THRASHER ANALYTICS

JULY 16, 2023

WEEKLY RESEARCH & ANALYSIS

BY ANDREW THRASHER, CMT

SUMMARY OF MODELS

	Current	Wkly Change
Maestro Model	13	Increasing
Volatility Risk Trigger	72	Unchanged
Risk Appetite Ratios	62	Increasing
S&P 500 Long-Term Trend	Up	Unchanged

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Volatility

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Maestro Model

Sector Sentiment

Sectors & Commodity

Sentiment

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Market Dashboard

Sector Rotation: July	
Technology	XLK
Communication	XLC
Consumer Disc.	XLY

Maestro Model	
Trend / Momentum	2
Sentiment / VIX	1
Breadth	5
Economic	0
Total	13

(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	84%	81%
Nasdaq 100	84%	81%
Nikkei	62%	64%
VIX	11%	13%
10yr Treasury	55%	52%
5yr Treasury	49%	47%
CRB Index	72%	72%
Crude Oil	67%	64%
Gold	38%	33%
U.S. Dollar	50%	57%
Bitcoin	64%	66%

**Green<25% Red>80%*

source: trade-futures.com

Brief Summary:

The Maestro Model made a good improvement last week, rising to +13 by the end of the week and remains supportive of equities. Lots of developments in the sector sentiment data, with several sectors (XLU, XLRE, and XLE) seeing 7 or more breadth thrusts. I focus on XLU and XLE sentiment charts, showing potential bullish setups in both.

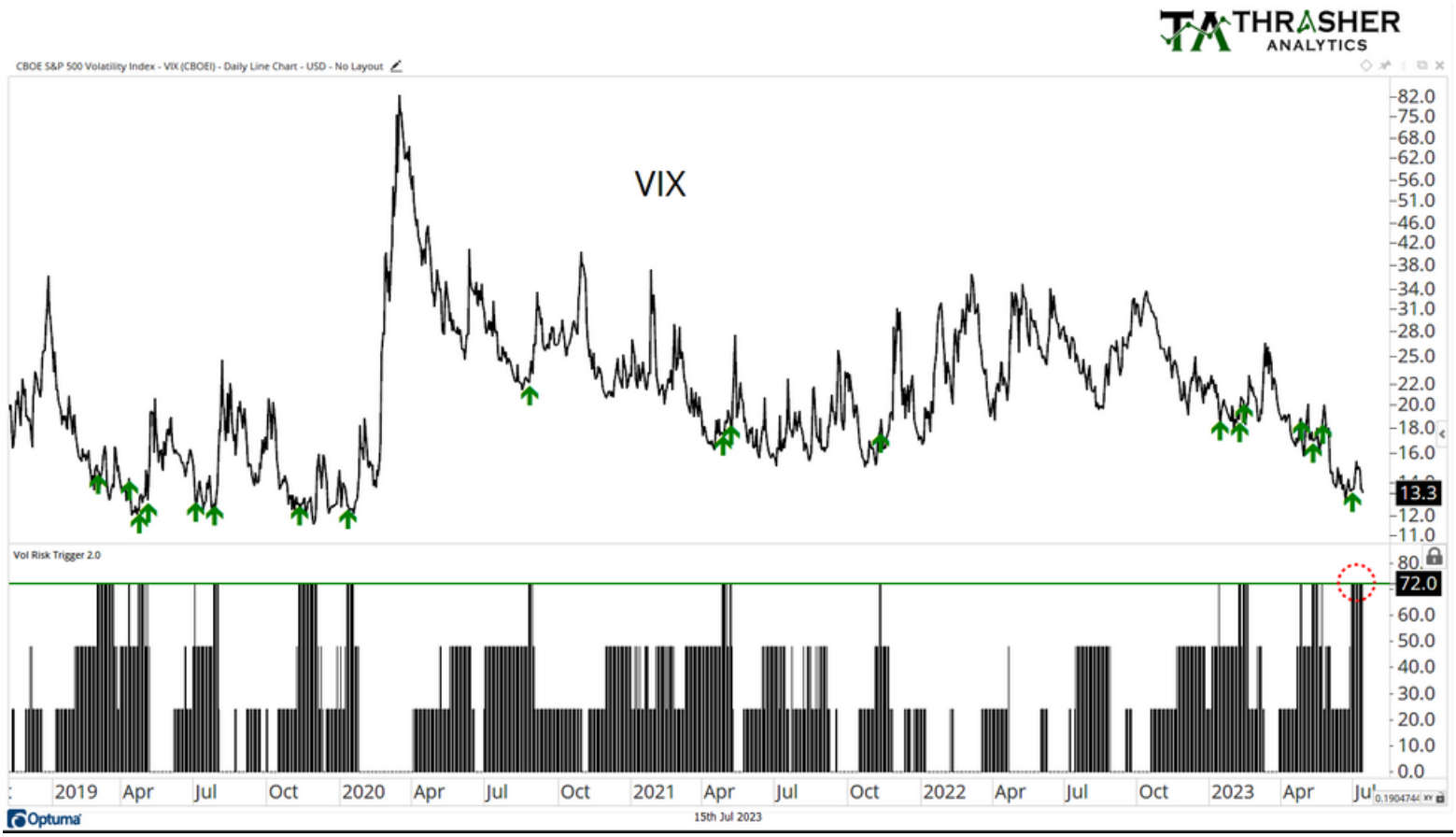
At the 41st %tile, VVIX remains elevated relative to the drop in VIX. Sentiment of VIX vs. the S&P 500 is extremely stretched as we move into option expiration week for VIX options. This will be the last week of trading before the Nasdaq 100 special rebalance on July 24th. News will be fairly light with retail sales and industrial production on Tuesday and some housing releases on Wednesday. More financial earnings come out on Tues with BofA, Schwab, and MS reporting. Goldman, Tesla, Netflix, IBM, and Alcoa will get the earnings spotlight on Wednesday.

Last week I discussed German and Japanese indices. DAX and the Nikkei both saw bounces after hitting the -5% drawdown threshold last week. German equities rose 4% and Japanese stocks rose 1% as dip buyers emerged.

The intermediate view remains positive based on the Maestro Model but short-term we are stretched as Thursday's move in the S&P 500 took us to the 1.5 ATR on the Stoller Bands as well as the VIX setups I've been discussing - and the market has been ignoring - in recent weeks. The liquidity concerns have been muted over the last month as the Reverse Repo Program makes up for the cash drain caused by the TGA.

Volatility: VRT

VIX retreated once again and VRT remains at a signal level with spot VIX sitting just under 13.

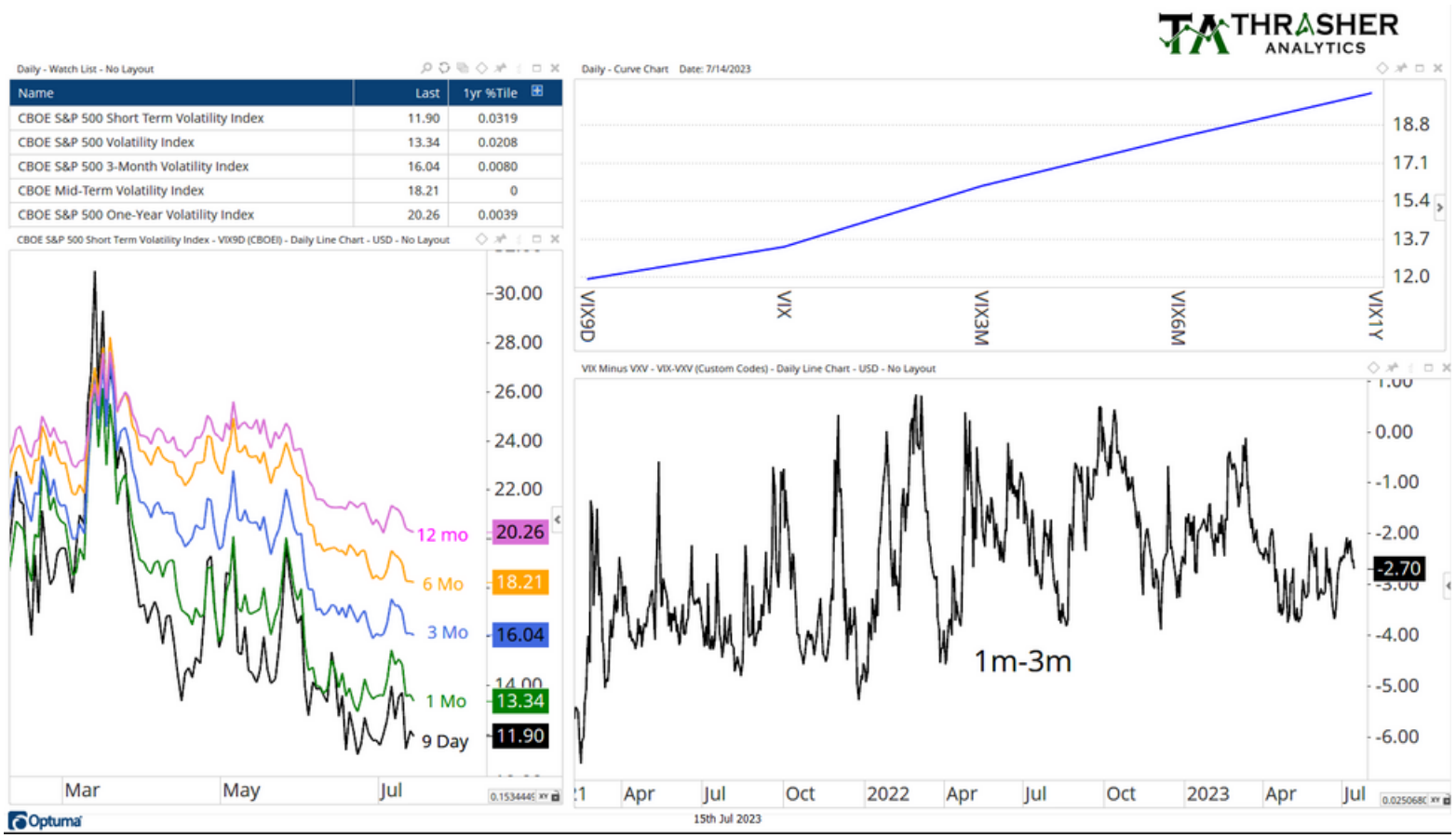


Volatility: Top & Environment

VIX remains in a Low Vol Environment status. At the most recent swing high we did reach one on VIX Top Composite, an Aggressive and Conservative Signal requires two to be hit.

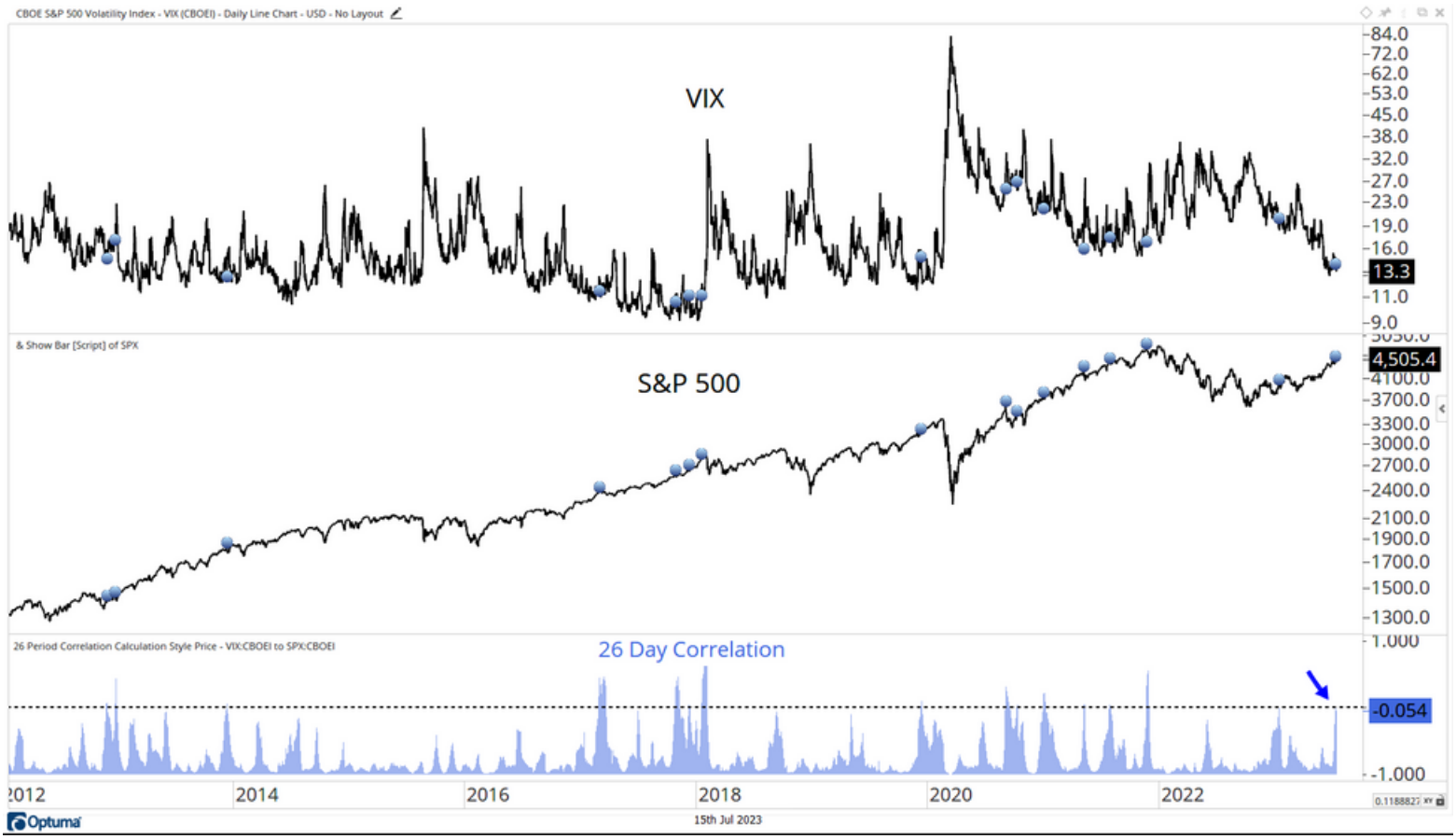
Volatility - Curve

The curve is still in contango but not as steep as it had previously been with 1-month "just" 2.7 points below" 3-month.



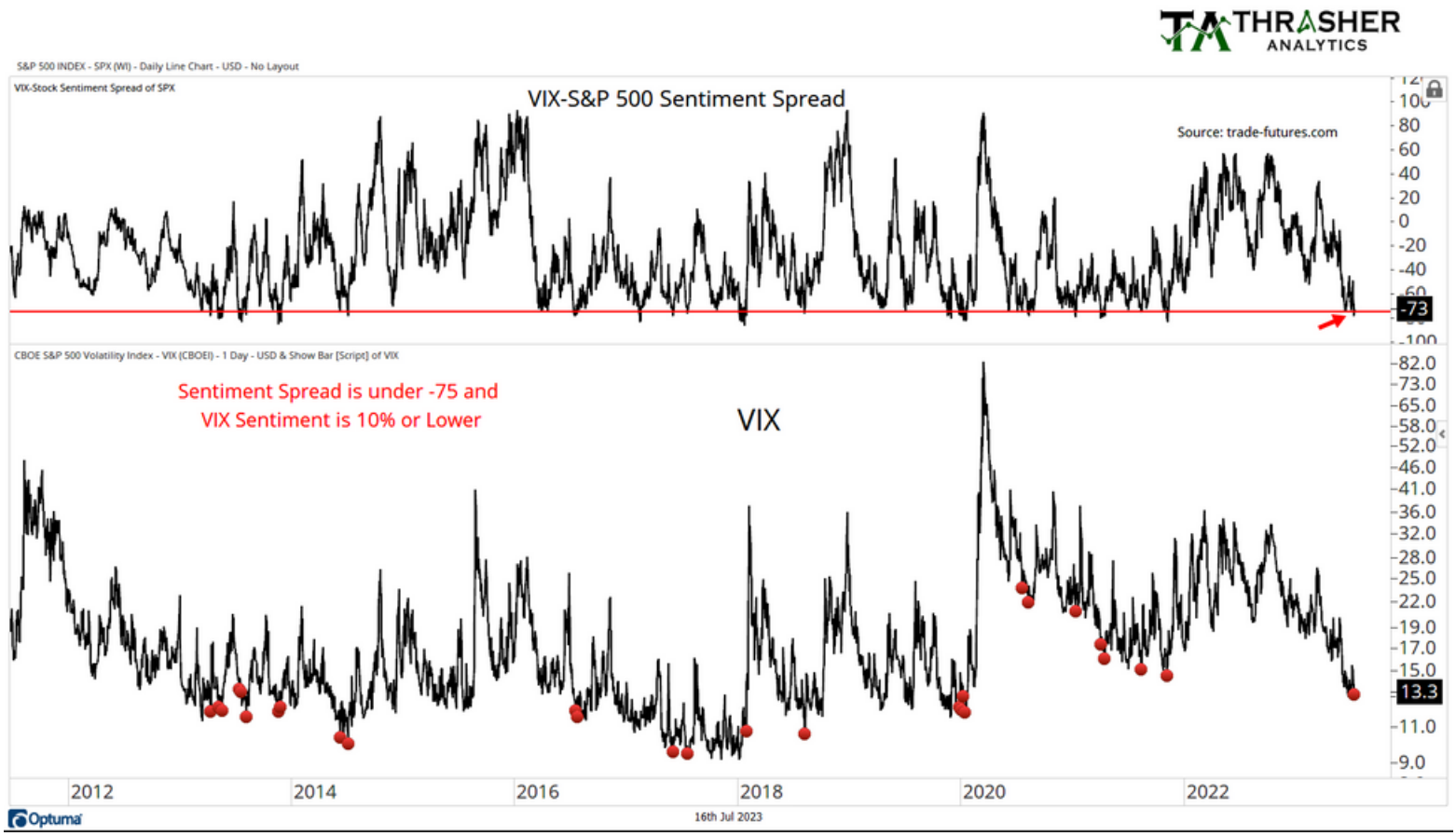
Volatility - Correlation

I tweeted last week that the VIX and S&P 500 had become best friends. This was based on the continued rise in correlation between the two. We now have had a positive 26-day correlation. Blue dots are shown on the chart below when this has happened in the past. Most recently it's been just twice in the last two years.



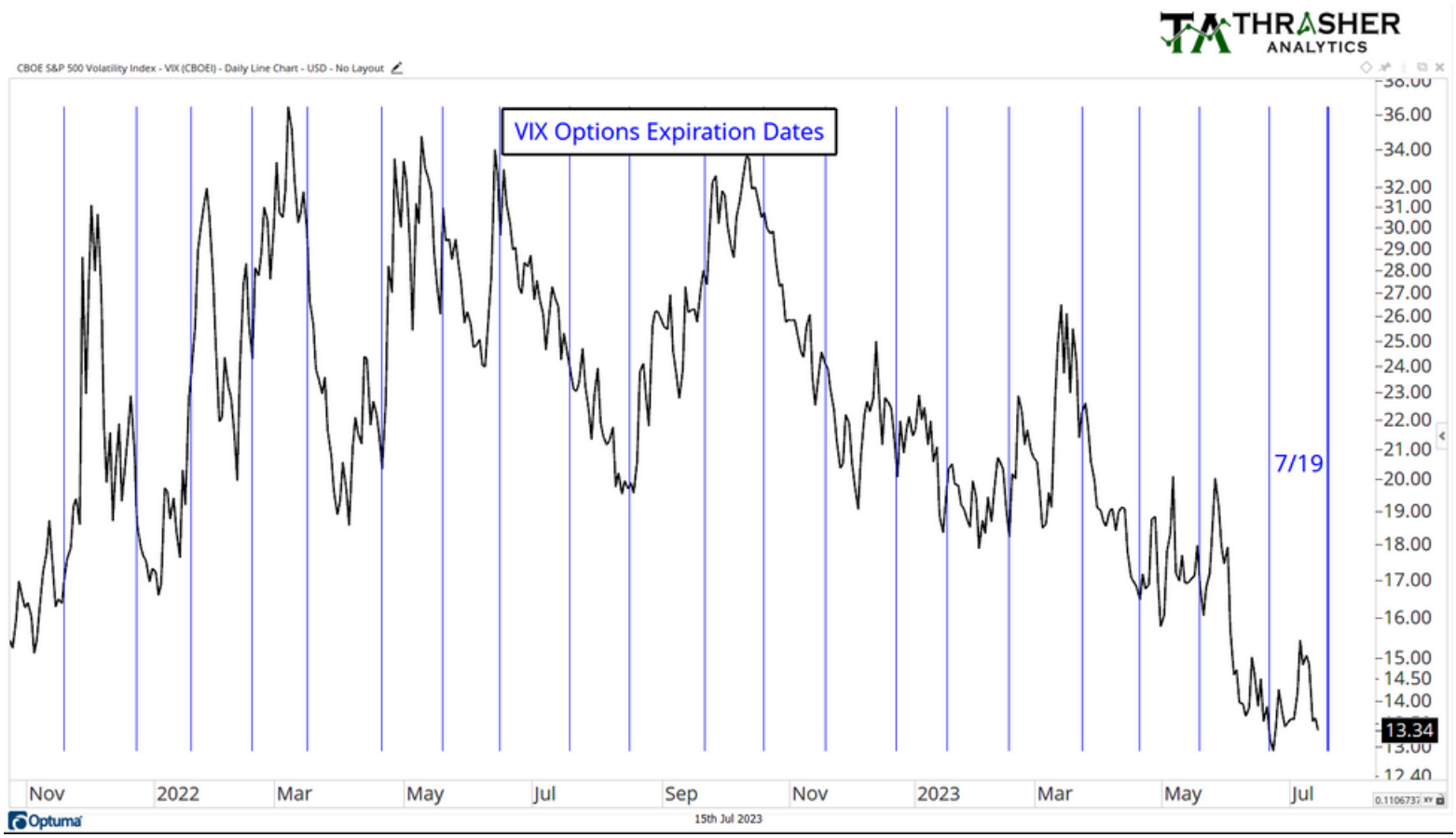
Volatility - Sentiment

Last week I shared how the 25-day average DSI for the VIX has fallen to less than 14% Bullish. Below is a look at the sentiment spread between VIX and the S&P 500. While they have risen in correlation, their sentiment has rarely been further apart. Mid-week last week the spread was larger than 75 points and VIX hit 9% bullish. You can see with the red dots on the VIX chart below in the bottom panel, this has more often than not been followed by a rise in volatility. There's been a building up of data that supports a rising VIX, but the market has (so far) totally ignored it.



Volatility - OpEx

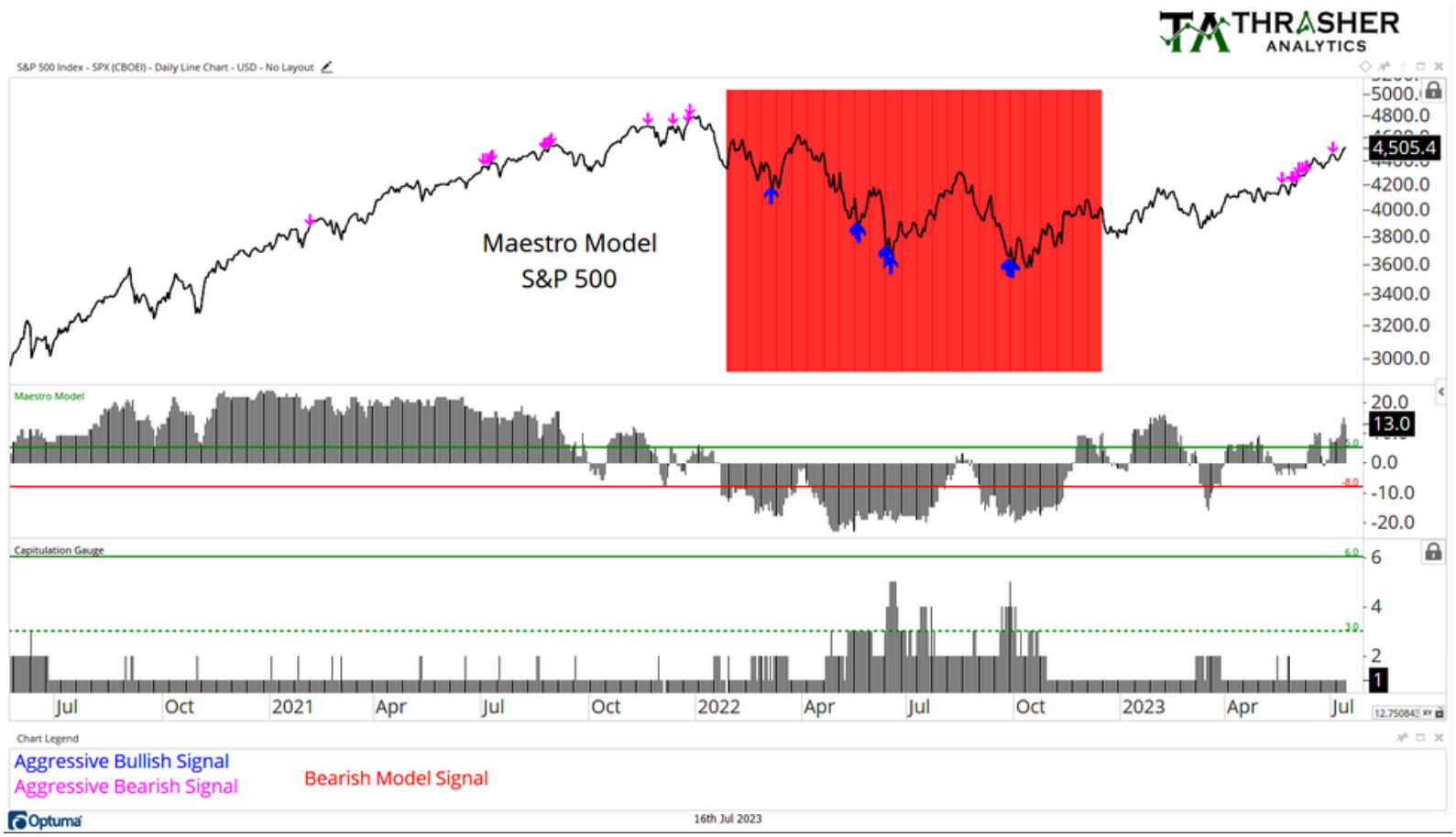
As I share each month, below is a reminder that we get VIX option expiration on Weds. OpEx has often been a turning point for volatility. The current low in the VIX was marked by the June OpEx for example.



Maestro Model

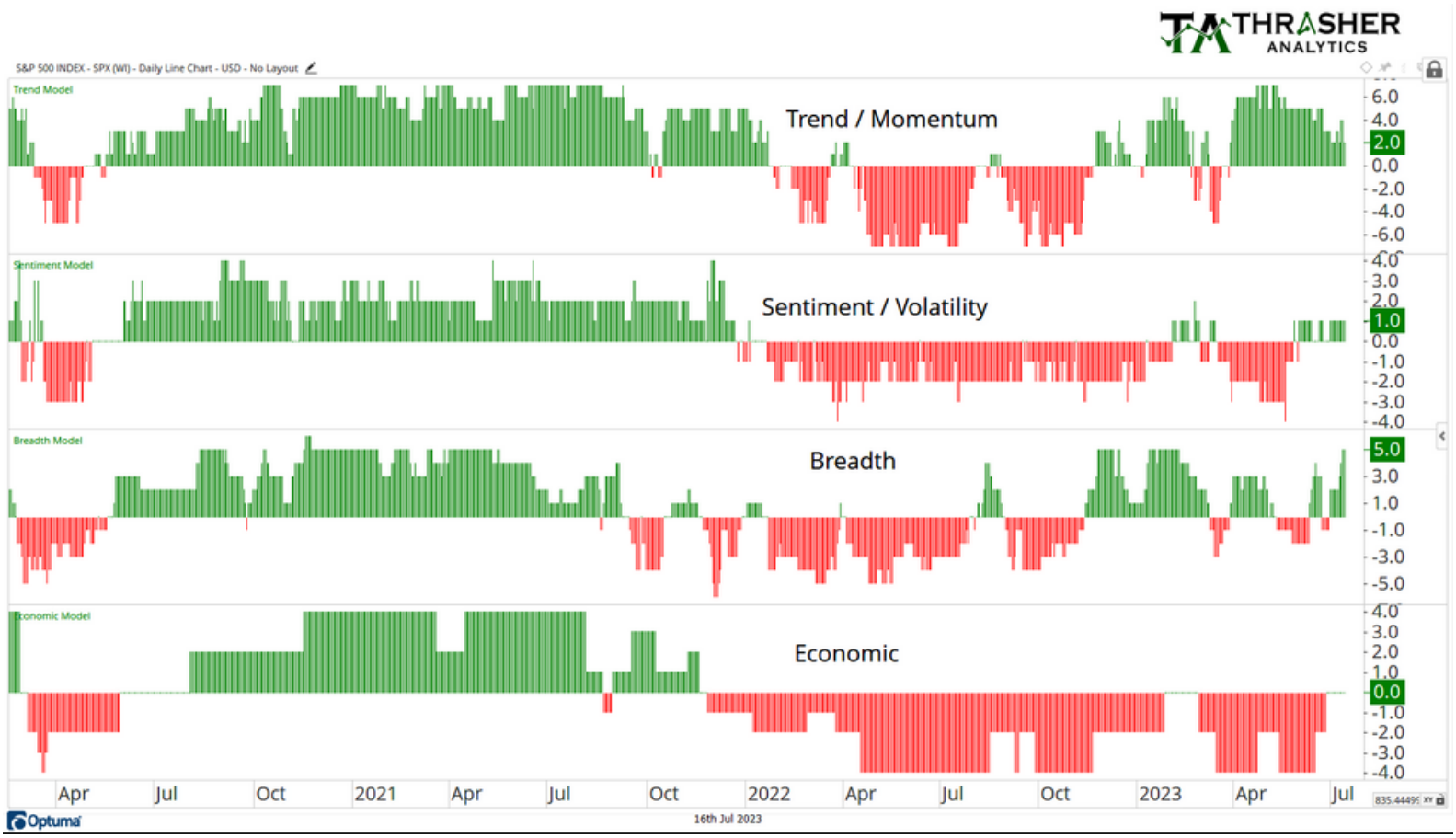
Please be sure to check out the Maestro Model Summary PDF in the Archive on the website.

The Maestro Model saw a strong improvement last week, rising to +13 by Friday due to improvements in breadth. This primary model of Thrasher Analytics continues to be supportive of equities, having not gone below -8 since March. There's been several Aggressive Sell Signals that have been followed by very minor pullbacks that have all been soaked up and shaken off by the market.



Maestro Model - Categories

Here we can see the rise to +5 in Breadth and a slight dip in Trend/Momentum - a result of the stretched momentum indicators within this category. Sentiment/Vol remains at +1.



Sentiment Score

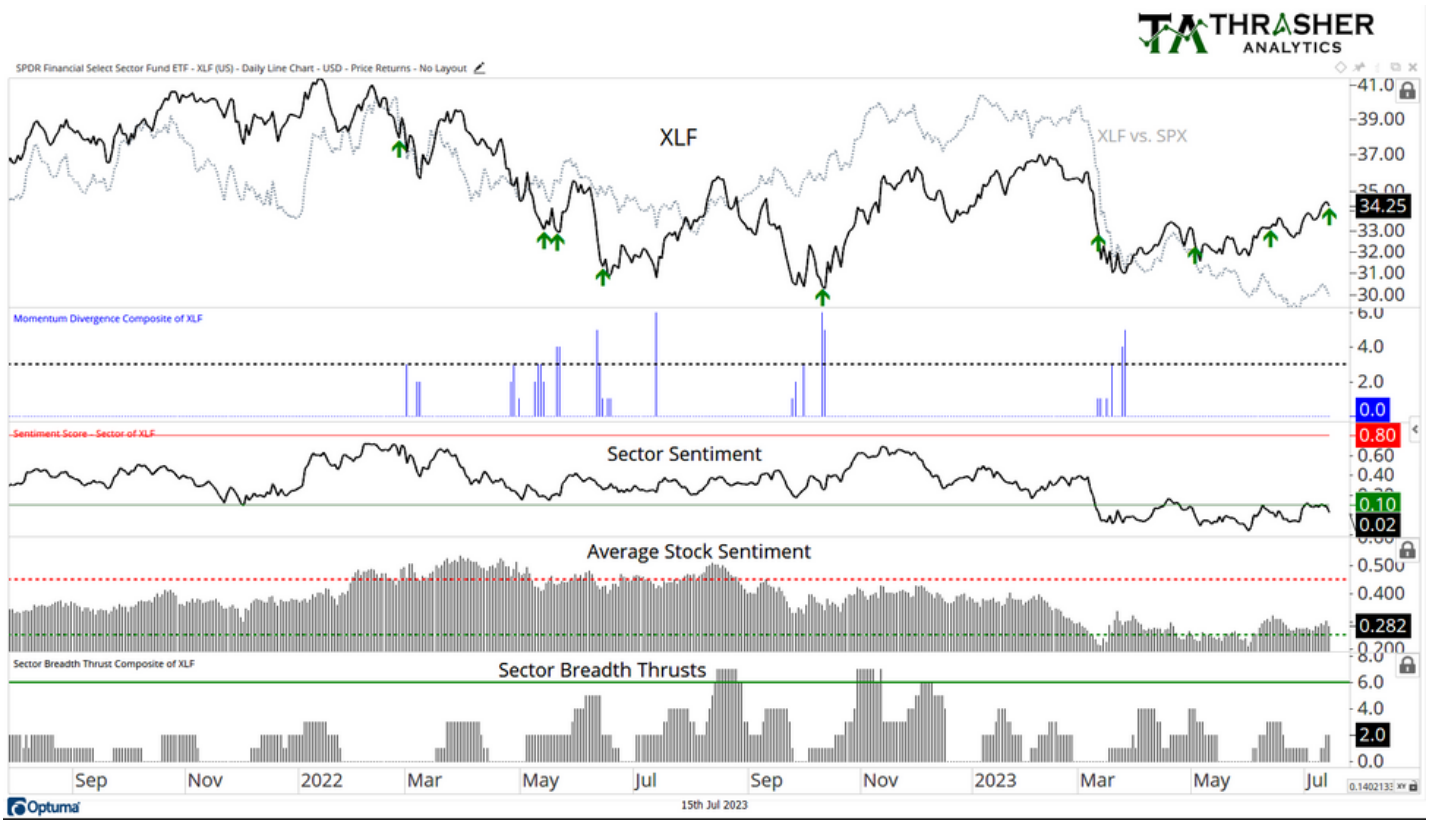
Several developments recently in the sector sentiment data.... XLF has a recent bullish signal as a result of sentiment falling under 0.03. XLY now has its highest sentiment score since November 2021. XLU has had seven breadth thrusts (more on this later). XLE has also had quite a few thrusts (more on this later as well). Finally, XLRE has had eight breadth thrusts as internal data improves.

THRASHER ANALYTICS

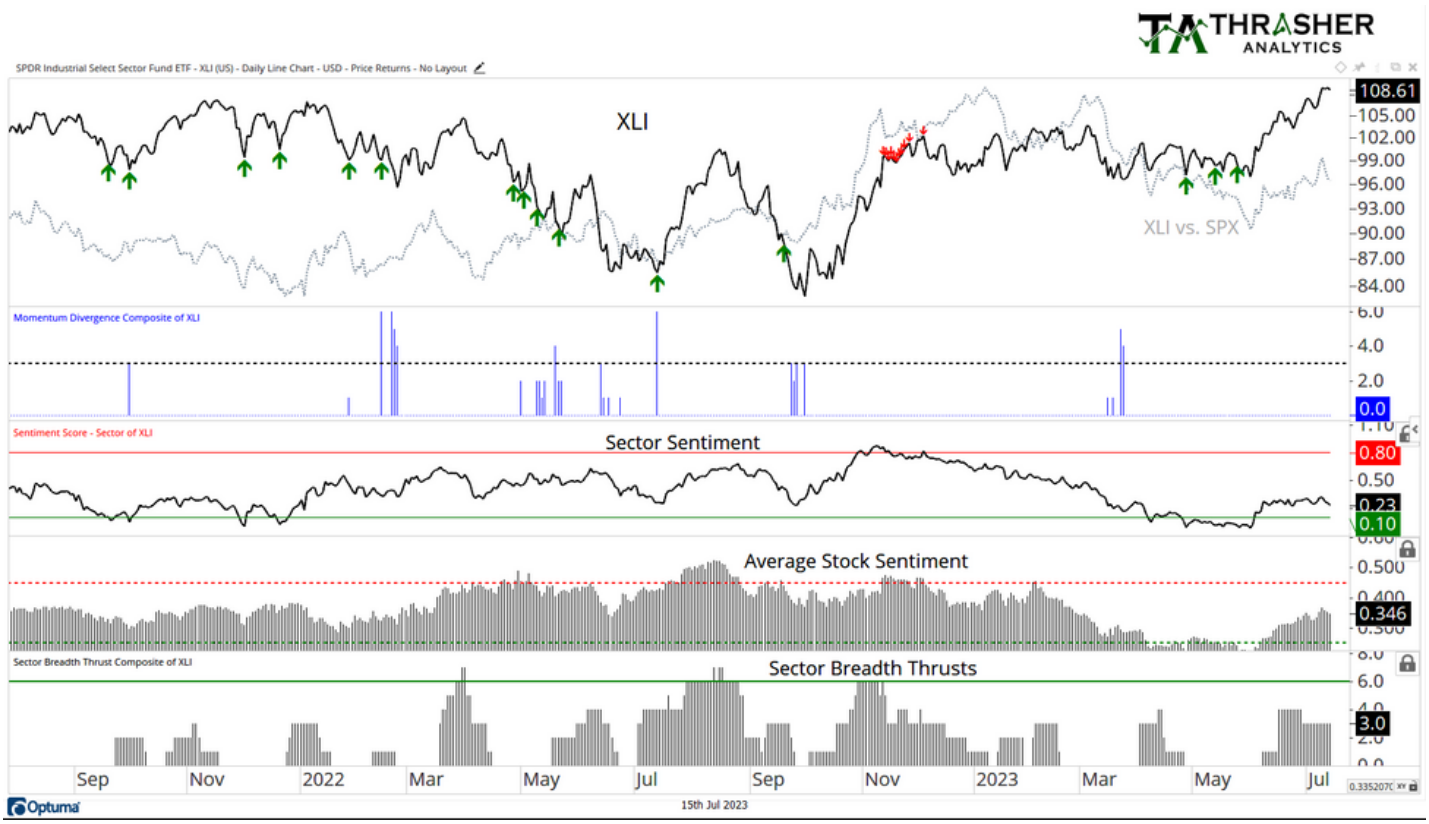
Daily - Watch List - No Layout

Sector	Ticker	Sector Sentiment	Change in Score	1W Perf	1M Perf	3M Perf
SPDR Consumer Discretionary Select Sector Fund ETF	XLY	0.64	0.02	3.28%	5.66%	19.07%
SPDR Communication Services Select Sector ETF	XLC	0.52	0.02	3.23%	4.46%	13.37%
SPDR Technology Select Sector Fund ETF	XLK	0.51	0.05	2.79%	2.08%	18.39%
SPDR Materials Select Sector Fund ETF	XLB	0.38	0.02	2.49%	2.97%	2.88%
SPDR Real Estate Select Sector Fund ETF	XLRE	0.25	0.06	2.65%	3.25%	5.98%
SPDR Industrial Select Sector Fund ETF	XLI	0.23	-0.04	2.27%	4.38%	8.79%
SPDR Consumer Staples Select Sector Fund ETF	XLP	0.21	0.04	1.12%	0.60%	-1.20%
SPDR Health Care Select Sector Fund ETF	XLV	0.06	0.06	2.09%	1.15%	-2.13%
SPDR Utilities Select Sector Fund ETF	XLU	0.04	0.01	2.23%	0.95%	-2.96%
SPDR Financial Select Sector Fund ETF	XLF	0.02	-0.07	1.96%	3.13%	4.17%
SPDR Energy Select Sector Fund ETF	XLE	0.02	0.00	0.82%	1.69%	-6.63%

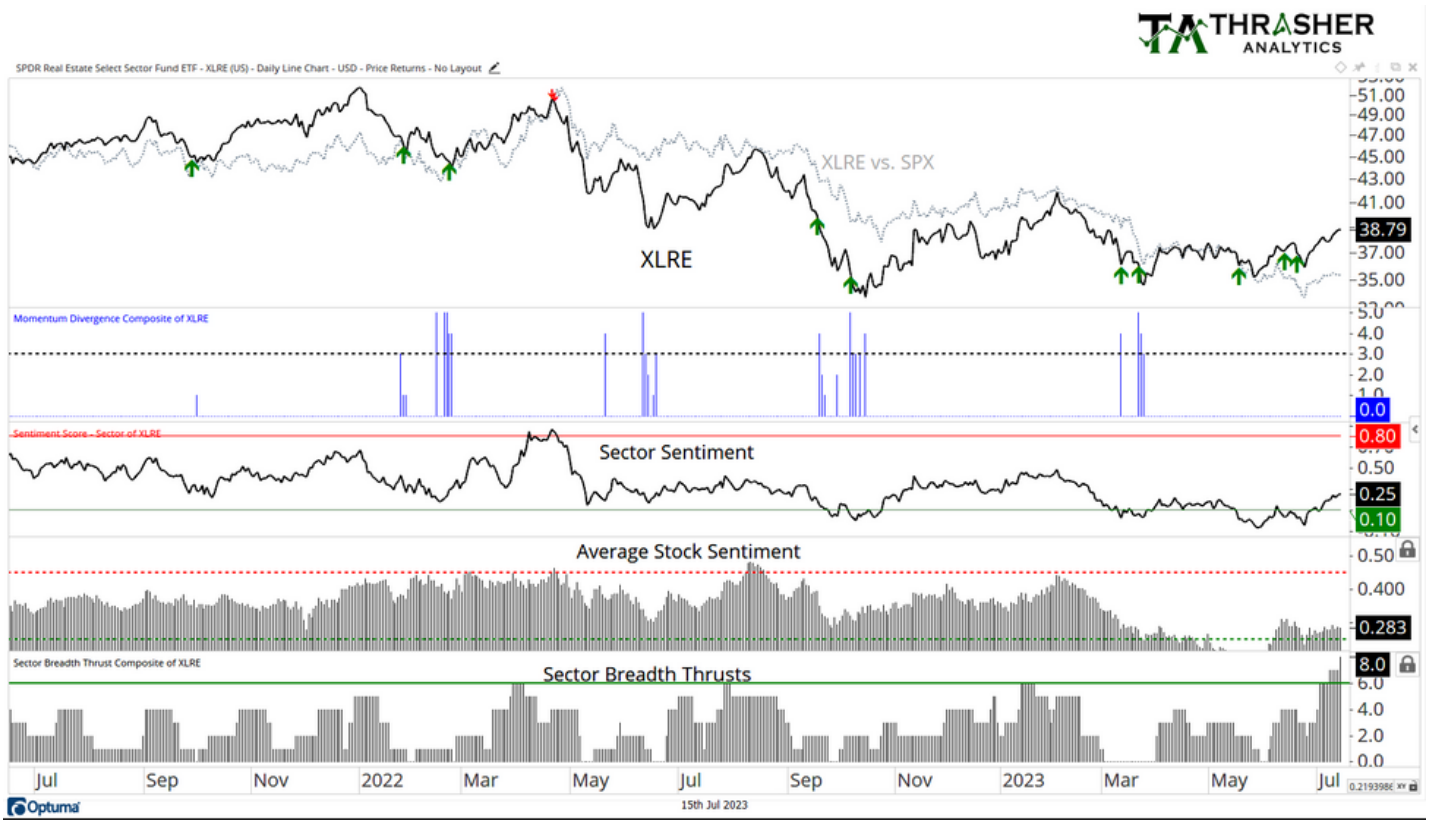
Sentiment Score: XLF & XLY

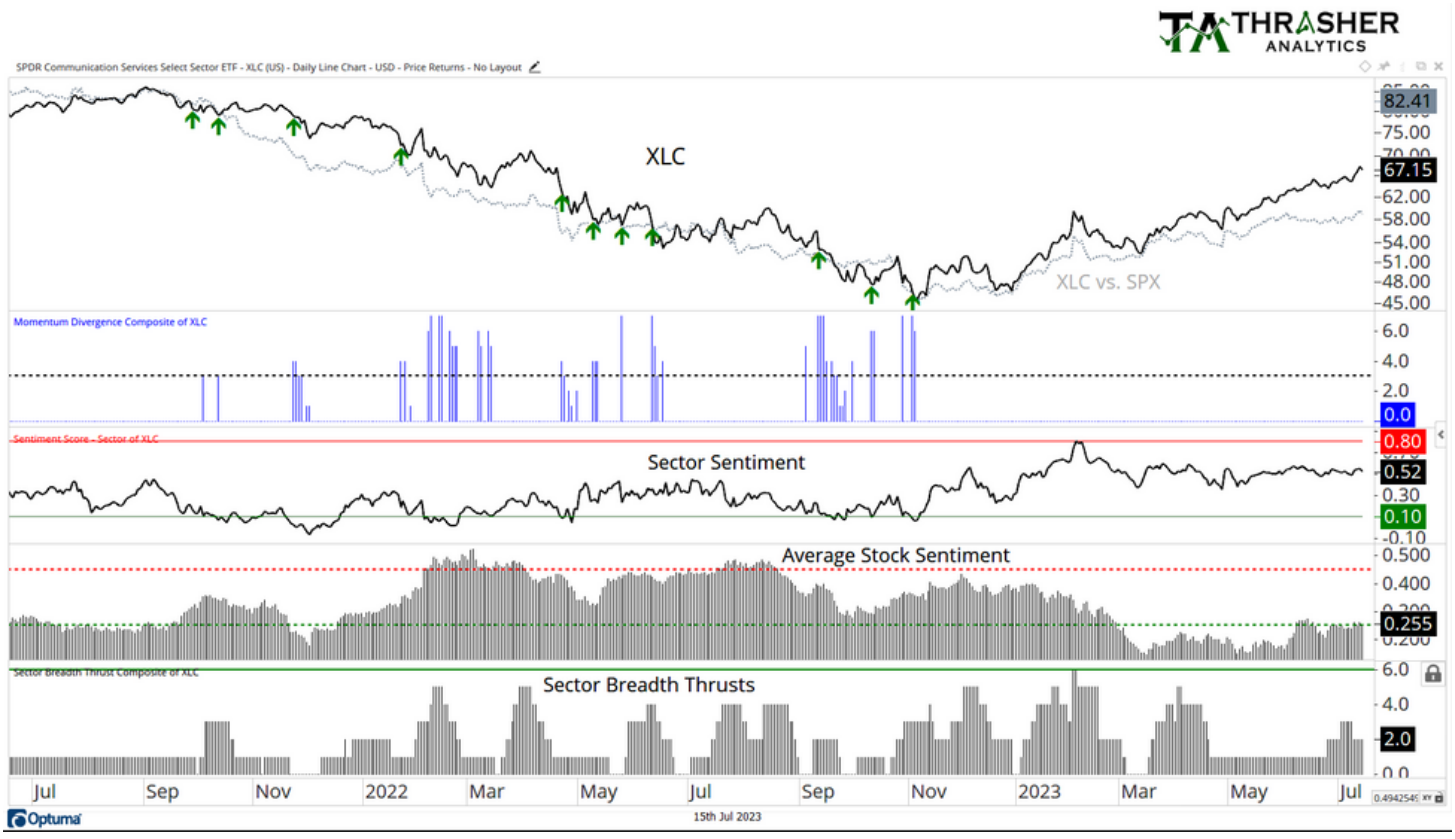


Sentiment Score: XLI & XLB

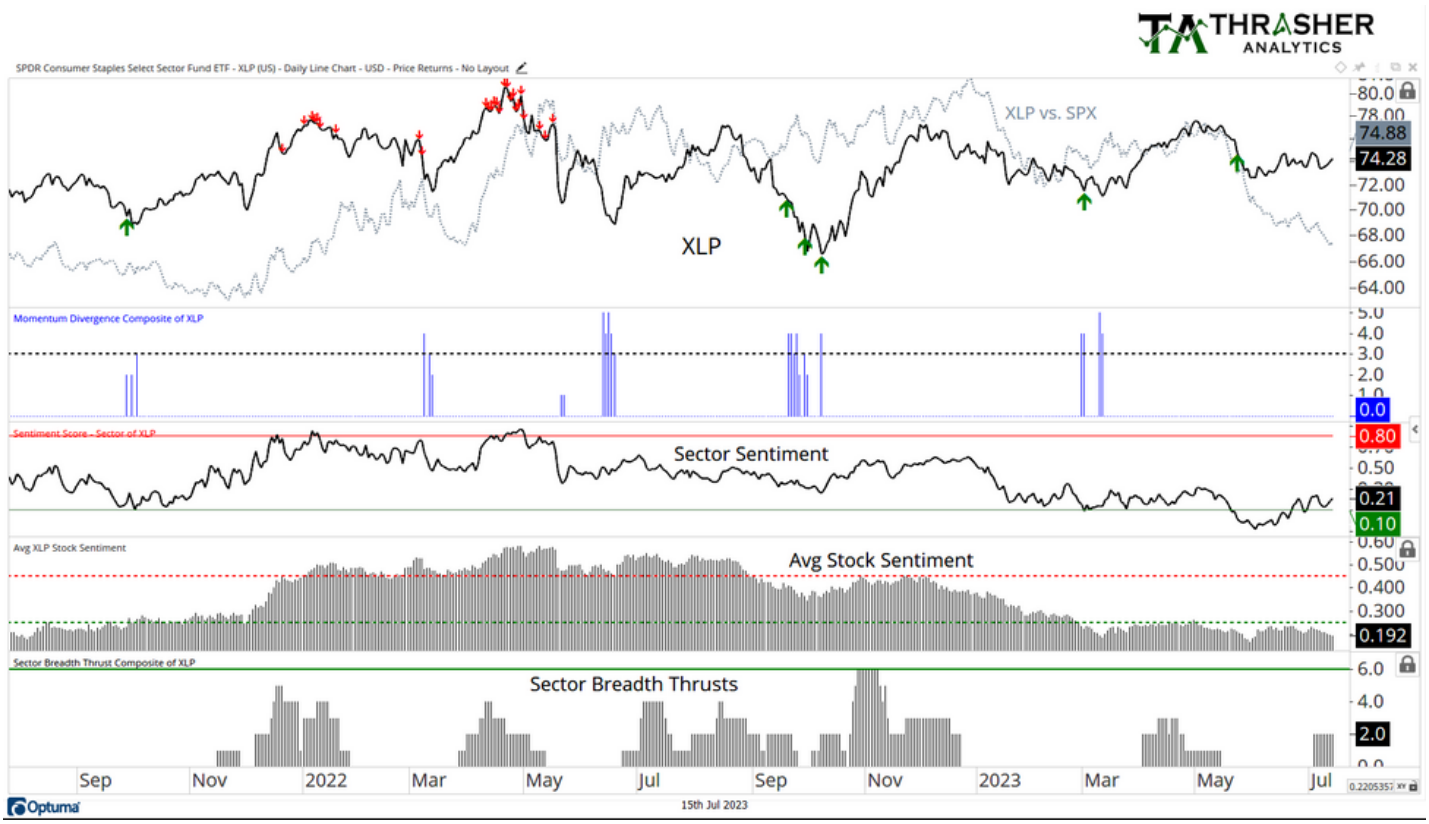


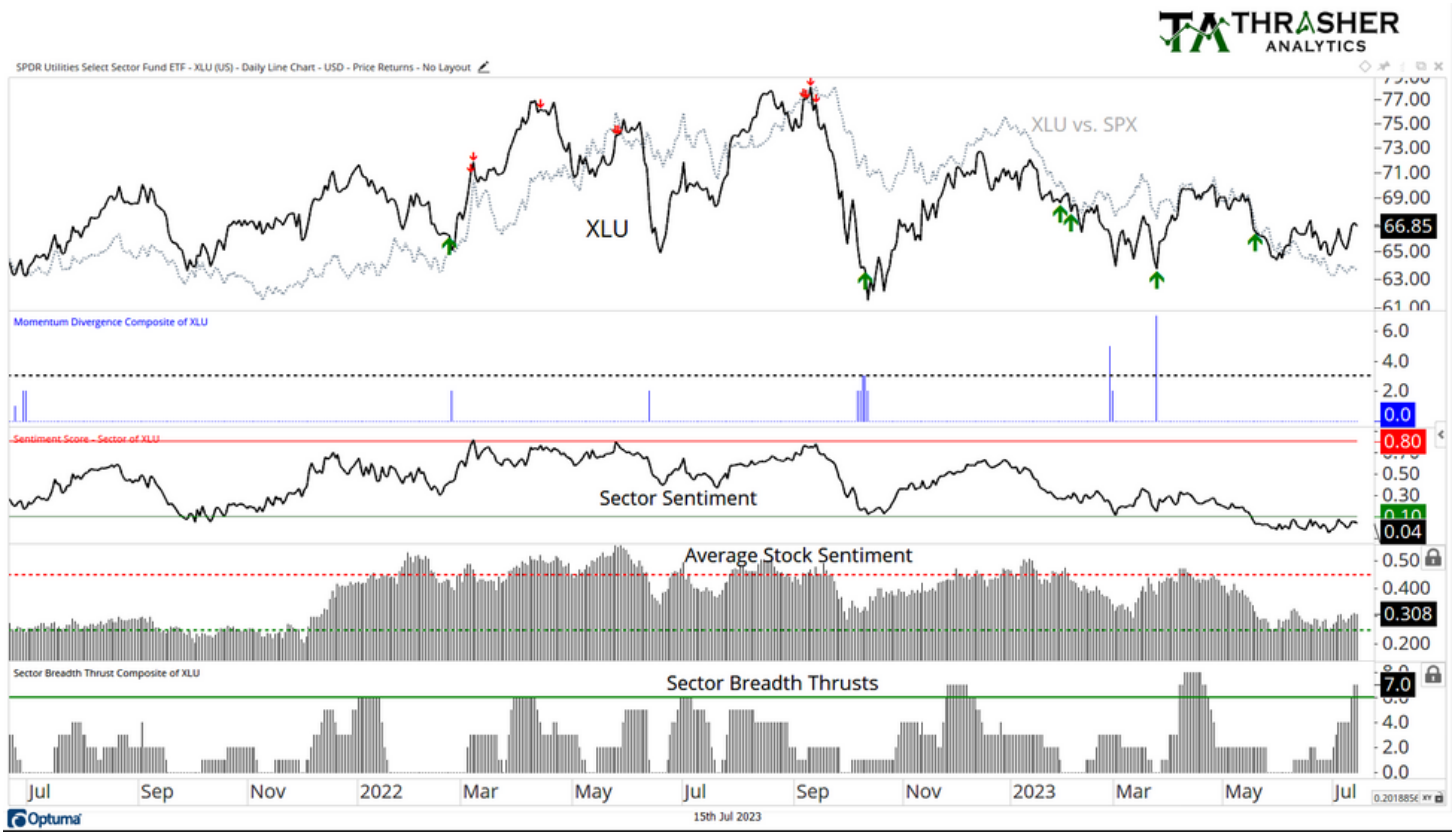
Sentiment Score: XLRE & XLC



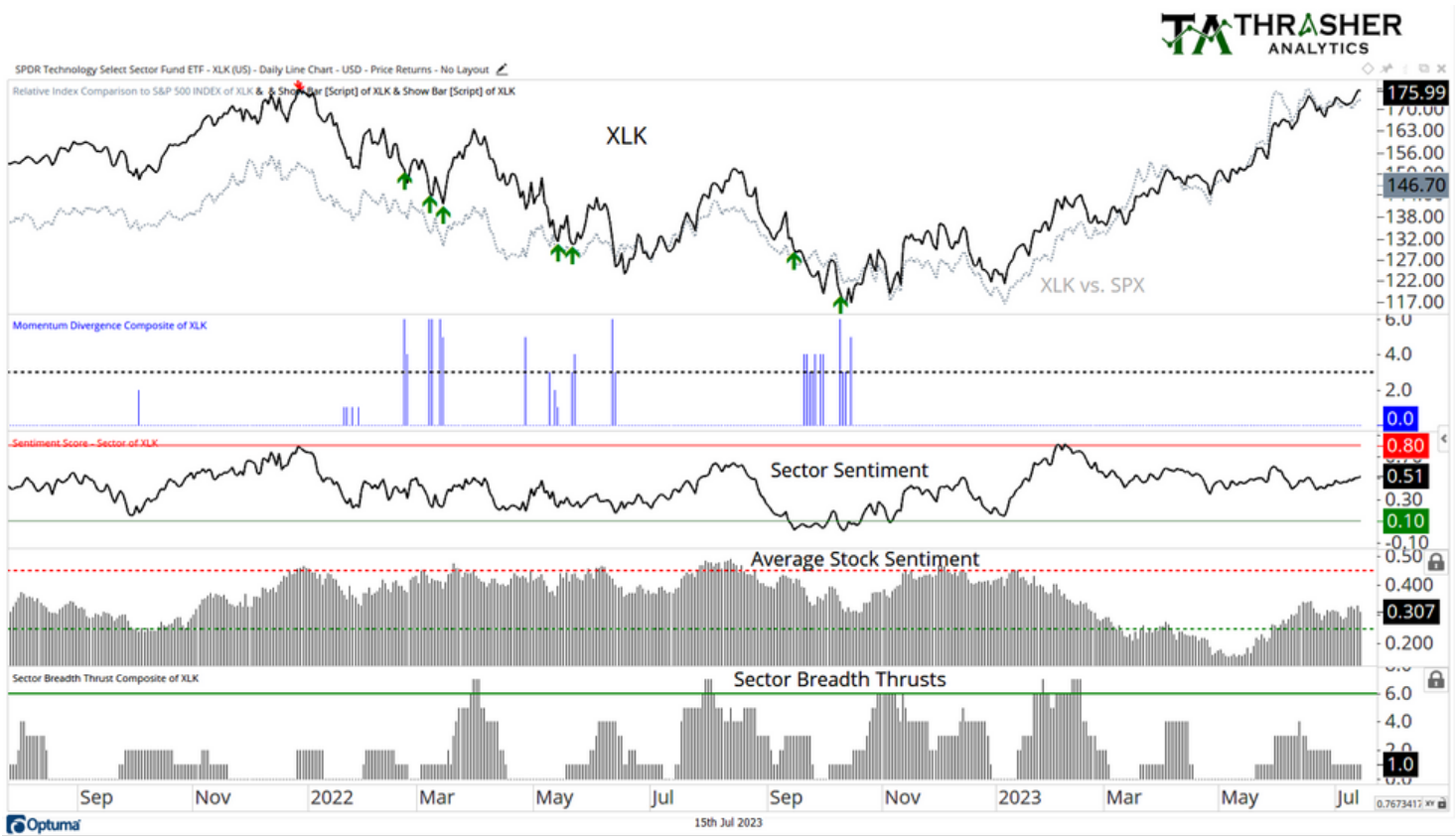


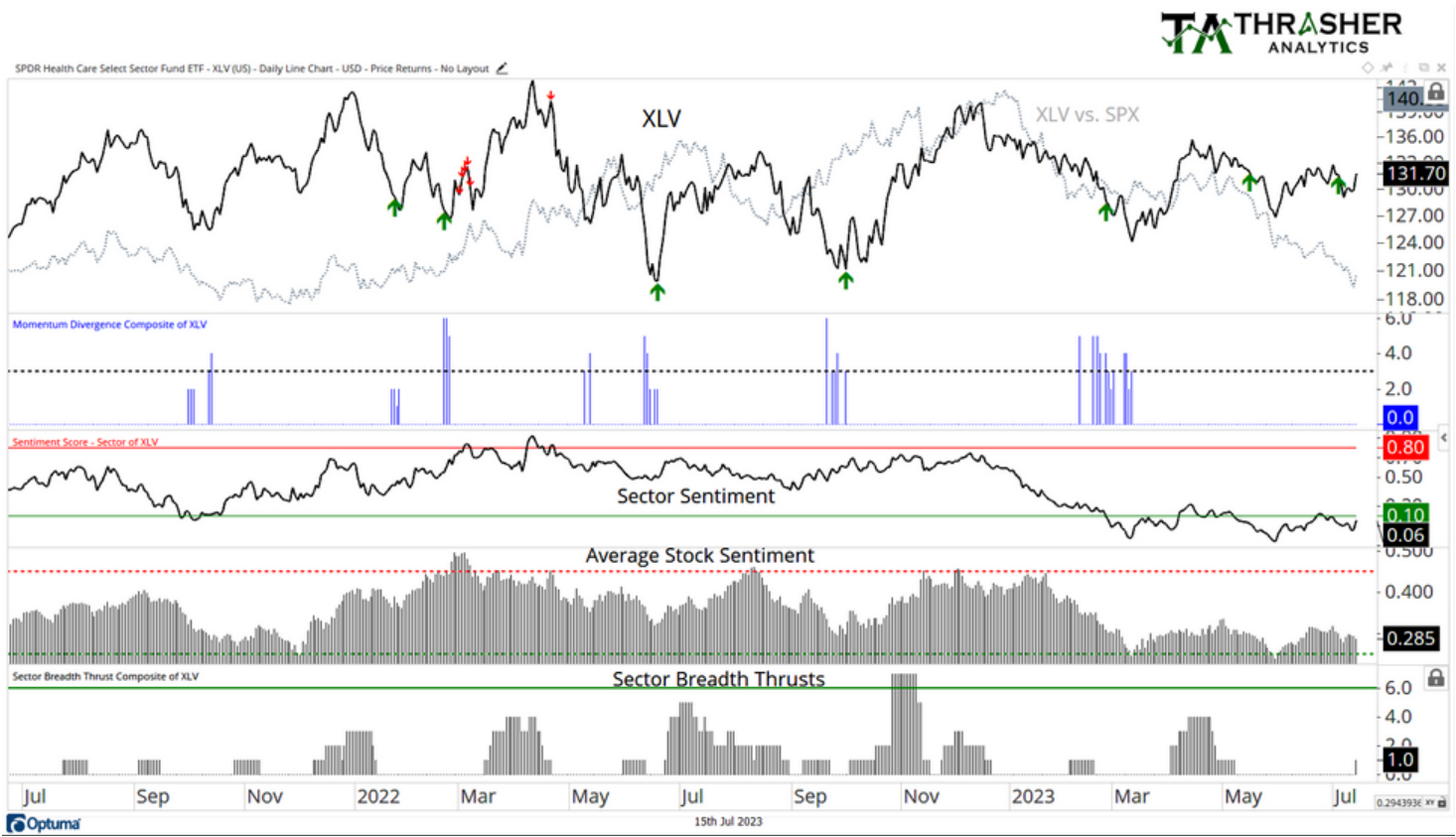
Sentiment Score: XLP & XLU



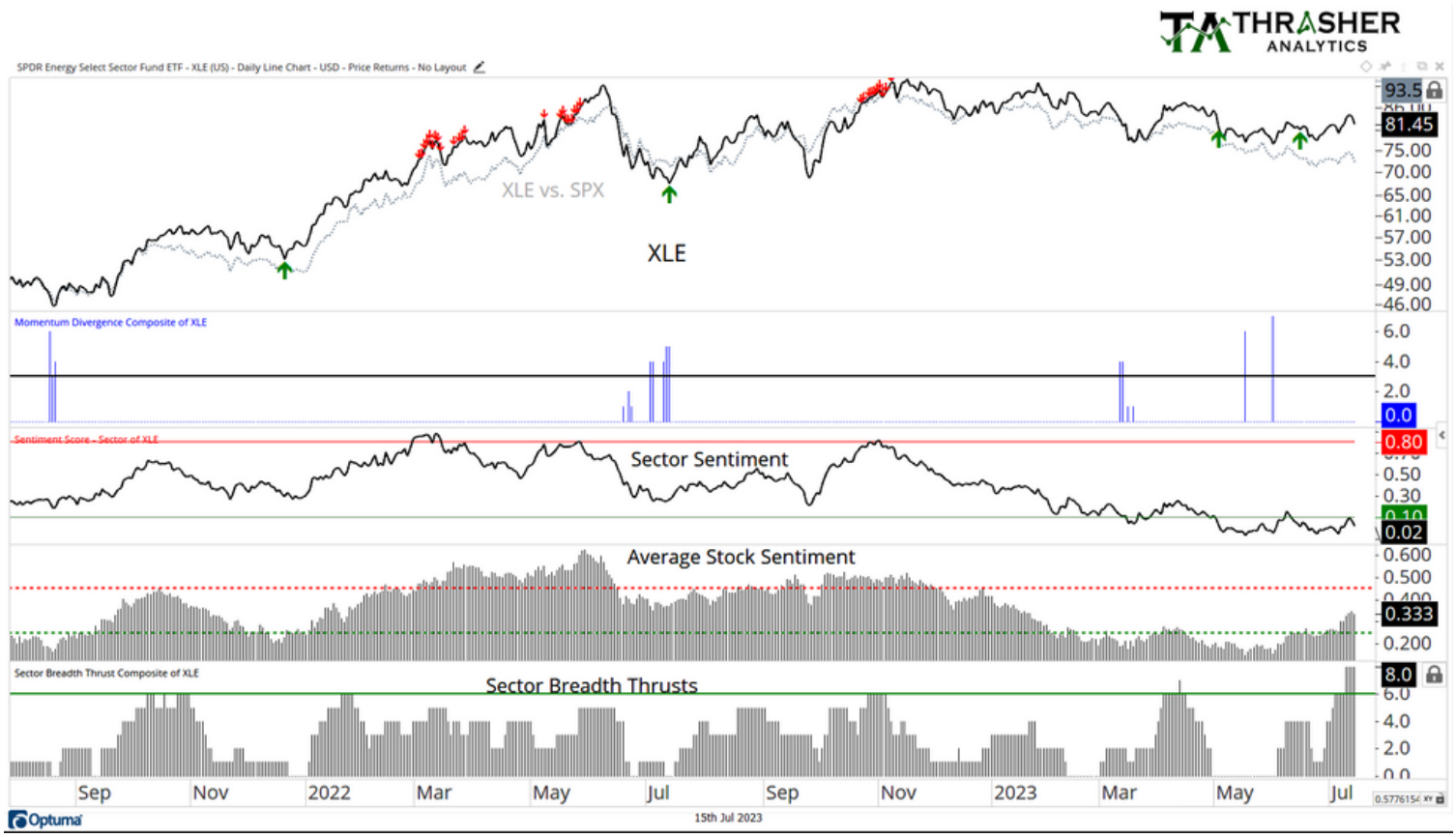


Sentiment Score: XLK & XLV





Sentiment Score: XLE

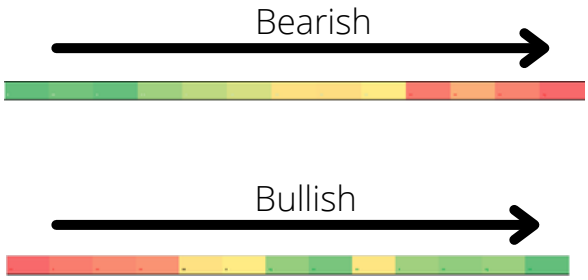


Risk Appetite Ratio

Below is a table of 16 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.

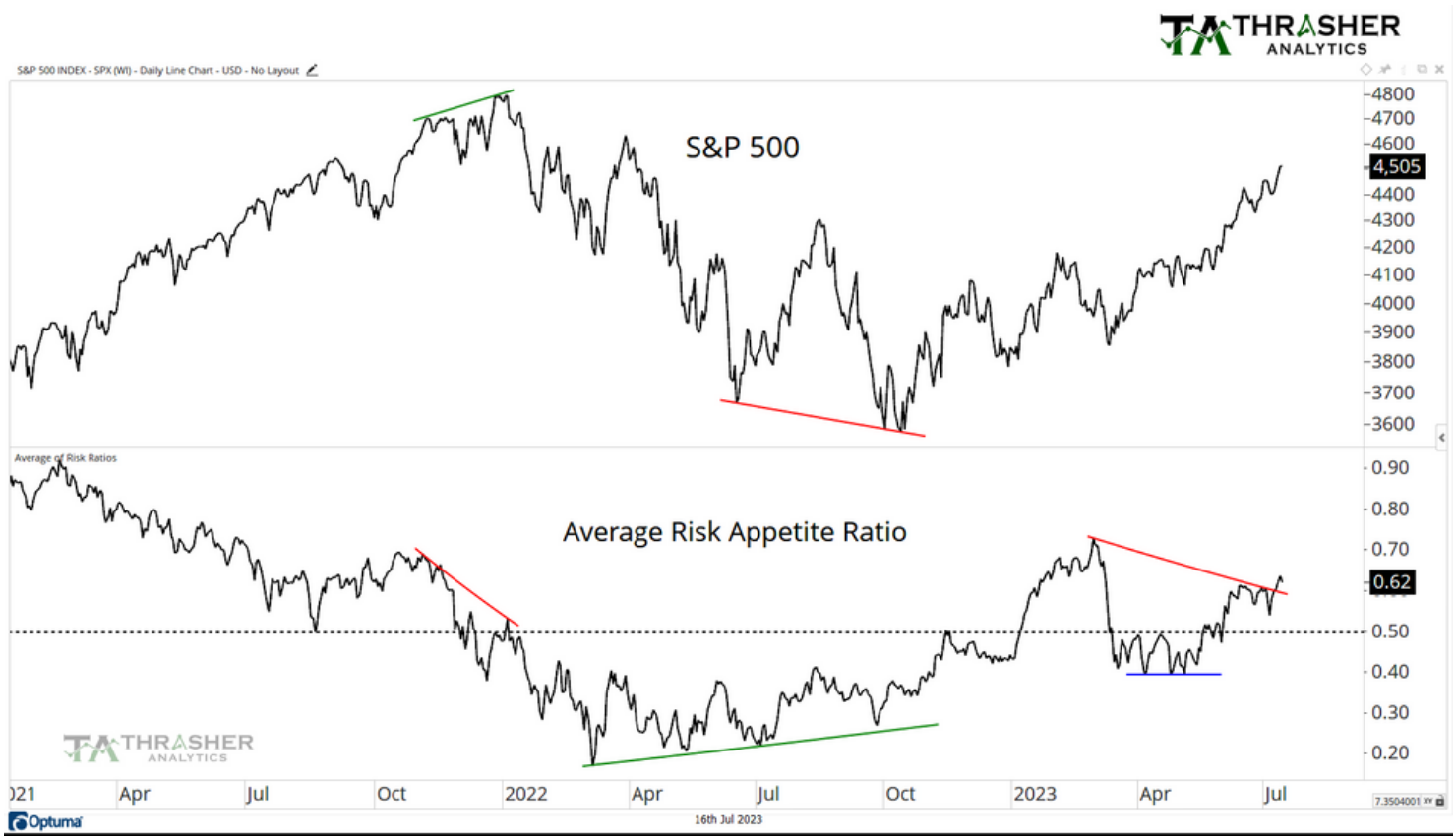
The average Risk Appetite Ratio percentile is at the 62nd percentile.

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	0.26	0.26	0.21	0.23	0.18	0.16	0.20	0.21	0.22	0.25	0.21	0.21	0.23	0.19	0.21	0.24	0.22	0.24	0.17	0.18	0.16	0.13	0.16	0.16	0.13	0.08	0.06	0.11	0.09	0.03	0.10	0.09	0.11	0.18	0.20	0.18
EAFE vs. SPX	0.80	0.76	0.70	0.68	0.62	0.59	0.62	0.61	0.59	0.62	0.49	0.51	0.49	0.47	0.48	0.50	0.49	0.51	0.47	0.51	0.45	0.40	0.43	0.42	0.42	0.39	0.40	0.38	0.33	0.27	0.33	0.33	0.35	0.41	0.45	0.42
HY Debt vs. Treasury	0.66	0.65	0.66	0.65	0.63	0.57	0.57	0.65	0.65	0.63	0.68	0.65	0.66	0.64	0.69	0.66	0.63	0.64	0.59	0.57	0.61	0.56	0.56	0.58	0.59	0.67	0.63	0.64	0.67	0.69	0.72	0.74	0.74	0.73	0.70	0.69
Home Construction vs. SPX	0.84	0.86	0.84	0.80	0.81	0.73	0.76	0.88	0.84	0.98	1.00	0.95	0.93	0.94	0.97	0.90	0.92	0.93	0.98	1.00	0.96	1.00	1.00	1.00	0.98	0.99	0.97	0.94	0.90	0.84	0.87	1.00	1.00	1.00	0.98	1.00
Offense vs. Defense Sectors	0.88	0.88	1.00	1.00	1.00	0.89	0.95	1.00	0.97	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.99	0.96	0.97	0.93	0.92	0.91	0.91	0.99	1.00	1.00	1.00	1.00	0.96	0.94	1.00	1.00	1.00	1.00	1.00	0.94
Broker-Dealer vs. SPX	0.04	0.02	0.02	0.01	0.01	0.00	0.00	0.05	0.03	0.07	0.13	0.10	0.10	0.01	0.04	0.06	0.05	0.04	0.03	0.01	0.00	0.00	0.00	0.00	0.01	0.07	0.03	0.06	0.02	0.00	0.03	0.03	0.07	0.07	0.09	0.07
S&P Growth vs. S&P Value	0.50	0.51	0.60	0.60	0.60	0.59	0.61	0.59	0.59	0.55	0.51	0.53	0.54	0.57	0.56	0.56	0.54	0.54	0.58	0.57	0.62	0.61	0.56	0.55	0.57	0.55	0.57	0.56	0.57	0.58	0.55	0.53	0.49	0.49	0.51	0.54
Semiconductor vs. SPX	0.87	0.84	1.00	1.00	1.00	0.94	0.96	0.90	0.87	0.89	0.88	0.90	0.90	0.97	0.99	1.00	0.94	0.94	0.95	0.89	0.90	0.87	0.87	0.93	0.90	0.88	0.89	0.92	0.86	0.85	0.86	0.90	0.88	0.92	0.97	0.94
Consumer Disc. Vs. Staples	0.59	0.60	0.61	0.68	0.75	0.71	0.76	0.79	0.82	0.88	0.86	0.89	0.92	0.99	1.00	0.97	0.96	0.95	1.00	0.94	0.97	0.95	0.89	0.96	1.00	1.00	1.00	1.00	1.00	0.95	1.00	1.00	1.00	1.00	1.00	1.00
Small Cap vs. Utilities	0.59	0.57	0.59	0.64	0.64	0.56	0.64	0.75	0.67	0.79	0.79	0.75	0.74	0.77	0.82	0.77	0.76	0.70	0.77	0.72	0.72	0.72	0.68	0.75	0.84	0.89	0.86	0.84	0.74	0.72	0.80	0.90	0.89	0.87	0.89	0.87
Transports vs. Utilities	0.66	0.63	0.73	0.74	0.76	0.66	0.75	0.78	0.72	0.75	0.77	0.76	0.74	0.77	0.81	0.86	0.88	0.84	0.86	0.83	0.88	0.91	0.94	1.00	1.00	1.00	0.96	0.96	0.90	0.92	0.97	1.00	1.00	0.95	0.93	0.93
Equal Weight vs. Cap Weight	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.05	0.08	0.17	0.13	0.10	0.08	0.11	0.08	0.07	0.13	0.06	0.09	0.03	0.02	0.10	0.11	0.09	0.12	0.10	0.11	0.09	0.08	0.13	0.18	0.22	0.19	0.16	0.12
Small cap vs. Large Cap	0.18	0.15	0.04	0.02	0.00	0.00	0.01	0.15	0.07	0.24	0.37	0.30	0.24	0.20	0.23	0.15	0.12	0.12	0.12	0.14	0.07	0.02	0.05	0.07	0.10	0.15	0.11	0.11	0.05	0.00	0.09	0.19	0.21	0.23	0.23	0.17
Equities. vs. VIX	0.74	0.63	0.70	0.81	0.85	0.80	1.00	1.00	0.98	1.00	1.00	1.00	0.98	0.88	0.93	1.00	0.95	1.00	0.96	1.00	1.00	0.93	0.85	0.91	0.94	0.94	0.95	0.95	0.89	0.77	0.82	0.80	0.83	0.96	0.97	0.99
Aussie Dollar vs. Yen	0.41	0.43	0.37	0.33	0.38	0.48	0.48	0.55	0.55	0.56	0.61	0.64	0.70	0.72	0.84	0.91	0.90	0.79	0.83	0.85	0.78	0.78	0.82	0.74	0.78	0.78	0.84	0.85	0.82	0.75	0.71	0.65	0.61	0.62	0.72	0.69
Copper vs. Gold	0.02	0.00	0.05	0.12	0.08	0.06	0.10	0.16	0.18	0.18	0.21	0.20	0.21	0.20	0.32	0.36	0.36	0.35	0.39	0.43	0.45	0.34	0.31	0.32	0.27	0.23	0.27	0.31	0.30	0.29	0.31	0.31	0.27	0.31	0.40	0.41
AVERAGE	0.50	0.49	0.51	0.52	0.52	0.48	0.52	0.57	0.55	0.59	0.60	0.60	0.59	0.59	0.62	0.63	0.61	0.61	0.61	0.60	0.59	0.57	0.57	0.59	0.60	0.61	0.60	0.61	0.57	0.54	0.58	0.60	0.60	0.62	0.64	0.62



Risk Appetite Ratio

Risk Appetite has broken above its bearish divergence trend line, rising to the 62nd percentile by Friday.



High & Low Rel. Strength List

Each week will take a look at the stocks making new 6-month highs (on the left) and lows (on the right) relative to the S&P 500. This list will be of large cap stocks and grouped based on their sector. If it's making a 6-month AND a 12-month relative high (or low) then it'll be shown in green (or red) and if it's a new 12-month absolute new high (price) then it will be in bold. This type of scan be useful in seeing what stocks are showing strength as well as which sectors have the most stocks making relative gains. We can also get insight into the breadth of the market based on whether there are more new relative highs or lows each week. I hope you find this useful as a source of idea generation and a unique view on the broad health of the market.

New high list stayed at 6 and new low list increased from 23 to 34.

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New 6-Month Relative Performance High List

XLY	XLK	XLF	XLC	XLI	XLB	XLE	XLP	XLV	XLU	XLRE
PHM								ISRG		
LEN										
DHI										
LYV										
AMZN										

New 12-month Absolute High — Total 6m RS Highs:
New 12-month Relative High — 6

New 6-Month Relative Performance Low List

XLY	XLK	XLF	XLC	XLI	XLB	XLE	XLP	XLV	XLU	XLRE
YUM	JNPR	C	FOXA	RTX	CTVA	XOM	CPB	INCY	NEE	
TSCO		NTRS	DIS	AXON		CVX	KR	BMY		
		WTW	VZ	NOC			CAG			
		STT	T	GD			TGT			
		MKTX		SYY						
		BK								
		HIG								
		TRV								
		CINF								
		L								
		CB								
		ALL								

New 12-month Absolute Low — Total 6m RS Lows:
New 12-month Relative Low — 34

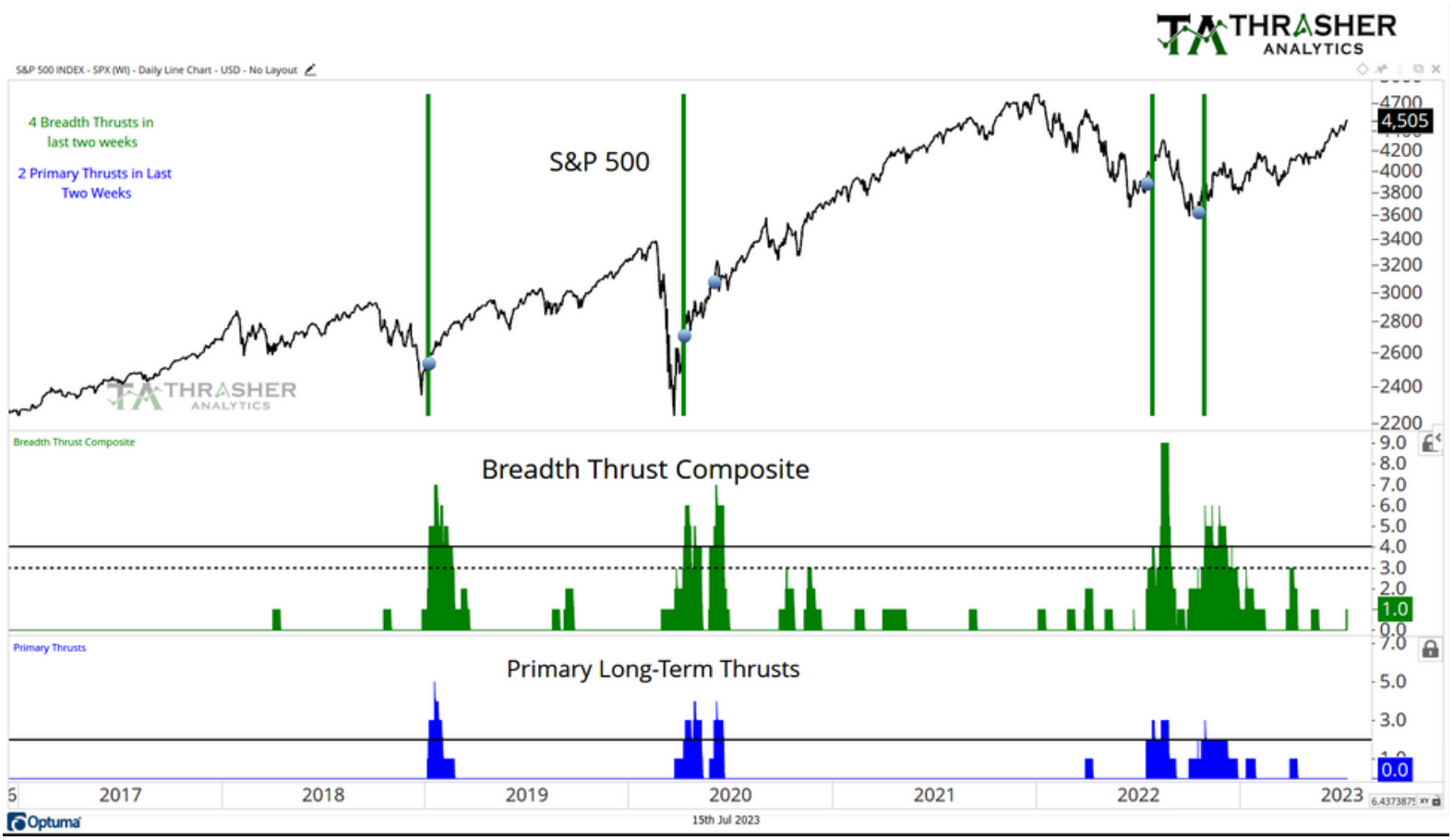
Equities - S&P 500 Daily

RSI moved above 70 on Thursday to finish back below 70 on Friday. The S&P 500 saw strong price action last week with inflation data continuing to cool. The S&P 500's next upside target would be just above 4600 at the March '22 high. We are now short-term stretched, but not as much as some of the sectors as Tech and Consumer Disc. both have extended weekly price charts.

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 rose to +1.



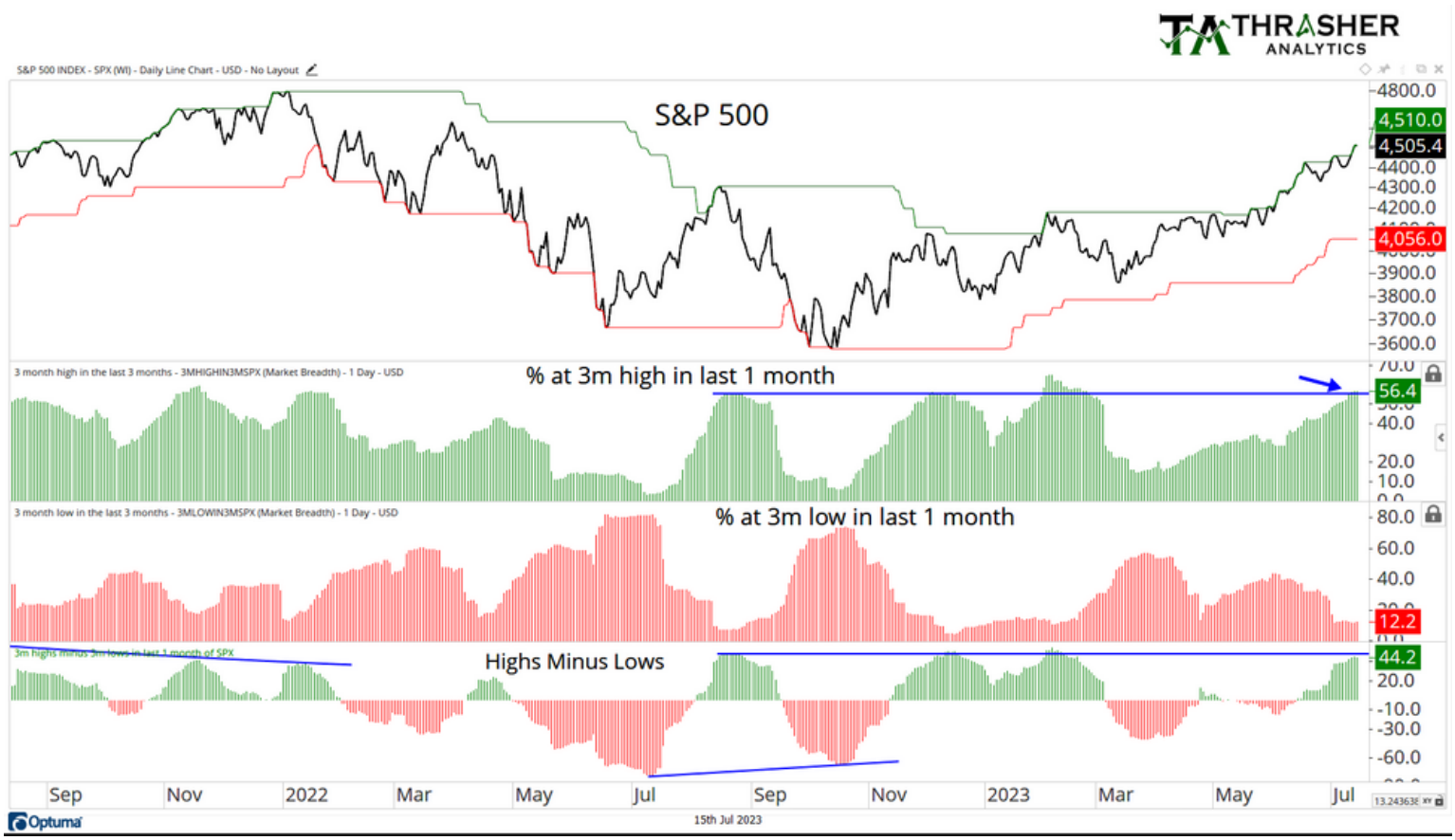
Equities - Breadth

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	44.1	38.0	53.7	55.9	55.1	59.4	61.8	66.8
Nasdaq 100 % above 200-day MA	65.3	66.3	69.3	76.2	73.3	72.3	71.3	78.2
S&P 500 % above 50-day MA	40.8	28.6	56.7	61.8	58.6	67.6	71.8	82.3
Nasdaq 100 % above 50-day MA	55.4	52.5	61.4	71.3	76.2	70.3	74.3	84.2
S&P 500 % above 20-day MA	35.4	28.6	73.6	79.1	68.2	72.4	63.2	80.3
Nasdaq 100 % above 20-day MA	53.5	51.5	68.3	82.2	71.3	57.4	45.5	83.2
				Bullish Breadth				
S&P 500 % RSI(14) > 70	1.2	2.6	4.0	8.4	5.2	11.9	3.8	9.0
Nasdaq 100 % RSI(14) > 70	7.9	11.9	4.0	13.9	7.9	6.9	2.0	13.9
S&P 400 % New 52 week highs	0.7	0.7	10.2	6.0	1.5	11.2	3.5	7.2
S&P 600 % New 52 week highs	1.0	0.8	10.2	3.5	2.0	7.0	1.2	3.0
S&P 500 % New 52 week highs	1.0	1.0	4.2	8.0	2.6	8.0	2.4	8.0
Nasdaq 100 % New 52 week highs	4.0	2.0	2.0	6.9	2.0	3.0	2.0	13.9
S&P 500 % New 6 month highs	0.8	1.0	5.8	9.9	2.8	9.9	3.0	9.7
Nasdaq 100 % New 6 month highs	4.0	3.0	5.9	10.9	5.0	5.0	2.0	20.8
				Bearish Bearish				
S&P 500 % RSI(14) < 30	2.6	11.1	2.2	1.2	0.8	1.0	1.0	1.0
Nasdaq 100 % RSI(14) < 30	1.0	5.0	2.0	0.0	1.0	1.0	2.0	0.0
S&P 400 % New 52 week lows	1.2	3.7	0.2	0.0	1.7	0.2	1.5	1.0
S&P 600 % New 52 week lows	0.8	6.2	0.2	1.7	2.0	1.5	0.8	0.8
S&P 500 % New 52 week lows	0.2	4.2	0.0	0.4	0.8	0.6	0.8	0.8
Nasdaq 100 % New 52 week lows	0.0	3.0	0.0	0.0	1.0	1.0	0.0	0.0
S&P 500 % New 6 month lows	1.6	11.3	1.0	0.6	1.8	1.6	1.6	1.0
Nasdaq 100 % New 6 month lows	0.0	3.0	2.0	0.0	3.0	4.0	2.0	0.0

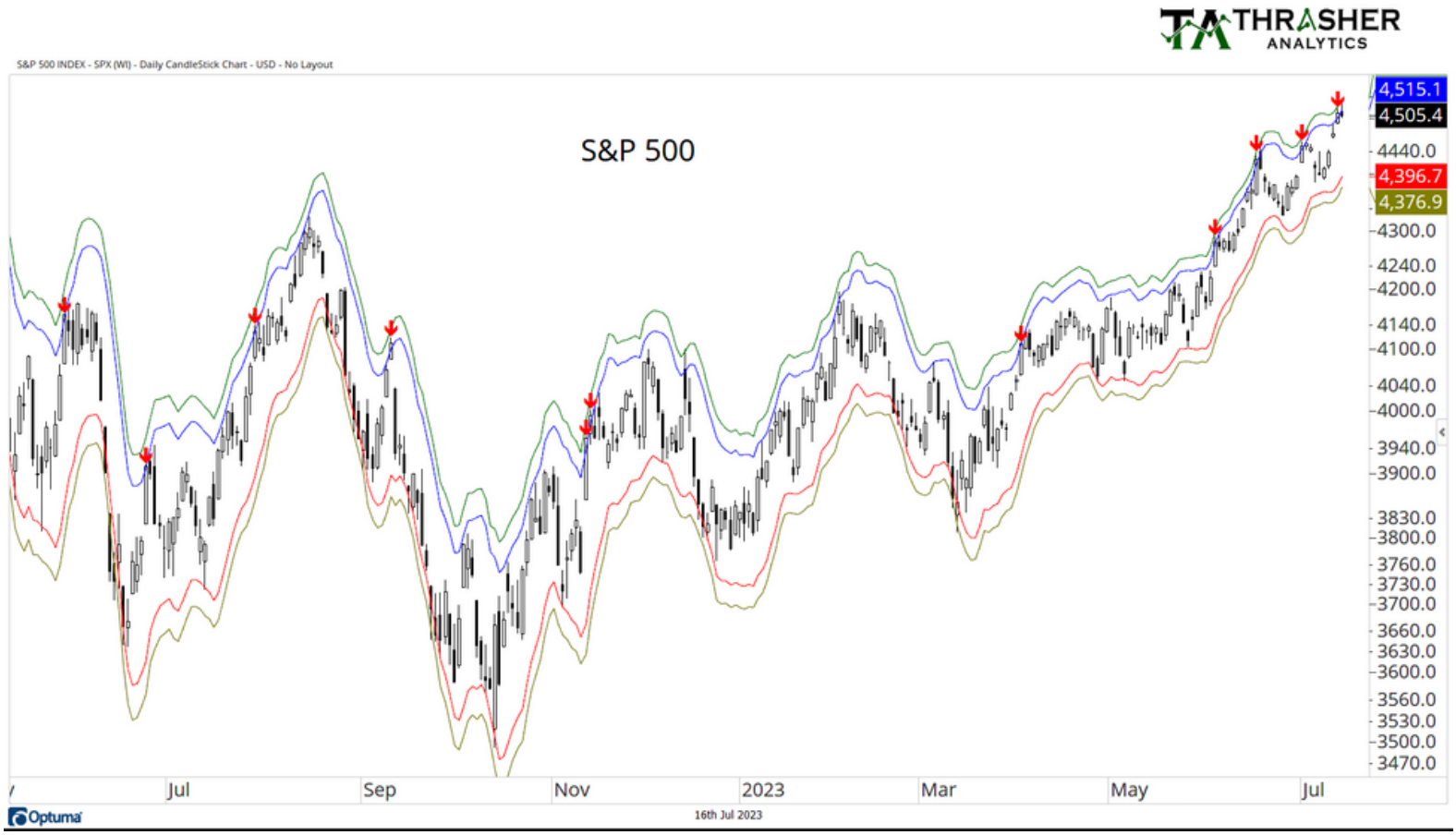
Equities - New 3-Month Highs

56% of large cap stocks have now hit a 3-month high in the last month, the most since the start of the year. Breadth data continues to improve as the up trend receives increasing participation.



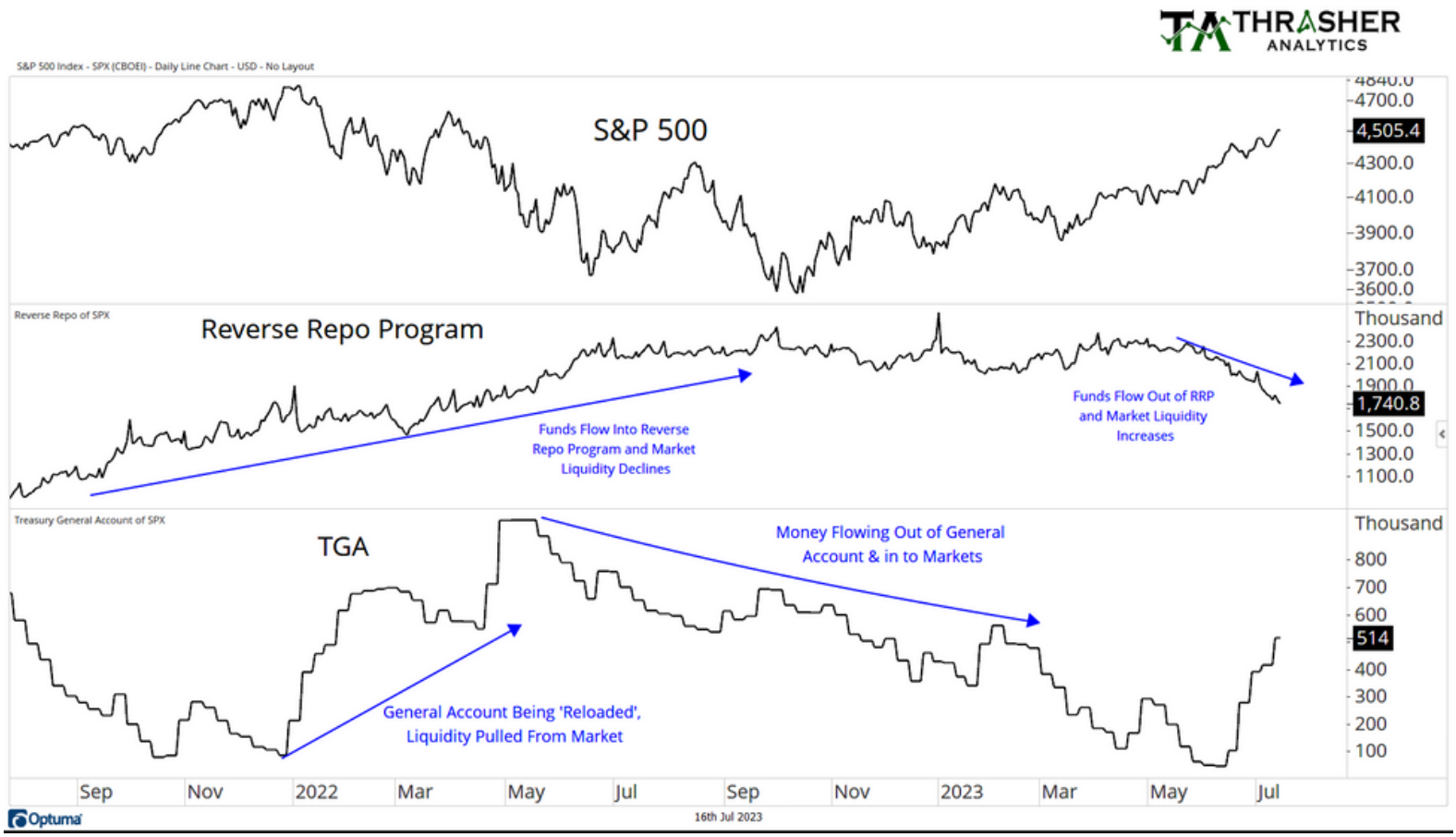
Equities - Stretched

The S&P 500 on Thursday closed above its first Stoller Band, which is based on the Average True Range above a short-term moving average. As shown with the red arrows, we have often seen slight pullbacks or consolidations after this level has been reached in the last two years. This isn't a tool to suggest a major high, but a note that the short-term proverbial rubber band is stretched.



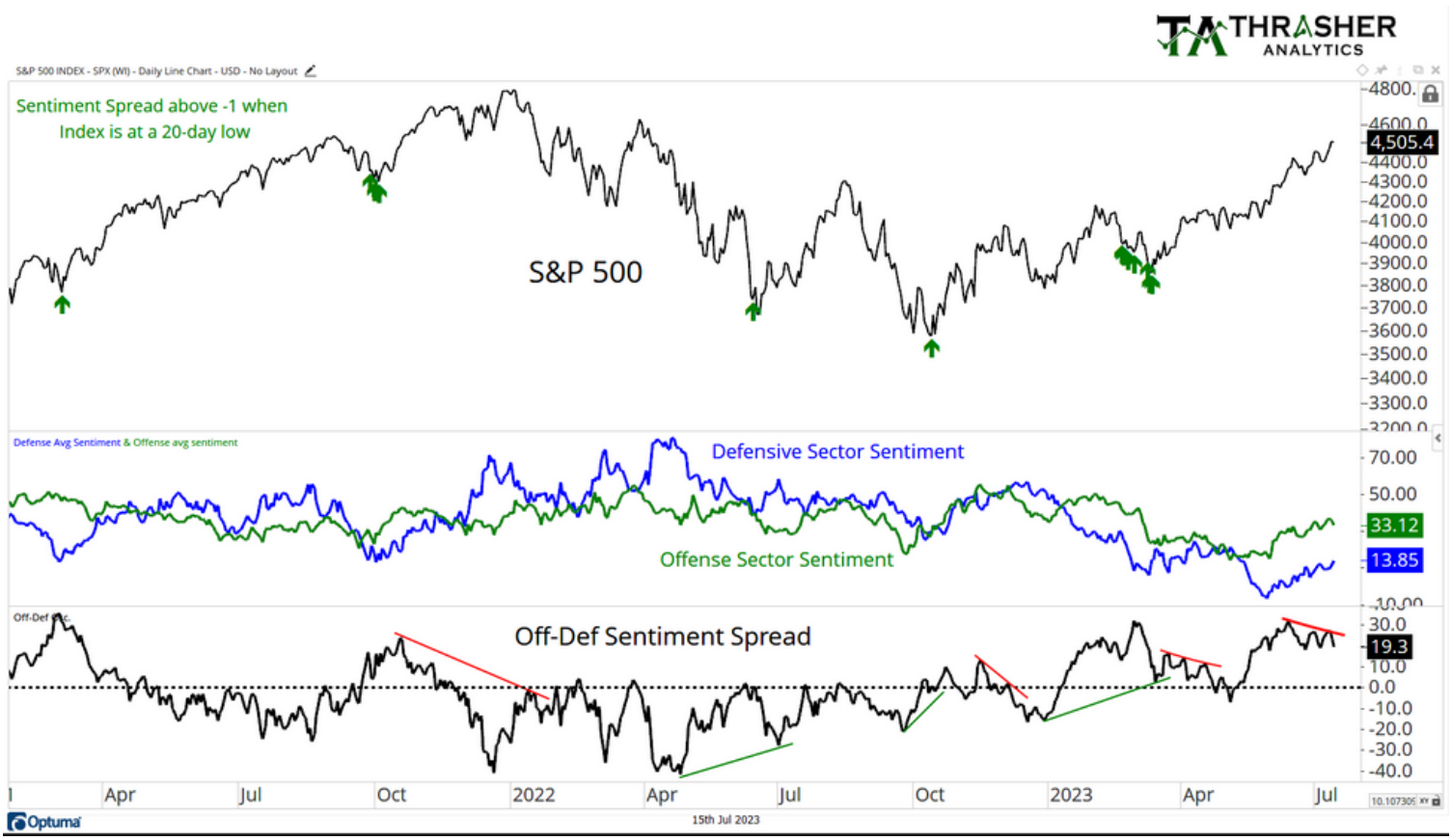
Equities - Liquidity

While the Treasury 'refills' its checking account via the TGA, banks continue to do their part in preventing any major developments concerning market liquidity to form. The Reverse Report Program (RRP) has been steadily falling, giving support to stocks continuing to climb higher.



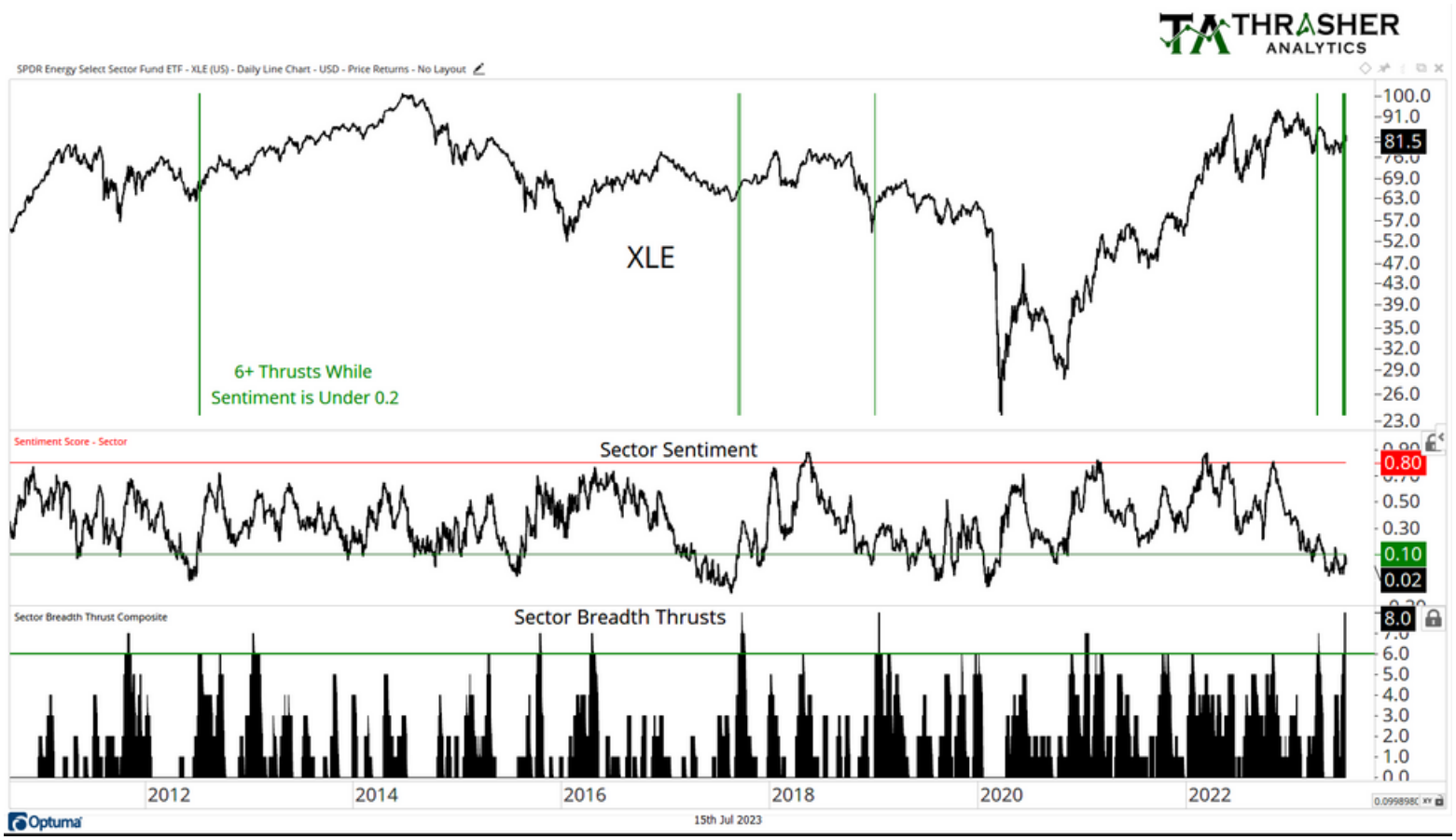
Equities - Sector Sentiment

Both Offense and Defense sector sentiment has been moving higher but recently it's been Defensive sectors that have shown more strength, sending the Off-Def Spread lower and creating a slight bearish divergence with the S&P 500.



Equities - Energy

I mentioned earlier that XLE has seen a rise in breadth thrusts. This has come with sentiment remaining extremely low. Together, we have internals for the energy sector improving but sentiment ignoring it. This has been historically bullish for energy as shown by the green lines below which notes when sentiment has been under 0.2 and there's been at least 6 breadth thrusts. We've seen three major advances in XLE since 2012 with this setup and a brief advance that was then given back earlier this year.



Equities - Utilities

Same type of setup I showed on the prior page for energy is happening in the utilities sector as well. Sentiment is just 0.04 and there's been 7 breadth thrusts. This has happened just two previous times, each followed by a move higher in XLU.

Sector Performance

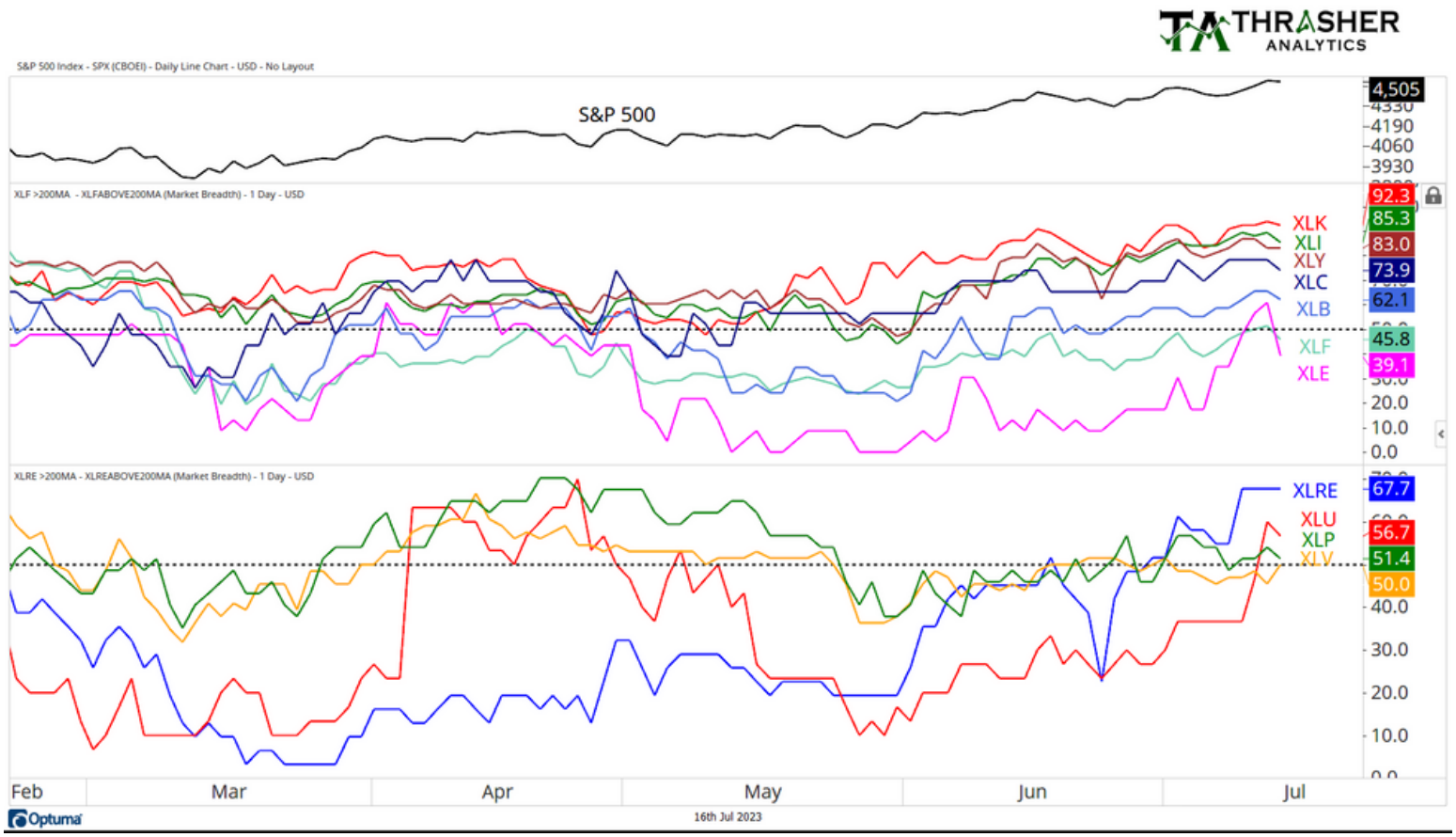
THRASHER ANALYTICS

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: -1.16%					AVG: 2.16%	AVG: 27.55%		AVG: 5.37%	
NDY	NASDAQ 100 Index	42.28%	0.90%	3.52%	3.73%	19.01%	34.87%	0.98%	49.09%	3.08%	8.09%	24.31%
SML	S&P SmallCap 600 Index	6.84%	-6.67%	3.07%	3.14%	6.27%	-0.18%	6.38%	16.90%	2.45%	5.25%	4.45%
MID	S&P Midcap 400 Index	10.02%	-0.47%	2.72%	4.18%	7.41%	3.60%	2.37%	22.33%	2.76%	5.95%	7.31%
SPX	S&P 500 INDEX	17.34%	0.00%	2.42%	3.04%	8.89%	12.66%	0.49%	29.04%	2.05%	5.15%	11.78%
DJI	Dow Jones Industrial Average	4.11%	0.46%	2.29%	1.56%	1.84%	0.60%	0.59%	20.40%	1.17%	2.40%	4.31%
– Sectors			AVG: 1.97%					AVG: 6.39%	AVG: 25.85%		AVG: 4.24%	
XLY	SPDR Consumer Discretionary Select Sector Fund	35.43%	-9.49%	3.28%	5.66%	19.07%	25.21%	0.44%	38.83%	3.52%	9.82%	19.40%
XLC	SPDR Communication Services Select Sector ETF	39.92%	-8.55%	3.23%	4.46%	13.37%	28.27%	1.13%	49.69%	3.10%	6.82%	21.90%
XLK	SPDR Technology Select Sector Fund ETF	41.43%	7.08%	2.79%	2.08%	18.39%	34.87%	1.17%	55.78%	2.30%	7.16%	24.14%
XLRE	SPDR Real Estate Select Sector Fund ETF	5.04%	-20.80%	2.65%	3.25%	5.98%	-1.95%	15.43%	17.10%	3.22%	4.77%	3.69%
XLB	SPDR Materials Select Sector Fund ETF	7.18%	-2.79%	2.49%	2.97%	2.88%	-0.63%	3.07%	24.55%	2.05%	4.62%	5.38%
XLI	SPDR Industrial Select Sector Fund ETF	10.59%	8.59%	2.27%	4.38%	8.79%	6.00%	1.16%	31.25%	2.20%	6.11%	9.80%
XLU	SPDR Utilities Select Sector Fund ETF	-5.18%	-1.20%	2.23%	0.95%	-2.96%	-6.28%	14.54%	10.77%	1.31%	0.73%	-1.16%
XLV	SPDR Health Care Select Sector Fund ETF	-3.05%	-1.11%	2.09%	1.15%	-2.13%	-2.77%	7.10%	9.80%	0.43%	0.64%	0.22%
XLF	SPDR Financial Select Sector Fund ETF	0.15%	-7.22%	1.96%	3.13%	4.17%	-5.18%	7.69%	15.75%	2.15%	4.21%	1.67%
XLP	SPDR Consumer Staples Select Sector Fund ETF	-0.36%	1.91%	1.12%	0.60%	-1.20%	-0.62%	4.55%	12.25%	0.36%	-0.23%	0.95%
XLE	SPDR Energy Select Sector Fund ETF	-6.88%	55.25%	0.82%	1.69%	-6.63%	-9.45%	14.00%	18.63%	1.21%	2.00%	-3.37%

Sector - Breadth 200-MA

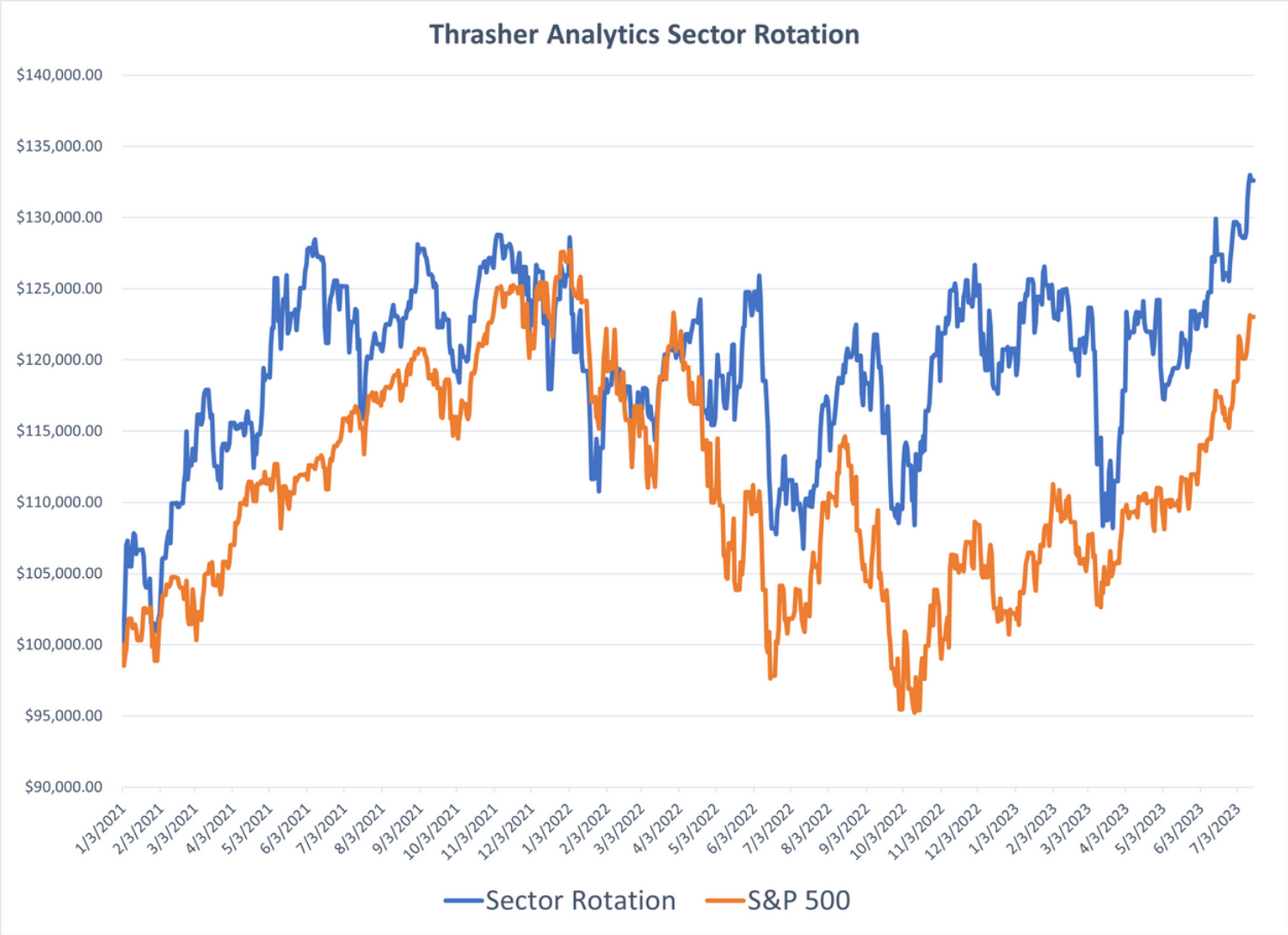
The best performing sectors last week were Offense sectors but note the improvement in defense sector breadth. As of Friday, all Defense sectors had at least 50% of their stocks back above the 200-day MA. The strength in the internals for defense sectors along with the improvement in the group's sentiment shown in the prior chart, I think it's worth keeping a close eye on these left-for-dead sectors.



Sector - Rotation Model

A topic I don't discuss very often (and probably should) is the monthly sector rotation model. The Dashboard on page two gets updated each month with the top three sectors at the beginning of each month but I almost never discuss the changes. With the model hitting a new high I thought I'd provide an updated chart showing the last couple years of performance for the model. As a reminder, it simply holds the top three sectors with a monthly evaluation.

While the model is shared live each week in this letter, the below is shown as result of an Optuma back test, not a guarantee of future results, and does not take into account taxes, costs or slippage.



Commodity - Breadth

As of Friday, we had 68% of commodities back above their respective 50-day moving average. This is a multi-week high and occurring while the CRB Commodity Index is testing its 200-day moving average. The 200-MA has been resistance multiple times since the commodity index peaked in 2022, does it break out this time? Are commodities setting up for a strong second half of 2023? Something to be watching.

Daily Sentiment Index

Daily - DSI - No Layout

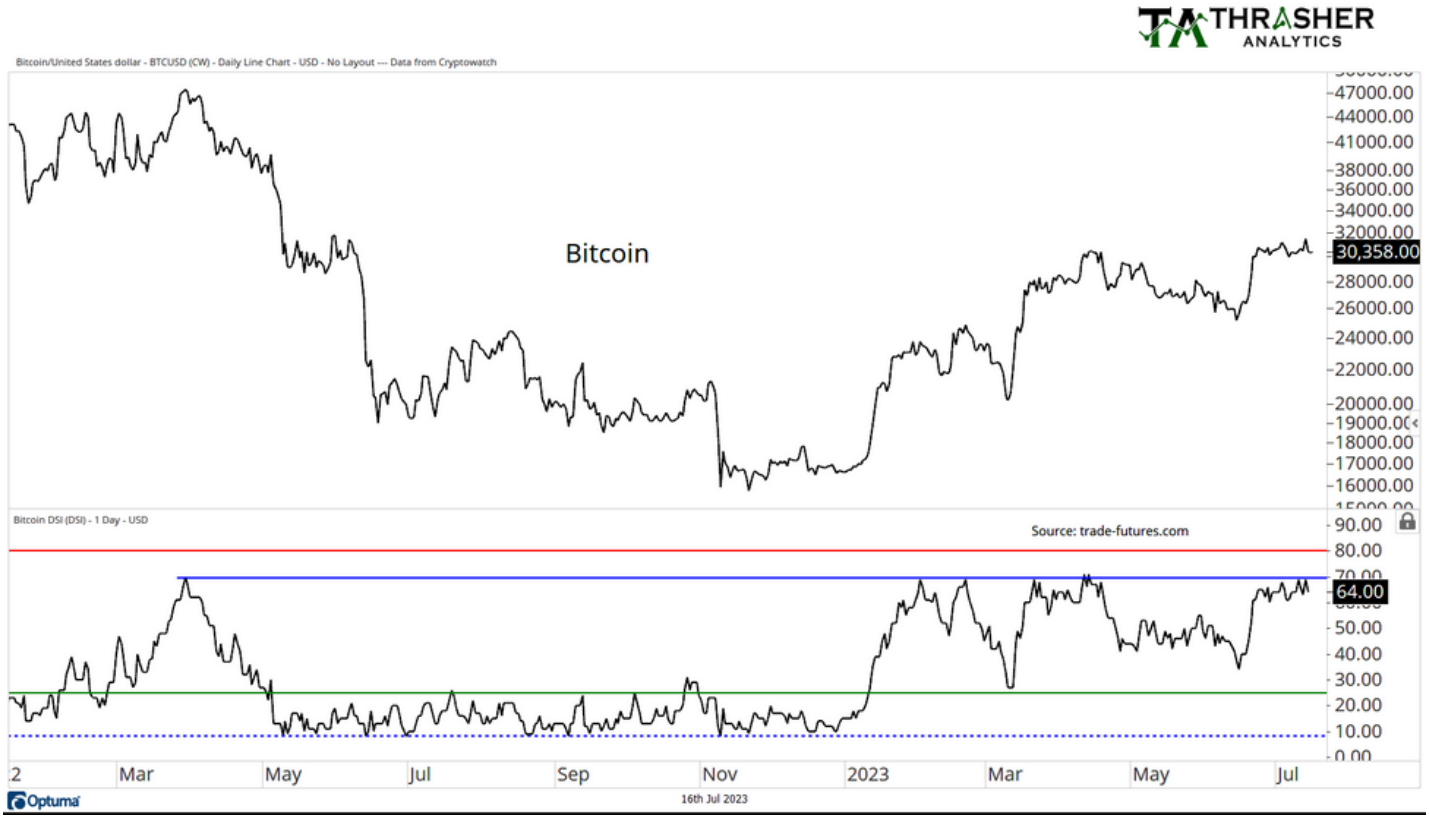
Code	% Bullish	5-day MA	History
VIX DSI	11	13	
Coffee DSI	25	23	
Palladium DSI	27	27	
Natural Gas DSI	31	36	
Corn DSI	32	23	
Cotton DSI	33	35	
Gold DSI	38	33	
Yen DSI	39	36	
Platinum DSI	39	33	
Wheat DSI	40	32	
EuroDollar DSI	46	43	
Copper DSI	46	41	
Swiss Franc DSI	47	42	
5YR DSI	49	47	
US Dollar DSI	50	57	
Silver DSI	55	42	
10Y DSI	55	52	
Nikkei DSI	62	64	

Daily - DSI - No Layout

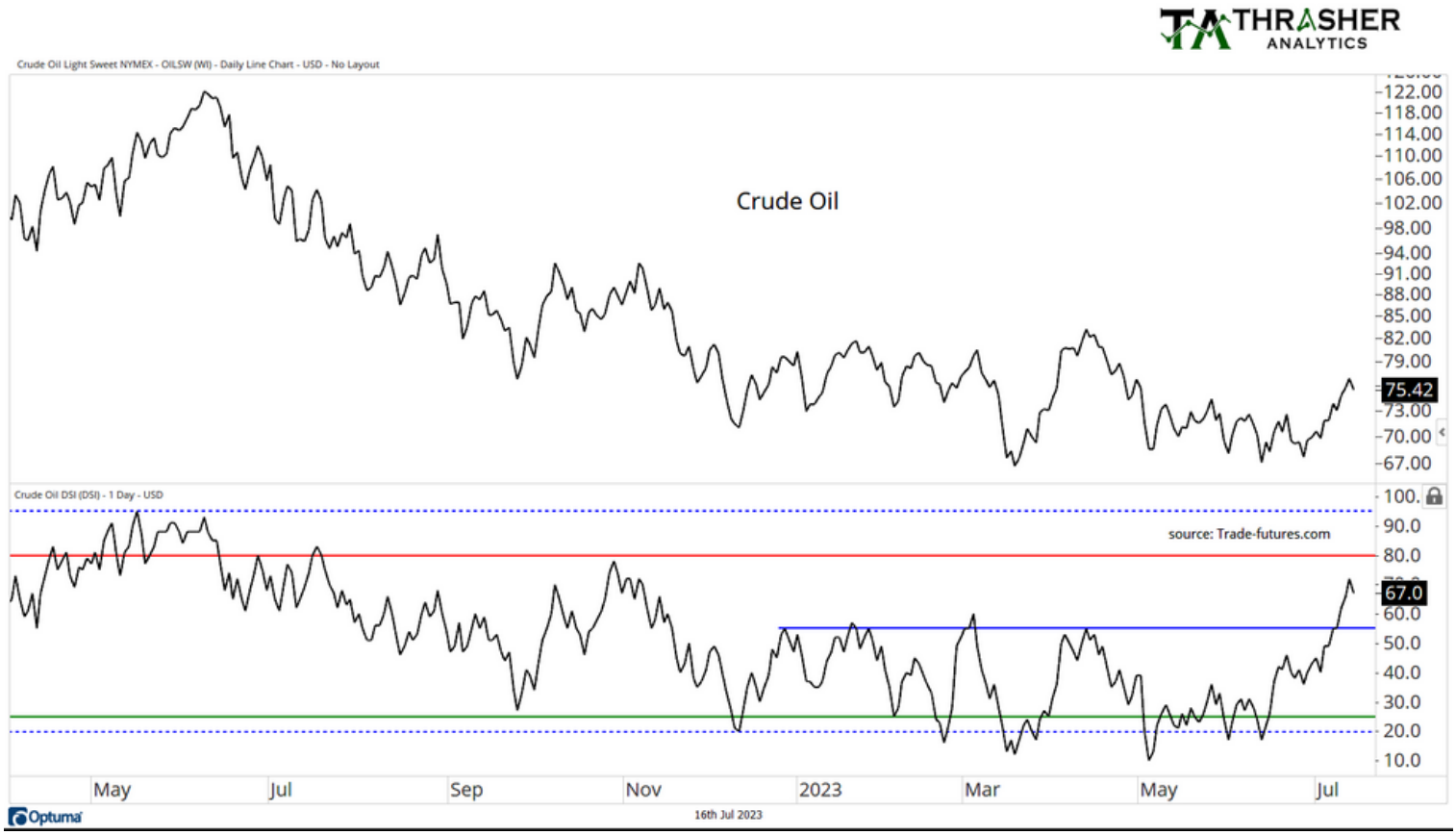
Code	% Bullish	5-day MA	History
Sugar DSI	63	56	
Orange Juice DSI	63	61	
Heating Oil DSI	63	60	
Lumber DSI	64	63	
Bitcoin DSI	64	66	
Crude Oil DSI	67	64	
Lean Hog DSI	70	72	
Australian Dollar DSI	70	65	
CRB Index DSI	72	72	
British Pound DSI	73	70	
New Zealand Dollar DSI	74	69	
Euro DSI	76	69	
Soybean DSI	77	71	
Cocoa DSI	78	76	
Gasoline DSI	79	83	
SPX DSI	84	81	
Nasdaq DSI	84	81	
Cattle DSI	85	83	
Mexican Peso DSI	90	86	

Source: trade-futures.com

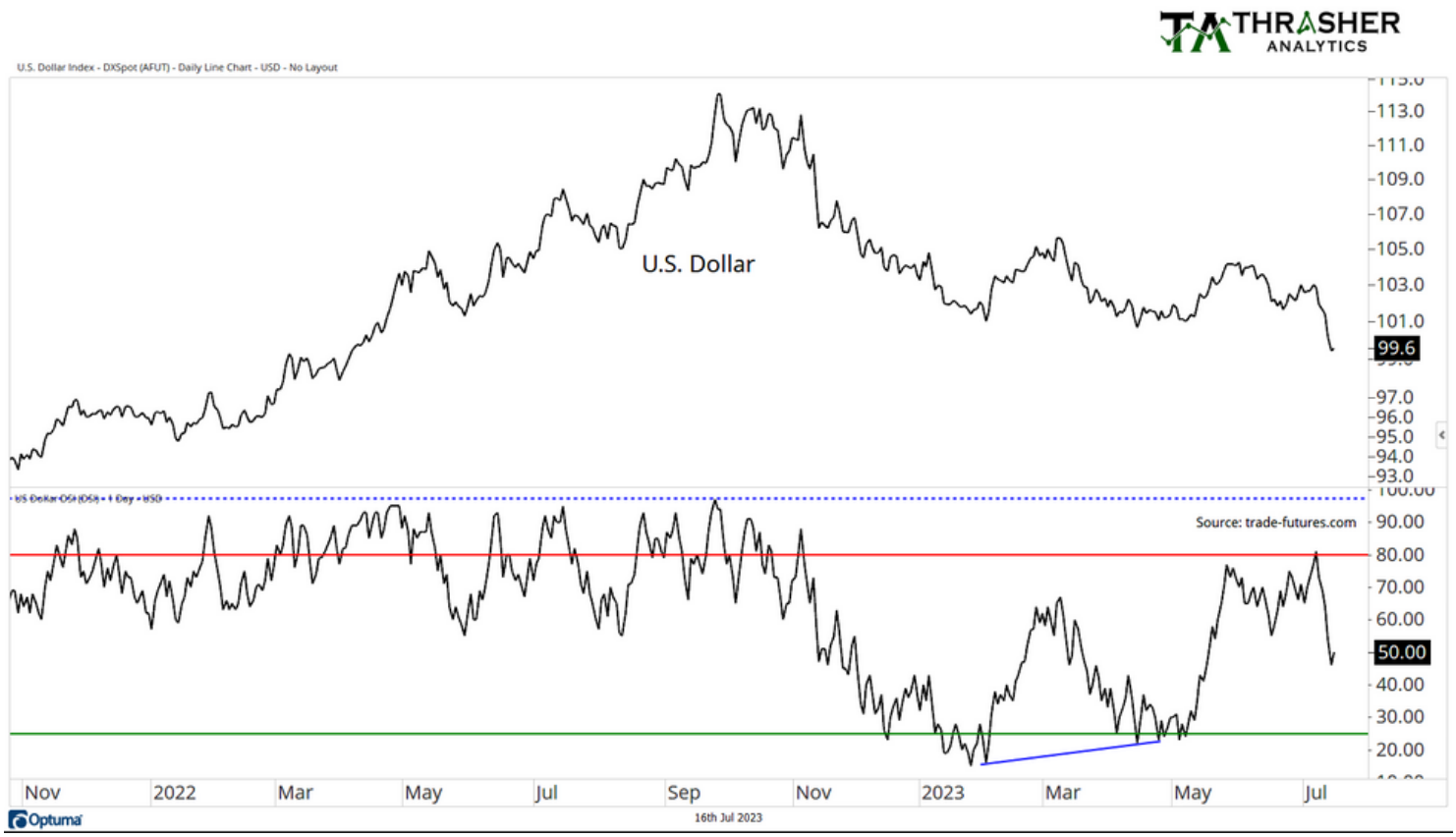
Daily Sentiment Index



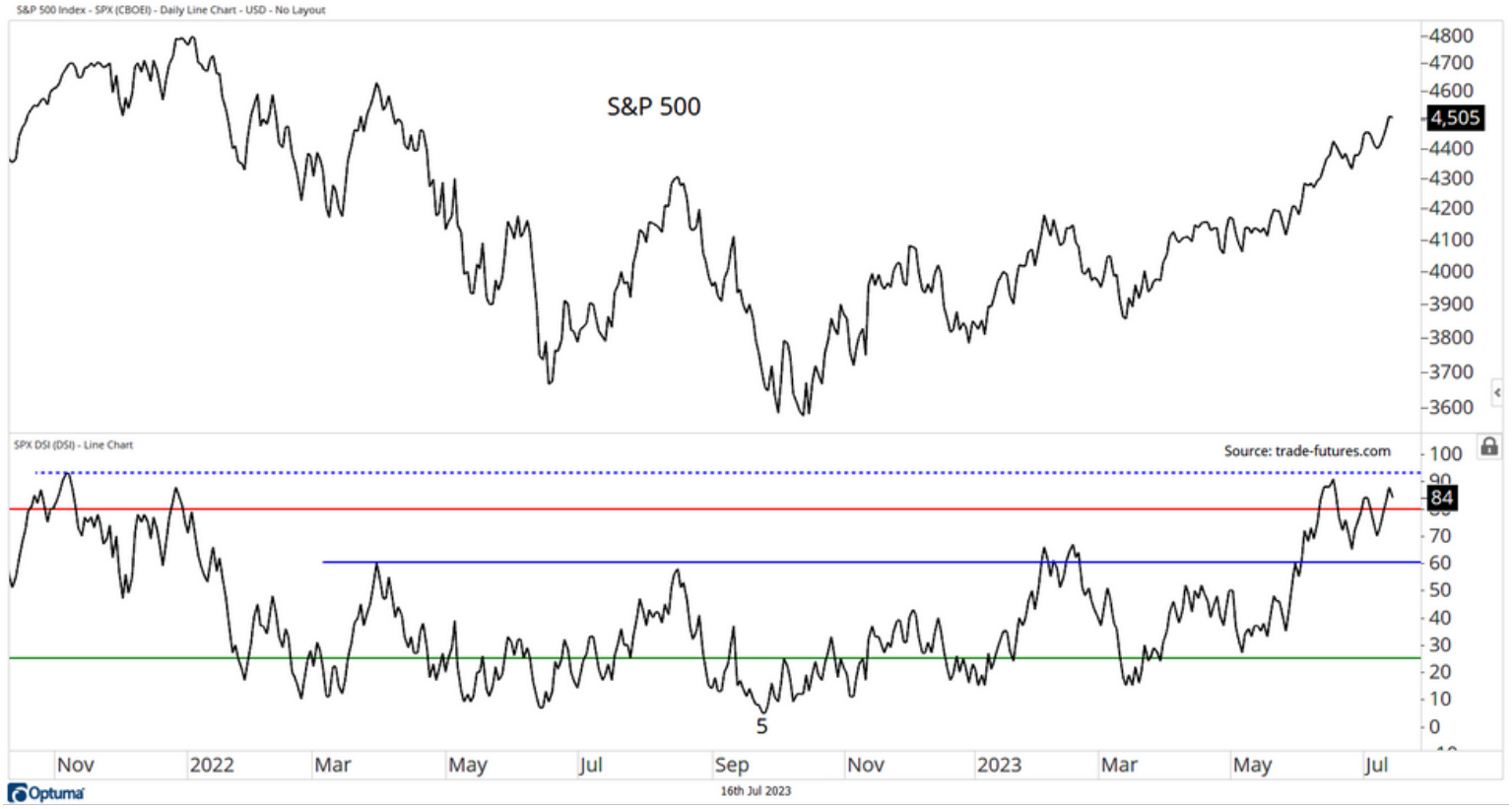
Daily Sentiment Index

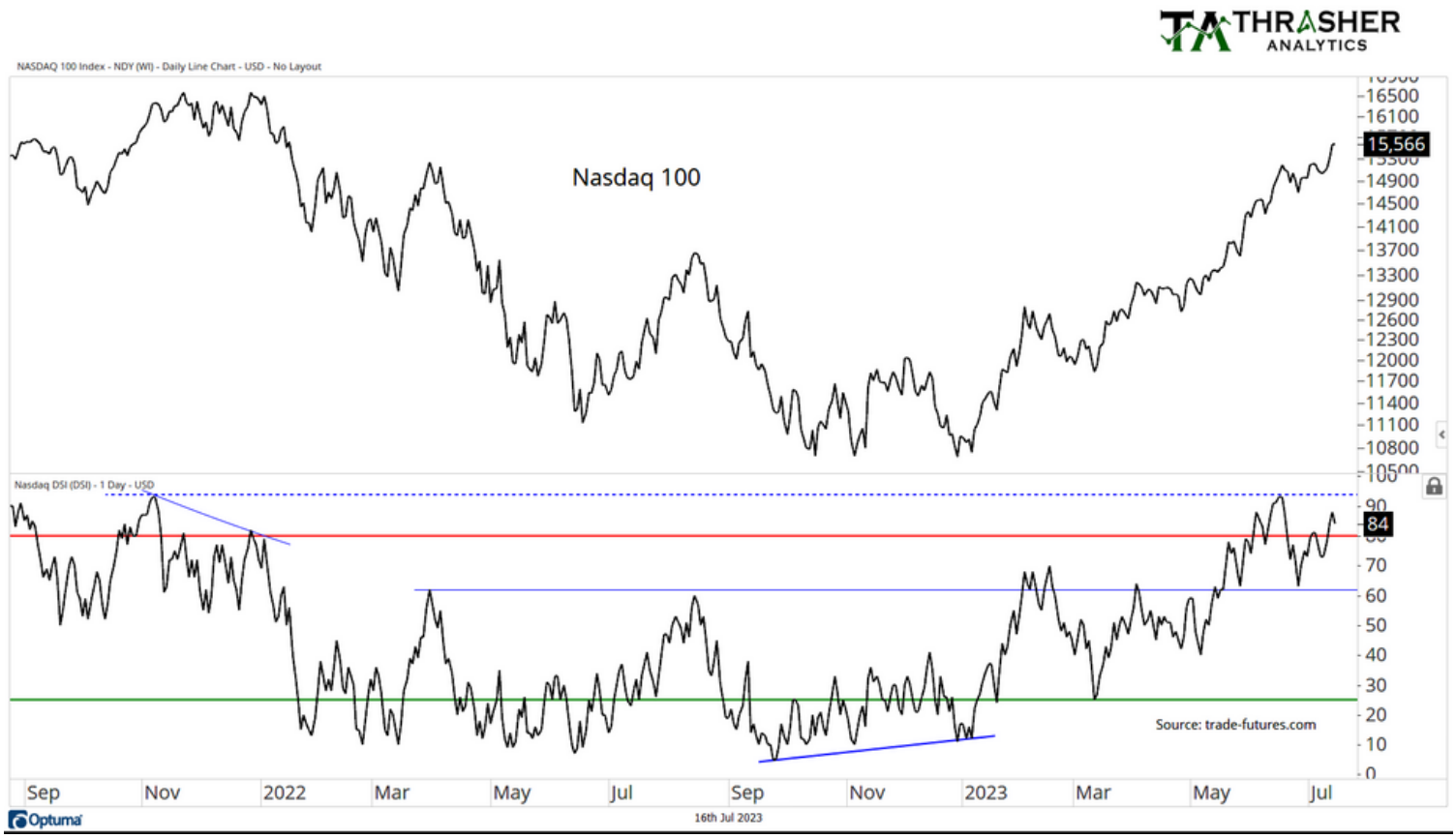


Daily Sentiment Index

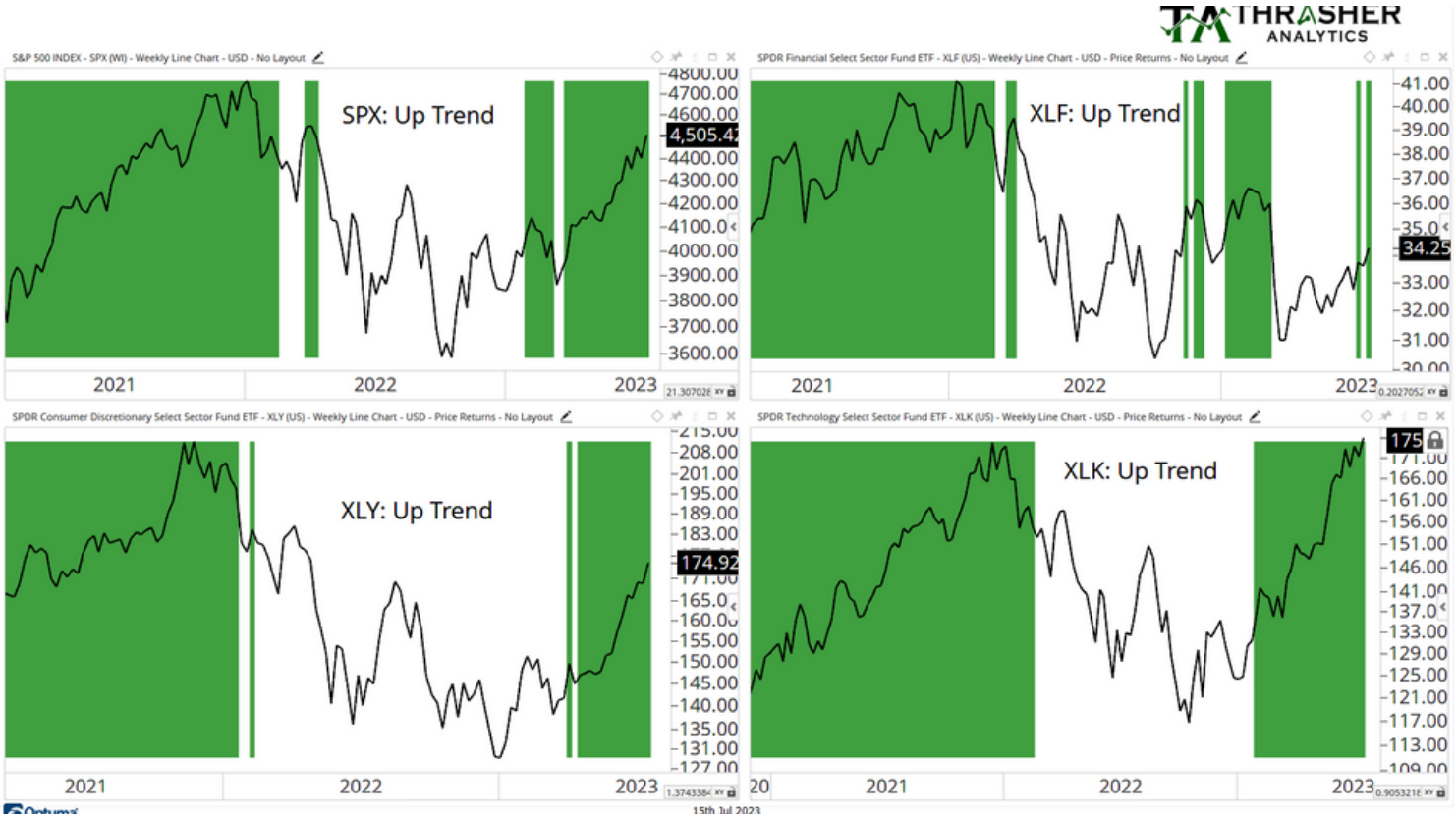


Daily Sentiment Index

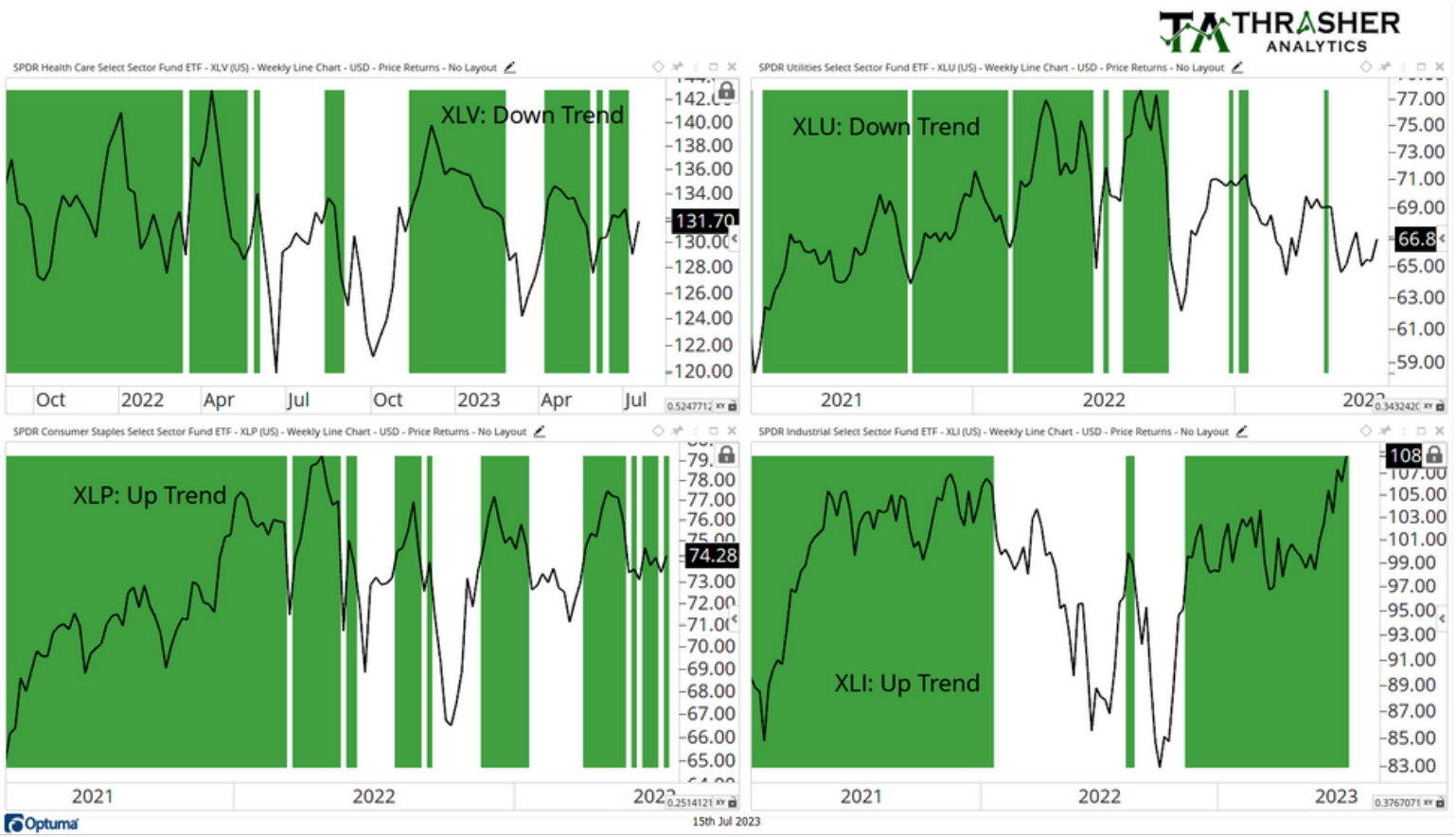




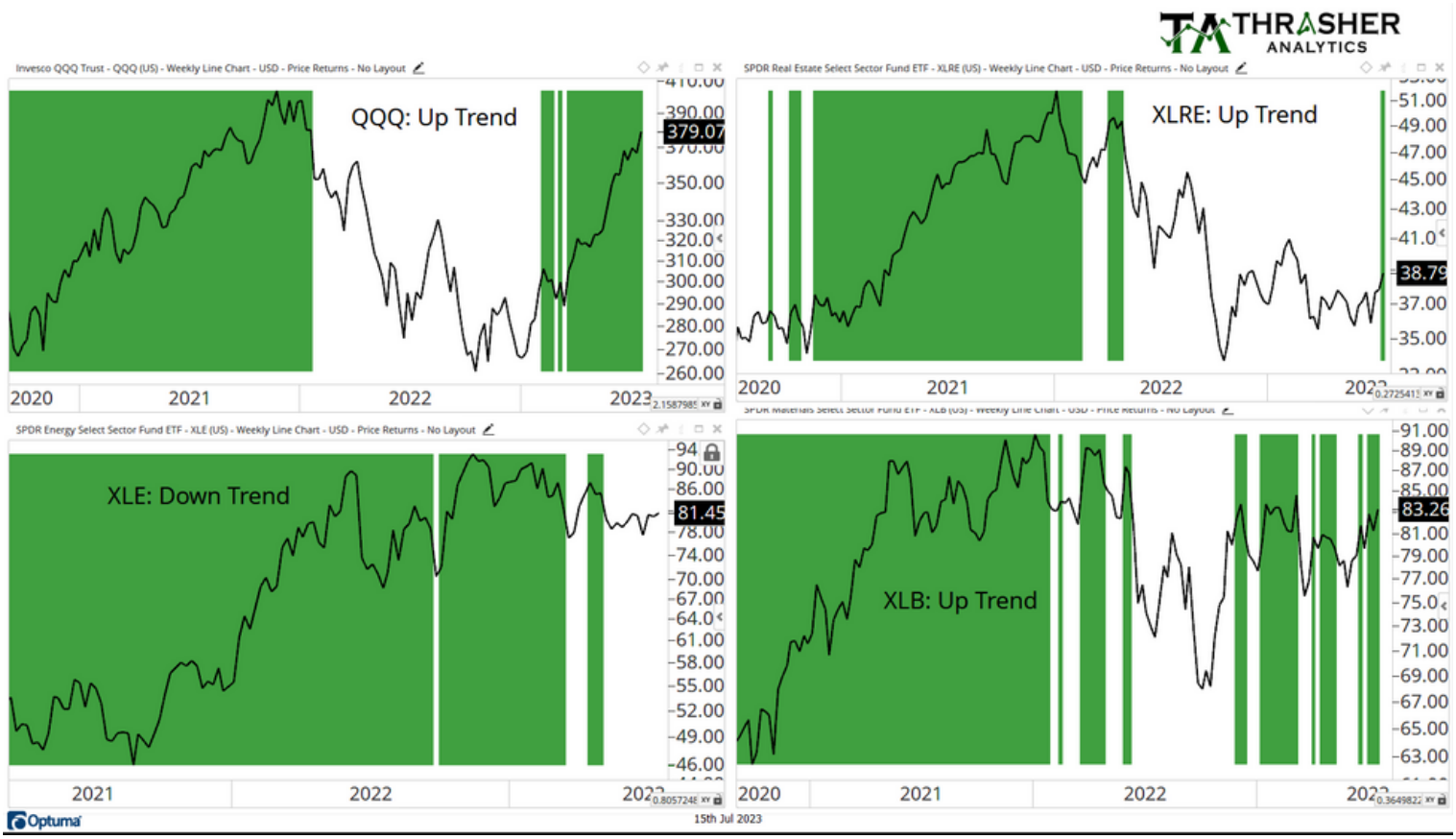
Trend Models



Trend Models



Trend Models



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