

MONEY IN MOTION June 26, 2023 **A Near-Record Spread**

- The day-to-day, week-over-week relative underperformance of the Dow Jones Industrial Average to the S&P 500 Index, has reached an extreme reading.
- By our work, it's right to put on a DIA/SPY pair trade: long the SPDR Dow Jones Industrial Average ETF (DIA) / short the SPDR S&P 500 ETF (SPY).
- The correlation between the DJIA and SPX is very high, as all will know.
- Indeed, the 1-month and 3-month correlation between the two indices is higher than 0.90, the 6-month correlation is higher than 0.90, as is the 1-year correlation, the 3-year correlation, the 5-year and the 10-year correlation.
- And yet, the current 2-month performance spread between the two indices is near the widest it has been at any time in the past 30 years.

	April 21 Close	June 23 Close	Point Change	% Change
Dow Jones Industrial Average	33808.96	33727.43	-81.53	-0.24%
S&P 500 Index	4133.52	4348.33	214.81	5.20%
DOW/SPX spread				5.44%

Note: The last time the DIA/SPY relationship was examined was October 30, 2022, making the exact opposite case being made today [CLICK HERE](#). the spread at the time was equally extreme- just the other way- with DIA way way ahead of the SPY.

Trade well,

-Carter

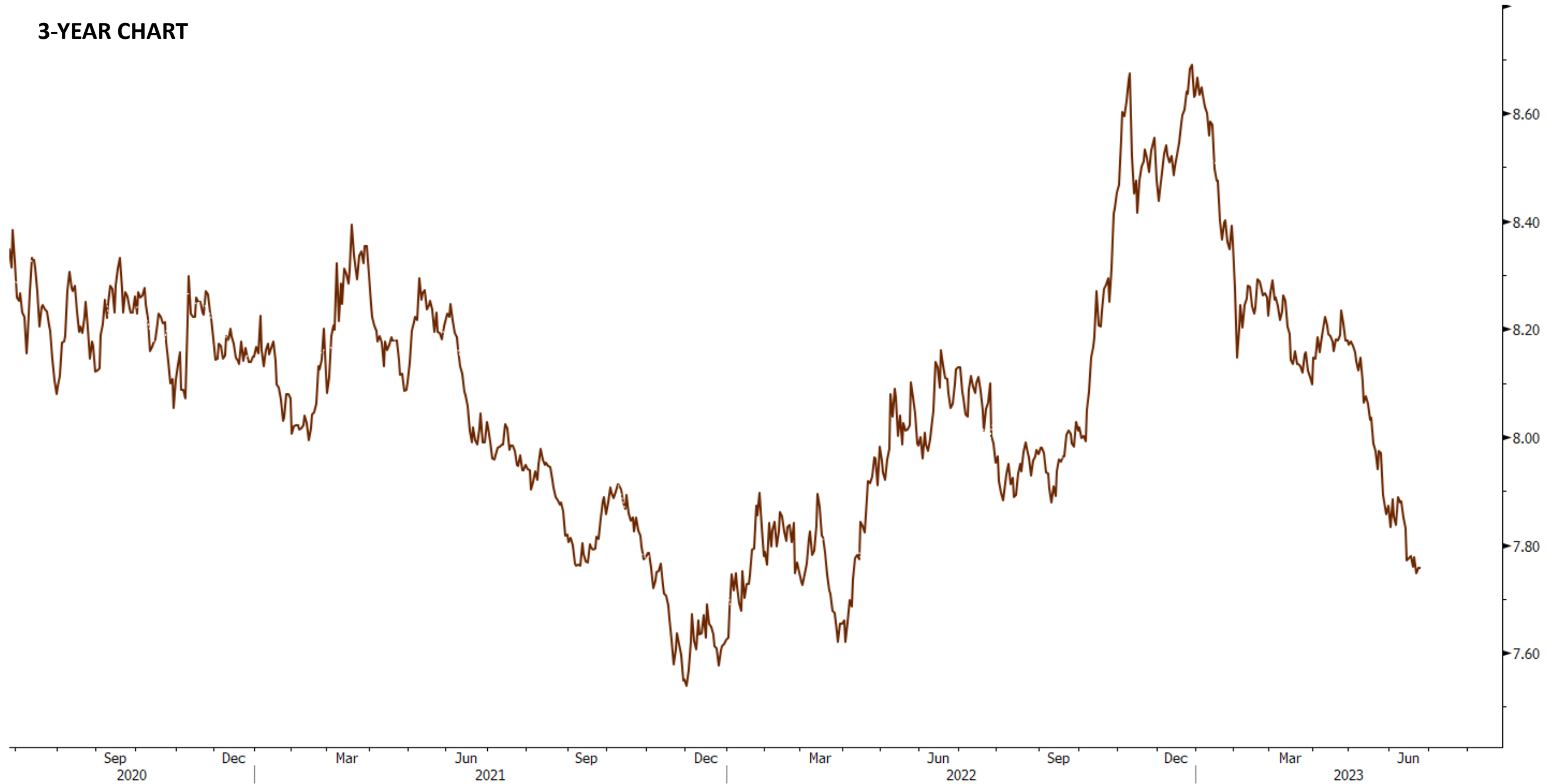
Carter Braxton Worth

Kimberly Simon



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index Depicting the Dow's relative performance to the SPX

3-YEAR CHART



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index

Depicting the Dow's relative performance to the SPX
with smoothing mechanism (150-day moving average)

3-YEAR CHART

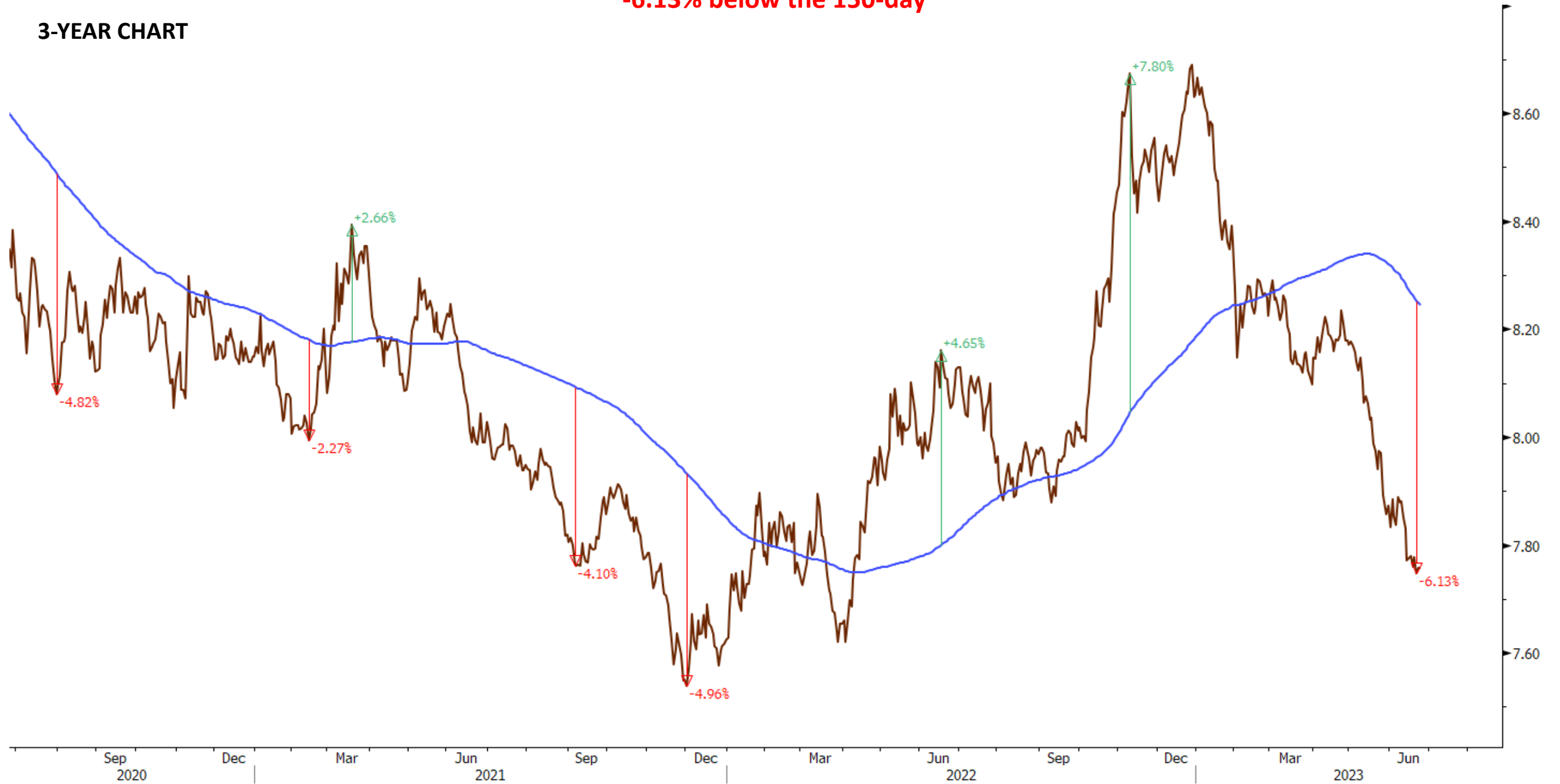


Ratio Chart: Dow Jones Industrial Average/S&P 500 Index

Depicting the Dow's relative performance to the SPX
with smoothing mechanism (150-day moving average)

-6.13% below the 150-day

3-YEAR CHART



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index Depicting the Dow's relative performance to the SPX

5-YEAR CHART



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index

Depicting the Dow's relative performance to the SPX
with smoothing mechanism (150-day moving average)

-6.13% below the 150-day

5-YEAR CHART



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index Depicting the Dow's relative performance to the SPX

15-YEAR CHART

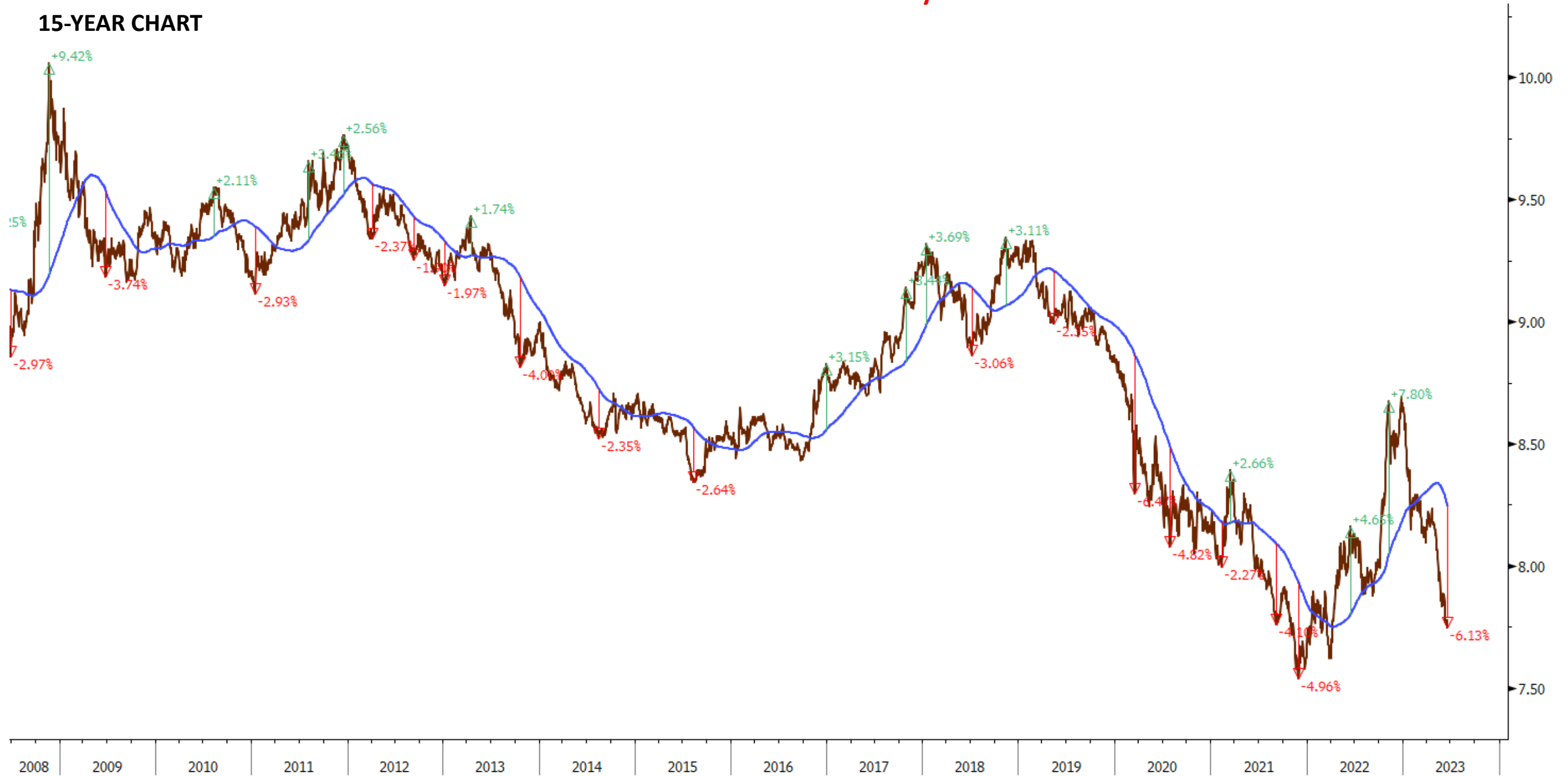


Ratio Chart: Dow Jones Industrial Average/S&P 500 Index

Depicting the Dow's relative performance to the SPX
with smoothing mechanism (150-day moving average)

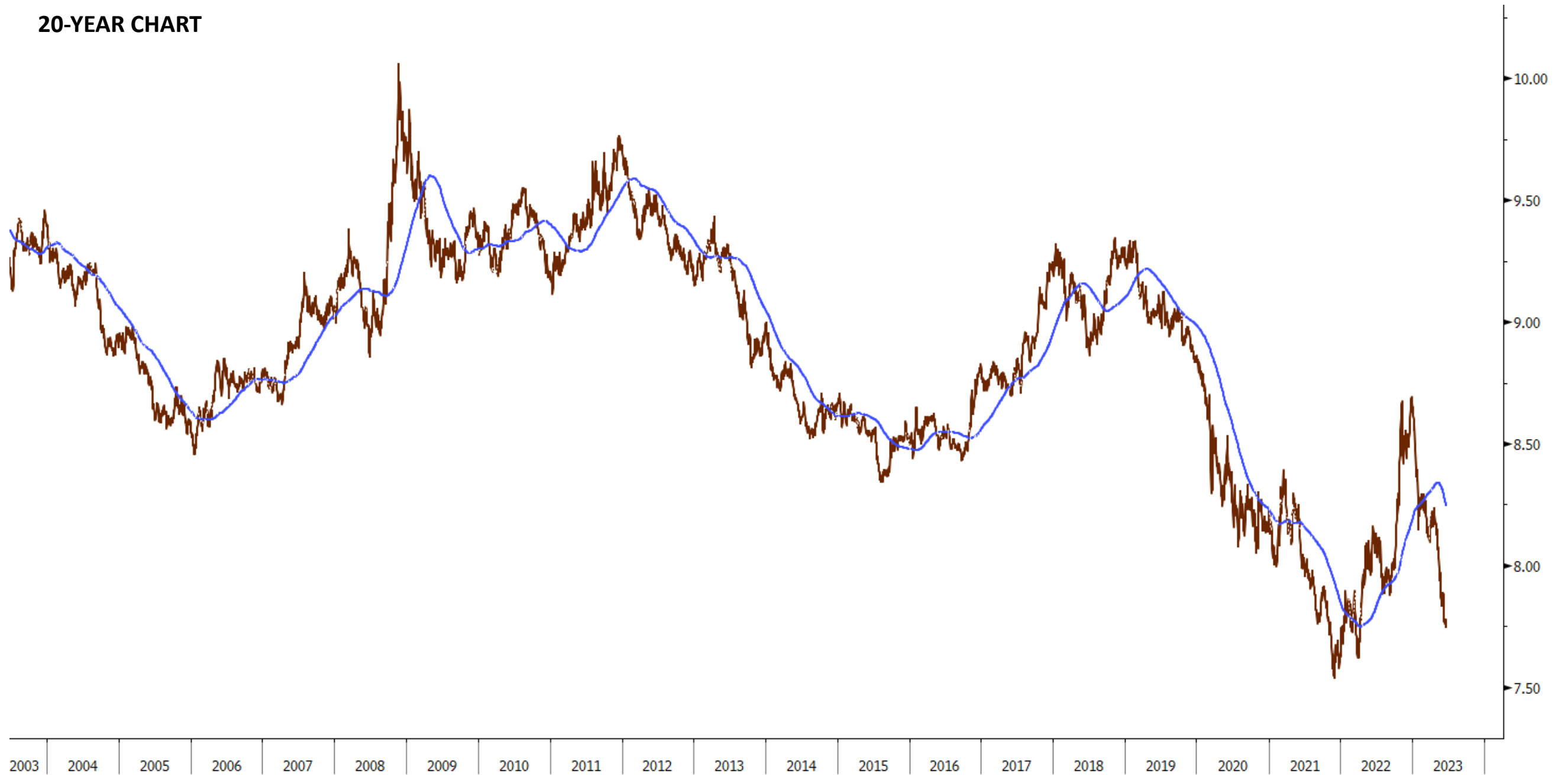
-6.13% below the 150-day

15-YEAR CHART



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index Depicting the Dow's relative performance to the SPX

20-YEAR CHART



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index

Depicting the Dow's relative performance to the SPX
with smoothing mechanism (150-day moving average)

-6.13% below the 150-day

20-YEAR CHART



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index Depicting the Dow's relative performance to the SPX

30-YEAR CHART



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index

Depicting the Dow's relative performance to the SPX
with smoothing mechanism (150-day moving average)

-6.13% below the 150-day

30-YEAR CHART



Ratio Chart: Dow Jones Industrial Average/S&P 500 Index

Depicting the Dow's relative performance to the SPX
with smoothing mechanism (150-day moving average)

-6.13% below the 150-day

Current reading is as extreme as that seen in 1999 and 2000

30-YEAR CHART



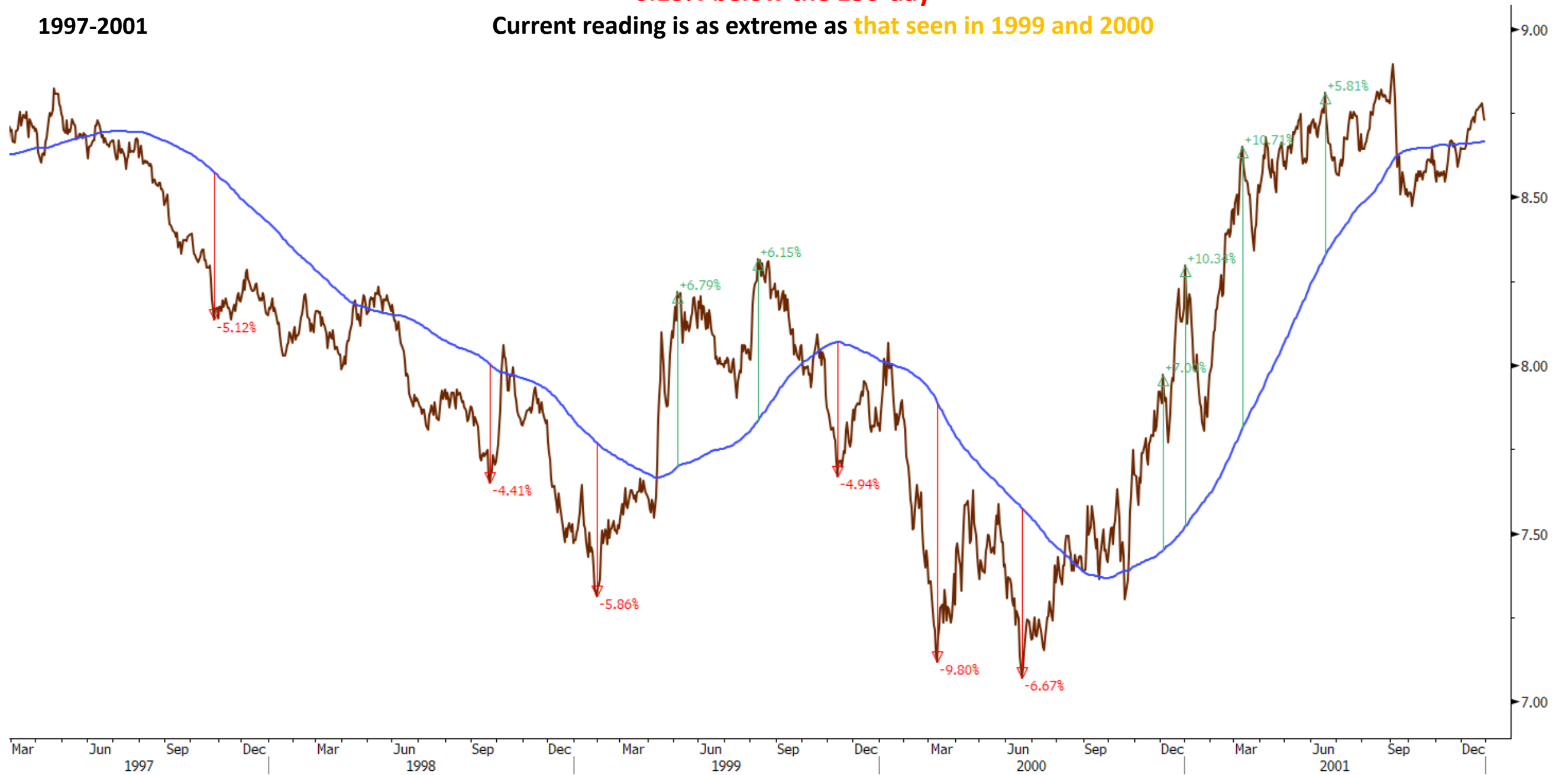
1997-2001 Ratio Chart: Dow Jones Industrial Average/S&P 500 Index

Depicting the Dow's relative performance to the SPX
with smoothing mechanism (150-day moving average)

-6.13% below the 150-day

Current reading is as extreme as **that seen in 1999 and 2000**

1997-2001



1-Year Comparative Chart

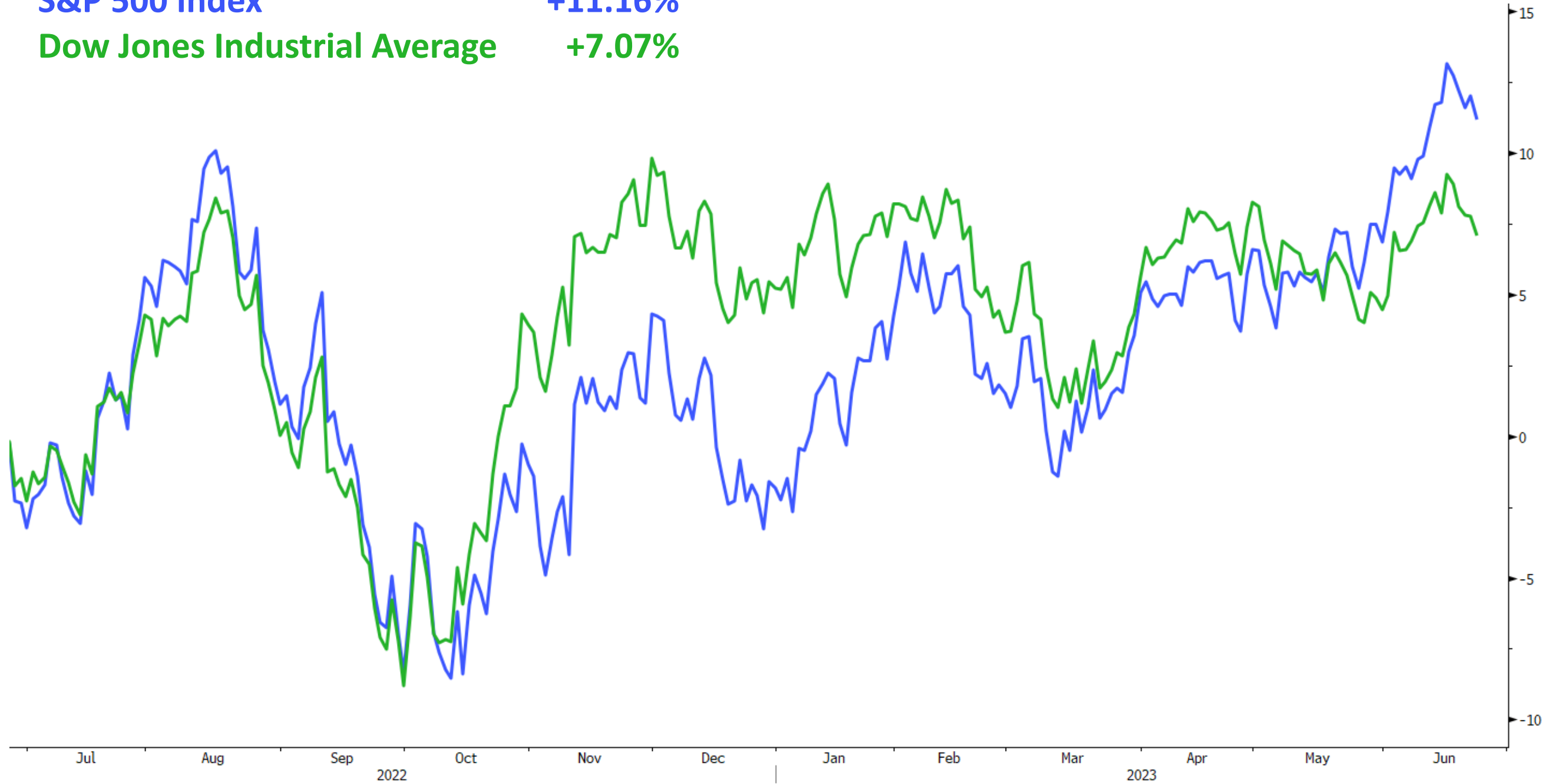
Highly correlated, as all will know

S&P 500 Index

+11.16%

Dow Jones Industrial Average

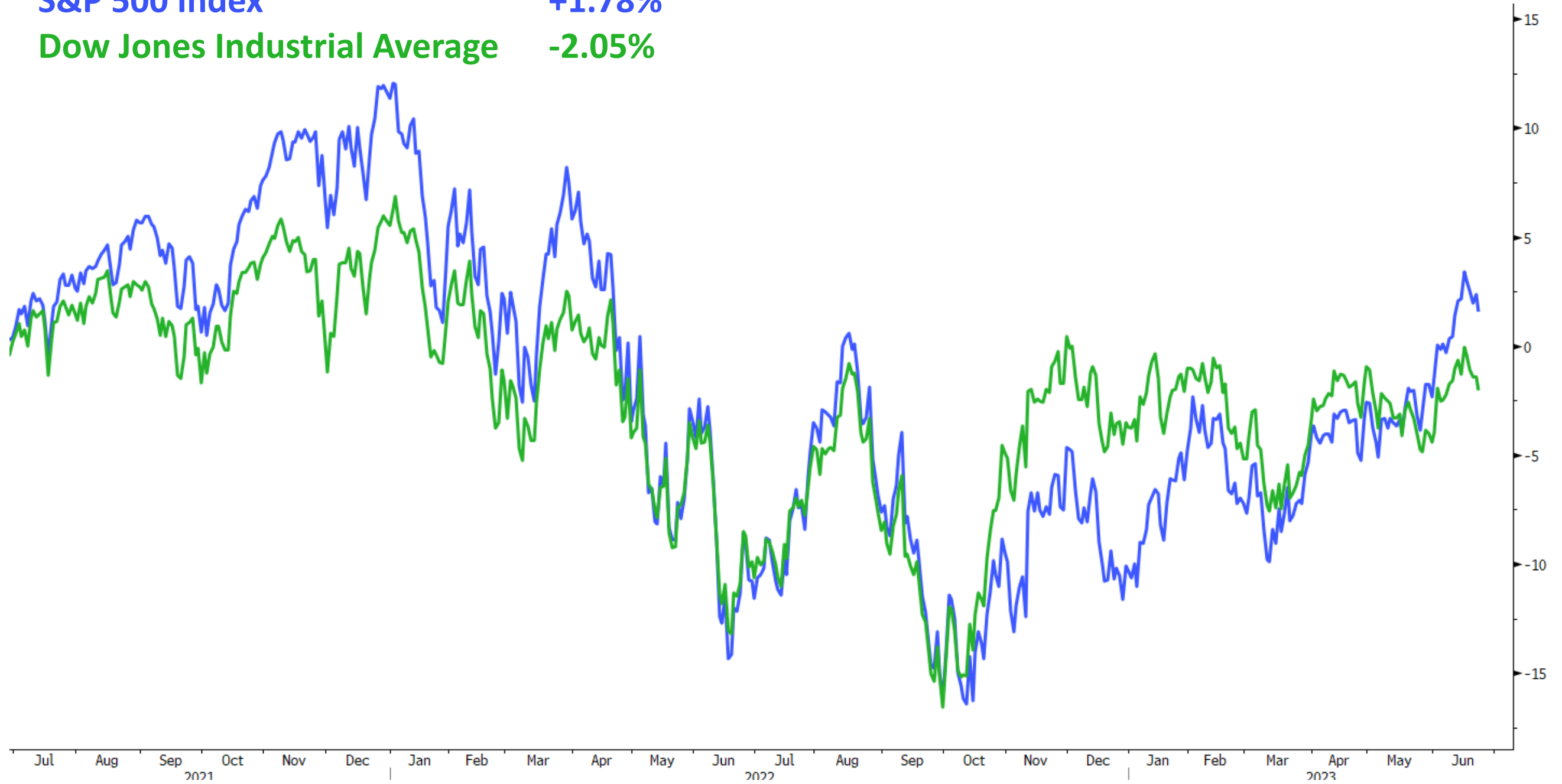
+7.07%



2-Year Comparative Chart

Highly correlated, as all will know

S&P 500 Index +1.78%
Dow Jones Industrial Average -2.05%



3-Year Comparative Chart

Highly correlated, as all will know

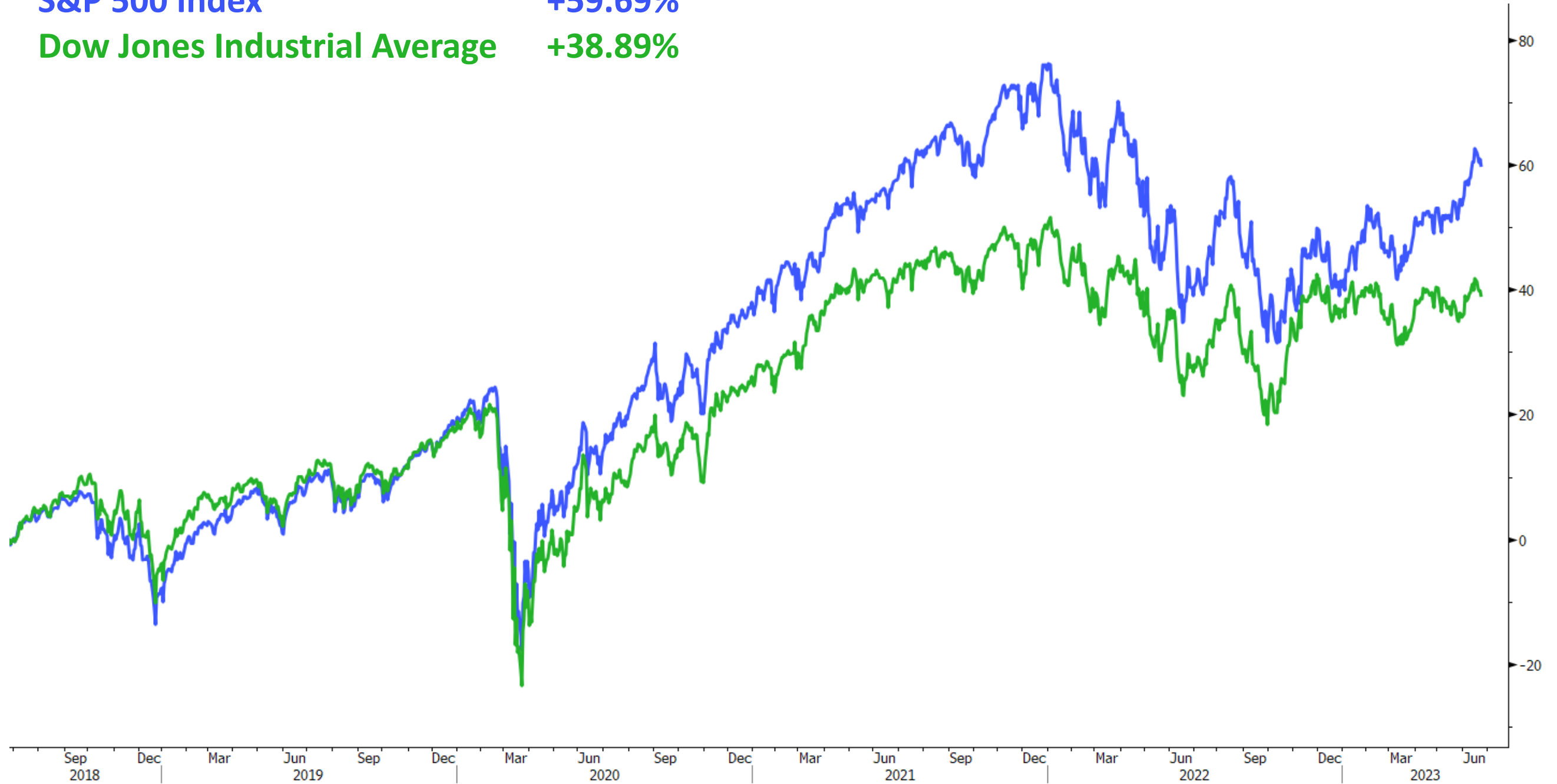
S&P 500 Index +41.01%
Dow Jones Industrial Average +31.00%



5-Year Comparative Chart

Highly correlated, as all will know

S&P 500 Index +59.69%
Dow Jones Industrial Average +38.89%



10-Year Comparative Chart

Highly correlated, as all will know

S&P 500 Index +173.06%
Dow Jones Industrial Average +127.90%



15-Year Comparative Chart

Highly correlated, as all will know

S&P 500 Index +240.14%
Dow Jones Industrial Average +197.25%



20-Year Comparative Chart

Highly correlated, as all will know

S&P 500 Index +341.14%
Dow Jones Industrial Average +271.85%



30-Year Comparative Chart

Highly correlated, as all will know

S&P 500 Index +875.31%

Dow Jones Industrial Average +868.07%



DJIA Constituents



				<u>Weight in DJIA</u>	<u>Weight in SPX</u>		<u>DJIA exposure vs SPX</u>
UNH	UnitedHealth Group Inc	\$	477.00	9.32%	1.22%	7.64	times more exposure
MSFT	Microsoft Corp	\$	335.02	6.55%	6.84%	0.96	exposure
GS	Goldman Sachs Group	\$	314.71	6.15%	0.29%	21.21	times more exposure
HD	Home Depot	\$	300.81	5.88%	0.84%	7.00	times more exposure
MCD	McDonald's Corp	\$	289.91	5.67%	0.58%	9.77	times more exposure
CAT	Caterpillar Inc	\$	234.44	4.58%	0.33%	13.88	times more exposure
V	Visa Inc	\$	229.55	4.49%	1.02%	4.40	times more exposure
AMGN	Amgen Inc	\$	227.11	4.44%	0.33%	13.45	times more exposure
CRM	Salesforce Inc	\$	210.09	4.11%	0.56%	7.33	times more exposure
BA	Boeing Co/The	\$	205.41	4.01%	0.32%	12.54	times more exposure
HON	Honeywell International Inc	\$	200.09	3.91%	0.37%	10.57	times more exposure
AAPL	Apple Inc	\$	186.68	3.65%	7.58%	0.48	exposure
TRV	Travelers	\$	173.72	3.39%	0.11%	30.86	times more exposure
AXP	American Express Co	\$	168.07	3.28%	0.27%	12.16	times more exposure
JNJ	Johnson & Johnson	\$	165.48	3.23%	1.18%	2.74	times more exposure
WMT	Walmart Inc	\$	155.46	3.04%	0.60%	5.06	times more exposure
CVX	Chevron Corp	\$	151.35	2.96%	0.72%	4.11	times more exposure
PG	Procter & Gamble	\$	148.46	2.90%	0.96%	3.02	times more exposure
JPM	JPMorgan Chase & Co	\$	138.85	2.71%	1.11%	2.44	times more exposure
IBM	International Business Machines	\$	129.43	2.53%	0.32%	7.90	times more exposure
MRK	Merck & Co Inc	\$	114.60	2.24%	0.80%	2.80	times more exposure
NKE	NIKE Inc	\$	109.52	2.14%	0.15%	14.27	times more exposure
MMM	3M Co	\$	100.72	1.97%	0.37%	5.32	times more exposure
DIS	Walt Disney Co/The	\$	88.10	1.72%	0.44%	3.91	times more exposure
KO	Coca-Cola Co/The	\$	61.20	1.20%	0.65%	1.84	times more exposure
DOW	Dow Inc	\$	51.36	1.00%	0.10%	10.04	times more exposure
CSCO	Cisco Systems Inc	\$	50.33	0.98%	0.57%	1.73	times more exposure
VZ	Verizon Communications Inc	\$	35.51	0.69%	0.41%	1.69	times more exposure
INTC	Intel Corp	\$	33.00	0.64%	0.38%	1.70	times more exposure
WBA	Walgreens Boots Alliance Inc	\$	31.40	0.61%	0.06%	10.23	times more exposure
				100.00%	29.48%		



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