Inside This Week's Bull Bear Report

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Market Sets New All-Time High

Last week, we discussed the seemingly unstoppable bullish trend from the October 2022 lows.

> *"The market rebounded mid-week from the disappointing inflation report but stumbled again on Friday after producer inflation. The market's momentum remains strong, and investor optimism is very high. The only question is what causes a short-term correction to reduce the deviations between the market and the 200-DMA."*

The rally continued this past week, spurred higher by Nvidia's blowout earnings report Wednesday night. After a brief test of the 20-DMA, the market surged to new all-time highs on Thursday, confirming the ongoing bullish trend. As shown, the 20-DMA continues to act as crucial support for the market.

The negative divergence in both momentum and breadth *(chart below)* continues to be of concern, suggesting a short-term correction is likely. With the bulk of earnings season behind us, the focus will return to the Fed and the economy.

Given the more speculative action taking place in the options market, it is clear that bullish sentiment continues to remain elevated. Historically, the combination of negative divergences and bullish sentiment previously led to short-term corrections. As such, we suggest remaining somewhat diligent on risk management protocols.

We don't know what will eventually lead to a market correction, but one will ultimately occur to reverse the more extreme deviation from the 200-DMA. With the market becoming more aligned with the Federal Reserve's expectations for rate cuts, the current outlying risk for equities is an economic slowdown that impacts earnings.

At the moment, that is a very non-consensus worry. Most economists have swung from expecting a recession to giving up on that call. Such would include the Conference Board this past week.

Need Help With Your Investing Strategy?

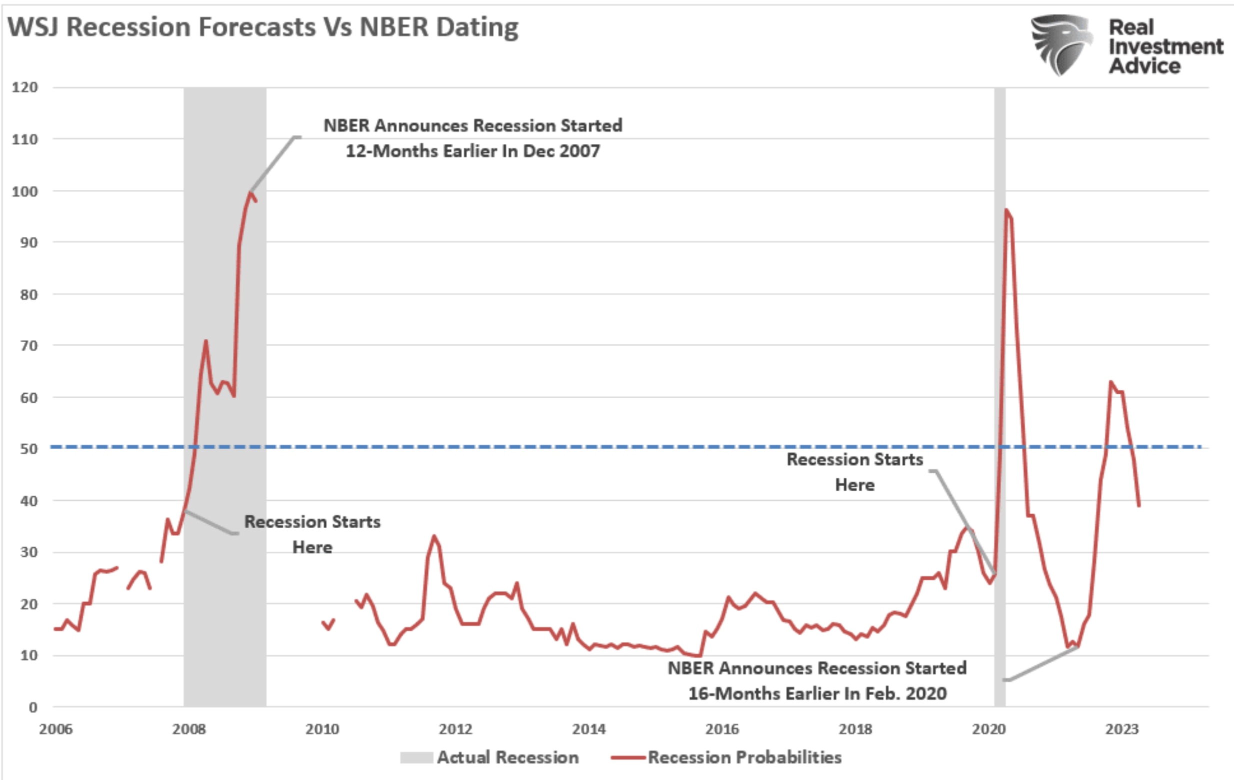
Are you looking for complete financial, insurance, and estate planning? Need a risk-managed portfolio management strategy to grow and protect your savings? Whatever your needs are, we are here to help.

Conference Board Scraps Its Recession Call

Eventually, the pressure of being *"wrong"* gets to everyone. For stock investors, the markets are famous for *"dragging the last of the holdouts"* back into the market just before it does indeed correct. For economists, recession calls that don't mature impact their credibility. As we wrote in October, ***"Economists No Longer Expect A Recession."*** To wit:

"*In the latest quarterly survey by The Wall Street Journal,* ***business and academic economists lowered the probability of a recession within the next year, from 54% on average in July to a more optimistic 48%.*** *That is the first time they have put the probability below 50% since the middle of last year."*

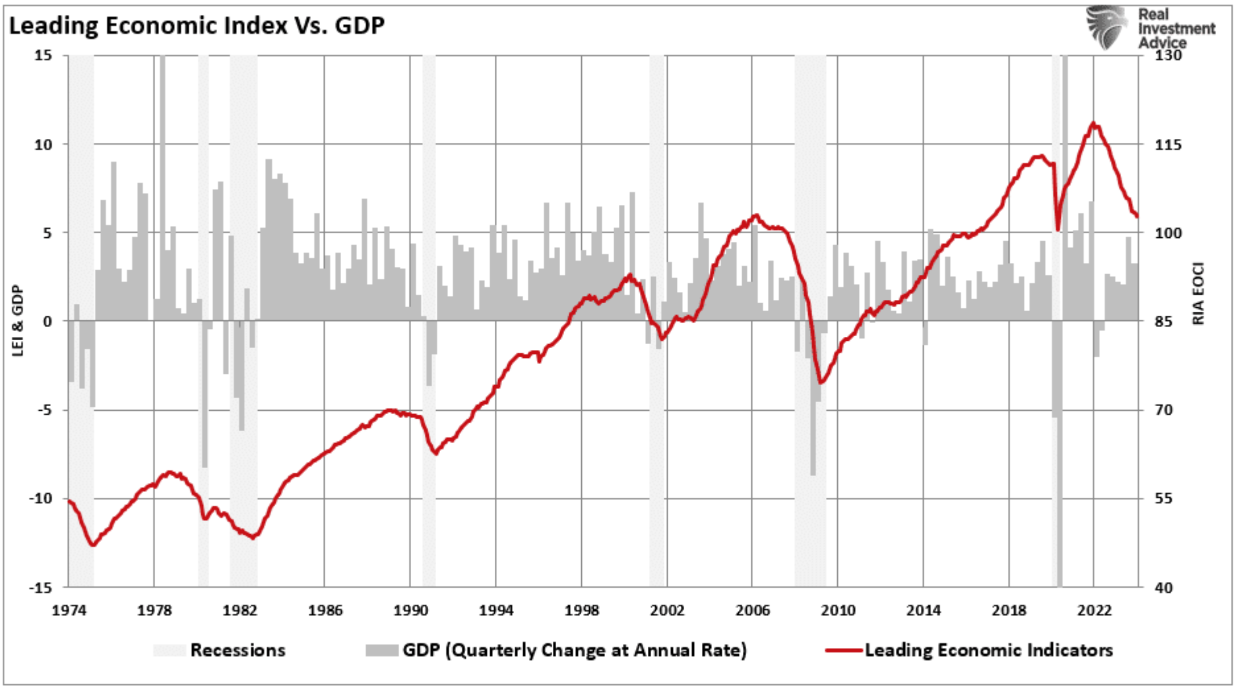
As of January, the probability dropped to just 39%. Of course, since the WSJ has been collecting the data, the surveyed economists continue to be spectacularly wrong, as they, just like investors, get swept up in short-term momentum and exuberance.



Unsurprisingly, this is the case for the Conference Board. This past week, it finally succumbed to an economy that continues to avoid a recession. To wit:

> *"The Conference Board on Tuesday abandoned a long-running call for the U.S. economy to fall into recession, although its Leading Economic Index still sees economic output flatlining in the months ahead. The Conference Board first announced in July 2022 that the index signaled a recession was coming. It repeated that forecast with each month's report until Tuesday's release for January, even as U.S. economic output, job creation, and consumer spending all continued at above-trend levels throughout, and no recession materialized."*

The chart below is the raw Leading Economic Index from the Conference Board versus GDP. Each previous decline in the index has aligned with a recession.



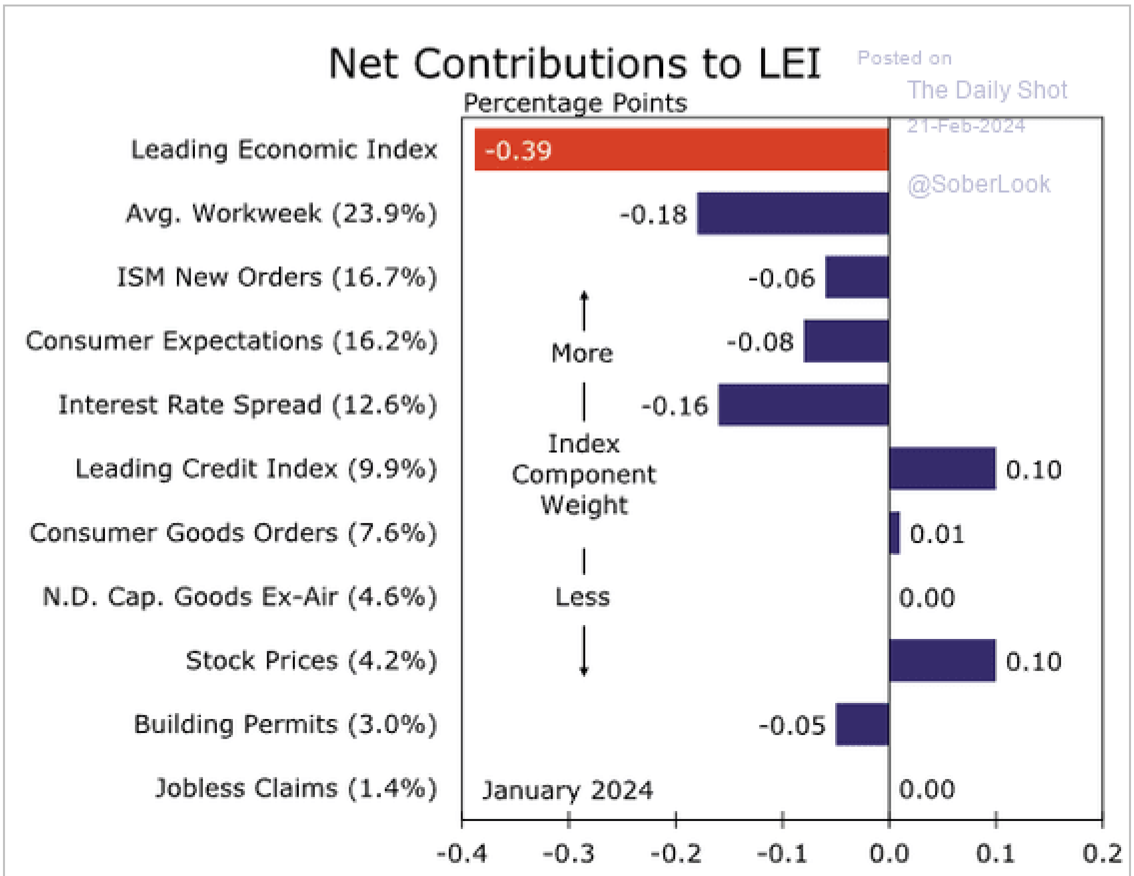
According to the Conference Board, the reason for the retraction of the recession call was the improvement in underlying indicators.

"While the declining LEI continues to signal headwinds to economic activity, for the first time in the past two years, six out of its 10 components were positive contributors over the past six-month period. As a result, the leading index currently does not signal recession ahead." - Justyna Zabinska-La Monica, The Conference Board.

An Unusual Deviation

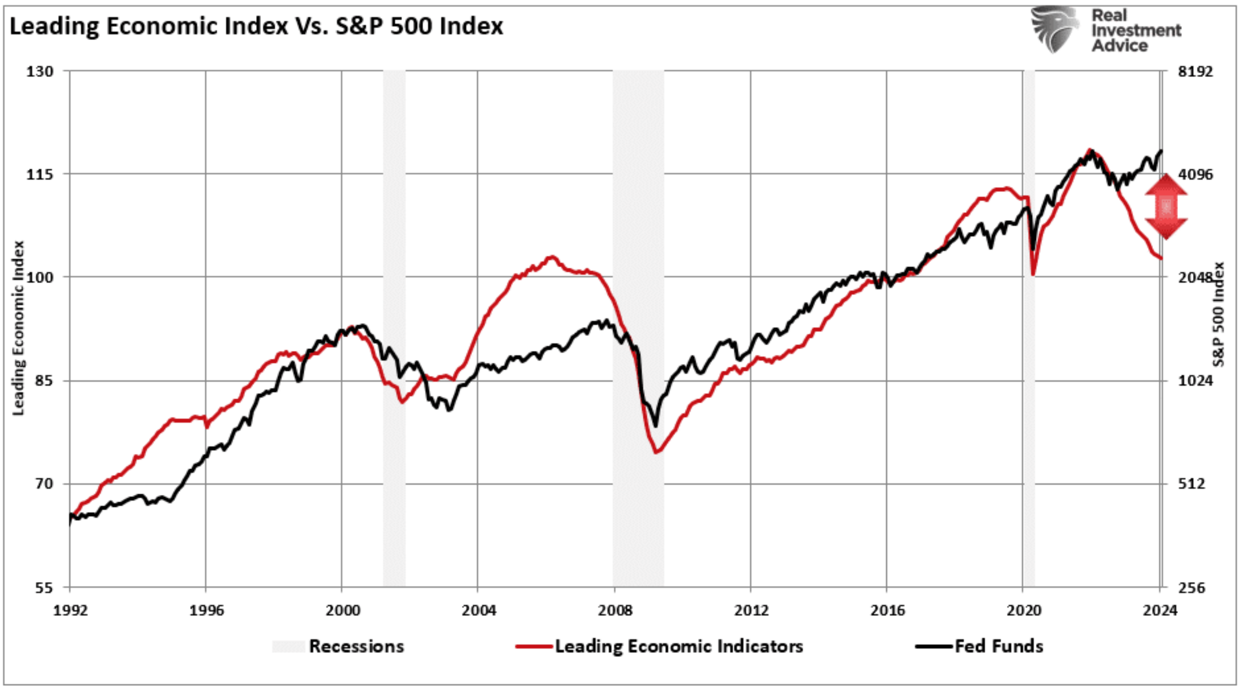
The LEI index comprises, as noted, 10 subcomponents, as shown in the chart below. The most significant positive contributor to the turn from a recession forecast came from the recent surge in stock prices to record highs. The benchmark S&P 500 index has risen by more than 20% since late October after signals from the Federal Reserve that its aggressive interest rate cycle aimed at containing inflation is over and that rate cuts are expected this year.

Furthermore, persistently low numbers of new filings for unemployment benefits and measures of future credit availability, home building permits, and new orders of manufactured goods also contributed to the change in the outlook.



Source: The Conference Board and Wells Fargo Economics

As noted, the biggest contributors were the leading credit index (which has improved with the drop in interest rates) and the surge in the S&P 500 index. Given that the Conference Board's Leading Index suggests where the economy will be in 6-months, the stock market tracks the index. Currently, the stock market is very detached from the index.



However, therein lies the risk. The Federal Reserve has been adamant that their inflation fight is NOT over yet, as noted in the most recent FOMC minutes.

> *"Participants generally noted that they did not expect it would be appropriate to reduce the target range for the federal funds rate until they had gained greater confidence that inflation was moving sustainably toward 2 percent."*

Such brings up Rule #9.

Bob Farrell's Important Rule

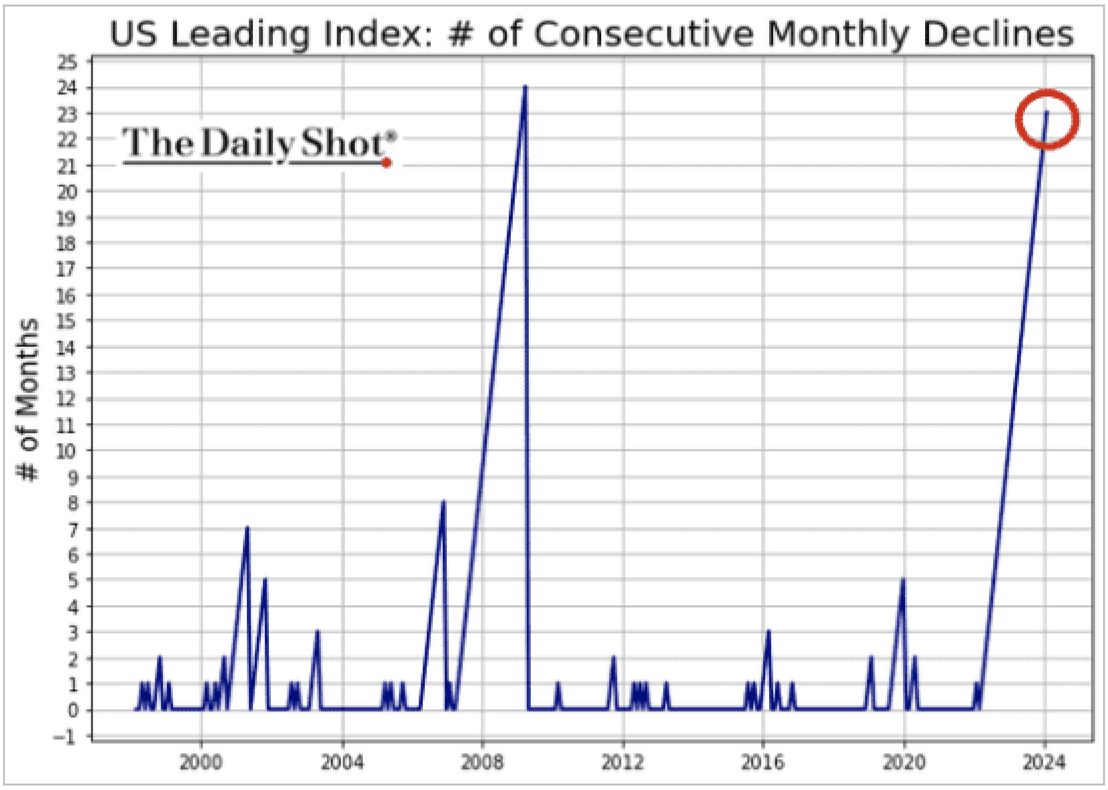
Bob was a Wall Street veteran with over 50 years of experience crafting his investing rules. Farrell obtained his master's degree from Columbia Business School and started as a technical analyst at Merrill Lynch in 1957. **Even though Farrell studied fundamental analysis under Gramm and Dodd, he turned to technical analysis after realizing there was more to stock prices than balance sheets and income statements.** Farrell became a pioneer in sentiment studies and market psychology. ***His 10 rules on investing*** stem from personal experience with dull markets, bull markets, bear markets, crashes, and bubbles. **In short, Farrell had seen it all and lived to tell about it.**

Regarding Wall Street experts, Rule #9 is the most important.

> *"**When all the experts and forecasts agree, something else will happen.**"*

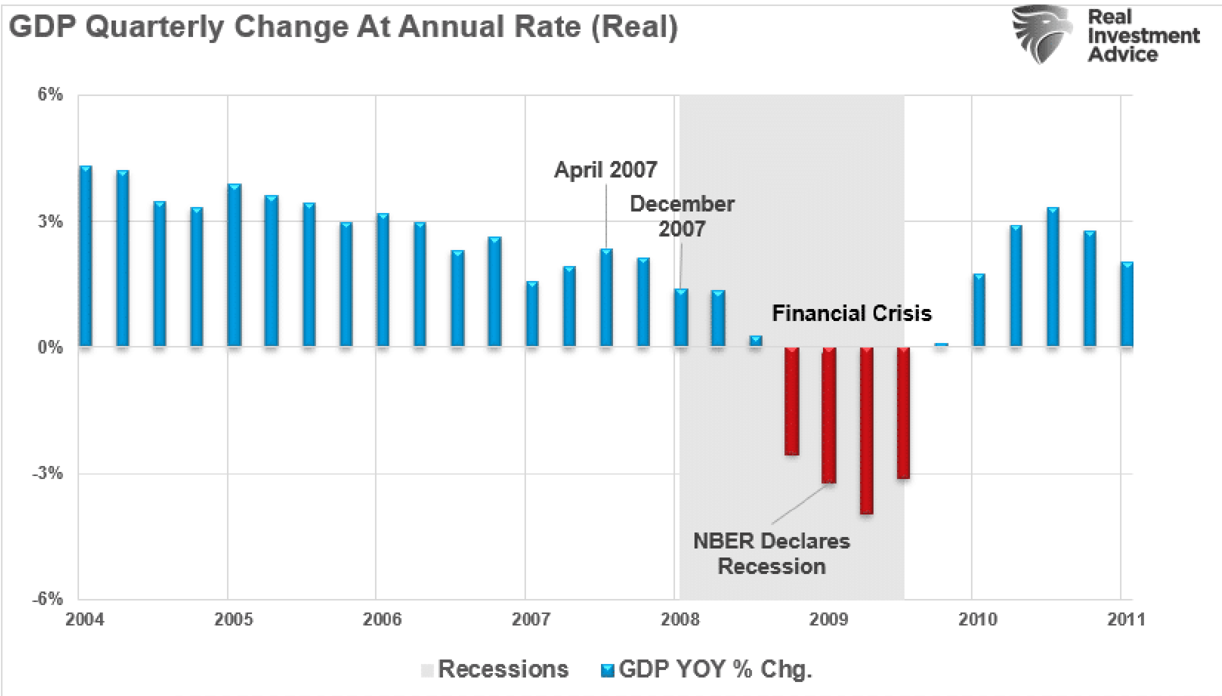
With the Conference Board giving up its recession call, all the *"experts"* from Wall Street to the *"Ivory Towers"* of economics are in the *"no recession"* camp. It is an interesting switch, given that in 2022, all the experts expected a recession in 2023. But here we are in 2024 with *"not a recession in sight."*

But this is where it is interesting. The Conference Boards index has had negative readings for the last 23 months. That is just one month short of negative readings in 2008.



The first negative reading of the index was in April 2007. As shown in the chart below, in April 2007, there was no hint of a recession in the economic data. Employment was strong, and even in early 2008, Ben Bernanke, then Fed chairman, stated that it was a *"Goldilocks"* economy and that " *subprime mortgages"* were contained.

Notably, it wasn't until 21 months later that the National Bureau of Economic Research (NBER) declared the recession began 12 months earlier, in December 2007.

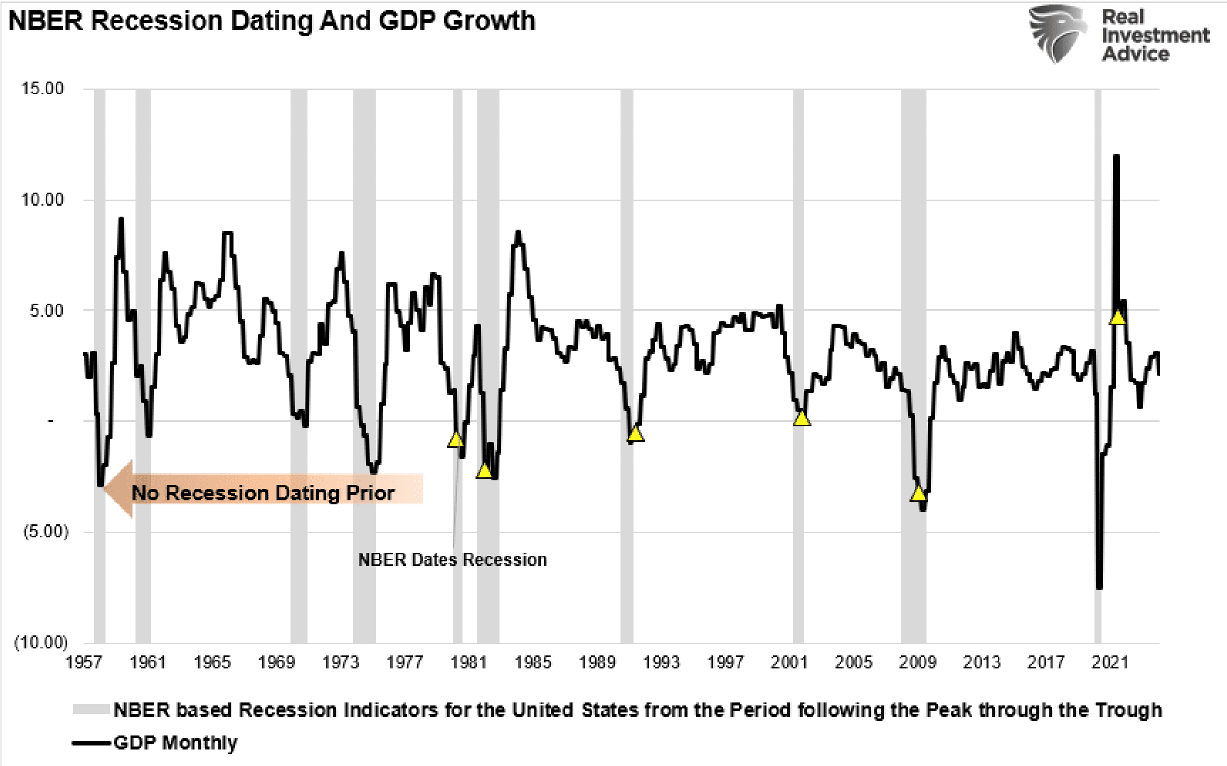


Could a recession still be in our future?

The Risk Of A Recession Is Not Zero

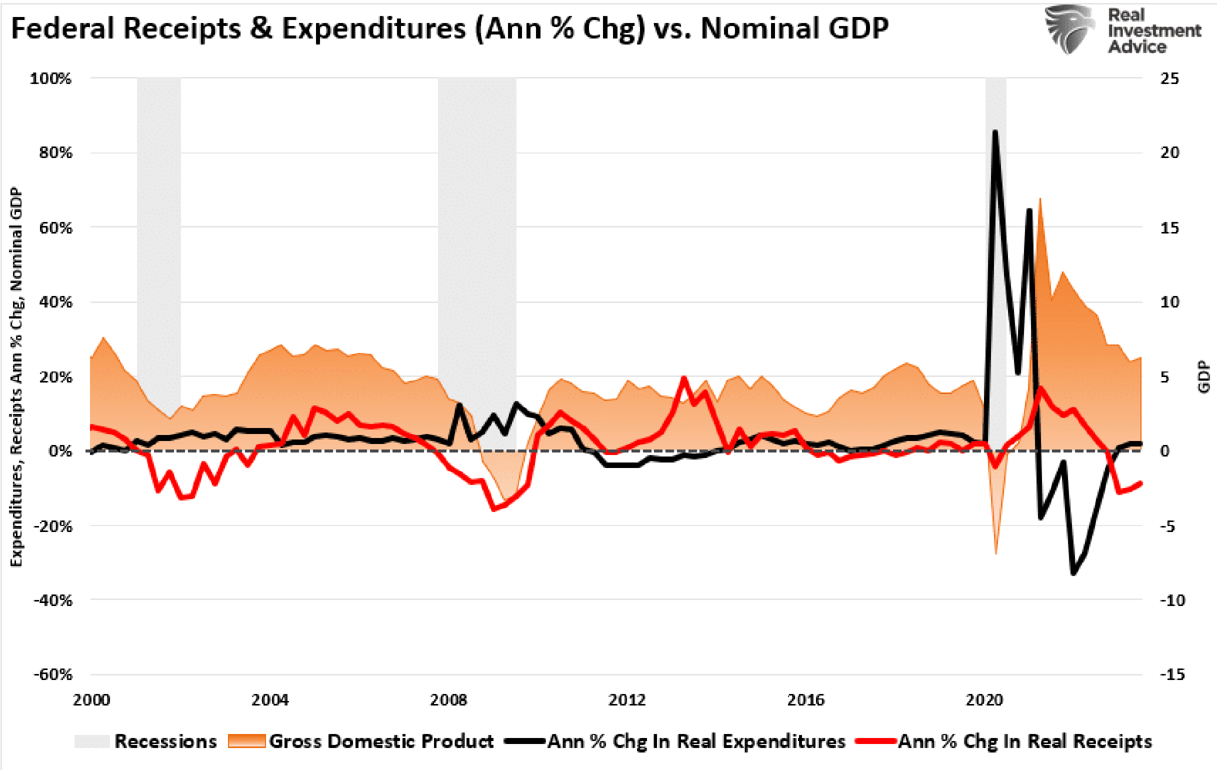
With the stock market surging and financial conditions loosening, there seem to be valid reasons to suspect we may avoid a recession. As noted by the Conference Board, unemployment remains low, along with jobless claims, and confidence has improved markedly in recent months.

However, historically, the NBER has been very late in determining the start and end of a recession. Such will likely be the case as they wait for data revisions and clear evidence of a recessionary economic downturn. With the economy still growing, there is no need for a recessionary call.

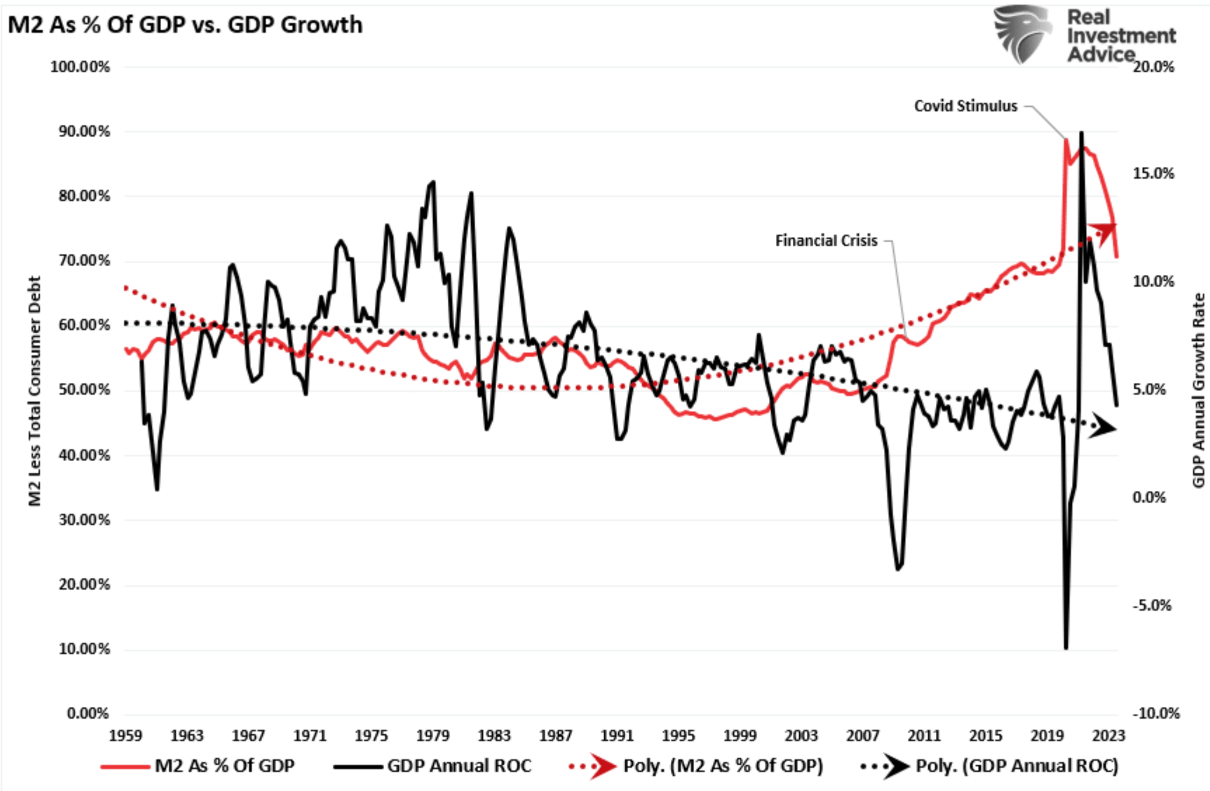


The economy's strength is unsurprising, given the ongoing financial stimulus from the Inflation Reduction Act, the CHIPS Act, and a surge in deficit spending. ***As we discussed recently, deficit spending*** keeps the economy out of recession.

> *"As noted, the problem remains on how the economy has avoided a recession despite the Fed?s aggressive rate hiking campaign. Numerous indicators, from the leading economic index to the yield curve, suggest a high probability of an economic recession, but one has yet to occur. One explanation for this has been the surge in Federal expenditures since the end of 2022 stemming from the Inflation Reduction and CHIPs Acts. The second reason is that GDP was so grossly elevated from the $5 Trillion in previous fiscal policies that the lag effect is taking longer than historical norms to resolve."*



We see that same support to economic activity in the monetary supply (M2) as a percentage of the economy. While those monetary and fiscal supports caused economic growth to surge following the *"pandemic-related"* spending spree, both are reversing.



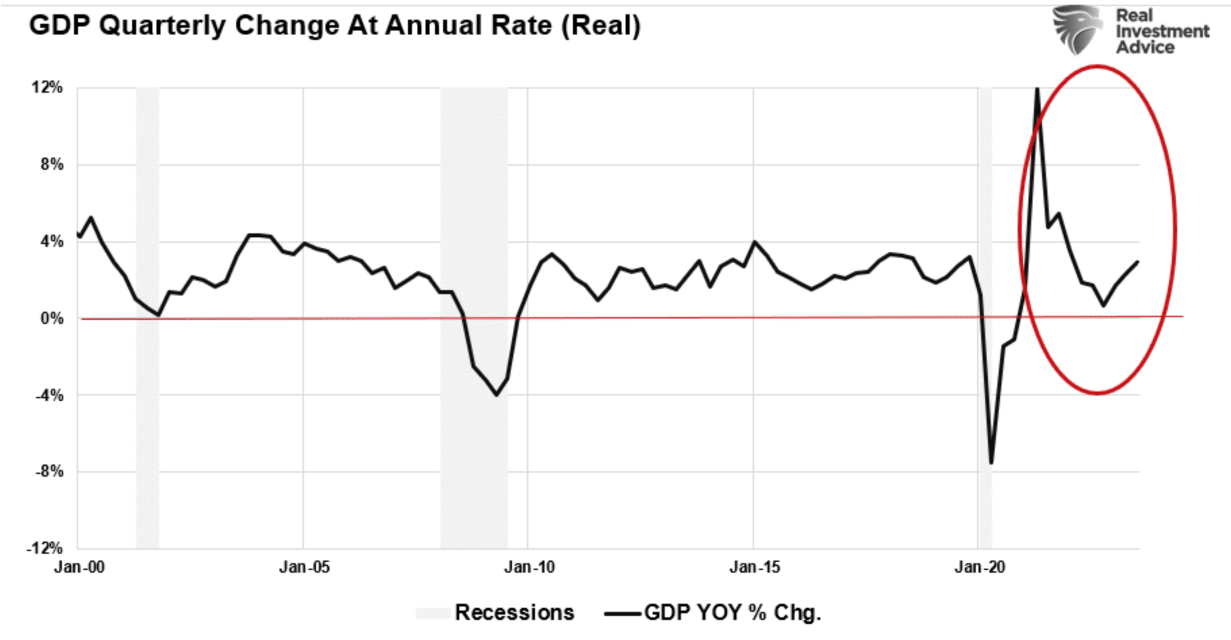
Crucially, it was worth noting that the massive surge in economic growth is reversing as those monetary supports fade. However, given that the reversal in economic growth started from the highest annualized growth rate since 1959, the reversal of that stimulus-induced surge will require more time.

As such, without additional fiscal or monetary stimulus to offset the restrictive period of monetary policy, the risk of recession in the next 12-24 months is not zero.

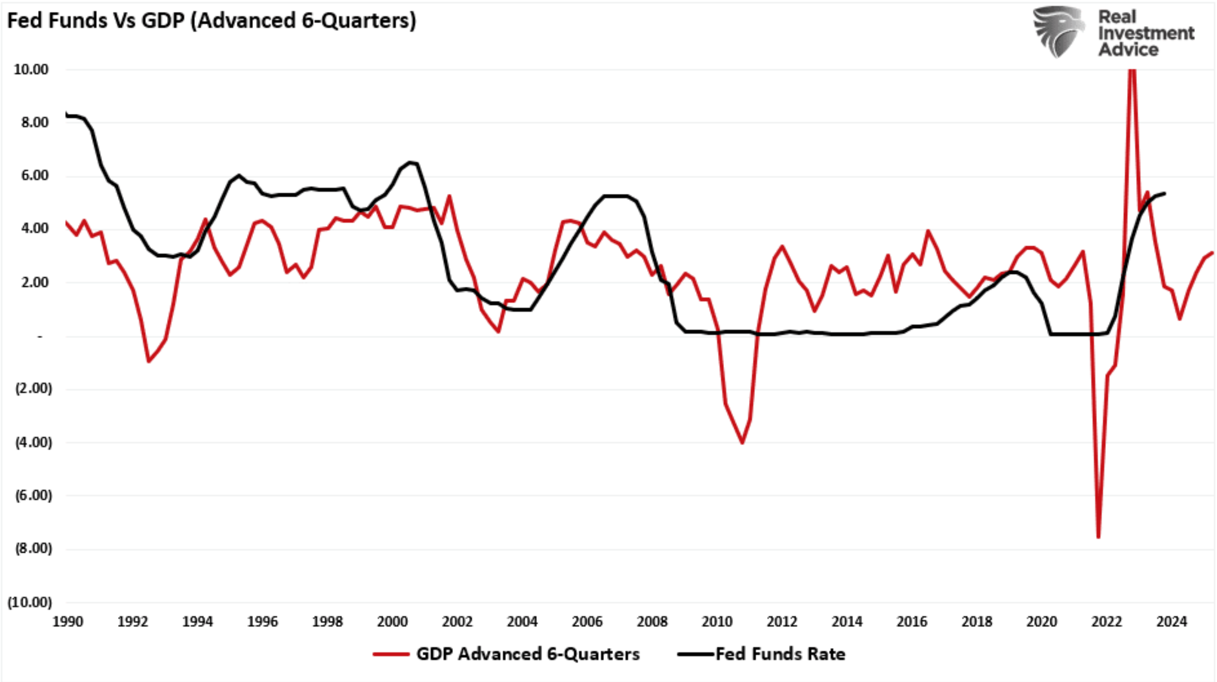
Yield Curve Still Says There Is A Risk

The question of a *"soft landing"* or an outright *"recession"* is difficult to answer. It is certainly possible that all of the tell-tale signs of economic recession may be wrong this time. There is another possibility. Given the massive increase in activity due to a shuttered economy and massive fiscal stimulus, the reversion may take longer than expected. Both scenarios support the rising optimism of Wall Street economists in the near term.

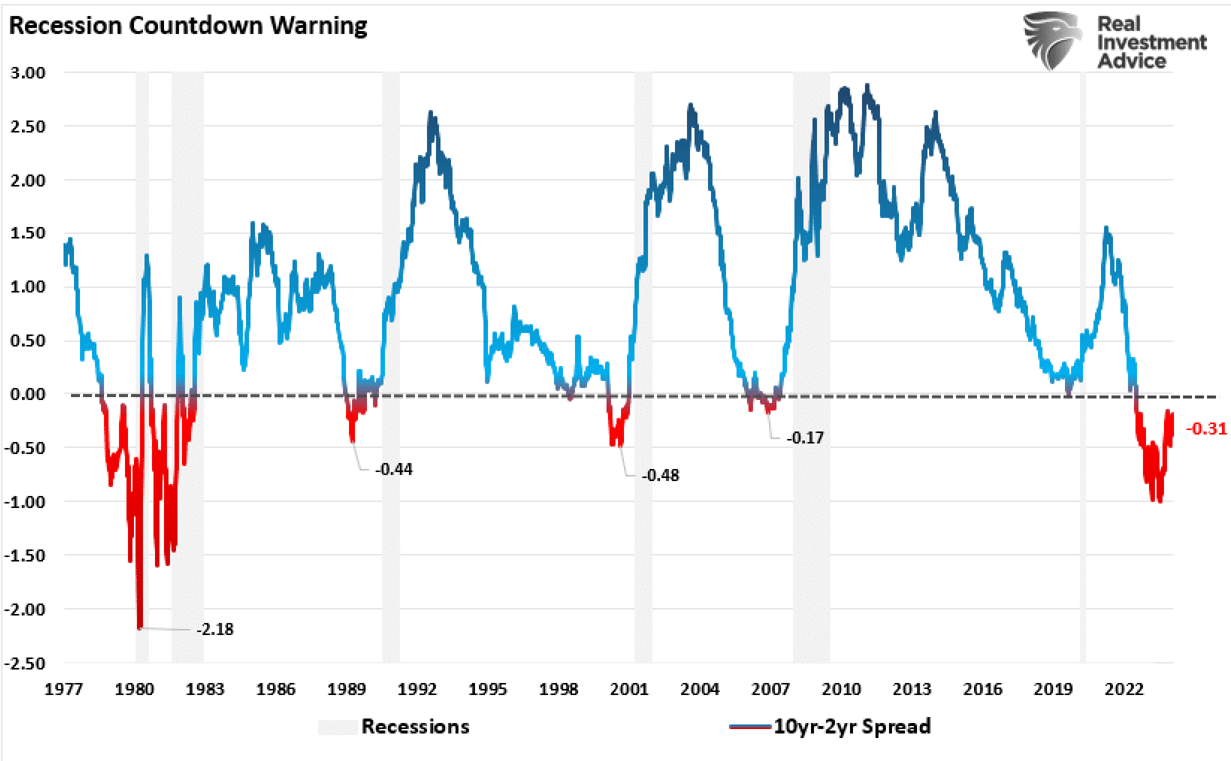
We would already be in a recession if we had entered this current period at previous growth rates below 4%. The difference is the contraction began from a peak in nominal GDP of nearly 12%. As noted above, a bounce in activity is not surprising after a significant contraction in the economic data. The question is whether that bounce is sustainable. Unfortunately, we won't know the answer for quite some time.



We know that Federal Reserve actions regarding hiking rates have about a 6-quarter lead over changes to economic growth. Given that the last Fed rate hike was in Q2 of last year, such would suggest a further slowing in economic activity by the end of 2024.



While the Conference Board has abandoned its recession call, the bond market has not. The yield spread between the 10-year and 2-year Treasury Bonds remains deeply inverted. **Notably, the inversion is NOT the recessionary warning.** It is when that yield-curve UN-inverts that signals the onset of a recession. Such has historically occurred in response to Federal Reserve rate cuts to try and offset a rapidly slowing economy.

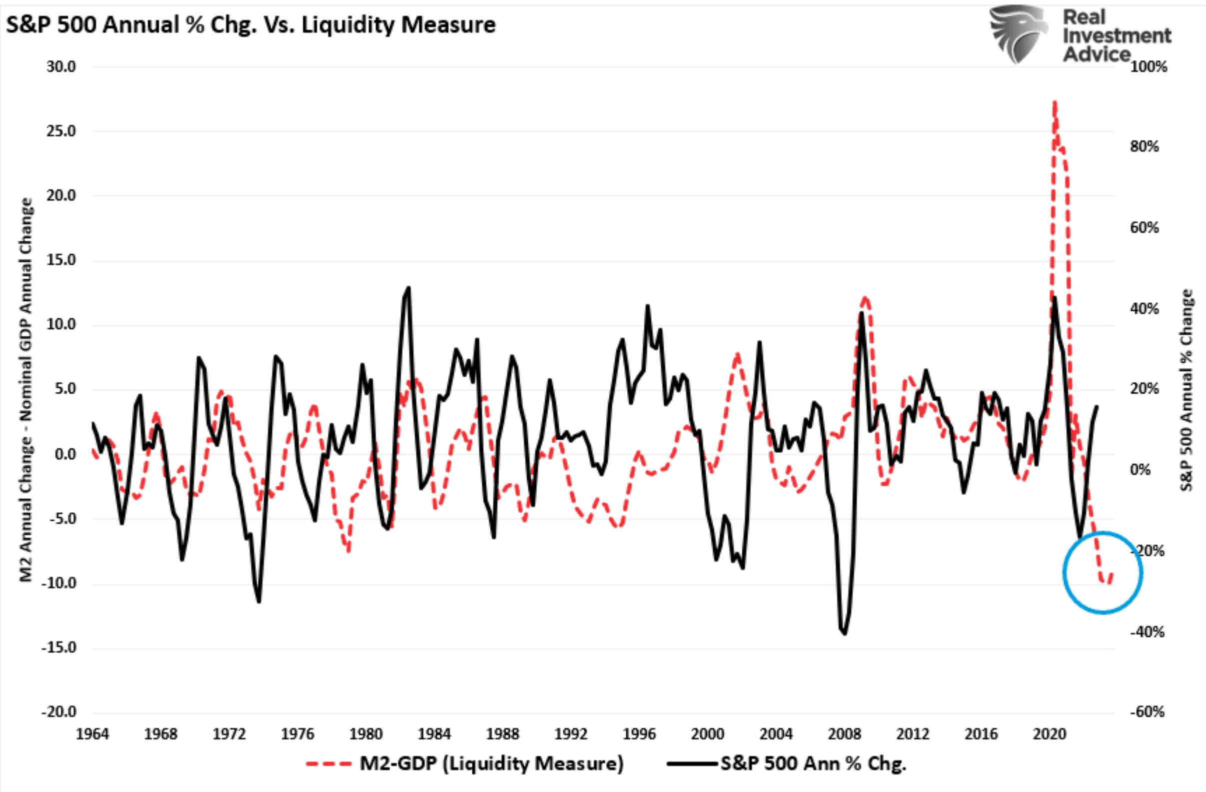


How We Are Trading It

As noted above, the massive surge in monetary stimulus *(as a percentage of GDP)* remains highly elevated, which gives the illusion the economy is more robust than it likely is. **As the lag effect of monetary tightening continues to weigh on consumption, the reversion**

to economic strength may surprise most economists.

For investors, the implications of reversing monetary stimulus on prices are not bullish. As shown, the contraction in liquidity, measured by subtracting GDP from M2, correlates to changes in asset prices. Given that there is significantly more reversion in monetary stimulus to come, this suggests that lower asset prices will likely follow. However, the markets have recently been betting that a reversal of liquidity is coming. Given the inflationary implications of providing monetary accommodation, i.e., rate cuts and quantitative easing, it seems unlikely the Federal Reserve will act before the onset of a recession. If that assumption is correct, investors may set themselves up for disappointment.



As we update our recessionary indicators, there is still no clear visibility regarding the certainty of a recession. Yes, this *"time could be different."* The problem is that, historically, such has not been the case.

Therefore, given this uncertainty, we must continue to weigh the possibility that Wall Street economists are correct in their more optimistic predictions. Simultaneously, we must remain open to the probabilities that still lie with the indicators.

No one knows what the future holds with any degree of certainty. Therefore, we must remain nimble in our investment approach and trade the market for what it is rather than what we wish it to be.

Have a great week.

Research Report

Real Investment Daily

Small Cap Stocks May Be At Risk According To NFIB Data

Written by Lance Roberts | Feb 23, 2024 | **Economics**

Recently, retail investors have started chasing small-cap stocks in hopes of both a rate-cutting cy...

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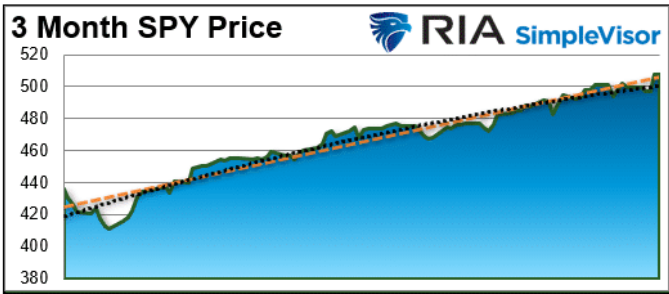


SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	20.36%	26.75%	6.85%	(74.41%)
Max Drawdown	(24.66%)	(10.93%)	(2.54%)	(76.77%)
Sharpe	0.52	2.03	4.21	1.08
Sortino	0.67	3.25	6.67	1.05
Volatility	19.05	12.35	12.03	(0.03)
Daily VaR-5%	(18.94)	9.98	36.42	2.65
Mnthly VaR-5%	(29.27)	3.07	3.07	0.00

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%	(15.60%)	2.14%	1.20%	(38.55%)	9.65%
P/E Ratio	22.16	18.42	23.47	21.52%	29.36	16.64	(20.0%)	41.08%
P/S Ratio	4.48	3.57	4.39	18.65%	4.97	3.22	(11.75%)	36.10%
P/B Ratio	6.33	5.59	5.83	4.12%	6.76	4.30	(13.84%)	35.44%
ROE	29.55%	25.98%	26.39%	1.57%	29.55%	19.19%	(10.70%)	37.54%
ROA	6.72%	6.00%	6.31%	4.96%	6.72%	4.47%	(6.03%)	41.32%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	3,672.5	3,865.3	5.25%
Sales	109,795	117,917	7.40%
SPS	29.9	30.5	2.04%
Earnings	17,953	19,766	10.10%
EPS TTM	5.6	5.7	2.37%
Dividend	1.6	1.7	6.64%

S&P 500 Asset Allocation

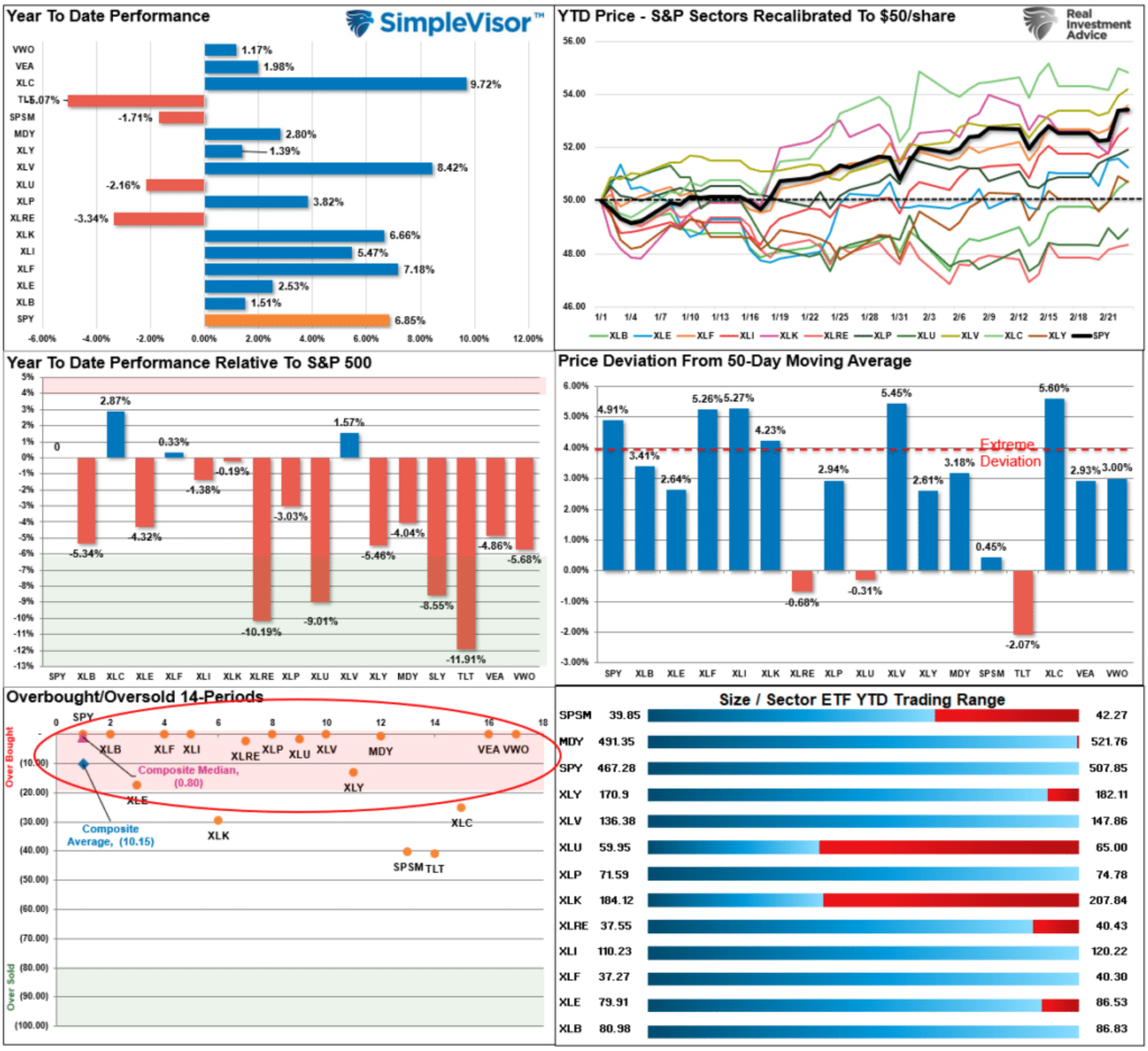
Sector	1 Year Price Return	Weight	Beta	P/E	P/E High-5yr (Mo.)	P/E Low - 5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE
Energy	0.20%	3.81%	1.31	11.25	93.64	(357.54)	(88.0%)	18.7%	3.2%	9.56%	6.86	11.19
Materials	8.89%	2.30%	1.16	20.28	26.99	11.37	(24.9%)	11.8%	1.9%	5.21%	4.92	18.55
Industrials	20.20%	8.68%	1.15	22.92	58.37	16.78	(60.7%)	23.2%	1.5%	4.29%	6.73	19.61
Discretionary	29.16%	10.51%	1.44	30.21	71.65	24.50	(57.8%)	18.7%	0.7%	3.13%	5.26	24.97
Staples	(1.13%)	6.06%	0.59	20.98	22.79	18.47	(7.9%)	30.7%	2.5%	4.78%	4.70	19.52
Health Care	13.99%	12.86%	0.67	22.50	19.84	14.89	13.4%	23.4%	1.6%	4.61%	8.06	18.60
Financials	16.95%	13.05%	1.16	16.91	21.47	12.76	(21.2%)	12.4%	1.6%	5.83%	7.58	15.07
Technology	55.36%	29.08%	1.19	36.92	35.42	17.74	4.2%	65.0%	0.7%	2.65%	7.23	29.15
Telecom	57.32%	9.04%	0.98	22.85	28.38	15.42	(19.5%)	24.8%	0.6%	4.03%	5.98	18.51
Utilities	(7.07%)	2.18%	0.72	16.82	21.24	15.58	(20.8%)	10.6%	3.6%	5.83%	3.47	15.19
Real Estate	0.22%	2.34%	1.03	18.31	26.21	15.47	(30.2%)	6.7%	3.5%	5.52%	4.77	17.43

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	507.85	8.21%	484.36	50	4.85%	451.35	82	12.52%	7.31%	(0.45%)	33.42%	Buy
Mid Cap	521.60	4.20%	505.61	50	3.16%	477.05	71	9.34%	5.98%	(0.42%)	22.96%	Buy
Small Cap	41.46	(0.19%)	41.27	8	0.46%	38.80	61	6.85%	6.36%	(3.63%)	21.33%	Buy

Relative Performance Analysis

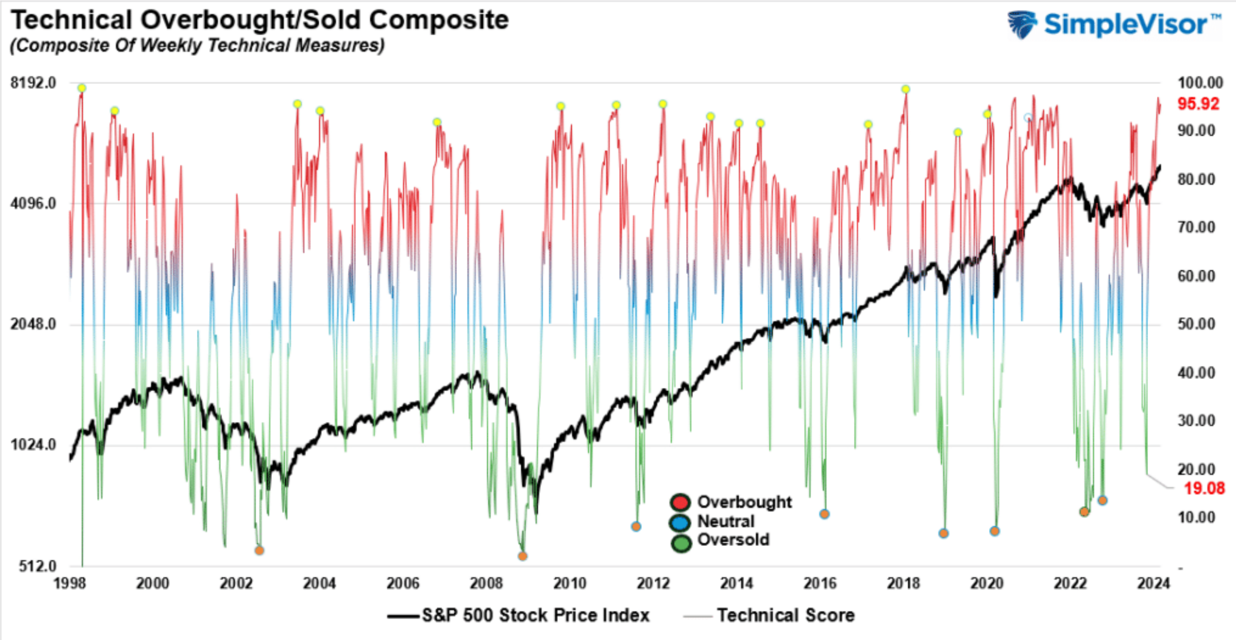
The bull trend in stocks remained uninterrupted this past week, with the S&P 500 hitting all-time highs following Nvidia's earnings. However, after the push last week, most sectors and markets are back to extreme short-term overbought conditions, which will likely limit further upside over the next week. The bullish backdrop remains very strong, and there is little reason for an abundance of caution. However, profit-taking and risk management remain prudent, with most markets and sectors overbought and deviating from their 50-DMA.



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.***

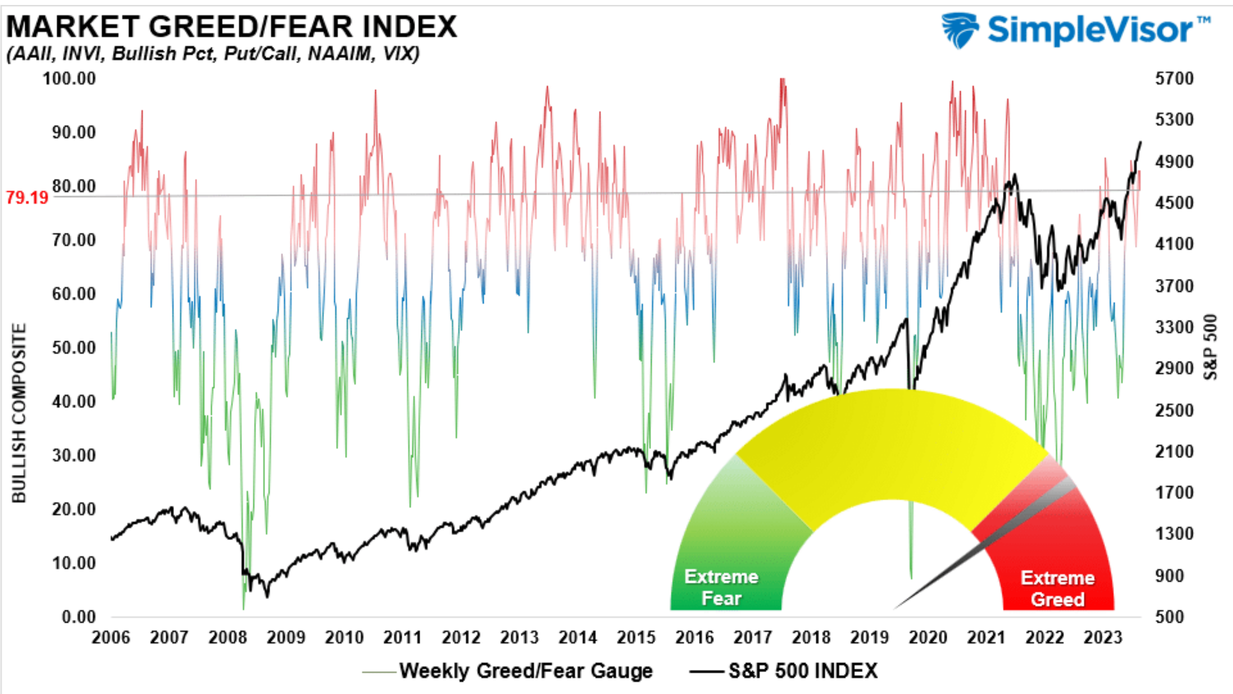
The current reading is 95.92 out of a possible 100.



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 79.19 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)

Real Estate (XLRE) -0.46 »	Utilities (XLU) -0.40 »	Transportation (XTN) -0.27 »	Energy (XLE) -0.24 »	Consumer Discretionary (XLY) -0.24 »	Consumer Staples (XLP) -0.22 »
Materials (XLB) -0.18 »	Technology (XLK) -0.04 »	Health Care (XLV) -0.01 »	Industrials (XLI) 0.03 »	Communication Services (XLC) 0.03 »	Financial (XLF) 0.16 »

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

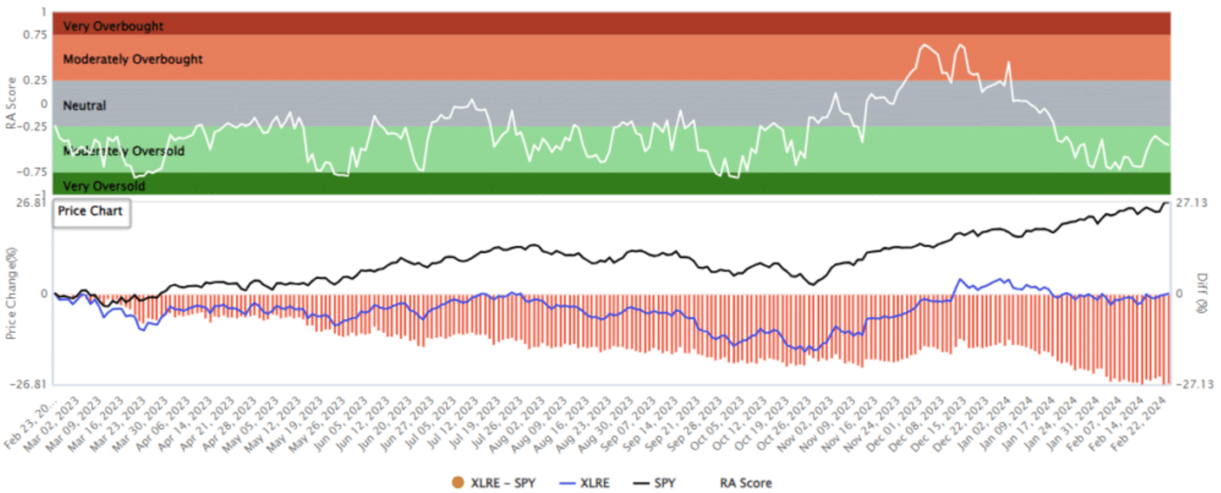
About Relative Analysis

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

XLRE (Real Estate) / SPY - Analysis



Description
Under normal market conditions, the fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the index. The index includes companies that have been identified as Real Estate companies by the Global Industry Classification Standard (GICS®). The fund is non-diversified.

Latest Price (Jan 20, 1970, 12:38:36 PM)	Last Close	Open	Volume	Annual Div.
$38.85 ▲ ($0.18) (0.45%)	$38.67	$38.74	3,776,680	N/A
52 Week Range $31.99 – $40.75	**Day Range** $38.60 – $38.92		**Avg. Volume (3m)** N/A	**Div. Yield** N/A

Symbol	Name	Holdings
PLD	Prologis Inc	12.09%
AMT	American Tower Corp	9.42%
EQIX	Equinix Inc	8.04%
WELL	Welltower Inc	4.94%
CCI	Crown Castle Inc	4.85%
O	Realty Income Corp	4.67%
SPG	Simon Property Group Inc	4.67%
PSA	Public Storage	4.63%
DLR	Digital Realty Trust Inc	4.39%
CSGP	CoStar Group Inc	3.52%

AMT/	CCI/	CSGP/	DLR/	EQIX/	O/	PSA/	SPG/	WELL/	PLD/	XLRE/	
0.00	0.40	0.52	0.19	0.58	0.10	0.25	0.75	0.59	0.72	0.43	AMT
-0.40	0.00	0.02	0.01	0.66	-0.42	-0.11	0.65	0.62	0.31	0.16	CCI
-0.52	-0.02	0.00	-0.12	0.56	-0.32	-0.08	0.57	0.49	0.36	0.01	CSGP
-0.19	-0.01	0.12	0.00	0.61	-0.16	-0.04	0.58	0.32	0.21	0.04	DLR
-0.58	-0.66	-0.56	-0.61	0.00	-0.71	-0.62	0.11	-0.04	-0.34	-0.69	EQIX
-0.10	0.42	0.32	0.16	0.71	0.00	0.43	0.73	0.69	0.61	0.54	O
-0.25	0.11	0.08	0.04	0.62	-0.43	0.00	0.70	0.63	0.39	0.19	PSA
-0.75	-0.65	-0.57	-0.58	-0.11	-0.73	-0.70	0.00	-0.19	-0.50	-0.70	SPG
-0.59	-0.62	-0.49	-0.32	0.04	-0.69	-0.63	0.19	0.00	-0.04	-0.62	WELL
-0.72	-0.31	-0.36	-0.21	0.34	-0.61	-0.39	0.50	0.04	0.00	-0.26	PLD
-0.43	-0.16	-0.01	-0.04	0.69	-0.54	-0.19	0.70	0.62	0.26	0.00	XLRE

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 bullish momentum continued this past week, with the market holding above the 20-DMA. While the market did pull back on Wednesday and Friday, it did little to reverse the market trading well outside its normal risk range. Such was again a function of the mega-capitalization stocks, which are also well outside their ranges and deviated above long-term moving averages"*

The broad market, Materials, Communications, Financials, Technology, Industrials, Healthcare, Discretionary, and Transports are all trading well outside their normal risk ranges. Furthermore, the broad market, Communications, Technology, Financials, Industrials, and Discretionary, are trading at extreme deviations from their long-term moving averages. These deviations are not sustainable long-term and argue for a more significant correction sometime this year.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	M/A XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	510.34	1.67	4.19	10.67	13.95	28.19	481.17	457.55	485.20	1.00	497.33	473.07	6%	12%	BULLISH
XLB	SPDR-MATLS SELS	86.83	0.28	1.05	(6.50)	(7.80)	(21.24)	83.61	81.69	82.21	1.09	85.16	79.26	4%	6%	BULLISH
XLC	SPDR-COMM SV SS	79.72	(0.70)	(1.56)	3.36	5.11	21.55	74.32	69.81	75.88	1.01	78.55	73.21	7%	14%	BULLISH
XLE	SPDR-EGY SELS	85.96	(1.22)	(2.16)	(9.57)	(20.56)	(26.66)	83.66	85.77	83.41	1.26	86.54	80.28	3%	0%	BEARISH
XLF	SPDR-FINL SELS	40.30	0.02	0.08	0.75	3.54	(15.18)	37.82	35.50	38.76	1.08	40.15	37.37	7%	14%	BULLISH
XLK	SPDR-TECH SELS	205.29	(0.33)	(2.43)	(0.05)	4.86	22.66	194.65	180.51	197.68	1.15	204.89	190.47	5%	14%	BULLISH
XLI	SPDR-INDU SELS	120.22	0.18	1.80	(0.11)	(0.14)	(8.34)	113.01	108.09	112.89	1.09	116.94	108.84	6%	11%	BULLISH
XLP	SPDR-CONS STPL	74.78	0.38	(1.23)	(5.27)	(9.65)	(25.34)	72.23	71.69	72.92	0.59	75.17	70.67	4%	4%	BULLISH
XLRE	SPDR-RE SELS	38.72	(0.71)	(3.59)	(8.80)	(8.21)	(26.64)	38.76	37.05	38.13	0.90	39.42	36.84	0%	5%	BULLISH
XLU	SPDR-UTIL SELS	61.96	(0.48)	(2.96)	(13.14)	(15.88)	(35.17)	62.45	62.63	61.45	0.57	63.33	59.57	-1%	-1%	BEARISH
XLV	SPDR-HLTH CR	147.86	(0.13)	1.98	1.49	(1.98)	(13.13)	138.48	133.89	140.38	0.66	144.81	135.95	7%	10%	BULLISH
XLY	SPDR-CONS DISCR	181.29	(0.40)	1.41	(4.71)	(6.52)	(2.17)	175.66	169.57	170.92	1.21	177.25	164.59	3%	7%	BULLISH
XTN	SPDR-SP TRANSPT	83.14	(1.39)	(0.98)	(3.21)	(6.67)	(19.21)	80.90	79.04	78.59	1.34	81.61	75.57	3%	5%	BULLISH
SDY	SPDR-SP DIV ETF	125.78	(0.43)	(2.70)	(6.90)	(9.43)	(28.56)	123.43	120.78	123.53	0.87	127.70	119.36	2%	4%	BULLISH
RSP	INVS-SP5 EQ ETF	162.00	(0.44)	(1.33)	(3.05)	(4.23)	(17.87)	155.97	149.84	156.46	1.06	162.04	150.88	4%	8%	BULLISH
SPSM	SPDR-PRT SC	41.46	(2.56)	(3.70)	(3.65)	(4.79)	(24.25)	40.77	38.99	40.50	1.13	41.97	39.03	2%	6%	BULLISH
MDY	SPDR-SP MC 400	521.60	(0.69)	(0.80)	(2.05)	(3.23)	(18.29)	499.96	479.94	498.56	1.12	516.59	480.53	4%	9%	BULLISH
EEM	ISHARS-EMG MKT	40.60	(0.37)	0.21	(8.48)	(9.07)	(22.19)	39.36	39.14	38.39	0.75	39.64	37.14	3%	4%	BULLISH
EFA	ISHARS-EAFE	77.40	0.08	(1.06)	(4.91)	(3.99)	(16.08)	74.56	72.10	75.01	0.88	77.55	72.47	4%	7%	BULLISH
IAU	ISHARS-GOLD TR	38.52	(0.49)	(3.30)	(12.43)	(7.98)	(15.99)	38.43	37.30	38.49	0.20	39.53	37.45	0%	3%	BULLISH
GDX	VANECK-GOLD MNR	26.66	(2.42)	(9.21)	(26.86)	(19.88)	(29.41)	29.15	29.08	27.94	0.95	28.90	26.98	-9%	-8%	BULLISH
UUP	INVS-DB US$ BU	28.04	(1.85)	(3.25)	(14.64)	(18.35)	(29.77)	28.02	28.68	27.83	(0.20)	28.47	27.19	0%	-2%	BEARISH
BOND	PIMCO-ACTV BOND	91.15	(1.32)	(4.77)	(9.44)	(12.05)	(28.38)	91.47	89.89	92.42	0.23	94.94	89.90	0%	1%	BULLISH
TLT	ISHARS-20+YTB	93.87	(0.47)	(4.09)	(9.73)	(14.48)	(35.22)	95.48	93.72	96.66	0.18	99.25	94.07	-2%	0%	BULLISH
BNDX	VANGD-TTL INT B	48.78	(1.44)	(4.09)	(12.01)	(13.14)	(26.33)	49.20	48.62	49.08	0.17	50.39	47.77	-1%	0%	BULLISH
HYG	ISHARS-IBX HYCB	77.35	(1.10)	(4.55)	(8.88)	(10.29)	(23.90)	76.97	75.24	77.48	0.45	79.76	75.20	0%	3%	BULLISH

Real Investment Advice RISK RANGE REPORT SimpleVisor™

Weekly SimpleVisor Stock Screens

We provide three stock screens each week from [***SimpleVisor***]().

This week, we are searching for the Top 20:

- *Relative Strength Stocks*
- *Momentum Stocks*

- *Fundamental & Technical Strength W/ Dividends*

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R.S.I. Screen

Scan Result: 20 item(s) found | Tables | Overview | Technicals | Fundamentals | Performance

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
ALL	Financial	10/10	$159.15	$150.32(-5.87%)	61.33	$158.77(0.24%)	$150.91(5.46%)	$138.85(14.62%)	6	5	5	2.63%
AMD	Technology	10/10	$176.74	$117.35(-50.61%)	61.73	$173.14(2.08%)	$157.75(12.03%)	$134.48(31.42%)	5	7	1	%
ANET	Technology	10/10	$267.16	$332.56(19.67%)	55.16	$267.58(-0.16%)	$252.30(5.89%)	$227.52(17.42%)	1	6	1	%
AVGO	Technology	10/10	$1,299.26	$1,206.97(-7.65%)	66.37	$1,239.72(4.80%)	$1,165.94(11.43%)	$1,030.05(26.14%)	3	8	2	1.90%
COST	Consumer Goods	10/10	$738.30	$411.14(-79.57%)	73.49	$712.25(3.66%)	$680.69(8.46%)	$620.29(19.02%)	5	8	3	0.56%
FICO	Technology	10/10	$1,283.17	$338.00(-279.63%)	56.67	$1,263.97(1.52%)	$1,214.50(5.65%)	$1,088.11(17.93%)	—	7	3	%
LLY	Healthcare	10/10	$764.57	$161.63(-373.04%)	73.35	$708.74(7.88%)	$645.12(18.52%)	$613.81(24.56%)	—	5	3	0.71%
LRCX	Technology	10/10	$931.82	$1,048.54(11.13%)	69.99	$874.78(6.52%)	$812.57(14.68%)	$733.33(27.07%)	4	—	3	0.86%
META	Communication Ser.	10/10	$484.05	$459.04(-5.45%)	71.48	$447.71(8.12%)	$393.34(23.06%)	$356.44(35.80%)	—	—	—	%
MPWR	Technology	10/10	$720.16	$505.32(-42.52%)	64.94	$676.81(6.41%)	$637.03(13.05%)	$564.65(27.54%)	7	6	3	0.64%
NRG	Utilities	10/10	$51.85	()	47.42	$52.86(-1.92%)	$51.58(0.51%)	$47.60(8.92%)	4	6	3	2.96%
NVDA	Technology	10/10	$798.22	$262.69(-203.86%)	73.68	$683.52(16.78%)	$584.41(36.58%)	$520.19(53.45%)	0	6	2	0.03%
PCAR	Industrials	10/10	$110.39	()	80.13	$104.86(5.27%)	$99.57(10.87%)	$92.12(19.83%)	5	6	3	1.13%
PGR	Financial	10/10	$190.83	()	81.68	$183.25(4.14%)	$171.14(11.51%)	$163.47(16.74%)	—	5	3	0.61%
RL	Consumer Cyclical	10/10	$189.29	$146.11(-29.55%)	85.97	$162.59(16.42%)	$150.01(26.18%)	$133.86(41.41%)	3	8	1	1.75%
TPR	Consumer Cyclical	10/10	$48.74	$58.77(17.08%)	79.32	$42.26(15.32%)	$38.92(25.22%)	$33.92(43.68%)	—	8	2	3.05%
TRV	Financial	10/10	$220.89	()	77.99	$215.01(2.73%)	$201.47(9.64%)	$185.04(19.37%)	1	7	3	2.05%
UBER	Technology	10/10	$78.43	()	67.79	$71.31(9.98%)	$65.70(19.38%)	$57.58(36.21%)	2	3	3	%
URI	Industrials	10/10	$662.23	()	61.23	$647.84(2.22%)	$594.82(11.33%)	$520.24(27.29%)	3	8	3	1.00%
WRB	Financial	10/10	$85.61	()	75.69	$81.64(4.86%)	$76.10(12.49%)	$71.55(19.64%)	7	9	1	0.58%

Momentum Screen

Scan Result: 20 item(s) found | Tables | Overview | Technicals | Fundamentals | Performance

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
AMAT	Technology	10/10	$197.65	$212.46(6.97%)	69.65	$177.86(11.13%)	$166.07(19.02%)	$154.25(28.14%)	1	8	3	0.79%
AVGO	Technology	10/10	$1,299.26	$1,206.97(-7.65%)	66.37	$1,239.72(4.80%)	$1,165.94(11.43%)	$1,030.05(26.14%)	3	8	2	1.90%
BKNG	Consumer Cyclical	10/10	$3,505.73	()	70.78	$3,671.20(-4.51%)	$3,562.09(-1.58%)	$3,288.28(6.61%)	2	6	3	%
CRL	Healthcare	10/10	$248.42	$165.48(-50.12%)	67.78	$227.10(9.39%)	$224.27(10.77%)	$205.84(20.69%)	1	5	3	%
IQV	Healthcare	10/10	$246.33	$204.19(-20.64%)	70.74	$222.43(10.74%)	$222.19(10.86%)	$210.59(16.97%)	1	7	3	%
KLAC	Technology	10/10	$671.73	$872.91(23.05%)	71.78	$628.37(6.90%)	$597.44(12.43%)	$549.90(22.15%)	5	7	3	1.06%
LLY	Healthcare	10/10	$764.57	$161.63(-373.04%)	73.35	$708.74(7.88%)	$645.12(18.52%)	$613.81(24.56%)	—	5	3	0.71%
LRCX	Technology	10/10	$931.82	$1,048.54(11.13%)	69.99	$874.78(6.52%)	$812.57(14.68%)	$733.33(27.07%)	4	—	3	0.86%
MPWR	Technology	10/10	$720.16	$505.32(-42.52%)	64.94	$676.81(6.41%)	$637.03(13.05%)	$564.65(27.54%)	7	6	3	0.64%
NFLX	Communication Ser.	10/10	$584.27	$311.87(-87.34%)	67.64	$568.52(2.77%)	$517.89(12.82%)	$470.20(24.26%)	4	—	5	%
NVDA	Technology	10/10	$798.22	$262.69(-203.86%)	73.68	$683.52(16.78%)	$584.41(36.58%)	$520.19(53.45%)	0	6	2	0.03%
NVR	Consumer Cyclical	10/10	$7,579.99	$8,153.09(7.03%)	59.43	$7,324.39(3.49%)	$7,119.06(6.47%)	$6,543.74(15.84%)	1	7	2	%
RL	Consumer Cyclical	10/10	$189.29	$146.11(-29.55%)	85.97	$162.59(16.42%)	$150.01(26.18%)	$133.86(41.41%)	3	8	1	1.75%
TDG	Industrials	10/10	$1,195.67	$613.91(-94.76%)	76.61	$1,126.47(6.14%)	$1,057.38(13.08%)	$967.69(23.56%)	5	8	3	%
ULTA	Consumer Cyclical	10/10	$551.76	()	76.50	$517.17(6.69%)	$495.72(11.30%)	$449.64(22.71%)	4	7	3	%
EQIX	Real Estate	9/10	$882.59	$479.43(-84.09%)	65.28	$844.92(4.46%)	$819.64(7.68%)	$786.88(12.16%)	1	5	3	1.99%
LIN	Materials	9/10	$446.50	$189.14(-136.07%)	78.00	$417.25(7.01%)	$412.22(8.32%)	$400.24(11.56%)	5	7	3	1.25%
MOH	Healthcare	9/10	$404.31	$443.69(8.88%)	71.43	$375.61(7.64%)	$372.62(8.50%)	$360.88(12.03%)	1	6	2	%
ZBRA	Technology	9/10	$277.39	$114.63(-141.99%)	62.76	$255.99(8.36%)	$257.34(7.79%)	$237.86(16.62%)	1	9	2	%
ALGN	Healthcare	8/10	$319.81	$212.59(-50.44%)	68.03	$288.35(10.91%)	$273.30(17.02%)	$252.87(26.47%)	6	5	4	%

Fundamental & Technical Strength

Scan Result: 79 item(s) found | Tables | Overview | Technicals | Fundamentals | Performance

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
AMAT	Technology	10/10	$197.65	$212.46(6.97%)	69.65	$177.86(11.13%)	$166.07(19.02%)	$154.25(28.14%)	1	8	3	0.79%
AMD	Technology	10/10	$176.74	$117.35(-50.61%)	61.73	$173.14(2.08%)	$157.75(12.03%)	$134.48(31.42%)	5	7	1	%
AMZN	Consumer Cyclical	10/10	$174.26	$86.11(-102.36%)	65.31	$166.96(4.37%)	$157.83(10.41%)	$147.31(18.29%)	6	7	3	%
AXP	Financial	10/10	$214.47	()	73.29	$207.23(3.49%)	$192.73(11.28%)	$173.58(23.56%)	1	8	3	1.13%
BLDR	Industrials	10/10	$189.35	()	64.62	$180.75(4.76%)	$170.90(10.79%)	$147.65(28.24%)	4	8	1	%
CDW	Technology	10/10	$247.77	$153.60(-61.31%)	69.22	$236.46(4.78%)	$227.85(8.74%)	$217.93(13.69%)	5	4	2	1.02%
CMG	Consumer Cyclical	10/10	$2,645.94	$1,332.61(-98.55%)	68.51	$2,525.02(4.79%)	$2,383.16(11.03%)	$2,198.14(20.37%)	1	7	3	%
COST	Consumer Goods	10/10	$738.30	$411.14(-79.57%)	73.49	$712.25(3.66%)	$680.69(8.46%)	$620.29(19.02%)	5	8	3	0.56%
CRL	Healthcare	10/10	$248.42	$165.48(-50.12%)	67.78	$227.10(9.39%)	$224.27(10.77%)	$205.84(20.69%)	1	5	3	%
CRM	Technology	10/10	$292.66	$210.16(-39.26%)	61.66	$286.70(2.08%)	$273.44(7.03%)	$244.65(19.62%)	6	—	3	%
CTLT	Healthcare	10/10	$58.94	$26.51(-122.33%)	68.67	$55.85(5.53%)	$49.61(18.81%)	$44.78(31.62%)	4	5	3	%
DIS	Communication Ser.	10/10	$107.70	$87.07(-23.69%)	63.14	$103.45(4.11%)	$96.42(11.70%)	$91.55(17.64%)	2	7	3	0.81%
ECL	Materials	10/10	$221.82	$136.12(-62.96%)	72.26	$206.24(7.56%)	$200.89(10.42%)	$187.61(18.24%)	1	6	5	1.12%
EFX	Industrials	10/10	$266.29	()	64.93	$251.07(6.06%)	$246.54(8.01%)	$218.61(21.81%)	5	6	3	0.88%
ETN	Industrials	10/10	$284.92	$109.77(-159.56%)	77.55	$267.46(6.53%)	$250.39(13.79%)	$232.87(22.35%)	7	8	3	1.40%
GE	Industrials	10/10	$153.33	$122.36(-25.31%)	86.94	$139.90(9.60%)	$131.91(16.24%)	$122.69(24.97%)	1	5	5	0.21%
GWW	Industrials	10/10	$955.89	$906.33(-5.47%)	65.98	$932.09(2.55%)	$873.01(9.49%)	$812.43(17.66%)	5	6	2	0.80%
HCA	Healthcare	10/10	$315.81	$299.77(-5.35%)	67.58	$304.63(3.67%)	$286.83(10.10%)	$263.69(19.77%)	6	7	3	0.86%
IBM	Technology	10/10	$186.08	$129.12(-44.11%)	56.80	$185.04(0.56%)	$172.46(7.90%)	$159.59(16.60%)	5	7	4	3.98%
IQV	Healthcare	10/10	$246.33	$204.19(-20.64%)	70.74	$222.43(10.74%)	$222.19(10.86%)	$210.59(16.97%)	1	7	3	%
KLAC	Technology	10/10	$671.73	$872.91(23.05%)	71.78	$628.37(6.90%)	$597.44(12.43%)	$549.90(22.15%)	5	7	3	1.06%
LRCX	Technology	10/10	$931.82	$1,048.54(11.13%)	69.99	$874.78(6.52%)	$812.57(14.68%)	$733.33(27.07%)	4	—	3	0.86%
META	Communication Ser.	10/10	$484.05	$459.04(-5.45%)	71.48	$447.71(8.12%)	$393.34(23.06%)	$356.44(35.80%)	—	—	—	%
MLM	Materials	10/10	$548.51	$487.94(-12.41%)	68.09	$523.65(4.75%)	$505.70(8.47%)	$471.85(16.25%)	3	4	4	0.59%
MRK	Healthcare	10/10	$129.01	$132.13(2.36%)	77.85	$125.29(2.97%)	$117.64(9.67%)	$109.95(17.34%)	5	8	3	2.96%
NFLX	Communication Ser.	10/10	$584.27	$311.87(-87.34%)	67.64	$568.52(2.77%)	$517.89(12.82%)	$470.20(24.26%)	4	—	5	%
NSC	Industrials	10/10	$258.41	$213.05(-21.29%)	63.03	$248.75(3.88%)	$238.70(8.26%)	$220.55(17.17%)	4	7	3	2.15%
NVR	Consumer Cyclical	10/10	$7,579.99	$8,153.09(7.03%)	59.43	$7,324.39(3.49%)	$7,119.06(6.47%)	$6,543.74(15.84%)	1	7	2	%

SimpleVisor Portfolio Changes

We post all of our portfolio changes as they occur at ***SimpleVisor:***

Feb 21st

> *"Last night, Palo Alto Networks posted strong earnings but weak guidance, leading to a sharp 25% selloff this morning at the open. Like NVDA and AMD, this stock is poised in the Artificial intelligence space where prices have run far ahead of reality. As such, even though earnings were strong, that detachment from underlying fundamentals can lead to very sharp price reversions. Such brings us to today?s trades in the Equity Model.*
>
> *We have wanted to add Palo Alto (PANW) to our portfolio for a while but have been unable to get a decent entry point where the stock is oversold. Therefore, we are using today?s selloff as an opportunity to add a very small position to the portfolio. As the position stabilizes and finds support, we will increase sizing and reduce our cost basis.*

However, the selloff in PANW is a stark reminder of what can happen with earnings, and after the bell today, Nvidia is reporting. While earnings and revenue will be strong, forward guidance is a risk. Therefore, we are reducing our holdings in both AMD and NVDA before the announcement to hedge some risk after a big runup in these two holdings. We are also trimming Diamond Back Energy (FANG) and taking profits as it has become disconnected from the rest of the drillers. We will look to add back to these positions opportunistically at better prices."

Equity Model

- *Reduce AMD (AMD) and NVIDIA (NVDA) to 2% and 1.5% of the portfolio, respectively.*
- *Reduce Diamond Back Energy (FANG) to 1% of the portfolio.*
- *Initiate a starter 0.75% position of Palo Alto Networks (PANW) in the portfolio.*

Lance Roberts, *C.I.O.*

Have a great week!