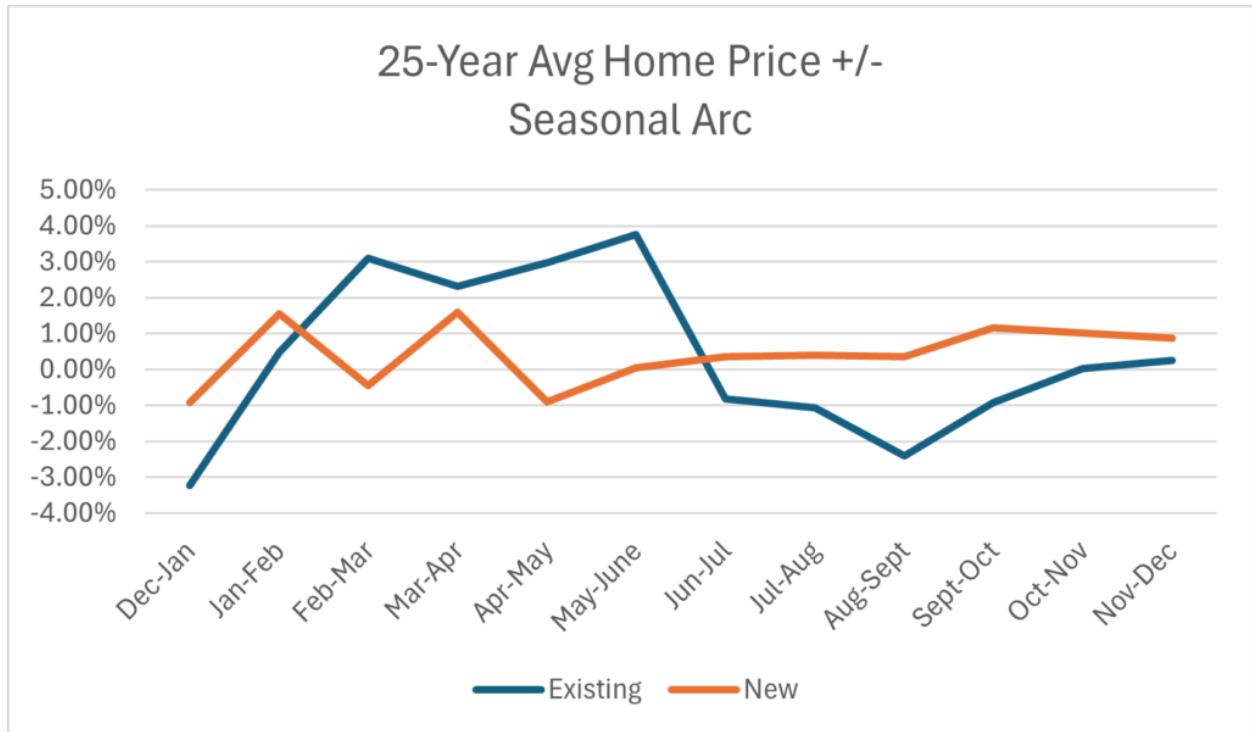


Making sense of home sales and prices data is challenging as there is little activity in the real estate markets. High mortgage rates have made it difficult for buyers to buy homes. Accordingly, more would-be sellers are unable or unwilling to sell because they do not want to trade their current low mortgage rate for a much higher one with a new home.

The latest data from the National Association of Realtors (NAR) shows existing home sales fell in June to a seasonally adjusted annual rate of 3.89 million homes. On a non-seasonally adjusted rate, it was 375k, the lowest level in June going back to 1999. The prior low was in June of 2008. The median home price rose 4.1% to \$426,900. There is some hope for homebuyers that home price growth may slow. The inventory of unsold existing homes rose to 4.1 months of supply. Furthermore, June marks the end of the buying season. As shown below, existing home prices (blue) often decline as the buying season ends. The Chief Economist from the NAR sees the potential for a buyer's market to emerge as home prices potentially moderate. Per the latest [NAR report](#).

?We're seeing a slow shift from a seller's market to a buyer's market,? said NAR Chief Economist Lawrence Yun. ?Homes are sitting on the market a bit longer, and sellers are receiving fewer offers. More buyers are insisting on home inspections and appraisals, and inventory is definitively rising on a national basis.?



What To Watch Today

Earnings

Time	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's EPS*
☀	TMO	Thermo Fisher Scientific Inc	\$203,970,117,195	Jun/2024	\$5.13	10	7/26/2023	\$5.15
☀	FMX	Fomento Economico Mexicano S.A.B. de C.V.	\$189,949,134,777	Jun/2024		N/A	7/27/2023	\$1.64
☺	IBM	International Business Machines Corporation	\$168,333,938,544	Jun/2024	\$2.16	6	7/19/2023	\$2.18
☺	NOW	ServiceNow, Inc.	\$153,996,000,000	Jun/2024	\$1.08	9	7/26/2023	\$0.77
☀	NEE	NextEra Energy, Inc.	\$147,926,343,744	Jun/2024	\$0.93	3	7/25/2023	\$0.88
☀	T	AT&T Inc.	\$137,093,556,788	Jun/2024	\$0.58	8	7/26/2023	\$0.63
☀	BSX	Boston Scientific Corporation	\$114,027,148,623	Jun/2024	\$0.58	11	7/27/2023	\$0.53
☺	KLAC	KLA Corporation	\$102,669,694,635	Jun/2024	\$6.08	8	7/27/2023	\$5.40
☀	FI	Fiserv, Inc.	\$91,299,296,262	Jun/2024	\$2.09	13	7/26/2023	\$1.81
☺	WM	Waste Management, Inc.	\$89,361,314,234	Jun/2024	\$1.82	11	7/25/2023	\$1.51
☀	GD	General Dynamics Corporation	\$79,077,216,290	Jun/2024	\$3.30	9	7/26/2023	\$2.70
☺	EQNR	Equinor ASA	\$78,565,480,281	Jun/2024	\$0.81	4	7/26/2023	\$0.74
☀	APH	Amphenol Corporation	\$77,297,727,978	Jun/2024	\$0.41	8	7/26/2023	\$0.36
☀	SAN	Banco Santander, S.A.	\$75,962,777,145	Jun/2024	\$0.22	1	7/26/2023	\$0.17
☺	CMG	Chipotle Mexican Grill, Inc.	\$73,529,159,000	Jun/2024	\$0.31	13	7/26/2023	\$0.25
☀	CME	CME Group Inc.	\$71,959,064,394	Jun/2024	\$2.53	9	7/26/2023	\$2.30
☺	RSG	Republic Services, Inc.	\$64,076,158,108	Jun/2024	\$1.52	11	7/31/2023	\$1.41
☺	ORLY	O'Reilly Automotive, Inc.	\$61,418,296,954	Jun/2024	\$10.99	11	7/26/2023	\$10.22
☀	ROP	Roper Technologies, Inc.	\$60,727,433,448	Jun/2024	\$4.46	6	7/21/2023	\$4.12
☺	F	Ford Motor Company	\$55,812,873,454	Jun/2024	\$0.62	5	7/27/2023	\$0.72
☺	NEM	Newmont Corporation	\$54,197,589,165	Jun/2024	\$0.53	4	7/20/2023	\$0.33
☺	EW	Edwards Lifesciences Corporation	\$52,124,900,000	Jun/2024	\$0.70	13	7/26/2023	\$0.66
☺	URI	United Rentals, Inc.	\$47,854,184,420	Jun/2024	\$10.48	11	7/26/2023	\$9.88
☺	WCN	Waste Connections, Inc.	\$46,533,801,855	Jun/2024	\$1.17	11	8/02/2023	\$1.02
☀	TEL	TE Connectivity Ltd.	\$46,145,571,760	Jun/2024	\$1.86	8	7/26/2023	\$1.77
☀	GEV	GE Vernova Inc.	\$44,769,129,326	Jun/2024	\$0.69	N/A	N/A	N/A
☀	ODFL	Old Dominion Freight Line, Inc.	\$42,472,714,978	Jun/2024	\$1.45	7	7/26/2023	\$1.33
☺	AMP	AMERIPRISE FINANCIAL SERVICES, LLC	\$40,811,617,611	Jun/2024	\$8.51	7	7/26/2023	\$7.44
☀	OTIS	Otis Worldwide Corporation	\$39,514,468,319	Jun/2024	\$1.03	3	7/26/2023	\$0.92
☀	BSBR	Banco Santander Brasil SA	\$38,783,998,872	Jun/2024	\$0.16	N/A	N/A	N/A
☹	DB	Deutsche Bank AG	\$33,252,000,000	Jun/2024	\$0.43	2	7/26/2023	\$0.21
☀	VRT	Vertiv Holdings, LLC	\$31,935,370,840	Jun/2024	\$0.59	4	8/02/2023	\$0.46
☺	LVS	Las Vegas Sands Corp.	\$30,599,086,450	Jun/2024	\$0.59	7	7/19/2023	\$0.46
☀	ORAN	Orange	\$29,419,935,937	Jun/2024		N/A	N/A	N/A
☀	WAB	Westinghouse Air Brake Technologies Corporation	\$29,137,028,568	Jun/2024	\$1.85	3	7/27/2023	\$1.41
☺	ICLR	ICON plc	\$27,198,629,854	Jun/2024	\$3.55	5	7/26/2023	\$2.96
☀	FTV	Fortive Corporation	\$26,809,846,560	Jun/2024	\$0.92	6	7/26/2023	\$0.85
☀	TECK	Teck Resources Ltd	\$24,222,684,000	Jun/2024	\$0.46	14	7/27/2023	\$0.91
☺	ROL	Rollins, Inc.	\$23,940,350,778	Jun/2024	\$0.27	6	7/26/2023	\$0.23
☺	TER	Teradyne, Inc.	\$22,857,902,201	Jun/2024	\$0.76	7	7/26/2023	\$0.79
☺	RJF	Raymond James Financial, Inc.	\$22,514,402,540	Jun/2024	\$2.30	6	7/26/2023	\$1.85
☺	TYL	Tyler Technologies, Inc.	\$22,260,570,146	Jun/2024	\$1.80	5	7/26/2023	\$1.53
☺	INVH	Invitation Homes Inc.	\$22,002,280,512	Jun/2024	\$0.46	5	7/26/2023	\$0.44
☀	RCI	Rogers Communication, Inc.	\$19,901,170,754	Jun/2024	\$0.83	4	7/26/2023	\$0.76
☺	CSL	Carlisle Companies Incorporated	\$19,849,968,114	Jun/2024	\$5.74	3	7/26/2023	\$5.18
☀	LII	Lennox International, Inc.	\$19,798,646,555	Jun/2024	\$6.55	15	7/27/2023	\$6.15
☀	CHKP	Check Point Software Technologies Ltd.	\$19,249,416,739	Jun/2024	\$1.84	11	7/26/2023	\$1.74
☺	ALGN	Align Technology, Inc.	\$18,940,872,449	Jun/2024	\$1.89	6	7/26/2023	\$1.73

Economy

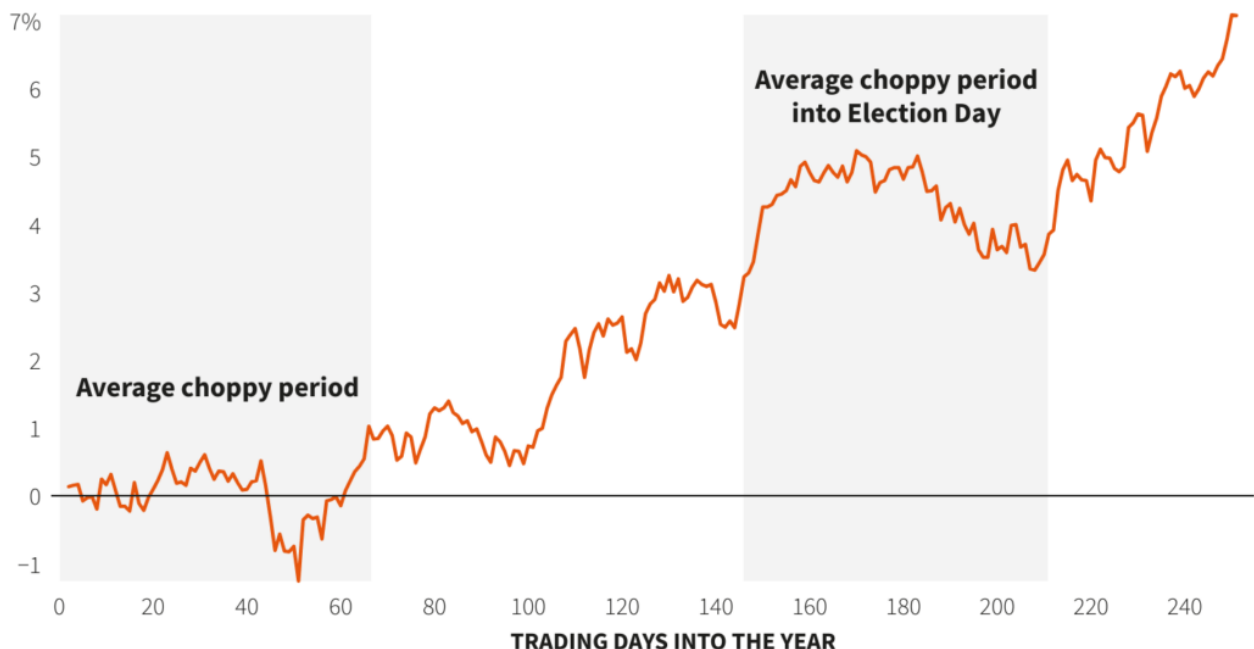
Time	Event	Impact	Actual	Dev	Consensus	Previous
WEDNESDAY, JULY 24						
11:00	USD MBA Mortgage Applications (Jul 19)		-	-	-	3.9%
12:30	USD Goods Trade Balance (Jun) PREL		-	-	\$-98B	\$-100.2B
12:30	USD Wholesale Inventories (Jun) PREL		-	-	0.5%	0.6%
13:45	USD S&P Global Composite PMI (Jul) PREL		-	-	-	54.8
13:45	USD S&P Global Manufacturing PMI (Jul) PREL		-	-	51.7	51.6
13:45	USD S&P Global Services PMI (Jul) PREL		-	-	54.4	55.3
14:00	USD New Home Sales (MoM) (Jun)		-	-	0.64M	0.619M
14:00	USD New Home Sales Change (MoM) (Jun)		-	-	-	-11.3%
14:30	USD EIA Crude Oil Stocks Change (Jul 19)		-	-	0.7M	-4.87M
17:00	USD 5-Year Note Auction		-	-	-	4.331%
20:05	USD Fed's Bowman speech				<i>SPEECH</i>	

Market Trading Update

[As noted yesterday](#), market breadth has improved recently, which provides support for a continued bullish rally. The recovery of the 20-DMA and the drop in the VIX also support a continued bull market for now. However, this does not negate the potential for a 5-10% correction later this summer heading into the election. As shown, during presidential election years, the markets tend to de-risk a bit before the election simply due to the risk of the outcome.

S&P 500's average election-year path since 1950

Stocks tend to see chopiness early in the year and heading into the presidential election, with bulk of gains tending to come between that time and after the vote



Source: Truist Advisory Services | Graphic by Lewis Krauskopf

Could this year be different? This is why it is important to maintain exposure for now and continue to manage risk as needed.

There are plenty of reasons to be very concerned about the market over the next few months. We suggest using rallies to reduce equity exposure and hedge risks accordingly.

1. **Move slowly.** *There is no rush to make dramatic changes. Doing anything in a moment of panic? tends to be the wrong thing.*
2. **If you are overweight equities, DO NOT try to fully adjust your portfolio to your target allocation in one move.** *Individuals often feel like they must? do something. Think logically about where you want to be and use a rally to adjust to that level.*
3. **Begin by selling laggards and losers.** *These positions were dragging on performance as the market rose, they tend to lead on the way down.*
4. **Add to sectors or positions performing with or outperforming** *the broader market if you need risk exposure.*
5. **Move stop-loss? levels up to recent lows for each position.** *Managing a portfolio without stop-loss? levels is like driving with your eyes closed.*
6. **Be prepared to sell into the rally and reduce overall portfolio risk.** *You will sell many positions at a loss simply because you overpaid for them to begin with. Selling at a loss DOES NOT make you a loser. It just means you made a mistake.*
7. **If none of this makes sense to you, please consider hiring someone to manage your portfolio.** *It will be worth the additional expense over the long term.*

Follow your process.



Small Caps Have Potential, But...

Many investors are starting to think small-cap and value stocks may finally be in vogue. The rotation from large-cap growth to those sectors was certainly eye-opening these past few weeks. Before jumping into the small-cap value camp, consider the important differences between the two indexes.

The BofA graph below, courtesy of ISABELNET.com, shows the price ratio of large-cap growth versus small-cap value stocks. Excluding the sharp drawdown in the ratio in 2020, large-cap growth stocks have consistently outperformed small-cap value stocks since the end of the financial crisis. Generally, large-cap and growth stocks outperform during periods of economic growth. Conversely, small-cap and value stocks outperform during recessions. Not surprisingly, valuations tend to expand during economic growth and contract during recessions. Therefore, much attribution for the recent gross outperformance of large-cap growth versus small-cap value can be attributed to the type of stocks the two indexes hold.

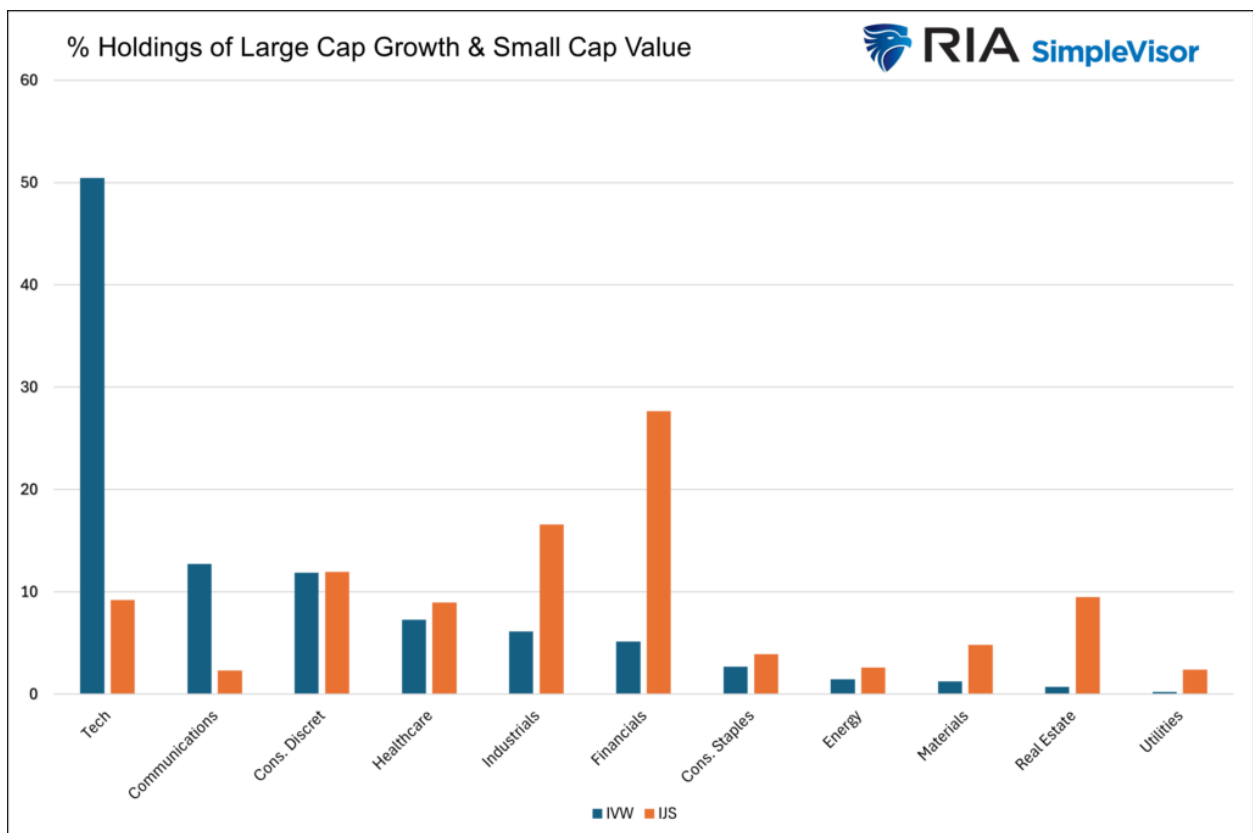
The second graph compares the holdings by sector of popular ETFs tracking large-cap growth (IVW) and small-cap value (IJS). As shown, technology accounts for a big difference between the two ETFs. It represents 50% of IVW and slightly less than 10% of IJS. Conversely, financials are only 5% of IVW but 28% of IJS. The point of showing these stark differences is that the price ratio graph may not revert to normal, as some investors appear to believe. Simply put, the massive differences in the type of stocks, growth patterns, and valuations of said stocks should lead to long-term performance differences. Those differences may get extreme sometimes, but correcting to the average is far from a foregone conclusion.

Chart 4: Large cap growth reached 24-yr high vs. small cap value

Large cap growth (SGX) vs small cap value (RUJ) - price relative



Source: BofA Global Investment Strategy, Bloomberg, GFD Finaeon



A Crude Oil Breakout Is Likely

For the past year, the price of crude oil has been forming a wedge pattern. The pattern, as shown below, is a series of lower highs and higher lows that is increasingly becoming less range-bound. Often, such a pattern ultimately resolves itself with a sharp move. The question is, what direction? Further signs of a slowing economy may mean that the resolution of the pattern will result in lower oil prices. Political or geopolitical concerns could also dictate the breakout.





Shibetoshi Nakamoto ✓
@BillyM2k

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i am glad 76% of the income tax i pay goes directly to important things like interest on past government incompetence

Interest Payments on US National Debt Will Shatter \$1,140,000,000,000 This Year – Eating 76% of All Income Taxes Collected: Report

Alex Richardson • July 21, 2024



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