

## Inside This Week's Bull Bear Report

- *Buy Signals Trigger, But Financial Stress Continues*
  - *If It Looks Like Q.E.*
  - *How We Are Trading It*
  - *Research Report - Consensus View Of "No Recession." Could It Be Wrong?*
  - *Youtube - Before The Bell*
  - *Stock Of The Week*
  - *Daily Commentary Bits*
  - *Market Statistics*
  - *Stock Screens*
  - *Portfolio Trades This Week*
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## Buy Signals Trigger But Bank Crisis Weighs

Despite concerns of a banking crisis, the markets triggered multiple buy signals as the market rallied for a second week.

These buy signals follow our [early February article discussing the "sell signals"](#) at that time.

*"That commentary remains vital as our primary short-term 'sell' indicator has triggered for the first time since early December. Such has previously provided excellent signals of corrections and rallies. The chart below is courtesy of [SimpleVisor.com](#) and shows our proprietary money-flow indicator and the Moving Average Convergence Divergence (MACD) signal.*

***While that sell signal does NOT mean the market is about to crash, it does suggest that over the next couple of weeks to months, the market will likely consolidate or trade lower. Such is why we reduced our equity risk last week ahead of the Fed meeting."***

Following that article, the market declined, taking out the 200-DMA and breaking the critical uptrend support from the October lows. The market did hold support at the December lows keeping the bullish trend intact. However, this past week, those sell signals reversed to buy signals.

The MoneyFlow chart is updated below, showing the new "buy signal" that occurred on Tuesday.



It isn't just the MoneyFlow signal suggesting the bulls have regained control, but also the Moving Average Convergence Divergence indicator (MACD), triggering a confirming "buy signal." Furthermore, the market defended the 200-DMA, repeatedly confirming support despite the negative headlines.



**With these buy signals in place, investors should modestly increase equity exposure, as the most likely path for stock prices is higher over the next couple of weeks to months.**

However, with the banking crisis unfolding, such could limit any upside to equity prices near term until the crisis is "contained" or the Fed reverts to monetary accommodation.

While there is a lot of "headline noise" surrounding the recent banking troubles, the markets ultimately respond to monetary support. The current Fed and Treasury interventions are the first steps to more accommodation. While the supports don't liquify markets directly, the question is whether investors will step into risk on expectations of more accommodation to come.

A look back at the history of bailouts and accommodative actions by the Fed, and its shaping of investor behavior, can give us some clues as to potential market reactions.

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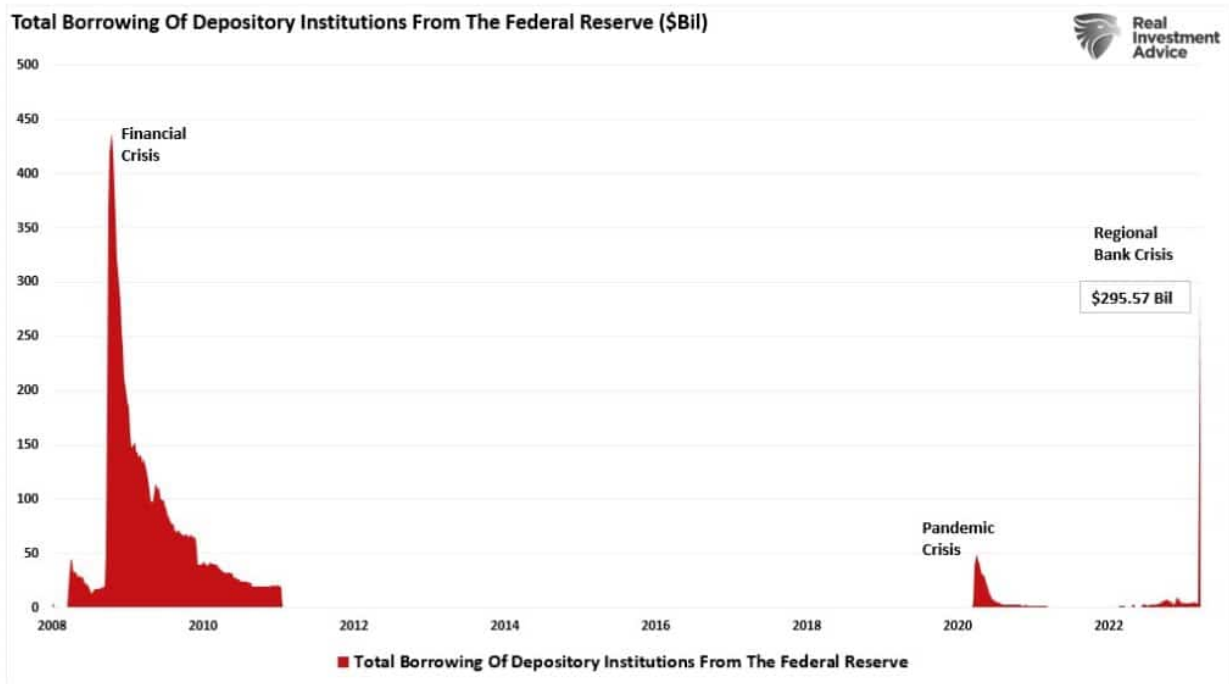
## **If It Looks Like A Duck**

*"If it looks like a duck, quacks like a duck, and walks like a duck...it's probably a duck."*

In Tuesday's "[Not Q.E.](#)" blog, we discussed the Treasury and Federal Reserve's recent intervention to shore up the banking sector.

*?The additional funding will be made available through the creation of a new Bank Term Funding Program (BTFP), offering loans of up to one year in length to banks, savings associations, credit unions, and other eligible depository institutions pledging U.S. Treasuries, agency debt and mortgage-backed securities, and other qualifying assets as collateral. These assets will be valued at par. **The BTFP will be an additional source of liquidity against high-quality securities, eliminating an institution's need to quickly sell those securities in times of stress.***

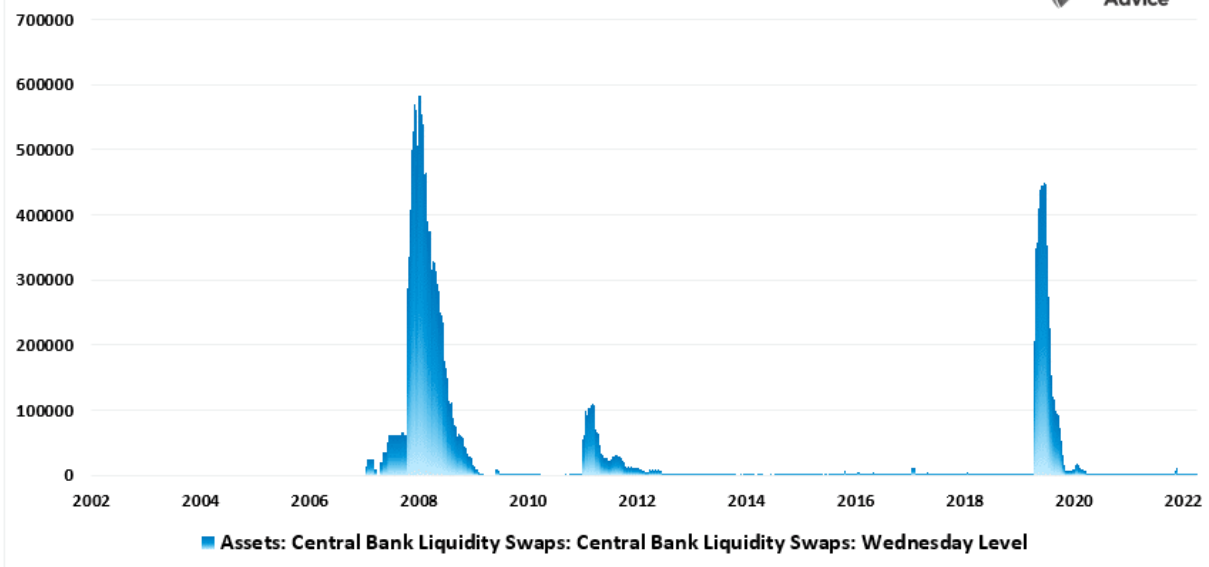
Banks quickly tapped the program, as shown by the \$152 billion surge in borrowings from the Federal Reserve. It is the most significant borrowing in one week since the depths of the Financial Crisis.



In addition to that program, the Fed also reopened its ["Dollar Swap Lines"](#) for international banks to provide additional liquidity in the wake of the failure of Credit Suisse.

*"The Fed announced they will offer daily currency swaps as part of the CS bailout. **These swaps are essentially collateralized dollar loans to foreign central banks. From the Fed's perspective, the loans stop central banks from having to sell U.S. Treasury securities to raise cash. They also provide central banks with needed dollar funding to pass on to their local banks. The bottom line is the Fed is indirectly helping or bailing out foreign banks. At the same time, they are making sure U.S. Treasuries do not get sold in mass and the dollar retains its value.**"*

The graph below provides a history of the usage of the swap lines. Comparing what will occur to what occurred in 2020 and 2008 may guide us on the seriousness of foreign banking problems. **(Note: The data only updates on Wednesday of each week; therefore, we won't know the usage of the dollar swap lines until next week.)**

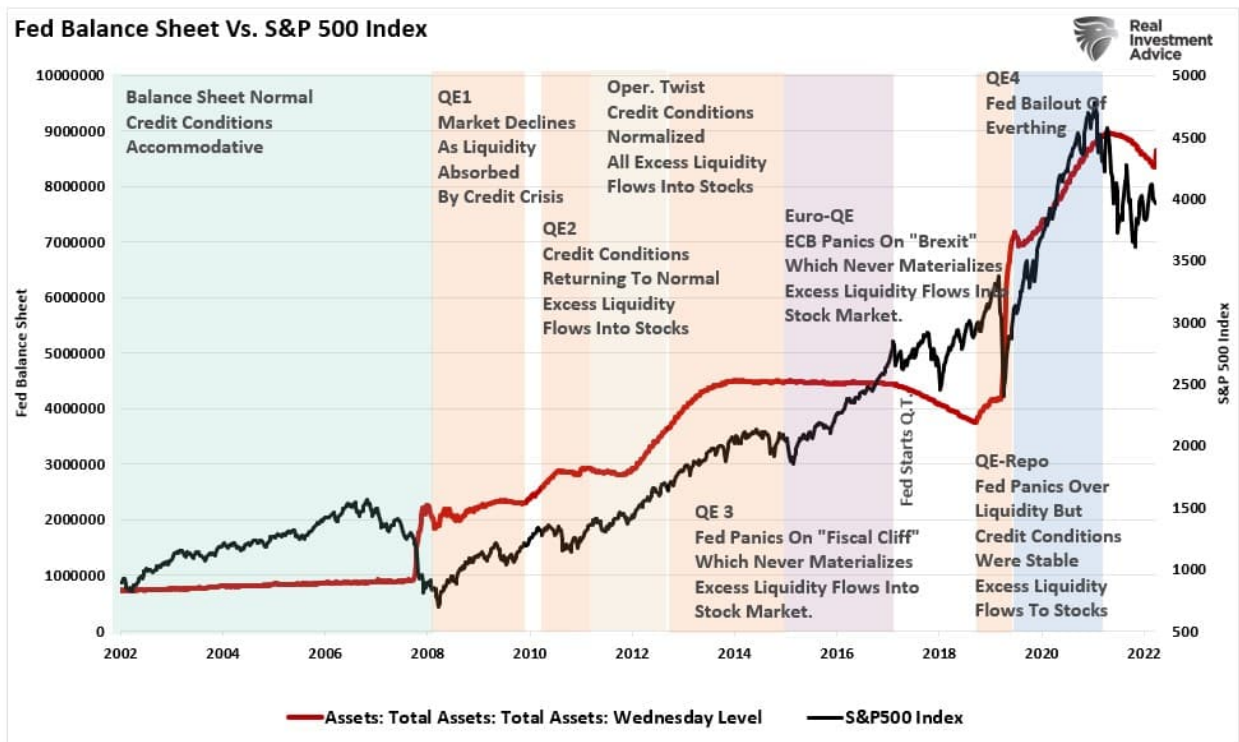


## Market Hopes It's A Duck

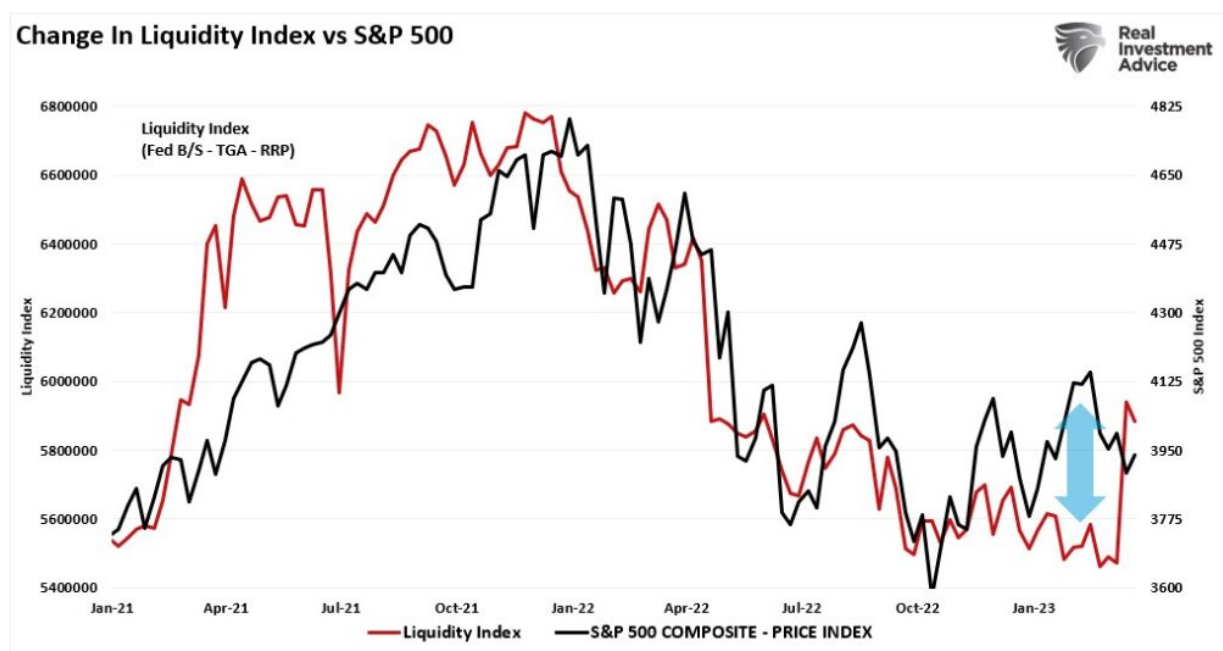
While none of this liquidity is "Q.E.," the Fed trained markets for over a decade to have a "pavlovian response" to interventions.

**"Classical conditioning** (also known as **Pavlovian** or **respondent conditioning**) refers to a learning procedure in which a potent stimulus (e.g., food) becomes paired with a previously neutral stimulus (e.g., a bell). Pavlov discovered that when he introduced the neutral stimulus, the dogs would begin to salivate in anticipation of the potent stimulus, even though it was not currently present. This learning process results from the psychological ?pairing? of the stimuli.

Importantly, for conditioning to work, the ?neutral stimulus,? when introduced, must get followed by the ?potent stimulus? for the ?pairing? to complete. **For investors, as the Fed introduced each round of ?Quantitative Easing,? the ?neutral stimulus,? the stock market rose, the ?potent stimulus.?**



Another way to look at this is through the liquidity measure of the Fed's balance sheet, less the Treasury general account, less the Fed's reserve program. That combined measure has a decent correlation with changes in the market.



Furthermore, the preceding interventions, combined with statements by Treasury Secretary Janet Yellen, were essentially "verbal easing."

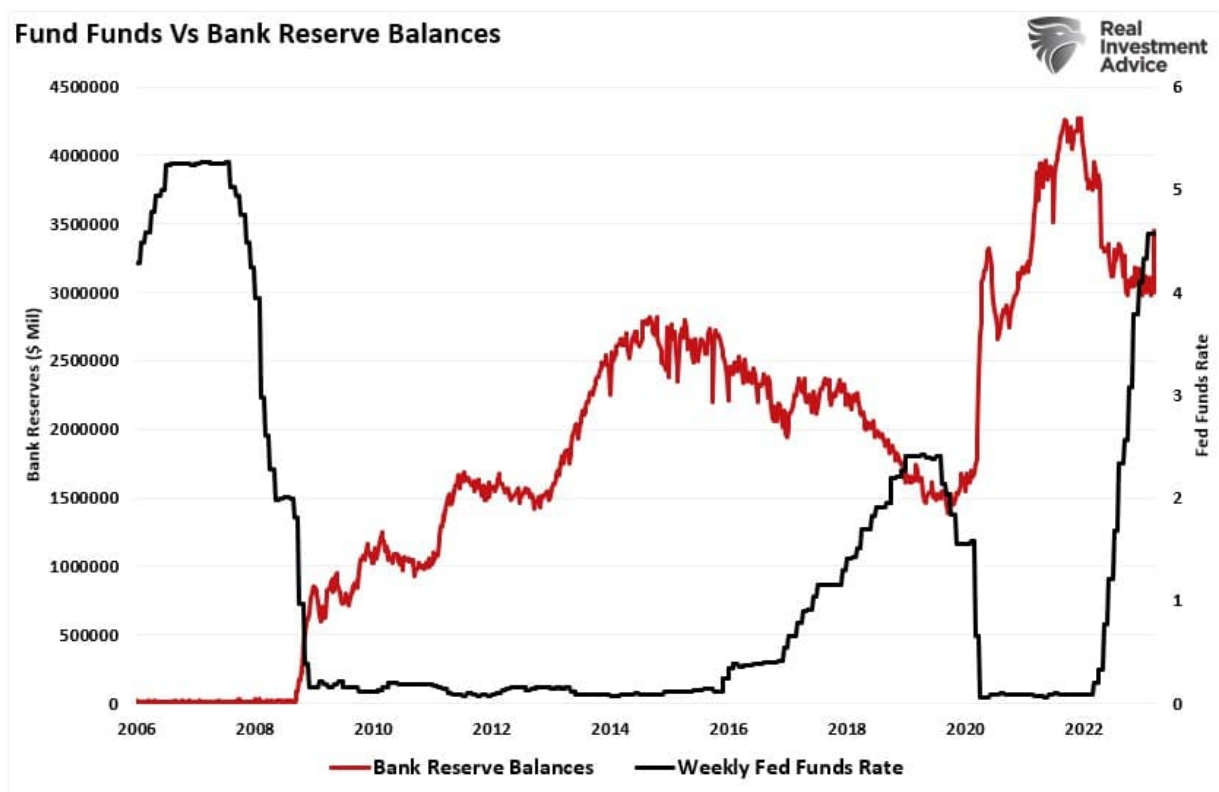
- **U.S. Treasury Secretary Yellen said U.S. aggregate deposit outflows from regional banks have stabilized. At the same time, she noted that Fed, FDIC, and Treasury actions reduce the risk of further bank failures that would've imposed losses despite insurance. Similar actions to protect depositors could be warranted if smaller firms suffer deposit runs that pose a risk of contagion.**

- **U.S. Treasury Secretary Yellen said the banking system is sound despite recent pressures and is committed to taking actions to mitigate financial stability risks. In contrast, Deputy Treasury Secretary Adeyemo said the Treasury is mulling what steps can be taken to strengthen U.S. financial stability further.**

These verbal assurances are unsurprising as the Fed is trapped between saving banks and fighting inflation. We repeatedly stated over the past year that the Fed's rate hike campaign would eventually "break something." [To wit:](#)

**"There have been absolutely ZERO times in history the Federal Reserve began an interest-rate hiking campaign that did not eventually lead to a negative outcome."**

We know now that the Fed's aggressive rate hikes strangled banks by reducing reserves and "breaking" the financial sector.



The bailout of banks, and the Fed's opening of the dollar swap lines, have always previously preceded further monetary accommodations. As such, the markets ran higher ahead of the FOMC meeting announcement assuming the Fed would hint at a "pivot."

Which is essentially what they did.

## What The Fed Said

On Wednesday, the Federal Reserve hiked interest rates by 0.25%. While many hoped for a "pause," given the massive support given to the financial markets this past week, such would have sent a message that the financial sector was in more trouble than communicated.

As Mike and I stated over the last two weeks, we expected a rate hike with a nod to the "stability of the banking sector." We were not disappointed.

- **FED RAISES BENCHMARK RATE 25 BPS TO 4.75%-5% TARGET RANGE**
- **FED WILL CONTINUE THE SAME PACE OF REDUCING TREASURY, MBS HOLDINGS**
- **FED: US BANKS SOUND, RESILIENT BUT EVENTS TO WEIGH ON GROWTH**

Specifically, given the current liquidity programs noted above, the Fed stated the central bank would use all its tools to safeguard the banking system.

*"Our banking system is sound and resilient, with strong capital and liquidity. We will continue to monitor conditions in the banking system closely and are prepared to use all of our tools as needed to keep it safe and sound. **In addition, we are committed to learning the lessons from this episode, and to work to prevent episodes from events like this from happening again.**"*

Of course, given that the Fed's rate hikes caused the banking issue, it will be interesting to see what lessons were learned. Nonetheless, they removed much of the previously existing "hawkish language," suggesting only one more rate hike this cycle.

Recent indicators point to modest growth in spending and production. Job gains have ~~been robust~~ picked up in recent months, and ~~are running at a robust pace~~; the unemployment rate has remained low. Inflation ~~has eased somewhat but~~ remains elevated.

~~Russia's war against Ukraine is causing tremendous human and economic hardship and is contributing to elevated global uncertainty. The Committee is~~ The U.S. banking system is sound and resilient. Recent developments are likely to result in tighter credit conditions for households and businesses and to weigh on economic activity, hiring, and inflation. The extent of these effects is uncertain. The Committee remains highly attentive to inflation risks.

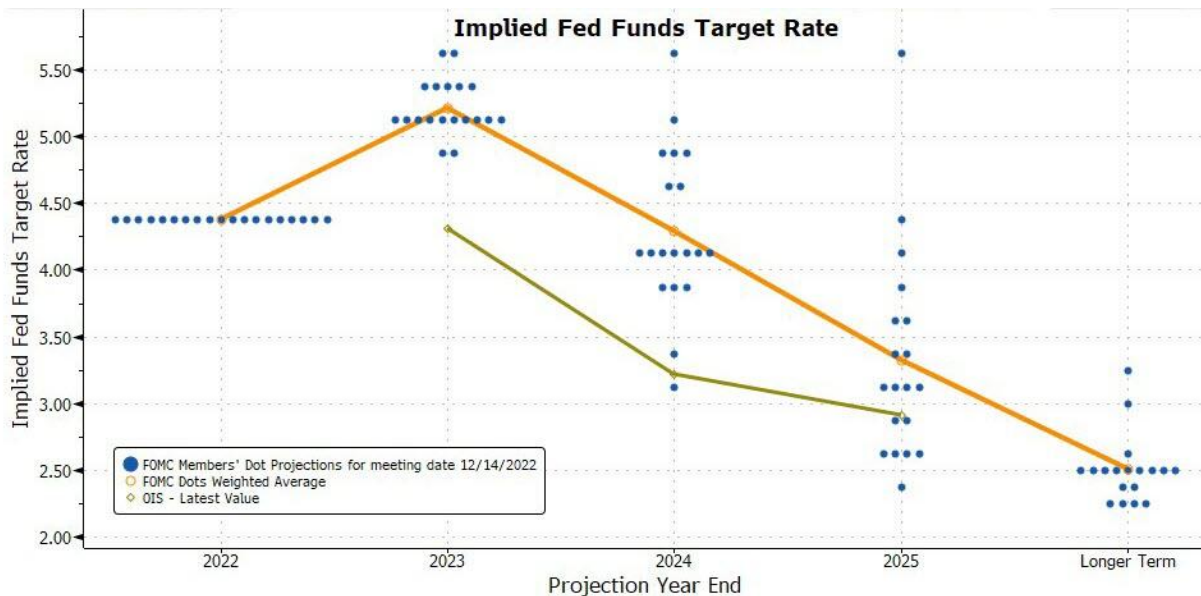
The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to ~~4-1/2 to 4-3/4~~ to 5 percent. The Committee will closely monitor incoming information and assess the implications for monetary policy. The Committee anticipates that ongoing increases in the target range will ~~some additional policy firming may~~ be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2 percent over time. In determining the extent of future increases in the target range, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michael S. Barr; Michelle W. Bowman; ~~Lael Brainard~~; Lisa D. Cook; ~~Austan D. Goolsbee~~; Patrick Harker; Philip N. Jefferson; Neel Kashkari; Lorie K. Logan; and Christopher J. Waller.

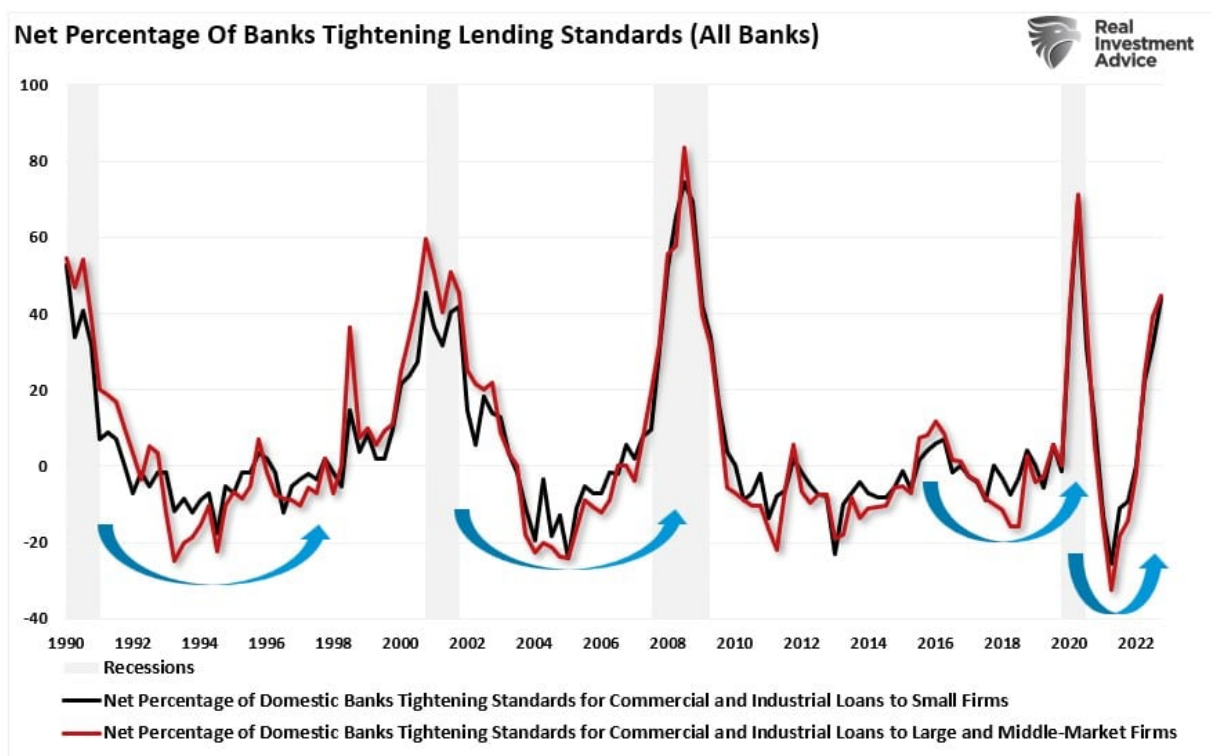
The Fed's famous "Dot plot" also got a bit of a "dovish" makeover from where it stood in December.





While the bulls got a "mild pivot," the Fed maintains its "image" of fighting inflation. However, simultaneously, they are "sticking fingers" in the "financial dike," springing multiple leaks from U.S. banks to Credit Suisse and now potentially Deutsche Bank.

During Powell's presser, he repeatedly stated his commitment to fighting inflation. Interestingly, he did note the "banking crisis" would further tighten credit conditions. Such acts as an "effective rate hike" and tighter credit conditions always precede recessions.



We will soon find out whether Powell's comment the "banking system is sound and resilient" is the modern version of Ben Bernanke's [infamous declaration before Congress](#) in 2007:

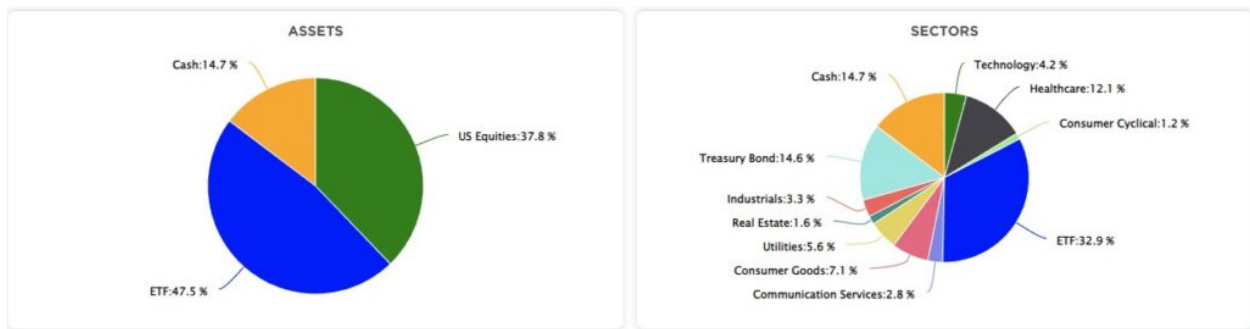
**"We do not expect significant spillovers from the subprime market to the rest of the economy or to the financial system."**

If it does, then such will have enormous impacts on the economy.

# How We Are Trading It

As noted last week, as the banking crisis unfolded, we started raising additional cash and eliminating economically sensitive sectors for now. While we like the companies that we own fundamentally, in the short term, fundamentals won't protect capital when the market recognizes either a financial or recessionary event materializing. When things stabilize, we will revisit adding these sectors to our portfolios.

We are currently underexposed to equities. As such, we increased those levels as buy signals triggered. It is a challenge given that recessionary risks have recently increased, but we must follow our discipline accordingly. (The ETF allocation comprises short-duration Treasury bonds, floating rate, and long-dated Treasuries. You can view our models in real-time at [SimpleVisor.com](https://www.SimpleVisor.com))



As noted last week, you can increase exposure accordingly if you are underweight equity risk.

1. **Move slowly.** There is no rush to make dramatic changes.
2. **DO NOT try and fully adjust your portfolio to your target allocation in one move.** Again, after significant declines, individuals feel like they "must" do something. Think logically about where you want to be and adjust to those levels.
3. **Begin by selling laggards and losers.** These positions were dragging on performance as the market rose, and they led on the way down.
4. **Move "stop-loss" levels up to recent lows for each position.**
5. **Be prepared to sell into the rally and reduce overall portfolio risk.** As the rally ensues, you will start to second-guess selling. Avoid that emotional trap and follow through with your plan.
6. **If these rules make no sense, please consider hiring someone to manage your portfolio.** It will be worth the additional expense over the long term.

While increasing exposure near-term, we are cautiously allowing the market to dictate these changes. However, we will reverse this process when "sell" signals re-emerge.

Have a great week.

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## Research Report



## Recession Indicators Says The Fed Broke Something

Written by Lance Roberts | Mar 24, 2023 | Investing

Recession indicators are ringing loudly. Yet, the Fed remains focused on its inflation fight, as r...

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## Stock Of The Week In Review

### [Protection in Technology Stocks](#)

*While investors are worried about the banking and financial sectors and the growing odds of a recession, they remain enamored with the technology sector. Companies like MSFT, NVDA, and META have recently led the way with positive returns in down markets. As we show with four of the five stocks, smaller, lesser-known technology companies are also having a great year.*

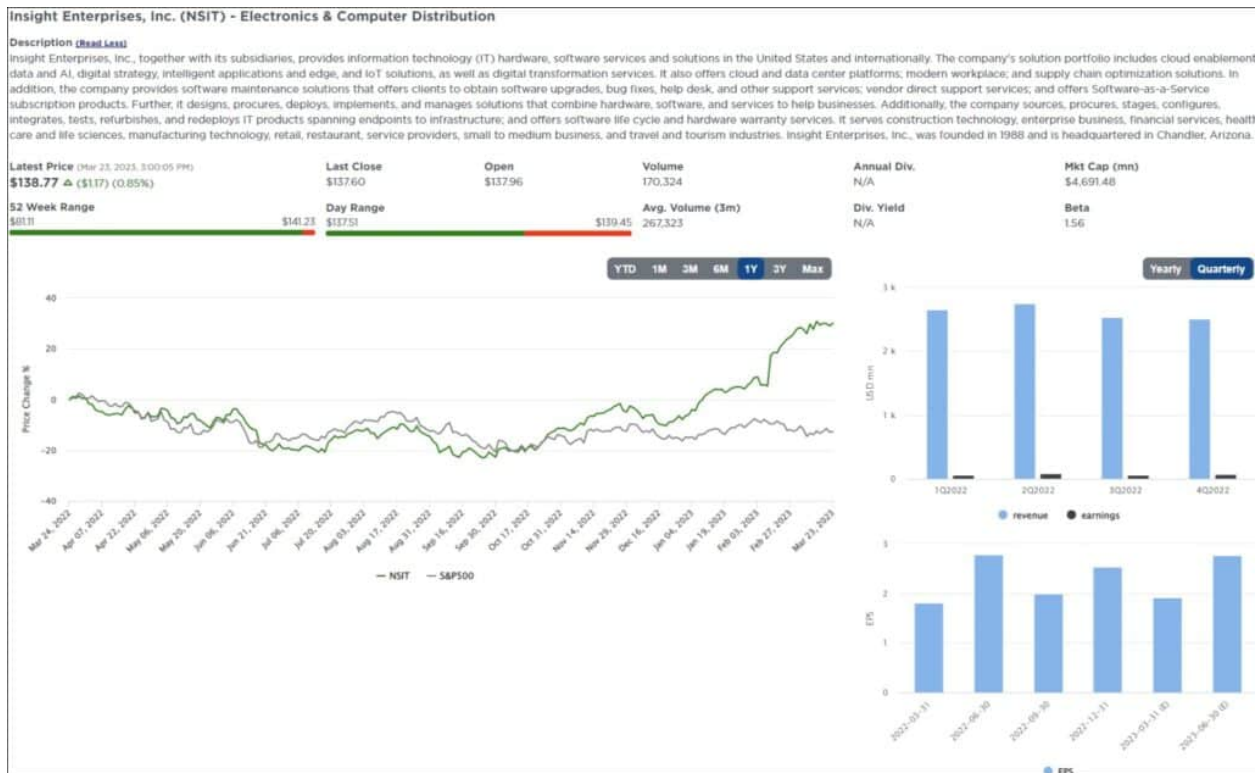
*Year to date, technology (XLK) is up over 16%, while the S&P and Financials (XLF) are up 3.34% and down 8.86%, respectively.*

*This scan is purely based on technical studies. We are looking for technology companies that did well in the last few weeks and have consistently outperformed the broader markets over the previous few years.*

*Our [relative sector analysis on SimpleVisor](#) is a great tool for figuring out which sectors are hot in the short term. The table below shows the Technology sector is grossly outperforming, while Real Estate and Financials lag.*



Here is a link to the full [SimpleVisor Article For Step-By-Step Screening Instructions.](#)



Login to [Simplevisor.com](#) to read the full 5-For-Friday report.

## Daily Commentary Tidbits

### [The Silent Bank Run](#)

Long before Silicon Valley Bank failed, the banking sector was experiencing a silent bank run. Unlike the Great Depression, where lines of people clamoring for their money were blocks long, this silent bank run, as its name portends, has been out of sight until recently. There are a couple of reasons for this. First, online banking allows for split-second transfers from one bank to another bank or financial institution. Second, unlike the Depression, this silent bank run has been gradual and lacks media coverage.

Until the last week, the silent bank run has not been about solvency concerns such as the Depression. Instead, customers moved money from banks to higher-yielding options outside the banking sector. The graph below from Pictet Asset Management shows that money market assets and domestic bank deposits have trended in opposite directions since the Fed started hiking interest rates. As a result of the silent bank run, banks must

tighten lending standards and sell assets. This is already happening. To wit: **?The primary loan market feels like a Scooby Doo ghost town ? recently deserted and a bit haunted.?** ? Scott Macklin -AllianceBernstein. Because the economy heavily depends on increasing amounts of credit to grow, this silent bank run will likely lead to a recession.


US MMF assets v. US domestic banks deposits (USD tr)



Source: Refinitiv, Pictet Asset Management

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## Bull Bear Report Market Statistics & Screens



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## SimpleVisor Top & Bottom Performers By Sector

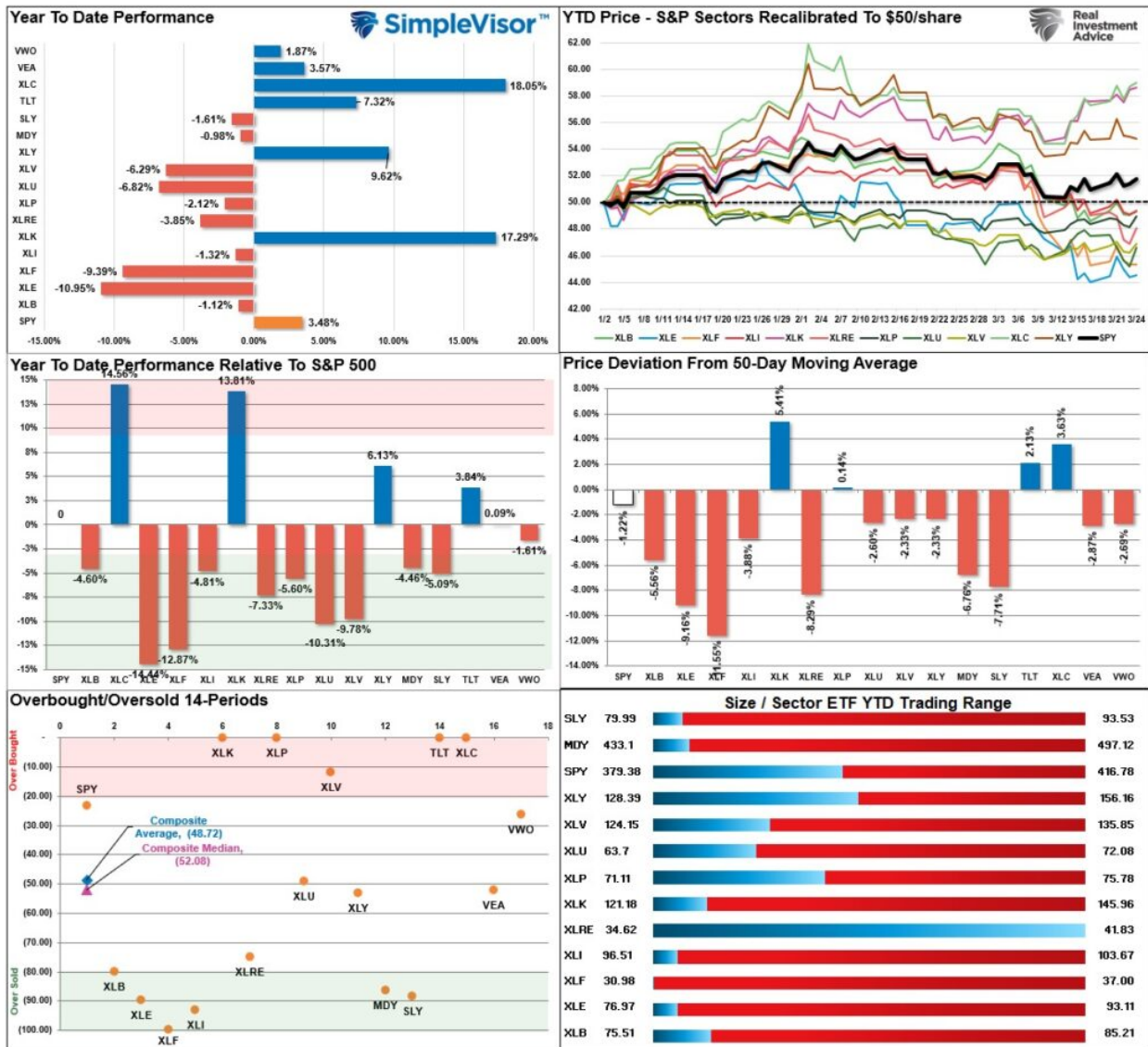
Healthcare					Industrials					Consumer Cyclical					Technology				
ISRG	ABC	DGX	MCK	VRTX	GNRC	VRSK	WM	NOC	RSR	BBWI	KMX	GPC	BWA	PKG	TYL	BR	JNPR	ADBE	TDY
4.89%	3.63%	3.45%	3.2%	3.16%	3.84%	2.68%	2.5%	2.43%	2.31%	3.67%	1.85%	1.68%	1.63%	1.58%	2.15%	1.99%	1.74%	1.62%	1.59%
TFX	COO	BAX	CTLT	CNC	HII	GD	PNR	LMT	XYL	DRI	ROL	ORLY	NVR	IP	CSCO	IBM	TRMB	FICO	PTC
3.14%	2.92%	2.91%	2.6%	2.35%	1.68%	1.54%	1.51%	1.42%	1.4%	1.37%	1.24%	1.17%	1.09%	1.08%	1.57%	1.56%	1.54%	1.48%	1.43%
MRK	PFE	DHR	GEN	IQV	JCI	CARR	ALK	CMC	CAT	VFC	TSLA	TPR	DPZ	RCL	AMD	SEDG	AMAT	NXPI	MCHP
0.55%	0.52%	0.5%	0.31%	0.19%	-0.82%	-0.86%	-0.96%	-1.01%	-1.11%	-0.73%	-0.94%	-1.01%	-1.24%	-1.46%	-2.32%	-2.41%	-2.65%	-3.02%	-3.49%
CRL	DXCM	PODD	ALGN	INCY	DE	SWK	ALLE	DAL	URI	BKNG	MAR	EXPE	HLT	ETSY	KLAC	ON	LRCX	ENPH	MPWR
0.04%	-0.36%	-0.42%	-1.53%	-2.81%	-1.37%	-1.62%	-1.63%	-1.71%	-2.98%	-1.55%	-2.14%	-2.28%	-2.83%	-2.94%	-3.53%	-3.9%	-4.11%	-4.24%	-4.92%
Financial					Consumer Goods					Utilities					Materials				
KEY	CFG	ZION	MTB	AON	GIS	MDLZ	KMB	SJM	MKC	AEP	AEE	CMS	PNW	EVRG	ECL	CE	NEM	PPG	EMN
5.24%	4.05%	2.91%	2.28%	2.04%	3.23%	2.74%	2.44%	2.38%	2.35%	4.31%	4.26%	4.26%	4.21%	4.02%	2.11%	2.04%	1.59%	1.56%	1.08%
RF	CME	PGR	PYPL	PNC	TAP	KDP	CL	PG	KHC	DTE	FE	AWK	CNP	WEC	SHW	VMC	MLM	ALB	LIN
2%	1.96%	1.89%	1.82%	1.65%	2.3%	2.23%	2.21%	2.04%	2.03%	3.98%	3.76%	3.74%	3.73%	3.66%	1.06%	1.03%	1.01%	1%	1%
WFC	BLK	BK	FRC	STT	STZ	K	EL	MO	KR	D	NI	ATO	EXC	NEE	STLD	FMC	FCX	NUE	DD
-1.04%	-1.06%	-1.13%	-1.36%	-1.43%	1.38%	1.35%	1.24%	1.17%	1.09%	3.08%	2.96%	2.68%	2.65%	2.55%	0.83%	0.62%	0.58%	0.44%	0.35%
JPM	AXP	AMP	MS	RJF	NWL	WMT	PM	BG	TGT	PCG	SRE	NRG	AES	CEG	APD	DOW	CTVA	CF	MOS
-1.52%	-1.83%	-1.92%	-2.2%	-2.43%	0.95%	0.82%	0.53%	0.42%	0.06%	2.29%	2.21%	1.55%	1.14%	0.05%	0.27%	0.25%	0.05%	-1%	-1.37%
Real Estate					Energy					Communication Services									
CCI	BXP	AMT	SBAC	VICI	EGT	CTRA	KMI	PXD	HES	ATVI	EA	NFLX	LYV	META					
4.61%	4.33%	4.17%	3.85%	3.33%	3.49%	2.51%	2.44%	1.61%	1.6%	5.91%	2.58%	2.5%	0.93%	0.85%					
ARE	PEAK	O	REG	KIM	WMB	APA	OKE	BKR	TRGP	T	VZ	TTWO	CHTR	NWS					
3.27%	3%	2.99%	2.91%	2.86%	1.55%	1.47%	1.43%	1.08%	1%	0.81%	0.78%	0.54%	0.52%	0.49%					
IRM	VTR	PSA	FRT	HST	HAL	PSX	XOM	DVN	OXY	IPG	CMCSA	GOOG	DISH	OMC					
1.84%	1.63%	1.54%	1.48%	1.35%	0.61%	0.2%	0.12%	-0.32%	-0.51%	0.03%	-0.14%	-0.19%	-1.02%	-1.13%					
CPT	SPG	DLR	WY	CBRE	VLO	FANG	COP	MPC	SLB	FOX	FOXA	DIS	PARA	WBD					
1.26%	1.07%	0.92%	0.85%	-0.07%	-0.86%	-0.96%	-1.03%	-1.15%	-2%	-1.71%	-1.81%	-1.83%	-2.46%	-3.65%					

# S&P 500 Weekly Tear Sheet

3 Month SPY Price										SPY RISK INFO				
										Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
										Price Return	2.12%	(12.15%)	3.48%	(128.66%)
										Max Drawdown	(27.47%)	(24.66%)	(9.00%)	(63.50%)
										Sharpe	0.19	(0.40)	0.97	(3.43)
										Sortino	0.25	(0.57)	1.69	(3.97)
										Volatility	19.58	23.37	17.12	(0.27)
										Daily VaR-5%	(28.00)	(45.36)	(9.57)	(0.79)
										Mnthly VaR-5%	(26.66)	(54.14)	(54.14)	0.00
S&P 500 Market Cap Analysis														
Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low	Item	12-M Ago	Current	% Chg		
Dividend Yield	1.37%	1.32%	1.59%	17.25%	2.14%	1.20%	(25.61%)	32.42%	Shares	3,784.7	3,675.4	(2.89%)		
P/E Ratio	28.34	21.91	18.43	(18.87%)	2728%	1602%	(32.4%)	15.08%	Sales	101,407	109,986	8.46%		
P/S Ratio	4.67	4.34	3.49	(24.36%)	4.97	3.21	(29.81%)	8.52%	SPS	26.8	29.9	11.69%		
P/B Ratio	5.97	6.12	5.45	(12.44%)	6.74	4.30	(19.25%)	26.73%	Earnings	20,215	18,078	(10.57%)		
ROE	20.47%	29.58%	26.05%	(13.53%)	29.58%	18.00%	(11.91%)	44.73%	EPS TTM	5.5	5.7	3.15%		
ROA	4.63%	6.72%	6.01%	(11.67%)	6.72%	4.17%	(10.45%)	44.07%	Dividend	1.5	1.6	6.08%		
S&P 500 Asset Allocation														
Sector	1 Year Price Return	Weight	Beta	P/E	P/E High-5yr (Mo.)	P/E Low-5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE		
Energy	1.80%	4.57%	1.40	7.57	93.64	(357.54)	(91.9%)	28.5%	3.3%	13.51%	7.88	9.86		
Materials	(12.25%)	2.61%	1.14	13.62	26.87	11.36	(49.3%)	16.6%	2.1%	7.46%	5.23	17.05		
Industrials	(6.78%)	8.22%	1.15	20.25	55.88	14.68	(63.8%)	21.7%	1.8%	4.99%	6.56	18.61		
Discretionary	(24.72%)	10.49%	1.38	28.77	59.35	21.88	(51.5%)	11.3%	1.0%	3.48%	4.23	25.55		
Staples	(2.01%)	6.79%	0.57	21.21	22.85	17.44	(7.2%)	29.7%	2.6%	4.78%	4.69	19.89		
Health Care	(6.79%)	14.38%	0.69	15.73	19.74	14.84	(20.3%)	37.2%	1.7%	6.45%	7.91	16.99		
Financials	(18.87%)	10.39%	1.16	12.71	18.11	10.62	(29.8%)	10.9%	2.3%	7.97%	7.20	12.76		
Technology	(8.41%)	28.93%	1.18	26.26	32.96	16.66	(20.3%)	68.2%	1.0%	3.83%	6.11	23.54		
Telecom	(24.80%)	8.16%	1.00	19.00	28.04	15.41	(32.2%)	21.5%	0.6%	5.28%	4.69	15.32		
Utilities	(7.85%)	2.84%	0.63	19.02	21.24	15.56	(10.5%)	11.1%	3.3%	5.41%	3.32	17.04		
Real Estate	(24.37%)	2.49%	1.00	16.03	25.63	16.33	(37.5%)	8.5%	3.8%	6.43%	4.82	17.27		
Momentum Analysis														
Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell		
Large Cap	395.75	(0.69%)	400.69	16	(1.23%)	392.59	2	0.81%	2.06%	(14.35%)	13.69%	Buy		
Mid Cap	438.47	(6.84%)	470.25	50	(6.76%)	448.44	4	(2.22%)	4.86%	(13.47%)	10.14%	Buy		
Small Cap	80.89	(8.02%)	87.64	50	(7.70%)	84.60	54	(4.39%)	3.60%	(16.44%)	7.68%	Buy		

## Relative Performance Analysis

Despite the headline risk of a banking crisis, the markets remained stable all week. Money has been crowding into Technology and Communications, which are now EXTREMELY overbought on both an absolute and relative basis. Last year's most loved sector, Energy, is this year's biggest loser and the most hated, the biggest winners. Such is how markets tend to work. Over the next couple of weeks, look for a rotation from the most overbought to the most oversold.

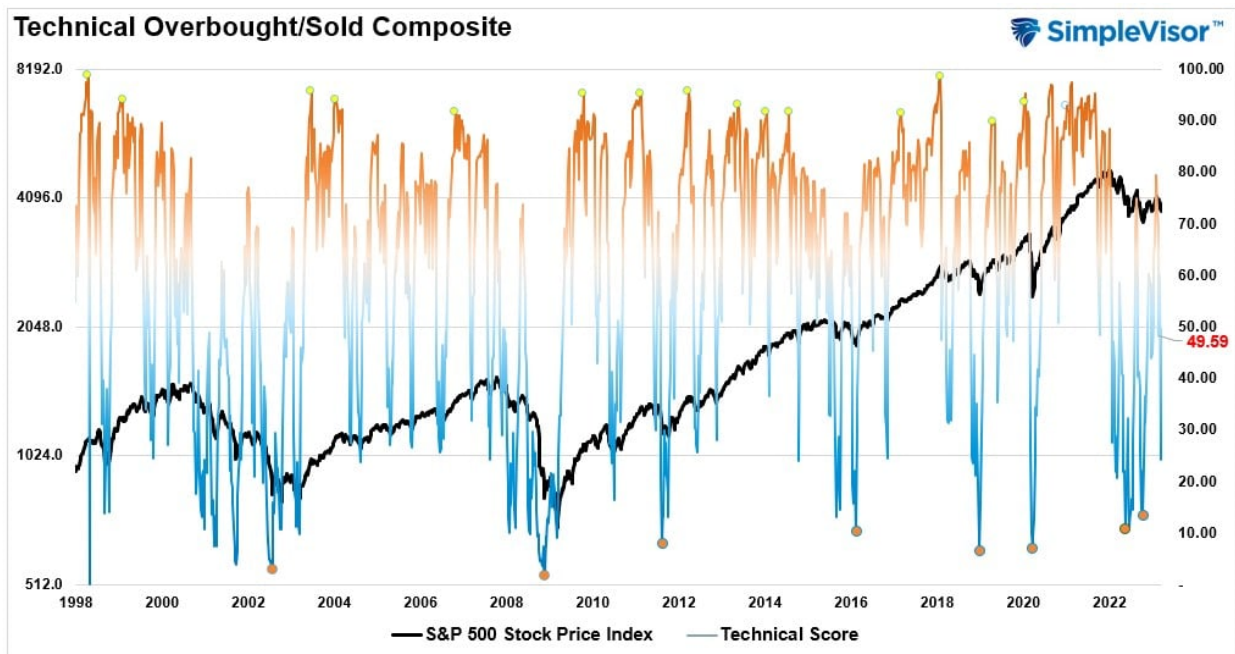


## Technical Composite

The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" are oversold. Markets peak when those readings are 80 or above, suggesting prudent profit-taking and risk management. **The best buying opportunities exist when those readings are 20 or below.**

**The current reading is 49.59 out of a possible 100.**

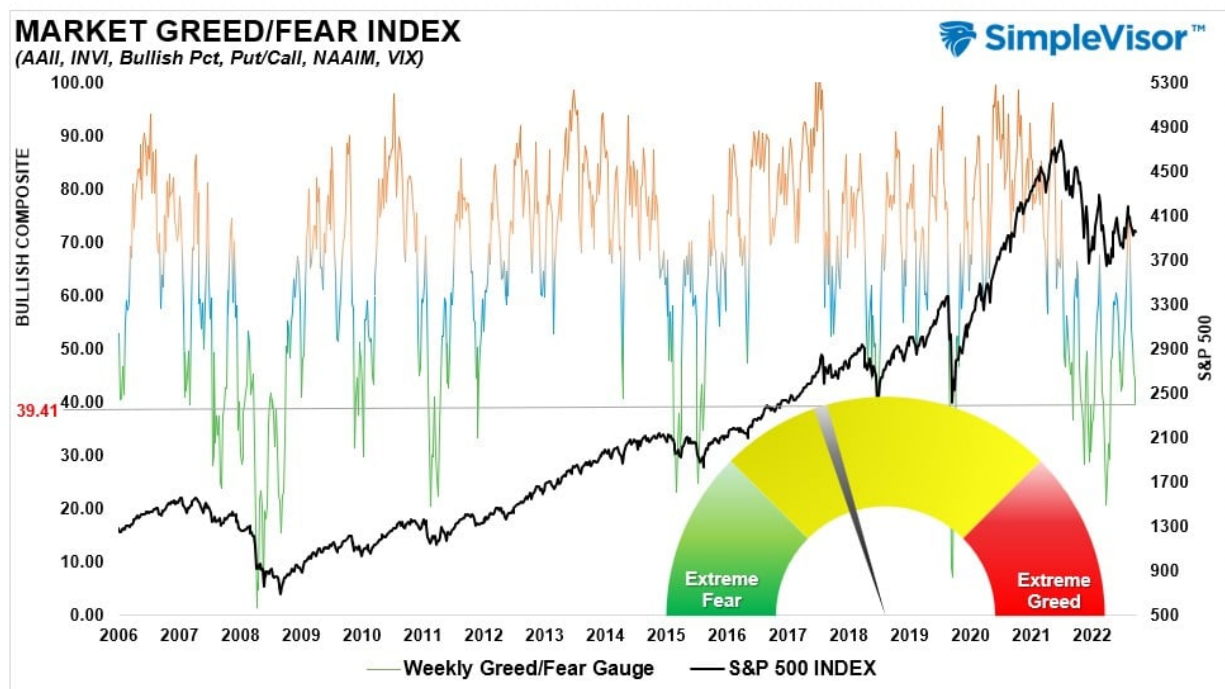




## Portfolio Positioning "Fear / Greed" Gauge

The "Fear/Greed" Gauge is how individual and professional investors are "positioning" themselves in the market based on their equity exposure. From a contrarian position, the higher the allocation to equities, the more likely the market is closer to a correction than not. The gauge uses weekly closing data.

**NOTE:** The Fear/Greed Index measures risk from 0 to 100. It is a rarity that it reaches levels above 90. The current reading is 39.41 out of a possible 100.



## Sector Model Analysis & Risk Ranges

*How To Read This Table*

- The table compares the relative performance of each sector and market to the S&P 500 index.
- "M" XVER" (Moving Average Cross Over) is determined by the short-term weekly moving average crossing positively or negatively with the long-term weekly moving average.
- The risk range is a function of the month-end closing price and the "beta" of the sector or market. (Ranges reset on the 1st of each month)
- The table shows the price deviation above and below the weekly moving averages.

As noted above, Technology and Communications are highly overbought and well outside their monthly risk ranges. I would suggest taking profits in these sectors along with bonds, gold, and gold miners. The market will likely rotate to the laggards over the next few weeks and see a pick-up in the more defensive market sectors.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	MONTH END	REL S&P	RISK RANGE		% DEV - Short M/A	% DEV - Long M/A	M/A XVER SIGNAL	
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW			
IVV	ISHARS-SP500	397.45	1.09	(0.17)	3.45	9.09	(12.58)	399.24	395.57	397.97	1.00	407.92	388.02	0%	0%	BULLISH
XLB	SPDR-MATLS SELS	76.81	0.63	(5.23)	(4.57)	1.49	(1.40)	80.91	78.09	81.83	1.07	84.75	78.91	-5%	-2%	BULLISH
XLC	SPDR-COMM SV SELS	56.65	1.89	6.57	14.60	7.16	(5.53)	53.50	52.23	53.50	1.01	55.38	51.62	0%	0%	BULLISH
XLE	SPDR-EGY SELS	77.89	0.11	(7.83)	(14.40)	(13.87)	11.49	86.02	84.18	83.89	1.35	86.91	80.47	-9%	-7%	BULLISH
XLFX	SPDR-FINL SELS	30.99	(1.06)	(12.93)	(12.83)	(8.77)	(0.00)	34.97	34.16	35.72	1.09	37.00	34.44	-11%	-9%	BULLISH
XLK	SPDR-TECH SELS	145.96	0.65	7.42	13.85	11.77	4.83	135.54	133.17	136.52	1.13	141.48	131.56	0%	10%	BULLISH
XLI	SPDR-INDU SELS	96.91	(0.24)	(3.22)	(4.77)	4.71	6.01	100.53	96.74	100.97	1.11	104.62	97.32	-4%	0%	BULLISH
XLP	SPDR-CONS STPL	72.97	0.10	0.52	(5.97)	0.64	9.82	73.28	73.12	72.03	0.88	74.25	69.81	0%	0%	BULLISH
XLRE	SPDR-RE SELS	35.51	(3.08)	(6.75)	(7.99)	(8.25)	(12.08)	38.48	38.85	38.21	0.83	39.48	36.94	-8%	-9%	BEARISH
XLJU	SPDR-UTIL SELS	65.89	(3.00)	(1.22)	(10.27)	(8.06)	2.84	68.21	69.79	65.00	0.50	66.95	63.05	-1%	-5%	BEARISH
XLV	SPDR-HLTH CR	127.30	0.06	(0.78)	(9.74)	(5.27)	6.00	131.41	130.91	127.17	0.70	131.24	123.10	-3%	-3%	BULLISH
XLY	SPDR-CONS DISCR	141.58	(0.52)	(1.42)	6.17	(8.43)	(10.21)	141.96	146.16	146.54	1.18	150.89	140.19	0%	-3%	BEARISH
XTN	SPDR-SP TRANSP	68.55	(2.01)	(9.98)	(1.45)	(4.61)	(10.36)	74.36	72.69	76.72	1.33	79.66	73.78	-8%	-6%	BULLISH
SDY	SPDR-SP DIV ETF	119.49	(0.47)	(5.18)	(7.94)	(3.38)	5.73	126.21	124.72	125.87	0.86	130.10	121.64	-5%	-4%	BULLISH
RSP	INVS-SP5 EQ ETF	138.52	(0.73)	(5.51)	(5.38)	(2.66)	0.24	146.42	143.01	146.60	1.06	151.82	141.38	-5%	-3%	BULLISH
SLY	SPDR-SP6 SC	80.89	(0.83)	(8.71)	(5.05)	(4.96)	(1.82)	86.73	85.09	88.88	1.15	92.13	85.63	-7%	-5%	BULLISH
MDY	SPDR-SP MC 400	438.47	0.15	(7.44)	(4.42)	(2.96)	1.30	465.65	452.60	474.75	1.13	491.96	457.54	-6%	-3%	BULLISH
EEM	ISHARS-EMG MKT	38.67	1.73	1.13	(1.41)	(0.62)	(1.58)	39.68	38.45	38.23	0.73	39.46	37.00	-3%	1%	BULLISH
EFA	ISHARS-EAFE	68.82	1.35	(0.15)	1.40	12.01	5.88	69.55	65.10	69.35	0.85	71.67	67.03	-1%	0%	BULLISH
IAU	ISHARS-GOLD TR	37.46	(1.17)	9.28	4.85	7.28	13.39	35.63	33.84	34.82	0.14	35.63	33.71	5%	11%	BULLISH
GOX	VANECK-GOLD MNR	31.55	2.08	17.06	6.64	20.27	(5.94)	29.98	27.44	27.51	0.74	28.40	26.62	5%	15%	BULLISH
UUP	INVS-DB USS BU	28.03	(1.69)	(1.45)	(2.65)	(16.58)	18.71	27.94	28.71	28.42	(0.15)	29.09	27.75	0%	-2%	BEARISH
BOND	PIMCO-ACTV BOND	93.11	(0.43)	2.13	(0.54)	(4.78)	5.04	92.30	91.96	91.47	0.17	93.91	89.03	1%	1%	BULLISH
TLT	ISHARS-20+YTB	106.85	(1.09)	5.99	3.88	(3.29)	(4.37)	104.21	104.84	101.71	0.04	104.30	99.12	3%	2%	BEARISH
BNDX	VANGD-TTL INT B	49.23	(0.80)	2.96	0.35	(5.38)	6.84	48.32	48.60	47.76	0.13	48.51	46.51	2%	1%	BEARISH
HYG	ISHARS-IBX HCYB	73.60	(0.78)	(0.60)	(3.49)	(7.04)	3.09	74.85	74.65	74.53	0.43	76.71	72.35	-2%	-1%	BULLISH



## RISK RANGE REPORT



## Weekly SimpleVisor Stock Screens

We provide three stock screens each week from [SimpleVisor](https://www.simplevisor.com).

This week we are searching for the Top 20:

- Relative Strength Stocks
- Momentum Stocks
- Fundamental And Technically Strong Stocks

(Click Images To Enlarge)

### RSI Screen

Scan Result: 20 Item(s) found													
Tables													
Overview Technicals Fundamentals Performance Performance Chart													
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Plotroski	SV Rank	Yield%	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
ACGL	Financial	10/10	\$65.60	\$159.69(58.92%)	47.87	\$67.69(-3.09%)	\$65.13(0.72%)	\$60.36(8.68%)	5	8	2	%	
AMD	Technology	10/10	\$100.28	\$252.75(60.32%)	74.64	\$86.76(15.58%)	\$81.49(23.06%)	\$74.78(34.10%)	5	7	1	%	
ANET	Technology	10/10	\$169.39	\$141.27(-19.91%)	78.42	\$148.45(14.11%)	\$132.98(27.38%)	\$129.52(30.78%)	1	6	1	%	
AVGO	Technology	10/10	\$639.23	\$1,040.93(38.59%)	62.27	\$617.07(3.59%)	\$600.65(6.42%)	\$562.13(13.72%)	3	8	2	3.06%	
DHI	Consumer Cyclical	10/10	\$96.28	\$319.08(69.83%)	56.71	\$94.78(1.58%)	\$92.73(3.83%)	\$84.57(13.85%)	3	7	1	1.02%	
FDX	Industrials	10/10	\$216.92	\$343.66(36.88%)	60.66	\$207.41(4.59%)	\$201.29(7.76%)	\$185.18(17.14%)	6	7	3	2.36%	
FSLR	Technology	10/10	\$210.19	\$200.49(-4.84%)	64.42	\$190.07(10.59%)	\$177.34(18.52%)	\$165.55(26.96%)	5	6	4	%	
IDXX	Healthcare	10/10	\$478.74	\$196.37(-143.79%)	50.24	\$483.54(-0.99%)	\$466.00(2.73%)	\$425.00(12.64%)	1	7	3	%	
LVS	Consumer Cyclical	10/10	\$54.73	\$75.4(-625.86%)	43.81	\$56.58(-3.27%)	\$56.41(-2.98%)	\$50.53(8.31%)	2	5	3	%	
MCHP	Technology	10/10	\$82.30	\$112.10(26.58%)	52.53	\$81.56(0.91%)	\$79.95(2.94%)	\$75.40(9.15%)	4	8	2	1.72%	
META	Communication Services	10/10	\$204.28	\$331.67(38.41%)	68.39	\$187.05(9.21%)	\$171.05(19.43%)	\$142.28(43.58%)	—	—	—	%	
MKTX	Financial	10/10	\$383.21	\$174.04(-120.19%)	62.64	\$365.21(4.93%)	\$340.75(12.46%)	\$296.71(29.15%)	5	4	5	0.83%	
NVDA	Technology	10/10	\$271.91	\$169.60(-60.32%)	73.72	\$241.85(12.43%)	\$216.08(25.84%)	\$185.65(46.46%)	0	6	2	0.07%	
NVR	Consumer Cyclical	10/10	\$5,354.43	\$15,190.47(64.75%)	67.77	\$5,194.85(3.07%)	\$4,971.65(7.70%)	\$4,624.80(15.78%)	1	7	2	%	
PHM	Consumer Cyclical	10/10	\$56.39	\$184.49(69.43%)	59.62	\$54.71(3.07%)	\$53.41(5.58%)	\$47.90(17.72%)	4	7	2	1.13%	
TER	Technology	10/10	\$107.61	\$102.11(-5.39%)	50.93	\$105.39(2.11%)	\$97.66(10.19%)	\$91.27(17.90%)	4	6	4	0.44%	
WYNN	Consumer Cyclical	10/10	\$106.20	\$34.06(-211.80%)	53.15	\$108.46(-2.08%)	\$99.20(7.06%)	\$85.27(24.55%)	1	4	3	%	
BA	Industrials	9/10	\$197.90	\$176.19(-12.32%)	42.49	\$204.92(-3.43%)	\$208.58(-5.12%)	\$190.65(3.80%)	3	4	4	%	
OMC	Communication Services	9/10	\$88.63	\$54.35(-63.07%)	50.73	\$89.79(-1.29%)	\$86.98(1.90%)	\$80.11(10.64%)	5	8	2	3.18%	
RCL	Consumer Cyclical	8/10	\$61.75	\$56.55(-9.20%)	42.90	\$67.87(-9.02%)	\$62.23(-0.77%)	\$57.64(7.13%)	1	—	4	%	

## Momentum Screen

Scan Result: 20 Item(s) found													
Tables													
Overview Technicals Fundamentals Performance Performance Chart													
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Plotroski	SV Rank	Yield%	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
AMD	Technology	10/10	\$100.28	\$252.75(60.32%)	74.64	\$86.76(15.58%)	\$81.49(23.06%)	\$74.78(34.10%)	5	7	1	%	
ANET	Technology	10/10	\$169.39	\$141.27(-19.91%)	78.42	\$148.45(14.11%)	\$132.98(27.38%)	\$129.52(30.78%)	1	6	1	%	
ANSS	Technology	10/10	\$314.65	\$51,446.94(99.39%)	67.06	\$288.82(8.94%)	\$266.33(18.14%)	\$248.26(26.74%)	7	5	3	%	
CDNS	Technology	10/10	\$207.00	\$123.30(-67.88%)	73.22	\$194.85(6.24%)	\$178.92(15.69%)	\$169.03(22.46%)	6	7	2	%	
LRCX	Technology	10/10	\$523.59	\$921.36(43.17%)	58.30	\$499.30(4.86%)	\$475.02(10.22%)	\$442.88(18.22%)	4	—	3	1.42%	
META	Communication Services	10/10	\$204.28	\$331.67(38.41%)	68.39	\$187.05(9.21%)	\$171.05(19.43%)	\$142.28(43.58%)	—	—	—	%	
MKTX	Financial	10/10	\$383.21	\$174.04(-120.19%)	62.64	\$365.21(4.93%)	\$340.75(12.46%)	\$296.71(29.15%)	5	4	5	0.83%	
MSCI	Financial	10/10	\$546.96	\$365.34(-49.71%)	56.43	\$539.40(1.40%)	\$514.45(6.32%)	\$489.85(11.66%)	1	6	—	1.05%	
NVDA	Technology	10/10	\$271.91	\$169.60(-60.32%)	73.72	\$241.85(12.43%)	\$216.08(25.84%)	\$185.65(46.46%)	0	6	2	0.07%	
NVR	Consumer Cyclical	10/10	\$5,354.43	\$15,190.47(64.75%)	67.77	\$5,194.85(3.07%)	\$4,971.65(7.70%)	\$4,624.80(15.78%)	1	7	2	%	
PODD	Healthcare	10/10	\$311.49	\$10.90(-2,757.71%)	56.76	\$298.26(4.44%)	\$295.08(5.56%)	\$284.95(9.31%)	5	2	5	%	
WST	Healthcare	10/10	\$331.85	\$244.87(-35.52%)	67.80	\$301.90(9.22%)	\$269.55(23.11%)	\$253.73(30.79%)	0	8	2	0.24%	
MSFT	Technology	8/10	\$277.66	\$263.21(-5.49%)	65.19	\$258.87(7.26%)	\$253.90(9.36%)	\$246.35(12.71%)	6	8	3	1.04%	
MTD	Healthcare	8/10	\$1,451.10	\$954.44(-52.04%)	48.09	\$1,476.69(-1.73%)	\$1,497.67(-3.11%)	\$1,414.65(2.58%)	1	7	2	%	
ADBE	Technology	7/10	\$369.00	\$492.52(25.08%)	59.60	\$342.18(7.84%)	\$354.95(3.96%)	\$342.39(7.77%)	6	7	3	%	
REGN	Healthcare	7/10	\$802.16	\$2,161.80(62.89%)	64.73	\$761.69(5.31%)	\$748.52(7.17%)	\$743.87(7.84%)	4	6	3	%	
CMG	Consumer Cyclical	6/10	\$1,632.53	\$984.65(-65.80%)	62.39	\$1,560.12(4.64%)	\$1,532.21(6.55%)	\$1,518.56(7.51%)	1	7	3	%	
GOOGL	Technology	6/10	\$105.60	\$259.38(59.29%)	65.82	\$95.35(10.75%)	\$95.39(10.70%)	\$94.66(11.56%)	6	8	3	%	
INTU	Technology	6/10	\$432.49	\$468.99(7.78%)	58.52	\$410.97(5.24%)	\$406.47(6.40%)	\$401.96(7.60%)	8	5	2	0.76%	
ISRG	Healthcare	6/10	\$244.47	\$110.51(-121.22%)	54.63	\$234.34(4.32%)	\$247.00(-1.02%)	\$246.84(-0.96%)	5	6	4	%	

## Fundamental Stocks With Strong Technicals

Scan Result: 15 Item(s) found													
Tables													
Overview Technicals Fundamentals Performance Performance Chart													
Symbol	Sector	Trend	Last	Fair Value	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	
ADI	Technology	10/10	\$189.45	\$305.53(37.99%)	62.52	\$186.15(1.77%)	\$176.17(7.54%)	\$165.77(14.28%)	1	7	2	1.88%	
AMD	Technology	10/10	\$100.28	\$252.75(60.32%)	74.64	\$86.76(15.58%)	\$81.49(23.06%)	\$74.78(34.10%)	5	7	1	%	
ANET	Technology	10/10	\$169.39	\$141.27(-19.91%)	78.42	\$148.45(14.11%)	\$132.98(27.38%)	\$129.52(30.78%)	1	6	1	%	
AVGO	Technology	10/10	\$639.23	\$1,040.93(38.59%)	62.27	\$617.07(3.59%)	\$600.65(6.42%)	\$562.13(13.72%)	3	8	2	3.06%	
BKNG	Consumer Cyclical	10/10	\$2,538.76	\$6,486.20(60.86%)	57.77	\$2,502.47(1.45%)	\$2,368.41(7.19%)	\$2,142.55(18.49%)	2	6	3	%	
FSLR	Technology	10/10	\$210.19	\$200.49(-4.84%)	64.42	\$190.07(10.59%)	\$177.34(18.52%)	\$165.55(26.96%)	5	6	4	%	
LRCX	Technology	10/10	\$523.59	\$921.36(43.17%)	58.30	\$499.30(4.86%)	\$475.02(10.22%)	\$442.88(18.22%)	4	—	3	1.42%	
META	Communication Services	10/10	\$204.28	\$331.67(38.41%)	68.39	\$187.05(9.21%)	\$171.05(19.43%)	\$142.28(43.58%)	—	—	—	%	
NVR	Consumer Cyclical	10/10	\$5,354.43	\$15,190.47(64.75%)	67.77	\$5,194.85(3.07%)	\$4,971.65(7.70%)	\$4,624.80(15.78%)	1	7	2	%	
WST	Healthcare	10/10	\$331.85	\$244.87(-35.52%)	67.80	\$301.90(9.92%)	\$269.55(23.11%)	\$253.73(30.79%)	0	8	2	0.24%	
CRM	Technology	9/10	\$187.44	\$181.00(-3.56%)	63.28	\$179.63(4.35%)	\$169.20(10.78%)	\$155.97(20.18%)	6	—	3	%	
PWR	Industrials	9/10	\$158.97	\$174.59(8.95%)	56.93	\$157.18(1.14%)	\$149.85(6.09%)	\$144.85(9.75%)	4	8	3	0.20%	
MSFT	Technology	8/10	\$277.66	\$263.21(-5.49%)	65.19	\$258.87(7.26%)	\$253.90(9.36%)	\$246.35(12.71%)	6	8	3	1.04%	
REGN	Healthcare	7/10	\$802.16	\$2,161.80(62.89%)	64.73	\$761.69(5.31%)	\$748.52(7.17%)	\$743.87(7.84%)	4	6	3	%	
CMG	Consumer Cyclical	6/10	\$1,632.53	\$984.65(-65.80%)	62.39	\$1,560.12(4.64%)	\$1,532.21(6.55%)	\$1,518.56(7.51%)	1	7	3	%	

## SimpleVisor Portfolio Changes

We post all of our portfolio changes as they occur at [SimpleVisor](#):

### March 22nd

*Following Powell's press conference, we added 2.5% of QQQ and RSP to both models. Powell successfully walked the delicate balance between the banking crisis and tackling inflation. It appears a pause in rate hikes is coming soon, but not the pivot the market is pricing in.*

*Technically, the market is giving us good buy signals, and the relatively tepid, not bearish, reaction to the Fed is somewhat optimistic. We have precise stop-out levels below the 200dma, which is only a few percent lower on the S&P 500. We will have much more on the Fed and Press Conference in tomorrow's Commentary.*

*These are starting positions for a trading holding in portfolios.*

### Both Models

- Initiate a 2.5% position in the Invesco S&P 500 Equal Weight ETF (RSP)
- Add a 2.5% position in the Invesco Nasdaq 100 Trust (QQQ)



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*Lance Roberts, CIO*

Have a great week!