
Closing out another Pair Trade

1 message

Mon, Jul 25, 2022 at 10:47 AM

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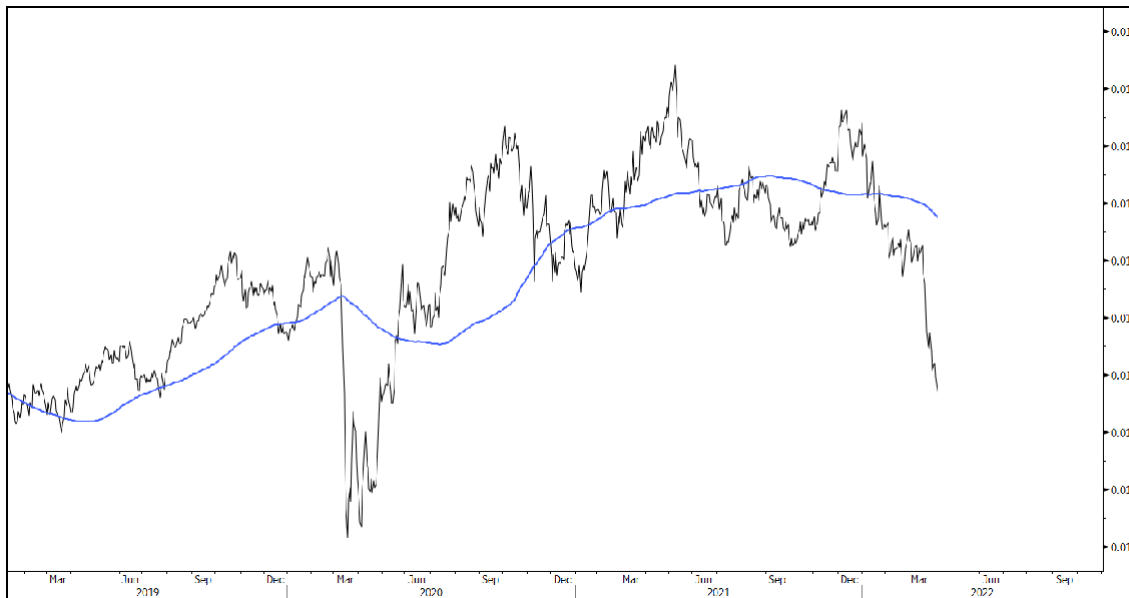
The first months of the year witnessed the wholesale dumping of Homebuilding stocks, with the iShares U.S. Home Construction ETF (ITB) **down a shocking 27.9%** in Q1 vs the S&P 500 index **down 5.2%**.

More often than not, at moments such as that, it's right to "take the road less traveled", to be bold and buying when other are fearful and selling. The April 7th edition of MONEY IN MOTION sought to do just that. Titled, Buying Home Builders For a Bounce, the simple report laid out the case.

At this point, 16 weeks later we're thinking it's right to "take the money and run", to close out the trade.

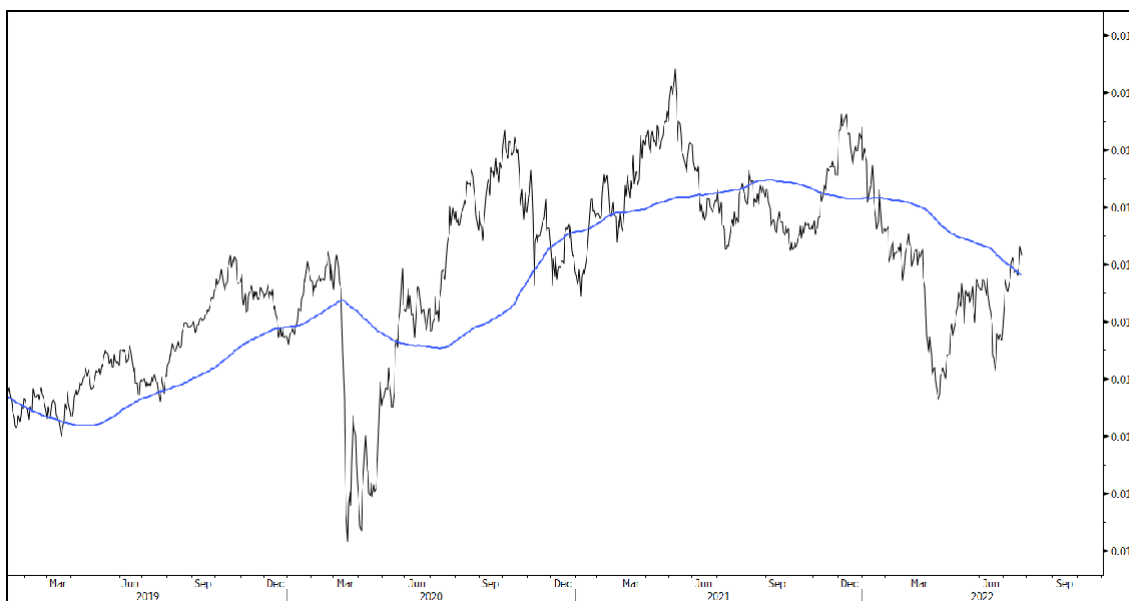
[CLICK HERE](#) for the April 7th report

Ratio Chart "then"... iShares U.S. Home Construction ETF's relative performance to the S&P 500 Index (ITB/SPX)



Ratio Chart "now"... iShares U.S. Home Construction ETF's relative performance to the S&P 500 Index (ITB/SPX)

In the period, the iShares U.S. Home Construction ETF is **+5.2%** while the S&P 500 index is **-11.8%**. Our thinking is to take the 1700 basis point 16-week gain, and run (65% annualized return).





info@worthcharting.com

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