



Technical Update

Portfolio Advisory Group – U.S. Equities

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Opposites in reverse. The pattern of the market has shifted over the past month to one that favors the broader list of smaller company stocks, while the larger growth stocks that were leading during the past year appear to be starting some correcting trends. The indexes remain near their highs, and yet the many stocks that were responsible for moving the indexes to the highs have not been supporting the move more recently. The trading pattern from Monday was a good example where the previously leading stocks and the indexes were down on the day, but there were more advancing issues than decliners in the market, which is an unusual reading. The meaning and outcome of this shift is debatable, but it does illustrate how the stock and sector rotation is continuing to be a larger theme than the direction of the indexes themselves. This mixed-up action tells us to remain more on the conservative side than to be aggressive at this time in the cycle.

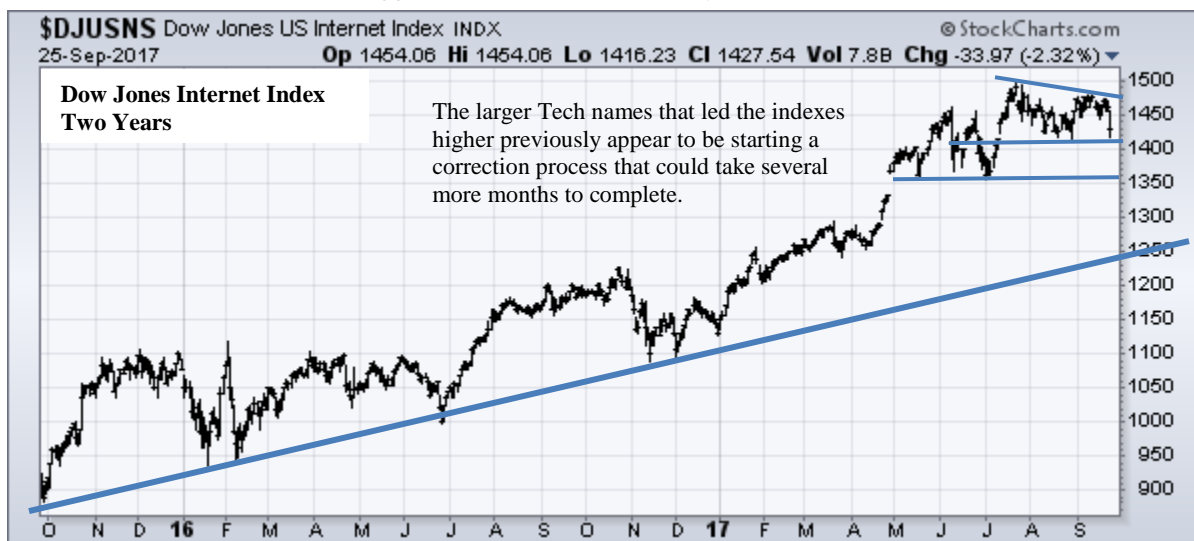


Chart courtesy StockCharts.com and RBC Wealth Management

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