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## Closing out another Pair Trade

1 message

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# Worth Charting

We're thinking it's right to be neutral/equal weight/balanced Energy stocks here and now, versus short.

The May 31st [email blast](#) singled out Energy as being just too hot, concluding, *'bottom line, Energy's relative outperformance has reached extreme readings. By our work, it's right to put on an XLE/SPY pair trade (short Energy/long the SPX).'*

At this point, 10 weeks later, the extreme reading has be "corrected"... with the S&P 500 Energy Sector **-14.8%** since May 31st vs the S&P 500 Index **+0.19%**. And as such, we're thinking close out the trade and "take the money and run".

Energy Sector's relative performance to the SPX "THEN" (May 31st)



Energy Sector's relative performance to the SPX "NOW" (Aug 8th)



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