

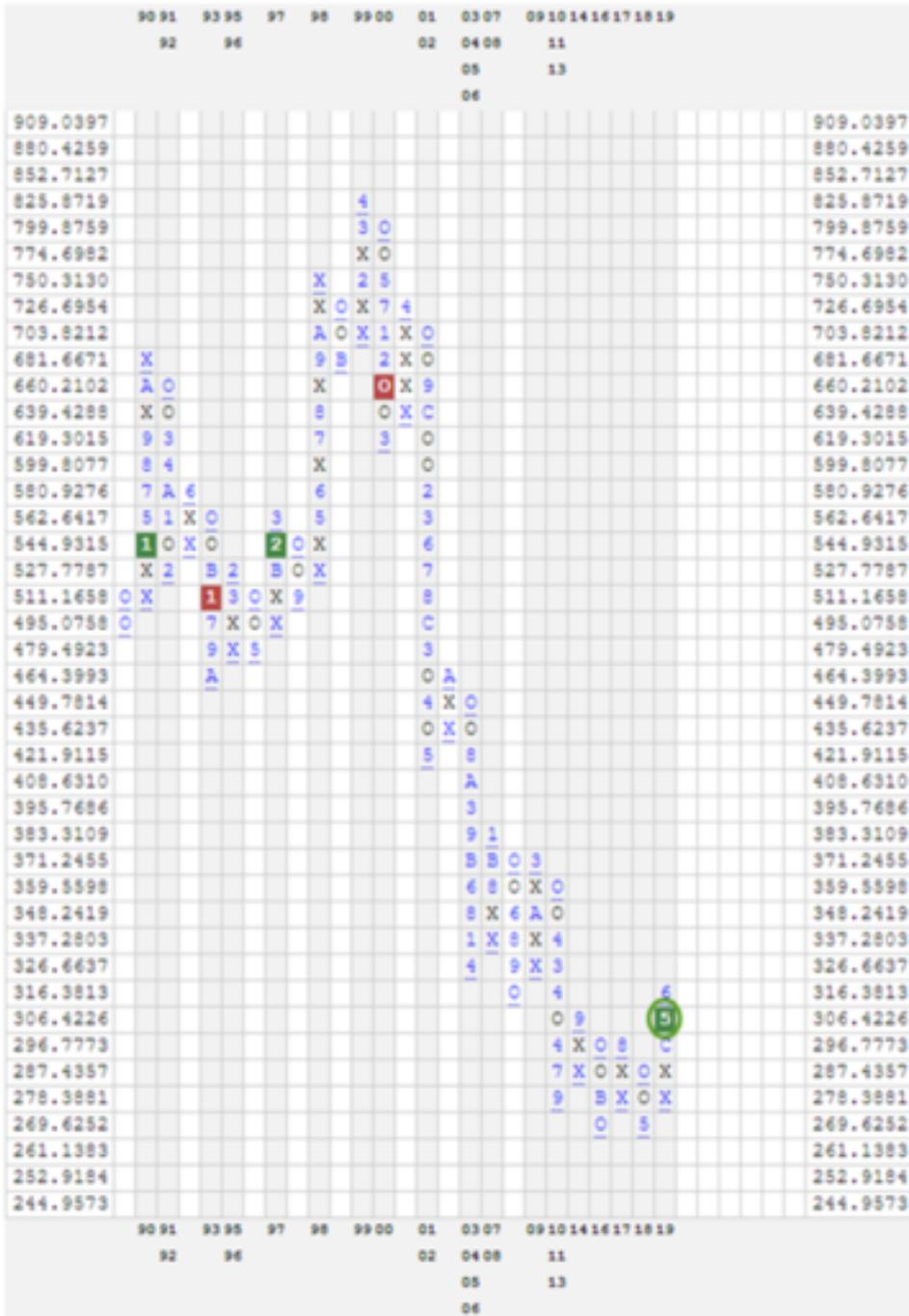
July 17, 2019

[DWA ETF Spotlight: Changing of the Guard - From Small Cap to Large Cap](#)

London has been in the spotlight lately for some amazing sports heroics, as well as not so heroic political shenanigans. In the span of a couple of hours, if you were traveling in London over the weekend, you could have seen the Wimbledon gentlemen's final between Federer and Djokovic, or the Cricket World Cup final which took place in the Lord's Cricket Ground and saw the host nation, England, beat New Zealand in an epic finish. From a political standpoint, you could also have moseyed on over to Westminster and participated in the never-ending Brexit debates and protests. For those of you who detest sports and care little for European politics, you probably would have been best served to visit Buckingham Palace to see the Changing of the Queen's Guard, a popular event for London tourists. It is here you get to see the soldiers guarding the royal palace be relieved of their duties in a ceremonial way. For those who have turned their attention away from Wimbledon or the Queen's guard, there has also been a "changing of the guard" so to speak between Small Cap to Large Cap in US equity markets...

For the first time in nearly 20 years, the Relative Strength (RS) chart between the large cap index, S&P 500 Index [SPX](#), versus its small-cap counterpart, the S&P 600 Small Cap Index [SML](#) has moved in favor of SPX. The "changing of the guard" occurred on May 22, 2019, when the 3.25% RS chart completed an RS buy signal for SPX for the first time since February 18, 2000. This switch ends a period of dominance for SML over SPX during which time the SML gained 354.42% compared to the SPX's 112.19%. Since the change in signal, SPX has gained 5.53% while the SML has risen only 1.80%. With this recent change of the guard in mind, let's explore some other evidence in favor of large-cap and review a couple of ways of accessing this group.

RS Chart: 3.25%
S&P 500 Index (SPX) vs. S&P 600 Small Cap Index (SML)



The RS Chart between Large Cap (SPX) and Small Cap (SML) moved in favor of Large Cap on May 22, 2019. The chart had been on a sell signal, favoring Small Cap, since February 2000.