

## Kashkari Is A Moderating Hawk

In last week?s Commentary, <u>Doves Versus Hawks</u>, we stated: ? There appear to be two camps emerging, the doves and the hawks, with differing opinions on what to do next. We think this battle will become more pronounced over the coming months. Therefore, understanding the dove?s and the hawk?s points of view is critical to forecasting monetary policy.? Given the importance of understanding the views and, equally important, gauging how the opinions of individual Fed members shift, it?s worth looking at one of the more hawkish Fed members, Neel Kashkari. For background, Kashkari often tends above the more dovish members of the Fed. However, his policy prescriptions tend to overly focus on the lower-income earners. Inflation, and the harm it causes to lower and middle-income classes, has resulted in a more hawkish Kashkari. Per the table below from InTouch, Kashkari is now the second most hawkish on the board. That may change the next time they publish the table.

On Face the Nation this last weekend, he highlighted that core inflation is still running double the Fed?s 2% target. Despite much lower inflation rates, Kashkari said, ?We don?t want to declare victory yet.? This is important because the risk of fighting inflation is higher unemployment, a topic Kashkari is also sympathetic to. Kashkari appears willing to let it rise from 3.6% to 4% to meet the Fed?s inflation goal. His views are shifting toward a dovish stance because he believes a recession is no longer on the horizon. As such, he seems willing to sacrifice employment for lower inflation. Kashkari?s recent opinions are now middle of the road. If other hawks follow him, we may have seen the last rate hike for this cycle.

Name	Position	Hawk Scale		Voter?	
Most Dovish			2023	2024	
Goolsbee	Chicago		✓	×	✓
Bostic	Atlanta		×	✓	×
Cook	Board		✓	✓	✓
Dubbert*	Kansas City		×	×	✓
Harker	Philadelphia		✓	×	×
Collins	Boston		×	×	✓
Jefferson**	Board		✓	✓	✓
Williams	New York		✓	✓	✓
Barr	Board		✓	✓	✓
Powell	Chairman		✓	✓	✓
Daly	San Francisco		×	✓	×
Barkin	Richmond		×	✓	×
Bowman	Board		✓	✓	✓
Logan	Dallas		✓	×	×
Mester	Cleveland		×	✓	×
Waller	Board		✓	✓	✓
Kashkari	Minneapolis		✓	×	×
Bullard	St Louis		×	×	✓

Most Hawkish

### FOMC - Hawk/Dove Analysis

InTouch Capital Markets

Last Update: 07 July 2023

Name	Position	Hawk Scale		Voter?	
Most Dovish			2023	2024	
Goolsbee	Chicago		✓	×	✓
Bostic	Atlanta		×	✓	×
Cook	Board		✓	✓	✓
Dubbert*	Kansas City		×	×	✓
Harker	Philadelphia		✓	×	×
Collins	Boston		×	×	✓
Jefferson**	Board		✓	✓	✓
Williams	New York		✓	✓	✓
Barr	Board		✓	✓	✓
Powell	Chairman		✓	✓	✓
Daly	San Francisco		×	✓	×
Barkin	Richmond		×	✓	×
D	Daniel		,	,	,

### What To Watch Today

**Earnings** 

Time	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's EPS*
<b>(</b>	MRK	Merck & Company, Inc.	\$267,115,882,877	Jun/2023	(\$2.17)	6	7/28/2022	\$1.87
<b>&gt;</b>	PFE	Pfizer, Inc.	\$204,360,114,124	Jun/2023	\$0.57	8	7/28/2022	\$2.04
2)	AMD	Advanced Micro Devices, Inc.	\$178,911,203,757	Jun/2023	\$0.40	14	8/02/2022	\$0.91
<u></u>	CAT	Caterpillar, Inc.	\$133,262,151,756	Jun/2023	\$4.51	12	8/02/2022	\$3.18
<b>.</b>	BP	BP p.l.c.	\$116,687,454,850	Jun/2023	\$1.17	3	8/02/2022	\$2.61
9	SBUX	Starbucks Corporation	\$115,534,192,000	Jun/2023	\$0.95	12	8/02/2022	\$0.84
Э	MUFG	Mitsubishi UFJ Financial Group Inc	\$98,837,268,066	Jun/2023		N/A	8/02/2022	\$0.08
<u></u>	UBER	Uber Technologies, Inc.	\$94,330,584,020	Jun/2023	\$0	13	8/02/2022	(\$1.33)
9	VRTX	Vertex Pharmaceuticals Incorporated	\$90,050,341,424	Jun/2023	\$3.47	11	8/04/2022	\$3.25
<b>(</b> )	MO	Altria Group	\$81,397,802,841	Jun/2023	\$1.31	6	7/28/2022	\$1.26
<b>.</b>	ETN	Eaton Corporation, PLC	\$80,557,060,000	Jun/2023	\$2.11	8	8/02/2022	\$1.87
Þ	ITW	Illinois Tool Works Inc.	\$77,680,589,851	Jun/2023	\$2.39	7	8/02/2022	\$2.37
Э	UBS	UBS AG	\$75,151,200,000	Jun/2023		N/A	7/26/2022	\$0.61
Э	scco	Southern Copper Corporation	\$64,917,347,145	Jun/2023	\$0.76	3	7/26/2022	\$0.56
Þ	MAR	Marriott International	\$59,381,576,232	Jun/2023	\$2.19	9	8/02/2022	\$1.80
<b>)</b>	MPC	Marathon Petroleum Corporation	\$54,978,566,778	Jun/2023	\$4.55	7	8/02/2022	\$10.61
<b>&gt;</b>	ECL	Ecolab Inc.	\$52,340,254,076	Jun/2023	\$1.21	10	7/26/2022	\$1.10
9	PXD	Pioneer Natural Resources Company	\$51,573,746,239	Jun/2023	\$4.12	11	8/02/2022	\$9.36
)	IDXX	IDEXX Laboratories, Inc.	\$45,317,374,858	Jun/2023	\$2.43	7	8/02/2022	\$1.56
)	AIG	American International Group, Inc.	\$43,888,352,327	Jun/2023	\$1.54	5	8/08/2022	\$1.19
)	AFL	Aflac Incorporated	\$43,540,597,259	Jun/2023	\$1.42	8	8/01/2022	\$1.46
<b>&gt;</b>	IQV	IQVIA Holdings, Inc.	\$41,666,912,183	Jun/2023	\$2.09	8	7/21/2022	\$2.25
Þ	SYY	Sysco Corporation	\$38,254,515,009	Jun/2023	\$1.33	6	8/09/2022	\$1.15
<b>)</b>	ROK	Rockwell Automation, Inc.	\$37,944,468,600	Jun/2023	\$3.19	7	7/27/2022	\$2.66
9	EA	Electronic Arts Inc.	\$37,500,648,021	Jun/2023	\$0.61	12	8/02/2022	(\$0.04)
Þ	AME	AMTEK, Inc.	\$36,382,812,546	Jun/2023	\$1.52	7	8/02/2022	\$1.38
Þ	MPLX	MPLX LP	\$35,361,284,947	Jun/2023	\$0.86	5	8/02/2022	\$0.83
)	PRU	Prudential Financial, Inc.	\$35,178,700,000	Jun/2023	\$3.04	7	8/02/2022	\$1.74
2)	DVN	Devon Energy Corporation	\$33,509,574,000	Jun/2023	\$1.17	8	8/01/2022	\$2.59
<b>*</b>	PEG	Public Service Enterprise Group Incorporated	\$31,584,493,235	Jun/2023	\$0.61	5	8/02/2022	\$0.64
<b>)</b>	ARES	Ares Management Corporation	\$29,878,171,232	Jun/2023	\$0.84	6	7/28/2022	\$0.74
)	ALL	Allstate Corporation (The)	\$29,644,438,973	Jun/2023	(\$3.83)	8	8/03/2022	(\$0.76)
<b>&gt;</b>	ZBH	Zimmer Biomet Holdings, Inc.	\$29,170,500,200	Jun/2023	\$1.82	12	8/02/2022	\$1.82
<b>&gt;</b>	WEC	WEC Energy Group, Inc.	\$28,572,059,817	Jun/2023	\$0.85	4	8/02/2022	\$0.91
<b>)</b>	GPN	Global Payments Inc.	\$28,269,982,545	Jun/2023	\$2.42	12	8/01/2022	\$2.23
<u> </u>	IT	Gartner, Inc.	\$27,961,124,833	Jun/2023	\$2.47	4	8/02/2022	\$2.85
)	FE	FirstEnergy Corp.	\$22,478,119,249	Jun/2023	\$0.46	4	7/26/2022	\$0.53
2)	PAYC	Paycom Software, Inc.	\$21,771,052,767	Jun/2023	\$1.23	10	8/02/2022	\$0.84
<b>)</b>	HWM	Howmet Aerospace Inc.	\$20,738,944,035	Jun/2023	\$0.43	7	8/04/2022	\$0.35
")	SCI	Service Corporation International	\$20,299,209,462	Jun/2023	\$0.80	5	8/02/2022	\$0.84
Э	MKL	Markel Group Inc.	\$19,291,473,882	Jun/2023	\$19.17	4	8/02/2022	\$13.78
rime	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's
<u></u>	MRK	Merck & Company, Inc.	\$267,115,882,877	•	(\$2.17)	6	7/28/2022	\$1.87

### **Economy**

Time Event		Impact	Actual Dev	Consensus	Previous	
	TUESDAY, AUGUST 1					
12:55 <b>USD</b>	Redbook Index (YoY)(Jul 28)		•		-0.4%	ŷ
13:45 <b>US</b> D	S&P Global Manufacturing PMI(Jul)		-	- 49	49	ڼ
14:00 <b>USD</b>	Construction Spending (MoM)(Jun)			- 0.6%	0.9%	٦
14:00 <b>us</b> d	ISM Manufacturing Employment Index(Jul)			- 49.7	48.1	ڼ
14:00 <b>USD</b>	ISM Manufacturing New Orders Index(Jul)		-	- 44	45.6	ڼ
14:00 <b>USD</b>	ISM Manufacturing PMI(Jul)			- 46.5	46	ŷ
14:00 <b>USD</b>	ISM Manufacturing Prices Paid(Jul)			- 42.5	41.8	$\bigwedge_{v}$
14:00 <b>USD</b>	JOLTS Job Openings(Jun)		-	- 9.62M	9.824M	ڼ
19:30 <b>us</b> u	Total Vehicle Sales(Jul)		-		15.7M	$\bigwedge_v$
20:30 <b>USD</b>	API Weekly Crude Oil Stock(Jul 28)				1.319M	٦
Time Event		Impact	Actual Dev	Consensus	Previous	
	TUESDAY, AUGUST 1					
12:55 <b>us</b> d	Redbook Index (YoY)(Jul 28)				-0.4%	Ŷ
13:45 <b>us</b> d	S&P Global Manufacturing PMI(Jul)		-	- 49	49	ڼ
14:00 <b>USD</b>	Construction Spending (MoM)(Jun)			- 0.6%	0.9%	ڼ
14:00 <b>USD</b>	ISM Manufacturing Employment Index(Jul)		-	- 49.7	48.1	ڼ
	ISM Manufacturing Employment Index(Jul) ISM Manufacturing New Orders Index(Jul)			<ul><li>49.7</li><li>44</li></ul>		-
14:00 <b>USD</b>	V 1 7				45.6	ڼ
14:00 <b>USD</b>	ISM Manufacturing New Orders Index(Jul)			- 44	45.6 46	ψ
14:00 <b>USD</b> 14:00 <b>USD</b> 14:00 <b>USD</b>	ISM Manufacturing New Orders Index(Jul) ISM Manufacturing PMI(Jul)			<ul><li>44</li><li>46.5</li><li>42.5</li></ul>	45.6 46	÷
14:00 USD 14:00 USD 14:00 USD 14:00 USD	ISM Manufacturing New Orders Index(Jul) ISM Manufacturing PMI(Jul) ISM Manufacturing Prices Paid(Jul)			<ul><li>44</li><li>46.5</li><li>42.5</li><li>9.62M</li></ul>	45.6 46 41.8	

5-Straight Up Months ? What Happens Next?

As we wrap up the month of July, the S&P has gained ground consecutively for 5-months straight. The table below shows that such is a fairly rare occurrence but portends to higher returns over the next 12 months.

Charlett Ha Mantha	2 1/	6	0 01	*3 **	10	24
Straight Up Months	3 mos %	6 mos %	9 mos %	12 mos %	18 mos %	24 mos %
11/30/1949 1/31/1954	7.2 8.4	16.9 18.4	14.7 21.5	21.5 40.5	34.0 66.9	42.5 68.0
7/31/1958	8.8	17.5	22.0	28.2	17.8	17.6
3/31/1961	(0.6)	2.6	10.0	6.9	(13.5)	2.3
4/30/1964	4.7	6.8	10.2	12.1	16.3	14.6
3/31/1971	(1.6)	(2.0)	1.8	6.9	10.2	11.2
4/30/1972	(0.3)	3.6	7.8	(0.7)	0.6	(16.1)
5/31/1975	(4.7)	0.1	9.4	9.9	12.0	5.5
8/31/1980	14.8	7.3	8.3	0.3	(7.6)	(2.3)
12/31/1982	8.8	19.2	18.1	17.3	8.9	18.9
2/28/1986	9.0	11.5	9.8	25.2	45.3	18.0
3/31/1991	(1.1)	3.4	11.2	7.6	11.3	20.4
1/31/1993	0.3	2.1	6.6	9.8	4.4	7.2
4/30/1995	9.2	13.0	23.6	27.1	37.0	55.7
3/31/1996	3.9	6.5	14.8	17.3	46.8	70.7
3/31/1998	2.9	(7.7)	11.6	16.8	16.4	36.0
1/31/1999	4.3	3.8	6.5	9.0	11.8	6.7
7/31/2003	6.1	14.2	11.8	11.3	19.3	24.6
2/29/2004	(2.1)	(3.6)	2.5	5.1	6.6	11.9
12/31/2004	(2.6)	(1.7)	1.4	3.0	4.8	17.0
10/31/2006	4.4	7.6	5.6	12.4	0.6	(29.7)
7/31/2009	4.9	8.7	20.2	11.6	30.2	30.9
3/31/2013	2.4	7.2	17.8	19.3	25.7	31.8
6/30/2014	0.6	5.0	5.5	5.2	4.3	7.1
7/31/2016	7.1	4.8 9.8	9.7 9.5	13.7	29.9	29.6
8/31/2017 8/31/2018	(4.9)	(4.0)		0.9	12.7	18.4 20.6
8/31/2020	3.5	8.9	(5.2) 20.1	29.2	25.0	13.0
6/30/2021	0.2	10.9	5.4	(11.9)	(10.7)	3.6
Average	3.2	6.4	9.8	10.0	11.5	14.0
Median	4.0					
		6.6	9.8	10.6	10.8	17.3
Win Rate SENTIMENTRADER	69	6.6 83 S&P 500 af	9.8 97 ter 5 Straigh	t Up Months	10.8 90	90
Win Rate SENTIMENTRADER	69	83 S&P 500 af	97 ter 5 Straigh	93 t Up Month:	90 S	90
Win Rate SENTIMENTRADER Straight Up Months	69 3 mos %	83 S&P 500 af 6 mos %	97 ter 5 Straigh	93 t Up Month:	90 \$ 18 mos %	90 24 mos %
Win Rate SENTIMENTRADER Straight Up Months 11/30/1949	3 mos %	83 S&P 500 af 6 mos % 16.9	97 ter 5 Straigh 9 mos % 14.7	93 t Up Month:	90 \$ 18 mos % 34.0	90 24 mos % 42.5
Win Rate SENTIMENTRADER Straight Up Months	69 3 mos %	83 S&P 500 af 6 mos %	97 ter 5 Straigh	93 t Up Month: 12 mos % 21.5	90 \$ 18 mos %	90 24 mos %
Win Rate SENTIMENTRADER Straight Up Months 11/30/1949 1/31/1954	3 mos % 7.2 8.4	83 S&P 500 af 6 mos % 16.9 18.4	97 ter 5 Straigh 9 mos % 14.7 21.5	93 t Up Month: 12 mos % 21.5 40.5	90 \$ 18 mos % 34.0 66.9	90 24 mos % 42.5 68.0
Win Rate SENTIMENTRADER  Straight Up Months 11/30/1949 1/31/1954 7/31/1958	3 mos % 7.2 8.4 8.8	83 S&P 500 af 6 mos % 16.9 18.4 17.5	97 ter 5 Straigh 9 mos % 14.7 21.5 22.0	93 t Up Month: 12 mos % 21.5 40.5 28.2	90 18 mos % 34.0 66.9 17.8	24 mos % 42.5 68.0 17.6
Win Rate  SENTIMENTRADER  Straight Up Months 11/30/1949 1/31/1954 7/31/1958 3/31/1961	3 mos % 7.2 8.4 8.8 [0.6]	83 S&P 500 af 6 mos % 16.9 18.4 17.5 2.6	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0	93 t Up Month: 12 mos % 21.5 40.5 28.2 6.9	90 18 mos % 34.0 66.9 17.8 (13.5)	24 mos % 42.5 68.0 17.6 2.3
Win Rate  SENTIMENTRADER  Straight Up Months 11/30/1949 1/31/1954 7/31/1958 3/31/1961 4/30/1964	3 mos % 7.2 8.4 8.8 (0.6) 4.7	83 S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8	97 9 mos % 14.7 21.5 22.0 10.0 10.2	93 t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3	24 mos % 42.5 68.0 17.6 2.3 14.6
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975	3 mos % 7.2 8.4 8.8 (0.6) 4.7 {1.6)	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0)	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8	93 t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2	90 24 mos % 42.5 68.0 17.6 2.3 14.6 11.2
Win Rate SENTIMENTRADER  Straight Up Months 11/30/1949 1/31/1954 7/31/1958 3/31/1961 4/30/1964 3/31/1971 4/30/1972 5/31/1975 8/31/1980	3 mos % 7.2 8.4 8.8 (0.6) 4.7 (1.6) (0.3) (4.7) 14.8	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8	93 t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7)	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6	90 24 mos % 42.5 68.0 17.6 2.3 14.6 11.2 {16.1}
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982	3 mos % 7.2 8.4 8.8 (0.6) 4.7 (1.6) (0.3) (4.7) 14.8 8.8	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 (2.3) 18.9
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986	3 mos % 7.2 8.4 8.8 (0.6) 4.7 (1.6) (0.3) (4.7) 14.8 8.8 9.0	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  (1.6)  (0.3)  (4.7)  14.8  8.8  9.0  (1.1)	83  S&P 500 af 6 mos %  16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0 20.4
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1980  2/28/1986  3/31/1991  1/31/1993	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  (1.6)  (0.3)  (4.7)  14.8  8.8  9.0  (1.1)  0.3	83  S&P 500 af 6 mos %  16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0 20.4 7.2
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1980  2/28/1986  3/31/1991  1/31/1993  4/30/1995	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  {1.6)  (0.3)  {4.7}  14.8  8.8  9.0  (1.1)  0.3  9.2	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 (16.1) 5.5 (2.3) 18.9 18.0 20.4 7.2 55.7
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996	69  3 mos %  7.2 8.4 8.8 (0.6) 4.7 (1.6) (0.3) (4.7) 14.8 8.8 9.0 (1.1) 0.3 9.2 3.9	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3	90 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 [16.1] 5.5 (2.3) 18.9 18.0 20.4 7.2 55.7 70.7
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1974  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1998	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  (1.6)  (0.3)  (4.7)  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7)	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6	93  t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 [16.1] 5.5 (2.3) 18.9 18.0 20.4 7.2 55.7 70.7 36.0
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1998  1/31/1999	69  3 mos %  7.2  8.4  8.8  [0.6]  4.7  [1.6]  [0.3]  [4.7]  14.8  8.8  9.0  [1.1]  0.3  9.2  3.9  2.9  4.3	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5	93  t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1998  1/31/1998  1/31/1999  7/31/2003	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  {1.6}  (0.3)  [4.7]  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9  4.3  6.1	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8	93  t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 (2.3) 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1996  3/31/1998  1/31/1998  1/31/1999  7/31/2003  2/29/2004	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  (1.6)  (0.3)  (4.7)  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9  4.3  6.1  (2.1)	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6)	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1998  1/31/1998  1/31/1999  7/31/2003  2/29/2004  12/31/2004	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  {1.6}  (0.3)  [4.7]  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9  4.3  6.1	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7)	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5  1.4	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9 17.0
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1996  3/31/1998  1/31/1998  1/31/1999  7/31/2003  2/29/2004	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  (1.6) (0.3) (4.7)  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9  4.3  6.1  (2.1)  (2.6)	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7) 7.6	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0 12.4	90  18 mos %  34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8 0.6	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1980  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1996  3/31/1998  1/31/1999  7/31/2003  2/29/2004  12/31/2006	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  {1.6) (0.3) (4.7)  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9  4.3  6.1  (2.1) (2.6)  4.4	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7)	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5  1.4  5.6	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9 17.0 {29.7}
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1980  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1998  1/31/1998  1/31/1999  7/31/2003  2/29/2004  12/31/2006  7/31/2009	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  (1.6)  (0.3)  (4.7)  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9  4.3  6.1  (2.1)  (2.6)  4.4  4.9	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7) 7.6 8.7	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5  1.4  5.6  20.2	93  t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0 12.4 11.6	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8 0.6 30.2	90  24 mos % 42.5 68.0 17.6 2.3 14.6 11.2 [16.1] 5.5 [2.3] 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9 17.0 [29.7] 30.9
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1998  1/31/1998  1/31/1999  7/31/2003  2/29/2004  12/31/2006  7/31/2009  3/31/2013	69  3 mos %  7.2  8.4  8.8  [0.6]  4.7  [1.6]  [0.3]  [4.7]  14.8  8.8  9.0  [1.1]  0.3  9.2  3.9  2.9  4.3  6.1  [2.1]  [2.6]  4.4  4.9  2.4	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7) 7.6 8.7 7.2	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5  1.4  5.6  20.2  17.8	93  t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7] 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0 12.4 11.6 19.3	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8 0.6 30.2 25.7	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 (2.3) 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9 17.0 (29.7) 30.9 31.8
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1996  3/31/1998  1/31/1999  7/31/2003  2/29/2004  12/31/2004  10/31/2006  7/31/2009  3/31/2013  6/30/2014	69  3 mos %  7.2  8.4  8.8  [0.6]  4.7  [1.6]  [0.3]  [4.7]  14.8  8.8  9.0  [1.1]  0.3  9.2  3.9  2.9  4.3  6.1  [2.1]  [2.6]  4.4  4.9  2.4  0.6	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7) 7.6 8.7 7.2 5.0	97  ter 5 Straigh  9 mos %  14.7 21.5 22.0 10.0 10.2 1.8 7.8 9.4 8.3 18.1 9.8 11.2 6.6 23.6 14.8 11.6 6.5 11.8 2.5 1.4 5.6 20.2 17.8 5.5	93  t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0 12.4 11.6 19.3 5.2	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8 0.6 30.2 25.7 4.3	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9 17.0 {29.7} 30.9 31.8 7.1
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1998  1/31/1998  1/31/1998  1/31/1998  1/31/1998  1/31/1998  1/31/2003  2/29/2004  12/31/2004  10/31/2006  7/31/2009  3/31/2013  6/30/2014  7/31/2016	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  {1.6}  (0.3)  [4.7]  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9  4.3  6.1  (2.1)  (2.6)  4.4  4.9  2.4  0.6  (2.2)	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7) 7.6 8.7 7.2 5.0 4.8	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5  1.4  5.6  20.2  17.8  5.5  9.7	93  t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0 12.4 11.6 19.3 5.2 13.7	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8 0.6 30.2 25.7 4.3 29.9	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9 17.0 {29.7} 30.9 31.8 7.1 29.6
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1998  1/31/1998  1/31/1999  7/31/2003  2/29/2004  12/31/2004  10/31/2006  7/31/2009  3/31/2013  6/30/2014  7/31/2016  8/31/2017	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  (1.6)  (0.3)  (4.7)  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9  4.3  6.1  (2.2)  (2.6)  4.4  4.9  2.4  0.6  (2.2)  7.1	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7) 7.6 8.7 7.2 5.0 4.8 9.8	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5  1.4  5.6  20.2  17.8  5.5  9.7  9.5	93  t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0 12.4 11.6 19.3 5.2 13.7 17.4	90  18 mos %  34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8 0.6 30.2 25.7 4.3 29.9 12.7	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 {2.3} 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9 17.0 (29.7) 30.9 31.8 7.1 29.6 18.4
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1998  1/31/1999  7/31/2003  2/29/2004  12/31/2004  10/31/2006  7/31/2009  3/31/2013  6/30/2014  7/31/2016  8/31/2017  8/31/2018  8/31/2018  8/31/2020  6/30/2021	69  3 mos %  7.2  8.4  8.8  [0.6]  4.7  [1.6]  [0.3]  [4.7]  14.8  8.8  9.0  (1.1]  0.3  9.2  3.9  2.9  4.3  6.1  [2.6]  4.4  4.9  2.4  0.6  (2.2)  7.1  [4.9]  3.5  0.2	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7) 7.6 8.7 7.2 5.0 4.8 9.8 (4.0)	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5  1.4  5.6  20.2  17.8  5.5  9.7  9.5  (5.2)	93  t Up Months 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0 12.4 11.6 19.3 5.2 13.7 17.4 0.9	90  18 mos %  34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8 0.6 30.2 25.7 4.3 29.9 12.7 1.8	90  24 mos %  42.5 68.0 17.6 2.3 14.6 11.2 {16.1} 5.5 (2.3) 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9 17.0 (29.7) 30.9 31.8 7.1 29.6 18.4 20.6
Win Rate  SENTIMENTRADER  Straight Up Months  11/30/1949  1/31/1954  7/31/1958  3/31/1961  4/30/1964  3/31/1971  4/30/1972  5/31/1975  8/31/1980  12/31/1982  2/28/1986  3/31/1991  1/31/1993  4/30/1995  3/31/1996  3/31/1999  7/31/2003  2/29/2004  12/31/2004  10/31/2006  7/31/2009  3/31/2013  6/30/2014  7/31/2016  8/31/2017  8/31/2018  8/31/2020	69  3 mos %  7.2  8.4  8.8  (0.6)  4.7  (1.6) (0.3) (4.7)  14.8  8.8  9.0  (1.1)  0.3  9.2  3.9  2.9  4.3  6.1  (2.1) (2.6)  4.4  4.9  2.4  0.6  (2.2)  7.1  (4.9)  3.5	83  S&P 500 af 6 mos % 16.9 18.4 17.5 2.6 6.8 (2.0) 3.6 0.1 7.3 19.2 11.5 3.4 2.1 13.0 6.5 (7.7) 3.8 14.2 (3.6) (1.7) 7.6 8.7 7.2 5.0 4.8 9.8 (4.0) 8.9	97  ter 5 Straigh  9 mos %  14.7  21.5  22.0  10.0  10.2  1.8  7.8  9.4  8.3  18.1  9.8  11.2  6.6  23.6  14.8  11.6  6.5  11.8  2.5  1.4  5.6  20.2  17.8  5.5  9.7  9.5  (5.2)  20.1	93  t Up Month: 12 mos % 21.5 40.5 28.2 6.9 12.1 6.9 (0.7) 9.9 0.3 17.3 25.2 7.6 9.8 27.1 17.3 16.8 9.0 11.3 5.1 3.0 12.4 11.6 19.3 5.2 13.7 17.4 0.9 29.2	90 18 mos % 34.0 66.9 17.8 (13.5) 16.3 10.2 0.6 12.0 (7.6) 8.9 45.3 11.3 4.4 37.0 46.8 16.4 11.8 19.3 6.6 4.8 0.6 30.2 25.7 4.3 29.9 12.7 1.8 25.0	90  24 mos % 42.5 68.0 17.6 2.3 14.6 11.2 [16.1] 5.5 [2.3] 18.9 18.0 20.4 7.2 55.7 70.7 36.0 6.7 24.6 11.9 17.0 [29.7] 30.9 31.8 7.1 29.6 18.4 20.6 13.0

However, what is overlooked is that IF such a win streak is rare, it suggests that it tends to end rather quickly. Therefore, as we move into the seasonally weak months of the year, August and

September, we should expect a cooling off of the market, and a potential retest of support, before the market makes a push into the end of the year.

That idea of short-term correction is also supported by the extremely low cost of hedging a portfolio by buying put options. That cost of hedging a portfolio is now the lowest level on record and well below levels seen during the financial crisis. Not surprisingly, such low levels of ?fear? often coincide with short-term market peaks.



Remain cautious for now, take profits as needed, and look for a correction to short-term support levels to increase equity exposure as needed.



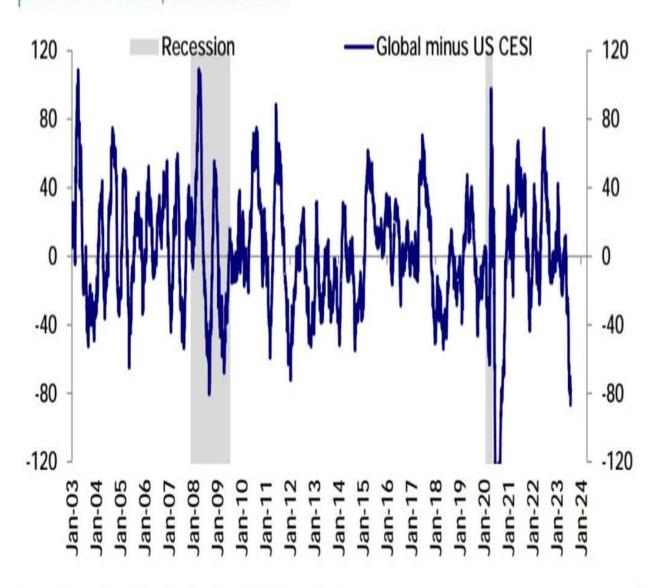
#### **More Economic Surprises**

In Monday?s <u>Commentary</u>, we asked if you were surprised the U.S. economy was doing so well. We followed the question as follows:

If your answer is yes, you are not alone. As we show below, the Citi Economic Surprise Index is at its highest level in over two years. This indicates that economists have been underestimating the economy.

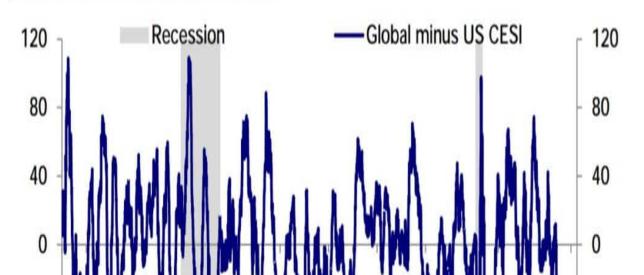
We have another surprise for you. While U.S. economic data surprises to the upside, economic data from the rest of the world fails to meet expectations. Disregarding the 2020 covid related instance, the difference between U.S. and economic data from the rest of the world is the largest on record, as shown below courtesy of Deutsche Bank. This data indicates that the outsized U.S. fiscal response to the pandemic and continued enormous fiscal spending, which is and was more extensive than most countries, continues to echo through the U.S. economy.

Figure 8: The gap between US and global data surprises is the largest on record outside the initial pandemic shock



Source : Citigroup Economic Surprises, Haver, Deutsche Bank Asset Allocation

Figure 8: The gap between US and global data surprises is the largest on record outside the initial pandemic shock



#### Is This Time Different?

Over the last few months, we have asked if this time is different on numerous occasions. Simply, there are irregular data divergences and recession signals that have thus far proven false. Add the graph below to the growing list. As it shows, Leading Economic Indicators, which include stock prices, tend to be well correlated with the S&P 500. Are the leading indicators a false negative, or is the stock market due for a correction?

### Contraction in Leading Economic Indicator



Year-Over-Year Changes in the S&P 500 and in the Conference Board Leading Economic Indicator



Dates: 1995 Through July 20th 2023

Source: Bloomberg LP., The Conference Board, Game of Trades.

Leading indicator data is through June 2023.

# Contraction in Leading Economic Indicator



Year-Over-Year Changes in the S&P 500 and in the Conference Board Leading Economic Indicator



Dates: 1995 Through July 20th 2023

Source: Bloomberg LP., The Conference Board, Game of Trades.

Leading indicator data is through June 2023.

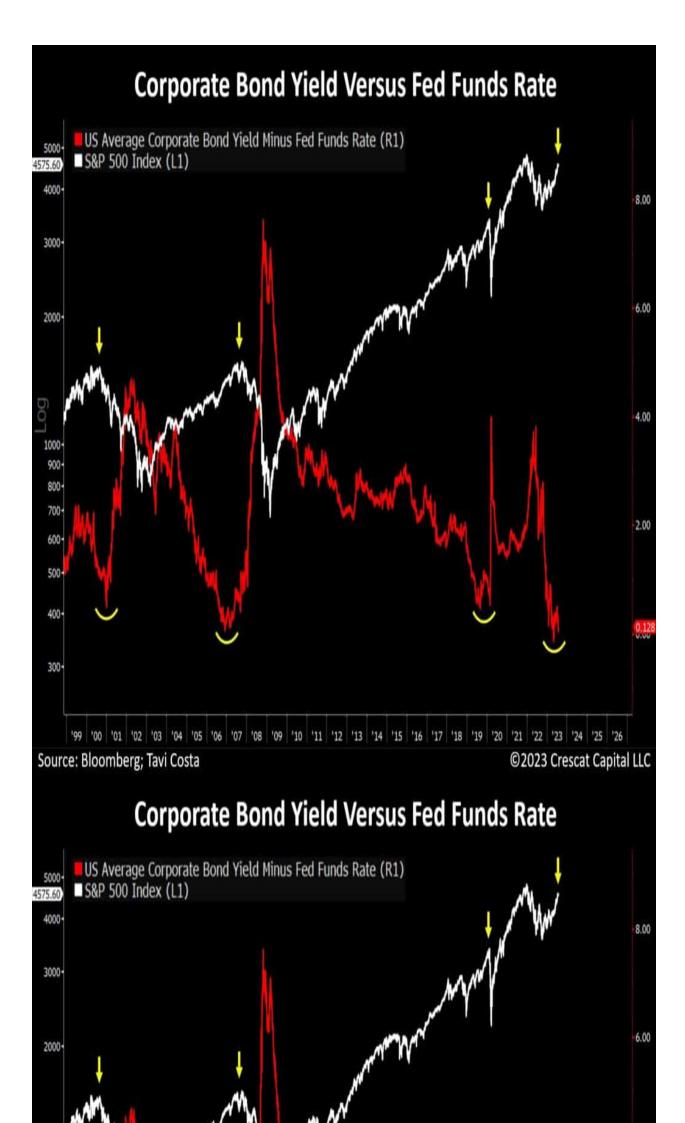
#### **Corporate Bond Yield Inversions- More Is this Time Different Part 2**

Tavi Costa provides another example in which we must ask if this time is different. The following graph and commentary are from a recent tweet of his.

Corporate bonds now yield only 0.12% above the Fed Funds rate. The lowest level since 2007, preceding the Global Financial Crisis. Every time credit spreads were at historically suppressed levels, a hard-landing scenario followed. **Perhaps this time is indeed different**, but I would rather base my perspective on numerous indicators pointing towards an impending severe recession. The profound issue of yield curve inversions is yet another example.

Recently, over 90% of the Treasury curve was inverted, a measure that has accurately predicted every major economic contraction in the last 50 years. Moreover, the Fed?'s policy stance should also be taken into consideration. As we have learned repeatedly throughout history, tightening monetary policies work with a lag and we are yet to witness a significant credit contraction that could lead to further economic issues. Even the apparent strength of the labor market should be taken with a grain of caution. Historically low unemployment rates have served as one of the most reliable contrarian indicators in history.

Either these macro indicators are on the brink of being proven wrong, or the overall equity valuations are entirely out of line.

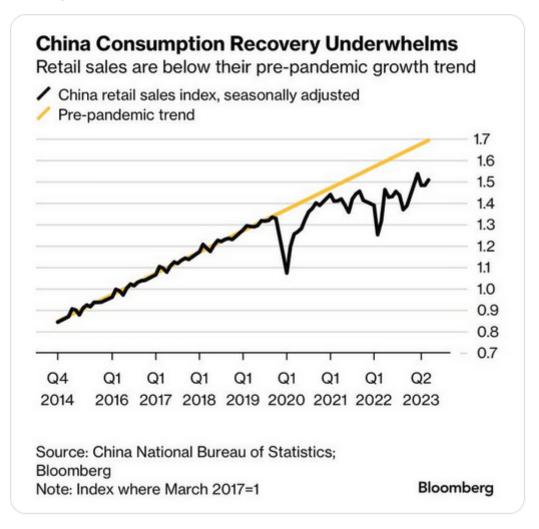


**Tweet of the Day** 



\*China announced some measures to try and stimulate their lethargic economy - but they're focused on boosting manufacturing in the consumer-goods industries — the latest steps are targeted toward improving the supply of goods in the economy, rather than demand

Not surprised

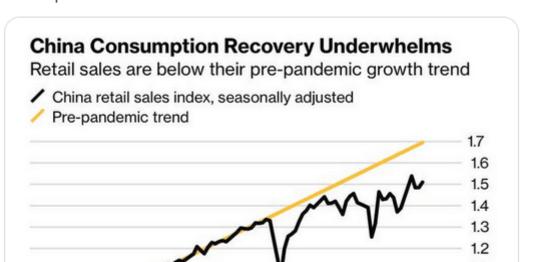




#### Adem Tumerkan @RadicalAdem · 5h

\*China announced some measures to try and stimulate their lethargic economy - but they're focused on boosting manufacturing in the consumer-goods industries — the latest steps are targeted toward improving the supply of goods in the economy, rather than demand

Not surprised



Please <u>subscribe to the daily commentary</u> to receive these updates every morning before the opening bell.

If you found this blog useful, please send it to someone else, share it on social media, or contact us to set up a meeting.

Post Views: 3

2023/08/01

> Back to All Posts