

MONEY IN MOTION November 10, 2023 **S&P 500 Health Care Sector**

The relative performance chart of the S&P 500 Health Care Sector (relative to the S&P 500 Index itself) once again is at a critical juncture.

The last time the Sector's relative strength line was at this same juncture was on July 13th, some four months ago. And whereas the recommendation in these pages then ([July 13th](#)) was to play Health Care for a relative bounce (and bounce it did) today's mid-November recommendation is to play Health Care for a breakdown (read: to be short Health Care relative to the market).

For those looking to “put on” this pair trade, the play is:

SELL the **SPDR Health Care Sector ETF (XLV)** / **BUY** the **SPDR S&P 500 ETF (SPY)**

Trade well,

-Carter

Ratio Chart: S&P 500 Health Care Sector/S&P 500 Index

Depicting the Sector's relative performance to the market since inception

Identical chart 1 of 5



Ratio Chart: S&P 500 Health Care Sector/S&P 500 Index

Depicting the Sector's relative performance to the market since inception

Identical chart 2 of 5

One heck of a **trend line**...



Ratio Chart: S&P 500 Health Care Sector/S&P 500 Index

Depicting the Sector's relative performance to the market since inception

Identical chart 3 of 5

One heck of a **green line**... off of which the Sector's RS line has bounced *"to the penny"* over and over and over...



Ratio Chart: S&P 500 Health Care Sector/S&P 500 Index

Depicting the Sector's relative performance to the market since inception

Identical chart 4 of 5

One heck of a **trend line**... but this time around it's our judgment that the Sector's relative underperformance will continue - based on recent very poor performance of important, large cap Health Care stocks.



Ratio Chart: S&P 500 Health Care Sector/S&P 500 Index

Depicting the Sector's relative performance to the market since inception

Identical chart 5 of 5

One heck of a **trend line**... but this time **we're sellers**, playing for a break in trend...



Ratio Chart: S&P 500 Health Care Sector/S&P 500 Index 2021-2023

Again, whereas the **July 13th** judgment was to play for a relative bounce [CLICK HERE](#) ... our thinking today is exactly the opposite- based on how poorly certain stocks in the Sector are acting...



S&P 500 Index, Sector Weights

S&P 500 Information Technology Sector	29.00%
S&P 500 Health Care Sector	12.76%
S&P 500 Financials Sector	12.73%
S&P 500 Consumer Discretionary Sector	10.62%
S&P 500 Communication Services Sector	8.80%
S&P 500 Industrials Sector GICS	8.25%
S&P 500 Consumer Staples Sector	6.44%
S&P 500 Energy Sector	4.24%
S&P 500 Utilities Sector	2.42%
S&P 500 Materials Sector	2.39%
S&P 500 Real Estate Sector	2.34%
	100.00%



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