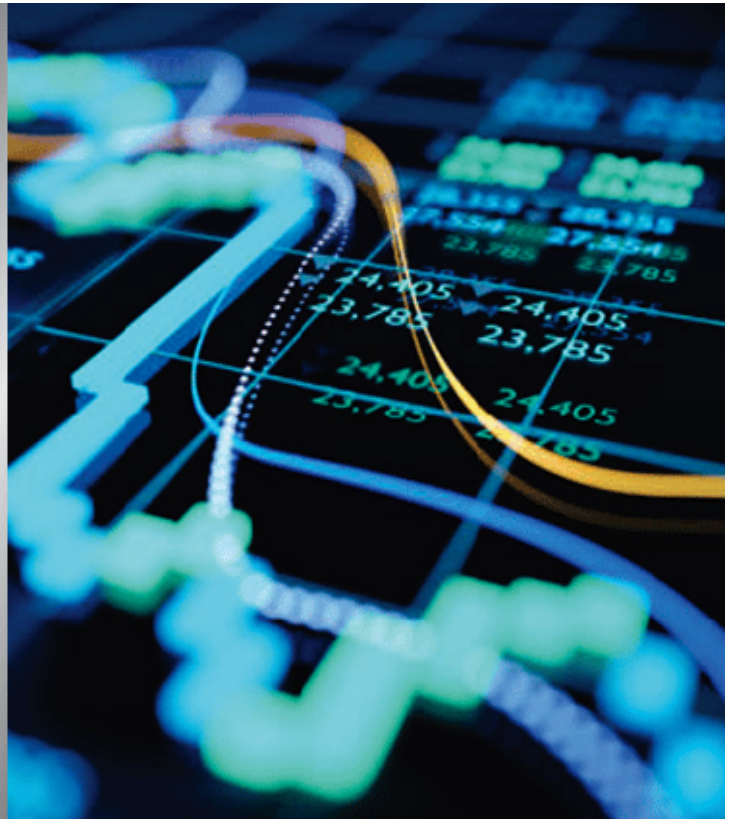
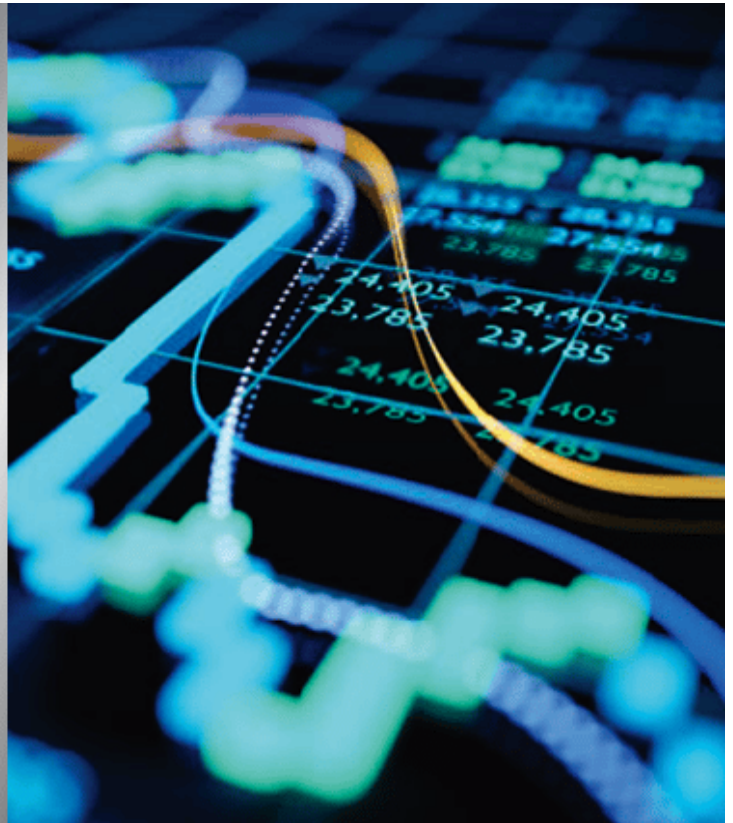


Confidence Dichotomy - Consumers Vs. Investors

By Lance Roberts | September 28, 2024





Inside This Week's Bull Bear Report

- **Confidence Dichotomy ? Consumers Vs. Investors**
- **How We Are Trading It**
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Technically Bullish

Last week, we noted that from a purely technical perspective, the market remains on a bullish buy signal and has not become grossly overbought. On Friday, the market retested the breakout of the previous highs and held. Next week, if the market can hold these levels without breaking that support, the breakout will be confirmed, which should provide a bullish bias into the end of the month.

Such remains the case this week. Notably, completing the *cup and handle* pattern suggests a potential further upside to 6000 by year-end. While that target may seem ambitious, it aligns with recent Wall Street upgrades.

The pattern was first described by William J. O'Neil in his 1988 classic book on technical analysis, 'How to Make Money in Stocks'. A cup and handle price pattern on a security's price chart is a technical indicator that resembles a cup with a handle, where the cup is in the shape of a 'u' and the handle has a slight downward drift. The cup and handle pattern

is considered a bullish signal, with the right-hand side of the pattern typically experiencing lower trading volume. The pattern's formation may be as short as seven weeks or as long as 65 weeks.

That pattern seems quite evident in the following chart of the S&P 500 index. With the breakout of the cup and handle formation in place, a further rally into year-end seems to be the logical next step. Such suggests that any near-term correction to relieve overbought conditions should remain confined to the bullish trend. In other words, investors should consider buying any near-term declines.



Just for reference, the last time we discussed a cup and handle formation was in [December 2023](#), where we noted:

That pattern seems quite evident in the following weekly chart of the S&P 500 index. With the breakout of the cup and handle formation in

place, an attempt at all-time highs seems to be the logical next step. Any subsequent correction to relieve overbought conditions should maintain the bullish trend line from the March 2020 lows.?

While I received some pushback at the time, the market has rallied and set numerous new all-time highs this year.

However, while the market's technical backdrop is extremely bullish and could remain that way for some time longer, this week's consumer confidence readings certainly raise some concerns.

Need Help With Your Investing Strategy?

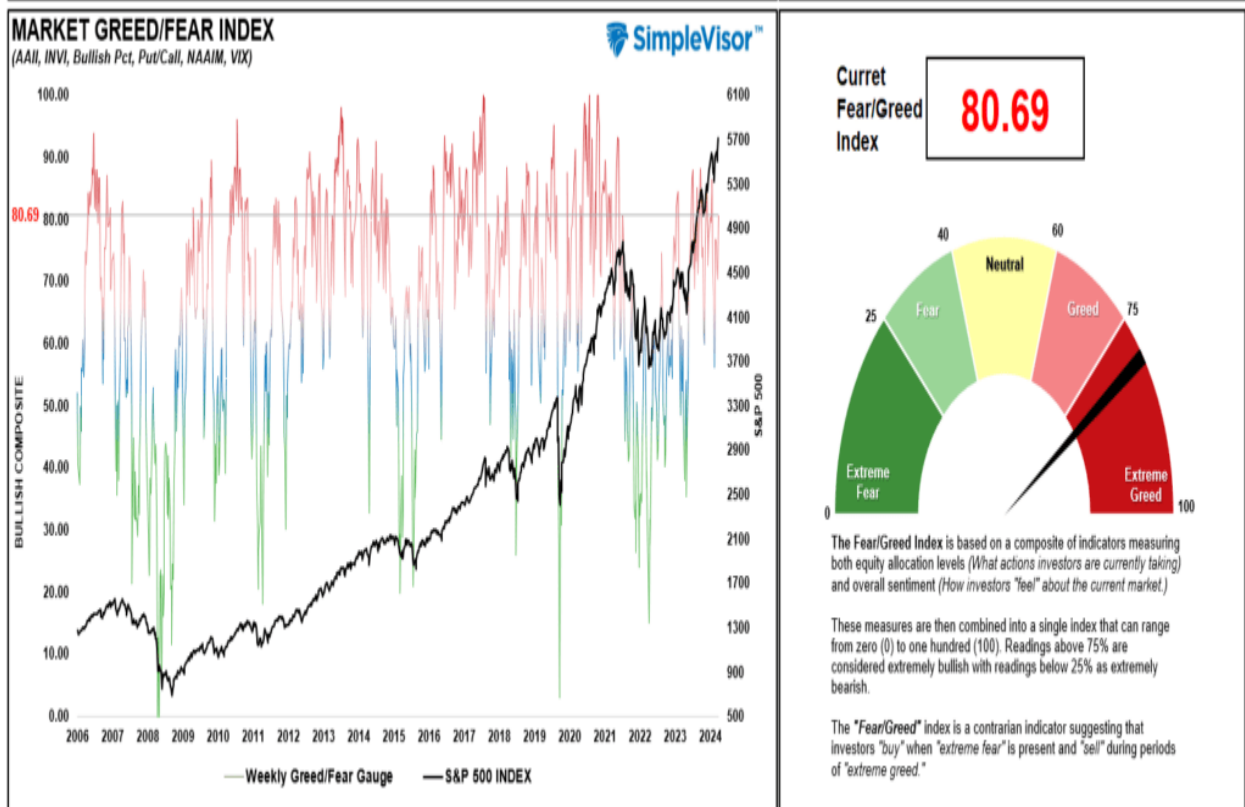
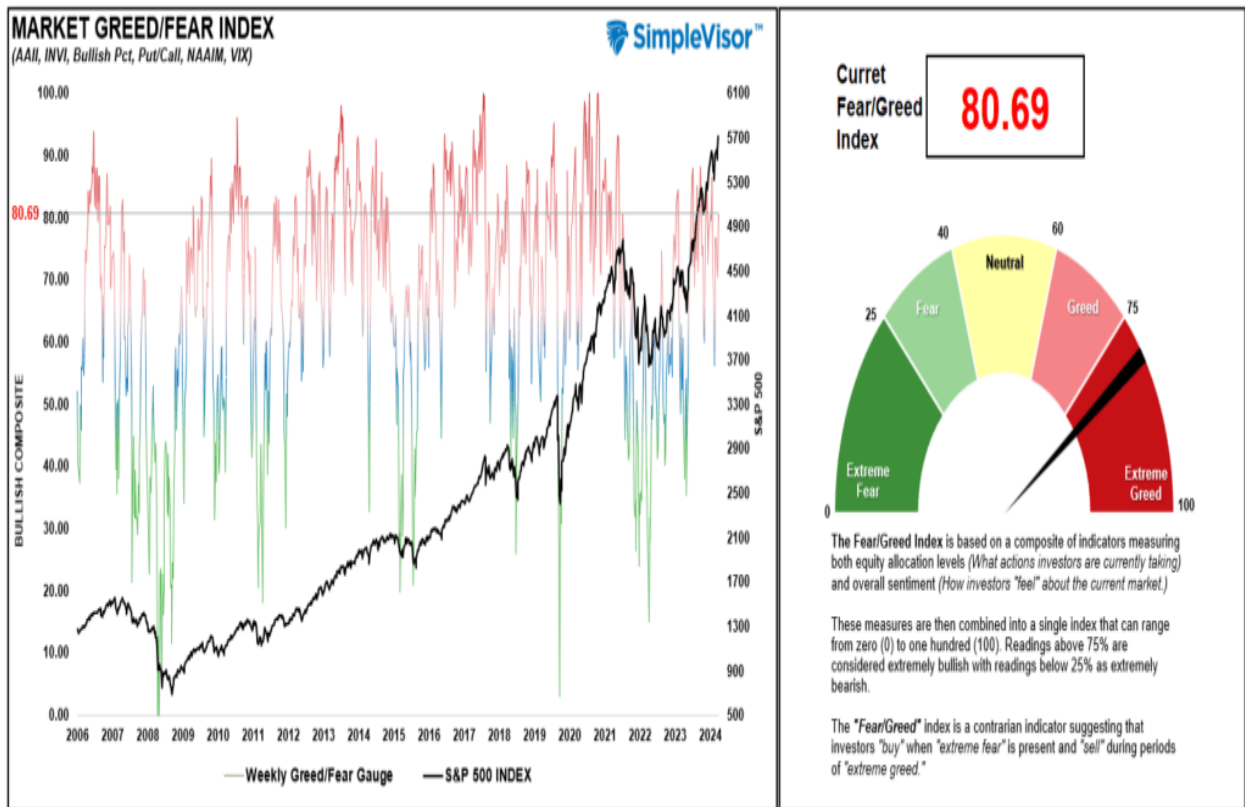
Are you looking for complete financial, insurance, and estate planning? Need a risk-managed portfolio management strategy to grow and protect your savings? Whatever your needs are, we are here to help.



The image shows two identical promotional banners stacked vertically. Each banner features a stylized eagle head logo on the left, followed by the text 'Real Investment Advice' in a bold, sans-serif font. To the right of the logo, the text reads: 'Have more than \$500k invested? Get a better strategy than "buy and hold". > **CLICK HERE To Make An Appointment Now**'. The entire banner has a dark background with light-colored text.

The Confidence Game

It is an interesting time. Last week's analysis noted the return of increasing bullish sentiment in investor positioning in the market. Of course, with the market already up more than 20% for the year, the need to *chase performance* has professional and retail investors pushing their chips onto the table.



However, what is interesting is the growing confidence dichotomy between investors and consumers (*and in many cases, those are the same.*) Notably, the stock market and consumer confidence are vital indicators often used to assess the economy's health. While they frequently move in tandem, there have been notable periods in history when the stock market surged despite faltering consumer sentiment and vice versa. For investors, understanding the dynamics of a confidence dichotomy is crucial.

As such, we will delve into the relationship between consumer confidence and the stock market, analyze key historical moments when these two indicators diverged, and explore what typically

happens when the stock market exuberance detaches from consumer sentiment. However, let's start with consumer confidence.

Consumer confidence reflects the optimism or pessimism consumers feel about their financial situation and the state of the economy. The Conference Board's Consumer Confidence Index (CCI) is one of this sentiment's most widely used measures; the other is the University of Michigan Sentiment Index. Logically, when consumer confidence is high, individuals are more likely to spend, borrow, and invest, driving economic growth. Conversely, when confidence is low, consumers tend to save more and spend less, which can slow down the economy.

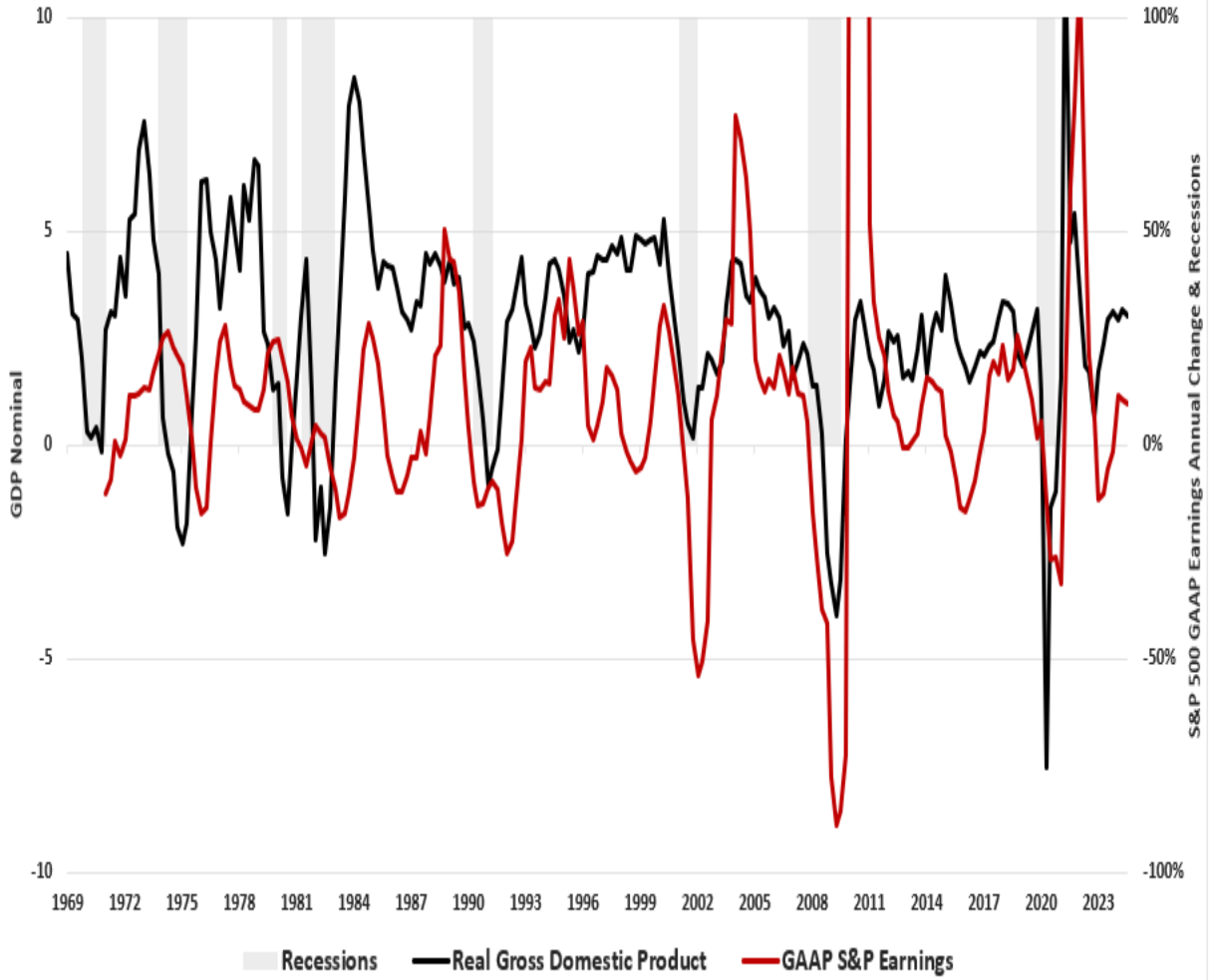
Confidence And Earnings

As former Fed Chairman [Ben Bernanke](#) pointed out in 2010, the link between consumer confidence and the stock market is critical to the Federal Reserve's risk assessment.

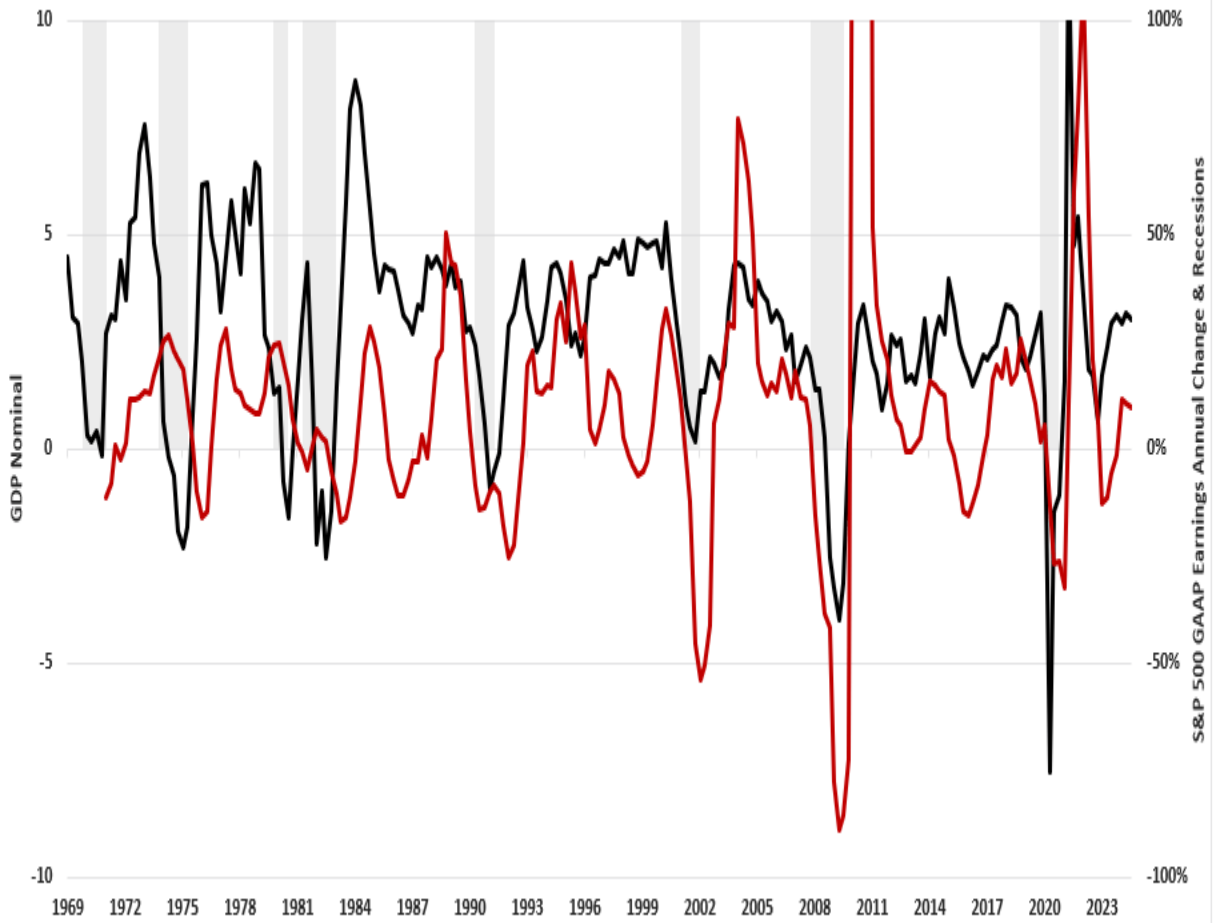
*This approach eased financial conditions in the past and, so far, looks to be effective again. Stock prices rose and long-term interest rates fell when investors began to anticipate the most recent action. Easier financial conditions will promote economic growth. For example, lower mortgage rates will make housing more affordable and allow more homeowners to refinance. Lower corporate bond rates will encourage investment. **And higher stock prices will boost consumer wealth and help increase confidence, which can also spur spending.***

The last sentence is crucial. The Federal Reserve depends on a rising stock market to boost consumer confidence. Creating a *wealth effect* makes people feel more financially secure, which increases economic activity. Notably, as we have discussed previously, and should be obvious, corporate earnings are derived from economic activity.

GAAP Earnings & GDP Growth

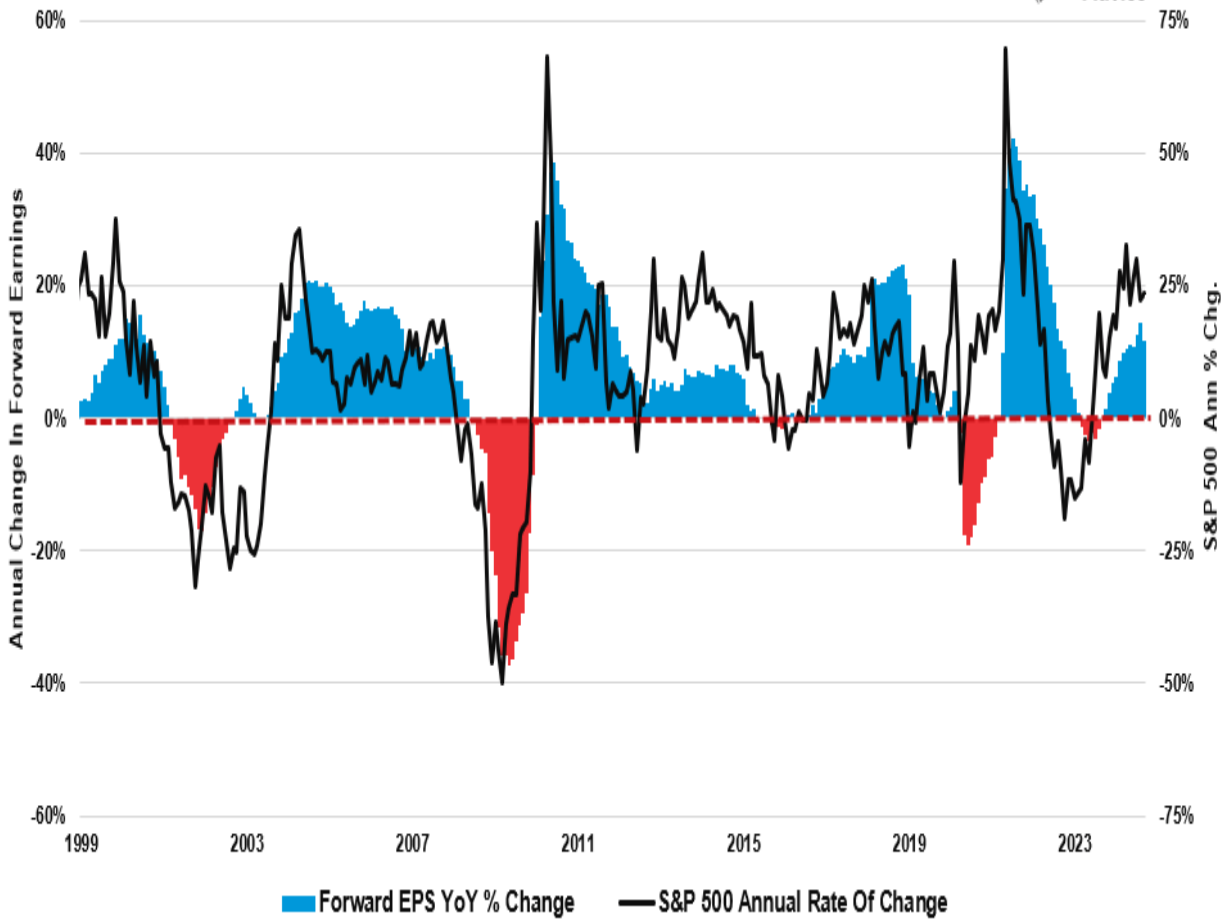


GAAP Earnings & GDP Growth

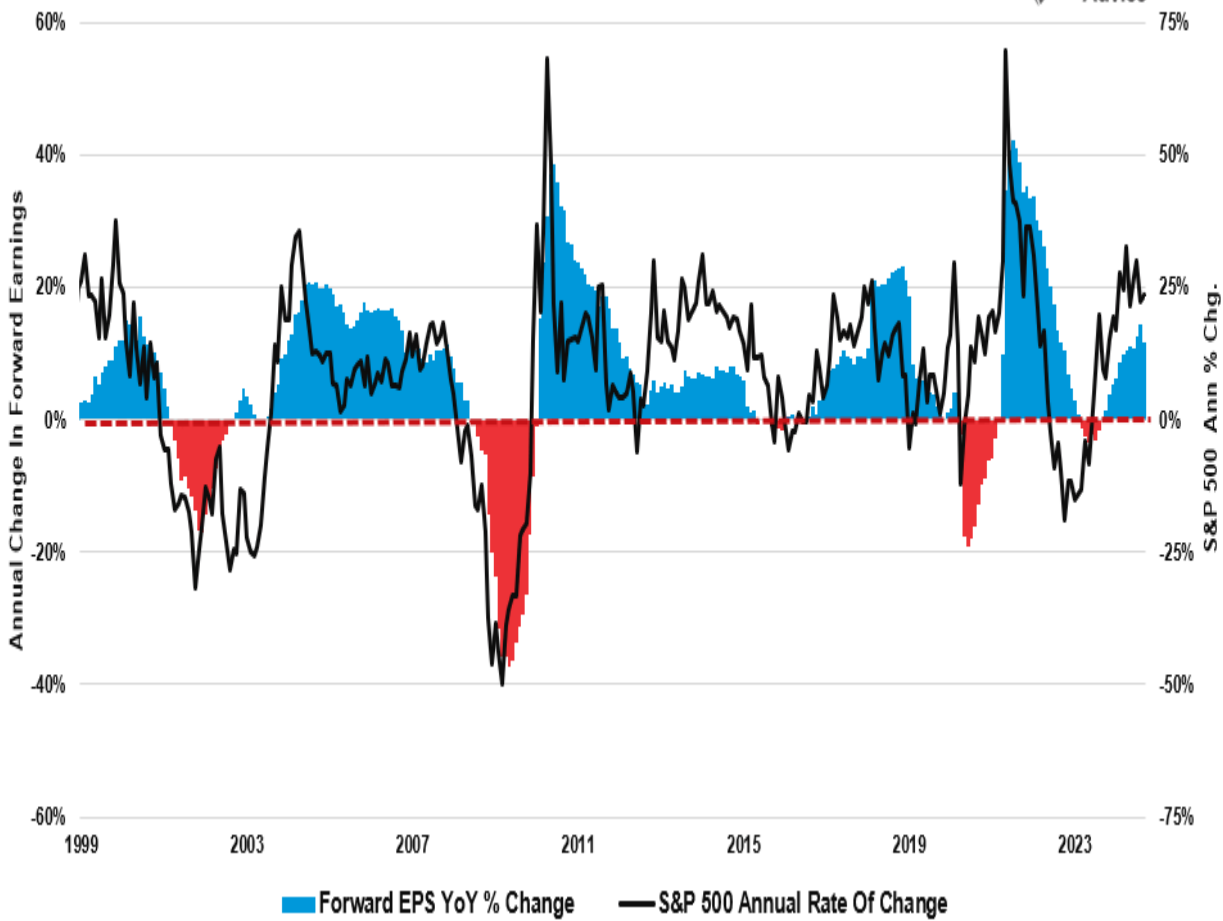


Naturally, if earnings are increasing, investors are willing to pay more today in exchange for increased earnings in the future, leading to higher asset prices. As shown many times, the annual earnings change is the best indicator of future stock market returns.

The Annual Change In Earnings Is The Best Indicator



The Annual Change In Earnings Is The Best Indicator

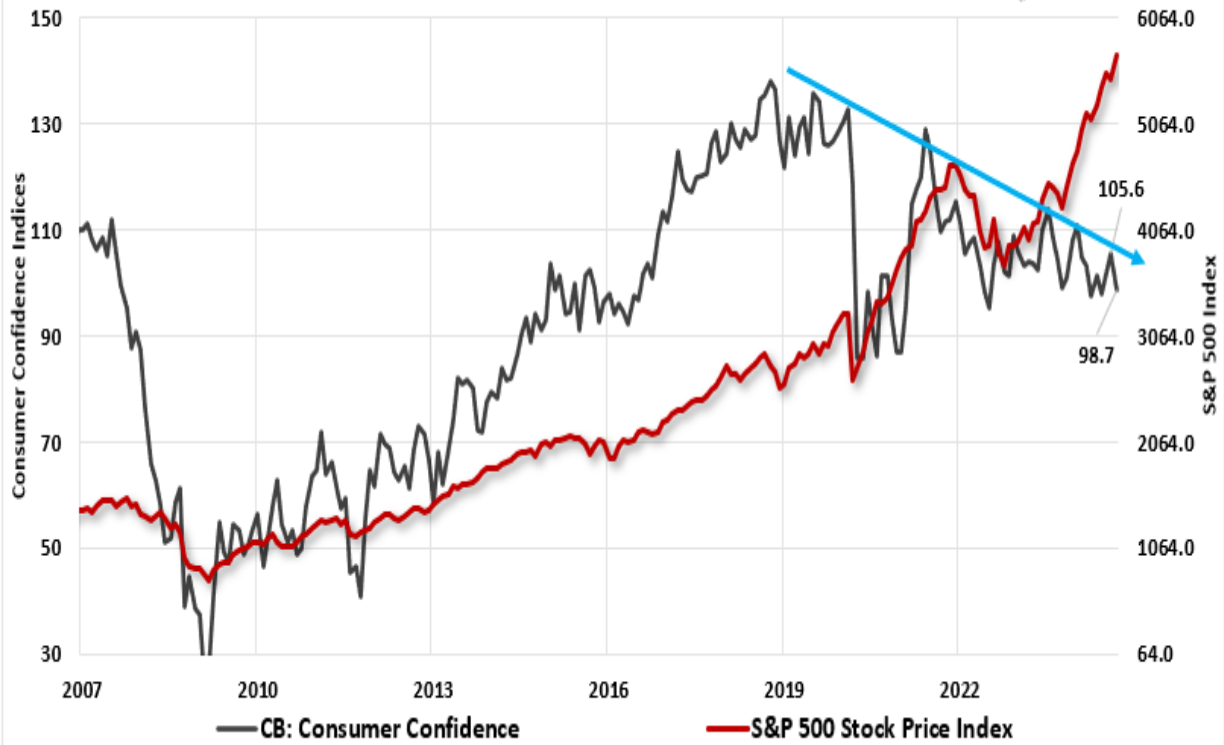


However, the *confidence game* to which the Federal Reserve pays attention isn't always linear. Sometimes, the stock market rallies even when consumers are skeptical about the future, leading to a disconnect between Wall Street's exuberance and Main Street's reality. That particular confidence dichotomy exists currently, but it isn't the first time.

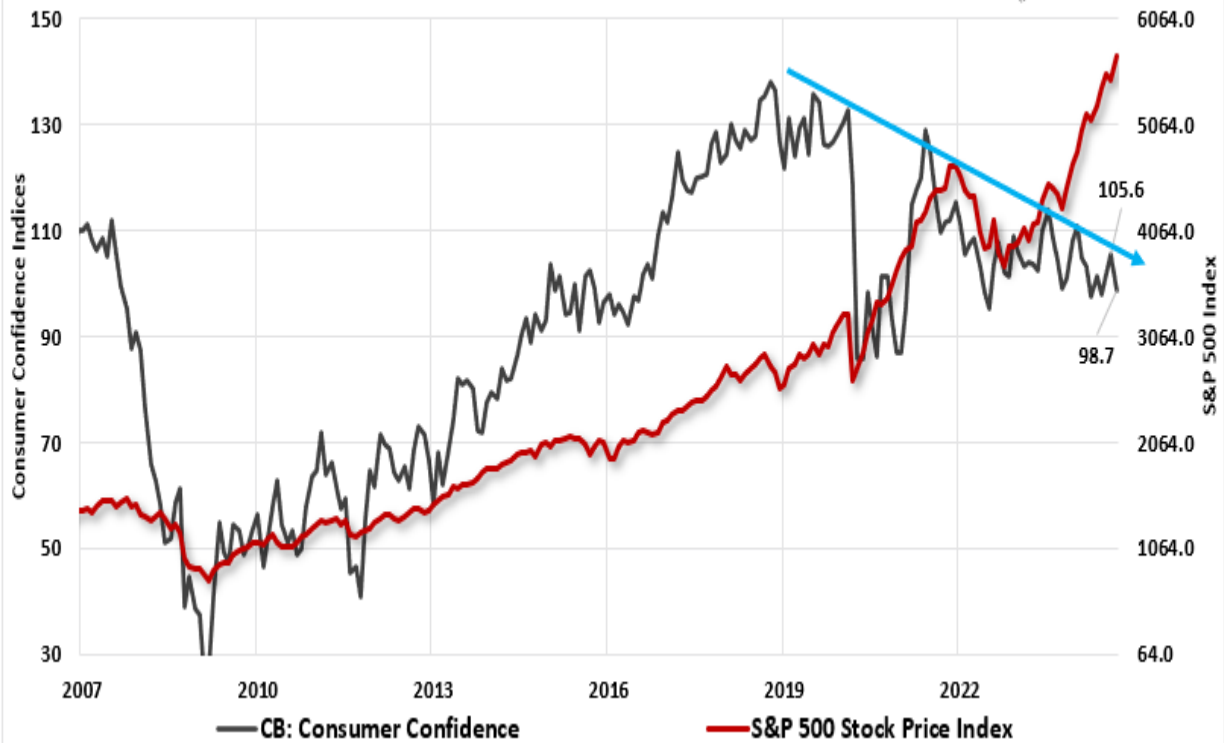
The Confidence Dichotomy

The latest Conference Board Consumer Confidence Index dropped sharply in the latest reading. While expectations were for a small decline from 105.6 to 104, the actual reading came in at 98.7. Yet, at the same time, the market has surged unabated.

Consumer Confidence vs SP500



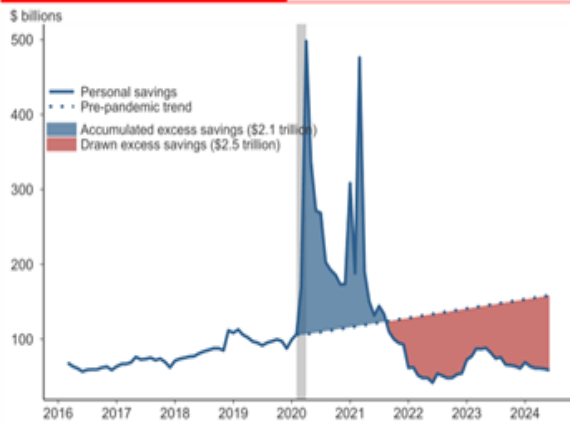
Consumer Confidence vs SP500



You will notice that confidence collapsed, as expected, in March 2020 and then sharply recovered as the Government sent \$1500 checks to households. However, since then, the confidence trend has continued to trend lower as excess savings continue to erode. As noted by Albert Edwards this week, it could be claimed that the savings rate decline resulted from consumers dipping into their

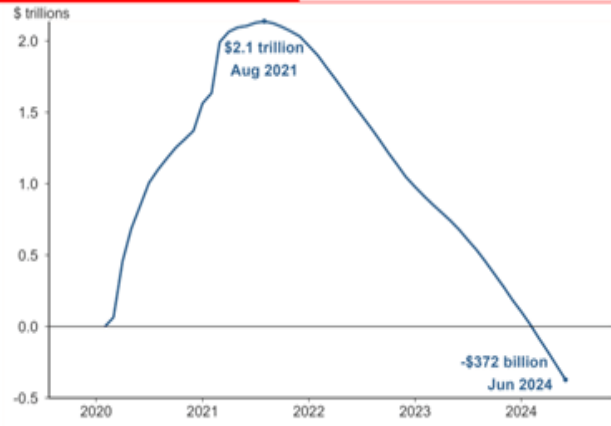
pandemic-era excess savings to support economic spending. However, that argument no longer holds

Households have fully drawn down their excess savings...

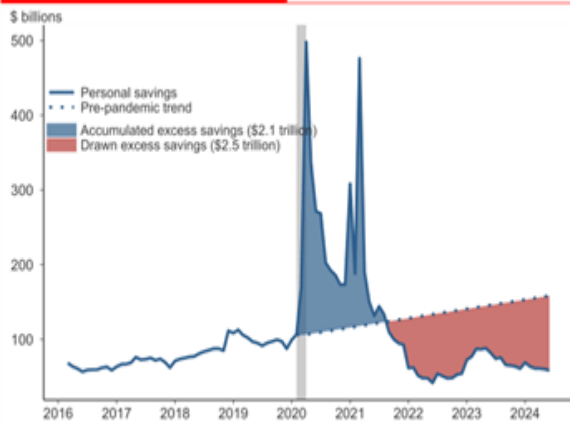


Source: San Fran Fed

... but the dis-saving habit is too entrenched to break

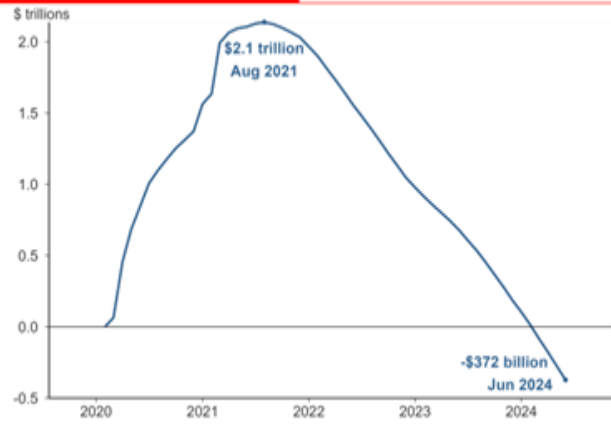


Households have fully drawn down their excess savings...



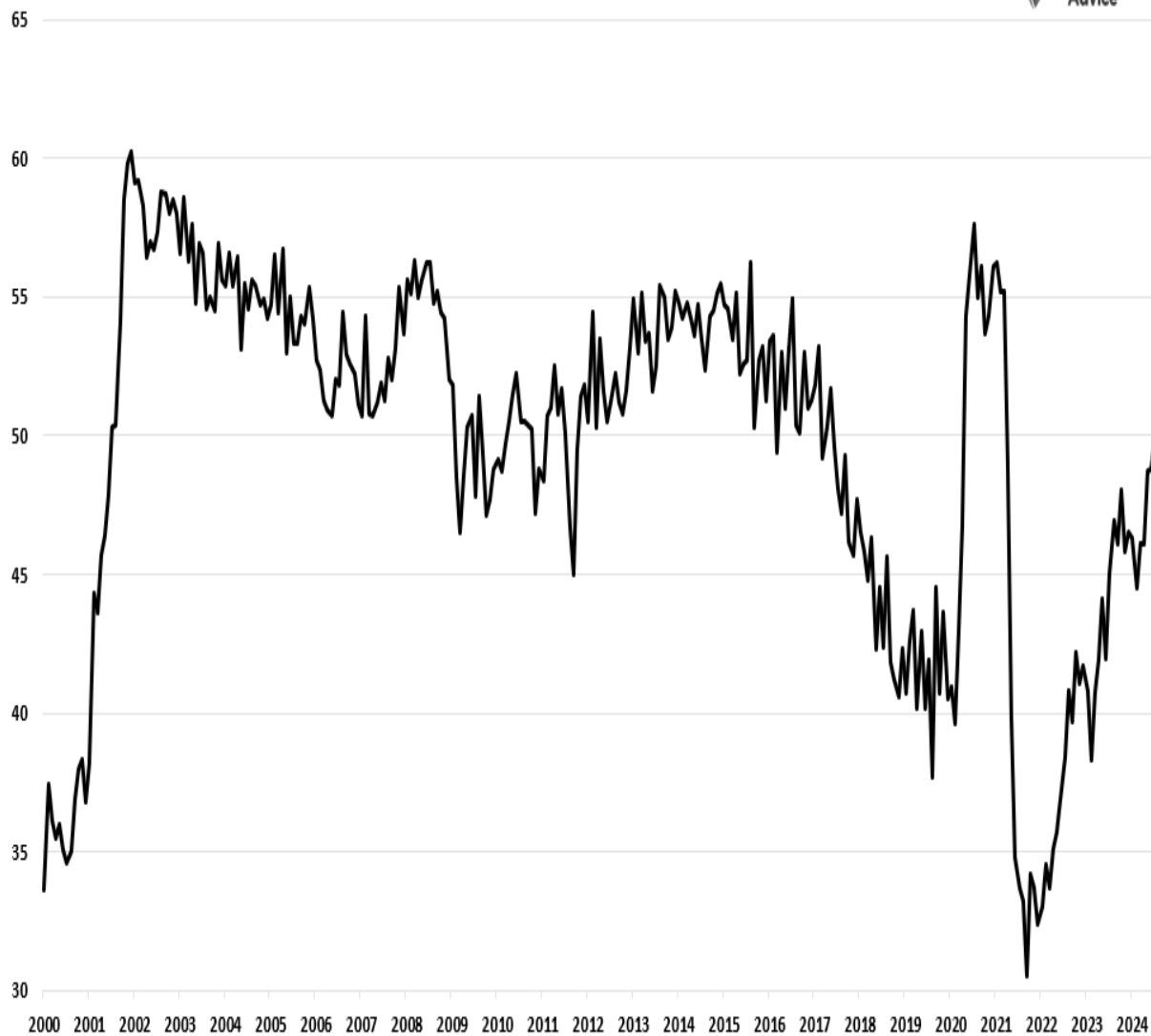
Source: San Fran Fed

... but the dis-saving habit is too entrenched to break

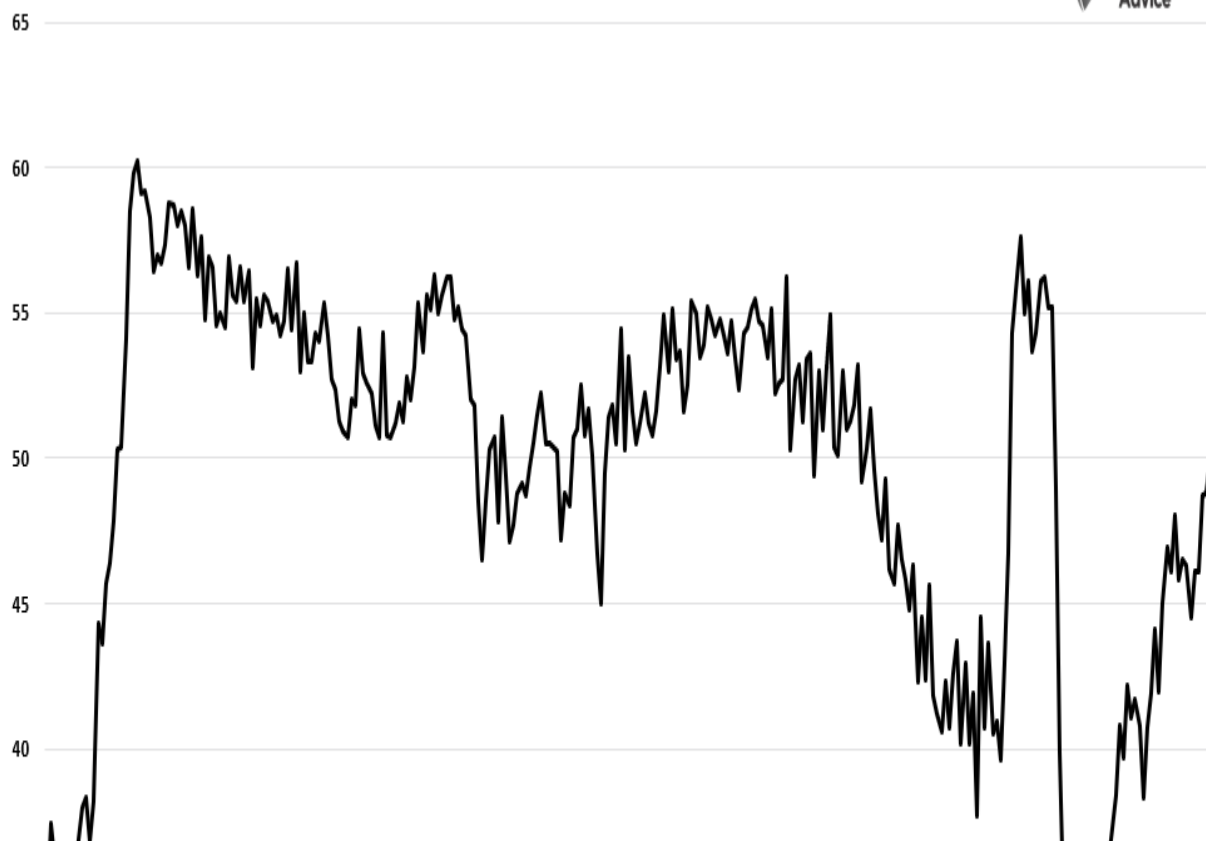


Given the drain in savings, combined with rising concerns over job loss, it is unsurprising that consumer confidence has continued to weaken.

Consumer Confidence: Jobs Not So Plentiful

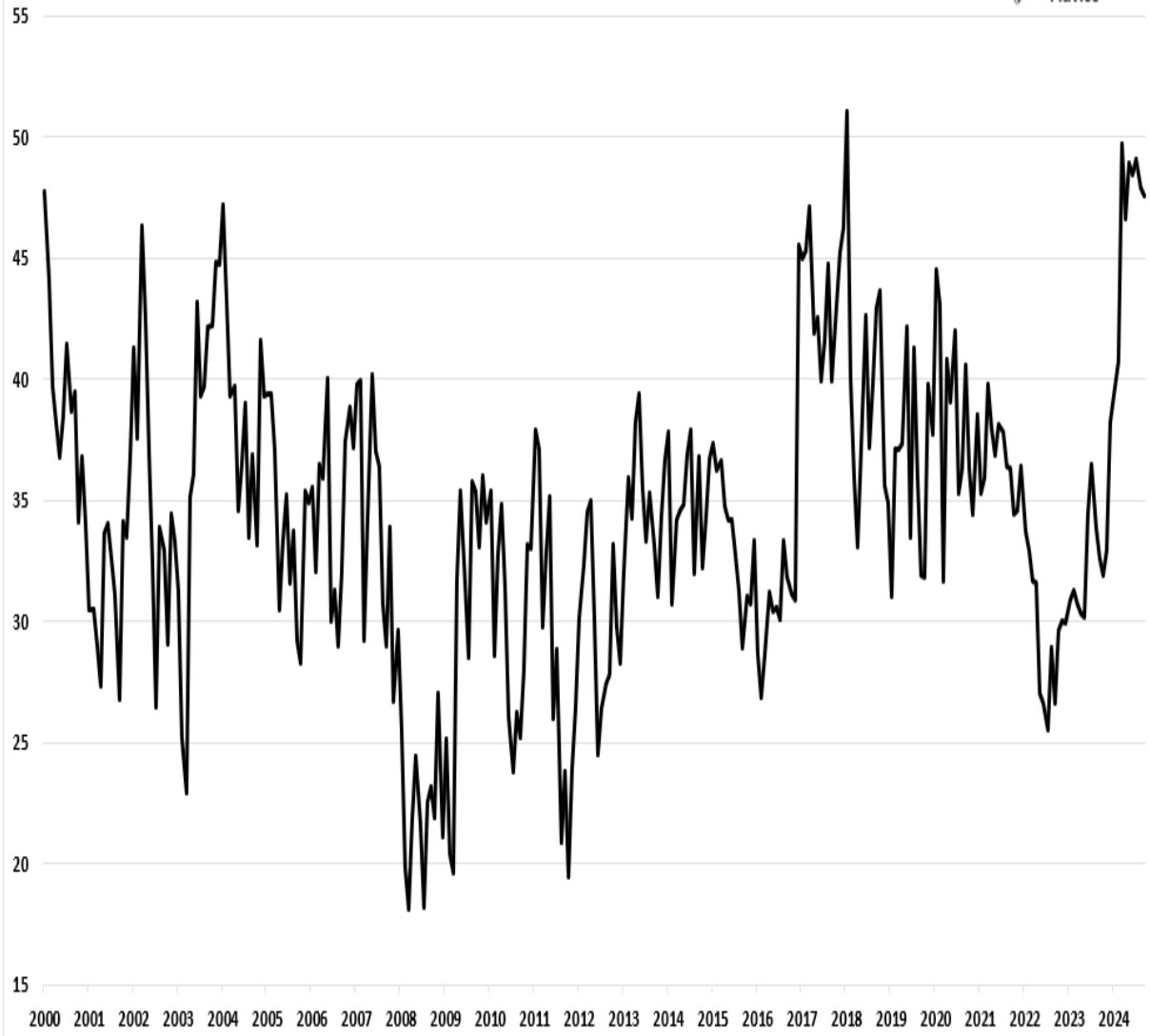


Consumer Confidence: Jobs Not So Plentiful

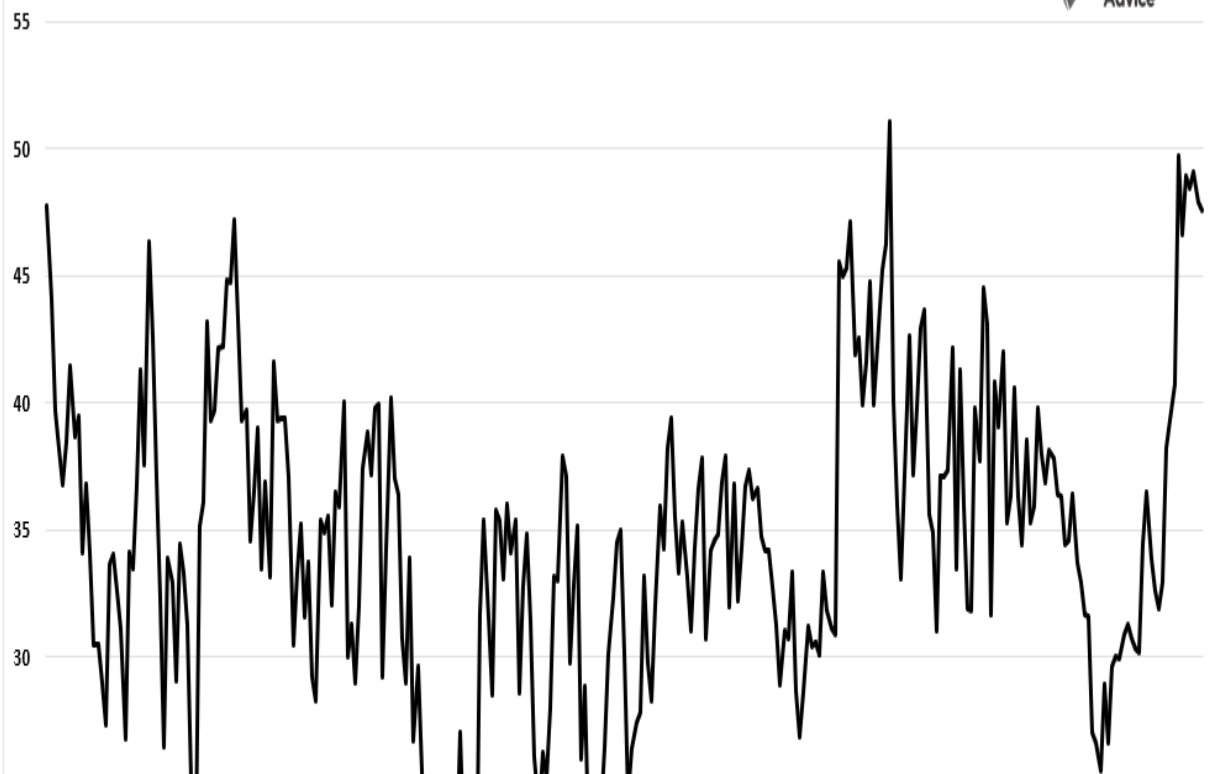


However, consumer confidence in higher stock prices in the next year remains at the highest since 2018, following the [2017 ?Trump? tax cuts.](#)

Consumer Confidence In Stock Prices In The Next 12-Months



Consumer Confidence In Stock Prices In The Next 12-Months



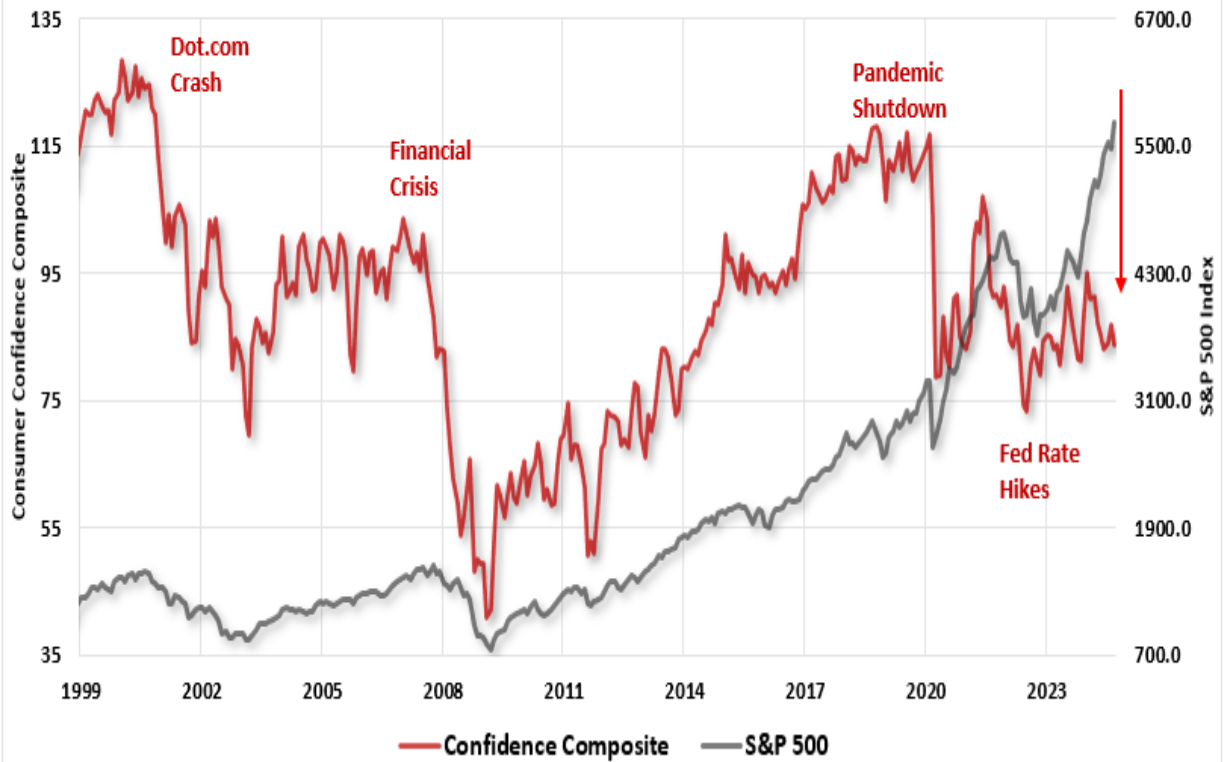
Of course, the differential is that those with money invested in the financial markets are 'feeling great' about their portfolio, just not so much with anything else.

However, the question is, is this a consumer dichotomy; an anomaly, or can we refer to previous periods? The answer is 'yes.'

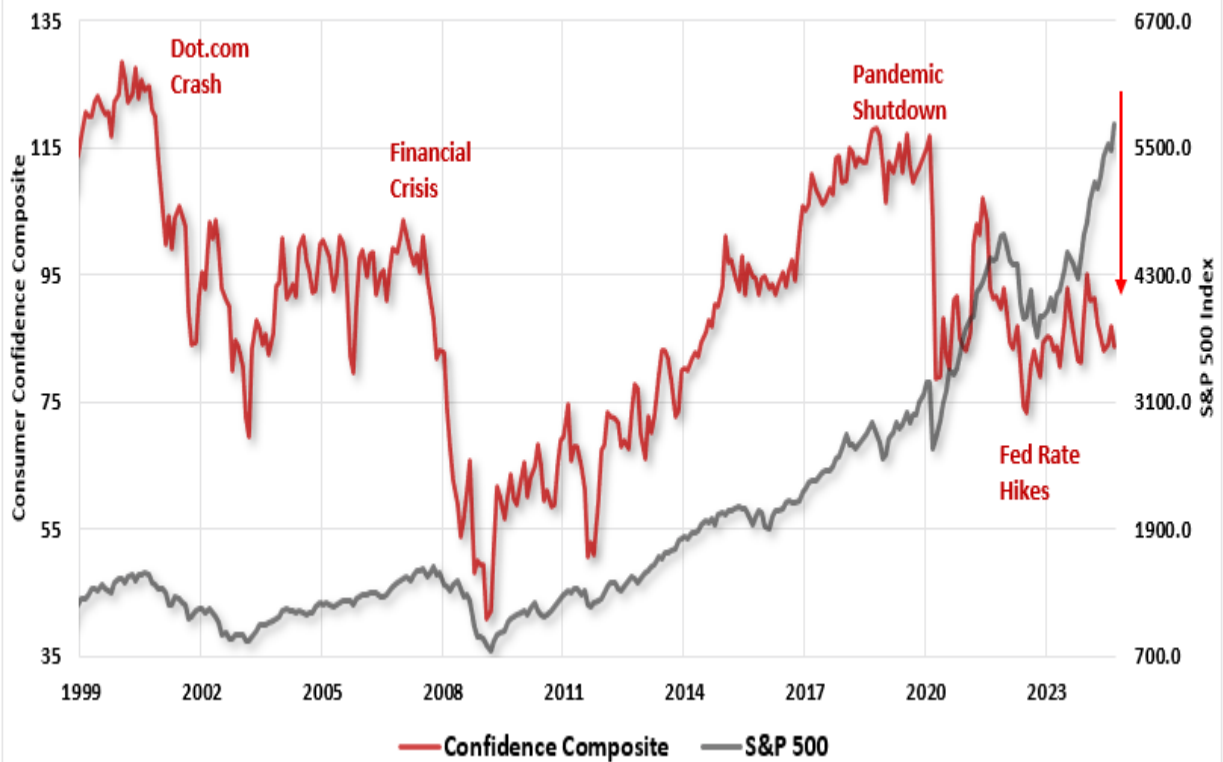
This Time Is Different?

The chart below is a composite consumer confidence index, the combined score of the University of Michigan and Conference Board measures. The composite gives us a broader measure of consumer confidence from a historical perspective. As shown, there have been three previous periods where the market rallied despite falling consumer confidence.

Consumer Confidence Composite



Consumer Confidence Composite



1. The Dot-Com Bubble (1999-2000)

One of the most famous examples of stock market exuberance detaching from consumer sentiment occurred during the dot-com bubble in the late 1990s. However, consumer confidence did not keep pace as the underlying economy weakened. By the early 2000s, cracks appeared in the economy and began to show in corporate earnings statements. The fallout from the dot-com bubble wiped out trillions of dollars in market capitalization, leading to a significant drop in consumer confidence and a mild recession.

2. The Global Financial Crisis (2007-2009)

The stock market experienced an impressive run in the years before 2008. However, consumer confidence began to falter as early as 2007. Concerns over the housing market festered as mortgage defaults rose in the subprime mortgage market. Despite the early warning signs, the stock market continued its climb until the realization that slowing economic growth and recession caused a market valuation correction. Consumer confidence plummeted alongside the market, and the U.S. economy entered the Great Recession, leading to a significant bear market and widespread financial pain.

3. COVID-19 Pandemic (2020)

The most recent example occurred in early 2020. As the virus spread across the globe, consumer confidence plummeted due to rising unemployment, widespread lockdowns, and uncertainty about the future. The composite sentiment index shows that while consumer confidence hit multi-year lows in April 2020, it struggled ahead of the pandemic's onset.

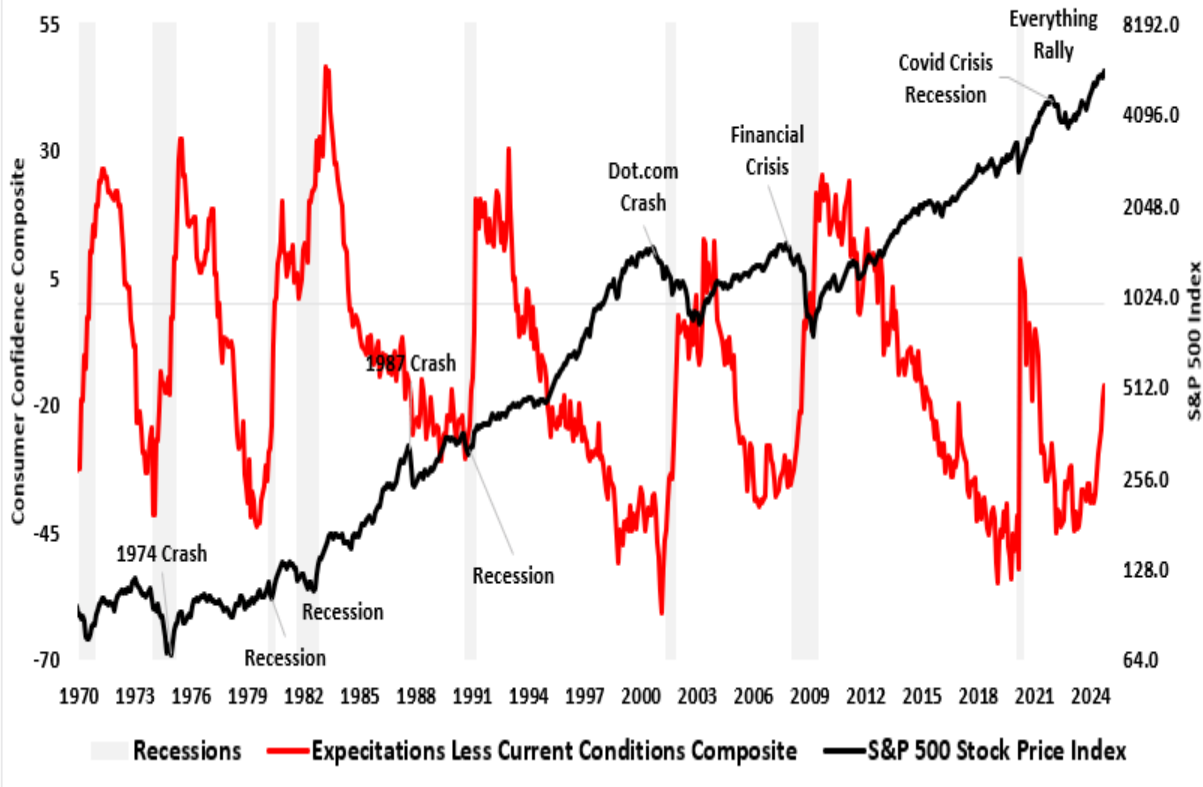
What can we learn from this? While the stock market can initially remain optimistic, the dichotomy between the consumer and the financial markets is unsustainable. Eventually, confidence must align with the market or vice versa. Historically, as shown, it has been the latter as the markets are disappointed by the realization of slowing earnings growth.

Lastly, the one common ingredient of every realignment of the markets and weak consumer confidence was a recession and bear market.

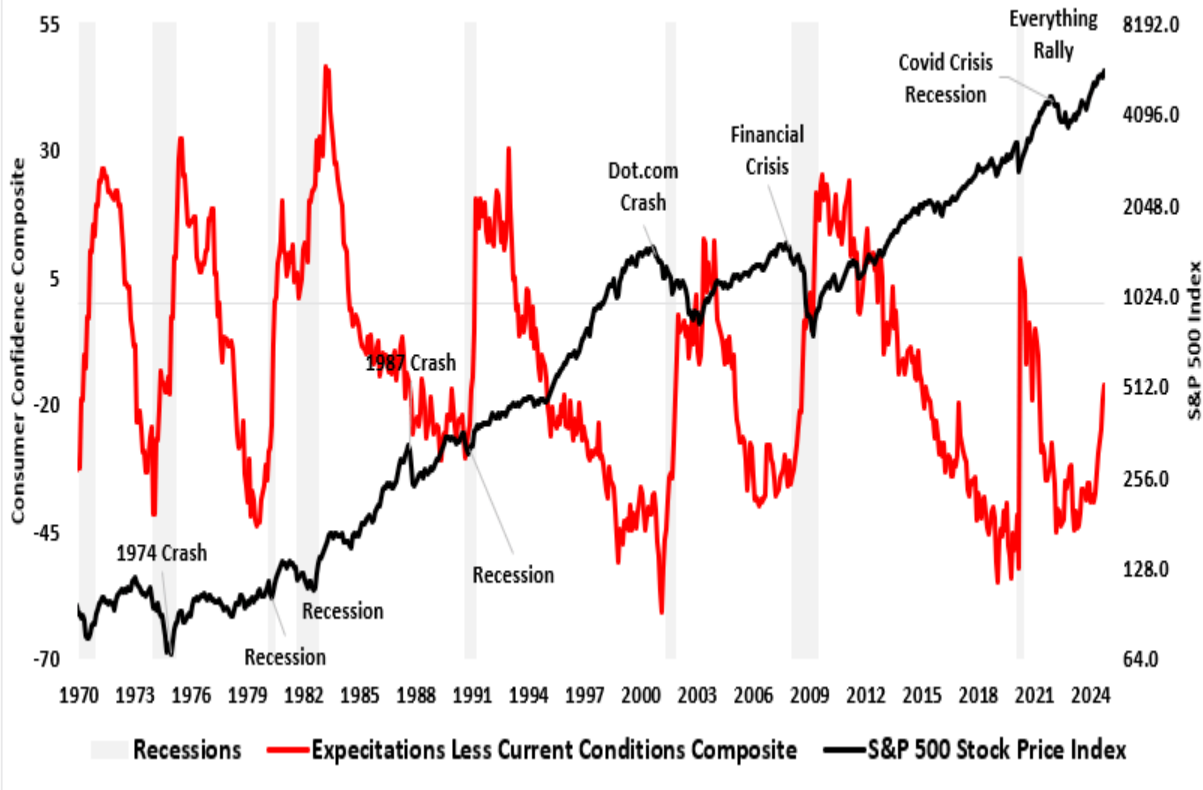
Navigating A Confidence Dichotomy

When stock market exuberance becomes detached from consumer confidence, it previously signaled increased risk for investors. One last measure to review is the spread between what consumers expect in the future and their view of their present situation. Historically, whenever that spread spiked sharply higher, as recently, it was in concert with a recessionary onset. Yet, currently, investors are chasing every risk asset, from stocks to gold to options, with increasing levels of speculative fervor.

Confidence Composite: Expectations Less Current Conditions



Confidence Composite: Expectations Less Current Conditions



The divergence is fueled by speculative risk-taking, investor overconfidence, or external factors such as increases in monetary accommodation, which drive up asset prices even when economic fundamentals are weak.

As noted above, the Federal Reserve hopes that creating the *wealth effect* can bridge the gap between weak economic demand and an eventual recovery. Historically, as noted, these confidence dichotomies are eventually corrected, with stock markets falling back in line with economic reality. Investors who remain cautious and consider consumer confidence and market performance can better navigate these turbulent periods.

Here are a few key takeaways for investors during these periods of divergence:

1. **Monitor consumer confidence:** *When consumer confidence declines while the stock market rises, it could indicate risk to the current rally.*
2. **Focus on fundamentals:** *A rising stock market driven by speculation rather than strong corporate earnings or economic growth may be vulnerable to corrections.*
3. **Diversify portfolios:** *During periods of divergence, maintaining a diversified portfolio can help reduce exposure to market volatility and protect against downside risk.*
4. **Prepare for corrections:** *History shows that markets often realign with economic fundamentals. Being prepared for a potential market correction can prevent significant losses.*

Sure, this time could be different. But historically, investors who paid attention to declining consumer sentiment could have better positioned their portfolios to weather the downturn.

How We Are Trading It

The *confidence dichotomy* certainly suggests market risk from a historical perspective. However, this does not mean a *correction* or *recession* is imminent. What it does suggest is that investors must continue to monitor and manage portfolio risk to participate in what is a bullish market. When the *confidence dichotomy* eventually does impact the market, these risk management protocols will help shield portfolios from unexpected volatility increases.

If you are long equities in the current market, rebalancing risk is manageable.

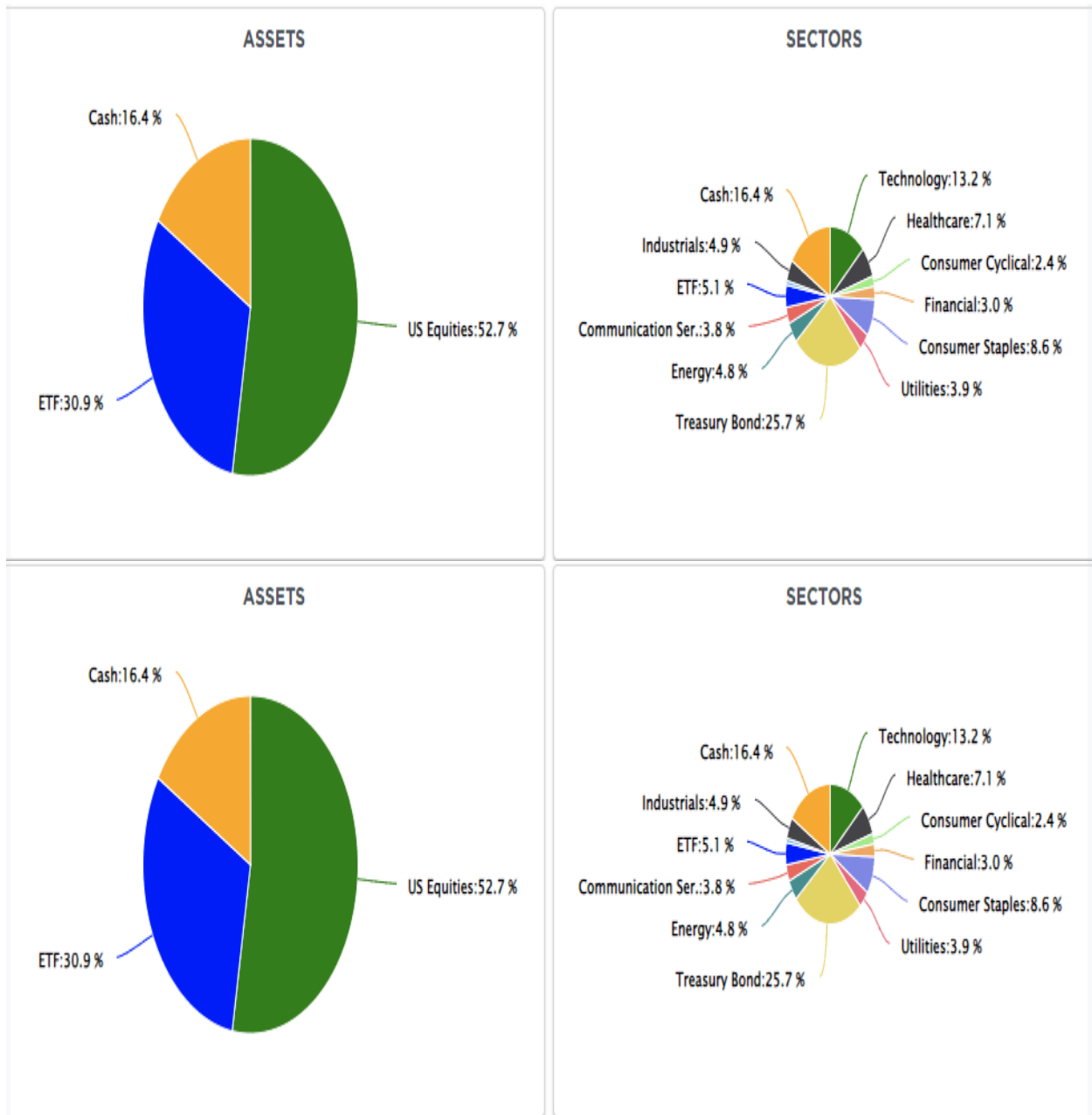
1. **Tighten up stop-loss levels** to current support levels for each position.
2. **Hedge portfolios** against major market declines.
3. **Take profits** in positions that have been big winners
4. **Sell laggards** and losers
5. **Raise cash** and rebalance portfolios to target weightings.

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.



Have a great week.

Research Report

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Written by Lance Roberts | Sep 27, 2024 | Investing

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SimpleVisor Top & Bottom Performers By Sector

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

Healthcare					Industrials					Technology					Consumer Cyclical				
WBA	CVS	MRNA	HSIC	BMJ	GPN	BLDR	GNRC	CSX	IR	SMCI	VRSN	AKAM	MTCH	ON	WYNN	LVS	LULU	MGM	APTJ
7.57%	4.17%	3.99%	3.01%	2.86%	2.64%	2.1%	2.02%	1.84%	1.76%	4.59%	1.98%	1.86%	1.72%	1.7%	6.23%	5.59%	4.93%	3.46%	2.46%
HUM	AMGN	ABBV	ALGN	REGN	PCAR	UPS	URI	AOS	SWK	ENPH	CRWD	DAY	TRMB	MCHP	BWA	PHM	BBY	TSLA	LEN
2.38%	2.29%	1.95%	1.91%	1.91%	1.48%	1.33%	1.32%	1.28%	1.23%	1.52%	1.45%	1.3%	1.26%	1.05%	2.4%	2.33%	2.04%	2.02%	1.99%
TMO	HCA	RMD	SOLV	IQV	CPRT	HWM	RSG	TT	GWV	AMAT	NTAP	MPWR	INTU	JBL	ROST	ABNB	ULTA	DRI	DPZ
-0.35%	-0.37%	-0.45%	-0.47%	-0.81%	-0.34%	-0.35%	-0.51%	-0.63%	-0.75%	-1.85%	-1.94%	-2.14%	-2.29%	-2.51%	-0.35%	-0.42%	-0.5%	-0.96%	-1.27%
PODD	MTD	ISRG	LLY	UHS	AAL	VLTO	ETN	MMM	CTAS	KLAC	HPQ	LRCX	AVGO	NVDA	ORLY	CMG	AMZN	KMX	RCL
-1.14%	-1.32%	-1.34%	-2.92%	-3.82%	-0.76%	-1.01%	-1.39%	-1.48%	-2.05%	-2.68%	-2.71%	-2.86%	-2.92%	-2.99%	-1.52%	-1.64%	-1.76%	-2.06%	-2.4%

Financial					Consumer Staples					Utilities					Materials				
EG	V	MET	MSCI	SYF	TAP	KR	KHC	BG	BF-B	VST	AES	ES	SRE	NEE	MOS	STLD	CTVA	LYB	ALB
1.62%	1.55%	1.53%	1.31%	1.28%	2.37%	1.99%	1.81%	1.63%	1.62%	3.48%	2.42%	2.1%	1.99%	1.42%	2.09%	1.09%	0.93%	0.75%	0.6%
HBAN	USB	CFG	DFS	AXP	HSY	ADM	SJM	STZ	CHD	EXC	ETR	AWK	DTE	LNT	DD	IFF	NUE	CF	APD
1.2%	1.19%	1.18%	1.1%	1.08%	1.38%	1.31%	1.18%	1.17%	0.99%	1.33%	1.29%	1.27%	1.25%	1.14%	0.44%	0.43%	0.42%	0.38%	0.31%
IVZ	CB	WRB	MS	WFC	CAG	K	MO	WMT	CPB	ATO	PPL	NRG	EIX	AEE	FMC	CE	LIN	VMC	ECL
0.03%	-0.01%	-0.18%	-0.29%	-0.51%	0.17%	0.15%	0.05%	-0.06%	-0.1%	0.71%	0.69%	0.61%	0.6%	0.42%	0.05%	0.03%	-0.22%	-0.47%	-0.52%
PGR	BRO	CBOE	PYPL	GL	EL	TGT	LW	SYU	COST	PCG	PNW	GEV	D	CEG	MLM	SHW	EMN	FCX	NEM
-0.52%	-0.53%	-0.76%	-2.53%	-4.93%	-0.22%	-0.35%	-0.81%	-1.03%	-1.93%	0.35%	0.28%	0.24%	0.04%	-0.17%	-0.55%	-0.55%	-0.91%	-1.04%	-2.82%

Real Estate					Energy					Communication Ser.				
CCI	WY	VICI	REG	PLD	APA	EGT	BKR	CTRA	XOM	CHTR	CMCSA	PARA	WBD	IPG
2.16%	2.13%	1.19%	1.03%	0.93%	3.54%	2.97%	2.49%	2.3%	1.75%	3.38%	1.99%	1.41%	1.33%	1.3%
KIM	O	SBAC	SPG	VTR	DVN	CVX	HAL	HES	SLB	DIS	T	GOOG	TMUS	TTWO
0.9%	0.9%	0.86%	0.85%	0.78%	1.7%	1.68%	1.62%	1.39%	1.35%	1.22%	1.18%	1.12%	0.97%	0.94%
EQR	AMT	MAA	CPT	AVB	OXY	EOG	WMB	FANG	FI	NWSA	NWS	VZ	EA	FOX
0.13%	0.11%	0.04%	-0.02%	-0.16%	0.84%	0.7%	0.68%	0.61%	0.55%	0.85%	0.83%	0.72%	0.71%	0.62%
HST	PSA	DLR	CBRE	IRM	KMI	PSX	TRGP	MPC	VLO	OMC	FOXA	META	NFLX	LYV
-0.19%	-0.19%	-0.21%	-0.23%	-0.69%	0.35%	-0.46%	-0.46%	-0.66%	-0.79%	0.38%	0.26%	0.06%	-0.54%	-0.55%

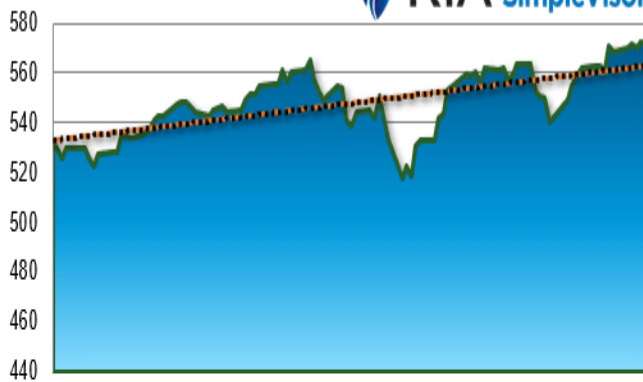
Today's Top & Bottom Performer by Sector (Click on a Symbol to see details below)

Healthcare					Industrials					Technology					Consumer Cyclical				
WBA	CVS	MRNA	HSIC	BMJ	GPN	BLDR	GNRC	CSX	IR	SMCI	VRSN	AKAM	MTCH	ON	WYNN	LVS	LULU	MGM	APTJ
7.57%	4.17%	3.99%	3.01%	2.86%	2.64%	2.1%	2.02%	1.84%	1.76%	4.59%	1.98%	1.86%	1.72%	1.7%	6.23%	5.59%	4.93%	3.46%	2.46%
HUM	AMGN	ABBV	ALGN	REGN	PCAR	UPS	URI	AOS	SWK	ENPH	CRWD	DAY	TRMB	MCHP	BWA	PHM	BBY	TSLA	LEN
2.38%	2.29%	1.95%	1.91%	1.91%	1.48%	1.33%	1.32%	1.28%	1.23%	1.52%	1.45%	1.3%	1.26%	1.05%	2.4%	2.33%	2.04%	2.02%	1.99%
TMO	HCA	RMD	SOLV	IQV	CPRT	HWM	RSG	TT	GWV	AMAT	NTAP	MPWR	INTU	JBL	ROST	ABNB	ULTA	DRI	DPZ
-0.35%	-0.37%	-0.45%	-0.47%	-0.81%	-0.34%	-0.35%	-0.51%	-0.63%	-0.75%	-1.85%	-1.94%	-2.14%	-2.29%	-2.51%	-0.35%	-0.42%	-0.5%	-0.96%	-1.27%
PODD	MTD	ISRG	LLY	UHS	AAL	VLTO	ETN	MMM	CTAS	KLAC	HPQ	LRCX	AVGO	NVDA	ORLY	CMG	AMZN	KMX	RCL
-1.14%	-1.32%	-1.34%	-2.92%	-3.82%	-0.76%	-1.01%	-1.39%	-1.48%	-2.05%	-2.68%	-2.71%	-2.86%	-2.92%	-2.99%	-1.52%	-1.64%	-1.76%	-2.06%	-2.4%

Financial					Consumer Staples					Utilities					Materials				
EG	V	MET	MSCI	SYF	TAP	KR	KHC	BG	BF-B	VST	AES	ES	SRE	NEE	MOS	STLD	CTVA	LYB	ALB
1.62%	1.55%	1.53%	1.31%	1.28%	2.37%	1.99%	1.81%	1.63%	1.62%	3.48%	2.42%	2.1%	1.99%	1.42%	2.09%	1.09%	0.93%	0.75%	0.6%
HBAN	USB	CFG	DFS	AXP	HSY	ADM	SJM	STZ	CHD	EXC	ETR	AWK	DTE	LNT	DD	IFF	NUE	CF	APD
1.2%	1.19%	1.18%	1.1%	1.08%	1.38%	1.31%	1.18%	1.17%	0.99%	1.33%	1.29%	1.27%	1.25%	1.14%	0.44%	0.43%	0.42%	0.38%	0.31%
IVZ	CB	WRB	MS	WFC	CAG	K	MO	WMT	CPB	ATO	PPL	NRG	EIX	AEE	FMC	CE	LIN	VMC	ECL
0.03%	-0.01%	-0.18%	-0.29%	-0.51%	0.17%	0.15%	0.05%	-0.06%	-0.1%	0.71%	0.69%	0.61%	0.6%	0.42%	0.05%	0.03%	-0.22%	-0.47%	-0.52%
PGR	BRO	CBOE	PYPL	GL	EL	TGT	LW	SYU	COST	PCG	PNW	GEV	D	CEG	MLM	SHW	EMN	FCX	NEM
-0.52%	-0.53%	-0.76%	-2.53%	-4.93%	-0.22%	-0.35%	-0.81%	-1.03%	-1.93%	0.35%	0.28%	0.24%	0.04%	-0.17%	-0.55%	-0.55%	-0.91%	-1.04%	-2.82%

S&P 500 Weekly Tear Sheet

3 Month SPY Price



SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	57.27%	34.13%	20.23%	(40.73%)
Max Drawdown	(10.93%)	(9.71%)	(9.71%)	0.00%
Sharpe	1.48	2.56	1.93	(0.25)
Sortino	2.45	3.44	2.57	(0.25)
Volatility	15.06	12.44	12.63	0.02
Daily VaR-5%	3.90	16.48	9.10	(0.45)
Mnthly VaR-5%	(3.75)	4.86	14.16	1.91

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	1.50%	1.40%	1.24%	(13.01%)	2.14%	1.19%	(42.20%)	3.47%	Shares	5,082.2	5,026.2	(1.10%)
P/E Ratio	16.98	20.60	25.39	18.89%	27.72	16.62	(8.4%)	52.78%	Sales	112,319	122,671	9.22%
P/S Ratio	4.64	4.91	5.65	13.11%	6.19	3.96	(8.73%)	42.65%	SPS	22.1	24.4	10.43%
P/B Ratio	7.44	7.92	8.73	9.33%	8.98	5.61	(2.72%)	55.53%	Earnings	16,978	21,873	28.83%
ROE	28.42%	25.38%	29.36%	13.57%	29.62%	19.32%	(0.89%)	51.99%	EPS TTM	5.0	5.4	8.60%
ROA	6.67%	6.06%	7.50%	19.26%	7.50%	4.57%	0.00%	63.98%	Dividend	1.5	1.7	11.01%

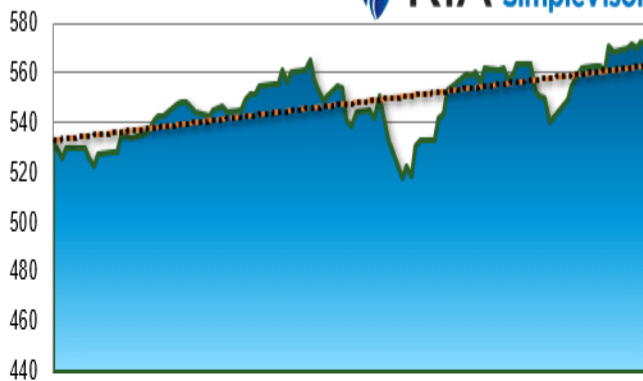
S&P 500 Asset Allocation

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	(7.08%)	3.30%	1.26	12.29	98.88	(293.59)	(87.6%)	15.8%	3.2%	8.25%	6.74	12.01
Materials	22.11%	2.22%	1.11	24.21	26.99	11.37	(10.3%)	11.2%	1.7%	4.12%	5.03	20.23
Industrials	30.93%	8.42%	1.13	25.15	58.53	16.91	(57.0%)	23.5%	1.4%	3.97%	6.83	21.79
Discretionary	30.46%	10.20%	1.41	30.59	72.62	25.45	(57.9%)	21.8%	0.7%	3.26%	5.70	24.72
Staples	22.68%	5.91%	0.61	23.50	23.30	18.47	0.8%	27.4%	2.3%	4.26%	4.16	21.73
Health Care	18.61%	11.57%	0.69	24.15	24.78	14.84	(2.5%)	21.2%	1.5%	4.13%	8.47	19.91
Financials	36.58%	12.85%	1.14	17.79	21.49	12.79	(17.2%)	11.9%	1.5%	5.63%	8.24	16.37
Technology	52.79%	31.76%	1.29	39.47	38.99	20.47	1.2%	68.5%	0.6%	2.51%	5.72	30.97
Telecom	35.88%	8.78%	0.97	23.25	28.38	15.42	(18.1%)	27.1%	0.8%	4.32%	6.99	18.51
Utilities	35.04%	2.53%	0.69	21.05	21.42	15.58	(1.7%)	11.2%	2.8%	4.78%	3.69	17.68
Real Estate	29.90%	2.36%	1.09	20.21	26.21	15.47	(22.9%)	6.8%	3.2%	4.92%	4.81	19.40

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	571.47	4.09%	552.06	13	3.52%	523.51	237	9.16%	5.45%	(0.56%)	39.65%	Buy
Mid Cap	569.18	3.36%	553.02	11	2.92%	534.88	226	6.41%	3.39%	(0.89%)	34.17%	Buy
Small Cap	45.33	2.44%	44.27	11	2.40%	42.32	216	7.12%	4.61%	(3.47%)	32.66%	Buy

3 Month SPY Price



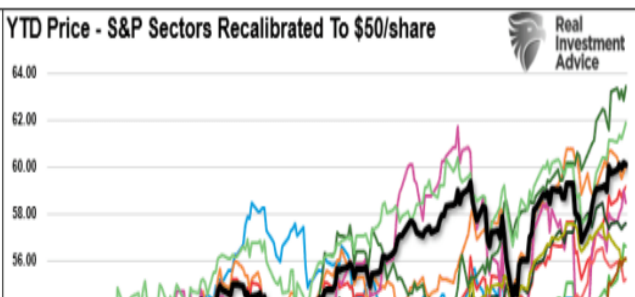
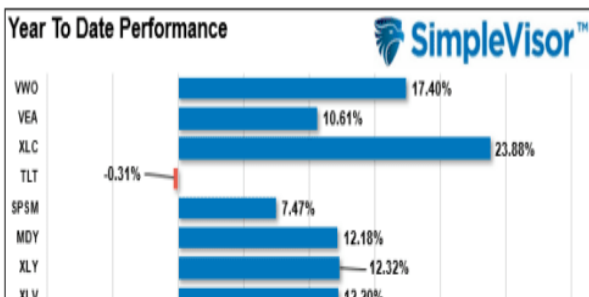
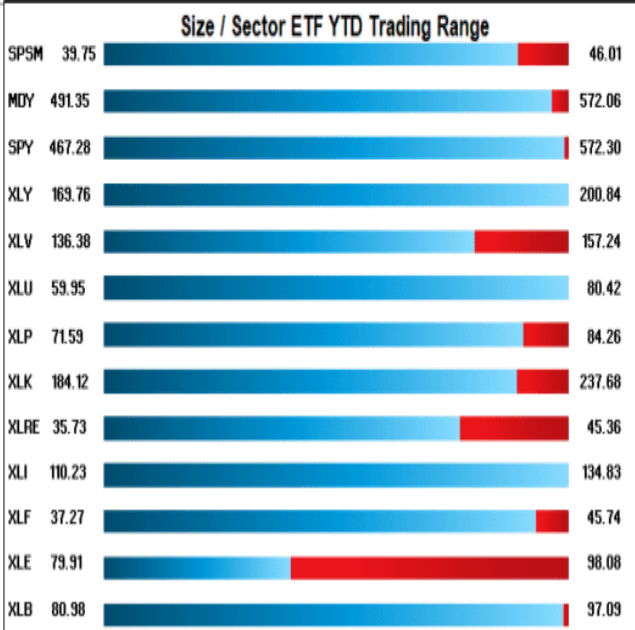
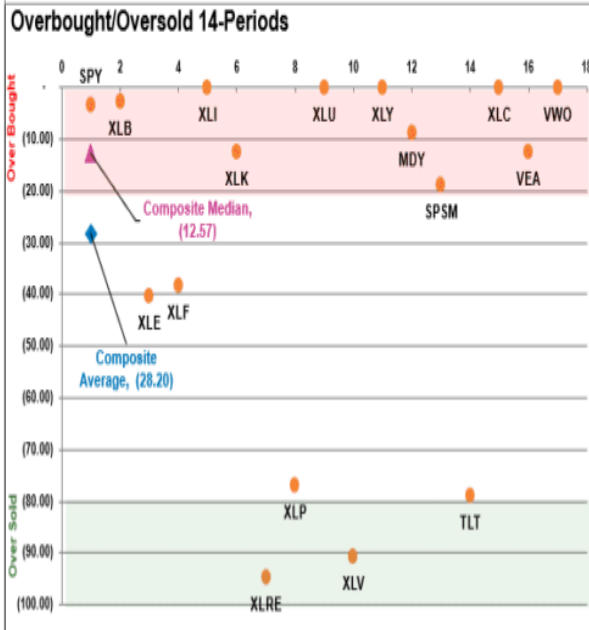
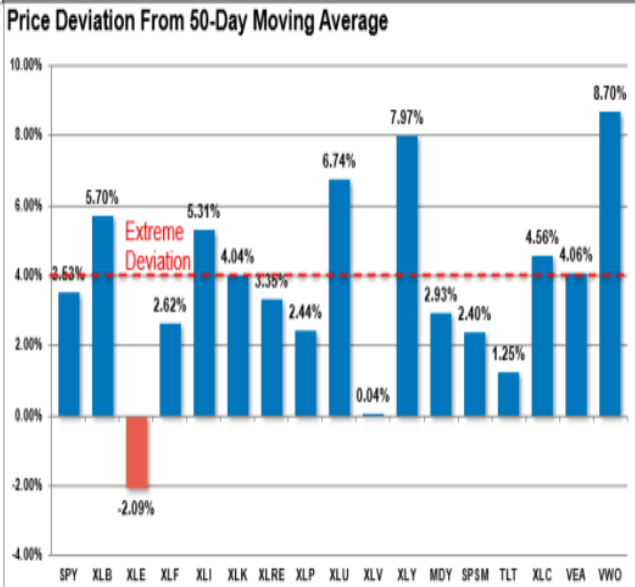
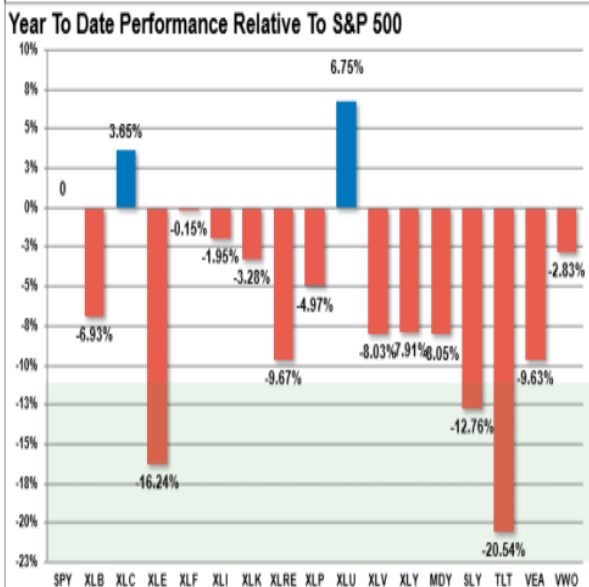
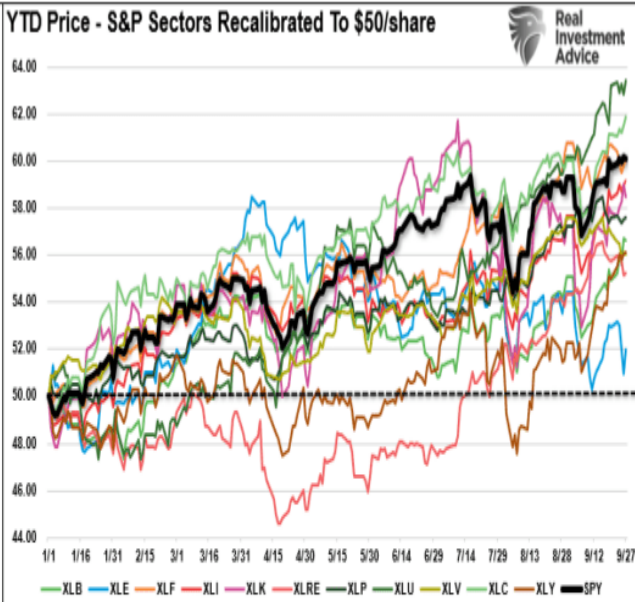
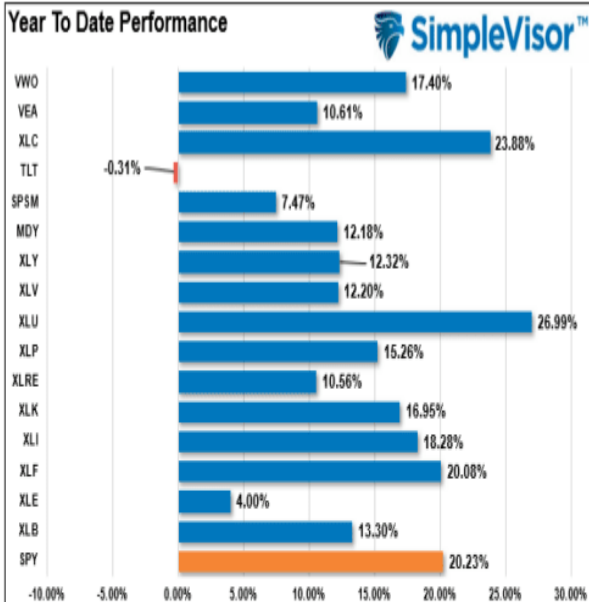
SPY RISK INFO

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Sortino	2.45	3.44	2.57	(0.25)
Volatility	15.06	12.44	12.63	0.02
Daily VaR-5%	3.90	16.48	9.10	(0.45)
Mnthly VaR-5%	(3.75)	4.86	14.16	1.91

S&P 500 Market Cap Analysis

Relative Performance Analysis

We noted last week that the expected rally occurred with *laggards playing catchup*; *Financials, Energy, Technology, Utilities, Communications, and Discretionary* are overbought. *Staples and Bonds* are decently oversold. With the market up 20% year-to-date, I would not be surprised to see some consolidation or a small correction between today and the election. As noted at the opening of this week's newsletter, after the election, we could see a push towards 5900-6000 on the index to close out the year.



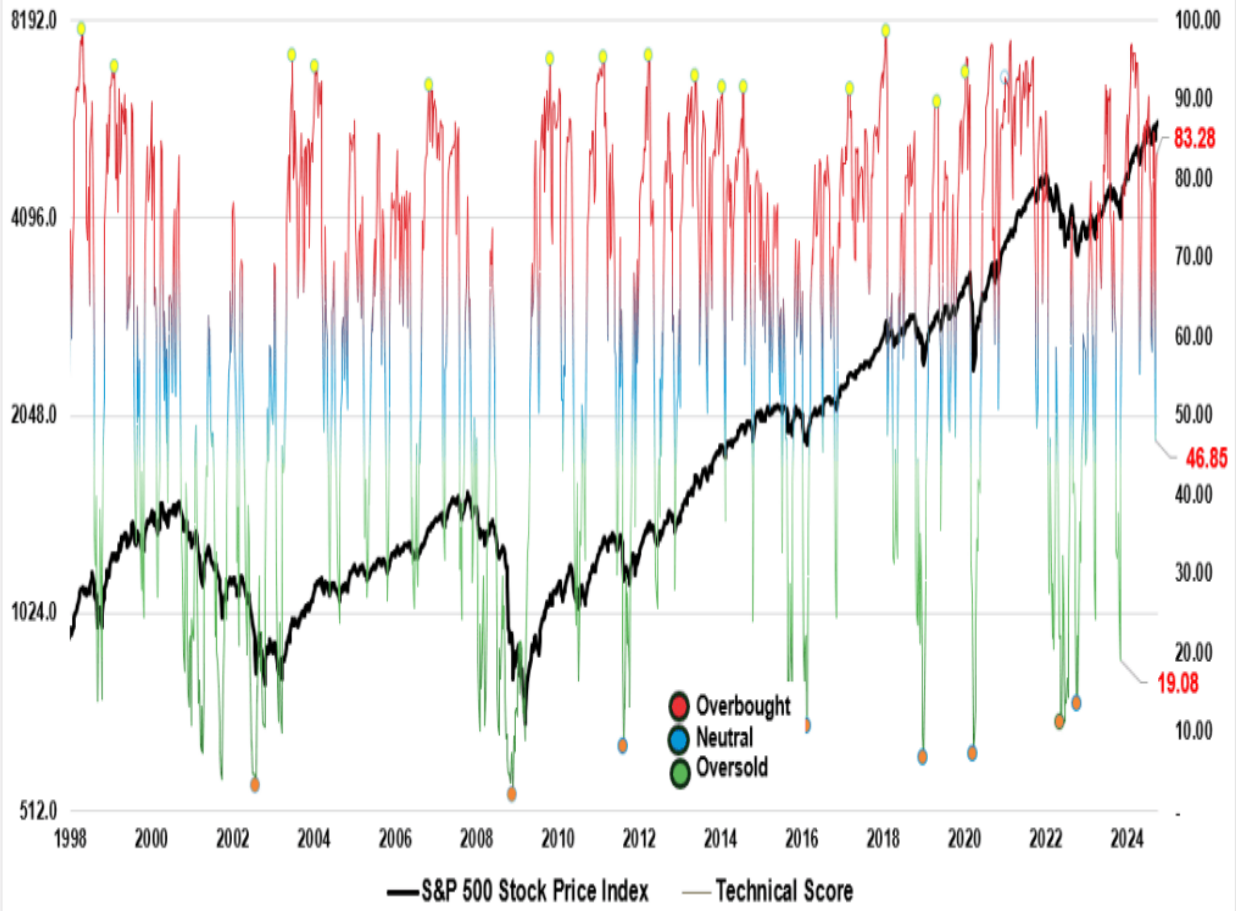
Technical Composite

*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 83.28 out of a possible 100.

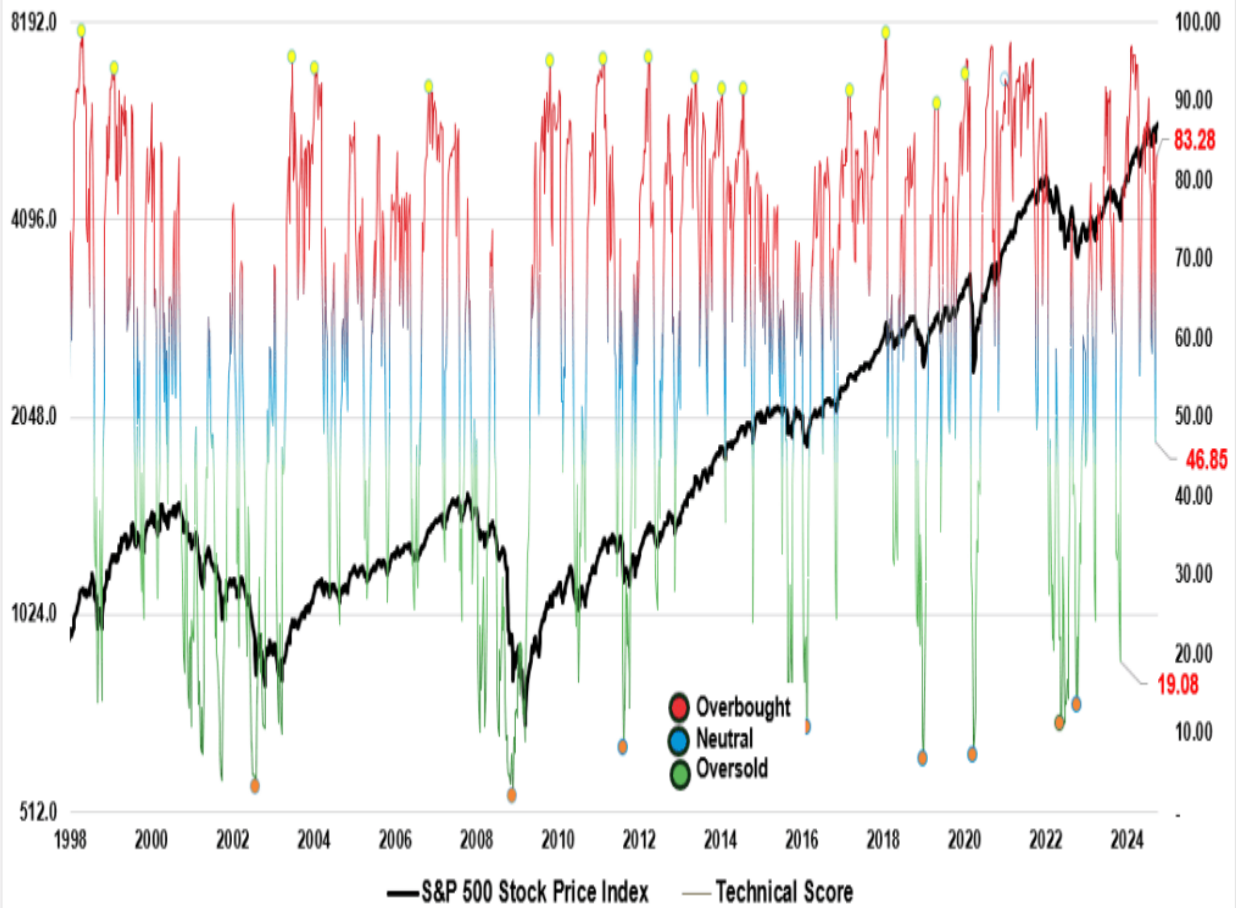
Technical Overbought/Sold Composite

(Composite Of Weekly Technical Measures)



Technical Overbought/Sold Composite

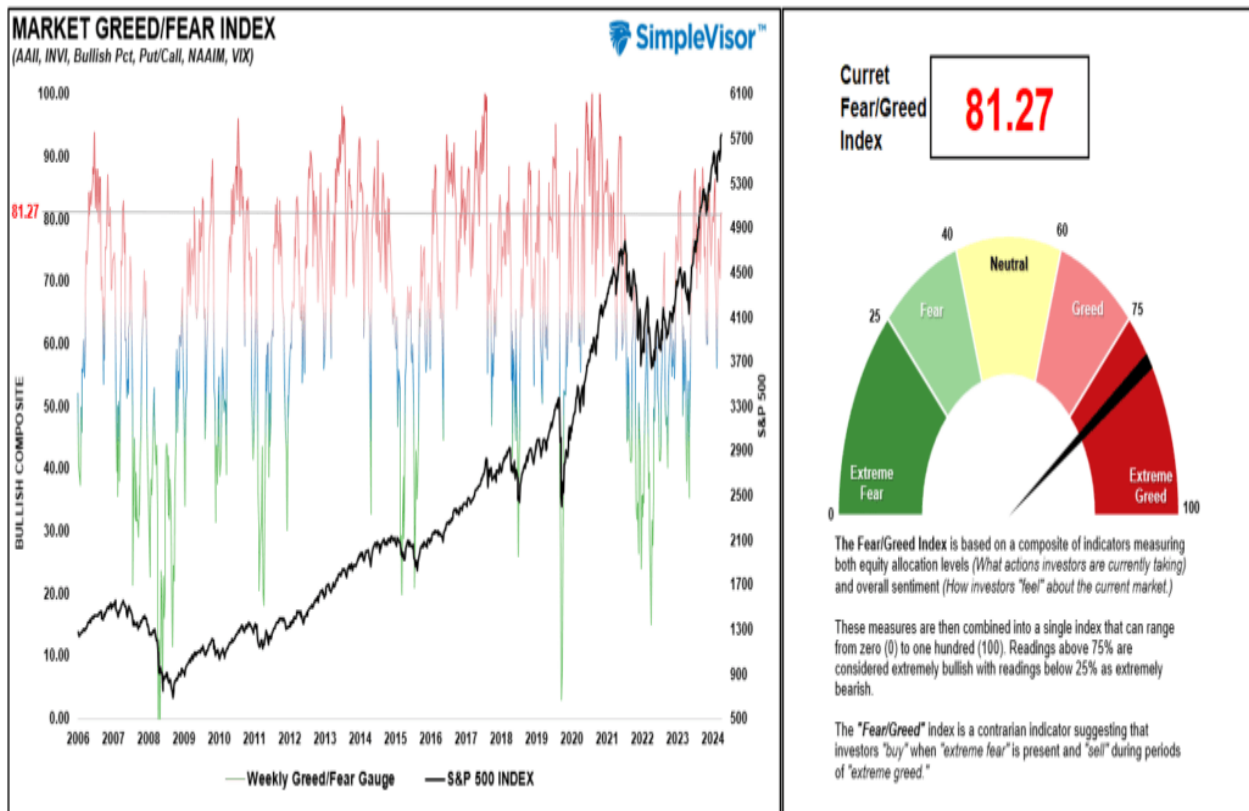
(Composite Of Weekly Technical Measures)

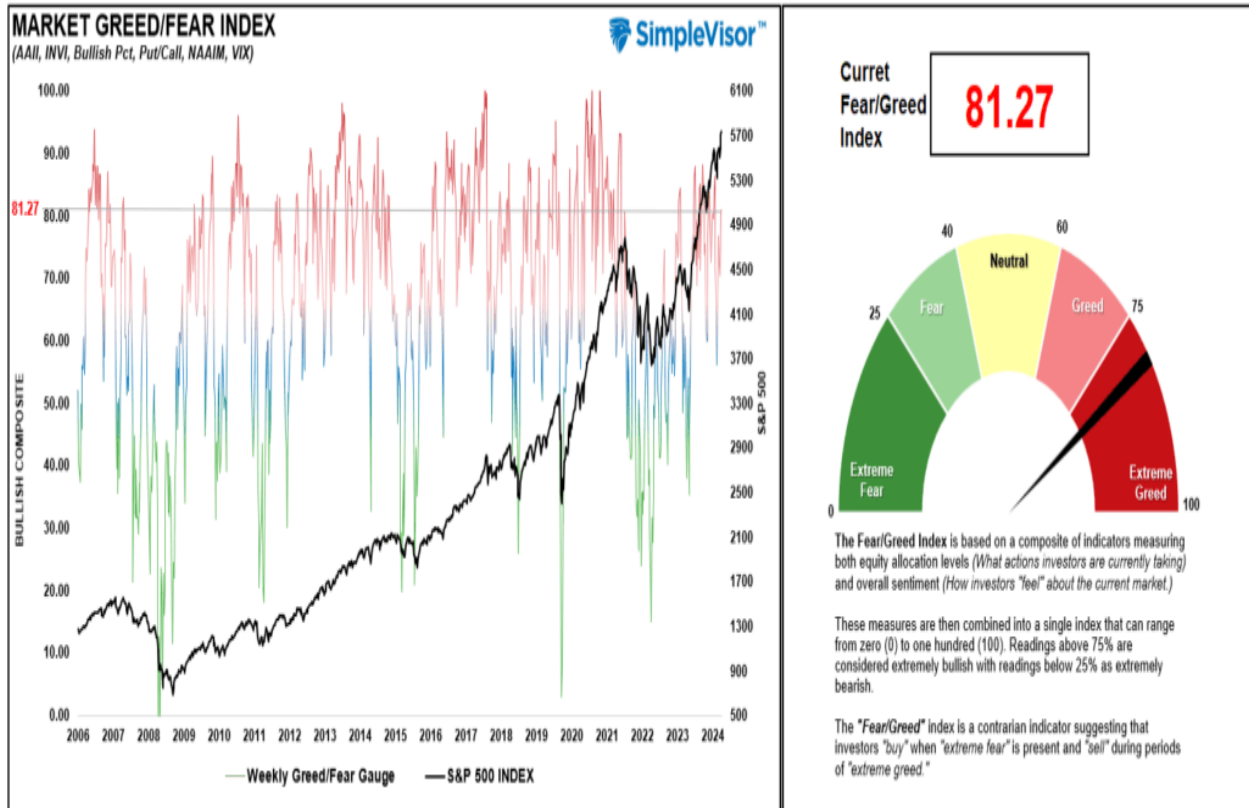


Portfolio Positioning ?Fear / Greed? Gauge

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 81.27 out of a possible 100.

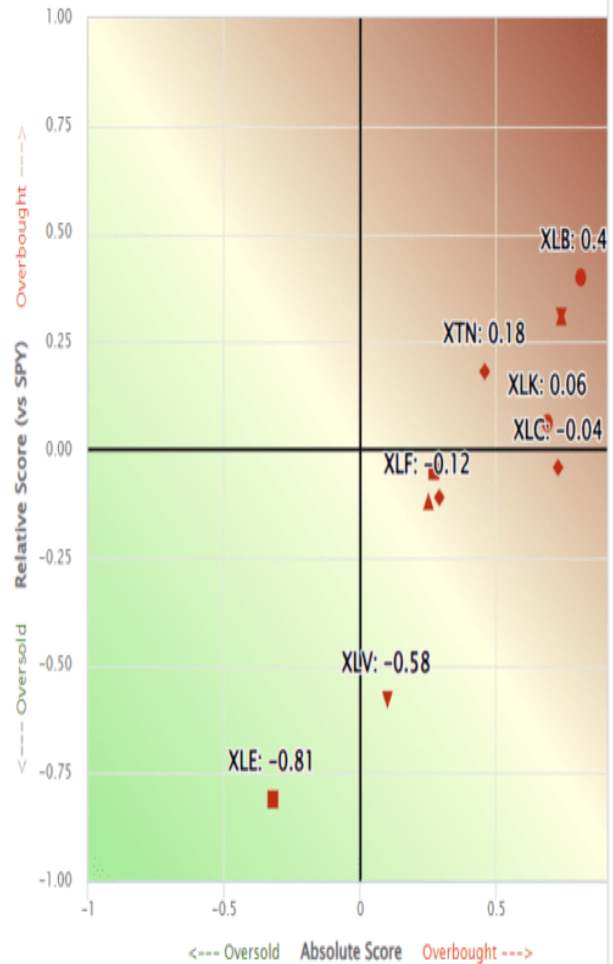




Relative Sector Analysis

Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol Name	Top 10 Holdings	Absolute Score \updownarrow	Relative Score (vs SPY) \updownarrow	Chart <input checked="" type="checkbox"/>
XLE Energy		-0.32	-0.81	<input checked="" type="checkbox"/>
XLV Health Care		0.10	-0.58	<input checked="" type="checkbox"/>
XLF Financial		0.25	-0.12	<input checked="" type="checkbox"/>
XLP Consumer Staples		0.29	-0.11	<input checked="" type="checkbox"/>
XLRE Real Estate		0.27	-0.05	<input checked="" type="checkbox"/>
XLC Communication Services		0.73	-0.04	<input checked="" type="checkbox"/>
XLK Technology		0.69	0.06	<input checked="" type="checkbox"/>
XTN Transportation		0.46	0.18	<input checked="" type="checkbox"/>
XLI Industrials		0.74	0.31	<input checked="" type="checkbox"/>
XLU Utilities		0.74	0.31	<input checked="" type="checkbox"/>
XLB Materials		0.81	0.40	<input checked="" type="checkbox"/>
XLY Consumer Discretionary		0.75	0.50	<input checked="" type="checkbox"/>



How it works



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

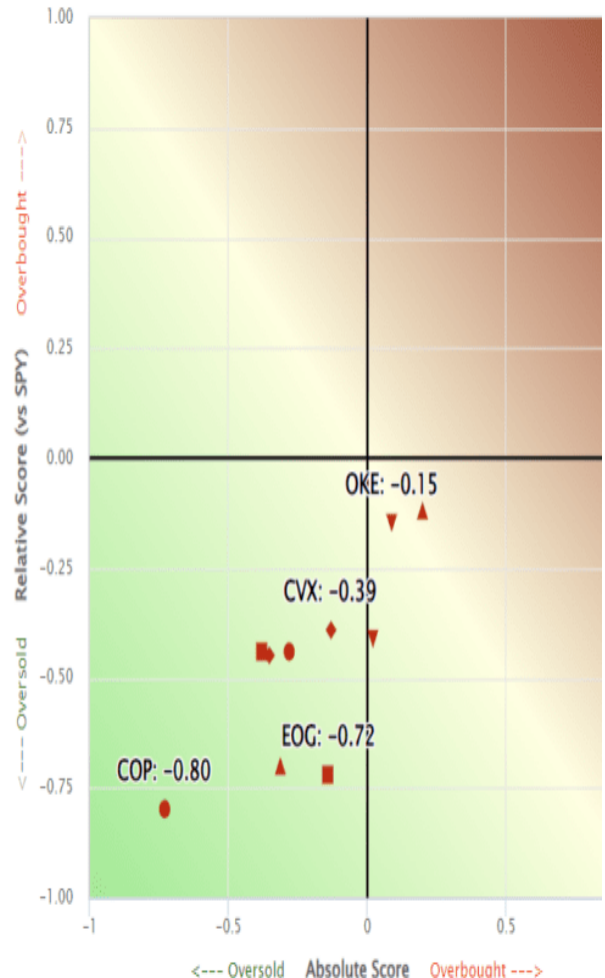
Sectors Analysis - Absolute and Relative Score (vs SPY)

Most Oversold Sector Analysis

Energy X

Energy Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Holding	Absolute Score	Relative Score (vs SPY)	Chart
COP	ConocoPhillips	4.46%	-0.73	-0.80	<input checked="" type="checkbox"/>
CVX	Chevron Corp	16.75%	-0.13	-0.39	<input checked="" type="checkbox"/>
EOG	EOG Resources Inc	4.89%	-0.14	-0.72	<input checked="" type="checkbox"/>
MPC	Marathon Petroleum Corp	4.46%	-0.31	-0.70	<input checked="" type="checkbox"/>
OKE	ONEOK Inc	3.93%	0.09	-0.15	<input checked="" type="checkbox"/>
PSX	Phillips 66	4.33%	-0.28	-0.44	<input checked="" type="checkbox"/>
SLB	Schlumberger Ltd	4.38%	-0.35	-0.45	<input checked="" type="checkbox"/>
VLO	Valero Energy Corp	3.49%	-0.38	-0.44	<input checked="" type="checkbox"/>
WMB	Williams Companies Inc	4.06%	0.20	-0.12	<input checked="" type="checkbox"/>
XOM	Exxon Mobil Corp	23.67%	0.02	-0.41	<input checked="" type="checkbox"/>



How it works



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

Tail Length Weeks

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.*

Following the breakout to new highs, the rally pulled investors back into familiar trades that have worked well this year. Utilities, Real Estate, Gold, and Gold Miners are overbought, pushing double-digit deviations. Take profits in these sectors and rebalance accordingly, as they will pull back. On the other hand, Energy is extremely oversold, and we are likely near a tradeable opportunity in that space. With almost all sectors on bullish crossovers, the bias is to the upside, so maintain equity exposure relative to your risk tolerance.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	MIA XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW	Short MIA	Long MIA	SIGNAL
IVV	ISHARS-SP500	574.07	0.19	1.29	2.92	11.84	33.68	555.83	534.10	566.75	1.00	580.92	552.58	3%	7%	BULLISH
XLB	SPDR-MATLS SELS	96.92	2.84	1.51	7.34	(4.05)	(10.30)	91.12	90.06	94.28	1.06	97.64	90.92	6%	8%	BULLISH
XLC	SPDR-COMM SV SS	90.01	1.06	1.79	(0.36)	(1.16)	3.59	86.17	83.24	87.32	1.03	90.40	84.24	4%	8%	BULLISH
XLE	SPDR-EGY SELS	87.19	(1.96)	(5.77)	(6.15)	(21.14)	(37.22)	89.48	90.48	91.28	1.20	94.66	87.90	-3%	-4%	BEARISH
XLF	SPDR-FINL SELS	45.15	(1.31)	(2.58)	5.77	0.87	2.44	43.61	41.91	45.74	1.05	47.37	44.11	4%	8%	BULLISH
XLK	SPDR-TECH SELS	225.10	0.97	0.87	(6.27)	(2.26)	3.63	219.65	213.22	220.33	1.13	228.34	212.32	2%	6%	BULLISH
XLI	SPDR-INDU SELS	134.83	1.05	1.27	8.30	(2.13)	(0.69)	126.97	124.10	131.46	1.07	136.15	126.77	6%	9%	BULLISH
XLP	SPDR-CONS STPL	83.02	(0.22)	(0.67)	4.36	1.30	(13.03)	80.22	77.44	82.51	0.58	85.06	79.96	3%	7%	BULLISH
XLRE	SPDR-RE SELS	44.29	(1.06)	0.41	12.72	7.09	(3.68)	42.06	39.62	43.55	0.98	45.06	42.04	5%	12%	BULLISH
XLU	SPDR-UTIL SELS	80.42	0.24	4.12	14.39	13.43	2.79	74.03	69.28	76.29	0.59	78.64	73.94	9%	16%	BULLISH
XLV	SPDR-HLTH CR	153.02	(1.64)	(3.95)	3.04	(1.68)	(14.82)	151.50	147.06	152.20	0.68	162.20	152.20	1%	4%	BULLISH
XLY	SPDR-CONS DISCR	200.84	1.92	6.04	3.17	1.56	(8.92)	186.76	181.85	187.12	1.20	194.04	180.20	8%	10%	BULLISH
XTN	SPDR-SP TRANSP	82.12	2.89	3.57	3.59	(9.07)	(24.07)	78.13	79.19	78.31	1.32	81.31	75.32	5%	4%	BEARISH
SDY	SPDR-SP DIV ETF	141.69	1.00	(0.00)	9.08	0.71	(10.48)	135.07	130.65	139.89	0.86	144.59	135.19	5%	8%	BULLISH
RSP	INVS-SP5 EQ ETF	178.93	0.65	0.45	6.39	(1.37)	(7.40)	170.68	166.54	175.87	1.05	182.11	169.63	5%	7%	BULLISH
SPSM	SPDR-PRT SC	45.33	(0.56)	(1.16)	7.45	(0.49)	(10.84)	43.89	42.51	45.27	1.11	46.91	43.63	3%	7%	BULLISH
MDY	SPDR-SP MC 400	569.18	0.28	(0.61)	4.71	(4.43)	(9.04)	550.59	540.62	565.30	1.11	585.68	544.92	3%	5%	BULLISH
EEM	ISHARS-EMG MKT	46.61	6.49	6.18	3.91	3.16	(10.86)	43.09	42.03	43.37	0.73	44.77	41.97	8%	11%	BULLISH
EFA	ISHARS-EAFE	83.92	1.83	(0.16)	1.86	(3.19)	(11.92)	80.44	79.33	82.98	0.88	85.78	80.18	4%	6%	BULLISH
IAU	ISHARS-GOLD TR	50.09	0.96	4.55	8.02	1.23	9.47	46.74	44.10	47.28	0.20	48.56	46.00	7%	14%	BULLISH
GDX	VANECK-GOLD MNR	40.36	(0.56)	3.21	8.35	7.71	16.30	37.80	34.22	38.62	0.96	39.96	37.28	7%	18%	BULLISH
UUP	INVS-DB US\$ BU	28.07	(0.44)	(2.00)	(5.73)	(14.51)	(39.27)	28.48	28.48	28.27	(0.22)	28.92	27.62	-1%	-1%	BEARISH
BOND	PIMCO-ACTV BOND	94.88	(0.14)	(0.06)	0.88	(6.12)	(25.74)	93.28	91.74	93.73	0.26	96.31	91.15	2%	3%	BULLISH
TLT	ISHARS-20-YTB	98.57	(0.50)	0.86	3.57	(2.67)	(22.54)	96.33	93.78	96.49	0.27	99.16	93.82	2%	5%	BULLISH
BNDX	VANGD-TTL INT B	50.30	0.07	(0.21)	0.23	(8.93)	(28.52)	49.62	49.08	49.76	0.18	51.10	48.42	1%	2%	BULLISH
HYG	ISHARS-IBX HYCB	80.36	(0.06)	(0.01)	0.86	(6.61)	(24.67)	78.63	77.65	79.34	0.45	81.68	77.00	2%	3%	BULLISH



RISK RANGE REPORT



RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	MIA XVER
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XLB	SPDR-MATLS SELS	96.92	2.84	1.51	7.34	(4.05)	(10.30)	91.12	90.06	94.28	1.06	97.64	90.92	6%	8%	BULLISH
XLC	SPDR-COMM SV SS	90.01	1.06	1.79	(0.36)	(1.16)	3.59	86.17	83.24	87.32	1.03	90.40	84.24	4%	8%	BULLISH
XLE	SPDR-EGY SELS	87.19	(1.96)	(5.77)	(6.15)	(21.14)	(37.22)	89.48	90.48	91.28	1.20	94.66	87.90	-3%	-4%	BEARISH
XLF	SPDR-FINL SELS	45.15	(1.31)	(2.58)	5.77	0.87	2.44	43.61	41.91	45.74	1.05	47.37	44.11	4%	8%	BULLISH
XLK	SPDR-TECH SELS	225.10	0.97	0.87	(6.27)	(2.26)	3.63	219.65	213.22	220.33	1.13	228.34	212.32	2%	6%	BULLISH
XLI	SPDR-INDU SELS	134.83	1.05	1.27	8.30	(2.13)	(0.69)	126.97	124.10	131.46	1.07	136.15	126.77	6%	9%	BULLISH
XLP	SPDR-CONS STPL	83.02	(0.22)	(0.67)	4.36	1.30	(13.03)	80.22	77.44	82.51	0.58	85.06	79.96	3%	7%	BULLISH
XLRE	SPDR-RE SELS	44.29	(1.06)	0.41	12.72	7.09	(3.68)	42.06	39.62	43.55	0.98	45.06	42.04	5%	12%	BULLISH
XLU	SPDR-UTIL SELS	80.42	0.24	4.12	14.39	13.43	2.79	74.03	69.28	76.29	0.59	78.64	73.94	9%	16%	BULLISH
XLV	SPDR-HLTH CR	153.02	(1.64)	(3.95)	3.04	(1.68)	(14.82)	151.50	147.06	152.20	0.68	162.20	152.20	1%	4%	BULLISH
XLY	SPDR-CONS DISCR	200.84	1.92	6.04	3.17	1.56	(8.92)	186.76	181.85	187.12	1.20	194.04	180.20	8%	10%	BULLISH
XTN	SPDR-SP TRANSP	82.12	2.89	3.57	3.59	(9.07)	(24.07)	78.13	79.19	78.31	1.32	81.31	75.32	5%	4%	BEARISH
SDY	SPDR-SP DIV ETF	141.69	1.00	(0.00)	9.08	0.71	(10.48)	135.07	130.65	139.89	0.86	144.59	135.19	5%	8%	BULLISH
RSP	INVS-SP5 EQ ETF	178.93	0.65	0.45	6.39	(1.37)	(7.40)	170.68	166.54	175.87	1.05	182.11	169.63	5%	7%	BULLISH
SPSM	SPDR-PRT SC	45.33	(0.56)	(1.16)	7.45	(0.49)	(10.84)	43.89	42.51	45.27	1.11	46.91	43.63	3%	7%	BULLISH
MDY	SPDR-SP MC 400	569.18	0.28	(0.61)	4.71	(4.43)	(9.04)	550.59	540.62	565.30	1.11	585.68	544.92	3%	5%	BULLISH
EEM	ISHARS-EMG MKT	46.61	6.49	6.18	3.91	3.16	(10.86)	43.09	42.03	43.37	0.73	44.77	41.97	8%	11%	BULLISH
EFA	ISHARS-EAFE	83.92	1.83	(0.16)	1.86	(3.19)	(11.92)	80.44	79.33	82.98	0.88	85.78	80.18	4%	6%	BULLISH
IAU	ISHARS-GOLD TR	50.09	0.96	4.55	8.02	1.23	9.47	46.74	44.10	47.28	0.20	48.56	46.00	7%	14%	BULLISH
GDX	VANECK-GOLD MNR	40.36	(0.56)	3.21	8.35	7.71	16.30	37.80	34.22	38.62	0.96	39.96	37.28	7%	18%	BULLISH
UUP	INVS-DB US\$ BU	28.07	(0.44)	(2.00)	(5.73)	(14.51)	(39.27)	28.48	28.48	28.27	(0.22)	28.92	27.62	-1%	-1%	BEARISH
BOND	PIMCO-ACTV BOND	94.88	(0.14)	(0.06)	0.88	(6.12)	(25.74)	93.28	91.74	93.73	0.26	96.31	91.15	2%	3%	BULLISH
TLT	ISHARS-20-YTB	98.57	(0.50)	0.86	3.57	(2.67)	(22.54)	96.33	93.78	96.49	0.27	99.16	93.82	2%	5%	BULLISH
BNDX	VANGD-TTL INT B	50.30	0.07	(0.21)	0.23	(8.93)	(28.52)	49.62	49.08	49.76	0.18	51.10	48.42	1%	2%	BULLISH
HYG	ISHARS-IBX HYCB	80.36	(0.06)	(0.01)	0.86	(6.61)	(24.67)	78.63	77.65	79.34	0.45	81.68	77.00	2%	3%	BULLISH



RISK RANGE REPORT



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)

RSI Screen

Tables ▾												
Overview Technicals 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% ↑↓
CARR	Industrials	10/10 🟢	\$80.65	\$46.73(-72.59%)	71.25	\$75.21(7.23%)	\$70.35(14.64%)	\$67.30(19.84%)	6	7	3	1.32%
CHRW	Industrials	10/10 🟢	\$108.17	\$48.24(-124.23%)	69.87	\$102.92(5.10%)	\$99.03(9.23%)	\$92.26(17.24%)	—	5	3	3.33%
FICO	Technology	10/10 🟢	\$1,916.36	\$333.46(-474.69%)	68.10	\$1,837.75(4.28%)	\$1,738.71(10.22%)	\$1,574.96(21.68%)	—	7	3	%
FSLR	Technology	10/10 🟢	\$258.01		64.25	\$230.37(12.00%)	\$224.45(14.95%)	\$232.01(11.21%)	5	6	4	%
GEV	Utilities	10/10 🟢	\$251.84		78.50	\$222.05(13.41%)	\$193.75(29.98%)	\$182.43(38.04%)	—	—	—	%
GLW	Technology	10/10 🟢	\$44.86	\$11.81(-279.85%)	70.21	\$42.71(5.03%)	\$41.72(7.53%)	\$39.99(12.18%)	1	8	3	3.45%
HWM	Industrials	10/10 🟢	\$98.96	\$27.05(-265.82%)	65.93	\$95.67(3.43%)	\$92.55(6.92%)	\$86.94(13.82%)	1	7	3	0.26%
IRM	Real Estate	10/10 🟢	\$116.50	\$16.44(-608.64%)	59.73	\$114.70(1.57%)	\$109.51(6.38%)	\$97.62(19.34%)	8	7	3	2.44%
K	Consumer Staples	10/10 🟢	\$80.76	\$33.59(-140.43%)	76.22	\$80.38(0.47%)	\$74.21(8.83%)	\$66.71(21.06%)	6	7	3	2.83%
MMM	Industrials	10/10 🟢	\$137.37	\$88.63(-54.99%)	73.64	\$133.18(3.15%)	\$126.35(8.72%)	\$113.26(21.29%)	—	7	3	5.69%
MPWR	Technology	10/10 🟢	\$924.18	\$539.38(-71.34%)	59.87	\$883.51(4.60%)	\$865.07(6.83%)	\$824.63(12.07%)	7	6	3	0.74%
NEM	Materials	10/10 🟢	\$53.97	\$8.49(-535.63%)	67.75	\$52.97(1.88%)	\$50.42(7.03%)	\$46.43(16.23%)	—	7	3	1.86%
NVDA	Technology	10/10 🟢	\$120.33		58.60	\$114.76(4.85%)	\$115.83(3.88%)	\$115.42(4.25%)	0	6	2	0.03%
PODD	Healthcare	10/10 🟢	\$232.74	\$74.96(-210.49%)	68.63	\$226.38(2.81%)	\$205.91(13.03%)	\$197.91(17.60%)	5	2	5	%
TSLA	Consumer Cyclical	10/10 🟢	\$259.36	\$157.71(-64.45%)	65.06	\$230.08(12.73%)	\$222.17(16.74%)	\$208.93(24.14%)	4	7	1	%
UHS	Healthcare	10/10 🟢	\$230.52	\$170.95(-34.84%)	64.11	\$235.17(-1.98%)	\$222.84(3.44%)	\$202.94(13.59%)	5	6	3	0.49%
VST	Utilities	10/10 🟢	\$118.13		75.13	\$89.91(31.39%)	\$82.62(42.98%)	\$86.69(36.27%)	—	3	3	1.26%
VTR	Real Estate	10/10 🟢	\$64.33	\$17.12(-275.76%)	58.63	\$63.65(1.07%)	\$59.62(7.90%)	\$54.72(17.56%)	1	5	3	2.77%
WELL	Real Estate	10/10 🟢	\$127.14	\$28.08(-352.78%)	57.15	\$126.34(0.63%)	\$118.96(6.88%)	\$110.79(14.76%)	1	4	4	2.07%
TYL	Technology	9/10 🟢	\$579.08	\$221.50(-161.44%)	50.07	\$583.63(-0.78%)	\$573.93(0.90%)	\$532.52(8.74%)	1	4	3	%

Tables ▾												
Overview Technicals 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% ↑↓
CARR	Industrials	10/10 🟢	\$80.65	\$46.73(-72.59%)	71.25	\$75.21(7.23%)	\$70.35(14.64%)	\$67.30(19.84%)	6	7	3	1.32%
CHRW	Industrials	10/10 🟢	\$108.17	\$48.24(-124.23%)	69.87	\$102.92(5.10%)	\$99.03(9.23%)	\$92.26(17.24%)	—	5	3	3.33%
FICO	Technology	10/10 🟢	\$1,916.36	\$333.46(-474.69%)	68.10	\$1,837.75(4.28%)	\$1,738.71(10.22%)	\$1,574.96(21.68%)	—	7	3	%
FSLR	Technology	10/10 🟢	\$258.01		64.25	\$230.37(12.00%)	\$224.45(14.95%)	\$232.01(11.21%)	5	6	4	%
GEV	Utilities	10/10 🟢	\$251.84		78.50	\$222.05(13.41%)	\$193.75(29.98%)	\$182.43(38.04%)	—	—	—	%
GLW	Technology	10/10 🟢	\$44.86	\$11.81(-279.85%)	70.21	\$42.71(5.03%)	\$41.72(7.53%)	\$39.99(12.18%)	1	8	3	3.45%
HWM	Industrials	10/10 🟢	\$98.96	\$27.05(-265.82%)	65.93	\$95.67(3.43%)	\$92.55(6.92%)	\$86.94(13.82%)	1	7	3	0.26%
IRM	Real Estate	10/10 🟢	\$116.50	\$16.44(-608.64%)	59.73	\$114.70(1.57%)	\$109.51(6.38%)	\$97.62(19.34%)	8	7	3	2.44%
K	Consumer Staples	10/10 🟢	\$80.76	\$33.59(-140.43%)	76.22	\$80.38(0.47%)	\$74.21(8.83%)	\$66.71(21.06%)	6	7	3	2.83%
MMM	Industrials	10/10 🟢	\$137.37	\$88.63(-54.99%)	73.64	\$133.18(3.15%)	\$126.35(8.72%)	\$113.26(21.29%)	—	7	3	5.69%
MPWR	Technology	10/10 🟢	\$924.18	\$539.38(-71.34%)	59.87	\$883.51(4.60%)	\$865.07(6.83%)	\$824.63(12.07%)	7	6	3	0.74%

Momentum Screen

Tables ▾												
Overview Technicals Fundamentals Performance												
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV	Yield%
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	Rank	↑↓
		↑↓									↑↓	
BKNG	Consumer Cyclical	10/10	\$4,268.91		77.87	\$3,950.94(8.05%)	\$3,783.82(12.82%)	\$3,820.00(11.75%)	2	6	3	0.96%
CEG	Utilities	10/10	\$256.34		76.15	\$205.92(24.48%)	\$193.44(32.51%)	\$203.28(26.10%)	—	—	—	0.79%
FICO	Technology	10/10	\$1,916.36	\$333.46(-474.69%)	68.10	\$1,837.75(4.28%)	\$1,738.71(10.22%)	\$1,574.96(21.68%)	—	7	3	%
GEV	Utilities	10/10	\$251.84		78.50	\$222.05(13.41%)	\$193.75(29.98%)	\$182.43(38.04%)	—	—	—	%
META	Communication Ser.	10/10	\$568.18	\$449.80(-26.32%)	72.95	\$531.96(6.81%)	\$513.08(10.74%)	\$502.05(13.17%)	—	—	—	0.41%
MPWR	Technology	10/10	\$924.18	\$539.38(-71.34%)	59.87	\$883.51(4.60%)	\$865.07(6.83%)	\$824.63(12.07%)	7	6	3	0.74%
NVR	Consumer Cyclical	10/10	\$9,707.93	\$8,037.11(-20.79%)	62.22	\$9,318.53(4.18%)	\$8,915.34(8.89%)	\$8,275.75(17.31%)	1	7	2	%
PH	Industrials	10/10	\$633.97	\$550.08(-15.25%)	71.78	\$598.85(5.86%)	\$575.66(10.13%)	\$551.57(14.94%)	6	9	3	1.10%
VST	Utilities	10/10	\$118.13		75.13	\$89.91(31.39%)	\$82.62(42.98%)	\$86.69(36.27%)	—	3	3	1.26%
ZBRA	Technology	10/10	\$369.28	\$109.23(-238.08%)	69.82	\$345.76(6.80%)	\$338.43(9.12%)	\$326.09(13.24%)	1	9	2	%
BLK	Financial	9/10	\$947.75	\$453.17(-109.14%)	71.59	\$902.71(4.99%)	\$875.25(8.28%)	\$832.66(13.82%)	2	6	3	2.42%
CAT	Industrials	9/10	\$390.48	\$510.53(23.51%)	72.39	\$353.05(10.60%)	\$345.73(12.94%)	\$341.36(14.39%)	1	7	3	1.42%
URI	Industrials	9/10	\$813.22	\$827.28(1.70%)	69.98	\$743.47(9.38%)	\$727.99(11.71%)	\$694.08(17.17%)	3	8	3	0.90%
GWW	Industrials	8/10	\$1,036.06	\$910.42(-13.80%)	69.67	\$996.88(3.93%)	\$975.46(6.21%)	\$950.32(9.02%)	5	6	2	0.80%
KLAC	Technology	8/10	\$783.02	\$588.05(-33.15%)	58.82	\$751.80(4.15%)	\$768.53(1.88%)	\$782.03(0.13%)	5	7	3	0.81%
MTD	Healthcare	8/10	\$1,471.40	\$614.74(-139.35%)	63.85	\$1,406.48(4.62%)	\$1,412.70(4.16%)	\$1,414.91(3.99%)	1	7	2	%
TDG	Industrials	8/10	\$1,401.26	\$621.93(-125.31%)	62.28	\$1,364.29(2.71%)	\$1,304.50(7.42%)	\$1,303.75(7.48%)	5	8	3	%
WAT	Healthcare	8/10	\$358.51	\$136.44(-162.76%)	67.59	\$335.13(6.98%)	\$331.66(8.10%)	\$321.99(11.34%)	5	8	3	%
ORLY	Consumer Cyclical	7/10	\$1,141.95	\$978.55(-16.70%)	64.30	\$1,128.96(1.15%)	\$1,117.10(2.22%)	\$1,065.83(7.14%)	5	8	3	%
AZO	Consumer Cyclical	6/10	\$3,185.12	\$3,238.53(1.65%)	60.62	\$3,111.61(2.36%)	\$3,111.24(2.37%)	\$2,994.54(6.36%)	5	7	3	%

Tables ▾												
Overview Technicals Fundamentals Performance												
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV	Yield%
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	Rank	↑↓
		↑↓									↑↓	
BKNG	Consumer Cyclical	10/10	\$4,268.91		77.87	\$3,950.94(8.05%)	\$3,783.82(12.82%)	\$3,820.00(11.75%)	2	6	3	0.96%
CEG	Utilities	10/10	\$256.34		76.15	\$205.92(24.48%)	\$193.44(32.51%)	\$203.28(26.10%)	—	—	—	0.79%
FICO	Technology	10/10	\$1,916.36	\$333.46(-474.69%)	68.10	\$1,837.75(4.28%)	\$1,738.71(10.22%)	\$1,574.96(21.68%)	—	7	3	%
GEV	Utilities	10/10	\$251.84		78.50	\$222.05(13.41%)	\$193.75(29.98%)	\$182.43(38.04%)	—	—	—	%
META	Communication Ser.	10/10	\$568.18	\$449.80(-26.32%)	72.95	\$531.96(6.81%)	\$513.08(10.74%)	\$502.05(13.17%)	—	—	—	0.41%
MPWR	Technology	10/10	\$924.18	\$539.38(-71.34%)	59.87	\$883.51(4.60%)	\$865.07(6.83%)	\$824.63(12.07%)	7	6	3	0.74%
NVR	Consumer Cyclical	10/10	\$9,707.93	\$8,037.11(-20.79%)	62.22	\$9,318.53(4.18%)	\$8,915.34(8.89%)	\$8,275.75(17.31%)	1	7	2	%
PH	Industrials	10/10	\$633.97	\$550.08(-15.25%)	71.78	\$598.85(5.86%)	\$575.66(10.13%)	\$551.57(14.94%)	6	9	3	1.10%
VST	Utilities	10/10	\$118.13		75.13	\$89.91(31.39%)	\$82.62(42.98%)	\$86.69(36.27%)	—	3	3	1.26%
ZBRA	Technology	10/10	\$369.28	\$109.23(-238.08%)	69.82	\$345.76(6.80%)	\$338.43(9.12%)	\$326.09(13.24%)	1	9	2	%
BLK	Financial	9/10	\$947.75	\$453.17(-109.14%)	71.59	\$902.71(4.99%)	\$875.25(8.28%)	\$832.66(13.82%)	2	6	3	2.42%
CAT	Industrials	9/10	\$390.48	\$510.53(23.51%)	72.39	\$353.05(10.60%)	\$345.73(12.94%)	\$341.36(14.39%)	1	7	3	1.42%
URI	Industrials	9/10	\$813.22	\$827.28(1.70%)	69.98	\$743.47(9.38%)	\$727.99(11.71%)	\$694.08(17.17%)	3	8	3	0.90%
GWW	Industrials	8/10	\$1,036.06	\$910.42(-13.80%)	69.67	\$996.88(3.93%)	\$975.46(6.21%)	\$950.32(9.02%)	5	6	2	0.80%
KLAC	Technology	8/10	\$783.02	\$588.05(-33.15%)	58.82	\$751.80(4.15%)	\$768.53(1.88%)	\$782.03(0.13%)	5	7	3	0.81%
MTD	Healthcare	8/10	\$1,471.40	\$614.74(-139.35%)	63.85	\$1,406.48(4.62%)	\$1,412.70(4.16%)	\$1,414.91(3.99%)	1	7	2	%
TDG	Industrials	8/10	\$1,401.26	\$621.93(-125.31%)	62.28	\$1,364.29(2.71%)	\$1,304.50(7.42%)	\$1,303.75(7.48%)	5	8	3	%
WAT	Healthcare	8/10	\$358.51	\$136.44(-162.76%)	67.59	\$335.13(6.98%)	\$331.66(8.10%)	\$321.99(11.34%)	5	8	3	%
ORLY	Consumer Cyclical	7/10	\$1,141.95	\$978.55(-16.70%)	64.30	\$1,128.96(1.15%)	\$1,117.10(2.22%)	\$1,065.83(7.14%)	5	8	3	%
AZO	Consumer Cyclical	6/10	\$3,185.12	\$3,238.53(1.65%)	60.62	\$3,111.61(2.36%)	\$3,111.24(2.37%)	\$2,994.54(6.36%)	5	7	3	%

Fundamental & Technical Screen

Tables ▾													
Overview Technicals Fundamentals Performance													
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV	Yield%	
↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	Rank	↑↓	↑↓
ACGL	Financial	10/10	\$113.42		59.17	\$112.43(0.88%)	\$105.10(7.92%)	\$102.45(10.71%)	5	8	2	%	
BKNG	Consumer Cyclical	10/10	\$4,268.91		77.87	\$3,950.94(8.05%)	\$3,783.82(12.82%)	\$3,820.00(11.75%)	2	6	3	0.96%	
DHI	Consumer Cyclical	10/10	\$190.39		51.05	\$189.60(0.42%)	\$182.69(4.21%)	\$163.85(16.20%)	3	7	1	0.74%	
FFIV	Technology	10/10	\$220.18	\$164.64(-33.73%)	72.28	\$209.35(5.17%)	\$197.44(11.52%)	\$184.17(19.55%)	8	5	5	%	
HCA	Healthcare	10/10	\$402.38	\$326.92(-23.08%)	65.44	\$396.71(1.43%)	\$375.78(7.08%)	\$351.41(14.50%)	6	7	3	0.67%	
IBM	Technology	10/10	\$222.13	\$128.32(-73.11%)	80.02	\$210.94(5.30%)	\$198.55(11.88%)	\$184.44(20.43%)	5	7	4	3.11%	
IRM	Real Estate	10/10	\$116.50	\$16.44(-608.64%)	59.73	\$114.70(1.57%)	\$109.51(6.38%)	\$97.62(19.34%)	8	7	3	2.44%	
META	Communication Ser.	10/10	\$568.18	\$449.80(-26.32%)	72.95	\$531.96(6.81%)	\$513.08(10.74%)	\$502.05(13.17%)	—	—	—	0.41%	
NFLX	Communication Ser.	10/10	\$707.57	\$312.78(-126.22%)	59.39	\$693.62(2.01%)	\$666.98(6.08%)	\$658.79(7.40%)	4	—	5	%	
NVR	Consumer Cyclical	10/10	\$9,707.93	\$8,037.11(-20.79%)	62.22	\$9,318.53(4.18%)	\$8,915.34(8.89%)	\$8,275.75(17.31%)	1	7	2	%	
ORCL	Technology	10/10	\$168.52	\$120.16(-40.25%)	71.76	\$156.29(7.83%)	\$144.30(16.78%)	\$137.56(22.51%)	5	3	4	0.99%	
PH	Industrials	10/10	\$633.97	\$550.08(-15.25%)	71.78	\$598.85(5.86%)	\$575.66(10.13%)	\$551.57(14.94%)	6	9	3	1.10%	
PODD	Healthcare	10/10	\$232.74	\$74.96(-210.49%)	68.63	\$226.38(2.81%)	\$205.91(13.03%)	\$197.91(17.60%)	5	2	5	%	
RCL	Consumer Cyclical	10/10	\$178.43		71.21	\$167.28(6.67%)	\$161.38(10.57%)	\$157.04(13.62%)	1	—	4	%	
RL	Consumer Cyclical	10/10	\$196.69	\$253.43(22.39%)	78.39	\$179.62(9.50%)	\$171.78(14.50%)	\$173.67(13.25%)	3	8	1	1.85%	
SHW	Materials	10/10	\$381.82	\$232.22(-64.42%)	72.50	\$372.66(2.46%)	\$357.29(6.87%)	\$331.17(15.29%)	1	5	4	0.82%	
TSLA	Consumer Cyclical	10/10	\$259.36	\$157.71(-64.45%)	65.06	\$230.08(12.73%)	\$222.17(16.74%)	\$208.93(24.14%)	4	7	1	%	
TT	Industrials	10/10	\$384.12	\$199.32(-92.72%)	71.15	\$364.41(5.41%)	\$347.92(10.40%)	\$339.46(13.16%)	5	8	3	1.12%	
VST	Utilities	10/10	\$118.13		75.13	\$89.91(31.39%)	\$82.62(42.98%)	\$86.69(36.27%)	—	3	3	1.26%	
APD	Materials	9/10	\$300.40	\$185.80(-61.68%)	73.90	\$283.24(6.06%)	\$276.35(8.70%)	\$269.70(11.38%)	—	4	3	2.49%	
AXP	Financial	9/10	\$271.05		63.17	\$258.97(4.66%)	\$250.41(8.24%)	\$242.81(11.63%)	1	8	3	1.08%	
CAT	Industrials	9/10	\$390.48	\$510.53(23.51%)	72.39	\$353.05(10.60%)	\$345.73(12.94%)	\$341.36(14.39%)	1	7	3	1.42%	
GE	Industrials	9/10	\$185.91	\$36.05(-415.69%)	62.19	\$176.08(5.58%)	\$170.67(8.93%)	\$166.35(11.76%)	1	5	5	0.18%	
HD	Consumer Cyclical	9/10	\$399.78	\$262.94(-52.04%)	72.50	\$378.19(5.71%)	\$366.01(9.23%)	\$352.20(13.51%)	—	4	3	2.37%	
LMT	Industrials	9/10	\$581.93	\$325.46(-78.80%)	64.07	\$570.84(1.94%)	\$552.18(5.39%)	\$508.14(14.52%)	5	7	3	2.77%	
PKG	Consumer Cyclical	9/10	\$214.55	\$133.76(-60.40%)	65.02	\$209.47(2.43%)	\$201.97(6.23%)	\$191.94(11.78%)	—	8	1	2.70%	
URI	Industrials	9/10	\$813.22	\$827.28(1.70%)	69.98	\$743.47(9.38%)	\$727.99(11.71%)	\$694.08(17.17%)	3	8	3	0.90%	

SimpleVisor Portfolio Changes

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

Sep 23rd

In the Equity and ETF models, we added exposure to the Mega-cap and Financial space, which should benefit from lower rates. Our models are very underweight Financials relative to the benchmark, so we are adding 2% of J.P. Morgan Chase to the Equity model and 2% to the Financial sector ETF (XLF).

On the Mega-cap side of the portfolio, we are adding Amazon (AMZN), which tends to perform better during the holiday shopping season, and increasing the Mega-cap Growth ETF (MGK) in the ETF model.

Lastly, on the bond side of the portfolios we are taking the first steps to increase our portfolio durations overall. We selling half of our iShares 3-7 Year Treasury Bond ETF (IEI) and adding that to the iShares 7-10 Year Treasury Bond ETF (IEF).

Equity Model

- Buy 2% of the portfolio in JP Morgan (JPM)
- Increase Amazon (AMZN) to 3.25% of the portfolio.
- Sell 50% of IEI
- Increase IEF with the proceeds of the sale from IEI.

ETF Model

- Buy 2% of the portfolio in the SPDR Financial Sector ETF (XLF)
- Add 2% of the Vanguard Megacap Growth ETF (MGK)
- Sell 50% of IEI
- Increase IEF with the proceeds of the sale from IEI.

Sep 26th

Earlier this week, we added 1% to our position in the Vanguard Megacap Growth ETF (MGK) in the ETF Model. We didn't do anything in the Equity model at the time as we were waiting for Nvidia (NVDA) to break above its recent consolidation/correction channel. That breakout occurred yesterday. Therefore, after taking profits out of the position previously, we are underweight NVDA in our portfolio, adding 0.5% to the position to balance it across our model. Technically, the stock is a little overbought short-term, so this addition may not provide an immediate benefit. However, the recent report from Micron (MU) suggests the demand for AI chips remains alive and well.

Equity Model

- Add 0.5% to the existing position in Nvidia (NVDA)

Sep 27th

With the much-needed correction in bond yields in progress, we are taking the opportunity to shift some of our very short-duration bond holdings to a bit longer duration. In the ETF and Equity model, we are reducing the iShares 1-3 Year Treasury Bond ETF (SHY) and shifting it to the iShares 3-7 Year Treasury Bond ETF (IEI.) We are not changing our total bond weightings, just adjusting the holdings to extend the duration. As bond yields correct, we will continue this process across the bond portfolio.

In the Equity model, we are reducing GE Vernova (GEV) back to the target weight after an extensive run higher.

Equity Model

- *Reduce GEV to 1% of the portfolio.*
- *Reduce SHY by 5% of the portfolio and increase IEI by the same amount.*

ETF Model

- *Reduce SHY by 5% of the portfolio and increase IEI by the same amount.*

Lance Roberts, C.I.O.

Have a great week!