RIA Advice



In this issue of "Bulls Buy Stocks, As Fed Starts To Talk Taper."

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Catch Up On What You Missed Last Week



#WhatYouMissed On RIA This Week: 05-21-21

Written by Lance Roberts | May 21, 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.

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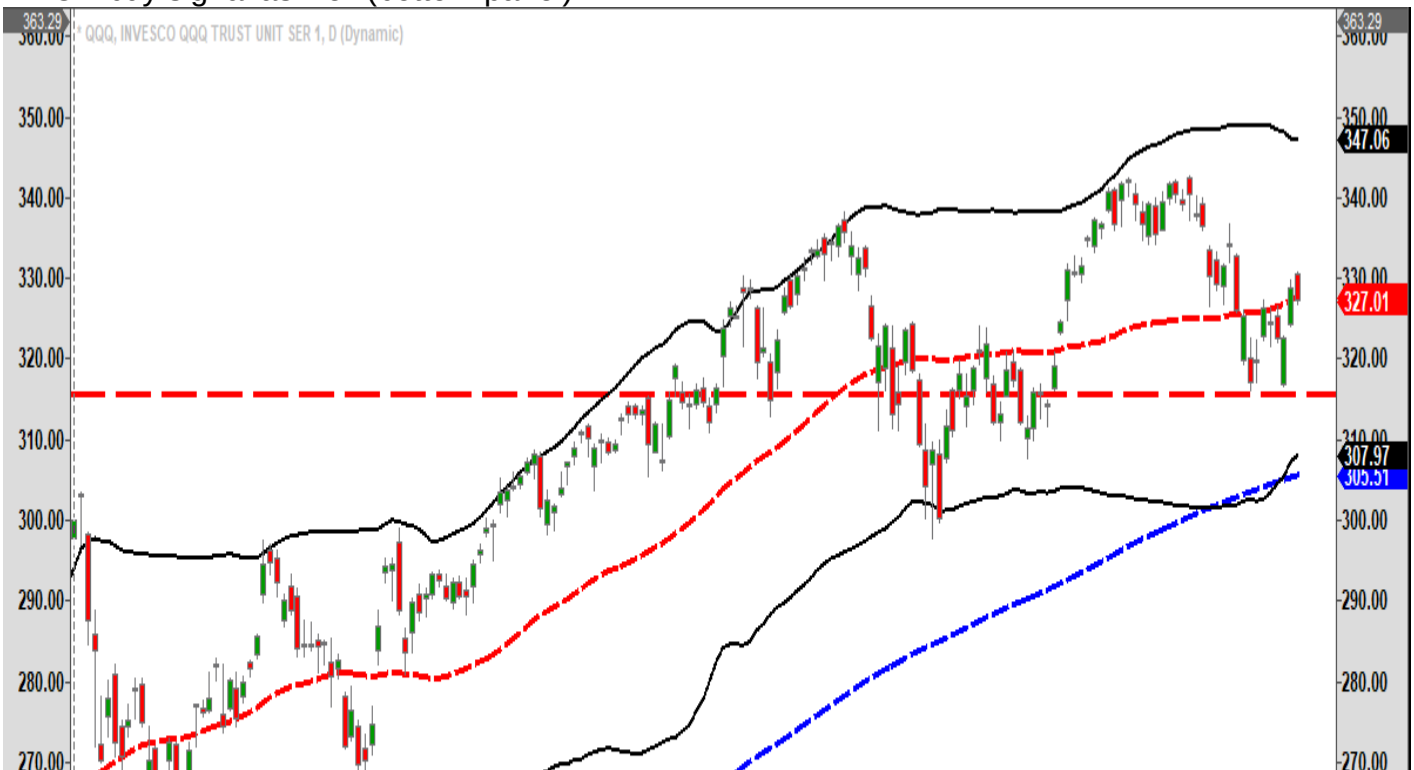
Market Review & Update

After another rough start to the week, the bulls finally showed up and flipped our "money flow" indicators back to a buy signal. ***As we stated last week:***

> *"Well, that follow-through failed to occur.Not only did the "buy signal" not trigger, but the market also broke down through the previous consolidation range. As I said, it did not work out as planned.* ***The last exposure we took on is now pressuring the portfolio momentarily, but we should benefit from the turn if we are correct."***

With markets deeply oversold on a short-term basis and with signals at levels that generally precede short-term rallies, the rally on Thursday and Friday was not unexpected. Notably, the S&P 500 held support at the 50-dma and rallied back into the previous trading range.

Importantly, we have been focusing on the Nasdaq and building an index trading position over the last few trading days for a rotation from the *"reflation"* trade back to the *"growth"* trade. On Wednesday, the Nasdaq triggered its short-term *"buy signal,"* which will likely provide some relative outperformance over the S&P 500. It will be important for the Nasdaq to hold above the 50-dma into next week. If we do get some follow-through, the Nasdaq should get a confirming MACD buy signal as well (bottom panel).



As noted last week, the following statement remains very important:

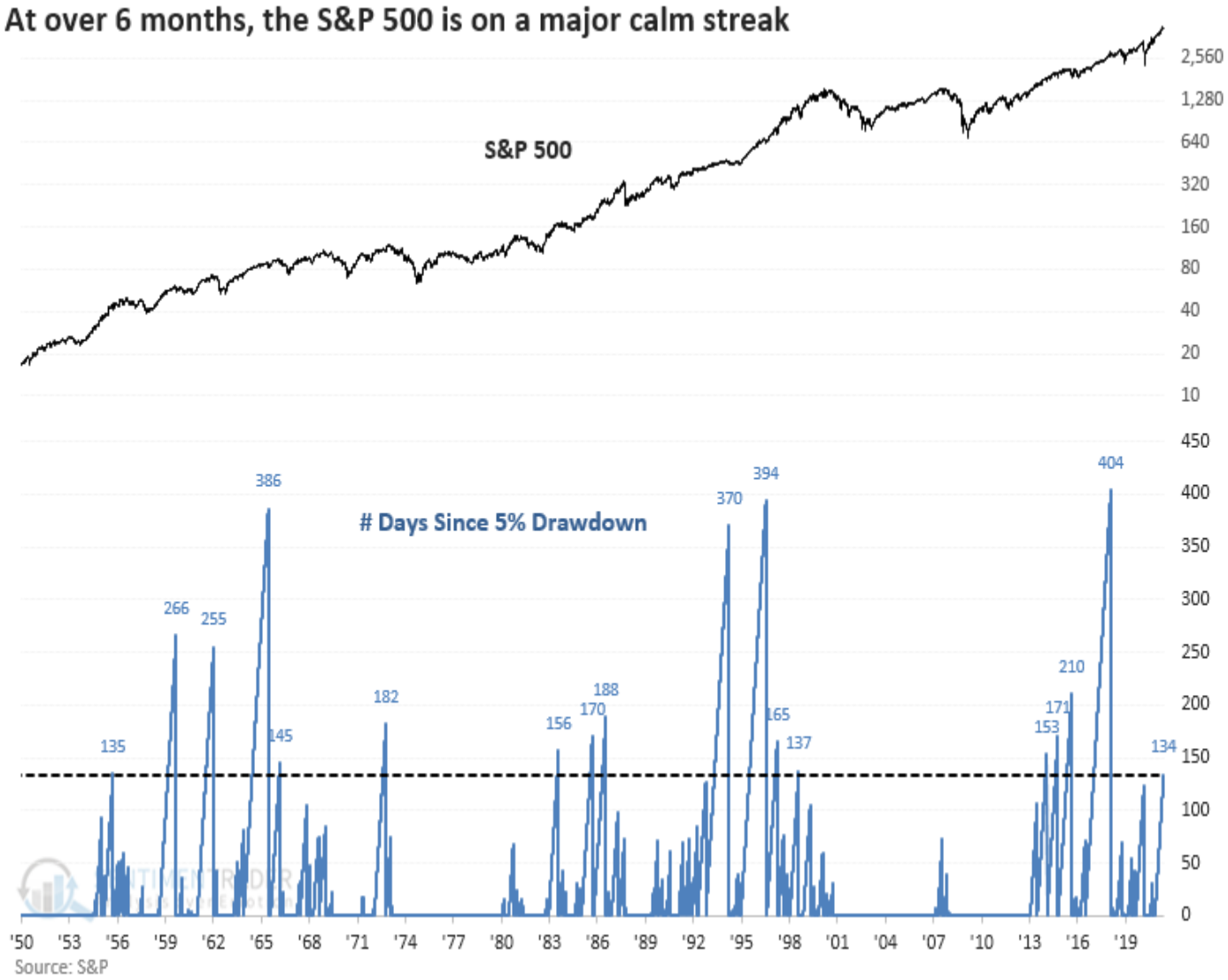
> *"We will hold exposures at current levels for now. However, instead of looking for a more extended rally into mid-summer,* ***we suspect this rally will be fairly short-lived."***

We do expect a counter-trend rally due to the liquidations occurring by institutional investors over the previous few weeks. Over the last few weeks, **we continue to build the case of a deeper (5-10%) correction by mid-summer.**

A Long Time

That view has not changed, particularly given the length of time without one. As noted recently by Sentiment Trader:

> ***"The S&P 500 has gone 134 trading days without even a 5% pullback from a high.*** *That's among the longest streaks since 1928, and preceded choppy medium-term returns before momentum tended to resume."*



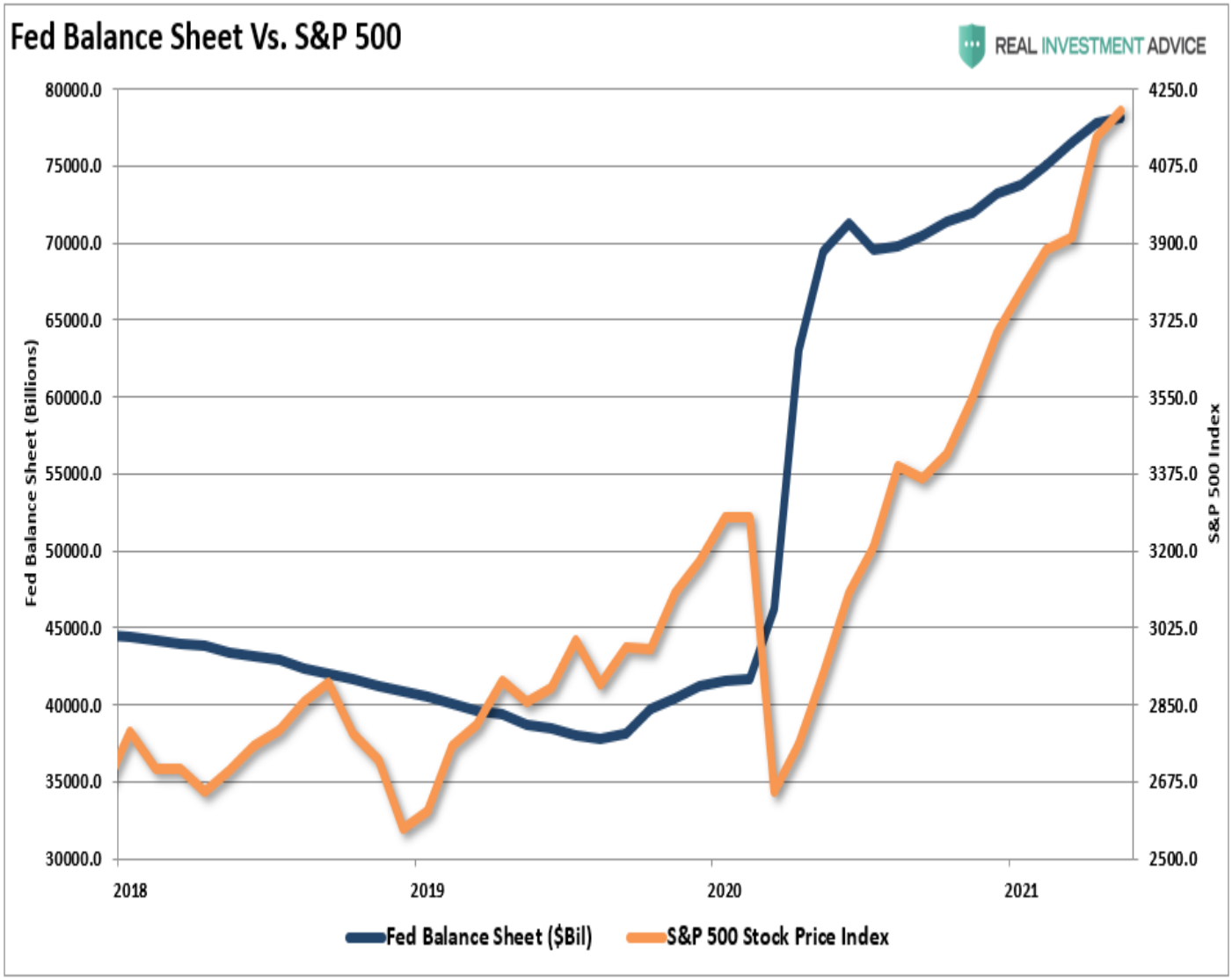
While we are adding exposure, we are not getting overly aggressive. The risk of a more significant drawdown outweighs the reward longer-term, but we are willing to trade short-term opportunities. For more discussion and detail on why this is a 3-4 week trade, watch Thursday's ***"3-Minutes"*** video. https://youtu.be/4m4Rp8NyoeI


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Fed Starts To Talk Taper

The general premise of *"bullish investors"* is that as long as the Fed is pumping money into the markets, you have to *"buy stocks."* As we discussed in ***"The Market Will Reach 4500,"*** that has been the right call.

> *"The correlation between the Fed?s monetary interventions and the stock market is evident.* ***The increase in the Fed?s balance sheet remains in near lockstep with the stock market?s climb."***



Of course, you should also not the period of somewhat volatile and ZERO return from 2018 through March 2020, as the Fed tapered their balance sheet. The Fed currently purchases $120 billion a month in Treasury and Mortgage Back securities, which has inflated both an equity and housing bubble. However, given the rapid economic recovery and rising inflationary pressures, the Fed is now setting the table for the "T" word. The following are two excerpts from the recent Fed minutes.

> *"A number of participants suggested that if the economy continued to make rapid progress toward the Committee?s goals, it might be appropriate at some point in*

upcoming meetings ***to begin discussing a plan for adjusting the pace of asset purchases."***

Such is important because they also realize they are responsible for elevated asset valuations.

> *"Regarding asset valuations, several participants noted that* ***risk appetite in capital markets was elevated, as equity valuations had risen further,*** *IPO activity remained high, and* ***risk spreads on corporate bonds were at the bottom of their historical distribution."***

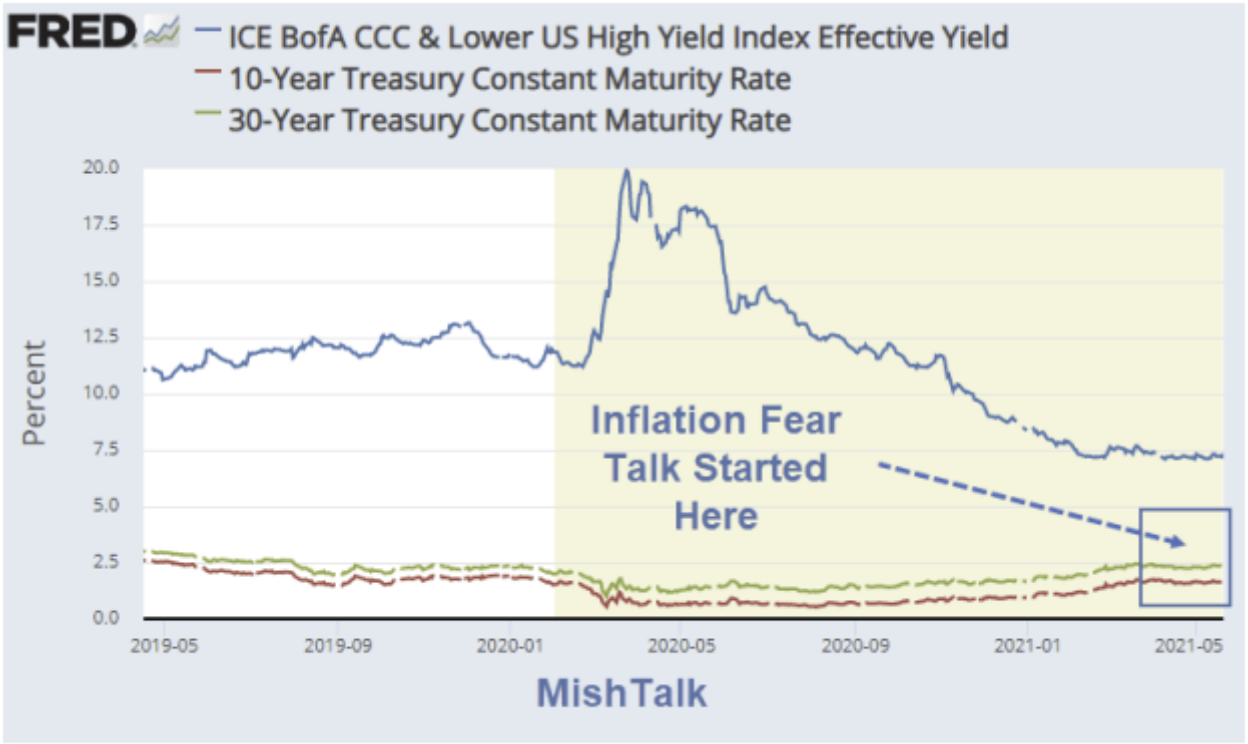
Let's focus on the last sentence.

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Risk Is Elevated

The most considerable risk to the *"equity markets"* is always a *"credit-related event."* When credit stops flowing, for any reason, the resulting liquidation spreads across every market as the scramble for safety begins. Mish Shedlock had an *excellent note* out on this issue this week.

> "'*When I look at CCC?s rallying so hard -- even if the default rates are at the low end of historical average -- your chances of making money over the long run aren?t great. Yo*



Of cours
Mike no
default.

With the Fed likely on the verge of tapering, interest rates rising, and economic growth slowing later in the year, the risk of a credit-related event has increased markedly. While the media is busy focusing on *"inflation,"* which "***will be transitory,"*** the credit market is the *"monster under the bed."*

"I do believe fear is on the horizon. But it is not fear of inflation. Rather it is fear of paying too much for junk bonds, too much for stocks, and too much for cryptos, most of the latter will be worthless. Writers, no doubt, will blame it on fear of inflation. That's the excuse of the day instead of blaming the Fed with help from Congress for another huge set of bubbles." - Mish Shedlock

Such is why understanding where you are in the current cycle is so crucial to long-term outcomes. Crashes matter and they matter a lot. The next crash will be caused by the Fed once again. The only question is when.

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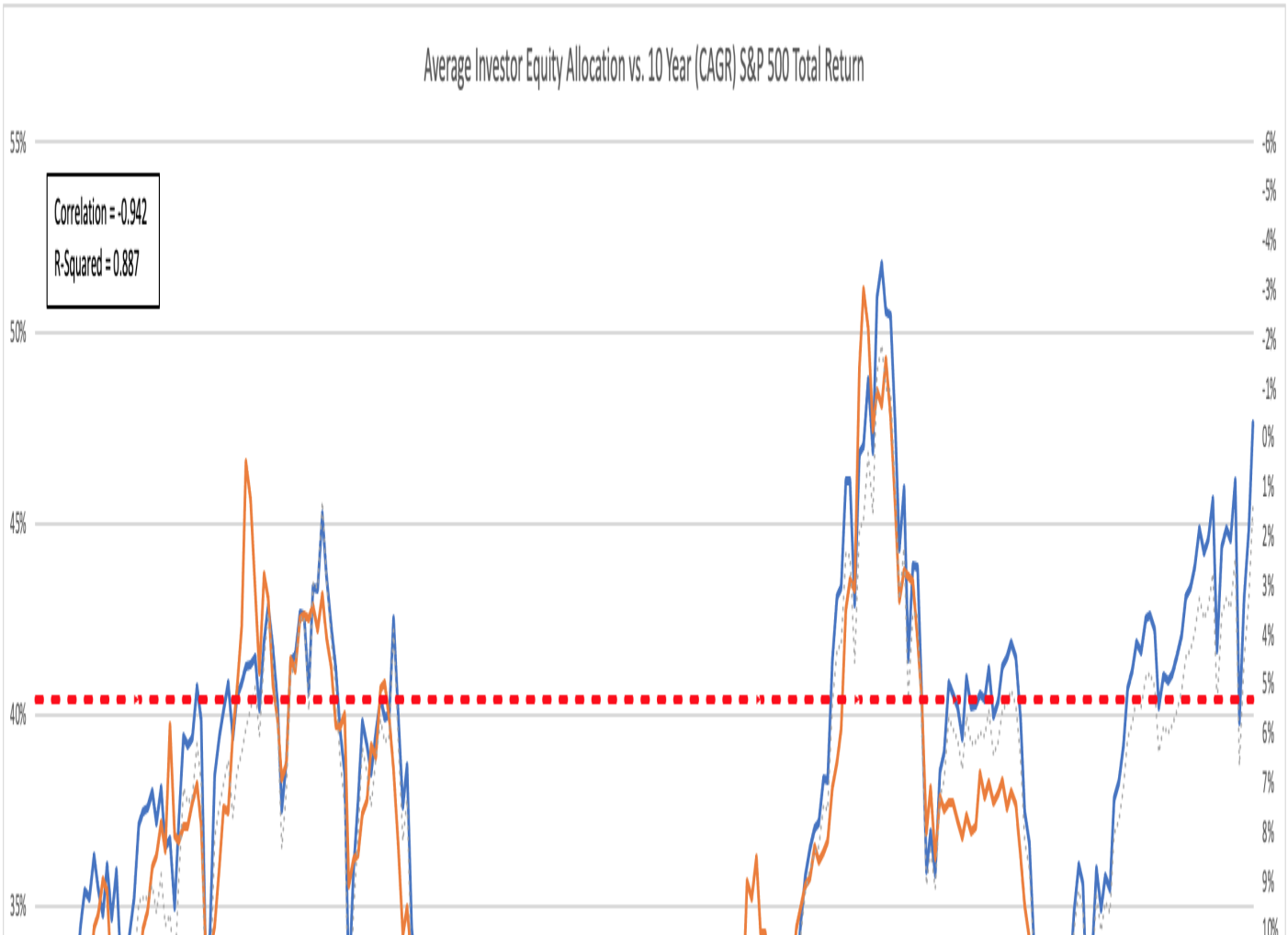
It Matters When You Start

My colleague, CEO of Armor ETF's, emailed me recently a vital point.

"There are two critical points that investors fail to understand: 1) it matters when you start and 2) losses matter because they take time to recoup the loss. *When it comes to investing, time can be your biggest enemy or your biggest beneficiary depending upon where you are (i.e. 20-year-old beginning investing journey vs. 60-year-old looking to retire in the next 5-10 years)." - Jim Colquitt*

The chart below shows forward 10-year total forward returns versus starting equity allocation levels. The returns (CAGR) for the next 10-years should be around 0% (note the r-squared).

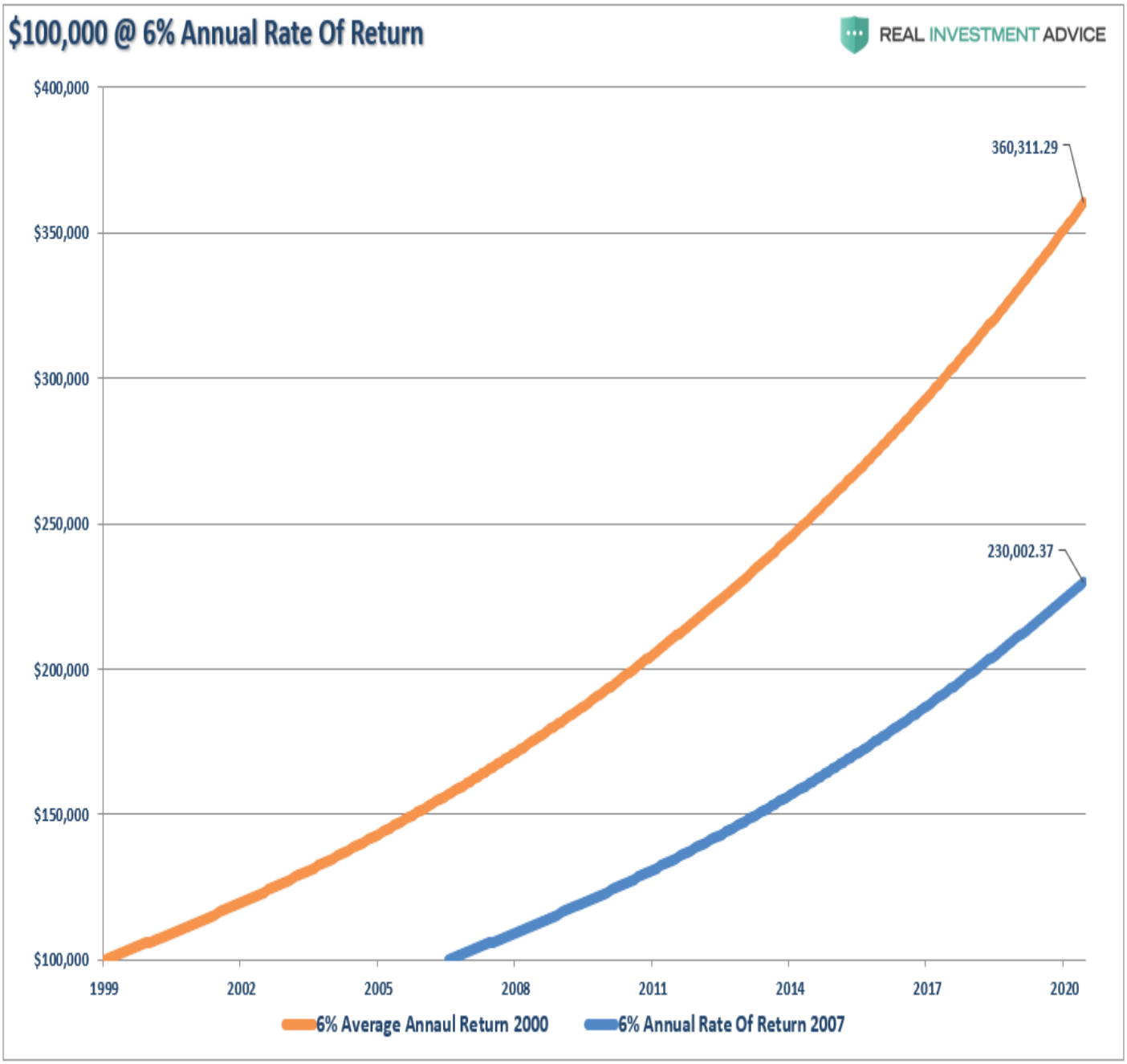
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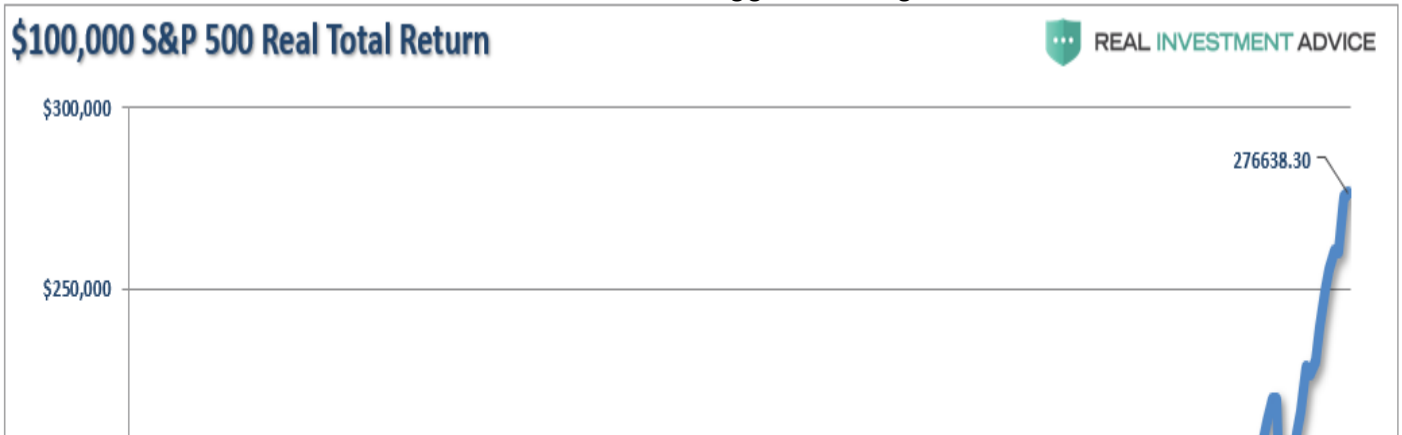
He is correct. Let me explain. *(The following is an excerpt from an upcoming article.)*

Crashes Matter

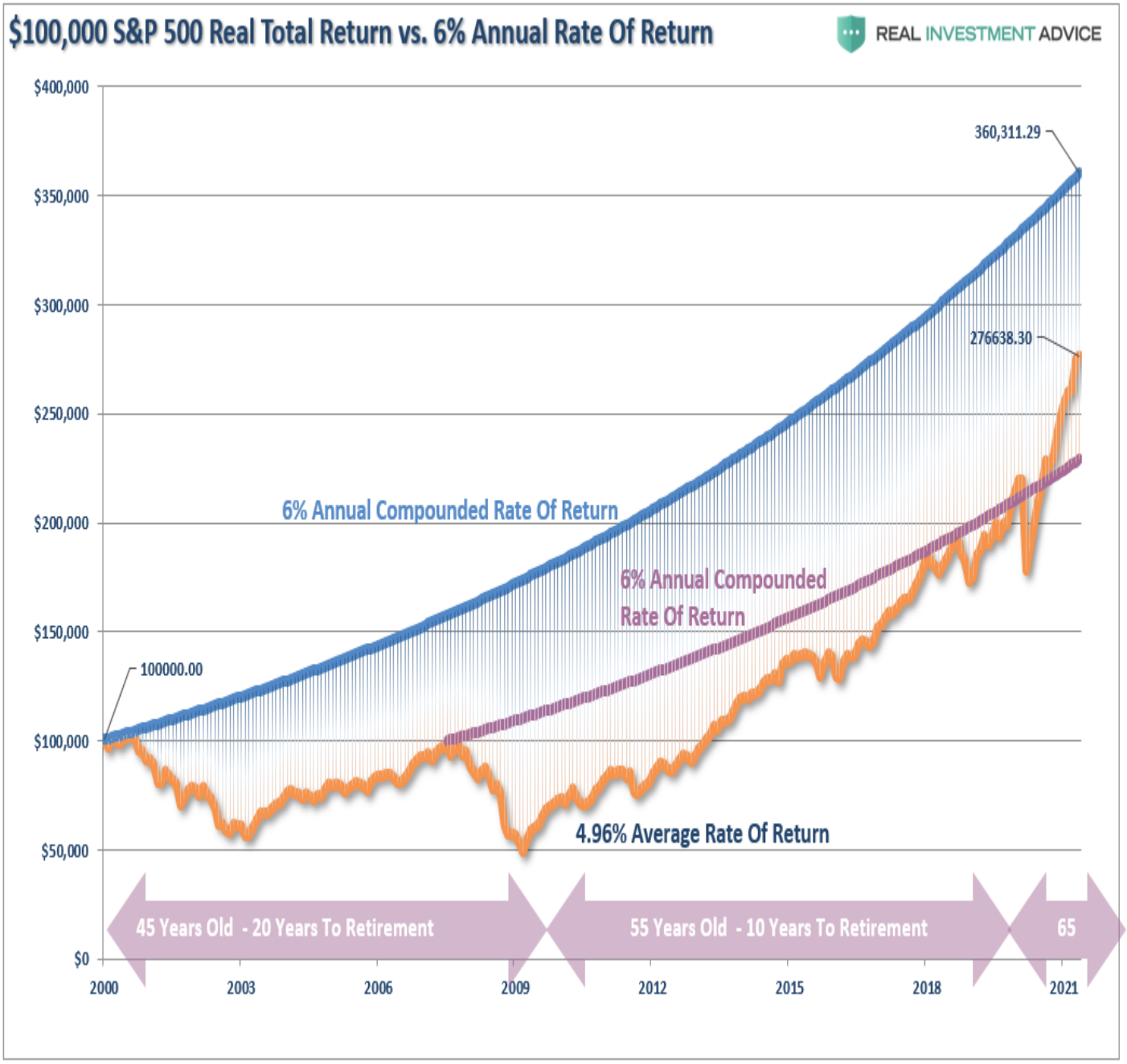
Financial advisors regularly tell clients that since the market grew 6% annually since 1900. Therefore, that is what returns will be in the future. The chart below shows $100,000 invested at 6% annually from 2000 or 2007.



Unfortunately, it didn?t work out that way. During the past 20-years, the annual return for stocks has been just 4.96% annualized. Since the peak of 2007, returns have annualized roughly 8.14%. Over the next decade, current valuations suggest average returns will return to 2% or less.



For boomers who start in 2000, whose financial plans assume high return rates to offset a savings shortfall, they are now well short of their retirement goals. **For those who started in 2007 they finally got back on track this year.** The question is can they keep it?



Unfortunately, investment returns are far worse, as a vast majority of the fully invested individuals in 2007 sold out of the market by the end of 2008. It took years before they returned to the market. As such, actual returns are vastly different than what the index suggests. Here is the sequence of events by age:

1. ***30?s:*** *In 1980, the ?baby boomer? generation is working, saving, and investing during the ?80-?90s bull market.*
2. ***50?s:*** *From 2000 to 2002, the ?Dot.Com? crash cuts investments by 50%.*
3. ***53-57:*** *From 2003-2007, the market grows savings back to breakeven.*
4. ***57-58:*** *The 2008 ?Financial Crisis? wipes out 100% of the gains of the previous bull market and resets savings values back to 1995 levels.*
5. ***58-63:*** *From 2009-2013, financial markets rose, growing savings back to levels seen in 2000.*
6. ***63-71:*** *In 2021, investors finally made some progress towards their retirement goals.*

Today, for most individuals heading into retirement, the importance of *"mean-reverting events"* should not be dismissed.

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Portfolio Update

We made few changes to the portfolio, except for adding to our QQQ index trading position. **While we seek to take advantage of a short-term oversold condition, we remain focused on long-term risk.** Such brings up some essential investment guidelines as we head into the unknown.

- ***Investing is not a competition****. There are no prizes for winning but there are severe penalties for losing.*
- ***Emotions have no place in investing.****You are generally better off doing the opposite of what you ?feel? you should be doing.*
- ***The ONLY investments that you can ?buy and hold?*** *are those that provide an income stream with a return of principal function.*
- ***Market valuations*** *(except at extremes) are very poor market timing devices.*
- ***Fundamentals and Economics*** *drive long-term investment decisions ? ?Greed and Fear? drive short-term trading. Knowing what type of investor you are determines the basis of your strategy.*
- ***?Market timing? is impossible****? managing exposure to risk is both logical and possible.*
- ***Investment is about discipline and patience.*** *Lacking either one can be destructive to your investment goals.*
- ***There is no value in daily media commentary****? turn off the television and save yourself the mental capital.*
- ***Investing is no different than gambling****? both are ?guesses? about future outcomes based on probabilities. The winner is the one who knows when to ?fold? and when to go ?all in?.*
- ***No investment strategy works all the time.*** *The trick is knowing the difference between a bad investment strategy and one that is temporarily out of favor.*

The one lesson you should have learned in 2020?

?The unexpected outcome occurs more often than you expect.?

Remember, it doesn't matter if you underperform the index on the way up. **The key is not *"outperforming"* the index on the way down.**

The MacroView



#MacroView: Confusing Market Crashes & Bear Markets. (Part-1)

Written by Lance Roberts | May 21, 2021

Over the long term, confusing market crashes and bear markets can be detrimental to investor outcomes. Yet, this is what Morningstar did recently in discussing the market correction in 2020.

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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

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S&P 500 Tear Sheet



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Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	44.83%	40.71%	10.98%	(73.03%)
Max Drawdown	(35.63%)	(10.86%)	(5.65%)	(47.92%)
Sharpe	0.91	2.60	2.21	(0.15)
Sortino	0.97	3.09	3.13	0.01
Volatility	25.45	17.05	14.71	(0.14)
Daily VaR-5%	(15.32)	15.94	8.37	(0.48)
Mnthly VaR-5%	(9.06)	23.52	24.78	0.05

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.81%	1.91%	1.31%	(45.47%)	2.14%	1.29%	(38.91%)	1.54%
P/E Ratio	18.12	19.21	27.40	29.90%	2727%	1606%	0.5%	70.68%
P/S Ratio	3.93	3.63	5.13	29.24%	5.17	3.23	(0.75%)	59.03%
P/B Ratio	5.14	5.08	6.88	26.13%	6.56	4.15	4.94%	65.59%
ROE	21.73%	21.32%	22.80%	6.49%	22.80%	17.60%	0.00%	29.53%
ROA	4.26%	4.09%	4.07%	(0.48%)	4.31%	3.50%	(5.62%)	16.04%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	3,080.4	2,996.4	(2.73%)
Sales	71,831	71,689	(0.20%)
SPS	23.3	23.9	2.60%
Earnings	11,113	11,768	5.89%
EPS TTM	4.5	4.5	0.16%
Dividend	1.6	1.6	(1.10%)

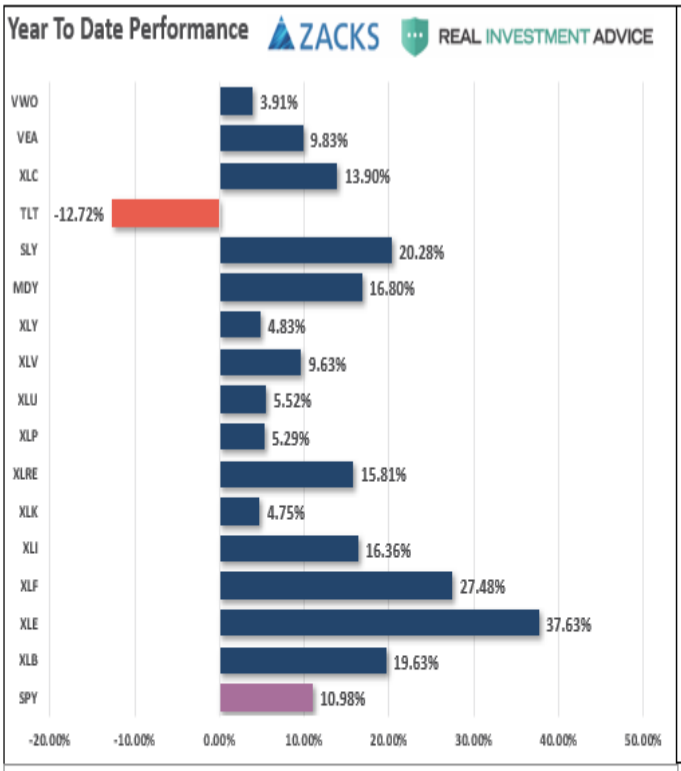
S&P 500 Asset Allocation

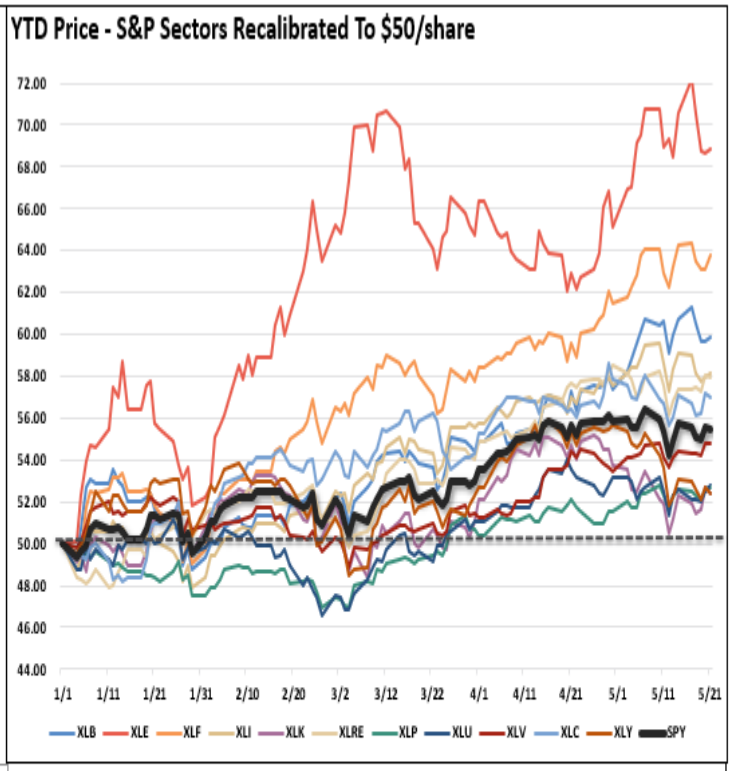
Sector	1 Year Price Return	Weight	Beta	P/E	P/E High-5yr (Mo.)	P/E Low - 5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE
Energy	34.63%	2.85%	1.89	(277.68)	121.96	(181.42)	(327.7%)	(0.1%)	4.2%	-0.50%	2.48	18.30
Materials	64.18%	2.85%	1.20	26.97	26.42	14.16	2.1%	11.1%	1.7%	3.25%	4.66	19.32
Industrials	59.16%	8.90%	1.18	53.11	54.29	14.68	(2.2%)	4.9%	1.3%	1.82%	4.09	25.12
Discretionary	50.08%	12.05%	1.36	52.40	60.06	20.97	(12.8%)	24.6%	0.6%	1.99%	5.06	37.54
Staples	23.86%	6.09%	0.64	23.09	22.83	17.65	1.1%	29.7%	2.4%	4.33%	4.36	21.24
Health Care	22.76%	13.21%	0.77	18.73	19.45	15.10	(3.7%)	29.9%	1.6%	5.07%	7.72	16.81
Financials	69.43%	11.93%	1.34	16.89	18.48	10.52	(8.6%)	9.3%	1.5%	5.88%	6.47	14.33
Technology	43.36%	25.97%	1.07	31.08	32.81	16.50	(5.3%)	65.9%	0.9%	3.20%	5.63	27.14
Telecom	45.19%	10.92%	0.97	26.92	28.18	17.61	(4.5%)	16.4%	0.6%	3.21%	8.28	22.88
Utilities	18.32%	2.62%	0.41	20.49	22.09	16.35	(7.2%)	10.6%	3.1%	4.86%	3.47	19.55
Real Estate	33.72%	2.52%	0.95	24.35	23.50	17.12	3.6%	6.6%	2.6%	4.30%	4.32	23.32

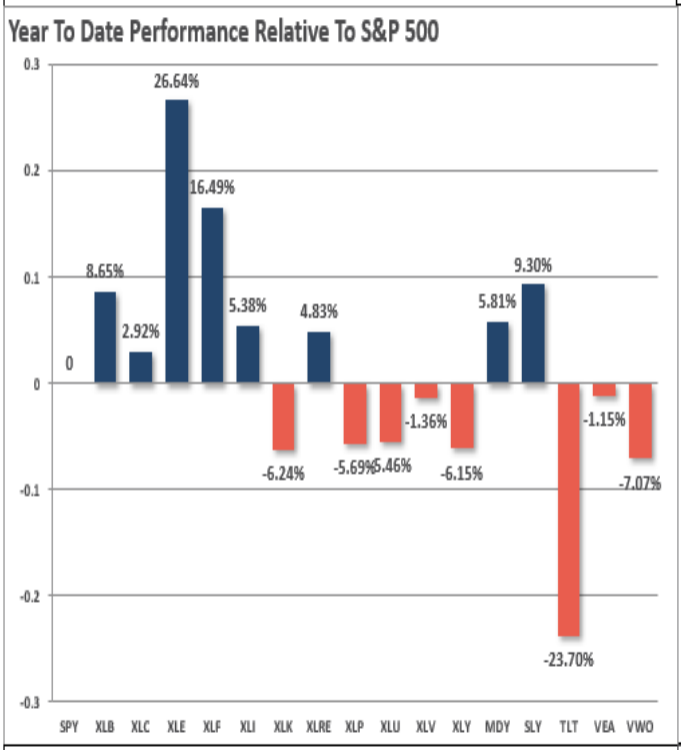
Momentum Analysis

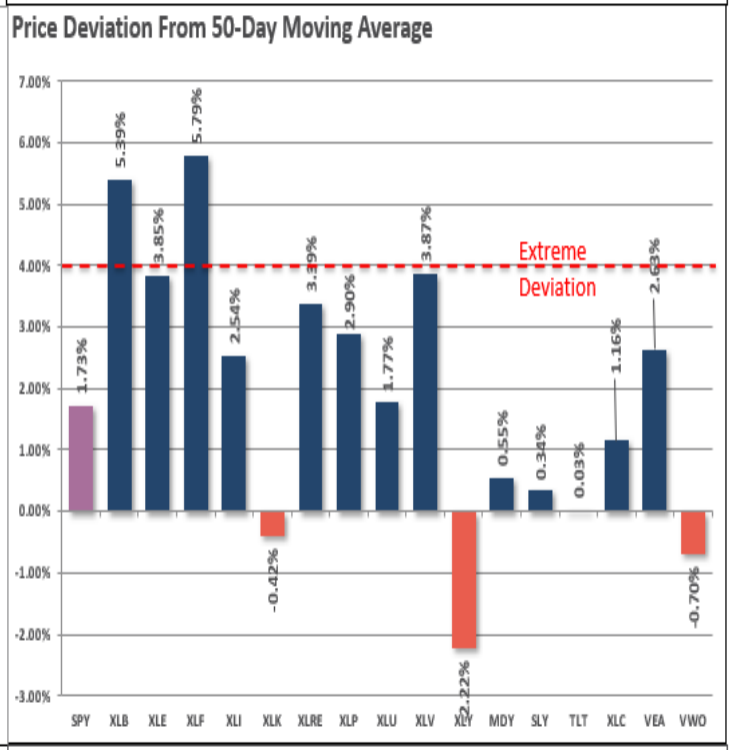
Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell
Large Cap	414.94	5.30%	408.16	50	1.66%	372.86	235	11.28%	9.47%	(1.86%)	42.13%	Buy
Mid Cap	490.45	1.64%	487.89	2	0.52%	421.05	171	16.48%	15.87%	(3.38%)	62.83%	Buy
Small Cap	95.67	(3.97%)	95.26	1	0.43%	80.50	168	18.85%	18.34%	(4.05%)	80.10%	Buy

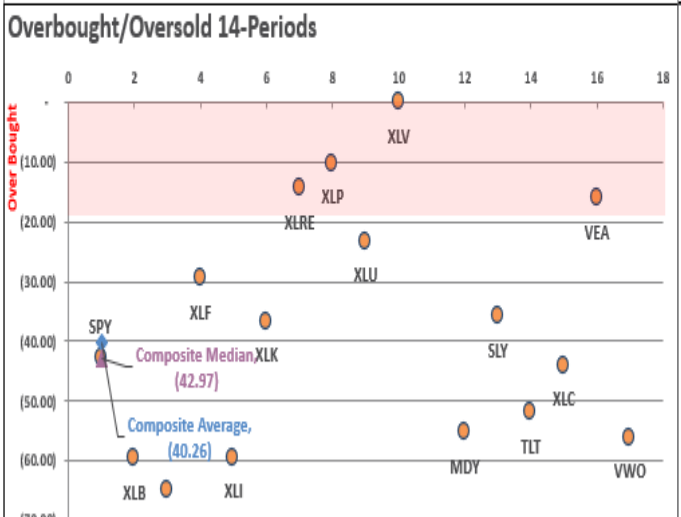
Performance Analysis

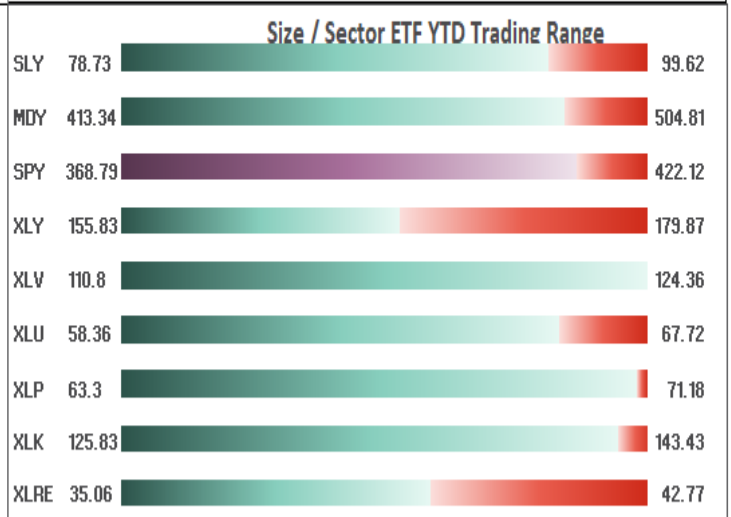






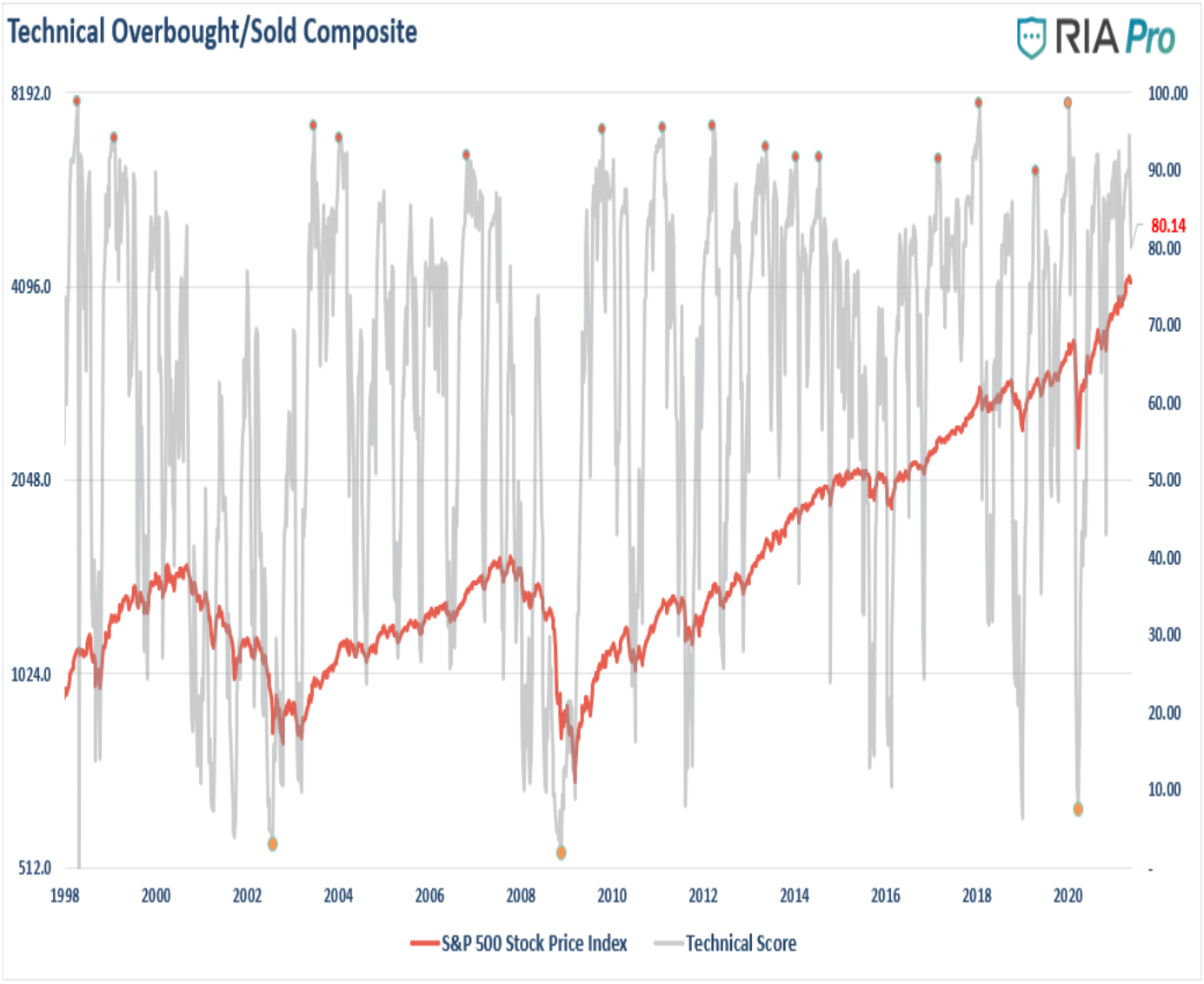






Technical Composite

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 84.70 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 75.5 out of a possible 100.***



Sector Model Analysis & Risk Ranges

How To Read This Table

- *The table compares each sector and market to the S&P 500 index on relative performance.*
- *"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.*
- *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	416.58	(0.38)	(0.41)	9.12	12.23	40.54	404.70	380.22	418.88	0.99	429.35	408.41	3%	10%	BULLISH
XLB	SPDR-MATLS SELS	86.60	(1.11)	4.86	8.62	8.42	23.07	80.78	74.32	83.04	1.07	86.00	80.08	7%	17%	BULLISH
XLC	SPDR-COMM SV SS	76.86	0.08	0.95	(1.73)	2.52	2.56	75.27	69.19	78.05	0.99	80.77	75.33	2%	11%	BULLISH
XLE	SPDR-EGY SELS	52.16	(2.11)	10.13	(0.79)	16.15	(4.99)	50.31	42.19	49.39	1.75	51.49	47.29	4%	24%	BULLISH
XLF	SPDR-FINL SELS	37.58	(0.41)	6.63	7.19	17.45	30.90	35.07	30.75	36.26	1.20	37.60	34.92	7%	22%	BULLISH
XLK	SPDR-TECH SELS	136.19	0.53	(4.15)	(4.91)	(4.18)	0.60	135.48	129.28	139.70	1.03	144.64	134.76	1%	5%	BULLISH
XLI	SPDR-INDU SELS	103.04	(1.23)	1.87	4.60	3.27	20.86	98.85	90.72	101.93	1.19	105.70	98.16	4%	14%	BULLISH
XLP	SPDR-CONS STPL	71.02	0.54	2.50	3.08	(7.22)	(16.96)	68.05	66.73	69.58	0.62	71.75	67.41	4%	6%	BULLISH
XLRE	SPDR-RE SELS	42.34	1.31	0.65	4.27	1.19	(11.06)	40.22	37.91	42.77	0.68	44.13	41.41	5%	12%	BULLISH
XLU	SPDR-UTIL SELS	66.16	0.76	(0.22)	4.25	(6.22)	(23.40)	63.93	63.30	66.72	0.35	68.62	64.82	3%	5%	BULLISH
XLV	SPDR-HLTH CR	124.36	1.12	0.96	1.32	(1.73)	(15.74)	118.36	114.10	121.33	0.77	125.29	117.37	5%	9%	BULLISH
XLY	SPDR-CONS DISCR	168.55	(0.90)	(4.80)	(4.53)	(5.57)	(1.51)	170.16	163.11	178.92	1.13	185.42	172.42	-1%	3%	BULLISH
XTN	SPDR-SP TRANSPT	89.22	(1.93)	0.85	0.62	10.09	40.87	87.53	76.01	88.91	1.40	92.38	85.44	2%	17%	BULLISH
SDY	SPDR-SP DIV ETF	125.02	(0.84)	2.27	3.72	4.63	3.54	119.78	109.83	122.75	0.91	126.94	118.56	4%	14%	BULLISH
RSP	INVS-SP5 EQ ETF	149.35	(0.25)	1.37	2.17	5.30	14.55	143.73	130.97	148.28	1.12	153.65	142.91	4%	14%	BULLISH
SLY	SPDR-SP6 SC	95.67	(0.29)	(0.02)	(4.09)	11.39	33.09	94.94	83.61	95.60	1.26	99.19	92.01	1%	14%	BULLISH
MDY	SPDR-SP MC 400	490.45	(0.79)	(1.53)	(1.29)	7.46	18.16	482.23	434.41	496.58	1.19	514.90	478.26	2%	13%	BULLISH
EEM	ISHARS-EMG MKT	53.14	0.74	(2.31)	(10.22)	(7.72)	5.33	53.84	51.78	53.98	0.80	55.76	52.20	-1%	3%	BULLISH
EFA	ISHARS-EAFE	80.03	0.97	1.63	(0.98)	(1.90)	(0.02)	77.36	73.16	78.11	0.84	80.72	75.50	3%	9%	BULLISH
IAU	ISHARS-GOLD TR	17.92	2.43	6.39	(0.12)	(9.95)	(32.46)	16.82	17.42	16.85	0.08	17.29	16.41	7%	3%	BEARISH
GDX	VANECK-GOLD MNR	39.29	4.21	9.37	17.09	(0.96)	(30.02)	34.59	35.86	34.36	0.70	35.46	33.26	14%	10%	BEARISH
UUP	INVS-DB US$ BU	24.22	0.09	(0.53)	(10.34)	(13.25)	(50.80)	24.61	24.67	24.58	(0.11)	25.17	23.99	-2%	-2%	BEARISH
BOND	PIMCO-TOT RETRN	110.13	0.48	(0.02)	(10.00)	(14.22)	(40.19)	110.11	111.48	110.37	0.08	113.22	107.52	0%	-1%	BEARISH
TLT	ISHARS-20+YTB	137.67	0.81	(1.29)	(12.93)	(23.52)	(57.38)	138.17	149.31	138.64	(0.26)	141.75	135.53	0%	-8%	BEARISH
BNDX	VANGD-TTL INT B	56.73	0.42	(0.37)	(9.89)	(15.07)	(41.64)	57.08	57.84	56.97	0.03	58.41	55.53	-1%	-2%	BEARISH
HYG	ISHARS-IBX HYCB	87.11	0.27	0.12	(8.34)	(11.93)	(33.30)	86.93	86.46	87.44	0.37	89.95	84.93	0%	1%	BULLISH

RIA Pro

REAL INVESTMENT ADVICE

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
ADBE	Adobe Systems	491.67	18.30	22.53	0.00	53.10	9.00
KLAC	Kla Corp	313.36	14.03	17.32	1.15	24.39	9.00
TSCO	Tractor Supply	183.90	9.03	10.75	1.13	23.85	9.00
AMD	Adv Micro Dev	78.06	35.01	20.18	0.00	55.76	8.00
FBHS	Fortune Brd H&S	104.24	13.95	5.04	1.00	21.99	8.00
GNRC	Generac Holding	308.53	6.50	14.89	0.00	38.66	8.00
IQV	Iqvia Holdings	236.74	12.85	13.13	0.00	35.98	8.00
IT	Gartner Inc -A	231.87	13.50	14.66	0.00	40.68	8.00
LOW	Lowes Cos	193.41	13.09	6.42	1.24	18.83	8.00
MAS	Masco	61.23	8.30	-0.01	0.91	17.40	8.00
MCO	Moodys Corp	326.99	10.00	10.13	0.76	28.51	8.00
MLM	Martin Mrt-Matl	361.96	12.40	6.26	0.63	29.74	8.00
MXIM	Maxim Intg Pdts	98.61	10.00	0.41	0.00	34.60	8.00
TER	Teradyne Inc	126.62	13.75	12.75	0.32	26.83	8.00
TGT	Target Corp	221.79	10.21	5.05	1.23	17.70	8.00
TXN	Texas Instrs	185.30	9.33	1.51	2.20	28.08	8.00
WST	West Pharm Svc	332.79	22.62	8.70	0.20	57.48	8.00
AAPL	Apple Inc	127.31	12.50	7.22	0.69	28.58	7.00
ALLE	Allegion Plc	137.63	5.67	5.94	1.05	26.07	7.00
AVY	Avery Dennison	216.99	7.90	3.71	1.14	27.64	7.00
CDNS	Cadence Design	125.25	14.41	9.66	0.00	53.53	7.00
CRL	Charles Rvr Lab	326.70	14.00	15.96	0.00	37.00	7.00
DE	Deere & Co	355.22	19.20	9.18	1.01	32.47	7.00
DOV	Dover Corp	148.07	11.50	-0.85	1.34	24.31	7.00
DVA	Davita Inc	123.06	14.38	-6.81	0.00	16.39	7.00
FB	Facebook Inc-A	318.61	20.13	33.80	0.00	27.25	7.00
HCA	Hca Holdings	206.21	12.35	5.44	0.93	17.64	7.00
HD	Home Depot	315.90	11.44	6.98	2.09	22.89	7.00
J	Jacobs Engin Gr	136.63	12.72	6.91	0.61	22.92	7.00
LRCX	Lam Research	626.72	32.80	13.48	0.83	26.15	7.00
NDAQ	Nasdaq Inc	163.46	5.75	9.22	1.20	24.66	7.00
NVDA	Nvidia Corp	584.50	15.23	21.54	0.11	71.81	7.00
NXPI	Nxp Semiconduct	199.67	10.00	-0.48	1.13	32.05	7.00
ORLY	O Reilly Auto	546.52	13.36	7.39	0.00	20.52	7.00
PH	Parker Hannifin	305.13	11.78	4.65	1.35	23.17	7.00
TT	Trane Tech Plc	180.45	21.50	0.89	1.31	35.88	7.00
UPS	Utd Parcel Srvc	213.94	8.72	7.87	1.91	21.74	7.00
WRB	Berkley (Wr) Cp	78.50	9.00	1.43	0.61	28.97	7.00
ADM	Archer Daniels	66.14	6.20	1.17	2.24	15.24	6.00
AME	Ametek Inc	132.38	10.18	5.54	0.60	33.10	6.00
CBRE	Cbre Group Inc	87.75	11.00	18.83	0.00	25.89	6.00
CE	Celanese Corp	164.28	20.25	1.63	1.66	18.67	6.00
CMS	Cms Energy	63.74	6.52	1.72	2.73	21.04	6.00
COO	Cooper Cos	389.11	11.00	7.27	0.02	38.45	6.00
GOOG	Alphabet Inc-C	2256.98	18.13	19.83	0.00	31.36	6.00

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

Ticker	Company	Current Price	Price/ Book	ROE 5 Yr Avg	Div Yield	Score
AGNC	Agnc Investment	18.43	0.99	12.61	7.81	8
BSRR	Sierra Bancorp	27.19	1.20	10.55	3.09	8
CMTV	Commnty Bcp Vt	18.63	1.29	12.72	4.72	8
FNCB	Fncb Bancorp	7.52	0.98	12.84	3.19	8
LOMA	Loma Negra Cia	6.65	1.31	21.10	3.82	8
NHTC	Natural Hlth Tr	7.22	1.26	34.80	11.08	8
NRIM	Northrim Bcp	44.70	1.20	10.34	3.31	8
UBCP	Utd Bancorp -Oh	15.20	1.32	10.26	3.75	8
ABR	Arbor Rlty Trst	17.56	1.48	11.02	7.74	7
CAC	Camden Ntl Corp	46.94	1.32	11.42	3.07	7
CATY	Cathay Genl Bcp	41.32	1.34	11.10	3.00	7
CIM	Chimera Invest	13.79	0.89	12.70	8.70	7
CZFS	Citizens Fin Sv	60.24	1.19	12.21	3.09	7
FCBP	First Choice Bc	32.02	1.32	11.93	3.12	7
FLIC	First Long Is	22.65	1.32	10.79	3.36	7
FNF	Fnf Group	47.24	1.66	15.41	3.05	7
FNLC	First Bancp Inc	29.74	1.43	11.71	4.17	7
GSBD	Goldman Sac Bdc	19.51	1.22	11.48	9.23	7
IBCP	Indep Bk Mich	23.18	1.31	12.02	3.62	7
NMFC	New Mountn Fin	13.16	1.01	10.26	9.12	7
PFG	Principal Finl	64.96	1.14	11.97	3.45	7
PRK	Park National	125.91	1.97	12.10	3.27	7
TRTN	Triton Intl Ltd	52.82	1.64	12.80	4.32	7
UVE	Univl Insur Hld	14.13	0.97	19.48	4.53	7
WAYN	Wayne Svgs Bcsh	25.03	1.19	10.09	3.36	7
WTBA	West Bancorp	27.34	1.93	14.81	3.51	7

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
ADBE	Adobe Systems	491.67	18.30	22.53	-	53.10	9.00
KLAC	Kla Corp	313.36	14.03	17.32	1.15	24.39	9.00
AMD	Adv Micro Dev	78.06	35.01	20.18	-	55.76	8.00
WST	West Pharm Svc	332.79	22.62	8.70	0.20	57.48	8.00
FBHS	Fortune Brd H&S	104.24	13.95	5.04	1.00	21.99	8.00
TER	Teradyne Inc	126.62	13.75	12.75	0.32	26.83	8.00
IT	Gartner Inc -A	231.87	13.50	14.66	-	40.68	8.00
LOW	Lowes Cos	193.41	13.09	6.42	1.24	18.83	8.00
LRCX	Lam Research	626.72	32.80	13.48	0.83	26.15	7.00
TT	Trane Tech Plc	180.45	21.50	0.89	1.31	35.88	7.00
FB	Facebook Inc-A	318.61	20.13	33.80	-	27.25	7.00
DE	Deere & Co	355.22	19.20	9.18	1.01	32.47	7.00
NVDA	Nvidia Corp	584.50	15.23	21.54	0.11	71.81	7.00
CDNS	Cadence Design	125.25	14.41	9.66	-	53.53	7.00
DVA	Davita Inc	123.06	14.38	(6.81)	-	16.39	7.00
CRL	Charles Rvr Lab	326.70	14.00	15.96	-	37.00	7.00
ORLY	O Reilly Auto	546.52	13.36	7.39	-	20.52	7.00
MPWR	Monolithic Pwr	331.97	25.00	20.00	0.72	91.96	6.00
CE	Celanese Corp	164.28	20.25	1.63	1.66	18.67	6.00
GOOG	Alphabet Inc-C	2,356.09	18.13	19.82	-	31.36	6.00
GOOGL	Alphabet Inc-A	2,306.95	18.13	19.82	-	30.71	6.00
NVR	Nvr Inc	4,722.70	18.02	6.88	-	19.06	6.00
ODFL	Old Dominion Fl	264.60	17.23	8.38	0.30	42.20	6.00
MCHP	Microchip Tech	151.15	15.33	16.92	1.09	25.66	6.00
MTB	M&T Bank Corp	160.73	15.19	3.95	2.74	14.00	6.00
FRC	First Rep Bk Sf	186.65	15.70	18.27	0.47	29.16	5.00
RHI	Robt Half Intl	87.72	15.54	1.41	1.73	30.25	5.00
GWW	Grainger W W	454.74	13.50	4.02	1.42	27.71	5.00
URI	Utd Rentals Inc	319.31	13.44	12.17	-	18.17	5.00
SCHW	Schwab(Chas)	70.74	14.09	12.04	1.02	26.90	1.00

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
ADBE	Adobe Systems	491.67	18.30	22.53	-	2.69	9
FICO	Fair Isaac Inc	501.24	#N/A	9.98	-	#N/A	8
MCO	Moodys Corp	326.99	10.00	10.13	0.76	2.89	8
MXIM	Maxim Intg Pdts	98.61	10.00	0.41	-	3.15	8
TXN	Texas Instrs	185.30	9.33	1.51	2.20	2.70	8
WST	West Pharm Svc	332.79	22.62	8.70	0.20	2.05	8
CDNS	Cadence Design	125.25	14.41	9.66	-	3.63	7
FFIN	First Fin Bk-Tx	49.38	#N/A	11.75	1.05	#N/A	7
NVDA	Nvidia Corp	584.50	15.23	21.54	0.11	3.65	7
STAA	Staar Surgical	123.66	#N/A	20.15	-	#N/A	7
VICR	Vicor Corp	85.30	#N/A	9.45	-	#N/A	7
CPRT	Copart Inc	124.09	#N/A	15.29	-	#N/A	6
EXPO	Exponent Inc	92.06	#N/A	7.13	0.87	#N/A	6
MPWR	Monolithic Pwr	331.97	25.00	20.00	0.72	2.98	6
IBKR	Interactive Brk	66.76	#N/A	15.35	0.60	#N/A	5

Portfolio / Client Update

We discussed that our *"money-flow"* indicators were back to more oversold levels during the last couple of weeks. Such suggested the recent bout of selling was likely concluding. Therefore, we have slowly added an index trading position (QQQ) to portfolios for a trading opportunity over the next few weeks. However, it is essential to note this is just a "short-term" trade, and we will be selling the position once the money-flow indicators return to the top of their historical ranges. At that juncture will also look to reduce overall exposure to the portfolio as we expect to see a peak in economic and earnings growth. Furthermore, let me repeat from last week:

> *"Nonetheless, we continue to make minor tweaks to portfolios to adjust allocations and rebalance risks. Our short-term concern is the Fed "panics" and makes a mistake that shocks the market. It won't be the first time it has happened and is always unexpected."*

With the Fed now discussing the potential of "tapering" asset purchases in the future, such will be the start of the *"clock ticking."* However, that is a concern for later. In the meantime, we continue with our game plan and continue to focus on risk controls.

Portfolio Changes

During the past week, we made minor changes to portfolios. We post all trades in real-time at ***RIAPRO.NET***.

***** Trading Update ? Equity and Sector Models *****

> *"We added 1% to Ford (F) increasing our total position to 3%. The stock broke out of its previous downtrend and pushed above the 50-dma. We expect that at some point, the company will re-establish its dividend which will help total returns in the future. For now, it is a trading position until that transition occurs." - 05/20/21*

Equity & ETF Models

- *Add 1% of the portfolio into F increasing total weighting to 3%.*

> *"In both models we added 2.5% of TLT and 1% QQQ, bringing QQQ up to 4%. We are adding TLT in part for technical reasons as it?s very close to its 200 dma and getting ready to turn up on a money signal. Further, it may provide a little insurance if the recent downtrend in equities continues." - 05/19/21*

Equity & ETF Models

- *Initiate a 2.5% position in TLT*
- *Add 1% of the portfolio into QQQ, increasing total weighting to 4%.*

> *"We trimmed back CVS to model weight into the market close today (2% of the portfolio) after a big move higher. We still like the position longer-term on a fundamental basis but it needs a correction to add to the position." - 05/18/21*

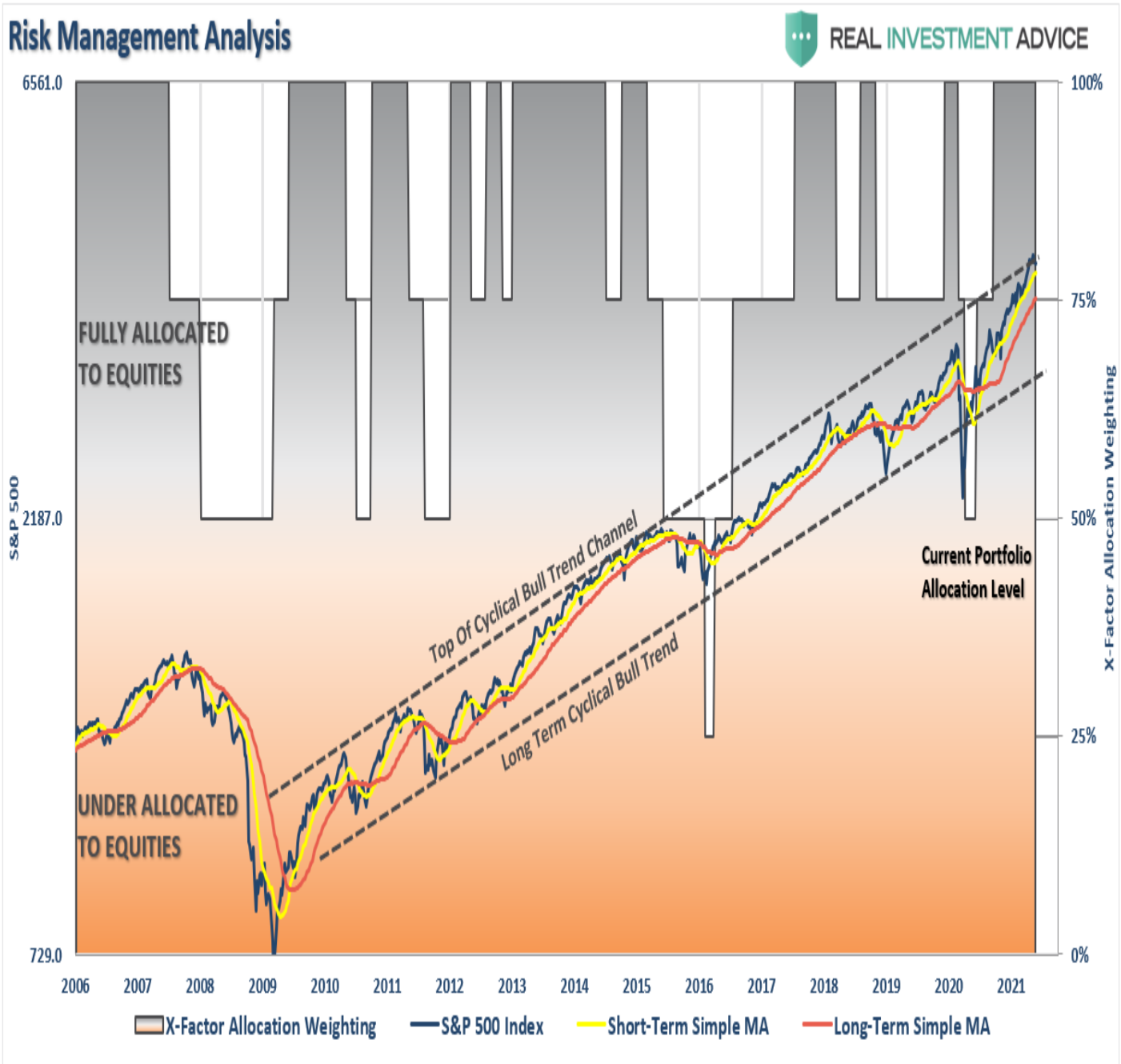
Equity Model

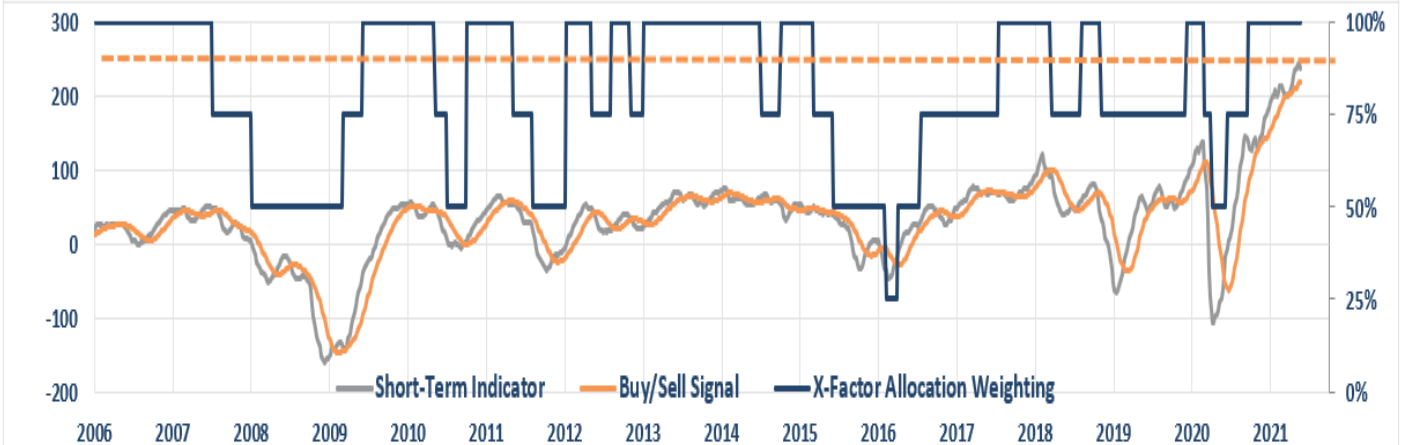
- *Reduce CVS to 2% of the portfolio*

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

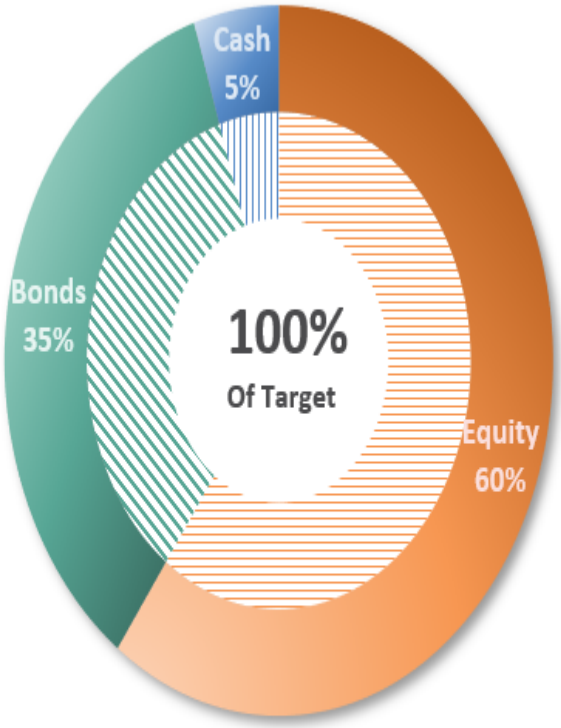
THE REAL 401k PLAN MANAGER

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

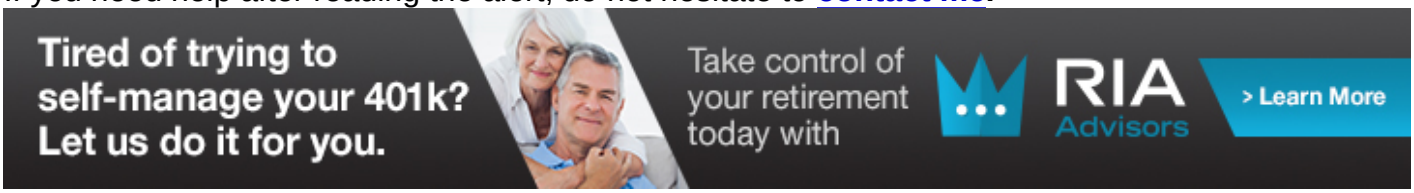
The Nasdaq finally registerd a "buy signal" on Thursday of last week, and the S&P 500 continues to hold support at the 50-dma. Such keeps allocations in check for now. As stated last week, we expected to get a rally this week, although it left a bit to be desired.

Market action remains week, and the buy signals won't last long if performance doesn't begin to improve soon. As noted last time, we will use any rally to reduce risk into over the next few weeks.

Portfolios should be alighed to your specific risk tolerance models as of now. However, we still recommend remaining underweight international and small-cap stocks for now.

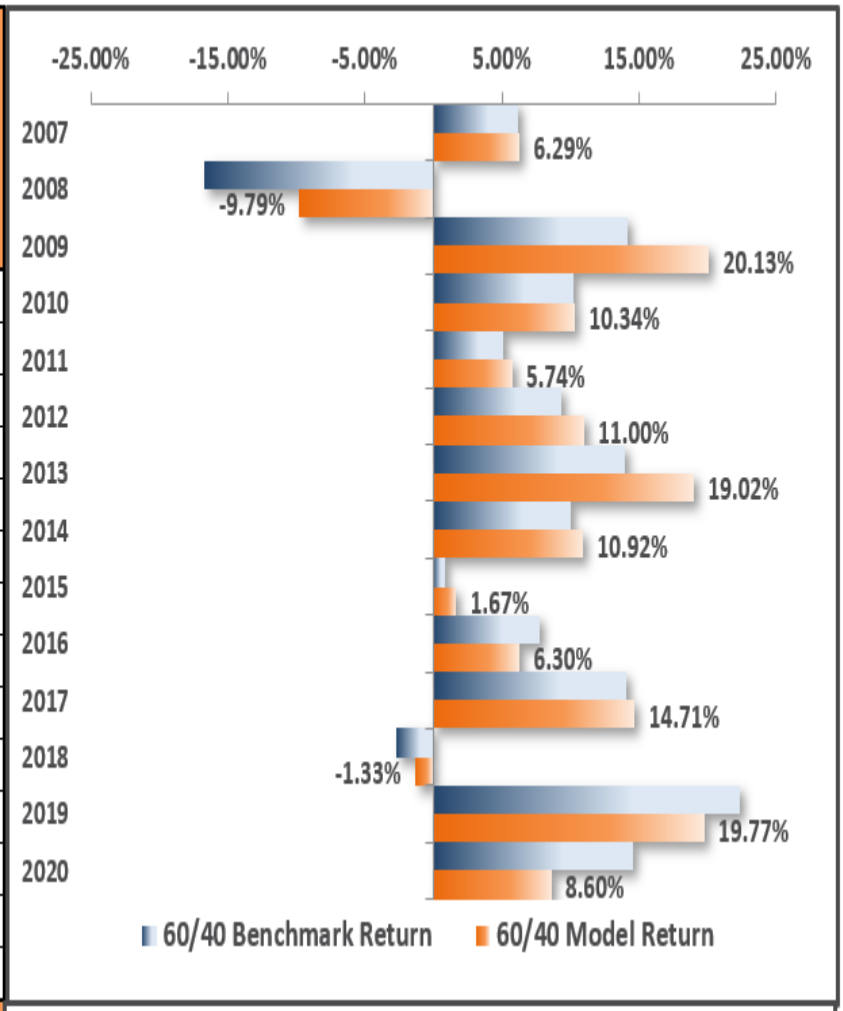
There is no need to be aggressive here. There isn't likely a lot of upside to the market as we head into summer, so we would recommend not being overly aggressive.

If you need help after reading the alert, do not hesitate to **contact me**.

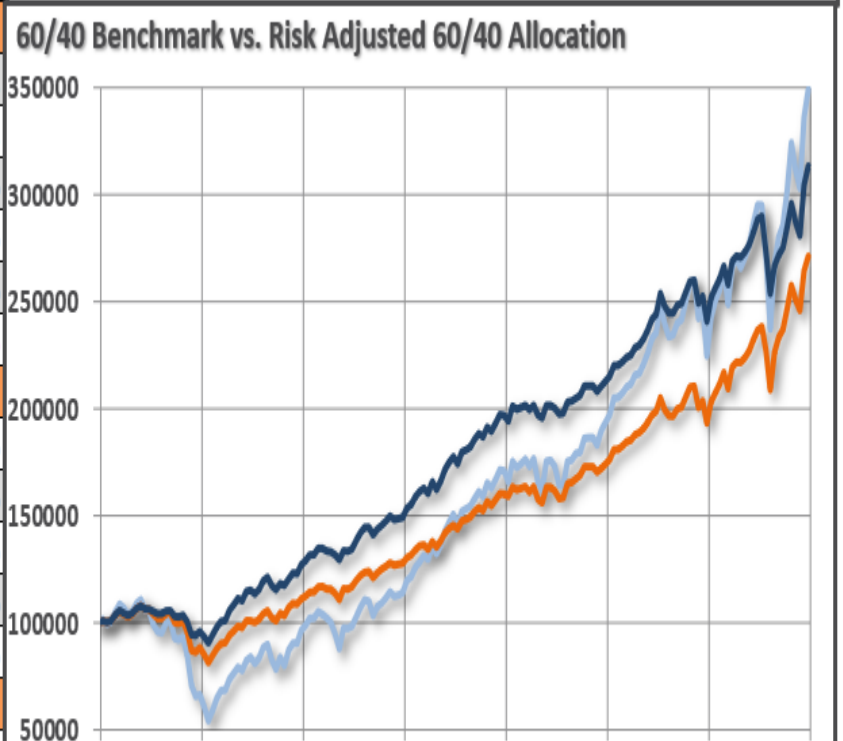


Model performance is a two-asset model of stocks and bonds relative to the weighting changes made each week in the newsletter. Such is strictly for informational and educational purposes only, and one should not rely on it for any reason. Past performance is not a guarantee of future results. Use at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

Year	60/40 Benchmark Return	60/40 Model Return
2007	6.16%	6.29%
2008	-16.73%	-9.79%
2009	14.14%	20.13%
2010	10.19%	10.34%
2011	5.11%	5.74%
2012	9.33%	11.00%
2013	13.94%	19.02%
2014	10.04%	10.92%
2015	0.88%	1.67%
2016	7.77%	6.30%
2017	14.12%	14.71%
2018	-2.71%	-1.33%
2019	22.41%	19.77%
2020	14.58%	8.60%



Portfolio vs Benchmark Statistics	
Number of Up Years	12
Number of Down Years	2
Best One Year Return Of Benchmark	22.41%
Best One Year Return Of Model	20.13%
Worst One Year Return Of Benchmark	-16.73%
Worst One Year Return Of Model	-9.79%
Benchmark Return 2007-Present	171.16%
Model Return 2007-Present	213.32%
Total Alpha Generated	42.17%
Mean Annual Return Of Benchmark	7.80%
Mean Annual Return Of Model	8.81%



Have a great week!