

Inverted Yield Curve Deepens As Recession Risks Rise

Inside This Week's Bull Bear Report

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Market Rally Pauses As Fed Talks Tough

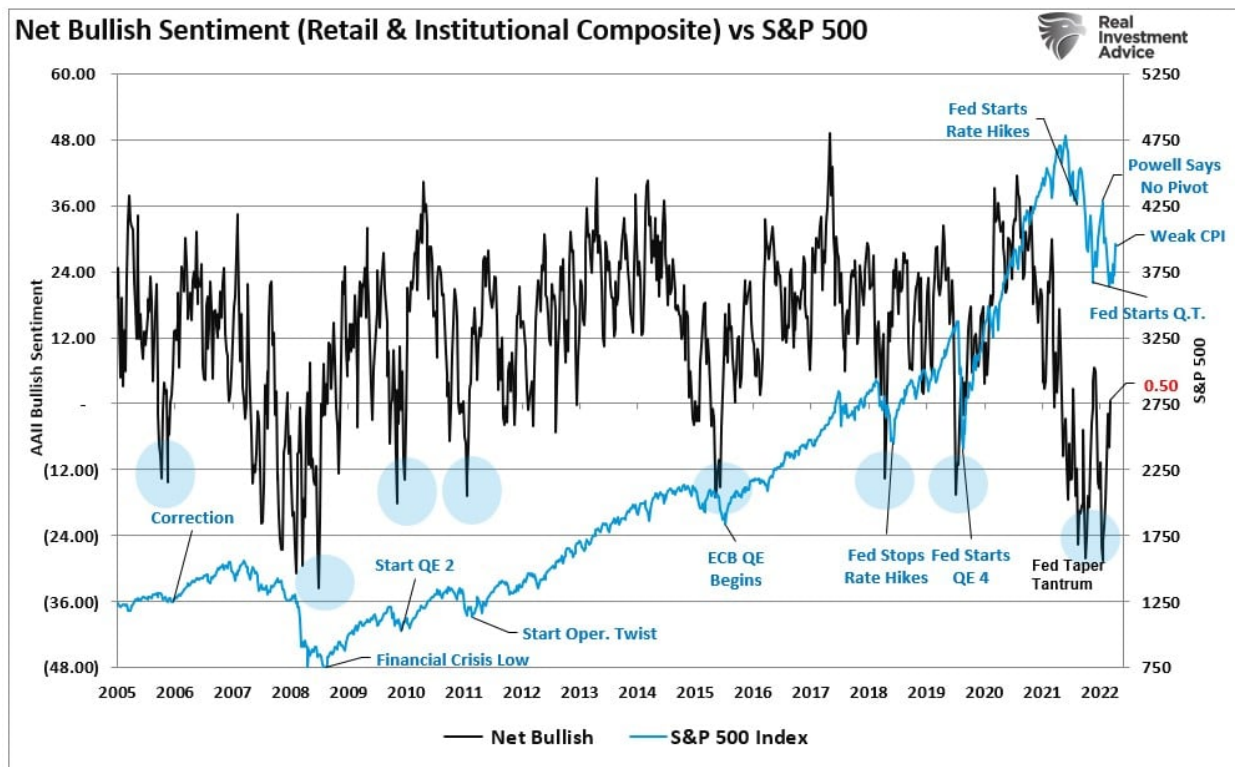
Last week, we discussed the market rally following the weak inflation print.

"From a technical perspective, the market tested and held crucial support again at the 20-dma after the FTX (cryptocurrency) blowup on Wednesday. The subsequent rally off support turned our MACD "buy signal" higher, keeping it intact, and the market cleared critical resistance at the 100-dma. Such now sets the stage for a rally to the 200-dma between 4000 and 4100."

This week, the market touched our initial objective of 4000, but as we will discuss momentarily, tough talk from Federal Reserve officials knocked the markets back a bit. However, despite those comments, the sell-off was mild, holding above critical supports heading into the holiday-shortened and light volume trading week where the *"inmates will run the asylum."*



The good news is that the market tested, and held, 100-dma with the 20-dma crossing above the 50-dma. With the market contained in a rising trend channel, this all suggests the bulls remain in control for the time being. Speaking of *"inmates,"* the net bullishness of investors is now at the highest level since the July market peak.



With next week a holiday-shortened trading week, a continued advance through the end of the month is likely.

However, there is a problem with this bullishness as the market rally works against the Fed's goal of tightening monetary policy to reduce inflationary pressures. Such was why we saw various Fed speakers out this past week trying to talk the market lower.

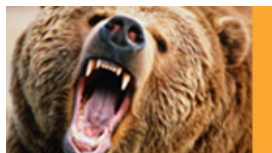
*"Somewhere between 4.75 and 5.25 seems a reasonable place to think about as we go into the next meeting. And so that does put it in the line of sight that we would get to a point where we would raise and hold. **Pausing is off the table right now, it's not even part of the discussion.** Right now, the discussion is, rightly, in slowing the pace.?"*
Mary Daly To CNBC

The tough talk is an attempt to reduce the market's continued hope for a "pivot" in Fed policy. The problem with a Fed "pivot," as discussed below, is that such will likely occur when it is least bullish for equities. To get inflation under control, the Fed must contract economic activity. Such is already happening and is beginning to show in deepening inverted yield curves.

At nearly 8% inflation, the Fed is not close to a pivot with unemployment at historically low levels. As such, investors need to pay attention to what the yield curves are suggesting.

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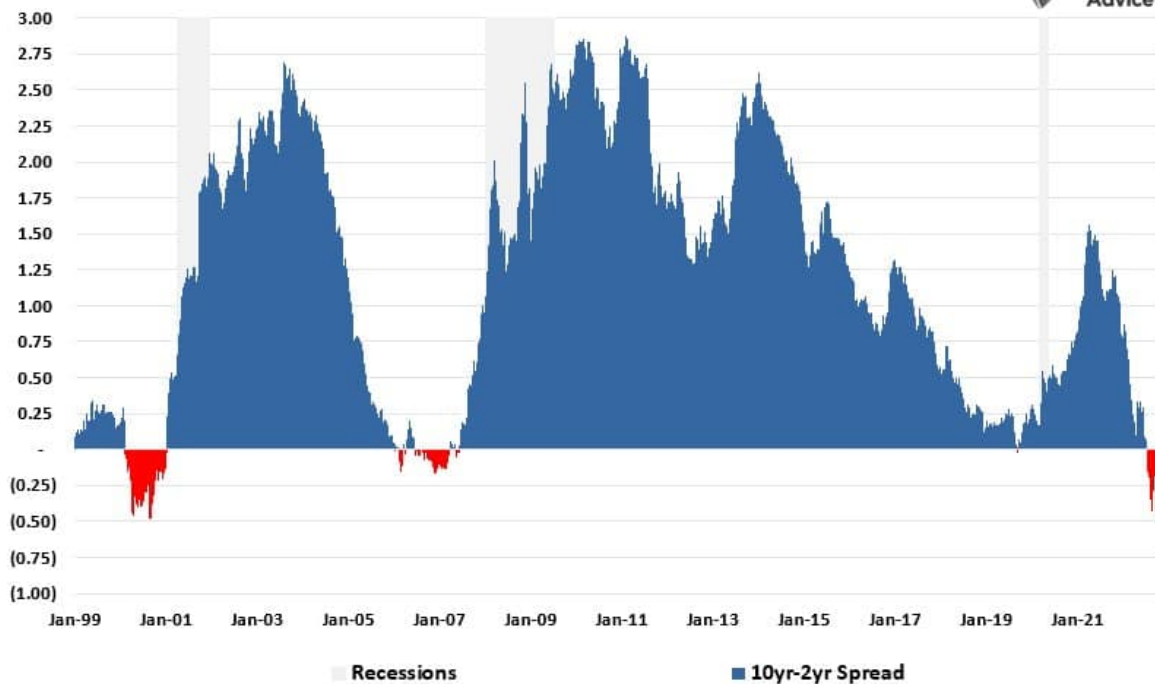
Inverted Yield Curve Deepens

On Thursday, St. Louis Federal Reserve President James Bullard said the central bank still has a lot of work to do.

"Thus far, the change in the monetary policy stance appears to have had only limited effects on observed inflation, but market pricing suggests disinflation is expected in 2023. The policy rate is not yet in a zone that may be considered sufficiently restrictive. To attain a sufficiently restrictive level, the policy rate will need to be increased further."
- [CNBC](#)

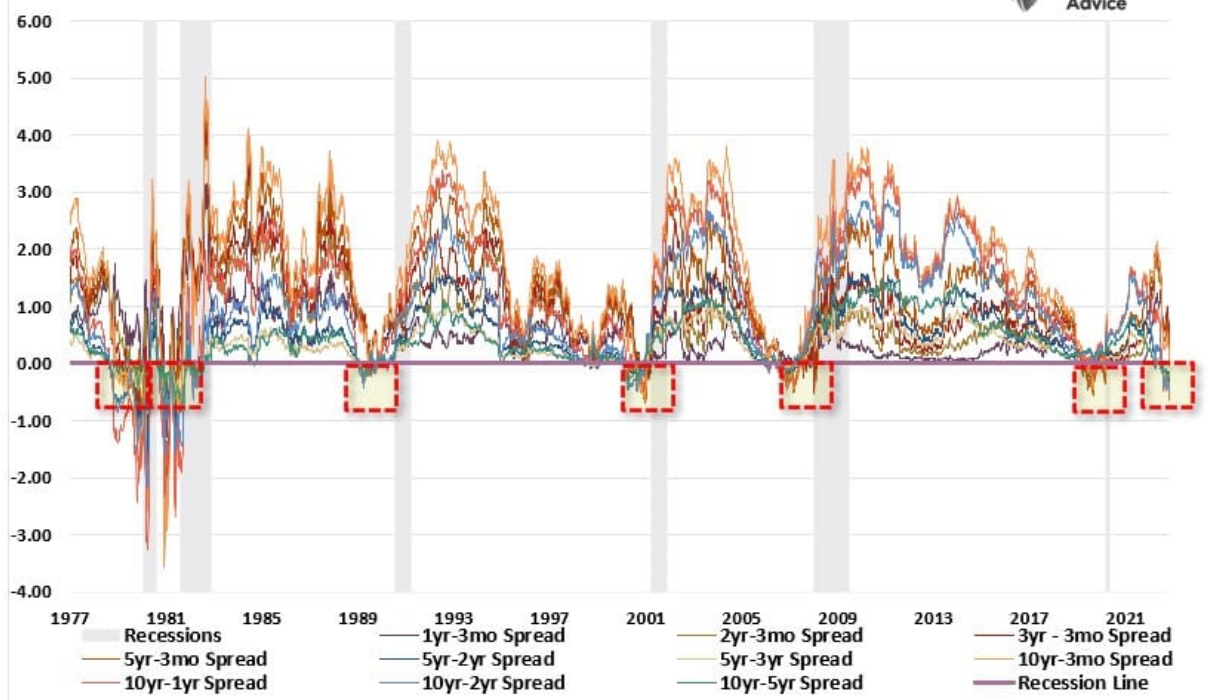
Such is an important statement given current economic conditions. The Federal Reserve controls the short-end of the yield curve (1-month to 2-year rates.) However, the economy, wages, and inflation control the long end of the curve. Therefore, as the Fed continues to hike rates, such will increase the number, and the depth, of inverted yield curves. Notably, the inversion of various yield curves is essential to both market outcomes and the economy (*aka recession*).

Is The Yield Curve Sending A Warning

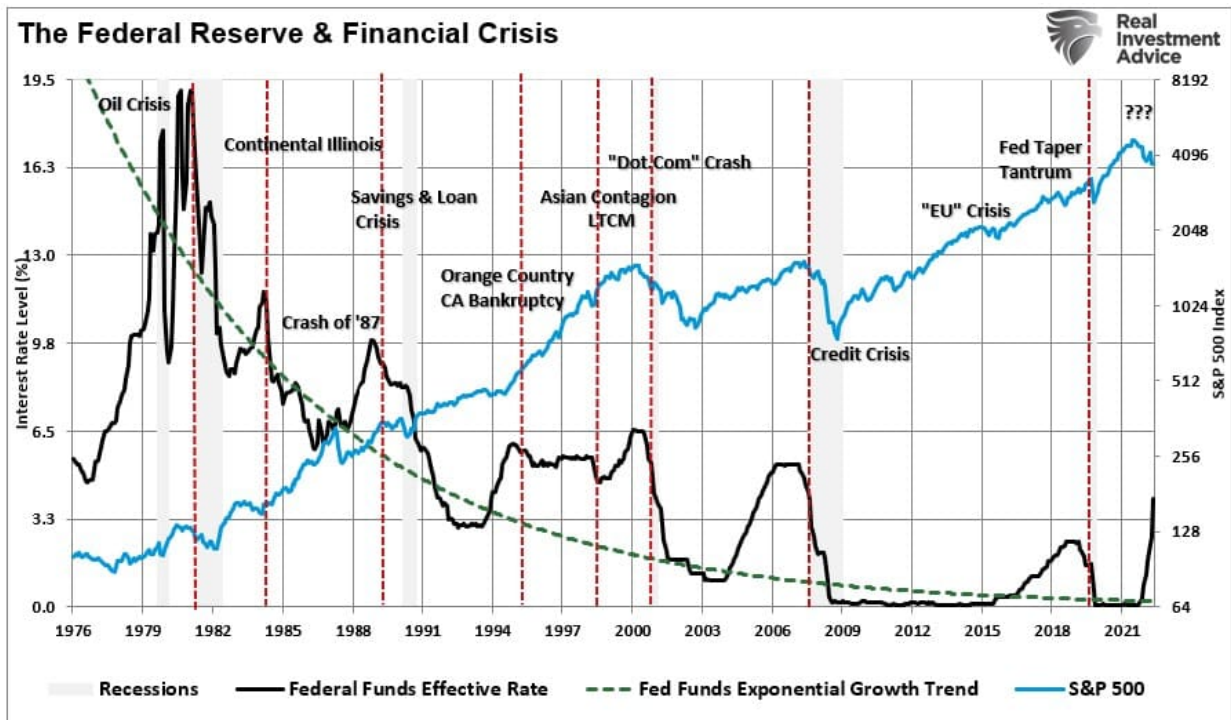


As [discussed previously](#), we monitor ten economically significant yield spreads. Notably, it is not just the inverted yield of the 10-year versus 2-year Treasury bonds that signal a recession, but rather when a majority of yield spreads track invert. More importantly, as shown, the inverted yield spreads only signal a recession is approaching. **It is when the yield curves UN-invert that denotes the arrival of the recession.**

Which Yield Spread Matters?



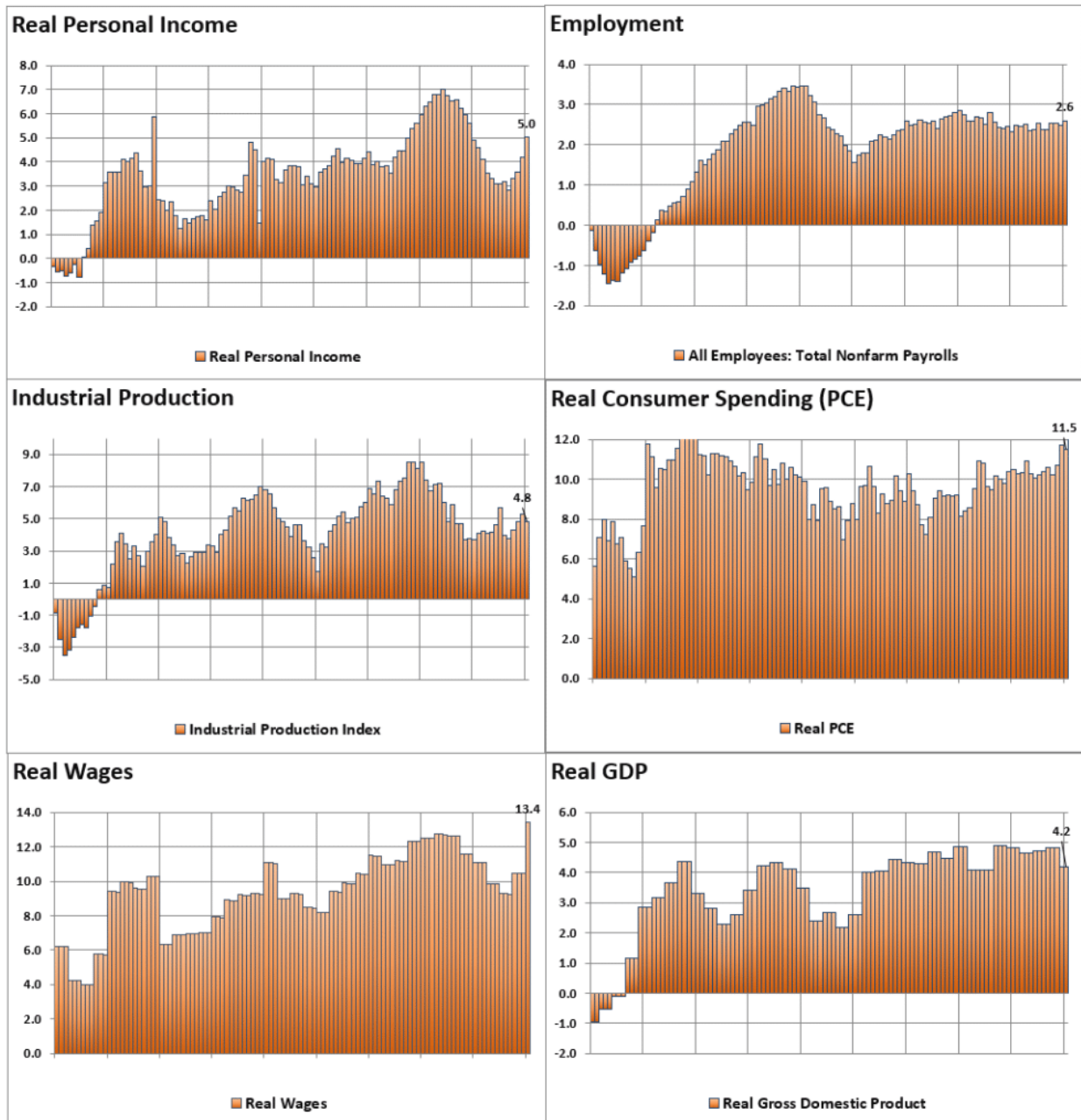
Such is because, at that moment, the short end of the yield curve is falling faster than the long end of the curve as the Fed starts cutting rates. Historically, these rapid cuts in the Fed Funds rate coincide with the onset of a recession as the Fed acts to provide monetary accommodation.



However, *"this time seems different"* as the Fed hikes rates, but economic data like employment, GDP growth, and retail sales appear strong. Such seems to suggest the Fed's rate hikes are not grossly impacting economic strength, and the fabled *"soft landing"* might be obtainable.

Economic Data Says "No" Recession

When looking at economic statistics, it certainly appears to be little risk of recession. The 6-charts below are the economic measures most viewed by economists.



Clearly, there are NO signs of recession:

- 5% annualized real personal income growth
- 2.6% annualized employment growth
- 4.8% annualized industrial production growth
- 11.5% annualized real PCE growth
- 13.4% annualized real wage growth
- 4.8% annualized real GDP.

Yet, the yield curve is inverting.

So, which indicator is right?

Should you be betting on the economic data or the "yield curve?"

My apologies. I forgot to add the X-Axis to the charts above. *(Not really, it was intentional)*

That time frame is 1991 through 1999.

I don't need to remind you what happened next.

How about the stats in **December 2007, when the next recession officially started?**

- 1.4% annualized real personal income growth
- 0.8% annualized employment growth
- 2.2% annualized industrial production growth
- 4.6% annualized real personal consumption expenditure growth
- 5.7% annualized growth in real wages
- 2.0% annualized real GDP.

Again, there is no recession visible. Yet, the yield curve was sending a warning.

Notably, while investors are hoping for a *"Fed Pivot"* to boost stock prices, the inverted yield curves are warning differently.

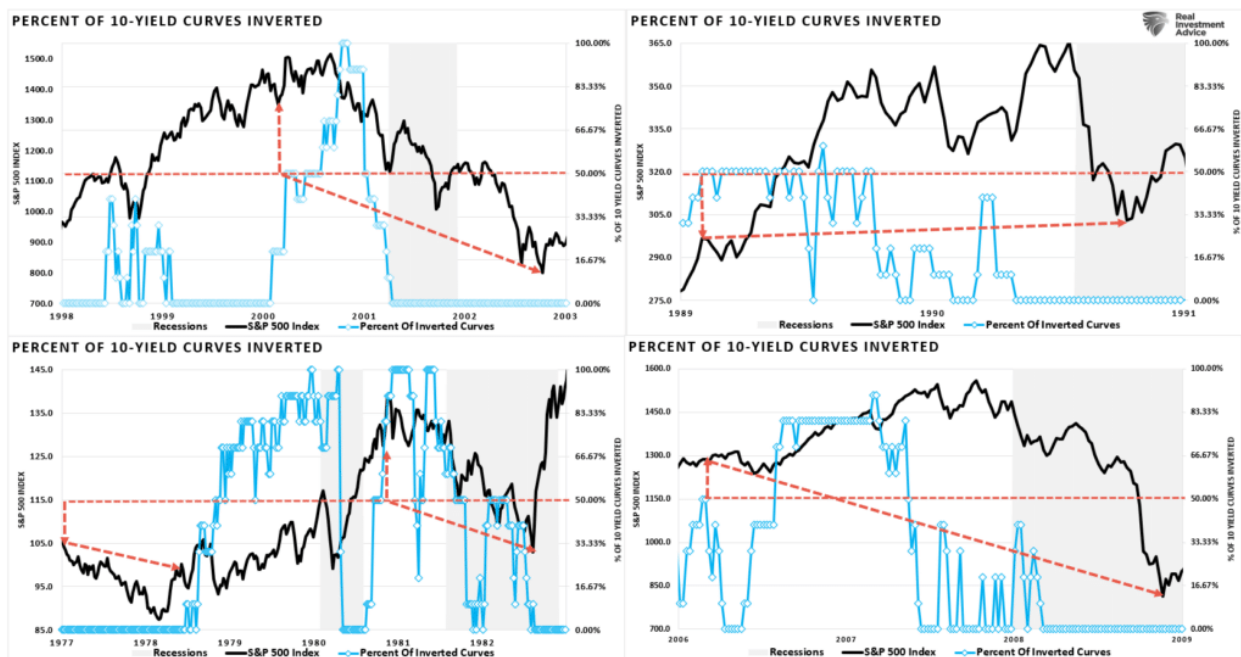
Inverted Yield Curves And Market Outcomes

Since mainstream financial advice never suggests selling, investors didn't realize going to cash in 1998 would save them years of losses to recover.

The *"Dot.com"* crash was considered a **once-in-a-100-year event**. Unfortunately, 4-years later, in 2006, the media again told investors to ignore the yield curve inversion. **It was a *"Goldilocks economy,"* and *"sub-prime mortgages were contained."***

For a second time, had investors sold when the yield curve inverted, the amount of damage avoided more than paid off for the small gains missed as the market peaked.

The quad-panel chart below shows the 4-previous periods where 50%, or more, of 10 different inverted yield curves occurred. I have drawn a horizontal red dashed line at the first point where 50% of the 10-yield curves tracked became inverted. I have also denoted the point you should have sold and the subsequent low.

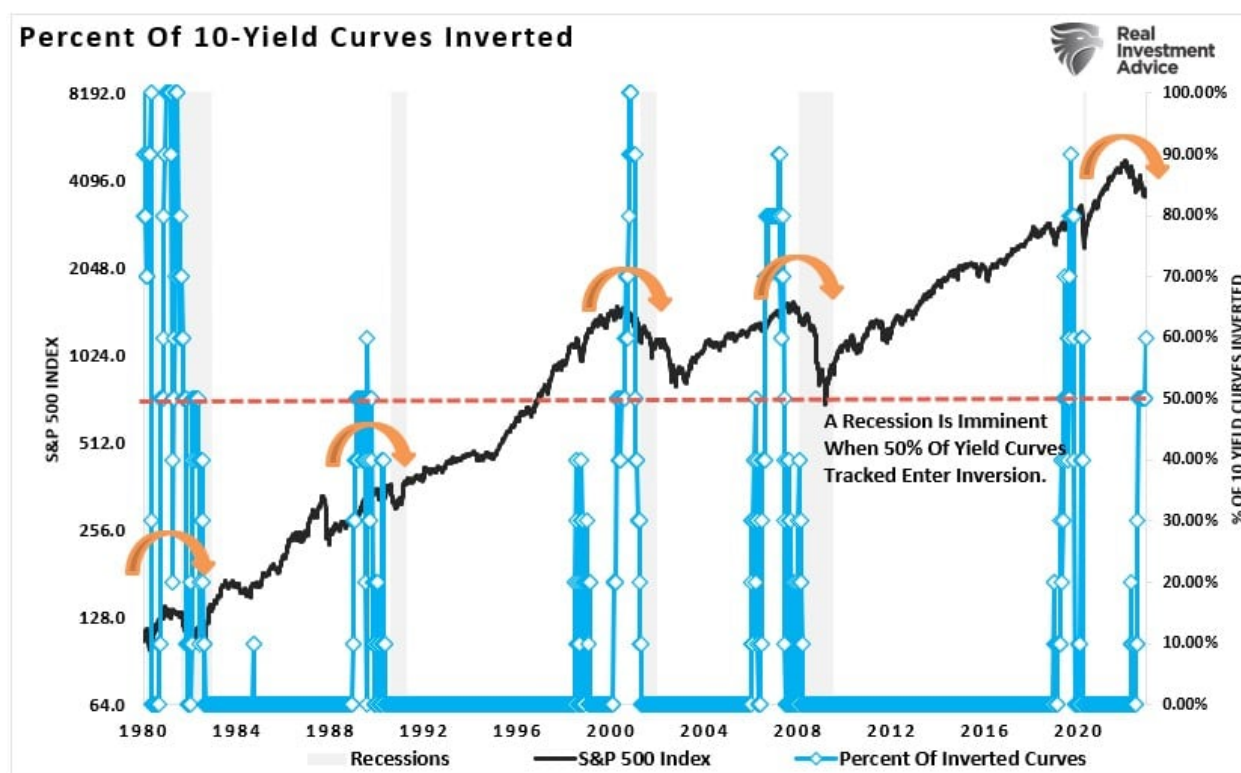


Notably, had investors reduced equity-related risk, not only did they bypass a lot of market volatility, but they ended up better off than those trying to *"ride it out."*

In 2019, the yield curve inverted again, leading to a 35% correction and recession in 2020.

That's just history

Once again, 60% of the 10-spreads we track are inverted. **As such, the risk of a recessionary onset increases.**



As the Fed continues to hike rates, more curves will invert. Currently, the Fed seems intent on doing just that.

While using the "yield curve" as a "market timing" tool is unwise, dismissing the message entirely is just as foolish.

Moreover, I do not suggest you sell everything and go to cash today. However, history is clear that you will likely not miss much if you do.

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How We Are Trading It

This week's message is central to our core investment philosophy of heeding risks as they develop. As noted, we are becoming increasingly cautious in portfolios with 60% of the tracked yields inverted. This past week we further reduced equity allocations and increased cash levels as the market rallied toward our initial targets.

As the Fed engages in its most aggressive monetary tightening campaign in history, from hiking rates to reducing its balance sheet, such will impact economic activity next year. The continued extraction of liquidity from the markets historically aligns with deeper market corrections, credit-related events, or recessions. There is little reason to expect this time will be different.

We continue to pay attention to what the market is telling us. The rally we expected finally materialized. We previously suggested using any rally to rebalance risk, adjust allocations, and reconsider investment strategies as we deal with a changing environment.

From that view, we have previously rebalanced our energy exposures and reduced more aggressive growth names. This week, we trimmed back positions with significant runs outside their relative risk ranges. Those changes keep us significantly underweighting equity risk with sizable cash holdings to protect client portfolios against further market weakness.



With quarter-end rebalancing approaching, I would not be surprised to see a continued rally. However, as the Fed becomes more aggressive, I remain concerned there could be a sizable increase in volatility.

Continue to follow the basic portfolio management guidelines for now.

1. ***Tighten up stop-loss levels*** to current support levels for each position.
2. ***Hedge portfolios*** against significant market declines.
3. ***Take profits in positions*** that have been big winners
4. ***Sell laggards and losers.***
5. ***Raise cash and rebalance portfolios*** to target weightings.

See you next week.

Research Report



Hard Landing Coming? Investors Don't Think So.

Written by Lance Roberts | Nov 18, 2022 | Investing

Is a "hard landing" coming, economically speaking, as the Fed continues its most aggressive rate hi...

[> Read More](#)

Market Recap - Economic & Market Outlook 2023

<https://www.youtube.com/watch?v=yByAbEh4NmM&list=PLVT8LcWPeAug2RC69jzUXs0gWz2P5wV>

Stock Of The Week In Review

[Five Stocks For A Price Spurt](#)

Using the [SimpleVisor](#) screening tool, this week's scan starts with the 2022 large-cap underperformers to find those that surged on last week's lower-than-expected CPI report. Like [last week](#), our goal is to isolate the stocks which may outperform when inflation falls, and the Fed starts to signal they are likely to pivot.

Six stocks were up over 20% from November 10 through November 14. Despite the massive price gains, the stocks are still down over 40% year to date. This screen does not consider fundamental or technical analysis.

***In the SimpleVisor Equity Portfolio, we reduced our exposure in NVDA and AMD on November 14th. The trades were due to the large price increases and the ensuing overbought technical condition.*

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

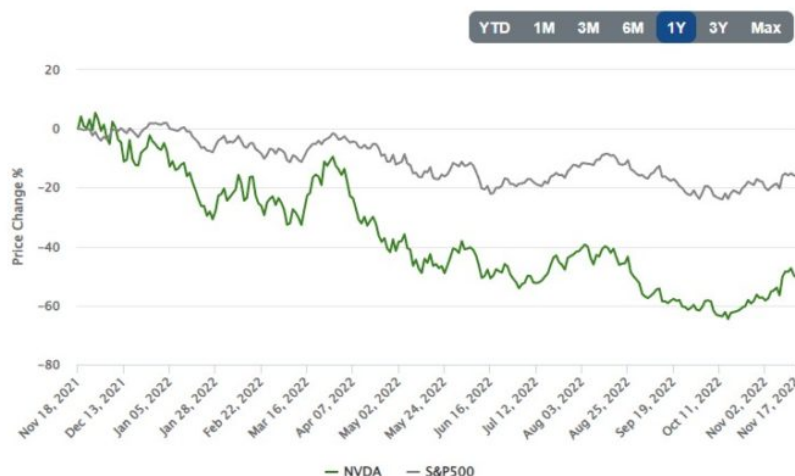
Here is one of the stocks from the scan.

NVIDIA Corporation (NVDA) - Semiconductors

Description

NVIDIA Corporation provides graphics, and compute and networking solutions in the United States, Taiwan, China, and internationally. The company's Graphics segment offers GeForce GPUs for gaming and PCs, the GeForce NOW game streaming service and related infrastructure, and solutions for gaming platforms; Quadro/NVIDIA RTX GPUs for enterprise workstation graphics; vGPU software for cloud-based visual and virtual computing; automotive platforms for infotainment systems; and Omniverse software for building 3D designs and virtual worlds. Its Compute & Networking segment provides Data Center platforms and systems for AI, HPC, and accelerated computing; Mellanox networking and interconnect solutions; automotive AI Cockpit, autonomous driving development agreements, and autonomous vehicle solutions; cryptocurrency mining processors; Jetson for robotics and other embedded platforms; and NVIDIA AI Enterprise and other software. The company's products are used in gaming, professional visualization, datacenter, and automotive markets. NVIDIA Corporation sells its products to original equipment manufacturers, original device manufacturers, system builders, add-in board manufacturers, retailers/distributors, independent software vendors, Internet and cloud service providers, automotive manufacturers and tier-1 automotive suppliers, mapping companies, start-ups, and other ecosystem participants. It has a strategic collaboration with Kroger Co. NVIDIA Corporation was incorporated in 1993 and is headquartered in Santa Clara, California.

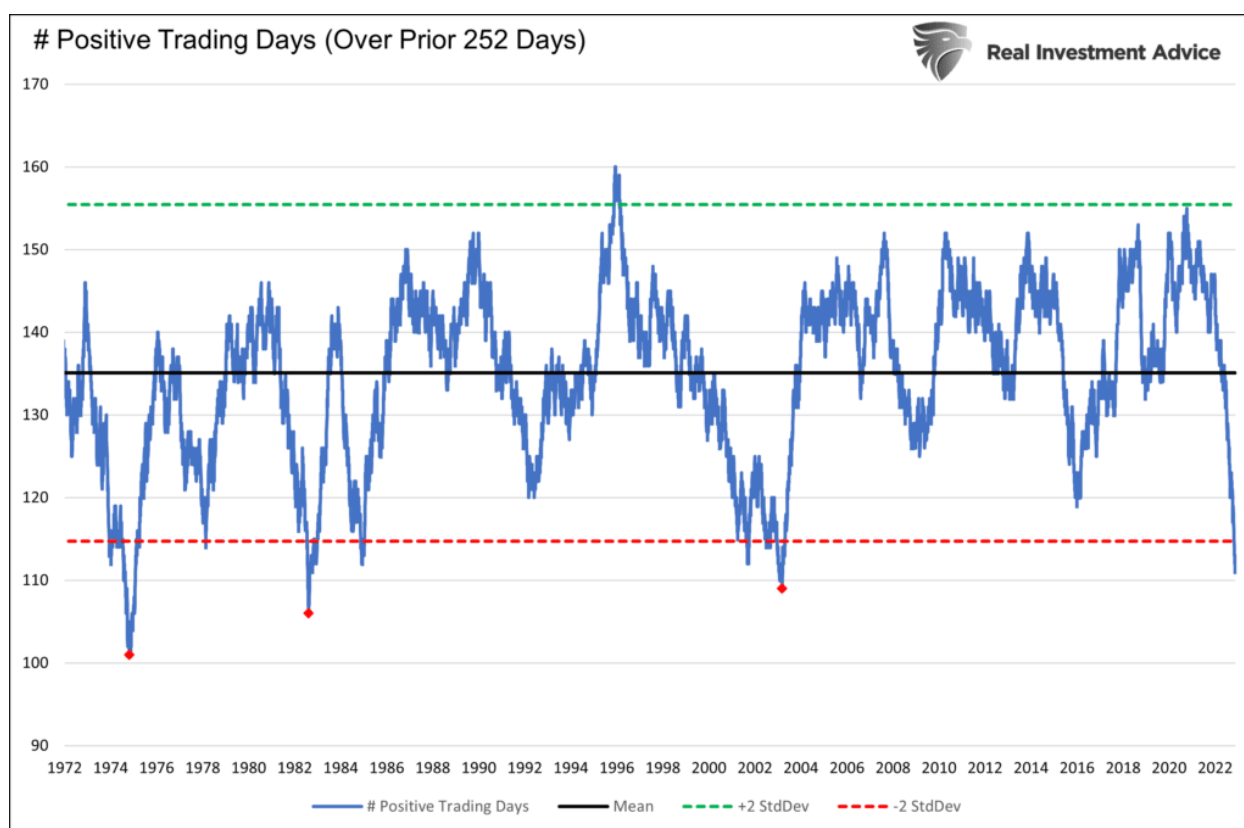
Latest Price (Nov 18, 2022, 10:34:10 AM) \$154.57 ▼ (-\$2.21) (-1.41%)	Last Close \$156.77	Open \$159.66	Volume 20,570,791	Annual Div. \$0.64	Mkt Cap (mn) \$385,175.98
52 Week Range \$108.13 - \$346.47	Day Range \$153.04 - \$160.02	Avg. Volume (3m) 59,422,198	Div. Yield 0.41%	Beta 1.71	



Daily Commentary Bits

A Bearish Signal with Bullish Implications

The graph below plots the number of positive trading days per the prior 252-day periods going back 50 years. Over the last 252 trading days, only 111 days, or 44%, have been positive. The red diamonds highlight that such a low occurrence has only happened three other times, two of which were over 40 years ago. From oldest to newest, the annual return for the next 252 trading days following those highlighted lows are as follows: +28.02%, +57.73%, and +40.36%. Therefore, we may have quite a rally in the coming year if this indicator proves worthy.



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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				
ELV	UNH	BDX	CVS	RMD	TDG	ROK	CARR	ALLE	AOS	ROST	GM	BBY	TSCO	BWA	KEYS	JNPR	MSI	ANET	CSCO
3.84%	2.85%	2.58%	2.55%	2.48%	3.08%	2.35%	2.04%	1.98%	1.96%	9.86%	2.92%	2.88%	2.76%	2.18%	3.54%	3.47%	2.91%	2.59%	2.58%
CTLT	CI	CNC	SYK	OGN	CHRW	VRSK	FDX	JCI	MAS	HAS	AZO	LKQ	RCL	YUM	SEDG	JKHY	ON	GLW	TEL
2.31%	2.28%	2.16%	2.11%	2.01%	1.95%	1.94%	1.85%	1.84%	1.75%	1.88%	1.65%	1.54%	1.52%	1.5%	2.4%	2.11%	1.9%	1.8%	1.61%
PFE	REGN	HSIC	INCY	ALGN	HON	PWR	RHI	ODFL	IR	CCL	LEN	AAP	AMZN	MGM	GOOGL	LRCX	CRM	MTCH	NVDA
-0.21%	-0.32%	-0.37%	-0.65%	-0.72%	0.01%	-0.06%	-0.12%	-0.14%	-0.17%	-0.42%	-0.45%	-0.55%	-0.75%	-0.81%	-0.95%	-0.97%	-1.1%	-1.34%	-1.71%
TECH	WBA	LH	MRNA	ILMN	CSX	MMM	SWK	URI	EMR	KMX	LVS	TSLA	BBWI	WYNN	ADSK	ADBE	TYL	CDAY	FTNT
-0.92%	-0.95%	-1.2%	-1.26%	-1.83%	-0.23%	-0.31%	-0.37%	-0.5%	-0.96%	-1%	-1.49%	-1.63%	-1.9%	-2.6%	-2.01%	-2.06%	-2.21%	-2.3%	-3.68%
Financial					Consumer Goods					Utilities					Materials				
LNC	SCHW	AMP	AJG	ACGL	CAG	EL	CPB	KMB	HSY	ATO	PEG	EIX	AEE	PCG	CE	VMC	MLM	PPG	LIN
4.37%	2.45%	2.22%	2.13%	1.98%	2.89%	2.32%	2.12%	1.96%	1.62%	3.5%	3.26%	3.14%	3.1%	3.02%	1.92%	1.79%	1.62%	1.43%	1.38%
RE	WRB	AON	CFG	RJF	CHD	GIS	KDP	CL	WMT	ED	NI	EXC	WEC	ETR	SHW	EMN	APD	NEM	LYB
1.93%	1.93%	1.87%	1.81%	1.7%	1.58%	1.58%	1.57%	1.55%	1.51%	3%	2.97%	2.93%	2.88%	2.83%	1.24%	1.21%	1.08%	1.03%	0.62%
SPGI	FRC	KEY	CMA	COF	PEP	KO	DG	CLX	ADM	PNW	XEL	CNP	PPL	D	FMC	ECL	DD	NUE	FCX
-0.26%	-0.3%	-0.32%	-0.34%	-0.48%	0.72%	0.71%	0.69%	0.64%	0.58%	1.96%	1.85%	1.64%	1.52%	1.35%	0.27%	0.14%	0.06%	-0.05%	-0.06%
TROW	CME	PYPL	ALL	CBOE	TGT	COST	TSN	KR	DLTR	DUK	DTE	NEE	EVRG	AES	DOW	ALB	CTVA	CF	MOS
-0.57%	-0.59%	-0.84%	-1.39%	-1.78%	0.54%	0.45%	0.2%	0.17%	-0.21%	1.33%	1.2%	1.03%	0.79%	0.69%	-0.12%	-0.17%	-0.35%	-0.8%	-2.02%
Real Estate					Energy					Communication Services									
HST	AVB	PLD	ARE	ESS	TRGP	OKE	SLB	WMB	KMI	OMC	EA	FOX	VZ	FOXA					
2.57%	2.46%	2%	1.98%	1.96%	1.92%	1.37%	1.15%	0.91%	0.66%	1.27%	1.11%	1.04%	1.02%	0.98%					
IRM	UDR	EQR	MAA	EXR	MPC	VLO	OXY	CVX	PSX	IPG	TMUS	CMCSA	META	ATVI					
1.91%	1.9%	1.86%	1.84%	1.83%	0.65%	-0.21%	-0.29%	-0.6%	-0.67%	0.88%	0.72%	0.7%	0.54%	0.39%					
SBAC	WY	FRT	KIM	O	EGT	MRO	HES	DVN	COP	LUMN	NWSA	GOOG	NWS	TTWO					
0.98%	0.78%	0.76%	0.64%	0.45%	-1.58%	-1.6%	-1.83%	-1.93%	-1.98%	-0.17%	-0.61%	-0.71%	-0.76%	-0.89%					
BXP	REG	CSGP	AMT	VNO	HAL	BKR	EOG	PXD	FANG	DISH	WBD	NFLX	CHTR	LYV					
0.38%	0.32%	0.06%	-0.19%	-0.29%	-2.03%	-2.35%	-2.4%	-2.58%	-3.44%	-1.04%	-1.73%	-2.47%	-2.58%	-7.85%					

S&P 500 Tear Sheet

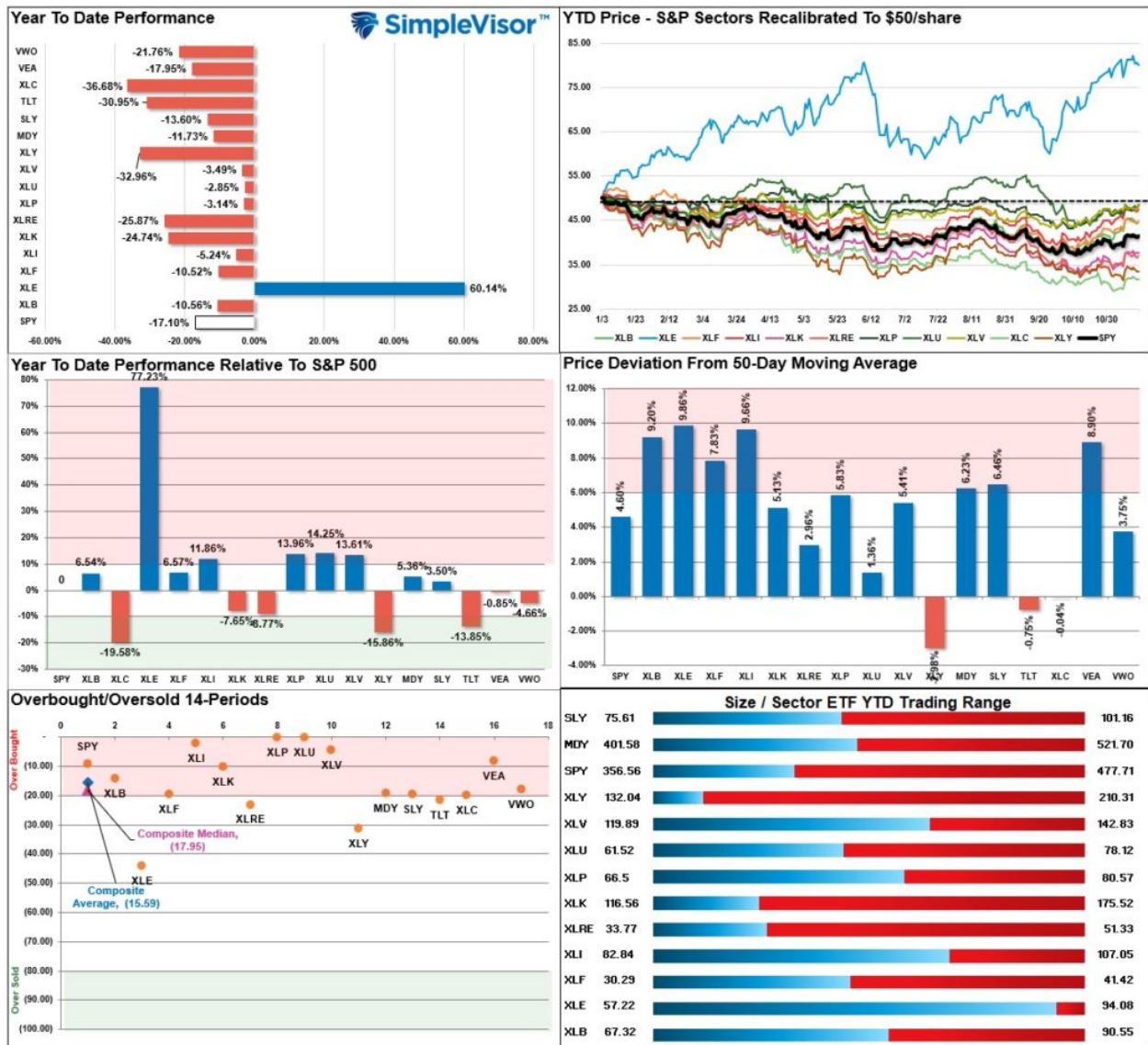
3 Month SPY Price								SPY RISK INFO				
								Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
								Price Return	11.16%	(15.69%)	(16.62%)	5.92%
								Max Drawdown	(27.47%)	(27.47%)	(27.47%)	0.00%
								Sharpe	0.43	(0.56)	(0.80)	0.42
								Sortino	0.55	(0.85)	(1.26)	0.47
								Volatility	19.07	24.07	24.93	0.04
								Daily VaR-5%	(23.17)	(51.31)	(59.30)	0.16
								Mnthly VaR-5%	(19.80)	(49.40)	(57.81)	0.17
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	1.59%	1.21%	1.57%	22.57%	2.14%	1.20%	(26.92%)	30.15%	Shares	3,814.8	3,721.0	(2.46%)
P/E Ratio	25.72	26.68	18.11	(47.37%)	2890%	1643%	(37.4%)	10.17%	Sales	98,283	109,585	11.50%
P/S Ratio	4.09	4.78	3.53	(35.39%)	4.93	3.21	(28.40%)	10.04%	SPS	25.8	29.5	14.31%
P/B Ratio	5.26	6.74	5.52	(22.13%)	6.75	4.30	(18.31%)	28.25%	Earnings	18,917	19,338	2.23%
ROE	19.45%	28.29%	27.69%	(2.16%)	29.58%	17.67%	(6.39%)	56.66%	EPS TTM	5.1	5.7	12.03%
ROA	4.47%	6.37%	6.37%	0.00%	6.71%	4.09%	(5.06%)	55.94%	Dividend	1.5	1.6	7.99%
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	60.90%	5.36%	1.46	9.66	93.64	(357.54)	(89.7%)	27.0%	2.9%	8.55%	8.55	9.82
Materials	(9.49%)	2.68%	1.10	13.98	27.12	12.53	(48.4%)	18.0%	2.0%	7.33%	5.68	14.15
Industrials	(6.47%)	8.46%	1.16	22.51	55.50	14.67	(59.4%)	20.1%	1.7%	4.40%	6.64	17.48
Discretionary	(35.14%)	10.47%	1.34	27.28	59.35	21.88	(54.0%)	17.6%	0.9%	3.58%	4.48	23.99
Staples	3.17%	6.86%	0.60	21.94	23.09	17.43	(5.0%)	29.6%	2.5%	4.59%	4.59	20.47
Health Care	0.24%	14.99%	0.72	16.45	19.71	15.17	(16.5%)	37.9%	1.6%	6.12%	8.41	16.87
Financials	(8.87%)	11.62%	1.16	13.83	18.55	10.60	(25.4%)	11.0%	2.0%	7.18%	7.19	12.21
Technology	(22.14%)	26.36%	1.15	22.88	32.99	16.65	(30.6%)	72.0%	1.1%	4.35%	6.25	21.67
Telecom	(40.50%)	7.46%	0.96	15.85	28.04	16.54	(43.5%)	23.4%	0.7%	6.67%	4.55	15.28
Utilities	1.28%	2.97%	0.63	20.03	21.24	15.56	(5.7%)	11.1%	3.0%	5.22%	3.30	17.66
Real Estate	(22.81%)	2.66%	0.96	17.10	25.51	16.92	(33.0%)	10.1%	3.4%	5.72%	4.85	16.26
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	396.03	(2.60%)	378.06	7	4.75%	404.47	172	(2.09%)	(6.53%)	(17.49%)	13.77%	Sell
Mid Cap	458.27	0.35%	430.91	19	6.35%	450.24	7	1.78%	(4.29%)	(14.07%)	15.11%	Sell
Small Cap	86.75	2.05%	81.42	19	6.55%	85.98	7	0.90%	(5.31%)	(16.68%)	15.48%	Sell

Relative Performance Analysis

As we stated last week, the weaker inflation data sparked a "bid to cover" the most shorted and hated equity names.

"The sharp move has pushed most markets and sectors into extremely overbought territory, suggesting some profit-taking is likely well warranted."

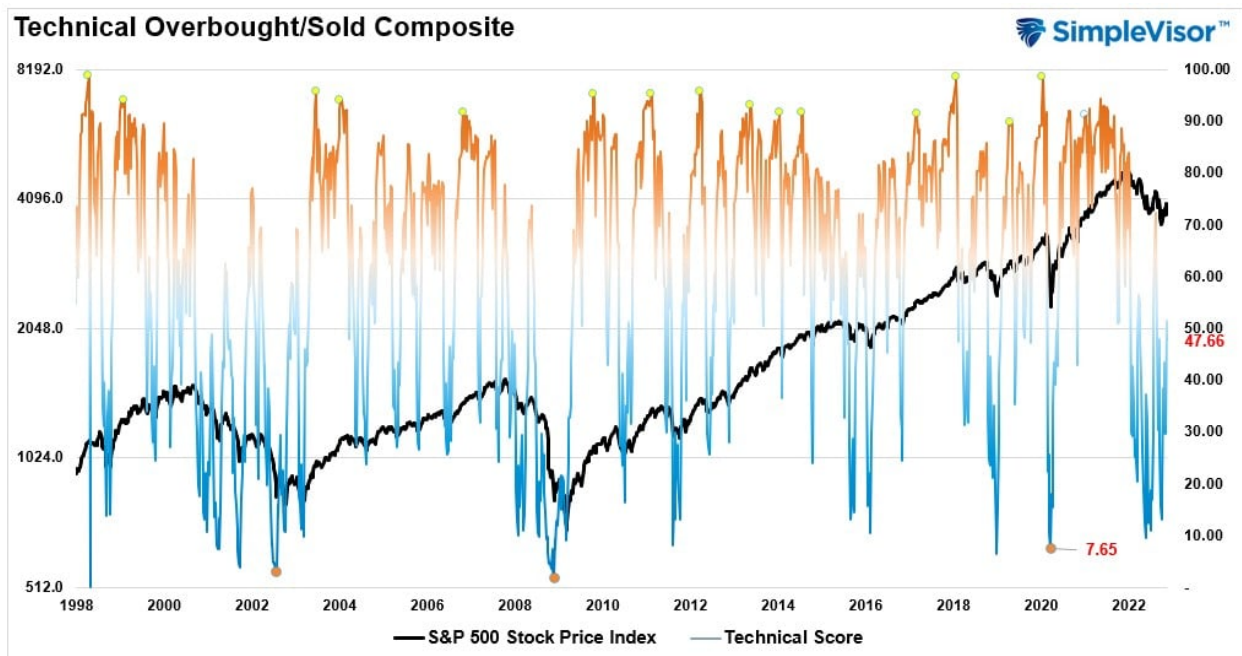
Such is what we saw this past week, but we could see some additional drift in the upcoming holiday-shortened week as many markets remain near overbought territory.



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 tend to peak when readings are at 80 or above, which suggests profit-taking and risk management are prudent. **The best buying opportunities exist when readings are 20 or below.**

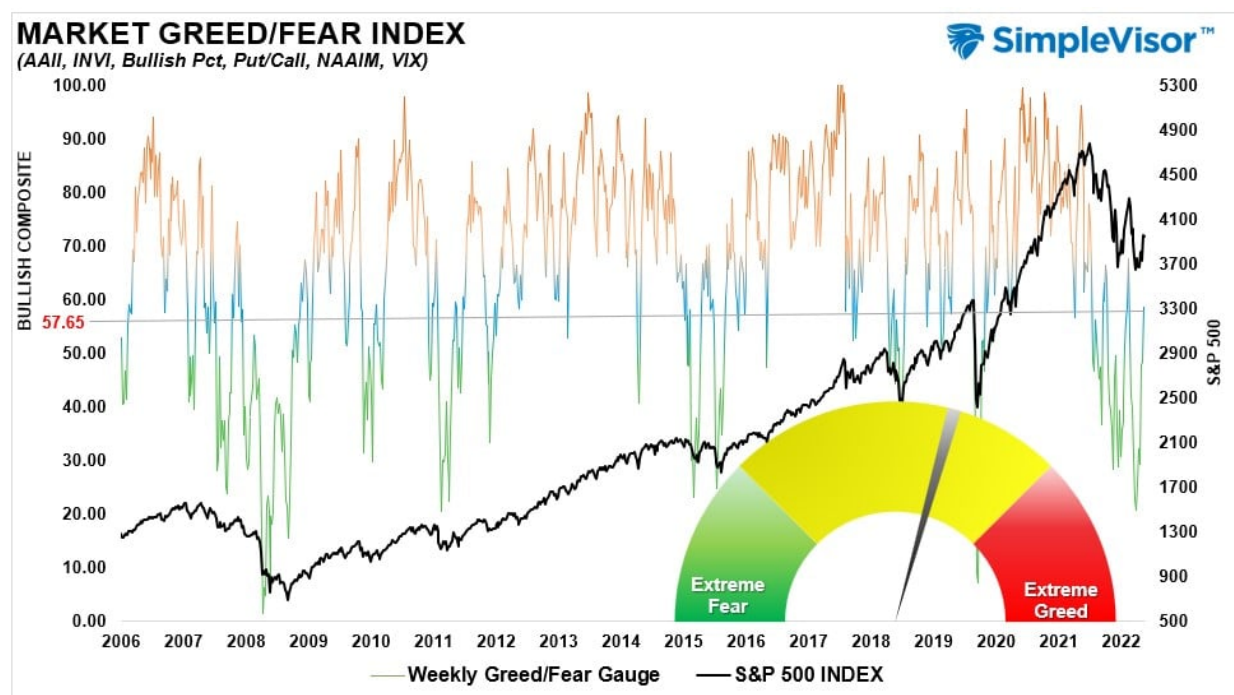
The current reading is 47.66 out of a possible 100 and rising. Remain long equities for now.



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 57.65 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.
- "MA 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.

With the rally over the last few weeks, and particularly the surge following last week's CPI report, many sectors are in more extreme overbought territory on a risk/reward basis. We suggested taking profits in last weekend's missive and continue to suggest the same this week. While markets are currently performing well, these larger moves tend to result in some near-term correction processes.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG WMA	MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	MA XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	397.78	(0.00)	5.85	(2.33)	(3.54)	(15.51)	385.58	401.00	387.79	1.00	397.48	378.10	3%	-1%	BEARISH
XLB	SPDR-MATLS SELS	79.99	(0.95)	4.76	4.46	(4.17)	6.49	74.00	78.48	74.08	1.04	75.72	71.46	3%	-2%	BEARISH
XLC	SPDR-COMM SV SLS	49.53	(0.38)	(7.88)	(7.87)	(13.38)	(22.33)	50.58	55.07	48.21	0.98	49.89	46.53	-2%	-12%	BEARISH
XLE	SPDR-EGY SELS	91.63	(1.01)	(0.44)	12.94	5.91	83.12	82.85	79.73	98.00	1.49	93.51	86.49	11%	15%	BULLISH
XLFI	SPDR-FINL SELS	35.37	(0.80)	4.03	7.23	4.97	6.16	32.97	33.76	33.98	1.09	35.20	32.76	7%	5%	BEARISH
XLK	SPDR-TECH SELS	132.09	(0.19)	0.39	(3.24)	(2.10)	(7.38)	128.24	135.61	127.87	1.11	132.43	123.25	3%	-3%	BEARISH
XLJ	SPDR-INDU SELS	99.44	0.51	6.27	6.44	7.61	9.56	91.54	93.09	94.35	1.13	97.78	90.92	9%	7%	BEARISH
XLPI	SPDR-CONS STPL	79.68	2.18	2.53	2.64	4.71	19.16	71.33	73.45	72.74	0.80	75.00	70.48	5%	2%	BEARISH
XLRE	SPDR-RE SELS	38.05	(1.18)	3.90	(9.14)	(9.67)	(5.56)	38.15	41.86	36.73	0.80	37.94	35.52	0%	-9%	BEARISH
XLU	SPDR-UTIL SELS	68.85	1.73	2.90	(6.73)	(3.86)	17.82	69.61	71.40	66.78	0.50	68.78	64.78	-1%	-4%	BEARISH
XLV	SPDR-HLTH CR	134.57	1.68	0.50	8.05	7.20	16.72	127.61	129.87	132.75	0.73	137.04	128.46	6%	4%	BEARISH
XTN	SPDR-CONS DISCR	140.99	(2.23)	(6.84)	(9.37)	(4.31)	(17.80)	148.36	154.40	144.03	1.16	149.30	138.76	-5%	-9%	BEARISH
XTN	SPDR-SP TRANSP	73.13	(1.79)	3.84	(0.65)	(3.40)	(7.65)	70.07	74.11	70.48	1.30	73.16	67.80	4%	-1%	BEARISH
SDY	SPDR-SP DIV ETF	128.44	0.69	4.22	3.97	5.08	18.01	120.89	123.20	122.99	0.86	127.12	118.86	6%	4%	BEARISH
RSP	INVS-SP5 EQ ETF	144.53	(0.46)	2.93	2.61	1.08	6.04	137.68	142.47	139.56	1.05	144.52	134.60	5%	1%	BEARISH
SLY	SPDR-SP6 SC	86.75	(0.42)	2.43	1.79	1.51	1.07	82.31	84.81	85.06	1.14	88.16	81.96	5%	2%	BEARISH
MDY	SPDR-SP MC 400	458.27	(0.21)	2.85	2.74	3.08	3.04	435.40	444.90	443.77	1.12	459.81	427.73	5%	3%	BEARISH
EEM	ISHARS-EMG MKT	38.03	0.26	1.98	(2.62)	(6.70)	(9.80)	36.83	39.62	34.19	0.69	35.28	33.10	3%	-4%	BEARISH
EFA	ISHARS-EAFE	65.15	0.12	6.58	6.22	(2.99)	(3.39)	60.03	64.25	59.31	0.83	61.20	57.33	9%	1%	BEARISH
IAU	ISHARS-GOLD TR	33.19	(0.51)	(0.25)	2.97	(2.04)	9.94	32.10	33.79	30.88	0.11	31.79	30.17	3%	-2%	BEARISH
GDX	VANCK-GOLD MNR	27.37	(2.69)	5.00	12.25	(12.40)	(3.20)	24.63	28.80	24.16	0.68	24.53	23.39	11%	-5%	BEARISH
UUP	INVS-DB US\$ BU	28.81	1.16	(10.16)	1.23	9.07	27.40	29.67	28.48	30.63	(0.15)	30.73	29.33	-3%	1%	BULLISH
BOND	PIMCO-ACTV BOND	90.12	1.09	(2.26)	(2.96)	(3.52)	(2.30)	90.65	94.54	88.20	0.15	90.54	85.86	-1%	-5%	BEARISH
TLT	ISHARS-20+YTB	99.64	2.38	1.10	(9.97)	(10.59)	(17.33)	102.68	111.97	96.11	(0.02)	98.46	93.73	-3%	-11%	BEARISH
BNDX	VANGD-TTL INT B	48.50	0.95	(2.83)	(0.00)	0.50	0.27	48.25	49.64	47.94	0.10	49.19	46.69	1%	-2%	BEARISH
HYG	ISHARS-BX HYCB	74.23	0.30	(3.45)	0.25	(2.07)	1.27	73.56	76.02	73.43	0.41	75.57	71.29	1%	-2%	BEARISH



RISK RANGE REPORT



Weekly SimpleVisor Stock Screens

Each week we will provide three different stock screens generated from [SimpleVisor](https://SimpleVisor.net): (RIAPro.net subscribers use your current credentials to log in.)

This week we are scanning for the Top 20:

- Relative Strength Stocks
- Momentum Stocks
- Highest Rated Stocks

These screens generate portfolio ideas and serve as the starting point for further research.

(Click Images To Enlarge)

RSI Screen

Scan Result: 16 Item(s) found												
Tables												
Overview Technicals Fundamentals Performance												
Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
BIIB	10/10	\$302.28	64.28	\$227.49	\$216.66	\$211.43	—	5	4	%	14.94	
ENPH	10/10	\$311.29	39.01	\$288.54	\$289.15	\$240.20	1	6	3	%	-7.32	
LW	10/10	\$83.85	64.63	\$78.81	\$79.93	\$74.58	4	5	3	1.15%	0.80	
PCG	10/10	\$14.83	60.68	\$13.32	\$12.46	\$11.69	1	5	3	%	0.55	
ALB	9/10	\$276.48	51.20	\$279.90	\$273.55	\$249.37	1	5	3	0.53%	0.36	
CAH	9/10	\$77.55	54.51	\$67.79	\$66.75	\$60.51	—	6	5	2.65%	0.53	
COP	9/10	\$128.73	61.18	\$110.21	\$105.71	\$102.61	1	8	1	1.83%	2.58	
AES	8/10	\$27.49	50.45	\$25.11	\$24.91	\$22.88	4	8	4	2.48%	-0.13	
CSGP	8/10	\$80.89	51.69	\$72.29	\$72.56	\$66.22	—	5	3	%	0.44	
DVN	8/10	\$69.33	58.72	\$65.31	\$64.97	\$63.11	1	8	3	8.10%	1.26	
HES	8/10	\$143.00	59.86	\$118.04	\$115.95	\$113.42	5	7	3	1.07%	2.47	
MOH	8/10	\$319.58	61.61	\$339.16	\$334.68	\$310.95	1	6	2	%	4.69	
MPC	8/10	\$120.87	61.78	\$98.99	\$97.90	\$95.18	—	9	1	2.52%	2.47	
REGN	8/10	\$737.39	61.81	\$707.66	\$652.14	\$631.71	4	6	3	%	22.53	
VRTX	8/10	\$314.83	53.49	\$289.91	\$288.74	\$281.74	1	6	2	%	2.81	
XOM	8/10	\$112.06	59.20	\$92.84	\$93.49	\$92.03	3	8	1	3.32%	1.39	

Momentum Screen

Scan Result: 20 Item(s) found												
Tables												
Overview Technicals Fundamentals Performance												
Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
BIIB	10/10	\$302.28	64.28	\$227.49	\$216.66	\$211.43	—	5	4	%	14.94	
ALB	9/10	\$276.48	51.20	\$279.90	\$273.55	\$249.37	1	5	3	0.53%	0.36	
COP	9/10	\$128.73	61.18	\$110.21	\$105.71	\$102.61	1	8	1	1.83%	2.58	
DVN	8/10	\$69.33	58.72	\$65.31	\$64.97	\$63.11	1	8	3	8.10%	1.26	
HES	8/10	\$143.00	59.86	\$118.04	\$115.95	\$113.42	5	7	3	1.07%	2.47	
MOH	8/10	\$319.58	61.61	\$339.16	\$334.68	\$310.95	1	6	2	%	4.69	
MPC	8/10	\$120.87	61.78	\$98.99	\$97.90	\$95.18	—	9	1	2.52%	2.47	
REGN	8/10	\$737.39	61.81	\$707.66	\$652.14	\$631.71	4	6	3	%	22.53	
VRTX	8/10	\$314.83	53.49	\$289.91	\$288.74	\$281.74	1	6	2	%	2.81	
XOM	8/10	\$112.06	59.20	\$92.84	\$93.49	\$92.03	3	8	1	3.32%	1.39	
CF	7/10	\$102.07	56.38	\$100.58	\$102.55	\$96.49	1	9	3	1.47%	0.56	
FANG	7/10	\$153.00	61.26	\$129.51	\$129.75	\$130.07	4	8	3	7.96%	2.40	
LLY	7/10	\$360.96	54.01	\$316.55	\$315.07	\$313.49	—	5	3	1.19%	4.41	
NOC	7/10	\$523.67	61.24	\$484.47	\$483.18	\$473.05	4	6	3	1.30%	2.66	
ORLY	7/10	\$837.45	56.08	\$706.21	\$712.47	\$675.39	5	8	3	%	4.85	
AZO	6/10	\$2,438.72	57.45	\$2,154.55	\$2,187.40	\$2,133.79	5	7	3	%	9.91	
CMI	6/10	\$248.47	55.58	\$212.76	\$217.81	\$209.35	5	7	4	2.59%	0.62	
EOG	6/10	\$140.16	56.06	\$118.85	\$116.12	\$116.98	7	8	3	2.70%	1.81	
ETSY	6/10	\$113.92	53.54	\$105.47	\$107.83	\$95.19	—	7	3	%	1.13	
IT	6/10	\$337.88	49.93	\$290.49	\$293.58	\$270.67	6	7	3	%	0.25	

Highest Rated Stocks

Scan Result: 21 Item(s) found												
Tables												
Overview Technicals Fundamentals Performance												
Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
↕	↕	↕	↕	↕	↕	↕	↕	↕	↕	↕	↕	↕
APTS	10/10	\$25.00	63.08	\$24.93	\$24.91	\$24.26	4	9	4	%	0.02	
ARLP	10/10	\$21.94	50.06	\$23.97	\$23.88	\$21.65	4	9	—	7.31%	0.01	
CLFD	10/10	\$118.16	43.28	\$97.48	\$106.18	\$85.51	4	7	1	%	-1.09	
ELF	10/10	\$54.40	45.34	\$38.83	\$37.72	\$32.84	5	7	3	%	0.15	
EVOP	10/10	\$33.69	65.32	\$33.36	\$33.29	\$28.53	5	8	2	%	0.22	
EXTR	10/10	\$19.01	53.32	\$13.22	\$13.61	\$11.69	6	8	2	%	0.10	
FTI	10/10	\$11.89	56.44	\$8.94	\$8.64	\$7.86	5	7	3	%	0.20	
MTDR	10/10	\$66.97	61.40	\$55.00	\$56.98	\$55.01	4	8	3	0.61%	0.89	
MUR	10/10	\$46.90	62.37	\$38.57	\$37.08	\$36.05	5	7	3	1.99%	1.28	
NLY	10/10	\$19.75	53.10	\$15.39	\$10.14	\$8.14	5	8	5	16.71%	2.21	
ULH	10/10	\$38.25	46.18	\$32.82	\$35.14	\$31.11	5	8	3	1.16%	-0.58	
YPF	10/10	\$7.42	57.15	\$6.81	\$5.66	\$4.67	4	8	4	%	0.35	
AES	8/10	\$27.49	50.45	\$25.11	\$24.91	\$22.88	4	8	4	2.48%	-0.13	
CLH	8/10	\$115.72	50.50	\$115.56	\$113.89	\$101.71	5	9	2	%	0.32	
DFIN	8/10	\$37.17	47.20	\$37.72	\$39.99	\$35.17	6	8	3	%	-0.42	
DKS	8/10	\$107.23	50.35	\$111.15	\$107.51	\$94.79	4	8	2	1.69%	0.75	
FSS	8/10	\$50.18	63.18	\$39.15	\$40.45	\$38.02	4	7	4	0.80%	0.15	
HES	8/10	\$143.00	59.86	\$118.04	\$115.95	\$113.42	5	7	3	1.07%	2.47	
OPCH	8/10	\$28.39	54.72	\$32.01	\$32.64	\$30.86	5	8	3	%	0.28	
SANM	8/10	\$65.92	57.75	\$47.59	\$48.54	\$45.48	5	7	4	%	0.43	
SBS	8/10	\$10.31	67.33	\$9.60	\$9.27	\$8.88	5	7	—	1.61%	0.44	

SimpleVisor Portfolio Changes

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

November 14th

After the large jump in stocks last week, which pushed many stocks into more overbought short-term conditions, we are continuing to use the rally to reduce overall equity risk in portfolios as we head into year-end.

In the Equity model, we are reducing both of our chip stocks which have had huge reversals by 0.5% each, along with Albemarle (ALB) and Goldman Sachs (GS). In the ETF model, we are reducing Basic Materials (XLB), Industrials (XLI), and Financials (XLF) for the same reason.

We suspect the market will trade off some following the Thanksgiving holidays and into the first couple of weeks of December, where we will look to reallocate back into some of these positions if the opportunity presents itself.

Equity Model

- Reduce both Nvidia (NVDA) and AMD (AMD) by 0.5% each after a significant recent move.
- Take profits in Albemarle (ALB) after the recent surge and reduce position by 0.5% of the portfolio.
- Sell 0.5% of Goldman Sachs (GS) and take profits on the trade.

ETF Model

- *Reduce Industrials (XLI) and Basic Materials (XLB) by 0.5% of the portfolio after the recent surge.*
 - *Trim Financials (XLF) by 0.5% of the portfolio.*
-



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Lance Roberts, CIO

Have a great week!