

Market review from a Technical Perspective

**S&P500 S&P500 extends its pullback,
just holding support**

Gold keeps a bear bias

US 10 year testing top of range at 3.90%

US \$ index rebounds slowly

Bruno Estier, MFTA; CFTe. Feb 20, 2023

MFTA : Master in Financial Technical Analysis of IFTA (International Federation of Technical Analysts.)

Note disclaimer at end of report

Conclusions Feb 17, 2023 . S&P500 extends its pullback , just holding support

US equity : S&P500 extends its pullback toward 4060 , but could resume uptrend soon

Vix remains capped by resistance near 21% , The **top of the range 18.35- 21.30 %** .

Medium term : : S&P500 has followed the bullish Green path with higher highs & lows above its just now rising MA40wk (3940). The support area between 4060-4100 has been tested twice and thus the pause could be soon over , allowing further rise toward 4300 or even 4450 along the seasonal pattern

SECTOR ROTATION confirms the pullback of ratio of Growth versus Value . Technology , Semi-conductors & Communication, are pulling back but weakness is seen also in Energy & Materials .

Only Discretionary , Industrials and Financials display smaller pullbacks , while defensive sectors (Healthcare, Staples and Utilities) are rebounding . .

US 10 year Yield (3.82) Range 3.90-3.33 .

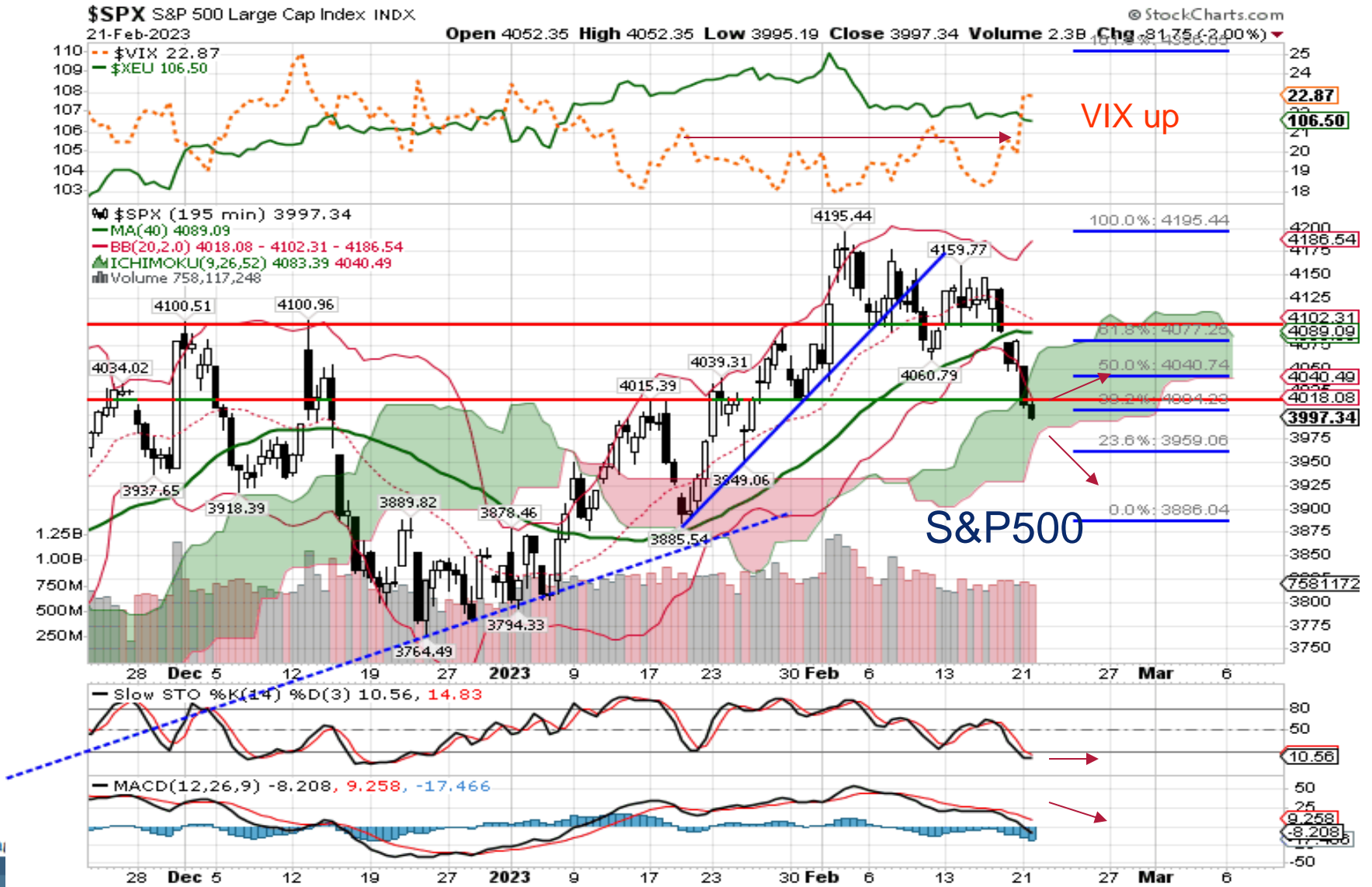
Gold (1850) Range 1875-1817 with bear bias

US Dollar Index 103.78 -- Rebound in range 100.70-105.50

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S&P500: Feb 21, 2023 Four-hourly. 3997 . Bear bias below 4040 .

Again pause extended and retested the low of the range 4160-4040 along declining MACD & recrossing down STO. If gap 4080-4100 is filled , rebound toward 4166 . Below 4040, down drift to 4000, then 3950 .



S&P500: Feb 21, 2023 Daily 3997 range 4195-3940.

Pullback is reaching MA200d (3943), which is bottoming flat along declining soon oversold STO & crossing down MACD. Below 4050, down drift toward 3928-3943, then 3840. Vix broke above range 18.35-20.50, reaching former high 23% .



S&P500: Feb 17, 2023 Weekly 4079 still within weekly cloud along Green path

MA40wk is flattening, but two week pause let the weekly STO crossing down, while weekly MACD still rises. Thus there is a risk of leaving the green path, if S&P500 breaks below 4040. If it rebounds above 4160, then it may extend toward 4305. Only below 3940, there would be a risk to decline along the Red path. **VIX rebounded but remains topy below 21%**. RS of NDX is flat and need monitoring. RS of Small caps is a tad up, while RS of Emerging versus SP500 is still declining a tad.



S&P500: Feb 21, 2023 Weekly 3997 Break below cloud toward Red path

MA40wk is flattening, but weekly STO crossing down, despite weekly MACD still rising, leaves a risk of leaving the green path, if S&P500 breaks below 4040. Below 3940, there would be a confirmation that S&P500 follows the Red path. **VIX rebounded to reach former high 23%**. RS of NDX is flat and need monitoring. RS of Small caps is a tad up, while RS of Emerging versus SP500 is still declining a tad.



Feb 17, 2023 US10yr yield 3.82% Weekly Range 4.33-3.33

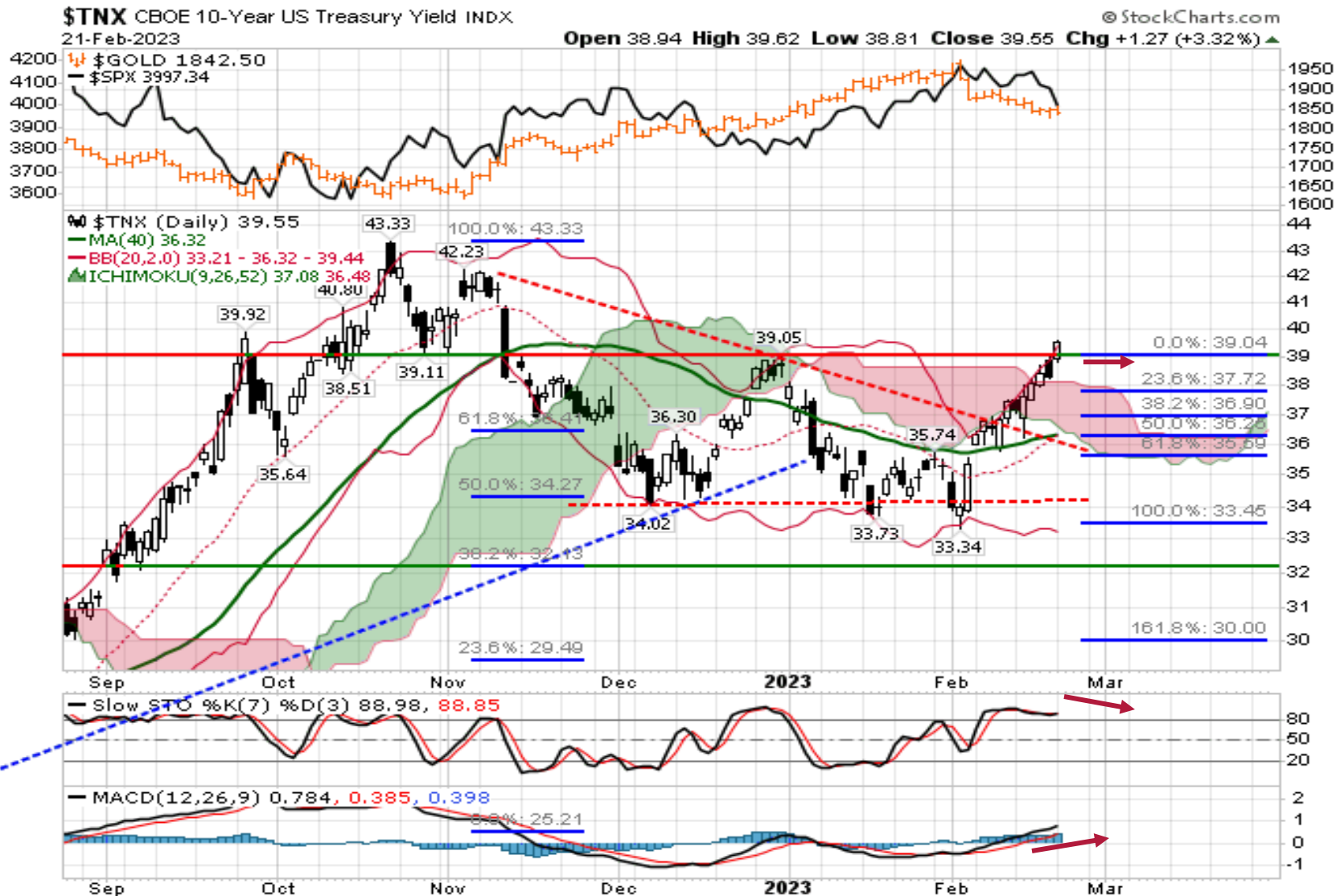
US 10 yr yield is rebounding within range 3.33-4.33 , retesting former high of December (3.90%) along rising STO & soon crossing up positive MACD.

Above 3.90, see rise toward 4.22-4.33 % . Below 3.69, see down drift toward cloud 3.57 area .



Feb 21, 2023 US10yr yield 3.95% Daily trying to break up 3.90 R

US 10 yr yield broke above range 3.37-3.57 to reach above former high 3.90 along overbought STO & rising MACD. Above 3.90, see rise toward 4.22-4.33 %. Below 3.69, see down drift toward cloud 3.57 area .



Gold \$ per oz: 1850 Weekly Feb 17, 2023. Bear below 1875

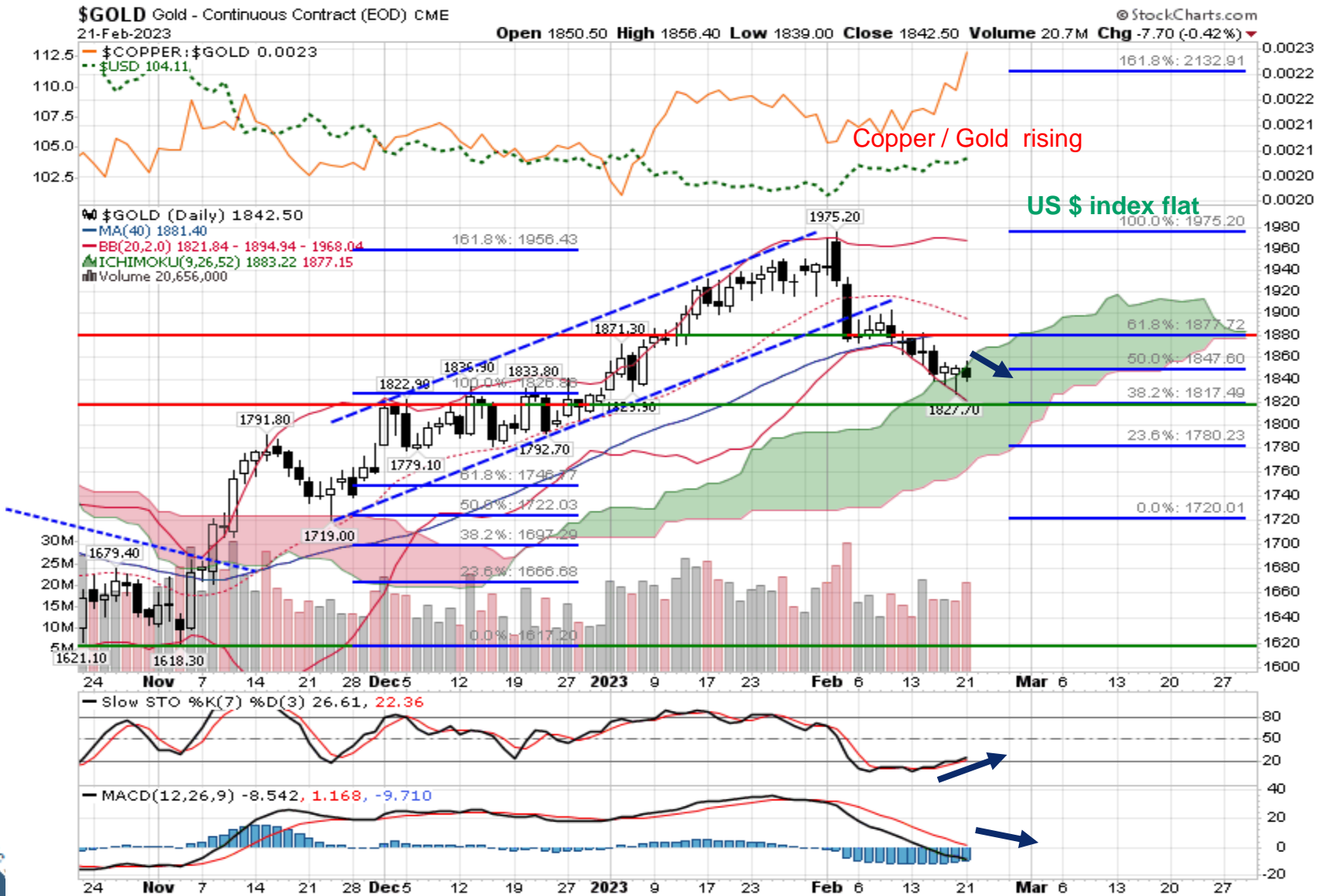
Gold made a sharp reversal from 1975 to 1827 along declining STO, & topy positive MACD. Cloud (1875)support has been broken, reaching Fibo 38% (1840), next support 1795. then 1752 .



Gold \$ per oz: 1839 Daily Feb 21, 2023. Range 1875-1817 with bear bias.

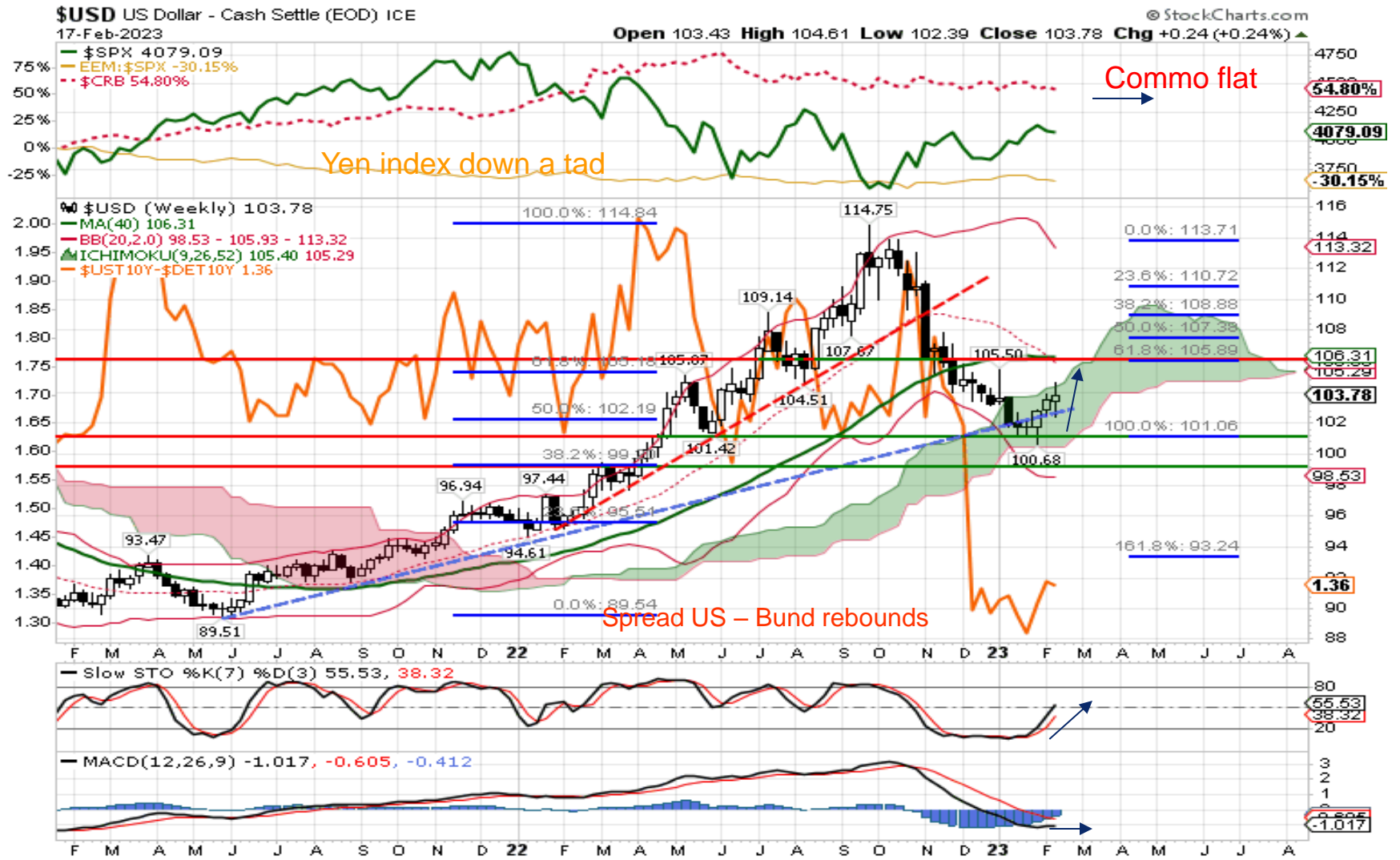
Decline should extend toward 1817 along oversold STO & declining MACD.

Above 1875, rebound toward 1900. Below 1847, down drift toward 1817.



USD index Weekly 103.78 Feb 17, 2023: Rebound in range 100.70-105.50

\$ index is rebounding from 100.70 toward 105.50 along crossing up STO and bottoming MACD. MA40wk(106.31) is flat. Above 104.25 (cloud), see rebound toward 105.50. Below 102.00, see decline toward 100.50 then 98 area .



USD index Daily 104.11 Feb 21, 2023: Bull bias above 103.35

Spike at 100.68 & reversal along rising STO & MACD., should extend toward 105.50 .

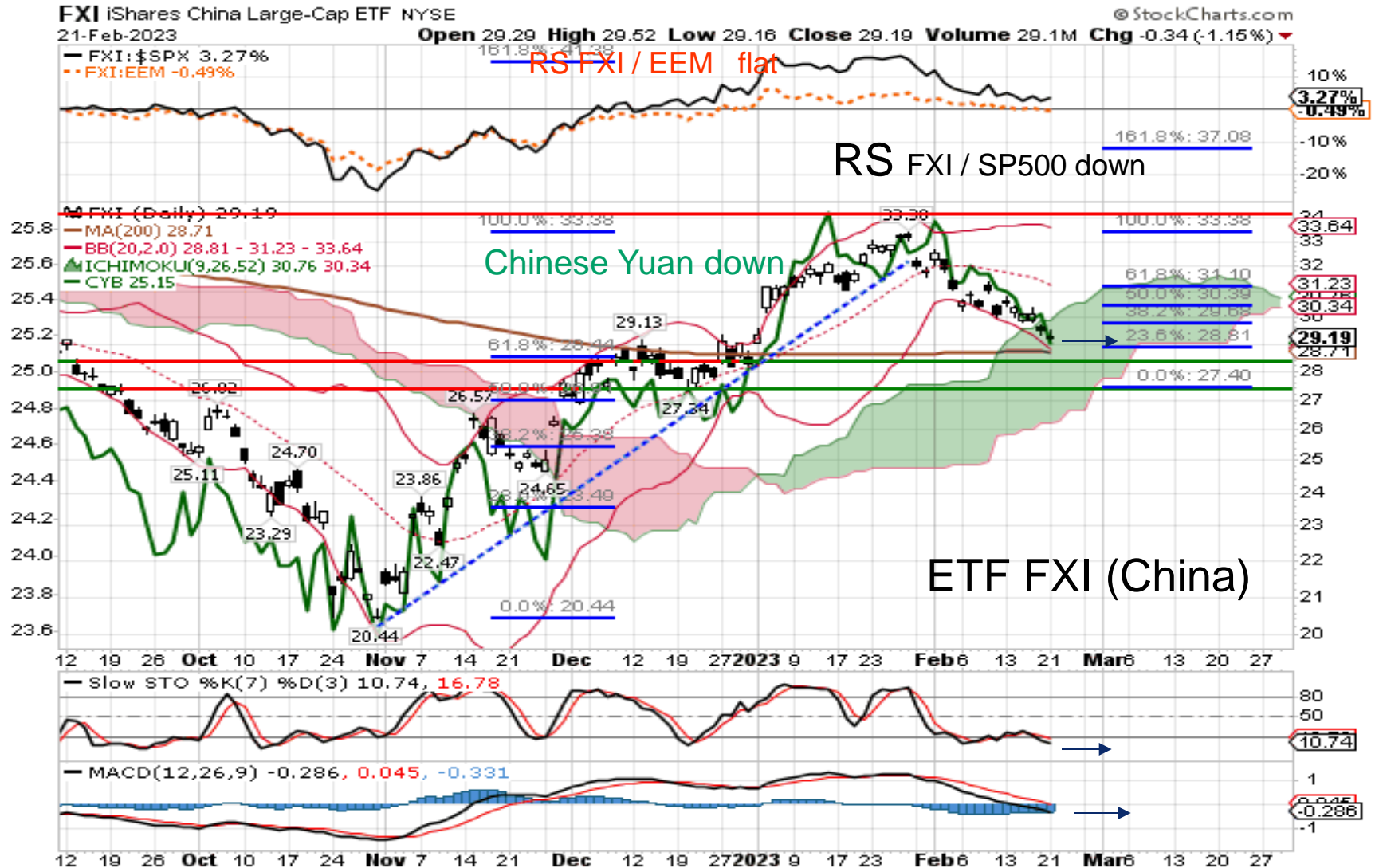
Above 105.50 , major turn around toward 113 area . Below 102.40, down drift toward 100.60, then 98.50 .



ETF FXI (CHINA) 29.53 Weekly Feb 17, 2023. Range 33.40-28.40 with pausing RS
RS of FXI versus S&P500 is pausing after a rise as RS of FXI versus EEM . ETF FXI CHINA rose toward top of cloud (33.40) and paused along declining STO & soon crossing down MACD. Above 33.40, rise to 36.40. Below 28.45, reversal toward 25.40 . Note Yuan is correlating with FXI well.



ETF FXI (CHINA) 29.19 Daily Feb 21, 2023. Bear bias below 31.10 with RS down
RS of FXI versus S&P500 is declining while flat RS of FXI versus EEM . ETF FXI CHINA broke steep trendline support and pulled back toward fibo 38% (28.44) along oversold STO & declining MACD. Above 31.10, rise to 33.30 area. Below 28.80, down drift toward 28.80, hen 27.35 .

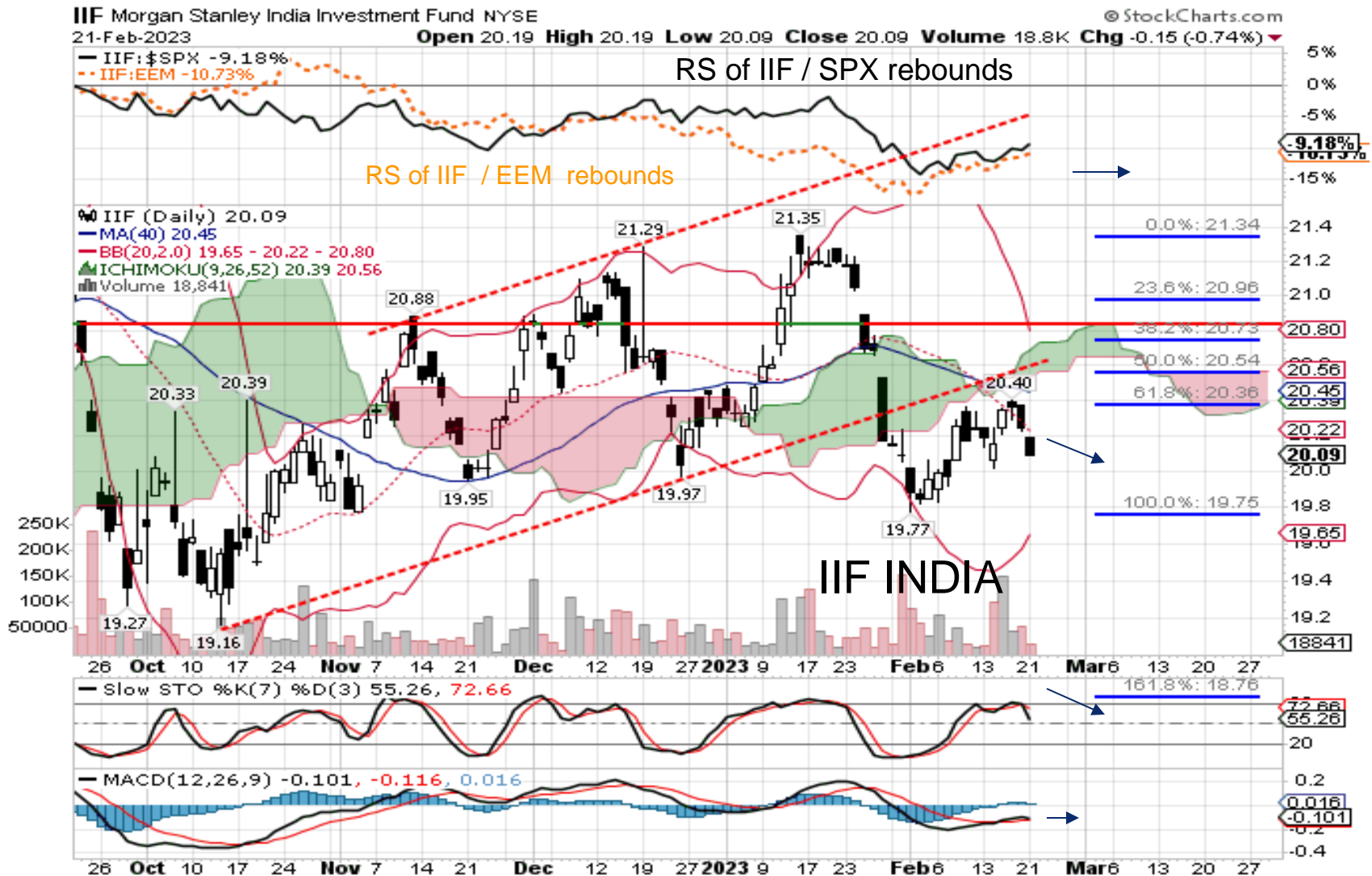


IIF (etf INDIA) 20.24 Weekly Feb 17, 2023. testing range 20.13-21.35 with RS flat
 IIF versus S&P is flat and also flat versus EEM. IIF(India) failed at upper B-band and declined along crossing down STO, and crossing down MACD. Above 21.40, see rise toward 22.21. Below 20.15, see down drift toward 19-18 area.



IIF (etf INDIA) 20.09 Daily Feb 21, 2023. Bear below 20.40 with pausing RS

IIF versus S&P is rebounding after a decline as **versus EEM**. IIF(India) remained below the cloud (20.54) along overbought STO & despite rising MACD. Above 20.40, rebound toward 20.80. Below 20.00, down drift toward 19.70-18.75.

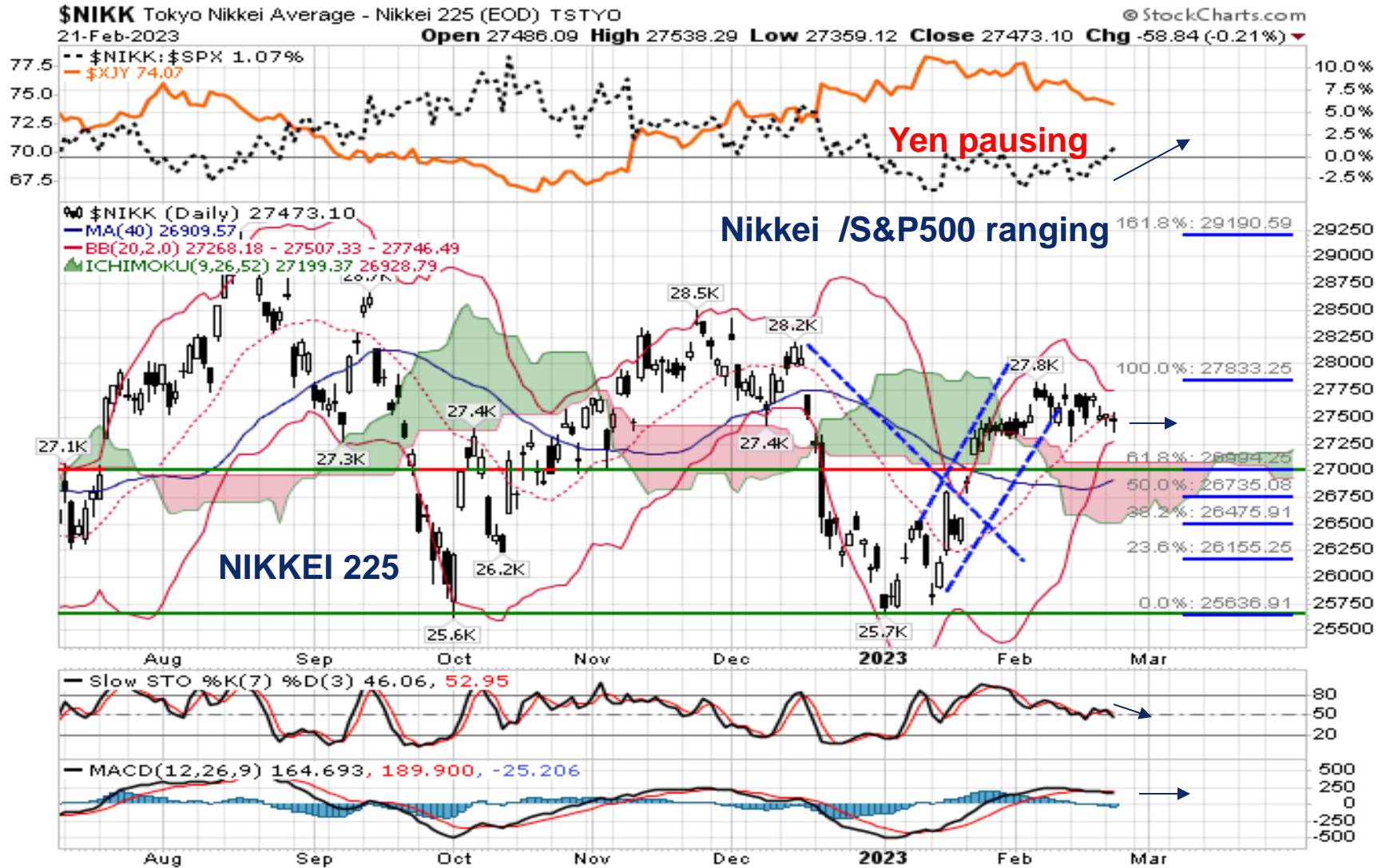


Japan Feb 20, 2023. Weekly Nikkei 27531 Range 27035-27835 with RS flat

RS of Nikkei versus S&P500 is pausing after a decline . Nikkei rose up to upper cloud (27800) along rising STO & crossing up MACD. Below 27225, decline toward 26670, then 26000. Above 27800, rise toward 28500 . Yen is pulling back after an uptrend.

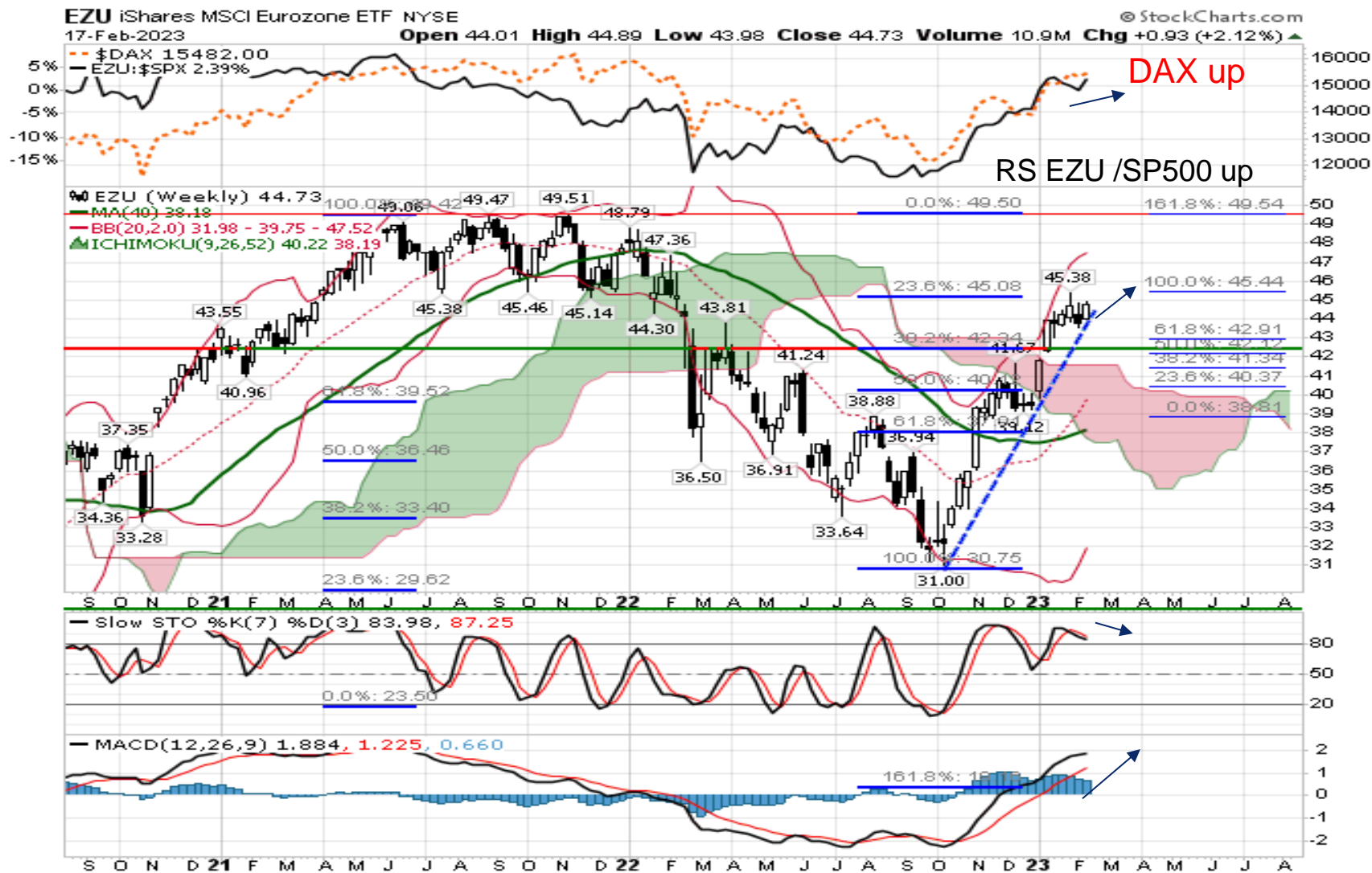


Japan Feb 21, 2023. Daily Nikkei 27531 Bull in range 27250-28000 with RS up
RS of Nikkei versus S&P500 is rebounding. Nikkei broke above the cloud (27400) along rising MACD, despite neutral STO. Above 27800, rise toward 28500. Below 27250, down drift toward 26735.

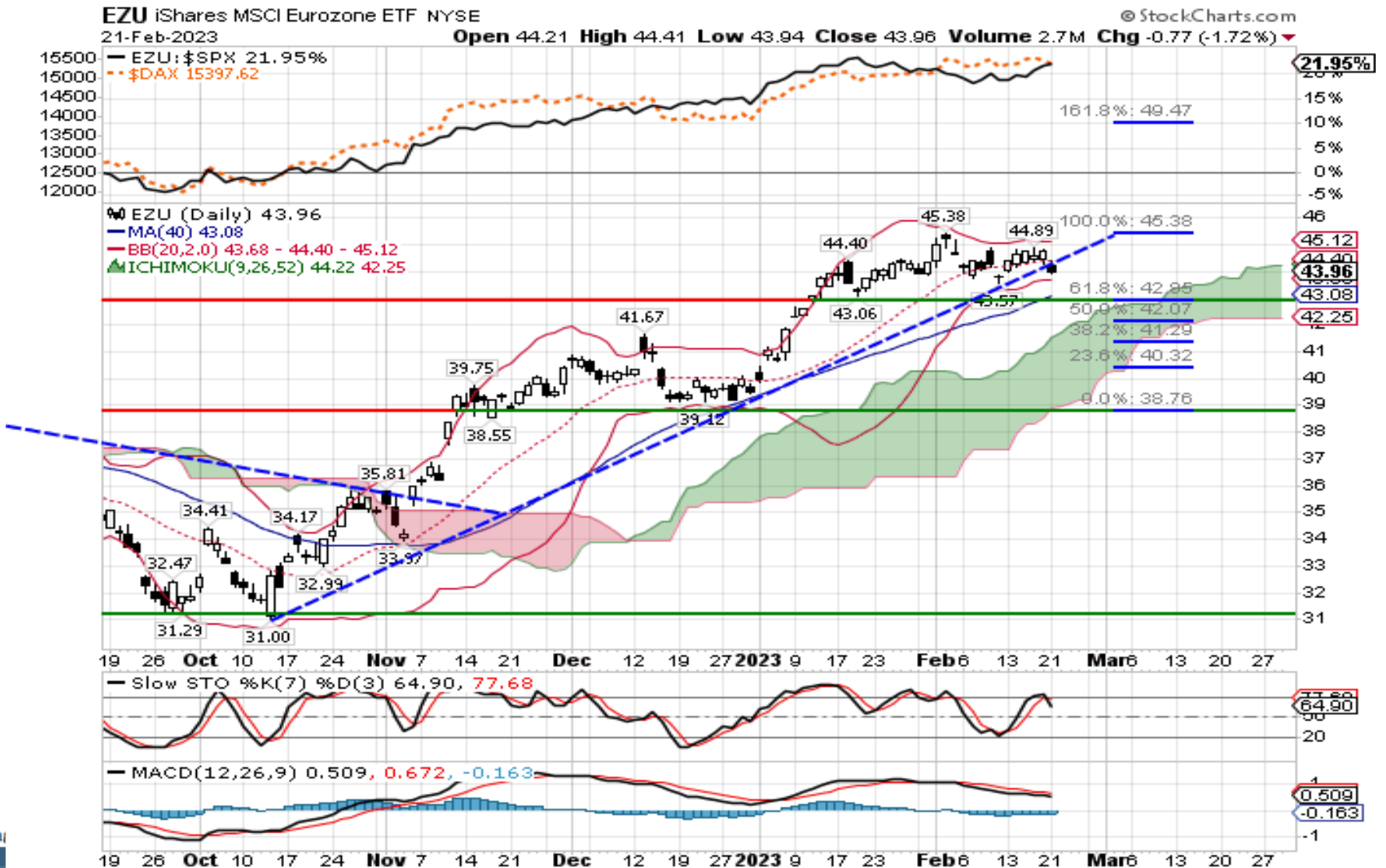


ETF Euro EZU 44.73 Weekly Feb 17, 2023: Bull above 44.00 with rising RS

RS of EZU vs S&P500 is rising again. EZU Eurozone (ex UK, ex CH) rose above March's high (43.80) along overbought crossing down STO & rising MACD. Above 45.30, rise toward 47.36, then 48.80. Below 43.50, see pullback toward 40, then 39.00.



ETF Euro EZU 43.96 Daily Feb 21, 2023: range 45.40-43.60 with RS rising
 RS of EZU vs S&P500 is rising again. EZU Eurozone (ex UK , ex CH) is pausing sideways along overbought STO & declining positive MACD. Above 45.10, rise toward 49.50 . Below 43.80, down drift toward 43.05, then 42.05.



Ratio EAFE Growth /Value: Feb 21, 2023 Daily 1.8270 down again

US 10 yr yield rose from 3.40% to 3.80 as ratio of Growth versus Value declined in last 2 weeks.
 Also S&P500 pulled back a little toward previous support area (4040-4100) .
 Unclear how long Value will keep outperforming Growth .

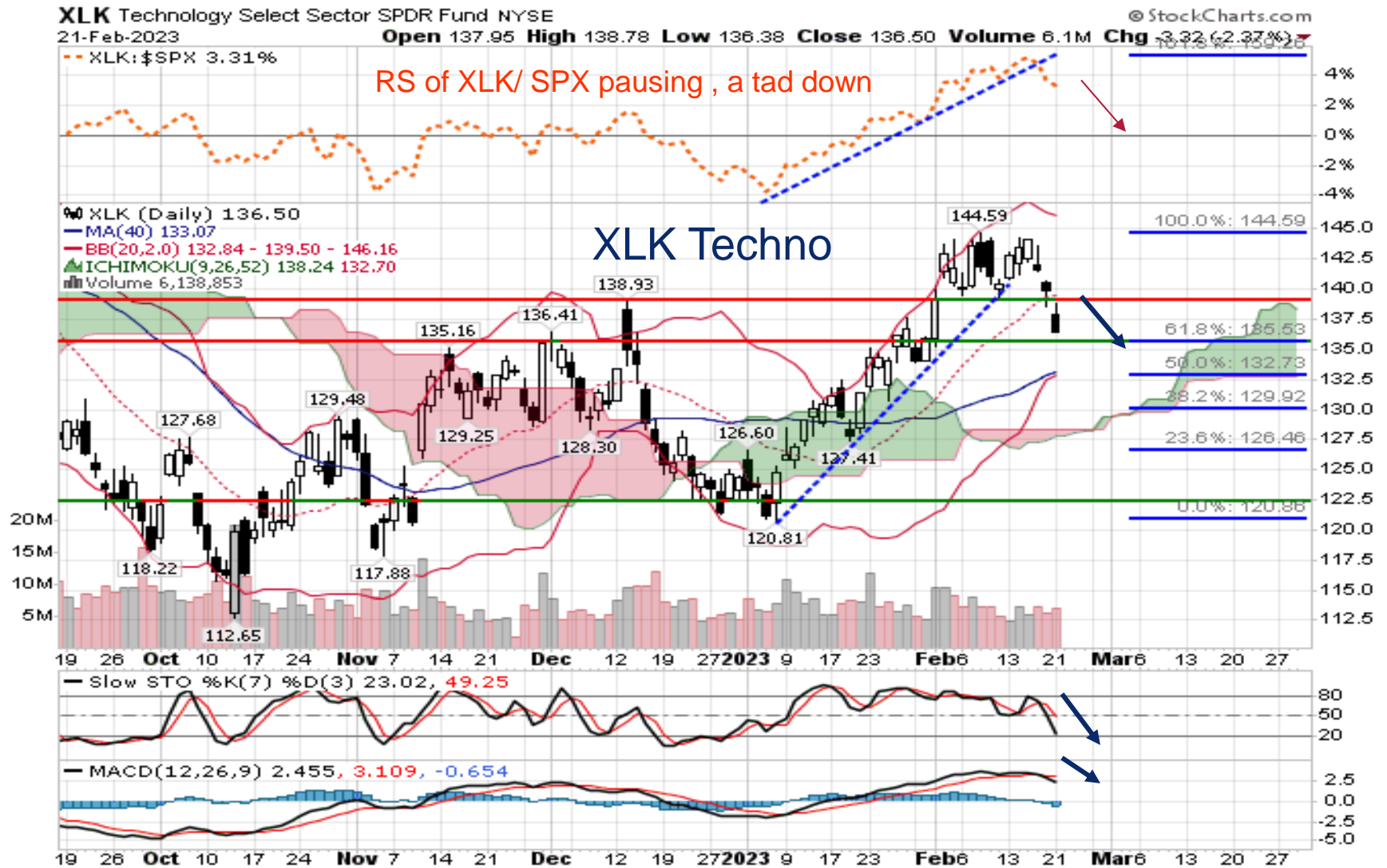


XLK Techno: Feb 17, 2023 Weekly 139.82 Range 144.60-135.50 with RS flat

See also ETF IYW. RS of XLK versus S&P500 is pausing flat after a rise. XLK rose into cloud (136) and paused along crossing down STO, but still rising positive MACD. MA40wk(132.06) is flat, about to turn up. Above 144.60, rise to 148-151. Below 135.50, down drift to 132-130.00.



XLK Techno: Feb 21, 2023 Daily 136.50 Range 144.60-135.53 with RS down
See also ETF IYW. RS of XLK versus S&P500 is declining after a rise. XLK pulled back toward Fibi 38% (135.53) along crossing down STO & crossing down MACD. Above 141, rise to 144.50 . Below 139.10, pullback to 135.55 then 130 area .



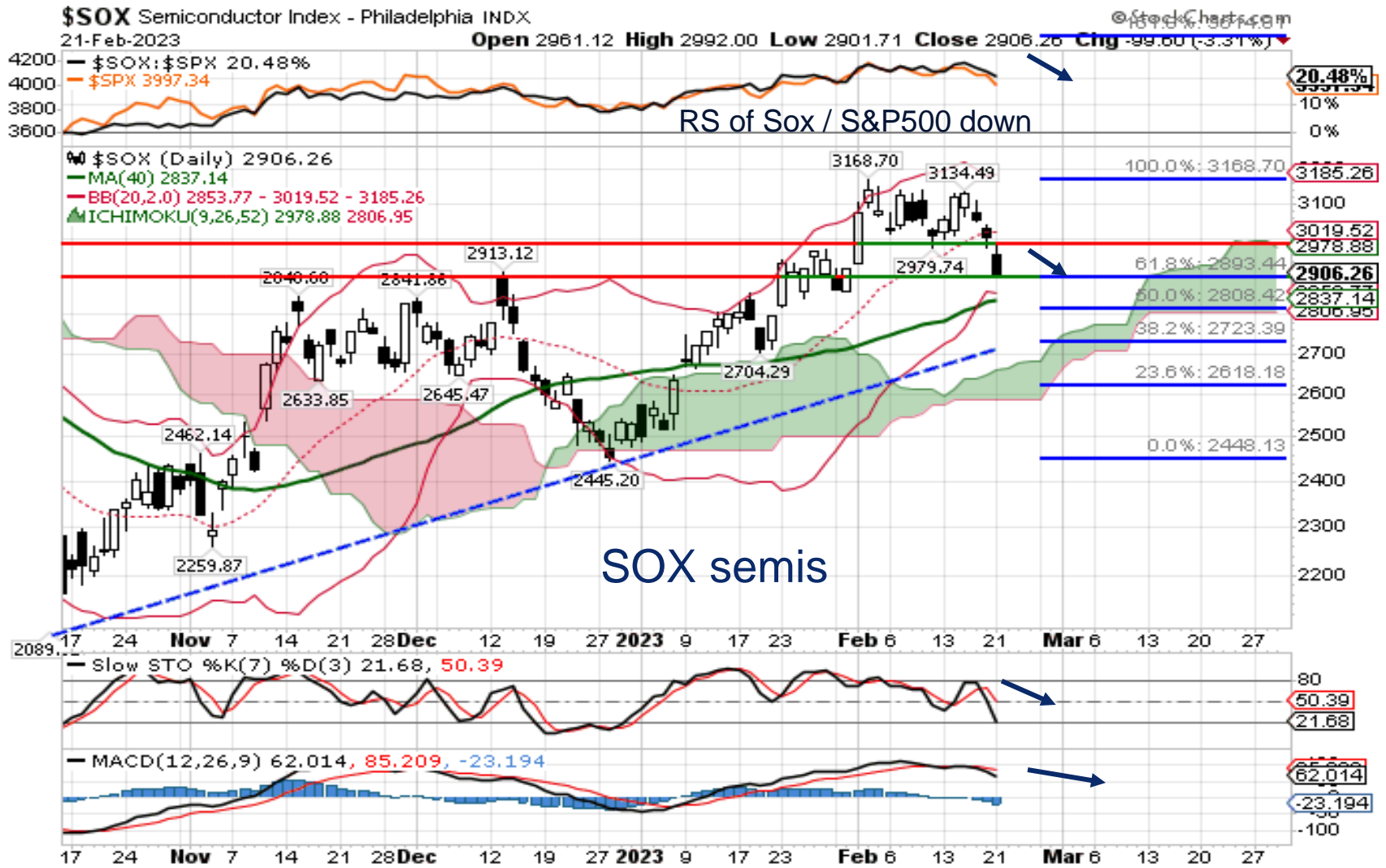
\$ Sox semis : Feb 17, 2023 Weekly 3055 Range 3169-2887 RS pausing

RS of Sox versus S&P500 is pausing after a rise. \$Sox rose into cloud (2887) to 3168 and paused along crossing down STO, despite rising positive MACD. Above 3169, rise toward 3605-3635. Below 2887, down drift toward 2717 area.



\$ Sox semis : Feb 21, 2023 Daily 2906 Range 3168-2893 with RS pausing, down a tad

RS of Sox versus S&P500 is pausing. \$Sox retested the range 's low along crossing down STO & declining MACD. Above 3135, rise toward 3170, then 3455 . Below 2895, down drift toward 2808-2725 .



XLC communications: Feb 17, 2023 Weekly 55.35 Range 59.80-54.10 with RS pausing
 RS versus S&P500 is pausing after a rise. XLC remained above flat MA40wk(53.15) along rising MACD & despite crossing down STO. Above 59.00, rise toward 67 area. Below 53.15, down drift toward 47-44 area



XLC communications: Feb 21, 2023 Daily 54.13 Range 59.80-54.25 with RS flat

RS versus S&P500 paused after a decline. XLC pulled back just below Fibi 38% (54.71) along divergent oversold STO & declining MACD. Above 55.10, rebound toward 59 area. Below 54.10, down drift toward 52.10 then 50 area.



XLE Energy: Feb 17, 2023 Weekly 84.49 Range 93.15-83.85 with RS ranging .
 RS versus S&P500 is about flat in last 4 weeks and **OIL WTI is ranging.** XLE declined again to low of range 93.15-83.85 along declining STO, and crossing down positive MACD. Above 90.50, see rise toward 94-97 area . Below 83.85, see down drift to 77.75 then 74 area .



XLE Energy: Feb 21, 2023 Daily 84.07 Bear bias below 87.75 with RS down .
RS versus S&P500 declined to former low as OIL WTI drifted down. XLE failed at the gap 91.10 and declined sharply to lower B-band(84.46) along declining STO & crossing down negative MACD. Only above 87.75, rebound toward 91 area. Below 84.40, down drift toward 82.60, then 79 area.



XLB Materials: Feb 17, 2023 Weekly 81.30 Range 85.90-81.05 with RS down
RS versus S&P500 broke its uptrend & declined. XLB remained above the cloud(80.00) but is testing rising trend support along crossing down STO, but still rising positive MACD. Above 85.00, rise toward 87-90 area, then 95. **Below 81.00, reversal & down drift toward 77, then 72.80**



XLB Materials: Feb 21, 2023 Daily 79.95 Range 81.20-85.90 with RS a tad down
RS versus S&P500 is retesting previous low. XLB is declining to lower low along crossing down STO & declining MACD. **Below 81.20, risk of pullback toward 80.10 and 78.75.**
 Only above 83.10, rebound toward 86 area.



XLY Discretionary: Feb 17, 2023 Weekly 150.57 Range 154.00-144.45 with rebounding RS
RS versus S&P500 rebounds toward down trendline. XLY broke above 147.00 along rising STO & rising negative MACD. Above 154.00, rise toward 166 area. Below 144.00, down drift toward 126.00, then lower.

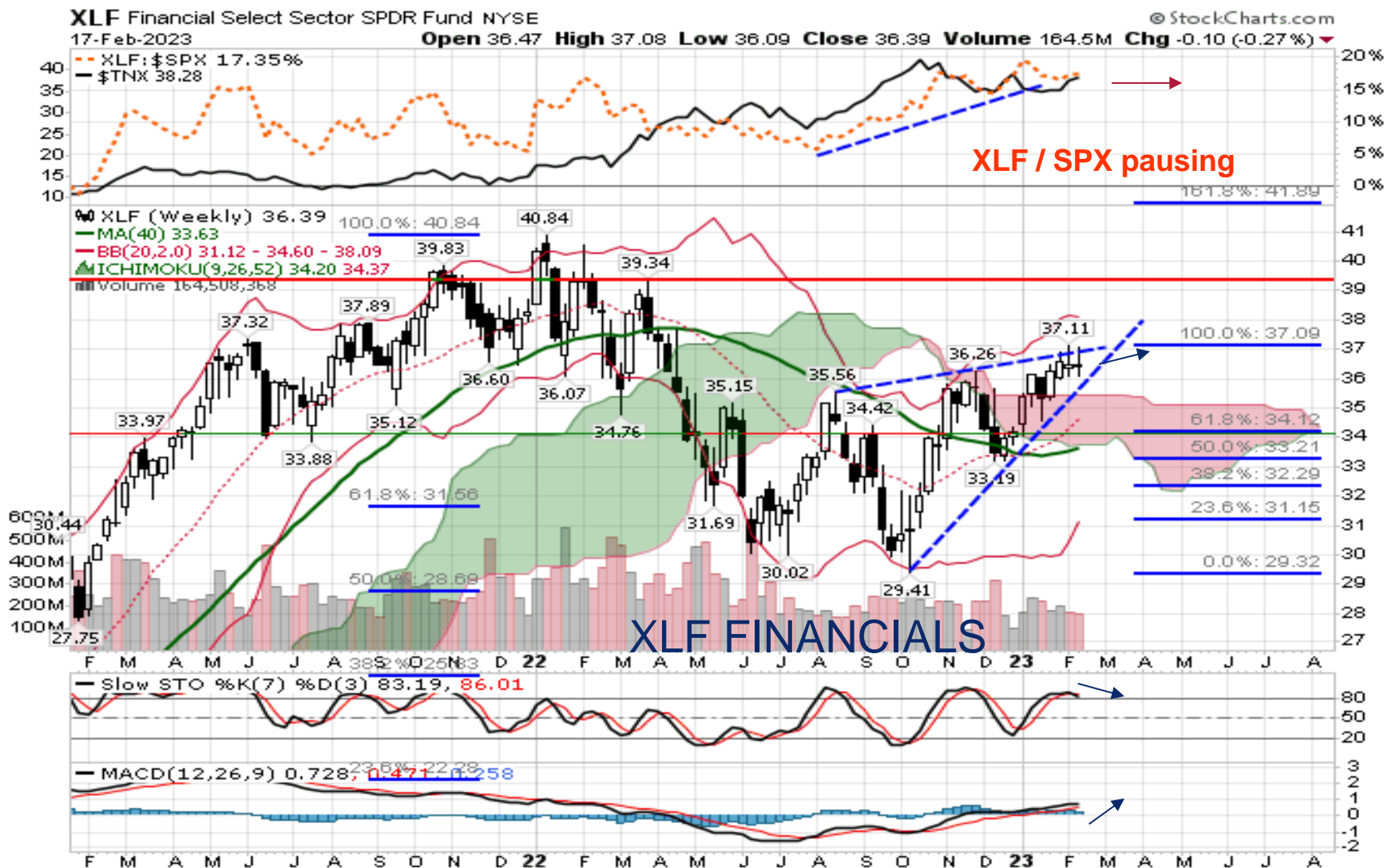


XLY Discretionary: Feb 21, 2023 Daily 145.54 breaking Range 158.00-146.95 with flat RS
RS versus S&P500 paused in flat range, testing trendline. XLY pulled back again to former resistance 147 along crossing down STO & crossing down MACD. Above 153.00, rebound toward 158. Below 146.40, down drift toward 143.50, then 140.20.



XLF Financials: Feb 17, 2023 Weekly 36.39 Range 37.10-35.50 with pausing RS.

RS versus S&P500 is flat in last 2 weeks. XLF remained above cloud (35.50) along rising overbought STO & slowly positive MACD. Above 37.00, rise toward 39.00. Below 35.50, drift toward 34.12, then 32.30-30 area



XLF Financials: Feb 21, 2023 Daily 35.64 below range 37.11-36.13 with RS flat
 RS versus S&P500 is about flat for 3 weeks, but still above trend support . XLF pulled back on December's high along declining STO & MACD. Above 37.10, rebound toward 38.10, then 38.70 area . Below 36.00, drift toward 35.15, then 34.55 .



XLI Industrials: Feb 17, 2023 Weekly 102.36 Range 100.00-102.90 with **RS rebounding** **RS versus S&P500 is rebounding** . XLI is slowly rising toward January 's high (106) along rising STO & positive MACD. Above 102.80, rise to 106-110. Below 100.00, down drift toward 95.33, then 92.50 .



XLI Industrials: Feb 21, 2023 Daily 100.67 Below range 103.95-101.00 with RS up.
 RS versus S&P500 is still in uptrend. XLI rebounded on rising trend support (101.50) along overbought STO & flat positive MACD. Above 103.00, rise toward 106.80-108 area . Below 101.30, down drift toward 99.00, then 97.30 area



XLU Utilities: Feb 17, 2022 Weekly 68.48 Range 68.80-66.30 with RS flat
 RS versus S&P500 rebounds while US 10year yield rebounds. XLU rebounds toward cloud (68.80) along crossing up STO & flat MACD. Above 69.00, see test of 72-73 . Below 67.50, drift toward 64.80 then 62.70 lower B-band.



XLU Utilities: Feb 21, 2023 Daily 67.20 Range 66.30-68.85 with RS rebounding
 RS versus S&P500 is rebounding as US 10year yield is rising. XLU rebounded to Fibo 38%(68.85) along rising STO & despite declining MACD. Above 68.85, rebound toward 71-72 . Below 67.40, drift toward 64.95, then 64.25 area .



XLP Staples: Feb 17, 2023 Weekly 73.68 Range 71.60-75.00 with RS up
RS of XLP versus S&P500 is rebounding. XLP remained just above cloud (71.70) along crossing up STO & despite declining STO. Above 74.00 , rise toward 77.10 then 79.80-84.00 area . Below 72.30, down drift toward 70.00, then 65 area. .



XLP Staples: Feb 21, 2023 Daily 73.40 Range 72.15-74.66 with **RS rising**
RS of XLP versus S&P500 is rising after a decline. XLP is breaking the down trendline along rising STO & flat MACD. Above 73.85, rebound toward 74.70. Below 72.30, down drift to 70-68 area.



XLV Healthcare: Feb 17, 2022 Weekly 131.99 Range 141.20-130.20 with RS flat
RS versus S&P500 is bottoming. XLV drifted down toward MA40wk(130.05) along bottoming Oversold STO & crossing down positive MACD. Above 134.00, rebound toward 137.50, then 142. Below 130.20, down drift toward 127.60, then 124.50.



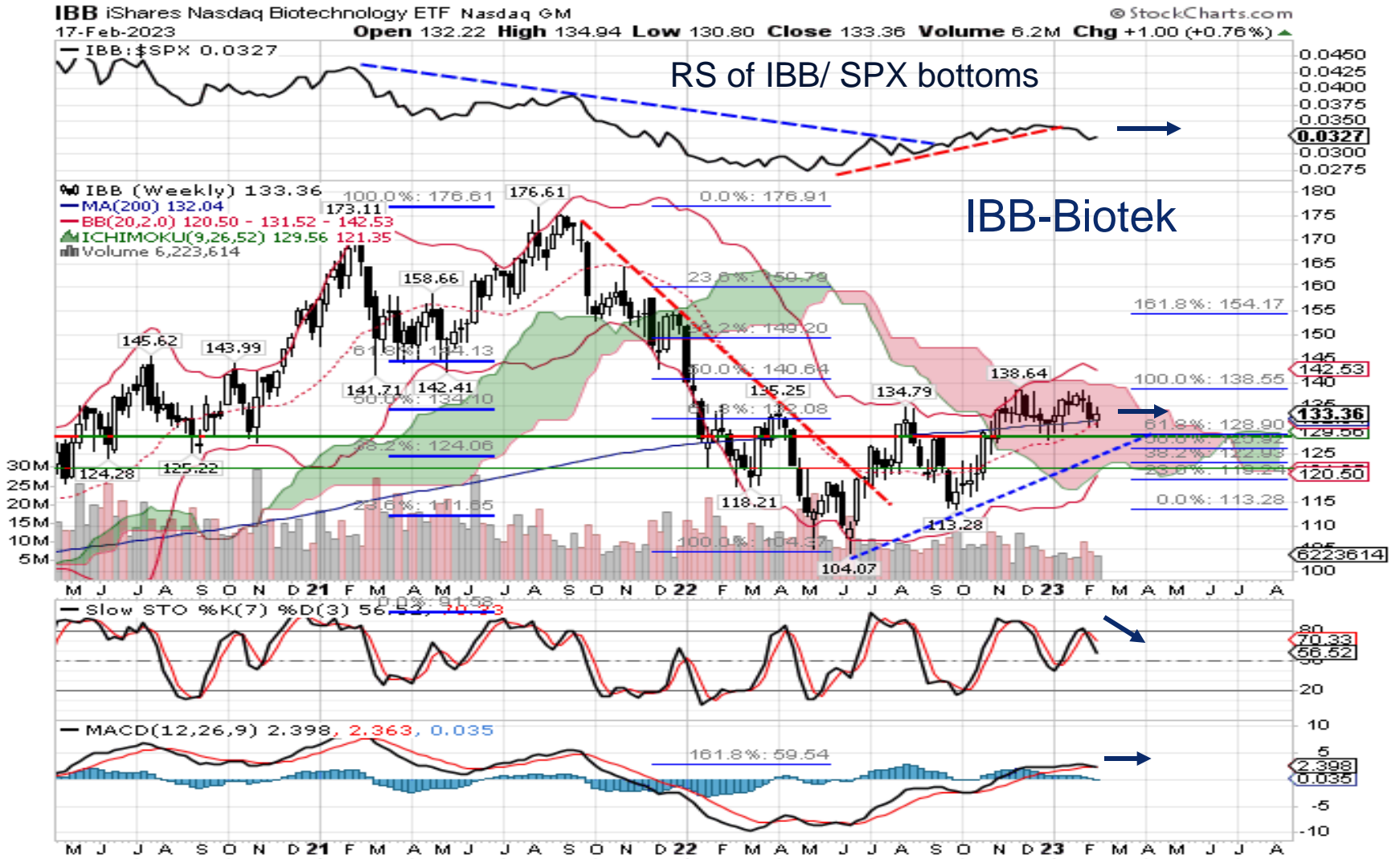
XLV Healthcare: Feb 17, 2023 Daily 131.99 Range 131.02-133.20 with RS rebounding .
 RS versus S&P500 rebounded as Biotech(BTK) versus XLV is flat. XLV is rebounding on support 130 along negative MACD & bottoming STO. Above 132.75, see rebound toward 134 . Below 130.00, down drift toward 127.75 .



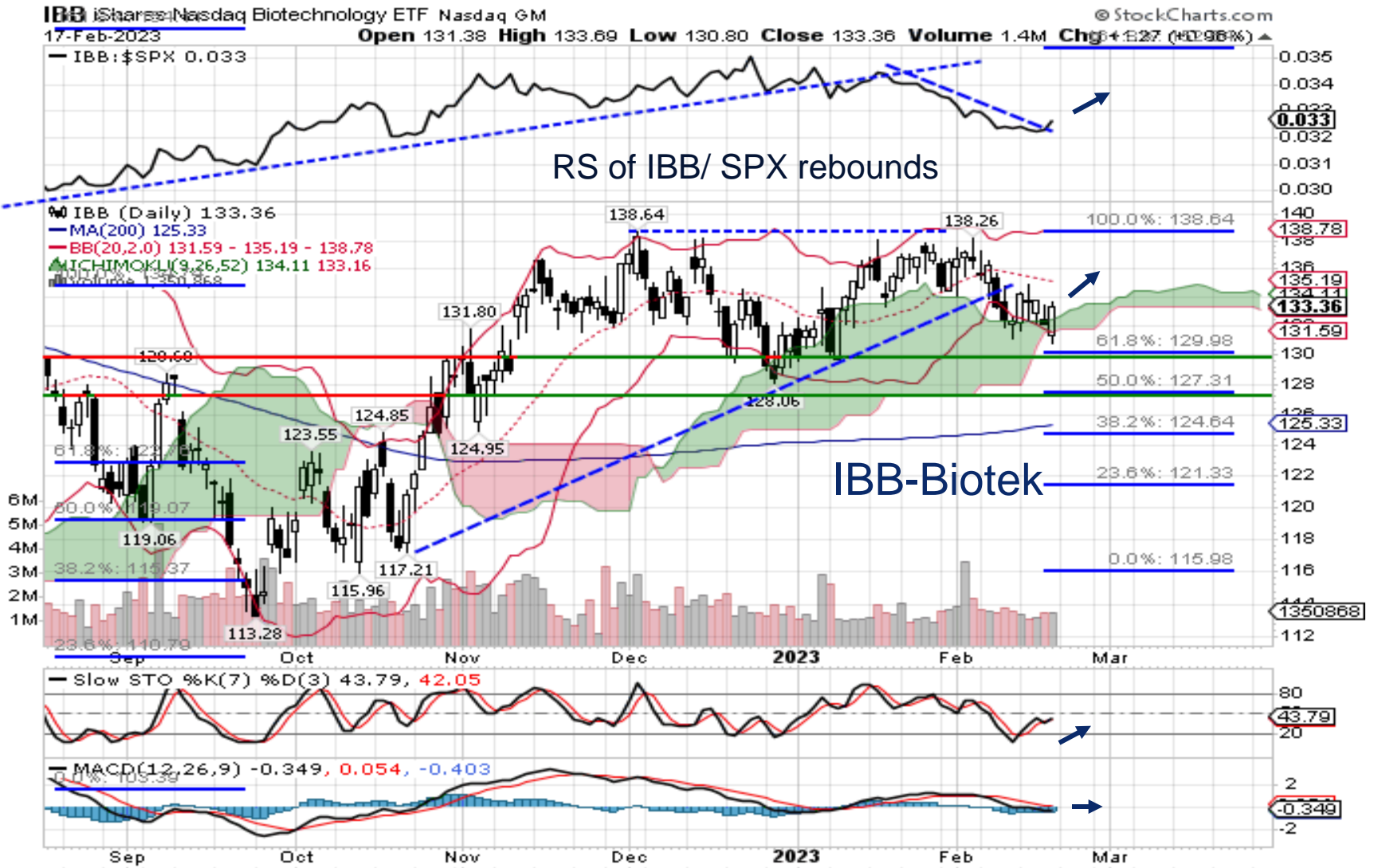
XLV Healthcare: Feb 21, 2023 Daily 130.29 Range 131.02-133.20 with RS rebounding .
RS versus S&P500 rebounded as Biotech(BTK) versus XLV is flat. XLV is rebounding on support 130 along negative MACD & bottoming STO. Above 132.75, see rebound toward 134 . Below 130.00, down drift toward 127.75 .



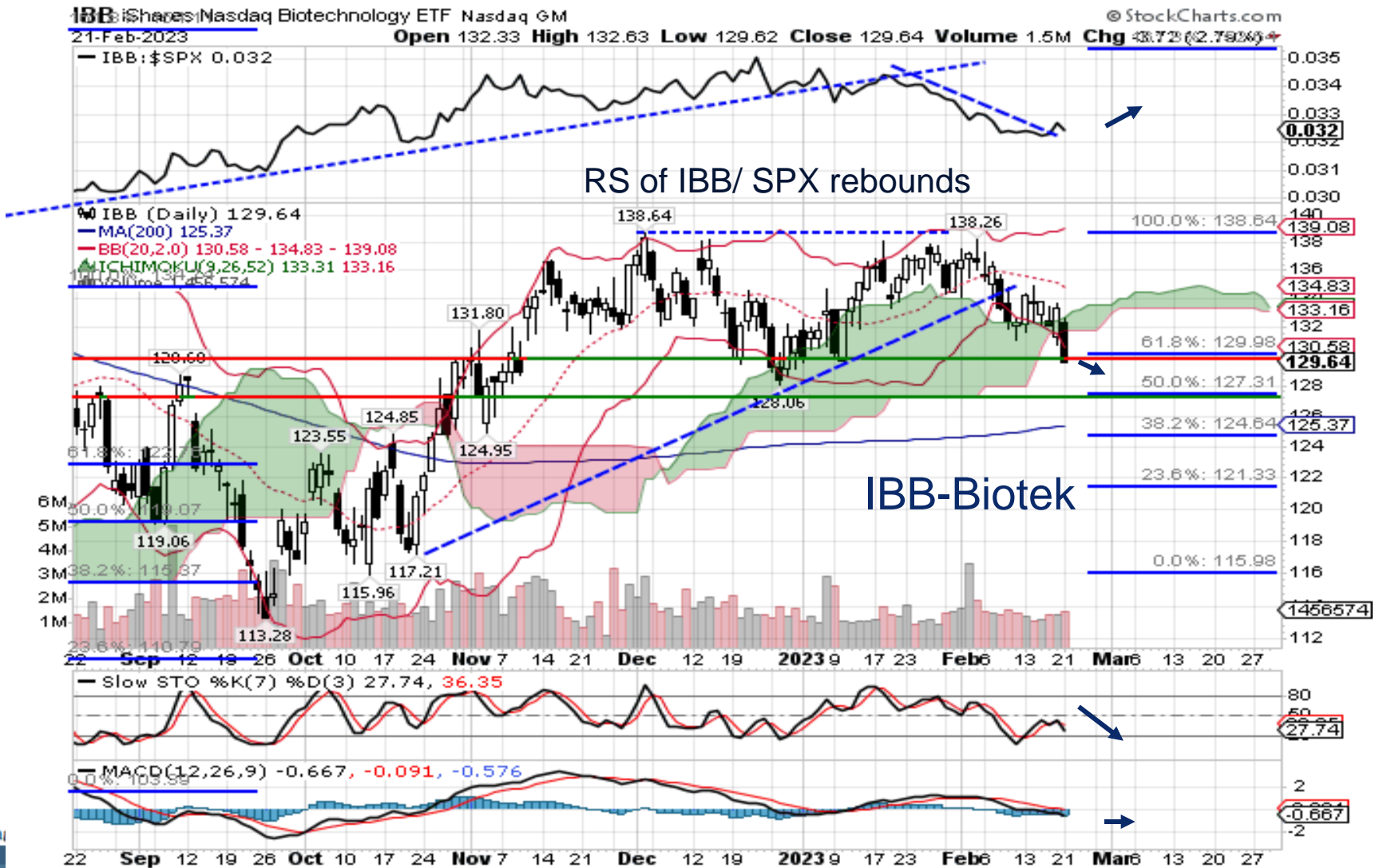
IBB (ETF Bio-Tech) : Feb 17, 2023 Weekly 133.36 Range 138.60-128.90 with RS flat
 RS of IBB versus S&P500 is bottoming after a decline. IBB remained in narrow range 138.60-128.90 after failing to accelerate above neckline H&S with 164 target despite crossing down STO & crossing down MACD. Above 138.60, see rise toward 149, then 154. Below 129.00, down drift toward 126.10, then 120.



IBB (ETF Bio-Tek): Feb 17, 2023 Daily 133.36 Range 138.30-130.80 with RS rebounding . RS of IBB versus S&P500 is rebounding . IBB left a spike near the cloud (130.80) along neutral rising g STO & crossing up MACD. Above 134.00, rebound toward 138. Below 131.10, down drift toward 128 area



IBB (ETF Bio-Tek): Feb 21, 2023 Daily 129.64 Range 138.30-129.98 with RS rebounding . RS of IBB versus S&P500 is rebounding . IBB left a spike near the cloud (130.80) along neutral rising g STO & crossing up MACD. Above 134.00, rebound toward 138. Below 130,down drift toward 128 area



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