

2025 - Do Economic Indicators Support Bullish Outlooks?

Inside This Week's Bull Bear Report

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Everybody Is Very Bullish

[Last week](#), we discussed how speculation and leverage have returned in earnest to the market as investors rush to take on increasing levels of risk. With markets rising steadily all year, it is unsurprising to witness investors lulled into an elevated sense of complacency. Stocks, bitcoin, leveraged investments, and meme stocks are all surging higher, which is certainly reminiscent of the *?madness?* we witnessed following the Covid lockdowns. I posted the following chart on ?X? Friday morning for reference.



Of course, speculation and sentiment drive markets higher, and investors currently have little concern about a correction. Markets are overbought and detached from short-term moving averages. Furthermore, one of the near-term risks to more bullish investors is the combination of high stock valuations and the necessity of portfolio rebalancing, which could impact market stability. Using 2023 data, it is estimated that mutual funds in the United States hold approximately \$19.6 trillion in assets, while exchange-traded funds (ETFs) manage about \$8.1 trillion, suggesting a substantial number of portfolios containing combinations of stocks and bonds.

Portfolio Rebalancing Risk

With the year-end approaching, portfolio managers need to rebalance their holdings due to tax considerations, distributions, and annual reporting. For example, as of this writing, the S&P 500 is currently up about 28% year-to-date, while investment-grade bonds (as measured by iShares US Aggregate Bond ETF (AGG)) are up 3.2%. That differential in performance would cause a 60/40 stock/bond allocation to shift to a 65/35 allocation. To rebalance that portfolio back to 60/40, portfolio managers must reduce equity exposure by 5% and increase bond exposure by 5%.

AGG iShares Core U.S. Aggregate Bond ETF NYSE

5-Dec-2024

Open 98.96 High 99.11 Low 98.85 Close 99.05 Volume 8.8M Chg +0.02 (+0.02%)



Depending on the magnitude of the rebalancing process, it could exert downward pressure on risk assets, leading to a short-term market correction or consolidation. Some of that rebalancing has already been in process, but we suspect there is more to go, particularly given the rather extreme reading of the stock-to-bond ratio.

SPY:TLT SPDR S&P 500 ETF/Shares 20+ Year Treasury Bond ETF NYSE/Nasdaq GM + BATS

5-Dec-2024 10:45am

Open 6.47 High 6.48 Low 6.47 Last 6.47 Chg +0.01 (+0.14%)



Historically, the stock/bond ratio remained range bound between roughly 1:1 to 2.5:1. Today, that ratio has skyrocketed since the flood of liquidity following the pandemic as money chased risk assets over safety. At a ratio of 6.5:1, we suspect that, at some point, a reversion will take place. In the short term, given the outsized performance of stocks versus bonds in 2024, there is likely an

unappreciated risk that portfolio rebalancing by managers could add a layer of selling pressure over the next couple of weeks.

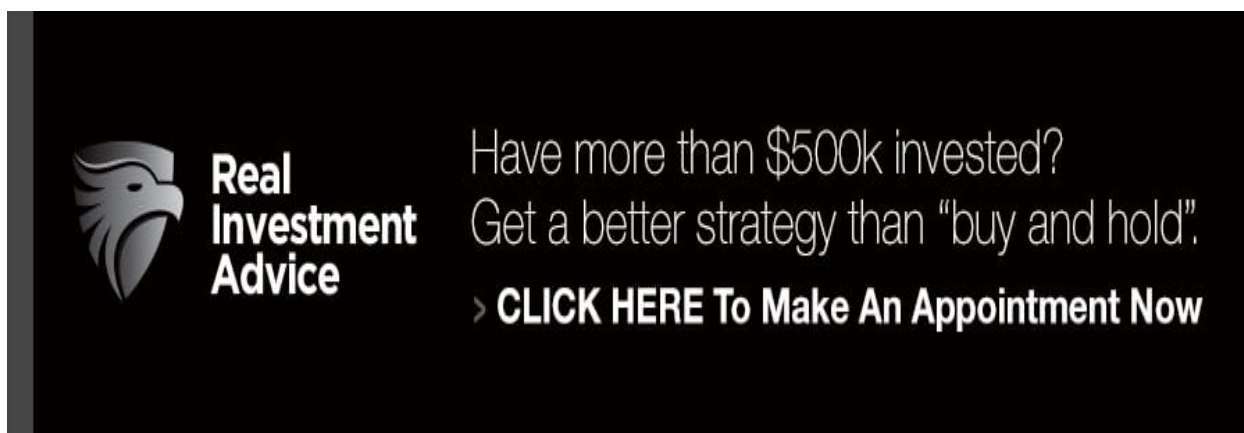
However, repeating what we wrote last week, we expect any correction to be short-lived.

?If you are underweight equities, consider minor pullbacks and consolidations to add exposure as needed to bring portfolios to target weights. Pullbacks will likely be shallow, but being ready to deploy capital will be beneficial. Once we pass the inauguration, we can assess what policies will likely be enacted and adjust portfolios accordingly.?

While there is no reason to be bearish, this does not mean you should abandon risk management. Such is particularly the case as we head into 2025, which could suggest a less optimistic outcome.

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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.

A dark-themed banner for 'Real Investment Advice'. On the left is a logo featuring a stylized eagle head. To the right of the logo, the text 'Real Investment Advice' is displayed in white. Further right, the text 'Have more than \$500k invested? Get a better strategy than "buy and hold".' is shown in a light gray font. At the bottom right, a call to action reads '> CLICK HERE To Make An Appointment Now' in white.

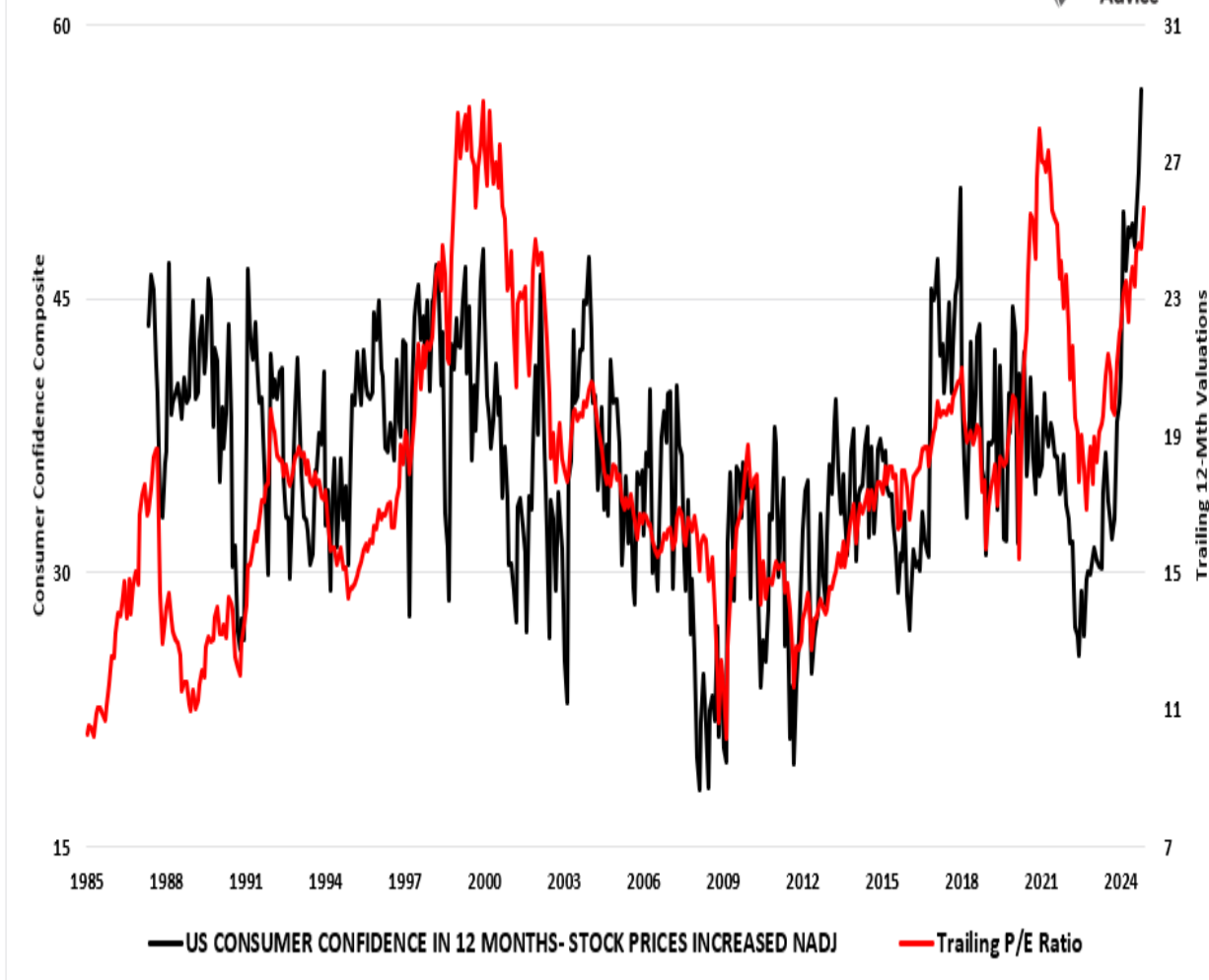
Real Investment Advice

Have more than \$500k invested?
Get a better strategy than "buy and hold".
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2025 Earnings Forecasts Are Very Bullish

Last week, we discussed the surge in [speculation and leverage](#) in the market. As discussed in that article, even though valuations are elevated, such is because sentiment drives valuations in the short term. As we head into 2025, Wall Street is very optimistic about earnings growth, leading investors to pay up for higher valuations. Such is also the case with consumers whose confidence in higher stock prices over the next 12 months has surged to record levels.

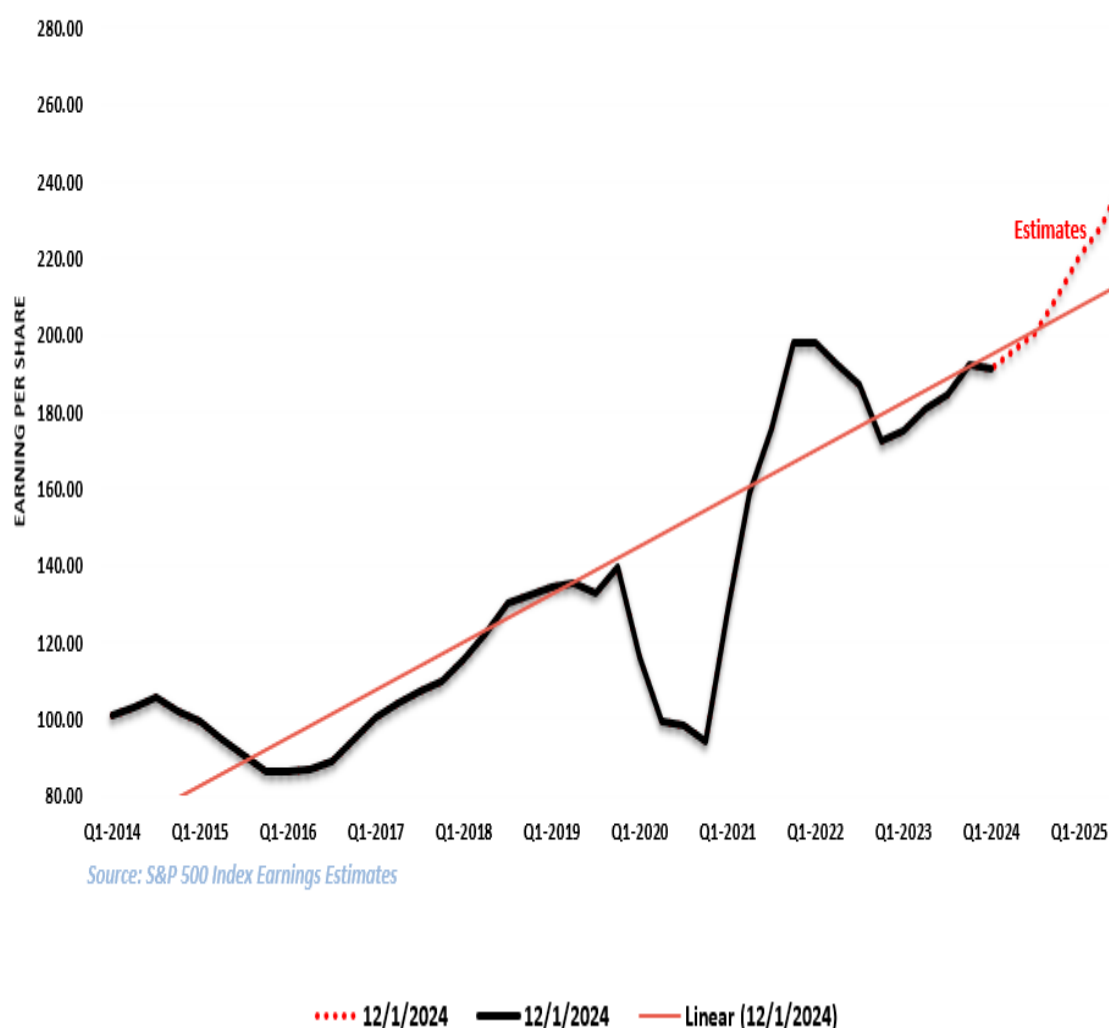
Consumer Confidence In Higher Stock Prices Vs Trailing Valuations



According to S&P Global, earnings are expected to grow by 19.87% in 2025 from \$209.83 to \$251.53 per share. As discussed, such is well above the long-term earnings growth trend from 1900 to the present. Still, such exuberance is unsurprising during strongly trending bull markets in an attempt to justify higher valuations. The problem is that such exuberant forecasts rarely come to fruition. For example, in March 2023, S&P Global predicted that 2024 earnings would grow by 13% for the year. In reality, earnings grew by just 9% despite the market rising nearly 28%.

As shown, current estimates are well elevated above the running linear trend line from 2014, while actual earnings growth remains close to it. This suggests that we will likely see a decline in estimates for 2025 to roughly \$225/share, equating to earnings growth of roughly 7%. Of course, the linear trend of earnings growth is a function of economic growth and an important consideration for investors betting on elevated returns in the New Year.

Earnings Forecast Remain Very Optimistic



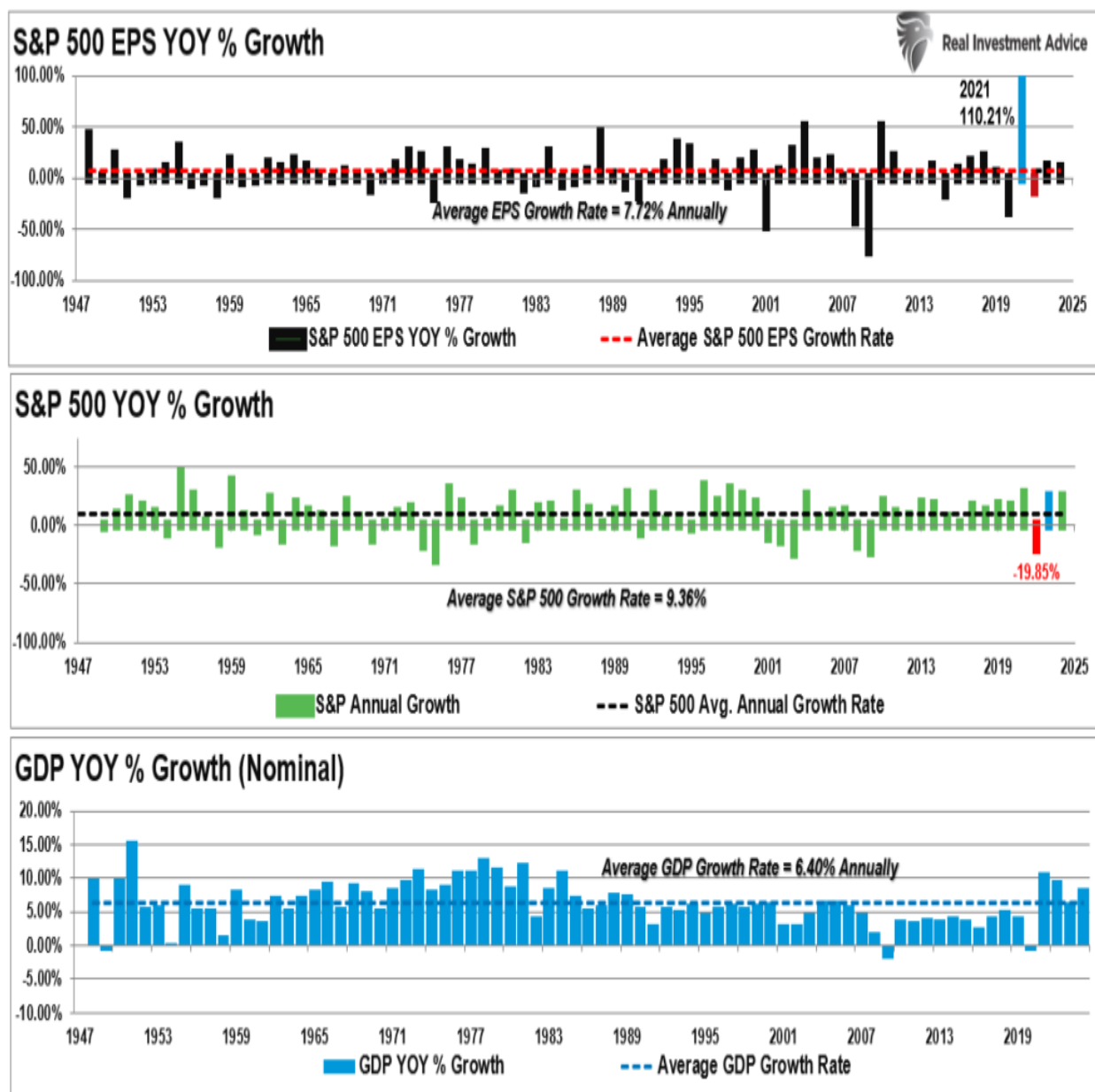
Earnings Can't Outgrow The Economy

Crucially, earnings cannot outgrow the economy over the long term as earnings are derived from economic activity. Given that GDP measures the total value of goods and services produced within a country, it is a reliable gauge of overall activity. A growing GDP indicates increased economic activity, typically driving higher corporate earnings due to increased consumer spending and business investment. Conversely, a contracting GDP suggests an economic slowdown, often dampening corporate profits.

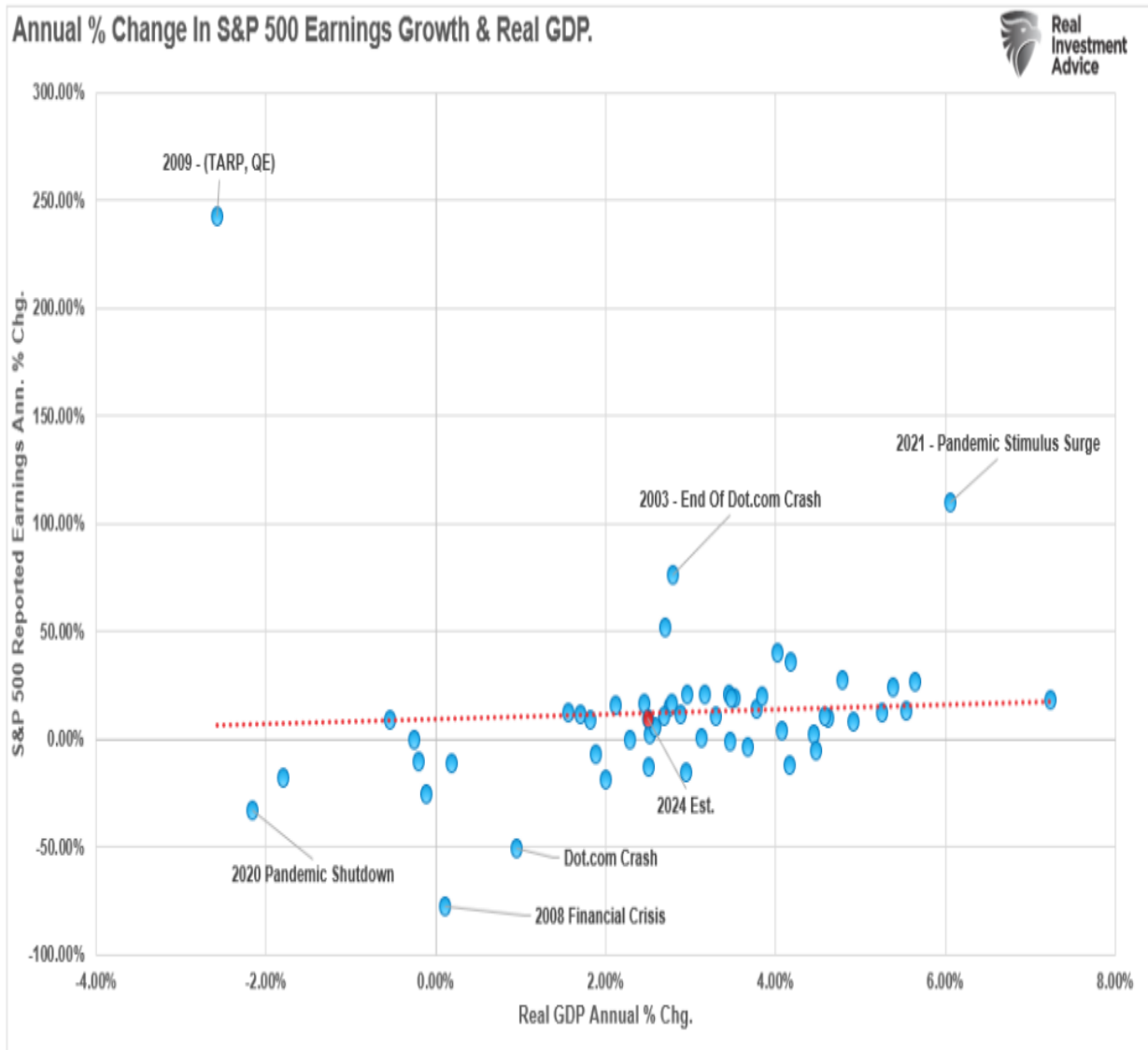
The data supports this concept. Historically, GDP growth has closely correlated with corporate earnings growth. Data from the Federal Reserve shows that, since 1948, a 1% increase in real GDP growth has translated to roughly a 6% increase in S&P 500 earnings on average. This relationship underscores why GDP is a cornerstone for assessing earnings trends. We can also see this visually.

?Since 1947, earnings per share have grown at 7.7% annually, while the economy expanded by 6.40% annually. That close relationship in growth rates should be logical, particularly given the significant role that consumer spending

has in the GDP equation.?? [Market Forecasts Are Very Bullish](#)

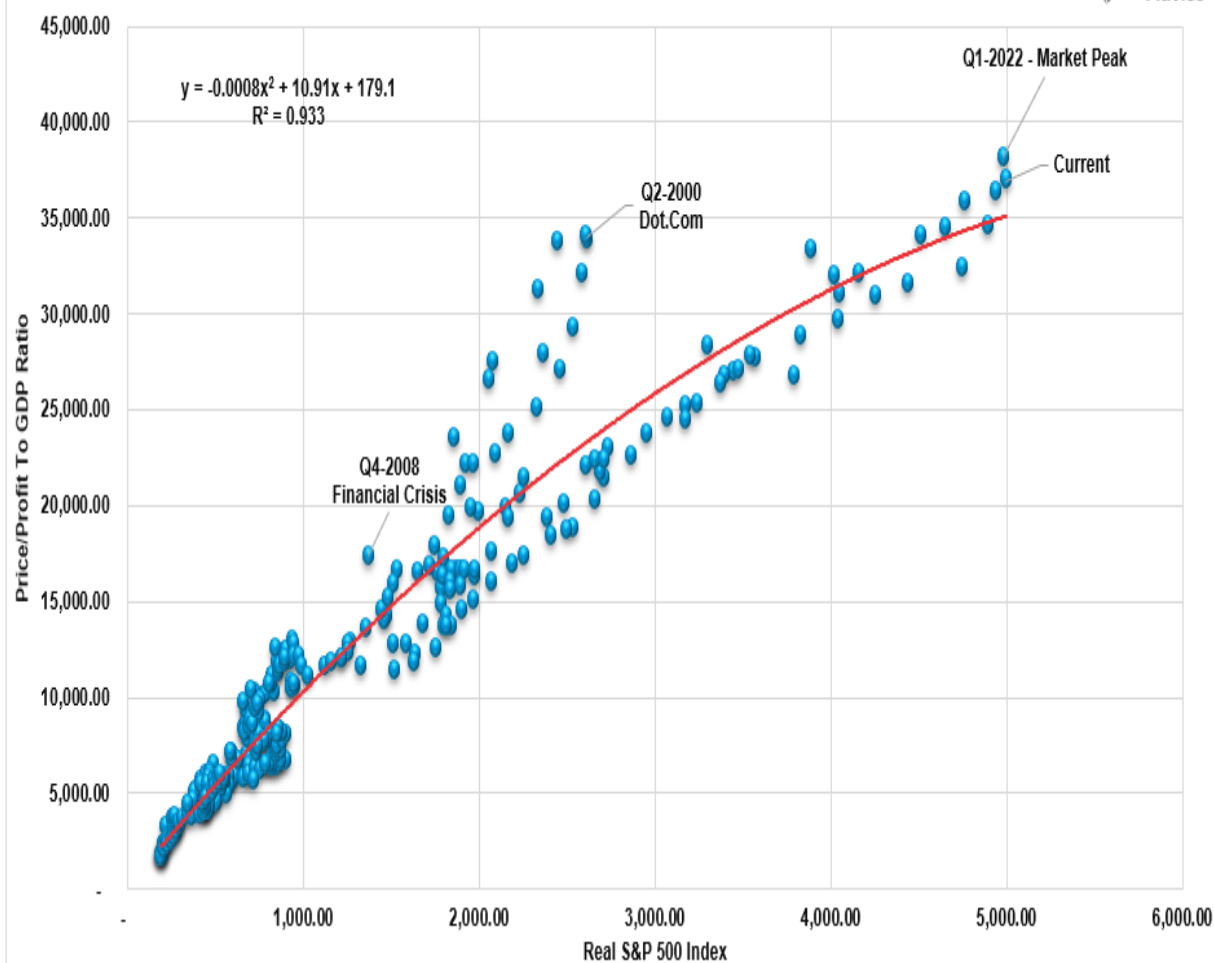


A better way to visualize this data is to look at the correlation between the annual change in earnings growth and inflation-adjusted GDP. There are periods when earnings deviate from underlying economic activity. However, those periods are due to pre- or post-recession earnings fluctuations. Currently, economic and earnings growth are very close to the long-term correlation.



However, as we discussed previously, there is also a high correlation between the market and the corporate profits to GDP ratio. As is the case currently, markets can detach from underlying economic realities due to momentum and psychology for brief periods. However, those deviations are unsustainable in the long term, and corporate profitability, as discussed, is derived from underlying economic activity.

Real S&P 500 Price vs. Profits/GDP Ratio



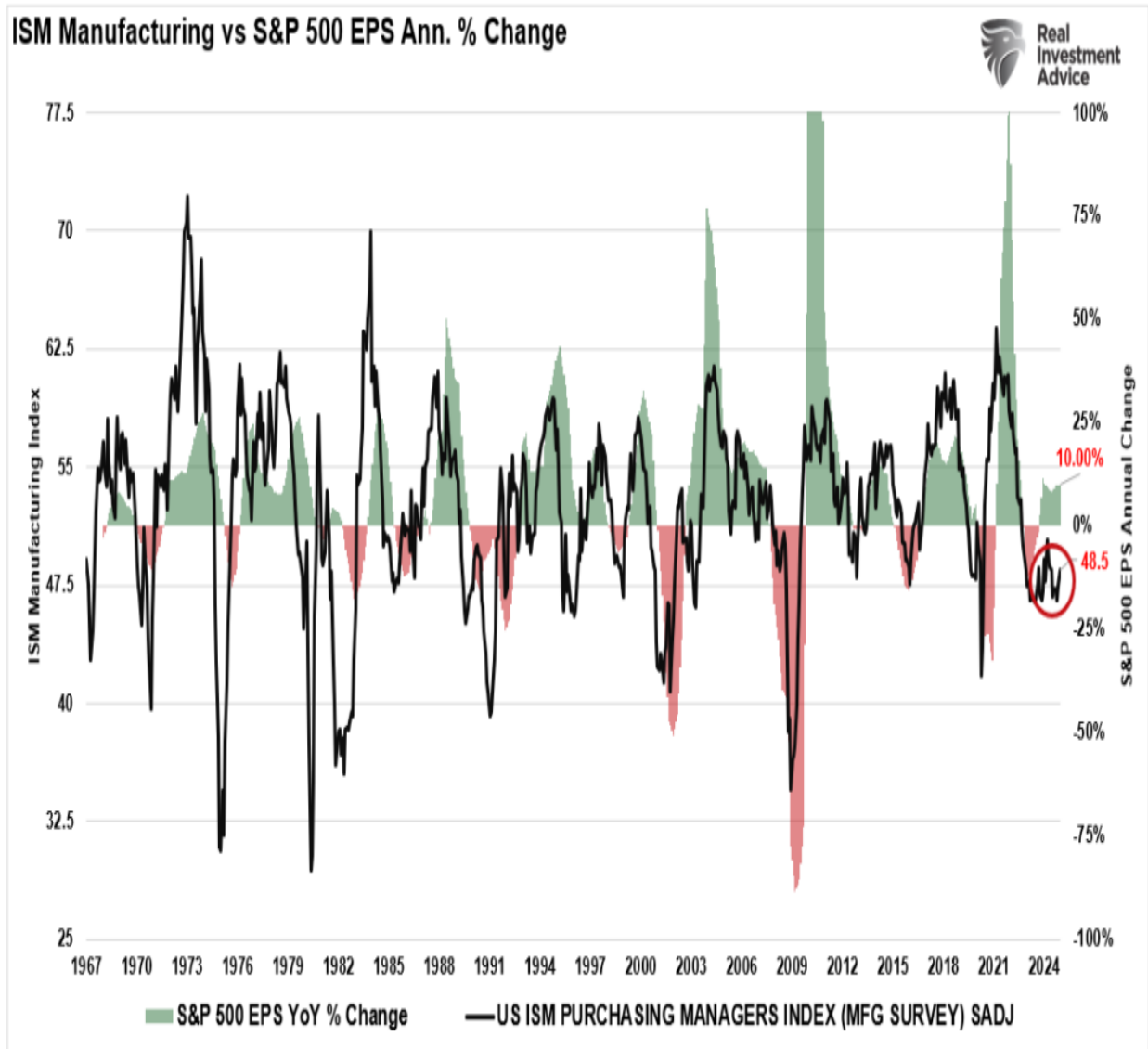
I will write an article soon covering the importance of a handful of economic indicators on earnings. However, I want to discuss two today: the ISM Manufacturing Index and the Chicago Fed National Activity Index.

ISM Manufacturing Index

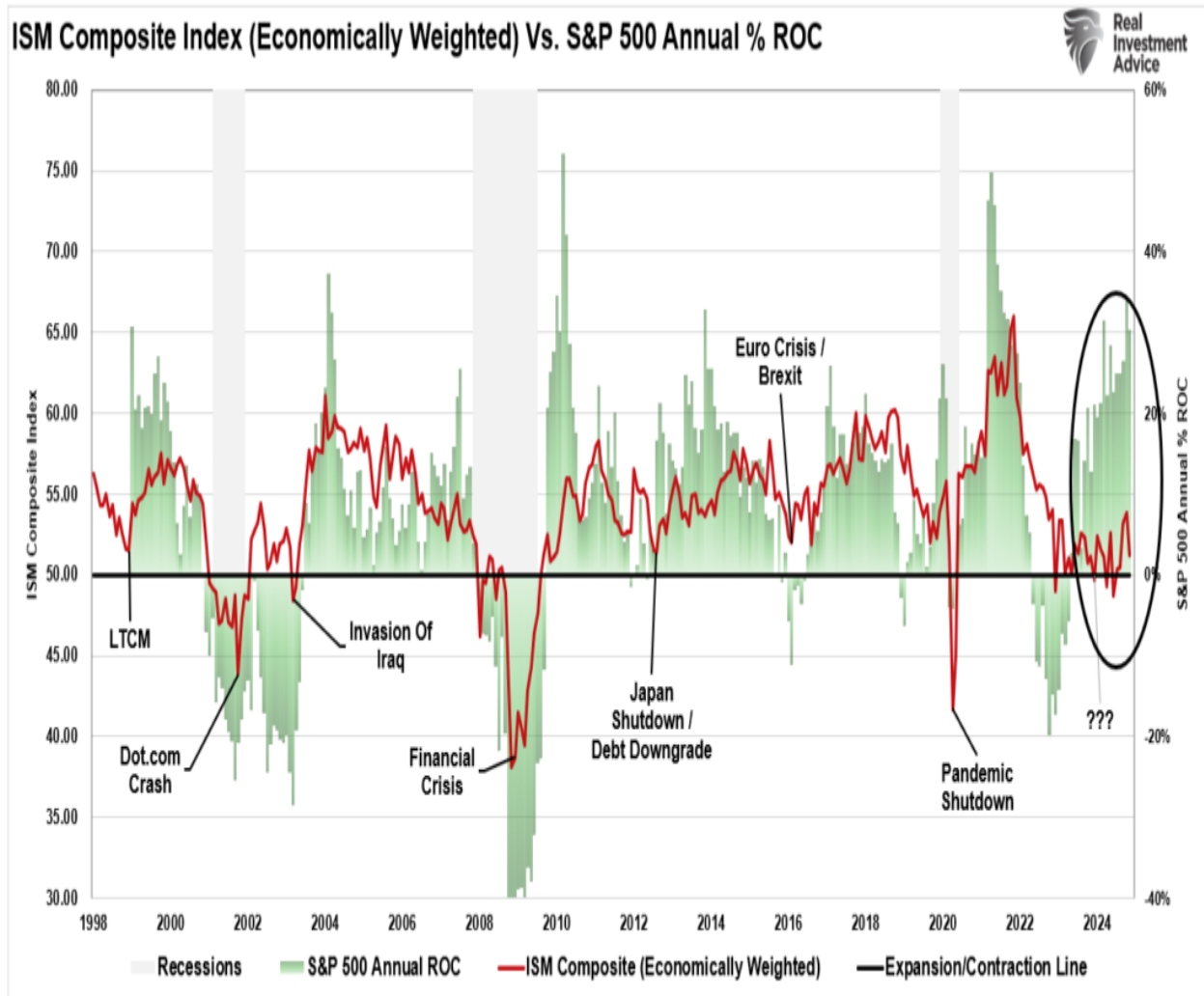
The ISM Manufacturing Index is a widely followed leading indicator of economic activity in the manufacturing sector. It surveys purchasing managers on critical metrics like new orders, production levels, and employment.

- A reading above 50 signals expansion, which tends to support earnings growth.
- A reading below 50 suggests contraction, often foreshadowing economic weakness and declining corporate profits.

As of late 2024, the ISM Manufacturing Index has been consistently below 50, marking a manufacturing recession. This data aligns with declining new orders and softer demand, raising concerns about corporate earnings resilience in 2025. However, while manufacturing only accounts for about 20% of U.S. GDP, it has an outsized influence that extends across supply chains, amplifying the impact on broader economic activity.



Corporate earnings growth, which correlates with economic indicators like the ISM Manufacturing index, suggests some caution about the more optimistic 2025 Wall Street estimates. However, even if we include the services side of the index, which comprises the bulk of economic growth, and weigh it accordingly, we see that the stock market has far outpaced underlying economic activity. Historically, such outsized returns have not been sustainable as earnings growth fails to meet expectations.



However, one of the better economic indicators to pay attention to is the Chicago Fed National Activity Index, which is a broad measure of the economy but does not receive much attention.

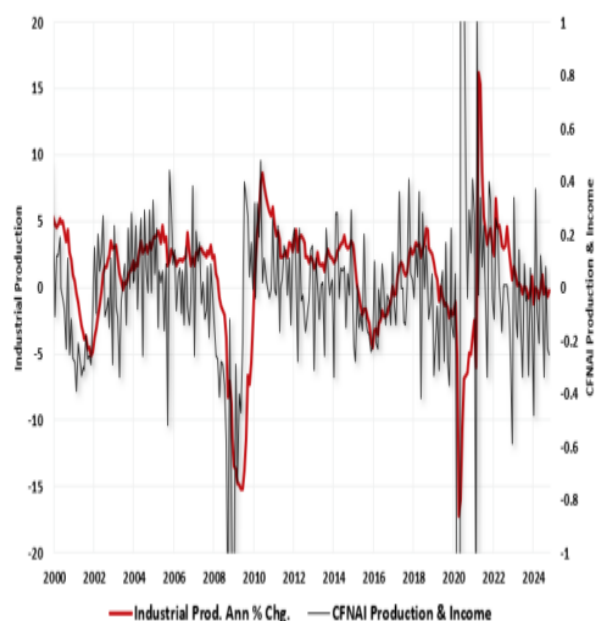
Chicago Fed National Activity Index (CFNAI)

The CFNAI aggregates 85 monthly economic indicators from four categories:

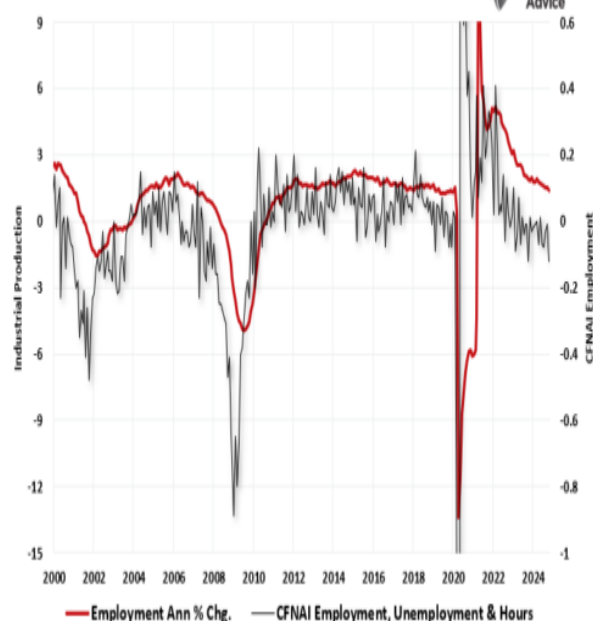
1. *Production and income.*
2. *Employment, unemployment, and hours worked.*
3. *Personal consumption and housing.*
4. *Sales, orders, and inventories.*

A CFNAI reading above zero indicates above-trend economic growth, while below zero suggests below-trend growth. In October 2024, the CFNAI registered at -0.15, reflecting subdued economic activity. Prolonged readings in negative territory often signal a rising risk of recession. Notably, the employment measure suggests that the annual rate of change in employment will continue to decline, industrial production will slow, and personal consumption will moderate lower.

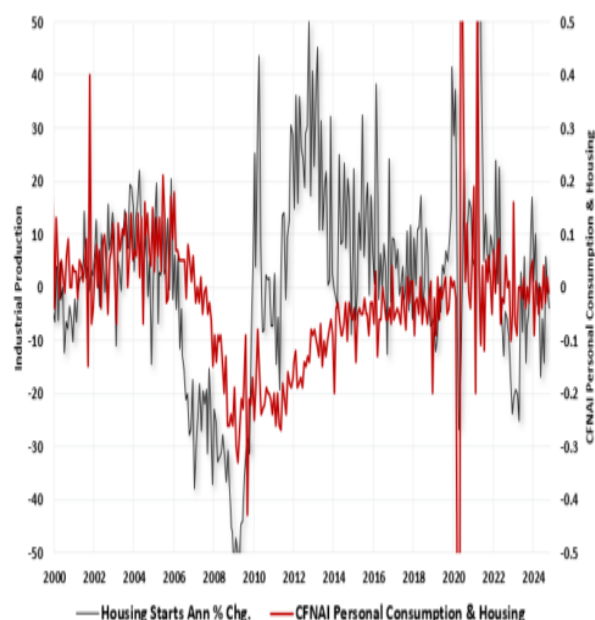
Industrial Production vs. CFNAI Prod. & Income



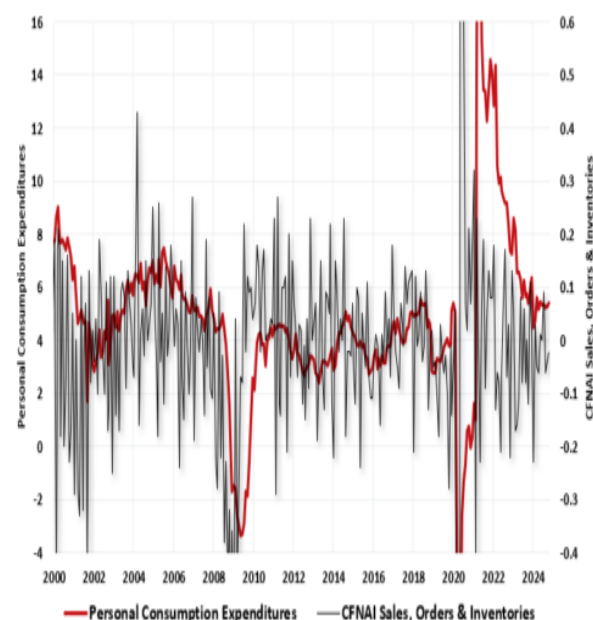
Employment vs. CFNAI Employment



Housing Starts vs. CFNAI Consumption & Housing

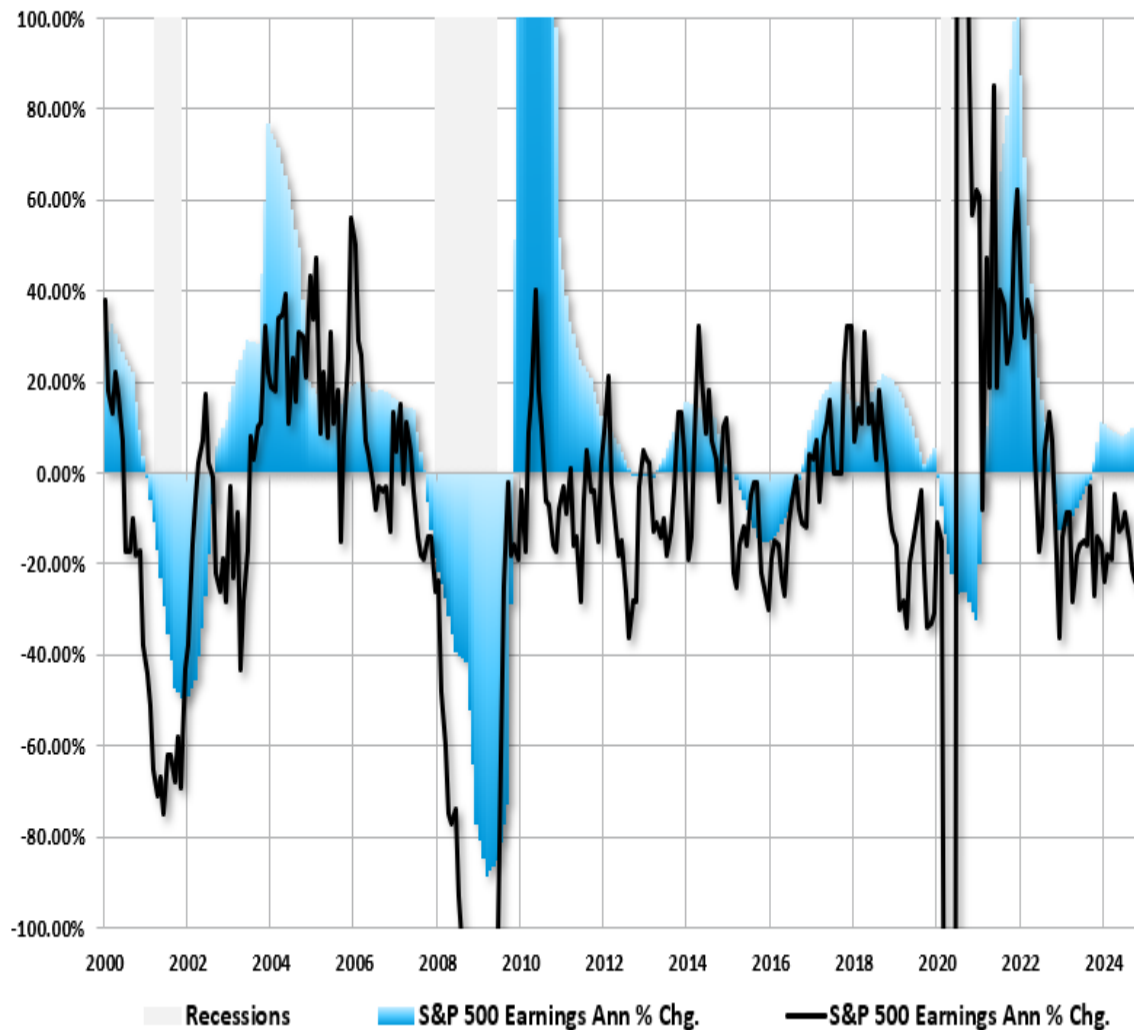


PCE vs. CFNAI Sales, Orders & Inventories



The CFNAI's broad scope provides a nuanced view of how various economic forces combine to affect corporate earnings. With production and employment metrics deteriorating, the outlook for robust earnings in 2025 appears increasingly strained. As shown, a high but volatile historical correlation exists between the CFNAI and corporate earnings.

Chicago Fed National Activity Index



Risks In 2025

Still, investors should note that analysts' outlook for 2025 is exceptionally optimistic compared to what is likely to be the actual outcome. This is because, as discussed in [?Market Forecasts Are Very Bullish,?](#) there are numerous headwinds facing markets next year.

?The problem with current forward estimates is that several factors must exist to sustain historically high earnings growth and record corporate profitability.?

1. *Economic growth must remain more robust than the average 20-year growth rate.*
2. *Wage and labor growth must reverse (weaken) to sustain historically elevated profit margins.*
3. *Both interest rates and inflation need to decline to support consumer spending.*
4. *Trump's planned tariffs will increase costs on some products and may not be fully offset by replacement and substitution.*
5. *Reductions in Government spending, debt issuance, and the deficit subtract from corporate profitability (Kalecki Profit Equation).*
6. *Slower economic growth in China, Europe, and Japan reduces demand for U.S. exports, slowing economic growth.*

7. *The Federal Reserve maintaining higher interest rates and continuing to reduce its balance sheet will reduce market liquidity.*

You get the idea. While analysts are currently very optimistic about economic and earnings growth going into 2025, there are risks to those forecasts. Such is particularly true when examining current economic data's relative strength and trend. Subdued manufacturing activity, slowing GDP growth, and cautious consumer behavior all point to an economic environment less supportive of aggressive earnings growth. As such, investors must carefully navigate the disconnect between high Wall Street expectations and softening economic conditions.

If these headwinds persist, corporate earnings may grow slower or contract slightly compared to Wall Street's current projections. For investors, this scenario could mean lower returns from equities, particularly in high-growth sectors more sensitive to earnings disappointments.

How We Are Trading It

Heading into year-end, there is little need to be overly cautious. The bullish trend remains intact, corporate buybacks continue, and investment managers must be *fully dressed* by New Year's Eve for annual reporting.

However, even with the market in a seasonally strong period of the year, there is always the possibility of something *going wrong*. As such, continue to follow the rules as needed to maintain a manageable level of volatility.

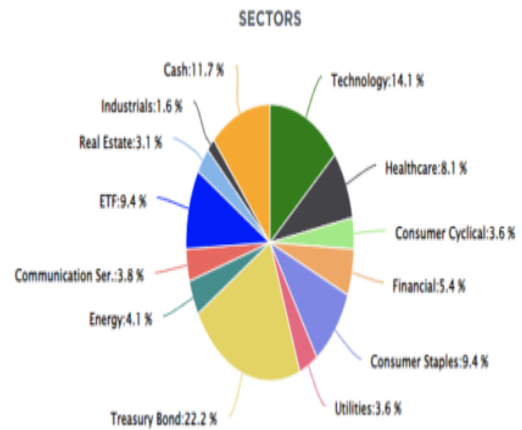
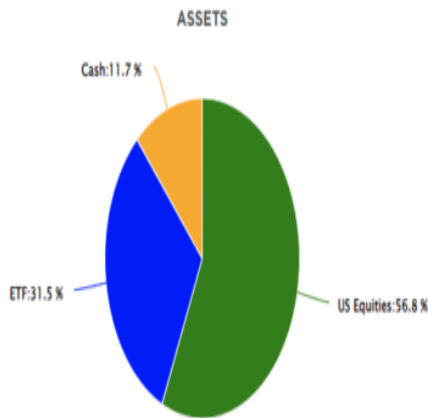
1. ***Tighten up stop-loss levels*** to current support levels for each position.
2. ***Hedge portfolios*** against major market declines.
3. ***Take profits*** in positions that have been big winners
4. ***Sell laggards*** and losers
5. ***Raise cash*** and rebalance portfolios to target weightings.

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

The trick to navigating markets in 2025 is not trying to *time* the market to sell exactly at the top. That is impossible. Successful long-term management *is understanding when enough is enough* and being willing to take profits and protect your gains. For many stocks currently, that is the situation we are in.

Manage risk accordingly. (***Read our article on [What Is Risk?](#) for a complete list of rules***)

[Feel free to reach out](#) if you want to navigate these uncertain waters with expert guidance. Our team specializes in helping clients make informed decisions in today's volatile markets.



Have a great week.

Research Report

The Kalecki Profit Equation And The Coming Reversion



By Lance Roberts | Dec 6, 2024



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Bull Bear Report Market Statistics & Screens

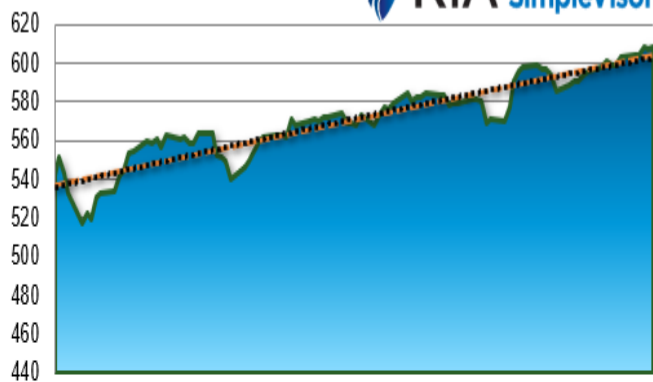


SimpleVisor Top & Bottom Performers By Sector

Today's Top & Bottom Performer by Sector
(Click on a Symbol to see details below)

Healthcare					Technology					Consumer Cyclical					Financial				
MRNA	TMO	A	ALGN	IDXX	HPE	SMCI	PLTR	AVGO	TER	LULU	ULTA	AZO	TSLA	AMZN	MSCI	AXP	PYPL	V	MA
3.33%	2%	1.89%	1.79%	1.45%	11.25%	6.76%	6.17%	5.37%	4.94%	16.62%	9.48%	3.67%	3.13%	2.31%	1.25%	0.99%	0.78%	0.77%	0.73%
INCY	REGN	RVTY	IQV	DHR	ORCL	MPWR	ADBE	LRCX	MCHP	RCL	ORLY	LOW	KMX	SBUX	COF	WFC	MCO	SYF	PFG
1.28%	1.27%	1.26%	1.24%	1%	3%	2.95%	2.53%	1.9%	1.7%	2.3%	1.62%	1.56%	1.53%	1.26%	0.71%	0.69%	0.62%	0.61%	0.59%
CI	UHS	VTRS	DXCM	ELV	JNPR	QCOM	MSI	TRMB	TYL	DHI	MHK	PHM	LEN	APTV	RJF	CME	MKTX	WTW	GL
-1.24%	-1.41%	-1.44%	-1.69%	-1.99%	-0.8%	-0.91%	-0.99%	-1.01%	-1.36%	-1.01%	-1.03%	-1.09%	-1.11%	-1.27%	-1.67%	-1.73%	-1.78%	-2.02%	-2.04%
MOH	CNC	CVS	COO	UNH	AMD	WDC	DELL	FSLR	NVDA	BWA	TPR	HAS	BBY	LKQ	AJG	BEN	CBOE	PGR	ERIE
-1.99%	-2.23%	-2.3%	-4.17%	-5.37%	-1.37%	-1.41%	-1.61%	-1.84%	-2.08%	-1.29%	-1.36%	-1.52%	-1.58%	-2.19%	-2.05%	-2.19%	-2.53%	-3.03%	-3.32%
Consumer Staples					Industrials					Utilities					Materials				
DG	TGT	EL	COST	WMT	EFX	GPN	GE	ADP	IEX	AWK	EVRG	AEE	NI	EXC	ALB	DD	ECL	CE	LIN
3.33%	2.58%	1.47%	1.21%	0.56%	1.85%	1.51%	1.07%	1.04%	0.98%	-0.03%	-0.24%	-0.31%	-0.36%	-0.41%	3.37%	1.22%	1.05%	0.53%	0.41%
CPB	MO	LW	HSY	TAP	JCI	VLTO	WAB	RSG	MAS	PCG	WEC	CMS	PNW	GEV	SHW	NEM	PPG	APD	IFF
0.52%	0.43%	0.25%	0.05%	0.05%	0.92%	0.85%	0.82%	0.64%	0.58%	-0.42%	-0.42%	-0.61%	-0.71%	-0.73%	0.33%	-0.06%	-0.07%	-0.15%	-0.18%
PM	CHD	KMB	BF-B	TSN	HUBB	BA	LHX	NOC	UPS	AEP	ETR	NEE	NRG	DUK	MOS	EMN	DOW	CF	STLD
-1.25%	-1.46%	-1.47%	-1.49%	-1.49%	-1.33%	-1.48%	-1.56%	-1.59%	-1.59%	-1.52%	-1.52%	-1.54%	-1.58%	-1.61%	-0.47%	-0.6%	-0.92%	-1%	-1.01%
MNST	ADM	KR	CAG	BG	HWM	TDG	LUV	UAL	DAL	PEG	ED	SO	AES	ES	LYB	FCX	FMC	NUE	CTVA
-1.5%	-1.53%	-1.76%	-1.82%	-2.05%	-1.72%	-1.72%	-1.77%	-2.06%	-2.24%	-1.75%	-1.79%	-1.8%	-1.84%	-2.89%	-1.44%	-1.48%	-1.76%	-1.93%	-1.96%
Real Estate					Energy					Communication Ser.									
IRM	BXP	CBRE	SPG	WY	MPC	WMB	KMI	XOM	OKE	META	NFLX	GOOG	LYV	PARA					
1.47%	0.97%	0.97%	0.96%	0.63%	0.41%	-0.5%	-0.52%	-0.78%	-0.97%	2.21%	1.42%	1.13%	1.12%	0.88%					
DLR	EQR	CSGP	EQIX	FRT	PSX	COP	VLO	TPL	EOG	EA	CMCSA	DIS	FOX	OMC					
0.6%	0.57%	0.45%	0.17%	0.15%	-1.04%	-1.28%	-1.53%	-1.56%	-1.75%	0.66%	0.55%	0.29%	0.18%	0.01%					
INVH	EXR	DOC	VTR	AMT	CVX	OXY	APA	HES	EQT	T	TMUS	FOXA	CHTR	TTWO					
-0.37%	-0.49%	-0.95%	-0.98%	-1.31%	-2.23%	-2.29%	-2.31%	-2.36%	-2.37%	0%	-0.01%	-0.02%	-0.11%	-0.17%					
SBAC	ARE	PLD	WELL	CCI	BKR	CTRA	DVN	HAL	FANG	NWS	VZ	NWSA	WBD	IPG					
-1.39%	-1.45%	-1.49%	-1.56%	-1.76%	-2.75%	-2.92%	-3.06%	-3.8%	-4.08%	-0.48%	-0.6%	-0.64%	-0.75%	-1.07%					

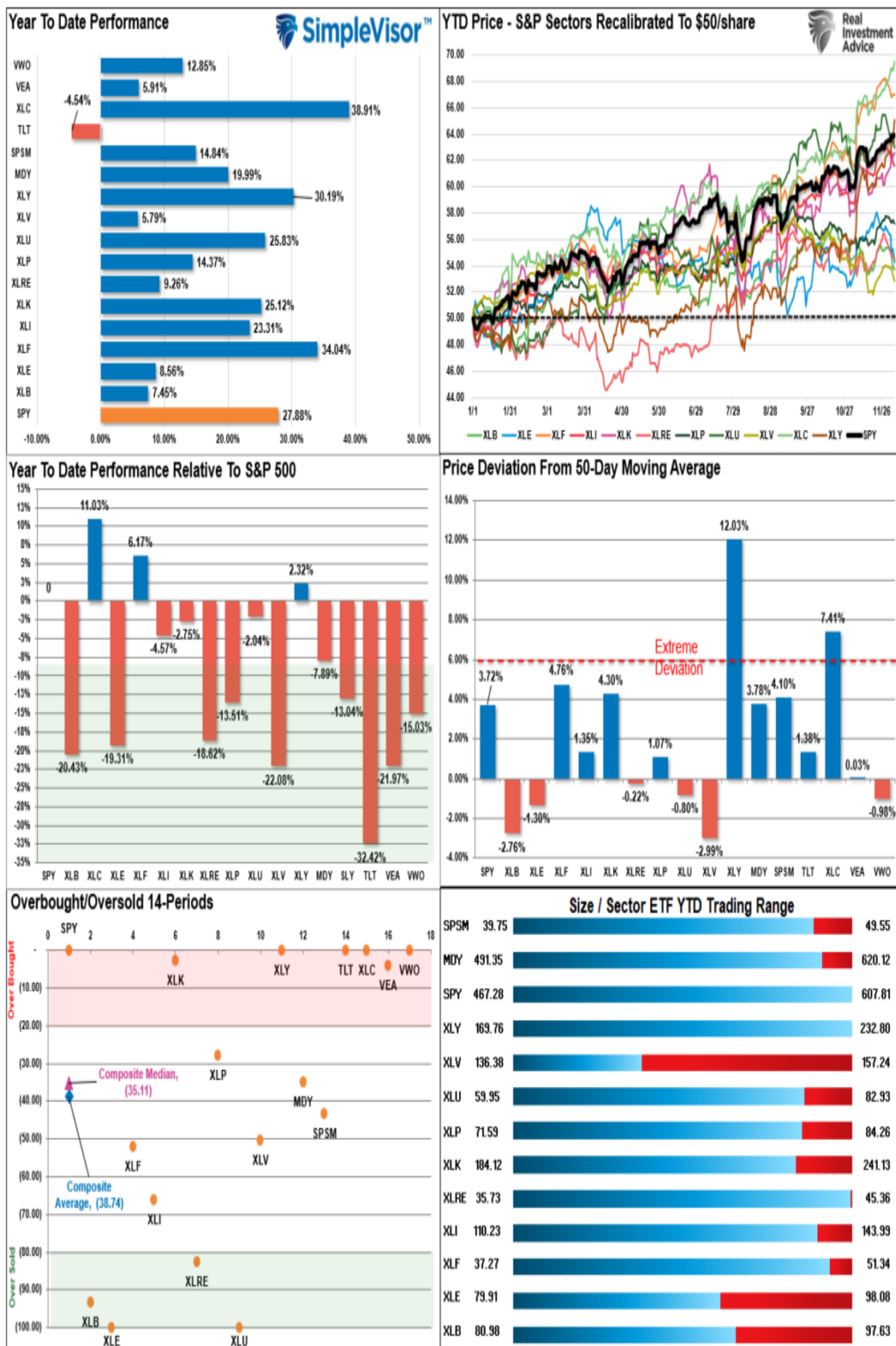
S&P 500 Weekly Tear Sheet

3 Month SPY Price								RIA SimpleVisor		SPY RISK INFO				
										Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
										Price Return	54.33%	33.66%	27.88%	(17.17%)
										Max Drawdown	(10.93%)	(9.71%)	(9.71%)	0.00%
										Sharpe	1.70	2.56	2.13	(0.17)
										Sortino	2.48	3.36	2.83	(0.16)
										Volatility	12.91	12.14	12.31	0.01
										Daily VaR-5%	5.86	16.44	11.27	(0.31)
										Mnthly VaR-5%	2.29	18.14	14.87	(0.18)
													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	1.65%	1.52%	1.18%	(28.79%)	2.13%	1.19%	(44.66%)	(0.96%)	Shares	5,053.9	4,988.8	(1.29%)		
P/E Ratio	18.17	21.55	26.36	18.26%	27.37	16.60	(3.7%)	58.76%	Sales	113,437	125,115	10.29%		
P/S Ratio	4.37	4.46	5.81	23.15%	6.16	3.95	(5.73%)	46.97%	SPS	22.4	25.1	11.74%		
P/B Ratio	7.22	7.14	8.89	19.69%	8.94	5.61	(0.59%)	58.54%	Earnings	17,704	23,103	30.50%		
ROE	27.77%	26.12%	30.16%	13.41%	30.16%	19.38%	0.00%	55.65%	EPS TTM	5.0	5.5	9.69%		
ROA	6.54%	6.31%	7.87%	19.82%	7.87%	4.59%	0.00%	71.62%	Dividend	1.5	1.7	11.32%		
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	12.22%	3.30%	1.24	14.03	86.48	(386.71)	(83.8%)	14.6%	3.2%	7.57%	6.25	13.22		
Materials	9.49%	2.04%	1.09	23.20	26.99	11.37	(14.1%)	11.0%	1.8%	4.38%	5.04	19.70		
Industrials	26.07%	8.44%	1.12	26.41	48.53	16.99	(45.6%)	23.7%	1.3%	3.75%	6.99	21.96		
Discretionary	42.05%	10.90%	1.43	34.74	73.17	25.57	(52.5%)	22.6%	0.6%	2.91%	5.81	25.79		
Staples	24.04%	5.60%	0.61	23.71	23.47	18.47	1.0%	27.7%	2.3%	4.26%	4.16	21.37		
Health Care	9.83%	10.43%	0.68	22.12	24.77	14.82	(10.7%)	23.6%	1.6%	4.55%	8.68	18.12		
Financials	42.35%	13.51%	1.14	19.44	21.51	12.80	(9.6%)	11.6%	1.4%	5.08%	8.41	16.44		
Technology	45.95%	32.08%	1.31	40.45	39.22	20.23	3.1%	68.9%	0.6%	2.49%	5.72	30.14		
Telecom	44.48%	9.08%	0.96	23.72	28.38	15.42	(16.4%)	28.2%	0.7%	4.00%	7.32	18.73		
Utilities	26.58%	2.37%	0.69	19.96	21.42	15.58	(6.8%)	11.4%	2.9%	4.77%	3.72	18.43		
Real Estate	14.10%	2.17%	1.09	19.92	26.21	15.47	(24.0%)	6.5%	3.2%	5.05%	4.86	19.10		
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	607.81	6.36%	586.28	50	3.67%	548.10	275	10.89%	6.97%	(0.21%)	33.79%	Buy		
Mid Cap	608.80	6.96%	586.96	50	3.72%	554.69	275	9.75%	5.82%	(2.46%)	27.85%	Buy		
Small Cap	48.44	6.86%	46.56	24	4.05%	43.64	266	11.00%	6.68%	(3.18%)	25.85%	Buy		

Relative Performance Analysis

Last week, we noted that the first five days of December tend to be bullish for stocks and suggested remaining weighted to equities. That worked as expected, with markets hitting new all-time highs this past week. However, this week, mutual fund rebalancing begins, which could lead to increased volatility and sloppy trading action. The index is overbought along with Technology,

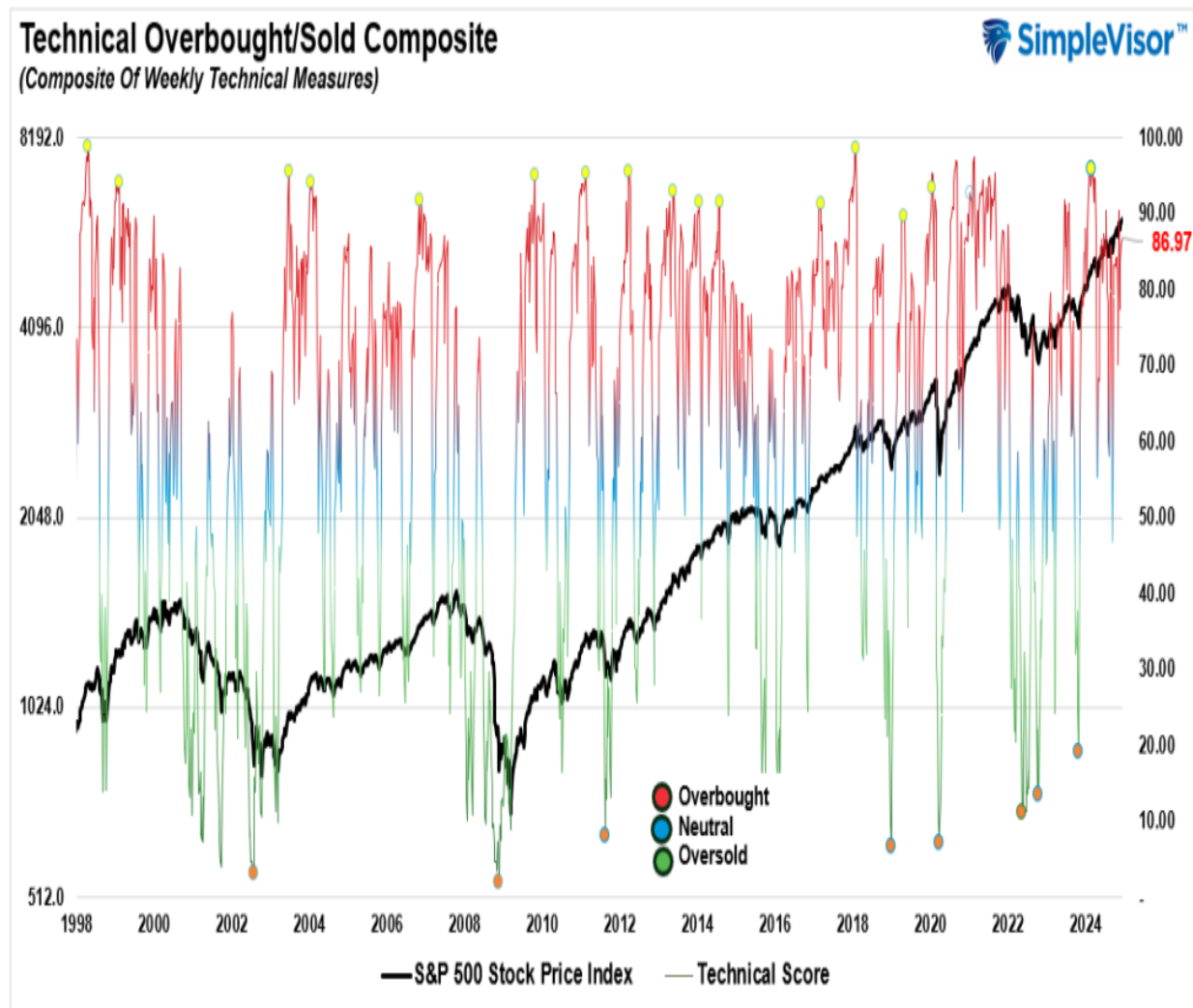
Discretionary, and Bonds, so a rotation to Energy, Utilities, and Materials would be unsurprising.



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.**

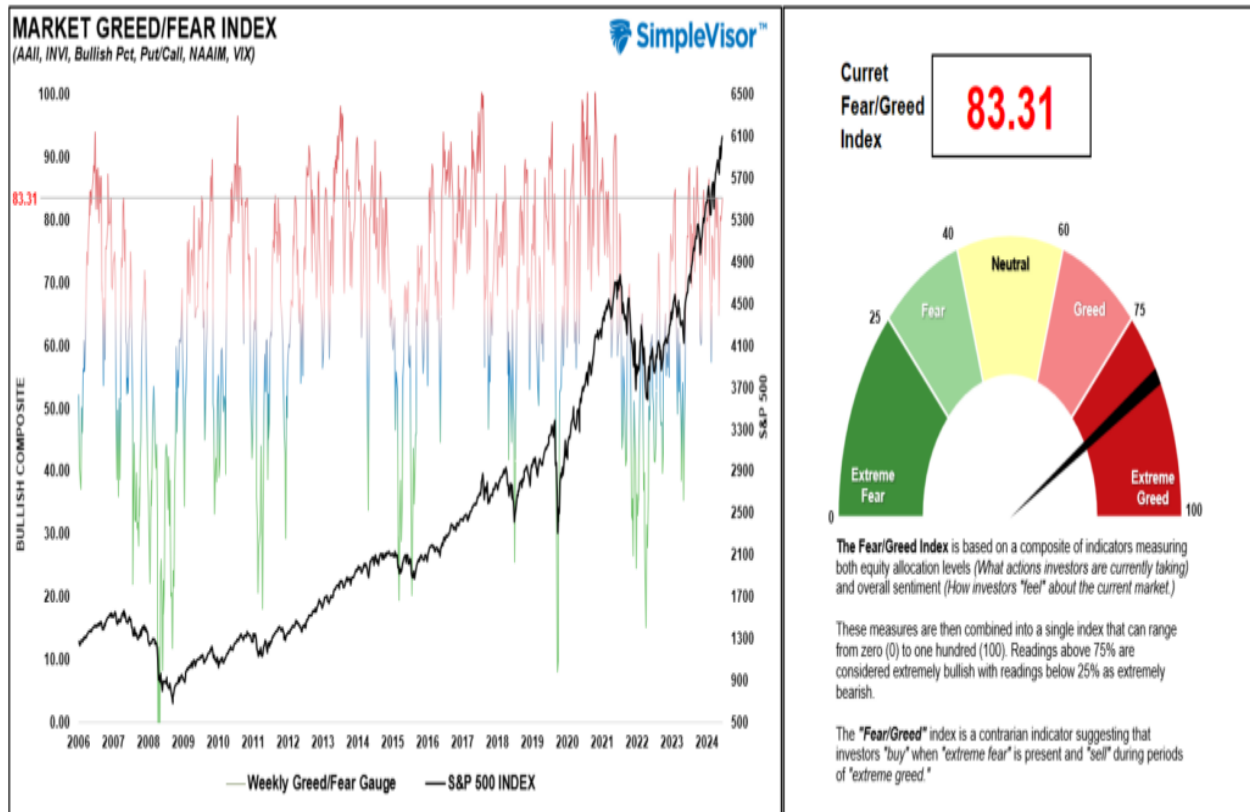
The current reading is 86.97 out of a possible 100.



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.

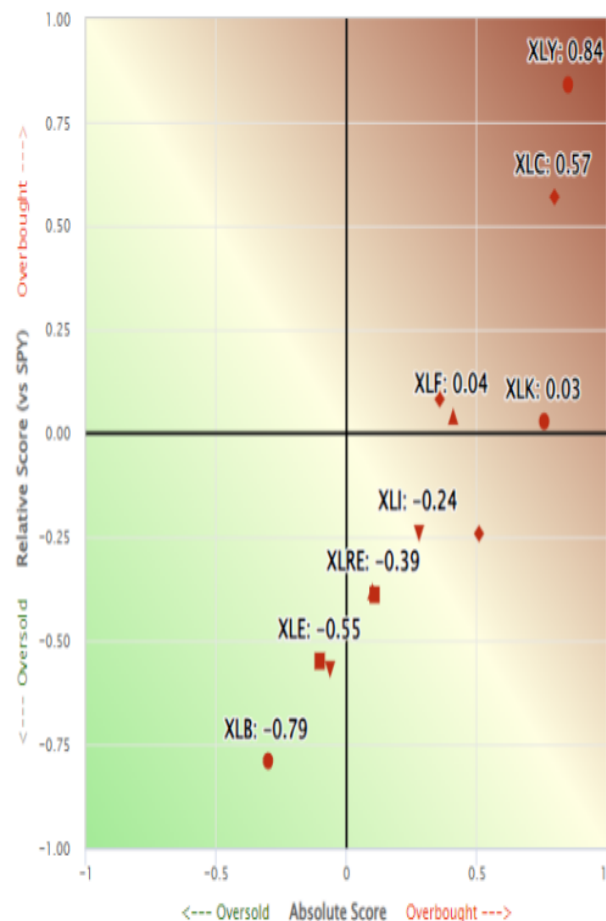
NOTE: The Fear/Greed Index measures risk from 0 to 100. It is a rarity that it reaches levels above 90. The current reading is 83.31 out of a possible 100.



Relative Sector Analysis

Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Top 10 Holdings	Absolute Score \updownarrow	Relative Score (vs SPY) \updownarrow	Chart 
XLB	Materials		-0.30 	-0.79 	
XLV	Health Care		-0.06 	-0.57 	
XLE	Energy		-0.10 	-0.55 	
XLRE	Real Estate		0.11 	-0.39 	
XLU	Utilities		0.10 	-0.38 	
XLI	Industrials		0.28 	-0.24 	
XLP	Consumer Staples		0.51 	-0.24 	
XLK	Technology		0.76 	0.03 	
XLF	Financial		0.41 	0.04 	
XTN	Transportation		0.36 	0.08 	
XLC	Communication Services		0.80 	0.57 	
XLY	Consumer Discretionary		0.85 	0.84 	



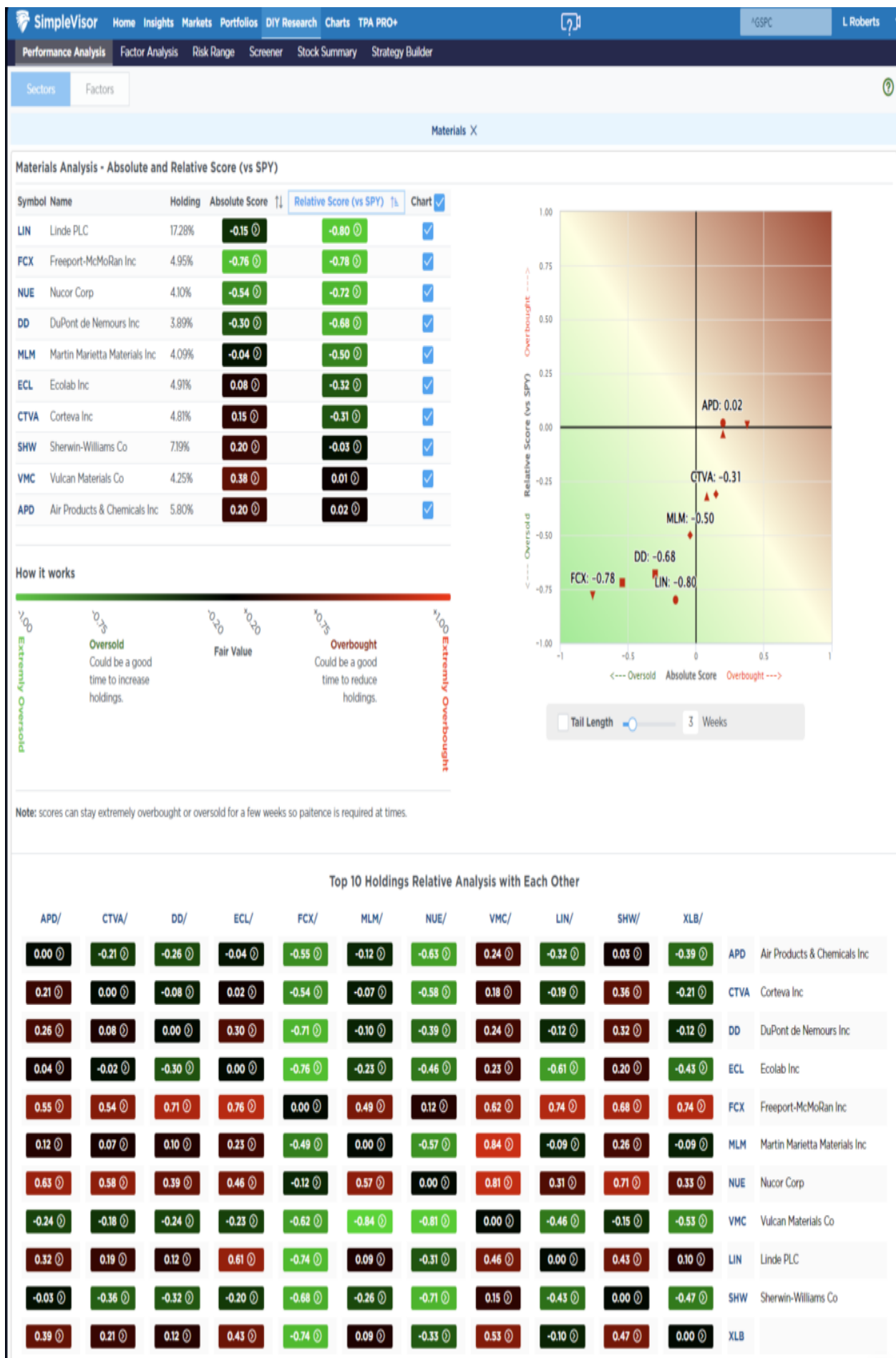
How it works



Note: scores can stay extremely overbought or oversold for a few weeks so patience is required at times.

《 》

Most Oversold Sector Analysis



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.

Last week, we suggested that with the Thanksgiving holiday rally behind us, we could continue to trade higher last week. That occurred, and now the market is overbought and heading into a seasonally weak period. The upside may remain limited, and a rotation to underperforming areas such as energy, utilities, and staples is possible. Overall, the market is very bullish, with every sector and market, except Energy, on a bullish buy signal. Maintain exposure, manage risk as needed, and use any short-term corrections to increase equity exposure.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		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	LONG WMA	PRICE	BETA	HIGH	LOW	Short MA	Long MA	SIGNAL
IVV	ISHARS-SP500	610.83	0.95	1.81	8.10	11.67	32.11	583.98	556.45	605.07	1.00	620.20	589.94	5%	10%	BULLISH
XLB	SPOR-MATLS SELS	91.91	(3.98)	(4.32)	(8.94)	(9.13)	(19.93)	94.30	91.77	94.78	1.06	98.15	91.41	-3%	0%	BULLISH
XLC	SPOR-COMM SV SS	100.93	1.62	3.33	8.08	7.16	11.09	92.55	87.29	98.40	1.03	101.87	94.93	9%	16%	BULLISH
XLE	SPOR-EGY SELS	91.02	(5.67)	(4.53)	(1.76)	(10.25)	(21.42)	91.08	91.24	95.53	1.20	99.07	91.99	0%	0%	BEARISH
XLF	SPOR-FINL SELS	50.40	(2.78)	0.85	5.13	10.28	7.38	47.44	44.15	51.34	1.06	53.17	49.51	6%	14%	BULLISH
XLK	SPOR-TECH SELS	240.84	2.09	(0.06)	1.15	(5.23)	(3.09)	228.47	220.44	233.73	1.13	242.21	225.25	5%	9%	BULLISH
XLJ	SPOR-INDU SELS	140.56	(3.33)	(2.69)	(0.45)	2.64	(3.11)	137.17	129.16	143.99	1.07	149.14	138.84	2%	9%	BULLISH
XLV	SPOR-CONV STPL	82.38	(1.96)	0.32	(9.95)	(5.60)	(14.61)	81.88	79.43	83.22	0.59	85.79	80.65	1%	4%	BULLISH
XLRE	SPOR-RE SELS	43.77	(3.69)	(1.93)	(11.29)	2.08	(16.63)	44.07	41.13	45.00	0.99	46.57	43.43	-1%	6%	BULLISH
XLU	SPOR-UTIL SELS	79.69	(4.86)	(0.97)	(6.64)	3.18	(6.44)	79.98	74.38	82.93	0.60	85.50	80.36	0%	7%	BULLISH
XLV	SPOR-HLTH CR	144.28	(3.08)	(5.54)	(15.71)	(13.39)	(22.87)	150.10	148.12	147.41	0.87	152.08	142.74	-4%	-3%	BULLISH
XLY	SPOR-CONS DISCR	232.80	3.77	6.61	12.85	15.82	2.30	204.83	189.94	222.30	1.22	230.67	214.03	14%	23%	BULLISH
XTN	SPOR-SP TRANSP	92.19	(3.90)	(0.97)	9.37	7.99	(15.48)	85.66	80.71	94.99	1.34	98.63	91.34	8%	14%	BULLISH
SDY	SPOR-SP DIV ETF	140.24	(3.56)	(2.54)	(8.14)	(2.51)	(16.45)	140.98	134.85	144.00	0.86	148.84	139.16	-1%	4%	BULLISH
RSP	INVS-SP5 EQ ETF	185.19	(2.25)	(1.02)	(2.29)	0.17	(9.12)	180.22	171.79	187.62	1.05	194.28	180.96	3%	8%	BULLISH
SPSM	SPOR-PRT SC	48.44	(2.46)	(1.41)	0.83	6.02	(8.64)	46.09	43.95	49.18	1.13	50.96	47.40	5%	10%	BULLISH
MDY	SPOR-SP MC 400	608.80	(2.10)	(0.54)	1.51	2.05	(5.69)	580.50	556.81	615.86	1.11	638.11	593.61	5%	9%	BULLISH
EEM	ISHARS-EMG MKT	43.85	0.41	(3.41)	(5.72)	(8.90)	(19.71)	44.51	43.26	43.26	0.71	44.65	41.87	-1%	1%	BULLISH
EFA	ISHARS-EAFE	80.08	0.45	(0.45)	(9.88)	(8.93)	(22.63)	80.42	79.92	78.97	0.87	81.63	76.31	0%	0%	BULLISH
IAU	ISHARS-GOLD TR	49.68	(2.09)	(3.63)	(6.30)	1.52	(1.03)	50.04	47.00	50.25	0.19	51.60	48.90	-1%	6%	BULLISH
GDV	VANECK-GOLD MNR	36.82	(3.18)	(7.25)	(16.26)	(3.34)	(8.06)	39.32	37.14	37.66	0.94	38.96	36.36	-6%	-1%	BULLISH
UUP	INVS-DB US\$ BU	29.93	(0.68)	(0.22)	(1.89)	(8.81)	(30.52)	29.12	28.85	29.85	(0.21)	30.53	29.17	3%	4%	BULLISH
BOND	PIMCO-ACTV BOND	92.91	(0.79)	(0.49)	(10.35)	(10.23)	(29.34)	92.94	92.11	92.76	0.26	95.32	90.20	0%	1%	BULLISH
TLT	ISHARS-20+YTB	94.39	(0.51)	0.44	(14.10)	(11.21)	(32.27)	94.51	93.67	93.97	0.28	96.58	91.36	0%	1%	BULLISH
BNDX	VANGD-TTL INT B	50.61	(0.83)	(0.17)	(7.45)	(8.23)	(30.12)	50.10	49.44	50.55	0.19	51.91	49.19	1%	2%	BULLISH
HYG	ISHARS-IBX HYCB	79.90	(1.13)	(1.49)	(7.76)	(8.42)	(26.79)	79.61	78.34	80.04	0.45	82.40	77.68	0%	2%	BULLISH



RISK RANGE REPORT



Weekly SimpleVisor Stock Screens

We provide three stock screens each week from 2013266080; [SimpleVisor](#).

This week, we are searching for the Top 20:

- Relative Strength Stocks
- Momentum Stocks

- *Fundamental & Technical Strength W/ Dividends*

(Click Images To Enlarge)

RSI Screen

<div>Tables ▾</div> <div>OverviewTechnicalsFundamentalsPerformance</div>													
Symbol ↑↓	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA [Ⓢ] ↑↓	50 SMA [Ⓢ] ↑↓	100 SMA [Ⓢ] ↑↓	Mohanram [Ⓢ] ↑↓	Piotroski [Ⓢ] ↑↓	SV Rank [Ⓢ] ↑↓	Yield% ↑↓	
AXON	Industrials	10/10	\$691.78	\$173.72(-298.22%)	81.25	\$619.66(11.64%)	\$505.55(36.84%)	\$428.69(61.37%)	6	4	4	%	
BX	Financial	10/10	\$187.02	\$111.26(-68.09%)	58.50	\$185.93(0.59%)	\$171.02(9.36%)	\$155.83(20.02%)	3	5	3	2.03%	
CBRE	Real Estate	10/10	\$137.75	\$36.83(-274.02%)	55.59	\$135.44(1.71%)	\$129.62(6.27%)	\$120.92(13.92%)	7	8	2	1.72%	
CCL	Consumer Cyclical	10/10	\$26.46		74.00	\$25.08(5.48%)	\$22.33(18.47%)	\$19.47(35.88%)	1	—	3	%	
CRM	Technology	10/10	\$362.26	\$273.46(-32.47%)	69.87	\$334.87(8.18%)	\$307.17(17.94%)	\$281.12(28.86%)	6	—	3	0.56%	
FFIV	Technology	10/10	\$257.43	\$180.57(-42.57%)	73.72	\$246.28(4.53%)	\$232.05(10.94%)	\$214.33(20.11%)	8	5	5	%	
FICO	Technology	10/10	\$2,368.64	\$546.28(-333.59%)	66.23	\$2,329.54(1.68%)	\$2,127.48(11.34%)	\$1,929.89(22.73%)	—	7	3	%	
FTNT	Technology	10/10	\$99.10	\$88.51(-11.96%)	68.28	\$94.32(5.07%)	\$85.56(15.83%)	\$77.57(27.76%)	—	7	3	%	
GEV	Utilities	10/10	\$345.61		62.47	\$336.80(2.61%)	\$301.21(14.74%)	\$246.63(40.13%)	—	—	—	%	
NCLH	Consumer Cyclical	10/10	\$27.61		61.02	\$27.09(1.90%)	\$24.65(11.99%)	\$21.28(29.72%)	—	1	3	%	
NOW	Technology	10/10	\$1,125.68	\$600.93(-87.32%)	73.95	\$1,046.43(7.57%)	\$974.44(15.52%)	\$902.05(24.79%)	7	5	3	%	
PAYC	Technology	10/10	\$235.56	\$279.05(15.59%)	68.22	\$228.02(3.31%)	\$195.68(20.38%)	\$179.22(31.44%)	1	8	3	0.91%	
PLTR	Technology	10/10	\$76.30	\$11.95(-538.51%)	75.75	\$63.73(19.73%)	\$50.88(49.97%)	\$40.96(86.29%)	—	1	3	%	
RCL	Consumer Cyclical	10/10	\$256.93		76.55	\$238.09(7.91%)	\$212.57(20.87%)	\$186.79(37.55%)	1	—	4	0.79%	
SYF	Financial	10/10	\$67.33		68.05	\$65.72(2.45%)	\$58.68(14.74%)	\$53.46(25.94%)	1	9	3	1.81%	
TPL	Energy	10/10	\$1,325.66	\$1,443.06(8.14%)	46.83	\$1,467.06(-9.64%)	\$1,219.32(8.72%)	\$1,025.30(29.29%)	—	2	3	0.43%	
TRGP	Energy	10/10	\$194.72	\$136.79(-42.35%)	58.77	\$198.30(-1.81%)	\$176.68(10.21%)	\$159.33(22.21%)	4	7	3	1.78%	
TSLA	Consumer Cyclical	10/10	\$381.07	\$157.48(-41.98%)	69.07	\$338.43(12.60%)	\$281.37(35.43%)	\$251.71(51.39%)	4	7	1	%	
UAL	Industrials	10/10	\$100.33		81.12	\$93.70(7.07%)	\$78.61(27.62%)	\$62.04(61.71%)	4	7	3	%	
VST	Utilities	10/10	\$159.65	\$159.59(-0.04%)	61.36	\$151.73(5.22%)	\$136.18(17.24%)	\$109.02(46.44%)	—	3	3	0.70%	

Momentum Screen

<div>Tables</div> <div>OverviewTechnicalFundamentalsPerformance</div>													
Symbol ↑↓	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ↑↓	50 SMA ↑↓	100 SMA ↑↓	Mohanram ↑↓	Piotroski ↑↓	SV Rank ↑↓	Yield%	
AXON	Industrials	10/10	\$689.99	\$173.72(-297.19%)	81.25	\$619.66(11.35%)	\$505.55(36.48%)	\$428.69(60.95%)	6	4	4	%	
BKNG	Consumer Cyclical	10/10	\$5,301.96		74.39	\$5,100.19(3.96%)	\$4,665.62(13.64%)	\$4,221.93(25.58%)	2	6	3	0.81%	
CRM	Technology	10/10	\$362.66	\$273.46(-32.62%)	69.87	\$334.87(8.30%)	\$307.17(18.07%)	\$281.12(29.01%)	6	—	3	0.56%	
DECK	Consumer Cyclical	10/10	\$200.70		71.94	\$186.21(7.78%)	\$170.94(17.41%)	\$161.43(24.33%)	—	4	3	%	
EQIX	Real Estate	10/10	\$979.55	\$228.04(-329.55%)	68.49	\$936.08(4.64%)	\$906.87(8.01%)	\$865.60(13.16%)	1	5	3	1.90%	
FICO	Technology	10/10	\$2,368.64	\$546.28(-333.59%)	66.23	\$2,329.54(1.68%)	\$2,127.48(11.34%)	\$1,929.89(22.73%)	—	7	3	%	
NFLX	Communication Ser.	10/10	\$930.67	\$373.31(-149.30%)	76.65	\$861.84(7.99%)	\$785.09(18.54%)	\$725.39(28.30%)	4	—	5	%	
NOW	Technology	10/10	\$1,125.92	\$600.93(-87.36%)	73.95	\$1,046.43(7.60%)	\$974.44(15.54%)	\$902.05(24.82%)	7	5	3	%	
RL	Consumer Cyclical	10/10	\$231.30	\$267.37(13.49%)	71.42	\$218.09(6.06%)	\$206.77(11.86%)	\$188.98(22.39%)	3	8	1	1.67%	
TSLA	Consumer Cyclical	10/10	\$381.92	\$157.48(-142.52%)	69.07	\$338.43(12.85%)	\$281.37(35.74%)	\$251.71(51.73%)	4	7	1	%	
URI	Industrials	10/10	\$858.35	\$839.94(-2.19%)	53.23	\$854.69(0.43%)	\$832.16(3.15%)	\$779.29(10.15%)	3	8	3	0.79%	
DE	Industrials	9/10	\$444.90		61.00	\$428.03(3.94%)	\$415.86(6.98%)	\$396.95(12.08%)	0	6	3	1.43%	
HD	Consumer Cyclical	9/10	\$430.69	\$262.93(-63.80%)	62.19	\$415.25(3.72%)	\$409.15(5.26%)	\$387.31(11.20%)	—	4	3	2.24%	
LULU	Consumer Cyclical	9/10	\$401.16		68.12	\$322.08(24.55%)	\$302.38(32.67%)	\$280.53(43.00%)	6	7	3	%	
TYL	Technology	9/10	\$622.17	\$222.52(-179.60%)	59.81	\$617.07(0.83%)	\$602.90(3.20%)	\$587.91(5.83%)	1	4	3	%	
COST	Consumer Staples	8/10	\$995.00	\$414.09(-140.29%)	67.41	\$949.06(4.84%)	\$912.33(9.06%)	\$889.86(11.82%)	5	8	3	0.52%	
META	Communication Ser.	8/10	\$622.80	\$465.46(-33.80%)	65.24	\$578.74(7.61%)	\$578.49(7.66%)	\$544.72(14.33%)	—	—	—	0.35%	
MSCI	Financial	8/10	\$617.24	\$400.49(-54.12%)	58.51	\$598.53(3.13%)	\$594.04(3.91%)	\$572.39(7.84%)	1	6	—	1.08%	
ORLY	Consumer Cyclical	8/10	\$1,255.20	\$982.98(-27.69%)	56.86	\$1,227.76(2.23%)	\$1,198.06(4.77%)	\$1,156.42(8.54%)	5	8	3	%	
AZO	Consumer Cyclical	6/10	\$3,302.00	\$3,112.34(-6.09%)	56.92	\$3,143.44(5.04%)	\$3,127.40(5.58%)	\$3,117.27(5.93%)	5	7	3	%	

Fundamental & Technical Screen

<div> <div>Tables</div> <div> <div>Overview</div> <div>Technicals</div> <div>Fundamentals</div> <div>Performance</div> </div> </div>												
Symbol ↑↓	Sector ↑↓	Trend ↑↓	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ↑↓	50 SMA ↑↓	100 SMA ↑↓	Mohanram ↑↓	Piotroski ↑↓	SV Rank ↑↓	Yield% ↑↓
AXP	Financial	10/10	\$303.62		62.42	\$294.95(2.94%)	\$282.04(7.65%)	\$266.05(14.12%)	1	8	3	1.04%
CINF	Financial	10/10	\$156.03		64.19	\$154.12(1.24%)	\$144.84(7.73%)	\$137.94(13.11%)	0	8	1	2.34%
CMI	Industrials	10/10	\$379.76	\$531.55(28.56%)	69.13	\$367.41(3.36%)	\$346.35(9.65%)	\$322.51(17.75%)	5	7	4	2.19%
DECK	Consumer Cyclical	10/10	\$200.70		71.94	\$186.21(7.78%)	\$170.94(17.41%)	\$161.43(24.33%)	—	4	3	%
DFS	Financial	10/10	\$177.89		58.97	\$177.35(0.30%)	\$158.97(11.90%)	\$146.80(21.18%)	6	8	3	1.96%
EXPE	Consumer Cyclical	10/10	\$191.17	\$215.31(11.21%)	72.89	\$182.90(4.52%)	\$166.31(14.95%)	\$149.39(27.97%)	1	8	3	%
FFIV	Technology	10/10	\$257.85	\$180.57(-42.80%)	73.72	\$246.28(4.70%)	\$232.05(11.12%)	\$214.33(20.30%)	8	5	5	%
GRMN	Technology	10/10	\$217.90	\$65.95(-230.40%)	70.61	\$211.70(2.93%)	\$189.34(15.08%)	\$181.86(19.82%)	—	3	4	1.85%
HWM	Industrials	10/10	\$117.89	\$27.91(-322.39%)	66.22	\$116.09(1.55%)	\$107.97(9.19%)	\$100.04(17.84%)	1	7	3	0.32%
IBM	Technology	10/10	\$237.78	\$127.97(-85.81%)	72.18	\$219.20(8.48%)	\$221.22(7.49%)	\$209.51(13.49%)	5	7	4	3.06%
LYV	Communication Ser.	10/10	\$136.12		60.69	\$133.63(1.86%)	\$122.14(11.45%)	\$109.15(24.71%)	3	5	3	%
NFLX	Communication Ser.	10/10	\$930.67	\$373.31(-149.30%)	76.65	\$861.84(7.99%)	\$785.09(18.54%)	\$725.39(28.30%)	4	—	5	%
ORCL	Technology	10/10	\$191.61	\$118.67(-61.46%)	54.06	\$187.47(2.21%)	\$178.56(7.31%)	\$161.15(18.90%)	5	3	4	0.92%
PAYC	Technology	10/10	\$235.41	\$279.05(15.64%)	68.22	\$228.02(3.24%)	\$195.68(20.30%)	\$179.22(31.35%)	1	8	3	0.91%
PNR	Industrials	10/10	\$108.05	\$53.85(-100.64%)	66.71	\$106.62(1.34%)	\$101.57(6.37%)	\$94.16(14.75%)	6	7	3	0.93%
RCL	Consumer Cyclical	10/10	\$256.90		76.55	\$238.09(7.90%)	\$212.57(20.85%)	\$186.79(37.53%)	1	—	4	0.79%
RL	Consumer Cyclical	10/10	\$231.30	\$267.37(13.49%)	71.42	\$218.09(6.06%)	\$206.77(11.86%)	\$188.98(22.39%)	3	8	1	1.67%
SYF	Financial	10/10	\$67.32		68.05	\$65.72(2.43%)	\$58.68(14.72%)	\$53.46(25.93%)	1	9	3	1.81%
TMUS	Communication Ser.	10/10	\$243.85	\$139.96(-74.23%)	65.35	\$239.51(1.81%)	\$226.37(7.72%)	\$209.57(16.36%)	1	5	3	1.51%
TSLA	Consumer Cyclical	10/10	\$381.92	\$157.48(-142.52%)	69.07	\$338.43(12.85%)	\$281.37(35.74%)	\$251.71(51.73%)	4	7	1	%
URI	Industrials	10/10	\$858.35	\$839.94(-2.19%)	53.23	\$854.69(0.43%)	\$832.16(3.15%)	\$779.29(10.15%)	3	8	3	0.79%
WAT	Healthcare	10/10	\$383.28	\$145.84(-162.81%)	55.78	\$377.11(1.64%)	\$361.94(5.90%)	\$346.39(10.65%)	5	8	3	%

SimpleVisor Portfolio Changes

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

No Trades This Week

Lance Roberts, C.I.O., RIA Advisors

Have a great week!