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Stocks Tumble On More Rate Increases

[Last week](#), we suggested the Fed would be more "*hawkish*" at the December FOMC meeting.

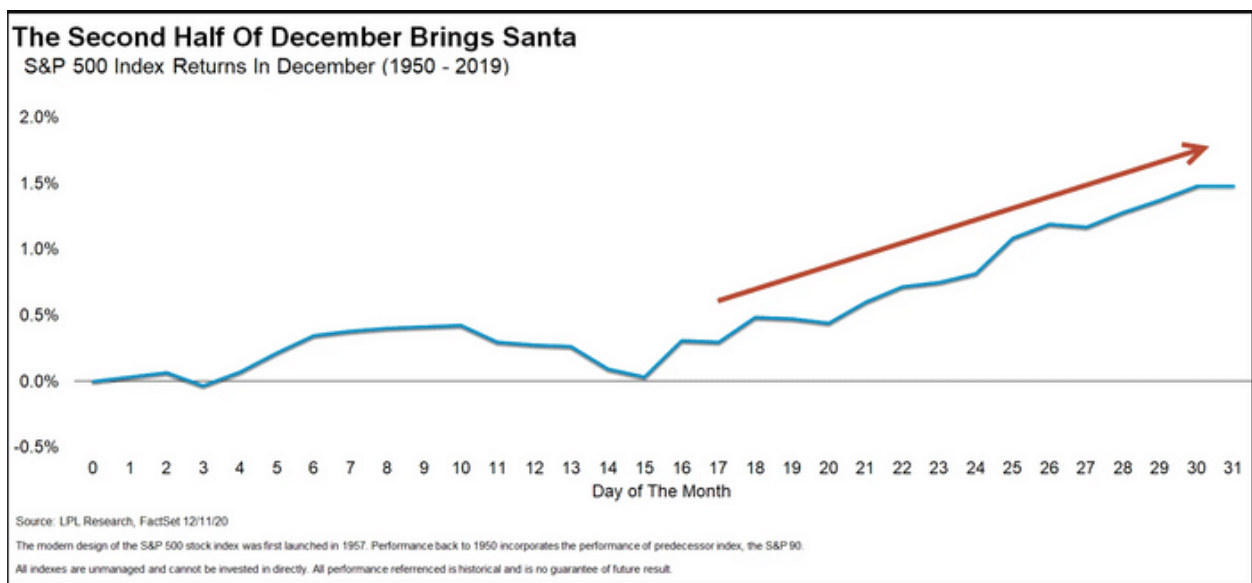
While the CPI report came in weaker than expected, sending the market surging early in the day above the 200-DMA, it could not hold those gains ahead of the Fed meeting. **As we will discuss next, Jerome Powell was indeed more hawkish than expected, signaling further rate increases and making clear that no "*pivot*" was coming.** That one-two punch sent stocks tumbling and wiped out the entirety of the "*weaker CPI*" rally from early in the week.

The MACD sell signal remains a good signal **NOT** to get sucked into rally attempts. Remaining cautious has served readers well over the last several weeks. The good news, if you want to call it that, is the 50-DMA held on Friday and sets the market up for a "*Santa Rally*" into year-end. The not-so-good news is that the rally may be somewhat limited, given the downside break of the recent consolidation range, which will provide overhead resistance.



Historically, the last two weeks of December and the first week of January tend to be positive as portfolio managers *"window dress"* into year-end for annual reporting, and the first two weeks of January see large inflows of money into financial assets for the New Year.

Yale Hirsch first documented the pattern in 1972, writing in *"Stock Trader's Almanac"* that the S&P 500 had gained an average of 1.5% during that seven-day period from 1950 through 1971. The pattern has remained true to today. Since 1950, the broad market index has increased an average of 1.3%.



While this seasonal period does have a statistically high probability of being positive, such does not mean it *"must"* be. There are years when *"Santa Failed To Visit."*

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Hawkish Fed Signals More Rate Increases

The reality is the outcome of 2023, as discussed [in yesterday's MacroView Blog](#), will almost entirely depend on the Federal Reserve. As rate hikes continue, the risk of "breaking something" increases. But, even an ordinary recession would suggest current earnings estimates must decline, thereby dictating lower asset prices.

Over the course of this year, market participants repeatedly clung to the hope of a "Fed pivot." Each time, Mr. Powell reminded the market such would not be the case. In November, the market surged 5.5% in a single day on the October inflation report. The market then surged 3.1% following a speech by Mr. Powell at the Brookings Institution when he discussed starting to slow the pace of rate increases in December.

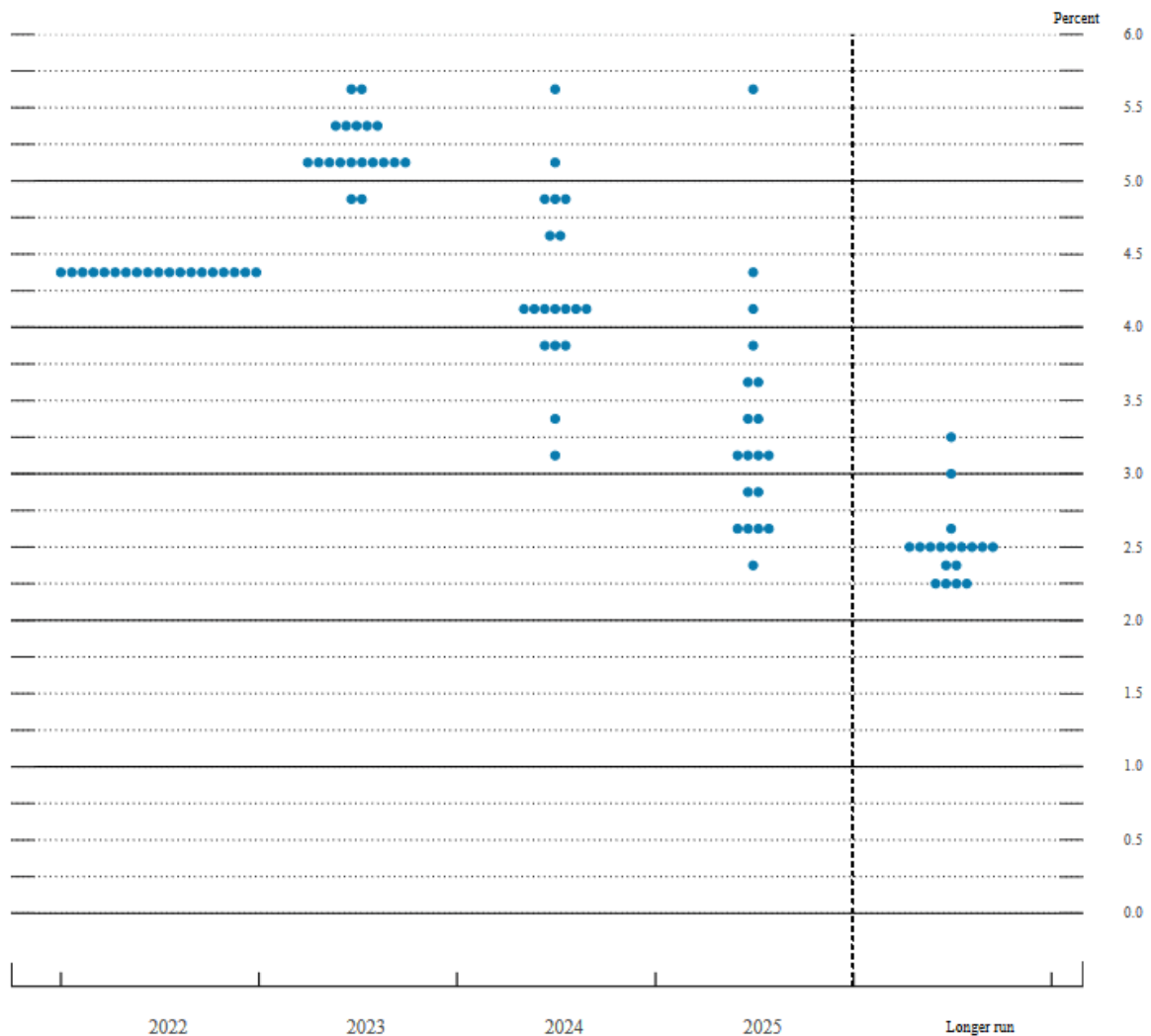
Each of those rallies was slapped down by the Fed. As we noted last week, Nick Timaros relayed a message from the Fed. [To wit:](#)

*?Federal Reserve officials have signaled plans to raise their benchmark interest rate by 0.5 percentage point at their meeting next week. **However, elevated wage pressures could lead them to continue lifting it to higher levels than investors expect.***

*?brisk wage growth or higher inflation in labor-intensive service sectors of the economy **could lead more of them to support raising their benchmark rate next year above the 5% anticipated by investors.***

The Fed's latest policy announcement confirmed that even though they may be approaching the finish line, they aren't there yet concerning the central bank's fight against inflation. Such was also apparent in their "dot plot," which increased the potential for rate increases next year above 5%. You can see the cluster of consensus expectations between 5.1% and 5.3%, which implies three more rate hikes in 2023 of 0.25% each.

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



Importantly, despite the ongoing hopes for a "pivot" to boost stocks, the Fed's rate projections show NO rate cuts in 2023.

Fed Chair Jerome Powell said the central bank needs to be confident in the path of inflation before cutting its benchmark interest rate. To wit:

"Historical experience cautions strongly against prematurely loosening policy. I wouldn't see us considering rate cuts until the committee is confident that inflation is moving down to 2% in a sustained way."

Of course, achieving a 2% inflation rate, down from 7.1% currently, would imply much slower economic growth derived from higher unemployment, reduced wage growth, and much slower demand.

The question is, can that be achieved without triggering a recession?

Can The Fed Avoid A Recession?

*"The Federal Reserve expects an economic downturn next year. **But just don't call it a recession.**" - Yahoo Finance*

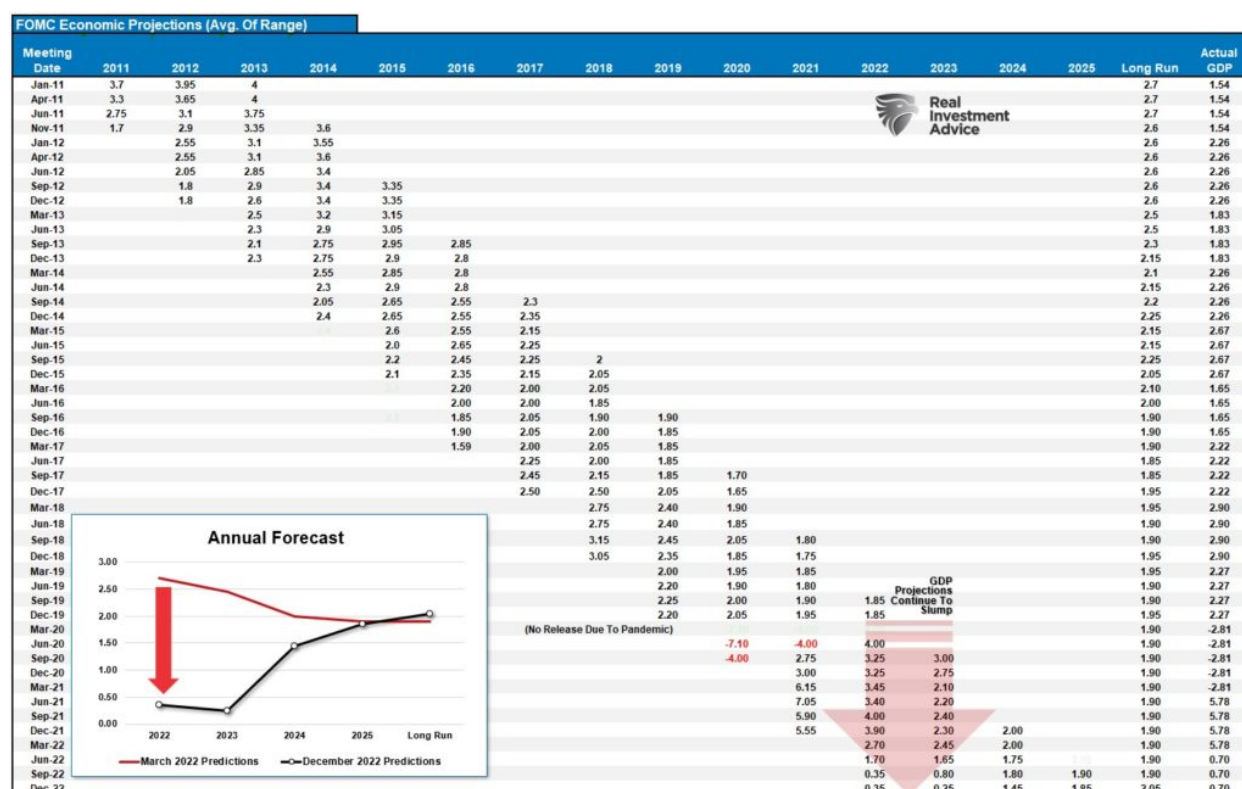
That statement defines the much-hoped-for "soft" economic landing. With the Federal Reserve committed to continued rate hikes in 2023, reducing market liquidity through "Quantitative Tightening," and retail sales falling, we struggle with the concept of a "soft landing."

However, if employment remains strong, unemployment doesn't rise substantially, and wages increase to offset inflation pressures, it is possible to avoid a recession. The problem is that strong employment and wage growth will add to inflationary pressures. Of course, that is what the Federal Reserve is actively trying to resolve.

Yet, in its latest Summary of Economic Projections released Wednesday, Fed officials said they expect GDP growth at the end of next year to stand at just 0.5% while the unemployment rate is set to rise from its current level of 3.7% to 4.6%.

See, no recession, just a soft landing.

The problem is the Fed is NEVER correct in its forecast, as shown in the table below. The embedded chart shows the difference in their economic growth projections between the March meeting and December.



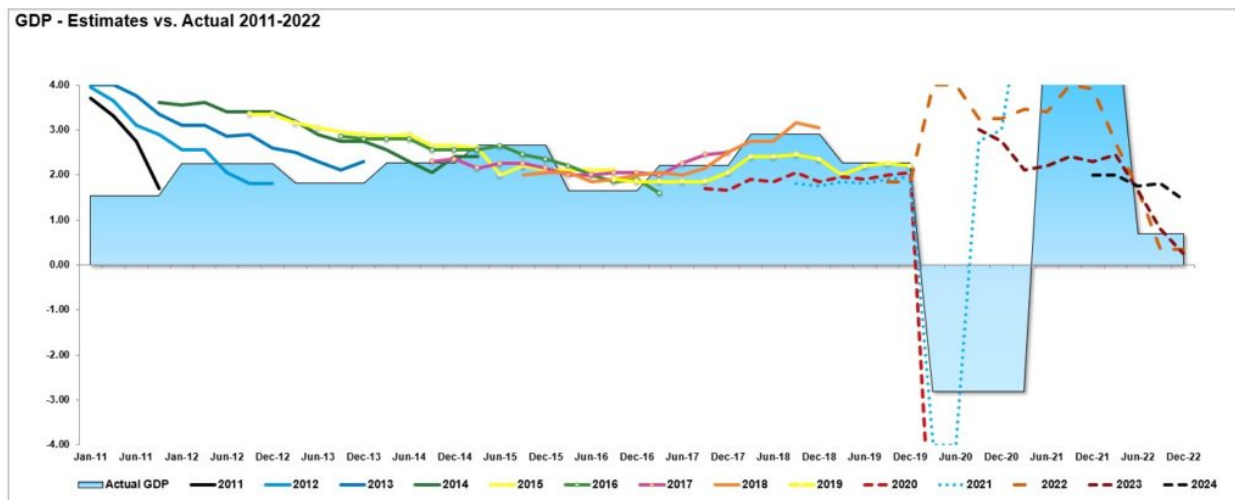
Can't Tell You The Truth

Yes, estimates for growth in 2023 stand at 0.5% as of December, down from 4%.

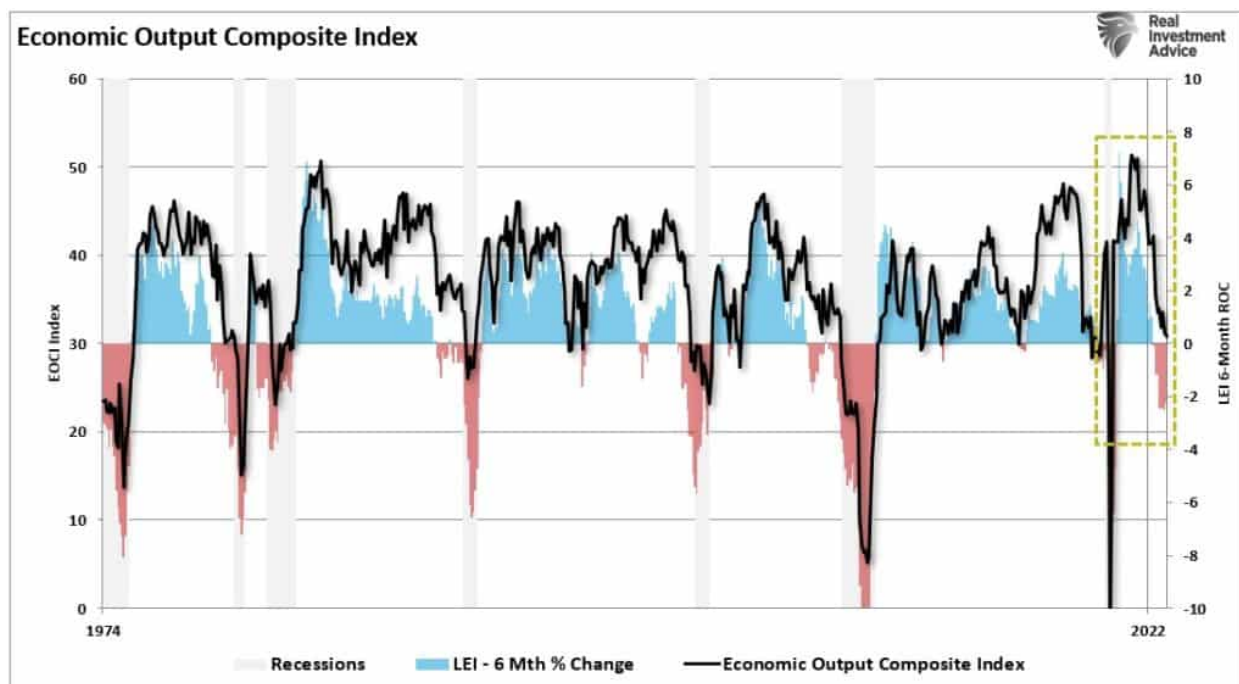
The Fed isn't that bad at forecasting. They just can't tell the truth.

Imagine that on Wednesday, the Fed released projections of a 2% economic decline next year. Immediately, the market would have sold off by 5%, and the media would run with the story causing consumption to contract, and, voila, you have a recession.

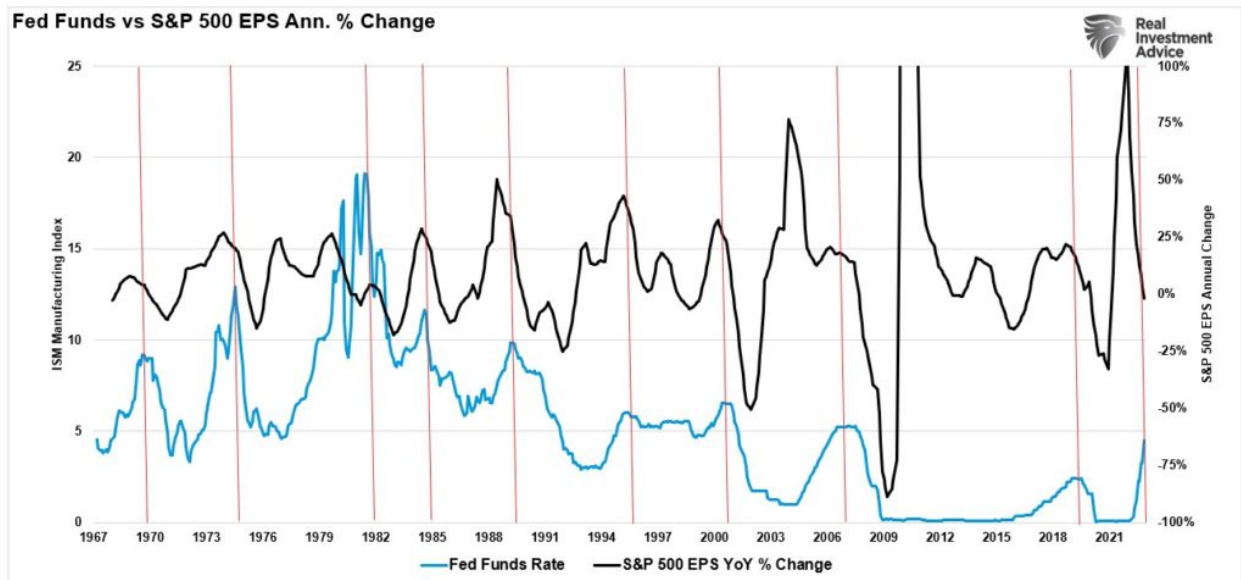
These forecasts are always overly optimistic and gradually reduce to align with economic realities. Such allows the market to adjust without creating a dislocation driven by panicked selling. The chart below shows the annual downward adjustments to the economic forecast each year.



??We believe a recession seems highly probable if the Fed's end game of rate increases is higher unemployment and lower inflation. The only way to achieve that with rate increases is to destroy demand which ultimately slows wage growth.•The economic data already seems well tilted into a recessionary trend. The composite economic index is already signaling a sharp slowdown in economic activity, and we suspect it will deepen next year.



As noted above, IF the economy slows markedly next year or falls into a recession, the market will need to reprice for lower earnings. Given the Fed is continuing to hike rates, that repricing seems inevitable as history shows that Fed rate hikes also align with peak earnings followed by contractions.



Of course, this is why the "bulls" are banking on a "pivot."

No Pivot Unless Something Breaks

On Thursday, Fed President, Richard Clarida [wrote an article for Pimco](#) stating:

"We do not want to overtighten because we think cutting rates is not something we want to do soon, but if financial conditions ease because markets price in such cuts, a peak policy rate of 5.25% may NOT be sufficient to put inflation on a path to return to 2% over time."

That comment is not what the bulls want to hear. It is also the message that Jerome Powell has repeatedly tried to deliver this year each time the market rallied in hopes of a "pivot."

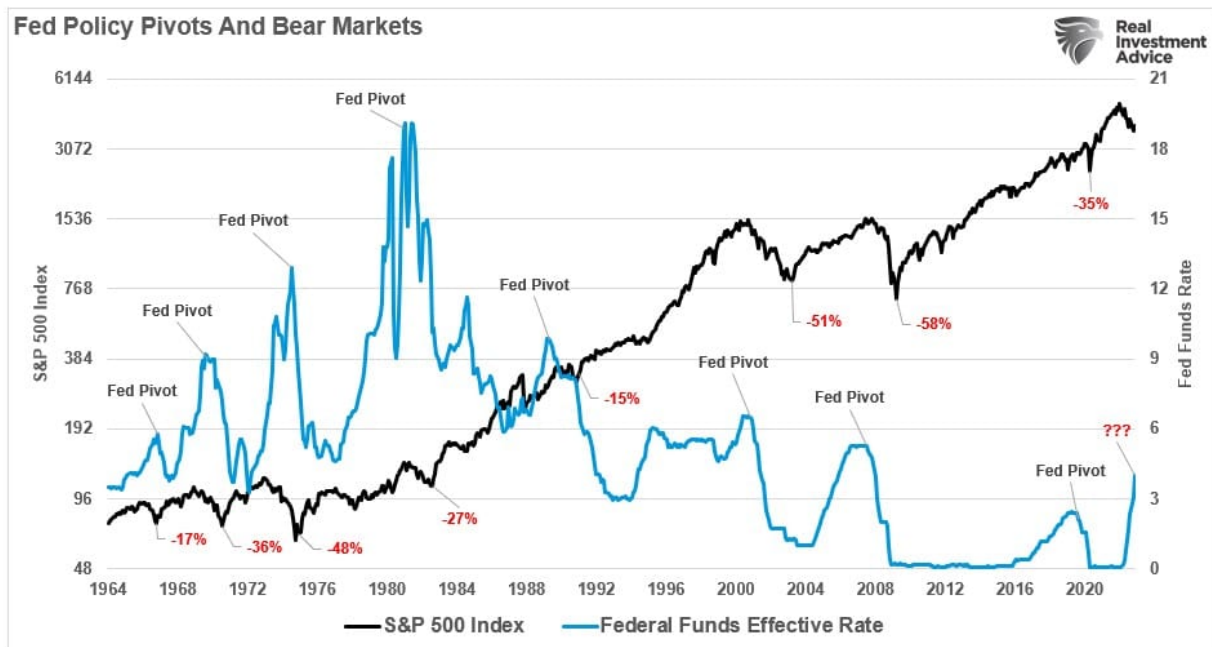
When the market rallies, it boosts consumer confidence and eases financial conditions. Such is exactly the opposite of what the Fed wants, as it needs TIGHTER financial conditions to reduce economic demand.

However, while the markets are hoping for a "pivot," there is no current reason for the Fed to cut rates and reverse its balance sheet contraction. **If the economy does have a "soft landing," then the Fed will hold at the terminal rate and continue reducing its balance sheet. Such would be a welcome outcome for the Fed to allow time to reset for the economic downturn.**

Therefore, as noted recently, the ONLY reason the Fed will pivot on monetary policy to an easing regime is if something breaks economically or financially. [To wit:](#)

"Naturally, once the Fed's aggressive rate hike campaign 'breaks' something, the 'policy pivot' will occur. Such will occur as the realization that inflation has now become a 'disinflationary' wave in the economy."

Many, [like Jim Cramer](#), assume that as soon as the Fed "pivots," such will be bullish for equities. Historically, when the Fed cuts interest rates, such is not the end of equity bear markets, but rather the beginning. Such is shown in the chart below of previous Fed pivots.



Notably, most *?bear markets?* occur AFTER the Fed's *?policy pivot?*

The Fed was extremely clear they are going to hike rates until "*inflation*" is on a trajectory towards its 2% target. The Fed is currently using very blunt instruments to achieve that goal, which will most likely result in a recession.

In this week's "*How We Are Trading It*," we will review the guidelines for managing risk through a recessionary environment.

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How We Are Trading It

From our perspective, the risk of deeper recession remains elevated, particularly as the Fed aggressively hikes rates.

While there is always a possibility that the economy could avoid a *?recession?* those odds are slim at best. Therefore, as investors, we should at least prepare for a storm and then cross our fingers and hope for the best. The guidelines are simplistic but ultimately effective.

1. *Raise cash levels in portfolios*
2. *Reduce equity risk, particularly in high beta growth areas.*
3. *Add or increase the duration of bond allocations which tend to offset risk during quantitative tightening cycles.*
4. *Reduce exposure to commodities and inflation plays as economic growth slows.*

If a recession occurs, the preparation will allow you to survive the impact. Protecting capital from the inherent destruction will mean less time spent getting back to even after the storm passes.

Alternatively, it is relatively straightforward to reallocate funds to equity risk if we avoid a recession or if the Fed does revert to monetary accommodation.

Investing during a recession is difficult. However, you can take some steps to ensure increased volatility is survivable.

- *Have excess emergency savings, so you are not ?forced? to sell while markets decline to meet obligations.*
- *Extend your time horizon to 5-7 years, as buying distressed stocks can get more distressed.*
- *Don?t obsessively check your portfolio.*
- *Consider tax-loss harvesting (selling stocks at a loss) to offset those losses against future gains.*
- *Stick to your investing discipline regardless of what happens.*

While the media continues to hope for a "pivot," there is currently no evidence the Fed intends to reverse monetary tightening.

The risk is clearly to tighter policy and slower economic growth.

If we are correct, a recession could occur, and prices will decline further.

See you next week.

Research Report



Valuation Math Suggests Difficult Markets In 2023

Written by Lance Roberts | Dec 16, 2022 | **Investing**

In 2023, the math of valuations suggests returns will likely be challenging as markets remain diffi...

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Weekly Market Recap With Adam Taggart

<https://youtu.be/kYdzWbGg3Qg>

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Stock Of The Week In Review

[Riding The International Wave](#)

This week we use the Finviz screener tool to find large international value-oriented stocks that have been trading well. The impetus for this screen is the recent outperformance of international stocks. Since October 1, 2022, EFA, representing the MSCI EAFE index (large to mid-cap across 21 non-USA developed markets), has risen nearly 20%, almost double the gain of the S&P 500.

Fueling the outperformance is the weakening dollar. The dollar index peaked in late September at 114. It now sits almost 10% lower at 105. If you think the dollar index will continue to trend lower and developed international markets will benefit from the weaker dollar, this screen may provide a few ideas on exploiting such a decline.

Screening Criteria

- Country: Outside of the U.S.A.
- P/E and Forward P/E < 10
- Market Cap > \$10 billion
- Trading above its 20/50/200 day moving averages

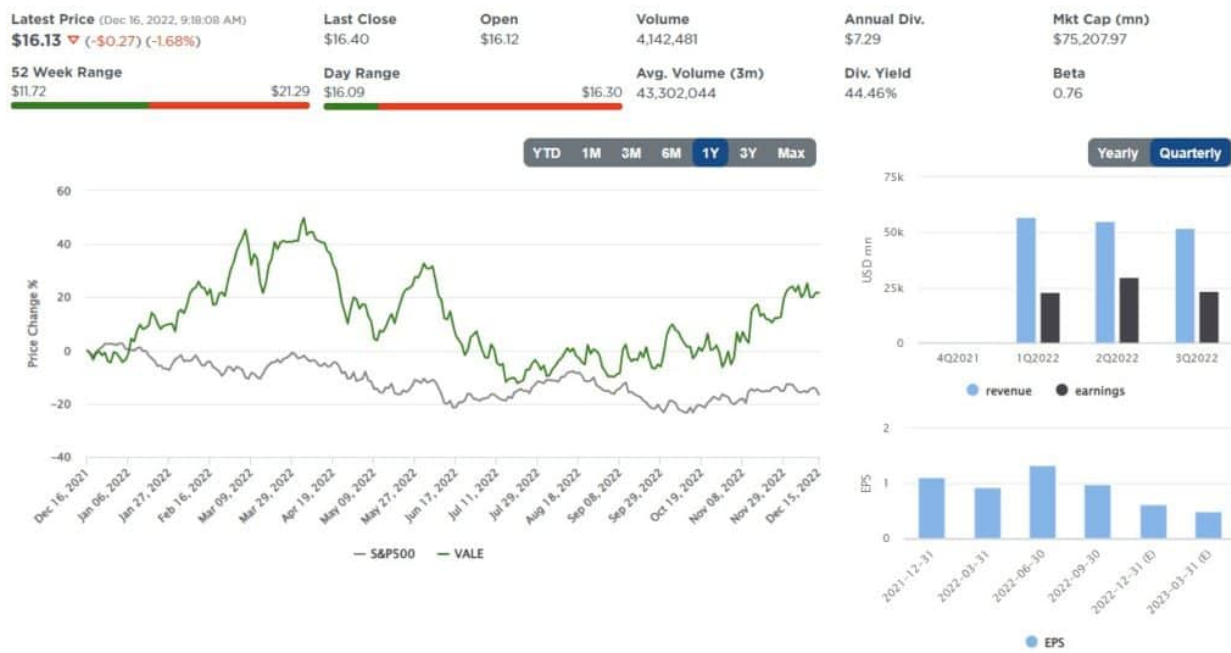
Here is a link to the full [SimpleVisor Article For Step-By-Step Screening Instructions](#).

VALE - Vale S.A.

Vale S.A. (VALE) - Other Industrial Metals & Mining

Description

Vale S.A., together with its subsidiaries, produces and sells iron ore and iron ore pellets for use as raw materials in steelmaking in Brazil and internationally. The company operates through Ferrous Minerals and Base Metals segments. The Ferrous Minerals segment produces and extracts iron ore and pellets, manganese, ferroalloys, and other ferrous products; and provides related logistic services. The Base Metals segment produces and extracts nickel and its by-products, such as gold, silver, cobalt, precious metals, and others, as well as copper. The company was formerly known as Companhia Vale do Rio Doce and changed its name to Vale S.A. in May 2009. Vale S.A. was founded in 1942 and is headquartered in Rio de Janeiro, Brazil.



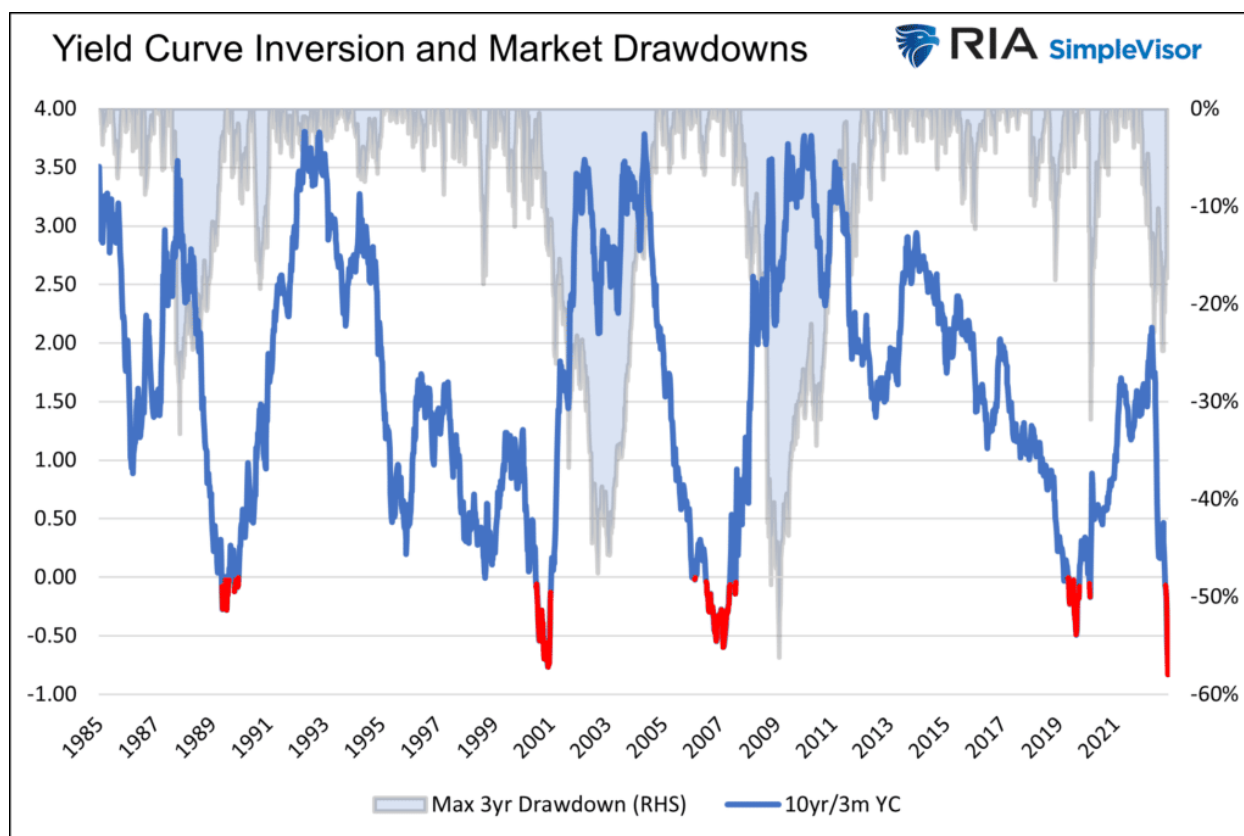
Login to [Simplevisor.com](#) to read the full 5-For-Friday report.

Daily Commentary Bits

[Its the Steepening, Not The Inversion, That Scares Us](#)

On Wednesday, we published [The Foghorn is Blowing, But Few Heed Its Warning](#). The article shares a few graphs, some of which are below, to help consider how the yield curve will steepen from its current inverted level. As shown, inverted yield curves tend to steepen in a sharp ?V? shaped pattern. Recessions do not begin, and equity prices do not bottom until the curve is positively sloped. The most likely reason for the curve to

steepen is aggressive Fed easing. Maybe the Fed will pull a rabbit out of its hat, and this time will be different. However, history warns that inverted yields always un-invert and often accompany economic and financial damage.



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Bull Bear Report Market Statistics & Screens

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SimpleVisor Top & Bottom Performers By Sector

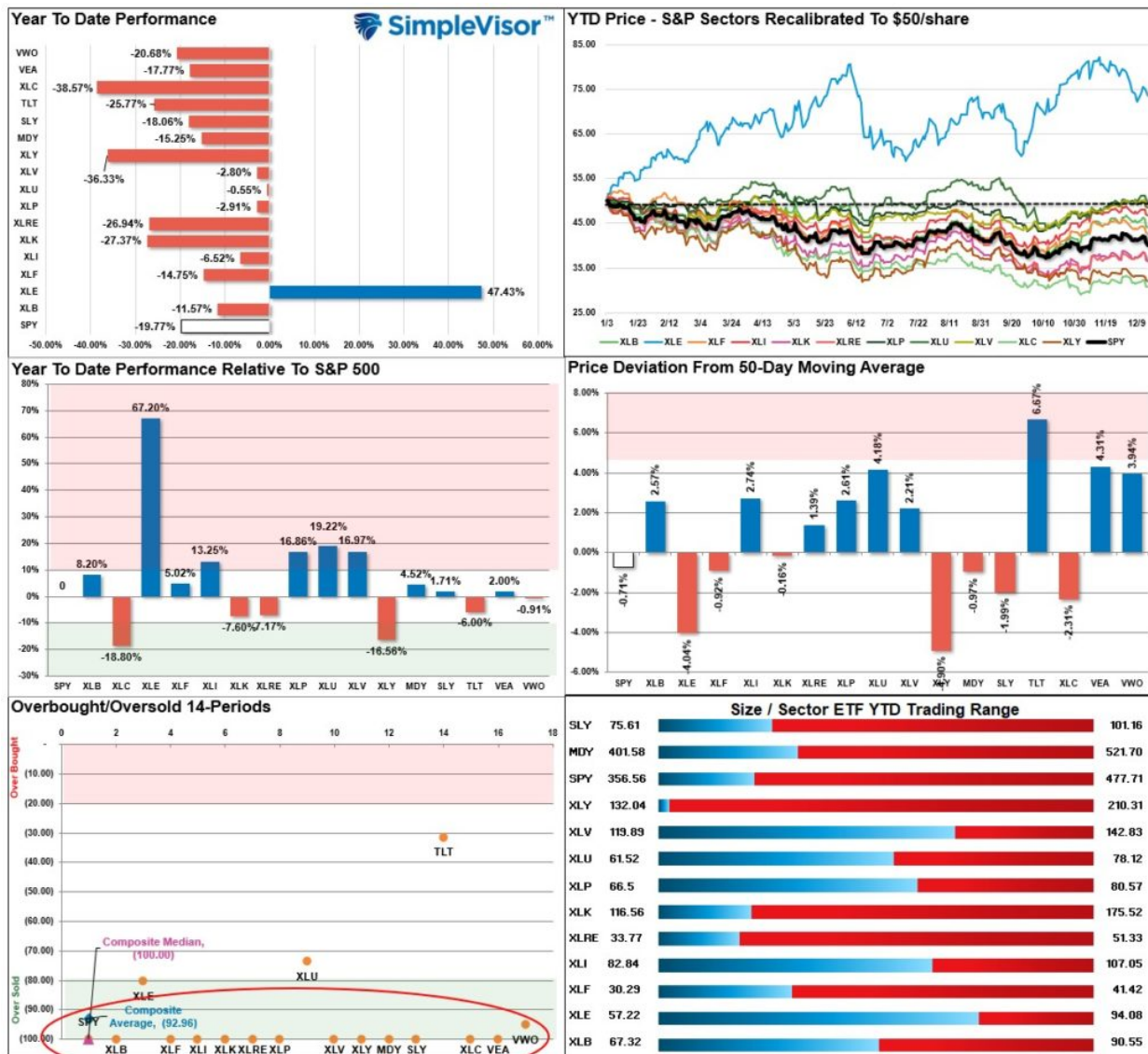
Healthcare					Industrials					Consumer Cyclical					Technology				
UHS	CNC	MCK	CAH	ABC	GNRC	HII	ALK	CAT	LMT	WYNN	AZO	ORLY	ETSY	ROST	ADBE	ON	SNPS	CDNS	TER
2.44%	1.36%	1.18%	0.9%	0.72%	1.94%	1.21%	1.12%	0.89%	0.63%	1.25%	0.93%	0.57%	0.28%	0.23%	2.99%	1.74%	1.64%	0.6%	0.56%
MTD	BIIB	AMGN	ABMD	GILD	BA	HWM	GD	TXT	HON	DPZ	NVR	BWA	BALL	AMZN	VRSN	ADI	KLAC	AMAT	FISV
0.71%	0.54%	0.48%	0.22%	0.21%	0.53%	0.53%	0.41%	0.39%	0.37%	0.07%	-0.55%	-0.61%	-0.64%	-0.67%	0.49%	0.44%	0.21%	0.16%	0.11%
STE	ZTS	BIO	OGN	DHR	UPS	CARR	JCI	ALLE	SNA	APTV	MHK	NCLH	EBAY	BBWI	TDY	NVDA	TEL	GRVO	DXC
-2.57%	-2.86%	-2.97%	-2.97%	-2.98%	-1.66%	-1.67%	-1.74%	-1.75%	-2%	-2.59%	-2.92%	-2.96%	-3.05%	-3.45%	-2.16%	-2.25%	-2.25%	-2.33%	-2.59%
TMO	ILMN	PFE	WST	MRNA	NDSN	SWK	MAS	PNR	EFX	GM	VFC	TSLA	KMX	F	CDAY	INTU	ENPH	TRMB	ACN
-3.13%	-3.82%	-4.12%	-4.63%	-6.74%	-2.08%	-2.25%	-2.31%	-2.4%	-2.99%	-3.91%	-4.21%	-4.72%	-6.04%	-6.98%	-2.64%	-2.91%	-3.4%	-3.93%	-5.92%
Financial					Consumer Goods					Utilities					Materials				
SCHW	FRC	AIG	HBAN	ACGL	KR	MNST	LW	SJM	DG	D	AEE	PCG	PPL	NI	NEM	ALB	CF	DOW	FCX
1.47%	0.74%	0.58%	0.48%	0.46%	1.91%	1.13%	0.98%	0.96%	0.55%	-0.37%	-0.52%	-0.68%	-0.78%	-0.91%	1.25%	0.98%	0.55%	0.55%	0.55%
HIG	NTRS	BLK	GL	RE	SYN	HSY	CPB	KHC	EL	PNW	XEL	AEP	EXC	AES	DD	MOS	APD	EMN	LYB
0.35%	0.32%	0.29%	0.22%	0.19%	0.5%	0.37%	0.25%	0.23%	0.14%	-0.92%	-0.99%	-1.05%	-1.06%	-1.29%	0.15%	0.13%	0.06%	-0.01%	-0.12%
MCO	NDQA	PRU	BRO	DFS	TSN	CLX	MKC	BF-B	KDP	CMS	DTE	ETR	CNP	DUK	IFF	NUE	FMC	CTVA	CE
-1.78%	-1.81%	-1.88%	-1.91%	-2.01%	-1.17%	-1.21%	-1.24%	-1.5%	-1.53%	-1.98%	-1.98%	-2%	-2.02%	-2.12%	-0.37%	-0.37%	-0.7%	-0.75%	-0.85%
AXP	IVZ	SIVB	COF	LNC	K	DLTR	STZ	WMT	CHD	EIX	NRG	FE	AWK	SRE	ECL	MLM	VMC	SHW	PPG
-2.61%	-3.21%	-3.26%	-4%	-5.35%	-1.68%	-1.7%	-1.72%	-1.8%	-1.81%	-2.44%	-2.51%	-2.55%	-2.57%	-2.83%	-0.89%	-1.09%	-1.18%	-1.52%	-2.02%
Real Estate					Energy					Communication Services									
CSGP	HST	REG	PEAK	KIM	OKE	VLO	EOG	XOM	PSX	META	TMUS	NWSA	NWS	FOXA					
0.13%	-0.7%	-1.13%	-1.37%	-1.39%	-0.29%	-0.46%	-0.68%	-0.7%	-0.82%	2.82%	1.54%	0.28%	0.17%	0.13%					
WY	SPG	O	VICI	FRT	HES	OXY	MPC	CVX	TRGP	T	NFLX	EA	FOX	CMCSA					
-1.45%	-1.6%	-1.79%	-1.8%	-1.88%	-0.96%	-1%	-1.01%	-1.36%	-1.42%	0.11%	0.1%	0.01%	-0.21%	-0.35%					
UDR	EQIX	VTR	ARE	EXR	MRO	FANG	HAL	BKR	CTRA	ATVI	DIS	IPG	TTWO	WBD					
-3.1%	-3.4%	-3.52%	-3.65%	-4.06%	-1.9%	-2.23%	-2.29%	-2.31%	-2.33%	-0.38%	-0.45%	-0.49%	-0.89%	-0.9%					
PSA	WELL	VNO	PLD	IRM	DVN	PXD	EGT	APA	WMB	LYV	OMC	VZ	CHTR	DISH					
-4.13%	-4.17%	-4.2%	-4.72%	-4.99%	-2.44%	-2.53%	-2.59%	-2.8%	-3.43%	-1.22%	-1.62%	-1.72%	-2.7%	-3.03%					

S&P 500 Tear Sheet

3 Month SPY Price							RIA SimpleVisor		SPY RISK INFO				
							Item		T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR	
							Price Return		3.54%	(17.83%)	(19.30%)	8.26%	
							Max Drawdown		(27.47%)	(27.47%)	(27.47%)	0.00%	
							Sharpe		0.23	(0.64)	(0.86)	0.36	
							Sortino		0.33	(1.06)	(1.36)	0.28	
							Volatility		19.35	24.18	24.59	0.02	
							Daily VaR-5%		(26.40)	(54.38)	(59.83)	0.10	
							Mnthly VaR-5%		(20.94)	(45.23)	(51.07)	0.13	
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	1.43%	1.23%	1.61%	24.06%	2.14%	1.20%	(24.71%)	34.09%	Shares	3,813.6	3,712.4	(2.65%)	
P/E Ratio	27.21	24.29	17.55	(38.39%)	2728%	1602%	(35.6%)	9.59%	Sales	97,852	109,794	12.20%	
P/S Ratio	4.57	4.75	3.41	(39.35%)	4.94	3.19	(31.08%)	6.68%	SPS	25.7	29.6	15.26%	
P/B Ratio	5.85	6.67	5.37	(24.22%)	6.75	4.30	(20.53%)	24.77%	Earnings	18,911	19,323	2.18%	
ROE	19.45%	28.29%	27.70%	(2.12%)	29.57%	17.67%	(6.35%)	56.73%	EPS TTM	5.1	5.7	12.03%	
ROA	4.47%	6.37%	6.38%	0.03%	6.71%	4.09%	(5.03%)	56.01%	Dividend	1.5	1.6	7.98%	
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	51.31%	4.92%	1.44	8.85	93.64	(357.54)	(90.6%)	27.0%	2.9%	11.36%	8.63	9.79	
Materials	(10.78%)	2.70%	1.12	13.82	27.12	11.94	(49.1%)	18.0%	2.1%	7.27%	5.34	16.79	
Industrials	(5.64%)	8.55%	1.16	22.23	55.50	14.67	(59.9%)	20.1%	1.7%	4.52%	6.61	18.89	
Discretionary	(33.71%)	10.10%	1.33	25.87	59.35	21.88	(56.4%)	17.6%	1.0%	3.82%	4.36	24.73	
Staples	(2.15%)	7.02%	0.60	21.84	23.09	17.43	(5.4%)	29.5%	2.5%	4.58%	4.59	21.74	
Health Care	(2.61%)	15.64%	0.73	16.56	19.71	14.82	(16.0%)	37.9%	1.6%	6.00%	8.21	18.04	
Financials	(13.34%)	11.30%	1.16	13.16	18.55	10.60	(29.1%)	11.1%	2.1%	7.62%	7.25	12.93	
Technology	(24.79%)	26.57%	1.15	22.02	32.99	16.65	(33.3%)	72.0%	1.1%	4.50%	6.15	23.29	
Telecom	(41.15%)	7.34%	0.97	15.09	28.04	15.41	(46.2%)	23.4%	0.7%	6.61%	4.45	16.70	
Utilities	(2.14%)	3.10%	0.64	20.48	21.24	15.56	(3.6%)	11.1%	3.0%	4.85%	3.29	18.87	
Real Estate	(26.58%)	2.72%	0.97	16.77	25.51	16.22	(34.3%)	10.1%	3.5%	5.88%	4.79	17.56	
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	383.27	5.65%	386.49	27	(0.83%)	401.12	4	(4.45%)	(3.65%)	(20.15%)	10.10%	Sell	
Mid Cap	440.03	6.51%	444.96	39	(1.11%)	448.36	27	(1.86%)	(0.76%)	(16.05%)	10.53%	Sell	
Small Cap	82.27	5.91%	84.07	39	(2.14%)	85.38	4	(3.64%)	(1.54%)	(19.08%)	9.52%	Sell	

Relative Performance Analysis

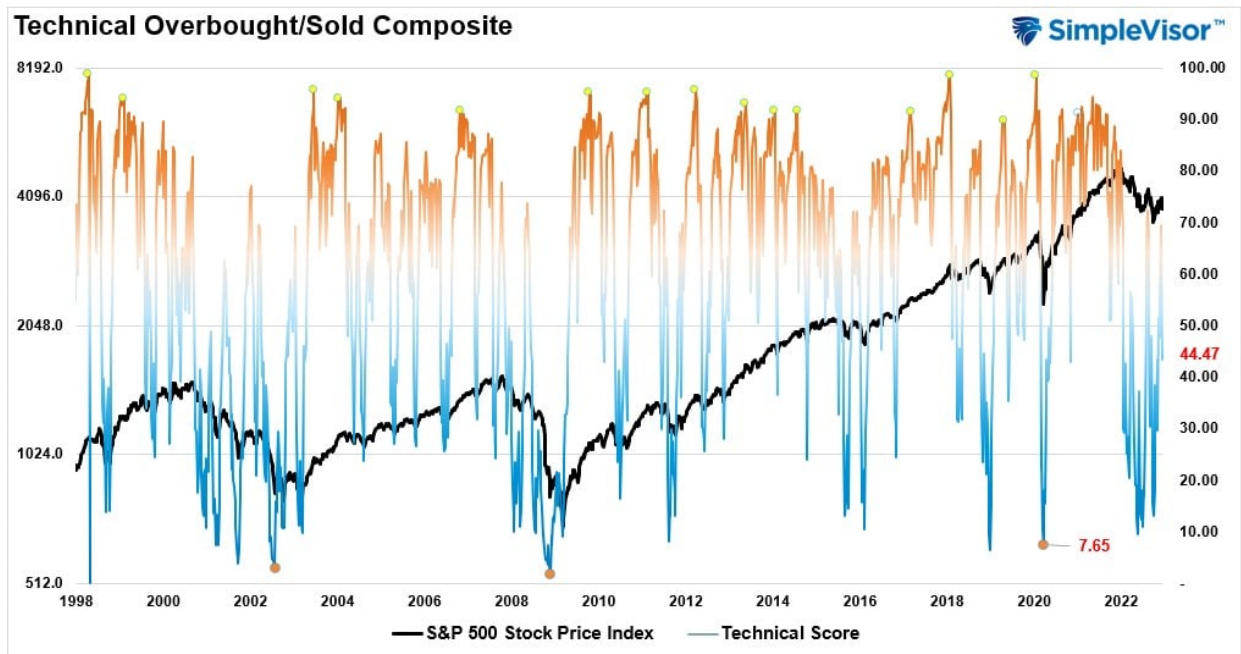
Last week we stated that with the weekly Technical Gauge (below) increasing to more overbought levels, **we advised readers to take profits and reduce risk**. That advice was timely as the market traded lower this past week, which did resolve some of the overbought conditions. **This week, the market is back to extreme oversold levels on major markets and sectors. Such sets the base for a tradeable "Santa Rally" into year-end.**



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

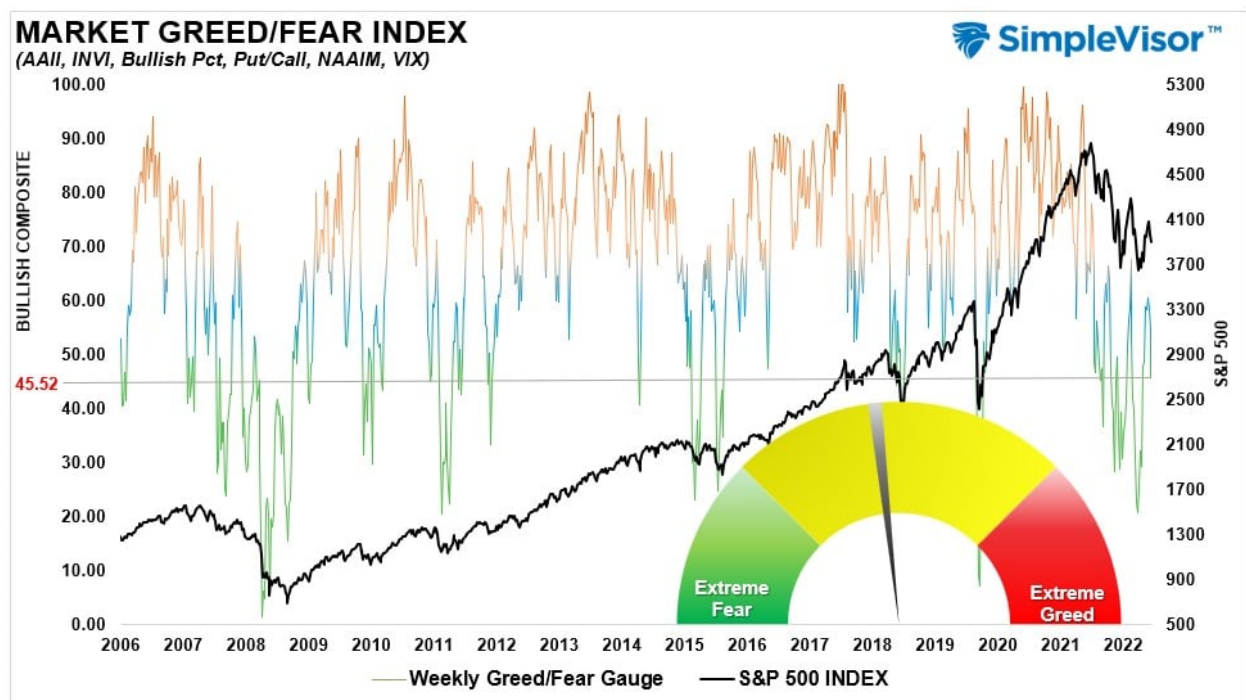
The current reading is 44.47 out of a possible 100 and rising. Remain long equities for now.



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 45.52 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.
- "M" 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.

While bonds are extremely extended after their recent run, the sell-off last week on the equity side took several sectors and markets below their monthly risk ranges. The S&P 500, Materials, Communications, Energy, Financials, Technology, Real Estate, Discretionary, Transports, and Small and Mid-cap stocks are trading below their normal ranges. Deviations from the long-term moving averages have improved markedly and suggest a year-end rally is likely. There are now bullish moving average crossovers for Energy, Financials, Industrials, and Utilities.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	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	LONG WMA	PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	384.94	(2.55)	(3.23)	3.64	0.48	(16.70)	384.65	395.32	409.32	1.00	419.55	399.09	0%	-3%	BEARISH
XLB	SPDR-MATLS SELS	79.08	0.20	2.09	11.92	6.21	6.91	75.69	77.65	82.75	1.06	85.69	79.81	5%	2%	BEARISH
XLC	SPDR-COMM SV SS	48.05	(0.26)	0.24	(5.80)	(12.83)	(20.47)	49.30	53.99	51.51	0.98	53.30	49.72	-3%	-11%	BEARISH
XLE	SPDR-EGY SELS	84.36	4.58	(4.71)	16.05	15.75	71.86	85.15	80.92	91.15	1.39	94.69	87.61	-1%	4%	BULLISH
XLK	SPDR-FINL SELS	33.70	0.15	(1.49)	4.89	5.23	4.03	33.47	33.46	36.31	1.09	37.61	35.01	1%	1%	BULLISH
XLK	SPDR-TECH SELS	127.48	(0.07)	(0.26)	(0.62)	(0.43)	(7.37)	127.05	133.19	135.96	1.11	140.87	131.05	0%	-4%	BEARISH
XLJ	SPDR-INDU SELS	98.10	1.57	1.88	12.11	10.87	12.46	93.47	93.00	101.72	1.14	105.42	96.02	5%	0%	BULLISH
XLJ	SPDR-CONS STPL	74.86	1.19	3.47	4.26	1.76	16.25	72.12	73.24	77.19	0.60	79.59	74.79	4%	2%	BEARISH
XLRE	SPDR-RE SELS	37.50	0.46	1.78	(3.53)	(16.32)	(8.39)	37.00	40.61	39.24	0.80	40.54	37.94	1%	-8%	BEARISH
XLU	SPDR-UTIL SELS	70.48	2.06	5.60	(5.42)	(2.39)	17.37	68.09	70.85	71.43	0.51	73.58	68.28	4%	-1%	BEARISH
XLV	SPDR-HLTH CR	135.63	0.77	3.94	6.79	4.83	14.07	130.89	129.78	139.02	0.73	143.51	134.53	4%	4%	BULLISH
XLV	SPDR-CONS DISCR	133.91	(1.41)	(1.79)	(12.18)	(4.84)	(14.73)	142.49	140.53	146.17	1.14	151.49	140.80	-6%	-10%	BEARISH
XTN	SPDR-SP TRANSP	68.89	0.43	(2.57)	3.18	0.17	(6.36)	69.63	72.71	74.65	1.30	77.49	71.81	-1%	-5%	BEARISH
SDY	SPDR-SP DIV ETF	124.22	(0.49)	(0.06)	3.91	2.63	16.11	122.24	123.19	131.30	0.86	135.72	126.88	2%	1%	BEARISH
RSP	INVS-SP5 EQ ETF	141.36	0.70	1.03	4.70	3.56	6.76	138.59	141.17	148.82	1.06	154.11	143.53	2%	0%	BEARISH
SLY	SPDR-SP5 SC	82.27	(0.10)	(1.94)	3.59	1.24	2.62	82.75	84.09	88.54	1.14	91.76	85.32	-1%	-2%	BEARISH
MDY	SPDR-SP MC 400	440.03	0.09	(0.75)	4.24	4.57	5.39	438.45	441.86	470.48	1.12	487.49	453.47	0%	0%	BEARISH
EEM	ISHARS-EMG MKT	37.83	(0.50)	2.70	1.50	(5.55)	(4.75)	36.66	38.89	39.52	0.73	40.80	38.24	3%	-3%	BEARISH
EFA	ISHARS-EAFE	65.42	0.32	3.64	11.62	3.96	2.05	61.48	63.52	67.12	0.86	69.37	64.87	6%	3%	BEARISH
IAU	ISHARS-GOLD TR	34.00	2.40	5.67	5.40	(1.36)	16.23	32.43	33.40	33.60	0.14	34.49	32.71	5%	2%	BEARISH
GDX	VANECK-GOLD MNR	28.60	0.93	7.72	23.81	1.08	8.57	25.96	27.59	29.05	0.73	29.99	28.11	10%	4%	BEARISH
UUP	INVS-DB USS BU	28.31	2.37	1.49	(10.27)	0.44	25.96	29.43	28.69	28.61	(0.16)	29.28	27.94	-4%	-1%	BULLISH
BOND	PIMCO-ACTV BOND	92.81	3.66	6.21	(1.83)	(3.55)	1.20	89.94	93.58	91.22	0.16	93.65	88.79	3%	-1%	BEARISH
TLT	ISHARS-20+YTB	107.11	3.28	10.72	(2.31)	(0.00)	(19.29)	101.24	109.61	102.73	(0.00)	105.35	100.16	6%	-2%	BEARISH
BNX	VANGD-TTL INT B	48.70	1.80	3.64	(2.31)	(2.71)	1.54	48.19	49.33	49.05	0.11	50.33	47.77	1%	-1%	BEARISH
HYG	ISHARS-IBX HYCB	74.60	1.96	3.73	(0.22)	0.36	3.97	73.53	75.33	75.66	0.42	77.87	73.45	1%	-1%	BEARISH



RISK RANGE REPORT



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 With Dividends

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 ↑↓	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ↑↓	50 SMA ↑↓	100 SMA ↑↓	Mohanram ↑↓	Plotroski ↑↓	SV Rank ↑↓	Yield%	
ABMD	Healthcare	10/10	\$380.83	\$125.43(-203.62%)	76.59	\$378.38(0.65%)	\$333.43(14.22%)	\$302.28(25.99%)	—	6	3	%	
ACGL	Financial	10/10	\$60.14	\$165.29(63.62%)	68.18	\$59.10(1.76%)	\$54.75(9.84%)	\$50.16(19.90%)	5	8	2	%	
BA	Industrials	10/10	\$182.67	\$44.95(-306.39%)	64.60	\$177.52(2.90%)	\$156.26(16.90%)	\$156.75(16.54%)	3	4	4	%	
CAH	Healthcare	10/10	\$78.21	\$132.50(40.97%)	52.23	\$78.90(-0.87%)	\$75.77(3.22%)	\$71.04(10.09%)	—	6	5	2.65%	
DE	Industrials	10/10	\$422.03	\$397.97(-6.05%)	54.40	\$434.05(-2.77%)	\$404.18(4.42%)	\$379.75(11.13%)	0	6	3	1.08%	
DHI	Consumer Cyclical	10/10	\$88.24	\$334.42(73.61%)	69.27	\$84.92(3.91%)	\$78.85(11.91%)	\$76.31(15.63%)	3	7	1	1.20%	
ENPH	Technology	10/10	\$304.28	\$346.16(12.10%)	50.87	\$318.53(-4.47%)	\$292.08(4.18%)	\$288.95(5.31%)	1	6	3	%	
ETSY	Consumer Cyclical	10/10	\$125.70	\$1,259.99(90.02%)	52.46	\$126.95(-0.98%)	\$112.64(11.59%)	\$109.74(14.54%)	—	7	3	%	
GILD	Healthcare	10/10	\$86.21	\$155.94(44.72%)	57.99	\$86.77(-0.65%)	\$78.80(9.40%)	\$71.04(21.35%)	5	6	3	4.20%	
IT	Technology	10/10	\$336.07	\$153.13(-119.47%)	51.90	\$344.97(-2.58%)	\$321.63(4.49%)	\$306.39(9.69%)	6	7	3	%	
LVS	Consumer Cyclical	10/10	\$47.77	\$8.25(-479.03%)	68.77	\$46.04(3.76%)	\$41.60(14.83%)	\$39.82(19.96%)	2	5	3	%	
MRNA	Healthcare	10/10	\$198.91	\$998.72(80.08%)	67.51	\$181.64(9.51%)	\$160.24(24.13%)	\$152.79(30.18%)	4	6	3	%	
NFLX	Communication Services	10/10	\$293.28	\$417.52(29.76%)	46.97	\$301.55(-2.74%)	\$279.48(4.94%)	\$255.59(14.75%)	4	—	5	%	
PCG	Utilities	10/10	\$16.03	\$15.94(-0.56%)	65.11	\$15.45(3.75%)	\$14.98(7.01%)	\$13.57(18.13%)	1	5	3	%	
ROST	Consumer Cyclical	10/10	\$113.79	\$113.34(-0.40%)	57.75	\$114.94(-1.00%)	\$100.26(13.49%)	\$93.63(21.53%)	3	9	4	1.33%	
SLB	Energy	10/10	\$48.99	\$31.76(-54.25%)	48.61	\$51.14(-4.20%)	\$49.75(-1.53%)	\$43.46(12.72%)	5	7	2	1.38%	
URI	Industrials	10/10	\$353.96	\$272.52(-29.88%)	56.45	\$354.11(-0.04%)	\$323.46(9.43%)	\$312.09(13.41%)	3	8	3	%	
WYNN	Consumer Cyclical	10/10	\$84.25	\$18.18(-363.42%)	64.17	\$81.87(2.91%)	\$71.60(17.67%)	\$67.88(24.12%)	1	4	3	%	
XYL	Industrials	10/10	\$109.75	\$21.39(-413.09%)	51.48	\$112.19(-2.17%)	\$104.17(5.36%)	\$99.08(10.77%)	6	8	5	1.09%	
CDAY	Technology	9/10	\$64.78	\$13.79(-369.76%)	50.12	\$66.56(-2.67%)	\$63.02(2.79%)	\$61.70(4.99%)	—	4	3	%	

Momentum Screen

Scan Result: 20 Item(s) found													
		Tables	Overview Technicals Fundamentals Performance										
Symbol ↑ ↓	Sector ↑ ↓	Trend ↑ ↓	Last ↑ ↓	FairValue ↑ ↓	RSI ↑ ↓	20 SMA ↑ ↓	50 SMA ↑ ↓	100 SMA ↑ ↓	Mohanram ↑ ↓	Plotroski ↑ ↓	SV Rank ↑ ↓	Yield%	
APD	Materials	10/10	👍	\$313.84	\$295.14(-6.34%)	61.53	\$310.19(1.18%)	\$276.57(13.48%)	\$263.88(18.93%)	—	4	3	2.03%
BA	Industrials	10/10	👍	\$182.84	\$44.95(-306.76%)	64.60	\$177.52(3.00%)	\$156.26(17.01%)	\$156.75(16.64%)	3	4	4	%
LEN	Consumer Cyclical	10/10	👍	\$92.12	\$268.57(65.70%)	70.91	\$87.61(5.15%)	\$82.53(11.62%)	\$81.69(12.77%)	3	7	2	1.76%
MRNA	Healthcare	10/10	👍	\$198.88	\$998.72(80.09%)	67.51	\$181.64(9.49%)	\$160.24(24.11%)	\$152.79(30.17%)	4	6	3	%
SEDG	Technology	10/10	👍	\$321.53	\$137.30(-134.18%)	68.19	\$306.92(4.76%)	\$257.00(25.11%)	\$277.87(15.71%)	1	5	5	%
URI	Industrials	10/10	👍	\$354.11	\$272.52(-29.94%)	56.45	\$354.11(0.00%)	\$323.46(9.47%)	\$312.09(13.46%)	3	8	3	%
KLAC	Technology	9/10	👍	\$383.80	\$757.82(49.35%)	54.86	\$386.46(-0.69%)	\$341.30(12.45%)	\$347.25(10.53%)	5	7	3	1.70%
MTD	Healthcare	9/10	👍	\$1,406.10	\$850.35(-65.36%)	50.46	\$1,444.88(-2.68%)	\$1,318.70(6.63%)	\$1,288.12(9.16%)	1	7	2	%
SYK	Healthcare	9/10	👍	\$237.99	\$202.16(-17.72%)	58.88	\$236.12(0.79%)	\$224.27(6.12%)	\$218.99(8.68%)	1	9	3	1.22%
ZBH	Healthcare	9/10	👍	\$124.65	\$62.87(-98.27%)	66.50	\$120.82(3.17%)	\$114.09(9.26%)	\$112.51(10.79%)	5	7	5	0.79%
AVGO	Technology	8/10	👍	\$555.30	\$602.75(7.87%)	61.66	\$536.77(3.45%)	\$492.71(12.70%)	\$503.14(10.37%)	3	8	2	3.12%
NDSN	Industrials	8/10	👍	\$233.32	\$114.30(-104.13%)	62.03	\$234.84(-0.65%)	\$226.57(2.98%)	\$227.50(2.56%)	7	8	2	1.11%
NVR	Consumer Cyclical	8/10	👍	\$4,771.98	\$7,750.53(38.43%)	67.14	\$4,592.64(3.90%)	\$4,345.15(9.82%)	\$4,284.17(11.39%)	1	7	2	%
COO	Healthcare	7/10	👍	\$319.19	\$258.49(-23.48%)	60.52	\$314.86(1.38%)	\$288.88(10.49%)	\$297.37(7.34%)	4	7	3	0.02%
HD	Consumer Cyclical	7/10	👍	\$321.95	\$382.27(15.78%)	58.72	\$321.89(0.02%)	\$301.71(6.71%)	\$299.67(7.43%)	—	4	3	2.41%
MOH	Healthcare	7/10	👍	\$331.44	\$424.31(21.89%)	57.69	\$325.12(1.94%)	\$339.99(-2.51%)	\$334.05(-0.78%)	1	6	2	%
NKE	Consumer Cyclical	7/10	👍	\$106.54	\$38.49(-176.80%)	64.61	\$106.78(-0.22%)	\$96.78(10.08%)	\$102.79(3.65%)	5	8	3	1.33%
BDX	Healthcare	6/10	👍	\$248.36	\$132.33(-87.68%)	62.67	\$240.57(3.24%)	\$232.24(6.94%)	\$241.49(2.84%)	5	6	3	1.53%
TFX	Healthcare	6/10	👍	\$244.49	\$197.43(-23.84%)	67.36	\$233.85(4.55%)	\$215.71(13.34%)	\$225.71(8.32%)	6	7	4	0.61%
TMO	Healthcare	6/10	👍	\$541.47	\$699.82(22.63%)	53.78	\$551.99(-1.91%)	\$526.80(2.78%)	\$545.02(-0.65%)	5	7	3	0.24%

Highest Rated Stocks With Dividends

Scan Result: 20 Item(s) found													
Tables													
Overview Technicals Fundamentals Performance													
Symbol ↑↓	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ↑↓	50 SMA ↑↓	100 SMA ↑↓	Mohanram ↑↓	Piotroski ↑↓	SV Rank ↑↓	Yield%	
AEO	Consumer Cyclical	10/10	\$14.87		51.70	\$15.25(-2.49%)	\$12.67(17.36%)	\$12.11(22.79%)	3	7	3	4.43%	
BKE	Consumer Cyclical	10/10	\$44.71		55.59	\$43.95(1.73%)	\$39.92(12.00%)	\$36.12(23.78%)	5	8	4	3.14%	
CEIX	Energy	10/10	\$69.25		55.12	\$69.78(-0.76%)	\$66.89(3.53%)	\$66.86(3.57%)	1	8	3	5.99%	
GPS	Consumer Cyclical	10/10	\$13.07		45.74	\$14.26(-8.38%)	\$12.15(7.53%)	\$10.84(20.53%)	3	8	5	4.12%	
HEES	Industrials	10/10	\$42.90		56.51	\$42.74(0.37%)	\$37.98(12.95%)	\$35.17(21.98%)	4	8	3	3.47%	
IGT	Consumer Cyclical	10/10	\$23.62		55.42	\$24.41(-3.24%)	\$21.60(9.35%)	\$20.20(16.93%)	6	8	3	3.32%	
CQP	Energy	9/10	\$58.20		50.48	\$58.46(-0.44%)	\$57.25(1.66%)	\$54.58(6.63%)	5	7	3	6.79%	
ENLC	Energy	9/10	\$11.40		44.76	\$12.26(-7.01%)	\$11.60(-1.72%)	\$10.72(6.34%)	1	7	3	3.59%	
GLPEY	Energy	9/10	\$6.14		63.98	\$5.90(4.00%)	\$5.34(14.91%)	\$5.26(16.65%)	5	7	3	4.50%	
ASR	Industrials	8/10	\$236.12		47.38	\$244.22(-3.32%)	\$231.26(2.10%)	\$219.80(7.42%)	2	7	3	3.22%	
AVGO	Technology	8/10	\$555.30	\$602.75(7.87%)	61.66	\$536.77(3.45%)	\$492.71(12.70%)	\$503.14(10.37%)	3	8	2	3.12%	
BAMXF	Consumer Cyclical	8/10	\$88.25		60.30	\$87.27(1.12%)	\$80.61(9.48%)	\$78.05(13.07%)	—	7	3	7.68%	
DRI	Consumer Cyclical	8/10	\$136.50	\$142.68(4.33%)	48.90	\$145.38(-6.11%)	\$140.00(-2.50%)	\$133.45(2.29%)	4	9	3	3.49%	
E	Energy	8/10	\$27.47		49.27	\$28.89(-4.92%)	\$26.78(2.58%)	\$24.98(9.97%)	2	8	—	7.31%	
GES	Consumer Cyclical	8/10	\$19.99		54.57	\$20.32(-1.65%)	\$18.10(10.41%)	\$17.96(11.28%)	3	7	2	4.17%	
HPE	Technology	8/10	\$15.66	\$13.63(-14.89%)	53.04	\$15.95(-1.82%)	\$14.53(7.78%)	\$14.13(10.83%)	5	8	3	3.41%	
IRM	Real Estate	8/10	\$52.54	\$13.23(-297.14%)	58.35	\$53.77(-2.28%)	\$50.54(3.96%)	\$50.75(3.53%)	8	7	3	5.02%	
IVZ	Financial	8/10	\$18.43	\$34.54(46.64%)	56.41	\$18.95(-2.74%)	\$17.00(8.41%)	\$16.93(8.86%)	2	7	3	4.05%	
JEF	Financial	8/10	\$34.07		42.08	\$36.86(-7.57%)	\$34.90(-2.38%)	\$33.74(0.98%)	3	8	—	3.57%	
KOF	Consumer Goods	8/10	\$66.41		49.18	\$67.76(-1.99%)	\$64.62(2.77%)	\$62.82(5.71%)	4	8	3	4.05%	

SimpleVisor Portfolio Changes

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

We made no trades in the portfolios this past week.

The equity model is now at 35% equity exposure, and the ETF model is at 40.5%.



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Lance Roberts, CIO

Have a great week!