



Sector Buy/Sell Review: 04-21-20

Each week we produce a chart book of the S&P 500 sectors to review where money is flowing within the market as whole. This helps refine not only decision making about what to own and when, but what sectors to overweight or underweight to achieve better performance. **HOW TO READ THE CHARTS** There are three primary components to each chart:

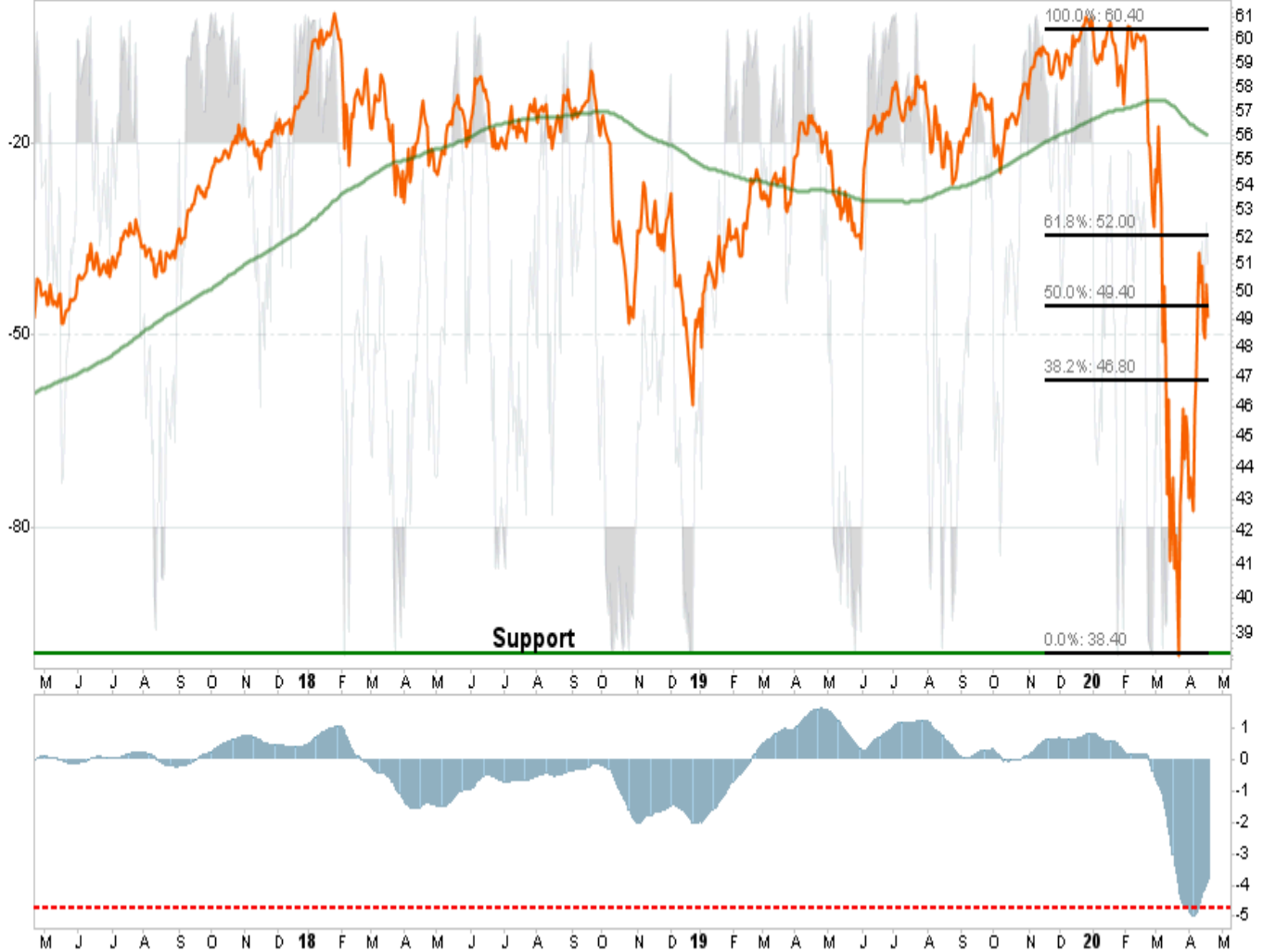
- *The price chart is in orange*
- *The Over Bought/Over Sold indicator is in gray*
- *The Buy / Sell indicator is in blue.*

When the gray indicator is at the TOP of the chart, there is typically more risk and less reward available at the current time. In other words, the best time to BUY is when the short-term condition is over-sold. Likewise when the buy/sell indicator is above the ZERO line investments have a tendency of working better than when below the zero line. **NEW PORTFOLIO**

TOOL: Under the **PORTFOLIO** tab you will see a new tool called **ALERTS**. When you click on the link, any position that you in a **WATCHLIST** or **PORTFOLIO** will show up in the **ALERTS** window. You can add **SELL TARGETS**, **STOP LOSS**, and **Daily % Changes**. When those levels are triggered, you will be sent an email and the alerts will show on your dashboard. We are using this system for all our current positions and will be reporting our targets in these daily updates. **Basic Materials**

Open: **49.38** Ask: P/E: Options: **yes**
 High: **50.18** Ask Size: EPS: Annual Dividend: **1.2442**
 Low: **48.88** Bid: Last Size: Yield: **2.54%**
 Prev Close: **50.26** Bid Size: VWAP: SCTR (ETF): **47.7**

▼ **-2.47%**
 Chg: **-1.24**
 Last: **49.02**
 Volume: **4,842,253**



- *XLB has rallied as a lot of short-covering in the sector helped some of the most beaten up stocks. The rally failed at resistance on Monday.�*
- *The recent rally has done little to restore confidence in the sector and is lagging in terms of relative performance. But on a very short-term basis, is back to overbought.�*
- *We sold all of our holdings previously.�*
- *We still suggest using this rally to clear positions for the time being. There are too many unknowns currently, and just way to early, to assume a bottom is in.�*
- *We have a trading alert set at \$46 which may set up a tradeable opportunity.*
- *Short-Term Positioning: Bearish*
 - *Last Week: No Positions*
 - *This Week: No Positions*
- *Long-Term Positioning: Bearish*

Communications

Open: 47.96	Ask:	P/E:	Options: yes
High: 48.56	Ask Size:	EPS:	Annual Dividend: 0.46688
Low: 47.80	Bid:	Last Size:	Yield: 0.97%
Prev Close: 48.41	Bid Size:	VWAP:	SCTR (ETF): 72.7

Chg: -0.44	Volume: 1,948,499
Last: 47.97	



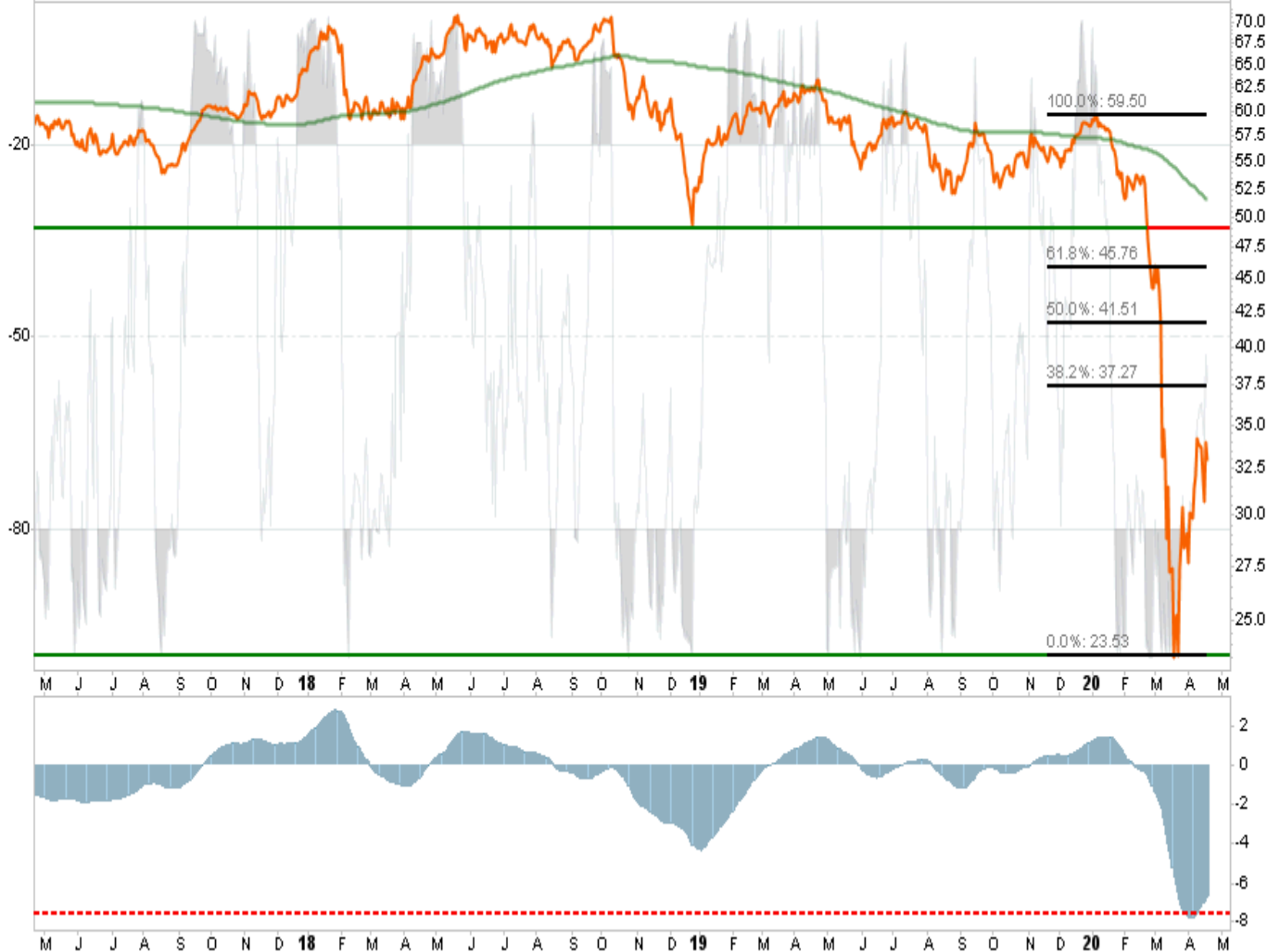
- XLC continues to perform better than the overall market and on Monday performed better than the overall market.�
- We added to this sector previously, and the 50% retracement level has been reached.�
- We continue to like the more defensive quality of the sector for now as Communications has an "anti-virus" bid to it, BUT, on a short-term basis it is very overbought. Look for a pullback to add to holdings.
- We have set \$49 as our upper limit to consider taking profits, and \$44 as an alert to add to our holdings.�
- Short-Term Positioning: Bullish
 - Last Week: Hold positions
 - This Week: Hold positions
- Long-Term Positioning: Neutral

Energy

Monday 20-Apr-2020

Open: 31.95	Ask:	P/E:	Options: yes
High: 34.10	Ask Size:	EPS:	Annual Dividend: 2.29602
Low: 31.78	Bid:	Last Size:	Yield: 6.98%
Prev Close: 33.95	Bid Size:	VWAP:	SCTR (ETF): 5.2

▼ -3.12%
Chg: -1.06
Last: 32.89
Volume: 56,351,128



- As oil crashed yesterday, energy stocks were pulled down with it. There is still nothing good going on in the space as there is no clear bottom in oil prices yet. Bankruptcies are coming.
- Continue to use this rally to clear positions, there remains downside risk heading into the summer for energy stocks. [2013266080](#);
- Be patient, we have plenty of time to build a position in energy correctly. [2013266080](#);
- We have set up an alert at \$28 to start looking at maybe adding holdings.
- Short-Term Positioning: Bearish
 - Last week: Sell into rally.
 - This week: Sell positions
 - No position currently
- Long-Term Positioning: Bearish

Financials

Open: **21.95** Ask: P/E: Options: **yes**
 High: **22.36** Ask Size: EPS: Annual Dividend: **0.59932**
 Low: **21.75** Bid: Last Size: Yield: **2.72%**
 Prev Close: **22.39** Bid Size: VWAP: SCTR (ETF): **24.5**

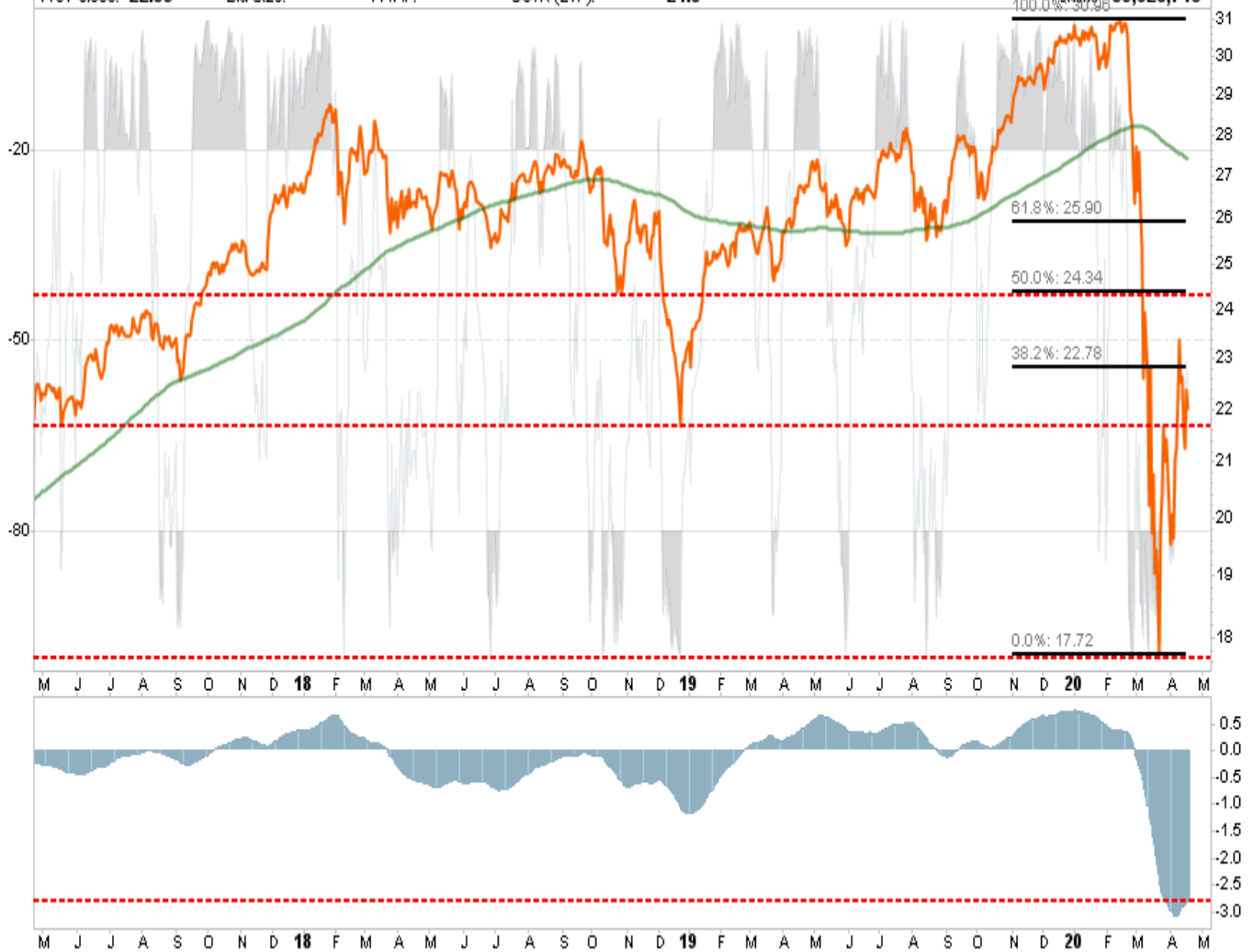
Monday 20-Apr-2020

▼ **-1.74%**

Chg: **-0.39**

Last: **22.00**

Volume: **59,028,748**

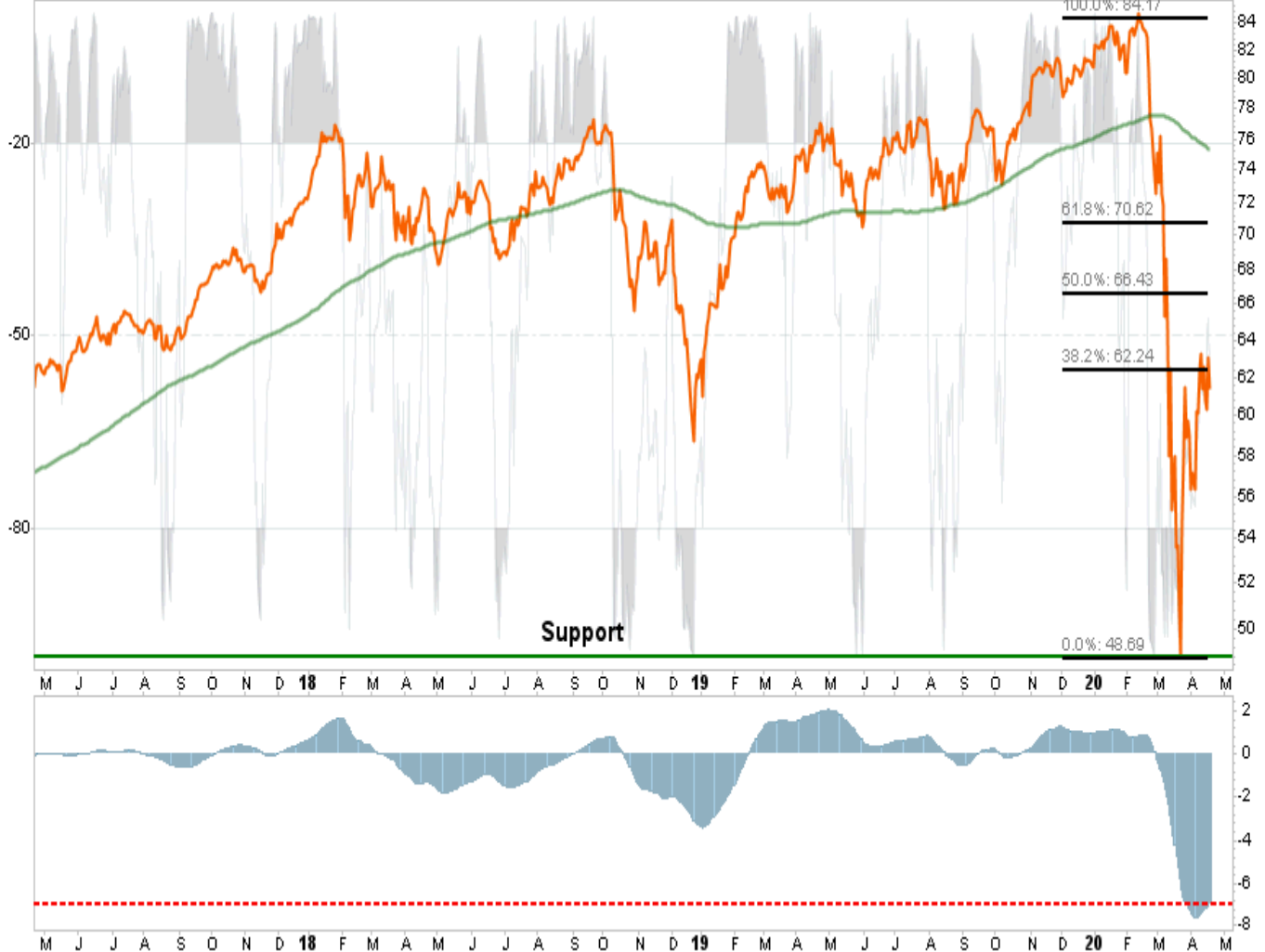


- *Financials have lagged the bear market rally badly. You can't have a bull market without Financials participating.�*
- *We sold out of financials previously and will re-evaluate once the market calms down and finds a bottom.�*
- *Sell this rally. We have an alert set at \$20 to start evaluating holdings.*
- *Short-Term Positioning: Neutral*
 - *Last week: No position*
 - *This week: No position*
- *Long-Term Positioning: Neutral*

Industrials

Open: **61.90** Ask: P/E: Options: **yes**
 High: **62.64** Ask Size: EPS: Annual Dividend: **1.55109**
 Low: **61.22** Bid: Last Size: Yield: **2.53%**
 Prev Close: **63.10** Bid Size: VWAP: SCTR (ETF): **30.4**

Monday 20-Apr-2020
 ▼ **-2.66%**
 Chg: **-1.68**
 Last: **61.42**
 Volume: **10,475,108**



- As with XLB, so goes XLI.
- XLI had a good rally but failed at the 32.8% retracement level on Monday. That selloff also underperformed the broader market.
- We sold all of our holdings previously and will opt to wait for a better market structure to move back into the sector. #2013266080;
- We have an alert set at \$56 to evaluate positions
- Short-Term Positioning: Bearish
 - Last week: No position.
 - This week: No position.
- Long-Term Positioning: Bearish

Technology

Open: 88.05	Ask:	P/E:	Options: yes
High: 89.22	Ask Size:	EPS:	Annual Dividend: 1.19716
Low: 87.71	Bid:	Last Size:	Yield: 1.36%
Prev Close: 89.26	Bid Size:	VWAP:	SCTR (ETF): 93.6

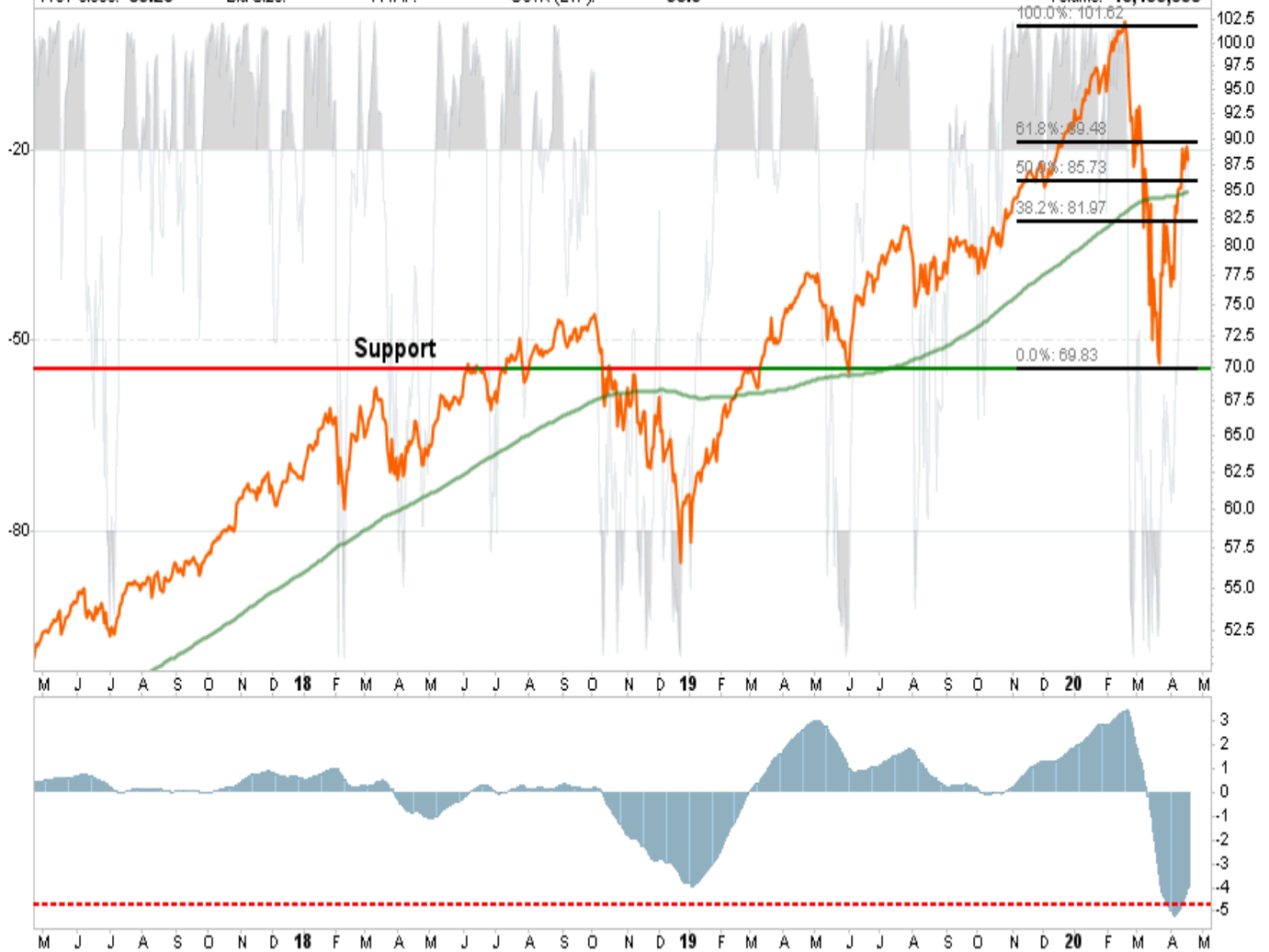
Monday 20-Apr-2020

▼ **-1.60%**

Chg: **-1.43**

Last: **87.83**

Volume: **10,199,035**



- We recently added to our Technology holdings which technically is the best looking sector chart available.
- The rally on Monday is pushing into resistance at the 61.8% retracement level.�
- If we get a pullback that holds that support level, we will add more weight to the sector. We have an alert set at \$86.
- Short-Term Positioning: Bullish
 - Last week: Holding positions.
 - This week: Holding positions.
 - Long-Term Positioning: Bullish

Staples

Open:	59.90	Ask:		P/E:		Options:	yes
High:	60.32	Ask Size:		EPS:		Annual Dividend:	1.60647
Low:	59.26	Bid:		Last Size:		Yield:	2.71%
Prev Close:	60.50	Bid Size:		VWAP:		SCTR (ETF):	82.9

Chg:	-1.19	Volume:	9,263,878
Last:	59.31		

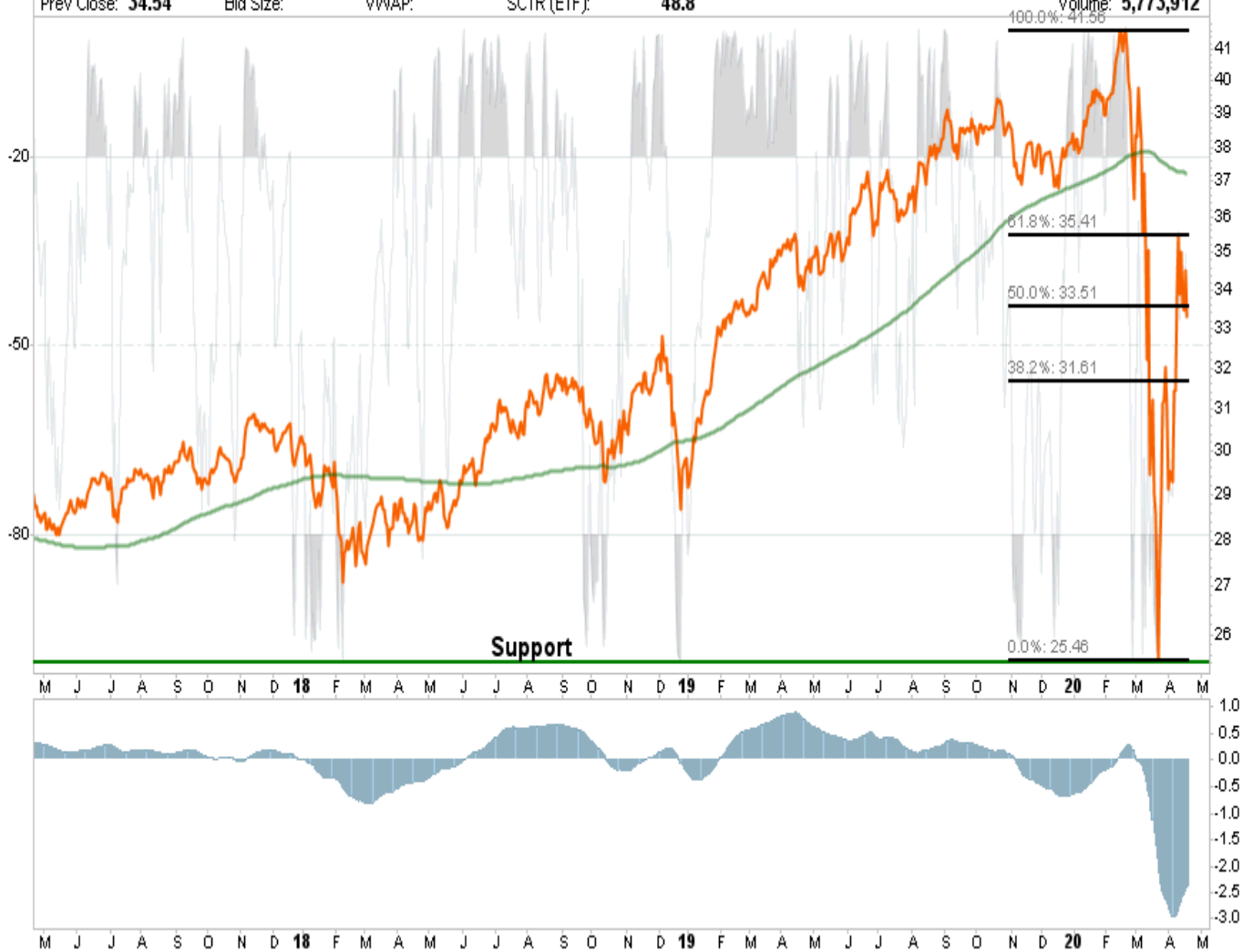


- XLP also has a very good technical setup currently. The recent rally cleared the 61.8% retracement level but is short-term very overbought.
- Look for a pullback to the 50%, or the 38.2% retracement levels, that holds to add to holdings.
- We have our alert set at \$59
- Short-Term Positioning: Bullish
 - Last week: Hold positions
 - This week: Holding positions
 - Long-Term Positioning: Bullish

RealEstate

Open: **33.93** Ask: P/E: Options: **yes**
 High: **34.06** Ask Size: EPS: Annual Dividend: **1.18107**
 Low: **33.26** Bid: Last Size: Yield: **3.55%**
 Prev Close: **34.54** Bid Size: VWAP: SCTR (ETF): **48.8**

Monday 20-Apr-2020
 ▼ **-3.71%**
 Chg: **-1.28**
 Last: **33.26**
 Volume: **5,773,912**

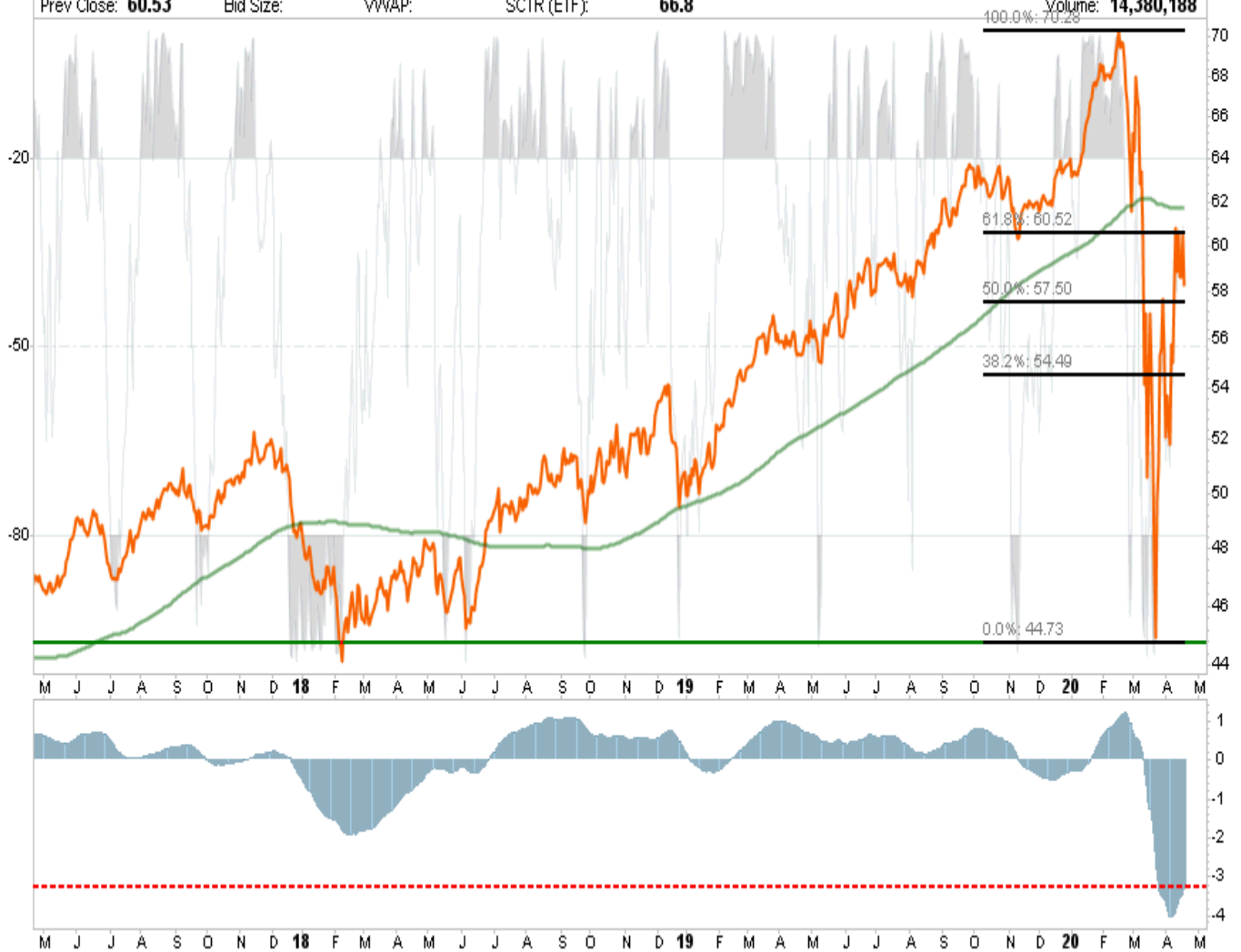


- *XLRE has recently rallied back to the 61.8% retracement level, and failed support yesterday at the 50% retracement.*
- *That level needs to hold.*
- *We have set an alert at \$32 to add a trading position to portfolios.*
- *Short-Term Positioning: Bullish*
 - *Last week: Hold position.*
 - *This week: Be patient.*
- *Long-Term Positioning: Bullish*

Utilities

Open: **60.15** Ask: P/E: Options: **yes**
 High: **60.15** Ask Size: EPS: Annual Dividend: **1.95274**
 Low: **58.15** Bid: Last Size: Yield: **3.35%**
 Prev Close: **60.53** Bid Size: VWAP: SCTR (ETF): **66.8**

Monday 20-Apr-2020
 ▼ **-3.78%**
 Chg: **-2.29**
 Last: **58.24**
 Volume: **14,380,188**



- *XLU rebounded nicely over the last week back to the 61.8% retracement level. This is the level where most retracements fail, and XLU did that on Monday.*
- *XLU is very overbought short-term, so be patient for a pullback to add more exposure.*
- *We have an alert set at \$54*
- *Short-Term Positioning: Bullish*
 - *Last week: Hold position.*
 - *This week: Hold position*
- *Long-Term Positioning: Bullish*

Health�Care

Open: **99.82** Ask: P/E: Options: **yes**
 High: **101.41** Ask Size: EPS: Annual Dividend: **1.58174**
 Low: **99.71** Bid: Last Size: Yield: **1.58%**
 Prev Close: **100.78** Bid Size: VWAP: SCTR (ETF): **97.0**

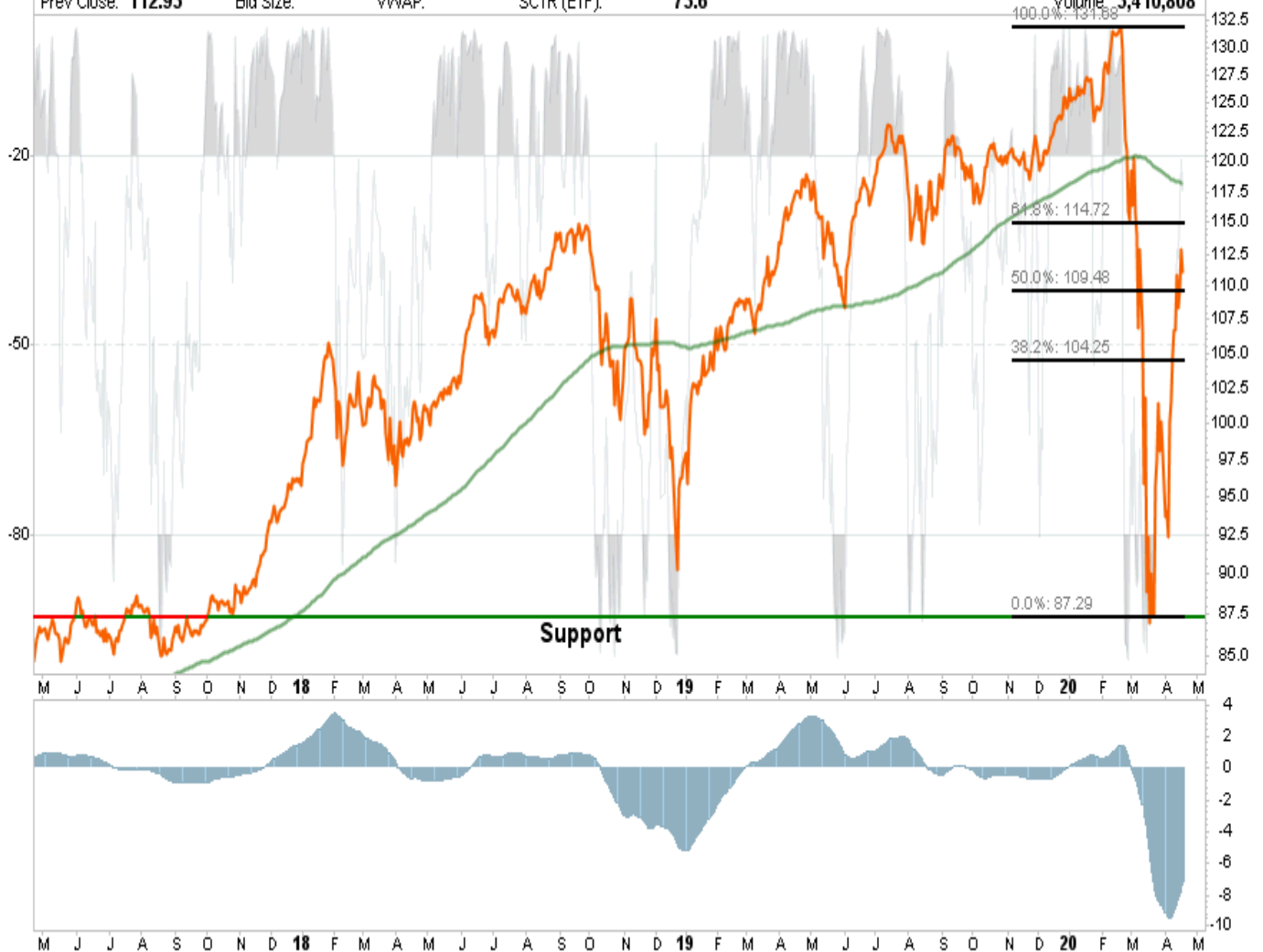
Monday 20-Apr-2020
 ▼ **-0.79%**
 Chg: **-0.80**
 Last: **99.98**
 Volume: **10,558,029**



- As noted last week: "XLV held support and rebounded nicely back to, and broke above, the 50% retracement level and now the 62.8% level as well. XLV's next target is all-time highs." XLV almost made it there is past week. #2013266080;
- Look for a short-term pullback that holds the 62.8% retracement level and the 200-dma and consolidates a bit here before adding weight. The sector is very overbought short-term.
- We have an alert set at \$94 to add to our holdings.
- Short-Term Positioning: Neutral
 - Last week: Hold positions
 - This week: Look to add
- Long-Term Positioning: Bullish

Discretionary

Open: 111.70	Ask:	P/E:	Options: yes	Monday 20-Apr-2020
High: 113.19	Ask Size:	EPS:	Annual Dividend: 1.65172	▼ -1.74%
Low: 110.77	Bid:	Last Size:	Yield: 1.49%	Chg: -1.97
Prev Close: 112.93	Bid Size:	VWAP:	SCTR (ETF): 73.6	Last: 110.96
				Volume: 3,410,808

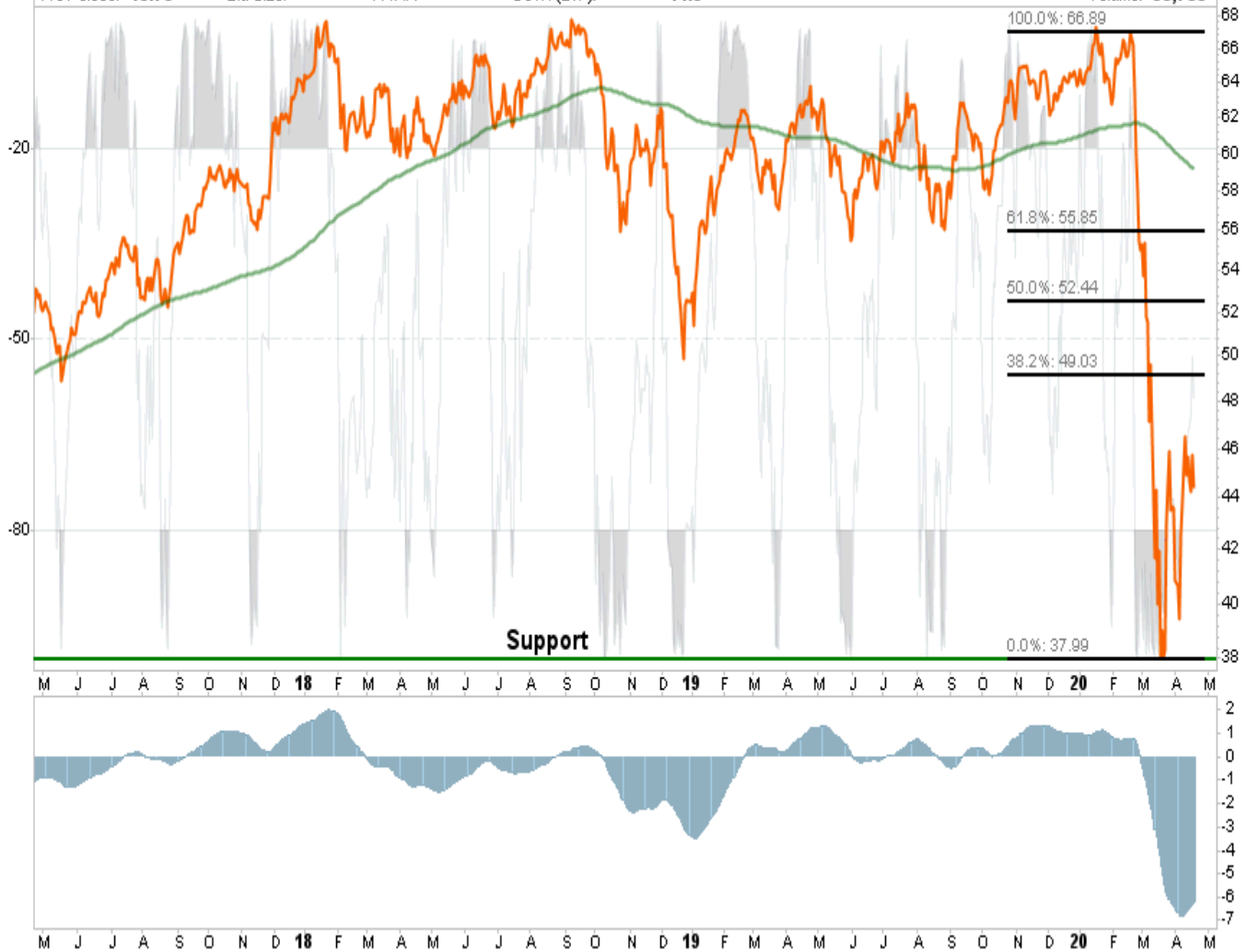


- *In early March, we sold the entire position due to exposure to the economic shutdown from the virus.�*
- *There is no reason at the moment to add back as the earnings damage is about to come. The sector is VERY overbought, so a pullback is likely.�*
- *We are focusing on Staples for the time being but have an alert set to add Discretionary back into portfolios at \$102.50*
- *Short-Term Positioning: Neutral*
 - *Last week: No position*
 - *This week: No position*
- *Long-Term Positioning:�Neutral*

Transportation

Open: **44.50** Ask: P/E: Options: **no**
 High: **45.30** Ask Size: EPS: Annual Dividend: **0.79909**
 Low: **44.00** Bid: Last Size: Yield: **1.80%**
 Prev Close: **45.73** Bid Size: VWAP: SCTR (ETF): **11.5**

▼ **-3.00%**
 Chg: **-1.37**
 Last: **44.36**
 Volume: **33,785**



- We have remained out of the economically sensitive sector as the impact of the "coronavirus" continues to rip through earnings in this sector.�
- The sector is oversold short-term, which could elicit a reflexive bounce. However, such a bounce should be used to sell positions into for now.
- We have an alert set for a trading opportunity at \$40
- Short-Term Positioning: Neutral
 - Last week: No position
 - This week: No position
- Long-Term Positioning:�Bearish