

The Narratives Change. Markets Don't.

Inside This Week's Bull Bear Report

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A Successful Test

[Last week](#), we discussed how this seems to be an *unstoppable* bull market. However, that doesn't mean markets won't pause before attempting to move higher. As we noted last week, the consolidation was expected.

Even with Bessent's comments, that market remains overbought in the short term, and a further consolidation process is likely to occur next week. At the end of this week, we removed our short-market hedge, added to bonds, and reduced equity exposure. If the market is going to consolidate, we can allow cash to act as the primary hedge. However, if the 200-DMA is violated, the 50-DMA will become the next critical support. From a bullish perspective, the 20 and 50-DMAs are now sloping positively, which should provide rising support levels. Overall, we suspect that the market will stabilize. Of course, there are always risks to be aware of, so increased cash levels are essential now.

Most notably, this past week was the successful test of the 200-DMA. The pullback to that previous broken resistance level and subsequent bounce highly suggests that the April correction is complete and that market control returns to the Bulls. As such, there is very little resistance between current levels and all-time highs. However, as noted last week, with the markets still overbought on a momentum basis, further consolidation will be unsurprising before an advance to new highs occurs. With the MACD sell signal triggered and money flows declining, another test of the 200-DMA next week would be unsurprising.

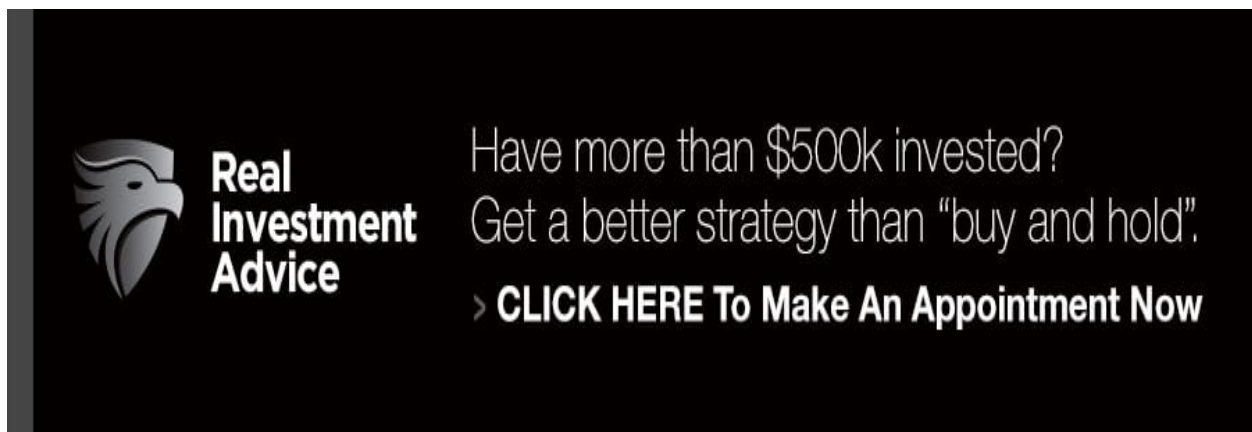


Interestingly, the old saying "April Showers Bring May Flowers" seems apropos, as the tariff-driven sell-off in April sprouted a very strong May advance. Notably, the S&P 500 had its best month of May since 1990.

That said, investors must be most careful of *market narratives*. These narratives can potentially be far more harmful than helpful to investors who get swept up in the emotions generated by headline-grabbing rationalizations. Such is the topic for this week's **#BullBearReport**.

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A black banner with white text and a logo. On the left is a stylized eagle head logo. To its right, the text reads "Real Investment Advice". Further right, the text asks "Have more than \$500k invested? Get a better strategy than 'buy and hold'." Below this, a call to action says "> CLICK HERE To Make An Appointment Now".

 **Real Investment Advice**

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The Psychology Of The Narrative

How fast market narratives change to fit a particular position is always interesting. This is particularly true for podcasts and media outlets that depend on a *bearish* take to sell gold or to get clicks and views. For example, I googled interest rates and here is what I got:

- *The Treasury Market Is On The Brink Of Collapse.*
- *US Economy Implodes: Bond Markets Panic*
- *Bond Vigilantes Voting Early.*
- *US Risks ?Financial Disaster?*

You get the idea, it's all bad. Or, at least that is the narrative right now.

So, why is the narrative so important to investors? Because we are humans.

As humans, we inherently seek structure through rules, routines, and frameworks in nearly every domain of life. This craving for predictability offers a sense of control and security. Whether dieting, learning, or investing, we often believe that following the *right* system will produce the desired result.

Humans have an innate need to impose order on the chaos surrounding them. Nowhere is this more evident than in the stock market, where investors relentlessly seek patterns, explanations, and narratives to rationalize why markets rise and fall. It's a fascinating dance between logic and emotion, predictability and randomness.

The stock market is a complex, ever-changing system driven by countless factors—corporate earnings, geopolitical events, interest rates, technological innovations, and, **most critically, mass psychology**. And yet, when faced with this

swirling unpredictability, we instinctively reach for stories. Here is a good example. **Headlines declare that stocks are rising because of strong GDP growth. That makes sense until you see a headline that states stocks are falling because of strong GDP growth, which might spark inflation.**

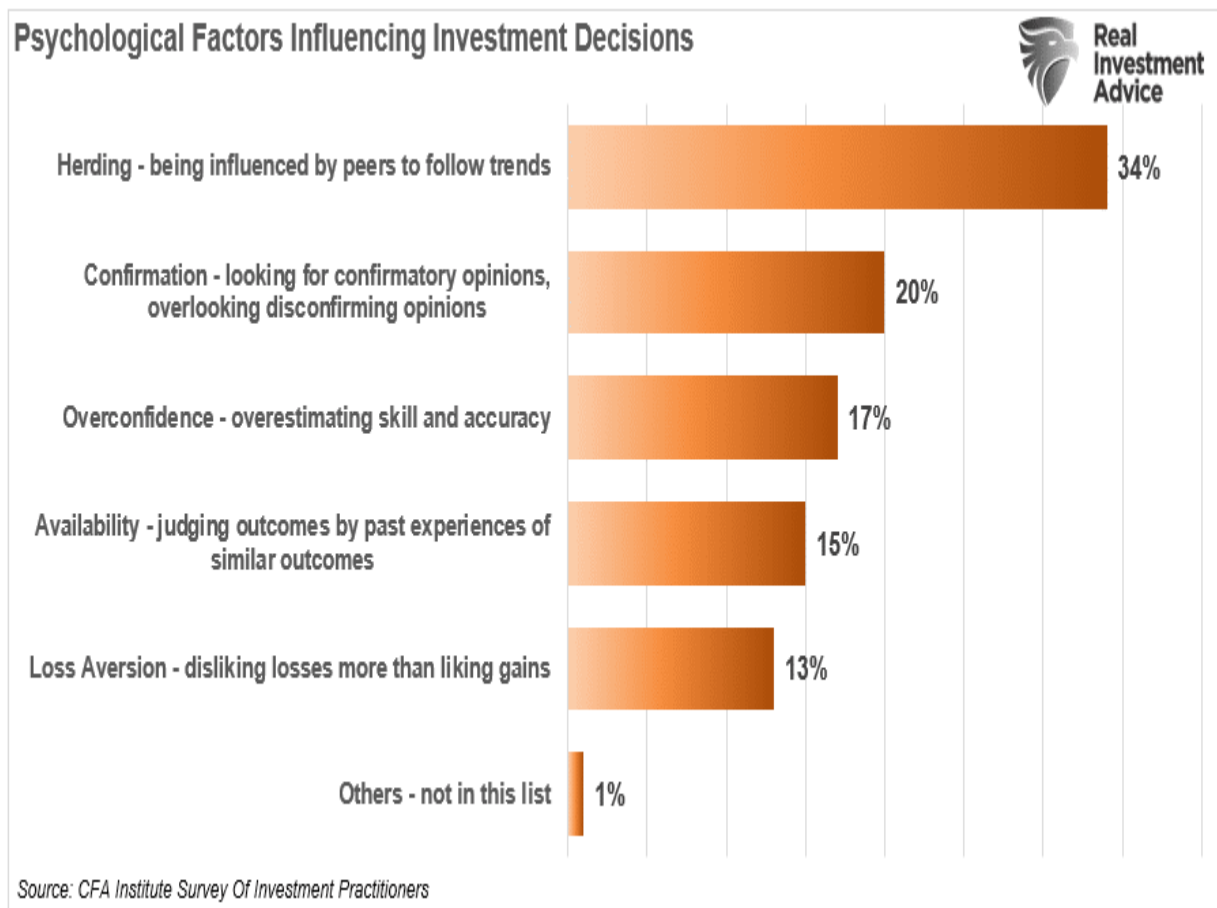
They both can not be correct. However, analysts point to one data point, and we latch onto it, even though the narrative might flip tomorrow.

Why Bearish Narratives Hold More Power

The need for a narrative is deeply rooted in our psychology. As pattern-seeking creatures, we crave coherence and predictability. Chaos triggers anxiety. It feels dangerous, uncontrollable, and unsettling. In investing, this anxiety is magnified by the direct impact on our wealth and financial security. **We regain a semblance of control by latching onto the narrative, no matter how tenuous.** The narrative tells us why things are happening and what might happen next, which soothes our natural fear of uncertainty.

When this need for control is combined with our behavioral bias of [loss avoidance](#), it is more evident why bearish narratives tend to be more popular than bullish ones. Why is [loss avoidance](#) crucial to understand?

Loss aversion is a tendency in behavioral finance where investors are so fearful of losses that they focus on trying to avoid a loss more so than on making gains. The more one experiences losses, the more likely they are to become prone to loss aversion.
Corporate Finance Institute



The reality is that humans are hardwired to prioritize **negative information** over optimistic information. From an evolutionary perspective, this bias was essential. Our ancestors learned to recognize threats (*like predators*) to survive. **This instinct, known as *negativity bias*, influences how we process information, including financial news and market narratives.** Such is why *bearish* leaning podcasts and articles generate the most clicks and views.

- **Fear Is a Stronger Motivator Than Greed** ? *While the hope of making money drives investors, the **fear of losing money is far more powerful.***
- **Bearish Narratives Seem More *Rational*** ? *Pessimism often feels safer and more cautious. During volatile markets, a bearish forecast can sound more analytical and responsible.*
- **Media Amplifies Negative Headlines** ? *News outlets know that fear sells. Sensational headlines like *MARKETS IN TURMOIL* or *CRASH COMING* generate clicks and engagement.*
- **Herd Behavior and Echo Chambers** ? *When markets are shaky, investors flock to bearish opinions for validation. If others are cautious or fearful, it reinforces the idea that a downturn is imminent, even if underlying fundamentals remain sound. Social media and financial news create echo chambers that amplify these fears.*

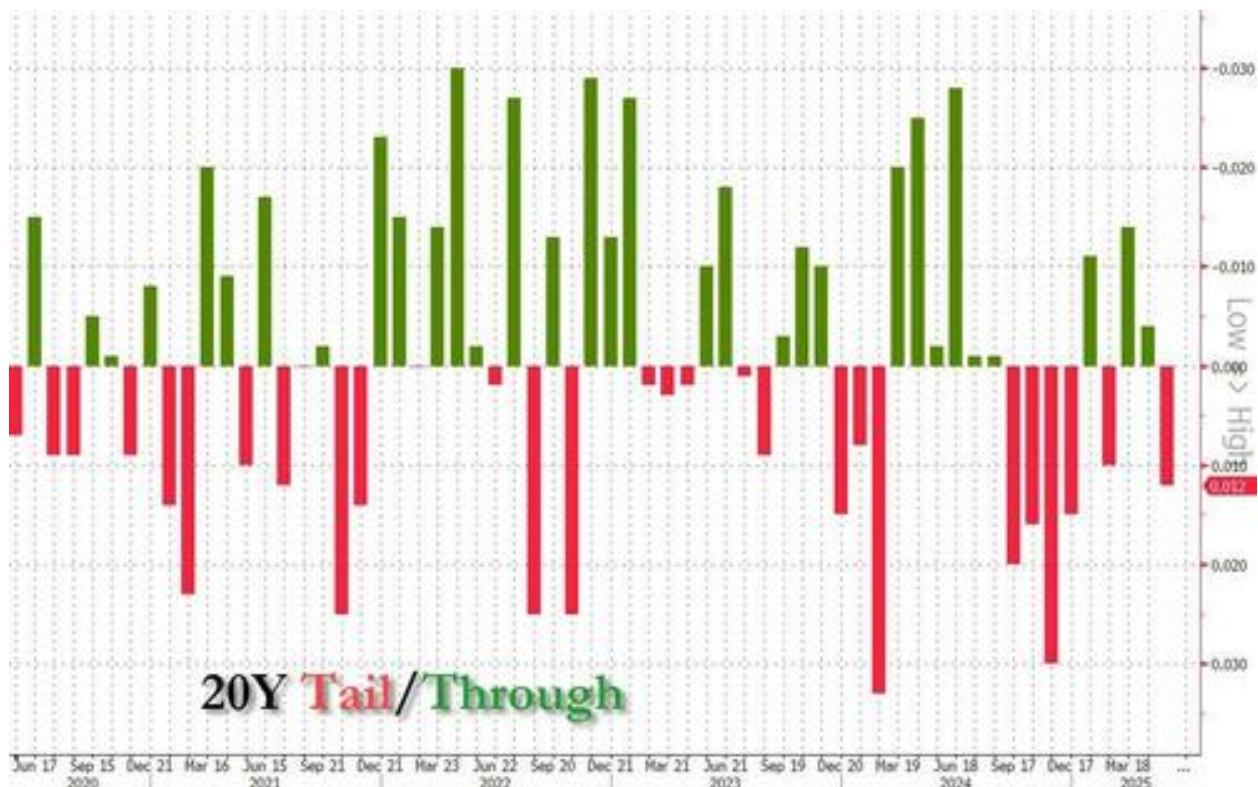
The Bond Auction Example

Here is a good example of narrative driving markets.

Recently, interest rates ticked up after headlines rang out that the 20-year bond auction was horrific, signaling that the U.S. debt market is on the verge of collapse. As [Michael Lebowitz](#) [noted](#) this past week:

*The bearish narratives were in overdrive after the Moody's credit downgrade and the larger-than-expected *Big Beautiful* government spending bill. But narratives always need to be fed. The bearish bond narrative ate on May 21, 2025, with a Treasury 20-year auction deemed *terrible* and *horrible* by some pundits. Some interpreted the auction as an obvious sign that the Treasury was struggling to fund itself.*

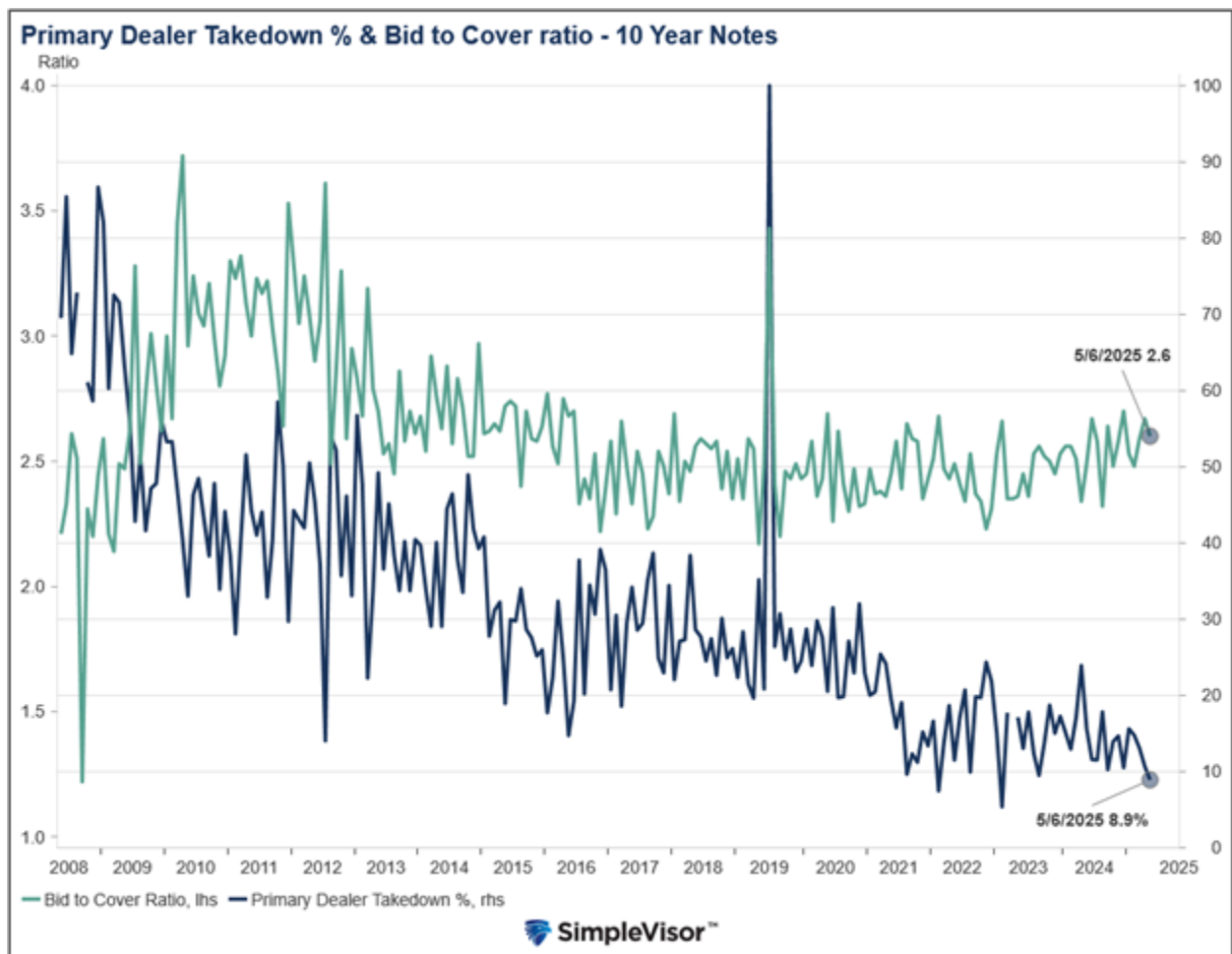
*Some fear-mongers pointed out the *large* auction tail. The tail is the difference between the auction yield and the yield before the auction. A large tail can mean insufficient demand for the auctioned bonds. As the graph below shows, the recent red tail is not that abnormal. Moreover, the size of the tail is volatile in both directions. This is partly because the 20-year bond is not as widely regarded as a market benchmark as other maturities.*



The headlines were rampant that this *terrible, horrific* auction resulted from no one wanting to own U.S. Treasuries. However, that wasn't true, as *indirect buyers* were allotted 82% of the auction bonds. **These are primarily foreign central banks. So, foreign demand was strong despite the anti-dollar narrative claiming that central banks are selling US Treasuries in size.**

However, as Mike notes, just a week earlier, the 10-year auction, which was three times larger than the 20-year auction, was stellar.

Primary dealers (direct bidders), the backstop for Treasury auctions, account for the third-lowest allotment since at least 2008 at 8.9%. This signifies that demand from other sources was robust. Second, there were bids for 2.6x as many bonds as were being auctioned. The average of the last six auctions was 2.4x. Furthermore, the ratio was at the high end of the range of the last ten-plus years.



However, the *bearish media* overlooked the vastly more significant 10-year auction to focus on the 20-year auction, which fits their *narrative*.

So, is the narrative that the *deficit* will cause a debt collapse accurate? Or, is that just the latest *rationalization* to feed our *negativity bias*?

The History Of Rates And Deficits

Yesterday, [I published an in-depth article](#) about Ray Dalio claiming the *deficit has become critical*.

It's like I'm a doctor, and I'm looking at the patient, and I've said, you're having this accumulation, and I can tell you that this is very, very serious, and I can't tell you the exact time. I would say that if we're really looking over the next three years, to give or take a year or two, that we're in that type of a critical, critical situation.

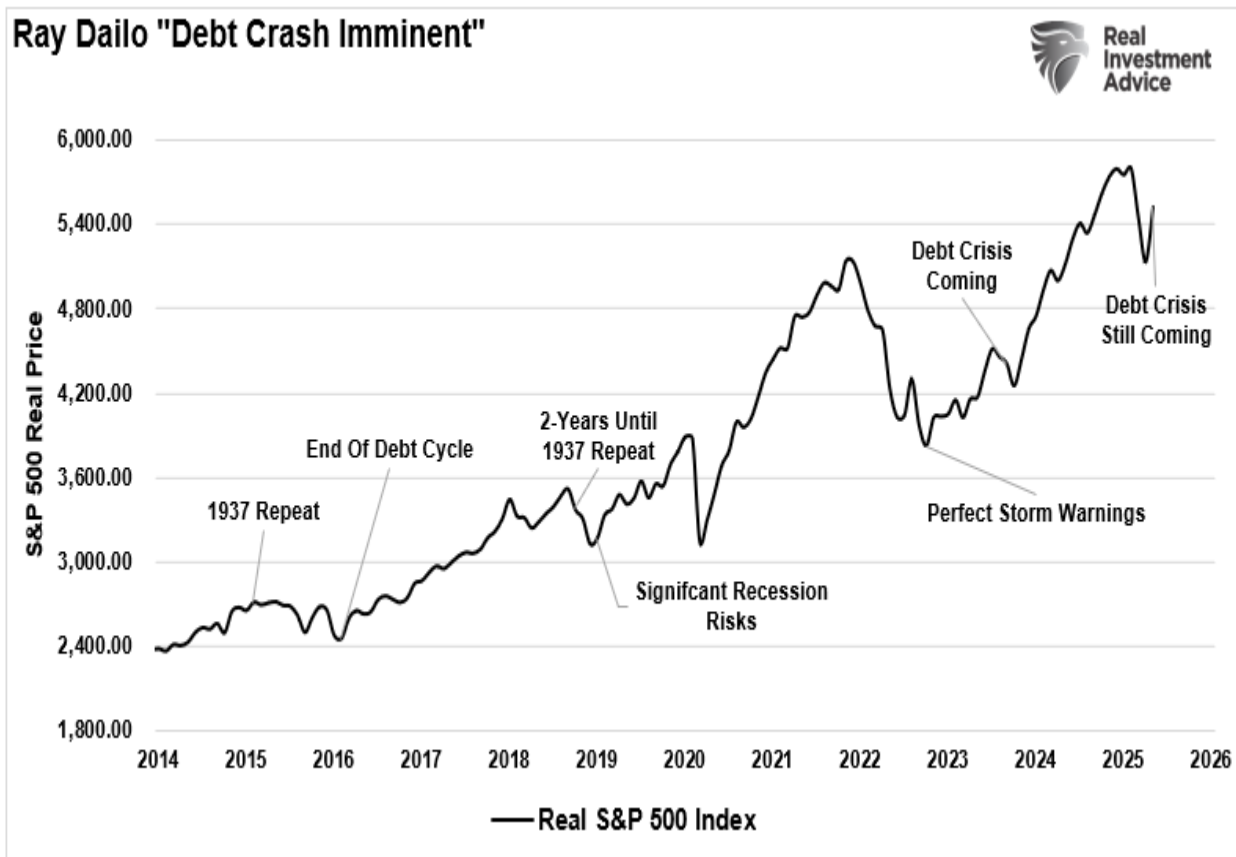
Of course, the narrative would not be complete without a terrifying chart to back it up, like this from Deutsche Bank:

*Here we remind readers, that the Big, Beautiful Bill currently in Congress has been scored to add about \$5 trillion to the debt, **resulting in what we said would be Debt Doomsday for the US**; this is simply a trade-off of short-term prosperity (a few extra trillion in the next 4 years) for long-term economic collapse (that 220% in long term debt.GDP).*

Figure 1: US Federal Debt Held by the Public (% of GDP) plus scenarios with (alternative CBO and Moody's), and without (CBO baseline), tax cut extensions

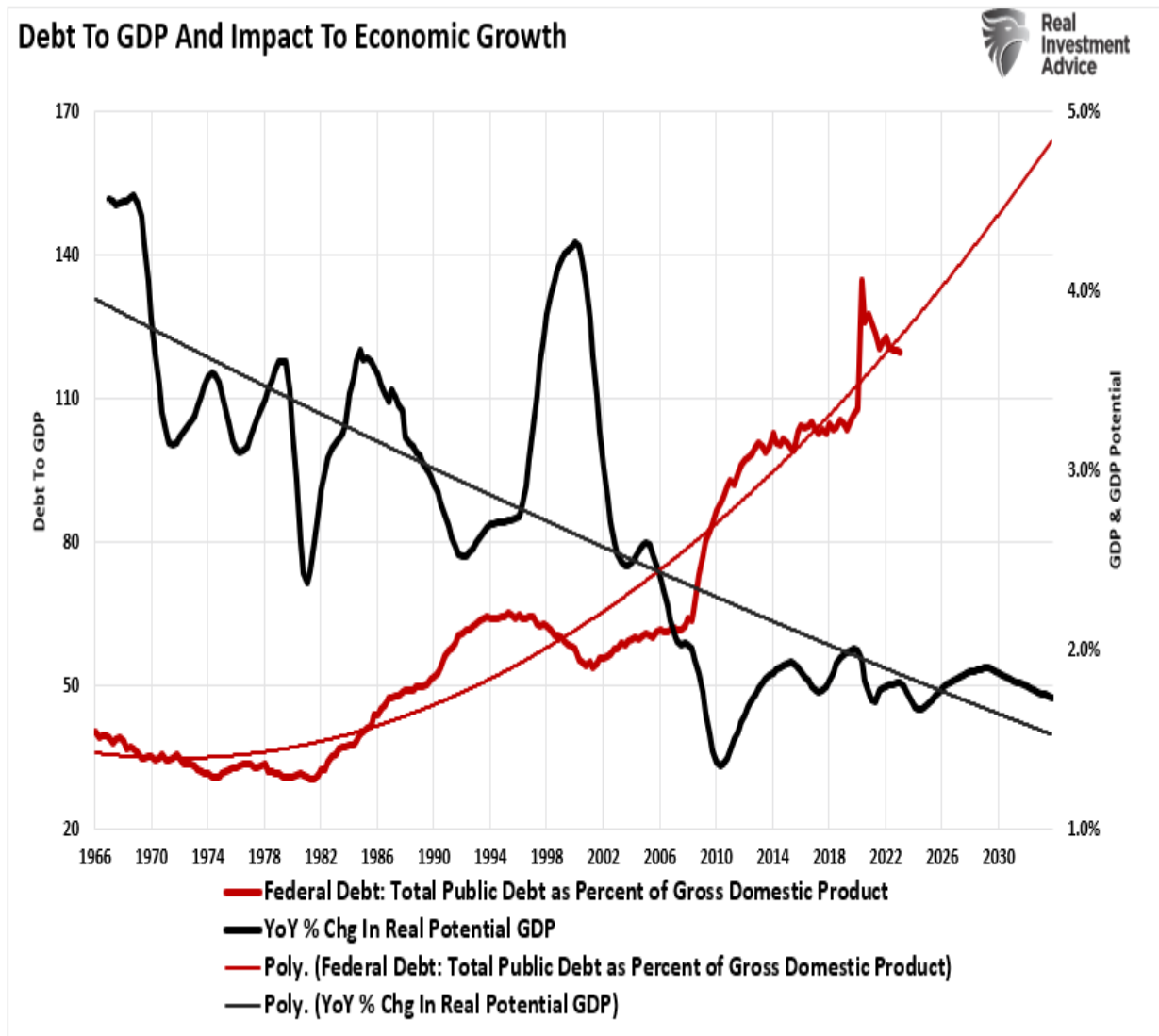


That is indeed scary. But as detailed in that article, he has been predicting this same crisis for more than a decade. For investors who listened to Dalio's predictions of a coming *depression*? a decade ago, they missed participating in one of the most significant bull markets in U.S. history.

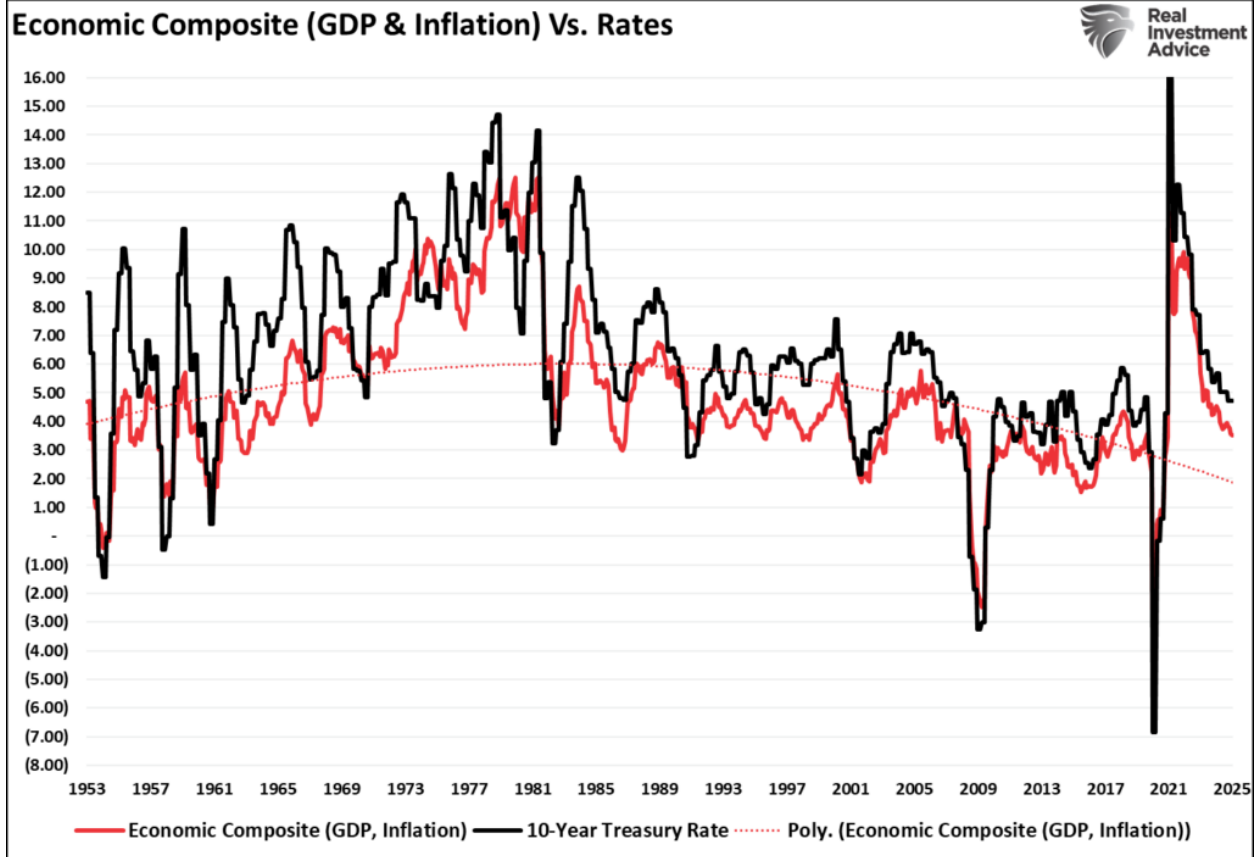


However, the facts show us that **rising debts and deficits lead to lower interest rates, not higher**. The reason is that debt diverts capital from productive uses into debt service. As such, economic growth slows. We can see this visually by comparing the Federal debt as a percentage of GDP to potential economic growth. **Since government spending is primarily non-productive, it should be unsurprising that increases in debt do not foster more**

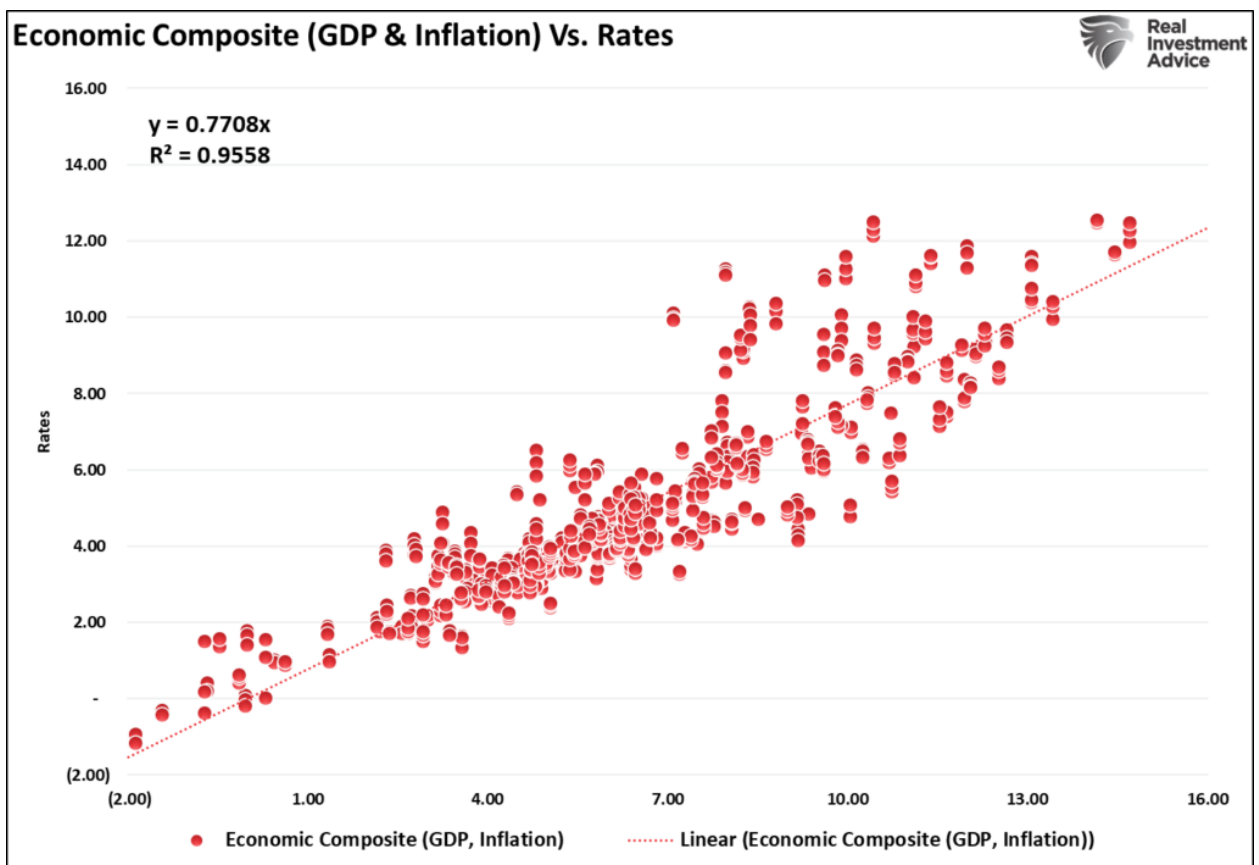
vigorous economic activity.



Where Dalio and other media bears are incorrect in their view is that the recent surge in inflation, and ultimately interest rates, was not a function of organic economic growth. **It was a stimulus-driven surge in the supply/demand equation following the pandemic-driven shutdown.** As those monetary and fiscal inflows reverse, that support is fading. In the future, we must understand the factors that drive rates over time: economic growth, wages, and inflation. Visually, we can create a composite index of GDP and inflation versus interest rates.



Given that interest rates (*return on loaned capital*) are derived from both economic activity (*demand for credit*) and inflation (*future cost*), the high correlation should be unsurprising.

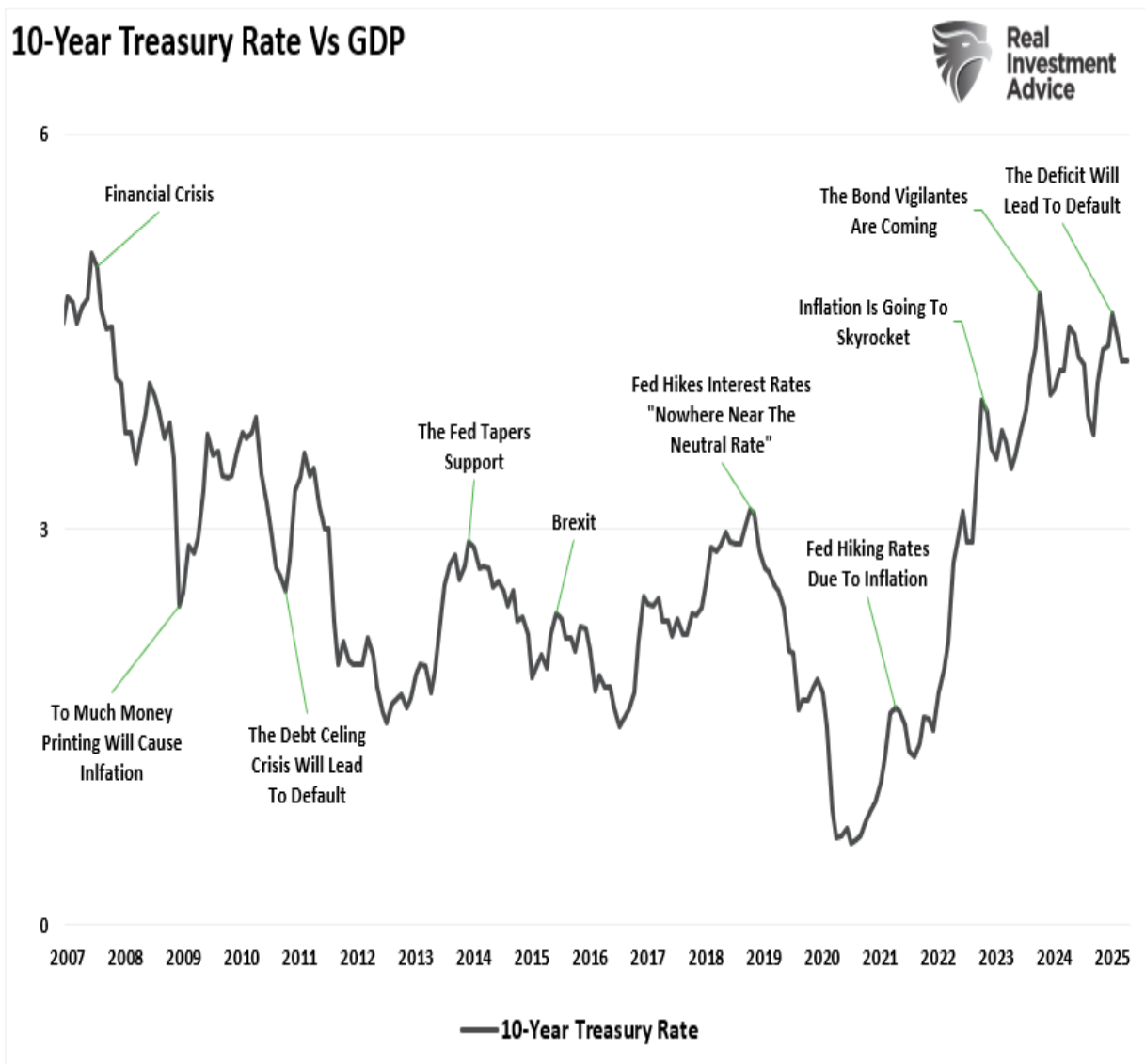


Contrary to the recent barrage of bearish narratives, slowing economic growth lowers inflation (a function of supply and demand) and reduces rates.

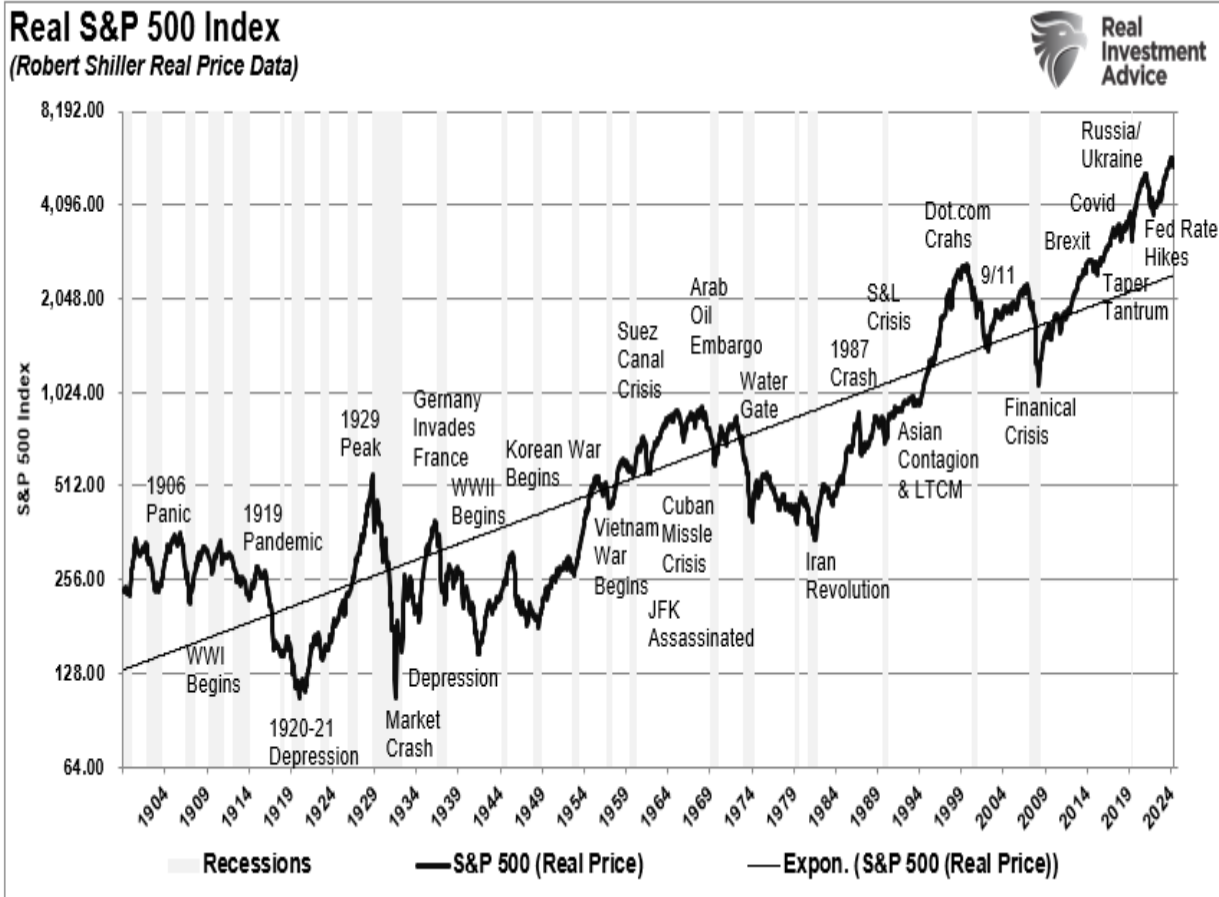
Markets Don't Change

What is most important to investors is that the market absorbs all negative media narratives over the long term. **The recent barrage of negative narratives surrounding debts, deficits, tariffs, inflation, wars, Trump, etc., is all just there to feed your negative bias.** However, zooming out, investors who have stayed away from investing in the financial markets to *avoid the loss* of potential adverse outcomes have paid a dear price in reduced financial wealth.

In other words, **there is always a *reason* not to invest.** However, the current narrative will change, but the market won't. Here is a good example of how narratives change. Since 2007, interest rates have gyrated up and down. Currently, rates are still lower than in 2008, but have risen. What is essential is that each time rates went up, the *narrative* was always different. Yet, the US has been running ever-increasing deficits since 2008, but that was never the narrative until now.



However, when it comes to investing, there have been periods of deep market declines. But those events didn't occur overnight. There were always plenty of warning signs to help investors reduce risk and navigate those periods. However, even those who stayed invested fared far better than those who stayed out of the bull market advances in fear of the subsequent decline.



I am NOT saying you should passively stand there and let an eventual recessionary bear market or financial event wash over you. Investors can, and should, manage portfolio risk and navigate markets during uncertain times. **However, most bearish narratives are like background noise in the investing world.** There will always be a headline or analyst warning you to step aside. Sure, some of those concerns are valid. But reacting emotionally, selling everything, and going to cash often leads to missed opportunities.

Tips For Navigating The Narrative

Here are a few strategies I recommend to help investors **navigate the constant drumbeat of pessimism**:

? 1. Separate Signal from Noise

Bearish narratives are often based on isolated data points taken out of context. Look at the bigger picture:

- *Instead of panicking over an inverted yield curve, examine credit conditions, corporate earnings, and consumer confidence.*
- *If markets correct, assess whether the underlying fundamentals of your investments have truly deteriorated or if it's short-term volatility.*

? 2. Use a Disciplined Risk Management Framework

At RIA, we don't ignore market risks—we manage them. That means:

- *Rebalancing portfolios proactively. If markets have run hot, we trim positions back to targets. If we see opportunity amid panic, we increase exposure.*

- *Setting clear stop-loss levels. This protects gains and limits downside risk without making emotional decisions.*
- *Diversifying across asset classes to smooth returns during volatility.*

? 3. Lean into Value, Quality, and Dividends

When bearish narratives dominate, investors often abandon sound fundamentals. That's when we lean into:

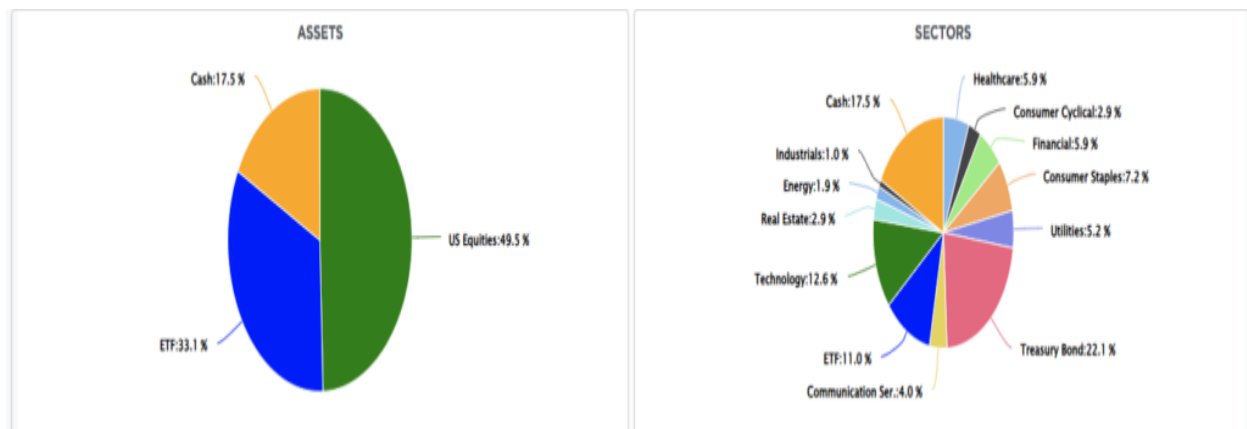
- **Value-oriented stocks** with strong balance sheets and consistent cash flows.
- **Dividend payers** that provide income during market turbulence.
- **Quality companies** that can weather economic downturns better than speculative plays.

?? 4. Remember the Long Game

Bearish narratives may feel urgent, but markets are forward-looking. A well-structured, long-term portfolio can withstand temporary declines. Historically, those who stayed the course during volatility were better positioned for the eventual recovery.

Successful investing is not about beating some arbitrary index. It is about managing risk, preserving capital, and steadily compounding returns toward your goals. Ignore the noise, stay disciplined, and remember: no one hands out prizes for reckless investing's only consequences.

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



[Feel free to reach out](#) if you want to navigate these uncertain waters with expert guidance. Our team specializes in helping clients make informed decisions in today's volatile markets.

Research Report

Ray Dalio Is Predicting A Financial Crisis... Again.



By Lance Roberts | May 30, 2025



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Bull Bear Report Market Statistics & Screens

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

Healthcare					Technology					Consumer Cyclical					Financial				
BIIB	A	MRNA	GILD	INCY	NVDA	FICO	MU	TEL	WDAY	DECK	WYNN	TSLA	LULU	RCL	EG	IVZ	CB	AON	BEN
3.23%	3.21%	3.19%	2.15%	1.83%	3.52%	3.33%	1.27%	1.09%	1.07%	3.16%	1.5%	1.35%	1.14%	1.1%	2.4%	1.28%	1.23%	1.03%	0.85%
VTRS	REGN	ABBV	MDT	AMGN	APH	AVGO	MPWR	ACN	GLW	HAS	NVR	ULTA	SW	AMZN	CFG	CFG	CINF	ACGL	KKR
1.63%	1.61%	1.31%	1.28%	1.23%	0.96%	0.75%	0.64%	0.63%	0.63%	1.04%	0.96%	0.91%	0.78%	0.77%	0.8%	0.76%	0.76%	0.7%	0.69%
GEN	HUM	DVA	SOLV	BAX	CRWD	PANW	CDNS	FIS	FTNT	CZR	LOW	HLT	RL	EXPE	AMP	PGR	MKTX	BX	SCHW
-0.2%	-0.2%	-0.28%	-0.4%	-0.43%	-1.54%	-1.54%	-1.74%	-2.56%	-2.86%	-0.77%	-0.81%	-1.1%	-1.4%	-1.55%	-0.14%	-0.22%	-0.26%	-0.31%	-0.35%
UNH	WST	HSIC	HOLX	DXCM	SNPS	UBER	CRM	ANET	HPQ	AZO	SBUX	DPZ	TPR	BBY	TFC	COF	SYF	GS	PYPL
-0.47%	-0.5%	-0.72%	-1.05%	-2.08%	-3.17%	-4.62%	-5.13%	-5.79%	-7.85%	-1.75%	-1.86%	-2.06%	-2.59%	-7.71%	-0.38%	-0.48%	-0.55%	-0.82%	-0.93%

Consumer Staples					Industrials					Utilities					Materials				
EL	HSY	KDP	KHC	MKC	NDSN	BA	LUV	NSC	UAL	AES	NEE	PEG	FE	D	IFF	VMC	DOW	EMN	PPG
3.58%	3.25%	1.28%	1.28%	1.25%	5.75%	2.86%	2.2%	1.4%	1.17%	3.25%	2.22%	1.34%	1.14%	1.1%	1.06%	1.05%	0.56%	0.48%	0.46%
MDLZ	SJM	LW	TSN	GIS	RTX	MAS	NOC	FDX	CAT	ED	ES	EXC	PCG	EIX	DD	LYB	LIN	SHW	FCX
1.22%	1.21%	0.95%	0.81%	0.79%	1.12%	0.97%	0.84%	0.73%	0.71%	1.05%	1.05%	0.97%	0.95%	0.83%	0.31%	0.3%	0.25%	0.24%	0.23%
MO	COST	ADM	MNST	BG	EFX	J	DE	VRSK	LHX	AWK	SRE	WEC	ATO	NI	ECL	MOS	NEM	MLM	NUE
-0.11%	-0.23%	-0.37%	-0.49%	-0.65%	-0.45%	-0.58%	-0.59%	-0.6%	-0.68%	0.35%	0.31%	0.26%	0.23%	0.18%	0.11%	-0.12%	-0.33%	-0.37%	-0.71%
DG	CAG	PM	TGT	KR	ROP	HII	AXON	FAST	CPRT	CNP	VST	NRG	CEG	GEV	CTVA	APD	STLD	ALB	CF
-0.65%	-0.86%	-0.89%	-1.32%	-1.33%	-0.72%	-0.73%	-0.8%	-0.89%	-1.15%	-0.19%	-1.09%	-1.35%	-1.43%	-2.15%	-0.75%	-0.88%	-1.44%	-1.62%	-1.81%

Real Estate					Energy					Communication Ser.				
ARE	KIM	DLR	PLD	AVB	BKR	PSX	HES	FANG	CVX	VZ	META	DIS	T	PARA
1.68%	1.43%	1.29%	1.15%	1.14%	1.55%	1.36%	1.19%	1.08%	0.94%	0.22%	0.16%	-0.07%	-0.42%	-0.5%
BXP	FRT	EXR	PSA	SPG	VLO	CTRA	COP	HAL	APA	GOOG	NWSA	NWS	DASH	OMC
1%	0.92%	0.9%	0.87%	0.84%	0.88%	0.73%	0.63%	0.63%	0.47%	-0.53%	-0.71%	-0.82%	-0.85%	-0.9%
MAA	CBRE	IRM	SBAC	VICI	XOM	DVN	EGT	SLB	EOG	TTWO	TMUS	CMCSA	WBD	NFLX
0.13%	0.11%	0.09%	0.09%	0.05%	0.21%	0.13%	0.04%	-0.07%	-0.33%	-1.22%	-1.23%	-1.52%	-1.6%	-1.78%
CSGP	DOC	AMT	INVH	VTR	KMI	WMB	OKE	TRGP	TPL	LYV	EA	FOXA	FOX	CHTR
-0.12%	-0.18%	-0.19%	-0.21%	-0.53%	-0.36%	-0.64%	-0.93%	-1.44%	-2.09%	-2.8%	-3.06%	-3.35%	-3.44%	-3.58%

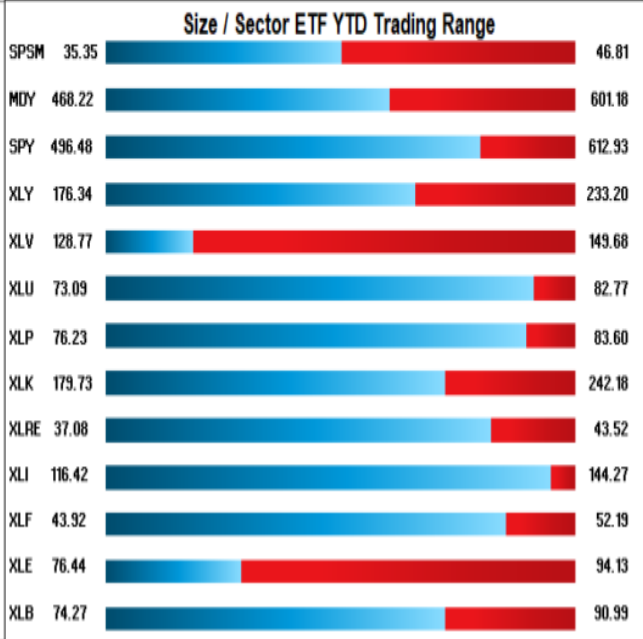
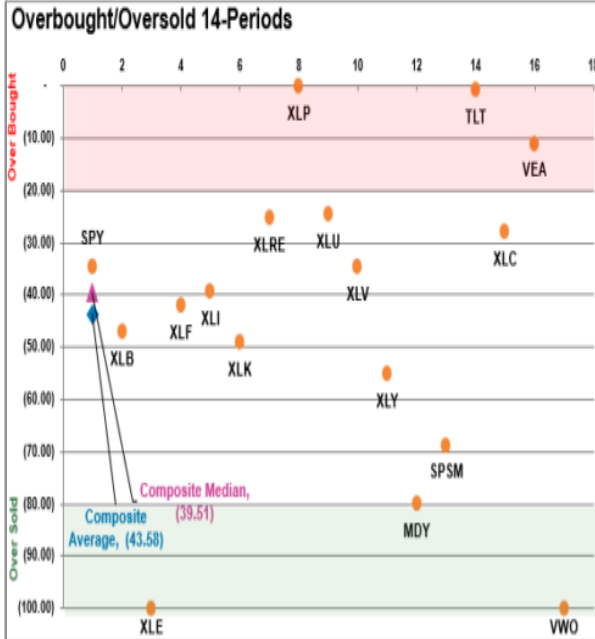
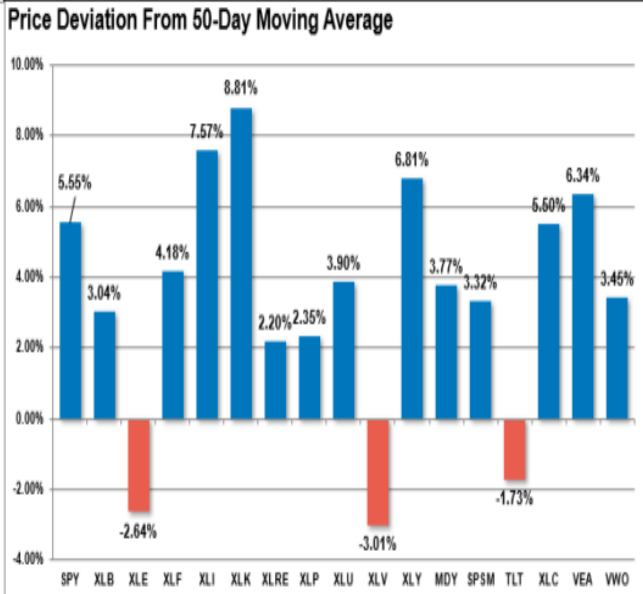
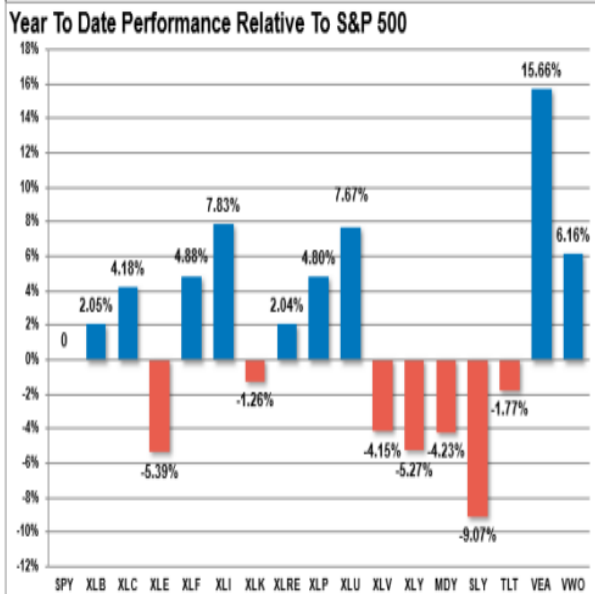
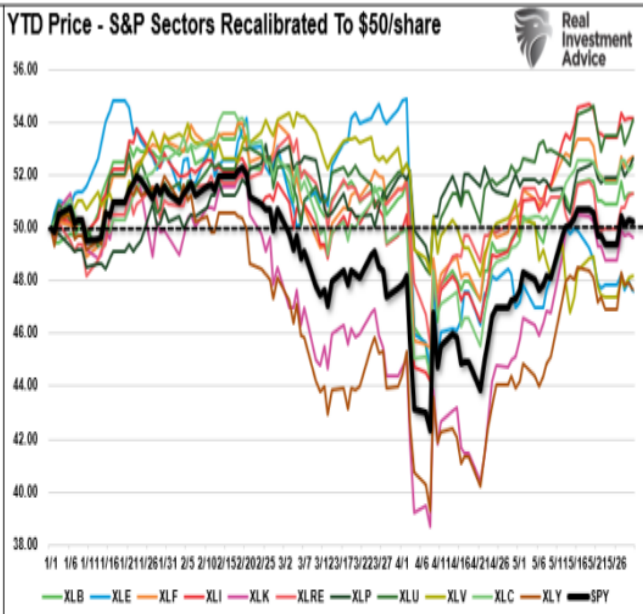
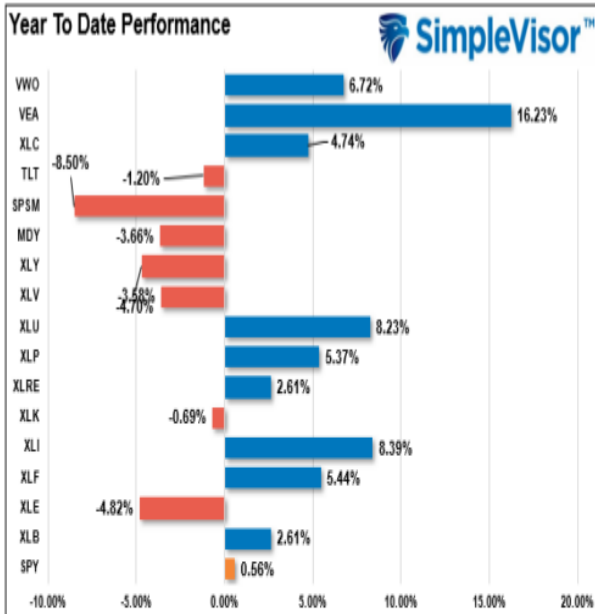
S&P 500 Weekly Tear Sheet

3 Month SPY Price		RIA SimpleVisor		SPY RISK INFO								
				Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR				
				Price Return	40.27%	12.78%	0.56%	(95.58%)				
				Max Drawdown	(21.43%)	(21.43%)	(21.43%)	0.00%				
				Sharpe	0.52	0.55	(0.08)	(1.15)				
				Sortino	0.64	0.67	(0.11)	(1.17)				
				Volatility	16.50	20.38	27.59	0.35				
				Daily VaR-5%	(5.50)	(17.83)	(43.17)	1.42				
				Mnthly VaR-5%	(3.65)	(6.36)	(33.39)	4.25				
S&P 500 Market Cap Analysis												
Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low	Item	12-M Ago	Current	% Chg
Dividend Yield	1.52%	1.32%	1.25%	(5.49%)	1.90%	1.17%	(34.09%)	6.86%	Shares	4,995.1	4,916.4	(1.58%)
P/E Ratio	20.01	24.55	23.95	(2.50%)	29.09	16.72	(17.7%)	43.23%	Sales	117,533	129,724	10.37%
P/S Ratio	4.53	5.11	5.35	4.57%	6.14	4.04	(12.83%)	32.33%	SPS	23.5	26.4	12.14%
P/B Ratio	7.39	7.98	7.96	(0.24%)	8.91	6.28	(10.66%)	26.79%	Earnings	20,152	26,079	29.41%
ROE	25.69%	28.34%	32.01%	11.45%	32.01%	19.38%	0.00%	65.16%	EPS TTM	5.2	5.9	13.36%
ROA	6.08%	7.09%	8.75%	19.03%	8.75%	4.59%	0.00%	90.78%	Dividend	1.6	1.7	10.18%
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	(9.04%)	3.01%	0.76	14.39	86.48	(331.89)	(83.4%)	12.3%	3.6%	7.26%	5.25	14.34
Materials	(5.40%)	1.94%	1.01	22.38	27.40	11.54	(18.3%)	11.6%	2.0%	4.20%	4.59	19.57
Industrials	17.05%	8.74%	1.13	26.22	48.41	18.54	(45.8%)	26.8%	1.3%	3.82%	6.84	21.90
Discretionary	22.04%	10.72%	1.42	29.79	74.90	27.03	(60.2%)	23.6%	0.7%	3.34%	5.70	25.97
Staples	15.50%	5.83%	0.59	24.39	24.14	19.14	1.0%	27.8%	2.2%	4.21%	4.10	22.93
Health Care	(6.67%)	9.54%	0.67	18.00	24.74	14.80	(27.3%)	28.0%	1.9%	5.13%	8.81	17.12
Financials	25.03%	14.25%	1.09	18.60	21.50	13.19	(13.5%)	11.9%	1.4%	5.33%	8.96	16.25
Technology	14.13%	31.65%	1.48	35.35	39.49	20.45	(10.5%)	70.3%	0.6%	2.84%	6.01	26.51
Telecom	13.54%	9.63%	0.93	20.62	28.38	15.43	(27.3%)	30.7%	0.7%	4.50%	7.80	17.24
Utilities	15.34%	2.45%	0.59	19.11	21.42	15.59	(10.8%)	11.4%	2.9%	5.09%	3.83	17.44
Real Estate	12.54%	2.12%	1.01	19.06	26.41	15.65	(27.8%)	5.8%	3.5%	5.29%	4.86	18.32
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	589.39	4.51%	558.30	22	5.57%	578.28	15	1.92%	(3.46%)	(3.89%)	22.33%	Sell
Mid Cap	548.72	2.01%	528.58	21	3.81%	563.85	11	(2.68%)	(6.26%)	(12.08%)	19.59%	Sell
Small Cap	41.10	(0.27%)	39.75	17	3.40%	43.97	100	(6.53%)	(9.60%)	(17.85%)	18.14%	Sell

Relative Performance Analysis

Two weeks ago, we stated that *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.*

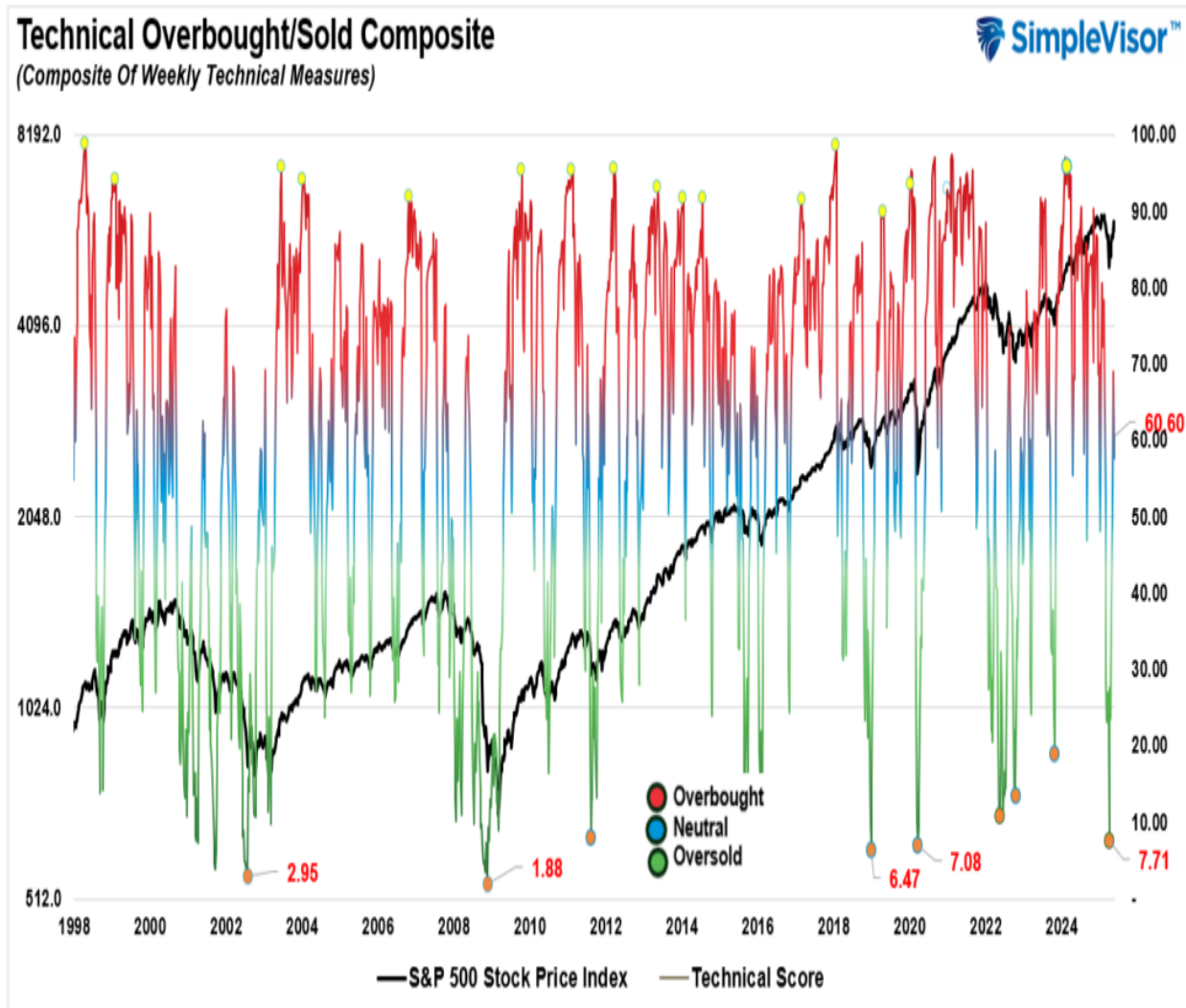
Unsurprisingly, the market continues to trade range-bound as the previous overbought condition reverses. While the correction has been mild so far, there is still more work to do over the next week as we head into the seasonally weak period of June. Cash levels should be somewhat elevated, and equity risk should be rebalanced as we await the next oversold opportunity.



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 60.60 out of a possible 100.

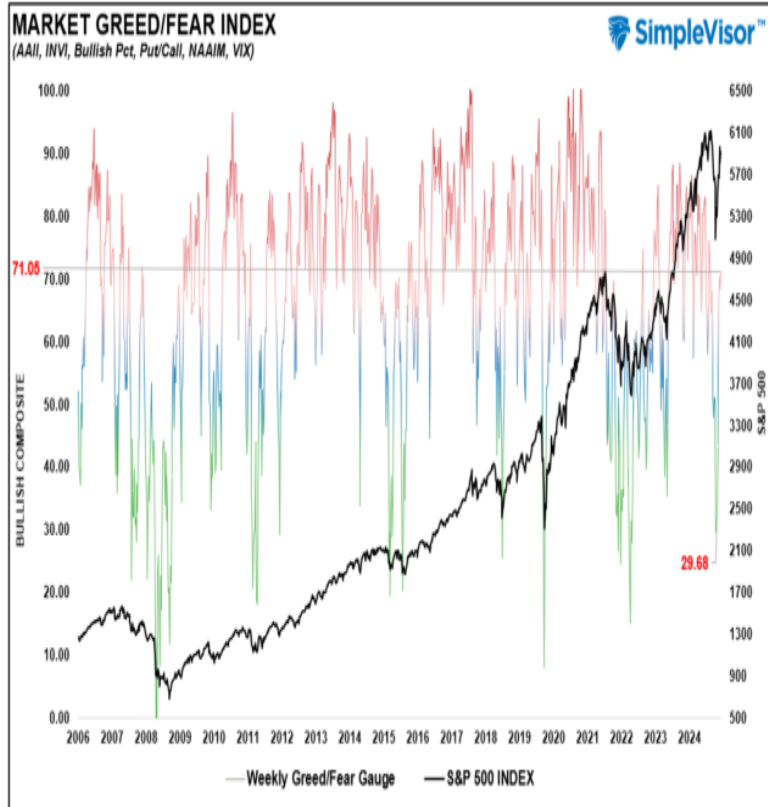


Portfolio Positioning Fear / Greed Gauge

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: The Fear/Greed Index measures risk from 0 to 100. It is a rarity that it reaches levels above 90.

The current reading is 71.05 out of a possible 100.



Current
Fear/Greed
Index

71.05



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 Analysis

SimpleVisor Home Insights Markets Portfolios DIY Research Charts AGSPC

Performance Analysis Factor Analysis Risk Range Screener Stock Summary Strategy Builder

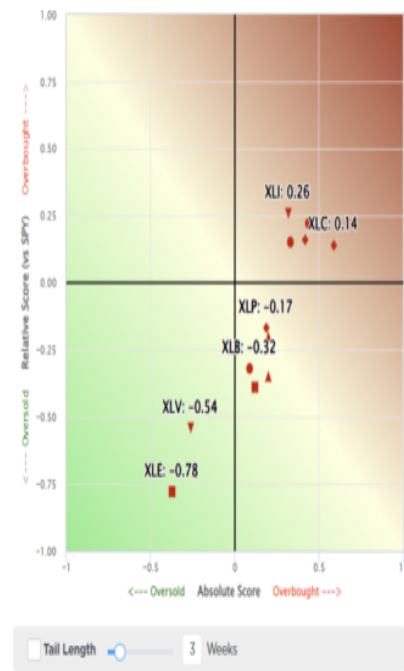
Sectors Factors

Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol Name	Top 10 Holdings	Absolute Score	Relative Score (vs SPY)	Chart
XLE Energy		-0.37	-0.78	<input checked="" type="checkbox"/>
XLV Health Care		-0.26	-0.54	<input checked="" type="checkbox"/>
XLRE Real Estate		0.12	-0.39	<input checked="" type="checkbox"/>
XLF Financial		0.20	-0.35	<input checked="" type="checkbox"/>
XLB Materials		0.09	-0.32	<input checked="" type="checkbox"/>
XLU Utilities		0.20	-0.20	<input checked="" type="checkbox"/>
XLP Consumer Staples		0.19	-0.17	<input checked="" type="checkbox"/>
XLC Communication Services		0.59	0.14	<input checked="" type="checkbox"/>
XLK Technology		0.33	0.15	<input checked="" type="checkbox"/>
XTN Transportation		0.42	0.16	<input checked="" type="checkbox"/>
XLJ Consumer Discretionary		0.44	0.22	<input checked="" type="checkbox"/>
XLI Industrials		0.52	0.26	<input checked="" type="checkbox"/>

How it works

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



Most Oversold Sector Analysis



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.

Last week, we noted that *the relentless rally* continued this past week and has pushed most markets and sectors well above their normal risk ranges. 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. Such was the case this week, and several markets and sectors are now below their normal risk ranges. One primary concern is the number of markets and sectors with bearish weekly signals. Such is historically only seen during more protracted corrections and bear markets, which suggests that we may be stuck in this back-and-forth market for a while longer. Continue to trade cautiously and hold higher-than-normal levels of cash.

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	582.00	(2.52)	5.21	(2.52)	(4.72)	9.37	563.27	583.32	557.96	1.00	571.91	544.01	3%	0%	BEARISH
XLB	SPDR-MATLS SELS	85.70	0.97	(1.48)	(0.93)	(2.04)	(15.56)	84.54	88.42	83.89	1.03	86.85	80.93	1%	-3%	BEARISH
XLC	SPDR-COMM SV SS	100.19	0.96	0.97	0.74	3.99	11.42	96.56	96.99	95.44	1.04	98.02	92.06	4%	3%	BEARISH
XLE	SPDR-EGY SELS	81.99	(1.56)	(5.68)	(7.38)	(5.20)	(19.63)	85.44	88.61	80.50	0.77	83.13	77.87	-4%	-7%	BEARISH
XLF	SPDR-FINL SELS	50.05	(0.47)	(0.98)	(1.56)	4.03	10.92	48.99	49.06	48.76	0.99	50.46	47.06	2%	2%	BEARISH
XLK	SPDR-TECH SELS	226.81	(0.92)	3.59	3.09	(1.11)	(3.97)	212.45	225.39	209.97	1.21	217.75	202.19	7%	1%	BEARISH
XLI	SPDR-INDU SELS	140.83	0.47	3.95	5.82	4.91	3.79	132.07	135.37	131.22	1.06	135.09	126.55	7%	4%	BEARISH
XLP	SPDR-CONS STPL	81.60	1.95	(4.27)	0.74	3.77	(3.53)	81.01	80.59	81.83	0.57	84.35	79.31	1%	1%	BULLISH
XLRE	SPDR-RE SELS	40.64	(0.74)	(4.94)	(3.30)	(2.43)	(0.56)	41.22	42.05	41.30	0.99	42.74	39.86	-1%	-3%	BEARISH
XLU	SPDR-UTIL SELS	81.06	1.16	(1.56)	4.84	6.44	4.00	78.53	78.74	78.90	0.57	81.32	76.48	3%	3%	BEARISH
XLV	SPDR-HLTH CR	130.34	0.45	(10.79)	(9.96)	(4.94)	(18.12)	140.25	143.42	140.47	0.67	144.92	136.02	-7%	-9%	BEARISH
XLY	SPDR-CONS DISCR	210.85	(0.71)	1.40	0.06	(4.79)	10.63	200.38	211.70	197.26	1.22	204.60	189.92	5%	0%	BEARISH
XTN	SPDR-SP TRANSP	75.34	(2.27)	4.71	(7.01)	(13.56)	(11.07)	73.79	82.74	68.85	1.40	71.53	66.17	2%	-9%	BEARISH
SOY	SPDR-SP DIV ETF	133.04	(0.18)	(2.79)	(1.28)	(0.41)	(6.65)	133.01	135.71	131.04	0.79	135.35	126.73	0%	-2%	BEARISH
RSP	INVS-SP5 EQ ETF	174.33	(0.63)	(1.10)	(0.73)	(1.14)	(4.31)	171.41	176.94	169.14	0.98	175.03	163.25	2%	-1%	BEARISH
SPSM	SPDR-PRT SC	40.55	(1.64)	(1.10)	(4.54)	(11.57)	(13.64)	40.34	43.97	39.10	1.07	40.50	37.70	1%	-8%	BEARISH
MDY	SPDR-SP MC 400	544.86	(1.07)	0.04	(1.22)	(5.82)	(9.36)	532.37	565.15	520.80	1.06	539.34	502.26	2%	-4%	BEARISH
EEM	ISHARS-EMG MKT	46.23	2.45	1.19	9.51	10.15	(1.91)	43.88	43.80	43.76	0.62	45.13	42.39	5%	6%	BULLISH
EFA	ISHARS-EAFE	88.04	3.44	(0.55)	10.44	14.66	(0.74)	83.15	80.57	84.75	0.84	87.58	81.92	6%	9%	BULLISH
IAU	ISHARS-GOLD TR	63.38	7.80	(3.54)	20.17	32.30	34.29	59.20	54.16	62.17	0.13	63.80	60.54	7%	17%	BULLISH
GDV	VANECK-GOLD MNR	50.53	11.58	(1.68)	29.73	41.95	33.94	45.95	41.26	49.01	0.56	50.51	47.51	10%	22%	BULLISH
UUP	INVS-DB US\$ BU	27.37	0.69	(5.28)	(4.35)	(3.83)	(13.87)	28.04	28.93	27.41	(0.23)	28.03	26.79	-2%	-5%	BEARISH
BOND	PIMCO-ACTV BOND	90.28	1.97	(6.56)	(0.30)	1.89	(9.65)	91.43	91.51	92.03	0.27	94.57	89.49	-1%	-1%	BEARISH
TLT	ISHARS-20-YTB	84.55	0.49	(10.09)	(6.01)	(5.70)	(16.84)	88.89	89.89	89.47	0.49	92.15	86.79	-5%	-6%	BEARISH
BNDX	VANGD-TTL INT B	49.11	2.60	(5.84)	1.73	1.76	(8.30)	48.98	49.39	49.55	0.20	50.89	48.21	0%	-1%	BEARISH
HYG	ISHARS-IBX HYCB	78.95	1.93	(4.98)	1.05	3.53	(6.95)	78.66	79.11	78.60	0.41	80.89	76.31	0%	0%	BEARISH



RISK RANGE REPORT



Weekly SimpleVisor Stock Screens

We provide three stock screens each week from [SimpleVisor](https://www.simplevisor.com).

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

Save Save as New

Scan Result: 20 ticker(s) found

Add more Filters

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Technical Rating: At least 8

Indices: S&P 500

Run Screen

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Plotroski	SV Rank	Yield%
AVGO	Technology	10/10	\$241.24	\$177.94(-35.57%)	73.92	\$219.44(9.93%)	\$193.83(24.46%)	\$205.24(17.54%)	3	8	2	1.24%
BA	Industrials	10/10	\$207.26	\$24.31(-752.57%)	65.35	\$196.96(5.23%)	\$178.22(16.29%)	\$175.46(18.12%)	3	4	4	%
CAH	Healthcare	10/10	\$153.86	\$145.10(-6.04%)	63.43	\$150.77(2.05%)	\$140.53(9.49%)	\$133.35(15.38%)	—	6	5	1.80%
CRWD	Technology	10/10	\$461.60	\$305.28(-51.21%)	66.36	\$439.42(5.05%)	\$399.54(15.53%)	\$391.66(17.86%)	5	4	2	%
DG	Consumer Staples	10/10	\$9713	\$99.34(2.22%)	57.18	\$94.47(2.82%)	\$91.02(6.71%)	\$82.27(18.06%)	5	6	4	2.90%
GE	Industrials	10/10	\$243.59	\$117.67(-107.01%)	79.31	\$222.36(9.55%)	\$204.74(18.97%)	\$199.91(21.85%)	1	5	5	0.62%
GEV	Utilities	10/10	\$474.60	0	82.37	\$425.95(11.42%)	\$364.93(30.05%)	\$359.21(32.12%)	—	—	—	%
HWM	Industrials	10/10	\$169.91	\$67.35(-152.27%)	78.44	\$159.18(6.74%)	\$140.66(20.79%)	\$133.29(27.47%)	1	7	3	0.32%
JBL	Technology	10/10	\$167.96	\$155.84(-7.78%)	70.06	\$160.17(4.86%)	\$146.11(14.95%)	\$151.14(11.13%)	5	8	3	0.26%
MOS	Materials	10/10	\$35.99	0	79.41	\$33.41(7.71%)	\$29.50(21.98%)	\$27.77(29.58%)	5	9	2	3.14%
NEM	Materials	10/10	\$52.68	0	54.30	\$52.03(1.24%)	\$51.04(3.20%)	\$46.98(12.12%)	—	7	3	2.03%
NFLX	Communication Ser.	10/10	\$1,187.07	\$444.95(-166.79%)	71.23	\$1,163.71(2.01%)	\$1,047.45(13.33%)	\$998.50(18.89%)	4	—	5	%
NRG	Utilities	10/10	\$153.95	0	73.94	\$140.47(9.60%)	\$114.85(34.04%)	\$108.27(42.19%)	4	6	3	1.83%
PLTR	Technology	10/10	\$123.15	\$17.10(-620.18%)	58.81	\$121.91(1.02%)	\$104.02(18.39%)	\$95.76(28.60%)	—	1	3	%
PM	Consumer Staples	10/10	\$17719	\$113.85(-55.63%)	69.18	\$172.11(2.95%)	\$163.57(8.33%)	\$150.77(17.52%)	1	8	3	4.07%
TPR	Consumer Cyclical	10/10	\$78.34	\$68.10(-15.04%)	59.71	\$78.41(-0.09%)	\$72.31(8.34%)	\$74.27(5.48%)	—	8	2	3.15%
VRSN	Technology	10/10	\$267.41	\$152.44(-75.42%)	45.20	\$280.34(-4.61%)	\$261.92(2.10%)	\$242.61(10.22%)	4	7	—	%
DRI	Consumer Cyclical	9/10	\$213.53	\$240.34(11.16%)	64.04	\$204.63(4.35%)	\$201.51(5.96%)	\$196.30(8.78%)	4	9	3	3.44%
EGT	Energy	9/10	\$55.52	\$27.54(-101.60%)	57.34	\$54.54(1.80%)	\$52.45(5.85%)	\$51.54(7.72%)	1	5	3	1.70%
WBA	Healthcare	8/10	\$11.19	0	53.50	\$11.16(0.27%)	\$11.05(1.27%)	\$10.92(2.47%)	4	7	3	10.71%

Momentum Screen

Strongest Momentum S&P 500

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Scan Result: 20 ticker(s) found

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Technical Rating: At least 5

Indices: S&P 500

Run Screen

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
AXON	Industrials	10/10	\$744.96	\$285.45(-160.98%)	74.43	\$691.97(7.66%)	\$611.51(21.82%)	\$601.46(23.86%)	6	4	4	%
CEG	Utilities	10/10	\$303.65		73.94	\$278.12(9.18%)	\$236.38(28.46%)	\$257.18(18.07%)	—	—	—	0.53%
CRWD	Technology	10/10	\$461.60	\$305.28(-51.21%)	66.36	\$439.42(5.05%)	\$399.54(15.53%)	\$391.66(17.86%)	5	4	2	%
GE	Industrials	10/10	\$243.59	\$117.67(-107.01%)	79.31	\$222.36(9.55%)	\$204.74(18.97%)	\$199.91(21.85%)	1	5	5	0.62%
GEV	Utilities	10/10	\$474.60		82.37	\$425.95(11.42%)	\$364.93(30.05%)	\$359.21(32.12%)	—	—	—	%
INTU	Technology	10/10	\$752.93	\$543.35(-38.57%)	80.78	\$664.51(13.31%)	\$624.29(20.61%)	\$611.58(23.11%)	8	5	2	0.69%
NFLX	Communication Ser.	10/10	\$1187.07	\$444.95(-166.79%)	71.23	\$1163.71(2.01%)	\$1,047.45(13.33%)	\$998.50(18.89%)	4	—	5	%
PM	Consumer Staples	10/10	\$177.19	\$113.85(-55.63%)	69.18	\$172.11(2.95%)	\$163.57(8.33%)	\$150.77(17.52%)	1	8	5	4.07%
BKNG	Consumer Cyclical	9/10	\$5,492.93		70.19	\$5,250.18(4.62%)	\$4,865.01(12.91%)	\$4,832.11(13.68%)	2	6	3	0.81%
CME	Financial	9/10	\$285.99	\$250.49(-14.17%)	65.38	\$279.03(2.49%)	\$269.13(6.26%)	\$256.14(11.65%)	2	4	3	2.00%
LHX	Industrials	9/10	\$242.70	\$193.45(-25.46%)	74.51	\$226.38(7.21%)	\$218.38(11.14%)	\$213.84(13.50%)	5	8	5	1.90%
MCK	Healthcare	9/10	\$712.52	\$856.47(16.81%)	54.33	\$708.21(0.61%)	\$691.46(3.05%)	\$649.95(9.63%)	1	7	2	0.56%
RSG	Industrials	9/10	\$253.89	\$159.73(-58.95%)	61.75	\$248.99(1.97%)	\$243.57(4.24%)	\$232.63(9.14%)	1	8	5	1.15%
TSLA	Consumer Cyclical	9/10	\$361.72	\$72.60(-398.24%)	67.29	\$318.92(13.42%)	\$281.54(28.48%)	\$314.92(14.86%)	4	7	1	%
ADP	Industrials	8/10	\$323.71	\$206.93(-56.43%)	69.59	\$312.67(3.53%)	\$302.74(6.93%)	\$302.30(7.08%)	6	7	2	1.93%
AZO	Consumer Cyclical	8/10	\$3,678.84	\$3,185.96(-15.47%)	50.81	\$3,755.81(-2.05%)	\$3,695.58(-0.45%)	\$3,549.98(3.63%)	5	7	5	%
TDG	Industrials	8/10	\$1,464.16	\$1,001.31(-46.22%)	61.48	\$1,419.24(3.17%)	\$1,376.30(6.38%)	\$1,350.80(8.39%)	5	8	3	%
WM	Industrials	8/10	\$236.91	\$155.12(-52.72%)	60.68	\$232.23(2.01%)	\$229.84(3.07%)	\$225.02(5.28%)	1	7	5	1.44%

Technically Strong With Dividends

Technically Strong + Dividends

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Scan Result: 16 ticker(s) found

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

Run Screen

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
NEM	Materials	10/10	\$52.68		54.30	\$52.03(1.24%)	\$51.04(3.20%)	\$46.98(12.12%)	—	7	3	2.03%
PM	Consumer Staples	10/10	\$177.19	\$113.85(-55.63%)	69.18	\$172.11(2.95%)	\$163.57(8.33%)	\$150.77(17.52%)	1	8	3	4.07%
SAN	Financial	10/10	\$7.94		67.50	\$7.55(5.17%)	\$7.07(12.31%)	\$6.35(25.04%)	4	7	4	4.47%
TD	Financial	10/10	\$68.55		78.41	\$64.68(5.98%)	\$61.83(10.87%)	\$59.82(14.59%)	4	7	3	5.22%
DTEGY	Communication Ser.	9/10	\$37.64	\$38.13(1.29%)	56.29	\$36.78(2.34%)	\$36.44(3.29%)	\$35.21(6.90%)	3	7	3	2.70%
T	Communication Ser.	9/10	\$27.39	\$24.79(-10.47%)	51.95	\$27.49(-0.38%)	\$27.23(0.57%)	\$25.82(6.06%)	1	7	3	5.00%
BMO	Financial	8/10	\$106.91		81.31	\$101.13(5.72%)	\$97.08(10.13%)	\$98.17(8.90%)	1	8	3	4.91%
GS	Financial	8/10	\$603.45		62.10	\$586.80(2.84%)	\$552.81(9.16%)	\$580.02(4.04%)	4	7	3	2.29%
IBM	Technology	8/10	\$258.81	\$125.76(-105.80%)	56.80	\$255.86(1.15%)	\$246.53(4.98%)	\$244.91(5.68%)	5	7	4	3.06%
MMM	Industrials	8/10	\$149.43	\$37.12(-302.56%)	55.67	\$146.06(2.31%)	\$142.69(4.72%)	\$144.24(3.60%)	—	7	3	2.21%
PAYX	Industrials	8/10	\$157.31	\$102.58(-53.35%)	62.37	\$152.89(2.89%)	\$149.00(5.58%)	\$147.92(6.35%)	5	8	2	2.77%
C	Financial	7/10	\$75.18	\$58.16(-29.26%)	60.65	\$72.92(3.09%)	\$69.35(8.40%)	\$73.12(2.81%)	5	7	3	3.46%
CSCO	Technology	7/10	\$62.94	\$42.05(-49.67%)	63.54	\$61.47(2.38%)	\$59.44(5.88%)	\$60.55(3.94%)	1	7	3	2.86%
KO	Consumer Staples	7/10	\$71.26	\$27.46(-159.49%)	48.95	\$71.28(-0.04%)	\$71.12(0.19%)	\$68.64(3.81%)	5	7	2	2.88%
RTX	Industrials	7/10	\$134.34	\$69.78(-92.52%)	54.64	\$131.42(2.22%)	\$129.49(3.75%)	\$127.24(5.58%)	1	7	4	2.01%
RY	Financial	7/10	\$125.17	\$213.06(41.25%)	76.08	\$123.53(1.33%)	\$118.19(5.91%)	\$118.32(5.79%)	5	7	2	3.42%

SimpleVisor Portfolio Changes

We post all of our portfolio changes as they occur at [SimpleVisor](#):

May 28th

? We recently added to our long-bond ETF (EDV) exposure for a reflexive trade given the very overbought conditions of interest rates. Today, we are clipping the profits on the trade and looking for the next opportunity.?

Both Models

- Reduce EDV to 5% of the portfolio.

Lance Roberts, C.I.O., RIA Advisors