

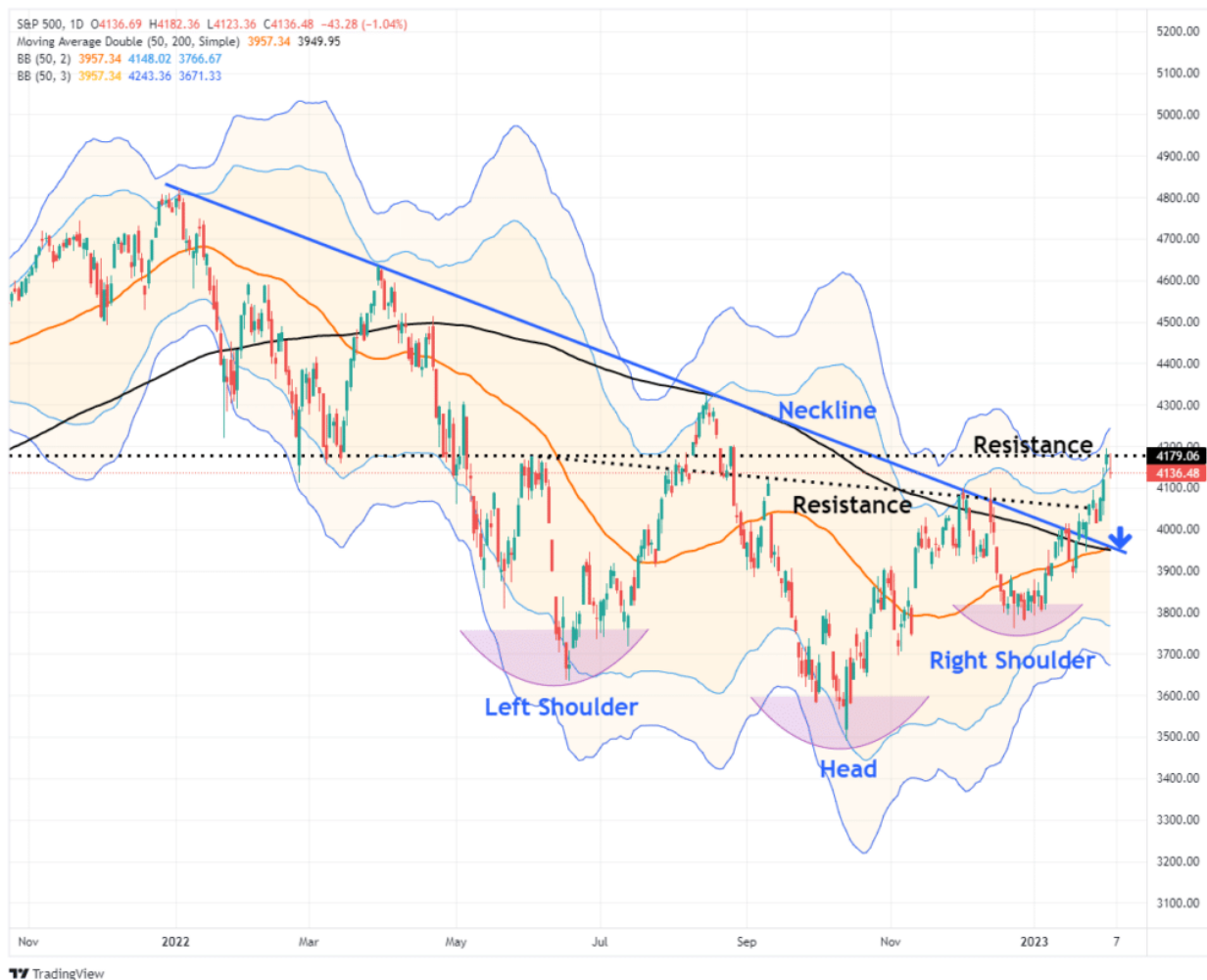
## Inside This Week's Bull Bear Report

- *The Bear Market Has Been Cancelled*
  - *J-Pow Throws In The Towel*
  - *How We Are Trading It*
  - *Research Report - Is The Fed Trying To Wean Markets Off Monetary Policy*
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## The Bear Market Has Been "Cancelled."

[Last week's message](#) asked the question of whether the market's break above the long-running downtrend line was a "head fake?" To wit:

*As we noted, the inverse 'head-and-shoulder' pattern already suggests a market bottom has formed. A solid break above the downtrend line (with a successful retest) would confirm the completion of that pattern. Notably, the 50-DMA is rapidly closing in on a cross above the declining 200-DMA. Such is known as the 'golden cross' and historically signifies a more bullish setup for markets moving forward.*



The market surge continued last week but ran into resistance on Friday as markets are pushing well into 3-standard deviations above the 50-DMA. **However, while the weakness on Friday was not unexpected, it is also necessary to determine whether the current breakout is legitimate.**

If the "bear market" is "canceled," we will know relatively soon. To confirm whether the breakout is sustainable, thereby canceling the bear market, a pullback to the previous downtrend line that holds is crucial. Such a pullback would accomplish several things, from working off the overbought conditions, turning previous resistance into support, and reloading market shorts to support a move higher. The final piece of the puzzle, if the pullback to support holds, will be a break above the highs of this past week, confirming the next leg higher. Such would put 4300-4400 as a target in place.

A break BELOW the downtrend line, and the current intersection of the 50- and 200-DMA, will suggest the breakout was indeed a "head fake." Such will confirm the bear market remains, and a retest of last year's lows is likely.

Given that we don't know with certainty where the market is headed next, we are remaining underweight equities at the moment and increased cash levels a bit last week due to the overbought conditions of the market. If the market confirms the "cancellation" of the bear cycle, we will aggressively add risk for the next leg higher. If not, we will add to bonds and reduce equity risk further for the next leg lower.

We will have to wait and see what happens now that "J-Pow threw in the towel."

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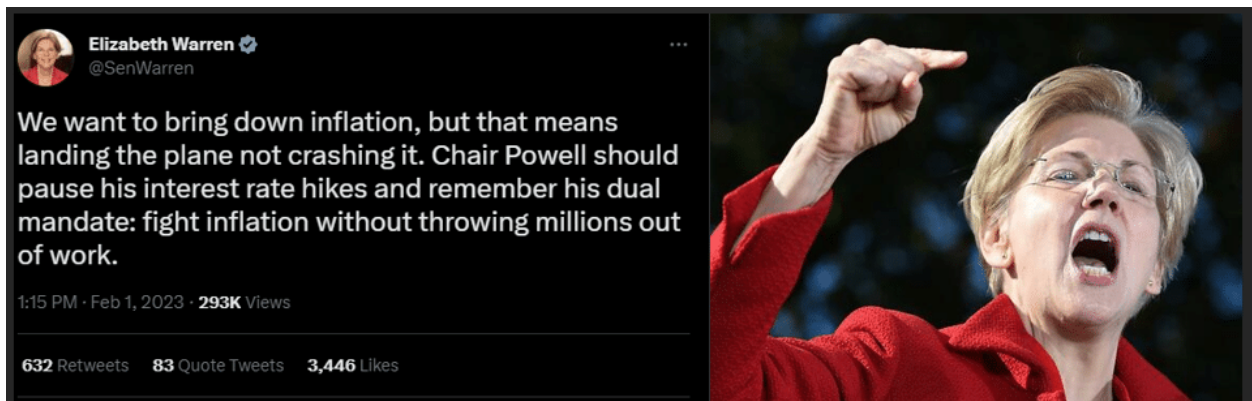
Need a plan to protect your hard earned savings from the next bear market?

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## J-Pow Throws In The Towel

This past week, the markets jumped higher as Jerome Powell (or J-Pow) threw in the towel on being "hawkish." Such seems to suggest that political demands from the Democratic side of the aisle had some impact on political independence.



The change in tone from the Fed was marked given their previous hawkishness. [As we discussed last week,](#) financial conditions are a risk to the Fed.

***"The risk to the markets is that while the bulls have been driving asset prices higher since the beginning of this year, that increase in price works against the Fed's agenda. The goal of tighter monetary policy by the Fed is to tighten monetary conditions to slow economic growth, thereby reducing inflation. However, higher asset prices boost consumer confidence and loosen monetary conditions. As noted by Liz Ann Sonders, financial conditions have eased dramatically since October."***



**Liz Ann Sonders**  @LizAnnSonders · 2h

 Official

Another way to measure easing/tightening: @Bloomberg Financial Conditions Index has risen (eased) back to where it was in February 2022, when fed funds rate was at 0%



The change in tone from the Fed was quick, given J-Pow's focus on financial conditions at the FOMC just six weeks ago.

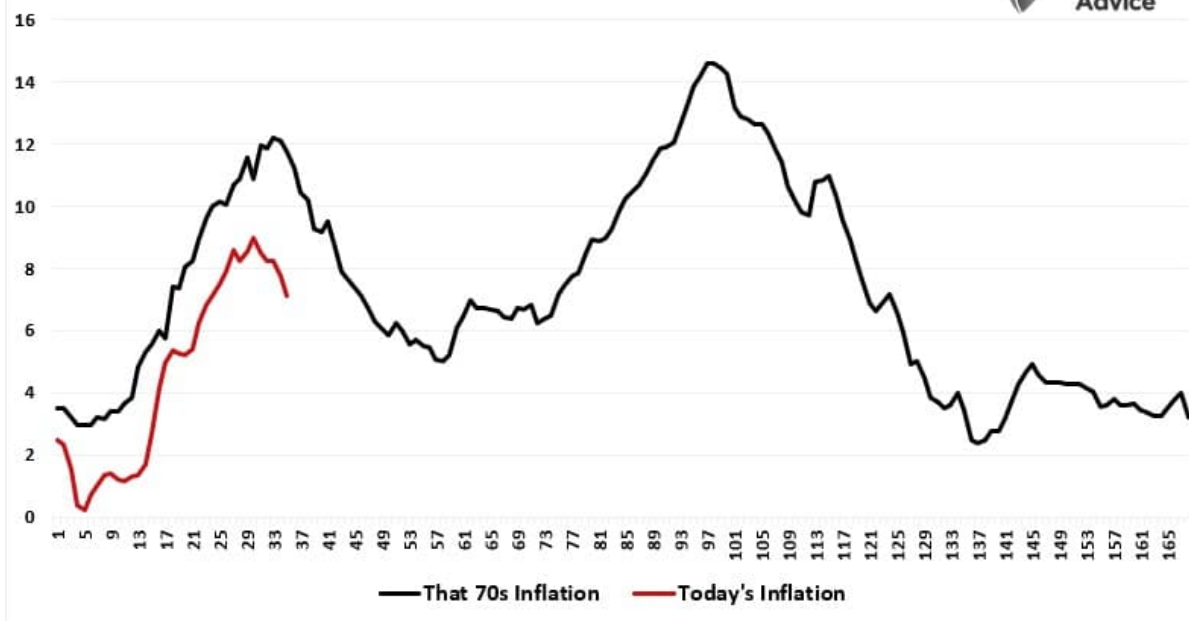
*? Officials seek to reduce inflation by slowing the economy through tighter financial conditions? **such as higher borrowing costs, lower stock prices, and a stronger dollar?** which typically curb demand.?*

That language of tighter conditions was replaced with comments that financial conditions have tightened significantly over the past year. He noted that *"it is important that overall financial conditions reflect policy restraints put in place"* but added that *"our focus is not on short-term moves, but on sustained changes to financial conditions."*

**It seems odd that while the Fed is still working to tighten monetary conditions, which are weakening, as shown above, they would choose to ignore the one thing they can control. Furthermore, financial conditions are now easier than last September when Powell *"unleashed hell"* at the Jackson Hole summit.**

While Powell ignited the bulls with the flubbed comment regarding financial conditions, they absolutely do matter. J-Pow's most significant concern should be a potential repeat of the 70s, where inflation ebbed and then reignited.

## That 70s Inflation Vs Today



So the question is, why now?

That answer can be summed up in one word: **"Disinflation."**

## Disinflation Is The Word

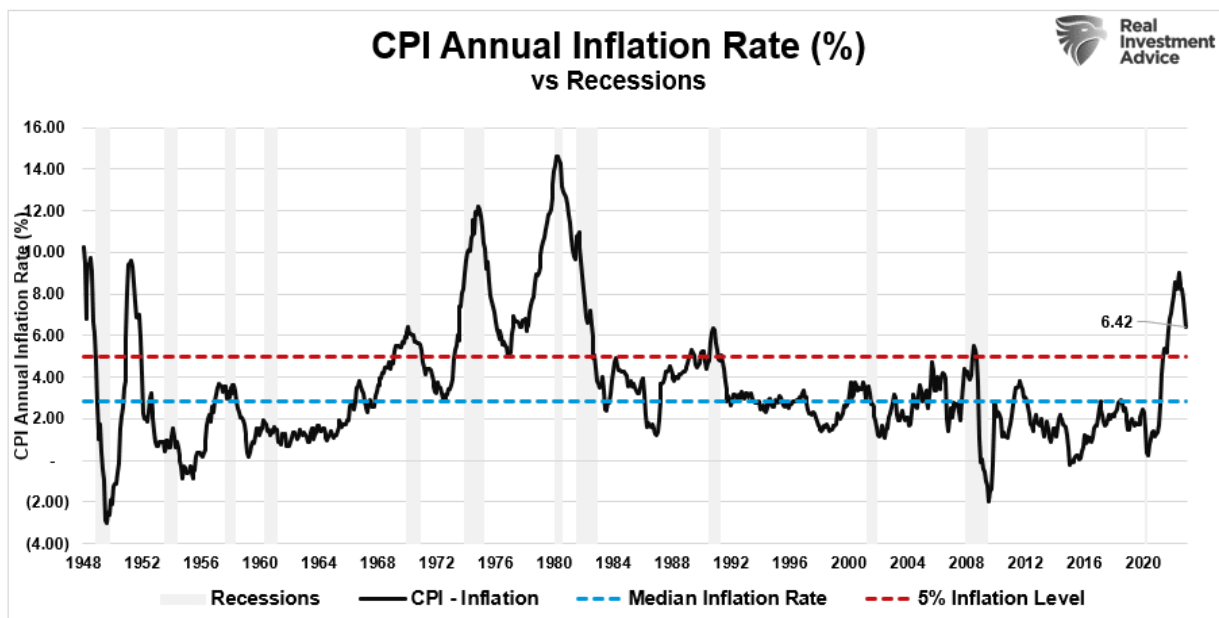
No fewer than a dozen times on Wednesday did J-Pow utter the word *"disinflation."* As Omair Sharif of Inflation Insights noted:

*?Not sure I get this obsession with a ?couple? of more rate hikes as being dovish. I thought it was dovish after I read the statement! **The change in the inflation language in the statement combined with the change in the language from ?pace? to ?extent? suggested that they were debating when to pause** and indicated that 5.1%, which was the median dot for 2023 in the December SEP, was the ceiling, barring any big changes in the data.?*

?J-Pow's repeated discussion of disinflation ignited the bulls as they entirely disregarded the language of higher rates. The ?key quote from Powell came about 20 minutes into his press conference, when, in response to a question from Reuters' Howard Schneider, Powell said, in part: **"We can now say, for the first time, that the disinflationary process has started. We can see that."**

This is a crucial statement, as noted by Yahoo Finance on Thursday:

*"Unlike inflation (prices going up) or deflation (prices going down), both of which economists fear in large quantities, **disinflation means prices rise at a slower pace.** Headline CPI, for example, rose 6.5% over the prior year in December after having jumped as much as 9.1% over the prior year in July. **This deceleration in the pace of price increases is disinflation.**"*



That deceleration of inflation is notable but remains elevated relative to historical averages. Such suggests that while the Fed is beginning to think about pausing its rate hikes, the concern of inflation is not over.

However, while the deceleration in prices may allow J-Pow to cease hiking rates, there are three crucial points to understand.

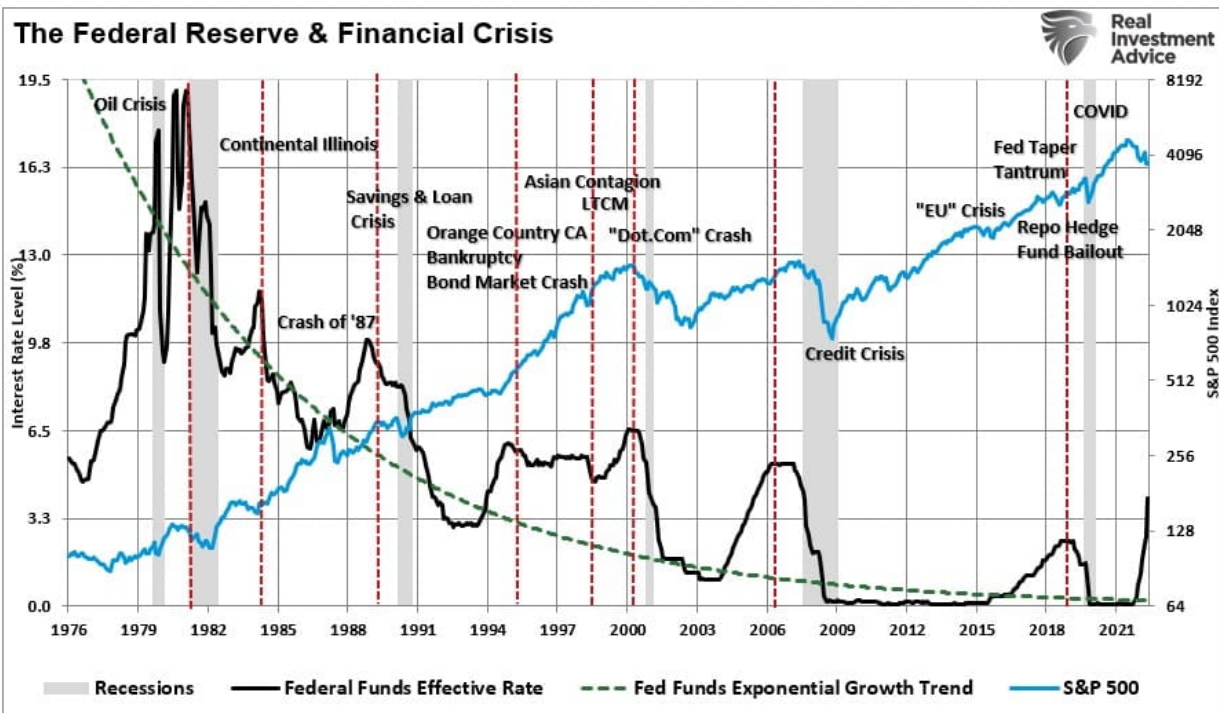
1. *Ceasing rate hikes is not the same as cutting them.*
2. *Disinflation is not the same as the avoidance of a recession.*
3. *As prices decline, disinflation also poses a risk to equities.*

## The Risk To Equities

The bullish hope is that a cessation of the rate of hikes by the Fed, combined with a slower pace of inflation, will equate to an economic "soft landing." As we recently discussed, [a "soft landing" is a bit of a Fed myth.](#) To wit;

*"There were three periods where the Federal Reserve hiked rates and achieved a 'soft landing,' economically speaking. However, the reality was that those periods were not 'pain-free' events for the financial markets."*





Such is particularly the case when inflation is running well above 5%. Throughout history, there are no instances when inflation ran above 5% annualized, with an inverted yield curve that did not result in a recession. **Zero.**

However, while the bulls are excited about the prospect of disinflation and a Fed "pause" on rate hikes, they have overlooked two key points.

1. *The lag effect of monetary policy changes*
2. *The impact of disinflation on earnings.*

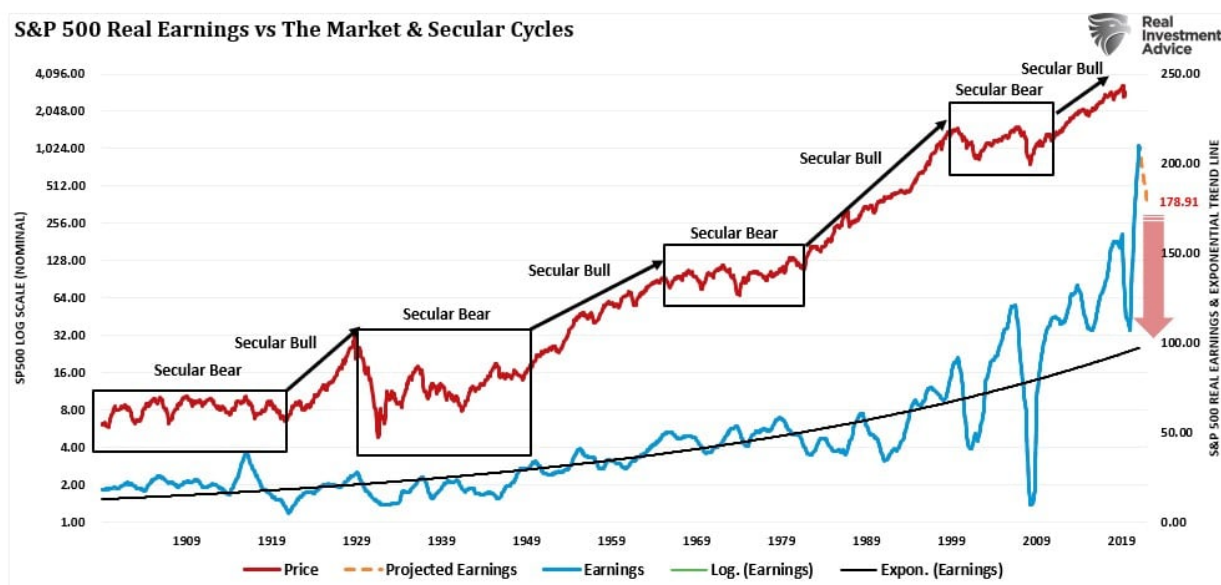
J-Pow was clear on two key points which should not get dismissed. The first was that while the Fed will likely hike two more times, they are NOT cutting rates anytime soon. Secondly, J-Pow stated that the lag effect of previous rate changes had not been fully felt yet.

Monetary policy affects the economy and inflation with uncertain lags, and the full effects of our rapid tightening so far are yet to be felt. Thus, it makes sense to moderate the pace of our rate increases as we approach the level of restraint that will be sufficient to bring inflation down. The time for moderating the pace of rate increases may come as soon as the December meeting. Given our progress in tightening policy, the timing of that moderation is far less significant than the questions of how much further we will need to raise rates to control inflation, and the length of time it will be necessary to hold policy at a restrictive level. It is likely that restoring price stability will require holding policy at a restrictive level for some time. History cautions strongly against prematurely loosening policy. We will stay the course until the job is done.

The drag of higher rates on economic growth will lead to less economic activity, which will continue to slow the rate of inflation. However, as economic growth slows, combined with disinflation, so do corporate earnings and profit margins. As we discussed previously, disinflation is a substantial risk to the bulls.

*"The problem of overvaluation in a slow-growth economic environment is problematic. The massive surge in earnings during the pandemic-driven shutdown is unsustainable as the economy normalizes. Massive stimulus programs, combined with enormous*

*unemployment, led to surging profits that are not replicable in the future. As shown, earnings are one of the most mean-reverting data series in existence, and ultimately if earnings don't revert, capitalism is no longer functioning correctly.?*



Given that the fiscal interventions and supply chain shutdown gave corporations massive pricing power, the lack of both must equate to a decline in earnings. Given that earnings can not outgrow the economy over the long term, the bulls are likely mistaken in assuming current valuations reflect fair value.

The outcome seems inevitable without either the Federal Reserve reverting to quantitative easing or the Government injecting more fiscal stimulus. J-Pow has strongly commented that neither a reversal of QT nor rate cuts are on the table anytime soon.

In other words, disinflation risk is likely Wall Street's most significant blind spot this year.

## How We Are Trading It

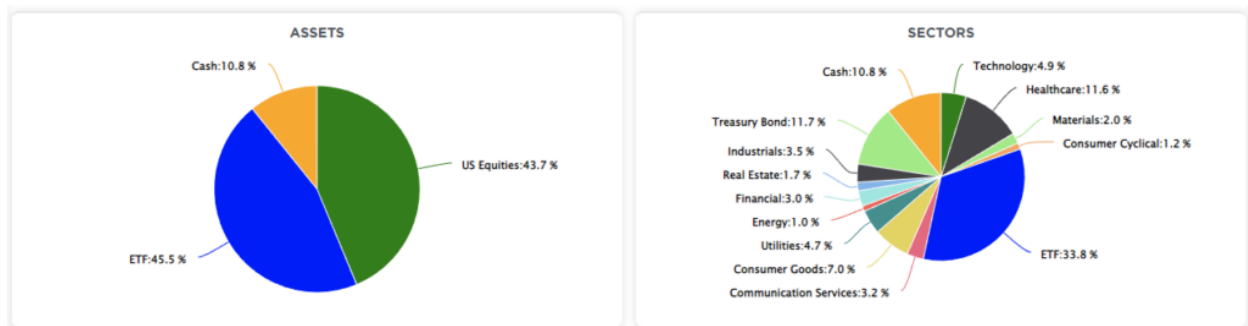
As portfolio managers, we must trade the market we have, not the one we want. For the moment, we are in a "bull market." As noted, the "bear market" of 2022 has been canceled, but most likely not permanently. With the market overbought short-term and getting well deviating from underlying moving averages, we are maintaining our underweight equity positioning. However, we will likely move our portfolios back to full target portfolio allocations across asset classes on a pullback to support that holds.

Does this mean that the bear market is permanently over? No. We suspect that we will see another downturn sometime this year as the impact of tighter Fed policy and disinflation is realized in corporate earnings and margins. However, for now, price momentum has put the bulls in charge, and we want to participate in those gains.

As we discussed in our recent post on ["Contrarianism,"](#) there are plenty of reasons to be bearish, but that is precisely when markets tend to do the opposite of what you expect.

Such is the point where we are today. The technical improvements in the market suggest investors should be buying. It's hard. It also doesn't mean it will immediately work, as the markets could correct first before the final bottom. Until the technical backdrop tells us differently, we are back to "buying dips."





On a pullback to support, we will bring our allocations up to full weightings and raise stops accordingly.

However, that does not mean we won't reduce those weightings again when the technicals change. As Greg Feirman said:

*"The stock market is a crowd of people trying to figure out what's happening. It is a subjective phenomenon, not an objective one. Can 10,000 Frenchmen be wrong?"*

*Yes, they can. If, in fact, the underlying conditions do not support the premise that the bear market has been canceled, eventually, the crowd will get the message, and the market will roll over again. It may not happen today or tomorrow, but it will happen eventually if economic reality does not support this rally. It's hard to keep your head in the heat of the moment, but 10,000 Frenchmen can be wrong ? and I'm betting they are.*

We agree.

## Research Report

### Real Investment Daily



## NFIB Survey Suggests A Recession Is Coming

Written by Lance Roberts | Feb 3, 2023 | Economics

The most recent NFIB (National Federation Of Independent Business) is sending a strong signal of an...

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## Stock Of The Week In Review

### [Going For Growth](#)

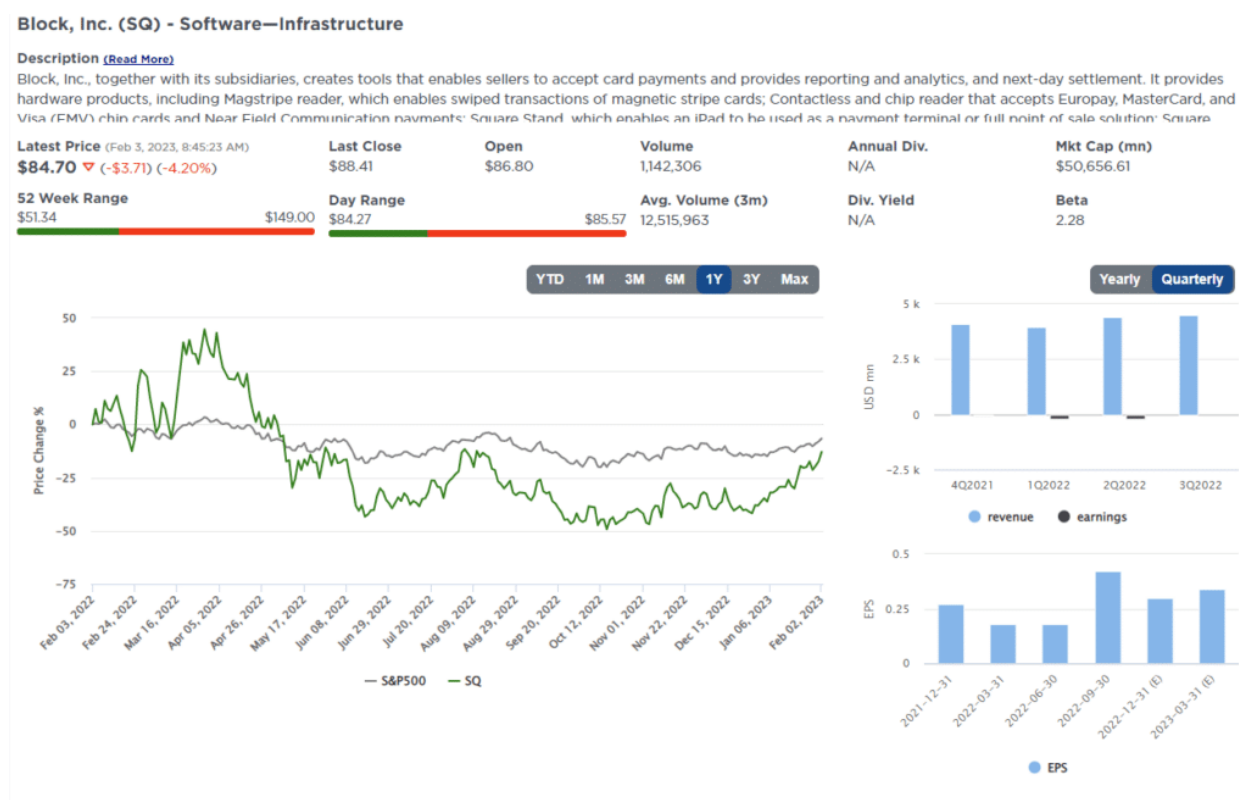
Following our three-part series on dividends and value, it's time to switch gears and search from a different perspective. We're going for growth this week by screening the constituents of Cathy Wood's ARKK ETF. The ETF's theme is 'disruptive innovation'—per ARK's webpage:

ARK defines 'disruptive innovation' as the introduction of a technologically enabled new product or service that potentially changes the way the world works.

Thus, the stocks in our initial scanning populations have already garnered expectations for high growth. Our objective is to identify five constituents offering growth at a (somewhat) reasonable price. We utilize the r-squared of 5y sales growth to check for consistency in sales growth. The closer to 1, the more consistent growth was over the period.

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

Here is one of the companies we screened.



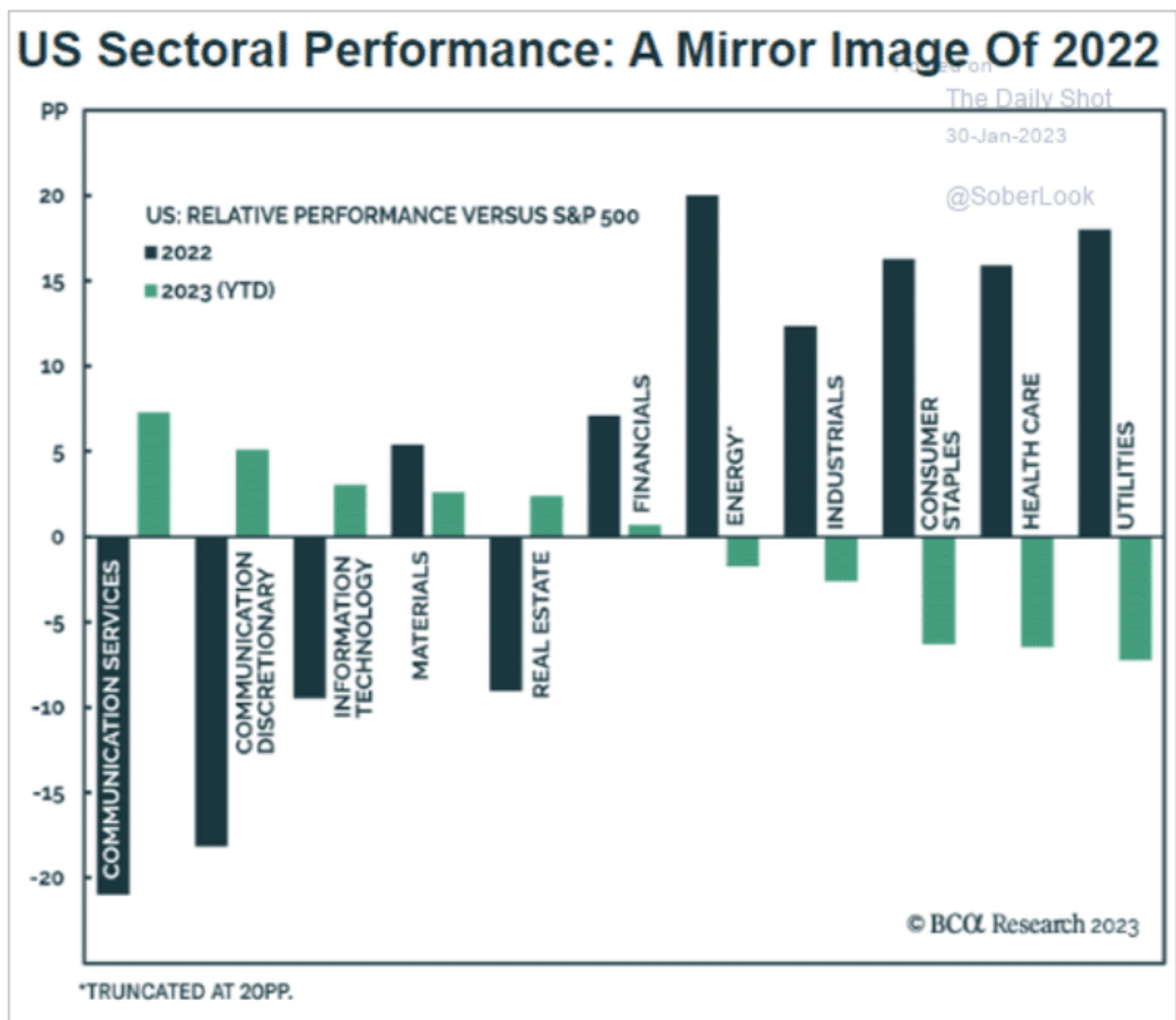
Login to [Simplevisor.com](#) to read the full 5-For-Friday report.

# Daily Commentary Tidbits

## [Sector Rotation - 2022 vs. 2023](#)

While only a month into the new year, 2023 has been marked by a sector rotation that has mainly been opposite of last year's rotation trends. Thus far, consumer staples, utilities, and healthcare stocks are underperforming the S&P 500 by about 8%. In 2022, those three sectors outperformed as investor rotations focused on conservative, dividend, and value traits. This year, communications, last year's worst-performing sector, is beating the S&P 500 by approximately 10%. Following closely behind is 2022's second-worst performer, consumer discretionary. The graph below shows what worked last year is not working this year and vice versa.

The big question in 2023 is whether or not last year's sector rotation trends will hold again in 2023. If a durable bottom has formed, the economy has a soft landing, and the Fed gently lowers rates, we should expect high growth and beaten-down sectors to follow their January performance. However, a deeper recession bodes well for 2022's conservatism.



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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				
REGN	GILD	CAH	LLY	BMJ	PH	IR	IEX	JCI	AME	CZR	LVS	TSLA	MGM	MCD	AAPL	FTV	MCHP	INTC	IBM
4.25%	3.82%	3.13%	2.53%	2.31%	3.69%	1.96%	1.88%	1.78%	1.29%	2.31%	1.18%	0.91%	0.77%	0.39%	2.44%	1.87%	0.96%	0.43%	0.4%
ZBH	BSX	MTD	DXCM	HOLX	CAT	OTIS	ALLE	ETN	SNA	CMG	TJX	BKNG	WYNN	ULTA	ORCL	MSI	BR	LDOS	QRVO
1.6%	0.89%	0.49%	0.37%	0.28%	1.17%	1.04%	0.98%	0.79%	0.66%	0.2%	0.16%	0.02%	0%	-0.01%	0.27%	0.2%	0.19%	0.13%	-0.08%
HUM	EW	CI	XRAY	WST	SWK	HON	UAL	MAS	MMM	WHR	LOW	LEN	BALL	NCLH	AMAT	CTSH	SEDG	TYL	MPWR
-2.7%	-2.83%	-2.96%	-3.08%	-3.19%	-2.16%	-2.26%	-2.27%	-2.29%	-2.33%	-2.5%	-2.52%	-3.03%	-3.15%	-3.16%	-3.44%	-3.45%	-3.54%	-3.68%	-3.73%
CRL	IDXX	ALGN	ILMN	GEN	GE	GPN	VRSK	AVY	GNRC	DHI	POOL	SBUX	F	AMZN	NOW	ZBRA	PAYC	INTU	MTCH
-3.68%	-4.33%	-4.66%	-4.75%	-9.63%	-2.36%	-2.66%	-3.69%	-3.9%	-6.51%	-3.37%	-4.41%	-4.44%	-7.61%	-8.43%	-3.88%	-4.03%	-4.25%	-6.28%	-7.84%
Financial					Consumer Goods					Utilities					Materials				
AXP	SCHW	GL	CBOE	RJF	CLX	CHD	LW	CPB	KMB	PCG	AES	NEE	DUK	WEC	LYB	STLD	CF	DOW	NUE
3.31%	3.13%	2.92%	2.85%	2.79%	9.77%	3.87%	1.07%	0.99%	0.83%	-0.51%	-1.06%	-1.23%	-1.43%	-1.43%	1.86%	1.85%	1.06%	0.08%	-0.03%
MTB	AMP	JPM	PGR	DFS	HSY	CL	CAG	EL	PG	NRG	CMS	AEE	NI	DTE	CTVA	MOS	ALB	FMC	CE
1.92%	1.84%	1.55%	0.99%	0.89%	0.79%	0.76%	0.52%	0.42%	0.31%	-1.49%	-1.52%	-1.65%	-1.66%	-1.7%	-0.81%	-0.81%	-1.01%	-1.03%	-1.04%
FRC	BLK	MMC	TROW	LNC	MDLZ	KR	WMT	DG	KHC	AWK	PPL	EVRG	AEP	LNT	SHW	DD	VMC	LIN	MLM
-1.7%	-1.76%	-1.96%	-2.28%	-2.3%	-1.13%	-1.22%	-1.33%	-1.39%	-1.53%	-2.48%	-2.48%	-2.53%	-2.58%	-2.59%	-1.48%	-2.09%	-2.13%	-2.54%	-2.59%
SPGI	AON	SBNY	SIVB	MKTX	COST	TSN	NWL	TGT	DLTR	EIX	D	SRE	FE	ES	PPG	IFF	APD	ECL	NEM
-2.68%	-2.9%	-2.96%	-3.09%	-8.96%	-1.65%	-1.69%	-2.13%	-2.35%	-4.53%	-2.72%	-2.82%	-3.25%	-3.61%	-3.66%	-2.75%	-2.89%	-3.55%	-3.78%	-4.92%
Real Estate					Energy					Communication Services									
VICI	O	WELL	MAA	VTR	XOM	SLB	FANG	BKR	CVX	IPG	OMC	NFLX	VZ	FOXA					
-0.12%	-0.4%	-0.59%	-0.61%	-0.75%	0.69%	0.67%	0.6%	0.54%	0.26%	0.88%	-0.13%	-0.27%	-0.77%	-1.09%					
HST	FRT	PSA	REG	EXR	HAL	PXD	EOG	DVN	PSX	META	TMUS	FOX	NWS	NWSA					
-0.83%	-0.91%	-0.96%	-1.07%	-1.2%	0.03%	0%	-0.1%	-0.16%	-0.17%	-1.19%	-1.2%	-1.25%	-1.25%	-1.4%					
AMT	EQR	EQIX	ESS	SBAC	APA	HES	KMI	VLO	MPC	DIS	T	ATVI	PARA	CMCSA					
-2.34%	-2.44%	-2.65%	-2.78%	-3.35%	-0.76%	-0.87%	-0.92%	-0.99%	-1.42%	-2.21%	-2.22%	-2.43%	-2.57%	-2.77%					
CPT	BXP	DLR	CSGP	CCI	EQT	TRGP	CTRA	OXY	COP	WBD	GOOG	DISH	TTWO	LUMN					
-3.62%	-3.69%	-3.93%	-4.29%	-4.31%	-1.82%	-1.82%	-1.9%	-1.97%	-2.87%	-3.14%	-3.29%	-3.33%	-4.74%	-6.24%					

## Broad Market Performance

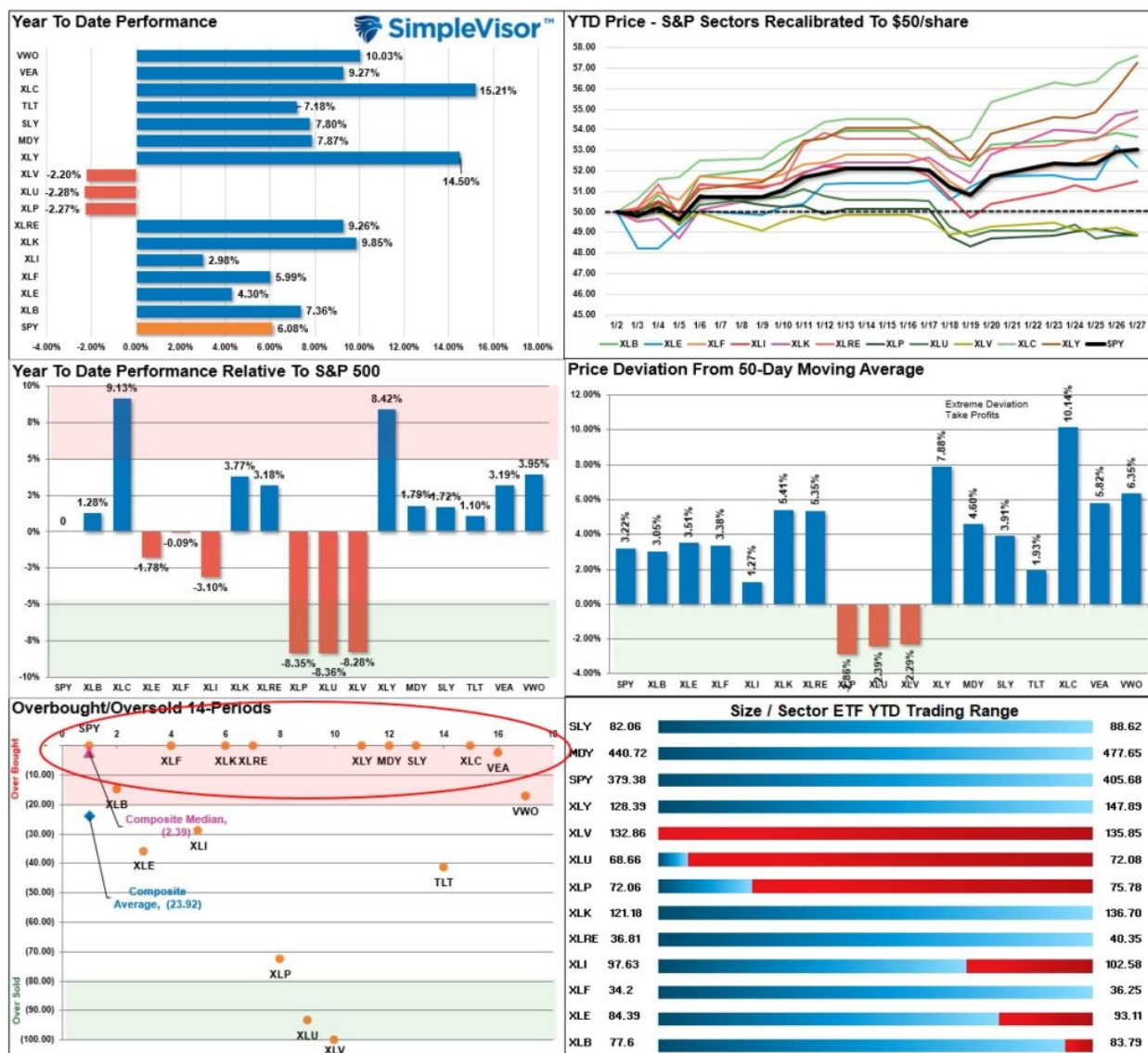
Name	Symbol	Trend Analysis	Today's Change	MTD	YTD	52 Week Range (Low-High)	RSI	20 SMA	50 SMA	100 SMA
U.S. Bonds	BND	3/10 📈	-\$0.66 (-0.89%)	-0.54%	2.70%	\$69.09 - \$82.49	62.86	\$73.25	\$72.53	\$72.33
International Bonds	BNDX	1/10 📈	-\$0.31 (-0.63%)	0.14%	2.46%	\$46.87 - \$54.26	56.22	\$48.23	\$48.46	\$48.38
Oil	CL=F	0/10 📈	-\$2.73 (-3.60%)	-10.38%	-17.14%	\$70.08 - \$130.50	46.37	\$85.49	\$85.15	\$89.18
Commodity Index	DBC	0/10 📈	-\$0.61 (-2.52%)	-4.68%	-4.22%	\$22.56 - \$30.64	52.90	\$24.46	\$24.67	\$24.93
Emerging Markets	EEM	10/10 📈	-\$0.74 (-1.78%)	-3.36%	7.86%	\$33.49 - \$50.11	73.08	\$40.44	\$38.97	\$37.28
International Stocks	EFA	10/10 📈	-\$0.67 (-0.93%)	-0.25%	8.81%	\$54.61 - \$77.90	72.99	\$68.84	\$67.11	\$62.91
EM Bonds	EMB	6/10 📈	-\$1.23 (-1.37%)	-0.52%	4.41%	\$76.35 - \$104.57	65.41	\$86.54	\$85.49	\$83.56
Gold	GLD	10/10 📈	-\$4.44 (-2.50%)	-3.21%	2.25%	\$150.57 - \$193.30	65.05	\$175.94	\$169.79	\$162.96
U.S. Stocks	SPY	6/10 📈	-\$4.43 (-1.06%)	1.64%	7.82%	\$348.11 - \$462.07	64.19	\$392.64	\$392.54	\$384.42
Dollar Index	UUP	0/10 📈	\$0.36 (1.31%)	1.16%	-0.07%	\$25.48 - \$30.76	39.34	\$27.67	\$27.99	\$28.79
REIT	VNQ	3/10 📈	-\$1.76 (-1.88%)	1.77%	11.47%	\$74.66 - \$113.41	67.49	\$85.91	\$85.67	\$84.86
Equity Volatility	VXX	0/10 📈	\$0.11 (0.98%)	0.18%	-19.83%	\$10.64 - \$41.65	24.90	\$13.08	\$14.47	\$16.93

## Relative Performance Analysis

As noted last week, while still hated, Technology has improved markedly, while Staples, Healthcare, and Utilities are the most oversold due to the recent rise in bond yields. The massive surge in Communications and Discretionary in January leaves these sectors ripe for profit-taking. With many sectors and markets trading well above normal monthly ranges (**see risk range report below**), look to take some profits and rebalance risk. **We will likely have a short-term market**



correction within the next week or two.

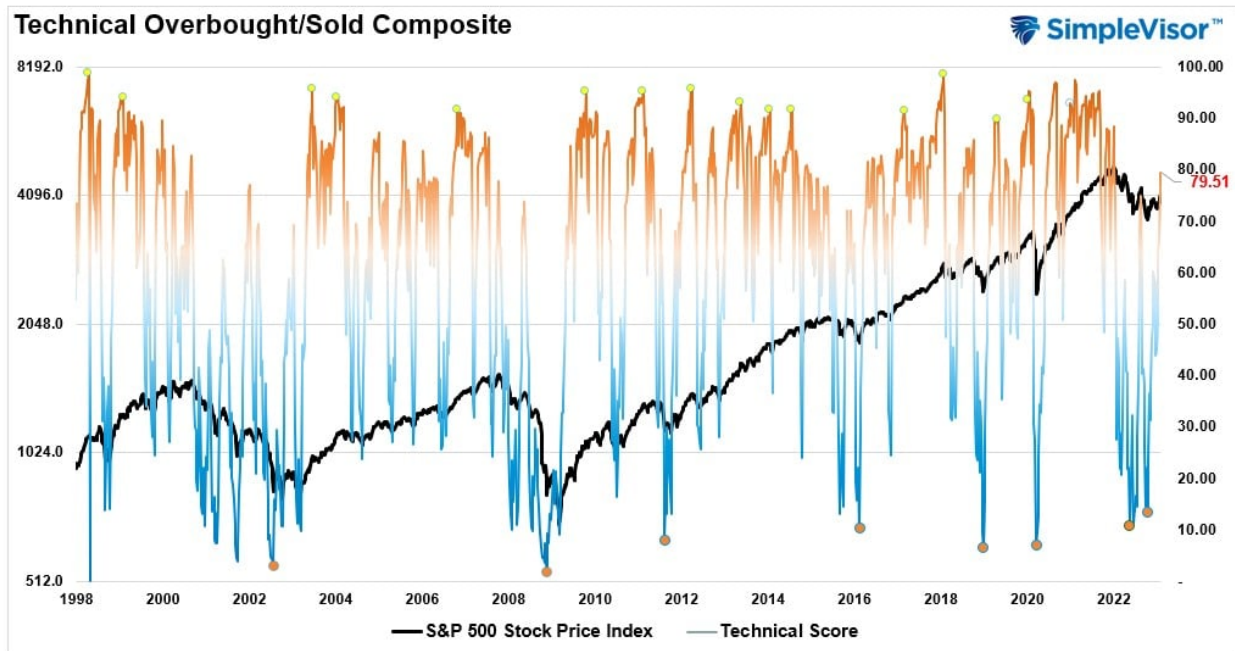


## Technical Composite

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 79.51 out of a possible 100 and rising. Remain long equities for now.**

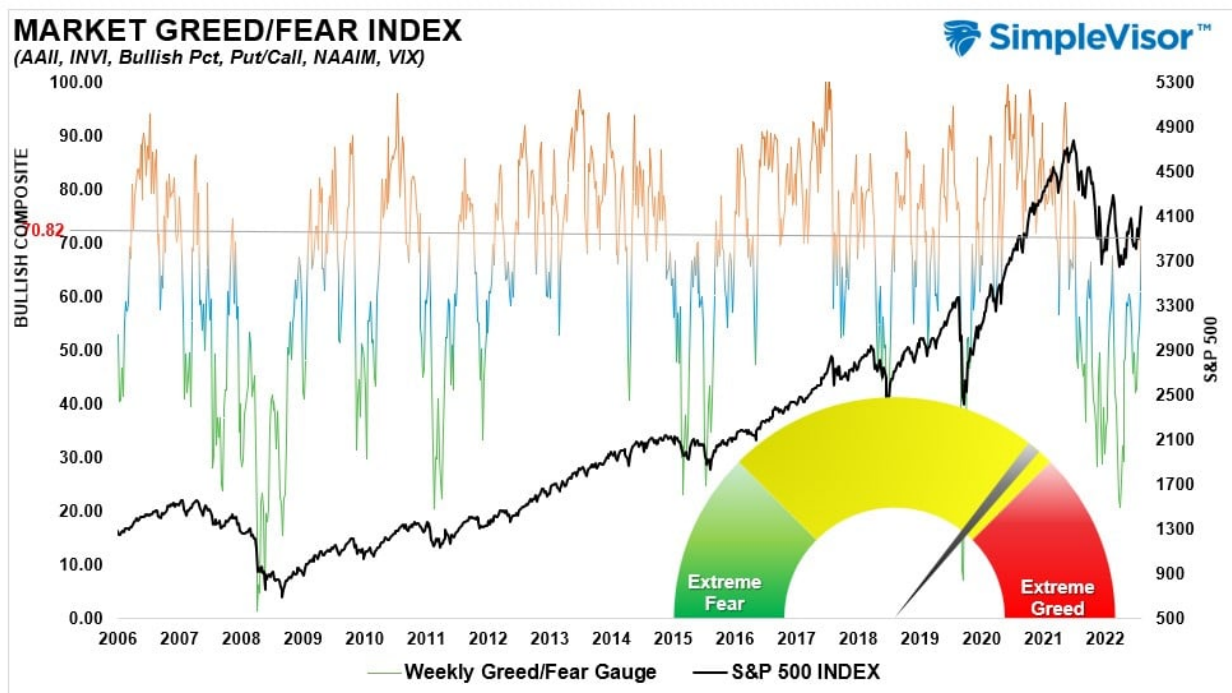




## Portfolio Positioning "Fear / Greed" Gauge

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 70.82 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.


As noted last week, "**Despite the short-term volatility, the bullish backdrop remains with numerous sectors and markets back on intermediate-term weekly "buy signals."** Continue to look for pullbacks in areas where you want to add exposure and "buy dips" accordingly. Communications, Technology, and Transportation are already trading outside their normal risk ranges in the first 3-days of the month. Energy and Gold started out the month with a correction. Look to add exposure to sectors that are strengthening in terms of relative performance (*moving from red bands towards green over the previous weekly periods*) and are on bullish buy signals.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	MIA XVER
Ticker	ETF NAME	Price	1 Week	4 Weeks	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW	Short MIA	Long MIA	SIGNAL
IVV	ISHARS-SP500	414.35	1.54	6.29	3.54	(2.30)	(5.10)	395.60	392.27	408.31	1.00	418.52	398.10	0%	0%	BULLISH
XLB	SPDR-MATLS SELS	83.41	(1.63)	(2.51)	(0.88)	7.71	8.44	80.95	76.90	84.65	1.07	87.67	81.63	3%	0%	BULLISH
XLC	SPDR-COMM SV SS	58.20	3.62	9.19	12.81	3.24	(10.13)	50.48	52.33	55.08	1.01	57.01	53.15	15%	11%	BEARISH
XLE	SPDR-EGY SELS	85.96	(7.42)	(8.12)	(11.24)	10.54	32.86	88.68	81.97	89.93	1.36	93.40	86.46	-3%	5%	BULLISH
XLFX	SPDR-FINL SELS	36.59	(0.71)	(2.87)	(1.54)	7.82	(0.66)	35.17	33.61	36.56	1.09	37.87	35.25	4%	9%	BULLISH
XLK	SPDR-TECH SELS	141.77	2.07	7.37	2.94	(1.92)	(3.08)	130.29	131.30	135.96	1.13	140.89	131.03	3%	0%	BEARISH
XLI	SPDR-INDU SELS	102.85	0.05	(4.37)	(0.21)	6.42	10.83	99.82	94.17	101.85	1.12	105.53	98.17	3%	9%	BULLISH
XLP	SPDR-CONS STPL	73.40	(0.90)	(8.43)	(3.71)	(2.20)	4.81	74.65	73.02	73.74	0.59	76.02	71.46	-2%	1%	BULLISH
XLRE	SPDR-RE SELS	40.96	(0.13)	1.84	2.19	(5.97)	(4.18)	38.38	39.45	40.59	0.84	41.94	39.24	7%	4%	BEARISH
XLU	SPDR-UTIL SELS	67.91	(3.07)	(10.64)	(3.79)	(10.24)	7.26	70.00	70.32	69.09	0.50	71.16	67.02	-3%	-3%	BEARISH
XLV	SPDR-HLTH CR	132.69	(1.77)	(8.49)	(3.87)	2.19	8.39	135.33	130.67	133.36	0.70	137.63	129.09	-2%	2%	BULLISH
XLV	SPDR-CONS DISCR	151.35	0.70	8.31	0.77	(7.30)	(8.83)	138.57	145.97	148.70	1.18	154.17	143.23	9%	4%	BEARISH
XTN	SPDR-SP TRANSP	81.42	4.94	10.01	5.13	7.30	4.75	72.29	71.49	77.32	1.34	80.29	74.36	13%	14%	BULLISH
SDY	SPDR-SP DIV ETF	131.23	0.98	(3.74)	(1.28)	2.76	12.84	127.68	123.58	129.45	0.86	133.80	125.10	3%	0%	BULLISH
RSP	INVS-SP5 EQ ETF	153.06	(0.14)	(0.90)	1.23	4.78	6.38	145.43	141.04	151.73	1.06	157.13	146.33	5%	9%	BULLISH
SLY	SPDR-SP6 SC	93.23	3.56	4.43	2.83	5.72	10.46	85.82	83.92	89.96	1.16	93.25	86.67	9%	11%	BULLISH
MDY	SPDR-SP MC 400	493.92	1.76	2.47	3.36	7.35	11.43	458.53	443.40	483.75	1.13	501.30	466.20	0%	11%	BULLISH
EEM	ISHARS-EMG MKT	40.88	(5.00)	(4.27)	3.58	4.81	(7.89)	39.20	38.59	41.36	0.73	42.69	40.03	4%	0%	BULLISH
EFA	ISHARS-EAFE	71.42	(1.89)	(1.46)	5.56	12.76	1.98	67.33	63.61	71.55	0.85	73.95	69.15	0%	12%	BULLISH
IAU	ISHARS-GOLD TR	35.37	(4.87)	(6.46)	1.85	9.06	10.95	34.59	33.46	36.59	0.13	37.55	35.63	2%	0%	BULLISH
GDX	VANECK-GOLD MNR	30.32	(7.80)	(10.22)	3.59	22.44	7.83	29.69	27.18	32.02	0.74	33.06	30.98	2%	12%	BULLISH
UUP	INVS-DB USS BU	27.79	(0.48)	(6.68)	(6.55)	(1.58)	15.86	28.15	28.74	27.51	(0.14)	28.16	26.86	-1%	-3%	BEARISH
BOND	PIMCO-ACTV BOND	93.63	(1.75)	(4.74)	0.86	0.09	(3.80)	91.78	92.61	93.90	0.17	96.41	91.39	2%	1%	BEARISH
TLT	ISHARS-20+YTB	106.70	(1.65)	(4.84)	5.46	(3.25)	(15.15)	103.89	107.07	107.17	0.04	109.89	104.45	3%	0%	BEARISH
BNDX	VANGD-TTL INT B	48.78	(1.29)	(5.30)	(2.61)	(0.35)	(1.24)	48.52	48.86	48.55	0.12	49.82	47.28	1%	0%	BEARISH
HYG	ISHARS-IBX HYCB	76.39	(1.34)	(5.15)	(0.94)	1.63	(0.71)	75.02	74.79	76.33	0.42	78.56	74.10	2%	2%	BULLISH



Real Investment Advice

RISK RANGE REPORT



SimpleVisor™



## 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													
Overview													
Technical													
Fundamentals													
Performance													
Performance Chart													
Symbol ↑ ↓	Sector ↑ ↓	Trend ↑ ↓	Last ↑ ↓	FairValue ↑ ↓	RSI ↑ ↓	20 SMA ↑ ↓	50 SMA ↑ ↓	100 SMA ↑ ↓	Mohanram ↑ ↓	Piotroski ↑ ↓	SV Rank ↑ ↓	Yield% ↑ ↓	
ACGL	Financial	10/10	\$61.13	\$165.29(63.02%)	41.77	\$63.42(-3.62%)	\$61.25(-0.20%)	\$55.11(10.91%)	5	8	2	%	
CDAY	Technology	10/10	\$76.40	\$13.79(-453.99%)	67.57	\$64.61(18.24%)	\$64.96(17.60%)	\$62.25(22.72%)	—	4	3	%	
FCX	Materials	10/10	\$44.47	\$103.95(57.22%)	65.74	\$42.10(5.63%)	\$39.41(12.84%)	\$34.69(28.19%)	1	8	3	1.29%	
FSLR	Technology	10/10	\$166.85	0	50.29	\$170.99(-2.42%)	\$163.45(2.08%)	\$150.52(10.85%)	5	6	4	%	
LVS	Consumer Cyclical	10/10	\$57.78	\$8.25(-600.36%)	66.39	\$55.10(4.86%)	\$49.87(15.86%)	\$44.23(30.64%)	2	5	3	%	
NCLH	Consumer Cyclical	10/10	\$16.98	\$2.69(-531.22%)	67.77	\$14.84(14.42%)	\$15.07(12.67%)	\$14.82(14.57%)	—	1	3	%	
NFLX	Communication Services	10/10	\$362.52	\$417.52(13.17%)	69.87	\$326.38(11.07%)	\$306.10(18.43%)	\$275.06(31.80%)	4	—	5	%	
NUE	Materials	10/10	\$178.93	\$767.92(76.70%)	72.56	\$146.36(22.25%)	\$144.60(23.74%)	\$134.89(32.65%)	—	7	3	1.34%	
PHM	Consumer Cyclical	10/10	\$59.12	\$129.08(54.20%)	86.42	\$51.47(14.87%)	\$47.43(24.65%)	\$43.49(35.95%)	4	7	2	1.22%	
RCL	Consumer Cyclical	10/10	\$68.57	\$9.52(-620.27%)	65.94	\$55.33(23.93%)	\$56.54(21.28%)	\$51.29(33.69%)	1	—	4	%	
ROST	Consumer Cyclical	10/10	\$115.53	\$113.34(-1.93%)	48.11	\$118.25(-2.30%)	\$113.78(1.54%)	\$101.18(14.18%)	3	9	4	1.03%	
SLB	Energy	10/10	\$53.66	\$31.76(-68.95%)	39.90	\$56.15(-4.43%)	\$53.56(0.19%)	\$48.14(11.47%)	5	7	2	1.33%	
STLD	Materials	10/10	\$129.35	0	72.53	\$108.99(18.68%)	\$105.74(22.33%)	\$94.15(37.39%)	—	7	3	1.26%	
TPR	Consumer Cyclical	10/10	\$46.10	\$54.95(16.11%)	74.62	\$40.34(14.28%)	\$37.21(23.89%)	\$35.01(31.68%)	—	8	2	2.81%	
UAL	Industrials	10/10	\$51.89	\$0.63(-8,136.51%)	70.23	\$45.90(13.05%)	\$43.81(18.44%)	\$40.76(27.31%)	4	7	3	%	
URI	Industrials	10/10	\$450.61	\$272.52(-65.35%)	77.97	\$396.15(13.75%)	\$370.64(21.58%)	\$331.54(35.91%)	3	8	3	1.37%	
WYNN	Consumer Cyclical	10/10	\$103.14	\$18.18(-467.30%)	65.26	\$98.22(5.00%)	\$88.34(16.75%)	\$76.29(35.19%)	1	4	3	%	
HAL	Energy	9/10	\$39.10	\$5.89(-563.84%)	44.83	\$40.40(-3.22%)	\$38.30(2.09%)	\$34.94(11.91%)	5	7	3	1.56%	
PCG	Utilities	9/10	\$15.49	\$15.94(2.82%)	52.29	\$15.90(-2.58%)	\$15.55(-0.39%)	\$14.59(6.17%)	1	5	3	%	
PFG	Financial	8/10	\$92.66	\$105.76(12.39%)	57.19	\$86.63(6.96%)	\$88.65(4.52%)	\$83.17(11.41%)	1	8	3	2.77%	

## Momentum Screen

Scan Result: 20 Item(s) found													
Tables													
Overview													
Technical													
Fundamentals													
Performance													
Performance Chart													
Symbol ↑↓	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ↑↓	50 SMA ↑↓	100 SMA ↑↓	Mohanram ↑↓	Plotroski ↑↓	SV Rank ↑↓	Yield% ↑↓	
BKNG	Consumer Cyclical	10/10	\$2,411.68	\$1,012.32(-138.23%)	74.99	\$2,311.63(4.33%)	\$2,120.50(13.73%)	\$1,967.30(22.59%)	2	6	3	%	
GWV	Industrials	10/10	\$671.36	\$303.85(-120.95%)	81.23	\$571.77(17.42%)	\$579.73(15.81%)	\$559.23(20.05%)	5	6	2	1.22%	
LRCX	Technology	10/10	\$531.97	\$927.86(42.67%)	74.47	\$465.62(14.25%)	\$458.75(15.96%)	\$425.84(24.92%)	4	—	3	1.47%	
META	Communication Services	10/10	\$191.56	\$449.70(57.40%)	86.07	\$141.74(35.15%)	\$126.91(50.94%)	\$126.58(51.34%)	—	—	—	%	
MKTX	Financial	10/10	\$350.05	\$197.69(-77.07%)	82.65	\$306.98(14.03%)	\$280.33(24.87%)	\$261.00(34.12%)	5	4	5	0.86%	
MPWR	Technology	10/10	\$464.00	\$378.89(-22.46%)	71.43	\$404.85(14.61%)	\$382.41(21.34%)	\$374.16(24.01%)	7	6	3	0.75%	
MSCI	Financial	10/10	\$558.16	\$314.55(-77.45%)	71.89	\$501.95(11.20%)	\$496.20(12.49%)	\$469.36(18.92%)	1	6	—	0.98%	
NVR	Consumer Cyclical	10/10	\$5,308.01	\$7,750.53(31.51%)	75.45	\$4,982.80(6.53%)	\$4,750.37(11.74%)	\$4,439.60(19.56%)	1	7	2	%	
POOL	Consumer Cyclical	10/10	\$407.31	\$506.77(19.63%)	81.21	\$346.98(17.39%)	\$332.27(22.58%)	\$325.91(24.98%)	0	7	2	1.15%	
URI	Industrials	10/10	\$450.61	\$272.52(-65.35%)	77.97	\$396.15(13.75%)	\$370.64(21.58%)	\$331.54(35.91%)	3	8	3	1.37%	
NOW	Technology	9/10	\$476.48	\$438.67(-8.62%)	73.26	\$424.43(12.26%)	\$408.97(16.51%)	\$403.31(18.14%)	7	5	3	%	
ADBE	Technology	8/10	\$384.81	\$508.83(24.37%)	72.38	\$352.95(9.03%)	\$342.28(12.42%)	\$328.19(17.25%)	6	7	3	%	
ALGN	Healthcare	8/10	\$342.61	\$740.13(53.71%)	84.78	\$220.65(55.27%)	\$204.06(67.90%)	\$217.08(57.83%)	6	5	4	%	
BLK	Financial	8/10	\$753.46	\$702.95(-7.19%)	60.76	\$728.89(3.37%)	\$720.59(4.56%)	\$669.58(12.53%)	2	6	3	2.64%	
ALB	Materials	7/10	\$286.31	\$272.63(-5.02%)	70.37	\$233.83(22.44%)	\$259.30(10.42%)	\$267.29(7.12%)	1	5	3	0.58%	
INTU	Technology	7/10	\$433.40	\$471.11(8.01%)	69.35	\$401.11(8.05%)	\$397.33(9.08%)	\$404.57(7.12%)	8	5	2	0.76%	
PAYC	Technology	7/10	\$346.42	\$167.32(-107.04%)	68.83	\$312.93(10.70%)	\$317.70(9.04%)	\$328.02(5.61%)	1	8	3	%	
ZBRA	Technology	7/10	\$330.00	\$465.31(29.08%)	67.31	\$275.91(19.60%)	\$263.45(25.26%)	\$272.02(21.31%)	1	9	2	%	
SIVB	Financial	6/10	\$325.93	\$905.09(63.99%)	78.35	\$268.55(21.36%)	\$240.19(35.69%)	\$280.72(16.10%)	—	3	3	%	
CHTR	Communication Services	5/10	\$406.00	\$673.95(39.76%)	73.57	\$362.90(11.88%)	\$366.64(10.74%)	\$360.11(12.74%)	3	7	3	%	

## Highest Rated Stocks With Dividends



Scan Result: 450 Item(s) found													
<div> <div>Tables</div> <div> <div>Overview</div> <div>Technicals</div> <div>Fundamentals</div> <div>Performance</div> <div>Performance Chart</div> </div> </div>													
Symbol ↑↓	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ↑↓	50 SMA ↑↓	100 SMA ↑↓	Mohanram ↑↓	Piotroski ↑↓	SV Rank ↑↓	Yield% ↑↓	
ADDDF	Consumer Cyclical	10/10	\$170.96		74.13	\$156.94(8.93%)	\$140.17(21.97%)	\$129.81(31.70%)	—	—	—	2.24%	
AIQY	Materials	10/10	\$31.91		65.13	\$30.99(2.97%)	\$29.54(8.02%)	\$26.98(18.27%)	—	—	3	1.74%	
AIT	Industrials	10/10	\$147.55		72.89	\$128.27(15.03%)	\$128.08(15.20%)	\$120.32(22.63%)	5	8	2	1.13%	
AL	Industrials	10/10	\$44.89		73.70	\$43.08(4.19%)	\$39.89(12.52%)	\$36.98(21.38%)	1	4	4	1.79%	
ALLE	Industrials	10/10	\$121.85	\$62.35(-95.43%)	73.72	\$111.71(9.08%)	\$110.39(10.38%)	\$103.00(18.30%)	1	7	4	1.45%	
AMKR	Technology	10/10	\$30.11		62.61	\$29.00(3.83%)	\$27.48(9.57%)	\$23.32(29.12%)	1	8	—	1.01%	
AMP	Financial	10/10	\$347.58	\$306.66(-13.34%)	63.87	\$330.49(5.17%)	\$324.45(7.13%)	\$303.60(14.49%)	3	7	2	1.55%	
AOS	Industrials	10/10	\$69.94	\$65.33(-7.06%)	73.38	\$61.36(13.98%)	\$60.00(16.57%)	\$56.28(24.27%)	1	6	3	1.98%	
APO	Financial	10/10	\$73.31		63.20	\$67.87(8.01%)	\$65.66(11.64%)	\$59.87(22.44%)	3	4	3	2.36%	
ARCAY	Industrials	10/10	\$44.92		97.35	\$40.37(11.27%)	\$38.69(16.10%)	\$36.56(22.87%)	—	—	—	1.83%	
ASBFY	Consumer Goods	10/10	\$24.08		79.47	\$22.23(8.32%)	\$20.49(17.52%)	\$18.01(33.70%)	0	1	3	2.29%	
ASHTY	Industrials	10/10	\$275.07		72.98	\$243.40(13.01%)	\$240.98(14.15%)	\$218.33(25.99%)	5	8	2	1.23%	
AU	Materials	10/10	\$20.82		55.22	\$21.25(-2.02%)	\$19.53(6.61%)	\$16.54(25.88%)	—	—	3	1.91%	
AUB	Financial	10/10	\$39.96		75.46	\$36.83(8.50%)	\$35.68(12.00%)	\$34.33(16.40%)	2	7	1	3.37%	
AUY	Materials	10/10	\$5.89		54.96	\$5.99(-1.75%)	\$5.66(3.98%)	\$5.11(15.17%)	1	6	3	1.95%	
B	Industrials	10/10	\$45.82		71.27	\$42.86(6.89%)	\$41.17(11.28%)	\$36.72(24.77%)	1	9	—	1.46%	
BBVA	Financial	10/10	\$7.43		81.11	\$6.71(10.73%)	\$6.11(21.60%)	\$5.44(36.58%)	5	6	3	6.67%	
BBWI	Consumer Cyclical	10/10	\$46.80	\$108.22(56.75%)	60.27	\$45.18(3.59%)	\$42.25(10.77%)	\$38.65(21.09%)	5	8	3	1.77%	
BCS	Financial	10/10	\$9.21		76.82	\$8.81(4.48%)	\$8.12(13.36%)	\$7.63(20.64%)	—	3	3	3.51%	
BEN	Financial	10/10	\$33.44	\$42.52(21.37%)	79.50	\$29.72(12.50%)	\$27.84(20.10%)	\$25.60(30.61%)	—	5	3	3.96%	
BHP	Materials	10/10	\$67.76		74.05	\$65.68(3.17%)	\$61.99(9.31%)	\$56.70(19.51%)	—	1	—	9.12%	
BKE	Consumer Cyclical	10/10	\$44.32		51.17	\$44.90(-1.29%)	\$43.86(1.05%)	\$39.31(12.74%)	5	8	4	3.23%	
BKNIY	Financial	10/10	\$7.07		54.63	\$7.06(0.14%)	\$6.57(7.61%)	\$6.07(16.47%)	5	—	2	4.00%	
BNPQY	Financial	10/10	\$33.30		79.20	\$31.26(6.53%)	\$28.87(15.34%)	\$25.98(28.18%)	5	3	3	10.60%	
BOSSY	Consumer Cyclical	10/10	\$13.54		71.73	\$12.14(11.53%)	\$11.13(21.65%)	\$10.57(28.10%)	3	4	2	1.14%	
BRC	Industrials	10/10	\$54.81		78.56	\$50.60(8.32%)	\$48.59(12.80%)	\$46.24(18.53%)	0	6	—	1.74%	
BTDY	Consumer Cyclical	10/10	\$11.99		69.42	\$10.96(9.40%)	\$10.25(16.98%)	\$9.49(26.34%)	—	—	3	7.46%	
CAT	Industrials	10/10	\$247.35	\$104.98(-135.62%)	48.34	\$249.70(-0.94%)	\$240.15(3.00%)	\$213.59(15.81%)	1	7	3	1.83%	
CCOI	Communication Services	10/10	\$69.06		80.63	\$63.49(8.77%)	\$59.55(15.97%)	\$56.10(23.10%)	—	6	4	6.46%	
CFRUY	Consumer Cyclical	10/10	\$15.20		75.97	\$14.70(3.40%)	\$13.45(13.01%)	\$11.82(28.60%)	—	—	2	1.51%	
CG	Financial	10/10	\$37.18		78.04	\$33.12(12.26%)	\$31.03(19.82%)	\$29.79(24.81%)	—	7	3	3.90%	
CIHKY	Financial	10/10	\$31.65		58.55	\$31.18(1.51%)	\$27.30(15.93%)	\$24.59(28.71%)	5	3	—	3.35%	
COF	Financial	10/10	\$119.86	\$398.54(69.93%)	71.29	\$104.82(14.35%)	\$100.03(19.82%)	\$100.21(19.61%)	—	6	3	2.56%	
COLM	Consumer Cyclical	10/10	\$91.74		65.46	\$91.98(-0.26%)	\$89.01(3.07%)	\$81.10(13.12%)	—	7	1	1.37%	
CR	Industrials	10/10	\$118.36		74.49	\$104.59(13.17%)	\$103.72(14.11%)	\$99.44(19.03%)	6	8	3	1.62%	

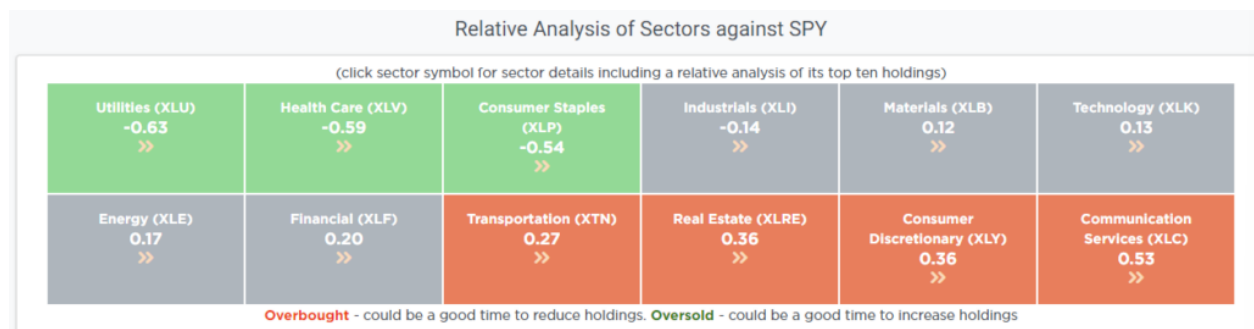
## SimpleVisor Portfolio Changes

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

### January 30th

*"This morning we are taking some gains off the table in our S&P 500 Equal Weight Index (RSP) ahead of the Federal Reserve meeting on Wednesday. We suspect that Powell could be extremely hawkish, which could further knock markets back. There is a cluster of support currently between the 20-, 50- and 200-DMAs, which, if the market holds, will confirm the recent bullish breakout. If such is the case, we will increase equity allocations accordingly.*

*Also, as noted in our [Relative Analysis](#) page, we are taking some profits in Communications and Technology, which are extremely overbought, and adding to Healthcare, which is very oversold. If the market pulls back, we should see some rotation between these sectors."*




## Equity Model

- Sell 100% of the S&P 500 Equal Weight Index (RSP)
- Reduce Comcast (CMCSA) and Nvidia (NVDA) back to model weights of 1.5% and 0.5%, respectively.
- Increase CVS Healthcare (CVS) to 3% of the portfolio.

## ETF Model

- Sell 100% of the S&P 500 Equal Weight Index (RSP)



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Lance Roberts, CIO

Have a great week!