Rally Into Year-End?

Inside This Week's Bull Bear Report

- ***Rally Into Year End?***
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It's Make Or Break Time For The Market

On Wednesday, Jerome Powell's speech sparked a broad rally in stocks and bonds as market expectations for further rate hikes collapsed. There was nothing new about the Fed's recent policy announcement as they maintained that higher Treasury yields are doing their work in slowing economic activity and, ultimately, inflation. However, they did, again, as expected, leave open the possibility of further rate hikes as needed.

- *POWELL: **PROCESS OF GETTING INF. TO 2% HAS A LONG WAY TO GO***
- **POWELL: FULL EFFECTS OF TIGHTENING YET TO BE FELT*
- **POWELL: **NOT CONFIDENT WE'VE REACHED STANCE FOR 2% INFLATION***

Given that the Fed did little to talk up the projections of further rate hikes, the market took this as meaning the Fed is likely done hiking rates. Of course, that means, from the market's perspective, the subsequent actions will be *"rate cuts."*

With that, risk assets and bonds surged as buyers jumped in to buy the recent dip. The break of the 200-DMA was reversed on Thursday, and the 50-DMA was breached on Friday. Those actions set the market up for a rally into year-end.

The problem with the market rallying and yields dropping is that it undoes the financial constriction they provided on the economy. **Higher asset prices boost consumer confidence, and lower yields provide buying power. Both of those actions create the possibility of a resurgence in inflation, putting the Fed back into *"hawkish"* mode to make sure inflation falls.**

Notably, inflation falls when economic activity declines, so it will be a tricky balancing act next year to achieve lower inflation without crashing the economy. But that is something we will discuss in January.

For now, as noted, the rally is on. The question is how long it will last and how to trade it.

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Rally Into Year End?

Last week, we discussed the ***possibilities and probabilities*** of a rally into year-end. To wit:

"What?s the history when turmoil grips the planet in October, heading into the Best Six Months of the year? Since WWII, there has been an ongoing war or international conflagration going on practically all the time. Things have come to a head in October many times, with several happening in the Mideast. Current events in the Middle East are especially tense.

We?ve tried to pinpoint the Recent High related to the crisis and then the nearest Subsequent Low around October. We included the nearest Crisis Low, the Q4, Year, Best Six Months, and Next Year % Changes.

We find ourselves today at a similar crossroads with the Hamas attack, Israel?s reaction and unrest in Mideast and on the world stage. ***If this situation can be contained the market will likely rally sharply. If it drags on or escalates that will likely negatively impact the market."***

Best Six Months Global Turmoil S&P 500 Performance Since WWII

Date	Crisis	Recent High	Close	Subseq Low	Close	% Change	Crisis Low	Close	% Change	Q4%	Year %	BSM%	Next Year%
10/29/1956	Suez Crisis/Russia Invades Hungary	8/2/1956	49.74	11/29/1956	44.38	–10.8	2/12/1957	42.39	–14.8	2.9	2.6	0.4	–14.3
10/15/1962	Cuban Missile Crisis	8/22/1962	59.78	10/23/1962	53.49	–10.5	6/26/1962	52.32	–12.5	12.1	–11.8	23.5	18.9
10/6/1973	Arab-Israeli War/Oil Embargo	8/1/1973	106.83	12/5/1973	92.16	–13.7	10/3/1974	62.28	–41.7	–10.0	–17.4	–16.6	–29.7
11/3/1979	Iran Hostage Crisis/USSR-Afghan War	10/5/1979	111.27	11/7/1979	99.87	–10.2	3/27/1980	98.22	–11.7	–1.3	12.3	4.4	25.8
8/2/1990	Iraq Invades Kuwait	7/16/1990	368.95	10/11/1990	295.46	–19.9	10/11/1990	295.46	–19.9	7.9	–6.6	23.5	26.3
9/11/2001	Terrorist Attack USA/Afghan War	5/21/2001	1312.83	9/21/2001	965.80	–26.4	9/21/2001	965.80	–26.4	10.3	–13.0	1.6	–23.4
10/16/2002	Iraq War Resolution	3/19/2002	1170.29	10/9/2002	776.76	–33.6	10/9/2002	776.76	–33.6	7.9	–23.4	3.5	26.4
10/9/2007	2007-2009 GFC Bank Failures Mount	10/9/2007	1565.15	11/26/2007	1407.22	–10.1	3/9/2009	676.53	–56.8	–3.8	3.5	–10.6	–38.5
9/15/2008	2007-2009 GFC Lehman Bros Fails	9/2/2008	1277.58	11/20/2008	752.44	–41.1	3/9/2009	676.53	–47.0	–22.6	–38.5	–9.9	23.5
10/7/2023	*Israel-Hamas War**	*7/31/2023*	*4588.96*	*10/26/2023*	*4137.23*	*–9.8*	** As of 10/26/2023 Close. Not in Averages.*						
					Average:	–18.6			–29.4	0.4	–10.3	2.2	1.7
					Median:	–12.3			–26.4	2.9	–11.8	1.6	18.9
					Up:				0	5	3	6	5
					Down:				9	4	6	3	4
					% Up:				0.0	55.6	33.3	66.7	55.6

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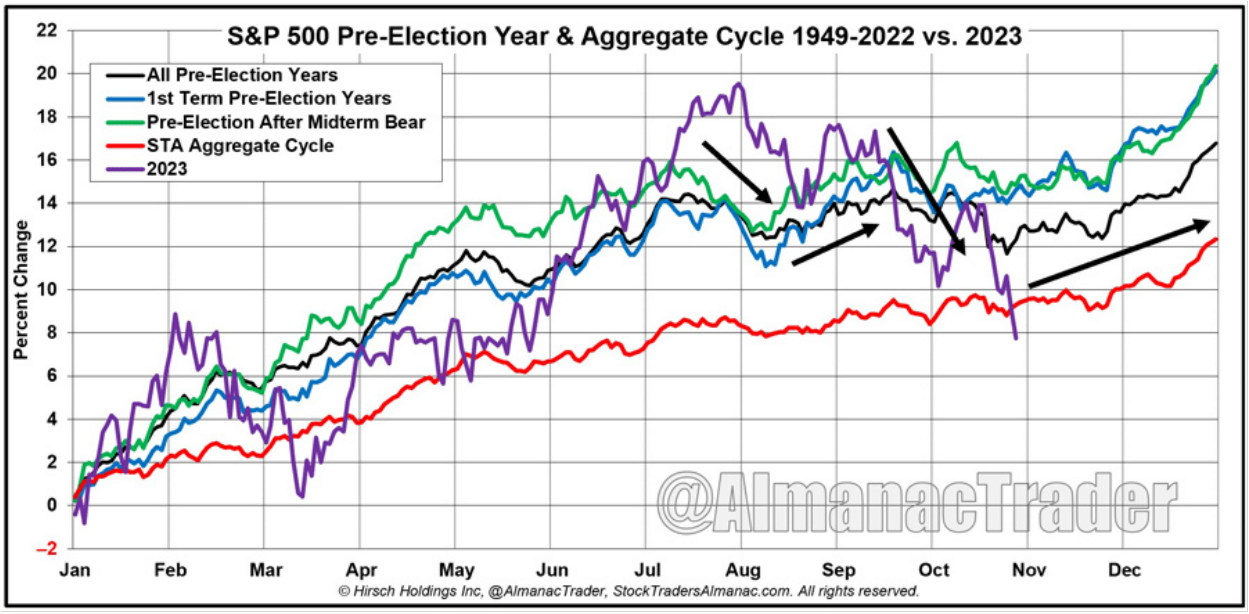
Pre-Election Year Highlighted in Blue. *© Hirsch Holdings Inc., StockTradersAlmanac.com. All rights reserved.*

"We are still in the window of October weakness, but many seasonal factors suggest the possibility of a year-end rally."

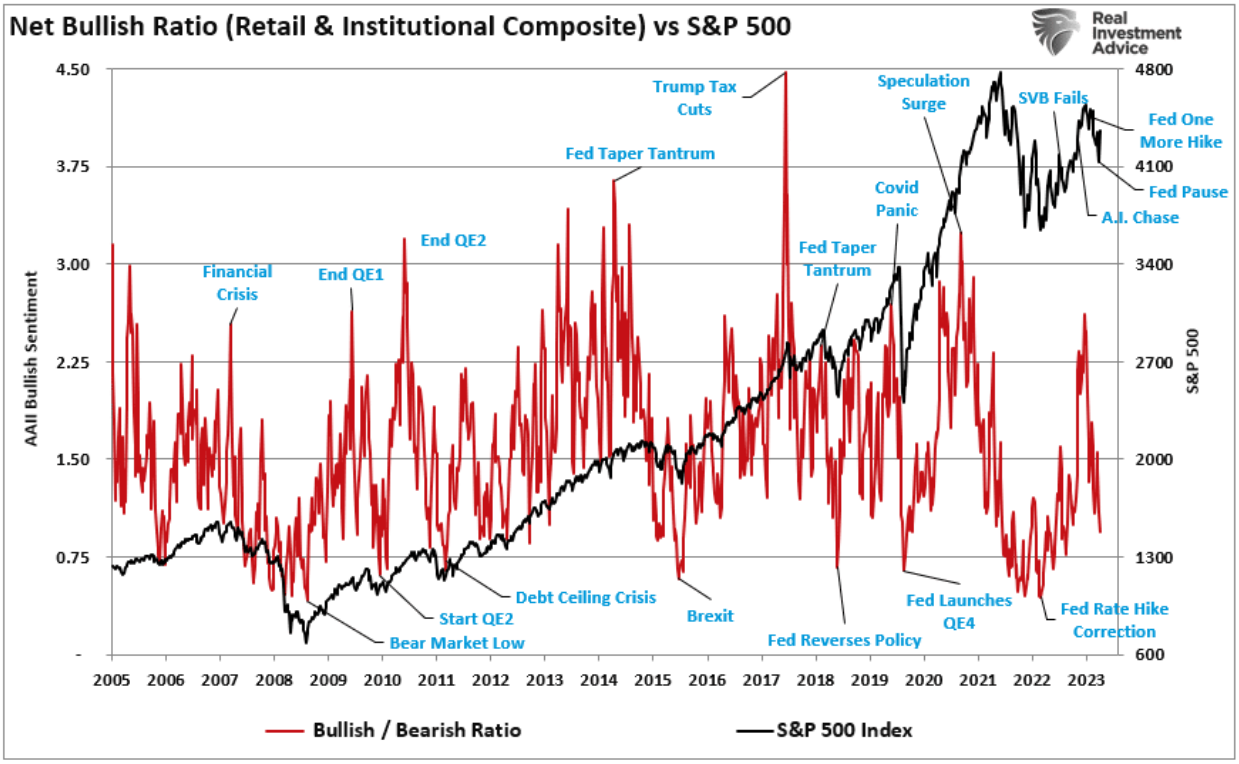


While the last three months have discouraged investors, the psychological shift from bullish to bearish since the July peak is unsurprising. As I noted then:

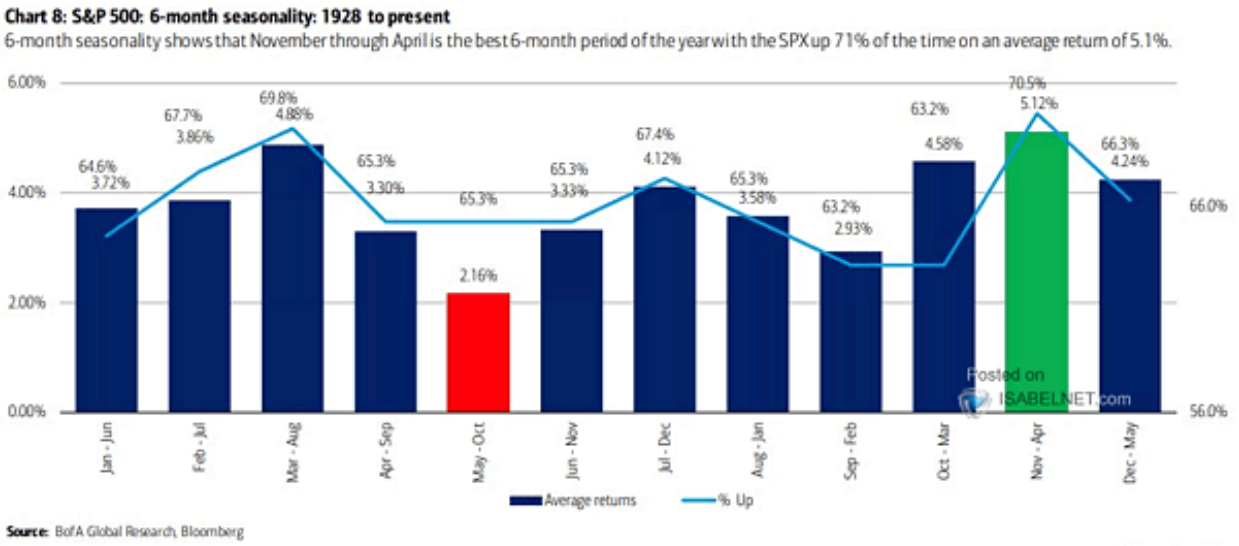
"This past week, the market pushed well past our previous price target and is moving well into 3-standard deviations above the 50-DMA. Furthermore, the market is very

overbought on multiple levels. ***Lastly, the volatility index is at extremely low levels, which has almost uniformly preceded corrections of 5-10% during both bull and bear markets.****"*

We also discussed that when that correction came, the *"bears would reassert themselves, and the bulls would throw in the towel."* Such has indeed been the case, with both professional and retail investor sentiment becoming negative.



With a rather brutal October behind us, the seasonal statistics of November and December provide a more optimistic outlook for a rally. From a historical perspective, November through April is the best 6-month period of the year, with the S&P 500 index rallying 71% of the time with a 5.1% average annual return.



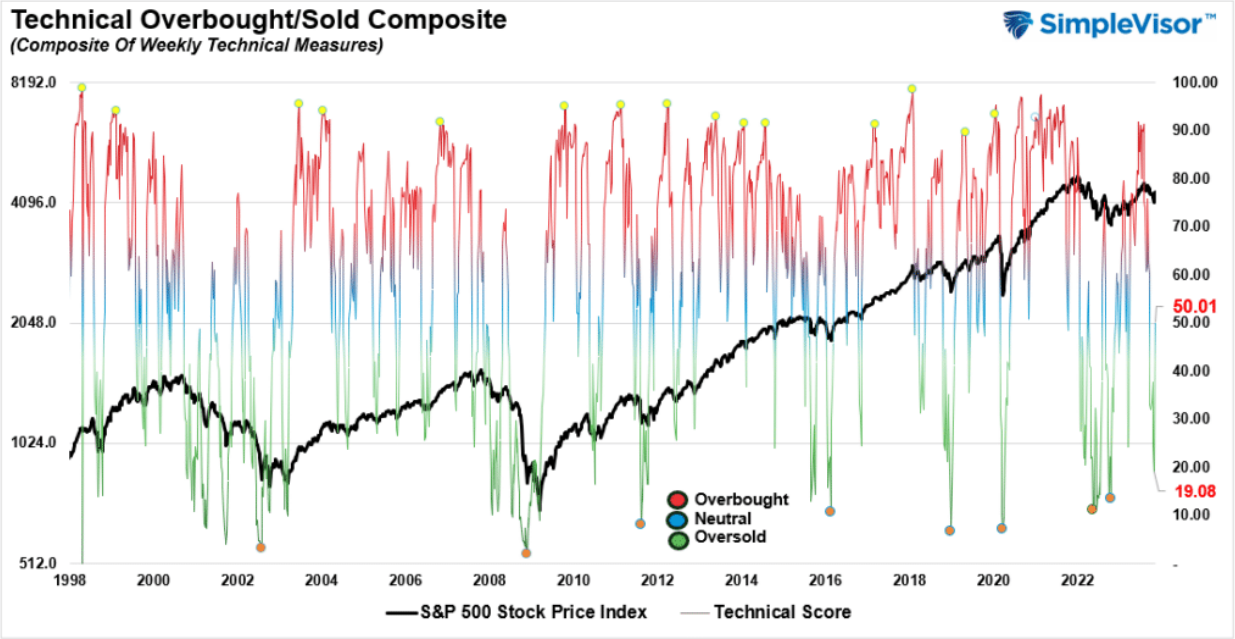
However, it isn't just negative sentiment and seasonality that will fuel a potential rally into year-end.

Technical Support For A Rally

As noted last week, our weekly composite technical gauge reached more extreme levels that have often been associated with bear market bottoms and correction lows.

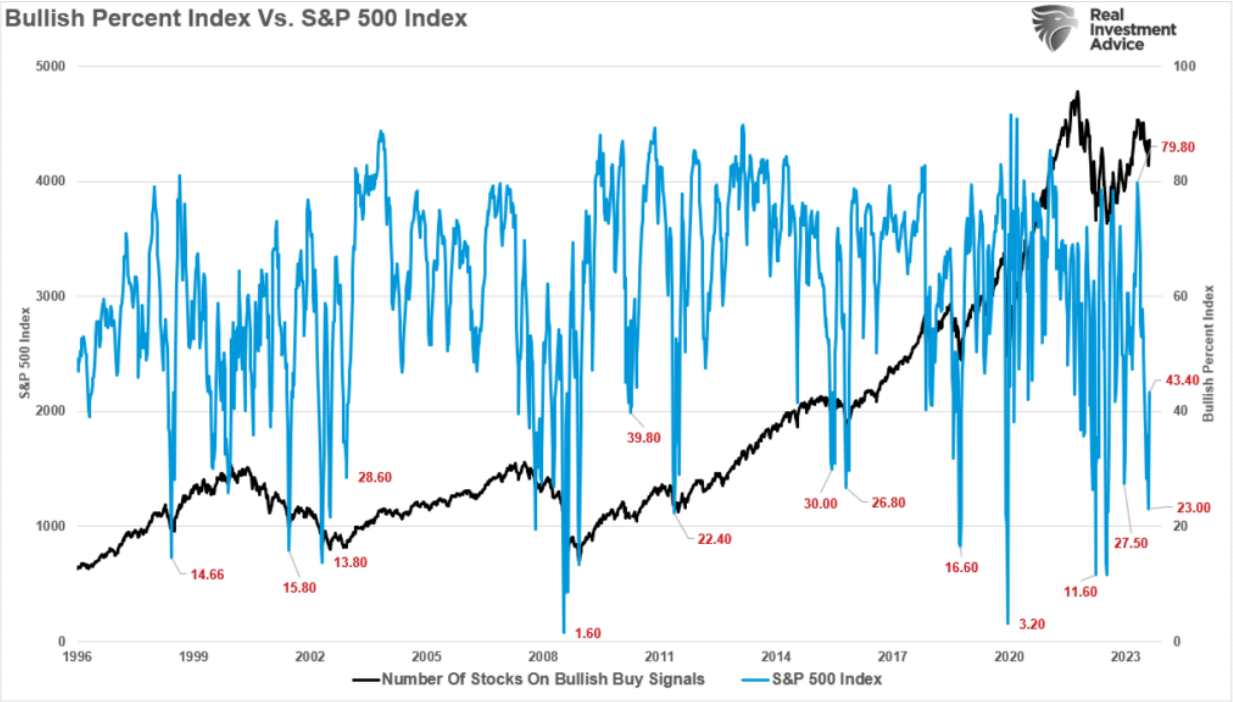
> *"Given the very negative levels of investor sentiment and oversold technical conditions, as shown, the possibility of a counter-trend rally is decent. Our weekly technical composite indicator has not been this oversold since October 2022 and is near levels that have historically always marked correction and bear market bottoms."*

The chart is updated to show the current position, which improved sharply from last week's low.

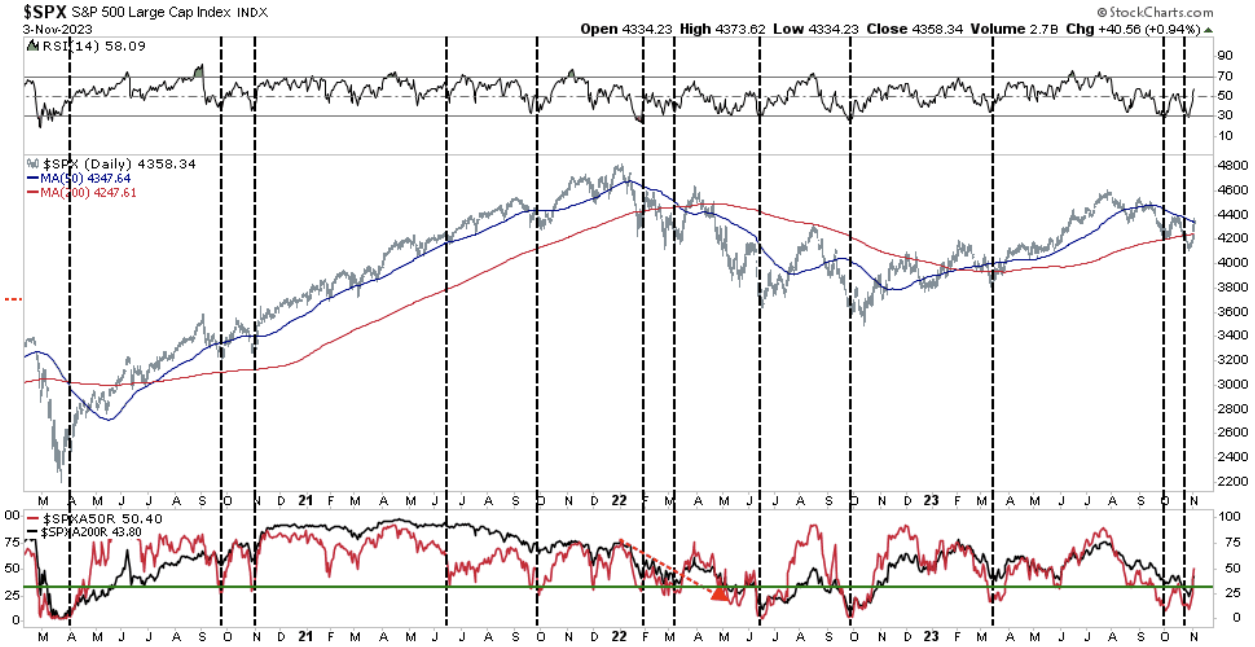


However, it isn't just the oversold condition of the market; other technical indicators also point to readings that are associated with reflexive market rallies. For instance, the percentage of stocks on *"bullish buy signals"* has fallen very low.

The chart is updated from last week's low.



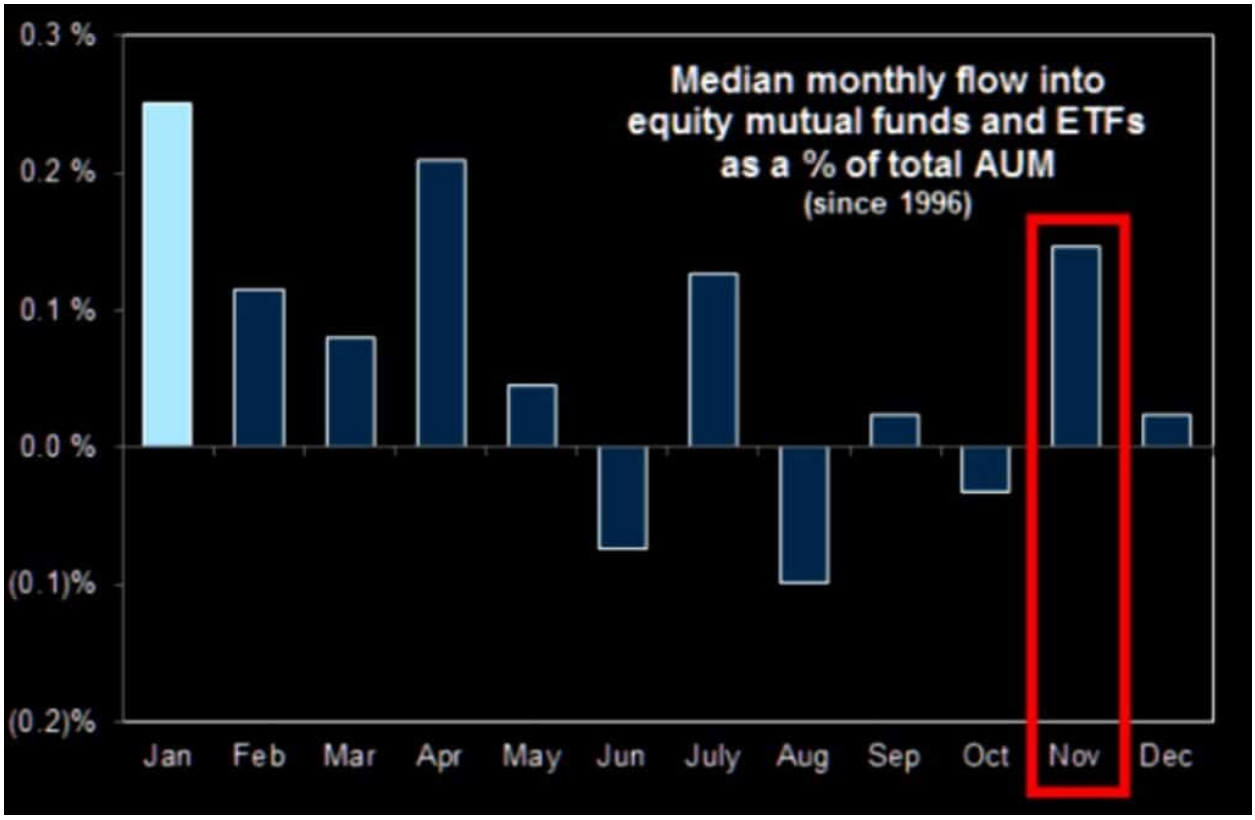
Combine that reading with the percentage of stocks trading below their respective 50-DMA and 200-DMA. When the percentage of stocks trading above their respective 50-DMA falls below 30%, such has been a strong contrarian signal. With a large majority of stocks trading below the 50- and 200-DMA and the Relative Strength Index (RSI) at low levels, a counter-trend rally into year-end would be unsurprising.



Bose indicators suggest that selling has reached an exhaustion level, which will bring buyers back into the market. Adding to that buying power, as noted by Goldman Sachs on Wednesday, are the fund flows that occur into year-end as professional managers have to allocate capital for year-end reporting. To wit:

> *"Goldman estimates that we should see $2.5 billion per day coming to the market in November in terms of equity fund inflows.* ***Add buybacks estimated to run at close to $5 billion per day at peak later in November. And then potentially add to that the***

more than $100 billion in short positions that CTAs might have to reverse."



While there is no guarantee that the market will rally into year-end, the combination of sentiment, technicals, and sentiment certainly tilts the odds in favor of being long.

Such is especially true when the market has been negative for three months consecutively.

3-Negative Months In A Row

It is interesting that in July, I wrote ***"Trading An Unstoppable Bull Market."*** At that time, the thesis was that "*artificial intelligence"* had changed the game and the market would not drop anytime soon. We argued differently.

> *"As shown below, the S&P 500 is set to close out its* ***fifth straight month of gains.*** *In addition to being up six out of the seven months this year, returns are unusually high, with the S&P advancing 18% year-to-date.*
>
> *Historically, when prices move toward the upper bands of 2- or 3-standard deviations above the 50-day moving average (dma), the Williams %R is overbought, and the MACD is crossing lower from a high level,* ***stock prices generally correct to some degree. Such is the potential environment we will likely deal with in the next few weeks as earnings season concludes. Such is also why we have suggested holding off trading portfolios and increasing equity exposure until some of these more overbought conditions are corrected.****"*

Of course, that was the market's peak before the August-October decline.

We wrote about such abnormally strong streaks previously as well. In August 2021, we discussed the ***6-month win streak*** for the market, noting:

"The table shows that nearly 40% of the time, two months of positive performance gets followed by at least one month of negative performance. *Conversely, three consecutive positive months occur 23% of the time, and only 14% of occurrences stretch to 4-months.*

Since 1871, there have only been 12-occurrences of 6-month or greater stretches of positive returns before a negative month appeared. In total, *there are just 40 occurrences; out of 245 periods of 2-months or more, the market ran 6-months or longer without a correction.*

However, the run ended in at least a negative return month in every period, but the vast majority ended with much deeper corrections.

Table Of Positive Stretch Months		
# Months	Occurrences	Percentage
2	95.00	38.78%
3	56.00	22.86%
4	33.00	13.47%
5	21.00	8.57%
6	12.00	4.90%
7	10.00	4.08%
8	5.00	2.04%
9	3.00	1.22%
10	4.00	1.63%
11	1.00	0.41%
12	3.00	1.22%
13	1.00	0.41%
14	-	
15	-	
16	-	
17	1.00	0.41%
245.00	No. Of >= 2-Month	Positive Periods

The point is that while long stretches of advances happen, they always inevitably end. Unsurprisingly, the bullish stretch of gains in 2021 ended in the 2022 correction.

Currently, the markets have had 3-consecutive months of declines. While there have historically been longer stretches, the current 3-month span is the longest since March 2020. While we currently don't have the Federal Reserve and the Government throwing trillions of dollars into the economy, the length of the decline is worth noting. Even during the 2022 correction, we never experienced more than two months of consecutive declines.

While 3-months of consecutive declines by itself is not necessarily a buy signal, there have only been a few cases where such has occurred heading into November.

Don't Lose Faith Just Yet

S&P 500 Performance After Lower Three Consecutive Months In August, September, and October

	S&P 500 Index Returns		
Year	November	December	Final 2 Months of Year
1952	4.6%	3.5%	8.4%
1957	1.6%	-4.1%	-2.6%
1977	2.7%	0.3%	3.0%
1990	6.0%	2.5%	8.6%
2016	3.4%	1.8%	5.3%
2023	?	?	?
Average	3.7%	0.8%	4.5%
Median	3.4%	1.8%	5.3%
% Higher	100.0%	80.0%	80.0%

Source: Carson Investment Research, FactSet 10/31/2023
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Combined with unfavorable internals, oversold conditions, and bearish sentiment, a rally into year-end becomes a much higher probability event.

We suggest patience and waiting for a better opportunity to reduce risk and rebalance portfolios accordingly.

How We Are Trading It

While there is support for a rally into year-end, there are also substantial risks ahead. As shown in the chart below, while we are looking for a rally, we also have several levels that will provide resistance where we will look to rebalance risks. We pushed through the 50% retracement level,

which is also the 50-DMA. As noted above, that clears the way for a rally higher with a more bullish tone. That now sets the next targets at the 61.8% and 78.6% levels, then this year's highs. While the highs are possible, it is likely a lower probability event heading into 2024.

Regardless of the eventual outcome, the market will not go to those levels in a straight line. Therefore, as we noted last week:

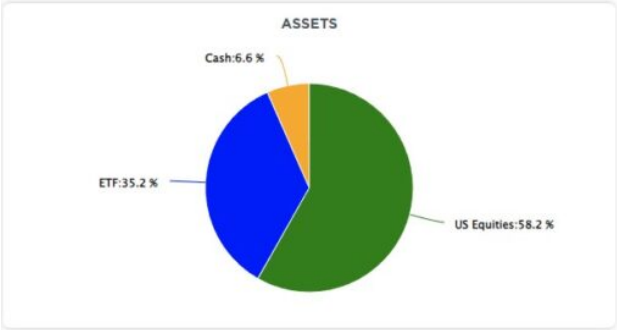
"The market is oversold, and the recent selling pressure across all assets is nearing exhaustion. If you are worried about what is happening overseas or with the Fed and the economy, use rallies to reduce risk at better price levels."

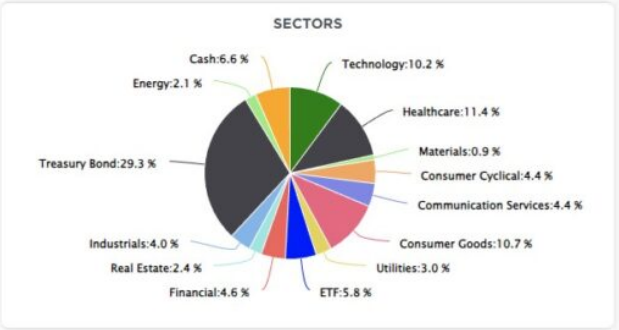
1. *Tighten up stop-loss levels to current support levels for each position.*
2. *Hedge portfolios against more significant market declines.*
3. *Take profits in positions that have been big winners.*
4. *Sell laggards and losers.*
5. *Raise cash and rebalance portfolios to target weightings.*

From a portfolio management perspective, we have to trade the market we have rather than the one we think should be. This can make the challenge of battling emotions difficult from week to week. However, the rally we expected has arrived and is providing a better risk/reward opportunity to rebalance equity exposure.

As noted last week, *"Periods like this are never fun, but the market never goes straight up or down. However, the psychological strain during periods of market weakness leads to a host of behavioral mistakes that lead to longer-term underperformance. This period will pass, and the next bullish cycle will begin. Sometimes, turning off the television can help reduce the emotional toll of headline news."*

It may have passed for now, but such doesn't mean the risk is entirely removed. Trade accordingly.





See you next week.

Research Report

Real Investment Daily

Job And Retail Sales Data: Always Good Until They Aren't

Written by Lance Roberts | Nov 3, 2023 | **Economics**

The recent #MacroView blog noted economists are increasingly confident the economy will avoid a rec...

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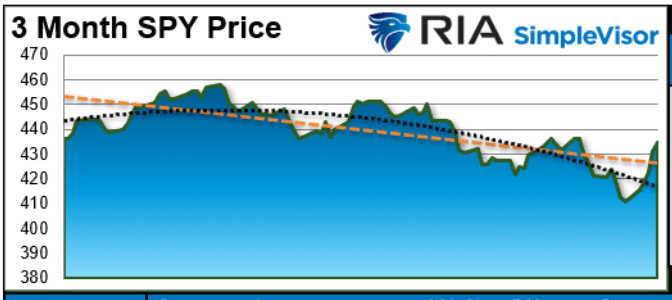
S&P 500 Weekly Tear Sheet



SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	(6.46%)	17.16%	13.67%	(20.38%)
Max Drawdown	(27.47%)	(10.93%)	(10.93%)	0.00%
Sharpe	(0.16)	0.84	0.94	0.12
Sortino	(0.22)	1.58	1.58	(0.01)
Volatility	19.75	15.47	13.62	(0.12)
Daily VaR-5%	(32.14)	(6.32)	(4.30)	(0.32)
Mnthly VaR-5%	(32.47)	(13.25)	(8.28)	(0.38)

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.29%	1.70%	1.47%	(15.65%)	2.14%	1.20%	(31.33%)	22.57%
P/E Ratio	26.76	17.07	20.53	16.86%	29.22	16.52	(29.7%)	24.23%
P/S Ratio	4.51	3.23	3.72	13.21%	4.98	3.23	(25.25%)	15.23%
P/B Ratio	6.31	5.05	5.69	11.19%	6.78	4.31	(16.07%)	32.01%
ROE	28.28%	27.73%	25.38%	(9.26%)	29.58%	19.25%	(14.22%)	31.83%
ROA	6.38%	6.39%	5.95%	(7.33%)	6.72%	4.48%	(11.44%)	32.92%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	3,740.9	3,632.6	(2.90%)
Sales	106,674	112,585	5.54%
SPS	28.5	31.0	8.69%
Earnings	19,732	17,943	(9.07%)
EPS TTM	5.7	5.5	(3.23%)
Dividend	1.6	1.7	4.88%

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	(5.28%)	4.47%	1.39	10.57	93.64	(357.54)	(88.7%)	23.6%	3.0%	10.50%	7.40	11.34
Materials	8.61%	2.40%	1.16	17.06	26.87	11.36	(36.5%)	13.0%	2.1%	6.12%	5.09	16.89
Industrials	6.81%	8.27%	1.15	19.31	54.45	14.96	(64.5%)	23.2%	1.8%	5.01%	7.17	17.24
Discretionary	21.86%	10.59%	1.43	27.84	71.65	22.45	(61.1%)	14.1%	0.8%	3.34%	5.06	24.03
Staples	(6.04%)	6.52%	0.63	19.33	22.79	17.34	(15.2%)	31.6%	2.7%	5.11%	4.68	18.66
Health Care	(2.43%)	13.03%	0.68	18.69	19.84	14.89	(5.8%)	29.2%	1.8%	5.59%	8.16	16.90
Financials	6.25%	12.70%	1.14	14.71	21.47	12.76	(31.5%)	12.5%	1.9%	6.68%	7.39	13.28
Technology	48.34%	28.33%	1.18	32.21	34.52	15.53	(6.7%)	66.1%	0.8%	3.05%	6.70	25.89
Telecom	52.75%	8.77%	0.99	20.46	28.38	15.42	(27.9%)	21.7%	0.5%	4.39%	5.78	16.96
Utilities	(7.34%)	2.50%	0.69	17.55	21.24	15.58	(17.4%)	10.6%	3.5%	5.56%	3.38	14.94
Real Estate	(1.59%)	2.34%	1.02	16.42	26.21	16.73	(37.4%)	7.4%	3.7%	6.15%	4.79	15.49

Momentum Analysis

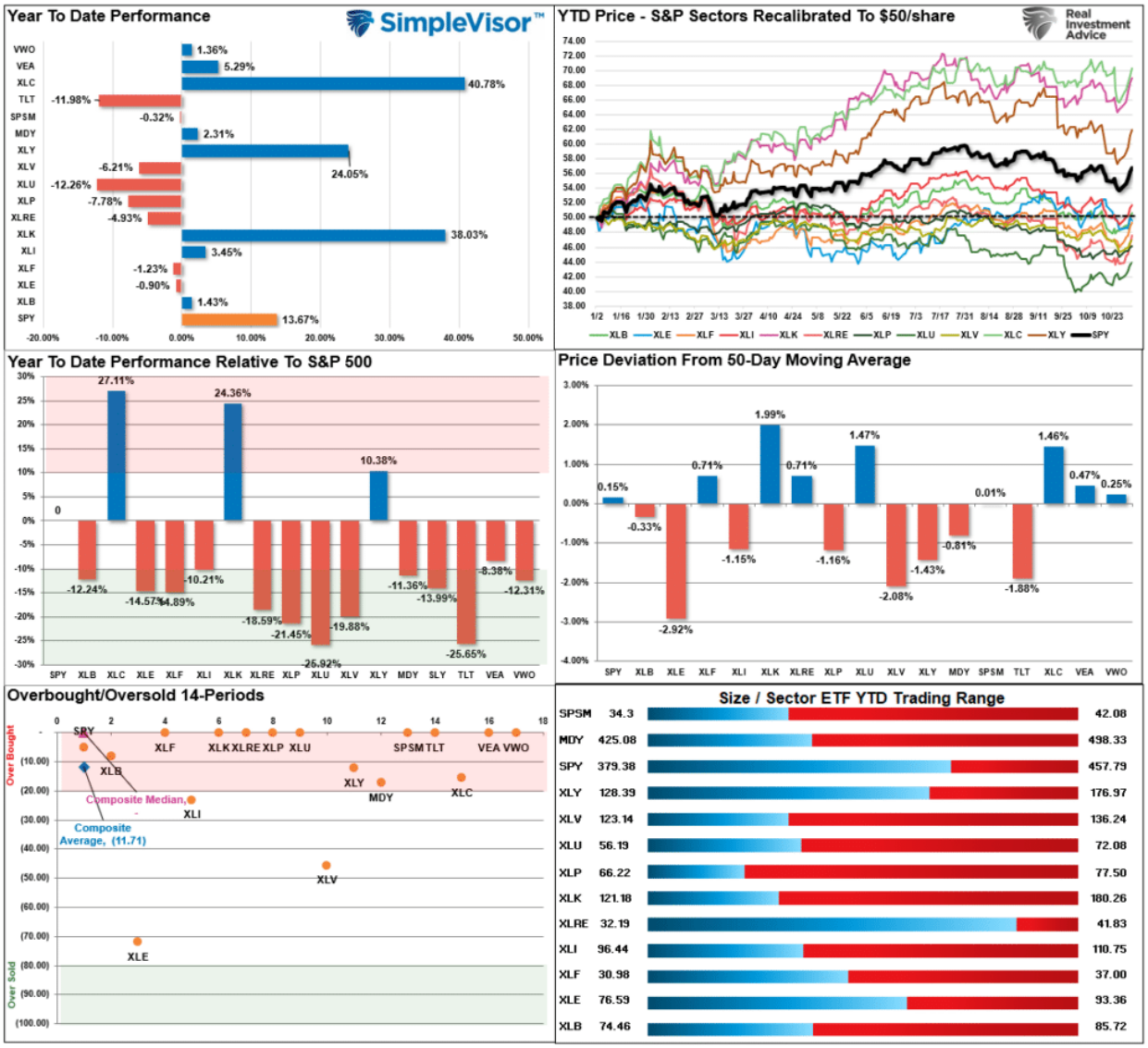
Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell
Large Cap	434.69	(1.20%)	433.91	1	0.18%	424.57	2	2.38%	2.20%	(5.39%)	17.87%	Buy
Mid Cap	453.01	(3.96%)	456.40	48	(0.74%)	464.45	111	(2.46%)	(1.73%)	(9.54%)	6.81%	Sell
Small Cap	36.85	(3.81%)	36.82	1	0.09%	38.02	37	(3.08%)	(3.17%)	(12.80%)	7.84%	Sell

Relative Performance Analysis

Last week, we stated:

> *"Unfortunately, the market did not rally last week, but the deviations and oversold conditions only deepened further, which provides the fuel for a counter-trend rally. Use rallies to reduce risk and rebalance exposures for now until the overall technical footings significantly improve."*

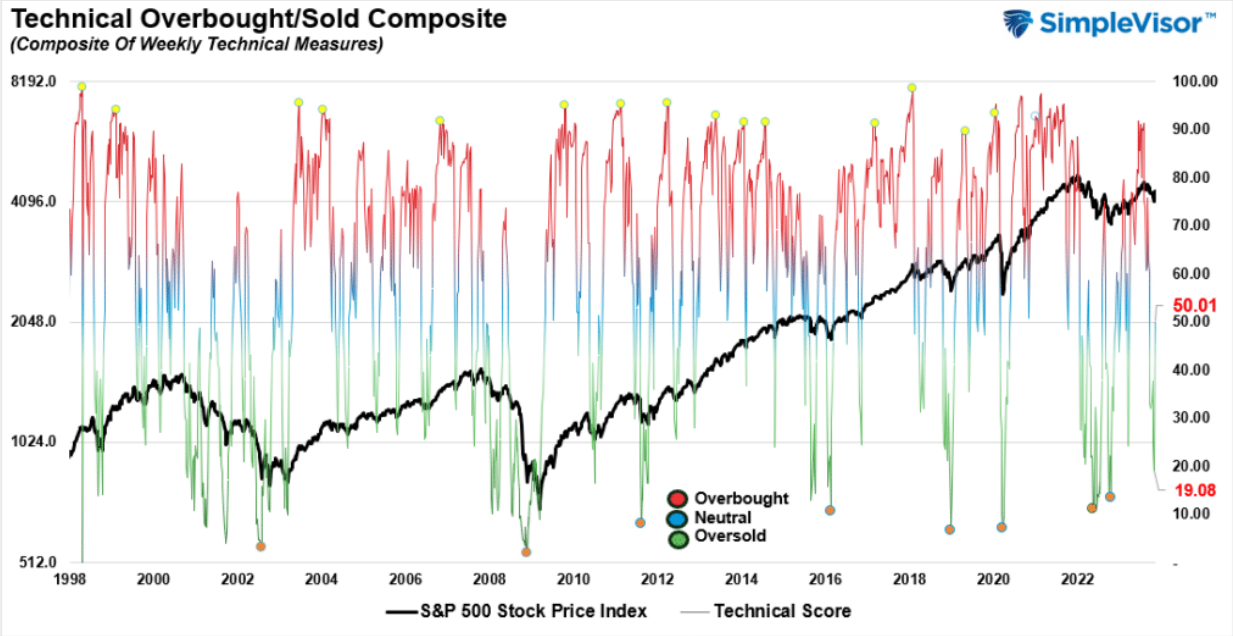
As shown below, that rally came with a vengeance this past week, with the S&P and Nasdaq rallying near 6%, respectively. The markets are returning to short-term overbought conditions, so a bit of consolidation next week is likely. If you have been waiting for a rally to reduce risk or rebalance allocations, this is likely the best opportunity we will have over the next few days. Look for pullbacks to support if you want to add exposure to your portfolio for a year-end push.



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.***

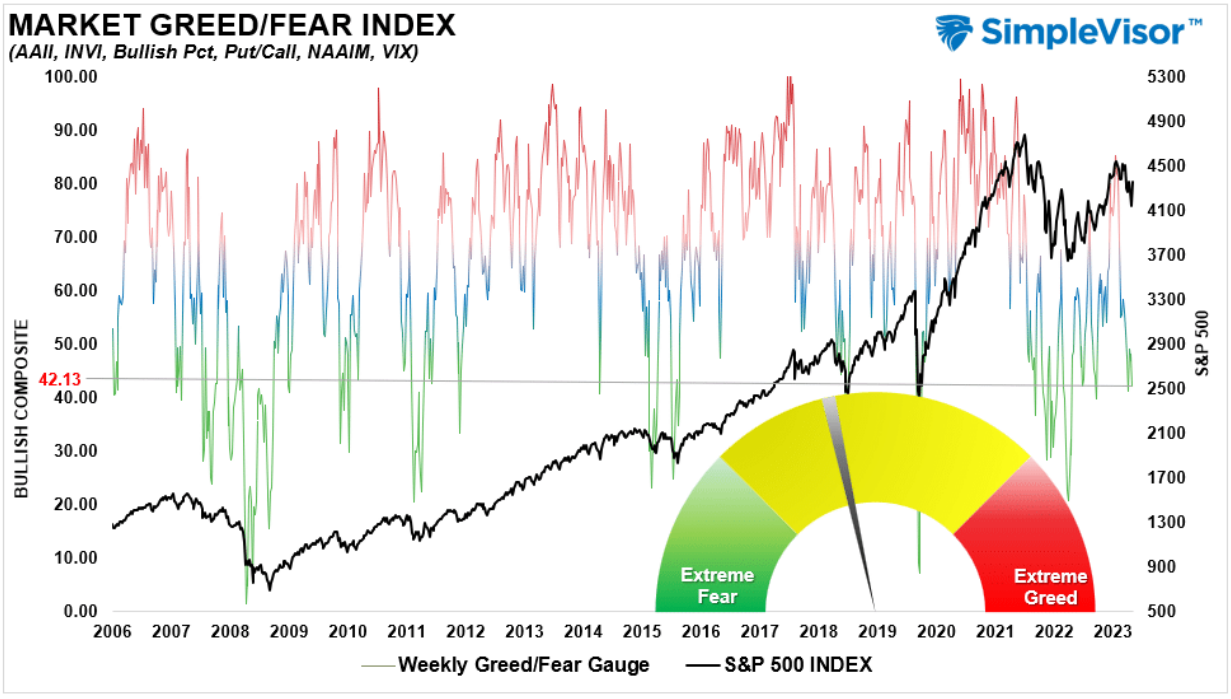
The current reading is 50.01 out of a possible 100.



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 42.13 out of a possible 100.***



Relative Sector Analysis

Relative Analysis of Sectors against SPY

(click sector symbol for sector details including a relative analysis of its top ten holdings)

Transportation (XTN) -0.75 »	Health Care (XLV) -0.39 »	Industrials (XLI) -0.26 »	Materials (XLB) -0.19 »	Consumer Discretionary (XLY) -0.06 »	Real Estate (XLRE) -0.05 »
Consumer Staples (XLP) -0.04 »	Financial (XLF) -0.02 »	Energy (XLE) -0.01 »	Communication Services (XLC) 0.05 »	Utilities (XLU) 0.08 »	Technology (XLK) 0.50 »

Overbought - could be a good time to reduce holdings. Oversold - could be a good time to increase holdings

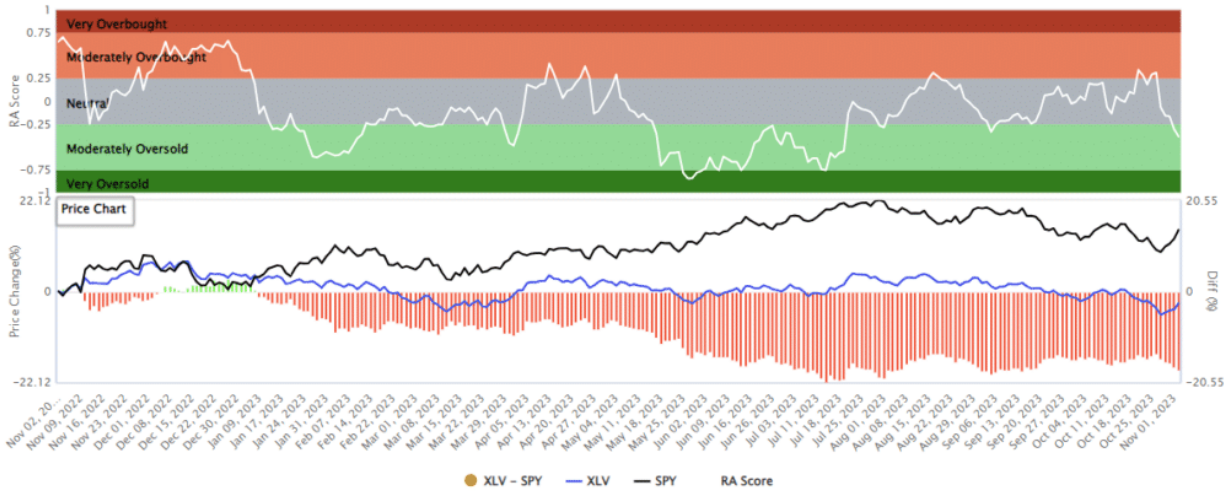
About Relative Analysis

This analysis uses the price ratio of two securities to establish a relative technical score. 13 technical measures are applied to the ratio to determine the score. The score tells us how one stock compares to another stock. We like to compare sector ETFs to the S&P 500 to help assess relative strength or weakness of the sectors.

Quite often scores of + .75 or greater are good times to reduce holdings and -.75 are good times to buy. However, scores can stay extremely overbought or sold for a few weeks so at times patience is required.

Oversold Sector Analysis

XLV (Health Care) / SPY - Analysis



Description

In seeking to track the performance of the index, the fund employs a replication strategy. It generally invests substantially all, but at least 95%, of its total assets in the securities comprising the index. The index includes companies from the following industries: pharmaceuticals; health care equipment & supplies; health care providers & services; biotechnology; life sciences tools & services; and health care technology. The fund is non-diversified.

Latest Price (Jan 20, 1970, 9:55:55 AM)	Last Close	Open	Volume	Annual Div.
$126.78 △ ($1.98) (1.59%)	$124.80	$125.28	11,890,926	$1.81
52 Week Range	**Day Range**		**Avg. Volume (3m)**	**Div. Yield**
$122.59 – $141.77	$124.95 – $126.89		N/A	1.45%

Symbol	Name	Holdings
UNH	UnitedHealth Group Inc	9.72%
LLY	Eli Lilly and Co	8.91%
JNJ	Johnson & Johnson	7.80%
ABBV	AbbVie Inc	5.47%
MRK	Merck & Co Inc	5.44%
TMO	Thermo Fisher Scientific Inc	4.07%
PFE	Pfizer Inc	3.90%
ABT	Abbott Laboratories	3.50%
DHR	Danaher Corp	3.39%
AMGN	Amgen Inc	2.99%

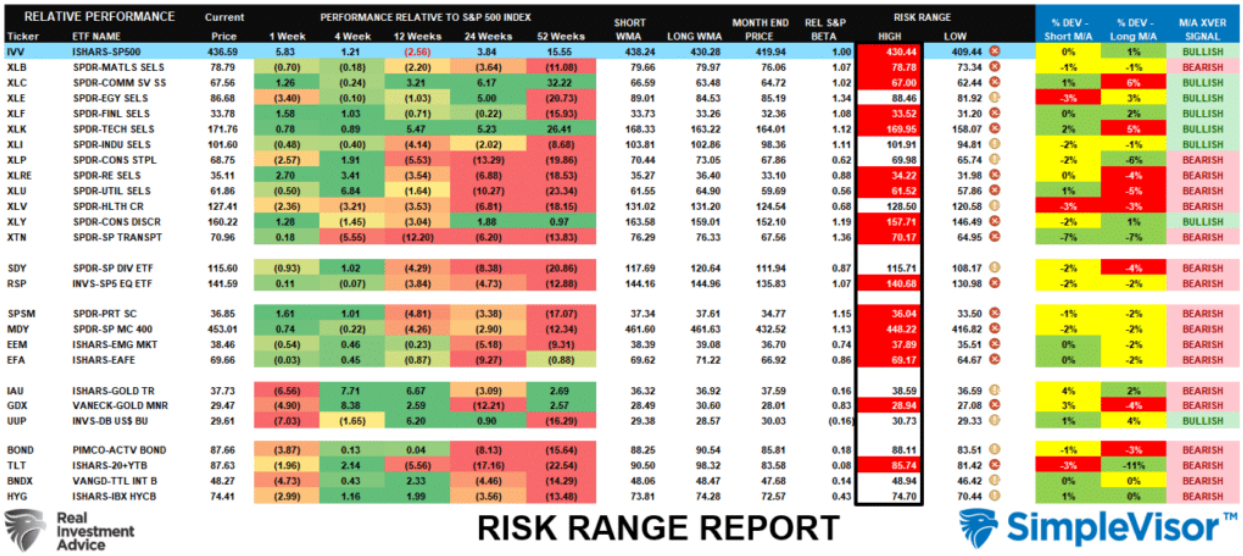
ABBV/	ABT/	AMGN/	DHR/	MRK/	PFE/	TMO/	JNJ/	LLY/	UNH/	XLV/	
0.00	0.17	0.26	-0.64	0.00	-0.38	-0.33	-0.10	0.32	0.69	0.23	ABBV
-0.17	0.00	0.00	-0.52	-0.05	-0.70	-0.74	-0.22	0.09	0.32	-0.11	ABT
-0.26	0.00	0.00	-0.43	-0.18	-0.35	-0.39	-0.28	0.21	0.37	-0.15	AMGN
0.64	0.52	0.43	0.00	0.54	0.09	-0.04	0.52	0.53	0.73	0.70	DHR
0.00	0.05	0.18	-0.54	0.00	-0.67	-0.64	-0.12	0.28	0.41	0.07	MRK
0.38	0.70	0.35	-0.09	0.67	0.00	-0.17	0.34	0.55	0.59	0.52	PFE
0.33	0.74	0.39	0.04	0.64	0.17	0.00	0.53	0.52	0.70	0.67	TMO
0.10	0.22	0.28	-0.52	0.12	-0.34	-0.53	0.00	0.33	0.57	0.27	JNJ
-0.32	-0.09	-0.21	-0.53	-0.28	-0.55	-0.52	-0.33	0.00	0.12	-0.28	LLY
-0.69	-0.32	-0.37	-0.73	-0.41	-0.59	-0.70	-0.57	-0.12	0.00	-0.47	UNH
-0.23	0.11	0.15	-0.70	-0.07	-0.52	-0.67	-0.27	0.28	0.47	0.00	XLV

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.*

As noted last week, *"Most every other sector and market, including Bonds, are profoundly oversold and should see buying near-term, particularly as we head into year-end and portfolio managers need to rebalance holdings."* This past week, that buying showed up with a vengeance, pushing almost every major market and sector outside of normal monthly ranges. Consider taking profits and rebalancing holdings and use pullbacks to support to add to new or existing positions.



RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	M/A 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	436.59	5.83	1.21	(2.56)	3.84	15.55	438.24	430.28	419.94	1.00	430.44	409.44	0%	1%	BULLISH
XLB	SPDR-MATLS SELS	78.79	(0.70)	(0.18)	(2.20)	(3.64)	(11.08)	79.66	79.97	76.06	1.07	78.78	73.34	-1%	-1%	BEARISH
XLC	SPDR-COMM SV SS	67.56	1.26	(0.24)	3.21	6.17	32.22	66.59	63.48	64.72	1.02	67.00	62.44	1%	6%	BULLISH
XLE	SPDR-EGY SELS	86.68	(3.40)	(0.10)	(1.03)	5.00	(20.73)	89.01	84.53	85.19	1.34	88.46	81.92	-3%	3%	BULLISH
XLF	SPDR-FINL SELS	33.78	1.58	1.03	(0.71)	(0.22)	(15.93)	33.73	33.26	32.36	1.08	33.52	31.20	0%	2%	BULLISH
XLK	SPDR-TECH SELS	171.76	0.78	0.89	5.47	5.23	26.41	168.33	163.22	164.01	1.12	169.96	158.07	2%	5%	BULLISH
XLI	SPDR-INDU SELS	101.60	(0.48)	(0.40)	(4.14)	(2.02)	(8.68)	103.81	102.86	98.36	1.11	101.91	94.81	-2%	-1%	BULLISH
XLP	SPDR-CONS STPL	68.75	(2.57)	1.91	(5.53)	(13.29)	(19.86)	70.44	73.05	67.86	0.62	69.98	65.74	-2%	-6%	BEARISH
XLRE	SPDR-RE SELS	35.11	2.70	3.41	(3.54)	(6.88)	(18.53)	35.27	36.40	33.10	0.88	34.22	31.98	0%	-4%	BEARISH
XLU	SPDR-UTIL SELS	61.86	(0.50)	6.84	(1.64)	(10.27)	(23.34)	61.55	64.90	59.69	0.56	61.52	57.86	1%	-5%	BEARISH
XLV	SPDR-HLTH CR	127.41	(2.36)	(3.21)	(3.53)	(6.81)	(18.15)	131.02	131.20	124.54	0.68	128.50	120.58	-3%	-3%	BEARISH
XLY	SPDR-CONS DISCR	160.22	1.28	(1.45)	(3.04)	1.88	0.97	163.58	159.01	152.10	1.19	157.71	146.49	-2%	1%	BULLISH
XTN	SPDR-SP TRANSPT	70.96	0.18	(5.55)	(12.20)	(6.20)	(13.83)	76.29	76.33	67.56	1.36	70.17	64.95	-7%	-7%	BEARISH
SDY	SPDR-SP DIV ETF	115.60	(0.93)	1.02	(4.29)	(8.38)	(20.86)	117.69	120.64	111.94	0.87	115.71	108.17	-2%	-4%	BEARISH
RSP	INVS-SP5 EQ ETF	141.59	0.11	(0.07)	(3.84)	(4.73)	(12.88)	144.16	144.96	135.83	1.07	140.68	130.98	-2%	-2%	BEARISH
SPSM	SPDR-PRT SC	36.85	1.61	1.01	(4.81)	(3.38)	(17.07)	37.34	37.61	34.77	1.15	36.04	33.50	-1%	-2%	BEARISH
MDY	SPDR-SP MC 400	453.01	0.74	(0.22)	(4.26)	(2.90)	(12.34)	461.60	461.63	432.52	1.13	448.22	416.82	-2%	-2%	BEARISH
EEM	ISHARS-EMG MKT	38.46	(0.54)	0.46	(0.23)	(5.18)	(9.31)	38.39	39.08	36.70	0.74	37.89	35.51	0%	-2%	BEARISH
EFA	ISHARS-EAFE	69.66	(0.03)	0.45	(0.87)	(9.27)	(0.88)	69.62	71.22	66.92	0.86	69.17	64.67	0%	-2%	BEARISH
IAU	ISHARS-GOLD TR	37.73	(6.56)	7.71	6.67	(3.09)	2.69	36.32	36.92	37.59	0.16	38.59	36.59	4%	2%	BEARISH
GDX	VANECK-GOLD MNR	29.47	(4.90)	8.38	2.59	(12.21)	2.57	28.49	30.60	28.01	0.83	28.94	27.08	3%	-4%	BEARISH
UUP	INVS-DB US$ BU	29.61	(7.03)	(1.65)	6.20	0.90	(16.29)	29.38	28.57	30.03	(0.16)	30.73	29.33	1%	4%	BULLISH
BOND	PIMCO-ACTV BOND	87.66	(3.87)	0.13	0.04	(8.13)	(15.64)	88.25	90.54	85.81	0.18	88.11	83.51	-1%	-3%	BEARISH
TLT	ISHARS-20+YTB	87.63	(1.96)	2.14	(5.56)	(17.16)	(22.54)	90.50	98.32	83.58	0.08	85.74	81.42	-3%	-11%	BEARISH
BNDX	VANGD-TTL INT B	48.27	(4.73)	0.43	2.33	(4.46)	(14.29)	48.06	48.47	47.68	0.14	48.94	46.42	0%	0%	BEARISH
HYG	ISHARS-IBX HYCB	74.41	(2.99)	1.16	1.99	(3.56)	(13.48)	73.81	74.28	72.57	0.43	74.70	70.44	1%	0%	BEARISH

Real Investment Advice

RISK RANGE REPORT

SimpleVisor™

Weekly SimpleVisor Stock Screens

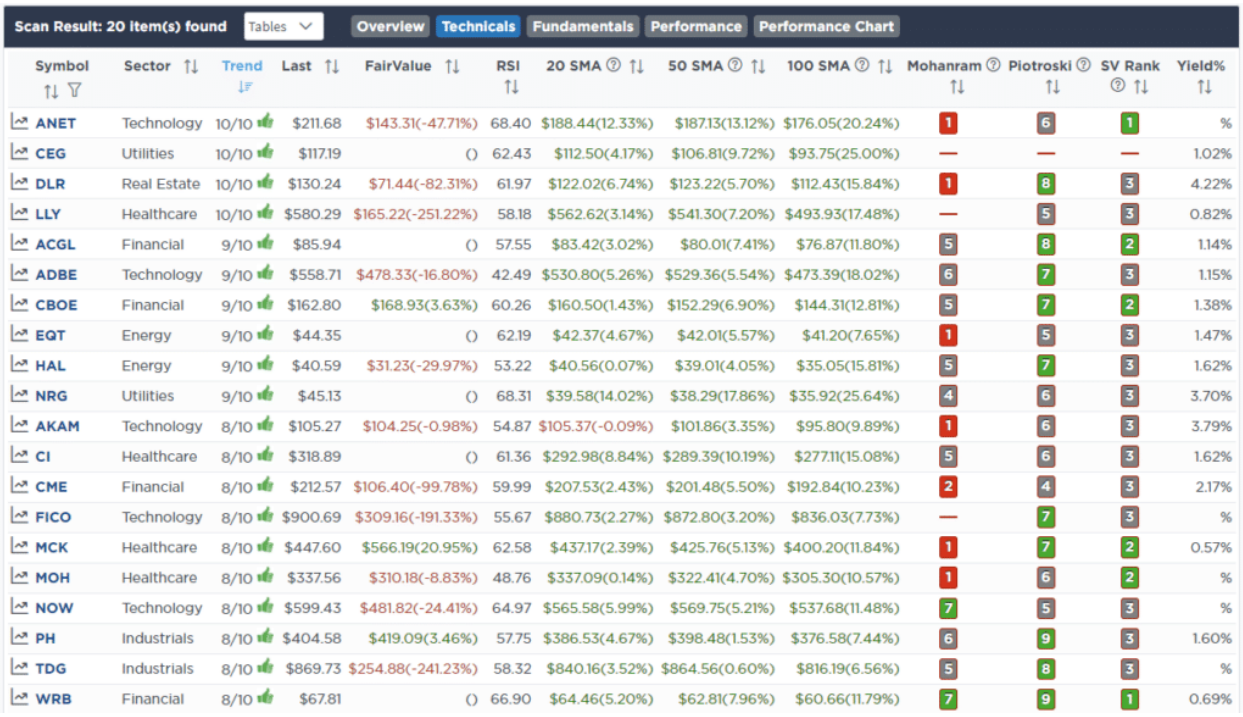
We provide three stock screens each week from ***SimpleVisor***.

This week, we are searching for the Top 20:

- *Relative Strength Stocks*
- *Momentum Stocks*
- *Fundamental & Technical Strength*

(Click Images To Enlarge)

R.S.I. Screen



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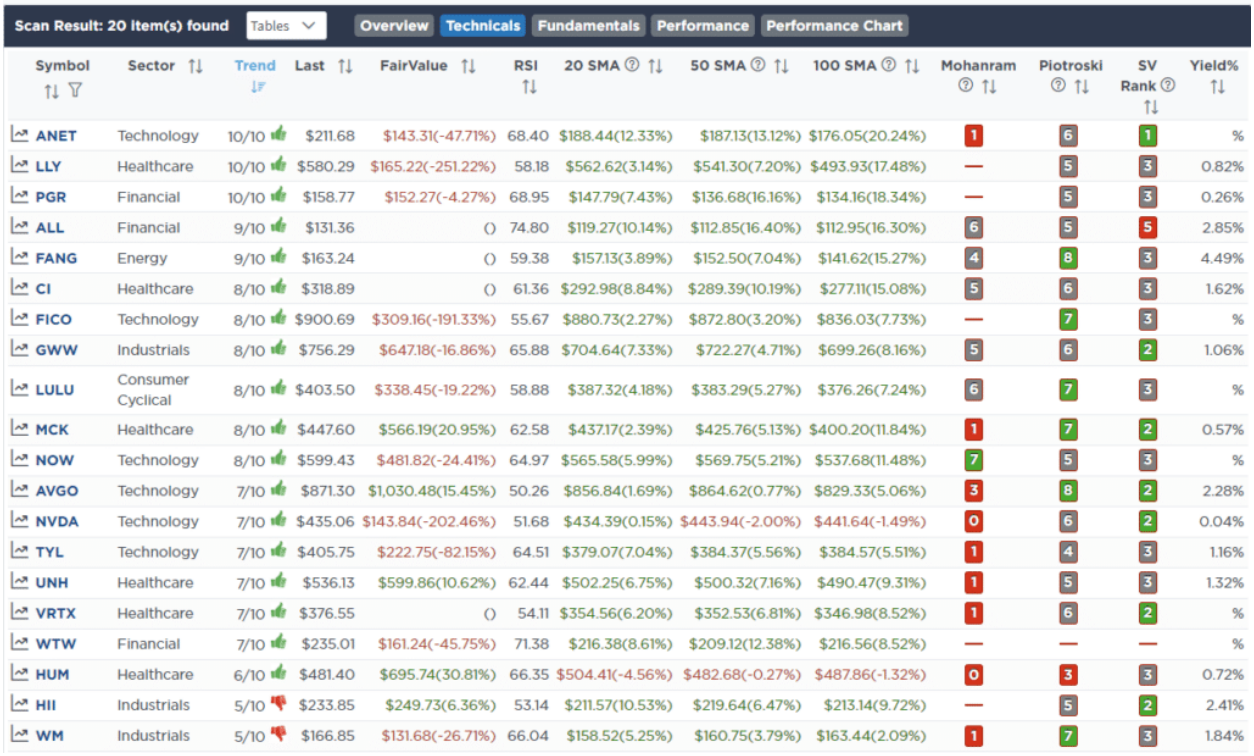
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
ANET	Technology	10/10	$211.68	$143.31(-47.71%)	68.40	$188.44(12.33%)	$187.13(13.12%)	$176.05(20.24%)	1	6	1	%
CEG	Utilities	10/10	$117.19	()	62.43	$112.50(4.17%)	$106.81(9.72%)	$93.75(25.00%)	—	—	—	1.02%
DLR	Real Estate	10/10	$130.24	$71.44(-82.31%)	61.97	$122.02(6.74%)	$123.22(5.70%)	$112.43(15.84%)	1	8	3	4.22%
LLY	Healthcare	10/10	$580.29	$165.22(-251.22%)	58.18	$562.62(3.14%)	$541.30(7.20%)	$493.93(17.48%)	—	5	3	0.82%
ACGL	Financial	9/10	$85.94	()	57.55	$83.42(3.02%)	$80.01(7.41%)	$76.87(11.80%)	5	8	2	1.14%
ADBE	Technology	9/10	$558.71	$478.33(-16.80%)	42.49	$530.80(5.26%)	$529.36(5.54%)	$473.39(18.02%)	6	7	3	1.15%
CBOE	Financial	9/10	$162.80	$168.93(3.63%)	60.26	$160.50(1.43%)	$152.29(6.90%)	$144.31(12.81%)	5	7	2	1.38%
EQT	Energy	9/10	$44.35	()	62.19	$42.37(4.67%)	$42.01(5.57%)	$41.20(7.65%)	1	5	3	1.47%
HAL	Energy	9/10	$40.59	$31.23(-29.97%)	53.22	$40.56(0.07%)	$39.01(4.05%)	$35.05(15.81%)	5	7	3	1.62%
NRG	Utilities	9/10	$45.13	()	68.31	$39.58(14.02%)	$38.29(17.86%)	$35.92(25.64%)	4	6	3	3.70%
AKAM	Technology	8/10	$105.27	$104.25(-0.98%)	54.87	$105.37(-0.09%)	$101.86(3.35%)	$95.80(9.89%)	1	6	3	3.79%
CI	Healthcare	8/10	$318.89	()	61.36	$292.98(8.84%)	$289.39(10.19%)	$277.11(15.08%)	5	6	3	1.62%
CME	Financial	8/10	$212.57	$106.40(-99.78%)	59.99	$207.53(2.43%)	$201.48(5.50%)	$192.84(10.23%)	2	4	3	2.17%
FICO	Technology	8/10	$900.69	$309.16(-191.33%)	55.67	$880.73(2.27%)	$872.80(3.20%)	$836.03(7.73%)	—	7	3	%
MCK	Healthcare	8/10	$447.60	$566.19(20.95%)	62.58	$437.17(2.39%)	$425.76(5.13%)	$400.20(11.84%)	1	7	2	0.57%
MOH	Healthcare	8/10	$337.56	$310.18(-8.83%)	48.76	$337.09(0.14%)	$322.41(4.70%)	$305.30(10.57%)	1	6	2	%
NOW	Technology	8/10	$599.43	$481.82(-24.41%)	64.97	$565.58(5.99%)	$569.75(5.21%)	$537.68(11.48%)	7	5	3	%
PH	Industrials	8/10	$404.58	$419.09(3.46%)	57.75	$386.53(4.67%)	$398.48(1.53%)	$376.58(7.44%)	6	9	3	1.60%
TDG	Industrials	8/10	$869.73	$254.88(-241.23%)	58.32	$840.16(3.52%)	$864.56(0.60%)	$816.19(6.56%)	5	8	3	%
WRB	Financial	8/10	$67.81	()	66.90	$64.46(5.20%)	$62.81(7.96%)	$60.66(11.79%)	7	9	1	0.69%

Momentum Screen



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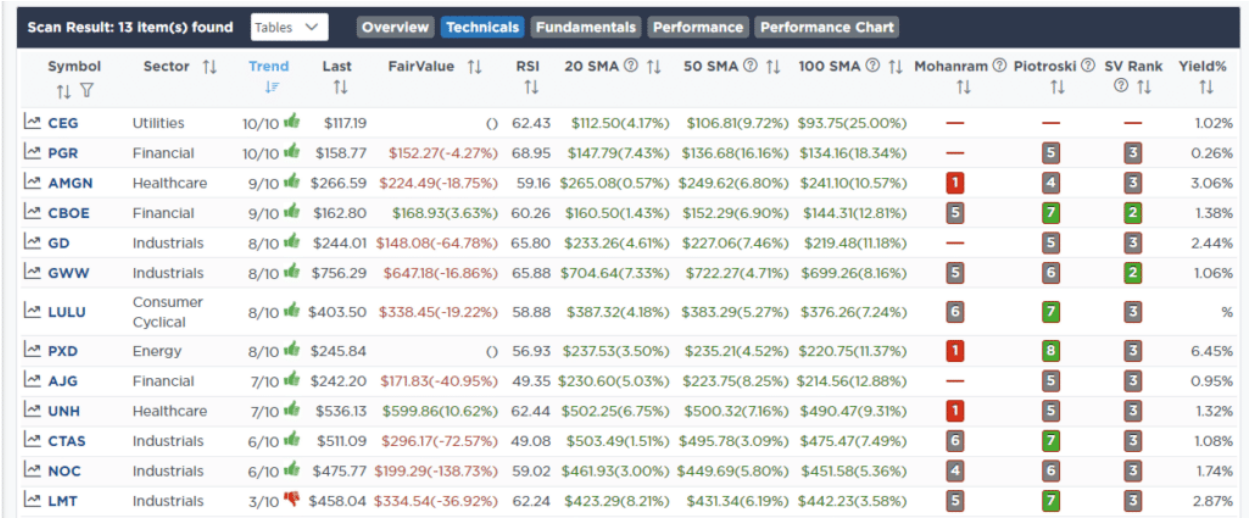
ANET	Technology	10/10	$211.68	$143.31(-47.71%)	68.40	$188.44(12.33%)	$187.13(13.12%)	$176.05(20.24%)	1	6	1	%
LLY	Healthcare	10/10	$580.29	$165.22(-251.22%)	58.18	$562.62(3.14%)	$541.30(7.20%)	$493.93(17.48%)	—	5	3	0.82%
PGR	Financial	10/10	$158.77	$152.27(-4.27%)	68.95	$147.79(7.43%)	$136.68(16.16%)	$134.16(18.34%)	—	5	3	0.26%
ALL	Financial	9/10	$131.36	()	74.80	$119.27(10.14%)	$112.85(16.40%)	$112.95(16.30%)	6	5	5	2.85%
FANG	Energy	9/10	$163.24	()	59.38	$157.13(3.89%)	$152.50(7.04%)	$141.62(15.27%)	4	8	3	4.49%
CI	Healthcare	8/10	$318.89	()	61.36	$292.98(8.84%)	$289.39(10.19%)	$277.11(15.08%)	5	6	3	1.62%
FICO	Technology	8/10	$900.69	$309.16(-191.33%)	55.67	$880.73(2.27%)	$872.80(3.20%)	$836.03(7.73%)	—	7	3	%
GWW	Industrials	8/10	$756.29	$647.18(-16.86%)	65.88	$704.64(7.33%)	$722.27(4.71%)	$699.26(8.16%)	5	6	2	1.06%
LULU	Consumer Cyclical	8/10	$403.50	$338.45(-19.22%)	58.88	$387.32(4.18%)	$383.29(5.27%)	$376.26(7.24%)	6	7	3	%
MCK	Healthcare	8/10	$447.60	$566.19(20.95%)	62.58	$437.17(2.39%)	$425.76(5.13%)	$400.20(11.84%)	1	7	2	0.57%
NOW	Technology	8/10	$599.43	$481.82(-24.41%)	64.97	$565.58(5.99%)	$569.75(5.21%)	$537.68(11.48%)	7	5	3	%
AVGO	Technology	7/10	$871.30	$1,030.48(15.45%)	50.26	$856.84(1.69%)	$864.62(0.77%)	$829.33(5.06%)	3	8	2	2.28%
NVDA	Technology	7/10	$435.06	$143.84(-202.46%)	51.68	$434.39(0.15%)	$443.94(-2.00%)	$441.64(-1.49%)	0	6	2	0.04%
TYL	Technology	7/10	$405.75	$222.75(-82.15%)	64.51	$379.07(7.04%)	$384.37(5.56%)	$384.57(5.51%)	1	4	3	1.16%
UNH	Healthcare	7/10	$536.13	$599.86(10.62%)	62.44	$502.25(6.75%)	$500.32(7.16%)	$490.47(9.31%)	1	5	3	1.32%
VRTX	Healthcare	7/10	$376.55	()	54.11	$354.56(6.20%)	$352.53(6.81%)	$346.98(8.52%)	1	6	2	%
WTW	Financial	7/10	$235.01	$161.24(-45.75%)	71.38	$216.38(8.61%)	$209.12(12.38%)	$216.56(8.52%)	—	—	—	%
HUM	Healthcare	6/10	$481.40	$695.74(30.81%)	66.35	$504.41(-4.56%)	$482.68(-0.27%)	$487.86(-1.32%)	0	3	3	0.72%
HII	Industrials	5/10	$233.85	$249.73(6.36%)	53.14	$211.57(10.53%)	$219.64(6.47%)	$213.14(9.72%)	—	5	2	2.41%
WM	Industrials	5/10	$166.85	$131.68(-26.71%)	66.04	$158.52(5.25%)	$160.75(3.79%)	$163.44(2.09%)	1	7	3	1.84%

Fundamental & Technical Strength



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Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
CEG	Utilities	10/10	$117.19	()	62.43	$112.50(4.17%)	$106.81(9.72%)	$93.75(25.00%)	—	—	—	1.02%
PGR	Financial	10/10	$158.77	$152.27(-4.27%)	68.95	$147.79(7.43%)	$136.68(16.16%)	$134.16(18.34%)	—	5	3	0.26%
AMGN	Healthcare	9/10	$266.59	$224.49(-18.75%)	59.16	$265.08(0.57%)	$249.62(6.80%)	$241.10(10.57%)	1	4	3	3.06%
CBOE	Financial	9/10	$162.80	$168.93(3.63%)	60.26	$160.50(1.43%)	$152.29(6.90%)	$144.31(12.81%)	5	7	2	1.38%
GD	Industrials	8/10	$244.01	$148.08(-64.78%)	65.80	$233.26(4.61%)	$227.06(7.46%)	$219.48(11.18%)	—	5	3	2.44%
GWW	Industrials	8/10	$756.29	$647.18(-16.86%)	65.88	$704.64(7.33%)	$722.27(4.71%)	$699.26(8.16%)	5	6	2	1.06%
LULU	Consumer Cyclical	8/10	$403.50	$338.45(-19.22%)	58.88	$387.32(4.18%)	$383.29(5.27%)	$376.26(7.24%)	6	7	3	%
PXD	Energy	8/10	$245.84	()	56.93	$237.53(3.50%)	$235.21(4.52%)	$220.75(11.37%)	1	8	3	6.45%
AJG	Financial	7/10	$242.20	$171.83(-40.95%)	49.35	$230.60(5.03%)	$223.75(8.25%)	$214.56(12.88%)	—	5	3	0.95%
UNH	Healthcare	7/10	$536.13	$599.86(10.62%)	62.44	$502.25(6.75%)	$500.32(7.16%)	$490.47(9.31%)	1	5	3	1.32%
CTAS	Industrials	6/10	$511.09	$296.17(-72.57%)	49.08	$503.49(1.51%)	$495.78(3.09%)	$475.47(7.49%)	6	7	3	1.08%
NOC	Industrials	6/10	$475.77	$199.29(-138.73%)	59.02	$461.93(3.00%)	$449.69(5.80%)	$451.58(5.36%)	4	6	3	1.74%
LMT	Industrials	3/10	$458.04	$334.54(-36.92%)	62.24	$423.29(8.21%)	$431.34(6.19%)	$442.23(3.58%)	5	7	3	2.87%

SimpleVisor Portfolio Changes

We post all of our portfolio changes as they occur at ***SimpleVisor:***

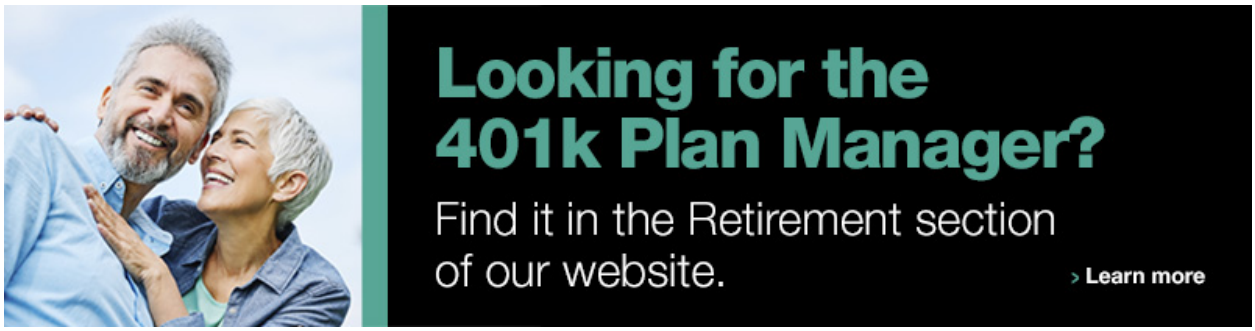
Oct 30th

Trade Alert ? Equity Model Only

> "*The drubbing in stocks this past week has opened up an opportunity to add to beaten-up holdings. Today, we are using the earnings-driven sell-off in Abbvie (ABBV) and Google (GOOG), both of which had strong earnings and revenue growth, to add to those stakes.*
>
> *Technically, both are pretty washed out and should turn to buy signals shortly. With the additions, GOOG is now 3.5%, and ABBV is at our maximum holding of 5%."*

Equity Model

- *Increase Abbvie (ABBV) to 5% of the portfolio.*
- *Increase Google (GOOG) to 3.5% of the portfolio*.



Lance Roberts, *C.I.O.*

Have a great week!