



Technical Update

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Banks still lagging. The bank stocks are generally thought of as a market-leading group as the funding for future expansion in other businesses often begins with activity in the Financials sector. But for the past year, the performance of the bank stocks has lagged that of the S&P despite the relatively lower P/E ratios and recommendations from the majority of analysts on Wall Street. We see this general lagging performance of the Financials sector as further evidence that the market as a whole still has more work to do in the same type of range that it has been in for the past year, and suggests to us that a breakout from this range could still be many months away. We would like to see the relative performance of the Financials sector start to gain in a more meaningful way, which could indicate a better tone for the overall market, such as what we saw in 2016. But for now, we wait.



Chart courtesy StockCharts.com and RBC Wealth Management

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