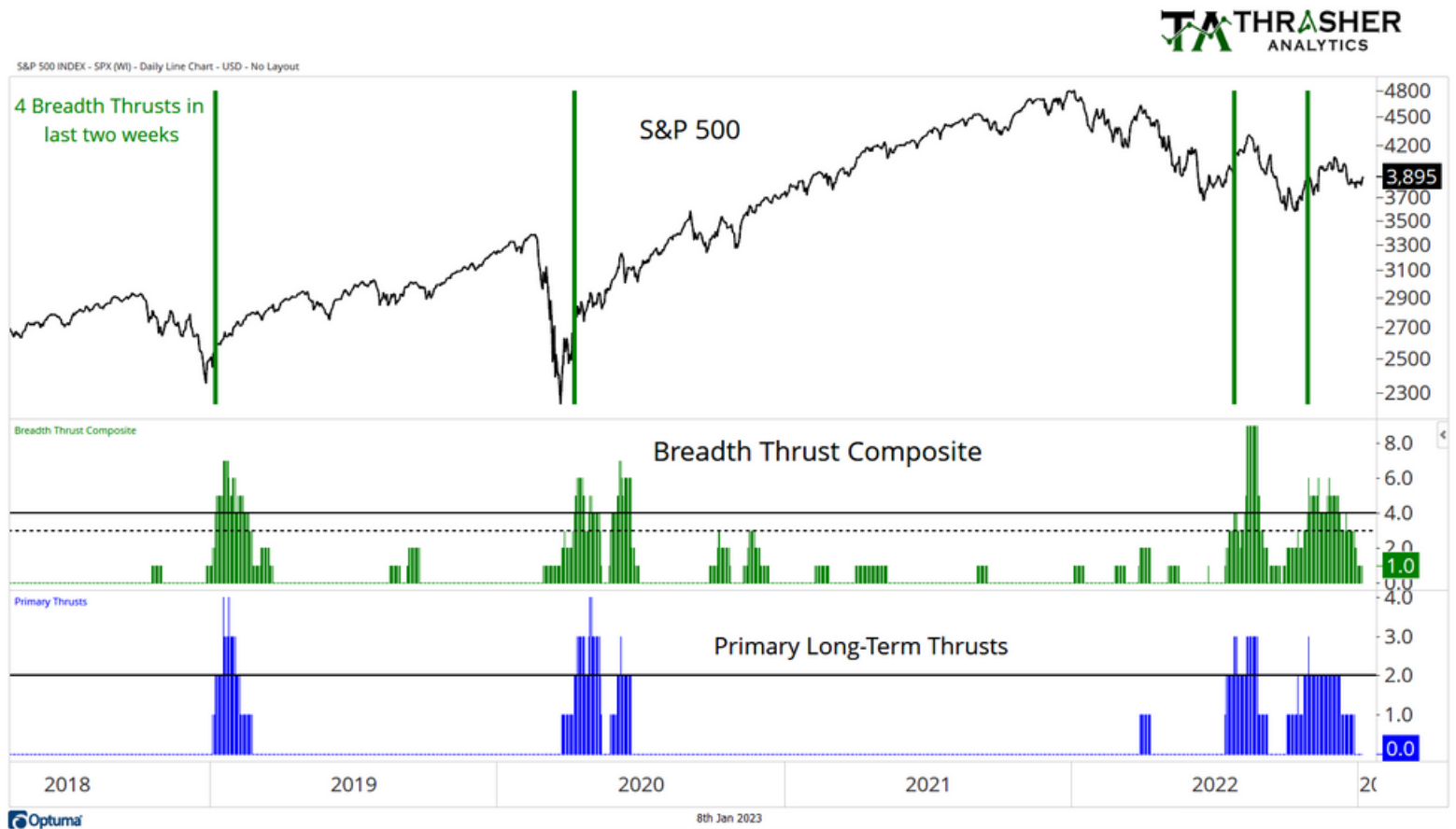


EQUITIES - BREADTH THRUSTS



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.

Thrust count sits at +1.



EQUITIES - BREADTH



Below is a table showing the changes in breadth data over the last 35 days. This provides insight into whether bullish or bearish data is improving or declining.

	35 Days Ago	30 Days Ago	25 Days Ago	20 Days Ago	15 Days Ago	10 Days Ago	5 Days Ago	Current
Moving Average Breadth								
S&P 500 % above 200-day MA	51.9	56.5	63.0	53.9	57.3	48.3	49.3	53.5
Nasdaq 100 % above 200-day MA	45.1	49.0	54.9	43.1	52.9	43.6	41.6	47.5
S&P 500 % above 50-day MA	81.5	87.5	92.0	77.5	78.5	59.6	53.1	64.8
Nasdaq 100 % above 50-day MA	81.4	77.5	85.3	72.5	73.5	56.4	40.6	49.5
S&P 500 % above 20-day MA	85.5	87.7	91.1	41.9	56.7	24.1	37.6	71.6
Nasdaq 100 % above 20-day MA	89.2	78.4	88.2	42.2	53.9	20.8	17.8	60.4
Bullish Breadth								
S&P 500 % RSI(14) > 70	9.9	8.6	8.2	2.6	2.6	0.6	0.0	5.4
Nasdaq 100 % RSI(14) > 70	13.7	9.8	10.8	2.9	2.0	0.0	0.0	5.0
S&P 400 % New 52 week highs	3.3	4.8	3.8	0.8	0.5	0.3	0.3	2.0
S&P 600 % New 52 week highs	3.7	2.9	2.9	0.5	1.0	1.4	0.5	3.6
S&P 500 % New 52 week highs	1.0	4.8	4.6	1.4	1.6	1.0	0.2	3.6
Nasdaq 100 % New 52 week highs	1.0	8.8	5.9	0.0	0.0	0.0	0.0	1.0
S&P 500 % New 6 month highs	7.8	9.7	11.3	2.6	5.0	1.8	1.0	10.5
Nasdaq 100 % New 6 month highs	6.9	11.8	11.8	2.0	3.9	0.0	0.0	6.9
Bearish Bearish								
S&P 500 % RSI(14) < 30	0.0	0.4	0.2	0.6	0.6	0.6	1.0	1.0
Nasdaq 100 % RSI(14) < 30	0.0	2.0	0.0	1.0	1.0	3.0	3.0	4.0
S&P 400 % New 52 week lows	0.3	0.5	1.5	1.5	0.5	0.3	0.5	0.8
S&P 600 % New 52 week lows	0.7	1.0	1.5	2.2	1.4	2.4	1.7	1.2
S&P 500 % New 52 week lows	0.0	0.4	0.4	1.4	0.2	0.4	0.0	0.6
Nasdaq 100 % New 52 week lows	0.0	1.0	2.0	2.0	1.0	3.0	0.0	5.9
S&P 500 % New 6 month lows	0.0	0.4	0.4	1.6	0.4	0.4	0.0	1.2
Nasdaq 100 % New 6 month lows	0.0	2.0	2.0	2.0	1.0	4.0	0.0	6.9

EQUITIES - MOVING AVG BREADTH

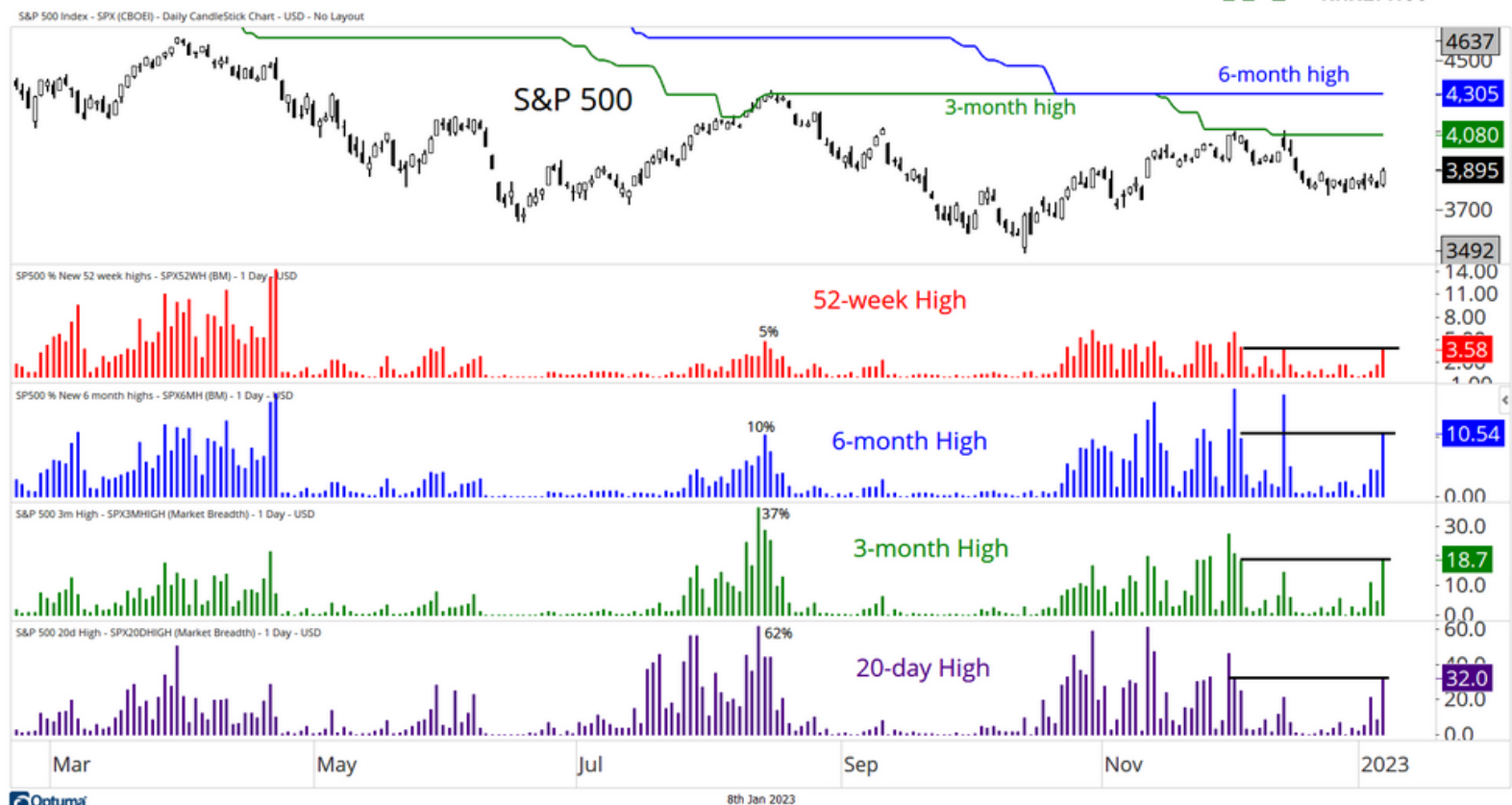
As the market has consolidated under the 50-day moving average, individual stocks have done a good job holding their own respective key moving averages. With Friday's advance, we're back to over half of stocks trading above the 200-day moving average and nearly 65% are back above the 50-day MA, both MAs the index is still sitting below. This is a bullish sign for breadth and shows some building internal strength for stocks.



EQUITIES - NEW HIGHS



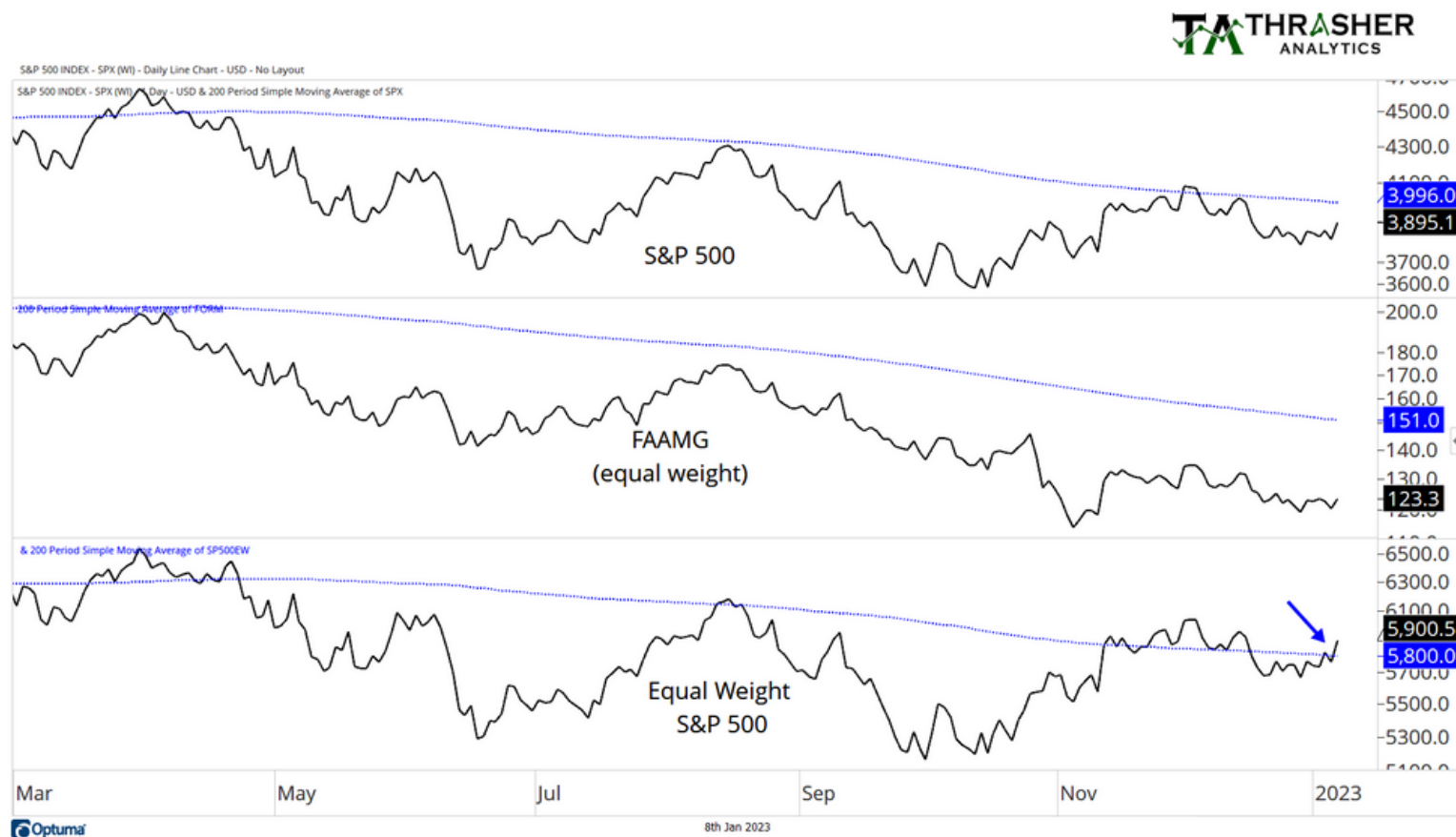
Good improvement on Friday for the list of new highs. This is the most we've seen since the prior swing high. The bar isn't too high as since that swing high the market has gone basically nowhere. Nonetheless, seeing 10% of stocks make a new 6-month high is progress in the right direction.



EQUITY - EQUAL WEIGHT



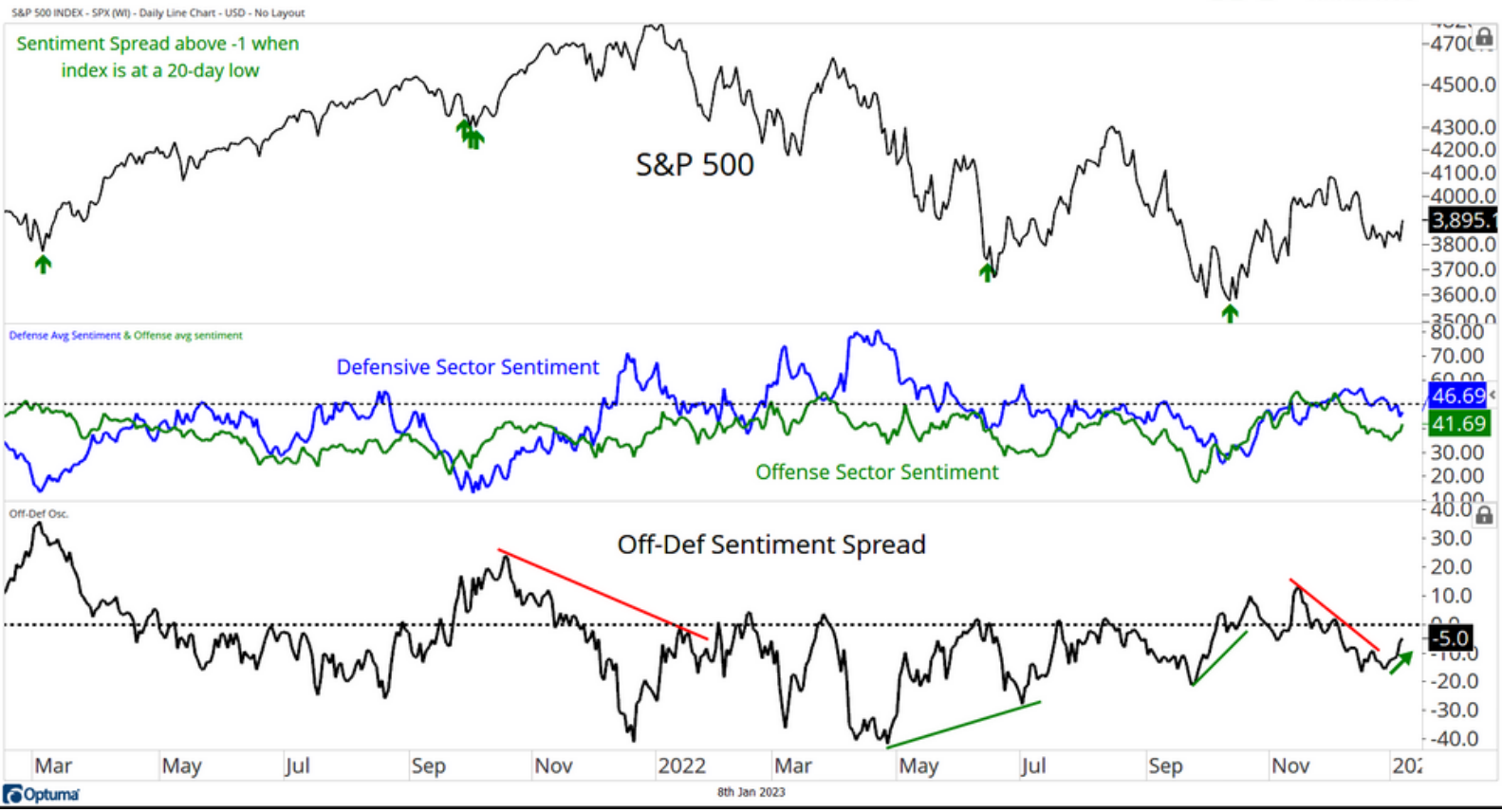
Where is strength coming from? We continue to see FAAMG stocks lag with equal weight S&P 500 lead. The Equal Weight index moved back above its 200-day MA on Friday, showing the strength of smaller capitalized stocks.



EQUITIES - SECTOR SENTIMENT



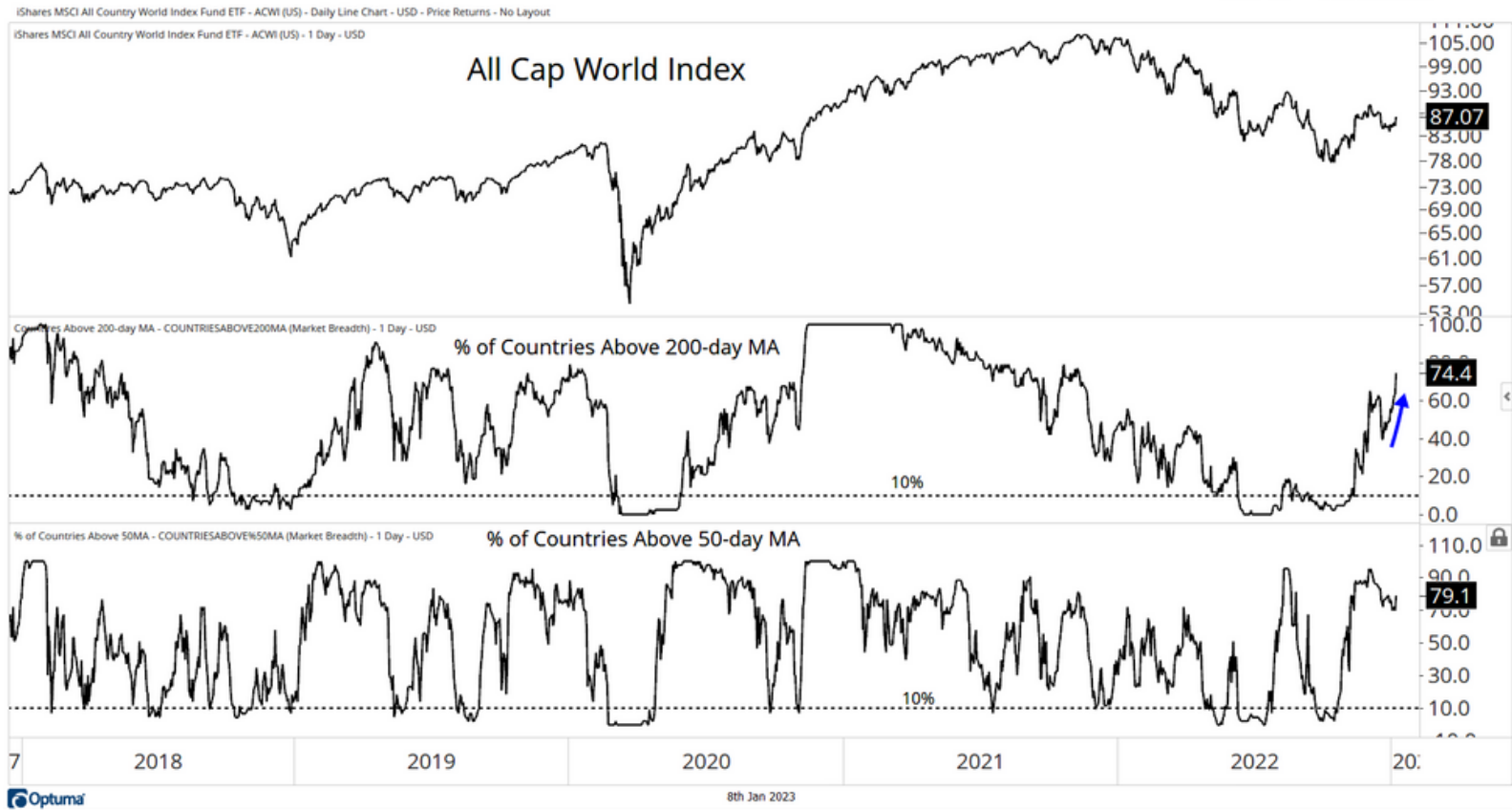
We can see some of that strength also showing up in the sector sentiment data. As I mentioned earlier, the offense sectors have shown good improvement which can be seen in the chart below. The spread between offense and defense sector sentiment has ticked higher in recent days. It's still negative, as defensive sector still have higher sentiment scores but offense sectors are improving.



EQUITIES - GLOBAL BREADTH

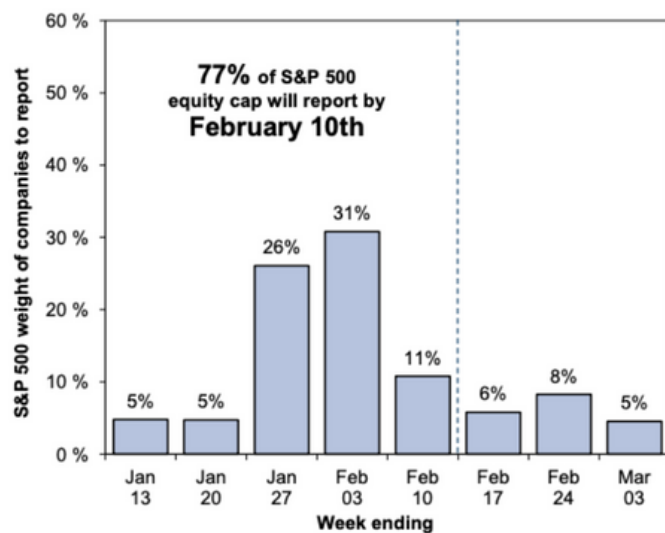


Globally, we're also seeing good improvement in the breadth data. nearly 75% of countries are trading above their 200-day moving average.



Earnings season begins this week with banks reporting later in the week. 28% of financial stocks will report this week and as the chart from GS below shows, 77% of stocks will report Q4 earnings between now and Feb. 10th.

Exhibit 6: Percent of S&P 500 market cap reporting 4Q earnings by week
as of January 5, 2023



Percent of S&P 500 market cap reporting by week

	Jan 9 - Jan 13	Jan 16 - Jan 20	Jan 23 - Jan 27	Jan 30 - Feb 3	Feb 6 - Feb 10	Feb 13 - Feb 17
S&P 500	5%	5%	26%	31%	11%	6%
Communication Services	0%	6%	21%	61%	10%	0%
Consumer Discretionary	0	0	12	39	6	5
Consumer Staples	0	16	13	8	31	1
Energy	0	7	28	42	1	7
Financials	28	19	16	12	9	1
Health Care	9	0	25	41	17	3
Industrials	1	2	40	36	5	8
Information Technology	0	0	39	30	5	7
Materials	0	3	29	21	29	12
Real Estate	0	12	10	13	10	21
Utilities	0	0	20	5	21	29

Source: FactSet, Goldman Sachs Global Investment Research.

SECTOR PERFORMANCE



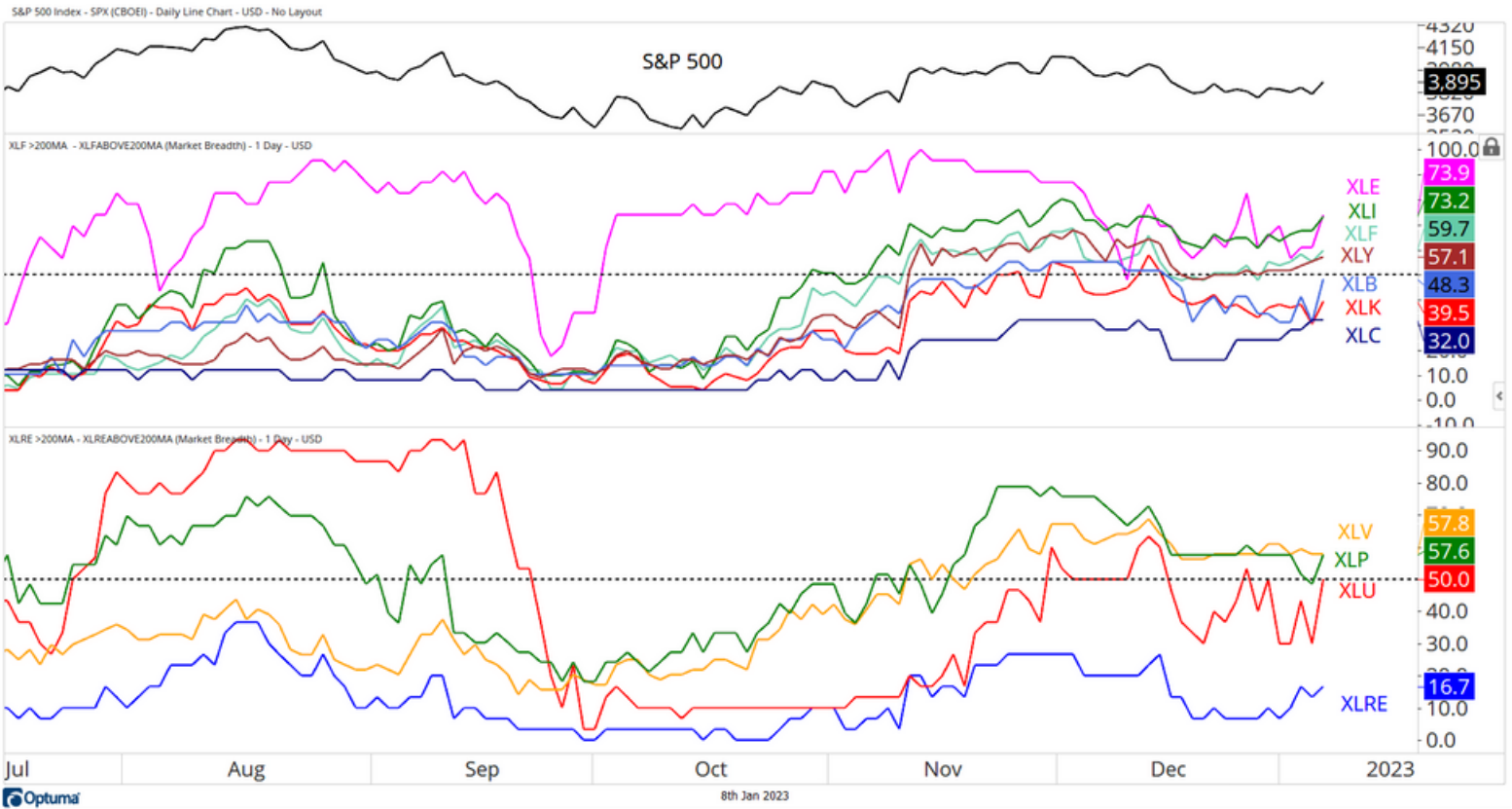
Daily - Performance - No Layout

Ticker	Name	2023	YTD Rel% to SPX	1W %	1M %	3M%	6M%	% from 52Wk High	% from 52Wk Low	% From 20MA	% From 50MA	% From 200MA
- Index		AVG: 1.35%			AVG: 16.86%			AVG: 12.13%			AVG: -0.35%	
MID	S&P Midcap 400 Index	2.45%	7.21%	2.45%	0.34%	7.07%	9.25%	12.05%	13.91%	1.82%	0.91%	1.66%
SML	S&P SmallCap 600 Index	2.44%	3.52%	2.44%	-1.14%	5.79%	5.25%	15.31%	12.09%	1.50%	-0.39%	-0.71%
DJI	Dow Jones Industrial Average	1.46%	13.25%	1.46%	0.10%	12.38%	8.35%	7.90%	17.34%	0.97%	0.85%	3.73%
SPX	S&P 500 INDEX	1.45%	0.00%	1.45%	-1.17%	4.02%	1.30%	17.98%	11.56%	0.49%	-0.24%	-2.53%
NDY	NASDAQ 100 Index	0.92%	-17.22%	0.92%	-4.41%	-3.88%	-6.85%	31.07%	5.74%	-1.14%	-2.88%	-9.67%
- Sectors		AVG: 11.30%			AVG: 16.80%			AVG: 17.85%			AVG: 0.58%	
XLC	SPDR Communication Services Select Sector ETF	5.02%	-20.61%	5.02%	1.51%	0.64%	-10.16%	34.92%	12.35%	3.88%	3.17%	-8.55%
XLB	SPDR Materials Select Sector Fund ETF	3.46%	8.54%	3.46%	-1.23%	12.85%	9.96%	12.15%	20.22%	1.41%	1.68%	1.90%
XLF	SPDR Financial Select Sector Fund ETF	3.45%	10.86%	3.45%	1.87%	11.82%	11.64%	15.15%	19.57%	3.20%	2.07%	4.03%
XLI	SPDR Industrial Select Sector Fund ETF	2.75%	16.70%	2.75%	1.49%	16.23%	15.62%	6.08%	21.95%	2.04%	2.62%	7.02%
XLRE	SPDR Real Estate Select Sector Fund ETF	2.57%	-10.54%	2.57%	-0.37%	7.10%	-8.48%	25.68%	14.35%	0.83%	0.82%	-8.22%
XLY	SPDR Consumer Discretionary Select Sector Fund	2.25%	-20.95%	2.25%	-5.35%	-9.33%	-7.43%	34.98%	4.82%	-0.37%	-4.21%	-13.09%
XLP	SPDR Consumer Staples Select Sector Fund ETF	1.65%	20.25%	1.65%	0.04%	12.25%	3.87%	6.84%	14.51%	0.79%	1.66%	2.69%
XLU	SPDR Utilities Select Sector Fund ETF	0.71%	21.37%	0.71%	-0.10%	9.05%	1.25%	9.23%	17.65%	0.08%	2.23%	-0.39%
XLK	SPDR Technology Select Sector Fund ETF	0.23%	-12.22%	0.23%	-4.25%	-0.97%	-4.14%	26.78%	10.41%	-1.67%	-2.85%	-7.54%
XLE	SPDR Energy Select Sector Fund ETF	0.10%	93.05%	0.10%	2.63%	6.21%	27.81%	7.55%	46.32%	2.34%	-1.15%	8.22%
XLV	SPDR Health Care Select Sector Fund ETF	-0.13%	17.83%	-0.13%	-1.25%	8.30%	4.52%	5.40%	14.25%	-0.67%	0.30%	3.50%

SECTOR - BREADTH 200-MA



Trends continue to improve for most sectors. just 3 offense and 1 defensive sector have less than half of stocks above the 200-day moving average.



SECTOR - XLY BREADTH



The breadth data for XLY shows much better strength below the surface than the ETF would suggest. Tesla continues to have a huge impact on how XLY moves but when we look at the rest of the sector, 57% of them are above the 200-day MA already and 21% on Friday made a 6-month high.



FUND FLOWS



XLRE and XLB have seen the most inflows as % of AUM over the last month and traders continue to cause outflows from XLY and XLC. However, during the first week of the year we did see inflows for XLY - something to watch as I mentioned earlier that the sector's internals are improving as well.



Daily - ETF Flows - Fund Flows Layout

Name	Ticker	Net Flows YTD	Net Flows 3 Month	Net Flows 1 Month	1 Month Flow % of AUM
- Bond ETFs					
iShares 10-20 Year Treasury Bond ETF	TLH	110,705,267	1,665,645,581	334,686,214	5.33%
iShares 3-7 Year Treasury Bond ETF	IEI	161,732,058	-68,706,848	137,722,103	1.15%
iShares 1-3 Year Treasury Bond ETF	SHY	154,381,979	-1,012,219,037	211,052,776	0.76%
iShares 7-10 Year Treasury Bond ETF	IEF	164,811,927	1,237,068,948	136,224,741	0.59%
iShares 20+ Year Treasury Bond ETF	TLT	738,527,355	4,278,976,110	-523,914,890	-1.84%
iShares iBoxx \$ Investment Grade Corporate Bond ETF	LQD	138,658,781	2,234,179,117	-1,445,680,561	-4.03%
iShares TIPS Bond ETF	TIP	-127,953,183	-3,764,740,854	-1,172,286,325	-5.09%
- SPDR Equity ETFs					
SPDR Real Estate Select Sector Fund ETF	XLRE	-15,164,384	122,371,083	60,137,904	1.23%
SPDR Materials Select Sector Fund ETF	XLB	28,062,596	-265,004,364	45,831,584	0.87%
SPDR Technology Select Sector Fund ETF	XLK	133,872,510	823,935,521	316,056,863	0.85%
SPDR Health Care Select Sector Fund ETF	XLV	-13,943,506	1,863,199,031	274,035,915	0.66%
SPDR Financial Select Sector Fund ETF	XLF	338,509,449	1,066,434,160	173,719,351	0.54%
SPDR Utilities Select Sector Fund ETF	XLU	179,071,457	-642,664,195	38,379,242	0.24%
SPDR S&P 500 ETF	SPY	-1,106,663,877	5,672,730,708	-373,118,593	-0.11%
SPDR Industrial Select Sector Fund ETF	XLI	248,821,594	383,708,184	-58,571,336	-0.43%
SPDR Consumer Staples Select Sector Fund ETF	XLP	43,172,416	1,162,427,534	-81,110,774	-0.47%
SPDR Energy Select Sector Fund ETF	XLE	-411,409,619	-380,895,348	-822,846,547	-2.07%
SPDR Consumer Discretionary Select Sector Fund ETF	XLY	96,125,998	-549,410,449	-282,358,756	-2.23%
SPDR Communication Services Select Sector ETF	XLC	-17,699,135	288,936,860	-191,840,367	-2.36%

COMMODITY - NATURAL GAS



Natural Gas prices have fallen back to late-2021 levels. I'm still watching for the COT data to improve for nat gas (it still hasn't). From a price perspective, there could be some support here as momentum is also testing its prior October low.



DAILY SENTIMENT INDEX



Daily - Watch List - No Layout

Code	% Bullish ^	5-day MA	History
VIX DSI	15	19	
Natural Gas DSI	15	16	
Bitcoin DSI	18	16	
Wheat DSI	20	26	
Lumber DSI	20	21	
Palladium DSI	21	21	
Coffee DSI	21	28	
Nasdaq DSI	22	16	
Corn DSI	23	30	
Swiss Franc DSI	26	25	
SPX DSI	27	19	
Lean Hog DSI	27	41	
Nikkei DSI	30	24	
US Dollar DSI	33	37	
Crude Oil DSI	35	42	
SYR DSI	35	27	
Sugar DSI	37	49	
EuroDollar DSI	38	36	

Daily - Watch List - No Layout

Code	% Bullish ^	5-day MA	History
CRB Index DSI	39	40	
Gasoline DSI	40	48	
10Y DSI	40	28	
Heating Oil DSI	41	43	
British Pound DSI	46	43	
Orange Juice DSI	55	55	
Australian Dollar DSI	55	51	
Cotton DSI	57	50	
Yen DSI	60	60	
Cocoa DSI	60	60	
Silver DSI	65	69	
Euro DSI	65	63	
Soybean DSI	68	68	
New Zealand Dollar DSI	71	68	
Copper DSI	73	61	
Platinum DSI	75	75	
Cattle DSI	75	76	
Gold DSI	81	77	
Mexican Peso DSI	88	81	

Source: trade-futures.com

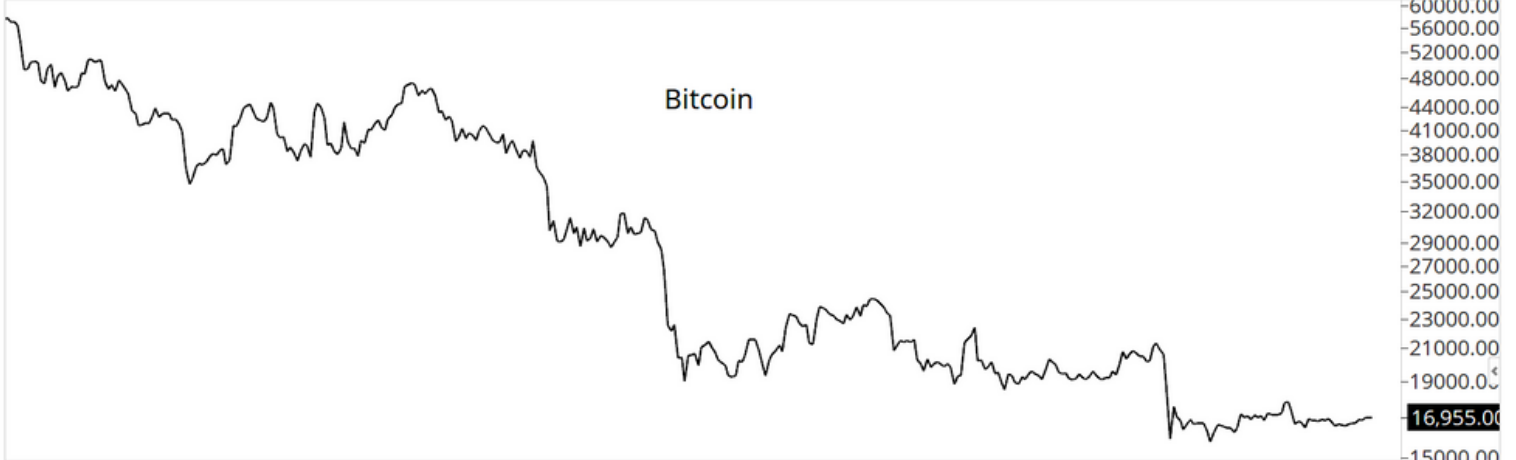
DAILY SENTIMENT INDEX



DAILY SENTIMENT INDEX



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



Bitcoin DSI (DSI) - 1 Day - USD

Source: trade-futures.com

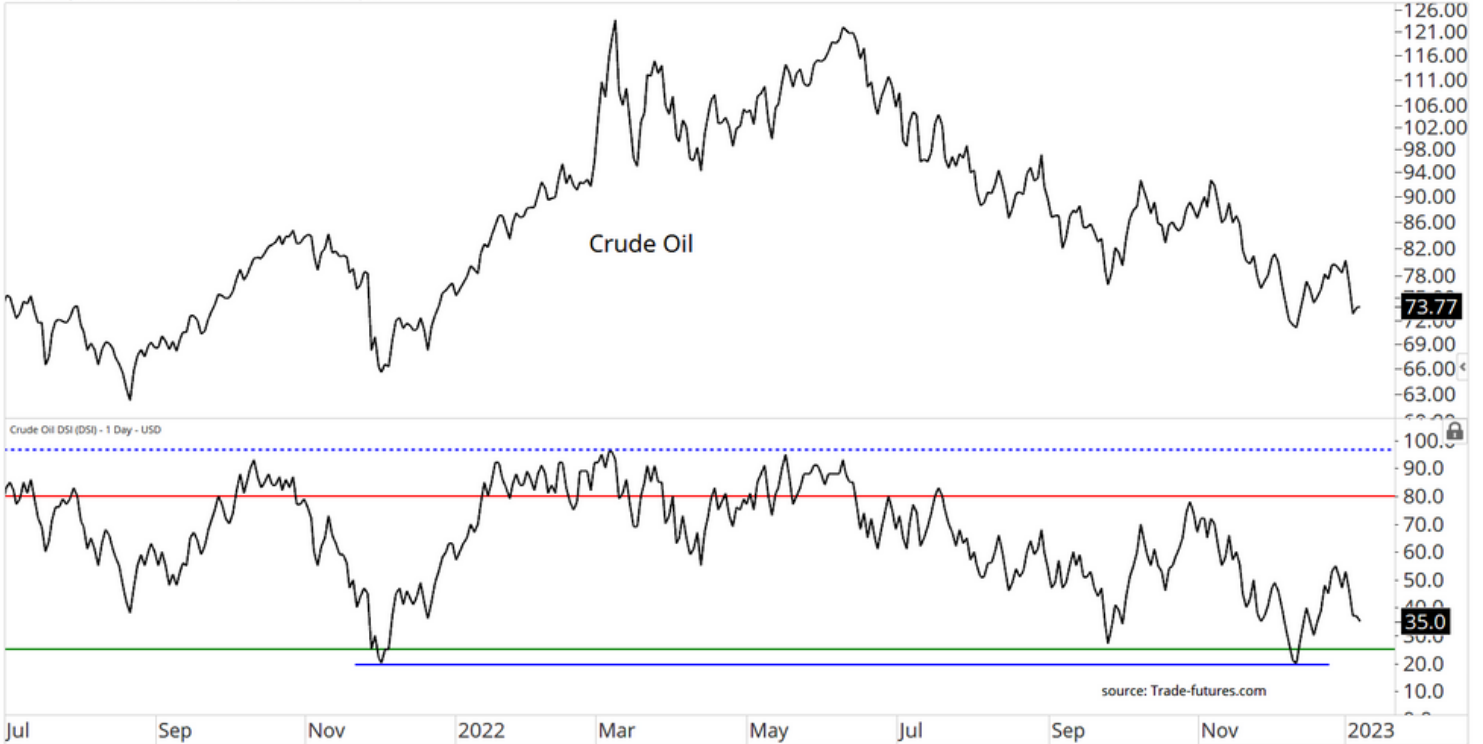


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DAILY SENTIMENT INDEX



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



Optima

8th Jan 2023

DAILY SENTIMENT INDEX



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



DAILY SENTIMENT INDEX



NASDAQ 100 Index - NDY (W1) - Daily Line Chart - USD - No Layout



8th Jan 2023

DAILY SENTIMENT INDEX



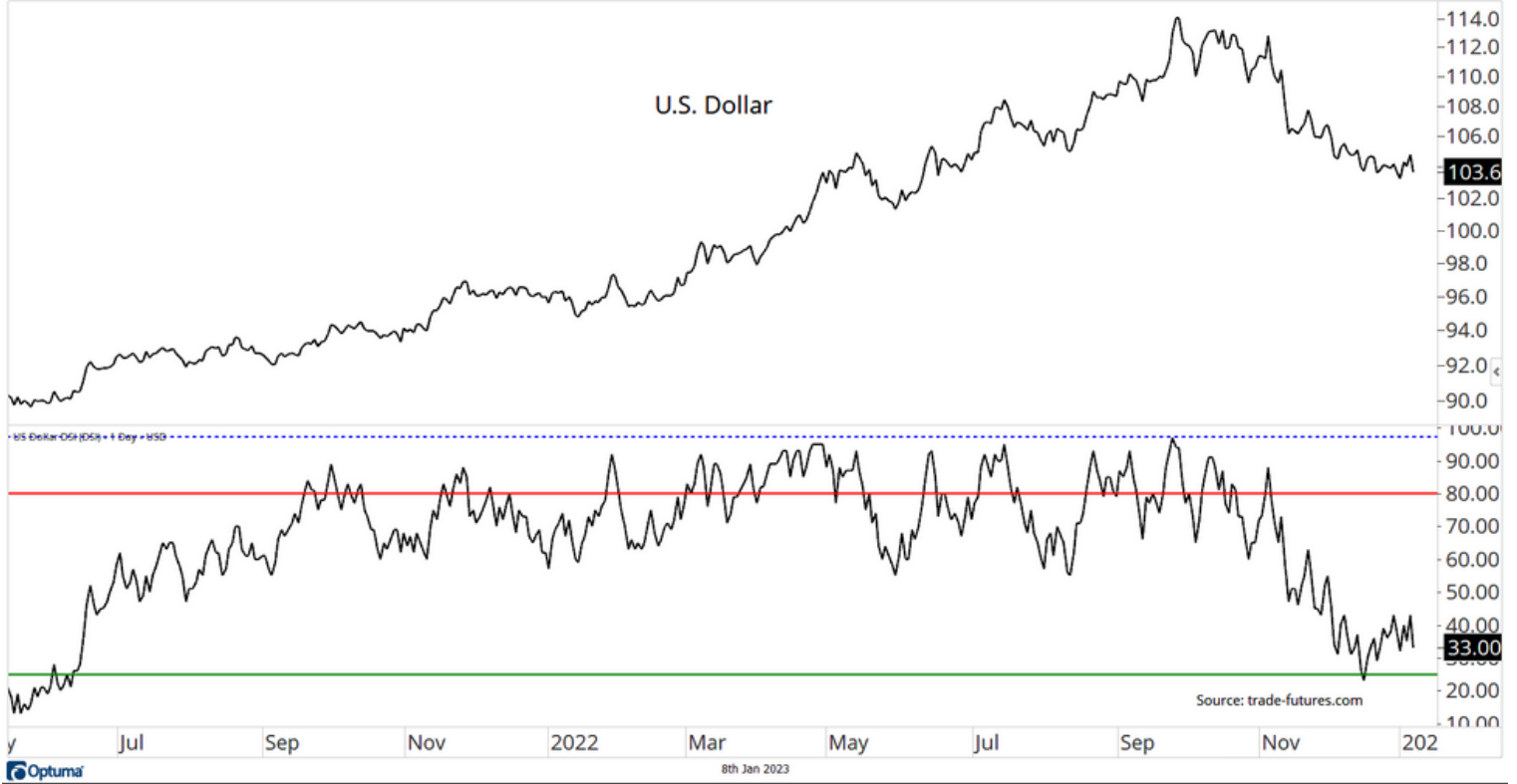
S&P 500 Index - SPX (CBOE) - Daily Line Chart - USD - No Layout



DAILY SENTIMENT INDEX



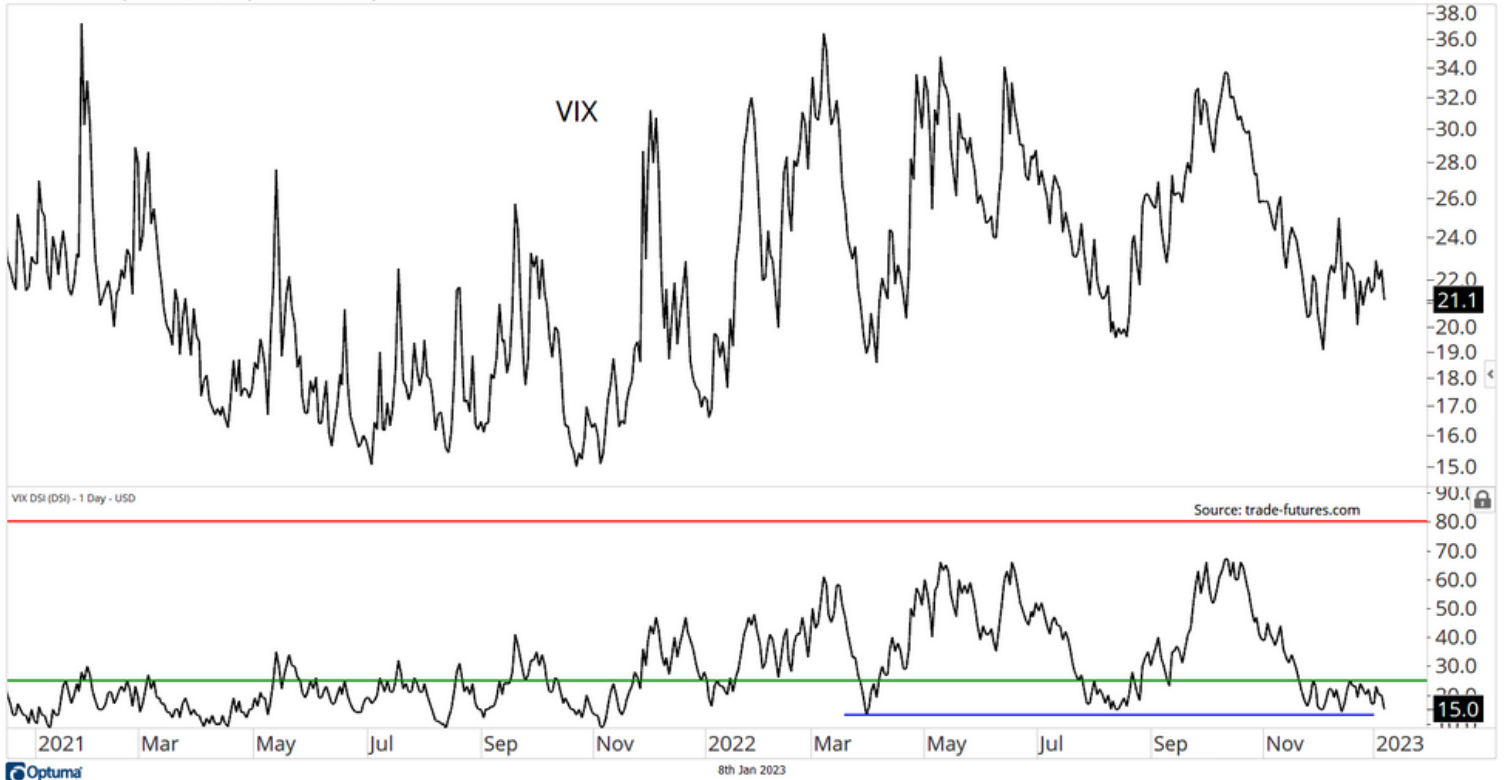
U.S. Dollar Index - DIXSpot (AFUT) - Daily Line Chart - USD - No Layout



DAILY SENTIMENT INDEX



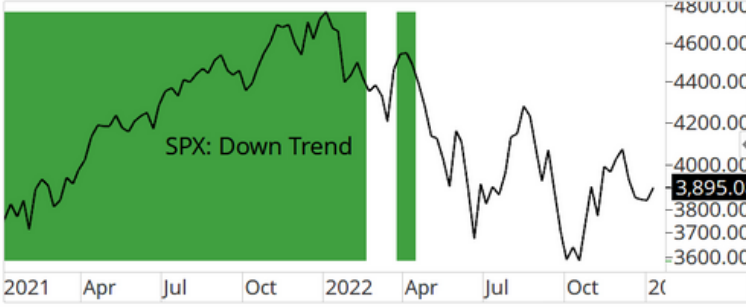
CBOE S&P 500 Volatility Index - VIX (CBOE) - Daily Line Chart - USD - No Layout



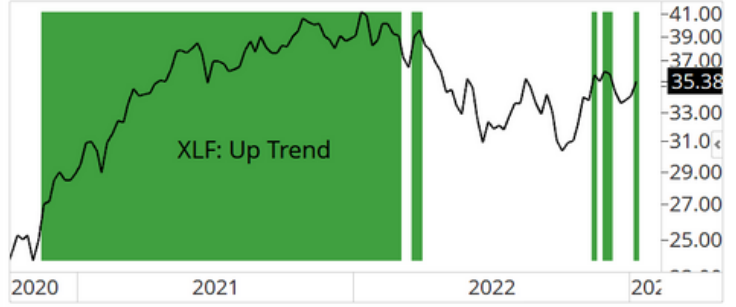
TREND MODELS



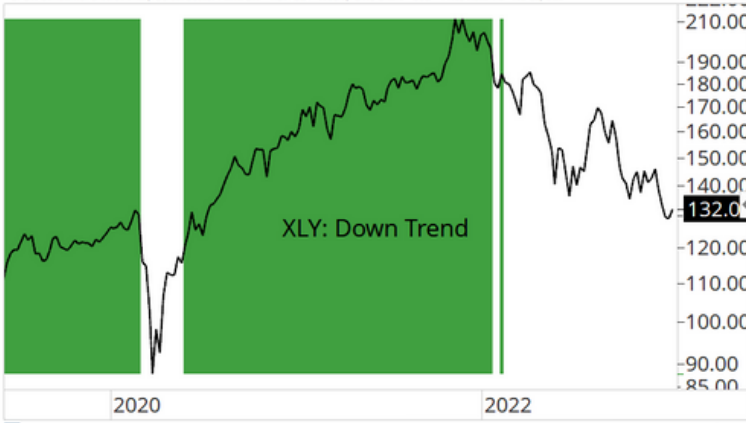
S&P 500 INDEX - SPX (W) - Weekly Line Chart - USD - No Layout



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



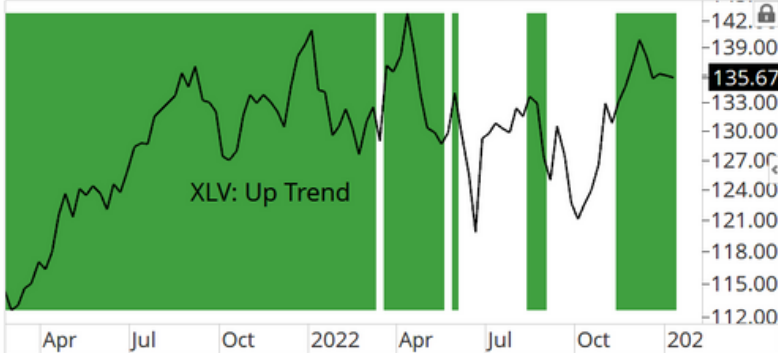
SPDR Consumer Discretionary Select Sector Fund ETF - XLY (US) - Weekly Line Chart - USD - Price Returns - No Layout



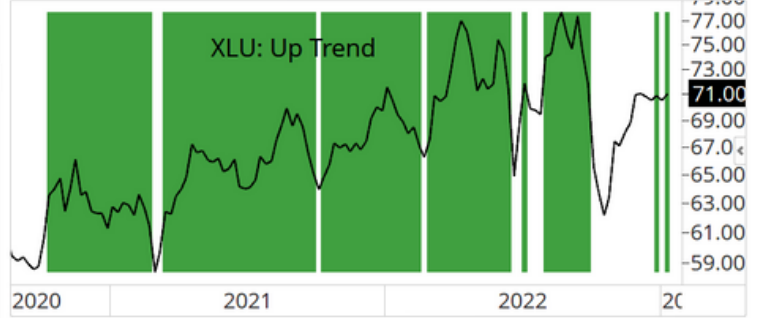
SPDR Technology Select Sector Fund ETF - XLK (US) - Weekly Line Chart - USD - Price Returns - No Layout



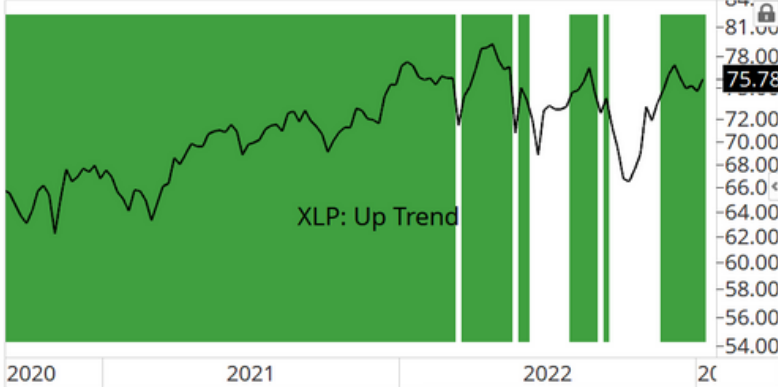
SPDR Health Care Select Sector Fund ETF - XLV (US) - Weekly Line Chart - USD - Price Returns - No Layout



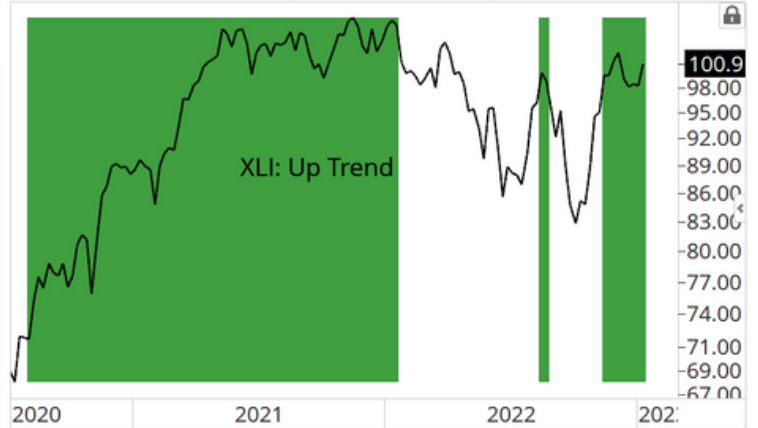
SPDR Utilities Select Sector Fund ETF - XLU (US) - Weekly Line Chart - USD - Price Returns - No Layout



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



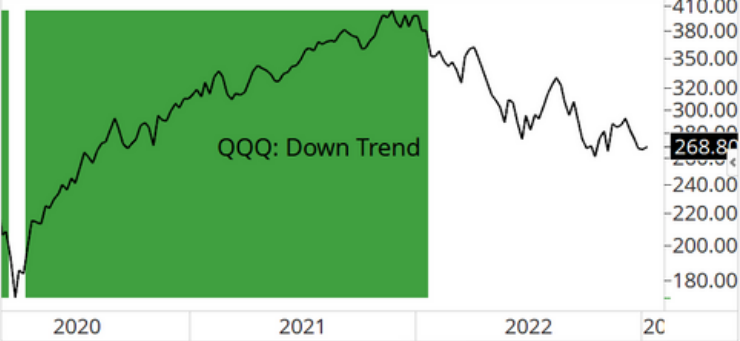
SPDR Industrial Select Sector Fund ETF - XLI (US) - Weekly Line Chart - USD - Price Returns - No Layout



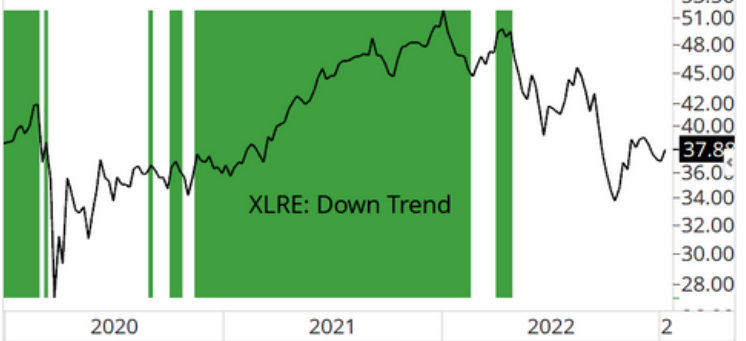
TREND MODELS



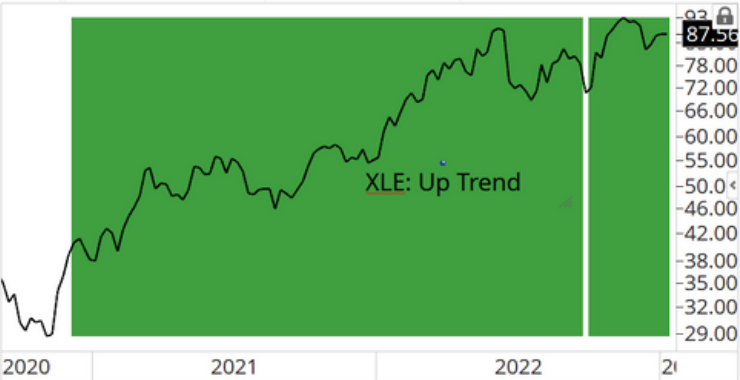
Invesco QQQ Trust - QQQ (US) - Weekly Line Chart - USD - Price Returns - No Layout



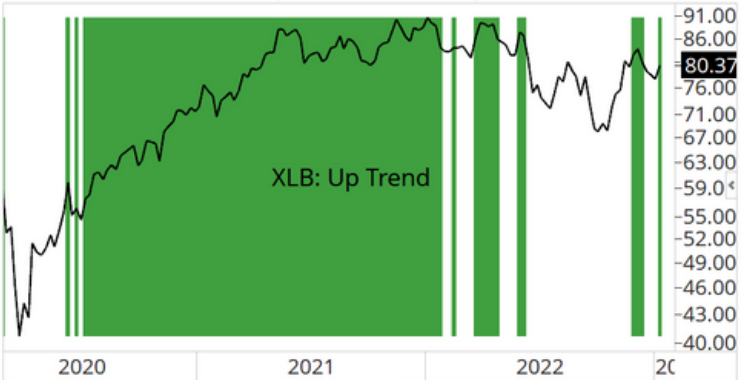
SPDR Real Estate Select Sector Fund ETF - XLRE (US) - Weekly Line Chart - USD - Price Returns - No Layout



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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