

TA THRASHER ANALYTICS

AUGUST 11, 2023



WEEKLY RESEARCH & ANALYSIS

BY ANDREW THRASHER, CMT

SUMMARY OF MODELS

	Current	Wkly Change
Maestro Model	8	Decreasing
Volatility Risk Trigger	0	Unchanged
Risk Appetite Ratios	60	Decreasing
S&P 500 Long-Term Trend	Up	Unchanged

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Volatility

Equities

Maestro Model

Sector Sentiment

Sectors & Commodity

Sentiment

Trend Models

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

Maestro Model	
Trend / Momentum	3
Sentiment / VIX	1
Breadth	2
Economic	0
Total	8

(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	65%	70%
Nasdaq 100	65%	70%
Nikkei	67%	68%
VIX	16%	14%
10yr Treasury	30%	36%
5yr Treasury	32%	39%
CRB Index	77%	80%
Crude Oil	79%	80%
Gold	20%	22%
U.S. Dollar	87%	81%
Bitcoin	58%	60%

*Green<25% Red>80%

source: trade-futures.com

Brief Summary:

I'm sending this week's letter a couple of days earlier. I'll be traveling this weekend and rather than skip sending out a letter I wanted to get one to you early even if it's slightly shorter than normal. The data on the charts is through Thursday (the DSI data table is through Friday). But since the market didn't really do anything on Friday with SPX off by 4.7 points (Nasdaq however did see a large move, declining 100 pts on Friday), the charts comments in this week letter are still timely.

The S&P 500 has continued to slide lower with most of the FAAMG stocks declining under their 50-day moving average. However, most of the rest of the large cap cohort are still holding above their own respective 50-MA. The June VWAP has been broken but volatile has been extremely subdued. The Index is hardly budging as it slowly bleeds out. Volume has disappeared with more than 30% of stocks trading on below average volume on several days this week. Has the market taken one last summer break? It appears so. It also appears we are following the August seasonality pattern I discussed two weeks ago which suggested market weakness over the following few weeks.

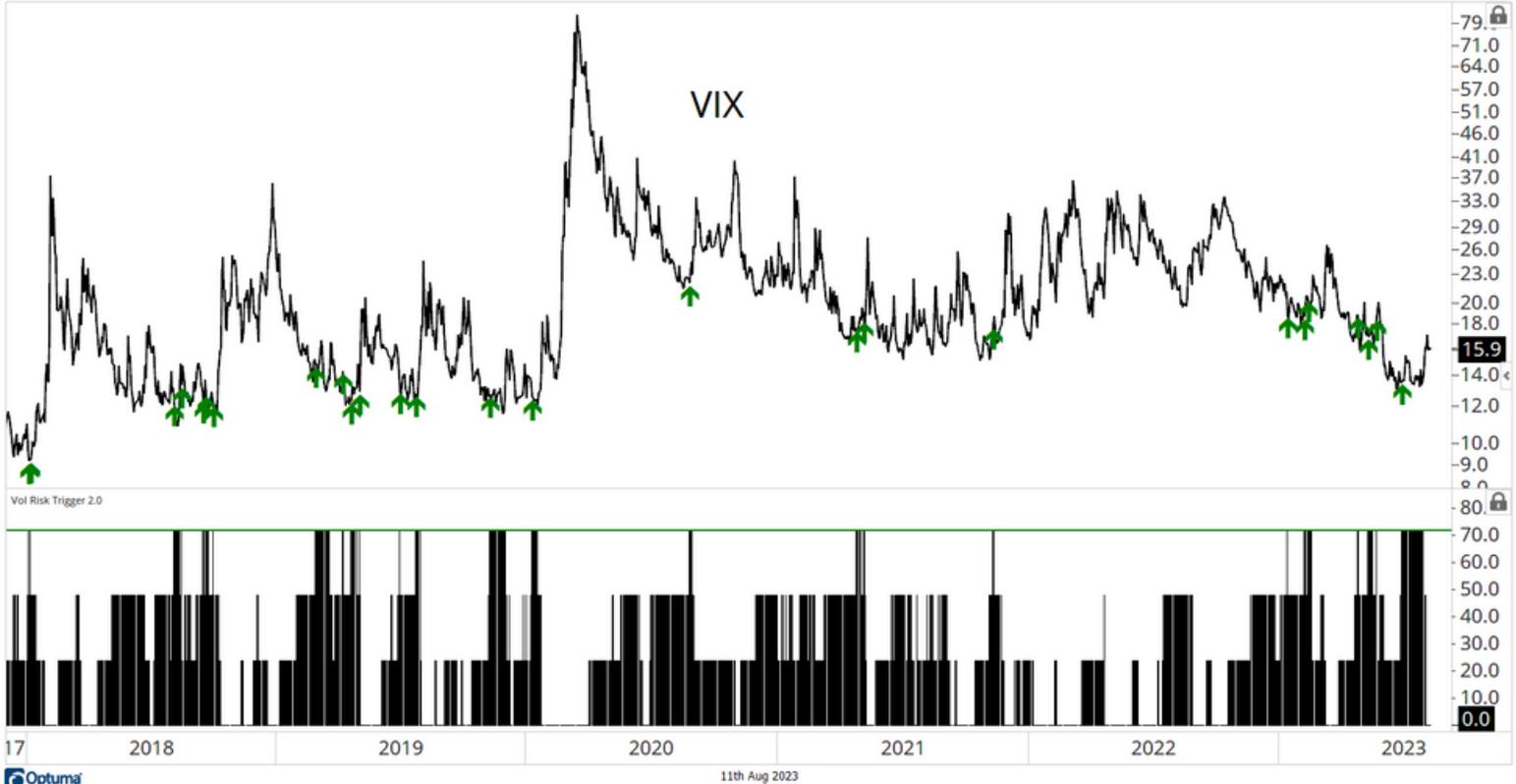
From a breadth perspective, I'm most focused right now on the number of stocks making 20-day lows. The Index has made several 20-day lows but we've had less than 30% of individual stocks do so as well. If we can stay under 30% then it's very possible we see this be just a short-term decline that doesn't turn into something more protracted, but if history is our guide and we do breach 30% then we could see further decline in the large cap market.

Energy has continued to do very well and Natural Gas had several 5+% days this week before hitting \$3 resistance and pulling back. Health Care has seen an increase in sentiment which is worth watching in the coming weeks.

VIX has pulled back slightly to finish the week under 15. So far the intraday high has been just above 18 as equities have weakened but overall vol has remained low with marginal moves in SPX.
(chart through Thurs.)



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



VOLATILITY: TOP & ENVIRONMENT

VIX remains in a Low Vol Environment (primarily due to the lack of backwardation in the futures curve along other factors) and we haven't seen signs that have been associated with a peak in volatility yet. (chart through Thurs.)



VOLATILITY - CURVE

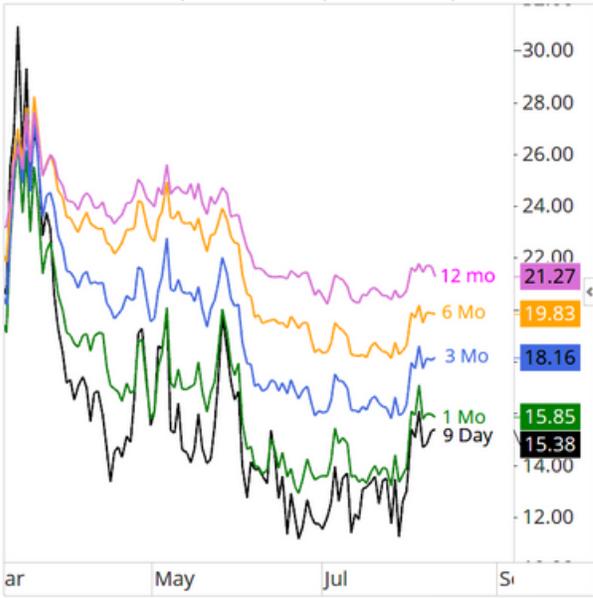


Narrow spread between 9-day and 1-month vol through Thursday.

Daily - Watch List - No Layout

Name	Last	1yr %Tile
CBOE S&P 500 Short Term Volatility Index	15.38	0.1799
CBOE S&P 500 Volatility Index	15.85	0.1419
CBOE S&P 500 3-Month Volatility Index	18.16	0.1349
CBOE Mid-Term Volatility Index	19.83	0.1093
CBOE S&P 500 One-Year Volatility Index	21.27	0.0820

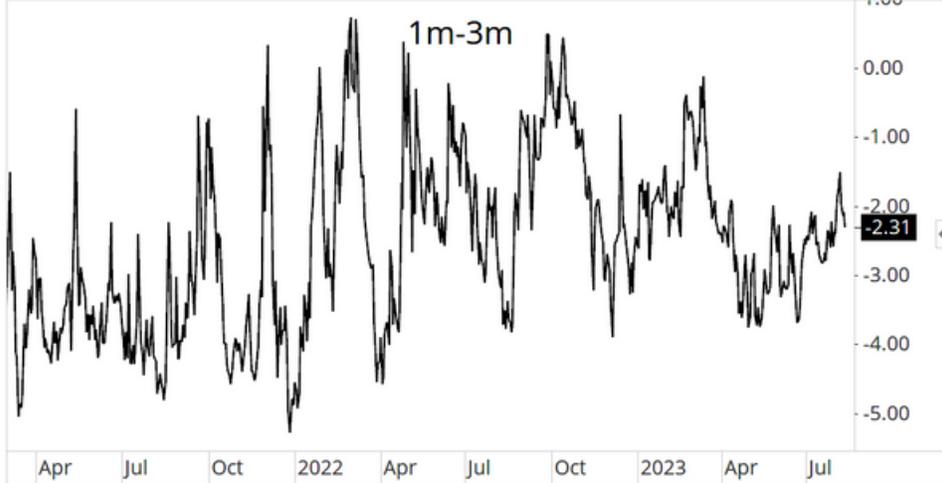
CBOE S&P 500 Short Term Volatility Index - VIX9D (CBOE) - Daily Line Chart - USD - No Layout



Daily - Curve Chart Date: 8/10/2023



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



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

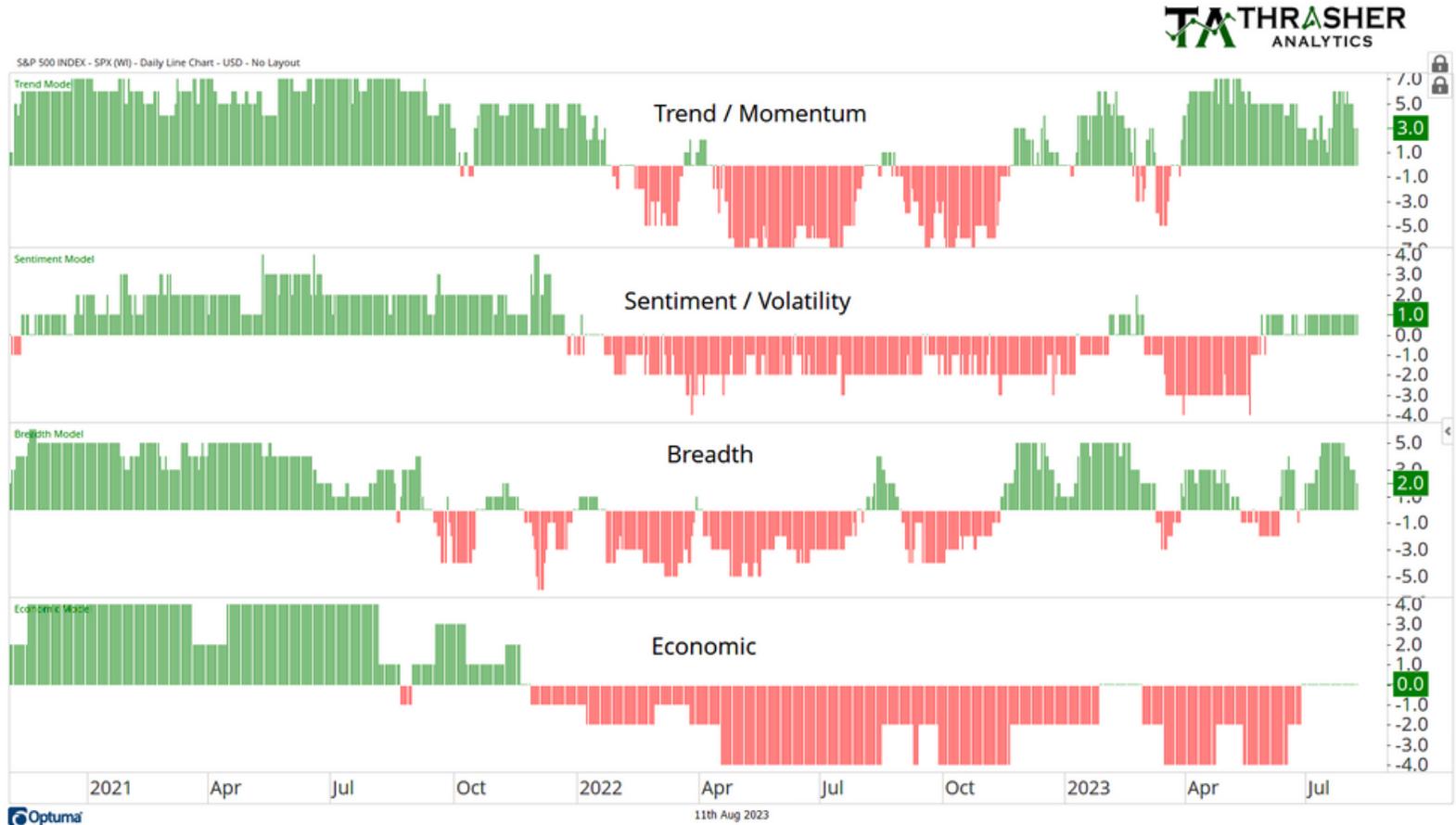
The Maestro Model moved lower with drops in both Trend and Momentum. The model has now fallen to 8 through Thursday.



MAESTRO MODEL - CATEGORIES



Trend/Momentum and Breadth each declined by 2 points from last week.



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SENTIMENT SCORE



Daily - Watch List - No Layout

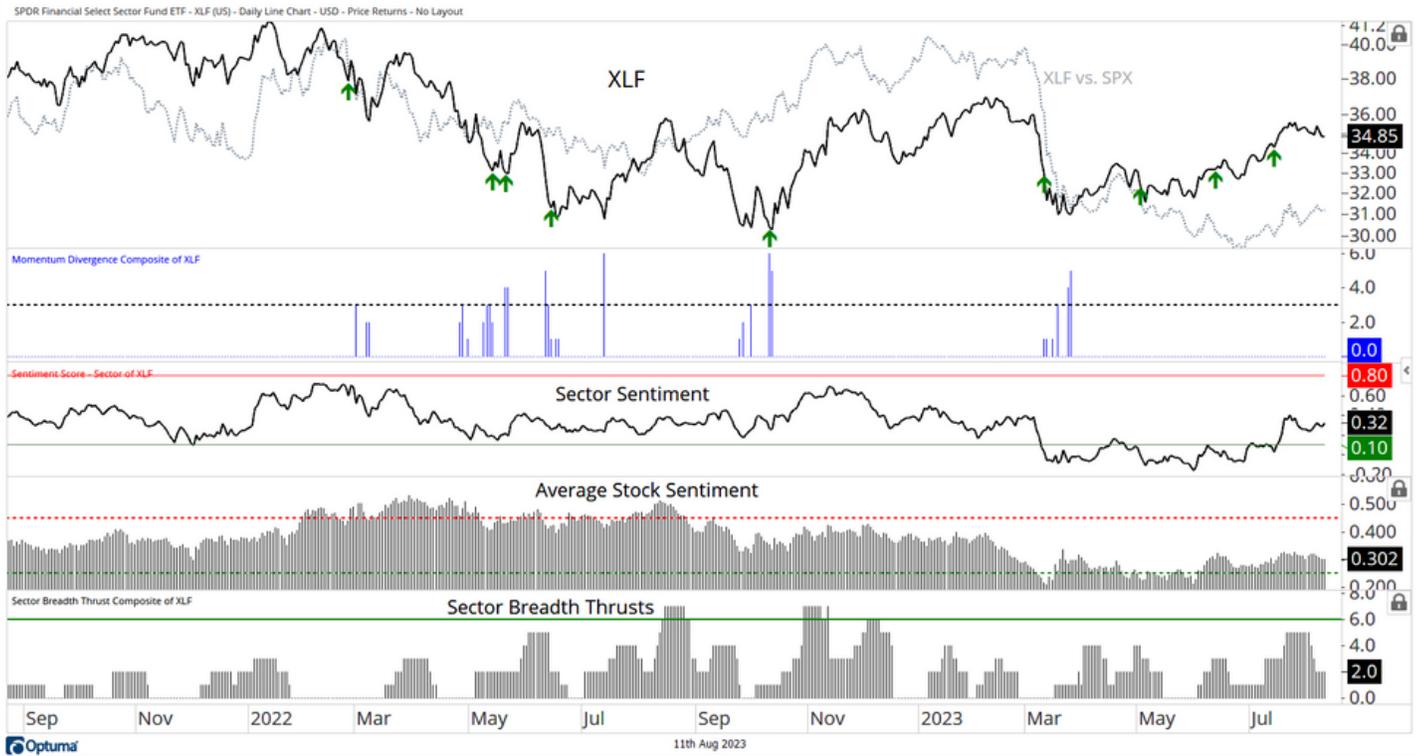
Sector	Ticker	Sector Sentiment	Change in Score	1W Perf	1M Perf	3M Perf
SPDR Consumer Discretionary Select Sector Fund ETF	XLY	0.37	0.00	0.72%	0.24%	14.76%
SPDR Financial Select Sector Fund ETF	XLF	0.32	0.07	-0.57%	3.29%	8.63%
SPDR Communication Services Select Sector ETF	XLC	0.31	-0.06	0.30%	3.95%	14.17%
SPDR Materials Select Sector Fund ETF	XLB	0.27	-0.09	-0.97%	2.13%	5.36%
SPDR Energy Select Sector Fund ETF	XLE	0.26	0.04	2.00%	8.74%	11.58%
SPDR Consumer Staples Select Sector Fund ETF	XLP	0.25	-0.04	-0.95%	1.69%	-2.49%
SPDR Industrial Select Sector Fund ETF	XLI	0.22	0.00	-0.17%	0.93%	9.80%
SPDR Health Care Select Sector Fund ETF	XLV	0.20	0.12	1.48%	3.70%	1.54%
SPDR Technology Select Sector Fund ETF	XLK	0.13	-0.16	-3.10%	-2.05%	10.74%
SPDR Real Estate Select Sector Fund ETF	XLRE	0.11	-0.02	-0.32%	-1.58%	-0.24%
SPDR Utilities Select Sector Fund ETF	XLU	0.03	0.04	-0.80%	-1.37%	-7.41%

Type Code or Name to add an item to the watchlist

SENTIMENT SCORE: XLF & XLY



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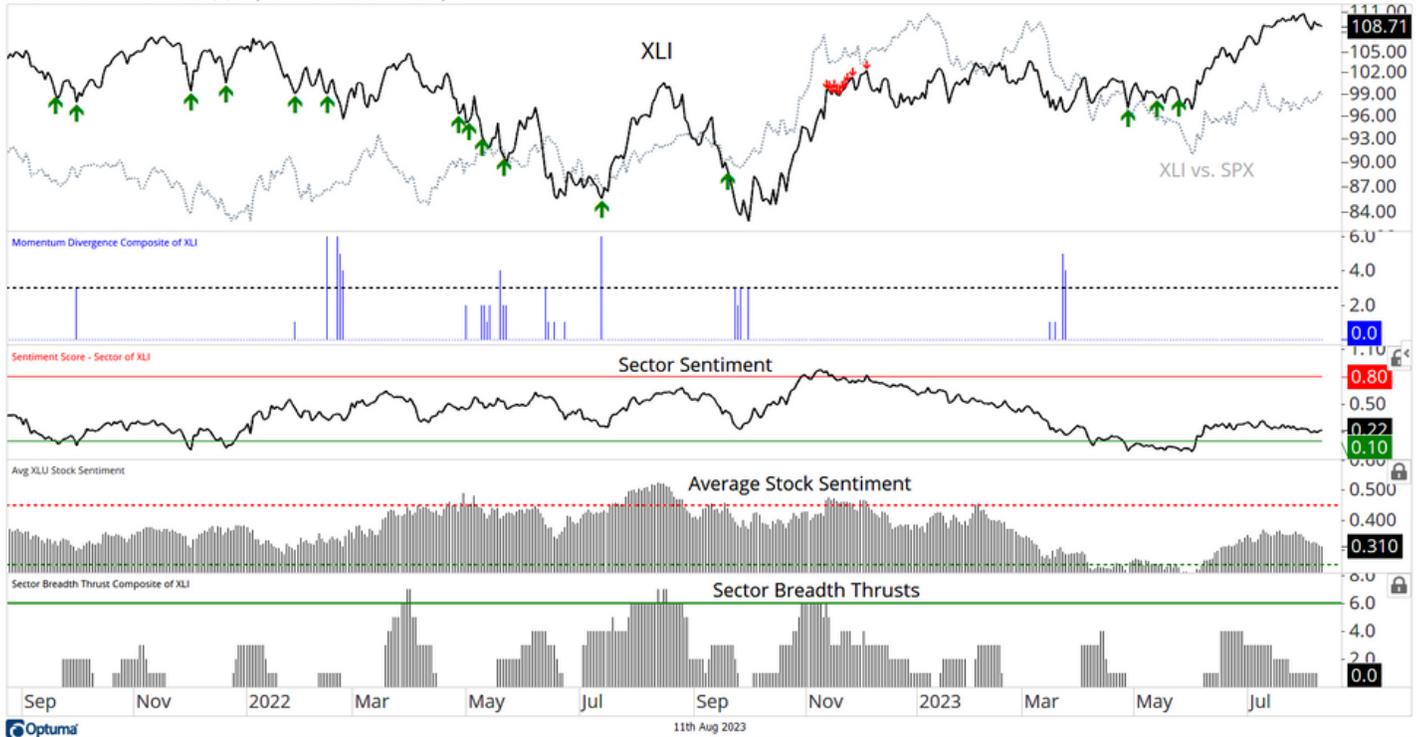


SENTIMENT SCORE: XLI & XLB



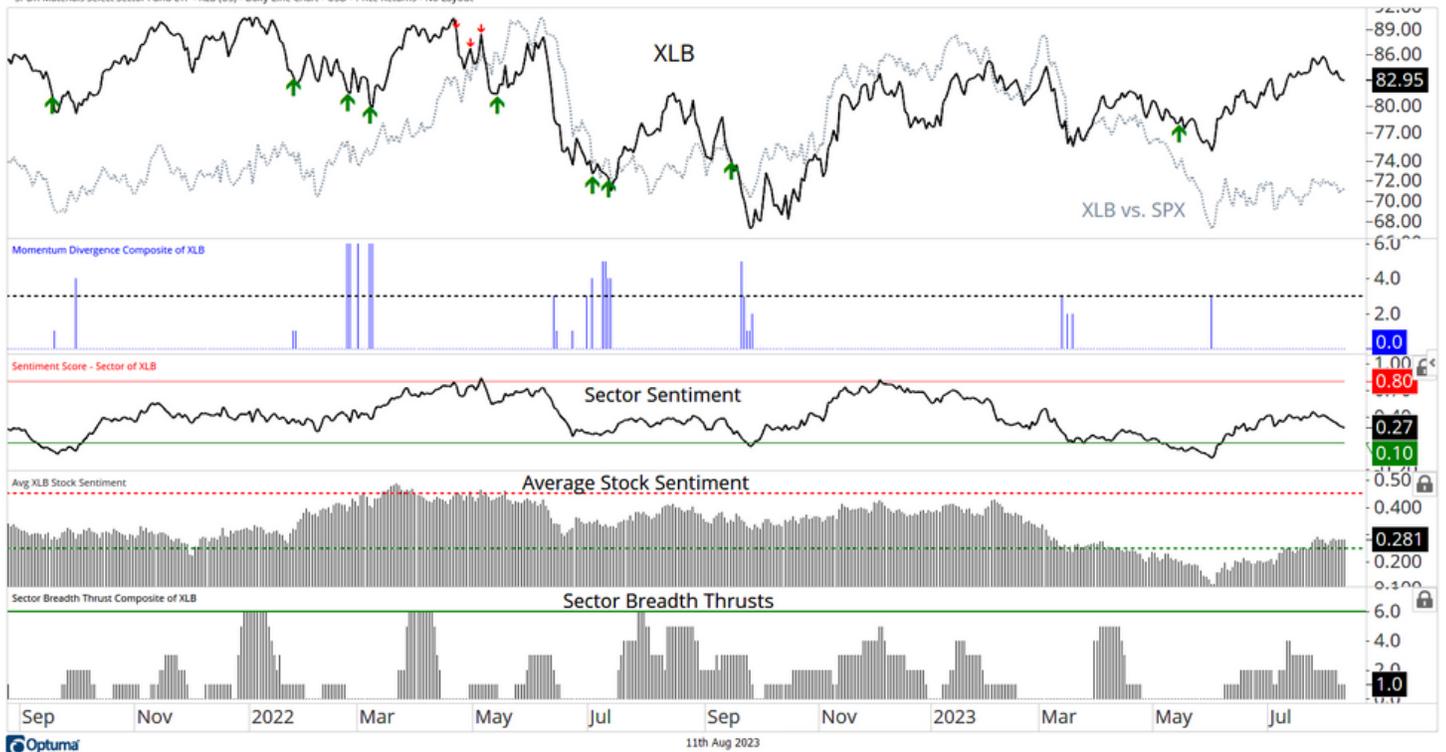
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SPDR Industrial Select Sector Fund ETF - XLI (US) - Daily Line Chart - USD - Price Returns - No Layout



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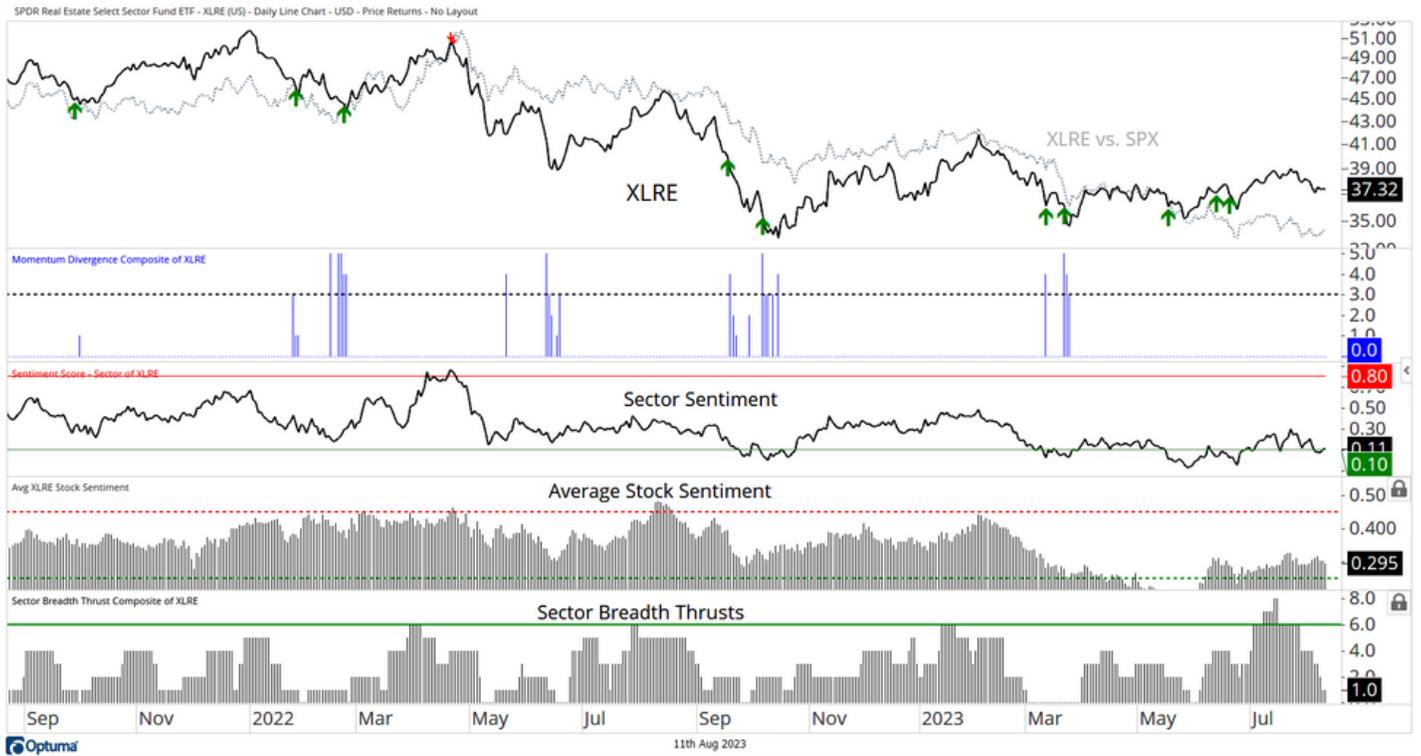
SPDR Materials Select Sector Fund ETF - XLB (US) - Daily Line Chart - USD - Price Returns - No Layout



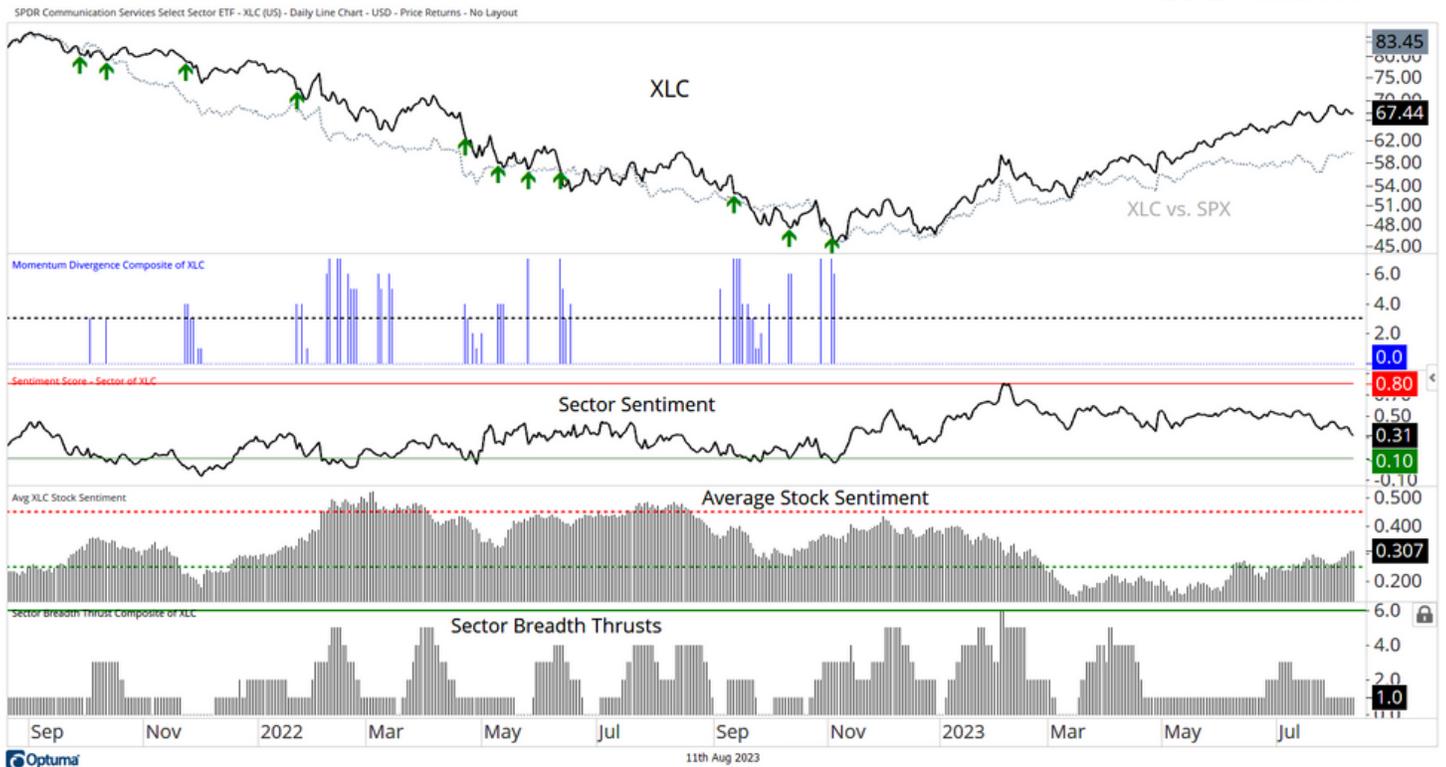
SENTIMENT SCORE: XLRE & XLC



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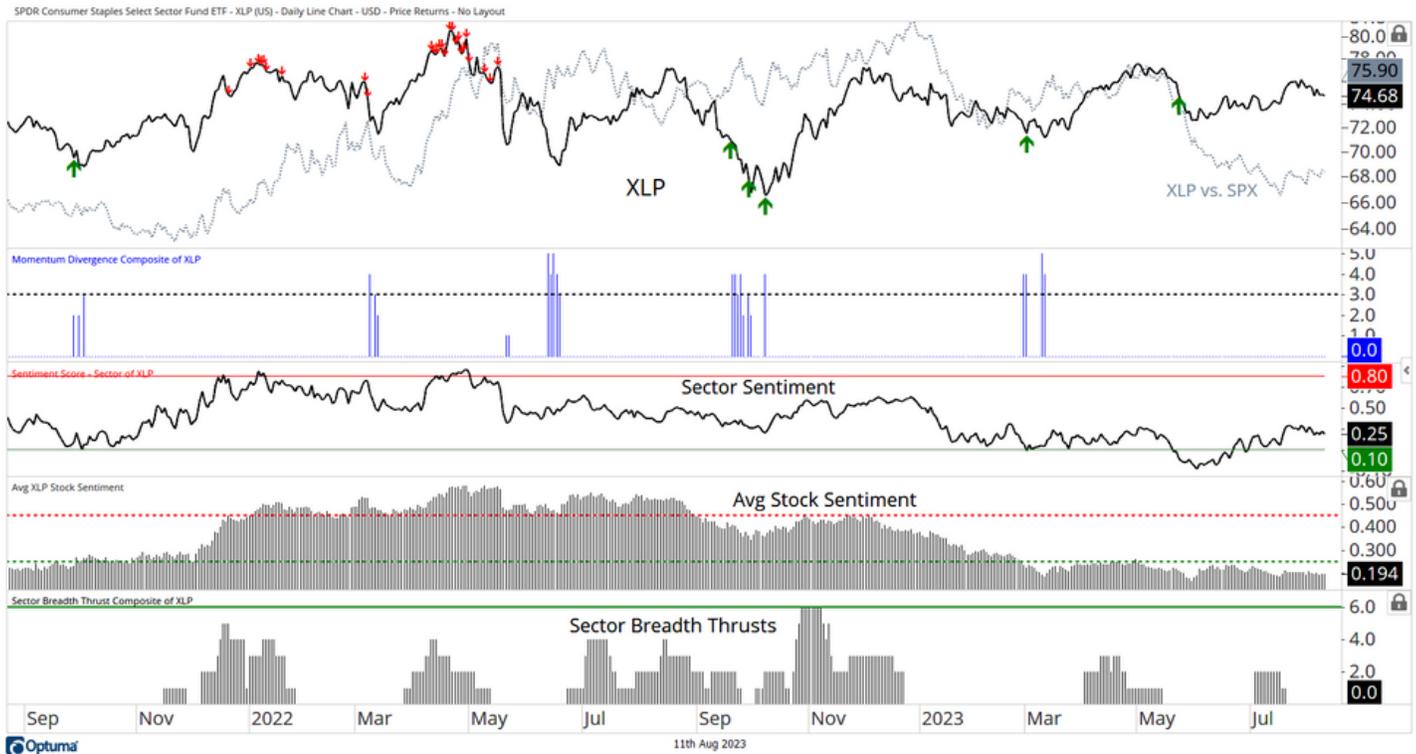
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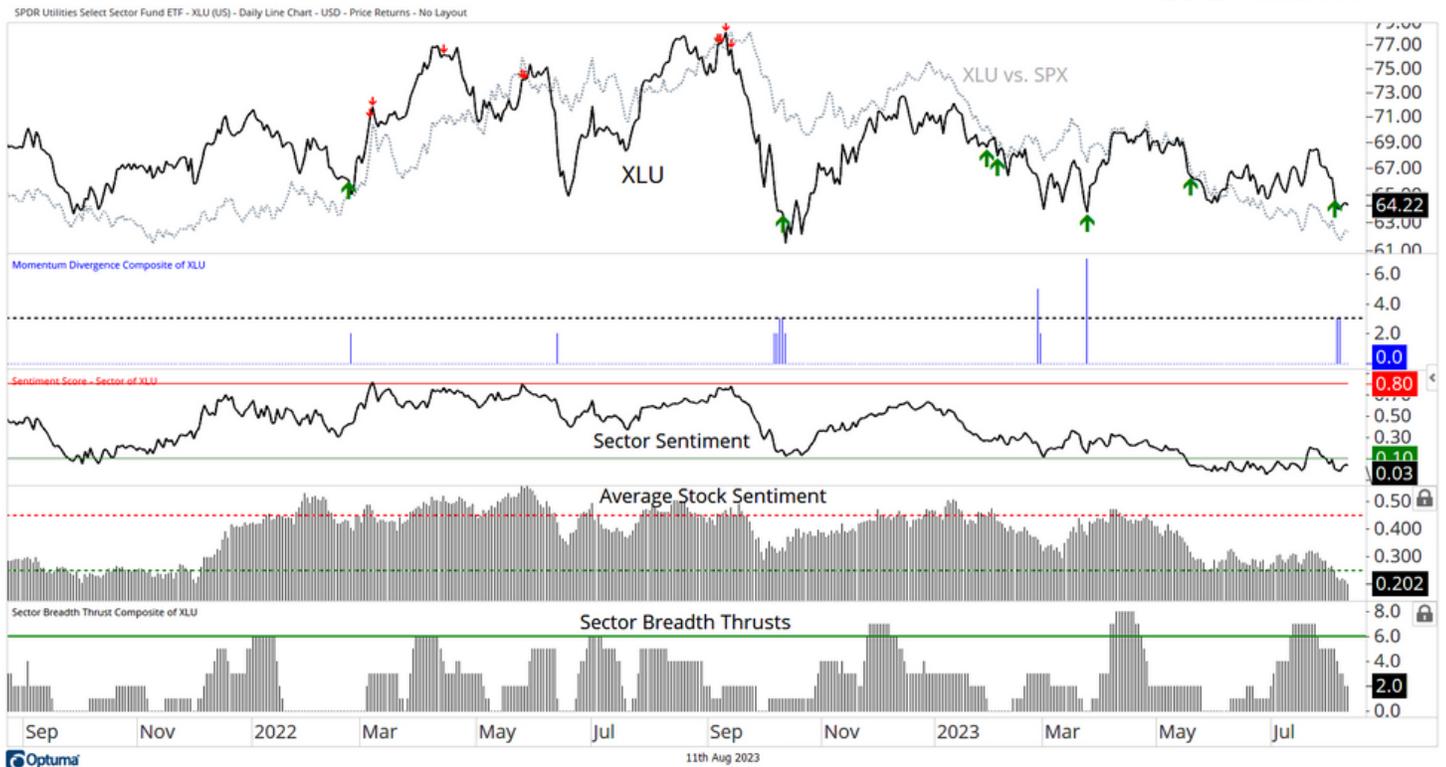
SENTIMENT SCORE: XLP & XLU



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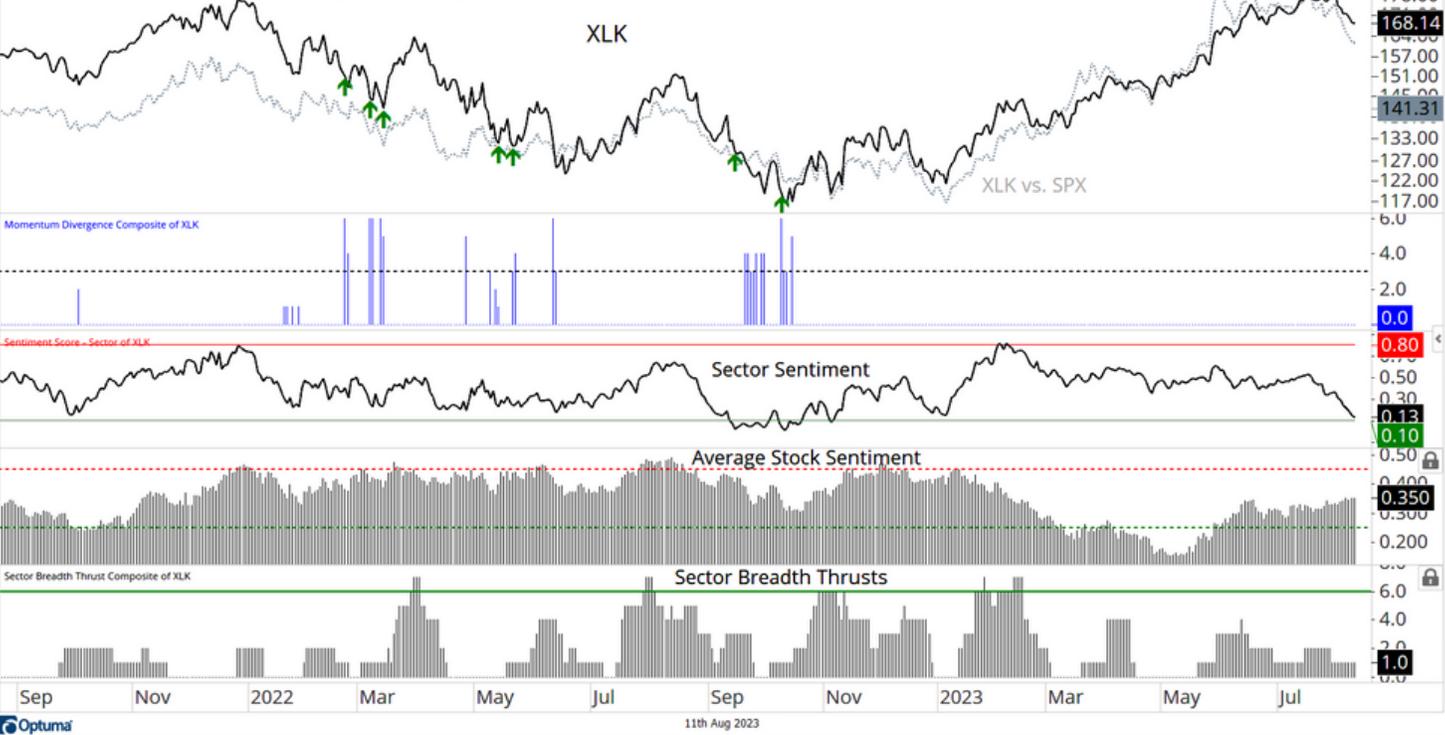
SENTIMENT SCORE: XLK & XLV



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

Relative Index Comparison to S&P 500 INDEX of XLK & Show Bar [Script] of XLK & Show Bar [Script] of XLK



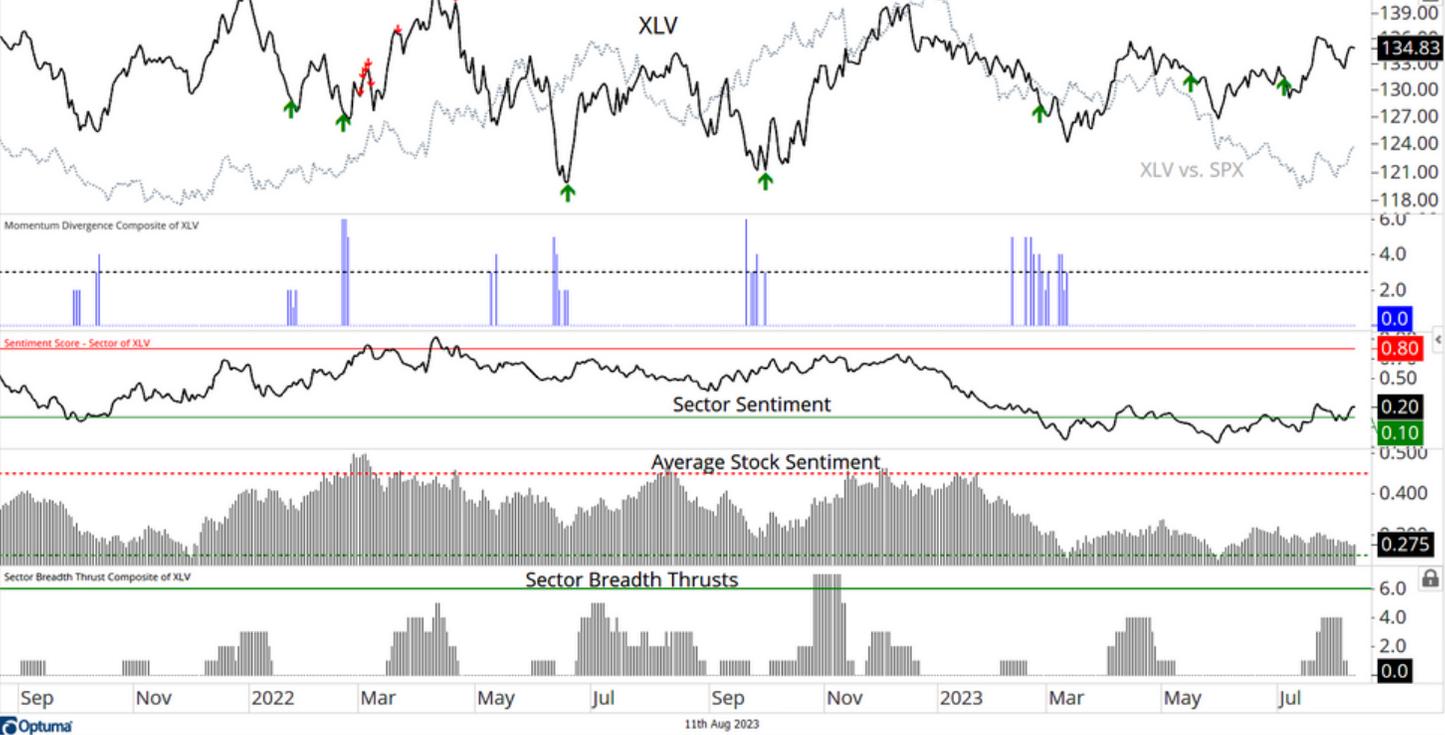
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SPDR Health Care Select Sector Fund ETF - XLV (US) - Daily Line Chart - USD - Price Returns - No Layout

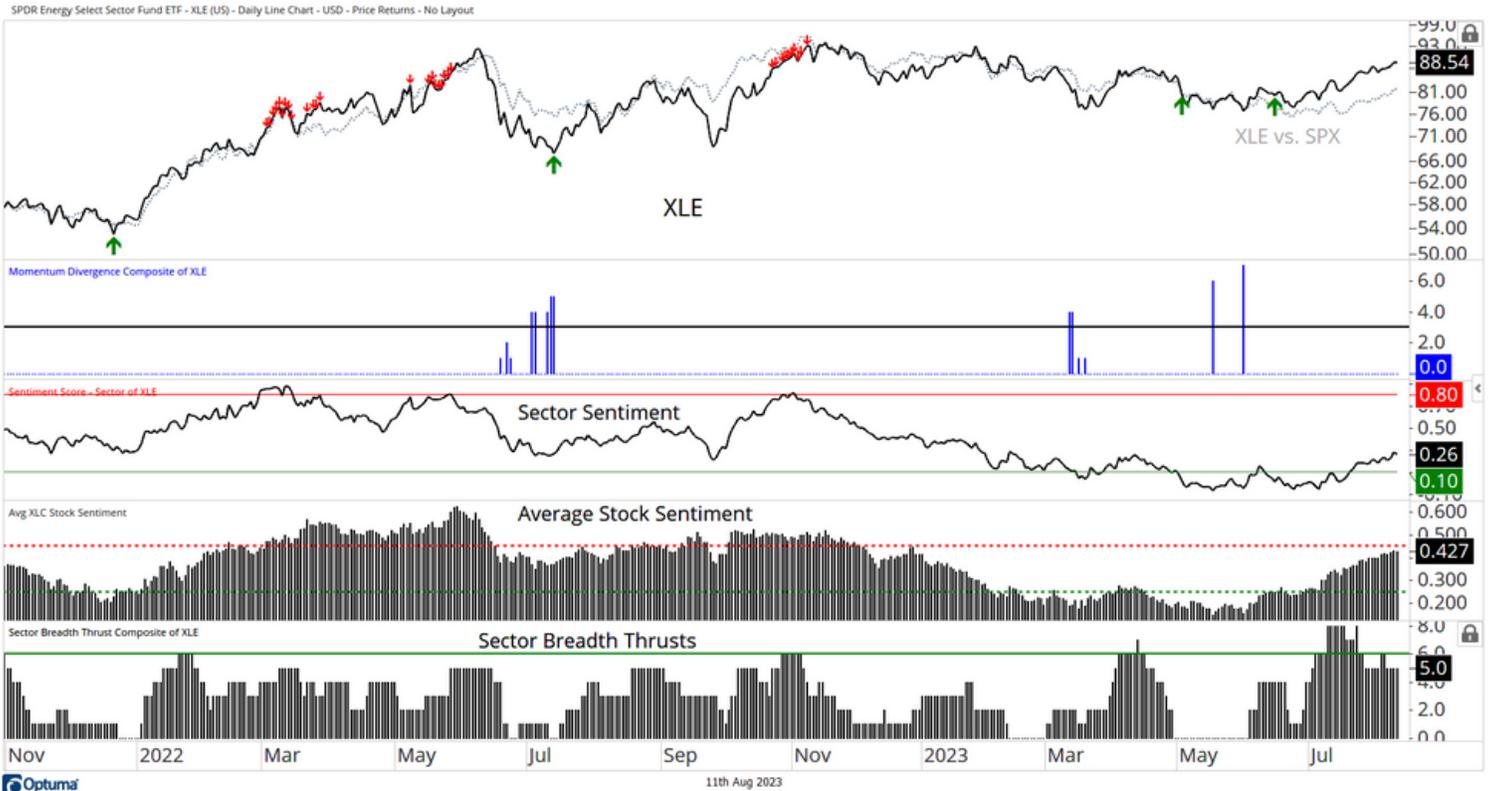
Relative Index Comparison to S&P 500 INDEX of XLV & Show Bar [Script] of XLV & Show Bar [Script] of XLV



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SENTIMENT SCORE: XLE



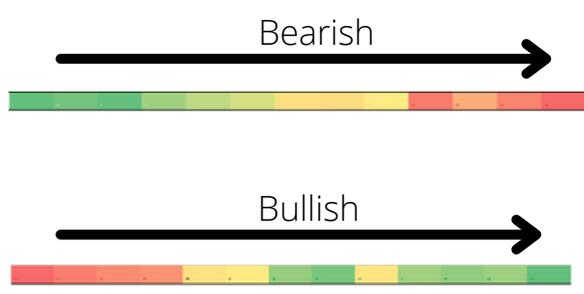
RISK APPETITE RATIO



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 60th percentile.

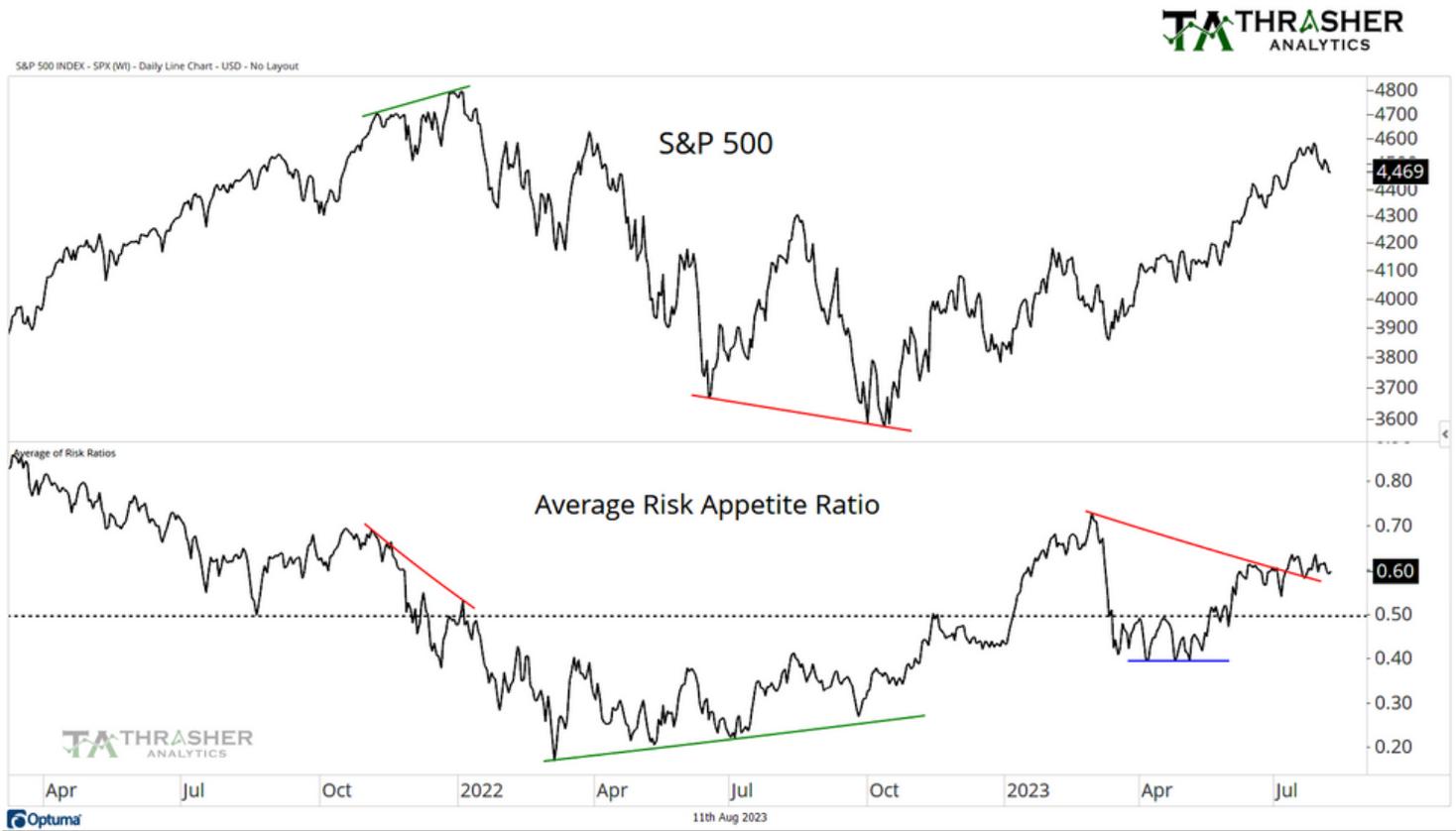
Risk Metric	-35	-34	-33	-32	-31	-30	-29	-28	-27	-26	-25	-24	-23	-22	-21	-20	-19	-18	-17	-16	-15	-14	-13	-12	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	Current
Emerging Market vs. SPX	0.18	0.16	0.13	0.16	0.16	0.13	0.08	0.06	0.11	0.09	0.03	0.10	0.09	0.11	0.18	0.20	0.18	0.17	0.09	0.07	0.07	0.06	0.10	0.13	0.16	0.13	0.21	0.20	0.15	0.10	0.13	0.15	0.09	0.06	0.10	0.11
EAFE vs. SPX	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	0.40	0.39	0.38	0.39	0.40	0.36	0.35	0.36	0.39	0.37	0.36	0.31	0.28	0.28	0.32	0.32	0.31	0.35	0.37
HY Debt vs. Treasury	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	0.69	0.68	0.62	0.66	0.68	0.69	0.69	0.71	0.77	0.78	0.78	0.83	0.86	0.98	0.91	0.98	0.92	0.89	0.99
Home Construction vs. SPX	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	1.00	1.00	0.98	0.92	0.91	0.91	0.94	0.95	0.97	0.97	1.00	1.00	0.96	1.00	1.00	1.00	1.00	0.99	0.96
Offense vs. Defense Sectors	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	1.00	1.00	0.97	0.85	0.80	0.83	0.85	0.84	0.85	0.89	0.91	0.95	0.87	0.90	0.93	0.93	0.89	0.86	0.87
Broker-Dealer vs. SPX	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	0.07	0.18	0.18	0.25	0.25	0.26	0.25	0.26	0.25	0.19	0.19	0.20	0.23	0.23	0.24	0.23	0.20	0.20	0.20
S&P Growth vs. S&P Value	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	0.58	0.57	0.55	0.51	0.51	0.52	0.54	0.54	0.54	0.56	0.55	0.56	0.54	0.54	0.51	0.50	0.52	0.53	0.52
Semiconductor vs. SPX	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	0.99	0.97	0.94	0.85	0.87	0.85	0.89	0.86	0.93	0.96	0.96	0.96	0.89	0.89	0.91	0.91	0.88	0.84	0.85
Consumer Disc. Vs. Staples	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	1.00	1.00	0.98	0.83	0.82	0.83	0.83	0.82	0.82	0.84	0.87	0.85	0.78	0.80	0.88	0.88	0.88	0.84	0.85
Small Cap vs. Utilities	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	0.97	0.97	1.00	0.99	0.93	0.88	0.87	0.96	0.97	1.00	1.00	0.97	1.00	1.00	1.00	1.00	0.95	0.91	0.90
Transports vs. Utilities	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	0.97	1.00	0.99	0.93	0.88	0.87	0.96	0.97	1.00	1.00	0.97	1.00	1.00	1.00	0.97	0.94	0.97
Equal Weight vs. Cap Weight	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	0.11	0.10	0.12	0.17	0.18	0.16	0.15	0.17	0.15	0.11	0.12	0.11	0.14	0.13	0.13	0.12	0.12	0.15	0.14
Small cap vs. Large Cap	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	0.22	0.25	0.27	0.25	0.23	0.22	0.20	0.25	0.21	0.23	0.30	0.28	0.29	0.29	0.30	0.25	0.23	0.23	0.19
Equities vs. VIX	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	0.98	1.00	0.95	0.92	0.96	0.95	1.00	0.87	0.99	0.93	0.71	0.74	0.65	0.75	0.73	0.72	0.73
Aussie Dollar vs. Yen	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	0.67	0.67	0.67	0.70	0.74	0.74	0.77	0.69	0.58	0.61	0.76	0.69	0.60	0.56	0.54	0.59	0.61	0.61	0.65
Copper vs. Gold	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	0.31	0.25	0.23	0.27	0.27	0.32	0.36	0.33	0.37	0.39	0.46	0.40	0.35	0.41	0.36	0.34	0.29	0.33	0.31
AVERAGE	0.60	0.59	0.57	0.58	0.59	0.59	0.61	0.60	0.61	0.58	0.56	0.58	0.60	0.60	0.61	0.63	0.62	0.63	0.63	0.62	0.60	0.59	0.59	0.60	0.60	0.61	0.62	0.65	0.64	0.60	0.62	0.61	0.62	0.60	0.59	0.60



RISK APPETITE RATIO



Risk Appetite moved slightly lower over this week, finishing on Thursday at the 60th %tile.



The S&P 500 chart below shows data through Thursday. If we include Friday's close, we've now had three consecutive closes under the June low VWAP. The S&P 500 is getting close to the 50-day moving average with mega cap names like Apple, Tesla, and Nvidia, and Microsoft already trading under their respective 50-day moving averages. Momentum is slightly under 50 but still holding above the May lows. This so far has been a very slow non-volatile decline that could end up being a short-term working off of overbought levels and excessive bullish sentiment. However, the fact that we are seeing larger declines in prior market leaders (like the names listed above) is concerning.

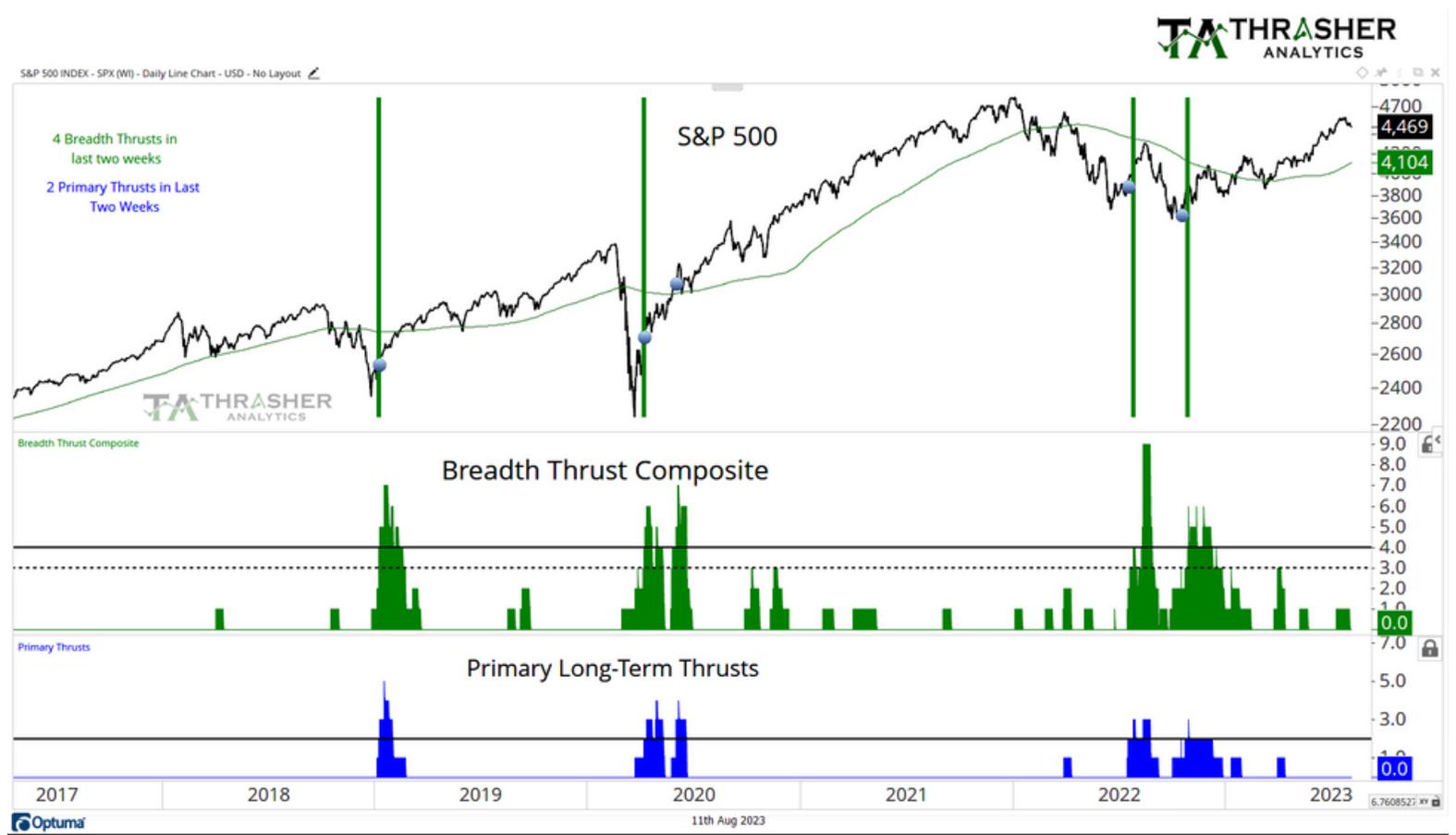


EQUITIES - BREADTH THRUSTS



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.

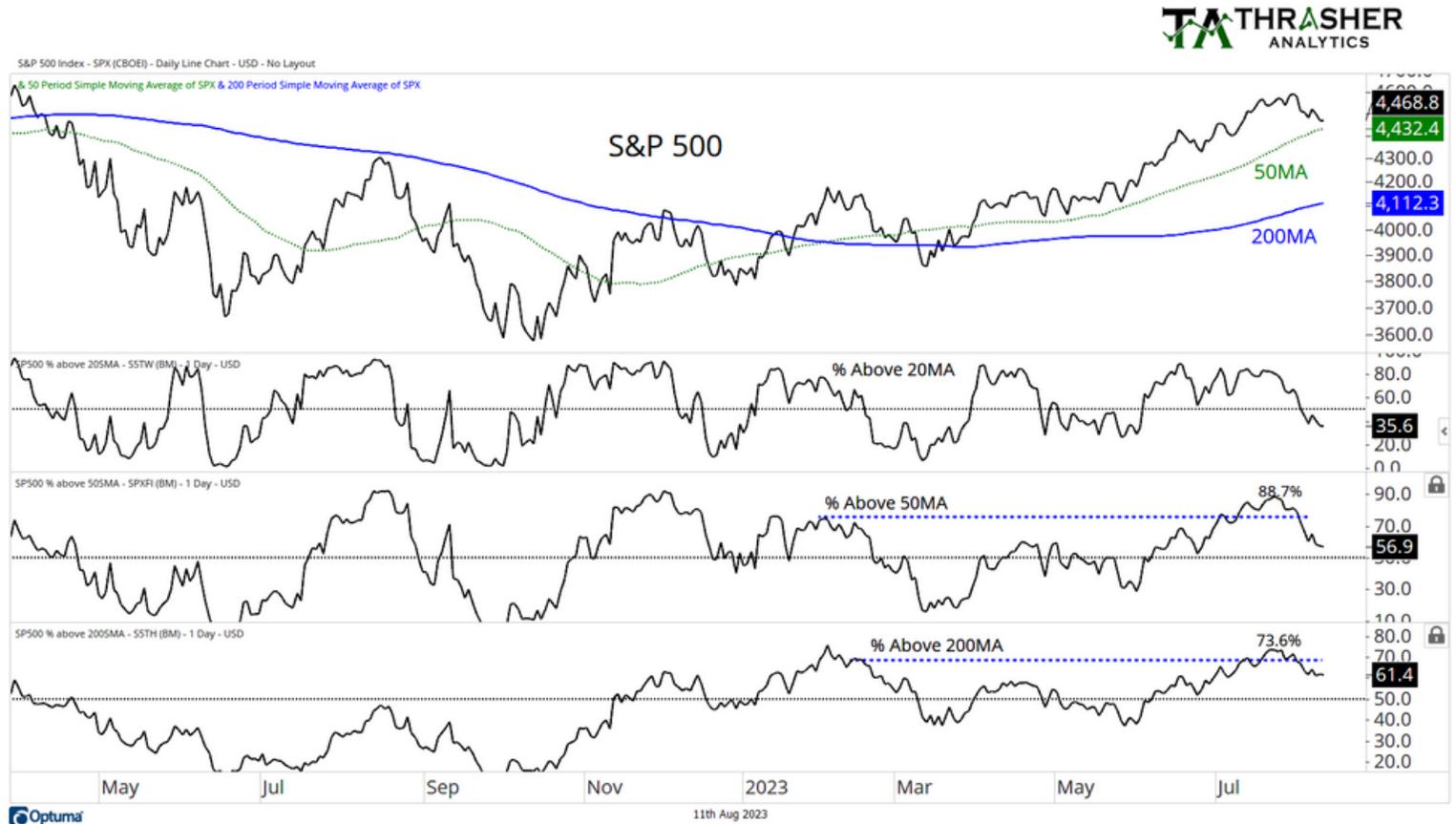
Thrust count is at zero.



EQUITIES - MA BREADTH



Through Thursday, the majority of stocks were still trading above their intermediate and long-term moving averages. We're below early 2023 levels but with 61% of stocks still above the 200-day MA, breadth remains supportive of the current up trend, we'll see if that continues.

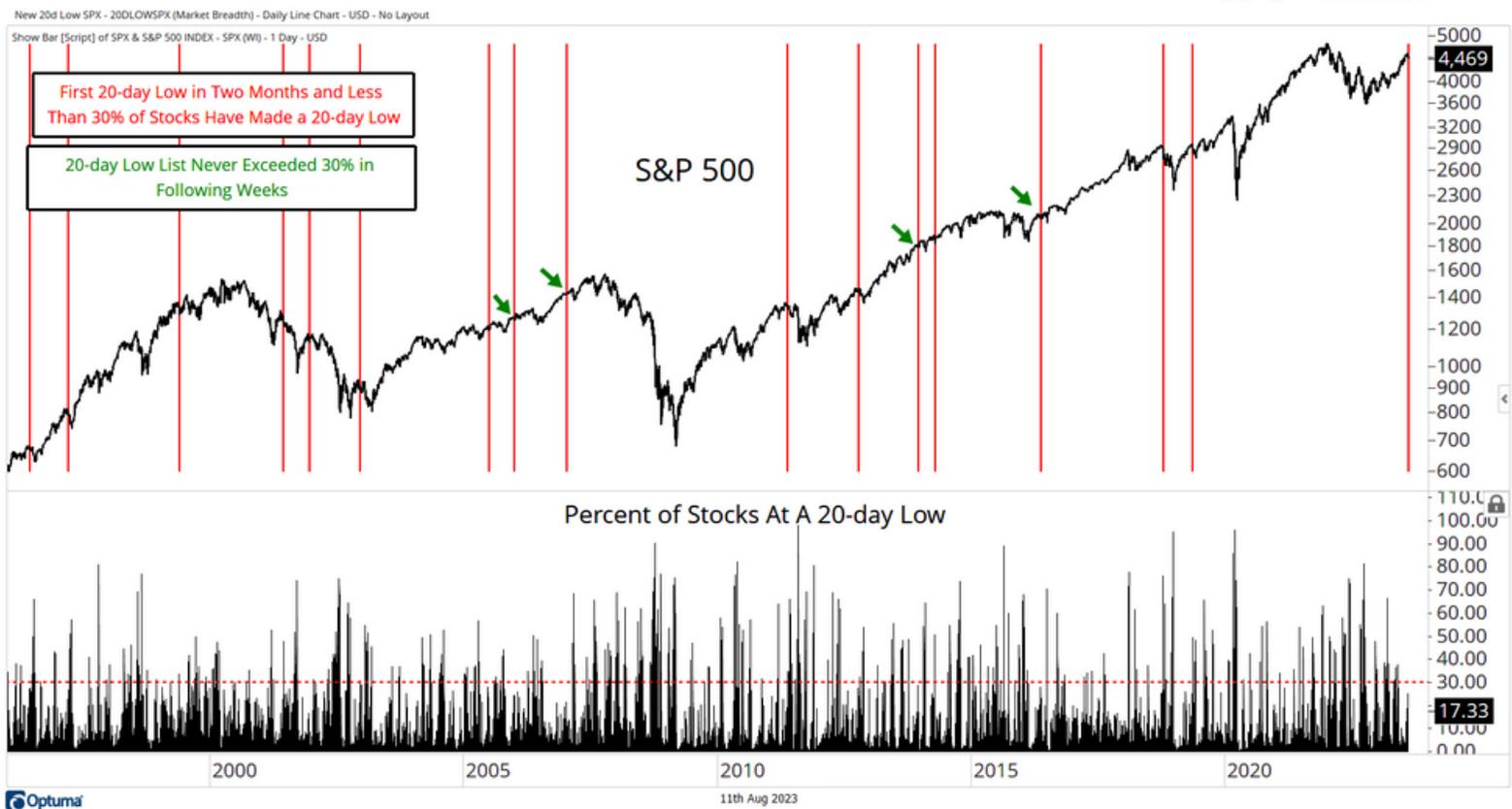


EQUITIES - 20-DAY LOWS

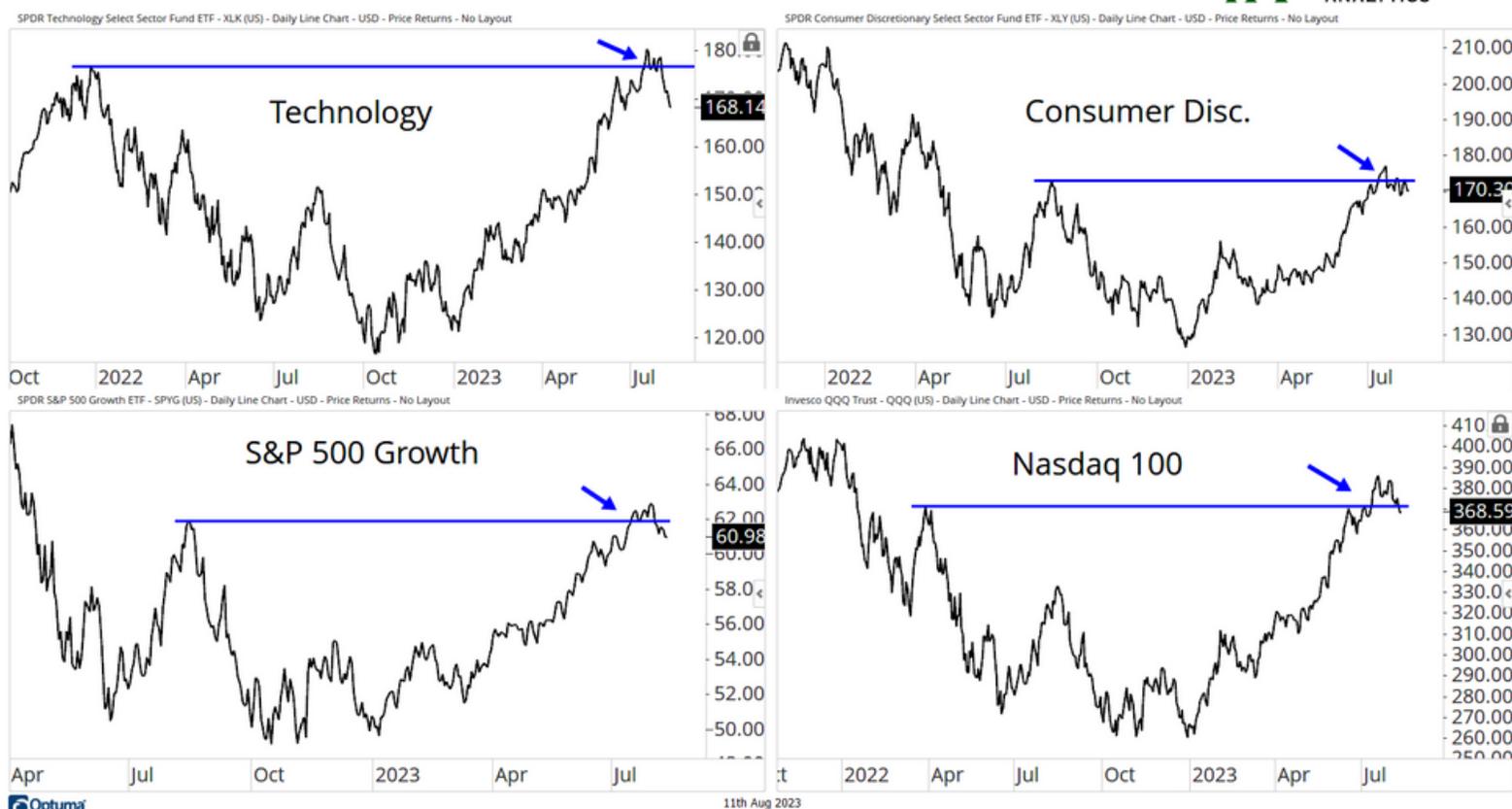


The S&P 500 has now made several 20-day lows but we still haven't seen a large expansion in the number of stocks that have done the same. As of Thursday, 17% of stocks were at a 20-day low.

The study below shows when the Index makes its first 20-day low in the last two months but less than 30% of stocks have reached their own one month low. What stands out about this study is that we have often seen major and minor declines begin this week - the index going first and then gets followed by a growing number of its constituents. The instances we didn't see a further slide when we never hit 30% of stocks making a 20-day low, as shown by green arrows. This suggests it's worth watching that 20-day low list and if we breach 30% that would be a bearish sign that the internals are turning against this market and we could see further downside in the Index.



Once again, here is an update on the four charts I've been closely watching that shows the leadership of this market in the first part of the year. The development hasn't been encouraging. All four have now breached their key price levels I've been discussing for several weeks now. Unless these levels are retaken, the market will need to quickly find new leadership and unfortunately based on the massive size of tech and consumer disc., new leadership will need to come from more than just a couple energy stocks to keep the S&P 500 from drifting lower.



EQUITIES - SECTOR SENTIMENT



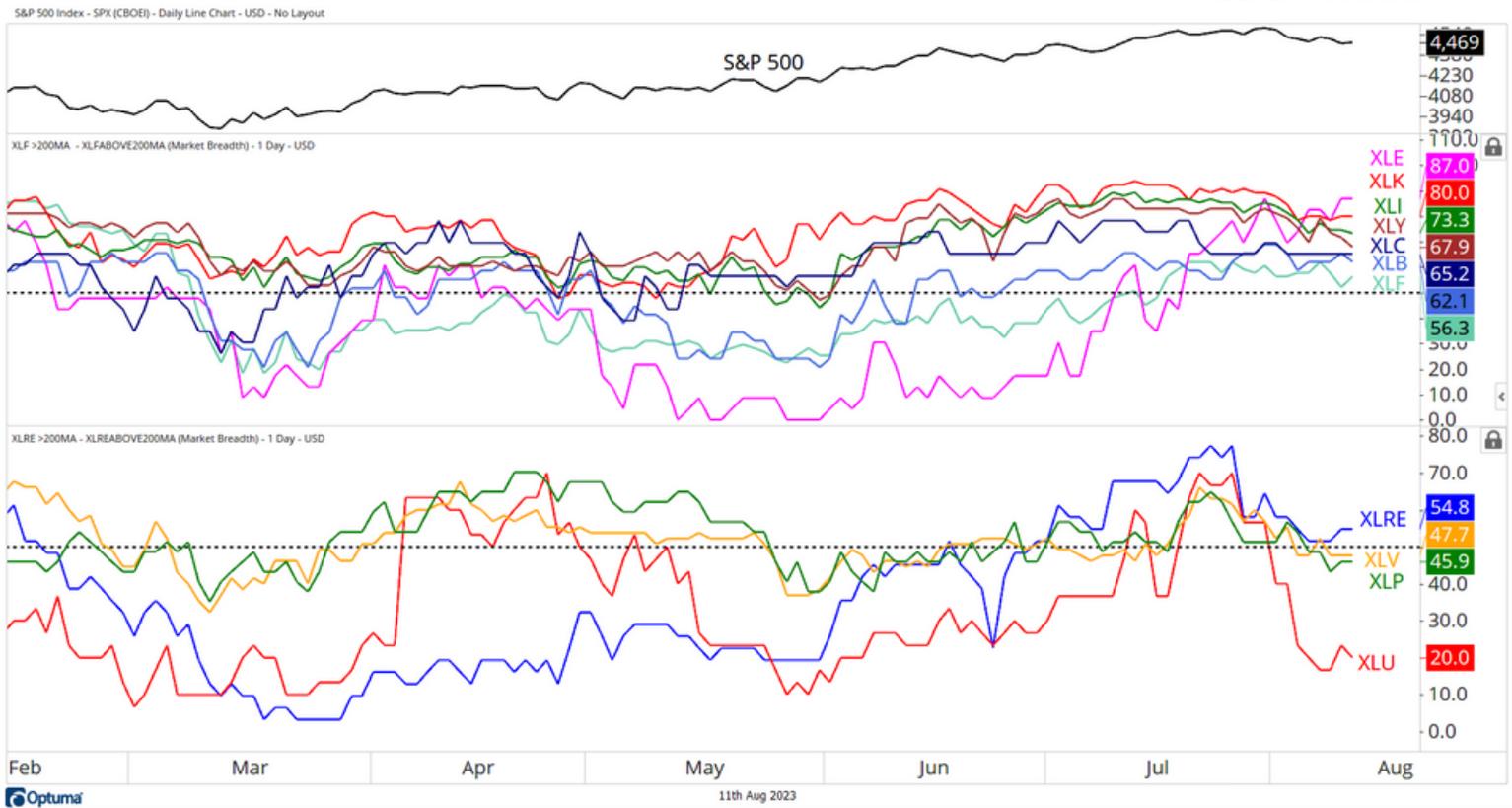
Defensive sector sentiment has ticked up, I noted earlier how Health Care saw the largest increase over the last week. Meanwhile, Offense sentiment has continued to decline.



SECTOR - BREADTH 200-MA



Energy remains the strongest breadth sector with 87% of its stocks above the 200-day MA.



DAILY SENTIMENT INDEX



Daily - DSI - No Layout

Code	% Bullish ▲	5-day MA	History
Yen DSI	9	14	
Corn DSI	12	16	
VIX DSI	16	14	
Coffee DSI	18	19	
Gold DSI	20	22	
Lumber DSI	23	25	
Platinum DSI	24	22	
Palladium DSI	24	18	
Swiss Franc DSI	27	34	
Copper DSI	27	32	
Silver DSI	29	32	
Wheat DSI	30	36	
10Y DSI	30	36	
Natural Gas DSI	31	29	
5YR DSI	32	39	
New Zealand Dollar DSI	35	42	
EuroDollar DSI	39	46	
Australian Dollar DSI	39	45	
Soybean DSI	47	47	

Daily - DSI - No Layout

Code	% Bullish ▲	5-day MA	History
Euro DSI	47	52	
British Pound DSI	49	51	
Bitcoin DSI	58	60	
Cocoa DSI	60	63	
Lean Hog DSI	62	64	
Cattle DSI	62	63	
SPX DSI	65	70	
Nasdaq DSI	65	70	
Nikkei DSI	67	68	
Sugar DSI	69	61	
Orange Juice DSI	70	68	
Cotton DSI	70	63	
Mexican Peso DSI	75	68	
Heating Oil DSI	77	83	
CRB Index DSI	77	80	
Crude Oil DSI	79	80	
Gasoline DSI	82	84	
US Dollar DSI	87	81	

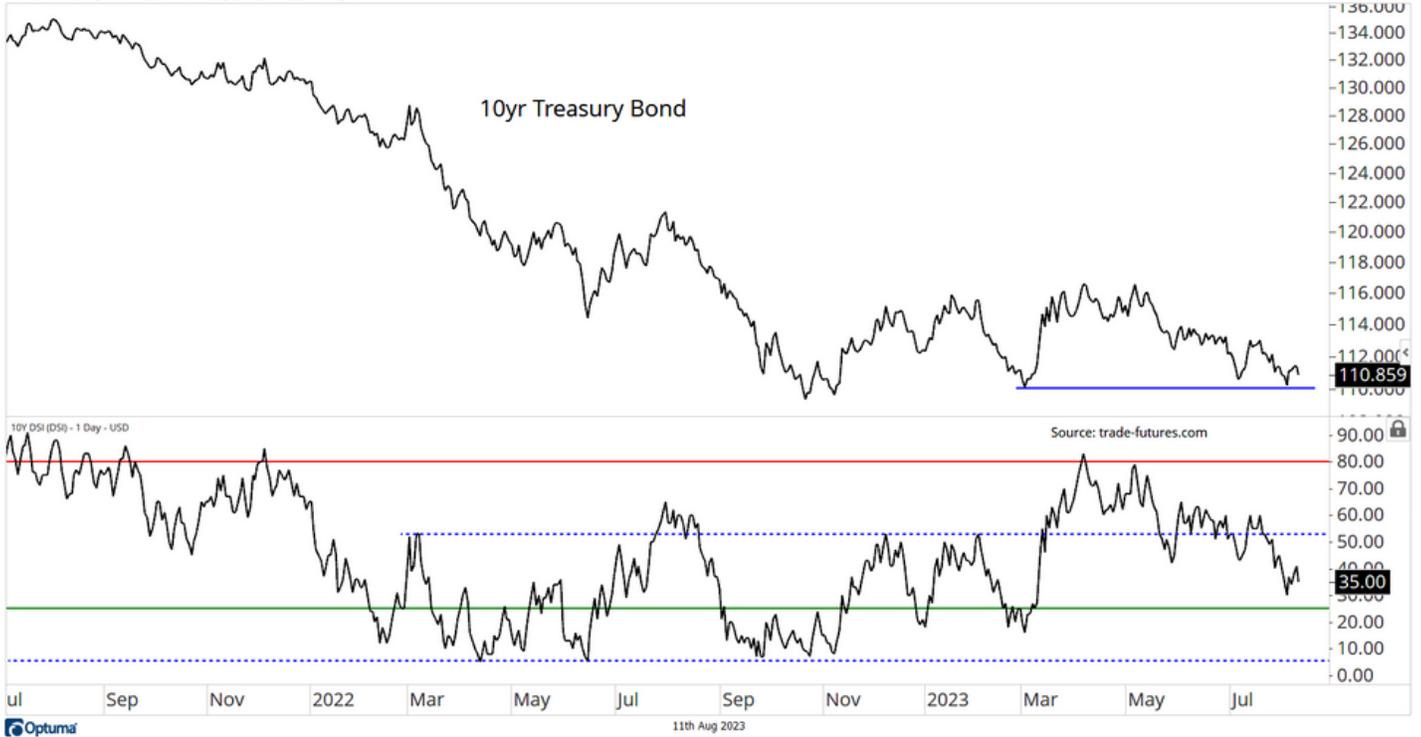
Source: trade-futures.com

DAILY SENTIMENT INDEX



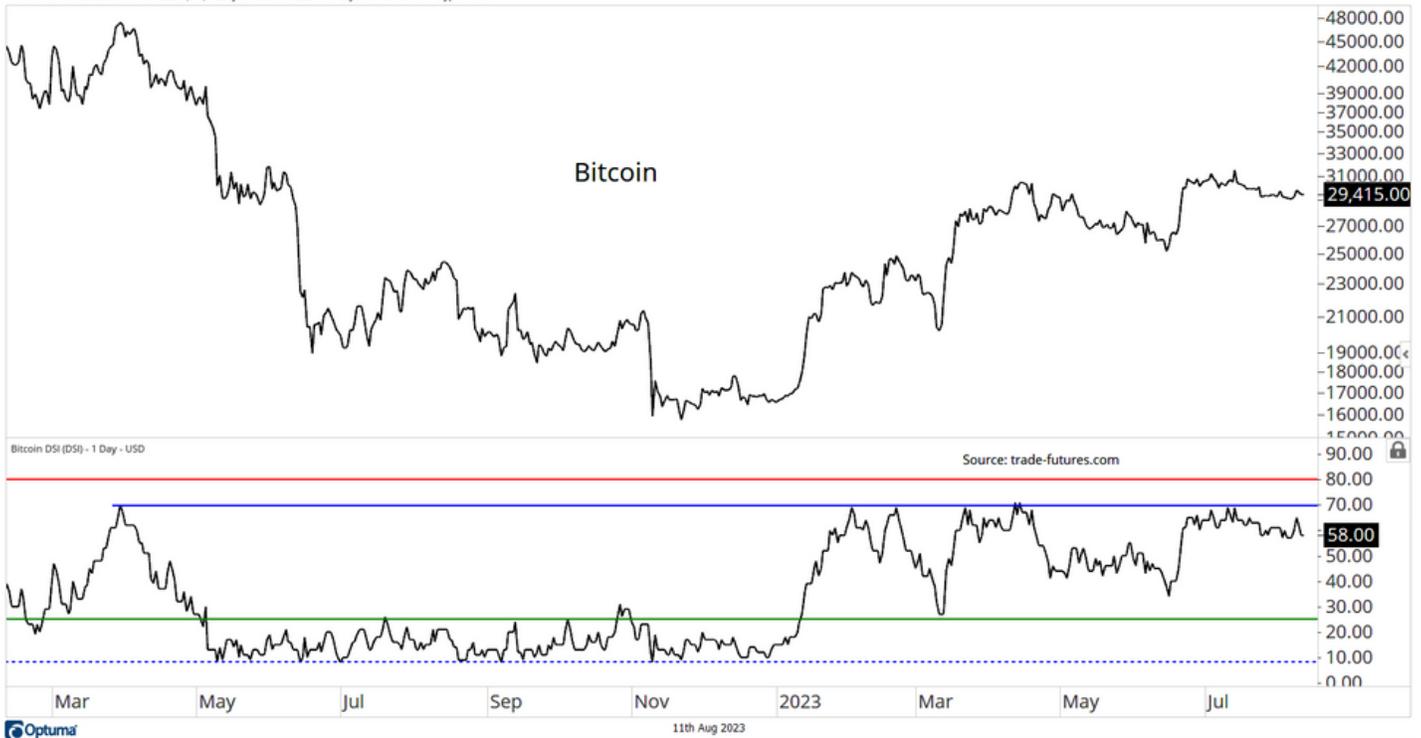
TA THRASHER
ANALYTICS

10 Year US Treasury Note - TYSpot (AFUT) - Daily Line Chart - USD - No Layout



TA THRASHER
ANALYTICS

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

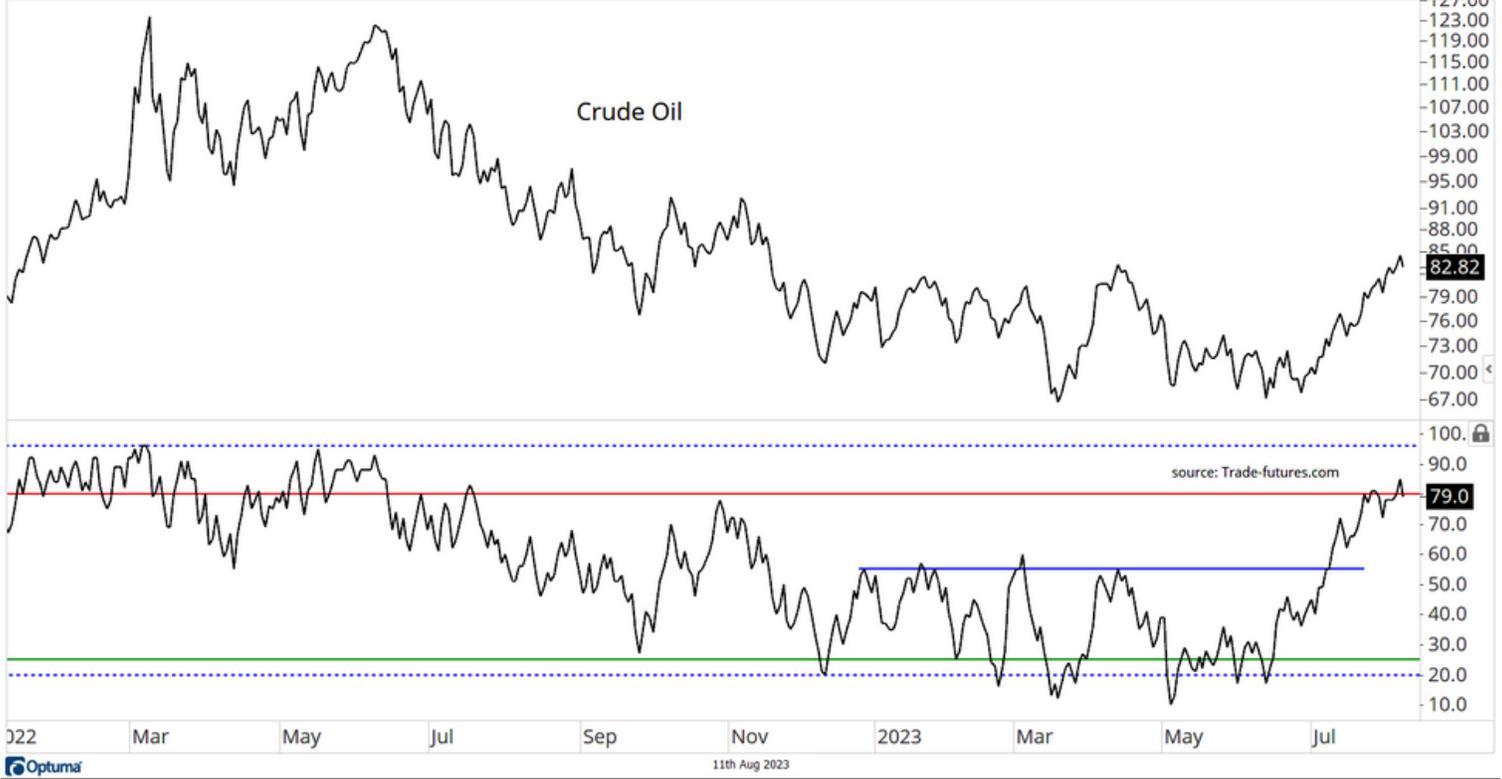


DAILY SENTIMENT INDEX



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ANALYTICS

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



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ANALYTICS

Gold Futures - GC2Spot (AFUT) - Daily Line Chart - USD - No Layout

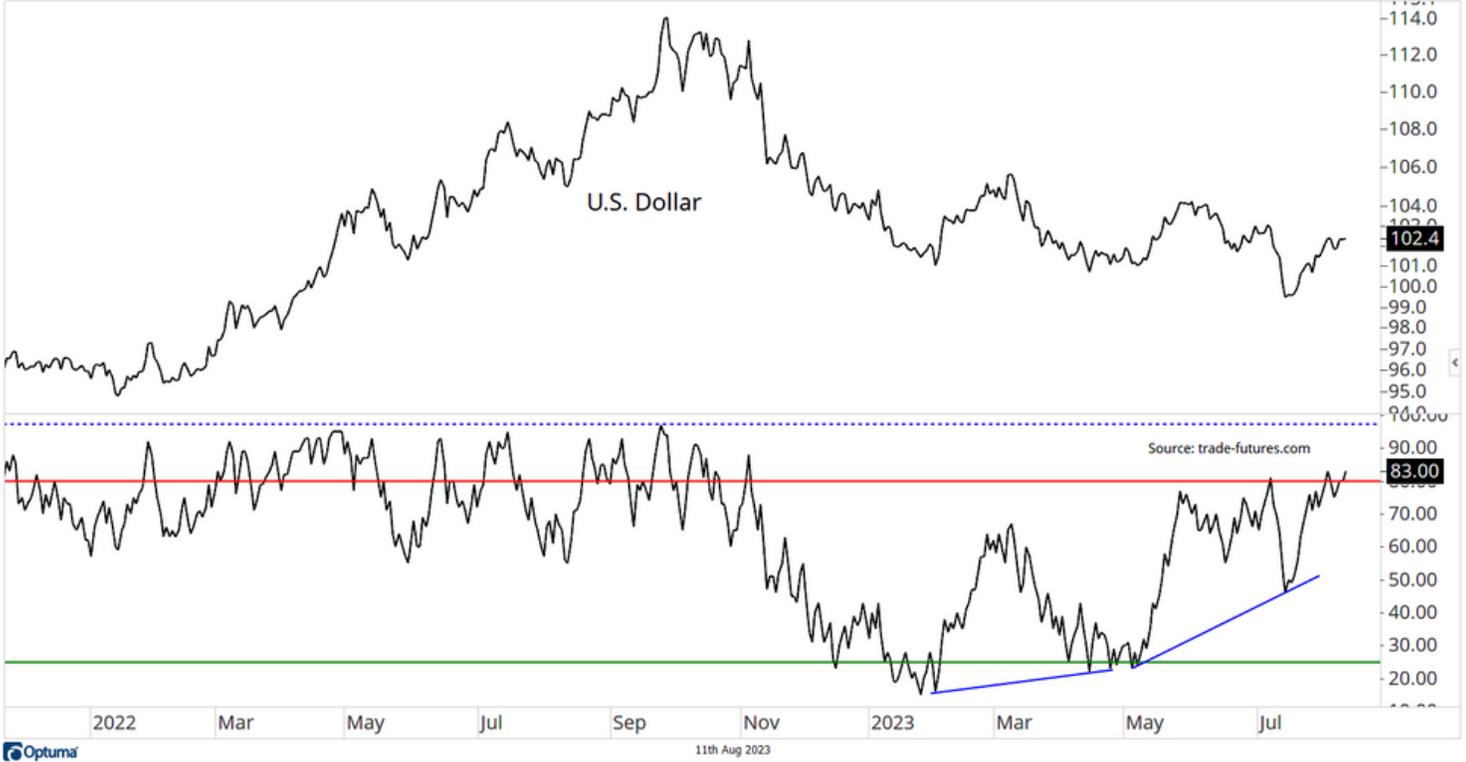


DAILY SENTIMENT INDEX



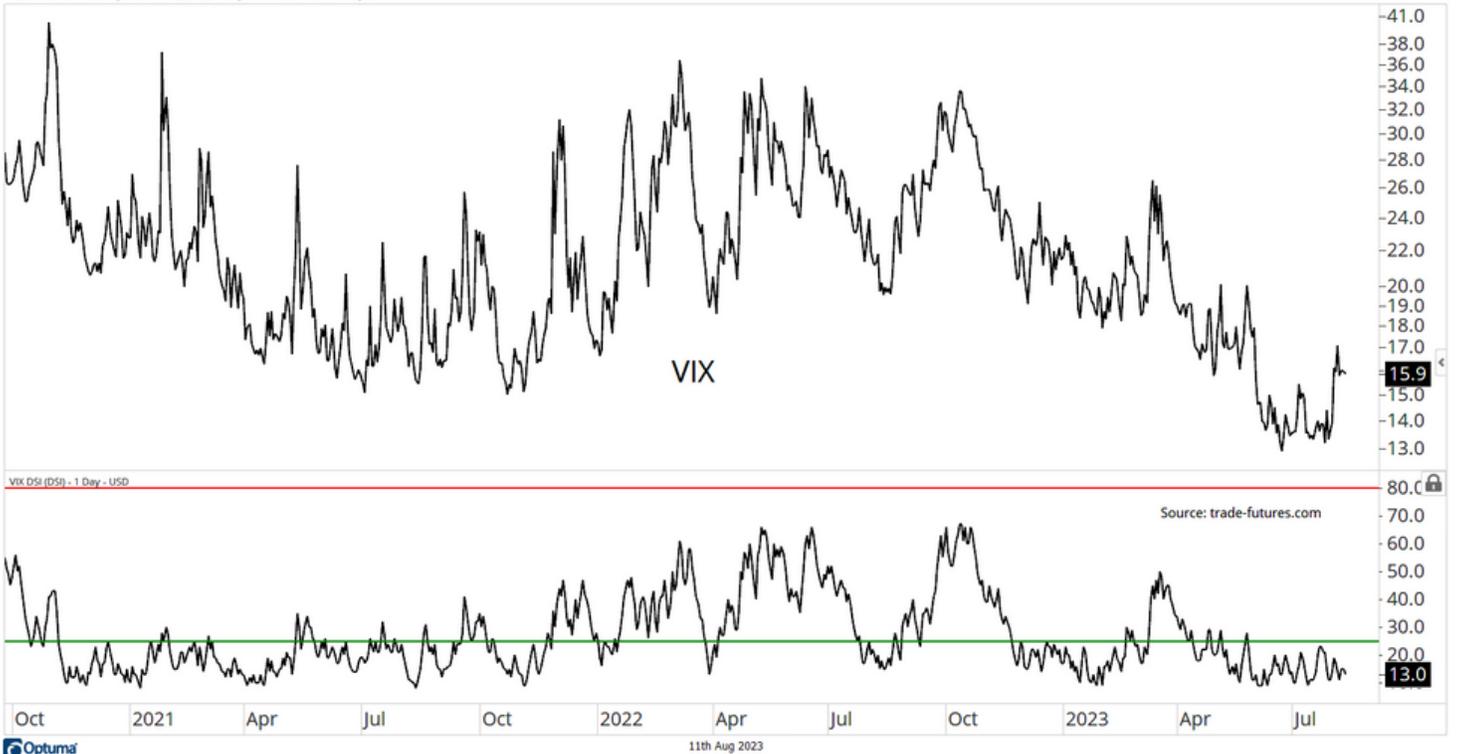
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ANALYTICS

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



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ANALYTICS

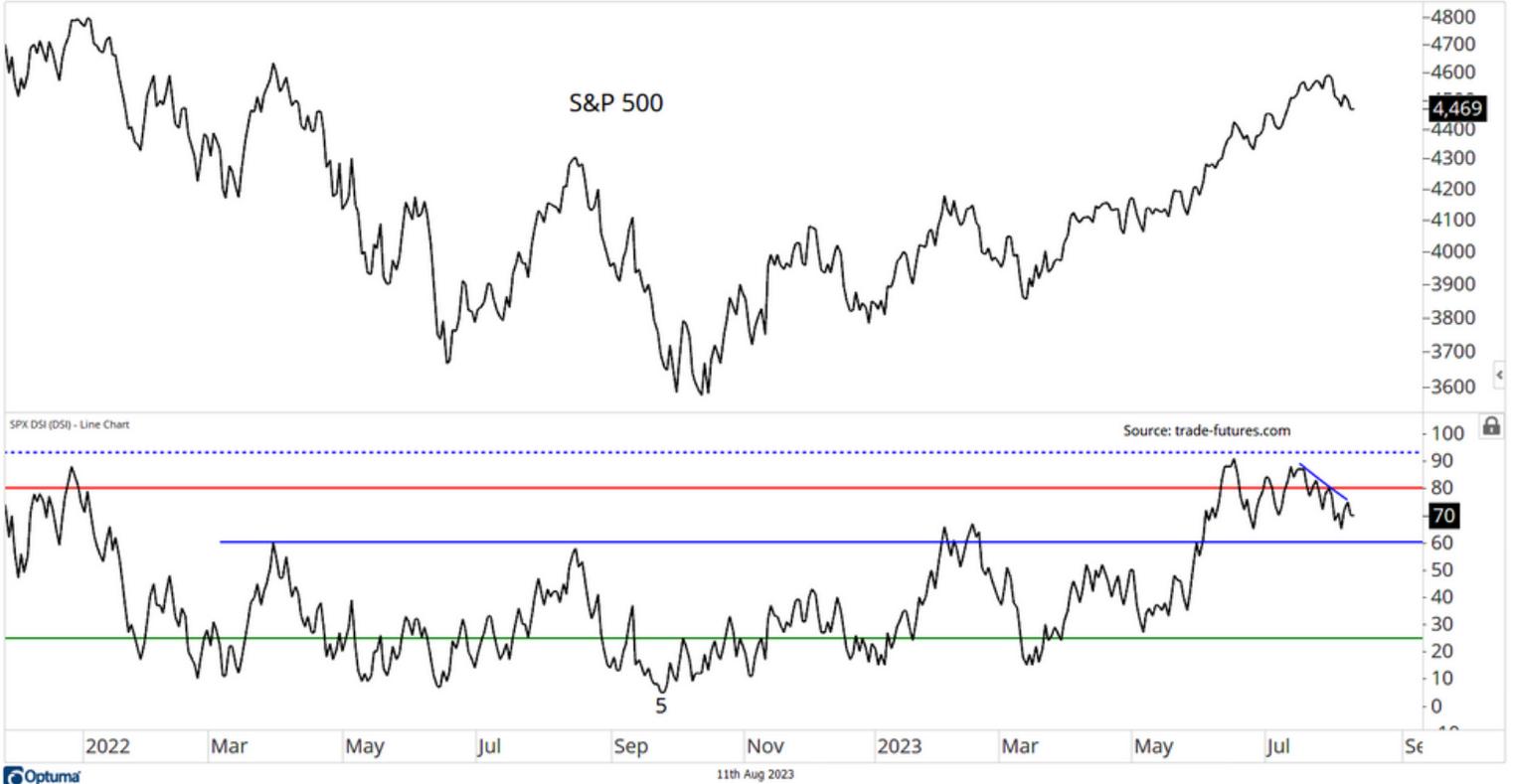
CBOE S&P 500 Volatility Index - VIX (CBOEI) - Daily Line Chart - USD - No Layout



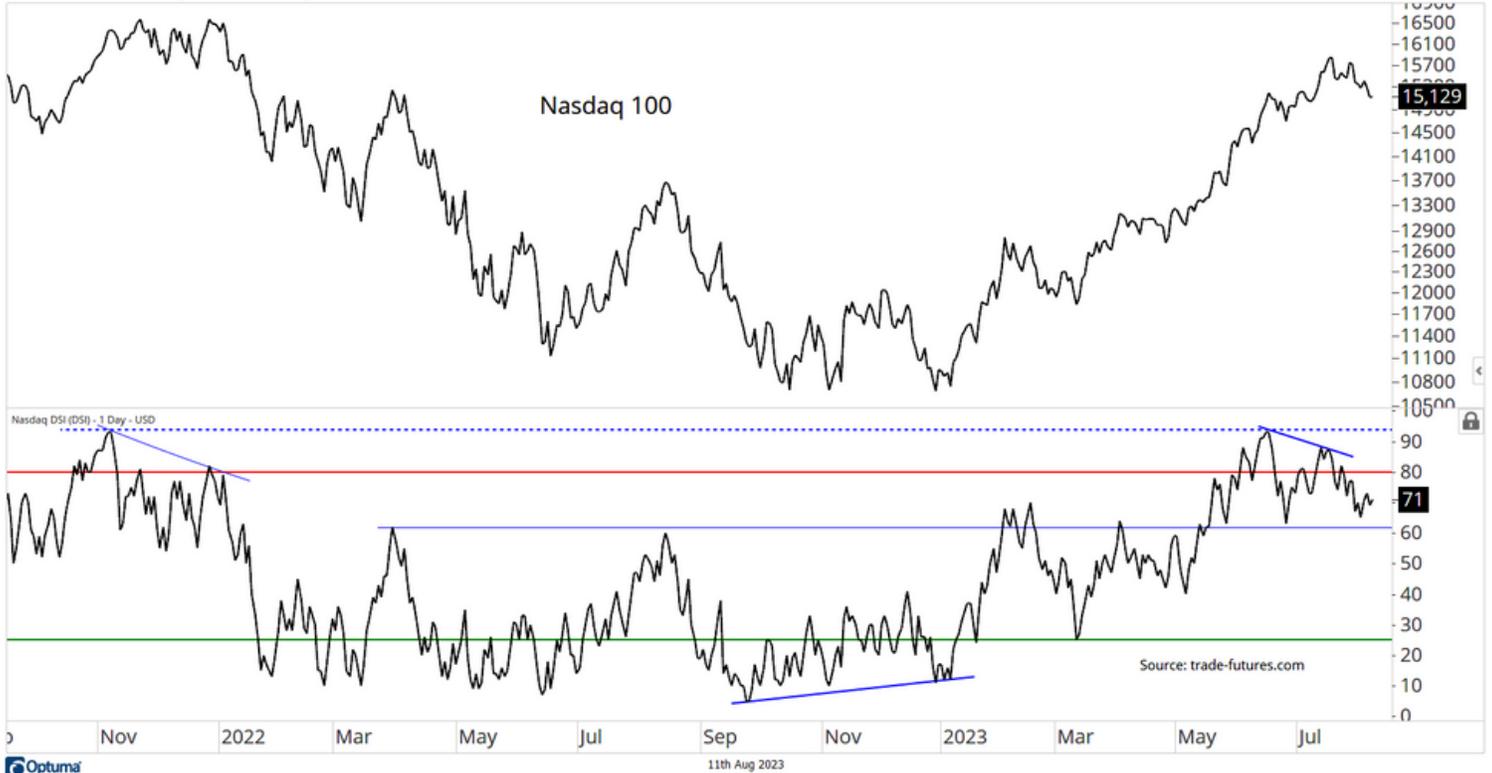
DAILY SENTIMENT INDEX



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



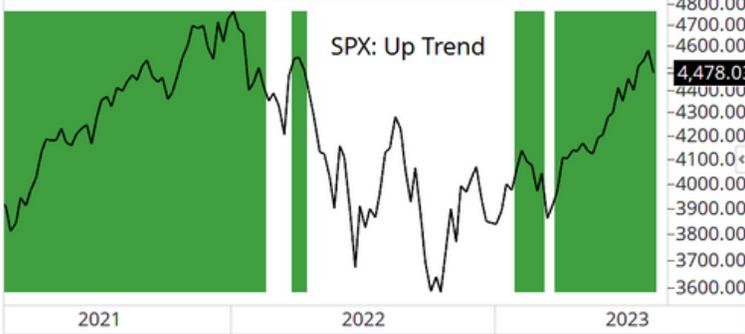
NASDAQ 100 Index - NDY (WI) - Daily Line Chart - USD - No Layout



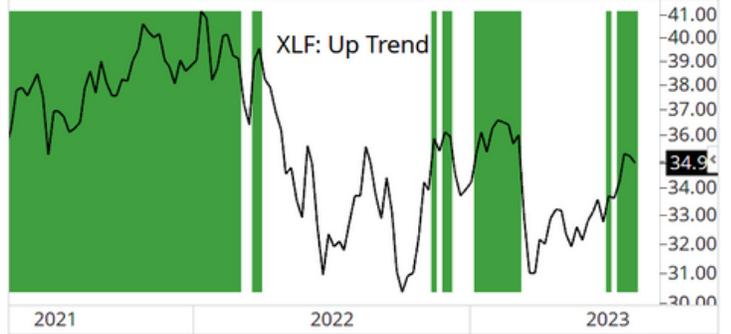
TREND MODELS



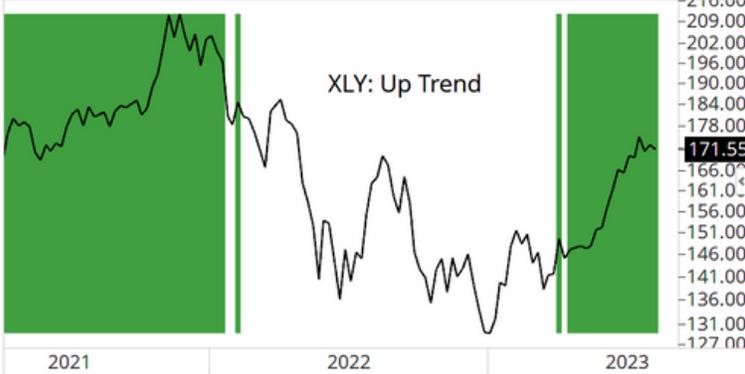
S&P 500 INDEX - SPX (W) - Weekly Line Chart - USD - No Layout



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

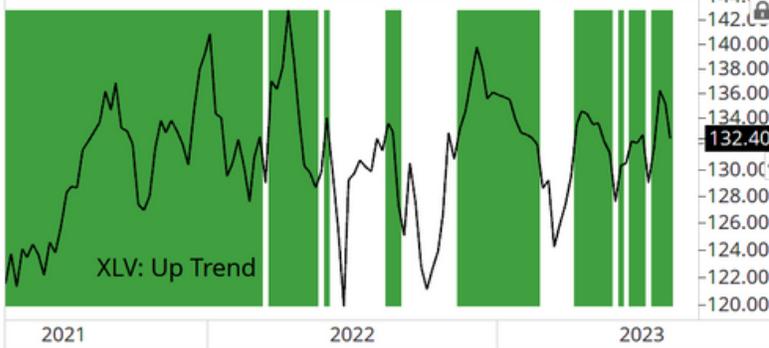


6th Jun 2023

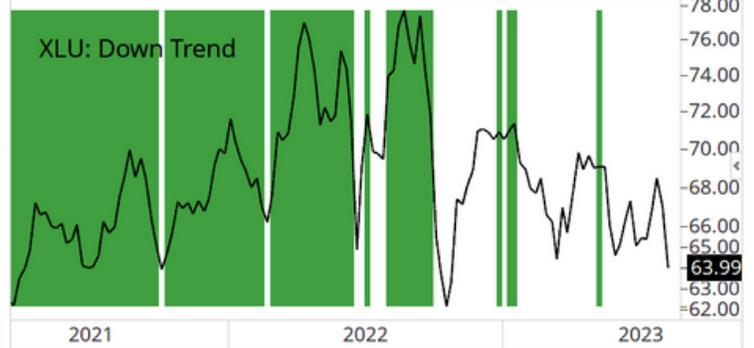
TREND MODELS



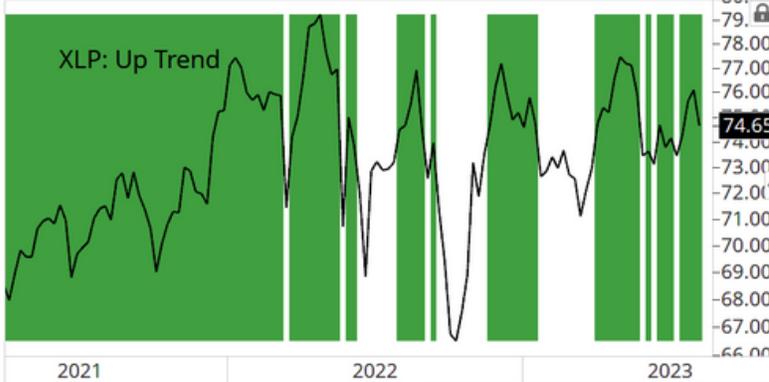
SPDR Health Care Select Sector Fund ETF - XLV (US) - Weekly Line Chart - USD - Price Returns - No Layout



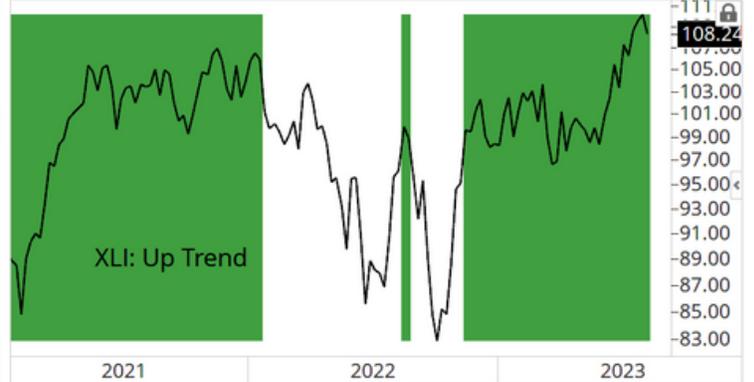
SPDR Utilities Select Sector Fund ETF - XLU (US) - Weekly Line Chart - USD - Price Returns - No Layout



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

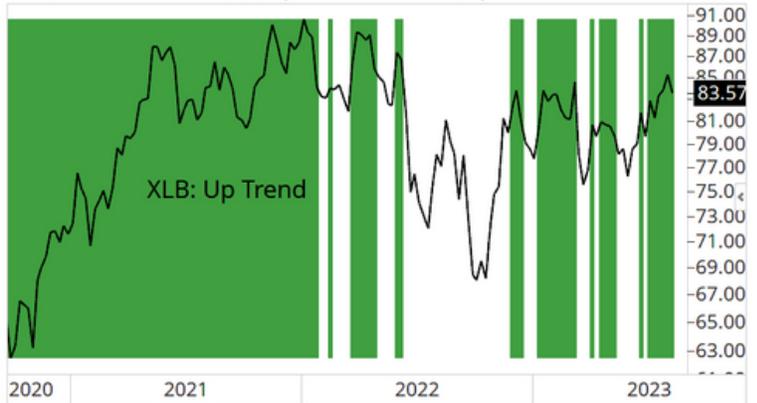


SPDR Industrial Select Sector Fund ETF - XLI (US) - Weekly Line Chart - USD - Price Returns - No Layout



6th Aug 2023

TREND MODELS



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