

All I Want For Christmas Is A Bull Market In 2021



In this issue of "All I Want For Christmas Is A Bull Market 2021."

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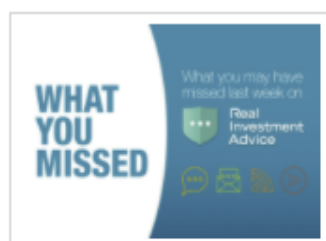
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Catch Up On What You Missed Last Week



#WhatYouMissed On RIA This Week: 12-25-20

Written by Lance Roberts | Dec 25, 2020

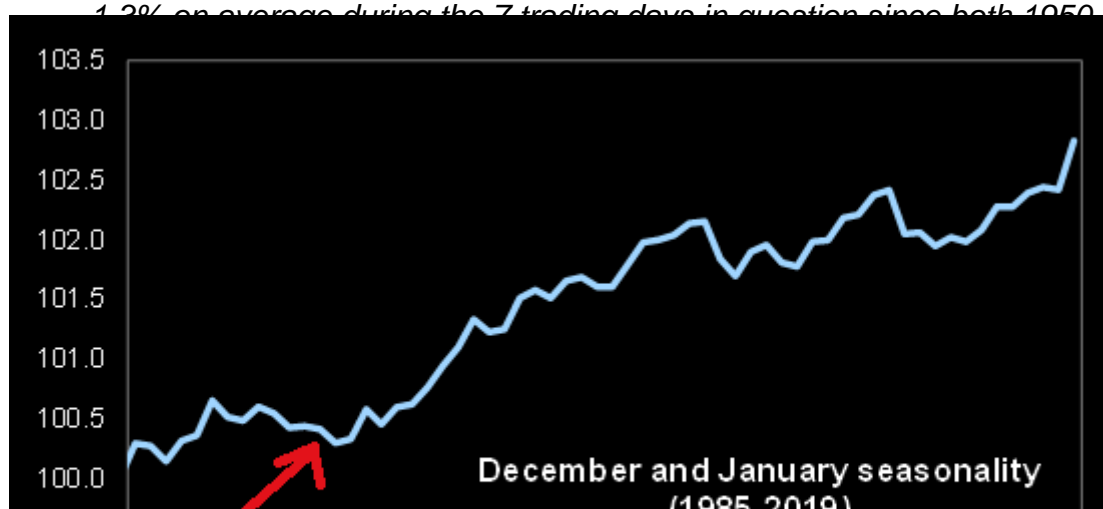
Here is what you might have missed from the RIA Crew last week. A compilation of our best blogs, newsletter, podcasts, the daily radio show and commentary from RIAPRO.NET.

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Will Santa Claus Visit Broad & Wall

Today's newsletter will be relatively short, but I want to update our portfolio positioning with you. **More importantly, I wanted to take this opportunity to wish you and your families a very Merry Christmas and share my hopes for a prosperous and safe New Year.** Over the last couple of weeks, we have discussed why we were positioning portfolios to participate in the traditional year-end "window dressing" rally. Such is also known as the "Santa Claus" rally. As we discussed in ["Will 'Santa Claus' Visit Broad & Wall:"](#)

"Stock Trader's Almanac explored why end-of-year trading has a directional tendency. The Santa Claus indicator is pretty simple. It looks at market performance over a seven day trading period ? the last five trading days of the current trading year and the first two trading days of the New Year. The stats are compelling. 'The stock market has risen 1.2% on average during the 7 trading days in question since both 1950 and 1969. Over the time,



very compelling. As Ryan Detrick noted this week:

?Whether optimism over a coming new year, holiday spending, traders on vacation, institutions squaring up their books before the holidays?or the holiday spirit?the bottom line is that bulls tend to believe in Santa Claus.?

Santa Claus Rally

How This Seasonally Bullish Period Could Foreshadow The Future

S&P 500 Index Returns

Santa Comes To Town	Santa Goes Back To North Pole	Santa Claus Rally	January	Calendar Year
12/27/1999	1/4/2000	-4.0%	-5.1%	-10.1%
12/22/2000	1/3/2001	5.7%	3.5%	-13.0%
12/24/2001	1/3/2002	1.8%	-1.6%	-23.4%
12/24/2002	1/3/2003	1.2%	-2.7%	26.4%
12/24/2003	1/5/2004	2.4%	1.7%	9.0%
12/27/2004	1/4/2005	-1.8%	-2.5%	3.0%
12/23/2005	1/4/2006	0.4%	2.5%	13.6%
12/22/2006	1/4/2007	0.0%	1.4%	3.5%
12/24/2007	1/3/2008	-2.5%	-6.1%	-38.5%
12/24/2008	1/5/2009	7.4%	-8.6%	23.5%
12/24/2009	1/5/2010	1.4%	-3.7%	12.8%
12/27/2010	1/4/2011	1.1%	2.3%	0.0%
12/23/2011	1/4/2012	1.9%	4.4%	13.4%
12/24/2012	1/3/2013	2.0%	5.0%	29.6%
12/24/2013	1/3/2014	0.2%	-3.6%	11.4%
12/24/2014	1/5/2015	-3.0%	-3.1%	-0.7%
12/24/2015	1/5/2016	-2.3%	-5.1%	9.5%
12/23/2016	1/4/2017	0.4%	1.8%	19.4%
12/22/2017	1/3/2018	1.1%	5.6%	-6.2%
12/24/2018	1/3/2019	1.3%	7.9%	28.9%
12/24/2019	1/3/2020	0.3%	-0.2%	14.4%
12/24/2020	1/5/2021	?	?	?

Source: LPL Research, FactSet 12/22/2020

All indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

The Santa Claus Rally is the final 5 trading days of a calendar year and the first two of the following year.

However, it is worth noting that on more than a few occasions when "Santa visited Broad & Wall," the bull market didn't continue in January.



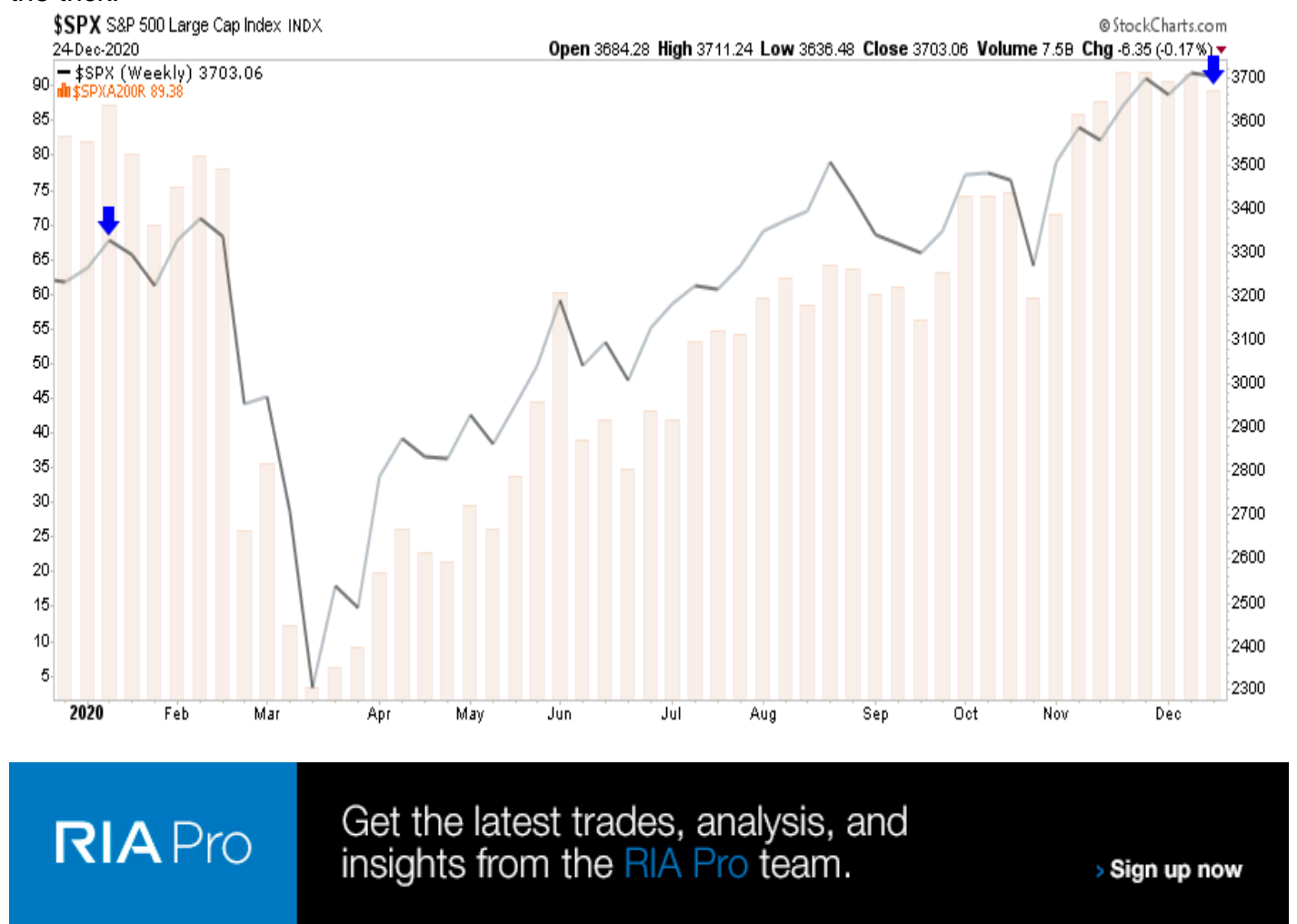
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A Review Of Negative Januarys

Let's review the years in which January failed to carry through from the "Santa Rally." The first two examples, 2001 and 2002, were in the midst of the "Dot.Com" crash, so that we can write those off

to a bear market. The same goes for 2009. However, 2010 is a bit different as the economy had started a recovery, earnings growth was strong, and the Federal Reserve was amid QE-1. Yet, January had a -3.7% rate of return following the "Santa Rally." Other than the "Haiti Tsunami," there was no other major event causing stocks to decline except "exhaustion" after a 10-month uninterrupted advance. In 2013, January also posted a negative return. The concern of the "fiscal cliff," as the comprise to lift the "debt ceiling," required a bipartisan group of Congressman to find \$1 Trillion in budget cuts. Their failure to find cuts triggered an automatic set of cuts across agencies. Fed Chairman Ben Bernanke launched QE3 a month before to offset the impact of the "fiscal cliff." However, given the cuts never materialized, the Fed's flood of liquidity caused a surge in stocks over the rest of the year. The beginning of 2020 also posted a negative January return following an incredible rally in 2019. More like 2013, the market's extension was extreme with a near-record number of stocks above their 200-dma. The market needed to correct before continuing its advance to all-time highs in February. January 2021 has a lot of similarities to both 2013 and 2019. With the Federal Reserve continuing QE and a near-record number of stocks above their 200-dma, and an extreme bullish bias, the risk of a correction exists. A government shutdown, stalled stimulus bill, or a surge in virus cases could do the trick.

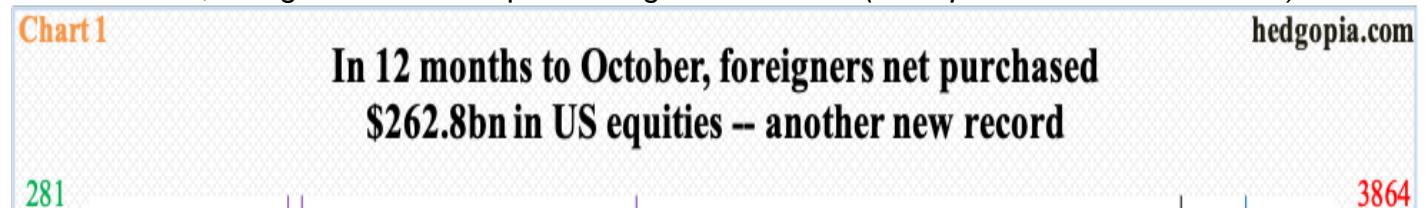


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The Grinch That Could Also Steal Christmas

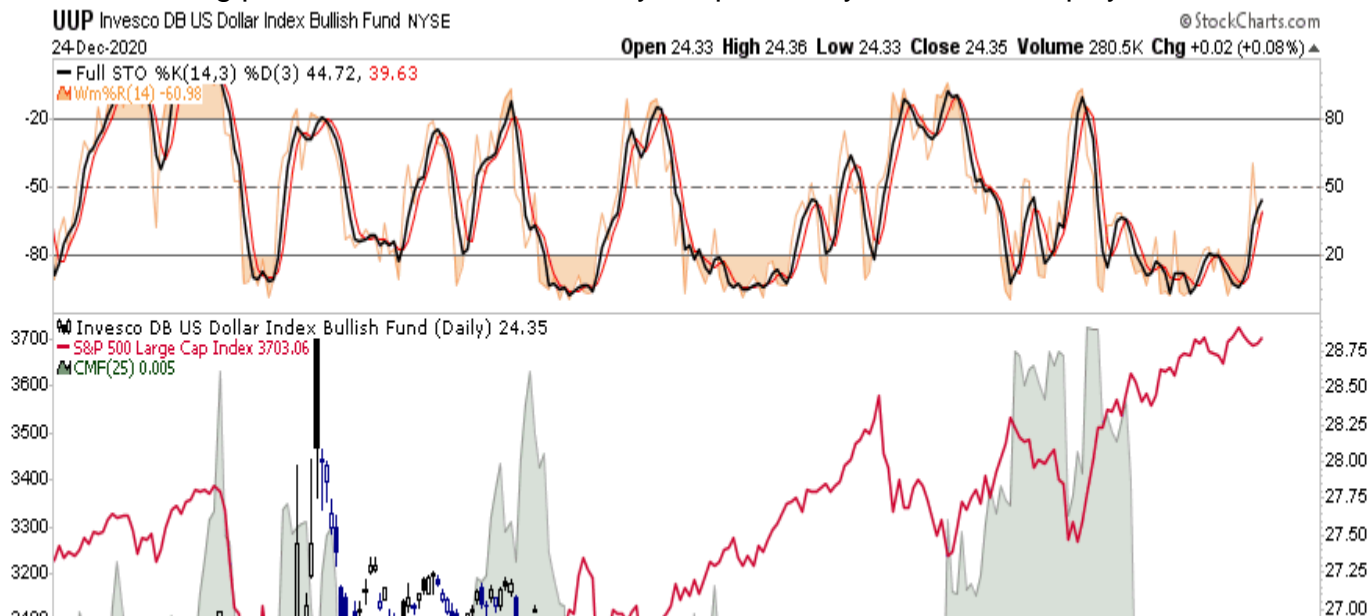
As discussed in Wednesday's ["3-minutes" video](#), there is a potential "Grinch" that could also "Steal Christmas." <https://www.youtube.com/watch?v=kAL48QB5U0w> Much of the equity rally this year has been supported by the decline in the USD. Currently, foreign inflows into U.S. equities are near a record, along with net-short positioning on the dollar. (Note previous record inflows.)



Such is the perfect environment for a sharp reversal in the dollar from deeply oversold conditions. Notably, over the last few days, we have seen a positive turn in the dollar. While still too early to definitively say a turn has occurred, this is something to watch very closely.



As shown below, the decline in the dollar has been a contributor to the equity rally. With money flows now turning positive, a counter-trend rally will potentially reverse the equity bid.



Of course, if dollar flows do indeed reverse, we would also expect to see a bid in Treasury bonds. Such would also get support from foreign currency reserves moving to higher-yielding alternatives compared to other global bonds.



While we expect the "Santa Claus" rally to ensue over the next few trading days, there are risks heading into January. As noted, there are occasions when investors have received a "lump of coal." With current market dynamics more similar to 2013 and 2019, this may be a year investors wind up on the "naughty" list.

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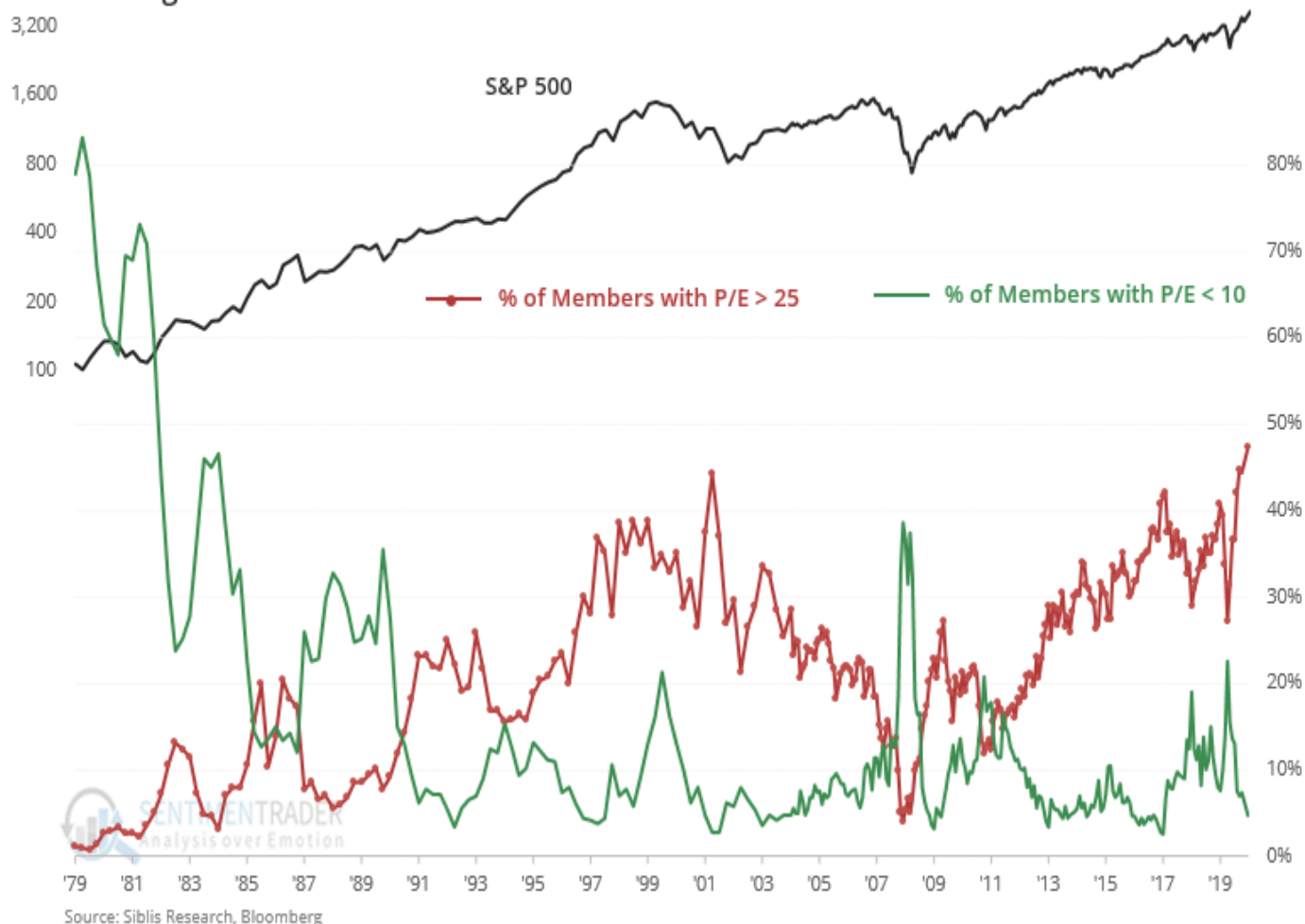
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A Record High In Overvaluation

SentimenTrader had a great post out this past week, with some more data showing the more extreme overvalued conditions in the market currently.

"Sentiment and valuation go hand-in-hand. One impacts the other and creates a self-reinforcing loop until something happens to break the cycle. Over the past 40 years, there have never been more mild, moderate, or severely overvalued companies within the S&P 500."

A record high in moderate overvaluation



Bubbles Are Psychological

What is essential to understand is that excessive bullish sentiment and overvaluation are the two required ingredients for a ["bubble."](#)

"Since stock market 'bubbles' are a reflection of speculation, greed, and emotional biases; valuations are only a reflection of those emotions."


However, it isn't just P/E's showing elevated valuations but virtually every conceivable valuation metric used in finance.

S&P 500 Valuations		
Model Factors	Most Recent Value	Historical Percentile
Median EV to Sales (Ex-Financials)	4.0	100%
US Total Market Cap to GDP	170%	100%
EV to Free Cash Flow Margin-Adjusted (Ex-Financials)	48.8	100%
Median Price to Sales	2.8	100%
Median Price to Book	3.9	100%

"Psychology" breeds "overvaluation," which is the very essence of a market "bubble."�

Portfolio Positioning Update

Okay, I said this would be short. With the "Santa Claus" rally officially kicking off next week, we are maintaining our long bias with reduced hedges at the moment.�During the past week, we added to our energy exposure on the recent pullback and some of our "momentum" trades we took profits in previously. We are still maintaining our S&P Index position through next week. Once we get into January, depending on the state of the stimulus bill, government shutdown, and market levels, we will likely begin reducing risk and hedging portfolios accordingly. The evidence is mounting quickly that economic and earnings data will likely disappoint overly optimistic projections currently. Furthermore, investors are too confident. Historically, such has always turned out to be a poor mix for a continued bull market advance in the short-term.� We will continue to trade accordingly, but the extreme deviations in all markets from long-term fundamentals are unsustainable. That is a problem the even the Fed can't fix.

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The MacroView



Why The Second Stimulus Won't Have Much Economic Impact

Written by Lance Roberts | Dec 23, 2020

Will more fiscal stimulus really cure what ails the economy? Or, will more debt, bigger deficits, and more spending, continue to lead us down the same path we have seen over the last three decades.

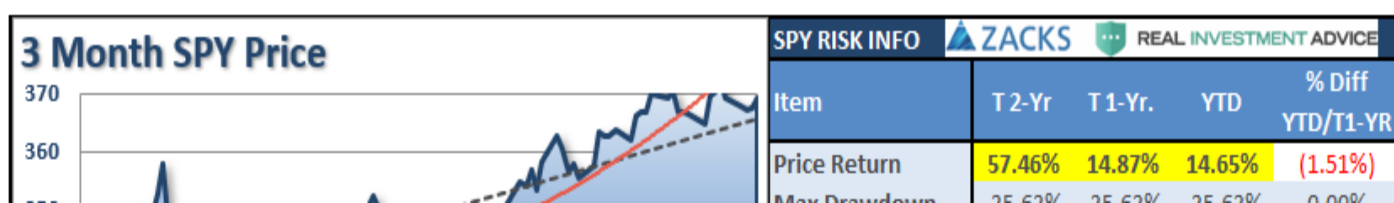
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If you need help or have questions, we are always glad to help. [Just email me.](#) See You Next Week **By Lance Roberts, CIO**

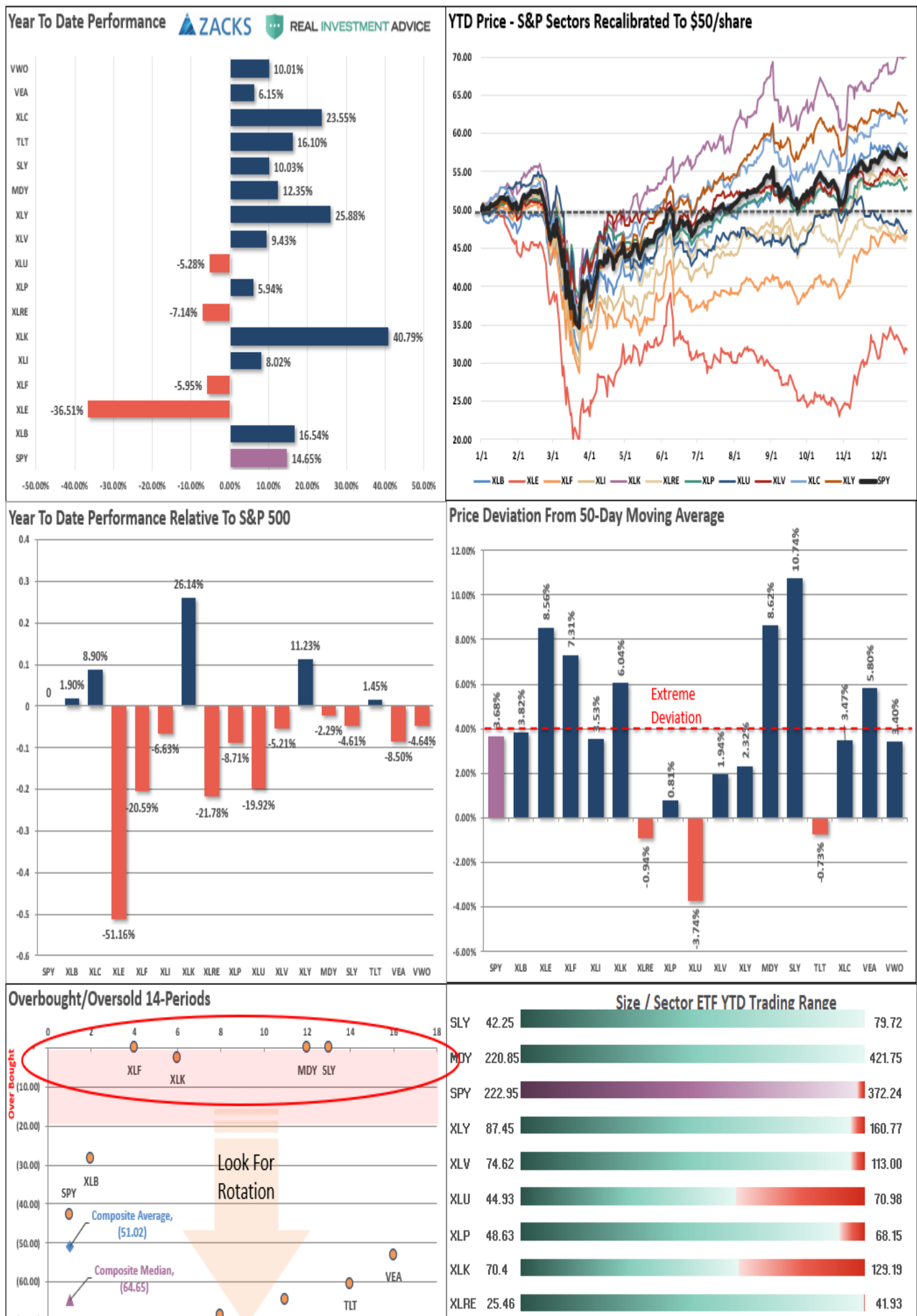
Market & Sector Analysis

Analysis & Stock Screens Exclusively For RIAPro Members

S&P 500 Tear Sheet

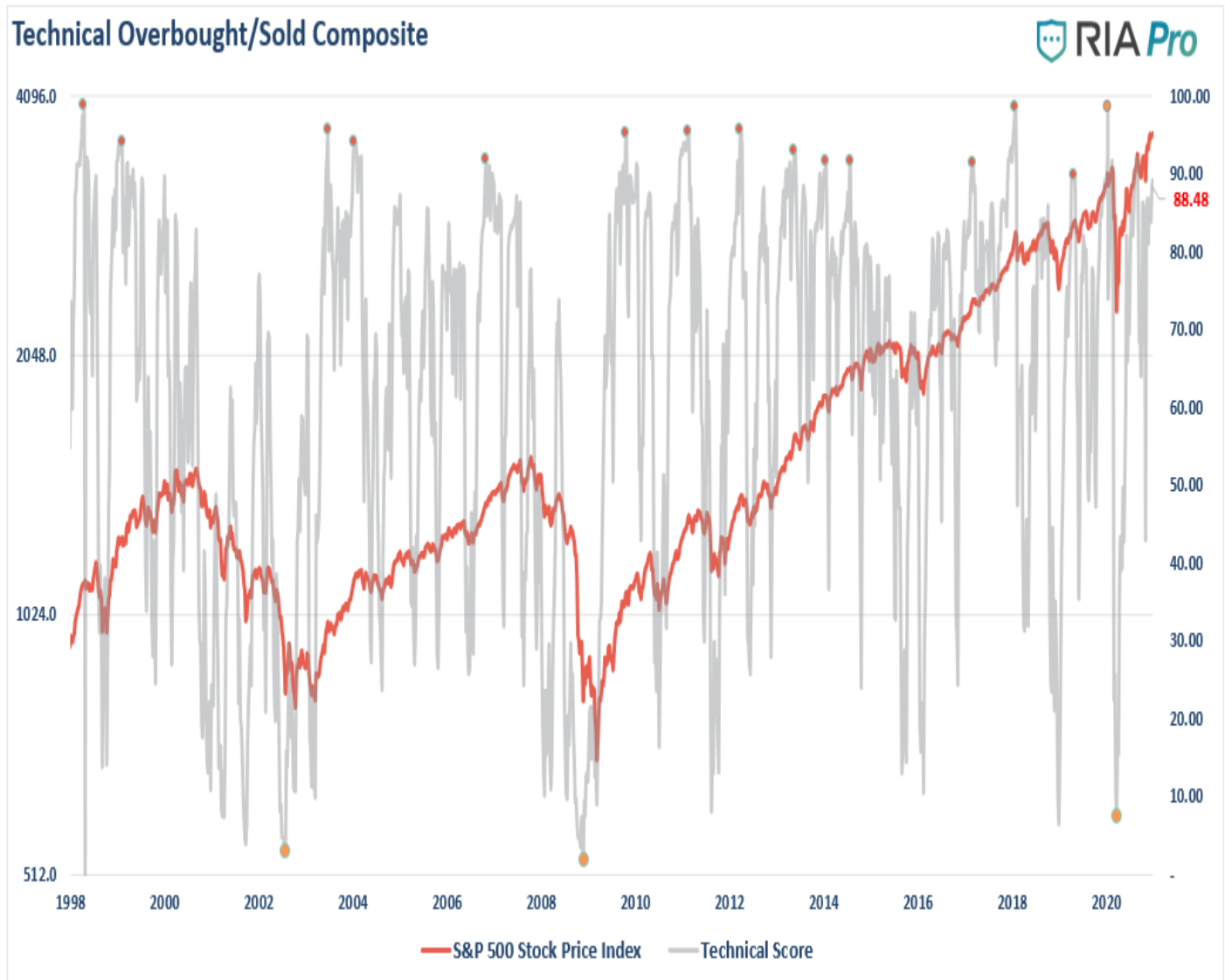


Performance Analysis



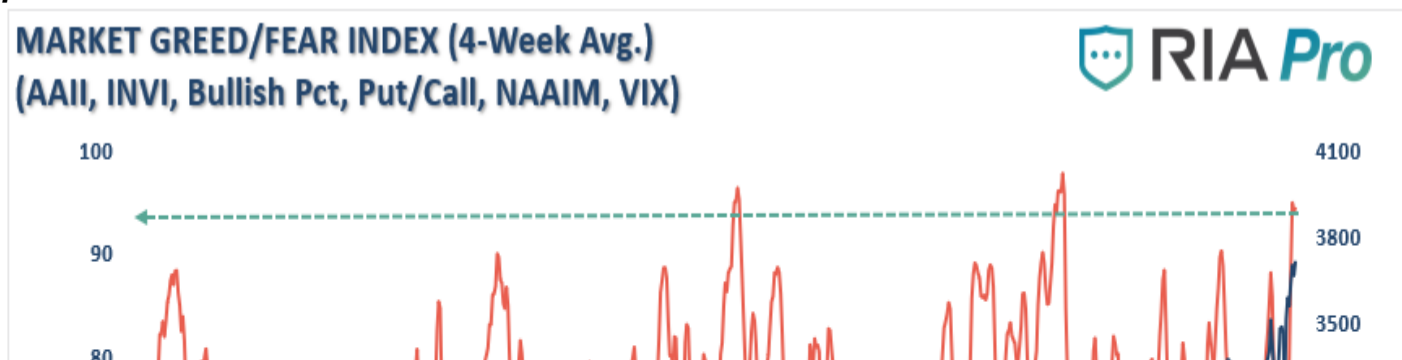
Technical Composite

The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" is oversold;



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, to more likely the market is closer to a correction than not. The gauge uses weekly closing data. NOTE: This week, I published the 4-Week Average of the Fear/Greed Index. It is a rarity that it reaches levels above 90. The current reading is 96.07 out of a possible 100.



Sector Model Analysis & Risk Ranges

How To Read.

- The table compares each sector and market to the S&P 500 index on relative performance.
- The "MA XVER" is determined by whether the short-term weekly moving average crosses 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.
- The table shows the price deviation above and below the weekly moving averages.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG	MONTH	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	WMA	END PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	370.31	(0.44)	1.74	9.48	17.29	14.18	353.60	332.93	363.32	0.99	372.40	354.24	5%	11%	BULLISH
XLB	SPDR-MATLS SELS	71.58	0.01	(1.40)	4.61	8.29	2.42	67.99	62.40	70.99	1.08	73.53	68.45	5%	15%	BULLISH
XLC	SPDR-COMM SV SS	66.26	(0.73)	(0.13)	0.49	(0.47)	8.09	63.16	59.28	65.40	0.99	67.68	63.12	5%	12%	BULLISH
XLE	SPDR-EGY SELS	38.12	(4.42)	(4.91)	21.83	(6.61)	(52.64)	34.07	36.00	36.76	1.74	38.32	35.20	12%	6%	BEARISH
XLF	SPDR-FINL SELS	28.95	1.17	(0.37)	10.59	10.35	(20.34)	26.45	24.85	27.88	1.20	28.91	26.85	9%	16%	BULLISH
XLK	SPDR-TECH SELS	129.06	0.72	4.04	(0.04)	2.09	26.22	120.92	112.19	123.48	1.06	127.87	119.09	7%	15%	BULLISH
XLI	SPDR-INDU SELS	88.00	(0.49)	(2.83)	5.18	13.78	(6.82)	83.66	76.04	88.03	1.18	91.27	84.79	5%	16%	BULLISH
XLP	SPDR-CONS STPL	66.72	(1.12)	(2.05)	(5.98)	(4.59)	(8.23)	65.87	63.00	66.91	0.58	68.97	64.85	1%	6%	BULLISH
XLRE	SPDR-RE SELS	35.91	(2.71)	(4.39)	(9.31)	(14.57)	(20.40)	36.22	35.51	36.50	0.70	37.67	35.33	-1%	1%	BULLISH
XLU	SPDR-UTIL SELS	61.21	(2.13)	(6.69)	(7.43)	(9.34)	(18.82)	63.12	60.37	62.84	0.32	64.61	61.07	-3%	1%	BULLISH
XLV	SPDR-HLTH CR	111.47	(0.83)	1.06	(3.44)	(6.87)	(5.86)	108.63	105.25	109.74	0.77	113.33	106.15	3%	6%	BULLISH
XLY	SPDR-CONS DISCR	157.88	(1.35)	(1.74)	(3.45)	2.55	11.06	153.36	141.25	157.26	1.14	162.99	151.53	3%	12%	BULLISH
XTN	SPDR-SP TRANSP	71.39	(0.62)	(1.10)	12.71	19.32	(4.18)	65.46	58.89	69.63	1.40	72.35	66.91	9%	21%	BULLISH
SDY	SPDR-SP DIV ETF	105.15	(1.43)	(2.87)	4.29	1.87	(16.44)	100.44	95.54	103.80	0.89	107.32	100.28	5%	10%	BULLISH
RSP	INVS-SP5 EQ ETF	126.08	(0.55)	(0.28)	6.72	8.31	(5.35)	117.85	109.62	122.88	1.12	127.33	118.43	7%	15%	BULLISH
SLY	SPDR-SP6 SC	79.72	0.46	3.67	19.77	22.81	(4.54)	70.13	63.78	73.75	1.28	76.54	70.96	14%	25%	BULLISH
MDY	SPDR-SP MC 400	421.75	0.94	3.22	13.30	15.14	(2.04)	380.32	349.89	395.78	1.19	410.40	381.16	11%	21%	BULLISH
EEM	ISHARS-EMG MKT	50.13	(1.36)	(0.61)	3.17	(2.10)	(2.51)	47.63	43.92	48.73	0.87	50.37	47.09	5%	14%	BULLISH
EFA	ISHARS-EAFE	72.36	(0.50)	(0.14)	3.55	0.04	(10.10)	67.85	64.29	70.15	0.86	72.50	67.80	7%	13%	BULLISH
IAU	ISHARS-GOLD TR	17.92	0.17	2.27	(10.69)	(13.35)	9.83	17.88	17.67	16.95	0.02	17.38	16.52	0%	1%	BULLISH
GDX	VANECK-GOLD MNR	36.03	(2.94)	4.11	(18.43)	(24.41)	9.72	37.48	37.90	34.68	0.58	35.75	33.61	-4%	-5%	BEARISH
UUP	INVS-DB US\$ BU	24.35	0.94	(3.59)	(13.27)	(24.17)	(21.31)	24.94	25.53	24.82	(0.12)	25.41	24.23	-2%	-5%	BEARISH
BOND	PIMCO-TOT RETRN	113.06	0.58	(1.24)	(8.71)	(16.22)	(9.73)	112.24	111.75	112.70	0.08	115.61	109.79	1%	1%	BULLISH
TLT	ISHARS-20+YTB	157.29	0.76	(2.61)	(13.20)	(23.20)	0.49	159.21	162.60	160.02	(0.27)	163.59	156.45	-1%	-3%	BEARISH
BNDX	VANGD-TTL INT B	58.46	0.22	(1.72)	(8.98)	(16.25)	(11.09)	58.37	57.97	58.52	0.03	60.00	57.04	0%	1%	BULLISH
HYG	ISHARS-IBX HYCB	87.05	0.95	(0.83)	(5.64)	(11.40)	(15.21)	85.40	83.98	86.32	0.37	88.80	83.84	2%	4%	BULLISH

Weekly Stock Screens

Currently, there are 3-different stock screens for you to review. The first is S&P 500 based companies with a "Growth" focus, the second is a "Value" screen on the entire universe of stocks, and the last are stocks that are "Technically" strong and breaking above their respective 50-dma. We have provided the yield of each security and a Piotroski Score ranking to help you find fundamentally strong companies on each screen. ([For more on the Piotroski Score - read this report.](#))

S&P 500 Growth Screen

Ticker	Company	Current Price	Next 3-5 Yr Est EPS Gr rate	5 yr Hist Sales Gr	Div Yield	P/E using 12 mo EPS	Score
FBHS	Fortune Brd H&S	87.77	11.20	4.99	1.09	22.28	8.00
MSFT	Microsoft Corp	221.02	13.20	13.83	1.01	35.71	8.00
MTD	Mettler-Toledo	1126.10	12.10	5.59	0.00	46.75	8.00
PG	Procter & Gambl	136.34	7.57	1.54	2.32	25.34	8.00
PKI	Perkinelmer Inc	139.32	19.52	8.24	0.20	24.53	8.00
ADP	Automatic Data	175.19	12.00	6.17	2.12	29.25	7.00
BLL	Ball Corp	91.61	5.00	8.85	0.65	32.03	7.00
CTLT	Catalent Inc	104.86	18.34	12.58	0.00	51.65	7.00
DVA	Davita Inc	115.00	18.26	-6.66	0.00	15.46	7.00
IDXX	Idexx Labs Inc	493.68	15.83	10.64	0.00	86.01	7.00
IT	Gartner Inc -A	157.04	13.50	17.83	0.00	34.97	7.00
KLAC	Kla Corp	252.79	11.56	17.02	1.42	23.21	7.00
MXIM	Maxim Intg Pdts	85.82	10.00	0.36	2.24	34.74	7.00
NTAP	Netapp Inc	66.17	11.90	0.64	2.90	19.12	7.00
NVDA	Nvidia Corp	520.37	18.26	22.00	0.12	73.29	7.00
QRVO	Qorvo Inc	165.10	15.77	4.66	0.00	24.64	7.00
TGT	Target Corp	174.91	8.49	3.79	1.56	20.70	7.00
UPS	Utd Parcel Srvc	172.64	7.90	6.91	2.34	22.51	7.00
APH	Amphenol Corp-A	128.76	9.92	9.76	0.90	35.87	6.00
AVGO	Broadcom Inc	425.46	12.86	22.60	3.38	22.97	6.00
BLK	Blackrock Inc	703.64	9.15	8.02	2.06	21.98	6.00
CBRE	Cbre Group Inc	62.75	11.00	21.04	0.00	19.92	6.00
CDW	Cdw Corp	129.85	13.10	7.83	1.23	20.55	6.00
CPRT	Copart Inc	123.35	13.00	16.02	0.00	45.52	6.00
DE	Deere & Co	267.94	16.04	9.48	1.13	30.80	6.00
DOV	Dover Corp	123.64	11.50	0.15	1.60	21.84	6.00
JPM	Jpmorgan Chase	125.07	5.00	9.75	2.88	16.35	6.00
MAS	Masco	56.23	16.59	0.85	1.00	19.52	6.00
MS	Morgan Stanley	68.21	6.51	10.02	2.05	11.72	6.00
PKG	Packaging Corp	135.73	5.00	5.17	2.95	22.03	6.00
RMD	Resmed Inc	209.98	14.53	12.50	0.74	41.17	6.00
ROK	Rockwell Automt	248.03	9.30	2.64	1.73	32.30	6.00
RSG	Republic Svcs	95.01	9.40	2.71	1.79	27.22	6.00
TMUS	T-Mobile Us Inc	132.23	18.58	9.99	0.00	34.08	6.00
TT	Trane Tech Plc	142.50	11.90	3.61	1.49	29.56	6.00
TYL	Tyler Tech Inc	432.99	15.00	13.66	0.00	102.12	6.00
CMI	Cummins Inc	224.22	9.00	5.67	2.41	19.91	5.00
PH	Parker Hannifin	269.40	11.78	5.77	1.31	24.31	5.00
PM	Philip Morris	82.20	5.61	1.36	5.84	15.99	5.00
SNA	Snap-On Inc	167.84	9.94	1.70	2.93	15.44	5.00

Low P/B, High-Value Score, High Dividend Screen

Ticker	Company	Current Price	Price/ Book	ROE 5 Yr Avg	Div Yield	Score
SJM	Smucker Jm	115.17	1.54	11.99	3.13	9
CMTV	Commnty Bcp Vt	15.06	1.08	12.34	5.05	8
FLIC	First Long Is	17.84	1.07	10.79	4.26	8
IBCP	Indep Bk Mich	18.62	1.09	11.07	4.30	8
PEG	Public Sv Entrp	56.53	1.81	11.16	3.47	8
TFC	Truist Finl Cp	47.29	1.03	10.08	3.81	8
TSLX	Sixth St Spclty	20.65	1.22	12.32	7.94	8
UGI	Ugi Corp	34.85	1.75	11.03	3.79	8
BSRR	Sierra Bancorp	23.83	1.08	10.41	3.36	7
CFR	Cullen Frost Bk	87.83	1.35	11.21	3.28	7
CHCO	City Hldgs Co	68.78	1.59	13.27	3.31	7
CPF	Central Pac Fin	19.17	0.99	10.07	4.80	7
CRWS	Crown Crafts	7.10	1.60	13.97	4.51	7
CZFS	Citizens Fin Sv	49.75	1.03	11.82	3.70	7
FMNB	Farmers Natl Bc	13.20	1.10	10.99	3.33	7
FNLC	First Bancp Inc	24.60	1.23	11.41	5.04	7
LARK	Landmark Bcp	23.71	0.94	10.11	3.21	7
LOMA	Loma Negra Cia	6.26	1.43	21.99	4.06	7
LTC	Ltc Properties	38.94	1.96	13.30	5.86	7
SWM	Schweitzer-Maud	40.06	2.00	19.52	4.39	7
UBFO	United Sec Bcsh	7.00	1.01	10.41	6.29	7
WTBA	West Bancorp	19.77	1.51	14.69	4.25	7

Aggressive Growth Strategy

Ticker	Company	Current Price	Next 3-5 Yr Est EPS Gr rate	5 yr Hist Sales Gr	Div Yield	P/E F1/ LT EPS Gr	Score
MSCI	Msci Inc-A	428.63	#N/A	10.18	0.73	#N/A	8
MSFT	Microsoft Corp	221.02	13.20	13.83	1.01	2.49	8
TSLA	Tesla Inc	645.98	32.90	55.05	-	19.22	8
FFIN	First Fin Bk-Tx	35.91	#N/A	10.70	1.45	#N/A	7
IDXX	Idexx Labs Inc	493.68	15.83	10.64	-	5.09	7
MXIM	Maxim Intg Pdts	85.82	10.00	0.36	2.24	3.04	7
NVDA	Nvidia Corp	520.37	18.26	22.00	0.12	3.73	7
QLYS	Qualys Inc	122.49	#N/A	17.75	-	#N/A	7
CPRT	Copart Inc	123.35	13.00	16.02	-	3.06	6
HALO	Halozyne Thera	42.65	#N/A	6.59	-	#N/A	6
IPGP	Ipg Photonics	220.16	#N/A	7.85	-	#N/A	6
RGEN	Repligen	196.92	30.00	35.13	-	4.56	6
RMD	Resmed Inc	209.98	14.53	12.50	0.74	2.78	6
TYL	Tyler Tech Inc	432.99	15.00	13.66	-	6.97	6
RAMP	Liveramp Hldgs	71.81	#N/A	(21.10)	-	#N/A	5
CGNX	Cognex Corp	81.92	#N/A	12.59	0.29	#N/A	5
IIPR	Innov Indl Ppty	188.75	#N/A	172.75	2.48	#N/A	5
EXR	Extra Space Stg	112.83	3.11	10.88	3.19	7.12	4
FCPT	Four Cornrs Ppt	29.25	#N/A	22.72	4.17	#N/A	4
TREX	Trex Company	85.82	#N/A	14.86	-	#N/A	4
MLAB	Mesa Labs Inc	285.64	#N/A	8.08	0.22	#N/A	3

Portfolio / Client Update

As we get ready to wrap up the final trading week of the year, this is one year we will be glad to leave behind. We certainly hope that 2021 will leave the virus behind us, and we can return to more normal lives. What 2020 taught us is that we needed to adjust our models and strategies to account for increased liquidity. Not liquidity from the Fed. Instead, it was the Government's stimulus that looped directly back into markets through retail trading accounts. With success over the last several months, we have now implemented several indicators that track money flows and price momentum. We have also adjusted our model weightings to allow room for additional hedges and overweight equity risk as needed to generate alpha in portfolios.

However, with that said, our goal remains to navigate these markets as best we can while maintaining our focus on conserving your principal. 2013266080;

Portfolio Changes

During the past week, we made minor changes to portfolios. We post all trades in real-time at [RIAPRO.NET](https://riapro.net). In anticipation of the seasonally strong period from Christmas to the first two days of January, we added some additional exposure to portfolios.

"Adding 5% of SPY to Equity and ETF portfolios for the end-of-year strength. As noted in both posts below, there is a 76% win ratio for the S&P between the 15th of December and the first week of January."

- **Initiate a 5% position of SPY in portfolios."**

Furthermore, with TSLA entering the S&P 500 index, the rebalancing of sectors put downward pressure on energy stocks. We have been looking for a pullback in a couple of stocks to their support levels to start adding positions to portfolios. We used this opportunity today to begin that process. **EQUITY Model**

- Reducing CLX from 3% to 2% (Tax loss selling)
- Initiating a 1% position in KMI 2013266080;
- Initiating a 1% position in FANG

ETF Model

- Reducing CLX from 3% to 2% (Tax loss selling)
- Initiating a 2% position in XLE

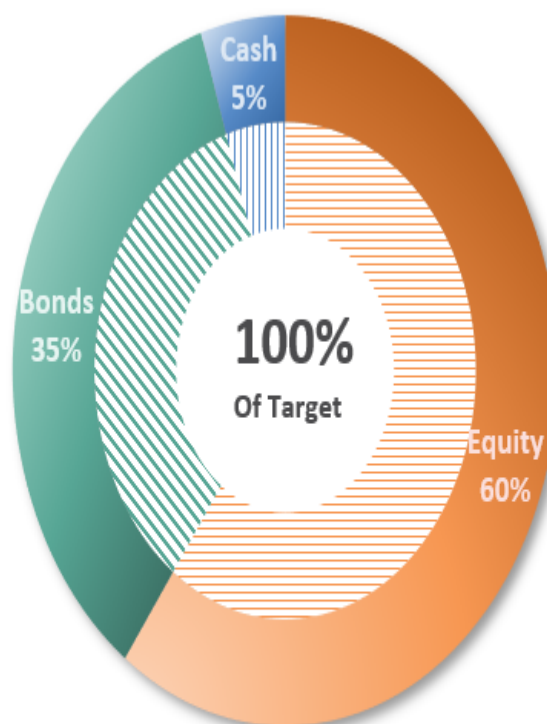
We are aware of the risks and are carrying tight stops on this position. As always, our short-term concern remains the protection of your portfolio. We have now shifted our focus from the election back to the economic recovery and where we go from here. *Lance Roberts CIO*

THE REAL 401k PLAN MANAGER

A Conservative Strategy For Long-Term Investors



Current Portfolio Weighting



Current 401k Allocation Model

5.00% Cash + All Future Contributions

Primary concern is the protection of investment capital

Examples: Stable Value, Money Market, Retirement Reserves

35.00% Fixed Income (Bonds)

Bond Funds reflect the direction of interest rates

Examples: Short Duration, Total Return and Real Return Funds

60.00% Equity (Stocks)

The vast majority of funds track an index.

Therefore, select on ONE fund from each category.

Keep it Simple.

20% Equity Income, Balanced or Conservative Allocation

30% Large Cap Growth (S&P 500 Index)

5% International

5% Mid-Cap

Portfolio Instructions:

Allocation Level To Equities	Recommendation	When To Take Action
Less Than Target Allocation	Hold Current Exposure	Hold Exposure
Equal To Target Allocation	Hold Current Exposure	Hold Exposure
Over Target Allocation	Hold Current Exposure	Hold Exposure

Commentary

Next week official begins the "end of year window dressing rally," also known as the "Santa Claus" rally, the markets remained near all-time highs. The bullish bias to the markets remains extremely elevated, and markets remain extremely overbought currently.

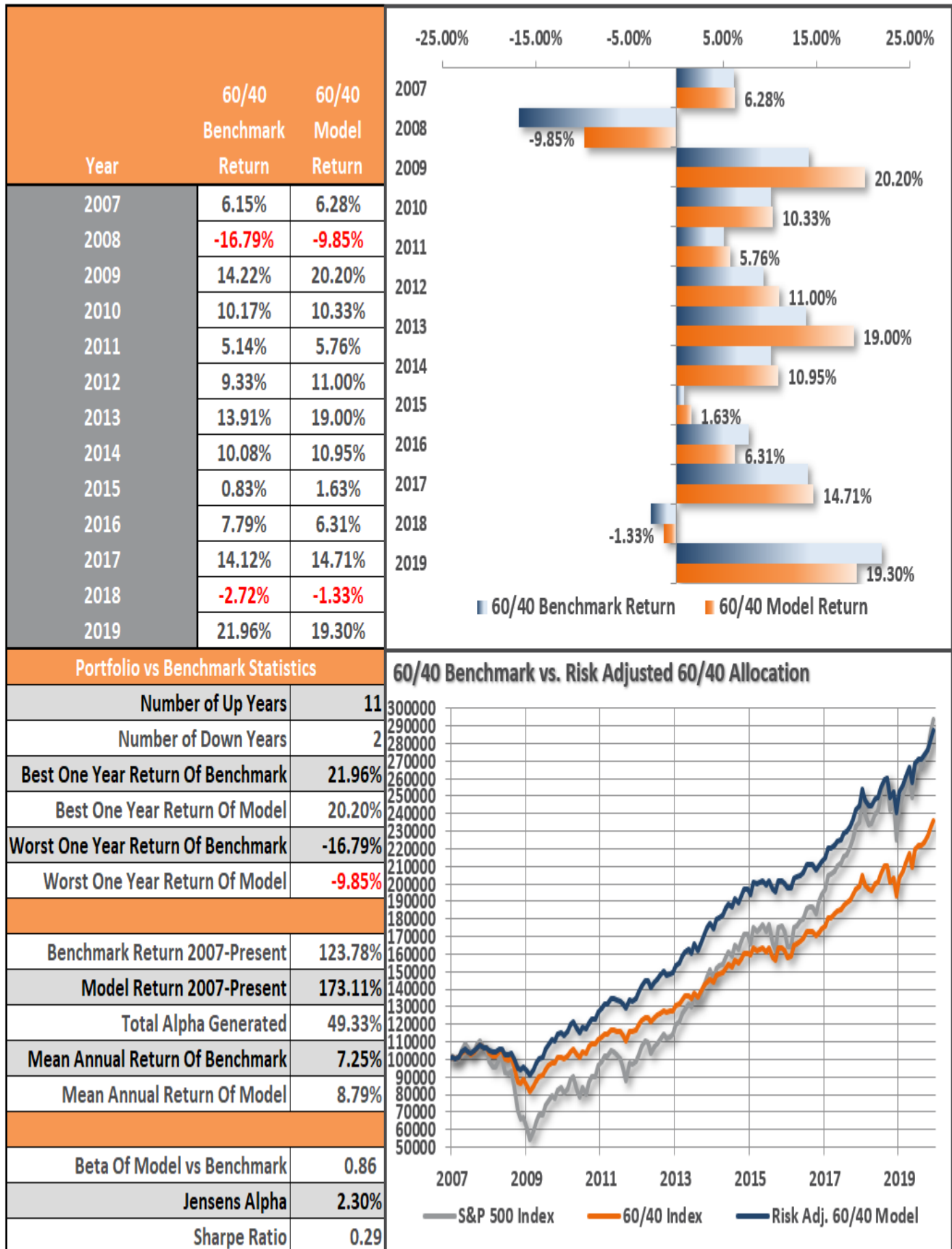
Much of the vaccine "news" is priced into the market, however, the fight over the stimulus bill could derail markets next week IF we get into a Government shutdown. However, the markets will probably look past such an event for now and bank on stimulus as soon as President Biden takes office. But that is a story for later, as for now, it is just about the "optimism" of it all.

We do not recommend adding additional exposure at this time. In fact, the more prudent course of action currently is to rebalance portfolios back to original weightings. This will reduce the overall risk profile of the plan currently.

If you are close to retirement, a little extra caution is certainly worth taking.

If you need help after reading the alert, do not hesitate to [contact me](#).

Model performance is a two-asset model of stocks and bonds relative to the weighting changes made each week in the newsletter. Such is strictly for informational and educational purposes only, and one should not rely on it for any reason. Past performance is not a guarantee of future results. Use at your own risk and peril.



401k Plan Manager Live Model

As an [RIA PRO subscriber](#) (You get your first 30-days free), you can access our live 401k plan manager. Compare your current 401k allocation to our recommendation for your company-specific plan and our 401k model allocation. You can also track performance, estimate future values based on your savings and expected returns, and dig down into your sector and market allocations. **If you would like to offer our service to your employees at a deeply discounted corporate rate, [please contact me.](#)**

RIAPro

Investment Analysis, Research & Data
From The RIA Investment Team

Dashboard

Macro

Ideas

Research

Portfolio

401K - Beta

Symbol

Help

This is the Beta version of 401K. Some Errors are expected ! Click Here to report Issues

My Portfolios

CVS Health

Enter Portfolio Name

Add Portfolio

Delete Portfolio

Rename Portfolio

My Info

Fund Selection

Comparison

Summary

Commentary

My Portfolio

RIAPro Portfolio

RIA PRO MODEL PL

Retirement Income (My Portfolio Annual ROR 9.44 %)

Current account balance	10,000
Estimated Retirement Balance	632,861
Estimated Retirement Balance (Inflation Adj)	620,204
Monthly Income	2,768
Monthly Income (Inflation Adj)	2,713
My Cumulative Contribution	172,934
Employer Cumulative Contribution	103,760

Retirement Income (RiaPro Annual ROR 9.02 %)

Current account balance	10,000
Estimated Retirement Balance	609,786
Estimated Retirement Balance (Inflation Adj)	597,590
Monthly Income	2,667
Monthly Income (Inflation Adj)	2,614
My Cumulative Contribution	172,934
Employer Cumulative Contribution	103,760

My Fund Composition

RIAPro Fund Composition

My Asset Composition

RIAPro Asset Composition