Recession Probabilities Decline - RIA

Inside This Week?s Bull Bear Report

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The ?Can?t Stop, Won?t Stop? Rally

Last week, we discussed how the rally had repaired much of the previous damage following *?Liberation Day.?* However, we also made competing cases for the bulls and bears on the market?s next move.

> *?It is always difficult to say whether this is a&#2013266080;?bear market? rally&#2013266080;while you are in the midst of it. In hindsight, these things are easy to identify, and investors have plenty of reasons to play the&#2013266080;?could?ve, should?ve?&#2013266080;game. However, some valid arguments exist about why the recent correction was just that, and may now be over.?*

This past week, the market continued its advance. There is little reason to be bearish with key overhead resistance levels broken. However, as shown, the markets are reaching decently overbought levels after being extremely oversold. This suggests that at least for now, the *?easy money?* has been made. With the market above the 200, and above the 50 and 20-DMA, pullbacks should be between 5600 and 5800. Investors can use such a pullback to increase portfolio equity exposures and reduce hedges accordingly. Conversely, 5000 to 5200 becomes the next critical target if those lower supports are violated. However, such would require some unexpected event to unfold.

Given the reduction in tariff-related risk and stable economic data, we suspect the market will hold bullish support. That statement follows our ***analysis from earlier this week***, which discussed whether we have returned to a bull market or if this is still a bear market rally. That analysis compared the current market advance to the 2022 corrective cycle. However, that article elicited quite a few comments about why the recent ?*tariff?* sell-off could be like the 2020 COVID-pandemic decline and recovery. It?s a fair question and worth a few words.

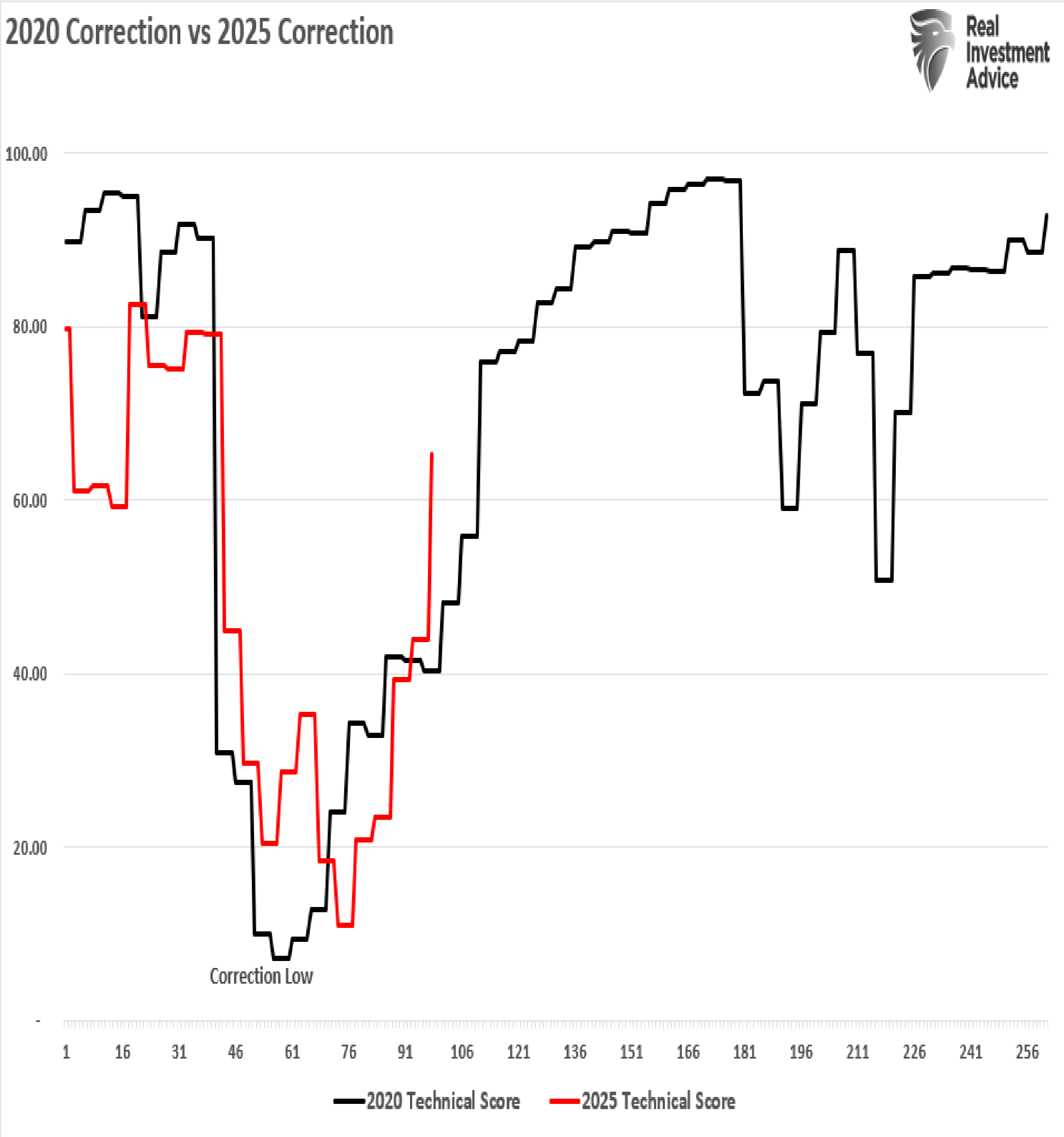
2020 vs 2025

As shown, there is an analogy between the current market recovery and that seen in 2020 following the pandemic. However, it is worth remembering that there are many competing differences between the current macroeconomic backdrop and that of 2020.

Backdrop	2020	2025
Economy	Recession	Slow Growth
Interest Rates	Falling	Stable
Inflation	Falling	Stabilizing
Fed Rate Policy	0%	4.30%
Monetary Policy	QE $120 Bil (Mth)	QT -$5 Bil (Mth)
Gov't Policy	Massive Stimulus	No Stimulus

However, as we discussed in that previous analysis, even a *?can?t stop, won?t stop bull market?* gives&#2013266080;those who can be patient better risk/reward opportunities to increase equity exposures. For example, after the initial rally off the March 2020 lows, the market pulled back and consolidated briefly before rallying further. Then, another longer consolidation process that year provided another entry point for bullish investors.

The weekly Technical Gauge we produce each week in this newsletter below follows the same path as 2020. While not yet back to bullish technical extremes, it is moving quickly higher to more elevated levels. When those readings reached 80, the market went through a longer consolidation process in 2020.



So, is this 2022 where the recent rally will fail and test lower levels? Maybe. Or, is it more like 2020, where the rally continues with only mild pullbacks along the way? Possibly. **The true answer is that I don?t know.** However, it is worth considering that there are many macroeconomic differences today compared to 2020. That lack of fiscal and monetary support, slowing economic growth, and tighter monetary policy are headwinds to higher stock prices. But, it is logical that the latest bullish market action has investors questioning a more cautious approach to the markets.

The same is true for us. We are currently underweight equities and hedged. However, the need for hedges is quickly declining, and the need for equity exposure is increasing. It?s a tough battle between creating portfolio performance and risk management. We are sticking with risk management until things become more certain, at least for now.

This week, we will discuss why another bearish case is fading ? ***recession probabilities are falling.***

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A Funny Thing Happened On The Way To The Coliseum

?A Funny Thing Happened on the Way to the Coliseum?&#2013266080;is a hysterical play by Craig Sodaro. In the play, Simplcuss, a naive Swiss farmer, heads for Rome to follow his dream of becoming a stand-up comedian; little does he know what adventures are in store. Stumbling into the house of General Spurius Sillius in search of food and water, he?s mistaken for the dreaded gladiator, Terribilus, who is due to fight in the Colosseum the following day. Simplcuss has to figure out how to save himself, and he overhears the General?s wife, Drusilla, and Senator Publius Piscious plotting to kill the Emperor?s daughter and the Emperor himself!

Without telling you the ending, there are many similarities to the current market. Over the last several months, the media headlines have been filled with stories of***&#2013266080;?Recessionus Terribulus***.? Whether President Trump planned to deport illegal immigrants, Elon Musk and DOGE cutting government spending, or lately the fears of tariffs, all played into the media headlines of an impending recession.

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JPMorgan becomes the first Wall Street bank to forecast a US recession following Trump's tariffs

Josh Schafer · Reporter
April 4, 2025 · 3 min read

5.9k

In This Article:

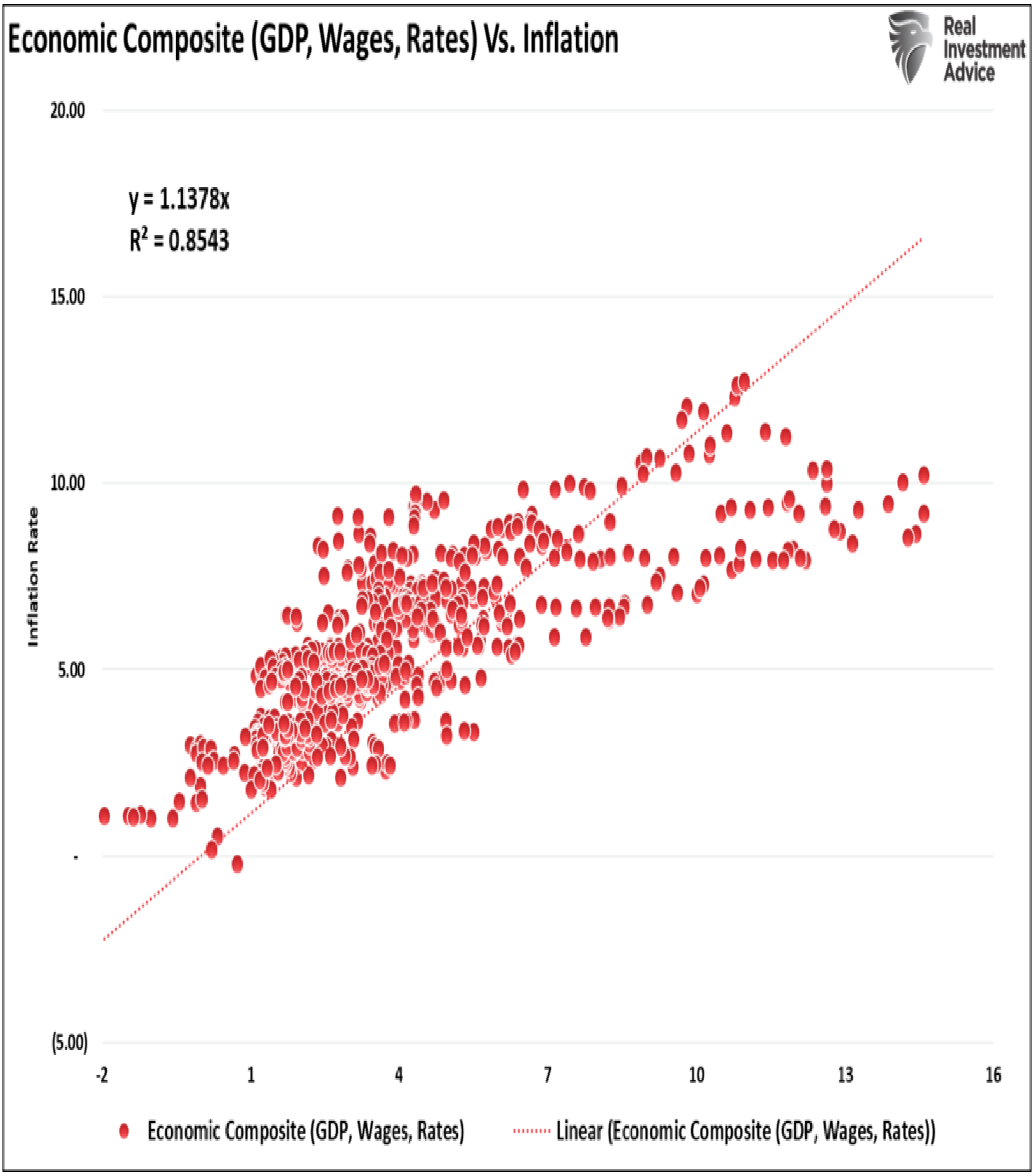
^IXIC +1.75% ^GSPC +0.91% ^DJI -0.44% ^SPX +0.90% SPY +0.85%

JPMorgan believes the US economy will enter a recession in the back half of 2025 as the impact of President Trump tariffs takes hold in the economy.

The firm's chief US economist Michael Feroli sees a two-quarter recession occurring in the back half of 2025 as GDP contracts by 1% in the third quarter of the year and by 0.5% in the fourth quarter. For the full-year 2025, Feroli's team projects GDP will fall by 0.3%.

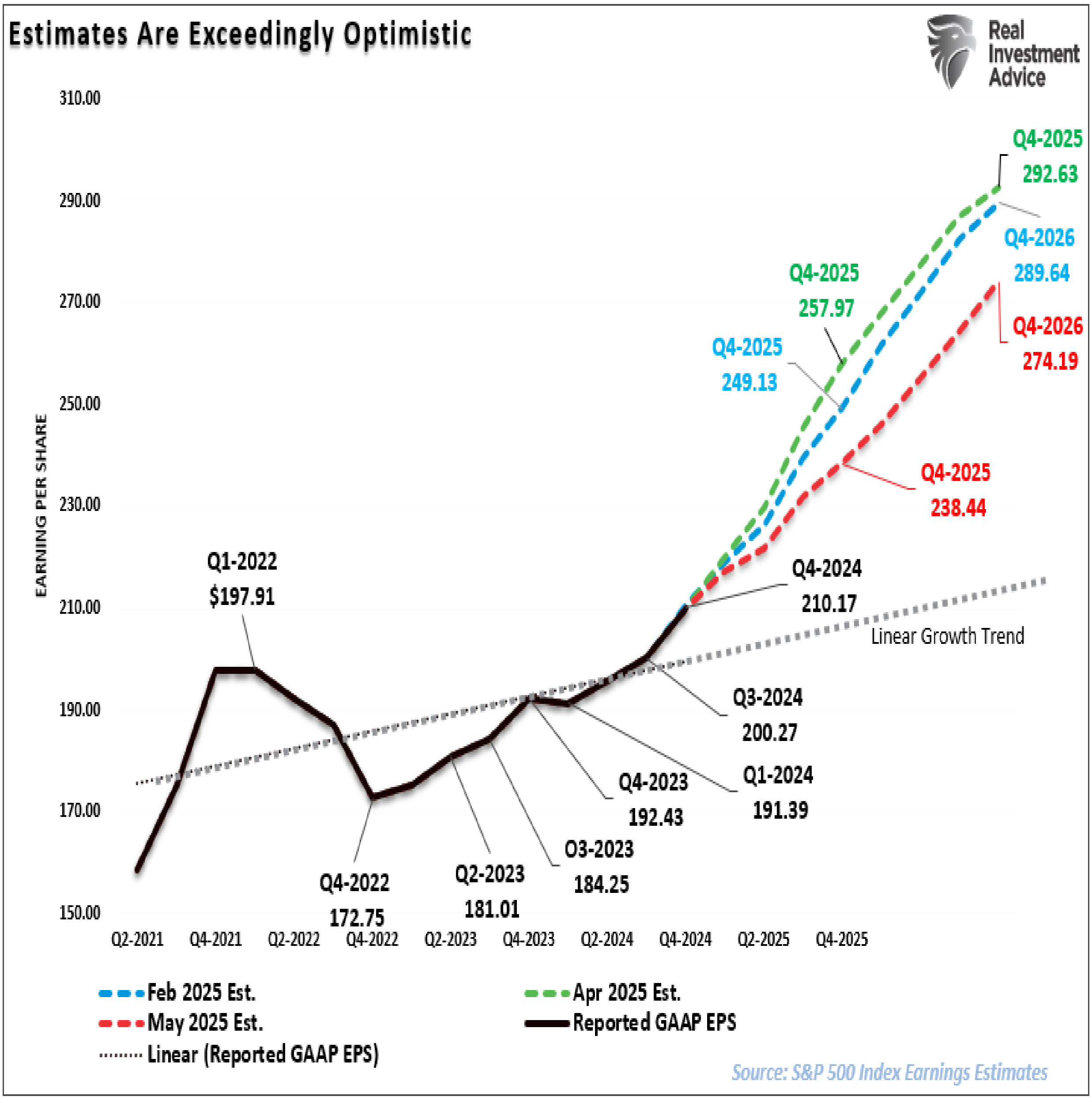
Of course, there was also economic data to help support those claims. As discussed in the ***? Consumer Is Tapping Out,***? rising delinquency rates are problematic. Particularly, for an economy driven by personal consumption. To wit:

> *?The current data point toward a recessionary risk. Deflation is highly correlated to economic growth rates, wages, and rates. Unsurprisingly, recessions reduce inflation as demand for goods and services collapses. While inflation may be&#2013266080;?sticky,?&#2013266080;the recent decline in bond yields and wages suggests consumer demand will decline this year. When tariffs, an additional tax on consumers, increase the cost burden, the reaction historically is not expansionary.?*

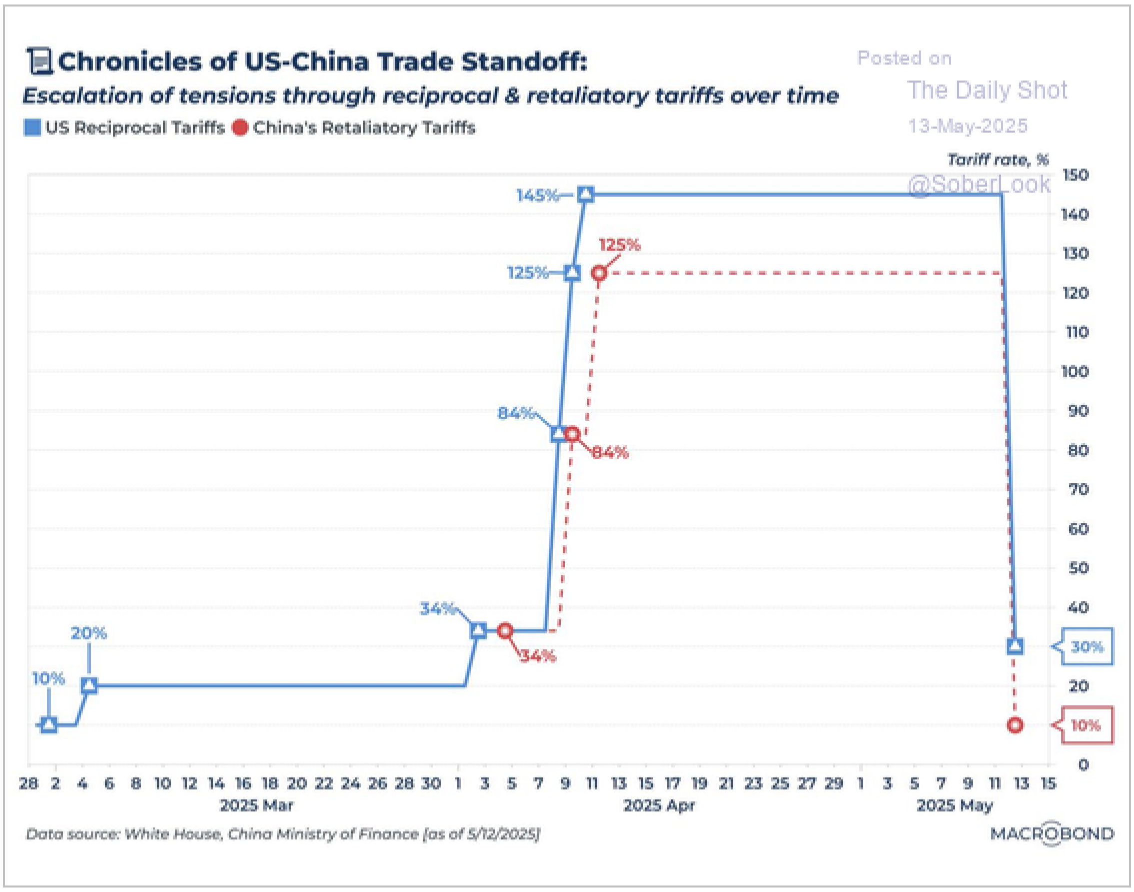


Furthermore, last weekend?s [***#BullBearReport***]() noted the rather sharp negative revisions to earnings estimates for the S&P 500 index.

> *?Given the slowdown in economic growth rates, it is unsurprising that, as of May 1st, S&P Global finally acquiesced and revised earnings estimates lower. However, this wasn?t a mild earnings revision but a slashing of estimates from their April 15th expectation of $292/share in 2026 to just $274. Furthermore, full-year 2025 reported earnings estimates were cut by nearly $20/share from $258/share to just $238/share.?*



However, what is interesting is that despite these and several other indicators suggesting an increase in recessionary risk, the financial markets are currently putting in one of the strongest rallies we have seen since the COVID pandemic. Of course, much of that rally came on the heels of the relief of the sharp reduction of tariffs on China, one of the U.S.?s key trading partners.



As such, while Wall Street analysts and economists were slashing economic growth and earnings estimates just a month ago, striking fear into investors? hearts, that has now reversed.

Recession Probabilities Are Falling

Following the announcements of trade deals with both the UK and China, recession probabilities for 2025 declined. Now, economists are rushing to reverse those previous recession calls.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JPMorgan Drops US Recession Call After US-China Trade Truce

By Matthew Boesler
May 13, 2025 at 8:03 AM EDT

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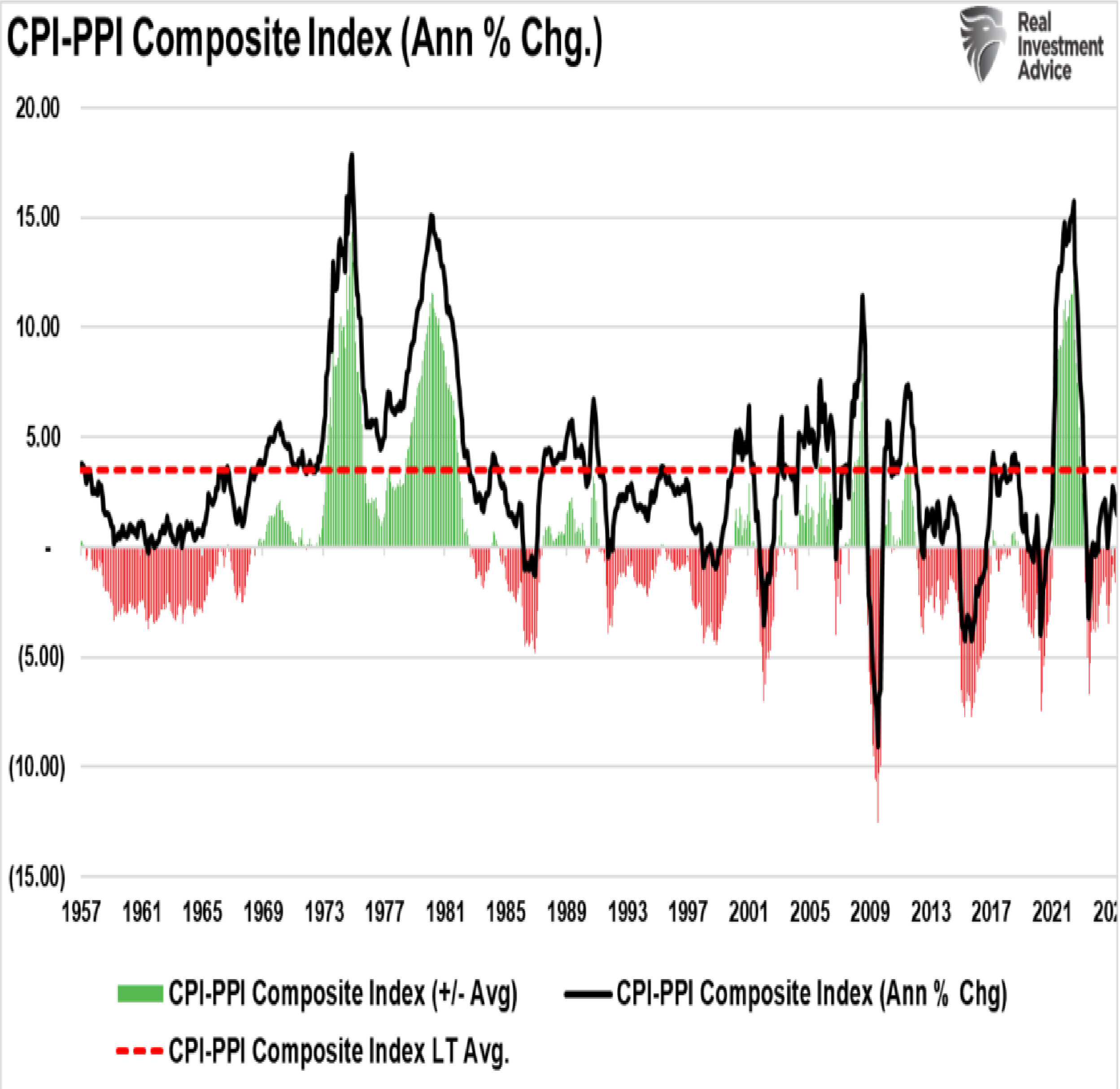
JPMorgan Chase & Co. boosted its forecast for US economic growth after a temporary trade deal between the US and China, dropping its earlier call that the world's largest economy would sink into a recession in 2025.

The reality is that the onerous tariff levels initiated by the Trump administration were never permanent. This was a mistaken assumption by the mainstream media. Furthermore, the *?inflation impact?* from tariffs, which was expected to cause the recession, has yet to appear. Such is evident in both inflation reports this past week. The chart below shows the composite CPI/PPI index and whether inflation is above or below the long-term average inflation rate. Currently, inflation is 2% below its long-term average.

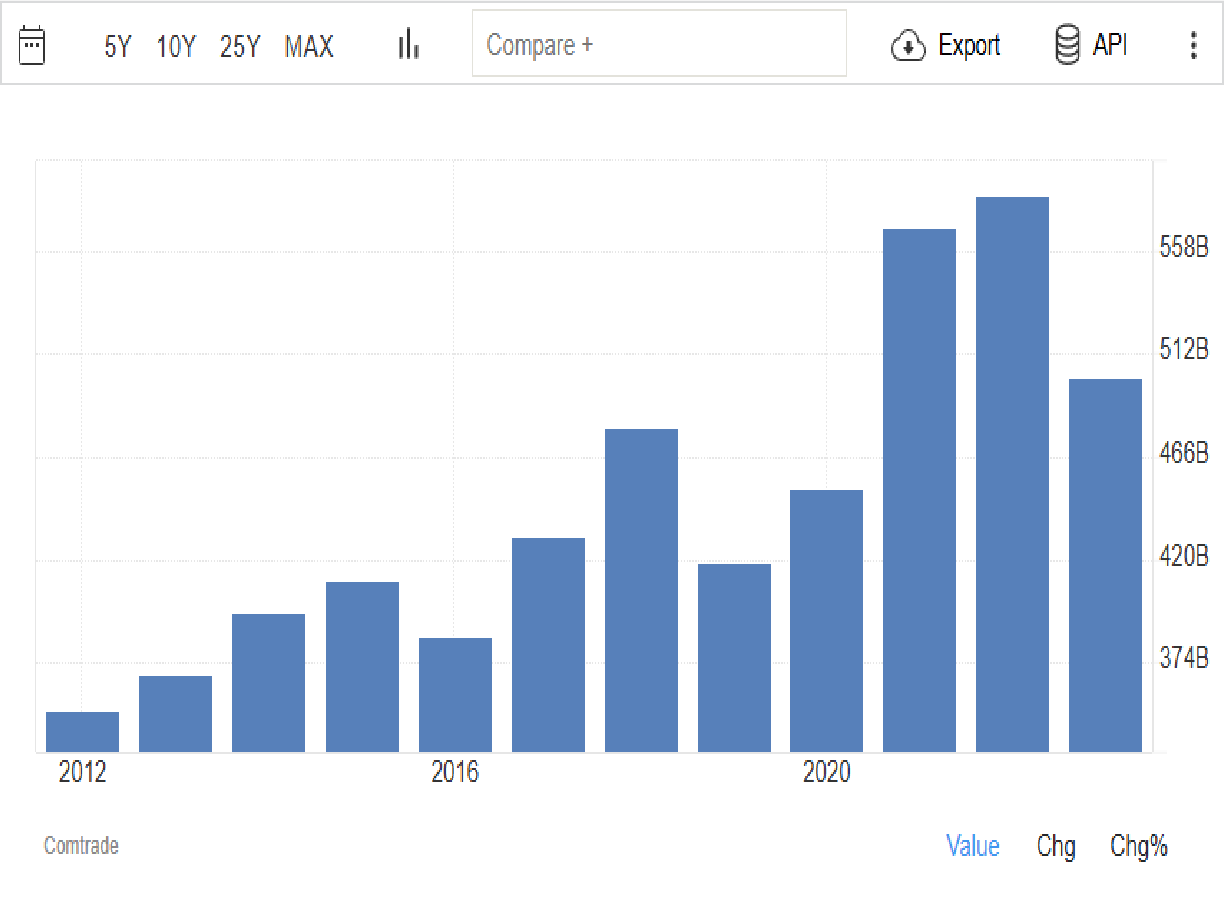


Inflation failing to appear is unsurprising and something we discussed in detail in [***?Tariffs Roil Markets.?***]() In their rush to undermine the current administration, the media also failed to consider two important facts we discussed previously.

> *?The first is that Trump?s tariffs are a&#2013266080;?stick and carrot?&#2013266080;for negotiating an agreement with both Mexico and Canada. As you will see, all he wanted was assistance in securing the borders, reducing illegal immigration, and arresting the illegal flow of drugs, especially&#2013266080;?Fentanyl,?&#2013266080;into the U.S. Therefore, any assistance provided by Canada or Mexico would lead to a reversal of those tariffs. Secondly, we stated the market?s opening would likely be the worst level of the day, so any&#2013266080;?panic selling? of positions early in the morning would likely be a*

mistake.?

That same logic applies to China and every other country dependent on U.S. trade. Given that China depends on roughly $50 billion in annual trade *(16.2% of total exports worldwide)* to the U.S. for its economic growth, President Trump was correct in assuming he had a stronger hand in the negotiations.



With those tariffs vastly reduced, the risk of the recessionary impact from an excess *?tax?* on consumers is fading. However, even with the tariffs reversed, the economic data, while slowing, does not suggest that a recession risk is imminent.

A Recession-Proof Economy?

Doug Cass made a valid point this past week, asking if the*&#2013266080;***?economy is now recession-proof.?***

> *?Is the economy now recession-proof? Is this also now a syntax question as opposed to a practical question?*
>
> *By a syntax question, this is what I mean. Recession is measured by reported GDP and reported employment. GDP is in part a function of reported inflation. If inflation is understated, GDP is overstated by the same amount. Employment includes jobs going to immigrants, second jobs, jobs created by the birth/death model, and jobs going to government employees that often have negative productivity and whose roles (regulatory and bureaucratic nonsense) end up harming the country and the economy,*

even though they help GDP in the short term.

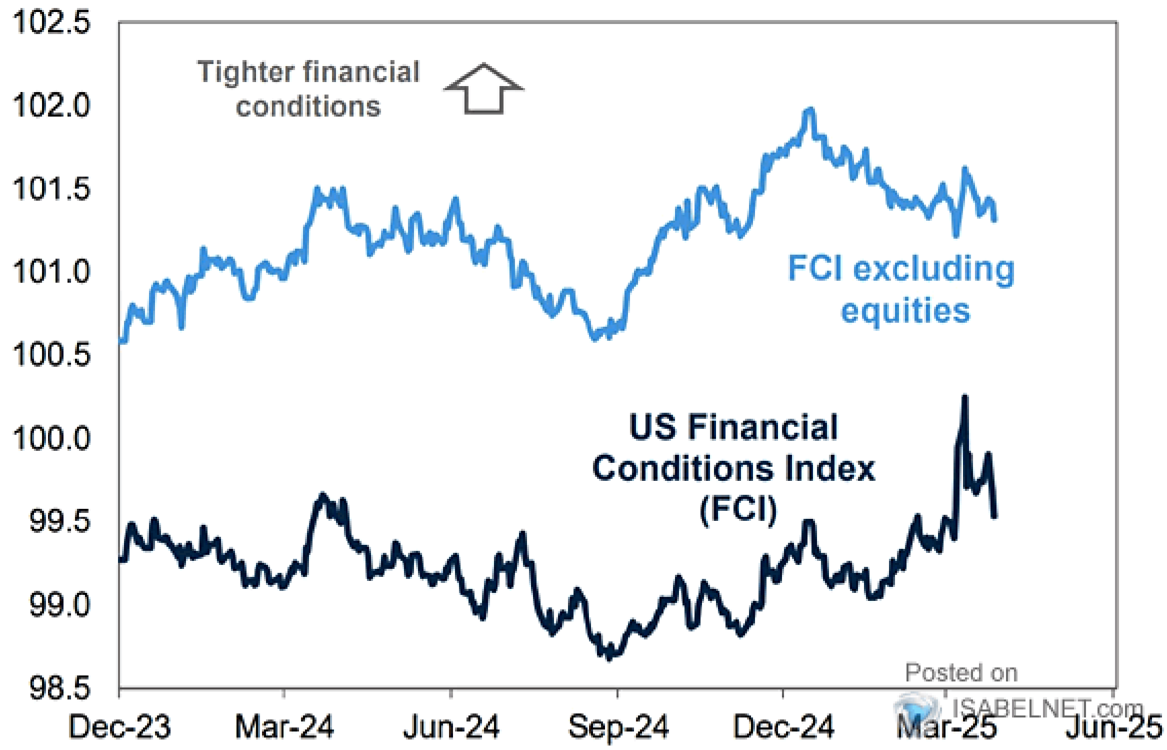
*The country thought we were in recession in the middle part of the Biden term. This includes very prominent financial minds and the average Joe. There is a reason the election went the way it did: ?It?s the economy, stupid.? But, as measured by the official stats, there was no recession, and things were pretty good. Now, we are still not in recession, and as measured by the same stats, **it still seems 50% likely we will not be in recession, and if we ever enter one, it feels like it might be mild, at least as measured by those same statistics.***

So, is the economy now recession-proof? If we don?t go into a recession now, with the shaky foundation that was in place, including an overspent consumer, all the debt, global tensions, and all the uncertainty, it feels like we will never have a recession.?

It seems that way, but the one contributing factor that broke all pre-existing models was the flood of monetary and fiscal stimulus post the COVID pandemic. It may take us years to determine if the previous historical models and indicators, such as inverted yield curves, ever function as they did previously to gauge recession probabilities. Maybe they won?t.

However, as noted above, economists are rapidly reversing their predictions about the recession and now suggest that President Trump?s actions, while previously thought to be an economic disaster, might be beneficial. Furthermore, financial conditions are improving, which also supports economic activity. If that trend continues, particularly if the Fed resumes cutting interest rates, it should start to feed into consumer confidence. If consumer confidence strengthens, which would be logical following recent tariff resolutions, this should reduce recession probabilities further.

Exhibit 27: Goldman Sachs Financial Conditions Index



Source: Goldman Sachs Global Investment Research

Understand the message here. As discussed two weeks ago, **the economic growth rate is slowing, but recession probabilities remain low.**

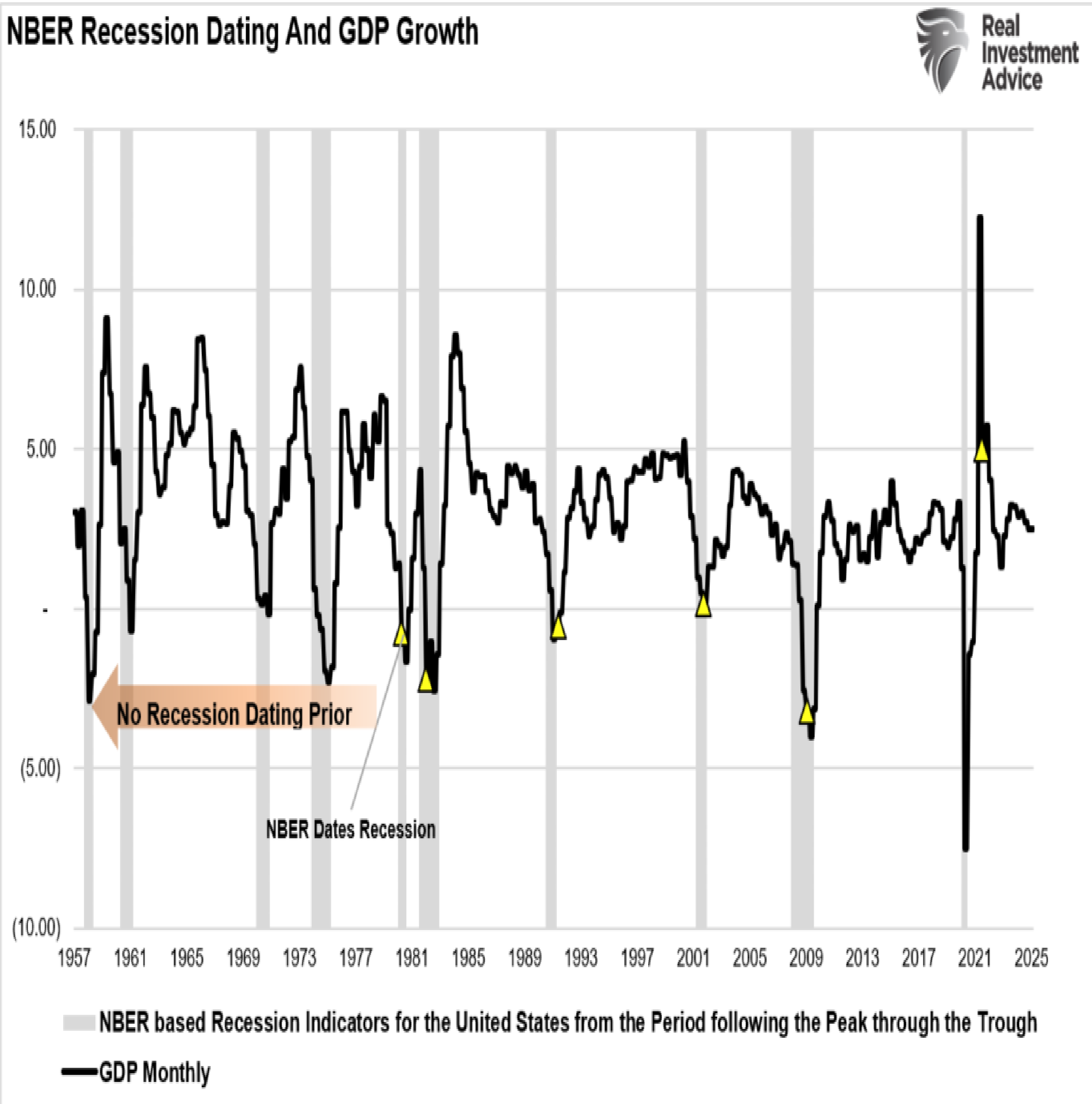
That does not mean that a recession is permanently avoided.

However, therein lies the problem with recession probabilities and predictions in the first place.

The Problem With Recession Predictions

It is wise to remember that in 2022, we had the&#2013266080;***most anticipated recession***, which failed to occur and preceded one of the strongest bull markets in recent history.

The problem with predicting recessions is that economists always work off lagging economic data. Such is particularly the case with GDP, which is revised three times following the end of the quarter, 12 months, and 3 years later. Historically, given that lag, the timing of U.S. recessions can be off by 9 to 12 months before they are recognized by the National Bureau of Economic Research (NBER). The chart below shows the lag between the onset and recognition of previous U.S. recessions.

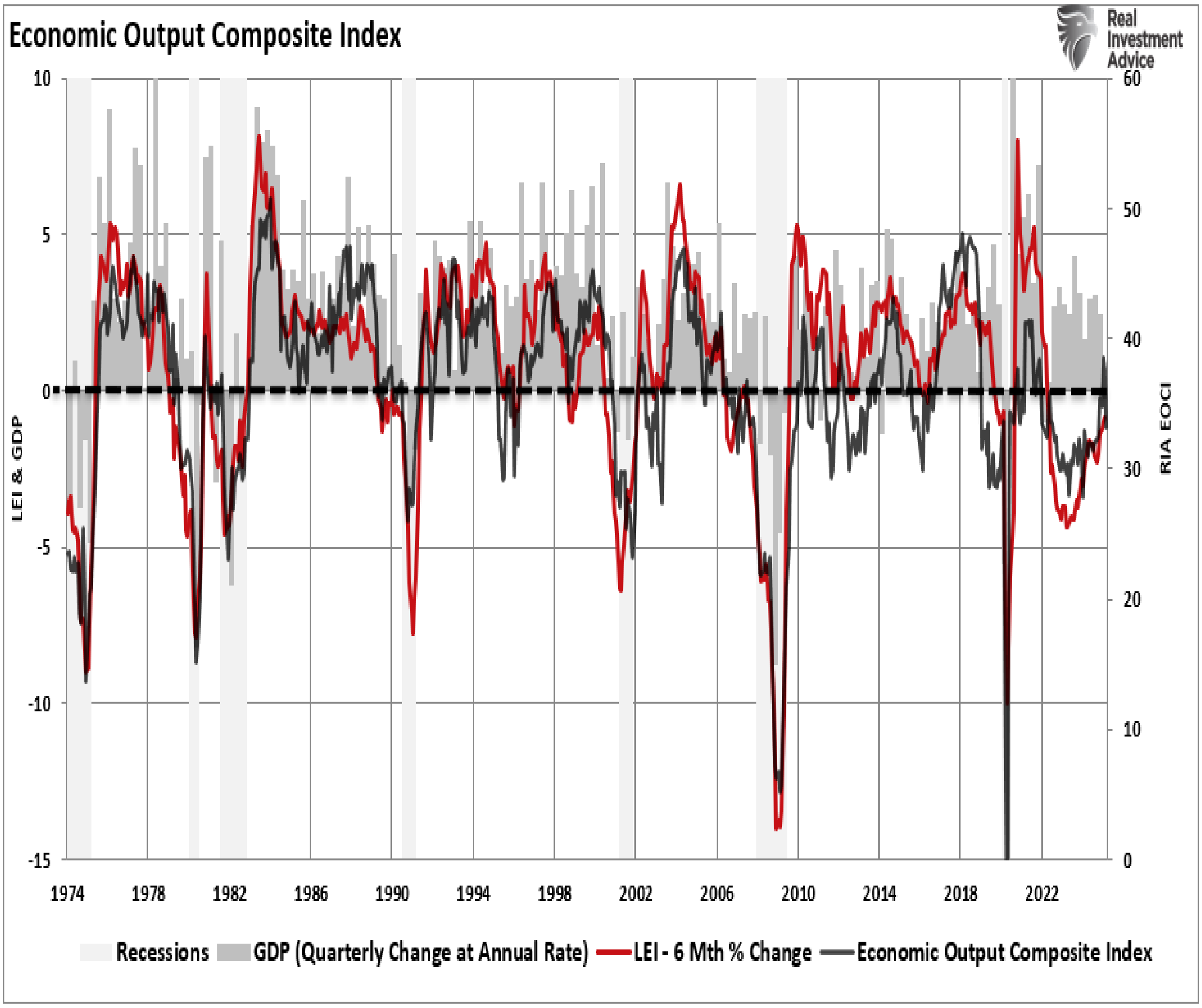


The following table better shows the lag between the start and recognition of previous U.S. recessions. I have also noted the impact on financial markets as investors reprice earnings growth for a reversal in economic growth rates.

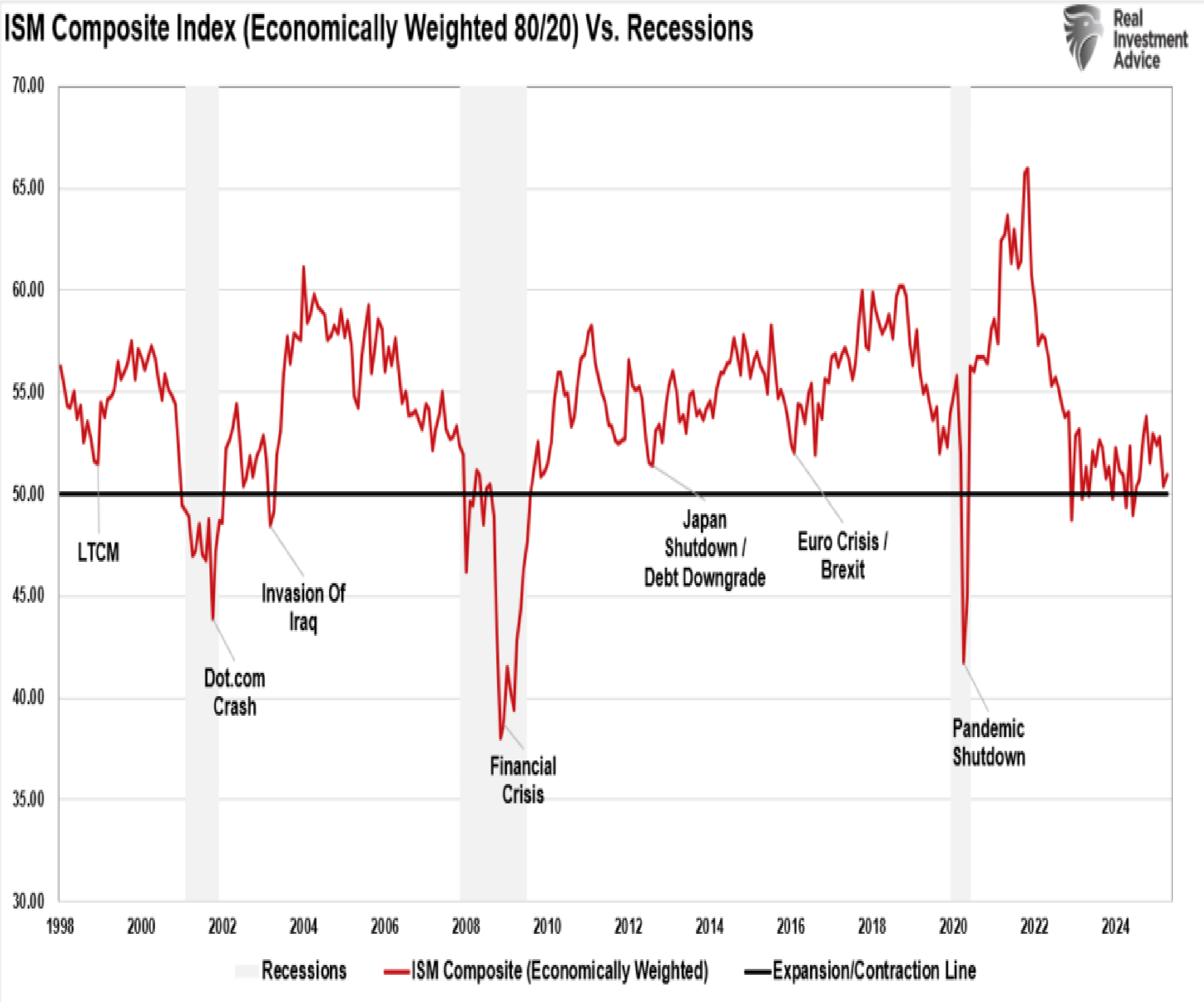
Date Of Market Peak	Market Peak Price	Recession Start	Market @ Recession Start	Market @ Recession Lows	Peak To Trough Decline	Of Recession Recognition	NBER Recession Recognition	Recognition Lag
7/1/1956	48.78	9/1/1957	43.98	40.30	-17.38%	14		
7/1/1959	59.74	5/1/1960	55.22	53.73	-10.06%	10		
12/1/1968	108.12	1/1/1970	92.06	73.04	-32.45%	13		
1/1/1973	118.05	12/1/1973	93.9	63.39	-46.30%	11	NBER Dates Recessions	
1/1/1980	109.32	1/1/1980	107.94	102.18	-6.53%	0	6/3/1980	6
11/1/1980	137.21	7/1/1981	129.77	108.71	-20.77%	8	1/6/1982	5
6/1/1990	363.16	7/1/1990	359.54	307.02	-15.46%	1	4/25/1991	10
8/1/2000	1,520.77	3/1/2001	1241.23	1,038.55	-31.71%	7	11/26/2001	9
10/1/2007	1,547.03	12/1/2007	1472.42	700.82	-54.70%	2	12/7/2008	12
2/1/2020	3,248.92	3/1/2020	3090.2	2,470.50	-34.78%	1	7/19/2021	16
2/1/2025	6,129.58	???	???	???	???	???	???	???

Investors must decide whether the current correction is&#2013266080;*?just a correction?*&#2013266080;or whether the risk of a U.S. recession is increasing.

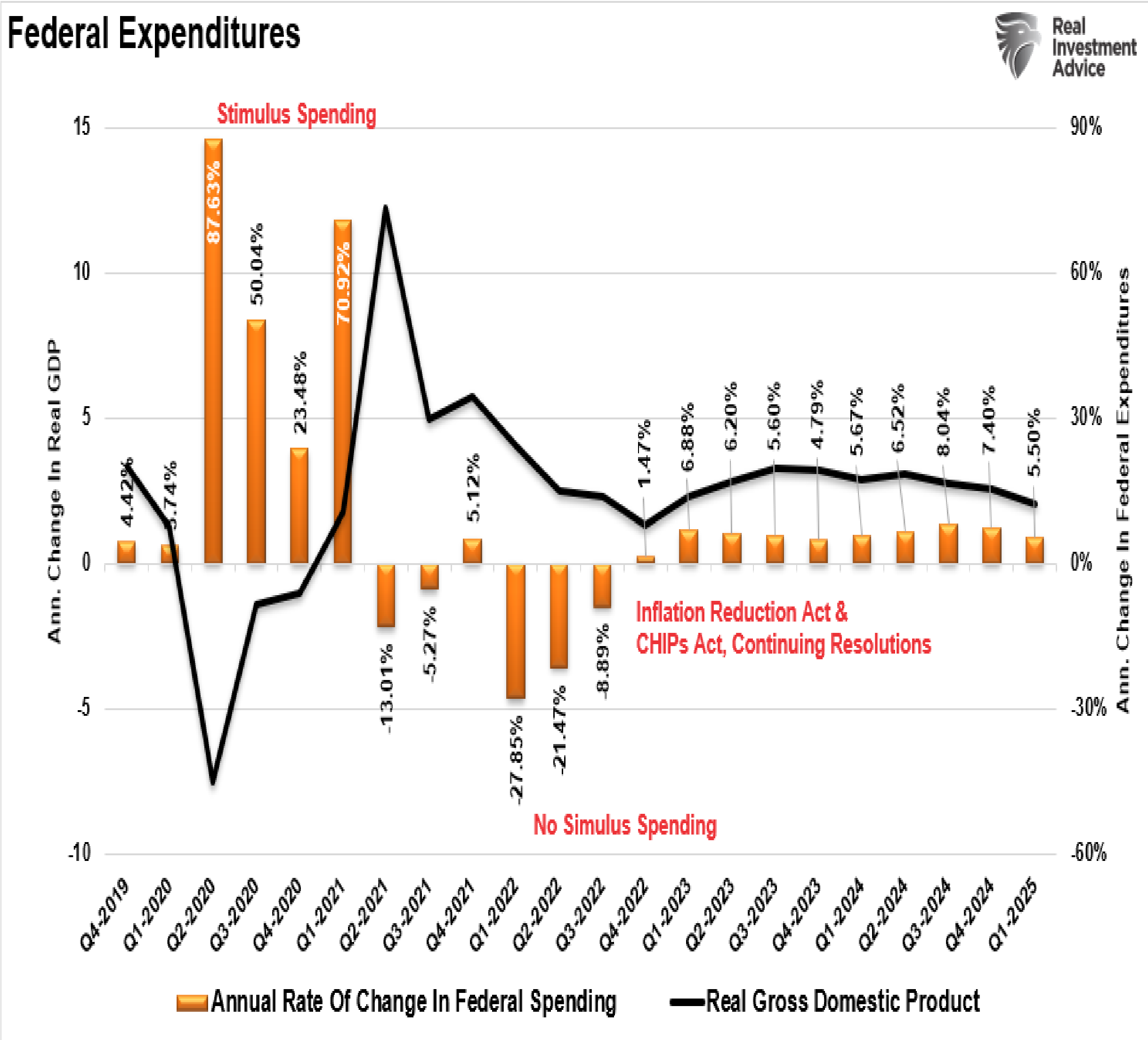
Currently, few indicators suggest recession probabilities are rising. The Economic Composite Index&#2013266080;*(a comprehensive measure of economic activity comprised of more than 100 data points)*&#2013266080;is in expansionary territory. The EOCI index confirms the improvement in the 6-month rate of change in the Leading Economic Index (LEI), one of the best recession indicators, and current levels of economic growth. While economic growth will undoubtedly slow as all of the excess governmental spending under the previous Administration reverses, there is currently no recession warning in the data. That does not mean that it can not change in the future. However, for now, the risk of recession is extremely low.



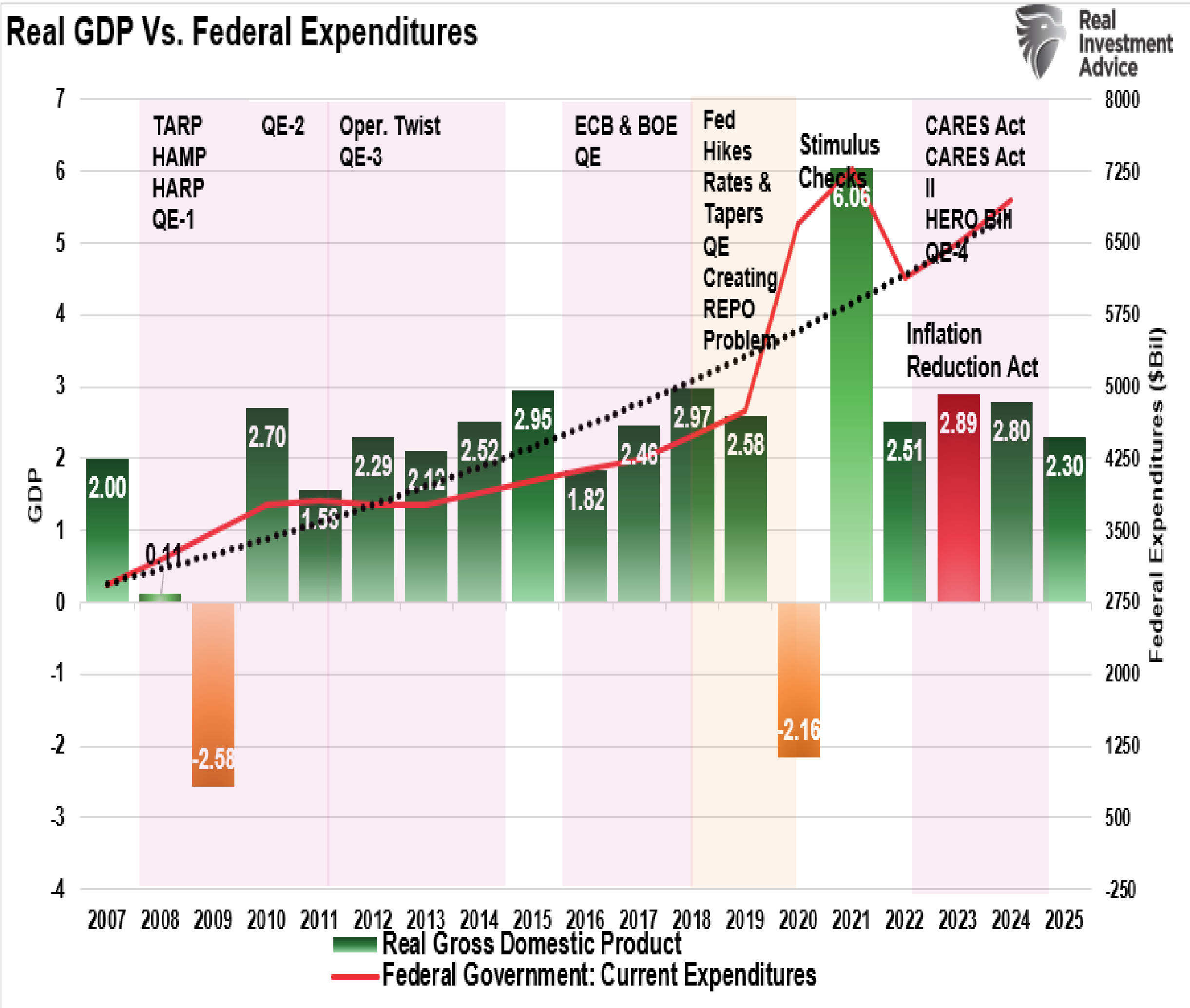
Adding to that analysis, the economically weighted ISM composite index is also in expansionary territory, suggesting no current risk of recession.&#2013266080;[***This composite index (80% service / 20% manufacturing)***]&#2013266080;is why we wrote that there was no recession risk in 2023 or 2024 despite inverted yield curves.



Lastly, Government spending remains robust, which fuels economic growth. While the current Administration is looking to cut spending and reduce the deficit, which would weaken economic growth rates, they are making very little headway.



Furthermore, despite the hopes that DOGE would cut Federal spending, it has only returned to the post-financial crisis exponential growth trend as the Government continues to use ?Continuing Resolutions? to fund the Government. These resolutions automatically increase government spending by 8% annually. In other words, spending doubles every nine years, so debt levels continue to rise, feeding into economic growth rates.



Conclusion: Staying Grounded Amid Market Volatility

While recession probabilities have resurfaced in the headlines following the recent market sell-off, the economic data does not yet support the narrative of an imminent downturn.

As I discussed in&#2013266080;***?The Risk Of Recession Is Not Zero,?***&#2013266080;the government is currently engaged in activities that will impact economic growth. If those actions are combined with those of an already struggling consumer, the risk of recession will undoubtedly increase. Thus, economists are now scrambling to reverse their recession calls.

Historically, recession calls tend to be premature, often relying on lagging indicators that confirm economic contractions only well after they have begun. Current indicators point to a slower economic expansion, not contraction. Although growth is slowing, a slower growth environment does not equate to a recession?a distinction investors must keep in mind.

The more significant concern for markets is the inevitable impact of slowing economic growth on corporate earnings expectations. With analysts projecting continued double-digit earnings growth into 2026, there is an apparent disconnect between these forecasts and the economic reality. History suggests that&#2013266080;**earnings will eventually revert to levels that align with economic activity**, which could lead to further bouts of market volatility.

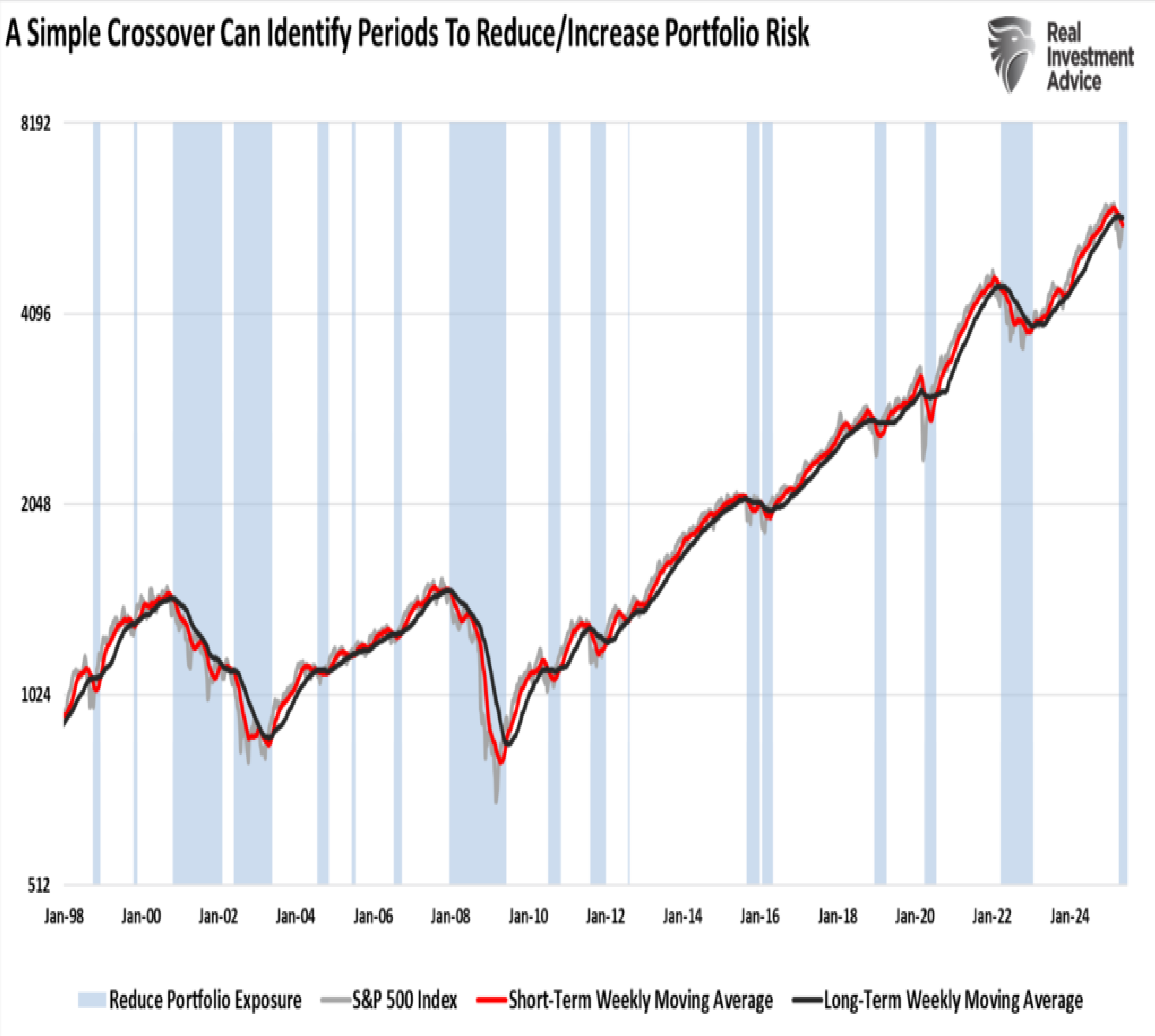
For investors, the key takeaway is to&#2013266080;**stay informed, focus on fundamentals, and avoid being swayed by short-term noise**. While volatility and corrections are natural in market cycles, history shows that panic-driven decisions often lead to missed opportunities. As long as economic indicators remain expansionary, the risk of a recession remains low, though careful monitoring is warranted. Investors should continue to assess their portfolios, manage risk prudently, and position themselves for a gradual slowdown rather than an economic collapse.

How We Are Trading It

As noted last week, we continue to manage our portfolios in a manner that allows us to participate in the market while still hedging against underlying risk. As such, we have started rebalancing risk as necessary and adjusting portfolio holdings to improve relative market performance. Notably, the breadth of the market has improved, but as noted above, the short-term overbought conditions suggest the *?easy money?* has been made. We will wait for corrections to reduce cash balances further and remove portfolio hedges entirely. That is, of course, unless some other unexpected event surfaces that substantially increases market risk.

As noted, while the risk of recession has fallen, recession probabilities are not zero. As we said in ***Friday?s Daily Market Commentary*****:**

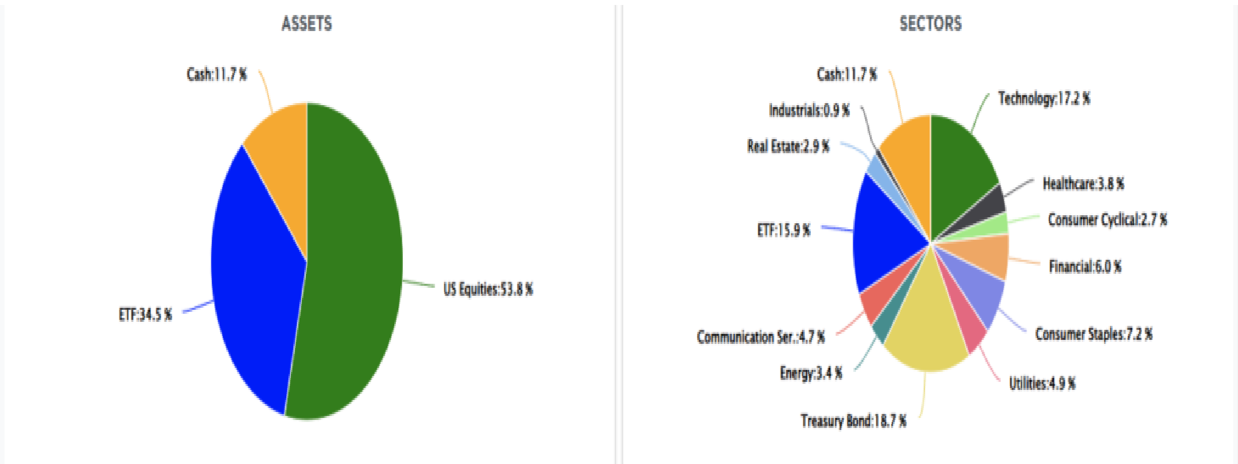
> *?However, patience will likely pay off here. As noted previously, we are still on a weekly sell signal, which has historically led to short-term market underperformance. As shown, previous periods of historical weekly moving average crossovers typically involve a more extended period of consolidation or corrective price actions. The main exception to that rule was 2020, when the Federal Reserve intervened with massive monetary support. With yields rising and the Fed on hold, no excess support is coming into the market other than a surge in corporate buybacks. However, those are due to decline starting next month.?*



Continue to follow the rules and stick to your discipline.&#2013266080;***(Read our article on&#2013266080;[?What Is Risk?](#)&#2013266080;for a complete list of rules)***

Have a great weekend.

(Note: The allocation below contains a 5% short S&P 500 position in the ETF allocation.)



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Research Report

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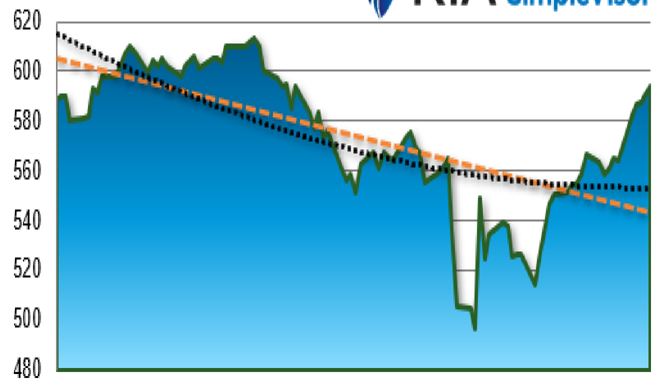


SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	44.84%	12.39%	1.39%	(88.82%)
Max Drawdown	(21.43%)	(21.43%)	(21.43%)	0.00%
Sharpe	0.58	0.51	0.01	(0.99)
Sortino	0.79	0.67	0.01	(0.98)
Volatility	16.46	20.22	28.60	0.41
Daily VaR-5%	(3.48)	(17.47)	(42.31)	1.42
Mnthly VaR-5%	(3.65)	(6.36)	(33.39)	4.25

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.52%	1.32%	1.24%	(6.53%)	1.90%	1.17%	(34.67%)	5.81%
P/E Ratio	19.52	24.29	24.07	(0.94%)	27.48	16.64	(12.4%)	44.61%
P/S Ratio	4.53	5.09	5.40	5.66%	6.13	4.04	(11.91%)	33.55%
P/B Ratio	7.40	7.99	7.91	(1.02%)	8.92	6.29	(11.33%)	25.80%
ROE	25.69%	28.34%	31.94%	11.25%	31.94%	19.38%	0.00%	64.80%
ROA	6.08%	7.09%	8.75%	19.04%	8.75%	4.59%	0.00%	90.87%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	4,999.8	4,945.5	(1.09%)
Sales	118,016	130,306	10.41%
SPS	23.6	26.3	11.63%
Earnings	20,180	26,157	29.62%
EPS TTM	5.2	5.9	13.43%
Dividend	1.6	1.8	10.23%

S&P 500 Asset Allocation

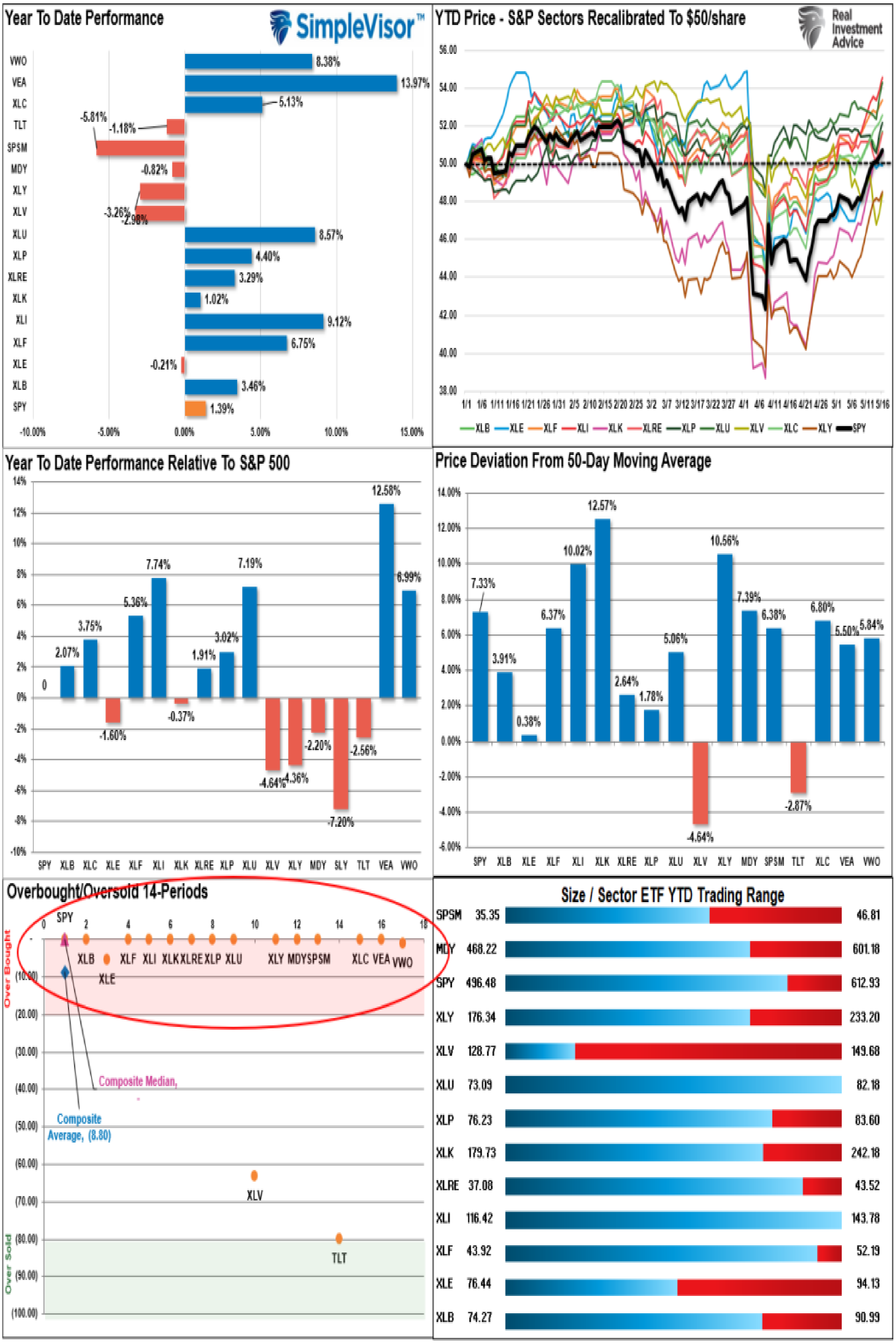
Sector	1 Year Price Return	Weight	Beta	P/E	P/E High-5yr (Mo.)	P/E Low - 5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE
Energy	(7.26%)	3.17%	0.76	15.12	86.48	(331.89)	(82.5%)	12.3%	3.5%	6.88%	5.21	14.45
Materials	(5.92%)	1.92%	1.01	22.48	27.40	11.54	(17.9%)	11.6%	2.0%	4.21%	4.56	19.69
Industrials	14.87%	8.63%	1.13	26.40	48.41	18.52	(45.5%)	26.8%	1.3%	3.83%	6.94	22.02
Discretionary	22.25%	10.83%	1.41	30.37	74.90	27.03	(59.5%)	23.5%	0.7%	3.29%	5.71	26.12
Staples	10.99%	5.66%	0.59	24.09	24.12	19.14	(0.1%)	27.8%	2.3%	4.25%	4.09	22.99
Health Care	(8.87%)	9.37%	0.67	18.08	24.74	14.80	(26.9%)	27.7%	1.9%	5.16%	8.78	17.19
Financials	23.78%	14.25%	1.08	18.68	21.52	13.01	(13.2%)	11.8%	1.4%	5.32%	8.96	16.25
Technology	16.93%	32.08%	1.48	35.76	39.49	20.45	(9.5%)	70.3%	0.6%	2.81%	5.97	26.65
Telecom	10.88%	9.49%	0.93	20.25	28.38	15.43	(28.6%)	30.7%	0.8%	4.54%	7.78	17.30
Utilities	14.55%	2.43%	0.59	19.21	21.42	15.59	(10.3%)	11.3%	2.9%	5.07%	3.82	17.49
Real Estate	9.03%	2.10%	1.01	19.19	26.41	15.65	(27.3%)	5.8%	3.4%	5.27%	4.85	18.37

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	594.20	3.17%	553.18	12	7.42%	576.55	5	3.06%	(4.05%)	(3.10%)	23.33%	Sell
Mid Cap	564.93	3.43%	525.67	11	7.47%	563.79	1	0.20%	(6.76%)	(9.48%)	23.13%	Sell
Small Cap	42.31	0.52%	39.73	7	6.50%	44.10	90	(4.06%)	(9.92%)	(15.43%)	21.62%	Sell

Relative Performance Analysis

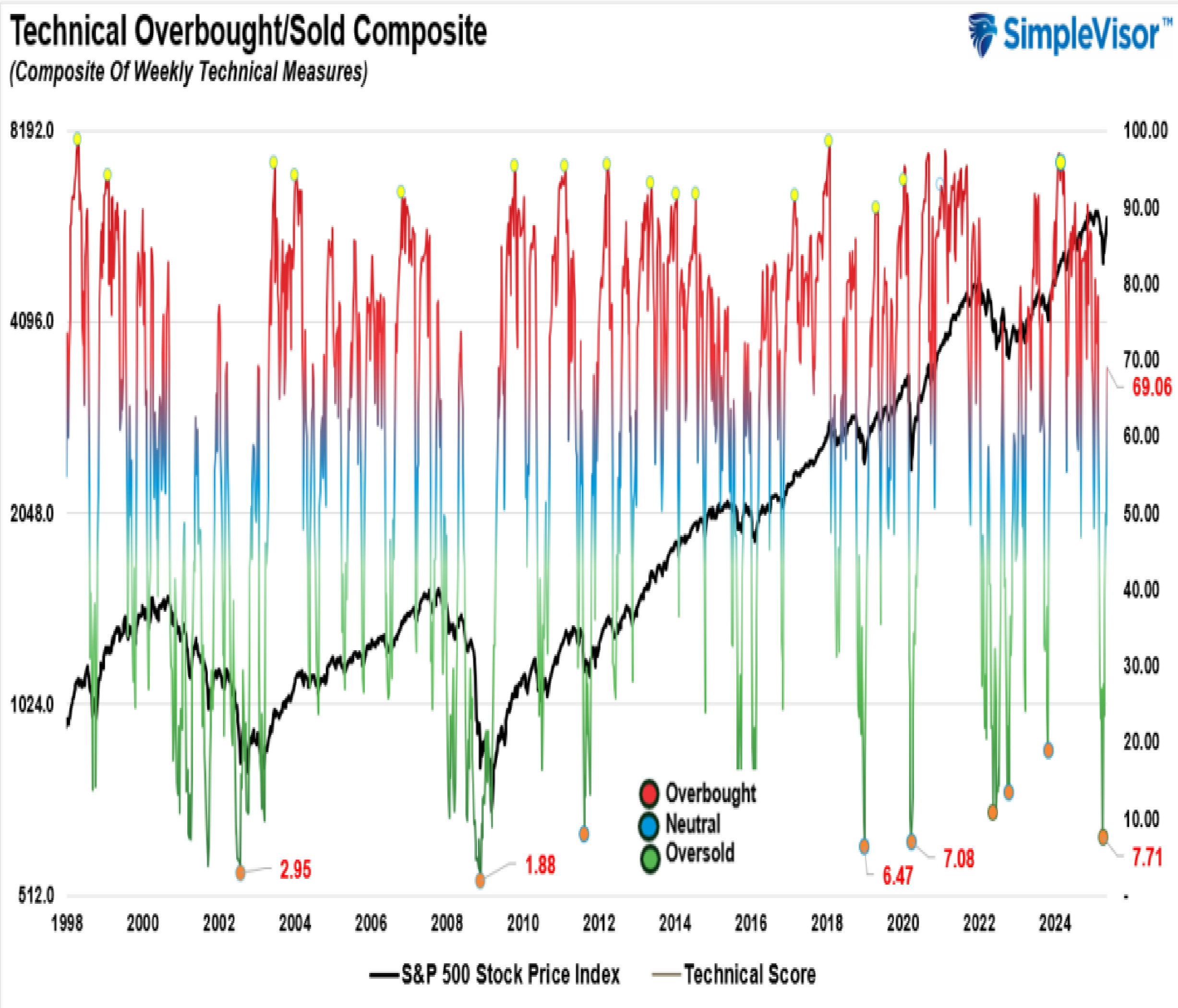
Unsurprisingly, after the pervasive rally over the past week, almost every major market and sector is now extremely overbought. With recession probabilities falling sharply, the rush to regain equity exposure has forced ongoing short-covering. However, it is unlikely the market will be able to push much further without a short-term correction or consolidation to relieve some of that overbought condition. Take some profits, rebalance risks, and look for a pullback to reduce hedges and add exposures.



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;69.06 out of a possible 100.

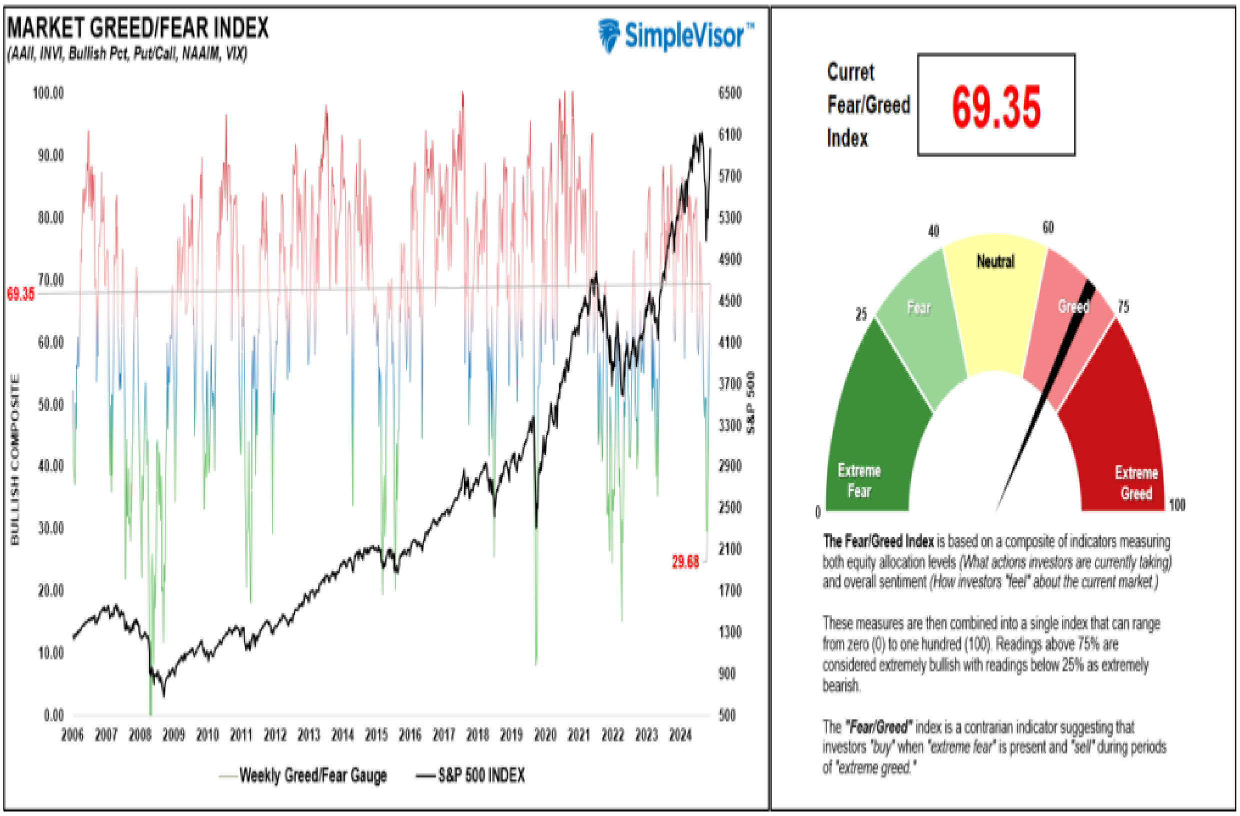


Portfolio Positioning ?Fear / Greed? Gauge

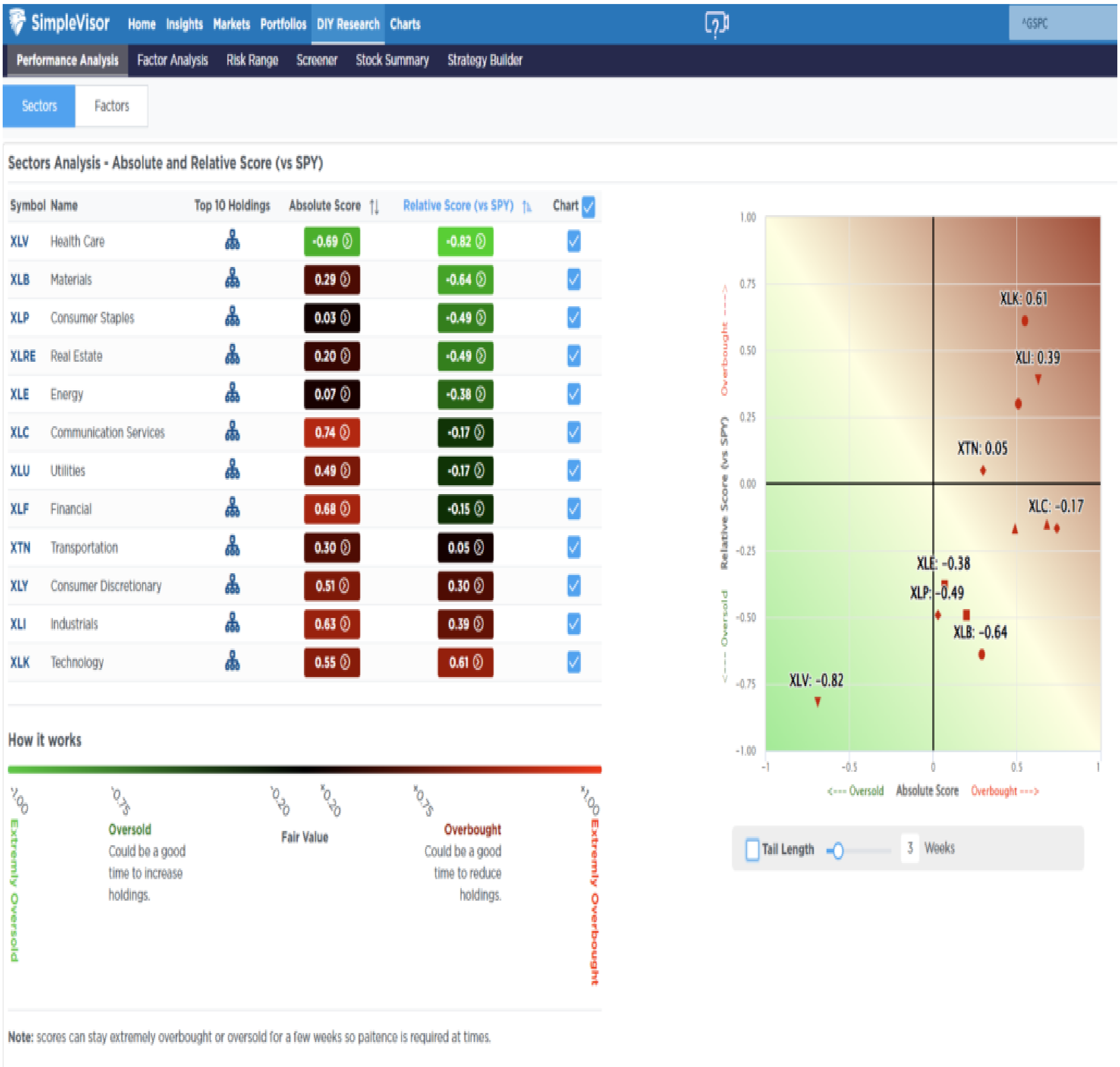
The ?Fear/Greed? gauge is how individual and professional investors are ?positioning? themselves in the market based on their equity exposure. From a contrarian position, the higher the allocation to equities, the more likely the market is to be closer to a correction than not. The gauge uses weekly 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 69.35 out of a possible 100.*



Relative Sector Analysis



Most Oversold Sector Analysis

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.*

The ?relentless rally? continued this past week and has pushed most markets and sectors well above their normal risk ranges. That rally in equities has come at the expense of gold, gold miners, and bonds, which we previously warned would be the case. However, given the more extreme short-term overbought conditions, investors should look for a correction over the next week or two to relieve some of that pressure. However, that dip should likely be bought particularly if supports hold at the 200-DMA.

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	597.04	5.32	12.93	(0.97)	(1.33)	12.20	565.00	582.88	557.96	1.00	571.91	544.01	6%	2%	BEARISH
XLB	SPDR-MATLS SELS	87.05	(2.37)	(5.13)	(0.19)	(6.83)	(17.73)	84.79	88.70	83.89	1.03	86.85	80.93	3%	-2%	BEARISH
XLC	SPDR-COMM SV SS	101.78	(0.59)	(0.11)	(0.24)	4.76	11.01	96.83	96.64	95.44	1.04	98.82	92.06	5%	5%	BULLISH
XLE	SPDR-EGY SELS	85.48	(1.62)	(8.05)	(5.03)	(9.19)	(22.18)	86.11	88.75	80.50	0.77	83.13	77.87	-1%	-4%	BEARISH
XLF	SPDR-FINL SELS	51.59	(1.85)	(2.34)	2.62	1.81	9.22	49.06	48.90	48.76	0.99	50.46	47.06	5%	6%	BULLISH
XLK	SPDR-TECH SELS	234.89	2.63	8.86	0.98	1.82	(1.31)	213.17	225.21	209.97	1.21	217.75	202.19	10%	4%	BEARISH
XLI	SPDR-INDU SELS	143.78	0.32	1.82	7.60	1.18	2.52	131.70	135.14	131.22	1.06	135.89	126.55	9%	6%	BEARISH
XLP	SPDR-CONS STPL	82.07	(3.88)	(12.69)	0.83	(0.05)	(7.26)	80.96	80.62	81.83	0.57	84.35	79.31	1%	2%	BULLISH
XLRE	SPDR-RE SELS	42.01	(4.36)	(9.08)	0.45	(5.32)	(3.81)	41.31	42.15	41.30	0.99	42.74	39.86	2%	0%	BEARISH
XLU	SPDR-UTIL SELS	82.18	(2.90)	(7.26)	3.35	0.42	1.40	78.41	78.70	78.90	0.57	81.32	76.48	5%	4%	BEARISH
XLV	SPDR-HLTH CR	133.09	(5.01)	(14.70)	(8.14)	(8.39)	(21.23)	141.30	144.04	140.47	0.67	144.92	136.02	-6%	-8%	BEARISH
XLY	SPDR-CONS DISCR	217.67	2.22	4.47	0.64	(0.76)	9.61	201.21	211.30	197.26	1.22	204.60	189.92	8%	3%	BEARISH
XTN	SPDR-SP TRANSPT	79.13	1.77	3.79	(5.63)	(15.37)	(12.19)	74.66	82.88	68.85	1.40	71.53	66.17	6%	-5%	BEARISH
SDY	SPDR-SP DIV ETF	136.73	(2.10)	(7.29)	1.11	(3.72)	(8.97)	133.08	135.90	131.04	0.79	135.35	126.73	3%	1%	BEARISH
RSP	INVS-SP5 EQ ETF	179.99	(1.02)	(2.28)	1.06	(2.74)	(5.09)	171.78	176.97	169.14	0.98	175.03	163.25	5%	2%	BEARISH
SPSM	SPDR-PRT SC	42.31	(0.59)	(0.29)	(3.07)	(12.64)	(13.69)	40.66	44.09	39.10	1.07	40.50	37.70	4%	-4%	BEARISH
MDY	SPDR-SP MC 400	564.93	(0.43)	(0.35)	0.69	(6.94)	(9.80)	534.61	565.62	520.80	1.06	539.34	502.26	6%	0%	BEARISH
EEM	ISHARS-EMG MKT	46.26	(2.31)	(2.58)	4.00	8.26	(6.56)	43.76	43.78	43.76	0.62	45.13	42.39	6%	6%	BEARISH
EFA	ISHARS-EAFE	87.24	(3.84)	(5.36)	7.96	11.80	(5.34)	82.67	80.43	84.75	0.84	87.58	81.92	6%	8%	BULLISH
IAU	ISHARS-GOLD TR	60.20	(9.41)	(16.81)	9.65	21.13	19.56	58.66	53.80	62.17	0.13	63.80	60.54	3%	12%	BULLISH
GDX	VANECK-GOLD MNR	46.33	(13.34)	(21.95)	14.52	24.35	13.46	45.36	41.03	49.01	0.56	50.51	47.51	2%	13%	BULLISH
UUP	INVS-DB US$ BU	27.88	(4.52)	(10.81)	(3.16)	(5.27)	(14.58)	28.16	28.95	27.41	(0.23)	28.03	26.79	-1%	-4%	BEARISH
BOND	PIMCO-ACTV BOND	90.78	(5.40)	(12.84)	(0.07)	(0.81)	(12.30)	91.51	91.64	92.03	0.27	94.57	89.49	-1%	-1%	BEARISH
TLT	ISHARS-20+YTB	86.30	(6.18)	(14.34)	(2.73)	(6.84)	(17.77)	89.18	90.28	89.47	0.49	92.15	86.79	-3%	-4%	BEARISH
BNDX	VANGD-TTL INT B	49.07	(5.54)	(13.32)	0.70	(1.60)	(11.50)	48.98	49.43	49.55	0.20	50.89	48.21	0%	-1%	BEARISH
HYG	ISHARS-IBX HYCB	79.42	(4.21)	(10.81)	0.68	0.55	(9.43)	78.71	79.15	78.60	0.41	80.89	76.31	1%	0%	BEARISH

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*
- *Technical Strength W/ Dividends*

(Click Images To Enlarge)

RSI Screen

Strongest S&P 20 Relative Strength

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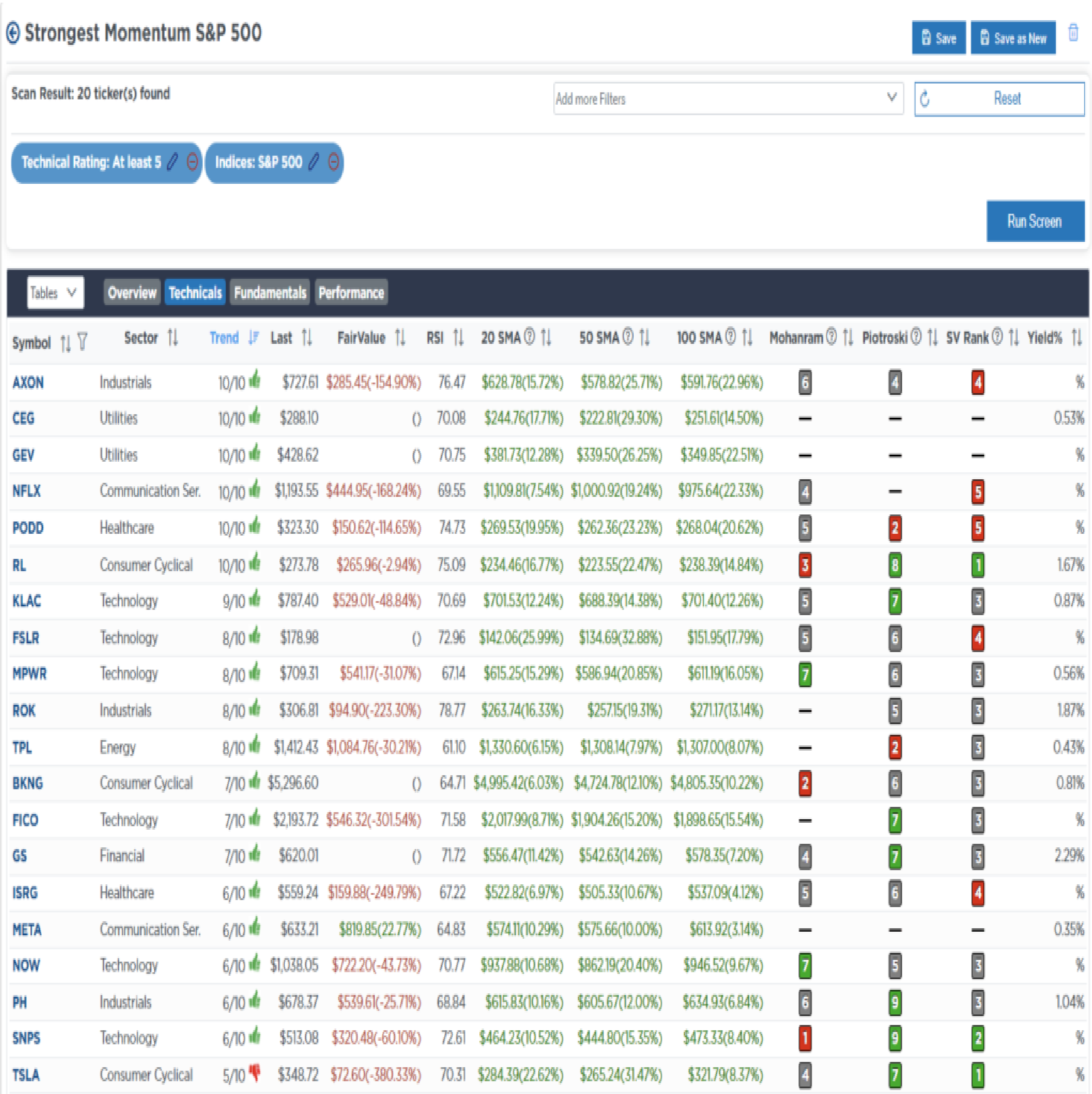
Technical Rating: At least 8 | Indices: S&P 500

Run Screen

Tables | Overview | Technicals | Fundamentals | Performance

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
BA	Industrials	10/10	$205.91	$24.31(-747.02%)	78.38	$184.18(11.80%)	$170.75(20.59%)	$173.42(18.73%)	3	4	4	%
DLTR	Consumer Staples	10/10	$86.58	$90.05(3.85%)	63.32	$83.25(4.00%)	$75.03(15.39%)	$74.12(16.81%)	3	6	3	%
GE	Industrials	10/10	$230.24	$117.58(-95.82%)	78.41	$205.16(12.22%)	$198.25(16.14%)	$194.56(18.34%)	1	5	5	0.62%
HWM	Industrials	10/10	$162.08	$67.35(-140.65%)	77.48	$144.92(11.84%)	$134.23(20.75%)	$128.89(25.75%)	1	7	3	0.32%
JBL	Technology	10/10	$166.63	$152.35(-9.37%)	75.27	$149.54(11.43%)	$141.06(18.12%)	$149.39(11.54%)	5	8	3	0.26%
MOS	Materials	10/10	$34.94	()	80.41	$30.63(14.07%)	$27.86(25.41%)	$26.84(30.18%)	5	9	2	3.14%
NFLX	Communication Ser.	10/10	$1,193.55	$444.95(-168.24%)	69.55	$1,109.81(7.54%)	$1,000.92(19.24%)	$975.64(22.33%)	4	—	5	%
NRG	Utilities	10/10	$156.71	()	82.97	$118.59(32.14%)	$104.17(50.43%)	$102.97(52.19%)	4	6	3	1.83%
PLTR	Technology	10/10	$128.62	$17.10(-652.13%)	65.59	$113.70(13.12%)	$97.25(32.25%)	$92.13(39.60%)	—	1	3	%
PM	Consumer Staples	10/10	$169.39	$113.87(-48.76%)	56.79	$168.79(0.36%)	$159.61(6.13%)	$146.36(15.74%)	1	8	3	4.07%
RL	Consumer Cyclical	10/10	$273.78	$265.96(-2.94%)	75.09	$234.46(16.77%)	$223.55(22.47%)	$238.39(14.84%)	3	8	1	1.67%
SMCI	Technology	10/10	$45.54	()	66.65	$34.57(31.72%)	$35.82(27.12%)	$36.24(25.65%)	3	4	—	%
TPR	Consumer Cyclical	10/10	$82.90	$68.22(-21.52%)	76.72	$72.92(13.69%)	$70.98(16.79%)	$73.03(13.51%)	—	8	2	3.15%
UBER	Technology	10/10	$92.76	()	69.40	$81.83(13.36%)	$76.14(21.83%)	$72.96(27.14%)	2	3	3	%
VRSN	Technology	10/10	$282.05	$152.44(-85.02%)	64.30	$272.43(3.53%)	$255.45(10.41%)	$236.48(19.27%)	4	7	—	%
DE	Industrials	9/10	$528.90	$376.84(-40.35%)	71.05	$474.71(11.42%)	$470.03(12.52%)	$463.88(14.02%)	0	6	3	1.43%
DRI	Consumer Cyclical	9/10	$210.53	$238.99(11.91%)	63.03	$201.33(4.57%)	$198.51(6.06%)	$194.44(8.28%)	4	9	3	3.44%
KLAC	Technology	9/10	$787.40	$529.01(-48.84%)	70.69	$701.53(12.24%)	$688.39(14.38%)	$701.40(12.26%)	5	7	3	0.87%
APTV	Consumer Cyclical	8/10	$67.82	()	71.34	$58.92(15.11%)	$58.99(14.97%)	$60.91(11.34%)	5	7	3	%
AVGO	Technology	8/10	$229.53	$177.95(-28.98%)	75.65	$199.08(15.29%)	$187.13(22.66%)	$205.28(11.81%)	3	8	2	1.24%

Momentum Screen



Strongest Momentum S&P 500

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Technical Rating: At least 5 | Indices: S&P 500

Run Screen

Tables | Overview | Technicals | Fundamentals | Performance

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
AXON	Industrials	10/10	$727.61	$285.45(-154.90%)	76.47	$628.78(15.72%)	$578.82(25.71%)	$591.76(22.96%)	6	4	4	%
CEG	Utilities	10/10	$288.10	()	70.08	$244.76(17.71%)	$222.81(29.30%)	$251.61(14.50%)	–	–	–	0.53%
GEV	Utilities	10/10	$428.62	()	70.75	$381.73(12.28%)	$339.50(26.25%)	$349.85(22.51%)	–	–	–	%
NFLX	Communication Ser.	10/10	$1,193.55	$444.95(-168.24%)	69.55	$1,109.81(7.54%)	$1,000.92(19.24%)	$975.64(22.33%)	4	–	5	%
PODD	Healthcare	10/10	$323.30	$150.62(-114.65%)	74.73	$269.53(19.95%)	$262.36(23.23%)	$268.04(20.62%)	5	2	5	%
RL	Consumer Cyclical	10/10	$273.78	$265.96(-2.94%)	75.09	$234.46(16.77%)	$223.55(22.47%)	$238.39(14.84%)	3	8	1	1.67%
KLAC	Technology	9/10	$787.40	$529.01(-48.84%)	70.69	$701.53(12.24%)	$688.39(14.38%)	$701.40(12.26%)	5	7	3	0.87%
FSLR	Technology	8/10	$178.98	()	72.96	$142.06(25.99%)	$134.69(32.88%)	$151.95(17.79%)	5	6	4	%
MPWR	Technology	8/10	$709.31	$541.17(-31.07%)	67.14	$615.25(15.29%)	$586.94(20.85%)	$611.19(16.05%)	7	6	3	0.56%
ROK	Industrials	8/10	$306.81	$94.90(-223.30%)	78.77	$263.74(16.33%)	$257.15(19.31%)	$271.17(13.14%)	–	5	3	1.87%
TPL	Energy	8/10	$1,412.43	$1,084.76(-30.21%)	61.10	$1,330.60(6.15%)	$1,308.14(7.97%)	$1,307.00(8.07%)	–	2	3	0.43%
BKNG	Consumer Cyclical	7/10	$5,296.60	()	64.71	$4,995.42(6.03%)	$4,724.78(12.10%)	$4,805.35(10.22%)	2	6	3	0.81%
FICO	Technology	7/10	$2,193.72	$546.32(-301.54%)	71.58	$2,017.99(8.71%)	$1,904.26(15.20%)	$1,898.65(15.54%)	–	7	3	%
GS	Financial	7/10	$620.01	()	71.72	$556.47(11.42%)	$542.63(14.26%)	$578.35(7.20%)	4	7	3	2.29%
ISRG	Healthcare	6/10	$559.24	$159.88(-249.79%)	67.22	$522.82(6.97%)	$505.33(10.67%)	$537.09(4.12%)	5	6	4	%
META	Communication Ser.	6/10	$633.21	$819.85(22.77%)	64.83	$574.11(10.29%)	$575.66(10.00%)	$613.92(3.14%)	–	–	–	0.35%
NOW	Technology	6/10	$1,038.05	$722.20(-43.73%)	70.77	$937.88(10.68%)	$862.19(20.40%)	$946.52(9.67%)	7	5	3	%
PH	Industrials	6/10	$678.37	$539.61(-25.71%)	68.84	$615.83(10.16%)	$605.67(12.00%)	$634.93(6.84%)	6	9	3	1.04%
SNPS	Technology	6/10	$513.08	$320.48(-60.10%)	72.61	$464.23(10.52%)	$444.80(15.35%)	$473.33(8.40%)	1	9	2	%
TSLA	Consumer Cyclical	5/10	$348.72	$72.60(-380.33%)	70.31	$284.39(22.62%)	$265.24(31.47%)	$321.79(8.37%)	4	7	1	%

Technically Strong With Dividends

Technically Strong + Dividends

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Technical Rating: At least 7 | Sectors: | Assets: | Piotroski Score: At least 7 | P/S (TTM): Meduim (1 to 10) | Dividend Yield: Between 2 % - 100 % | Market Cap: Between 50 B - 5000 B

Run Screen

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Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
PM	Consumer Staples	10/10	$169.39	$113.87(-48.76%)	56.79	$168.79(0.36%)	$159.61(6.13%)	$146.36(15.74%)	1	8	3	4.07%
SAN	Financial	10/10	$7.73	()	70.35	$7.22(7.06%)	$6.86(12.68%)	$6.08(27.14%)	4	7	4	4.47%
IBM	Technology	9/10	$265.06	$125.76(-110.77%)	67.84	$245.63(7.91%)	$244.72(8.31%)	$241.57(9.72%)	5	7	4	3.06%
CSCO	Technology	8/10	$63.41	$41.72(-51.98%)	73.77	$58.49(8.40%)	$59.11(7.27%)	$60.17(5.38%)	1	7	3	2.86%
DTEGY	Communication Ser.	8/10	$36.76	()	53.90	$36.03(2.03%)	$36.20(1.55%)	$34.57(6.33%)	3	7	3	2.70%
NEM	Materials	8/10	$49.87	()	44.63	$52.91(-5.75%)	$49.83(0.08%)	$45.81(8.86%)	–	7	3	2.03%
T	Communication Ser.	8/10	$27.64	$24.80(-11.43%)	51.46	$27.29(1.26%)	$27.03(2.24%)	$25.40(8.80%)	1	7	3	5.00%
TD	Financial	8/10	$64.32	()	70.92	$62.98(2.13%)	$60.63(6.09%)	$58.74(9.50%)	4	7	3	5.22%
C	Financial	7/10	$75.57	$58.11(-30.04%)	69.08	$69.54(8.66%)	$68.38(10.51%)	$72.71(3.93%)	5	7	3	3.46%
GS	Financial	7/10	$620.01	()	71.72	$556.47(11.42%)	$542.63(14.26%)	$578.35(7.20%)	4	7	3	2.29%
KO	Consumer Staples	7/10	$71.60	$27.46(-160.74%)	52.74	$71.69(-0.13%)	$70.89(1.00%)	$67.90(5.45%)	5	7	2	2.88%
MMM	Industrials	7/10	$151.83	$37.12(-309.02%)	60.68	$139.95(8.49%)	$142.39(6.63%)	$142.51(6.54%)	–	7	3	2.21%
PAYX	Industrials	7/10	$155.26	$102.58(-51.35%)	65.10	$147.56(5.21%)	$147.60(5.19%)	$146.58(5.92%)	5	8	2	2.77%
RTX	Industrials	7/10	$135.15	$69.93(-93.26%)	64.76	$126.98(6.43%)	$128.63(5.07%)	$125.74(7.48%)	1	7	4	2.01%

SimpleVisor Portfolio Changes

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

May 15th

This morning, we took some profits in our energy positions, coinciding with the crude oil price bump. Our concern is that oil prices will&#2013266080;head back lower due to&#2013266080;*?drill baby drill?&#2013266080;*policies, OPEC policies, and a weakening economy. While we reduced the total energy exposure, we did add to OKE (up to 2%), as it is a natural gas pipeline company and less impacted by lower crude prices. We added a 1% position in AMLP, an ETF holding pipeline stocks. It pays a nearly 8% dividend. While we prefer OKE, it does help align the exposure in the sector model more closely with the equity model.

Equity Model

- *Sell 100% of XOM and FANG*
- *Increase OKE to 2% of the portfolio.*

ETF Model

- *Sell 100% of iShares Energy ETF (XLE)*

- *Add 1% of the portfolio to AMLP*

May 16th

In early April, we reduced our exposure to healthcare stocks as the threat of tariffs loomed large. With that threat largely mitigated, and the recent executive order on drug pricing being more ?bark than bite,? we are starting to rebuild our positions at better prices. Today, we are increasing our current exposure in AbbVie (ABBV) and Eli Lilly (LLY) in the equity model, and adding to the iShares Healthcare Sector (XLV) in the ETF model.

Equity Model

- *Increase ABBV to 3.5% of the portfolio and LLY to 2.5%.*

ETF Model

- *Increase XLV to 7% of the portfolio.*

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