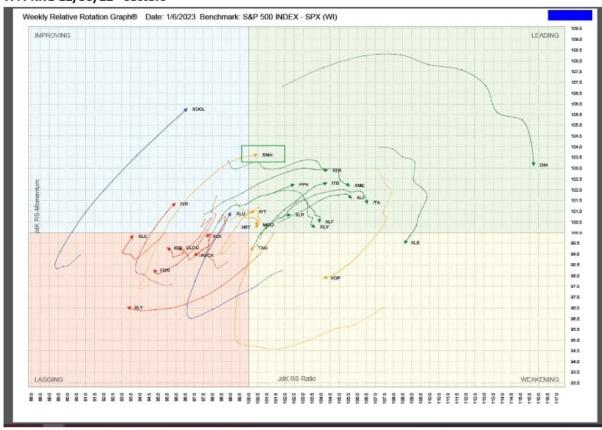


SEMIs are Poised to Outperform

This week?s TPA-RRG report finds SMH (SEMI) ranked #3 out of 27 sectors. SMH has now ranked 3 or 4 in the past 4 weeks. The RRG for U.S. sectors (below) shows that SMH is in a perfect position to continue to outperform, having worked its way out of the Lagging quadrant, through the Improving quadrant, and just entering the Leading quadrant.

	12/9/22	12/16/22	12/23/22	12/30/22
Rank	Code	Code	Code	Code
1	MOO	PPH	PPH	IYT
2	XRT	XLB	XLB	PPH
3	XLB	IYT	SMH	XLU
4	IYT	SMH	MOO	SMH
5	SMH	MOO	SOCL	SOCL
6	PPH	SOCL	IYR	IYR
7	SOCL	XRT	IYT	XRT
8	ITA	XLI	XRT	MOO
9	XLI	ITB	ITA	XLI
10	ITB	XLP	XLI	XLP
11	XLP	XME	ITB	ITB
12	XME	OIH	XME	XLB
13	XOP	XLE	XLV	XME
14	OIH	XLF	OIH	OIH
15	XLF	ITA	XLE	ITA
16	XLV	XLV	XLF	XLF
17	XLE	IYR	XLP	XLV
18	XLK	XLK	XLU	TAN
19	IYR	HACK	XLK	HACK
20	HACK	FDN	CLOU	FDN
21	CLOU	CLOU	TAN	CLOU
22	FDN	IGV	FDN	XLC
23	IGV	XLC	XLC	XLK
24	XLC	XLU	HACK	IGV
25	XLY	XOP	IGV	XLE
26	XLU	TAN	XLY	XLY
27	TAN	XLY	XOP	XOP

TPA-RRG 12/30/22 - sectors



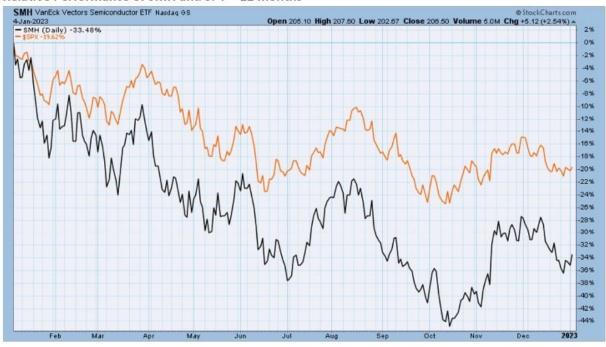
The chart of the ratio SMH/SPY has broken out of its steep 1-year downtrend and is poised to move higher (chart 1). Chart 2 shows that, even after the recent rally, SMH is still down 33% in the past 12 months, whereas SPY is only down 19% in the same timeframe.

TPA has identified 6 stocks that show large upside potential and have recently broken out from their long-term downtrend. They are ASML, AMAT, INTC, AMD, TER, and SWKS. The charts at the bottom of the report show their positive potential in 3 ways.





Relative Performance of SMH and SPY - 12 months



ASML, AMAT, INTC, AMD, TER, SWKS

1. The following 2 charts show a basket of the 6 SEMI stocks as they move above the long-term downtrend line.

6 Stock SEMI Basket



6 Stock SEMI Basket - zoom



The following 2 charts show the ratio of the 6 SEMI stock basket/SPY (S&P500). Like the ratio of SMH/SPY, the 6stock basket/SPY has also broken out. as they move above the long-term downtrend line.





Ratio of 6 Stock SEMI Basket/SPY - zoom



Finally, TPA provides the charts of the 6 focus SEMI stocks below. Each one has risen above its steep long-term downtrend; leaving a lot of upside potential.





ASML



AMAT



TER



INTC



AMD

