

## Inside This Week's Bull Bear Report

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## Market Confirms Break Of The Bullish Trend

[Last week](#), we discussed the current bullish trend's ongoing, mind-numbing, narrow channel. We have suggested there was little to worry about until the market violates the 20-DMA. The market confirmed that "crack" to this "unstoppable" bullish rally on Friday. As we noted last week:

*"However, as we previously noted, just because the market breaks the 20-DMA does not mean we must take immediate action. What we need to see is a confirmation of that break with either a failed retest of previous support or a further decline. **If the market is lower on Monday and takes out Thursday's low, as shown, this would confirm the break of support and suggest lower prices. The 50-DMA will quickly become the next significant support level.**"*

As shown, the market did break below the previous low on Friday after failing to reclaim that previous support at the 20-DMA. The failure to reclaim that support turns the previous 20-DMA into resistance and makes the 50-DMA new critical support over the next few days. (Note: If the market makes a confirmed break of the 50-DMA, the 100- and 200-DMAs become the following logical targets.)



The market is oversold enough for a bounce early next week that investors should use to make further adjustments to portfolio allocations. **Crucially, this signal DOES NOT mean to "sell everything and go to cash."**

The confirmed break of support suggests reviewing portfolio allocations and taking profits in well-performing positions. However, while some stocks have only begun to correct from previously overbought conditions, many have already corrected by 10% or more over the last few weeks. Those companies may see inflows as a rotation trade in the market occurs.

In other words, as is always the case, be careful *"throwing the baby out with the bathwater."* Opportunities to acquire better-priced companies always exist, even during a corrective process.

What is essential is that there are now cracks in the market's bullish armor. Let's dig into that more deeply.

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# Cracks Appear In The Market's Bullish Armor

As we have repeatedly discussed over the last month, the 20-DMA has consistently supported the rally that began in November. Notably, that support cracked over a week ago as geopolitical risks heightened. As we discussed in our [Daily Market Commentary](#):

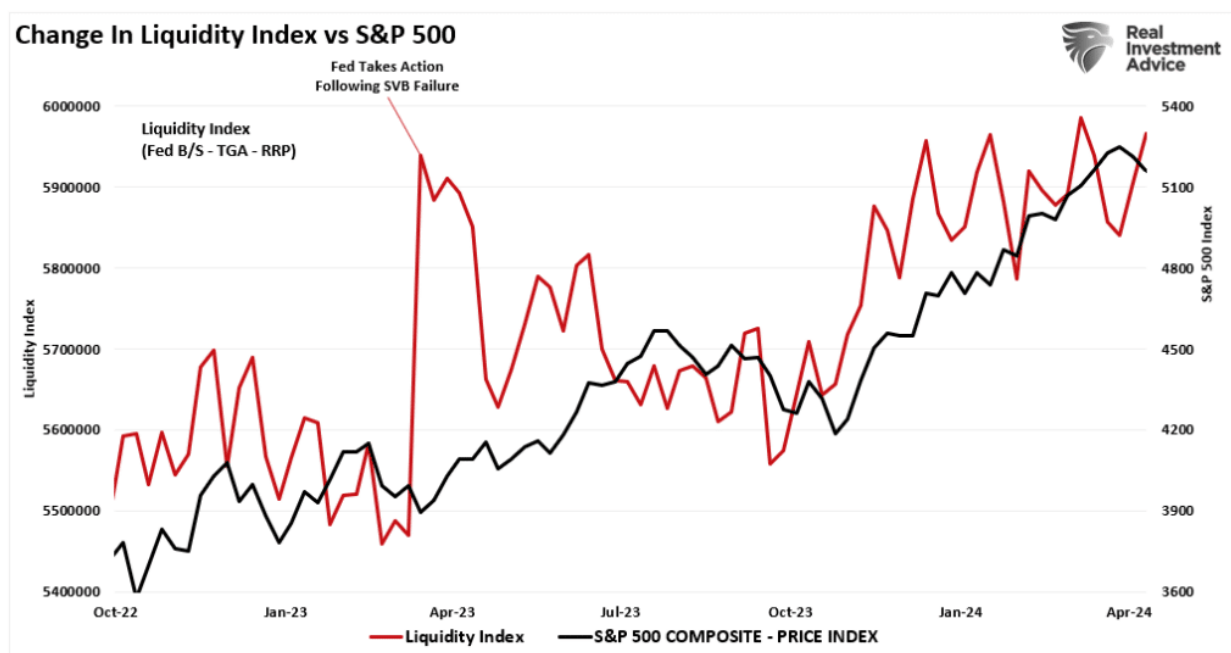
*"However, a rash of Fed speakers left the markets uncertain about the ?certainty of rate cuts? this year, sending stocks lower mid-afternoon. Furthermore, international tensions between Iran and Israel raised commodity prices, weighing on market outlooks as the risk of war increased. That selloff broke the market below the 20-DMA trend line, violating that support."*

However, as we noted, just because the market breaks the 20-DMA does not mean we must take immediate action. What we need to see is a confirmation of that break with either a failed retest of previous support or a further decline. On Friday, the stronger-than-expected employment report sent stocks higher as "good news is good news" as more robust economic growth should support earnings. However, "bad news also remains good news," as it would mean Fed rate cuts.

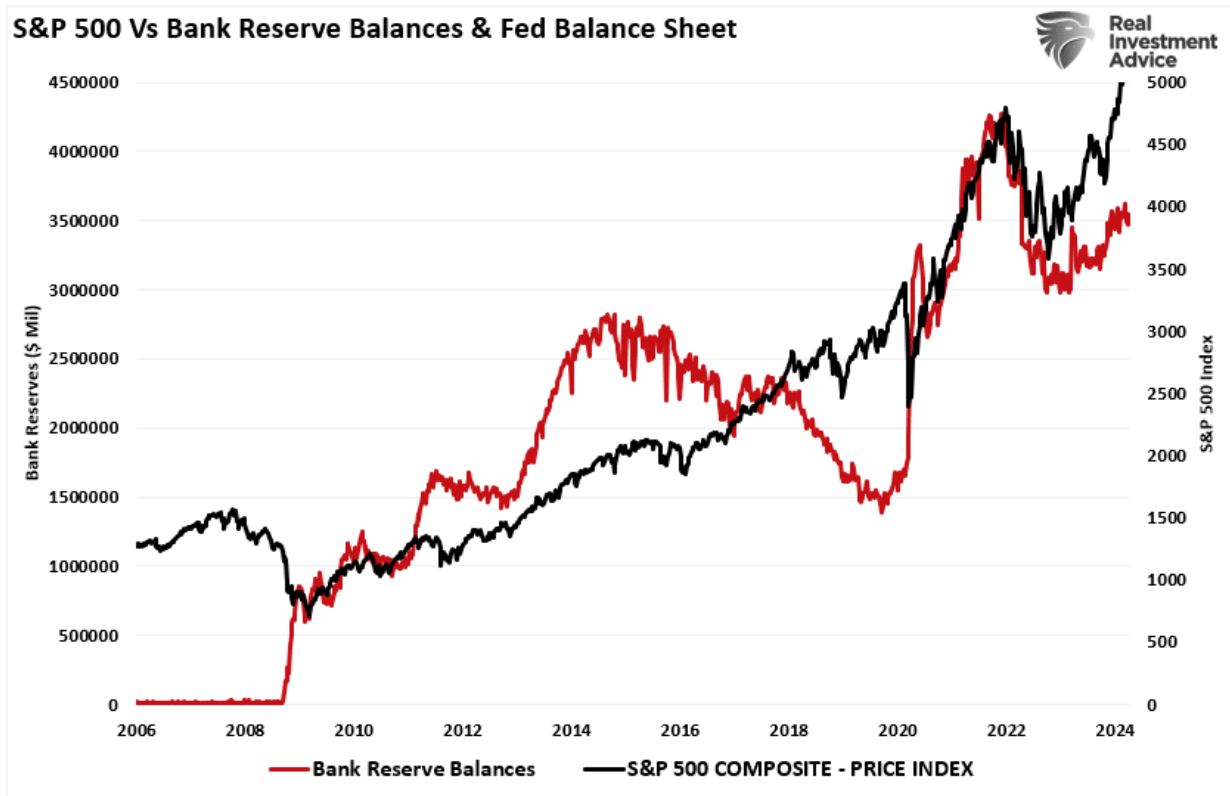
The market continued to hold support on Monday and Tuesday, but the hotter-than-expected inflation report on Wednesday sent stocks crashing through support once again.

This type of price action shows that cracks are now appearing in the "can't stop, won't stop" bull market rally. As such, we will review the market's short-term technical price action. From that analysis, we can define potential support and resistance levels to pay attention to if a larger correction process is beginning to unfold.

As is always the case, no one knows what will happen next. Such is particularly true in a market still heavily driven by excess liquidity and more extreme bullish sentiment. As shown, the liquidity index remains supportive of the current rally.



The same goes for overall bank reserves, which have continued to rise since October 2022, when this bull market rally started following the 2022 correction. Notably, those reserves continue to increase despite concerns about overall bank liquidity and stress in regional banks.



Nonetheless, according to our technical review, despite this liquidity flow, several cracks are worth noticing.

## Crack No. 1 - A Slowing Of Momentum

Since the October lows, the chase for equity exposure, particularly in the "*artificial intelligence*" and "*weight loss drug*" sectors, has been phenomenal. We can measure that momentum chase by looking at the Momentum ETF (MTUM), which regularly rebalances its holdings for "*what's hot.*"

Currently, the Top-10 holdings of MTUM are unsurprising, with some of the biggest high-flyer names dominating the list.

as of Apr 09, 2024

Filter list by keyword

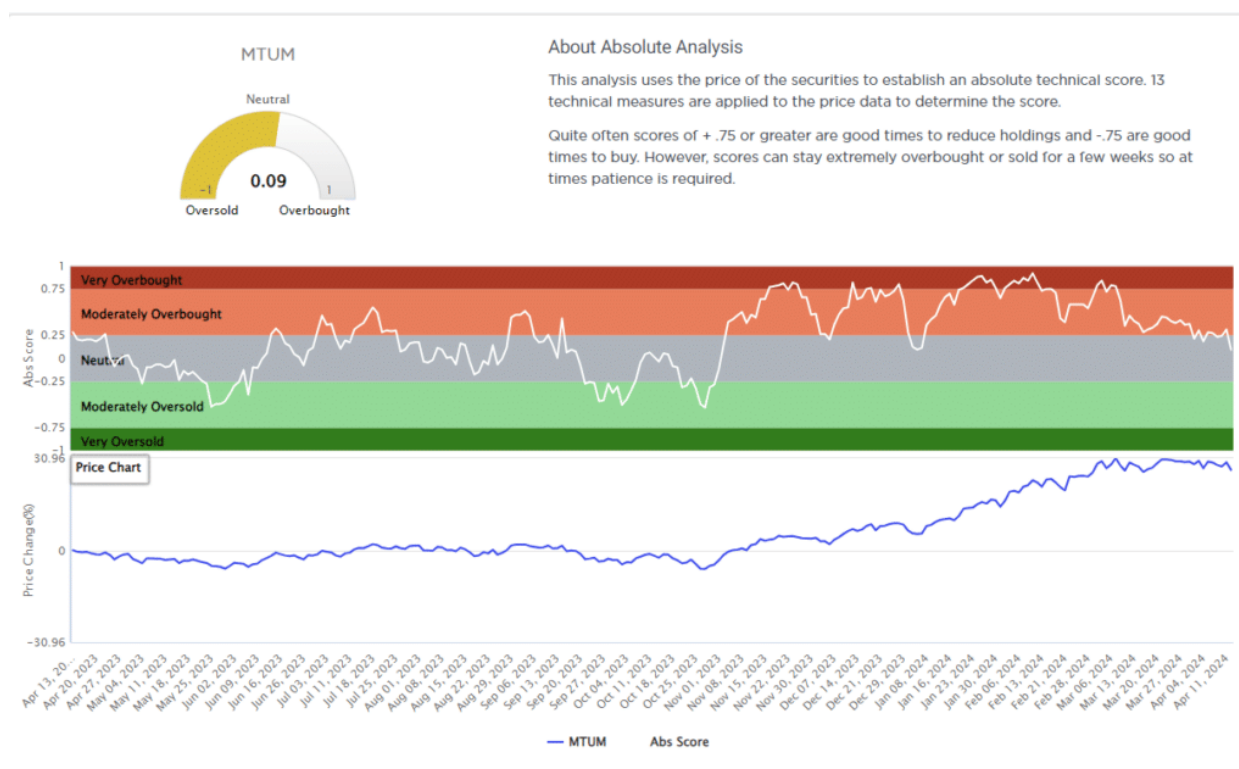
Ticker	Name	Sector	Asset Class	Market Value	Weight (%)	Notional Value	
NVDA	NVIDIA CORP	Information Technology	Equity	\$628,709,028.60	6.22	628,709,028.60	73%
META	META PLATFORMS INC CLASS A	Communication	Equity	\$584,236,563.00	5.78	584,236,563.00	1,13%
AVGO	BROADCOM INC	Information Technology	Equity	\$573,016,709.76	5.67	573,016,709.76	42%
LLY	ELI LILLY	Health Care	Equity	\$517,871,135.32	5.12	517,871,135.32	68%
AMZN	AMAZON COM INC	Consumer Discretionary	Equity	\$475,313,157.63	4.70	475,313,157.63	2,55%
MSFT	MICROSOFT CORP	Information Technology	Equity	\$457,651,650.32	4.53	457,651,650.32	1,07%
AMD	ADVANCED MICRO DEVICES INC	Information Technology	Equity	\$321,002,357.50	3.18	321,002,357.50	1,87%
COST	COSTCO WHOLESALE CORP	Consumer Staples	Equity	\$285,683,358.99	2.83	285,683,358.99	39%
CRM	SALESFORCE INC	Information Technology	Equity	\$262,106,410.80	2.59	262,106,410.80	86%
NFLX	NETFLIX INC	Communication	Equity	\$258,206,066.80	2.55	258,206,066.80	41%

1 to 10 of 128

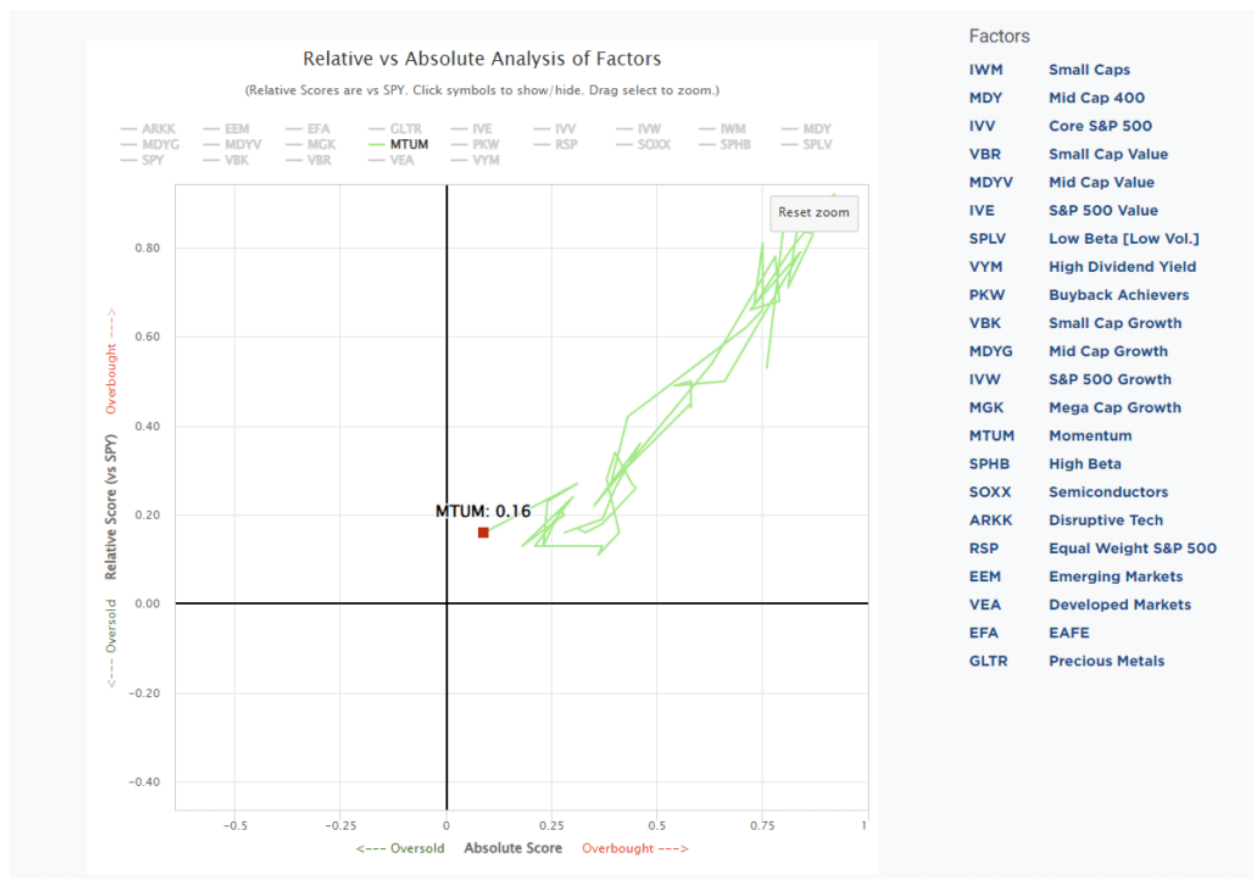
&lt; 1 2 3 4 5 ... 13 &gt;

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Of course, given that these names are getting the most attention, it is unsurprising that as prices rise, they attract increasing money flows as the chase for performance ensues. Therefore, we can watch MTUM for changes in that "exuberance," which is progressing. Since the middle of March, the price of MTUM has flatlined, with the absolute score reducing from extremely overbought to just moderately overbought.



Furthermore, MTUM (*momentum stocks*) has shown considerable weakness over the last ten weeks.



However, if we look at a chart of the S&P 500 index (where the top 10 holdings are similar to MTUM), the loss of price momentum is visible.



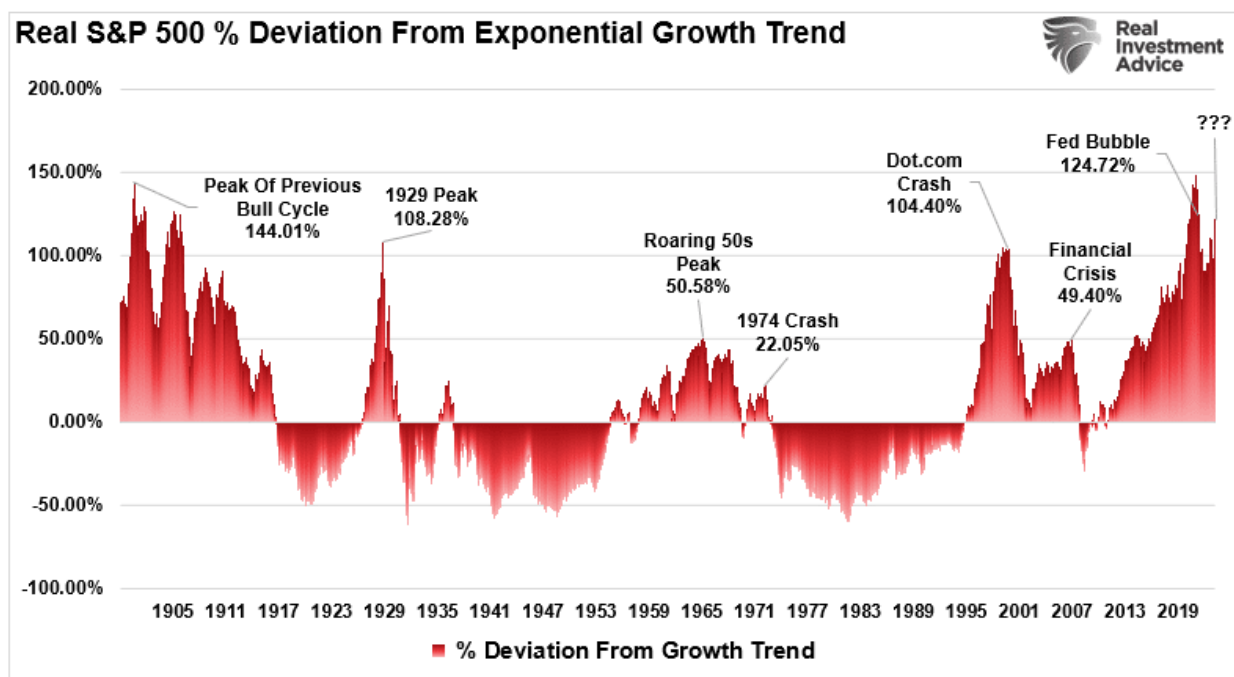
While this loss of momentum suggests that cracks in the market's bullish armor are growing, it does not mean a deeper correctional process is imminent. However, it is evidence worth paying attention to.

## Crack No. 2 - Bullish Sentiment Is Fading

One of the most important aspects of a bull market is investor participation. We can measure participation by monitoring investor sentiment (*how they feel about the market*) and positioning (*how they allocate to equity risk*.)

In "[Market Bubbles](#)," we discussed that bull markets, specifically market bubbles, result from investor psychology. To wit:

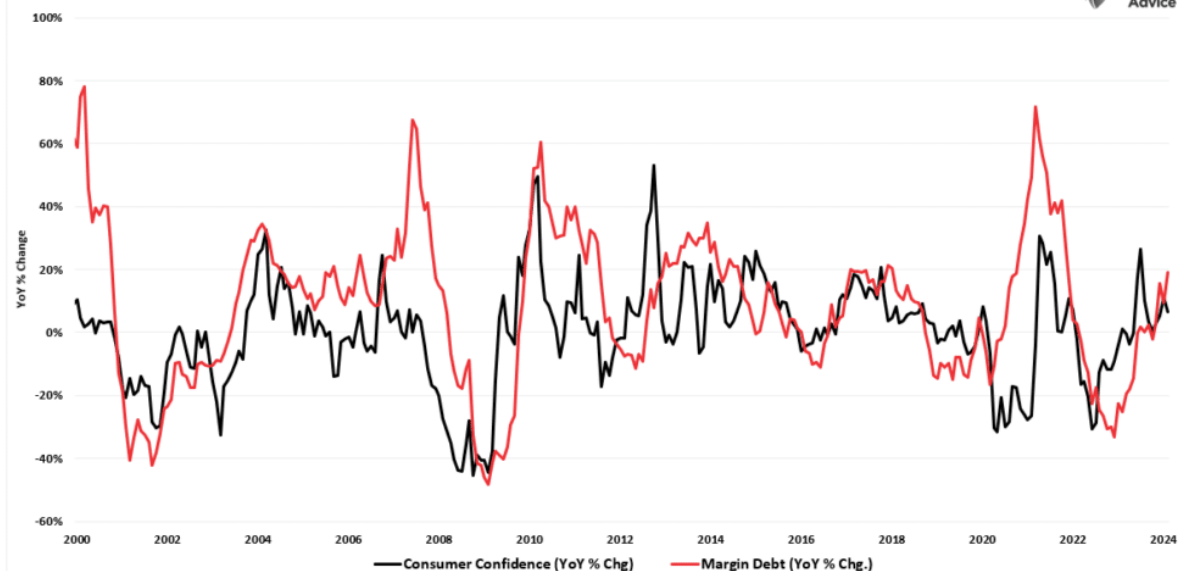
*"When investors bid up asset prices that exceed underlying earnings growth rates, market bubbles have previously been present. The reason is that since economic activity generates revenues and earnings, valuations can not indefinitely exceed the underlying fundamental realities. Since valuations are a function of price and earnings, deviations of the market from the long-term exponential growth trend have marked prior peaks."*



And, when investors are very bullish, they are willing to take on [risk by leveraging bets](#).

*"Unsurprisingly, as consumer confidence improves, so does the speculative demand for equities. As stock markets improve, the ?fear of missing out? becomes more prevalent. Such boosts demand for equities, and as prices rise, investors take on more risk by adding leverage."*

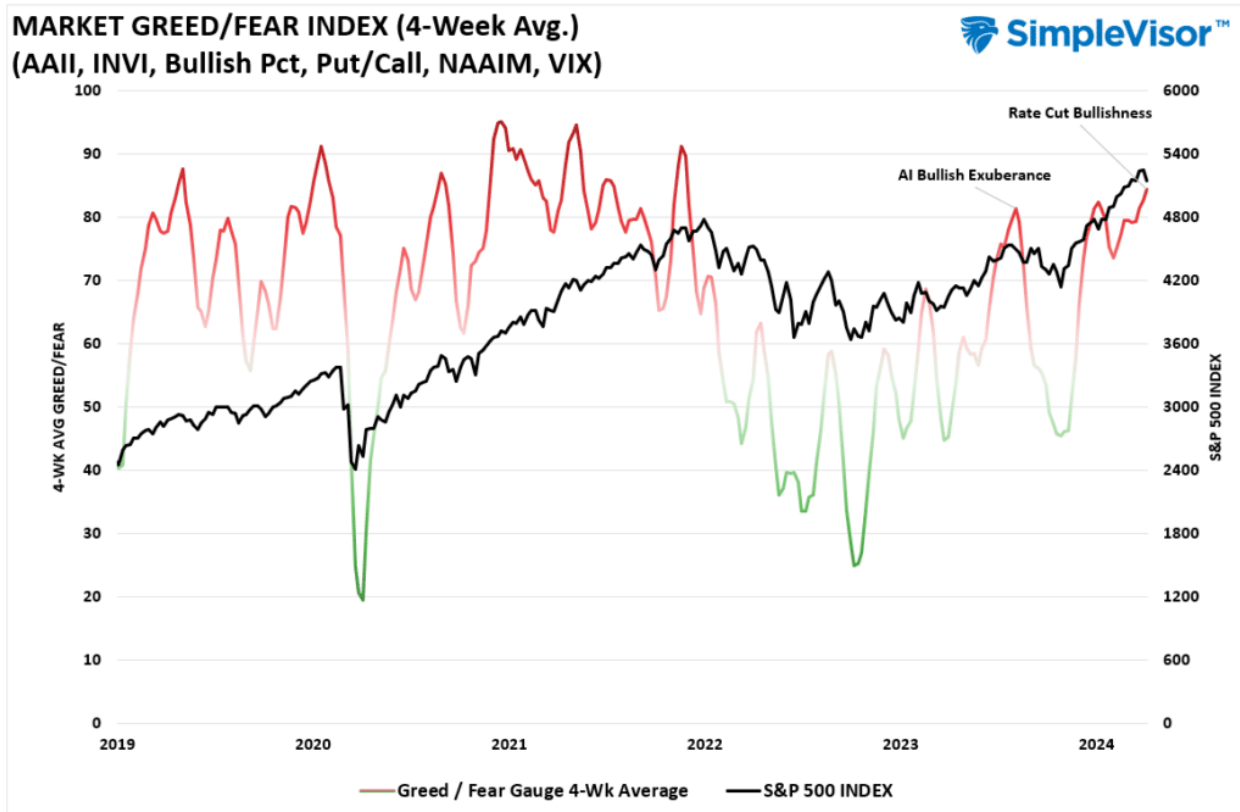
### Consumer Confidence Vs Margin Debt



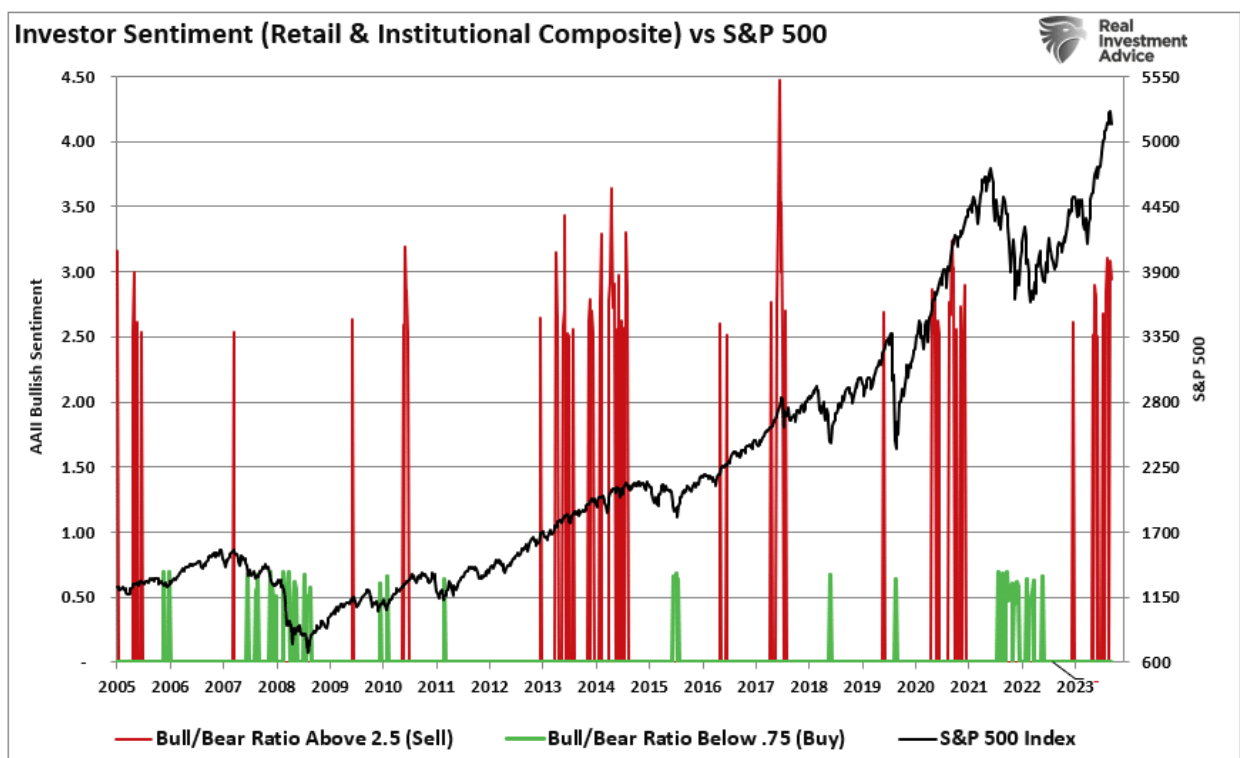
Therefore, if psychology drives the markets on the way up, a reversal of that psychology should be essential to monitor for a market change. As Howard Marks previously noted:

*?It?s the swings of psychology that get people into the biggest trouble, especially since investors? emotions invariably swing in the wrong direction at the wrong time. **When things are going well people become greedy and enthusiastic, and when times are troubled, people become fearful and reticent. That?s just the wrong thing to do. It?s important to control fear and greed.?***

Currently, investor allocations to equities by both professional and retail investors have risen sharply. In July 2023, that allocation reversal propelled the 10% correction through last October. Investor allocations are higher than the previous bullish exuberance. It is worth noting that, like today, the market turned lower before allocation levels declined in earnest.



Secondly, as we saw in 2023, the more extreme bullish sentiment of professional and retail investors peaked above a ratio of 2.5 before the reversal. Over the last six weeks, five of those weeks saw a bull versus bear sentiment ratio above 2.5.



The point is that when everyone is bullish, as they have been over the last two months, few are left to "buy" to keep markets elevated. Such is why money flows are also reversing.

## Crack No. 3 - Money Flows Are Reversing

While technicals, sentiment, and positioning are all crucial to market corrections, price action ultimately dictates movement. As explained previously, buyers must coax sellers into a transaction by offering consistently higher prices during rising markets. However, when the market reverses, sellers enter the market, and buyers retract, requiring lower prices to facilitate a transaction. The Wall Street axiom **"Sellers live higher, and buyers live lower"** is true regarding how markets operate.

One way to see where buyers and sellers are currently "living" is to examine price action. We can visualize how much money flows into and out of the market over time. Prices will rise if more money flows into the market, and vice versa. Therefore, the Chaikin Money Flow Index is an indicator that can help us visualize money flows.

*"Developed by Marc Chaikin, Chaikin Money Flow measures the amount of money flowing into an asset over a specific period. Money Flow Volume forms the basis for the Accumulation Distribution Line. Instead of a cumulative total, Chaikin Money Flow sums Money Flow Volume for a specific look-back period, typically 20 or 21 days. The resulting indicator fluctuates above/below the zero line just like an oscillator. Chartists weigh the balance of buying or selling pressure with the absolute level of Chaikin Money Flow. Additionally, chartists can look for crosses above or below the zero line to identify changes on money flow." - Stockcharts.com*

The Chaikin Money Flow Index calculates whether money flows into or out of a stock or index by examining the difference between its high, low, and closing price.

The chart below shows that the Chaikin Money Flow index declined over the last few weeks. Those flows were a warning sign that market participants were slowing their purchases, and sellers were becoming more prevalent. Returning to the market peak in July 2023, we saw a similar warning sign.



As we have been warning over the last few months, we expect a 5-10% correction in the markets to reverse some excess bullish sentiment and positioning. Such an event is a normal and healthy process for the bullish market trends to continue.

Is that correction starting now? Many of our indicators are ringing alarm bells, so we should consider taking action to reduce risks and rebalance exposures as needed.

If this is a repeat of 2023, the next couple of months could get a bit rough.

## How We Are Trading It

There is no magic formula for managing portfolios; everyone does it differently. However, as we often discuss, a few practices can significantly reduce the risk of an unexpected market correction.

As noted, there is an apparent crack in the market that suggests investors should take some portfolio actions. While we have discussed these simplistic rules over the last several weeks, it is time to rebalance risk if you have an allocation to equities.

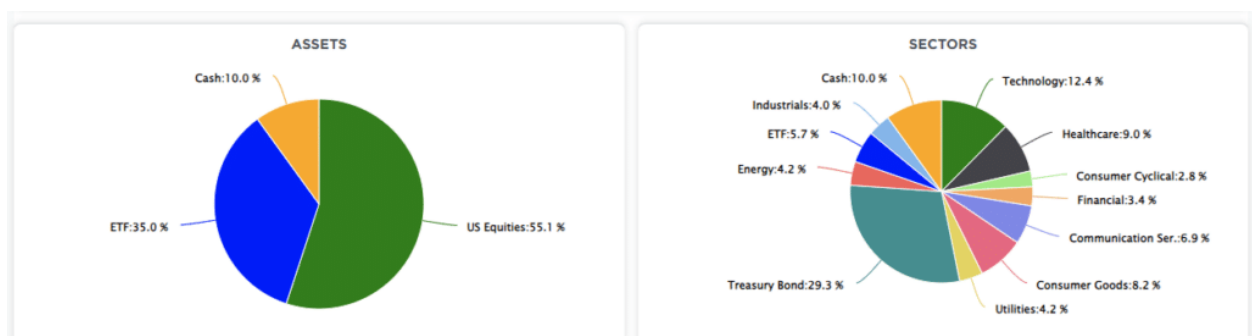
1. **Tighten up stop-loss levels** to current support levels for each position.
2. **Hedge portfolios** against major market declines.
3. **Take profits** in positions that have been big winners
4. **Sell laggards** and losers
5. **Raise cash** and rebalance portfolios to target weightings.

**Notice, nothing in there says ?sell everything and go to cash.?**

Remember, our job as investors is pretty simple ? protect our investment capital from short-term destruction so we can play the long-term investment game. Here are our thoughts on this.

- **Capital preservation** is always the primary objective. If you lose your capital, you are out of the game.
- **Seek a rate of return sufficient to keep pace with the inflation rate.** Don?t focus on beating the market.
- **Keep expectations based on realistic objectives.** (The market does not compound at 8%, 6% or 4%)
- **Higher rates of return require an exponential increase in the underlying risk profile.** This tends to never work out well.
- **You can replace lost capital ? but you can?t replace lost time.** Time is a precious commodity that you cannot afford to waste.
- **Portfolios are time-frame specific.** If you have a 5-year retirement horizon but build a portfolio with a 20-year time horizon (taking on more risk), the results will likely be disastrous.

Keep moves small for now. As the markets confirm their next direction, we can continue adjusting accordingly.



Have a great week.

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## Research Report

### Real Investment Daily



#### Immigration And Its Impact On Employment

Written by Lance Roberts | Apr 12, 2024 | Economics

Is immigration why employment reports from the Bureau of Labor Statistics (BLS) continue defying ma...

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## Bull Bear Report Market Statistics & Screens

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## SimpleVisor Top & Bottom Performers By Sector

## Healthcare

MOH	MCK	LH	MRK	UHS
-0.05%	-0.07%	-0.56%	-0.67%	-0.75%
GEN	CTLT	JNJ	HOLX	AMGN
-0.79%	-0.88%	-0.95%	-0.98%	-1.01%
ILMN	DXCM	ALGN	TECH	BIO
-3.26%	-3.28%	-3.36%	-3.52%	-3.75%
MTD	BAX	WAT	RVTY	ZTS
-4.19%	-4.3%	-4.58%	-4.65%	-8.11%

## Industrials

FAST	ODFL	NOC	GD	CARR
0.48%	0.19%	0.02%	-0.18%	-0.23%
LHX	AOS	LMT	HII	BLDR
-0.23%	-0.27%	-0.27%	-0.29%	-0.3%
URI	CAT	UPS	HWM	GNRC
-2.35%	-2.49%	-2.97%	-3.06%	-3.39%
UAL	LUV	DE	AAL	AXON
-3.43%	-3.47%	-3.69%	-3.93%	-4.13%

## Technology

AAPL	TYL	JNPR	NOW	LDOS
0.56%	-0.53%	-0.61%	-0.91%	-1.02%
INTU	SNPS	BR	PTC	MSI
-1.13%	-1.19%	-1.24%	-1.26%	-1.29%
MCHP	QRVO	MU	ENPH	AMD
-3.99%	-4.08%	-4.22%	-4.24%	-4.48%
SMCI	NXPI	INTC	ON	ANET
-4.56%	-4.57%	-5.14%	-5.33%	-8.35%

## Consumer Cyclical

NVR	LEN	DHI	NKE	PHM
0.2%	-0.19%	-0.22%	-0.34%	-0.39%
POOL	GPC	MCD	YUM	HAS
-0.51%	-0.59%	-0.63%	-0.69%	-0.73%
WYNN	LULU	MHK	ABNB	F
-3.55%	-3.56%	-3.57%	-3.92%	-4.1%
NCLH	CCL	RCL	MGM	CZR
-4.32%	-4.61%	-4.86%	-5.3%	-5.52%

## Financial

GL	STT	PGR	AFL	ALL
18.16%	1.49%	1.33%	0.84%	0.63%
CBOE	TRV	CB	HIG	WTW
0.31%	0.29%	0.19%	-0.01%	-0.16%
AMP	TROW	PYPL	GS	NDAQ
-2.2%	-2.2%	-2.27%	-2.39%	-2.51%
IVZ	BLK	BX	BEN	JPM
-2.58%	-2.75%	-3.02%	-3.67%	-6.14%

## Consumer Staples

WMT	MNST	PEP	COST	CL
0.09%	-0.1%	-0.12%	-0.13%	-0.31%
CHD	MDLZ	PG	PM	MO
-0.4%	-0.43%	-0.5%	-0.61%	-0.63%
HRL	HSY	ADM	LW	TSN
-2.31%	-2.4%	-2.53%	-2.63%	-2.63%
MKC	TGT	DLTR	DG	EL
-2.7%	-3.02%	-3.44%	-4.07%	-4.78%

## Utilities

PNW	ED	DTE	PCG	DUK
0.1%	0%	-0.09%	-0.09%	-0.37%
CMS	CNP	AEE	WEC	ATO
-0.49%	-0.53%	-0.54%	-0.54%	-0.59%
SRE	EVRG	ETR	EXC	AEP
-0.98%	-1.12%	-1.18%	-1.18%	-1.21%
NRG	NEE	AWK	SO	AES
-1.25%	-1.36%	-1.43%	-1.52%	-5.44%

## Materials

ECL	MLM	SHW	DOW	VMC
-0.19%	-0.98%	-1.18%	-1.44%	-1.5%
NEM	LYB	LIN	APD	NUE
-1.52%	-1.6%	-1.8%	-1.98%	-2.14%
PPG	STLD	CF	MOS	CE
-2.83%	-2.83%	-2.98%	-3.24%	-3.28%
DD	IFF	CTVA	ALB	FMC
-3.46%	-3.89%	-4.67%	-6.02%	-7.89%

## Real Estate

KIM	FRT	REG	AMT	DLR
0.92%	0.05%	0.03%	-0.16%	-0.44%
O	CCI	VICI	WELL	DOC
-0.56%	-0.68%	-0.82%	-0.84%	-0.88%
CPT	EXR	INVH	HST	MAA
-1.87%	-1.91%	-1.91%	-1.94%	-1.97%
ARE	EQR	ESS	CSGP	BXP
-1.99%	-2.09%	-2.19%	-2.65%	-2.81%

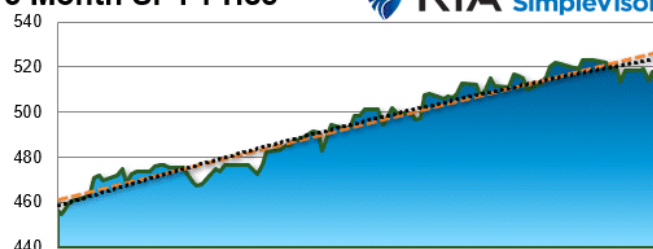
## Energy

OXY	EGT	TRGP	CTRA	DVN
-0.64%	-0.71%	-0.85%	-0.99%	-1.02%
OKE	FANG	MRO	KMI	XOM
-1.12%	-1.27%	-1.32%	-1.44%	-1.56%
FI	PSX	APA	MPC	VLO
-1.83%	-2.03%	-2.05%	-2.11%	-2.14%
CVX	BKR	HAL	HES	SLB
-2.3%	-2.54%	-3.24%	-3.24%	-3.83%

## Communication Ser.

TMUS	T	VZ	EA	GOOG
-0.5%	-0.7%	-0.98%	-1.01%	-1.26%
NFLX	IPG	FOX	LYV	CMCSA
-1.27%	-1.33%	-1.89%	-1.91%	-1.92%
FOXA	TTWO	CHTR	NWSA	WBD
-1.92%	-2.06%	-2.15%	-2.15%	-2.17%
OMC	NWS	META	DIS	PARA
-2.18%	-2.26%	-2.41%	-2.72%	-2.88%

## S&amp;P 500 Weekly Tear Sheet

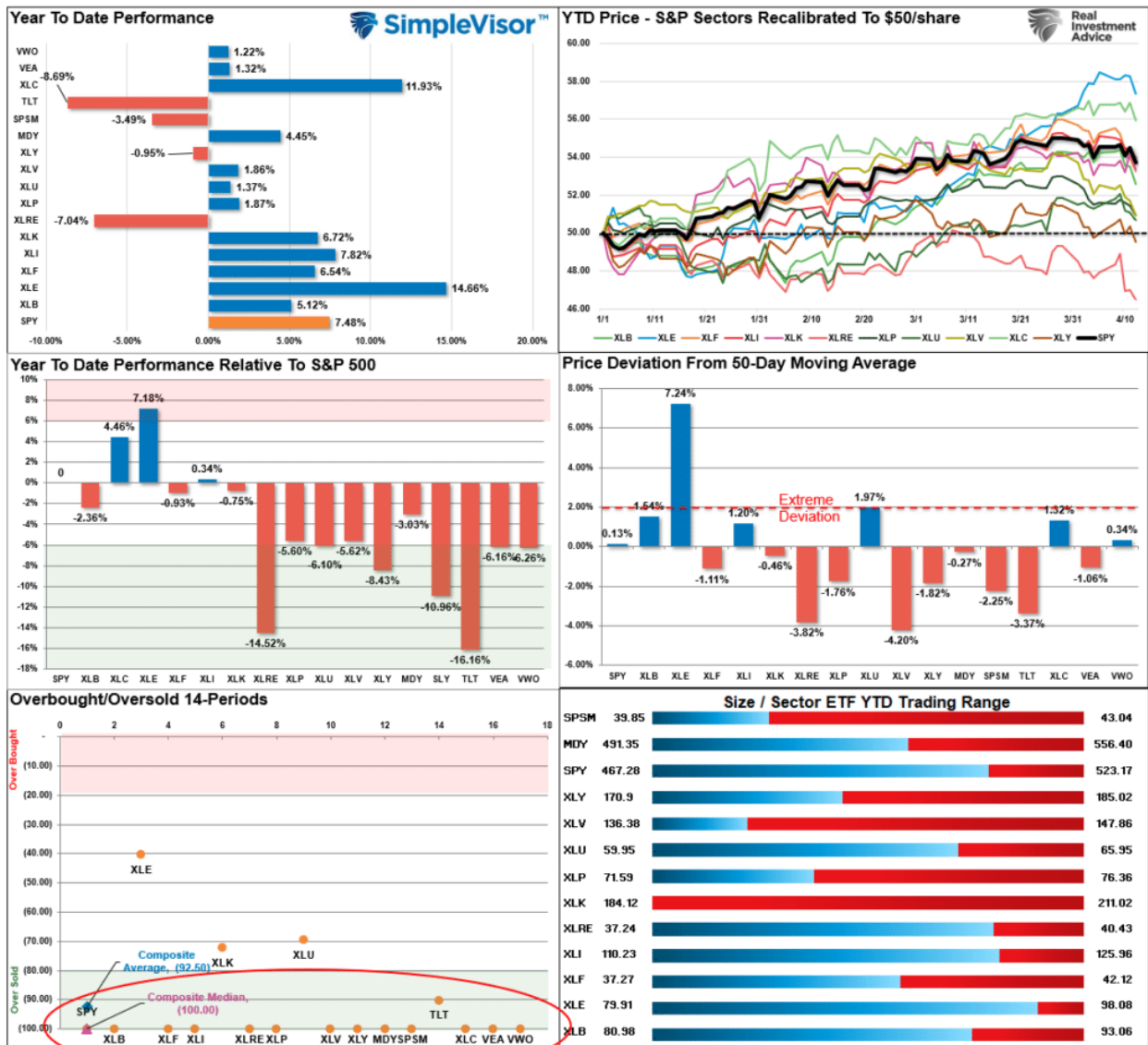
3 Month SPY Price							RIA SimpleVisor		SPY RISK INFO				
									Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
									Price Return	16.56%	25.19%	7.48%	(70.32%)
									Max Drawdown	(22.64%)	(10.93%)	(2.96%)	(72.92%)
									Sharpe	0.18	2.08	2.20	0.06
									Sortino	0.30	3.11	3.50	0.12
									Volatility	18.37	11.64	11.34	(0.03)
									Daily VaR-5%	(18.75)	8.66	11.93	0.38
									Mnthly VaR-5%	(20.91)	8.29	38.27	3.62
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	Item	12-M Ago	Current	% Chg	
Dividend Yield	1.30%	1.54%	1.32%	(16.86%)	2.14%	1.20%	(38.42%)	9.94%	Shares	3,785.0	3,699.8	(2.25%)	
P/E Ratio	21.35	19.18	23.78	19.36%	29.36	16.66	(19.0%)	42.75%	Sales	117,046	123,339	5.38%	
P/S Ratio	4.13	3.38	4.01	15.55%	4.68	3.04	(14.47%)	31.79%	SPS	30.9	33.3	7.80%	
P/B Ratio	6.42	5.55	6.36	12.77%	6.84	4.34	(7.03%)	46.52%	Earnings	17,955	19,289	7.43%	
ROE	28.74%	25.54%	26.12%	2.22%	29.37%	19.17%	(11.06%)	36.24%	EPS TTM	5.5	5.6	1.62%	
ROA	6.62%	5.97%	6.33%	5.66%	6.73%	4.49%	(5.89%)	40.86%	Dividend	1.6	1.8	7.11%	
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	9.32%	4.18%	1.30	12.65	93.64	(357.54)	(86.5%)	17.8%	2.9%	7.73%	6.78	12.77	
Materials	9.94%	2.38%	1.14	20.56	26.99	11.37	(23.8%)	11.6%	1.8%	4.80%	4.75	21.18	
Industrials	22.76%	8.67%	1.15	23.18	58.37	16.78	(60.3%)	23.2%	1.5%	4.30%	6.74	21.70	
Discretionary	31.46%	10.33%	1.44	30.42	72.55	24.69	(58.1%)	18.8%	0.7%	3.26%	5.53	26.31	
Staples	(3.88%)	5.89%	0.58	20.91	22.78	18.47	(8.2%)	27.1%	2.6%	4.76%	4.04	20.45	
Health Care	4.31%	12.12%	0.67	21.37	22.24	14.91	(3.9%)	21.7%	1.7%	4.64%	8.13	19.50	
Financials	24.70%	13.00%	1.16	16.69	21.47	12.77	(22.3%)	12.2%	1.6%	5.96%	7.74	16.13	
Technology	48.02%	29.54%	1.17	37.58	37.27	17.89	0.8%	65.0%	0.7%	2.65%	7.48	30.62	
Telecom	50.64%	9.33%	0.97	24.42	28.38	15.42	(13.9%)	24.7%	0.5%	4.07%	6.22	19.47	
Utilities	(6.70%)	2.30%	0.69	17.69	21.24	15.58	(16.7%)	10.9%	3.6%	5.60%	3.55	16.09	
Real Estate	(1.16%)	2.20%	1.02	16.97	26.21	15.47	(35.3%)	7.2%	3.7%	5.86%	4.73	17.92	
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	510.85	3.34%	510.52	50	0.06%	466.08	117	9.61%	9.54%	(2.62%)	26.53%	Buy	
Mid Cap	529.94	4.94%	531.93	50	(0.37%)	490.59	106	8.02%	8.43%	(5.09%)	24.92%	Buy	
Small Cap	40.71	(0.10%)	41.66	19	(2.29%)	39.50	96	3.06%	5.48%	(5.89%)	19.14%	Buy	

## Relative Performance Analysis

As noted last week:

*"That reversal came on Thursday this past week, except for Energy, reducing much of the previous overbought condition. While the recent correction still has some additional work, some froth is getting worked off. Bonds have become oversold, and we will likely see some buying pressure ahead."*

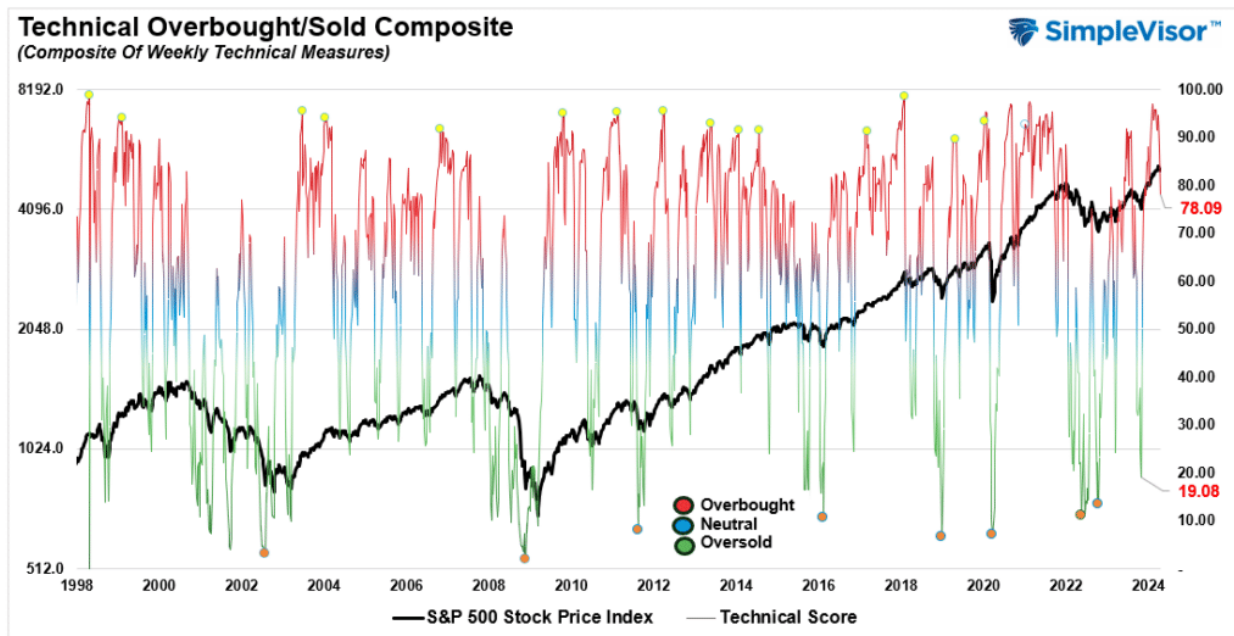
On Monday and Tuesday, we saw additional buying, pushing the market back above the 20-DMA. However, the inflation data on Wednesday sparked a turn in market sentiment, sending stocks to the 50-DMA on Friday. As shown below, almost every sector is now very oversold. **Expect buyers to step in early next week to defend that support level but use any rally to reduce exposure as needed to rebalance portfolio risk. We have likely started a correction or consolidation process that could last several weeks.**



## 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.**

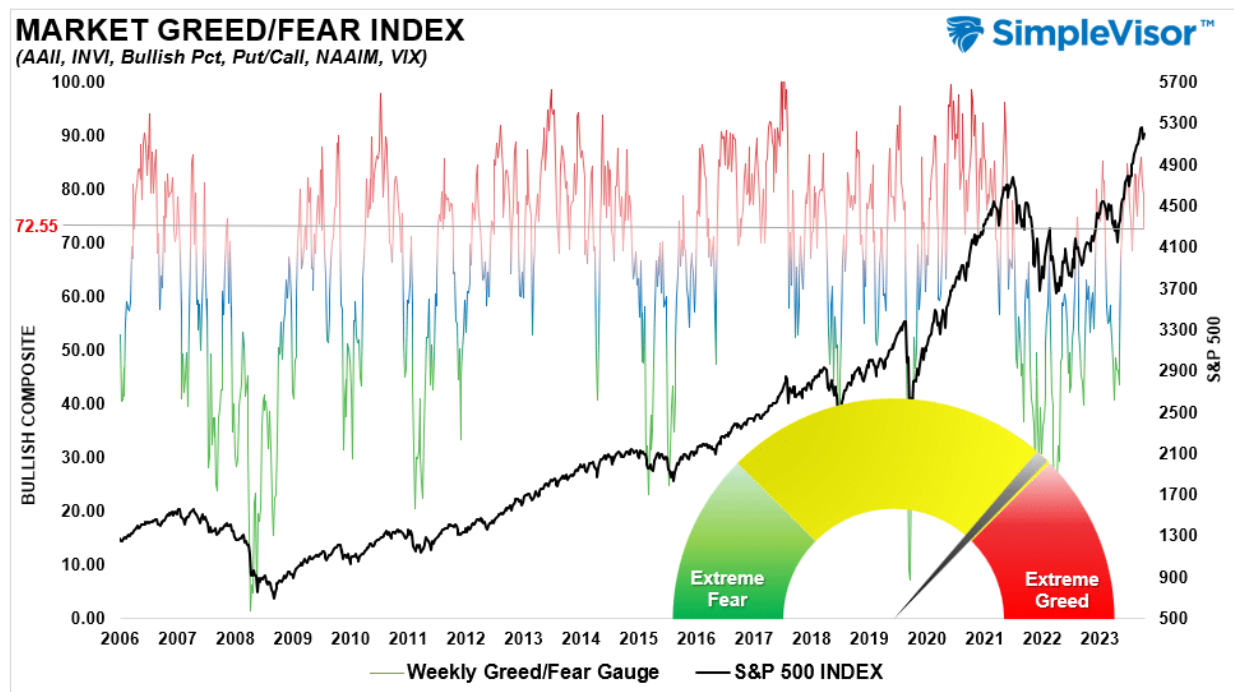
**The current reading is 78.09 out of a possible 100.**



## 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 72.55 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)

Health Care (XLV) -0.76 >>	Real Estate (XLRE) -0.70 >>	Transportation (XTN) -0.44 >>	Consumer Staples (XLP) -0.40 >>	Consumer Discretionary (XLY) -0.34 >>	Financial (XLF) -0.22 >>
Materials (XLB) -0.04 >>	Technology (XLK) 0.00 >>	Utilities (XLU) 0.17 >>	Industrials (XLI) 0.19 >>	Communication Services (XLC) 0.45 >>	Energy (XLE) 0.51 >>

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

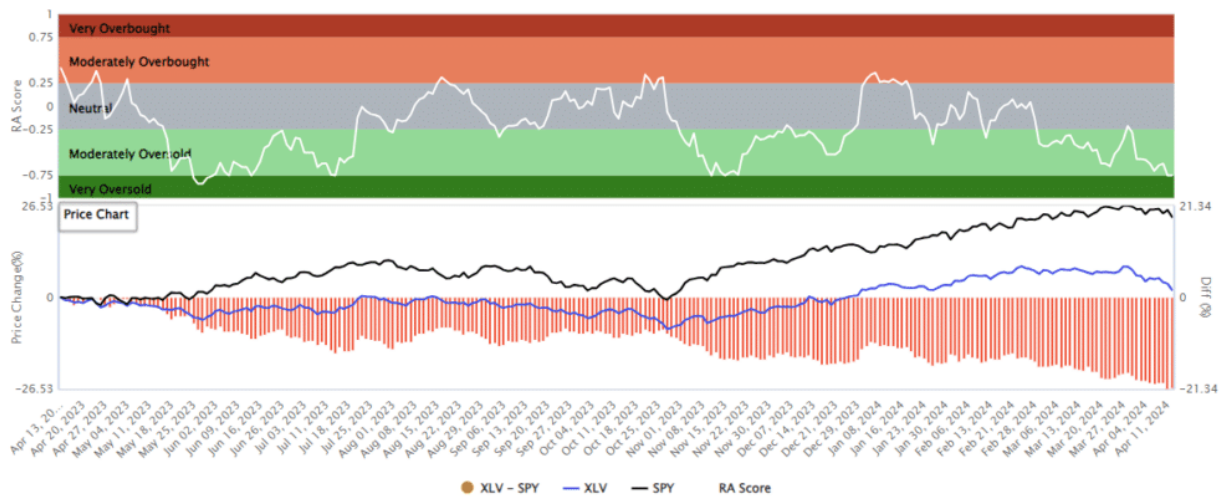
### About Relative Analysis

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

### XLV (Health Care) / 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 companies from the following industries: pharmaceuticals; health care equipment & supplies; health care providers & services; biotechnology; life sciences tools & services; and health care technology. The fund is non-diversified.

**Latest Price** (Jan 20, 1970, 1:49:10 PM)

**\$138.57** ▼ (-\$2.44) (-1.73%)

**Last Close**

\$141.01

**Open**

\$140.28

**Volume**

11,398,342

**Annual Div.**

\$1.81

**52 Week Range**

\$122.59

**Day Range**

\$138.51

**Avg. Volume (3m)**

N/A

**Div. Yield**

1.28%

Symbol	Name	Holdings	ABBV/	ABT/	AMGN/	DHR/	PFE/	TMO/	JNJ/	MRK/	LLY/	UNH/	XLV/	
LLY	Eli Lilly and Co	11.33%	0.00	0.24	0.20	0.39	0.37	0.57	0.13	0.64	0.72	-0.20	0.50	ABBV
UNH	UnitedHealth Group Inc	8.36%	-0.24	0.00	-0.17	0.12	-0.05	0.21	-0.21	0.48	0.37	-0.62	0.02	ABT
JNJ	Johnson & Johnson	6.95%	-0.20	0.17	0.00	0.18	-0.26	0.17	-0.41	0.36	0.27	-0.72	-0.08	AMGN
MRK	Merck & Co Inc	6.11%	-0.39	-0.12	-0.18	0.00	-0.14	0.19	-0.51	0.61	0.27	-0.70	-0.12	DHR
ABBV	AbbVie Inc	5.87%	-0.37	0.05	0.26	0.14	0.00	0.42	-0.01	0.72	0.57	-0.42	0.09	PFE
TMO	Thermo Fisher Scientific Inc	4.10%	-0.57	-0.21	-0.17	-0.19	-0.42	0.00	-0.59	0.21	0.25	-0.68	-0.41	TMO
ABT	Abbott Laboratories	3.60%	-0.13	0.21	0.41	0.51	0.01	0.59	0.00	0.78	0.64	-0.61	0.54	JNJ
DHR	Danaher Corp	3.00%	-0.64	-0.48	-0.36	-0.61	-0.72	-0.21	-0.78	0.00	0.07	-0.75	-0.66	MRK
PFE	Pfizer Inc	2.86%	-0.72	-0.37	-0.27	-0.27	-0.57	-0.25	-0.64	-0.07	0.00	-0.68	-0.32	LLY
AMGN	Amgen Inc	2.78%	0.20	0.62	0.72	0.70	0.42	0.68	0.61	0.75	0.68	0.00	0.71	UNH
			-0.50	-0.02	0.08	0.12	-0.09	0.41	-0.54	0.66	0.32	-0.71	0.00	XLV

# 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.

The selloff that began on Wednesday reversed some of the market's very short-term overbought conditions. Several sectors, including bonds, are oversold and will likely bounce soon. While the longer-term deviations remain extreme, suggesting we could see a deep correction at some point, most markets and sectors are on BULLISH BUY signals. Given this is weekly data, those bullish buy signals suggest that asset prices will likely be higher than lower in the coming months. Therefore, correction processes should be used to increase equity exposures when oversold levels are present.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG	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 M/A	Long M/A	SIGNAL
IVV	ISHAR-SP500	513.31	(1.47)	0.02	5.91	24.42	23.91	506.96	471.51	525.73	1.00	538.87	512.59	1%	9%	BULLISH
XLB	SPDR-MATLS SELS	89.92	(1.60)	(0.98)	3.44	(4.45)	(12.80)	87.27	83.23	92.89	1.10	96.23	89.55	3%	8%	BULLISH
XLC	SPDR-COMM SV SS	81.33	0.03	2.56	2.78	4.49	13.40	79.28	72.70	81.66	1.02	84.53	78.79	3%	12%	BULLISH
XLE	SPDR-EGY SELS	96.13	(0.51)	4.58	14.00	(10.84)	(13.71)	88.03	87.19	94.41	1.26	97.96	90.86	9%	10%	BULLISH
XLK	SPDR-FINL SELS	40.06	(2.16)	(1.81)	(0.29)	2.95	(2.08)	40.01	36.81	42.12	1.08	43.63	40.61	0%	9%	BULLISH
XLK	SPDR-TECH SELS	205.42	0.98	(0.12)	(3.28)	3.07	14.28	204.81	187.60	208.27	1.14	215.84	200.70	0%	10%	BULLISH
XLI	SPDR-INDU SELS	122.90	(0.73)	0.69	3.39	3.01	(0.80)	119.59	111.11	125.96	1.09	130.49	121.43	3%	11%	BULLISH
XLP	SPDR-CONS STPL	73.38	0.20	(2.86)	(4.06)	(14.21)	(26.31)	74.24	71.79	76.36	0.59	78.72	74.00	-1%	2%	BULLISH
XLRE	SPDR-RE SELS	37.24	(1.50)	(4.63)	(9.68)	(9.31)	(22.16)	38.71	37.27	39.53	0.89	40.87	38.19	-4%	0%	BULLISH
XLV	SPDR-UTIL SELS	64.20	0.00	1.15	(0.63)	(15.11)	(36.72)	62.64	62.25	65.65	0.56	67.66	63.64	-2%	3%	BULLISH
XLV	SPDR-HLTH CR	138.91	(1.54)	(4.45)	(6.30)	(11.62)	(26.69)	143.90	136.35	147.73	0.66	152.40	143.06	-3%	2%	BULLISH
XLV	SPDR-CONS DISCR	177.11	0.51	(0.54)	(4.64)	(6.03)	(3.35)	178.84	171.68	183.89	1.21	190.71	177.07	-1%	3%	BULLISH
XTN	SPDR-SP TRANSP	79.91	(1.35)	(0.55)	(4.31)	(5.05)	(12.38)	81.69	78.51	84.77	1.34	88.02	81.52	-2%	2%	BULLISH
SDY	SPDR-SP DIV ETF	125.89	(0.34)	(1.38)	(4.00)	(10.19)	(21.78)	126.16	121.63	131.24	0.87	135.66	126.82	0%	4%	BULLISH
RSP	INVS-SP5 EQ ETF	161.98	(1.18)	(1.50)	(1.95)	(3.24)	(11.93)	162.05	152.67	169.37	1.06	175.40	163.34	0%	0%	BULLISH
SPSM	SPDR-PRT SC	40.71	(1.34)	(1.40)	(5.69)	(5.74)	(14.48)	41.48	39.42	43.04	1.13	44.60	41.48	-2%	3%	BULLISH
MDY	SPDR-SP MC 400	529.94	(1.44)	(0.79)	0.04	9.24	(7.28)	524.94	490.81	556.40	1.12	576.54	536.26	1%	8%	BULLISH
EEM	ISHAR-EMG MKT	40.53	(0.27)	(0.60)	(0.33)	(13.47)	(21.87)	40.10	39.28	41.08	0.76	42.42	39.74	1%	3%	BULLISH
EFA	ISHAR-EAFE	77.24	(0.72)	(2.11)	(1.43)	(7.51)	(18.42)	77.14	73.39	79.86	0.88	82.56	77.16	0%	5%	BULLISH
IAU	ISHAR-GOLD TR	44.30	2.27	8.56	9.40	(7.88)	(7.36)	40.02	38.29	42.01	0.21	43.15	40.87	11%	16%	BULLISH
GDX	VANECK-GOLD MNR	33.76	1.24	12.93	16.01	(8.81)	(27.70)	29.06	29.12	31.62	0.95	32.71	30.53	16%	16%	BEARISH
UUP	INVS-DB USS BU	28.84	3.24	3.06	(1.79)	(28.19)	(19.72)	28.04	28.67	28.37	(0.20)	29.02	27.72	3%	1%	BEARISH
BOND	PIMCO-ACTV BOND	89.75	0.67	(1.30)	(7.80)	(20.04)	(27.01)	91.28	89.97	91.86	0.23	94.36	89.36	-2%	0%	BULLISH
TLT	ISHAR-20+YTB	90.29	0.27	(2.87)	(9.95)	(17.41)	(37.99)	93.76	92.61	94.62	0.18	97.15	92.09	-4%	-3%	BULLISH
BNX	VANGD-TTL INT B	48.88	1.37	0.15	(5.72)	(22.05)	(23.23)	48.84	48.70	49.19	0.17	50.50	47.88	0%	0%	BULLISH
HYG	ISHAR-IBX HYCB	76.37	0.89	(0.92)	(6.94)	(18.88)	(22.47)	77.23	75.74	77.73	0.44	80.02	75.44	-1%	1%	BULLISH



## RISK RANGE REPORT



## 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

(Click Images To Enlarge)

## R.S.I. Screen

Scan Result: 20 Item(s) found														Tables		Overview	Technical	Fundamentals	Performance
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	\$163.11	\$91.33(-78.59%)	41.97	\$178.11(-8.42%)	\$181.11(-9.94%)	\$161.36(1.08%)	5	7	1	%							
BLDR	Industrials	10/10	\$188.87		39.87	\$201.85(-6.43%)	\$194.35(-2.82%)	\$175.36(7.70%)	4	8	1	%							
CEG	Utilities	10/10	\$191.27		67.44	\$182.33(4.90%)	\$160.72(19.01%)	\$139.07(37.53%)	—	—	—	0.79%							
CMG	Consumer Cyclical	10/10	\$2,965.98	\$1,312.48(-125.98%)	71.69	\$2,884.90(2.81%)	\$2,726.83(8.77%)	\$2,497.85(18.74%)	1	7	3	%							
DOC	Real Estate	10/10	\$18.52		64.56	\$18.09(2.38%)	\$15.55(19.10%)	\$14.04(31.91%)	4	5	3	6.73%							
DVA	Healthcare	10/10	\$129.57	\$147.50(12.16%)	46.19	\$135.40(-4.31%)	\$127.77(1.41%)	\$116.22(11.49%)	1	8	3	%							
DXCM	Healthcare	10/10	\$135.09	\$56.74(-138.08%)	60.20	\$136.59(-1.10%)	\$128.02(5.52%)	\$124.37(8.62%)	1	5	3	%							
ETN	Industrials	10/10	\$316.19	\$153.85(-105.52%)	59.27	\$313.13(0.98%)	\$294.31(7.43%)	\$265.20(19.23%)	7	8	3	1.18%							
META	Communication Ser.	10/10	\$511.05	\$456.99(-11.83%)	63.14	\$504.16(1.37%)	\$487.09(4.92%)	\$419.36(21.86%)	—	—	—	0.41%							
MU	Technology	10/10	\$122.13		73.78	\$113.98(7.15%)	\$98.68(23.76%)	\$90.10(35.55%)	3	9	3	0.42%							
NFLX	Communication Ser.	10/10	\$621.50	\$311.87(-99.28%)	57.33	\$620.99(0.08%)	\$599.15(3.73%)	\$542.29(14.61%)	4	—	5	%							
NRG	Utilities	10/10	\$73.69	\$27.78(-165.24%)	74.57	\$68.86(7.01%)	\$60.60(21.59%)	\$55.05(33.85%)	4	6	3	2.41%							
NVDA	Technology	10/10	\$881.99		58.23	\$895.37(-1.49%)	\$818.83(7.71%)	\$666.19(32.39%)	0	6	2	0.02%							
QCOM	Technology	10/10	\$171.44	\$185.06(7.36%)	60.03	\$170.07(0.81%)	\$161.57(6.11%)	\$149.82(14.43%)	4	6	2	1.91%							
RCL	Consumer Cyclical	10/10	\$126.93		51.86	\$134.91(-5.92%)	\$127.33(-0.31%)	\$123.38(2.88%)	1	—	4	%							
SMCI	Technology	10/10	\$896.94	\$867.40(-3.41%)	47.66	\$984.99(-8.94%)	\$916.11(-2.09%)	\$618.95(44.91%)	3	4	—	%							
UBER	Technology	10/10	\$74.64		48.97	\$77.05(-3.13%)	\$76.13(-1.96%)	\$68.41(9.11%)	2	3	3	%							
URI	Industrials	10/10	\$670.10		47.95	\$699.74(-4.24%)	\$677.92(-1.15%)	\$608.73(10.08%)	3	8	3	0.90%							
WDC	Technology	10/10	\$71.84	\$21.71(-230.88%)	71.37	\$671.9(6.91%)	\$621.3(15.62%)	\$56.52(27.10%)	5	7	3	%							
DECK	Consumer Cyclical	9/10	\$812.39	\$560.49(-44.94%)	32.68	\$903.96(-10.13%)	\$883.26(-8.02%)	\$789.16(2.94%)	—	4	3	%							

## Momentum Screen

Scan Result: 20 Item(s) found														Tables		Overview	Technical	Fundamentals	Performance
Symbol ↑↓ ∇	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ② ↑↓	50 SMA ② ↑↓	100 SMA ② ↑↓	Mohanram ② ↑↓	Piotroski ② ↑↓	SV Rank ② ↑↓	Yield% ↑↓							
AMZN	Consumer Cyclical	10/10	\$185.44	\$86.11(-115.35%)	72.08	\$180.60(2.68%)	\$175.33(5.77%)	\$162.93(13.82%)	6	7	3	%							
ANET	Technology	10/10	\$272.04	\$332.69(18.23%)	54.48	\$294.00(-7.47%)	\$281.18(-3.25%)	\$258.63(5.19%)	1	6	1	%							
AVGO	Technology	10/10	\$1,345.74	\$1,205.82(-11.60%)	60.66	\$1,317.31(2.16%)	\$1,296.48(3.80%)	\$1,182.84(13.77%)	3	8	2	1.49%							
AXON	Industrials	10/10	\$311.27	\$174.24(-78.64%)	71.24	\$312.79(-0.49%)	\$294.73(5.61%)	\$269.87(15.34%)	6	4	4	%							
CMG	Consumer Cyclical	10/10	\$2,965.98	\$1,312.48(-125.98%)	71.69	\$2,884.90(2.81%)	\$2,726.83(8.77%)	\$2,497.85(18.74%)	1	7	3	%							
DPZ	Consumer Cyclical	10/10	\$495.77	\$199.45(-148.57%)	67.00	\$478.03(3.71%)	\$452.12(9.65%)	\$427.73(15.91%)	6	5	4	1.37%							
FANG	Energy	10/10	\$206.28		79.80	\$198.23(4.06%)	\$182.12(13.27%)	\$167.91(22.85%)	4	8	3	4.13%							
FSLR	Technology	10/10	\$181.40		73.19	\$164.02(10.60%)	\$156.78(15.71%)	\$157.31(15.32%)	5	6	4	%							
GE	Industrials	10/10	\$154.10	\$114.72(-34.33%)	51.95	\$159.33(-3.28%)	\$154.17(-0.05%)	\$139.53(10.44%)	1	5	5	0.18%							
GNRC	Industrials	10/10	\$131.62	\$145.83(9.74%)	69.49	\$124.49(5.73%)	\$119.71(9.95%)	\$120.18(9.52%)	—	6	3	%							
LRCX	Technology	10/10	\$955.99	\$1,049.00(8.87%)	58.19	\$960.55(-0.48%)	\$931.77(2.60%)	\$843.56(13.33%)	4	—	3	0.82%							
META	Communication Ser.	10/10	\$511.05	\$456.99(-11.83%)	63.14	\$504.16(1.37%)	\$487.09(4.92%)	\$419.36(21.86%)	—	—	—	0.41%							
MPC	Energy	10/10	\$208.03		70.52	\$204.22(1.87%)	\$184.50(12.75%)	\$167.61(24.12%)	—	9	1	1.66%							
MPWR	Technology	10/10	\$659.94	\$521.65(-26.51%)	52.02	\$669.10(-1.37%)	\$692.93(-4.76%)	\$642.22(2.76%)	7	6	3	0.74%							
NFLX	Communication Ser.	10/10	\$621.50	\$311.87(-99.28%)	57.33	\$620.99(0.08%)	\$599.15(3.73%)	\$542.29(14.61%)	4	—	5	%							
VLO	Energy	10/10	\$173.53		67.46	\$172.27(0.73%)	\$154.58(12.26%)	\$141.00(23.07%)	—	8	1	2.86%							
GOOG	Communication Ser.	9/10	\$158.64		69.80	\$152.37(4.11%)	\$146.00(8.66%)	\$143.28(10.72%)	6	8	3	%							
PXD	Energy	9/10	\$270.07		80.68	\$262.39(2.93%)	\$244.93(10.26%)	\$235.90(14.48%)	1	8	3	4.71%							
EOG	Energy	8/10	\$135.23		78.94	\$129.61(4.33%)	\$120.56(12.16%)	\$119.23(13.42%)	7	8	3	2.88%							
NOW	Technology	8/10	\$764.69	\$613.34(-24.68%)	51.24	\$767.98(-0.43%)	\$770.78(-0.79%)	\$738.02(3.61%)	7	5	3	%							


## Fundamental & Technical Strength

Scan Result: 23 Item(s) found													
Tables													
Overview Technicals Fundamentals Performance													
Symbol ↑↓ ∇	Sector ↑↓	Trend ↓↑	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ② ↑↓	50 SMA ③ ↑↓	100 SMA ④ ↑↓	Mohanram ⑤ ↑↓	Plotroski ⑥ ↑↓	SV Rank ⑦ ↑↓	Yield% ↑↓	
AMAT	Technology	10/10	\$207.56	\$217.95(4.77%)	61.71	\$206.60(0.46%)	\$197.66(5.01%)	\$176.87(17.35%)				0.79%	
CAT	Industrials	10/10	\$363.43	\$505.38(28.09%)	64.86	\$363.00(0.12%)	\$340.34(6.78%)	\$308.12(17.95%)				1.42%	
CEG	Utilities	10/10	\$191.27		67.44	\$182.33(4.90%)	\$160.72(19.01%)	\$139.07(37.53%)	—	—	—	0.79%	
CMG	Consumer Cyclical	10/10	\$2,965.98	\$1,312.48(-125.98%)	71.69	\$2,884.90(2.81%)	\$2,726.83(8.77%)	\$2,497.85(18.74%)				%	
CMI	Industrials	10/10	\$297.82		74.93	\$291.57(2.14%)	\$272.75(9.19%)	\$252.91(17.76%)				2.55%	
CTAS	Industrials	10/10	\$666.96	\$296.87(-124.66%)	61.05	\$656.93(1.53%)	\$635.72(4.91%)	\$605.77(10.10%)				0.79%	
DPZ	Consumer Cyclical	10/10	\$495.77	\$199.45(-148.57%)	67.00	\$478.03(3.71%)	\$452.12(9.65%)	\$427.73(15.91%)				1.37%	
ETN	Industrials	10/10	\$316.19	\$153.85(-105.52%)	59.27	\$313.13(0.98%)	\$294.31(7.43%)	\$265.20(19.23%)				1.18%	
FANG	Energy	10/10	\$206.28		79.80	\$198.23(4.06%)	\$182.12(13.27%)	\$167.91(22.85%)				4.13%	
FSLR	Technology	10/10	\$181.40		73.19	\$164.02(10.60%)	\$156.78(15.71%)	\$157.31(15.32%)				%	
GNRC	Industrials	10/10	\$131.62	\$145.83(9.74%)	69.49	\$124.49(5.73%)	\$119.71(9.95%)	\$120.18(9.52%)	—			%	
META	Communication Ser.	10/10	\$511.05	\$456.99(-11.83%)	63.14	\$504.16(1.37%)	\$487.09(4.92%)	\$419.36(21.86%)	—	—	—	0.41%	
MU	Technology	10/10	\$122.13		73.78	\$113.98(7.15%)	\$98.68(23.76%)	\$90.10(35.55%)				0.42%	
NFLX	Communication Ser.	10/10	\$621.50	\$311.87(-99.28%)	57.33	\$620.99(0.08%)	\$599.15(3.73%)	\$542.29(14.61%)		—		%	
QCOM	Technology	10/10	\$171.44	\$185.06(7.36%)	60.03	\$170.07(0.81%)	\$161.57(6.11%)	\$149.82(14.43%)				1.91%	
TRGP	Energy	10/10	\$114.46	\$116.37(1.64%)	72.72	\$111.83(2.35%)	\$101.89(12.34%)	\$93.66(22.21%)				1.80%	
WAB	Industrials	10/10	\$146.01	\$101.08(-44.45%)	61.39	\$145.18(0.57%)	\$140.76(3.73%)	\$132.04(10.58%)				0.51%	
COP	Energy	9/10	\$130.88		80.35	\$127.18(2.91%)	\$118.08(10.84%)	\$115.83(12.99%)				2.90%	
PXD	Energy	9/10	\$270.07		80.68	\$262.39(2.93%)	\$244.93(10.26%)	\$235.90(14.48%)				4.71%	
EOG	Energy	8/10	\$135.23		78.94	\$129.61(4.33%)	\$120.56(12.16%)	\$119.23(13.42%)				2.88%	
GD	Industrials	8/10	\$287.33	\$190.59(-50.76%)	58.28	\$284.82(0.88%)	\$276.48(3.92%)	\$264.60(8.59%)	—			1.93%	
PAYC	Technology	6/10	\$198.56		64.61	\$196.22(1.19%)	\$190.67(4.14%)	\$192.05(3.39%)				0.79%	
LMT	Industrials	5/10	\$451.70	\$323.84(-39.48%)	59.87	\$447.14(1.02%)	\$434.82(3.88%)	\$439.89(2.68%)				2.77%	

## SimpleVisor Portfolio Changes

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

### No Trades This Week



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Lance Roberts, C.I.O.

Have a great week!