THRASHER ANALYTICS

OCTOBER 1, 2023

WEEKLY RESEARCH & ANALYSIS   **BY ANDREW THRASHER, CMT**

SUMMARY OF MODELS

	Current	Wkly Change
Maestro Model	-14	Decreasing
Volatility Risk Trigger	0	Unchanged
Risk Appetite Ratios	61	Increasing
S&P 500 Long-Term Trend	Up	Unchanged

Sector Rotation: October	
Energy	XLE
Communication	XLC
Consumer Disc.	XLY

Maestro Model	
Trend / Momentum	-1
Sentiment / VIX	-1
Breadth	-5
Economic	-2
Total	-14

(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	42%	45%
Nasdaq 100	40%	41%
Nikkei	42%	50%
VIX	20%	18%
10yr Treasury	15%	12%
5yr Treasury	16%	15%
CRB Index	71%	75%
Crude Oil	75%	80%
Gold	8%	9%
U.S. Dollar	79%	88%
Bitcoin	33%	32%

*Green<25%   Red>80%

source: trade-futures.com

Brief Summary:

At this time, we have weak trend, momentum, sentiment, and breadth readings. More stocks are showing signs of being in a down trend than in an up trend and this type of environment can exacerbate itself. But on the other side of the coin, there are also several signs that suggest we could see at least a countertrend bounce in the near future. Seasonality begins to improve in the coming days (discussed in last week's letter).

This week's letter takes a closer look at the "oversold" conditions of both individual stocks and indices. The list is growing of stocks being stretched based on their momentum as well as lacking lower lows by momentum as well as bullish divergences form. From here, key price levels are discussed, and price will need to show a degree of firming up to suggest selling has exhausted.

From a sector viewpoint, real estate is one of the least loved corners of the equity market, but it is also showing signs of a possible bullish setup as breadth and momentum hit extremes and price finds possible support.

The big focus last week was on the potential for a government shutdown. That fear eased with a stop gap bill passing over the weekend, so now headlines will shift to key economic data, notably on the labor market, coming out later this week.

Volatility: VRT

VIX closed slightly higher on the week but lower from the intraweek high. VIX still remains relatively low considering the decline in the S&P 500 and we never saw a breach of 20 on spot VIX.

Last week's letter I noted the peak VIX signals we had gotten on that Friday, we saw a marginal move higher this week in VIX but it appears the air has been taken out of the vol move and we now move into a more favorable seasonality period for equities which could put add'l pressure on spot VIX.

VIX futures curve moved back into full contango as 9-day fell back below 1-month (spot).

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

The Maestro Model declined further last week, finishing on Friday at the lowest level since March. All four models are now negative. on Friday we got a Bearish Model Signal but I note that history has shown these bearish shifts to have been less impactful when the Capitulation Gauge has been 2 or higher as it is now. Two examples were 20145 and in March of this year as we saw markets bottom a day or two later and trend higher.
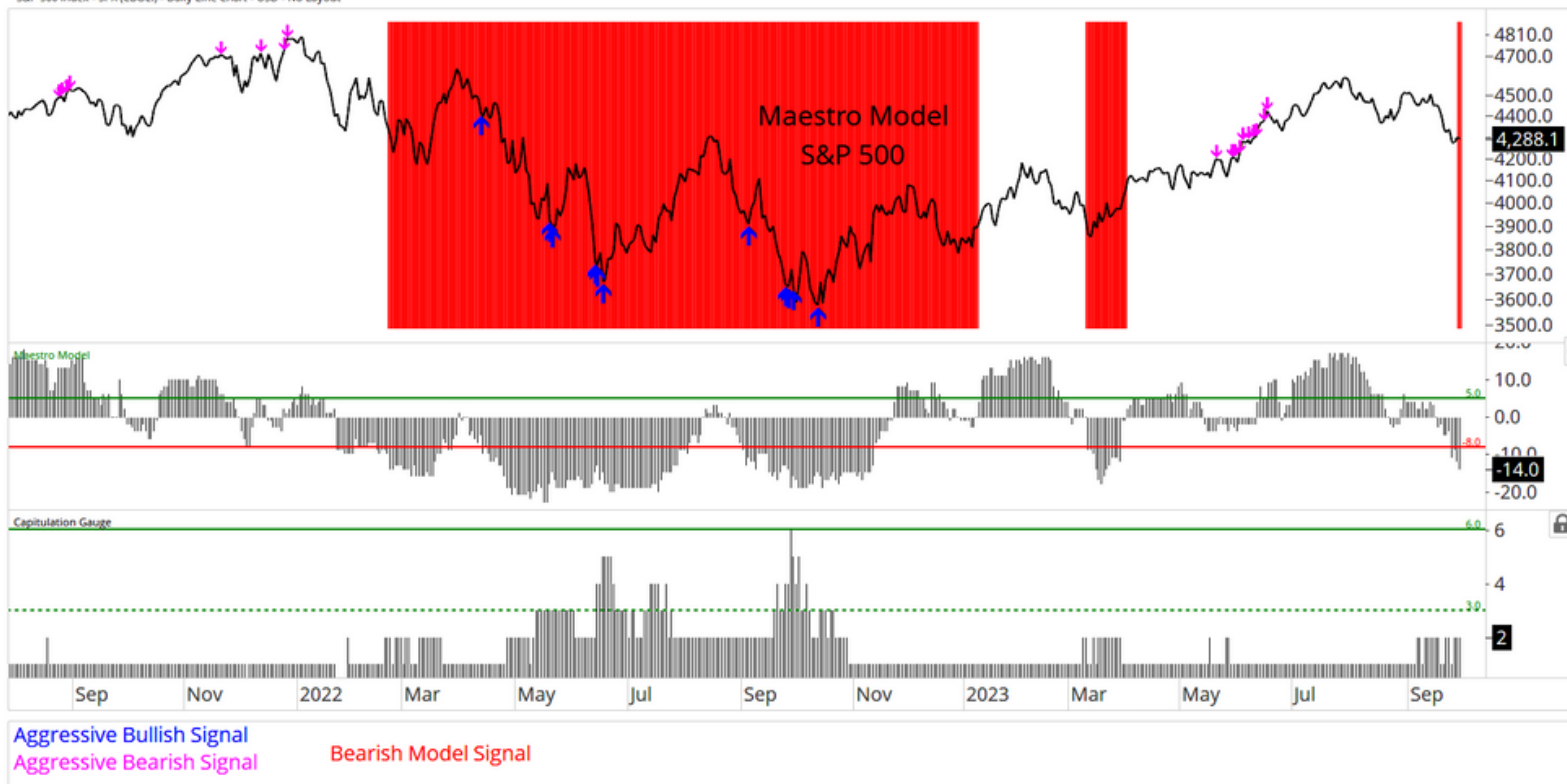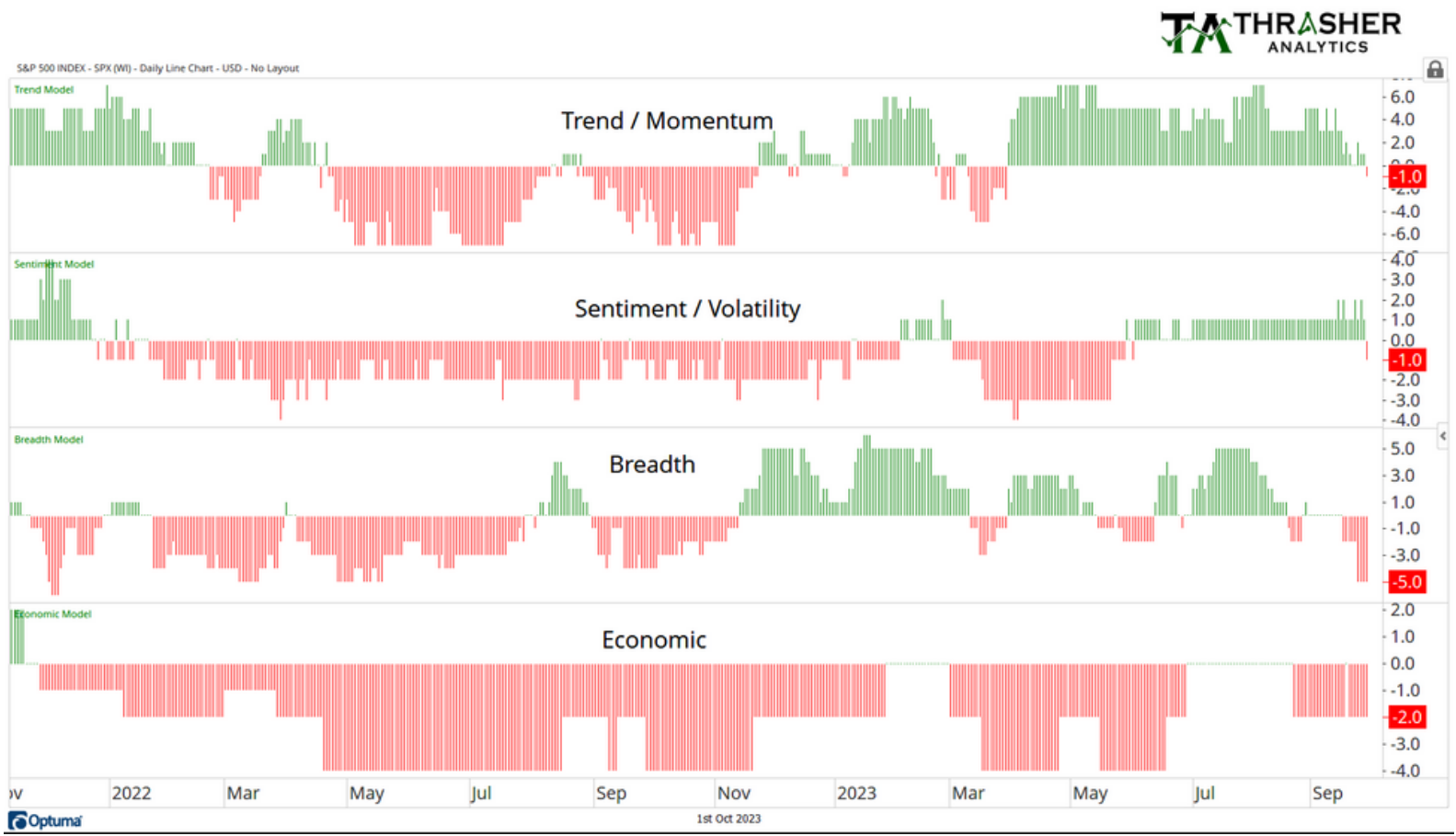
All four models are now negative.

XLK and XLY have slightly improved since their bullish sentiment signals. It seems offense sectors are responding better to bullish signals than defensive sectors which have continued to be under pressure.
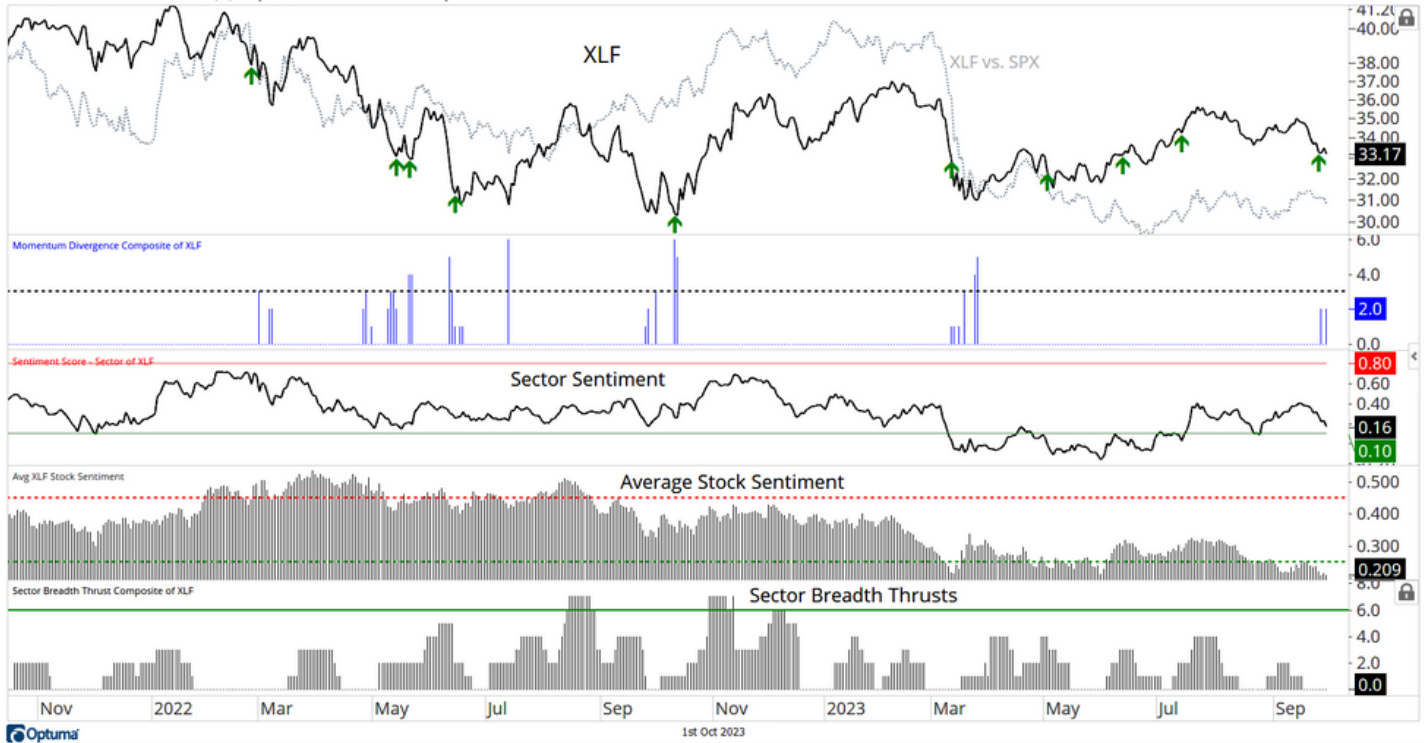
Daily - Watch List - No Layout

Sector	Ticker	Sector Sentiment	Change in Score	1W Perf	1M Perf	3M Perf
SPDR Communication Services Select Sector ETF	XLC	0.38	0.02	-0.08%	-3.07%	1.77%
SPDR Energy Select Sector Fund ETF	XLE	0.31	0.03	1.21%	2.23%	12.08%
SPDR Consumer Discretionary Select Sector Fund ETF	XLY	0.21	-0.01	0.03%	-5.00%	-4.00%
SPDR Financial Select Sector Fund ETF	XLF	0.16	-0.14	-1.46%	-3.83%	-0.75%
SPDR Technology Select Sector Fund ETF	XLK	0.16	-0.02	-0.29%	-5.52%	-4.21%
SPDR Materials Select Sector Fund ETF	XLB	0.11	-0.01	0.23%	-5.06%	-4.32%
SPDR Health Care Select Sector Fund ETF	XLV	0.04	-0.05	-1.08%	-4.58%	-2.01%
SPDR Industrial Select Sector Fund ETF	XLI	0.02	0.00	-0.40%	-6.33%	-4.73%
SPDR Real Estate Select Sector Fund ETF	XLRE	0.01	0.02	-1.45%	-8.32%	-9.15%
SPDR Utilities Select Sector Fund ETF	XLU	-0.03	-0.21	-6.89%	-7.72%	-8.95%
SPDR Consumer Staples Select Sector Fund ETF	XLP	-0.16	-0.07	-1.90%	-5.75%	-6.42%

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

XLI

XLI vs. SPX

Momentum Divergence Composite of XLI

Sentiment Score - Sector of XLI — Sector Sentiment

Avg XLU Stock Sentiment — Average Stock Sentiment

Sector Breadth Thrust Composite of XLI — Sector Breadth Thrusts

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

XLB

XLB vs. SPX

Momentum Divergence Composite of XLB

Sentiment Score - Sector of XLB — Sector Sentiment

Avg XLB Stock Sentiment — Average Stock Sentiment
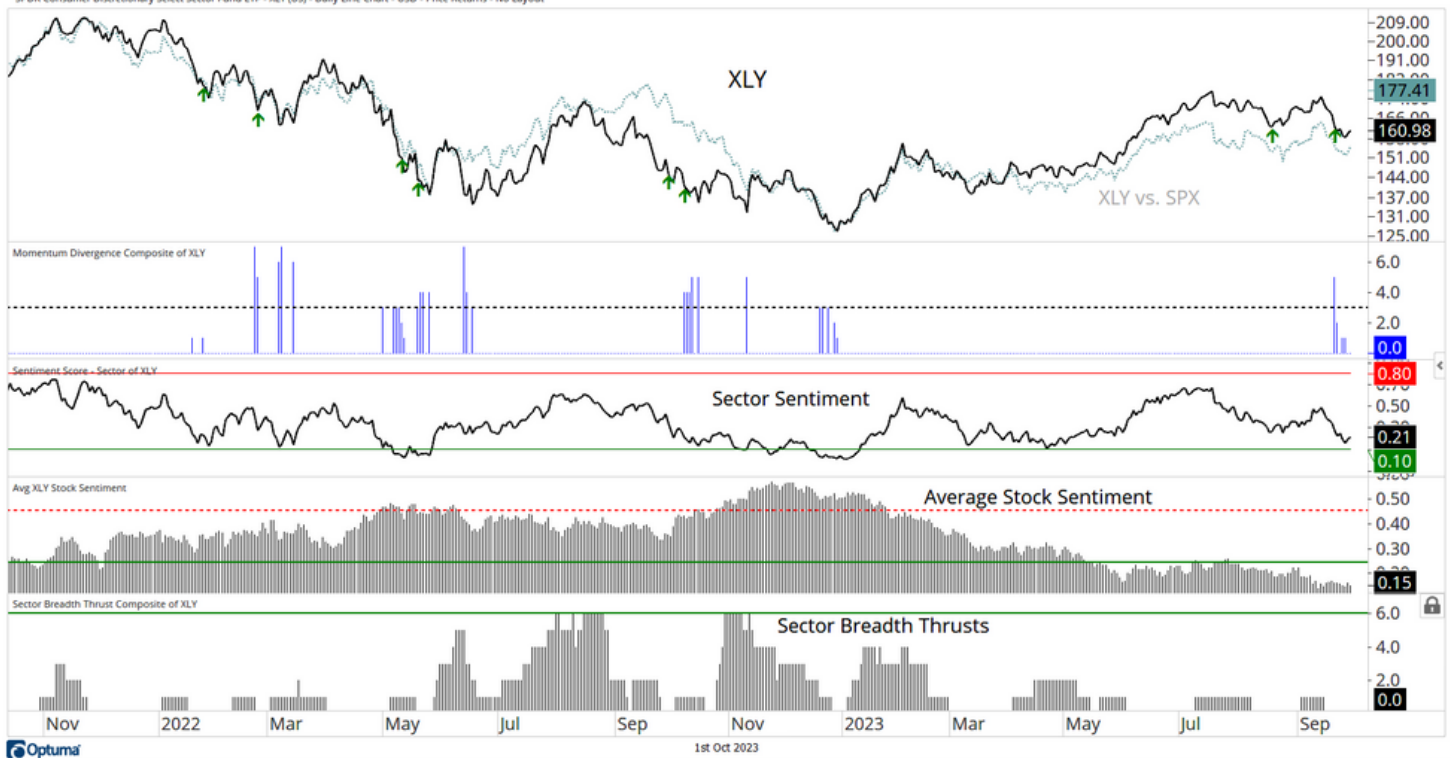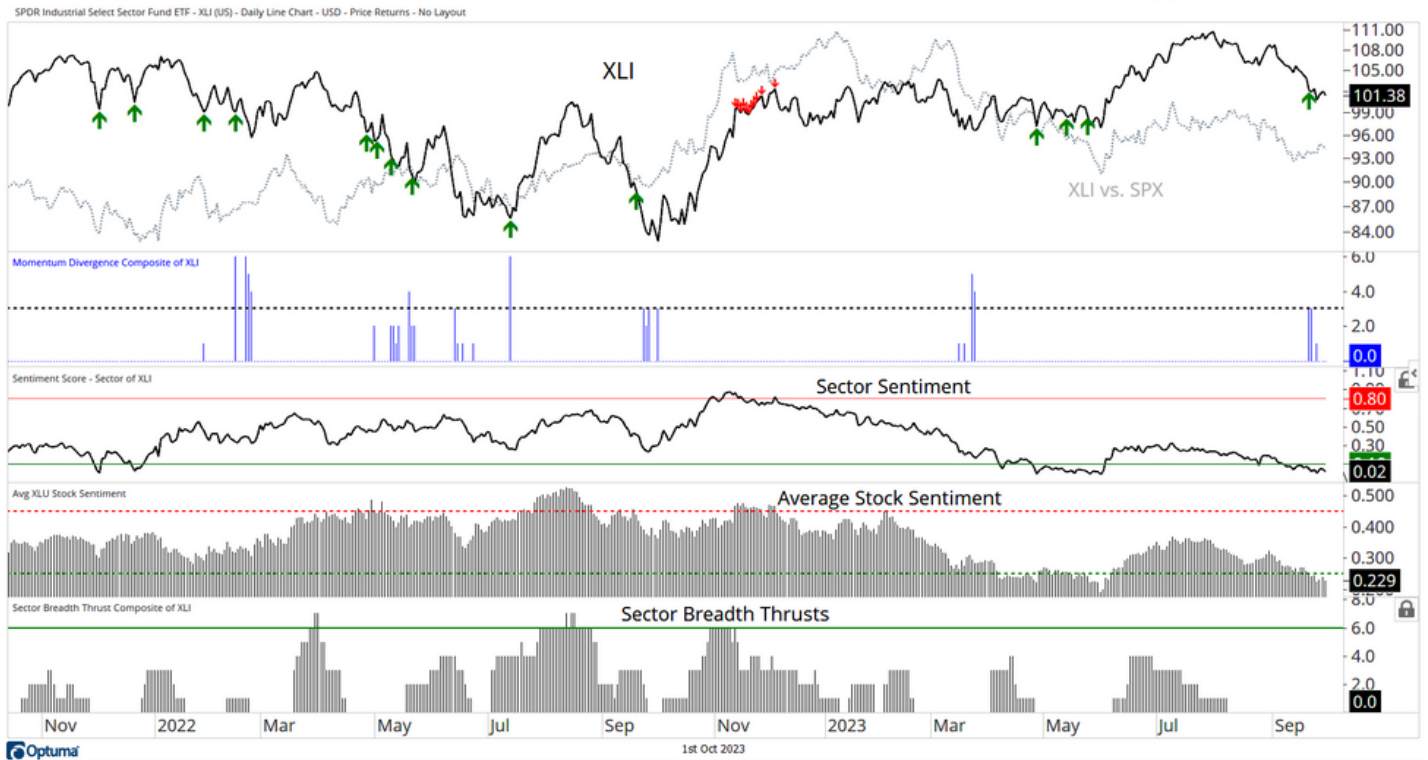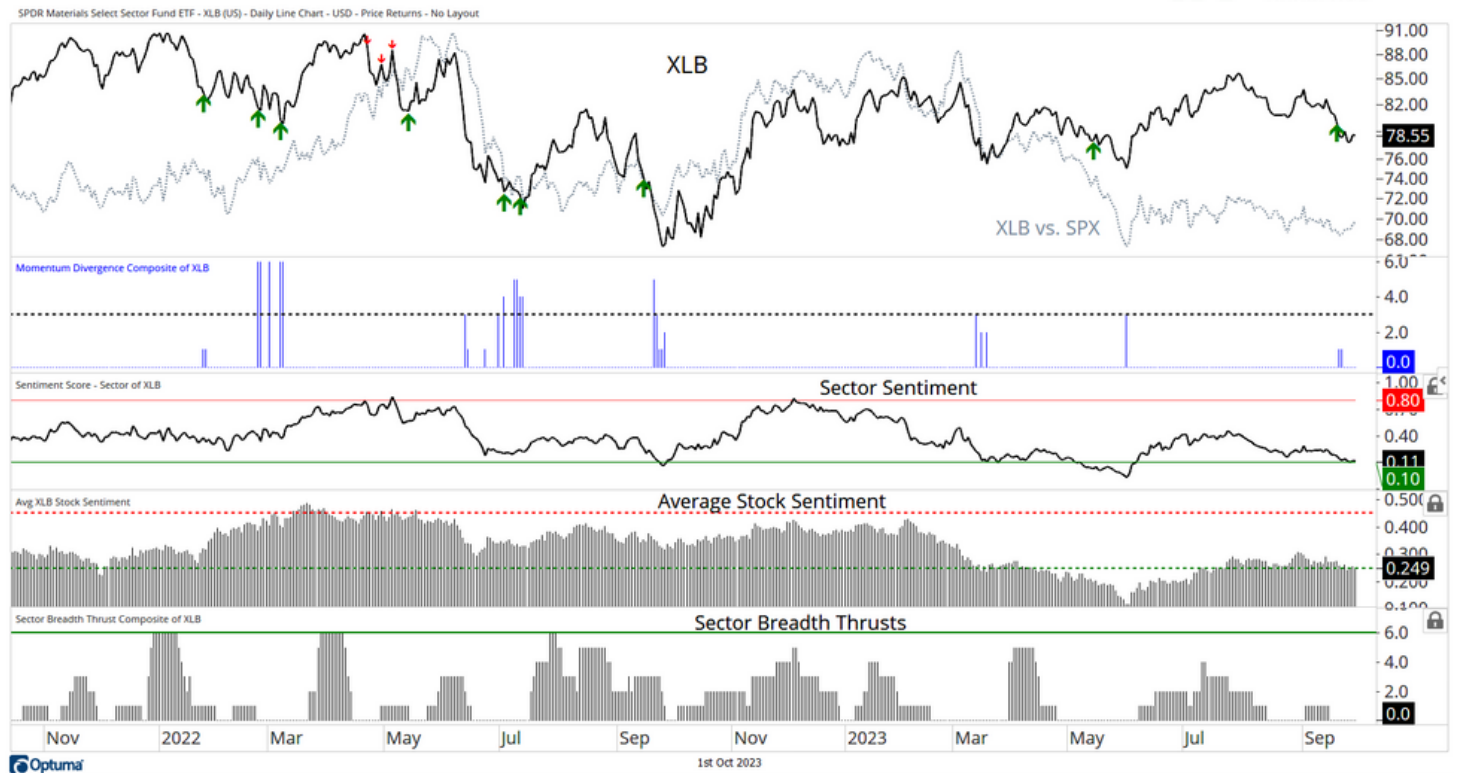
Sector Breadth Thrust Composite of XLB — Sector Breadth Thrusts

Sentiment Score: XLRE & XLC
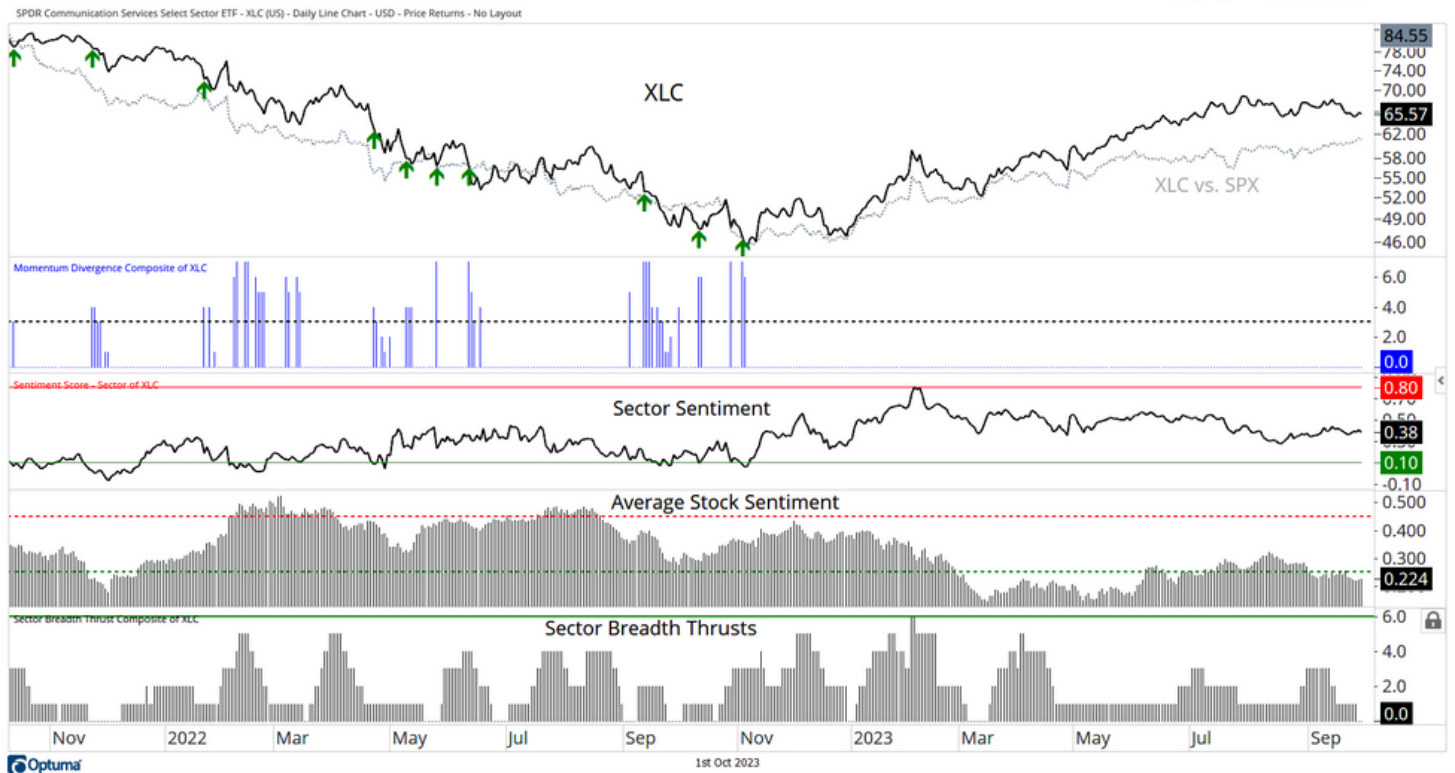
Sentiment Score: XLK & XLV

Sentiment Score: XLE

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

XLE vs. SPX

XLE

Momentum Divergence Composite of XLE

Sentiment Score - Sector of XLE

Sector Sentiment

Average Stock Sentiment

Sector Breadth Thrust Composite of XLE

Sector Breadth Thrusts
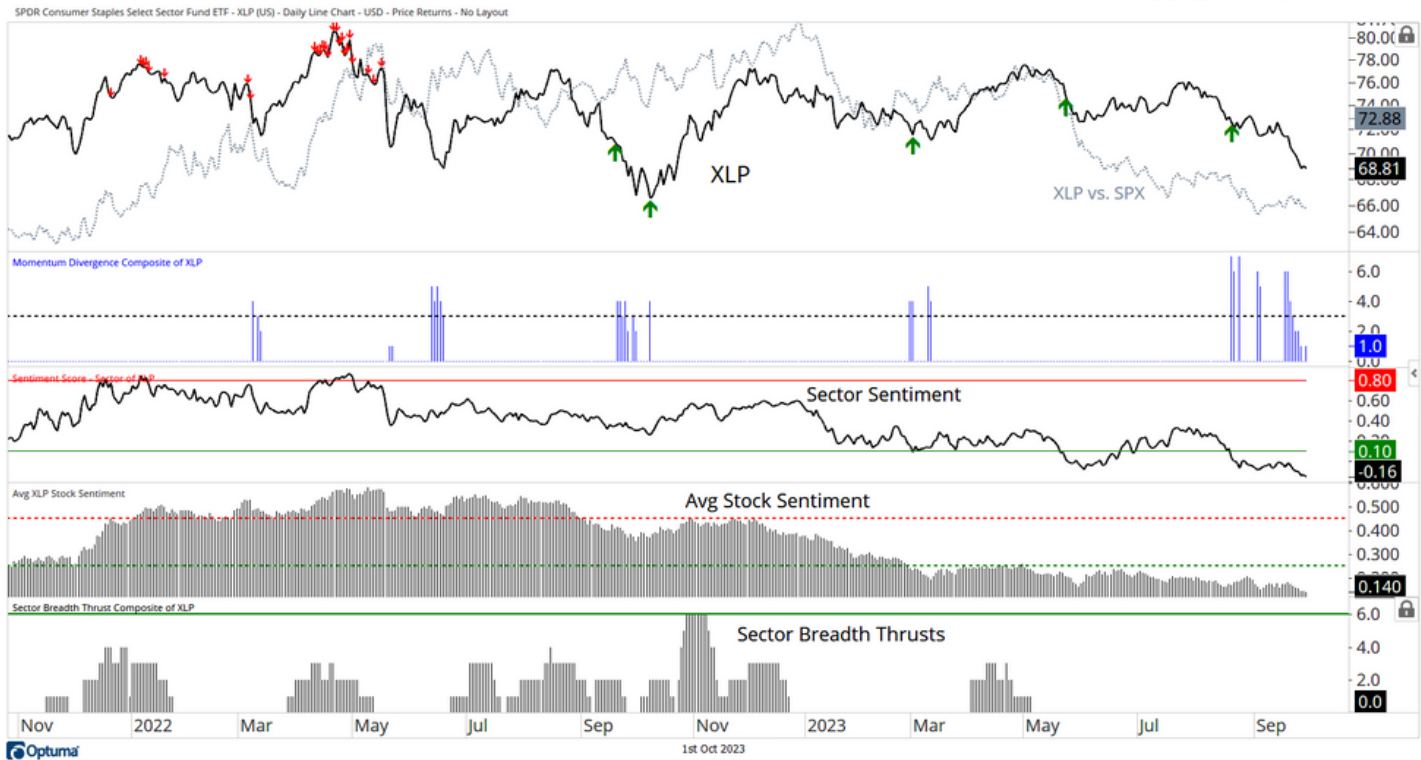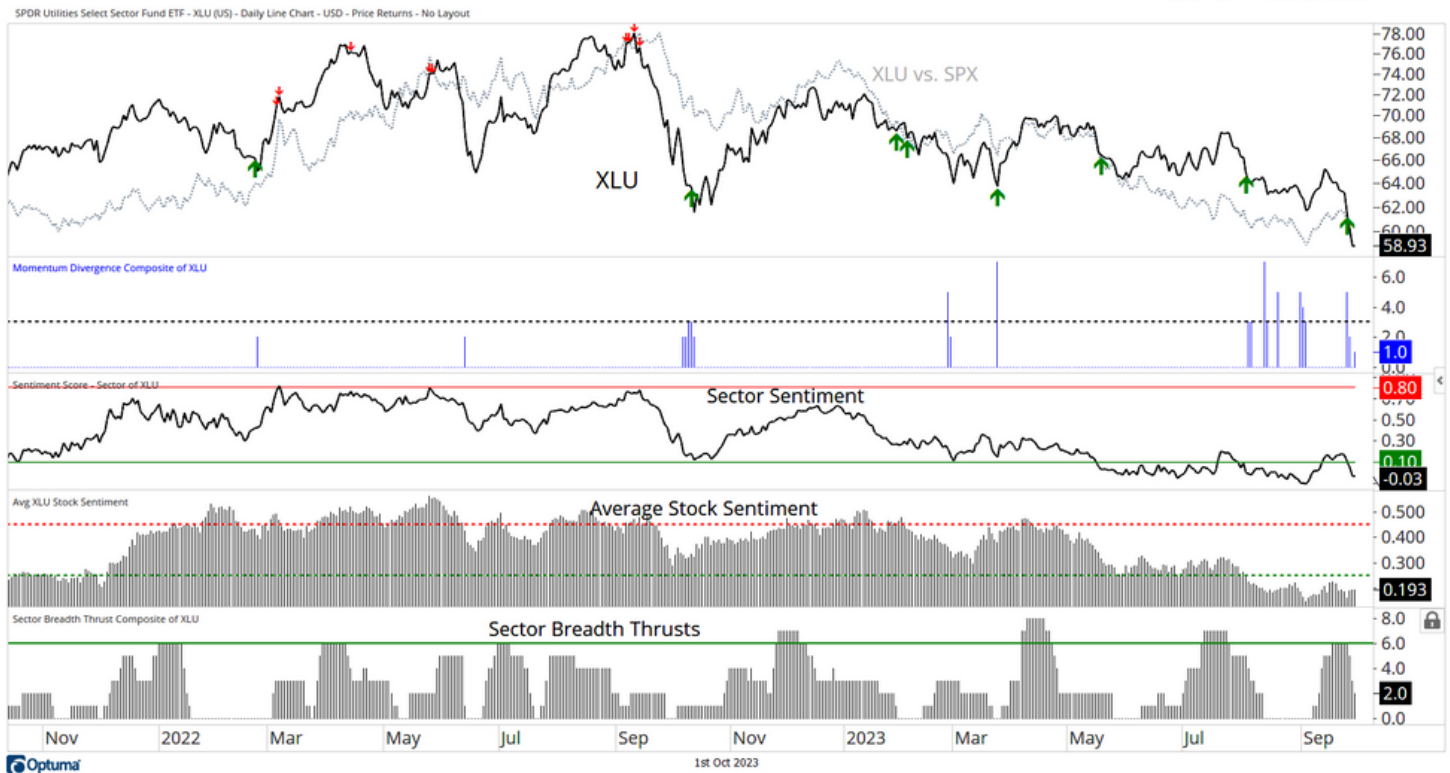
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Risk Appetite Ratio

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.
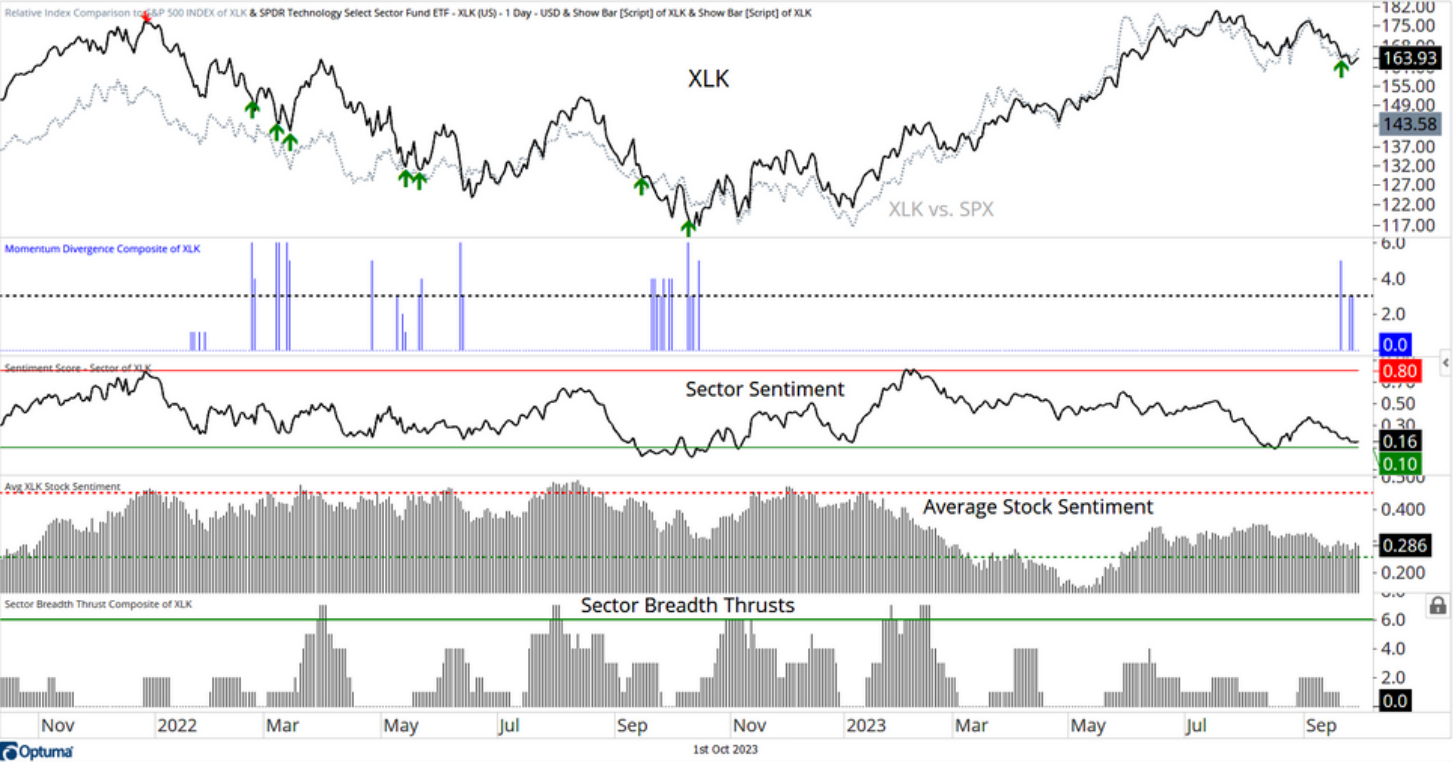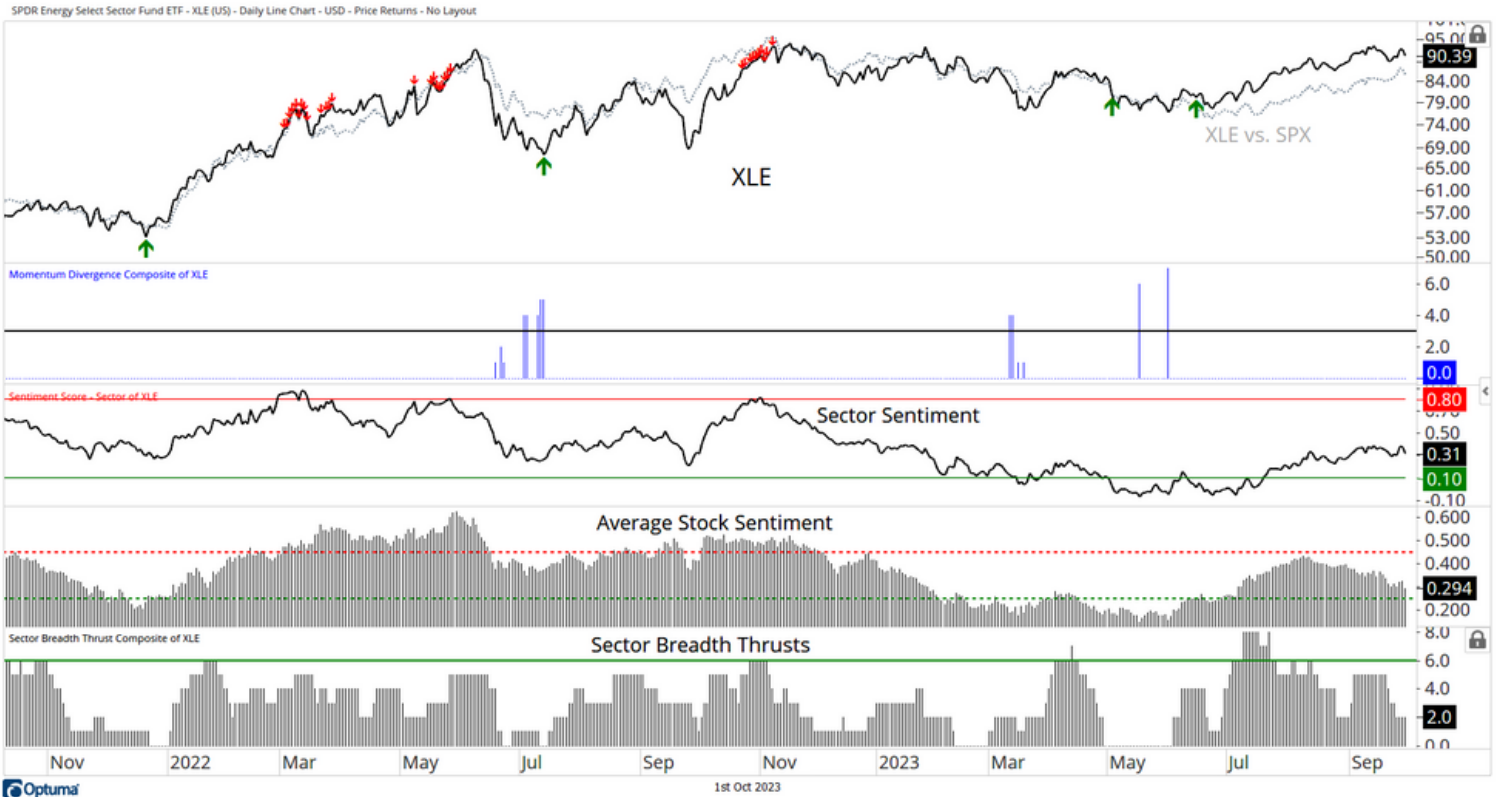
The average Risk Appetite Ratio percentile is at the 61st percentile.

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	0.11	0.04	0.00	0.00	0.00	0.05	0.01	0.00	0.00	0.03	0.08	0.05	0.06	0.05	0.02	0.00	0.05	0.03	0.03	0.00	0.00	0.03	0.04	0.03	0.02	0.07	0.07	0.05	0.07	0.07	0.13	0.09	0.10	0.10	0.09	0.10
EAFE vs. SPX	0.37	0.34	0.28	0.28	0.27	0.28	0.27	0.26	0.26	0.26	0.26	0.26	0.28	0.27	0.25	0.23	0.22	0.20	0.22	0.22	0.20	0.20	0.21	0.19	0.21	0.29	0.27	0.28	0.32	0.32	0.34	0.29	0.30	0.29	0.29	0.29
HY Debt vs. Treasury	0.99	1.00	1.00	1.00	1.00	1.00	0.98	1.00	0.96	0.86	0.87	0.88	0.89	0.87	0.87	0.84	0.93	0.98	0.94	0.95	0.92	0.98	0.93	0.95	1.00	1.00	0.97	1.00	0.97	1.00	0.96	1.00	1.00	1.00	1.00	0.99
Home Construction vs. SPX	0.96	0.96	0.96	1.00	0.97	0.84	0.85	0.79	0.82	0.86	0.85	0.80	0.82	0.86	0.88	0.90	0.96	0.80	0.85	0.88	0.85	0.87	0.82	0.76	0.78	0.75	0.75	0.76	0.75	0.71	0.73	0.74	0.74	0.77	0.79	0.78
Offense vs. Defense Sectors	0.87	0.84	0.87	0.84	0.82	0.82	0.82	0.86	0.86	0.88	0.85	0.86	0.88	0.92	0.95	1.00	1.00	1.00	0.98	0.94	0.93	0.94	0.93	0.91	0.92	0.89	0.90	0.89	0.84	0.81	0.81	0.83	0.82	0.88	0.92	0.92
Broker-Dealer vs. SPX	0.20	0.21	0.17	0.16	0.18	0.20	0.18	0.17	0.13	0.12	0.17	0.16	0.17	0.15	0.13	0.12	0.15	0.12	0.12	0.13	0.16	0.12	0.19	0.18	0.23	0.26	0.27	0.27	0.26	0.23	0.22	0.20	0.18	0.17	0.18	0.18
S&P Growth vs. S&P Value	0.52	0.52	0.56	0.58	0.58	0.61	0.61	0.71	0.74	0.76	0.74	0.74	0.80	0.85	0.88	0.87	0.87	0.91	0.85	0.83	0.83	0.83	0.80	0.85	0.84	0.81	0.84	0.85	0.83	0.81	0.83	0.85	0.86	0.89	0.90	0.95
Semiconductor vs. SPX	0.83	0.76	0.83	0.83	0.81	0.81	0.82	0.90	0.87	0.91	0.87	0.85	0.87	0.90	0.91	0.92	0.92	0.94	0.92	0.87	0.84	0.83	0.82	0.84	0.83	0.79	0.80	0.78	0.76	0.75	0.78	0.79	0.78	0.81	0.84	0.86
Consumer Disc. Vs. Staples	0.85	0.84	0.86	0.85	0.82	0.80	0.78	0.83	0.86	0.86	0.82	0.84	0.84	0.91	0.92	0.95	0.95	0.99	0.96	0.96	0.96	1.00	1.00	1.00	1.00	0.97	0.95	0.94	0.91	0.86	0.84	0.88	0.84	0.85	0.88	0.91
Small Cap vs. Utilities	0.90	0.89	0.91	0.93	0.86	0.82	0.82	0.84	0.81	0.84	0.81	0.79	0.83	0.87	0.91	0.94	1.00	0.98	0.95	0.86	0.81	0.80	0.79	0.72	0.72	0.69	0.70	0.71	0.66	0.64	0.64	0.67	0.71	0.82	0.96	0.92
Transports vs. Utilities	0.94	0.97	0.94	0.97	0.97	0.92	0.90	0.90	0.92	0.89	0.91	0.87	0.89	0.91	0.93	0.93	0.97	0.95	0.93	0.87	0.83	0.84	0.82	0.79	0.78	0.79	0.78	0.78	0.77	0.79	0.79	0.82	0.85	0.89	0.98	0.98
Equal Weight vs. Cap Weight	0.14	0.14	0.10	0.09	0.09	0.09	0.10	0.04	0.03	0.01	0.04	0.03	0.04	0.01	0.00	0.00	0.02	0.00	0.03	0.02	0.01	0.00	0.03	0.00	0.02	0.07	0.02	0.02	0.06	0.06	0.05	0.03	0.04	0.04	0.05	0.04
Small cap vs. Large Cap	0.19	0.21	0.16	0.15	0.11	0.08	0.12	0.06	0.06	0.06	0.06	0.04	0.06	0.05	0.05	0.05	0.12	0.00	0.02	0.00	0.00	0.03	0.00	0.03	0.06	0.02	0.01	0.00	0.01	0.01	0.01	0.00	0.05	0.07	0.06	0.06
Equities. vs. VIX	0.72	0.73	0.81	0.82	0.68	0.65	0.57	0.61	0.63	0.63	0.71	0.73	0.78	0.85	0.91	0.94	0.99	0.89	0.84	0.85	0.90	0.91	0.86	0.94	1.00	0.88	0.86	0.85	0.75	0.57	0.59	0.61	0.49	0.52	0.58	0.56
Aussie Dollar vs. Yen	0.63	0.66	0.62	0.62	0.57	0.54	0.60	0.59	0.61	0.58	0.60	0.64	0.66	0.75	0.72	0.69	0.74	0.70	0.70	0.67	0.70	0.71	0.73	0.75	0.77	0.78	0.78	0.82	0.84	0.74	0.82	0.84	0.81	0.78	0.87	0.87
Copper vs. Gold	0.31	0.26	0.28	0.23	0.24	0.29	0.30	0.30	0.34	0.35	0.31	0.31	0.29	0.29	0.27	0.27	0.31	0.34	0.29	0.26	0.21	0.30	0.30	0.32	0.34	0.29	0.25	0.22	0.25	0.20	0.18	0.19	0.19	0.24	0.34	0.42
AVERAGE	0.60	0.58	0.58	0.58	0.56	0.55	0.55	0.55	0.56	0.56	0.56	0.55	0.57	0.60	0.60	0.60	0.64	0.61	0.60	0.58	0.57	0.58	0.58	0.58	0.59	0.59	0.58	0.58	0.57	0.54	0.54	0.55	0.54	0.57	0.61	0.61

Bearish

Bullish
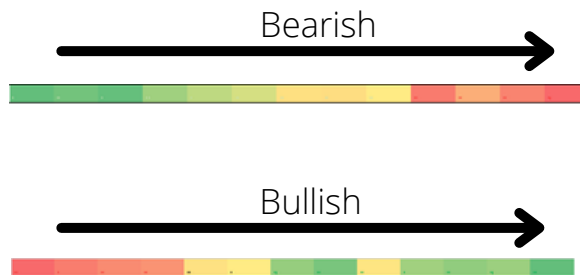
Risk Appetite Ratio

Very notable improvement to Risk Appetite this week even as equites sold off. The weakness in utilities and improvement in small cap and offense sectors made solid contributions to pushing Risk Appetite higher.
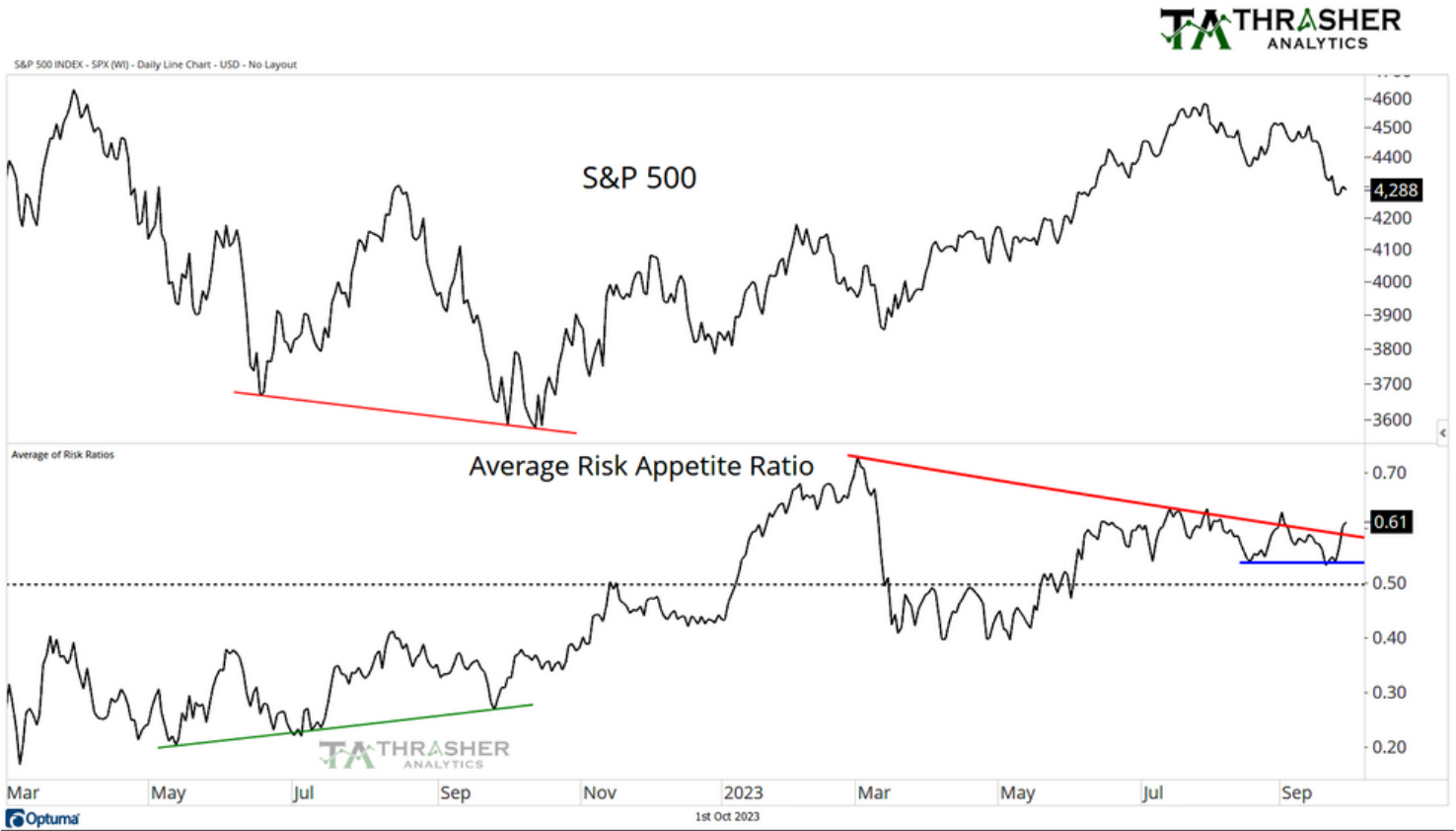
Below is a table showing the changes in breadth data over the last 35 days. This provides insight into whether bullish or bearish data is improving or declining.

	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	61.4	50.1	48.1	53.9	47.5	49.7	41.4	39.2
Nasdaq 100 % above 200-day MA	72.3	62.4	64.4	70.3	65.3	67.3	59.4	61.4
S&P 500 % above 50-day MA	56.9	33.6	29.8	43.1	33.6	32.6	18.1	14.7
Nasdaq 100 % above 50-day MA	50.5	29.7	30.7	51.5	47.5	42.6	18.8	21.8
S&P 500 % above 20-day MA	35.6	13.9	12.7	53.1	39.6	44.5	16.9	13.5
Nasdaq 100 % above 20-day MA	33.7	14.9	13.9	67.3	54.5	48.5	16.8	19.8
Bullish Breadth								
S&P 500 % RSI(14) > 70	5.6	0.8	0.2	2.4	2.2	0.6	0.4	0.0
Nasdaq 100 % RSI(14) > 70	7.9	2.0	0.0	5.0	2.0	0.0	2.0	0.0
S&P 400 % New 52 week highs	2.5	0.5	1.0	3.2	2.0	1.0	0.8	1.3
S&P 600 % New 52 week highs	2.3	0.5	1.0	2.7	1.2	0.7	0.2	0.7
S&P 500 % New 52 week highs	3.6	0.4	2.0	4.4	2.6	1.6	0.4	0.4
Nasdaq 100 % New 52 week highs	6.9	1.0	5.0	8.9	5.0	3.0	3.0	2.0
S&P 500 % New 6 month highs	4.8	0.8	2.2	6.2	3.6	3.0	0.4	0.2
Nasdaq 100 % New 6 month highs	8.9	2.0	5.0	10.9	6.9	3.0	2.0	1.0
Bearish Bearish								
S&P 500 % RSI(14) < 30	7.0	14.3	9.3	3.0	8.6	4.4	17.9	15.1
Nasdaq 100 % RSI(14) < 30	7.9	14.9	7.9	4.0	4.0	5.0	9.9	4.0
S&P 400 % New 52 week lows	1.5	3.5	1.0	0.2	3.5	2.5	5.3	1.3
S&P 600 % New 52 week lows	2.0	4.2	3.3	1.7	5.5	2.7	6.7	3.2
S&P 500 % New 52 week lows	0.8	3.2	2.6	0.8	3.4	1.6	7.4	1.6
Nasdaq 100 % New 52 week lows	1.0	5.0	5.0	1.0	1.0	3.0	4.0	0.0
S&P 500 % New 6 month lows	1.6	6.2	3.8	1.4	5.6	2.8	13.7	4.6
Nasdaq 100 % New 6 month lows	1.0	7.9	7.9	2.0	2.0	5.9	6.9	2.0

High & Low Rel. Strength List TA

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 6-Month Relative Performance High List

XLY	XLK	XLF	XLC	XLI	XLB	XLE	XLP	XLV	XLU	XLRE
	PTC			PKG	CF					
	FFIV									

New 12-month Absolute High	Total 6m RS Highs:
New 12-month Relative High	4

New 6-Month Relative Performance Low List

XLY	XLK	XLF	XLC	XLI	XLB	XLE	XLP	XLV	XLU	XLRE
MCD		AXP						TFX	EIX	

New 12-month Absolute Low	Total 6m RS Lows:
New 12-month Relative Low	4

Several key price levels were broken last week in the S&P 500. Specifically, the June low and August '22 high. Price attempted to rebound on Thursday and Friday morning, testing the June level which is the neckline of the bearish H&S pattern (discussed more later) but by the close on Friday we finished lower and 4340 is starting to appear shifting from old support to new resistance. There are several signs that we could see a bounce higher soon, but this price level will be key for bulls to capture and get a good close back above to show confirmation there's a change in control of the tape.

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.
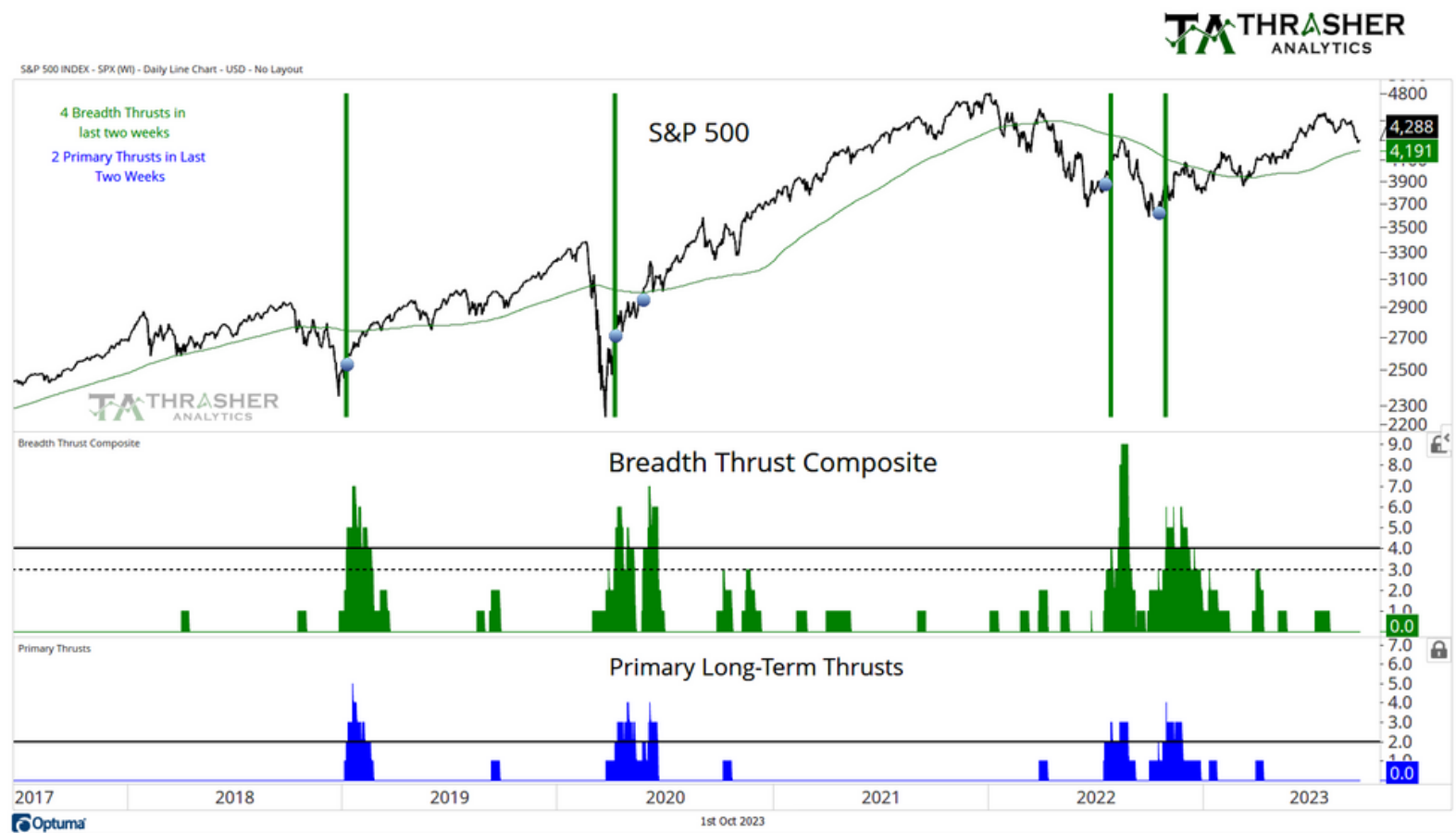
Last week I looked at the various new lows by time frame, this week I want to look at new lows by asset size. Below is a chart showing new 3-month lows for Large, Mid, and Small Cap indices. What stood out last week was the higher new low list for Large Caps compared to Mid and Small. This comes while Mid and Small Caps have been much weaker on an absolute and relative basis but here recently, breadth data is weakest over the last three months for Large Caps. I'm watching if this lends itself to a possible shift in relative performance of small cap stocks. I'm not sold we are there yet, but this could be an early clue, we'll see if price begins to confirm.
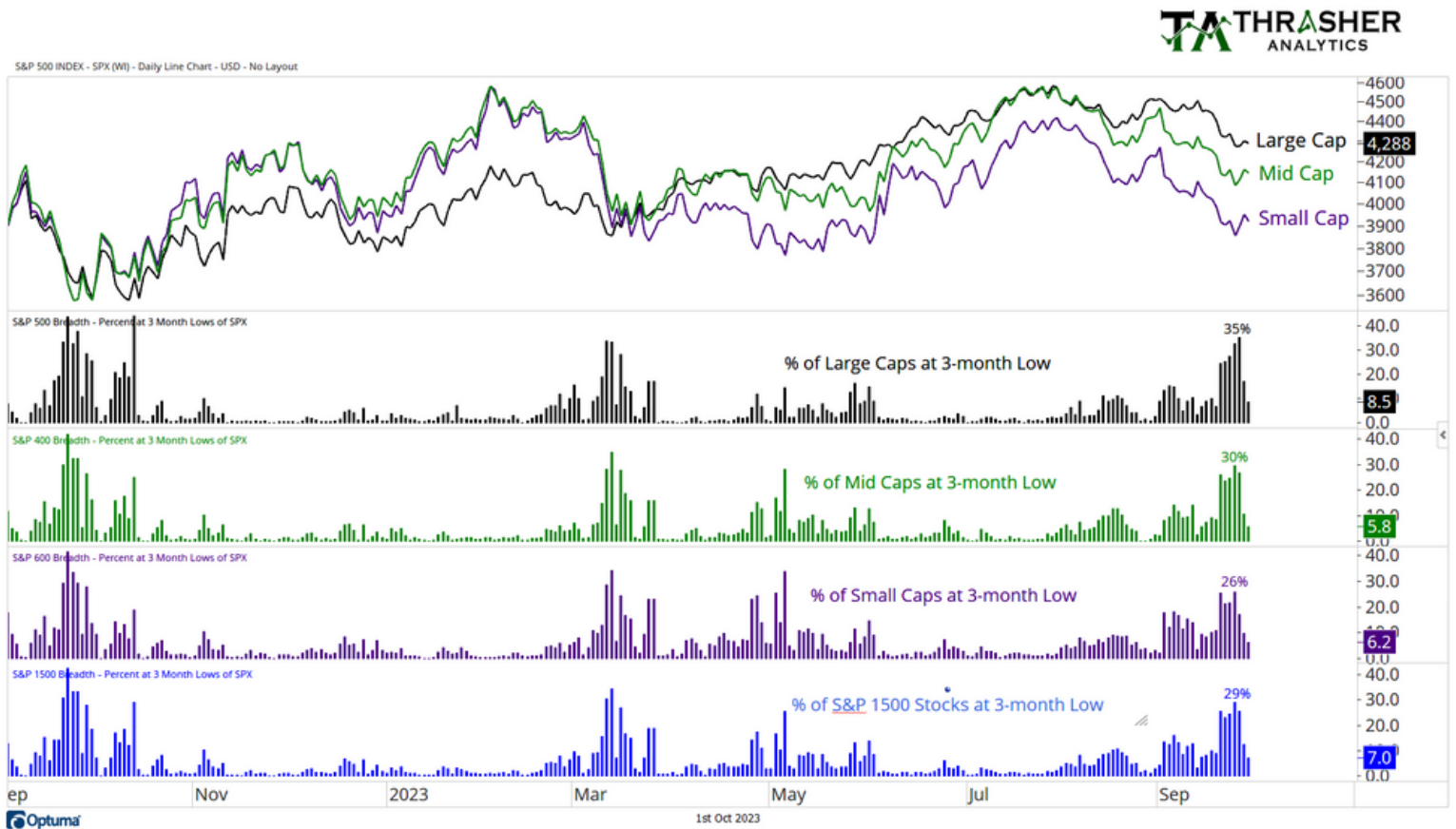
I've been discussing the breadth data of "oversold" stocks in the S&P 500, noting the significance of the net 25% level. Last week's letter noted we were getting close and during trading this week, we got there. We breached 25% mid-week, hitting 25.8% of stocks becoming "oversold" on Wednesday, the most since Q4 last year.
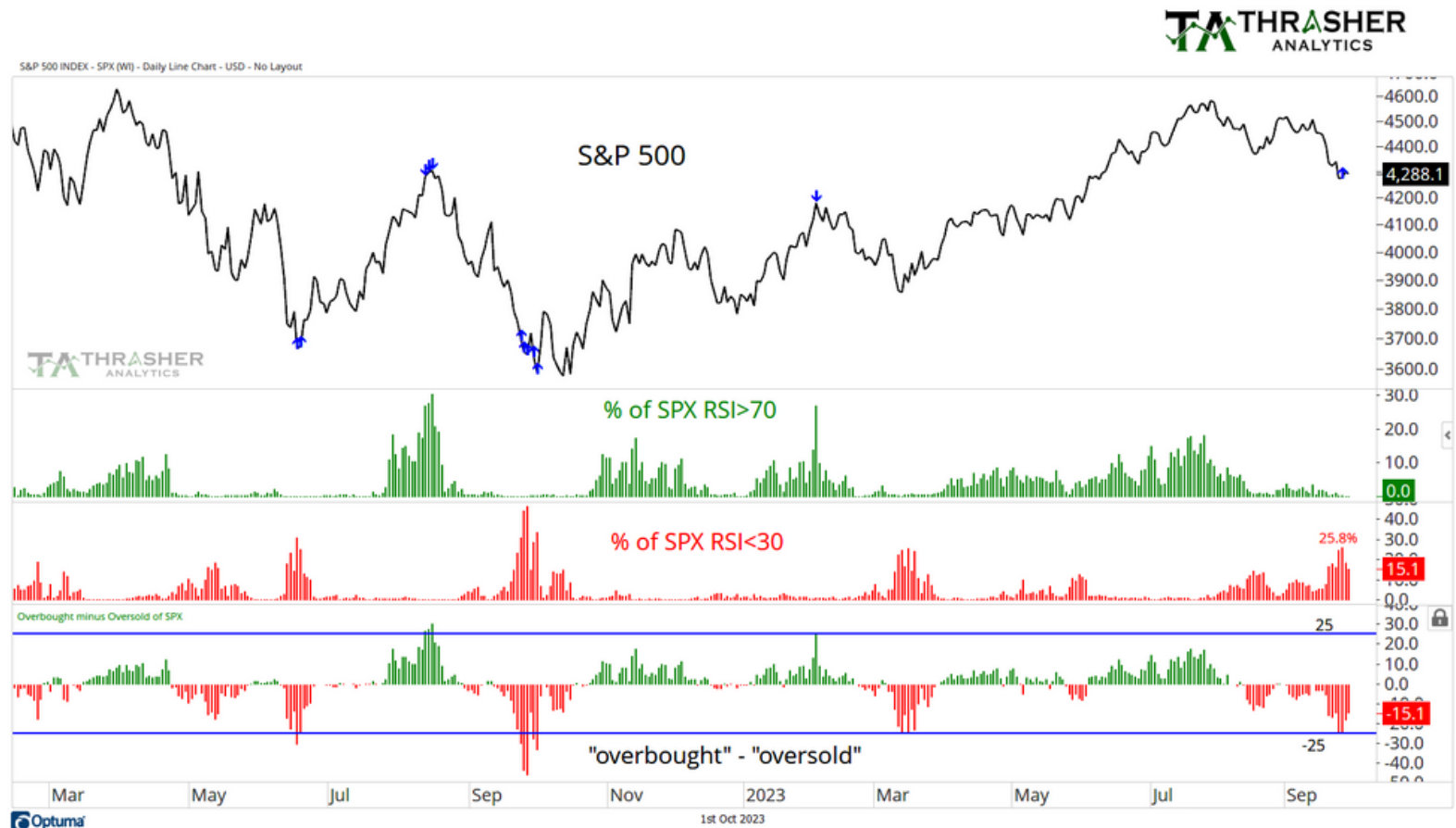
Staying on the topic of "oversold" stocks, below is another breadth study looking at the percentage of stocks that have become "oversold" in the last two months. As of Friday, over half of large cap stocks have had their momentum "oversold" over the prior 42 trading days. I'm showing a long-term look at this data on the chart below, and the focus is when we see this condition change, specifically going from over 50% to under 15% which is marked by the green dots on the chart. We can see that outside of the Tech Wreck and GFC, a decline in stocks being oversold had marked durable lows in the Index. I'll be updating this chart if/when we get back to 15% in the coming weeks/months.
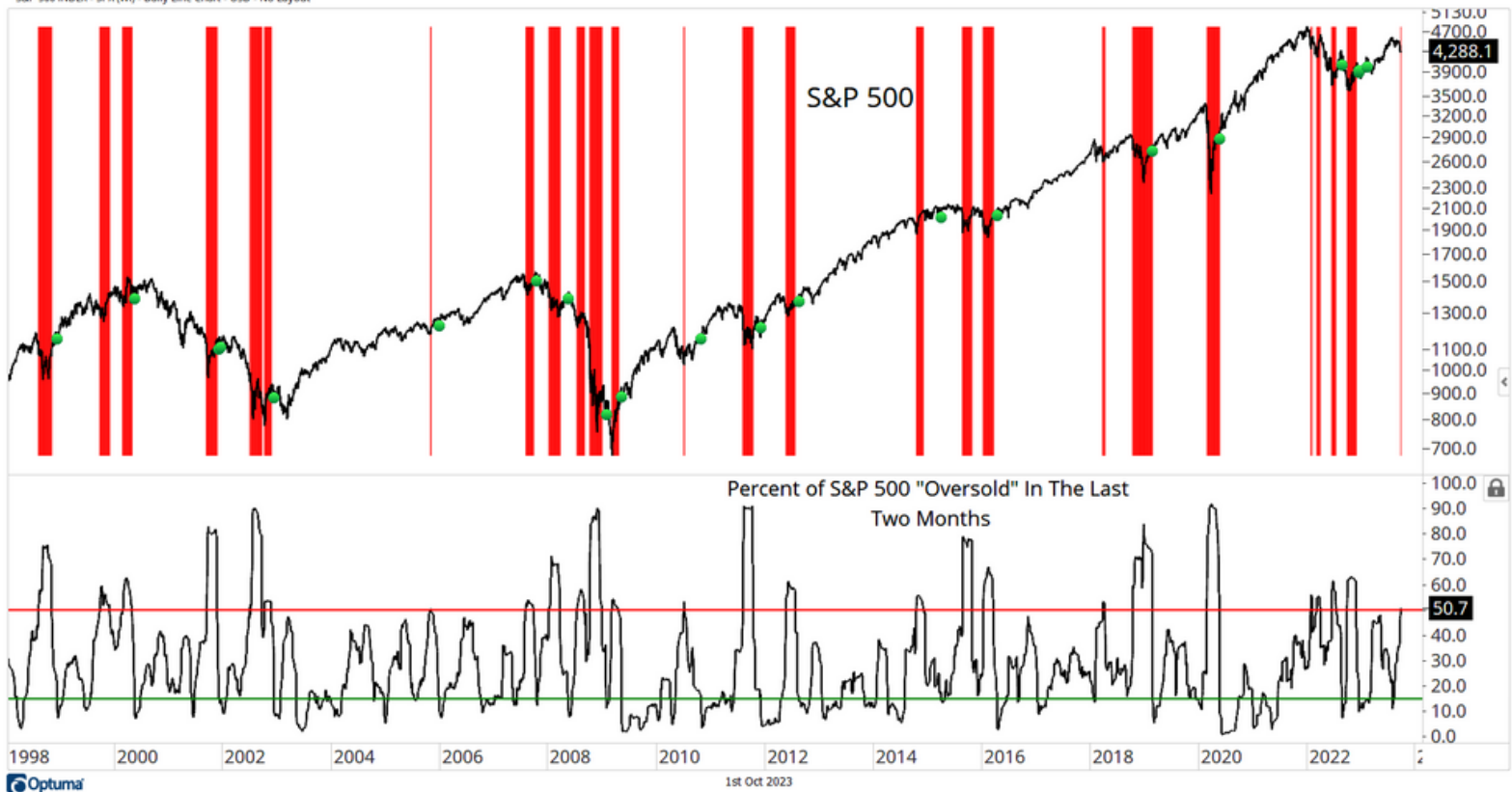
While the list of stocks that are "oversold" is growing, so is the list of stocks with bullish momentum divergences. Side note, this is one of the inputs for the Trend/Momentum model of the Maestro Model.

This is measured by stocks making lower-lows and momentum not confirming the move by making a higher-low. This doesn't mean they can't be 'oversold' at the same time, a higher-low could be created in an 'oversold' condition. But a large list of stocks with these bullish momentum signals has historically been positive for the S&P 500. Specifically, I'm looking for the data to rise above and then fall back under 40%. As of Friday, we are at 39.6%, suggesting we could see a move above 40% this week. If this occurs, I'll continuing sharing this chart and its implications.

Continuing the topic of momentum, below are daily charts of the 3-month momentum of small and large caps. The small cap index, S&P 600, currently has its 3-month Stochastic Momentum indicator "oversold" and potentially curling higher, prior instances marked with green arrows. Large caps, S&P 500, indicator is not quite to an overly stretched level, but is getting close. Both of these are showing the current daily chart of U.S. market, both large and small, could see a proverbial rubber band mean-reversion rally in the coming weeks. The signs of confirmation would be the resolution of an "oversold" condition. Note that in late 2018 we got two such signs for small caps that were early and a few short-term bounces in 2023 before the final low was in. mean-reversion rallies can vary in duration, so taking things a day at a time can be warranted when they occur.
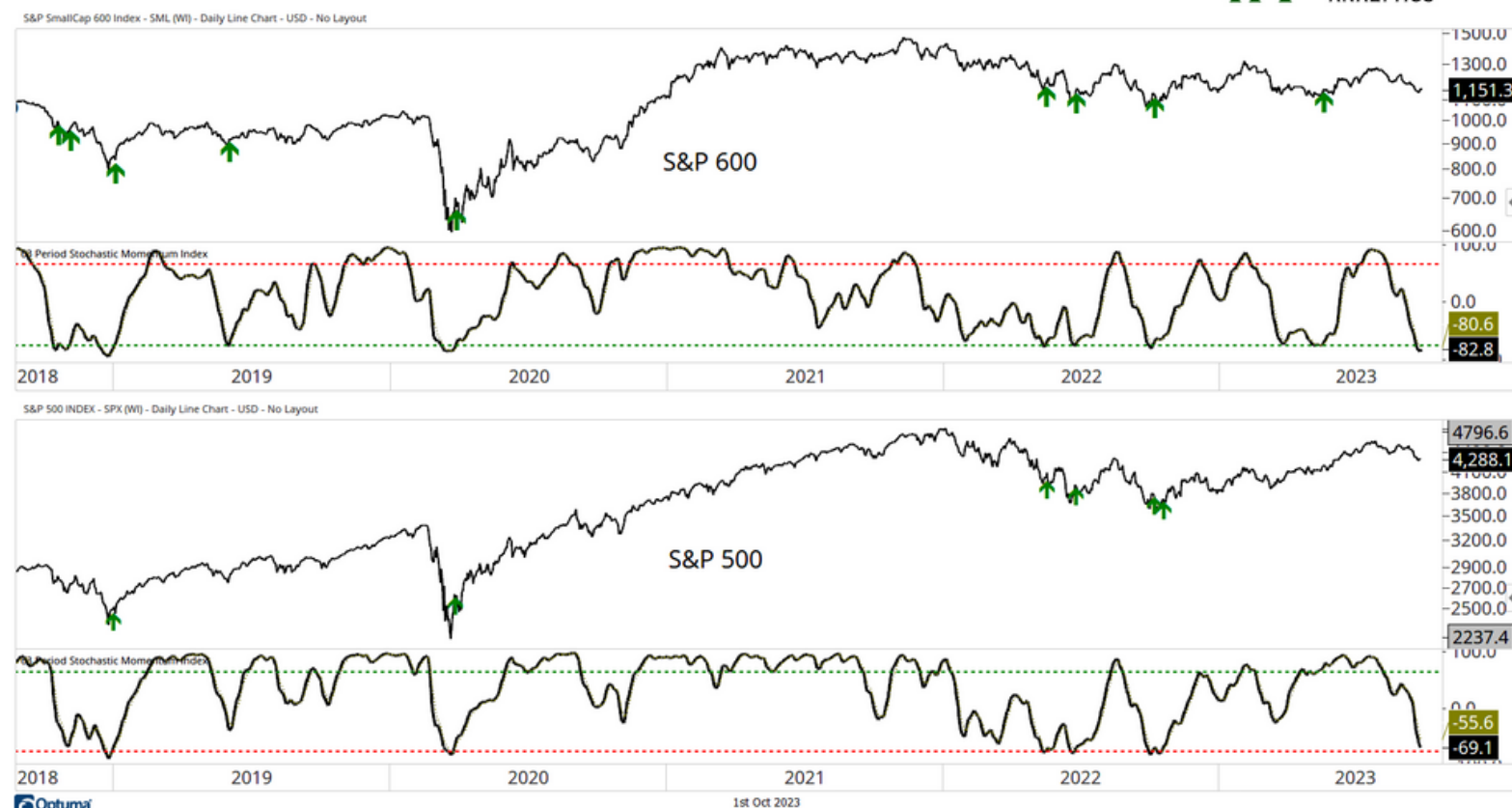
I shared the Head & Shoulders top pattern in the S&P 500 and Nasdaq 100 charts in last Sunday's letter. This week we saw a breach on both charts but a mix of recoveries. QQQ recovered on Friday, closing out the week back above the 'neckline' but SPY tested the 'neckline' and failed to break and hold above. This makes this week significant; do we see SPY follow the Q's and get back above the key June low or does the Q's have a failed move and breach last week's lows. These will be key price levels I'm watching this week.
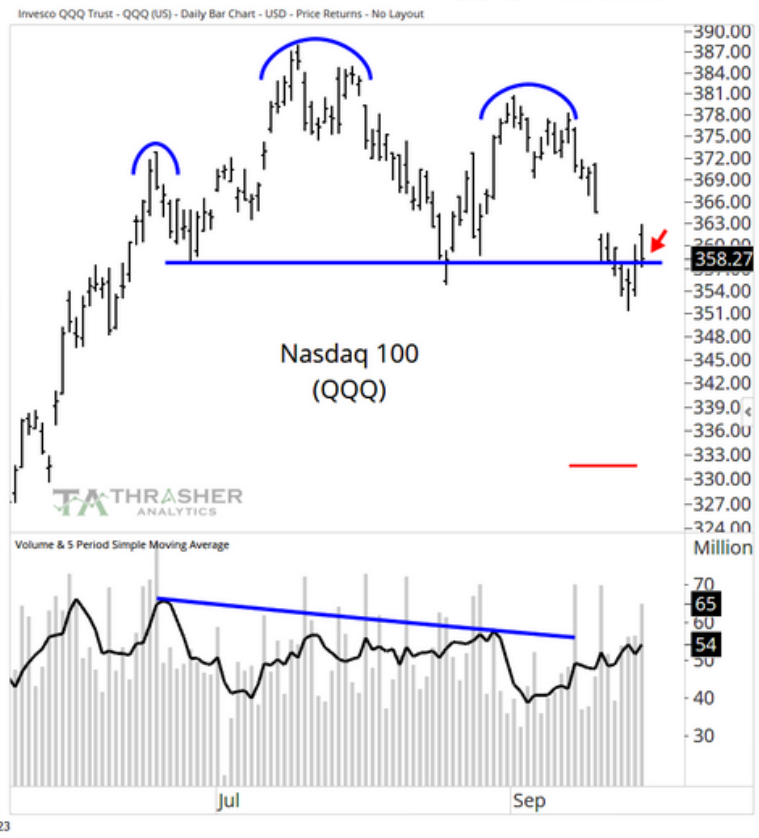
Notable rise in amount of assets banks are putting into the RRP, this had a negative impact on Fed Liquidity, sending the indicator lower last week as the Treasury continues to tick up its General Account.
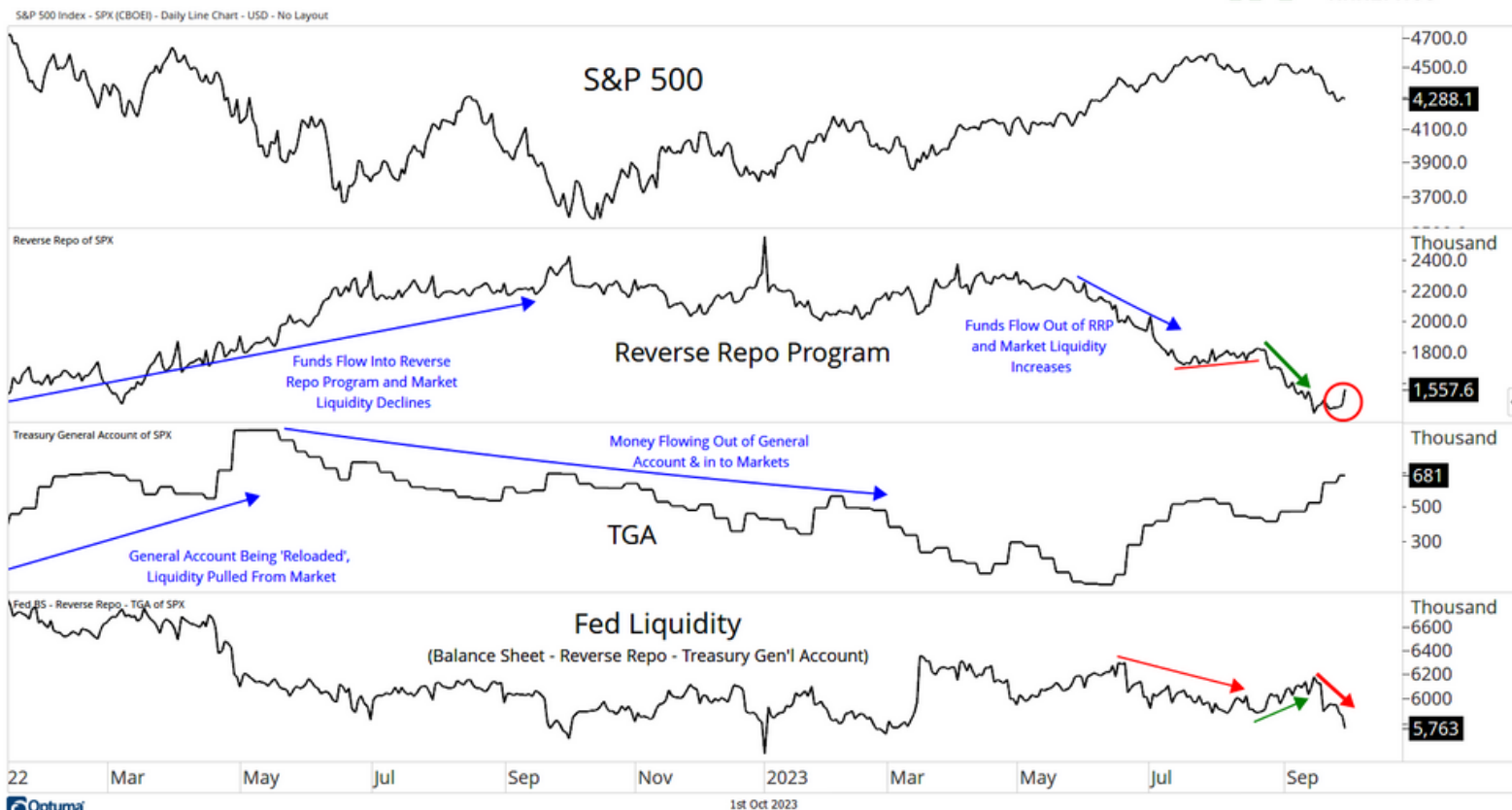
Defensive sectors sentiment continued to go lower last week, outpacing the weakness in Offense sector sentiment.
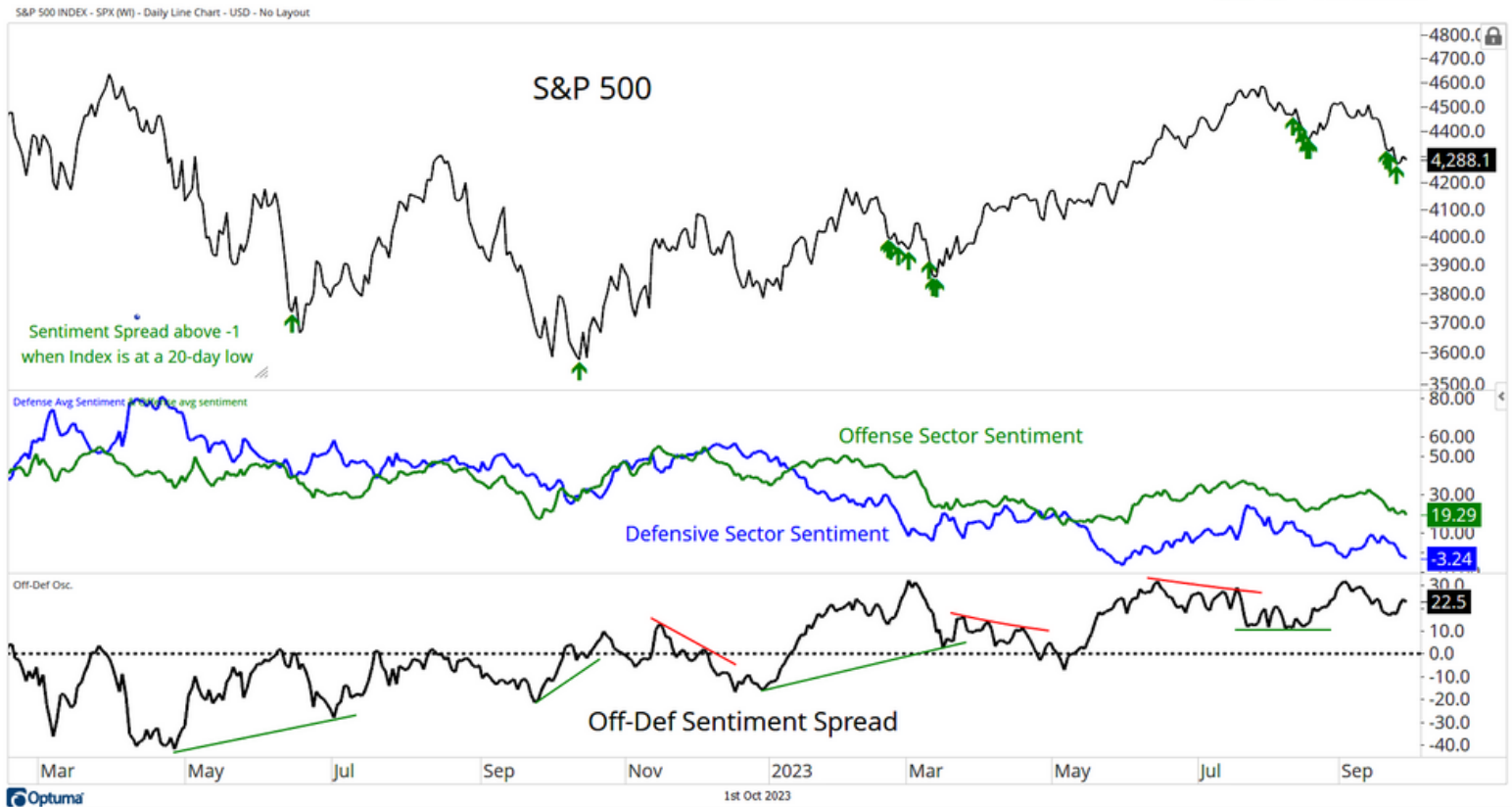
ETF Fund FLow

Below is a table with fund flow data through Thursday of last week.

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 20+ Year Treasury Bond ETF	TLT	16,294,719,561	4,704,848,432	1,171,387,626	3.08%
iShares 10-20 Year Treasury Bond ETF	TLH	1,722,095,486	-724,576,639	135,749,635	1.95%
iShares 1-3 Year Treasury Bond ETF	SHY	-1,177,768,013	-356,218,172	469,111,371	1.79%
iShares 3-7 Year Treasury Bond ETF	IEI	1,850,354,170	880,117,309	135,617,222	1.02%
iShares 7-10 Year Treasury Bond ETF	IEF	6,046,546,509	-24,539,324	-172,110,520	-0.63%
iShares TIPS Bond ETF	TIP	-1,907,862,711	-199,612,895	-300,180,389	-1.46%
iShares iBoxx $ Investment Grade Corporate Bond ETF	LQD	-6,163,280,280	-6,560,937,149	-3,875,295,513	-13.82%
SPDR Equity ETFs					
SPDR Consumer Discretionary Select Sector Fund ETF	XLY	1,914,081,846	1,316,138,461	1,152,675,150	6.60%
SPDR S&P 500 ETF	SPY	4,786,479,388	-1,513,674,665	11,060,512,093	2.73%
SPDR Energy Select Sector Fund ETF	XLE	-2,731,900,154	1,510,133,461	770,631,990	1.94%
SPDR Technology Select Sector Fund ETF	XLK	-1,886,341,199	743,889,742	309,370,754	0.65%
SPDR Consumer Staples Select Sector Fund ETF	XLP	261,481,145	92,122,880	-140,700,134	-0.87%
SPDR Real Estate Select Sector Fund ETF	XLRE	-496,979,325	-105,101,766	-57,594,561	-1.42%
SPDR Industrial Select Sector Fund ETF	XLI	736,458,295	558,268,215	-222,557,640	-1.53%
SPDR Health Care Select Sector Fund ETF	XLV	-2,032,037,290	-1,981,004,221	-1,334,360,283	-3.50%
SPDR Utilities Select Sector Fund ETF	XLU	-448,038,461	-688,567,269	-527,740,114	-4.01%
SPDR Financial Select Sector Fund ETF	XLF	-268,508,054	-2,153,596,691	-1,776,390,380	-5.85%
SPDR Materials Select Sector Fund ETF	XLB	-232,894,714	-583,013,150	-406,860,110	-8.08%
SPDR Communication Services Select Sector ETF	XLC	2,079,829,700	-28,913,442	-1,149,774,852	-8.72%

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: -1.56%					AVG: 8.46%	AVG: 20.66%		AVG: -4.01%	
SML	S&P SmallCap 600 Index	-0.54%	-10.95%	0.42%	-5.85%	-5.24%	-0.80%	12.85%	8.50%	-2.08%	-5.17%	-3.80%
MID	S&P Midcap 400 Index	2.95%	-7.82%	0.26%	-5.17%	-3.96%	1.61%	8.78%	14.16%	-1.98%	-4.37%	-1.76%
NDY	NASDAQ 100 Index	34.51%	20.44%	0.10%	-4.30%	-1.50%	14.55%	7.64%	40.94%	-2.48%	-3.21%	8.99%
SPX	S&P 500 INDEX	11.68%	0.00%	-0.74%	-4.66%	-2.47%	6.46%	6.92%	22.81%	-2.75%	-3.76%	2.31%
DJI	Dow Jones Industrial Average	1.09%	-9.49%	-1.34%	-3.86%	-1.80%	2.41%	6.09%	16.91%	-2.36%	-3.53%	-0.83%
− Sectors			AVG: -5.53%					AVG: 10.64%	AVG: 18.83%		AVG: -4.13%	
XLE	SPDR Energy Select Sector Fund ETF	3.34%	-7.47%	1.21%	2.23%	12.08%	10.37%	4.56%	21.35%	-0.96%	1.62%	6.46%
XLB	SPDR Materials Select Sector Fund ETF	1.12%	-9.46%	0.23%	-5.06%	-4.32%	-0.36%	8.56%	17.48%	-2.56%	-4.21%	-2.73%
XLY	SPDR Consumer Discretionary Select Sector Fund	24.64%	11.60%	0.03%	-5.00%	-4.00%	11.49%	9.46%	27.76%	-3.58%	-4.25%	4.71%
XLC	SPDR Communication Services Select Sector ETF	36.63%	22.34%	-0.08%	-3.07%	1.77%	15.83%	5.27%	46.17%	-1.67%	-1.84%	9.56%
XLK	SPDR Technology Select Sector Fund ETF	31.73%	17.95%	-0.29%	-5.52%	-4.21%	11.39%	9.66%	45.11%	-2.99%	-3.93%	6.59%
XLI	SPDR Industrial Select Sector Fund ETF	3.23%	-7.57%	-0.40%	-6.33%	-4.73%	1.74%	8.77%	22.50%	-2.74%	-5.01%	-1.11%
XLV	SPDR Health Care Select Sector Fund ETF	-5.23%	-15.15%	-1.08%	-4.58%	-2.01%	1.05%	9.19%	7.33%	-2.05%	-3.34%	-2.50%
XLRE	SPDR Real Estate Select Sector Fund ETF	-7.74%	-17.39%	-1.45%	-8.32%	-9.15%	-5.65%	19.28%	2.85%	-4.64%	-7.09%	-8.97%
XLF	SPDR Financial Select Sector Fund ETF	-3.01%	-13.16%	-1.46%	-3.83%	-0.75%	4.08%	10.61%	12.10%	-3.02%	-3.85%	-2.32%
XLP	SPDR Consumer Staples Select Sector Fund ETF	-7.70%	-17.35%	-1.90%	-5.75%	-6.42%	-6.89%	11.58%	3.98%	-3.08%	-5.65%	-6.86%
XLU	SPDR Utilities Select Sector Fund ETF	-16.41%	-25.16%	-6.89%	-7.72%	-8.95%	-11.93%	20.14%	0.55%	-6.08%	-7.93%	-11.78%

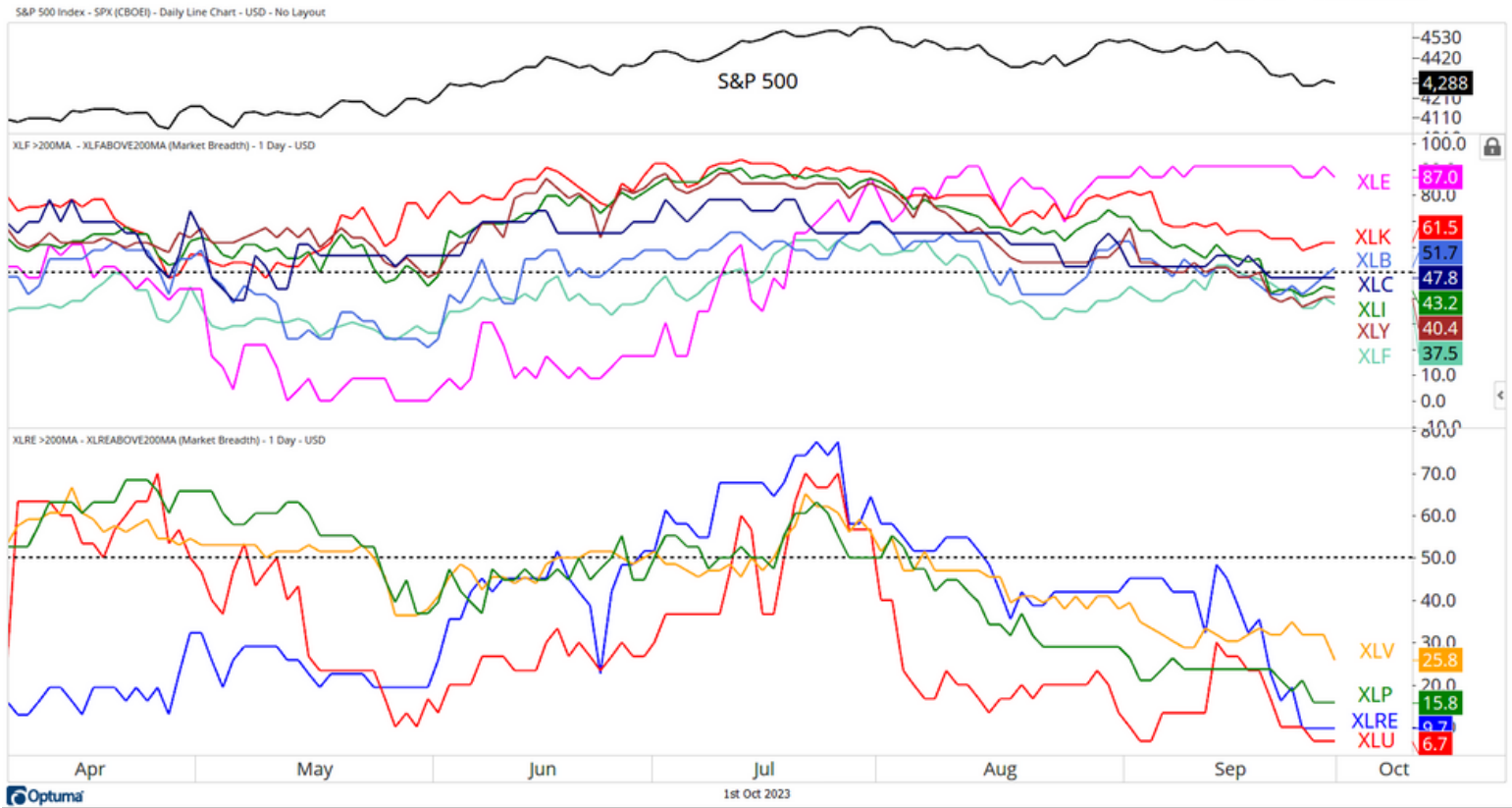*Below is a look at each sector's relative performance trend against the S&P 500.*

Slight improvement to XLB and XLY breadth. Defense sectors continue to decline in breadth.

Real Estate has been the second worst performing sector in 2023 and as of last week it's fallen back to its 2022 bear market low. Sentiment (based on Thrasher Analytics sentiment indicator) is the third worst sector. Under the hood, less than 10% of XLRE stocks are above the 200-day MA and over 60% of them were "oversold" last week. The 2022 low was $33.77 and on Friday we saw a small bounce higher off this level. There's potential for a double bottom at this price level. It seems like no one likes this space but if XLRE can hold above $33.77, there's potential for some mean reversion to play out.

Gold has been trending lover for several weeks now and recently broke below prior lows and the 200-day moving average. Sentiment (based on DSI %Bullish) has fallen to single digits and volatility adjusted momentum is 'oversold' at -45.7. The next possible support level is the March low around $1820-$1800 if it gets there. It seems gold is very unloved right now and like XLRE discussed on the prior page, could see a counter-trend oversold bounce.

DAILY SENTIMENT INDEX

Daily - DSI - No Layout

Code	% Bullish ⌃	5-day MA	History
Gold DSI	8	9	
Yen DSI	9	10	
Silver DSI	9	11	
Wheat DSI	10	21	
Coffee DSI	11	14	
Swiss Franc DSI	12	9	
Australian Dollar DSI	12	12	
Euro DSI	13	10	
New Zealand Dollar DSI	15	15	
British Pound DSI	15	14	
10Y DSI	15	12	
5YR DSI	16	15	
VIX DSI	20	18	
Corn DSI	20	24	
EuroDollar DSI	21	22	
Natural Gas DSI	22	20	
Palladium DSI	24	23	
Copper DSI	24	19	
Lumber DSI	25	24	

Daily - DSI - No Layout

Code	% Bullish ⌃	5-day MA	History
Platinum DSI	26	30	
Soybean DSI	31	41	
Bitcoin DSI	33	32	
Lean Hog DSI	36	41	
Nasdaq DSI	40	41	
SPX DSI	42	45	
Nikkei DSI	42	50	
Cocoa DSI	51	56	
Gasoline DSI	59	66	
Cotton DSI	59	62	
Cattle DSI	61	68	
Mexican Peso DSI	67	65	
CRB Index DSI	71	75	
Sugar DSI	72	73	
Crude Oil DSI	75	80	
US Dollar DSI	79	88	
Heating Oil DSI	81	76	
Orange Juice DSI	88	87	

Source: trade-futures.com

Daily Sentiment Index

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

10yr Treasury Bond

Source: trade-futures.com
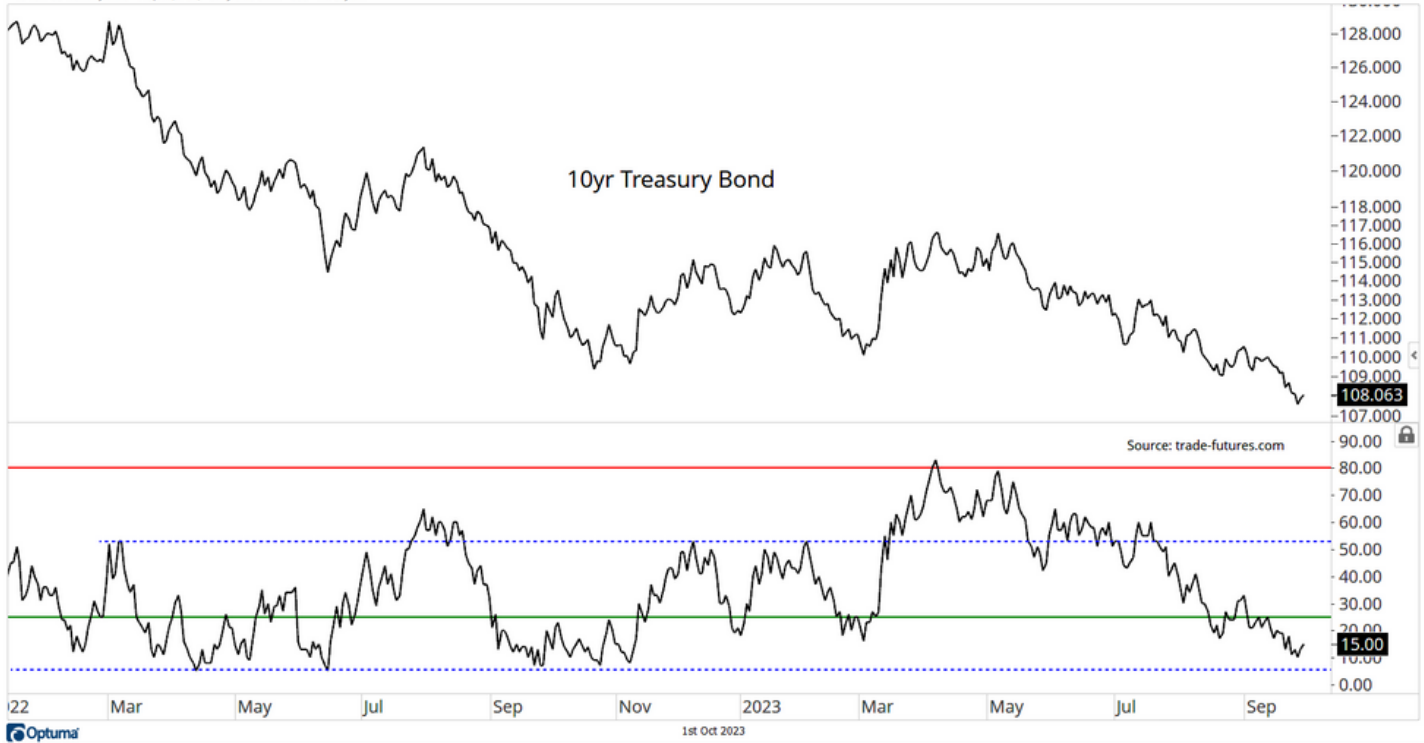
BTC/USD - BTCUSD (CW) - Daily Line Chart - USD - No Layout --- Data from Cryptowatch

Bitcoin

Source: trade-futures.com
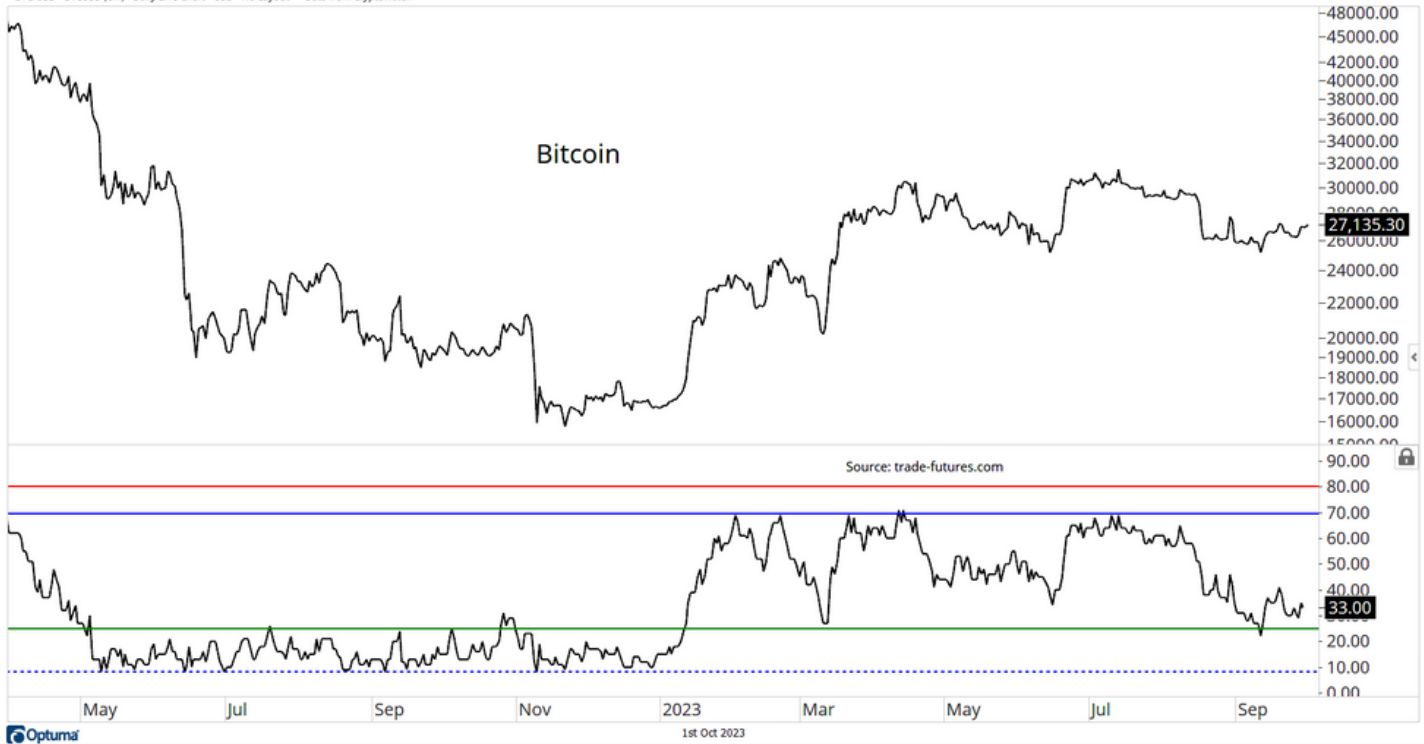
Daily Sentiment Index

TA THRASHER ANALYTICS

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

U.S. Dollar

105.8

Source: trade-futures.com

79.00

Mar   May   Jul   Sep   Nov   2023   Mar   May   Jul   Sep

1st Oct 2023
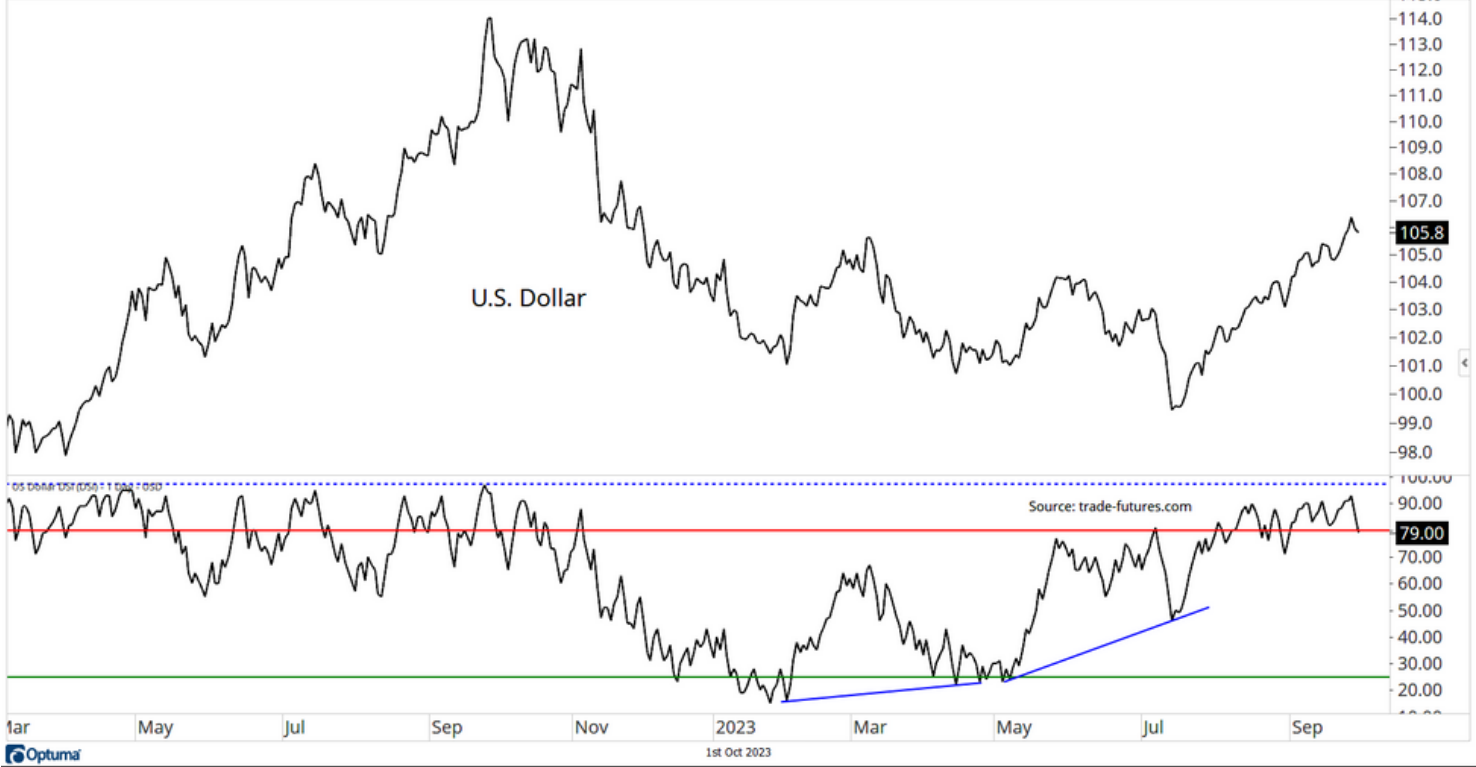
TA THRASHER ANALYTICS

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

VIX

17.5

VIX DSI (DSI) - 1 Day - USD

Source: trade-futures.com

80.0

20.0

Jul   Sep   Nov   2022   Mar   May   Jul   Sep   Nov   2023   Mar   May   Jul   Sep

1st Oct 2023

Daily Sentiment Index

THRASHER
ANALYTICS

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

S&P 500

4,288

SPX DSI (DSI) - Line Chart

5

42

Source: trade-futures.com

| 2022 | Mar | May | Jul | Sep | Nov | 2023 | Mar | May | Jul | Sep |

Optuma   1st Oct 2023

THRASHER
ANALYTICS

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

Nasdaq 100

14,715

Nasdaq DSI (DSI) - 1 Day - USD

40

Source: trade-futures.com

| Nov | 2022 | Mar | May | Jul | Sep | Nov | 2023 | Mar | May | Jul | Sep |

Optuma   1st Oct 2023

THRASHER ANALYTICS

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

SPX: Up Trend

4,288.05

2021 2022 2023
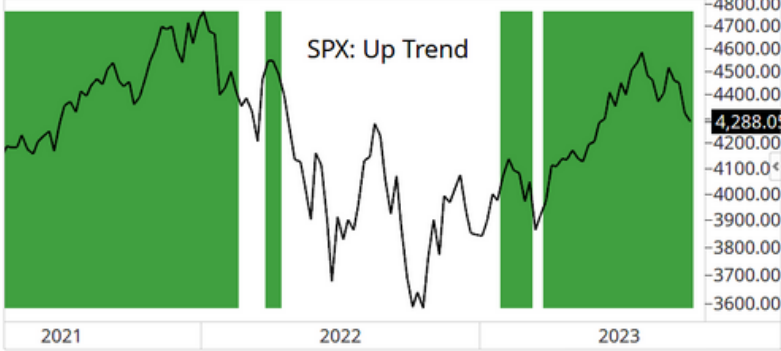
SPDR Financial Select Sector Fund ETF - XLF (US) - Weekly Line Chart - USD - Price Returns - No Layout

XLF: Down Trend

33.17

2021 2022 2023
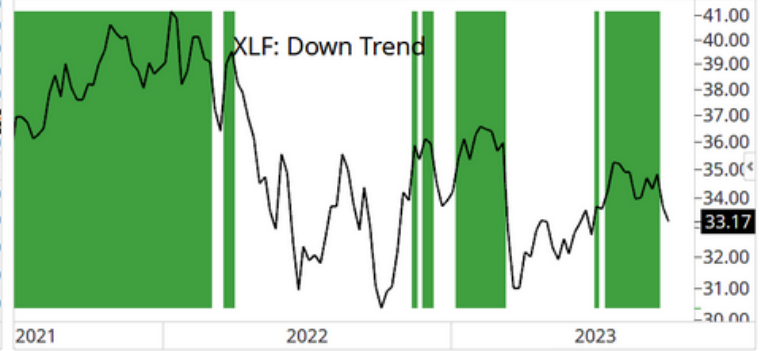
SPDR Consumer Discretionary Select Sector Fund ETF - XLY (US) - Weekly Line Chart - USD - Price Returns - No Layout

XLY: Up Trend

160.9

Jul Oct 2022 Apr Jul Oct 2023 Apr Jul Oc
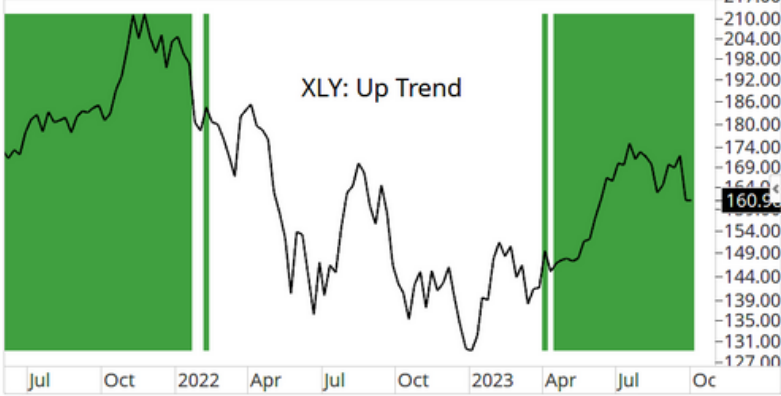
SPDR Technology Select Sector Fund ETF - XLK (US) - Weekly Line Chart - USD - Price Returns - No Layout
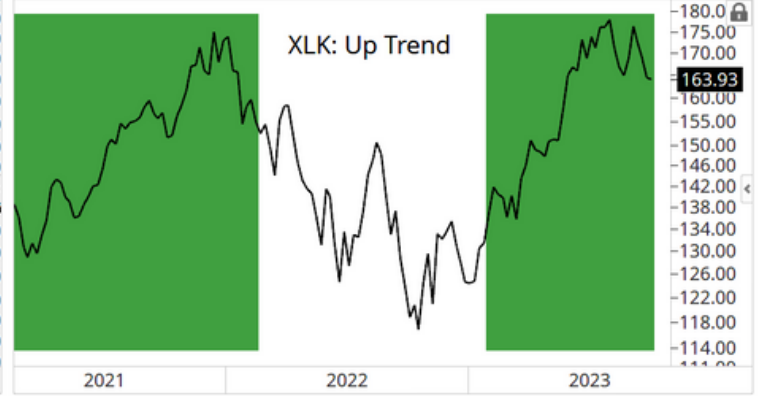
XLK: Up Trend

163.93

2021 2022 2023
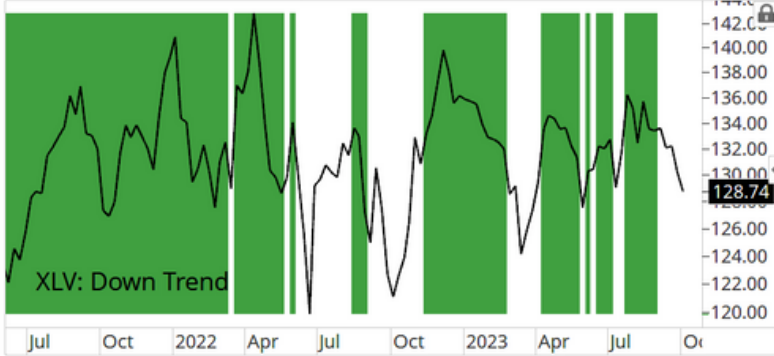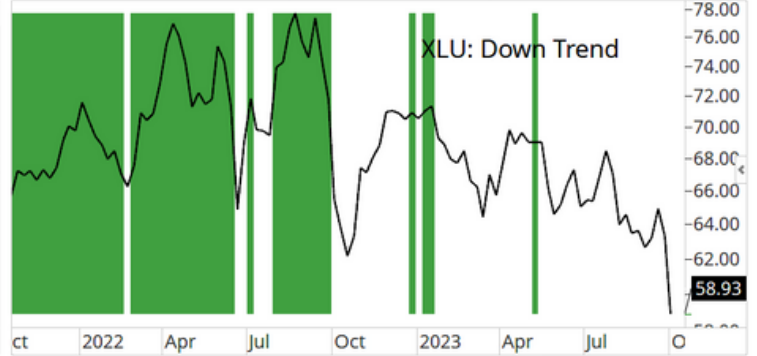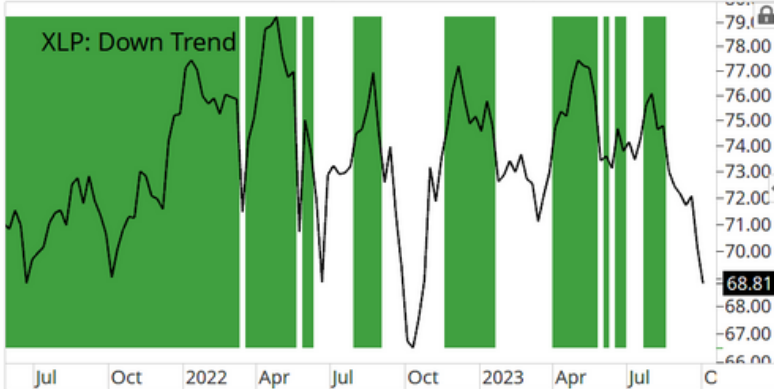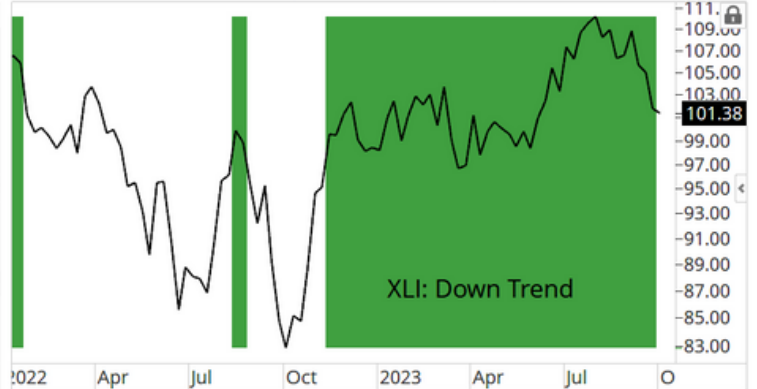
1st Oct 2023

Trend Models

DISCLAIMER: