Fed Tightening "Sooner & Faster" Sends Stocks Rallying?

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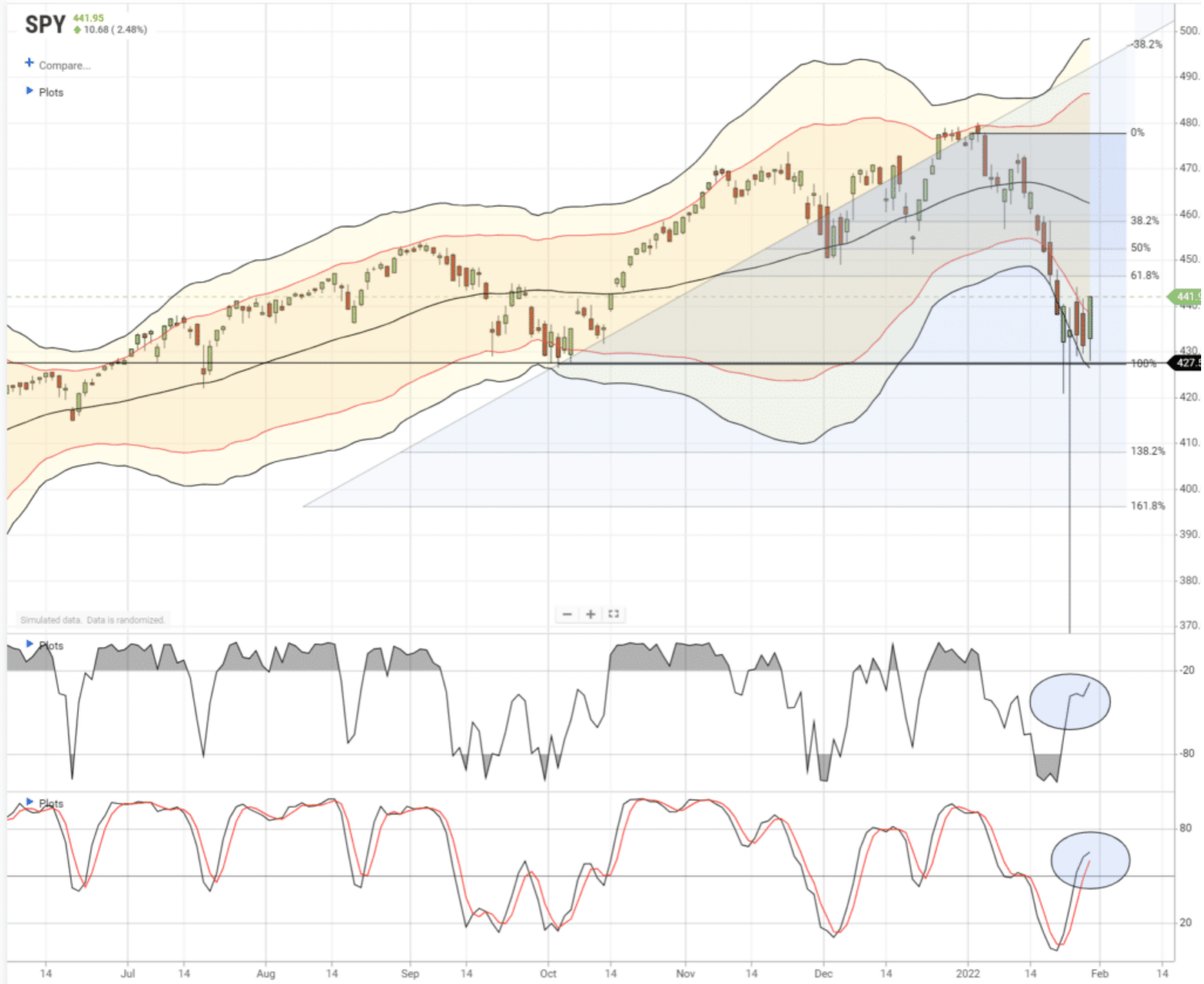
Market Review & Update

It was a busy week with a lot of market volatility. So let's start with a recap from ***last week***.

> *"This past week, retail investors began to panic sell as "meme" stocks fell apart. Previous favorites became an anathema from AMC to Gamestop to Pelton and Netflix. The selling pressure took the S&P 500 below its trendline support, deep into oversold territory, and well into 3-standard deviations below the mean."*

Despite the Fed tightening rhetoric, the market ended the week positively, erasing the week's losses. The markets do look to be stabilizing, as shown below, and are holding the October lows. That 100% Fibonacci retracement, and multiple rally attempts, triggered a short-term buy signal. **All of this is short-term bullish.**



While a reflexive rally is very likely, we are starting to use that rally to leg into a short-market hedge and reduce overall equity risk. *(We will discuss the reflex rally more in a moment.)* We are also looking to tilt our portfolio a bit more to the value sector. However, we are also maintaining some of our major *"growth"* stocks which are now profoundly oversold and will benefit from a rise of disinflationary pressures later this year.

For a discussion on our disinflationary/market views watch the ***Fox Business with Charles Payne*** interview.

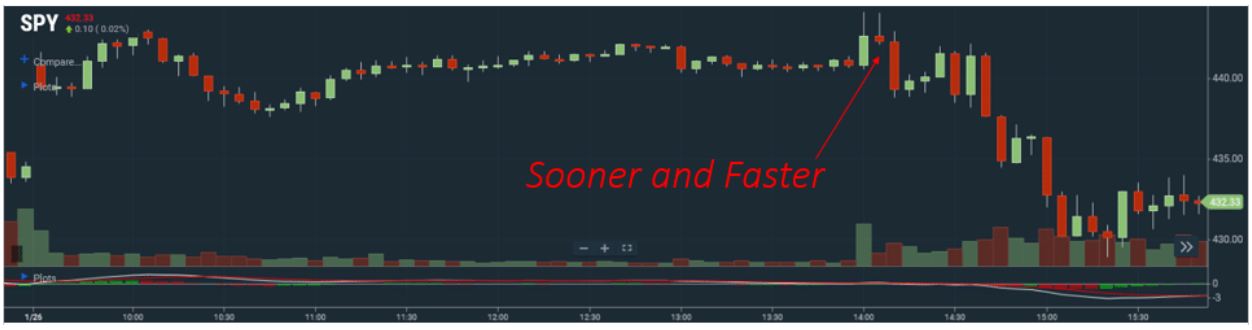
> https://twitter.com/LanceRoberts/status/1487195484255051779?s=20&t=Yu1onxMnCbE9-mw1L7gc9g

The relatively sharp drop in the market to start 2022 has undoubtedly shaken up many previously over-bullish investors. However, while we are not forecasting a 50% market crash, as the Fed tightens policy, we expect more of these outsized swings this year as the market comes to grips with a Fed removing monetary accommodation.

Fed To Tighten "Sooner & Faster"

Such was what we saw on Wednesday as the Fed spooked investors with just a tiny change in their language.

This week's pickup in volatility accelerated on Wednesday, with markets up more than 2% going into the FOMC announcement. However, such was short-lived as Jerome Powell said the Fed would remove assets from their balance sheet *?sooner and faster?* markets plunged.



[SimpleVisor]

The S&P was up 95 points as Powell kicked off his press conference. However, by the time he spoke his final words, it was down nearly 40 points. While markets had *"priced in"* the Fed's previous commitment to tighten monetary accommodation, it certainly seems the term *?sooner and faster?* was not.

Notably, he ended the conference by stating that *?asset prices do not represent a threat to financial stability.?* **Given that *"financial stability"* is a crucial concern of the Fed, Powell essentially lowered the *"Fed put,"* or where the Fed will restart QE, to a market level much lower than previously thought.**

The redlined statement below, courtesy of Zero Hedge, shows the changes from the last FOMC policy statement to the current statement.

~~The Federal Reserve is committed to using its full range of tools to support the U.S. economy in this challenging time, thereby promoting its maximum employment and price stability goals.~~

~~With progress on vaccinations and strong policy support, indicators~~Indicators of economic activity and employment have continued to strengthen. The sectors most adversely affected by the pandemic have improved in recent months but ~~continue to be~~are being affected by the recent sharp rise in COVID-19 cases. Job gains have been solid in recent months, and the unemployment rate has declined substantially. Supply and demand imbalances related to the pandemic and the reopening of the economy have continued to contribute to elevated levels of inflation. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.

The path of the economy continues to depend on the course of the virus. Progress on vaccinations and an easing of supply constraints are expected to support continued gains in economic activity and employment as well as a reduction in inflation. Risks to the economic outlook remain, including from new variants of the virus.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to keep the target range for the federal funds rate at 0 to 1/4 percent. With inflation ~~having exceeded~~well above 2 percent ~~for some time~~and a strong labor market, the Committee expects it will soon be appropriate to ~~maintain this~~ raise the target range ~~until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment. In light of inflation developments and~~ for the ~~further improvement in the labor market, the~~federal funds rate. The Committee decided to continue to reduce the monthly pace of its net asset purchases ~~by $20 billion for Treasury securities and $10 billion for agency mortgage-backed securities.~~, bringing them to an end in early March. Beginning in ~~January~~February, the Committee will increase its holdings of Treasury securities by at least $~~40~~20 billion per month and of agency mortgage-backed securities by at least $~~20~~10 billion per month. ~~The Committee judges that similar reductions in the pace of net asset purchases will likely be appropriate each month, but it is prepared to adjust the pace of purchases if warranted by changes in the economic outlook.~~ The Federal Reserve's ongoing purchases and holdings of securities will continue to foster smooth market functioning and accommodative financial conditions, thereby supporting the flow of credit to households and businesses.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; ~~Thomas I. Barkin; Raphael W. Bostic;~~ Michelle W. Bowman; Lael Brainard; ~~Richard H. Clarida; Mary C. Daly; Charles~~James Bullard; Esther L. ~~Evans; Randal K. Quarles~~George; Patrick Harker; Loretta J. Mester; and Christopher J. Waller. Patrick Harker voted as an alternate member at this meeting.

In a nutshell, the Fed tightening will start by ending QE in early March, and it ?*will soon be appropriate to raise the target range for the Federal Funds rate.?* Based on the words they removed regarding employment, we can assume they believe employment is at their goal of maximum employment. As such, policy changes will remain focused on inflation.

Powell's Big Lie

> ***?Asset prices do not represent a threat to financial stability.?*** *- Jerome Powell*

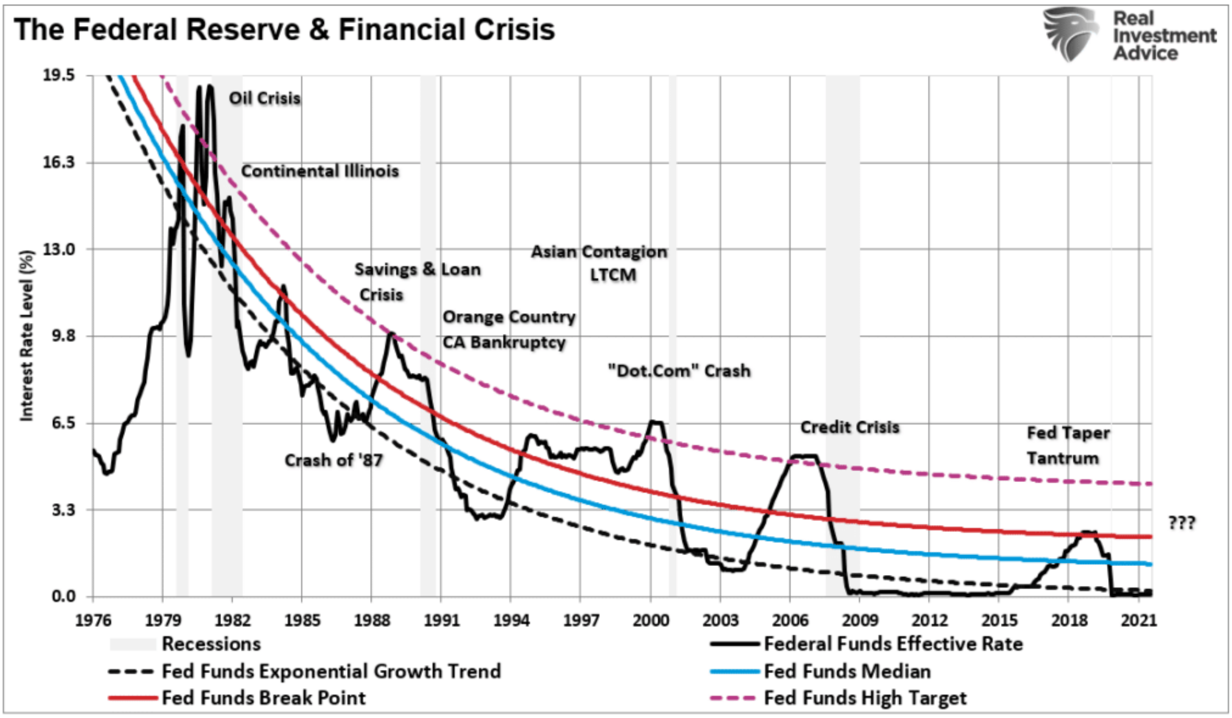
The Fed is bluffing when they suggest asset prices are NOT a threat to financial stability. In truth, the Fed focuses entirely on the markets as they are dependent on *"stability"* to keep the financial *"house of cards"* from collapsing.

> ***?****With the entirety of the financial ecosystem more heavily levered than ever, the* ***?instability of stability?*** *is the most significant risk.*

> The ?**stability/instability paradox?** assumes all players are rational and implies avoidance of destruction. **In other words, all players will act rationally, and no one will push ?the big red button.?**
>
> The Fed is highly dependent on this assumption. After more than 12-years of the most unprecedented monetary policy program in U.S. history, they are attempting to navigate **the risks built up in the system.**?

The problem, as shown below, is that throughout history, when the Fed tightens policy, someone inevitability pushes the *?big red button.?* However, throughout history, the Fed?s actions repeatedly led to adverse outcomes as investors eventually panicked.

- *In the early 70?s it was the&#2013266080;?Nifty Fifty? stocks,*
- *Then Mexican and Argentine bonds a few years after that*
- *?Portfolio Insurance? was the ?thing? in the mid -80?s*
- *Dot.com anything was a great investment in 1999*
- *Real estate has been a boom/bust cycle roughly every other decade, but 2007 was a doozy*
- *Today, it?s real estate, GAMA, debt, credit, private equity, SPAC?s, IPO?s, ?Meme? stocks?or rather??everything.?*



> ***"If easy money is the bedrock of valuations and the Fed is getting ready to shift the bedrock, investors best pay attention to market forecasts and how the Fed ultimately acts."*** *- Michael Lebowitz*

With the Fed now tightening policy *"sooner and faster,"* the only question is how long before something breaks?

This Week's MacroView

Fed Rate Hikes & Risks Of Financial Instability – Part II

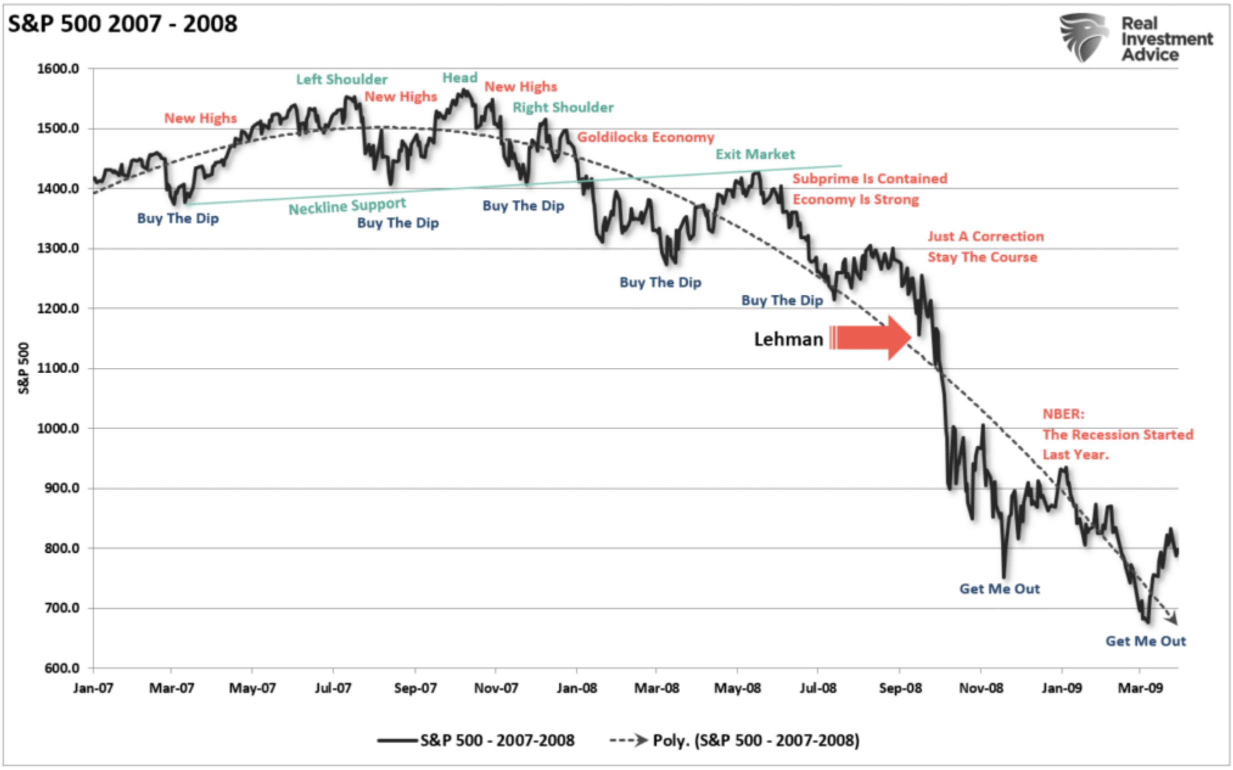
Written by Lance Roberts | Jan 28, 2022

What if the Fed can't hike rates? It's an interesting question and one we delved…

> Read More

Bearish Sentiment Getting Really Bearish

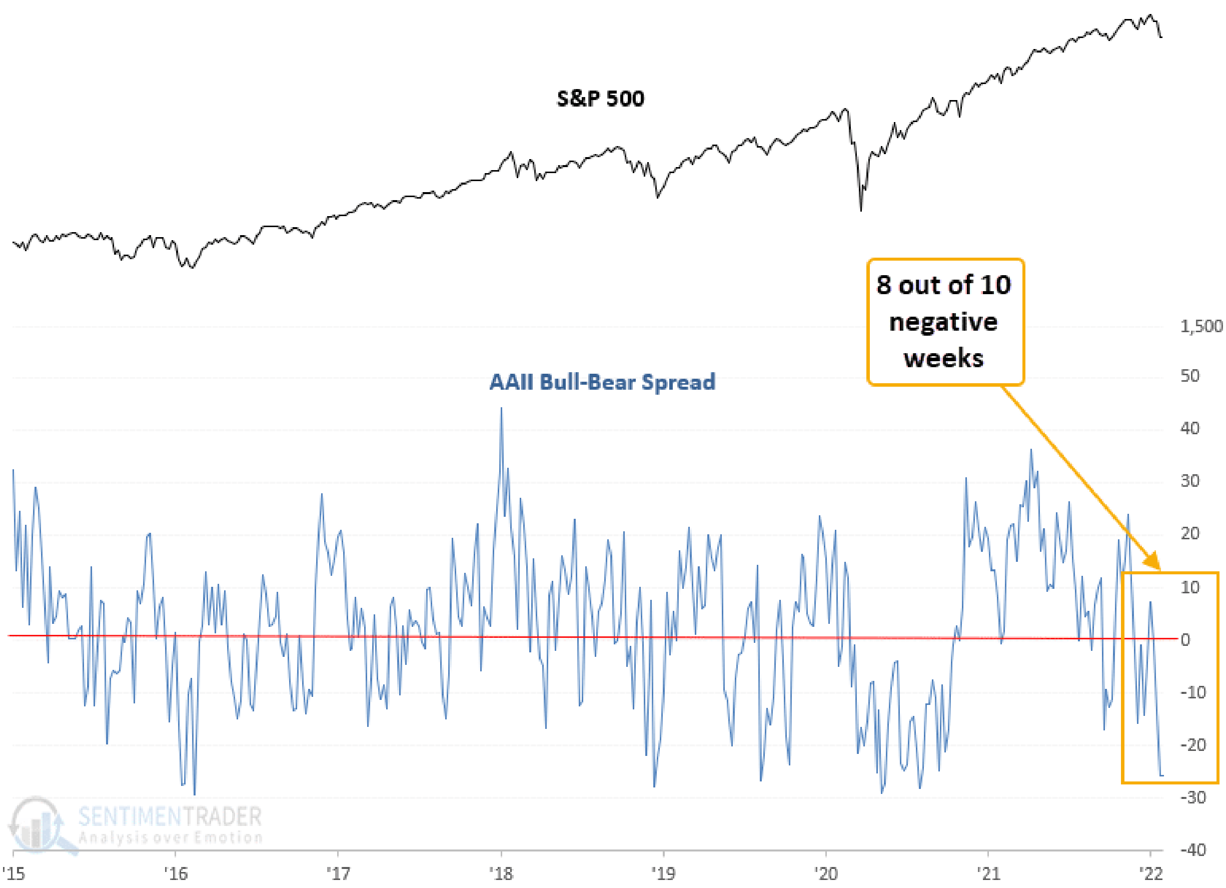
It is certainly easy to be very *"bearish"* short-term. However, it is essential to remember that there can be rather vicious rallies, even during *"bear markets."* A review of the 2008 *"bear market"* is a good example.



Of course, what drives the vicious counter-trend rallies is the washout of sellers, as represented by very negative sentiment. Sentiment Trader recently showed such is now present in the market.

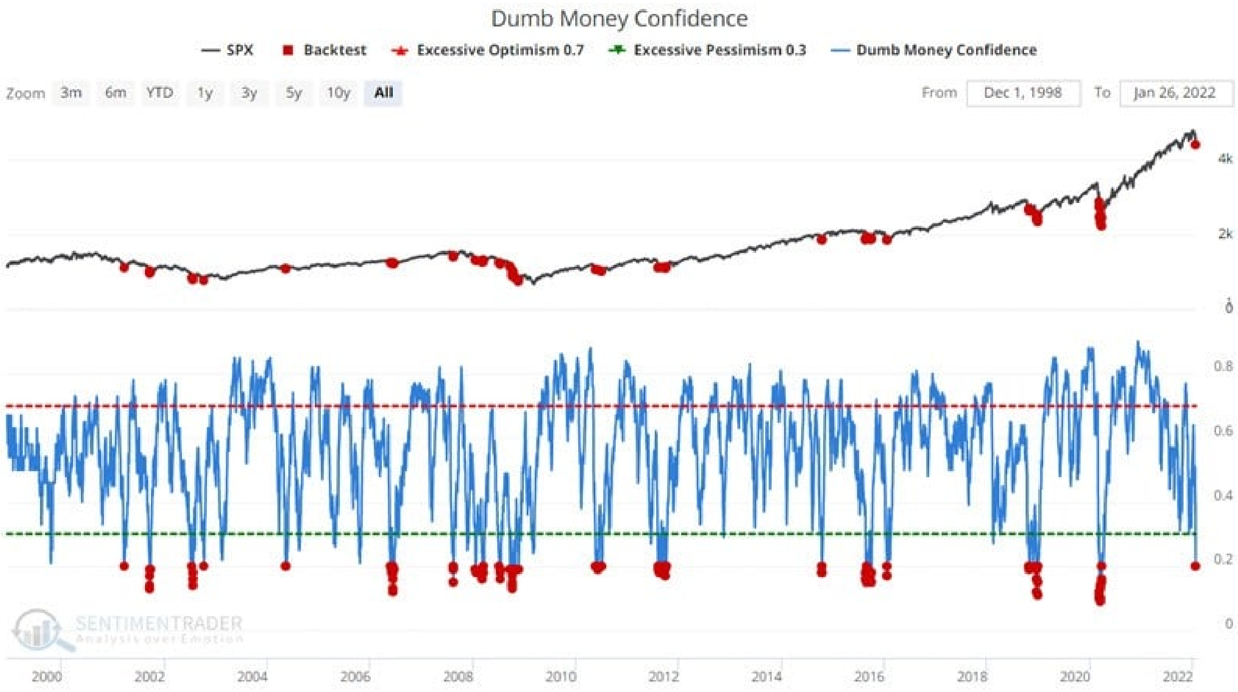
> *The AAII sentiment survey can be used as a contrary indicator to identify an environment where sentiment has become too pessimistic on the future direction of stocks. When opinions become too bearish, stocks tend to rally. ? Sentiment Trader*

Persistent Negative Sentiment



Source: American Association of Indivdual Investors & S&P

?Dumb Money? traders have proven themselves to be bad at market timing over history. They get bullish after a market rally and bearish after a market fall. ***By the time most of them catch on to a trend, it?s too late ? the trend is about to reverse. It tells us how confident we should be in selling the market.*** *Examples of some Dumb Money indicators include the equity-only put/call ratio, the flow into and out of the Rydex series of index mutual funds, and small speculators in equity index futures contracts. Because the ?dumb money? follows trends, they are usually correct during the meat of the trend but wrong at the extremes. ? Sentiment Trader*

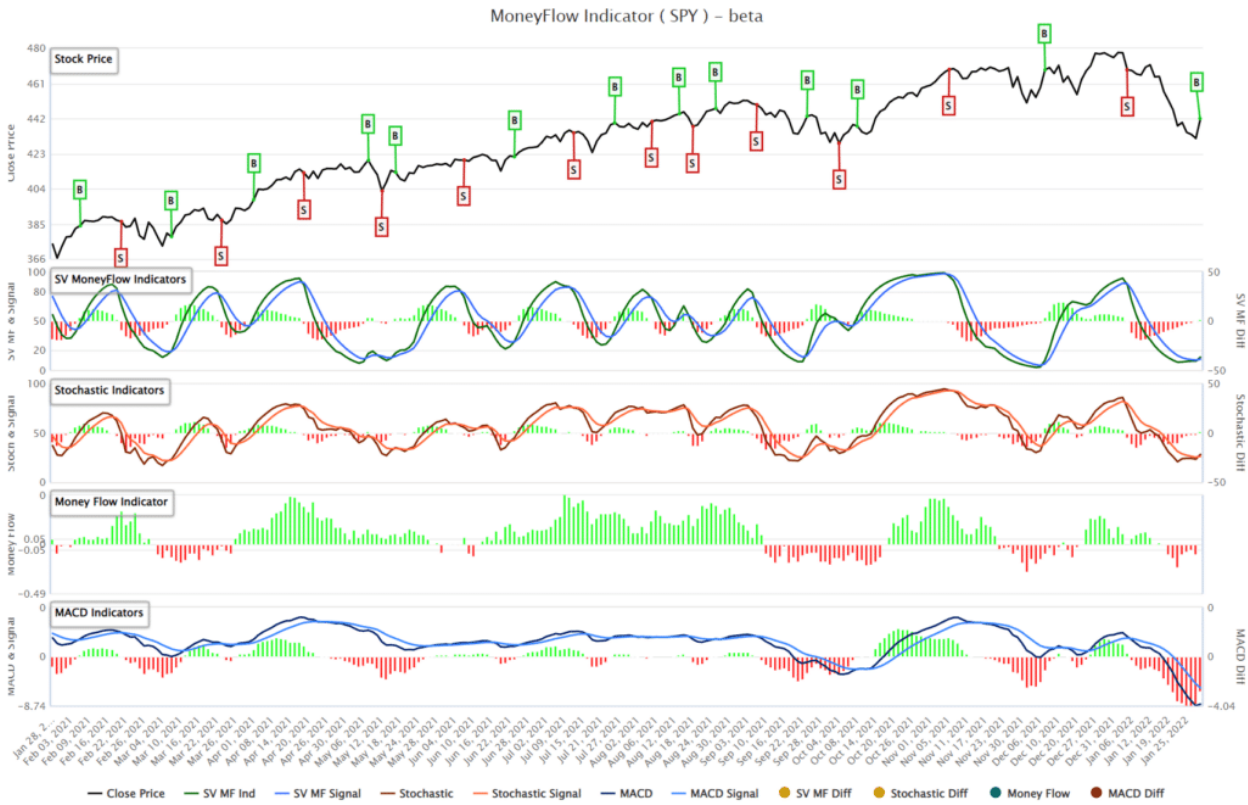


While such does NOT mean the current corrective period is over, it does suggest we are likely to see a reflexive rally that we can use to rebalance equity risk in portfolios.

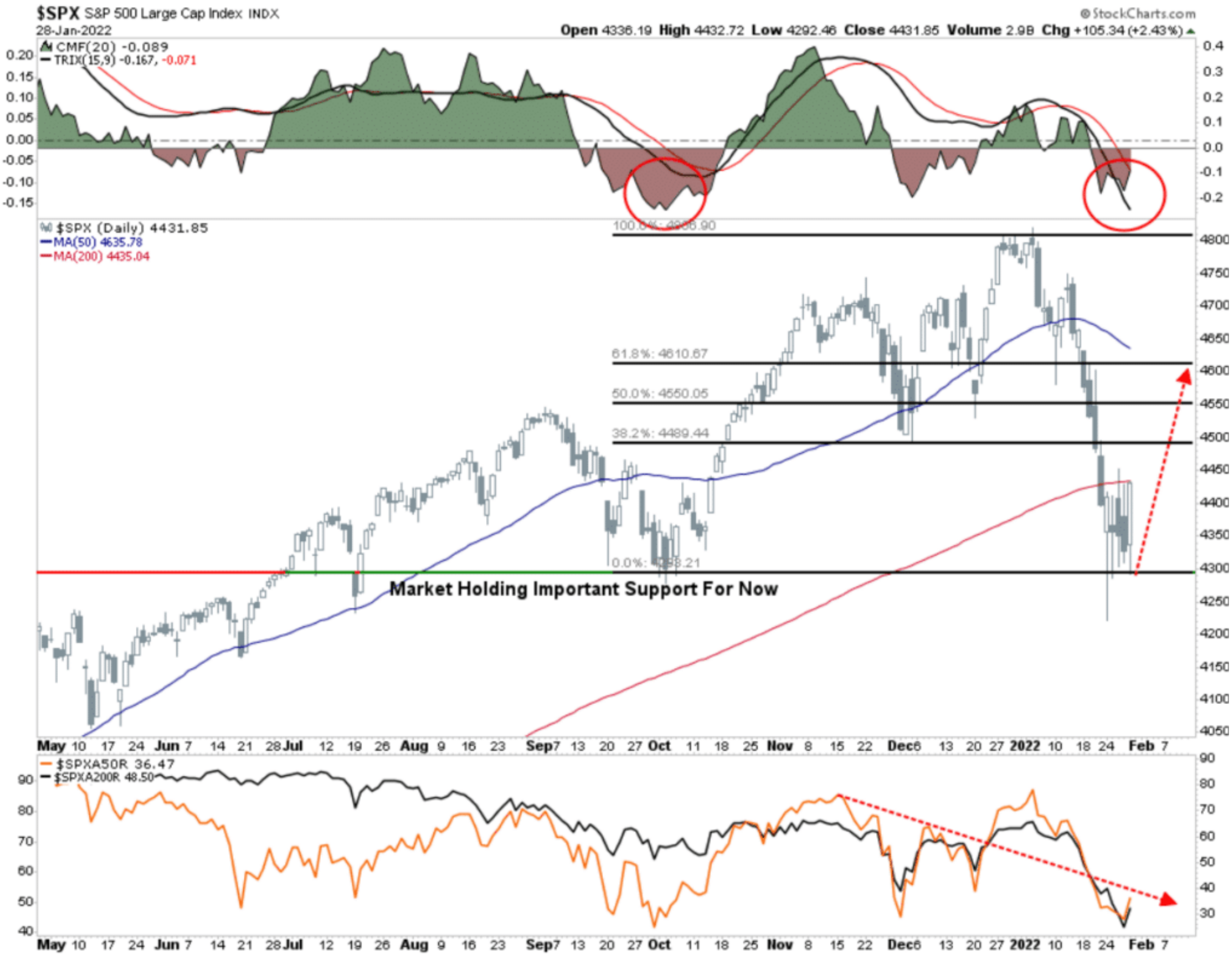
Signs That Selling May Not Be Done Yet

One of the reasons we feel like rallies will be *"sellable rallies,"* at least for now, is that breadth remains very weak.

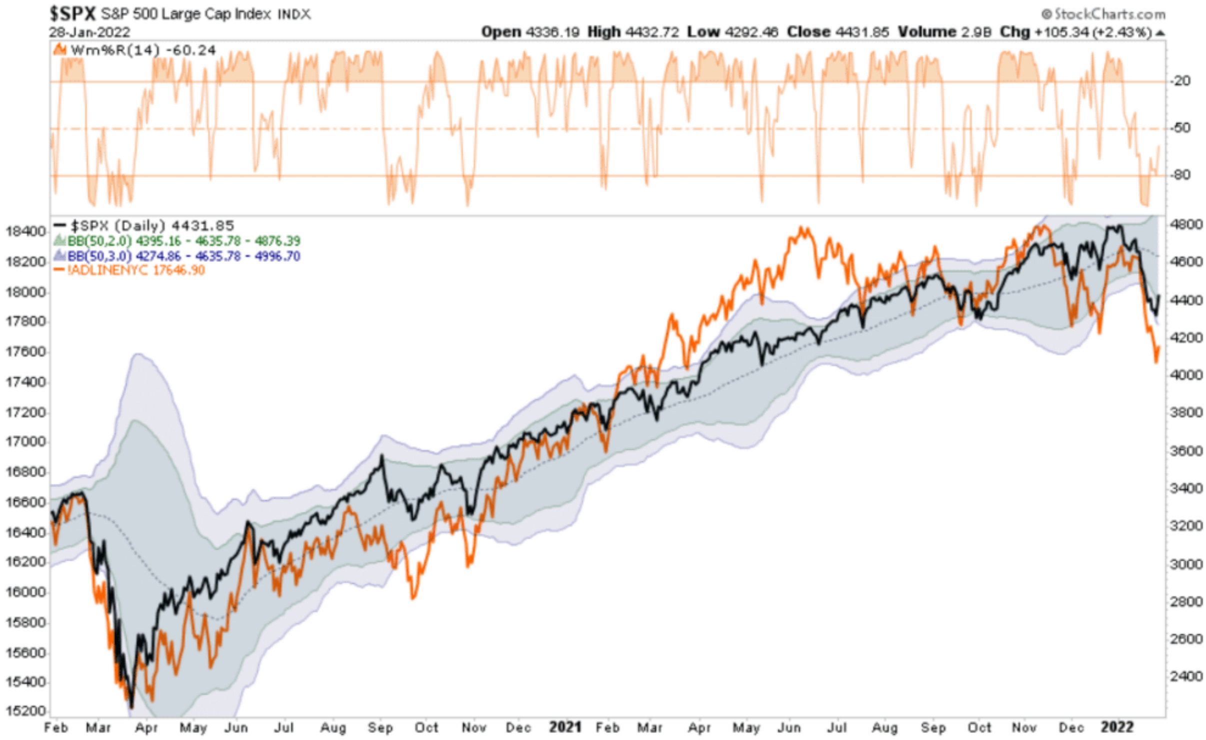
As shown below, our ***Simplevisor Money Flow*** analysis chart is at extreme oversold levels. Such usually provides a sustainable rally, particularly when the indicator is at extreme lows and triggering a *"buy"* signal.



As shown below, the market continues to hold very crucial support. However, as noted, the internal breath of the market remains very weak. The good news is that such levels of more extreme oversold conditions of money flows and negative breadth provide fuel for a bounce. However, when it comes, that bounce is likely limited to a 50% to 61.8% retracement of the recent decline.



The fall in the market's advance/decline line suggests weak participation but with the market at more extreme oversold levels, a retracement rally is likely.



This analysis continues to suggest any rally that occurs will likely:

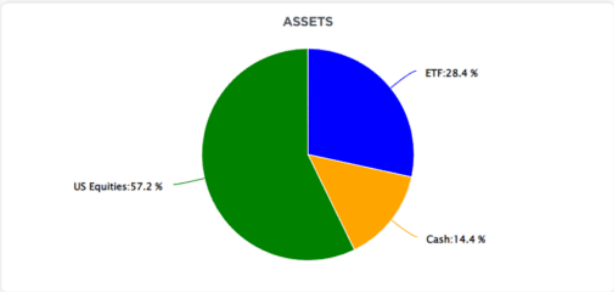
1. *Fail at a lower high / resistance level; and,*
2. *The subsequent decline will potentially retest or break recent lows.*

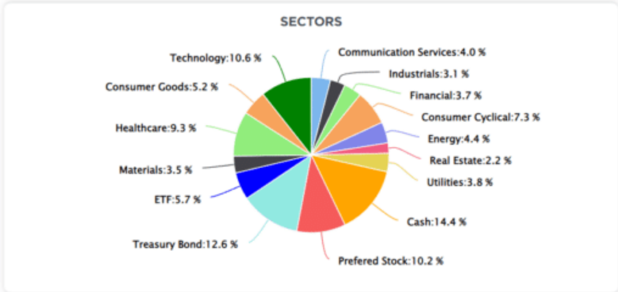
We base that assumption on things remaining *"status quo"* with the Fed's current stance on tightening monetary policy. However, if the Fed softens its stance or reverses course entirely, this analysis will change.

The crucial point is to understand the risk we are currently dealing with, but not over-react and allow emotions to interfere with prudent decision-making.

Portfolio Update

The bounce on Friday confirms our thesis of a short-term washout. However, it is too early to say with certainty that the recent lows were *"the bottom."* However, as noted, we are beginning to search for opportunities in strong companies with excellent fundamentals and strong positioning in the economy. Therefore, while we reduced our equity exposure some last week, we remain positioned for a bounce.





Again, we are looking for a short-term rally that we can trade into. So, we are not yet ready to commit to long-term purchases but rather trading opportunities in beaten-up assets.

My colleague Doug Kass confirmed our thoughts this week on searching for opportunities.

> *"January has been an unmitigated disaster for many and since price does change sentiment (h/t The Divine Ms M), investor sentiment has dropped like a stone along with plummeting stocks -* ***a prerequisite to stocks reaching attractive levels.***
>
> *Essentially what we have been expecting (Fed tightening, etc.) is now occurring and with it brought a dramatic decline in stock prices. There was nothing really very new that came out of Powell's statement on Wednesday, and the market has already begun to discount the well-anticipated Fed pivot.*
>
> *As well, many companies, post EPS releases, will shortly have a window to repurchase their own shares. Remember, the flows from corporate buybacks were the largest source of stock demand over the last 12 months.*
>
> *Most importantly, as noted previously, the upside reward vs. downside risk has improved and there is a growing list of attractive stocks."*

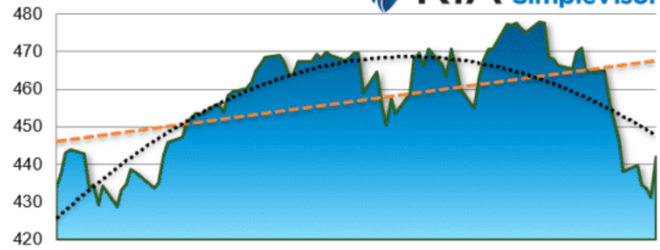
We agree. The most challenging thing for an investor to do is buy when everyone else is selling. However, that is precisely when the best trades ultimately get made.

Undoubtedly, it is hard to *"buy when there is blood in the streets."*

Market & Sector Analysis

S&P 500 Tear Sheet

3 Month SPY Price



SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	35.20%	17.03%	(6.95%)	(140.80%)
Max Drawdown	(35.63%)	(12.34%)	(12.34%)	0.00%
Sharpe	0.72	1.32	(3.76)	(3.84)
Sortino	0.79	2.20	(5.68)	(3.58)
Volatility	25.55	13.39	17.49	0.31
Daily VaR-5%	(20.02)	(1.39)	(94.50)	66.86
Mnthly VaR-5%	(7.11)	8.23	11.06	0.34

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.73%	1.39%	1.33%	(4.38%)	2.14%	1.20%	(37.58%)	11.22%
P/E Ratio	20.58	27.76	22.50	(23.35%)	2906%	1645%	(22.6%)	36.82%
P/S Ratio	3.94	4.64	4.67	0.59%	5.15	3.16	(9.30%)	47.89%
P/B Ratio	5.25	6.07	6.62	8.33%	7.10	4.33	(6.66%)	52.91%
ROE	21.82%	20.72%	27.97%	25.92%	27.97%	17.69%	0.00%	58.18%
ROA	4.29%	3.76%	4.99%	24.70%	4.99%	3.51%	0.00%	41.97%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	2,865.4	2,777.4	(3.07%)
Sales	67,903	77,223	13.73%
SPS	23.7	27.8	17.33%
Earnings	10,276	14,769	43.73%
EPS TTM	4.0	5.8	42.74%
Dividend	1.6	1.7	10.36%

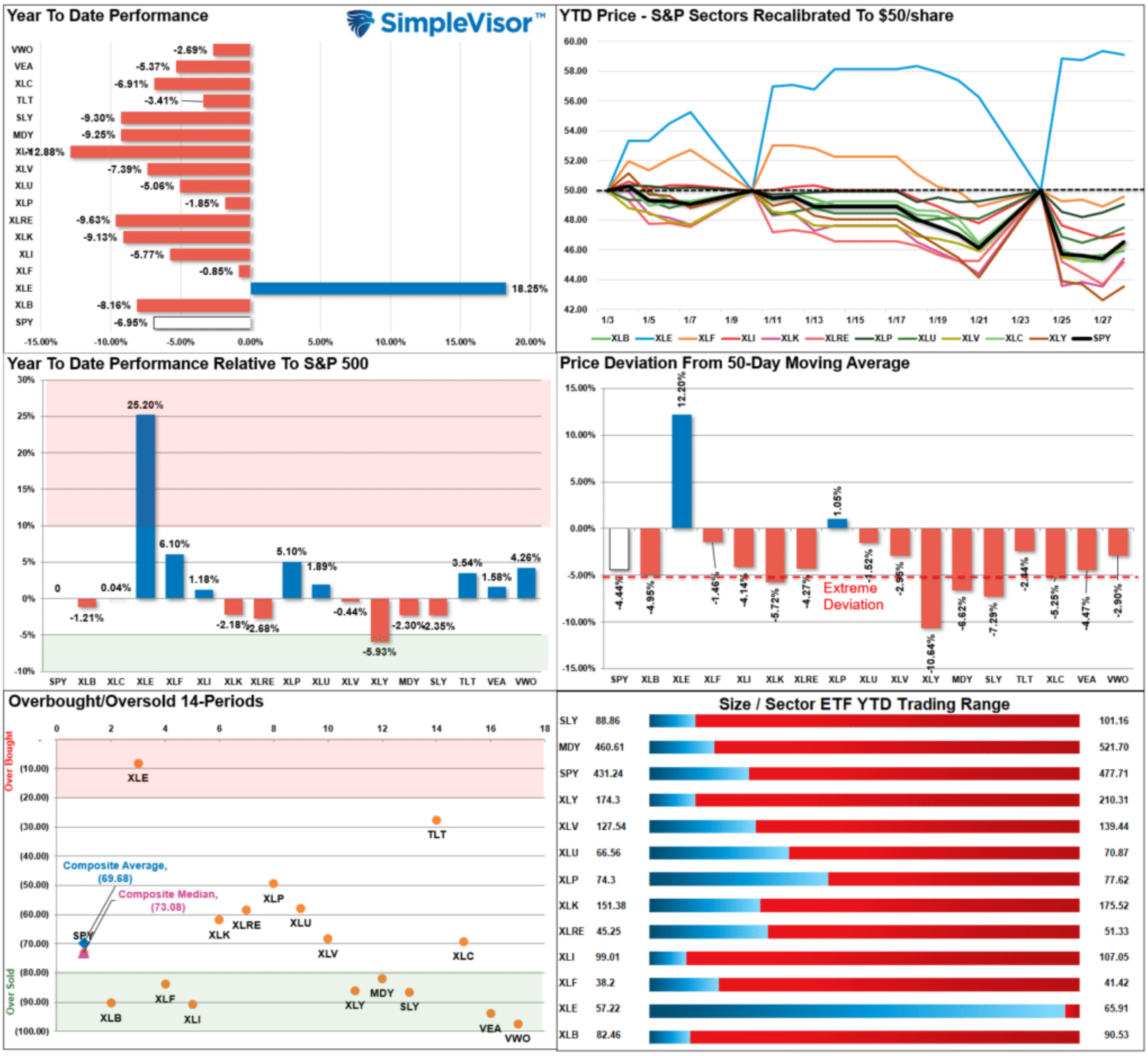
S&P 500 Asset Allocation

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	66.43%	3.45%	1.73	25.66	107.94	(330.04)	(76.2%)	8.6%	3.4%	3.87%	3.87	13.45
Materials	17.27%	2.55%	1.18	17.80	27.12	14.16	(34.4%)	16.7%	1.9%	5.57%	5.20	18.90
Industrials	15.71%	8.04%	1.19	30.65	54.35	14.68	(43.6%)	15.4%	1.5%	3.21%	4.86	27.15
Discretionary	2.23%	11.95%	1.32	37.42	60.54	21.88	(38.2%)	28.7%	0.6%	2.58%	5.04	42.91
Staples	13.88%	6.17%	0.68	22.64	23.01	17.65	(1.6%)	31.1%	2.4%	4.41%	4.43	23.28
Health Care	12.04%	13.17%	0.77	17.47	19.73	15.29	(11.4%)	33.4%	1.6%	5.71%	8.15	18.60
Financials	32.12%	11.55%	1.27	13.36	18.53	10.59	(27.9%)	12.2%	1.7%	7.35%	7.34	13.66
Technology	15.52%	27.95%	1.07	29.05	33.03	16.69	(12.0%)	76.2%	0.9%	3.36%	5.69	32.60
Telecom	15.11%	9.85%	0.92	21.37	28.26	17.65	(24.4%)	18.4%	0.6%	4.64%	9.09	22.43
Utilities	8.16%	2.55%	0.48	19.93	22.09	16.89	(9.8%)	10.8%	3.1%	5.02%	3.36	21.55
Real Estate	20.93%	2.70%	0.97	23.06	25.68	17.12	(10.2%)	9.6%	2.6%	4.24%	4.54	26.51

Momentum Analysis

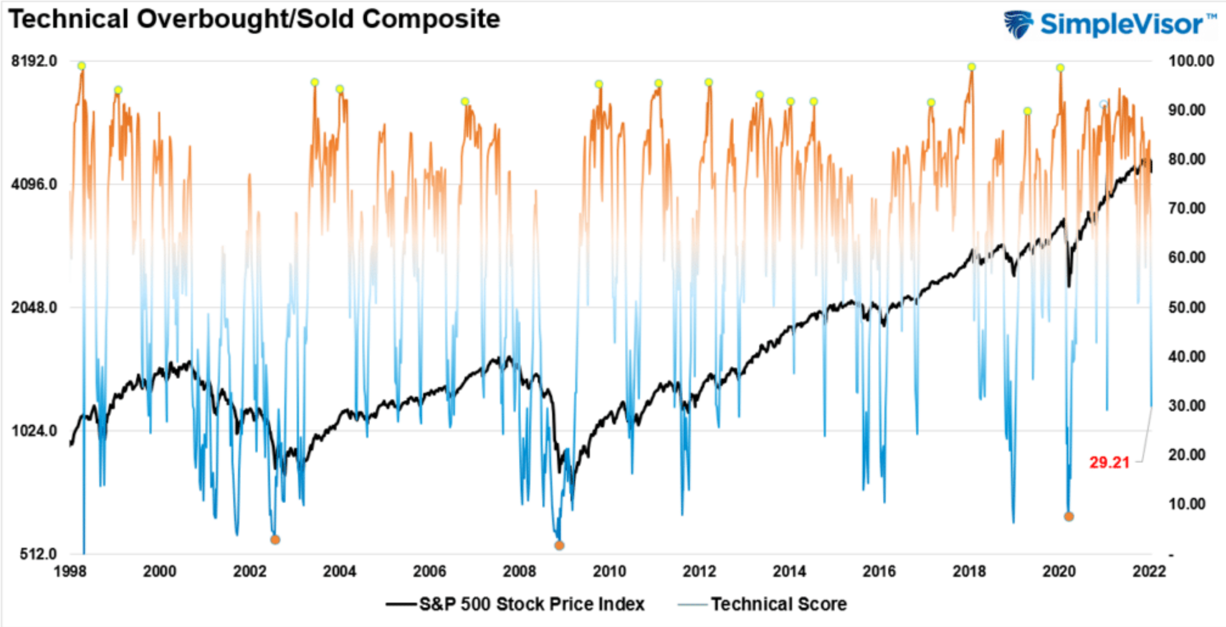
Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell
Large Cap	441.95	(5.75%)	462.34	14	(4.41%)	443.53	275	(0.36%)	4.24%	(7.92%)	20.01%	Buy
Mid Cap	469.78	(10.28%)	502.70	25	(6.55%)	498.43	29	(5.75%)	0.85%	(11.96%)	10.61%	Buy
Small Cap	90.16	(11.08%)	97.16	20	(7.21%)	96.97	28	(7.02%)	0.20%	(14.38%)	7.33%	Buy

Relative Performance Analysis



Technical Composite

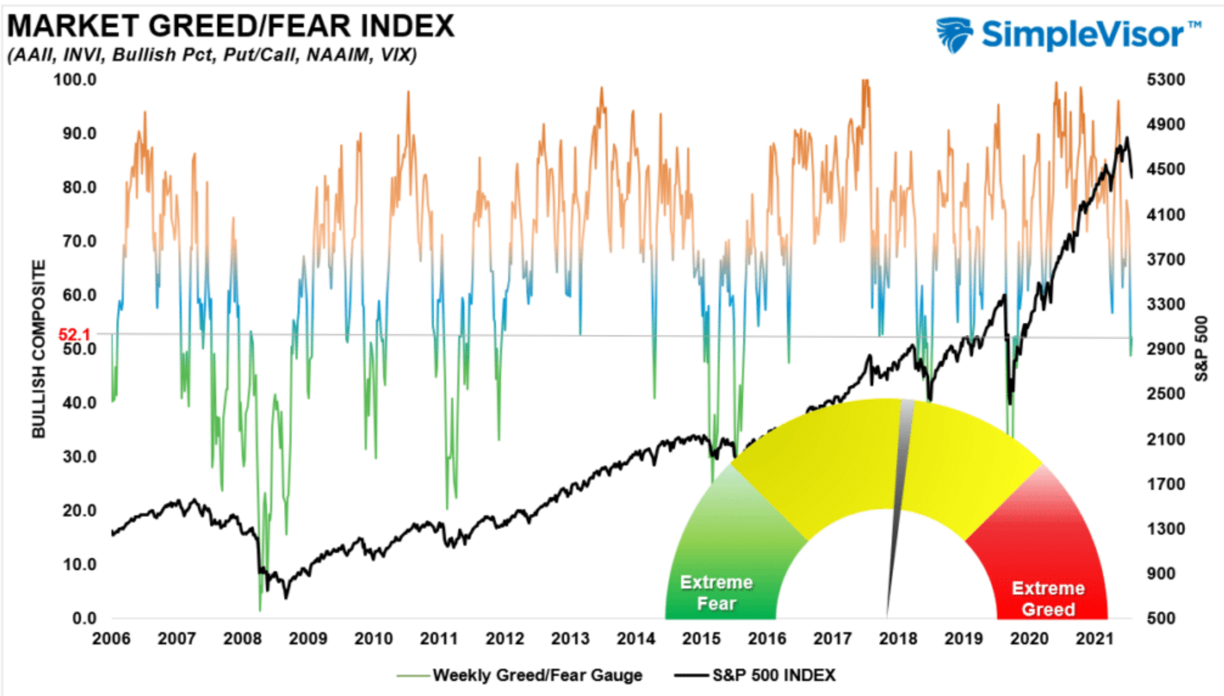
The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" are oversold. ***The current reading is 29.21 out of a possible 100.***



Portfolio Positioning ?Fear / Greed? Gauge

Our "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, to 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 0-100. It is a rarity that it reaches levels above 90. The c*urrent reading is 52.1 out of a possible 100.*



Sector Model Analysis & Risk Ranges

How To Read This Table

- *The table compares each sector and market to the S&P 500 index on relative performance.*

- *?MA XVER? is determined by whether the short-term weekly moving average crosses 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)***
- *Table shows the price deviation above and below the weekly moving averages.*
- *The complete history of all sentiment indicators is on under the* ***Dashboard/Sentiment tab*** *at* [***SimpleVisor***]

RELATIVE PERFORMANCE

Ticker	ETF NAME	Current Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	SHORT WMA	LONG WMA	MONTH END PRICE	REL S&P BETA	RISK RANGE HIGH	RISK RANGE LOW	% DEV - Short M/A	% DEV - Long M/A	M/A XVER SIGNAL
IVV	ISHARS-SP500	443.75	0.86	(6.97)	(5.67)	(0.92)	19.44	465.14	450.06	476.99	0.99	488.91	465.07	-5%	-1%	BULLISH
XLB	SPDR-MATLS SELS	83.22	(1.83)	(1.19)	0.43	(2.82)	(1.63)	87.72	84.97	90.61	1.07	93.84	87.38	-5%	-2%	BULLISH
XLC	SPDR-COMM SV SS	72.31	(0.73)	0.06	(5.83)	(12.16)	(11.32)	77.28	80.12	77.68	0.98	80.38	74.98	-6%	-10%	BEARISH
XLE	SPDR-EGY SELS	65.63	4.24	25.22	18.32	33.72	47.47	58.36	54.39	55.50	1.66	57.81	53.19	12%	21%	BULLISH
XLF	SPDR-FINL SELS	38.72	0.50	6.12	2.42	1.28	14.31	39.46	38.38	39.05	1.17	40.48	37.62	-2%	1%	BULLISH
XLK	SPDR-TECH SELS	158.00	1.52	(2.16)	0.23	2.86	3.11	167.31	158.24	173.87	1.04	180.02	167.72	-6%	0%	BULLISH
XLI	SPDR-INDU SELS	99.70	(2.34)	1.19	(0.62)	(4.13)	(1.83)	104.48	103.32	105.81	1.18	109.71	101.91	-5%	-4%	BULLISH
XLP	SPDR-CONS STPL	75.68	(1.23)	5.11	9.34	5.29	(1.36)	74.39	72.23	77.11	0.66	79.55	74.67	2%	5%	BULLISH
XLRE	SPDR-RE SELS	46.82	(1.01)	(2.66)	2.76	1.09	7.92	48.77	47.17	51.81	0.73	53.48	50.14	-4%	-1%	BULLISH
XLU	SPDR-UTIL SELS	67.96	(2.14)	1.91	6.77	(0.13)	(10.09)	68.56	67.15	71.58	0.43	73.68	69.48	-1%	1%	BULLISH
XLV	SPDR-HLTH CR	130.48	(0.08)	(0.42)	3.87	(1.49)	(6.01)	134.29	131.76	140.89	0.78	145.50	136.28	-3%	-1%	BULLISH
XLY	SPDR-CONS DISCR	178.10	(2.14)	(5.92)	(10.03)	(0.99)	(9.51)	200.82	189.11	204.44	1.11	211.83	197.05	-11%	-6%	BULLISH
XTN	SPDR-SP TRANSPT	83.14	(2.64)	(4.92)	(9.57)	(2.28)	(0.42)	92.38	88.50	94.36	1.31	97.96	90.76	-10%	-6%	BULLISH
SDY	SPDR-SP DIV ETF	125.14	(0.94)	3.89	4.81	0.61	(0.57)	126.61	124.13	129.12	0.91	133.52	124.72	-1%	1%	BULLISH
RSP	INVS-SP5 EQ ETF	153.28	(0.73)	1.15	0.70	(0.40)	1.73	159.17	155.42	162.75	1.10	168.61	156.89	-4%	-1%	BULLISH
SLY	SPDR-SP6 SC	90.16	(1.79)	(2.34)	(7.92)	(5.19)	(12.71)	98.47	97.06	99.41	1.19	103.08	95.74	-8%	-7%	BULLISH
MDY	SPDR-SP MC 400	469.78	(1.39)	(2.28)	(5.62)	(4.77)	(9.15)	508.21	498.87	517.68	1.16	536.64	498.72	-8%	-6%	BULLISH
EEM	ISHARS-EMG MKT	47.29	(4.35)	3.78	(1.46)	(7.67)	(30.73)	49.58	51.35	48.85	0.79	50.46	47.24	-5%	-8%	BEARISH
EFA	ISHARS-EAFE	74.73	(2.97)	1.95	(3.01)	(7.30)	(16.21)	78.71	79.45	78.68	0.83	81.30	76.06	-5%	-6%	BEARISH
IAU	ISHARS-GOLD TR	34.03	(3.18)	4.73	4.13	1.39	(22.49)	34.41	34.23	34.81	0.12	35.72	33.90	-1%	-1%	BULLISH
GDX	VANECK-GOLD MNR	29.30	(8.28)	(1.55)	(4.87)	(9.81)	(34.54)	31.69	32.51	32.03	0.72	33.06	31.00	-8%	-10%	BEARISH
UUP	INVS-DB US$ BU	26.05	0.86	8.61	8.71	5.70	(12.77)	25.68	25.21	25.63	(0.12)	26.24	25.02	1%	3%	BULLISH
BOND	PIMCO-TOT RETRN	107.25	(1.14)	4.99	2.77	(2.90)	(24.18)	109.11	110.32	109.41	0.08	112.24	106.58	-2%	-3%	BEARISH
TLT	ISHARS-20+YTB	143.13	(1.20)	3.55	1.53	(2.73)	(25.28)	146.85	146.72	148.19	(0.22)	151.57	144.81	-3%	-2%	BULLISH
BNDX	VANGD-TTL INT B	54.60	(1.15)	5.95	1.09	(4.85)	(25.60)	56.18	56.91	55.16	0.03	56.55	53.77	-3%	-4%	BEARISH
HYG	ISHARS-IBX HYCB	84.68	(1.75)	4.29	2.44	(2.26)	(22.07)	86.37	87.11	87.01	0.36	89.50	84.52	-2%	-3%	BEARISH

RISK RANGE REPORT SimpleVisor™

Weekly Stock Screens

Each week we will provide three different stock screens generated from [***SimpleVisor:***] *(RIAPro.net subscribers use your current credentials to log in.)*

This week we are scanning for the Top 20:

- *Relative Strength Stocks*
- *Momentum Stocks*
- *Technically Strong With Strong Fundamentals*

These screens generate portfolio ideas and serve as the starting point for further research.

(Click Images To Enlarge)

RSI Screen

Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD
APA	10/10	$32.56	63.20	$30.73	$28.13	$26.24	5	6	3	1.60%	1.39
BKR	8/10	$26.81	59.89	$26.34	$24.95	$24.91	1	7	3	2.62%	0.74
CF	10/10	$70.15	51.84	$68.49	$66.09	$61.35	4	9	2	1.81%	0.40
COP	10/10	$88.19	71.64	$81.96	$75.85	$72.48	3	7	3	1.75%	3.64
CTRA	9/10	$21.37	53.02	$20.71	$20.45	$20.55	6	9	3	2.22%	0.00
CVS	10/10	$108.24	64.70	$104.24	$99.35	$93.14	5	6	3	2.07%	1.30
CVX	10/10	$129.50	78.88	$126.18	$119.93	$113.07	—	7	3	4.23%	3.84
DLTR	9/10	$127.67	40.79	$134.81	$136.55	$118.02	4	6	2	%	-2.05
DVN	10/10	$50.90	65.01	$48.51	$44.78	$40.69	6	8	3	4.05%	1.85
EOG	10/10	$108.26	72.83	$100.08	$92.71	$88.72	7	8	3	2.84%	4.47
F	10/10	$19.25	36.67	$22.35	$20.91	$18.16	5	9	1	1.60%	-0.16
FANG	10/10	$126.78	63.53	$121.35	$113.02	$106.45	1	8	3	1.65%	4.06
HAL	10/10	$31.01	78.21	$27.13	$24.43	$23.82	5	7	3	0.64%	1.74
MRO	10/10	$19.53	67.36	$18.32	$16.83	$15.84	3	7	3	1.28%	0.79
OXY	10/10	$37.11	67.03	$33.87	$31.38	$31.12	5	7	3	0.11%	1.58
PXD	10/10	$212.77	66.02	$203.26	$189.35	$182.76	5	7	3	1.07%	7.55
SLB	10/10	$39.24	70.92	$35.22	$32.19	$31.69	1	7	3	1.47%	2.03
TSN	8/10	$90.60	54.17	$90.51	$86.27	$82.61	5	8	3	2.03%	1.29
XOM	10/10	$74.60	74.77	$69.87	$64.96	$62.82	4	7	1	4.95%	3.01
ZION	8/10	$67.22	53.22	$66.88	$65.07	$63.36	3	6	2	2.17%	0.37

Momentum Screen

Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD
ADM	10/10	$75.20	72.75	$69.80	$66.84	$64.79	5	8	3	2.07%	1.35
ATVI	6/10	$78.62	69.13	$71.52	$65.43	$70.58	7	6	5	0.73%	4.28
CAG	6/10	$35.09	61.42	$34.60	$33.22	$33.21	4	5	3	3.56%	0.53
COP	10/10	$88.24	71.64	$81.96	$75.85	$72.48	3	7	3	1.75%	3.64
CVX	10/10	$129.75	78.88	$126.18	$119.93	$113.07	—	7	3	4.23%	3.84
DVN	10/10	$50.98	65.01	$48.51	$44.78	$40.69	6	8	3	4.05%	1.85
EOG	10/10	$108.36	72.83	$100.08	$92.71	$88.72	7	8	3	2.84%	4.47
FANG	10/10	$126.82	63.53	$121.35	$113.02	$106.45	1	8	3	1.65%	4.06
GLW	5/10	$41.39	68.92	$37.32	$37.46	$37.55	5	8	4	2.53%	0.06
HAL	10/10	$31.02	78.21	$27.13	$24.43	$23.82	5	7	3	0.64%	1.74
LMT	7/10	$390.54	75.17	$367.30	$351.58	$350.52	5	8	4	3.01%	9.99
MKC	8/10	$98.05	62.25	$95.65	$91.67	$86.92	6	5	4	1.55%	0.81
OXY	10/10	$37.15	67.03	$33.87	$31.38	$31.12	5	7	3	0.11%	1.58
PCAR	7/10	$92.71	56.36	$92.64	$88.90	$86.89	5	6	3	1.41%	1.41
PM	6/10	$102.74	63.63	$99.83	$94.55	$96.08	—	8	4	4.90%	2.20
PXD	10/10	$213.29	66.02	$203.26	$189.35	$182.76	5	7	3	1.07%	7.55
SLB	10/10	$39.24	70.92	$35.22	$32.19	$31.69	1	7	3	1.47%	2.03
TRV	6/10	$165.07	57.12	$162.76	$157.89	$157.44	1	7	3	2.16%	2.59
VRTX	8/10	$240.20	61.98	$225.92	$212.57	$198.92	—	5	2	%	4.19
XOM	10/10	$74.61	74.77	$69.87	$64.96	$62.82	4	7	1	4.95%	3.01

Technical & Fundamental Strength Screen

Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD
BAP	10/10	$138.18	56.90	$135.52	$124.52	$122.42	7	8	3	0.83%	4.12
CLR	10/10	$51.09	58.09	$49.75	$47.07	$47.08	6	9	2	1.53%	1.57
CNQ	10/10	$50.74	66.64	$48.23	$43.88	$41.42	6	8	4	3.56%	2.39
DVN	10/10	$50.98	65.01	$48.51	$44.78	$40.69	6	8	3	4.05%	1.85
EOG	10/10	$108.36	72.83	$100.08	$92.71	$88.72	7	8	3	2.84%	4.47
LEVL	10/10	$39.93	43.38	$41.00	$39.81	$35.32	6	7	3	0.57%	0.40
PAE	10/10	$10.00	75.58	$9.96	$9.94	$8.60	6	7	3	%	0.04
PBR	10/10	$13.24	79.94	$11.99	$11.13	$10.72	6	8	3	16.19%	0.68
ARC	9/10	$3.25	42.18	$3.58	$3.29	$3.10	6	7	—	5.41%	0.01
CTRA	9/10	$21.38	53.02	$20.71	$20.45	$20.55	6	9	3	2.22%	0.00
EQNR	9/10	$27.41	52.75	$27.94	$26.86	$26.10	6	8	1	2.51%	0.46
FCF	9/10	$16.35	52.99	$16.75	$16.00	$15.08	6	7	2	2.62%	0.16
LEGH	9/10	$23.28	47.20	$24.80	$25.28	$22.00	6	7	3	%	-0.31
WES	9/10	$23.08	63.95	$23.25	$21.59	$21.53	6	7	3	5.51%	0.63
AIR	8/10	$38.72	48.80	$40.93	$37.90	$36.12	6	7	3	%	0.60
CAPL	8/10	$22.35	69.47	$20.91	$20.05	$20.27	7	6	3	9.79%	0.66
FLO	8/10	$28.14	53.98	$28.14	$27.17	$25.84	6	7	2	3.36%	0.36
SELF	8/10	$5.95	57.15	$5.81	$5.56	$5.38	6	7	—	4.23%	0.06
SFM	8/10	$26.59	47.88	$29.19	$27.97	$25.39	6	8	3	%	0.06
TD	8/10	$77.91	53.09	$79.34	$76.28	$72.64	6	7	3	3.45%	1.01
UVE	8/10	$16.84	43.37	$18.12	$16.83	$15.27	6	7	3	3.30%	0.25
BMO	7/10	$112.54	52.78	$113.58	$109.92	$107.63	7	8	3	3.52%	1.62
CHT	7/10	$42.93	73.99	$42.36	$41.57	$40.67	7	6	—	3.63%	0.40
CPHC	7/10	$17.91	69.39	$17.45	$17.29	$16.78	6	8	—	1.61%	0.11
EPC	7/10	$46.75	46.94	$47.73	$45.37	$41.10	6	9	3	1.19%	0.74
HSY	7/10	$195.72	50.92	$196.18	$188.72	$182.47	6	7	3	1.81%	2.13
HWBK	7/10	$25.85	52.55	$25.78	$25.06	$24.24	6	7	—	2.31%	0.23
IBCP	7/10	$24.03	47.98	$24.92	$23.83	$22.85	6	7	2	3.43%	0.38
LITE	7/10	$96.13	40.39	$103.16	$98.63	$92.24	6	7	2	%	-0.89
SPTN	7/10	$24.55	42.01	$25.20	$24.94	$23.68	6	7	—	3.30%	-0.18
STX	7/10	$104.77	47.97	$107.46	$105.97	$96.51	6	7	2	2.79%	-2.57
ZNGA	7/10	$8.63	64.97	$7.98	$7.02	$7.35	7	6	2	%	0.59

SimpleVisor Portfolio Changes

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

There were two sets of trades this week.

January 24th

> *"We added a QQQ trade for a technical oversold bounce in the market* and *tried to give it a bit of room for a bounce, but such is not to be the case heading into the Fed meeting. We suspect the Fed will begin to back peddle on their hawkish stance, but we will wait for the bounce to manifest and we will buy back into it at that point. There is a very high probability we are getting stopped out at the bottom of this selloff." - 01/24/22*

Equity Model

- *Sell 100% of QQQ*
- *Sell 100% of ASAN and the rest of NFLX (We sold half previous to the earnings miss)*

ETF Model

- *Sell 100% of QQQ*

January 28th

"This morning we are executing a few "clean up" trades as the market attempts an oversold rally. With the dollar rallying, and deflationary pressures showing up in the economic data, we are starting to trim some of our commodity trades to take in some gains.

The market gyrations are working off the deeply oversold condition we had previously. We suspect that we will get a rally of 4-6% over the next couple of weeks as we progress through earnings. However, that rally will likely fail at resistance. As such we are trimming our PFF holdings and adding a short S&P 500 position incrementally into the rally.

As the market rallies, we will continue to add to the short and reduce our long equity exposures as needed. IF the market breaks above resistance and regains a bullish trend, we will remove the short and add back to our equity holdings." - 01/28/22

Equity Model

- *Reduce Marathon Oil (MRO) to 1% of the portfolio*
- *Reduce Exxon Mobil (XOM) to model weight of 2% of the portfolio.*
- *PFF gets reduced by 2% of the portfolio.*
- *Add 1% of the portfolio to SH*

ETF Model

- *Reduce XLE from 4% of the portfolio to 3%.*
- *PFF gets reduced by 2% of the portfolio.*
- *Add 1% of the portfolio to SH*

Lance Roberts, CIO

Have a great week!