

Speculative Mania Continues As It "Goes Up In Smoke"



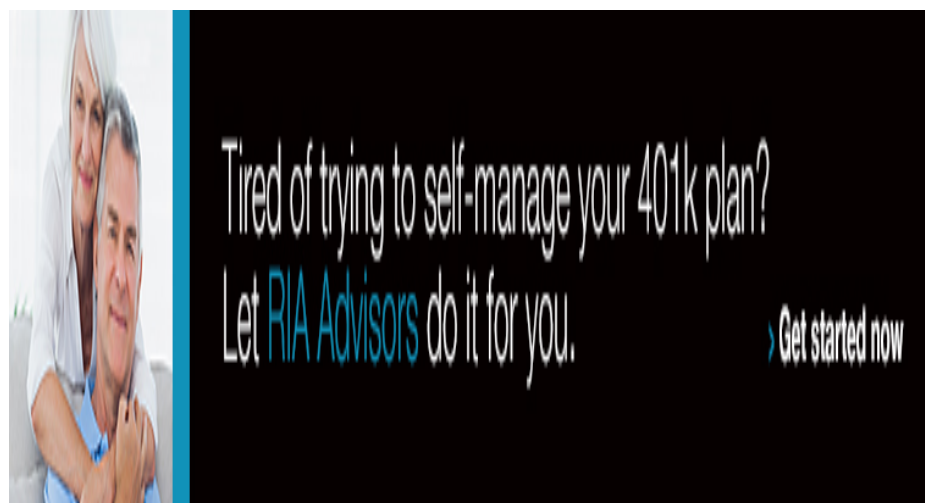
In this issue of "Speculative Mania Continues As It "Goes Up In Smoke."

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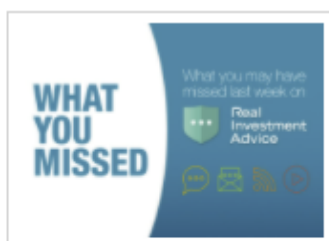
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Catch Up On What You Missed Last Week



#WhatYouMissed On RIA This Week: 2-12-21

Written by Lance Roberts | Feb 12, 2021

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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Market Review And Update

Last week, we discussed how the market successfully retested and held the 50-dma and rallied enough to turn money flows back positive. We addressed this point on Thursday in our daily **"3-Minutes"** video ([subscribe for daily updates](#)), <https://www.youtube.com/watch?v=hntNXBaJWcE> [As previously noted:](#)

"While the money flow 'buy signal' will likely trigger next week, the market is already trading 2-standard deviations above the 40-dma. Such suggests that the upside may be more limited over the next couple of weeks."



As the market struggled to hold gains, as denoted by the two red-dashed lines, that was the case. Notably, the entire week's gains came in the last hour of trading on Friday. With the money flow signals still positive, the overall bias to the market remains bullish for now. **However, the rally is still at risk currently, given the more extreme overbought and bullish conditions.** Speculation remains rampant, and **there are many indicators from relative strength to participation that suggest we could see another correction in March or early April.** When our money flow indicators turn lower again, we will suggest reducing risk accordingly. However, the problem with all technical indicators is two-fold:

1. *They don't distinguish between a 5% correction and a 20% drawdown; and,*
2. ***Secondly, the corrections often occur so quickly you don't have much time to decide just how defensive you need to be.***

Real Investment Report

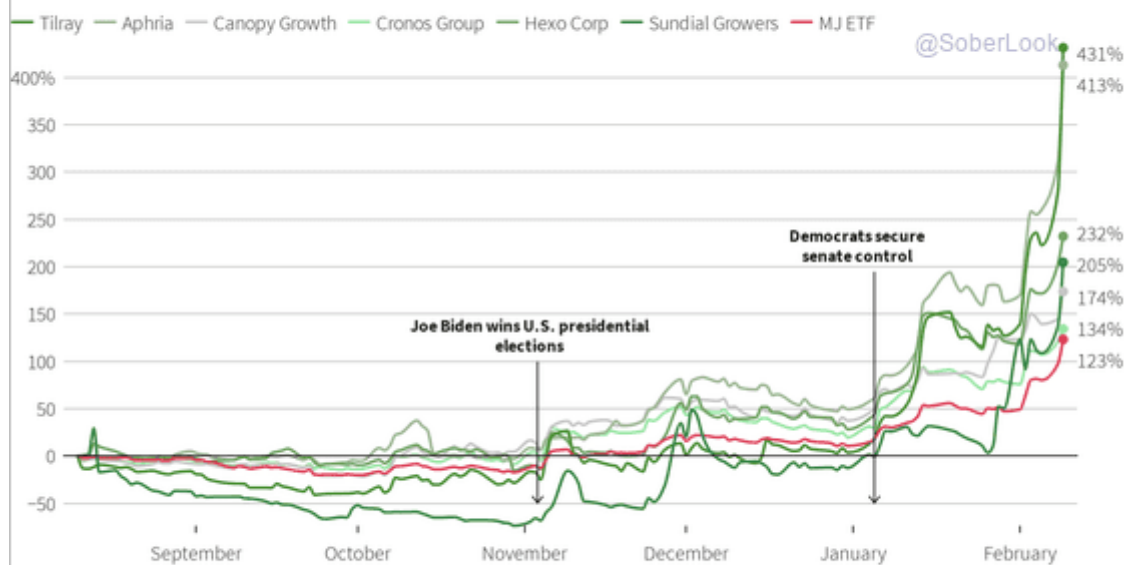
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Speculative Mania Continues

Cannabis stocks rally to new highs

U.S.-listed pot stocks have doubled in last six months on President Joe Biden's administration promising decriminalization



and their sites away
st itself into names

However, this time

it looks like "Reddit" traders learned their lesson to "get out early" as the trade went "up in smoke" rather quickly.

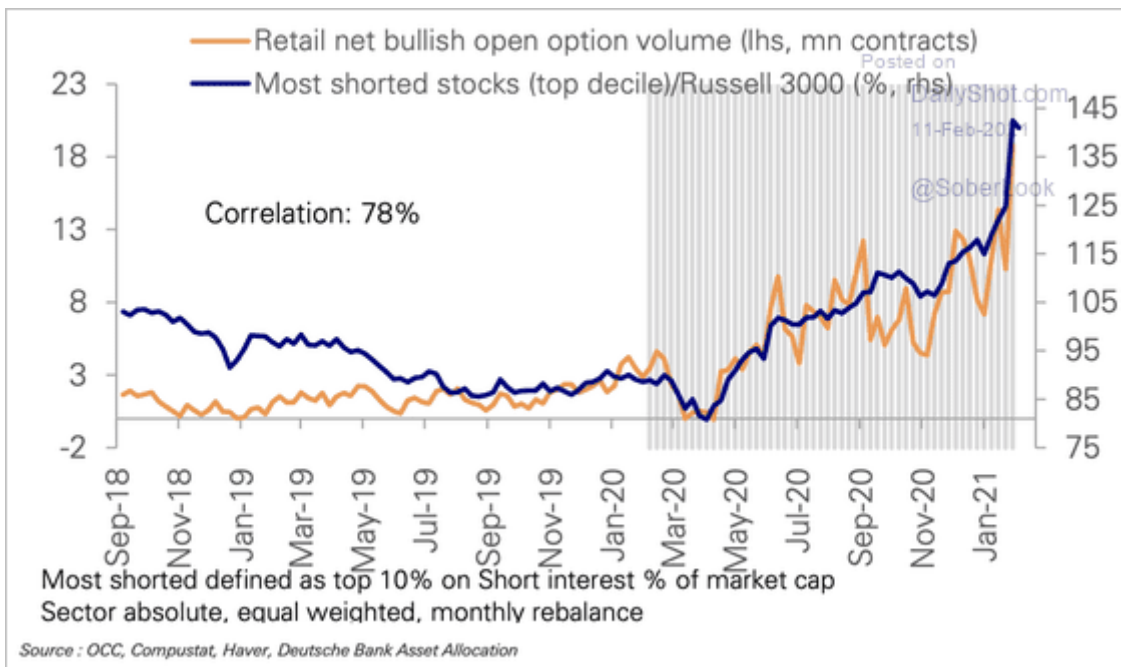
TLRY Tilray, Inc. Nasdaq GS
12-Feb-2021

Open 29.28 High 35.41 Low 28.21 Close 29.00 Volume 120.1M Chg -3.18 (-9.83%)

TLRY (Daily) 262.05%

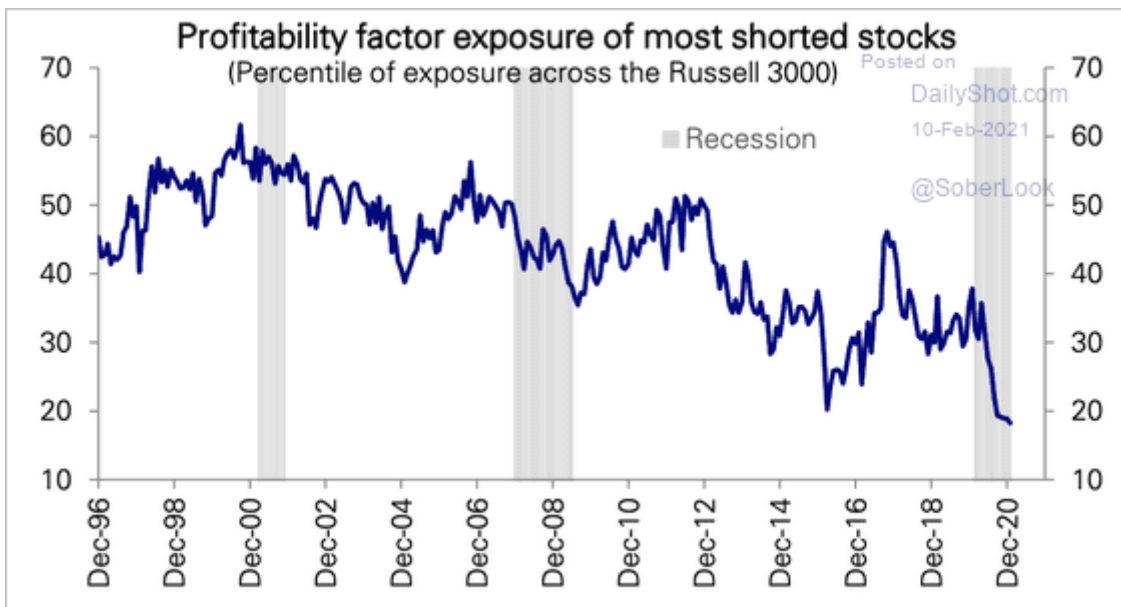
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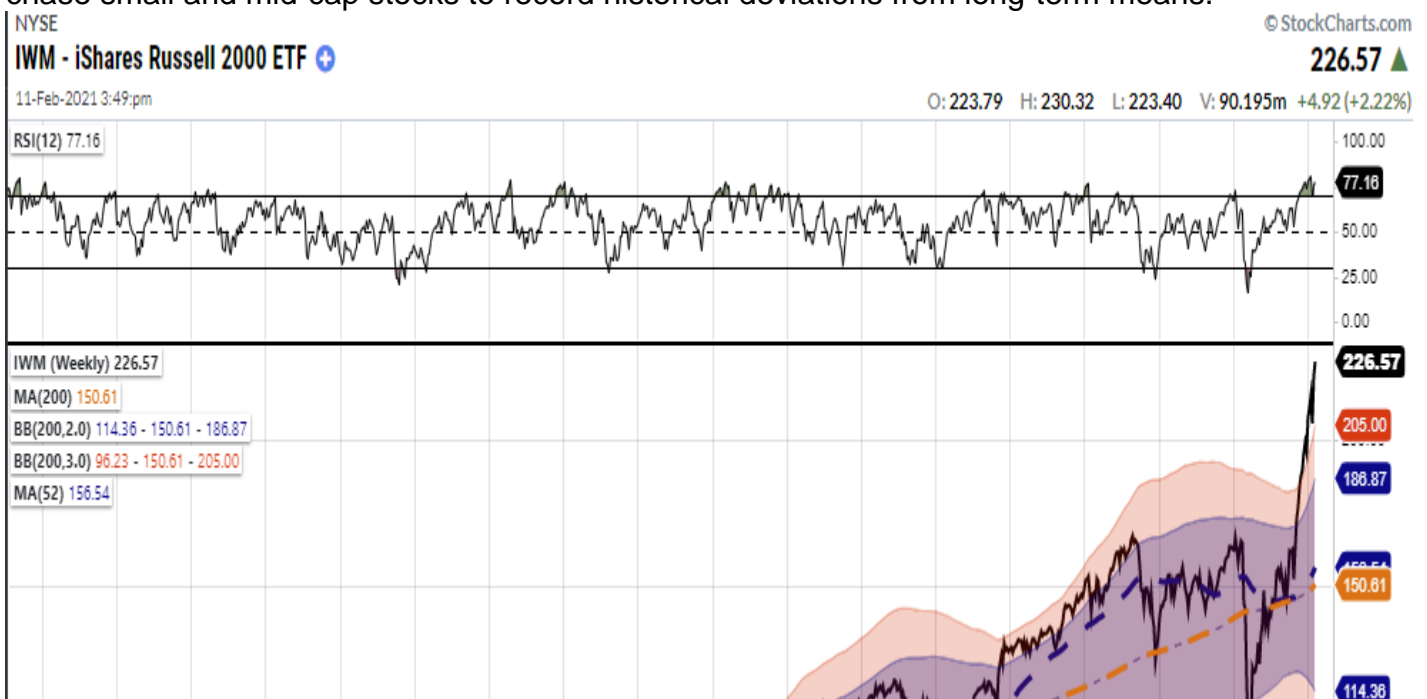
ors continue to
piling up on the

However, those



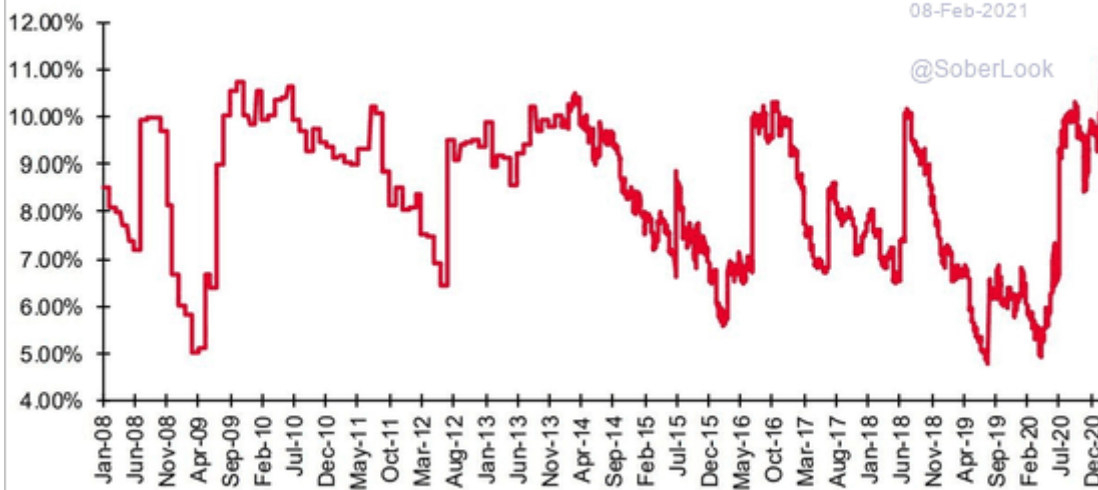
And as investors

chase small and mid-cap stocks to record historical deviations from long-term means.



**The quality of the Russell 2000 is deteriorating further
(weighting of the worst bad balance sheet quintiles is now historically high)**

Posted on
DailyShot.com



Source: SG Cross Asset Research/Equity Quant

ing the most.

But these are just

a view of the signs. I did a much more extensive review of the current speculation in ["Is This The Biggest Bubble Ever?"](https://www.youtube.com/watch?v=06AlnzePi0A) <https://www.youtube.com/watch?v=06AlnzePi0A> As my colleague Doug Kass noted previously:

?It is growing increasingly clear to me that global stock markets are in the process of making a speculative move (driven by global liquidity) that may even compare to the advances that culminated in the seminal market tops in the Fall of 1987 and in the Spring of 2000. No longer is the market hostage to the real economy or sales and profit growth? stuff I have spent four decades analyzing. Instead, liquidity is seen as an overriding influence, actually it has become the sine quo non. As such, historical valuations become increasingly irrelevant, and price momentum is the lodestar.?

He is right. What could go wrong?



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Two Important Threats

The question of what could wrong is extremely difficult to answer. **The reason is that historically, the thing the "goes wrong," is almost always something no one is talking about.** In February 2020, estimates were for a raging bull market, and then the world was shut down by a pandemic.

"Stuff Happens," and always when we least expect.

There are, however, two threats that could severely limit the market in the months and quarters ahead. **Inflation and Interest Rates.**

Interest Rates

With an economy pushing \$85 trillion in debt, the entire premise of the "consumption function," as well as "valuation justification" for the stock market, is based on low-interest rates. However, that is

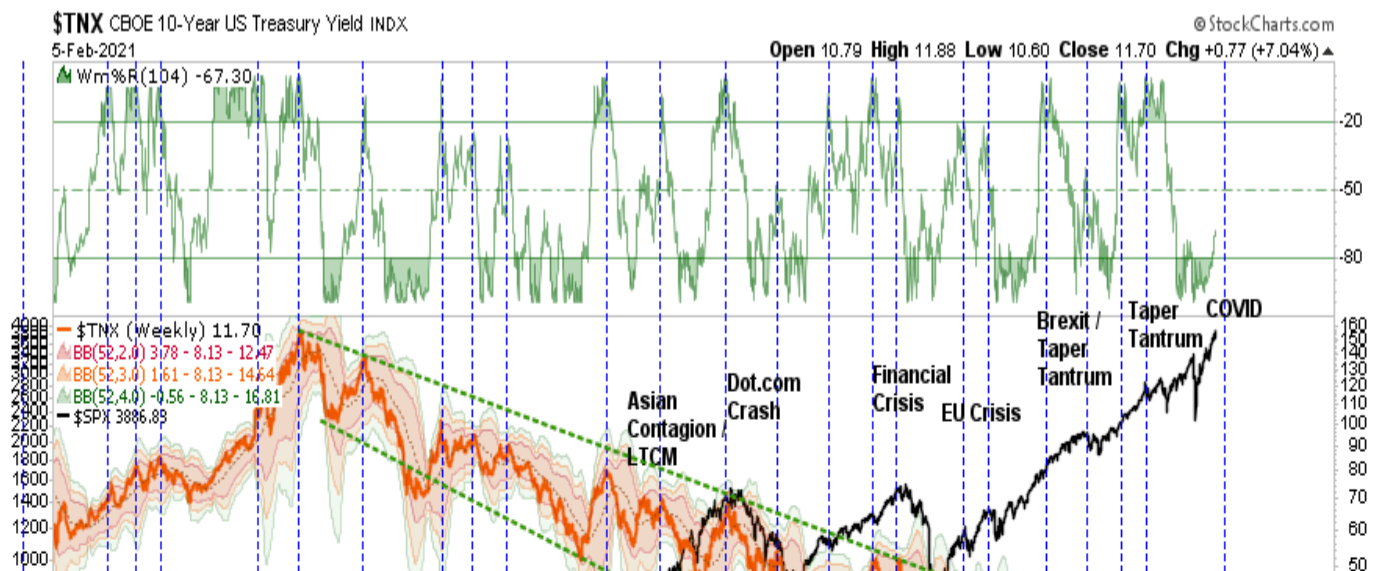
rapidly ending as the rise in rates is now approaching a "danger zone" for the markets. As noted by [SentimenTrader](#) on Thursday:

"The march higher in the yield on 10-year Treasury notes took a breather in recent days, but it's mostly been a steady rise for most of the last 6 months.�So much so that the 1-year z-score, a measure of how unusual the move is relative to recent history, just reached 1.5 standard deviations for the 4th distinct time in the past decade."

An extreme move, relative to average



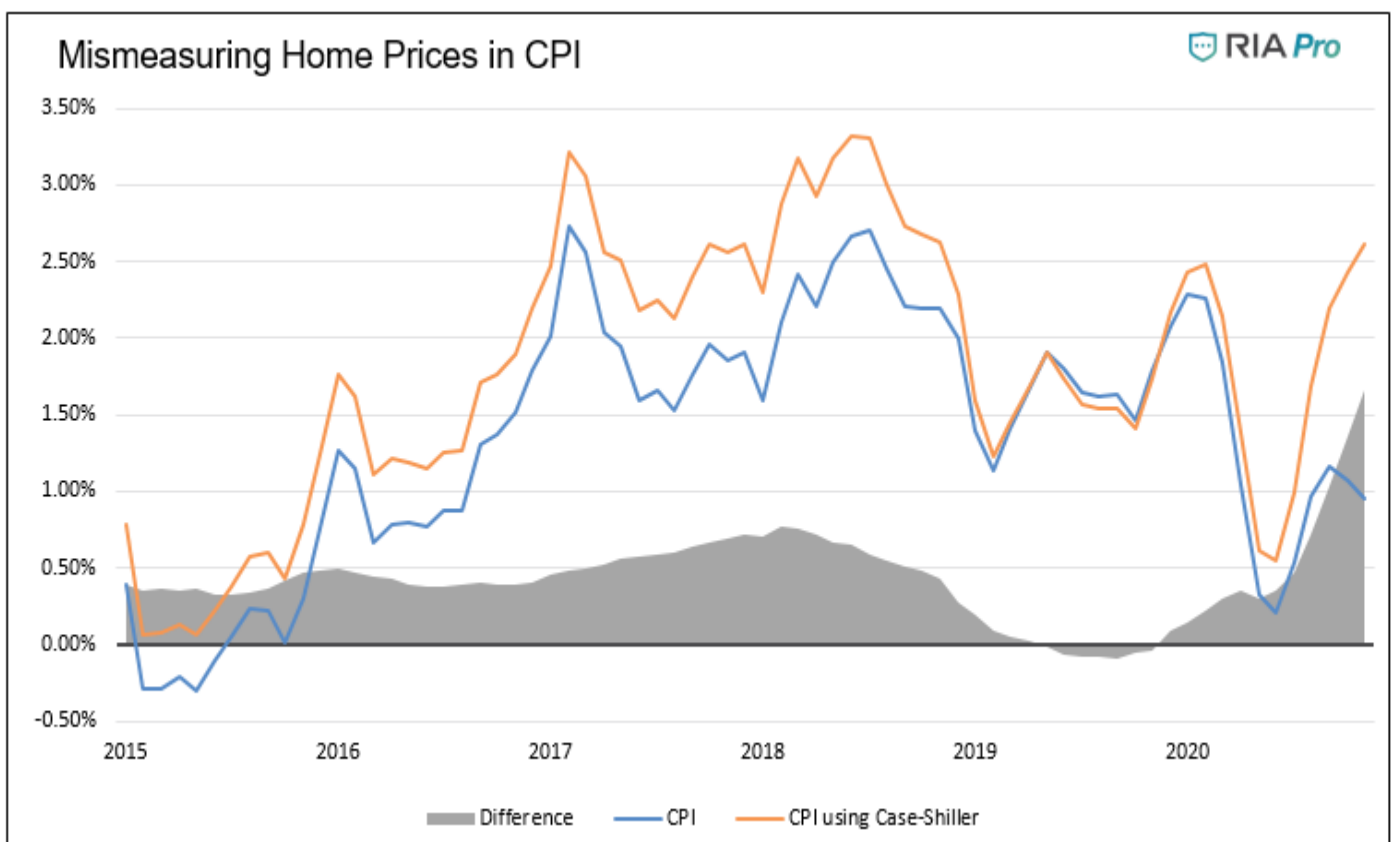
As discussed in ["Dollar & Rates Issue A Warning,"](#) interest rates are rapidly approaching the 1.5% to 2.0% barrier, where higher payments will collide with disposable income. Historically, such has not ended well for markets.



Inflation

The second threat is inflation. as noted by Michael Lebowitz for our [RIAPRO Subscribers](#) (30-day free trial.)

"In February 2019 we wrote [MMT and its Fictional Discipline](#). In 1998, the Bureau of Labor Statistics (BLS) changed the way they calculated real estate prices within CPI. The BLS replaced an index based on actual home prices with what is now called owner's equivalent rent (OER). OER is a rental equivalence that calculates the price at which an owned house would rent." Since 2019, OER has risen 5.12% while the Case-Shiller Home Price Index (CS) is up 13.73%. OER comprises nearly a quarter of the CPI calculation. The graph below replaces OER with the CS Index in the CPI calculation to show how inflation is understated due to the sharp divergence between actual home prices and the BLS flawed methodology to compute home prices. Per the graph, CPI would be 2.62% and rising, versus .96% and trending lower. The low CPI reading provides cover for the Fed to keep printing, but at what cost?"



When it comes to the stock market, there is a decades-long correlation between interest rates and inflation. **More importantly, as with debt, consumers may handle higher prices or debt payments, but not both.** While investors may be able to justify higher inflation or rates in the short-term, it is unlikely they can justify both. **As inflation and rates slow economic growth due to the absorption of disposable income via higher prices and interest payments, the market will begin to reprice risk quickly.** Such could be a problem sooner than many think.

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The Reason To Focus On Risk

During the past week, we made no substantive changes to our portfolios. It seems like a good time to review why we chose to "focus on risk" given the seeming "insanity" in the markets currently.

As investors, our job is to navigate the waters within which we currently sail, not the seas we think we will sail in later. Higher returns are generated from the management of risks rather than the attempt to create returns by chasing markets. That philosophy got well defined by Robert Rubin, former Secretary of the Treasury when he said;

As I think back over the years, I have been guided by four principles for decision making. First, the only certainty is that there is no certainty. Second, every decision, as a consequence, is a matter of weighing probabilities. Third, despite uncertainty, we must decide and we must act. And lastly, we need to judge decisions not only on the results, but on how they were made. Most people are in denial about uncertainty. They assume they're lucky, and that the unpredictable can be reliably forecast. This keeps business brisk for palm readers, psychics, and stockbrokers, but it's a terrible way to deal with uncertainty. If there are no absolutes, then all decisions become matters of judging the probability of different outcomes, and the costs and benefits of each. Then, on that basis, you can make a good decision.

A Simple Philosophy

It should be evident that an honest assessment of uncertainty leads to better decisions, but the benefits of Rubin's approach, and mine, goes beyond that. **For starters, although it may seem contradictory, embracing uncertainty reduces risk while denial increases it.** Another benefit of acknowledged uncertainty is it keeps you honest.

A healthy respect for uncertainty and focus on probability drives you never to be satisfied with your conclusions. It keeps you moving forward to seek out more information, to question conventional thinking and to continually refine your judgments and understanding that difference between certainty and likelihood can make all the difference.

We must recognize and be responsive to changes in underlying market dynamics if they change for the worse and be aware of the inherent risks in portfolio allocation models. **The reality is that we can't control outcomes. The most we can do is influence the probability of specific outcomes, which is why the day-to-day management of risks and investing based on probabilities rather than possibilities is essential to capital preservation and investment success.** It is just something to consider.



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The MacroView



#MacroView: Why Stimulus Doesn't Lead To Organic Growth

Written by Lance Roberts | Feb 12, 2021

There is a growing consensus in Washington the only way to fix the worst economic downturn in more than 70 years is by giving out more free money. However, the reason the previous programs failed is the stimulus doesn't lead to organic growth.

[>> Read More](#)

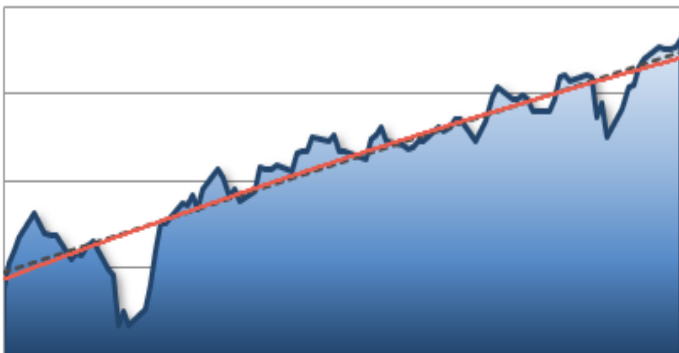
If you need help or have questions, we are always glad to help. [Just email me](#). See You Next Week **By Lance Roberts, CIO**

Market & Sector Analysis

Analysis & Stock Screens Exclusively For RIAPro Members

S&P 500 Tear Sheet

3 Month SPY Price



SPY RISK INFO

ZACKS

REAL INVESTMENT ADVICE

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	43.25%	16.37%	5.02%	(69.34%)
Max Drawdown	(35.63%)	(35.63%)	(4.56%)	(87.21%)
Sharpe	0.97	0.73	3.44	3.71
Sortino	1.04	0.83	3.87	3.68
Volatility	25.21	33.60	15.37	(0.54)
Daily VaR-5%	(15.63)	(29.94)	28.41	(1.95)
Mnthly VaR-5%	(6.00)	(20.63)	(20.63)	0.00

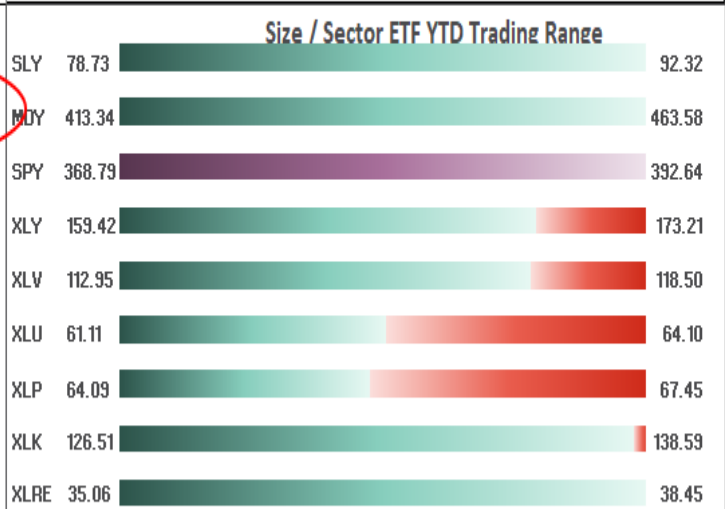
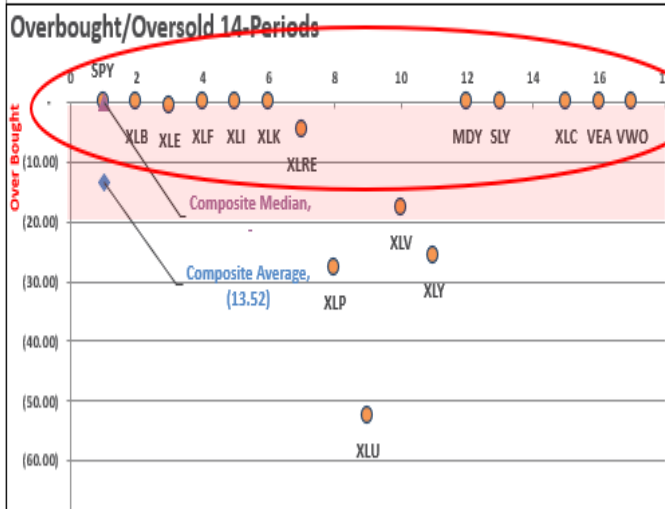
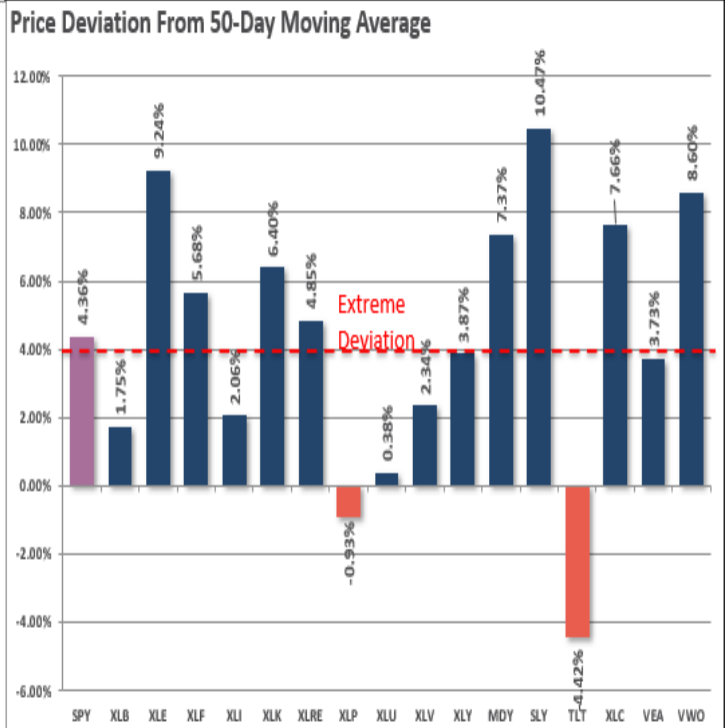
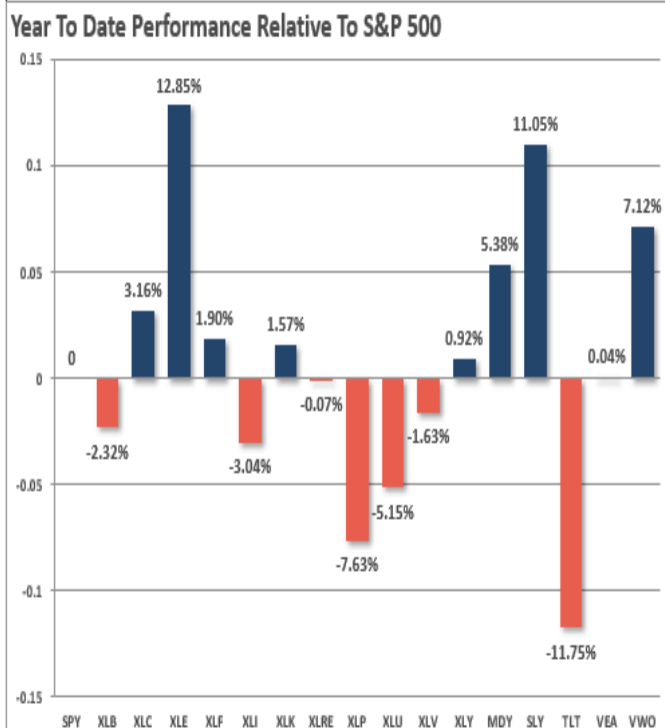
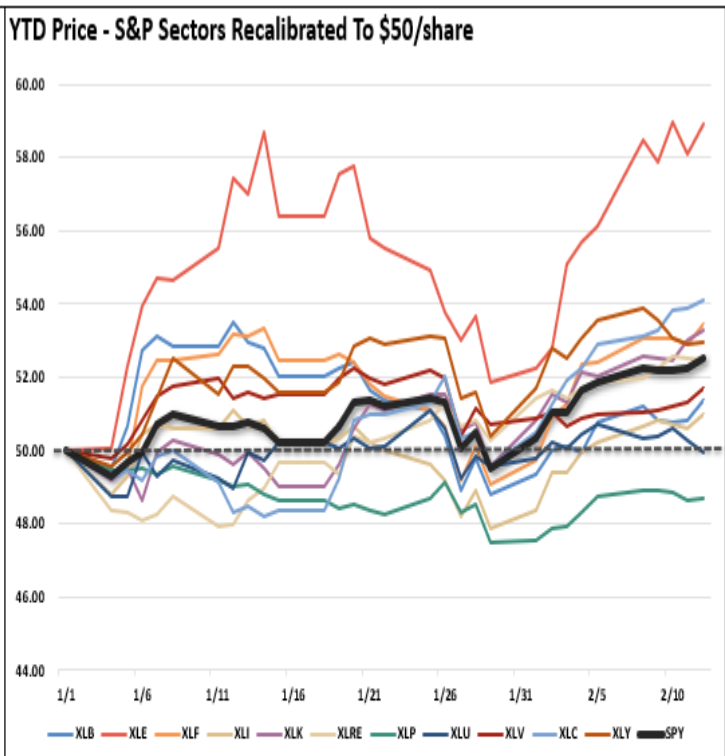
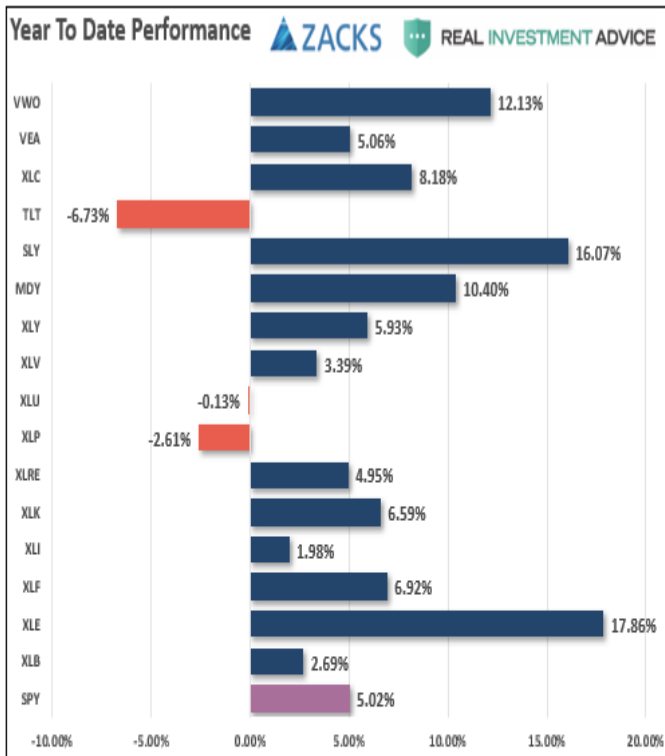
S&P 500 Market Cap Analysis

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.92%	1.73%	1.36%	(27.31%)	2.19%	1.40%	(38.09%)	(3.11%)
P/E Ratio	18.02	21.28	28.10	24.28%	2886%	1637%	(2.6%)	71.65%
P/S Ratio	3.68	4.01	5.64	28.94%	5.39	3.20	4.75%	76.54%
P/B Ratio	4.82	5.49	6.70	18.14%	6.22	3.94	7.66%	70.04%
ROE	21.99%	21.65%	21.76%	0.51%	21.99%	17.60%	(1.07%)	23.64%
ROA	4.31%	4.23%	4.01%	(5.37%)	4.31%	3.51%	(6.91%)	14.41%

S&P 500 Asset Allocation

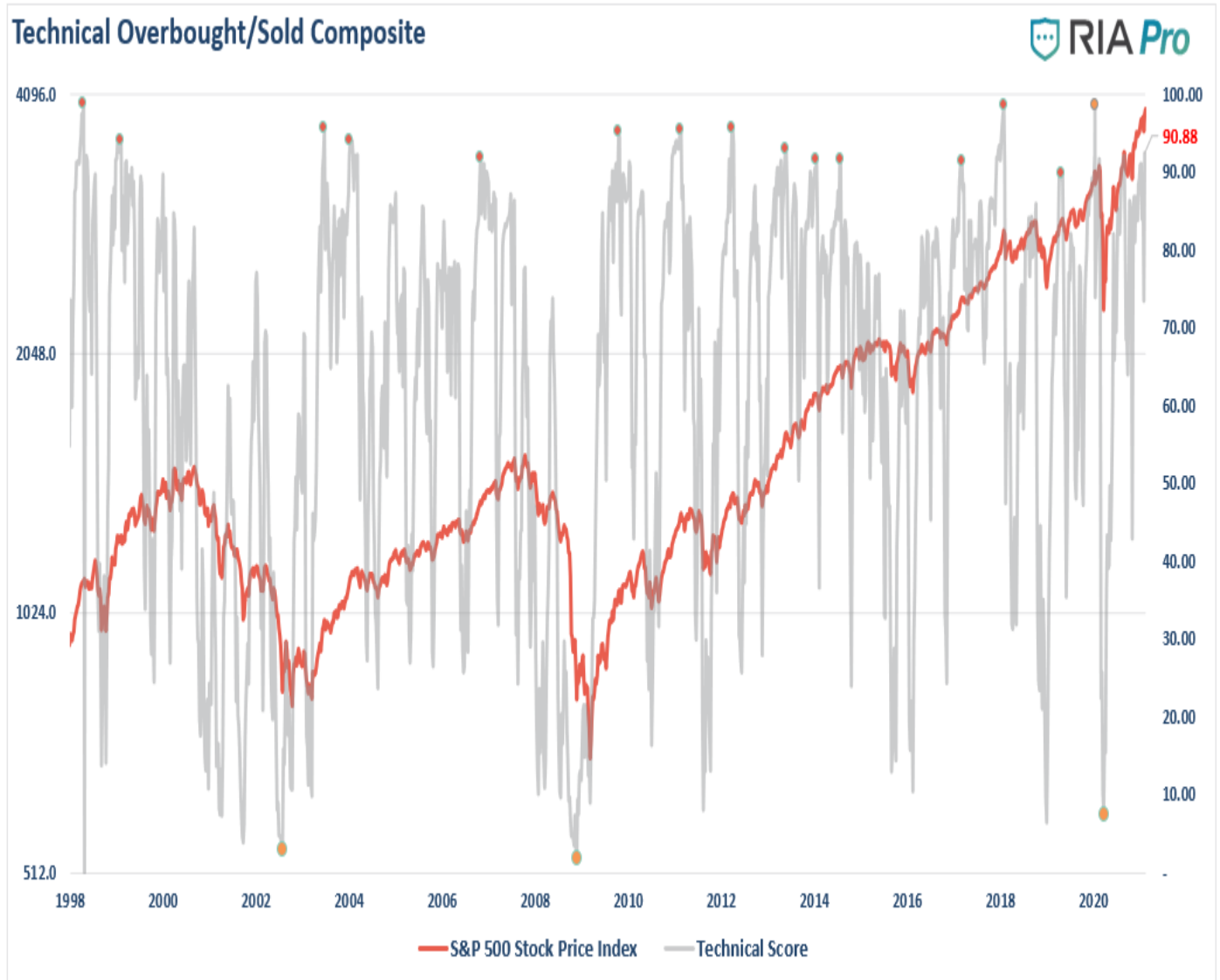
Sector	1 Year Price Return	Weight	Beta	P/E	P/E High- 5yr (Mo.)	P/E Low - 5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE
Energy	(19.63%)	2.59%	1.89	112.80	119.44	11.26	(5.6%)	1.0%	4.9%	0.88%	1.38	25.70
Materials	20.98%	2.57%	1.20	25.82	26.40	14.08	(2.2%)	8.1%	1.9%	3.66%	3.94	19.71
Industrials	0.51%	8.15%	1.17	46.66	34.44	14.65	35.5%	5.3%	1.5%	2.84%	3.68	23.13

Performance Analysis



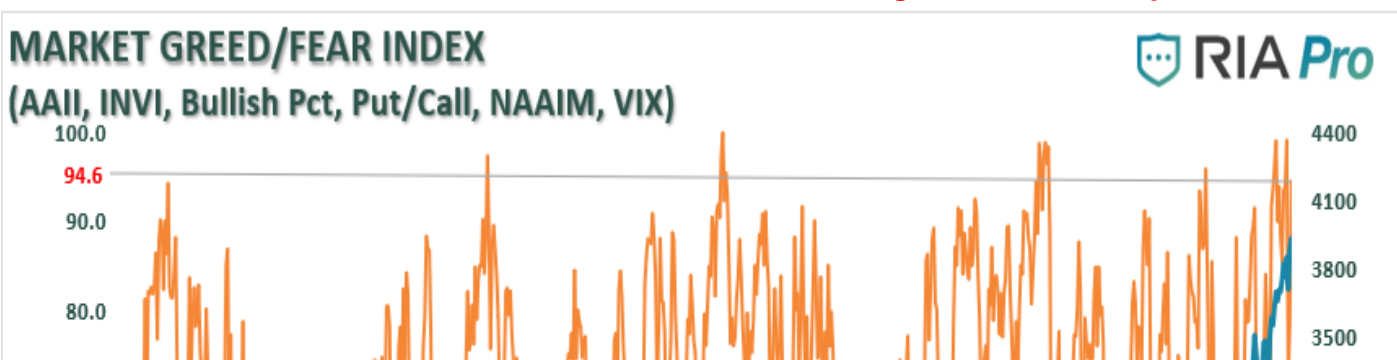
Technical Composite

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. **The current reading is 90.8 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, to more likely the market is closer to a correction than not. The gauge uses weekly closing data. **NOTE: The Fear/Greed Index measures risk from 0-100. It is a rarity that it reaches levels above 90.** **The current reading is 94.6 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	394.18	1.30	4.53	10.53	11.98	16.25	374.38	349.84	371.52	0.99	380.81	362.23	5%	13%	BULLISH
XLB	SPDR-MATLS SELS	74.34	(0.20)	(5.86)	(3.96)	4.23	6.60	72.56	66.52	70.64	1.04	73.14	68.14	2%	12%	BULLISH
XLC	SPDR-COMM SV SS	73.00	0.93	7.28	3.75	2.87	11.95	67.23	62.43	66.88	0.98	69.21	64.55	9%	17%	BULLISH
XLE	SPDR-EGY SELS	44.67	3.66	(0.04)	14.21	10.60	(34.41)	40.18	36.43	39.32	1.75	40.99	37.65	11%	23%	BULLISH
XLF	SPDR-FINL SELS	31.52	0.74	(2.65)	5.44	12.31	(15.13)	29.44	26.37	28.95	1.19	30.02	27.88	7%	20%	BULLISH
XLK	SPDR-TECH SELS	138.59	1.12	4.24	4.86	0.55	19.67	128.54	119.50	128.93	1.06	133.52	124.34	8%	16%	BULLISH
XLI	SPDR-INDU SELS	90.30	0.17	(2.87)	(6.33)	2.63	(9.57)	88.39	80.72	84.77	1.18	87.89	81.65	2%	12%	BULLISH
XLP	SPDR-CONS STPL	65.69	(1.41)	(4.44)	(11.75)	(12.10)	(14.86)	66.47	64.56	64.09	0.62	66.09	62.09	-1%	2%	BULLISH
XLRE	SPDR-RE SELS	38.37	(0.17)	1.06	(6.66)	(7.06)	(24.63)	36.68	36.05	36.76	0.69	37.93	35.59	5%	6%	BULLISH
XLU	SPDR-UTIL SELS	62.62	(2.83)	(5.12)	(11.98)	(5.97)	(27.29)	62.74	61.34	62.15	0.36	63.92	60.38	0%	2%	BULLISH
XLV	SPDR-HLTH CR	117.28	0.09	(4.26)	(2.74)	(3.39)	(3.41)	This Is Not Normal			0.76	118.78	111.28	3%	8%	BULLISH
XLY	SPDR-CONS DISCR	170.32	(2.41)	(1.80)	0.29	1.16	13.08				1.13	167.90	156.12	5%	13%	BULLISH
XTN	SPDR-SP TRANSP	77.75	2.41	0.77	4.67	14.54	1.87	72.27	63.68	69.85	1.39	72.57	67.14	8%	22%	BULLISH
SDY	SPDR-SP DIV ETF	111.18	0.34	(2.76)	(2.78)	2.22	(14.03)	106.97	99.45	105.27	0.91	108.86	101.68	4%	12%	BULLISH
RSP	INVS-SP5 EQ ETF	135.31	0.78	(1.41)	1.54	8.46	(2.18)	127.87	116.17	126.50	1.12	131.08	121.92	6%	16%	BULLISH
SLY	SPDR-SP6 SC	92.32	2.35	2.63	16.37	30.42	11.33	81.58	69.96	84.47	1.27	87.66	81.28	13%	32%	BULLISH
MDY	SPDR-SP MC 400	463.58	1.42	0.53	7.78	18.53	5.08	424.42	376.15	425.96	1.19	441.68	410.24	9%	23%	BULLISH
EEM	ISHARS-EMG MKT	57.80	1.47	1.82	7.29	14.91	14.52	52.48	47.41	53.31	0.86	55.10	51.52	10%	22%	BULLISH
EFA	ISHARS-EAFE	76.31	0.84	(1.96)	(2.06)	4.56	(5.98)	73.16	67.56	72.39	0.85	74.82	69.96	4%	13%	BULLISH
IAU	ISHARS-GOLD TR	17.36	(0.78)	(4.76)	(13.38)	(19.30)	(1.51)	17.67	17.94	17.55	0.06	18.00	17.10	-2%	-3%	BEARISH
GDX	VANECK-GOLD MNR	34.78	(0.81)	(3.75)	(13.65)	(29.09)	6.60	35.59	38.21	34.51	0.62	35.59	33.43	-2%	-9%	BEARISH
UUP	INVS-DB US\$ BU	24.39	(1.87)	(4.90)	(12.70)	(14.15)	(25.11)	24.47	25.05	24.42	(0.13)	25.00	23.84	0%	-3%	BEARISH
BOND	PIMCO-TOT RETRN	112.15	(1.46)	(4.76)	(10.97)	(12.14)	(14.11)	112.59	112.34	112.59	0.09	115.51	109.67	0%	0%	BULLISH
TLT	ISHARS-20+YTB	147.11	(1.92)	(7.63)	(19.45)	(20.68)	(14.48)	155.02	160.39	152.00	(0.25)	155.43	148.57	-5%	-8%	BEARISH
BNDX	VANGD-TTL INT B	57.85	(1.58)	(5.36)	(11.67)	(11.86)	(15.71)	58.38	58.18	58.18	0.03	59.65	56.71	-1%	-1%	BULLISH
HYG	ISHARS-IBX HYCB	87.78	(1.00)	(3.76)	(8.36)	(8.89)	(16.95)	86.91	85.21	86.97	0.37	89.47	84.47	1%	3%	BULLISH

Weekly Stock Screens

Currently, there are four 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
MLM	Martin Mrt-Matl	318.56	9.10	6.66	0.72	27.60	8.00
MSFT	Microsoft Corp	244.49	11.93	14.71	0.92	36.44	8.00
QRVO	Qorvo Inc	174.65	13.99	5.10	0.00	22.02	8.00
AAPL	Apple Inc	135.13	11.50	6.15	0.61	36.60	7.00
ABT	Abbott Labs	126.84	14.14	12.22	1.42	34.75	7.00
AVY	Avery Dennison	173.36	7.90	3.93	1.43	24.38	7.00
CE	Celanese Corp	130.47	5.96	2.20	2.08	17.10	7.00
IDXX	Idexx Labs Inc	528.47	15.81	10.70	0.00	78.76	7.00
IT	Gartner Inc -A	181.53	13.50	17.83	0.00	37.05	7.00
KLAC	Kla Corp	324.48	11.56	17.27	1.11	28.29	7.00
PH	Parker Hannifin	273.02	11.78	5.34	1.29	22.79	7.00
TGT	Target Corp	190.41	8.49	3.79	1.43	22.53	7.00
TXN	Texas Instrs	179.22	9.33	1.83	2.28	30.02	7.00
BAC	Bank Of Amer Cp	32.88	7.00	3.70	2.19	17.58	6.00
DHR	Danaher Corp	240.66	13.69	0.46	0.30	38.26	6.00
DOV	Dover Corp	122.10	11.50	-0.41	1.62	21.53	6.00
EBAY	Ebay Inc	62.31	15.36	4.02	1.03	20.43	6.00
EL	Estee Lauder	289.76	13.66	7.40	0.73	66.31	6.00
INTC	Intel Corp	60.66	7.50	7.61	2.29	11.42	6.00
KSU	Kansas City Sou	209.36	15.00	4.25	0.84	30.08	6.00
LDOS	Leidos Holdings	109.78	10.84	18.97	1.24	19.19	6.00
LRCX	Lam Research	572.21	21.34	13.95	0.91	27.97	6.00
MS	Morgan Stanley	73.72	10.03	9.77	1.90	11.27	6.00
MXIM	Maxim Intg Pdts	94.94	10.00	0.31	0.00	35.96	6.00
OKE	Oneok Inc	44.28	6.00	4.77	8.45	16.90	6.00
SWK	Stanley B&D Inc	174.75	8.94	6.20	1.60	19.46	6.00
TTWO	Take-Two Inter	197.12	12.37	22.50	0.00	33.07	6.00
WAT	Waters Corp	282.83	8.85	2.70	0.00	31.22	6.00
ALXN	Alexion Pharma	154.59	16.00	18.05	0.00	13.23	5.00
EMR	Emerson Elec Co	85.16	9.82	-2.05	2.37	23.52	5.00
JNJ	Johnson & Johns	166.06	7.72	3.82	2.43	20.68	5.00
NUE	Nucor Corp	54.85	12.00	8.10	2.95	16.52	5.00
PXD	Pioneer Nat Res	129.87	8.55	21.08	1.69	38.65	5.00
SNA	Snap-On Inc	189.89	8.52	1.30	2.59	16.33	5.00
TT	Trane Tech Plc	150.87	11.90	2.13	1.41	33.90	5.00
WRB	Berkley (Wr) Cp	68.56	9.00	1.27	0.70	29.55	5.00
ALGN	Align Tech Inc	599.00	19.81	25.56	0.00	26.68	4.00
FRC	First Rep Bk Sf	155.00	13.42	19.08	0.52	26.68	4.00
GRMN	Garmin Ltd	129.43	6.80	7.17	1.89	27.60	4.00
ITW	Ill Tool Works	200.94	10.97	-0.64	2.27	29.55	4.00

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	113.97	1.53	12.13	3.16	9
CAG	Conagra Brands	34.43	1.99	19.38	3.19	8
CMTV	Commnty Bcp Vt	15.20	1.09	12.46	5.00	8
FLIC	First Long Is	18.23	1.09	10.80	4.17	8
IBCP	Indep Bk Mich	20.22	1.19	11.47	4.15	8
PEG	Public Sv Entrp	58.57	1.87	11.14	3.35	8
TSLX	Sixth St Spclty	21.46	1.27	12.38	7.64	8
UGI	Ugi Corp	38.66	1.81	11.25	3.41	8
AROW	Arrow Finl Corp	31.71	1.51	12.42	3.28	7
BSRR	Sierra Bancorp	23.84	1.08	10.47	3.52	7
CRWS	Crown Crafts	7.70	1.81	13.82	4.16	7
CZFS	Citizens Fin Sv	55.50	1.15	11.88	3.32	7
FMNB	Farmers Natl Bc	13.95	1.16	11.36	3.15	7
KBAL	Kimball Intl B	11.47	1.73	19.94	3.14	7
KEY	Keycorp New	18.83	1.14	10.46	3.93	7
LOMA	Loma Negra Cia	6.03	1.38	21.99	4.22	7
NWIN	Northwest In Bc	41.00	0.95	13.69	3.02	7
PRK	Park National	118.42	1.86	11.95	3.45	7
UBFO	United Sec Bcsh	7.16	1.03	10.40	6.15	7
WTBA	West Bancorp	21.75	1.66	14.74	4.05	8

NEW!� Fundamental 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
QRVO	Qorvo Inc	174.65	13.99	5.10	-	22.02	8.00
MSFT	Microsoft Corp	244.49	11.93	14.71	0.92	36.44	8.00
IDXX	Idexx Labs Inc	528.47	15.81	10.70	-	78.76	7.00
ABT	Abbott Labs	126.84	14.14	12.22	1.42	34.75	7.00
IT	Gartner Inc -A	181.53	13.50	17.83	-	37.05	7.00
PH	Parker Hannifin	273.02	11.78	5.34	1.29	22.79	7.00
KLAC	Kla Corp	324.48	11.56	17.27	1.11	28.29	7.00
AAPL	Apple Inc	135.13	11.50	6.15	0.61	36.60	7.00
TXN	Texas Instrs	179.22	9.33	1.83	2.28	30.02	7.00
LRCX	Lam Research	572.21	21.34	13.95	0.91	27.97	6.00
EBAY	Ebay Inc	62.31	15.36	4.02	1.03	20.43	6.00
KSU	Kansas City Sou	209.36	15.00	4.25	0.84	30.08	6.00
DHR	Danaher Corp	240.66	13.69	0.46	0.30	38.26	6.00
EL	Estee Lauder	289.76	13.66	7.40	0.73	66.31	6.00
TTWO	Take-Two Inter	197.12	12.37	22.50	-	33.07	6.00
DOV	Dover Corp	122.10	11.50	(0.41)	1.62	21.53	6.00
LDOS	Leidos Holdings	109.78	10.84	18.97	1.24	19.19	6.00
MS	Morgan Stanley	73.72	10.03	9.77	1.90	11.27	6.00
MXIM	Maxim Intg Pdts	94.94	10.00	0.31	-	35.96	6.00
ALXN	Alexion Pharma	154.59	16.00	18.05	-	13.23	5.00
NUE	Nucor Corp	54.85	12.00	8.10	2.95	16.52	5.00
TT	Trane Tech Plc	150.87	11.90	2.13	1.41	33.90	5.00
EMR	Emerson Elec Co	85.16	9.82	(2.05)	2.37	23.52	5.00
ALGN	Align Tech Inc	599.00	19.81	25.56	-	26.68	4.00
TDG	Transdigm Group	575.02	13.67	16.44	-	55.67	4.00
FRC	First Rep Bk Sf	155.00	13.42	19.08	0.52	26.68	4.00
ITW	Ill Tool Works	200.94	10.97	(0.64)	2.27	29.55	4.00
FANG	Diamondback Egy	67.77	21.94	72.68	2.21	16.33	3.00
TROW	T Rowe Price	163.20	11.83	9.16	2.21	17.00	3.00
SCHW	Schwab(Chas)	55.93	11.34	11.64	1.29	23.40	3.00

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
CEVA	Ceva Inc	64.05	20.00	8.26	-	28.47	8
MSFT	Microsoft Corp	244.49	11.93	14.71	0.92	2.79	8
IDXX	Idexx Labs Inc	528.47	15.81	10.70	-	4.38	7
SPSC	Sps Commerce	110.32	15.00	13.92	-	6.14	7
TXN	Texas Instrs	179.22	9.33	1.83	2.28	2.87	7
WDFC	Wd 40 Co	332.29	#N/A	3.01	0.81	#N/A	7
ENPH	Enphase Energy	199.08	38.03	18.81	-	3.17	6
IPGP	Ipg Photonics	249.73	#N/A	7.85	-	#N/A	6
MSCI	Msci Inc-A	426.86	#N/A	10.22	0.73	#N/A	6
MXIM	Maxim Intg Pdts	94.94	10.00	0.31	-	3.18	6
FLGT	Fulgent Genetic	170.98	#N/A	38.58	-	#N/A	5
SAIL	Sailpoint Tech	62.96	15.00	23.77	-	#N/A	5
IBKR	Interactive Brk	71.45	#N/A	15.21	0.56	#N/A	5
IRDM	Iridium Commun	46.11	#N/A	8.43	-	#N/A	5
TTGT	Techtarget	92.50	#N/A	5.82	-	#N/A	5
ALGN	Align Tech Inc	599.00	19.81	25.56	-	26.68	4

Portfolio / Client Update

As we noted last week, the rally continued this week, although it is beginning to get a bit more "sloppy" as deviations and overbought conditions are starting to pull on prices. While we didn't make any substantive changes this week, we continue to focus on risk and bringing portfolios closer to our benchmark weightings. With a much shorter bond-duration than our benchmark, we have mostly mitigated the recent rise in interest rates while increasing yield through some of our current portfolio additions. As always, while not much happened this past week, we are watching our indicators closely. We think this rally may have one or two weeks left, which should coincide with the stimulus bill's passing. A "buy the rumor, sell the news" outcome would not be surprising. We will make changes accordingly.

Portfolio Changes

During the past week, we made minor changes to portfolios. We post all trades in real-time at RIAPRO.NET. **** ETF Portfolios ? Trade Update ***** Portfolio Managers ? Michael Lebowitz/Lance Roberts

We are continuing to work at rebalancing the portfolio closer to the benchmark weightings. With rates pushing higher, we are reducing XLU by 4% and increasing our underweight positioning in XLK up by 4%. This adjustment is simply a swap of holdings and does not increase overall equity allocation." - 02/08/21

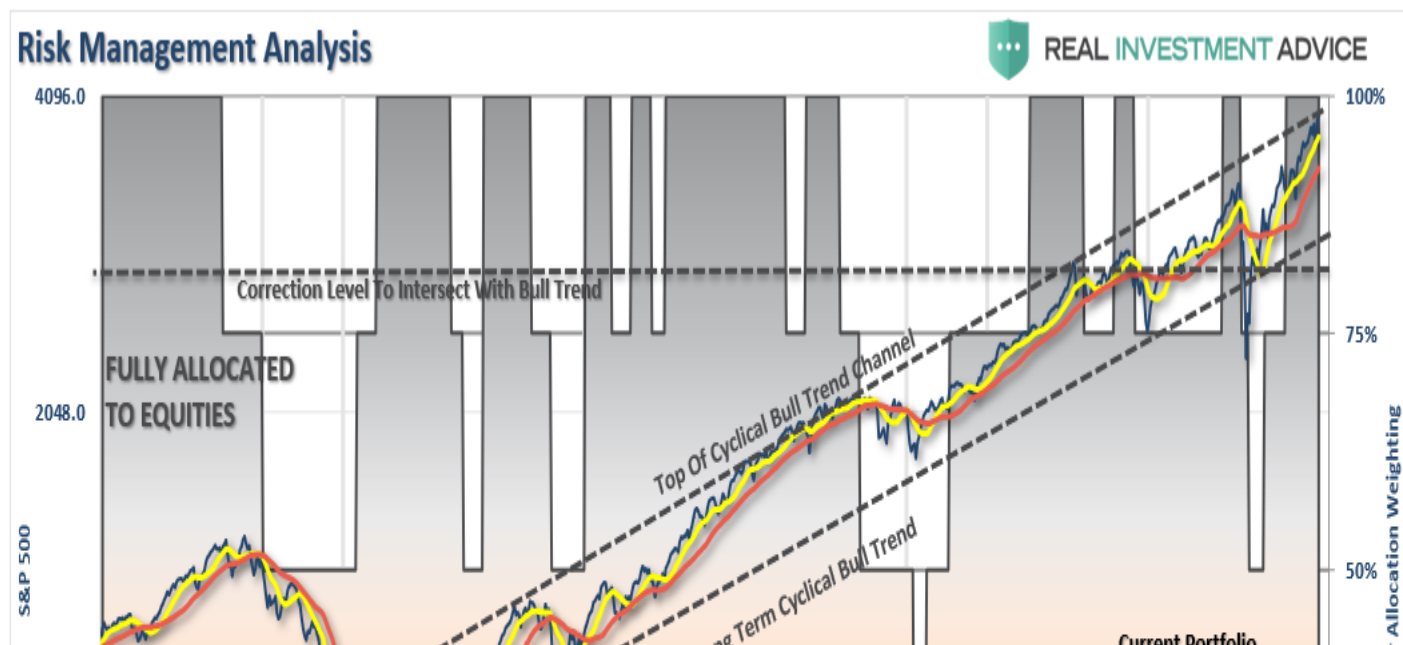
ETF Portfolio

- Reduce XLU from 5% to 1% of the portfolio
- Increase XLK from 9.5% of the portfolio to 13.5%

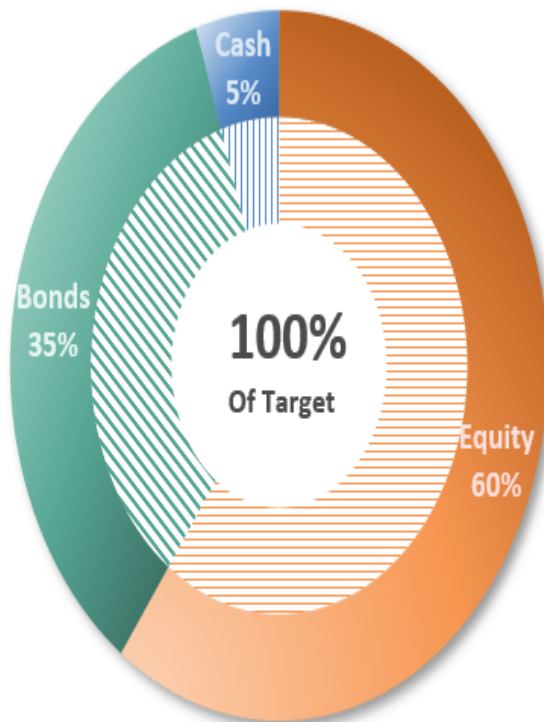
As always, our short-term concern remains the protection of your portfolio. We have now shifted our focus from the election back to the economic recovery and where we go from here. *Lance Roberts CIO*

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

This past week, the market struggled to gain ground as the overbought conditions begin to apply a "gravitational force."

Currently, all of our indicators remain positive, with money flows currently suggesting there is support for prices at current levels. However, those money flows are showing some signs of weakness which suggests that in the near future, the next few weeks, we will see a correction in the market similar to what we saw at the end of January or potentially more.

There is a lot of risk built up in the market currently, but there is also no immediate trigger to cause a reversion so there is no need to become overly cautious at the moment.

Maintain exposures, but rebalance positions that have grown to outsize weightings in portfolio. Particularly in small/mid cap and international funds which are egregiously overbought.

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

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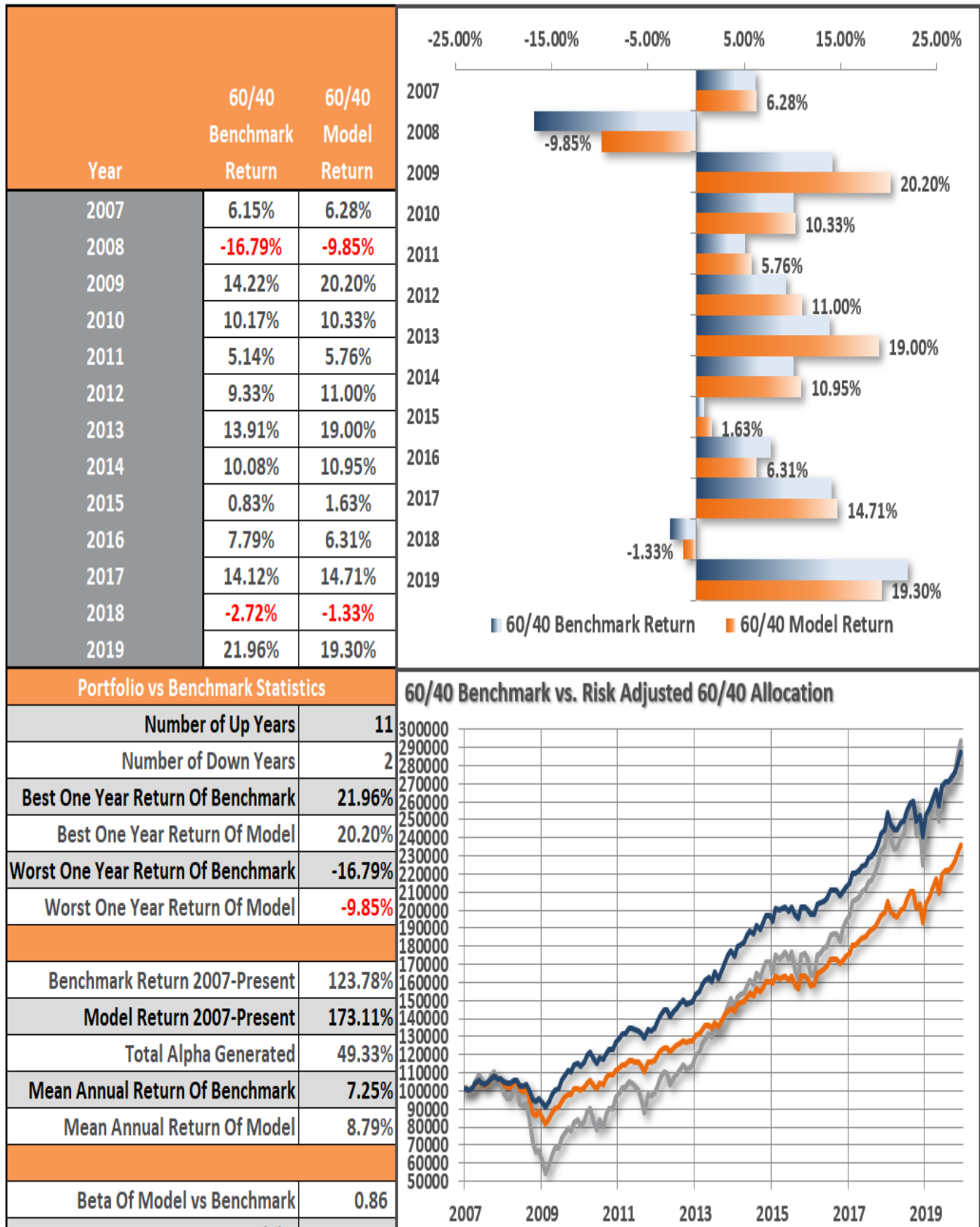
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Model performance is a two-asset model of stocks and bonds relative to the weighting changes made each week in the newsletter. Such is strictly for informational and educational purposes only, and one should not rely on it for any reason. Past performance 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](#).**

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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