



Sector Buy/Sell Review: 04-28-20

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:

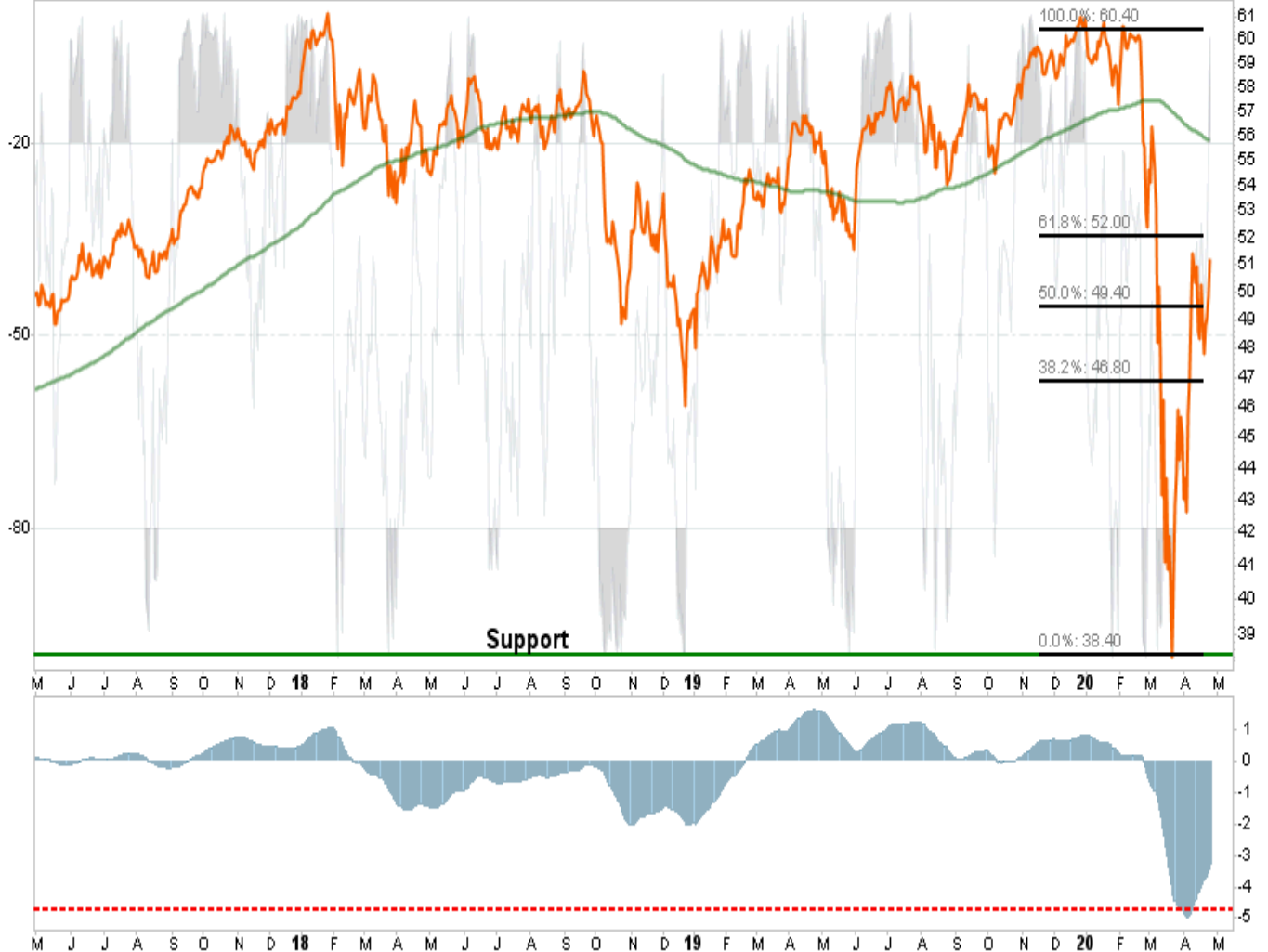
- *The price chart is in orange*
- *The Over Bought/Over Sold indicator is in gray*
- *The Buy / Sell indicator is in blue.*

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: 50.01 | Ask: | P/E: | Options: yes |
| High: 51.38 | Ask Size: | EPS: | Annual Dividend: 1.2442 |
| Low: 49.94 | Bid: | Last Size: | Yield: 2.43% |
| Prev Close: 49.86 | Bid Size: | VWAP: | SCTR (ETF): 61.3 |

▲ **+2.67%**
 Chg: **+1.33**
 Last: **51.19**
 Volume: **4,860,325**



- *XLB rallied on Monday back to previous resistance.*
- *The recent rally has done little to restore confidence in the sector and it is lagging in terms of relative performance. But on a very short-term basis, is back to overbought.*
- *We are looking at a trading position for the "reopening of the economy" as we may see an uptick in initial demand. However, if we do enter a trade, parameters will be very tight.*
- *We have a trading alert set at \$52 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: 49.14 | Ask: | P/E: | Options: yes |
| High: 49.30 | Ask Size: | EPS: | Annual Dividend: 0.46688 |
| Low: 48.92 | Bid: | Last Size: | Yield: 0.95% |
| Prev Close: 48.66 | Bid Size: | VWAP: | SCTR (ETF): 80.6 |

▲ **+0.82%**
 Chg: **+0.40**
 Last: **49.06**
 Volume: **2,022,343**



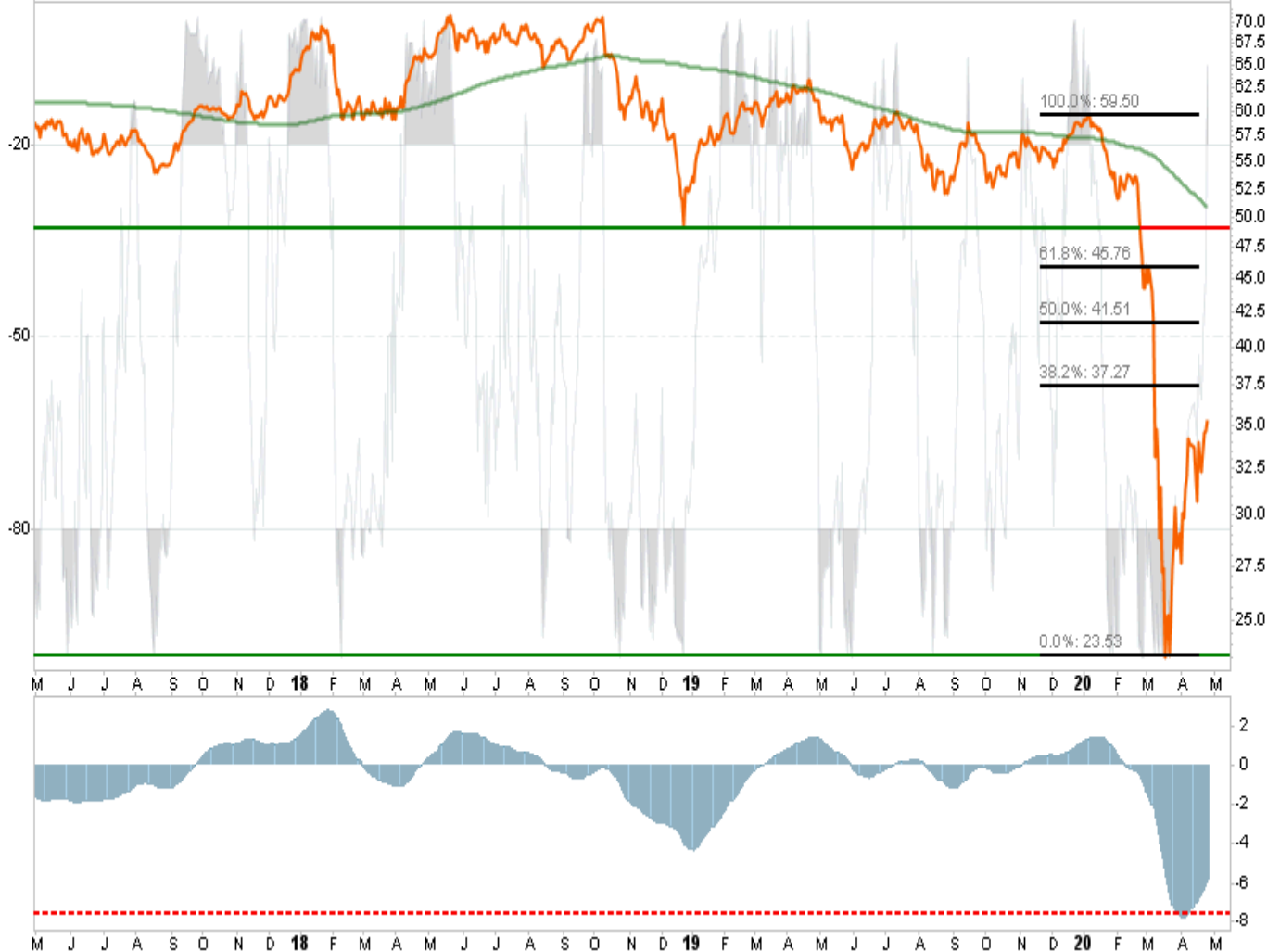
- XLC continues to perform better than the overall market.�
- We added to this sector previously, and the 50% retracement level has been reached.�
- We continue to like the more defensive quality of the sector for now as Communications has an "anti-virus" bid to it, BUT, on a short-term basis it is very overbought. Look for a pullback to add to holdings.
- Our high alert at \$49 was triggered on Monday, so if XLC can hold the breakout we may consider adding to our position.�
- Short-Term Positioning: Bullish
 - Last Week: Hold positions
 - This Week: Hold positions
- Long-Term Positioning: Neutral

Energy

Monday 27-Apr-2020

| | | | |
|--------------------------|-----------|------------|---------------------------------|
| Open: 34.36 | Ask: | P/E: | Options: yes |
| High: 35.62 | Ask Size: | EPS: | Annual Dividend: 2.29602 |
| Low: 33.58 | Bid: | Last Size: | Yield: 6.49% |
| Prev Close: 34.62 | Bid Size: | VWAP: | SCTR (ETF): 7.1 |

| |
|---------------------------|
| ▲ +2.17% |
| Chg: +0.75 |
| Last: 35.37 |
| Volume: 23,275,556 |

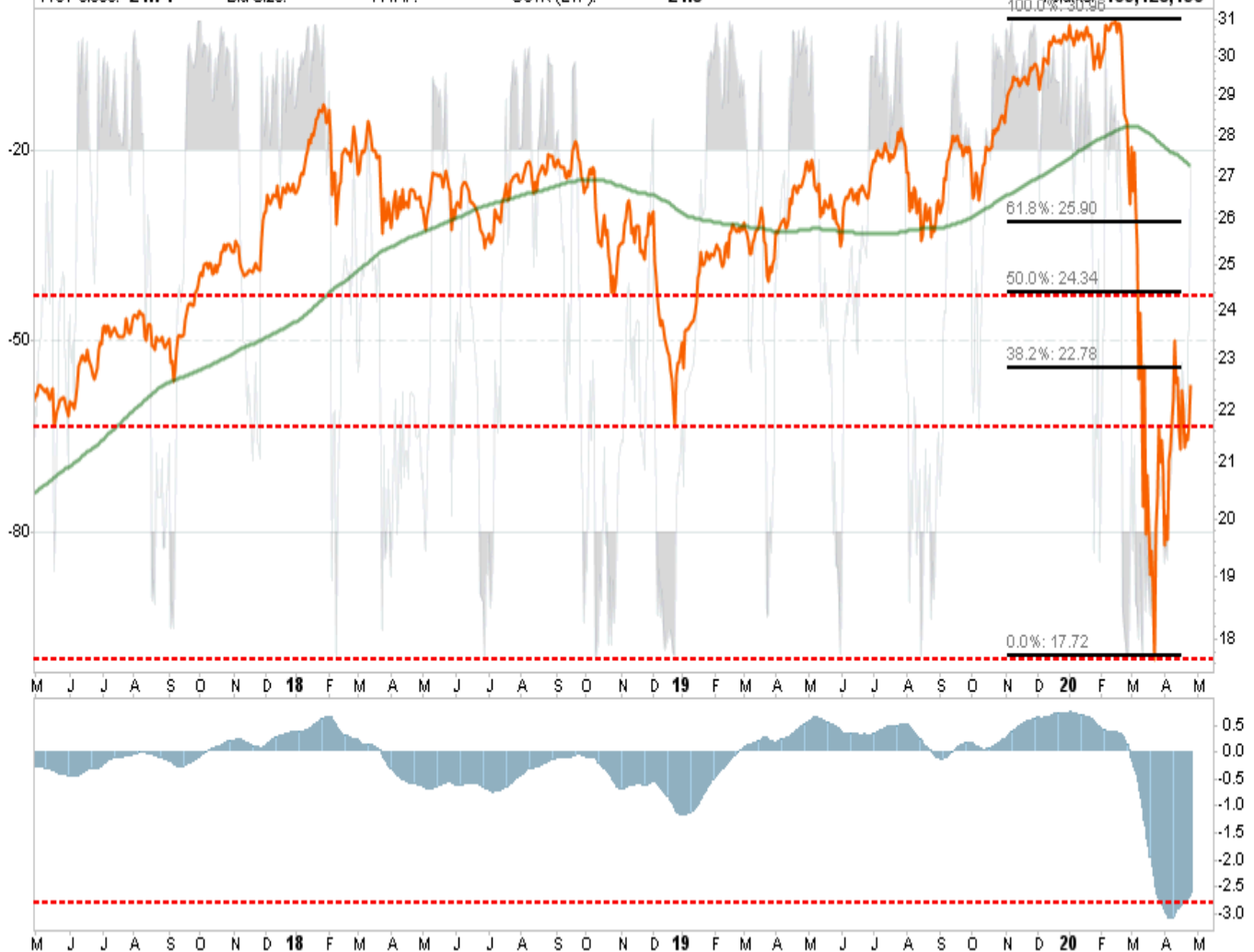


- Oil collapsed again on Monday, but energy stocks have been rallying with investors chasing stocks currently.
- We added a holding of XLE to our sector model (XOM, CVX to the equity model) to trade this current rally. If support can hold we will look to add to our holdings. #2013266080;
- We have a stop-loss alert set at \$30, with a high-alert set at \$37
- Short-Term Positioning: Bearish
 - Last week: Hold positions
 - This week: Added small starter position to XLE.
 - Stop loss is \$30.
- Long-Term Positioning: Bearish

Financials

| | | | | | |
|-------------|--------------|-----------|------------|------------------|----------------|
| Open: | 21.96 | Ask: | P/E: | Options: | yes |
| High: | 22.60 | Ask Size: | EPS: | Annual Dividend: | 0.59932 |
| Low: | 21.92 | Bid: | Last Size: | Yield: | 2.67% |
| Prev Close: | 21.74 | Bid Size: | VWAP: | SCTR (ETF): | 21.8 |

| | |
|---------|--------------------|
| ▲ | +3.40% |
| Chg: | +0.74 |
| Last: | 22.48 |
| Volume: | 109,428,136 |

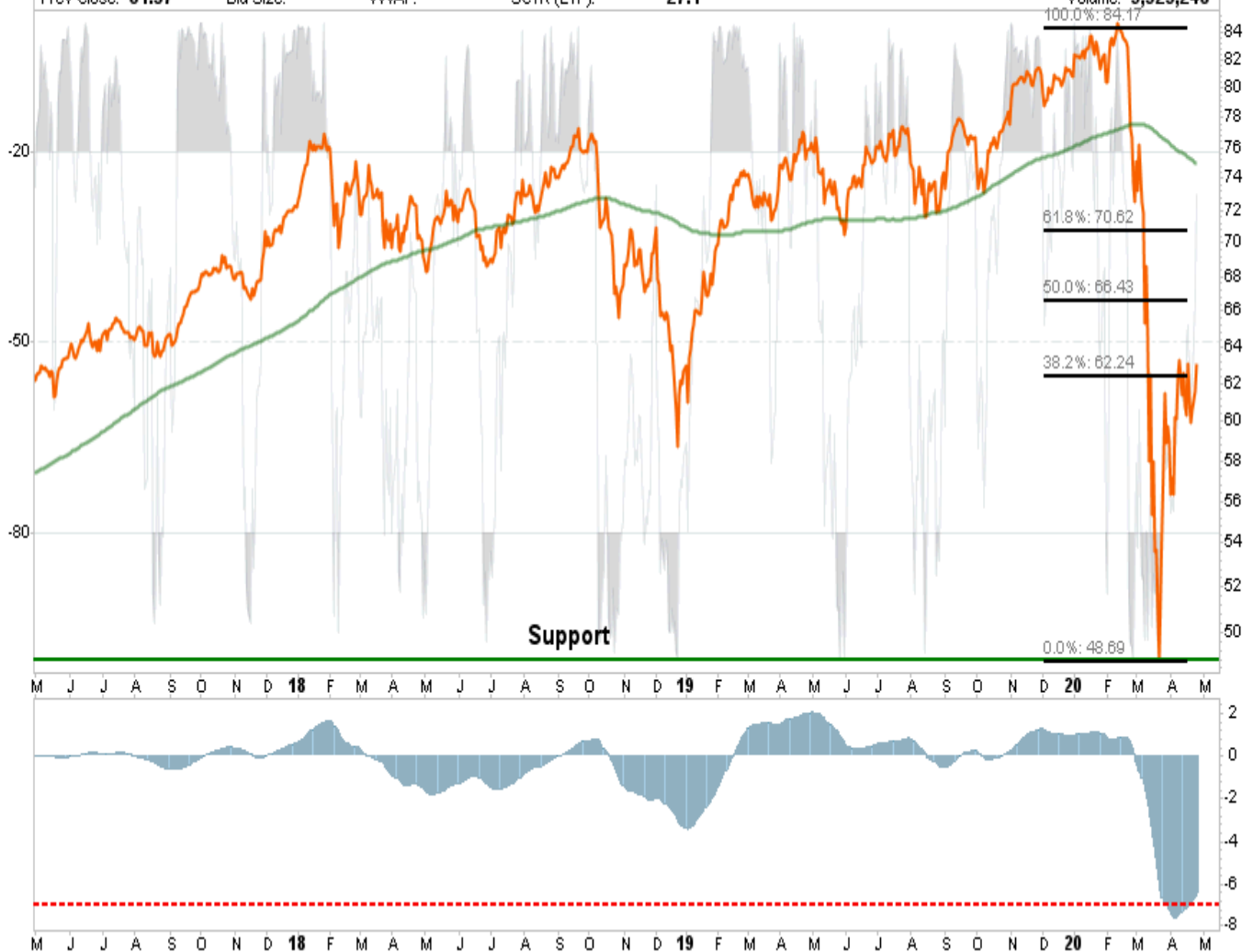


- *Financials have lagged the bear market rally badly. You can't have a bull market without Financials participating.�*
- *We sold out of financials previously and will re-evaluate once the market calms down and finds a bottom.�*
- *Sell this rally. We have an alert set at \$20 to start evaluating holdings.*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

Industrials

| | | | | | |
|-------------|--------------|-----------|------------|------------------|----------------|
| Open: | 62.00 | Ask: | P/E: | Options: | yes |
| High: | 63.49 | Ask Size: | EPS: | Annual Dividend: | 1.55109 |
| Low: | 61.88 | Bid: | Last Size: | Yield: | 2.46% |
| Prev Close: | 61.57 | Bid Size: | VWAP: | SCTR (ETF): | 27.1 |

Monday 27-Apr-2020
 ▲ **+2.48%**
 Chg: **+1.53**
 Last: **63.10**
 Volume: **9,323,240**

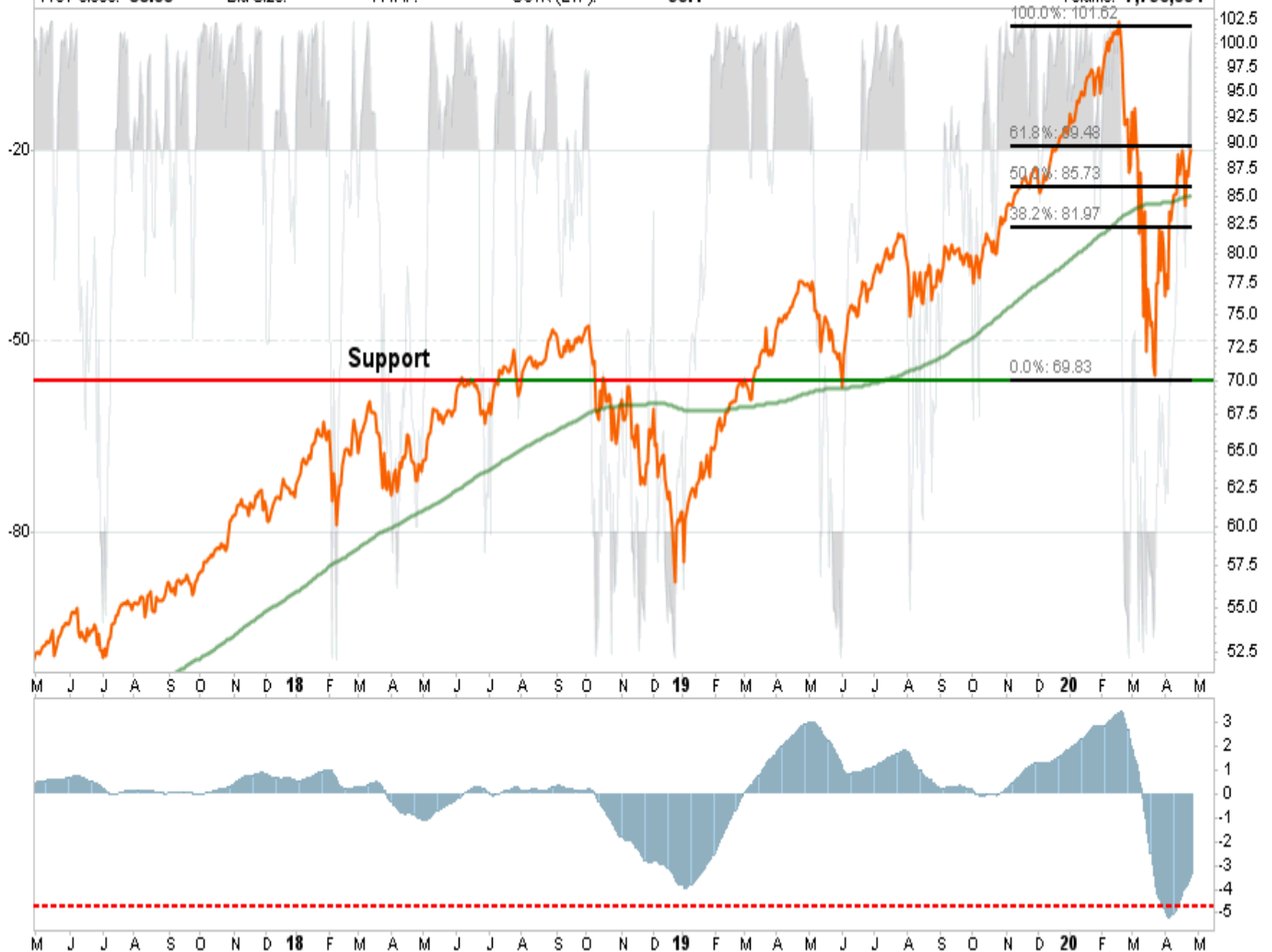


- As with XLB, so goes XLI.
- XLI had a good rally and is again retesting the 32.8% retracement level on Monday. If it can break out above that level, a rally to the 50% retracement becomes more likely.�
- We sold all of our holdings previously and will opt to wait for a better market structure to move back into the sector.�
- We have an alert set at \$58 to evaluate positions
- Short-Term Positioning: Bearish
 - Last week: No position.
 - This week: No position.
- Long-Term Positioning: Bearish

Technology

| | | | | | |
|-------------|--------------|-----------|------------|------------------|----------------|
| Open: | 89.43 | Ask: | P/E: | Options: | yes |
| High: | 89.69 | Ask Size: | EPS: | Annual Dividend: | 1.19716 |
| Low: | 88.85 | Bid: | Last Size: | Yield: | 1.34% |
| Prev Close: | 88.63 | Bid Size: | VWAP: | SCTR (ETF): | 93.4 |

| | |
|---------|------------------|
| ▲ | +0.86% |
| Chg: | +0.76 |
| Last: | 89.39 |
| Volume: | 7,796,034 |



- 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 and that is resistance is holding for now. (Markets are trying to chase other sectors which is symbolic of a late stage advance.)
- If we get a pullback that holds support at the 200-dma and the 50% retracement level, we will look 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: **59.07** Ask: P/E: Options: **yes**
 High: **59.15** Ask Size: EPS: Annual Dividend: **1.60647**
 Low: **58.65** Bid: Last Size: Yield: **2.73%**
 Prev Close: **58.71** Bid Size: VWAP: SCTR (ETF): **75.2**

Monday 27-Apr-2020
 ▲ **+0.29%**
 Chg: **+0.17**
 Last: **58.88**
 Volume: **11,024,009**

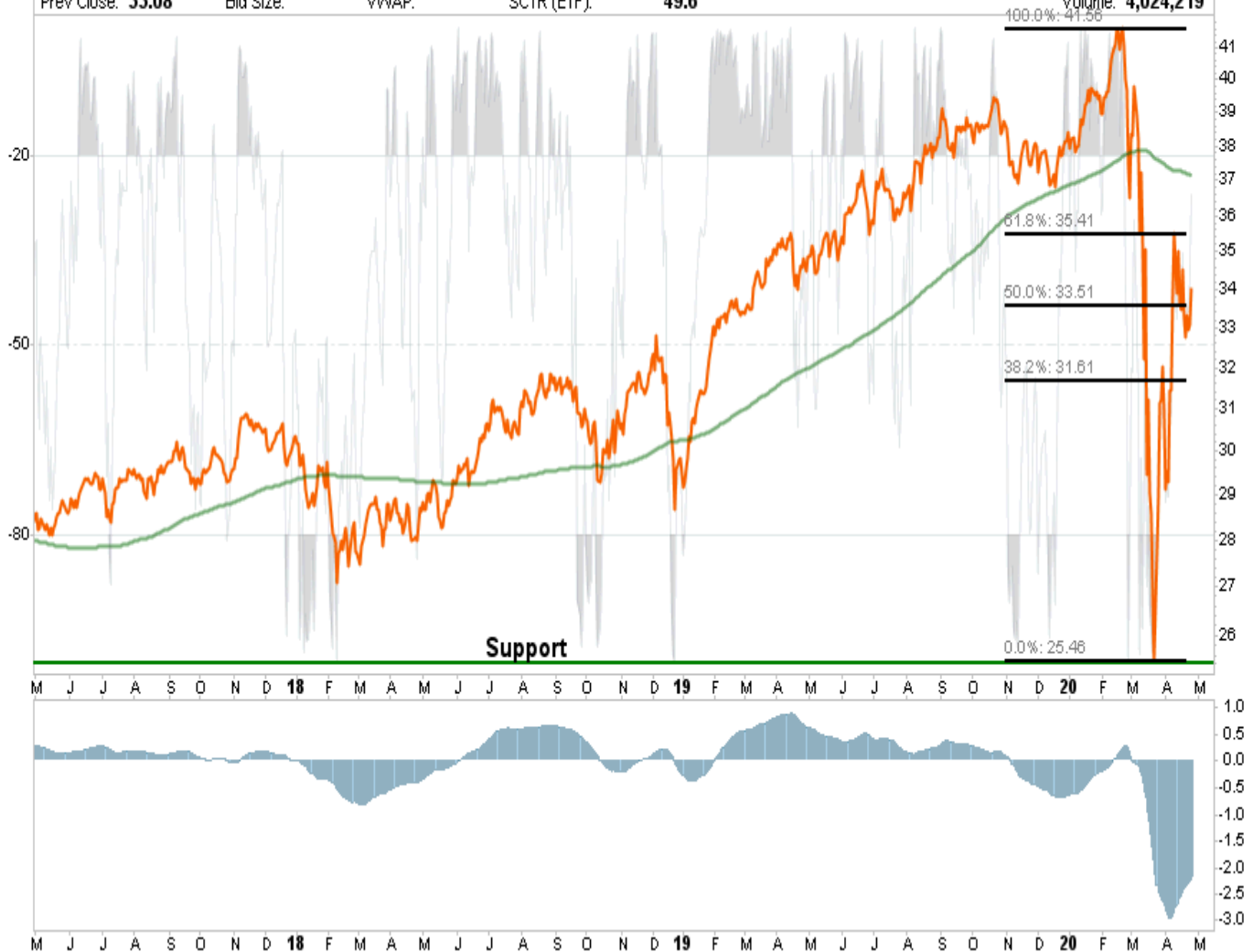


- *XLP also has a very good technical setup currently. The recent rally cleared the 61.8% retracement level and the recent pullback is attempting to test and hold that support.*
- *We will look to add to our holdings if support holds.*
- *We have our alert set at \$59*
- *Short-Term Positioning: Bullish*
 - *Last week: Hold positions*
 - *This week: Holding positions*
 - *Long-Term Positioning: Bullish*

Real Estate

| | | | |
|--------------------------|-----------|------------|---------------------------------|
| Open: 33.35 | Ask: | P/E: | Options: yes |
| High: 34.16 | Ask Size: | EPS: | Annual Dividend: 1.18107 |
| Low: 33.35 | Bid: | Last Size: | Yield: 3.47% |
| Prev Close: 33.08 | Bid Size: | VWAP: | SCTR (ETF): 49.6 |

Monday 27-Apr-2020
 ▲ **+2.90%**
 Chg: **+0.96**
 Last: **34.04**
 Volume: **4,024,219**

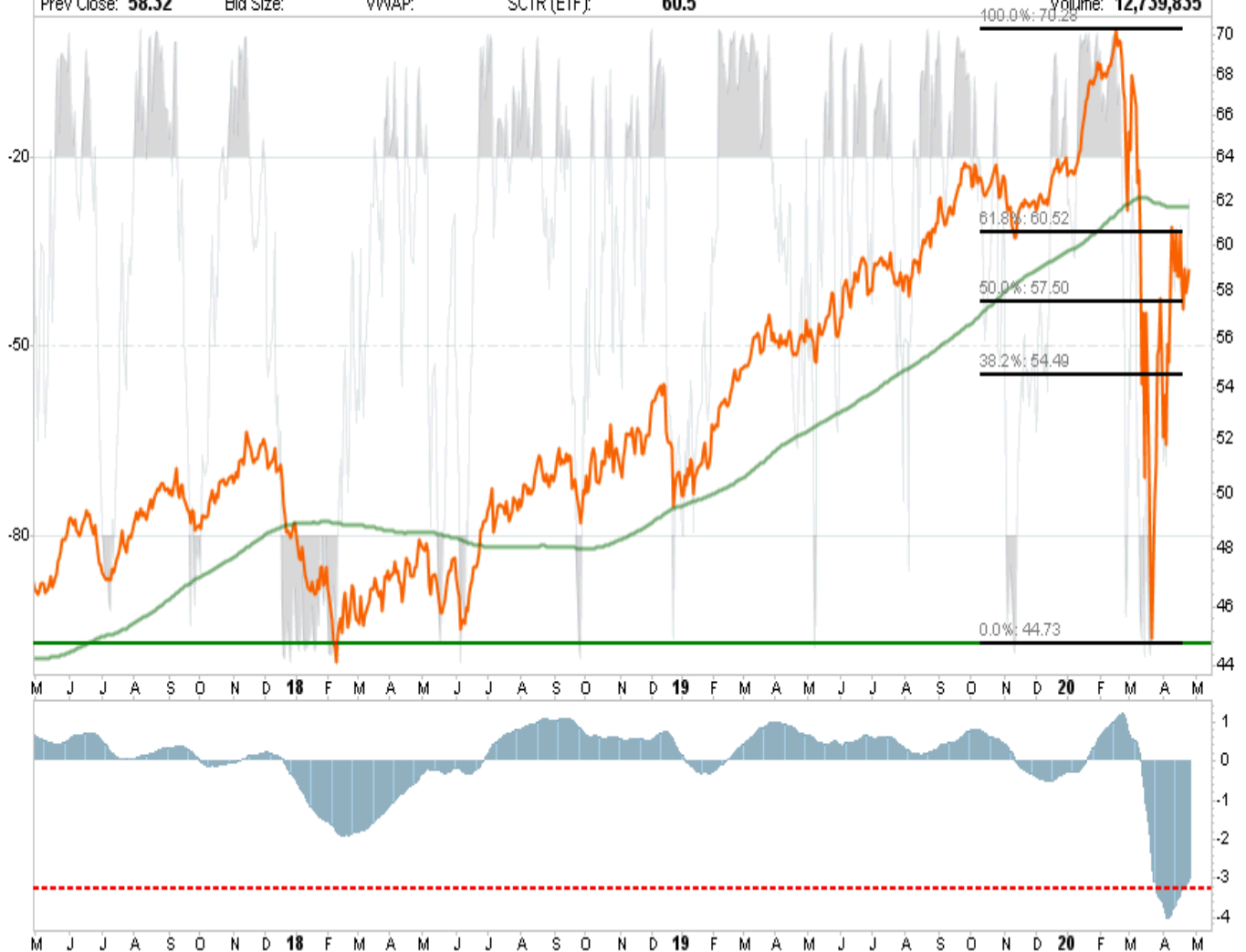


- *XLRE has recently rallied back to the 61.8% retracement level, and failed support at the 50% retracement last week. On Monday, it reclaimed that level.*
- *That level needs to hold this week.*
- *We have a low limit alert at \$32 if lower support is getting threatened.*
- *Short-Term Positioning: Bullish*
 - *Last week: No position*
 - *This week: Be patient.*
- *Long-Term Positioning: Bullish*

Utilities

Open: **58.66** Ask: P/E: Options: **yes**
 High: **59.35** Ask Size: EPS: Annual Dividend: **1.95274**
 Low: **58.60** Bid: Last Size: Yield: **3.31%**
 Prev Close: **58.32** Bid Size: VWAP: SCTR (ETF): **60.5**

Monday 27-Apr-2020
 ▲ **+1.05%**
 Chg: **+0.61**
 Last: **58.93**
 Volume: **12,739,835**



- *XLU ran into the 61.8% retracement level, failed, and has now tested the 50% retracement line and is holding.*
- *If XLU can hold this support, we can look to increase our previous purchase.*
- *We have an alert set at \$58.*
- *Short-Term Positioning: Bullish*
 - *Last week: Hold position.*
 - *This week: Hold position*
- *Long-Term Positioning: Bullish*

Health&Care

Open: **100.99** Ask: P/E: Options: **yes**
 High: **102.01** Ask Size: EPS: Annual Dividend: **1.58174**
 Low: **100.83** Bid: Last Size: Yield: **1.56%**
 Prev Close: **100.29** Bid Size: VWAP: SCTR (ETF): **96.7**

▲ **+1.29%**
 Chg: **+1.29**
 Last: **101.58**
 Volume: **8,022,079**



- *XLV has been a non-stop train breaking above, the 50% and 62.8% retracement levels, the 200-dma and is now heading back to all-time highs.*
- *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 \$95 to add to our holdings.*
- *Short-Term Positioning: Neutral*
 - *Last week: Hold positions*
 - *This week: Look to add*
- *Long-Term Positioning: Bullish*

Discretionary

| | | | | |
|---------------------------|-----------|------------|---------------------------------|--------------------------|
| Open: 113.40 | Ask: | P/E: | Options: yes | Monday 27-Apr-2020 |
| High: 115.09 | Ask Size: | EPS: | Annual Dividend: 1.65172 | ▲ +1.87% |
| Low: 113.29 | Bid: | Last Size: | Yield: 1.44% | Chg: +2.10 |
| Prev Close: 112.25 | Bid Size: | VWAP: | SCTR (ETF): 80.9 | Last: 114.35 |
| | | | | Volume: 4,118,897 |



- *Discretionary is performing better now and with the break above the 50% retracement level becomes more interesting.*
- *The sector is VERY overbought, so a pullback is likely, but there is a trading opportunity to the 200-dma.*
- *We are focusing on Staples for the time being but have an alert set to add Discretionary as a trading position at \$110.00*
- *Short-Term Positioning: Neutral*
 - *Last week: No position*
 - *This week: No position*
- *Long-Term Positioning: Neutral*

Transportation

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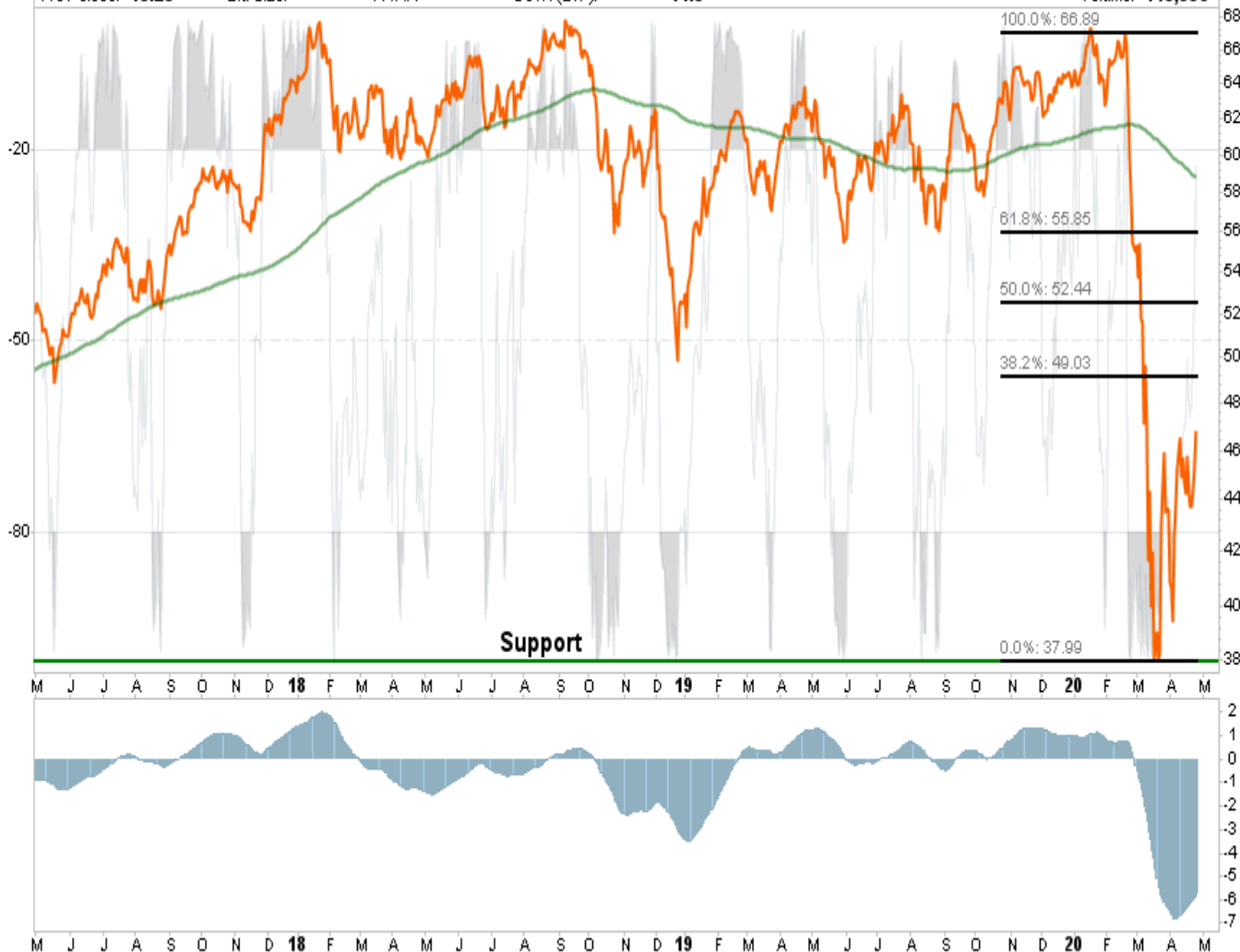
XTN SPDR S&P Transportation ETF NYSE

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Monday 27-Apr-2020

| | | | |
|--------------------------|-----------|------------|---------------------------------|
| Open: 45.49 | Ask: | P/E: | Options: no |
| High: 47.30 | Ask Size: | EPS: | Annual Dividend: 0.79909 |
| Low: 45.49 | Bid: | Last Size: | Yield: 1.71% |
| Prev Close: 45.25 | Bid Size: | VWAP: | SCTR (ETF): 14.5 |

▲ **+3.53%**
Chg: **+1.60**
Last: **46.85**
Volume: **113,396**



- 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 set at \$44
- Short-Term Positioning: Neutral
 - Last week: No position
 - This week: No position
- Long-Term Positioning:�Bearish