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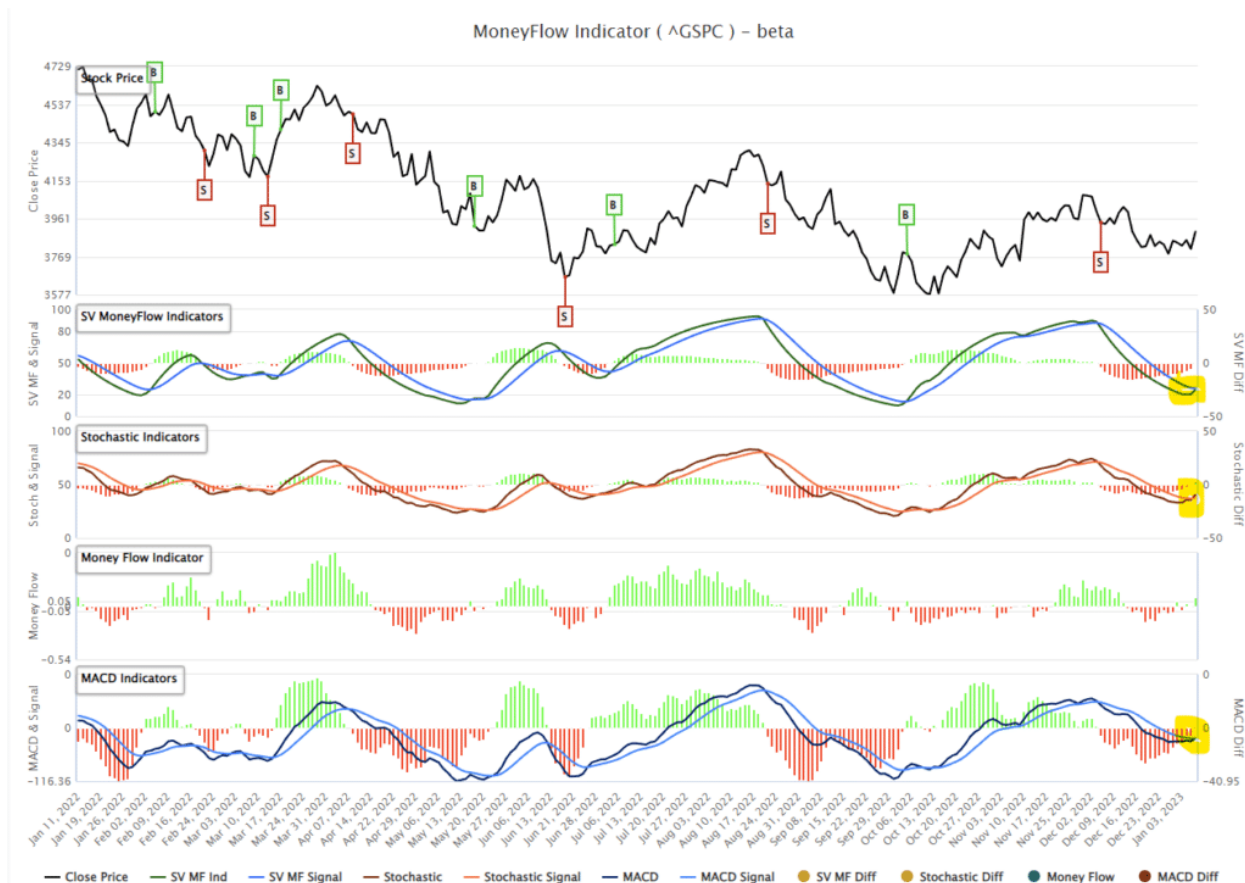
A Bumpy Start To The New Year

The recent release of the FOMC minutes and stronger-than-expected ADP employment data led to a sell-off early in the week. However, Friday's more robust employment report led to a massive surge in stocks as wages showed some initial weakness. Once again, and having failed to learn their lesson, the bulls piled into stocks hoping for a "*Fed pivot*."

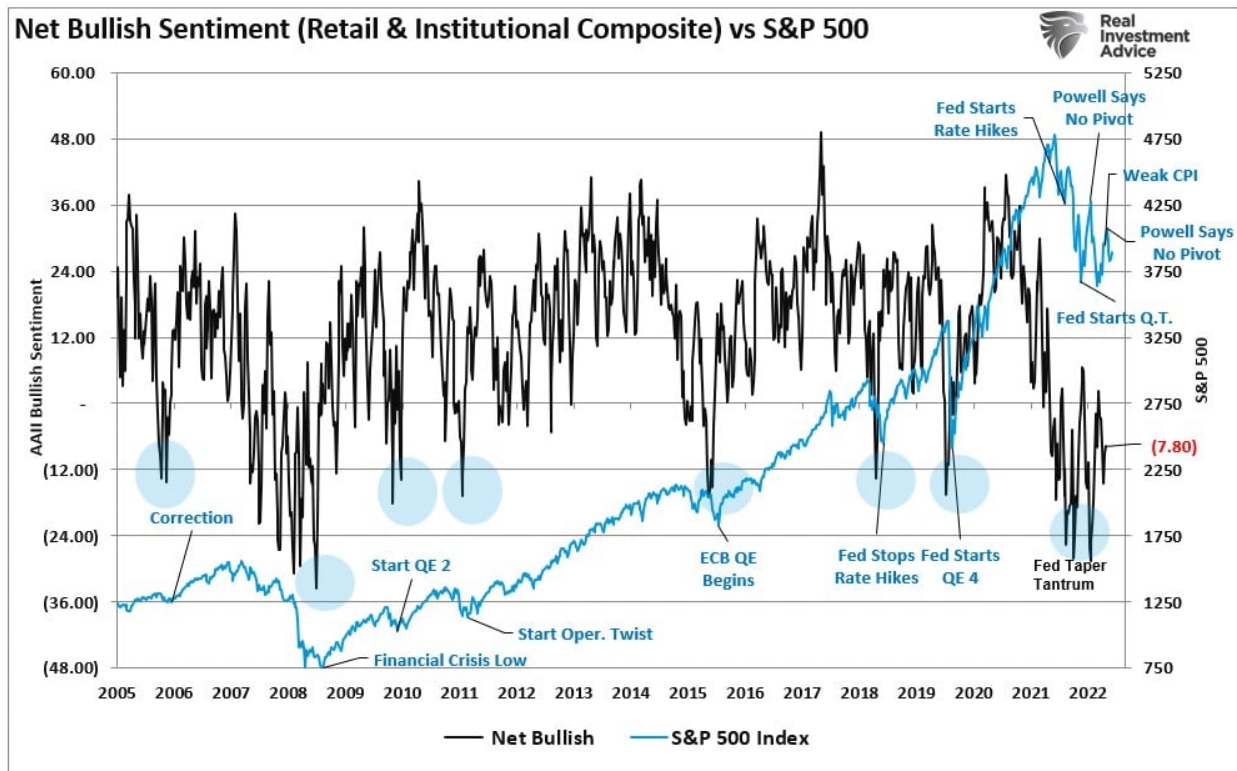
The good news is that the rally broke the market out of the recent consolidation range from the last half of December and pushed prices into the cluster of resistance around 3900. Notably, the market held support at the rising trend line from the October lows. While the market has surged into short-term overbought territory, a rally toward the 200-DMA is possible as the MACD "*buy signal*" crosses higher.



On [SimpleVisor.com](https://www.SimpleVisor.com), we provide a proprietary indicator that tracks money flows into and out of the market. That signal also confirms the MACD "buy signal" as well, adding further support to a short-term rally.



Furthermore, sentiment remains negative enough to support a short-term rally.



However, as we will discuss this week, the FOMC has not changed its tone about tightening monetary policy. We have previously seen these "pivot hope" rallies that Jerome Powell and the Fed repeatedly swat down. While we will likely have a tradeable rally, it remains worth selling into and trading accordingly. **The headwinds of higher rates, quantitative tightening, and a drain of "stimulus" from the economy have not changed.** If it wasn't a good idea to "fight the Fed" during QE, it probably remains a good idea not to do so during QT.

For now, trade accordingly as we drift from one "pivot hope" report to the next, even though the Fed remains clear that no "pivot" is coming.

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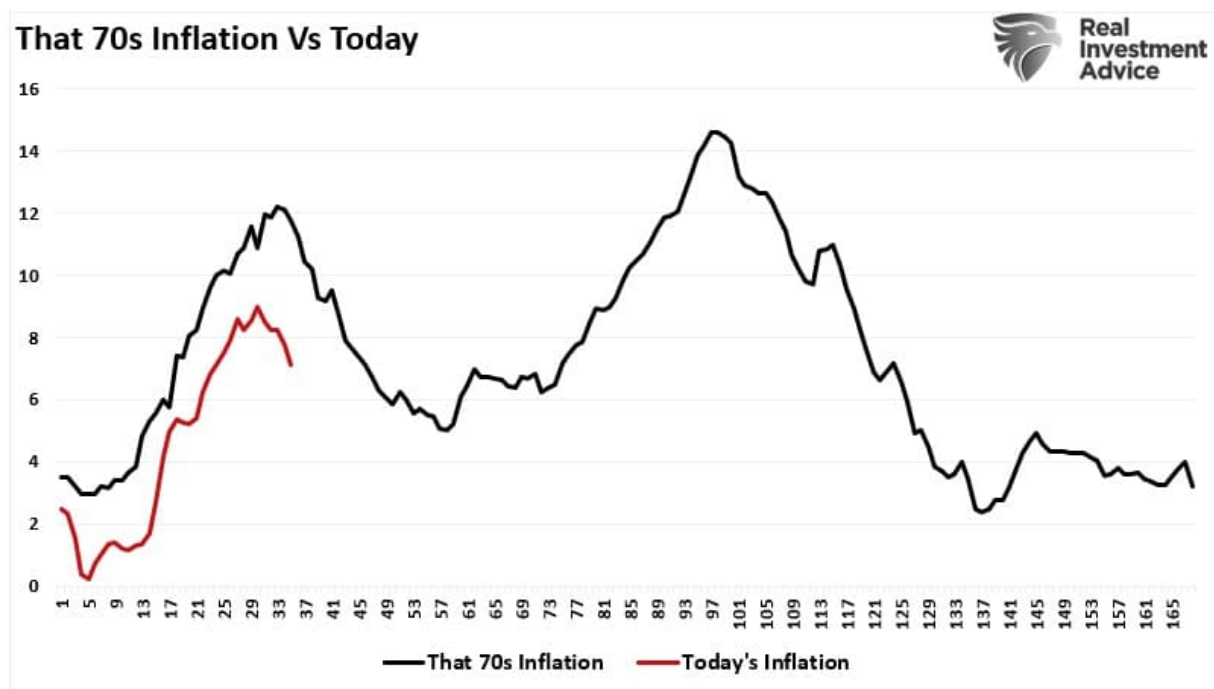
FOMC Says No Pivot Is Coming

On Wednesday, the market got the release of the minutes from the latest FOMC meeting in December. The minutes were unsurprising, at least to us, as they reiterated the same message the FOMC delivered in all of 2022. To wit:

"No participants anticipated that it would be appropriate to begin reducing the federal funds rate target in 2023. Participants generally observed that a restrictive policy stance would need to be maintained until the incoming data provided confidence that inflation was on a sustained downward path to 2 percent, which was likely to take some time. In view of the persistent and unacceptably high level of inflation, several participants commented that historical experience cautioned against prematurely loosening monetary policy."

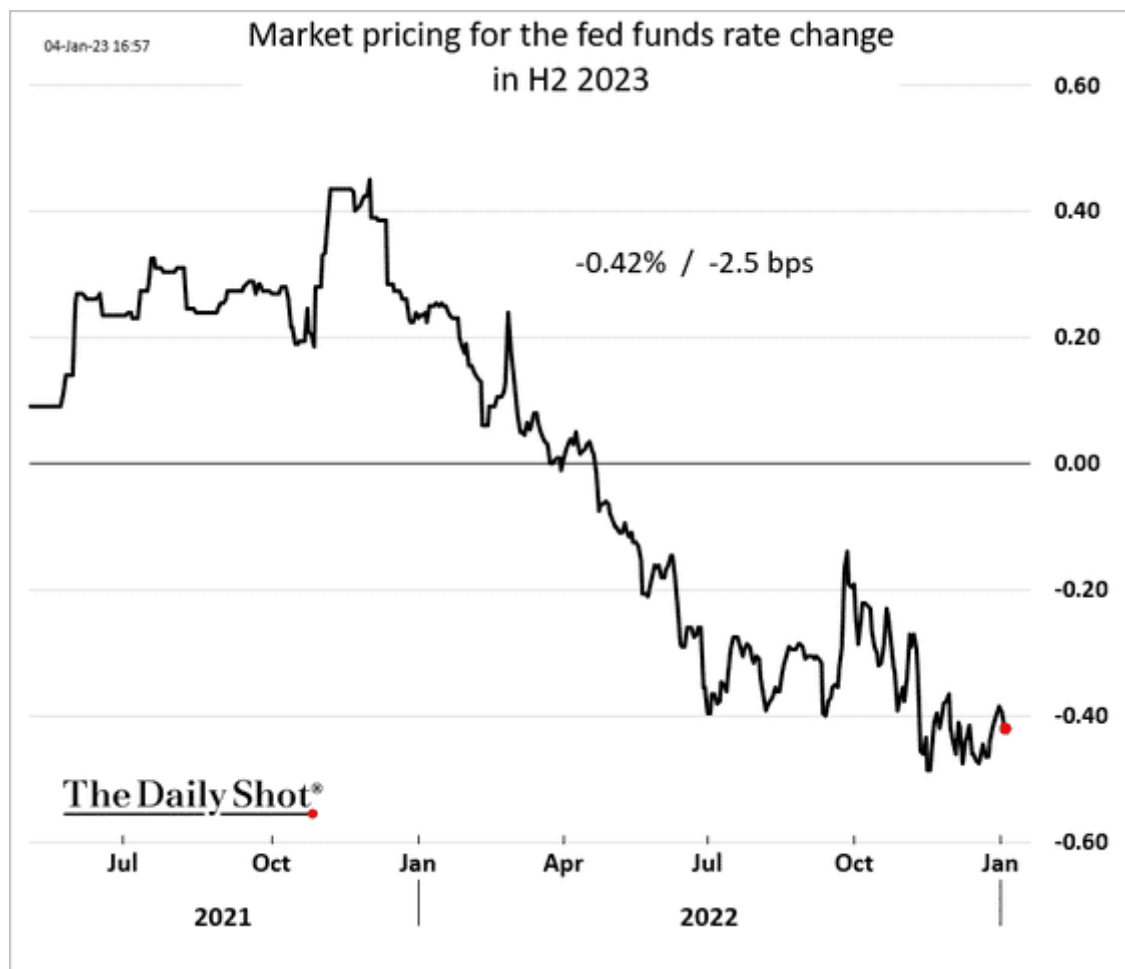
There are a couple of important points made in that statement.

1. The FOMC isn't looking to have inflation at 2% before changing its policy stance. They want to see a clear and sustained pathway to 2%.
2. The FOMC fears inflation will come down and then reaccelerate, as seen in the 70s. (See chart)



It is worth noting that the floor for inflation in the 70s was 4% versus 2% today. Such is because debt levels were dramatically lower, economic growth was stronger, and there was no Federal deficit. Today, the economy can't sustain higher interest rates or inflation for very long without more severe economic consequences.

Nonetheless, despite the FOMC reiterating there is *"no pivot"* coming on monetary policy anytime soon, the market expects rate cuts as soon as July of this year.



While the markets continue to defy the FOMC, hoping for a pivot, there is no reason outside of a financial event, a deep recession, or both.

Unfortunately, while market participants keep stocks elevated in hopes of a pivot, such is working against them.

Market Continues To Do The Opposite Of What The FOMC Wants

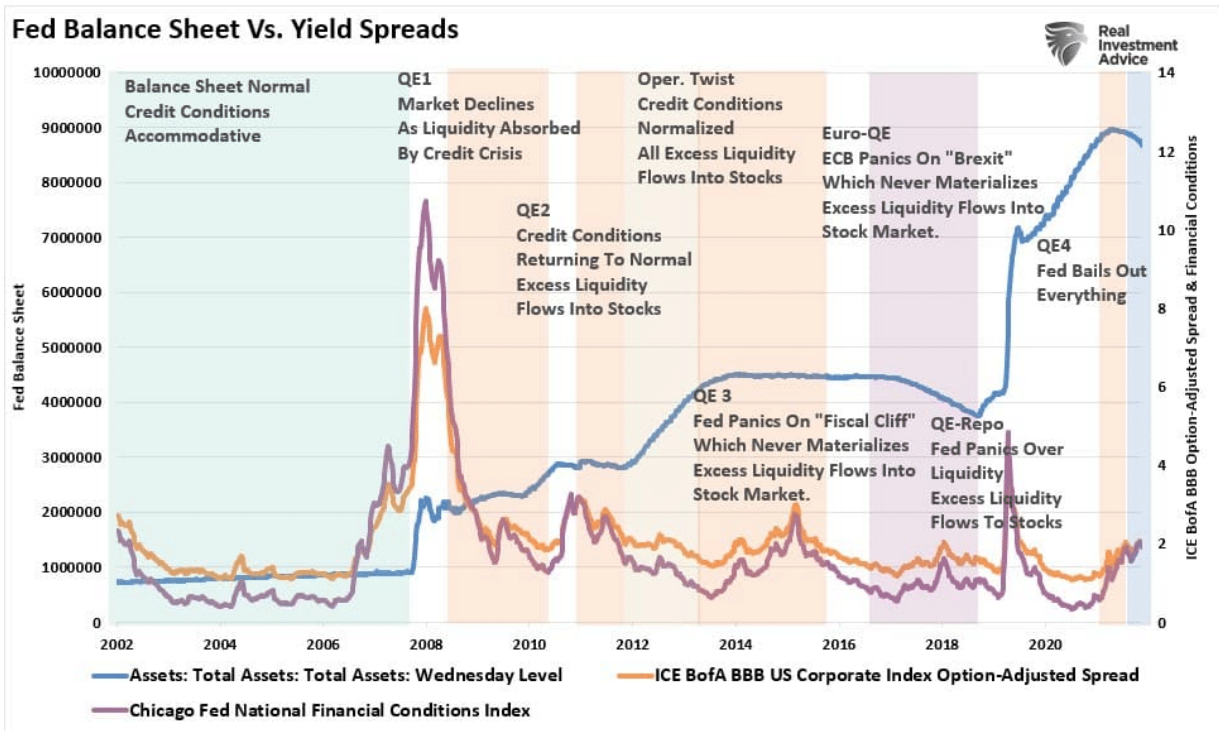
As [we discussed](#), the Fed wants "tighter," not "looser," financial conditions.

"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."

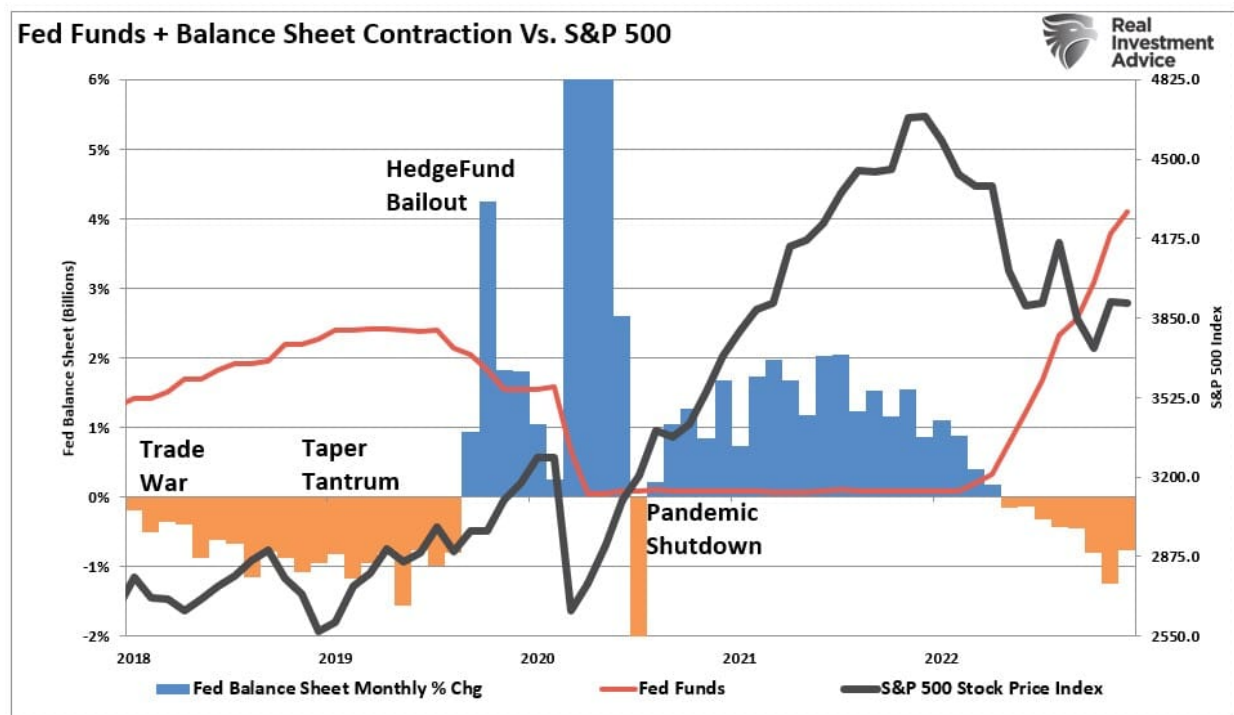


The FOMC needs substantially tighter financial conditions to slow economic demand and increase unemployment, lowering inflation toward target levels. Tighter financial conditions are a function of several items:

- *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.



We noted in November that:

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 quite a long way off."

That point was repeated in the latest FOMC minutes.

"Participants noted that, because monetary policy worked importantly through financial markets, an unwarranted easing in financial conditions, especially if driven by a misperception by the public of the Committee's reaction function, would complicate the Committee's effort to restore price stability. Several participants commented that the medians of participants' assessments for the appropriate path of the federal funds rate in the Summary of Economic Projections, which tracked notably above market-based measures of policy rate expectations, underscored the Committee's strong commitment to returning inflation to its 2 percent goal."

As noted, the FOMC wants a **"controlled burn"** of asset prices lower, not higher. I would suspect that at some point, market participants will realize that the FOMC is serious about its mission.

However, for now, hope remains.

Risks Of A Recession Are Elevated

Heading into 2023, market participants are starting to coalesce around the idea the economy will avoid a recession. To wit:

"We believe the Fed will stop QT sometime in the Fall before they begin lowering rates. It is hard for us to see a recession of any significance occurring in 2023." - Brett Ewing, Chief Market Strategist, First Franklin.

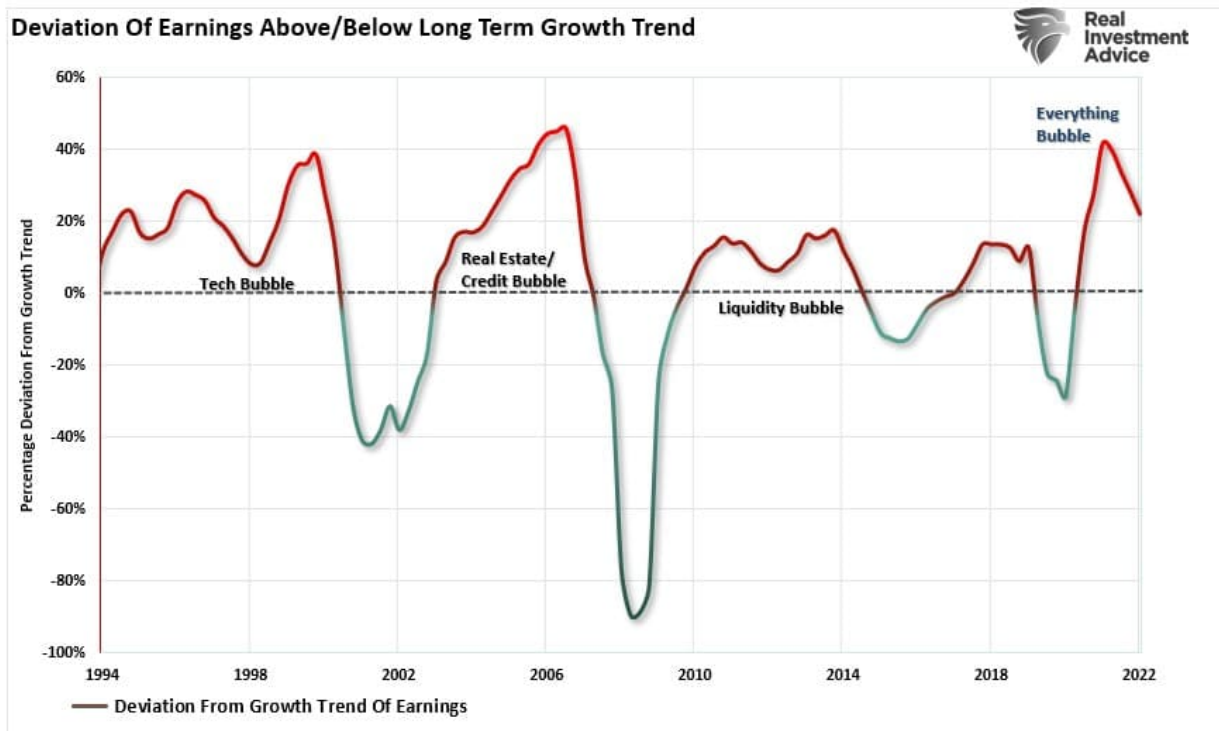
Maybe that happens. Anything is certainly a possibility.

However, that is essentially swimming against the stream of what the FOMC is trying to achieve. Again, if the goal is to quell inflation, then economic demand must fall. Even the FOMC is now admitting a recession is plausible.

*"Moreover, the sluggish growth in real private domestic spending expected over the next year, a subdued global economic outlook, and persistently tight financial conditions were seen as tilting the risks to the downside around the baseline projection for real economic activity, and the staff still **viewed the possibility of a recession sometime over the next year as a plausible alternative to the baseline**"*

The financial markets have yet to adjust to accommodate for a substantially weaker, if not recessionary, economy.

As discussed previously, earnings estimates remain highly optimistic and deviated from their long-term growth trend despite the recent cuts.



As my friend and colleague Albert Edwards of Societe Generale recently noted:

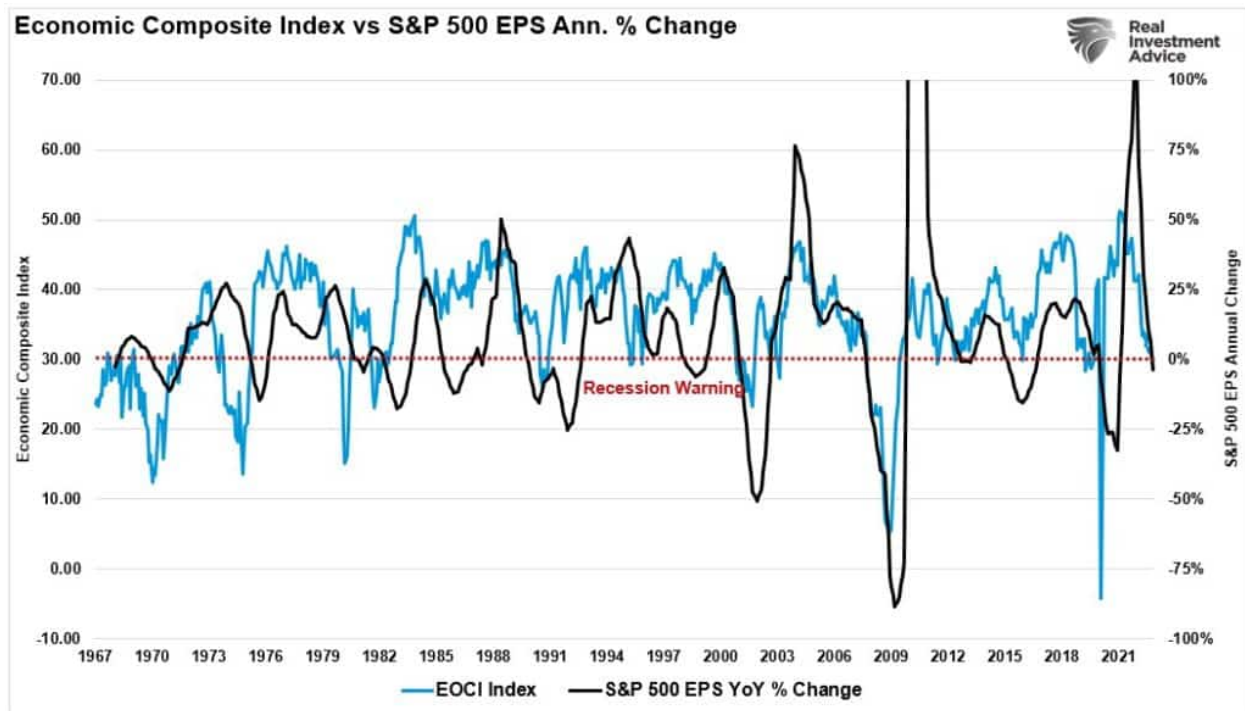
"I keep being told this is the most widely anticipated recession ever, and it must already be priced in. But the decline in 12-month forward EPS of only 4% (from the peak) doesn't suggest so."

Economists might be forecasting a US recession, but analysts certainly are not (% fall from max)



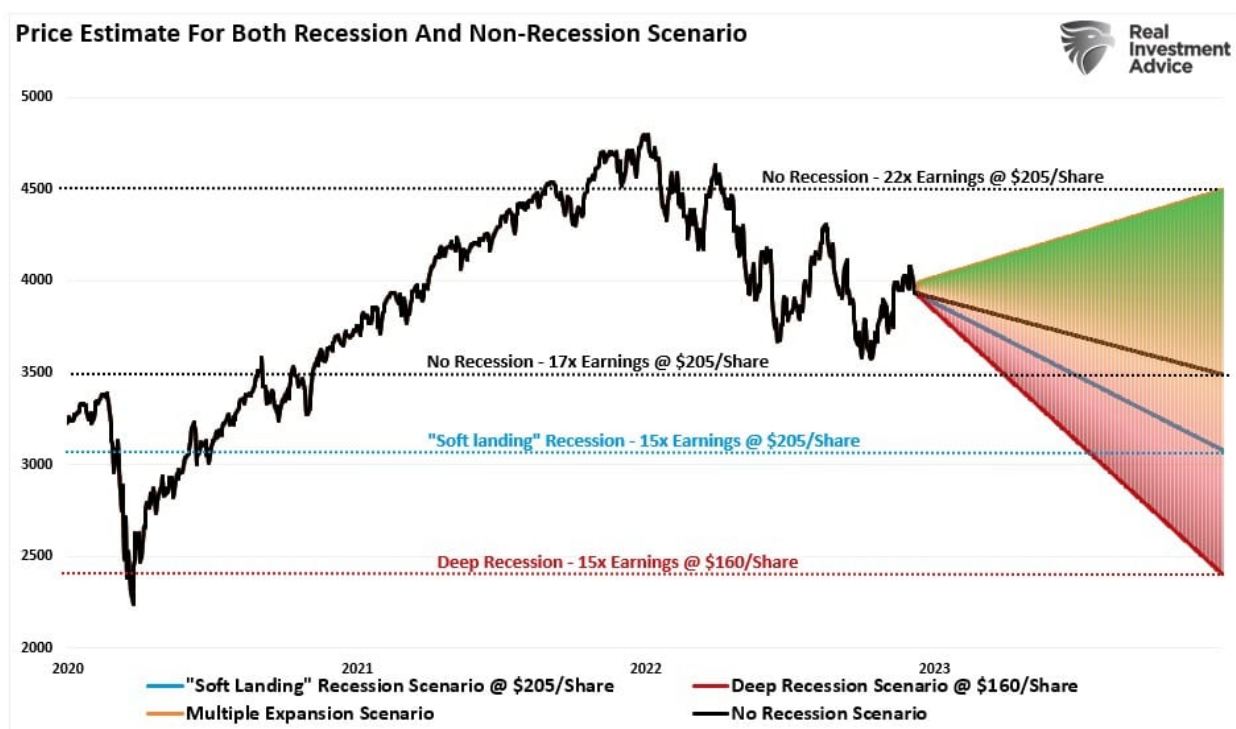
Source: Datastream

Furthermore, the rash of weak economic data also suggests that the risk of a recession has risen markedly, as noted by our broad economic activity composite index. If that data weakens further, which is the Fed's goal, such also suggests lower earnings.



Given current valuations, [as discussed in more detail here](#), the forecast for asset prices later in the year is not extremely bullish.

"Adding the bullish scenario to our projection chart gives us a full range of options for 2023, which run the gamut from 4500 to 2400, depending on the various outcomes."



*Here is our concern with the bullish scenario. It entirely depends on a ?no recession? outcome, and the Fed must reverse its monetary tightening. **The issue with that view is that IF the economy does indeed have a soft landing, there is no reason for the Federal Reserve to reverse reducing its balance sheet or lower interest rates.***

More importantly, the problem with the bullish forecast is the rise in asset prices eases financial conditions, which reduces the Fed's ability to bring down inflation. Such would also presumably mean employment remains strong along with wage growth, elevating inflationary pressures.

While the bullish scenario is possible, that outcome faces many challenges in 2023, given the market already trades at fairly lofty valuations. Even in a *"soft landing"* environment, earnings should weaken, which makes current valuations at 22x earnings more challenging to sustain.

The bottom line is 2023 will likely be another challenging year to navigate.

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How We Are Trading It

As the New Year begins, we enter the year with a substantially underweight equity position, a bond sleeve that is primarily short-duration, and a very heavy overweighting of cash. The problem with this allocation is that we will underperform if the market rallies substantially. Therefore, we plan to remain nimble and utilize our liquidity to trade markets from more extreme overbought or oversold positions.

If you haven't read our blog on ["Why Gardening Can Help You Manage Your Portfolio Better,"](#) the following excerpt helps clarify our view for this year.

"Being a good gardener, or ?having a green thumb,? is not a function of ?luck,? but rather carefully planned actions to ensure the garden grows, the bounty gets harvested, and the garden is replanted.

Therefore, to have a successful and bountiful garden, we must:"

1. **Prepare the soil** (*accumulate enough cash to build a properly diversified allocation*)
2. **Plant according to the season** (*build the allocation based on the current market cycle.*)
3. **Water and fertilize** (*add cash regularly to the portfolio for buying opportunities*)
4. **Weed** (*sell losers and laggards, weeds will eventually "choke" off the other plants*)
5. **Harvest** (*take profits regularly; otherwise, "the bounty rots on the vine"*)
6. **Plant again according to the season** (*add new investments at the right time*)

You don't have to do everything perfectly to succeed in growing wealth over the longer term. The trick is not to make a mistake that kills the whole garden at once.

As we head into the New Year, it is worth repeating the 15-portfolio management rules to navigate whatever lies ahead. The reason is that despite our best efforts, no one knows what the market will do in a week, much less a year from now. Therefore, the best thing we can do for our portfolios is to have a set of rules to follow to navigate whatever comes our way.



15-Risk Management Rules To Follow:

1. **Cut losers short and let the winner's run.** *(Be a scale-up buyer into strength.)*
2. **Set goals and be actionable.** *(Without specific goals, trades become arbitrary and increase overall portfolio risk.)*
3. **Emotionally driven decisions void the investment process.** *(Buy high/sell low)*
4. **Follow the trend.** *(80% of portfolio performance is determined by the long-term, monthly, trend. While a "rising tide lifts all boats," the opposite is also true.)*
5. **Never let a "trading opportunity" turn into a long-term investment.** *(Refer to rule #1. All initial purchases are "trades," until your investment thesis is proved correct.)*
6. **An investment discipline does not work if it is not followed.**
7. **"Losing money" is part of the investment process.** *(If you are not prepared to take losses when they occur, you should not be investing.)*
8. **The odds of success improve greatly when the fundamental analysis is confirmed by the technical price action.** *(This applies to both bull and bear markets)*
9. **Never, under any circumstances, add to a losing position.** *(As Paul Tudor Jones once quipped: "Only losers add to losers.")*
10. **Markets are either "bullish" or "bearish."** During a "bull market" be only long or neutral. During a "bear market" be only neutral or short. *(Bull and Bear markets are determined by their long-term trend as shown in the chart below.)*
11. **When markets are trading at, or near, extremes do the opposite of the "herd."**
12. **Do more of what works and less of what doesn't.** *(Traditional rebalancing takes money from winners and adds it to losers. Rebalance by reducing losers and adding to winners.)*
13. **"Buy" and "Sell" signals are only useful if they are implemented.** *(Managing a portfolio without a "buy/sell" discipline is designed to fail.)*
14. **Strive to be a .700 "at bat" player.** *(No strategy works 100% of the time. However, being consistent, controlling errors, and capitalizing on opportunity is what wins games.)*
15. **Manage risk and volatility.** *(Controlling the variables that lead to investment mistakes is what generates returns as a byproduct.)*

As we stated previously, these won't guarantee you absolute success in the markets, but they will at least keep you from getting crushed.

We sincerely wish you a Happy and Prosperous New Year.

See you next week.

Research Report



The Fed's "7% Solution" Won't Work This Time

Written by Lance Roberts | Jan 6, 2023 | Investing

Just recently, James Bullard, President of the St. Louis Federal Reserve, suggested the central ban...

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Stock Of The Week In Review

We have done value scans on large and small-cap stocks in the past few months, so it is time to present a value screen on mid-cap stocks. Stocks in this scan have a market cap between \$2 billion and \$10 billion. Mid-cap stocks tend to offer more growth than large-cap stocks and less price volatility than small-cap stocks.

Screening Criteria

We considered the following factors when screening:

- P/S <1
- P/B <1
- P/E <10
- Forward P/E <15
- PEG Ratio <1
- Return on Assets >15%
- Market Cap Between \$2 and \$10 billion

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

Here is one of the companies we screened.

Daqo New Energy Corp. (DQ) - Semiconductor Equipment & Materials

Description [\(Read More\)](#)

Daqo New Energy Corp., together with its subsidiaries, manufactures and sells polysilicon to photovoltaic product manufacturers in the People's Republic of China. Its products are used in ingots, wafers, cells, and modules for solar power solutions. The company was formerly known as Mega Stand International Limited and changed its name to Daqo New Energy Corp. in August 2009. Daqo New Energy Corp. was founded in 2006 and is based in Shanghai, the People's Republic of China.

Latest Price (Dec 21, 2022, 11:16:48 AM)

\$44.96 ▲ (\$0.70) (1.58%)

Last Close

\$44.26

Open

\$44.66

Volume

336,798

Annual Div.

N/A

Mkt Cap (mn)

\$3,371.09

52 Week Range

\$32.20

Day Range

\$44.11

Avg. Volume (3m)

1,284,026

Div. Yield

N/A

Beta

0.33



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Daily Commentary Bits

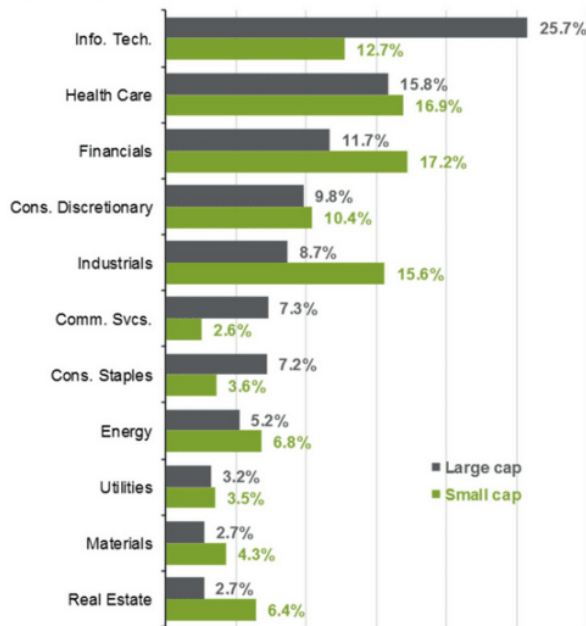
[Large Or Small Cap Stocks For 2023](#)

Many passive investors, such as those in retirement plans, use the start of a new year to reconsider their passive investment and reallocate accordingly. Often one of the decisions is how to split their stock allocations between large-cap and small-cap stocks. For those choosing between large-cap and small-cap stocks, we present a few graphs below to help.

The graph on the left shows large-cap stock indexes have twice the exposure to the tech sector than small-cap indexes. As a result, small-cap indexes tend to have more exposure to less volatile stocks. If you are bearish about the year ahead, this is a factor that might lead you toward small-cap stocks. However, the graph on the top right should give you some concern. It shows that over 40% of small-cap stocks are unprofitable. In our opinion, the takeaway is to be selective. If you want exposure to small-cap stocks, it's worth looking at value-orientated funds. Lastly, the bottom right graph highlights large cap vs. small cap during the last four significant market drawdowns and their rebounds. In general, small-cap stocks tend to have more robust rebounds, yet the drawdowns are on par with large-cap indexes.

Every market cycle is different, but hopefully, this provides a little guidance for those making their 401k allocations.

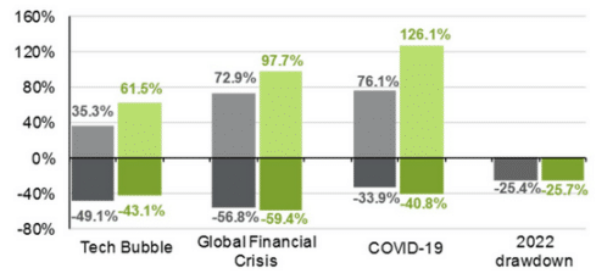
Sector composition
% of index market capitalization



Percent of unprofitable companies in the Russell 2000
1Q98 – 3Q22, pro-forma EPS



Historical markets drawdown and next 12-month rebound
Price return



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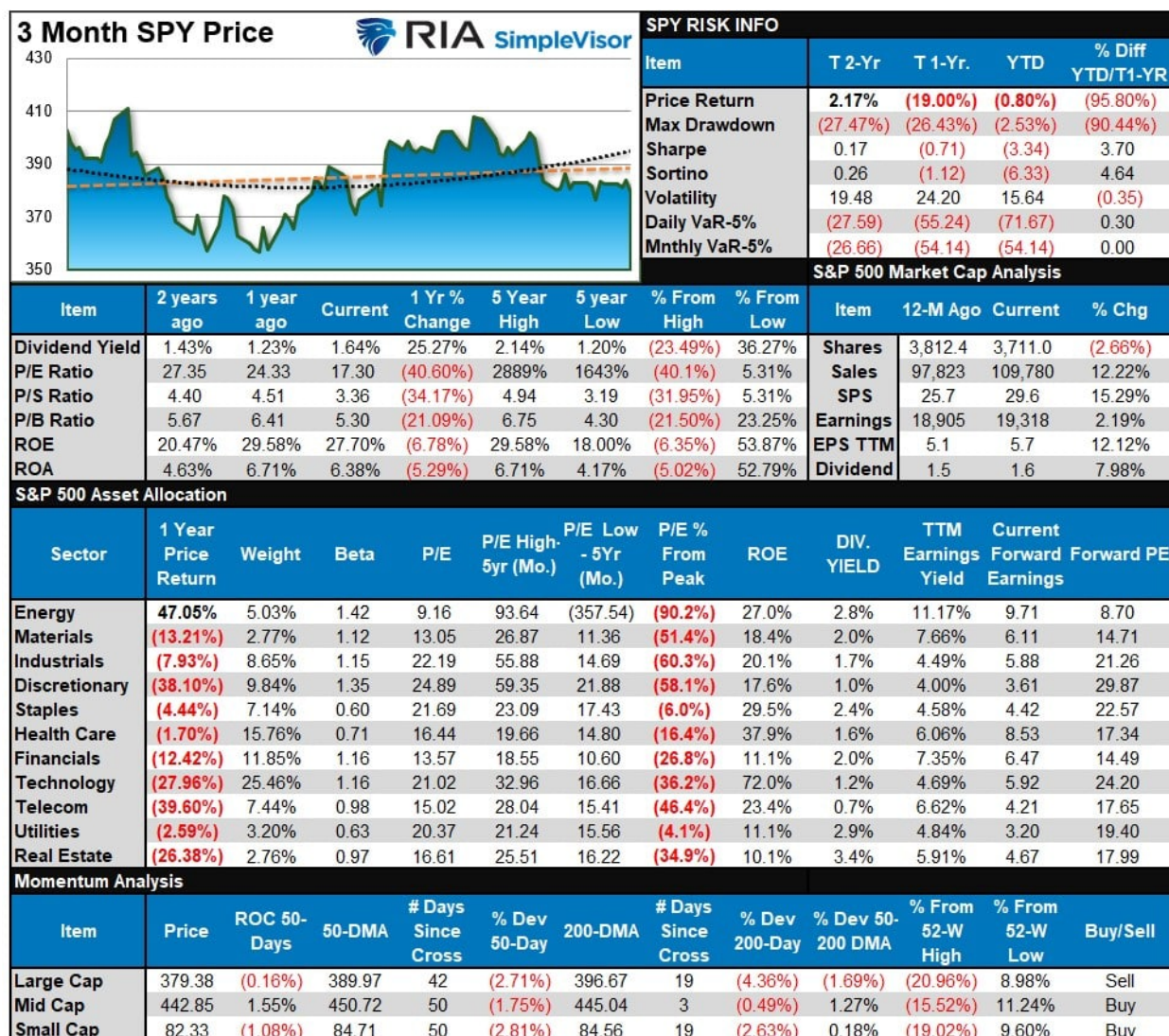
SimpleVisor Top & Bottom Performers By Sector

Healthcare					Industrials					Consumer Cyclical					Technology				
IDXX	WBA	MRNA	DXCM	DVA	ODFL	LUV	UNP	AME	CSX	MGM	SEE	EBAY	POOL	CZR	FSLR	LRCX	AMAT	KLAC	AVGO
6.82%	4.04%	3.94%	3.7%	3.25%	6.83%	4.62%	4.4%	4.25%	4.17%	5.83%	4.86%	4.66%	4.06%	3.86%	7.8%	6.76%	6.48%	6.46%	6.02%
CTLT	MCK	AMGN	BIIB	CAH	JBHT	J	BA	CARR	TT	KMX	WRK	AMZN	NVR	TPR	MPWR	WDC	QCOM	MCHP	ZBRA
3.23%	3.21%	3.13%	2.82%	2.64%	4.04%	3.29%	3.96%	3.91%	3.85%	3.85%	3.79%	3.56%	3.39%	3.35%	5.88%	5.51%	5.43%	5.31%	5.14%
WST	IQV	DHR	MTD	BIO	WAB	RTX	GD	HII	PNR	TSCO	ETSY	HD	ROL	AAP	ADBE	IT	MSFT	FFIV	EPAM
-0.51%	-0.82%	-1.07%	-2.68%	-2.72%	1.66%	1.57%	1.48%	1.39%	1.39%	0.92%	0.86%	0.65%	0.61%	0.56%	1.31%	1.19%	1.18%	1.14%	1.02%
A	PKI	TMO	WAT	BAX	AAL	GE	LHX	LMT	NOC	VFC	LOW	LVS	ULTA	BBWI	LDOS	NOW	MTCH	PAYC	ENPH
-2.92%	-3.8%	-3.94%	-7.15%	-7.84%	1.36%	0.91%	0.02%	-0.8%	-1.34%	0.31%	0.1%	0.08%	-0.56%	-1.43%	0.9%	0.06%	-0.35%	-2.71%	-2.8%

Financial					Consumer Goods					Utilities					Materials				
SIVB	MKTX	BLK	FRC	SBNY	COST	TGT	LW	SY	KHC	ETR	CNP	ATO	EIX	XEL	FCX	CE	NUE	MOS	PPG
5.68%	5.29%	5.24%	5.04%	4.93%	7.26%	3.82%	3.73%	3.2%	3.05%	3.88%	3.49%	3.36%	3.05%	2.96%	6.12%	5.2%	5.02%	4.56%	4.38%
MCO	MA	AMP	FITB	ZION	MDLZ	KDP	STZ	TSN	PM	AEP	EVRG	AEE	ED	WEC	DOW	STLD	MLM	LYB	SHW
4.7%	4.69%	4.06%	4.04%	3.87%	2.76%	2.75%	2.66%	2.66%	2.65%	2.93%	2.84%	2.7%	2.67%	2.55%	3.99%	3.95%	3.91%	3.65%	3.53%
ACGL	ALL	USB	MET	GS	HRL	GIS	CL	CLX	CPB	DUK	CMS	SO	NI	FE	VMC	CTVA	ECL	FMC	NEM
1.53%	1.46%	1.4%	1.35%	1.26%	1.87%	1.84%	1.83%	1.66%	1.55%	1.86%	1.83%	1.78%	1.77%	1.66%	3.36%	3.34%	3.2%	3.09%	2.89%
C	BAC	WFC	PYPL	CBOE	DG	KR	HSY	BF-B	EL	PCG	NRG	SRE	NEE	D	APD	IFF	DD	ALB	CF
1.2%	1%	0.9%	0.28%	-0.23%	1.28%	1.28%	1.15%	1.05%	1.01%	1.47%	1.42%	1.35%	1.23%	0.67%	2.77%	2.54%	2.26%	1.39%	0.75%

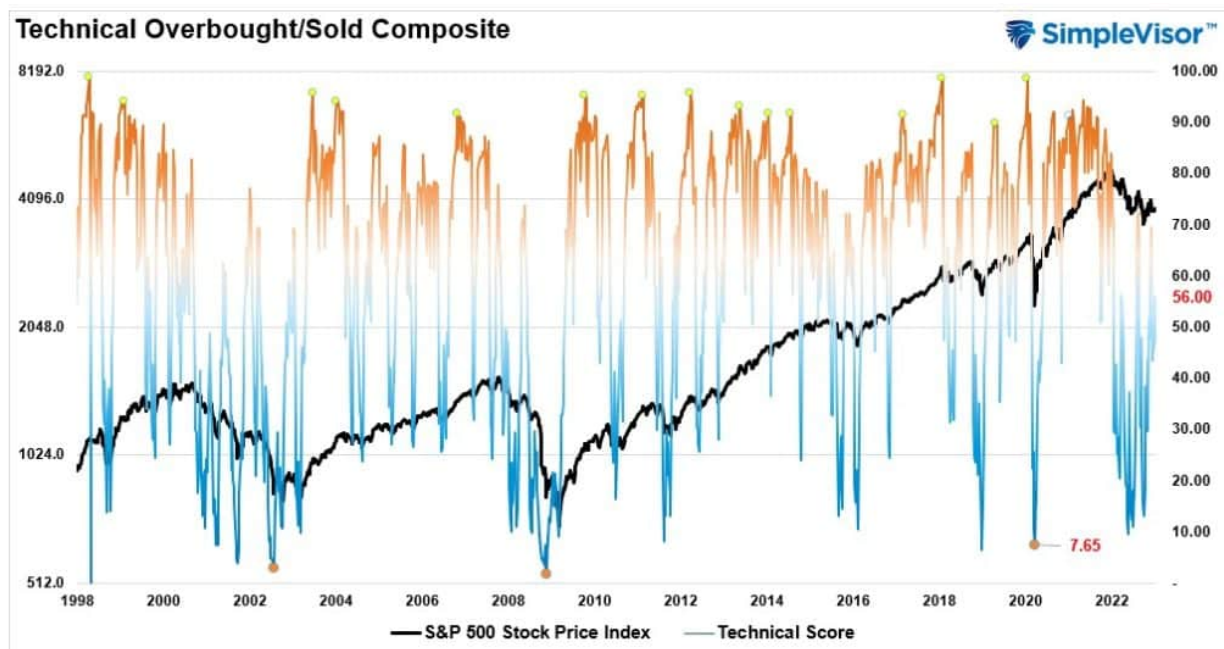
Real Estate					Energy					Communication Services				
BXP	WY	ESS	INVH	CPT	BKR	EQT	SLB	HAL	FANG	WBD	DISH	FOX	FOXA	TMUS
4.47%	4.32%	4.28%	4.02%	3.95%	4.03%	3.93%	3.47%	3.23%	3.06%	4.24%	4.13%	2.94%	2.92%	2.83%
UDR	AVB	SBAC	IRM	WELL	TRGP	MRO	PXD	APA	OKE	CMCSA	META	DIS	NFLX	CHTR
3.89%	3.58%	3.58%	3.55%	3.55%	3.06%	2.82%	2.79%	2.71%	2.68%	2.46%	2.43%	2.18%	1.89%	1.74%
HST	VTR	EXR	REG	EQIX	OXY	HES	KMI	DVN	WMB	NWS	GOOG	IPG	VZ	OMC
2.41%	2.27%	2.1%	2.09%	2.02%	2.46%	2.07%	2.03%	1.76%	1.69%	1.64%	1.6%	1.33%	1.18%	1.13%
PSA	FRT	SPG	O	VICI	COP	XOM	MPC	VLO	CVX	LYV	ATVI	LUMN	EA	TTWO
2.02%	1.48%	1.23%	1.09%	1.05%	1.25%	1.21%	0.94%	0.77%	0.75%	1%	0.82%	-0.55%	-0.63%	-1.14%

S&P 500 Tear Sheet



Relative Performance Analysis

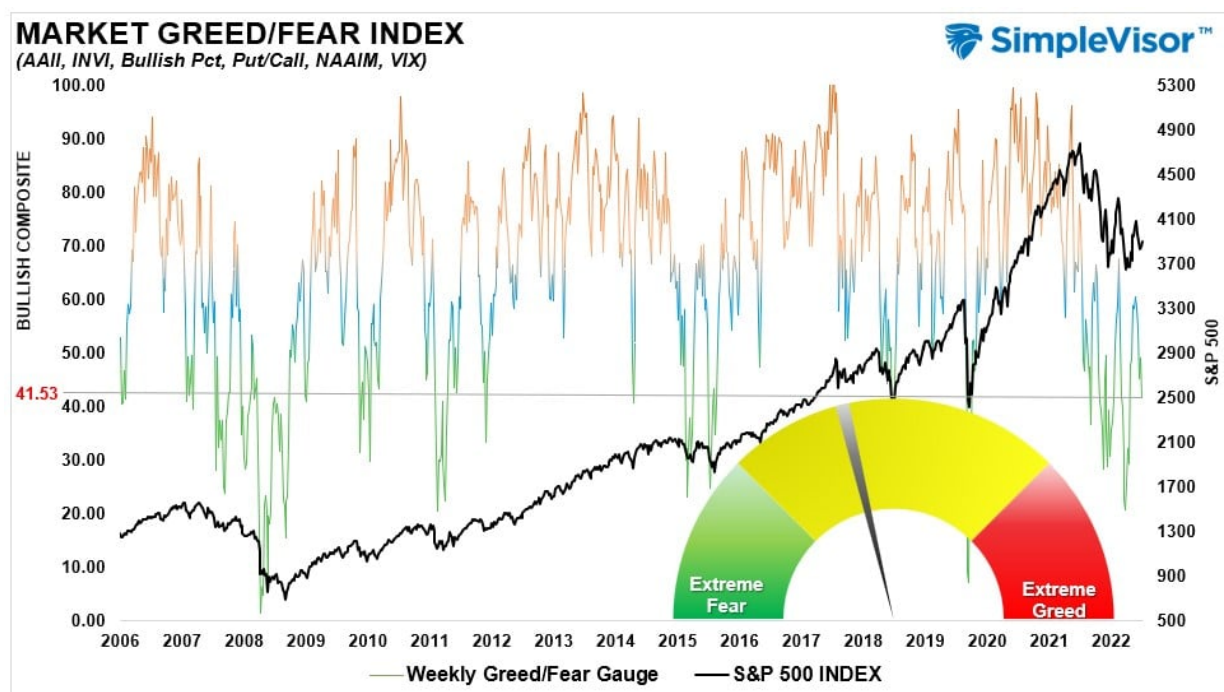
The rally started a bit sluggish but finished the week strongly. However, I wouldn't take too much for granted, as most of this past week was portfolio positioning for the New Year. Bonds, Communications, and International and Emerging markets were the big winners and strongly outpaced the S&P 500. However, this is the annual hope that THIS year will be the year that international stocks outperform the U.S. Such has been a poor bet over the last decade, and IF the U.S. slips into recession, international and emerging markets will underperform. Most everything is highly overbought, so a bit of a reversal next week will not be surprising.



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 41.53 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.

The market kicked off the New Year with a rally, and the "first 5 days" suggest the bulls are in charge for now. The big winners of Communications, Transportation, Emerging and International markets, Gold Miners, and Treasuries are now extremely overbought. I would not be surprised to see a bit of a reversal in the next few trading sessions, as much of this was likely initial portfolio dressing for the New Year.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG	MONTH	REL S&P	RISK RANGE		% DEV -	% DEV -	MIA XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	WMA	END	BETA	HIGH	LOW	Short MIA	Long MIA	SIGNAL
IVV	ISHARS-SP500	389.83	1.46	(1.51)	8.55	(1.87)	(16.72)	387.07	392.74	384.21	1.00	393.82	374.88	1%	-1%	BEARISH
XLB	SPDR-MATLS SELS	80.37	2.00	8.56	9.32	8.94	6.72	77.48	77.12	77.88	1.05	80.44	74.92	4%	8%	BULLISH
XLC	SPDR-COMM SV SS	50.40	3.56	3.25	(3.52)	(8.12)	(17.35)	48.93	52.96	47.99	0.98	49.66	46.32	3%	6%	BEARISH
XLE	SPDR-EOY SELS	87.56	(1.36)	7.21	0.51	24.93	58.47	87.58	81.67	87.47	1.37	90.85	84.09	0%	7%	BULLISH
XLK	SPDR-FINL SELS	35.38	1.99	3.77	5.53	9.90	2.66	34.09	33.42	34.20	1.09	35.43	32.97	4%	6%	BULLISH
XLJ	SPDR-TECH SELS	124.73	(1.23)	(3.41)	(1.77)	(7.24)	(8.11)	127.00	131.76	124.44	1.12	128.95	119.93	-2%	-5%	BEARISH
XLV	SPDR-INDU SELS	100.91	1.29	3.17	10.52	13.43	11.48	96.31	93.28	98.21	1.12	101.77	94.65	5%	8%	BULLISH
XLRE	SPDR-RE SELS	37.88	1.11	0.21	3.61	(8.50)	(6.40)	37.03	39.88	36.93	0.80	38.15	35.71	2%	-5%	BEARISH
XLUT	SPDR-UTIL SELS	71.00	(0.75)	1.55	5.68	4.13	17.56	68.38	70.74	70.50	0.50	72.62	68.38	4%	0%	BEARISH
XLV	SPDR-HLTH CR	135.67	(1.60)	(0.36)	0.94	6.36	17.70	133.43	130.27	135.85	0.73	140.23	131.47	2%	4%	BULLISH
XTN	SPDR-CONS DISCR	132.07	0.79	(3.97)	(10.93)	(12.79)	(17.07)	138.20	146.76	129.16	1.16	133.89	124.43	-4%	-10%	BEARISH
XTN	SPDR-SP TRANSPT	70.01	2.70	0.79	(1.58)	(0.97)	(7.37)	69.89	71.61	67.21	1.30	69.77	64.65	0%	-2%	BEARISH
SDY	SPDR-SP DIV ETF	127.97	0.82	1.20	4.22	6.97	14.59	124.47	123.21	125.11	0.86	129.31	120.91	3%	4%	BULLISH
RSP	INVS-SPS EQ ETF	145.23	1.35	2.14	4.72	5.35	6.50	140.72	140.65	141.25	1.05	146.26	136.24	3%	3%	BULLISH
SLY	SPDR-SP6 SC	84.20	0.96	0.94	0.03	1.84	2.46	83.65	83.75	82.21	1.14	85.20	79.22	1%	1%	BEARISH
MDY	SPDR-SP MC 400	454.13	1.10	1.58	2.34	5.75	6.03	444.44	440.90	442.79	1.11	458.78	426.80	2%	3%	BULLISH
EEM	ISHARS-EMG MKT	40.07	4.26	4.00	8.57	3.51	(1.32)	37.14	38.63	37.90	0.72	39.12	36.68	8%	4%	BEARISH
EFA	ISHARS-EAFE	68.13	2.33	3.13	13.08	9.33	3.21	63.42	63.37	65.64	0.84	67.83	63.45	7%	8%	BULLISH
IAU	ISHARS-GOLD TR	35.43	0.97	5.36	5.11	10.05	20.47	33.06	33.31	34.59	0.12	35.50	33.68	7%	0%	BEARISH
GDX	VANECK-GOLD MINR	31.56	8.86	9.88	30.35	26.07	21.89	27.18	27.19	28.66	0.71	29.58	27.74	16%	10%	BEARISH
UUP	INVS-DB USS BU	27.90	(1.14)	(0.31)	(16.97)	(0.17)	25.45	28.95	28.72	27.81	(0.15)	28.46	27.16	-4%	-3%	BULLISH
BOND	PIMCO-ACTV BOND	92.20	0.44	1.76	(4.05)	(2.48)	2.05	90.12	93.04	90.48	0.16	92.88	88.08	2%	-1%	BEARISH
TLT	ISHARS-20+YTB	105.18	4.18	0.23	(1.85)	(9.41)	(9.34)	100.81	108.21	99.56	0.01	102.06	97.06	4%	-3%	BEARISH
BNX	VANGD-TTL INT B	48.30	0.37	(0.26)	(6.01)	(2.34)	4.89	48.17	49.07	47.43	0.11	48.67	46.19	0%	-2%	BEARISH
HYG	ISHARS-IBX HYCB	75.53	1.12	1.96	(2.94)	0.10	4.58	73.88	74.97	73.63	0.41	75.78	71.48	2%	1%	BEARISH



RISK RANGE REPORT



Weekly SimpleVisor Stock Screens

Each week we will provide three different stock screens generated from [SimpleVisor](https://SimpleVisor.net): (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													
Overview Technicals Fundamentals Performance													
Symbol ↑↓ ∇	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ② ↑↓	50 SMA ② ↑↓	100 SMA ② ↑↓	Mohanram ② ↑↓	Plotroski ② ↑↓	SV Rank ② ↑↓	Yield% ↑↓	
ACGL	Financial	10/10	\$63.90	\$165.29(61.34%)	68.57	\$61.96(3.13%)	\$58.99(8.32%)	\$52.75(21.14%)	5	8	2		
BA	Industrials	10/10	\$213.00	\$44.95(-373.86%)	78.96	\$189.86(12.19%)	\$172.46(23.51%)	\$161.05(32.26%)	3	4	4		
BBWI	Consumer Cyclical	10/10	\$46.12	\$108.22(57.38%)	64.87	\$42.43(8.70%)	\$38.97(18.35%)	\$37.66(22.46%)	5	8	3	1.90%	
FSLR	Technology	10/10	\$156.80	0	43.29	\$157.66(-0.55%)	\$151.06(3.80%)	\$138.74(13.02%)	5	6	4		
HAL	Energy	10/10	\$40.21	\$5.89(-582.68%)	60.53	\$37.39(7.54%)	\$37.27(7.89%)	\$33.31(20.71%)	5	7	3	1.23%	
HES	Energy	10/10	\$143.70	\$100.43(-43.08%)	56.42	\$136.77(5.07%)	\$140.58(2.22%)	\$130.43(10.17%)	5	7	3	1.06%	
LVS	Consumer Cyclical	10/10	\$51.57	\$8.25(-525.09%)	71.99	\$48.15(7.10%)	\$44.37(16.23%)	\$41.14(25.35%)	2	5	3		
NFLX	Communication Services	10/10	\$315.55	\$417.52(24.42%)	60.44	\$301.80(4.56%)	\$291.39(8.29%)	\$262.28(20.31%)	4	—	5		
PCG	Utilities	10/10	\$15.89	\$15.94(0.31%)	52.99	\$15.91(-0.13%)	\$15.39(3.25%)	\$14.17(12.14%)	1	5	3		
ROST	Consumer Cyclical	10/10	\$121.57	\$113.34(-7.26%)	73.34	\$115.89(4.90%)	\$106.94(13.68%)	\$97.33(24.90%)	3	9	4	1.07%	
SLB	Energy	10/10	\$54.50	\$31.76(-71.60%)	59.75	\$51.47(5.89%)	\$51.77(5.27%)	\$45.16(20.68%)	5	7	2	1.33%	
UHS	Healthcare	10/10	\$151.96	\$79.31(-91.60%)	80.26	\$137.88(10.21%)	\$127.44(19.24%)	\$113.37(34.04%)	5	6	3	0.73%	
WYNN	Consumer Cyclical	10/10	\$93.57	\$18.18(-414.69%)	70.74	\$85.00(10.08%)	\$77.92(20.08%)	\$70.48(32.76%)	1	4	3		
HCA	Healthcare	9/10	\$254.52	\$303.86(16.24%)	70.00	\$241.30(5.48%)	\$230.06(10.63%)	\$217.52(17.01%)	6	7	3	0.93%	
RCL	Consumer Cyclical	9/10	\$54.99	\$9.52(-477.63%)	56.03	\$52.50(4.74%)	\$54.83(0.29%)	\$49.59(10.89%)	1	—	4		
STLD	Materials	9/10	\$102.69	0	53.04	\$102.92(-0.22%)	\$101.06(1.61%)	\$90.46(13.52%)	—	7	3	1.38%	
URI	Industrials	9/10	\$377.34	\$272.52(-38.46%)	64.68	\$358.45(5.27%)	\$342.29(10.24%)	\$319.20(18.21%)	3	8	3		
AMP	Financial	8/10	\$321.28	\$306.66(-4.77%)	57.06	\$313.88(2.36%)	\$317.88(1.07%)	\$295.12(8.86%)	3	7	2	1.60%	
DE	Industrials	8/10	\$426.47	\$397.97(-7.16%)	49.36	\$432.25(-1.34%)	\$420.66(1.38%)	\$391.44(8.95%)	0	6	3	1.12%	
XYL	Industrials	8/10	\$111.27	\$21.39(-420.20%)	53.03	\$110.78(0.44%)	\$109.53(1.59%)	\$101.65(9.46%)	6	8	5	1.09%	

Momentum Screen

Scan Result: 20 Item(s) found													
Tables													
Overview Technicals Fundamentals Performance													
Symbol ↑↓ ∇	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ② ↑↓	50 SMA ② ↑↓	100 SMA ② ↑↓	Mohanram ② ↑↓	Plotroski ② ↑↓	SV Rank ② ↑↓	Yield% ↑↓	
BA	Industrials	10/10	\$213.00	\$44.95(-373.86%)	78.96	\$189.86(12.19%)	\$172.46(23.51%)	\$161.05(32.26%)	3	4	4		
NFLX	Communication Services	10/10	\$315.55	\$417.52(24.42%)	60.44	\$301.80(4.56%)	\$291.39(8.29%)	\$262.28(20.31%)	4	—	5		
ULTA	Consumer Cyclical	10/10	\$486.19	\$408.52(-19.01%)	67.71	\$464.39(4.69%)	\$444.46(9.39%)	\$425.04(14.39%)	4	7	3		
HCA	Healthcare	9/10	\$254.52	\$303.86(16.24%)	70.00	\$241.30(5.48%)	\$230.06(10.63%)	\$217.52(17.01%)	6	7	3	0.93%	
SYK	Healthcare	9/10	\$256.25	\$202.16(-26.76%)	65.74	\$245.82(4.24%)	\$232.52(10.21%)	\$223.23(14.79%)	1	9	3	1.22%	
URI	Industrials	9/10	\$377.34	\$272.52(-38.46%)	64.68	\$358.45(5.27%)	\$342.29(10.24%)	\$319.20(18.21%)	3	8	3		
AVGO	Technology	8/10	\$588.43	\$602.75(2.38%)	66.98	\$550.39(6.91%)	\$517.85(13.63%)	\$505.06(16.51%)	3	8	2	3.32%	
BKNG	Consumer Cyclical	8/10	\$2,179.25	\$1,012.32(-115.27%)	68.57	\$2,013.89(8.21%)	\$1,971.42(10.54%)	\$1,913.37(13.90%)	2	6	3		
IDXX	Healthcare	8/10	\$447.77	\$221.52(-102.14%)	64.42	\$416.54(7.50%)	\$403.86(10.87%)	\$377.09(18.74%)	1	7	3		
NVR	Consumer Cyclical	8/10	\$4,796.82	\$7,750.53(38.11%)	60.57	\$4,679.19(2.51%)	\$4,475.13(7.19%)	\$4,320.25(11.03%)	1	7	2		
AZO	Consumer Cyclical	7/10	\$2,486.64	\$3,069.21(18.98%)	56.42	\$2,427.16(2.45%)	\$2,468.45(0.74%)	\$2,341.52(6.20%)	5	7	3		
BLK	Financial	7/10	\$738.00	\$702.95(-4.99%)	60.50	\$708.42(4.18%)	\$700.66(5.33%)	\$668.09(10.46%)	2	6	3	2.77%	
COO	Healthcare	7/10	\$345.17	\$258.49(-33.53%)	66.52	\$326.11(5.84%)	\$306.08(12.77%)	\$298.26(15.73%)	4	7	3	0.02%	
MA	Financial	7/10	\$367.67	\$211.40(-73.92%)	65.62	\$349.33(5.25%)	\$340.60(7.95%)	\$328.11(12.06%)	1	7	3	0.65%	
RE	Financial	7/10	\$351.40	\$1,627.58(78.41%)	70.26	\$332.72(5.61%)	\$323.86(8.50%)	\$297.65(18.06%)	6	8	1	1.97%	
EL	Consumer Goods	6/10	\$263.81	\$119.86(-120.10%)	67.92	\$246.78(6.90%)	\$228.24(15.58%)	\$235.42(12.06%)	5	8	3	1.06%	
TDG	Industrials	6/10	\$649.03	\$247.02(-162.74%)	63.74	\$621.83(4.37%)	\$606.63(6.99%)	\$598.27(8.48%)	5	8	3		
MHK	Consumer Cyclical	5/10	\$114.23	\$195.41(41.54%)	70.99	\$101.54(12.50%)	\$99.65(14.63%)	\$101.30(12.76%)	5	8	3		
ODFL	Industrials	5/10	\$300.70	\$217.56(-38.21%)	57.49	\$289.48(3.88%)	\$288.56(4.21%)	\$281.36(6.87%)	6	7	3	0.42%	
TDY	Technology	5/10	\$408.54	\$535.76(23.75%)	53.87	\$403.28(1.30%)	\$403.61(1.22%)	\$385.90(5.87%)	—	5	3		

Highest Rated Stocks With Dividends

Scan Result: 270 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%	
AAGIY	Financial	10/10	46.13		62.54	44.18(4.41%)	39.36(17.20%)	37.82(21.97%)	—	—	3	1.64%	
AU	Materials	10/10	21.47		75.43	19.45(10.39%)	17.49(22.76%)	15.72(36.58%)	—	—	3	2.23%	
B	Industrials	10/10	43.06		68.55	40.50(6.32%)	39.18(9.90%)	35.49(21.33%)	1	9	—	1.57%	
BBVA	Financial	10/10	6.60		80.44	5.97(10.55%)	5.67(16.40%)	5.17(27.66%)	5	6	3	7.06%	
BBWI	Consumer Cyclical	10/10	46.12	108.22(57.38%)	64.87	42.43(8.70%)	38.97(18.35%)	37.66(22.46%)	5	8	3	1.90%	
BKE	Consumer Cyclical	10/10	47.88		73.02	45.22(5.88%)	42.55(12.53%)	37.95(26.17%)	5	8	4	3.09%	
BKNIY	Financial	10/10	7.10		64.41	6.51(8.99%)	6.26(13.34%)	5.81(22.12%)	5	—	2	4.14%	
BVN	Materials	10/10	8.12		60.38	7.69(5.59%)	7.67(5.87%)	6.93(17.17%)	5	4	3	1.91%	
CFRUY	Consumer Cyclical	10/10	14.37		71.74	13.10(9.69%)	12.06(19.15%)	11.34(26.72%)	—	—	2	1.82%	
COLM	Consumer Cyclical	10/10	92.71		65.41	87.37(6.11%)	83.66(10.82%)	78.16(18.62%)	—	7	1	1.37%	
DB	Financial	10/10	12.44		71.96	11.19(11.17%)	10.55(17.91%)	9.49(31.09%)	2	3	3	1.76%	
GFI	Materials	10/10	11.95		69.02	10.78(10.85%)	10.24(16.70%)	9.27(28.91%)	—	—	2	3.25%	
GILD	Healthcare	10/10	88.08	155.94(43.52%)	64.27	86.38(1.97%)	83.47(5.52%)	73.98(19.06%)	5	6	3	3.42%	
HAL	Energy	10/10	40.21	5.89(-582.68%)	60.53	37.39(7.54%)	37.27(7.89%)	33.31(20.71%)	5	7	3	1.23%	
HES	Energy	10/10	143.70	100.43(-43.08%)	56.42	136.77(5.07%)	140.58(2.22%)	130.43(10.17%)	5	7	3	1.06%	
ING	Financial	10/10	13.06		71.65	12.21(6.96%)	11.38(14.76%)	10.26(27.29%)	—	5	2	2.88%	
IPAR	Consumer Goods	10/10	110.72		75.68	97.30(13.79%)	90.24(22.70%)	84.79(30.58%)	4	6	1	1.90%	
ISNPY	Financial	10/10	14.38		70.28	13.34(7.80%)	12.89(11.56%)	11.73(22.59%)	1	0	3	10.77%	
KBCSY	Financial	10/10	33.63		78.75	31.18(7.86%)	28.25(19.04%)	26.47(27.05%)	4	—	2	13.80%	
KGC	Materials	10/10	4.57		63.23	4.24(7.78%)	4.09(11.74%)	3.80(20.26%)	1	5	3	2.95%	
LANC	Consumer Goods	10/10	201.54		53.32	200.65(0.44%)	197.43(2.08%)	178.84(12.69%)	—	4	—	1.68%	
LW	Consumer Goods	10/10	99.61	23.49(-324.05%)	79.05	88.69(12.31%)	86.38(15.32%)	83.45(19.36%)	4	5	3	1.26%	
MRK	Healthcare	10/10	114.84	77.29(-48.58%)	73.98	110.64(3.80%)	105.57(8.78%)	96.78(18.66%)	5	8	3	2.63%	
NGLOY	Materials	10/10	21.31		68.96	19.55(9.00%)	18.76(13.59%)	17.35(22.82%)	—	—	1	6.17%	
NLY	Real Estate	10/10	22.14		59.67	21.62(2.41%)	20.54(7.79%)	16.26(36.16%)	5	8	5	16.60%	
NVO	Healthcare	10/10	138.64		72.64	130.85(5.95%)	119.88(15.65%)	112.09(23.69%)	1	—	5	1.18%	
PEXNY	Energy	10/10	11.25		71.72	10.51(7.04%)	10.12(11.17%)	9.55(17.80%)	—	—	—	3.91%	
ROST	Consumer Cyclical	10/10	121.57	113.34(-7.26%)	73.34	115.89(4.90%)	106.94(13.68%)	97.33(24.90%)	3	9	4	1.07%	
SAN	Financial	10/10	3.20		71.43	2.96(8.11%)	2.81(13.88%)	2.66(20.30%)	4	7	4	3.75%	
SBUX	Consumer Cyclical	10/10	106.69	77.80(-37.13%)	70.31	100.84(5.80%)	96.83(10.18%)	92.01(15.95%)	5	8	4	2.12%	
SCCO	Materials	10/10	67.40		71.81	61.53(9.54%)	58.27(15.67%)	52.80(27.65%)	6	8	4	5.66%	
SIEGY	Industrials	10/10	72.74		67.60	69.40(4.81%)	64.75(12.34%)	58.23(24.92%)	7	6	3	3.20%	
SJW	Utilities	10/10	80.71		57.23	80.16(0.69%)	74.60(8.19%)	69.20(16.63%)	1	4	3	1.79%	
SLB	Energy	10/10	54.50	31.76(-71.60%)	59.75	51.47(5.89%)	51.77(5.27%)	45.16(20.68%)	5	7	2	1.33%	

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!