

Speculative Mania Continues As It Goes



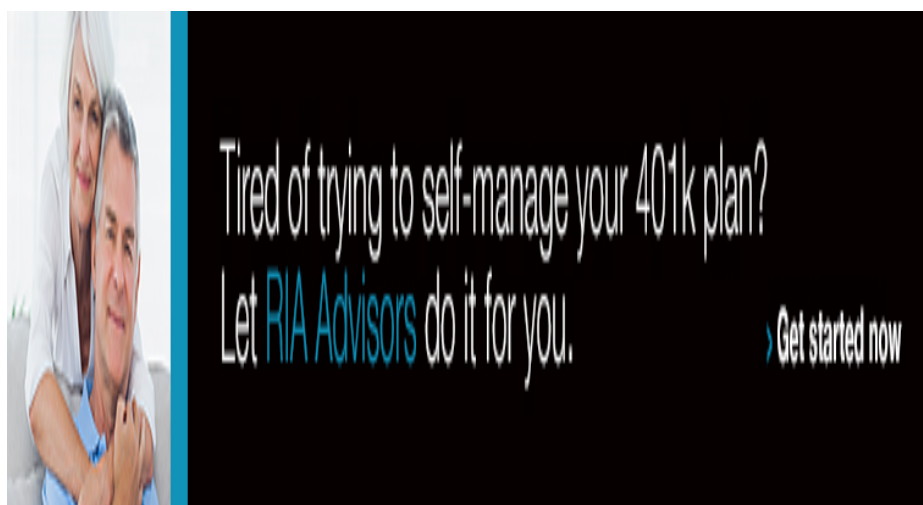
In this issue of "Speculative Mania Continues As It "Goes Up In Smoke."

- **Market Review And Update**
- **Speculative Mania Continues**
- **Two Important Threats**
- **Portfolio Positioning**
- **#MacroView: Why Stimulus Doesn't Lead To Organic Growth**
- **Sector & Market Analysis**
- **401k Plan Manager**

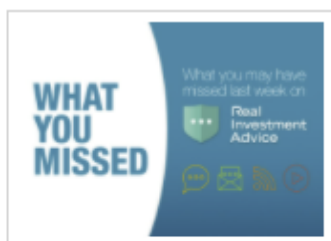
Follow Us On: [Twitter](#), [Facebook](#), [Linked-In](#), [Sound Cloud](#), [Seeking Alpha](#)

RIA Advisors Can Now Manage Your 401k Plan

Too many choices? Unsure of what funds to select? Need a strategy to protect your retirement plan from a market downturn? [RIA Advisors](#) can now manage your 401k plan for you. It's quick, simple, and transparent. In just a few minutes, we can get you in the **?right lane?** for retirement.



Catch Up On What You Missed Last Week



#WhatYouMissed On RIA This Week: 2-12-21

Written by Lance Roberts | Feb 12, 2021

Here is what you might have missed from the RIA Crew last week. A compilation of our best blogs, newsletter, podcasts, the daily radio show and commentary from RIAPRO.NET.

[>> Read More](#)

Market Review And Update

Last week, we discussed how the market successfully retested and held the 50-dma and rallied enough to turn money flows back positive. We addressed this point on Thursday in our daily **"3-Minutes" video** ([subscribe for daily updates](#)), <https://www.youtube.com/watch?v=hntNXBaJWcE> **As previously noted:**

"While the money flow 'buy signal' will likely trigger next week, the market is already trading 2-standard deviations above the 40-dma. Such suggests that the upside may be more limited over the next couple of weeks."



As the market struggled to hold gains, as denoted by the two red-dashed lines, that was the case. Notably, the entire week's gains came in the last hour of trading on Friday. With the money flow signals still positive, the overall bias to the market remains bullish for now. **However, the rally is still at risk currently, given the more extreme overbought and bullish conditions.** Speculation remains rampant, and **there are many indicators from relative strength to participation that suggest we could see another correction in March or early April.** When our money flow indicators turn lower again, we will suggest reducing risk accordingly. However, the problem with all technical indicators is two-fold:

1. *They don't distinguish between a 5% correction and a 20% drawdown; and,*
2. ***Secondly, the corrections often occur so quickly you don't have much time to decide just how defensive you need to be.***

Real Investment Report

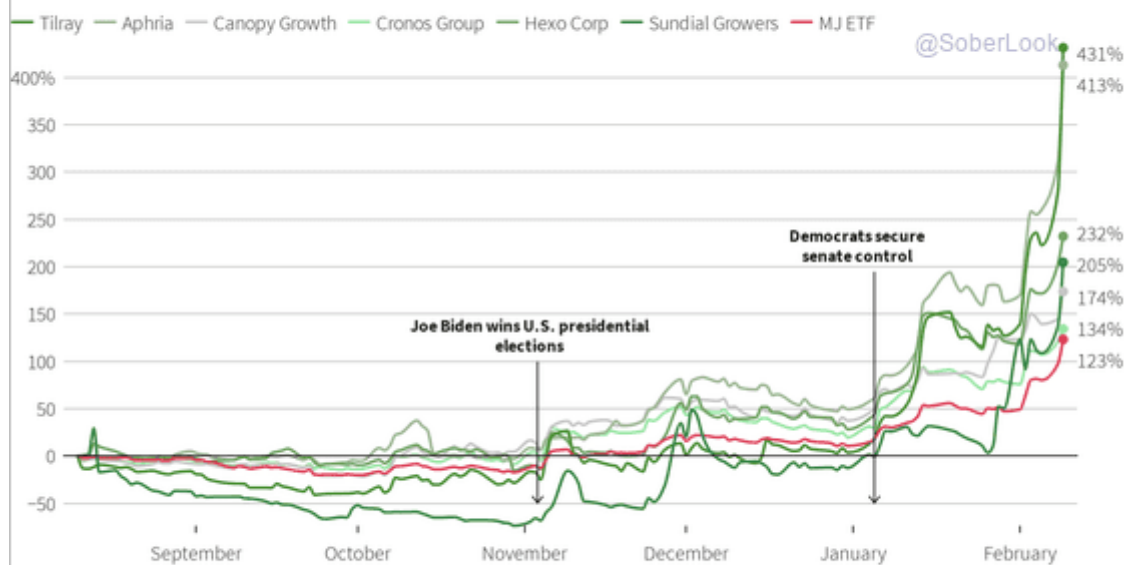
Market updates, sector analysis, 401k plan manager & more.

> **Subscribe today**

Speculative Mania Continues

Cannabis stocks rally to new highs

U.S.-listed pot stocks have doubled in last six months on President Joe Biden's administration promising decriminalization



and their sites away
st itself into names

However, this time

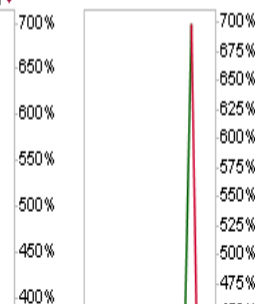
it looks like "Reddit" traders learned their lesson to "get out early" as the trade went "up in smoke" rather quickly.

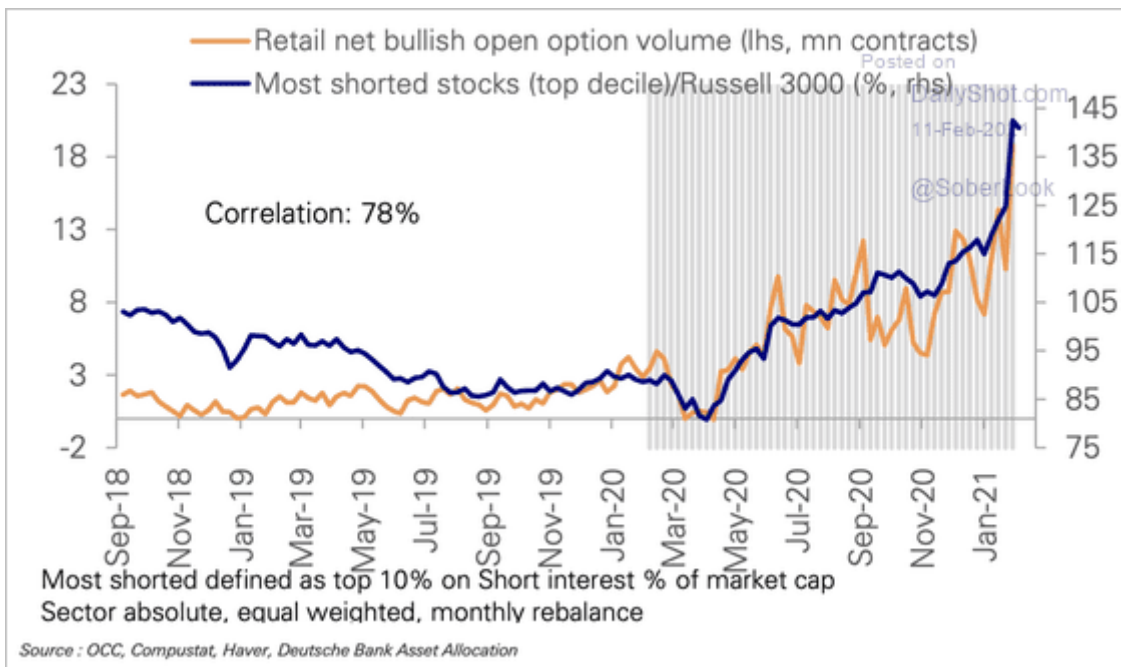
TLRY Tilray, Inc. Nasdaq GS
12-Feb-2021

Open 29.28 High 35.41 Low 28.21 Close 29.00 Volume 120.1M Chg -3.18 (-9.83%)

TLRY (Daily) 262.05%

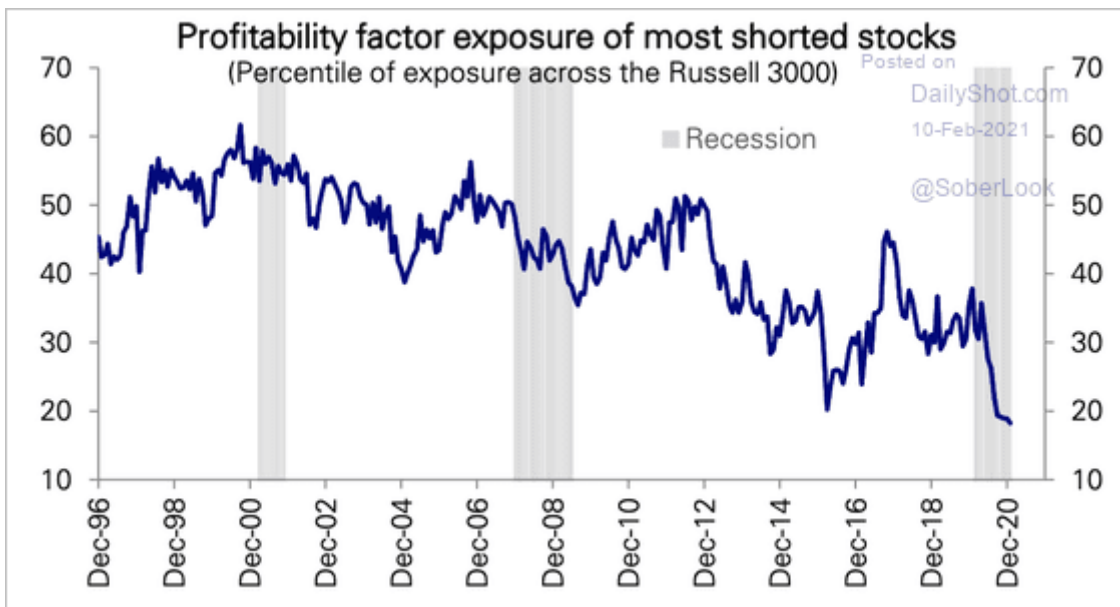
@StockCharts.com





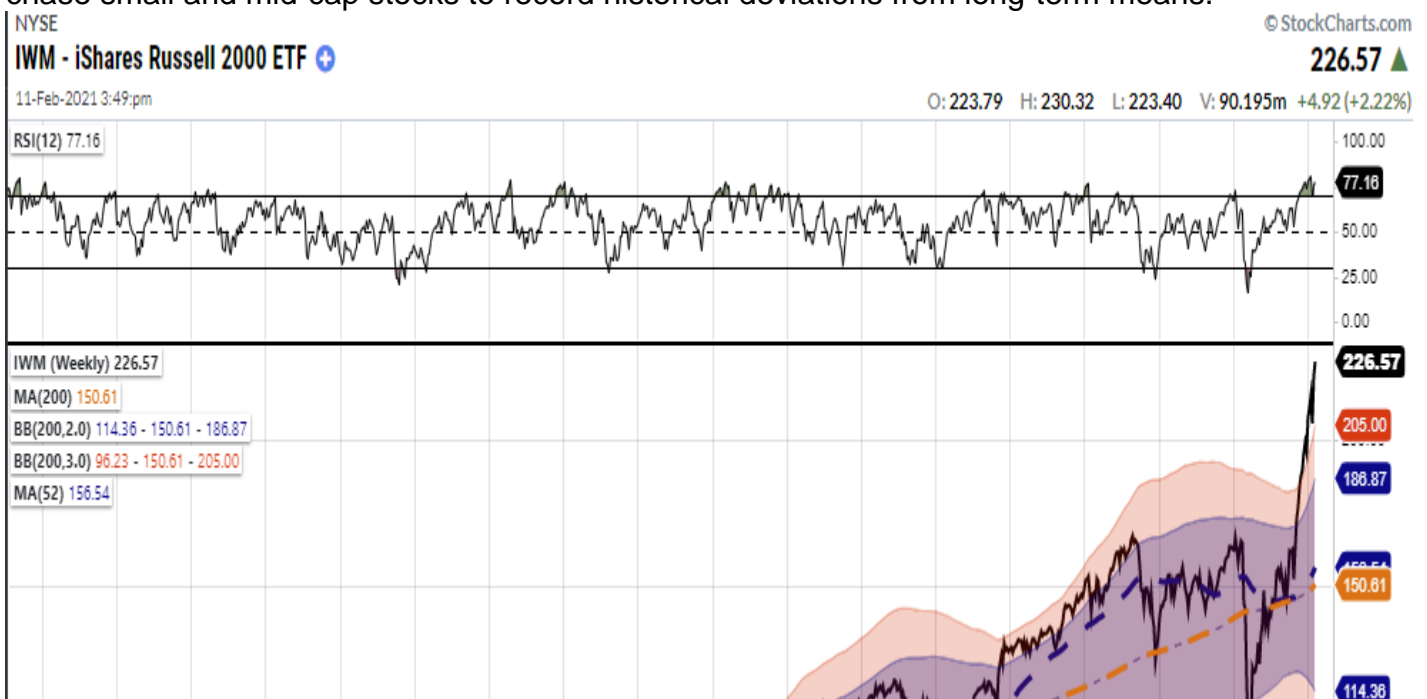
ors continue to
piling up on the

However, those



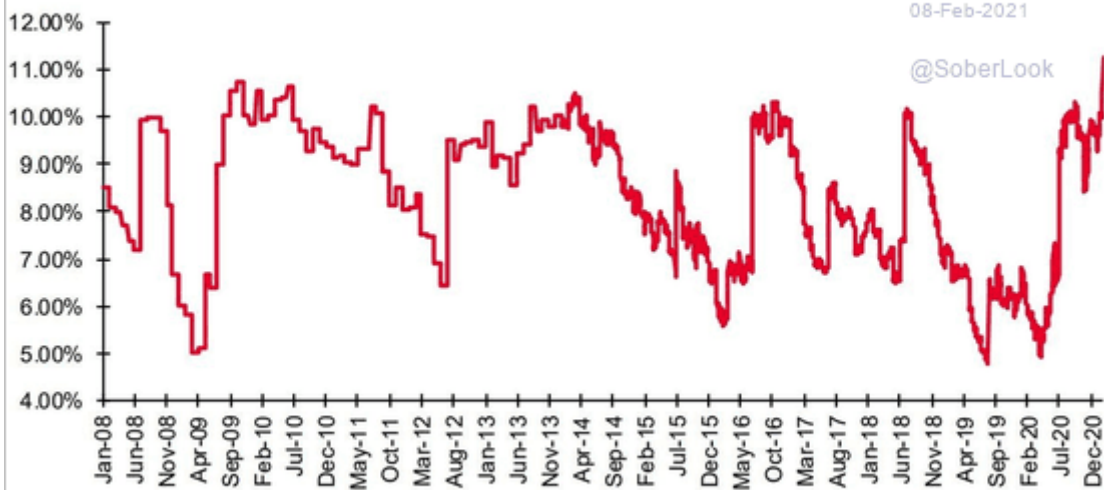
And as investors

chase small and mid-cap stocks to record historical deviations from long-term means.



**The quality of the Russell 2000 is deteriorating further
(weighting of the worst bad balance sheet quintiles is now historically high)**

Posted on
DailyShot.com



Source: SG Cross Asset Research/Equity Quant

ing the most.

But these are just

a view of the signs. I did a much more extensive review of the current speculation in ["Is This The Biggest Bubble Ever?"](https://www.youtube.com/watch?v=06AlnzePi0A) <https://www.youtube.com/watch?v=06AlnzePi0A> As my colleague Doug Kass noted previously:

?It is growing increasingly clear to me that global stock markets are in the process of making a speculative move (driven by global liquidity) that may even compare to the advances that culminated in the seminal market tops in the Fall of 1987 and in the Spring of 2000. No longer is the market hostage to the real economy or sales and profit growth ? stuff I have spent four decades analyzing. Instead, liquidity is seen as an overriding influence, actually it has become the sine quo non. As such, historical valuations become increasingly irrelevant, and price momentum is the lodestar.?

He is right. What could go wrong?



Real Investment Show
with Lance Roberts

Monday to Friday,
from 6 to 7am. [> Get it now](#)

Two Important Threats

The question of what could wrong is extremely difficult to answer. **The reason is that historically, the thing the "goes wrong," is almost always something no one is talking about.** In February 2020, estimates were for a raging bull market, and then the world was shut down by a pandemic.

"Stuff Happens," and always when we least expect.

There are, however, two threats that could severely limit the market in the months and quarters ahead. **Inflation and Interest Rates.**

Interest Rates

With an economy pushing \$85 trillion in debt, the entire premise of the *"consumption function,"* as well as *"valuation justification"* for the stock market, is based on low-interest rates. However, that is

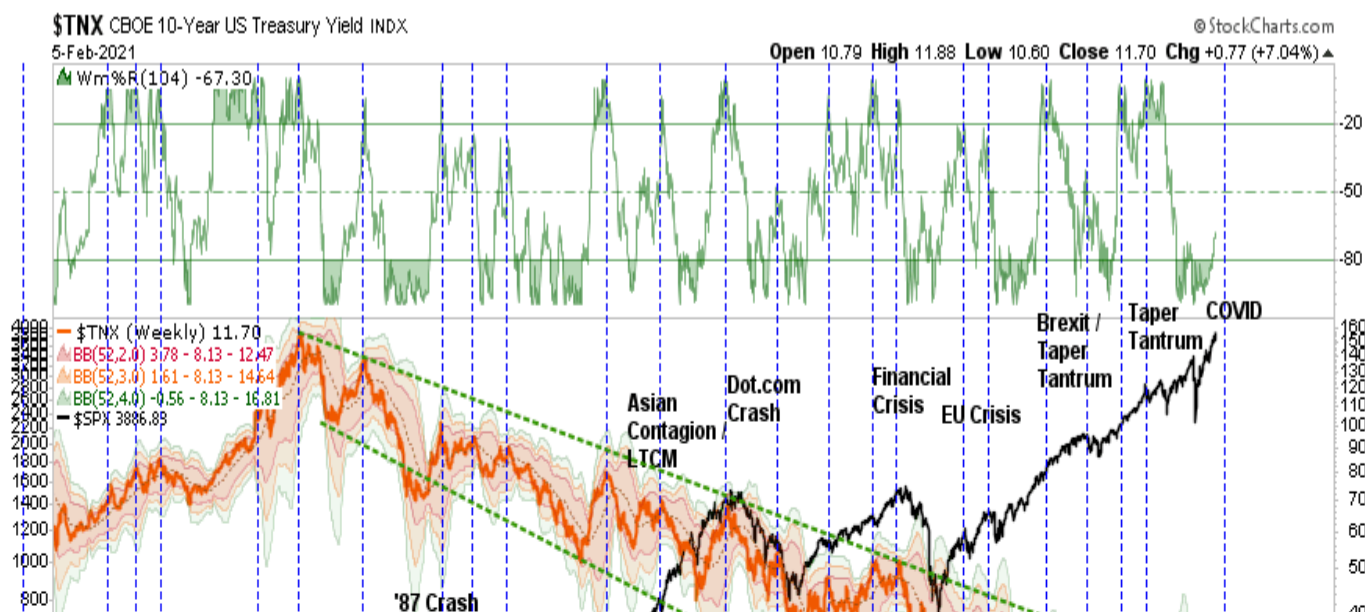
rapidly ending as the rise in rates is now approaching a "danger zone" for the markets. As noted by [SentimenTrader](#) on Thursday:

"The march higher in the yield on 10-year Treasury notes took a breather in recent days, but it's mostly been a steady rise for most of the last 6 months. So much so that the 1-year z-score, a measure of how unusual the move is relative to recent history, just reached 1.5 standard deviations for the 4th distinct time in the past decade."

An extreme move, relative to average



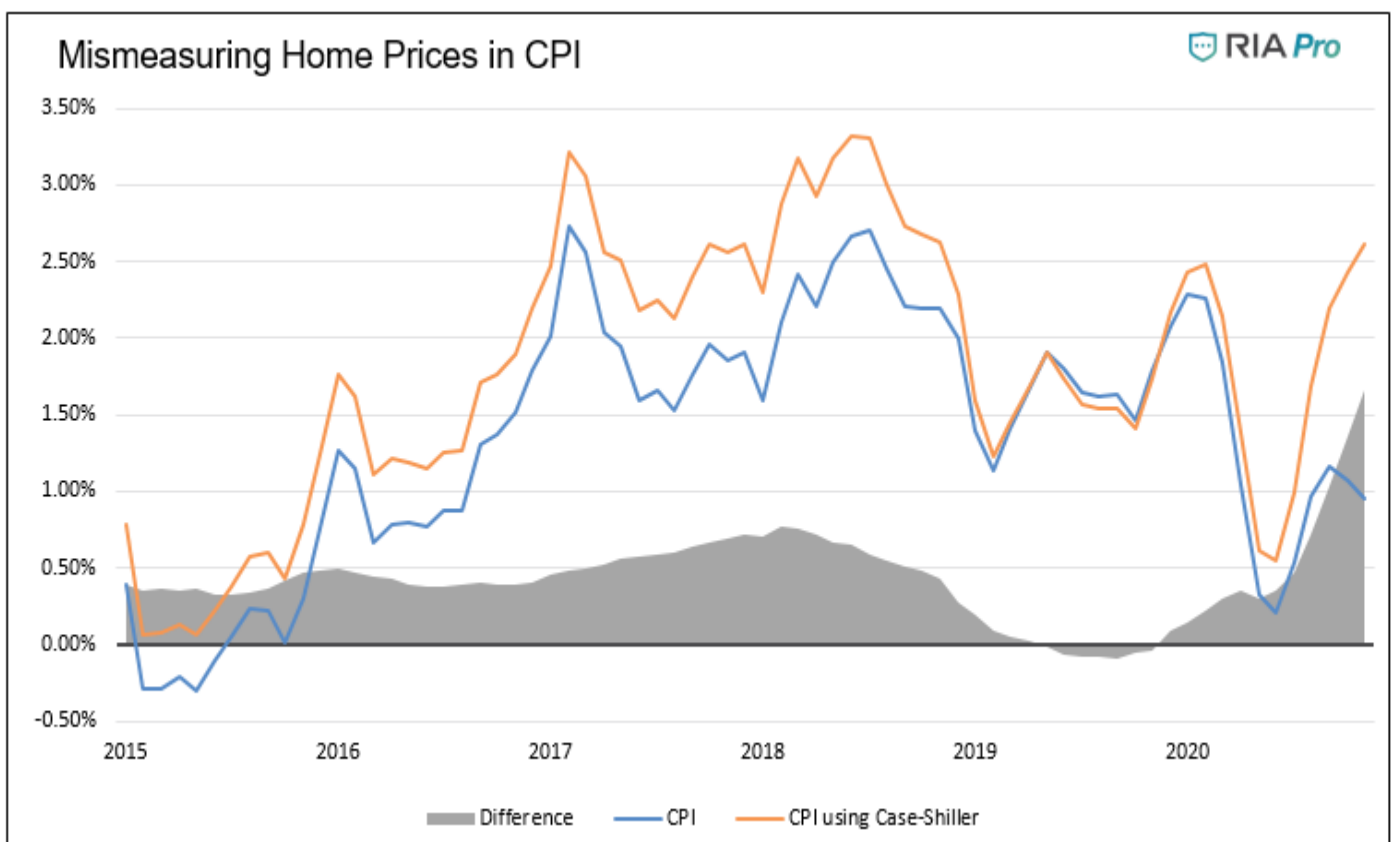
As discussed in ["Dollar & Rates Issue A Warning,"](#) interest rates are rapidly approaching the 1.5% to 2.0% barrier, where higher payments will collide with disposable income. Historically, such has not ended well for markets.



Inflation

The second threat is inflation. as noted by Michael Lebowitz for our [RIAPRO Subscribers](#) (30-day free trial.)

"In February 2019 we wrote [MMT and its Fictional Discipline](#). "In 1998, the Bureau of Labor Statistics (BLS) changed the way they calculated real estate prices within CPI. The BLS replaced an index based on actual home prices with what is now called owner's equivalent rent (OER). OER is a rental equivalence that calculates the price at which an owned house would rent." Since 2019, OER has risen 5.12% while the Case-Shiller Home Price Index (CS) is up 13.73%. OER comprises nearly a quarter of the CPI calculation. The graph below replaces OER with the CS Index in the CPI calculation to show how inflation is understated due to the sharp divergence between actual home prices and the BLS flawed methodology to compute home prices. Per the graph, CPI would be 2.62% and rising, versus .96% and trending lower. The low CPI reading provides cover for the Fed to keep printing, but at what cost?"



When it comes to the stock market, there is a decades-long correlation between interest rates and inflation. **More importantly, as with debt, consumers may handle higher prices or debt payments, but not both.** While investors may be able to justify higher inflation or rates in the short-term, it is unlikely they can justify both. **As inflation and rates slow economic growth due to the absorption of disposable income via higher prices and interest payments, the market will begin to reprice risk quickly.** Such could be a problem sooner than many think.

RIA Pro

Get the latest trades, analysis, and insights from the RIA Pro team.

> Sign up now

The Reason To Focus On Risk

During the past week, we made no substantive changes to our portfolios. It seems like a good time to review why we chose to "focus on risk" given the seeming "insanity" in the markets currently. **As investors, our job is to navigate the waters within which we currently sail, not the seas we think we will sail in later.** Higher returns are generated from the management of ?risks? rather than the attempt to create returns by chasing markets. That philosophy got well defined by Robert Rubin, former Secretary of the Treasury when he said;


*?As I think back over the years, I have been guided by four principles for decision making. **First, the only certainty is that there is no certainty. Second, every decision, as a consequence, is a matter of weighing probabilities. Third, despite uncertainty, we must decide and we must act. And lastly, we need to judge decisions not only on the results, but on how they were made.** Most people are in denial about uncertainty. They assume they're lucky, and that the unpredictable can be reliably forecast. This keeps business brisk for palm readers, psychics, and stockbrokers, but it's a terrible way to deal with uncertainty. **If there are no absolutes, then all decisions become matters of judging the probability of different outcomes, and the costs and benefits of each. Then, on that basis, you can make a good decision.**?*

A Simple Philosophy

It should be evident that an honest assessment of uncertainty leads to better decisions, but the benefits of Rubin's approach, and mine, goes beyond that. **For starters, although it may seem contradictory, embracing uncertainty reduces risk while denial increases it.** Another benefit of acknowledged uncertainty is **it keeps you honest.**

*?A healthy respect for uncertainty and focus on probability drives you never to be satisfied with your conclusions. It keeps you moving forward to seek out more information, **to question conventional thinking** and to continually refine your judgments and understanding that difference between certainty and likelihood can make all the difference.?*

We must recognize and be responsive to changes in underlying market dynamics if they change for the worse and be aware of the inherent risks in portfolio allocation models. **The reality is that we can't control outcomes. The most we can do is influence the probability of specific outcomes, which is why the day-to-day management of risks and investing based on probabilities rather than possibilities is essential to capital preservation and investment success.** It is just something to consider.

**REAL
INVESTMENT
ADVICE**

Have more than \$500k invested?
Get a better strategy than
"buy and hold"

**MEET WITH AN
RIA TEAM
MEMBER TODAY**

The MacroView



#MacroView: Why Stimulus Doesn't Lead To Organic Growth

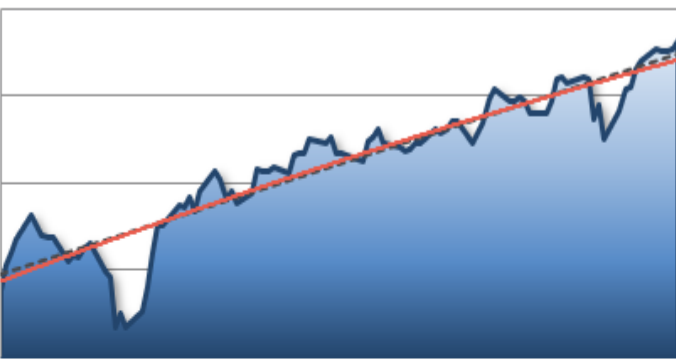
Written by Lance Roberts | Feb 12, 2021

If you need help or have questions, we are always glad to help. [Just email me](#). See You Next Week **By Lance Roberts, CIO**

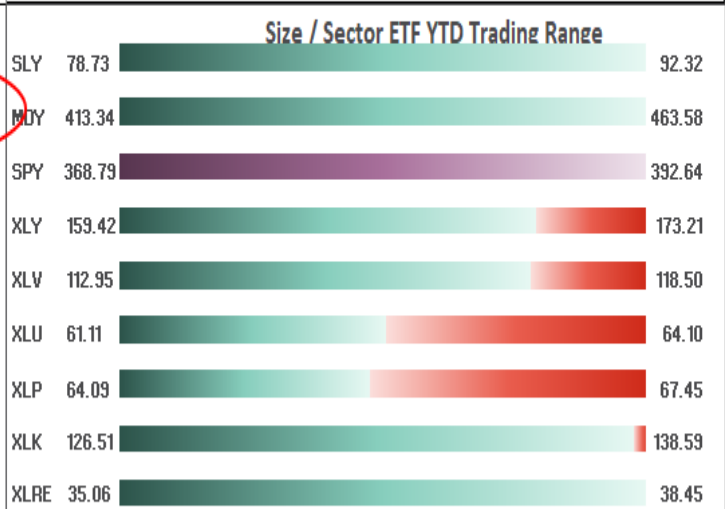
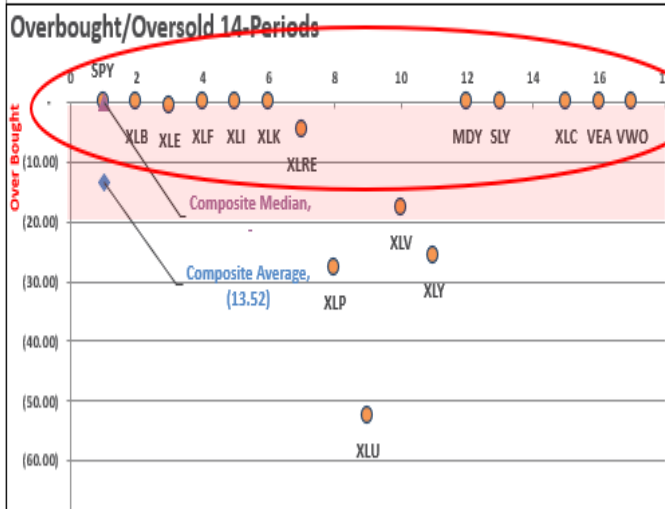
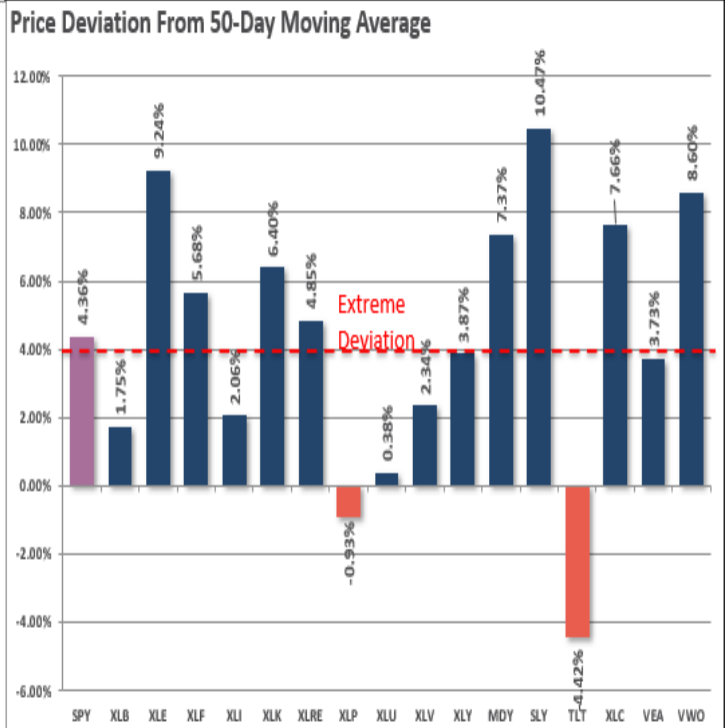
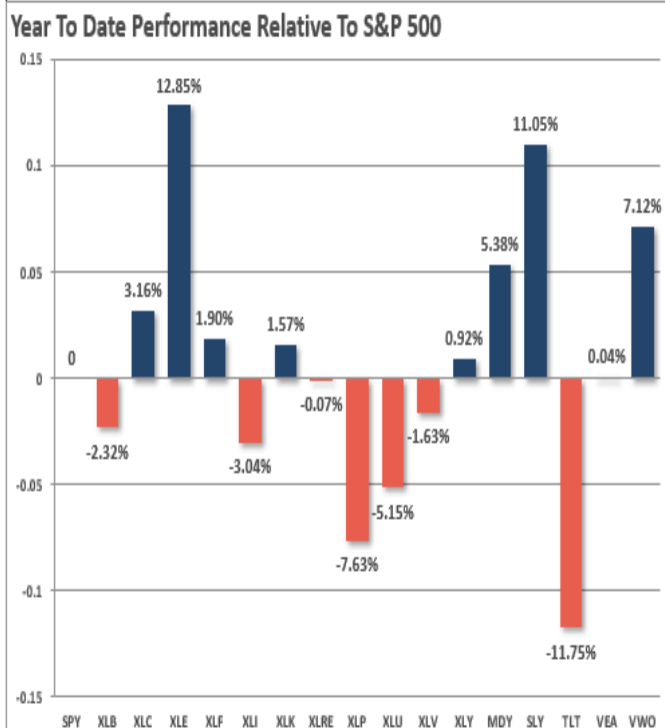
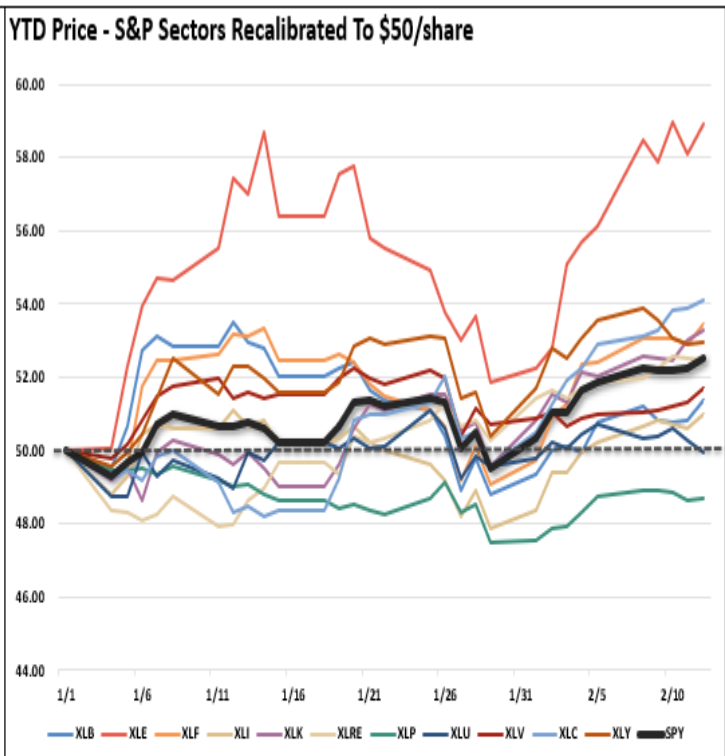
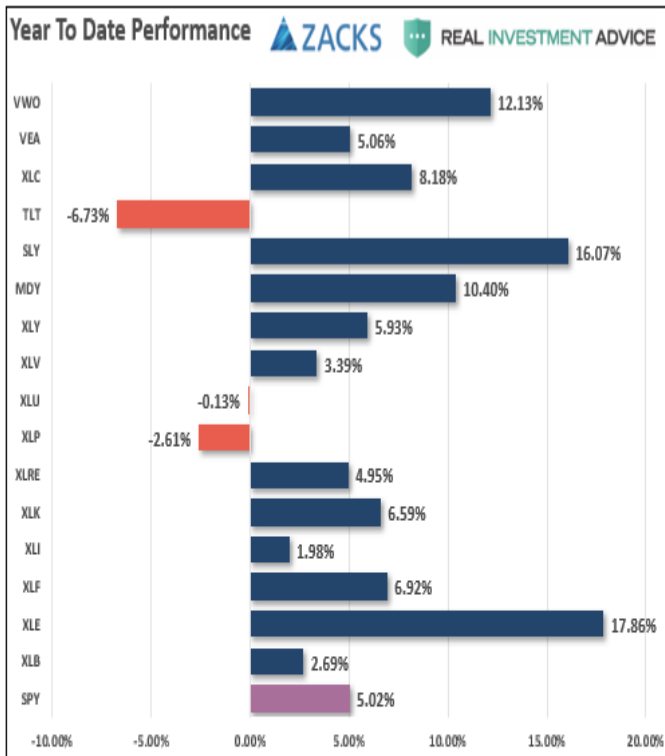
Market & Sector Analysis

Analysis & Stock Screens Exclusively For RIAPro Members

S&P 500 Tear Sheet

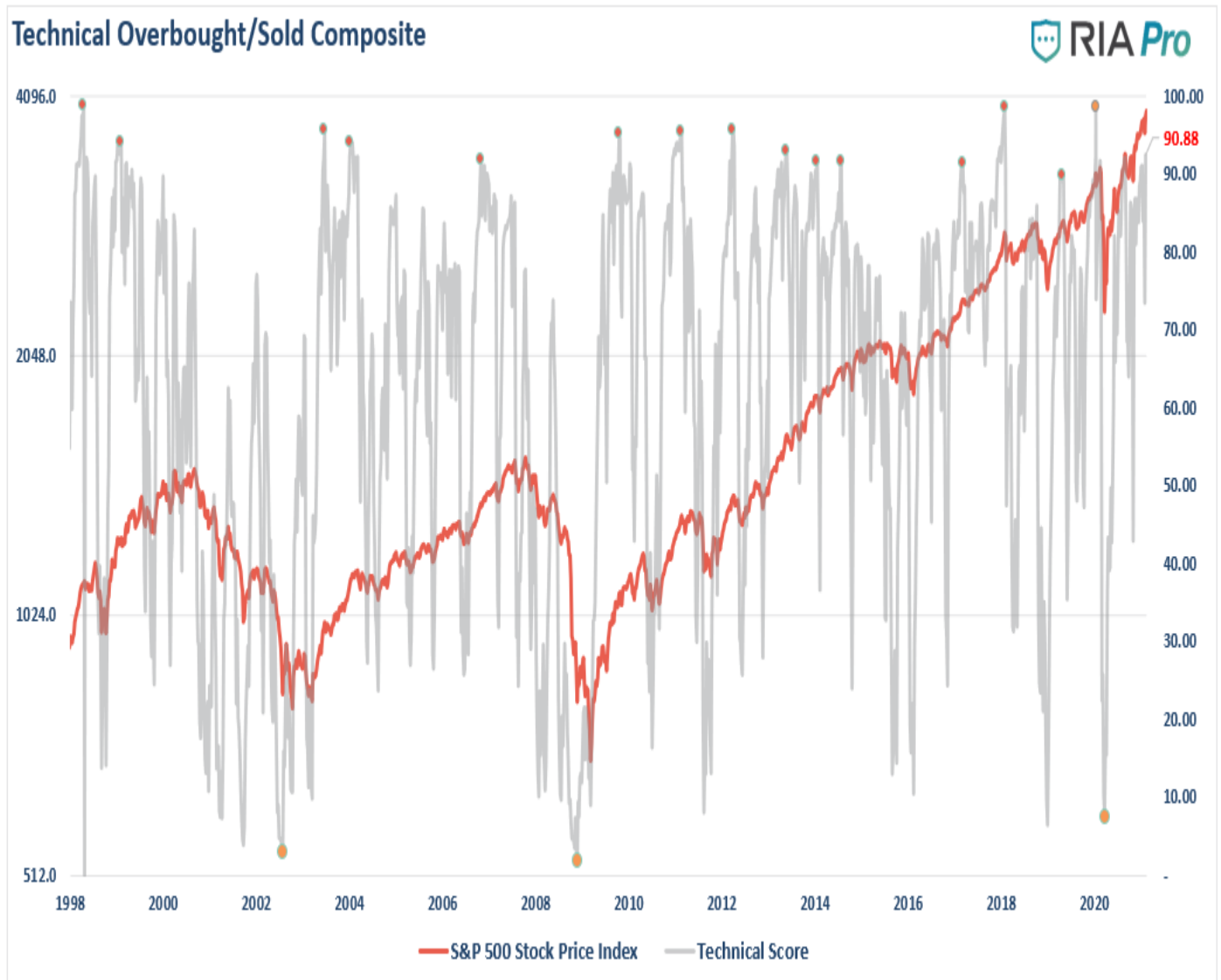
| 3 Month SPY Price | | | | | | | | | SPY RISK INFO | | ZACKS | | REAL INVESTMENT ADVICE | |
|---|---------------------|-------------|---------|--------------------|---------------------|---------------------|--------------------|---------------|-----------------------------|--------------------|--------------------------|------------|------------------------|--|
|  | | | | | | | | | Item | T 2-Yr | T 1-Yr. | YTD | % Diff YTD/T1-YR | |
| | | | | | | | | | Price Return | 43.25% | 16.37% | 5.02% | (69.34%) | |
| | | | | | | | | | Max Drawdown | (35.63%) | (35.63%) | (4.56%) | (87.21%) | |
| | | | | | | | | | Sharpe | 0.97 | 0.73 | 3.44 | 3.71 | |
| | | | | | | | | | Sortino | 1.04 | 0.83 | 3.87 | 3.68 | |
| | | | | | | | | | Volatility | 25.21 | 33.60 | 15.37 | (0.54) | |
| | | | | | | | | | Daily VaR-5% | (15.63) | (29.94) | 28.41 | (1.95) | |
| | | | | | | | | | Mnthly VaR-5% | (6.00) | (20.63) | (20.63) | 0.00 | |
| | | | | | | | | | 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 | 1.92% | 1.73% | 1.36% | (27.31%) | 2.19% | 1.40% | (38.09%) | (3.11%) | Shares | 3,126.3 | 3,558.2 | 13.82% | | |
| P/E Ratio | 18.02 | 21.28 | 28.10 | 24.28% | 2886% | 1637% | (2.6%) | 71.65% | Sales | 72,821 | 72,841 | 0.03% | | |
| P/S Ratio | 3.68 | 4.01 | 5.64 | 28.94% | 5.39 | 3.20 | 4.75% | 76.54% | SPS | 23.3 | 20.5 | (12.12%) | | |
| P/B Ratio | 4.82 | 5.49 | 6.70 | 18.14% | 6.22 | 3.94 | 7.66% | 70.04% | Earnings | 11,446 | 11,178 | (2.34%) | | |
| ROE | 21.99% | 21.65% | 21.76% | 0.51% | 21.99% | 17.60% | (1.07%) | 23.64% | EPS TTM | 4.6 | 4.2 | (9.44%) | | |
| ROA | 4.31% | 4.23% | 4.01% | (5.37%) | 4.31% | 3.51% | (6.91%) | 14.41% | Dividend | 1.6 | 1.5 | (4.27%) | | |
| 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 | (19.63%) | 2.59% | 1.89 | 112.80 | 119.44 | 11.26 | (5.6%) | 1.0% | 4.9% | 0.88% | 1.38 | 25.70 | | |
| Materials | 20.98% | 2.57% | 1.20 | 25.82 | 26.40 | 14.08 | (2.2%) | 8.1% | 1.9% | 3.66% | 3.94 | 19.71 | | |
| Industrials | 0.51% | 8.15% | 1.17 | 46.66 | 34.44 | 14.65 | 35.5% | 5.3% | 1.5% | 2.84% | 3.68 | 23.13 | | |
| Discretionary | 48.90% | 12.79% | 1.33 | 58.74 | 57.16 | 21.02 | 2.8% | 16.9% | 0.5% | 1.58% | 4.69 | 37.28 | | |
| Staples | 3.85% | 6.03% | 0.63 | 21.87 | 22.83 | 17.65 | (4.2%) | 29.6% | 2.5% | 4.47% | 4.28 | 20.00 | | |
| Health Care | 11.96% | 13.20% | 0.75 | 18.64 | 19.47 | 15.11 | (4.3%) | 30.0% | 1.6% | 5.19% | 7.50 | 16.68 | | |
| Financials | 0.13% | 10.60% | 1.31 | 17.48 | 18.48 | 10.52 | (5.4%) | 7.5% | 1.9% | 5.45% | 5.58 | 13.27 | | |
| Technology | 37.91% | 27.83% | 1.10 | 33.97 | 32.73 | 14.64 | 3.8% | 58.9% | 0.9% | 2.80% | 5.16 | 27.18 | | |
| Telecom | 28.06% | 11.04% | 0.97 | 28.41 | 27.14 | 17.61 | 4.7% | 15.5% | 0.6% | 3.28% | 6.88 | 22.87 | | |
| Utilities | (8.95%) | 2.68% | 0.42 | 19.60 | 22.09 | 16.35 | (11.3%) | 10.7% | 3.2% | 5.07% | 3.43 | 18.41 | | |
| Real Estate | (5.06%) | 2.44% | 0.96 | 22.13 | 21.42 | 16.94 | 3.3% | 7.0% | 2.8% | 4.51% | 4.12 | 20.94 | | |
| 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 | 392.64 | 6.16% | 376.36 | 10 | 4.33% | 341.70 | 165 | 14.91% | 10.14% | (0.07%) | 79.90% | Buy | | |
| Mid Cap | 463.58 | 13.13% | 432.20 | 50 | 7.26% | 367.64 | 101 | 26.10% | 17.56% | (0.14%) | 116.40% | Buy | | |
| Small Cap | 92.32 | 19.29% | 83.69 | 50 | 10.31% | 68.06 | 98 | 35.65% | 22.97% | (0.65%) | 126.38% | Buy | | |

Performance Analysis



Technical Composite

The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" is oversold. **The current reading is 90.8 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, to 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 0-100. It is a rarity that it reaches levels above 90. The current reading is 94.6 out of a possible 100.**



Sector Model Analysis & Risk Ranges

How To Read.

- The table compares each sector and market to the S&P 500 index on relative performance.
- The "MA XVER" is determined by whether the short-term weekly moving average crosses 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.
- The table shows the price deviation above and below the weekly moving averages.

| RELATIVE PERFORMANCE | | Current | PERFORMANCE RELATIVE TO S&P 500 INDEX | | | | | SHORT | LONG | MONTH | 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 | WMA | END PRICE | BETA | HIGH | LOW | Short M/A | Long M/A | SIGNAL |
| IVV | ISHARS-SP500 | 394.18 | 1.30 | 4.53 | 10.53 | 11.98 | 16.25 | 374.38 | 349.84 | 371.52 | 0.99 | 380.81 | 362.23 | 5% | 13% | BULLISH |
| XLB | SPDR-MATLS SELS | 74.34 | (0.20) | (5.86) | (3.96) | 4.23 | 6.60 | 72.56 | 66.52 | 70.64 | 1.04 | 73.14 | 68.14 | 2% | 12% | BULLISH |
| XLC | SPDR-COMM SV SS | 73.00 | 0.93 | 7.28 | 3.75 | 2.87 | 11.95 | 67.23 | 62.43 | 66.88 | 0.98 | 69.21 | 64.55 | 9% | 17% | BULLISH |
| XLE | SPDR-EGY SELS | 44.67 | 3.66 | (0.04) | 14.21 | 10.60 | (34.41) | 40.18 | 36.43 | 39.32 | 1.75 | 40.99 | 37.65 | 11% | 23% | BULLISH |
| XLF | SPDR-FINL SELS | 31.52 | 0.74 | (2.65) | 5.44 | 12.31 | (15.13) | 29.44 | 26.37 | 28.95 | 1.19 | 30.02 | 27.88 | 7% | 20% | BULLISH |
| XLK | SPDR-TECH SELS | 138.59 | 1.12 | 4.24 | 4.86 | 0.55 | 19.67 | 128.54 | 119.50 | 128.93 | 1.06 | 133.52 | 124.34 | 8% | 16% | BULLISH |
| XLI | SPDR-INDU SELS | 90.30 | 0.17 | (2.87) | (6.33) | 2.63 | (9.57) | 88.39 | 80.72 | 84.77 | 1.18 | 87.89 | 81.65 | 2% | 12% | BULLISH |
| XLP | SPDR-CONS STPL | 65.69 | (1.41) | (4.44) | (11.75) | (12.10) | (14.86) | 66.47 | 64.56 | 64.09 | 0.62 | 66.09 | 62.09 | -1% | 2% | BULLISH |
| XLRE | SPDR-RE SELS | 38.37 | (0.17) | 1.06 | (6.66) | (7.06) | (24.63) | 36.68 | 36.05 | 36.76 | 0.69 | 37.93 | 35.59 | 5% | 6% | BULLISH |
| XLU | SPDR-UTIL SELS | 62.62 | (2.83) | (5.12) | (11.98) | (5.97) | (27.29) | 62.74 | 61.34 | 62.15 | 0.36 | 63.92 | 60.38 | 0% | 2% | BULLISH |
| XLV | SPDR-HLTH CR | 117.28 | 0.09 | (4.26) | (2.74) | (3.39) | (3.41) | This Is Not Normal | | | 0.76 | 118.78 | 111.28 | 3% | 8% | BULLISH |
| XLY | SPDR-CONS DISCR | 170.32 | (2.41) | (1.80) | 0.29 | 1.16 | 13.08 | | | | 1.13 | 167.90 | 156.12 | 5% | 13% | BULLISH |
| XTN | SPDR-SP TRANSP | 77.75 | 2.41 | 0.77 | 4.67 | 14.54 | 1.87 | 72.27 | 63.68 | 69.85 | 1.39 | 72.57 | 67.14 | 8% | 22% | BULLISH |
| SDY | SPDR-SP DIV ETF | 111.18 | 0.34 | (2.76) | (2.78) | 2.22 | (14.03) | 106.97 | 99.45 | 105.27 | 0.91 | 108.86 | 101.68 | 4% | 12% | BULLISH |
| RSP | INVS-SP5 EQ ETF | 135.31 | 0.78 | (1.41) | 1.54 | 8.46 | (2.18) | 127.87 | 116.17 | 126.50 | 1.12 | 131.08 | 121.92 | 6% | 16% | BULLISH |
| SLY | SPDR-SP6 SC | 92.32 | 2.35 | 2.63 | 16.37 | 30.42 | 11.33 | 81.58 | 69.96 | 84.47 | 1.27 | 87.66 | 81.28 | 13% | 32% | BULLISH |
| MDY | SPDR-SP MC 400 | 463.58 | 1.42 | 0.53 | 7.78 | 18.53 | 5.08 | 424.42 | 376.15 | 425.96 | 1.19 | 441.68 | 410.24 | 9% | 23% | BULLISH |
| EEM | ISHARS-EMG MKT | 57.80 | 1.47 | 1.82 | 7.29 | 14.91 | 14.52 | 52.48 | 47.41 | 53.31 | 0.86 | 55.10 | 51.52 | 10% | 22% | BULLISH |
| EFA | ISHARS-EAFE | 76.31 | 0.84 | (1.96) | (2.06) | 4.56 | (5.98) | 73.16 | 67.56 | 72.39 | 0.85 | 74.82 | 69.96 | 4% | 13% | BULLISH |
| IAU | ISHARS-GOLD TR | 17.36 | (0.78) | (4.76) | (13.38) | (19.30) | (1.51) | 17.67 | 17.94 | 17.55 | 0.06 | 18.00 | 17.10 | -2% | -3% | BEARISH |
| GDX | VANECK-GOLD MNR | 34.78 | (0.81) | (3.75) | (13.65) | (29.09) | 6.60 | 35.59 | 38.21 | 34.51 | 0.62 | 35.59 | 33.43 | -2% | -9% | BEARISH |
| UUP | INVS-DB US\$ BU | 24.39 | (1.87) | (4.90) | (12.70) | (14.15) | (25.11) | 24.47 | 25.05 | 24.42 | (0.13) | 25.00 | 23.84 | 0% | -3% | BEARISH |
| BOND | PIMCO-TOT RETRN | 112.15 | (1.46) | (4.76) | (10.97) | (12.14) | (14.11) | 112.59 | 112.34 | 112.59 | 0.09 | 115.51 | 109.67 | 0% | 0% | BULLISH |
| TLT | ISHARS-20+YTB | 147.11 | (1.92) | (7.63) | (19.45) | (20.68) | (14.48) | 155.02 | 160.39 | 152.00 | (0.25) | 155.43 | 148.57 | -5% | -8% | BEARISH |
| BNDX | VANGD-TTL INT B | 57.85 | (1.58) | (5.36) | (11.67) | (11.86) | (15.71) | 58.38 | 58.18 | 58.18 | 0.03 | 59.65 | 56.71 | -1% | -1% | BULLISH |
| HYG | ISHARS-IBX HYCB | 87.78 | (1.00) | (3.76) | (8.36) | (8.89) | (16.95) | 86.91 | 85.21 | 86.97 | 0.37 | 89.47 | 84.47 | 1% | 3% | BULLISH |

Weekly Stock Screens

Currently, there are four different stock screens for you to review. The first is S&P 500 based companies with a "Growth" focus, the second is a "Value" screen on the entire universe of stocks, and the last are stocks that are "Technically" strong and breaking above their respective 50-dma. We have provided the yield of each security and a Piotroski Score ranking to help you find fundamentally strong companies on each screen. ([For more on the Piotroski Score - read this report.](#))

S&P 500 Growth Screen

| Ticker | Company | Current Price | Next 3-5 Yr Est EPS Gr rate | 5 yr Hist Sales Gr | Div Yield | P/E using 12 mo EPS | Score |
|--------|-----------------|---------------|--------------------------------|-----------------------|-----------|------------------------|-------|
| MLM | Martin Mrt-Matl | 318.56 | 9.10 | 6.66 | 0.72 | 27.60 | 8.00 |
| MSFT | Microsoft Corp | 244.49 | 11.93 | 14.71 | 0.92 | 36.44 | 8.00 |
| QRVO | Qorvo Inc | 174.65 | 13.99 | 5.10 | 0.00 | 22.02 | 8.00 |
| AAPL | Apple Inc | 135.13 | 11.50 | 6.15 | 0.61 | 36.60 | 7.00 |
| ABT | Abbott Labs | 126.84 | 14.14 | 12.22 | 1.42 | 34.75 | 7.00 |
| AVY | Avery Dennison | 173.36 | 7.90 | 3.93 | 1.43 | 24.38 | 7.00 |
| CE | Celanese Corp | 130.47 | 5.96 | 2.20 | 2.08 | 17.10 | 7.00 |
| IDXX | Idexx Labs Inc | 528.47 | 15.81 | 10.70 | 0.00 | 78.76 | 7.00 |
| IT | Gartner Inc -A | 181.53 | 13.50 | 17.83 | 0.00 | 37.05 | 7.00 |
| KLAC | Kla Corp | 324.48 | 11.56 | 17.27 | 1.11 | 28.29 | 7.00 |
| PH | Parker Hannifin | 273.02 | 11.78 | 5.34 | 1.29 | 22.79 | 7.00 |
| TGT | Target Corp | 190.41 | 8.49 | 3.79 | 1.43 | 22.53 | 7.00 |
| TXN | Texas Instrs | 179.22 | 9.33 | 1.83 | 2.28 | 30.02 | 7.00 |
| BAC | Bank Of Amer Cp | 32.88 | 7.00 | 3.70 | 2.19 | 17.58 | 6.00 |
| DHR | Danaher Corp | 240.66 | 13.69 | 0.46 | 0.30 | 38.26 | 6.00 |
| DOV | Dover Corp | 122.10 | 11.50 | -0.41 | 1.62 | 21.53 | 6.00 |
| EBAY | Ebay Inc | 62.31 | 15.36 | 4.02 | 1.03 | 20.43 | 6.00 |
| EL | Estee Lauder | 289.76 | 13.66 | 7.40 | 0.73 | 66.31 | 6.00 |
| INTC | Intel Corp | 60.66 | 7.50 | 7.61 | 2.29 | 11.42 | 6.00 |
| KSU | Kansas City Sou | 209.36 | 15.00 | 4.25 | 0.84 | 30.08 | 6.00 |
| LDOS | Leidos Holdings | 109.78 | 10.84 | 18.97 | 1.24 | 19.19 | 6.00 |
| LRCX | Lam Research | 572.21 | 21.34 | 13.95 | 0.91 | 27.97 | 6.00 |
| MS | Morgan Stanley | 73.72 | 10.03 | 9.77 | 1.90 | 11.27 | 6.00 |
| MXIM | Maxim Intg Pdts | 94.94 | 10.00 | 0.31 | 0.00 | 35.96 | 6.00 |
| OKE | Oneok Inc | 44.28 | 6.00 | 4.77 | 8.45 | 16.90 | 6.00 |
| SWK | Stanley B&D Inc | 174.75 | 8.94 | 6.20 | 1.60 | 19.46 | 6.00 |
| TTWO | Take-Two Inter | 197.12 | 12.37 | 22.50 | 0.00 | 33.07 | 6.00 |
| WAT | Waters Corp | 282.83 | 8.85 | 2.70 | 0.00 | 31.22 | 6.00 |
| ALXN | Alexion Pharma | 154.59 | 16.00 | 18.05 | 0.00 | 13.23 | 5.00 |
| EMR | Emerson Elec Co | 85.16 | 9.82 | -2.05 | 2.37 | 23.52 | 5.00 |
| JNJ | Johnson & Johns | 166.06 | 7.72 | 3.82 | 2.43 | 20.68 | 5.00 |
| NUE | Nucor Corp | 54.85 | 12.00 | 8.10 | 2.95 | 16.52 | 5.00 |
| PXD | Pioneer Nat Res | 129.87 | 8.55 | 21.08 | 1.69 | 38.65 | 5.00 |
| SNA | Snap-On Inc | 189.89 | 8.52 | 1.30 | 2.59 | 16.33 | 5.00 |
| TT | Trane Tech Plc | 150.87 | 11.90 | 2.13 | 1.41 | 33.90 | 5.00 |
| WRB | Berkley (Wr) Cp | 68.56 | 9.00 | 1.27 | 0.70 | 29.55 | 5.00 |
| ALGN | Align Tech Inc | 599.00 | 19.81 | 25.56 | 0.00 | 26.68 | 4.00 |
| FRC | First Rep Bk Sf | 155.00 | 13.42 | 19.08 | 0.52 | 26.68 | 4.00 |
| GRMN | Garmin Ltd | 129.43 | 6.80 | 7.17 | 1.89 | 27.60 | 4.00 |
| ITW | Ill Tool Works | 200.94 | 10.97 | -0.64 | 2.27 | 29.55 | 4.00 |

Low P/B, High-Value Score, High Dividend Screen

| Ticker | Company | Current Price | Price/ Book | ROE 5 Yr Avg | Div Yield | Score |
|--------|-----------------|---------------|-------------|--------------|-----------|-------|
| SJM | Smucker Jm | 113.97 | 1.53 | 12.13 | 3.16 | 9 |
| CAG | Conagra Brands | 34.43 | 1.99 | 19.38 | 3.19 | 8 |
| CMTV | Commnty Bcp Vt | 15.20 | 1.09 | 12.46 | 5.00 | 8 |
| FLIC | First Long Is | 18.23 | 1.09 | 10.80 | 4.17 | 8 |
| IBCP | Indep Bk Mich | 20.22 | 1.19 | 11.47 | 4.15 | 8 |
| PEG | Public Sv Entrp | 58.57 | 1.87 | 11.14 | 3.35 | 8 |
| TSLX | Sixth St Spclty | 21.46 | 1.27 | 12.38 | 7.64 | 8 |
| UGI | Ugi Corp | 38.66 | 1.81 | 11.25 | 3.41 | 8 |
| AROW | Arrow Finl Corp | 31.71 | 1.51 | 12.42 | 3.28 | 7 |
| BSRR | Sierra Bancorp | 23.84 | 1.08 | 10.47 | 3.52 | 7 |
| CRWS | Crown Crafts | 7.70 | 1.81 | 13.82 | 4.16 | 7 |
| CZFS | Citizens Fin Sv | 55.50 | 1.15 | 11.88 | 3.32 | 7 |
| FMNB | Farmers Natl Bc | 13.95 | 1.16 | 11.36 | 3.15 | 7 |
| KBAL | Kimball Intl B | 11.47 | 1.73 | 19.94 | 3.14 | 7 |
| KEY | Keycorp New | 18.83 | 1.14 | 10.46 | 3.93 | 7 |
| LOMA | Loma Negra Cia | 6.03 | 1.38 | 21.99 | 4.22 | 7 |
| NWIN | Northwest In Bc | 41.00 | 0.95 | 13.69 | 3.02 | 7 |
| PRK | Park National | 118.42 | 1.86 | 11.95 | 3.45 | 7 |
| UBFO | United Sec Bcsh | 7.16 | 1.03 | 10.40 | 6.15 | 7 |
| WTBA | West Bancorp | 21.75 | 1.66 | 14.74 | 4.05 | 8 |

NEW! Fundamental Growth Screen

| Ticker | Company | Current Price | Next 3-5 Yr Est EPS Gr rate | 5 yr Hist Sales Gr | Div Yield | P/E using 12 mo EPS | Score |
|--------|-----------------|---------------|--------------------------------|-----------------------|-----------|------------------------|-------|
| QRVO | Qorvo Inc | 174.65 | 13.99 | 5.10 | - | 22.02 | 8.00 |
| MSFT | Microsoft Corp | 244.49 | 11.93 | 14.71 | 0.92 | 36.44 | 8.00 |
| IDXX | Idexx Labs Inc | 528.47 | 15.81 | 10.70 | - | 78.76 | 7.00 |
| ABT | Abbott Labs | 126.84 | 14.14 | 12.22 | 1.42 | 34.75 | 7.00 |
| IT | Gartner Inc -A | 181.53 | 13.50 | 17.83 | - | 37.05 | 7.00 |
| PH | Parker Hannifin | 273.02 | 11.78 | 5.34 | 1.29 | 22.79 | 7.00 |
| KLAC | Kla Corp | 324.48 | 11.56 | 17.27 | 1.11 | 28.29 | 7.00 |
| AAPL | Apple Inc | 135.13 | 11.50 | 6.15 | 0.61 | 36.60 | 7.00 |
| TXN | Texas Instrs | 179.22 | 9.33 | 1.83 | 2.28 | 30.02 | 7.00 |
| LRCX | Lam Research | 572.21 | 21.34 | 13.95 | 0.91 | 27.97 | 6.00 |
| EBAY | Ebay Inc | 62.31 | 15.36 | 4.02 | 1.03 | 20.43 | 6.00 |
| KSU | Kansas City Sou | 209.36 | 15.00 | 4.25 | 0.84 | 30.08 | 6.00 |
| DHR | Danaher Corp | 240.66 | 13.69 | 0.46 | 0.30 | 38.26 | 6.00 |
| EL | Estee Lauder | 289.76 | 13.66 | 7.40 | 0.73 | 66.31 | 6.00 |
| TTWO | Take-Two Inter | 197.12 | 12.37 | 22.50 | - | 33.07 | 6.00 |
| DOV | Dover Corp | 122.10 | 11.50 | (0.41) | 1.62 | 21.53 | 6.00 |
| LDOS | Leidos Holdings | 109.78 | 10.84 | 18.97 | 1.24 | 19.19 | 6.00 |
| MS | Morgan Stanley | 73.72 | 10.03 | 9.77 | 1.90 | 11.27 | 6.00 |
| MXIM | Maxim Intg Pdts | 94.94 | 10.00 | 0.31 | - | 35.96 | 6.00 |
| ALXN | Alexion Pharma | 154.59 | 16.00 | 18.05 | - | 13.23 | 5.00 |
| NUE | Nucor Corp | 54.85 | 12.00 | 8.10 | 2.95 | 16.52 | 5.00 |
| TT | Trane Tech Plc | 150.87 | 11.90 | 2.13 | 1.41 | 33.90 | 5.00 |
| EMR | Emerson Elec Co | 85.16 | 9.82 | (2.05) | 2.37 | 23.52 | 5.00 |
| ALGN | Align Tech Inc | 599.00 | 19.81 | 25.56 | - | 26.68 | 4.00 |
| TDG | Transdigm Group | 575.02 | 13.67 | 16.44 | - | 55.67 | 4.00 |
| FRC | First Rep Bk Sf | 155.00 | 13.42 | 19.08 | 0.52 | 26.68 | 4.00 |
| ITW | Ill Tool Works | 200.94 | 10.97 | (0.64) | 2.27 | 29.55 | 4.00 |
| FANG | Diamondback Egy | 67.77 | 21.94 | 72.68 | 2.21 | 16.33 | 3.00 |
| TROW | T Rowe Price | 163.20 | 11.83 | 9.16 | 2.21 | 17.00 | 3.00 |
| SCHW | Schwab(Chas) | 55.93 | 11.34 | 11.64 | 1.29 | 23.40 | 3.00 |

Aggressive Growth Strategy

| Ticker | Company | Current Price | Next 3-5 Yr Est EPS Gr rate | 5 yr Hist Sales Gr | Div Yield | P/E F1/ LT EPS Gr | Score |
|--------|-----------------|---------------|--------------------------------|-----------------------|-----------|----------------------|-------|
| CEVA | Ceva Inc | 64.05 | 20.00 | 8.26 | - | 28.47 | 8 |
| MSFT | Microsoft Corp | 244.49 | 11.93 | 14.71 | 0.92 | 2.79 | 8 |
| IDXX | Idexx Labs Inc | 528.47 | 15.81 | 10.70 | - | 4.38 | 7 |
| SPSC | Sps Commerce | 110.32 | 15.00 | 13.92 | - | 6.14 | 7 |
| TXN | Texas Instrs | 179.22 | 9.33 | 1.83 | 2.28 | 2.87 | 7 |
| WDFC | Wd 40 Co | 332.29 | #N/A | 3.01 | 0.81 | #N/A | 7 |
| ENPH | Enphase Energy | 199.08 | 38.03 | 18.81 | - | 3.17 | 6 |
| IPGP | Ipg Photonics | 249.73 | #N/A | 7.85 | - | #N/A | 6 |
| MSCI | Msci Inc-A | 426.86 | #N/A | 10.22 | 0.73 | #N/A | 6 |
| MXIM | Maxim Intg Pdts | 94.94 | 10.00 | 0.31 | - | 3.18 | 6 |
| FLGT | Fulgent Genetic | 170.98 | #N/A | 38.58 | - | #N/A | 5 |
| SAIL | Sailpoint Tech | 62.96 | 15.00 | 23.77 | - | #N/A | 5 |
| IBKR | Interactive Brk | 71.45 | #N/A | 15.21 | 0.56 | #N/A | 5 |
| IRDM | Iridium Commun | 46.11 | #N/A | 8.43 | - | #N/A | 5 |
| TTGT | Techtarget | 92.50 | #N/A | 5.82 | - | #N/A | 5 |
| ALGN | Align Tech Inc | 599.00 | 19.81 | 25.56 | - | 26.68 | 4 |

Portfolio / Client Update

As we noted last week, the rally continued this week, although it is beginning to get a bit more "sloppy" as deviations and overbought conditions are starting to pull on prices. While we didn't make any substantive changes this week, we continue to focus on risk and bringing portfolios closer to our benchmark weightings. With a much shorter bond-duration than our benchmark, we have mostly mitigated the recent rise in interest rates while increasing yield through some of our current portfolio additions. As always, while not much happened this past week, we are watching our indicators closely. We think this rally may have one or two weeks left, which should coincide with the stimulus bill's passing. A "buy the rumor, sell the news" outcome would not be surprising. We will make changes accordingly.

Portfolio Changes

During the past week, we made minor changes to portfolios. We post all trades in real-time at RIAPRO.NET. **** ETF Portfolios ? Trade Update ***** Portfolio Managers ? Michael Lebowitz/Lance Roberts

We are continuing to work at rebalancing the portfolio closer to the benchmark weightings. With rates pushing higher, we are reducing XLU by 4% and increasing our underweight positioning in XLK up by 4%. This adjustment is simply a swap of holdings and does not increase overall equity allocation." - 02/08/21

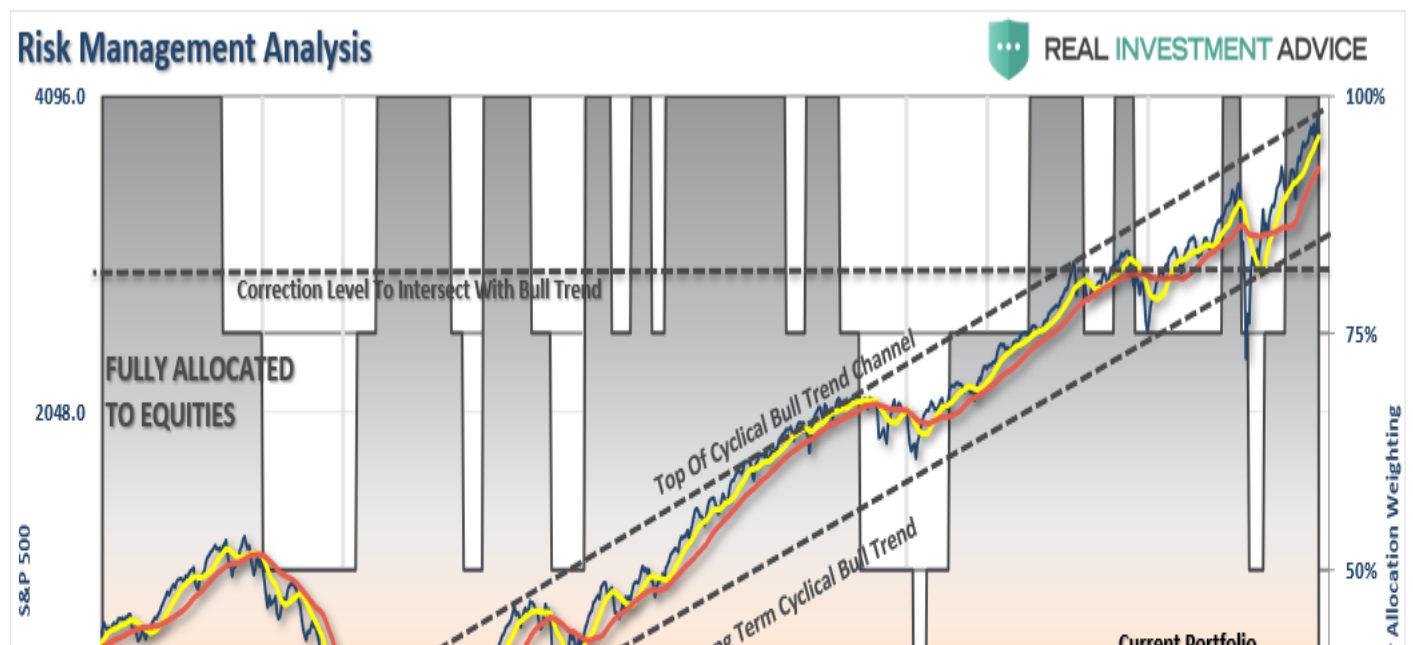
ETF Portfolio

- Reduce XLU from 5% to 1% of the portfolio
- Increase XLK from 9.5% of the portfolio to 13.5%

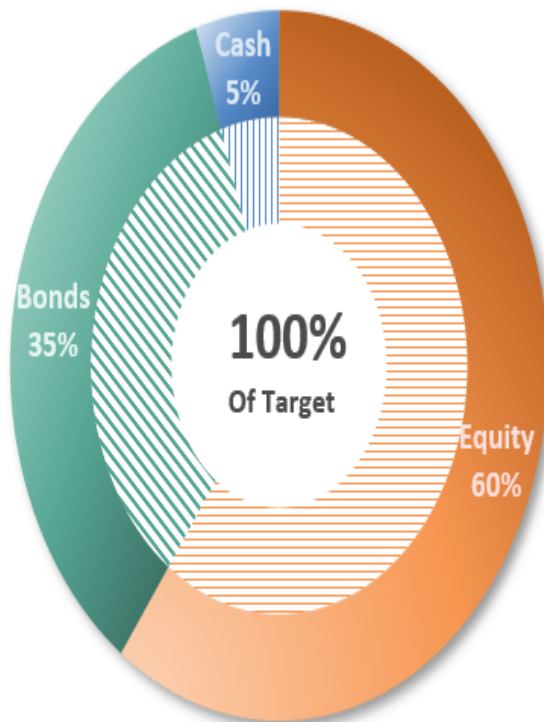
As always, our short-term concern remains the protection of your portfolio. We have now shifted our focus from the election back to the economic recovery and where we go from here. *Lance Roberts CIO*

THE REAL 401k PLAN MANAGER

A Conservative Strategy For Long-Term Investors



Current Portfolio Weighting



Current 401k Allocation Model

5.00% Cash + All Future Contributions

Primary concern is the protection of investment capital

Examples: Stable Value, Money Market, Retirement Reserves

35.00% Fixed Income (Bonds)

Bond Funds reflect the direction of interest rates

Examples: Short Duration, Total Return and Real Return Funds

60.00% Equity (Stocks)

The vast majority of funds track an index.

Therefore, select on ONE fund from each category.

Keep it Simple.

20% Equity Income, Balanced or Conservative Allocation

30% Large Cap Growth (S&P 500 Index)

5% International

5% Mid-Cap

Portfolio Instructions:

| Allocation Level To Equities | Recommendation | When To Take Action |
|------------------------------|-----------------------|---------------------|
| Less Than Target Allocation | Hold Current Exposure | Hold Exposure |
| Equal To Target Allocation | Hold Current Exposure | Hold Exposure |
| Over Target Allocation | Hold Current Exposure | Hold Exposure |

Commentary

This past week, the market struggled to gain ground as the overbought conditions begin to apply a "gravitational force."

Currently, all of our indicators remain positive, with money flows currently suggesting there is support for prices at current levels. However, those money flows are showing some signs of weakness which suggests that in the near future, the next few weeks, we will see a correction in the market similar to what we saw at the end of January or potentially more.

There is a lot of risk built up in the market currently, but there is also no immediate trigger to cause a reversion so there is no need to become overly cautious at the moment.

Maintain exposures, but rebalance positions that have grown to outsize weightings in portfolio. Particularly in small/mid cap and international funds which are egregiously overbought.

If you need help after reading the alert, do not hesitate to [contact me](#).

**Tired of trying to
self-manage your 401k?
Let us do it for you.**



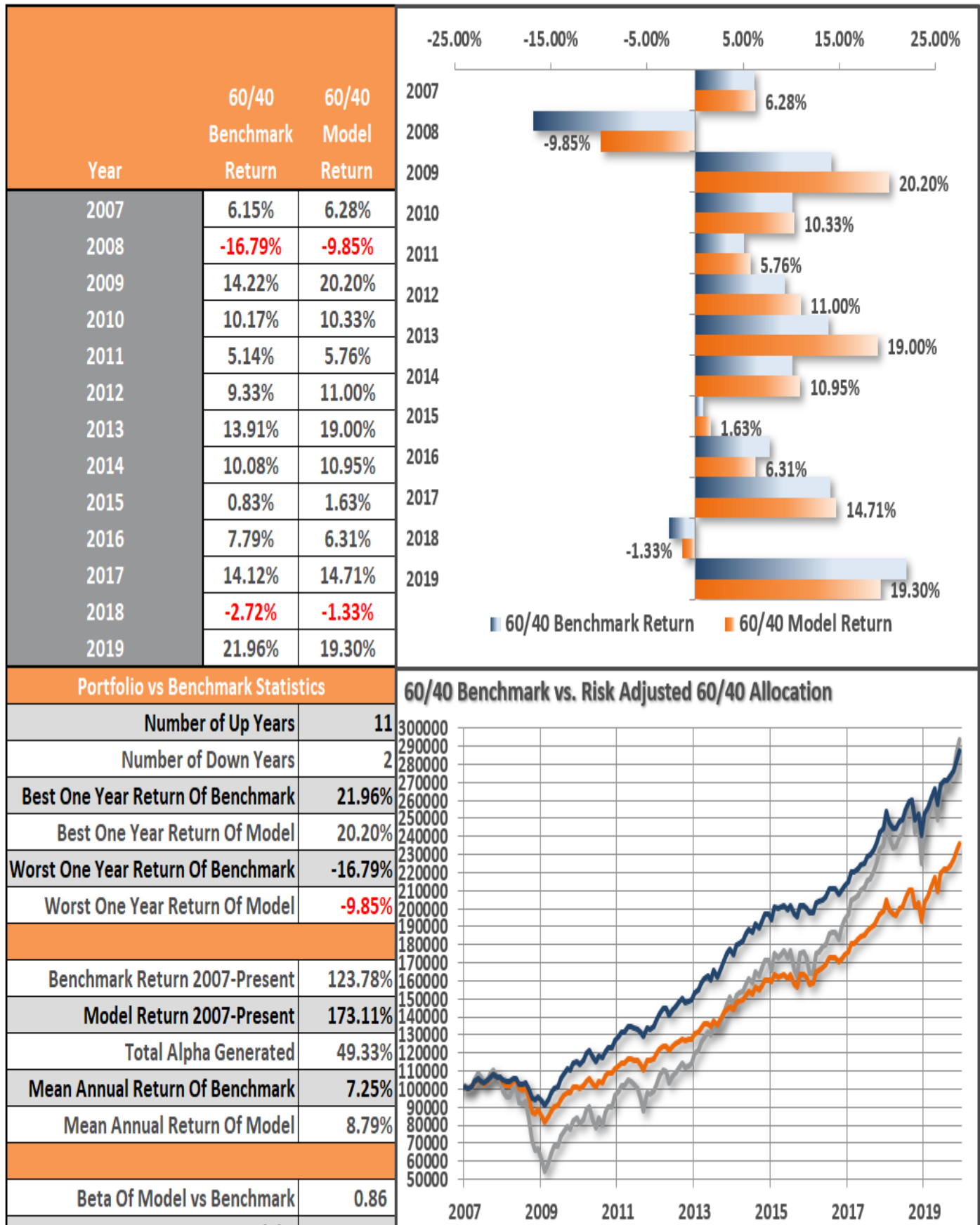
Take control of
your retirement
today with



RIA
Advisors

[> Learn More](#)

Model performance is a two-asset model of stocks and bonds relative to the weighting changes made each week in the newsletter. Such is strictly for informational and educational purposes only, and one should not rely on it for any reason. Past performance is not a guarantee of future results. Use at your own risk and peril.



401k Plan Manager Live Model

As an [RIA PRO subscriber](#) (You get your first 30-days free), you can access our live 401k plan manager. Compare your current 401k allocation to our recommendation for your company-specific plan and our 401k model allocation. You can also track performance, estimate future values based on your savings and expected returns, and dig down into your sector and market allocations. **If you would like to offer our service to your employees at a deeply discounted corporate rate, [please contact me](#).**

RIAPro

Investment Analysis, Research & Data
From The RIA Investment Team

Dashboard

Macro

Ideas

Research

Portfolio

401K - Beta

Symbol

Help

This is the Beta version of 401K. Some Errors are expected ! Click Here to report Issues

My Portfolios

CVS Health

Enter Portfolio Name

Add Portfolio

Delete Portfolio

Rename Portfolio

My Info

Fund Selection

Comparison

Summary

Commentary

My Portfolio

RIAPro Portfolio

RIA PRO MODEL PL

Retirement Income (My Portfolio Annual ROR 9.44 %)

| | |
|--|---------|
| Current account balance | 10,000 |
| Estimated Retirement Balance | 632,861 |
| Estimated Retirement Balance (Inflation Adj) | 620,204 |
| Monthly Income | 2,768 |
| Monthly Income (Inflation Adj) | 2,713 |
| My Cumulative Contribution | 172,934 |
| Employer Cumulative Contribution | 103,760 |

Retirement Income (RiaPro Annual ROR 9.02 %)

| | |
|--|---------|
| Current account balance | 10,000 |
| Estimated Retirement Balance | 609,786 |
| Estimated Retirement Balance (Inflation Adj) | 597,590 |
| Monthly Income | 2,667 |
| Monthly Income (Inflation Adj) | 2,614 |
| My Cumulative Contribution | 172,934 |
| Employer Cumulative Contribution | 103,760 |

My Fund Composition

RIAPro Fund Composition

My Asset Composition

RIAPro Asset Composition