

Earnings Revision Shows Sharp Decline

Inside This Week's Bull Bear Report

- **Negative Earnings Revision Shows Sharp Decline**
 - **How We Are Trading It**
 - **Research Report: Employment Data Confirms Economy Is Slowing**
 - **YouTube ? Before The Bell**
 - **Market Statistics**
 - **Stock Screens**
 - **Portfolio Trades This Week**
-

The Fed Holds Rates Steady

[Last week](#), we discussed that while the market improved sharply, the underlying economic data continues to decline steadily. However, given that the data was not recessionary, the market rallied and took out some key resistance levels. To wit:

This past week, two reports confirmed the economy is slowing. First, there was the weak GDP report, which showed growth of roughly one percent, after discounting the impact of the trade deficit. Secondly, while the employment number was higher than expected, job growth also slowed. However, those reports should have tempered market enthusiasm as they reduced hopes for Fed rate cuts. However, the market pushed higher as investors raced to jump back into risk assets as the market cleared initial resistance at the 20-DMA and reversed all of the Liberation Day losses.

The market paused its advance before the Fed meeting on Wednesday, which was remarkably uneventful. The Fed held rates steady as expected and did not provide much guidance regarding its forecast for future rate cuts. However, on Thursday, the Trump administration discussed its first trade deal with the UK. Notably, the US has a trade surplus with the UK, making negotiating a trade deal easier. Nonetheless, announcing a long-awaited agreement gave the market hope that more deals eventually will follow. Unfortunately, other trade deals with actual trade deficit countries may be tougher and take much longer to negotiate.

Technically, the market is beginning to repair much of the damage from the Liberation Day tariff announcements. However, on [Thursday](#), we made the case that we are still tracing out the 2022 market analogy. As shown in the weekly chart below, in 2022, the market sold off and triggered a weekly moving-average crossover in early March. Immediately following that selloff, the market rallied back to those longer-term moving averages and briefly broke above. That bear market rally, sucked investors back into the market, just to rug pull from beneath them. Such is how correctional markets work.

You will notice that the recent selloff has also triggered that same moving average crossover, and immediately coincided with a reflexive rally. The market has broken above the first moving average, challenging the second as investors and the media are increasingly bullish on stocks. Will the market *rug pull* on investors once again? I don't know. However, as stated, if we are in a more protracted market correction, the risk is elevated, and we could see another retracement to support before this correction is complete.



Reasons The Correction Could Be Over, Or Not

It is always difficult to say whether this is a *bear market* or a *rally* while you are in the midst of it. In hindsight, these things are easy to identify, and investors have plenty of

reasons to play the game. However, some valid arguments exist about why the recent correction was just that, and may now be over.

1. *Q1 earnings were above average, which is boosting investor confidence, particularly in the ?Mag 7? and related AI stories.*
2. *Investor sentiment is improving from extremely low levels and is not overly bullish.*
3. *Treasury yields are coming down, along with inflationary pressures.*
4. *Uncertainty around tariffs, the main driver of the correction, is rapidly becoming less of a threat.*
5. *Recession risks have fallen sharply with the latest economic data.*
6. *Market valuations have corrected somewhat in recent weeks.*

Of course, there are reasons for concern that should also not be dismissed.

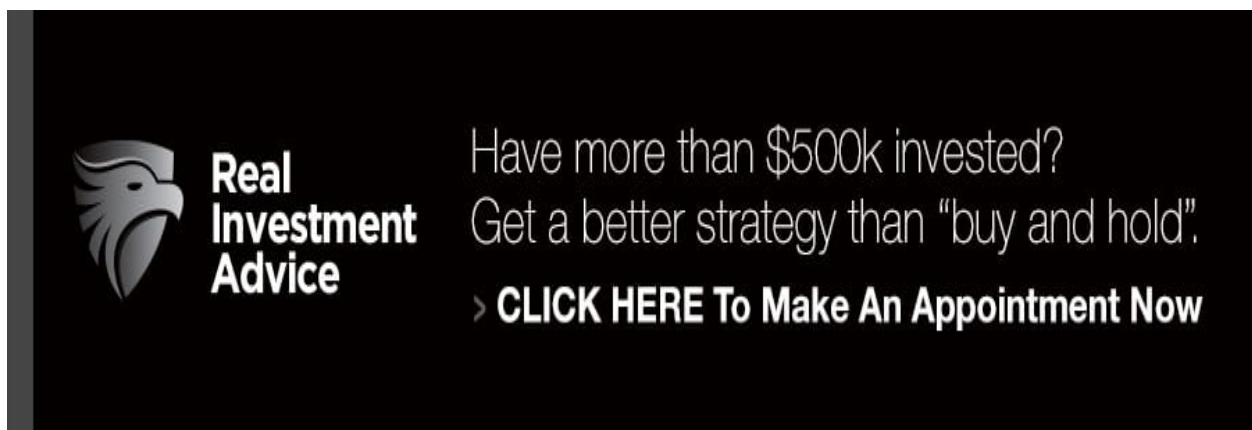
1. *Economic data and consumer confidence are getting weaker.*
2. *Political policy uncertainty remains elevated.*
3. *Despite the recent rally, the market still suffers significant technical damage.*
4. *Investors were not prepared for the recent magnitude of the correction, providing potentially significant sellers wanting to get out. (Trapped longs)*
5. *Monetary policy uncertainty remains elevated.*
6. *Valuations, while reduced, remain well elevated from the long-term median and average.*

With balanced risks, investors will likely benefit by remaining cautious and managing risk exposures until a more bullish path is exposed.

Notably, the issue of valuations is essential to consider. Valuations are a function of earnings, and this week's subject focuses on S&P Global's recent slashing of earnings estimates for the S&P 500 Index.

Need Help With Your Investing Strategy?

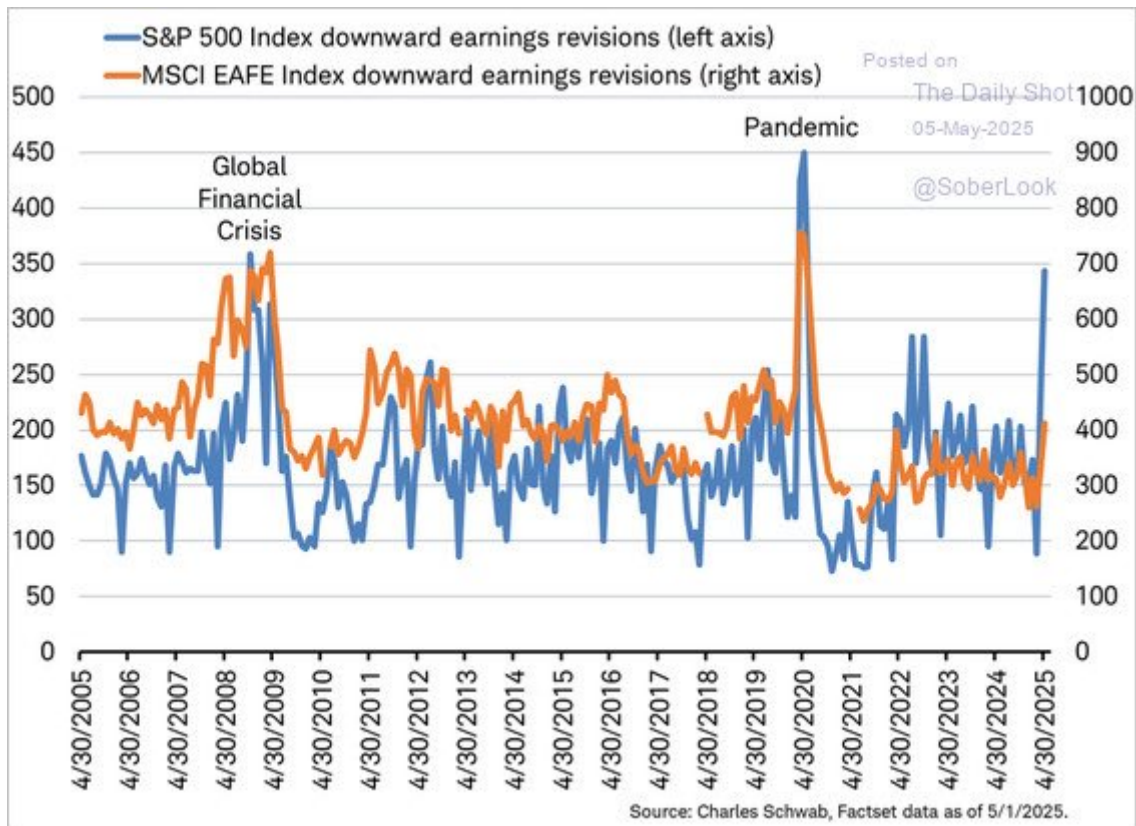
Are you looking for complete financial, insurance, and estate planning? Need a risk-managed portfolio management strategy to grow and protect your savings? Whatever your needs are, we are here to help.



The banner features a dark background with a stylized eagle head logo on the left. 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. Below this, a white arrow points to the text "> CLICK HERE To Make An Appointment Now".

Wall Street Versus S&P Global

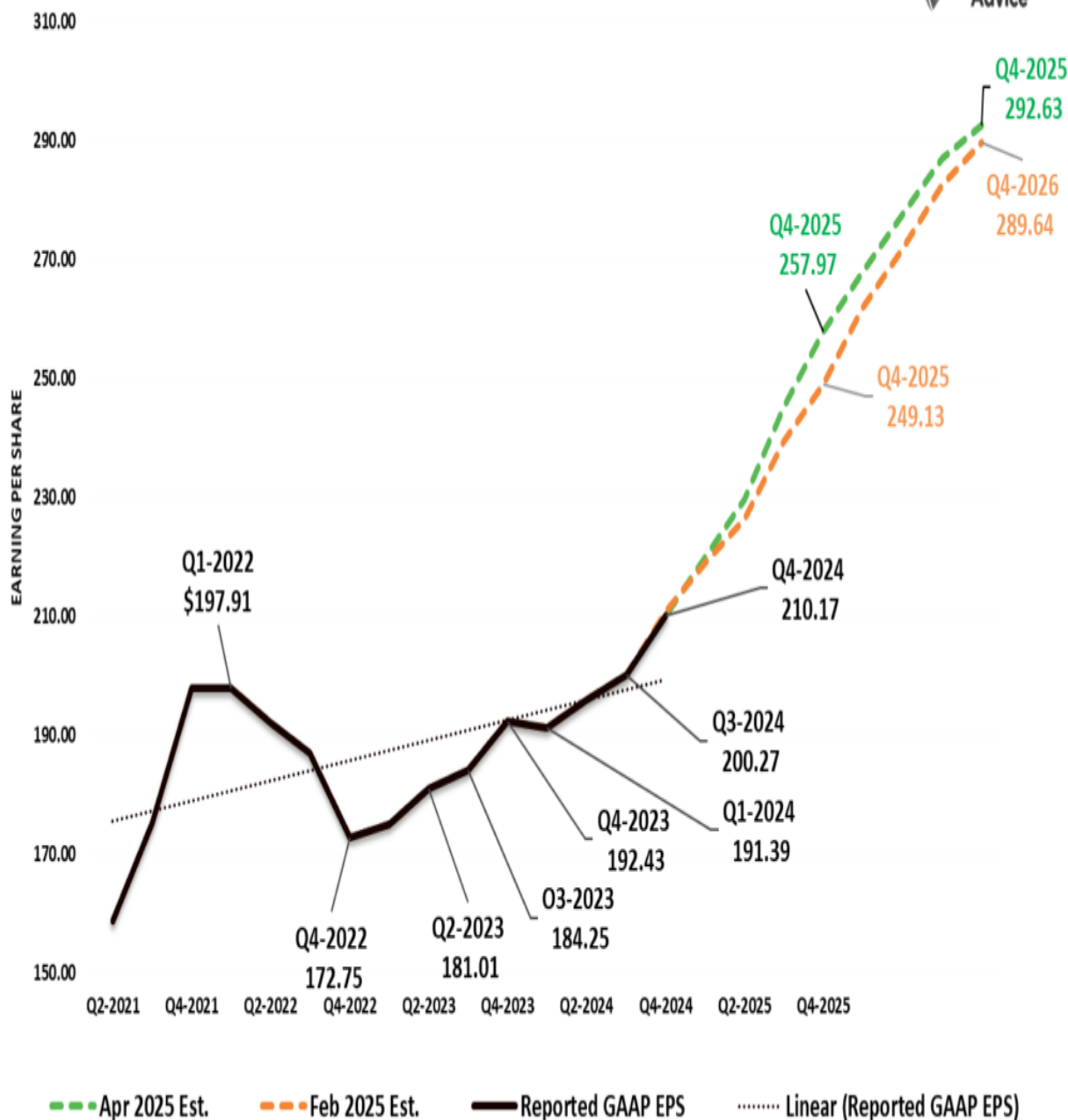
It has been an interesting few weeks for the markets and the economy. In early April, the market declined over the threat of tariffs and expectations that such would spark higher inflation rates and potentially push the economy into a recession. Such a backdrop would suggest that corporate earnings would come under attack, and the negative earnings revisions would be expected. Such is what we saw globally as negative earnings revisions from Wall Street analysts spiked higher.



However, we noticed an oddity by S&P Global, the purveyor of the S&P 500 Index, as we wrote on [May 3rd](#):

?While the first quarter earnings season has been okay, earnings over the next few quarters will likely be revised lower. So far, earnings estimates for the S&P 500 index (by S&P Global) remain extremely optimistic. In the last two months, S&P Global has raised its estimates for 2026 GAAP earnings (reported) from \$289/share to \$292/share. As we have discussed previously, these estimates are exceedingly deviated from the long-term growth trend of earnings.?

Estimates Are Exceedingly Optimistic



Source: S&P 500 Index Earnings Estimates

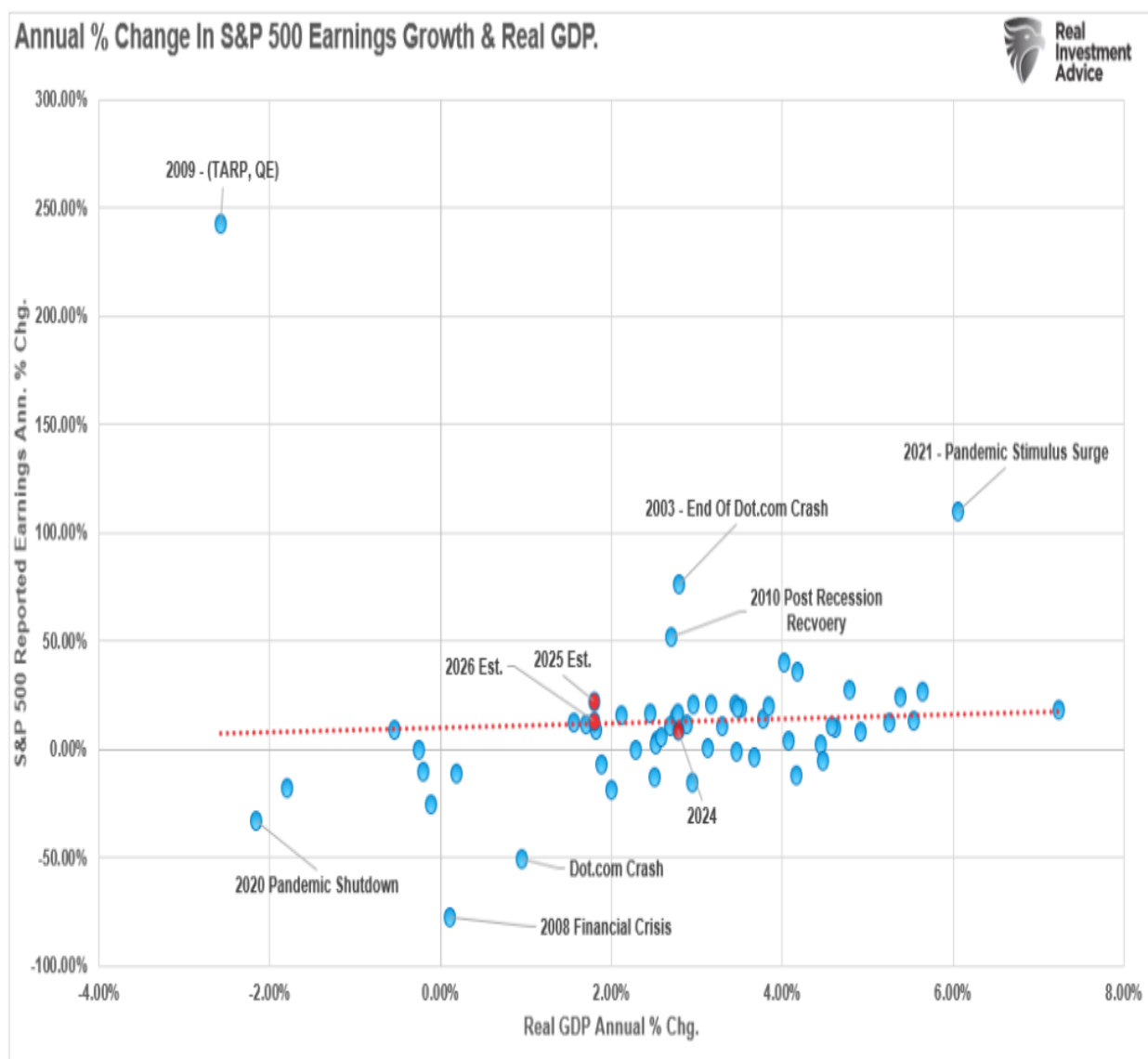
That optimism was stunning, particularly when economic growth rates are slowing. To ensure you understand the importance of that statement, reviewing the historical correlation between economic growth and earnings is crucial.

What Drives Earnings Growth

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](#)

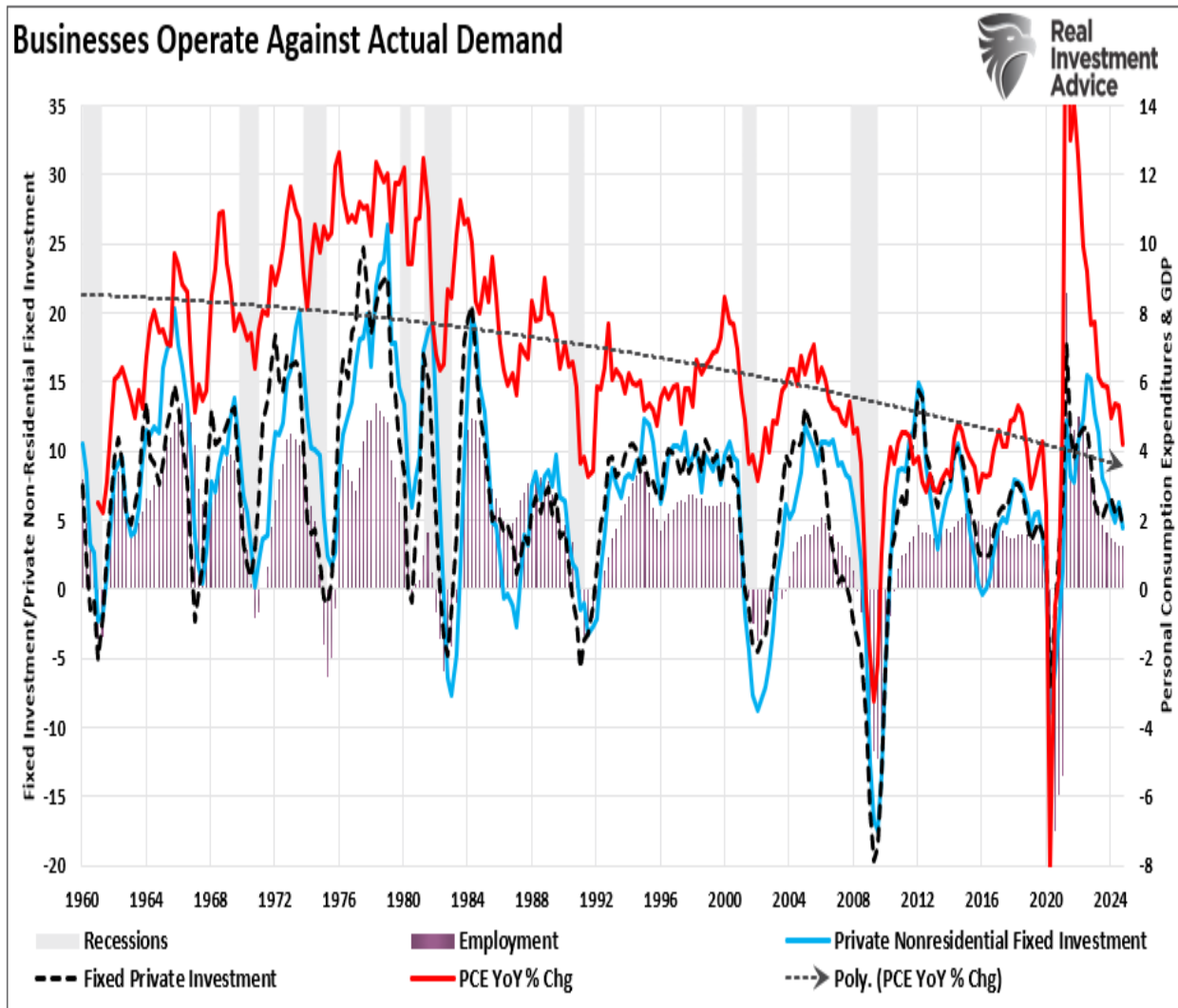
A better way to visualize this data is to look at the correlation between the annual change in earnings growth and inflation-adjusted GDP. There are periods when earnings deviate from underlying economic activity. However, those periods are due to pre- or post-recession earnings fluctuations. Currently,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



However, that assumes that GDP continues growing at roughly 2% annually. If economic growth deteriorates, as expected, then maintaining corporate earnings at projected levels becomes more difficult. As discussed in yesterday's [#Macroview](#), **there is no evidence that the economy is slipping into a recession.**�However, if you want to know if an economic decline will evolve into a recession, there is one key factor to consider:�consumer spending.�

?Consumer spending comprises nearly 70% of the GDP calculation, and everything else, from business investment to imports and exports, is a function of the

consumer demand. In other words, if the consumer is slowing down or contracting spending, businesses will not invest in expansion projects, increasing employment, or buying more products for resale. That relationship is shown in the chart below, which compares PCE to jobs and private investment.

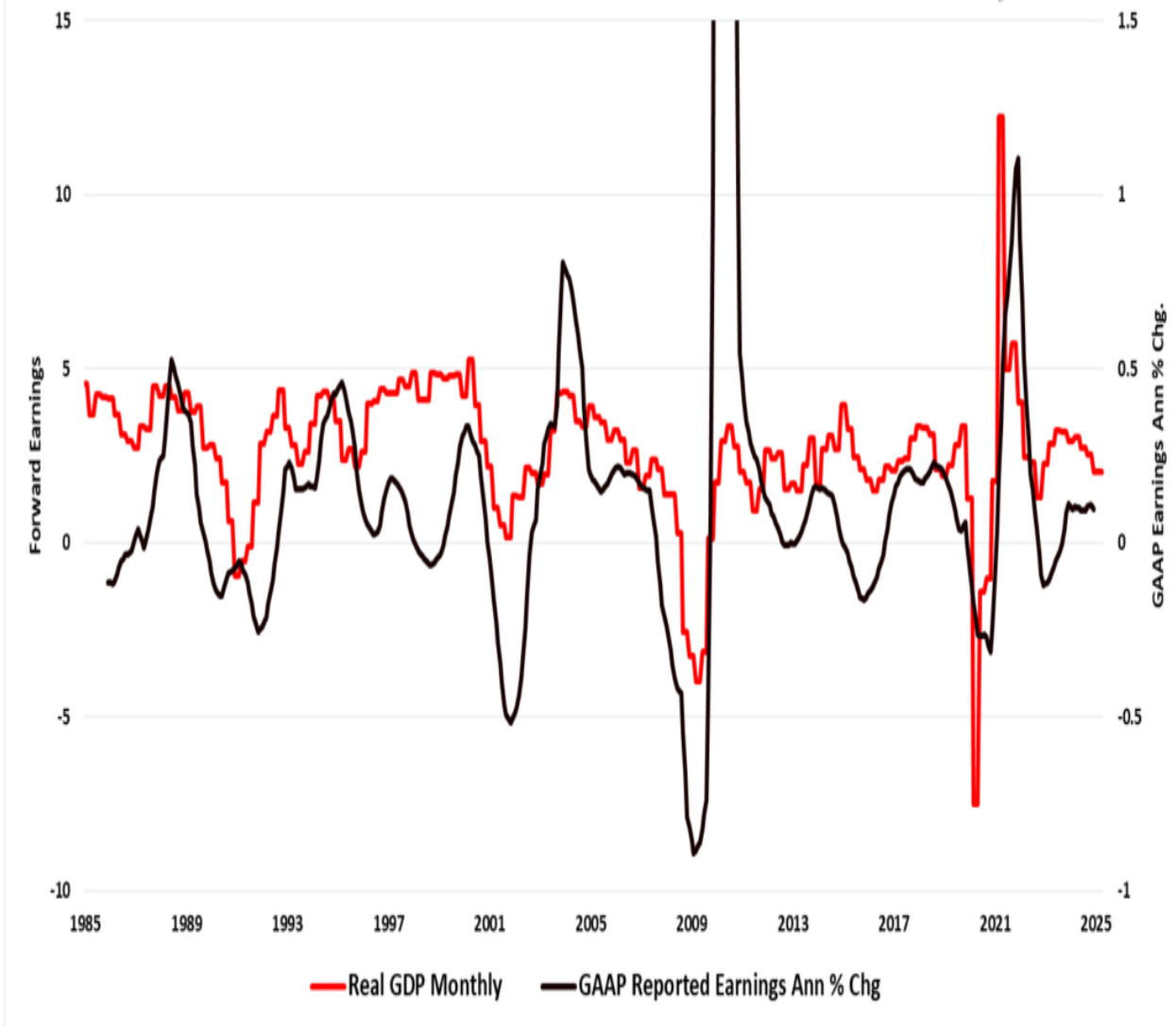


What should be evident is that the economic data is starting to weigh on corporate earnings growth.

S&P's Negative Earnings Revision Catchup

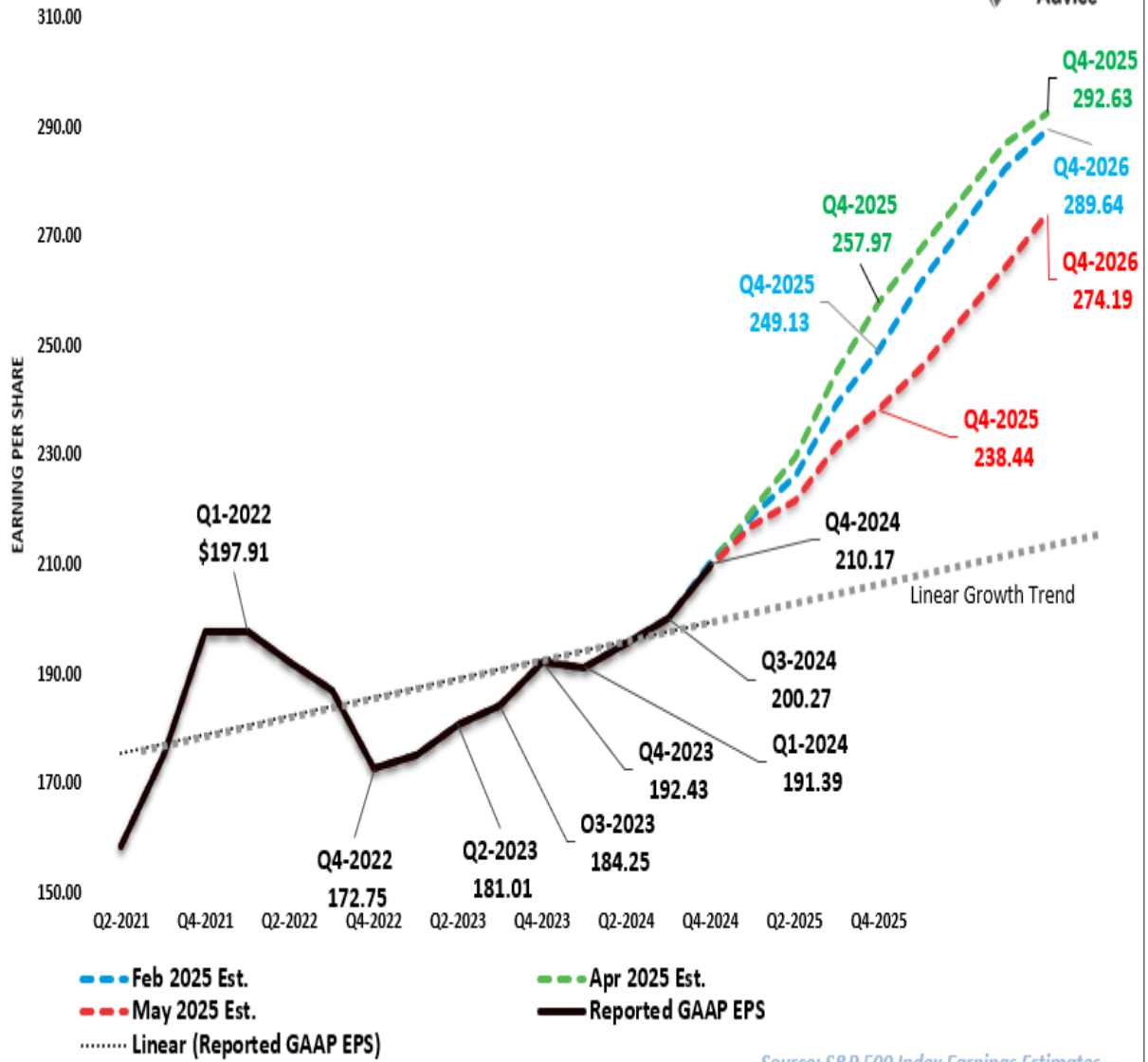
In other words, as the economy slows, consumer demand falls. The chart below shows real GDP compared to the annual rate of change in GAAP-reported earnings. Notice the correlation.

GAAP Earnings Vs GDP (Ann % Change)



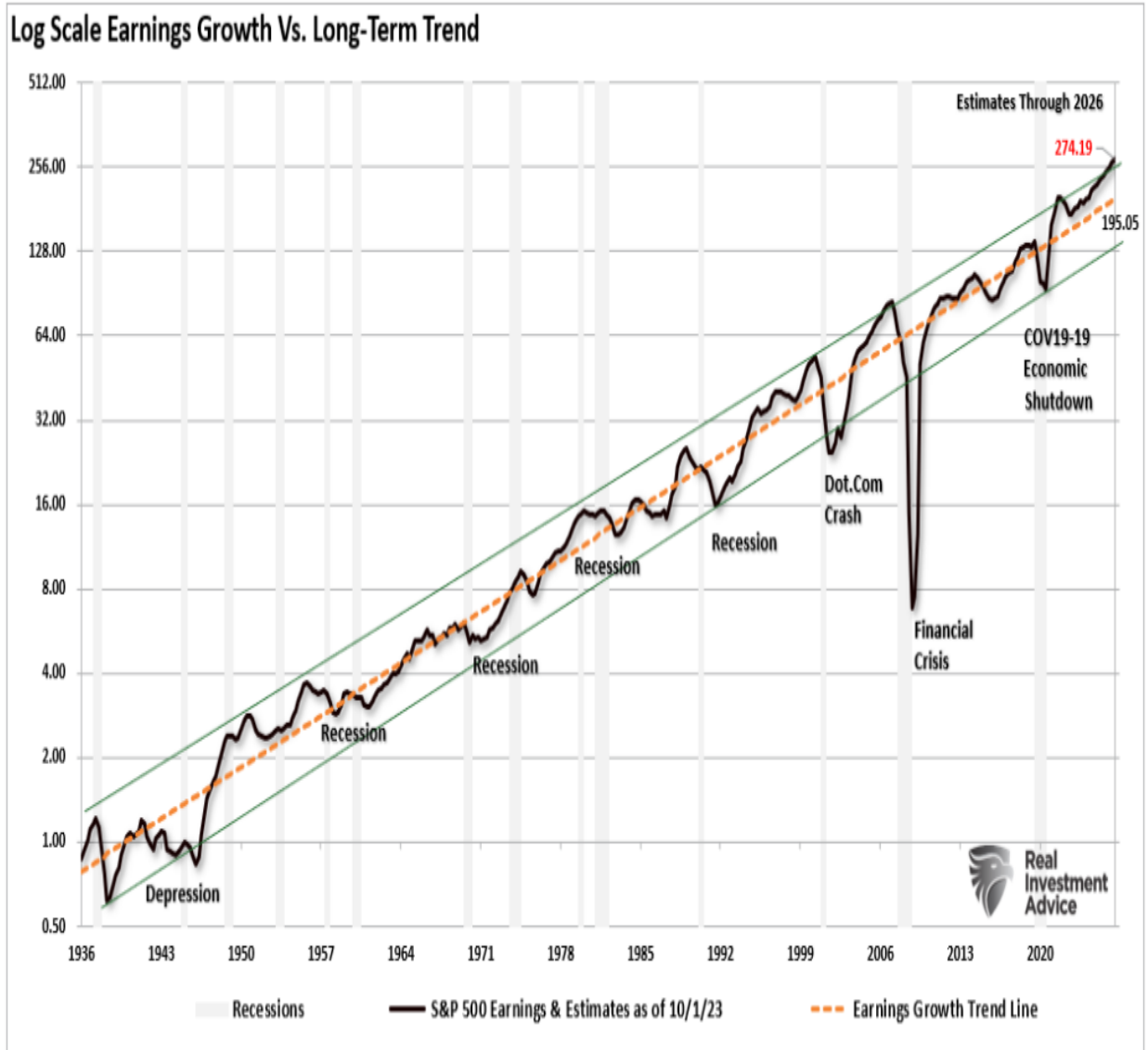
Given the slowdown in economic growth rates, it is unsurprising that, as of May 1st, S&P Global finally acquiesced and revised earnings estimates lower. However, this wasn't a mild earnings revision but a slashing of estimates from their April 15th expectation of \$292/share in 2026 to just \$274. Furthermore, full-year 2025 reported earnings estimates were cut by nearly \$20/share from \$258/share to just \$238/share.

Estimates Are Exceedingly Optimistic



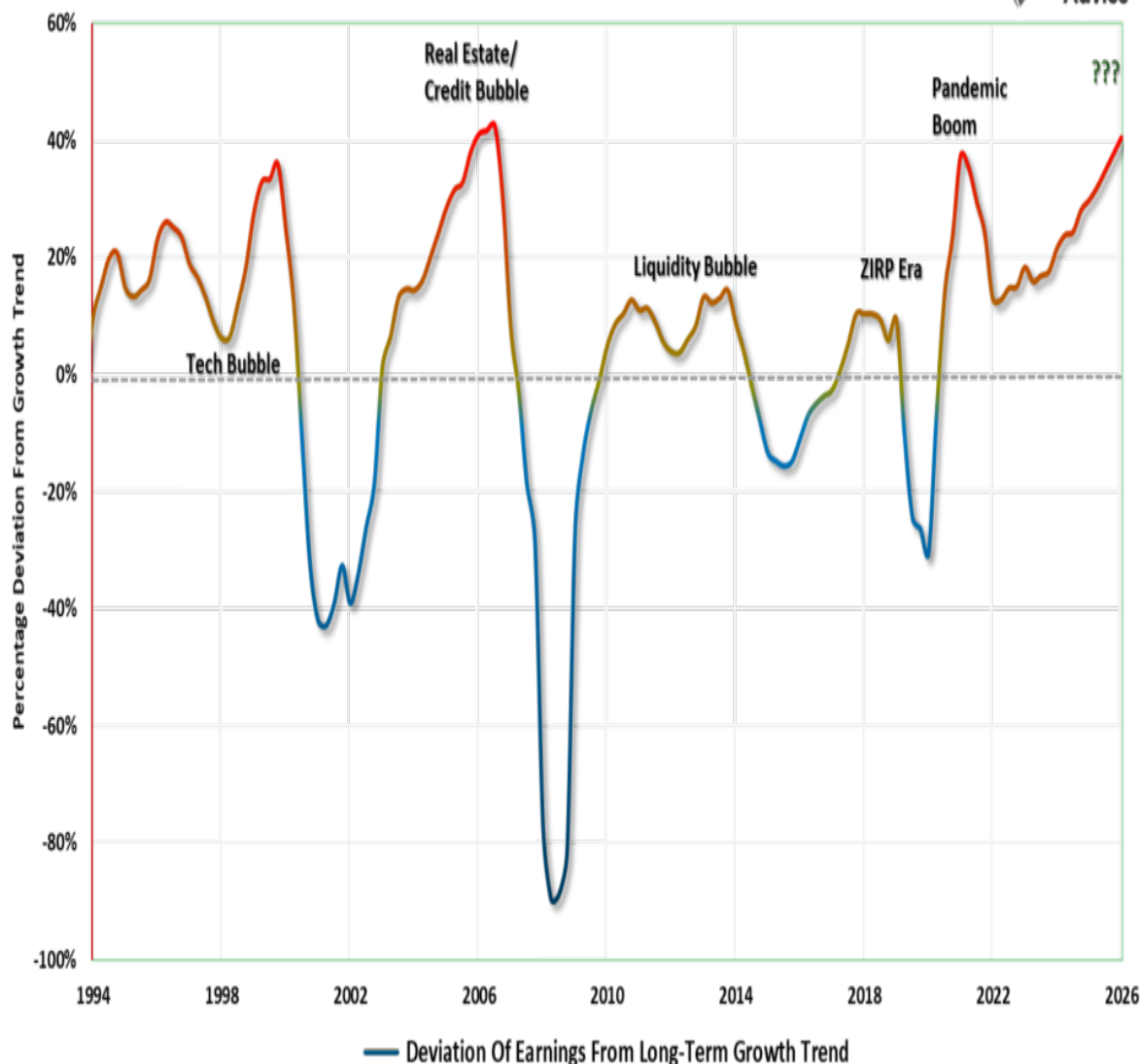
Source: S&P 500 Index Earnings Estimates

While this is S&P Global's first negative earnings revision for the S&P 500 index, it likely won't be the last. The current **linear growth trend** for S&P 500 earnings is around \$220/share in 2026. As shown in the chart below, earnings growth tends to revert to the long-term trend. You should notice in the chart below that since 1936, earnings haven't stayed at the top of the long-term growth trend channel for long. Historically, either economic recessions or some event reverses earnings from the peak to the trough of the channel regularly. **The current exponential growth trend for earnings is \$195/share.**



The chart below better visualizes that deviation from the long-term growth trend. (The chart includes the latest negative earnings revision.)

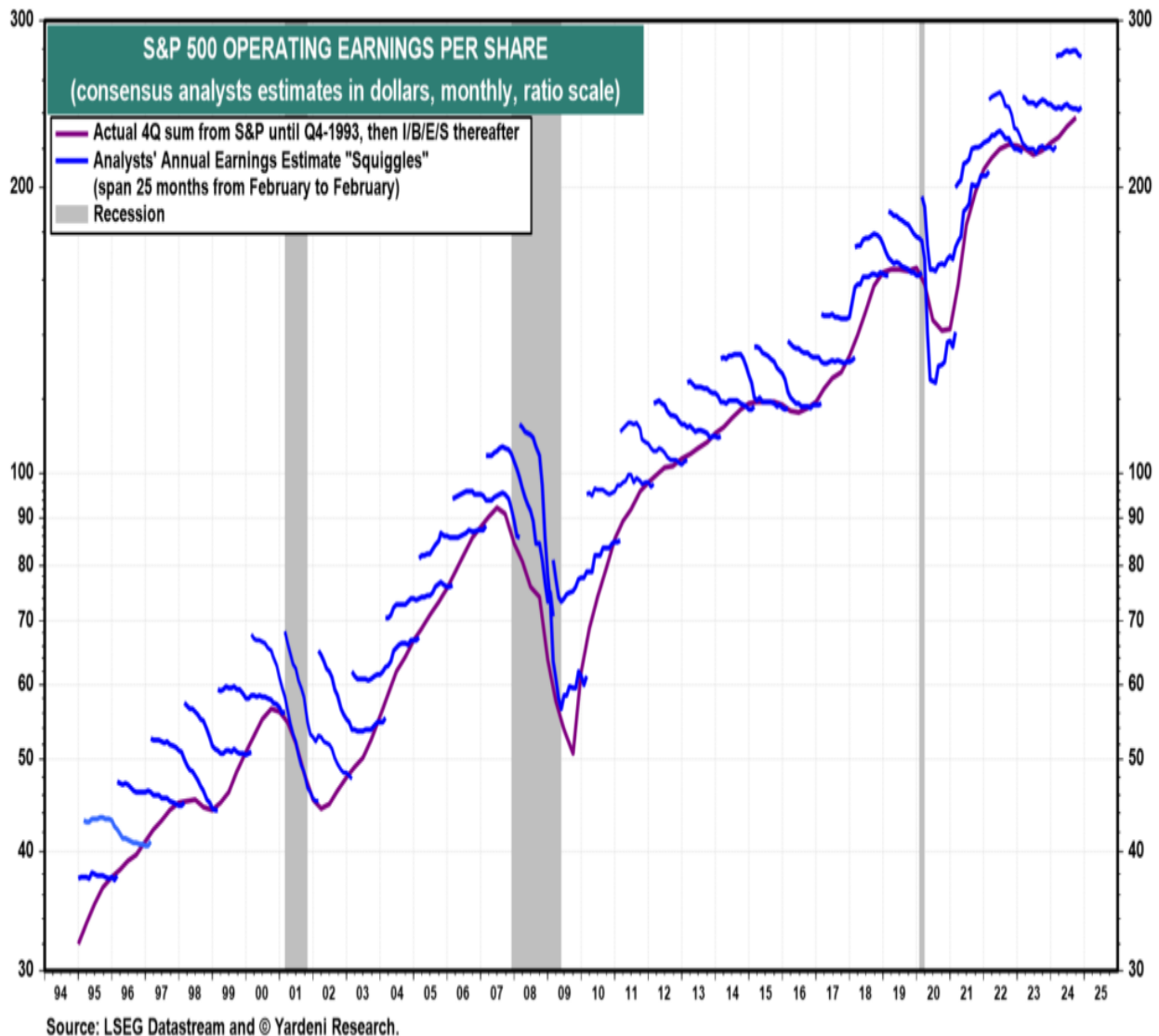
Deviation Of Earnings Above/Below Long Term Growth Trend



In other words, despite S&P Global's earnings revision, estimates remain overly optimistic despite slower economic growth. However, such is the problem that investors regularly face with analysts' forecasts.

The Historical Problem Of Analyst Market Forecasts

Here is the critical question for investors: ***“If the market is priced based on future earnings expectations, then how reliable are those estimates?”*** The chart below is from Yardeni Research and shows the evolution of earnings forecasts over time. You will notice that analysts' initial forecasts were wrong in almost every case.



This tendency to overshoot earnings growth has been attributed to several factors:

1. **Delayed Reaction to Macroeconomic Signals:** Analysts have tended to underestimate the lag effect of monetary tightening on corporate profits. Additionally, initial forecasts are often based on historical growth patterns but do not always reflect sudden economic or policy changes.
2. **Corporate Optimism:** Companies often guide higher during earnings calls, buoying analyst expectations. Furthermore, as the actual economic environment proves more difficult, earnings usually fail to meet these expectations, resulting in post-reporting season disappointments.
3. **Investment Banking Needs:** Wall Street is in the business of selling products. Therefore, increased estimates lower forward valuations, improving investor appetites, particularly for high-growth companies. A previous study showed that the accuracy and timeliness of earnings forecasts are the LEAST important for analysts. **(Read: [The Truth About Wall Street Analysis](#))**

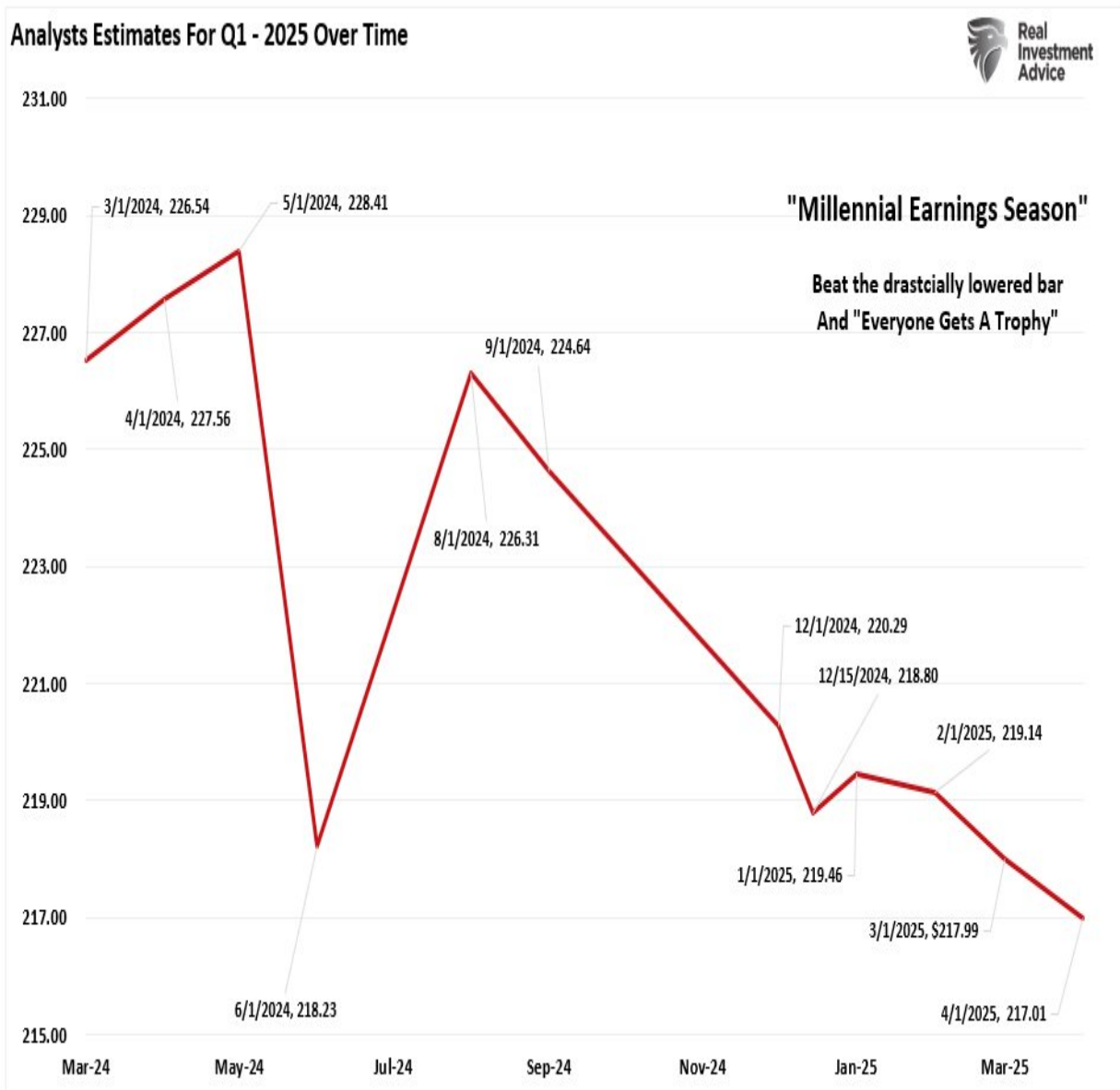
In other words, if you bought stocks at the beginning of virtually every analyst's annual forecast, based on the assumption that earnings would grow, you overpaid for investments virtually every given year. However, in most cases, you make money anyway, so why worry about it?

The reason to worry is that over-estimation eventually leads to mean-reverting events, like now.

Valuations Remain An Issue

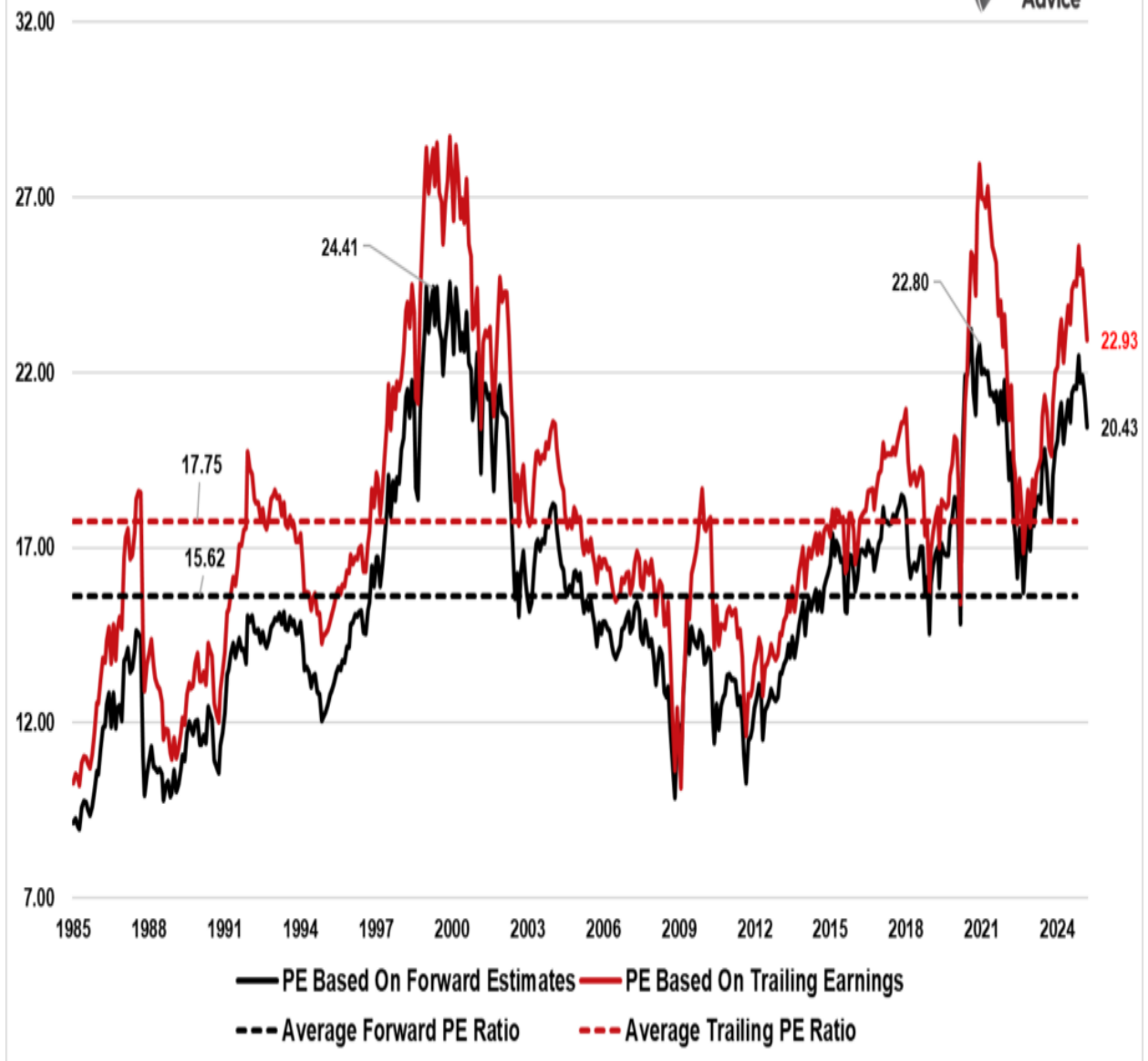
The biggest single problem with Wall Street today and in the past is the consistent disregard for the possibilities of unexpected, random events. In a 2010 study by the McKinsey Group, they found that analysts have been persistently overly optimistic for 25 years. **During the 25-year time frame, Wall Street analysts pegged earnings growth at 10-12% a year when, in reality, earnings grew at 6%, which, as we have discussed in the past, is the economy's growth rate.** This is why using forward earnings estimates as a valuation metric is so incredibly flawed?the estimates are always overly optimistic.

Here is a good example. Q1 estimates started at \$226/share. However, by the time Q1 earnings reports were nearing completion, earnings were closer to \$217/share. Therefore, if you were buying stocks based on future earnings expectations of \$226/share, you overpaid for the value you received.



Now, earnings into 2026 are being revised sharply lower, so valuation risk remains elevated. Valuations recently declined as the P fell, but the E remained stable. Now the P is rising as the E declines, increasing the valuation issue for investors.

Valuations Based On Forward & Trailing Operating EPS



As stated above, the market will face many headwinds in 2025. However, three key 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. (Low probability)*
2. *Wage and labor growth must reverse (weaken) to sustain historically elevated profit margins. (Low probability)*
3. *Both interest rates and inflation need to decline to support consumer spending. (Challenging but possible)*

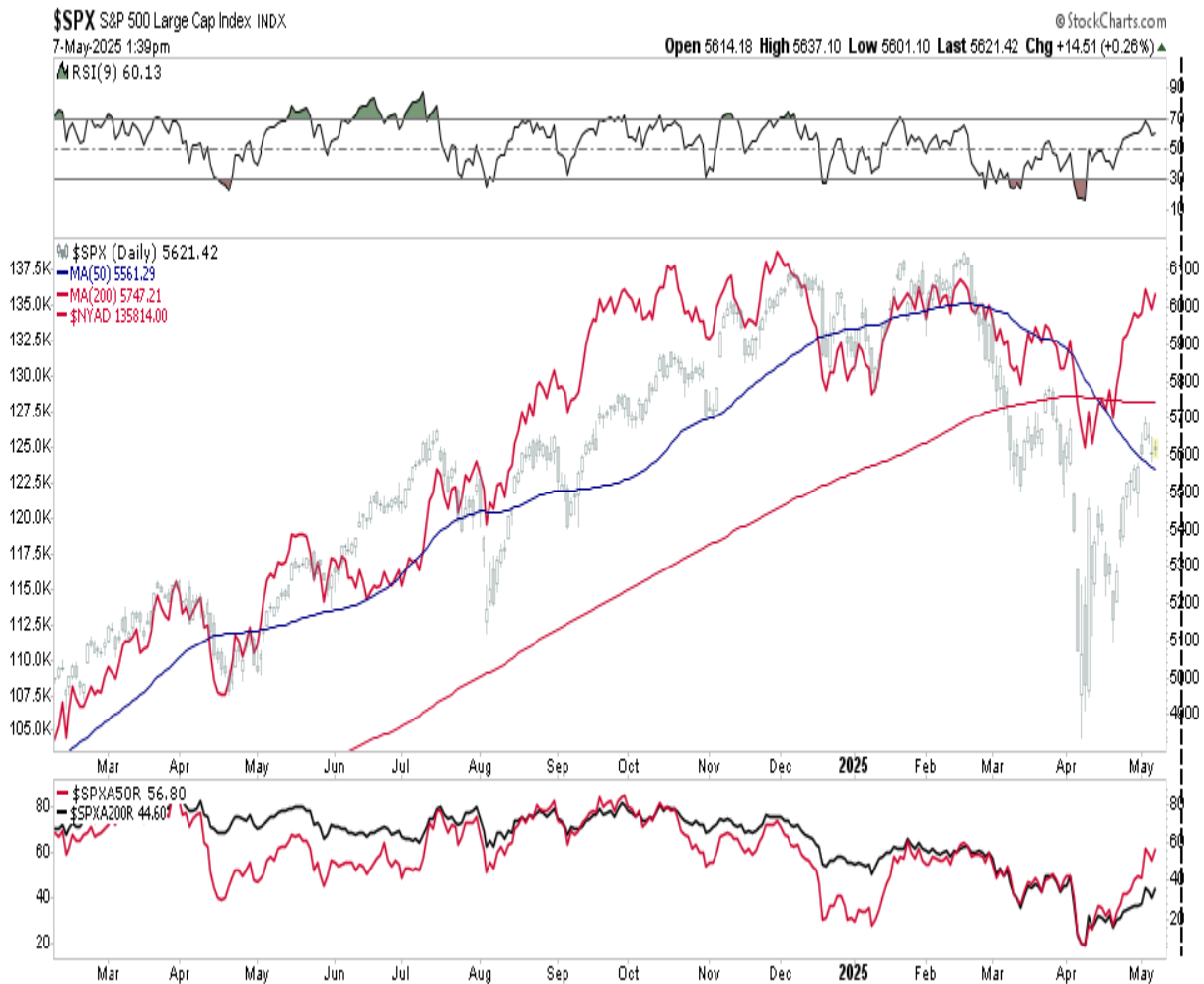
While analysts are optimistic about economic and earnings growth in 2025, the potential risks to those forecasts and further downward earnings revisions may pose challenges.

We suggest remaining somewhat cautious with risk-taking.

How We Are Trading It

We continue to manage our portfolios in a manner that allows us to participate in the market increase but still hedge against underlying risk. As such, we suggest rebalancing risk as necessary

and adjusting portfolio holdings to provide some hedge against a sudden pickup in volatility. While the number of stocks trading above their 50 and 200-DMAs is rising, indicating more substantial breadth and participation in the market, it also serves as a warning. As shown, previous higher levels of participation also coincide with market peaks and short-term corrections.



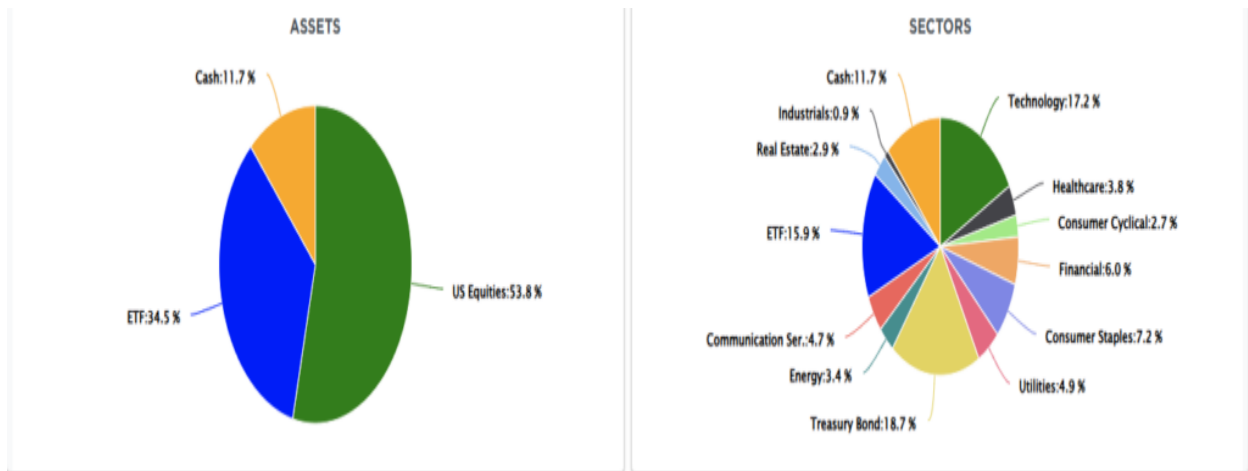
The trick to navigating markets is not trying to *time* the market to buy or sell the exact bottom or top. That is impossible. Successful long-term management **is understanding when *enough is enough***; and being willing to take profits and protect your gains. That is our situation for many stocks after the robust rally from the recent lows. With markets within a corrective process and trading below long-term moving averages, the opportunity to rebalance risk and reduce portfolio volatility is available. However, many investors will opt to *hope* for further gains, but will sell at lower levels if the correction continues.

That advice remains relevant this week as we head further into May, which wraps up the seasonally strong period of the year. A pickup in volatility, some surprises, and disappointments will be the nature of the market as economic and tariff-related news rules the headlines. The trick will be to navigate the outcome without making emotionally driven decisions.

Continue to follow the rules and stick to your discipline. **(Read our article on [What Is Risk?](#) for a complete list of rules)**

Have a great weekend.

(Note: The allocation below contains a 5% short S&P 500 position in the ETF allocation.)



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.

Research Report

Employment Data Confirms Economy Is Slowing

By Lance Roberts | May 9, 2025

Subscribe To 'Before The Bell' For Daily Trading Updates

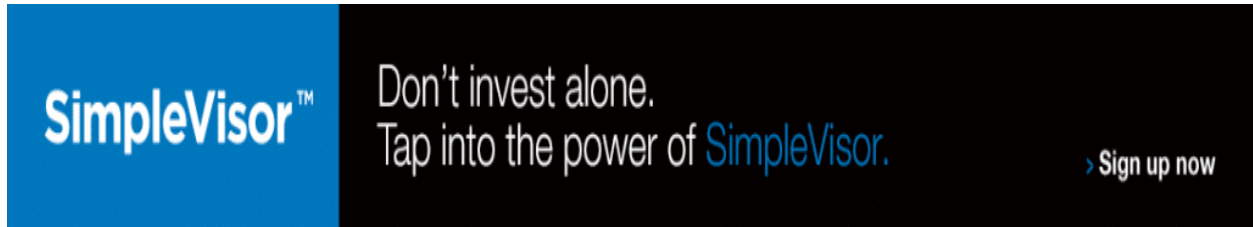
We have set up a separate channel JUST for our short daily market updates. **Please subscribe to THIS CHANNEL to receive daily notifications before the market opens.**

[Click Here And Then Click The SUBSCRIBE Button](#)

[embed]https://www.youtube.com/watch?v=e00bUJpRZZc[/embed]

[Subscribe To Our YouTube Channel#2013266080](#);To Get Notified Of All Our Videos

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

PODD	SOLV	GEN	HOLX	RMD
20.88%	5.4%	1.8%	1.01%	0.8%
CAH	DGX	CNC	WBA	ALGN
0.65%	0.6%	0.59%	0.54%	0.53%
MTD	ELV	WAT	MRK	LLY
-1.87%	-1.89%	-1.94%	-2.16%	-2.25%
AMGN	DHR	IQV	VTRS	REGN
-2.28%	-2.61%	-2.81%	-3.52%	-3.63%

Technology

MCHP	FSLR	TXN	ENPH	ON
12.6%	5.17%	4%	3.52%	3.04%
ADI	INTC	NXPI	FI	SWKS
2.33%	2%	1.76%	1.48%	1.37%
FFIV	IT	IBM	VRSN	EPAM
-1.12%	-1.13%	-1.29%	-1.33%	-1.45%
CRM	PLTR	DAY	CRWD	AKAM
-1.54%	-1.55%	-2.78%	-4.21%	-10.76%

Consumer Cyclical

TSLA	WYNN	F	APTV	MGM
4.72%	1.55%	1.46%	1.41%	1.15%
MHK	ULTA	CZR	BALL	TPR
1.14%	1.01%	0.72%	0.68%	0.61%
PKG	RL	IP	DHI	EBAY
-1.09%	-1.09%	-1.45%	-1.46%	-1.49%
BKNG	SBUX	CMG	DECK	EXPE
-1.8%	-2.3%	-3.36%	-3.62%	-7.3%

Financial

MKTX	CBOE	FDS	ICE	CME
2.14%	1.56%	1.37%	1.05%	0.84%
CINF	AIG	AMP	GL	IVZ
0.77%	0.72%	0.65%	0.59%	0.54%
APO	KKR	BLK	WFC	RF
-0.55%	-0.55%	-0.56%	-0.63%	-0.66%
MMC	AON	COF	DFS	ERIE
-0.69%	-0.78%	-0.92%	-1.02%	-1.59%

Consumer Staples

ADM	KVUE	MNST	BG	TAP
1.74%	1.58%	1.43%	1.42%	0.68%
HSY	DLTR	KR	COST	K
0.46%	0.11%	0.08%	0.04%	-0.07%
CL	SYY	LW	MDLZ	PM
-1.12%	-1.19%	-1.22%	-1.26%	-1.34%
KHC	MO	KDP	TSN	CLX
-1.47%	-1.61%	-1.76%	-1.85%	-2.21%

Industrials

BA	CARR	SWK	PH	ROK
1.64%	1.33%	1.33%	1.23%	1.22%
GP	MMM	ETN	DOV	JCI
1.17%	1.05%	0.92%	0.85%	0.75%
ROP	TDG	GW	FAST	PCAR
-0.78%	-0.83%	-0.84%	-0.87%	-0.98%
EXPD	UPS	JBHT	ODFL	UAL
-1.03%	-1.09%	-1.1%	-1.15%	-2.69%

Utilities

NEE	AES	GEV	AWK	LNT
2.91%	2.77%	1.34%	1.06%	1.06%
XEL	ES	AEP	CMS	DTE
0.63%	0.46%	0.4%	0.31%	0.3%
PPL	WEC	PNW	SRE	ETR
-0.31%	-0.31%	-0.43%	-0.46%	-0.47%
PEG	NRG	ATO	CNP	VST
-0.68%	-0.84%	-0.86%	-1.08%	-3.66%

Materials

NEM	CTVA	CF	MOS	FCX
2.18%	1.39%	1.34%	1.3%	1.01%
ALB	DOW	DD	PPG	STLD
0.85%	0.82%	0.78%	0.76%	0.68%
APD	VMC	EMN	MLM	LIN
0.55%	0.45%	0.06%	0.05%	-0.13%
NUE	ECL	SHW	LYB	IFF
-0.23%	-0.29%	-0.48%	-0.51%	-0.88%

Real Estate

CCI	PLD	SBAC	PSA	BXP
1.67%	1.35%	1.3%	1.12%	1.05%
WY	AMT	VICI	CBRE	MAA
1.04%	0.96%	0.89%	0.84%	0.84%
CPT	EQIX	EQR	ESS	IRM
0.42%	0.39%	0.37%	0.37%	0.34%
SPG	DLR	HST	CSGP	FRT
0.11%	-0.08%	-0.54%	-1.69%	-1.82%

Energy

EGT	APA	DVN	OXY	PSX
4.16%	3.34%	1.88%	1.74%	1.58%
EOG	FANG	CTRA	XOM	HES
1.29%	1.26%	1.17%	1.17%	1.14%
WMB	KMI	VLO	SLB	BKR
1.05%	1%	0.99%	0.67%	0.66%
MPC	HAL	OKE	COP	TRGP
0.61%	0.59%	0.06%	-0.26%	-0.31%

Communication Ser.

PARA	LYV	T	DIS	WBD
2.23%	1.36%	1.35%	0.78%	0.67%
TTWO	DASH	NWS	CMCSA	VZ
0.49%	0.31%	0.22%	0.09%	0%
NFLX	IPG	FOX	CHTR	OMC
-0.37%	-0.48%	-0.51%	-0.66%	-0.67%
GOOG	META	NWSA	TMUS	EA
-0.88%	-0.92%	-1.47%	-1.49%	-1.52%

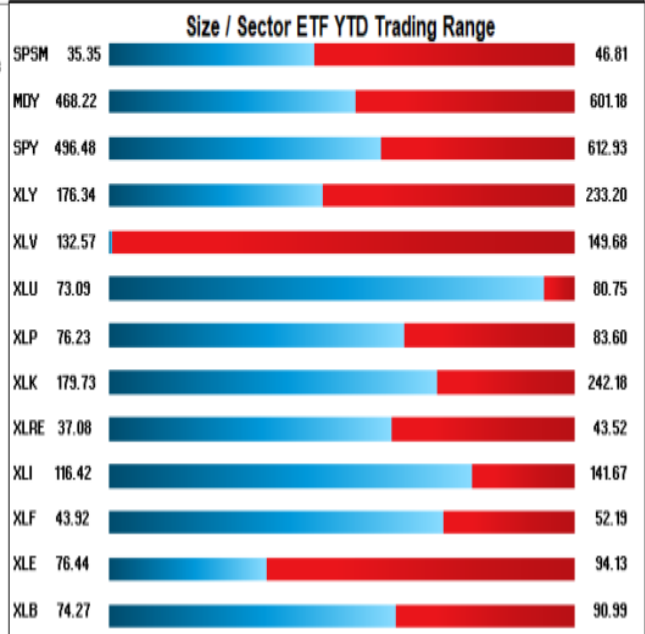
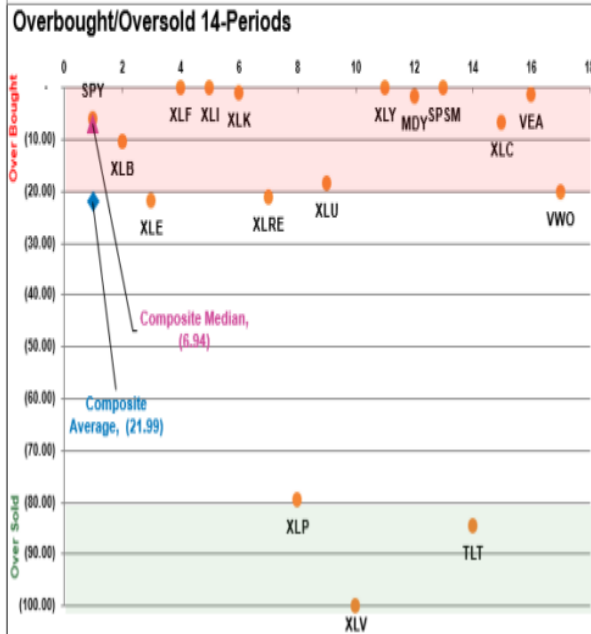
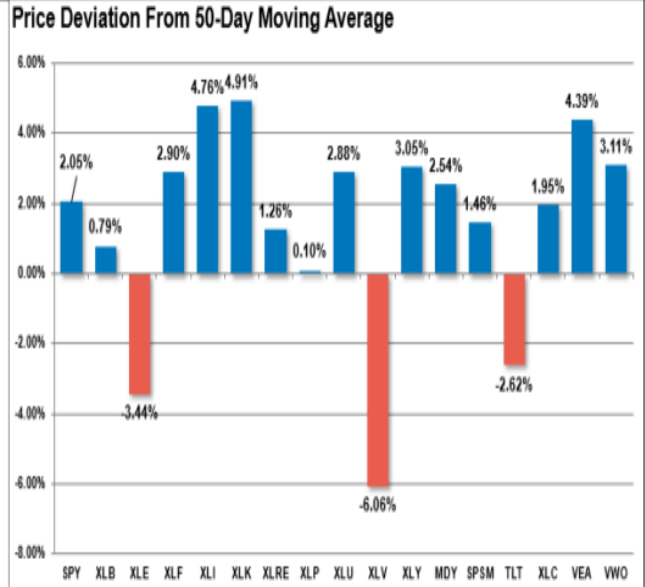
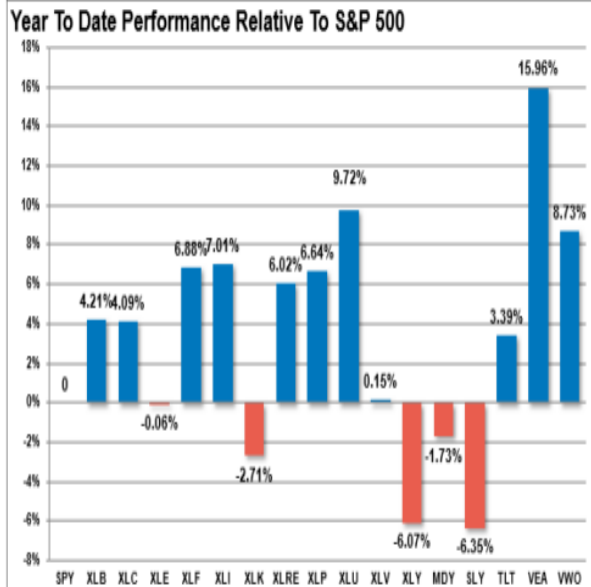
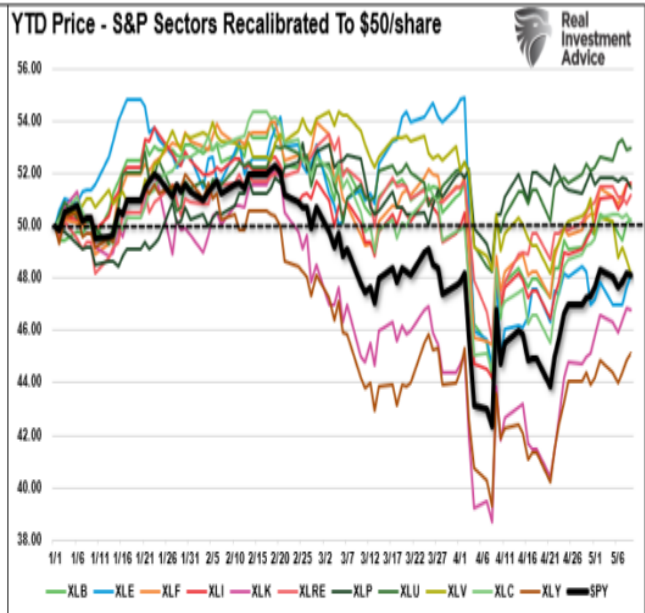
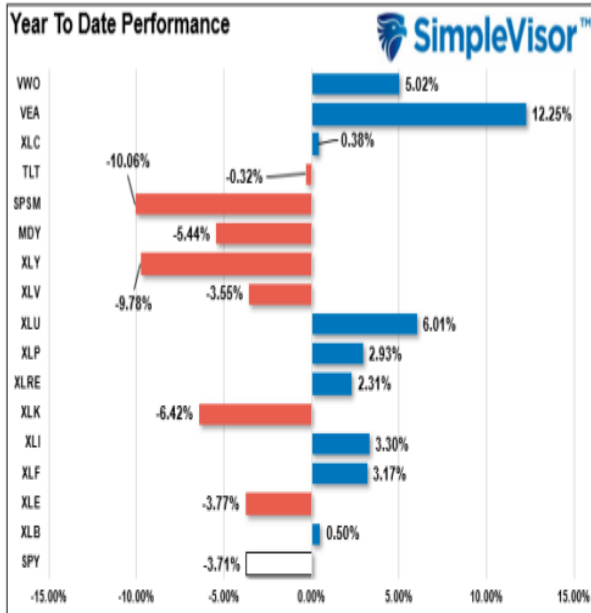
S&P 500 Weekly Tear Sheet

3 Month SPY Price										SPY RISK INFO				
										Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
										Price Return	37.95%	12.22%	(3.30%)	(126.97%)
										Max Drawdown	(21.43%)	(21.43%)	(21.43%)	0.00%
										Sharpe	0.47	0.52	(0.45)	(1.85)
										Sortino	0.56	0.73	(0.61)	(1.83)
										Volatility	16.35	20.01	29.52	0.47
										Daily VaR-5%	(6.30)	(16.03)	(57.20)	2.57
										Mnthly VaR-5%	(3.65)	(6.36)	(33.39)	4.25
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	1.54%	1.27%	1.30%	1.74%	1.90%	1.17%	(31.78%)	10.48%	Shares	5,001.9	4,936.9	(1.30%)		
P/E Ratio	19.41	23.70	22.75	(4.17%)	29.09	16.68	(21.8%)	36.34%	Sales	115,681	127,462	10.18%		
P/S Ratio	4.45	5.29	5.27	(0.31%)	6.08	4.01	(13.32%)	31.25%	SPS	23.1	25.8	11.64%		
P/B Ratio	7.28	8.29	8.00	(3.70%)	8.92	6.29	(10.31%)	27.24%	Earnings	18,857	24,491	29.88%		
ROE	25.69%	28.34%	31.11%	8.90%	31.11%	19.38%	0.00%	60.55%	EPS TTM	5.1	5.7	11.60%		
ROA	6.08%	7.09%	8.31%	14.75%	8.31%	4.59%	0.00%	81.28%	Dividend	1.6	1.8	10.39%		
S&P 500 Asset Allocation														
Sector	1 Year Price Return	Weight	Beta	P/E	P/E High-5yr (Mo.)	P/E Low-5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE		
Energy	(9.77%)	3.18%	0.76	13.97	86.48	(331.89)	(83.8%)	13.0%	3.6%	7.15%	5.84	14.94		
Materials	(4.91%)	2.01%	1.01	22.15	27.40	11.54	(19.1%)	11.6%	2.0%	4.62%	4.64	19.83		
Industrials	10.56%	8.54%	1.13	24.65	48.41	18.52	(49.1%)	25.7%	1.4%	3.97%	7.09	21.55		
Discretionary	12.39%	10.34%	1.41	27.14	74.90	27.03	(63.8%)	24.0%	0.7%	3.55%	5.95	25.12		
Staples	14.78%	6.15%	0.59	23.65	24.13	19.14	(2.0%)	27.9%	2.3%	4.22%	4.12	22.40		
Health Care	(1.35%)	10.82%	0.67	18.77	24.74	14.80	(24.1%)	25.5%	1.8%	4.86%	8.87	17.63		
Financials	24.51%	14.46%	1.08	18.27	21.52	13.01	(15.1%)	12.0%	1.4%	5.50%	9.02	16.47		
Technology	16.59%	30.31%	1.48	32.41	39.49	20.45	(17.9%)	69.6%	0.7%	2.89%	6.05	25.89		
Telecom	12.11%	9.32%	0.92	21.27	28.38	15.43	(25.0%)	29.0%	0.8%	4.74%	7.65	17.43		
Utilities	18.30%	2.56%	0.59	19.44	21.42	15.59	(9.2%)	11.2%	3.0%	5.16%	3.81	17.53		
Real Estate	14.67%	2.25%	1.01	19.34	26.41	15.65	(26.8%)	5.9%	3.5%	5.21%	4.85	18.59		
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	566.76	(5.53%)	555.23	2	2.08%	574.45	41	(1.34%)	(3.34%)	(7.58%)	17.63%	Sell		
Mid Cap	535.98	(5.39%)	527.38	1	1.63%	563.57	275	(4.90%)	(6.42%)	(14.12%)	16.82%	Sell		
Small Cap	40.18	(8.87%)	40.12	1	0.16%	44.24	80	(9.17%)	(9.31%)	(19.69%)	15.49%	Sell		

Relative Performance Analysis

As noted last week, the market support was held this past week, even though markets tried to correct somewhat. However, buyers kept stepping in, particularly corporations with the open buyback window, which kept the market from correcting much of its short-term overbought condition. Other than Staples, GBonds, and Healthcare, everything else remains overbought. As

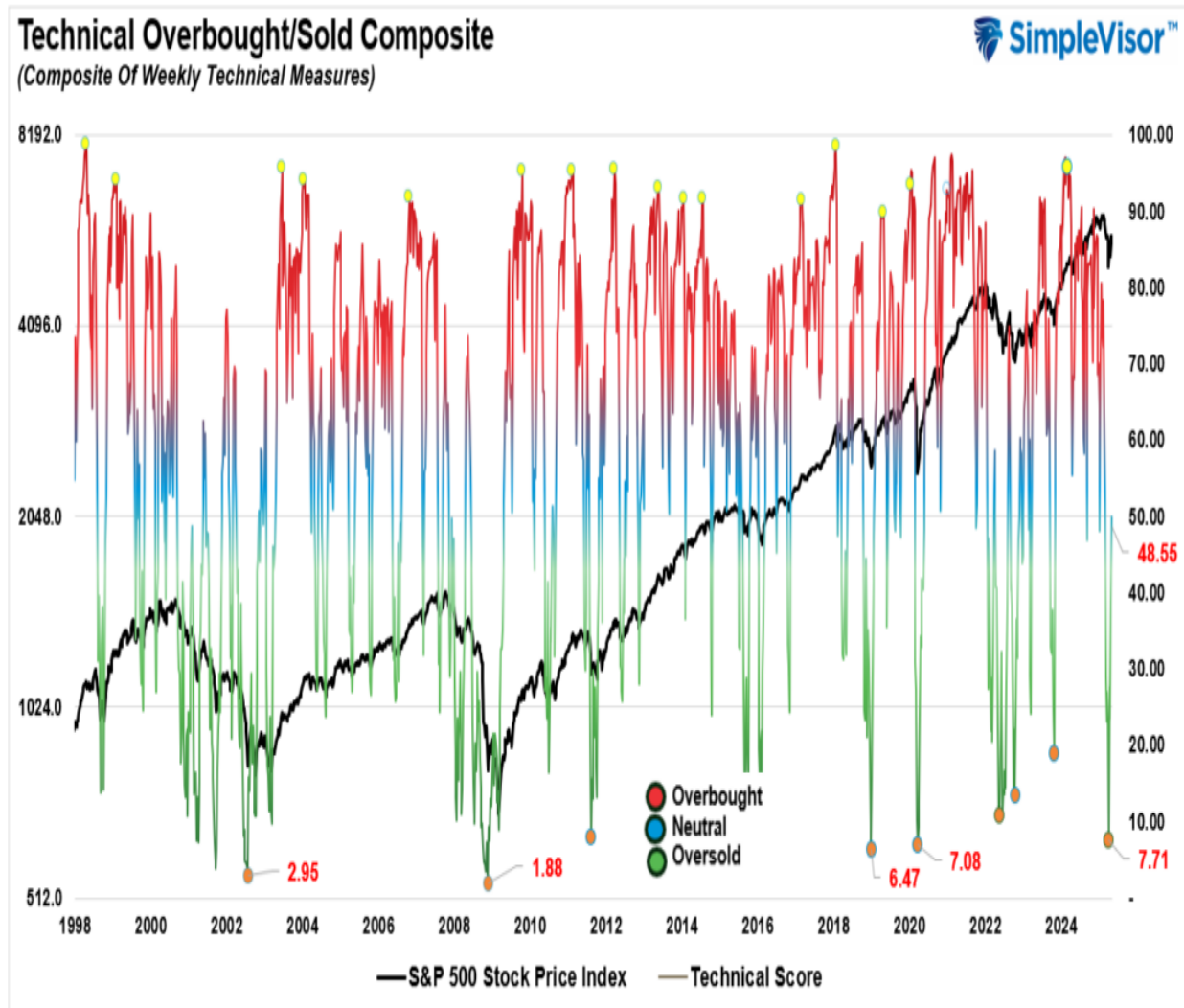
such, we could see some rotation into those oversold market areas (more defensive) as the recent rally pauses.



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 48.55 out of a possible 100.

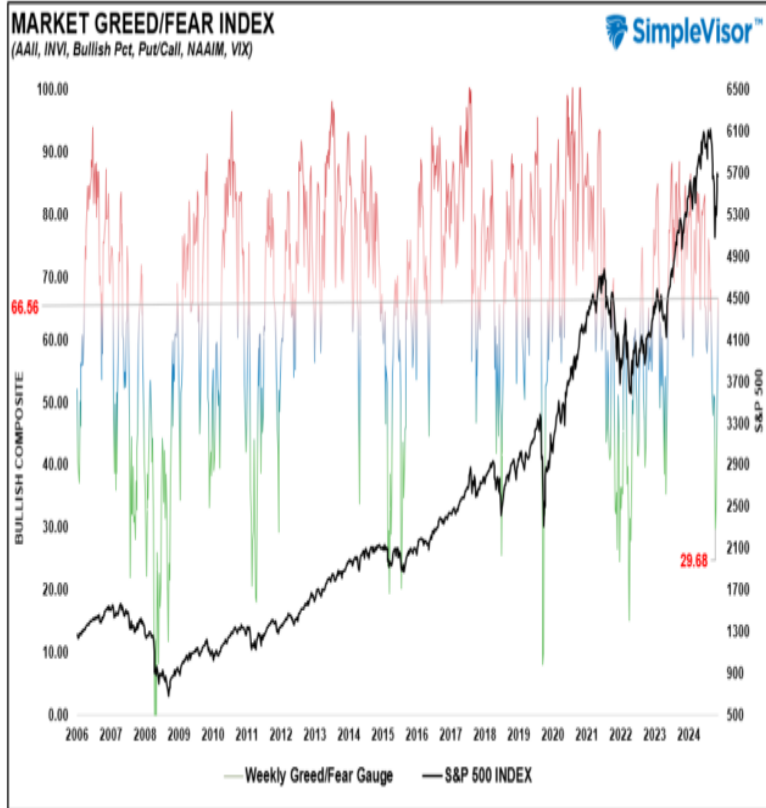


Portfolio Positioning Fear / Greed Gauge

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.

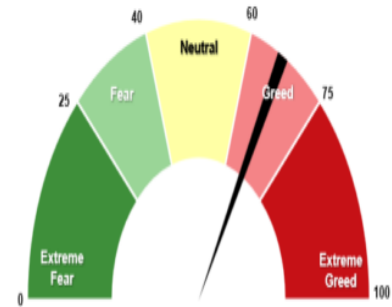
NOTE: The Fear/Greed Index measures risk from 0 to 100. It is a rarity that it reaches levels above 90.

The current reading is 66.56 out of a possible 100.



Current
Fear/Greed
Index

66.56



The **Fear/Greed Index** is based on a composite of indicators measuring both equity allocation levels (*What actions investors are currently taking*) and overall sentiment (*How investors "feel" about the current market.*)

These measures are then combined into a single index that can range from zero (0) to one hundred (100). Readings above 75% are considered extremely bullish with readings below 25% as extremely bearish.

The **"Fear/Greed"** index is a contrarian indicator suggesting that investors "buy" when "extreme fear" is present and "sell" during periods of "extreme greed."

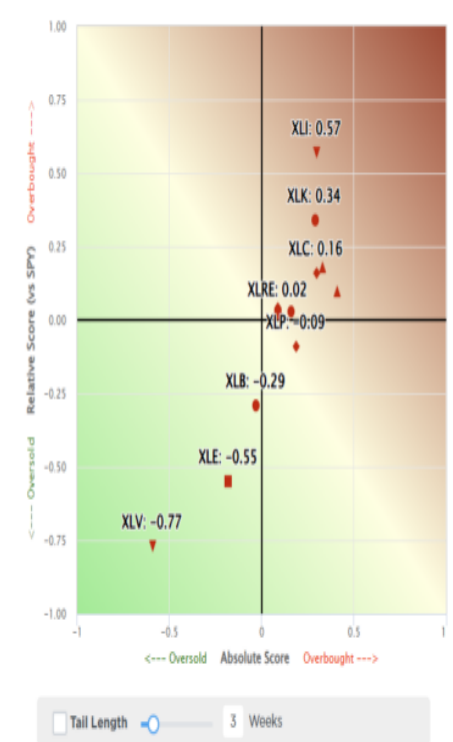
Relative Sector Analysis

Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol Name	Top 10 Holdings	Absolute Score	Relative Score (vs SPY)	Chart
XLV Health Care		-0.59	-0.77	
XLE Energy		-0.18	-0.55	
XLB Materials		-0.03	-0.29	
XLP Consumer Staples		0.19	-0.09	
XLRE Real Estate		0.09	0.02	
XLY Consumer Discretionary		0.16	0.03	
XTN Transportation		0.09	0.04	
XLU Utilities		0.41	0.10	
XLC Communication Services		0.30	0.16	
XLF Financial		0.33	0.18	
XLK Technology		0.29	0.34	
XLI Industrials		0.30	0.57	



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.

As noted last week, given that most markets and sectors are trading with *?bearish?* crossovers, the correction process has likely not ended, so remain cautious. Historically, when most markets and sectors are trading bearish, the correction process is more entrenched and lasts longer than normal market pullbacks. While the market rally *?paused?* this past week, I suspect we could continue to see more turbulence in the week ahead.

RELATIVE PERFORMANCE		Current Price	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END PRICE	REL S&P BETA	RISK RANGE		% DEV - Short MIA	% DEV - Long MIA	MIA XVER SIGNAL
Ticker	ETF NAME		1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA			HIGH	LOW			
IVV	ISHARS-SP500	566.89	(0.43)	5.57	(7.47)	(5.27)	8.31	566.40	582.22	557.96	1.00	571.91	544.01	0%	-3%	BEARISH
XLB	SPDR-MATLS SELS	84.56	(0.01)	(0.53)	1.59	(4.86)	(16.24)	85.03	88.92	83.89	1.03	86.85	80.93	-1%	-5%	BEARISH
XLC	SPDR-COMM SV SS	97.18	0.18	0.91	(0.25)	5.58	10.51	97.09	96.28	95.44	1.04	98.82	92.06	0%	1%	BULLISH
XLE	SPDR-EGY SELS	82.43	0.98	(1.08)	(1.01)	(9.98)	(20.46)	86.47	88.83	80.50	0.77	83.13	77.87	-8%	-7%	BEARISH
XLF	SPDR-FINL SELS	49.86	0.63	1.27	3.73	3.56	10.89	49.10	48.73	48.76	0.99	50.46	47.06	2%	2%	BULLISH
XLK	SPDR-TECH SELS	217.60	0.89	4.14	(1.85)	(1.58)	(2.44)	213.53	224.84	209.97	1.21	217.75	202.19	2%	-3%	BEARISH
XLI	SPDR-INDU SELS	136.11	1.57	2.74	6.43	0.69	(0.01)	131.43	134.87	131.22	1.06	135.89	126.55	4%	1%	BEARISH
XLP	SPDR-CONS STPL	80.91	(0.37)	(4.87)	7.85	4.14	(4.07)	80.95	80.70	81.83	0.57	84.35	79.31	0%	0%	BULLISH
XLRE	SPDR-RE SELS	41.61	(0.33)	1.34	6.40	(0.35)	1.74	41.36	42.25	41.30	0.99	42.74	39.86	1%	-2%	BEARISH
XLU	SPDR-UTIL SELS	80.24	1.04	(0.43)	8.91	3.79	4.27	78.32	78.66	78.90	0.57	81.32	76.48	2%	2%	BEARISH
XLV	SPDR-HLTH CR	132.68	(3.79)	(8.63)	(0.90)	(2.69)	(15.91)	142.36	144.74	140.47	0.67	144.92	136.02	-7%	-8%	BEARISH
XLY	SPDR-CONS DISCR	202.41	0.92	1.12	(3.36)	(1.92)	5.34	201.99	210.68	197.26	1.22	204.60	189.92	0%	-4%	BEARISH
XTN	SPDR-SP TRANSP	73.89	2.94	4.70	(9.10)	(14.73)	(15.20)	75.39	82.92	68.85	1.40	71.53	66.17	-2%	-11%	BEARISH
SDY	SPDR-SP DIV ETF	132.47	0.62	(2.11)	6.14	(1.64)	(7.49)	133.02	136.07	131.04	0.79	135.35	126.73	0%	-3%	BEARISH
RSP	INVS-SP5 EQ ETF	172.57	0.83	0.94	2.77	(1.71)	(4.42)	171.99	176.94	169.14	0.98	175.03	163.25	0%	-2%	BEARISH
SPSM	SPDR-PRT SC	40.40	0.98	3.09	(4.12)	(11.62)	(13.16)	40.94	44.18	39.10	1.07	40.50	37.70	-1%	-9%	BEARISH
MDY	SPDR-SP MC 400	538.59	0.92	2.70	(0.30)	(5.54)	(9.86)	536.43	565.76	520.80	1.06	539.34	502.26	0%	-5%	BEARISH
EEM	ISHARS-EMG MKT	44.91	0.23	2.00	8.60	9.04	(2.64)	43.59	43.70	43.76	0.62	45.13	42.39	3%	3%	BEARISH
EFA	ISHARS-EAFE	85.97	0.28	3.29	12.40	16.12	(1.30)	82.24	80.30	84.75	0.84	87.58	81.92	5%	7%	BULLISH
IAU	ISHARS-GOLD TR	62.77	3.38	(2.60)	22.73	28.16	32.18	58.21	53.45	62.17	0.13	63.80	60.54	8%	17%	BULLISH
GDX	VANECK-GOLD MNR	50.37	7.42	(4.22)	30.09	36.86	34.58	45.02	40.83	49.01	0.56	50.51	47.51	12%	23%	BULLISH
UUP	INVS-DB US\$ BU	27.66	0.90	(4.81)	2.46	(3.53)	(12.07)	28.27	28.96	27.41	(0.23)	28.03	26.79	-2%	-4%	BEARISH
BOND	PIMCO-ACTV BOND	90.85	0.41	(4.48)	6.92	4.80	(7.51)	91.54	91.77	92.03	0.27	94.57	89.49	-1%	-1%	BEARISH
TLT	ISHARS-20+YTB	87.05	(0.34)	(5.39)	5.12	1.58	(11.72)	89.38	90.69	89.47	0.49	92.15	86.79	-3%	-4%	BEARISH
BNDX	VANGD-TTL INT B	49.18	0.33	(5.00)	7.47	3.56	(7.24)	49.00	49.46	49.55	0.20	50.89	48.21	0%	-1%	BEARISH
HYG	ISHARS-IBX HYCB	78.55	0.44	(3.21)	5.96	4.09	(6.17)	78.73	79.17	78.60	0.41	80.89	76.31	0%	-1%	BEARISH



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
- Technical Strength W/ Dividends

(Click Images To Enlarge)

RSI Screen

Strongest S&P 20 Relative Strength

Save Save as New

Scan Result: 20 ticker(s) found

Add more Filters



Reset

Technical Rating: At least 8

Indices: S&P 500

Run Screen

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Plotroski	SV Rank	Yield%
DLTR	Consumer Staples	10/10	\$85.47	\$88.73(3.67%)	66.31	\$80.42(6.28%)	\$73.65(16.05%)	\$73.44(16.38%)	3	6	3	%
EQT	Energy	10/10	\$55.62	\$24.96(-122.84%)	64.98	\$50.99(9.08%)	\$50.79(9.51%)	\$50.17(10.86%)	1	5	3	1.70%
HWM	Industrials	10/10	\$157.41	\$70.15(-124.39%)	75.08	\$138.21(13.89%)	\$132.01(19.24%)	\$127.00(23.94%)	1	7	3	0.32%
MOS	Materials	10/10	\$32.67	0	79.55	\$29.14(12.11%)	\$27.02(20.91%)	\$26.50(23.28%)	5	8	2	3.14%
NEM	Materials	10/10	\$53.98	0	56.87	\$53.95(0.06%)	\$49.26(9.58%)	\$45.39(18.92%)	—	7	3	2.03%
NFLX	Communication Ser.	10/10	\$1,140.22	\$444.95(-156.26%)	68.16	\$1,070.31(6.53%)	\$987.73(15.44%)	\$966.36(17.99%)	4	—	5	%
NRG	Utilities	10/10	\$119.33	0	70.01	\$107.07(11.45%)	\$99.94(19.40%)	\$100.50(18.74%)	4	6	3	1.83%
PLTR	Technology	10/10	\$117.30	\$17.10(-85.96%)	60.24	\$107.07(9.55%)	\$94.01(24.77%)	\$90.06(30.25%)	—	1	3	%
PM	Consumer Staples	10/10	\$169.70	\$113.81(-49.11%)	58.92	\$167.30(1.43%)	\$158.69(6.94%)	\$144.68(17.29%)	1	8	3	4.07%
TPR	Consumer Cyclical	10/10	\$78.01	\$69.71(-11.91%)	70.88	\$68.98(13.09%)	\$70.95(9.95%)	\$72.23(8.00%)	—	8	2	3.15%
TTWO	Communication Ser.	10/10	\$226.55	\$63.75(-255.37%)	56.23	\$221.00(2.51%)	\$212.96(6.38%)	\$202.54(11.85%)	3	5	3	%
VRSN	Technology	10/10	\$281.41	\$152.44(-84.60%)	66.79	\$266.28(5.68%)	\$252.30(11.54%)	\$233.13(20.71%)	4	7	—	%
BA	Industrials	9/10	\$194.85	\$25.59(-661.43%)	72.12	\$174.94(11.38%)	\$167.82(16.11%)	\$172.17(13.17%)	3	4	4	%
CME	Financial	9/10	\$284.35	\$250.46(-13.53%)	70.49	\$271.03(4.91%)	\$264.21(7.62%)	\$251.03(13.27%)	2	4	3	2.00%
CNP	Utilities	9/10	\$37.54	0	50.27	\$37.86(-0.85%)	\$36.38(3.19%)	\$34.34(9.32%)	1	6	3	2.85%
KR	Consumer Staples	9/10	\$71.87	\$43.00(-67.14%)	57.80	\$71.22(0.91%)	\$68.06(5.60%)	\$64.94(10.67%)	5	4	3	2.26%
T	Communication Ser.	9/10	\$27.84	\$24.80(-12.26%)	55.40	\$27.35(1.79%)	\$27.16(2.50%)	\$25.42(9.52%)	1	7	3	5.00%
CVS	Healthcare	8/10	\$66.97	\$61.83(-8.31%)	51.06	\$66.87(0.15%)	\$66.71(0.39%)	\$59.91(11.78%)	5	7	3	4.74%
DG	Consumer Staples	8/10	\$91.66	\$98.99(7.40%)	53.01	\$92.41(-0.81%)	\$86.37(6.12%)	\$79.68(15.04%)	5	6	4	2.90%
TKO	N/A	8/10	\$159.66	0	52.56	\$157.14(1.60%)	\$151.56(5.34%)	\$152.10(4.97%)	—	—	—	%

Momentum Screen

Strongest Momentum S&P 500 Save Save as New

Scan Result: 20 ticker(s) found Add more Filters Reset

Technical Rating: At least 5 Indicators: S&P 500

Run Screen

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
AXON	Industrials	10/10	\$684.59	\$291.59(-134.78%)	71.15	\$599.69(14.16%)	\$563.67(21.45%)	\$588.41(16.35%)	6	4	4	%
CEG	Utilities	10/10	\$271.37	()	69.92	\$228.67(18.67%)	\$218.66(24.11%)	\$249.48(8.77%)	—	—	—	0.53%
GEV	Utilities	10/10	\$399.26	()	66.69	\$361.21(10.53%)	\$330.92(20.65%)	\$345.90(15.43%)	—	—	—	%
NFLX	Communication Ser.	10/10	\$1,140.22	\$444.95(-156.26%)	68.16	\$1,070.31(6.53%)	\$987.73(15.44%)	\$966.36(17.99%)	4	—	5	%
PODD	Healthcare	10/10	\$310.67	\$147.36(-110.82%)	72.94	\$256.63(21.06%)	\$258.58(20.14%)	\$265.84(16.86%)	5	2	5	%
CHTR	Communication Ser.	8/10	\$401.73	\$338.07(-18.83%)	65.29	\$365.96(9.77%)	\$363.35(10.56%)	\$358.55(12.04%)	3	7	3	%
IDXX	Healthcare	8/10	\$491.70	\$227.64(-116.00%)	73.26	\$440.54(11.61%)	\$426.23(15.36%)	\$430.38(14.25%)	1	7	3	%
PWR	Industrials	8/10	\$325.89	\$383.03(14.92%)	71.78	\$292.39(11.46%)	\$270.93(20.29%)	\$291.56(11.77%)	4	8	3	0.12%
RL	Consumer Cyclical	8/10	\$248.74	\$264.86(6.09%)	67.73	\$221.07(12.52%)	\$222.83(11.63%)	\$236.71(5.08%)	3	8	1	1.67%
AZO	Consumer Cyclical	7/10	\$3,663.73	\$3,279.98(-11.70%)	49.17	\$3,672.11(-0.23%)	\$3,645.47(0.50%)	\$3,488.83(5.01%)	5	7	3	%
DE	Industrials	7/10	\$492.60	\$376.84(-30.72%)	62.79	\$466.34(5.63%)	\$467.32(5.41%)	\$461.28(6.79%)	0	6	3	1.43%
MA	Financial	7/10	\$568.64	\$415.39(-36.89%)	66.93	\$537.82(5.73%)	\$536.03(6.08%)	\$538.58(5.58%)	1	7	3	0.52%
ROK	Industrials	7/10	\$294.80	\$93.65(-214.79%)	75.78	\$248.76(18.51%)	\$254.82(15.69%)	\$270.68(8.91%)	—	5	3	1.87%
TT	Industrials	7/10	\$404.73	\$283.55(-42.74%)	72.57	\$364.52(11.03%)	\$350.98(15.31%)	\$361.94(11.82%)	5	8	3	0.86%

Technically Strong With Dividends

Technically Strong + Dividends Save Save as New

Scan Result: 6 ticker(s) found Add more Filters Reset

Technical Rating: At least 7 Sectors: Assets: Piotroski Score: At least 7 P/S (TTM): Medium (1 to 10) Dividend Yield: Between 2% - 100%

Market Cap: Between 50 B - 5000 B

Run Screen

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
NEM	Materials	10/10	\$53.98	()	56.87	\$53.95(0.06%)	\$49.26(9.58%)	\$45.39(18.92%)	—	7	5	2.03%
PM	Consumer Staples	10/10	\$169.70	\$113.81(-49.11%)	58.92	\$167.30(1.43%)	\$158.69(6.94%)	\$144.68(17.29%)	1	8	5	4.07%
SAN	Financial	10/10	\$7.40	()	63.94	\$7.02(5.41%)	\$6.77(9.31%)	\$5.97(23.95%)	4	7	4	4.47%
T	Communication Ser.	9/10	\$27.84	\$24.80(-12.26%)	55.40	\$27.35(1.79%)	\$27.16(2.50%)	\$25.42(9.52%)	1	7	5	5.00%
TD	Financial	8/10	\$63.18	()	61.53	\$62.09(1.76%)	\$60.25(4.86%)	\$58.28(8.41%)	4	7	5	5.22%
IBM	Technology	7/10	\$249.20	\$125.76(-98.16%)	55.56	\$241.73(3.09%)	\$244.23(2.03%)	\$240.28(3.71%)	5	7	4	3.06%

SimpleVisor Portfolio Changes

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

No Changes This Week

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