



**SG Capital Research**

Global Market Insights

## **Research Note – Sector – ETF Analysis (D )**

**MAEG – WKLY SECTOR ETF ANALYSIS SG 2010 # SEPT 16**

**For Immediate Release – *Thursday AM (EST)***

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### **Sector Analysis**

Analysis includes “ Technical Pattern Recognition, Price & Volume Analysis, Correlation Analysis. We have picked up charts that has some distinct characteristics and values as the pattern gets completed based on our assessment:

- Attached is Chart list & Charts below
- Selected Sector may have (1) up to (6) Analytic Charts as Titled below
  1. SETUP charts Weekly – 3 Year with RSI, CCI, MACD (11 W / 40 W ) SMA
  2. SETUP charts Daily – 3 Year with RSI, CCI, MACD ( 11D / 55D) SMA
  3. **Technical & Pattern Analysis & Price / volume Analysis**
  4. **Correlation Ratio Analysis with SPX by Trend time Basis**
  5. Correlation Ratio Analysis with SPX by 365 days Basis
  6. Trend Reversion Analysis – Long Trend Chart

**The highlighted Charts above have special situation for the specific Sector highlighted in the list below**

## Sector List

- TLT
- SPX ( For Benchmark purposes only)
- XLF
- XRT
- XLV
- XLB
- SMH
- EEM
- XLE
- XLK
- XLI
- XLU
- XLP
- XLY
- BTK
- IYT

## SPX – “Our Current Signals & Projections”

- *On 26<sup>th</sup> Aug – POM 13 was triggered at 1045 SPX ( we hit a low of 1039) and since then SPX rallied +5.2% during our signal*
- *On 3<sup>rd</sup> Sept, Our Indicators conformed POM 14 – Re Run @ SPX 1100,( currently SPX at 1104)*
- *All price actions on upside should remain under the upper part of Confluence Zone around 1110 ( i.e. 34 W MA underneath and Fibonacci @ 50% ( wkly / daily )and several others cross current creek areas. (As per the charts Indicated in earlier Reports). This would be actionable area.*
- *But the extension could very well happen to 1125 as market tends to extend in both directions*

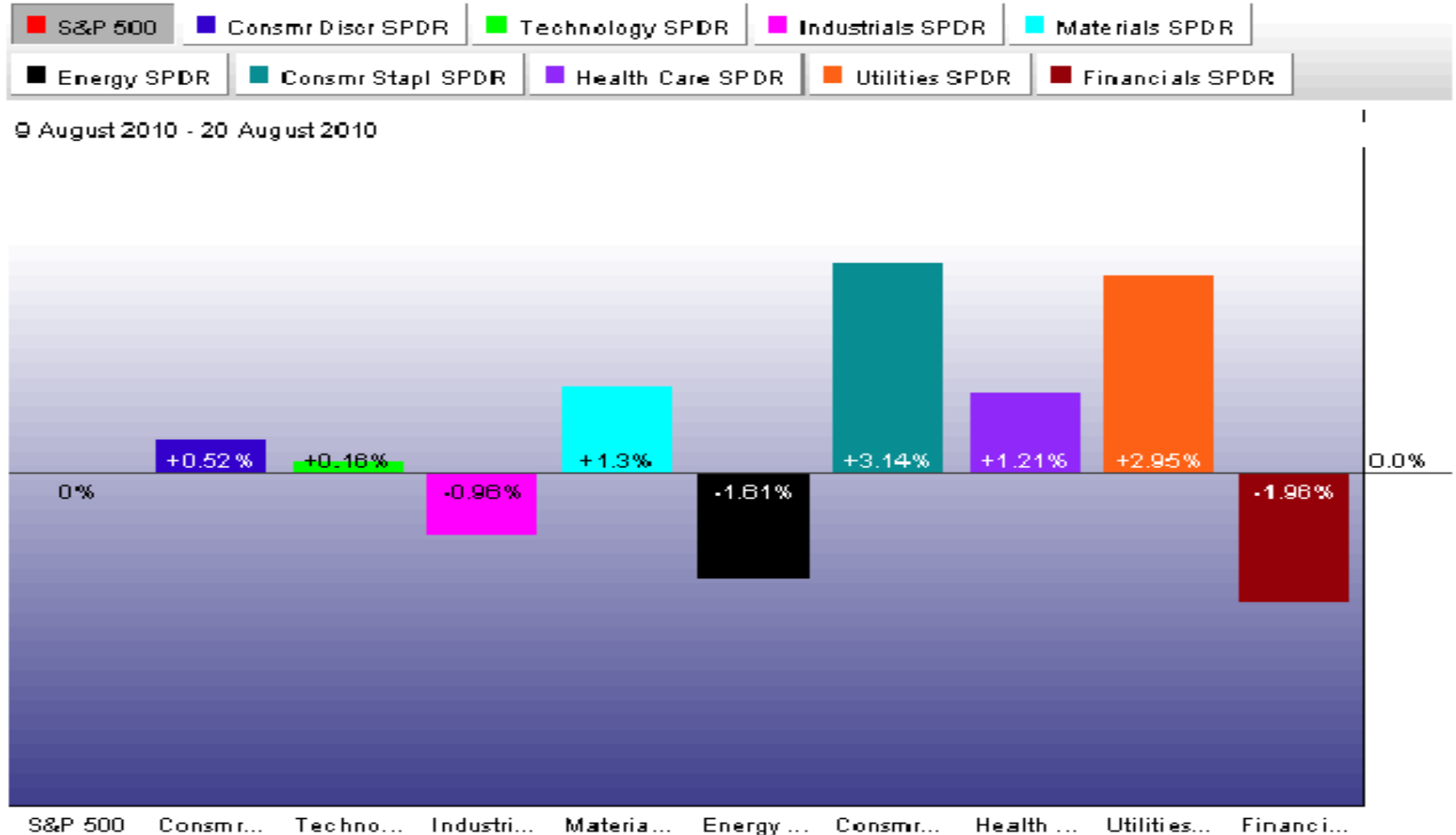
## Weekly Sector wise Net Exposures collectively

**(-27%) v/s (-52 ) v/s (- 35) % of past 3 weeks ( SETUP # 2&4)**

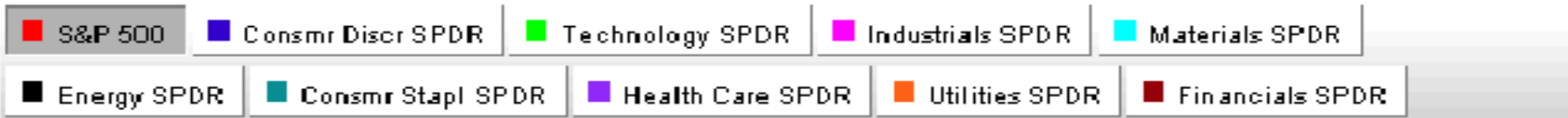
Sector	Net Exposure	Total No. of Stocks
XLB	0%	0
XLE	-100%	3
XLF	13%	16
XLI	-50%	12
XLK	-100%	2
XLP	50%	8
XLV	-67%	6
XLY	-75%	8
Primary Index Net Exposure	-27%	

## Sector Analysis – for BEST & WORST - Sector Pairs v/s SPX -

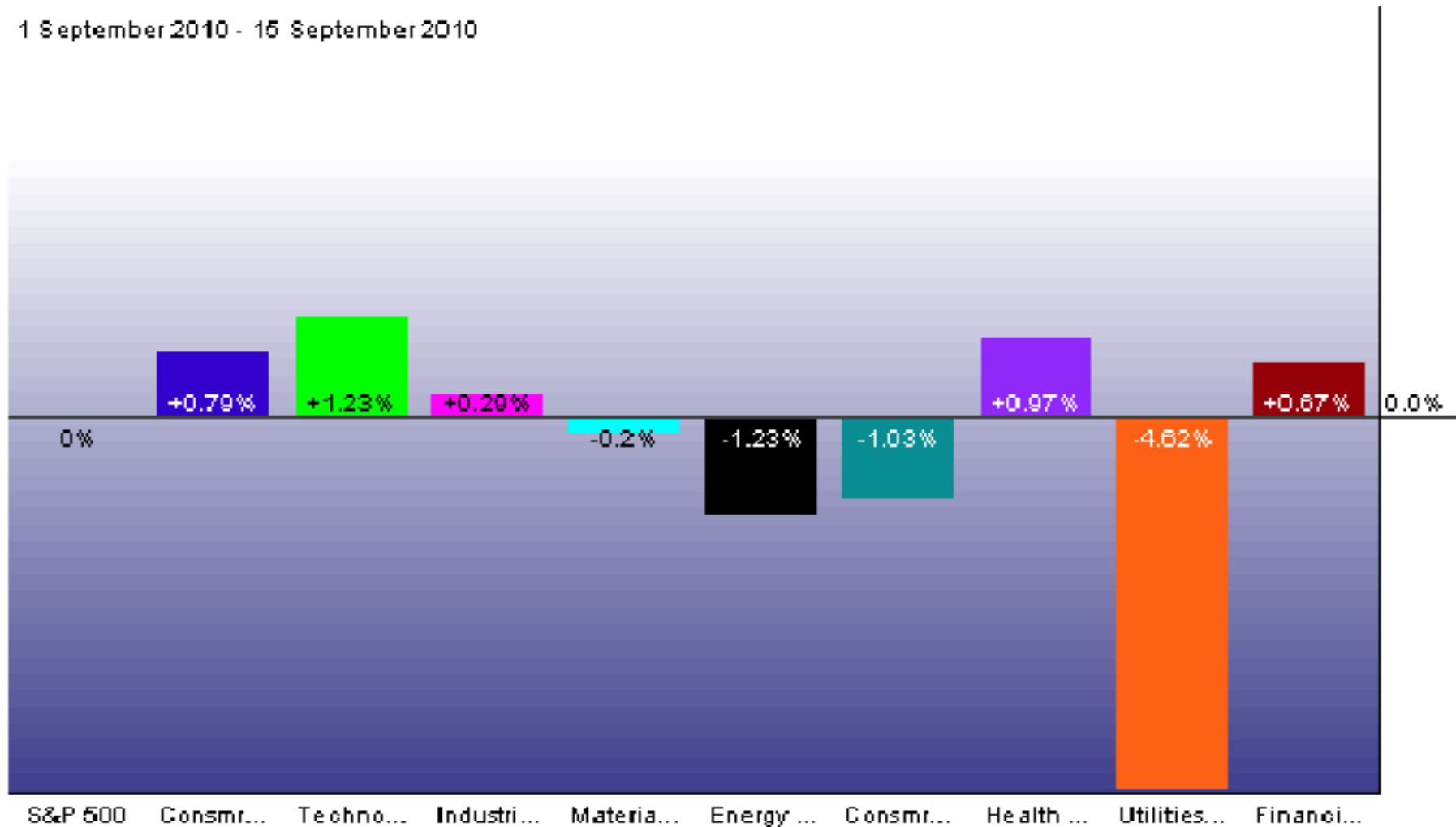
- Sector comparisons – From SPX 1120 to 1060 – Latest Drop



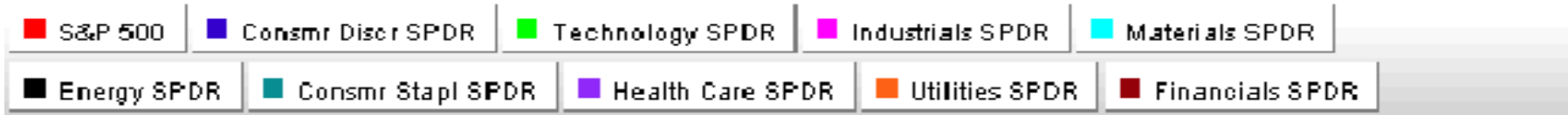
- Sector comparisons – From SPX 1060 to 1120 – latest Rise**



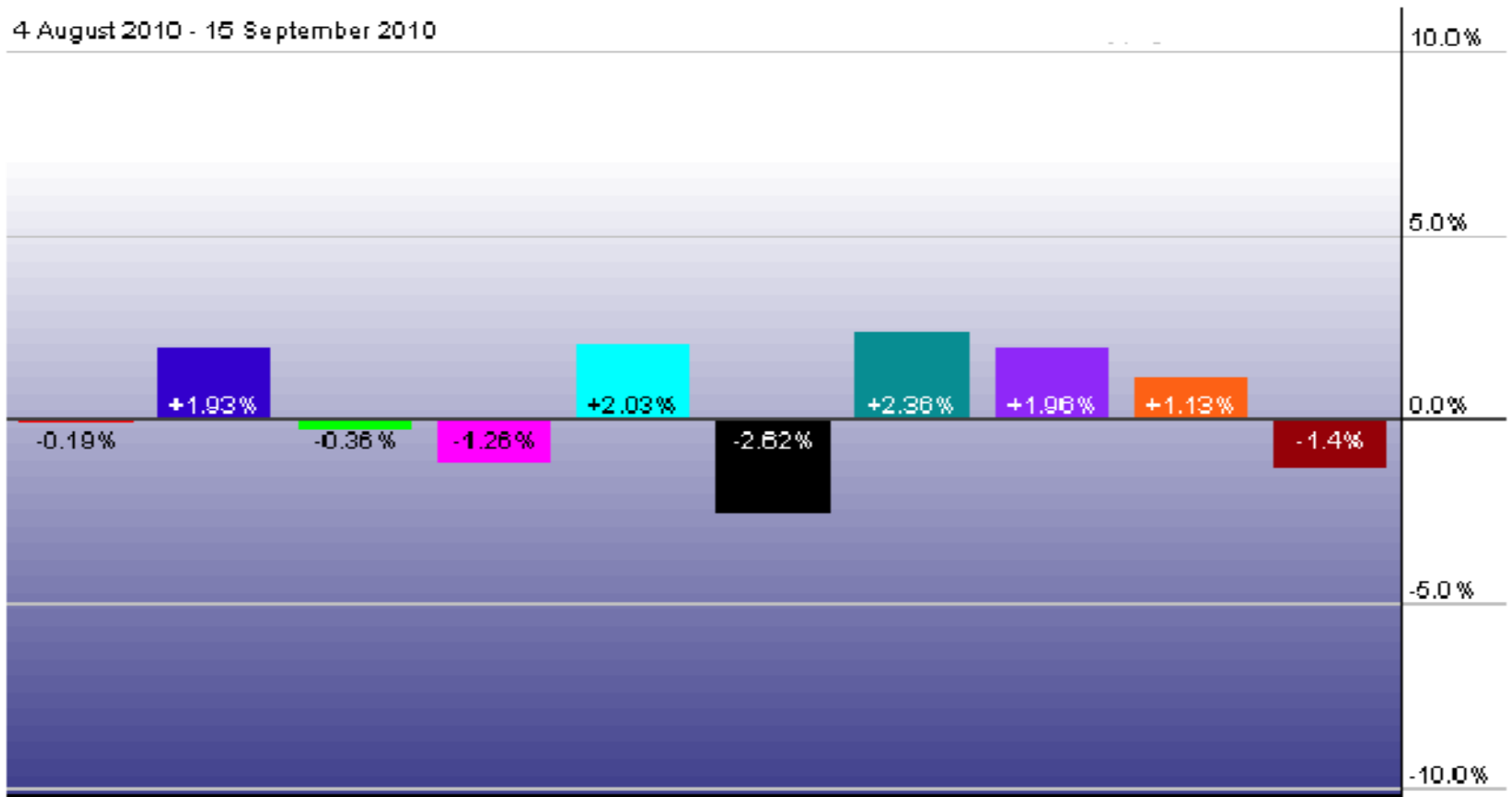
1 September 2010 - 15 September 2010



- Sector comparisons – From SPX 1120 to 1120 - Flat ( Rise & Drop round trip)**



4 August 2010 - 15 September 2010



S&P 500    Consmr...    Techno...    Industri...    Materia...    Energy...    Consmr...    Health ...    Utilities...    Financi...

# 1- TLT - Weekly & Daily – 3 Year with RSI, CCI, MACD

**(11 W / 40 W SMA)**



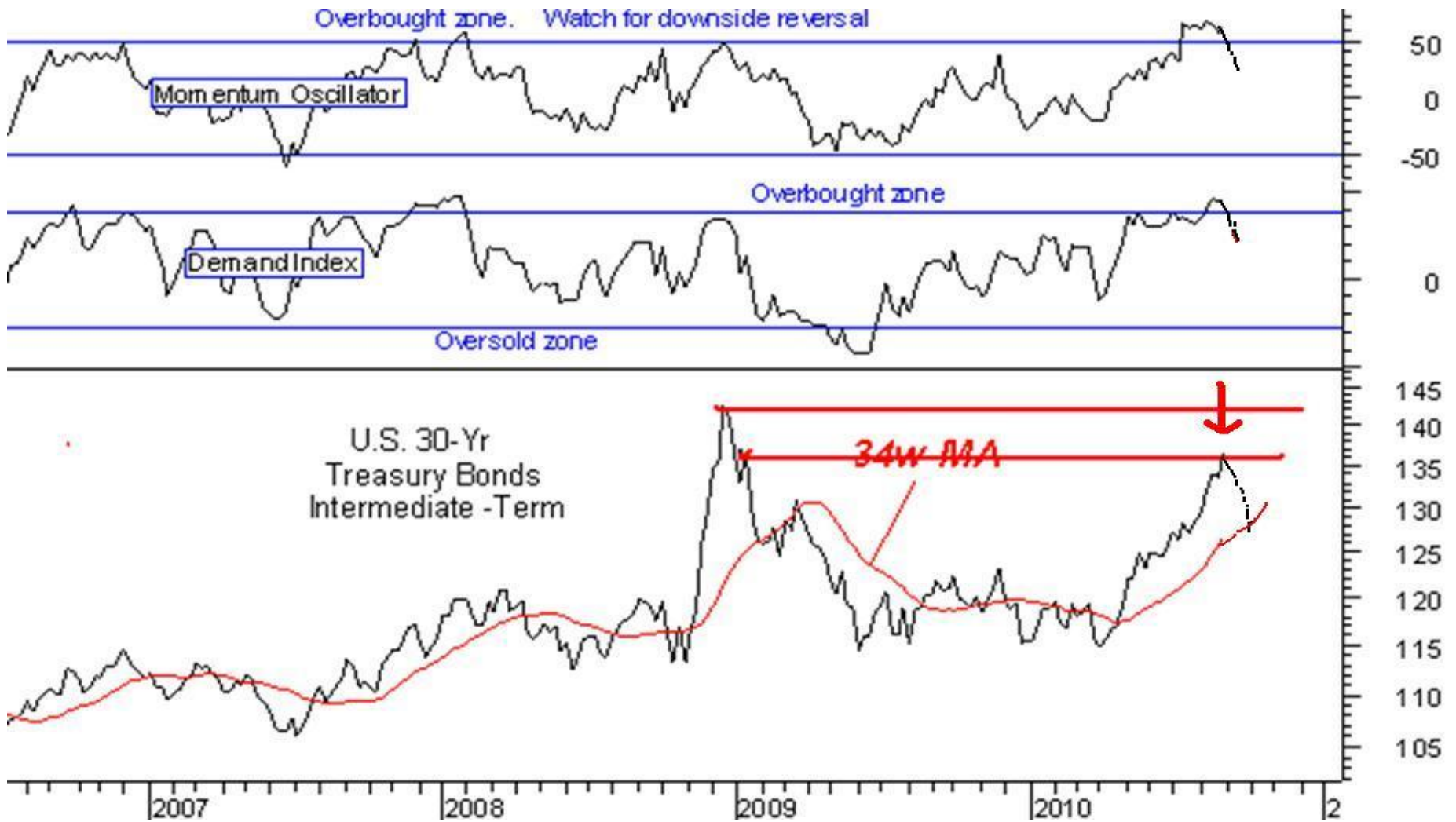
## 2- TLT - Weekly & Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)





# 1- U.S. Treasury Bonds – Technical & Pattern Analysis & Price / Volume ( LT)

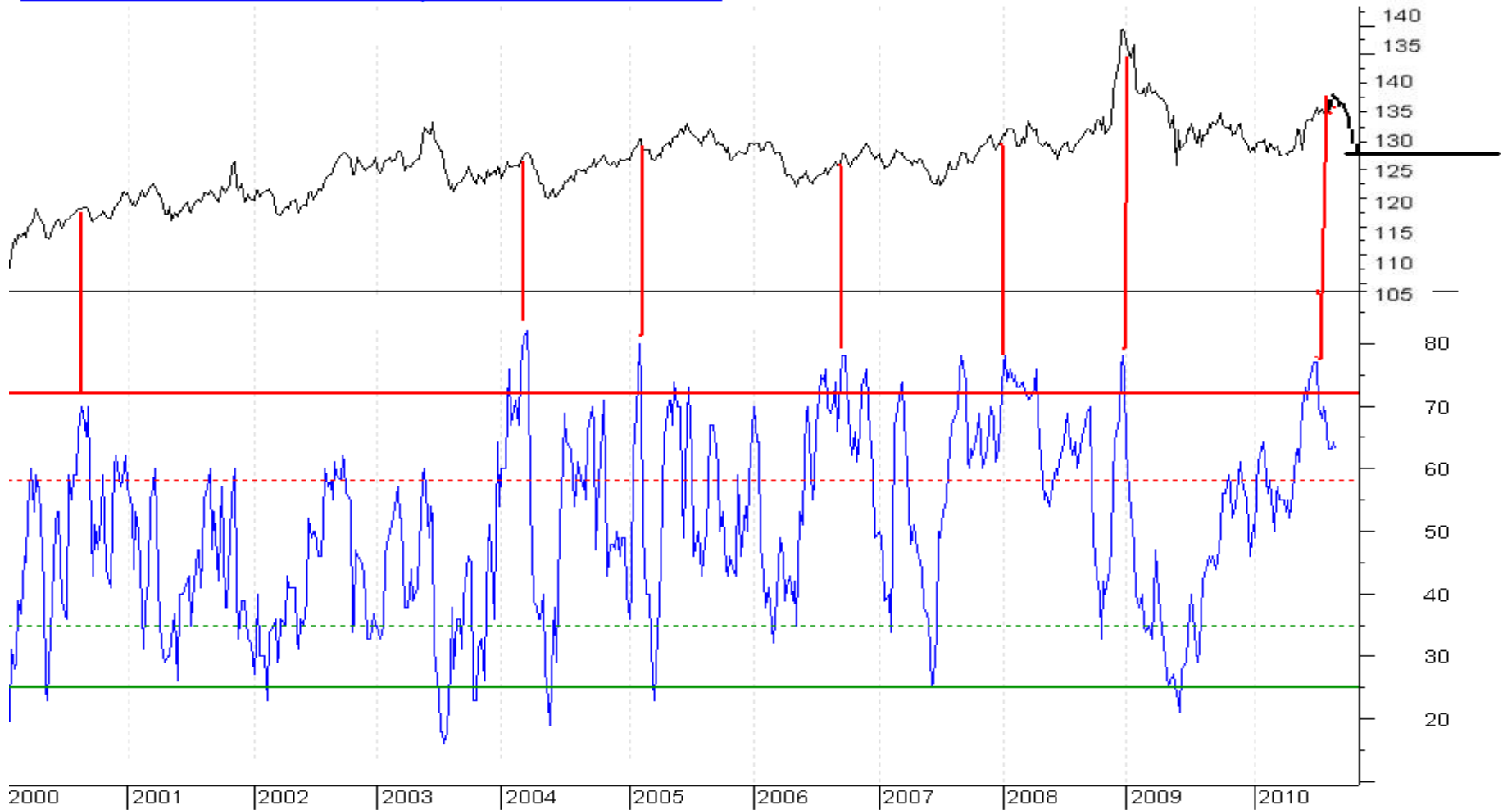
From last week , we had Indicated the Bonds were at nose bleed at 136 with all characters of overbought conditions now back down to Short term Equilibrium point at 130



# U.S. Treasury Bonds – Sentiment Indicator at extremes – **Proved its Merit.**

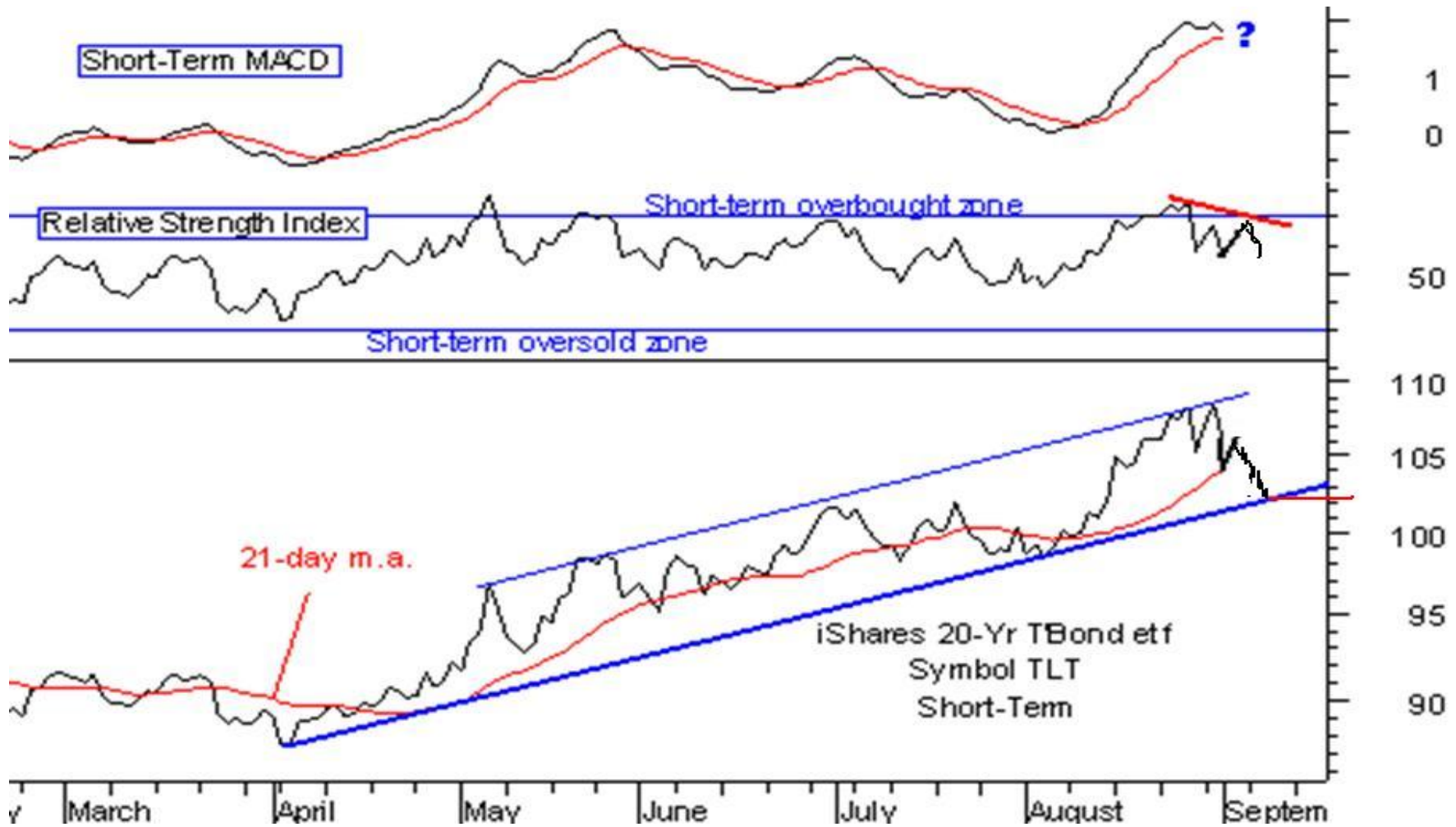
T-BOND CONSENSUS, INC. BULLISH %

September 9, 2010

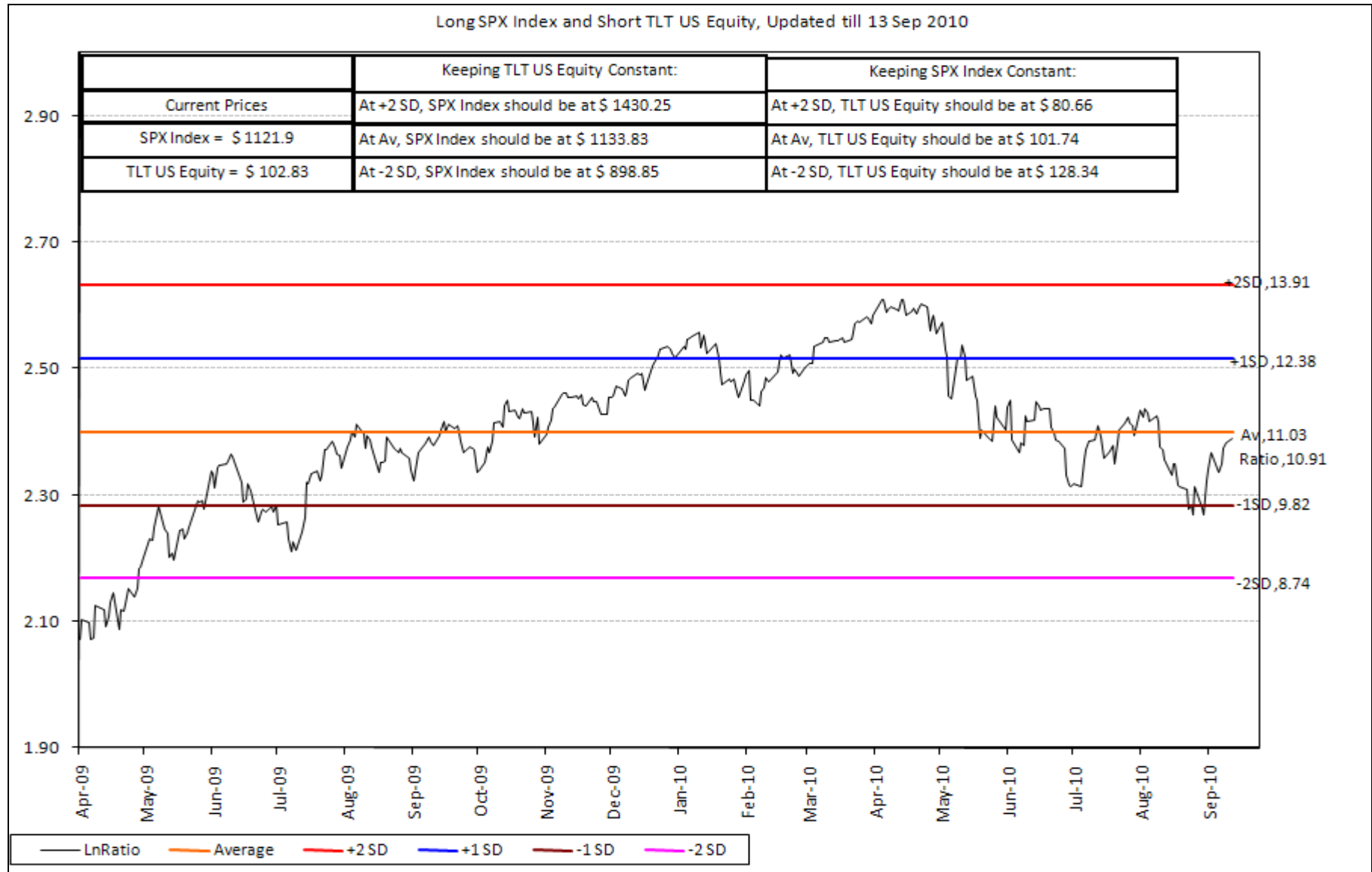


# 1- TLT- Technical & Pattern Analysis & Price / Volume ( ST)

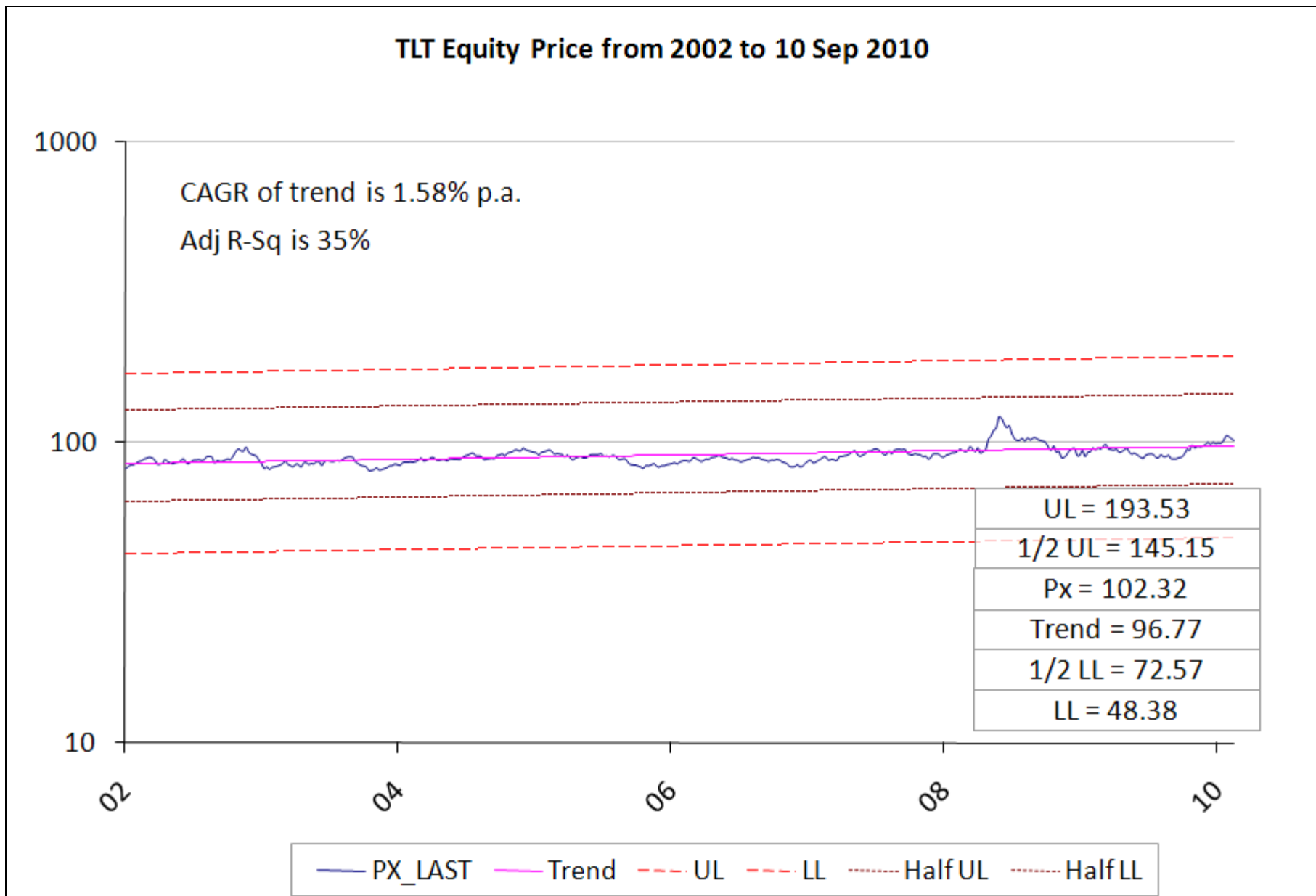
**TLT pulled back to Channel Trend line 102 from 109 during the Bond decline**



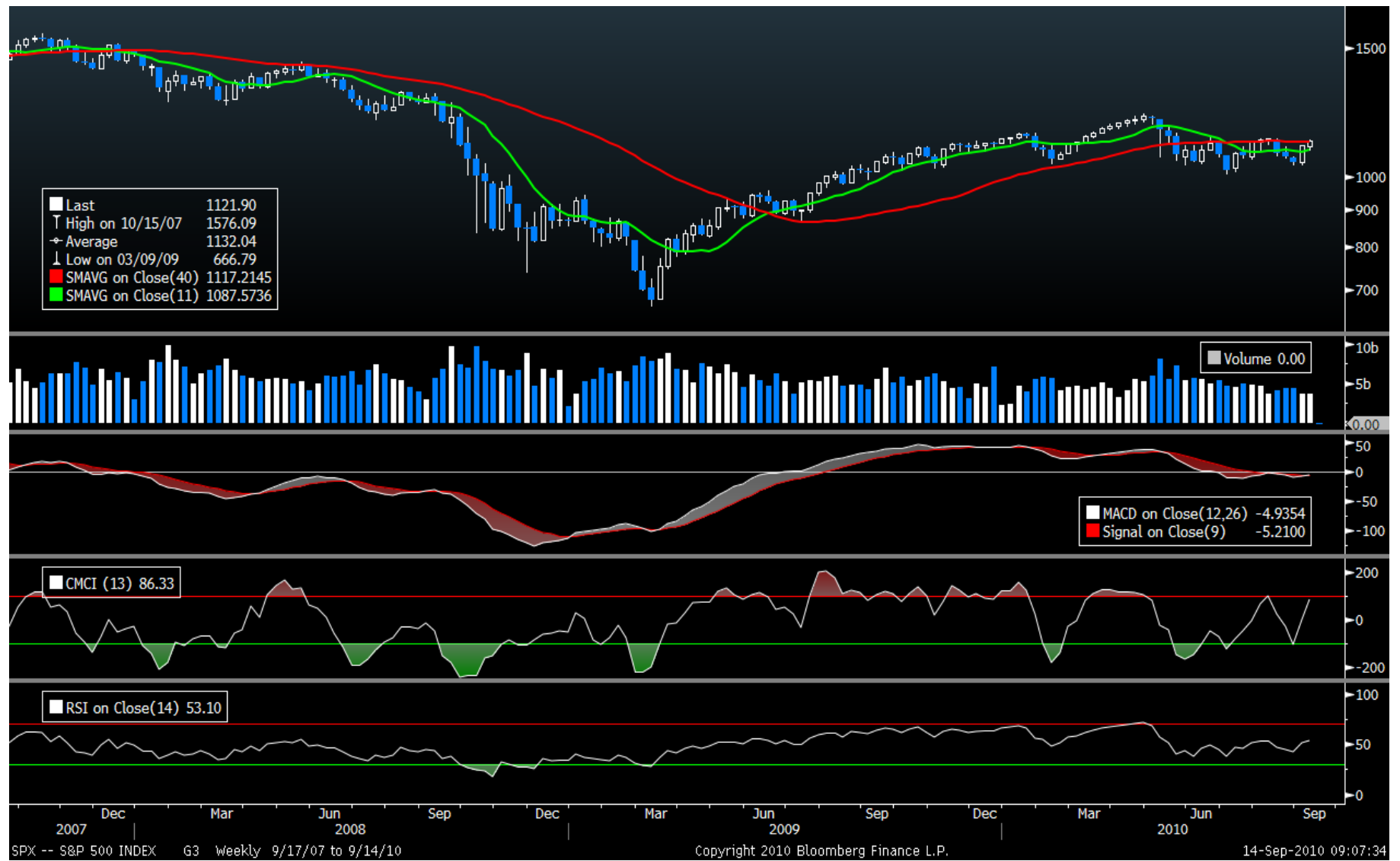
# 1- TLT – Correlation Ratio Analysis with SPX – 365 days Time basis



**TLT – Trend Reversion Analysis – Long Term - Adj R –SQ is below our benchmark 70%**



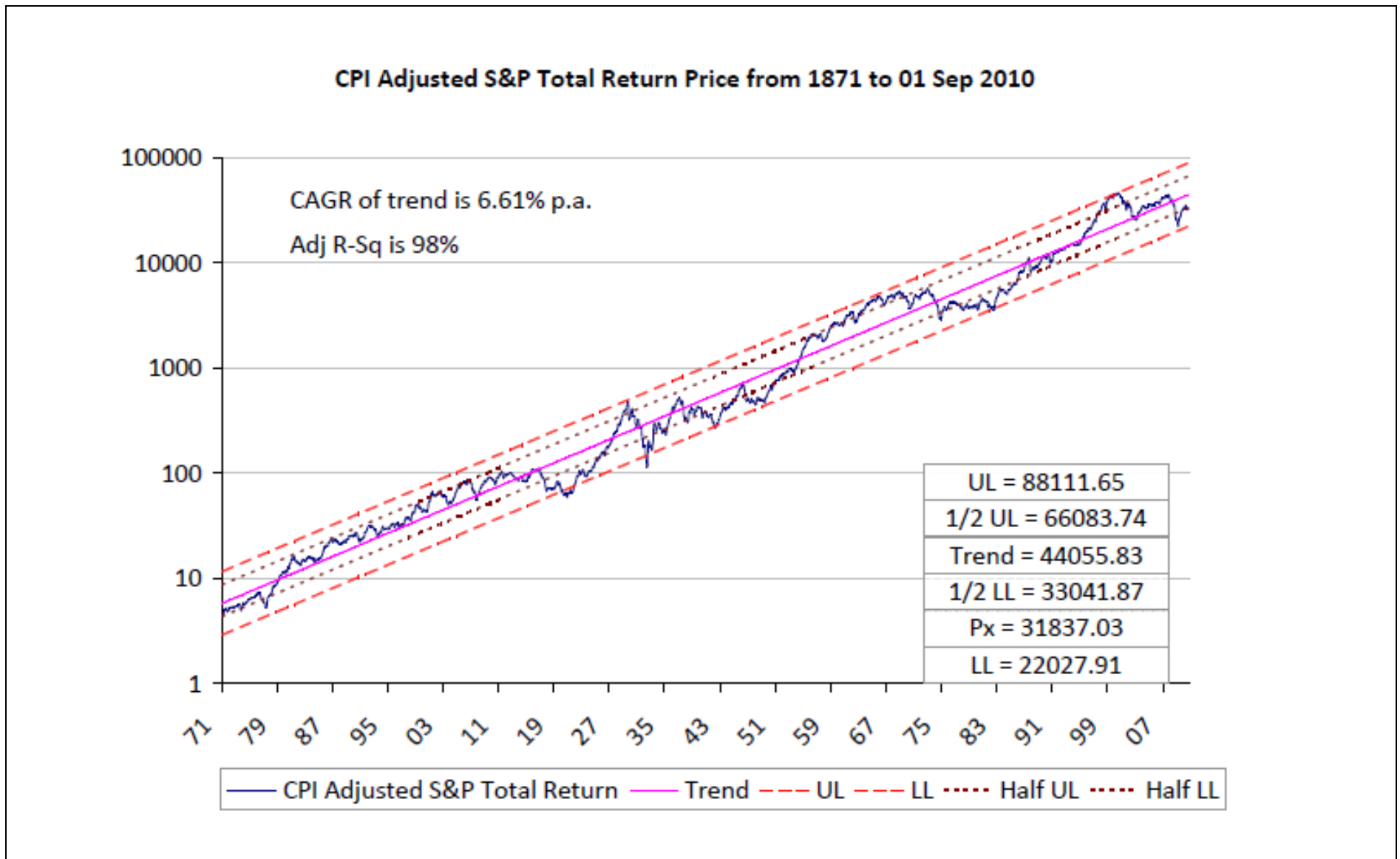
# 1- SPX - Weekly- 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)



# SPX - Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)

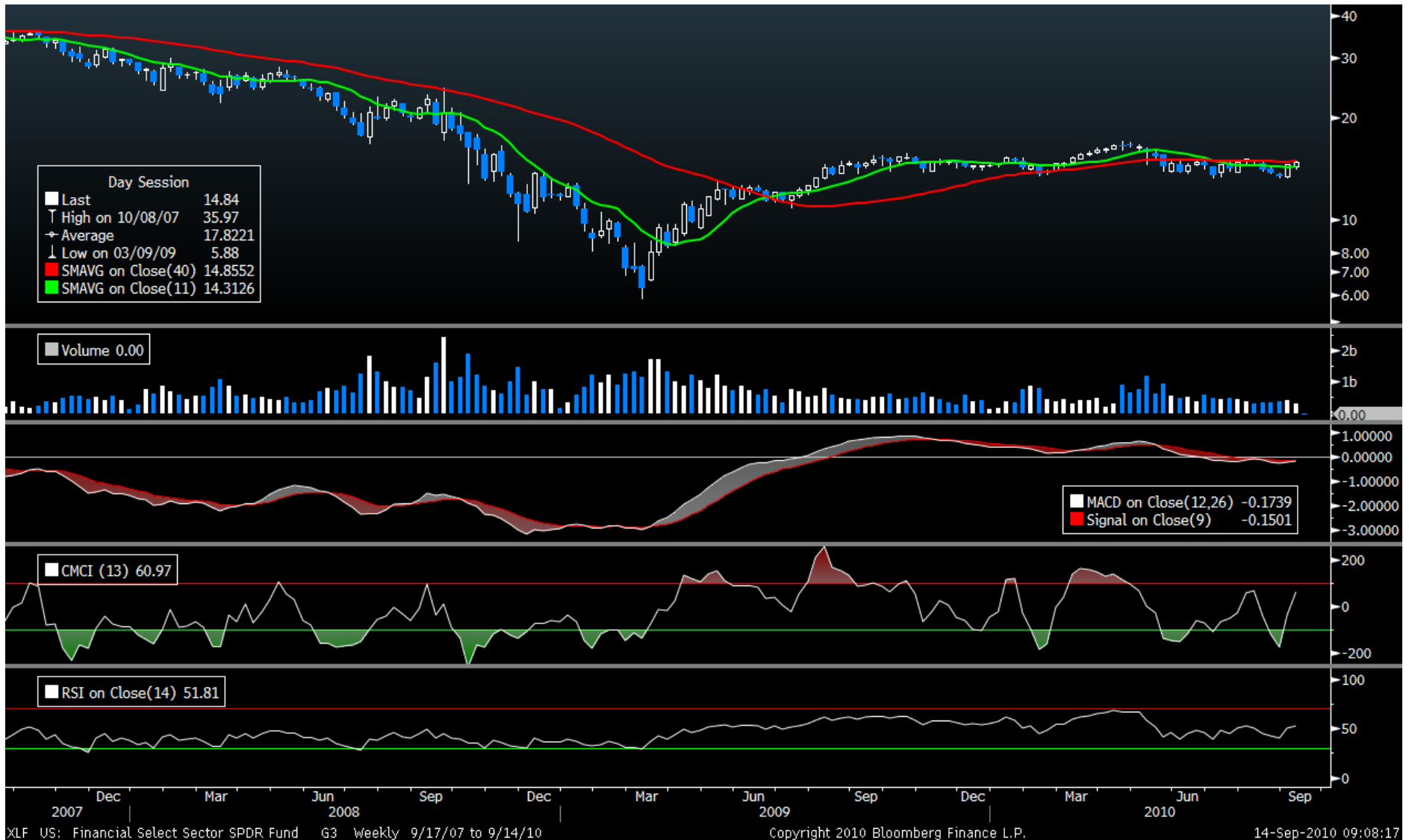


## 2 Trend Reversion Analysis – Long Trend Chart





# 1 - XLF- Weekly- 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)



# XLF Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)

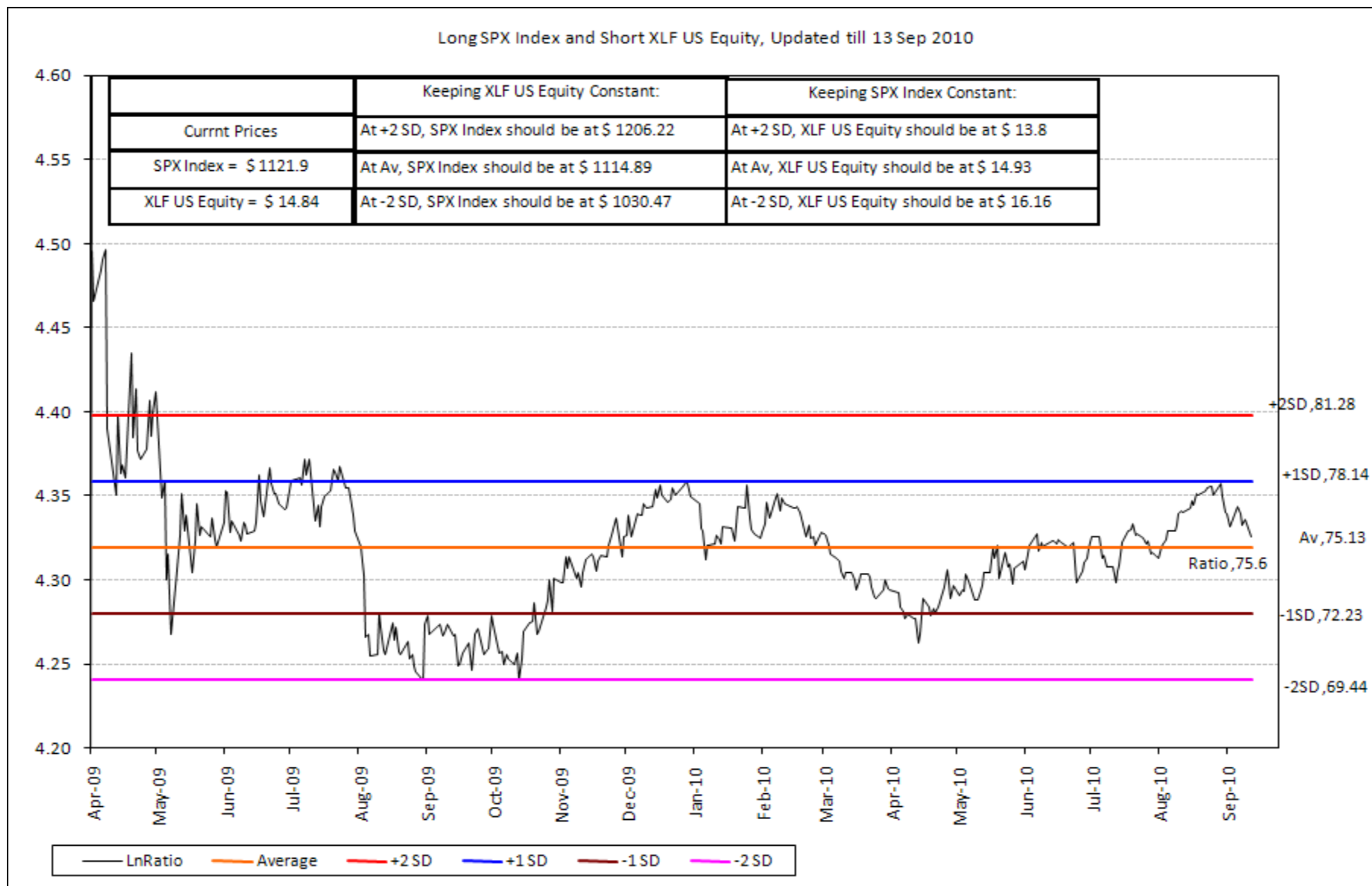


## XLF – Technical & Pattern Analysis & Price / Volume

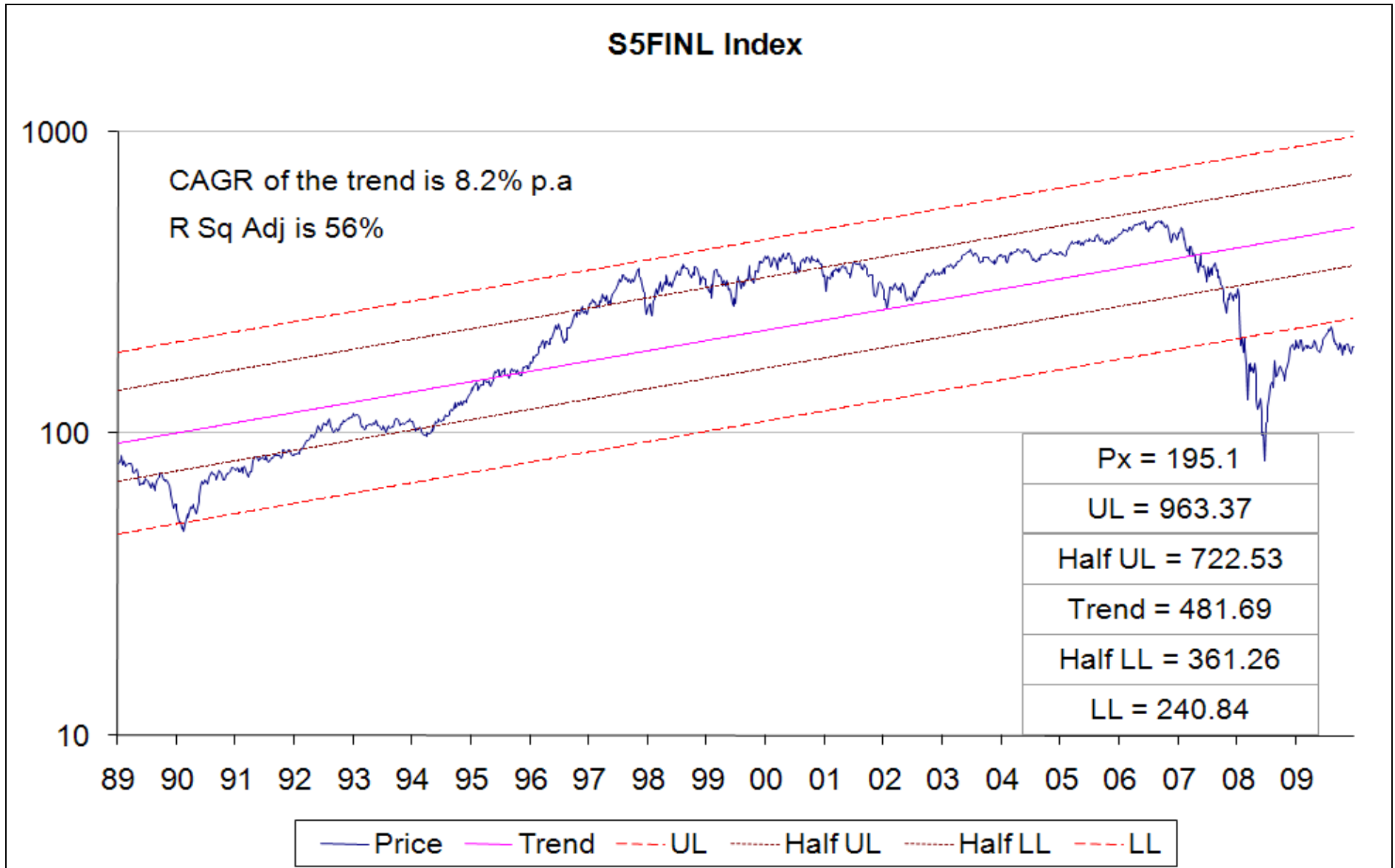
XLF near resistance that extends back to June . XLF has been locked in a trading range the last 3 months.



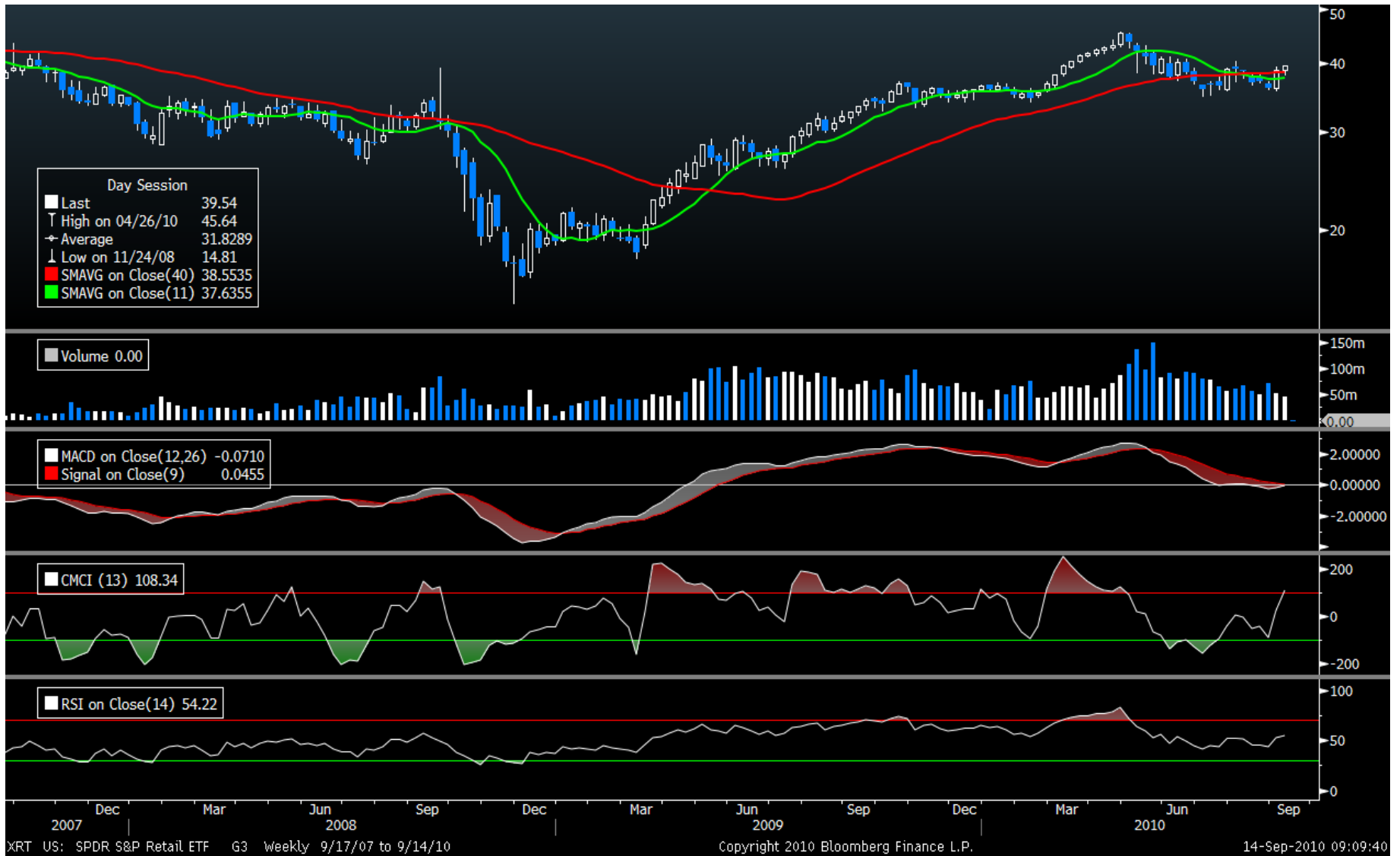
## 2- XLF – Correlation Ratio Analysis with SPX – 365 days Time basis



**XLFF – Trend Reversion Analysis – Long Term - Adj R –SQ is below our benchmark 70%**



**1 - XRT - Weekly- 3 Year with RSI, CCI, MACD**  
**(11 W / 40 W SMA)**



## 2 - XRT - Daily - 3 Year with RSI, CCI, MACD (11D / 55D)



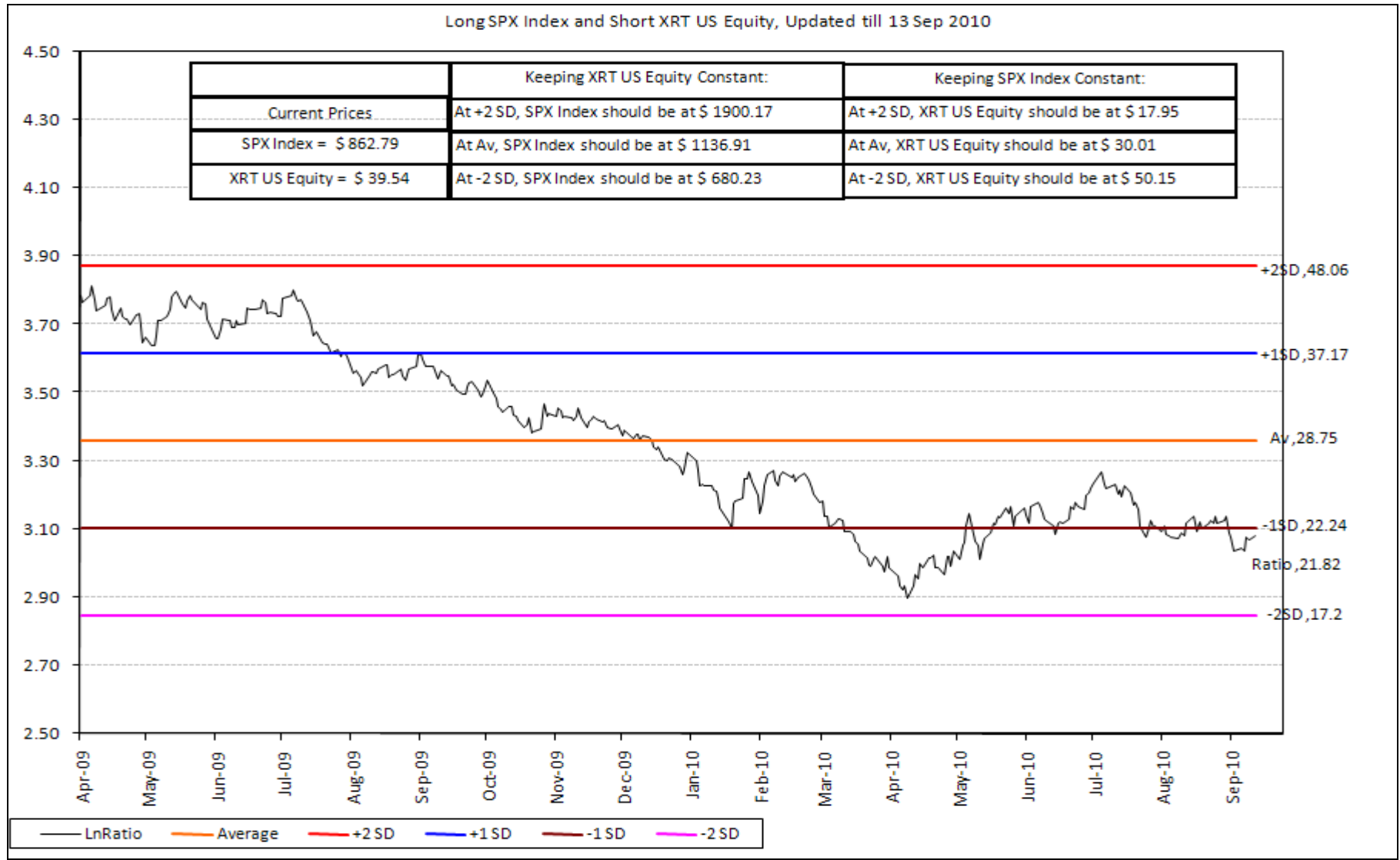
## 2 - XRT – Technical & Pattern Analysis & Price / Volume

(XRT) last week we showed a bullish cross above EMA's and now testing the highs. . XRT / SPX Ratio is beginning to strengthen up . Sometimes this group moves at the end of the trend

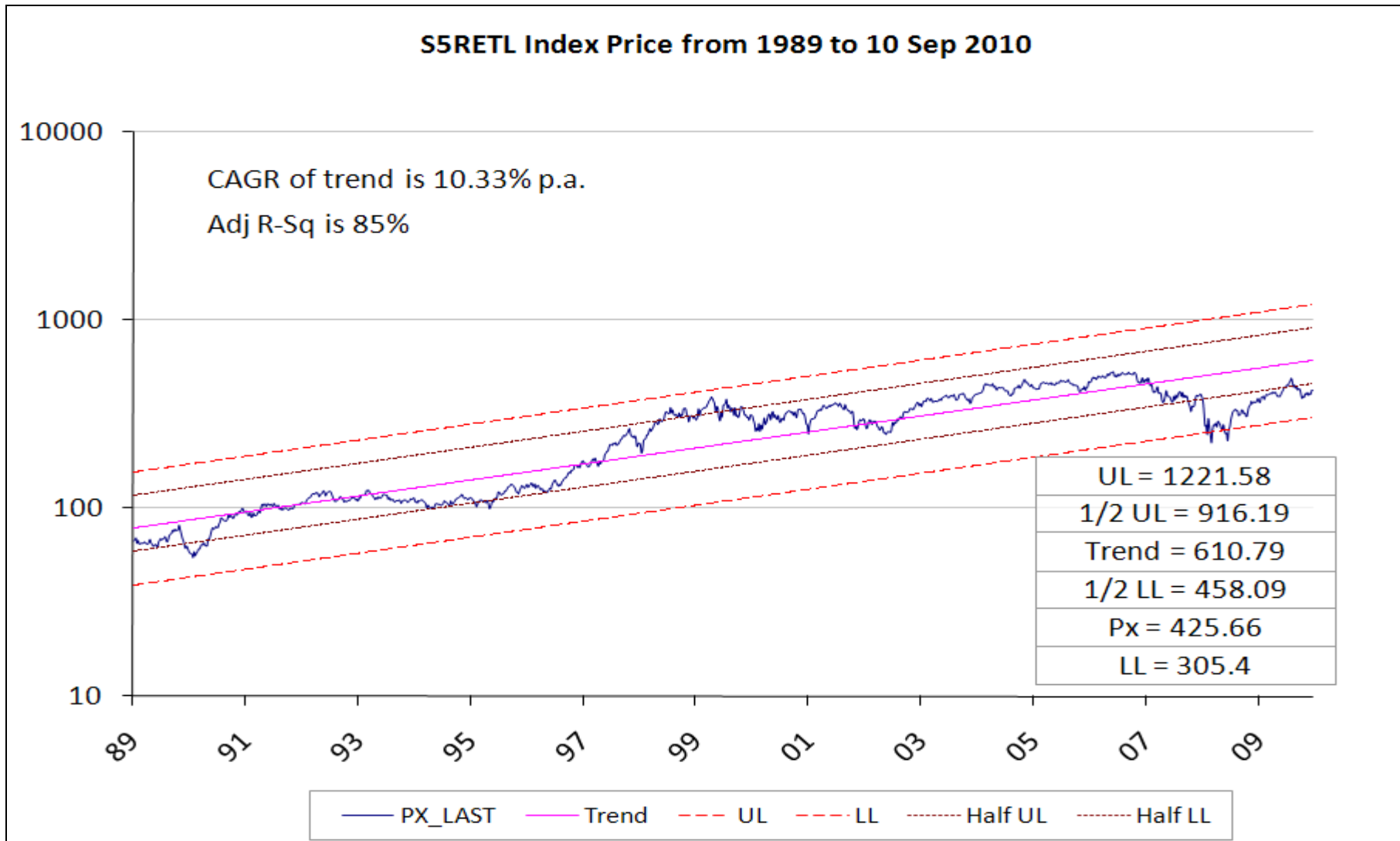




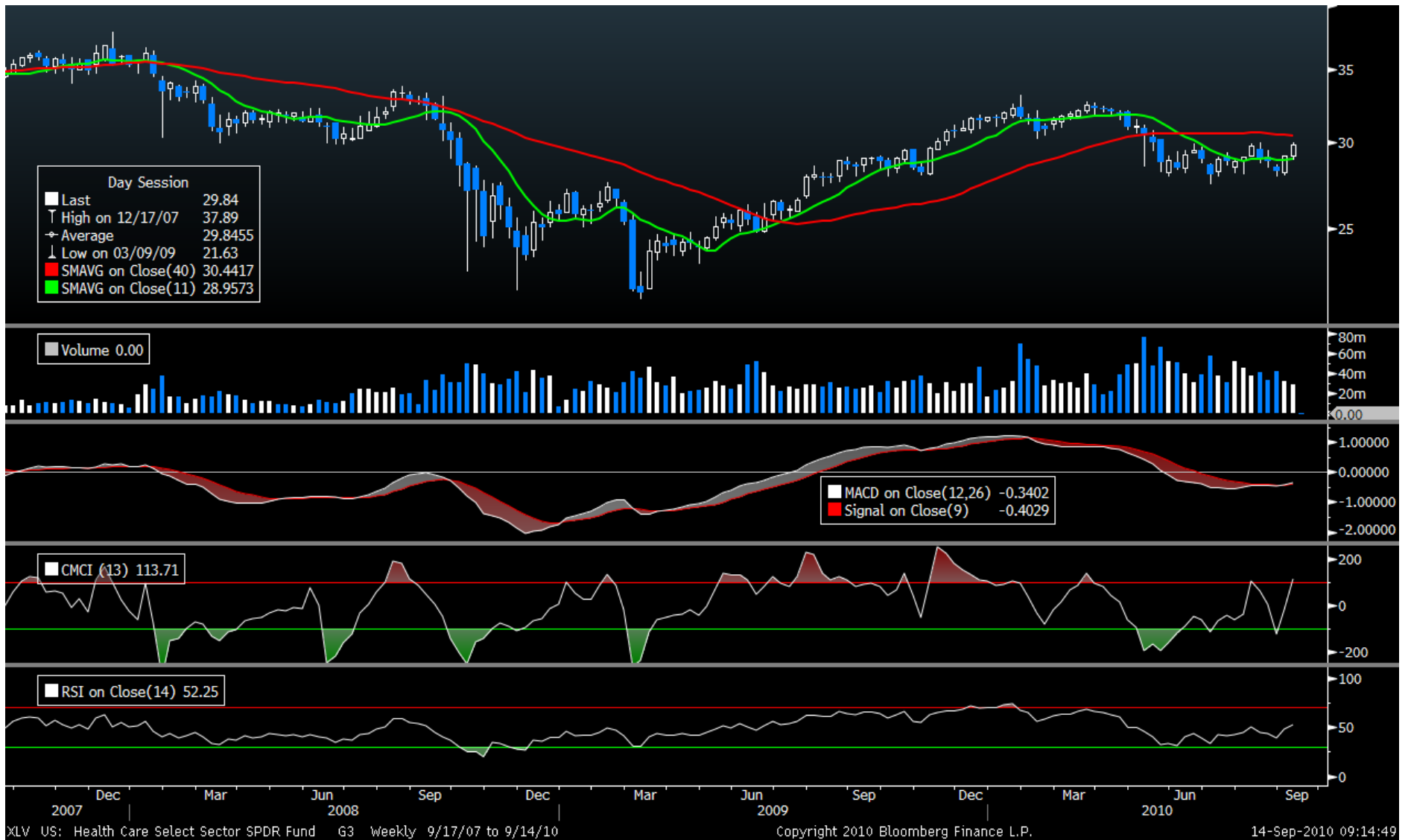
## 4- XRT – Correlation Ratio Analysis with SPX – 365 days Time basis



## 5- XRT – Trend Reversion Analysis – Long Term



# 1. XLV - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

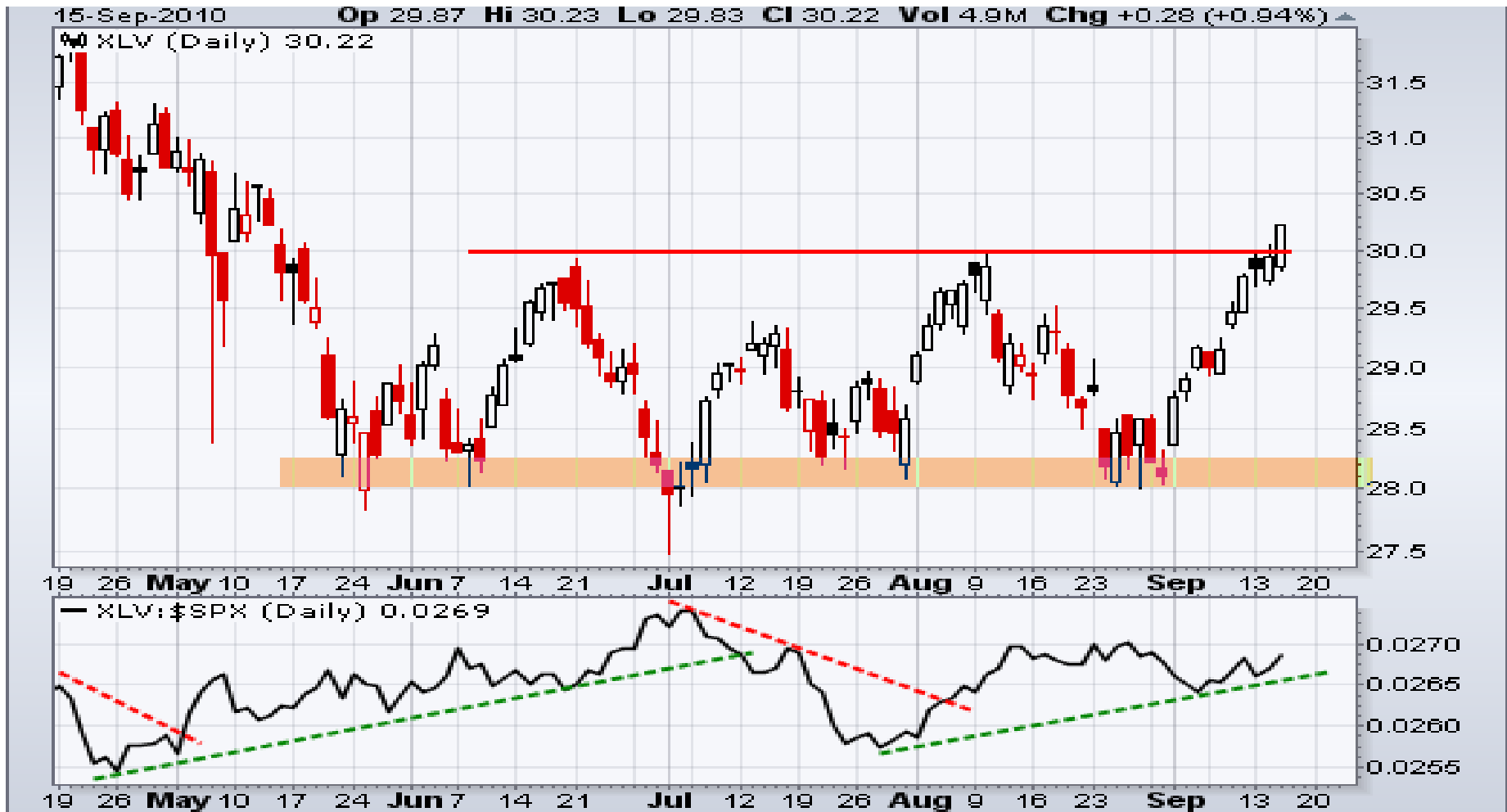


# XLV - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



## 2 - XLV- Technical & Pattern Analysis & Price / Volume

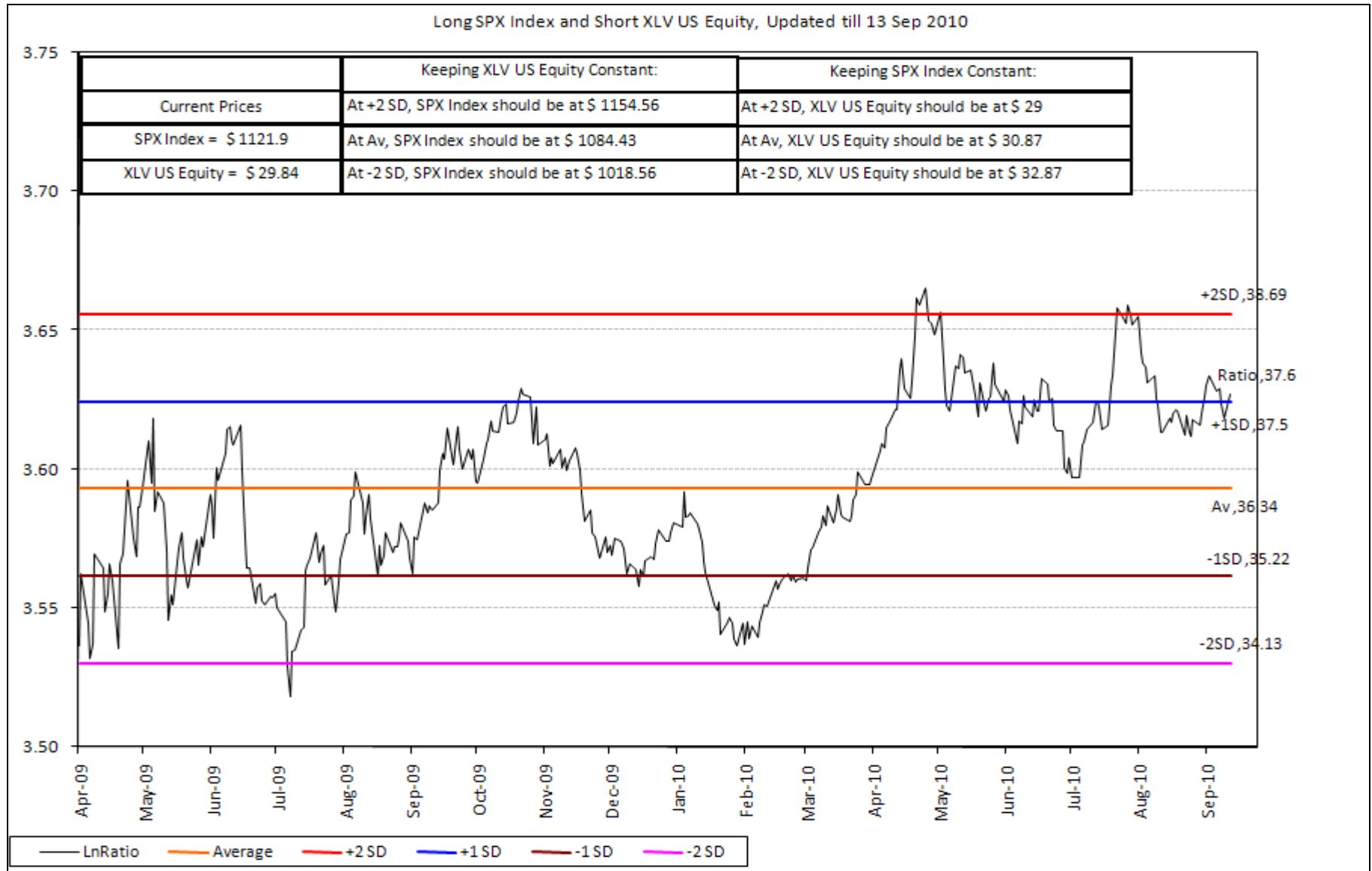
**XLV** - is showing some upside leadership with a break above the summer highs. XLV has been locked in a trading range since May. While the is short-term overbought, the medium-term implications of a breakout are bullish.



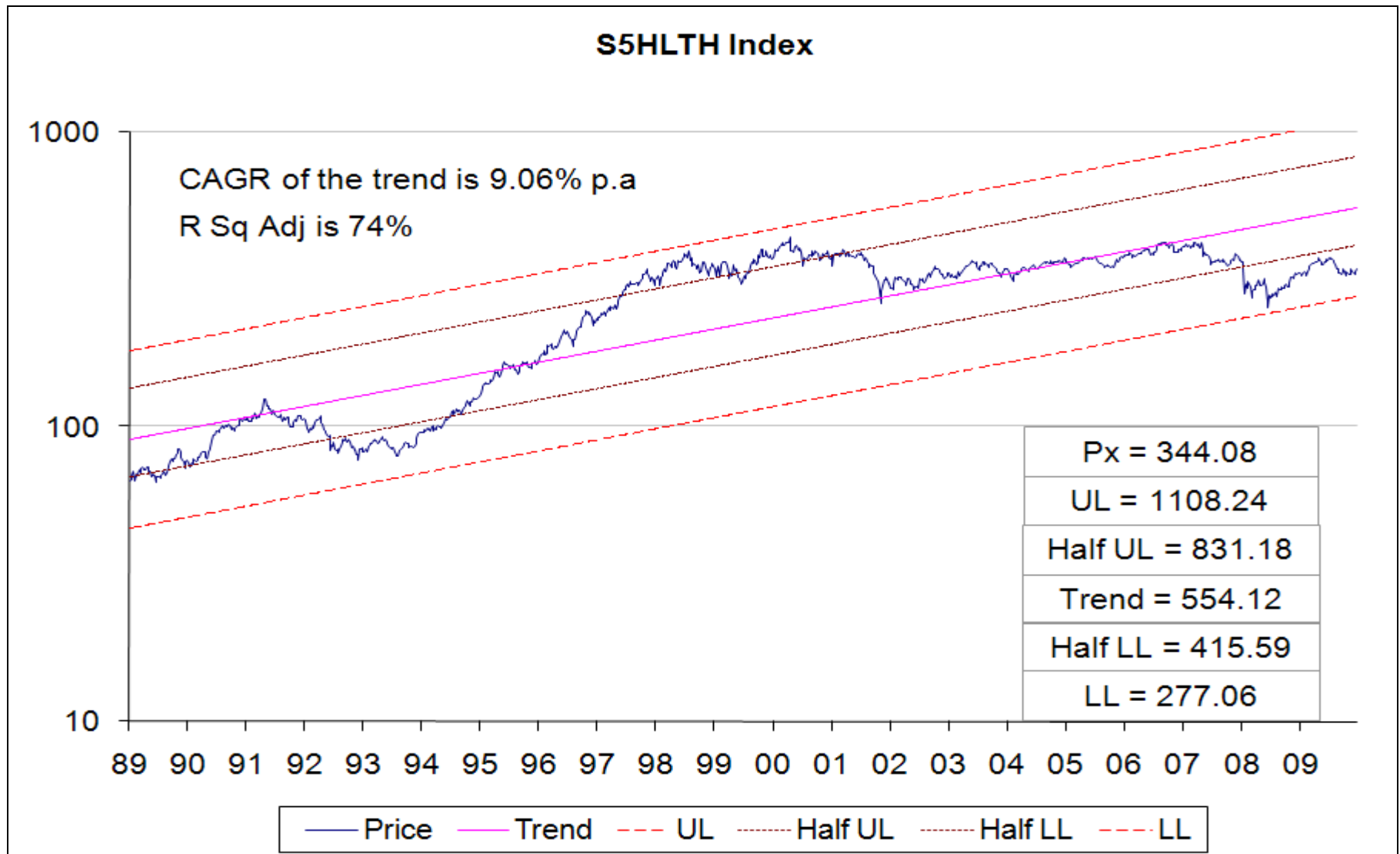
## 2 - XLV- Technical & Pattern Analysis & Price / Volume



### 3- XLV – Correlation Ratio Analysis with SPX – 365 days Time basis

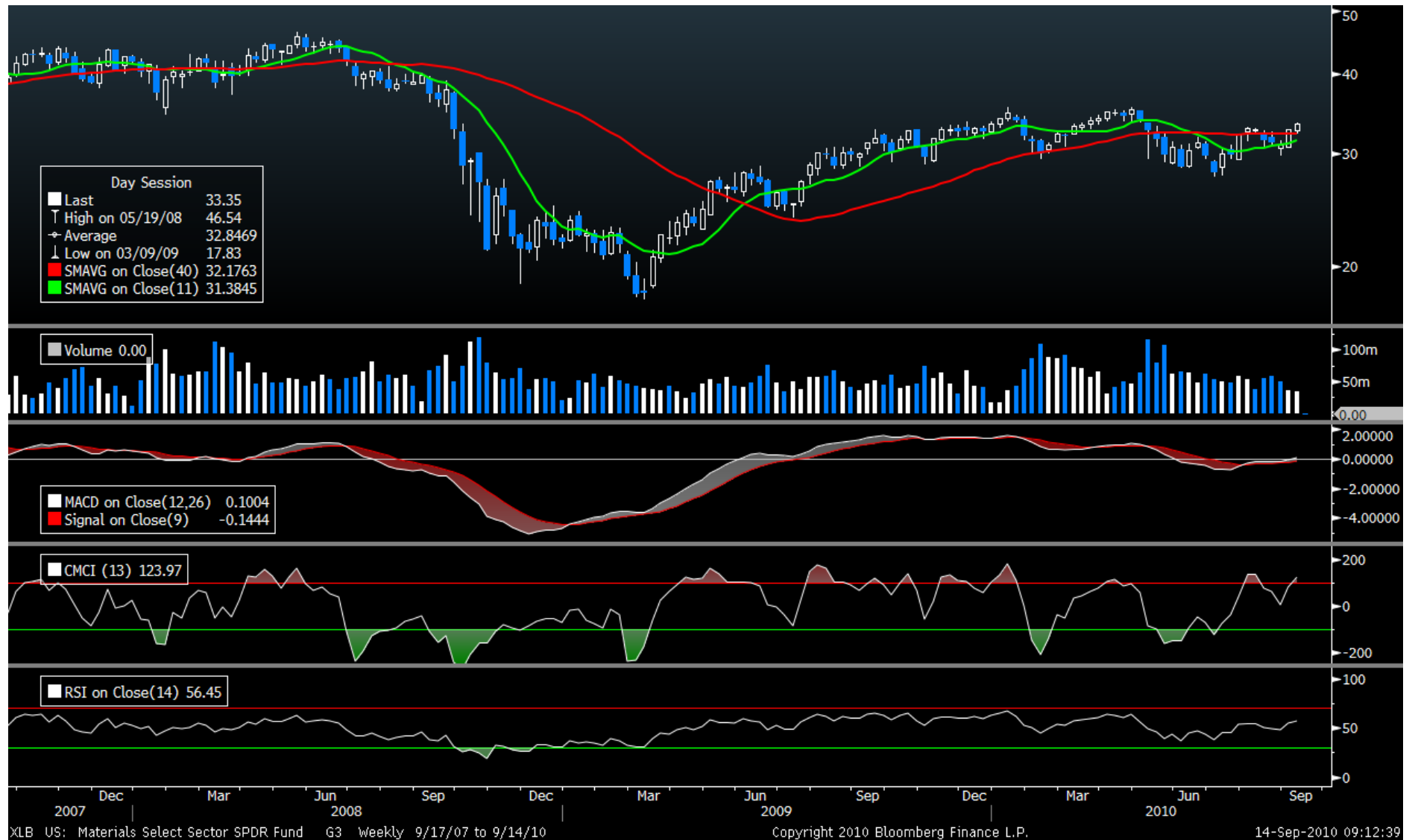


## 4- XLV – Trend Reversion Analysis – Long Term





# 1. XLB - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



# XLB - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

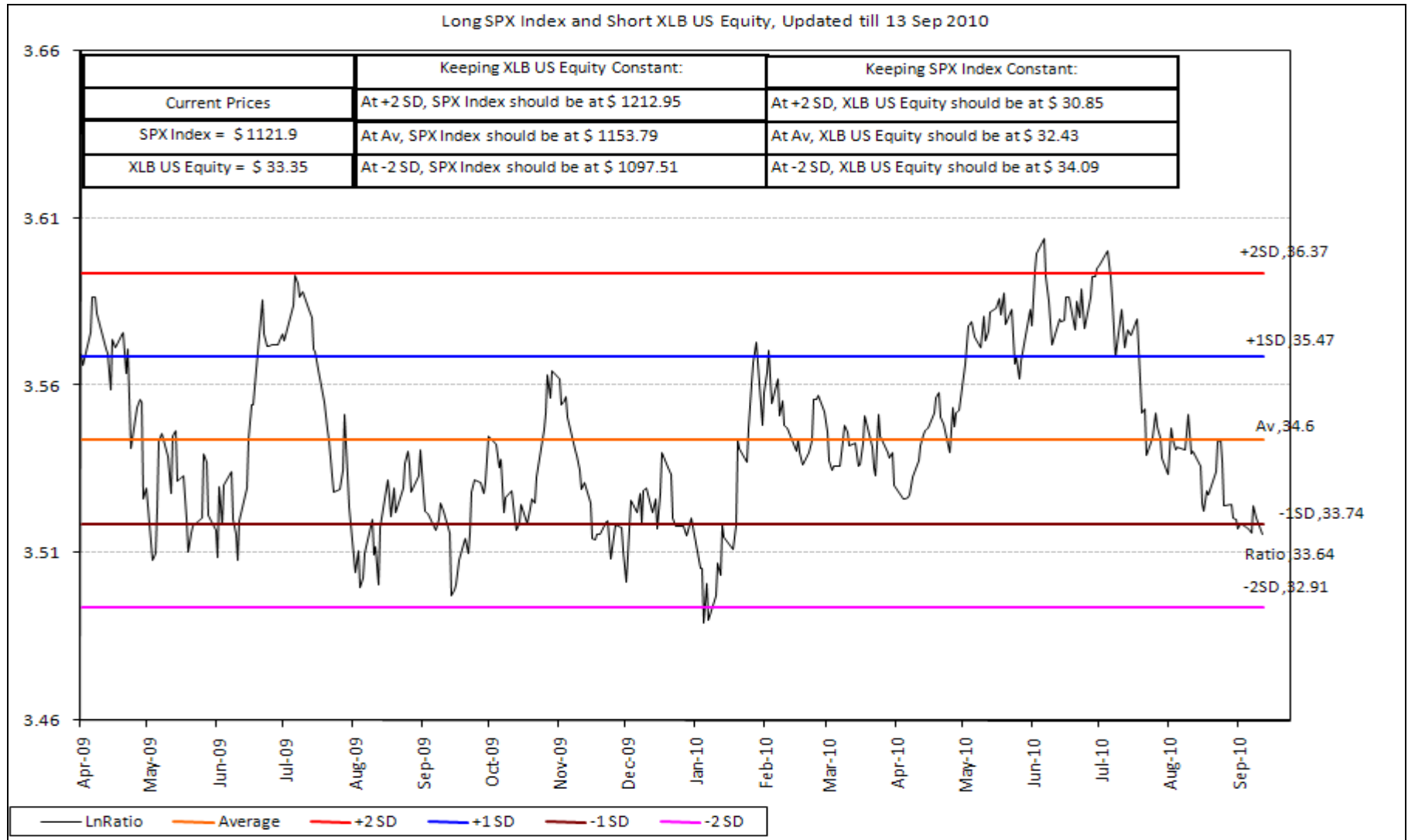


## 2 - XLB – Technical & Pattern Analysis & Price / Volume

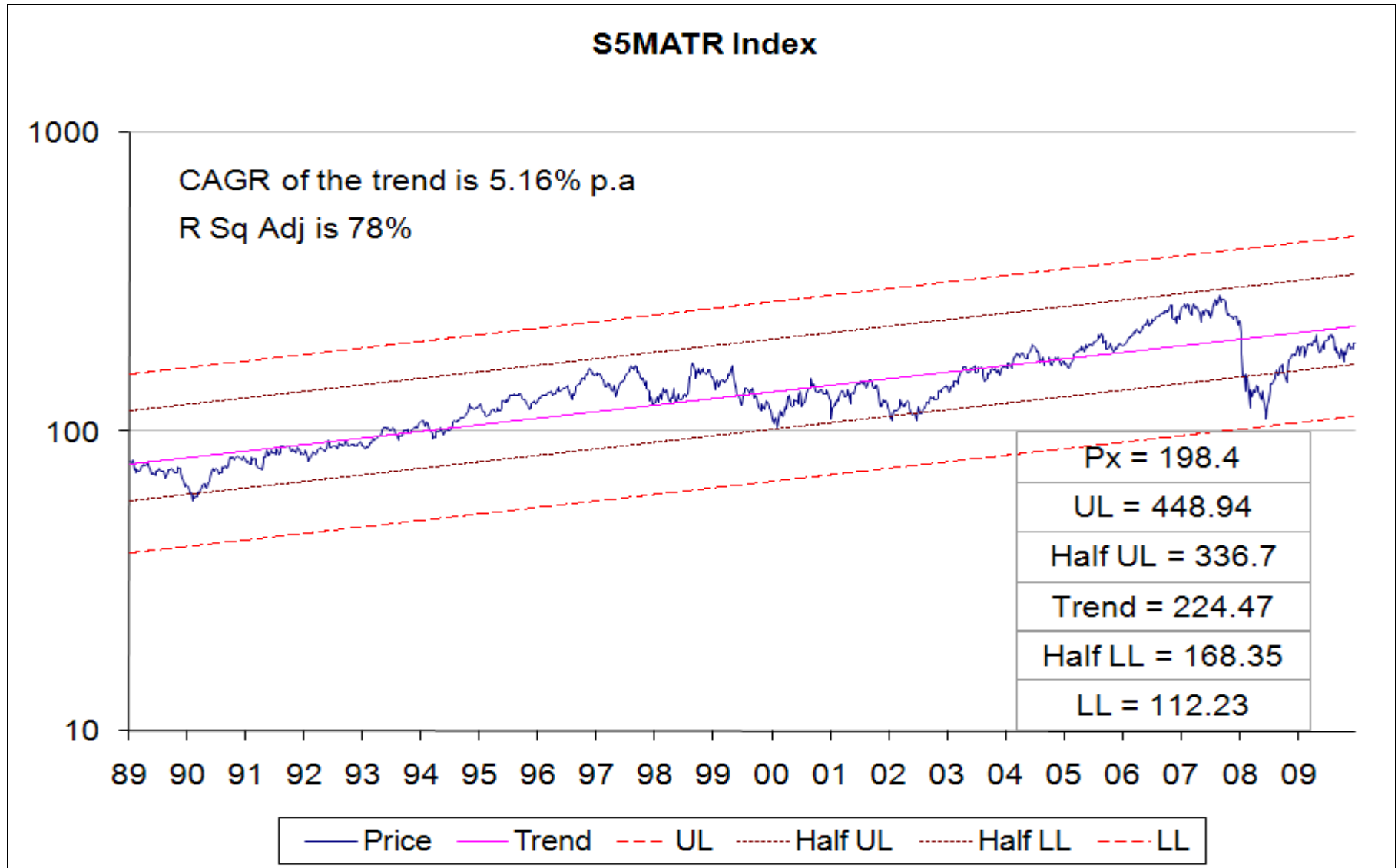
**XLB** the strongest sectors already challenging resistance at the breakdown area and **short-term overbought**.  
XLB / SPY Ratio is strong.



### 3- XLB – Correlation Ratio Analysis with SPX – 365 days Time basis



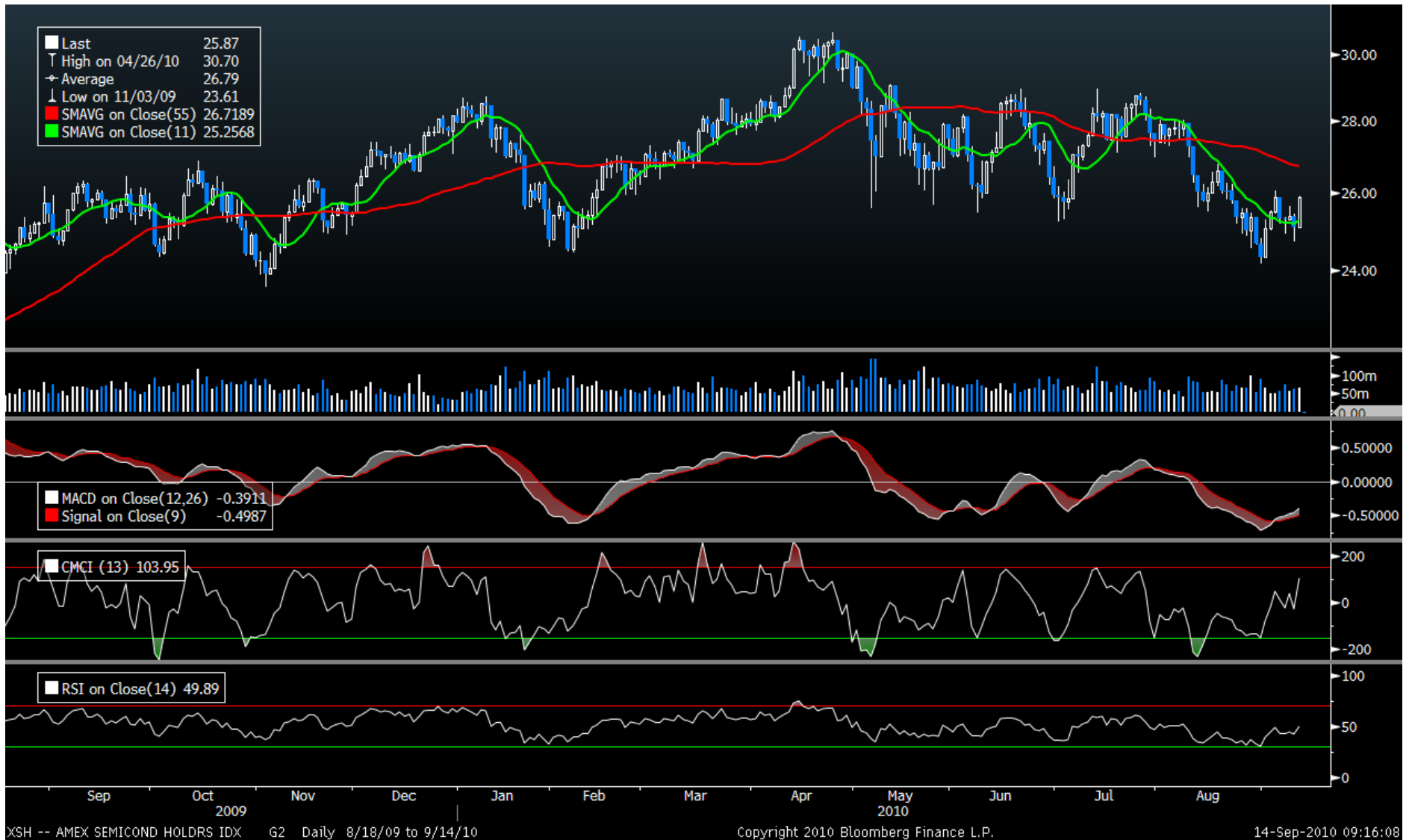
## 4- XLB – Trend Reversion Analysis – Long Term



# 1- SMH Weekly – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)



## 2- SMH Daily – 3 Year with RSI, CCI, MACD (11D / 55D)





## 2 – SMH – Technical & Pattern Analysis & Price / Volume

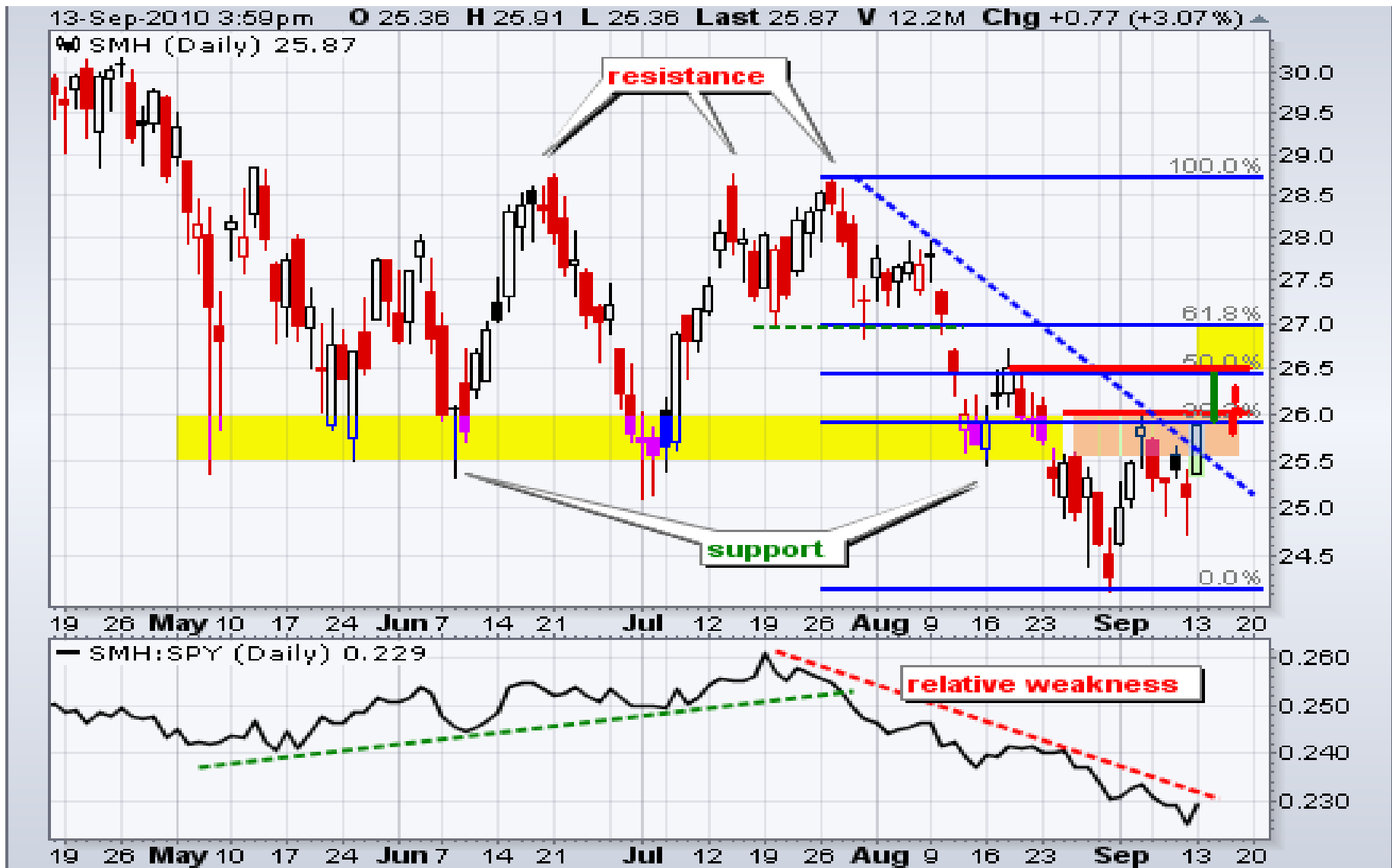
The semiconductor topped out exactly at our T in April and are on right side of the hump , Money flow has been going down quick. This is proxy for the market.



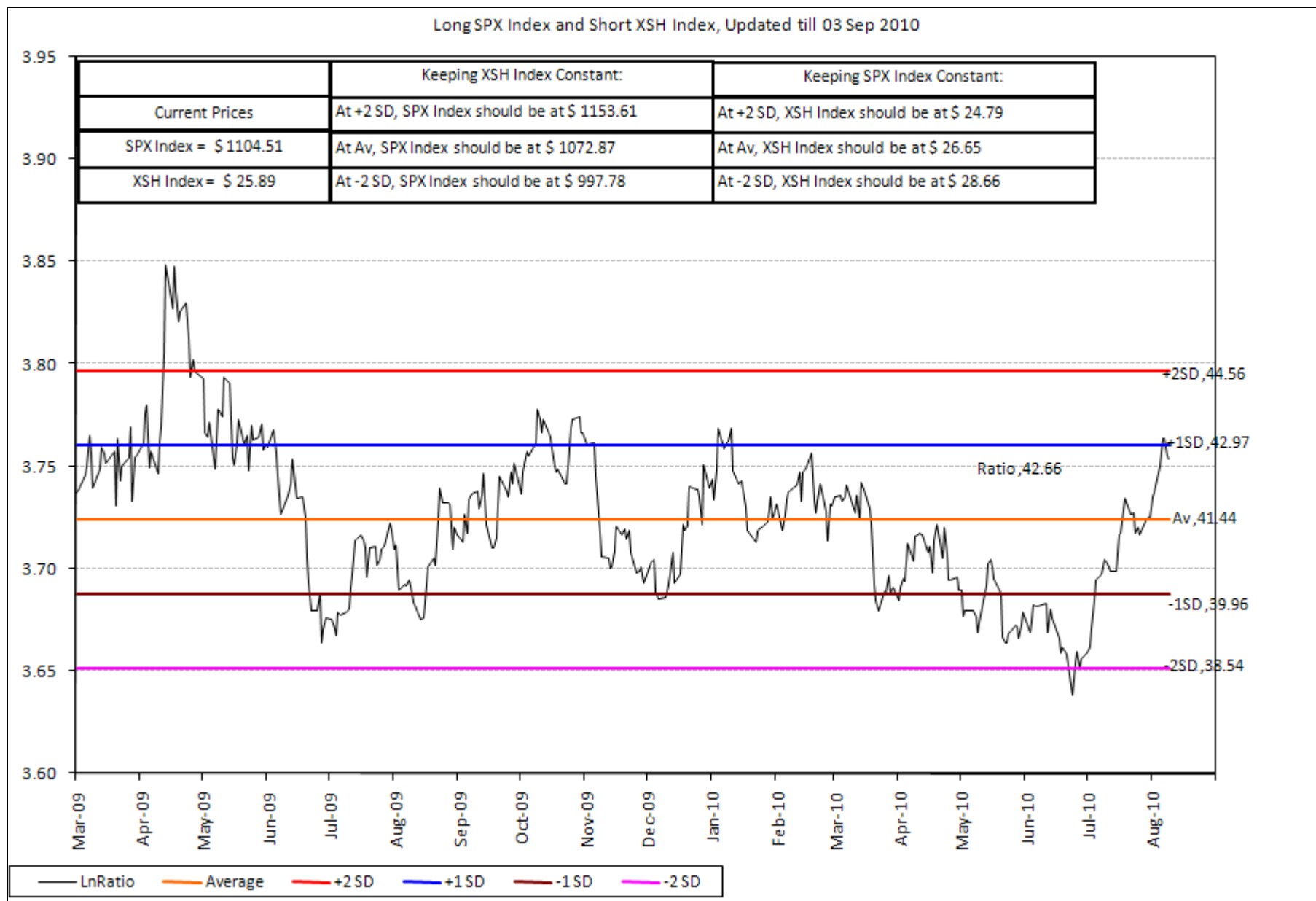


## 2 – SMH – Technical & Pattern Analysis & Price / Volume

(SMH) – is at 50% Resistance . All bets are off if SMH fails to hold here , See the Relative weakness



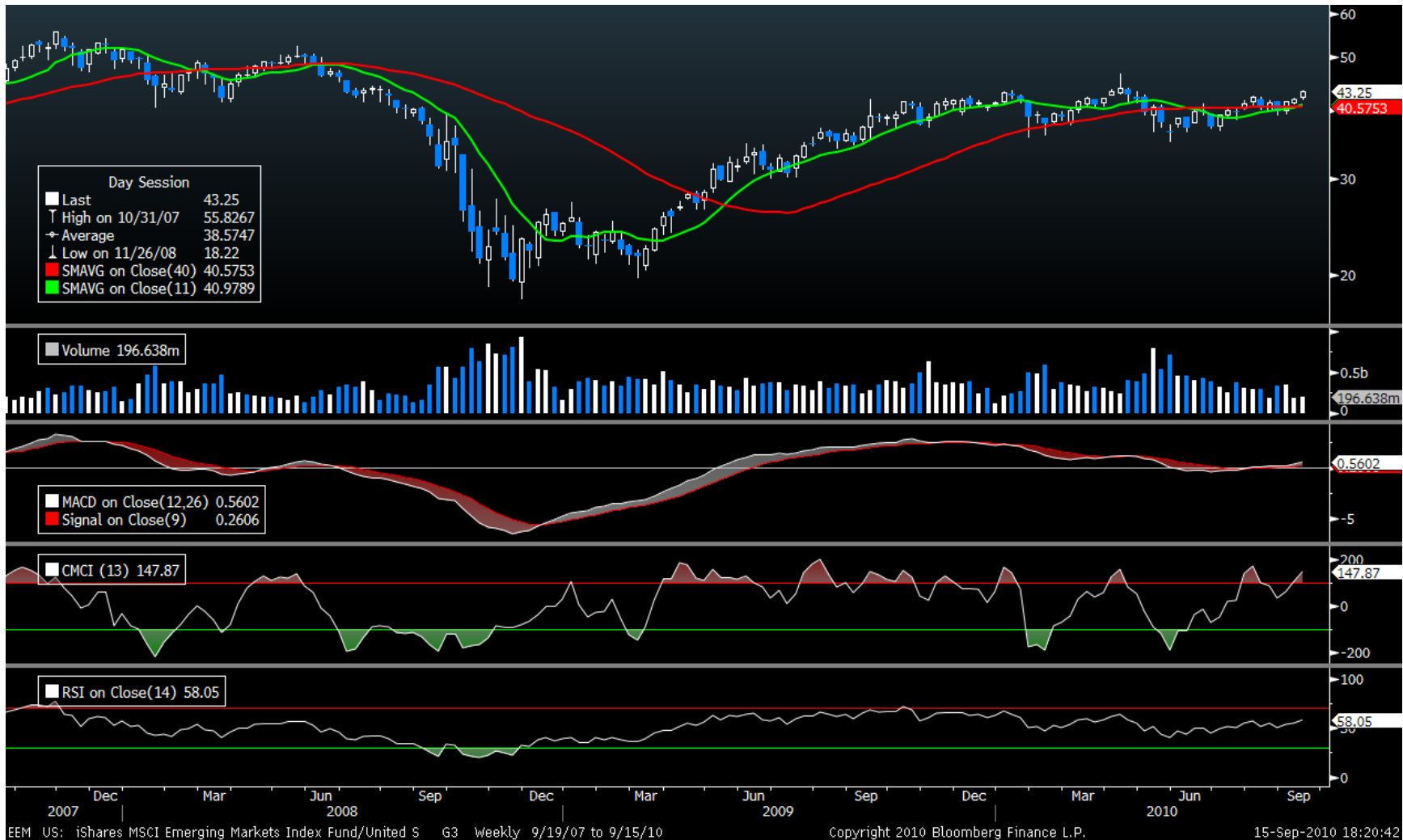
### 3- SMH – Correlation Ratio Analysis with SPX – 365 days Time basis



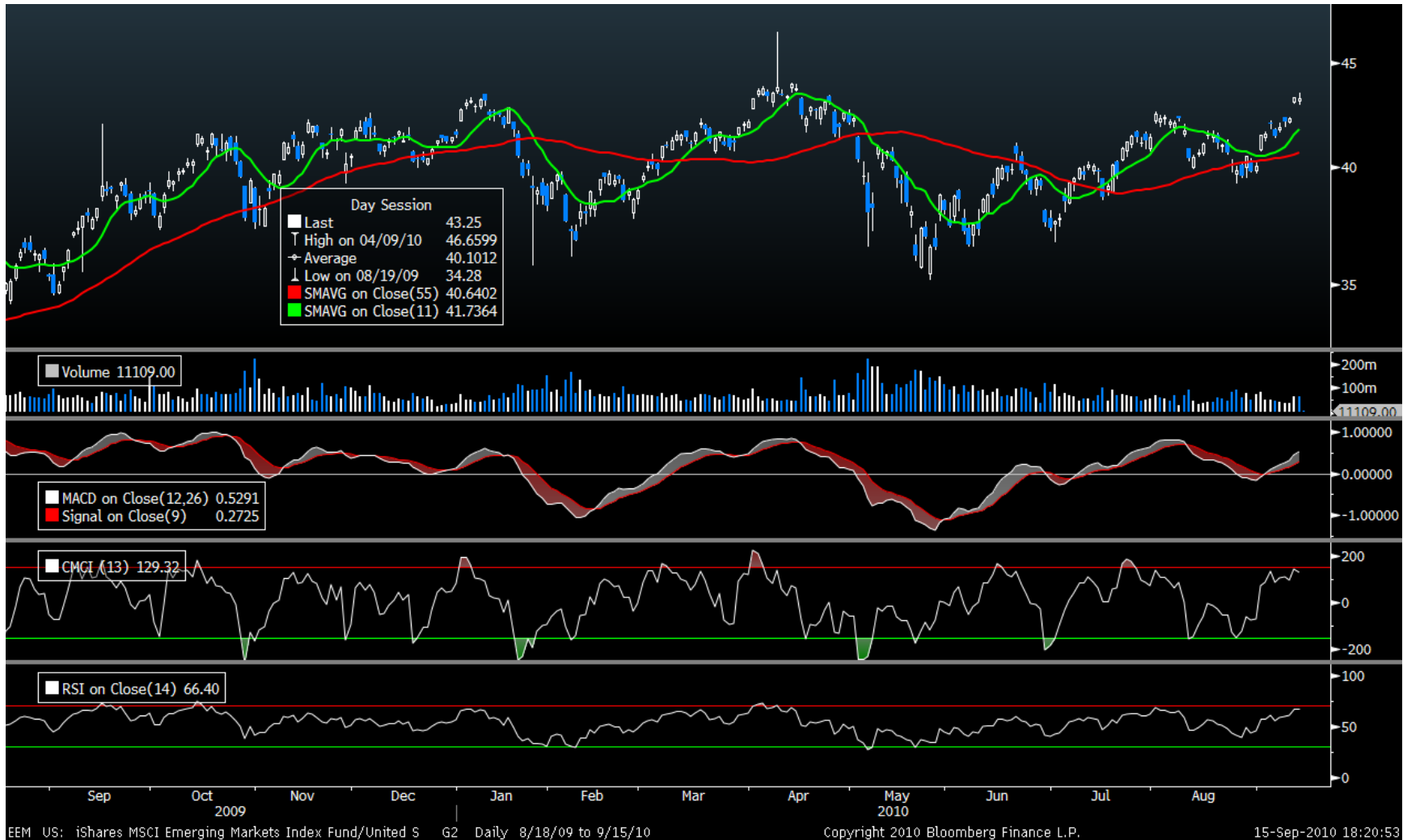
**SMH – Trend Reversion Analysis – Long Term - Adj R –SQ is below our benchmark 70%**



# 1- EEM - Weekly- 3 Year with **11 W / 40 W SMA** with RSI, CCI, MACD



# 1- EEM - Daily – 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



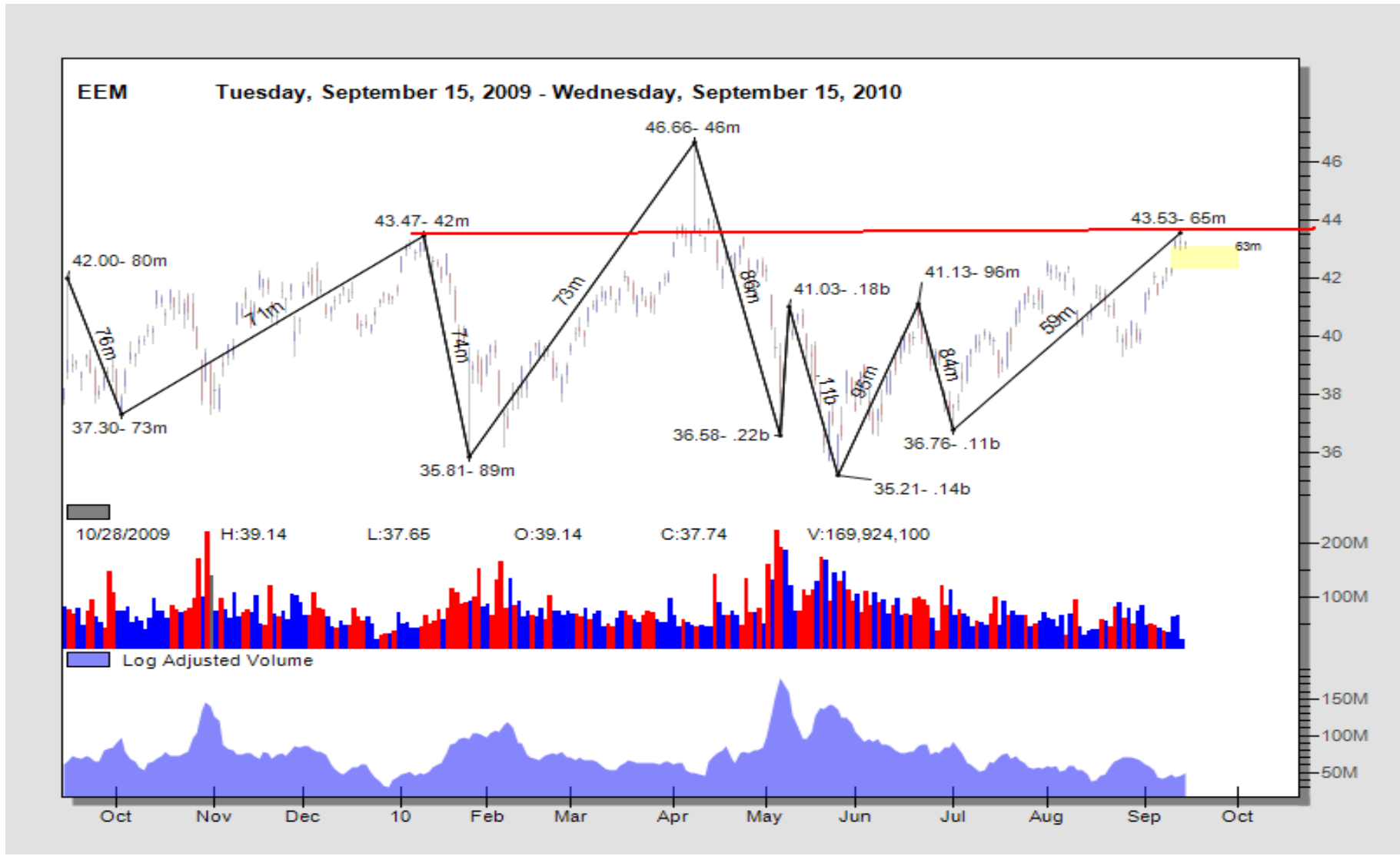
## 2 – EEM – Technical & Pattern Analysis & Price / Volume

**EEM** is already challenging its April high. The rising EEM/SPX ratio (below Chart 2) shows emerging markets pulling the U.S. higher. For us this is inconclusive. Except that EEM is going up on price

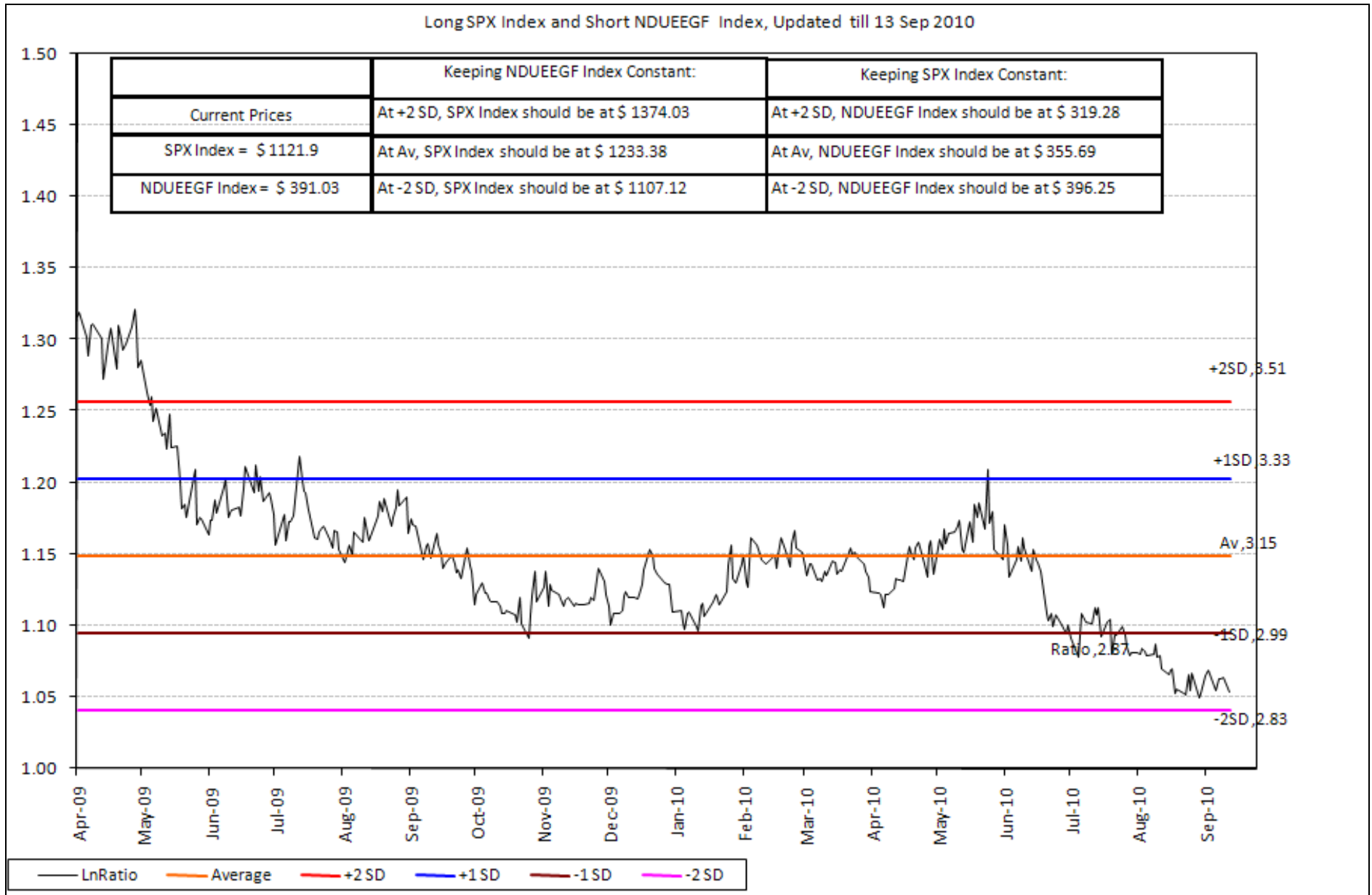


### 3 - EEM - Technical & Pattern Analysis & Price / Volume

EEM has volume at the highs so far. For top formation the volume needs to dry up at the previous highs as per our Analysis . But this has NEVER been the market leader INFACT close follower of SPX during declines. On way up EEM its pretty independent provided SPX is flat or going up .

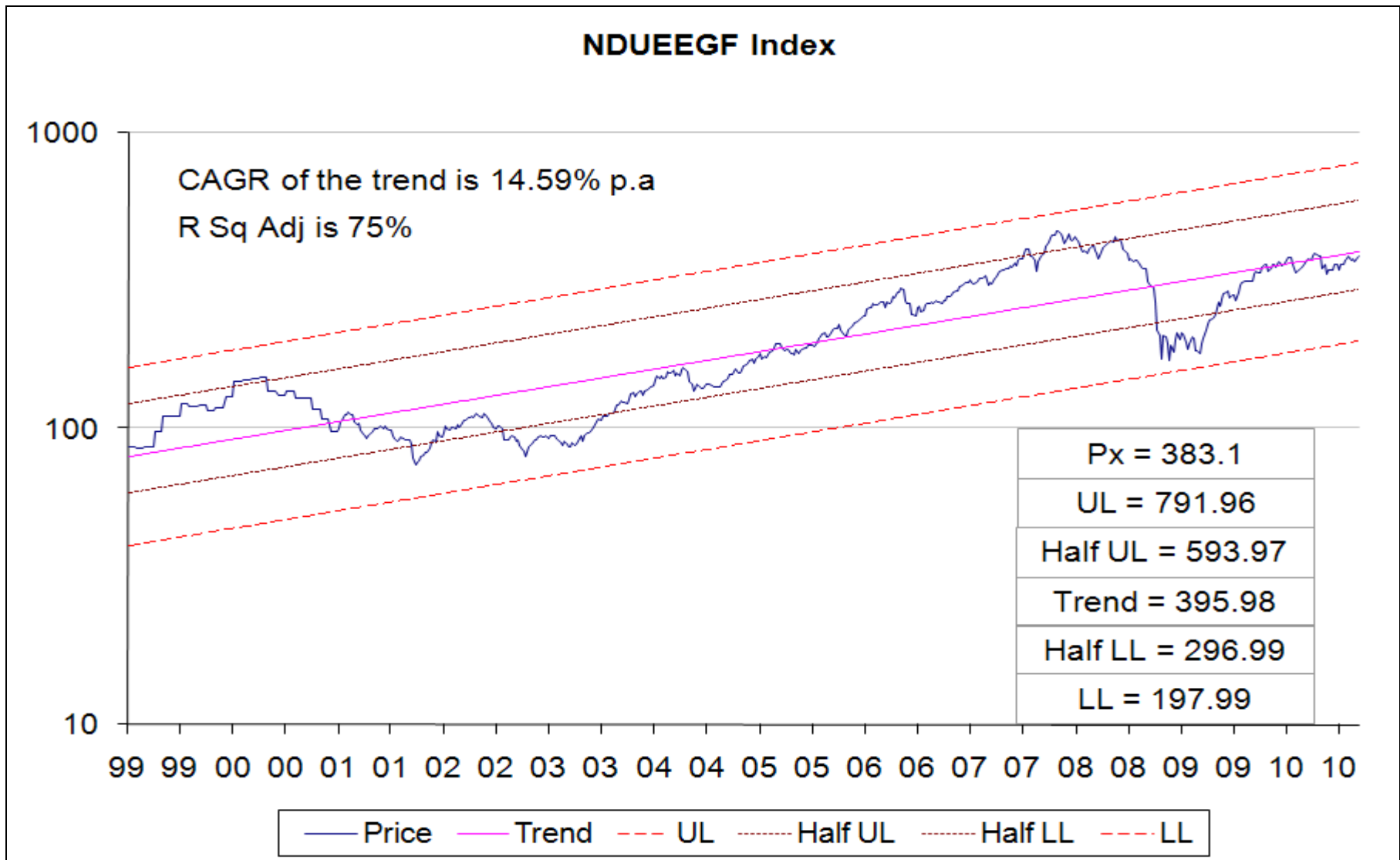


## 2- EEM – Correlation Ratio Analysis with SPX – 365 days Time basis

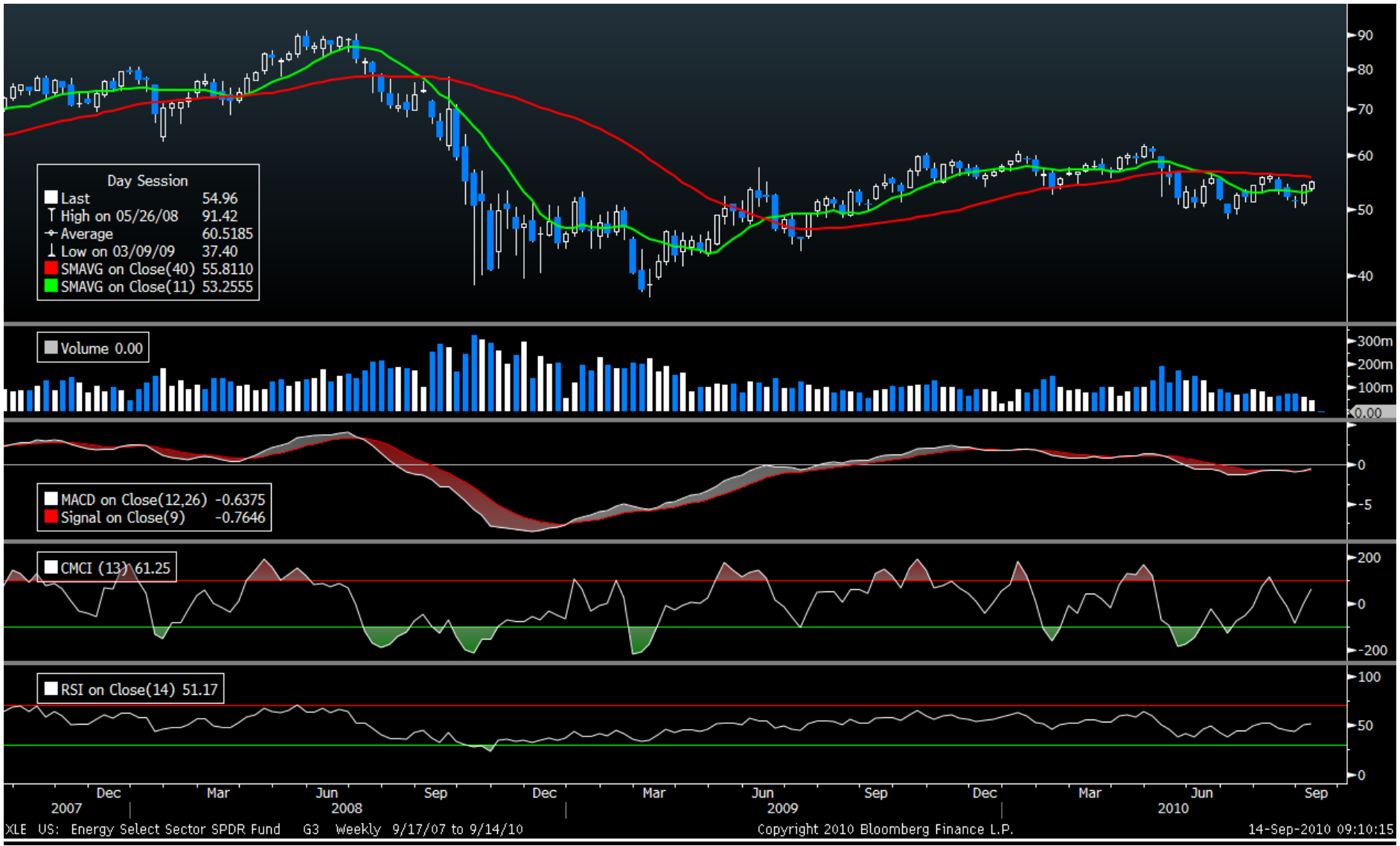




### 3- EEM – Trend Reversion Analysis – Long Term



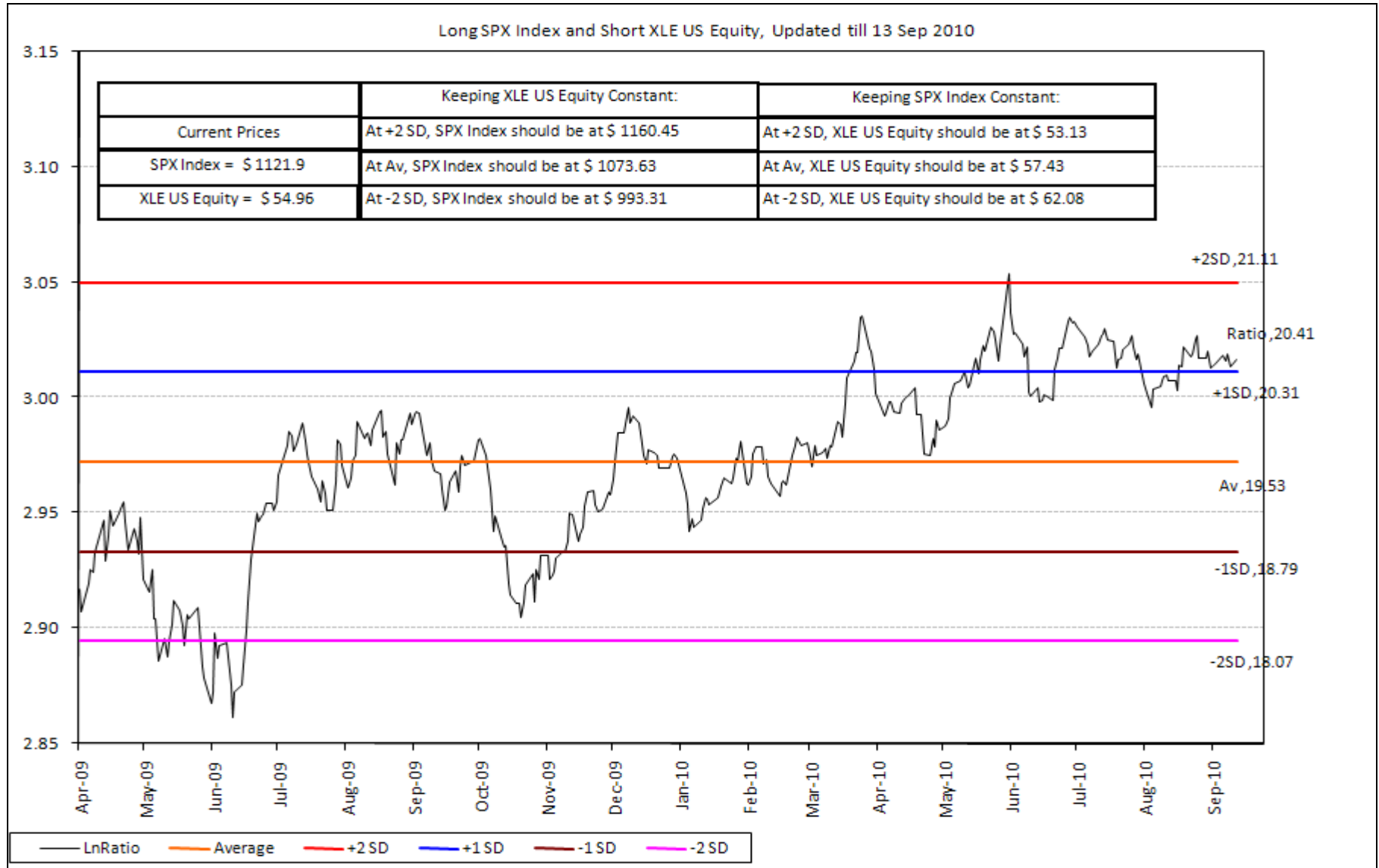
# 1. XLE - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



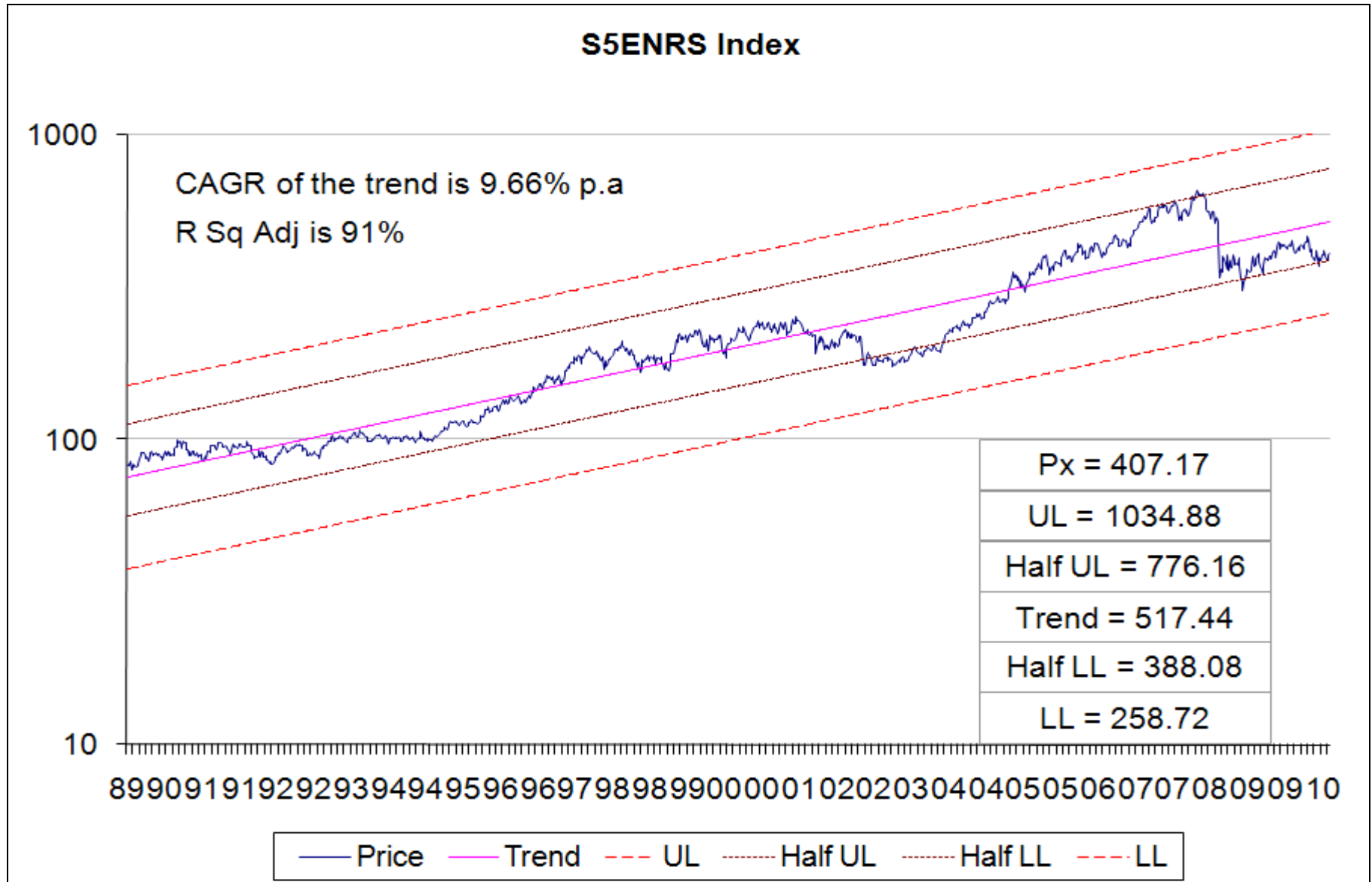
## 2. XLE - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



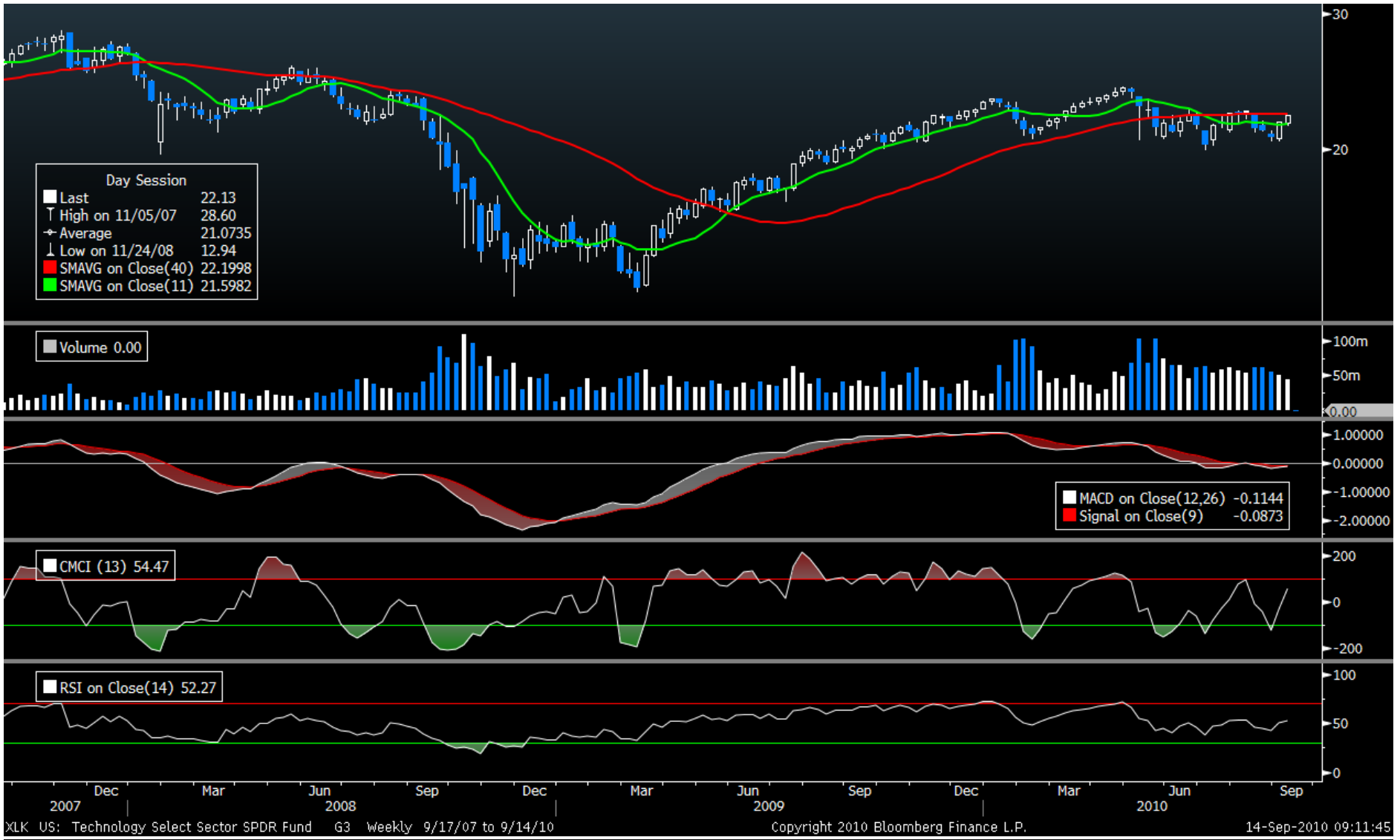
### 3- XLE – Correlation Ratio Analysis with SPX – 365 days Time basis



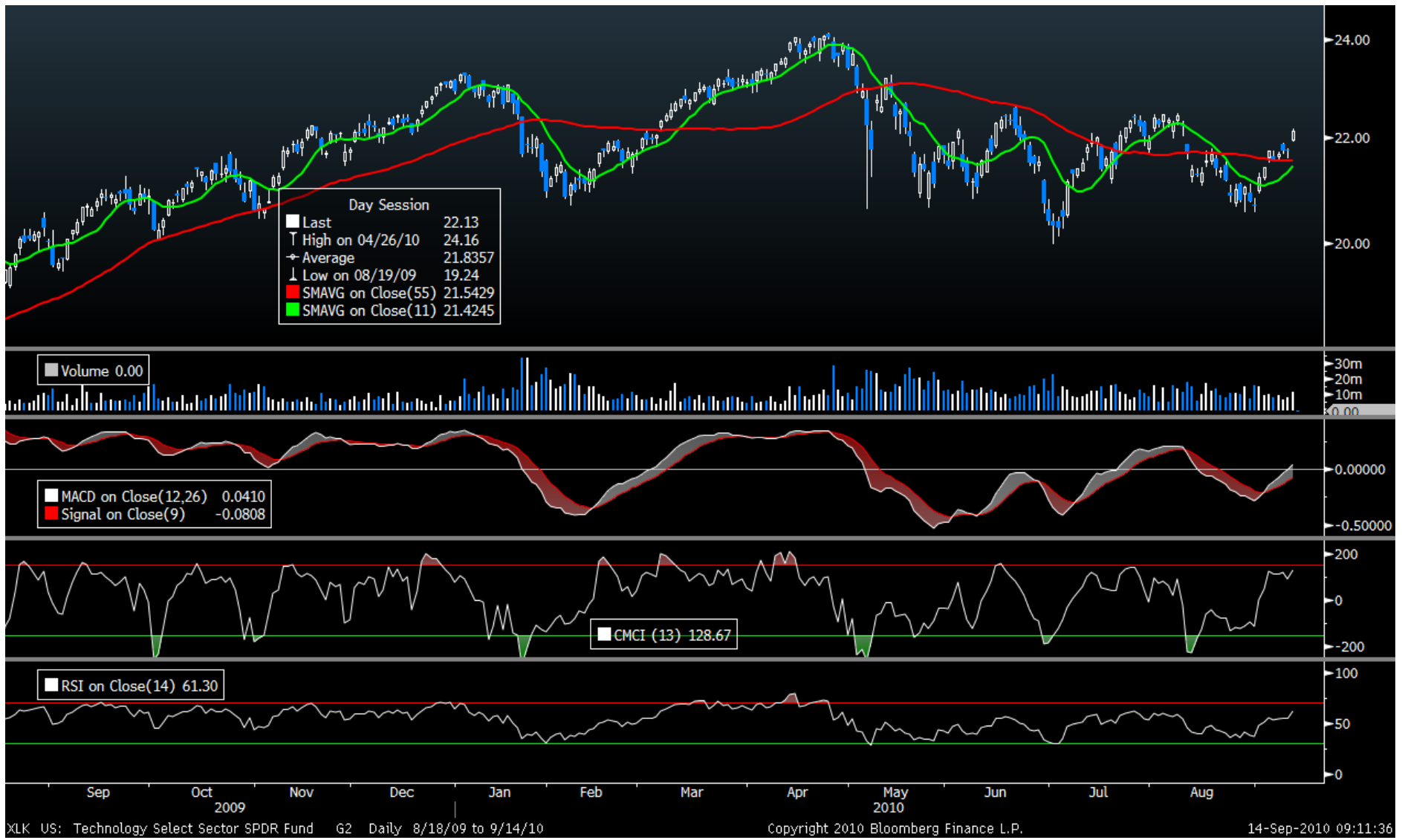
## 4- XLE – Trend Reversion Analysis – Long Term



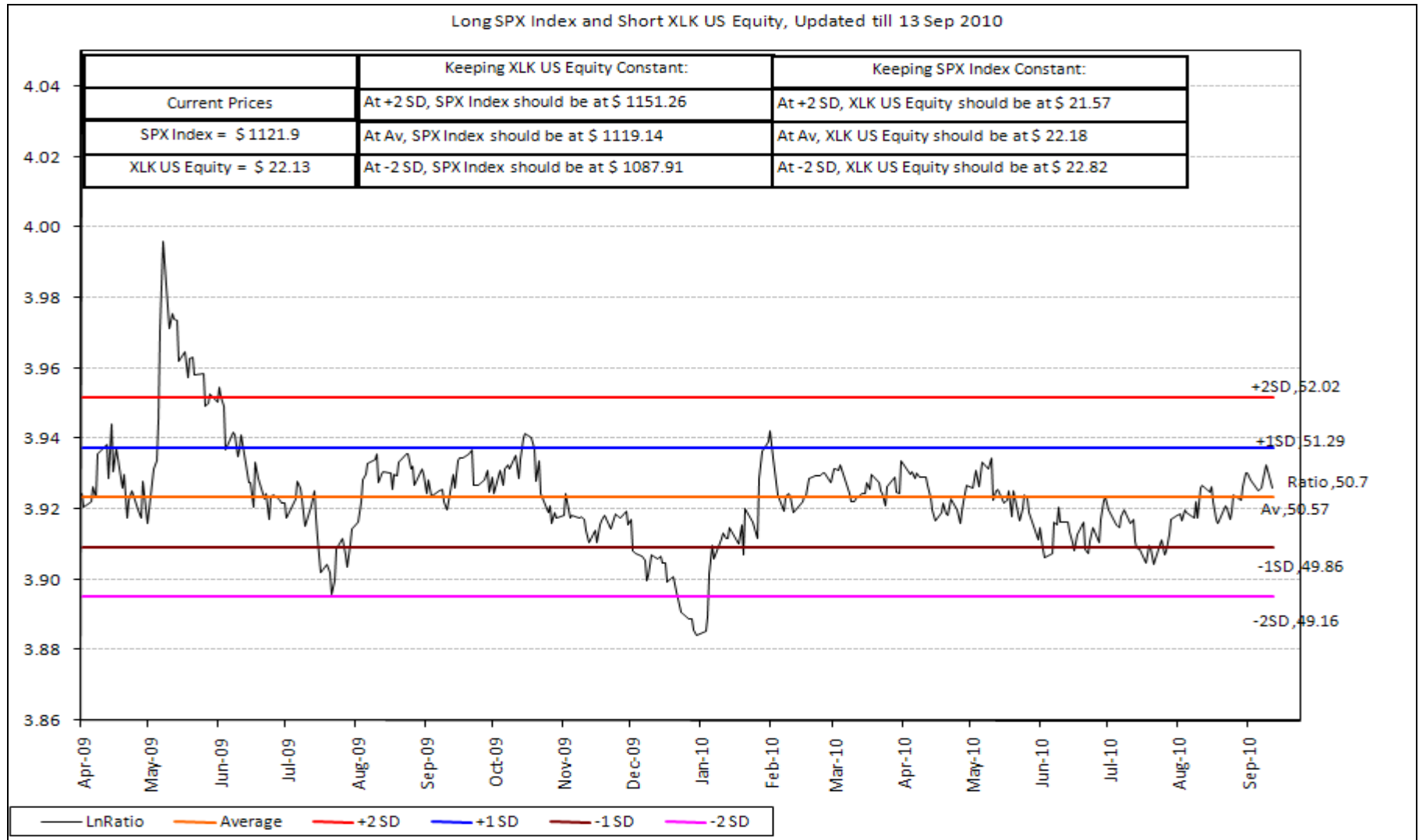
# 1- XLK - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



# XLK - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

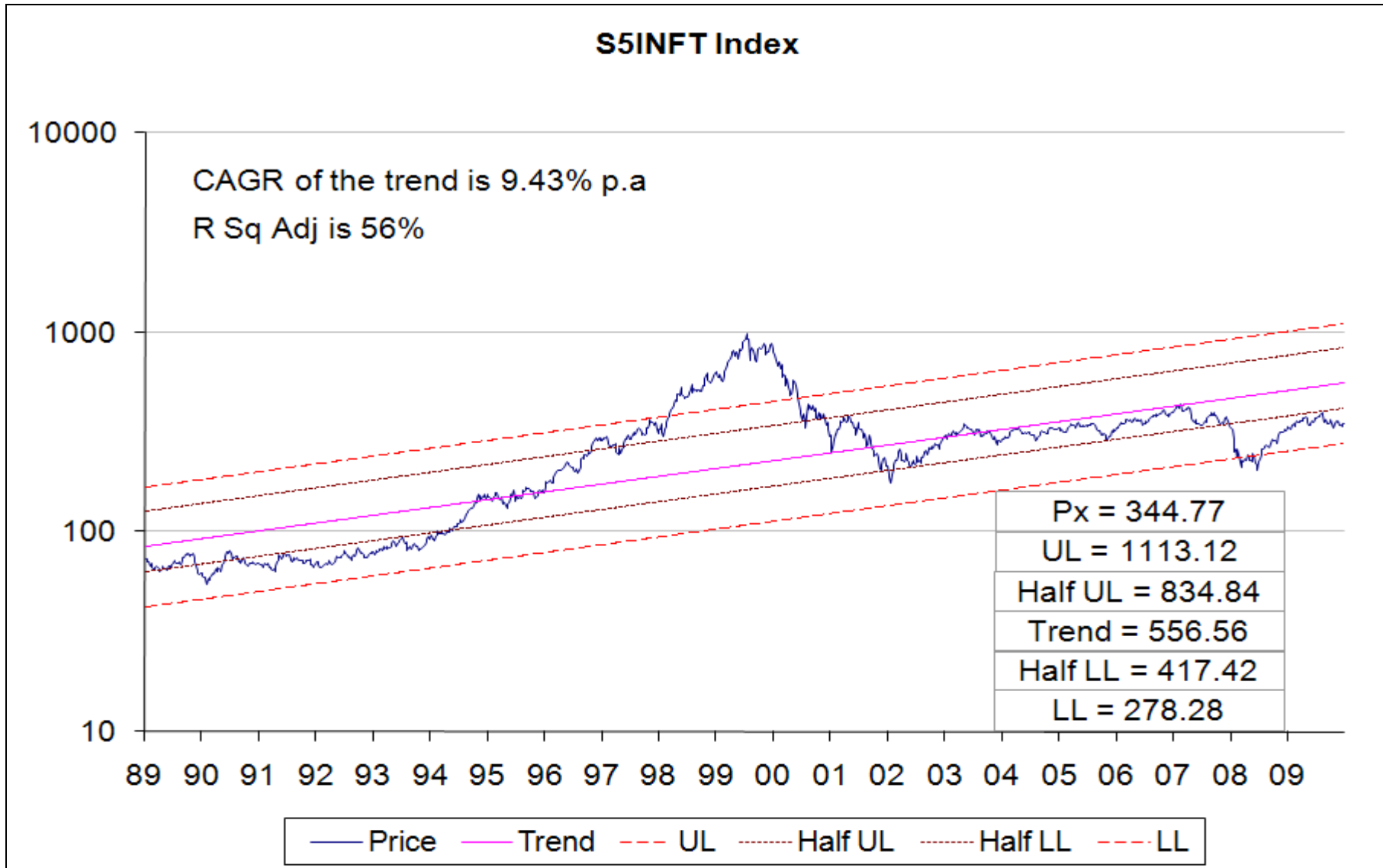


## 2- XLK – Correlation Ratio Analysis with SPX – 365 days Time basis

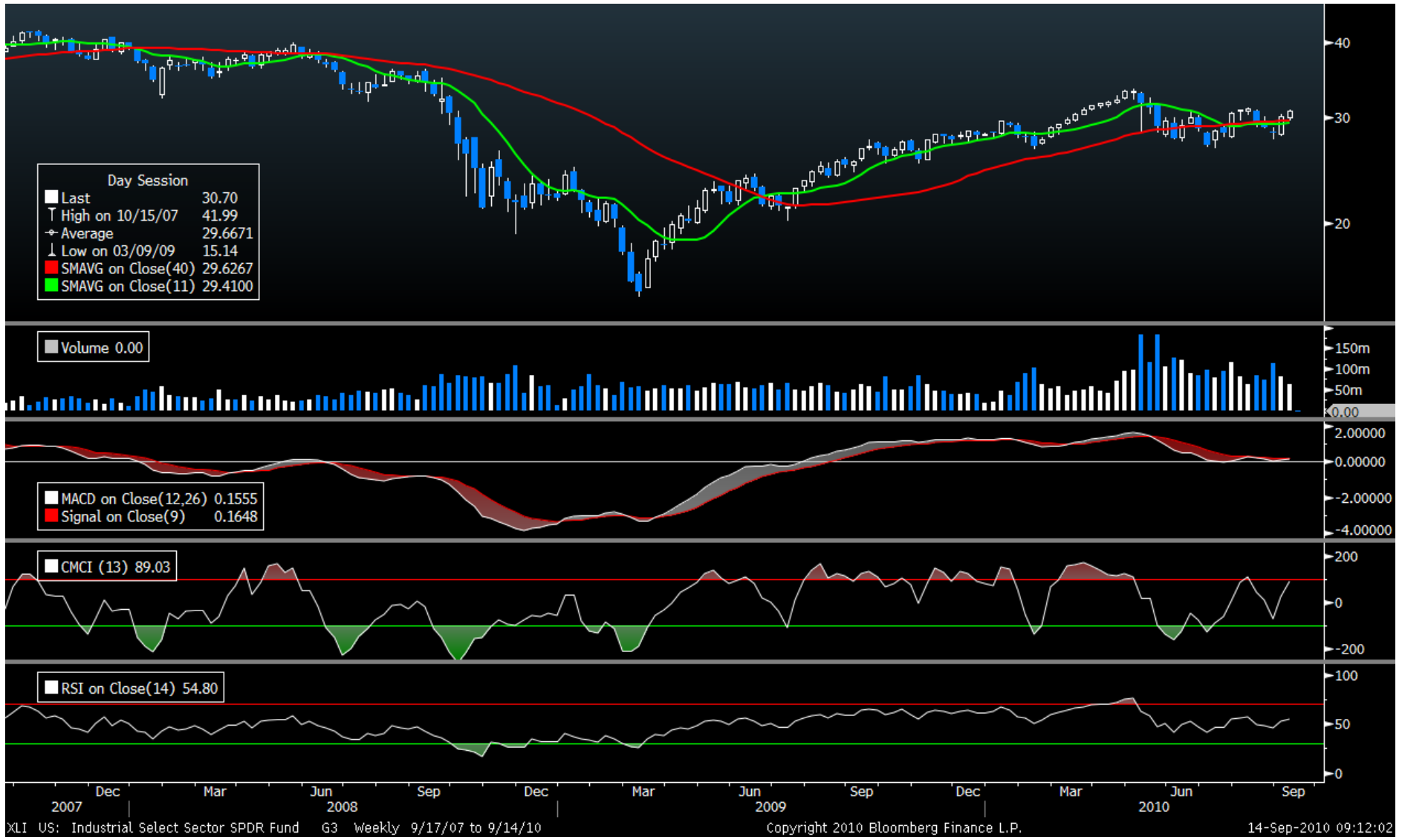




**XLK – Trend Reversion Analysis – Long Term - Adj R –SQ is below our benchmark 70%**



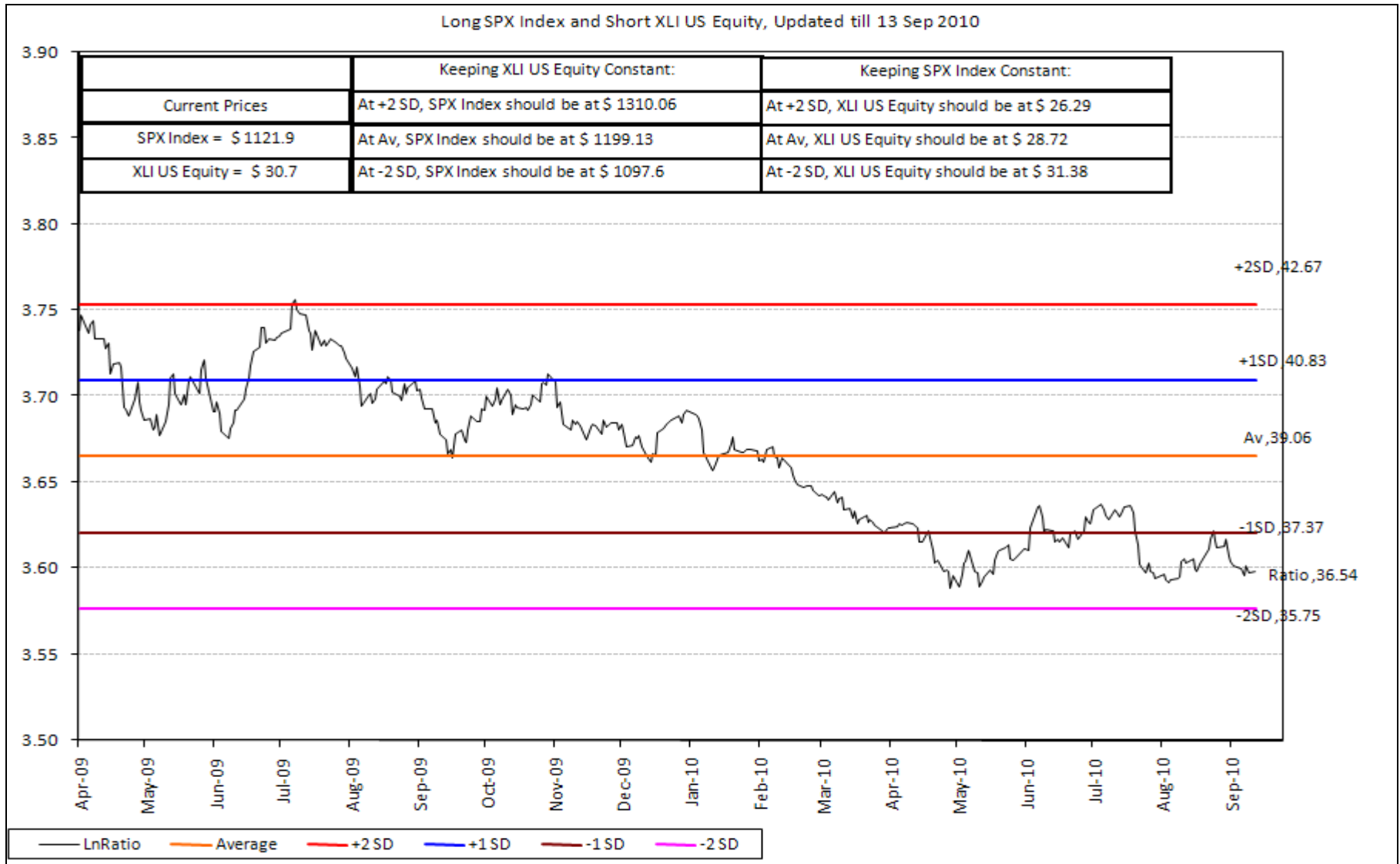
# 1. XLI - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



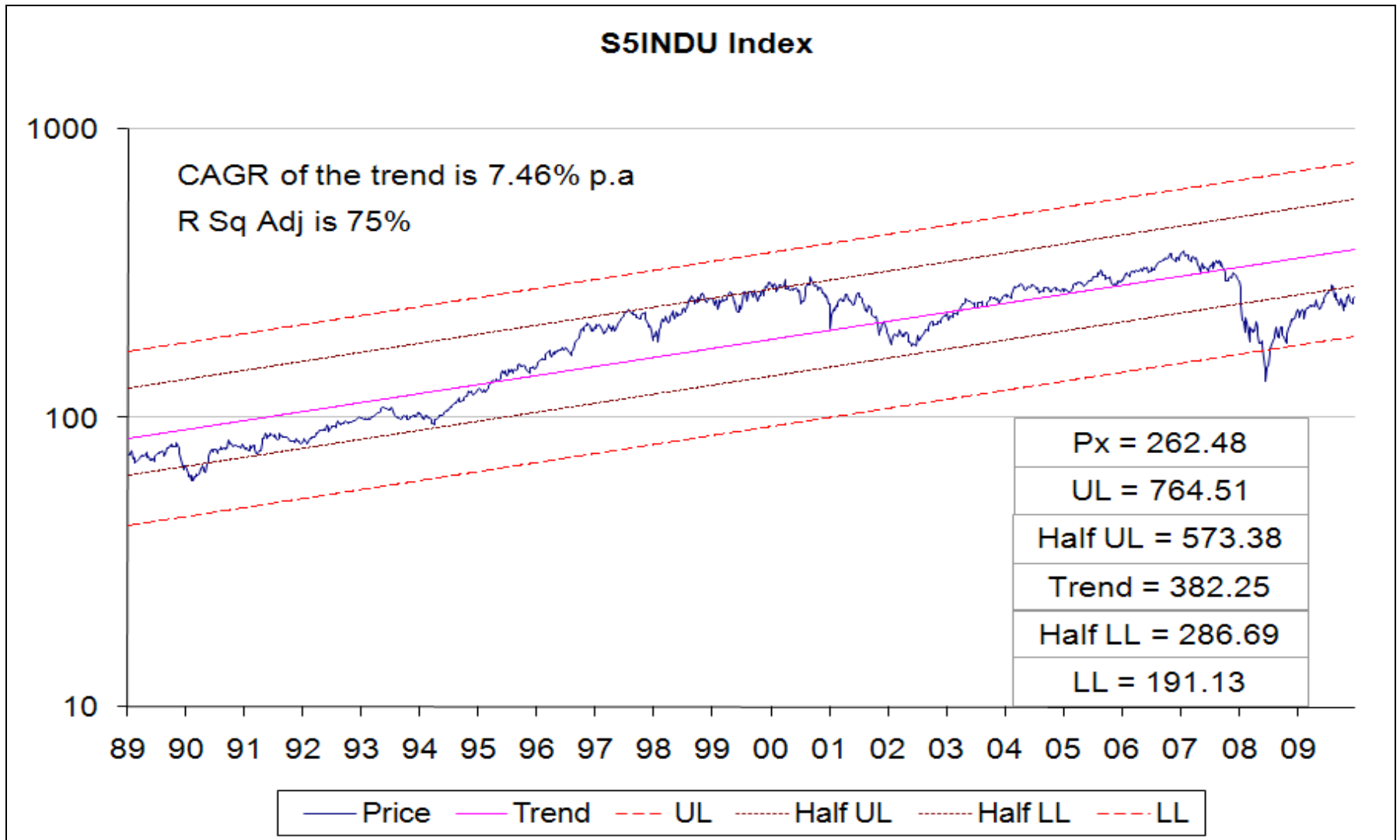
# XLI - Daily – 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



### 3- XLI – Correlation Ratio Analysis with SPX – 365 days Time basis

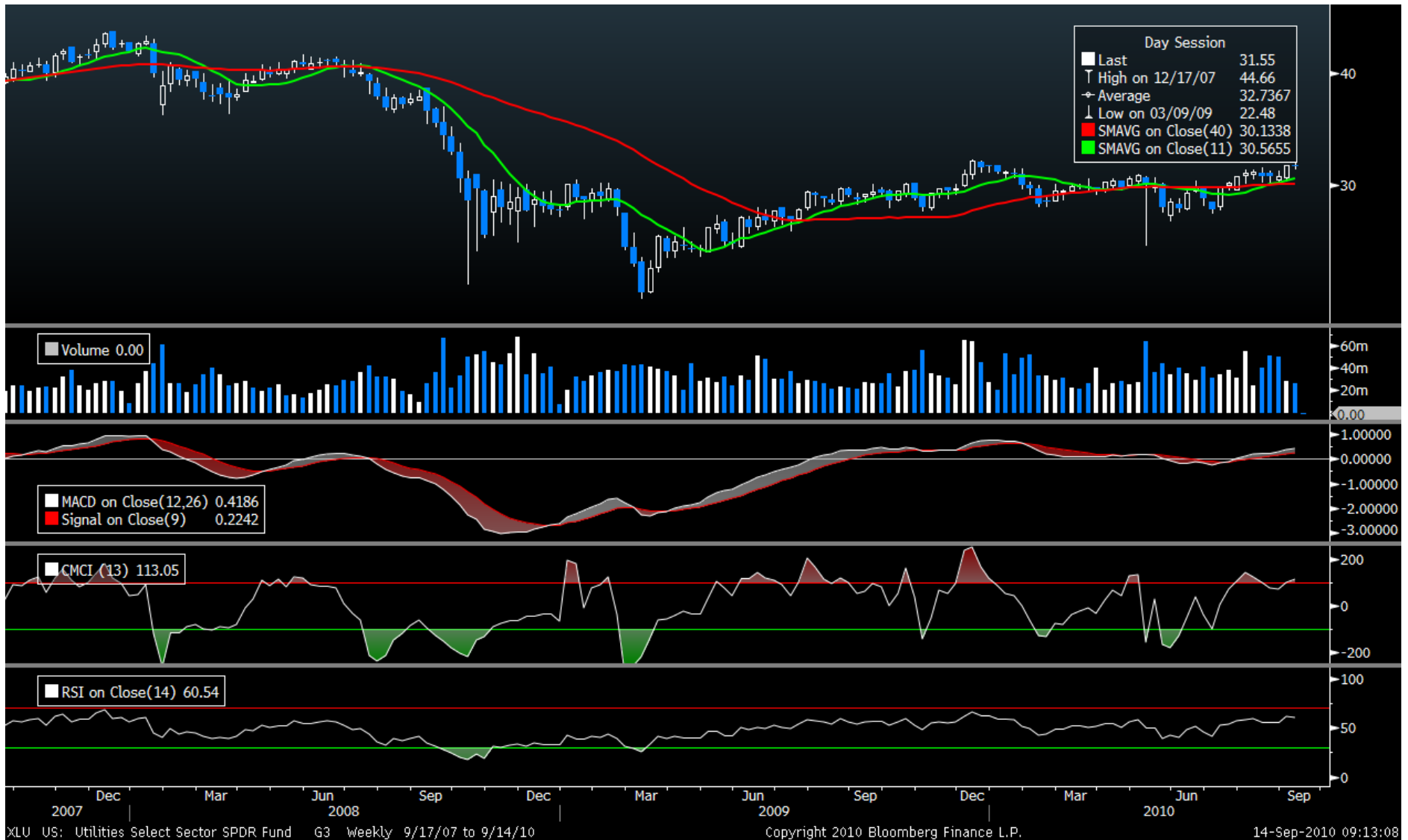


## 4- XLI – Trend Reversion Analysis – Long Term

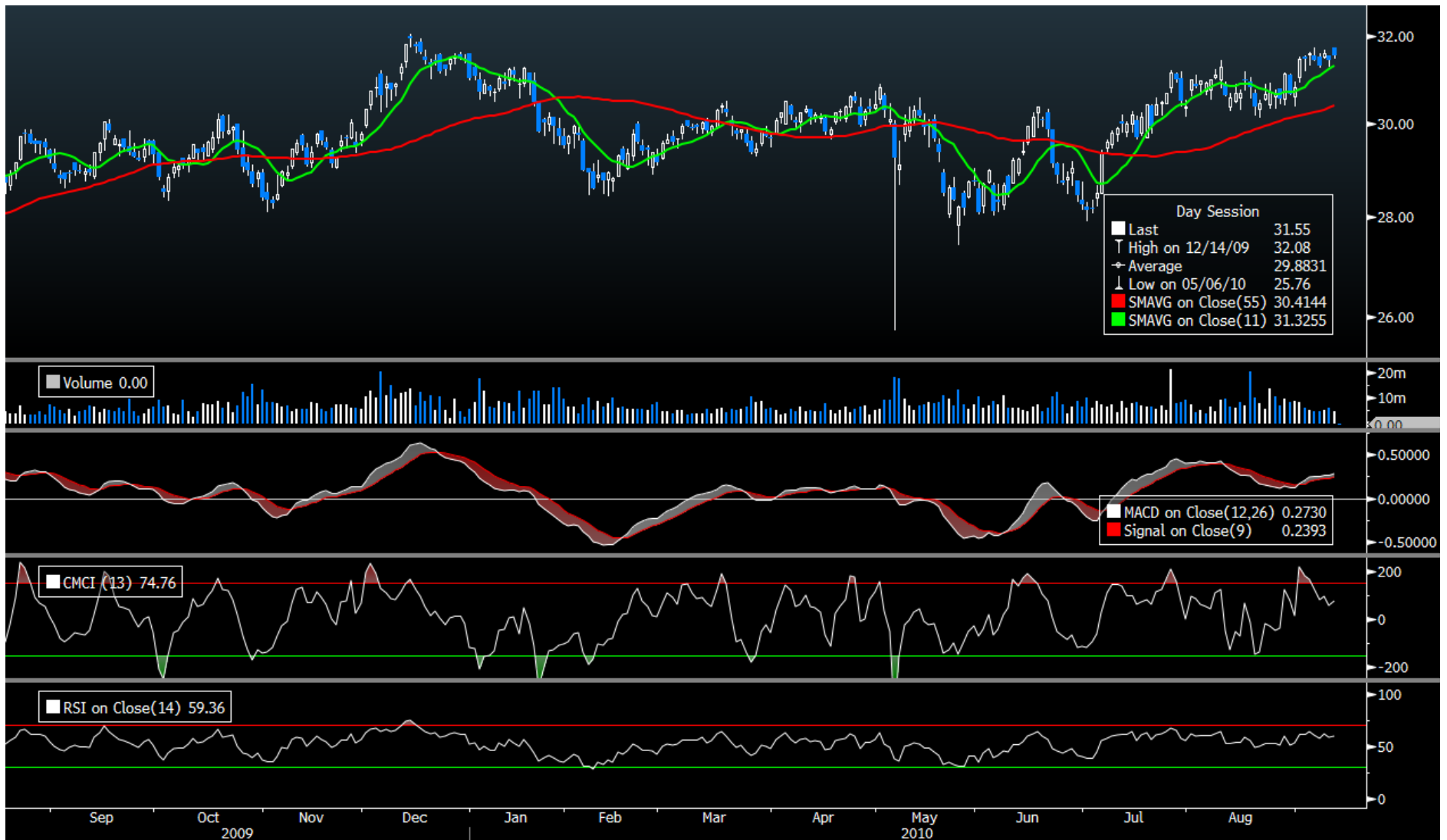


2.

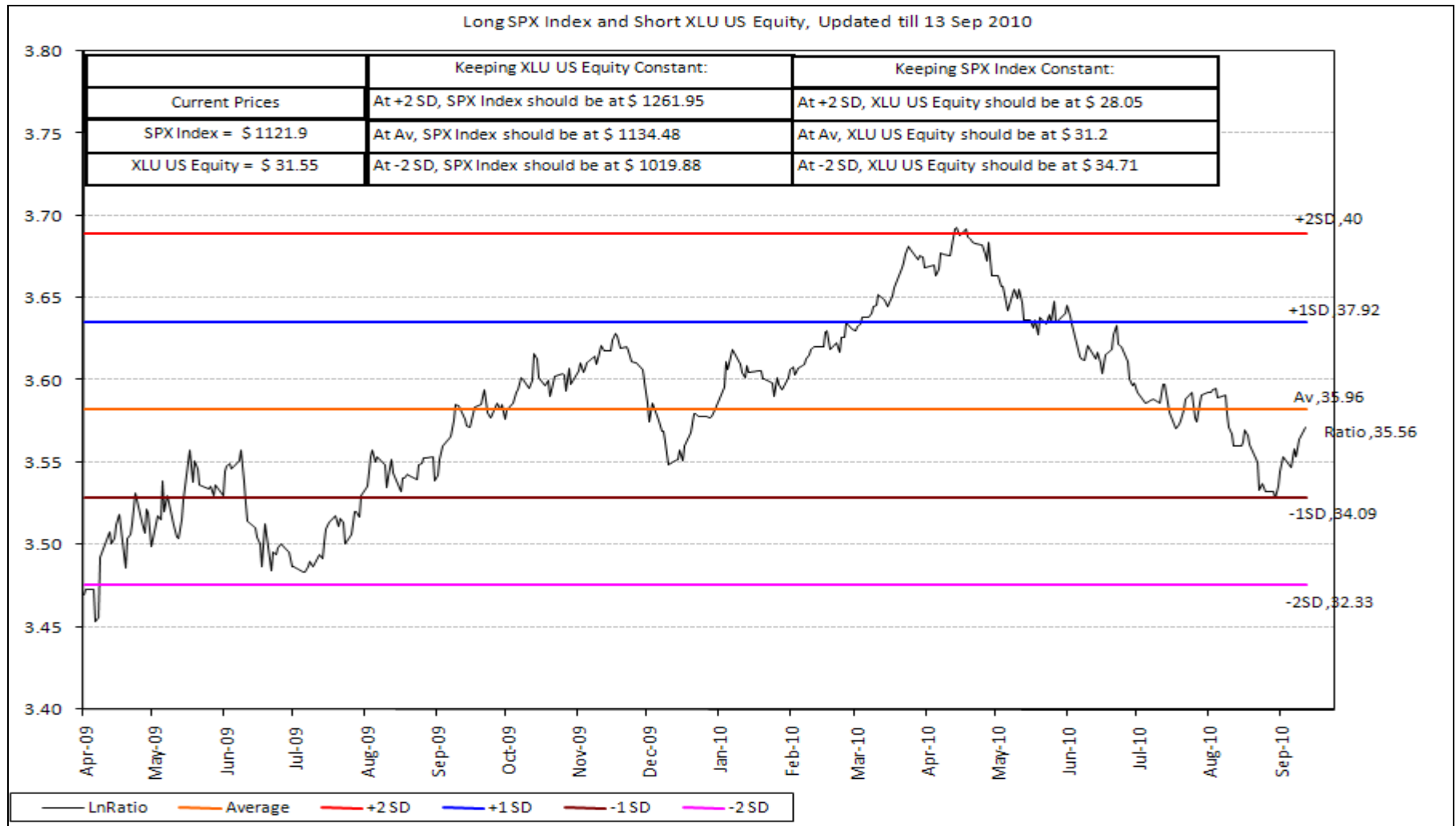
1. XLU - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



# XLU - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

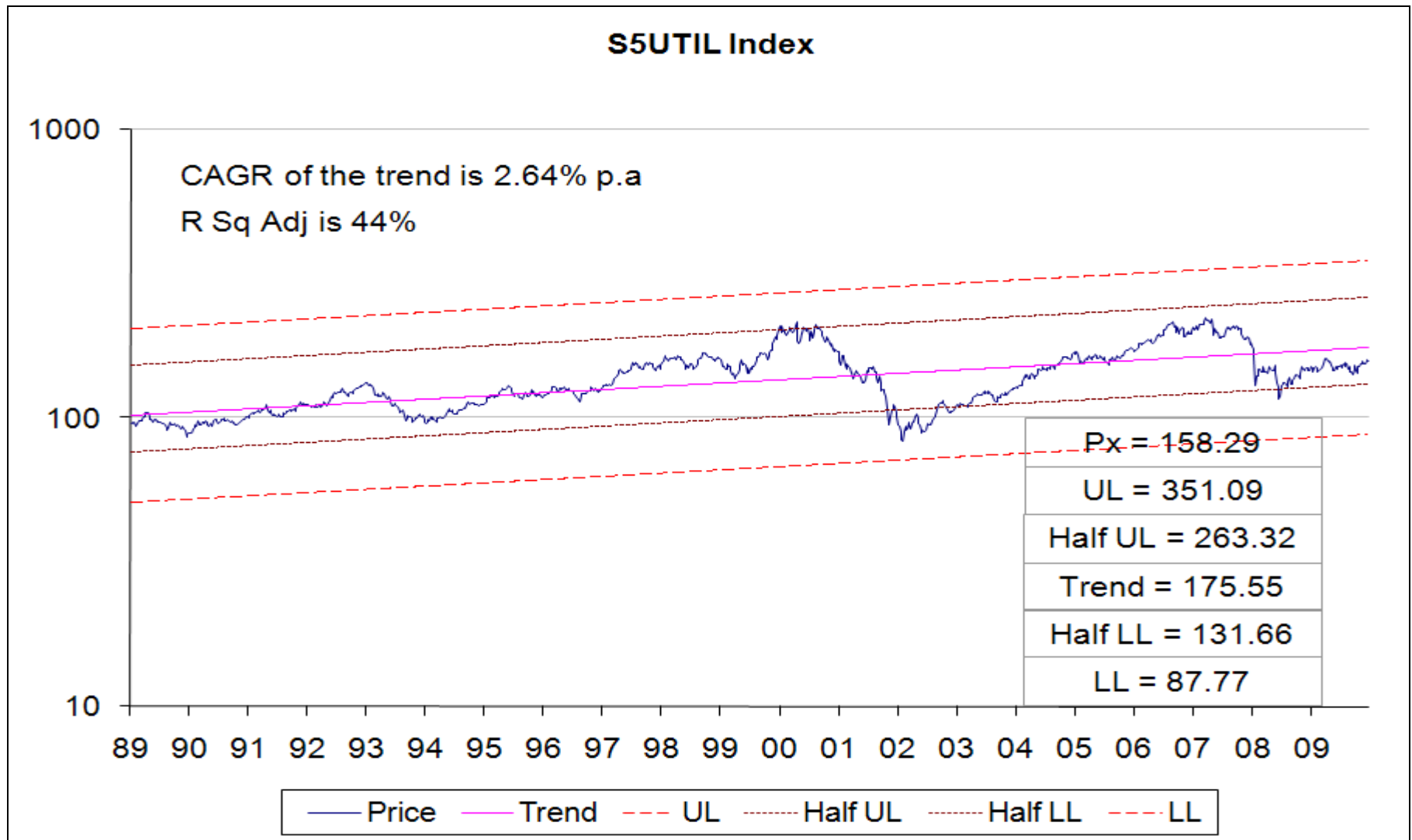


### 3- XLU – Correlation Ratio Analysis with SPX – 365 days Time basis

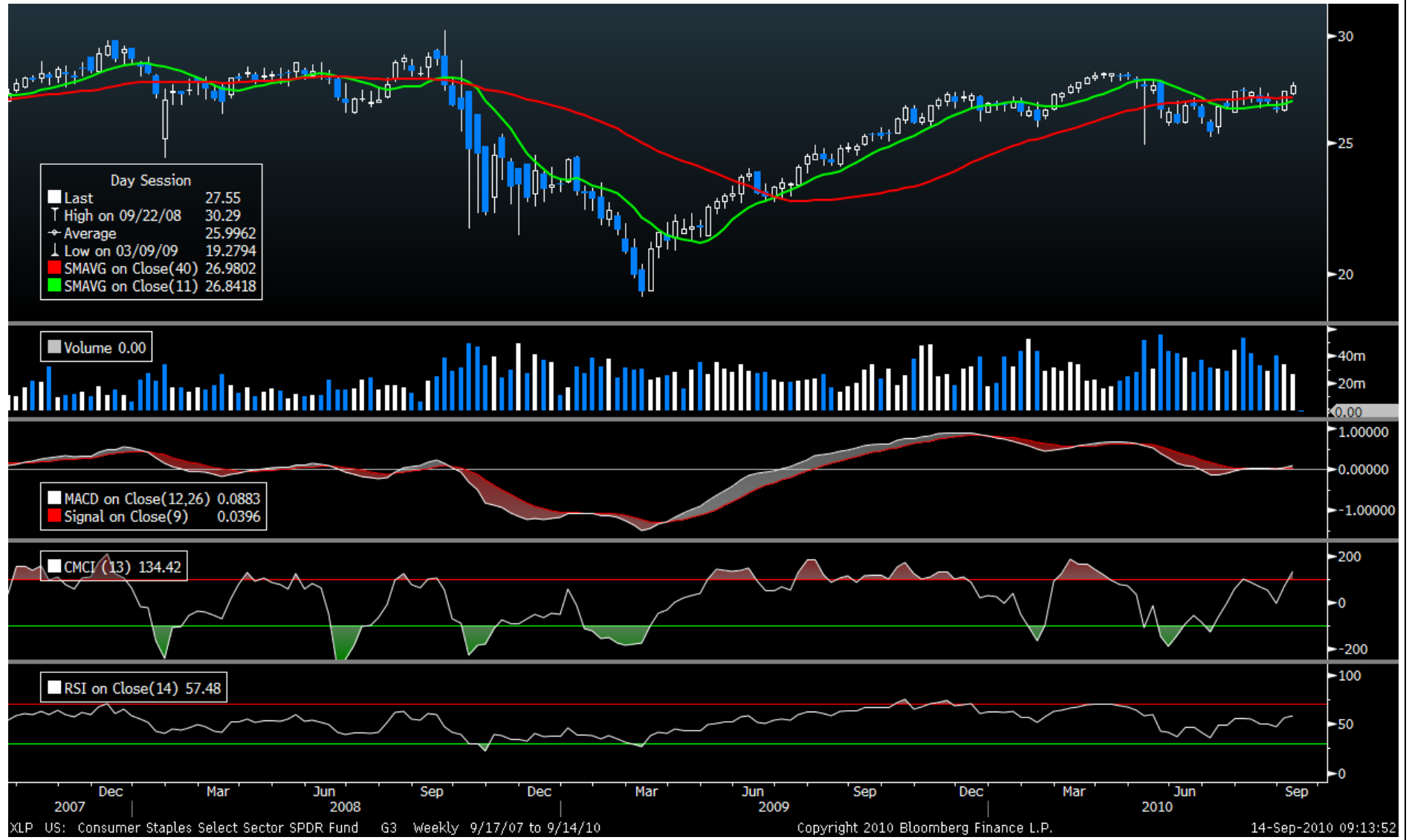




**XLU – Trend Reversion Analysis – Long Term - Adj R –SQ is below our benchmark 70%**



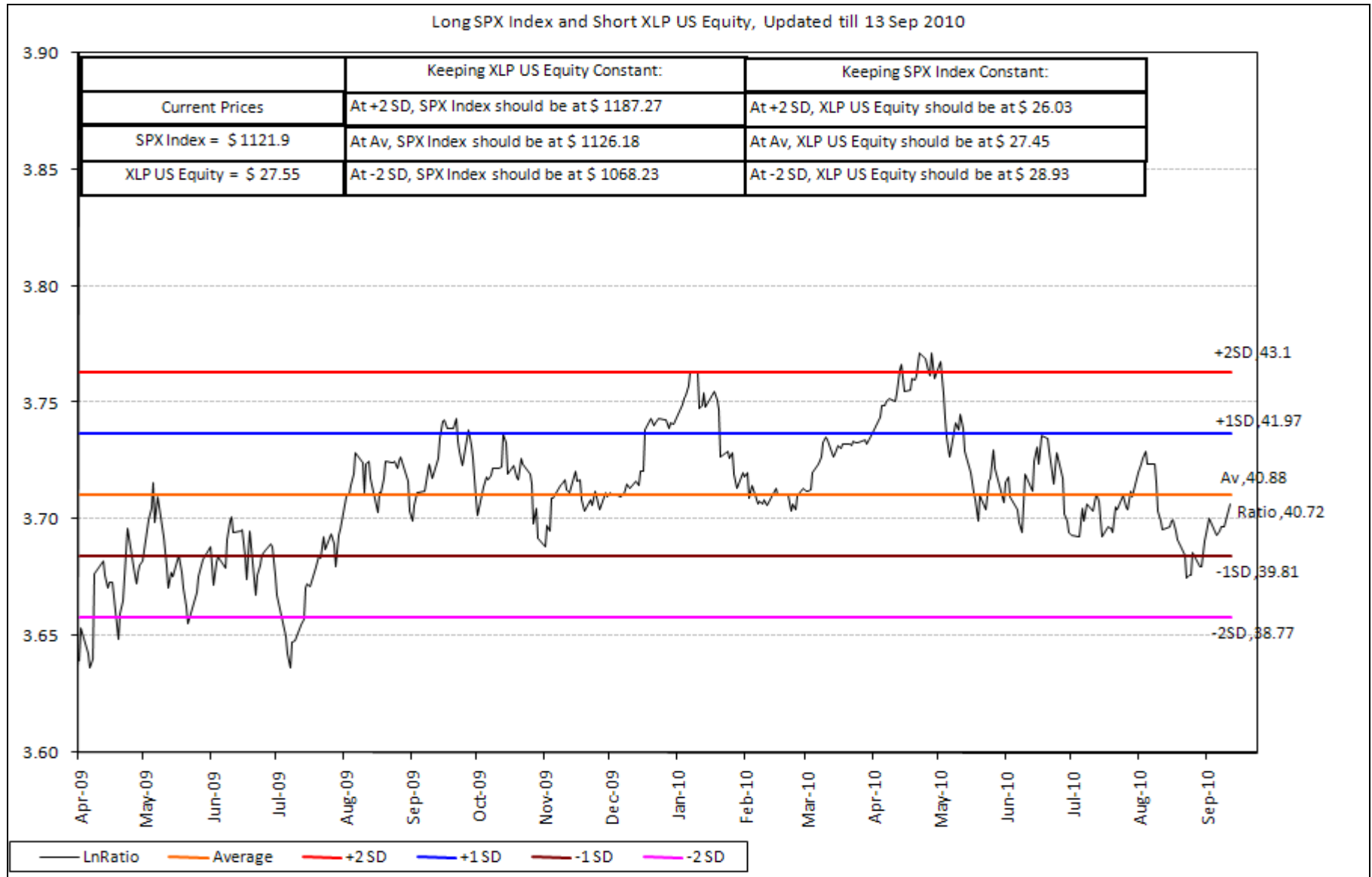
# 1. XLP - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



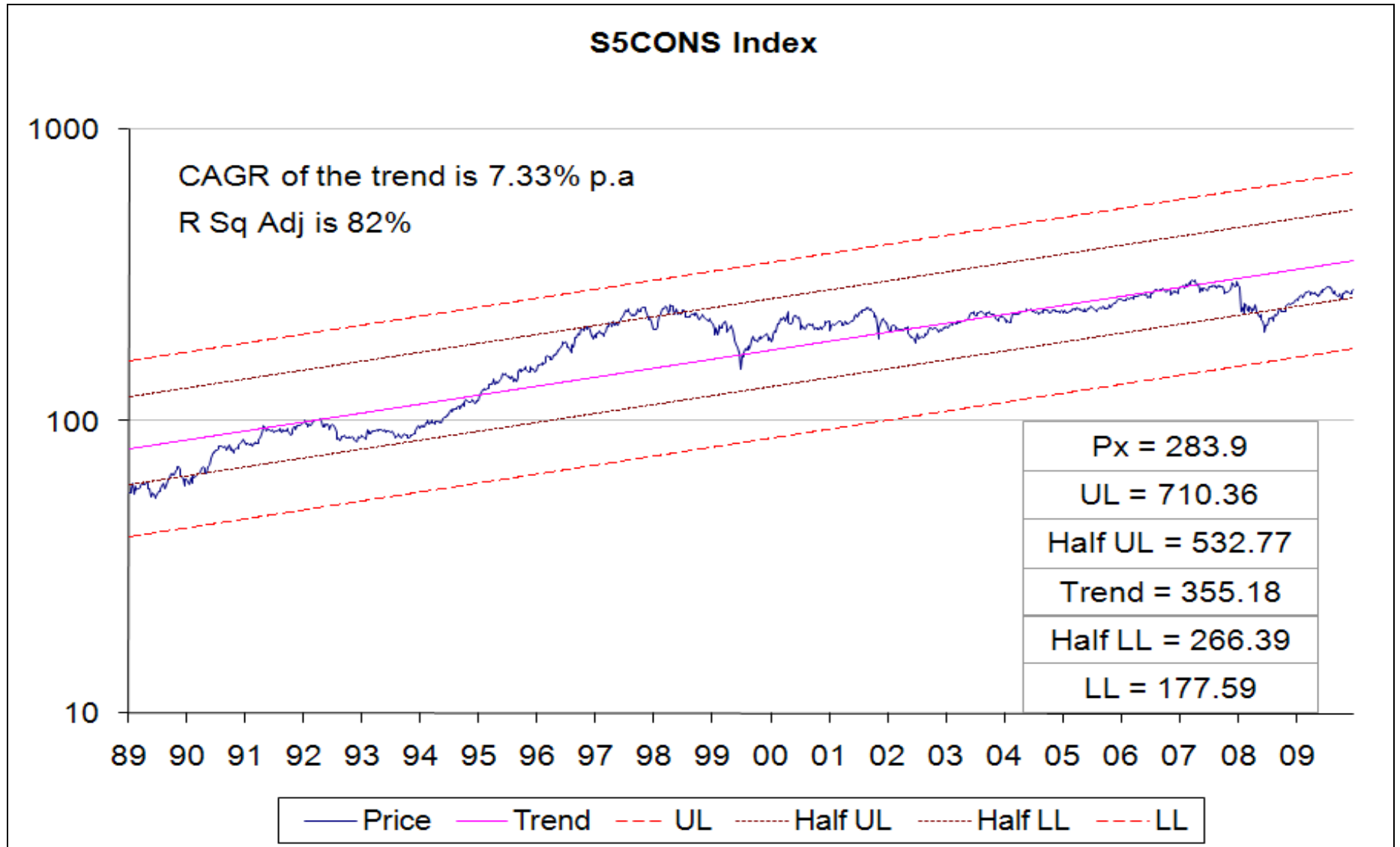
# XLP - Daily – 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



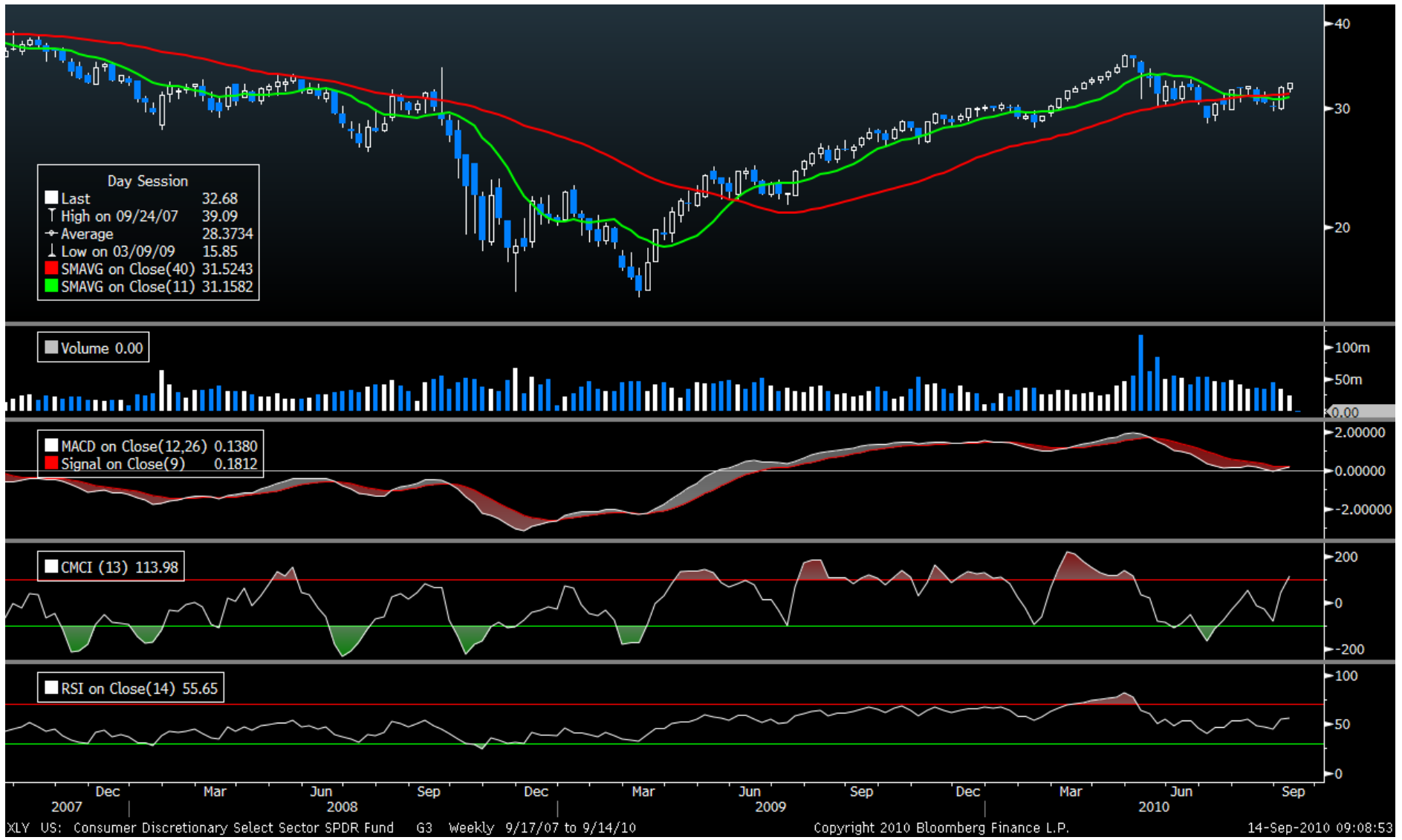
### 3- XLP – Correlation Ratio Analysis with SPX – 365 days Time basis



## 4- XLP – Trend Reversion Analysis – Long Term



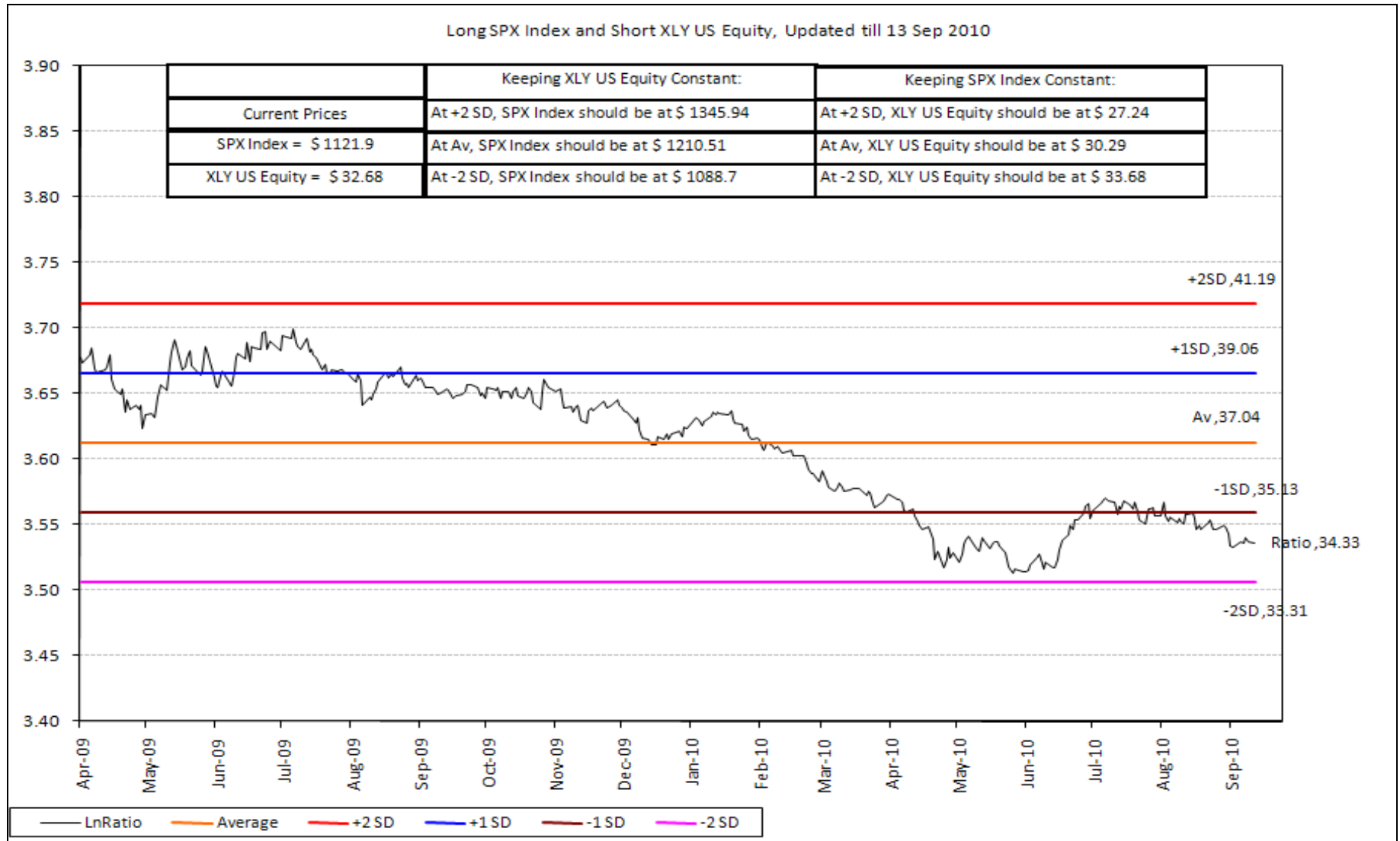
# 1 - XLY Weekly – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)



## 2 - XLY Daily – 3 Year with RSI, CCI, MACD (11D / 55D) SMA

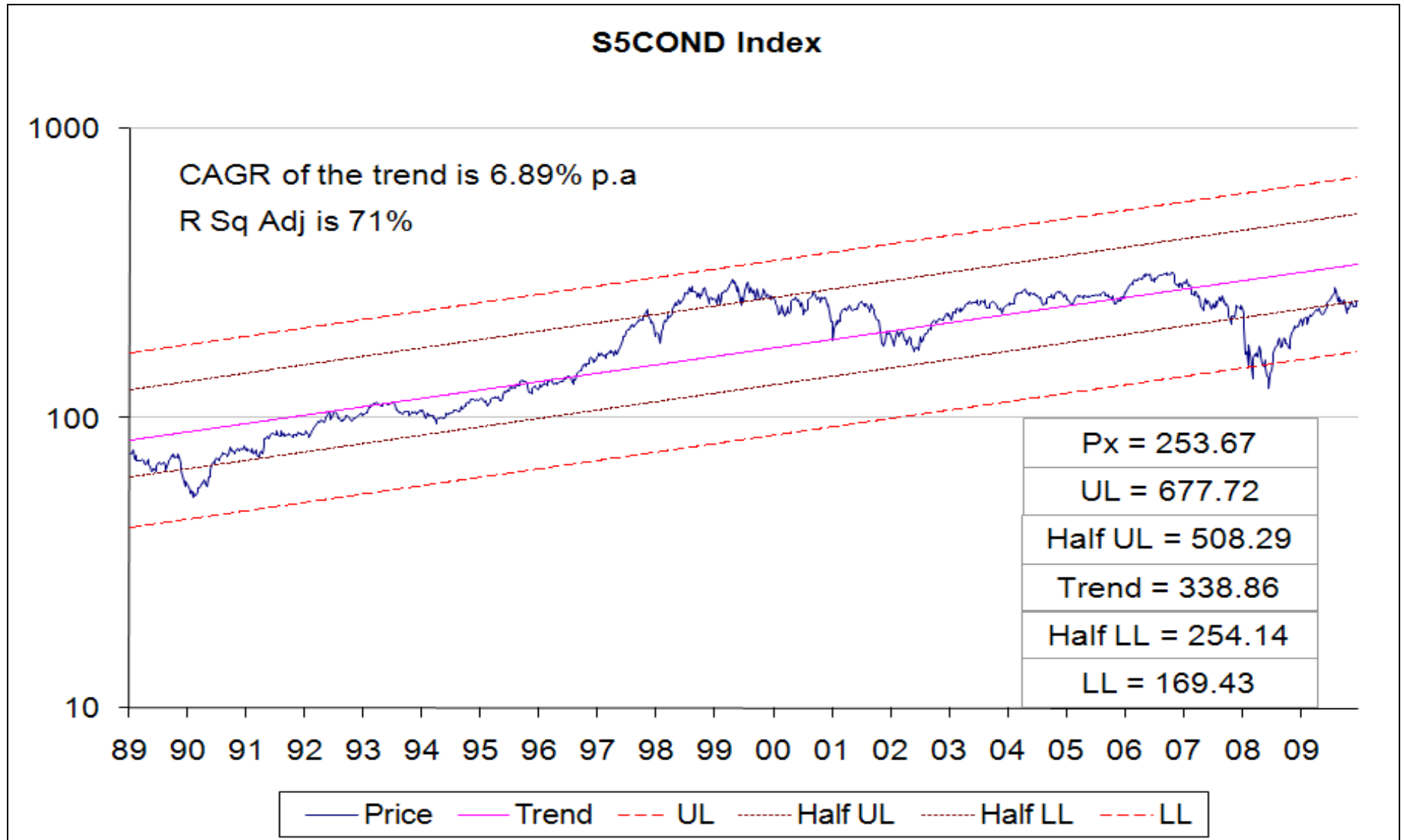


# 1- XLY – Correlation Ratio Analysis with SPX – 365 days Time basis

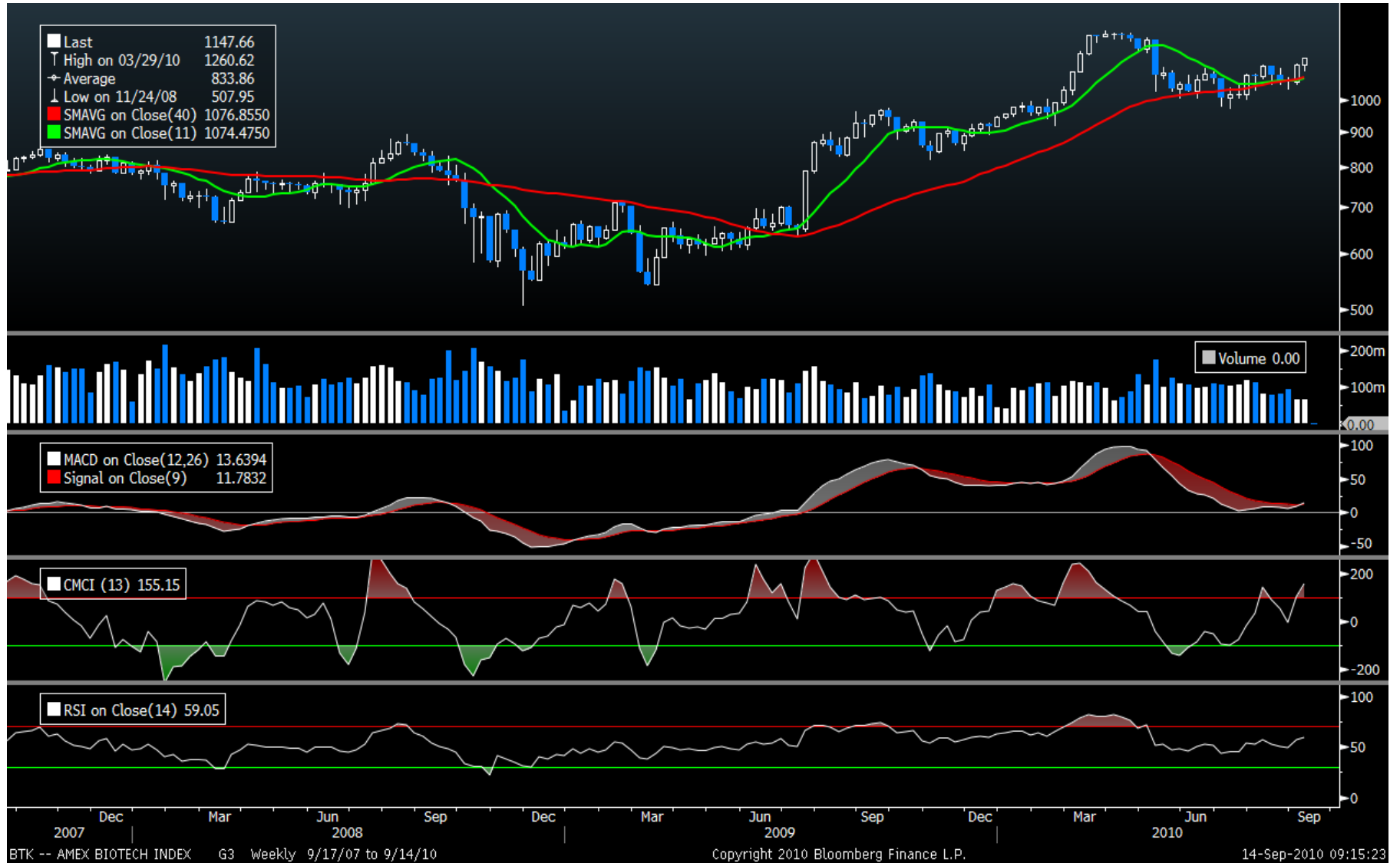




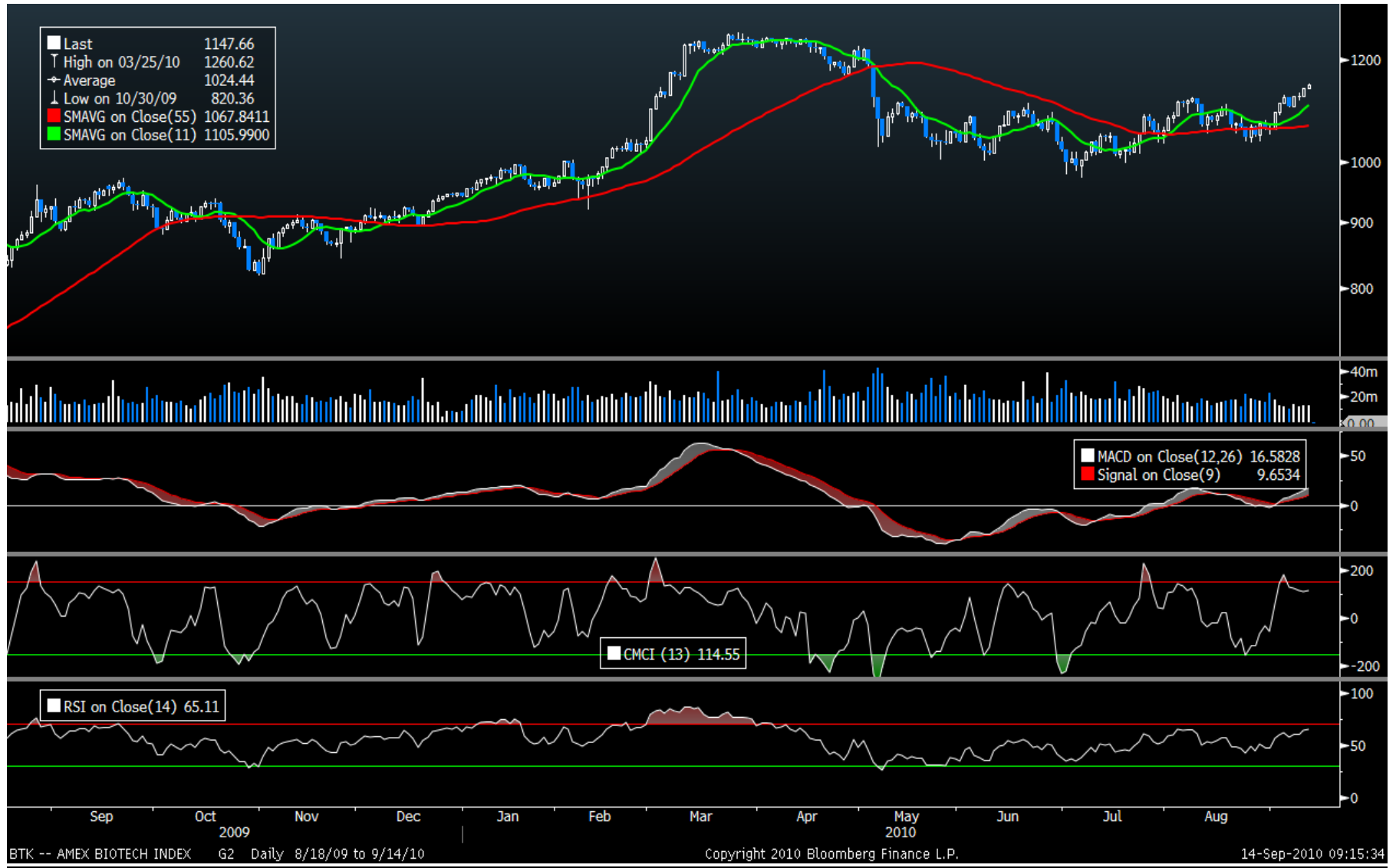
## 2- XLY – Trend Reversion Analysis – Long Term -



# 1 - BTK Weekly- 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)

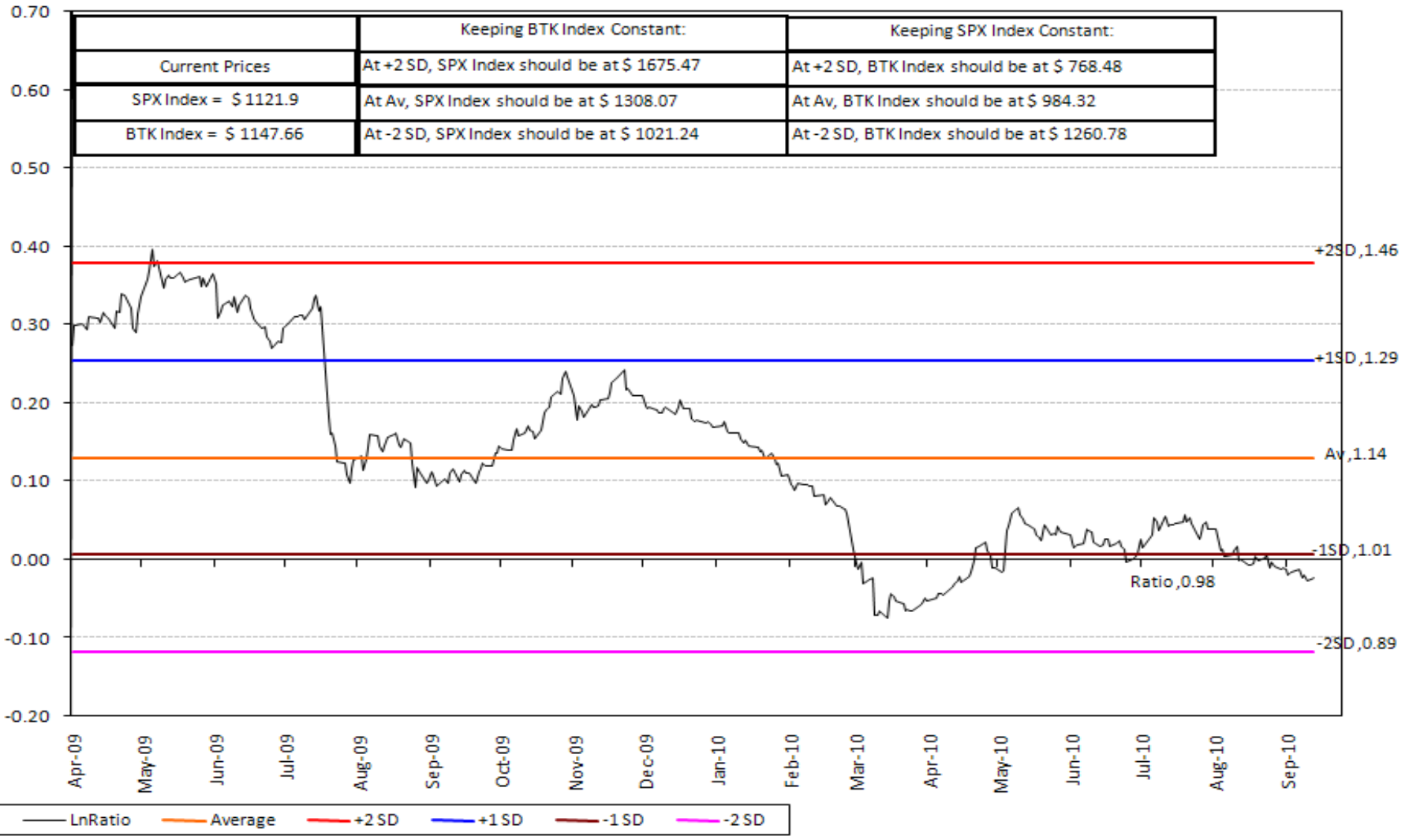


# BTK Daily – 3 Year with RSI, CCI, MACD (11D / 55D)

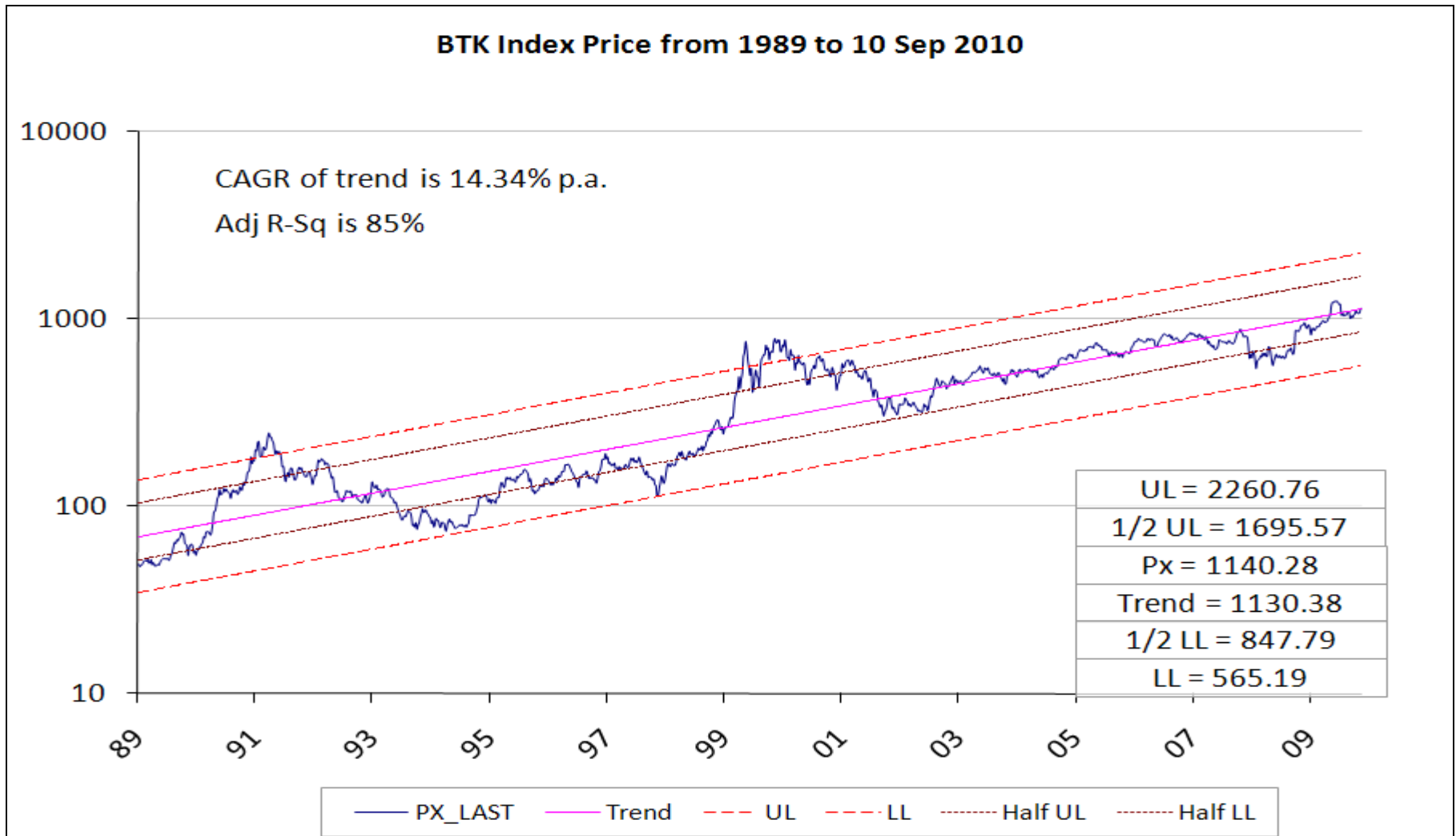


# BTK – Correlation Ratio Analysis with SPX – 365 days Time basis

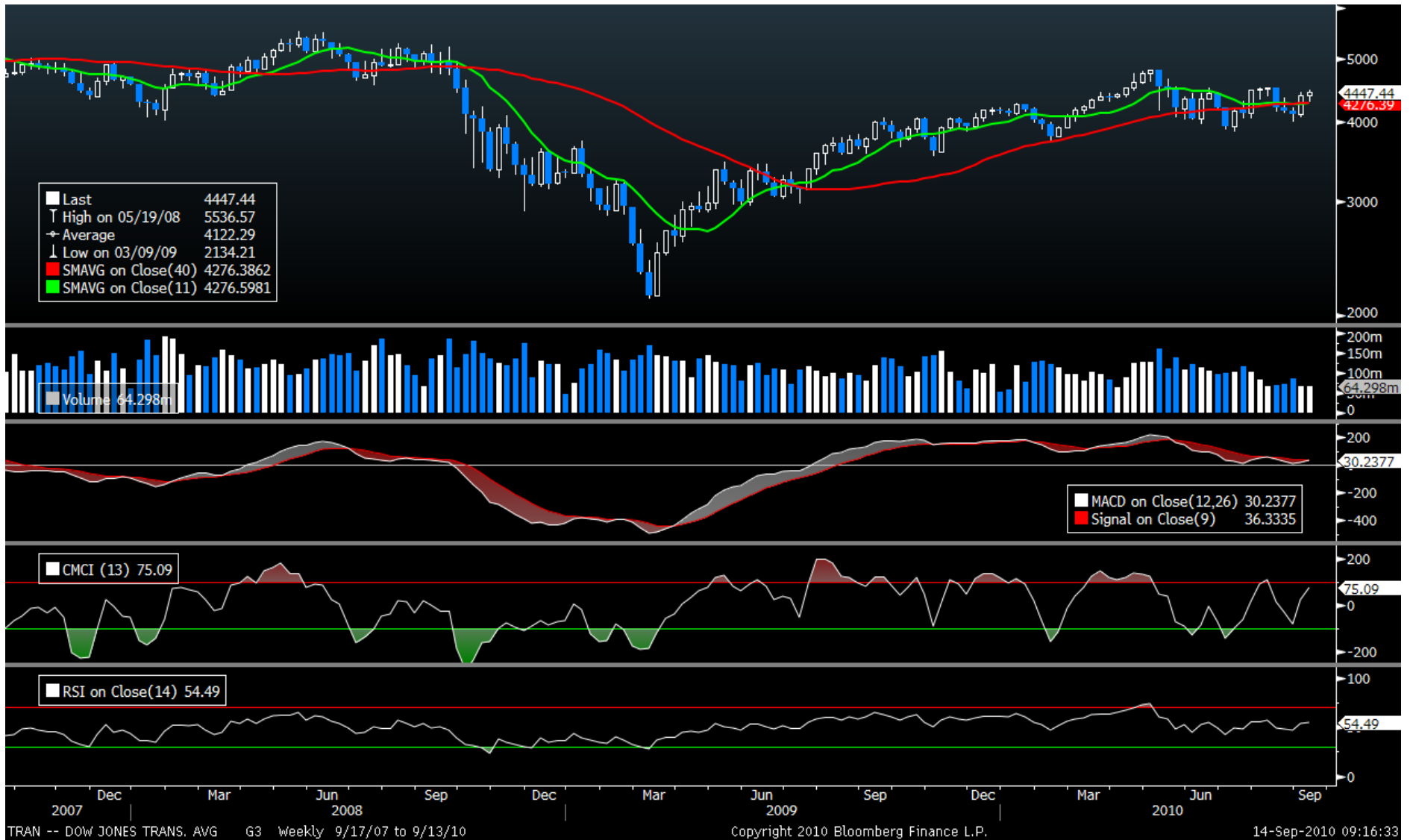
Long SPX Index and Short BTK Index, Updated till 13 Sep 2010



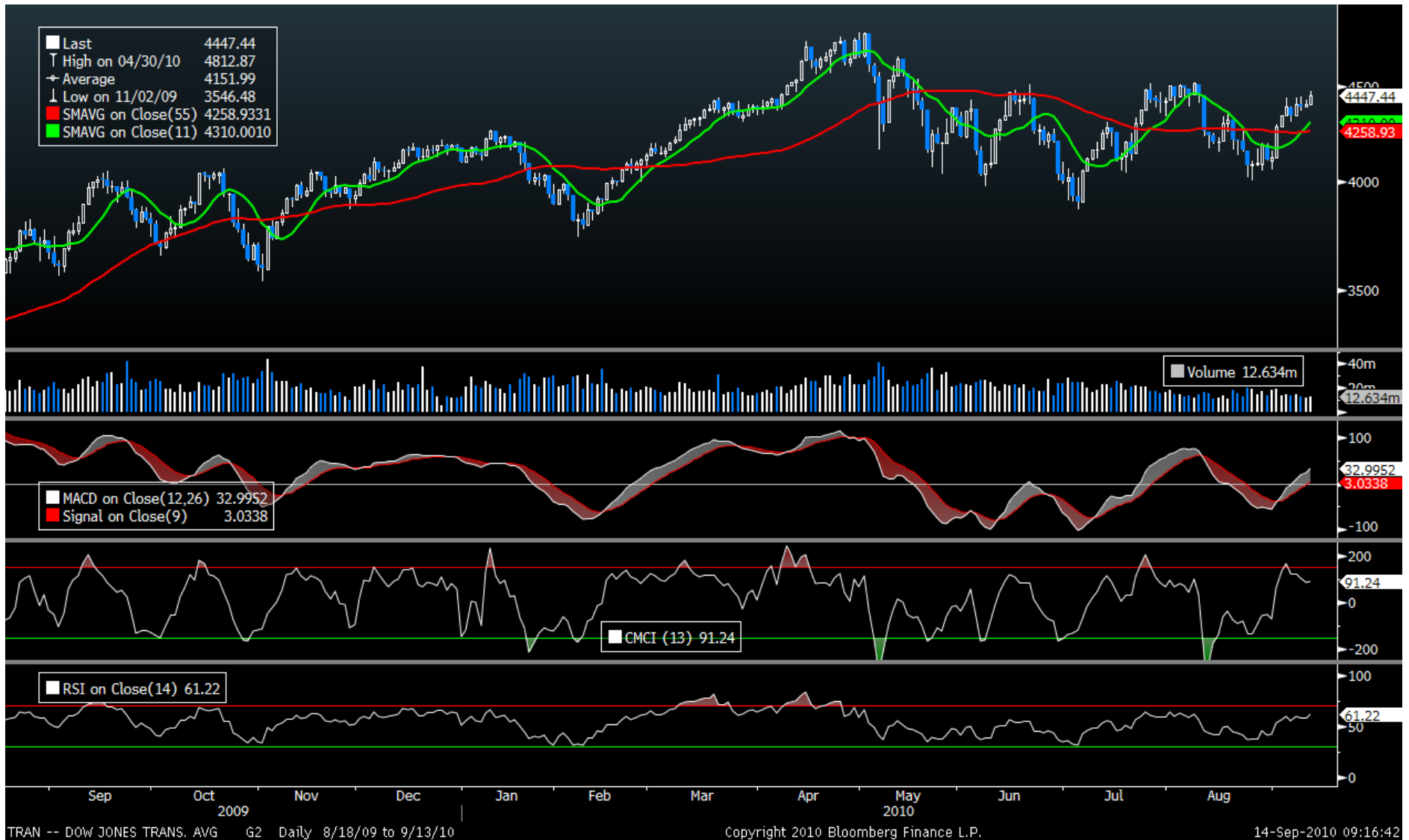
### 3- BTK – Trend Reversion Analysis – Long Term



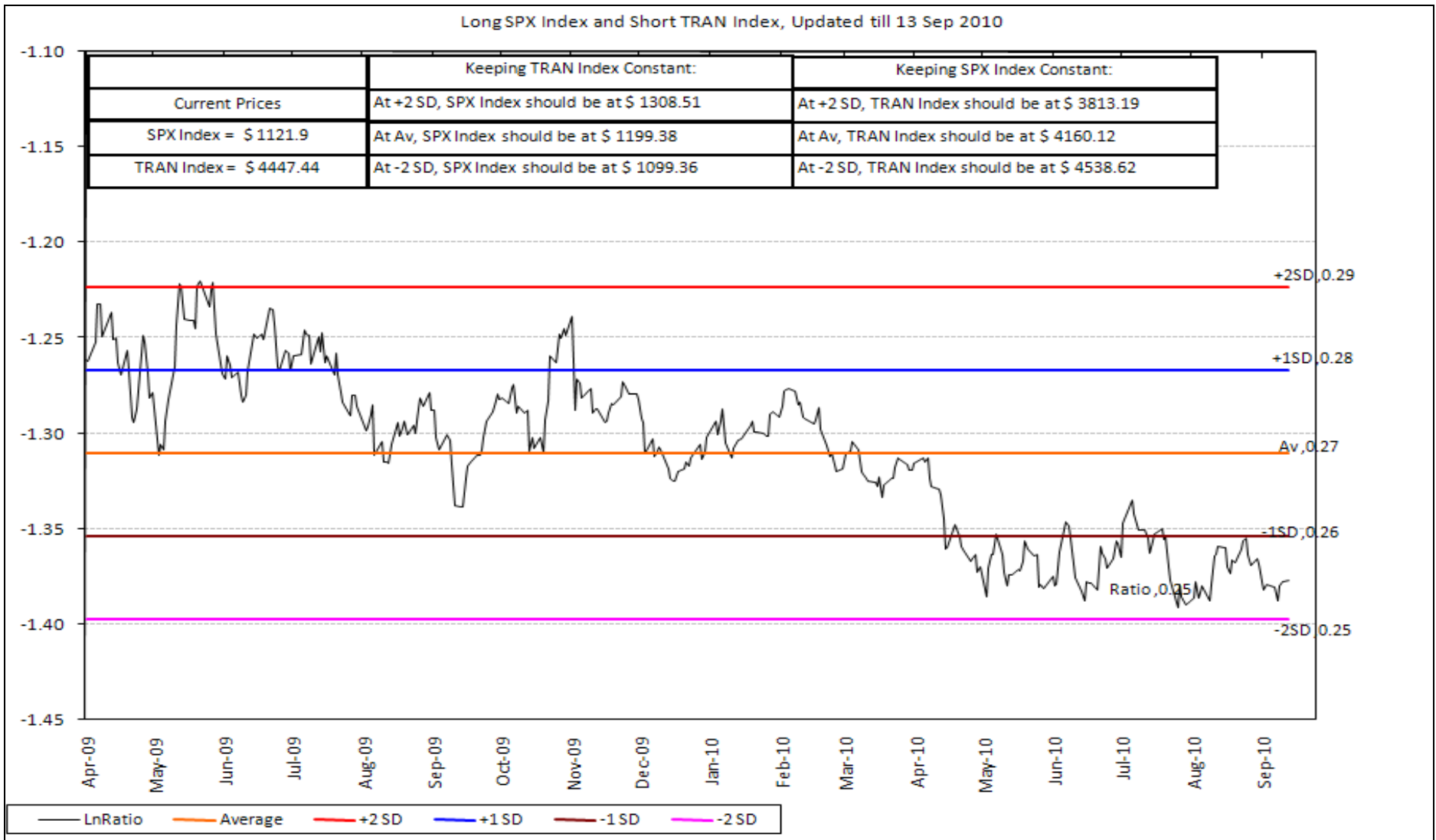
# 1. IYT - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



# IYT - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

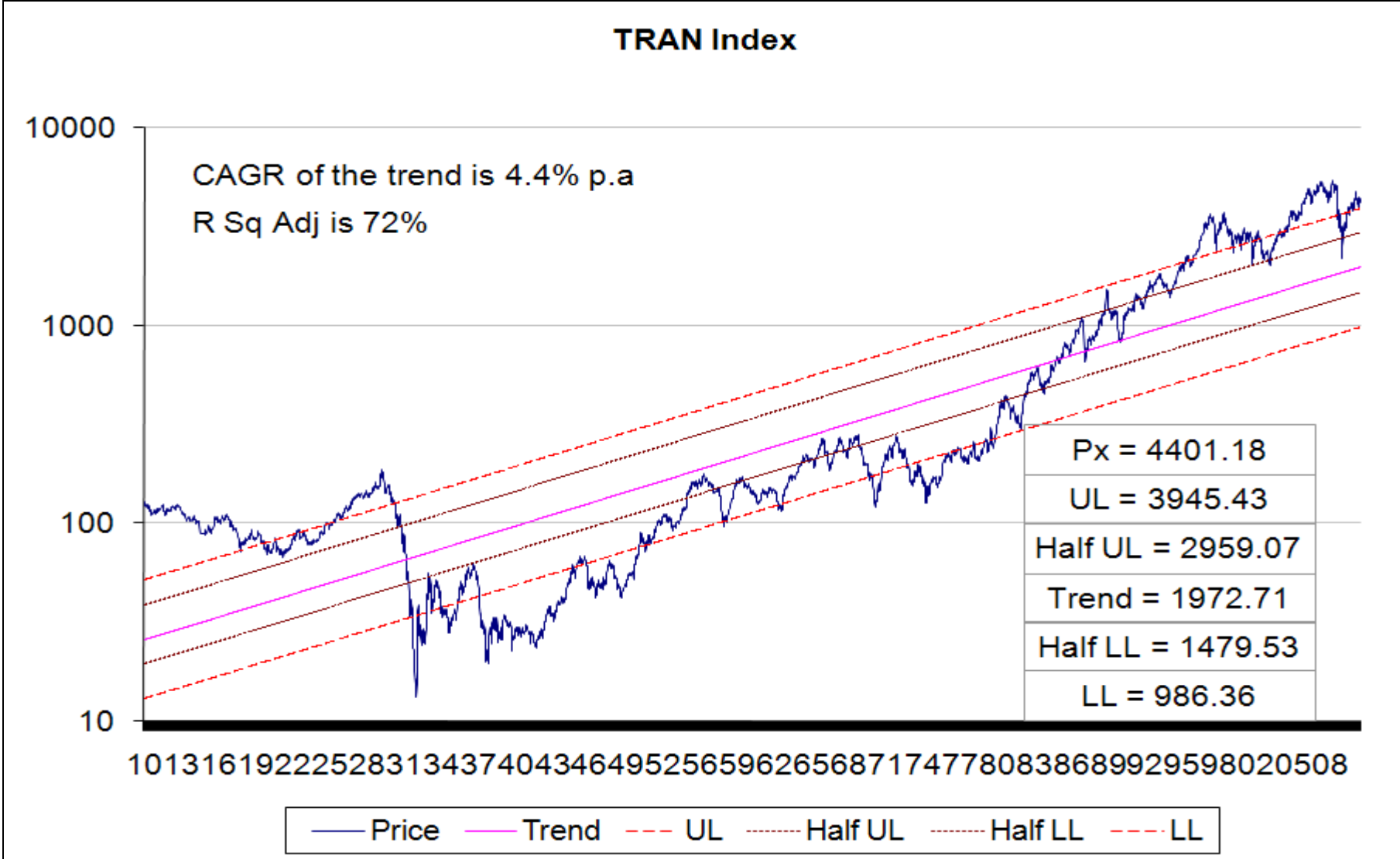


### 3- IYT – Correlation Ratio Analysis with SPX – 365 days Time basis





### 4- IYT – Trend Reversion Analysis – Long Term



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