

---

## A Case Study

1 message

---

Sun, Dec 11, 2022 at 5:49 PM

# Worth Charting

A case study: mediocre stock picking, discernible alpha notwithstanding.

Technology companies, as all will know, are outsized contributors to total corporate profits, while their respective stocks boast outsized weightings in major market indices. As the year comes to a close, we want to emphasize the importance of relative strength in investing and thought a good way to do it would be a lookback at a report from six months ago, titled, **Relative Strength Tech Winners**.

## **WORTH CHARTING REPORT**

June 6, 2022

### **Relative Strength Tech Winners (alternate title: Dull Tech/ Old Fashioned Tech)**

- As all will know, certain old fashioned/out of fashion technology stocks “act well” - as the old-time technical expression goes - exhibiting impressive relative strength to the Tech Sector and to the Market. The recent price action in names like IBM, HP Inc, Jabil and KLA Corp is representative of the phenomenon.
- Many are considered “dullards”, many have been long-term “laggards”, yet the 33 stocks presented in this report have good charts patterns and by our work are likely headed higher in the days/weeks ahead.
- There are 326 stocks in the Russell 3000 Index classified as “Information Technology”. Eliminating stocks with a market capitalization less than \$800 million reduces the universe to 271 stocks. We have examined the chart pattern of each of the 271 stocks in question and would call your attention the 33 names singled out herein.

Trade well,

-Carter

Carter Braxton Worth

Kimberly Simon



The important point to make, before getting to the statistics below, is that the “results”, the “outcome”, the “stock picking” (by us) wasn’t particularly good.

The important point is that relative strength is - and always has been - one of the single most reliable “factors” in all investing.

Now... the stats from the June 6th edition of ***MONEY IN MOTION...***

Total # of stocks singled out: 33

# of stocks UP: 20

Batting Average: 60.6% (20 of 33 up)

Average performance of all 33 stocks +5.96%

Median performance of the 33 stocks +2.93%

## June 3, 2022 Buy List:

		<u>6/3/2022</u>	<u>12/9/2022</u>	<u>% Change</u>
ARW	Arrow Electronics, Inc.	121.95	106.74	-12.47%
ATEN	A10 Networks, Inc.	15.81	18.66	18.03%
AVT	Avnet, Inc.	48.09	42.95	-10.69%
BDC	Belden Inc.	57.26	75.59	32.01%
BHE	Benchmark Electronics, Inc.	25.77	28.02	8.73%
CLFD	Clearfield, Inc.	66.53	103.16	55.06%
CTS	CTS Corporation	40.59	39.5	-2.69%
DGII	Digi International Inc.	25.72	39.4	53.19%
DOX	Amdocs Limited	86.94	88.22	1.47%
DXC	DXC Technology Co.	35.25	26.32	-25.33%
EXLS	ExlService Holdings, Inc.	147	177.86	20.99%
HLIT	Harmonic Inc.	9.98	13.56	35.87%
HPQ	HP Inc.	39.81	28.21	-29.14%
IBM	International Business Machines	141.18	147.05	4.16%
IMXI	International Money Express, Inc.	20.95	21.06	0.53%
JBL	Jabil Inc.	61.45	71.47	16.31%
KLAC	KLA Corporation	362.44	393.41	8.54%
MPWR	Monolithic Power Systems, Inc.	457.46	386.1	-15.60%
MSI	Motorola Solutions, Inc.	225.55	265.57	17.74%
NSIT	Insight Enterprises, Inc.	100.14	99.94	-0.20%
ON	ON Semiconductor Corporation	62.94	70.53	12.06%
PLAB	Photonics, Inc.	22.11	18.27	-17.37%
PLUS	ePlus inc.	58.61	45.21	-22.86%
PRGS	Progress Software Corporation	49.9	51.7	3.61%
PTC	PTC Inc.	118.56	121.19	2.22%
SANM	Sanmina Corporation	44.71	62.48	39.75%
SCSC	ScanSource, Inc.	38.67	30.18	-21.96%
SMCI	Super Micro Computer, Inc.	54.81	84.02	53.29%
SNPS	Synopsys, Inc.	327.68	325.75	-0.59%
TTMI	TTM Technologies, Inc.	14.45	16.09	11.35%
VSH	Vishay Intertechnology, Inc.	20.44	22.1	8.12%
WDC	Western Digital Corporation	60.08	35.71	-40.56%
WEX	WEX Inc.	170.85	159.01	-6.93%

**Universe Average Performance** 5.96%

**Universe Median Performance** 2.92%

S&P 500 Index	4108.54	3934.38	-4.24%
S&P 500 Pure Growth Index	16524.66	15707.85	-4.94%
S&P 500 Pure Value Index	8362.39	7943.57	-5.01%
S&P 500 Information Technology Sector	2442.38	2281.8	-6.57%
NASDAQ Composite Index	12012.73	11004.62	-8.39%
Russell 2000 Index	1883.053	1796.661	-4.59%

And, as previously stated, the 6-month outcome is hardly grand. I mean, one stock was down 41%! Good grief.

In aggregate, though, the relative-strength winners of June 6th have continued to exhibit relative strength. This is all important; it's everything.

And in that sense, all of the above has nothing to do with this particular analyst or any analyst. One either respects and relies on momentum and relative strength and other price-performance indicators, or one does not.

We do, as all will know.

It took us a while, yes, to accept all of the above (we trafficked in funnymentials for 3 years before abandoning 'Q's and 'K's) but one day we "saw the light" and took the road less traveled.

*Two roads diverged in a wood, and I-  
I took the one less traveled by,  
And that has made all the difference.*

[CLICK HERE](#) for the June 6th edition of ***MONEY IN MOTION***

Trade well,

-Carter

**Worth Charting**

[info@worthcharting.com](mailto:info@worthcharting.com)

1. Service a. Worth Charting is a technical research company conducting research and analyses on financial instruments. Worth Charting shares the results of its research to subscribers via a subscription-based service, but Worth Charting is not providing you any financial advice. Worth Charting and Services, including any facts, views, opinions, recommendations, trades, trading strategies or systems, or descriptions of or references to products or securities, made available by Worth Charting is: i. for educational purposes only; and ii. not to be used or construed as an offer to sell, a solicitation of an offer to buy, or an endorsement, or sponsorship of any entity or security by Worth Charting. For all these reasons and others, your use of the information provided on this Website, or any Services, should be based upon your own due diligence and judgment of how best to use the information, and subsequently

independently verified by a licensed broker, investment advisor, or financial planner. 2. Disclaimers Concerning The Service We Provide a. We are not an investment advisor. We do not provide personalized or individualized investment advice. Any information provided as part of the Services is impersonal and not specific to any person's investment needs. You alone are solely responsible for determining whether any investment, security or strategy, or any other product or service, is appropriate or suitable for you based on your investment objectives and personal and financial situation. You should consult a registered investment advisor, attorney, or tax professional regarding your particular financial situation, investing strategies, or specific legal or tax situation. b. By reading the following, you acknowledge and agree that no content published or otherwise provided as part of any service constitutes a personalized recommendation or advice regarding the suitability of, or advisability of investing in, purchasing or selling any particular investment, security, portfolio, commodity, transaction or investment strategy. c. To the extent that any of the content may be deemed to be investment advice or recommendations in connection with a particular security, such information is impersonal and not tailored to the investment needs of any specific person. None of Worth Charting's editorial staff, employees, independent contractors, or owners (collectively, "Our Representatives") shall be liable for any investment decisions based upon or results obtained from the content. Trading in investments involves risk and volatility, and any of the investments discussed may lose their value after purchase. Past investment results are not necessarily indicative of future performance. Moreover, the information, research, and opinions that Worth Charting provides are obtained or derived from sources believed to be reliable, but we cannot guarantee their accuracy and completeness nor the opinions based thereon. d. You should not rely solely upon such information, research and opinions for purposes of transacting securities or other investments, and you are encouraged to conduct your own research and due diligence, and to seek the advice of a qualified investment professional before you make any investment. e. None of the information provided constitutes, or is intended to constitute, a recommendation by us of any particular security or other investment or trading strategy or a determination by us that any security or other investment or trading strategy is suitable for any specific person. Investing in securities or other investments, including those chosen in any of our products or in any of our content, is speculative in nature and involves substantial risk of loss of the money invested. f. We reserve the right to change, modify or discontinue any Content or any portion or feature of the Services. Such changes may include, but are not limited to, adding or removing particular outside contributors, experts or representatives, ceasing to provide access to a Service (and/or providing an alternative Service to you as a replacement), or changing the terms of engagement for a Service. We may make these changes or modifications at our sole discretion, either temporarily or permanently, at any time or from time to time, with or without notice to you. You agree that the Worth Charting shall not be liable to you or any third party for any such change or modification of the Content and/or Services and that your continued use of the changed or modified Content and/or Services, and/or continued access to the changed or modified Content and/or Services, constitutes your acceptance of any such changes or modifications.

---