

Inside This Week's Bull Bear Report

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Rationalizing The Chaos

[Previously](#), we noted that a pullback was needed to resolve the market's overbought and extended conditions. As expected, the correction accelerated this past week as the 20-DMA failed to hold.

"However, if the 20-DMA fails, as in early April, the 50-DMA becomes the next logical support, with the 100-DMA close behind. Such would encompass another 3-5% correction."

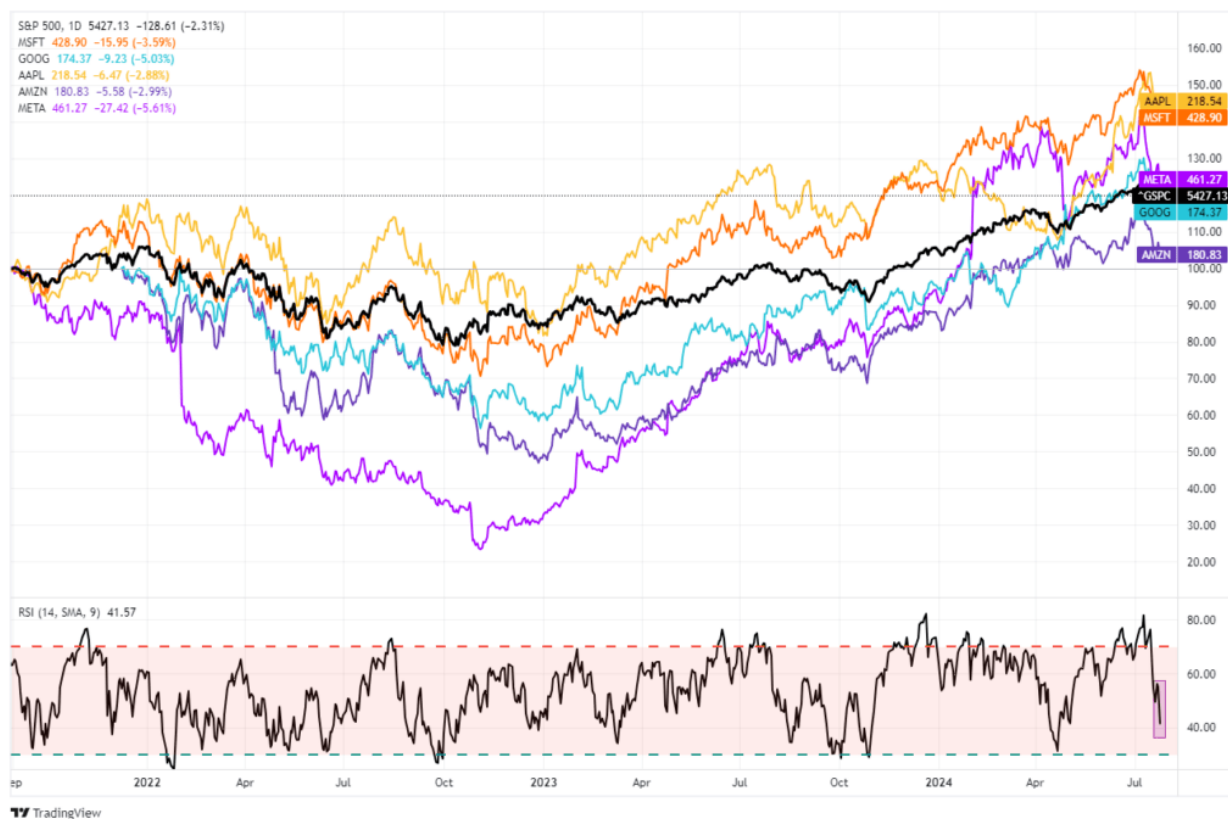
This past week, that pullback continued with the market breaking through the 20-DMA and testing the 50-DMA on Thursday. As we noted in Friday's [Daily Market Commentary](#) (***Subscribe for free daily pre-market email***):

"Whenever there is a market decline, we humans must try to rationalize the 'chaos' by assigning a reason to it. The most recent rationalization is that the 'AI trade' is dead. As noted by the better-than-expected revenue and earnings from Google (GOOG), most earnings growth comes from the largest companies. As such, we seriously doubt that managers will abandon these companies anytime soon. Furthermore, given that hedge funds need to move large amounts of capital at a time, these large-cap companies are the only companies that provide the needed liquidity.

However, every time these 'Mega-Cap' companies pull back, the media assigns a new rationale for why it is happening. The reality is that these companies have posted stellar returns this year, and a bit of profit-taking is unsurprising, just as we have seen at each previous market peak over the last two years. The chart below compares the darlings of the 'AI trade,' Apple (AAPL), Microsoft (MSFT), Google (GOOG), and Amazon (AMZN) to the S&P 500 index. (I would have included NVDA, but it has rallied so much that it skews the chart too much.)

When the S&P 500 index advances or declines, there is a high price correlation with the 'Mega-Cap' stocks. That correlation should be unsurprising because they make up

~35% of the index. The crucial point is that the current correction is likely just like every other correction we have seen over the last few years. It is highly likely that when this current corrective process concludes, large-cap stocks will once again resume their leadership."



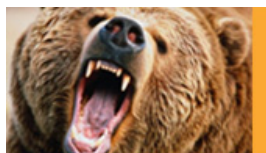
Our need to "rationalize the chaos" can lead us to make poor investment decisions. So far, the correction remains quite ordinary, with volatility remaining quite suppressed. Furthermore, the market reclaimed and held the 50-DMA on Friday with an encouraging broad market rally. **However, while the markets are oversold enough for a reflexive bounce, the current correction process is likely incomplete. Moreover, the MACD "sell signal" also suggests that the current upside remains limited.**



It is quite likely that any short-term, reflexive rally will fail during this corrective process. For now, use rallies to rebalance portfolios and reduce risk as needed. Our only concern is that with investors remaining very bullish despite the recent pullback, a further correction is required to resolve that condition.

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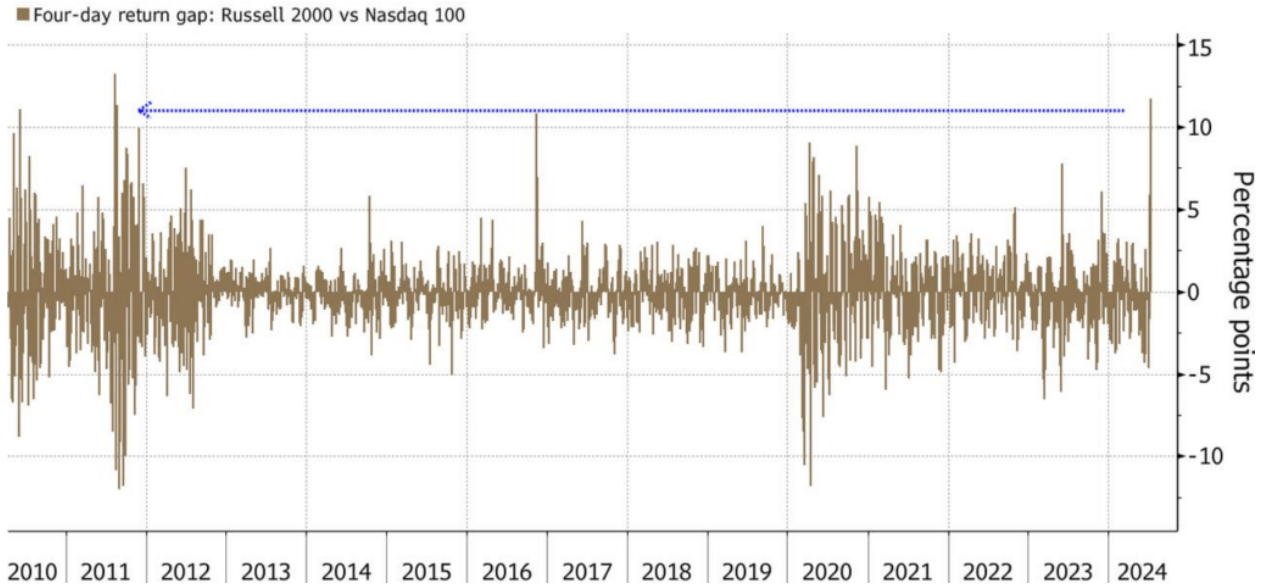
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Pullback Doesn't Deter Investor Bullishness

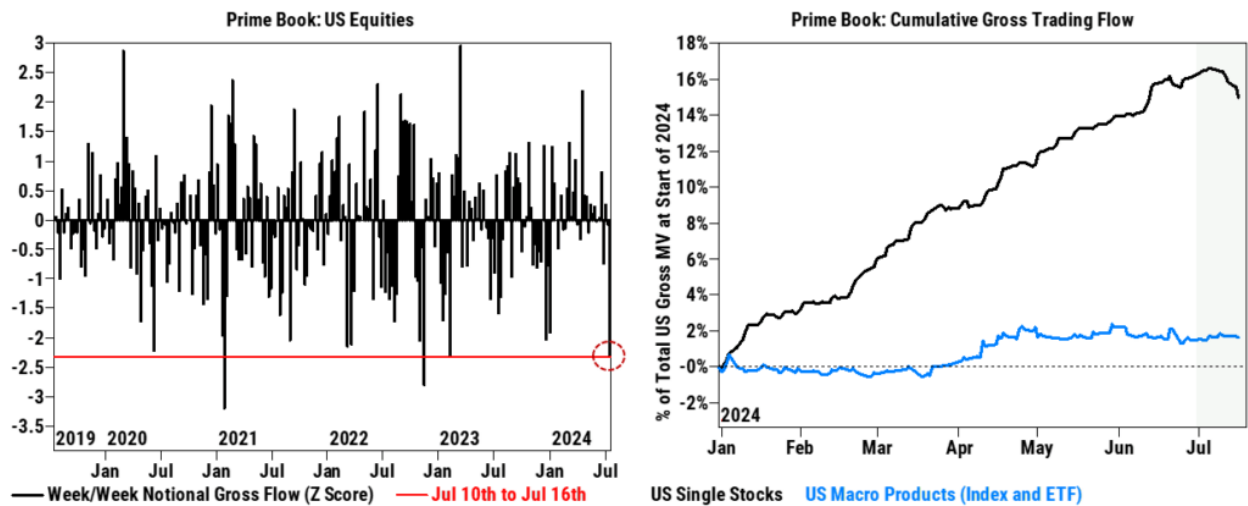
The recent pullback in large-capitalization stocks surprised investors and sent the media scurrying to proclaim the "death of the A.I. bubble." Such certainly seemed to be the case last week when hedge fund exposure to tech dropped sharply during the past two months. At the same time, hedge funds remained highly exposed to all other sectors, and the violent selling in the "Mag 7" sparked a burst in volatility, which prompted broader selling across the board. It was one of the sharpest rotations over the last decade.

Stocks Stage Big Rotation

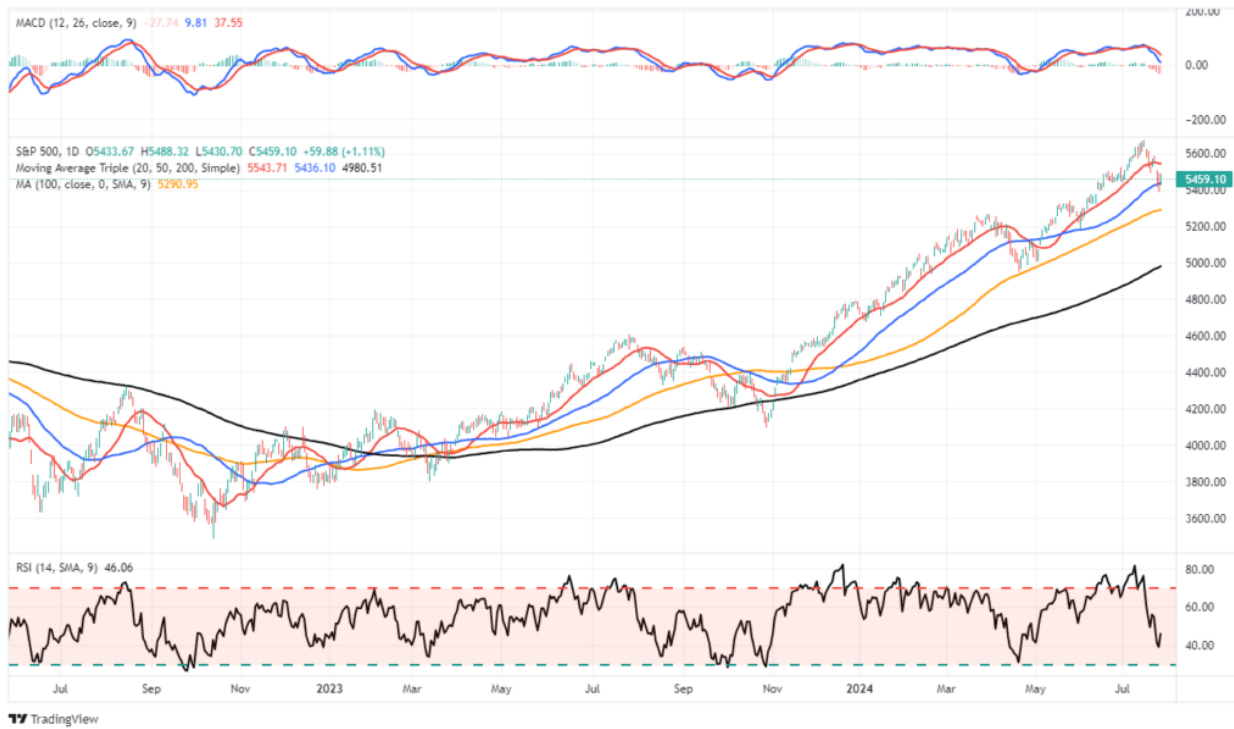
Russell 2000 beats Nasdaq 100 by almost 12 percentage points over four sessions



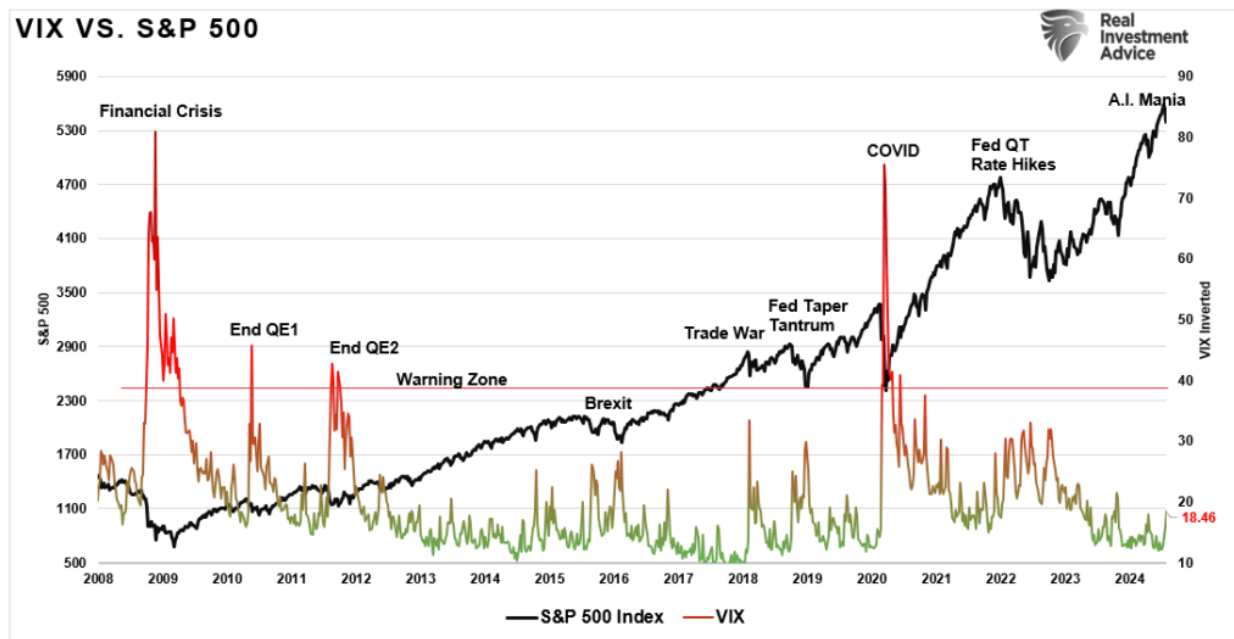
At the same time, it was one of portfolio managers' most extensive de-grossing activities since 2022.



Without looking at a market chart, you would assume that the markets just crashed. However, as shown, such is hardly the case, and since the October 2022 lows, the recent pullback remains very ordinary.



Such is interesting because such a violent rotation should have also coincided with a sharp increase in market volatility. Yet, that did not occur, with volatility remaining suppressed within the longer-term downtrend.

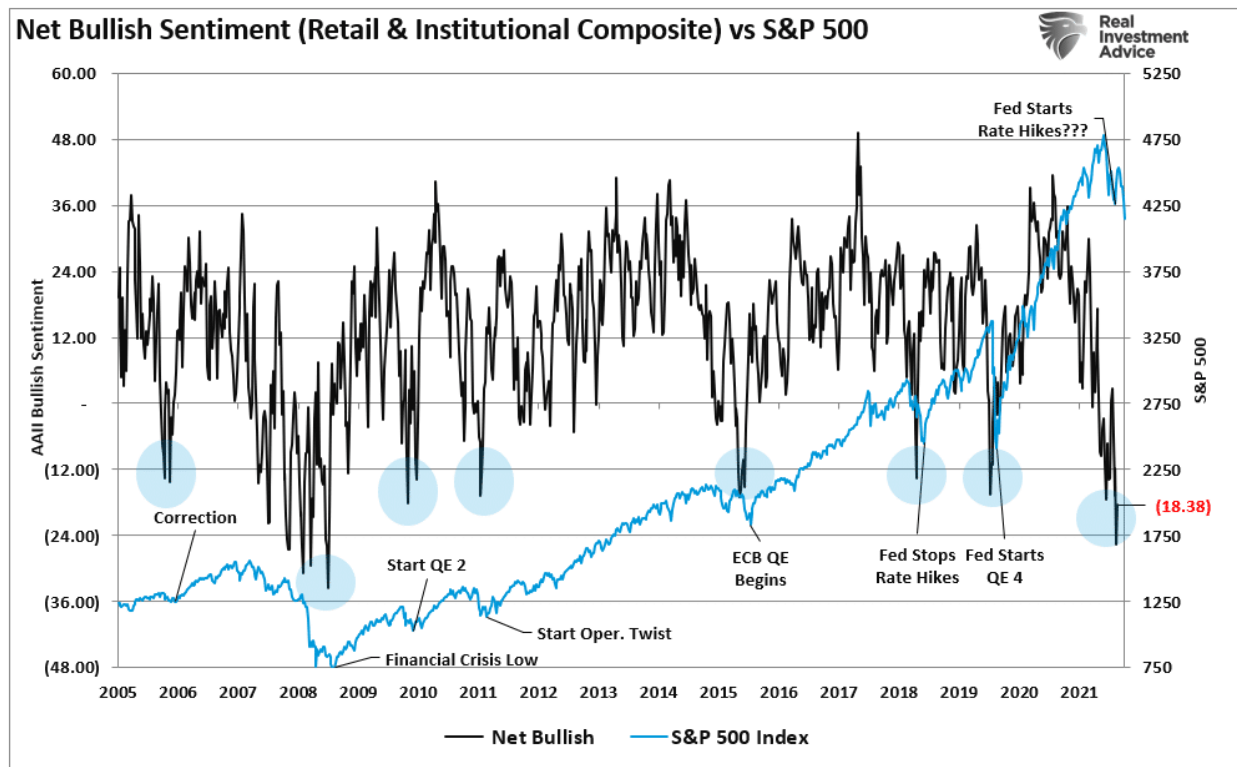


While the media has been quick to jump on the rotation as the "death of A.I.," the "rumors of its death may be greatly exaggerated." Such is particularly the case given that portfolio allocations and sentiment by both retail and professional investors remain aggressively bullish.

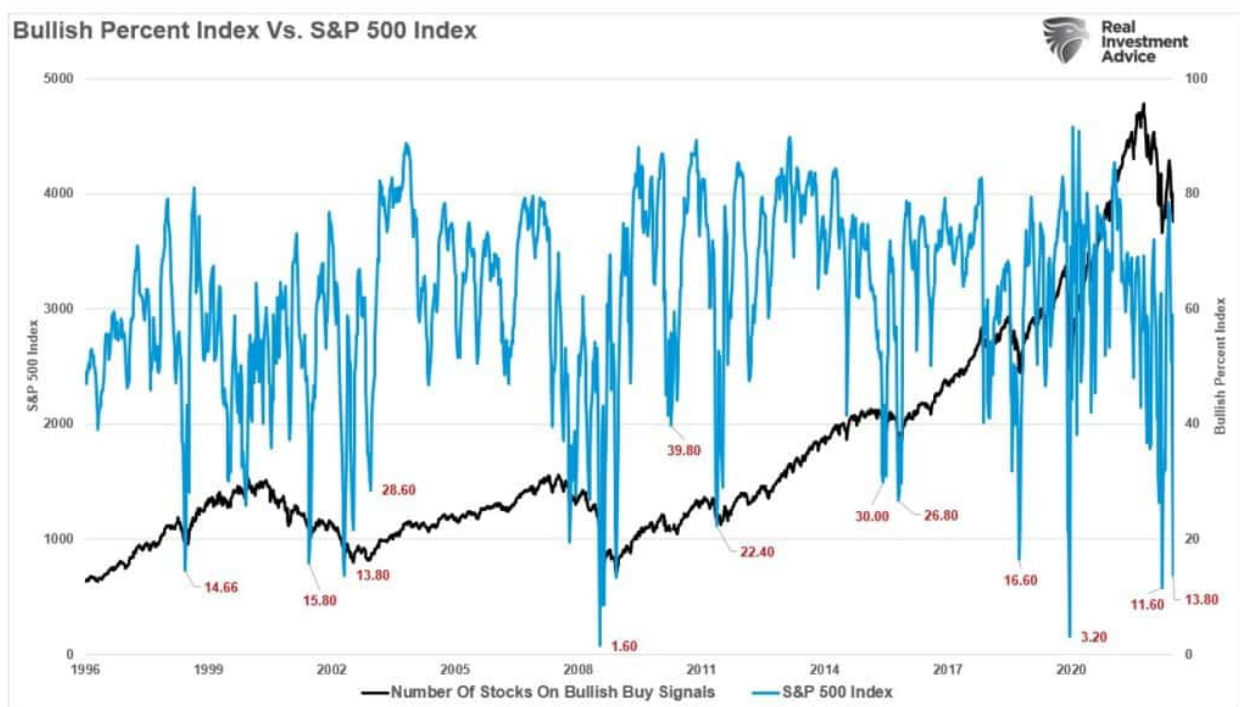
A Review Of The 2022 Market Lows

In October 2022, we discussed that extreme negative sentiment was likely the basis for the end of the correction that had started in January. To wit:

"The composite index below, combining retail and institutional investor sentiment, is extremely negative and typically marks short- to intermediate-term market bottoms."



At the time, the point of that discussion was not to let emotions dictate your investing. Every mainstream economist predicted a recession, market sentiment was bearish, and investors cut allocations sharply. Furthermore, the number of stocks with "bullish buy signals" had also hit extremely low levels. The bullish percent index suggested stocks had seen rather extreme liquidations.



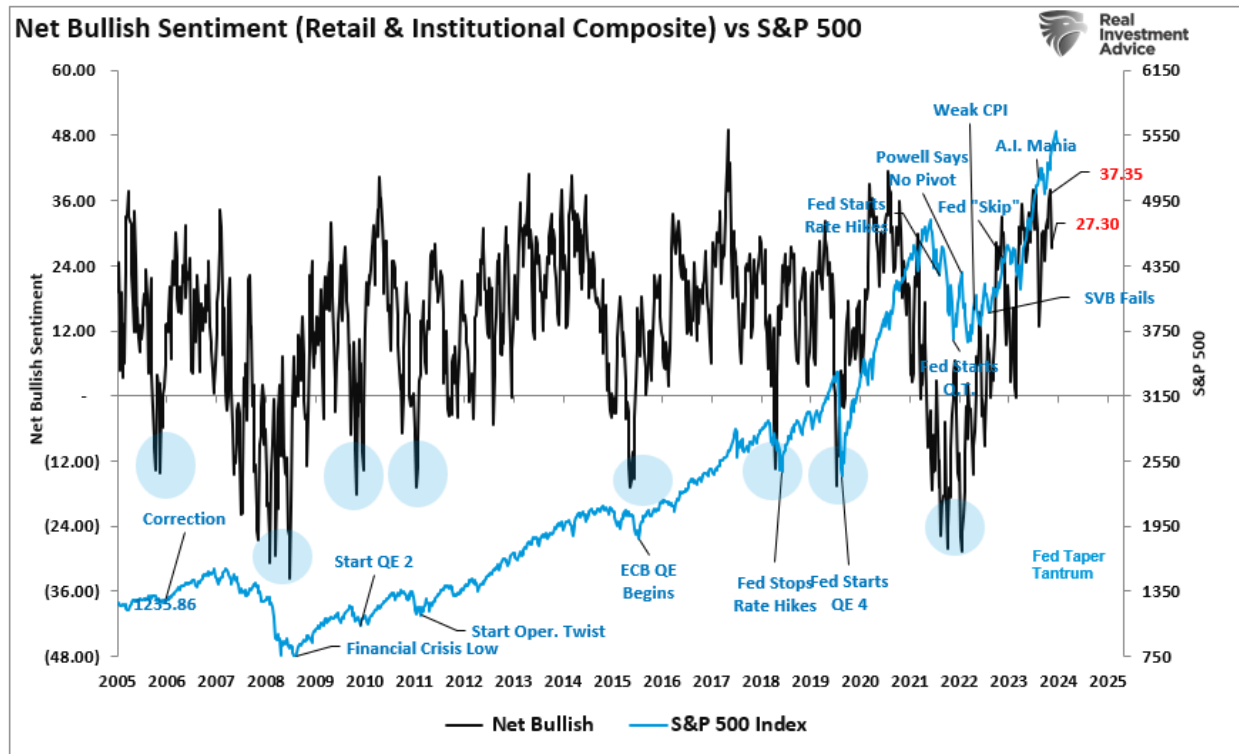
As we noted then,

"When levels of negativity have reached or exceeded current levels, such has historically been associated with short- to intermediate-term market bottoms."

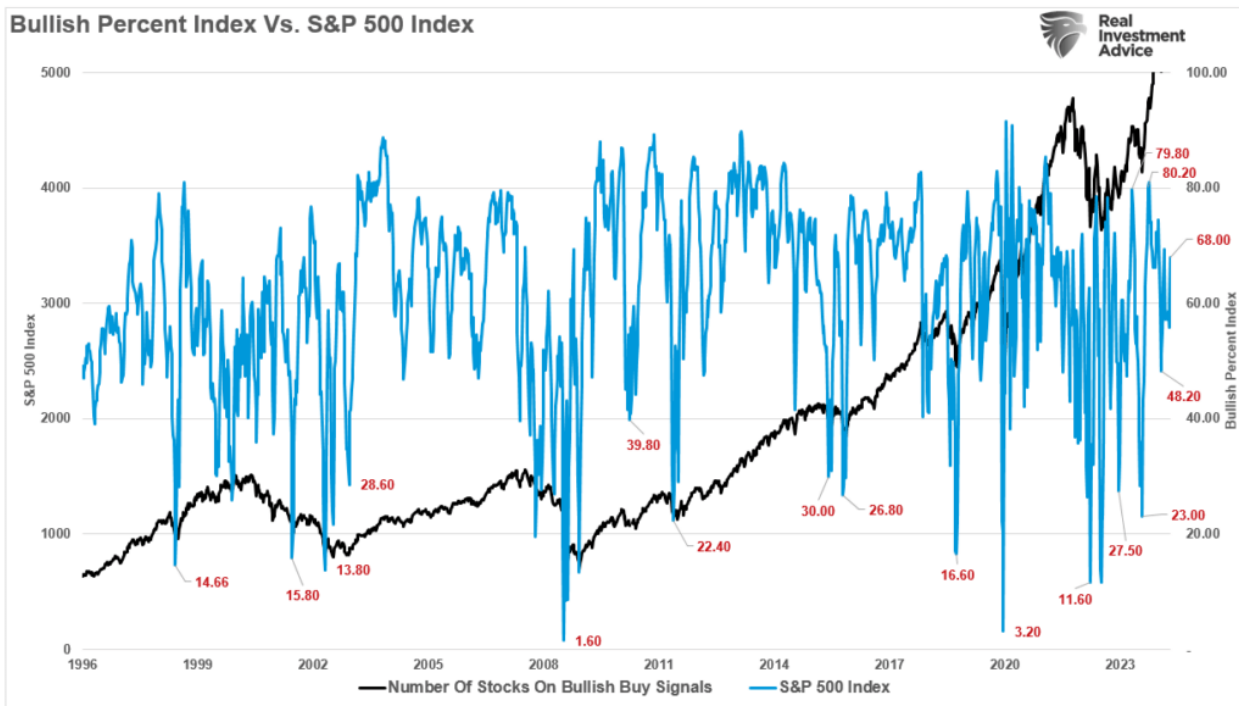
Notably, those more extreme levels of negative sentiment have followed periods of record-level de-grossing. However, following the recent pullback, we see a very different market picture if we review those charts today.

Investors Remain Very Bullish

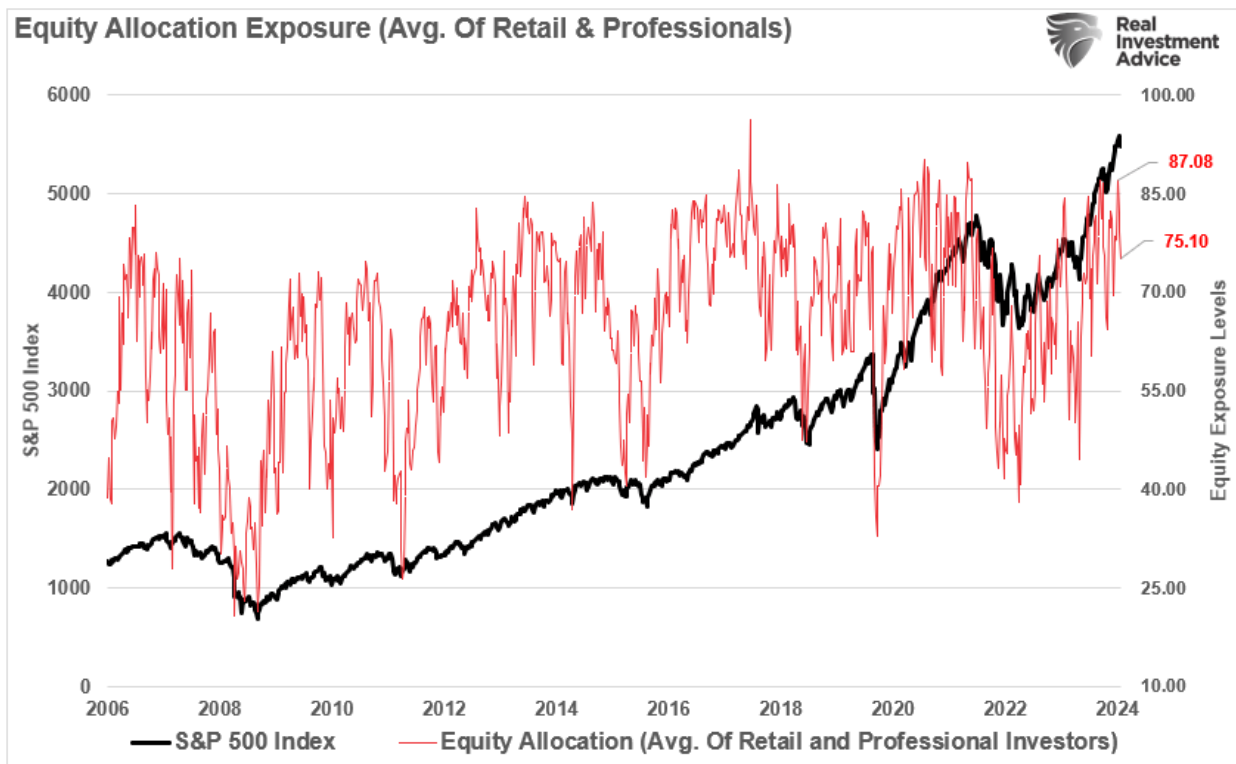
As shown, net bullish sentiment is no longer near lows but near peak market levels that have typically preceded corrections. Despite the recent pullback, sentiment barely budged.



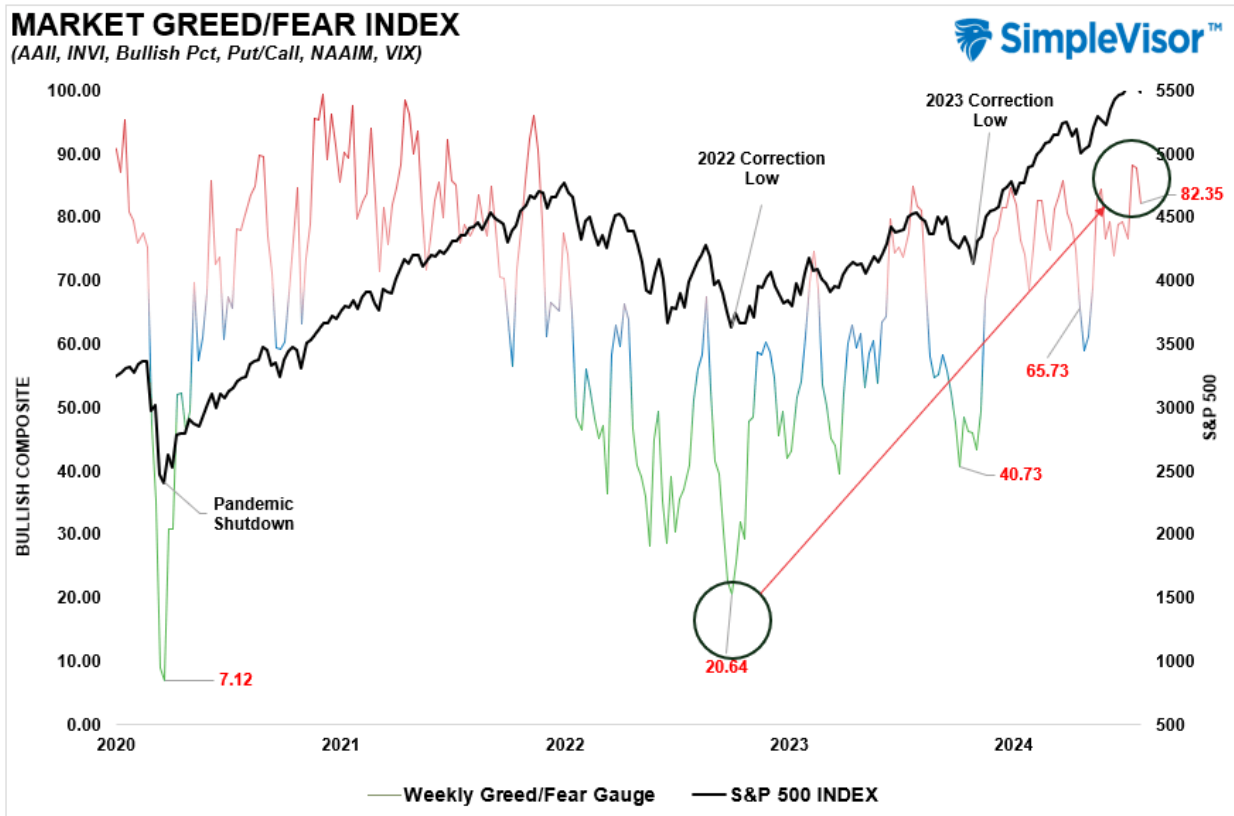
The same goes for the number of stocks on bullish buy signals. Given the pullback in large-cap stocks, seeing the index a bit lower is unsurprising. However, given the angst over the recent decline, you would have expected to see this index near previous market lows.



Notably, the allocation to equities by both retail and professional investors remains exceptionally elevated. So, despite the market pullback over the last couple of weeks, bullish sentiment and positioning remain elevated. The slight reversal in positioning is unsurprising, given the pullback. Still, it comes off levels that have often preceded short-to intermediate-term market corrections rather than a continued bull market advance.



We see that same point in the overall allocation and sentiment gauge below. Despite the correction, sentiment and allocations remain highly bullish and drastically different from the October 2022 lows.



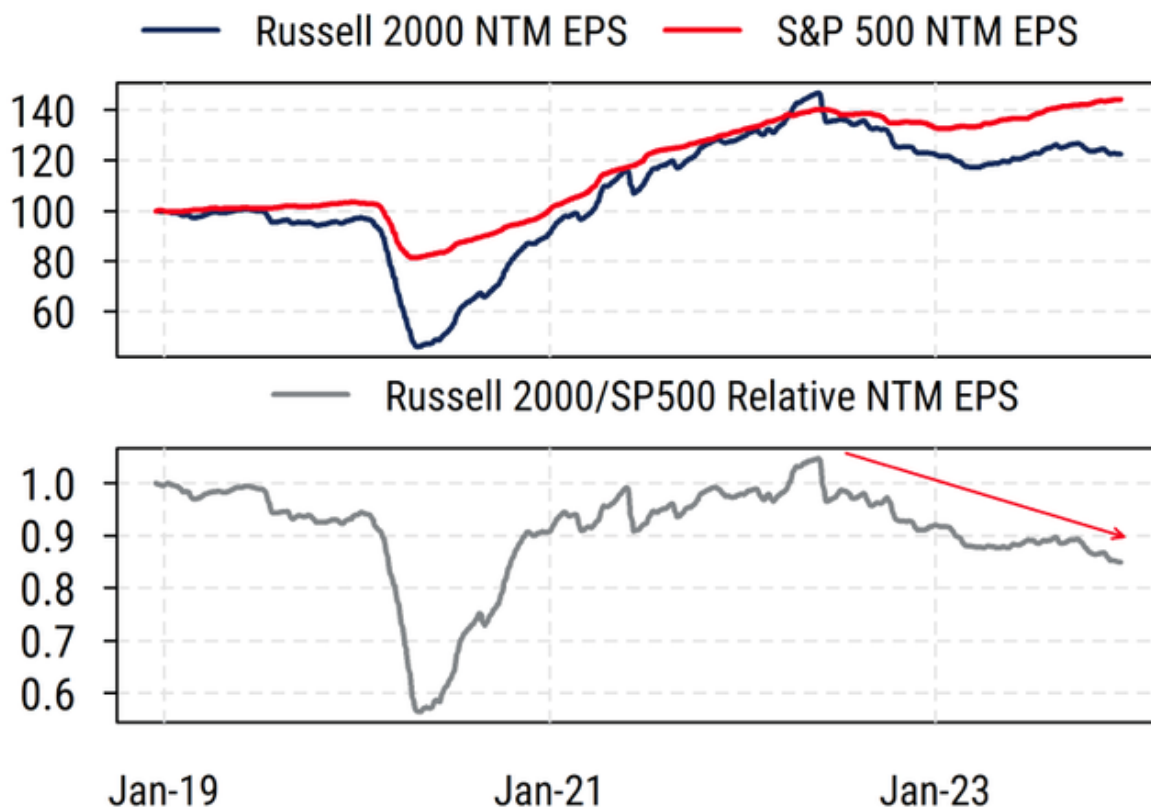
While the pullback and rotation over the last couple of weeks were extremely rapid, from a positioning and sentiment view, little has changed. The bullish momentum remains, and given the needs of large-cap portfolio managers, hedge funds, and pension funds, which need to allocate large sums of money, the large-cap flows will likely remain intact.

In other words, I would be cautious in assuming the A.I. trade is dead, at least for now.

Still A Function Of Earnings Growth

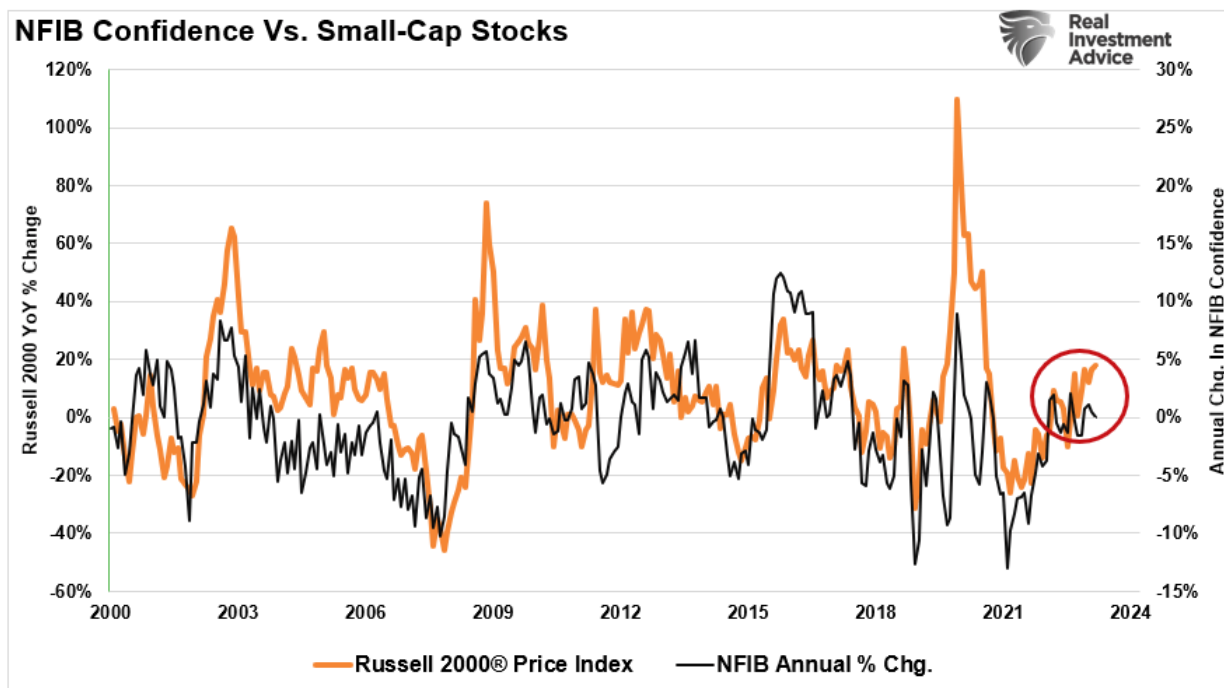
Lastly, and probably the most important, is that despite rumors to the contrary, the bulk of earnings growth is still coming from the largest companies.

Russell 2000 vs S&P 500 Forward Earnings Per Share (Indexed to 100)

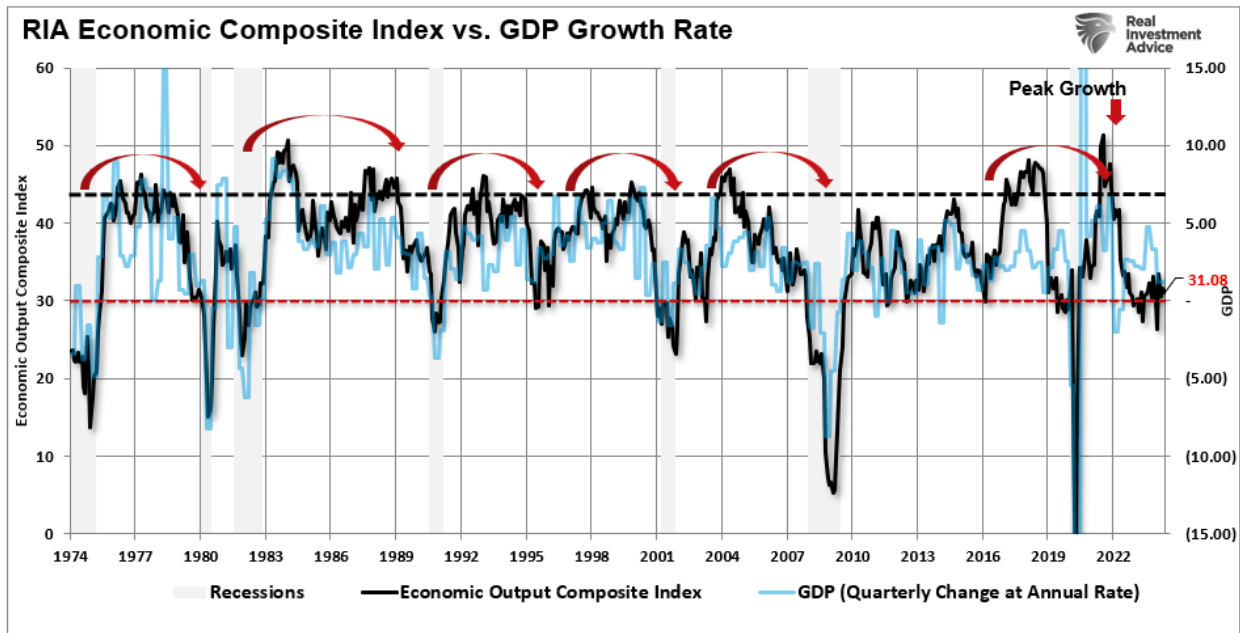


As discussed in [last week's newsletter](#).

"Small-cap companies are highly dependent on more robust economic activity. We see this issue by comparing the annual rate of change in the sentiment of the National Federation of Independent Business to that of Russell 2000. The current gap is likely unsustainable. Either the economy will improve markedly, boosting small business sentiment, or Russell will catch down to the sentiment. That is something worth paying attention to."

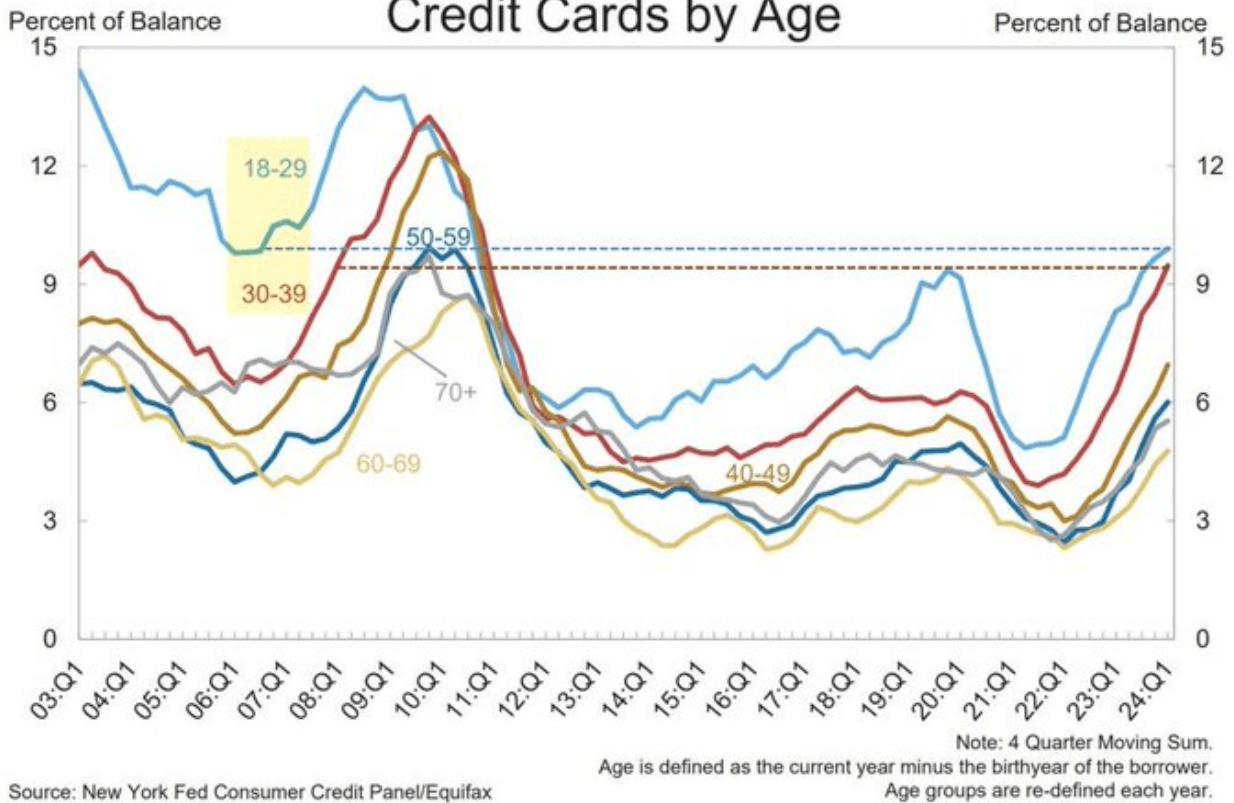


The problem is that virtually all measures, whether employment, manufacturing, or services, suggest slower economic growth. The RIA Economic Composite Index, which comprises more than 100 data points, does not suggest an economic rebound is afoot.



Given the weak backdrop for economic growth, as the consumer is increasingly becoming financially impaired, as seen in rising delinquency rates, the ability of smaller companies to aggressively grow earnings remains suspect.

Transition into Serious Delinquency (90+) for Credit Cards by Age



Yes, the market is currently experiencing a normal corrective pullback. However, we doubt the narrative of a massive shift into the most economically sensitive areas of the market.

Like many other past pullbacks, we suspect this one will allow investors to add equity exposure. However, that opportunity may still be a few weeks away, so remain cautious for now.

Navigating The Pullback

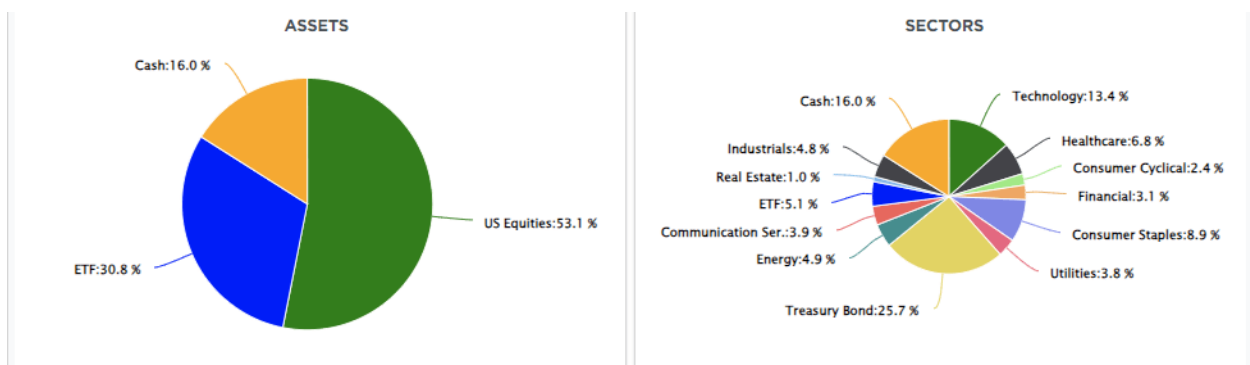
As discussed over the last few months, we anticipate a 5-10% correction sometime this summer (*between August and October*). The more exuberant bullish sentiment and allocations need to reverse to some degree.

Are we beginning that corrective pullback now? Maybe. Unfortunately, we will only know if hindsight.

We agree that there are many reasons to be concerned about the current market. Therefore, as we have already done, we will use 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. Selling at a loss DOES NOT make you a loser. It just means you made a mistake.*
7. **If none of this makes sense, please consider hiring someone to manage your portfolio.** *It will be worth the additional expense over the long term.*

Follow your process.



Have a great week.

Research Report

Real Investment Daily



Overly Optimistic Investors Face Potential Disappointment

Written by Lance Roberts | Jul 26, 2024 | Investing

Overly optimistic investor expectations of market returns may be a problem. To wit: "While consu..."

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Bull Bear Report Market Statistics & Screens

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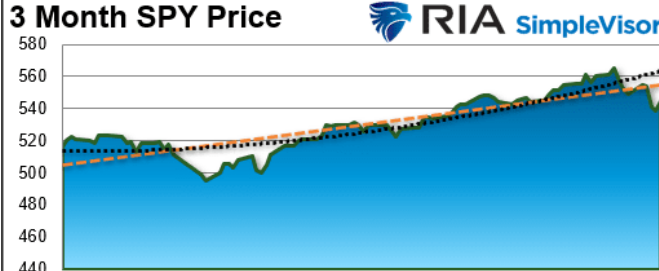
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Today's Top & Bottom Performer by Sector (Click on a Symbol to see details below)

Healthcare					Industrials					Technology					Consumer Cyclical				
BMJ	CNC	CRL	EW	UHS	MMM	NSC	SWK	BLDR	VLTO	FSLR	TYL	VRSN	MPWR	ON	MHK	DECK	CZR	RL	PHM
11.44%	8.46%	5.26%	4.47%	4.24%	22.99%	10.91%	6.54%	5.52%	5.28%	4.88%	4.66%	4.16%	4.04%	3.89%	19.49%	6.32%	5.44%	4.32%	3.99%
CVS	GEN	MOH	PFE	IQV	GNRC	HUBB	PWR	GE	JCI	APH	KLAC	SWKS	QRVO	WDC	HAS	POOL	LEN	LKQ	BBWI
4.01%	3.49%	3.45%	3.39%	3.18%	4.35%	3.25%	3.18%	3.12%	3.07%	3.4%	3.22%	3.11%	2.81%	2.66%	3.79%	3.3%	3.17%	3.16%	3.14%
MRK	ZTS	ABT	TFX	LLY	CHRW	AXON	GD	URI	EXPD	PTC	IBM	NOW	STX	ACN	MCD	ABNB	BBY	GM	ROST
-0.47%	-0.51%	-0.68%	-0.98%	-2.02%	0.07%	-0.07%	-0.2%	-0.27%	-0.54%	-0.04%	-0.12%	-0.14%	-0.27%	-0.5%	0.21%	0.05%	0%	-0.02%	-0.14%
ALGN	DVA	RMD	BIIB	DXCM	DOV	ODFL	WM	LUV	LHX	FTNT	ADSK	JNPR	LDOS	UBER	TSLA	LVS	ROL	DPZ	CMG
-2.48%	-3.57%	-5.42%	-7.15%	-40.66%	-0.59%	-1.35%	-1.48%	-3.03%	-5.7%	-0.54%	-0.57%	-0.64%	-1.44%	-2.04%	-0.2%	-0.41%	-1.71%	-1.82%	-1.95%
Financial					Consumer Staples					Utilities					Materials				
AON	HIG	AJG	CB	WRB	LW	CL	KVUE	TGT	SJM	GEV	EIX	CEG	PEG	ETR	EMN	MLM	VMC	NUE	STLD
8.04%	7.13%	3.51%	3.23%	3.05%	6.98%	3.01%	2.41%	1.85%	1.84%	8.19%	2.72%	2.7%	2.38%	1.98%	3.7%	3.4%	3.13%	2.46%	2.3%
CINF	AIG	MCO	ACGL	EG	KR	MNST	STZ	KDP	BF-B	AES	CNP	ES	PNW	FE	NEM	CF	ALB	LIN	SHW
3.04%	2.64%	2.64%	2.59%	2.46%	1.8%	1.8%	1.64%	1.6%	1.55%	1.68%	1.66%	1.42%	1.34%	1.21%	2.25%	2.08%	1.98%	1.89%	1.89%
MSCI	BAC	CFG	CBOE	NDAQ	HRL	KMB	HSY	COST	K	AEE	SO	SRE	ED	WEC	DD	PPG	FMC	FCX	MOS
0.43%	-0.02%	-0.02%	-0.32%	-0.45%	0.53%	0.52%	0.45%	0.34%	0.33%	0.63%	0.62%	0.61%	0.54%	0.49%	1.46%	1.28%	1.12%	1.06%	0.92%
AMP	RJF	BEN	TROW	PFG	KHC	PM	MDLZ	DG	WMT	DUK	LNT	PCG	DTE	CMS	APD	LYB	ECL	CTVA	DOW
-0.48%	-1.13%	-2.37%	-2.95%	-3.42%	0.21%	0.14%	0.05%	-0.19%	-0.34%	0.44%	0.3%	0.06%	0%	-0.4%	0.9%	0.68%	0.65%	0.2%	0.02%
Real Estate					Energy					Communication Ser.									
DOC	WY	BXP	CBRE	INVH	BKR	FI	WMB	KMI	VLO	CHTR	WBD	CMCSA	META	EA					
5.49%	4.26%	3.81%	2.9%	2.62%	5.82%	2.52%	1.67%	1.42%	1.35%	16.62%	4.01%	3.79%	2.71%	2.38%					
ARE	EXR	FRT	KIM	SPG	SLB	OKE	HAL	MPC	FANG	IPG	OMC	LYV	FOX	NWS					
2.51%	2.44%	2.33%	2.17%	2.1%	1.24%	0.76%	0.7%	0.67%	0.48%	2.38%	2.23%	1.54%	1.33%	1.25%					
HST	UDR	ESS	VICI	O	DVN	EOG	OXY	MRO	XOM	NWSA	FOXA	DIS	VZ	TTWO					
1.51%	1.48%	1.42%	1.31%	1.24%	0.13%	0.09%	0.02%	-0.07%	-0.09%	1.25%	1.19%	0.81%	0.35%	0.3%					
WELL	VTR	CSGP	EQIX	DLR	COP	EQT	PSX	APA	TRGP	TMUS	GOOG	NFLX	T	PARA					
1.19%	1.05%	0.86%	0.41%	-1.17%	-0.15%	-0.2%	-0.21%	-0.22%	-0.31%	0.22%	-0.28%	-0.43%	-0.94%	-2.36%					

S&P 500 Weekly Tear Sheet

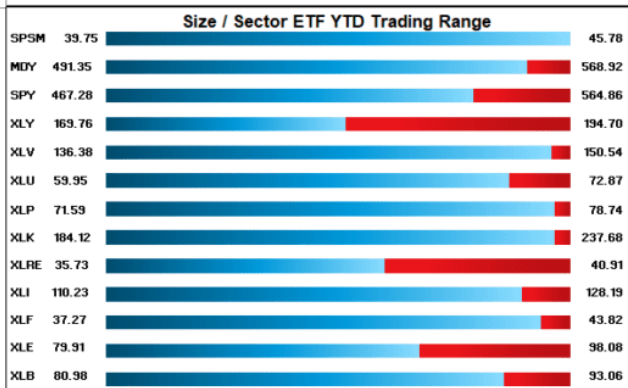
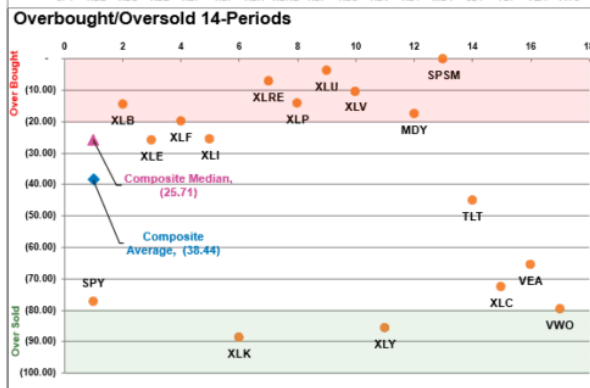
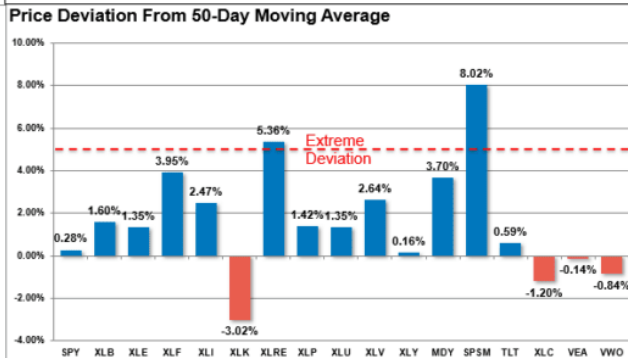
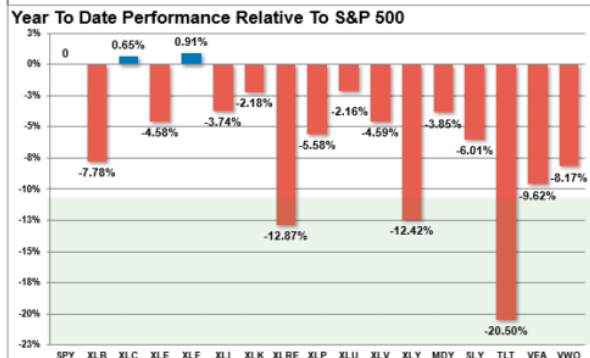
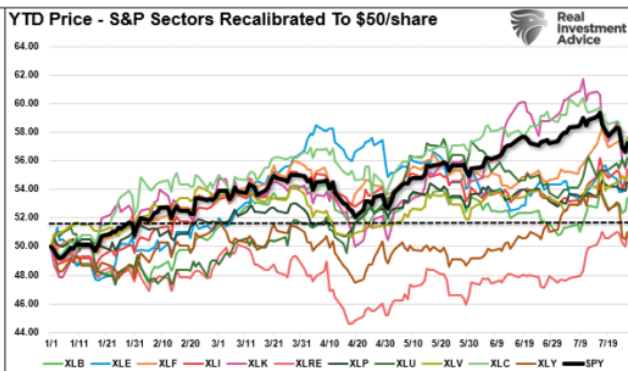
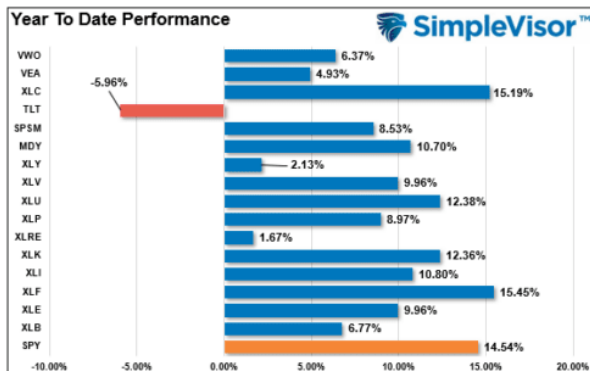
3 Month SPY Price										SPY RISK INFO				
										Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
										Price Return	39.28%	19.52%	14.54%	(25.50%)
										Max Drawdown	(19.37%)	(10.93%)	(5.86%)	(46.39%)
										Sharpe	0.86	1.31	2.04	0.56
										Sortino	1.46	2.10	2.93	0.40
										Volatility	15.67	11.56	11.17	(0.03)
										Daily VaR-5%	(4.52)	2.93	10.03	2.42
										Mnthly VaR-5%	(5.08)	1.61	13.88	7.59
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	1.57%	1.42%	1.29%	(10.45%)	2.14%	1.19%	(39.79%)	7.78%	Shares	5,109.8	5,055.3	(1.07%)		
P/E Ratio	18.54	21.56	24.85	13.24%	29.35	16.68	(15.3%)	49.03%	Sales	111,699	119,827	7.28%		
P/S Ratio	4.44	4.81	5.54	13.15%	6.20	3.97	(10.59%)	39.81%	SPS	21.9	23.7	8.43%		
P/B Ratio	7.12	7.78	8.62	9.72%	8.99	5.62	(4.04%)	53.41%	Earnings	16,984	20,472	20.53%		
ROE	28.42%	25.38%	28.35%	10.49%	29.62%	19.32%	(4.31%)	46.75%	EPS TTM	5.1	5.3	3.92%		
ROA	6.67%	6.06%	7.09%	14.62%	7.09%	4.57%	0.00%	55.05%	Dividend	1.5	1.7	10.93%		
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	5.25%	3.65%	1.28	12.94	98.88	(293.59)	(86.9%)	16.3%	3.1%	7.75%	6.94	11.74		
Materials	5.43%	2.22%	1.11	22.19	26.99	11.37	(17.8%)	11.0%	1.8%	4.55%	4.97	19.23		
Industrials	12.88%	8.22%	1.13	23.57	58.52	16.91	(59.7%)	23.1%	1.4%	4.27%	6.84	20.45		
Discretionary	10.86%	9.84%	1.42	29.16	72.61	25.45	(59.8%)	21.0%	0.7%	3.45%	5.67	24.86		
Staples	5.98%	5.88%	0.60	22.29	22.78	18.47	(2.2%)	27.1%	2.4%	4.51%	4.14	20.19		
Health Care	10.71%	12.10%	0.69	24.60	24.34	14.84	1.1%	19.1%	1.6%	4.08%	8.20	19.09		
Financials	22.93%	12.94%	1.15	17.55	21.49	12.79	(18.3%)	12.0%	1.5%	5.72%	8.02	15.15		
Technology	34.05%	31.55%	1.29	39.70	37.50	20.11	5.8%	66.9%	0.7%	2.51%	5.51	32.39		
Telecom	29.55%	8.89%	0.97	22.90	28.38	15.42	(19.3%)	26.5%	0.8%	4.37%	6.82	19.96		
Utilities	4.31%	2.37%	0.69	18.81	21.42	15.58	(12.2%)	11.1%	3.2%	5.33%	3.56	16.30		
Real Estate	3.48%	2.27%	1.07	18.44	26.21	15.47	(29.7%)	7.1%	3.4%	5.48%	4.81	17.14		
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	544.44	2.83%	543.17	1	0.23%	500.00	192	8.89%	8.63%	(3.67%)	33.05%	Buy		
Mid Cap	561.66	1.81%	541.42	12	3.74%	515.21	181	9.01%	5.09%	(1.46%)	32.40%	Buy		
Small Cap	45.78	6.59%	42.37	12	8.05%	40.87	171	12.00%	3.66%	(0.41%)	33.98%	Buy		

Relative Performance Analysis

Last week, we noted:

"The recent surge above 5600 took the markets into more extreme overbought territory. Historically, such overbought conditions lead to either a consolidation or short-term correction."

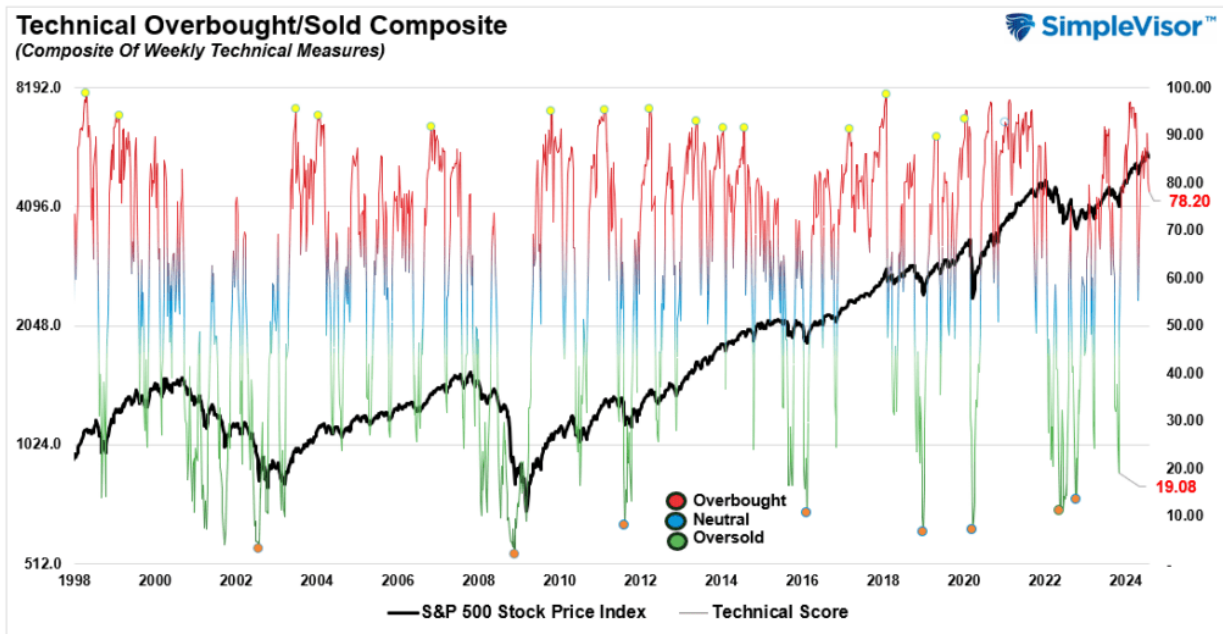
That correction began this past week, and while the S&P 500 is due for a short-term bounce, we suspect more corrective action may be needed before it is complete. Reduce risk by taking profits and raising cash levels as needed. Interest rate-sensitive sectors and small caps are the most overbought. Take profits in those areas. Technology, Discretionary, and Communications are the most oversold.



Technical Composite

The technical overbought/sold gauge comprises several price indicators (R.S.I., Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" are oversold. The market peaks 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.**

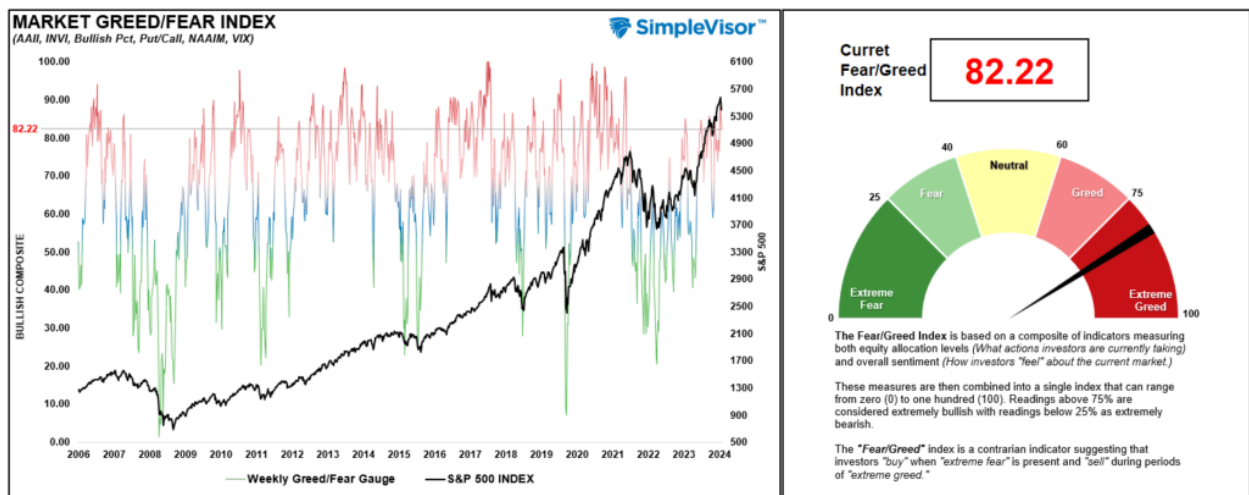
The current reading is 78.20 out of a possible 100.



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 87.83 out of a possible 100.



Relative Sector Analysis

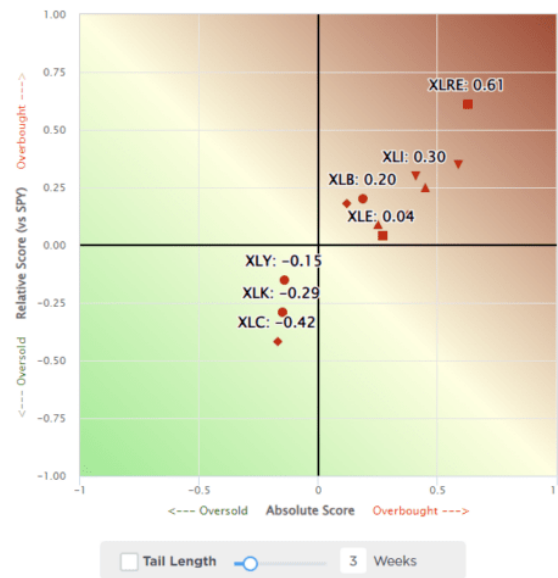
Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol Name	Top 10 Holdings	Absolute Score ↑↓	Relative Score (vs SPY) ↑↓	Chart
XLC	Communication Services	-0.17	-0.42	<input checked="" type="checkbox"/>
XLK	Technology	-0.15	-0.29	<input checked="" type="checkbox"/>
XLY	Consumer Discretionary	-0.14	-0.15	<input checked="" type="checkbox"/>
XLE	Energy	0.27	0.04	<input checked="" type="checkbox"/>
XLU	Utilities	0.25	0.09	<input checked="" type="checkbox"/>
XLP	Consumer Staples	0.38	0.13	<input checked="" type="checkbox"/>
XTN	Transportation	0.12	0.18	<input checked="" type="checkbox"/>
XLB	Materials	0.19	0.20	<input checked="" type="checkbox"/>
XLF	Financial	0.45	0.25	<input checked="" type="checkbox"/>
XLI	Industrials	0.41	0.30	<input checked="" type="checkbox"/>
XLV	Health Care	0.59	0.35	<input checked="" type="checkbox"/>
XLRE	Real Estate	0.63	0.61	<input checked="" type="checkbox"/>

How it works



Note: scores can stay extremely overbought or oversold for a few weeks so patience is required at times.



Most Oversold Sector Analysis

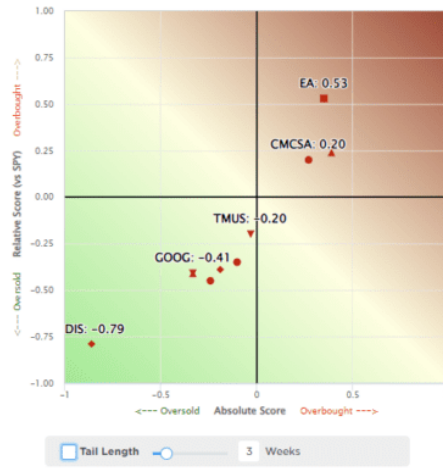
Communication Services Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Holding	Absolute Score	Relative Score (vs SPY)	Chart
DIS	The Walt Disney Co	4.38%	-0.86	-0.79	<input checked="" type="checkbox"/>
META	Meta Platforms Inc Class A	22.52%	-0.24	-0.45	<input checked="" type="checkbox"/>
GOOG	Alphabet Inc Class C	10.57%	-0.33	-0.41	<input checked="" type="checkbox"/>
GOOGL	Alphabet Inc Class A	12.61%	-0.33	-0.41	<input checked="" type="checkbox"/>
NFLX	Netflix Inc	4.44%	-0.19	-0.39	<input checked="" type="checkbox"/>
VZ	Verizon Communications Inc	4.58%	-0.10	-0.35	<input checked="" type="checkbox"/>
TMUS	T-Mobile US Inc	4.41%	-0.03	-0.20	<input checked="" type="checkbox"/>
CMCSA	Comcast Corp Class A	4.61%	0.27	0.20	<input checked="" type="checkbox"/>
T	AT&T Inc	4.77%	0.39	0.24	<input checked="" type="checkbox"/>
EA	Electronic Arts Inc	4.51%	0.35	0.53	<input checked="" type="checkbox"/>

How it works



Note: scores can stay extremely overbought or oversold for a few weeks so patience is required at times.



Top 10 Holdings Relative Analysis with Each Other

CMCSA/	DIS/	EA/	NFLX/	TMUS/	VZ/	GOOGL/	GOOG/	T/	META/	XLC/	
0.00	-0.79	0.14	-0.29	-0.19	-0.15	-0.32	-0.32	0.15	-0.25	-0.22	CMCSA Comcast Corp Class A
0.79	0.00	0.88	0.60	0.76	0.82	0.12	0.12	0.79	0.33	0.71	DIS The Walt Disney Co
-0.14	-0.88	0.00	-0.47	-0.52	-0.44	-0.59	-0.59	0.13	-0.53	-0.57	EA Electronic Arts Inc
0.29	-0.60	0.47	0.00	0.17	0.09	-0.23	-0.22	0.51	-0.23	0.19	NFLX Netflix Inc
0.19	-0.76	0.52	-0.17	0.00	-0.12	-0.53	-0.53	0.40	-0.40	-0.09	TMUS T-Mobile US Inc
0.15	-0.82	0.44	-0.09	0.12	0.00	-0.25	-0.25	0.67	-0.13	0.09	VZ Verizon Communications Inc
0.32	-0.12	0.59	0.23	0.53	0.25	0.00	0.26	0.59	-0.01	0.41	GOOGL Alphabet Inc Class A
0.32	-0.12	0.59	0.22	0.53	0.25	0.00	0.00	0.59	-0.01	0.37	GOOG Alphabet Inc Class C
-0.15	-0.79	-0.13	-0.51	-0.40	-0.67	-0.59	-0.59	0.00	-0.49	-0.46	T AT&T Inc
0.25	-0.33	0.53	0.23	0.40	0.13	0.01	0.01	0.49	0.00	0.43	META Meta Platforms Inc Class A
0.22	-0.71	0.57	-0.19	0.09	-0.09	-0.41	-0.37	0.46	-0.43	0.00	XLC

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 Crossover) 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.

Despite the correction in the broad market this past week, many sectors and markets are still trading above their respective monthly risk/reward ranges. These are mostly the "interest-rate sensitive" sectors and Gold Miners, on a bet the Fed is set to cut rates. As shown in the Relative Performance chart above, these sectors and markets are overbought, so consider taking profits and rebalancing risks in these areas.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG	MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	MIA XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	WMA	PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	547.39	(0.33)	0.03	6.53	8.68	19.20	539.68	513.22	547.23	1.00	560.91	533.55	1%	7%	BULLISH
XLB	SPDR-MATLS SELS	91.33	2.19	3.39	(4.52)	1.17	(12.09)	90.05	87.88	88.31	1.07	91.46	85.16	1%	4%	BULLISH
XLC	SPDR-COMM SV SS	83.70	(0.83)	(2.32)	(2.18)	(2.96)	2.44	83.87	79.75	85.66	1.03	88.68	82.64	0%	5%	BULLISH
XLE	SPDR-EGY SELS	92.19	0.64	1.11	(6.94)	1.97	(11.82)	91.52	89.03	91.15	1.21	94.54	87.76	1%	4%	BULLISH
XLFI	SPDR-FINL SELS	43.41	2.14	5.57	0.52	2.40	4.12	41.65	40.17	41.11	1.06	42.57	39.65	4%	8%	BULLISH
XLK	SPDR-TECH SELS	216.28	(1.25)	(4.43)	0.25	(4.62)	2.35	218.91	207.07	226.23	1.14	234.45	218.01	-1%	4%	BULLISH
XLI	SPDR-INDU SELS	126.30	1.98	3.61	(3.65)	(0.69)	(4.55)	123.42	119.81	121.87	1.07	126.22	117.52	2%	5%	BULLISH
XLP	SPDR-CONS STPL	78.49	1.34	2.46	(3.09)	(1.33)	(16.06)	77.22	74.93	76.58	0.58	78.94	74.22	2%	5%	BULLISH
XLRE	SPDR-RE SELS	40.73	1.37	6.01	3.49	(2.64)	(11.70)	38.39	38.56	38.41	0.96	39.74	37.08	6%	6%	BEARISH
XLU	SPDR-UTIL SELS	71.17	2.31	4.42	(2.49)	9.40	(13.04)	70.12	66.83	68.14	0.57	70.23	66.05	1%	8%	BULLISH
XLV	SPDR-HLTH CR	149.96	2.24	2.86	(0.05)	(4.55)	(8.27)	145.33	142.77	145.75	0.67	150.38	141.12	3%	5%	BULLISH
XLY	SPDR-CONS DISCR	182.61	(1.94)	0.09	(3.89)	(7.18)	(13.50)	181.38	179.02	182.40	1.20	189.14	175.66	1%	2%	BULLISH
XTN	SPDR-SP TRANSP	80.20	1.30	2.56	(4.22)	(12.14)	(27.84)	77.88	80.06	78.18	1.33	81.17	75.18	3%	0%	BEARISH
SDY	SPDR-SP DIV ETF	133.93	2.59	5.28	(2.38)	(0.09)	(13.53)	129.43	127.01	127.18	0.86	131.45	122.91	3%	5%	BULLISH
RSP	INVS-SP5 EQ ETF	169.74	1.63	3.29	(2.26)	(1.88)	(9.26)	165.59	162.15	164.28	1.05	170.12	158.44	3%	5%	BULLISH
SPSM	SPDR-PRT SC	45.78	4.29	10.20	3.18	2.14	(6.55)	42.32	41.66	41.53	1.12	43.83	40.03	8%	10%	BULLISH
MDY	SPDR-SP MC 400	561.66	2.83	4.94	(1.63)	0.82	(5.94)	541.50	526.44	535.08	1.11	554.40	515.76	4%	7%	BULLISH
EEM	ISHARS-EMG MKT	42.36	(0.06)	(0.57)	(6.79)	(1.66)	(18.17)	42.77	41.62	42.59	0.73	43.97	41.21	-1%	3%	BULLISH
EFA	ISHARS-EAFE	78.41	0.68	1.35	(5.91)	(3.23)	(12.52)	79.84	77.66	78.33	0.88	80.98	75.68	-1%	2%	BULLISH
IAU	ISHARS-GOLD TR	45.08	0.30	2.59	(2.94)	8.96	2.24	44.50	41.73	43.93	0.19	45.11	42.75	1%	8%	BULLISH
GDX	VANECK-GOLD MNR	36.48	(1.60)	7.49	2.56	26.58	(8.45)	35.30	31.96	33.93	0.94	35.18	32.76	3%	14%	BULLISH
UUP	INVS-DB US\$ BU	28.82	0.83	(1.09)	(5.94)	(5.72)	(16.89)	28.80	28.36	29.13	(0.21)	29.80	28.46	0%	2%	BULLISH
BOND	PIMCO-ACTV BOND	92.15	1.15	1.15	(4.16)	(7.67)	(18.14)	91.01	91.15	91.08	0.25	93.58	88.58	1%	1%	BEARISH
TLT	ISHARS-20+YTB	92.99	0.91	1.29	(3.02)	(9.60)	(26.03)	91.95	93.40	91.78	0.25	94.30	89.26	1%	0%	BEARISH
BNDX	VANGD-TTL INT B	49.23	1.14	1.12	(5.40)	(7.43)	(18.28)	48.75	48.93	48.67	0.18	49.97	47.37	1%	1%	BEARISH
HYG	ISHARS-IBX HYCB	78.29	1.23	1.46	(4.96)	(7.48)	(15.26)	77.28	77.14	77.14	0.44	79.41	74.87	1%	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 & Technical Strength W/ Dividends*

(Click Images To Enlarge)

RSI Screen

Tables											
Overview											
Technical											
Fundamentals											
Performance											
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
CFG	Financial	10/10	\$43.23	()	83.09	\$38.46(12.40%)	\$36.43(18.67%)	\$35.46(21.91%)	1	6	
DFS	Financial	10/10	\$142.29	()	67.84	\$134.95(5.44%)	\$128.48(10.75%)	\$126.48(12.50%)	6	8	
DOC	Real Estate	10/10	\$21.90	()	62.36	\$20.26(8.09%)	\$19.80(10.61%)	\$19.02(15.14%)	4	5	
FSLR	Technology	10/10	\$226.74	()	42.00	\$223.46(1.47%)	\$242.71(-6.58%)	\$206.98(9.55%)	5	6	
GE	Industrials	10/10	\$169.81	\$111.26(-52.62%)	53.23	\$161.73(5.00%)	\$161.93(4.87%)	\$155.40(9.27%)	1	5	
GLW	Technology	10/10	\$42.85	\$118.0(-263.14%)	53.81	\$42.87(-0.05%)	\$39.49(8.51%)	\$36.01(18.99%)	1	8	
GNRC	Industrials	10/10	\$159.43	\$147.02(-8.44%)	57.22	\$147.75(7.91%)	\$144.62(10.24%)	\$135.97(17.25%)	—	6	
GRMN	Technology	10/10	\$177.94	\$60.06(-196.27%)	67.98	\$167.09(6.49%)	\$164.78(7.99%)	\$156.44(13.74%)	—	3	
HWM	Industrials	10/10	\$82.68	\$27.05(-205.66%)	56.44	\$79.50(4.00%)	\$81.26(1.75%)	\$74.82(10.51%)	1	7	
IP	Consumer Cyclical	10/10	\$46.92	\$19.36(-142.36%)	61.66	\$44.32(5.87%)	\$44.27(5.99%)	\$40.69(15.31%)	7	8	
IRM	Real Estate	10/10	\$98.50	\$16.49(-497.33%)	60.81	\$95.12(3.55%)	\$88.23(11.64%)	\$82.89(18.83%)	8	7	
KKR	Financial	10/10	\$118.51	()	64.16	\$110.86(6.90%)	\$107.87(9.86%)	\$102.91(15.16%)	2	5	
MMM	Industrials	10/10	\$127.16	\$86.15(-47.60%)	54.11	\$102.76(23.74%)	\$101.58(25.18%)	\$95.59(33.03%)	—	7	
NTAP	Technology	10/10	\$126.15	\$80.68(-56.36%)	45.84	\$129.24(-2.39%)	\$123.77(1.92%)	\$113.59(11.06%)	—	8	
NVDA	Technology	10/10	\$113.06	()	39.94	\$124.21(-8.98%)	\$118.42(-4.53%)	\$103.12(9.64%)	0	6	
TRGP	Energy	10/10	\$131.57	\$118.25(-11.26%)	53.24	\$133.26(-1.27%)	\$124.89(5.35%)	\$118.20(11.31%)	4	7	
LDOS	Technology	9/10	\$149.83	\$207.96(27.95%)	58.12	\$148.84(0.67%)	\$147.42(1.63%)	\$139.30(7.56%)	1	6	
NRG	Utilities	9/10	\$73.71	()	39.22	\$76.95(-4.21%)	\$79.44(-7.21%)	\$74.76(-1.40%)	4	6	
VST	Utilities	8/10	\$71.12	()	29.90	\$84.62(-15.95%)	\$89.24(-20.30%)	\$79.99(-11.09%)	—	3	
ZBRA	Technology	8/10	\$325.98	\$106.11(-207.21%)	55.08	\$320.04(1.86%)	\$314.69(3.59%)	\$304.28(7.13%)	1	9	

Momentum Screen

Tables											
Overview											
Technical											
Fundamentals											
Performance											
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotr	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
DHI	Consumer Cyclical	10/10	\$176.94		68.85	\$152.89(15.73%)	\$147.96(19.59%)	\$149.82(18.10%)	3		
TYL	Technology	10/10	\$590.65	\$221.40(-166.78%)	76.36	\$518.02(14.02%)	\$497.11(18.82%)	\$464.08(27.27%)	1		
UHS	Healthcare	10/10	\$213.69	\$161.00(-32.73%)	73.07	\$184.35(15.92%)	\$184.62(15.75%)	\$178.23(19.90%)	5		
URI	Industrials	10/10	\$752.21		65.67	\$683.69(10.02%)	\$665.80(12.98%)	\$673.51(11.69%)	3		
CTAS	Industrials	9/10	\$761.39	\$328.72(-131.62%)	65.71	\$725.75(4.91%)	\$705.26(7.96%)	\$682.05(11.63%)	6		
LMT	Industrials	9/10	\$524.80	\$325.79(-61.09%)	87.82	\$473.68(10.79%)	\$467.67(12.22%)	\$458.03(14.58%)	5		
AXON	Industrials	8/10	\$310.59	\$174.24(-78.25%)	56.14	\$303.41(2.37%)	\$294.16(5.59%)	\$302.27(2.75%)	6		
HCA	Healthcare	8/10	\$354.78	\$319.06(-11.20%)	69.15	\$325.08(9.14%)	\$329.16(7.78%)	\$324.85(9.21%)	6		
MTD	Healthcare	8/10	\$1,450.08	\$612.76(-136.65%)	56.76	\$1,362.87(6.40%)	\$1,421.44(2.01%)	\$1,355.62(6.97%)	1		
NOW	Technology	8/10	\$827.61	\$607.65(-36.20%)	64.72	\$766.68(7.95%)	\$742.49(11.46%)	\$745.27(11.05%)	7		
NVR	Consumer Cyclical	8/10	\$8,600.60	\$7,969.08(-7.92%)	65.34	\$7,979.79(7.78%)	\$7,738.48(11.14%)	\$7,738.40(11.14%)	1		
SHW	Materials	8/10	\$349.22	\$231.83(-50.64%)	69.54	\$313.76(11.30%)	\$307.32(13.63%)	\$316.32(10.40%)	1		
UNH	Healthcare	8/10	\$569.72	\$654.91(13.01%)	68.74	\$523.23(8.89%)	\$508.37(12.07%)	\$494.40(15.23%)	1		
AZO	Consumer Cyclical	7/10	\$3,090.31	\$3,254.19(5.04%)	62.97	\$2,911.72(6.13%)	\$2,875.92(7.45%)	\$2,962.83(4.30%)	5		
DHR	Healthcare	7/10	\$273.91	\$99.34(-175.73%)	68.47	\$248.50(10.23%)	\$255.51(7.20%)	\$251.80(8.78%)	5		
NOC	Industrials	6/10	\$480.30	\$238.99(-100.97%)	76.68	\$436.87(9.94%)	\$442.64(8.51%)	\$453.45(5.92%)	4		
ORLY	Consumer Cyclical	6/10	\$1,110.31	\$984.13(-12.82%)	67.32	\$1,040.21(6.74%)	\$1,018.57(9.01%)	\$1,052.05(5.54%)	5		
TMO	Healthcare	6/10	\$607.14	\$511.89(-18.61%)	68.51	\$547.45(10.90%)	\$564.68(7.52%)	\$570.31(6.46%)	5		
GWV	Industrials	5/10	\$970.34	\$895.96(-8.30%)	56.79	\$929.93(4.35%)	\$925.18(4.88%)	\$949.71(2.17%)	5		
HII	Industrials	5/10	\$276.03	\$340.43(18.92%)	72.73	\$255.24(8.15%)	\$251.71(9.66%)	\$264.30(4.44%)	—		

Fundamental & Technical Screen

Tables											
Overview											
Technical											
Fundamentals											
Performance											
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotr	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
DHI	Consumer Cyclical	10/10	\$176.94		68.85	\$152.89(15.73%)	\$147.96(19.59%)	\$149.82(18.10%)	3	7	
IRM	Real Estate	10/10	\$98.50	\$16.49(-497.33%)	60.81	\$95.12(3.55%)	\$88.23(11.64%)	\$82.89(18.83%)	8	7	
URI	Industrials	10/10	\$752.21		65.67	\$683.69(10.02%)	\$665.80(12.98%)	\$673.51(11.69%)	3	8	
CTAS	Industrials	9/10	\$761.39	\$328.72(-131.62%)	65.71	\$725.75(4.91%)	\$705.26(7.96%)	\$682.05(11.63%)	6	7	
LMT	Industrials	9/10	\$524.80	\$325.79(-61.09%)	87.82	\$473.68(10.79%)	\$467.67(12.22%)	\$458.03(14.58%)	5	7	
AMGN	Healthcare	8/10	\$334.85	\$219.37(-52.64%)	66.50	\$323.67(3.45%)	\$313.91(6.67%)	\$295.98(13.13%)	1	4	
JPM	Financial	8/10	\$212.24	\$226.16(6.15%)	55.72	\$207.74(2.17%)	\$201.46(5.35%)	\$196.17(8.19%)	—	5	
LEN	Consumer Cyclical	8/10	\$176.71		66.60	\$157.13(12.46%)	\$156.77(12.72%)	\$157.94(11.88%)	3	7	
NVR	Consumer Cyclical	8/10	\$8,600.60	\$7,969.08(-7.92%)	65.34	\$7,979.79(7.78%)	\$7,738.48(11.14%)	\$7,738.40(11.14%)	1	7	
SHW	Materials	8/10	\$349.22	\$231.83(-50.64%)	69.54	\$313.76(11.30%)	\$307.32(13.63%)	\$316.32(10.40%)	1	5	
SWKS	Technology	8/10	\$116.18	\$126.77(8.35%)	54.69	\$111.43(4.26%)	\$102.69(13.14%)	\$102.32(13.55%)	4	6	
UNH	Healthcare	8/10	\$569.72	\$654.91(13.01%)	68.74	\$523.23(8.89%)	\$508.37(12.07%)	\$494.40(15.23%)	1	5	

SimpleVisor Portfolio Changes

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

No Trades This Week



Looking for the 401k Plan Manager?

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Lance Roberts, C.I.O.

Have a great week!