



# Portfolio Trade Alert - August 16th, 2024

## Trade Alert - Equity And ETF Models

This morning, we reduced our exposure to energy slightly. Increased chances of a pact between Israel and Hamas/Hezbollah are pressuring crude prices, as are signs of economic weakening. Furthermore, oil prices have historically declined during Fed rate-cutting cycles as those cuts are in response to economic weakness.

However, despite reducing exposure, we remain slightly above the S&P target weights in both models. There is a large short position in crude oil, one reason we are reluctant to reduce further.

### Equity Model

- *Reduce both Exxon Mobil (XOM) and Diamond Back Drilling (FANG) to 1.5% of the portfolio each.*

### ETF Model

- *Reduce the SPDR Energy Sector ETF (XLE) to 4.5% of the portfolio.*

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