

Inside This Week's Bull Bear Report

- *Market Surges On Policy Pivot Hopes*
 - *Weaker Inflation Print Finally Arrives*
 - *How We Are Trading It*
 - *Research Report - The Policy Pivot May Not Be Bullish*
 - *Youtube - Market Recap With Adam Taggart*
 - *Stock Of The Week*
 - *Daily Commentary Bits*
 - *Market Statistics*
 - *Stock Screens*
 - *Portfolio Trades This Week*
-

Market Surges On Policy Pivot Hopes

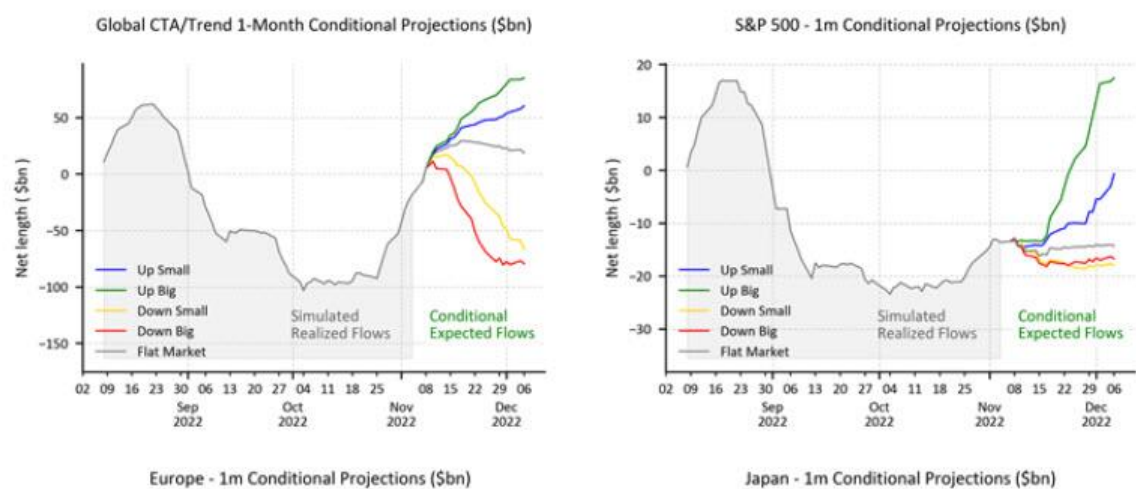
Last week, we discussed the markets dive following the hawkish comments from Jerome Powell stating it was *"premature' to discuss a pause in rate increases,"* which sent stocks tumbling as the *"policy pivot"* hopes got crushed. However, what a difference a week can make as a weaker inflation print led to a massive surge in the stock market on Thursday.

From a technical perspective, the market tested and held crucial support again at the 20-dma after the FTX (*cryptocurrency*) blowup on Wednesday. The subsequent rally off support turned our MACD *"buy signal"* higher, keeping it intact, and the market cleared critical resistance at the 100-dma. Such now sets the stage for a rally to the 200-dma between 4000 and 4100.



The surge in asset prices also cleared levels that are now forcing short-sellers to cover positions which will add "fuel to the rally" over the next few days. As noted by Goldman Sachs, CTAs bought \$43BN last week and \$79BN the previous month. Now that we are above the short-term trigger, **Goldman calculates a whopping \$38 billion to buy over the next week and substantially more (green line) if the market is up big. The chart below shows that the bank expects more than +\$79 billion of net buying over the month.**

Exhibit 2 - Conditional Market Forecasts - 1-Month



Source: Goldman Sachs Global Markets Division Strats, of 11/07/22. Past performance is not indicative of future returns. "Simulated results are for illustrative

As we will discuss in more detail today, while weaker inflation was evident in the latest report, such does not mean the Fed will stop hiking interest rates. However, as discussed last week following the FOMC meeting, the Fed has already clarified that they will slow the rate hike pace. Such was a point made by Philadelphia Fed President Patrick Harker on Thursday:

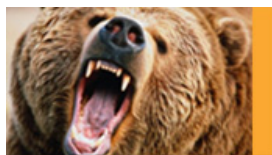
?In the upcoming months, in light of the cumulative tightening we have achieved, I expect we will slow the pace of our rate hikes as we approach a sufficiently restrictive stance."

Moving from 75bps rate hikes to 50bps in December is still a significant "aggressive action" that will impact economic growth in 2023.

As we will discuss, the surge in markets, while much needed, is likely another opportunity to reduce risk and rebalance portfolios as we head into 2023. Slower economic growth and falling inflation do not support currently elevated earnings and profit margins.

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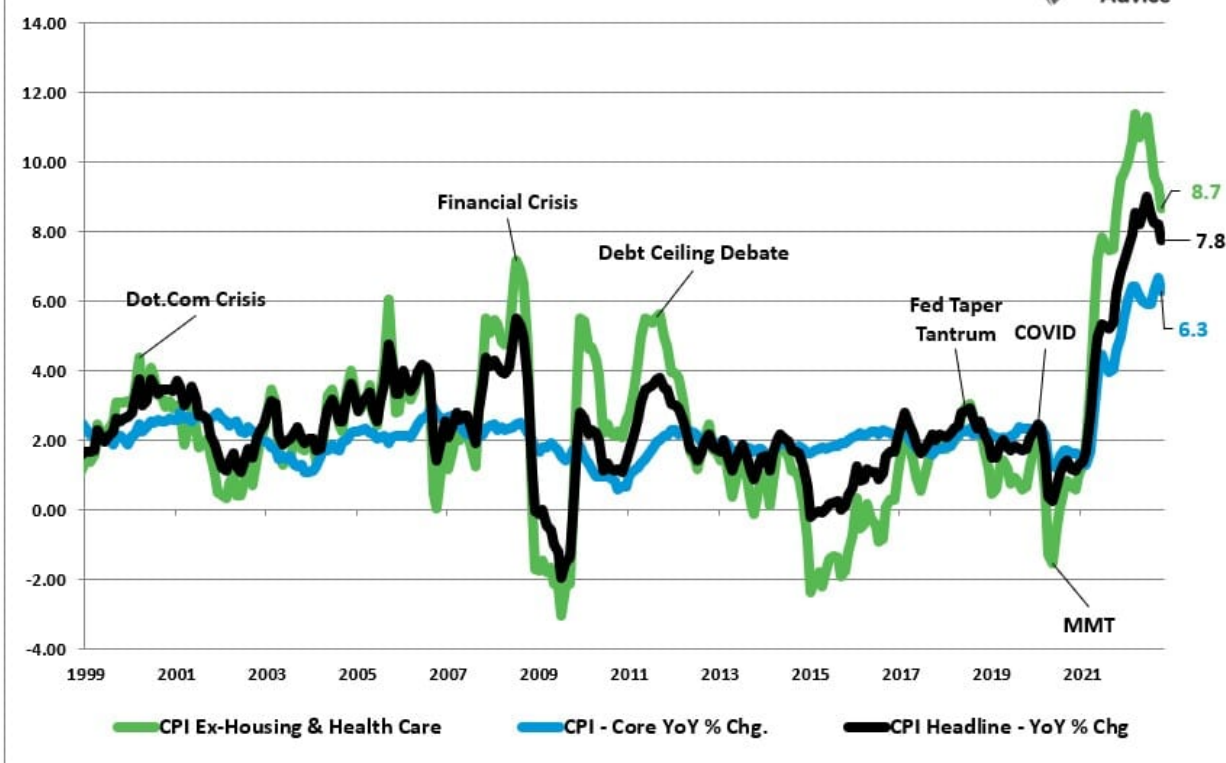
Weaker Inflation Print Finally Arrives

Over the last few months, we discussed that weaker inflation was coming as the Fed hiked rates, economic growth slowed, and stimulus got drained from the system. While inflation has been stubborn, weaker inflation, or rather disinflation, is starting to show up in the economy. One point previously made was about the impact of inflation on household spending. [To wit:](#)

*"Health care costs and housing, as shown below, have contributed to inflation pressures, **but the real pressure is in the daily living costs of Americans.** Healthcare and housing, or rent, are fixed for most Americans through contractual agreements. Food, energy, and everything Americans purchase daily is sapping their disposable incomes."*

Given that wages have not kept up with inflation, it is unsurprising we are seeing inflation, less, healthcare, and housing, dropping more rapidly as consumer demand weakens.

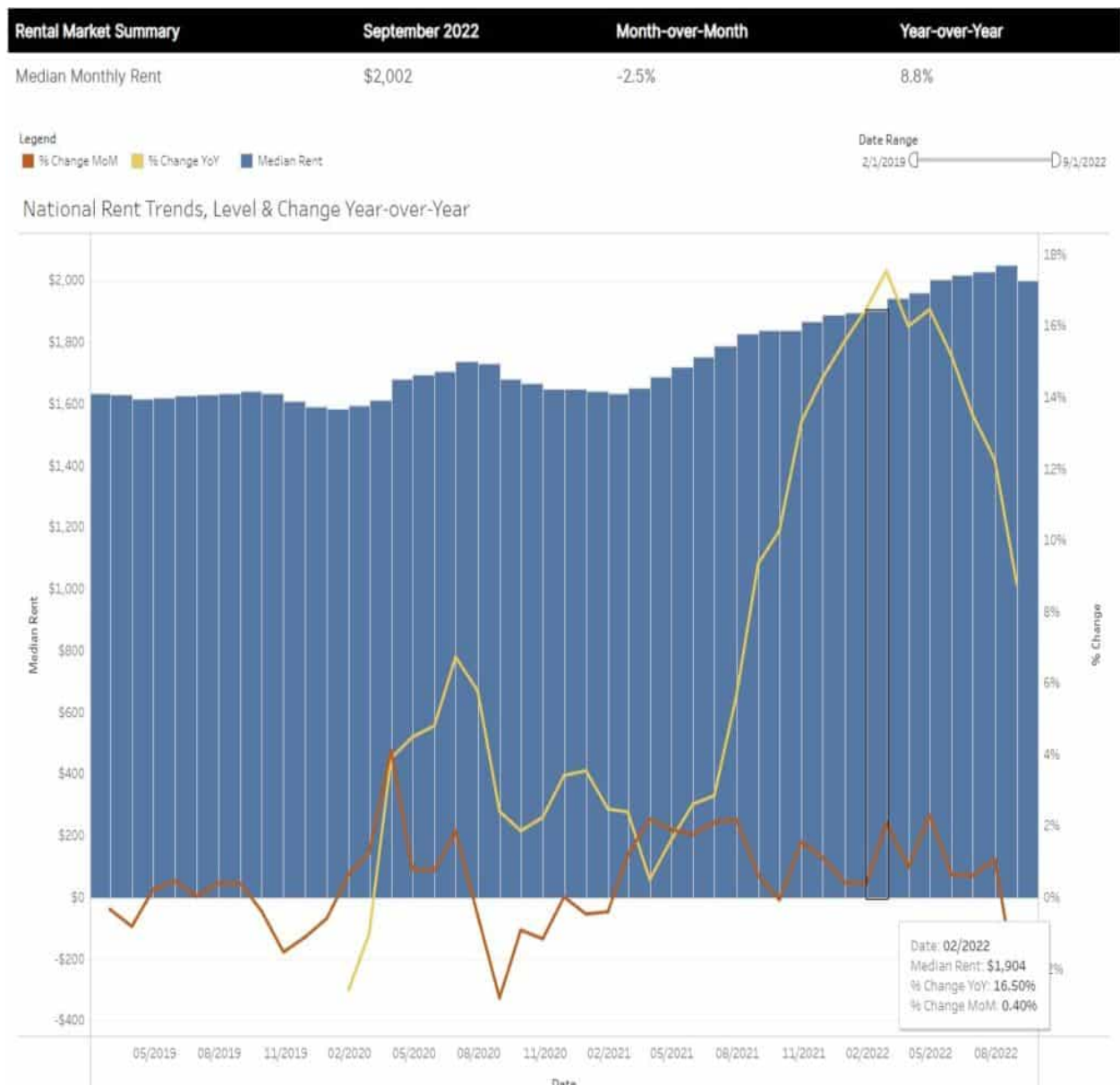
3-Measures Of Inflation



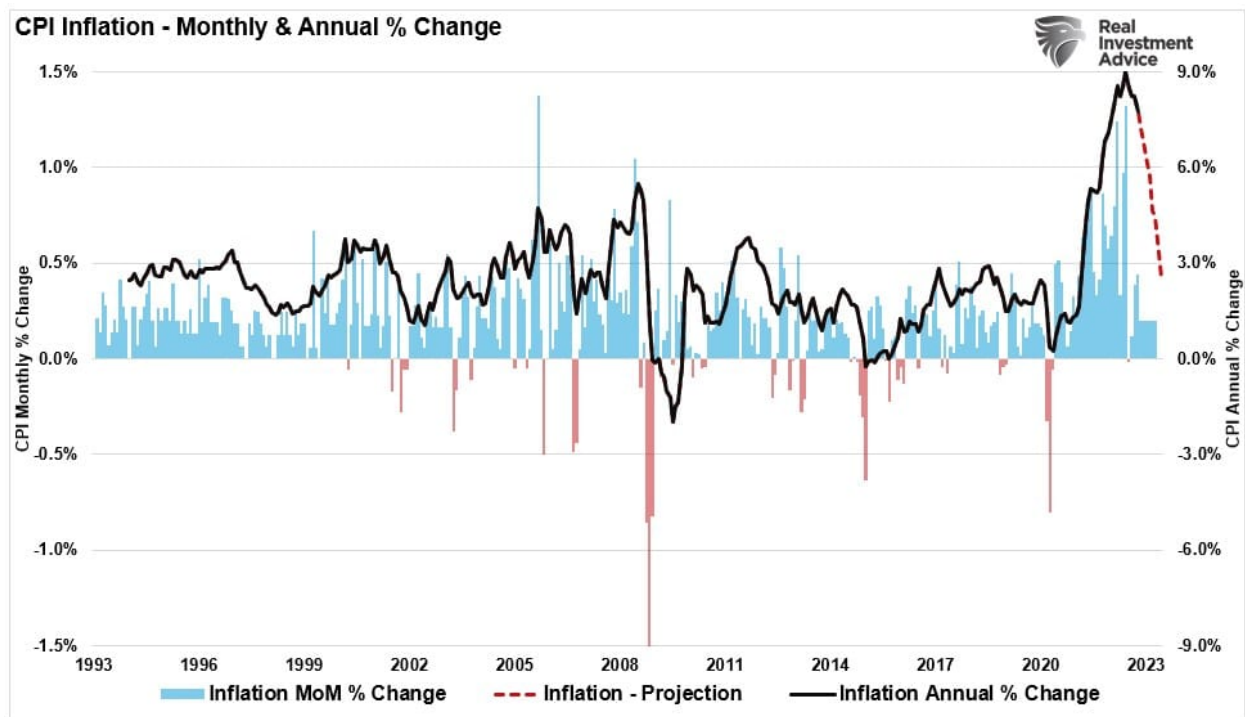
Core inflation has remained "more sticky" due to the lag effect of data inputs. However, over the next few months, we will see core inflation begin to reflect weaker spending and economic growth. As shown, every category, except recreation, fell in the last month, including energy. Importantly, this is the first crack in the "housing," or "homeowners equivalent rent," component, which is the most significant factor affecting inflation.

Eight Components Of CPI - YoY % Change						
Name	Weight	6/1/2022	7/1/2022	8/1/2022	9/1/2022	10/1/2022
Food & Beve	14.26%	26.55%	28.03%	29.31%	29.22%	28.87%
Housing	42.36%	19.54%	19.74%	21.13%	21.79%	21.50%
Apparel	2.46%	5.35%	5.17%	5.14%	5.62%	4.00%
Transportation	18.18%	45.03%	37.63%	30.80%	28.94%	26.11%
Medical Care	8.49%	22.74%	24.33%	27.16%	30.57%	25.51%
Recreation	5.11%	4.78%	4.50%	4.18%	4.13%	4.19%
Education &	6.41%	0.17%	-0.28%	-0.41%	-0.79%	-0.97%
Other Goods	2.74%	30.59%	29.10%	30.84%	32.04%	30.37%
Energy		96.46%	77.51%	57.09%	47.86%	44.00%
Headline CPI		9.00%	8.48%	8.25%	8.22%	7.76%
Core CPI		5.91%	5.91%	6.32%	6.66%	6.31%

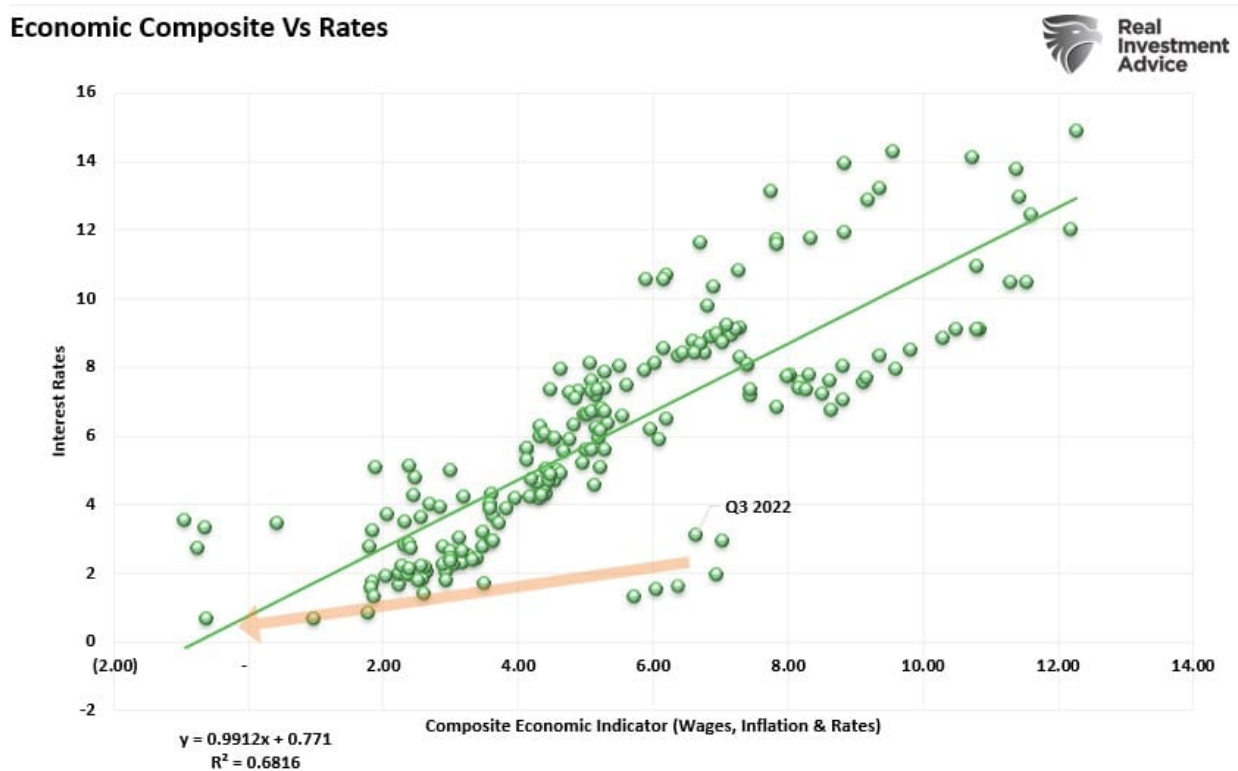
Given the rapid decline in many national "rent indexes," we are likely at the beginning of a reversion in rents which will continue to suppress inflation over the next several months.



Suppose we assume higher interest rates and weaker economic growth slows the pace of inflation to a historical average of 0.2% monthly. In that case, we should expect inflation to fall toward the Fed's long-term target by the end of 2023.



Given the historical relationship between the economy and long-term interest rates, such suggests that yields will fall over the next 12-18 months.



What this data continues to suggest, other than owning long-dated Treasuries, is that the Fed is close to the end of hiking rates than not.

However, that does not mean the Fed will stop where they are today.

Weaker Inflation Won't Stop The Fed

While the market surged on weaker inflation data, with the bulls assuming the Fed will start to "pivot," there is little evidence that is the case. The Fed remains quite clear on its intent to continue to combat inflation at the expense of the economy. Such was noted in Powell's recent statements following last week's FOMC meeting. To wit:

*"Even so, we still have some ways to go, **and incoming data since our last meeting suggest that the ultimate level of interest rates will be higher than previously expected.***

*The historical record cautions strongly against prematurely loosening policy. **We will stay the course until the job is done.***

What is most crucial about that statement is the Federal Reserve had the inflation data last week before the policy announcement. As such, even though they knew inflation had moderated somewhat, they remained extremely hawkish in their policy statement.

*"We think there's some ground to cover but before we meet that test and that's why we say that ongoing rate increases will be appropriate, and as I mentioned, incoming data between the meetings, both a strong labor market report **but particularly the CPI report (which they had), do suggest to me that we may ultimately move to higher levels** than we thought at the time of the September meeting.*

*Remember though that we still think there's a need for ongoing rate increases **and we have some ground left to cover here and cover it we will.***

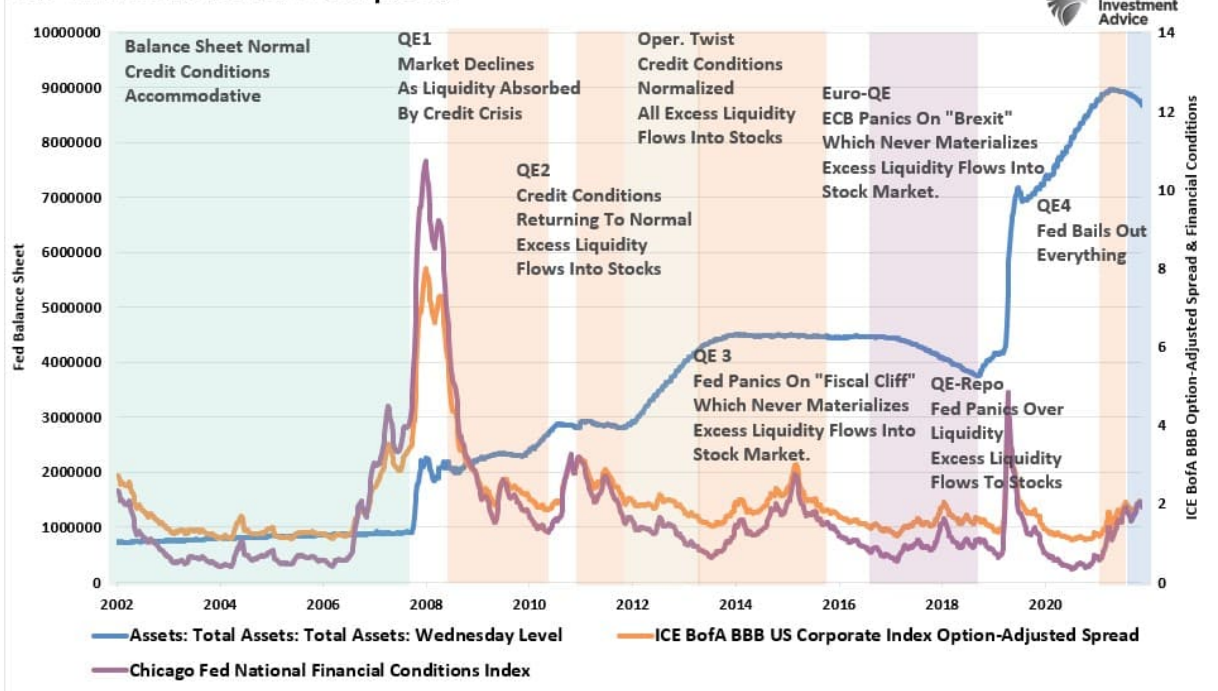
While bulls rallied the market hard on Thursday following the report, the Fed remains focused on its inflation fight. Therefore, hopes for a "policy pivot" will likely disappoint in the weeks ahead.

More importantly, as we have noted previously, a surging stock market is precisely the opposite of what the Federal Reserve wants.

Fed Wants Tighter, Not Looser, Financial Conditions

Higher asset prices represent looser, not tighter, monetary policy. Rising asset prices boost consumer confidence and act to ease the very financial conditions the Fed is trying to tighten. While financial conditions have tightened recently between higher interest rates and surging inflation, they remain low. Such is hardly the environment desired by the Fed to quell inflation.

Fed Balance Sheet Vs. Yield Spreads

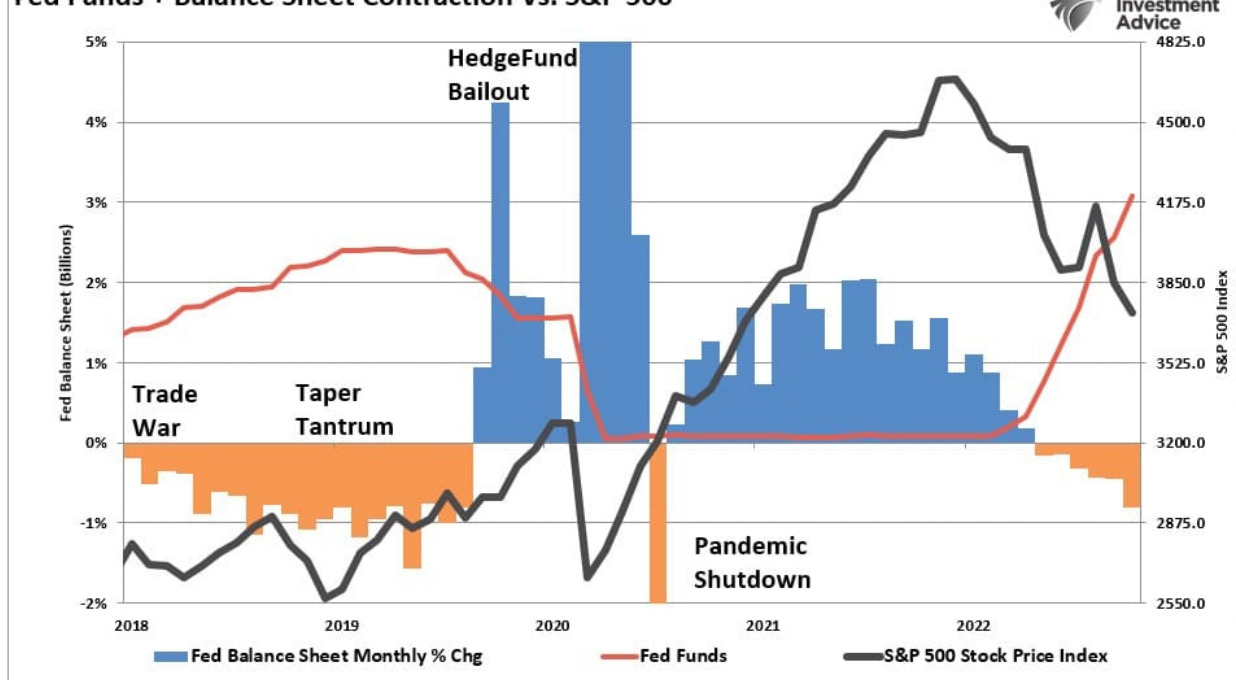


Tighter financial conditions are a function of several items:

- A stronger US dollar relative to other currencies (Check)
- Wider spreads across bond markets (There is no credit stress currently)
- Reduction in liquidity (Quantitative Tightening or QT)
- Lower stock prices.

The more bullish market participants should be aware the Fed is ultimately pushing for lower stock prices. The Fed is removing liquidity by reducing its balance sheet twice as fast as in 2018. For those who don't remember, the last QT ended in a 20% market plunge over three months. Today, even with weaker inflation, QT is not ending anytime soon.

Fed Funds + Balance Sheet Contraction Vs. S&P 500



Therefore, it will not be surprising to see Federal Reserve speakers try and swat down asset prices with continued hawkish rhetoric. As far as a "pivot" goes, that still seems to be quite a long way off.

"And the last thing I'll say is that I would want people to understand our commitment to getting this done. And to not making the mistake of not doing enough or the mistake of withdrawing our strong policy and doing that too soon. So those, I control those messages and that's my job."

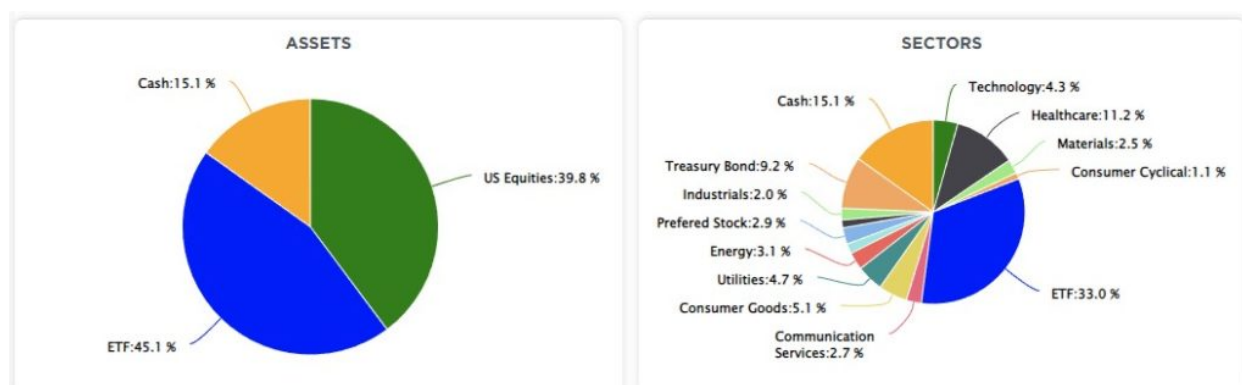
We suggest selling into rallies to raise cash, reduce exposures, and rebalance risk accordingly.

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How We Are Trading It

While the market surged following the weaker inflation report, we suspect the rally will get sold into as we head into year-end. Such is because there are a lot of "trapped longs" in the market just hoping for an opportunity to get out at a better level. However, we will undoubtedly use the rally to rebalance portfolio risks further and reduce some exposure near term.

A critical aspect of this week's action was the longer-dated yields, which plunged below 4% on the 10-year Treasury. We noted that even though the Fed was hiking rates, bond yields had become capped at this upper range. The weaker inflation figures suggest we have likely seen both the peak in inflation and economic growth, which, as shown above, clearly means lower yields are on the way. As such, we will start looking for opportunities to increase the duration of our portfolio, which, as shown below, is roughly 45% allocated to bond investments. However, most of that exposure has been very short-term yields, with only 9% allocated to longer-duration bonds. We will soon begin shifting that allocation to take advantage of falling yields into next year, which should coincide with an economic recession.



The rally this week, while outsized, is in the context of what we have discussed over the last four weeks. Our target for the rally remains 4000 to 4100, or roughly where the 200-dma currently resides. There is very little news over the next couple of weeks as earnings season is mostly behind us. However, we will start seeing mutual fund redemptions in the first half of December, which could put some pressure on stocks before the traditional year-end "Santa Rally."

So far, seasonality continues to operate within historical parameters, but such does not mean that things can't go awry very quickly. This market is not one to be trifled with short-term. Therefore,

continue to manage risk accordingly for now.

1. **Tighten up stop-loss levels** to current support levels for each position.
2. **Hedge portfolios** against significant market declines.
3. **Take profits in positions** that have been big winners
4. **Sell laggards and losers.**
5. **Raise cash and rebalance portfolios** to target weightings.

See you next week.

Research Report



The "Policy Pivot" May Not Be Bullish

Written by Lance Roberts | Nov 11, 2022 | Investing

Since June, the market rallied on hopes of a "policy pivot" by the Federal Reserve. However, those ...

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Market Recap - With Adam Taggart

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Stock Of The Week In Review

[Five Stocks For A Fed Pivot](#)

This week's screen was inspired by Lance's recent article [Fed Rate Hikes Approaching The "Breaking Point."](#) He explains that the Fed is at risk of over-tightening into a slowdown because it relies on lagging economic indicators. While reviewing the Fed's track record of hiking rates, he writes,

The problem, as history clearly shows, is the Fed never achieves a soft landing. Rather, the inflationary problem it is trying to combat becomes a ?deflationary recession? rather quickly.

If we are indeed headed for a recession, small and mid-cap stocks should be on your radar. They tend to be the first to bottom and usually outperform the S&P 500 over the following 12 months. We leverage the SimpleVisor screener again this week to search for small and mid-cap value stocks.

Here is a link to the full [SimpleVisor Article For Step-By-Step Screening Instructions.](#)

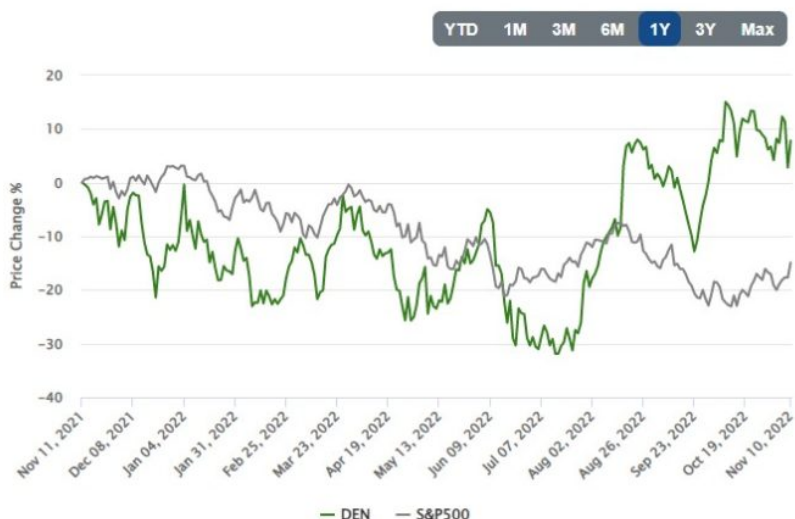
Here is one of the stocks from the scan.

Denbury Inc. (DEN) - Oil & Gas E&P

Description

Denbury Inc., an independent energy company, focuses on producing oil from mature oil fields in the Gulf Coast and Rocky Mountain regions. The company holds interests in various oil and natural gas properties located in Mississippi, Texas, and Louisiana in the Gulf Coast region; and in Montana, North Dakota, and Wyoming in the Rocky Mountain region. As of February 24, 2022, it had 192 million barrels of oil equivalent of estimated proved oil and natural gas reserves. The company was formerly known as Denbury Resources Inc. and changed its name to Denbury Inc. in September 2020. Denbury Inc. was incorporated in 2003 and is headquartered in Plano, Texas.

Latest Price (Nov 11, 2022, 12:30:30 PM) \$93.48 ▲ (\$0.65) (0.70%)	Last Close \$92.83	Open \$94.27	Volume 143,628	Annual Div. \$0.00	Mkt Cap (mn) \$4,655.31
52 Week Range \$56.59 — \$104.05	Day Range \$92.38 — \$95.05	Avg. Volume (3m) 879,907	Div. Yield 0.00%	Beta 1.67	



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Daily Commentary Bits

[Monetary Headwinds Accentuate Q4 Risks](#)

Remember the bullwhip effect? Retailers and wholesalers massively over ordered merchandise following supply chain shocks just as the stimulus sugar-high began waning. The missteps led to a severe inventory problem at several retailers, who warned of impacts to margins as they get ready clean up mistakes.

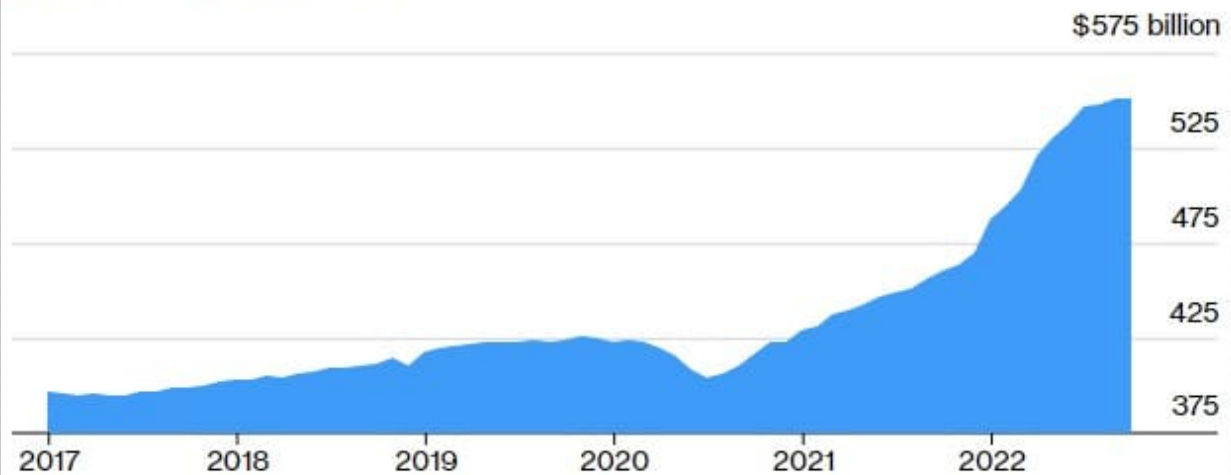
The holiday season is quickly approaching, which means it's time for retailers to buckle down on their inventory overhang. How so? Deals! And lots of them. Discounts may get competitive as retailers fight to move inventory with discretionary incomes still being squeezed by inflation. Some could be in store for some large losses as massive brands race to liquidate high cost inventory in a demand-constrained environment. Per [Bloomberg](#) yesterday:

?Even just in the past three days, we've seen some of the biggest or most valuable brands in the world contact us for help with excess inventory,? Kaplan said. ?It's a full tidal wave at this point. We need the customer to be spending, and until that happens, the product's not going to move.?

US Retail Inventories Surge

Stockpiles at retailers exceed \$550 billion this year

■ Retail inventories, ex-autos



Source: US Census Bureau

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Bull Bear Report Market Statistics & Screens

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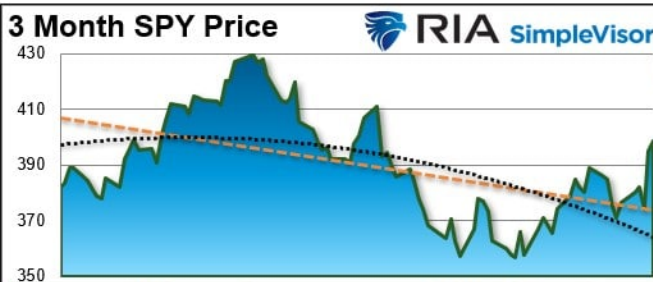
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SimpleVisor Top & Bottom Performers By Sector

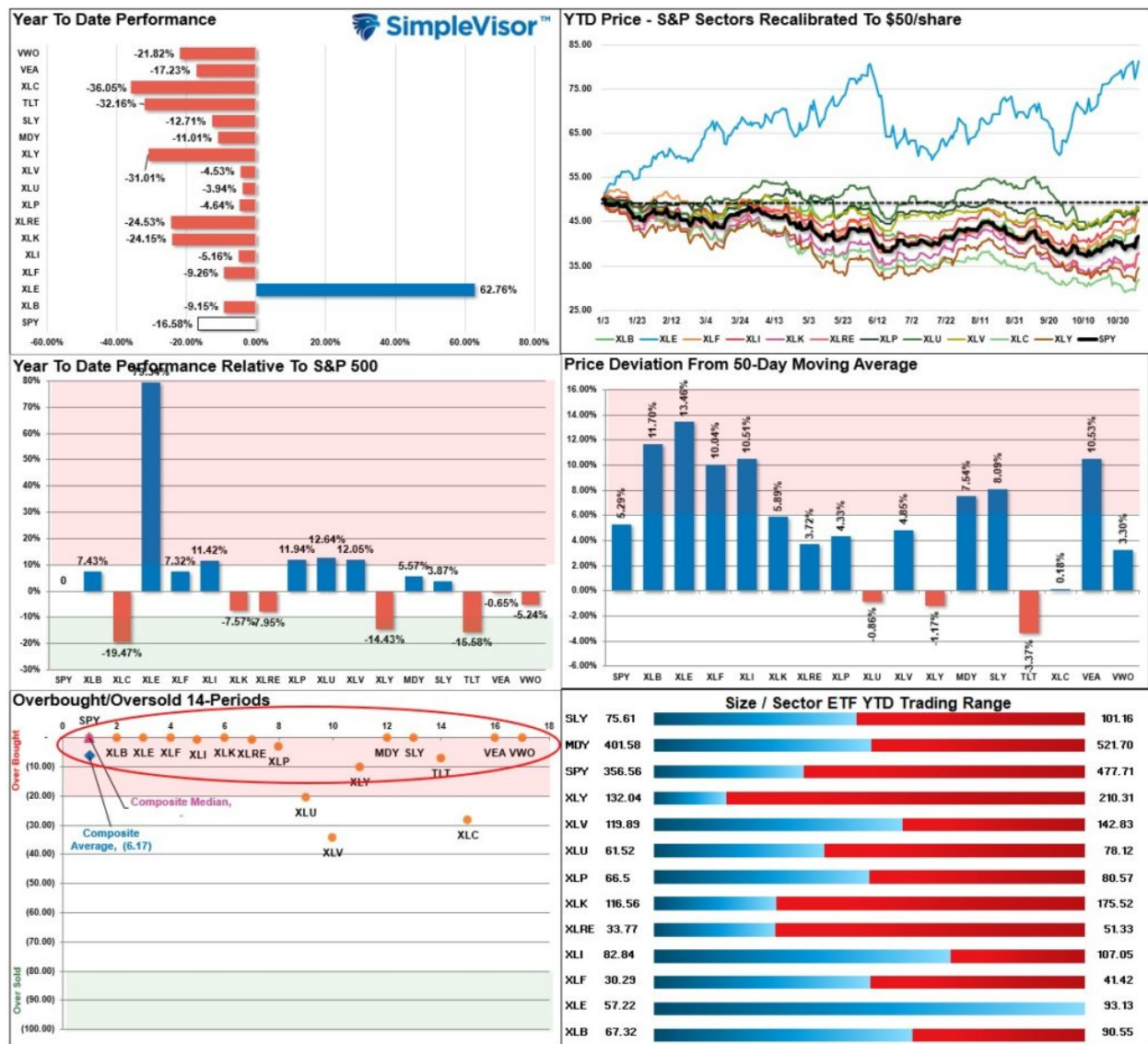
Healthcare				Industrials				Consumer Cyclical				Technology			
ISRG	ALGN	COO	WBA	FDX	CHRW	GNRC	PNR	VFC	RL	TPR	WYNN	LRCX	TXN	STX	AMD
12.26%	11.45%	7.38%	7.2%	5.79%	4.61%	3.8%	3.53%	11.39%	9.36%	8.7%	8.31%	15.73%	8.79%	6.23%	5.7%
IDXX	XRAY	PKI	CTLT	UPS	SWK	EFX	NSC	MHK	NKE	BALL	CCL	AMAT	MTCH	WDC	TYL
6.06%	5.85%	5.19%	5.1%	3.41%	3.38%	3.29%	3.26%	7.18%	6.63%	6.19%	5.83%	5.48%	5.32%	5.3%	4.81%
DVA	ZTS	CAH	MOH	ROK	MMM	ADP	HWM	KMX	LVS	YUM	TSCO	TRMB	HPQ	FISV	CDW
5.04%	4.17%	-3.41%	-3.7%	3.01%	2.97%	-2.22%	-2.27%	5.56%	5.53%	-0.64%	-0.73%	4.8%	4.27%	-0.52%	-0.62%
MCK	MRK	UNH	BMJ	RSG	GWV	GD	RTX	NVR	ROST	ROL	MCD	JKHY	BR	IT	CSCO
-3.81%	-3.86%	-4.06%	-4.31%	-2.81%	-3.59%	-4.08%	-4.28%	-0.85%	-0.99%	-1.02%	-1.63%	-0.72%	-0.89%	-1.65%	-1.91%
LLY	HUM	ELV	CI	LHX	LMT	HII	NOC	GPC	AZO	DRI	ORLY	TDY	LDOS	MSI	ENPH
-4.45%	-5.33%	-5.85%	-6.04%	-5.44%	-5.48%	-6.79%	-7.32%	-2.33%	-2.38%	-2.87%	-3.35%	-1.96%	-3.59%	-3.88%	-5.57%
Financial				Consumer Goods				Utilities				Materials			
TROW	BEN	MCO	IVZ	TGT	NWL	EL	MKC	NRG	EXC	NEE	PCG	DOW	LYB	CE	EMN
6.97%	6.72%	5.47%	5.44%	5.44%	4.98%	4.26%	2.33%	0.69%	0.28%	0.13%	-0.34%	6.37%	6.07%	6.01%	5.12%
PYPL	NTRS	SYF	C	DLTR	TSN	PM	STZ	ETR	AES	EIX	SRE	IFF	PPG	FCX	ECL
4.87%	4.02%	3.87%	3.66%	1.53%	1.43%	1.31%	1.22%	-0.37%	-0.5%	-0.7%	-0.76%	4.66%	4.23%	3.51%	2.67%
SPGI	ZION	CB	PGR	TAP	KO	DG	PEP	CNP	SO	CMS	AEP	DD	ALB	NEM	MLM
2.89%	2.82%	-2.67%	-2.71%	0.87%	0.72%	-1.89%	-2.01%	-0.92%	-0.94%	-1.32%	-1.98%	1.67%	1.44%	0.26%	-0.18%
ACGL	BRO	FDS	RE	KR	SJM	KHC	K	DUK	ED	PEG	AEE	NUE	APD	VMC	FMC
-2.79%	-3.44%	-3.45%	-3.59%	-2.1%	-2.23%	-2.32%	-2.87%	-1.99%	-2.01%	-2.07%	-2.32%	-0.19%	-0.39%	-0.62%	-0.71%
AJG	GL	WRB	CBOE	GIS	CPB	HSY	LW	XEL	FE	LNT	EVRG	SHW	MOS	CTVA	CF
-3.63%	-3.64%	-4.8%	-4.84%	-2.93%	-3.13%	-3.28%	-3.3%	-2.34%	-2.64%	-2.86%	-3.74%	-0.74%	-1.33%	-3.63%	-5.23%
Real Estate				Energy				Communication Services							
DLR	VNO	HST	WELL	OXY	PSX	PXD	HES	WBD	DISH	CHTR	NFLX				
2.75%	2.71%	2.37%	2.17%	5.46%	4.76%	4.15%	4.1%	9.63%	5.85%	5.69%	5.51%				
CBRE	EQIX	CCI	AMT	DVN	MRO	APA	COP	DIS	NWS	IPG	NWSA				
2.08%	1.94%	1.31%	1.07%	4.09%	4.05%	3.74%	3.48%	5.03%	4.63%	4.57%	4.39%				
VTR	BXP	UDR	ESS	EOG	CTRA	KMI	FANG	FOX	CMCSA	OMC	GOOG				
1%	0.79%	-1.43%	-1.49%	3.37%	3.34%	2.69%	2.54%	3.83%	3.81%	3.2%	2.72%				
VICI	ARE	EQR	PLD	HAL	OKE	MPC	TRGP	T	META	ATVI	EA				
-1.5%	-1.69%	-1.86%	-1.87%	2.46%	1.97%	1.72%	1.47%	1.11%	1.03%	0.71%	0.71%				
MAA	PSA	AVB	EXR	BKR	WMB	VLO	EQT	LYV	VZ	LUMN	TMUS				
-2.17%	-2.52%	-2.74%	-2.92%	1.44%	1.37%	1.14%	-0.65%	0.45%	-0.57%	-1.71%	-2.83%				

S&P 500 Tear Sheet

3 Month SPY Price							SPY RISK INFO					
							Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR	
							Price Return	11.73%	(14.07%)	(16.10%)	14.39%	
							Max Drawdown	(27.47%)	(27.47%)	(27.47%)	0.00%	
							Sharpe	0.44	(0.52)	(0.78)	0.49	
							Sortino	0.65	(0.76)	(1.23)	0.63	
							Volatility	19.11	24.04	25.15	0.05	
							Daily VaR-5%	(21.88)	(49.85)	(59.44)	0.19	
							Mnthly VaR-5%	(19.80)	(49.40)	(57.81)	0.17	
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	1.59%	1.21%	1.55%	21.48%	2.14%	1.20%	(27.94%)	28.33%	Shares	3,814.8	3,837.3	0.59%
P/E Ratio	25.71	26.35	18.23	(44.56%)	2890%	1643%	(36.9%)	10.93%	Sales	98,309	109,974	11.87%
P/S Ratio	4.09	4.78	3.65	(30.77%)	4.93	3.24	(25.89%)	12.68%	SPS	25.8	28.7	11.21%
P/B Ratio	5.26	6.74	5.59	(20.54%)	6.75	4.30	(17.24%)	29.94%	Earnings	18,917	19,453	2.84%
ROE	19.45%	28.29%	27.89%	(1.42%)	29.58%	17.67%	(5.70%)	57.81%	EPS TTM	5.1	5.7	12.05%
ROA	4.47%	6.37%	6.37%	(0.11%)	6.71%	4.09%	(5.16%)	55.77%	Dividend	1.5	1.6	7.99%
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	62.10%	5.46%	1.46	9.89	93.64	(357.54)	(89.4%)	26.9%	2.7%	8.36%	8.57	9.80
Materials	(9.00%)	2.68%	1.10	14.22	27.12	12.53	(47.6%)	18.0%	2.0%	7.25%	5.69	14.13
Industrials	(6.27%)	8.64%	1.16	22.55	55.50	14.67	(59.4%)	20.1%	1.7%	4.40%	6.62	17.52
Discretionary	(30.21%)	10.22%	1.34	28.25	59.35	21.88	(52.4%)	17.4%	0.9%	3.59%	4.47	24.08
Staples	0.32%	7.04%	0.60	21.56	23.09	17.43	(6.6%)	29.6%	2.5%	4.66%	4.58	20.49
Health Care	(0.34%)	15.66%	0.72	16.27	19.71	15.17	(17.4%)	40.2%	1.6%	6.10%	8.42	16.86
Financials	(8.93%)	11.79%	1.16	14.03	18.55	10.60	(24.3%)	11.2%	1.9%	7.14%	7.17	12.23
Technology	(18.80%)	25.57%	1.15	23.19	32.99	16.65	(29.7%)	72.0%	1.0%	4.41%	6.25	21.69
Telecom	(39.76%)	7.17%	0.96	15.80	28.04	16.54	(43.6%)	23.5%	0.7%	6.90%	4.54	15.30
Utilities	0.52%	3.01%	0.63	19.86	21.24	15.56	(6.5%)	11.2%	3.1%	5.15%	3.30	17.67
Real Estate	(20.95%)	2.67%	0.97	17.41	25.51	16.92	(31.7%)	10.3%	3.3%	5.60%	4.86	16.24
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	398.51	1.60%	378.23	#N/A	5.36%	405.80	#N/A	(1.80%)	(6.80%)			Sell
Mid Cap	462.02	5.63%	429.48	#N/A	7.58%	450.93	#N/A	2.46%	(4.76%)			Sell
Small Cap	87.64	6.00%	81.05	#N/A	8.13%	86.12	#N/A	1.76%	(5.89%)			Sell

Relative Performance Analysis

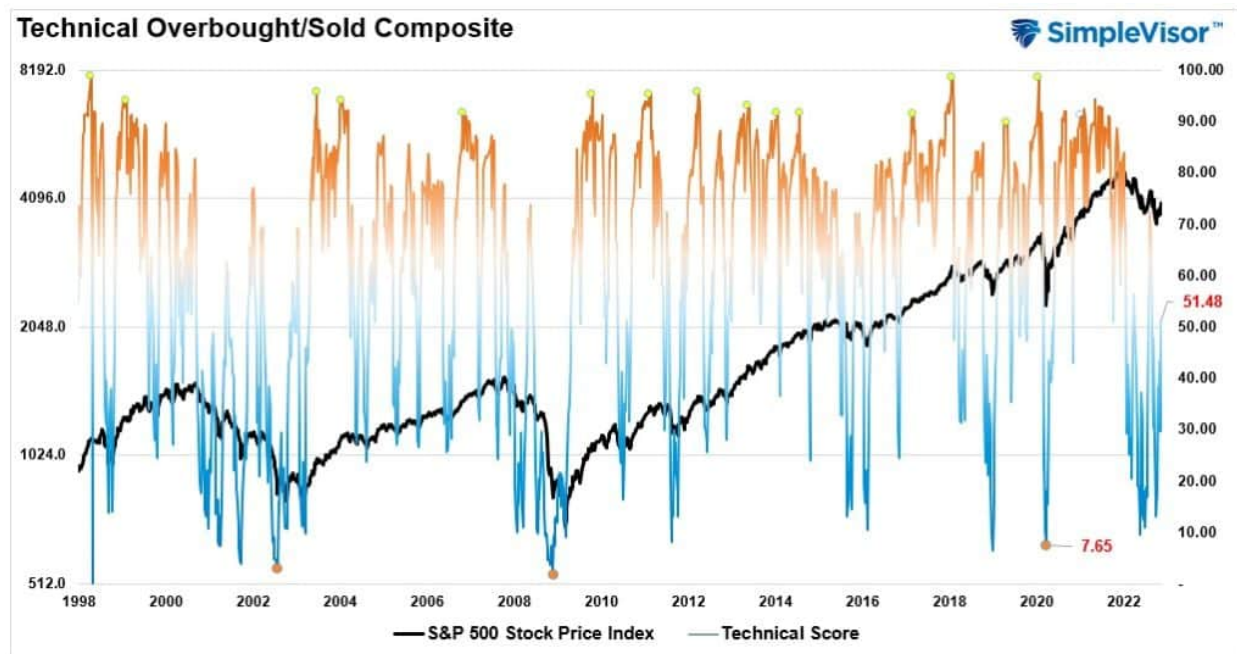
The market surged last week as weaker inflation data sparked a *"bid to cover"* the most shorted and hated equity names. **The rotation to *"deflationary"* stocks, i.e., Technology, has pushed that sector to more extreme overbought levels.** However, as I explained last week, the performance lag was likely to reverse, as seen this week. **The sharp move has pushed most markets and sectors into extremely overbought territory, suggesting some profit-taking is likely well warranted.**



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. Markets tend to peak when readings are at 80 or above, which suggests profit-taking and risk management are prudent. **The best buying opportunities exist when readings are 20 or below.**

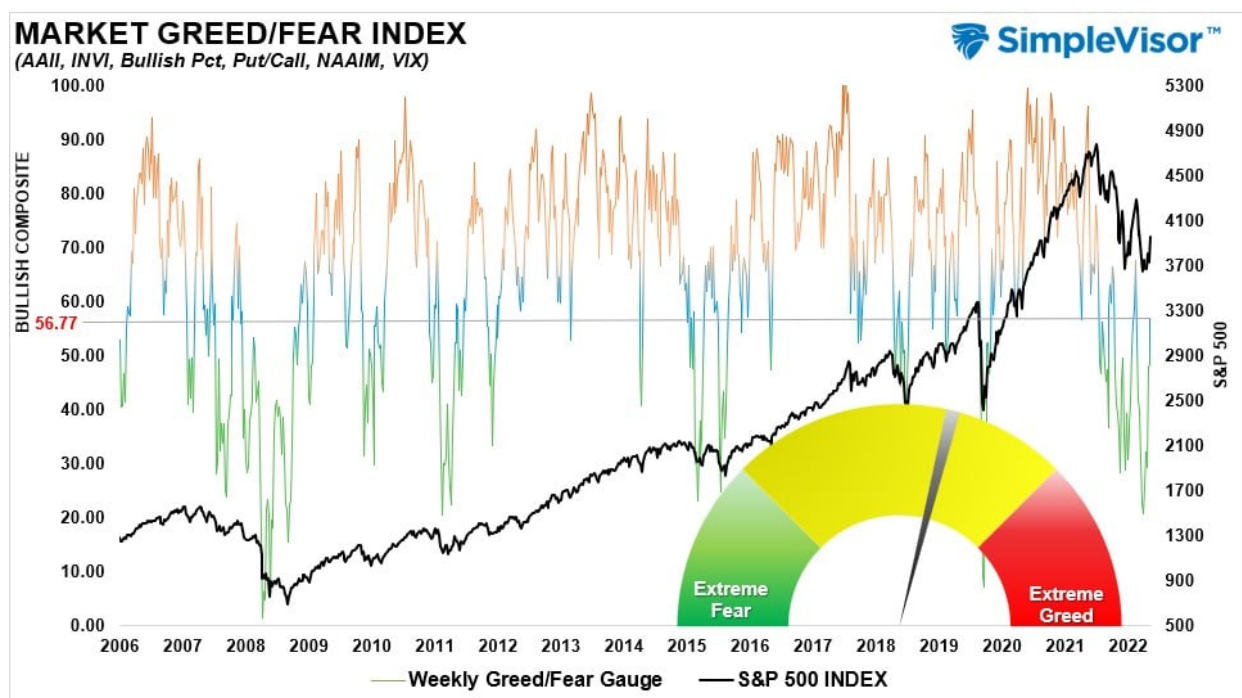
The current reading is 51.48 out of a possible 100 and rising. Remain long equities for now.



Portfolio Positioning "Fear / Greed" Gauge

The "Fear/Greed" Gauge is how individual and professional investors are "positioning" themselves in the market based on their equity exposure. From a contrarian position, the higher the allocation to equities, the more likely the market is closer to a correction than not. The gauge uses weekly closing data.

NOTE: The Fear/Greed Index measures risk from 0 to 100. It is a rarity that it reaches levels above 90. The current reading is 56.77 out of a possible 100.



Sector Model Analysis & Risk Ranges

How To Read This Table

- The table compares the relative performance of each sector and market to the S&P 500 index.
- "MA XVER" (Moving Average Cross Over) is determined by the short-term weekly moving average crossing positively or negatively with the long-term weekly moving average.
- The risk range is a function of the month-end closing price and the "beta" of the sector or market. (Ranges reset on the 1st of each month)
- The table shows the price deviation above and below the weekly moving averages.

As we noted last week, the double-digit deviations below the long-term means in Communication, Technology, and Discretionary stocks were due to reverse as such deviations technically can not remain for extended periods. As such, the weaker inflation data sent those sectors screaming higher this week, working off most of those negative deviations. With Emerging, International, Small, and Midcaps trading well above monthly ranges, some profit-taking and rebalancing is advised.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG WMA	MONTH END	REL S&P	RISK RANGE		% DEV - Short M/A	% DEV - Long M/A	M/A XVER SIGNAL
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW			
IVV	ISHARS-SP500	400.17	5.91	11.44	(5.70)	(4.09)	(14.70)	388.01	402.57	387.79	1.00	397.48	378.10	3%	-1%	BEARISH
XLB	SPDR-MATLS SELS	81.25	1.82	7.73	8.33	(2.90)	4.88	74.01	78.70	74.08	1.04	76.79	71.46	10%	3%	BEARISH
XLC	SPDR-COMM SV SS	50.02	3.50	(7.19)	(7.59)	(12.84)	(23.72)	51.37	56.61	48.21	0.98	49.89	46.53	-3%	-12%	BEARISH
XLE	SPDR-EGY SELS	93.13	(4.04)	4.57	22.90	9.29	76.53	81.72	79.27	90.00	1.40	93.51	86.49	14%	17%	BULLISH
XLF	SPDR-FINL SELS	35.87	(0.13)	4.23	8.30	4.94	4.05	32.98	33.88	33.98	1.09	35.29	32.76	9%	6%	BEARISH
XLK	SPDR-TECH SELS	133.14	4.13	2.55	(4.41)	(1.79)	(5.72)	129.63	136.32	127.87	1.11	132.49	123.25	3%	-2%	BEARISH
XLI	SPDR-INDU SELS	99.53	(1.22)	6.01	6.40	8.35	7.81	91.59	93.20	94.35	1.13	97.76	90.92	9%	7%	BEARISH
XLP	SPDR-CONS STPL	73.52	(3.59)	(2.57)	1.29	2.12	15.64	71.56	73.46	72.74	0.60	75.00	70.48	3%	0%	BEARISH
XLRE	SPDR-RE SELS	38.74	1.14	3.28	(7.59)	(9.47)	(4.90)	38.73	42.12	36.73	0.80	37.94	35.52	0%	-8%	BEARISH
XLV	SPDR-UTIL SELS	68.08	(4.43)	(1.90)	(6.68)	(5.58)	16.85	70.35	71.50	66.78	0.50	68.78	64.78	-3%	-5%	BEARISH
XLV	SPDR-HLTH CR	133.13	(4.14)	(3.99)	5.86	3.43	14.20	127.61	129.94	132.75	0.73	137.04	128.46	4%	2%	BEARISH
XLV	SPDR-CONS DISCR	145.09	(0.39)	(4.18)	(7.69)	(1.55)	(14.10)	150.54	155.59	144.03	1.16	149.30	138.76	-4%	-7%	BEARISH
XTN	SPDR-SP TRANSP	74.92	1.49	3.05	2.26	(1.01)	(8.22)	70.51	74.54	70.48	1.30	73.16	67.80	6%	1%	BEARISH
SOY	SPDR-SP DIV ETF	128.32	(0.81)	1.65	3.88	4.37	15.90	121.19	123.18	122.99	0.86	127.12	118.86	6%	4%	BEARISH
RSP	INV-S-SP5 EQ ETF	146.08	0.01	2.51	3.45	1.26	5.97	138.20	142.83	139.56	1.05	144.52	134.60	6%	2%	BEARISH
SLY	SPDR-SP6 SC	87.64	(0.66)	1.59	2.86	2.67	(0.70)	82.67	85.02	85.06	1.14	88.16	81.96	6%	3%	BEARISH
MDY	SPDR-SP MC 400	462.02	(0.65)	1.39	3.91	3.70	2.02	436.77	445.86	443.77	1.12	459.81	427.73	6%	4%	BEARISH
EEM	ISHARS-EMG MKT	38.16	(0.50)	0.11	1.34	(5.16)	(11.91)	37.01	39.82	34.19	0.69	35.28	33.10	3%	-4%	BEARISH
EFA	ISHARS-EAFE	65.46	1.84	5.43	6.89	(2.96)	(4.86)	60.09	64.50	59.31	0.83	61.29	57.33	9%	1%	BEARISH
IAU	ISHARS-GOLD TR	33.56	(0.74)	(3.77)	6.94	(0.65)	9.24	32.09	33.89	30.98	0.11	31.79	30.17	5%	-1%	BEARISH
GDX	VANECK-GOLD MNR	28.30	7.52	13.12	17.78	(8.86)	(3.90)	24.51	29.12	24.16	0.68	24.93	23.39	15%	-3%	BEARISH
UUP	INV-S-DB US\$ BU	28.65	(9.87)	(17.38)	4.73	9.58	27.06	29.67	28.41	30.03	(0.15)	30.73	29.33	-3%	1%	BULLISH
BOND	PIMCO-TOT RETRN	89.68	(3.70)	(9.78)	(0.69)	(4.62)	(3.53)	91.13	94.88	88.20	0.15	90.54	85.86	-2%	-5%	BEARISH
TLT	ISHARS-20+YTB	97.89	(2.01)	(12.13)	(7.79)	(13.79)	(18.85)	103.85	112.86	96.11	(0.02)	98.49	93.73	-6%	-13%	BEARISH
BNDX	VANGD-TTL INT B	48.33	(4.53)	(8.83)	2.09	(0.82)	(0.52)	48.41	49.76	47.94	0.10	49.19	46.69	0%	-3%	BEARISH
HYG	ISHARS-IBX HYCB	74.45	(3.78)	(7.33)	2.45	(3.86)	0.43	73.84	76.24	73.43	0.41	75.57	71.29	1%	-2%	BEARISH

RISK RANGE REPORT

SimpleVisor™

Weekly SimpleVisor 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
- Highest Rated Stocks

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

(Click Images To Enlarge)

RSI Screen

Scan Result: 16 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
📈	📈	📈	↑↓	↑↓	↑↓	↑↓	↑↓	② ↑↓	② ↑↓	② ↑↓	↑↓	↑↓
BIIB	10/10	📈	\$288.23	64.28	\$227.49	\$216.66	\$211.43	—	5	4	%	14.94
ENPH	10/10	📈	\$294.82	39.01	\$288.54	\$289.15	\$240.20	1	6	3	%	-7.32
LW	10/10	📈	\$80.89	64.63	\$78.81	\$79.93	\$74.58	4	5	3	1.15%	0.80
PCG	10/10	📈	\$14.73	60.68	\$13.32	\$12.46	\$11.69	1	5	3	%	0.55
ALB	9/10	📈	\$325.91	51.20	\$279.90	\$273.55	\$249.37	1	5	3	0.57%	0.36
CAH	9/10	📈	\$74.90	54.51	\$67.79	\$66.75	\$60.51	—	6	5	2.57%	0.53
COP	9/10	📈	\$133.30	61.18	\$110.21	\$105.71	\$102.61	1	8	1	1.97%	2.58
AES	8/10	📈	\$28.04	50.45	\$25.11	\$24.91	\$22.88	4	8	4	2.84%	-0.13
CSGP	8/10	📈	\$84.09	51.69	\$72.29	\$72.56	\$66.22	—	5	3	%	0.44
DVN	8/10	📈	\$72.02	58.72	\$65.31	\$64.97	\$63.11	1	8	3	8.02%	1.26
HES	8/10	📈	\$144.94	59.86	\$118.04	\$115.95	\$113.42	5	7	3	1.33%	2.47
MOH	8/10	📈	\$314.12	61.61	\$339.16	\$334.68	\$310.95	1	6	2	%	4.69
MPC	8/10	📈	\$120.64	61.78	\$98.99	\$97.90	\$95.18	—	9	1	2.52%	2.47
REGN	8/10	📈	\$726.50	61.81	\$707.66	\$652.14	\$631.71	4	6	3	%	22.53
VRTX	8/10	📈	\$299.70	53.49	\$289.91	\$288.74	\$281.74	1	6	2	%	2.81
XOM	8/10	📈	\$113.88	59.20	\$92.84	\$93.49	\$92.03	3	8	1	3.28%	1.39

Momentum Screen

Scan Result: 20 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
📈	📈	📈	↑↓	↑↓	↑↓	↑↓	↑↓	② ↑↓	② ↑↓	② ↑↓	↑↓	↑↓
BIIB	10/10	📈	\$288.23	64.28	\$227.49	\$216.66	\$211.43	—	5	4	%	14.94
ALB	9/10	📈	\$325.91	51.20	\$279.90	\$273.55	\$249.37	1	5	3	0.57%	0.36
COP	9/10	📈	\$133.30	61.18	\$110.21	\$105.71	\$102.61	1	8	1	1.97%	2.58
DVN	8/10	📈	\$72.02	58.72	\$65.31	\$64.97	\$63.11	1	8	3	8.02%	1.26
HES	8/10	📈	\$144.94	59.86	\$118.04	\$115.95	\$113.42	5	7	3	1.33%	2.47
MOH	8/10	📈	\$314.12	61.61	\$339.16	\$334.68	\$310.95	1	6	2	%	4.69
MPC	8/10	📈	\$120.64	61.78	\$98.99	\$97.90	\$95.18	—	9	1	2.52%	2.47
REGN	8/10	📈	\$726.50	61.81	\$707.66	\$652.14	\$631.71	4	6	3	%	22.53
VRTX	8/10	📈	\$299.70	53.49	\$289.91	\$288.74	\$281.74	1	6	2	%	2.81
XOM	8/10	📈	\$113.88	59.20	\$92.84	\$93.49	\$92.03	3	8	1	3.28%	1.39
CF	7/10	📈	\$104.76	56.38	\$100.58	\$102.55	\$96.49	1	9	3	1.48%	0.56
FANG	7/10	📈	\$164.84	61.26	\$129.51	\$129.75	\$130.07	4	8	3	2.19%	2.40
LLY	7/10	📈	\$346.18	54.01	\$316.55	\$315.07	\$313.49	—	5	3	1.19%	4.41
NOC	7/10	📈	\$495.43	61.24	\$484.47	\$483.18	\$473.05	4	6	3	1.29%	2.66
ORLY	7/10	📈	\$813.53	56.08	\$706.21	\$712.47	\$675.39	5	8	3	%	4.85
AZO	6/10	📈	\$2,387.59	57.45	\$2,154.55	\$2,187.40	\$2,133.79	5	7	3	%	9.91
CMI	6/10	📈	\$249.64	55.58	\$212.76	\$217.81	\$209.35	5	7	4	2.55%	0.62
EOG	6/10	📈	\$146.62	56.06	\$118.85	\$116.12	\$116.98	7	8	3	2.70%	1.81
ETSY	6/10	📈	\$115.06	53.54	\$105.47	\$107.83	\$95.19	—	7	3	%	1.13
IT	6/10	📈	\$340.04	49.93	\$290.49	\$293.58	\$270.67	6	7	3	%	0.25

Highest Rated With Dividends Screen

Scan Result: 20 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		
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	② ↑↓	② ↑↓	② ↑↓	↑↓	↑↓		
APTS	10/10	\$25.00	63.08	\$24.93	\$24.91	\$24.26	4	9	4	2.82%	0.02		
ARLP	10/10	\$21.38	50.06	\$23.97	\$23.88	\$21.65	4	9	—	7.31%	0.01		
CLFD	10/10	\$90.75	43.28	\$97.48	\$106.18	\$85.51	4	7	1	%	-1.09		
ELF	10/10	\$49.66	45.34	\$38.83	\$37.72	\$32.84	5	7	3	%	0.15		
EVOP	10/10	\$33.64	65.32	\$33.36	\$33.29	\$28.53	5	8	2	%	0.22		
EXTR	10/10	\$18.14	53.32	\$13.22	\$13.61	\$11.69	6	8	2	%	0.10		
FTI	10/10	\$11.72	56.44	\$8.94	\$8.64	\$7.86	5	7	3	%	0.20		
MTDR	10/10	\$70.47	61.40	\$55.00	\$56.98	\$55.01	4	8	3	0.61%	0.89		
MUR	10/10	\$50.61	62.37	\$38.57	\$37.08	\$36.05	5	7	3	1.99%	1.28		
NLY	10/10	\$21.42	53.10	\$15.39	\$10.14	\$8.14	5	8	5	19.99%	2.21		
YPF	10/10	\$7.57	57.15	\$6.81	\$5.66	\$4.67	4	8	4	%	0.35		
AES	8/10	\$28.04	50.45	\$25.11	\$24.91	\$22.88	4	8	4	2.84%	-0.13		
CLH	8/10	\$117.30	50.50	\$115.56	\$113.89	\$101.71	5	9	2	%	0.32		
DFIN	8/10	\$37.76	47.20	\$37.72	\$39.99	\$35.17	6	8	3	%	-0.42		
DKS	8/10	\$109.00	50.35	\$111.15	\$107.51	\$94.79	4	8	2	1.69%	0.75		
FSS	8/10	\$48.69	63.18	\$39.15	\$40.45	\$38.02	4	7	4	0.87%	0.15		
HES	8/10	\$144.94	59.86	\$118.04	\$115.95	\$113.42	5	7	3	1.33%	2.47		
OPCH	8/10	\$28.67	54.72	\$32.01	\$32.64	\$30.86	5	8	3	%	0.28		
SANM	8/10	\$68.08	57.75	\$47.59	\$48.54	\$45.48	5	7	4	%	0.43		
SBS	8/10	\$10.57	67.33	\$9.60	\$9.27	\$8.88	5	7	—	1.61%	0.44		

SimpleVisor Portfolio Changes

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

No Changes This Week



Looking for the 401k Plan Manager?

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[> Learn more](#)

Lance Roberts, CIO

Have a great week!