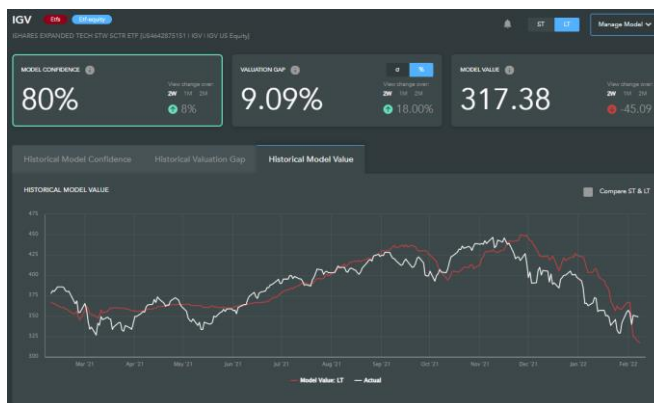




08.02.2022

## More downside for spec tech?

- The chart below shows the spot price of IGV, the iShares ETF for US software, versus Qi's macro model value.
- After a 2 month down trade, [IGV](#) has been consolidating at recent lows. Some may hope a bottom is being formed. **Macro conditions, however, have deteriorated sharply again.** That's prompted a bearish divergence pattern on RETINA™.
- Moreover, the pattern is identical across a range of speculative technology names. Global X's FinTech ETF [FINX](#), cloud computing ETF [CLOU](#), Internet ETF [FDN](#), [GNOM](#) the Genomics & BioTech ETF plus biotech funds [IBB](#) & [BBH](#).
- All show the same bearish divergence pattern between spot price which is flat-lining & macro fair value which is falling.



- There are some subtle differences between models but there is a clear pattern too. **The sharp move lower in macro fair value** over the last week has been driven primarily by **rising US real yields, wider credit spreads & rising QT expectations.**
- All these models are in strong macro regimes & the same 3 macro factors feature prominently each time. **The Fed's hawkish pivot is a headwind** for these tech names to perform &, on current levels, **the bad news is not fully priced in.**

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