

MONEY IN MOTION

January 25, 2024

Semiconductors - It's Trim Time

- We're thinking it's time to start reducing exposure to semiconductors...
- A textbook breakout, yes... and impressive relative performance to the Information Technology Sector of late and to the overall market. That being said, the VanEck Semiconductor ETF (SMH) is now trading 25% above its smoothing mechanism (150-day moving average) and we think it's right to pull in one's horns a bit.
- This brief note is intended as a complement and follow up to the two most recent research notes regarding semiconductors.
- [Click here](#) for the December 13th note: Buy Semis
- [Click here](#) for the January 18th note: Stay long Semis

Trade well,

-Carter

VanEck Semiconductor ETF (SMH)

Identical 5-Year Chart 1 of 8



VanEck Semiconductor ETF (SMH)

Identical 5-Year Chart 2 of 8

With Smoothing Mechanism (150-day moving average)



VanEck Semiconductor ETF (SMH)

Identical 5-Year Chart 3 of 8

With Smoothing Mechanism (150-day moving average)

Not the highest reading ever (% above the 150-day) but getting very close.

Trading 25.18% above at present...



VanEck Semiconductor ETF (SMH)

Identical 5-Year Chart 4 of 8

Now trading above the upper band of the **well-defined channel** in which it has been ascending the past 15 months.



VanEck Semiconductor ETF (SMH)

Identical 5-Year Chart 5 of 8

Now trading above the upper band of the **well-defined channel** in which it has been ascending the past 15 months. **Trim longs, sell calls, buy puts...** do something, before- as they say- someone does it for you



VanEck Semiconductor ETF (SMH)

Identical 5-Year Chart 6 of 8

A textbook breakout, yes. But overdone- our thinking – on a day-to-day, week-over-week basis.
Trim longs, sell calls, buy puts... do something, before- as they say- someone does it for you



VanEck Semiconductor ETF (SMH)

Identical 5-Year Chart 7 of 8

A textbook breakout, yes. But overdone- our thinking – on a day-to-day, week-over-week basis.
Trim longs, sell calls, buy puts... do something, before- as they say- someone does it for you



VanEck Semiconductor ETF (SMH)

Identical 5-Year Chart 8 of 8

Steep, uncorrected and now trading more than 25% above [150-day moving average](#)
Trim longs, sell calls, buy puts... do something, before- as they say- someone does it for you





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