Inversion Of Yield Curve Finally Reversing

By Lance Roberts | August 3, 2024

Inside This Week?s Bull Bear Report

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Market Correction Continues

As noted last week, the continuation of the market correction is unsurprising.

> ?***However, while the markets are oversold enough for a reflexive bounce, the current correction process is likely incomplete. Moreover, the MACD ?sell signal? also suggests that the current upside remains limited.***
>
> *It is quite likely that any short-term, reflexive rally will fail during this corrective process. For now, use rallies to rebalance portfolios and reduce risk as needed. Our only concern is that with investors remaining very bullish despite the recent pullback, a further correction is required to resolve that condition.*

Such happened this past week, with a strong rally on Wednesday that failed. What is clear is the market is starting to recognize that Federal Reserve rate cuts are not bullish for stocks. As we have discussed, when the Fed cuts rates, it often coincides with weaker economic activity, which precedes a decline in earnings growth. The drop in the ISM manufacturing index and a terrible

employment report bolstered those concerns. Unsurprisingly, the market is beginning to discount the impact on earnings by reducing stock prices.

While the correction has been quite normal, Friday?s break of the 50-DMA suggests the correctional process continues. As we discussed in June and July, a 5-10% correction was likely, and we are in the middle of that process. The market is getting decently oversold, and we are likely seeing a short-term exhaustion of sellers. Notably, the market held the 100-DMA on Friday, which was critical support during the April correction. With markets oversold, we would be unsurprised to see a reflexive rally next week. Use rallies to rebalance risk and reduce exposure as needed.

We are seeing a consistent string of weaker-than-expected economic data, which suggests the economy is slowing more than headlines suggest. Notably, one of the best indicators of economic weakness and recessions is when yield curve inversions reverse. We are now seeing early evidence of this, and we will examine that more in detail in this week?s discussion.

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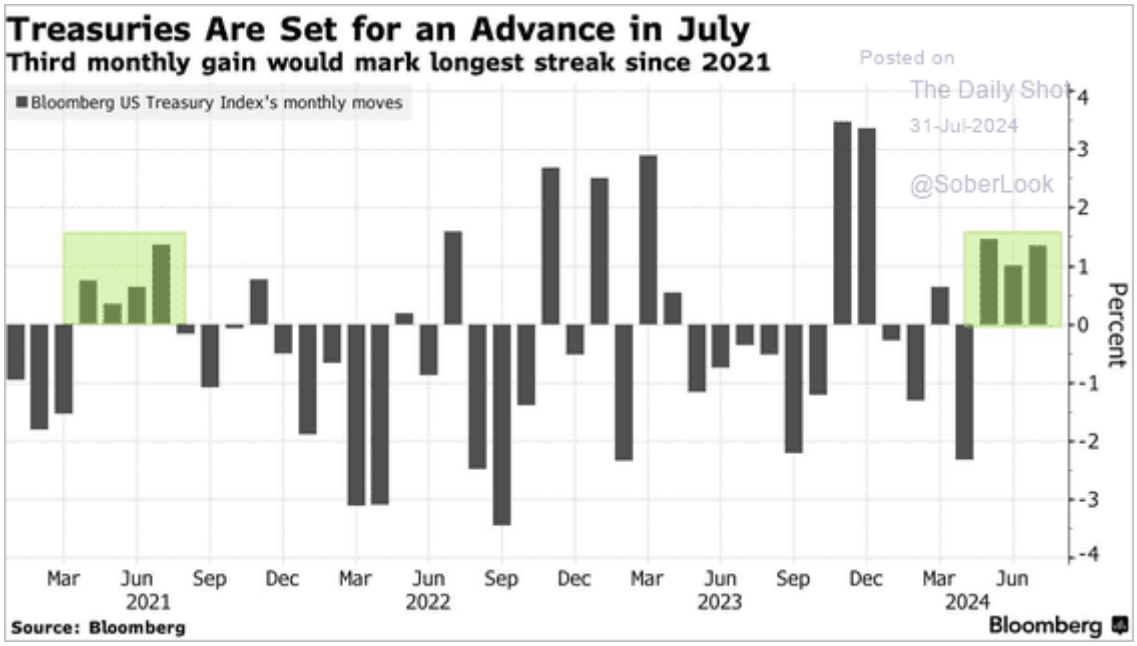
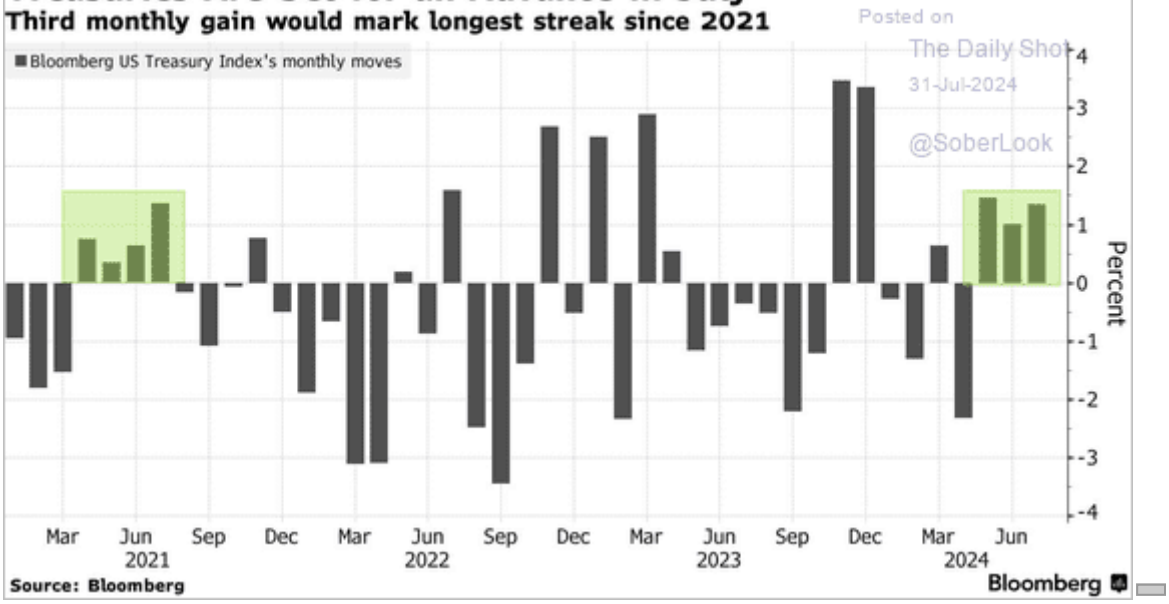
Bonds Yields On The Decline

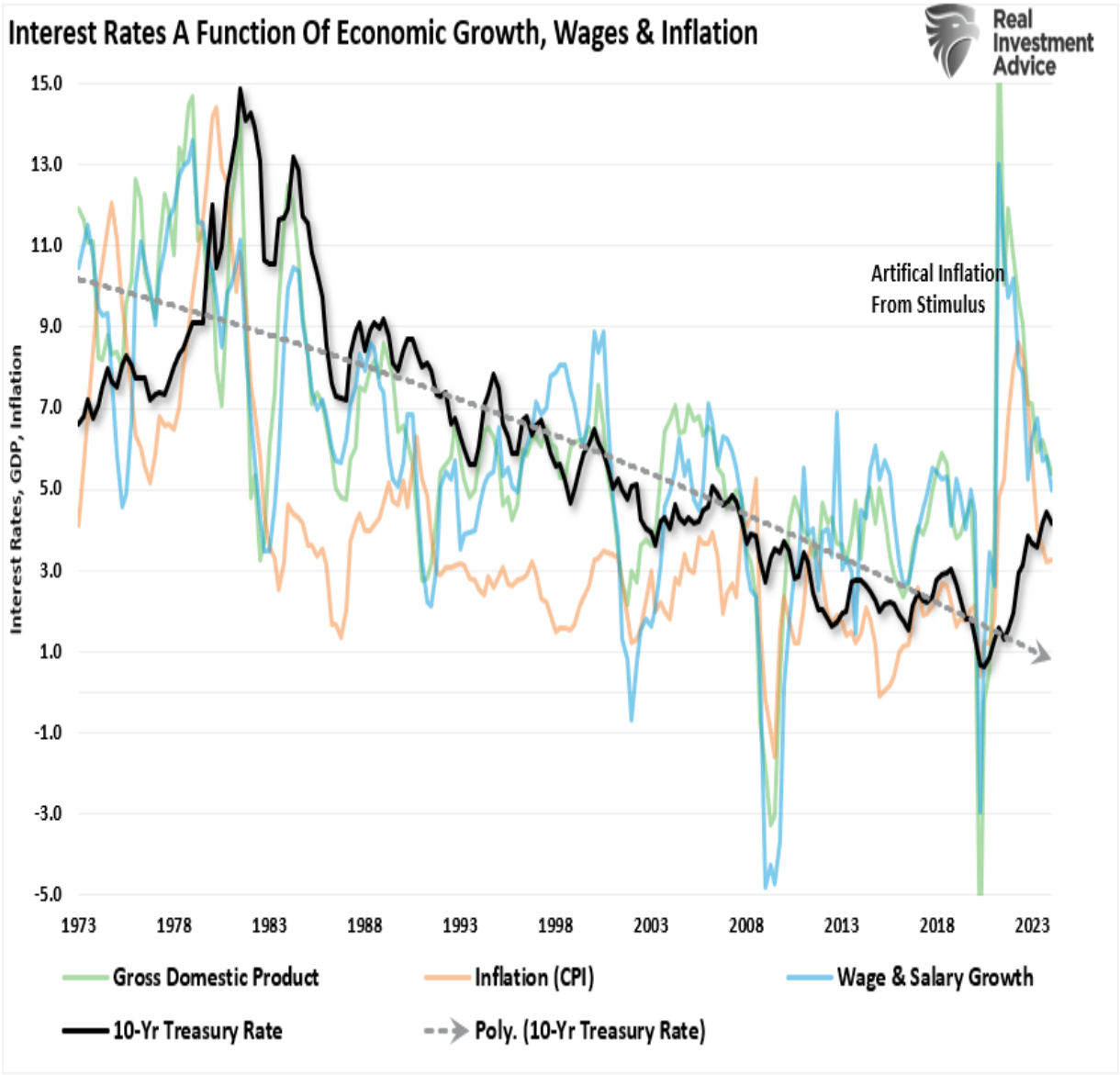
Over the last several months, bond prices have been rising very quietly. Of course, given the inverse relationship between bond price and bond yields, bond yields have declined.

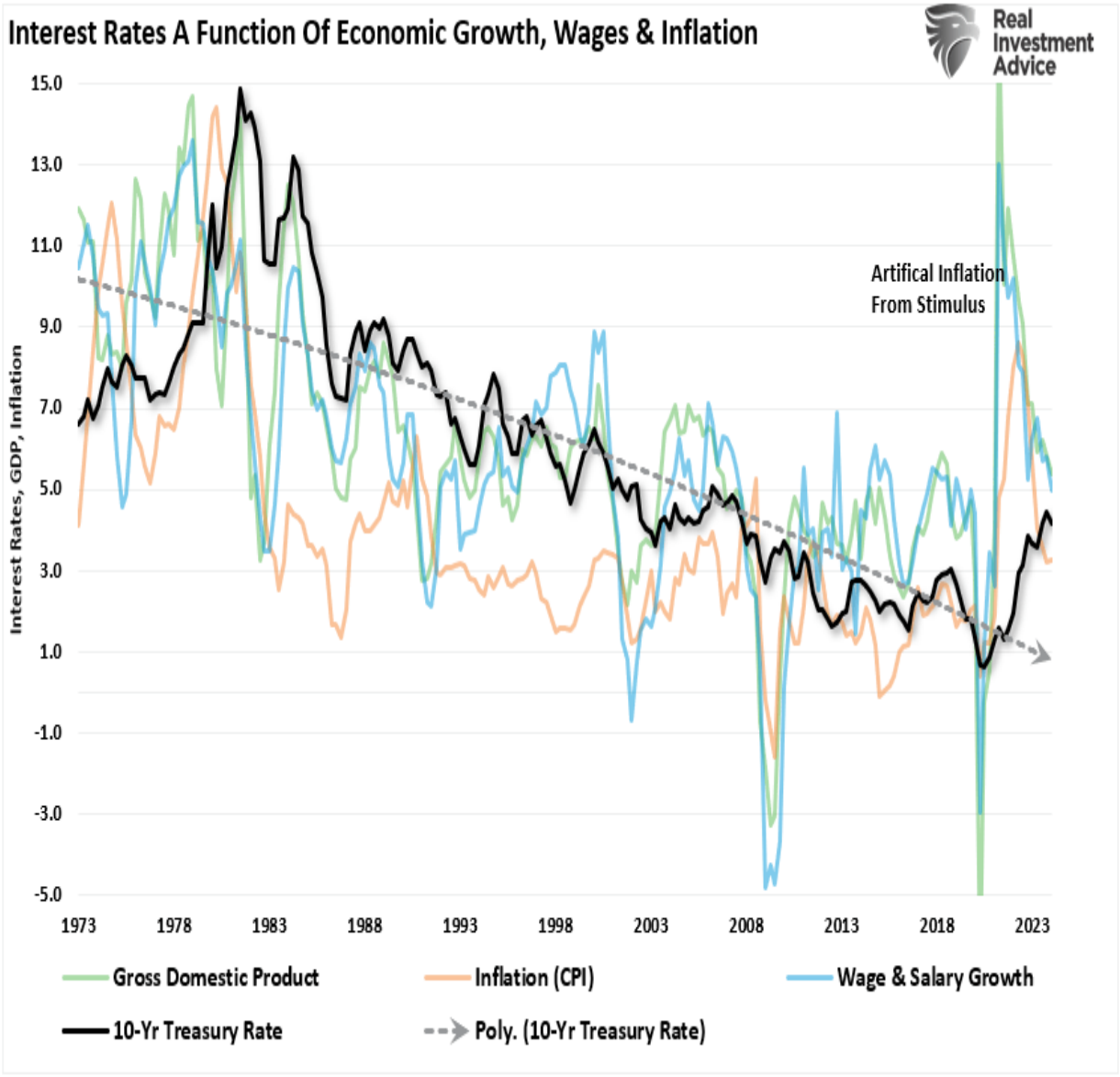




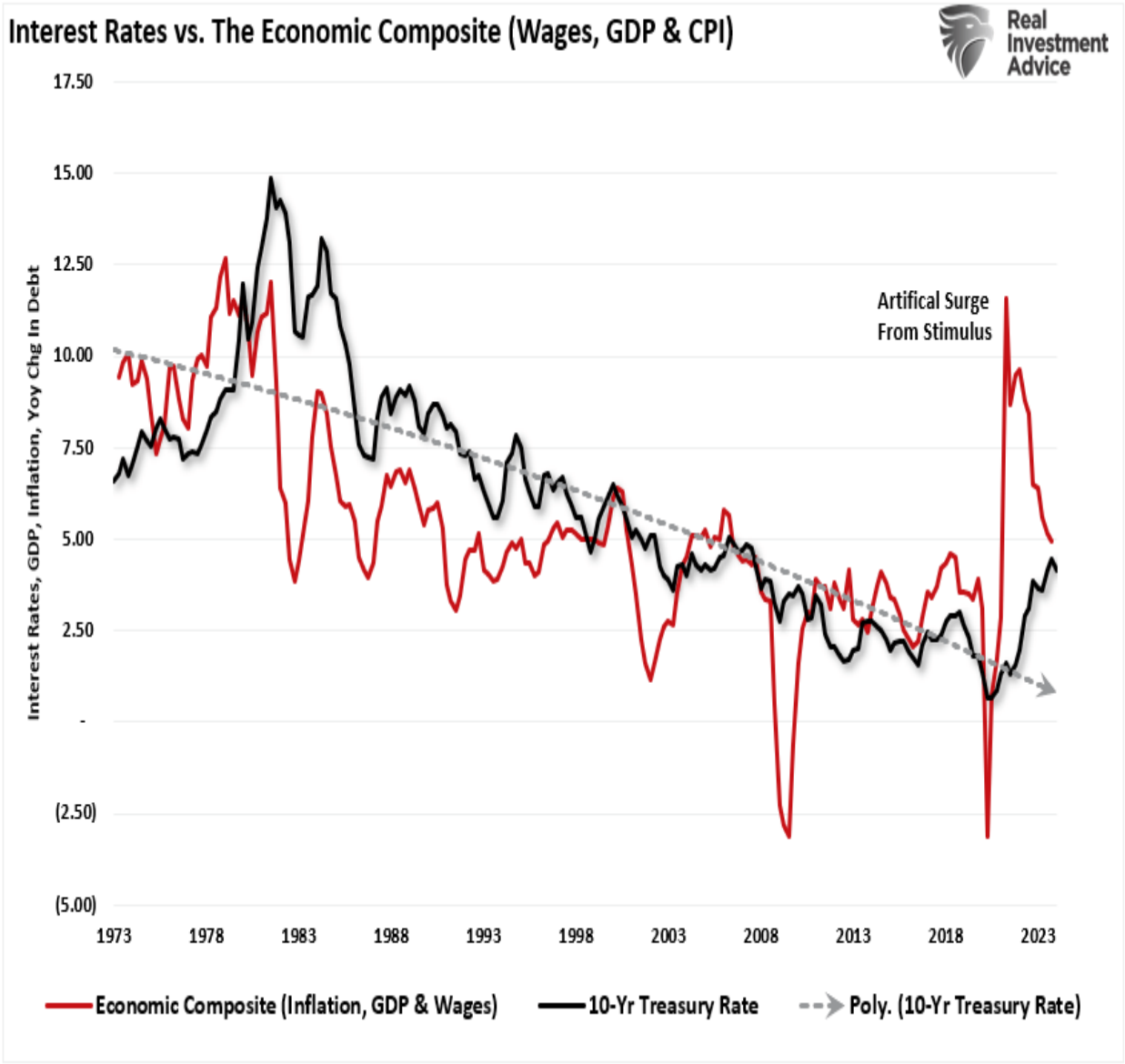
That is because yields reflect slowing economic growth and the resulting disinflationary pressures. ***As discussed previously***:

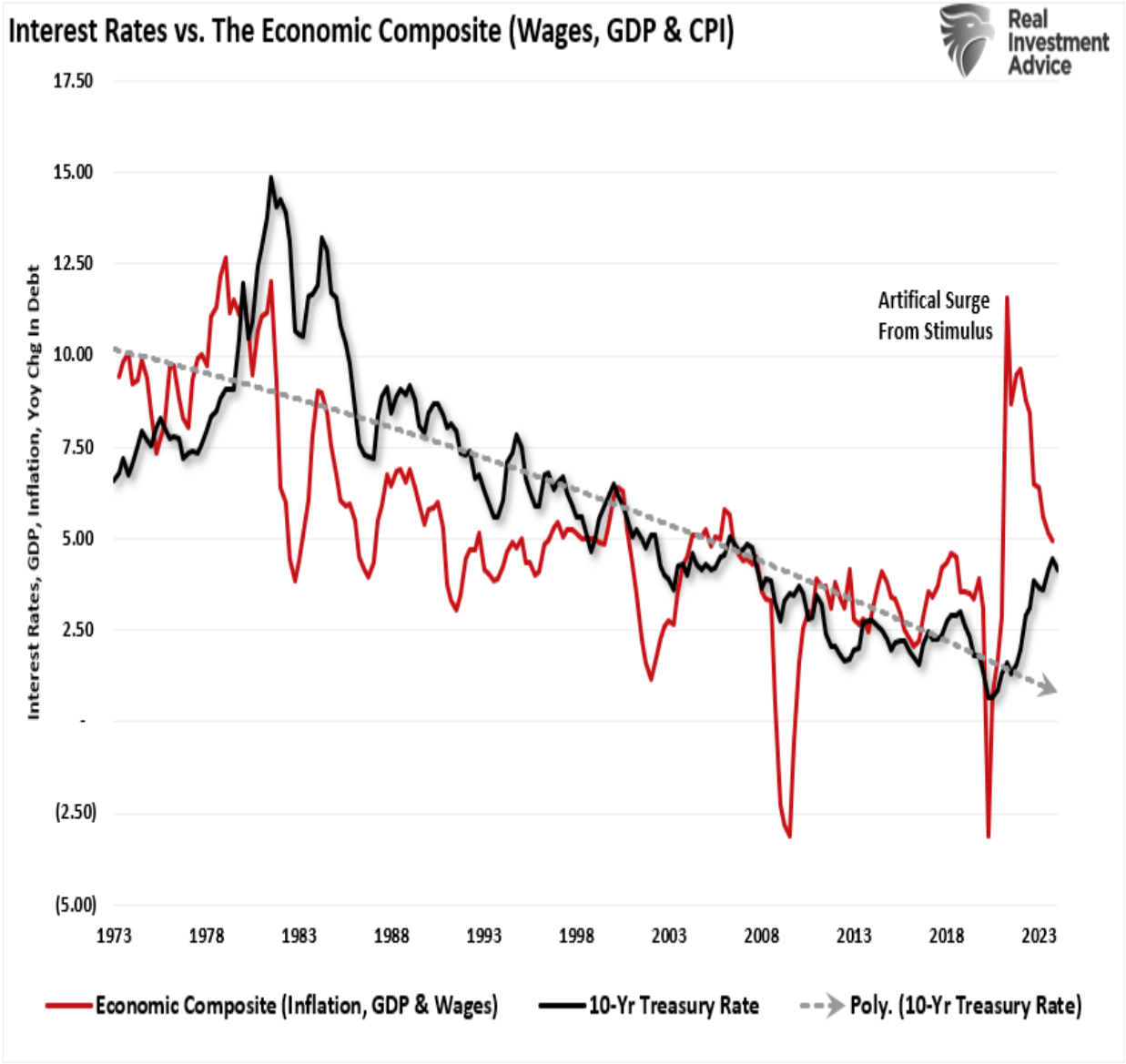
> *The chart below shows the correlation between economic growth, inflation, and interest rates. Unsurprisingly, interest rates rise when economic growth increases, leading to more demand for credit. Inflation rises with economic activity as the supply/demand imbalance increases prices. That is basic economics.*?


Interest Rates A Function Of Economic Growth, Wages & Inflation
Real Investment Advice
Interest Rates, GDP, Inflation
15.0
13.0
11.0
9.0
7.0
5.0
3.0
1.0
-1.0
-3.0
-5.0
1973
1978
1983
1988
1993
1998
2003
2008
2013
2018
2023
Artifical Inflation From Stimulus
Gross Domestic Product
Inflation (CPI)
Wage & Salary Growth
10-Yr Treasury Rate
Poly. (10-Yr Treasury Rate)



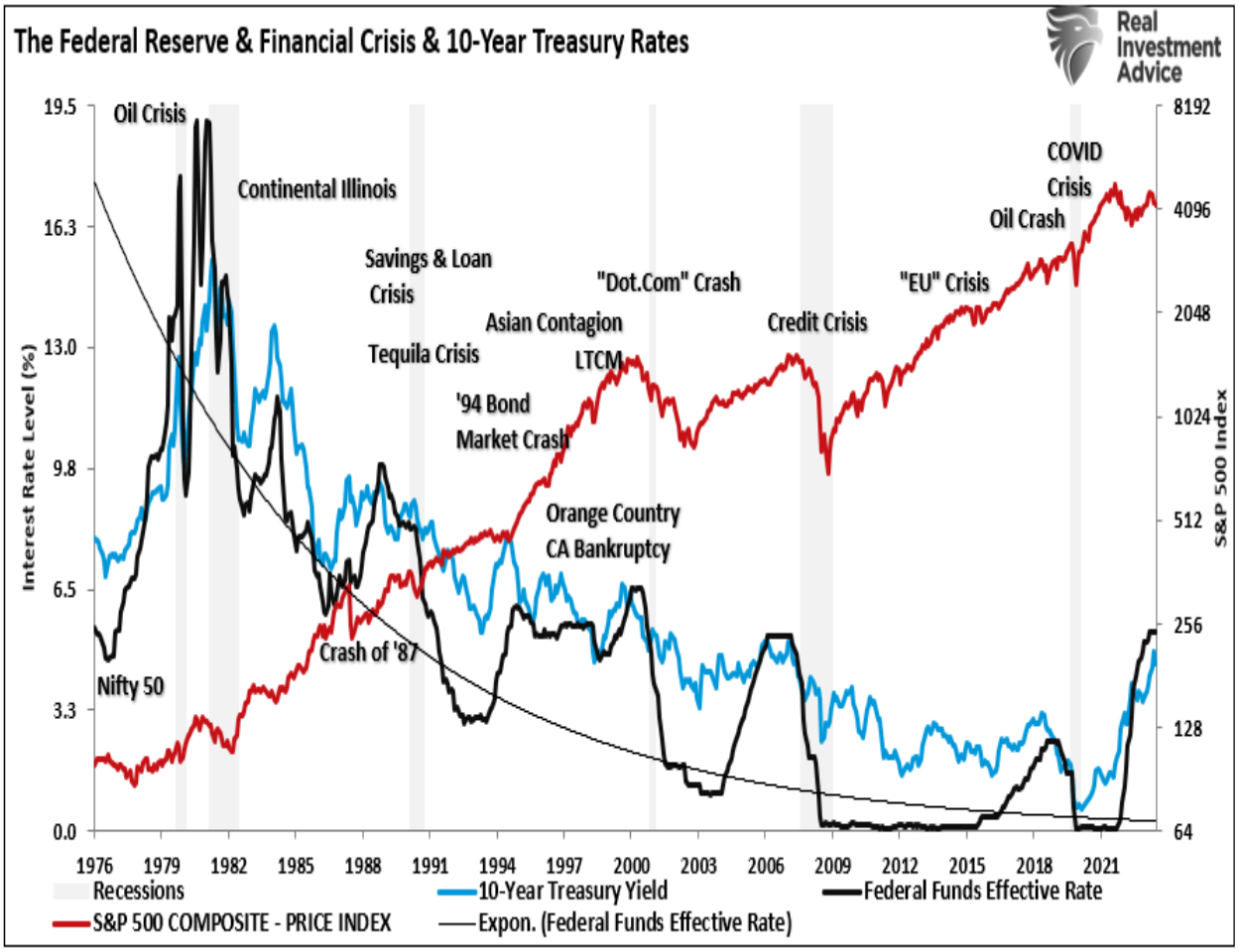
?That chart has a lot going on, so let?s create a composite index of wages&#2013266080;(which provides consumer purchasing power, aka demand),&#2013266080;economic growth&#2013266080;(the result of production and consumption),&#2013266080;and inflation&#2013266080;(the byproduct of increased demand from rising economic activity).&#2013266080;We then compare that composite index to interest rates. Unsurprisingly, there is a high correlation between economic activity, inflation, and interest rates as rates respond to the drivers of inflation.?


Interest Rates vs. The Economic Composite (Wages, GDP & CPI)
Real Investment Advice
Interest Rates, GDP, Inflation, Yoy Chg In Debt
17.50
15.00
12.50
10.00
7.50
5.00
2.50
-
(2.50)
(5.00)
1973
1978
1983
1988
1993
1998
2003
2008
2013
2018
2023
Artifical Surge From Stimulus
Economic Composite (Inflation, GDP & Wages)
10-Yr Treasury Rate
Poly. (10-Yr Treasury Rate)



Furthermore, the economic weakness that is becoming more visible now puts the ***Federal Reserve in a position to cut rates*** as early as September.

> *?Historically, the 10-year Treasury bond yield&#2013266080;(the inverse of bond prices)&#2013266080;shows a very high correlation to Federal Reserve rate changes. That is because while the Fed controls the short end of the yield curve, the economy controls the long end. Therefore, longer-term yields respond to economic realities as the Fed cuts rates in response to a disinflationary event.?*



The Federal Reserve & Financial Crisis & 10-Year Treasury Rates
Real Investment Advice
Oil Crisis
Continental Illinois
Savings & Loan Crisis
Tequila Crisis
Asian Contagion
LTCM
"Dot.Com" Crash
'94 Bond Market Crash
Orange Country CA Bankruptcy
Credit Crisis
"EU" Crisis
COVID Crisis
Oil Crash
Crash of '87
Nifty 50
Interest Rate Level (%)
S&P 500 Index
19.5
16.3
13.0
9.8
6.5
3.3
0.0
8192
4096
2048
1024
512
256
128
64
1976 1979 1982 1985 1988 1991 1994 1997 2000 2003 2006 2009 2012 2015 2018 2021
Recessions
10-Year Treasury Yield
Federal Funds Effective Rate
S&P 500 COMPOSITE - PRICE INDEX
Expon. (Federal Funds Effective Rate)

Besides investors benefitting from the increase in Treasury bond prices as the economy slows, the decline in yields is also beginning to reverse the long-watched *?yield-curve inversion.?*

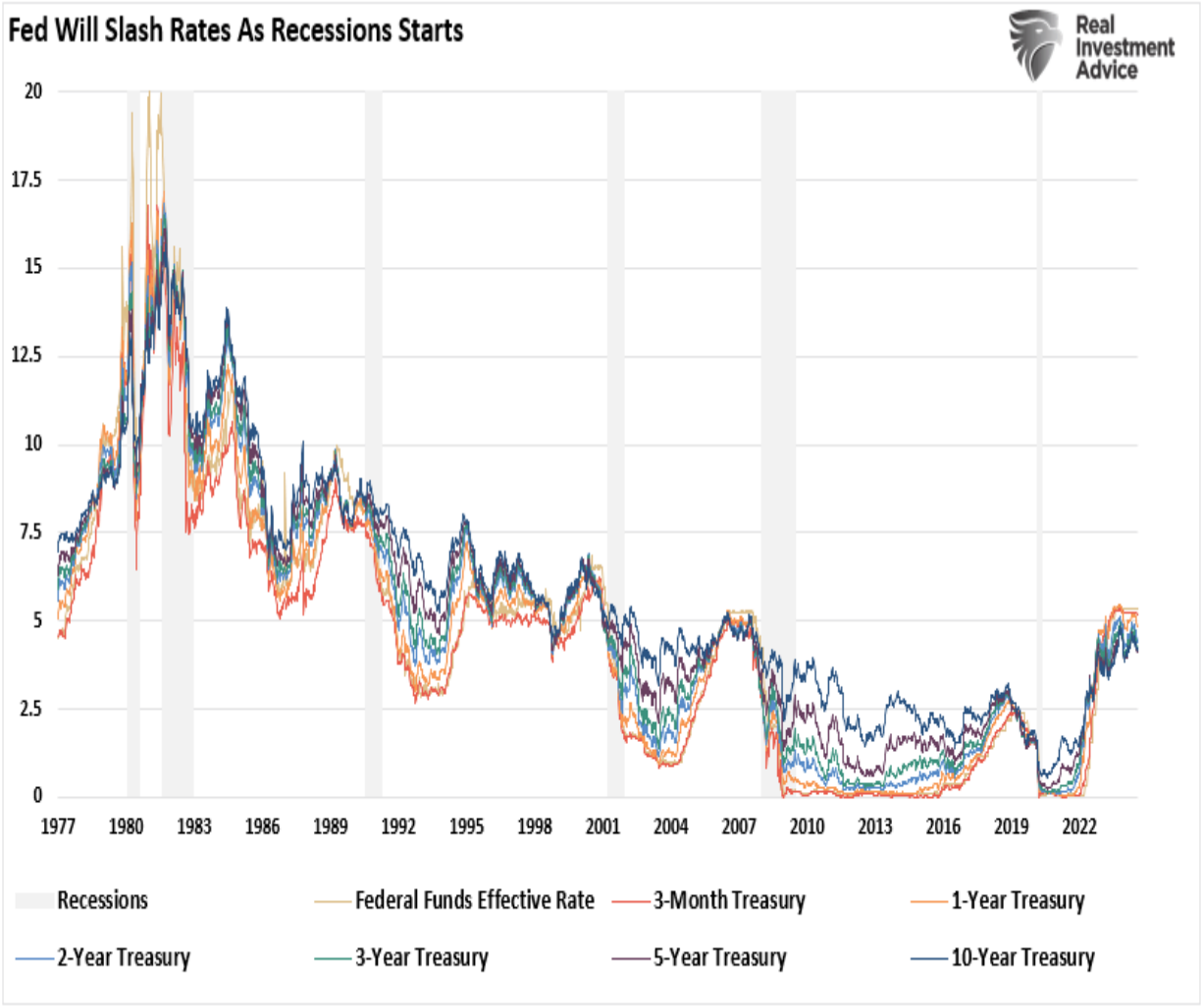
Inversion Of Yield Curve Finally Reversing

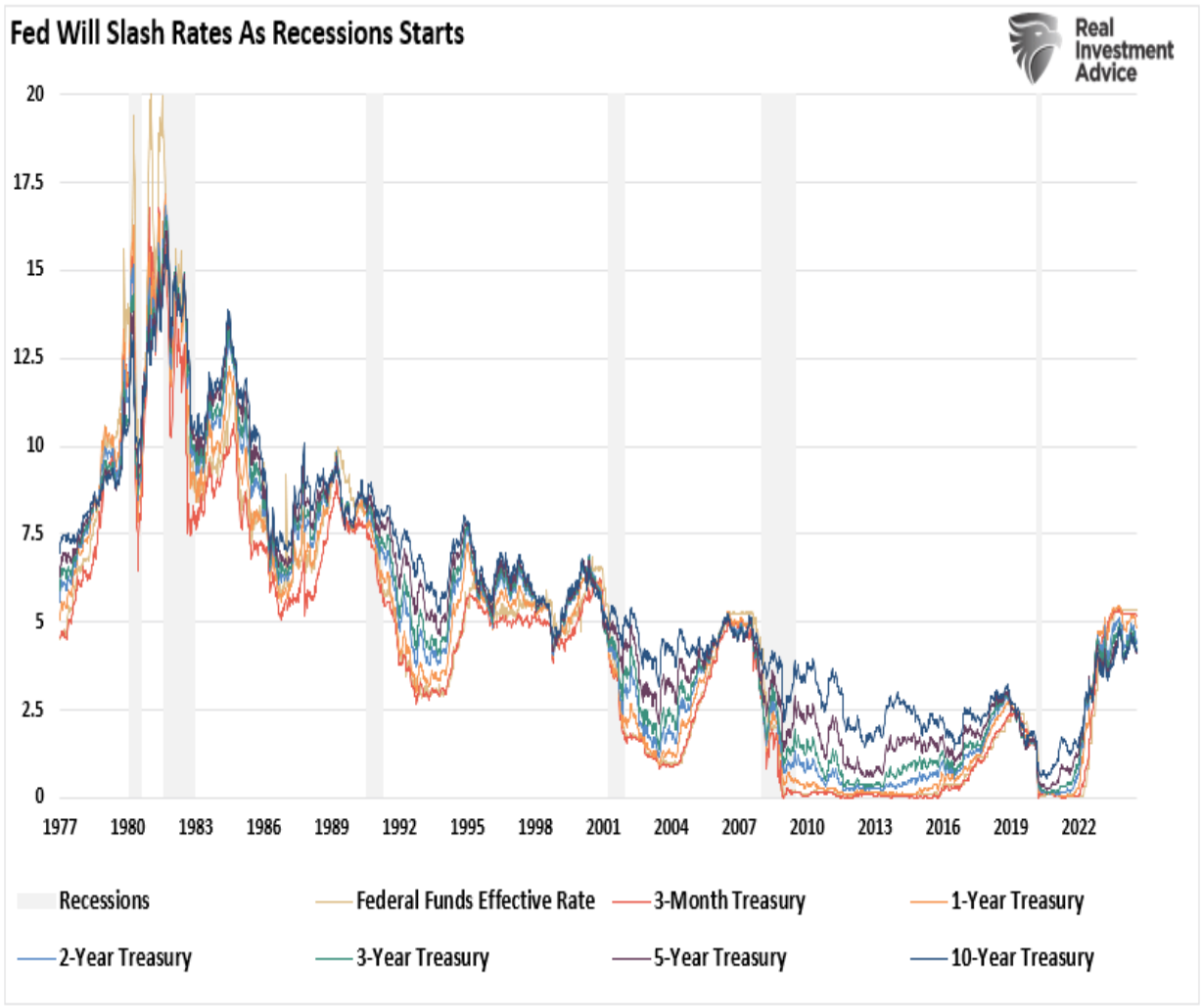
We have discussed the importance of yield curve inversions numerous times. However, regarding a recession countdown, the media always misunderstands the signal. The media always assumes this time is different because a recession didn?t occur immediately upon the inversion.

There are two problems with this way of thinking.

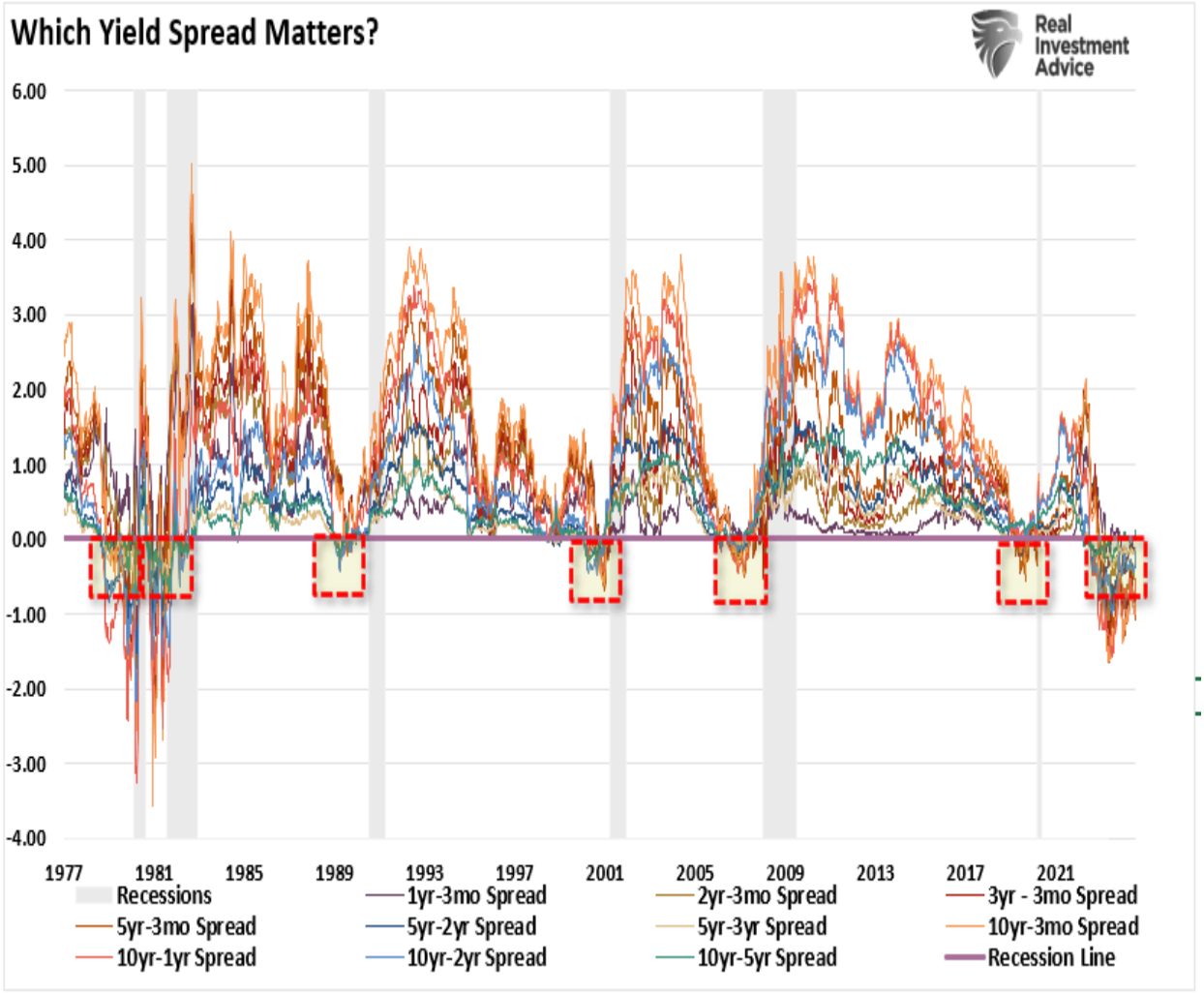
1. *The National Bureau of Economic Research (NBER) is the official recession dating arbiter. It waits for data revisions&#2013266080;by the Bureau of Economic Analysis (BEA) before announcing a recession?s official start. Therefore, the NBER is always 6-12 months late in dating the recession.*
2. *It is not the inversion of the yield curve that denotes the recession.&#2013266080;**The inversion is the ?warning sign,? whereas the un-inversion marks the start of the recession, which the NBER will recognize later.***

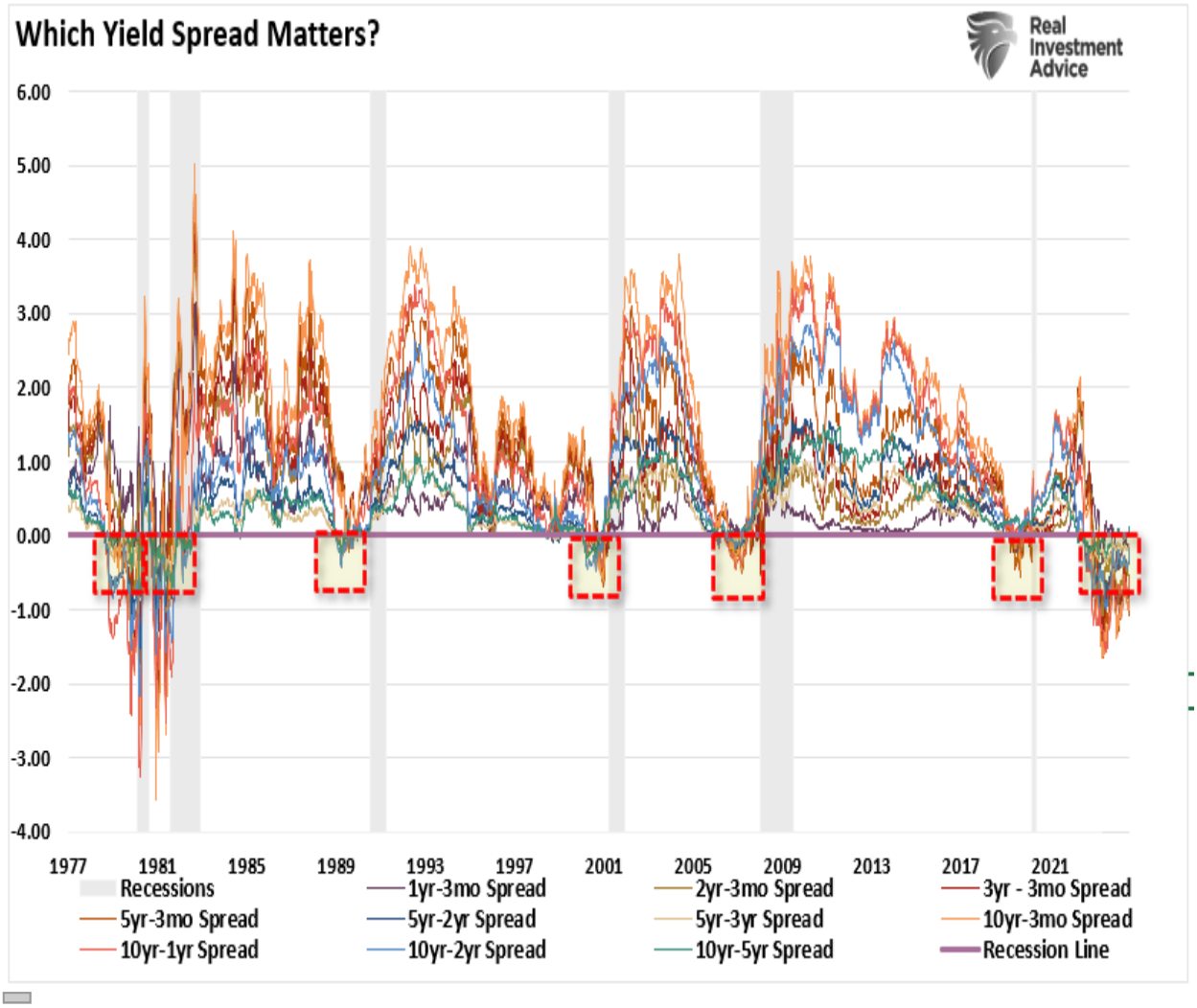
That last sentence is the most important. Regarding a&#2013266080;*?recession countdown,?* &#2013266080;the initial inversion is not the signal.**&#2013266080;It is when the curves un-invert that a recession is approaching.**&#2013266080;The reason is that the Federal Reserve is rapidly cutting rates as the recession is recognized.**&#2013266080;Such causes the short end** &#2013266080;of the yield curve to fall faster than the long end**.** With the Fed on deck to start cutting rates in September, yields should decline further as economic weakness expands.


Fed Will Slash Rates As Recessions Starts
Real Investment Advice
20
17.5
15
12.5
10
7.5
5
2.5
0
1977
1980
1983
1986
1989
1992
1995
1998
2001
2004
2007
2010
2013
2016
2019
2022
Recessions
Federal Funds Effective Rate
3-Month Treasury
1-Year Treasury
2-Year Treasury
3-Year Treasury
5-Year Treasury
10-Year Treasury

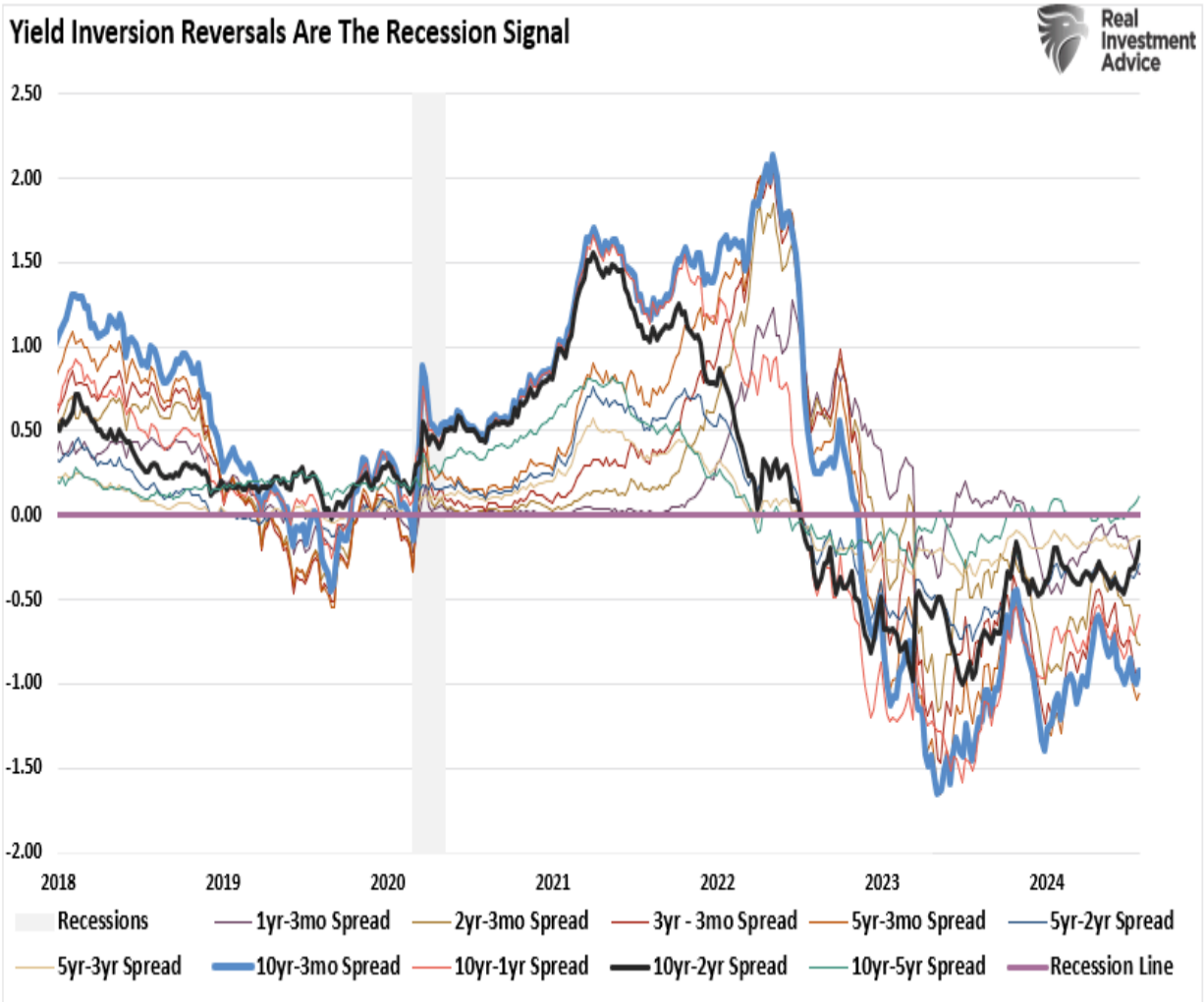


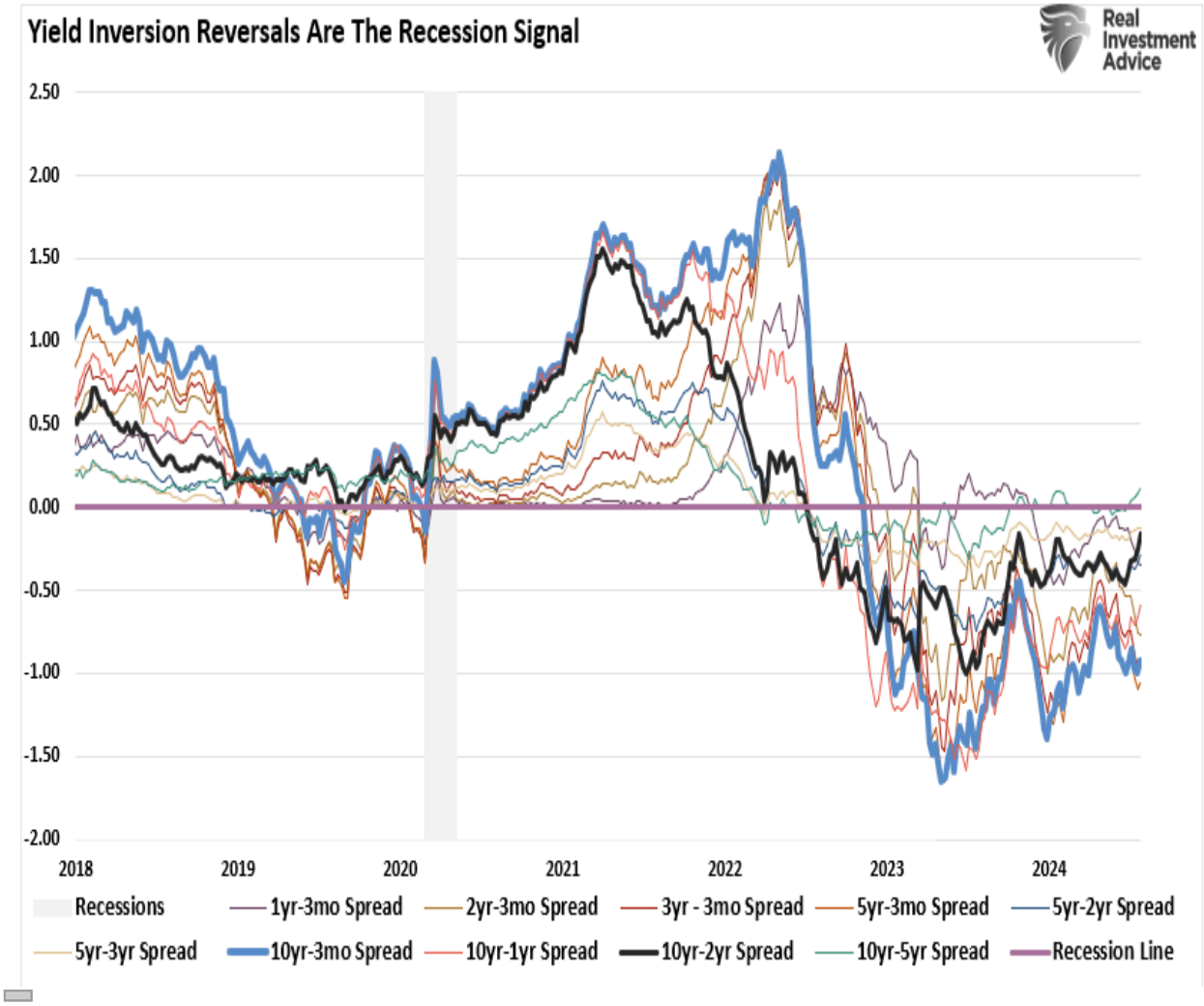
There is much debate on which yield curve to pay attention to. Our research shows ten different spreads between different Treasury bond maturities. As shown, most of the yield spreads we monitor are now inverted. Historically, such has been a solid leading indicator of an impending recession. However, as the Fed cut rates, those various yield spreads reversed their respective inversions, signaling the onset of the recession.


Which Yield Spread Matters?
Real Investment Advice
6.00
5.00
4.00
3.00
2.00
1.00
0.00
-1.00
-2.00
-3.00
-4.00
1977
1981
1985
1989
1993
1997
2001
2005
2009
2013
2017
2021
Recessions
1yr-3mo Spread
2yr-3mo Spread
3yr - 3mo Spread
5yr-3mo Spread
5yr-2yr Spread
5yr-3yr Spread
10yr-3mo Spread
10yr-1yr Spread
10yr-2yr Spread
10yr-5yr Spread
Recession Line

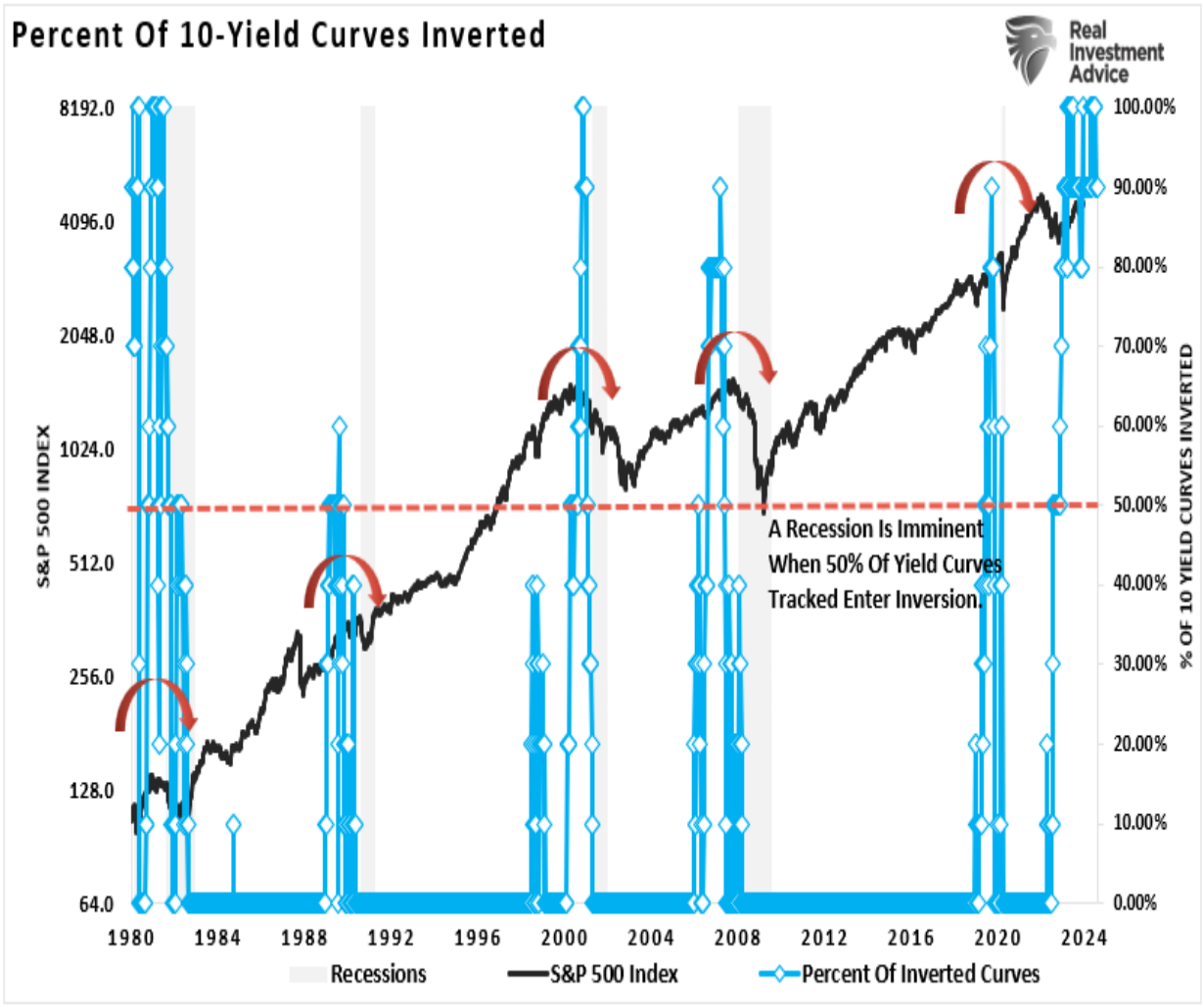


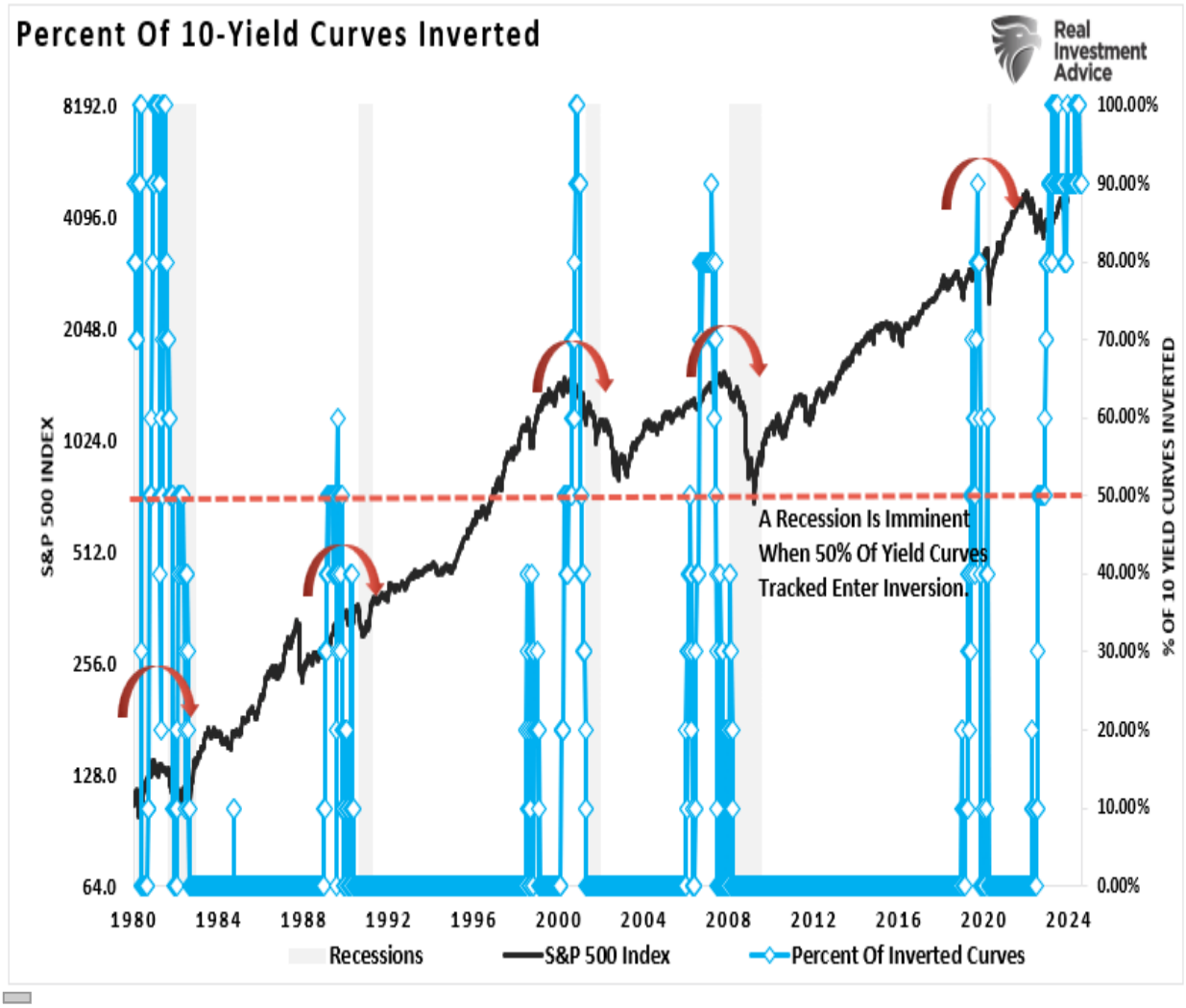
While the media continues to dismiss the risk of a recession and suggest the yield curve is wrong this time, the recession countdown is only beginning. That is because the yield curves have troughed at the short end of the spectrum, and even the longer end of the curve is rising.


Yield Inversion Reversals Are The Recession Signal
Real Investment Advice
2.50
2.00
1.50
1.00
0.50
0.00
-0.50
-1.00
-1.50
-2.00
2018
2019
2020
2021
2022
2023
2024
Recessions
1yr-3mo Spread
2yr-3mo Spread
3yr - 3mo Spread
5yr-3mo Spread
5yr-2yr Spread
5yr-3yr Spread
10yr-3mo Spread
10yr-1yr Spread
10yr-2yr Spread
10yr-5yr Spread
Recession Line



However, the bond market is already discounting weaker economic growth, earnings risk, elevated valuations, and a reversal of monetary support. Such is shown in the chart below. As noted, we track ten economically sensitive yield spreads. A recession follows whenever more than 50% of those spreads are inverted, and then that inversion is reversed ?every time.&#2013266080;***(Read this for a complete history.)***

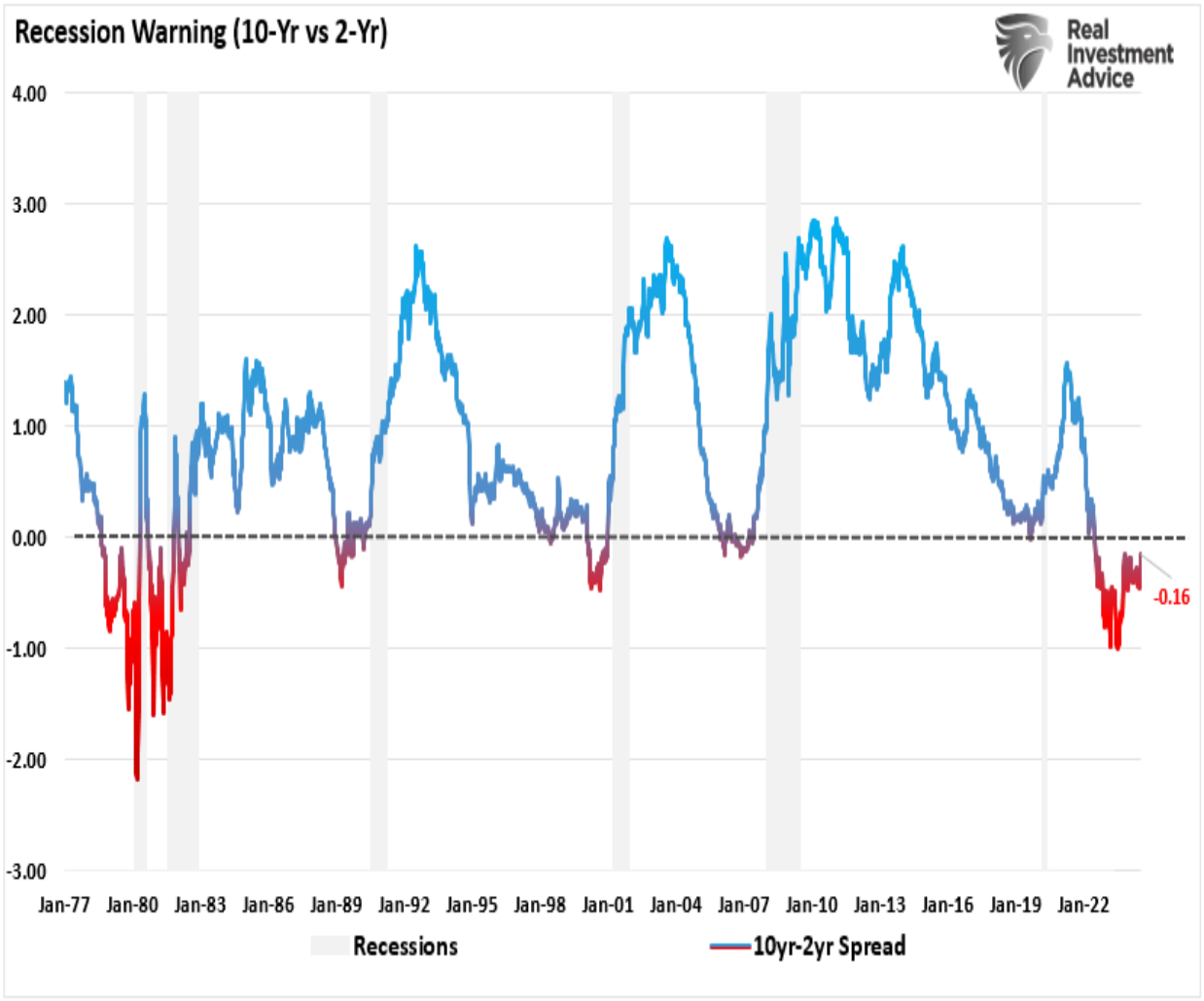

Percent Of 10-Yield Curves Inverted
Real Investment Advice
S&P 500 INDEX
% OF 10 YIELD CURVES INVERTED
8192.0
4096.0
2048.0
1024.0
512.0
256.0
128.0
64.0
100.00%
90.00%
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
1980
1984
1988
1992
1996
2000
2004
2008
2012
2016
2020
2024
A Recession Is Imminent
When 50% Of Yield Curves
Tracked Enter Inversion.
Recessions
S&P 500 Index
Percent Of Inverted Curves

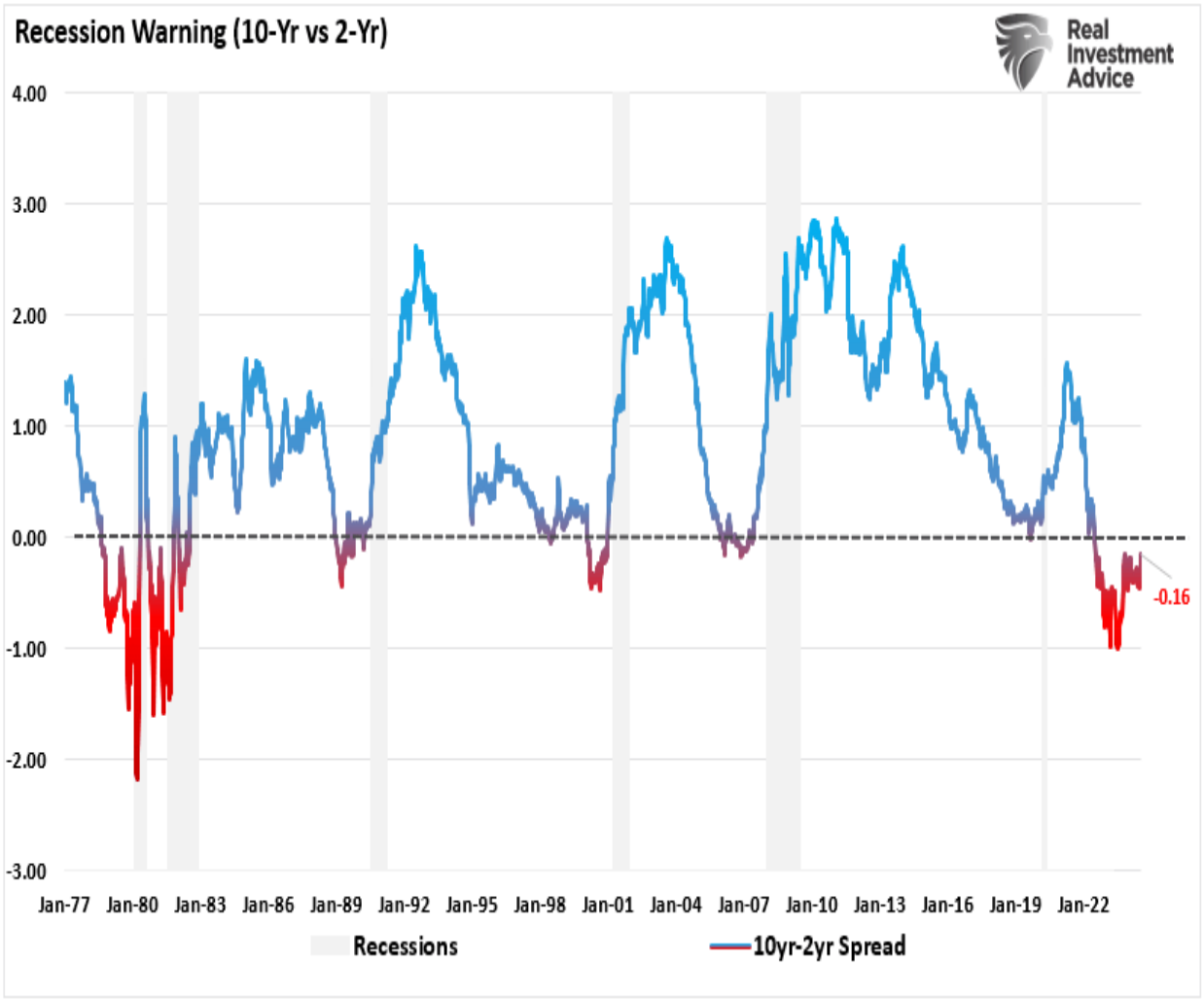


While the yield curve?s un-inversion is imminent, does this mean the economy will experience a *?hard landing??*

Mild Recession LIkely

The most watched yield-curve inversion *(the 10-year Treasury bond less the 2-year Treasury bill yield)* is univerting.

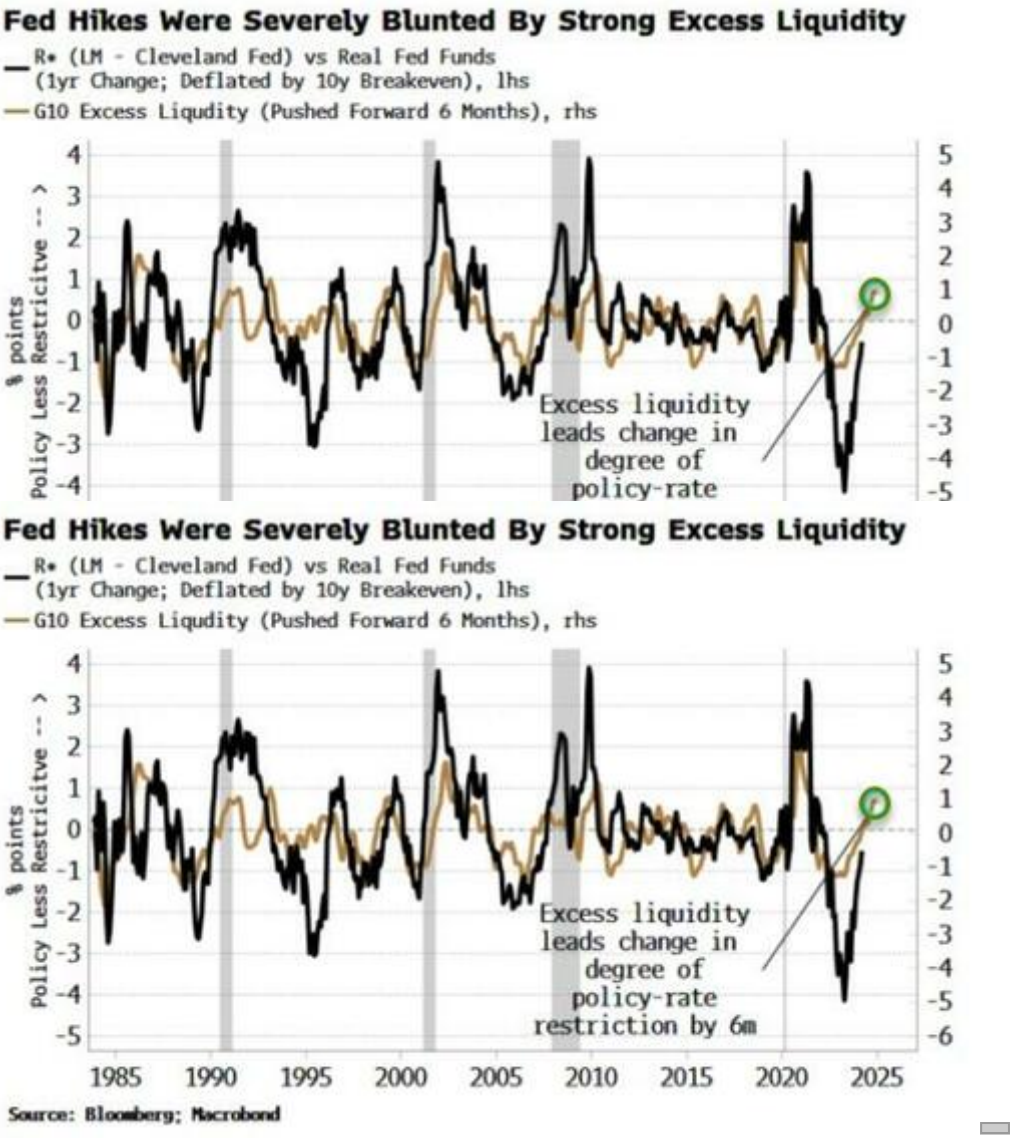

Recession Warning (10-Yr vs 2-Yr)
Real Investment Advice
4.00
3.00
2.00
1.00
0.00
-1.00
-2.00
-3.00
-0.16
Jan-77
Jan-80
Jan-83
Jan-86
Jan-89
Jan-92
Jan-95
Jan-98
Jan-01
Jan-04
Jan-07
Jan-10
Jan-13
Jan-16
Jan-19
Jan-22
Recessions
10yr-2yr Spread



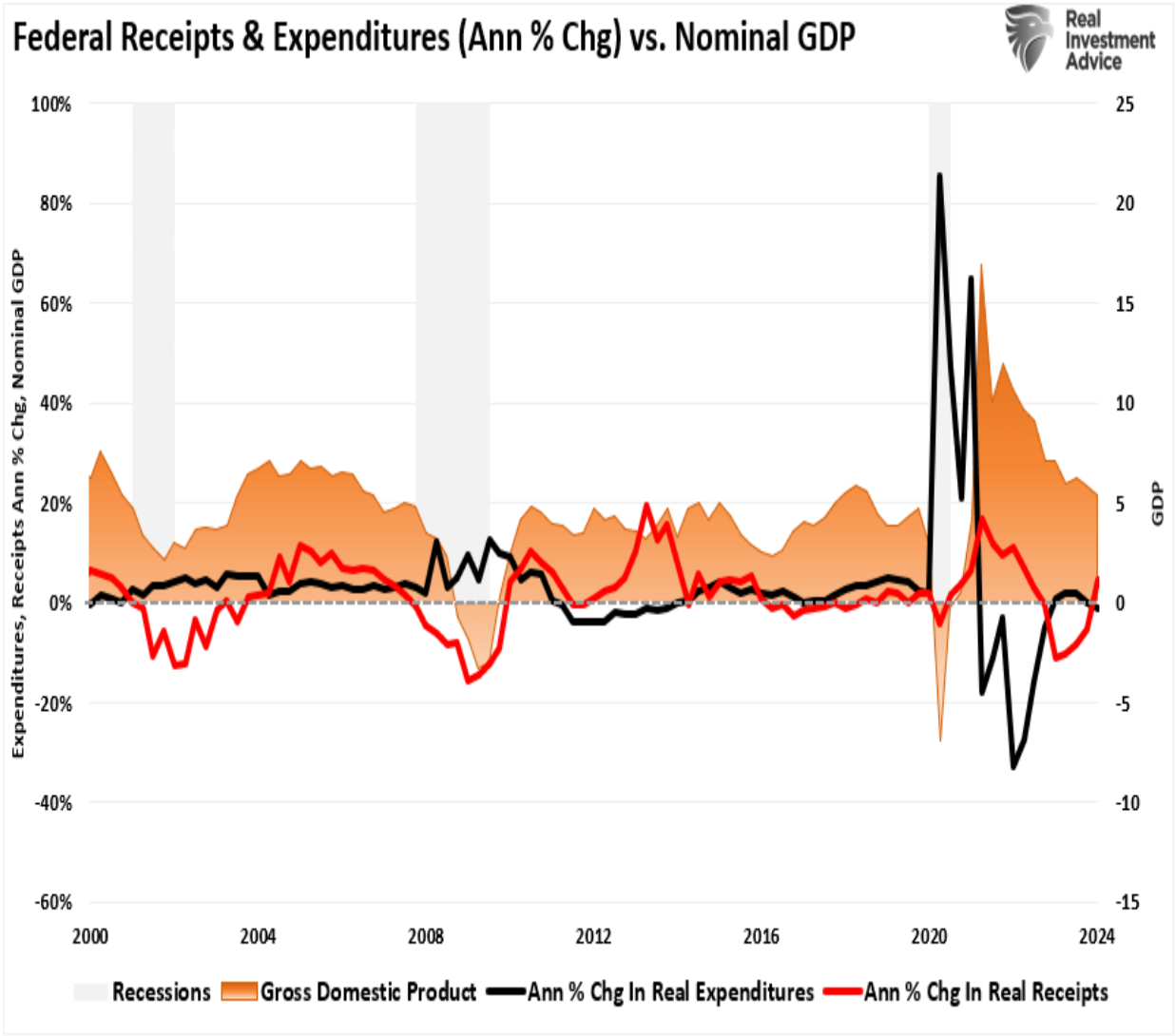
As noted, such is unsurprising, with the economy slowing, unemployment rising, and wage growth declining. However, such does not necessarily mean we are on the verge of an *?economic hard landing.?*

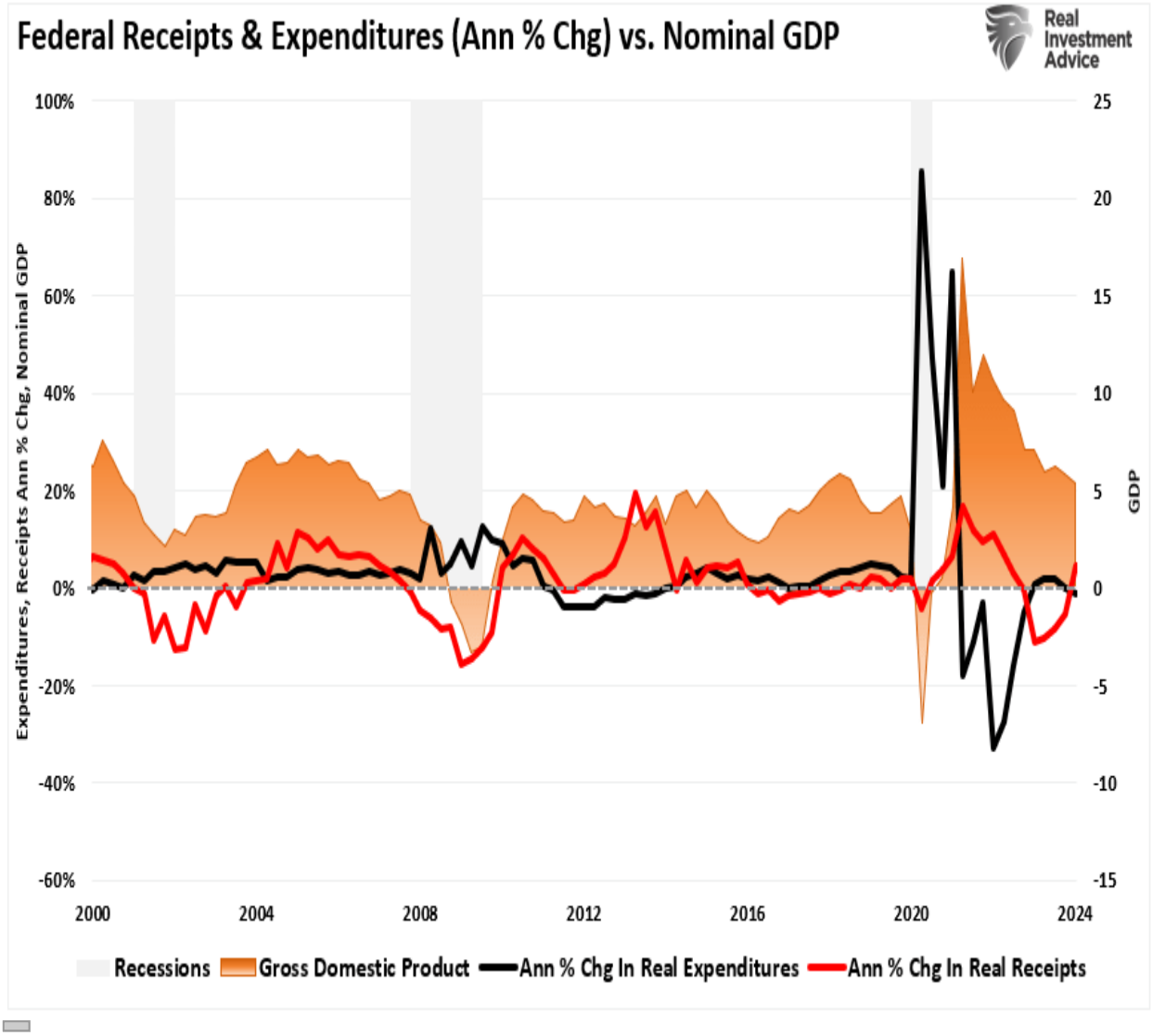
That is because of the massive amounts of stimulus previously pumped into the system, along with trillions in Government spending programs, that blunted the impact of the Fed?s rate hiking campaign. As noted by Simon White of Bloomberg:

> *?The efficacy of the yield curve as a recession seer lies in recognizing that the 10-year yield is a proxy for the clearing rate for savings and investment in the economy. When short-term rates are above the 10-year it?s taken to mean policy is restrictive; the longer the curve is inverted, the longer the restriction lasts and the greater the chance of a recession.*
>
> *But if short-term rates above the 10-year does not signify restrictive policy, then the inverted curve is much more likely to be a recession false flag, and the subsequent steepening is not a reason to run for the hills.*
>
> ***That?s what has happened in this cycle. Excess liquidity, the difference between real money and economic growth, has remained persistently strong and has yet to turn down.****&#2013266080;That?s powered a huge asset rally, which has loosened financial conditions and defanged the Fed?s rate hikes. As the chart below shows, rising excess liquidity leads to easier effective Fed policy by about six months, and vice versa.?*

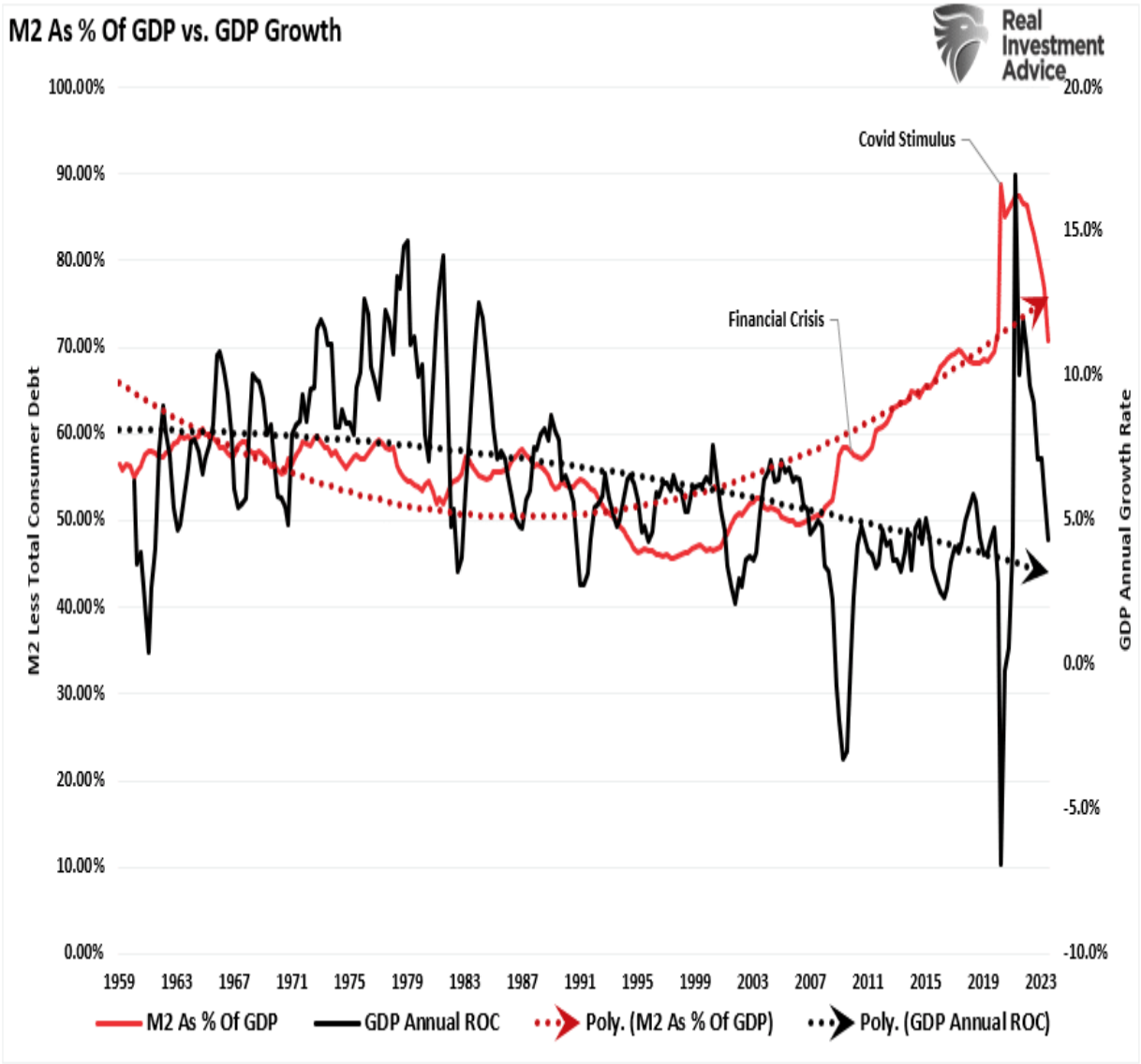


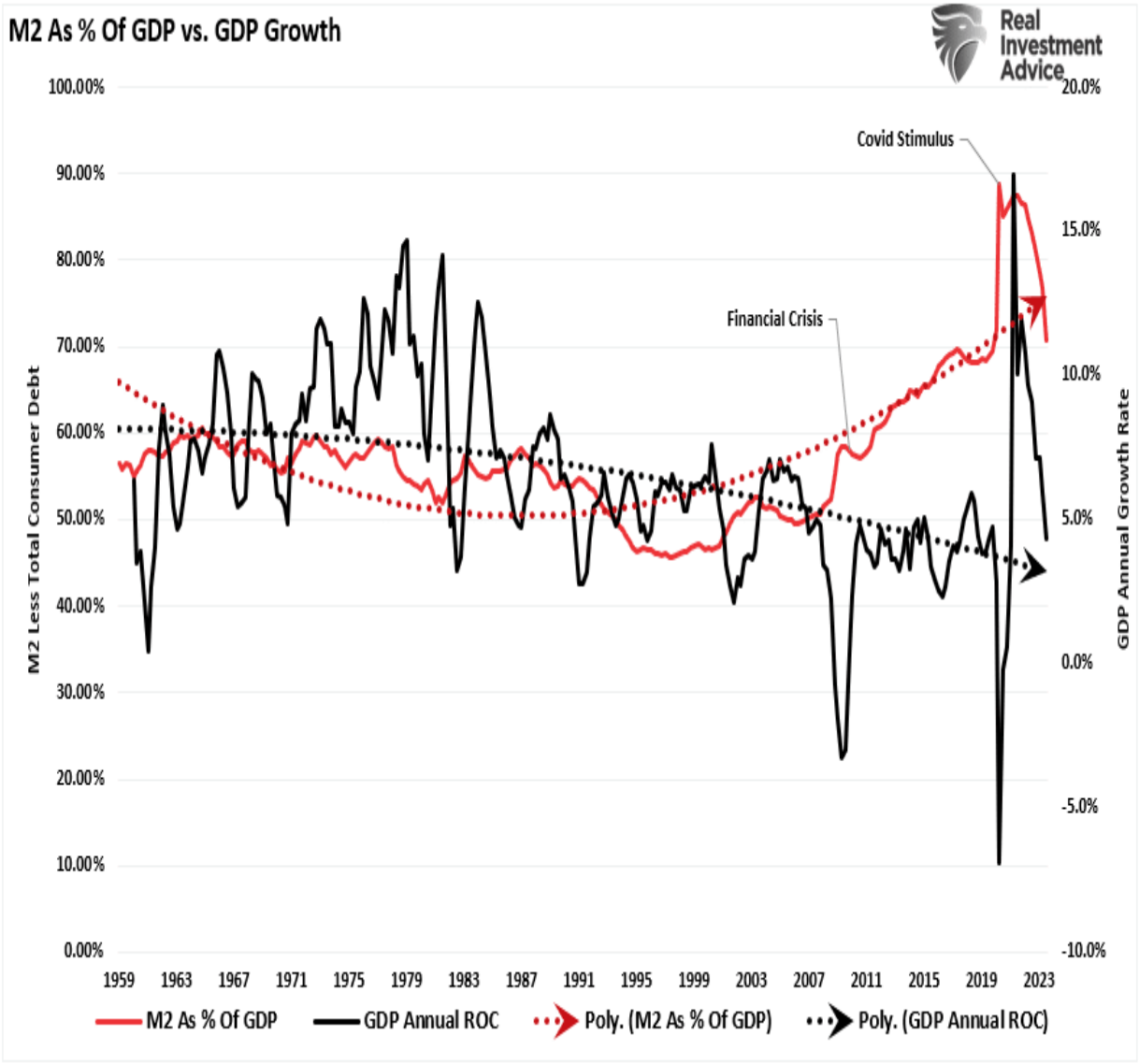
We discussed that point on Friday. The economy has defied recessionary readings due to the flood of monetary stimulus from the **Inflation Reduction Act** and the **CHIPS Act** and a surge in deficit spending, which supported economic growth. However, that expenditure surge has peaked and turned lower but is not currently at recessionary levels.


Federal Receipts & Expenditures (Ann % Chg) vs. Nominal GDP
Real Investment Advice
Expenditures, Receipts Ann % Chg, Nominal GDP
GDP
100%
80%
60%
40%
20%
0%
-20%
-40%
-60%
25
20
15
10
5
0
-5
-10
-15
2000
2004
2008
2012
2016
2020
2024
Recessions
Gross Domestic Product
Ann % Chg In Real Expenditures
Ann % Chg In Real Receipts



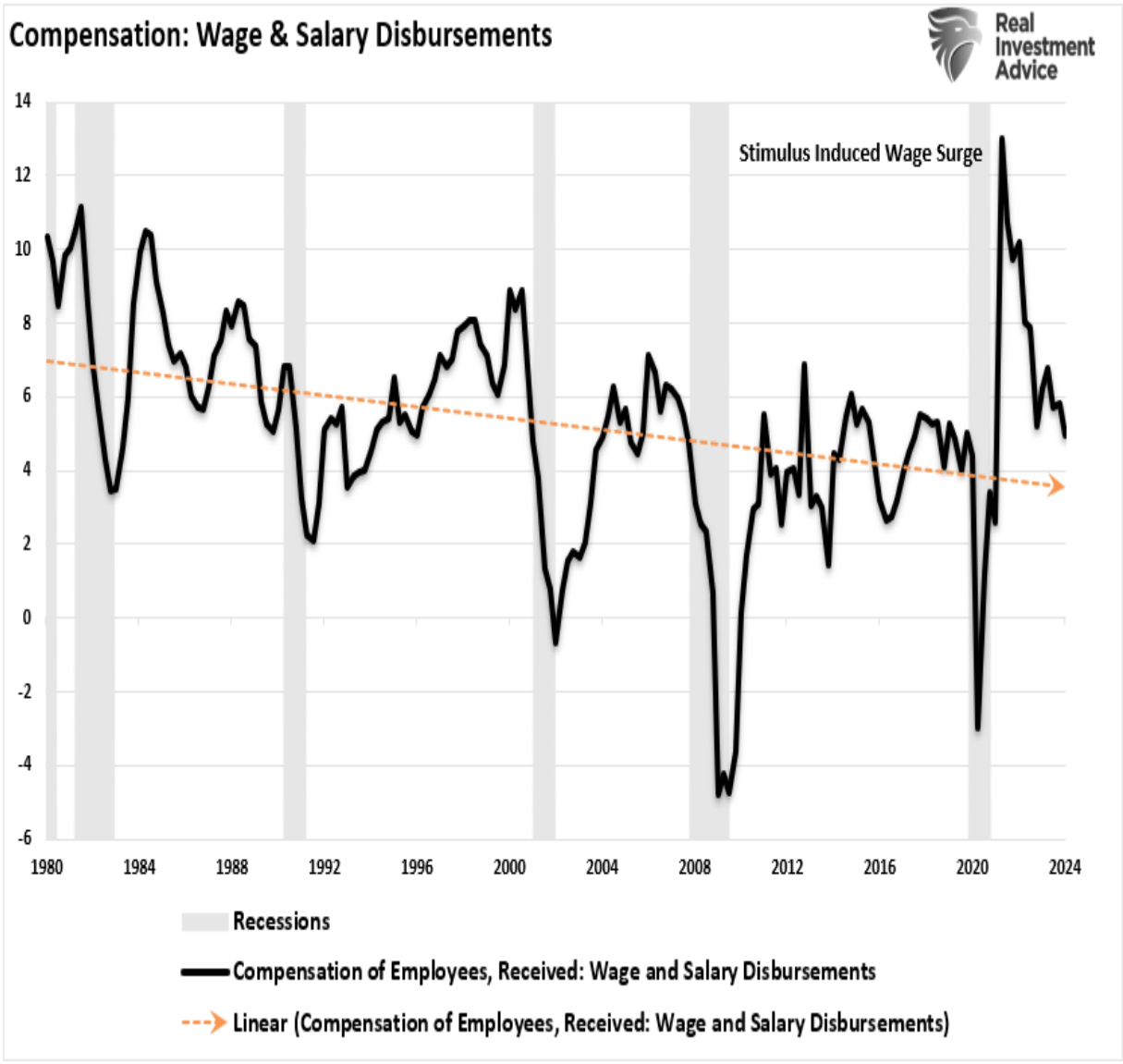
Furthermore, the monetary supply (M2) as a percentage of the economy remains significantly elevated, preventing economic activity from declining faster.

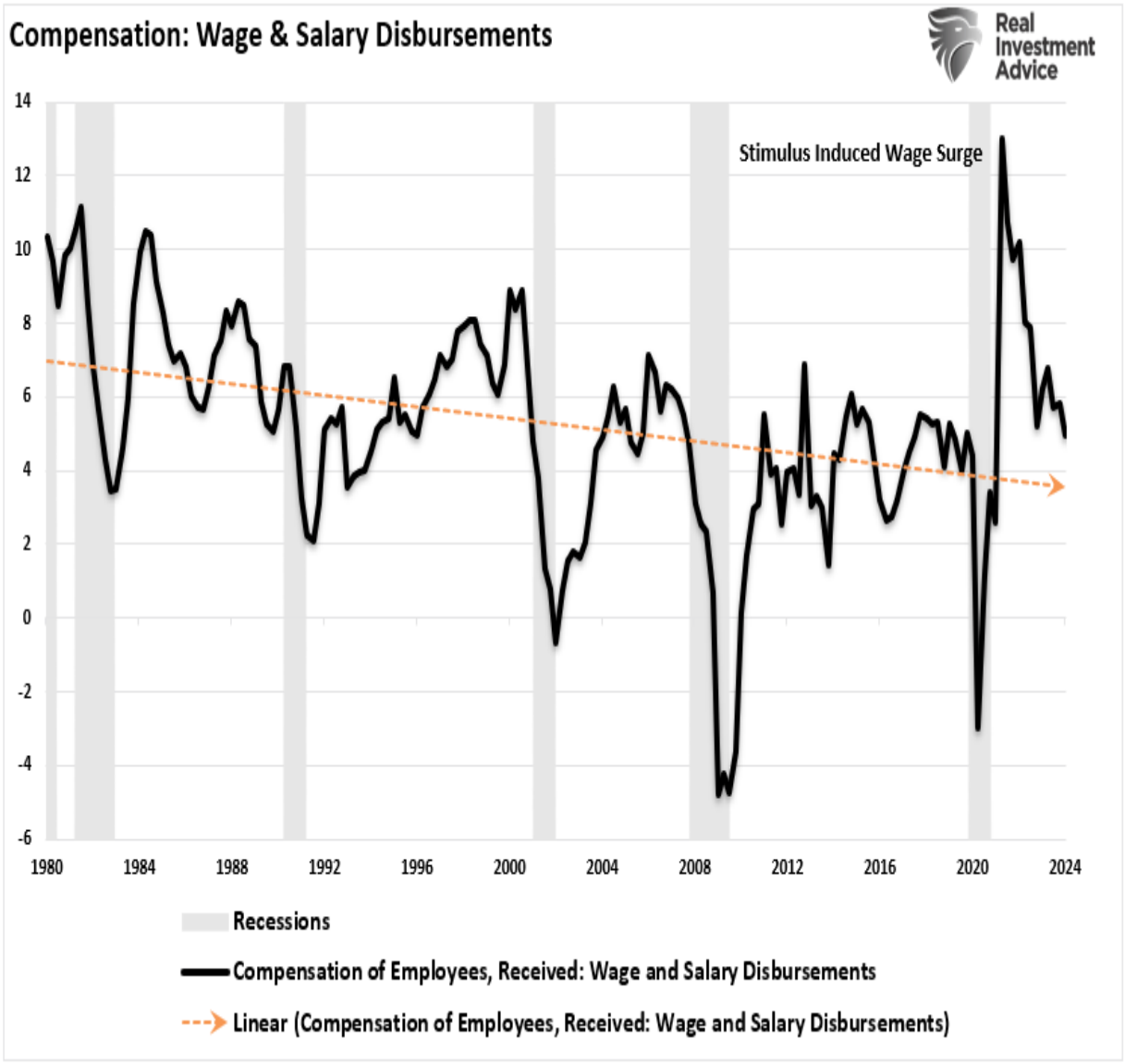

M2 As % Of GDP vs. GDP Growth
Real Investment Advice
Covid Stimulus
Financial Crisis
M2 Less Total Consumer Debt
GDP Annual Growth Rate
100.00%
90.00%
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
20.0%
15.0%
10.0%
5.0%
0.0%
-5.0%
-10.0%
1959
1963
1967
1971
1975
1979
1983
1987
1991
1995
1999
2003
2007
2011
2015
2019
2023
M2 As % Of GDP
GDP Annual ROC
Poly. (M2 As % Of GDP)
Poly. (GDP Annual ROC)



While the economy could devolve into a *?hard landing,?* as seen during the 2008 *?Financial Crisis,?* there is currently no catalyst to cause such an event. **However, given the rise in unemployment and declines in wage growth, the potential for a more normal recession seems most likely.**

> *?The problem with declines in full-time employment is that, as noted, it negatively impacts economic consumption. While the current administration has been able to offset that decline with a massive increase in deficit spending, the latter is not sustainable. Combine that with the decline in wage growth, and the potential stress on the economy becomes more apparent. As shown, compensation continues to decline even as price inflation remains elevated, which weighs on consumers? ability to maintain their living standards.? ?* ***The Sahm Rule***


Compensation: Wage & Salary Disbursements
Real Investment Advice
Stimulus Induced Wage Surge
14
12
10
8
6
4
2
0
-2
-4
-6
1980
1984
1988
1992
1996
2000
2004
2008
2012
2016
2020
2024
Recessions
Compensation of Employees, Received: Wage and Salary Disbursements
Linear (Compensation of Employees, Received: Wage and Salary Disbursements)



While the reversal of the yield curve inversion is crucial to pay attention to, particularly from an investing perspective, it is important not to extrapolate a particular data point into an extreme outcome.

As such, we need to manage our portfolios accordingly.

Navigating The Pullback

While the economy could avoid a&#2013266080;*?deep recession,?*&#2013266080;the odds of a *?no landing scenario?* are slim.&#2013266080;**Therefore, we should at least prepare for a slower earnings growth rate as economic activity recedes.**&#2013266080;The rules are simple but effective.

1. *Raise cash levels in portfolios.*
2. *Reduce equity risk, particularly in areas highly dependent on economic growth.*
3. *Add or increase the duration of bond allocations, which tend to offset risk during recessionary downturns.*
4. *Reduce exposure to commodities and inflation trades as economic growth slows.*

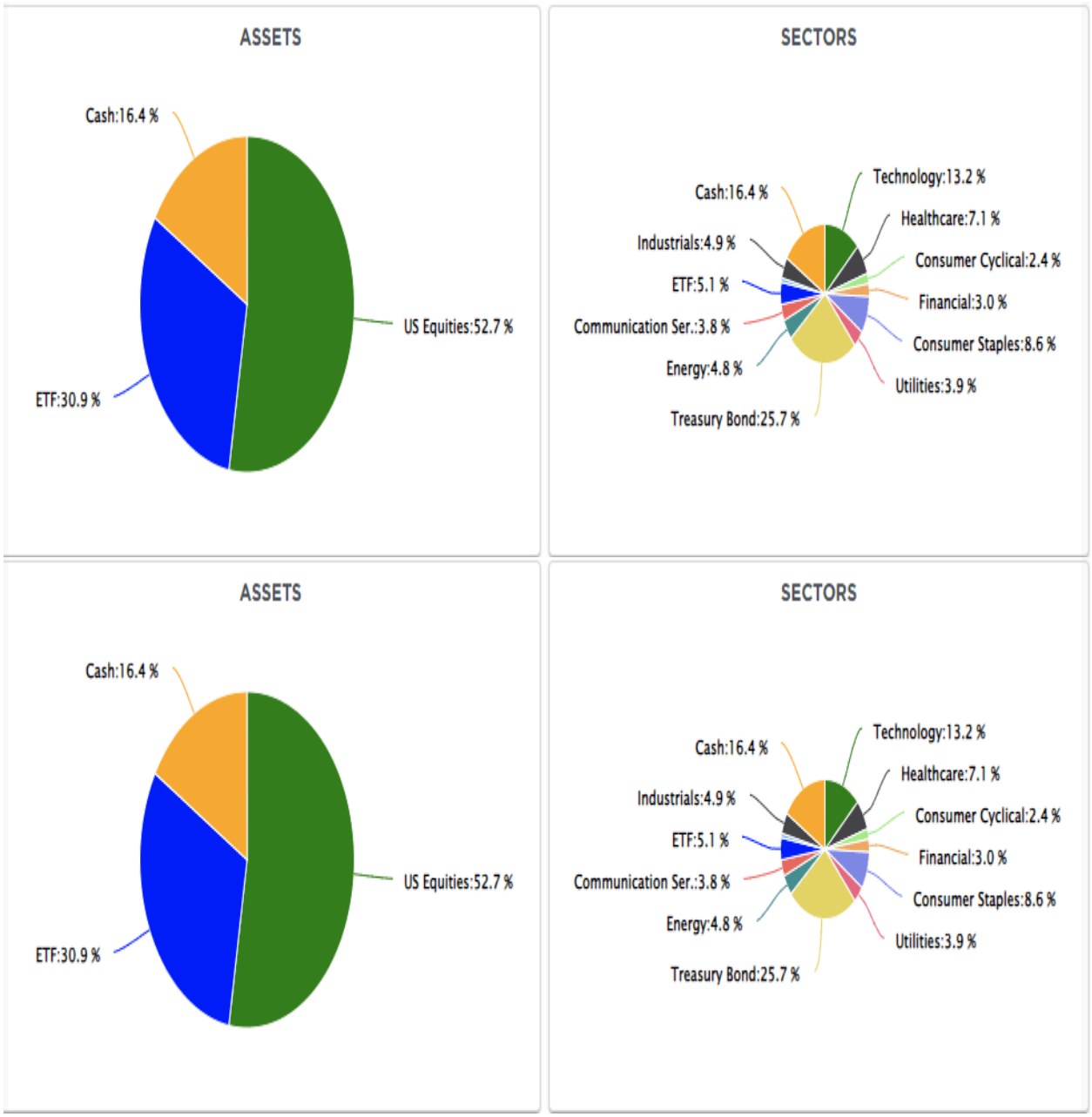
If a recession does occur, the preparation allows you to survive the impact. Protecting capital will mean less time spent getting back to breakeven afterward. Alternatively, it is relatively easy to reallocate funds to equity risk if we avoid a recession and achieve a *?soft landing.?*

Investing during periods of economic reversion can be difficult. However, you can take steps to ensure that increased volatility is survivable.

- *Have excess emergency savings,&#2013266080;so you are not ?forced? to sell during a decline to meet obligations.*
- *Extend your time horizon to 5-7 years, as buying distressed stocks can get more distressed.*
- *Don?t obsessively check your portfolio.*
- *Consider tax-loss harvesting (selling stocks at a loss) to offset those losses against future gains.*
- *Stick to your investing discipline regardless of what happens.*

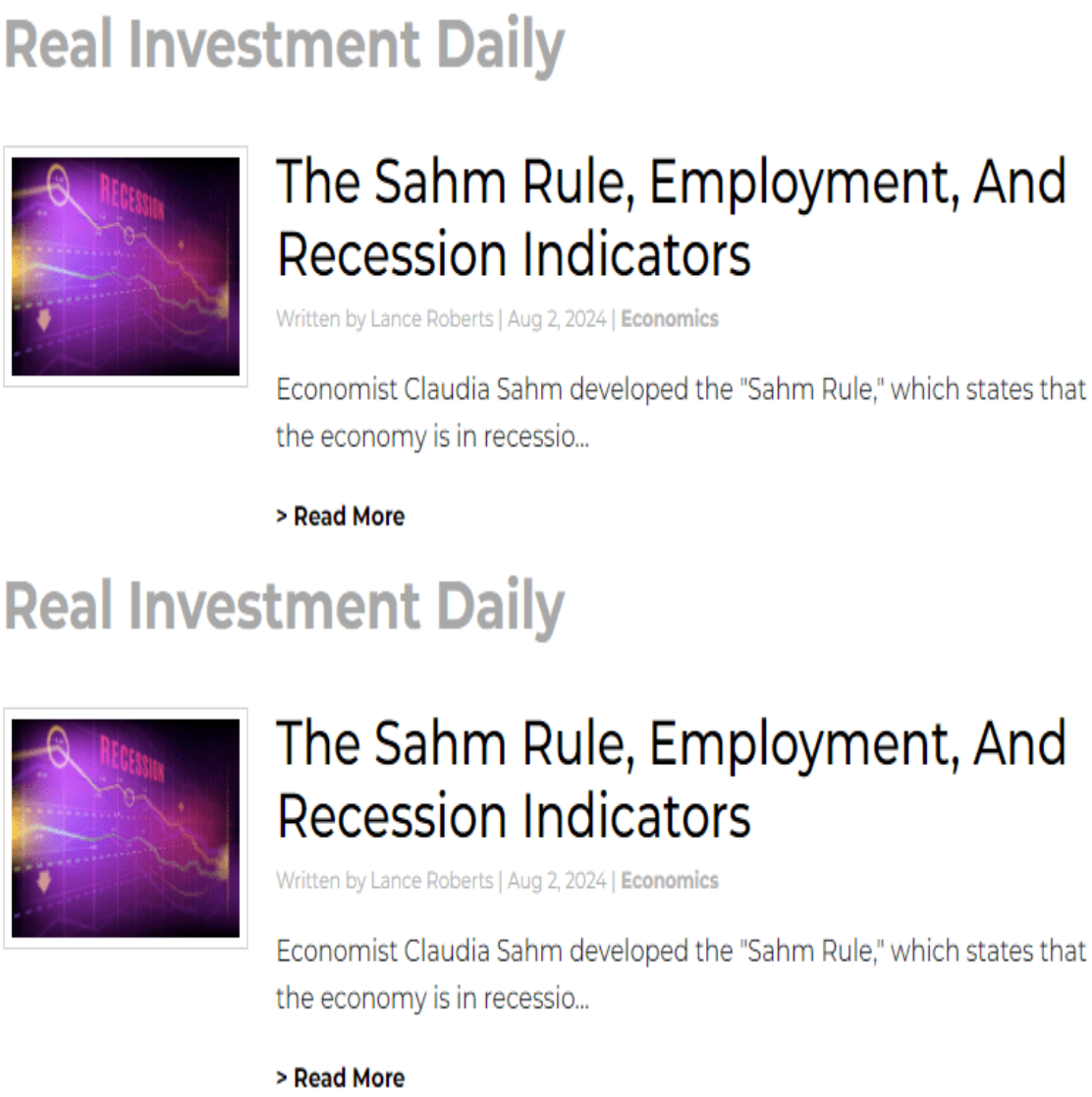
If I am correct, it is hard to make a case for rising asset prices when a recession occurs. However, if I am wrong, we can reallocate to equities and rebalance our portfolios for growth as needed,

Follow your process.



Have a great week.

Research Report



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Bull Bear Report Market Statistics & Screens

SimpleVisor Top & Bottom Performers By Sector

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

Healthcare

RMD 4.23%	UNH 2.98%	DXCM 2.82%	BDX 2.48%	JNJ 2.1%
DGX 1.63%	DVA 1.45%	CI 1.42%	MOH 1.36%	HUM 1.29%
HSIC -2.42%	IQV -2.65%	TECH -2.65%	A -2.67%	WBA -2.79%
LLY -3.36%	CRL -3.8%	MTD -4.88%	ALGN -6.5%	MRNA -8.06%

Industrials

VRSK 2.02%	RSG 1.25%	GWW 1.11%	EFX 0.9%	ADP 0.85%
WM 0.82%	ITW 0.66%	PAYX 0.62%	LHX 0.42%	NOC 0.24%
BA -4.69%	HWM -4.96%	LUV -4.97%	AAL -5.03%	CMI -5.14%
UAL -5.17%	PWR -5.48%	GE -5.58%	ETN -5.92%	URI -6.29%

Technology

GDDY 6.96%	MSI 2.94%	MPWR 1.38%	FICO 1.36%	TYL 1.07%
JNPR 0.9%	AAPL 0.69%	JKHY 0.67%	BR 0.47%	LDOS 0.44%
ZBRA -5.92%	SNPS -6.45%	SMCI -7.08%	AMAT -7.38%	KLAC -7.93%
LRCX -8.11%	JBL -8.61%	MU -8.68%	MCHP -10.6%	INTC -26.06%

Consumer Cyclical

MCD 2.95%	ROL 1.29%	SBUX 1.03%	AZO 0.93%	DPZ 0.55%
YUM 0.51%	BALL 0.34%	ORLY 0.32%	NKE 0.22%	AMCR 0.19%
GM -5.07%	ABNB -5.08%	LULU -5.24%	BBWI -5.49%	CCL -6.09%
F -6.17%	RCL -6.24%	NCLH -8.18%	AMZN -8.78%	BKNG -9.17%

Financial

MKTX 6.06%	CBOE 4.27%	CME 1.79%	ACGL 1.62%	FDS 1.43%
TRV 1.17%	PGR 0.77%	WRB 0.75%	AON 0.73%	BRO 0.42%
MS -5.81%	GS -5.89%	WFC -6.36%	AXP -6.59%	IVZ -6.6%
MET -6.89%	C -7.14%	SYF -7.35%	KKR -9.29%	PRU -9.98%

Consumer Staples

CLX 7.42%	MDLZ 3.47%	PG 2.65%	CPB 2.53%	GIS 2.38%
CAG 2.15%	MO 2.1%	KO 2.02%	SJM 2.01%	KHC 1.86%
DLTR -0.22%	HSY -0.27%	KR -1.38%	CHD -1.48%	EL -1.67%
WMT -1.91%	ADM -2.6%	LW -3.41%	BG -4.51%	TGT -5.34%

Utilities

AWK 1.97%	ED 1.62%	WEC 1.62%	ES 1.57%	AEE 1.56%
EXC 1.33%	DUK 1.17%	D 1.15%	SO 1.15%	PPL 1.09%
FE -0.09%	DTE -0.11%	PCG -0.16%	PEG -1.15%	CNP -3.84%
AES -4.36%	VST -4.75%	NRG -4.76%	GEV -5.34%	CEG -5.91%

Materials

LIN 0.15%	SHW -0.89%	ECL -1.27%	VMC -1.77%	PPG -1.92%
APD -1.99%	NEM -2.1%	DOW -2.38%	CTVA -2.68%	IFF -2.73%
FMC -3.34%	CF -3.4%	FCX -3.8%	LYB -3.82%	STLD -4.01%
EMN -4.14%	DD -4.28%	CE -4.36%	MOS -5.13%	ALB -6.63%

Real Estate

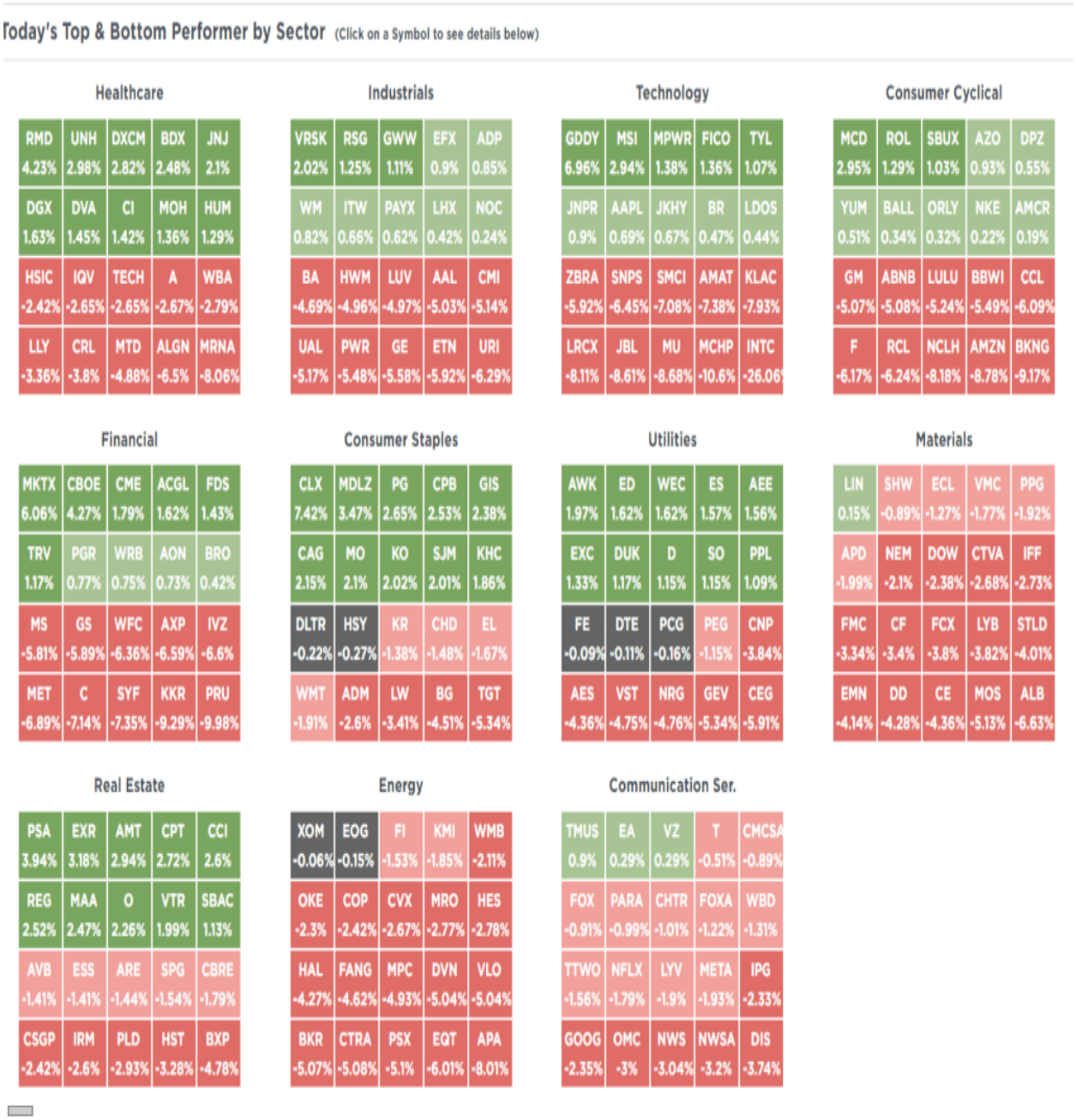
PSA 3.94%	EXR 3.18%	AMT 2.94%	CPT 2.72%	CCI 2.6%
REG 2.52%	MAA 2.47%	O 2.26%	VTR 1.99%	SBAC 1.13%
AVB -1.41%	ESS -1.41%	ARE -1.44%	SPG -1.54%	CBRE -1.79%
CSGP -2.42%	IRM -2.6%	PLD -2.93%	HST -3.28%	BXP -4.78%

Energy

XOM -0.06%	EOG -0.15%	FI -1.53%	KMI -1.85%	WMB -2.11%
OKE -2.3%	COP -2.42%	CVX -2.67%	MRO -2.77%	HES -2.78%
HAL -4.27%	FANG -4.62%	MPC -4.93%	DVN -5.04%	VLO -5.04%
BKR -5.07%	CTRA -5.08%	PSX -5.1%	EQT -6.01%	APA -8.01%

Communication Ser.

TMUS 0.9%	EA 0.29%	VZ 0.29%	T -0.51%	CMCSA -0.89%
FOX -0.91%	PARA -0.99%	CHTR -1.01%	FOXA -1.22%	WBD -1.31%
TTWO -1.56%	NFLX -1.79%	LYV -1.9%	META -1.93%	IPG -2.33%
GOOG -2.35%	OMC -3%	NWS -3.04%	NWSA -3.2%	DIS -3.74%



S&P 500 Weekly Tear Sheet

3 Month SPY Price

RIA SimpleVisor

SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	30.59%	18.39%	12.12%	(34.11%)
Max Drawdown	(19.37%)	(9.80%)	(6.47%)	(33.99%)
Sharpe	0.73	1.50	1.48	(0.01)
Sortino	1.18	1.90	2.09	0.10
Volatility	15.64	11.78	11.65	(0.01)
Daily VaR-5%	(8.33)	1.45	3.64	1.52
Mnthly VaR-5%	(5.08)	1.61	13.88	7.59

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.57%	1.42%	1.30%	(9.44%)	2.14%	1.19%	(39.23%)	8.78%
P/E Ratio	19.42	21.32	23.60	9.68%	29.35	16.68	(19.6%)	41.52%
P/S Ratio	4.40	4.81	5.44	11.55%	6.14	3.95	(11.38%)	37.73%
P/B Ratio	7.12	7.78	8.46	7.99%	8.99	5.62	(5.84%)	50.53%
ROE	28.42%	25.38%	28.35%	10.49%	29.62%	19.32%	(4.31%)	46.75%
ROA	6.67%	6.06%	7.09%	14.62%	7.09%	4.57%	0.00%	55.07%

S&P 500 Market Cap Analysis

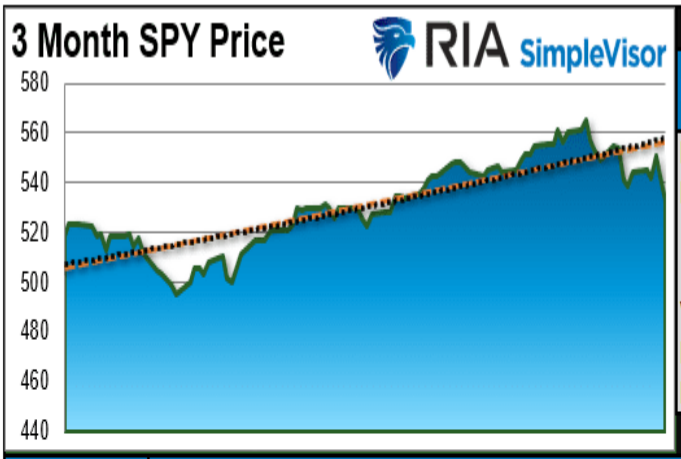
Item	12-M Ago	Current	% Chg
Shares	5,109.8	5,055.3	(1.07%)
Sales	111,839	119,812	7.13%
SPS	21.9	23.7	8.28%
Earnings	16,984	20,472	20.53%
EPS TTM	5.1	5.3	3.92%
Dividend	1.5	1.7	11.00%

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	1.61%	3.69%	1.28	12.37	98.88	(293.59)	(87.5%)	16.3%	3.2%	7.92%	6.96	11.72
Materials	5.28%	2.25%	1.11	21.77	26.99	11.37	(19.3%)	11.0%	1.8%	4.53%	4.99	19.18
Industrials	10.76%	8.38%	1.13	22.70	58.52	16.91	(61.2%)	23.1%	1.5%	4.32%	6.86	20.39
Discretionary	7.62%	10.00%	1.42	26.79	72.61	25.45	(63.1%)	21.0%	0.8%	3.58%	5.68	24.82
Staples	7.58%	5.78%	0.60	22.00	22.78	18.47	(3.4%)	27.1%	2.4%	4.45%	4.15	20.16
Health Care	13.29%	11.87%	0.69	23.91	24.34	14.84	(1.8%)	19.1%	1.6%	4.03%	8.23	19.03
Financials	21.19%	13.05%	1.15	16.90	21.49	12.79	(21.4%)	12.2%	1.6%	5.78%	8.03	15.13
Technology	30.32%	31.39%	1.29	36.17	37.50	20.11	(3.6%)	66.9%	0.7%	2.63%	5.53	32.29
Telecom	30.42%	8.85%	0.97	23.11	28.38	15.42	(18.6%)	26.5%	0.7%	4.32%	6.84	19.91
Utilities	13.47%	2.39%	0.69	19.73	21.42	15.58	(7.9%)	11.1%	3.0%	5.00%	3.60	16.30
Real Estate	8.74%	2.28%	1.07	19.53	26.21	15.47	(25.5%)	7.1%	3.3%	5.28%	4.81	17.13

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	532.90	0.65%	544.50	3	(2.13%)	503.14	197	5.91%	8.22%	(5.71%)	30.23%	Buy
Mid Cap	537.81	(1.25%)	542.35	17	(0.84%)	518.35	186	3.75%	4.63%	(6.32%)	26.78%	Buy
Small Cap	43.24	2.08%	42.62	17	1.46%	41.13	176	5.12%	3.60%	(7.92%)	26.54%	Buy



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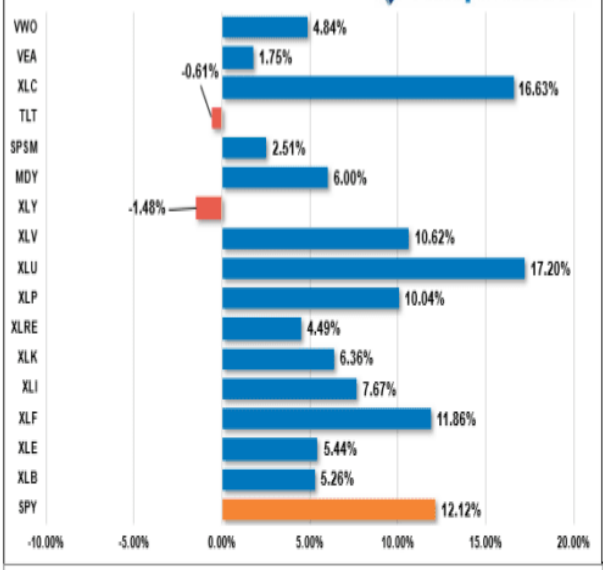
Relative Performance Analysis

Last week, we noted:

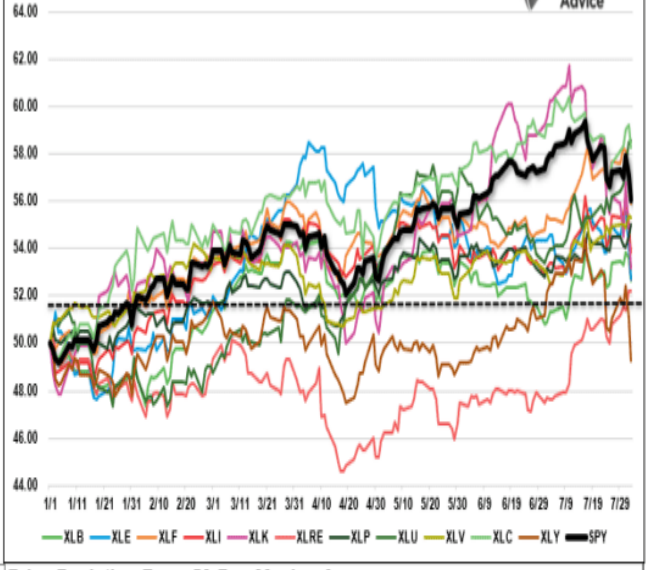
> *?That correction began this past week, and while the S&P 500 is due for a short-term bounce, we suspect more corrective action may be needed before it is complete. Reduce risk by taking profits and raising cash levels as required.?*

That was good advice, as the rally on Wednesday provided a decent exit point before the resumption of the correction on Thursday and Friday. Notably, the most hated market sectors at the beginning of the year, utilities, real estate, financials, and bonds, are now the clear winners and have dethroned technology. However, the defensive sectors are extremely overbought, while everything else is deeply oversold. We could see a short-term reversal of those trades, which should be used to rebalance risk. I suspect the current correction process is not yet complete.

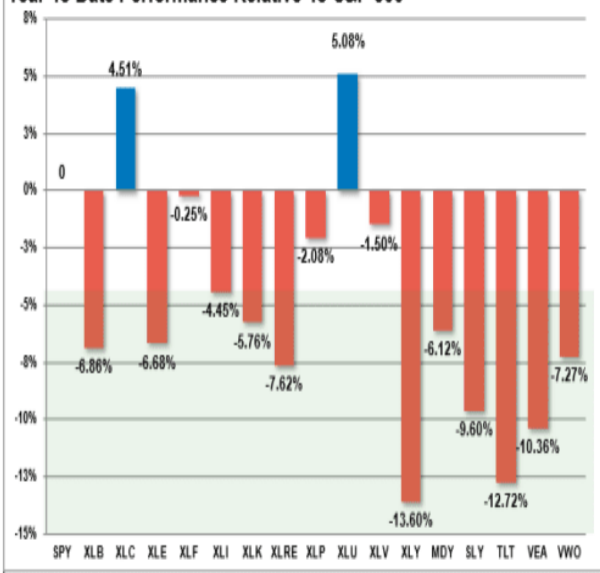
Year To Date Performance



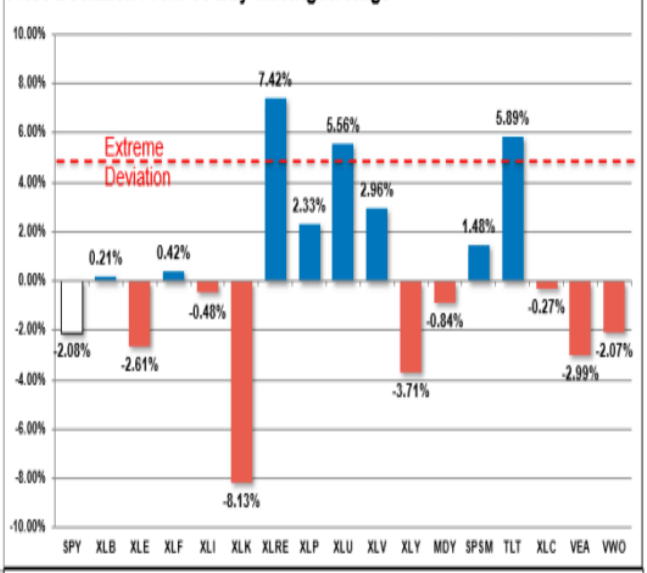
YTD Price - S&P Sectors Recalibrated To $50/share



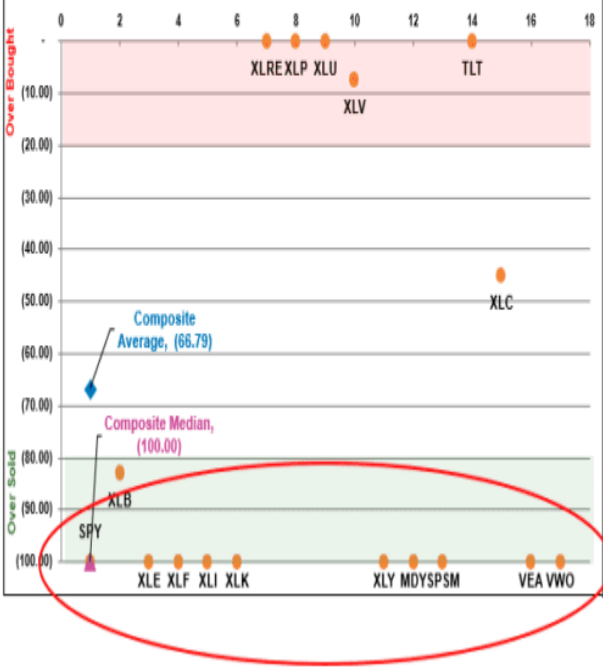
Year To Date Performance Relative To S&P 500



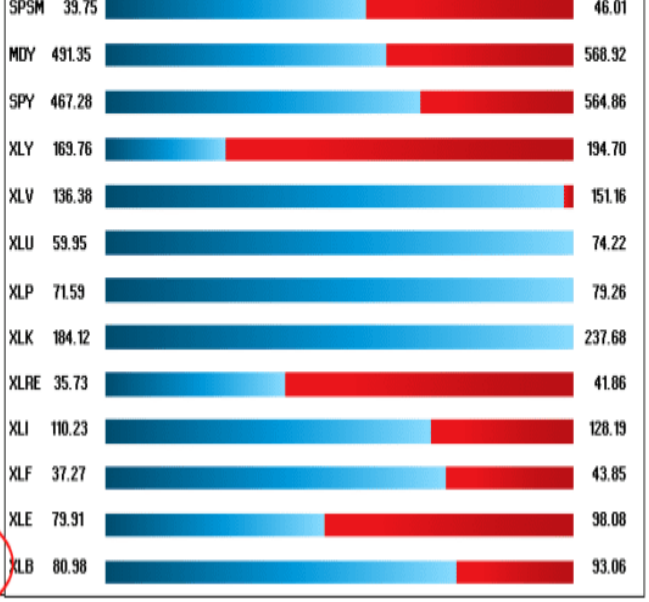
Price Deviation From 50-Day Moving Average



Overbought/Oversold 14-Periods



Size / Sector ETF YTD Trading Range



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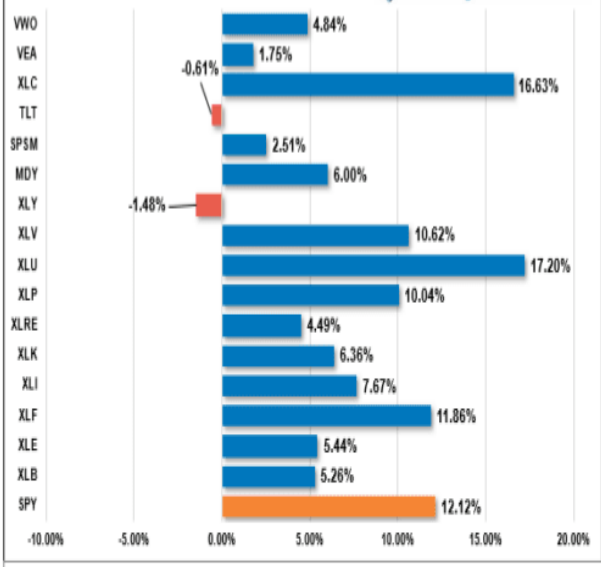

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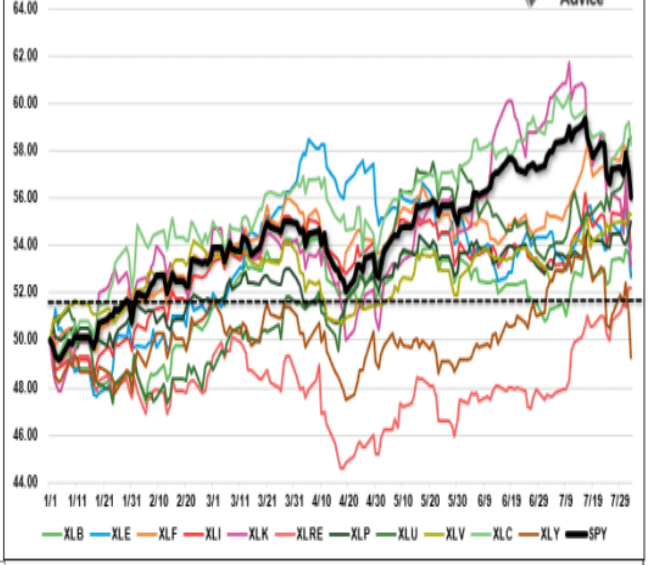

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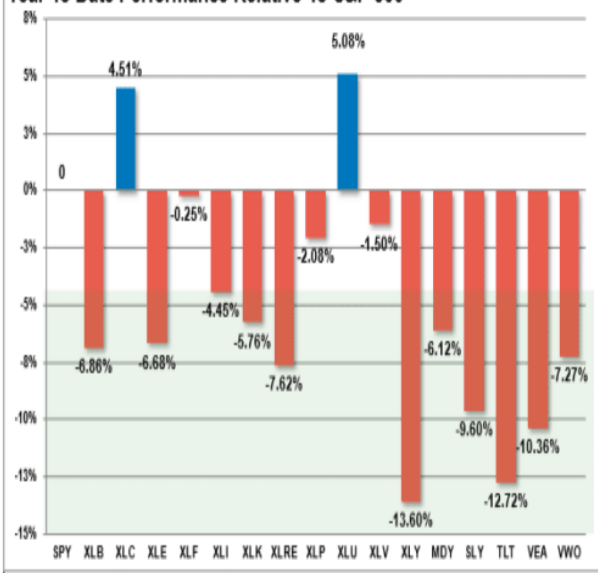

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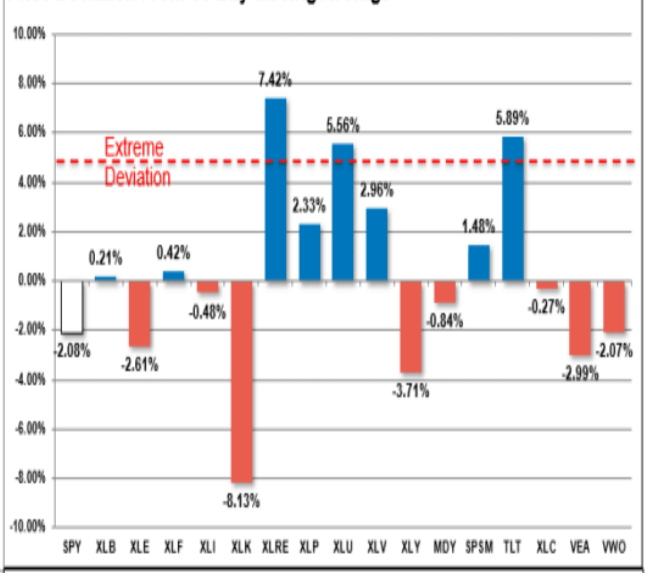

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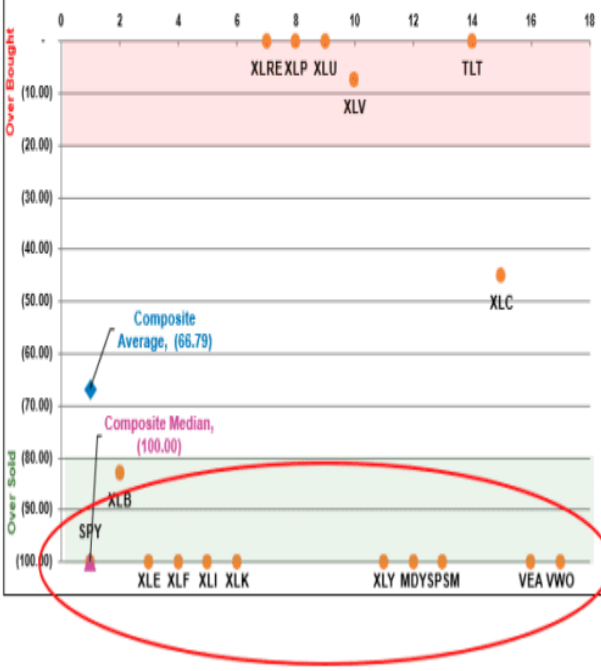

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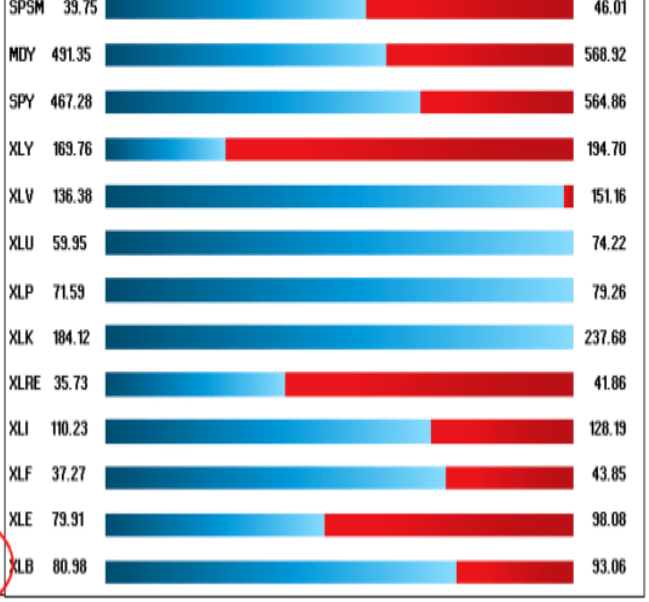
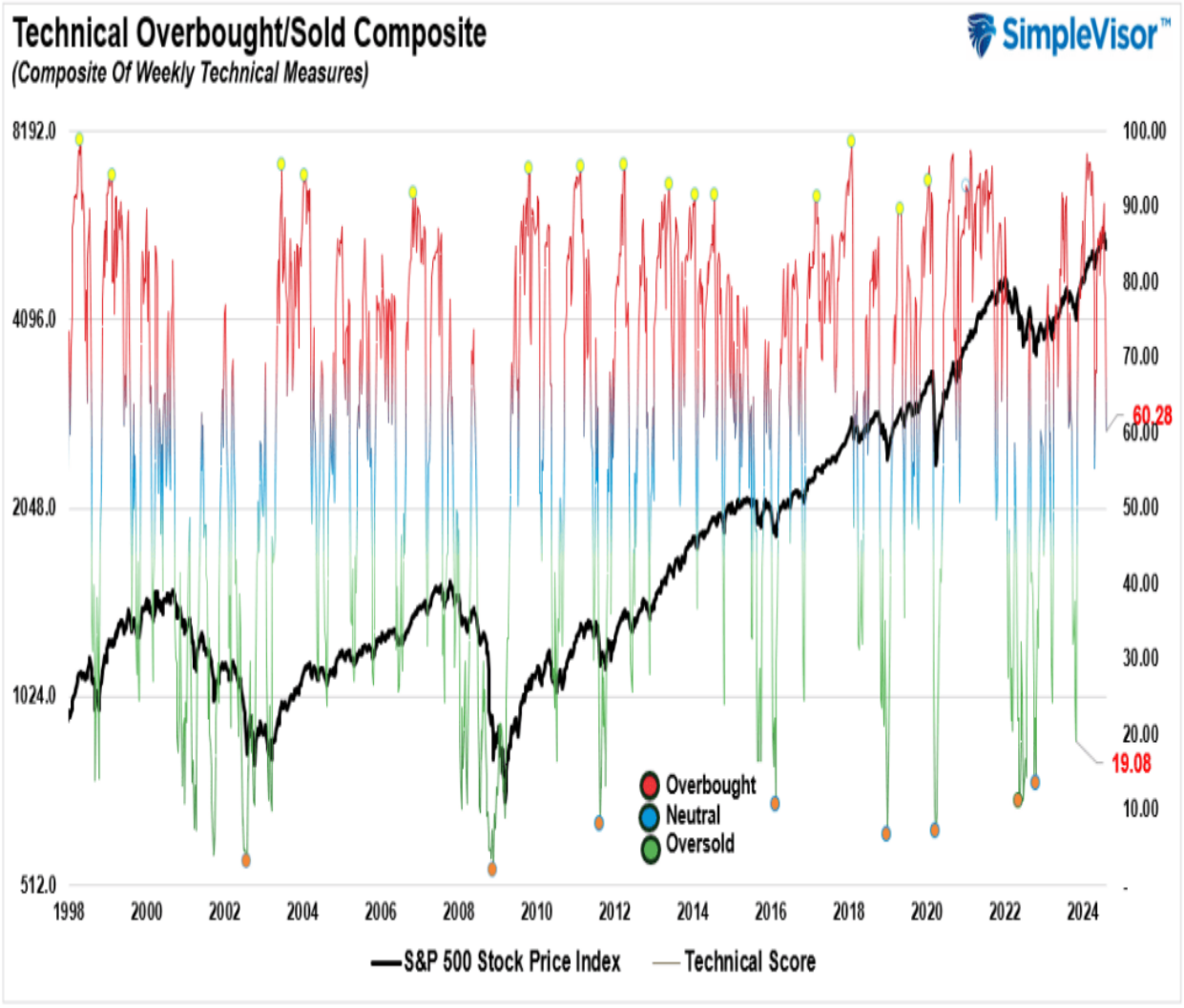
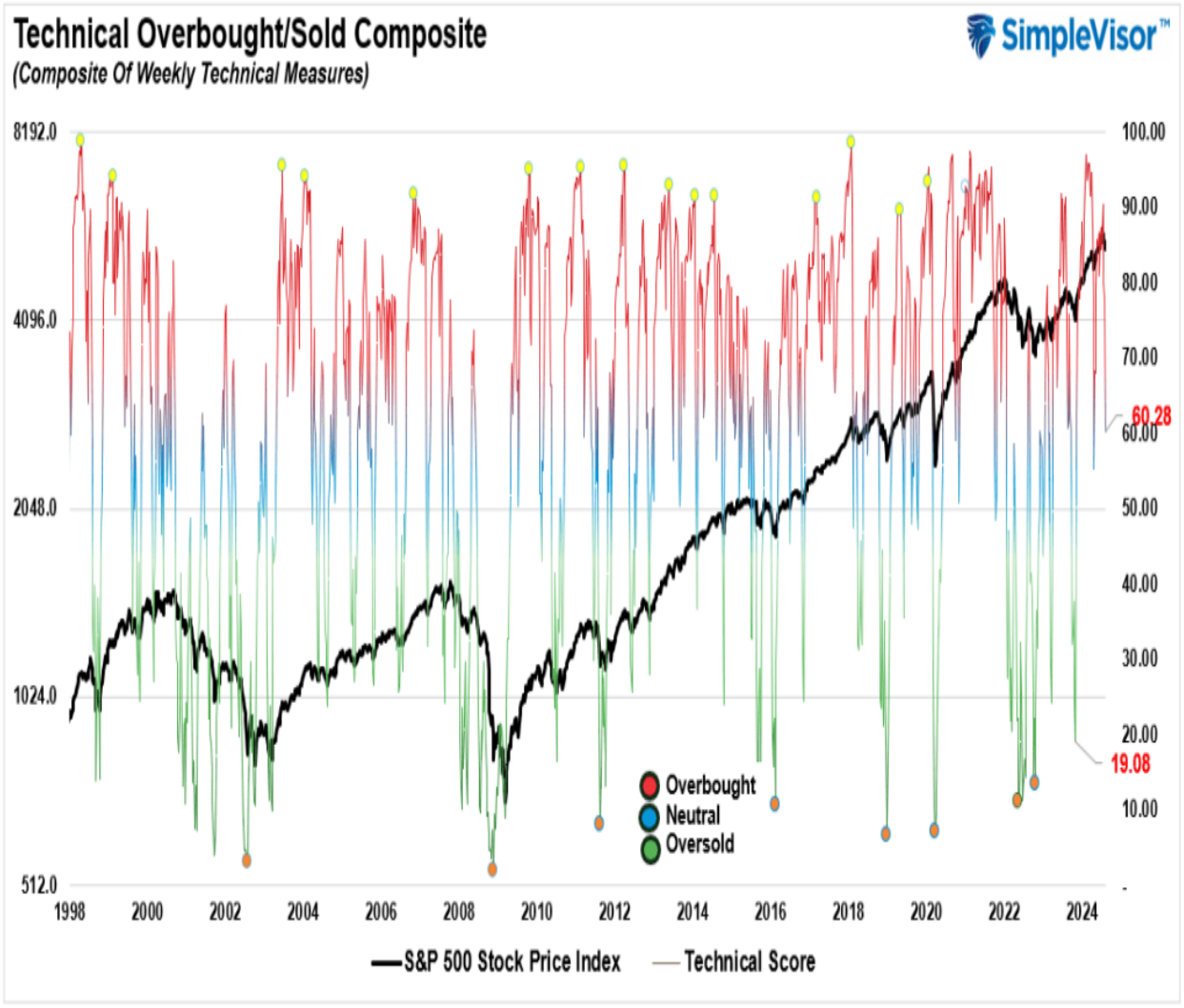


Technical Composite

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&#2013266080;60.28&#2013266080;out of a possible 100.

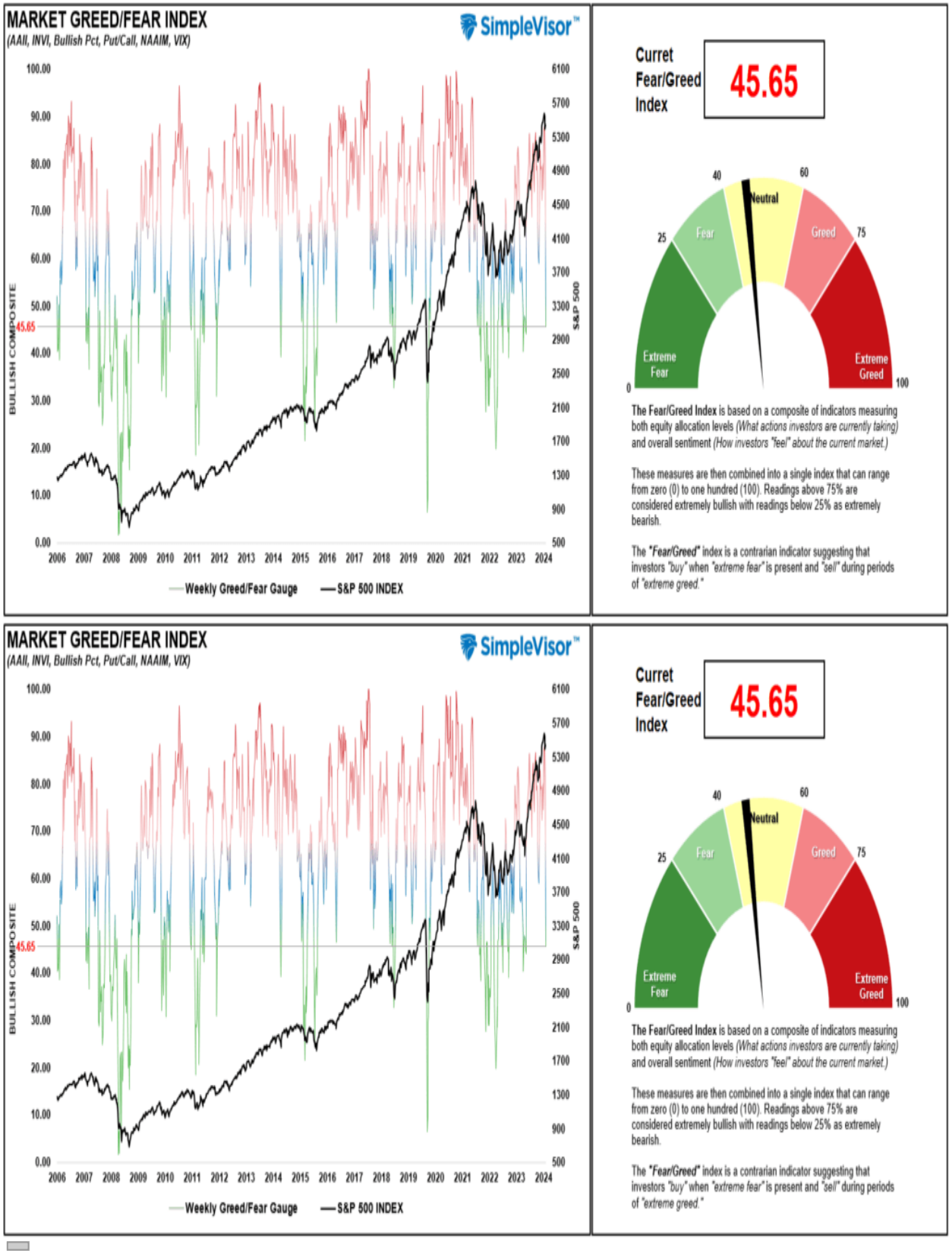




Portfolio Positioning ?Fear / Greed? Gauge

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.

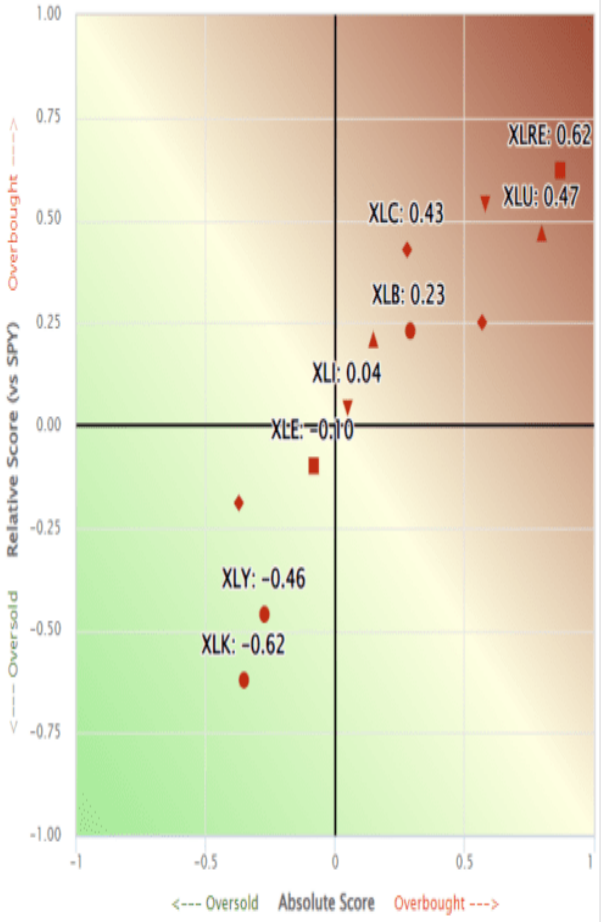
NOTE:&#2013266080;*The Fear/Greed Index measures risk from 0 to 100. It is a rarity that it reaches levels above 90.* The current reading &#2013266080;is&#2013266080;45.65&#2013266080;out of a possible 100.



Relative Sector Analysis

Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Top 10 Holdings	Absolute Score	Relative Score (vs SPY)	Chart
XLK	Technology		-0.35	-0.62	✓
XLY	Consumer Discretionary		-0.27	-0.46	✓
XTN	Transportation		-0.37	-0.19	✓
XLE	Energy		-0.08	-0.10	✓
XLI	Industrials		0.05	0.04	✓
XLF	Financial		0.15	0.21	✓
XLB	Materials		0.29	0.23	✓
XLP	Consumer Staples		0.57	0.25	✓
XLC	Communication Services		0.28	0.43	✓
XLU	Utilities		0.80	0.47	✓
XLV	Health Care		0.58	0.54	✓
XLRE	Real Estate		0.87	0.62	✓



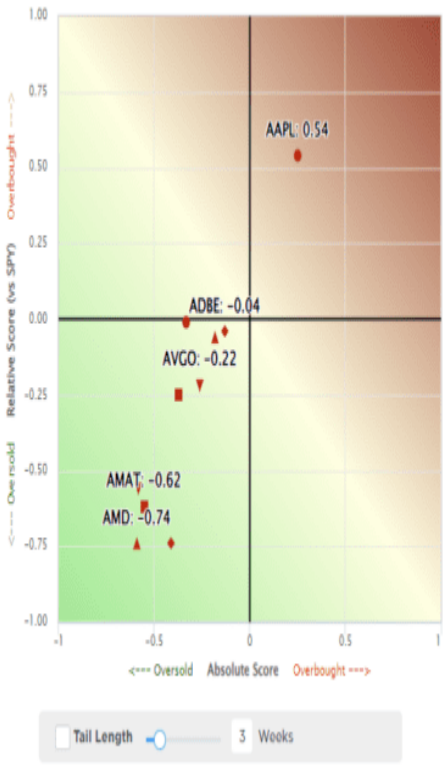
How it works

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

Most Oversold Sector Analysis

Technology Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Holding	Absolute Score	Relative Score (vs SPY)	Chart
AAPL	Apple Inc	4.48%	0.25	0.54	☑
ADBE	Adobe Inc	2.53%	-0.13	-0.04	☑
AMAT	Applied Materials Inc	2.00%	-0.55	-0.62	☑
AMD	Advanced Micro Devices Inc	2.67%	-0.59	-0.74	☑
AVGO	Broadcom Inc	4.18%	-0.26	-0.22	☑
CRM	Salesforce Inc	2.54%	-0.33	-0.01	☑
MSFT	Microsoft Corp	22.17%	-0.41	-0.74	☑
NVDA	NVIDIA Corp	20.28%	-0.37	-0.25	☑
ORCL	Oracle Corp	2.29%	-0.18	-0.06	☑
QCOM	Qualcomm Inc	2.27%	-0.58	-0.56	☑



How it works

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

Top 10 Holdings Relative Analysis with Each Other

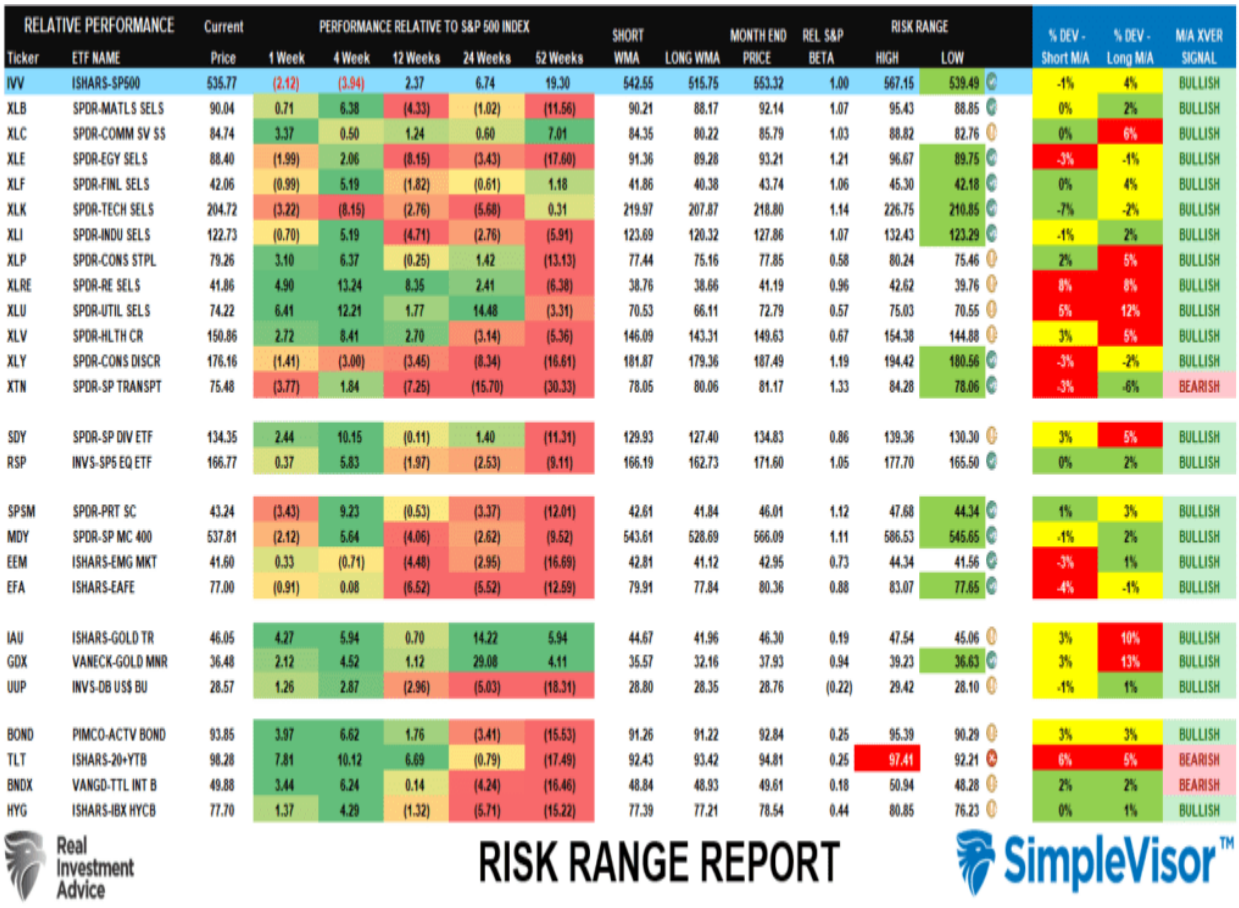
AAPL/	ADBE/	AMAT/	AMD/	AVGO/	CRM/	ORCL/	QCOM/	MSFT/	NVDA/	XLK/		
0.00	-0.27	-0.67	-0.79	-0.56	-0.36	-0.52	-0.67	-0.77	-0.38	-0.77	AAPL	Apple Inc
0.27	0.00	-0.59	-0.66	-0.37	-0.23	-0.04	-0.46	-0.38	-0.35	-0.48	ADBE	Adobe Inc
0.67	0.59	0.00	0.06	0.85	0.43	0.67	0.08	0.57	0.73	0.60	AMAT	Applied Materials Inc
0.79	0.66	-0.06	0.00	0.53	0.53	0.69	0.04	0.67	0.48	0.66	AMD	Advanced Micro Devices Inc
0.56	0.37	-0.85	-0.53	0.00	0.12	0.47	-0.77	0.08	-0.10	-0.01	AVGO	Broadcom Inc
0.36	0.23	-0.43	-0.53	-0.12	0.00	0.13	-0.38	-0.29	-0.28	-0.31	CRM	Salesforce Inc
0.52	0.04	-0.67	-0.69	-0.47	-0.13	0.00	-0.65	-0.57	-0.32	-0.67	ORCL	Oracle Corp
0.67	0.46	-0.08	-0.04	0.77	0.38	0.65	0.00	0.57	0.77	0.59	QCOM	Qualcomm Inc
0.77	0.38	-0.57	-0.67	-0.08	0.29	0.57	-0.57	0.00	-0.25	-0.02	MSFT	Microsoft Corp
0.38	0.35	-0.73	-0.48	0.10	0.28	0.32	-0.77	0.25	0.00	0.10	NVDA	NVIDIA Corp
0.77	0.48	-0.60	-0.66	0.01	0.31	0.67	-0.59	0.02	-0.10	0.00	XLK	

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.*

That reversed quickly. Last week, we noted that *?despite the correction in the broad market this past week, many sectors and markets are still trading above their respective monthly risk/reward ranges.?* That is no longer the case, with many sectors trading below those ranges just two days into the month. That sets the market up for a decent rotational rally in the days ahead. Look for a correction out of the defensive and interest rate-sensitive sectors, including bonds, into growth sectors of the market that are deeply oversold. As noted above, use rallies to rebalance exposures as the current correction process is likely incomplete.

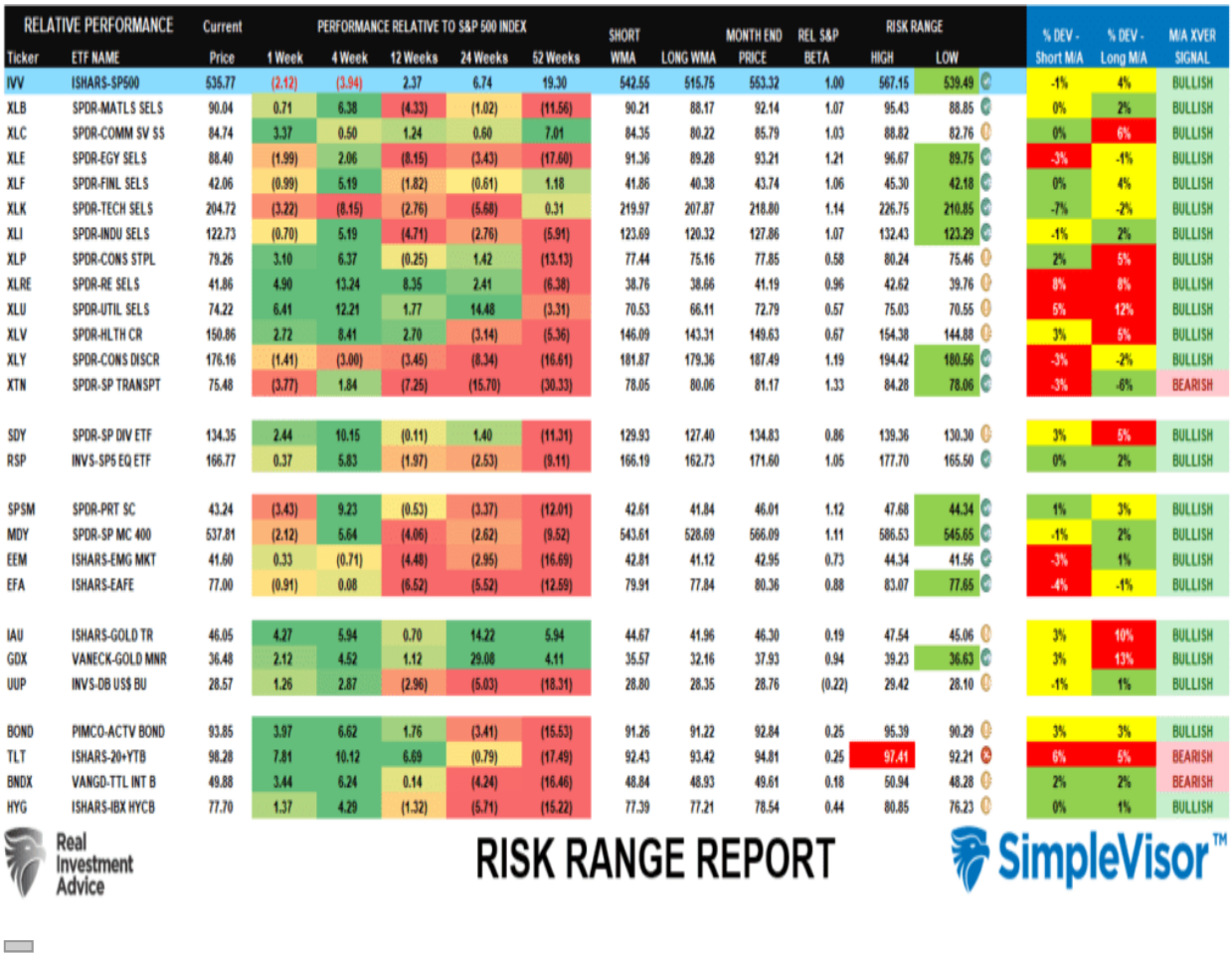


RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	MA XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	535.77	(2.12)	(3.94)	2.37	6.74	19.30	542.55	515.75	553.32	1.00	567.15	539.49	-1%	4%	BULLISH
XLB	SPDR-MATLS SELS	90.04	0.71	6.38	(4.33)	(1.02)	(11.56)	90.21	88.17	92.14	1.07	95.43	88.85	0%	2%	BULLISH
XLC	SPDR-COMM SV SS	84.74	3.37	0.50	1.24	0.60	7.01	84.35	80.22	85.79	1.03	88.82	82.76	0%	6%	BULLISH
XLE	SPDR-EGY SELS	88.40	(1.99)	2.06	(8.15)	(3.43)	(17.60)	91.36	89.28	93.21	1.21	96.67	89.75	-3%	-1%	BULLISH
XLF	SPDR-FINL SELS	42.06	(0.99)	5.19	(1.82)	(0.61)	1.18	41.86	40.38	43.74	1.06	45.30	42.18	0%	4%	BULLISH
XLK	SPDR-TECH SELS	204.72	(3.22)	(8.15)	(2.76)	(5.68)	0.31	219.97	207.87	218.80	1.14	226.75	210.85	-7%	-2%	BULLISH
XLI	SPDR-INDU SELS	122.73	(0.70)	5.19	(4.71)	(2.76)	(5.91)	123.69	120.32	127.86	1.07	132.43	123.29	-1%	2%	BULLISH
XLP	SPDR-CONS STPL	79.26	3.10	6.37	(0.25)	1.42	(13.13)	77.44	75.16	77.85	0.58	80.24	75.46	2%	5%	BULLISH
XLRE	SPDR-RE SELS	41.86	4.90	13.24	8.35	2.41	(6.38)	38.76	38.66	41.19	0.96	42.62	39.76	8%	8%	BULLISH
XLU	SPDR-UTIL SELS	74.22	6.41	12.21	1.77	14.48	(3.31)	70.53	66.11	72.79	0.57	75.03	70.55	5%	12%	BULLISH
XLV	SPDR-HLTH CR	150.86	2.72	8.41	2.70	(3.14)	(5.36)	146.09	143.31	149.63	0.67	154.38	144.88	3%	5%	BULLISH
XLY	SPDR-CONS DISCR	176.16	(1.41)	(3.00)	(3.46)	(8.34)	(16.61)	181.87	179.36	187.49	1.19	194.42	180.56	-3%	-2%	BULLISH
XTN	SPDR-SP TRANSPT	75.48	(3.77)	1.84	(7.25)	(15.70)	(30.33)	78.05	80.06	81.17	1.33	84.28	78.06	-3%	-6%	BEARISH
SDY	SPDR-SP DIV ETF	134.35	2.44	10.15	(0.11)	1.40	(11.31)	129.93	127.40	134.83	0.86	139.36	130.30	3%	5%	BULLISH
RSP	INVS-SP5 EQ ETF	166.77	0.37	5.83	(1.97)	(2.53)	(9.11)	166.19	162.73	171.60	1.05	177.70	165.50	0%	2%	BULLISH
SPSM	SPDR-PRT SC	43.24	(3.43)	9.23	(0.53)	(3.37)	(12.01)	42.61	41.84	46.01	1.12	47.68	44.34	1%	3%	BULLISH
MDY	SPDR-SP MC 400	537.81	(2.12)	5.64	(4.06)	(2.62)	(9.52)	543.61	528.69	566.09	1.11	586.53	545.65	-1%	2%	BULLISH
EEM	ISHARS-EMG MKT	41.60	0.33	(0.71)	(4.48)	(2.95)	(16.69)	42.81	41.12	42.95	0.73	44.34	41.56	-3%	1%	BULLISH
EFA	ISHARS-EAFE	77.00	(0.91)	0.08	(6.52)	(5.52)	(12.59)	79.91	77.84	80.36	0.88	83.07	77.65	-4%	-1%	BULLISH
IAU	ISHARS-GOLD TR	46.05	4.27	5.94	0.70	14.22	5.94	44.67	41.96	46.30	0.19	47.54	45.06	3%	10%	BULLISH
GDX	VANECK-GOLD MNR	36.48	2.12	4.52	1.12	29.08	4.11	35.57	32.16	37.93	0.94	39.23	36.63	3%	13%	BULLISH
UUP	INVS-DB US$ BU	28.57	1.26	2.87	(2.96)	(5.03)	(18.31)	28.80	28.35	28.76	(0.22)	29.42	28.10	-1%	1%	BULLISH
BOND	PIMCO-ACTV BOND	93.85	3.97	6.62	1.76	(3.41)	(15.53)	91.26	91.22	92.84	0.25	95.39	90.29	3%	3%	BULLISH
TLT	ISHARS-20+YTB	98.28	7.81	10.12	6.69	(0.79)	(17.49)	92.43	93.42	94.81	0.25	97.41	92.21	6%	5%	BEARISH
BNDX	VANGD-TTL INT B	49.88	3.44	6.24	0.14	(4.24)	(16.46)	48.84	48.93	49.61	0.18	50.94	48.28	2%	2%	BEARISH
HYG	ISHARS-IBX HYCB	77.70	1.37	4.29	(1.32)	(5.71)	(15.22)	77.39	77.21	78.54	0.44	80.85	76.23	0%	1%	BULLISH

Real Investment Advice

RISK RANGE REPORT

SimpleVisor™



RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	M/A XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	535.77	(2.12)	(3.94)	2.37	6.74	19.30	542.55	515.75	553.32	1.00	567.15	539.49	-1%	4%	BULLISH
XLB	SPDR-MATLS SELS	90.04	0.71	6.38	(4.33)	(1.02)	(11.56)	90.21	88.17	92.14	1.07	95.43	88.85	0%	2%	BULLISH
XLC	SPDR-COMM SV SS	84.74	3.37	0.50	1.24	0.60	7.01	84.35	80.22	85.79	1.03	88.82	82.76	0%	6%	BULLISH
XLE	SPDR-EGY SELS	88.40	(1.99)	2.06	(8.15)	(3.43)	(17.60)	91.36	89.28	93.21	1.21	96.67	89.75	-3%	-1%	BULLISH
XLF	SPDR-FINL SELS	42.06	(0.99)	5.19	(1.82)	(0.61)	1.18	41.86	40.38	43.74	1.06	45.30	42.18	0%	4%	BULLISH
XLK	SPDR-TECH SELS	204.72	(3.22)	(8.15)	(2.76)	(5.68)	0.31	219.97	207.87	218.80	1.14	226.75	210.85	-7%	-2%	BULLISH
XLI	SPDR-INDU SELS	122.73	(0.70)	5.19	(4.71)	(2.76)	(5.91)	123.69	120.32	127.86	1.07	132.43	123.29	-1%	2%	BULLISH
XLP	SPDR-CONS STPL	79.26	3.10	6.37	(0.25)	1.42	(13.13)	77.44	75.16	77.85	0.58	80.24	75.46	2%	5%	BULLISH
XLRE	SPDR-RE SELS	41.86	4.90	13.24	8.35	2.41	(6.38)	38.76	38.66	41.19	0.96	42.62	39.76	8%	8%	BULLISH
XLU	SPDR-UTIL SELS	74.22	6.41	12.21	1.77	14.48	(3.31)	70.53	66.11	72.79	0.57	75.03	70.55	5%	12%	BULLISH
XLV	SPDR-HLTH CR	150.86	2.72	8.41	2.70	(3.14)	(5.36)	146.09	143.31	149.63	0.67	154.38	144.88	3%	5%	BULLISH
XLY	SPDR-CONS DISCR	176.16	(1.41)	(3.00)	(3.46)	(8.34)	(16.61)	181.87	179.36	187.49	1.19	194.42	180.56	-3%	-2%	BULLISH
XTN	SPDR-SP TRANSPT	75.48	(3.77)	1.84	(7.25)	(15.70)	(30.33)	78.05	80.06	81.17	1.33	84.28	78.06	-3%	-6%	BEARISH
SDY	SPDR-SP DIV ETF	134.35	2.44	10.15	(0.11)	1.40	(11.31)	129.93	127.40	134.83	0.86	139.36	130.30	3%	5%	BULLISH
RSP	INVS-SP5 EQ ETF	166.77	0.37	5.83	(1.97)	(2.53)	(9.11)	166.19	162.73	171.60	1.05	177.70	165.50	0%	2%	BULLISH
SPSM	SPDR-PRT SC	43.24	(3.43)	9.23	(0.53)	(3.37)	(12.01)	42.61	41.84	46.01	1.12	47.68	44.34	1%	3%	BULLISH
MDY	SPDR-SP MC 400	537.81	(2.12)	5.64	(4.06)	(2.62)	(9.52)	543.61	528.69	566.09	1.11	586.53	545.65	-1%	2%	BULLISH
EEM	ISHARS-EMG MKT	41.60	0.33	(0.71)	(4.48)	(2.95)	(16.69)	42.81	41.12	42.95	0.73	44.34	41.56	-3%	1%	BULLISH
EFA	ISHARS-EAFE	77.00	(0.91)	0.08	(6.52)	(5.52)	(12.59)	79.91	77.84	80.36	0.88	83.07	77.65	-4%	-1%	BULLISH
IAU	ISHARS-GOLD TR	46.05	4.27	5.94	0.70	14.22	5.94	44.67	41.96	46.30	0.19	47.54	45.06	3%	10%	BULLISH
GDX	VANECK-GOLD MNR	36.48	2.12	4.52	1.12	29.08	4.11	35.57	32.16	37.93	0.94	39.23	36.63	3%	13%	BULLISH
UUP	INVS-DB US$ BU	28.57	1.26	2.87	(2.96)	(5.03)	(18.31)	28.80	28.35	28.76	(0.22)	29.42	28.10	-1%	1%	BULLISH
BOND	PIMCO-ACTV BOND	93.85	3.97	6.62	1.76	(3.41)	(15.53)	91.26	91.22	92.84	0.25	95.39	90.29	3%	3%	BULLISH
TLT	ISHARS-20+YTB	98.28	7.81	10.12	6.69	(0.79)	(17.49)	92.43	93.42	94.81	0.25	97.41	92.21	6%	5%	BEARISH
BNDX	VANGD-TTL INT B	49.88	3.44	6.24	0.14	(4.24)	(16.46)	48.84	48.93	49.61	0.18	50.94	48.28	2%	2%	BEARISH
HYG	ISHARS-IBX HYCB	77.70	1.37	4.29	(1.32)	(5.71)	(15.22)	77.39	77.21	78.54	0.44	80.85	76.23	0%	1%	BULLISH

Real Investment Advice

RISK RANGE REPORT

SimpleVisor™

Weekly SimpleVisor Stock Screens

We provide three stock screens each week from&#2013266080;***SimpleVisor***.

This week, we are searching for the Top 20:

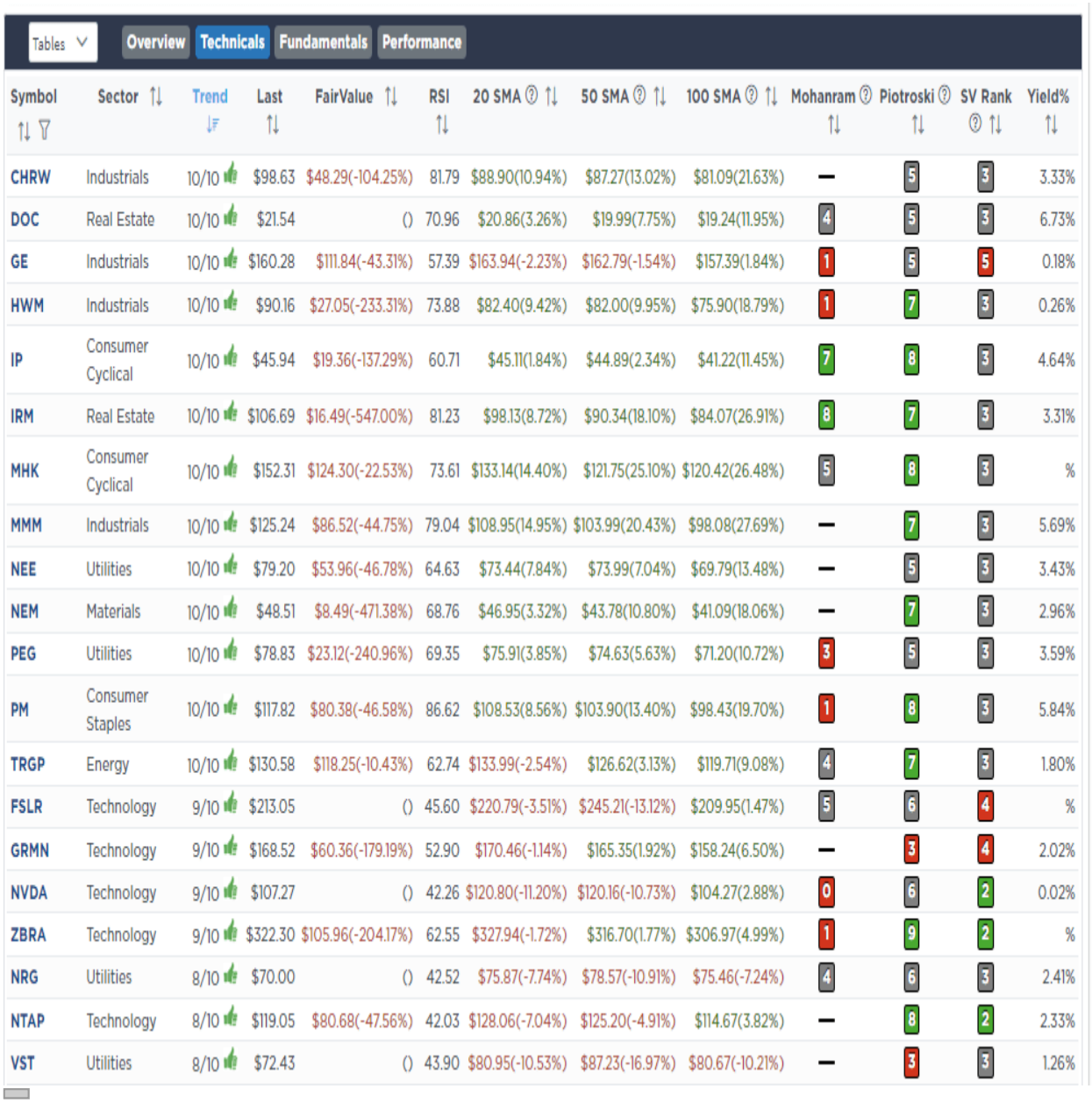
- *Relative Strength Stocks*
- *Momentum Stocks*
- *Fundamental & Technical Strength W/ Dividends*

(Click Images To Enlarge)

RSI Screen

Tables | Overview | Technicals | Fundamentals | Performance

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
CHRW	Industrials	10/10	$98.63	$48.29(-104.25%)	81.79	$88.90(10.94%)	$87.27(13.02%)	$81.09(21.63%)	—	5	3	3.33%
DOC	Real Estate	10/10	$21.54	()	70.96	$20.86(3.26%)	$19.99(7.75%)	$19.24(11.95%)	4	5	3	6.73%
GE	Industrials	10/10	$160.28	$111.84(-43.31%)	57.39	$163.94(-2.23%)	$162.79(-1.54%)	$157.39(1.84%)	1	5	5	0.18%
HWM	Industrials	10/10	$90.16	$27.05(-233.31%)	73.88	$82.40(9.42%)	$82.00(9.95%)	$75.90(18.79%)	1	7	3	0.26%
IP	Consumer Cyclical	10/10	$45.94	$19.36(-137.29%)	60.71	$45.11(1.84%)	$44.89(2.34%)	$41.22(11.45%)	7	8	3	4.64%
IRM	Real Estate	10/10	$106.69	$16.49(-547.00%)	81.23	$98.13(8.72%)	$90.34(18.10%)	$84.07(26.91%)	8	7	3	3.31%
MHK	Consumer Cyclical	10/10	$152.31	$124.30(-22.53%)	73.61	$133.14(14.40%)	$121.75(25.10%)	$120.42(26.48%)	5	8	3	%
MMM	Industrials	10/10	$125.24	$86.52(-44.75%)	79.04	$108.95(14.95%)	$103.99(20.43%)	$98.08(27.69%)	—	7	3	5.69%
NEE	Utilities	10/10	$79.20	$53.96(-46.78%)	64.63	$73.44(7.84%)	$73.99(7.04%)	$69.79(13.48%)	—	5	3	3.43%
NEM	Materials	10/10	$48.51	$8.49(-471.38%)	68.76	$46.95(3.32%)	$43.78(10.80%)	$41.09(18.06%)	—	7	3	2.96%
PEG	Utilities	10/10	$78.83	$23.12(-240.96%)	69.35	$75.91(3.85%)	$74.63(5.63%)	$71.20(10.72%)	3	5	3	3.59%
PM	Consumer Staples	10/10	$117.82	$80.38(-46.58%)	86.62	$108.53(8.56%)	$103.90(13.40%)	$98.43(19.70%)	1	8	3	5.84%
TRGP	Energy	10/10	$130.58	$118.25(-10.43%)	62.74	$133.99(-2.54%)	$126.62(3.13%)	$119.71(9.08%)	4	7	3	1.80%
FSLR	Technology	9/10	$213.05	()	45.60	$220.79(-3.51%)	$245.21(-13.12%)	$209.95(1.47%)	5	6	4	%
GRMN	Technology	9/10	$168.52	$60.36(-179.19%)	52.90	$170.46(-1.14%)	$165.35(1.92%)	$158.24(6.50%)	—	3	4	2.02%
NVDA	Technology	9/10	$107.27	()	42.26	$120.80(-11.20%)	$120.16(-10.73%)	$104.27(2.88%)	0	6	2	0.02%
ZBRA	Technology	9/10	$322.30	$105.96(-204.17%)	62.55	$327.94(-1.72%)	$316.70(1.77%)	$306.97(4.99%)	1	9	2	%
NRG	Utilities	8/10	$70.00	()	42.52	$75.87(-7.74%)	$78.57(-10.91%)	$75.46(-7.24%)	4	6	3	2.41%
NTAP	Technology	8/10	$119.05	$80.68(-47.56%)	42.03	$128.06(-7.04%)	$125.20(-4.91%)	$114.67(3.82%)	—	8	2	2.33%
VST	Utilities	8/10	$72.43	()	43.90	$80.95(-10.53%)	$87.23(-16.97%)	$80.67(-10.21%)	—	3	3	1.26%



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Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
CHRW	Industrials	10/10	$98.63	$48.29(-104.25%)	81.79	$88.90(10.94%)	$87.27(13.02%)	$81.09(21.63%)	–	5	3	3.33%
DOC	Real Estate	10/10	$21.54	()	70.96	$20.86(3.26%)	$19.99(7.75%)	$19.24(11.95%)	4	5	3	6.73%
GE	Industrials	10/10	$160.28	$111.84(-43.31%)	57.39	$163.94(-2.23%)	$162.79(-1.54%)	$157.39(1.84%)	1	5	5	0.18%
HWM	Industrials	10/10	$90.16	$27.05(-233.31%)	73.88	$82.40(9.42%)	$82.00(9.95%)	$75.90(18.79%)	1	7	3	0.26%
IP	Consumer Cyclical	10/10	$45.94	$19.36(-137.29%)	60.71	$45.11(1.84%)	$44.89(2.34%)	$41.22(11.45%)	7	8	3	4.64%
IRM	Real Estate	10/10	$106.69	$16.49(-547.00%)	81.23	$98.13(8.72%)	$90.34(18.10%)	$84.07(26.91%)	8	7	3	3.31%
MHK	Consumer Cyclical	10/10	$152.31	$124.30(-22.53%)	73.61	$133.14(14.40%)	$121.75(25.10%)	$120.42(26.48%)	5	8	3	%
MMM	Industrials	10/10	$125.24	$86.52(-44.75%)	79.04	$108.95(14.95%)	$103.99(20.43%)	$98.08(27.69%)	–	7	3	5.69%
NEE	Utilities	10/10	$79.20	$53.96(-46.78%)	64.63	$73.44(7.84%)	$73.99(7.04%)	$69.79(13.48%)	–	5	3	3.43%
NEM	Materials	10/10	$48.51	$8.49(-471.38%)	68.76	$46.95(3.32%)	$43.78(10.80%)	$41.09(18.06%)	–	7	3	2.96%
PEG	Utilities	10/10	$78.83	$23.12(-240.96%)	69.35	$75.91(3.85%)	$74.63(5.63%)	$71.20(10.72%)	3	5	3	3.59%
PM	Consumer Staples	10/10	$117.82	$80.38(-46.58%)	86.62	$108.53(8.56%)	$103.90(13.40%)	$98.43(19.70%)	1	8	3	5.84%
TRGP	Energy	10/10	$130.58	$118.25(-10.43%)	62.74	$133.99(-2.54%)	$126.62(3.13%)	$119.71(9.08%)	4	7	3	1.80%
FSLR	Technology	9/10	$213.05	()	45.60	$220.79(-3.51%)	$245.21(-13.12%)	$209.95(1.47%)	5	6	4	%
GRMN	Technology	9/10	$168.52	$60.36(-179.19%)	52.90	$170.46(-1.14%)	$165.35(1.92%)	$158.24(6.50%)	–	3	4	2.02%
NVDA	Technology	9/10	$107.27	()	42.26	$120.80(-11.20%)	$120.16(-10.73%)	$104.27(2.88%)	0	6	2	0.02%
ZBRA	Technology	9/10	$322.30	$105.96(-204.17%)	62.55	$327.94(-1.72%)	$316.70(1.77%)	$306.97(4.99%)	1	9	2	%
NRG	Utilities	8/10	$70.00	()	42.52	$75.87(-7.74%)	$78.57(-10.91%)	$75.46(-7.24%)	4	6	3	2.41%
NTAP	Technology	8/10	$119.05	$80.68(-47.56%)	42.03	$128.06(-7.04%)	$125.20(-4.91%)	$114.67(3.82%)	–	8	2	2.33%
VST	Utilities	8/10	$72.43	()	43.90	$80.95(-10.53%)	$87.23(-16.97%)	$80.67(-10.21%)	–	3	3	1.26%

Momentum Screen

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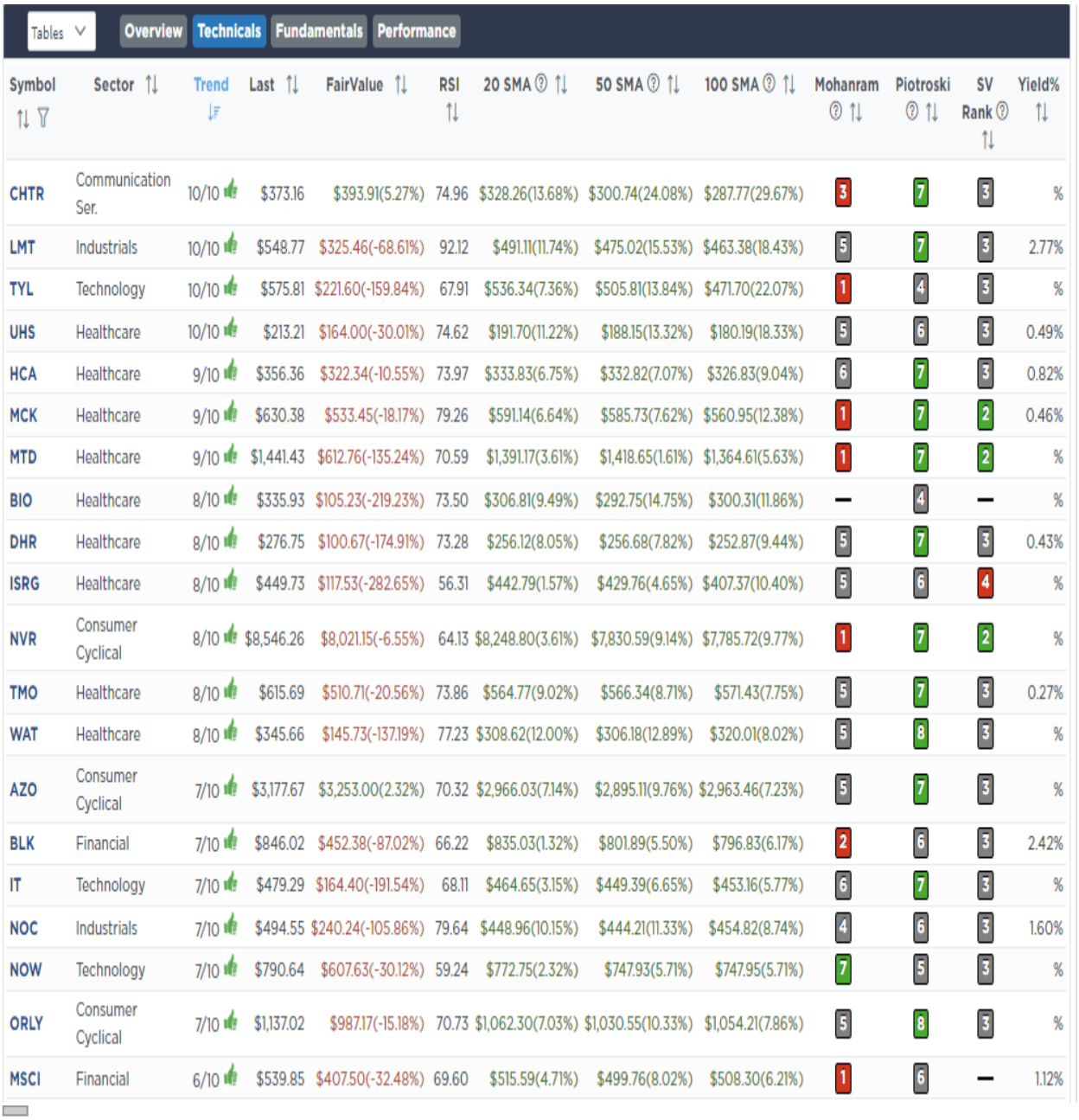
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
CHTR	Communication Ser.	10/10	$373.16	$393.91(5.27%)	74.96	$328.26(13.68%)	$300.74(24.08%)	$287.77(29.67%)	3	7	3	%
LMT	Industrials	10/10	$548.77	$325.46(-68.61%)	92.12	$491.11(11.74%)	$475.02(15.53%)	$463.38(18.43%)	5	7	3	2.77%
TYL	Technology	10/10	$575.81	$221.60(-159.84%)	67.91	$536.34(7.36%)	$505.81(13.84%)	$471.70(22.07%)	1	4	3	%
UHS	Healthcare	10/10	$213.21	$164.00(-30.01%)	74.62	$191.70(11.22%)	$188.15(13.32%)	$180.19(18.33%)	5	6	3	0.49%
HCA	Healthcare	9/10	$356.36	$322.34(-10.55%)	73.97	$333.83(6.75%)	$332.82(7.07%)	$326.83(9.04%)	6	7	3	0.82%
MCK	Healthcare	9/10	$630.38	$533.45(-18.17%)	79.26	$591.14(6.64%)	$585.73(7.62%)	$560.95(12.38%)	1	7	2	0.46%
MTD	Healthcare	9/10	$1,441.43	$612.76(-135.24%)	70.59	$1,391.17(3.61%)	$1,418.65(1.61%)	$1,364.61(5.63%)	1	7	2	%
BIO	Healthcare	8/10	$335.93	$105.23(-219.23%)	73.50	$306.81(9.49%)	$292.75(14.75%)	$300.31(11.86%)	—	4	—	%
DHR	Healthcare	8/10	$276.75	$100.67(-174.91%)	73.28	$256.12(8.05%)	$256.68(7.82%)	$252.87(9.44%)	5	7	3	0.43%
ISRG	Healthcare	8/10	$449.73	$117.53(-282.65%)	56.31	$442.79(1.57%)	$429.76(4.65%)	$407.37(10.40%)	5	6	4	%
NVR	Consumer Cyclical	8/10	$8,546.26	$8,021.15(-6.55%)	64.13	$8,248.80(3.61%)	$7,830.59(9.14%)	$7,785.72(9.77%)	1	7	2	%
TMO	Healthcare	8/10	$615.69	$510.71(-20.56%)	73.86	$564.77(9.02%)	$566.34(8.71%)	$571.43(7.75%)	5	7	3	0.27%
WAT	Healthcare	8/10	$345.66	$145.73(-137.19%)	77.23	$308.62(12.00%)	$306.18(12.89%)	$320.01(8.02%)	5	8	3	%
AZO	Consumer Cyclical	7/10	$3,177.67	$3,253.00(2.32%)	70.32	$2,966.03(7.14%)	$2,895.11(9.76%)	$2,963.46(7.23%)	5	7	3	%
BLK	Financial	7/10	$846.02	$452.38(-87.02%)	66.22	$835.03(1.32%)	$801.89(5.50%)	$796.83(6.17%)	2	6	3	2.42%
IT	Technology	7/10	$479.29	$164.40(-191.54%)	68.11	$464.65(3.15%)	$449.39(6.65%)	$453.16(5.77%)	6	7	3	%
NOC	Industrials	7/10	$494.55	$240.24(-105.86%)	79.64	$448.96(10.15%)	$444.21(11.33%)	$454.82(8.74%)	4	6	3	1.60%
NOW	Technology	7/10	$790.64	$607.63(-30.12%)	59.24	$772.75(2.32%)	$747.93(5.71%)	$747.95(5.71%)	7	5	3	%
ORLY	Consumer Cyclical	7/10	$1,137.02	$987.17(-15.18%)	70.73	$1,062.30(7.03%)	$1,030.55(10.33%)	$1,054.21(7.86%)	5	8	3	%
MSCI	Financial	6/10	$539.85	$407.50(-32.48%)	69.60	$515.59(4.71%)	$499.76(8.02%)	$508.30(6.21%)	1	6	—	1.12%



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Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
CHTR	Communication Ser.	10/10	$373.16	$393.91(5.27%)	74.96	$328.26(13.68%)	$300.74(24.08%)	$287.77(29.67%)	3	7	3	%
LMT	Industrials	10/10	$548.77	$325.46(-68.61%)	92.12	$491.11(11.74%)	$475.02(15.53%)	$463.38(18.43%)	5	7	3	2.77%
TYL	Technology	10/10	$575.81	$221.60(-159.84%)	67.91	$536.34(7.36%)	$505.81(13.84%)	$471.70(22.07%)	1	4	3	%
UHS	Healthcare	10/10	$213.21	$164.00(-30.01%)	74.62	$191.70(11.22%)	$188.15(13.32%)	$180.19(18.33%)	5	6	3	0.49%
HCA	Healthcare	9/10	$356.36	$322.34(-10.55%)	73.97	$333.83(6.75%)	$332.82(7.07%)	$326.83(9.04%)	6	7	3	0.82%
MCK	Healthcare	9/10	$630.38	$533.45(-18.17%)	79.26	$591.14(6.64%)	$585.73(7.62%)	$560.95(12.38%)	1	7	2	0.46%
MTD	Healthcare	9/10	$1,441.43	$612.76(-135.24%)	70.59	$1,391.17(3.61%)	$1,418.65(1.61%)	$1,364.61(5.63%)	1	7	2	%
BIO	Healthcare	8/10	$335.93	$105.23(-219.23%)	73.50	$306.81(9.49%)	$292.75(14.75%)	$300.31(11.86%)	–	4	–	%
DHR	Healthcare	8/10	$276.75	$100.67(-174.91%)	73.28	$256.12(8.05%)	$256.68(7.82%)	$252.87(9.44%)	5	7	3	0.43%
ISRG	Healthcare	8/10	$449.73	$117.53(-282.65%)	56.31	$442.79(1.57%)	$429.76(4.65%)	$407.37(10.40%)	5	6	4	%
NVR	Consumer Cyclical	8/10	$8,546.26	$8,021.15(-6.55%)	64.13	$8,248.80(3.61%)	$7,830.59(9.14%)	$7,785.72(9.77%)	1	7	2	%
TMO	Healthcare	8/10	$615.69	$510.71(-20.56%)	73.86	$564.77(9.02%)	$566.34(8.71%)	$571.43(7.75%)	5	7	3	0.27%
WAT	Healthcare	8/10	$345.66	$145.73(-137.19%)	77.23	$308.62(12.00%)	$306.18(12.89%)	$320.01(8.02%)	5	8	3	%
AZO	Consumer Cyclical	7/10	$3,177.67	$3,253.00(2.32%)	70.32	$2,966.03(7.14%)	$2,895.11(9.76%)	$2,963.46(7.23%)	5	7	3	%
BLK	Financial	7/10	$846.02	$452.38(-87.02%)	66.22	$835.03(1.32%)	$801.89(5.50%)	$796.83(6.17%)	2	6	3	2.42%
IT	Technology	7/10	$479.29	$164.40(-191.54%)	68.11	$464.65(3.15%)	$449.39(6.65%)	$453.16(5.77%)	6	7	3	%
NOC	Industrials	7/10	$494.55	$240.24(-105.86%)	79.64	$448.96(10.15%)	$444.21(11.33%)	$454.82(8.74%)	4	6	3	1.60%
NOW	Technology	7/10	$790.64	$607.63(-30.12%)	59.24	$772.75(2.32%)	$747.93(5.71%)	$747.95(5.71%)	7	5	3	%
ORLY	Consumer Cyclical	7/10	$1,137.02	$987.17(-15.18%)	70.73	$1,062.30(7.03%)	$1,030.55(10.33%)	$1,054.21(7.86%)	5	8	3	%
MSCI	Financial	6/10	$539.85	$407.50(-32.48%)	69.60	$515.59(4.71%)	$499.76(8.02%)	$508.30(6.21%)	1	6	–	1.12%

Fundamental & Technical Screen

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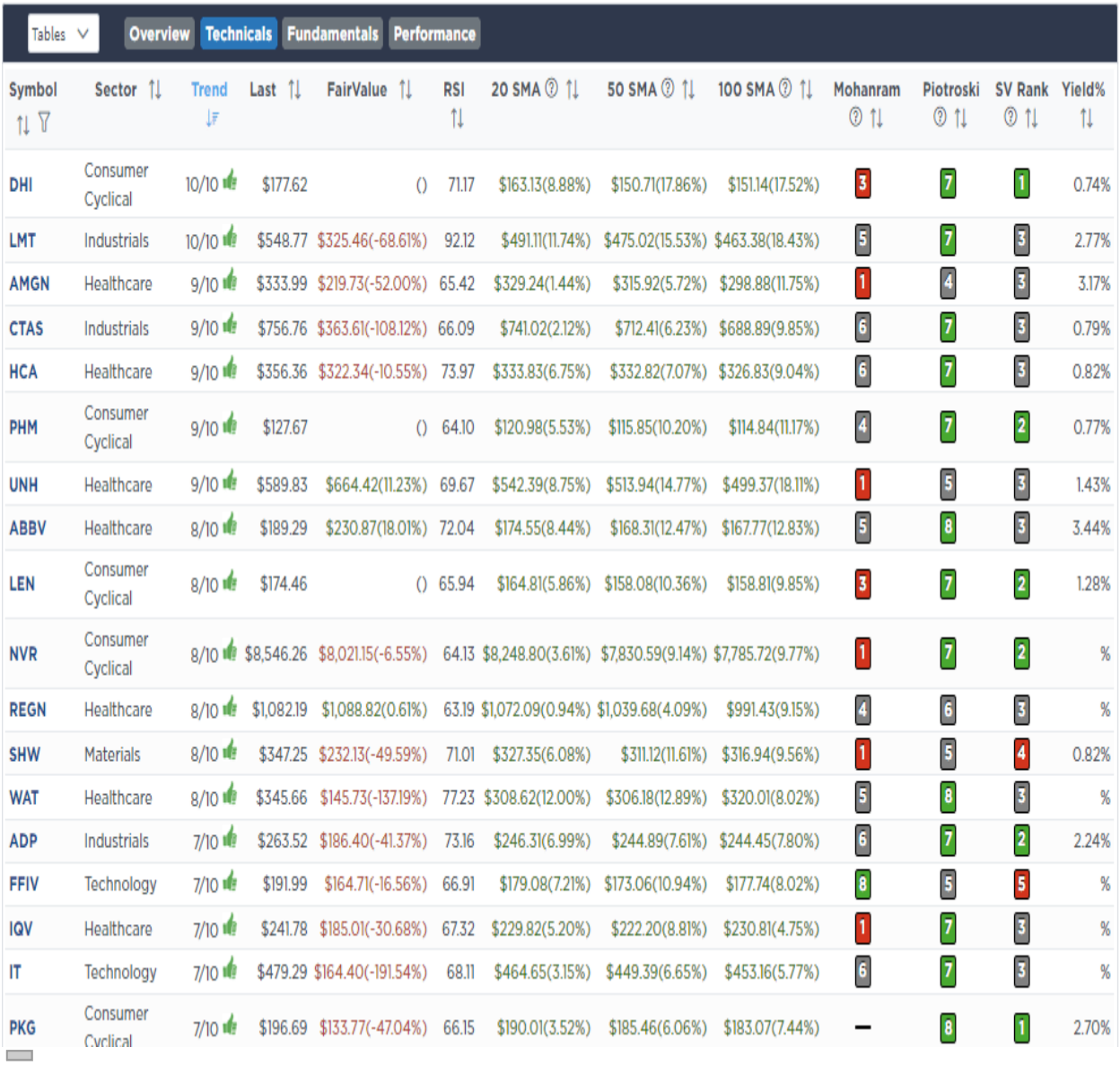
Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
DHI	Consumer Cyclical	10/10	$177.62	()	71.17	$163.13(8.88%)	$150.71(17.86%)	$151.14(17.52%)	3	7	1	0.74%
LMT	Industrials	10/10	$548.77	$325.46(-68.61%)	92.12	$491.11(11.74%)	$475.02(15.53%)	$463.38(18.43%)	5	7	3	2.77%
AMGN	Healthcare	9/10	$333.99	$219.73(-52.00%)	65.42	$329.24(1.44%)	$315.92(5.72%)	$298.88(11.75%)	1	4	3	3.17%
CTAS	Industrials	9/10	$756.76	$363.61(-108.12%)	66.09	$741.02(2.12%)	$712.41(6.23%)	$688.89(9.85%)	6	7	3	0.79%
HCA	Healthcare	9/10	$356.36	$322.34(-10.55%)	73.97	$333.83(6.75%)	$332.82(7.07%)	$326.83(9.04%)	6	7	3	0.82%
PHM	Consumer Cyclical	9/10	$127.67	()	64.10	$120.98(5.53%)	$115.85(10.20%)	$114.84(11.17%)	4	7	2	0.77%
UNH	Healthcare	9/10	$589.83	$664.42(11.23%)	69.67	$542.39(8.75%)	$513.94(14.77%)	$499.37(18.11%)	1	5	3	1.43%
ABBV	Healthcare	8/10	$189.29	$230.87(18.01%)	72.04	$174.55(8.44%)	$168.31(12.47%)	$167.77(12.83%)	5	8	3	3.44%
LEN	Consumer Cyclical	8/10	$174.46	()	65.94	$164.81(5.86%)	$158.08(10.36%)	$158.81(9.85%)	3	7	2	1.28%
NVR	Consumer Cyclical	8/10	$8,546.26	$8,021.15(-6.55%)	64.13	$8,248.80(3.61%)	$7,830.59(9.14%)	$7,785.72(9.77%)	1	7	2	%
REGN	Healthcare	8/10	$1,082.19	$1,088.82(0.61%)	63.19	$1,072.09(0.94%)	$1,039.68(4.09%)	$991.43(9.15%)	4	6	3	%
SHW	Materials	8/10	$347.25	$232.13(-49.59%)	71.01	$327.35(6.08%)	$311.12(11.61%)	$316.94(9.56%)	1	5	4	0.82%
WAT	Healthcare	8/10	$345.66	$145.73(-137.19%)	77.23	$308.62(12.00%)	$306.18(12.89%)	$320.01(8.02%)	5	8	3	%
ADP	Industrials	7/10	$263.52	$186.40(-41.37%)	73.16	$246.31(6.99%)	$244.89(7.61%)	$244.45(7.80%)	6	7	2	2.24%
FFIV	Technology	7/10	$191.99	$164.71(-16.56%)	66.91	$179.08(7.21%)	$173.06(10.94%)	$177.74(8.02%)	8	5	5	%
IQV	Healthcare	7/10	$241.78	$185.01(-30.68%)	67.32	$229.82(5.20%)	$222.20(8.81%)	$230.81(4.75%)	1	7	3	%
IT	Technology	7/10	$479.29	$164.40(-191.54%)	68.11	$464.65(3.15%)	$449.39(6.65%)	$453.16(5.77%)	6	7	3	%
PKG	Consumer Cyclical	7/10	$196.69	$133.77(-47.04%)	66.15	$190.01(3.52%)	$185.46(6.06%)	$183.07(7.44%)	–	8	1	2.70%



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Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
DHI	Consumer Cyclical	10/10	$177.62	()	71.17	$163.13(8.88%)	$150.71(17.86%)	$151.14(17.52%)	3	7	1	0.74%
LMT	Industrials	10/10	$548.77	$325.46(-68.61%)	92.12	$491.11(11.74%)	$475.02(15.53%)	$463.38(18.43%)	5	7	3	2.77%
AMGN	Healthcare	9/10	$333.99	$219.73(-52.00%)	65.42	$329.24(1.44%)	$315.92(5.72%)	$298.88(11.75%)	1	4	3	3.17%
CTAS	Industrials	9/10	$756.76	$363.61(-108.12%)	66.09	$741.02(2.12%)	$712.41(6.23%)	$688.89(9.85%)	6	7	3	0.79%
HCA	Healthcare	9/10	$356.36	$322.34(-10.55%)	73.97	$333.83(6.75%)	$332.82(7.07%)	$326.83(9.04%)	6	7	3	0.82%
PHM	Consumer Cyclical	9/10	$127.67	()	64.10	$120.98(5.53%)	$115.85(10.20%)	$114.84(11.17%)	4	7	2	0.77%
UNH	Healthcare	9/10	$589.83	$664.42(11.23%)	69.67	$542.39(8.75%)	$513.94(14.77%)	$499.37(18.11%)	1	5	3	1.43%
ABBV	Healthcare	8/10	$189.29	$230.87(18.01%)	72.04	$174.55(8.44%)	$168.31(12.47%)	$167.77(12.83%)	5	8	3	3.44%
LEN	Consumer Cyclical	8/10	$174.46	()	65.94	$164.81(5.86%)	$158.08(10.36%)	$158.81(9.85%)	3	7	2	1.28%
NVR	Consumer Cyclical	8/10	$8,546.26	$8,021.15(-6.55%)	64.13	$8,248.80(3.61%)	$7,830.59(9.14%)	$7,785.72(9.77%)	1	7	2	%
REGN	Healthcare	8/10	$1,082.19	$1,088.82(0.61%)	63.19	$1,072.09(0.94%)	$1,039.68(4.09%)	$991.43(9.15%)	4	6	3	%
SHW	Materials	8/10	$347.25	$232.13(-49.59%)	71.01	$327.35(6.08%)	$311.12(11.61%)	$316.94(9.56%)	1	5	4	0.82%
WAT	Healthcare	8/10	$345.66	$145.73(-137.19%)	77.23	$308.62(12.00%)	$306.18(12.89%)	$320.01(8.02%)	5	8	3	%
ADP	Industrials	7/10	$263.52	$186.40(-41.37%)	73.16	$246.31(6.99%)	$244.89(7.61%)	$244.45(7.80%)	6	7	2	2.24%
FFIV	Technology	7/10	$191.99	$164.71(-16.56%)	66.91	$179.08(7.21%)	$173.06(10.94%)	$177.74(8.02%)	8	5	5	%
IQV	Healthcare	7/10	$241.78	$185.01(-30.68%)	67.32	$229.82(5.20%)	$222.20(8.81%)	$230.81(4.75%)	1	7	3	%
IT	Technology	7/10	$479.29	$164.40(-191.54%)	68.11	$464.65(3.15%)	$449.39(6.65%)	$453.16(5.77%)	6	7	3	%
PKG	Consumer Cyclical	7/10	$196.69	$133.77(-47.04%)	66.15	$190.01(3.52%)	$185.46(6.06%)	$183.07(7.44%)	–	8	1	2.70%

SimpleVisor Portfolio Changes

We post all of our portfolio changes as they occur at&#2013266080;***SimpleVisor:***

Aug 1st

> *?This morning, we added 1% to OneOk (OKE) in the equity model. The stock hasn?t done much since we initially bought it, but it does sport a 4.75% yield which supports the yield of the overall portfolio. OKE is also a potential big beneficiary of the power grid expansion that we have discussed previously.?*

Equity Model

- *Increase OKE to 2% of the portfolio.*

Lance Roberts,&#2013266080;*C.I.O.*

Have a great week!