

Inside This Week's Bull Bear Report

- *Un-Inversion Suggests A Return To Normalcy?*
 - *How We Are Trading It*
 - *Research Report -Does Technology Make Things Better*
 - *Youtube - Before The Bell*
 - *Market Statistics*
 - *Stock Screens*
 - *Portfolio Trades This Week*
-

Market Fails At Resistance

[As noted last week,](#)

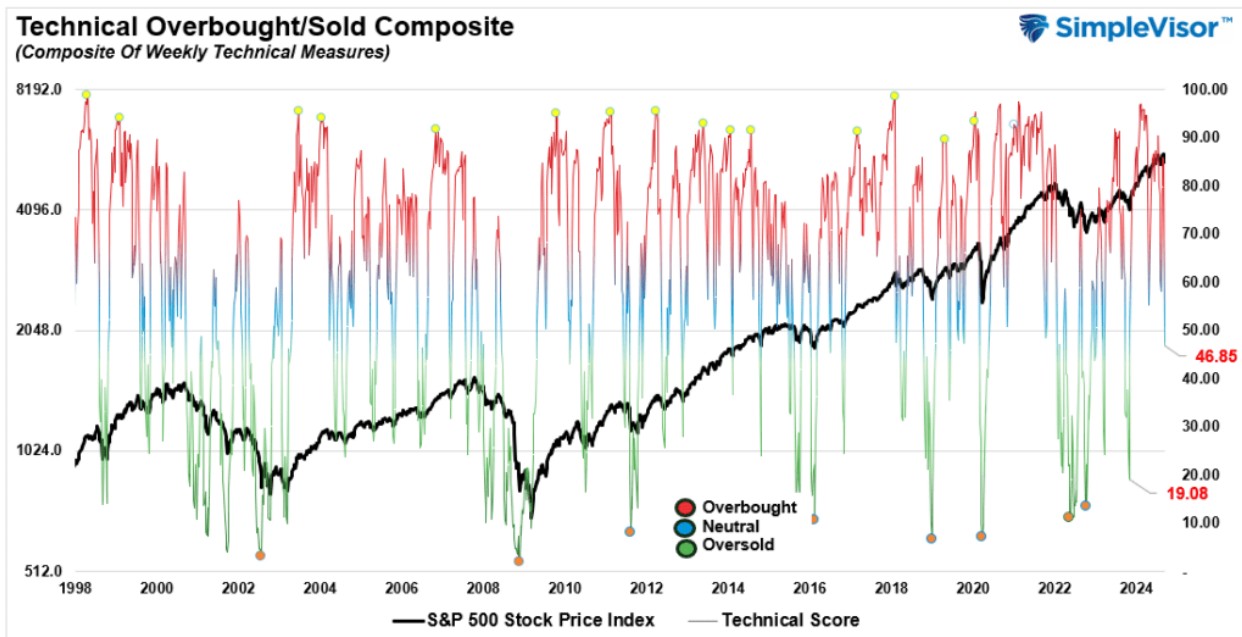
"This past week, the market struggled to make gains, and as shown, its momentum has slowed. While such does not mean a significant correction is imminent, it does suggest that the upside is likely limited. Investors should expect a continued consolidation or pullback to previous support levels. Notably, a negative divergence is developing between momentum, strength indications, and market performance. We last mentioned such a [negative divergence was in late July](#) before the August correction."



This past week, slowing economic data and a weak payroll report weighed on market sentiment, pushing the market below initial support levels at the 20 and 50-DMA. That suggests that the current correction process that began in early August is continuing ahead of the upcoming November election.

As discussed this past Tuesday in ["Risks Facing Bullish Investors,"](#) an essential "buyer" for the market is fading with the corporate buyback window closing. Such increases the risk of a pickup in volatility over the next two months, which coincides with a potentially contentious election that will likely keep major investors sidelined.

In the short term, the weekly technical gauge shows the recent correction resolved much of the previous overbought conditions. That sets the market up for a reflexive rally early next week.

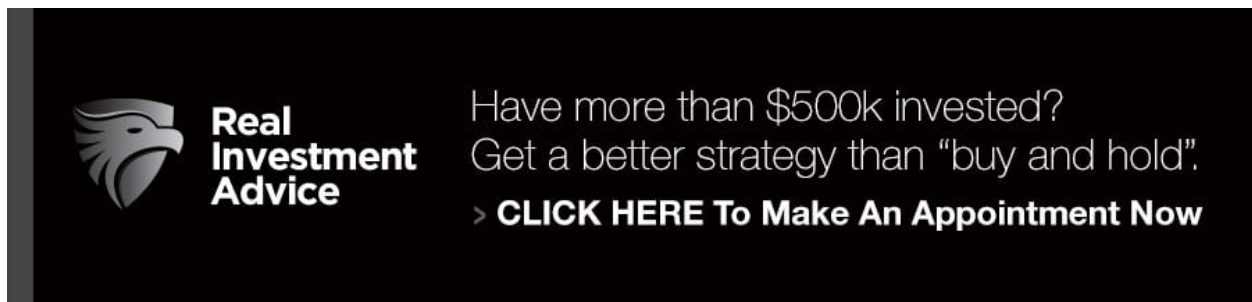



We suggest using any rally that fails to regain the 50-DMA to reduce risks, rebalance portfolios, and raise cash levels. While the potential downside is not significant, the goal is not to sacrifice a substantial amount of recent gains or put yourself in a position of being forced to sell for any reason.

Remain cautious for now. Following the election, we will likely have significantly more clarity about where the market is heading next.

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A black banner with white text and a logo. On the left is a stylized eagle head logo. To its right, the text reads "Real Investment Advice". Further right, the text says "Have more than \$500k invested? Get a better strategy than 'buy and hold'." Below this, a white arrow points to the text "> CLICK HERE To Make An Appointment Now".

 **Real Investment Advice**

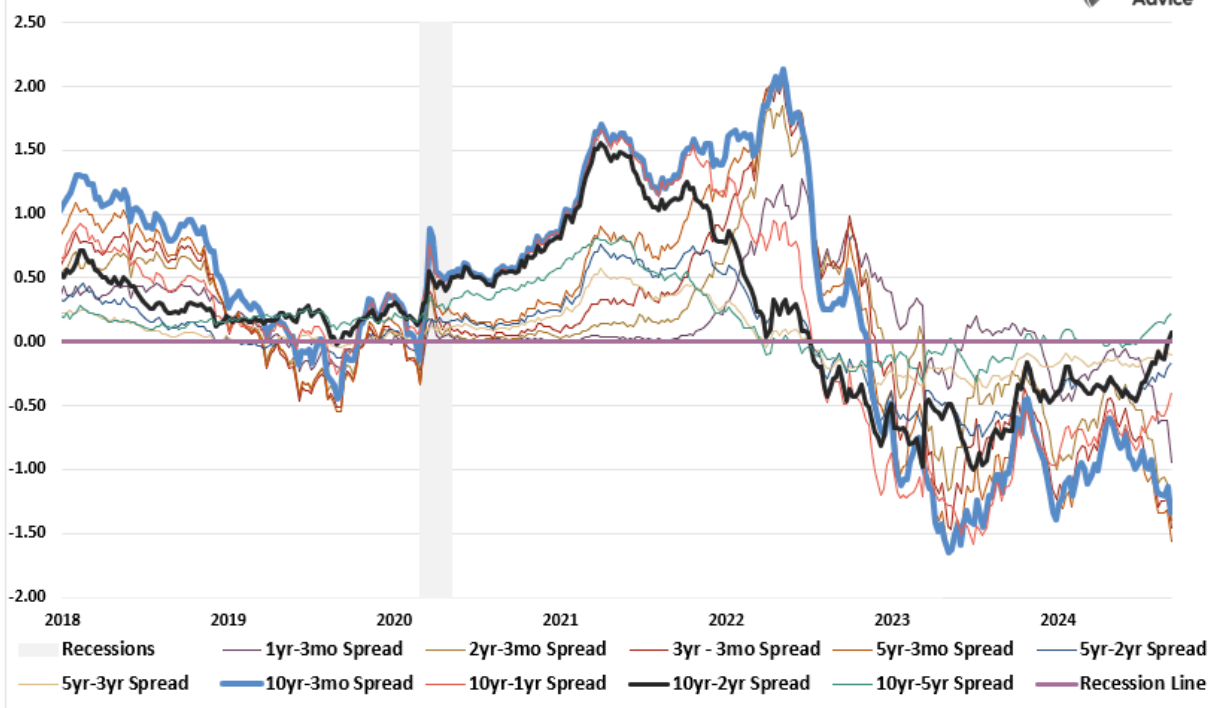
Have more than \$500k invested?
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A Brief Recap Of The Yield Curve

This past week, the "*yield curve*," or the spread between the 10-year and 2-year Treasury bond, briefly un-inverted. For our newer readers, a yield curve inversion occurs when short-term interest rates surpass long-term rates. For example, the 2-year Treasury had a higher yield for the last two years than the 10-year Treasury. Typically, longer-term investments offer higher yields than short-term ones due to the increased risk over time. However, such was not the case following the Fed's aggressive rate hiking campaign, which pushed short-term yields higher.

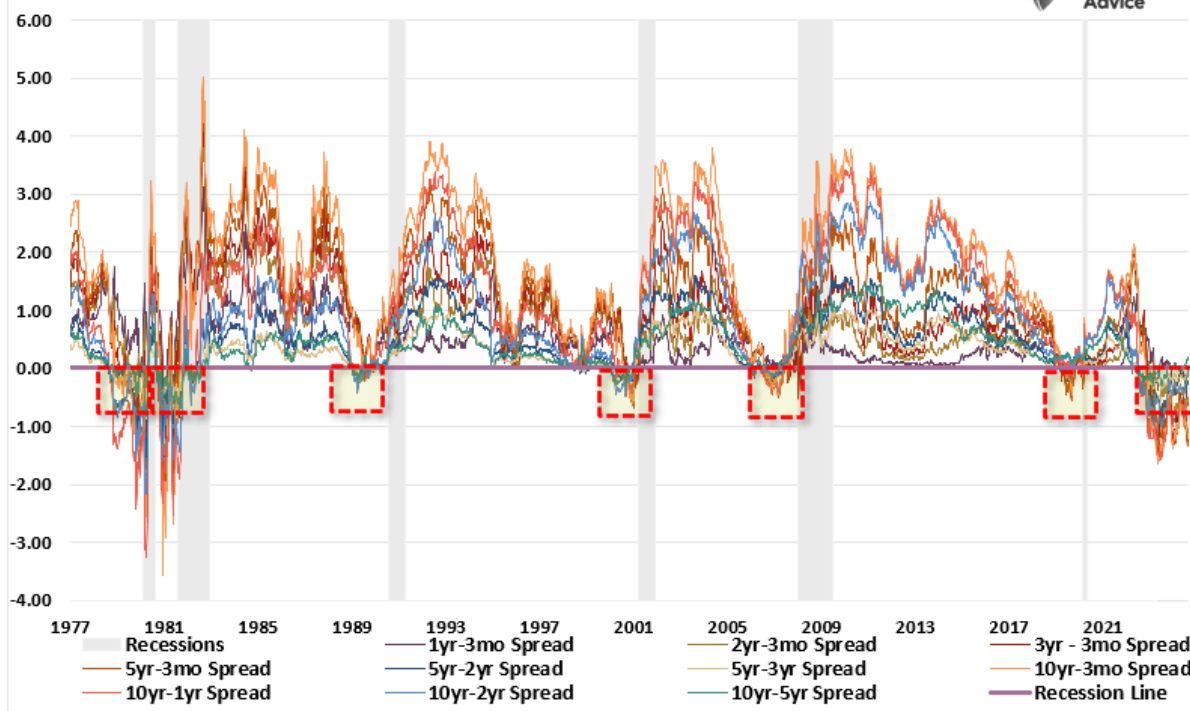
The yield curve is a graphical representation of interest rates across different maturities for bonds of similar type. Typically, we look at yield curves of government bonds, but it could also be corporate bonds, municipal bonds, etc. The chart below shows 10-different yield spreads we track. Notice that in 2019, most yield spreads inverted before the economic shutdown. In 2022, as the Fed started aggressively hiking rates, yield spreads inverted once again. Take note of the black line (*the 10-year less the 2-year spread*) and the blue line (*the 10-year less the 3-month Treasury bill spread*). These are the two spreads to which economists and investors pay the most attention.

Yield Inversion Reversals Are The Recession Signal



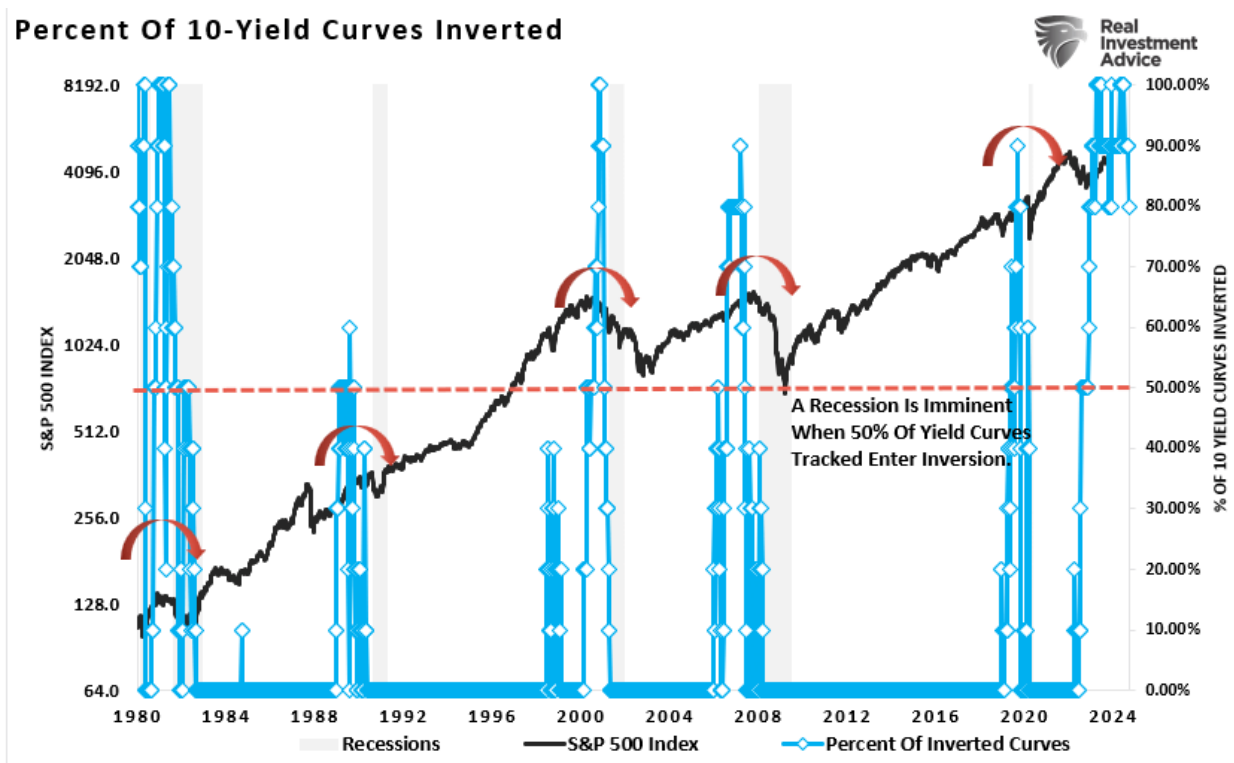
The following chart shows a more complete history of those 10-year spreads. As shown, each time the un-inversion of those spreads previously occurred, that un-inversion preceded the onset of a recession.

Which Yield Spread Matters?



That chart is a bit difficult to decipher. The following chart is a composite index of those 10-year spreads and shows the percentage of those inverted spreads. There are two essential points to consider:

1. Recessions coincide with periods where more than 50% of the yield spreads are inverted.
2. Recessions follow the un-inversion of those spreads.



Historically, an inverted yield curve has been a reliable predictor of recessions. The inversion reflects a shift in investor sentiment, signaling that they expect future economic conditions to deteriorate. As a result, businesses and consumers may pull back on spending, leading to reduced economic activity and potentially triggering a recession.

However, the media often notes 1995, when the Fed cut rates, but no recession occurred. The chart above shows ZERO inversions of the 10-year spreads in 1995. More than 50% of the spreads did not invert until 1999, and the recession of 2000 followed.

This past week, the 10-year yield spread, less the 2-year yield spread, was un-inverted. Does that mean a recession is imminent?

A Return To Normalcy?

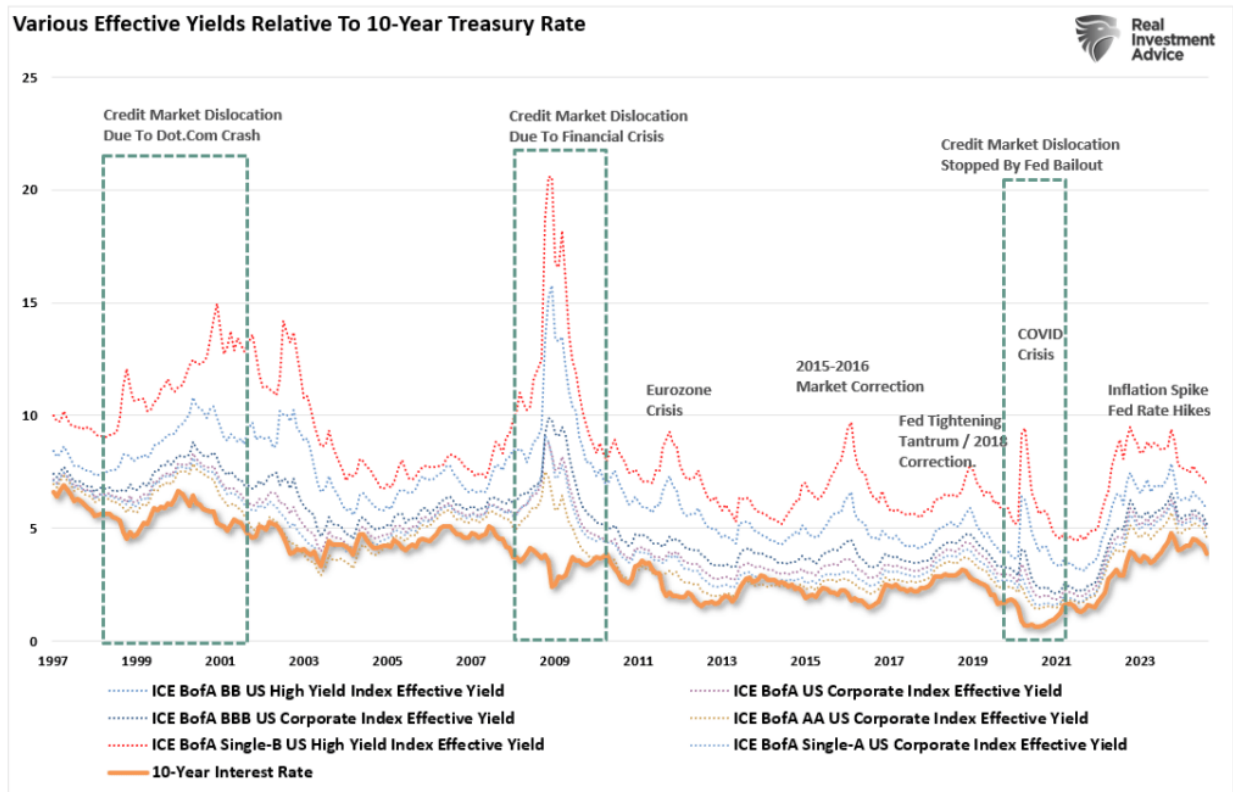
There are many misunderstandings in the media and among Wall Street economists who do not fully understand the importance of yield spreads and their un-inversions. For example, take the following headline from [CNBC](#) this past week.

Bond market 'yield curve' returns to normal from inverted state that had raised recession fears

PUBLISHED WED, SEP 4 2024-10:31 AM EDT | UPDATED 29 MIN AGO

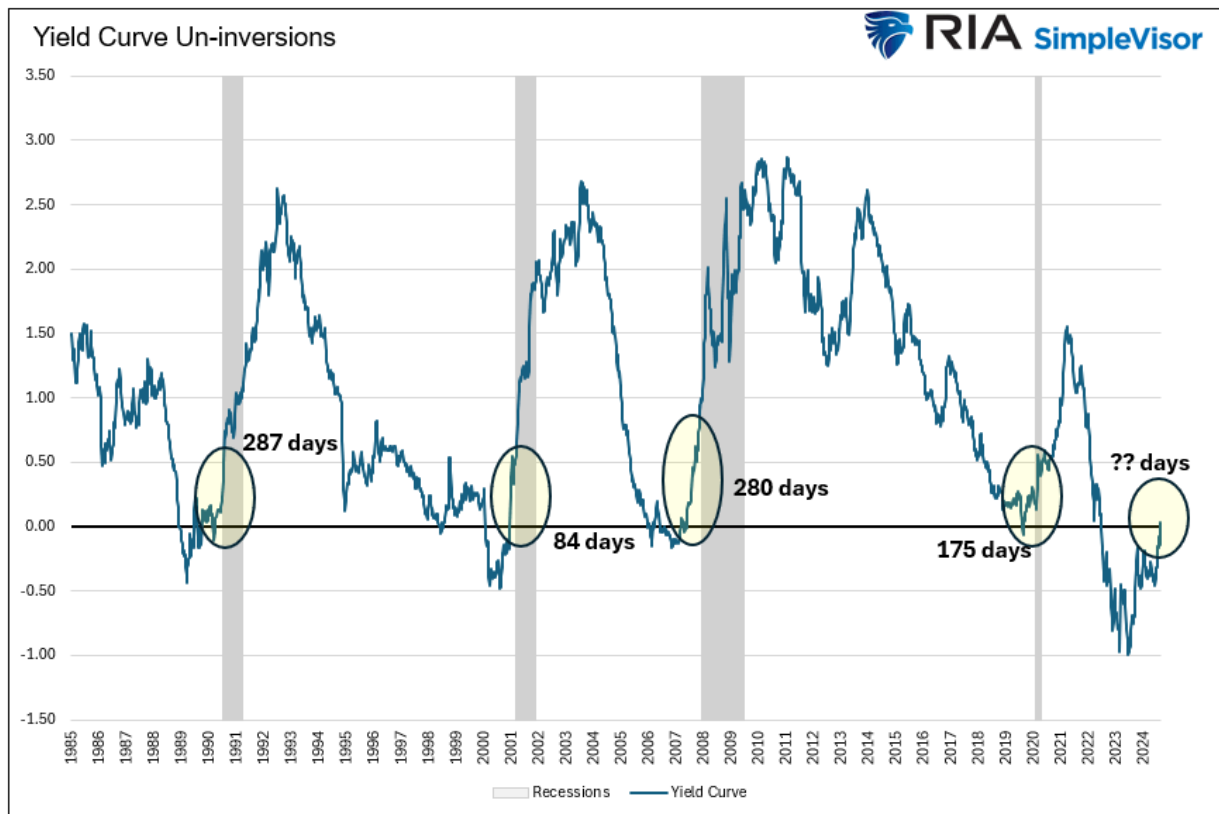
Yes, an un-inversion of the yield spreads would be a "return to normal." However, such does not mean the economy achieved a "soft landing" and avoided a recession. However, as [we discussed previously](#), investors should not overlook the message from the bond market. Bonds are essential for their predictive qualities, so analysts pay enormous attention to U.S. government bonds, precisely the difference in their interest rates.

Notably, when psychology changes, for whatever reason, the rotation from *"risk-on"* to *"risk-off"* will find Treasury bonds as a *"store of safety."* Historically, such has always been the case during market crisis events.



The data has a high historical correlation to where the economy, stock, and bond markets generally head in the longer term. Volatile oil prices, trade tensions, political uncertainty, the dollar's strength, credit risk, earnings strength, etc., affect the bond market and, ultimately, the yield curve.

However, as noted above, while the inversion of the various yield spreads equates to economic weakness, the un-inversion is historically the *"recessionary signal."* The graph below shows that a recession can take almost a year following an un-inversion.



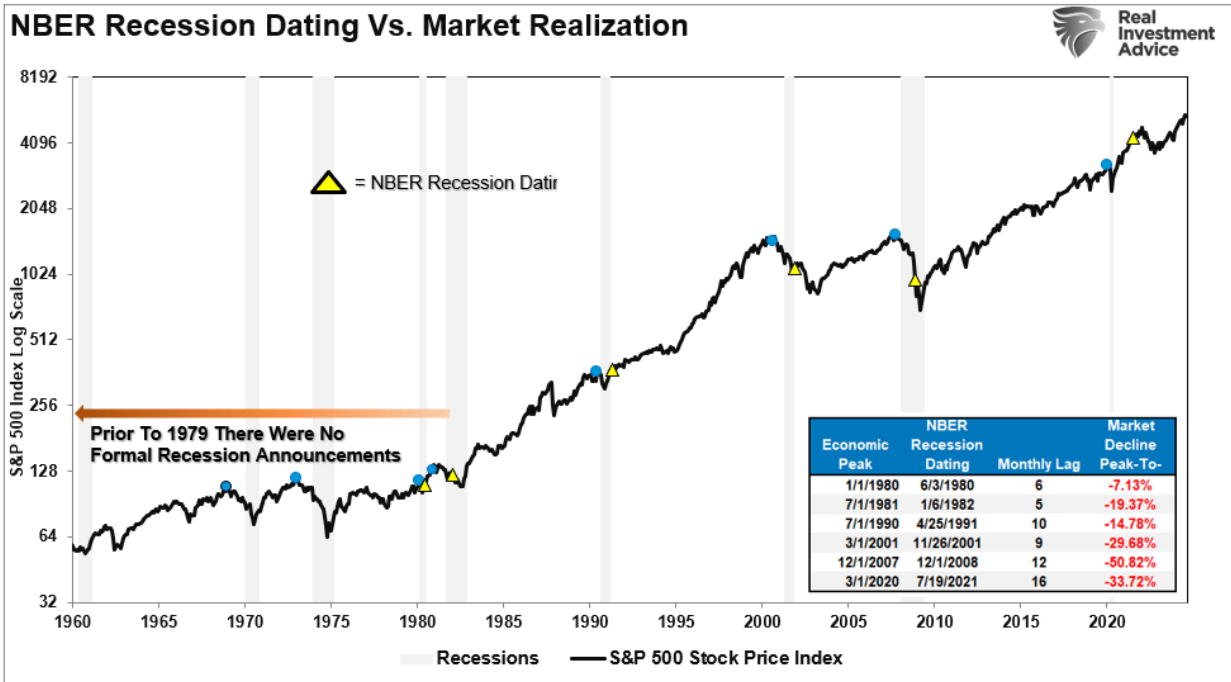
S&P 500 Change Between Un-inversion and Recession	
1991	8.20%
2001	-13.67%
2007	2.95%
2019	1.70%

Meanwhile, the media assumes that *"this time is different"* because a recession didn't occur immediately upon the inversion. This way of thinking has two problems.

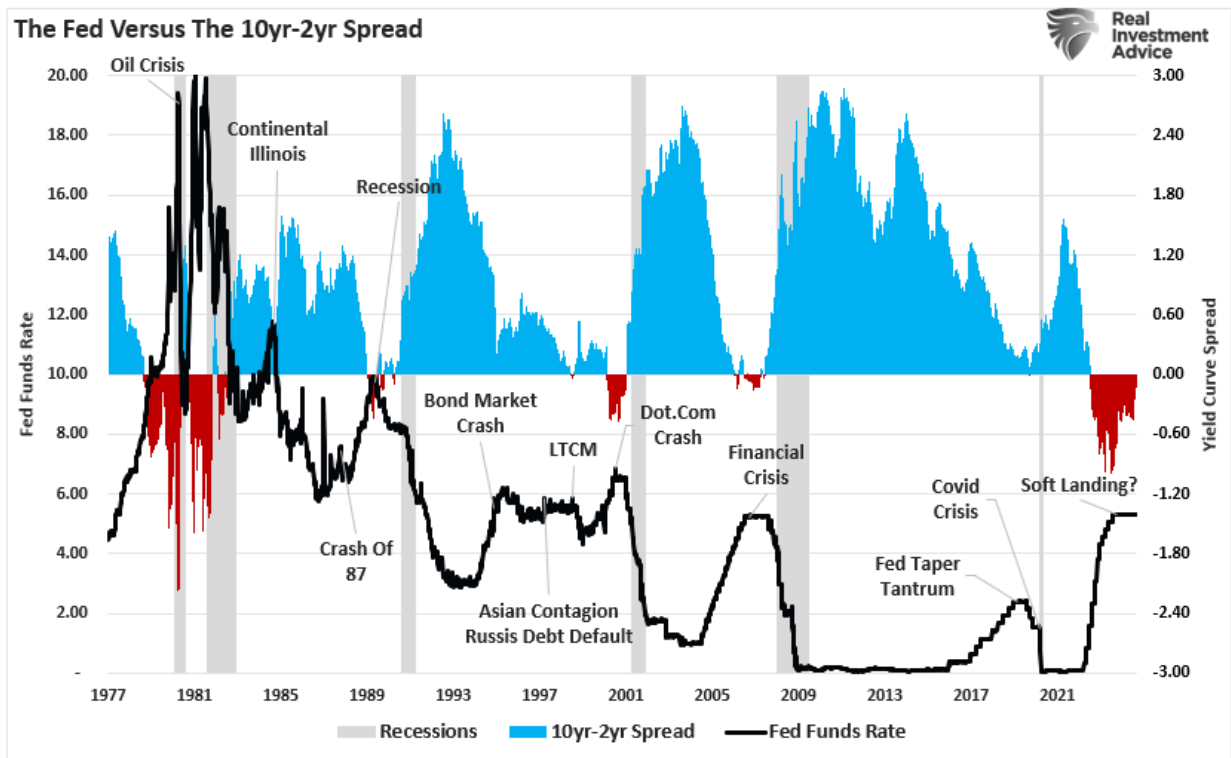
1. *The National Bureau of Economic Research (NBER) is the official recession dating arbiter. It waits for data revisions by the Bureau of Economic Analysis (BEA) before announcing a recession's official start. Therefore, the NBER is always 6-12 months late, dating the recession.*
2. *Crucially, as noted, the recession is not denoted by the inversion of the yield curve. The inversion is the "warning sign," whereas the un-inversion marks the start of the recession, which the NBER will recognize much later.*

As discussed in [**"BTFD Or STFR,"**](#) if you wait for the official announcement by the NBER to confirm a recession, it will be too late. To wit:

*?Each of those dots is the peak of the market PRIOR to the onset of a recession. In 9 of 10 instances, **the S&P 500 peaked and turned lower prior to the recognition of a recession.**?*



Notably, the yield curve un-inversion and onset of a recession typically follow a Fed "rate-cutting" cycle. That is because the Federal Reserve is reacting to slowing economic data, which tends to lag by a few months. As data is revised, the Fed cuts rates more aggressively to offset the deflationary pressures building in the economy. **However, during these initial stages, there was "no recession," as the NBER had not dated it yet.**



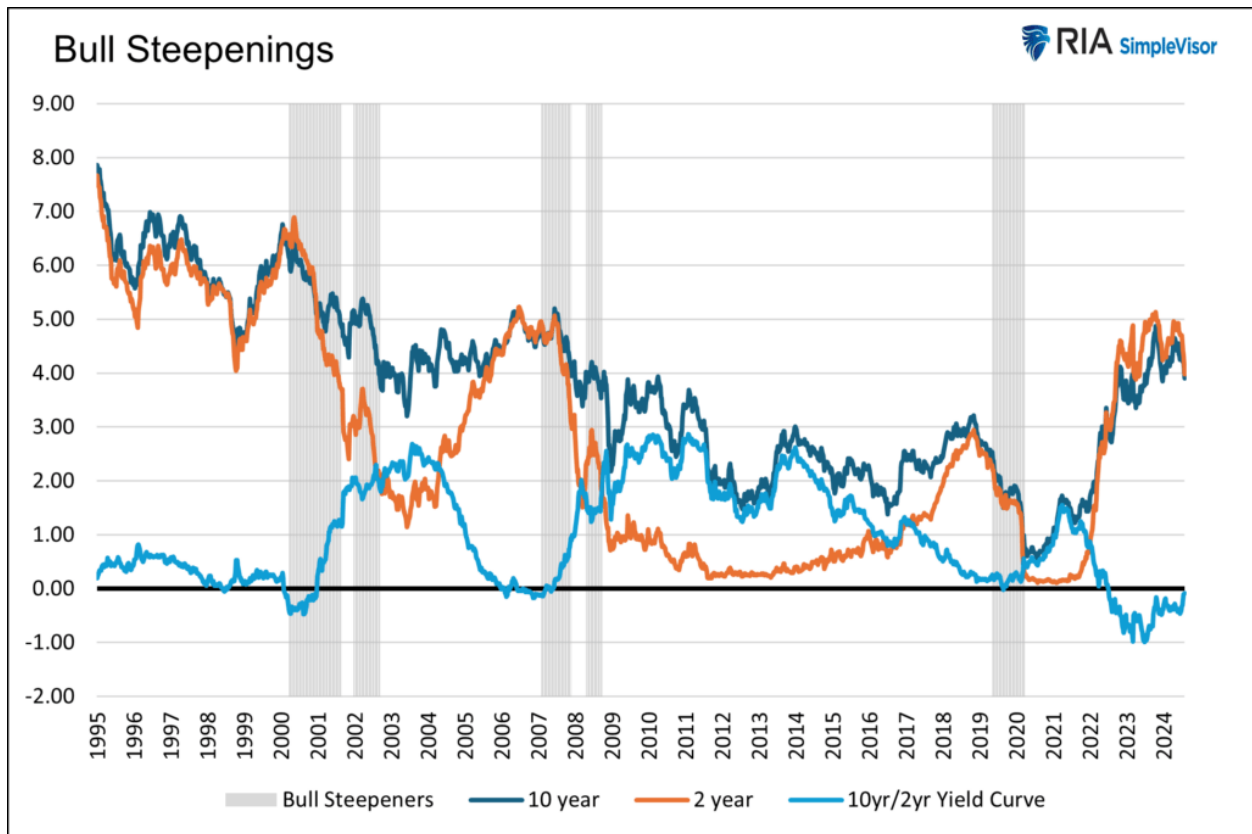
Such will likely be the case again, as the lag between the yield curve's un-inversion and the recession dating could be anywhere from 6 to 18 months.

But what does this mean for investors?

Yield Curve Un-Inversions And Stock Market Performance

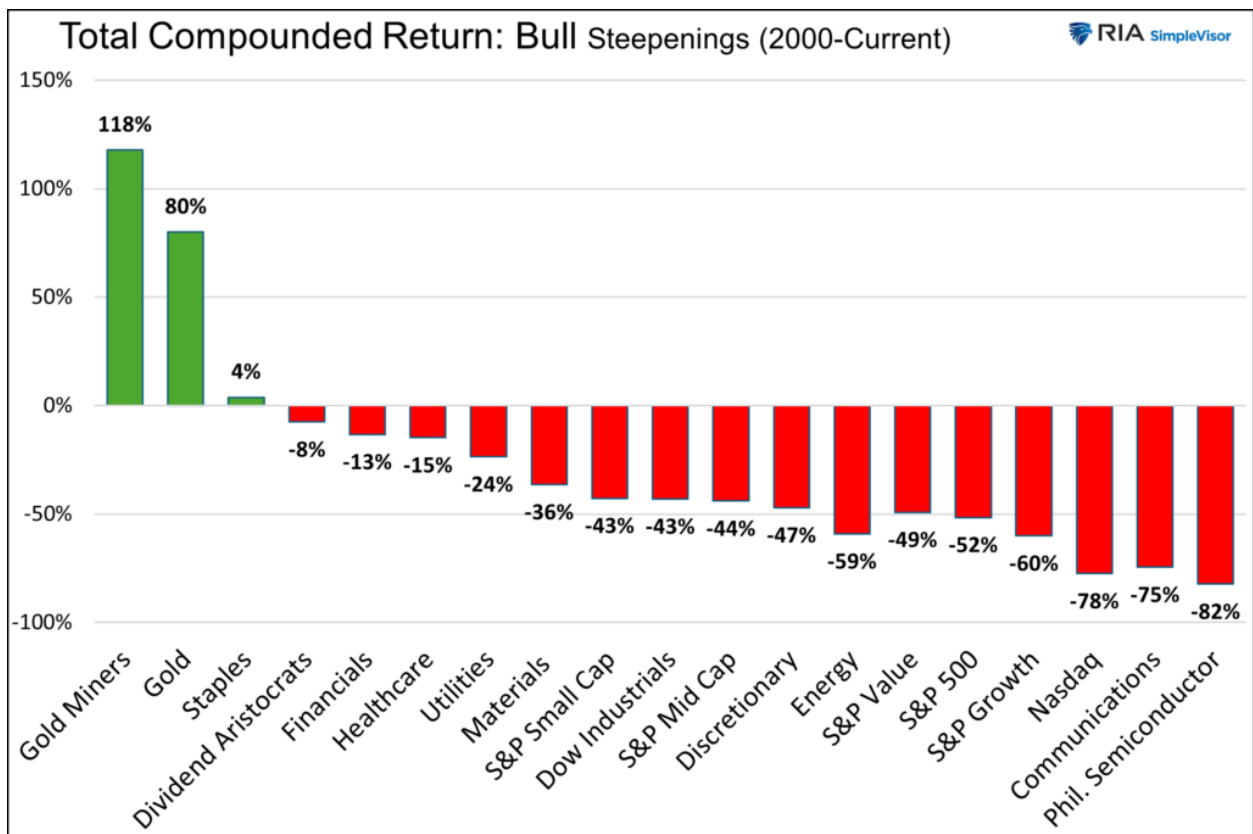
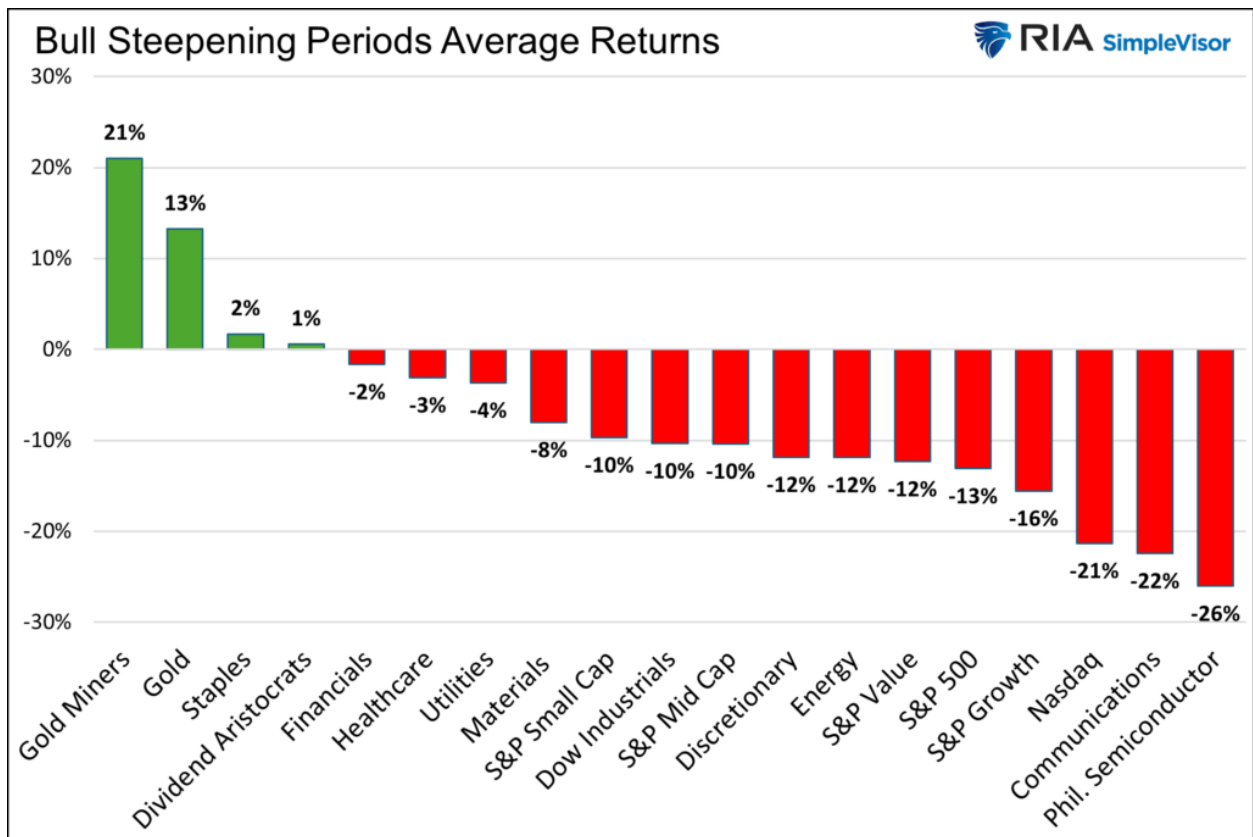
As [Michael Lebowitz noted on Wednesday](#), the graph below charts the 2- and 10-year yields and the 2-year/10-year yield curve. Additionally, shaded in gray are periods we deem persistent bull steepening. We defined the bull steepening periods by the curve's movement and the trend's consistency. The yield curve had to increase to qualify, with 2-year and 10-year yields moving lower for 20 weeks or longer. Furthermore, we required at least 80% of the weeks to be in the bullish steepening trend.

As shown, there have been five such periods since 1995. The most recent stretched from May 2019 to March 2020. The current bull steepening has not been occurring long enough to meet our standards defined above.

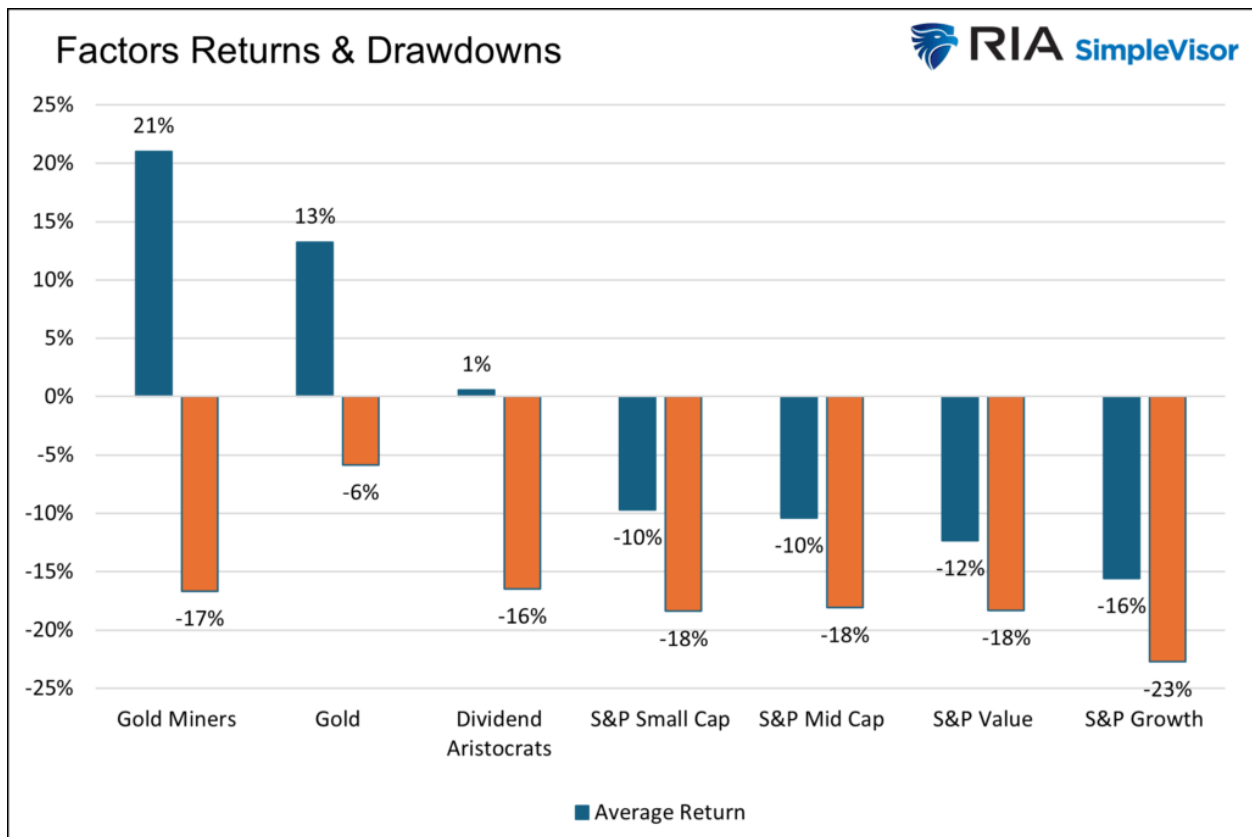


Having defined the periods, we then studied various stock indices, sectors, and factors to assess their performance during the timeframes. **Bull steepening trades typically occur when the economy slows, and anticipation of Fed rate cuts grows. Those traits adequately describe the current period.**

The first graph below charts the average returns of 19 assets, stock indices, factors, and sectors during the five bull-steepening periods. The second graph compounds their returns over the five periods.



Next, we break out the returns by similar classes of stocks. We added gold and gold miners to the factor returns graph. The graphs show the average return and the average of the maximum drawdowns during the five periods.



There are a few important takeaways:

- *Gold and gold miners are the best performers during bull-steepening periods by a long shot.*
- *Besides gold and gold miners, staples were the only other category with a positive compounded and average return.*
- *Every index, sector, asset, and factor, including gold and gold miners, had a negative average return at some point during the steepening period.*
- *The differences between S&P value and growth were not as significant as we suspected they would be.*
- *Similarly, the differences between the S&P 500 and the S&P small and mid-cap indexes were minimal.*
- *The lower beta, more value-oriented sectors outperformed the higher beta sectors and factors during the steepening shift.*

It's easy to extrapolate the past to the future. However, each of the five periods above was different. There is no doubt that the next persistent bull steepening, whether we are in it now or in the future, will have different characteristics.

For instance, gold is up about 10% from the start date. If this is a persistent bull steepening cycle and gold ultimately matches the average 13% return over the prior five periods, it has limited upside. However, its average drawdown during the previous periods is about 6%. **Therefore, if this instance matches the average return and drawdown, we should expect gold to FALL by 15% before rebounding to about 3% more than current levels.**

Similarly, the sectors currently trading higher than their late May levels could decline by more than the average return from current levels to match the average return.

Be careful when making big bets on past data. As discussed this week:

"Past performance is not a guarantee of future results."

How We Are Trading It

The yield curve is sending a message that investors should not ignore. Furthermore, it is a good bet that "risk-based" investors will likely act sooner rather than later. Of course, the contraction in liquidity causes the decline, eventually exacerbating the economic contraction.

Despite commentary to the contrary, the yield curve is a "leading indicator" of the economy's current state, as opposed to economic data, which is "lagging" and subject to massive revisions.

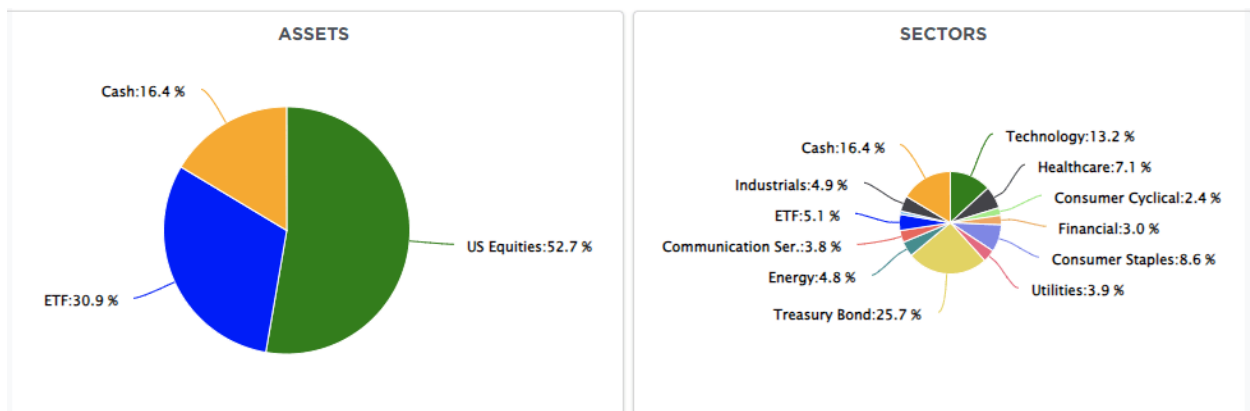
More importantly, while the consumer may continue to support growth today, this can and will change dramatically when job losses occur. Consumers are fickle beasts, and it will happen very rapidly when a change in psychology occurs.

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

History has not been kind to those that do.

We remain allocated to equities, although we are slightly underweighting our targets and reduced our exposure to technology back in July. Furthermore, we are also underweight longer-duration bonds in favor of short-term bills. With bonds currently overbought, we await a short-term rise in yields to provide a better entry point to lengthen our overall bond duration.

While the long-term risks are undoubtedly obvious, as noted, such can take much longer to appear than logic would predict. Therefore, we continue to manage short-term risk as needed to control returns and volatility.



Have a great week.

Research Report

Real Investment Daily



Technological Advances Make Things Better – Or Does It?

Written by Lance Roberts | Sep 6, 2024 | Economics

It certainly seems that technological advances make our lives better. Instead of writing a letter, ...

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Bull Bear Report Market Statistics & Screens

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Healthcare					Industrials					Technology					Consumer Cyclical				
ZTS	EW	DVA	TMO	HOLX	UAL	GWV	FAST	PCAR	BLDR	DAY	TYL	EPAM	IT	ADSK	CMG	PHM	ULTA	DHI	LEN
1.73%	1.33%	0.89%	0.86%	0.73%	1.93%	1.15%	1.13%	0.79%	0.51%	0.27%	0.11%	0.03%	-0.13%	-0.25%	1.65%	1.36%	1.16%	1.1%	0.97%
ABT	MDT	DHR	SOLV	TFX	CARR	UPS	PNR	DOV	ITW	JNPR	FICO	AAPL	ACN	FFIV	MCD	EBAY	NVR	RL	TSCO
0.59%	0.59%	0.58%	0.55%	0.51%	0.43%	0.27%	0.19%	0.16%	0.11%	-0.47%	-0.49%	-0.53%	-0.54%	-0.58%	0.56%	0.32%	0.23%	0.22%	0.2%
CRL	GEN	GEHC	HCA	CNC	URI	JCI	MMM	LHX	HON	MPWR	QCOM	QRVO	CRWD	NVDA	TJX	DECK	EXPE	HAS	BBWI
-1.9%	-1.95%	-2.13%	-2.16%	-2.41%	-1.89%	-1.99%	-2.02%	-2.17%	-2.39%	-3.28%	-3.3%	-3.41%	-3.56%	-3.62%	-1.78%	-1.98%	-2.1%	-2.36%	-2.47%
BMY	INCY	ALGN	VTRS	UHS	TDG	CTAS	BA	HWM	GNRC	AMD	NXPI	ANET	SMCI	AVGO	CCL	AMZN	APTV	ETSY	TSLA
-2.44%	-2.55%	-2.85%	-3.68%	-4.24%	-2.47%	-2.49%	-2.68%	-3.14%	-3.94%	-3.71%	-3.78%	-4.27%	-6.23%	-9.78%	-2.91%	-3.2%	-3.59%	-3.69%	-7.53%
Financial					Consumer Staples					Utilities					Materials				
TRV	CME	CBOE	V	AJG	DG	KVUE	LW	HRL	HSY	DUK	CMS	PPL	GEV	NEE	CTVA	SHW	IFF	VMC	CF
0.92%	0.42%	0.39%	0.29%	-0.08%	2.44%	1.58%	1.58%	1.42%	1.21%	0.01%	-0.17%	-0.2%	-0.32%	-0.32%	0.29%	0.22%	0.16%	0%	-0.27%
CB	MA	AON	MMC	MKTX	TSN	CPB	MNST	GIS	PM	ATO	DTE	ETR	AWK	ED	PPG	STLD	MLM	NUE	ECL
-0.09%	-0.23%	-0.3%	-0.33%	-0.38%	1.1%	0.89%	0.82%	0.7%	0.54%	-0.34%	-0.34%	-0.34%	-0.36%	-0.38%	-0.49%	-0.49%	-0.6%	-0.61%	-0.75%
BAC	DFS	AXP	KEY	MET	WMT	SJM	SY	KHC	MO	SRE	PEG	EVRG	SO	CEG	DOW	CE	LIN	APD	NEM
-2.91%	-2.92%	-3.05%	-3.05%	-3.23%	-0.57%	-0.6%	-0.61%	-0.77%	-1.08%	-1.04%	-1.06%	-1.11%	-1.18%	-1.22%	-1.33%	-1.38%	-1.61%	-2.22%	-3.16%
MS	IVZ	PRU	PYPL	WFC	ADM	COST	KR	EL	DLTR	CNP	VST	NRG	PCG	AES	DD	FCX	FMC	MOS	ALB
-3.26%	-3.91%	-4.31%	-4.37%	-5.31%	-1.2%	-1.23%	-2.07%	-2.3%	-2.59%	-1.64%	-2.41%	-2.43%	-2.5%	-4.16%	-3.39%	-3.51%	-3.52%	-3.52%	-6.8%
Real Estate					Energy					Communication Ser.									
CCI	SBAC	PSA	WY	AMT	BKR	PSX	XOM	OKE	EOG	T	FOX	TTWO	CMCSA	FOXA					
1.65%	1.56%	1.34%	0.7%	0.56%	-0.69%	-0.78%	-0.9%	-0.94%	-1.13%	1.49%	0.05%	-0.06%	-0.16%	-0.16%					
VTR	WELL	CSGP	SPG	HST	VLO	WMB	MRO	COP	FI	VZ	DIS	OMC	CHTR	IPG					
0.24%	0.18%	0.06%	0.03%	-0.15%	-1.24%	-1.29%	-1.35%	-1.39%	-1.45%	-0.19%	-0.7%	-0.95%	-0.98%	-1.02%					
REG	ARE	DLR	MAA	UDR	SLB	KMI	CVX	DVN	HES	NWSA	LYV	NWS	EA	TMUS					
-0.93%	-1.17%	-1.2%	-1.25%	-1.25%	-1.69%	-1.93%	-1.97%	-2.12%	-2.19%	-1.34%	-1.38%	-1.39%	-1.44%	-2%					
AVB	EQR	ESS	CPT	INVH	TRGP	FANG	CTRA	APA	OXY	NFLX	PARA	WBD	META	GOOG					
-1.62%	-1.68%	-1.7%	-2.2%	-3.96%	-2.22%	-2.71%	-2.92%	-3.16%	-3.19%	-2.33%	-2.46%	-2.76%	-2.99%	-3.76%					

S&P 500 Weekly Tear Sheet

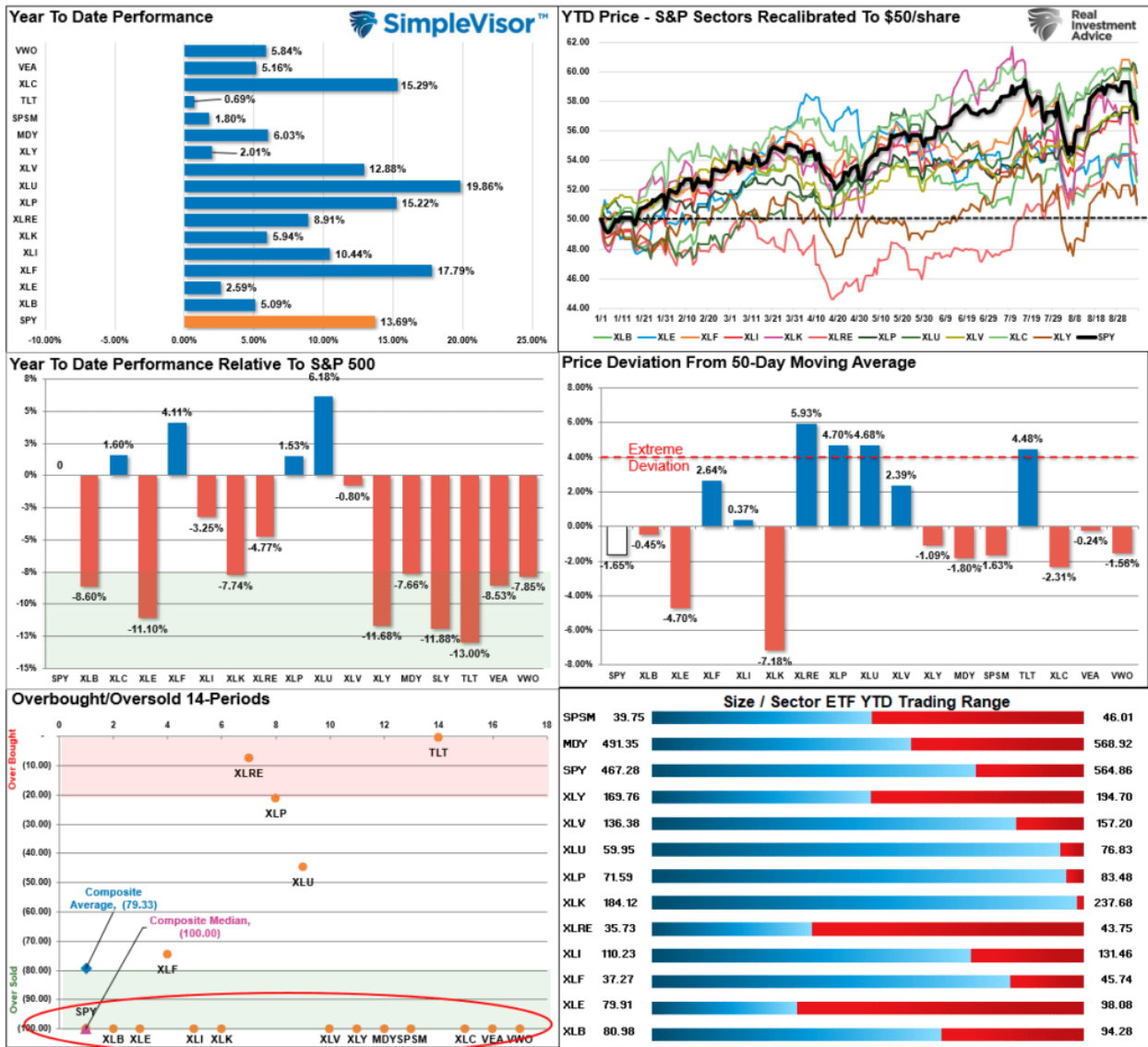
3 Month SPY Price										SPY RISK INFO				
										Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
										Price Return	38.28%	21.10%	13.69%	(35.13%)
										Max Drawdown	(15.45%)	(9.71%)	(9.71%)	0.00%
										Sharpe	0.93	1.62	1.27	(0.22)
										Sortino	1.51	1.97	1.69	(0.14)
										Volatility	15.60	12.61	12.82	0.02
										Daily VaR-5%	(4.86)	2.97	0.69	(0.77)
										Mnthly VaR-5%	(3.75)	4.86	14.16	1.91
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	1.44%	1.38%	1.31%	(5.12%)	2.14%	1.19%	(38.81%)	9.53%	Shares	5,087.4	5,031.4	(1.10%)		
P/E Ratio	18.20	21.50	23.90	10.05%	27.72	16.62	(13.8%)	43.78%	Sales	112,438	122,800	9.22%		
P/S Ratio	4.85	4.99	5.32	6.23%	6.20	3.97	(14.11%)	34.24%	SPS	22.1	24.4	10.43%		
P/B Ratio	7.78	8.05	8.22	2.11%	8.99	5.62	(8.49%)	46.29%	Earnings	16,996	21,896	28.83%		
ROE	28.42%	25.38%	29.36%	13.56%	29.62%	19.32%	(0.91%)	51.97%	EPS TTM	5.0	5.4	8.59%		
ROA	6.67%	6.06%	7.50%	19.25%	7.50%	4.57%	0.00%	63.96%	Dividend	1.5	1.7	9.75%		
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	(7.26%)	3.47%	1.26	12.04	98.88	(293.59)	(87.8%)	15.8%	3.3%	8.20%	6.87	12.09		
Materials	7.57%	2.23%	1.11	22.39	26.99	11.37	(17.1%)	11.1%	1.8%	4.54%	5.03	19.81		
Industrials	16.86%	8.42%	1.13	23.44	58.52	16.91	(59.9%)	23.4%	1.4%	4.21%	6.87	21.32		
Discretionary	10.80%	9.75%	1.42	27.62	72.61	25.45	(62.0%)	21.8%	0.7%	3.50%	5.69	25.18		
Staples	18.68%	6.20%	0.61	23.40	22.99	18.47	1.8%	27.4%	2.3%	4.32%	4.15	20.51		
Health Care	17.21%	12.42%	0.69	24.22	24.34	14.84	(0.5%)	21.1%	1.5%	3.93%	8.32	19.26		
Financials	29.88%	13.54%	1.14	17.38	21.49	12.79	(19.1%)	11.9%	1.5%	5.54%	8.16	15.84		
Technology	29.08%	30.23%	1.29	35.97	38.62	20.47	(6.9%)	68.5%	0.7%	2.74%	5.63	31.09		
Telecom	21.35%	8.72%	0.97	21.32	28.38	15.42	(24.8%)	27.1%	0.9%	4.39%	6.94	18.73		
Utilities	24.23%	2.51%	0.69	19.77	21.42	15.58	(7.7%)	11.2%	3.0%	4.90%	3.64	17.16		
Real Estate	17.64%	2.42%	1.09	19.85	26.21	15.47	(24.3%)	6.8%	3.2%	4.97%	4.83	18.28		
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	540.36	(0.71%)	549.53	17	(1.67%)	516.18	222	4.68%	6.46%	(4.39%)	32.05%	Buy		
Mid Cap	537.95	0.54%	548.08	17	(1.85%)	529.92	211	1.51%	3.43%	(6.30%)	26.81%	Buy		
Small Cap	42.94	3.40%	43.70	19	(1.73%)	42.01	201	2.21%	4.01%	(8.56%)	25.67%	Buy		

Relative Performance Analysis

Two weeks ago, we discussed the bottom-left panel of the analysis.

"As noted, with every market and sector at more extreme levels of overbought conditions, look for minor corrections to support before adding exposure to portfolios. I would be unsurprised to see some selling hit the markets next week."

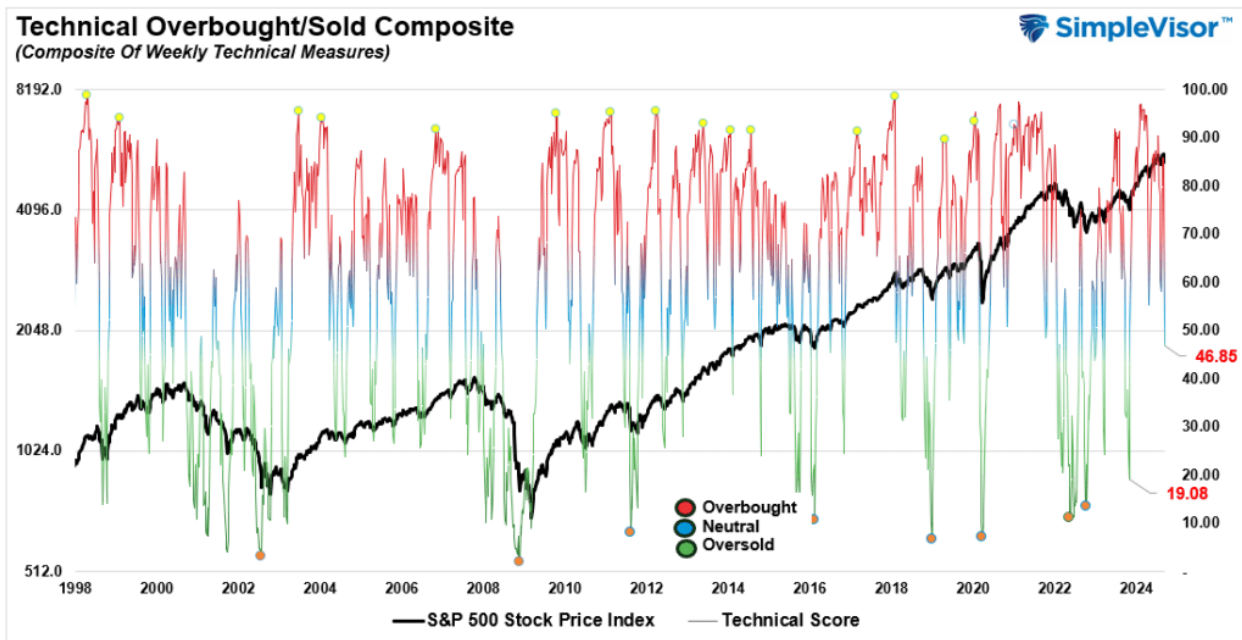
While that correction started subtly last week, it gained traction this past week, breaking below the 50-DMA. Unsurprisingly, most sectors and markets are now back to oversold, setting the market up for a reflexive bounce this coming week. Investors should consider using any such reversal to rebalance portfolio risk as needed. Despite the correction, it is essential to note that the market is still up by nearly 14%, with every tracked market and sector turning in positive performances. The current correction process is healthy and a needed reversal of recent gains. It will likely provide a decent entry point to add exposure at some point over the next few weeks.



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.**

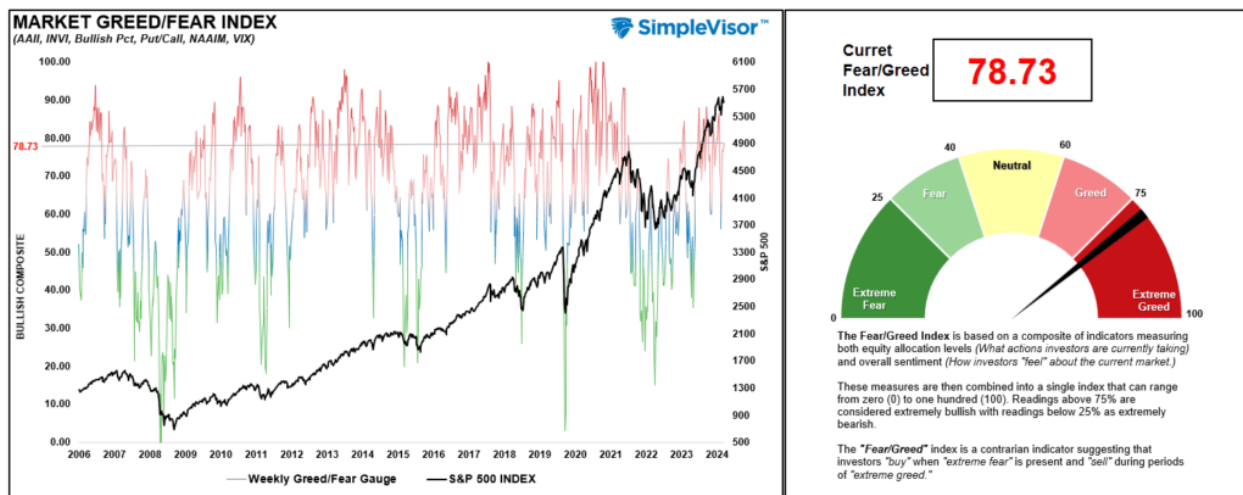
The current reading is 46.85 out of a possible 100.



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 78.73 out of a possible 100.



Relative Sector Analysis

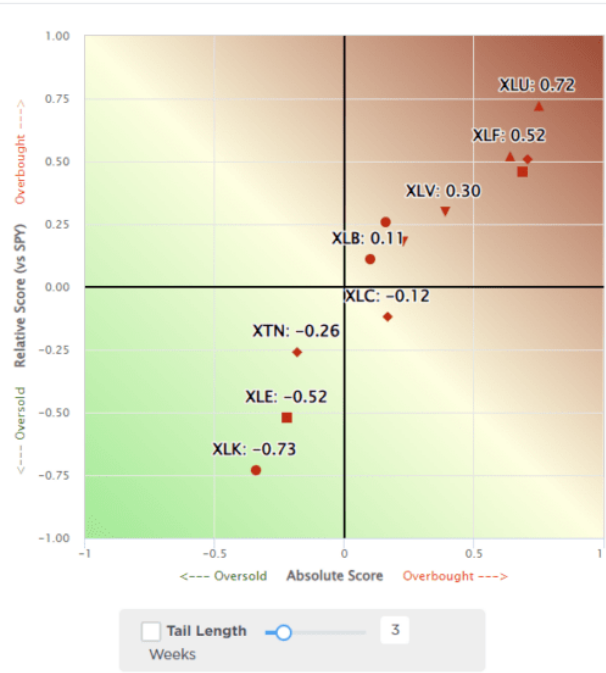
Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol Name	Top 10 Holdings	Absolute Score ↑↓	Relative Score (vs SPY) ↑↓	Chart <input checked="" type="checkbox"/>
XLK	Technology	-0.34	-0.73	<input checked="" type="checkbox"/>
XLE	Energy	-0.22	-0.52	<input checked="" type="checkbox"/>
XTN	Transportation	-0.18	-0.26	<input checked="" type="checkbox"/>
XLC	Communication Services	0.17	-0.12	<input checked="" type="checkbox"/>
XLB	Materials	0.10	0.11	<input checked="" type="checkbox"/>
XLI	Industrials	0.23	0.18	<input checked="" type="checkbox"/>
XLY	Consumer Discretionary	0.16	0.26	<input checked="" type="checkbox"/>
XLV	Health Care	0.39	0.30	<input checked="" type="checkbox"/>
XLRE	Real Estate	0.69	0.46	<input checked="" type="checkbox"/>
XLP	Consumer Staples	0.71	0.51	<input checked="" type="checkbox"/>
XLF	Financial	0.64	0.52	<input checked="" type="checkbox"/>
XLU	Utilities	0.75	0.72	<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

Technology Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Holding	Absolute Score	Relative Score (vs SPY)	Chart
AMD	Advanced Micro Devices Inc	2.52%	-0.64	-0.67	<input checked="" type="checkbox"/>
AVGO	Broadcom Inc	4.36%	-0.49	-0.51	<input checked="" type="checkbox"/>
CRM	Salesforce Inc	2.57%	-0.49	-0.43	<input checked="" type="checkbox"/>
MSFT	Microsoft Corp	21.28%	-0.45	-0.42	<input checked="" type="checkbox"/>
NVDA	NVIDIA Corp	20.16%	-0.22	-0.42	<input checked="" type="checkbox"/>
CSCO	Cisco Systems Inc	2.14%	0.03	0.08	<input checked="" type="checkbox"/>
AAPL	Apple Inc	5.01%	0.21	0.27	<input checked="" type="checkbox"/>
ADBE	Adobe Inc	2.70%	0.36	0.46	<input checked="" type="checkbox"/>
ACN	Accenture PLC Class A	2.25%	0.36	0.52	<input checked="" type="checkbox"/>
ORCL	Oracle Corp	2.36%	0.38	0.56	<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

	AAPL/	ACN/	ADBE/	AMD/	AVGO/	CRM/	CSCO/	ORCL/	MSFT/	NVDA/	XLK/	
AAPL	0.00	0.39	0.20	-0.69	-0.58	-0.52	-0.02	0.28	-0.38	-0.50	-0.72	AAPL Apple Inc
ACN	-0.39	0.00	-0.16	-0.72	-0.52	-0.74	-0.34	0.22	-0.57	-0.43	-0.52	ACN Accenture PLC Class A
ADBE	-0.20	0.16	0.00	-0.72	-0.52	-0.76	-0.23	0.18	-0.63	-0.39	-0.60	ADBE Adobe Inc
AMD	0.69	0.72	0.72	0.00	-0.18	0.40	0.69	0.73	0.57	-0.06	0.49	AMD Advanced Micro Devices Inc
AVGO	0.58	0.52	0.52	0.18	0.00	0.39	0.50	0.48	0.25	0.14	0.28	AVGO Broadcom Inc
CRM	0.52	0.74	0.76	-0.40	-0.39	0.00	0.74	0.59	0.15	-0.33	0.03	CRM Salesforce Inc
CSCO	0.02	0.34	0.23	-0.69	-0.50	-0.74	0.00	0.28	-0.23	-0.38	-0.49	CSCO Cisco Systems Inc
ORCL	-0.28	-0.22	-0.18	-0.73	-0.48	-0.59	-0.28	0.00	-0.81	-0.36	-0.79	ORCL Oracle Corp
MSFT	0.38	0.57	0.63	-0.57	-0.25	-0.15	0.23	0.81	0.00	-0.19	-0.07	MSFT Microsoft Corp
NVDA	0.50	0.43	0.39	0.06	-0.14	0.33	0.38	0.36	0.19	0.00	0.18	NVDA NVIDIA Corp
XLK	0.72	0.52	0.60	-0.49	-0.28	-0.03	0.49	0.79	0.07	-0.18	0.00	XLK

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.

Last week, we noted that many markets deviated above long-term means and were highly overbought. A correction was likely. To wit:

"Continue to take profits and rebalance weightings, as a reversal is likely at some point."

That correction began in earnest this week, reversing many overbought conditions to oversold. The more significant deviations, while remaining, have been reduced, particularly in Gold and Gold Miners. While those deviations remain, suggesting a further correction is likely, a bounce is expected in the near term to allow for a better exit to reduce risk and rebalance exposures. Trade accordingly.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG WMA	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	PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL	
IVV	ISHARS-SP500	543.37	(4.13)	1.40	(0.00)	3.71	21.32	550.98	527.00	566.75	1.00	580.92	552.58	0%	3%	BULLISH
XLB	SPDR-MATLS SELS	89.89	(0.53)	0.10	1.11	(5.33)	(11.43)	90.10	89.08	94.28	1.06	97.64	90.92	0%	1%	BULLISH
XLC	SPDR-COMM SV SS	83.77	0.06	(3.09)	(0.34)	(1.33)	3.78	85.55	82.21	87.32	1.03	90.40	84.24	-2%	2%	BULLISH
XLE	SPDR-EGY SELS	86.01	(1.65)	(5.21)	(2.22)	(10.63)	(27.88)	90.15	90.07	91.28	1.20	94.66	87.90	-5%	-5%	BULLISH
XLF	SPDR-FINL SELS	44.29	0.96	3.05	9.04	3.22	7.90	42.71	41.31	45.74	1.05	47.37	44.11	4%	7%	BULLISH
XLK	SPDR-TECH SELS	203.92	(3.32)	(2.23)	(10.34)	(6.57)	(3.31)	221.12	211.40	220.33	1.13	228.34	212.32	-9%	-4%	BULLISH
XLI	SPDR-INDU SELS	125.89	(0.11)	(0.11)	4.00	(3.17)	(2.14)	124.80	122.44	131.46	1.07	136.15	126.77	1%	3%	BULLISH
XLP	SPDR-CONS STPL	82.99	4.71	3.45	7.94	6.00	(5.58)	78.86	76.51	82.51	0.58	85.06	79.96	5%	8%	BULLISH
XLRE	SPDR-RE SELS	43.63	4.31	2.95	13.33	9.26	(2.18)	40.56	39.08	43.55	0.98	45.06	42.04	8%	12%	BULLISH
XLU	SPDR-UTIL SELS	75.91	3.63	1.72	8.63	15.16	(1.17)	71.89	67.75	76.29	0.59	78.64	73.94	6%	12%	BULLISH
XLV	SPDR-HLTH CR	153.95	2.06	1.24	5.62	2.14	(4.75)	149.48	145.74	157.20	0.68	162.20	152.20	3%	6%	BULLISH
XLY	SPDR-CONS DISCR	182.40	1.60	3.22	2.37	(3.89)	(13.23)	183.62	180.00	187.12	1.20	194.04	180.20	-1%	1%	BULLISH
XTN	SPDR-SP TRANSP	75.58	0.63	(0.88)	0.79	(12.16)	(23.80)	77.52	79.19	78.31	1.32	81.31	75.32	-2%	-5%	BEARISH
SDY	SPDR-SP DIV ETF	137.72	2.57	1.90	7.91	3.17	(6.88)	132.30	129.10	139.89	0.88	144.59	135.19	4%	7%	BULLISH
RSP	SPDR-SP5 EQ ETF	170.45	1.04	0.88	4.23	(1.43)	(5.88)	168.11	164.84	175.87	1.05	182.11	169.63	1%	3%	BULLISH
SPSM	SPDR-PRT SC	42.94	(1.02)	(1.12)	5.05	(1.20)	(8.26)	43.14	42.19	45.27	1.11	46.91	43.63	0%	2%	BULLISH
MDY	SPDR-SP MC 400	537.95	(0.71)	(1.90)	1.52	(5.11)	(7.13)	545.10	535.57	565.30	1.11	585.68	544.92	-1%	0%	BULLISH
EEM	ISHARS-EMG MKT	41.78	0.46	(2.07)	(0.98)	(1.45)	(13.39)	42.80	41.57	43.37	0.73	44.77	41.97	-2%	1%	BULLISH
EFA	ISHARS-EAFE	79.80	0.29	1.72	2.62	(3.51)	(7.95)	79.64	78.66	82.98	0.88	85.78	80.18	0%	1%	BULLISH
IAU	ISHARS-GOLD TR	47.15	3.85	1.34	7.05	11.48	8.39	45.57	43.17	47.28	0.20	48.56	46.00	3%	9%	BULLISH
GDX	VANECK-GOLD MNR	36.32	(1.83)	(0.06)	8.80	18.99	6.83	36.47	33.21	38.62	0.96	39.96	37.28	0%	9%	BULLISH
UUP	INVS-DB USS BU	28.18	3.81	(2.77)	(2.70)	(4.21)	(25.24)	28.66	28.44	28.27	(0.22)	28.92	27.62	-2%	-1%	BULLISH
BOND	PIMCO-ACTV BOND	94.43	4.87	(0.01)	3.12	(0.67)	(15.76)	92.49	91.47	93.73	0.26	96.31	91.15	2%	3%	BULLISH
TLT	ISHARS-20-YTB	99.56	7.31	2.02	5.26	2.22	(15.82)	94.92	93.38	96.49	0.27	99.16	93.82	5%	7%	BULLISH
BNDX	VAINGO-TTL INT B	50.00	4.61	(0.88)	2.24	(2.02)	(18.00)	49.29	48.96	49.76	0.18	51.10	48.42	1%	2%	BULLISH
HYG	ISHARS-IBX HYCB	79.14	3.87	0.10	2.79	(1.86)	(15.27)	78.03	77.43	79.34	0.45	81.68	77.00	1%	2%	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 Technicals Fundamentals Performance													
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%	
↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	⊕ ⊖	⊕ ⊖	⊕ ⊖	⊕ ⊖	⊕ ⊖	⊕ ⊖	↑ ↓	↑ ↓
CHRW	Industrials	10/10	\$100.30	\$48.24(-107.92%)	60.68	\$100.96(-0.65%)	\$94.34(6.32%)	\$87.60(14.50%)	—	5	3	3.33%	
FICO	Technology	10/10	\$1,749.59	\$333.46(-424.68%)	59.53	\$1,739.05(0.61%)	\$1,639.21(6.73%)	\$1,467.42(19.23%)	—	7	3	%	
FOX	Communication Ser.	10/10	\$37.41		56.33	\$37.34(0.19%)	\$35.27(6.07%)	\$32.87(13.81%)	1	5	—	1.82%	
FOXA	Communication Ser.	10/10	\$40.38		58.62	\$40.18(0.50%)	\$37.89(6.57%)	\$35.39(14.10%)	1	5	3	1.67%	
HWM	Industrials	10/10	\$91.27	\$27.05(-237.41%)	54.23	\$95.21(-4.14%)	\$87.54(4.26%)	\$82.54(10.58%)	1	7	3	0.26%	
IRM	Real Estate	10/10	\$109.04	\$16.44(-563.26%)	51.58	\$110.80(-1.59%)	\$102.82(6.05%)	\$91.65(18.97%)	8	7	3	3.31%	
K	Consumer Staples	10/10	\$80.14	\$33.59(-138.58%)	81.97	\$79.15(1.25%)	\$67.16(19.33%)	\$63.30(26.60%)	6	7	3	4.18%	
LMT	Industrials	10/10	\$567.35	\$325.46(-74.32%)	71.28	\$560.15(1.29%)	\$520.17(9.07%)	\$491.00(15.55%)	5	7	3	2.77%	
MMM	Industrials	10/10	\$128.83	\$86.52(-48.90%)	64.59	\$128.51(0.25%)	\$116.80(10.30%)	\$107.06(20.33%)	—	7	3	5.69%	
NEE	Utilities	10/10	\$80.11	\$59.16(-35.40%)	59.80	\$79.04(1.35%)	\$75.80(5.68%)	\$73.89(8.41%)	—	5	3	3.43%	
NEM	Materials	10/10	\$50.32	\$8.49(-492.64%)	59.35	\$50.95(-1.25%)	\$47.99(4.84%)	\$44.58(12.86%)	—	7	3	2.96%	
PM	Consumer Staples	10/10	\$125.81	\$80.66(-55.98%)	76.73	\$120.34(4.55%)	\$112.96(11.38%)	\$105.40(19.36%)	1	8	3	5.84%	
TRGP	Energy	10/10	\$146.68	\$119.89(-22.35%)	67.62	\$143.12(2.49%)	\$136.92(7.13%)	\$126.89(15.60%)	4	7	3	1.80%	
TYL	Technology	10/10	\$582.39	\$221.50(-162.93%)	59.33	\$579.95(0.42%)	\$552.24(5.46%)	\$510.00(14.19%)	1	4	3	%	
UHS	Healthcare	10/10	\$229.74	\$170.90(-34.43%)	78.98	\$229.07(0.29%)	\$207.64(10.64%)	\$192.48(19.36%)	5	6	3	0.49%	
VTR	Real Estate	10/10	\$62.85	\$17.18(-265.83%)	83.13	\$59.95(4.84%)	\$55.95(12.33%)	\$51.65(21.68%)	1	5	3	4.13%	
WELL	Real Estate	10/10	\$124.35	\$28.88(-330.57%)	77.65	\$118.66(4.80%)	\$112.10(10.93%)	\$105.57(17.79%)	1	4	4	2.67%	
DOC	Real Estate	9/10	\$21.96		58.53	\$21.95(0.02%)	\$21.00(4.55%)	\$19.91(10.27%)	4	5	3	6.73%	
IP	Consumer Cyclical	9/10	\$47.10	\$19.36(-143.29%)	53.84	\$47.15(-0.11%)	\$45.77(2.91%)	\$43.29(8.80%)	7	8	3	4.64%	
TSLA	Consumer Cyclical	9/10	\$212.31	\$157.71(-34.62%)	58.67	\$212.13(0.08%)	\$222.88(-4.74%)	\$198.49(6.96%)	4	7	1	%	

Momentum Screen

Tables													
Overview Technicals Fundamentals Performance													
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%	
↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	⊕ ⊖	⊕ ⊖	⊕ ⊖	⊕ ⊖	⊕ ⊖	⊕ ⊖	↑ ↓	↑ ↓
AMT	Real Estate	10/10	\$235.78	\$114.58(-105.78%)	67.93	\$224.15(5.19%)	\$215.10(9.61%)	\$200.09(17.84%)	7	6	4	3.34%	
HCA	Healthcare	10/10	\$388.99	\$337.35(-15.31%)	82.17	\$380.61(2.20%)	\$353.34(10.09%)	\$338.49(14.92%)	6	7	3	0.82%	
LMT	Industrials	10/10	\$567.35	\$325.46(-74.32%)	71.28	\$560.15(1.29%)	\$520.17(9.07%)	\$491.00(15.55%)	5	7	3	2.77%	
PODD	Healthcare	10/10	\$214.95	\$75.38(-185.16%)	65.64	\$195.03(10.21%)	\$196.17(9.57%)	\$188.40(14.09%)	5	2	5	%	
RMD	Healthcare	10/10	\$244.43	\$220.68(-10.76%)	70.99	\$230.18(6.19%)	\$213.61(14.43%)	\$210.08(16.35%)	—	5	3	0.99%	
CLX	Consumer Staples	9/10	\$164.93	\$48.39(-240.83%)	82.95	\$151.65(8.76%)	\$141.92(16.21%)	\$139.70(18.06%)	—	5	5	3.14%	
CTAS	Industrials	9/10	\$781.59	\$363.70(-114.90%)	66.78	\$780.91(0.09%)	\$752.82(3.82%)	\$718.08(8.84%)	6	7	3	0.79%	
MKTX	Financial	9/10	\$257.03	\$156.58(-64.15%)	71.98	\$238.02(7.99%)	\$224.40(14.54%)	\$214.12(20.04%)	5	4	5	1.35%	
UNH	Healthcare	9/10	\$596.82	\$699.31(14.66%)	64.58	\$582.27(2.50%)	\$555.00(7.54%)	\$524.91(13.70%)	1	5	3	1.43%	
BRK-B	Financial	8/10	\$459.32	\$453.32(-1.32%)	62.76	\$452.01(1.62%)	\$435.62(5.44%)	\$421.55(8.96%)	—	—	—	%	
CB	Financial	8/10	\$287.25		69.85	\$276.17(4.01%)	\$267.96(7.20%)	\$262.48(9.44%)	5	9	2	1.33%	
NVR	Consumer Cyclical	8/10	\$9,084.71	\$8,037.11(-13.03%)	59.48	\$8,874.43(2.37%)	\$8,423.26(7.85%)	\$8,014.62(13.35%)	1	7	2	%	
SPGI	Financial	8/10	\$511.26	\$316.57(-61.50%)	73.44	\$499.53(2.35%)	\$483.99(5.63%)	\$456.08(12.10%)	6	8	3	0.85%	
BLK	Financial	7/10	\$865.03	\$452.82(-91.03%)	54.75	\$872.62(-0.87%)	\$844.54(2.43%)	\$810.21(6.77%)	2	6	3	2.42%	
GEV	Utilities	7/10	\$198.16		62.20	\$186.35(6.34%)	\$177.08(11.90%)	\$169.71(16.76%)	—	—	—	%	
SBAC	Real Estate	7/10	\$237.67	\$157.47(-50.93%)	70.33	\$222.47(6.83%)	\$213.58(11.28%)	\$204.40(16.27%)	7	6	4	1.75%	
TDG	Industrials	7/10	\$1,298.63	\$628.73(-106.55%)	55.38	\$1,301.48(-0.22%)	\$1,274.44(1.90%)	\$1,284.19(1.12%)	5	8	3	%	
BIO	Healthcare	6/10	\$330.81	\$106.81(-209.72%)	58.69	\$324.35(1.99%)	\$311.16(6.32%)	\$298.06(10.99%)	—	4	—	%	
CI	Healthcare	6/10	\$353.92		58.14	\$346.28(2.21%)	\$338.60(4.52%)	\$339.50(4.25%)	5	6	3	1.54%	
TRV	Financial	6/10	\$234.34		74.22	\$220.04(6.50%)	\$213.77(9.62%)	\$213.47(9.78%)	1	7	3	1.74%	


Fundamental & Technical Screen

Tables													
Overview Technicals Fundamentals Performance													
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Plotroski	SV Rank	Yield%	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	⊙ ↑↓	⊙ ↑↓	⊙ ↑↓	↑↓	
BRO	Financial	10/10 👍	\$103.93	\$93.33(-11.36%)	65.03	\$102.67(1.23%)	\$97.75(6.32%)	\$92.41(12.47%)	6	8	3	0.60%	
HCA	Healthcare	10/10 👍	\$388.99	\$337.35(-15.31%)	82.17	\$380.61(2.20%)	\$353.34(10.09%)	\$338.49(14.92%)	6	7	3	0.82%	
K	Consumer Staples	10/10 👍	\$80.14	\$33.59(-138.58%)	81.97	\$79.15(1.25%)	\$67.16(19.33%)	\$63.30(26.60%)	6	7	3	4.18%	
LMT	Industrials	10/10 👍	\$567.35	\$325.46(-74.32%)	71.28	\$560.15(1.29%)	\$520.17(9.07%)	\$491.00(15.55%)	5	7	3	2.77%	
PGR	Financial	10/10 👍	\$248.59	○	71.29	\$239.10(3.97%)	\$223.78(11.09%)	\$216.70(14.72%)	—	5	3	0.56%	
PODD	Healthcare	10/10 👍	\$214.95	\$75.38(-185.16%)	65.64	\$195.03(10.21%)	\$196.17(9.57%)	\$188.40(14.09%)	5	2	5	%	
RMD	Healthcare	10/10 👍	\$244.43	\$220.68(-10.76%)	70.99	\$230.18(6.19%)	\$213.61(14.43%)	\$210.08(16.35%)	—	5	3	0.99%	
CBOE	Financial	9/10 👍	\$211.62	\$147.64(-43.34%)	62.75	\$206.88(2.29%)	\$190.63(11.01%)	\$184.04(14.99%)	5	7	2	1.20%	
CLX	Consumer Staples	9/10 👍	\$164.93	\$48.39(-240.83%)	82.95	\$151.65(8.76%)	\$141.92(16.21%)	\$139.70(18.06%)	—	5	5	3.14%	
COST	Consumer Staples	9/10 👍	\$877.19	\$404.86(-116.67%)	57.08	\$877.16(0.00%)	\$855.46(2.54%)	\$821.37(6.80%)	5	8	3	0.55%	
CTAS	Industrials	9/10 👍	\$781.59	\$363.70(-114.90%)	66.78	\$780.91(0.09%)	\$752.82(3.82%)	\$718.08(8.84%)	6	7	3	0.79%	
DHI	Consumer Cyclical	9/10 👍	\$186.21	○	57.17	\$181.88(2.38%)	\$168.48(10.52%)	\$156.98(18.62%)	3	7	1	0.74%	
UNH	Healthcare	9/10 👍	\$596.82	\$699.31(14.66%)	64.58	\$582.27(2.50%)	\$555.00(7.54%)	\$524.91(13.70%)	1	5	3	1.43%	
BRK-B	Financial	8/10 👍	\$459.32	\$453.32(-1.32%)	62.76	\$452.01(1.62%)	\$435.62(5.44%)	\$421.55(8.96%)	—	—	—	%	
CB	Financial	8/10 👍	\$287.25	○	69.85	\$276.17(4.01%)	\$267.96(7.20%)	\$262.48(9.44%)	5	9	2	1.33%	
IBM	Technology	8/10 👍	\$200.77	\$128.32(-56.46%)	70.61	\$196.36(2.25%)	\$187.27(7.21%)	\$178.10(12.73%)	5	7	4	3.48%	
NVR	Consumer Cyclical	8/10 👍	\$9,084.71	\$8,037.11(-13.03%)	59.48	\$8,874.43(2.37%)	\$8,423.26(7.85%)	\$8,014.62(13.35%)	1	7	2	%	
SHW	Materials	8/10 👍	\$360.77	\$232.19(-55.38%)	59.64	\$356.32(1.25%)	\$336.47(7.22%)	\$321.26(12.30%)	1	5	4	0.82%	

SimpleVisor Portfolio Changes

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

No Trades This Week



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Lance Roberts, C.I.O.

Have a great week!