

Inside This Week's Bull Bear Report

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Market Review And Update

[Last week's newsletter](#) discussed the ongoing bullish trend of the market. To wit:

"The current bullish stampede is very similar to what we saw from March to July last year. At that time, it was the chase for "A.I." that was driving the market while the majority of stocks dragged. The market remained overbought, trading in a defined trend channel as prices advanced. Then, the markets corrected by 10% into October, which is typical for any given year."

Today, we again see that same "unstoppable advance" with the same bifurcation in the market. While the "Magnificent 7" stocks again drive the markets, another 5-10% correction over the next several months should be no surprise. Such is particularly the case as we approach the upcoming Presidential election, where market participants may want to reduce exposure to offset potential election risks."

That unstoppable advance, driven by the mega-capitalization stocks on Friday, topped [the psychological 5000 level](#) on the index. With the strong momentum carrying that particular group of stocks, the index will likely try to push higher over the next few days. However, as shown, the market is back to more extreme overbought levels, and bullish sentiment has reached "greed."



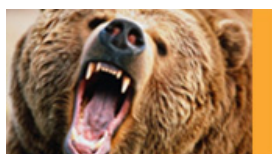
Most notably, the deviation between the index and the 200-DMA is getting rather extreme, which has typically preceded short-term corrections. As discussed in this week's newsletter, those extensions and deteriorating internals suggest we should begin rebalancing portfolio risk.

While we are highly confident that a correction is coming, the timing of that event is uncertain. As such, we must maintain exposure to garner performance while we can. However, once signals are triggered, we will become more aggressive in the risk reduction process.

Let's take a look at the market internals.

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Investor's Sentiment Is So Bullish It's Getting Bearish

Bullish sentiment has surged as the *"Fear Of Missing Out,"* or *FOMO*, kicked in in recent weeks. It is somewhat interesting to write this post, given that we discussed the exact [opposite last October](#).

*"Notably, those 'high [earnings] beat rates' get support from the **more negative short-term sentiment and reduced equity allocations by professional managers during the summer.**"*

At that time, investors' sentiment was negative, and technical conditions were extremely oversold. Such provided the perfect cocktail for a substantial rally into year-end.

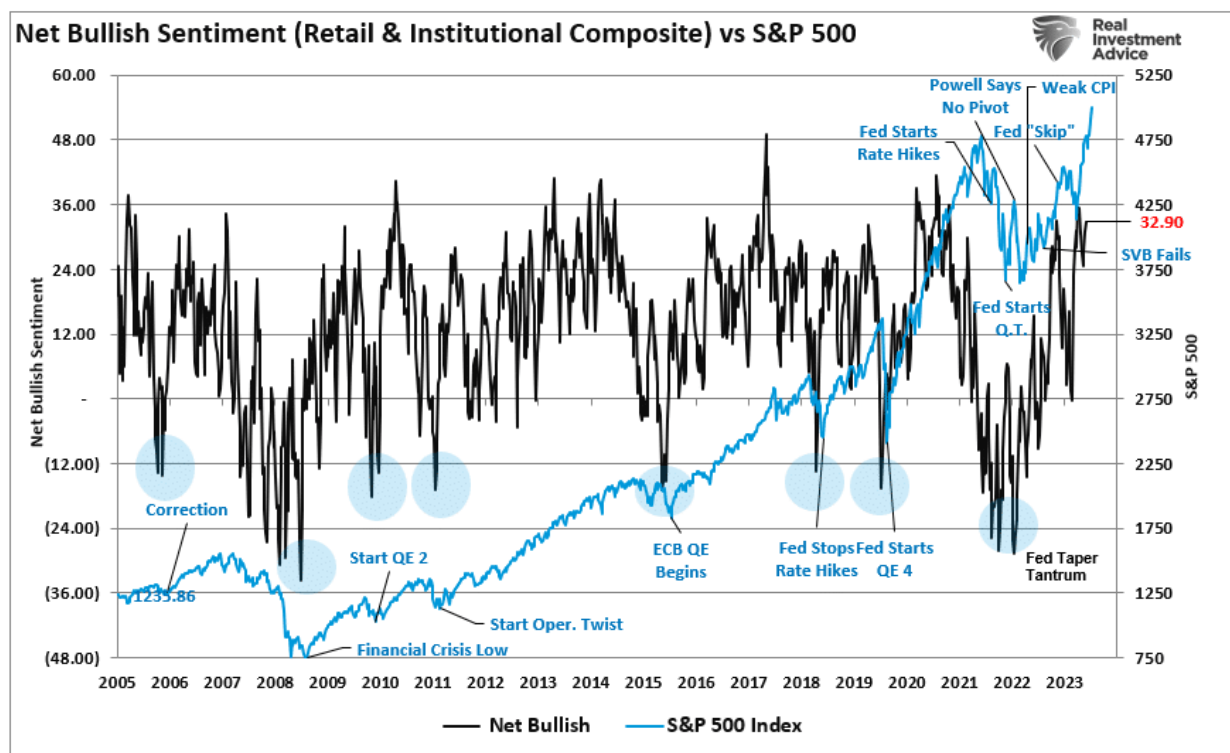
Since November, however, the surge in asset prices has swiftly turned that negative investor sentiment bullish. Such presents a problem for investors as rising asset prices create a need to chase returns. Such is the basis of the "*Fear of Missing Out*" or *F.O.M.O.* However, such is also the point where investors, given the need to avoid "*buying high and selling low*," should reevaluate the risks of being overly exposed to equity risk.

One of the most challenging things to do is go *against* the prevailing bias regarding investing. Such is known as contrarian investing. One of the most famous contrarian investors is Howard Marks, who once stated:

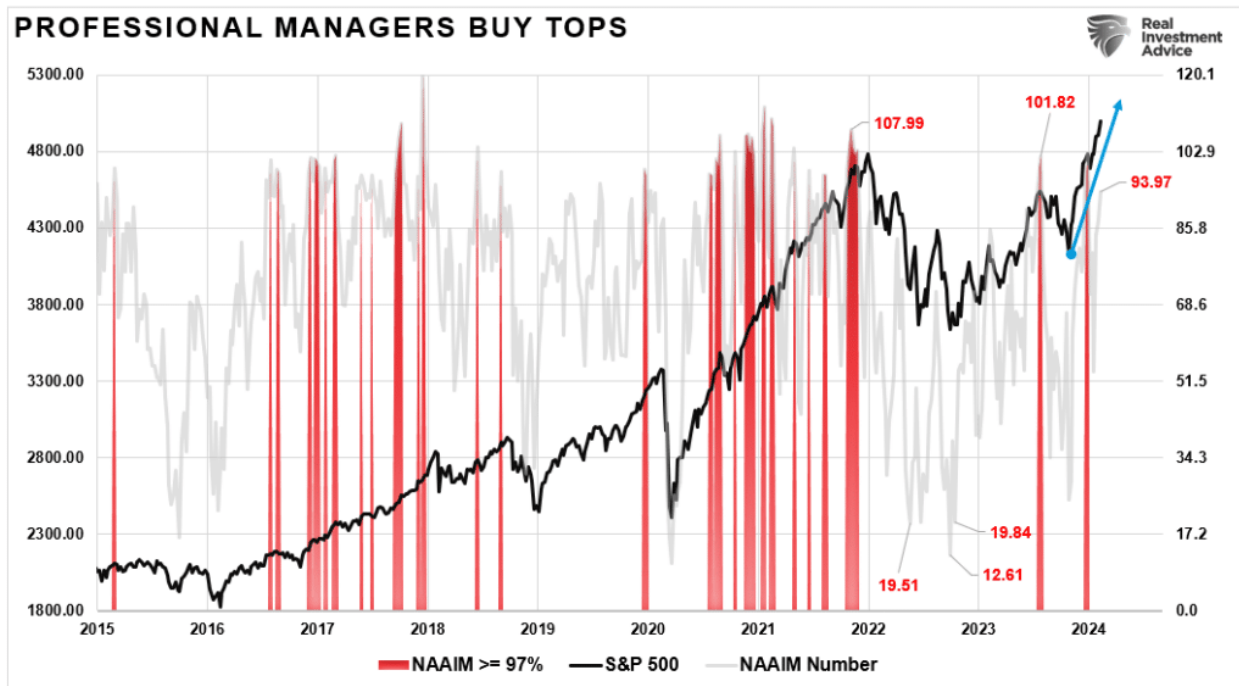
*?Resisting ? and thereby achieving success as a contrarian ? isn't easy. Things combine to make it difficult; **including natural herd tendencies and the pain imposed by being out of step, particularly when momentum invariably makes pro-cyclical actions look correct for a while.***

*Given the uncertain nature of the future, and thus the difficulty of being confident your position is the right one ? especially as price moves against you ? **it's challenging to be a lonely contrarian.***

The chart below from that post shows the composite investors' sentiment index. That index combines retail and institutional investor sentiment. Extremely low readings, like last October, are coincident with market bottoms. Conversely, extremely high readings, as we see currently, have corresponded to previous market peaks and corrections.



Also, professional managers are aggressive adding to risk exposures. The current angle of ascent in the market since November is incredibly sharp. While such parabolic moves are not uncommon, they are ultimately unsustainable.

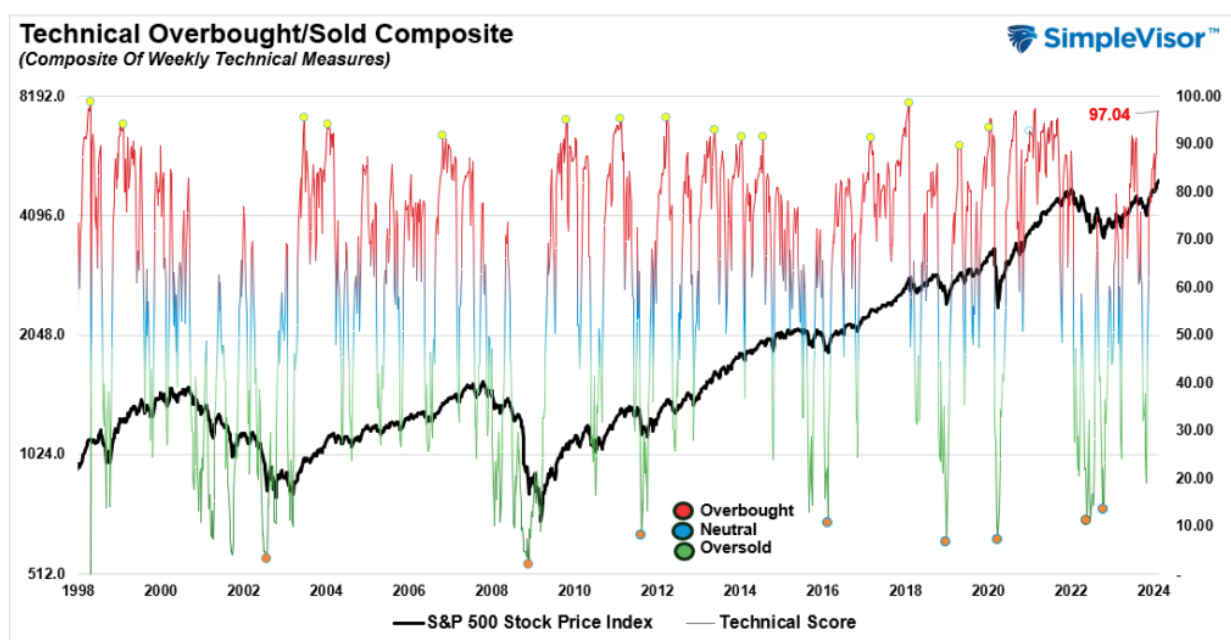


The conclusion is that there is a high possibility of the market doing something no one expects. Other indicators suggest the risk of a reversal has risen.

Technical Warnings Are Increasing

We noted in ["S&P Set To Hit 5000"](#) that technical indicators were reaching more extreme levels.

"Furthermore, our composite gauge of weekly technical indicators has already reached more extreme levels. Historically, we are close to a peak when this gauge exceeds 90 (scale is 0 to 100). As is always the case, the resolution of more extreme bullish sentiment and technical price extensions is through a short-term reversal. However, such does not mean that the market won't hit 5000 first, as we suspect it will."



This more extreme increase in technical overbought conditions is also evident across other measures. Sentimentrader.com recently made the same observations in their research.

*"Recently, we saw that there have been some technical warning signs on the Nasdaq. Among those are the Hindenburg Omen and Titanic Syndrome, which have been stacking up lately. If you can get past the hyperbolic names, they provide helpful insight into what's happening below the surface of the major stock market indexes. **When these signals trigger, they highlight conditions when not everything is in gear. And they've both been triggering consistently on the Nasdaq over the past few weeks.**"*

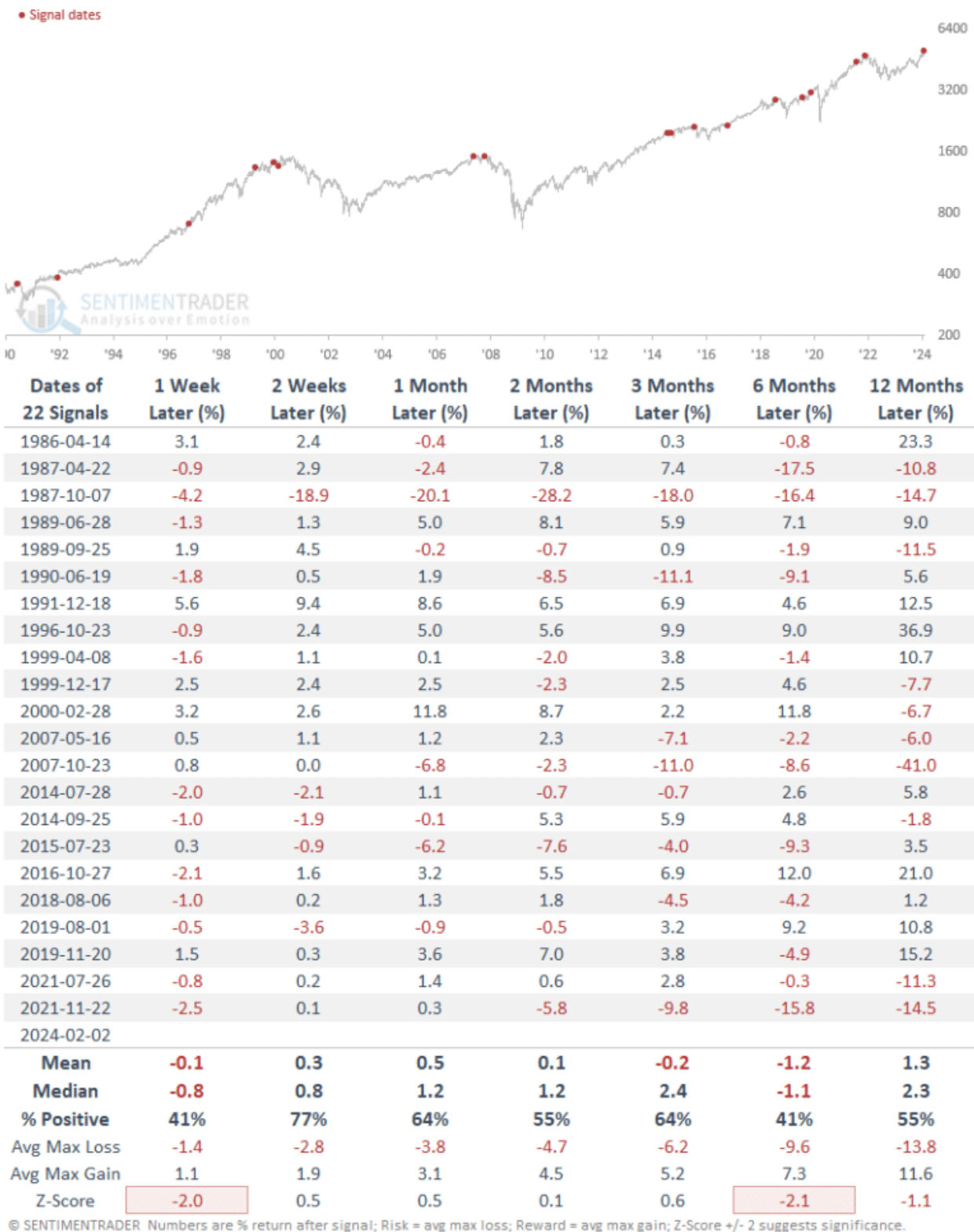
During the past three weeks, the two indicators have triggered a combined eight signals. That's the most since December 2021. We can see from the chart below that when eight or more signals were triggered, the Nasdaq Composite's annualized return was a horrid -29.3%."

Technical warnings are stacking up on the Nasdaq



Given the high degree of similar holdings in both the Nasdaq and the S&P 500, it is unsurprising that returns in the S&P 500 were similarly weak after combined technical signals were triggered.

S&P 500 after Nasdaq combined technical warnings cycles from 0 to 8



While investors' sentiment remains bullish, it continues to be driven by a narrower participation in the market overall. Within the S&P 500, fewer and fewer stocks have been participating in its most recent gains. The percentage of stocks within the index holding above their 20-day, 50-day, and 200-day moving averages has decreased for weeks. Such declines or negative divergences usually precede corrective events in the market.



As Sentimentrader.com concludes:

"The results were not encouraging for bulls. Across almost all time frames, the S&P's returns were woeful, consistently negative, and with a terrible ratio of risk to reward. Buyers shrugged off the warnings in 1963 and 2017, but other than that, it was trouble."

The outlook for a continued bullish advance is not good between investor sentiment readings, technical extensions, and participation. The market needs a breather to reduce the speculative behavior and rebalance buyers and sellers. However, when that will occur and what triggers it remains anyone's guess.

The obvious question is if we see the troubling signs in the market, "**Why not sell and go to cash and wait for the correction?**"

It is a valid question. Timing is always the issue. Therefore, when the bulls are running, it is not wise to stand before the stampede. Remember, "*Markets can remain irrational longer than you can remain solvent.*"

Identifying The Turn

As portfolio managers, we have a responsibility to our clients to protect capital and generate returns for their financial futures. However, if we go to cash too soon, we negatively impact our client's future and suffer career risk. So, how can we do both?

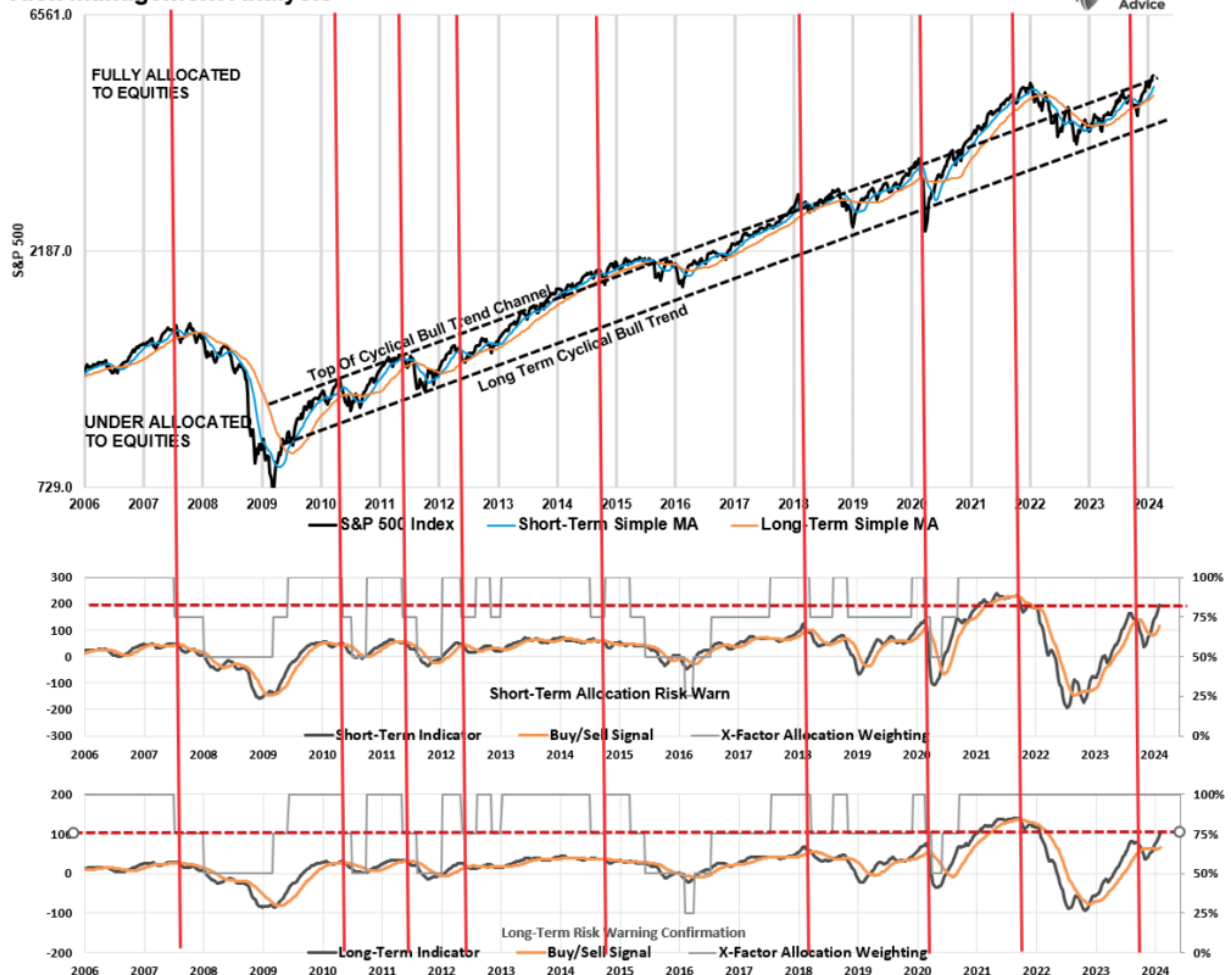
Currently, market trends are bullish with "*buy signals*" in place, suggesting that allocations should remain equity-biased for now.



However, the chart below is the most important. While daily indicators are excellent for short-term outlooks, weekly indicators, while slower to register signals, provide the needed data to evaluate the risk of a more meaningful corrective event. Here are the crucial points.

1. The markets remain confined to a relatively narrow trading range since the Financial Crisis lows. Previous breakouts above this trend eventually reverted to the lower bounds of that channel. The exception was the massive surge in the market following the pandemic-related stimulus payments, which led to an extreme deviation above that channel. The eventual reversion was the 2022 market correction.
2. The two lower panes are Moving Average Convergence Divergence (MACD) indicators. The top pane is a short-term average series, and the bottom is intermediate-term. The two indicators are because the longer-term series confirms the shorter-term to reduce false signals. Critically, when both indicators trigger a sell signal, such aligns with short- and intermediate-term corrective market actions as denoted by the red vertical lines.
3. Those two MACD indicators are currently at the highest levels outside the pandemic-stimulus-induced run-up in 2020 and 2021. Such suggests that the eventual reversion will likely be more significant than just normal pullback when it occurs.

Risk Management Analysis



While this analysis will NOT get us to significantly cut equity risk at precisely the peak of the market, it will provide a risk reduction signal early enough to avoid the bulk of the downturn. *(It also works in reverse to increase equity risk.)*

How We Are Trading It

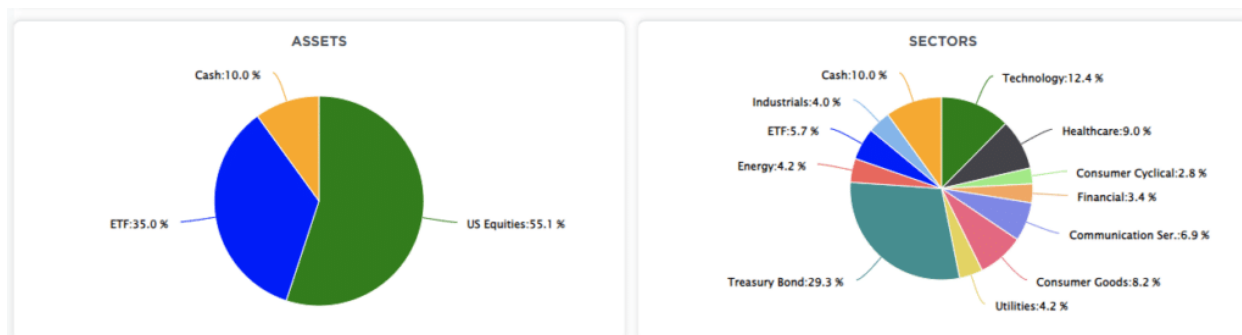
As noted above, what causes the market to break its bullish trajectory is entirely unknown. The 10% correction last year didn't have an overwhelming catalyst other than just disappointment the Federal Reserve might keep rates "higher for longer" than Wall Street wanted. That disappointment could be the Fed not cutting rates fast enough this year.

Whatever trigger causes a reversal in the bullish signals, we will act accordingly to reduce risk and rebalance exposures. But one thing is certain: investor sentiment is extremely bullish, which has almost always been a good "bearish signal" to be more cautious.

While we have warned of a potential correction over the past couple of weeks, it reminds us much of June and July last year, where similar warnings for a 10% correction went unheeded. As such, we will rebalance exposures next week by taking profits in some positions with significant gains for the year and adding to current positions where we are underweight. We suspect the current environment is much the same as 2022, and the bullish rally will go further to suck the last of the holdouts in. However, we want to make adjustments before the correction comes.

While it is not time to be overly bearish, we suggest reverting to basic portfolio management rules to reduce risks.

1. **Trim Winning Positions** back to their original portfolio weightings. (ie. Take profits)
2. **Sell Those Positions That Aren't Working.** If they don't rally with the market during a bounce, they will decline when it sells off again.
3. **Move Trailing Stop Losses Up** to new levels.
4. **Review Your Portfolio Allocation Relative To Your Risk Tolerance.** If you have an aggressive allocation to equities, consider raising cash levels and increasing fixed income accordingly to reduce relative market exposure.



Have a great week.

Research Report

Real Investment Daily



Housing Is Unaffordable. Dems Want To Make It Worse.

Written by Lance Roberts | Feb 9, 2024 | Investing

The cost of housing remains a hot-button topic with both Millennials and Gen-Z. Plenty of articles ...

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Bull Bear Report Market Statistics & Screens

SimpleVisor Top & Bottom Performers By Sector

Today's Top & Bottom Performer by Sector										Click on a Symbol to see details below									
Healthcare					Industrials					Technology					Consumer Cyclical				
EW	CI	CTLT	LLY	HUM	GW	ODFL	JBHT	HUBB	ROK	NVDA	AMD	ANET	MPWR	CDNS	AMZN	ETSY	NVR	CMG	AZO
8.98%	5.39%	2.2%	1.54%	1.19%	5.54%	4.66%	3.44%	3.43%	2.84%	4.65%	4.43%	3.92%	3.16%	1.99%	7.81%	5.01%	2.21%	1.7%	1.53%
MOH	ALGN	UNH	ABBV	DHR	CAT	TT	ETN	PH	PWR	ZBRA	UBER	MSFT	EPAM	SNPS	KMX	HLT	APTV	MAR	MGM
1.13%	1.09%	1.03%	1.02%	0.91%	2.61%	2.6%	2.58%	2.52%	2.35%	1.93%	1.92%	1.89%	1.8%	1.76%	1.25%	1.13%	1.07%	1.06%	1.04%
CAH	BDX	MRNA	VRTX	DGX	GD	HON	MAS	LMT	LHX	FFIV	HPQ	JKHY	MTCH	SWKS	NKE	BWA	TSCO	TSLA	AMCR
-1.87%	-1.89%	-1.99%	-2.04%	-2.06%	-0.49%	-0.51%	-0.51%	-0.55%	-0.65%	-0.65%	-0.66%	-0.73%	-1.36%	-1.81%	-0.57%	-0.58%	-0.65%	-0.68%	-0.69%
BIO	HOLX	TECH	RVTY	GEN	PNR	MMM	NSC	AOS	SWK	MCHP	QRVO	INTC	ENPH	FSLR	CZR	DPZ	IP	CCL	RCL
-2.25%	-3.19%	-3.52%	-3.84%	-14.21%	-1.08%	-1.11%	-1.29%	-1.5%	-1.5%	-1.86%	-1.93%	-2.09%	-3.35%	-3.81%	-0.82%	-1.83%	-1.96%	-1.99%	-2.89%
Financial					Consumer Goods					Utilities					Materials				
HIG	MKTX	RJF	CFG	SYF	CLX	DLTR	TGT	WMT	COST	CEG	NRG	AES	AWK	ES	VMC	MLM	STLD	DD	SHW
3.54%	2.76%	2.54%	2.36%	1.75%	5.57%	2.2%	1.58%	1.21%	1.13%	1.75%	1.47%	0.38%	-0.52%	-0.61%	1.99%	1.04%	0.98%	0.76%	0.56%
PNC	COF	AXP	ACGL	NTRS	LW	MDLZ	BG	HSY	DG	FE	AEP	ETR	PEG	SRE	MOS	DOW	LIN	ECL	APD
1.74%	1.7%	1.67%	1.59%	1.58%	0.8%	0.66%	0.54%	0.36%	0.32%	-0.72%	-0.85%	-0.86%	-0.91%	-1%	0.15%	0.1%	-0.07%	-0.15%	-0.16%
BEN	ZION	SPGI	NDAQ	ICE	CPB	MNST	K	MO	KDP	DTE	EVRG	NEE	D	LNT	IFF	FMC	CE	NUE	PPG
-0.2%	-0.36%	-0.41%	-0.43%	-0.51%	-0.61%	-0.66%	-0.69%	-0.7%	-0.92%	-1.54%	-1.57%	-1.58%	-1.63%	-1.78%	-0.46%	-0.5%	-0.54%	-0.78%	-0.78%
AIZ	IVZ	CBOE	AON	MSCI	ADM	MKC	TAP	CL	CHD	XEL	WEC	PNW	PCG	SO	CTVA	ALB	LYB	EMN	NEM
-0.99%	-1.52%	-1.74%	-2.01%	-2.04%	-1.02%	-1.22%	-1.33%	-1.86%	-1.95%	-1.82%	-1.85%	-1.87%	-2.02%	-2.32%	-1.07%	-1.73%	-1.83%	-2.49%	-3.57%
Real Estate					Energy					Communication Ser.									
DLR	CPT	MAA	IRM	EQIX	HES	CVX	BKR	FI	EGT	META	TTWO	GOOG	DIS	OMC					
0.99%	0.86%	0.25%	0%	-0.13%	3.46%	3.04%	1.46%	0.99%	0.84%	20.89%	0.7%	0.28%	0.21%	0.2%					
HST	PLD	UDR	SPG	CSGP	PSX	TRGP	VLO	XOM	PXD	VZ	IPG	TMUS	NWS	NFLX					
-0.31%	-0.46%	-0.58%	-0.65%	-0.72%	0.42%	0.31%	0.29%	0.21%	0.16%	-0.24%	-0.27%	-0.41%	-0.51%	-0.52%					
CBRE	VTR	PSA	AVB	AMT	COP	OXY	KMI	SLB	MRO	T	NWSA	LYV	EA	FOXA					
-1.58%	-1.67%	-1.73%	-1.75%	-1.84%	-0.18%	-0.21%	-0.23%	-0.34%	-0.42%	-0.64%	-0.68%	-1.19%	-1.45%	-1.68%					
O	PEAK	SBAC	CCI	BXP	DVN	FANG	APA	EOG	HAL	PARA	FOX	WBD	CMCSA	CHTR					
-1.84%	-2.18%	-2.19%	-2.26%	-2.7%	-0.71%	-1%	-1.14%	-1.2%	-1.35%	-1.79%	-1.83%	-2.06%	-3.02%	-16.2%					

S&P 500 Weekly Tear Sheet

3 Month SPY Price



SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	9.54%	23.12%	5.45%	(76.44%)
Max Drawdown	(24.66%)	(10.93%)	(2.22%)	(79.68%)
Sharpe	0.25	1.53	5.07	2.32
Sortino	0.41	2.44	7.60	2.11
Volatility	19.19	12.40	11.07	(0.11)
Daily VaR-5%	(22.57)	4.41	43.50	8.85
Mnthly VaR-5%	(29.27)	3.07	3.07	0.00

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	1.27%	1.52%	1.31%	(15.77%)	2.14%	1.20%	(38.64%)	9.48%
P/E Ratio	24.18	18.81	22.87	17.73%	29.44	16.71	(22.3%)	36.86%
P/S Ratio	4.49	3.57	4.22	15.19%	4.98	3.23	(15.36%)	30.54%
P/B Ratio	6.33	5.59	6.38	12.39%	6.76	4.30	(5.71%)	48.22%
ROE	29.55%	25.98%	25.67%	(1.22%)	29.55%	19.19%	(13.16%)	33.75%
ROA	6.72%	6.00%	6.10%	1.56%	6.72%	4.47%	(9.27%)	36.45%

Item	12-M Ago	Current	% Chg
Shares	3,707.4	3,608.3	(2.67%)
Sales	108,406	113,489	4.69%
SPS	29.2	31.5	7.56%
Earnings	19,191	18,420	(4.01%)
EPS TTM	5.7	5.6	(1.86%)
Dividend	1.6	1.7	6.67%

S&P 500 Asset Allocation

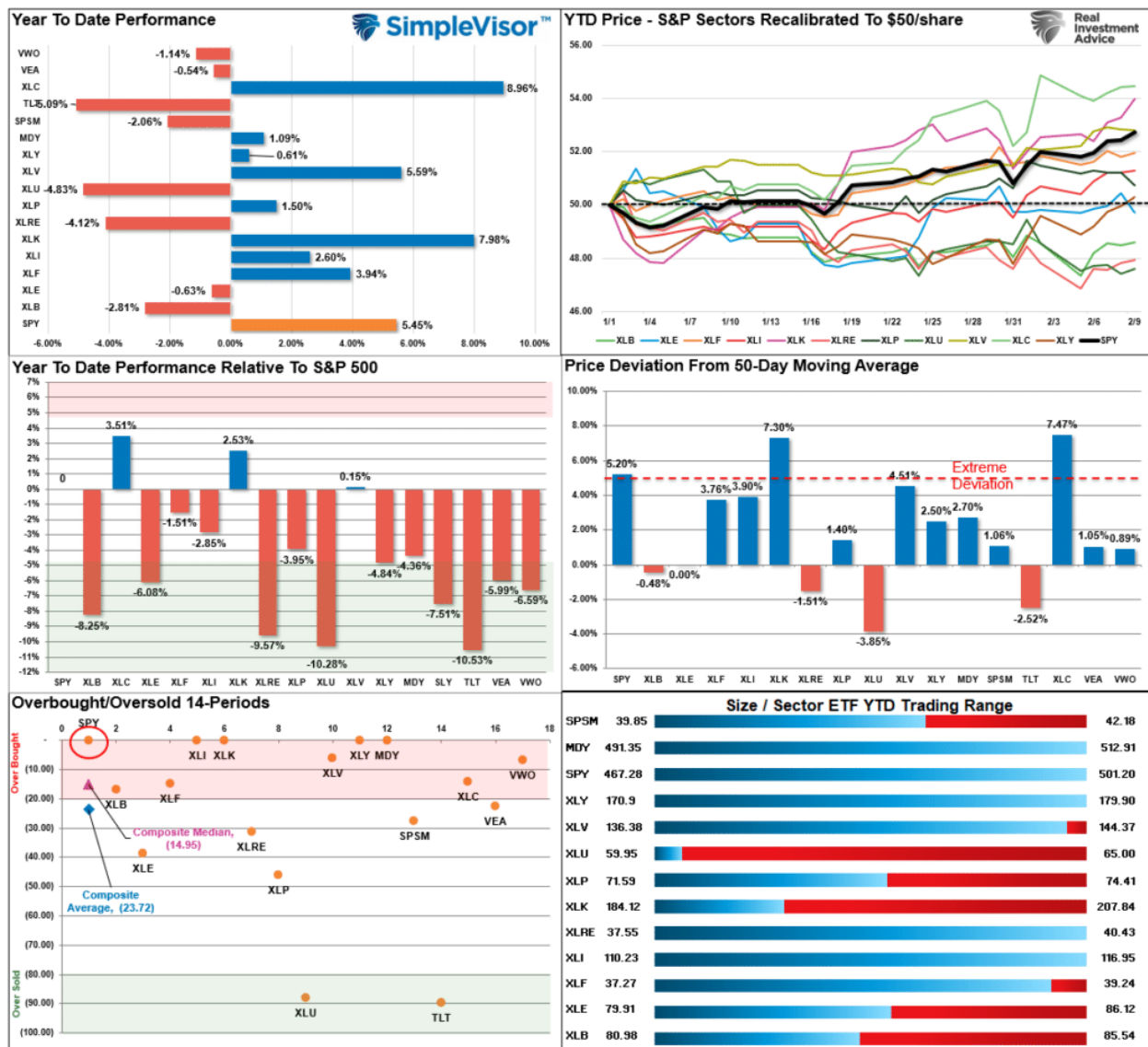
Sector	1 Year Price Return	Weight	Beta	P/E	P/E High-5yr (Mo.)	P/E Low-5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE
Energy	(5.44%)	3.71%	1.31	10.22	93.64	(357.54)	(89.1%)	19.6%	3.2%	9.63%	6.83	11.24
Materials	3.48%	2.23%	1.16	19.65	26.84	11.31	(26.8%)	12.4%	2.0%	5.44%	4.89	18.64
Industrials	10.44%	8.56%	1.15	21.45	60.96	16.82	(64.8%)	22.6%	1.5%	4.39%	6.69	19.70
Discretionary	25.88%	10.46%	1.44	30.30	71.65	24.50	(57.7%)	16.5%	0.7%	3.17%	5.25	25.12
Staples	(2.73%)	6.01%	0.59	19.78	22.79	18.47	(13.2%)	30.8%	2.6%	4.86%	4.68	19.58
Health Care	10.34%	12.74%	0.67	21.95	19.84	14.89	10.7%	24.7%	1.6%	4.72%	8.02	18.69
Financials	11.04%	12.86%	1.16	16.46	21.47	12.76	(23.3%)	12.6%	1.7%	6.03%	7.54	15.14
Technology	53.59%	29.87%	1.19	37.04	35.43	17.76	4.5%	65.2%	0.7%	2.69%	7.19	29.31
Telecom	52.99%	9.06%	0.98	22.71	28.38	15.42	(20.0%)	23.2%	0.5%	4.02%	5.96	18.60
Utilities	(9.31%)	2.13%	0.72	16.83	21.24	15.58	(20.8%)	10.6%	3.7%	5.99%	3.46	15.23
Real Estate	(3.64%)	2.30%	1.03	17.97	26.21	15.47	(31.4%)	6.6%	3.6%	5.59%	4.76	17.48

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	501.20	9.17%	476.77	50	5.12%	447.02	72	12.12%	6.66%	(0.09%)	31.67%	Buy
Mid Cap	512.91	6.81%	499.82	50	2.62%	473.61	61	8.30%	5.53%	(0.21%)	20.91%	Buy
Small Cap	41.31	6.63%	40.92	1	0.95%	38.54	51	7.19%	6.18%	(3.97%)	20.90%	Buy

Relative Performance Analysis

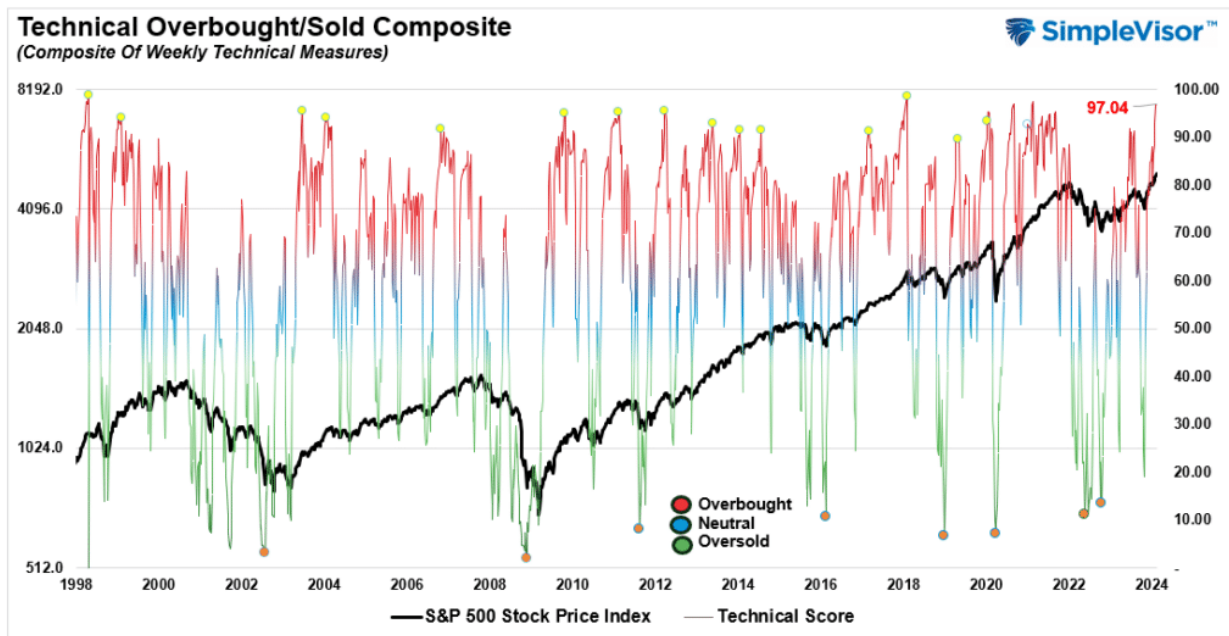
As noted last week, the "capitalization-weighted index" is overbought, but the composite index average and median are not. However, this week's higher surge is now bringing most sectors and markets toward overbought. With the market breaking above 5000, the psychological momentum could well push markets higher next week. However, the market advance remains narrow, with a broad swath of sectors and markets underperforming the benchmark index. As shown in the Risk-Range Report below, the market is well outside of its normal bands, suggesting some corrective relief is coming. It is advisable to rebalance risks in portfolios.



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.**

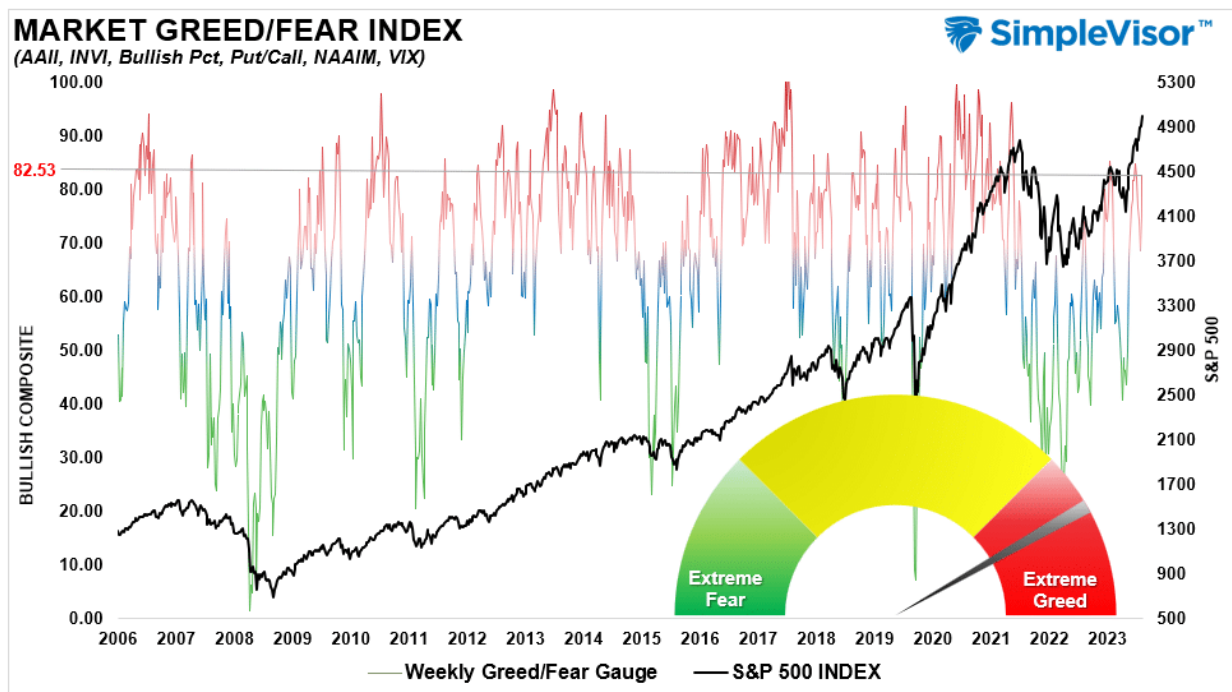
The current reading is 97.04 out of a possible 100.



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 82.53 out of a possible 100.



Relative Sector Analysis

Relative Analysis of Sectors against SPY

(click sector symbol for sector details including a relative analysis of its top ten holdings)

Utilities (XLU) -0.83 >>	Materials (XLB) -0.63 >>	Consumer Staples (XLP) -0.62 >>	Real Estate (XLRE) -0.60 >>	Energy (XLE) -0.49 >>	Financial (XLF) -0.34 >>
Transportation (XTN) -0.21 >>	Consumer Discretionary (XLY) -0.21 >>	Health Care (XLV) -0.18 >>	Industrials (XLI) -0.17 >>	Communication Services (XLC) 0.10 >>	Technology (XLK) 0.28 >>

Overbought - could be a good time to reduce holdings. **Oversold** - could be a good time to increase holdings

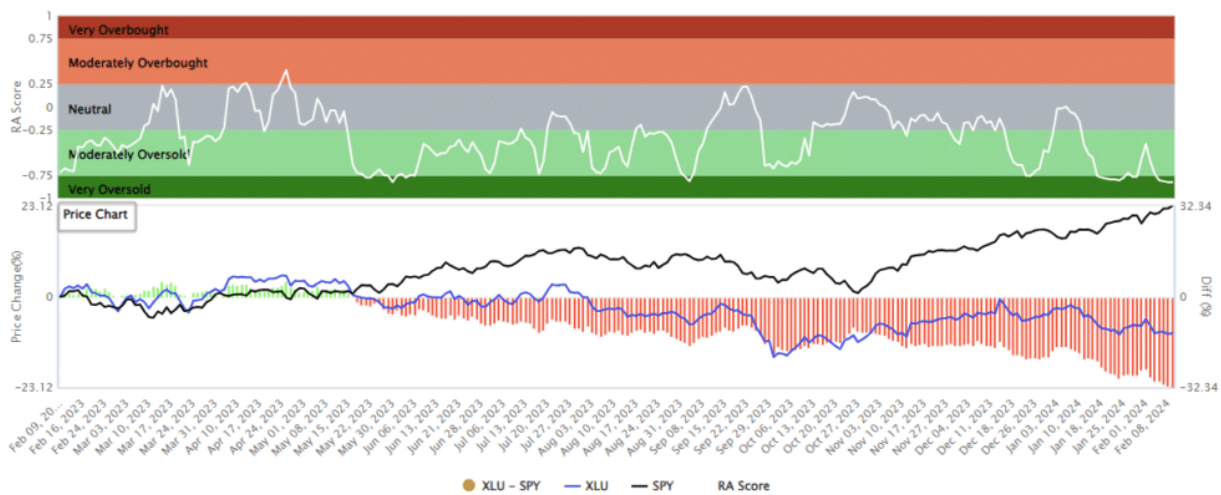
About Relative Analysis

This analysis uses the price ratio of two securities to establish a relative technical score. 13 technical measures are applied to the ratio to determine the score. The score tells us how one stock compares to another stock. We like to compare sector ETFs to the S&P 500 to help assess relative strength or weakness of the sectors.

Quite often scores of +.75 or greater are good times to reduce holdings and -.75 are good times to buy. However, scores can stay extremely overbought or sold for a few weeks so at times patience is required.

Most Oversold Sector Analysis

XLU (Utilities) / SPY - Analysis



Description

In seeking to track the performance of the index, the fund employs a replication strategy. It generally invests substantially all, but at least 95%, of its total assets in the securities comprising the index. The index includes securities of companies from the following industries: electric utilities; water utilities; multi-utilities; independent power and renewable electricity producers; and gas utilities. The fund is non-diversified.

Latest Price (Jan 20, 1970, 12:18:32 PM)

\$60.27 ▲ (\$0.23) (0.38%)

Last Close

\$60.04

Open

\$59.87

Volume

14,614,474

Annual Div.

\$1.95

52 Week Range

\$54.77

Day Range

\$59.75

Avg. Volume (3m)

N/A

Div. Yield

3.25%

Symbol	Name	Holdings
NEE	NextEra Energy Inc	13.22%
SO	Southern Co	8.33%
DUK	Duke Energy Corp	8.12%
SRE	Sempra	4.95%
AEP	American Electric Power Co Inc	4.52%
CEG	Constellation Energy Corp	4.28%
D	Dominion Energy Inc	4.21%
PCG	PG&E Corp	3.96%
EXC	Exelon Corp	3.81%
XEL	Xcel Energy Inc	3.63%

AEP/	CEG/	D/	EXC/	PCG/	XEL/	DUK/	SRE/	NEE/	SO/	XLU/	
0.00	0.74	0.00	-0.16	-0.26	0.01	0.02	-0.03	-0.41	0.04	0.13	AEP
-0.74	0.00	-0.80	-0.82	-0.81	-0.78	-0.77	-0.70	-0.71	-0.73	-0.74	CEG
0.00	0.80	0.00	-0.17	-0.27	-0.07	-0.02	-0.10	-0.24	0.00	0.32	D
0.16	0.82	0.17	0.00	0.01	0.17	0.02	0.18	-0.11	0.19	0.29	EXC
0.26	0.81	0.27	-0.01	0.00	0.32	0.10	0.20	-0.06	0.10	0.39	PCG
-0.01	0.78	0.07	-0.17	-0.32	0.00	-0.04	-0.04	-0.34	0.10	0.25	XEL
-0.02	0.77	0.02	-0.02	-0.10	0.04	0.00	-0.04	-0.09	0.06	0.27	DUK
0.03	0.70	0.10	-0.18	-0.20	0.04	0.04	0.00	-0.27	-0.03	0.17	SRE
0.41	0.71	0.24	0.11	0.06	0.34	0.09	0.27	0.00	0.29	0.45	NEE
-0.04	0.73	0.00	-0.19	-0.10	-0.10	-0.06	0.03	-0.29	0.00	0.13	SO
-0.13	0.74	-0.32	-0.29	-0.39	-0.25	-0.27	-0.17	-0.45	-0.13	0.00	XLU

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 Crossover) 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:

"The deviations of those leading sectors are becoming significantly deviated from their long-term moving averages. The last time we saw double-digit deviations like this was heading into 2022. However, most sectors and markets have bullish trends with moving-average crossovers. Such suggests higher prices for now, but realize that eventually this will reverse."

The market's bullish momentum continued this past week, pushing the broad market above 5000 and well outside its normal risk range. Such was again a function of the mega-capitalization stocks, which are well outside their ranges and deviated above long-term moving averages. Some profit-taking is advised to rebalance risk exposures as a corrective process is coming. It is only a matter of timing.

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		PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	503.65	1.40	5.15	11.23	13.84	22.85	473.55	453.79	465.20	1.00	497.33	473.07	0%	11%	BULLISH
XLB	SPDR-MATLS SELS	83.14	(1.34)	(5.53)	(7.66)	(10.95)	(21.50)	82.88	81.47	82.21	1.09	85.16	79.26	0%	2%	BULLISH
XLK	SPDR-COMM SV SS	79.17	(2.11)	2.11	1.75	7.25	21.20	72.93	68.93	75.88	1.01	78.55	73.21	0%	15%	BULLISH
XLE	SPDR-EGY SELS	83.31	(1.65)	(4.39)	(12.86)	(18.73)	(30.50)	83.56	85.43	83.41	1.26	86.54	80.28	0%	-2%	BEARISH
XLFI	SPDR-FINL SELS	39.08	(1.14)	(1.22)	0.39	1.13	(15.76)	37.10	35.12	38.76	1.08	40.15	37.37	5%	11%	BULLISH
XLK	SPDR-TECH SELS	207.84	1.37	2.96	2.46	9.35	25.20	191.54	178.59	197.68	1.15	204.89	190.47	9%	16%	BULLISH
XLH	SPDR-INDU SELS	116.95	(0.21)	(0.84)	(0.50)	(4.07)	(8.35)	111.04	107.32	112.89	1.09	116.94	108.84	5%	9%	BULLISH
XLP	SPDR-CONS STPL	73.11	(2.83)	(4.73)	(6.03)	(12.89)	(22.66)	71.64	71.70	72.92	0.59	75.17	70.67	2%	2%	BEARISH
XLRE	SPDR-RE SELS	38.41	(1.14)	(8.01)	(4.45)	(8.47)	(27.12)	38.39	36.97	38.13	0.90	39.42	36.84	0%	4%	BULLISH
XLU	SPDR-UTIL SELS	60.27	(3.38)	(9.37)	(14.48)	(19.12)	(33.84)	62.58	62.90	61.45	0.57	63.33	59.57	-4%	-4%	BEARISH
XLV	SPDR-HLTH CR	144.01	0.03	(2.67)	1.05	(5.90)	(14.16)	135.98	133.09	140.38	0.66	144.81	135.95	0%	8%	BULLISH
XLV	SPDR-CONS DISCR	179.90	0.06	(1.74)	(3.60)	(4.59)	(1.42)	173.80	168.84	170.92	1.21	177.25	164.59	4%	7%	BULLISH
XTN	SPDR-SP TRANSPT	83.07	1.67	(0.74)	1.88	(8.45)	(15.89)	79.37	78.90	78.59	1.34	81.61	75.57	5%	5%	BULLISH
SDY	SPDR-SP DIV ETF	123.33	(2.05)	(6.05)	(6.72)	(11.88)	(25.64)	122.42	120.61	123.53	0.87	127.70	119.36	1%	2%	BULLISH
RSP	INVS-SPS EQ ETF	158.93	(0.90)	(3.31)	(2.00)	(5.88)	(17.57)	153.70	149.08	156.46	1.06	162.04	150.88	3%	7%	BULLISH
SPSM	SPDR-PRT SC	41.31	(0.02)	(3.51)	(1.46)	(6.01)	(20.85)	40.14	38.79	40.50	1.13	41.97	39.03	3%	0%	BULLISH
MDY	SPDR-SP MC 400	512.91	0.17	(2.19)	(0.53)	(5.10)	(16.29)	491.76	477.14	486.56	1.12	516.59	480.53	4%	7%	BULLISH
EEM	ISHARS-EMG MKT	39.58	1.01	(4.19)	(10.68)	(12.12)	(24.37)	39.26	39.12	38.39	0.75	39.64	37.14	1%	1%	BULLISH
EFA	ISHARS-EAFE	75.30	(1.20)	(4.85)	(6.43)	(6.52)	(16.30)	73.85	71.86	75.01	0.88	77.55	72.47	2%	5%	BULLISH
IAU	ISHARS-GOLD TR	38.32	(1.89)	(6.25)	(9.05)	(8.16)	(14.45)	38.33	37.20	38.49	0.20	39.53	37.45	0%	3%	BULLISH
GDX	VANECK-GOLD MNR	26.97	(5.14)	(14.35)	(16.37)	(18.80)	(31.80)	29.46	29.28	27.94	0.95	28.90	26.98	-8%	-8%	BEARISH
UUP	INVS-OB USS BU	27.99	(1.22)	(3.19)	(15.71)	(17.36)	(22.82)	28.22	28.69	27.83	(0.20)	28.47	27.19	-1%	-2%	BEARISH
BOND	PIMCO-ACTV BOND	91.22	(2.21)	(6.50)	(8.50)	(12.01)	(24.27)	91.11	89.94	92.42	0.23	94.94	89.90	0%	1%	BULLISH
TLT	ISHARS-20+YTB	93.85	(3.71)	(7.92)	(7.00)	(15.28)	(32.08)	95.01	94.32	96.66	0.18	99.25	94.07	-1%	0%	BULLISH
BNX	VANGD-TTL INT B	48.62	(1.80)	(6.13)	(11.73)	(13.57)	(22.30)	49.21	48.63	49.08	0.17	50.39	47.77	-1%	0%	BULLISH
HYG	ISHARS-IBX HYCB	77.36	(1.18)	(5.59)	(7.77)	(10.16)	(19.40)	76.62	75.10	77.48	0.45	79.76	75.20	1%	3%	BULLISH



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
- Fundamental & Technical Strength W/ Dividends

(Click Images To Enlarge)

R.S.I. Screen

Scan Result: 20 Item(s) found													
Tables													
OverviewTechnicalsFundamentalsPerformance													
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%	
↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓
ALL	Financial	10/10	\$160.03	\$183.06(12.58%)	75.38	\$155.67(2.80%)	\$146.88(8.95%)	\$134.57(18.92%)	6	5	5	2.63%	
AMD	Technology	10/10	\$172.48	\$117.35(-46.98%)	56.51	\$168.55(2.33%)	\$148.60(16.07%)	\$127.82(34.94%)	5	7	1	%	
ANET	Technology	10/10	\$282.45	\$153.36(-84.17%)	65.65	\$263.21(7.31%)	\$243.32(16.08%)	\$219.84(28.48%)	1	6	1	%	
AVGO	Technology	10/10	\$1,283.44	\$1,206.45(-6.38%)	68.51	\$1,197.24(7.20%)	\$1,105.54(16.09%)	\$990.96(29.51%)	3	8	2	1.90%	
BLDR	Industrials	10/10	\$185.33		67.79	\$173.12(7.05%)	\$162.78(13.85%)	\$142.22(30.31%)	4	8	1	%	
CMG	Consumer Cyclical	10/10	\$2,638.35	\$1,091.69(-141.68%)	76.86	\$2,391.44(10.32%)	\$2,313.10(14.06%)	\$2,132.32(23.73%)	1	7	3	%	
CRM	Technology	10/10	\$291.30	\$207.31(-40.51%)	70.37	\$280.65(3.79%)	\$265.91(9.55%)	\$237.44(22.68%)	6	—	3	%	
EXPE	Consumer Cyclical	10/10	\$131.11		67.60	\$150.81(-13.06%)	\$148.18(-11.52%)	\$127.93(2.49%)	1	8	3	%	
FICO	Technology	10/10	\$1,323.81	\$338.00(-291.66%)	69.54	\$1,248.58(6.03%)	\$1,182.84(11.92%)	\$1,052.77(25.75%)	—	7	3	%	
IT	Technology	10/10	\$463.52	\$158.80(-191.89%)	50.46	\$460.74(0.60%)	\$450.14(2.97%)	\$409.29(13.25%)	6	7	3	%	
META	Communication Ser.	10/10	\$468.11	\$519.32(9.86%)	77.22	\$404.96(15.59%)	\$367.06(27.53%)	\$340.96(37.29%)	—	—	—	%	
MPWR	Technology	10/10	\$752.31	\$510.22(-47.45%)	74.61	\$623.32(20.69%)	\$605.75(24.19%)	\$539.33(39.49%)	7	6	3	0.64%	
NOW	Technology	10/10	\$812.94	\$589.94(-37.80%)	72.58	\$762.70(6.59%)	\$721.54(12.67%)	\$653.66(24.37%)	7	5	3	%	
NRG	Utilities	10/10	\$52.37		50.28	\$52.70(-0.63%)	\$50.81(3.07%)	\$46.38(12.92%)	4	6	3	2.96%	
NVDA	Technology	10/10	\$721.33	\$262.69(-174.59%)	79.61	\$617.67(16.78%)	\$538.41(33.97%)	\$493.28(46.23%)	0	6	2	0.03%	
PANW	Technology	10/10	\$376.90	\$243.49(-54.79%)	76.48	\$341.46(10.38%)	\$314.48(19.85%)	\$280.46(34.39%)	5	4	3	%	
RL	Consumer Cyclical	10/10	\$175.01	\$135.05(-29.59%)	84.45	\$143.96(21.57%)	\$140.83(24.27%)	\$127.78(36.96%)	3	8	1	2.10%	
UBER	Technology	10/10	\$70.91	\$14.27(-396.92%)	75.33	\$66.16(7.18%)	\$62.63(13.22%)	\$54.89(29.19%)	2	3	3	%	
URI	Industrials	10/10	\$650.35		64.82	\$609.47(6.71%)	\$564.26(15.26%)	\$501.49(29.68%)	3	8	3	1.00%	
WDC	Technology	10/10	\$56.82	\$21.75(-161.24%)	57.36	\$56.37(0.80%)	\$52.47(8.29%)	\$48.44(17.30%)	5	7	3	%	

Momentum Screen

Scan Result: 20 Item(s) found													
Tables													
OverviewTechnicalsFundamentalsPerformance													
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%	
↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓	↑ ↓
AVGO	Technology	10/10	\$1,283.44	\$1,206.45(-6.38%)	68.51	\$1,197.24(7.20%)	\$1,105.54(16.09%)	\$990.96(29.51%)	3	8	2	1.90%	
BKNG	Consumer Cyclical	10/10	\$3,758.18		77.04	\$3,563.26(5.47%)	\$3,455.15(8.77%)	\$3,227.67(16.44%)	2	6	3	%	
CMG	Consumer Cyclical	10/10	\$2,638.35	\$1,091.69(-141.68%)	76.86	\$2,391.44(10.32%)	\$2,313.10(14.06%)	\$2,132.32(23.73%)	1	7	3	%	
COST	Consumer Goods	10/10	\$723.40	\$410.43(-76.25%)	77.05	\$694.68(4.13%)	\$655.94(10.28%)	\$604.35(19.70%)	5	8	3	0.73%	
FICO	Technology	10/10	\$1,323.81	\$338.00(-291.66%)	69.54	\$1,248.58(6.03%)	\$1,182.84(11.92%)	\$1,052.77(25.75%)	—	7	3	%	
GWV	Industrials	10/10	\$959.01	\$801.81(-19.61%)	69.63	\$893.30(7.36%)	\$846.22(13.33%)	\$789.42(21.48%)	5	6	2	0.90%	
LLY	Healthcare	10/10	\$740.16	\$153.12(-383.39%)	86.79	\$654.56(13.08%)	\$616.48(20.06%)	\$596.96(23.99%)	—	5	3	0.79%	
META	Communication Ser.	10/10	\$468.11	\$519.32(9.86%)	77.22	\$404.96(15.59%)	\$367.06(27.53%)	\$340.96(37.29%)	—	—	—	%	
MPWR	Technology	10/10	\$752.31	\$510.22(-47.45%)	74.61	\$623.32(20.69%)	\$605.75(24.19%)	\$539.33(39.49%)	7	6	3	0.64%	
NOW	Technology	10/10	\$812.94	\$589.94(-37.80%)	72.58	\$762.70(6.59%)	\$721.54(12.67%)	\$653.66(24.37%)	7	5	3	%	
NVDA	Technology	10/10	\$721.33	\$262.69(-174.59%)	79.61	\$617.67(16.78%)	\$538.41(33.97%)	\$493.28(46.23%)	0	6	2	0.03%	
PH	Industrials	10/10	\$521.38	\$463.38(-12.52%)	74.97	\$480.31(8.55%)	\$461.18(13.05%)	\$428.65(21.63%)	6	9	3	1.28%	
TDG	Industrials	10/10	\$1,119.89	\$616.99(-81.51%)	72.76	\$1,081.81(3.52%)	\$1,024.71(9.29%)	\$938.57(19.32%)	5	8	3	%	
CI	Healthcare	9/10	\$334.93		73.65	\$309.55(8.20%)	\$297.78(12.48%)	\$295.79(13.23%)	5	6	3	1.65%	
IDXX	Healthcare	9/10	\$572.21	\$178.58(-220.42%)	66.27	\$535.84(6.79%)	\$534.31(7.09%)	\$485.21(17.93%)	1	7	3	%	
NVR	Consumer Cyclical	9/10	\$7,447.99	\$9,378.49(20.58%)	64.76	\$7,180.84(3.72%)	\$6,911.29(7.77%)	\$6,413.33(16.13%)	1	7	2	%	
SNPS	Technology	9/10	\$575.30	\$326.56(-76.17%)	63.59	\$532.65(8.01%)	\$532.01(8.14%)	\$508.64(13.11%)	1	9	2	%	
EQIX	Real Estate	8/10	\$855.76	\$161.81(-428.87%)	65.82	\$821.13(4.22%)	\$811.76(5.42%)	\$775.70(10.32%)	1	5	3	2.18%	
WST	Healthcare	8/10	\$409.64	\$177.37(-130.95%)	78.56	\$366.87(11.66%)	\$356.96(14.76%)	\$358.49(14.27%)	0	8	2	0.23%	
ODFL	Industrials	7/10	\$435.33		72.21	\$398.82(9.15%)	\$395.44(10.09%)	\$397.25(9.59%)	6	7	3	0.41%	

Fundamental & Technical Strength

Scan Result: 50 Item(s) found													
Tables													
Overview Technicals Fundamentals Performance													
Symbol ↑↓	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ↑↓	50 SMA ↑↓	100 SMA ↑↓	Mohanram ↑↓	Plotroski ↑↓	SV Rank ↑↓	Yield%	
AGYS	Technology	10/10	\$90.51	\$29.73(-204.44%)	62.28	\$82.99(9.06%)	\$83.25(8.72%)	\$79.88(13.31%)	7	6	4		
AMZN	Consumer Cyclical	10/10	\$174.45	\$84.73(-105.89%)	68.11	\$159.72(9.22%)	\$153.46(13.68%)	\$143.76(21.35%)	6	7	3		
ANF	Consumer Cyclical	10/10	\$110.11	\$42.27(-160.49%)	62.67	\$102.90(7.01%)	\$92.71(18.77%)	\$77.14(42.74%)	6	8	3		
ASML	Technology	10/10	\$949.60	\$699.16(-35.82%)	83.11	\$826.39(14.91%)	\$763.14(24.43%)	\$689.11(37.80%)	6	8	3	0.82%	
AUDC	Technology	10/10	\$13.77	\$9.93(-38.67%)	69.25	\$12.10(13.80%)	\$11.91(15.62%)	\$10.72(28.45%)	8	6	—	3.09%	
AVI	Industrials	10/10	\$240.30	\$207.26(-15.94%)	69.35	\$233.67(2.84%)	\$212.12(13.28%)	\$191.87(25.24%)	7	8	2	0.26%	
BLD	Industrials	10/10	\$391.54		63.45	\$372.62(5.08%)	\$356.34(9.88%)	\$305.27(28.26%)	6	8	3		
CDNS	Technology	10/10	\$311.94	\$124.91(-149.73%)	71.04	\$289.48(7.76%)	\$276.48(12.83%)	\$261.64(19.22%)	6	7	2		
CIEN	Technology	10/10	\$56.74	\$25.58(-121.81%)	77.69	\$52.43(8.22%)	\$48.08(18.01%)	\$46.24(22.71%)	6	8	4		
CR	Industrials	10/10	\$126.71	\$76.07(-66.57%)	68.28	\$118.91(6.56%)	\$114.20(10.95%)	\$103.88(21.98%)	6	8	3	0.64%	
CRTO	Communication Ser.	10/10	\$32.10	\$27.02(-18.80%)	89.76	\$25.92(23.84%)	\$25.24(27.18%)	\$26.12(22.89%)	6	7	3		
CVLT	Technology	10/10	\$94.87	\$51.13(-85.55%)	78.01	\$84.68(12.03%)	\$79.99(18.60%)	\$74.08(28.06%)	8	7	3		
ETN	Industrials	10/10	\$277.96	\$109.77(-153.22%)	78.88	\$251.80(10.39%)	\$241.55(15.07%)	\$227.18(22.35%)	7	8	3	1.40%	
IBP	Industrials	10/10	\$206.75		65.75	\$192.68(7.30%)	\$180.28(14.68%)	\$151.92(36.09%)	6	7	3	0.91%	
LECO	Industrials	10/10	\$231.62		66.18	\$221.28(4.67%)	\$214.37(8.05%)	\$198.08(16.93%)	6	8	2	1.32%	
MANH	Technology	10/10	\$250.50	\$42.93(-483.51%)	71.21	\$228.86(9.46%)	\$221.86(12.91%)	\$213.08(17.56%)	7	6	—		
MPWR	Technology	10/10	\$752.31	\$510.22(-47.45%)	74.61	\$623.32(20.69%)	\$605.75(24.19%)	\$539.33(39.49%)	7	6	3	0.64%	
MSFT	Technology	10/10	\$420.55	\$247.54(-69.89%)	67.58	\$401.12(4.84%)	\$384.50(9.38%)	\$362.15(16.13%)	6	8	3	0.74%	
NSSC	Industrials	10/10	\$45.00	\$26.75(-68.22%)	87.08	\$36.31(23.93%)	\$34.28(31.27%)	\$28.52(57.78%)	8	6	4	0.91%	
PH	Industrials	10/10	\$521.38	\$463.38(-12.52%)	74.97	\$480.31(8.55%)	\$461.18(13.05%)	\$428.65(21.63%)	6	9	3	1.28%	
PINS	Communication Ser.	10/10	\$36.87	\$22.36(-64.89%)	68.08	\$38.12(-3.28%)	\$36.87(0.00%)	\$32.63(12.99%)	6	7	4		
RACE	Consumer Cyclical	10/10	\$392.56	\$185.30(-111.85%)	66.92	\$354.75(10.66%)	\$352.38(11.40%)	\$334.42(17.39%)	6	7	3	0.59%	
SAIA	Industrials	10/10	\$565.27	\$278.98(-102.62%)	79.94	\$471.83(19.80%)	\$440.67(28.27%)	\$418.14(35.19%)	6	7	2		
SAP	Technology	10/10	\$181.55	\$67.35(-169.56%)	77.46	\$169.97(6.81%)	\$161.19(12.63%)	\$148.81(22.00%)	7	9	5	1.28%	
TNC	Industrials	10/10	\$97.32	\$54.59(-78.27%)	69.55	\$93.16(4.47%)	\$90.60(7.42%)	\$84.43(15.27%)	7	8	—	1.26%	
WDAY	Technology	10/10	\$304.89	\$170.86(-78.44%)	64.99	\$290.13(5.09%)	\$278.59(9.44%)	\$250.02(21.95%)	6	7	3		
XYL	Industrials	10/10	\$124.30	\$61.74(-101.33%)	71.72	\$114.06(8.98%)	\$111.52(11.46%)	\$102.61(21.14%)	6	8	5	1.15%	

SimpleVisor Portfolio Changes

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

No Trades This Week



Looking for the 401k Plan Manager?

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Lance Roberts, C.I.O.

Have a great week!