

Meme Markets: Investing vs. Entertainment

? At a Glance

- *August Defies Seasonal Weakness*
- *Meme Markets: Investing Vs. Entertainment*
- *Portfolio Tactics For Next Week*
- *From Lance?s Desk: [Energy Price As An Economic Indicator](#)*
- *Portfolio updates & sector strategy shifts*
- *Market stats, screens, and risk indicators*

? Ask a Question

Have a question about the markets, your portfolio, or a topic you?d like us to cover in a future newsletter?

? **Email:** lance@riaadvisors.com

? **Follow & DM on X:** [@LanceRoberts](https://twitter.com/LanceRoberts)

? **Subscribe on Substack:** [@LanceRoberts](https://lance.substack.com)

We read every message and may feature your question in next week?s issue!

?? Market Brief ? August Defies Seasonal Weakness

August turned out to be anything but typical for investors. Historically, the month is plagued by seasonal weakness, thinner liquidity, and heightened volatility as traders position ahead of September and Q3 earnings. Over the last 30 years, August has delivered some of the poorest monthly returns on average for the S&P 500. Yet in 2025, the index defied that history, grinding higher through the month and setting new intraday records above 6,500 before finishing at 6,452. The result was a modest gain for the month, but more importantly, it marked another milestone in an already extended rally.

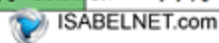
Several key drivers helped markets overcome the seasonal drag. First, enthusiasm for artificial intelligence and related infrastructure remained a powerful tailwind. While semiconductor stocks wobbled late in the month, the earnings season still underscored the scale of corporate spending on AI capacity, which fueled flows into mega-cap leaders. Second, economic data leaned just supportive enough to keep the ?soft-landing? narrative alive. A revised 3.3% GDP growth rate, steady jobless claims, and consumer spending that grew faster than income all suggested the U.S. economy continues to avoid recession. At the same time, July?s PCE inflation data cooled modestly, giving investors more confidence that the Federal Reserve could begin easing policy as soon as September. Third, global conditions, falling yields overseas, a softer U.S. dollar, and relatively calm energy markets, reinforced the idea that liquidity would remain abundant despite tariffs and trade disruptions.

The question is whether that resilience can hold in September, historically the weakest month of the year for equities. Valuations are stretched, breadth remains narrow, and Fed policy is still subject to incoming data. To sustain momentum, markets will need more than AI enthusiasm; they will require broader sector participation, continued progress on inflation, and labor market data that cools without cracking. Investors should remain alert to the risk that stretched positioning meets seasonal headwinds in the weeks ahead.

Monthly Return Stats for the S&P500 1964-2024

	Avg Return	% Positive	Best	Worst	Std Dev
Jan	1.1%	59%	13%	-9%	4.9%
Feb	0.0%	54%	7%	-11%	3.9%
Mar	1.1%	66%	10%	-13%	3.8%
Apr	1.5%	72%	13%	-9%	4.1%
May	0.3%	61%	9%	-8%	3.6%
Jun	0.2%	59%	7%	-9%	3.5%
Jul	0.8%	54%	9%	-8%	4.1%
Aug	0.1%	56%	12%	-15%	4.7%
Sep	-0.7%	46%	9%	-12%	4.4%
Oct	1.0%	59%	16%	-22%	6.0%
Nov	1.6%	69%	11%	-11%	4.4%
Dec	1.2%	70%	11%	-9%	3.5%

Source: Topdown Charts, LSEG

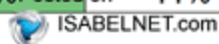


topdowncharts.com

Monthly Return Stats for the S&P500 1964-2024

	Avg Return	% Positive	Best	Worst	Std Dev
Jan	1.1%	59%	13%	-9%	4.9%
Feb	0.0%	54%	7%	-11%	3.9%
Mar	1.1%	66%	10%	-13%	3.8%
Apr	1.5%	72%	13%	-9%	4.1%
May	0.3%	61%	9%	-8%	3.6%
Jun	0.2%	59%	7%	-9%	3.5%
Jul	0.8%	54%	9%	-8%	4.1%
Aug	0.1%	56%	12%	-15%	4.7%
Sep	-0.7%	46%	9%	-12%	4.4%
Oct	1.0%	59%	16%	-22%	6.0%
Nov	1.6%	69%	11%	-11%	4.4%
Dec	1.2%	70%	11%	-9%	3.5%

Source: Topdown Charts, LSEG



topdowncharts.com

OUTLOOK: Neutral ? August's strength highlights resilient momentum, but narrow leadership, high valuations, and September's seasonal risks argue for caution and selectivity.

?Technical Backdrop

As noted, the market finished August in better shape than most investors expected, but the technical picture suggests that the rally is slowing. The **S&P 500 ended the week at 6,460**, within striking distance of record highs. From a trend perspective, the index remains in a strong uptrend: it

sits comfortably above its **20-day moving average (~6,417)**, the **50-day (~6,316)**, and the long-term **200-day (~5,959)**. These moving averages act like *support floors* beneath prices where buyers have historically stepped in. The primary uptrend remains intact if the index holds above those markers. The good news is that money flows turned much more positive over the past week, again showing *dip buyers* stepping in after the pre-Jackson Hole decline.





That said, momentum indicators are starting to show fatigue. The **Relative Strength Index (RSI)**, which measures whether stocks are overbought or oversold, has cooled to around **58**, a more neutral reading, but most notably remains in a negative divergence from the rising market. Likewise, the **stochastic oscillator**, another momentum gauge, has dipped into oversold territory, which can sometimes precede a bounce but more often signals that the market's short-term strength is waning. Lastly, the **MACD**, which tracks longer-term momentum, is still positive but losing steam and is also negatively diverging from the market. In plain English: the market trend is still upward, but the speed and conviction behind the move are fading.

Breadth, or the number of stocks participating in the rally, remains somewhat narrow. Mega-cap technology continues to do the heavy lifting, while much of the broader index has lagged.

Historically, strong and sustainable rallies require broad participation, not just leadership from a handful of names. Without that, the market can be more vulnerable to sudden reversals if sentiment shifts against the leaders.

Putting this together: The market is still technically healthy, but it is running into the seasonal headwinds of September. With momentum indicators flashing signs of fatigue and the rally concentrated in fewer stocks, the risk of a pullback has risen. A modest decline toward the 50-day average near 6,316 would not be unhealthy, as it would help reset conditions and allow for a stronger foundation into year-end. However, such a pullback, while possible, would be painful, and this continues to argue for a risk management protocol.

OUTLOOK: Neutral ? The trend remains positive. However, fading momentum and narrow leadership increase the odds of a short-term pullback or sideways consolidation before the market can make another leg higher.

? Key Catalysts Next Week

As August closes out on a stronger note than history usually allows, September begins with several market-moving events that could set the tone for the month. While investors remain focused on whether the Federal Reserve will deliver a rate cut at its September meeting, the economic calendar is loaded with critical labor data, surveys, and geopolitical events that could shift sentiment. Seasonal weakness, narrow market breadth, and Fed policy uncertainty all argue for a cautious watch on these developments.

Date	Event	Market Impact
Monday, Sept. 1	U.S. markets closed (Labor Day)	Thin liquidity; positioning reset into shortened week.
Tuesday, Sept. 2	ISM Manufacturing (Aug)	Consensus sees modest contraction; key gauge of industrial activity.
Wednesday, Sept. 3	JOLTS Job Openings (July)	Expected ~7.6M; labor demand cooling would reinforce Fed cut expectations.
Thursday, Sept. 4	ADP Employment Report (Aug)	Private payroll estimate ahead of Friday's jobs report.
Thursday, Sept. 4 (After Close)	Broadcom (AVGO) Earnings	Critical AI barometer; outlook will influence semiconductor sentiment.
Friday, Sept. 5	U.S. Nonfarm Payrolls (Aug)	Consensus +78K jobs, unemployment steady; strongest catalyst for Fed policy outlook.
Friday, Sept. 5	Average Hourly Earnings (Aug)	Wages expected +0.3% m/m; any upside surprise could complicate inflation path.

Date	Event	Market Impact
Monday, Sept. 1	U.S. markets closed (Labor Day)	Thin liquidity; positioning reset into shortened week.
Tuesday, Sept. 2	ISM Manufacturing (Aug)	Consensus sees modest contraction; key gauge of industrial activity.
Wednesday, Sept. 3	JOLTS Job Openings (July)	Expected ~7.6M; labor demand cooling would reinforce Fed cut expectations.
Thursday, Sept. 4	ADP Employment Report (Aug)	Private payroll estimate ahead of Friday's jobs report.
Thursday, Sept. 4 (After Close)	Broadcom (AVGO) Earnings	Critical AI barometer; outlook will influence semiconductor sentiment.
Friday, Sept. 5	U.S. Nonfarm Payrolls (Aug)	Consensus +78K jobs, unemployment steady; strongest catalyst for Fed policy outlook.
Friday, Sept. 5	Average Hourly Earnings (Aug)	Wages expected +0.3% m/m; any upside surprise could complicate inflation path.

OUTLOOK: With payrolls, wages, and ISM data all converging in a shortened trading week, volatility risks are elevated, and market direction will hinge on whether labor conditions confirm or challenge expectations for a September Fed cut.

Need Help With Your Investing Strategy?

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



**Real
Investment
Advice**

Have more than \$500k invested?
Get a better strategy than "buy and hold".
> **CLICK HERE To Make An Appointment Now**



**Real
Investment
Advice**

Have more than \$500k invested?
Get a better strategy than "buy and hold".
> **CLICK HERE To Make An Appointment Now**

? Meme Markets: Investing Vs. Entertainment

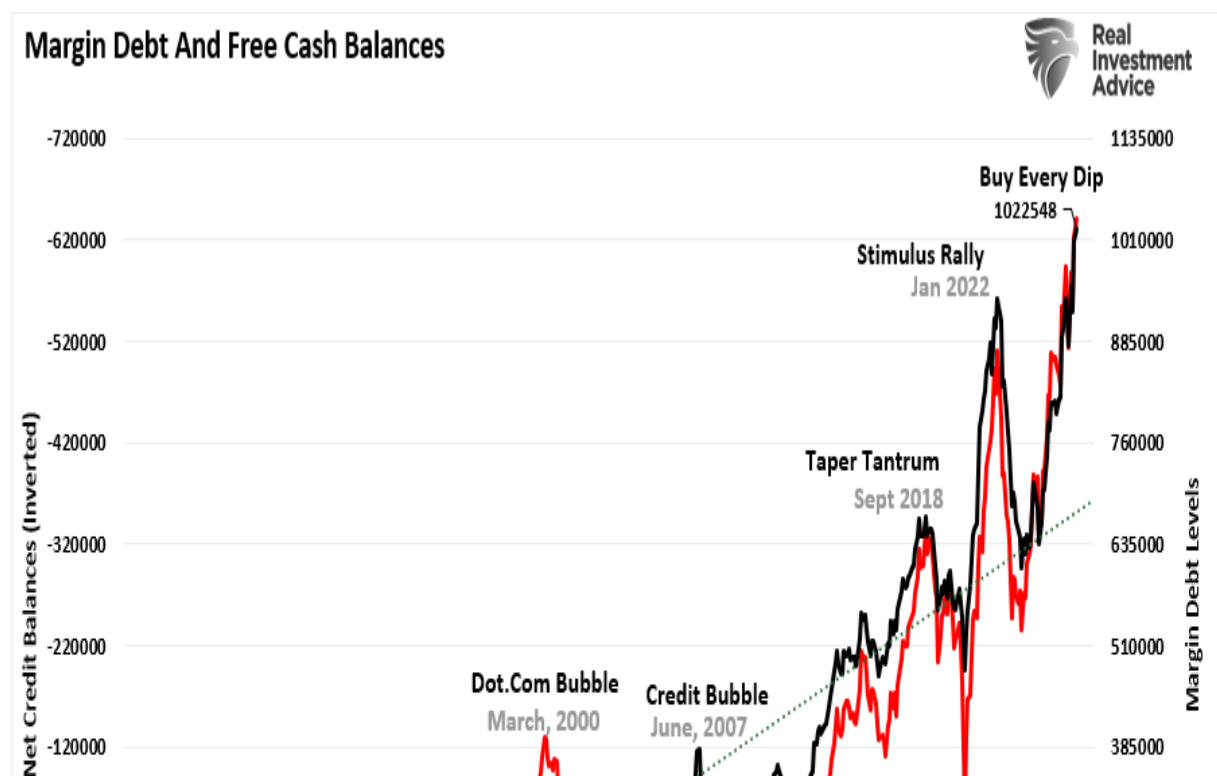
Financial markets have transformed; today, trading and speculation have merged into performance art. The ?Meme Market? culture now permeates mainstream finance. There was once a time when CEOs reigned as icons leading powerful companies, but today, some executives who once managed companies now lead cults.

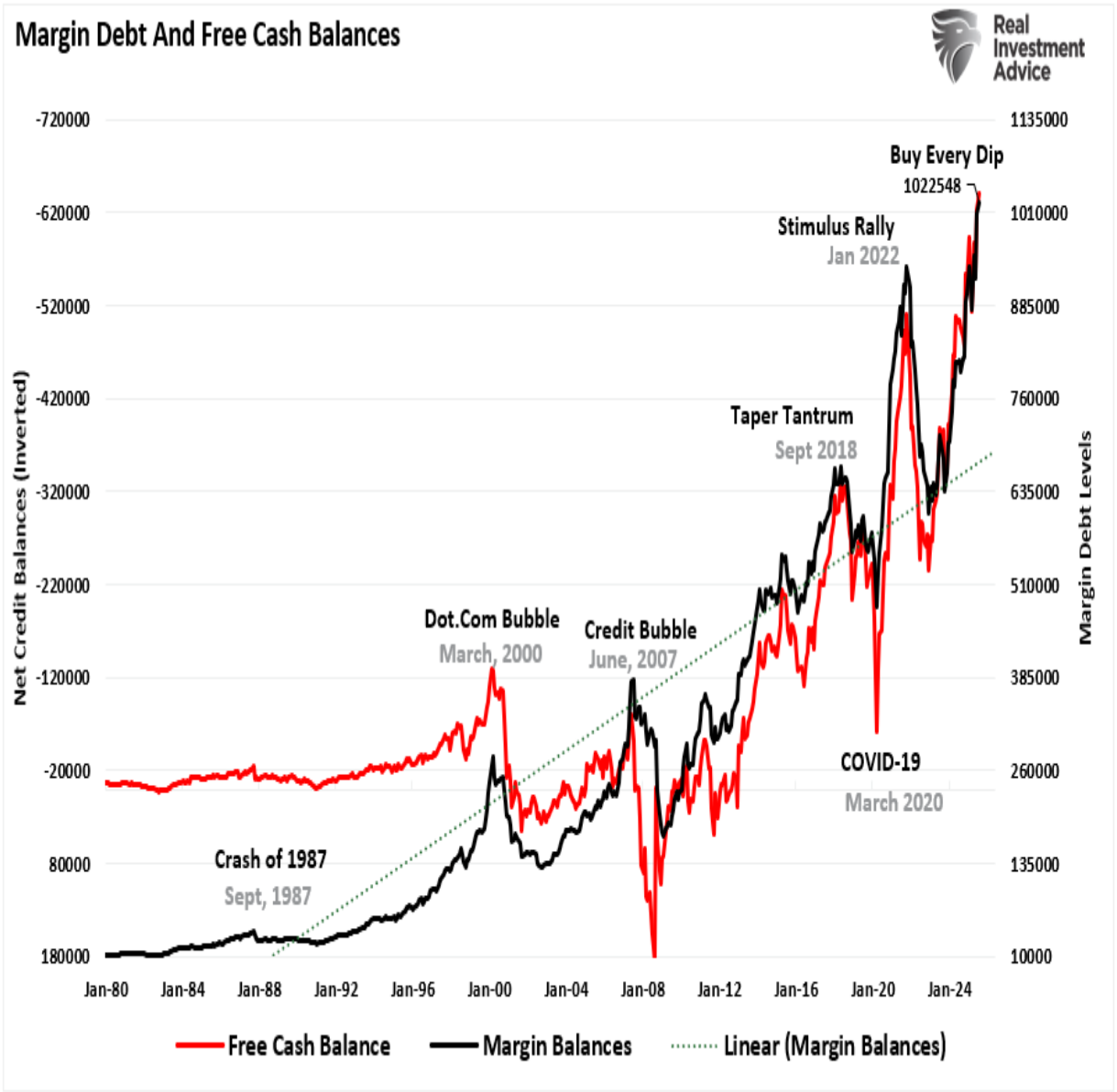
For example, Palantir, driven by ?Palantarians,? rallied more than 100% this year. Its fans call CEO Alex Karp ?Daddy?Karp.? Simultaneously, they ignore fundamentals, such as a 520x P/E ratio, a 12.9 PEG ratio, and a 108x price-to-sales. Yes, the company can certainly grow into some of that overvaluation, but most likely not all of it..

Another group remains unyielding to Michael Saylor, who heads up the one flailing company of MicroStrategy, which has been rebranded to just ?Strategy,? to signify its new course of converting the company into a leveraged play on bitcoin. He regularly encourages his base with memes to further promote his leverage strategy. His followers congregate on Reddit and X under tags like ?Irresponsibly?Long?\$MSTR,? which tells you these investors have also disregarded fundamentals, like a 210x price-to-sales ratio, in favor of a ?story.?

These are not investment conversations; **they are fandom rituals.**

Speculation rides on leverage. As we showed recently, margin debt has exploded over the last two months to the highest level on record, exceeding \$1 trillion.





Furthermore, options volumes at meme-linked names are at records, with short-dated, zero-day-to-expiration (0DTE) contracts now accounting for more than 61 percent of daily S&P 500 option volume. Retail meme market investors are responsible for half to 60 percent of that. That sensation feels more like gambling than investing.

Exhibit 4: Zero-day options volume reached a historic high this quarter
 % of S&P 500 listed volume expiring within 24 hours, by expiration type

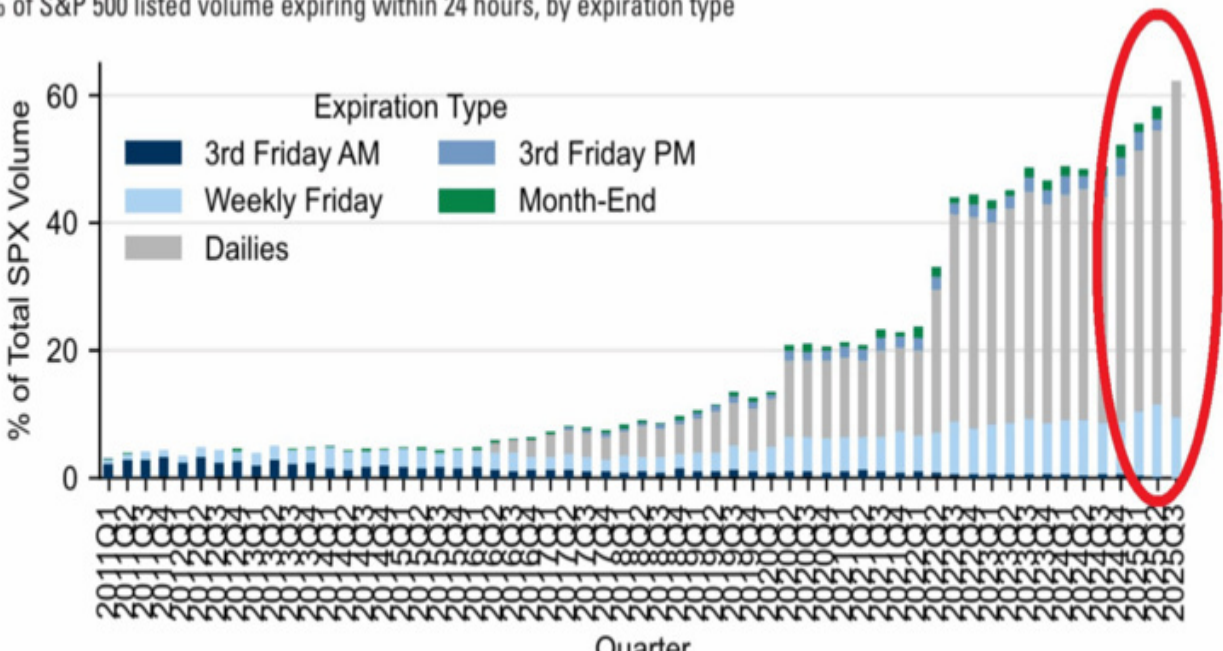
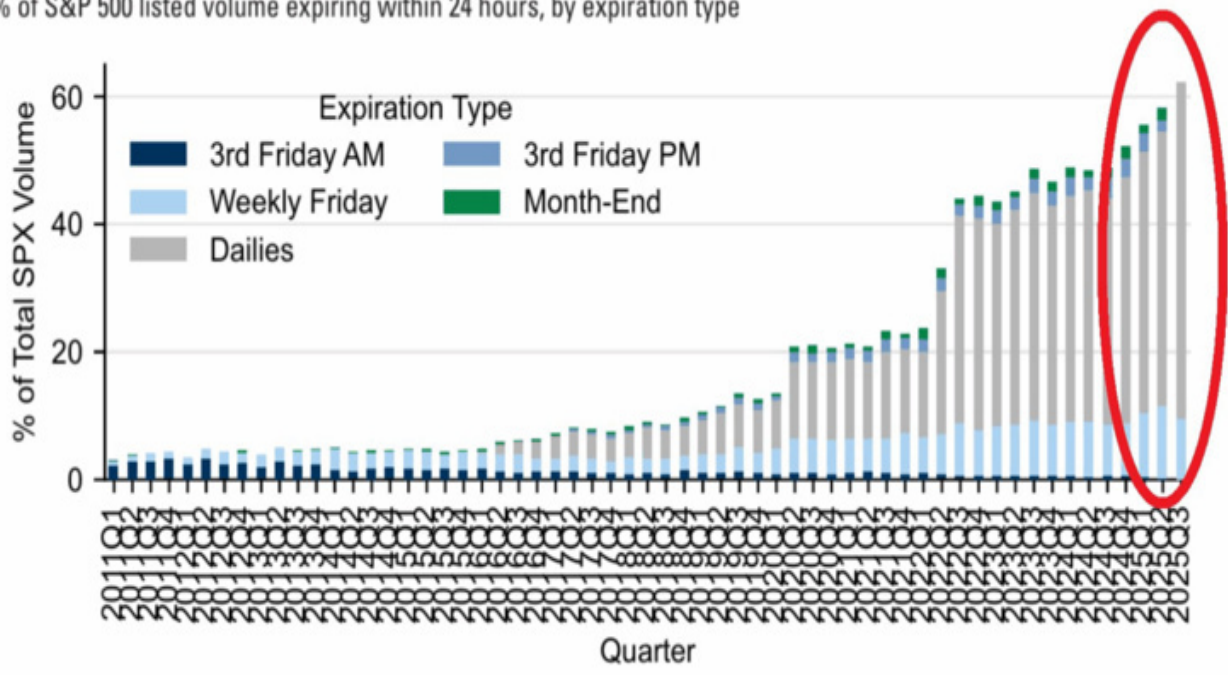


Exhibit 4: Zero-day options volume reached a historic high this quarter

% of S&P 500 listed volume expiring within 24 hours, by expiration type



Source: Goldman Sachs Global Investment Research, OptionMetrics

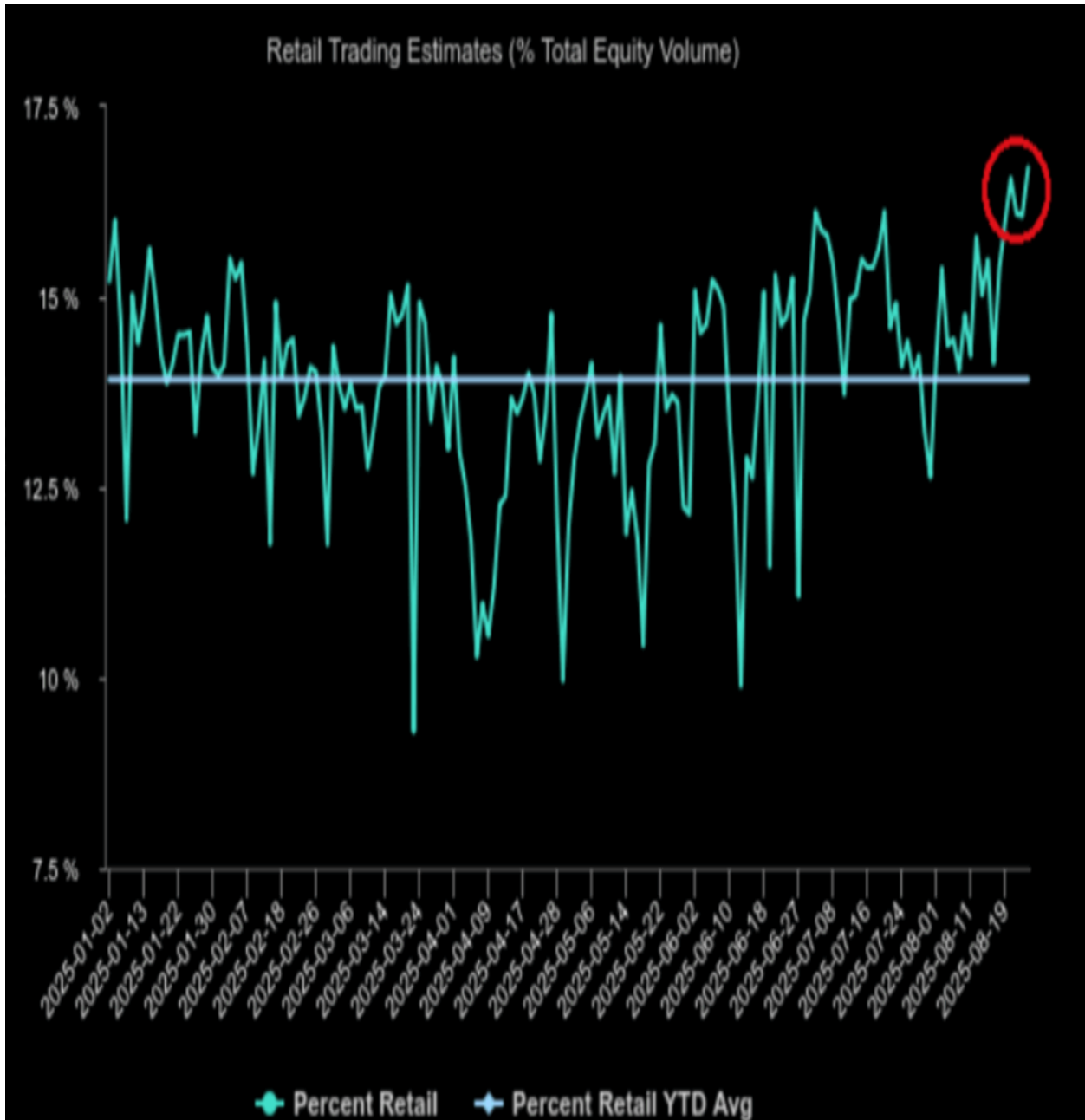
The term, coined by Howard Lindzon, *degenerate economy*, captures this shift.

A degenerate economy, or degen economy, refers to a speculative and high-risk financial environment where the lines between investing, trading, and gambling are blurred, often accelerated by mobile technology and social media.

Specifically, in a degenerate economy, financial activities like trading meme stocks, cryptocurrencies, and betting are treated as entertainment rather than a disciplined investment strategy. The thrill of the *meme market* and the dreams of fast profits are difficult to resist. Howard Lindzon's index catalogs companies thriving on speculative excess. It includes Robinhood, CME, and Bitcoin-linked stocks. That basket has advanced roughly 23 percent this year versus the S&P 500's near 10 percent rise.

The *meme market* concept has gone viral. As demand for risk has surged, product providers (*aka Wall Street*) have been happy to oblige. From a return of SPACs to IPOs, a slew of new ETFs, extreme options, and even event betting. For example, the CME teamed with FanDuel to offer event betting, as Coinbase offers leveraged perpetual futures. In other words, the retail markets now mirror casinos. With all that, it is unsurprising that retail trading volume has reached an all-time high as a percentage of total volume.





The question is, what could go wrong?

What Could Go Wrong With A Meme Market??

Entertainment-first markets distort the decision-making process. Investors respond to narrative instead of earnings, speculation instead of valuation. Leverage amplifies outcomes, and options magnify risk. In a Meme Market, bubbles can expand quickly and reversals can be severe. As we noted in last week's [#BullBearReport](#), valuations are a terrible timing metric as they are a function of investor sentiment in the short term. However, historically, high valuations have always been linked to a form of Meme Market; whether it was the 1920s; Golden Age; the 1960s; Nifty Fifty; or the 1990s Dot.com boom.

US Stock Valuations Hit New All-Time High

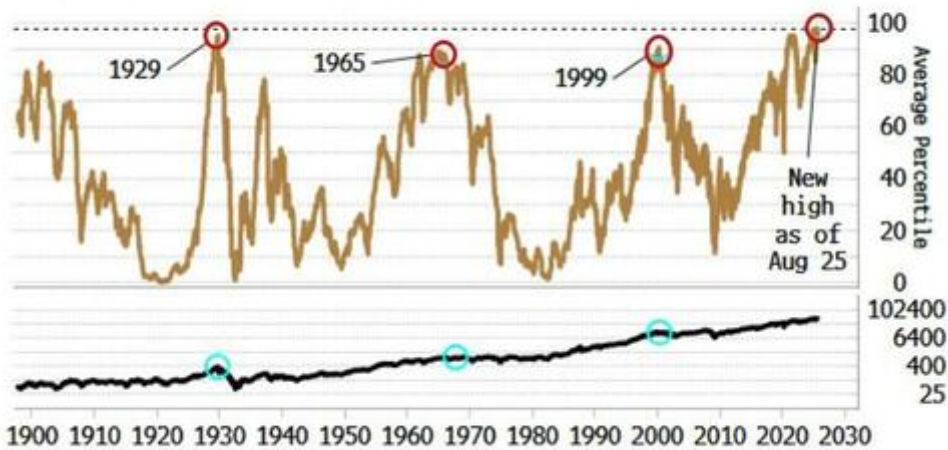
— Trailing P/E, Forward P/E, CAPE, P/B, P/S, EV/EBITDA, Q Ratio, Mkt Cap to GDP (Average Percentile, Full History)
— S&P (Log)



US Stock Valuations Hit New All-Time High

— Trailing P/E, Forward P/E, CAPE, P/B, P/S, EV/EBITDA, Q Ratio, Mkt Cap to GDP (Average Percentile, Full History)

— S&P (Log)



Source: Bloomberg

? Valuation is the capstone of proximate causes for a market top, and the one most indicative of the potential magnitude of any subsequent selloff.

�It's well known that valuations are high for the US market, but I thought I'd update my aggregate indicator, which combines the main measures of long-term stock-market worth. It previously peaked in April, but has just made a new all-time high this month. Not a welcome sign if you're a long-term bull.? ? Simon White, Bloomberg

Investors have always been drawn to memes throughout the last century. The latest *?memes?* of cryptocurrency and Artificial Intelligence will eventually meet the same outcomes as reality. **While fantastic, those fundamental realities will likely fall short of outrageous expectations.** When that happens, the adrenaline-fueled chase will likely result in a *?panic-driven?* *�*reversal. The psychology of the meme-market and options trading addiction is real, and there have been numerous reports that liken options trading to *?crack?cocaine?* for individuals.

*?A new type of addict is showing up at Gamblers Anonymous meetings across the country: investors hooked on the market's riskiest trades. At Gamblers Anonymous in the Murray Hill neighborhood of Manhattan, one man called options *?the crack cocaine?* of the stock market. Another said he faced hundreds of thousands of dollars in trading losses after borrowing from a loan shark to double down on stocks.� And one young man brought his mom and girlfriend to celebrate one year since his last bet.? ? WSJ*

There are certainly many similarities between cocaine addiction and options trading.

Behavior	Options Trading Addiction	Cocaine Addiction
Escalating risk	Traders engage in more frequent, high-stakes trades to get the dopamine rush they crave.	Users increase the dose or frequency of use to chase a diminished high.
"Chasing losses"	After a big loss, a trader may make increasingly risky, impulsive decisions to make back the lost money.	Users go to greater lengths to find more of the drug after experiencing a negative consequence.
Ignoring consequences	The compulsion to trade persists despite damaging personal relationships, career problems, and severe financial losses.	The compulsion to use persists despite personal, financial, and health consequences.

Behavior	Options Trading Addiction	Cocaine Addiction
Escalating risk	Traders engage in more frequent, high-stakes trades to get the dopamine rush they crave.	Users increase the dose or frequency of use to chase a diminished high.
"Chasing losses"	After a big loss, a trader may make increasingly risky, impulsive decisions to make back the lost money.	Users go to greater lengths to find more of the drug after experiencing a negative consequence.
Ignoring consequences	The compulsion to trade persists despite damaging personal relationships, career problems, and severe financial losses.	The compulsion to use persists despite personal, financial, and health consequences.
Mood swings	Traders experience euphoria with wins and devastating lows with losses.	Users experience extreme highs followed by a crash, leading to irritability and depression.
Craving and withdrawal	When not trading, addicts may feel restless or irritable. The compulsion to trade can become overpowering.	Users experience cravings and withdrawal symptoms when they attempt to stop.

When trading is driven by *sentiment* rather than fundamentals, problems tend to manifest. Such is particularly the case today when *social media sentiment* now leads price action. Algorithms trained on Reddit posts can outperform buy-and-hold in bull markets. How much better? About 70% better in 2023 and 84% in 2021. However, they underperformed during the subsequent market declines, but the influence is material.

Meme Markets is structured on entertainment psychology and can defy fundamentals for sustained periods. Retail-driven rallies lift meme-linked equities, and fans hold fast through volatility. The S&P 500 index, as discussed in [Buy Every Dip?](#) stays buoyed by passive flows that fuel the top-10 stocks in the index regardless of earnings growth.

While passive flows now dominate the tape, investors are not making decisions. Michael Green noted that the market has become a giant mindless robot in describing the enormous, passive capital flows that automatically push stock prices higher. This metaphor refers to the mechanical, non-discretionary purchasing by index funds and other passive investment vehicles that dominate today's market. The problem is that these flows are valuation insensitive. We made such a point in Jesse Livermore's Approach to Speculation. To wit:

Passive funds track indexes weighted by market capitalization. As stock prices rise, these funds buy more of the same names, regardless of valuation or fundamentals. This mechanical process has inflated the market value of the largest companies. The top 10 stocks in the S&P 500 now account for more than 38% of the index. That level of passive index concentration has not been seen since the peak of the dot-com bubble. While such concentration may be worrisome, as it elicits memories of the Dot.com crash, in the short term, this

handful of companies? performance determines the entire market?s direction.?



S&P 500: Index concentration

GTM U.S. 8

Equities

P/E of the top 10 and remaining stocks in the S&P 500
Next 12 months, 1996 - present



Weight of the top 10 stocks in the S&P 500
% of market capitalization, % of last 12 months' earnings



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

The 10 largest S&P 500 companies are based on the beginning of each month. As of 6/30/2025, the top 10 companies in the index were NVDA (7.3%), MSFT (7.0%), AAPL (5.8%), AMZN (3.9%), GOOGL/GOOG (3.5%), META (3.1%), AVGO (2.5%), BRK.B (1.7%), TSLA (1.7%) and JPM (1.5%). The remaining stocks represent the rest of the 490 companies in the S&P 500.

Guide to the Markets - U.S. Data are as of June 30, 2025.

J.P.Morgan
ASSET MANAGEMENT



S&P 500: Index concentration

GTM U.S. 8

Equities

P/E of the top 10 and remaining stocks in the S&P 500

Next 12 months, 1996 - present



Weight of the top 10 stocks in the S&P 500

% of market capitalization, % of last 12 months' earnings



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

The 10 largest S&P 500 companies are based on the beginning of each month. As of 6/30/2025, the top 10 companies in the index were NVDA (7.3%), MSFT (7.0%), AAPL (5.8%), AMZN (3.9%), GOOGL/GOOG (3.5%), META (3.1%), AVGO (2.5%), BRKB (1.7%), TSLA (1.7%) and JPM (1.5%). The remaining stocks represent the rest of the 490 companies in the S&P 500.

Guide to the Markets - U.S. Data are as of June 30, 2025.

J.P.Morgan
ASSET MANAGEMENT

8

Investors mustn't mistake recent market performance for stability. Meme-market rallies often concentrate within speculative corners. Therefore, the unwinding can intensify swiftly when the narrative shifts, whether triggered by macro shocks, monetary policy surprises, or regulatory whispers. Notably, institutional investors still apply fundamentals. That anchors the broad market to earnings, dividends, and macro data. High forward valuations, rising margin debt levels, and elevated short interest in meme stocks are all textbook signals warning of fragile structure.

An eventual reckoning will arrive. When it does, it will likely be swift and severe. Meme names will tumble, leverage will unwind, and volatility will spike. Like we saw in 2022, the broader market may dip modestly, but speculative components will suffer extensive damage. For long-term capital, the key will be to avoid the blowups while staying invested in fundamentals. And when entertainment fades, only those anchored in valuation, diversification, and discipline will hold through the storm.

? Portfolio Tactics ? Trading A ?Meme Market?

In today's environment, the lines between investing, trading, and outright gambling have not just blurred; they've vanished. Fueled by social media, free trading apps, and zero-day options, financial markets now mirror a digital casino. Retail investors chase emotional highs and viral narratives over revenue streams and cash flow. While it may feel exhilarating to ride these waves, the long-term cost of speculative behavior is steep. The market has constantly rotated between rationality and mania, but this current period of entertainment-first psychology is the most

egregious since the dot-com bubble. As passive flows dominate the indices and meme stocks pump and dump with little regard for valuation, investors must rely more than ever on discipline to avoid catastrophic errors.

As discussed in [?Livermore?s Approach To Speculation:?](#)

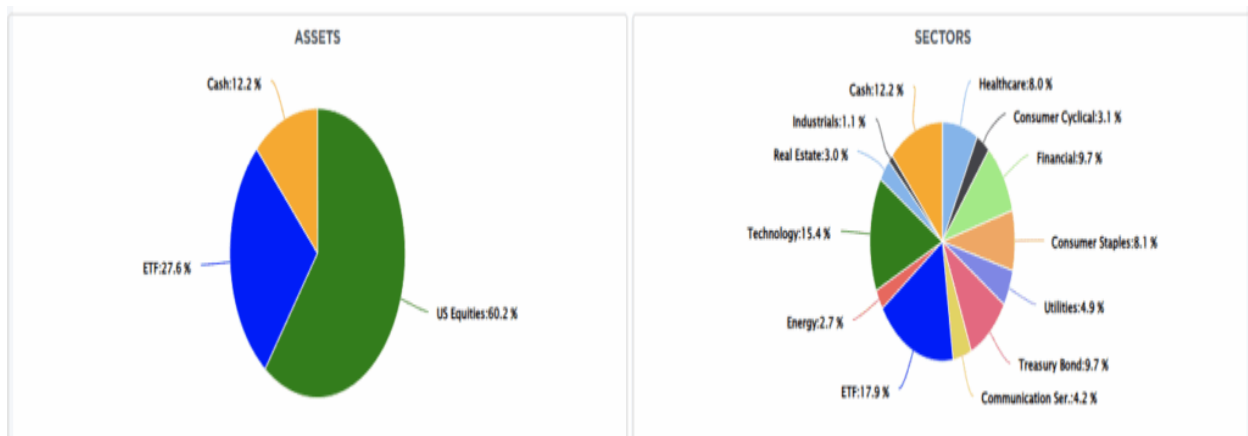
?What is crucial about risk management is that in speculative phases, timing is not about guessing the exact turning point. It is about recognizing when the odds have shifted. Today, that means paying close attention to mega-cap stocks that dominate passive index flows and monitoring speculative hot spots like meme stocks, small caps, and high-beta sectors.?

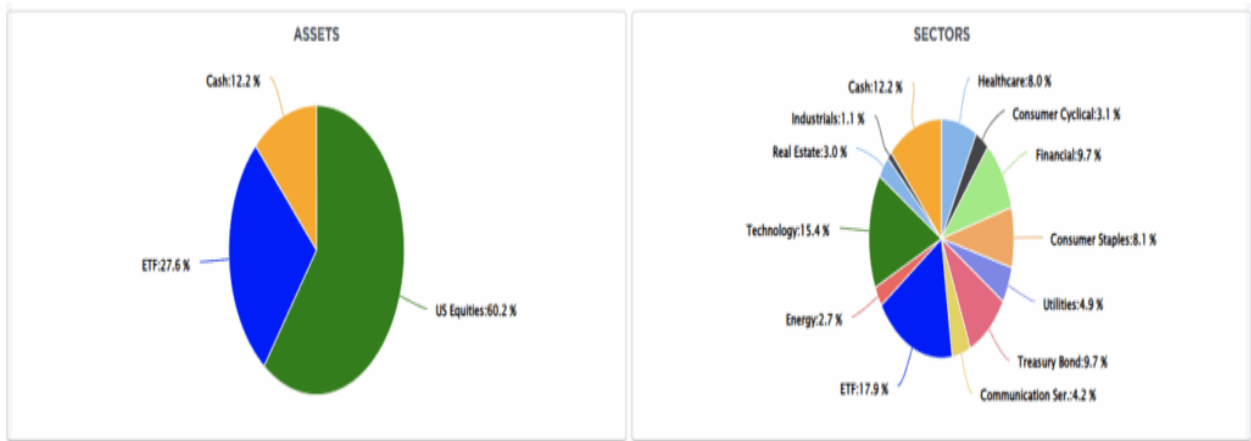
Building a durable portfolio in this environment means having a game plan that prioritizes risk management, not clicks or trending stocks. Here are practical tactics you can use now:

- **Cap Speculative Exposure:** Limit high-risk trades (meme stocks, crypto plays, zero-day options) to no more than 1% to 2% of your overall portfolio. Treat them like lottery tickets, not investment vehicles.
- **Raise Liquidity:** In late-stage bull cycles, cash becomes a tactical asset. Build a cash reserve of 10% to 20% to buffer drawdowns and create flexibility during corrections.
- **Diversify Intelligently:** Move beyond tech-heavy index funds. Allocate across sectors, geographies, and asset classes like Treasuries, commodities, and value stocks.
- **Monitor Valuation Risk:** Track market cap-to-GDP (Buffett Indicator), forward P/E ratios, and margin debt levels. Today?s extremes signal future volatility.
- **Apply Stop-Loss Rules:** Use defined exit levels to limit downside on individual positions. Hope is not a strategy.
- **Favor Cash-Flow Generators:** Companies with real earnings and consistent dividends should be core holdings. Avoid story stocks with no profit visibility.
- **Deleverage:** If you?re using margin, reduce exposure. Margin debt exceeding \$1 trillion is a red flag. Unwind it before the market does it for you.
- **Rebalance Quarterly:** Trim outperformers and add to underweighted sectors. Rebalancing forces discipline when markets reward excess.
- **Turn Off the Noise:** Block out the dopamine loop of meme stocks, Reddit threads, and Fintok. Focus on actual investment research and fundamental trends.

Investing in a meme market doesn?t mean you can?t follow the crowd; it just means you must control it. Entertainment-driven price action has created the illusion of easy money, but risks are piling up underneath the surface. **As history has shown, whether in the Nifty Fifty era, dot-com bubble, or crypto mania, valuation always matters eventually.** Investors who stick to discipline, valuation, and risk-adjusted decision-making will be the ones left standing when the hype fades.

Let others chase memes. Your job is to protect capital, compound returns, and stay in the game.





?? From Lance?s Desk

This week?s **#MacroView blog** discusses why energy prices are an important economic indicator and why the Fed should pay more attention to their message.

Energy Price As An Economic Indicator

By Lance Roberts | Aug 29, 2025



Energy Price As An Economic Indicator



By Lance Roberts | Aug 29, 2025



Also Posted This Week:

? Watch & Listen

As the *?meme market?* continues to push asset prices higher, volatility is becoming increasingly compressed. If you aren't paying attention to volatility, you should be.

[embed]https://www.youtube.com/watch?v=UjTRKeTY9gI[/embed]

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

? Market Statistics & Analysis

Weekly technical overview across key sectors, risk indicators, and market internals

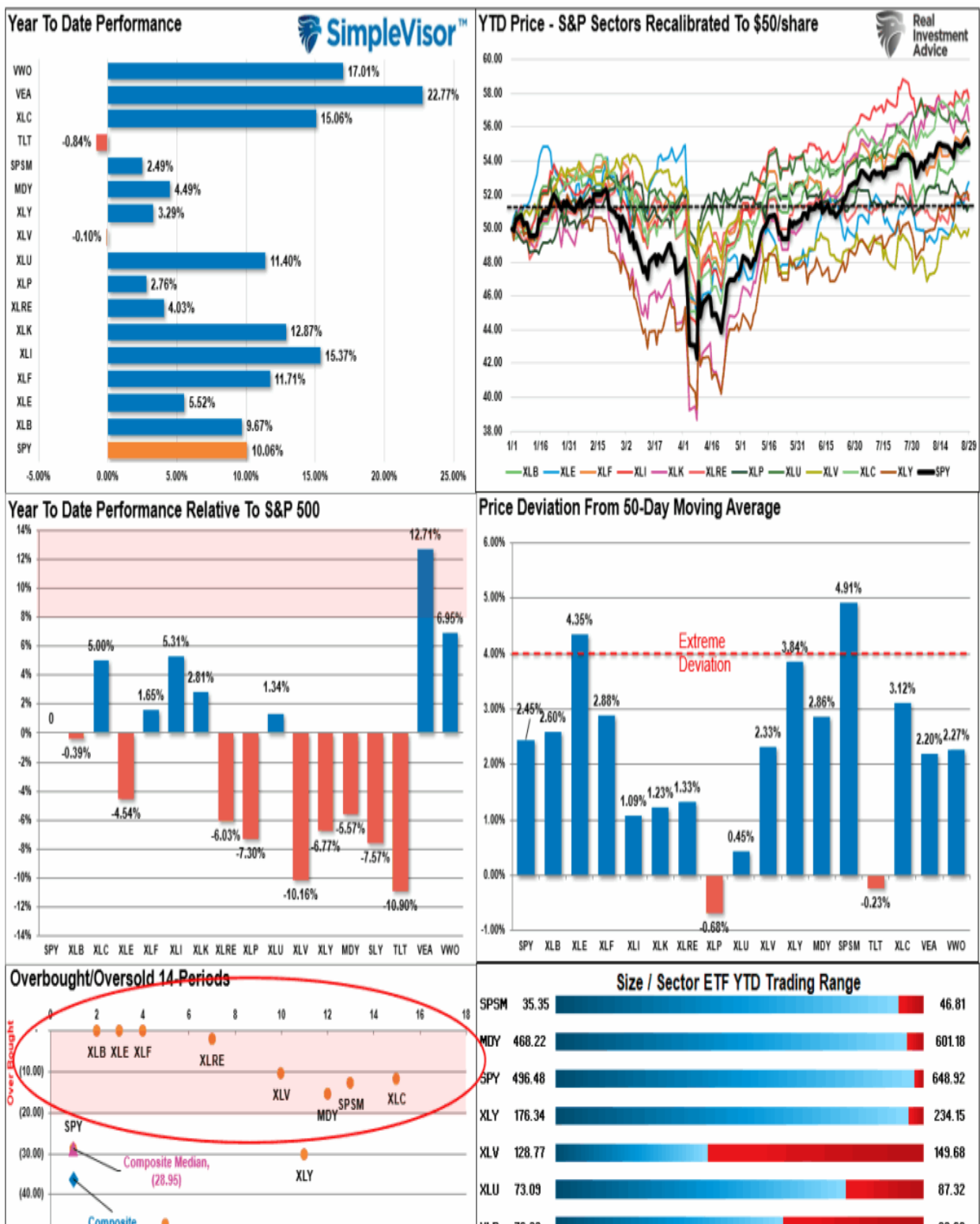
SimpleVisor™

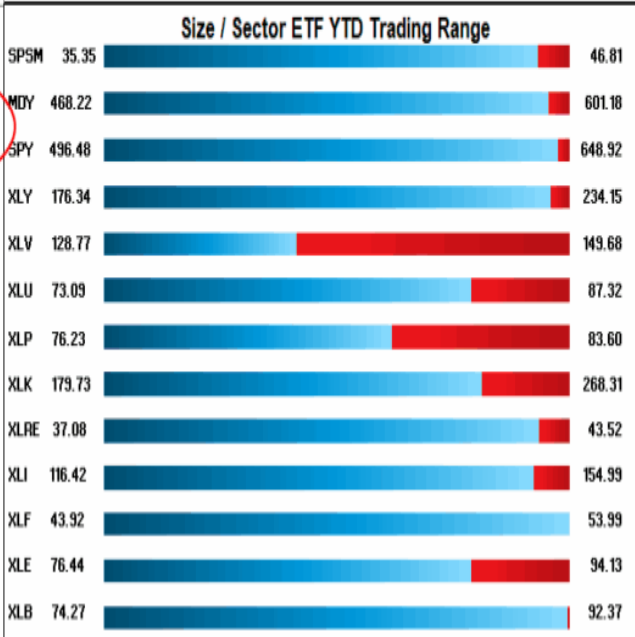
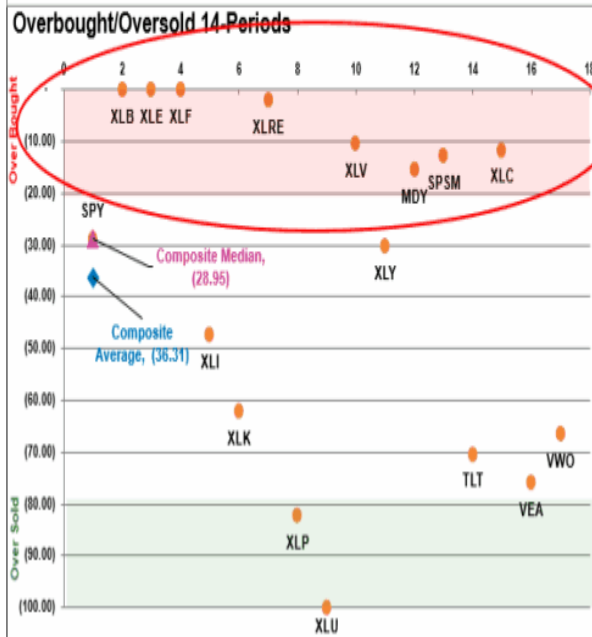
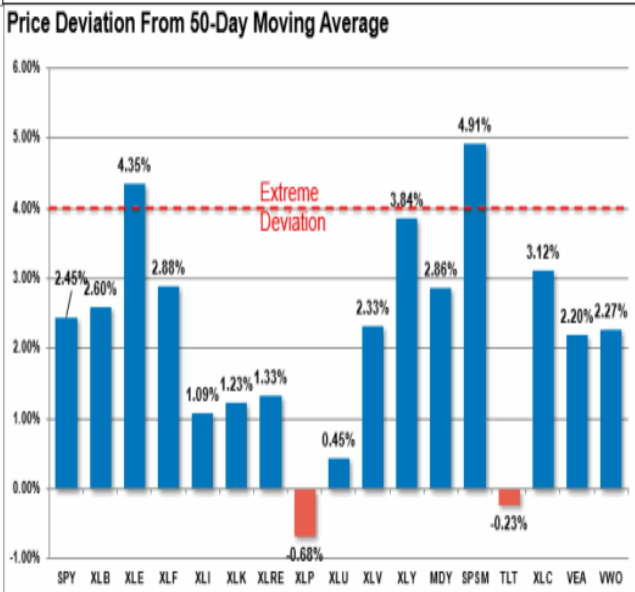
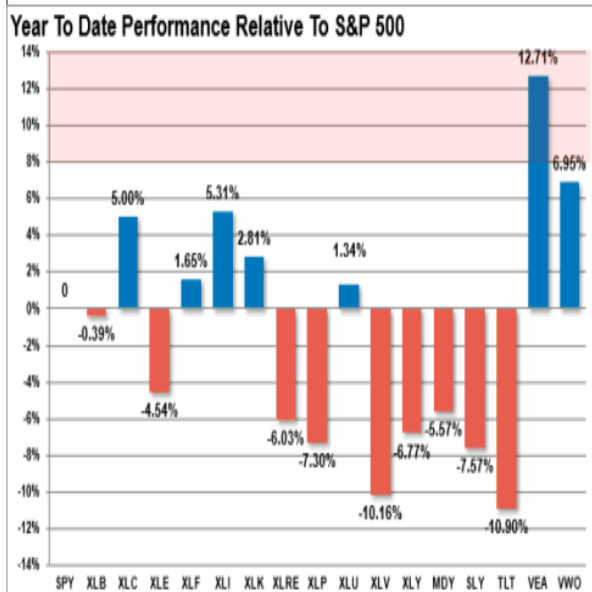
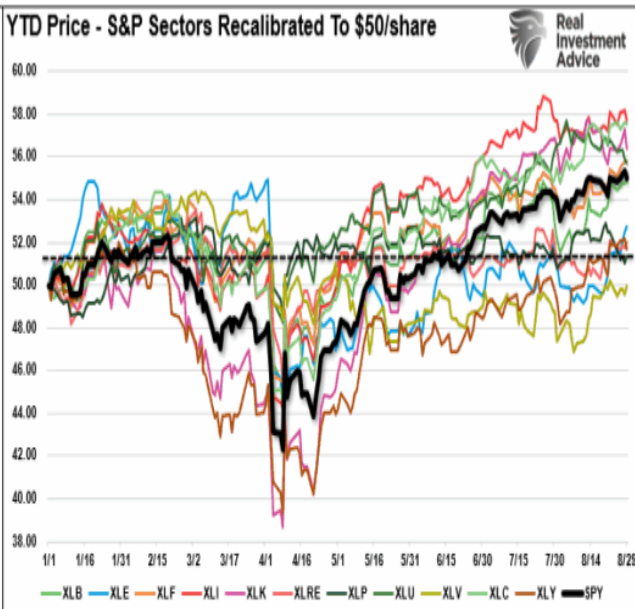
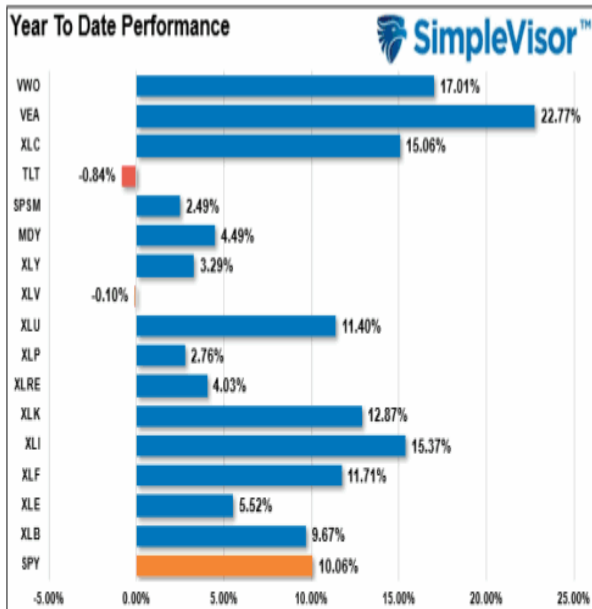
Don't invest alone.
Tap into the power of SimpleVisor.

> Sign up now

? Market & Sector X-Ray: Overbought

Last week, we noted that with hopes of rate cuts on the horizon, *?exuberance may feed over into next week, and we recommend using any further gains to reduce overbought positions, trim out weak positions, and rebalance overall risk.?* That remains good advice with a bulk of the index overbought. The good news is that Technology finally cooled off some and the market rotated to some of the previously more out-of-favor sectors.

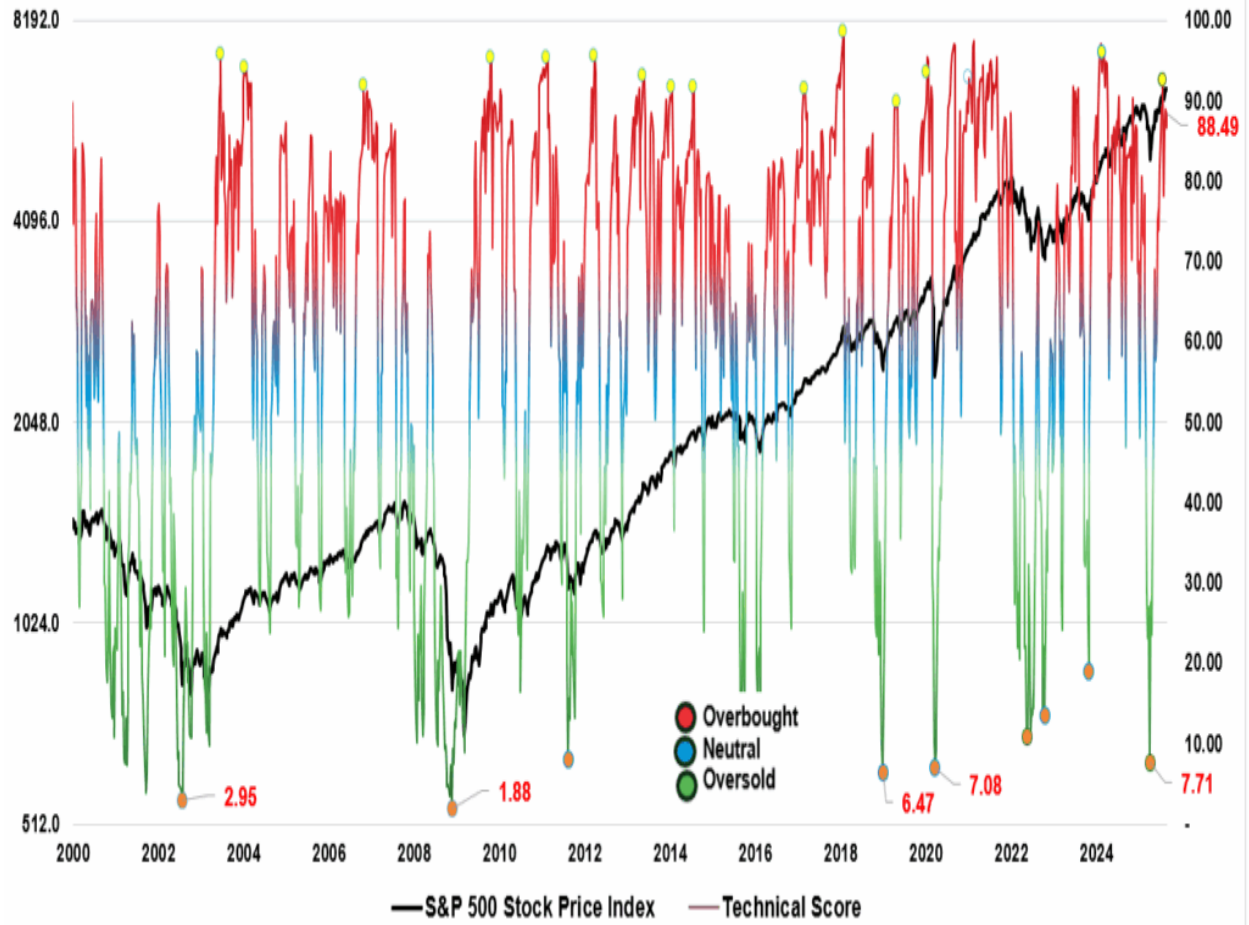




? Technical Composite: 88.49 ? Very Overbought

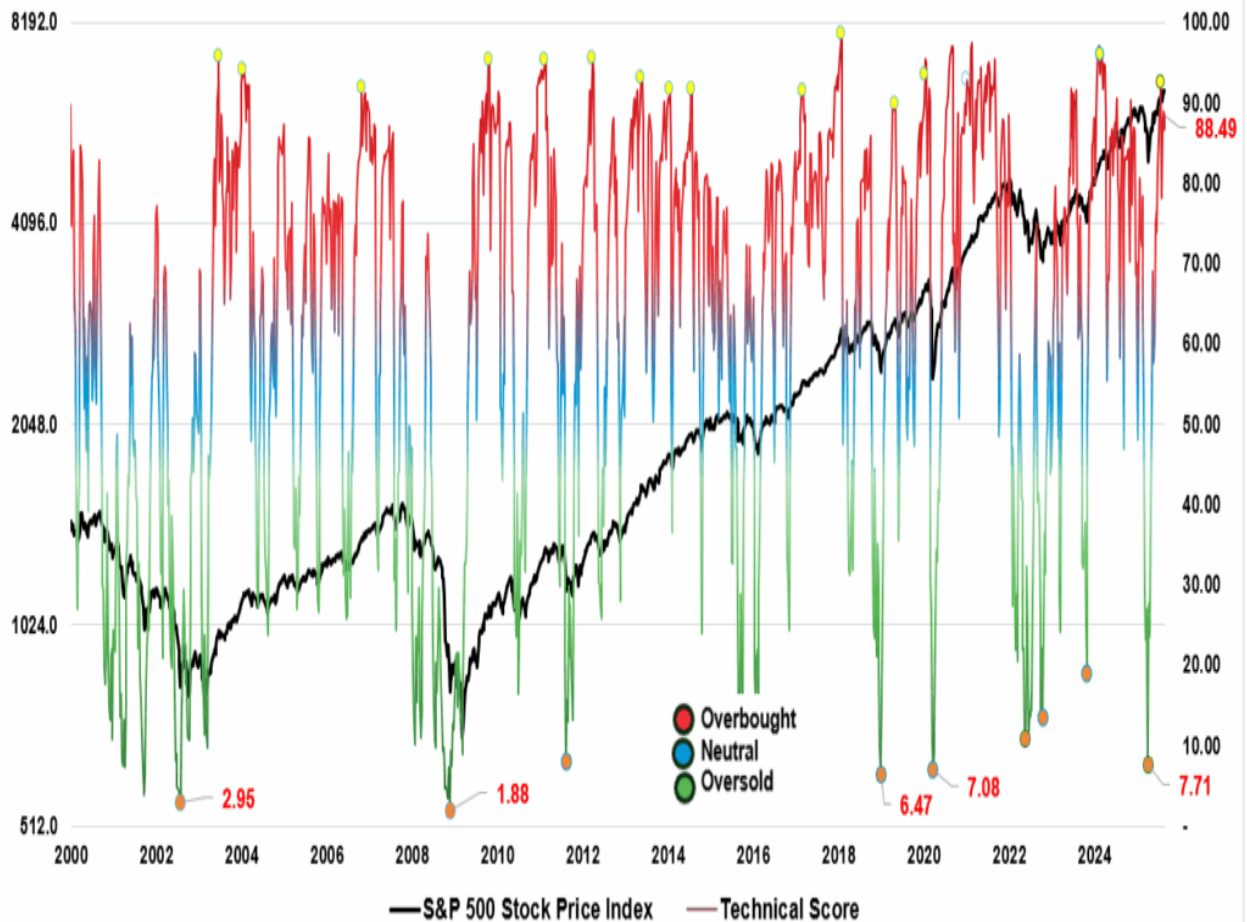
The market rally this past week, fueled by renewed hopes of rate cuts, pushed the overall technical gauge higher into overbought territory. The upside is likely limited as markets test all-time highs.

Technical Overbought/Sold Composite (Composite Of Weekly Technical Measures)



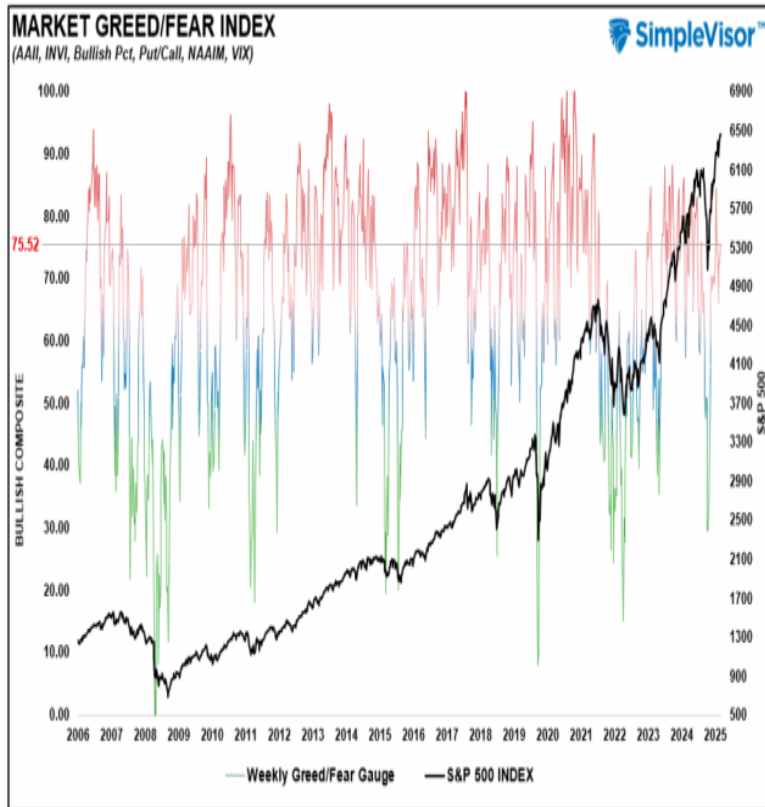
Technical Overbought/Sold Composite

(Composite Of Weekly Technical Measures)



? Fear/Greed Index: 75.52 ? Greed Increases With Rally

The rally this past week pushed the index higher and borders on extreme greed. The index is not at levels that typically equate to more important tops (>90), but still elevated enough to suggest some risk management may prove helpful.



Current
Fear/Greed
Index

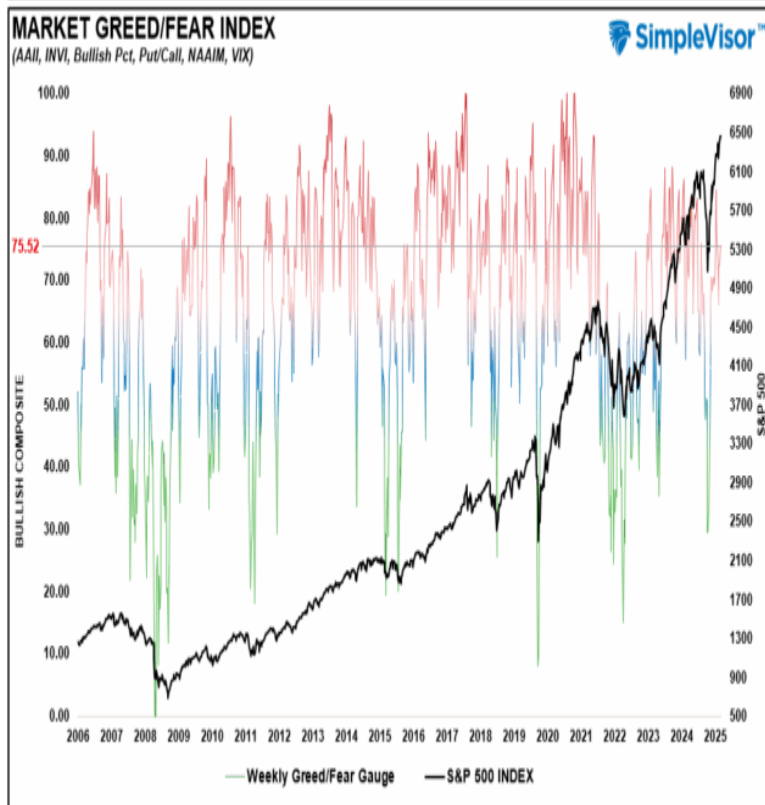
75.52



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

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

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



Current
Fear/Greed
Index

75.52



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

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

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

? Relative Sector Performance

Communications, discretionary, and energy are currently overbought sectors in the market. Conversely, look for a potential rotation into staples, utilities, and real estate, particularly if weak economic data next week pulls rates lower.

SimpleVisor Home Insights Markets Portfolios DIY Research Charts Simple AI (beta) Invest \$

Performance Analysis Factor Analysis Risk Range Screener Stock Summary Strategy Builder

Sectors Factors

Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol Name	Top 10 Holdings	Absolute Score	Relative Score (vs SPY)	Chart
-------------	-----------------	----------------	-------------------------	-------



? Most Oversold Sectors

Staples is this week's most oversold sector. Given its fundamental strength, COST is a standout opportunity and is likely to provide an opportunity for longer-term investors.





? Sector Model & Risk Ranges

The rally this past week continues to keep several key markets and sectors well above their normal risk ranges. Continue to manage risk and book profits as needed. The good news is that more and more markets and sectors have become bullish crossovers. At the beginning of the year, more than 14 bearish crossovers were present, and we are now down to 4. Such is bullish and suggests that risks of a larger corrective cycle are likely not present.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	REL S&P	RISK RANGE		% DEV - Short M/A	% DEV - Long M/A	M/A XVER SIGNAL
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW			
IVV	ISHARS-SP500	648.32	(0.03)	3.79	7.89	14.63	14.39	825.75	596.20	634.90	1.00	650.77	619.03	4%	9%	BULLISH
XLB	SPDR-MATLS SELS	92.28	0.14	2.62	(2.57)	(7.31)	(16.51)	89.47	87.21	87.73	1.00	90.80	84.66	3%	6%	BULLISH
XLC	SPDR-COMM SV SS	111.39	0.10	1.18	(0.29)	0.70	13.17	106.99	101.57	107.41	1.03	111.20	103.62	4%	10%	BULLISH
XLE	SPDR-EGY SELS	90.39	2.58	1.82	0.67	(13.93)	(15.37)	86.36	86.73	87.21	0.79	90.04	84.34	5%	4%	BEARISH

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	REL S&P	RISK RANGE		% DEV -	% DEV -	MIA XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	LONG WMA	PRICE	BETA	HIGH	LOW	Short MIA	Long MIA	SIGNAL
IVV	ISHARS-SP500	648.32	(0.03)	3.79	7.69	14.63	14.39	625.75	596.20	634.90	1.00	650.77	619.03	4%	9%	BULLISH
XLB	SPDR-MATLS SELS	92.28	0.14	2.62	(2.57)	(7.31)	(16.51)	89.47	87.21	87.73	1.00	90.80	84.66	3%	6%	BULLISH
XLC	SPDR-COMM SV SS	111.39	0.10	1.18	(0.29)	0.70	13.17	106.99	101.57	107.41	1.03	111.20	103.62	4%	10%	BULLISH
XLE	SPDR-EGY SELS	90.39	2.58	1.82	0.67	(13.93)	(15.37)	86.36	86.73	87.21	0.79	90.08	84.34	5%	4%	BEARISH
XLF	SPDR-FINL SELS	53.99	0.81	1.25	(2.41)	(3.36)	3.64	52.10	50.56	52.37	0.98	54.19	50.55	4%	7%	BULLISH
XLK	SPDR-TECH SELS	262.45	0.04	(1.70)	2.41	8.04	4.72	254.97	233.84	262.74	1.23	272.53	252.95	3%	12%	BULLISH
XLI	SPDR-INDU SELS	152.01	(0.71)	(2.27)	(2.81)	1.29	1.24	148.90	139.84	152.01	1.07	157.43	146.59	2%	9%	BULLISH
XLP	SPDR-CONS STPL	80.78	(2.02)	(3.02)	(8.81)	(13.04)	(16.49)	81.38	80.73	79.78	0.54	82.21	77.35	-1%	0%	BULLISH
XLRE	SPDR-RE SELS	42.31	(0.04)	(1.32)	(6.67)	(12.56)	(17.24)	41.78	41.46	41.41	0.97	42.85	39.97	1%	2%	BULLISH
XLJ	SPDR-UTIL SELS	84.32	(1.97)	(5.51)	(3.84)	(7.72)	(3.87)	83.34	80.36	85.67	0.55	88.28	83.06	1%	5%	BULLISH
XLV	SPDR-HLTH CR	137.43	(0.51)	1.02	(5.42)	(19.81)	(26.97)	134.31	138.53	130.43	0.62	134.50	126.36	2%	-1%	BEARISH
XLY	SPDR-CONS DISCR	231.74	(0.56)	3.45	1.53	3.18	9.45	220.97	214.16	221.43	1.21	229.63	213.23	5%	8%	BULLISH
XTN	SPDR-SP TRANSP	86.13	(1.58)	3.16	2.63	0.30	(4.41)	82.54	80.40	82.76	1.41	86.00	79.52	4%	7%	BULLISH
SDY	SPDR-SP DIV ETF	141.34	(1.11)	(0.23)	(3.18)	(9.64)	(13.36)	137.93	135.03	136.96	0.78	141.46	132.46	2%	5%	BULLISH
RSP	INVS-SP5 EQ ETF	188.62	(0.43)	0.10	(2.14)	(5.39)	(7.14)	183.16	177.79	183.63	0.97	190.01	177.25	3%	6%	BULLISH
SPSM	SPDR-PRT SC	46.04	(0.34)	5.16	2.00	(2.40)	(12.69)	43.44	42.66	42.98	1.07	44.51	41.45	6%	8%	BULLISH
MDY	SPDR-SP MC 400	595.16	(0.04)	1.16	(1.10)	(3.54)	(9.11)	573.60	559.55	575.62	1.05	596.04	555.20	4%	6%	BULLISH
EEM	ISHARS-EMG MKT	49.86	(1.49)	(0.35)	(1.43)	(2.79)	0.57	48.58	45.53	48.56	0.62	50.07	47.05	3%	10%	BULLISH
EFA	ISHARS-EAFE	91.48	(1.85)	1.01	(5.76)	(5.35)	(4.15)	89.61	84.90	87.52	0.83	90.44	84.60	2%	8%	BULLISH
IAU	ISHARS-GOLD TR	65.10	2.42	(0.93)	(3.48)	1.02	23.30	63.23	59.50	62.01	0.88	63.61	60.41	3%	9%	BULLISH
GDX	VANECK-GOLD MNR	63.17	5.00	16.65	14.68	30.12	49.18	54.46	47.85	51.64	0.50	53.19	50.09	16%	32%	BULLISH
UUP	INVS-DB US\$ BU	27.37	0.17	(4.51)	(7.95)	(18.23)	(17.58)	27.32	28.03	27.90	(0.22)	28.54	27.26	0%	-2%	BEARISH
BOND	PIMCO-ACTV BOND	92.55	0.18	(3.25)	(5.21)	(13.83)	(16.65)	91.57	91.30	91.71	0.26	94.24	89.18	1%	1%	BULLISH
TLT	ISHARS-20+YTB	86.60	(0.49)	(5.18)	(6.23)	(18.59)	(24.64)	86.64	87.70	86.92	0.47	89.50	84.34	0%	-1%	BEARISH
BNDX	VANGD-TTL INT B	49.31	0.09	(4.00)	(7.47)	(12.88)	(15.30)	49.32	49.12	49.35	0.20	50.68	48.02	0%	0%	BULLISH
HYG	ISHARS-IBX HYCB	80.86	0.04	(2.69)	(5.73)	(12.12)	(12.48)	80.14	79.41	80.38	0.39	82.71	78.05	1%	2%	BULLISH



RISK RANGE REPORT



Have a great week.

Lance Roberts, CIO, RIA Advisors