

Retail Investors Panic As Market Plunges

In this 01-21-22 issue of "Retail Investors Panic As Market Plunges."

- **Retail Investors Panic**
- **The "Value Trade" Isn't Really A Value**
- **Portfolio Positioning**
- **Sector & Market Analysis**

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Retail Investors Panic As Market Plunges

[Last week](#), we noted:

Notably, despite the market's failure to hold previous gains, it successfully retested and held the lower trend line. However, sell signals remain in place and have not yet reached more oversold levels. The concern remains the Fed's more aggressive stance to battling the inflation surge, which hit 7% annualized this past month.

This past week, retail investors began to panic sell as "meme" stocks fell apart. Previous favorites became an anathema from AMC to Gamestop to Pelton and Netflix. The selling pressure took the S&P 500 below its trendline support, deep into oversold territory, and well into 3-standard deviations below the mean.



[Chart Courtesy Of SimpleVisor.com](#)

The selling pressure was worse in the Nasdaq taking that index to extreme oversold and 4-standard deviations below its 50-dma. Such is the worst start for the Nasdaq since 2008 and is at support from October lows.



[Chart Courtesy Of SimpleVisor.com](#)

Friday was problematic for stocks due to the \$3.3 Trillion simultaneous expiration of index and stock options.

Exhibit 7: \$3.3tln of options notional, including \$1.3tln of single stock options, expires on Friday (21-Jan)
Notional open interest of US-listed options expiring on 21-Jan-2022



Source: Goldman Sachs Global Investment Research, OptionMetrics, Bloomberg

The "good news," if you want to call it that, and as noted by Zerohedge, is there is now a good bit of "combustible fuel" to create a counter-trend rally heading into the Fed meeting next week.

*"The extreme negative / short Delta? across all option expiries is at risk of becoming a combustible fuel for a mechanical squeeze if spot rallies. **There is over -\$107B of front-week Delta alone.**"*

	01/21/22	01/21/22 to 02/16/22	01/21/22 to 02/16/22 (excl front date)
Total Call Delta	56,411.3	76,820.6	20,409.4
Total Put Delta	-163,713.6	-267,892.7	-104,179.2
Sum of Total Delta\$	-107,302.3	-191,072.1	-83,769.8
Total Net Notional +2%	104,297.7	156,016.0	51,718.3
Total Net Notional -2%	93,113.4	136,976.1	43,862.7
Total Gamma\$ +2%	7,522.0	11,773.5	4,251.5
Total Gamma\$ -2%	9,856.0	13,734.6	3,878.6
Total Gamma\$ +4%	9,051.3	15,896.3	6,845.0
Total Gamma\$ -4%	13,463.1	19,790.9	6,327.8
Total Gamma\$ +6%	9,361.5	17,597.8	8,236.3
Total Gamma\$ -6%	14,596.2	22,568.3	7,972.1
Total Gamma\$ +8%	9,426.0	18,035.8	8,609.8
Total Gamma\$ -8%	15,156.9	23,876.5	8,719.6
Total Gamma\$ +10%	9,462.0	18,160.9	8,698.9
Total Gamma\$ -10%	15,400.5	24,443.0	9,042.4

All this means is that investors are now all on "one side of the boat," which is a prime setup for a counter-trend bounce.

However, it is likely a bounce you will want to use to "derisk" your portfolio.

The Big Risk Next Week

Next week is the January meeting of the FOMC. The results of that meeting will set the market's tone for the next few months. With the markets already in correction mode, the big question is whether or not the Fed will press ahead with monetary tightening.

On Friday, I took a poll asking whether the Fed will forge ahead with tighter policy (*hawkish*) or try and soften its stance to maintain financial stability (*doveish*).

<https://twitter.com/LanceRoberts/status/1484287172983377924?s=20>

As discussed previously, the Fed's most considerable risk remains [the "stability" of the financial markets](#). While the Fed is concerned about "inflation" and its impact on the economy, financial instability is a greater risk. Just as in 2008, a cratering financial market undermines economic growth and exacerbates the risk of a financial crisis from a highly leveraged economy.

We suspect the Fed will ultimately opt for financial stability. However, the Fed has a long history of making the wrong choice first before coming to the rescue.

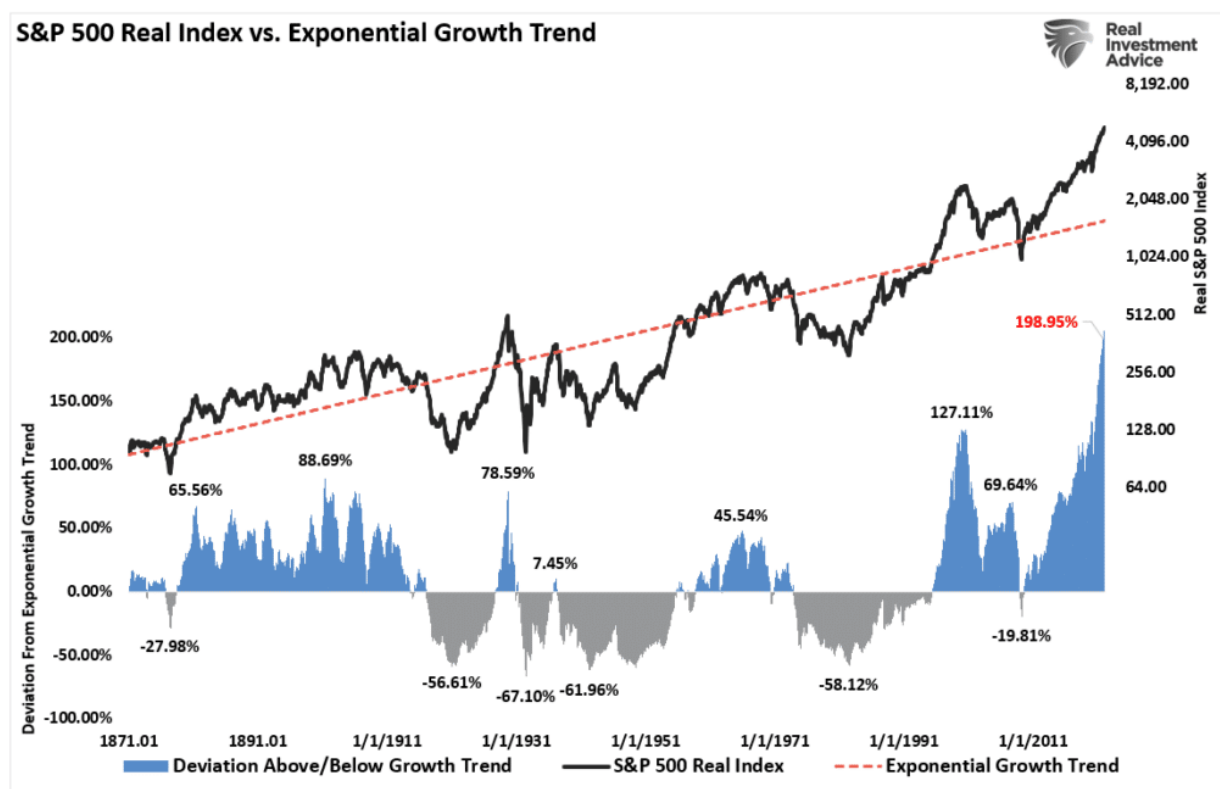
The Big Crash

The crucial point is that we have "no idea" what the Fed will do. What we do know, as stated, is the Fed usually makes a mistake. Such was the crux of [comments by Jeremy Grantham](#):

"All 2-sigma equity bubbles in developed countries have broken back to trend. But before they did, a handful went on to become superbubbles of 3-sigma or greater: in the U.S. in 1929 and 2000 and in Japan in 1989. There were also superbubbles in housing in the U.S. in 2006 and Japan in 1989. All five of these superbubbles corrected all the way back to trend with much greater and longer pain than average."

Today in the U.S. we are in the fourth superbubble of the last hundred years."

The bubble is easy to spot in the chart below of deviations of the market from its long-term exponential growth trend.



As Grantham correctly notes, investors don't want to admit that a correction of magnitude is possible. However, the possibility of a 40-50% contraction to revert the massive extension from the long-term growth trend is highly probable. All that is needed is the right catalyst, which so far has yet to appear.

The problem is that crashes start slowly and then all at once. Only in hindsight does the catalyst become obvious.

Therefore, we continue to suggest using any rally heading into the Fed meeting to reduce risk exposure. If the Fed turns dovish and the bull market continues, it's easy to add exposure. If they don't, lower levels of risk will shield you from a further decline.

Risk management isn't about being right. It's about protecting capital when you're wrong.

This Week's MacroView



Wage Increase – The Good, Bad, & Ugly

Written by Lance Roberts | Jan 21, 2022

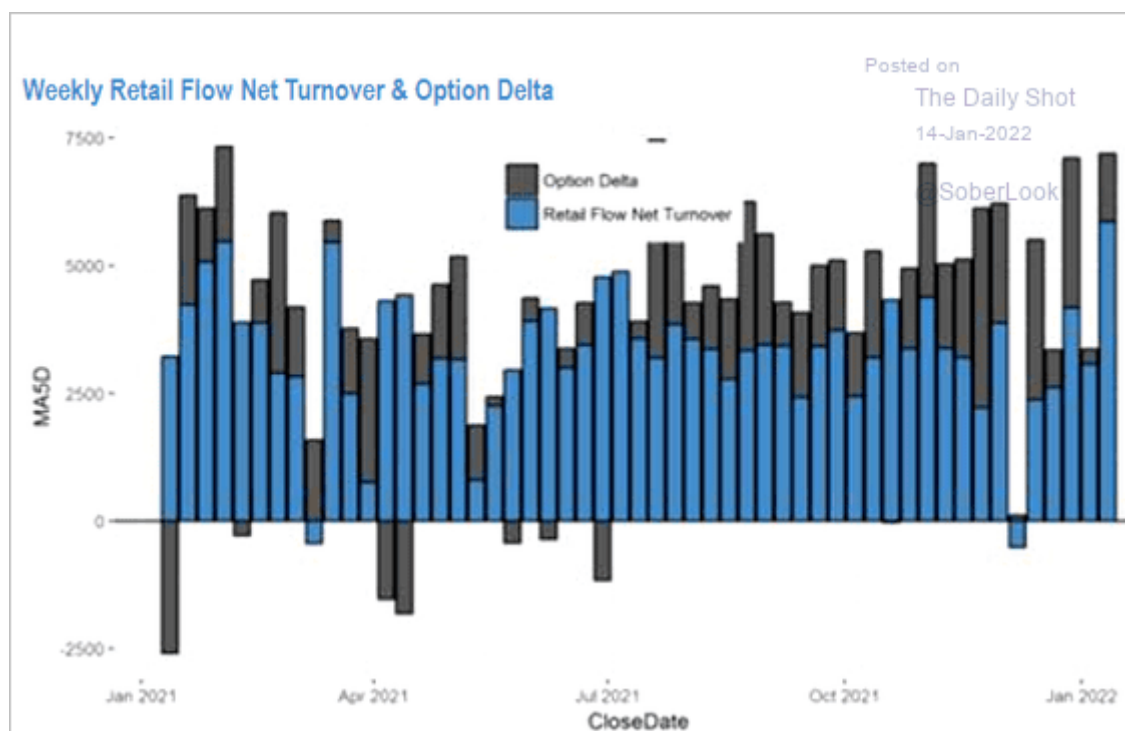
Wage increases are undoubtedly good for workers. However, as we will explore, wage increases are...

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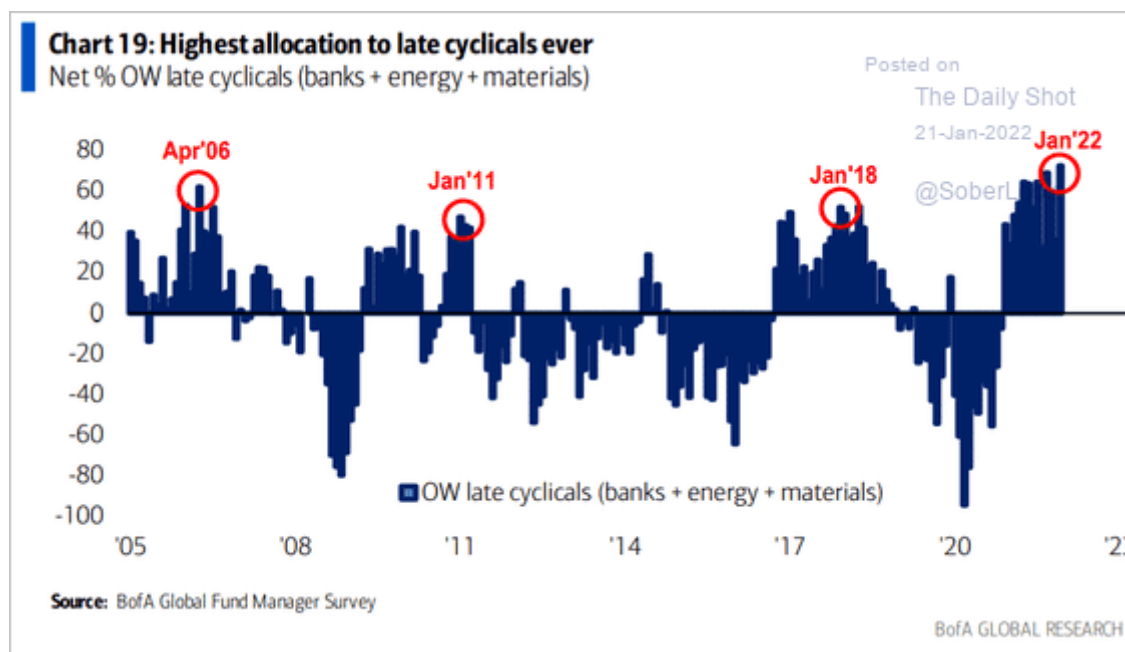
Retail Investors Pile Into Value

Since early December, we have discussed the "value trade" would likely make a resurgence in 2022. That trade came in strong during January. Energy surged sharply on the back of higher oil prices, and [retail investors poured into ETFs](#).

*?Retail investors have been plowing a great deal of money into the markets in recent days. But remarkably, in addition to the broad index ETFs, **they've been buying value sector ETFs (according to JP Morgan Research)**. So this rotation is not limited to institutions.?? The Daily Shot*



Professionals also have plowed into those areas as well.



There are two things to note about the "value" trade.

- It tends to be a "late cycle" trade, followed by economic weakness (2012), market corrections (2018), and outright bear markets (2008),
- By the time "retail investors" pile into the trade, it is generally too late.

However, the most crucial factor is the companies retail investors are piling into are not really "value."

Value Isn't Really A Value

However, the value trade isn't really what it seems. For most investors, the idea of value investing is the purchase of "fundamentally undervalued" companies. **Unfortunately, such isn't the case as investors buy** ETFs of stocks only traditionally "classified" as value. As shown in the table below, which is a compilation of the top-10 holdings of the 3-largest value ETFs, only one company truly qualifies as a fundamentally cheap stock.

Symbol	Name	Price	P/E	FWD PE	5-Yr Return On Equity	5-Yr Sales Growth	5-Yr EPS Growth	Yield	Ranking	
AVGO	BROADCOM INC	563.97	22.56	19.07	32.53	11.16	12.82	2.91	1.00	(4-5 = Sell, 3 = Hold, 1-2 = Buy)
XOM	EXXON MOBIL CRP	73.11	21.76	11.60	6.20	(4.08)	(24.37)	4.81	1.00	
F	FORD MOTOR CO	22.45	12.01	11.35	15.12	(3.71)	(13.65)	1.78	1.00	
PFE	PFIZER INC	53.54	14.24	8.77	25.99	0.83	5.52	2.91	1.00	
GM	GENERAL MOTORS	56.24	7.33	8.20	19.65	(6.17)	(5.26)	0.00	2.00	
BRK.B	BERKSHIRE HTH-B	314.75	28.59	25.04	5.79	2.20	11.19	0.00	3.00	
UNH	UNITEDHEALTH GP	462.52	24.33	21.52	24.07	8.77	18.93	1.25	3.00	
BAC	BANK OF AMER CP	46.44	13.05	14.69	9.98	(0.38)	12.14	1.81	3.00	
ABT	ABBOTT LABS	126.05	23.60	26.85	18.10	12.14	16.45	1.49	3.00	
DIS	DISNEY WALT	150.11	65.84	35.71	12.98	4.78	(28.66)	0.00	3.00	
CVX	CHEVRON CORP	128.91	23.18	12.80	5.71	(3.74)	8.55	4.16	3.00	
KO	COCA COLA CO	61.00	25.96	25.36	41.56	(1.93)	2.70	2.75	3.00	
T	AT&T INC	27.28	8.10	8.46	13.45	2.30	3.21	7.62	3.00	
MU	MICRON TECH	90.00	12.59	10.44	24.51	4.33	(1.19)	0.44	3.00	
IBM	INTL BUS MACH	131.58	15.14	11.83	59.71	(1.78)	(9.83)	4.99	3.00	
ABBV	ABBVIE INC	135.21	10.98	9.62	121.15	16.10	22.04	4.17	3.00	
C	CITIGROUP INC	64.24	5.87	8.34	9.20	(0.79)	12.37	3.18	3.00	
PG	PROCTER & GAMBL	162.00	28.62	27.43	25.04	3.65	9.96	2.15	4.00	
JPM	JPMORGAN CHASE	148.93	9.70	13.16	13.97	3.70	16.22	2.69	4.00	
JNJ	JOHNSON & JOHNS	166.58	17.48	16.21	34.24	3.93	5.94	2.55	4.00	
CMCSA	COMCAST CORP A	50.33	16.61	13.68	16.20	7.65	11.42	1.99	4.00	
INTC	INTEL CORP	53.62	9.09	14.66	27.54	6.63	16.85	2.59	4.00	
CSCO	CISCO SYSTEMS	58.90	19.97	19.22	27.13	0.64	8.08	2.51	4.00	

Another view of the same comes from Michael Lebowitz on the top-10 holdings of the Vanguard Admiral Fund.

		BRK.B	UNH	JPM	JNJ	PG	PFE	BAC	AVGO	XOM	ABT
P/E	Current	7.41	26.05	10.05	16.36	25.64	14.29	13.35	22.15	17.81	23.55
	Prem/Disc % vs S&P 500	-65%	23%	-53%	-23%	21%	-33%	-37%	4%	-16%	11%
	Prem/Disc % vs S&P 500 (Lowest Decile)	-6%	231%	28%	108%	226%	82%	70%	182%	127%	200%
Forward P/E	Current	n/a	20.847	13.105	15.216	23.627	11.795	13.999	20.14	10.23	26.683
	Prem/Disc % vs S&P 500	n/a	-7%	-41%	-32%	6%	-47%	-37%	-10%	-54%	20%
P/B	Current	1.29	5.711	1.839	5.842	7.681	3.966	1.461	9.158	1.512	6.421
	Prem/Disc % vs S&P 500	-71%	30%	-58%	33%	75%	-9%	-67%	109%	-65%	47%
	Prem/Disc % vs S&P 500 (Lowest Decile)	15%	408%	64%	420%	584%	253%	30%	715%	35%	471%
P/S	Current	2.42	1.574	4.019	4.764	4.743	3.612	4.413	8.329	1.115	5.45
	Prem/Disc % vs S&P 500	-22%	-49%	30%	54%	53%	17%	42%	169%	-64%	76%
	Prem/Disc % vs S&P 500 (Lowest Decile)	281%	147%	532%	649%	646%	468%	594%	1209%	75%	757%
Percentage Value vs S&P 500 (Green)		100%	50%	75%	50%	0%	75%	75%	25%	100%	0%
Percentage Value vs S&P 500 Low Decile (Green)		33%	0%	0%	0%	0%	0%	0%	0%	0%	0%
S&P 500 Rank P/E (low to high)		45	285	70	150	276	124	113	234	173	246
S&P 500 Rank P/B (low to high)		57	329	121	335	372	260	81	392	89	346
S&P 500 Rank P/S (low to high)		180	108	286	320	319	266	305	415	59	346

While companies like AT&T are indeed "*cheap*" on a P/E basis, return on equity (ROE), sales, and EPS growth, are all very low. Conversely, the more familiar names in the "*value*" sector like Proctor & Gamble, Berkshire Hathaway, Coca-Cola, and Disney, while great companies are wildly overvalued. As a result, Abbvie stands out as an apparent "*value*" leader in the group.

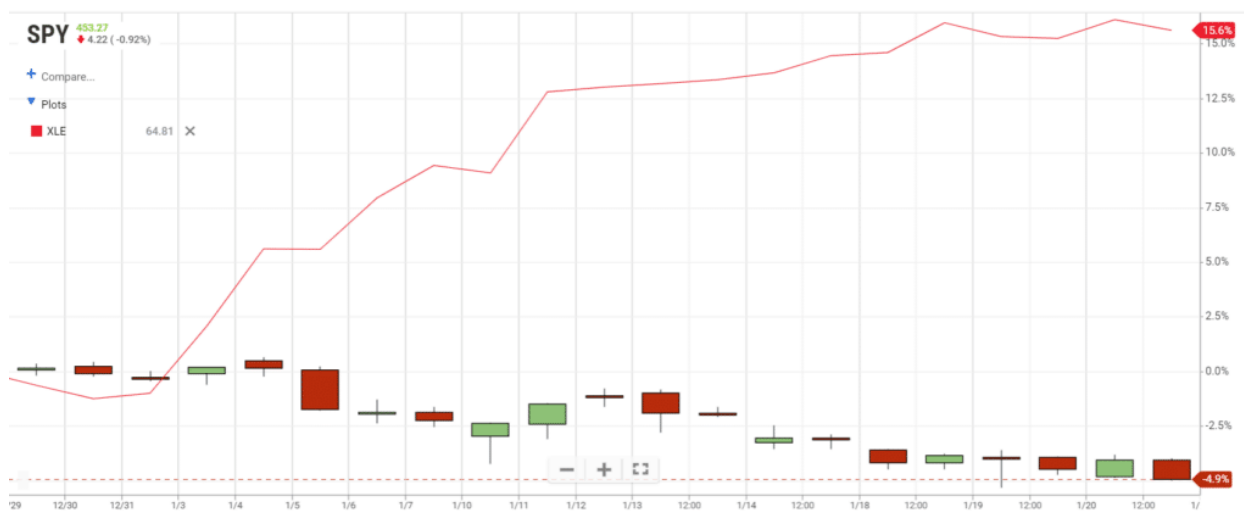
The issue is that the "*value*" trade is getting driven by a flood of money by retail investors into passive ETFs. [As we explained previously](#), when money pours into ETFs, the underlying companies get bought, increasing share prices. Therefore, given the overlap of the most significant holdings of value-based ETFs, the overvaluation of many of the companies is not surprising.

The problem, of course, is that while ETF "*buying*" pushes these stocks higher, the "*selling*" of ETFs will drive them lower. If the Fed is on the verge of a policy mistake, the eventual market correction will drive "*value*" stocks lower as the ETFs are dumped indiscriminately by panicking investors.

Energy Is Overdone

Such is also the case for energy stocks, which also fall into the "*value*" category.

As noted above, energy stocks, which fall into the "value" category, have surged over the last month. Energy stocks are up 15% during that period, while the S&P 500 index is down nearly 5%. That is quite a performance gap.



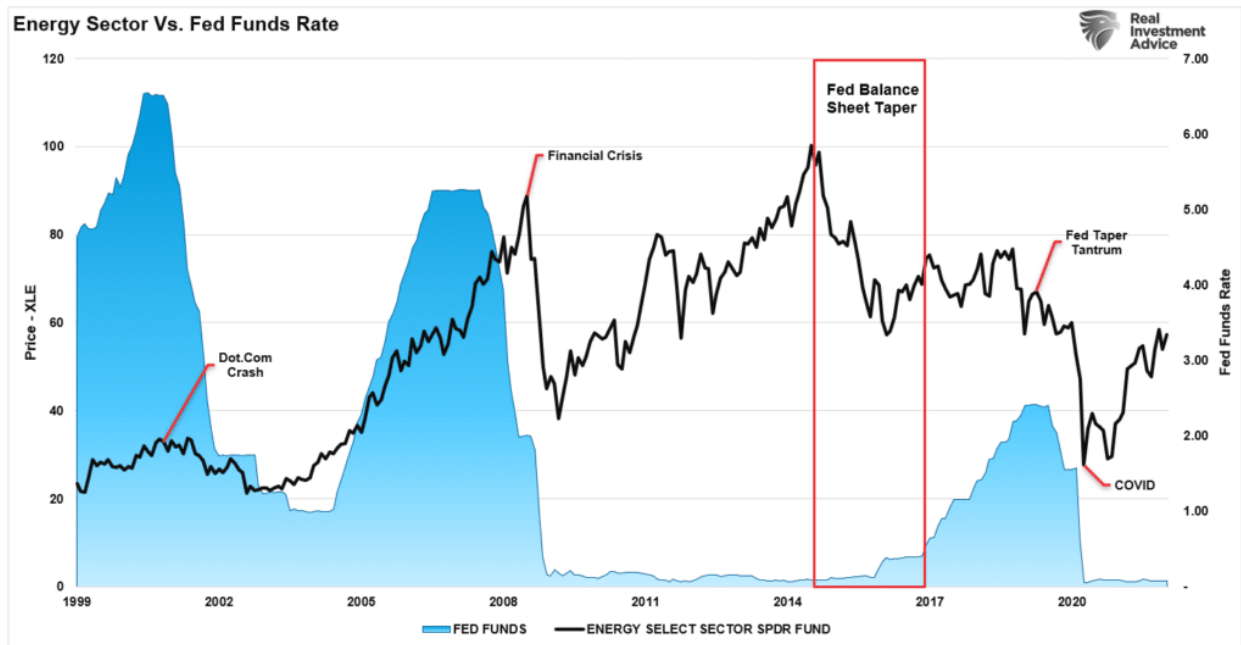
[Chart Courtesy of SimpleVisor.com](#)

However, that outperformance should also serve as a warning sign for investors. Over the past year, when energy stocks reached more extreme deviations from their 50-dma, it consistently reversed to the mean. Given the magnitude of the current deviation from the mean, a correction in energy would not be a surprise.



Of course, slowing economic growth and deflationary pressures will bring about a correction in oil prices. One of the things that could generate that environment, sooner than later, is the Federal Reserve tightening its monetary policy. Such was a point I discussed this week in a [3-Minutes On Markets](#) video.

Notably, here is the primary chart I discussed. Historically, when the Fed has hiked rates or tapered its balance sheet, oil prices have come under pressure due to slower economic growth and deflationary pressures.



While the recent rally in energy stocks has been quite strong, the Fed is about to aggressively tighten monetary policy with the sole goal of combating inflation. In other words, to bring down inflation, they will slow economic growth, which reduces demand for commodity-based products.

Unfortunately, I suspect it won't be just oil prices and energy stocks that get brought down in the process.

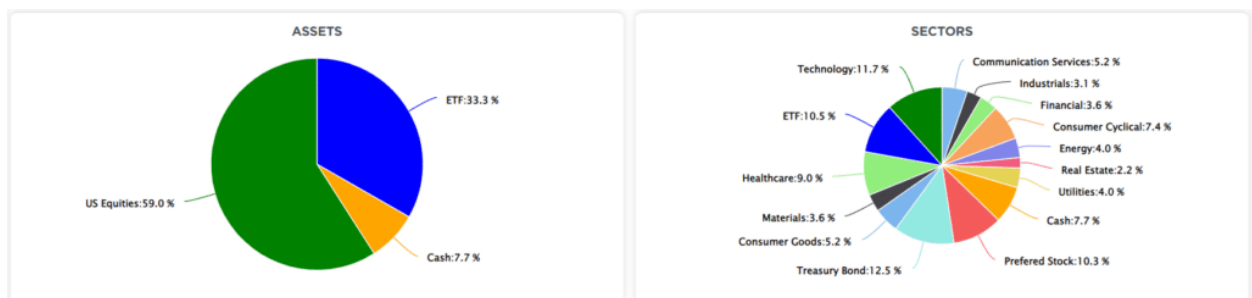
Such is why we continue to reduce our exposure to equities.

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Portfolio Update

As noted last week, we previously sold our S&P index trading position and increased bond holdings to lengthen the duration. This week we continued reducing equity exposure by trimming technology and energy holdings. As a result, our current allocation to risk continues to decline. However, we are looking for a short-term rally to reduce risk further.



The market is starting to show valid concerns of rate hikes and monetary tightening into an already weakening economic environment. The extreme overbought, overvalued condition provides the fuel for a more significant selloff.

As we laid out just recently, many of the headwinds that supported the ramp in speculative behaviors have, and are, reversing. To wit:

- Tighter monetary policy, and high valuations.
- Less liquidity globally as Central Banks slow accommodation.
- Less liquidity in the economy the previous monetary injections fade.
- Higher inflation reduces consumption
- Weaker economic growth
- Weak consumer confidence due to inflation
- Flattening yield curve
- Weaker earnings growth
- Profit margin compression
- Weaker year-over-year comparisons of most economic data.

As noted above, the event that changes the ?bullish psychology? is always unknown. However, the eventual market reversion is almost always a function of changes in liquidity and a contraction in earnings. Such was a point I made recently on Twitter:

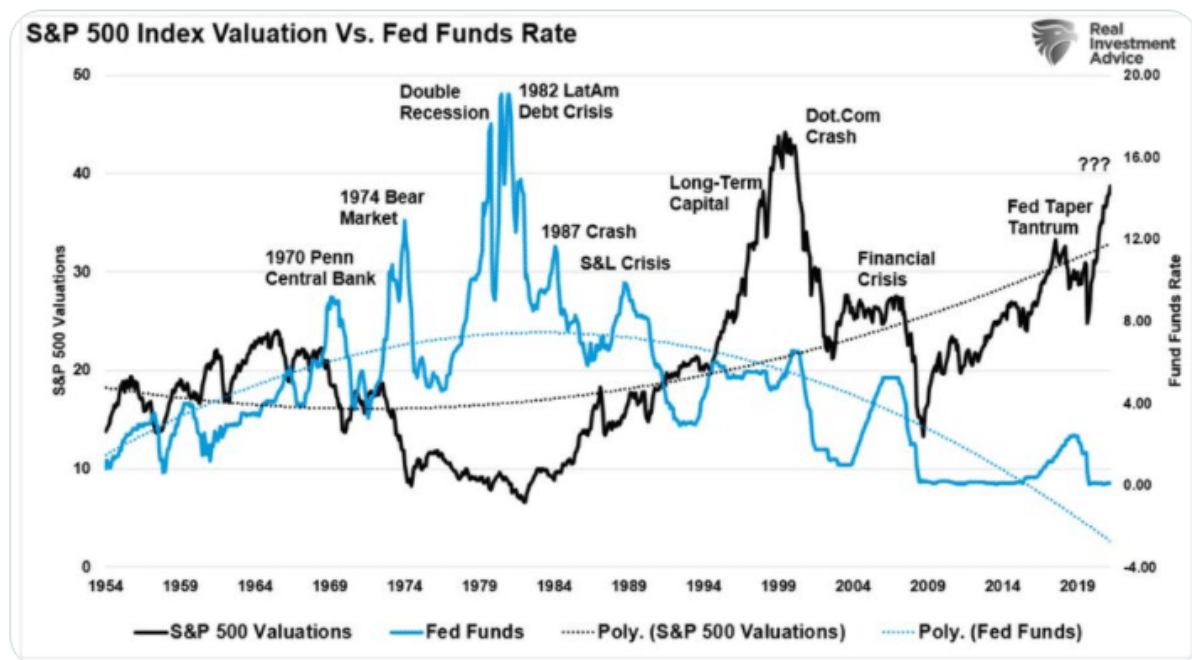


Lance Roberts
@LanceRoberts

...

Since 1960, with [#valuations](#) over 20x earnings, the Fed started a long-term rate-hiking campaign that resulted in 3-bear [#markets](#), 2-recessions, and a debt crisis. The following 3x outcomes ranged from [#bear](#) markets to some credit crisis needing bailouts.

realinvestmentadvice.com/dont-fight-the...



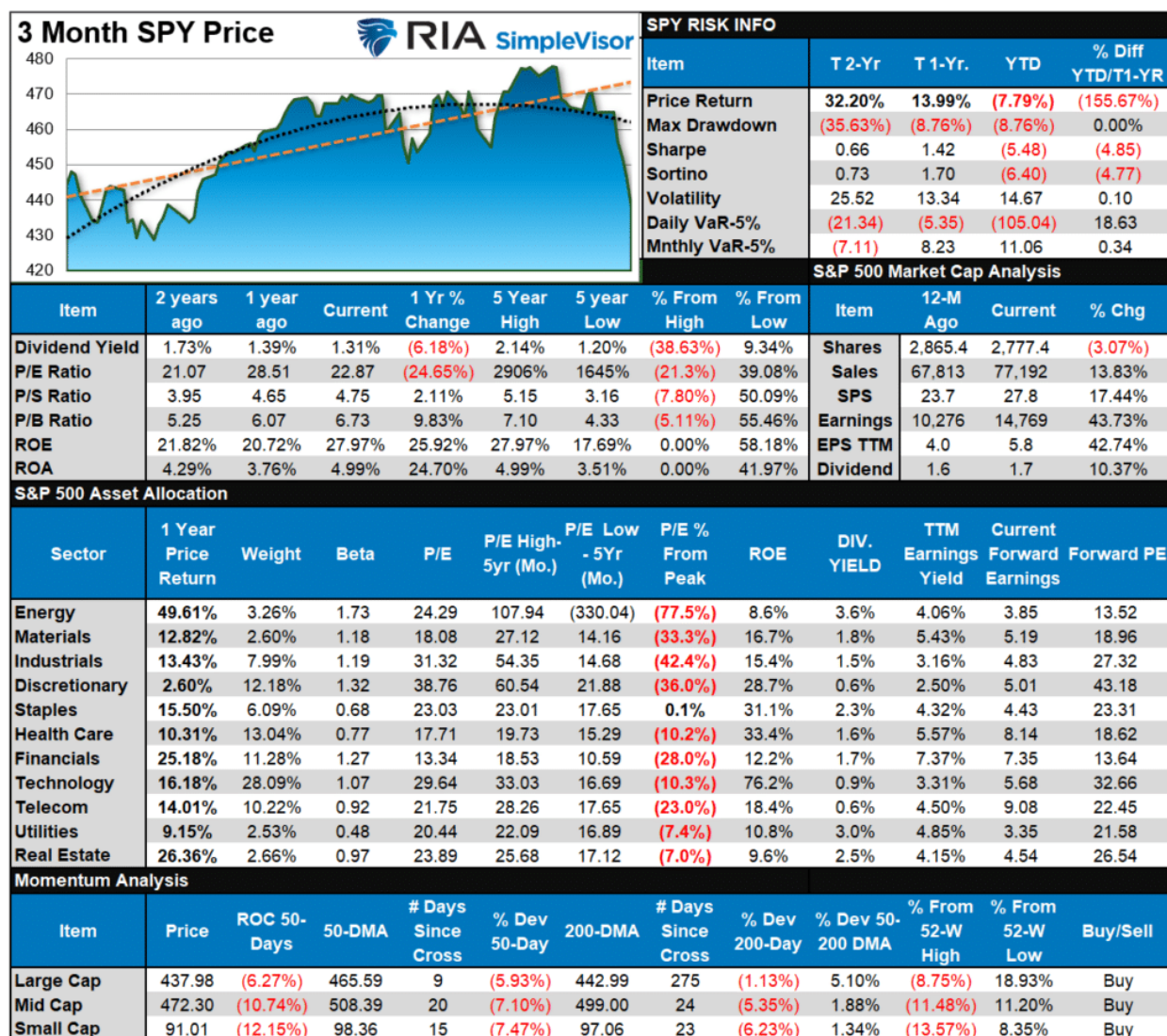
When the ?bull is running,? we believe we are more intelligent than we are. As a result, we take on substantially more risk than we realize as we continue to chase market returns allowing ?greed? to displace logic. **Like gambling, success breeds overconfidence as the rising tide disguises our investment mistakes.**

Unfortunately, our errors always return to haunt us. **Always too painfully and tragically as the loss of capital exceeds our capability to ?hold on for the long-term.?**

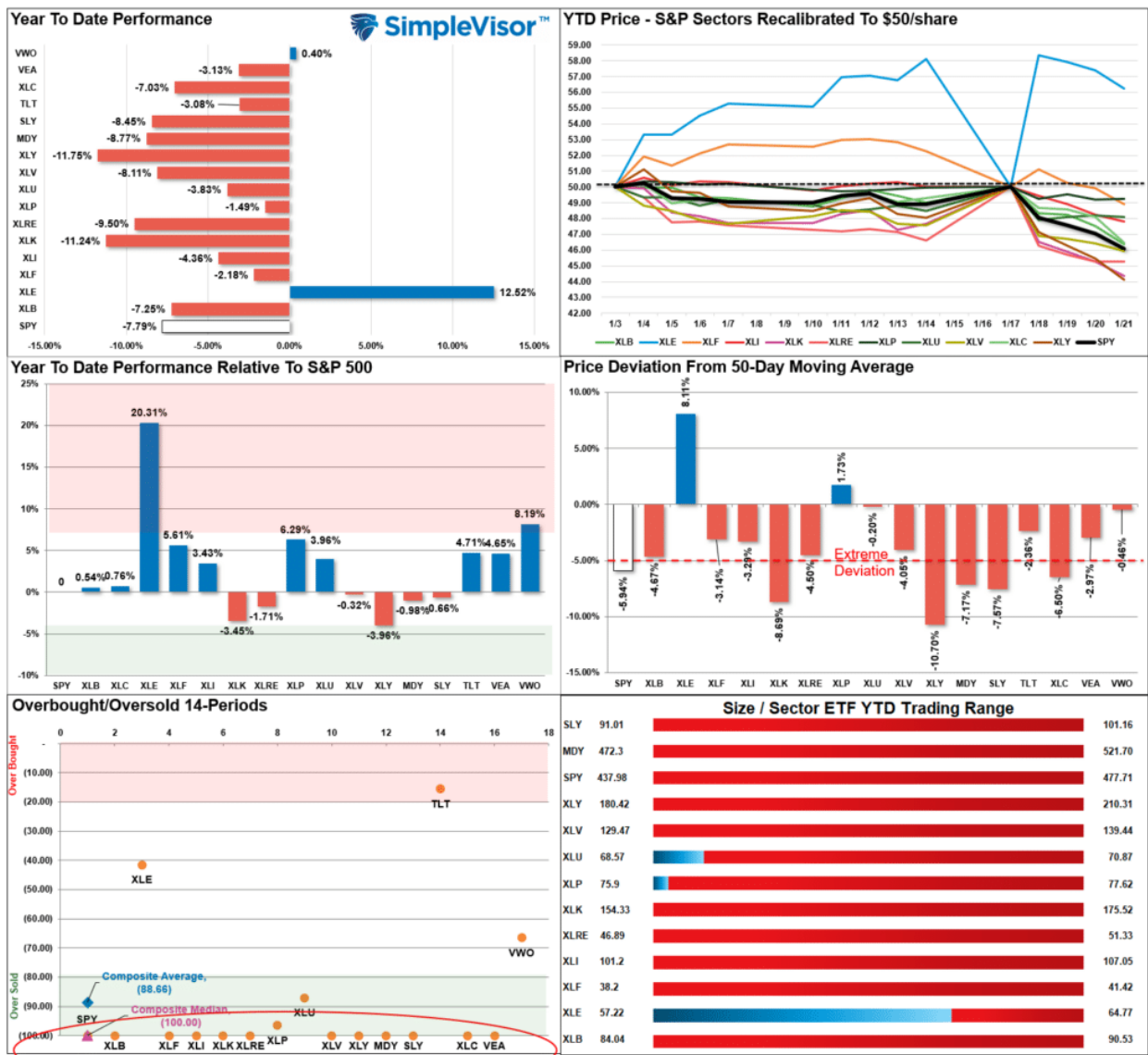
We will likely relearn many lessons this year.

Market & Sector Analysis

S&P 500 Tear Sheet

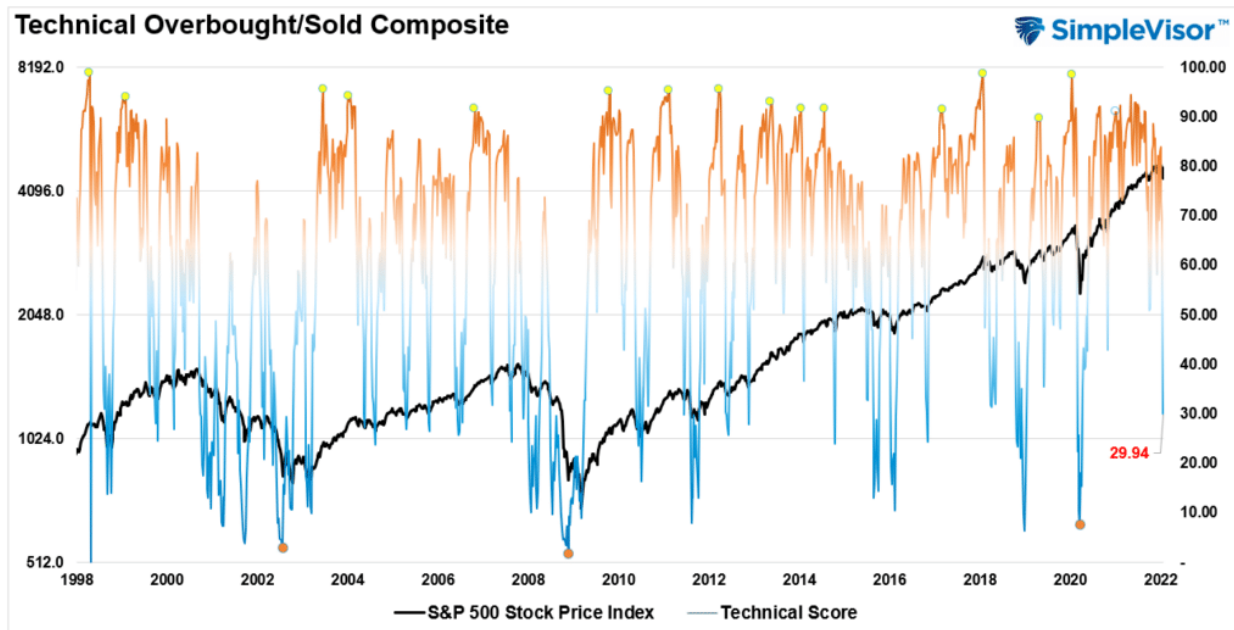


Relative Performance Analysis



Technical Composite

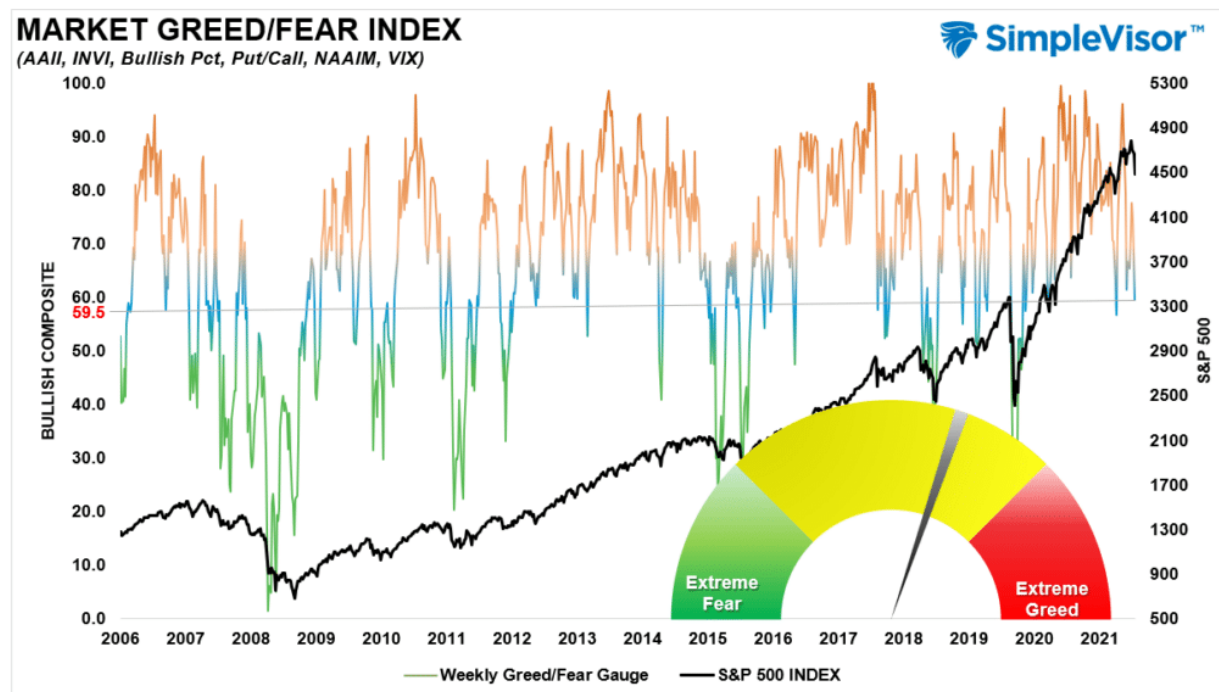
The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" are oversold. **The current reading is 29.94 out of a possible 100.**



Portfolio Positioning ?Fear / Greed? Gauge

Our "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 59.45 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. (Ranges reset on the 1st of each month)*
- *Table shows the price deviation above and below the weekly moving averages.*

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT WMA	LONG WMA	MONTH END PRICE	REL S&P BETA	RISK RANGE		% DEV - Short MA	% DEV - Long MA	MA XVER SIGNAL
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks					HIGH	LOW			
IVV	ISHARS-SP500	439.98	(5.74)	(6.91)	(4.64)	(1.00)	14.49	456.70	449.55	475.99	0.99	488.91	465.07	-2%	-2%	BULLISH
XLB	SPDR-MATLS SELS	84.04	0.38	2.07	3.29	0.88	(1.50)	87.89	85.11	90.61	1.07	93.84	87.38	-4%	-1%	BULLISH
XLC	SPDR-COMM SV S&S	72.22	0.07	(0.63)	(5.60)	(11.80)	(9.58)	77.96	80.33	77.68	0.98	80.38	74.98	-2%	-10%	BEARISH
XLE	SPDR-EGY SELS	62.45	2.54	20.66	13.22	27.14	33.96	57.84	54.08	55.50	1.66	57.81	53.19	8%	15%	BULLISH
XLFI	SPDR-FINL SELS	38.20	(0.71)	5.31	(0.54)	1.90	11.42	39.61	38.38	39.05	1.17	40.48	37.82	-4%	0%	BULLISH
XLK	SPDR-TECH SELS	154.33	(1.16)	(3.80)	0.10	0.66	1.70	167.79	157.79	173.87	1.04	180.02	167.72	-8%	-2%	BULLISH
XLJ	SPDR-INDU SELS	101.20	1.34	4.29	1.41	(1.26)	(0.15)	104.79	103.46	105.81	1.18	109.71	101.91	-3%	-2%	BULLISH
XLP	SPDR-CONS STPL	75.96	4.35	7.85	11.17	8.08	2.25	74.10	72.11	77.11	0.86	79.55	74.67	3%	6%	BULLISH
XLRE	SPDR-RE SELS	46.89	2.84	0.84	2.61	1.34	12.86	48.89	47.10	51.81	0.73	53.48	50.14	-4%	0%	BULLISH
XLU	SPDR-UTIL SELS	68.84	4.93	8.65	7.44	3.06	(4.94)	68.54	67.08	71.58	0.43	73.68	69.48	0%	3%	BULLISH
XLV	SPDR-HLTH CR	129.47	2.30	(0.15)	1.31	(1.81)	(4.38)	134.58	131.56	140.89	0.78	145.50	136.28	-4%	-2%	BULLISH
XLW	SPDR-CONS DISCR	180.42	(2.48)	(4.30)	(5.75)	0.67	(8.42)	202.39	188.90	204.44	1.11	211.83	197.05	-11%	-4%	BULLISH
XTN	SPDR-SP TRANSPT	84.65	(0.82)	(2.80)	(2.20)	1.61	(0.45)	92.93	88.70	94.36	1.31	97.96	90.76	-9%	-5%	BULLISH
SOY	SPDR-SP DIV ETF	125.24	1.65	5.97	6.25	2.29	0.90	126.50	124.17	129.12	0.91	133.52	124.72	-1%	1%	BULLISH
RSP	INVS-SP5 EQ ETF	153.09	0.48	2.45	1.60	0.37	1.99	159.59	155.39	162.75	1.10	168.61	156.89	-4%	-1%	BULLISH
SLY	SPDR-SP6 SC	91.01	(1.81)	(0.54)	(2.48)	(4.68)	(10.63)	99.01	97.28	99.41	1.19	103.08	95.74	-8%	-4%	BULLISH
MDY	SPDR-SP MC 400	472.30	(1.06)	(0.30)	(2.68)	(3.58)	(9.17)	511.09	499.67	517.68	1.16	536.64	498.72	-8%	-6%	BULLISH
EEM	ISHARS-EMG MKT	49.00	3.52	7.48	0.79	(4.66)	(26.72)	49.89	51.58	48.85	0.79	50.46	47.24	-2%	-6%	BEARISH
EFA	ISHARS-EAFE	76.34	2.37	4.14	(0.60)	(3.94)	(12.90)	79.13	79.83	78.68	0.83	81.30	76.06	-4%	-4%	BEARISH
IAU	ISHARS-GOLD TR	34.84	6.60	8.16	7.24	4.94	(16.01)	34.38	34.28	34.81	0.12	35.72	33.90	1%	2%	BULLISH
GDX	VANECK-GOLD MNR	31.65	7.93	8.03	4.37	(3.78)	(24.66)	31.86	32.76	32.03	0.72	33.06	31.00	-1%	-3%	BEARISH
UUP	INVS-OB US BU	25.61	6.17	6.44	5.98	3.73	(9.27)	25.63	25.16	25.63	(0.12)	26.24	25.02	0%	2%	BULLISH
BOND	PIMCO-TOT RETRN	107.55	5.49	4.90	2.29	(2.60)	(18.99)	109.32	110.40	109.41	0.08	112.24	106.58	-2%	-3%	BEARISH
TLT	ISHARS-20+YTB	143.63	6.81	3.62	1.81	(1.81)	(19.92)	147.16	146.61	148.19	(0.22)	151.57	144.81	-2%	-2%	BULLISH
BNX	VANGD-TTL INT B	54.76	5.72	5.82	1.19	(4.36)	(20.43)	56.34	56.97	55.16	0.03	56.55	53.77	-3%	-4%	BEARISH
HYG	ISHARS-IBX HYCB	85.44	4.98	4.93	2.84	(1.22)	(16.62)	86.53	87.18	87.01	0.36	89.50	84.52	-1%	-2%	BEARISH

RISK RANGE REPORT



Weekly Stock Screens

Each week we will provide three different stock screens generated from [SimpleVisor](https://SimpleVisor.com): (RIAPro.net subscribers use your current credentials to log in.)

This week we are scanning for the Top 20:

- *Relative Strength Stocks*
- *Momentum Stocks*
- *Technically Strong With Strong Fundamentals*

These screens generate portfolio ideas and serve as the starting point for further research.

(Click Images To Enlarge)

RSI Screen

Scan Result: 20 Item(s) found												
Tables												
OverviewTechnicalsFundamentalsPerformance												
Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD	
APA	10/10	\$30.10	58.85	\$29.55	\$27.89	\$25.62	5	6	3	1.56%	1.56	
CF	10/10	\$66.00	41.80	\$69.68	\$65.63	\$60.19	4	9	1	1.81%	0.18	
CMA	10/10	\$89.70	52.85	\$92.73	\$88.67	\$84.54	3	6	1	2.69%	3.12	
COP	10/10	\$82.72	69.90	\$78.54	\$74.58	\$70.98	3	7	3	1.75%	3.86	
DVN	10/10	\$46.12	59.88	\$46.93	\$44.10	\$39.64	6	8	3	0.87%	1.93	
EOG	10/10	\$100.63	68.51	\$95.99	\$91.65	\$86.83	7	8	3	2.84%	4.32	
F	10/10	\$20.65	45.84	\$22.69	\$20.97	\$17.93	5	9	1	1.60%	0.89	
FANG	10/10	\$117.99	57.26	\$117.41	\$111.61	\$104.04	5	8	3	1.65%	4.62	
FITB	9/10	\$45.04	51.13	\$46.47	\$44.70	\$43.37	3	5	3	2.75%	1.36	
HAL	10/10	\$27.54	72.26	\$25.44	\$23.85	\$23.34	5	7	2	0.63%	1.44	
LYV	10/10	\$109.74	45.31	\$117.22	\$112.80	\$104.37	3	5	4	%	0.48	
MOS	10/10	\$39.31	53.31	\$40.44	\$37.82	\$37.49	4	9	2	1.08%	1.21	
MPC	10/10	\$70.70	63.40	\$68.64	\$65.35	\$64.01	—	8	3	3.17%	2.67	
MRO	10/10	\$18.10	61.59	\$17.64	\$16.60	\$15.47	3	7	3	1.29%	0.82	
OXY	10/10	\$33.75	61.80	\$32.23	\$31.08	\$30.61	5	7	3	0.11%	1.48	
PXD	10/10	\$206.91	74.17	\$196.23	\$186.67	\$179.64	5	7	3	1.07%	9.12	
SBNY	10/10	\$326.33	50.49	\$342.21	\$326.65	\$305.20	2	5	3	0.73%	10.22	
SCHW	10/10	\$89.20	58.86	\$89.31	\$84.30	\$80.34	2	6	1	0.77%	2.75	
TSLA	10/10	\$943.90	44.25	\$1,066.65	\$1,052.03	\$955.56	4	7	1	%	-5.12	
XOM	10/10	\$72.17	78.59	\$66.75	\$64.02	\$61.86	4	7	1	4.95%	2.93	

Momentum Screen

Scan Result: 20 Item(s) found												
Tables												
OverviewTechnicalsFundamentalsPerformance												
Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD	
COP	10/10	\$82.72	69.90	\$78.54	\$74.58	\$70.98	3	7	3	1.75%	3.86	
CVX	10/10	\$126.91	71.86	\$122.84	\$118.27	\$111.40	—	7	3	4.23%	3.43	
EOG	10/10	\$100.63	68.51	\$95.99	\$91.65	\$86.83	7	8	3	2.84%	4.32	
HES	10/10	\$87.69	62.39	\$82.67	\$79.90	\$79.68	5	6	3	1.09%	3.79	
MCK	10/10	\$246.62	64.45	\$248.99	\$234.63	\$219.63	6	4	2	0.74%	5.70	
PSX	10/10	\$83.44	66.52	\$79.81	\$75.46	\$74.88	—	4	2	4.24%	3.90	
PXD	10/10	\$206.91	74.17	\$196.23	\$186.67	\$179.64	5	7	3	1.07%	9.12	
XOM	10/10	\$72.17	78.59	\$66.75	\$64.02	\$61.86	4	7	1	4.95%	2.93	
ATVI	8/10	\$81.35	78.37	\$68.04	\$64.29	\$70.69	7	6	5	0.73%	3.52	
GL	8/10	\$100.99	67.16	\$98.67	\$94.34	\$93.39	4	5	—	0.75%	3.31	
VRTX	8/10	\$228.08	66.47	\$224.63	\$208.56	\$197.48	—	5	2	%	5.80	
BKNG	7/10	\$2,345.86	55.78	\$2,419.48	\$2,335.97	\$2,373.88	2	6	3	%	29.05	
CME	7/10	\$225.91	61.10	\$226.45	\$225.81	\$214.44	2	4	3	1.61%	0.49	
LVS	7/10	\$43.75	65.51	\$38.97	\$38.37	\$39.05	—	2	5	%	1.34	
RE	7/10	\$284.03	62.72	\$277.87	\$272.87	\$268.47	5	7	2	2.14%	4.98	
BDX	6/10	\$264.63	64.58	\$255.75	\$250.36	\$249.62	5	8	3	1.33%	3.87	
CTXS	6/10	\$101.12	63.10	\$97.33	\$89.56	\$96.04	7	4	3	1.56%	3.12	
LMT	6/10	\$371.20	72.21	\$360.28	\$348.04	\$349.49	4	8	4	3.01%	7.77	
PM	6/10	\$102.92	70.80	\$97.65	\$93.78	\$96.09	—	8	4	4.90%	2.62	
TRV	6/10	\$162.61	61.25	\$160.08	\$156.99	\$157.03	7	8	3	2.16%	2.06	

Technical & Fundamental Strength Screen

Scan Result: 61 item(s) found												
Tables												
Overview Technicals Fundamentals Performance												
Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD	
AIR	10/10	\$39.83	56.98	\$40.60	\$37.76	\$35.81	6	7	3	%	1.37	
ARC	10/10	\$3.40	45.96	\$3.59	\$3.25	\$3.08	6	7	—	5.41%	0.10	
BANF	10/10	\$74.90	64.08	\$72.83	\$69.21	\$64.81	6	7	2	1.86%	2.33	
BAP	10/10	\$137.29	67.37	\$131.57	\$123.47	\$120.82	7	8	3	0.83%	6.36	
CNG	10/10	\$50.79	83.46	\$45.95	\$43.05	\$40.57	6	8	4	3.56%	3.02	
DVN	10/10	\$46.12	59.88	\$46.93	\$44.10	\$39.64	6	8	3	0.87%	1.93	
EOG	10/10	\$100.63	68.51	\$95.99	\$91.65	\$86.83	7	8	3	2.84%	4.32	
EQNR	10/10	\$27.92	61.37	\$27.71	\$26.65	\$25.74	6	8	1	2.54%	0.62	
FCX	10/10	\$40.99	58.09	\$42.38	\$39.95	\$37.75	6	8	2	0.68%	1.28	
GTS	10/10	\$35.29	34.28	\$35.64	\$35.63	\$35.44	6	7	—	%	-0.01	
IGT	10/10	\$25.34	41.69	\$28.36	\$27.73	\$26.86	6	8	3	2.86%	0.03	
LEVL	10/10	\$40.69	51.05	\$40.58	\$39.69	\$34.64	6	7	3	0.57%	0.77	
PAE	10/10	\$9.99	74.09	\$9.94	\$9.93	\$8.43	6	7	3	%	0.05	
PBR	10/10	\$12.67	70.98	\$11.43	\$10.83	\$10.60	6	8	3	16.19%	0.49	
PTSI	10/10	\$67.70	53.68	\$69.75	\$69.44	\$58.47	6	8	3	%	0.73	
SU	10/10	\$27.07	70.11	\$26.43	\$25.41	\$23.56	6	9	5	4.64%	1.03	
USAK	10/10	\$18.18	45.09	\$19.84	\$19.68	\$18.14	6	8	1	%	0.15	
UVE	10/10	\$17.39	53.47	\$17.92	\$16.61	\$15.09	6	7	3	3.30%	0.70	
WES	10/10	\$23.14	64.51	\$22.62	\$21.44	\$21.36	6	7	3	5.51%	0.78	
ELSE	9/10	\$6.00	52.81	\$6.31	\$6.01	\$5.60	6	8	—	%	0.09	
MTB	9/10	\$160.11	49.90	\$166.74	\$158.83	\$153.10	7	6	3	2.59%	6.50	
MTEX	9/10	\$37.93	55.98	\$38.27	\$37.82	\$36.47	6	8	—	1.89%	0.22	
TD	9/10	\$79.69	68.53	\$78.51	\$75.78	\$71.94	6	7	3	3.45%	1.90	
ATVI	8/10	\$81.35	78.37	\$68.04	\$64.29	\$70.69	7	6	5	0.73%	3.52	
CAPL	8/10	\$21.75	68.75	\$20.20	\$19.89	\$20.13	7	6	3	9.79%	0.66	
CBZ	8/10	\$39.49	48.25	\$39.44	\$38.61	\$36.48	6	7	—	%	0.37	
CIEN	8/10	\$64.91	30.66	\$74.18	\$68.66	\$61.34	6	8	3	%	-0.19	
CMTV	8/10	\$21.50	61.92	\$21.34	\$20.24	\$19.88	6	7	—	3.67%	0.77	
CTRA	8/10	\$19.33	44.54	\$20.63	\$20.50	\$20.38	6	9	4	2.00%	0.27	
EPC	8/10	\$47.55	52.65	\$47.55	\$44.82	\$40.95	6	9	3	1.19%	1.55	
EXTR	8/10	\$12.49	36.23	\$14.85	\$13.80	\$12.01	6	8	—	%	-0.08	
FBIZ	8/10	\$31.78	73.57	\$29.91	\$29.57	\$29.07	6	7	2	2.38%	0.57	
FCF	8/10	\$16.21	48.97	\$16.65	\$15.94	\$14.93	6	7	2	2.62%	0.38	
FLO	8/10	\$28.74	61.21	\$27.86	\$26.94	\$25.62	6	7	3	3.36%	0.56	
FWRD	8/10	\$108.55	38.26	\$116.17	\$111.01	\$100.14	6	7	2	0.75%	-0.29	
HSY	8/10	\$200.35	68.38	\$194.51	\$186.82	\$181.52	6	7	3	1.81%	3.46	
IBCP	8/10	\$24.46	52.09	\$24.55	\$23.73	\$22.64	6	7	2	3.25%	0.54	
JNPR	8/10	\$32.87	42.67	\$34.69	\$33.29	\$31.00	7	6	3	2.31%	0.20	
LEGH	8/10	\$23.13	35.97	\$25.33	\$25.44	\$21.78	6	7	3	%	-0.24	
RICK	8/10	\$72.39	44.29	\$81.57	\$73.26	\$71.10	6	8	—	0.19%	2.86	

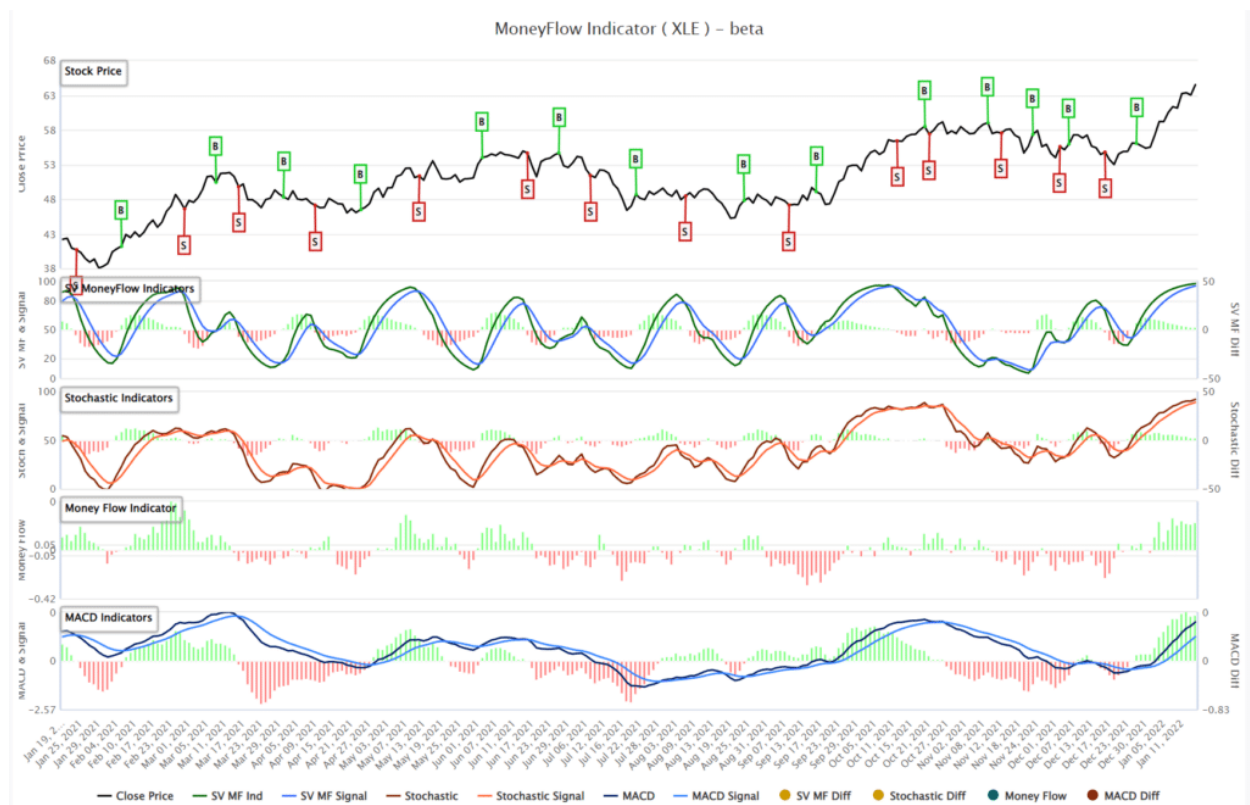
SimpleVisor Portfolio Changes

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

This week, there was a lot of action, so I have broken it down by date for easier reading.

Tuesday, 18th

"This morning we trimmed exposure in energy and Ford (F) due to their more extreme overbought conditions. As shown in our MoneyFlow indicator (Under the Research tab) XLE is extremely stretched and will likely turn lower in the next few days. At the same time many of the technology names are in the exact opposite position, so be careful making wholesale portfolio changes." - 1-18-22



Equity Model

- Reduce XOM and MRO back to model weights of 2% of the portfolio each
- Reduce F back to 3.5% of the portfolio.

ETF Model

- Reduce XLE back to model weight of 3.5% of the portfolio.

Thursday, 20th

We have been waiting for a rally in the market to reduce equity exposure a bit further. Today's rally was expected but remains very weak and may not stick. However, if we get some follow-through tomorrow and next week heading into the Fed meeting we will likely reduce equity exposure further." - 1-20-22

Equity Model

- Sell 1% of Adobe ([ADBE](#))
- Reduce Netflix ([NFLX](#)) by 1%

ETF Model

- Sell 2% of SPDR Technology ETF (XLK)

Friday, 21st

"After a rash of selling over the last two weeks, the Nasdaq is extremely oversold and 3-standard deviations below its 50-dma. Such extreme oversold conditions can't, and

don't, last for long. With AAI sentiment now extremely bearish, investor positioning negative, and technicals stretched, we think there is a decent setup for a tradeable bounce into next week."



This morning we are adding a 5% position in QQQ for a bounce to the previous trend line. We are carrying a 2% loss as our stop level.

Also, we have been stopped out of three other positions in our portfolio: ASAN, NFLX, and ADBE. However, given the extreme oversold condition on those positions we are looking for a rally to sell those positions into. Also, on that rally, we will reduce GOOG and AMZN as well.

Overall we are looking to reduce portfolio exposure to 50% of the portfolio during the next rally."- 01-21-22

- Buy 5% of the Portfolio in QQQ



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Lance Roberts, CIO

Have a great week!