



Sector Snapshot

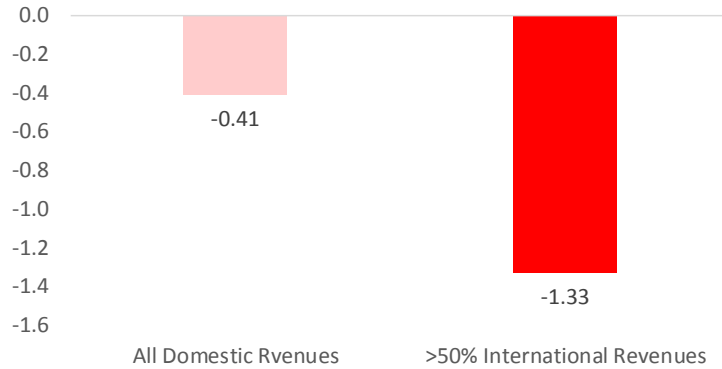
After gaining more than 1% last Friday and again on Monday, the US equity market has completely broken down and given all of those gains back and then some over the last three trading days. The Dow is down 1%+ on each of the last three days, which has only happened 3 other times during the current bull market.

As shown in the top left chart below, the S&P 500 has moved back down into oversold territory after dropping roughly 4% over the last 3 days. The index needs to drop another 3.4% to take out its closing low from 2/8. Breadth has weakened significantly with just 25% of stocks in the S&P trading above their 50-DMA.

While declines on Tuesday and Wednesday seemingly centered around interest rate fears or lower growth prospects, today's drop can be attributed to comments from President Trump saying new steel and aluminum tariffs will be enacted next week.

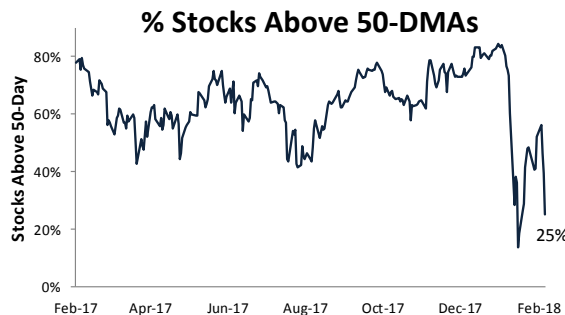
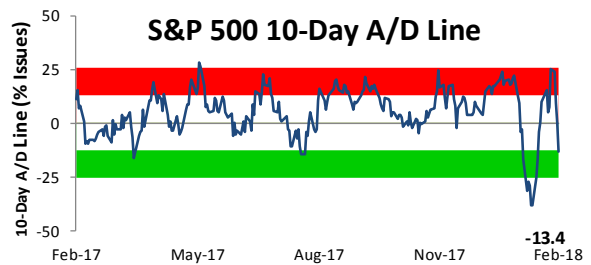
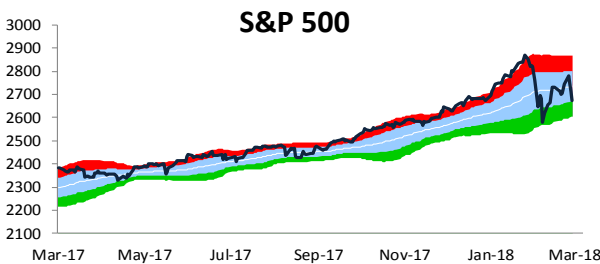
Trade wars would obviously have a bigger impact on stocks with international revenue exposure versus those with all domestic revenues. Using our [International Revenues Database](#), you can see above that Russell 1,000 stocks with all domestic exposure are down an average of 0.41% today, while stocks with greater than 50% international exposure are down 1.33% today. The table at right shows which sectors have the most and least domestic revenue exposure. You can generally see that sectors with the most domestic exposure are performing the best today. Similarly, small cap stocks in the Russell 2,000 which tend to have less international exposure than large caps are holding up extremely well today.

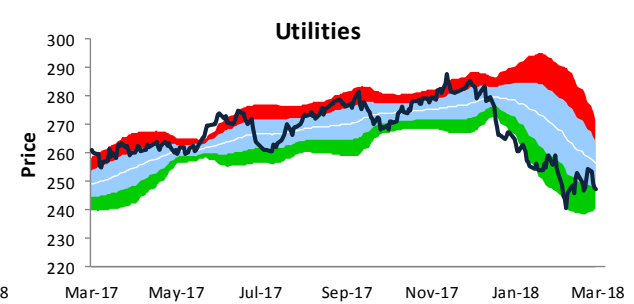
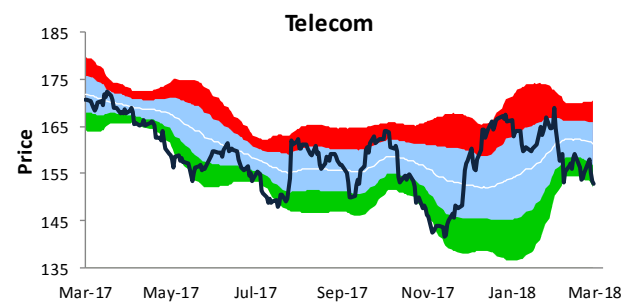
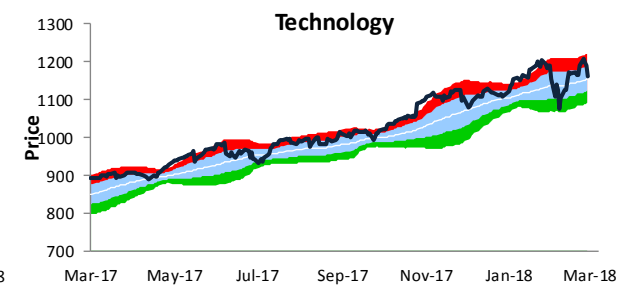
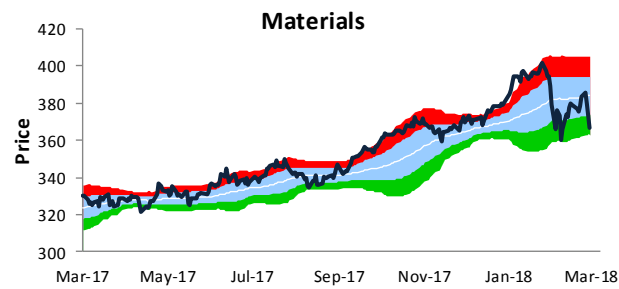
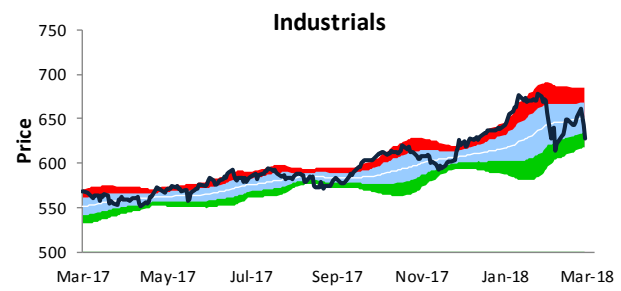
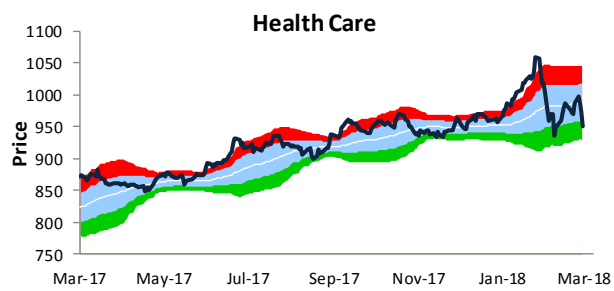
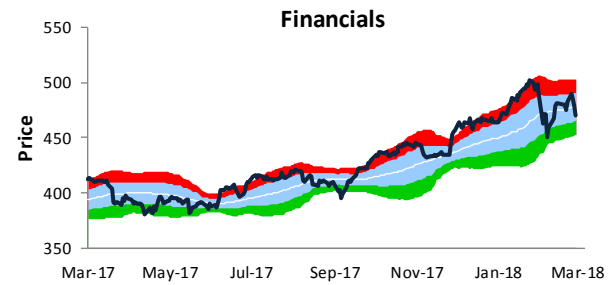
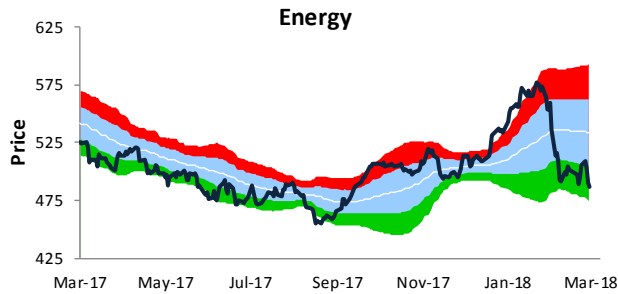
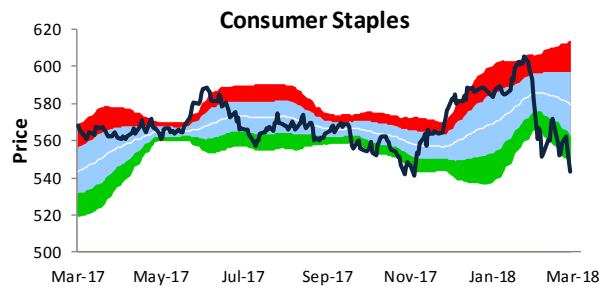
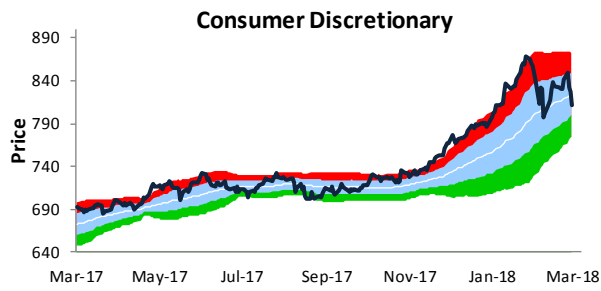
Russell 1,000 Stocks: Average % Chg Today

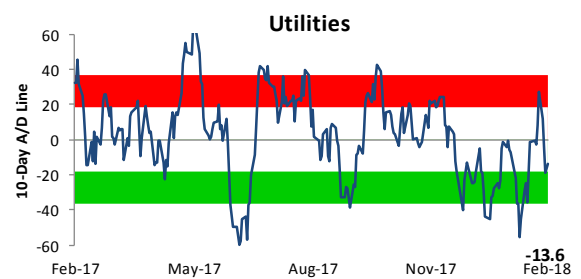
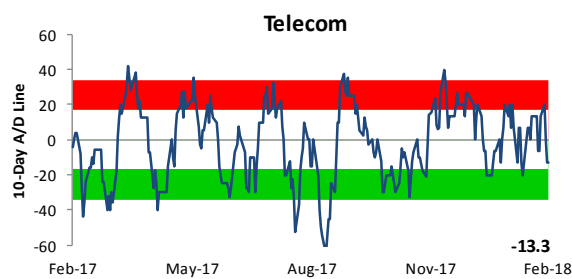
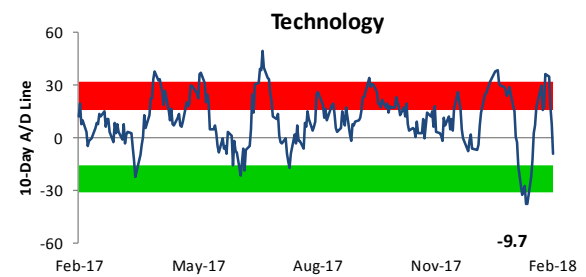
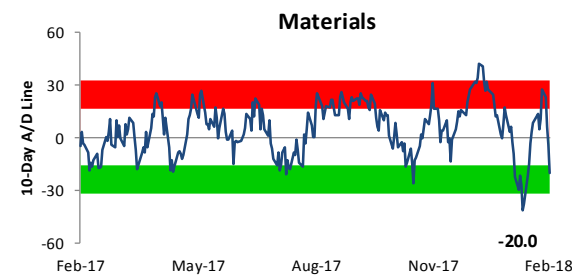
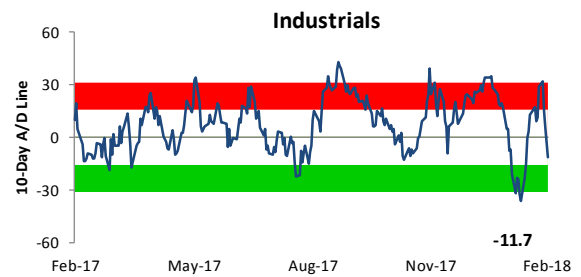
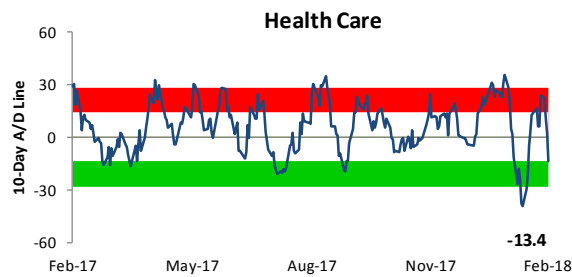
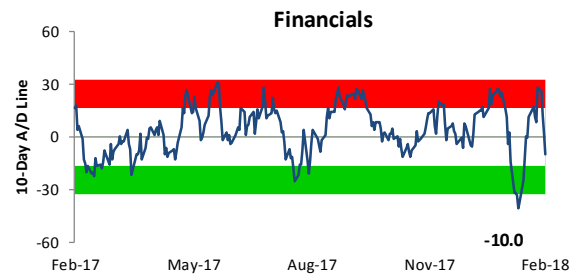
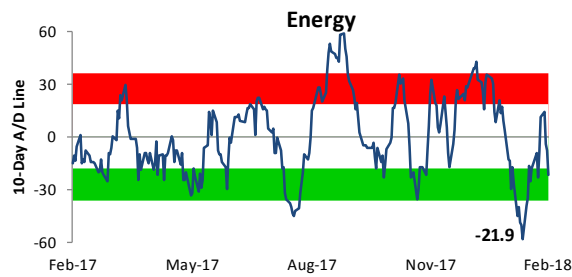
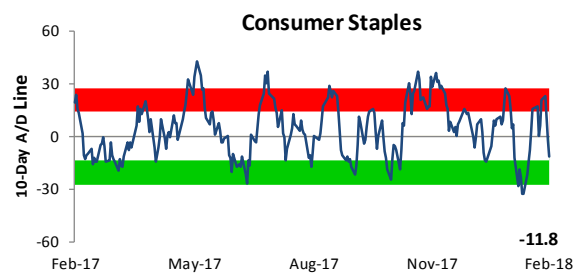
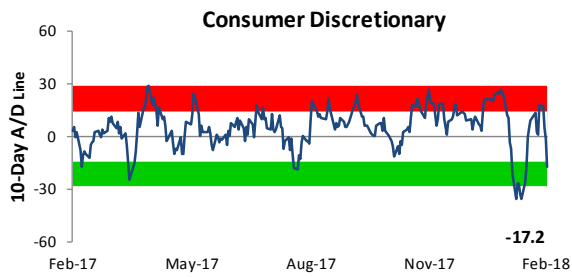


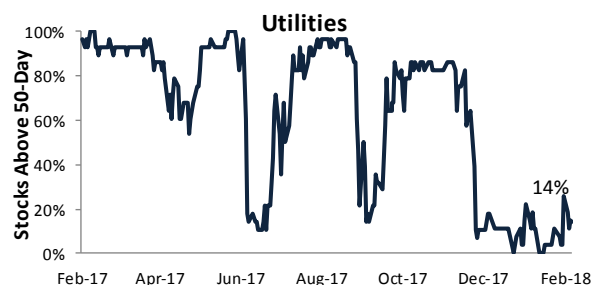
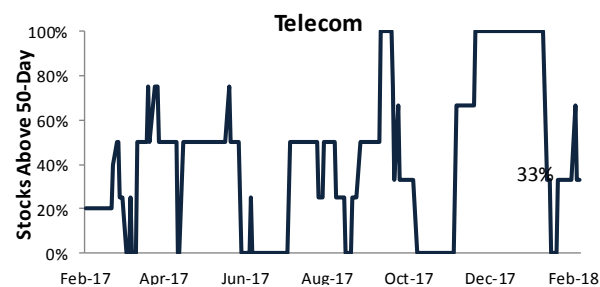
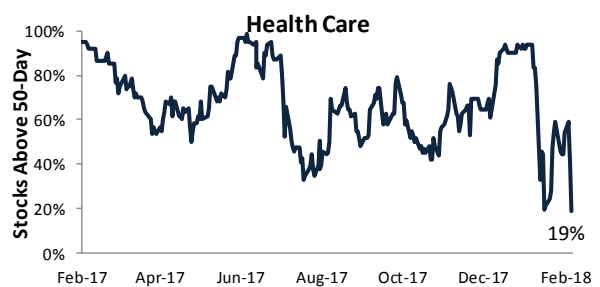
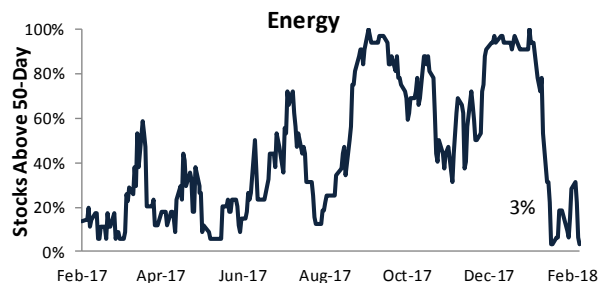
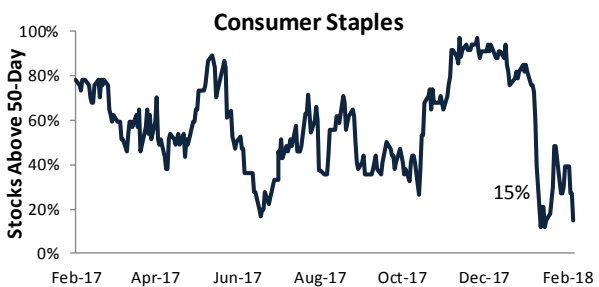
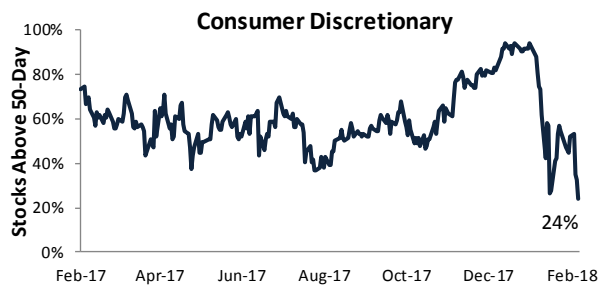
Russell 1,000 Sectors

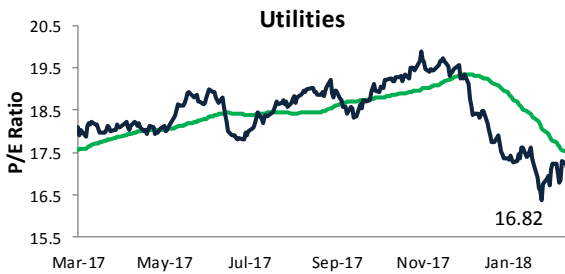
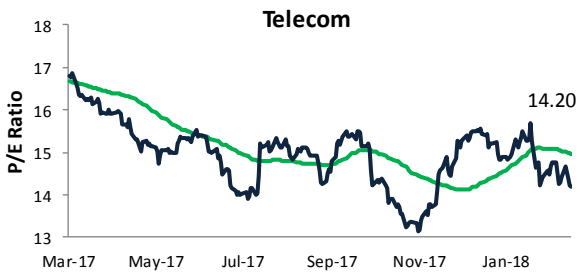
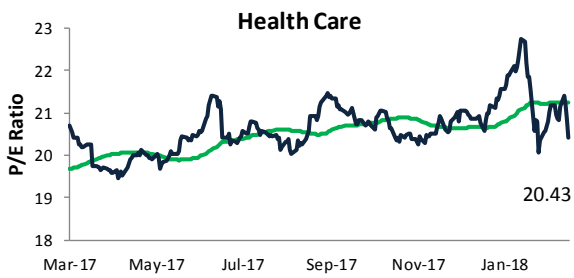
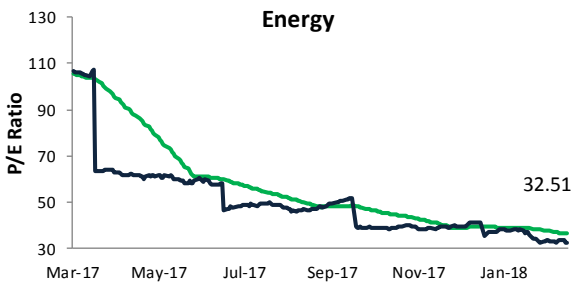
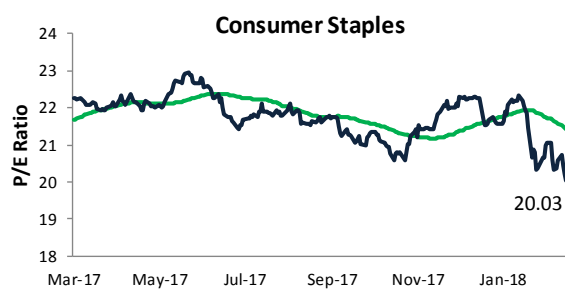
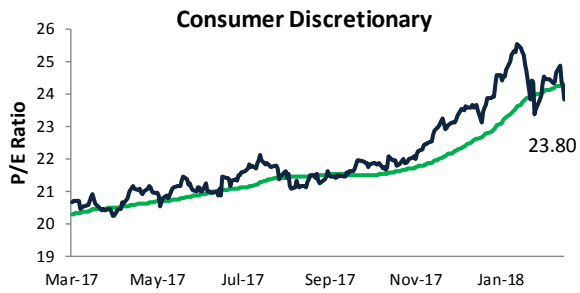
Sector	% Domestic Revenue Exposure	Avg. % Chg Today
Telecom	96.44	0.23
Utilities	95.81	-0.07
Real Estate	95.37	-0.19
Financials	86.68	-0.99
Cons. Discret.	75.97	-1.37
Energy	75.23	0.47
All	73.89	-1.05
Health Care	72.21	-2.25
Industrials	69.57	-1.61
Cons. Staples	66.43	-0.74
Technology	54.90	-1.29
Materials	53.40	-0.63





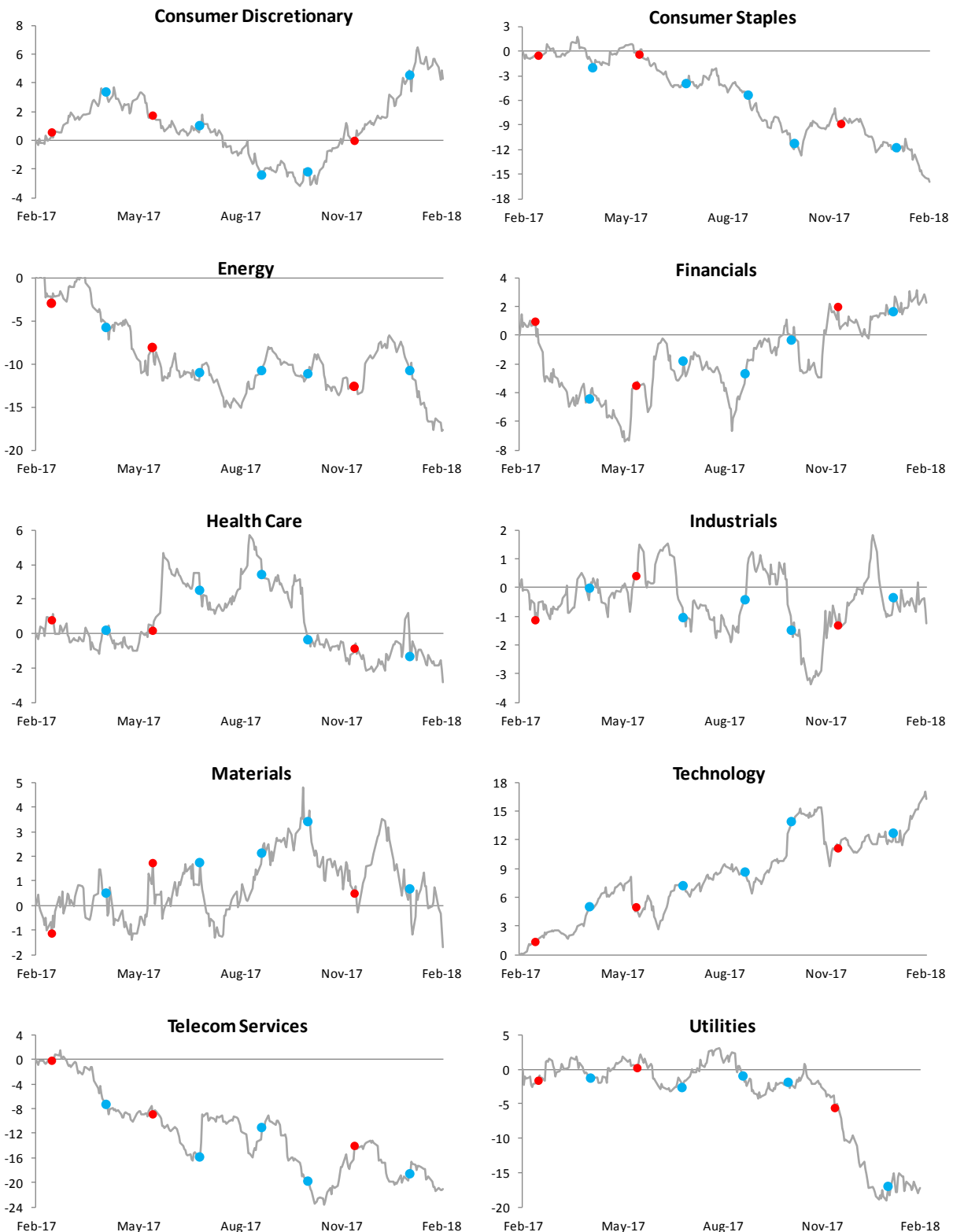


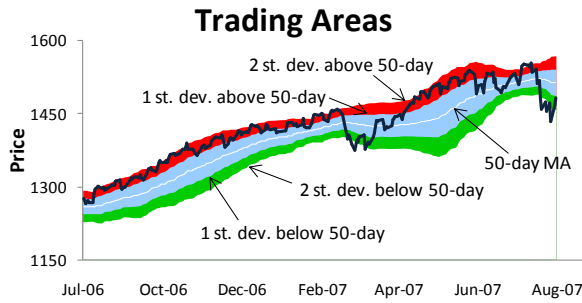




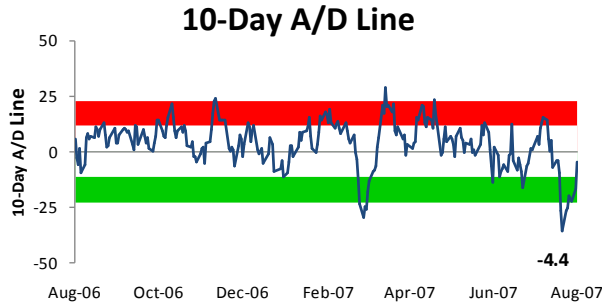


Rising lines indicate that sector is outperforming S&P 500, while downward sloping lines represent sector under-performance. Red dots indicate Fed rate hikes, and blue dots represent Fed meetings where no changes were made to interest rate policy.

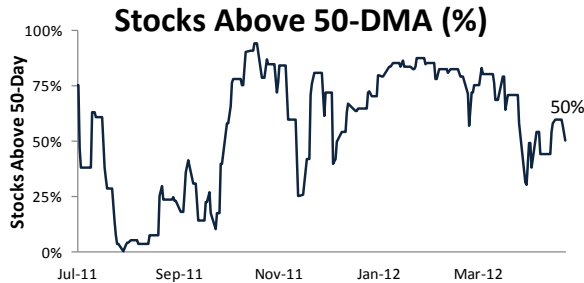




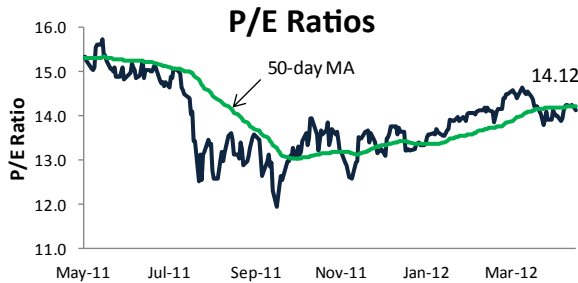
In these charts, the blue shading represents one standard deviation above and below the sector's 50-day moving average. The red area is between one and two standard deviations above the 50-day while the green area is between one and two standard deviations below. When the price moves into or above the red zone, it is considered overbought while movements into or below the green line indicate oversold levels.



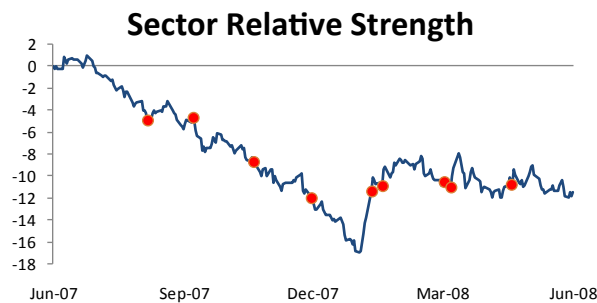
The charts of the ten-day advance-decline lines (A/D) are calculated by taking the daily number of advancers minus decliners in each sector and then adding them up over a rolling ten day period. Just as in the Trading Area charts, the red zone marks overbought territory and the green zone marks oversold territory.



These charts highlight the percentage of stocks in each sector or index trading above their 50-day moving averages. Our experience has found that when this number has sharp moves in either direction, a short-term reversal is usually in the cards.



These charts show the trailing P/E ratio of the specified sector or index and its 50-day moving average. This enables readers to see how valuations currently stack up.



Our sector relative strength charts compare the performance of each sector to the S&P 500 over the last year. Rising lines indicate outperformance versus the S&P 500, while declining lines indicate underperformance. Red dots indicate Fed rate decisions. Many investors use relative strength to find sectors with strong or weak momentum.