



## TPA-RRG Report

- **What is hot and what is not.**

TPA-RRG captures the inevitable movement of stocks into and out of favor.

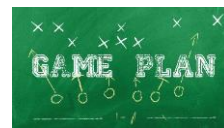
- **Scores and ranking**

Clients can quickly see which stocks are showing the best and worst relative strength characteristics. TPA found that using RRG's was very beneficial, but took some time to parse through, so we simplified the process by creating a score for each stock and sector.

- **The best of both worlds – RRG & TPA**

Now, clients can use TPA-RRG scores and rankings to identify stocks that are not only moving into favor, but are also technically positive.

- ***TPA-RRG analyzes every stock in the Russell 1000 and 25 major sector & subsector ETFs***



*Find links to more information and instructional videos below.*

## THE REPORT

### TPA-RRG Weekly Commentary

### Sectors & Market

#### **Any Sustained Market Downturn Should Mean Significant FANG Underperformance**

TPA and other strategists have written about the narrowing of the market. TPA has focused on the outperformance of XLK versus the S&P500, but this report will focus on FANG stocks. The first chart below shows the relative performance of XLK and the S&P500 over the past 4 years. It shows that the performance gap began about 18 months ago at the start of 2023. Chart 2 shows that XLK has outperformed the S&P500 by 46% net in the past 18 months (88.97% - 42.93%), which is more than twice the performance of the benchmark.

## Relative performance of XLK and S&P500 – 4 years



## Relative performance of XLK and S&P500 – 18 months



XLK is comprised of mostly MSFT and NVDA, so another TECH index may be more helpful for our analysis. NYSE FANG includes GOOGL, AVGO, TSLA, AMZN, MSFT, AAPL, NFLX, SNOW, NVDA, and META.

## XLK

Index Top Holdings as of Jul 03 2024	
Name	Weight
Microsoft Corporation	22.30%
NVIDIA Corporation	20.55%
Apple Inc.	4.60%
Broadcom Inc.	4.39%
Advanced Micro Devices Inc.	2.63%
Adobe Inc.	2.54%
Salesforce Inc.	2.52%
Oracle Corporation	2.29%
QUALCOMM Incorporated	2.26%
Applied Materials Inc.	2.01%

## NYSE FANG+ Index

Index Top Ten Holdings %	
Alphabet Inc Class A	10.61
Broadcom Limited	10.36
Tesla	10.19
Amazon.Com Inc	10.04
Microsoft	9.96
Apple	9.85
Netflix	9.79
Snowflake Inc	9.79
Nvidia	9.77
Meta Platforms	9.63

If we compare NYSE FANG and XLK, we see that in the past year, FANG has pulled ahead. The second chart below shows that FANG has outperformed XLK by 86.52% net (175.49% - 88.97%) in the past 18 months. FANG's performance was 97% greater than XLK in the past 18 months.

**\$NYFANG** NYSE Fang Plus Index: INDXX  
 5-Jul-2024  
 Open 11960.51 High 12137.57 Low 11960.51 Close 12126.02 Chg +165.51 (+1.38%) ▲

Legend: — \$NYFANG (Daily) 183.47%  
 — XLK 128.85%

The chart displays the performance of the NYSE Fang Plus Index (\$NYFANG) and the Technology Select Sector Index (XLK) from August 2021 to July 2024. The \$NYFANG index (black line) shows a strong upward trend, reaching a peak of 183.47% by July 2024. The XLK index (orange line) also shows a strong upward trend, reaching 128.85% by July 2024. The chart highlights the relative performance of the two indices over this period.

**\$NYFANG** NYSE Fang Plus Index INDXX  
5-Jul-2024

Open 11960.51 High 12137.57 Low 11960.51 Close 12126.02 Chg +185.51 (+1.38%) ▲

— \$NYFANG (Daily) 175.49%  
— XLK 88.97%

The chart displays the performance of two indices over a 15-month period. The \$NYFANG index (black line) starts at approximately 10% in February 2023 and rises to 175.49% by July 2024. The XLK index (orange line) starts at approximately 5% in February 2023 and rises to 88.97% by July 2024. Both indices show a general upward trend, with the \$NYFANG index exhibiting more volatility and a steeper slope than the XLK index.

Index	Start Date	End Date	Start Value	End Value	Change (%)
\$NYFANG (Daily)	Feb 2023	Jul 2024	~10%	175.49%	175.49%
XLK	Feb 2023	Jul 2024	~5%	88.97%	88.97%

Finally, let's look at FANG compared to the market benchmark S&P500 in the past 18 months. ***FANG's performance in the past 1 ½ years is more than 4 times greater than the S&P500 (175.49% versus 42.93%). This is a historical aberration.***

## Relative performance of NYSE FANG and S&P500 – 18 months



So, what does all this mean? Does it make the market more vulnerable? Does it mean that there are probably undiscovered gems away from FANG and XLK? The answer to both of these questions is probably “yes”, but there is a more important question for investors. In a downturn, what will happen to FANG stocks versus the S&P500?

One can assume that FANG’s huge outperformance in the past 18 months means that many portfolios are full of or overweighted to a large extent with FANG stocks. In a downturn, this will mean that investors will be forced to sell more FANG stocks than other stocks. That will mean that FANG’s huge outperformance in the past 18 months will most likely turn into a large underperformance in a downturn.

## TPA-RRG TOP 20 & BOTTOM 20 (table below)

Buy	Prices as of 7/5/24							STOCK	SECTOR	TOTAL
Sell				TOP 20				TPA-RRG	TPA-RRG	TPA-RRG
Code	Name	Last	RRG Ratio	RRG Momentum	Quadrant	Mkt Cap (\$MIL)	TPA Sector	SCORE	SCORE	SCORE
UI	Ubiquiti Inc	147.13	104.48	108.40	Leading	\$8,896	Technology	4.49	3.02	7.51
HPQ	HP Inc	34.63	104.06	105.43	Leading	\$33,888	Technology	4.36	3.02	7.38
SNPS	Synopsys Inc.	621.30	99.15	101.52	Improving	\$95,193	Technology	3.77	3.02	6.79
HRB	H&R Block Inc.	54.74	101.05	102.48	Leading	\$7,638	Consumer Discretionary	4.63	2.01	6.64
FOUR	Shift4 Payments Inc	73.18	91.73	102.19	Improving	\$4,663	Technology	3.43	3.02	6.45
DOCS	Doximity Inc - Ordinary Shares - Clas	27.50	94.51	101.83	Improving	\$5,099	Technology	3.25	3.02	6.27
AVT	Avnet Inc.	50.56	101.68	102.02	Leading	\$4,570	Technology	3.22	3.02	6.24
PINS	Pinterest Inc	43.51	107.09	105.97	Leading	\$29,725	Social Media	3.18	3.02	6.20
CNXC	Concentrix Corp.	63.49	79.89	107.43	Improving	\$4,190	Technology	3.16	3.02	6.18
GLW	Corning Inc.	38.44	105.54	103.27	Leading	\$32,928	Technology	3.10	3.02	6.12
KD	Kyndryl Holdings Inc	25.92	109.75	104.02	Leading	\$5,975	Technology	3.04	3.02	6.06
NVDA	Nvidia Corp	125.83	125.96	101.24	Leading	\$3,095,418	Technology	2.98	3.02	6.00
MPWR	Monolithic Power System Inc	841.65	105.47	102.80	Leading	\$40,965	Technology	2.94	3.02	5.96
AVGO	Broadcom Inc	1703.31	107.35	101.10	Leading	\$792,870	Technology	2.93	3.02	5.95
WIX	Wix.Com Ltd	154.21	106.17	102.25	Leading	\$8,581	Technology	2.87	3.02	5.89
BBY	Best Buy Co. Inc.	82.45	98.88	100.92	Improving	\$17,786	Consumer Discretionary	3.49	2.01	5.50
EXR	Extra Space Storage Inc.	154.36	97.08	101.46	Improving	\$32,682	Real Estate	3.47	2.01	5.47
PLNT	Planet Fitness Inc	73.86	96.07	105.11	Improving	\$6,465	Consumer Discretionary	3.39	2.01	5.40
BKNG	Booking Holdings Inc	3930.15	100.31	101.07	Leading	\$133,340	Consumer Discretionary	3.38	2.01	5.39
LOPE	Grand Canyon Education Inc	143.31	100.23	102.48	Leading	\$4,262	Consumer Discretionary	3.37	2.01	5.38

Buy	Prices as of 7/5/24							STOCK	SECTOR	TOTAL
Sell				BOTTOM 20				TPA-RRG	TPA-RRG	TPA-RRG
MLM	Martin Marietta Materials Inc.	536.74	97.53	94.33	Lagging	\$33,085	Materials	-3.50	-3.02	-6.52
ESAB	ESAB Corp	91.98	98.15	92.80	Lagging	\$5,558	Industrial	-3.53	-3.02	-6.55
HUBB	Hubbell Inc.	372.75	98.48	94.28	Lagging	\$20,012	Industrial	-3.53	-3.02	-6.56
VLO	Valero Energy Corp.	152.78	99.12	93.65	Lagging	\$49,958	Energy	-3.52	-3.05	-6.56
SLM	SLM Corp.	20.34	98.53	95.06	Lagging	\$4,469	Financial	-3.55	-3.02	-6.56
DCI	Donaldson Co. Inc.	70.07	99.17	97.15	Lagging	\$8,437	Industrial	-3.59	-3.02	-6.61
IR	Ingersoll-Rand Inc	91.38	99.62	96.29	Lagging	\$36,866	Industrial	-3.59	-3.02	-6.62
CFG	Citizens Financial Group Inc	35.24	99.49	97.62	Lagging	\$16,035	Financial	-3.61	-3.02	-6.62
CTVA	Corteva Inc	52.44	98.78	96.90	Lagging	\$36,549	Materials	-3.62	-3.02	-6.64
CMI	Cummins Inc	266.63	99.38	95.09	Lagging	\$36,470	Industrial	-3.62	-3.02	-6.65
ITT	ITT Inc	126.94	99.14	97.52	Lagging	\$10,447	Industrial	-3.63	-3.02	-6.65
UNM	Unum Group	49.81	99.26	97.45	Lagging	\$9,433	Financial	-3.64	-3.02	-6.66
BOKF	BOK Financial Corp.	88.28	99.14	97.77	Lagging	\$5,695	Financial	-3.67	-3.02	-6.68
WLK	Westlake Corporation	142.00	99.27	97.29	Lagging	\$18,257	Materials	-3.72	-3.02	-6.74
XOM	Exxon Mobil Corp.	113.37	99.63	97.31	Lagging	\$508,570	Energy	-3.92	-3.05	-6.97
WTM	White Mountains Insurance Group L	1719.40	99.99	98.12	Lagging	\$4,412	Financial	-4.22	-3.02	-7.24
ALK	Alaska Air Group Inc.	38.33	99.62	96.70	Lagging	\$4,864	Industrial	-4.42	-3.02	-7.45
CHD	Church & Dwight Co. Inc.	106.59	99.97	99.28	Lagging	\$26,064	Consumer Staples	-5.64	-2.01	-7.65
CHK	Chesapeake Energy Corp. - Ordinary	82.31	99.09	97.80	Lagging	\$10,787	Energy	-5.50	-3.05	-8.54
K	Kellanova Co	56.38	99.96	99.85	Lagging	\$19,275	Consumer Staples	-7.84	-2.01	-9.85

Relative Rotation Graph for Top 20 and Bottom 20 is provided below.

Also, use the following link that shows RRG over time - how stocks move in and out of favor over time:  
<https://youtu.be/FdecqOKUOA4>

**TPA-RRG 27 SECTOR ETFS**

TPA-RRG U.S. SECTOR & SUBSECTOR ETFS			7/7/24			
Code	Name	Last	RRG Ratio	RRG Momentum	Quadrant	TPA-RRG SCORE
XLK	TECH	232.88	100.62	101.42	70.77	3.02
SOCL	Social Media	42.66	100.03	101.20	52.05	3.02
XLU	Utilities	68.55	102.34	101.33	43.28	2.02
TAN	Solar	40.01	93.42	101.86	36.64	2.01
SMH	SEMI	269.72	109.44	100.75	64.36	2.01
IYR	Real Estate	87.47	94.25	100.18	55.18	2.01
XLY	Consumer Discretionary	189.30	95.96	100.03	71.53	2.01
XLC	Communications	87.76	100.21	99.52	71.68	-2.00
XLV	Health Care	144.41	96.77	99.60	44.94	-2.01
HACK	Cyber Security	65.60	94.98	98.72	73.25	-2.01
PPH	Pharma	91.42	98.48	99.79	51.01	-2.01
FDN	Internet	210.29	96.99	97.92	70.25	-2.01
ITA	Aerospace & Defense	132.40	99.29	99.73	44.50	-2.01
CLOU	Cloud Computing	19.84	88.72	97.62	56.55	-2.01
XRT	Retail	73.45	97.34	98.62	38.23	-2.01
IYT	Transportation	64.59	92.92	97.20	49.34	-2.01
XLP	Staples	77.38	98.46	100.00	53.41	-2.01
MOO	Agribusiness	69.63	94.01	99.60	38.00	-2.01
IGV	Software	88.93	95.17	99.64	75.22	-2.01
OIH	Oil Services	309.79	95.67	97.67	48.31	-2.02
XLF	Financials	41.54	98.54	98.35	54.73	-3.02
XLB	Materials	87.90	97.71	98.20	39.03	-3.02
XLI	Industrial	121.22	97.99	97.88	43.48	-3.02
XME	Metals & Mining	61.26	98.45	98.35	55.34	-3.02
ITB	Home Construction	97.52	94.94	95.65	33.79	-3.03
XLE	Energy	90.10	97.96	97.22	45.37	-3.05
XOP	Oil&Gas E&P	143.97	97.65	96.91	42.64	-3.06

TPA-RRG U.S. SECTOR & SUBSECTOR ETFs - HISTORY																				
Rank	2/2/24 Code	2/9/24 Code	2/16/24 Code	2/23/24 Code	3/1/24 Code	3/8/24 Code	3/15/24 Code	3/22/24 Code	3/29/24 Code	4/5/24 Code	4/12/24 Code	4/19/24 Code	4/26/24 Code	5/3/24 Code	5/10/24 Code	5/17/24 Code	5/24/24 Code	5/31/24 Code	6/7/24 Code	6/14/24 Code
1	IYR	SMH	IYT	IYT	IYT	IYT	IYT	OIH	XLI	XLI	XLI	OIH	OIH	TAN	XLE	XOP	XOP	XLU	XOP	XME
2	TAN	TAN	TAN	TAN	TAN	SMH	SMH	XOP	XOP	XOP	OIH	XOP	XOP	SOCL	XOP	XLE	XLE	XME	XLE	XLI
3	ITB	IYR	ITB	ITB	SMH	PPH	XLV	SMH	OIH	OIH	XOP	XLE	XLE	XOP	XLB	XLB	XME	XOP	XME	OIH
4	FDN	ITB	SMH	PPH	ITB	FDN	PPH	XLE	XLE	XLE	XLE	XLU	XME	XLU	XLU	OIH	XLB	XLE	XLU	XOP
5	ITA	CLOU	CLOU	SMH	FDN	XLP	FDN	XLV	XLB	TAN	TAN	XME	XLU	OIH	OIH	XLU	TAN	XLB	ITA	XLE
6	SMH	XRT	IYR	XRT	PPH	XLV	XLI	PPH	XRT	XLB	XLU	SMH	MOO	XME	SOCL	SOCL	OIH	TAN	OIH	MOO
7	CLOU	FDN	PPH	FDN	XLP	XLC	XLC	XLI	SMH	MOO	XLB	MOO	SMH	XLE	MOO	TAN	XLU	OIH	XLB	TAN
8	XRT	XLF	FDN	XLC	XLV	XLI	XLP	XLP	XLC	SMH	MOO	XLB	XLP	MOO	XME	MOO	SOCL	SOCL	MOO	XLK
9	IYT	IGV	XLV	XLV	XLC	XLF	XRT	IYT	PPH	PPH	SMH	XLP	XLB	XLB	XLP	XME	MOO	MOO	SOCL	ITA
10	XME	PPH	HACK	XLP	XLI	XLB	XLK	XLC	IYT	IYT	PPH	XLF	TAN	ITA	TAN	XLI	ITA	ITA	TAN	SOCL
11	XLK	IYT	XRT	XLI	XLF	MOO	XLF	XLF	XLP	XRT	IYT	XLI	PPH	XLP	ITA	XLP	XLI	XLP	XLP	XLP
12	IGV	XLI	XLF	XLF	XLK	XLU	XLB	TAN	ITB	XLP	XLP	TAN	ITA	XLF	XLI	ITA	XLP	XLC	XLC	PPH
13	XLY	XLV	XLI	XLK	XLB	XLK	MOO	XRT	XLF	XLF	XLF	PPH	XLI	XLI	XLF	XLF	XLC	XLF	PPH	XLV
14	XLF	HACK	XLP	MOO	MOO	XLY	IGV	XLK	XLV	XLV	XRT	XLC	XLF	XLC	PPH	XLV	XLV	XLY	XLV	XLY
15	XLI	XLK	XLC	XLB	XRT	XRT	XLY	XLY	XLY	ITB	ITA	XLV	XLY	XLY	XLC	PPH	PPH	XLV	XLY	IYR
16	HACK	XLY	XLB	XLU	XLY	HACK	ITB	MOO	SOCL	FDN	XLY	XLY	XLC	FDN	XLV	XLC	XLY	PPH	IYR	XLC
17	XLV	XLP	XLK	IGV	XLU	ITB	HACK	XLU	IYR	SOCL	ITB	IYT	ITB	IYR	IYR	XLY	SMH	XLK	SMH	IGV
18	XLP	XLC	MOO	XLY	IGV	IGV	XLU	ITB	FDN	XLC	XLV	XRT	IYR	XLV	XLY	FDN	XLF	IYR	IGV	HACK
19	PPH	MOO	IGV	XLE	HACK	SOCL	SOCL	FDN	ITA	XLY	XLK	IYR	XLV	PPH	FDN	IYR	IYR	XLI	XLF	CLOU
20	XLC	XLB	XME	HACK	XLE	XLE	XLE	XLB	XLK	IYR	IYR	ITB	XRT	XRT	CLOU	CLOU	FDN	SMH	HACK	SMH
21	MOO	ITA	XLY	XOP	XOP	OIH	IYR	IGV	XLU	ITA	XLC	SOCL	FDN	ITB	XRT	ITB	IGV	HACK	XLK	IYT
22	XLB	XLE	XLU	XME	OIH	XOP	TAN	SOCL	HACK	XLK	FDN	ITA	SOCL	CLOU	ITB	SMH	CLOU	CLOU	XLI	XRT
23	XLU	XLU	ITA	OIH	CLOU	CLOU	OIH	IYR	IGV	IGV	SOCL	FDN	CLOU	SMH	SMH	XLK	ITB	IGV	CLOU	XLF
24	XLE	XOP	XLE	IYR	SOCL	TAN	XOP	HACK	MOO	HACK	HACK	XLK	XLK	XLK	XLK	XRT	XLK	ITB	IYT	FDN
25	XOP	OIH	XOP	CLOU	ITA	ITA	ITA	TAN	XME	XME	HACK	HACK	HACK	HACK	HACK	IGV	HACK	XRT	FDN	XLI
26	OIH	XME	OIH	SOCL	IYR	IYR	CLOU	XME	XME	XLU	IGV	IGV	IYT	IGV	IGV	HACK	XRT	FDN	XRT	XLB
27	SOCL	SOCL	SOCL	ITA	XME	XME	XME	CLOU	CLOU	CLOU	CLOU	CLOU	IGV	IYT	IYT	IYT	IYT	IYT	ITB	ITB
TPA-RRG U.S. SECTOR & SUBSECTOR ETFs - HISTORY																				
Rank	6/21/24 Code	6/28/24 Code	7/5/24 Code	7/12/24 Code	7/19/24 Code	7/26/24 Code	8/2/24 Code	8/9/24 Code	8/16/24 Code	8/23/24 Code	8/30/24 Code	9/6/24 Code	9/13/24 Code	9/20/24 Code	9/27/24 Code	10/4/24 Code	10/11/24 Code	10/18/24 Code	10/25/24 Code	11/1/24 Code
1	XLU	XLK	XLK																	
2	SOCL	SOCL	SOCL																	
3	XLK	SMH	XLU																	
4	MOO	XLU	TAN																	
5	TAN	MOO	SMH																	
6	PPH	XLP	IYR																	
7	XLP	ITA	XLY																	
8	ITA	TAN	XLC																	
9	XLY	PPH	XLV																	
10	IYR	XLV	HACK																	
11	XLV	XRT	PPH																	
12	XLC	XLY	FDN																	
13	IGV	XLC	ITA																	
14	HACK	HACK	CLOU																	
15	SMH	CLOU	XRT																	
16	CLOU	IYR	IYT																	
17	IYT	IYT	XLP																	
18	OIH	IGV	MOO																	
19	XLE	OIH	IGV																	
20	XOP	FDN	OIH																	
21	XLF	XLF	XLF																	
22	XRT	XLI	XLB																	
23	XLB	XLB	XLI																	
24	XLI	ITB	XME																	
25	FDN	XME	ITB																	
26	ITB	XLE	XLE																	
27	XME	XOP	XOP																	

**Relative Rotation Graph for 27 major sector & subsector ETFs is provided below.**

**Also, use the following link that shows RRG over time - how sectors & subsectors move in and out of favor over time: <https://youtu.be/FdecqOKUOA4>**



Click [HERE](#) for the entire Russell 1000 TPA-RRG Score and Rank Report.

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You can learn more about RRGs with these links:

[Relative Rotation Graphs \(RRG\) – explanation video](#) (Less than 4 minutes)

[What is TPA-RRG. What are RRGs.](#)

[RRG – written explanation](#)

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#### **Turning Point Analytics Disclaimer**

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