

WORTH CHARTING REPORT

May 12, 2022

The Anatomy of a Selloff (the importance of market breadth)

- Deteriorating market breadth has long been recognized as a harbinger of things to come.
- This brief report is a follow up to a December 15, 2021 piece about the Russell 3000 Index.
- At the time - exactly 5 months ago - the Russell 3000 Index was down a mere 3.4% from its 52-week high, yet roughly a third of the stocks in the Index (30.4% to be exact) were down more than 35% from their respective 52-week highs.
- A second, identical report was published 3 months later, on March 13th and the situation was meaningfully worse, both for the Index level and its constituents, with the Russell 3000 itself down 13.2% while 38.8% of stocks were down 35% or more.
- Today, 2 months later - and 5 months since the initial December 15th report- things are even worse, with the Russell 3000 Index now down 19.6% below its 52-week high while 49.2% of stocks are down 35% or more.
- The negative divergence between the Index and its constituents 5 months ago was an excellent harbinger of things to come- a red flag, a signal, a reason to be cautious. At some point the selling will abate, to be sure, but that time is not at hand, by our work.

Trade well,

-Carter

Carter Braxton Worth

Kimberly Simon



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Russell 3000 Index:

Dec 15, 2021

% below
52-week high **-3.4%**

Russell 3000 Constituents:

Dec 15, 2021

% below 52-week high	% of Index
-10% or more	76.3%
-15% or more	62.8%
-20% or more	52.1%
-25% or more	42.8%
-30% or more	35.6%
-35% or more	30.4%
-40% or more	26.4%
-50% or more	18.6%

Source: Worth Charting, Bloomberg, FactSet

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Russell 3000 Index:

	<u>Dec 15, 2021</u>	<u>Mar 13, 2022</u>
% below 52-week high	-3.4%	-13.2%

Russell 3000 Constituents:

	<u>Dec 15, 2021</u>	<u>Mar 13, 2022</u>
% below 52-week high	% of Index	% of Index
-10% or more	76.3%	85.4%
-15% or more	62.8%	74.4%
-20% or more	52.1%	63.8%
-25% or more	42.8%	54.2%
-30% or more	35.6%	46.0%
-35% or more	30.4%	38.8%
-40% or more	26.4%	32.6%
-50% or more	18.6%	24.5%

Source: Worth Charting, Bloomberg, FactSet

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Russell 3000 Index:

	<u>Dec 15, 2021</u>	<u>Mar 13, 2022</u>	<u>May 12, 2022</u>
% below 52-week high	-3.4%	-13.2%	-19.6%

Russell 3000 Constituents:

	<u>Dec 15, 2021</u>	<u>Mar 13, 2022</u>	<u>May 12, 2022</u>
% below 52-week high	% of Index	% of Index	% of Index
-10% or more	76.3%	85.4%	93.3%
-15% or more	62.8%	74.4%	86.9%
-20% or more	52.1%	63.8%	78.1%
-25% or more	42.8%	54.2%	67.9%
-30% or more	35.6%	46.0%	57.7%
-35% or more	30.4%	38.8%	49.2%
-40% or more	26.4%	32.6%	42.1%
-50% or more	18.6%	24.5%	32.1%

Source: Worth Charting, Bloomberg, FactSet

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December 15, 2021

The Russell 3000 Index is **-3.4%** from its 52-week high (and all-time high)... yet...

2288 stocks (76.2% of the Index) are **-10% or more** below their respective 52-week highs... as of right now

1884 stocks (62.8% of the Index) are **-15% or more** below their respective 52-week highs... as of right now

1564 stocks (52.1% of the Index) are **-20% or more** below their respective 52-week highs... as of right now

1283 stocks (42.8% of the Index) are **-25% or more** below their respective 52-week highs... as of right now

1068 stocks (35.6% of the Index) are **-30% or more** below their respective 52-week highs... as of right now

913 stocks (30.4% of the Index) are **-35% or more** below their respective 52-week highs... as of right now

793 stocks (26.4% of the Index) are **-40% or more** below their respective 52-week highs... as of right now

559 stocks (18.6% of the Index) are **-50% or more** below their respective 52-week highs... as of right now

Source: Worth Charting, Bloomberg, FactSet

WORTH CHARTING REPORT

March 13, 2022

The Russell 3000 Index is **-13.2%** from its 52-week high (and all-time high)... yet...

2562 stocks (**85.4%** of the Index) are **-10% or more** below their respective 52-week highs... as of right now

2233 stocks (**74.4%** of the Index) are **-15% or more** below their respective 52-week highs... as of right now

1913 stocks (**63.8%** of the Index) are **-20% or more** below their respective 52-week highs... as of right now

1626 stocks (**54.2%** of the Index) are **-25% or more** below their respective 52-week highs... as of right now

1381 stocks (**46.0%** of the Index) are **-30% or more** below their respective 52-week highs... as of right now

1165 stocks (**38.8%** of the Index) are **-35% or more** below their respective 52-week highs... as of right now

978 stocks (**32.6%** of the Index) are **-40% or more** below their respective 52-week highs... as of right now

734 stocks (**24.5%** of the Index) are **-50% or more** below their respective 52-week highs... as of right now

Source: Worth Charting, Bloomberg, FactSet

WORTH CHARTING REPORT

May 12, 2022

The Russell 3000 Index is **-19.6%** from its 52-week high (and all-time high)... yet...

2798 stocks (**93.3%** of the Index) are **-10% or more** below their respective 52-week highs... as of right now

2608 stocks (**86.9%** of the Index) are **-15% or more** below their respective 52-week highs... as of right now

2344 stocks (**78.1%** of the Index) are **-20% or more** below their respective 52-week highs... as of right now

2038 stocks (**67.9%** of the Index) are **-25% or more** below their respective 52-week highs... as of right now

1731 stocks (**57.7%** of the Index) are **-30% or more** below their respective 52-week highs... as of right now

1476 stocks (**49.3%** of the Index) are **-35% or more** below their respective 52-week highs... as of right now

1263 stocks (**42.1%** of the Index) are **-40% or more** below their respective 52-week highs... as of right now

962 stocks (**32.1%** of the Index) are **-50% or more** below their respective 52-week highs... as of right now

Source: Worth Charting, Bloomberg, FactSet



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Source: Worth Charting, Bloomberg, FactSet