

# Bullish Markets And The End Of Bears

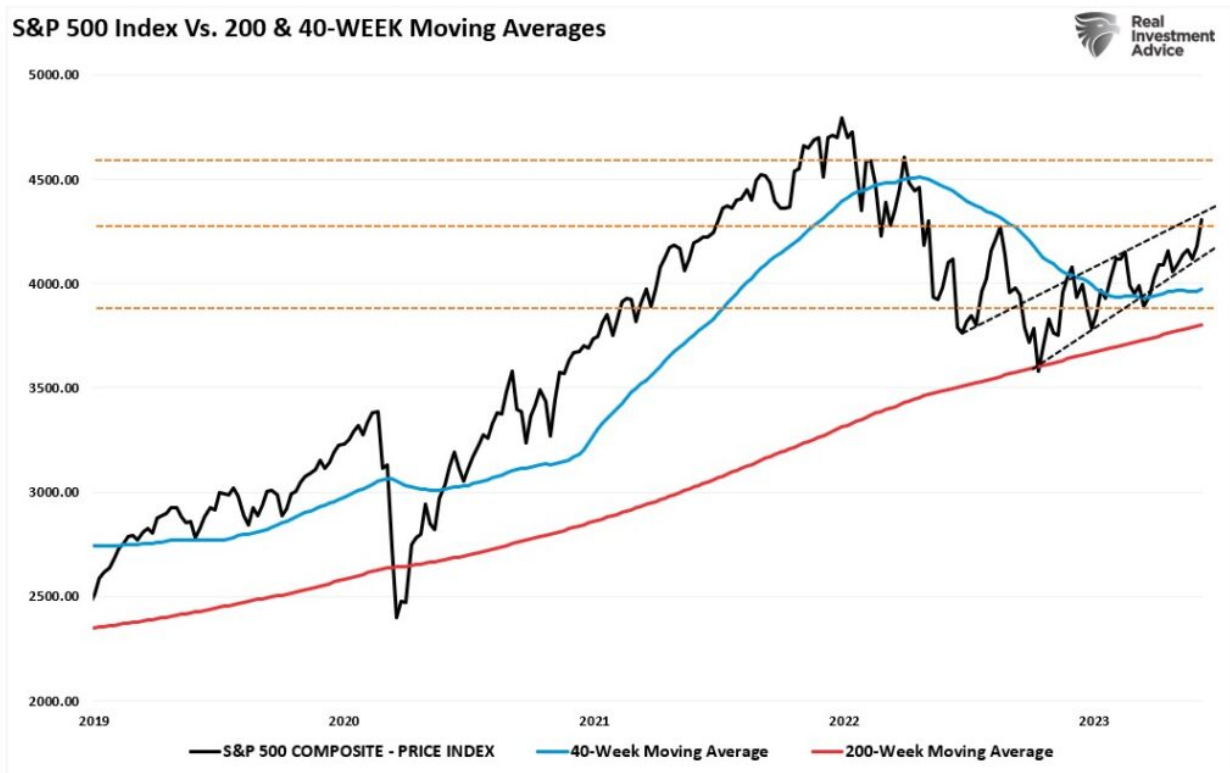
## Inside This Week's Bull Bear Report

- *Fed's Hawkish Pause Ignites The Bulls*
  - *Bullish Markets And The End Of Bears*
  - *How We Are Trading It*
  - *Research Report - New Bull Market? It's Different This Time.*
  - *Youtube - Before The Bell*
  - *Stock Of The Week*
  - *Daily Commentary Bits*
  - *Market Statistics*
  - *Stock Screens*
  - *Portfolio Trades This Week*
- 

## Market Review & Update

This bullish market is getting harder to deny as many indicators continue to improve. Last week, we reviewed our previous commentary discussing that the break above resistance would suggest a continued move to our target of 4300.

*"The S&P 500 has scored seven weekly closes above its 40-week moving average, which is a positive sign. In addition, the market has cleared the 40-week DMA downtrend line from January and December 2022, suggesting a potential bullish turn in the trend. Assuming supports hold, the next major resistance beyond the post-FOMC peak at 4195 is the August 2022 peak at 4325 (orange dashed line)." - March 7th*



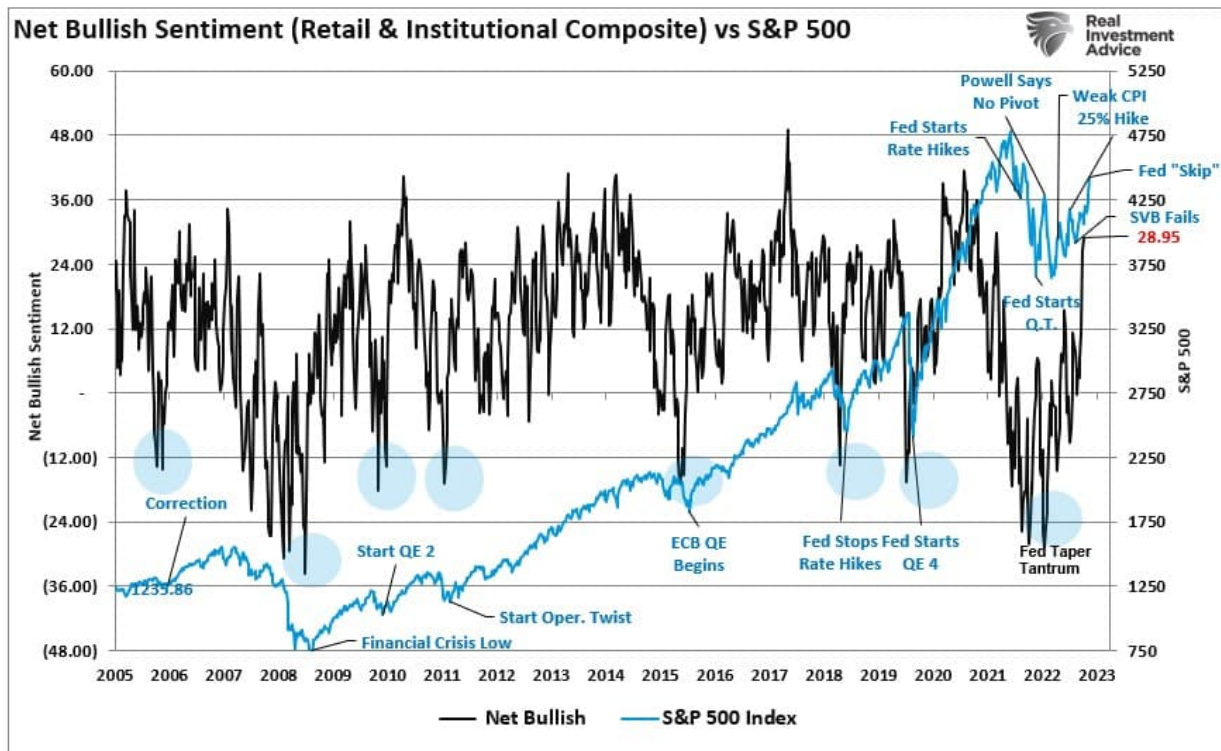
This past week, the FOMC opted to "skip" a rate hike to monitor the lag effect of their previous actions on the economy. To wit:

*?Nearly all committee participants expect it will be appropriate to raise interest rates somewhat further by the end of the year. **But at this meeting, considering how far and how fast we've moved, we judged it prudent to hold the target range steady. The committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments.***

While the statement is hawkish and suggests that the Fed could hike rates further to combat inflation, the markets have dismissed the impact of every rate hike this cycle. The break above 4400 removed minor resistance and put 4535 as the next major Fibonacci resistance level. After that, it's essentially the all-time high as the last major roadblock.

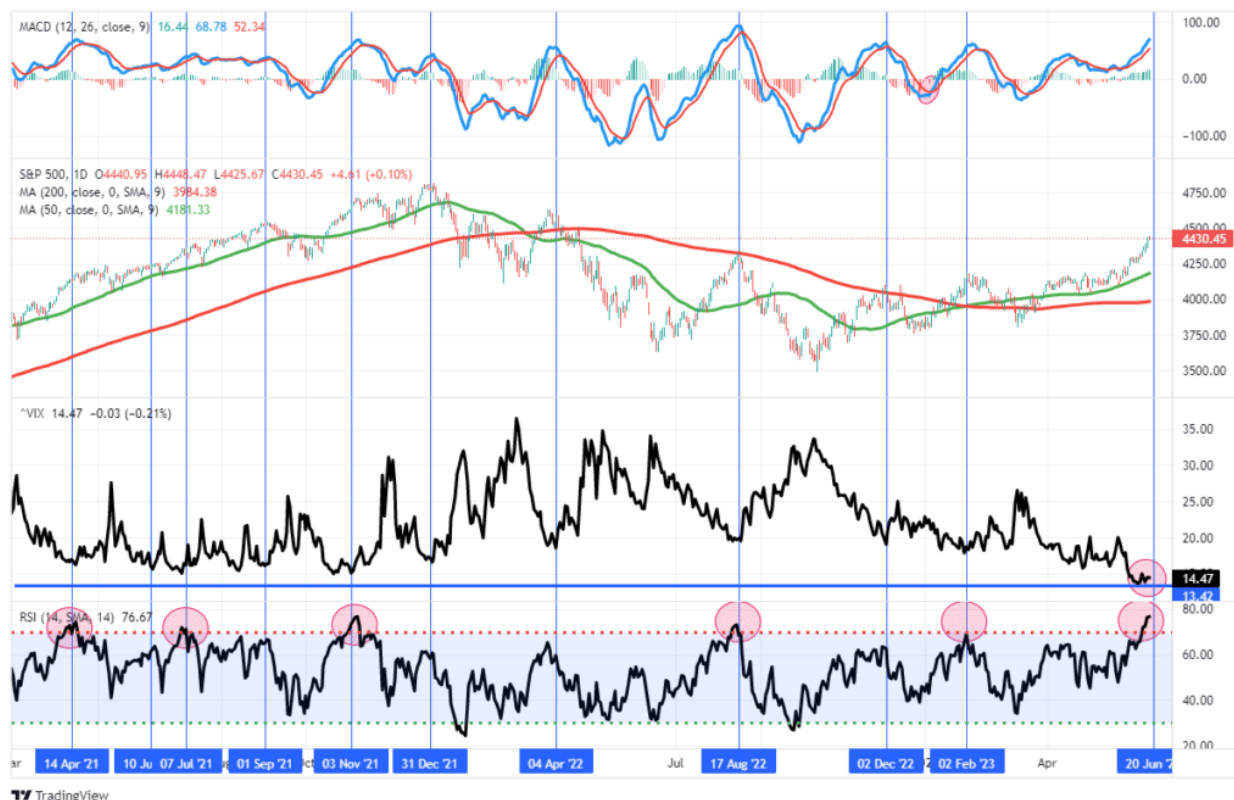
<https://twitter.com/LanceRoberts/status/1669674726061383681?s=20>

**As noted on Tuesday**, the rally has finally convinced the bears to come off the sidelines, with professional and retail investors getting substantially more "bullish" over the last two weeks.



As discussed previously, the Fed is in a difficult position as rising equity prices boost consumer confidence. With the Fed trying to reduce demand to cool inflation by tightening liquidity, rising stock market prices work against that agenda. Nonetheless, the market has found a new reason to be bullish on the "artificial intelligence" wave.

This past week, the market pushed well past our previous price target and is moving well into 3-standard deviations above the 50-DMA. Furthermore, the market is very overbought on multiple levels. Lastly, the volatility index is at extremely low levels, which has almost uniformly preceded corrections of 5-10% during both bull and bear markets.



## ***Need Help With Your Investing Strategy?***



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

**> Schedule your consultation today**

### BULL vs BEAR MARKET

The chart displays the S&P 500 Stock Price Index from 1996 to 2023. The y-axis represents the index value, ranging from 500.0 to 4700.0. The x-axis shows the years from 1996 to 2023. The index is plotted as a red line, and the market phases are indicated by dashed lines and labels: BULL, BEAR, and Correction. The chart shows a general upward trend with several periods of decline and recovery. A large bull market is shown from 1996 to 2000, followed by a bear market from 2000 to 2003. Another bull market follows from 2003 to 2008, leading to a bear market from 2008 to 2009. A correction is shown from 2009 to 2011, followed by a bull market from 2011 to 2017. Another correction is shown from 2017 to 2018, followed by a bull market from 2018 to 2020. A final correction is shown from 2020 to 2023, followed by a bull market from 2023 to 2024. The chart is overlaid with a background image of a bull and a bear on a checkered floor, symbolizing the bull and bear markets. The Real Investment Advice logo is in the top right corner.

Year	Index Value (Approx.)	Market Phase
1996	500.0	BULL
1999	1200.0	BULL
2000	1500.0	BULL
2001	1200.0	BEAR
2002	1000.0	BEAR
2003	1100.0	BEAR
2004	1200.0	BULL
2005	1300.0	BULL
2006	1400.0	BULL
2007	1500.0	BULL
2008	1400.0	BULL
2009	800.0	BEAR
2010	1000.0	BEAR
2011	1200.0	Correction
2012	1300.0	Correction
2013	1400.0	Correction
2014	1500.0	BULL
2015	1600.0	BULL
2016	1700.0	BULL
2017	1800.0	BULL
2018	2000.0	BULL
2019	2200.0	BULL
2020	2400.0	BULL
2021	3000.0	BULL
2022	3500.0	BULL
2023	3800.0	Correction
2024	4000.0	BULL

— S&P 500 Stock Price Index

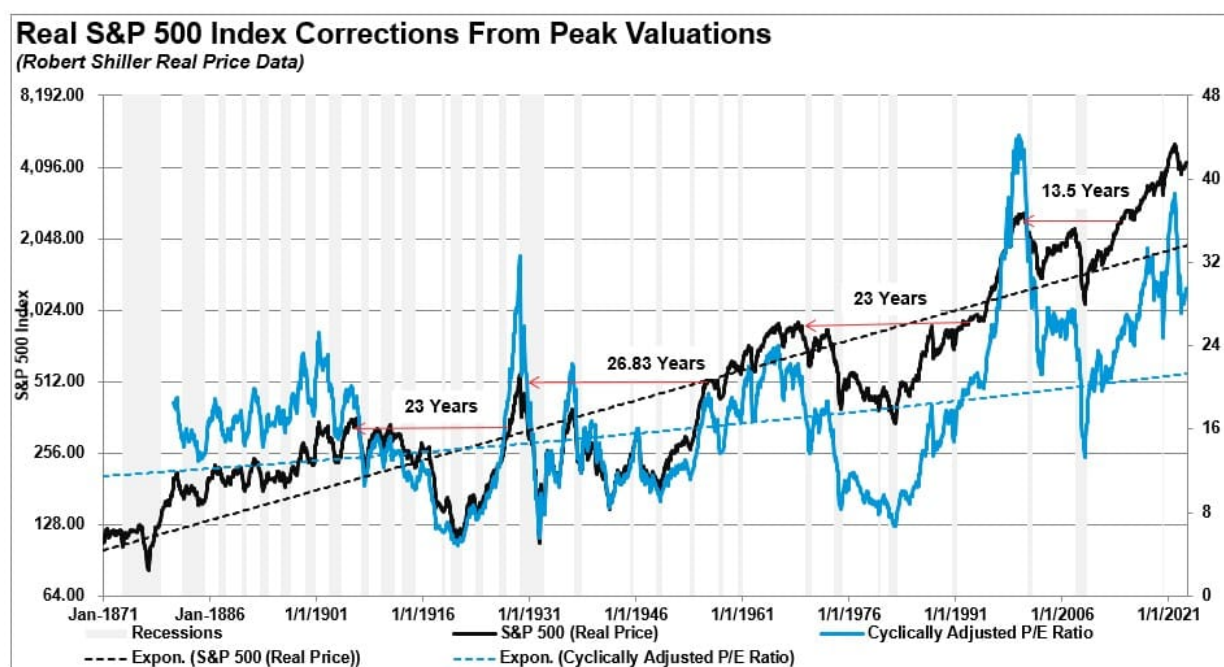
This distinction is essential to understanding the difference between *"corrections"* and *"bear markets."*

- **"Corrections"** occur over short time frames, do not break the prevailing trends, and quickly resolve by reversing to new highs.
- **"Bear Markets"** are long-term affairs where prices grind sideways or lower over long periods as valuations revert.

The price decline in March 2020 was unusually swift using monthly closing data. However, that decline did not break the long-term bullish trend. It also quickly reversed to new highs, suggesting it was a *"correction."*

Likewise, the decline in 2022 did not significantly test the long-term uptrend or revert valuations. Such also suggests it was a correction and not a bear market.

In both cases, the market was so stretched above the long-term bullish uptrend those 20% plus corrections were needed to reverse those deviations. The decline was not significant enough to break the bullish rising price trends.



It is hard to suggest that we are in a *"bear market"* when the bullish price trend from the 2009 lows remains intact. But history also suggests that the bullish market backdrop has historically denoted the end of bear markets.

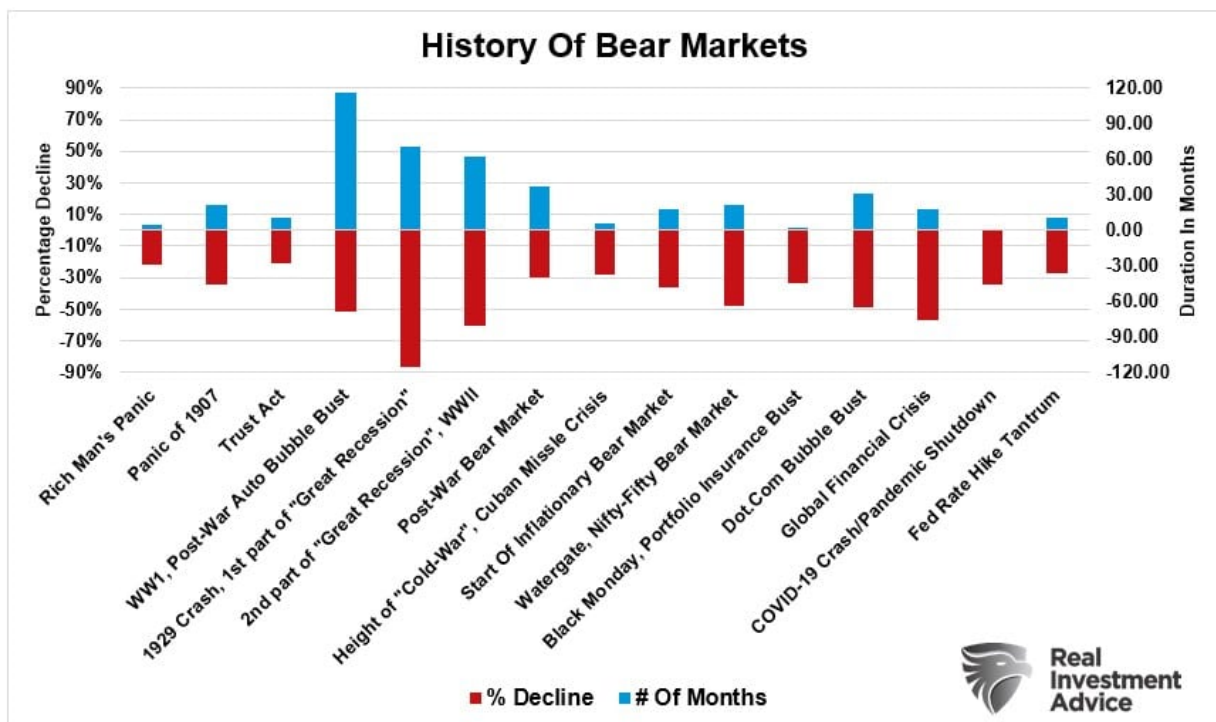
## Bullish Markets And The End Of Bears

While it may seem that a bear market won't end in the short term, they do. Below is a table and chart of bear markets back to 1900.



## History Of U.S. Equity Bear Markets (S&P 500 Index)

Peak	Trough	# Of Months	% Decline	Recovery Event
4/1/1903	9/1/2003	5.00	-21.70%	11/1/1904 Rich Man's Panic
1/1/1906	10/1/1907	21.27	-34.20%	8/1/1908 Panic of 1907
9/1/1909	7/1/1910	10.10	-20.60%	2/1/1911 Trust Act
6/1/1911	12/1/1920	115.70	-51.00%	12/1/1924 WW1, Post-War Auto Bubble Bust
9/1/1929	6/1/1935	69.97	-86.20%	3/1/1937 1929 Crash, 1st part of "Great Recession"
3/1/1937	4/1/1942	61.90	-60.00%	5/1/1946 2nd part of "Great Recession", WWII
5/1/1946	6/1/1949	37.57	-29.60%	8/1/1956 Post-War Bear Market
12/1/1961	6/1/1962	6.07	-28.00%	2/1/1966 Height of "Cold-War", Cuban Missile Crisis
11/1/1968	5/1/1970	18.20	-36.10%	1/1/1973 Start Of Inflationary Bear Market
1/1/1973	10/1/1974	21.27	-48.20%	8/1/1987 Watergate, Nifty-Fifty Bear Market
8/1/1987	10/1/1987	2.03	-33.20%	7/1/1990 Black Monday, Portfolio Insurance Bust
3/1/2000	10/1/2002	31.47	-49.10%	10/1/2007 Dot.Com Bubble Bust
10/1/2007	3/1/2009	17.23	-56.80%	2/1/2020 Global Financial Crisis
2/1/2020	3/1/2020	0.97	-33.90%	6/1/2020 COVID-19 Crash/Pandemic Shutdown
1/1/2022	11/1/2022	10.13	-27.40%	6/1/2023 Fed Rate Hike Tantrum



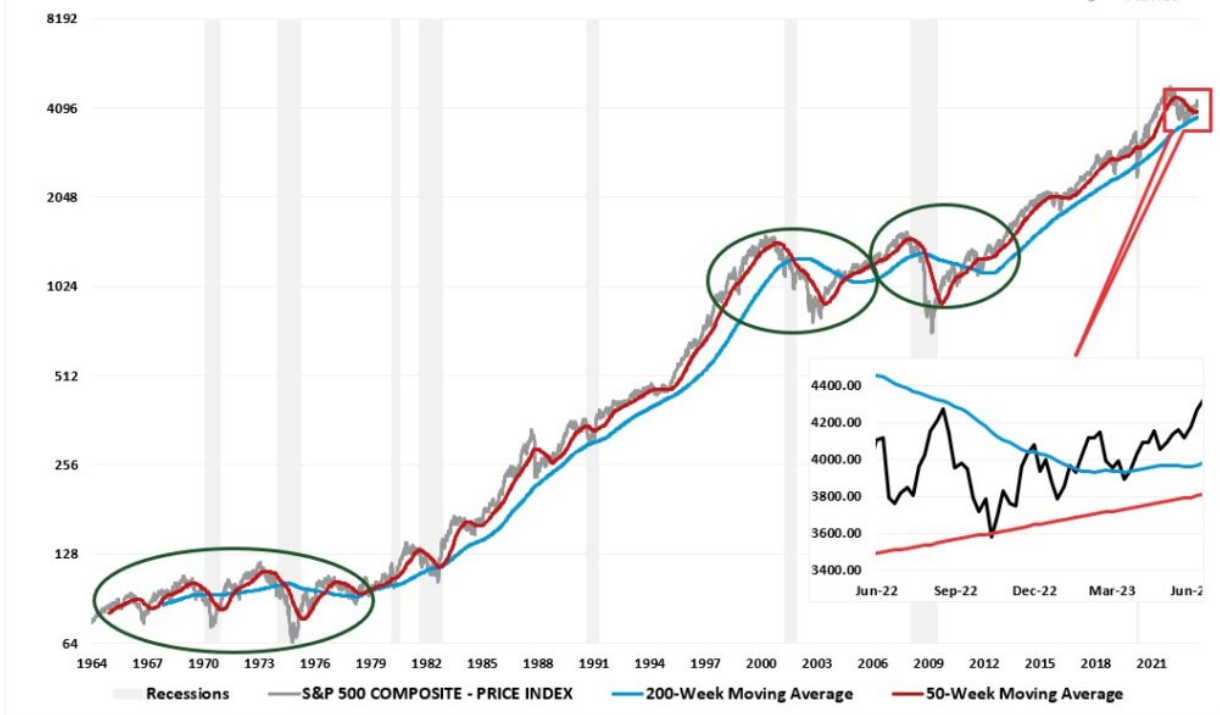
The end of these bear markets was often confirmed by the market hitting a new 52-week high. Such occurred last week, with the market hitting that mark after 300 days. That is the longest stretch without a 52-week high since the *"Financial Crisis."* Notably, previous 300-day stretches have a high percentage of favorable future returns.

300 Days Pause	10 Days	30 Days	350 Days	500 Days
Average Return	1.82%	3.01%	22.26%	25.06%
% Time Up	75.0	79.2	87.5	95.8

**However, such does NOT preclude a short-term correction of 5-10% along the way.**

Does such a statement preclude that market from returning to a bear market? Absolutely not. While such an outcome is certainly possible, statistically, it is more improbable. The chart below shows the S&P 500 index versus its 50-WEEK moving average (WMA) and the 200-WMA.

S&P 500 Index Vs. 50-WEEK vs. 200-WEEK MA



There are two critical points to note. Firstly, "bear markets" occur when the stock market violates the 200-WMA, which tends to act as a bullish trend. Secondly, bear markets were previously confirmed by the 50-WMA crossing below the 200-WMA.

Notably, bullish markets were confirmed by stocks trading above the 50-WMA and the 50-WMA above the 200-WMA. While there are many reasons to be concerned about the current economic environment, the market has remained in a "technical bull market" since 2009. With the market now trading above the 50-WMA and those moving averages trending higher, the bullish market dynamics suggest that the bear market risk is over for now.

## Rotation May Broaden The Bull

With sentiment improving and positioning moving from bearish to bullish, the support for higher prices and limited pullbacks remain.

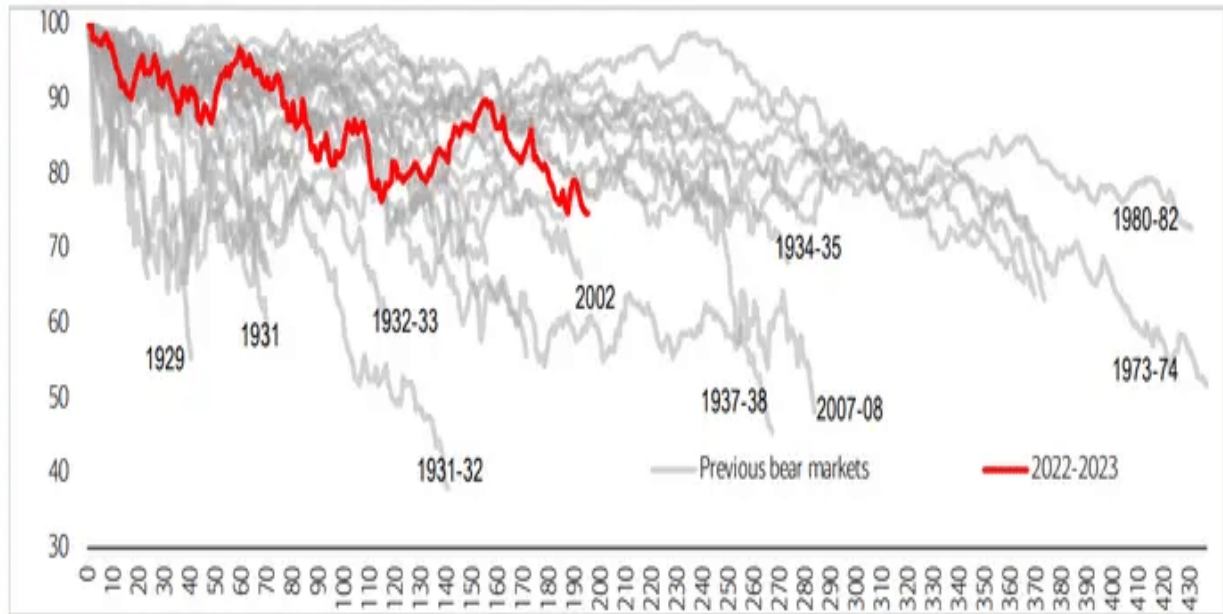
As discussed last week, the market is due for a rotation from leaders to laggards. ([Read for more discussion on sector rotation analysis.](#)) Such was a point made by Savita Subramanian at BofA. To wit:

*"The obvious beneficiaries, capex takers, are semis and select software companies that can provide AI services. But not all Tech wins. Many need to spend just to remain competitive. **The larger benefit may be had by old economy, inefficient companies that can increase earnings power more permanently from efficiency and productivity gains.**"*

## It's official, the bear market is behind us

### Exhibit 1: Bear market post-mortem

Peak-to-trough declines in historical bear markets (declines of 20%+ without a 20% rally) since 1929 (most recent bear market ended 10/12/2022)



Source: Bloomberg, BofA US Equity & Quant Strategy

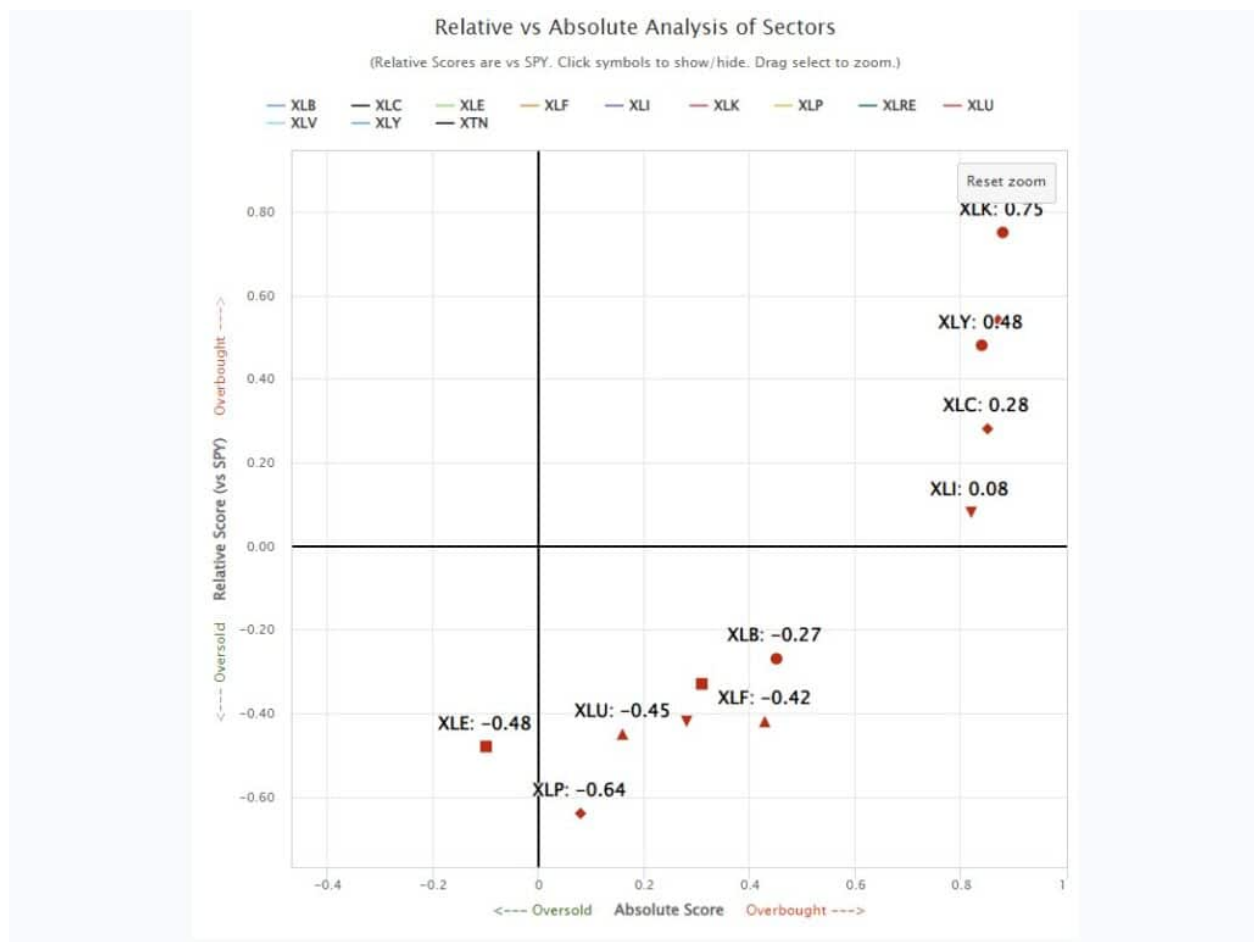
That rotation did pick up this past week, with money moving from some of the recent winners into more defensive and "unloved" sectors. **Note:** This analysis is available daily at [SimpleVisor.com](https://www.simplevisor.com)

*"We can look at the year-to-date performance chart above with this basic understanding of rotations. It should be evident that such huge gains in Technology, Discretionary, and Communications in the first half of this year are unsustainable. As such, it is logical that market participants will eventually seek out investments with more potential upside in the short term."*

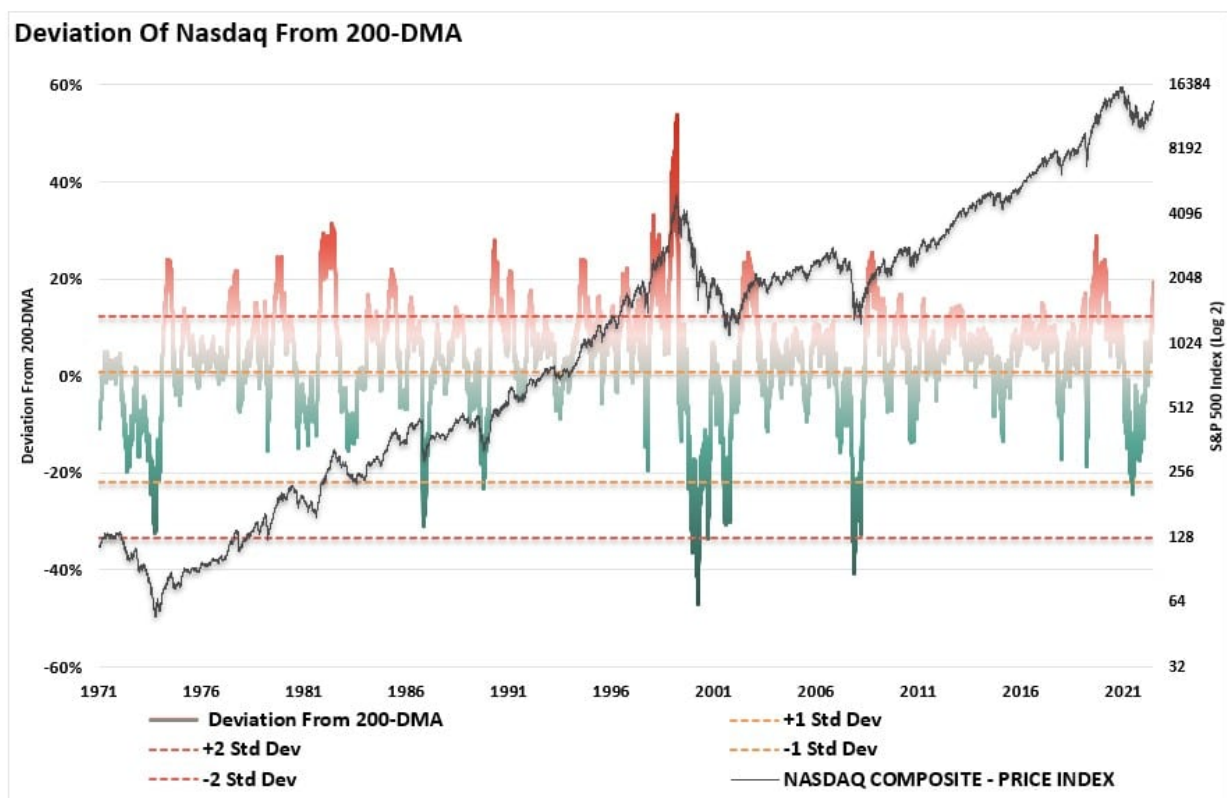
Over the past two weeks, most sectors, except for staples, have improved performance. While Technology, Discretionary, and Communications are still leading the charge, other sectors have seen improvement, with the overall breadth of the market beginning to broaden. **If this bullish market is going to continue, broader breadth is a requirement.**

Relative Analysis of Sectors against SPY					
(click sector symbol for sector details including a relative analysis of its top ten holdings)					
Consumer Staples (XLP) -0.63 >>	Health Care (XLV) -0.61 >>	Utilities (XLU) -0.44 >>	Energy (XLE) -0.43 >>	Financial (XLF) -0.43 >>	Real Estate (XLRE) -0.27 >>
Materials (XLB) -0.17 >>	Industrials (XLI) 0.07 >>	Communication Services (XLC) 0.33 >>	Technology (XLK) 0.51 >>	Transportation (XTN) 0.53 >>	Consumer Discretionary (XLY) 0.58 >>
Overbought - could be a good time to reduce holdings. Oversold - could be a good time to increase holdings					





However, as noted, while the market suggests the bull market has resumed after last year's correction, such does not preclude further corrections in the future. As mentioned in Friday's blog post, the Nasdaq, in particular, is trading nearly 20% above its 200-DMA.



Furthermore, the S&P 500 index trades well into the 3-standard deviation territory above its 50-DMA. The index is also highly overbought on multiple measures.



Such suggests that a 5-10% correction is possible and probable. As noted, those corrections will be buying opportunities as long as the bullish market trend remains intact.

For now, the bear market is over.

## How We Are Trading It

*"Overall, we continue to make tiny moves to align the risk profile of portfolios to the market. Given the recent buy signals from our indicators, we cautiously added needed exposure. However, we remain underweight in equities and overweight cash currently. The improvement in the overall price action confirms that downside risk is somewhat limited in the current environment."*

We continued to see a bit more rotation this past week as small caps continued to pick up the pace. This week, we rebalanced our Healthcare sector, reducing insurers and adding medical devices. We had previously added to our staples position for this rotation as well. We are more heavily weighted toward defensive stocks, which got some attention this past week. However, we will opportunistically use pullbacks in the cyclical stocks to add further weight to that sector.



While this has been a tough market to navigate this year, the risks remain prevalent despite the broader market seemingly ignoring them.

**As a contrarian investor, excesses get built by everyone** on the same side of the trade. Previously, everyone was so bearish that the bullish trade higher was inevitable. As Sam Stovall, the investment strategist for Standard & Poor's, once stated:

*?If everybody's optimistic, who is left to buy? If everybody's pessimistic, who's left to sell??*

Regardless of your personal views, the bull market that started in October remains intact. Therefore, we must continue to follow the investment rules practiced by the greatest investors in history.

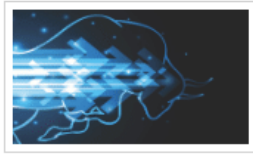
- *Cut Losers Short And Let Winners Run.*
- *Investing Without Specific End Goals Is A Big Mistake.*
- *Emotional And Cognitive Biases Are Not Part Of The Process.*
- *Follow The Trend.*
- *Don't Turn A Profit Into A Loss.*
- *Odds Of Success Improve Greatly When Technical Analysis Supports Fundamental Analysis.*
- *Try To Avoid Adding To Losing Positions.*
- *In Bull Markets, You Should Be "Long." In Bear Markets ? "Neutral" Or "Short."*
- *Invest First with Risk in Mind, Not Returns.*
- *The Goal Of Portfolio Management Is A 70% Success Rate.*

There are plenty of reasons to be very concerned about the market over the next few months. However, markets can often defy logic in the short term despite the apparent weight of evidence to the contrary.

Have a great week.

---

## Research Report



## New Bull Market? It's Different This Time.

Written by Lance Roberts | Jun 16, 2023 | **Investing**

"It's a 'New Bull Market!'" Over the past few days, the call of a new bull market has plastered hea...

[> Read More](#)

---

## Subscribe To "Before The Bell" For Daily Trading Updates (Formerly 3-Minutes)

We have set up a separate channel JUST for our short daily market updates. **Please subscribe to THIS CHANNEL** to receive daily notifications before the market opens.

[Click Here And Then Click The SUBSCRIBE Button](#)

<https://www.youtube.com/watch?v=RPL8c4Q9Qtw>

[Subscribe To Our Youtube Channel](#) To Get Notified Of All Our Videos

---

## Stock Of The Week In Review

### [The Best Of Buffett](#)

*Last week's screen was based on the preferred factors that infamous investor Peter Lynch used. This week we move on to Warren Buffet. Not only do we rank stocks based on a handful of Buffet's preferred fundamental factors, but we do so on the 47 stock holdings in his portfolio holding company Berkshire Hathaway.*

*Apple comprises over half of Berkshire's holdings, and 30 of its 47 stocks constitute less than half a percent of its portfolio. Of the stocks that ranked in the top five of this screen, only one, Chevron (CVX @ 6.65%), has a meaningful contribution to the portfolio.*



## Chevron Corporation (CVX) - Oil & Gas Integrated

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

Chevron Corporation, through its subsidiaries, engages in the integrated energy and chemicals operations in the United States and internationally. The company operates in two segments, Upstream and Downstream. The Upstream segment is involved in the exploration, development, production, and transportation of crude oil and natural gas; liquefaction, transportation, and regasification associated with liquefied natural gas; transportation of crude oil through pipelines; and processing, transportation, storage, and

**Latest Price** (Jun 16, 2023, 12:53:03 PM)

**\$158.82** ▲ (\$0.54) (0.34%)

**Last Close**

\$158.28

**Open**

\$158.57

**Volume**

6,121,560

**Annual Div.**

\$5.77

**Mkt Cap (mn)**

\$300,905.40

**52 Week Range**

\$132.54

**Day Range**

\$157.27

**Avg. Volume (3m)**

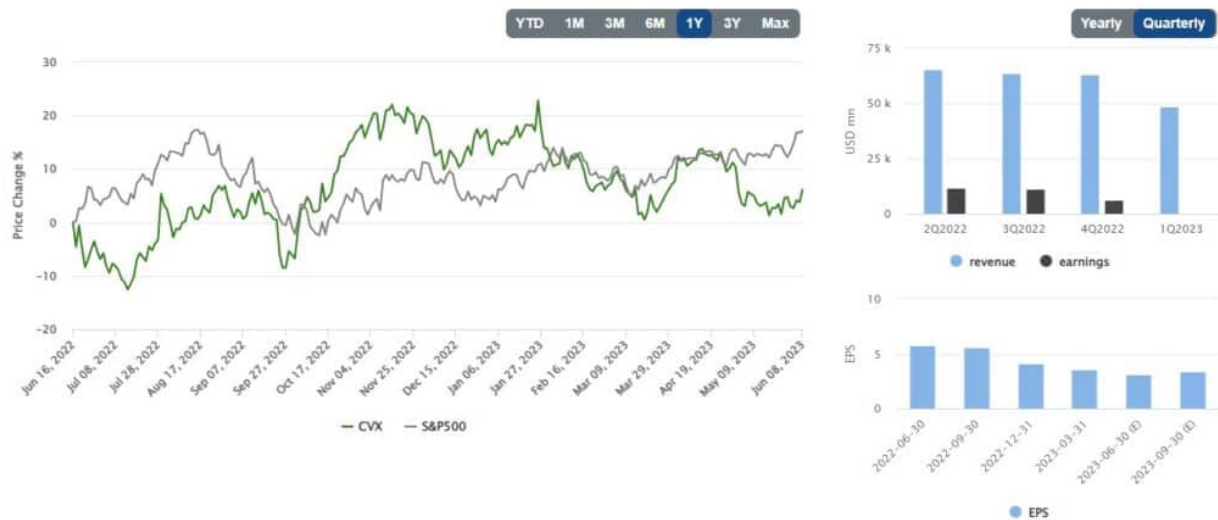
7,728,776

**Div. Yield**

3.65%

**Beta**

1.16



Login to [Simplevisor.com](https://www.simplevisor.com) to read the full 5-For-Friday report.

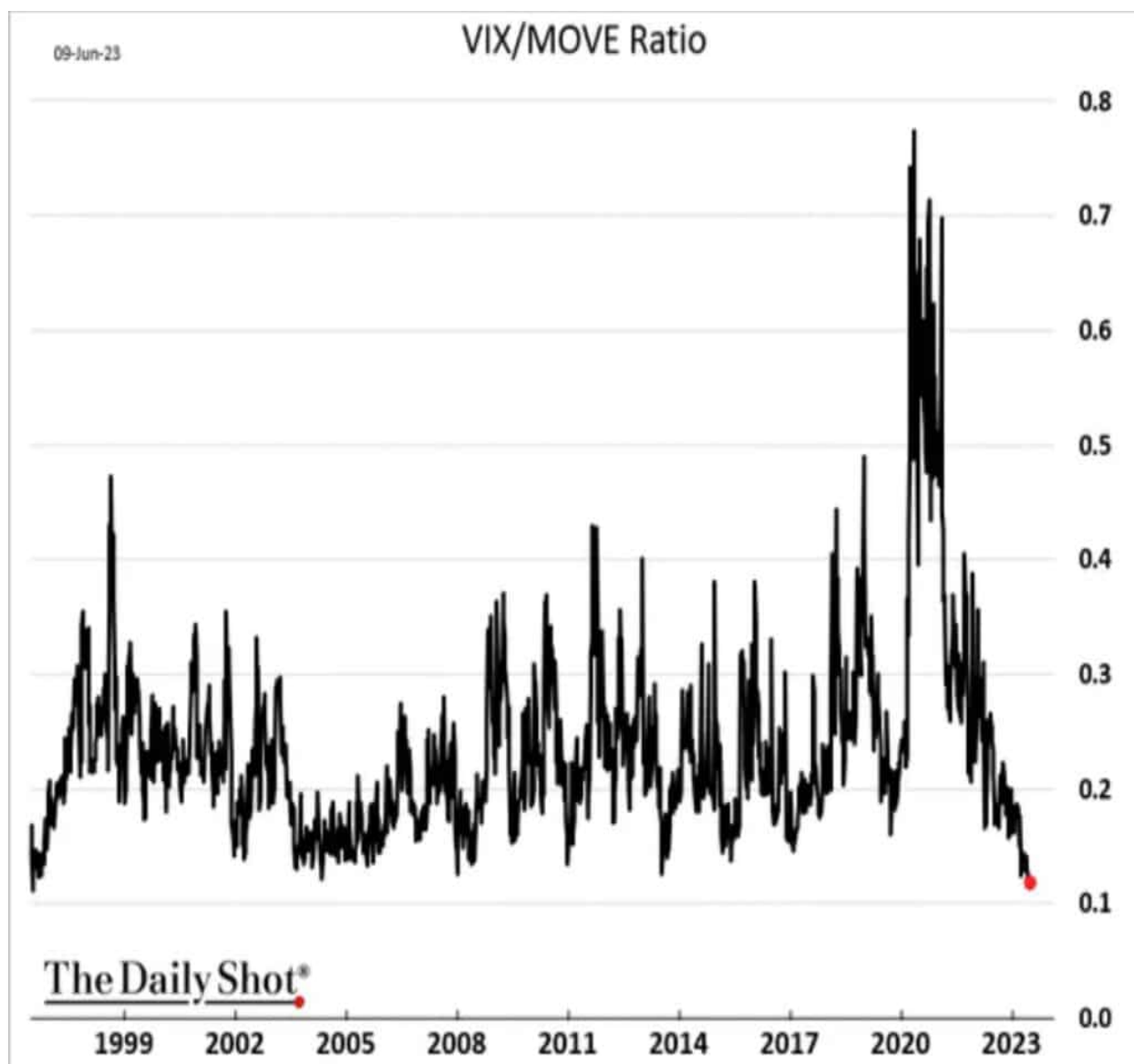
## Daily Commentary Tidbits

### [VIX and MOVE - A Tale Of Two Markets](#)

*Implied volatility in the stock (VIX) and bond markets (MOVE) tell an unusual tale of investor sentiment. Implied volatility uses options contracts to measure the expected price movement of a security or index. The ratio of the VIX to the MOVE index is at its lowest level in 27 years. Such tells us that bond traders expect significant volatility in the future in bond yields, while stock investors are relatively complacent. The VIX, currently at 14, is well below its 30+ year average of 19.7. It is also below levels preceding the pandemic. Unlike the complacent VIX, the MOVE index is at 116, about 15% above the recent average and nearly double its longer-term average.*

*So why does the MOVE index voice concern that interest rates will be volatile, while the VIX shows investors don't seem to care? For starters, the MOVE tends to run about 3x higher than the VIX as yield changes on a percentage basis are more volatile than stock prices. Further, realized, or actual volatility, has been much higher in bonds than stocks. Stock and bond investors may believe the status quo in both markets will continue. However, given the economy is powered by debt, the level of interest rates is a crucial factor in determining economic activity. When yields are unpredictable, as the MOVE alludes, the ability to forecast stock earnings, debt costs, and valuations is more complicated. The VIX/MOVE ratio will likely converge*

*back to normal levels. Will the VIX catch up to MOVE, or will the Fed calm bond markets this Wednesday, allowing MOVE to normalize?*



[\(Subscribe To The Daily Market Commentary For A FREE Pre-Market Email\)](#)

## Bull Bear Report Market Statistics & Screens

**SimpleVisor™**

Don't invest alone.  
Tap into the power of SimpleVisor.


[> Sign up now](#)

## SimpleVisor Top & Bottom Performers By Sector

Healthcare					Industrials					Consumer Cyclical					Technology				
VTRS	XRAY	HSIC	TECH	CAH	WAB	NOC	AVY	HII	LHX	BALL	SEE	DPZ	TSLA	RL	GLW	TEL	INTC	FIS	NXPI
3.52%	3.49%	2.94%	2.45%	2.34%	1.37%	1.21%	1.19%	1.18%	1.13%	7.23%	2.69%	1.83%	1.81%	1.41%	5.94%	1.66%	1.54%	1.35%	1.07%
BMJ	WBA	ABV	BAX	LH	GD	TT	GE	LUV	RS	WRK	NKE	BBY	DHI	VFC	TER	ADBE	NTAP	LDOS	ENPH
2.3%	2.03%	2.02%	2.02%	1.61%	1.11%	0.98%	0.83%	0.82%	0.82%	1.06%	1.05%	1.03%	0.86%	0.83%	0.88%	0.87%	0.83%	0.76%	0.72%
MRNA	MTD	GEN	LLY	UNH	TDG	EPX	ROK	GPN	FOX	EBAY	AMZN	ROL	ETSY	KMX	MSFT	MU	AVGO	FSLR	MTCH
-0.96%	-1.07%	-1.17%	-1.37%	-1.59%	-1.06%	-1.13%	-1.13%	-1.25%	-1.26%	-1.23%	-1.27%	-1.32%	-1.43%	-1.51%	-1.66%	-1.69%	-1.73%	-2.02%	-2.42%
ELV	ILMN	MOH	CVS	HUM	PH	GWV	URI	GNRC	ETN	BBWI	CCL	NCLH	MGM	CZR	STX	AMD	ANET	ADSK	EPAM
-1.89%	-1.94%	-2.04%	-2.56%	-3.92%	-1.32%	-1.54%	-1.68%	-2.14%	-2.86%	-1.94%	-1.99%	-2.1%	-2.47%	-2.75%	-2.78%	-3.35%	-3.47%	-3.58%	-3.66%
Financial					Consumer Goods					Utilities					Materials				
RE	AIZ	CB	WRB	ACGL	BG	EL	KDP	CL	ADM	EIX	NEE	ES	SO	EXC	NEM	CF	MOS	PPG	IFF
2.35%	2.09%	1.92%	1.51%	1.44%	2.37%	2.28%	1.29%	1.28%	1.23%	2.01%	1.65%	1.51%	1.41%	0.96%	2.65%	1.7%	1.53%	1.28%	1.07%
PGR	V	AIG	HIG	CME	CLX	KMB	MKC	PG	KO	D	PCG	AWK	DUK	PEG	APD	FMC	LYB	ECL	NUE
1.27%	1.21%	1.2%	1.15%	1.04%	1.02%	1%	0.73%	0.73%	0.72%	0.87%	0.87%	0.6%	0.53%	0.45%	0.83%	0.82%	0.51%	0.19%	0.15%
MTB	COF	KEY	CFG	SVF	LW	NWL	CAG	TAP	MNST	SRE	CNP	PNW	ATO	CMS	DD	FCX	DOW	SHW	MLM
-1.29%	-1.42%	-1.49%	-1.55%	-1.61%	-0.35%	-0.35%	-0.43%	-0.48%	-0.6%	-0.26%	-0.31%	-0.36%	-0.42%	-0.46%	-0.43%	-0.47%	-0.6%	-0.63%	-0.68%
DFS	MCO	SCHW	MSCI	NDAQ	COST	STZ	WMT	DLTR	TGT	EVRG	CEG	XEL	AES	NRG	CTVA	VMC	ALB	CE	STLD
-1.65%	-1.85%	-2%	-2.01%	-2.01%	-1.05%	-1.27%	-1.39%	-1.6%	-2.92%	-0.5%	-0.61%	-0.62%	-0.7%	-0.73%	-0.78%	-0.78%	-1.19%	-2.4%	-3.24%
Real Estate					Energy					Communication Services									
SPG	FRT	AVB	UDR	ESS	EQT	PXD	FANG	EOG	BKR	DISH	TTWO	ATVI	NWSA	NWS					
1.69%	1.07%	1.01%	0.91%	0.9%	1.77%	1.73%	1.64%	1.53%	1.09%	3.69%	1.05%	0.64%	0.31%	0.2%					
CPT	WY	PLD	MAA	EQR	MRO	COP	CTRA	DVN	KMI	T	VZ	FOXA	FOX	LYV					
0.86%	0.78%	0.75%	0.73%	0.56%	0.9%	0.74%	0.52%	0.4%	0.18%	0.19%	0.05%	-0.09%	-0.16%	-0.18%					
BXP	HST	PEAK	VICI	IRM	HES	SLB	OKE	FI	HAL	CHTR	OMC	CMCSA	IPG	GOOG					
-0.34%	-0.35%	-0.43%	-0.61%	-0.7%	-0.18%	-0.25%	-0.26%	-0.32%	-0.4%	-0.47%	-0.47%	-0.65%	-1.36%	-1.38%					
AMT	CBRE	SBAC	CCI	ARE	OXY	MPC	CVX	XOM	APA	TMUS	PARA	DIS	WBD	NFLX					
-0.71%	-1.09%	-1.44%	-1.95%	-4.7%	-0.46%	-0.47%	-0.64%	-0.72%	-0.84%	-1.38%	-1.51%	-1.74%	-2.51%	-2.99%					

## S&P 500 Weekly 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	4.11%	19.86%	14.91%	(24.90%)
Max Drawdown	(27.47%)	(19.37%)	(9.00%)	(53.52%)
Sharpe	0.18	0.85	2.24	1.63
Sortino	0.24	1.35	3.78	1.79
Volatility	19.65	20.10	14.78	(0.26)
Daily VaR-5%	(26.92)	(12.46)	13.80	(2.11)
Mnthly VaR-5%	(28.21)	(31.11)	6.44	(1.21)

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
Dividend Yield	1.28%	1.44%	1.44%	0.18%	2.14%	1.20%	(32.66%)	19.87%
P/E Ratio	27.91	17.24	20.66	16.56%	2733%	1602%	(24.4%)	28.96%
P/S Ratio	4.92	3.92	3.83	(2.49%)	4.98	3.22	(23.07%)	18.75%
P/B Ratio	6.43	5.74	5.89	2.50%	6.75	4.30	(12.84%)	36.76%
ROE	23.46%	28.96%	25.67%	(12.81%)	29.58%	18.80%	(13.21%)	36.58%
ROA	5.27%	6.62%	5.97%	(10.96%)	6.72%	4.36%	(11.22%)	36.77%

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	4.17%	4.16%	1.41	7.53	93.64	(357.54)	(92.0%)	28.4%	3.2%	13.20%	7.35	9.67
Materials	10.23%	2.47%	1.13	15.40	26.87	11.36	(42.7%)	14.8%	2.0%	6.49%	5.16	15.84
Industrials	21.81%	8.45%	1.13	21.40	54.88	15.10	(61.0%)	22.9%	1.7%	4.65%	6.84	17.40
Discretionary	23.44%	10.55%	1.39	33.08	63.99	22.24	(48.3%)	11.6%	0.8%	3.00%	4.38	25.53
Staples	9.07%	6.67%	0.59	21.75	22.79	17.34	(4.5%)	30.2%	2.5%	4.58%	4.82	19.61
Health Care	10.07%	13.34%	0.69	17.08	19.74	14.84	(13.5%)	34.6%	1.7%	5.83%	8.01	16.91
Financials	12.19%	12.46%	1.13	15.10	21.40	12.66	(29.4%)	12.0%	1.8%	6.58%	7.28	12.80
Technology	43.97%	28.18%	1.19	32.70	32.03	15.36	2.1%	67.6%	0.8%	3.01%	6.10	28.22
Telecom	17.94%	8.57%	1.00	22.44	28.24	15.48	(20.5%)	21.1%	0.5%	4.38%	5.09	17.98
Utilities	4.12%	2.61%	0.65	19.48	21.24	15.56	(8.3%)	10.9%	3.2%	5.14%	3.37	16.80
Real Estate	(3.63%)	2.40%	0.99	16.94	25.63	16.28	(33.9%)	7.5%	3.6%	5.89%	4.83	16.17

Momentum Analysis

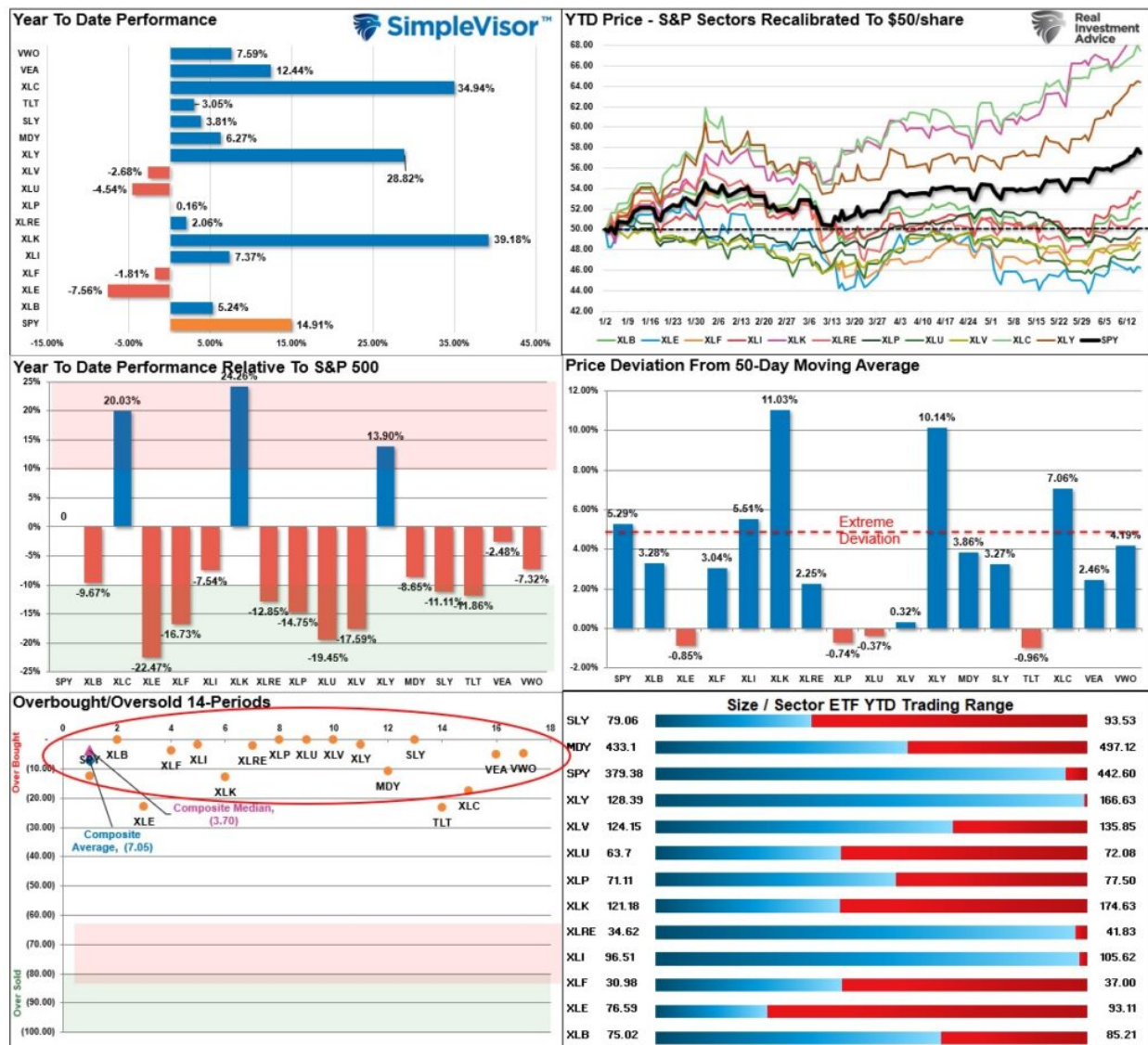
Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell
Large Cap	439.46	7.40%	417.53	50	5.25%	397.66	62	10.51%	5.00%	(1.00%)	26.24%	Buy
Mid Cap	470.54	5.36%	453.19	11	3.83%	451.72	11	4.17%	0.33%	(5.79%)	18.19%	Buy
Small Cap	85.46	1.70%	81.83	11	4.44%	83.83	9	1.94%	(2.39%)	(9.07%)	13.76%	Sell



# Relative Performance Analysis

As noted last week, the market is broadly overbought and needs a pullback after last week's surge, and most sectors are now stretched above their moving averages. Performance is still highly bifurcated between Technology, Communications, Discretionary, and everything else.

That remains the case this week, and large swaths of the market are very overbought after last week's push higher. What will cause the market to correct is unknown. However, quarter-end rebalancing is approaching, which could bring some selling into the market.

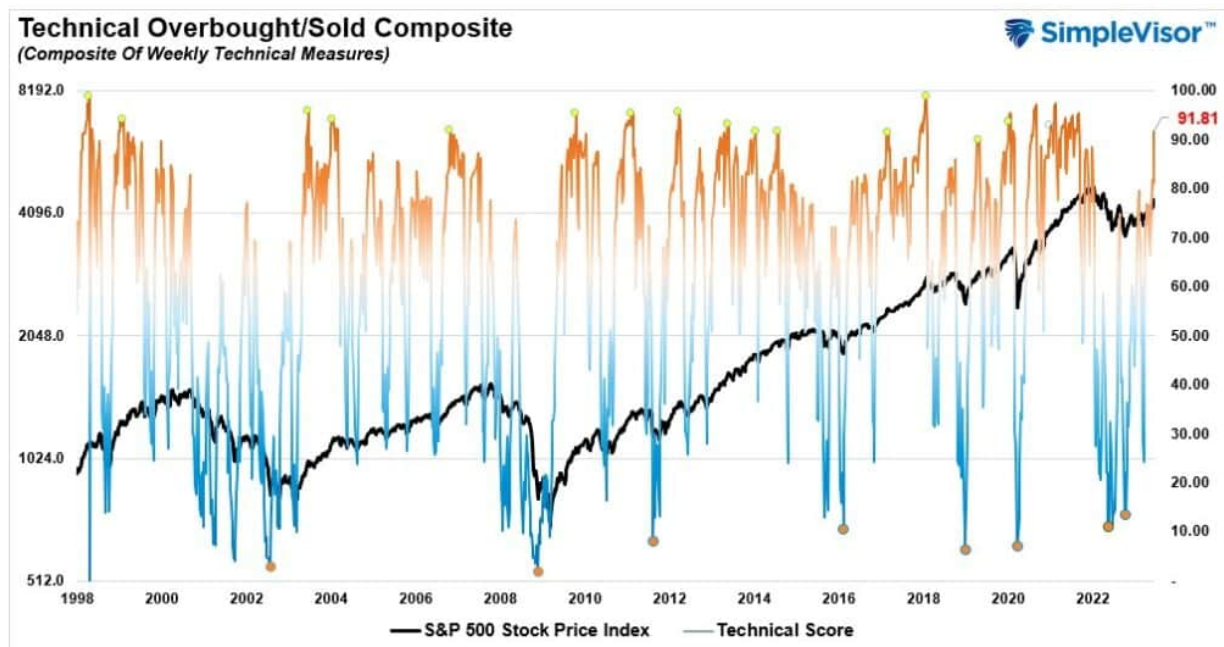


## Technical Composite

The technical overbought/sold gauge comprises several price indicators (R.S.I., Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" are oversold. The market peaks when those readings are 80 or above, suggesting prudent profit-taking and risk management. **The best buying opportunities exist when those readings are 20 or below.**

**The current reading is 91.81 out of a possible 100.**

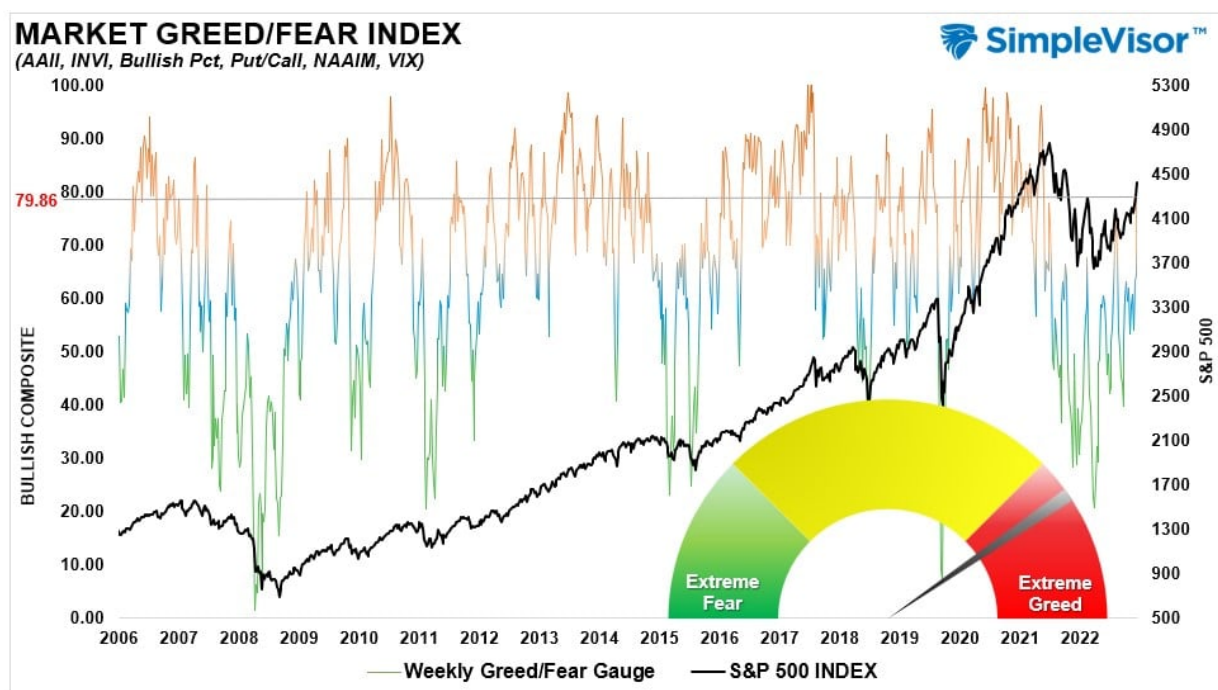




## Portfolio Positioning "Fear / Greed" Gauge

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 79.86 out of a possible 100.**



## Sector Model Analysis & Risk Ranges

*How To Read This Table*

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

Last week's push to 4400 has pushed most sectors into more extreme overbought levels for the month. Combined with very overbought readings in our technical gauge above, the market is due for a pullback. This seems more like a panicked move to gain allocation to a market by managers, which may be short-lived. We have started to see a bit of a rotation from cyclical to defensive sectors, which could be an early warning for corrective action.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG WMA	MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	MA XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	WMA	PRICE	BETA	HIGH	LOW	Short MA	Long MA	SIGNAL
IVV	ISHARS-SP500	441.63	2.55	5.04	11.12	14.94	20.12	415.63	403.77	419.43	1.00	439.92	408.94	0%	2%	BULLISH
XLB	SPDR-MATLS SELS	81.75	0.91	(1.07)	(4.68)	(9.71)	(11.00)	79.00	79.79	75.02	1.06	77.60	72.35	3%	2%	BEARISH
XLC	SPDR-COMM SV SLS	64.76	(0.12)	0.42	3.29	20.00	0.16	59.73	54.63	62.24	1.02	64.43	60.05	8%	15%	BULLISH
XLE	SPDR-EGY SELS	80.86	(3.15)	(3.51)	(7.30)	(22.50)	(10.09)	81.56	85.33	76.59	1.36	79.65	73.63	-1%	-5%	BEARISH
XLK	SPDR-FINL SELS	33.58	(1.28)	(2.03)	(2.76)	(16.76)	(11.55)	32.39	34.00	31.76	1.07	32.80	30.63	4%	-1%	BEARISH
XLX	SPDR-TECH SELS	173.19	1.75	4.94	7.54	24.23	18.86	154.04	140.71	164.28	1.13	170.25	158.31	12%	23%	BULLISH
XLJ	SPDR-INDU SELS	105.45	0.40	0.64	(2.30)	(7.57)	3.13	99.64	99.61	96.85	1.11	100.34	93.36	6%	6%	BULLISH
XLP	SPDR-CONS STPL	74.67	(0.44)	(6.69)	(8.79)	(14.78)	(11.63)	74.91	74.22	72.67	0.58	74.91	70.43	0%	1%	BULLISH
XLRE	SPDR-RE SELS	37.69	(1.04)	(0.95)	(4.98)	(12.89)	(23.68)	36.71	37.65	36.04	0.84	37.24	34.84	3%	0%	BEARISH
XLU	SPDR-UTIL SELS	67.30	(1.21)	(3.24)	(8.66)	(19.48)	(16.37)	67.37	68.19	64.93	0.52	66.80	62.97	0%	-1%	BEARISH
XLV	SPDR-HLTH CR	132.21	(1.20)	(4.35)	(7.26)	(17.62)	(9.84)	131.12	132.39	127.83	0.70	131.92	123.74	1%	0%	BEARISH
XTN	SPDR-CONS DISCR	166.38	0.64	4.75	6.40	13.87	2.13	149.63	144.32	151.61	1.18	157.18	146.04	11%	15%	BULLISH
XTN	SPDR-SP TRANSP	79.92	1.50	4.93	5.47	3.97	(2.09)	72.58	73.01	71.96	1.32	74.71	69.21	10%	9%	BEARISH
SDY	SPDR-SP DIV ETF	123.19	(2.33)	(3.31)	(8.02)	(16.48)	(12.12)	122.02	124.83	117.30	0.86	121.24	113.36	1%	-1%	BEARISH
RSP	INVS-SP5 EQ ETF	148.83	(0.05)	(0.86)	(3.67)	(9.58)	(6.63)	143.00	144.38	139.61	1.06	144.67	134.65	4%	3%	BEARISH
VIOO	VANGD-SP6 ETF	90.98	(2.27)	0.43	(4.92)	(9.95)	(9.94)	87.03	89.72	84.94	1.14	88.63	81.85	5%	1%	BEARISH
MDY	SPDR-SP MC 400	470.54	(1.35)	(0.20)	(3.80)	(8.68)	(3.89)	461.56	457.07	440.15	1.12	456.09	424.21	4%	3%	BEARISH
EEM	ISHARS-EMG MKT	40.88	(0.02)	(0.17)	(5.40)	(7.08)	(17.07)	39.19	38.92	38.19	0.74	39.43	36.95	4%	0%	BULLISH
EFA	ISHARS-EAFE	73.39	0.84	(5.41)	(4.48)	(3.14)	(0.75)	72.25	69.20	70.67	0.86	73.05	68.29	2%	0%	BULLISH
IAU	ISHARS-GOLD TR	37.06	(2.79)	(6.08)	(12.18)	(7.80)	(13.90)	37.63	35.67	37.20	0.15	38.19	36.21	2%	4%	BULLISH
GDX	VANECK-GOLD MNR	31.39	(1.58)	(7.43)	(11.62)	(5.42)	(16.83)	32.80	30.36	30.91	0.78	31.52	29.90	4%	3%	BULLISH
UUP	INVS-OB US5 BU	28.15	(3.73)	(5.46)	(10.69)	(13.72)	(19.49)	28.02	28.22	28.61	(0.16)	29.28	27.94	0%	0%	BEARISH
BOND	PIMCO-ACTV BOND	91.79	(2.20)	(4.82)	(12.53)	(13.50)	(22.62)	92.32	91.77	92.05	0.18	94.51	89.59	-1%	0%	BULLISH
TLT	ISHARS-20+YTB	102.60	(1.91)	(3.56)	(15.09)	(11.89)	(28.58)	104.13	103.36	102.99	0.06	105.62	100.36	-1%	-1%	BULLISH
BNDX	VANGD-TTL INT B	48.64	(2.68)	(4.90)	(12.31)	(12.39)	(20.49)	48.76	48.51	48.95	0.13	50.24	47.66	0%	0%	BULLISH
HYG	ISHARS-BX HYCB	74.93	(2.29)	(4.06)	(9.31)	(13.18)	(18.93)	74.53	74.61	74.11	0.43	76.28	71.94	1%	0%	BEARISH



## RISK RANGE REPORT



## Weekly SimpleVisor Stock Screens

We provide three stock screens each week from [SimpleVisor](https://www.simplevisor.com).

This week we are searching for the Top 20:

- Relative Strength Stocks
- Momentum Stocks
- Technically Strong Stocks With Dividends

(Click Images To Enlarge)

## R.S.I. Screen



Scan Result: 20 Item(s) found			Tables	Overview	Technicals	Fundamentals	Performance	Performance Chart				
Symbol ↑ ↓ ∇	Sector ↑ ↓	Trend ↑ ↓	Last ↑ ↓	FairValue ↑ ↓	RSI ↑ ↓	20 SMA ② ↑ ↓	50 SMA ② ↑ ↓	100 SMA ② ↑ ↓	Mohanram ② ↑ ↓	Piotroski ② ↑ ↓	SV Rank ② ↑ ↓	Yield% ↑ ↓
AMD	Technology	10/10	\$120.94	0	60.74	\$118.88(1.73%)	\$102.61(17.86%)	\$94.11(28.51%)	5	7	1	%
AVGO	Technology	10/10	\$876.07	\$1,048.23(16.42%)	80.56	\$773.93(13.20%)	\$685.39(27.82%)	\$646.04(35.61%)	3	8	2	2.32%
CDNS	Technology	10/10	\$237.33	\$123.32(-92.45%)	64.96	\$224.70(5.62%)	\$215.13(10.32%)	\$205.27(15.62%)	6	7	2	%
CRM	Technology	10/10	\$212.21	\$187.25(-13.33%)	53.85	\$212.02(0.09%)	\$203.02(4.53%)	\$189.80(11.81%)	6	—	3	%
GE	Industrials	10/10	\$106.44	\$96.98(-9.75%)	63.13	\$102.71(3.63%)	\$99.49(6.98%)	\$92.08(15.59%)	1	5	5	0.32%
META	Communication Services	10/10	\$285.08	\$263.67(-8.12%)	79.17	\$262.86(8.45%)	\$240.63(18.47%)	\$211.53(34.77%)	—	—	—	%
NFLX	Communication Services	10/10	\$437.50	\$236.42(-85.05%)	82.13	\$396.40(10.37%)	\$357.43(22.40%)	\$345.54(26.61%)	4	—	5	%
NOW	Technology	10/10	\$569.53	\$477.21(-19.34%)	71.08	\$530.98(7.26%)	\$480.34(18.57%)	\$450.77(26.34%)	7	5	3	%
NVDA	Technology	10/10	\$433.28	\$130.24(-232.68%)	74.48	\$374.00(15.85%)	\$316.27(37.00%)	\$275.03(57.54%)	0	6	2	0.04%
ORCL	Technology	10/10	\$125.91	\$43.40(-190.12%)	87.41	\$107.30(17.34%)	\$100.22(25.63%)	\$93.97(33.99%)	5	3	4	1.65%
PHM	Consumer Cyclical	10/10	\$74.12	0	74.25	\$69.56(6.56%)	\$64.88(14.24%)	\$58.64(26.40%)	4	7	2	0.89%
RCL	Consumer Cyclical	10/10	\$95.78	\$78.80(-21.55%)	81.74	\$84.70(13.08%)	\$71.82(33.36%)	\$66.58(43.86%)	1	—	4	%
SNPS	Technology	10/10	\$444.58	\$271.27(-63.89%)	65.18	\$419.60(5.95%)	\$392.65(13.23%)	\$367.79(20.88%)	1	9	2	%
TDG	Industrials	10/10	\$820.00	\$250.37(-227.52%)	64.45	\$800.83(2.39%)	\$763.52(7.40%)	\$715.54(14.60%)	5	8	3	%
TSLA	Consumer Cyclical	10/10	\$260.93	\$303.36(13.99%)	83.48	\$193.20(35.06%)	\$182.92(42.65%)	\$183.12(42.49%)	4	7	1	%
WST	Healthcare	10/10	\$366.66	\$207.98(-76.29%)	59.03	\$351.01(4.46%)	\$347.81(5.42%)	\$302.12(21.36%)	0	8	2	0.22%
ALGN	Healthcare	9/10	\$328.85	\$215.89(-52.32%)	54.16	\$293.69(11.97%)	\$311.90(5.43%)	\$288.08(14.15%)	6	5	4	%
ANSS	Technology	9/10	\$334.31	\$108.89(-207.02%)	54.58	\$306.24(9.17%)	\$312.02(7.14%)	\$285.14(17.24%)	7	5	3	%
CPRT	Industrials	9/10	\$87.42	\$72.74(-20.18%)	61.31	\$86.60(0.95%)	\$80.18(9.03%)	\$72.63(20.36%)	—	7	2	%
NVR	Consumer Cyclical	9/10	\$5,948.51	0	55.38	\$5,786.10(2.81%)	\$5,590.19(6.41%)	\$5,214.91(14.07%)	1	7	2	%

## Momentum Screen

Scan Result: 20 Item(s) found														Tables	Overview	Technicals	Fundamentals	Performance	Performance Chart
Symbol ↑↓ ∇	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ② ↑↓	50 SMA ② ↑↓	100 SMA ② ↑↓	Mohanram ② ↑↓	Piotroski ② ↑↓	SV Rank ② ↑↓	Yield% ↑↓							
ADBE	Technology	10/10	\$499.35	\$483.12(-3.36%)	71.16	\$389.72(28.13%)	\$377.99(32.11%)	\$367.37(35.93%)	6	7	3								
AVGO	Technology	10/10	\$876.07	\$1,048.23(16.42%)	80.56	\$773.93(13.20%)	\$685.39(27.82%)	\$646.04(35.61%)	3	8	2	2.32%							
GWV	Industrials	10/10	\$741.55	\$645.02(-14.97%)	69.57	\$684.28(8.37%)	\$675.58(9.76%)	\$647.42(14.54%)	5	6	2	1.14%							
KLAC	Technology	10/10	\$472.70		69.79	\$420.62(12.38%)	\$396.11(19.33%)	\$395.67(19.47%)	5	7	3	1.12%							
MLM	Materials	10/10	\$426.80	\$294.68(-44.84%)	74.07	\$411.65(3.68%)	\$379.92(12.34%)	\$366.69(16.39%)	3	4	4	0.65%							
MPWR	Technology	10/10	\$521.56	\$484.63(-7.62%)	59.90	\$478.59(8.98%)	\$473.27(10.20%)	\$446.25(16.88%)	7	6	3	0.80%							
NFLX	Communication Services	10/10	\$437.50	\$236.42(-85.05%)	82.13	\$396.40(10.37%)	\$357.43(22.40%)	\$345.54(26.61%)	4	—	5	%							
NOW	Technology	10/10	\$569.53	\$477.21(-19.34%)	71.08	\$530.98(7.26%)	\$480.34(18.57%)	\$450.77(26.34%)	7	5	3	%							
NVDA	Technology	10/10	\$433.28	\$130.24(-232.68%)	74.48	\$374.00(15.85%)	\$316.27(37.00%)	\$275.03(57.54%)	0	6	2	0.04%							
PH	Industrials	10/10	\$370.36	\$259.78(-42.57%)	71.37	\$342.68(8.08%)	\$332.06(11.53%)	\$328.94(12.59%)	6	9	3	1.65%							
TDG	Industrials	10/10	\$820.00	\$250.37(-227.52%)	64.45	\$800.83(2.39%)	\$763.52(7.40%)	\$715.54(14.60%)	5	8	3	%							
TSLA	Consumer Cyclical	10/10	\$260.93	\$303.36(13.99%)	83.48	\$193.20(35.06%)	\$182.92(42.65%)	\$183.12(42.49%)	4	7	1	%							
BKNG	Consumer Cyclical	8/10	\$2,669.51		54.84	\$2,635.52(1.29%)	\$2,637.70(1.21%)	\$2,564.48(4.10%)	2	6	3	%							
ROK	Industrials	8/10	\$316.98	\$130.81(-142.32%)	65.16	\$279.85(13.27%)	\$281.73(12.51%)	\$276.12(14.80%)	—	5	3	1.69%							
SPGI	Financial	8/10	\$397.57	\$256.86(-54.78%)	74.80	\$371.52(7.01%)	\$355.79(11.74%)	\$354.38(12.19%)	6	8	3	1.00%							
CAT	Industrials	7/10	\$246.79	\$261.18(5.51%)	72.56	\$221.30(11.52%)	\$218.75(12.82%)	\$228.76(7.88%)	1	7	3	%							
URI	Industrials	7/10	\$406.80		69.72	\$359.61(13.12%)	\$359.61(13.12%)	\$393.75(3.31%)	3	8	3	1.74%							
PAYC	Technology	6/10	\$320.14	\$225.40(-42.03%)	67.72	\$294.47(8.72%)	\$289.45(10.60%)	\$302.51(5.83%)	1	8	3	0.49%							
POOL	Consumer Cyclical	6/10	\$358.63		62.12	\$334.44(7.23%)	\$337.77(6.18%)	\$341.74(4.94%)	0	7	2	1.20%							
REGN	Healthcare	6/10	\$783.24		59.40	\$749.60(4.49%)	\$782.04(0.15%)	\$764.24(2.49%)	4	6	3	%							

## Technically Strong With Dividends

Scan Result: 6 Item(s) found													
Tables													
Overview Technicals Fundamentals Performance Performance Chart													
Symbol ↑↓	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ↑↓	50 SMA ↑↓	100 SMA ↑↓	Mohanram ↑↓	Piotroski ↑↓	SV Rank ↑↓	Yield%	
ABB	Industrials	9/10	\$37.13	\$14.84(-150.20%)	72.11	\$37.37(-0.64%)	\$36.00(3.14%)	\$34.60(7.31%)	4	7	3	2.48%	
NXPI	Technology	9/10	\$197.99		68.12	\$177.64(11.46%)	\$173.96(13.81%)	\$176.86(11.95%)	6	7	2	2.24%	
CMCSA	Communication Services	8/10	\$41.43	\$57.02(27.34%)	64.12	\$40.16(3.16%)	\$38.46(7.72%)	\$38.13(8.65%)	5	8	4	2.89%	
MCD	Consumer Cyclical	7/10	\$295.43	\$162.03(-82.33%)	58.67	\$287.76(2.67%)	\$288.98(2.23%)	\$277.44(6.48%)	5	9	3	2.16%	
MDLZ	Consumer Goods	7/10	\$74.03	\$46.62(-58.79%)	44.15	\$74.64(-0.82%)	\$74.05(-0.03%)	\$69.93(5.86%)	5	7	3	2.13%	
SAN	Financial	7/10	\$3.49		51.32	\$3.41(2.35%)	\$3.60(-3.06%)	\$3.41(2.35%)	4	7	4	3.53%	

## SimpleVisor Portfolio Changes

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

### June 14th

*"The health insurers are selling off markedly this morning as the CEO of UNH said, ?We're seeing that more seniors are just more comfortable accessing services for things that they might have pushed off a bit like knees and hips.?"*

*Insurers, like UNH, Humana, and CVS, are trading off, while medical device companies are rising. As a result, we are adjusting our equity healthcare exposure. We sold our position in United Healthcare (UNH) to reduce our exposure to insurers while maintaining our holding in CVS (CVS). We also increased our stake in Abbott Laboratories (ABT) and opened a new position in Stryker Medical (SYK), which is a medical devices company. Stryker will also benefit from advances in AI technology.*

*In the ETF Model we are selling 2% of the iShares Healthcare Sector ETF (XLV) and swapping into a 2% position of iShares US Medical Devices ETF (IHI).*

*Our net exposure to healthcare is not changing."*

### Equity Model

- Sell 100% of United Healthcare (UNH)
- Add 1% of the portfolio to the existing Abbott (ABT) position.
- Initiate a new 2% portfolio position in Stryker Medical (SYK).

### ETF Model

- Sell 2% of the portfolio in the iShares Healthcare Sector (ETF)
- Initiate a 2% position in the iShares US Medical Devices ETF (IHI)

### June 15th

*"This morning, we shifted 5% from BIL to SHY (1-3yr UST). With the Fed approaching its terminal rate for the cycle and odds increasing that they start lowering rates aggressively over the next two years, we want to get the 4.70% two-year yield with the possibility of earning a few percent in principal gains as well. BIL will yield a little more over the shorter term, but that will likely come down over time with zero principal gains."*

### Both Models



- *Sell 5% Of The Portfolio Value Of The SPDR Barclay's 1-3 Month Treasury Bill ETF (BIL)*
  - *Add 5% Of The Portfolio Value To The Existing iShares 1-3 YEAR Treasury Bill ETF (SHY)*
- 



## Looking for the 401k Plan Manager?

Find it in the Retirement section  
of our website.

[> Learn more](#)

---

*Lance Roberts, C.I.O.*

Have a great week!