

## Bulls "Rush In" With More Stimulus On The Way

# Bulls Rush In With More Stimulus On The Way



*In this issue of "Bulls 'Rush In' With More Stimulus On The Way."*

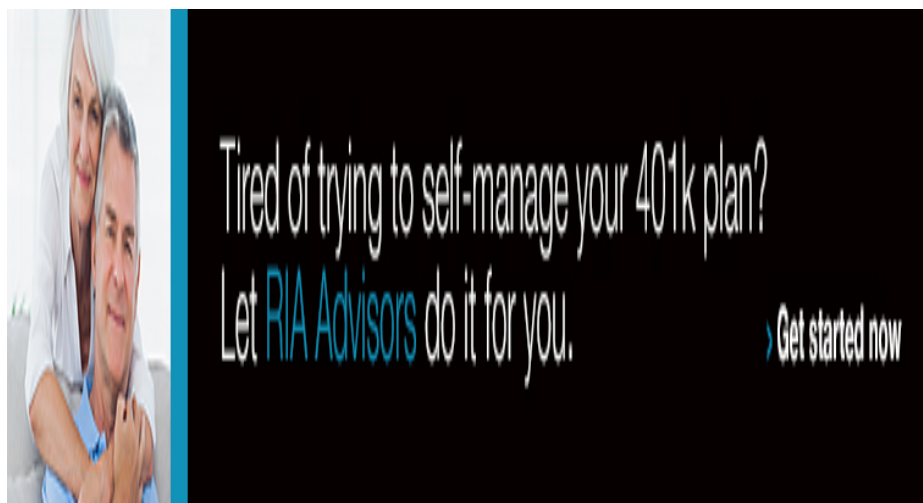
- *Market Review And Update*
- *Speculation Alive And Well*
- *Yes, Rising Rates Will Matter*
- *Portfolio Positioning*
- *#MacroView: Yellen's "Go Big" MMT Plan May Disappoint*
- *Sector & Market Analysis*
- *401k Plan Manager*

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

---

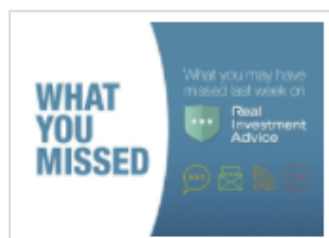
# RIA Advisors Can Now Manage Your 401k Plan

*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: 3-12-21

Written by Lance Roberts | Mar 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](#)

---

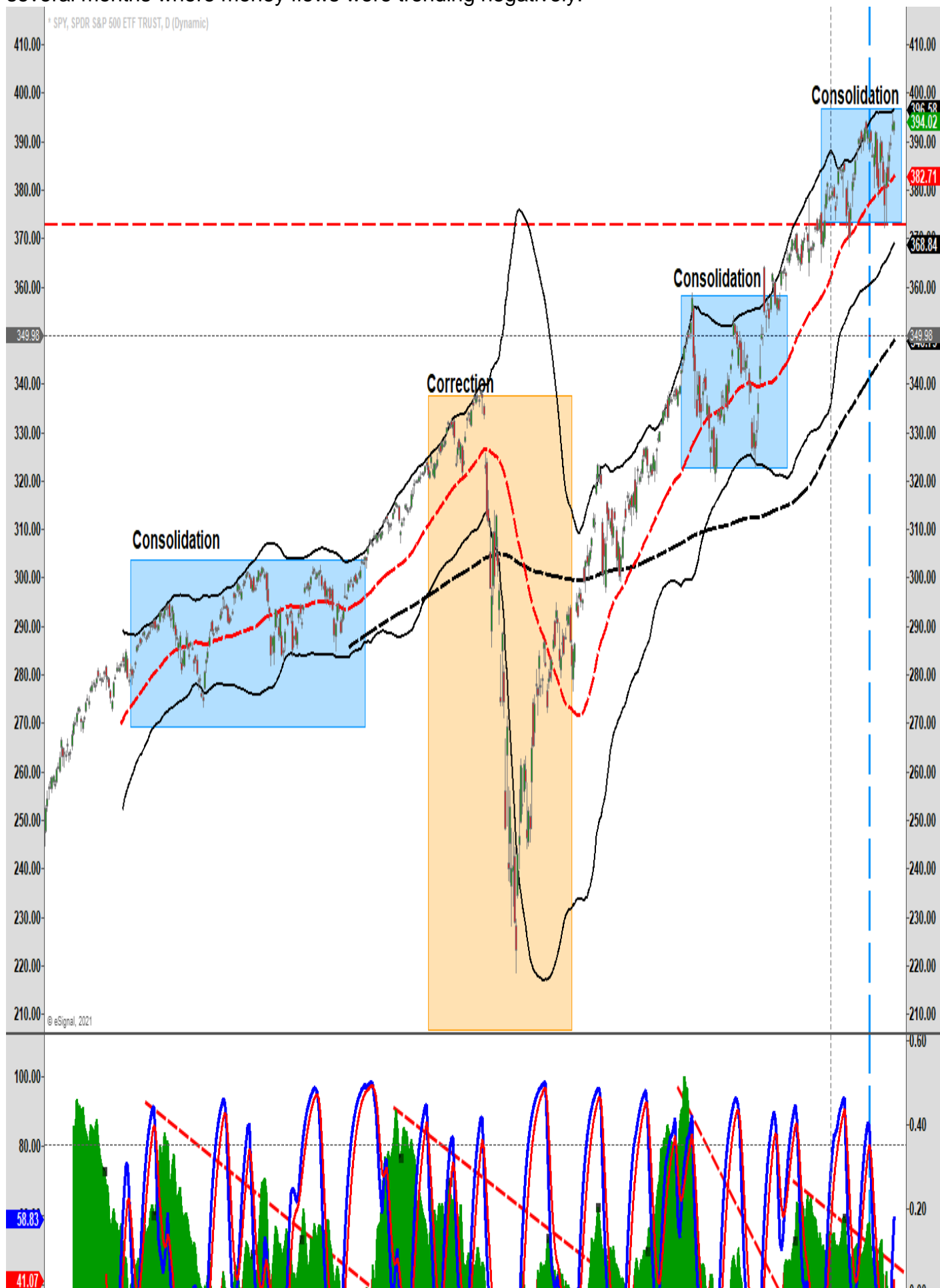
## Market Review & Update

Over the last several weeks, we have repeatedly discussed the "money flow" sell signal that suggested "weakness" in prices. Such was a point we reiterated in [last weekend's newsletter](#):

*"Currently, the money flows remain positive, but 'sell signals' are firmly intact. Such suggests downward pressure on prices currently. **We do expect that market will likely muster a short-term oversold rally next week.** However, the risk of a continued correction in March is likely if money flows deteriorate further."*

Well, the markets did indeed rally as Congress passed the mammoth \$1.9 Trillion "pork fest" stimulus package. **While this bill is nowhere close to being "reformative," as touted by the Democrats, it does inject a lot of capital into the economic system.** Given that the Federal Reserve will have to monetize the bill's entirety, it is not surprising the markets get a lift. In our

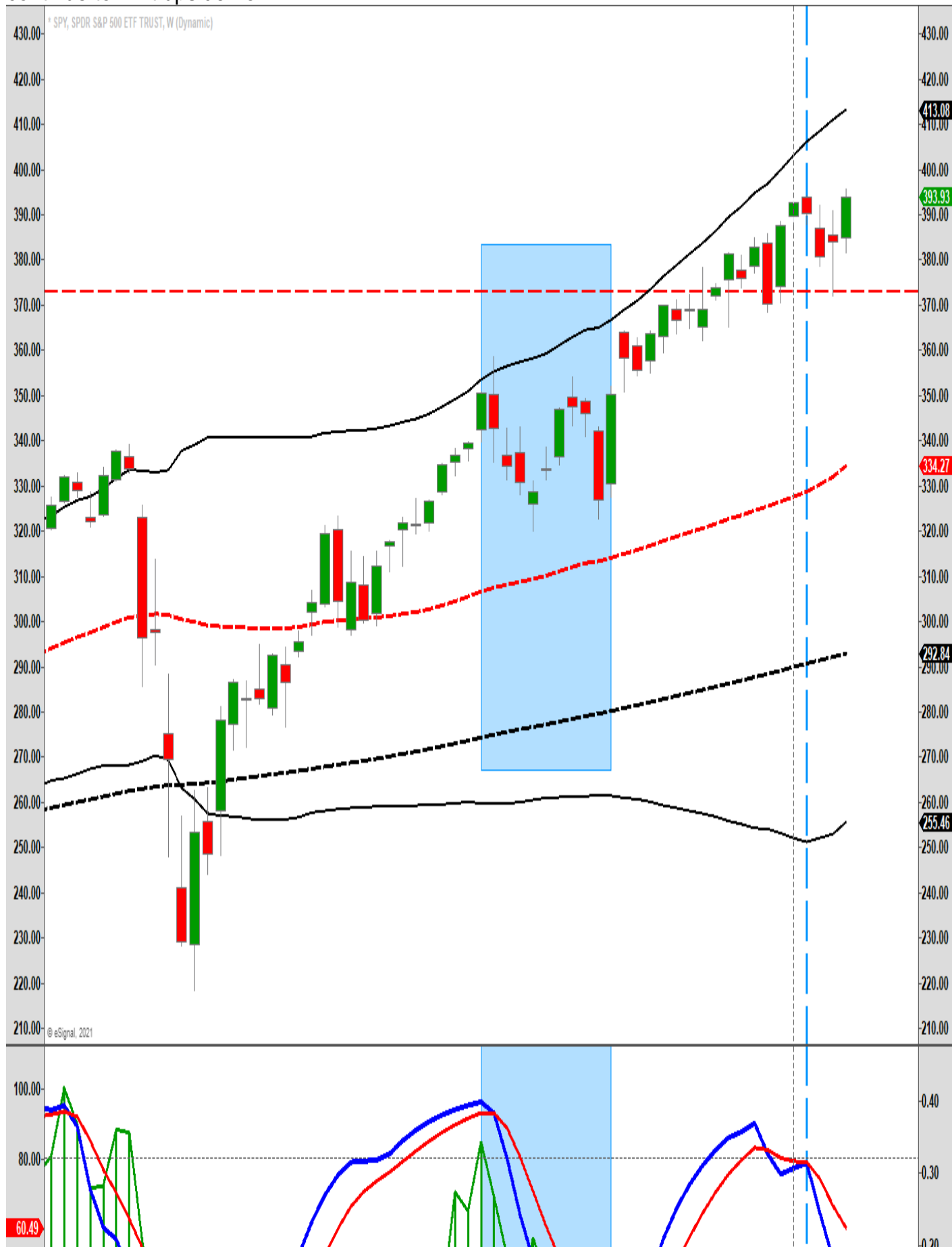
recent 3-Minutes On Markets & Money video, we discussed the triggering of the short-term "buy signal." <https://www.youtube.com/watch?v=e2ySN1SeH3U> The good news is the rally took the S&P back to all-time highs reducing concerns about a more significant decline in the near term. However, with money flows still trending negatively, we may see some recent advance consolidation next week. Such is consistent with the previous breakouts we have seen over the last several months where money flows were trending negatively.



Unfortunately, as shown, the money flow signals do not distinguish between consolidations and corrections. Such makes risk management a crucial part of the portfolio management process.

## A Brief Dichotomy

While the short-term indicators are undoubtedly positive, **suggesting more upside near-term**, the longer-term index remains on a confirmed sell signal. Such indicates that downward pressures may continue to limit upside now.



Such was the point made last week, which is worth reiterating:


***"The dichotomy between the daily and weekly charts suggests we may well see a rally in the short-term, but another correction following. The last time we had the current setup with our indicators was in September and October of 2020, which provided two 10% corrections before the consolidation process was over."***

Chart updated through Friday





Currently, that seems to be the likely scenario. With valuations still extended, the recent correction didn't reduce speculative fervor. Furthermore, prices remain well deviated above long-term means, particularly in the small and mid-cap space. While more stimulus will likely support prices over the next few weeks, the threat of rising inflation and interest rates could undermine growth expectations. As we will discuss in our positioning update below, we did increase our exposures this week. However, we also continue to suggest some caution for now.



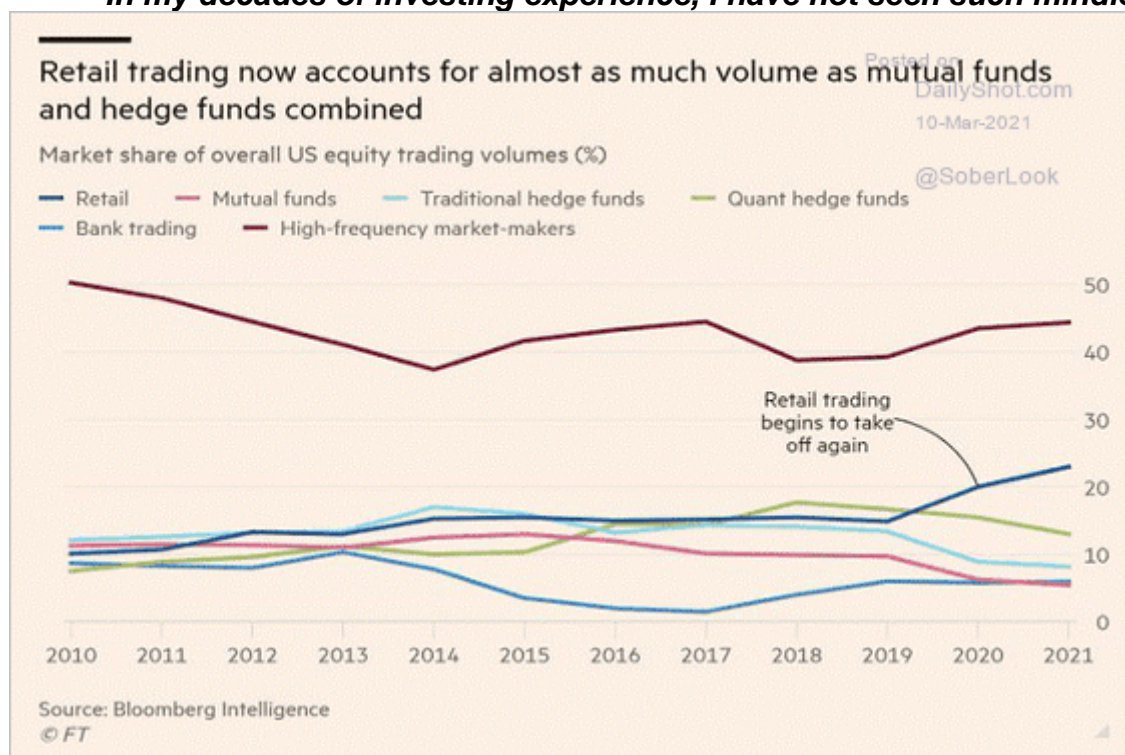
Get the latest trades, analysis, and insights from the RIA Pro team.

[> Sign up now](#)

## Speculation Still Alive And Well

My colleague Doug Kass made a critical observation this week:

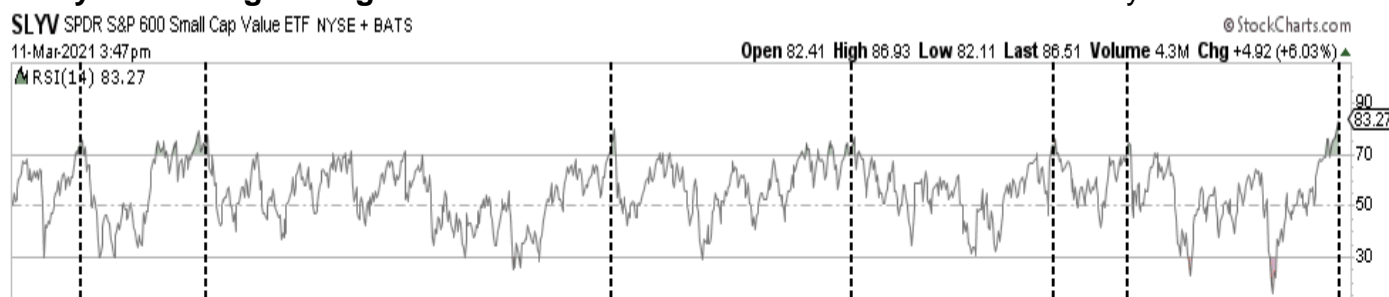
***"In my decades of investing experience, I have not seen such mindless and***



nal dollar  
ot.com

He is correct. The

interesting thing about this chart is that it explains the astronomical surge in **"small-cap" stocks recently, which is far above any logical expectation of future earnings and economic growth.** The reality is that retail traders have been speculating in very low-priced stocks where they can buy more shares versus large traders, who buy higher-priced shares with more liquidity. Such shows up in the deviation of the volume traded. There is no fundamental basis to support the chart below. **Small-cap "value," of which I would argue there is little value considering valuations are at historical extremes, is currently trading at near 4-standard deviations of the 1-year moving average.** Such is a level never seen before and one not likely to resolve well.



As Doug notes:

*"The Bible says (Proverbs 16:18) that '**pride goes before destruction, a haughty spirit before a fall.**' Even William Shakespeare warned that '**dreams are the children of an idle brain, begot of nothing but vain fantasy.**' Adopting a YOLO mentality ("you only live once"), speculation begot initially by analphabetic retail traders with little historical market perspective, and even less micro (individual company) knowledge. Using Robinhood and other commission free platforms and 'Reddit' as their investment research and communities, such is now spreading and is morphing into an institutional experience and phenomenon.*



Of course, I need to remind you of that vital point from John Maynard Keynes:

*"The markets can remain irrational longer than you can remain solvent."*

## A Boat Load Of Cash, No Place To Spend It

One of the reasons the market can certainly continue to "remain irrational" is from the "mountain of cash" in money market accounts. **No, this is not the "[cash on the sidelines](#)" argument which I debunked previously.** Following the pandemic, corporations drew down credit lines and hoarded cash due to economic uncertainty. Now, with expectations of recovery, corporations are once again beginning to deploy that cash.

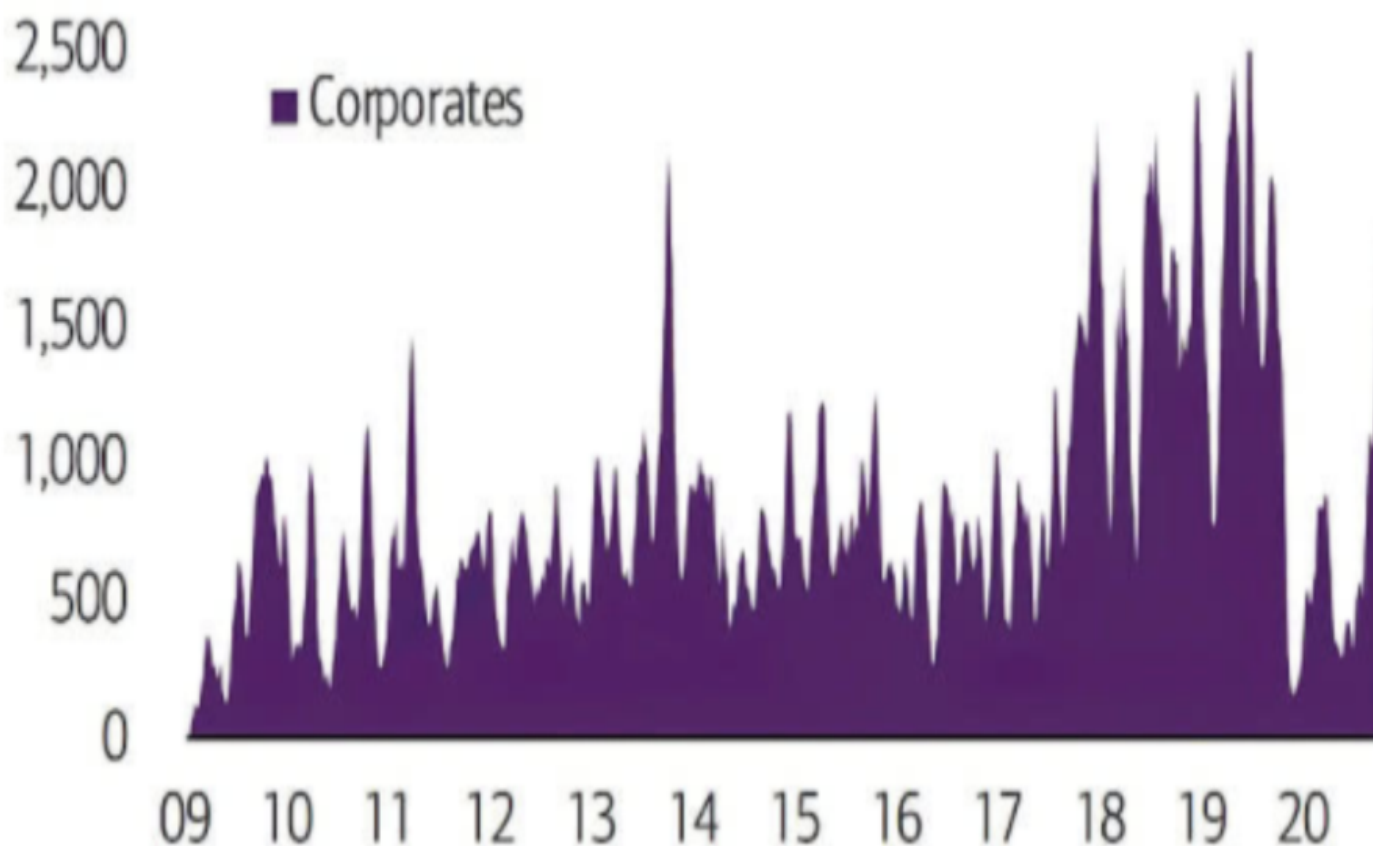
**Total investments by each category of U.S. MMF**

Data



The bad news is they are using those funds for share repurchases. **While not necessarily bad, it is the *?least best?* use of the company's cash.** Instead of expanding production, increasing sales, acquiring competitors, or making capital investments, the money gets used for a one-time boost to earnings on a per-share basis.

## Chart 26: Corporate clients: Buybacks (4 wk. avg, \$ mn)



Source: BofA Securities

I previously discussed how [nearly 100% of the net purchases of stock](#) were from corporate buybacks. **Share buybacks ARE NOT a return of capital to shareholders.** To wit:

*"Yes, share purchases can be good for current shareholders if the stock price rises, **but the real beneficiaries of share purchases are insiders where changes in compensation structures have become heavily dependent on stock-based compensation. Insiders regularly liquidate shares 'given' to them as part of their overall compensation structure to convert them into actual wealth.**'Corporate executives give several reasons for stock buybacks but none of them has close to the explanatory power of this simple truth: **Stock-based instruments make up the majority of their pay and in the short-term buybacks drive up stock prices.**" - Financial Times*

*The SEC confirmed the same: 'SEC research found that **many corporate executives sell significant amounts of their own shares after their companies announce stock buybacks,** Yahoo Finance reports.'"*

While this certainly will support higher asset prices in the short-term, it will widen the "wealth gap" long-term.



**Real Investment Show**  
with Lance Roberts

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



## Yes, Rising Rates Will Matter

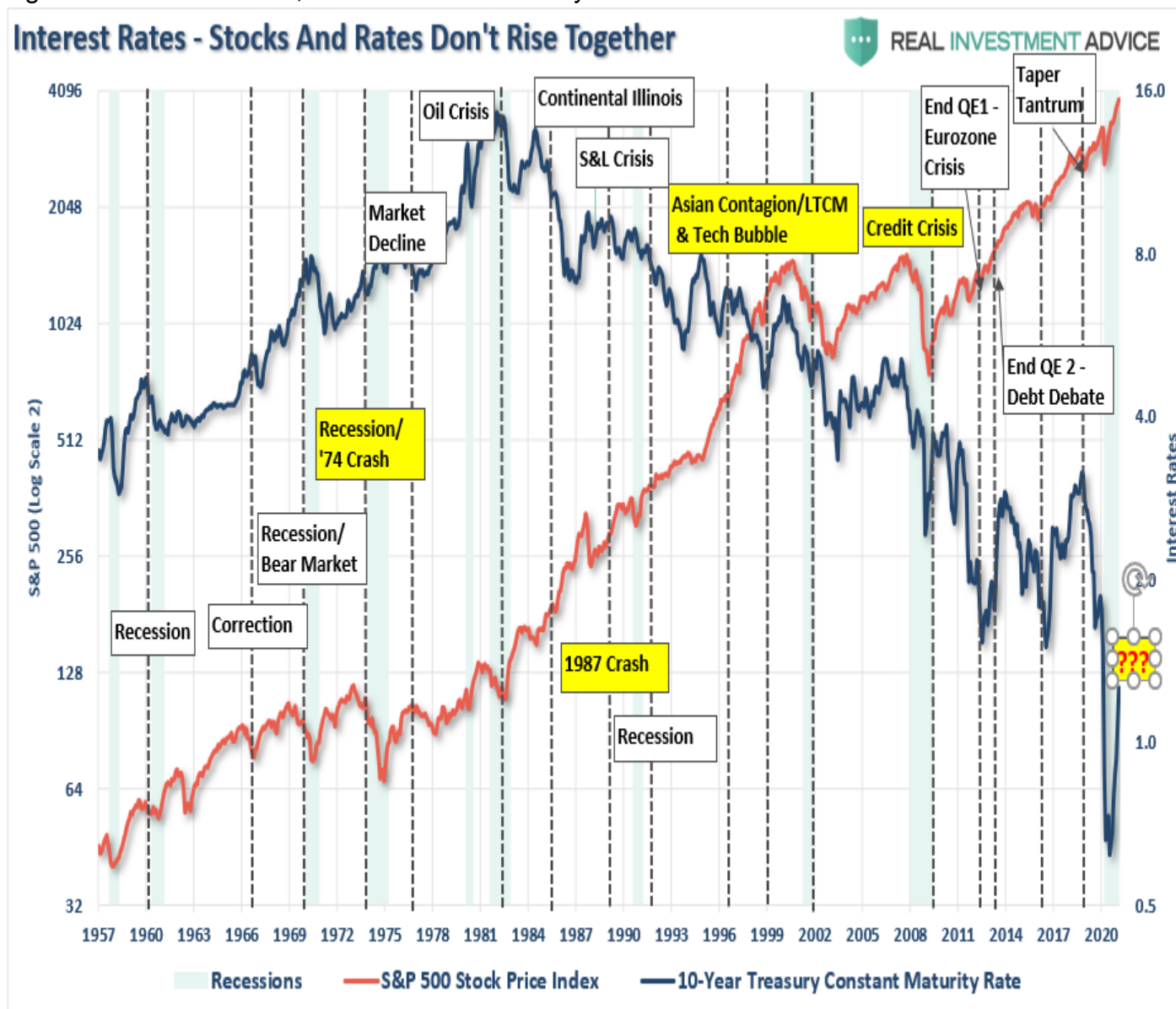
*?What does it mean for equities if rates and yields do indeed go higher?*

*Fortunately, to the surprise of many, stocks historically do very well when rates increase. Since 1996, stocks gained all 11 times we saw higher rates? - LPL Research, 2018*

That was a quote from my article [in May of 2018](#). Expect over the next several weeks to hear a regurgitation of that idea as the media encourages individuals to chase asset prices higher. However, as I noted then:

*"The point is that in the short-term the economy and the markets (due to the current momentum) can **DEFY** the laws of financial gravity as interest rates begin to rise. However, as rates continue to rise they ultimately act as a 'brake' on economic activity."*

Notably, the claim that higher rates lead to higher stock prices falls into the category of *?timing is everything.? As shown below, just a few short months after LPL's comments that higher rates don't matter, the stock market fell by 20% between October and December.*



Date Start	Int. Rate Low	Date End	Int. Rate Peak	Total % Chg.	S&P 500 Peak	S&P 500 Trough	S&P 500 Return	Recession / Crisis
2/1/1957	3.3	10/1/1957	4.0	18.86%	7/1/1957	4/1/1958	-12.72%	Recession / During
5/1/1958	2.9	9/1/1959	4.7	60.27%	8/1/1959	3/1/1960	-7.37%	Recession / 2 Mo. Later
7/1/1965	4.2	9/1/1966	5.2	23.33%	1/1/1966	10/1/1966	-17.35%	Vietnam Starts

However, that was not an isolated case. Throughout history, increases in interest rates negatively impact equity prices. It is just the function of *time* until *something breaks*. While the markets and economy may seem to perform okay as rates rise initially, the eventual negative impact leads to losses in investment capital. Please pay attention to interest rates; they are likely telling you a lot more than you think.

## Real Investment Report

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

> [Subscribe today](#)

### Portfolio Update

Last week we concluded our missive stating:

***"As discussed previously, 'risk happens fast.' It is essential not to react emotionally to a sell-off. Instead, fall back on your investment discipline and strategy. Importantly, keep your portfolio management process as simplistic as possible.***

1. ***Trim Winning Positions*** back to their original portfolio weightings. (ie. Take profits)
2. ***Sell Those Positions That Aren't Working.*** If they don't rally with the market during a bounce, they will decline more when the market sells off again.
3. ***Move Trailing Stop Losses Up*** to new levels.
4. ***Review Your Portfolio Allocation Relative To Your Risk Tolerance.*** If you have an aggressive allocation to equities at this point of the market cycle, you may want to try and recall how you felt during 2008. Raise cash levels and increase fixed income accordingly to reduce relative market exposure."

*While this may indeed turn out to be a buying opportunity in the short-term, mainly if the Government passes the next "stimulus bill," cleaning up your portfolios allows you to adjust to the markets next advance.*

Fortunately, that is what happened this week as the passage of the "stimulus bill" sparked "bullish spirits." As noted, we reviewed our portfolios and increased exposure to fundamentally strong stocks we are holding long-term. We also added to some of our beaten-up "momentum" names. **We are still slightly overweight cash but very short on duration in our bond portfolios for now.** Such puts us a little more exposed to "risk" than we like, but the market is not giving us many options for now. However, we will continue to follow our investment process for now and manage risk accordingly.



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: Yellen's "Go Big" MMT Plan May Disappoint**

Written by Lance Roberts | Mar 12, 2021

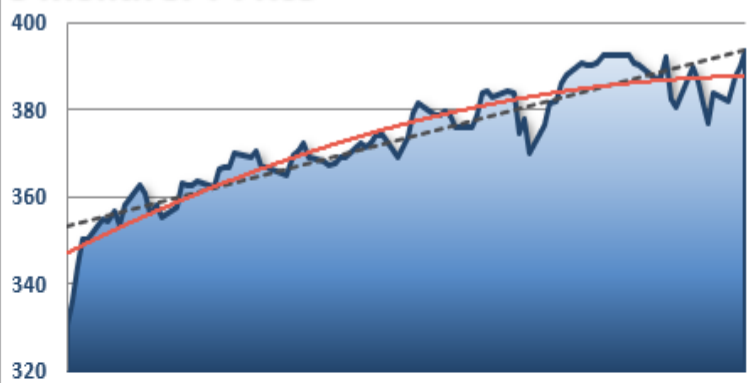
Janet Yellen's "Go Big" MMT plan may have a rude awakening when rising

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

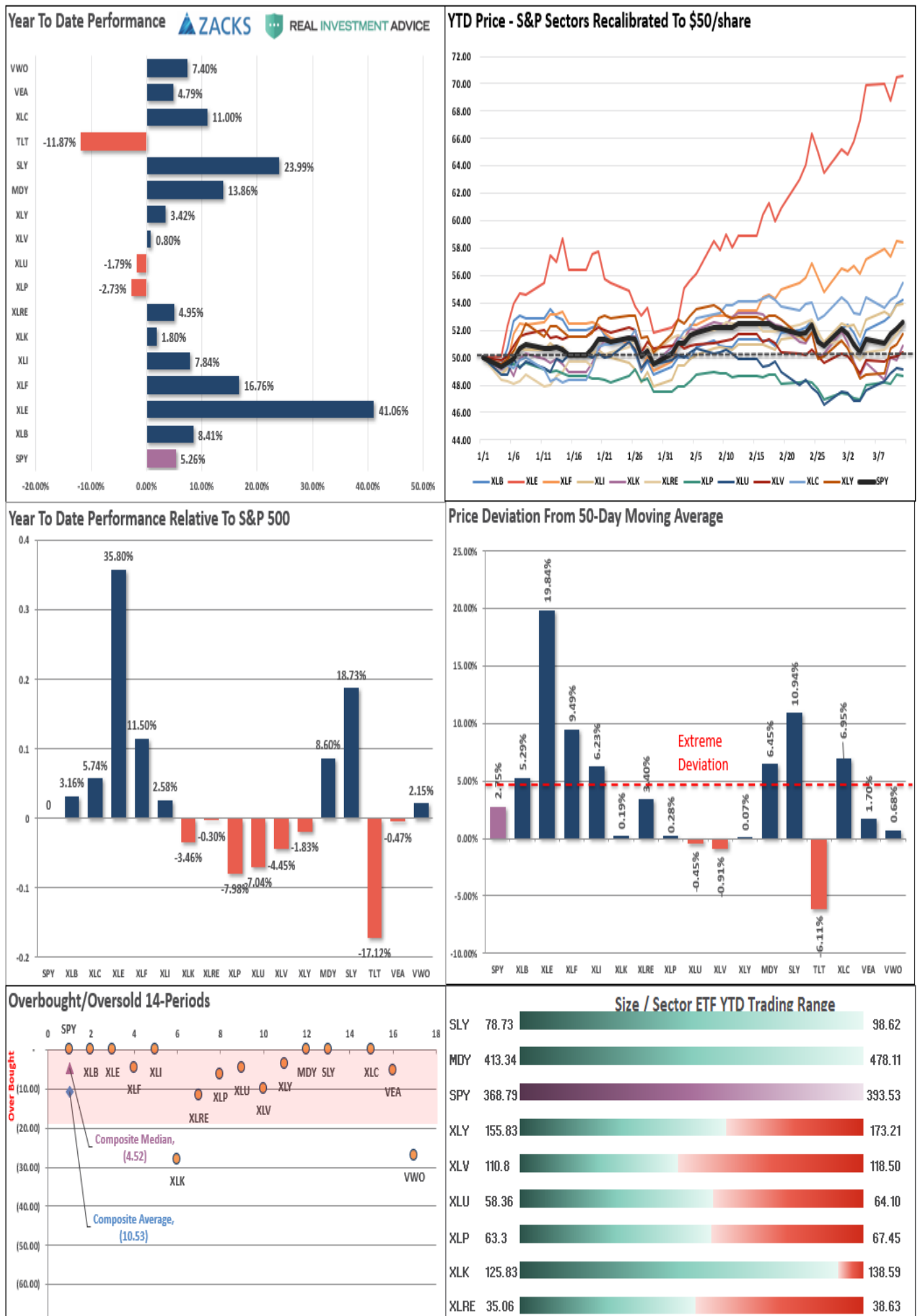
## Market & Sector Analysis

*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	41.33%	43.44%	5.26%	(87.90%)	
									Max Drawdown	(35.63%)	(22.59%)	(5.65%)	(74.96%)	
									Sharpe	0.93	1.73	1.85	0.07	
									Sortino	1.00	1.92	2.56	0.33	
									Volatility	25.40	30.66	16.74	(0.45)	
									Daily VaR-5%	(16.73)	2.86	4.16	0.45	
									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	1.87%	1.88%	1.37%	(38.01%)	2.19%	1.38%	(37.76%)	(0.79%)	Shares	3,127.6	3,014.1	(3.63%)		
P/E Ratio	17.86	17.32	28.72	39.68%	2876%	1605%	(0.1%)	78.92%	Sales	72,330	69,425	(4.02%)		
P/S Ratio	3.83	3.71	5.05	26.63%	4.88	3.21	3.46%	57.23%	SPS	23.1	23.0	(0.40%)		
P/B Ratio	4.96	5.04	6.67	24.50%	6.33	3.94	5.39%	69.28%	Earnings	11,451	10,439	(8.84%)		
ROE	22.00%	21.65%	20.40%	(6.15%)	22.00%	17.60%	(7.28%)	15.91%	EPS TTM	4.6	4.1	(11.77%)		
ROA	4.31%	4.23%	3.67%	(15.05%)	4.31%	3.50%	(14.75%)	4.81%	Dividend	1.6	1.5	(4.17%)		
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	54.13%	11.74%	1.91	(214.75)	116.35	(196.08)	(284.6%)	(0.3%)	4.1%	-0.46%	1.61	27.33		
Materials	62.18%	2.72%	1.22	27.46	26.40	14.08	4.0%	9.0%	1.8%	3.63%	4.16	19.28		
Industrials	38.36%	8.70%	1.19	48.26	45.79	14.67	5.4%	5.4%	1.4%	2.07%	3.80	23.87		
Discretionary	76.12%	12.25%	1.35	59.41	58.60	21.02	1.4%	18.7%	0.6%	1.69%	4.87	35.52		
Staples	14.52%	6.00%	0.63	21.74	22.83	17.65	(4.8%)	29.5%	2.6%	4.59%	4.30	19.66		
Health Care	25.18%	12.92%	0.74	18.38	19.47	15.11	(5.6%)	29.1%	1.7%	5.45%	7.64	16.01		
Financials	51.40%	11.74%	1.32	19.31	18.55	10.52	4.1%	7.4%	1.7%	5.14%	5.66	14.48		
Technology	60.06%	26.46%	1.10	32.73	32.81	15.63	(0.2%)	58.1%	0.9%	3.07%	5.23	27.12		
Telecom	57.54%	11.07%	0.97	29.40	28.18	17.61	4.3%	15.6%	0.6%	3.45%	7.30	23.10		
Utilities	1.21%	2.59%	0.41	19.14	22.09	16.35	(13.4%)	10.8%	3.4%	5.25%	3.44	17.17		
Real Estate	9.41%	2.40%	0.96	22.13	21.53	16.94	2.8%	6.9%	2.9%	4.58%	4.22	20.72		
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	393.53	5.26%	383.19	3	2.70%	350.24	184	12.36%	9.41%	(0.54%)	80.30%	Buy		
Mid Cap	478.11	13.86%	449.71	50	6.31%	381.92	120	25.19%	17.75%	(0.26%)	123.19%	Buy		
Small Cap	98.62	23.99%	89.08	50	10.70%	71.62	117	37.69%	24.38%	(0.11%)	141.83%	Buy		

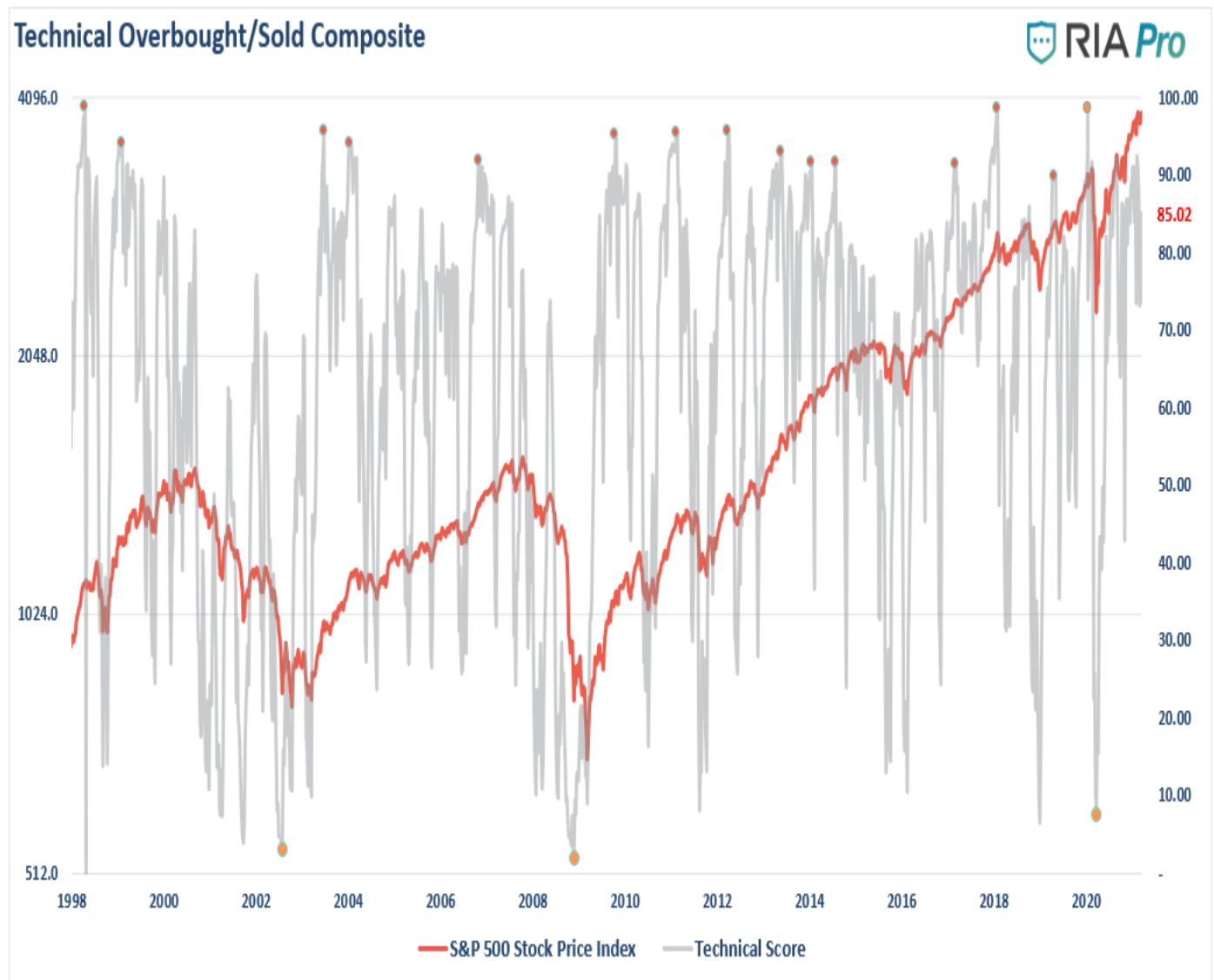
# Performance Analysis





## 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 85.02 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 76.34 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	394.99	4.47	0.71	6.19	21.69	58.66	381.35	358.22	381.77	0.99	391.31	372.23	4%	10%	BULLISH
XLB	SPDR-MATLS SELS	78.48	2.13	5.95	2.98	5.08	21.92	73.85	68.54	73.55	1.05	76.16	70.94	6%	14%	BULLISH
XLC	SPDR-COMM SV SS	74.90	0.01	2.33	5.52	8.01	18.08	69.33	64.34	71.57	0.99	74.07	69.07	8%	16%	BULLISH
XLE	SPDR-EGY SELS	53.46	0.27	20.74	27.22	55.33	22.75	43.38	37.80	48.15	1.77	50.21	46.09	23%	41%	BULLISH
XLF	SPDR-FINL SELS	34.42	(0.42)	9.61	13.57	26.36	10.32	30.85	27.46	32.31	1.19	33.50	31.12	12%	25%	BULLISH
XLK	SPDR-TECH SELS	132.36	0.12	(4.71)	(3.35)	(2.74)	17.00	131.26	122.53	130.69	1.06	135.34	126.04	1%	8%	BULLISH
XLI	SPDR-INDU SELS	95.49	0.15	5.81	1.31	5.03	4.91	89.52	83.35	90.61	1.19	93.95	87.27	7%	15%	BULLISH
XLP	SPDR-CONS STPL	65.61	(0.82)	(0.68)	(9.39)	(17.06)	(32.89)	65.77	65.18	63.30	0.62	65.27	61.33	0%	1%	BULLISH
XLRE	SPDR-RE SELS	38.37	0.89	(0.73)	(2.71)	(8.87)	(40.45)	36.91	36.37	37.34	0.69	38.53	36.15	4%	6%	BULLISH
XLU	SPDR-UTIL SELS	61.58	0.40	(3.08)	(8.18)	(15.09)	(46.06)	61.84	61.71	58.36	0.35	60.02	56.70	0%	0%	BULLISH
XLV	SPDR-HLTH CR	114.35	(1.26)	(2.48)	(4.92)	(8.90)	(23.78)	114.62	109.98	112.61	0.75	116.27	108.95	0%	4%	BULLISH
XLV	SPDR-CONS DISCR	166.28	2.24	(2.94)	(2.76)	(4.64)	13.94	164.54	154.42	161.15	1.13	167.00	155.30	1%	8%	BULLISH
XTN	SPDR-SP TRANSP	86.70	1.07	12.33	13.96	29.70	48.31	75.68	66.94	81.30	1.41	84.48	78.12	15%	30%	BULLISH
SDY	SPDR-SP DIV ETF	117.55	0.71	5.31	3.50	8.61	(11.11)	109.24	101.97	110.80	0.92	114.59	107.01	8%	15%	BULLISH
RSP	INVS-SP5 EQ ETF	140.53	0.40	3.78	4.17	12.24	9.20	131.49	120.02	134.20	1.12	139.06	129.34	7%	17%	BULLISH
SLY	SPDR-SP6 SC	98.62	4.48	6.37	17.53	46.09	48.40	86.77	73.84	91.09	1.28	94.53	87.65	14%	34%	BULLISH
MDY	SPDR-SP MC 400	478.11	2.39	2.74	7.73	24.89	26.63	442.22	391.63	454.85	1.20	471.67	438.03	8%	22%	BULLISH
EEM	ISHARS-EMG MKT	54.97	(1.24)	(5.52)	1.49	6.45	4.41	54.09	48.92	53.73	0.85	55.53	51.93	2%	12%	BULLISH
EFA	ISHARS-EAFE	76.09	(1.85)	(0.44)	(2.03)	(0.66)	(6.14)	74.43	69.09	74.01	0.85	76.49	71.53	2%	10%	BULLISH
IAU	ISHARS-GOLD TR	16.43	(2.86)	(6.34)	(14.76)	(29.49)	(49.05)	17.42	17.90	16.44	0.07	16.86	16.02	-6%	-8%	BEARISH
GDX	VANECK-GOLD MNR	33.05	0.89	(5.76)	(17.56)	(36.26)	(10.52)	34.76	37.73	31.13	0.65	32.11	30.15	-5%	-12%	BEARISH
UUP	INVS-DB US\$ BU	24.61	(4.75)	0.28	(4.62)	(25.10)	(65.58)	24.41	24.86	24.52	(0.13)	25.10	23.94	1%	-1%	BEARISH
BOND	PIMCO-TOT RETRN	110.35	(4.24)	(2.55)	(8.46)	(23.23)	(54.09)	112.13	112.26	111.11	0.09	113.98	108.24	-2%	-2%	BEARISH
TLT	ISHARS-20+YTB	139.01	(4.20)	(7.39)	(17.54)	(37.50)	(70.40)	150.06	157.81	143.12	(0.25)	146.34	139.90	-7%	-12%	BEARISH
BNDX	VANGD-TTL INT B	57.35	(4.05)	(1.86)	(8.31)	(22.99)	(57.55)	58.04	58.14	57.17	0.03	58.62	55.72	-1%	-1%	BEARISH
HYG	ISHARS-IBX HYCB	86.70	(4.07)	(1.78)	(6.09)	(17.35)	(46.94)	87.09	85.74	86.44	0.37	88.92	83.96	0%	1%	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
AMAT	Appld Matls Inc	117.19	13.79	10.63	0.75	25.53	9.00
ETSY	Etsy Inc	220.84	25.25	38.42	0.00	83.97	8.00
MSFT	Microsoft Corp	237.13	11.93	14.71	0.94	35.34	8.00
QRVO	Qorvo Inc	174.95	13.99	5.10	0.00	22.06	8.00
ZTS	Zoetis Inc	152.36	12.22	7.76	0.66	39.57	8.00
AAPL	Apple Inc	121.96	11.50	6.15	0.67	33.03	7.00
ABT	Abbott Labs	117.52	14.14	12.22	1.53	32.20	7.00
ADI	Analog Devices	151.03	12.25	12.75	1.83	28.39	7.00
AVY	Avery Dennison	179.28	7.90	3.93	1.38	25.22	7.00
CDNS	Cadence Design	130.13	11.10	9.07	0.00	61.67	7.00
COO	Cooper Cos	379.62	11.00	7.27	0.02	37.51	7.00
CTLT	Catalent Inc	106.26	19.65	13.46	0.00	47.87	7.00
DE	Deere & Co	364.46	18.54	9.18	0.83	33.31	7.00
FBHS	Fortune Brd H&S	89.45	9.82	4.82	1.16	21.35	7.00
IDXX	Idexx Labs Inc	502.94	15.81	10.70	0.00	74.95	7.00
IT	Gartner Inc -A	186.23	13.50	16.25	0.00	38.01	7.00
KLAC	Kla Corp	296.36	11.56	17.27	1.21	25.84	7.00
MAS	Masco	57.05	8.30	0.38	0.98	18.46	7.00
MLM	Martin Mrt-Matl	340.78	8.98	6.45	0.67	29.53	7.00
NVDA	Nvidia Corp	519.74	15.05	21.54	0.12	63.85	7.00
PH	Parker Hannifin	308.27	11.78	5.34	1.14	25.73	7.00
TXN	Texas Instrs	174.95	9.33	1.83	2.33	29.31	7.00
WAT	Waters Corp	273.08	8.85	2.70	0.00	30.14	7.00
WST	West Pharm Svc	272.89	22.62	7.89	0.25	57.45	7.00
CBRE	Cbre Group Inc	78.56	11.00	19.94	0.00	23.95	6.00
CDW	Cdw Corp	159.99	13.10	7.62	1.00	24.39	6.00
CF	Cf Indus Hldgs	50.54	6.00	2.70	2.37	34.38	6.00
DHR	Danaher Corp	219.22	13.69	0.46	0.33	34.85	6.00
DOV	Dover Corp	133.86	11.50	-0.41	1.48	23.61	6.00
EL	Estee Lauder	291.64	10.67	7.40	0.73	66.74	6.00
FB	Facebook Inc-A	273.88	19.24	35.45	0.00	27.12	6.00
HCA	Hca Holdings	185.23	11.70	5.46	0.00	18.75	6.00
INTC	Intel Corp	63.31	7.50	7.61	2.20	11.92	6.00
KSU	Kansas City Sou	214.86	15.00	4.25	1.01	30.87	6.00
MTD	Mettler-Toledo	1080.62	13.79	5.39	0.00	42.26	6.00
MXIM	Maxim Intg Pdts	89.17	10.00	0.31	0.00	33.78	6.00
SPGI	S&P Global Inc	345.14	10.00	6.37	0.89	29.52	6.00
TTWO	Take-Two Inter	170.61	12.37	22.13	0.00	28.63	6.00
A	Agilent Tech	121.83	9.00	6.57	0.64	34.51	5.00
CAT	Caterpillar Inc	219.76	12.00	4.79	1.87	36.08	5.00
EMR	Emerson Elec Co	91.31	9.82	-2.05	2.21	25.22	5.00
FRC	First Rep Bk Sf	171.00	13.42	19.08	0.47	29.43	5.00
MTB	M&T Bank Corp	155.57	13.40	5.11	2.83	15.53	5.00
NUE	Nucor Corp	67.83	12.00	8.10	2.39	20.43	5.00
SIVB	Svb Finl Gp	551.63	8.00	25.48	0.00	24.15	5.00
SN	Smith Barney	214.86	8.50	4.25	2.20	18.47	5.00

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

Ticker	Company	Current Price	Price/ Book	ROE 5 Yr Avg	Div Yield	Score
CMTV	Commnty Bcp Vt	18.55	1.33	12.46	4.10	8
FLIC	First Long Is	20.64	1.24	10.80	3.68	8
GSBD	Goldman Sac Bdc	19.30	1.21	11.49	9.33	8
IBCP	Indep Bk Mich	23.60	1.33	11.47	3.56	8
UGI	Ugi Corp	40.38	1.89	11.25	3.27	8
CZFS	Citizens Fin Sv	56.74	1.18	11.88	3.28	7
FNF	Fnf Group	41.00	1.43	14.68	3.51	7
KEY	Keycorp New	21.10	1.28	10.46	3.51	7
LOMA	Loma Negra Cia	6.02	1.11	21.99	4.22	7
MCBC	Macatawa Bank	10.35	1.47	12.40	3.09	7
NHTC	Natural Hlth Tr	7.01	1.18	40.24	11.41	7
PEG	Public Sv Entrp	56.78	1.80	11.14	3.59	7
TCPC	Blackrk Tcp Cap	13.93	1.05	12.06	8.61	7
UBFO	United Sec Bcsh	8.70	1.25	10.40	5.06	7
WTBA	West Bancorp	26.23	1.93	14.73	3.35	7

## 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
AMAT	Appld Matls Inc	117.19	13.79	10.63	0.75	25.53	9.00
ETSY	Etsy Inc	220.84	25.25	38.42	-	83.97	8.00
QRVO	Qorvo Inc	174.95	13.99	5.10	-	22.06	8.00
ZTS	Zoetis Inc	152.36	12.22	7.76	0.66	39.57	8.00
MSFT	Microsoft Corp	237.13	11.93	14.71	0.94	35.34	8.00
WST	West Pharm Svc	272.89	22.62	7.89	0.25	57.45	7.00
CTLT	Catalent Inc	106.26	19.65	13.46	-	47.87	7.00
DE	Deere & Co	364.46	18.54	9.18	0.83	33.31	7.00
IDXX	Idexx Labs Inc	502.94	15.81	10.70	-	74.95	7.00
NVDA	Nvidia Corp	519.74	15.05	21.54	0.12	63.85	7.00
ABT	Abbott Labs	117.52	14.14	12.22	1.53	32.20	7.00
IT	Gartner Inc -A	186.23	13.50	16.25	-	38.01	7.00
ADI	Analog Devices	151.03	12.25	12.75	1.83	28.39	7.00
PH	Parker Hannifin	308.27	11.78	5.34	1.14	25.73	7.00
KLAC	Kla Corp	296.36	11.56	17.27	1.21	25.84	7.00
AAPL	Apple Inc	121.96	11.50	6.15	0.67	33.03	7.00
FB	Facebook Inc-A	273.88	19.24	35.45	-	27.12	6.00
KSU	Kansas City Sou	214.86	15.00	4.25	1.01	30.87	6.00
MTD	Mettler-Toledo	1,080.62	13.79	5.39	-	42.26	6.00
DHR	Danaher Corp	219.22	13.69	0.46	0.33	34.85	6.00
CDW	Cdw Corp	159.99	13.10	7.62	1.00	24.39	6.00
TTWO	Take-Two Inter	170.61	12.37	22.13	-	28.63	6.00
HCA	Hca Holdings	185.23	11.70	5.46	-	18.75	6.00
DOV	Dover Corp	133.86	11.50	(0.41)	1.48	23.61	6.00
FRC	First Rep Bk Sf	171.00	13.42	19.08	0.47	29.43	5.00
MTB	M&T Bank Corp	155.57	13.40	5.11	2.83	15.53	5.00
CAT	Caterpillar Inc	219.76	12.00	4.79	1.87	36.08	5.00
NUE	Nucor Corp	67.83	12.00	8.10	2.39	20.43	5.00
TROW	T Rowe Price	174.15	11.83	9.16	2.07	18.14	4.00
ALGN	Align Tech Inc	544.00	19.81	25.56	-	24.23	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
ETSY	Etsy Inc	220.84	25.25	38.42	-	3.16	8
MSFT	Microsoft Corp	237.13	11.93	14.71	0.94	2.71	8
ZTS	Zoetis Inc	152.36	12.22	7.76	0.66	2.83	8
CDNS	Cadence Design	130.13	11.10	9.07	-	5.47	7
IDXX	Idexx Labs Inc	502.94	15.81	10.70	-	4.19	7
NVDA	Nvidia Corp	519.74	15.05	21.54	0.12	3.32	7
TXN	Texas Instrs	174.95	9.33	1.83	2.33	2.80	7
SPGI	S&P Global Inc	345.14	10.00	6.37	0.89	2.79	6
MSCI	Msci Inc-A	410.06	#N/A	10.22	0.76	#N/A	6
MXIM	Maxim Intg Pdts	89.17	10.00	0.31	-	2.99	6
RGEN	Repligen	194.08	38.00	35.83	-	2.67	6
VICR	Vicor Corp	99.90	#N/A	9.06	-	#N/A	6
ENPH	Enphase Energy	165.34	#N/A	23.19	-	#N/A	5
EXR	Extra Space Stg	129.35	3.77	9.71	2.78	5.68	5
IBKR	Interactive Brk	78.81	#N/A	15.21	0.51	#N/A	5
CELH	Celsius Holding	47.37	#N/A	50.66	-	#N/A	4

---

## Portfolio / Client Update

As noted in the newsletter's main body, our "money flow" indicators on a short-term basis turned positive this week. With that, we added to some of our recently beaten-up holdings in the Technology and Healthcare space. The longer-term indicators remain negative at the moment, which could apply some downside pressure and limit upside. However, the risk/reward balances in some areas of the market are favorable. As noted previously, we will use this rally to rebalance holdings and create a barbell approach in portfolios between "value" and "growth." **Furthermore, with yields having reached our target "buy" zone, there is a decent "risk/reward" to add some additional exposures back to portfolios to further hedge equity risk.** We aren't entirely ready to commit to that trade, but we are watching for the right opportunity. As always, we continue watching our indicators closely. However, support at the 50-dma held, and markets recovered back to all-time highs. Such negates downside risk in the short-term. We continue to look for opportunities to expand our portfolio as needed.

### Portfolio Changes

During the past week, we made minor changes to portfolios. We post all trades in real-time at [RIAPRO.NET](http://RIAPRO.NET).

#### **\*\* Equity / ETF Portfolio ? Trade Update \*\*\***

*"With our short-term money flow indicator turning positive yesterday we are adding exposure to all of our portfolios. Primarily, we are just bringing positions that recently sold-off back up to model weights but we are increasing sizing in APPL and MSFT to 3.5% of the portfolio and bringing ABT, ABBV, JNJ and CVS up to 2% each after reducing those positions previously. In the Dynamic Model which is very technology-heavy, we are adding a bit of industrial and healthcare exposure as well to broaden out the allocation model." - 03/08/21*

#### **Equity Model**

- Increase allocation to AAPL and MSFT to 3.5% of the portfolio.
- Bring NFLX and ZM up to 2% of the portfolio.
- Add 0.5% weight to ABBV, ABT, JNJ, and CVS, increasing total exposure to 2% each.

#### **ETF Model**

- Increase XLV to 8% of the portfolio.
- Increase XLK to 12.5% of the portfolio.

*"We are using the early morning rally to rebalance portfolios once again as the ?energy? trade has gotten way ahead of itself. We also got stopped out of two positions in the Dynamic Model which we are raising some cash to add back into current holdings on the upcoming money flow buy signal." - 03/08/21*

#### **Equity Model**

- Reducing all energy holdings back to the model weight of 1% each. ? MRO, KMI, XOM, FANG

#### **ETF Model**

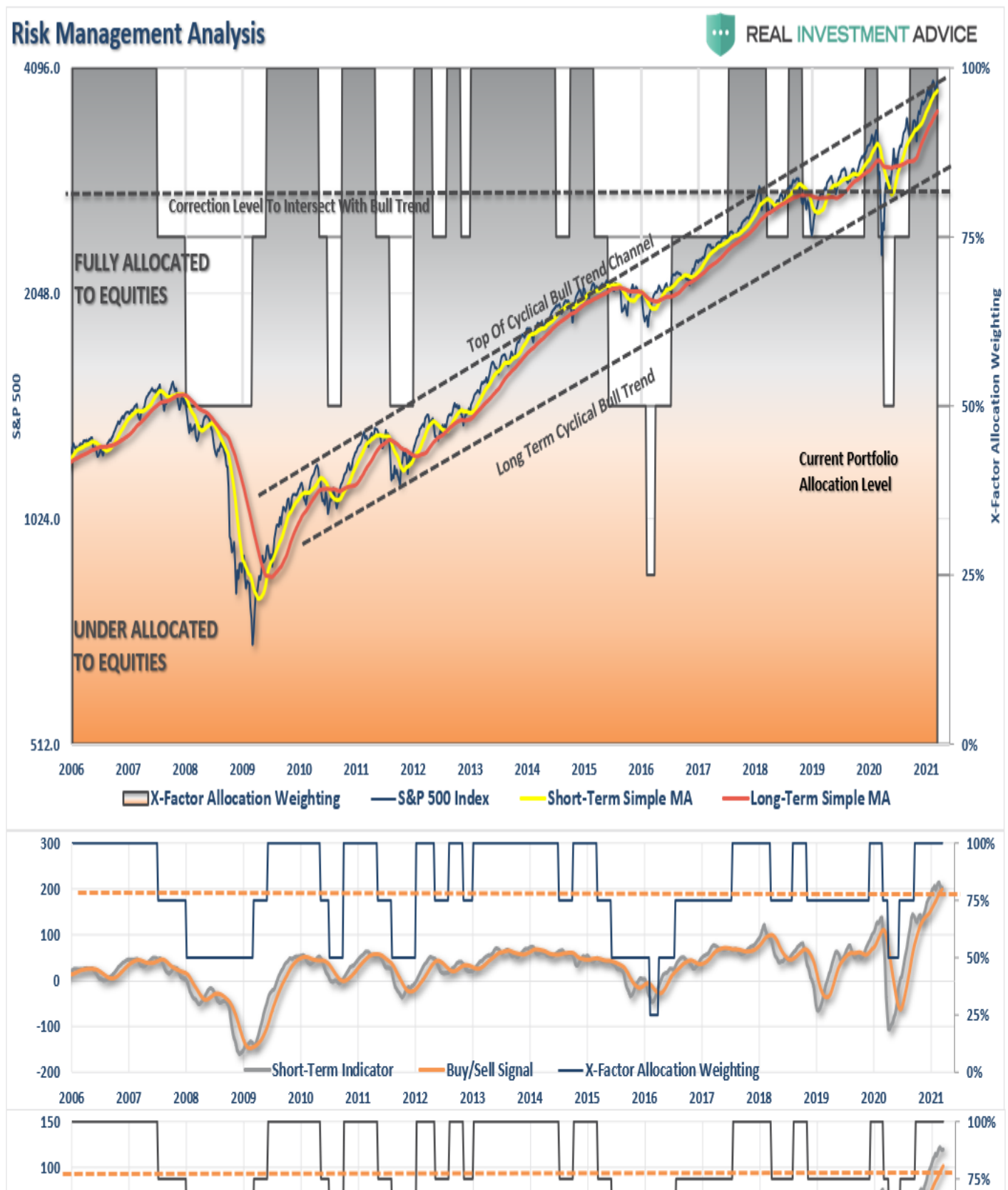


- Reduce XLE back to portfolio model weight of 3% ? taking profits.
- Reduce XLC back to portfolio model weight of 5% ? taking profits.

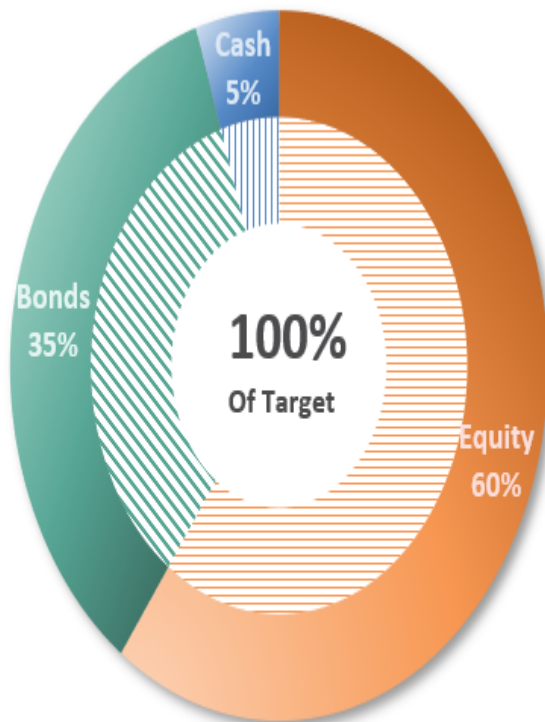
As always, our short-term concern remains the protection of your portfolio. We have now shifted our focus from the election back to the economic recovery and where we go from here. *Lance RobertsCIO*

## 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

As noted, despite the recent correction, all of our indicators remained positive, with money flows currently suggesting there was support for prices at the 50-dma.

As suspected, the market turned higher this week with the passage of the stimulus bill and even challenged all-time highs.

Another bout of selling is likely over the next month as weekly sell signals remain negative. However, there is nothing at this point which suggests we need to be overly cautious with equity exposures.

We are concerned with the rising rate and inflationary environment, but the point at where those things matter is yet clear. When it does begin to manifest we will advise dropping equity risk accordingly.

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.**



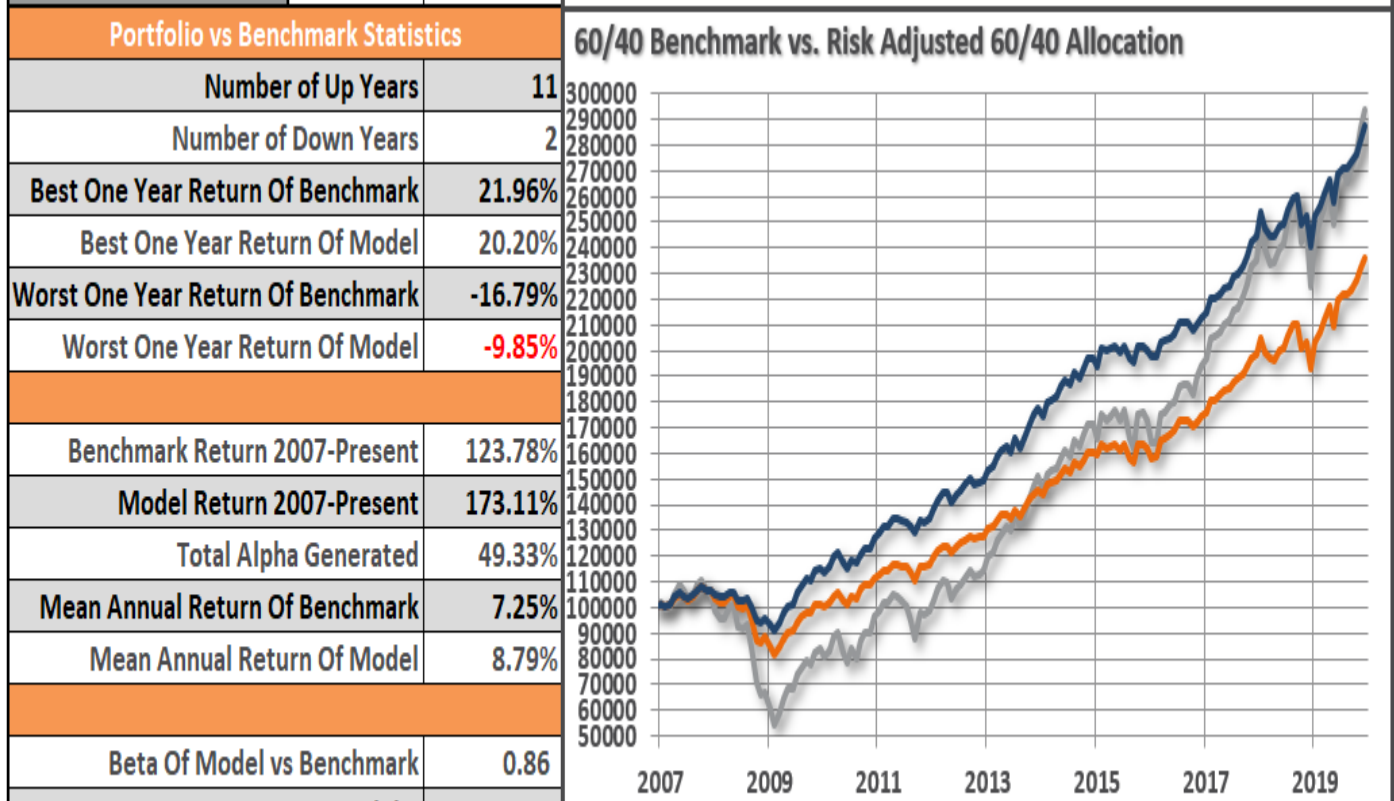
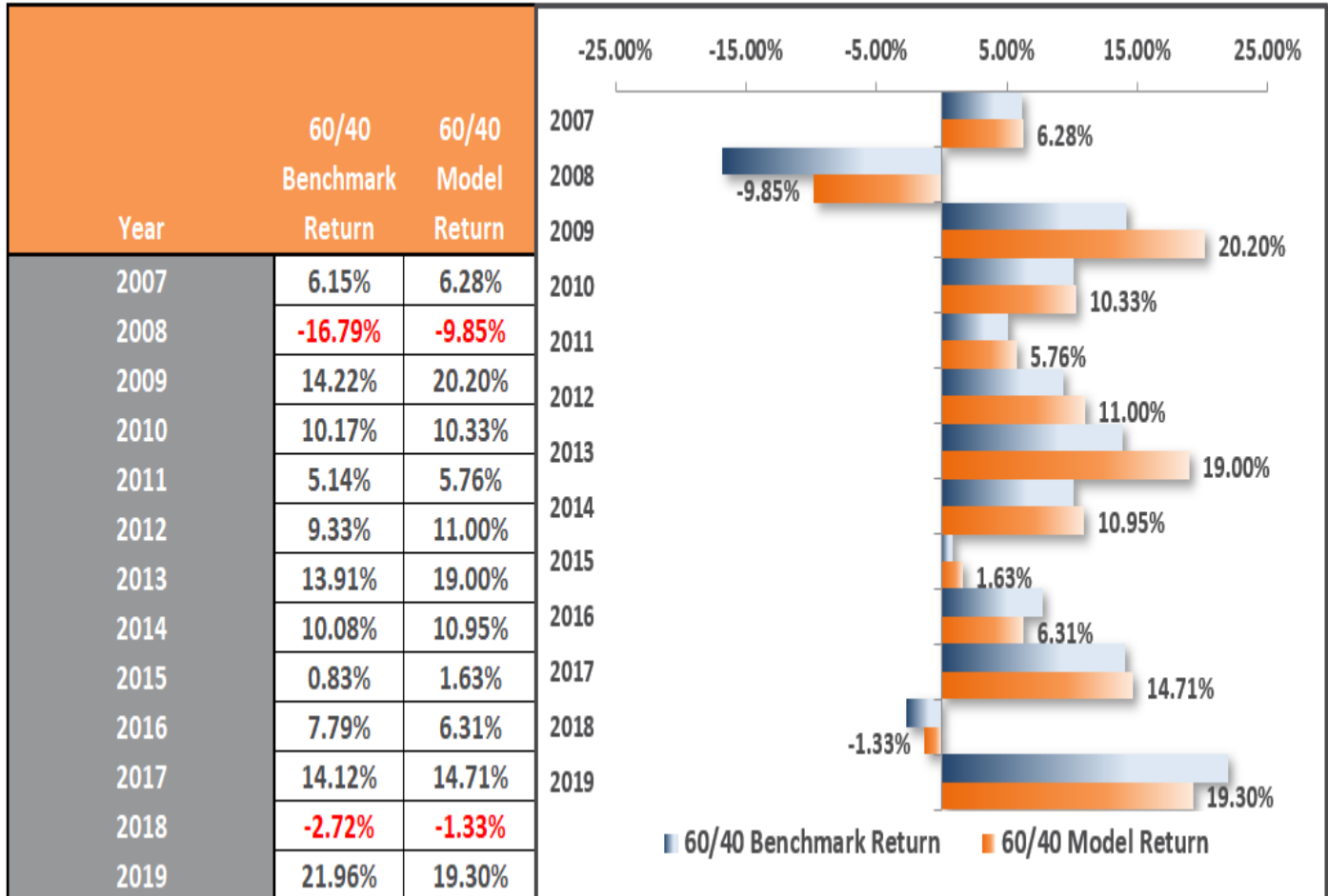
Take control of  
your retirement  
today with



**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