

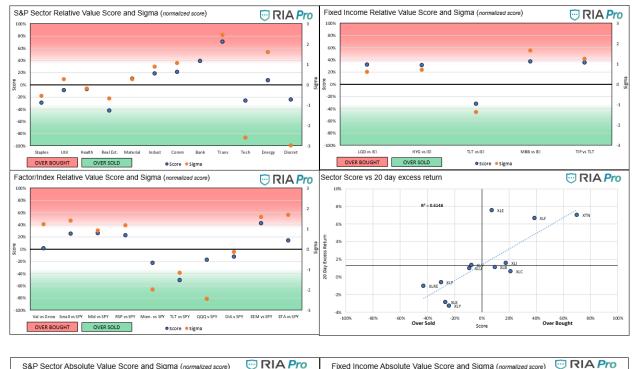
Technical Value Scorecard Report For The Week of 11-13-20

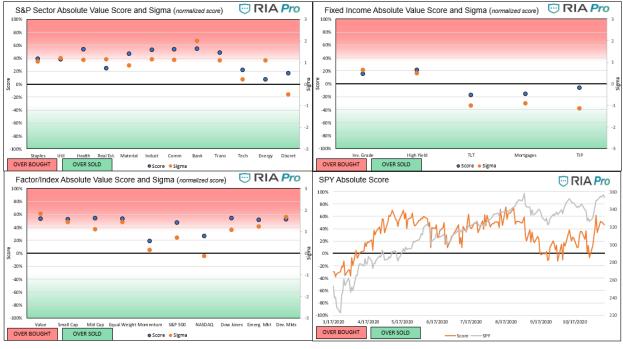
The Technical Value Scorecard Report uses 6-technical readings to score and gauge which sectors, factors, indexes, and bond classes are overbought or oversold. We present the data on a relative basis (versus the assets benchmark) and on an absolute stand-alone basis. You can find more detail on the model and the specific tickers below the charts.

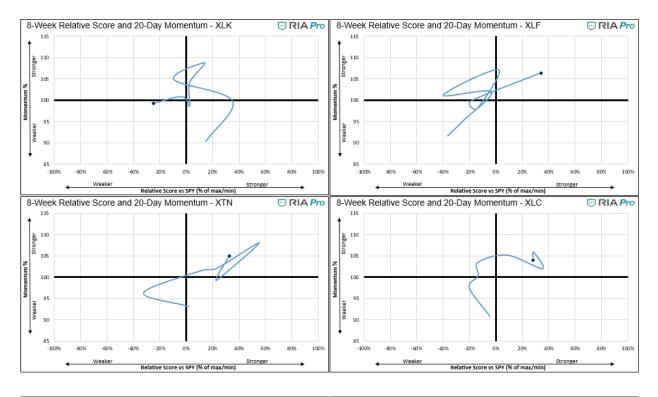
Commentary 11-13-20

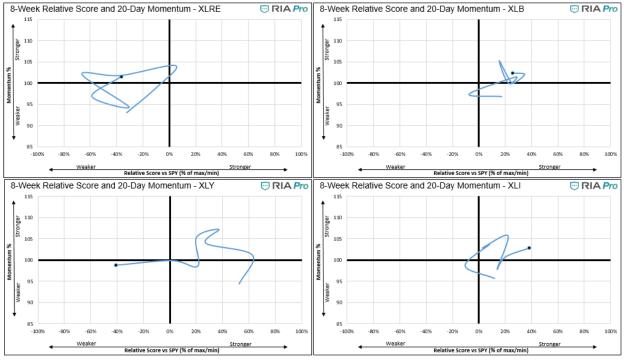
- The past week was characterized by Monday's massive sector rotation and its echo throughout the week. The clear winners were the most beaten-down stocks and sectors. To wit, XLE was the best relative performer beating the S&P 500 by over 11% last week. The Transportation and Financial sectors were next in line with a relative outperformance of about 8%. Of the major indexes, the Dow led the way, beating the S&P by 5.30%. As we noted last week, Emerging markets were ripe for profit-taking and it gave up 1.5% versus the S&P.
- On a relative basis, Transportation is grossly overbought and ripe for underperformance versus the S&P. Discretionary and Technology are grossly oversold versus the S&P on a normalized basis but that is largely due to their outperformance over the last few months. Their scores only point to a slight level of oversold.
- Likewise, QQQ is oversold on a normalized basis but not as much on a scoring basis. Most of the other sectors are close to fair value versus the S&P.
- On an absolute basis, almost every sector remains overbought, but the degree of which lessened since last week. Thursday's sharp decline is largely to blame. Discretionary is closest to fair value while the Financials are the most overbought. Similar story on the factor/index front as most are overbought but not aggressively so.
- Using the "spaghetti charts" one can see that XLF, XLE, and XLI are the strongest sectors as they appear headed for the upper right-hand corner of their respective graphs. While positive, there is not much more room for relative and absolute expansion. A correction in these sectors would be healthy if the trends are to continue.

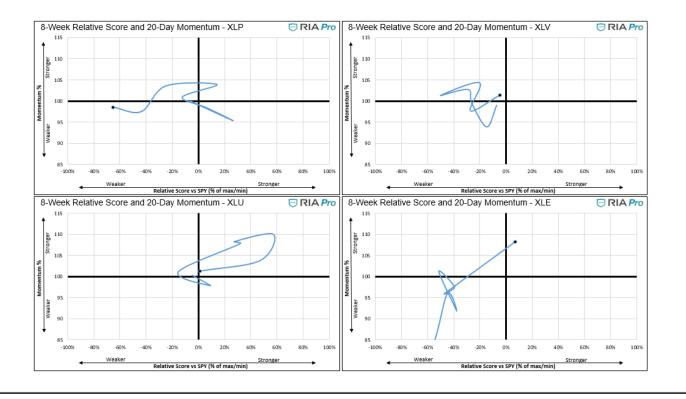
Graphs (Click on the graphs to expand)











Users Guide

The score is a percentage of the maximum/minimum score, as well as on a normalized basis *(sigma)* for the last 200 trading days. Assets with scores over or under +/-60% and sigmas over or under +/-2 are likely to either consolidate or change trend. When both the score and sigma are above or below those key levels simultaneously, the signal is stronger.

The first set of four graphs below are relative value-based, meaning the technical analysis score and sigma is based on the ratio of the asset to its benchmark. The second set of graphs is computed solely on the price of the asset. Lastly, we present "Sector spaghetti graphs" which compare momentum and our score over time to provide further current and historical indications of strength or weakness. The square at the end of each squiggle is the current reading. The top right corner is the most bullish, while the bottom left corner the most bearish.

The technical value scorecard report is just one of many tools that we use to assess our holdings and decide on potential trades. This report may send a strong buy or sell signal, but we may not take any action if other research and models do not affirm it.

The ETFs used in the model are as follows:

- Staples XLP
- Utilities XLU
- Health Care XLV
- Real Estate XLRE
- Materials XLB
- Industrials XLI
- Communications XLC
- Banking XLF
- Transportation XTN
- Energy XLE
- Discretionary XLY
- S&P 500 SPY

- Value IVE
- Growth IVW
- Small Cap SLY
- Mid Cap MDY
- Momentum MTUM
- Equal Weighted S&P 500 RSP
- NASDAQ QQQ
- Dow Jones DIA
- Emerg. Markets EEM
- Foreign Markets EFA
- IG Corp Bonds LQD
- High Yield Bonds HYG
- Long Tsy Bonds TLT
- Med Term Tsy IEI
- Mortgages MBB
- Inflation TIP