

Powell Can't Raise Rates As Economy Remains On Life-Support



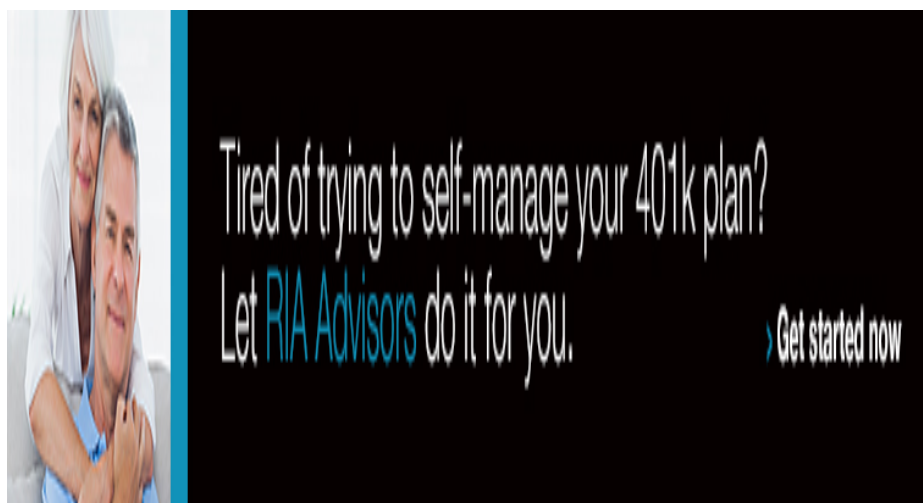
In this issue of "Powell Can't Raise Rates As Economy Remains On Life-Support."

- *Market Review And Update*
- *Powell Says No Rate Hikes*
- *An Economic Coma*
- *Portfolio Positioning*
- *#MacroView: Is "Hyperinflation" Really A Threat*
- *Sector & Market Analysis*
- *401k Plan Manager*

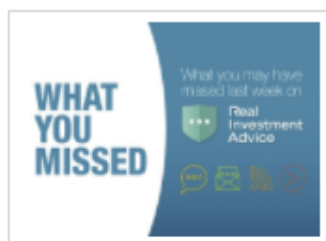
Follow Us On: [Twitter](#), [Facebook](#), [Linked-In](#), [Sound Cloud](#), [Seeking Alpha](#)

RIA Advisors Can Now Manage Your 401k Plan

Too many choices? Unsure of what funds to select? Need a strategy to protect your retirement plan from a market downturn? [RIA Advisors](#) can now manage your 401k plan for you. It's quick, simple, and transparent. In just a few minutes, we can get you in the *right lane* for retirement.



Catch Up On What You Missed Last Week



#WhatYouMissed On RIA This Week: 3-19-21

Written by Lance Roberts | Mar 19, 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.

[>> Read More](#)

Market Review & Update

Last week, we stated:

"With valuations still extended, the recent correction didn't reduce speculative fervor. Furthermore, prices remain well deviated above long-term means, particularly in the small and mid-cap space. While more stimulus will likely support prices over the next few weeks, the threat of rising inflation and interest rates could undermine growth expectations."

Over the past week, the market didn't make a lot of headway, as price rises were limited while intraday dips got repeatedly bought. Such is what we would expect with the "money flow" indicators we have discussed over the last several weeks back on "buy signals."

(Importantly, note that Friday's early morning decline held the uptrend line from the October lows.)



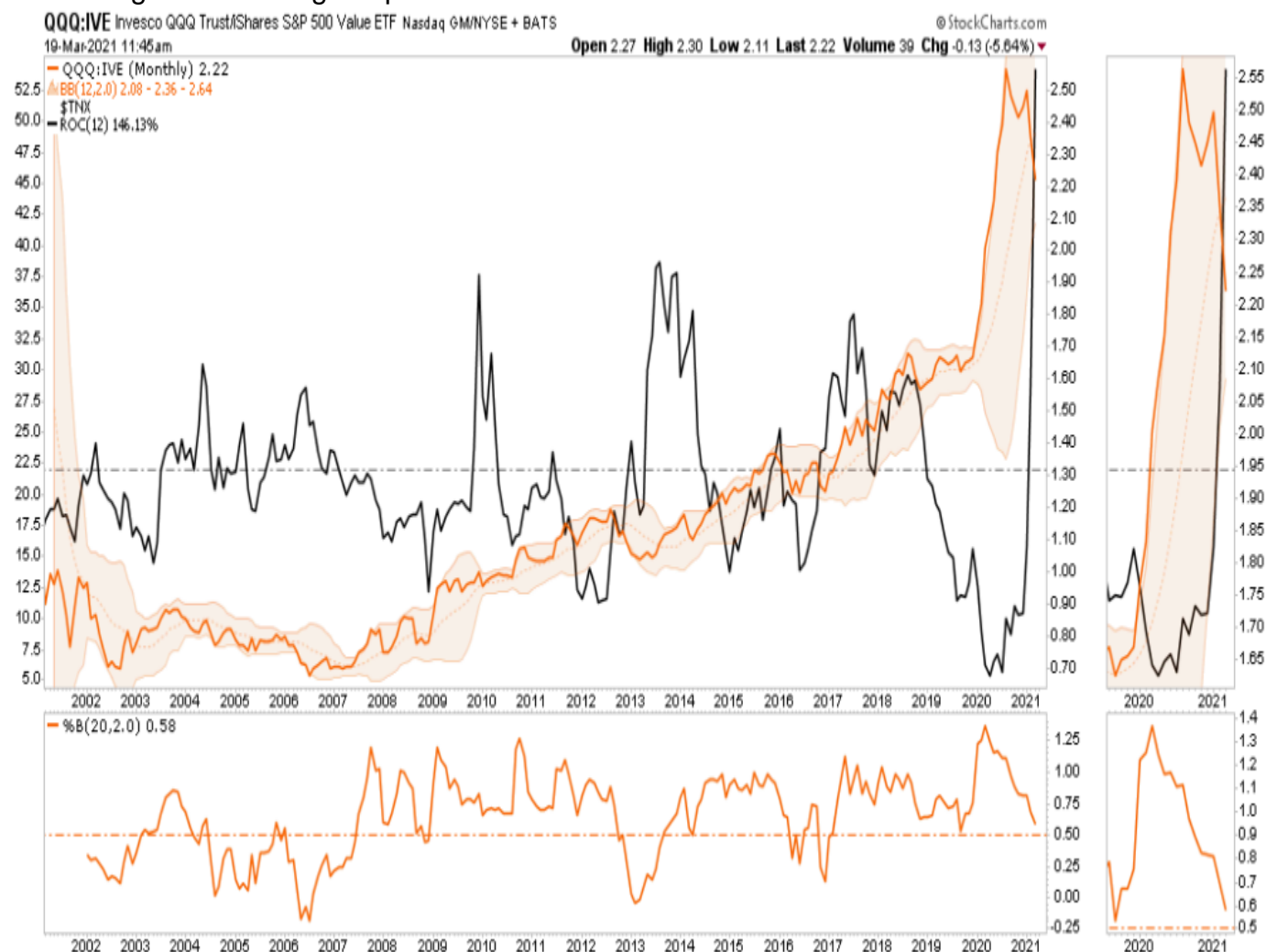
However, while overall market action remains bullish, there are two concerning points shown in the chart below. The highlighted box shows money flows remain negative currently. As stated previously, such suggests rallies may stay limited for now. The second is the negative divergence of the actual index (*red dashed line*) which also confirms the weakness of the underlying "buying."



With our indicators still on *"buy signals"* across the board, the bias of prices near term is to the upside. However, with the oscillator now pushing into the upper zones, and starting to roll over, with the market overbought, further price increases will become more challenging. **We suggest using rallies over the next week or so to raise cash and reduce risk.**

Rate Surge

Another more critical concern remains interest rates. The recent surge in rates has caused problems over the *"growth"* trade. **As shown, the annual rate of change in rates has surged by 146% in recent months.** That spike is unprecedented over the last 20-years but is a function of rates hitting 0.50% during the pandemic.



However, the recent underperformance of QQQ versus IVE (Value) is also unusual from a historical perspective. **Previously, during swings higher in rates, the QQQ's outperform IVE as investors sought companies that could generate earnings and had lower leverage.** Given the massive debt load corporations are carrying currently, combined with an inability to pass along higher input costs, I suspect we will see a rotation back towards growth. Such is particularly the case with companies already struggling with thin margins (especially in the small and mid-cap space.);

Non-Financial Corporate Liability & Assets / GVA

REAL INVESTMENT ADVICE



We suspect we may say a rotation from "value" back to "growth" sooner than later given the massive overbought conditions of the "value trade."



For now, we are primarily maintaining our core positions. However, we did recently take profits in the highly overbought energy and financial positioning. We are starting to seriously look at further increasing our "growth" side of the portfolio during the next correction.

Powell Says No Rate Hikes

On Wednesday, Jerome Powell announced the latest changes to monetary policy. Instead, it was the lack of changes to the policy that was the most interesting.

"The U.S. economy is heading for its strongest growth in nearly 40 years, the Federal Reserve said on Wednesday, and central bank policymakers are pledging to keep their foot on the gas despite an expected surge of inflation." - Reuters

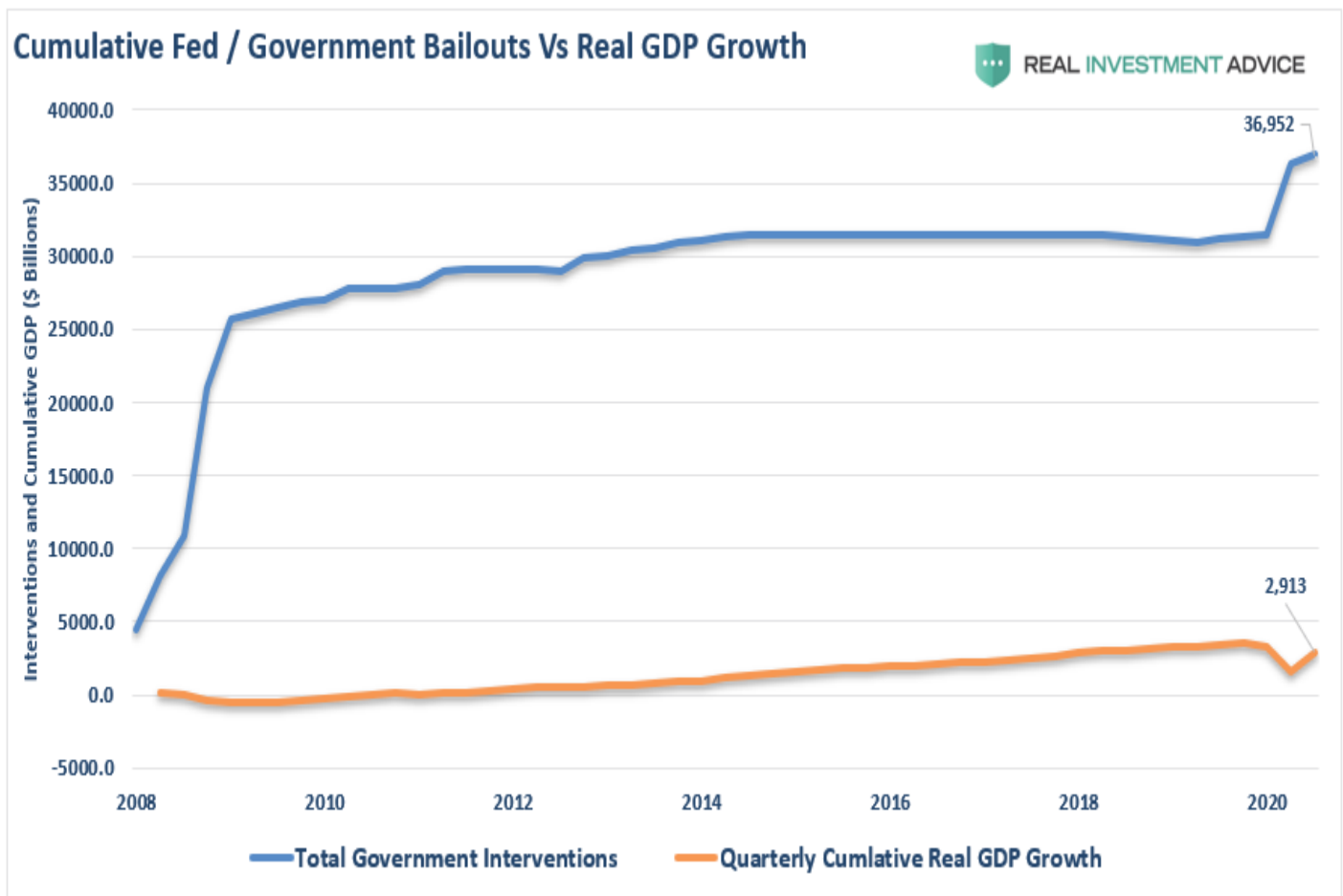
In other words, despite the Fed's mandate of maximum employment and price stability, the Fed is opting to let things run "hot" for quite some time to ensure that growth is "sticky." [2013266080](#); **That stance makes some sense, given the economy still requires massive liquidity support more than a decade after the financial crisis.** As I discussed previously in ["Forever Stimulus:"](#)

"They are increasingly on what I call a no-exit paradigm. To understand the problem, we have to go back to the beginning. As we noted in our article on financial rescues, the bailouts and stimulus programs started in 2008 when the Federal Reserve intervened with the insolvency of Bear Stearns. They haven't stopped since."

Facility	Total	% Of Total	Running Total	Market View
Term Auction Facility	\$ 3,818.4	10.33%	\$ 3,818.4	Bullish
Central Bank Liquidity Swaps	\$ 10,057.4	27.22%	\$ 13,875.8	Bullish
Single Tranche Open Market Operation	\$ 855.0	2.31%	\$ 14,730.8	Bullish
Term Securities Lending Facility and Term Options Program	\$ 2,005.7	5.43%	\$ 16,736.5	Bullish
Bear Stearns Bridge Loan	\$ 12.9	0.03%	\$ 16,749.4	Bullish
Maiden Lane I	\$ 28.8	0.08%	\$ 16,778.2	Bullish
Primary Dealer Credit Facility	\$ 8,951.0	24.22%	\$ 25,729.2	Bullish
Asset-Backed Commercial Paper Money Market	\$ 217.5	0.59%	\$ 25,946.7	Bullish
Mutual Fund Liquidity Facility			\$ 25,946.7	Bullish
Commercial Paper Funding Facility	\$ 737.1	1.99%	\$ 26,683.7	Bullish
Term Asset-Backed Securities Loan Facility	\$ 71.1	0.19%	\$ 26,754.8	Bullish
Troubled Asset Relief Program (TARP)	\$ 700.0	1.89%	\$ 27,454.8	Bullish
Agency Mortgage-Backed Security Purchase Program (QE 1)	\$ 2,100.0	5.68%	\$ 29,554.8	Bullish
American Recovery & Reinvestment Act (ARRA)	\$ 830.0	2.25%	\$ 30,384.8	Bullish
AIG Revolving Credit Facility	\$ 140.3	0.38%	\$ 30,525.1	Bullish
AIG Securities Borrowing Facility	\$ 802.3	2.17%	\$ 31,327.5	Bullish
Maiden Lane II	\$ 19.5	0.05%	\$ 31,347.0	Bullish
Maiden Lane III	\$ 24.3	0.07%	\$ 31,371.3	Bullish
AIA/ALICO	\$ 25.0	0.07%	\$ 31,396.3	Bullish
Agency Mortgage-Backed Security Purchase Program (QE 2)	\$ 600.0	1.62%	\$ 31,996.3	Bullish
Treasury Bond Security Purchase Program (QE3)	\$ 735.0	1.99%	\$ 32,731.3	Bullish
Agency Mortgage-Backed Security Purchase Prog. (QE 4)	\$ 825.0	2.23%	\$ 33,556.3	Bullish
Fed's REPO Operations - 2019	\$ 385.6	1.04%	\$ 33,941.9	Bullish
Covid-19 Multiprogram Loan Programs	\$ 3,010.30	8.15%	\$ 36,952.2	Bullish
	\$ 36,952.2	100.00%		

All During Crisis Through Initial Recovery

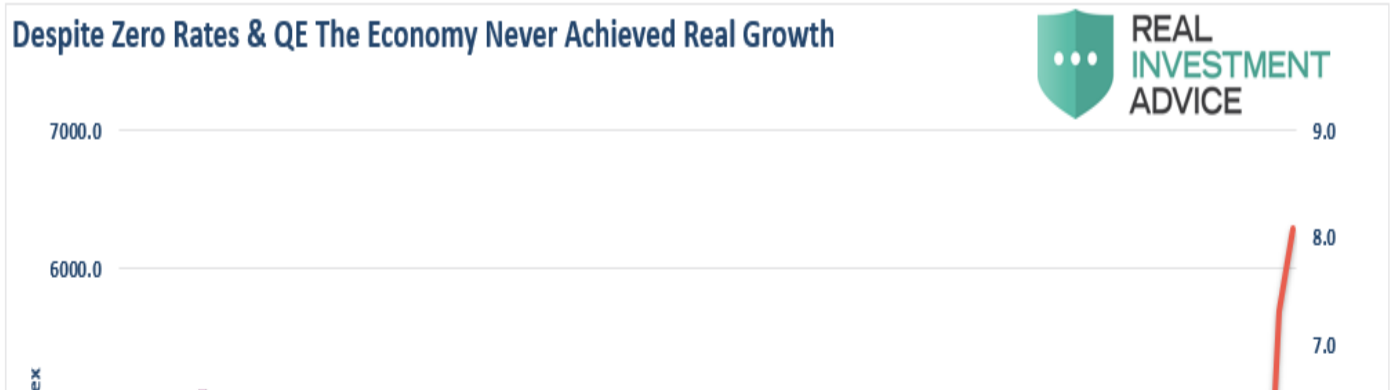
"To date, the Federal Reserve, and the Government, have pumped more than \$36 Trillion into the economy. As shown below, the amount of economic growth achieved has been minimal during that same time frame. (The chart is the cumulative growth of interventions compared to the incremental increase in GDP.)"



"What this equates to is more than \$12 of liquidity for each \$1 of economic growth."

Not Won't, But Rather Can't

The Federal Reserve stumbled into a trap where continual interventions are required to sustain lower economic growth rates. Whenever the Fed withdraws interventions, economic growth collapses. Such is why the applause by the media that Powell "won't" raise rates is "silly." The Fed had "no choice" but to keep rates unchanged and continue buying \$120 billion a month in bonds. Any other choice would have been a disaster. History also shows why the Fed is trapped. Since the turn of the century, each economic cycle has failed to attain a higher growth rate than previously. The Federal Reserve lowers interest rates to stimulate growth without much return on the capital spent. However, after reaching the zero bound, lower rates alone were ineffective, forcing the Fed into liquidity measures.



The problem now is that even if they wanted to increase rates and slow bond purchases, they can't. Therefore, their only option is to "hope" that inflation will rise without getting out of control. I suspect the result will not be great.

Real Investment Report

Market updates, sector analysis, 401k plan manager & more.

> [Subscribe today](#)

An Economic Coma

"We stand at a monetary crossroads as we continue to double down and embark on monetary policy that is detrimental to society and to our financial markets. Yesterday, current Fed Chair Powell, like former Fed Chair Bernanke exhibited that he is out of touch and that he lives in a bubble that he has helped to create." - Doug Kass

The mainstream media missed another crucial point while tripping over each other to fawn over Powell's statement. It also underscores our comment about why growth will remain elusive. In the short-term, yes, there will be a surge in economic growth. However, as the table of the average of the Fed's projections shows, **after a short-term bump of activity, the economy will quickly slip back into its "coma" from the last decade.**

FOMC Economic Projections (Avg. Of Range)

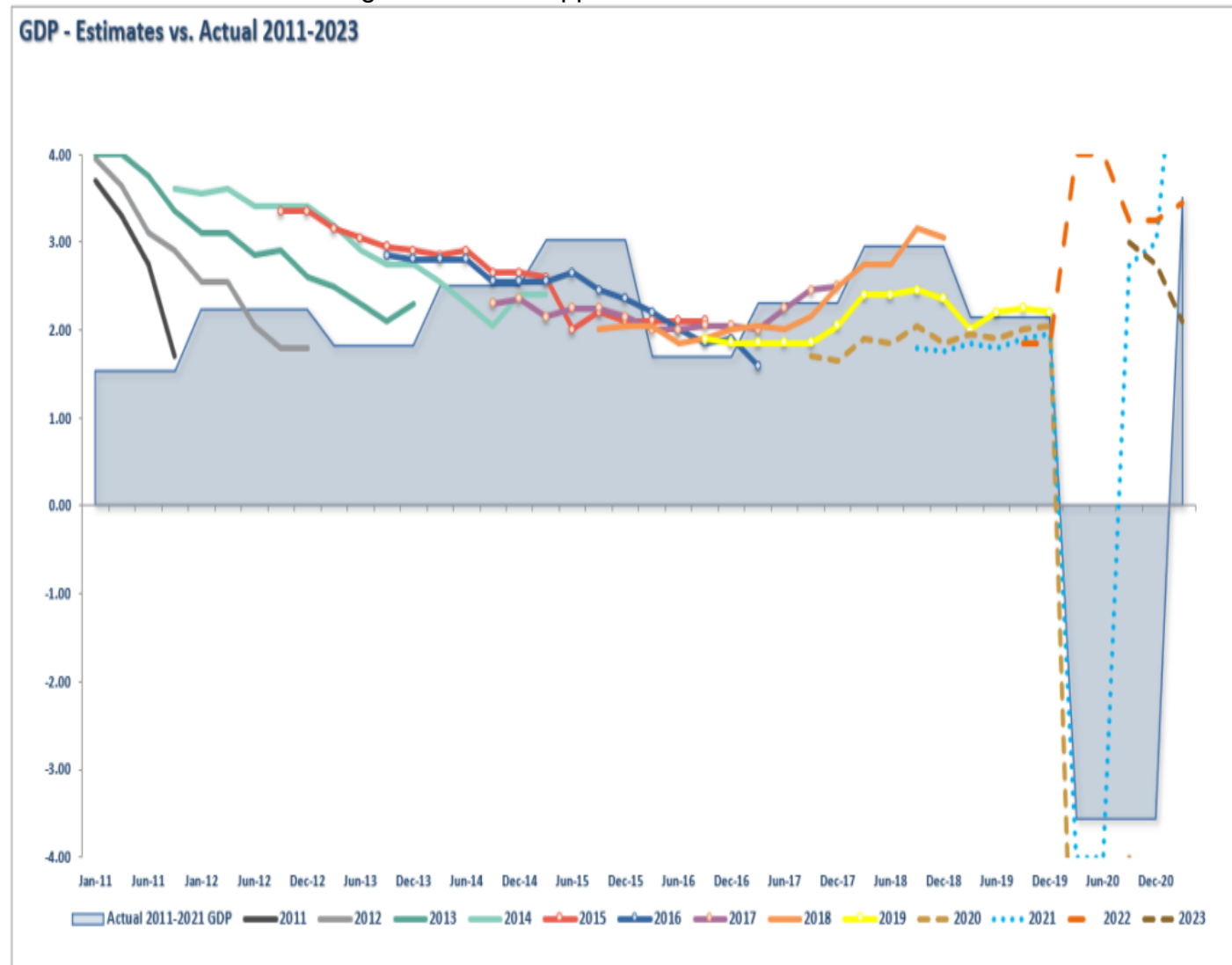
REAL INVESTMENT ADVICE

Meeting Date	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Long Run	Actual 2011-2021 GDP
Jan-11	3.7	3.95	4											2.7	1.54
Apr-11	3.3	3.65	4											2.7	1.54
Jun-11	2.75	3.1	3.75											2.7	1.54
Nov-11	1.7	2.9	3.35	3.6										2.6	1.54
Jan-12		2.55	3.1	3.55										2.6	2.22
Apr-12		2.55	3.1	3.6										2.6	2.22
Jun-12		2.05	2.85	3.4										2.6	2.22
Sep-12		1.8	2.9	3.4	3.35									2.6	2.22
Dec-12		1.8	2.6	3.4	3.35									2.6	2.22
Mar-13			2.5	3.2	3.15									2.5	1.83
Jun-13			2.3	2.9	3.05									2.5	1.83
Sep-13			2.1	2.75	2.95	2.85								2.3	1.83
Dec-13			2.3	2.75	2.9	2.8								2.15	1.83
Mar-14				2.55	2.85	2.8								2.1	2.49
Jun-14				2.3	2.9	2.8								2.15	2.49
Sep-14				2.05	2.65	2.55	2.3							2.2	2.49
Dec-14				2.4	2.65	2.55	2.35							2.25	2.49
Mar-15					2.6	2.55	2.15							2.15	3.03
Jun-15					2.0	2.65	2.25							2.15	3.03
Sep-15					2.2	2.45	2.25	2						2.25	3.03
Dec-15					2.1	2.35	2.15	2.05						2.05	3.03
Mar-16						2.20	2.00	2.05						2.10	1.70
Jun-16						2.00	2.00	1.85						2.00	1.70
Sep-16						1.85	2.05	1.90	1.90					1.90	1.70
Dec-16						1.90	2.05	2.00	1.85					1.90	1.70
Mar-17						1.59	2.00	2.05	1.85					1.90	2.31
Jun-17							2.25	2.00	1.85					1.85	2.31
Sep-17							2.45	2.15	1.85	1.70				1.85	2.31
Dec-17							2.50	2.50	2.05	1.65				1.95	2.31
Mar-18								2.75	2.40	1.90				1.95	2.95
Jun-18								2.75	2.40	1.85				1.90	2.95
Sep-18								3.15	2.45	2.05	1.80			1.90	2.95
Dec-18								3.05	2.35	1.85	1.75			1.95	2.95
Mar-19									2.00	1.95	1.85			1.95	2.14
Jun-19									2.20	1.90	1.80			1.90	2.14
Sep-19									2.25	2.00	1.90	1.85		1.90	2.14
Dec-19									2.20	2.05	1.95	1.85		1.95	2.14
Mar-20									(No Release Due To Pandemic)					1.90	-3.56
Jun-20										-7.10	-4.00	4.00		1.90	-3.56

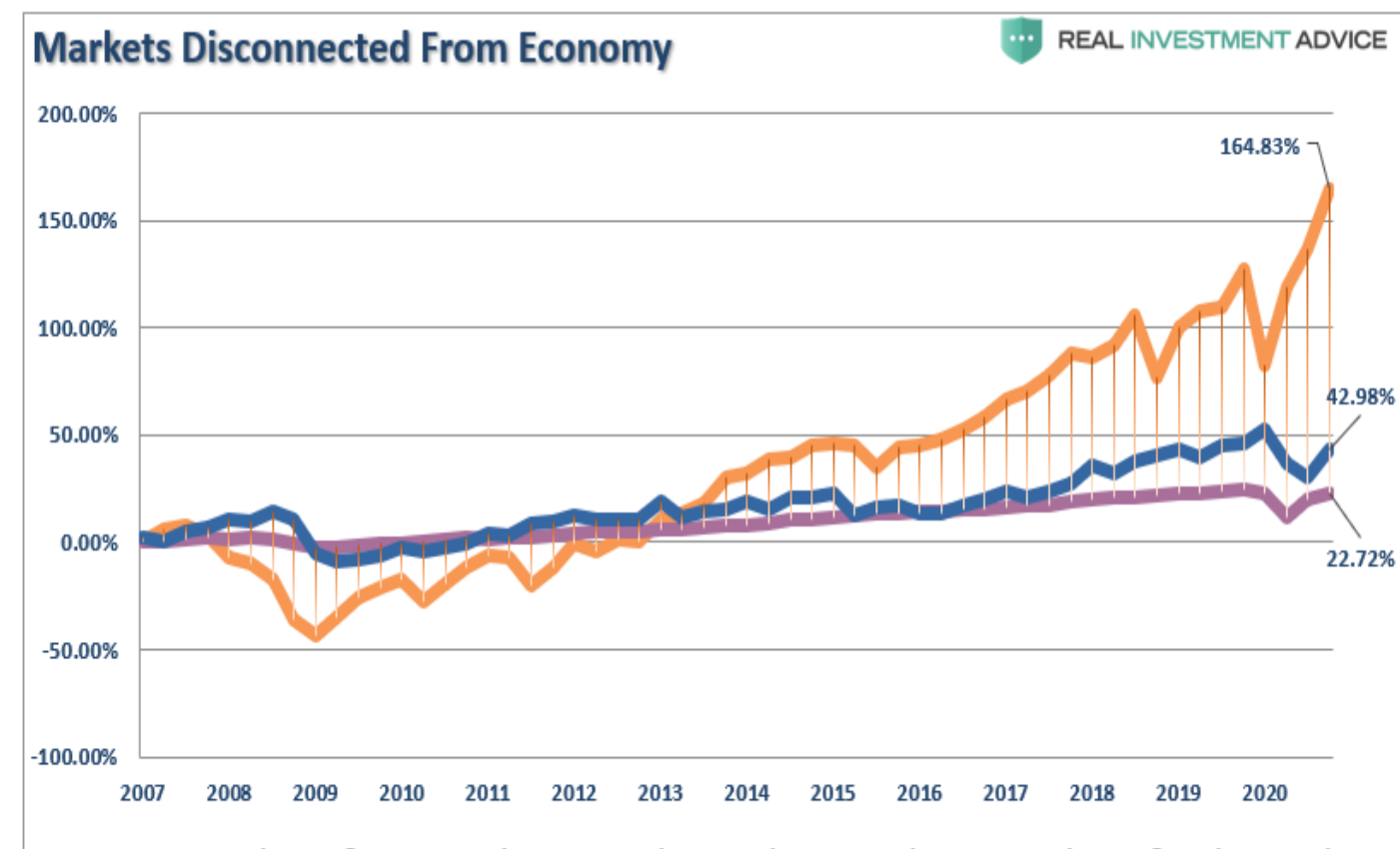
Annual Forecast



The chart below shows that the Fed tends to be overly optimistic in its assumptions in almost all cases. The actual real GDP growth rate disappoints more often than not.




The point here is that despite protestations from the financial media, monetary policy does not create or sustain economic growth or employment. **All monetary policy does is drag forward future consumption. Growth, as a result, is primarily an illusion.**



(From the peak in 2007 through year-end 2020, the S&P rose 165%, actual revenue increased by only 43%, while economic growth struggled to rise a cumulative 23%.)

While the Fed hopes they can sustain inflation above 2% for 3-years, I think the Fed realizes deflation remains a more significant threat. [\(A subject of this week's #MacroView\)](#)



Real Investment Show

with Lance Roberts

Monday to Friday,
from 6 to 7am. [> Get it now](#)

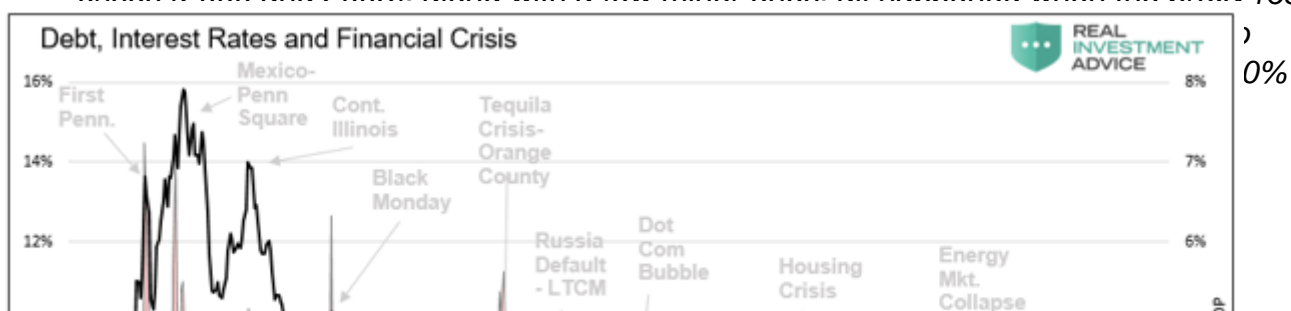
The Rate Trap

I want to be very clear. **In the short-term, we will see rising inflationary pressures and economic activity from the massive amount of liquidity flooding into the economy.** However, longer-term, it is all deflationary. My partner Michael Lebowitz made an important observation on Wednesday in ["The Next Crisis:"](#)

"Looking back over the last 40 years reveals a troubling problem. Every time interest rates reach the upper end of its downward trend, a financial crisis of sorts occurred."




"Given crises frequently occur when rates rise sharply, we should contemplate how high rates can rise before the next crisis. Notice, as time goes on it takes less and less of a rate increase to generate a problem. The reason, as highlighted earlier, is the growth of debt outpaces the ability to pay for it. The current one-year change in the proxy interest expense is up 3.50% from a year ago. As shown, the last two significant crises (2000 and 2008) along with a few minor ones, all happened when the proxy rose



problem is that while they may not be hiking rates, the bond market is doing it for them. **Given the Fed's actions are what causes rates to rise, by shifting risk preference, the result is a deflationary crash requiring more interventions and lower rates.** Wash. Rinse. Repeat. I am going to leave you with one question:

"If monetary policy does create economic growth, inflation and sustainable employment, then why, after more than a decade, is the Fed still having to support the financial markets?"

 REAL INVESTMENT ADVICE	Have more than \$500k invested? Get a better strategy than "buy and hold"	MEET WITH AN RIA TEAM MEMBER TODAY
---	---	---

Portfolio Update

The market continued to fluctuate this past week, as recent highs remain a challenge to hold onto. While over the last two weeks, we repeated steps to rebalance portfolio risk, portfolios continued to remain under pressure on the "growth" side. **We continued to take profits earlier this week by reducing our energy and financial names a bit to take profits. Such increased our overweight cash position slightly.** Even though we are **very** short in the duration of our bond holdings, the sharp rise in yields this week pressured that side of the portfolio. As noted in our market update, we are more than 2/3rds of the way through the current rally cycle, which increases downside risk as we head into April. **The rise in yields, and ultimately the dollar, remains the key to the current market cycle.** With the "value trade" excessively overbought and has become the recent "momentum" trade, we may see a relatively rapid rotation back into recently beaten-up sectors. <https://twitter.com/LanceRoberts/status/1372569653961236486?s=20> We believe the Fed is once again making a policy-mistake that will cost investors dearly. However, such will take time to play out, so investors will dismiss the warning short-term as "it's different this time." https://twitter.com/Peter_Atwater/status/1372148194348531716?s=20 I suspect it won't be.

The MacroView



#MacroView: Is Hyperinflation Really A Threat?

Written by Lance Roberts | Mar 19, 2021

With the measure of money in the system, known as M2, is skyrocketing, is there a real threat of hyperinflation and a return to Weimer, Germany.

[>> 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**

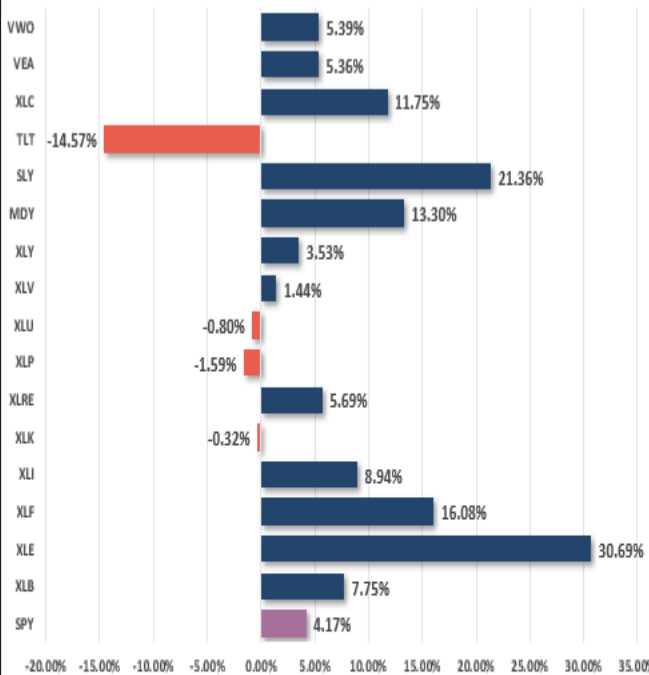
Market & Sector Analysis

S&P 500 Tear Sheet

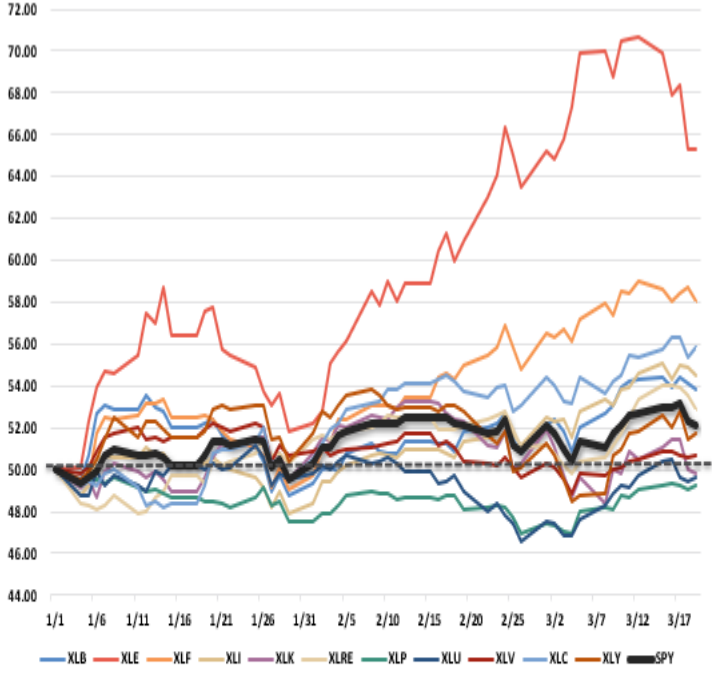
3 Month SPY Price										ZACKS REAL INVESTMENT ADVICE			
SPY RISK INFO													
Item										T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return										37.92%	61.94%	4.17%	(93.26%)
Max Drawdown										(35.63%)	(11.77%)	(5.65%)	(51.96%)
Sharpe										0.89	2.92	1.42	(0.51)
Sortino										0.94	4.07	1.93	(0.53)
Volatility										25.43	24.38	16.22	(0.33)
Daily VaR-5%										(18.35)	30.62	(3.11)	(1.10)
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	Item	12-M Ago	Current	% Chg	
Dividend Yield	1.87%	1.88%	1.38%	(36.33%)	2.19%	1.38%	(36.99%)	0.46%	Shares	3,127.6	3,014.1	(3.63%)	
P/E Ratio	18.17	15.28	28.45	46.30%	2848%	1605%	(0.1%)	77.21%	Sales	72,249	69,371	(3.98%)	
P/S Ratio	3.83	3.71	5.01	25.89%	4.88	3.20	2.64%	56.46%	SPS	23.1	23.0	(0.37%)	
P/B Ratio	4.96	5.04	6.61	23.78%	6.32	3.94	4.55%	67.69%	Earnings	11,451	10,440	(8.83%)	
ROE	22.00%	21.65%	20.41%	(6.12%)	22.00%	17.60%	(7.26%)	15.95%	EPS TTM	4.6	4.1	(11.78%)	
ROA	4.31%	4.23%	3.67%	(15.03%)	4.31%	3.50%	(14.71%)	4.85%	Dividend	1.6	1.5	(4.36%)	
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	90.22%	2.93%	1.91	(186.21)	121.96	(181.43)	(252.7%)	(0.4%)	4.4%	-0.54%	1.61	27.04	
Materials	84.17%	2.69%	1.22	27.27	26.40	14.08	3.3%	9.0%	1.8%	3.66%	4.17	19.24	
Industrials	67.94%	8.70%	1.19	48.75	45.79	14.67	6.5%	5.4%	1.4%	2.04%	3.82	23.72	
Discretionary	104.21%	12.43%	1.35	59.26	58.60	21.02	1.1%	18.7%	0.6%	1.71%	4.90	35.25	
Staples	22.48%	5.95%	0.63	21.92	22.83	17.65	(4.0%)	29.6%	2.6%	4.58%	4.31	19.63	
Health Care	37.83%	12.80%	0.76	18.17	19.47	15.11	(6.7%)	29.1%	1.7%	5.53%	7.59	15.88	
Financials	73.86%	11.46%	1.32	19.05	18.48	10.52	3.1%	7.4%	1.7%	5.20%	5.71	14.43	
Technology	74.96%	26.79%	1.10	32.04	32.81	15.63	(2.3%)	58.1%	1.0%	3.12%	5.24	27.04	
Telecom	70.60%	11.14%	0.97	29.11	28.18	17.61	3.3%	15.6%	0.6%	3.45%	7.32	23.02	
Utilities	19.47%	2.57%	0.41	19.32	22.09	16.35	(12.5%)	10.8%	3.3%	5.22%	3.44	17.15	
Real Estate	36.26%	2.45%	0.96	22.23	21.53	16.94	3.2%	6.9%	2.9%	4.44%	4.23	20.68	
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	389.48	2.16%	385.53	9	1.03%	352.63	190	10.45%	9.33%	(2.17%)	78.45%	Buy	
Mid Cap	475.77	8.11%	456.19	50	4.29%	386.25	126	23.18%	18.11%	(2.80%)	122.09%	Buy	
Small Cap	96.53	14.01%	90.98	50	6.10%	72.72	123	32.75%	25.12%	(3.19%)	136.70%	Buy	

Performance Analysis

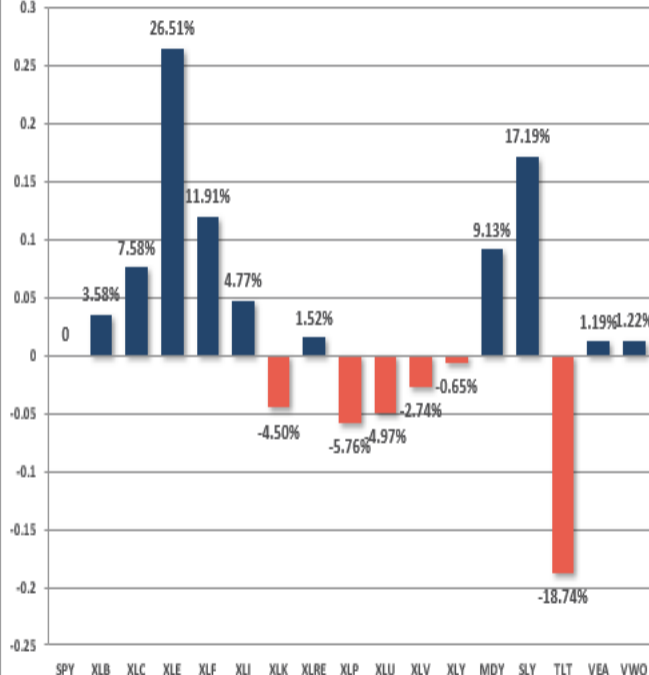
Year To Date Performance



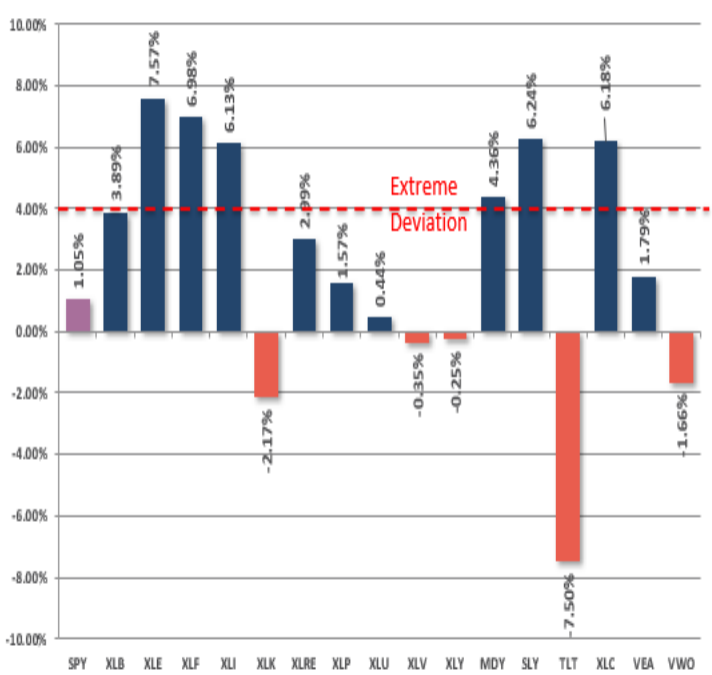
YTD Price - S&P Sectors Recalibrated To \$50/share



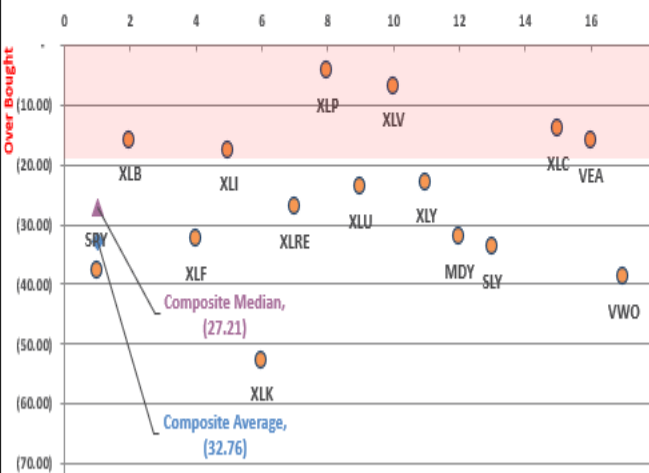
Year To Date Performance Relative To S&P 500



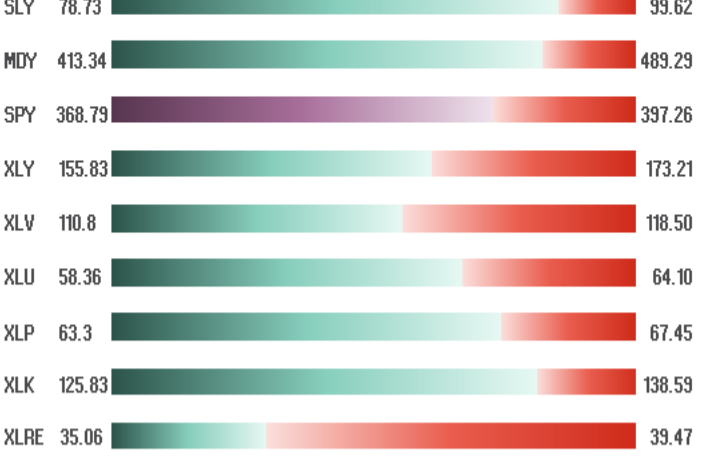
Price Deviation From 50-Day Moving Average



Overbought/Oversold 14-Periods

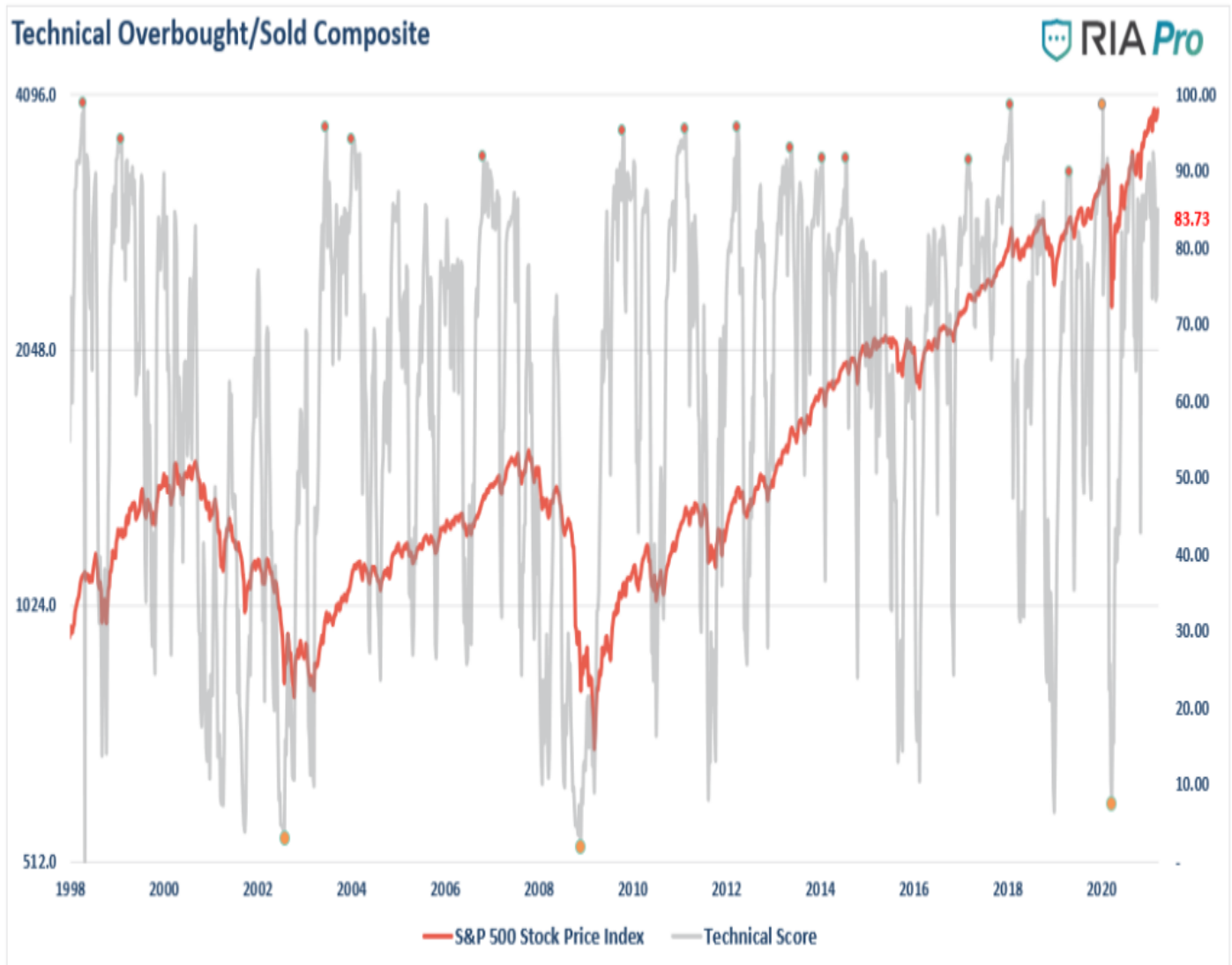


Size / Sector ETF YTD Trading Range



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 85.02 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 84.4 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	392.20	(0.86)	0.18	5.91	17.06	69.67	383.83	360.72	381.77	0.99	391.31	372.23	2%	9%	BULLISH
XLB	SPDR-MATLS SELS	78.00	(0.01)	3.75	3.06	6.17	22.07	74.51	69.15	73.55	1.05	76.16	70.94	5%	13%	BULLISH
XLC	SPDR-COMM SV SS	75.41	1.83	3.87	7.90	10.63	17.83	70.10	64.97	71.57	0.99	74.07	69.07	8%	16%	BULLISH
XLE	SPDR-EGY SELS	49.53	(6.68)	7.08	24.02	51.93	21.87	44.43	38.30	48.15	1.77	50.21	46.09	11%	29%	BULLISH
XLF	SPDR-FINL SELS	34.22	(0.72)	5.41	12.29	23.77	11.30	31.40	27.82	32.31	1.19	33.50	31.12	9%	23%	BULLISH
XLK	SPDR-TECH SELS	129.60	(0.52)	(4.92)	(5.49)	(4.30)	11.80	131.74	123.39	130.69	1.06	135.34	126.04	-2%	5%	BULLISH
XLI	SPDR-INDU SELS	96.47	0.55	5.86	3.71	7.24	18.02	90.29	84.23	90.61	1.19	93.95	87.27	7%	15%	BULLISH
XLP	SPDR-CONS STPL	66.38	1.21	2.04	(6.42)	(13.50)	(37.96)	65.67	65.34	63.30	0.62	65.27	61.33	1%	2%	BULLISH
XLRE	SPDR-RE SELS	38.64	(0.14)	1.27	1.69	(10.99)	(27.40)	37.15	36.52	37.34	0.69	38.53	36.15	4%	6%	BULLISH
XLU	SPDR-UTIL SELS	62.20	0.53	1.11	(4.29)	(14.57)	(39.59)	61.85	61.79	58.36	0.35	60.02	56.70	1%	1%	BULLISH
XLV	SPDR-HLTH CR	115.07	1.27	0.40	(2.68)	(6.58)	(24.17)	114.89	110.30	112.61	0.75	116.27	108.95	0%	4%	BULLISH
XLY	SPDR-CONS DISCR	166.45	0.67	(2.05)	(0.48)	(4.80)	19.89	165.35	155.54	161.15	1.13	167.00	155.30	1%	7%	BULLISH
XTN	SPDR-SP TRANSP	87.95	0.47	9.01	17.28	31.07	60.39	77.21	68.11	81.30	1.41	84.48	78.12	14%	29%	BULLISH
SDY	SPDR-SP DIV ETF	116.47	(1.30)	4.40	4.85	7.60	(9.72)	110.34	102.84	110.80	0.92	114.59	107.01	6%	13%	BULLISH
RSP	INVS-SP5 EQ ETF	140.56	0.13	3.48	5.57	11.92	17.67	132.89	121.27	134.20	1.12	139.06	129.34	6%	16%	BULLISH
SLY	SPDR-SP6 SC	96.53	(2.24)	5.07	15.17	37.76	56.08	88.56	75.16	91.09	1.28	94.53	87.65	9%	28%	BULLISH
MDY	SPDR-SP MC 400	475.77	(0.54)	2.83	6.90	20.24	37.87	448.47	396.76	454.85	1.20	471.67	438.03	6%	20%	BULLISH
EEM	ISHARS-EMG MKT	54.08	1.03	(6.17)	1.97	5.88	2.78	54.40	49.30	53.73	0.85	55.53	51.93	-1%	10%	BULLISH
EFA	ISHARS-EAFE	76.43	1.06	0.06	(0.29)	2.57	(7.22)	74.81	69.54	74.01	0.85	76.49	71.53	2%	10%	BULLISH
IAU	ISHARS-GOLD TR	16.61	1.90	(2.36)	(13.22)	(25.44)	(52.94)	17.31	17.86	16.44	0.07	16.86	16.02	-4%	-7%	BEARISH
GDX	VANECK-GOLD MNR	33.89	3.31	3.34	(11.85)	(30.09)	(4.75)	34.56	37.48	31.13	0.65	32.11	30.15	-2%	-10%	BEARISH
UUP	INVS-DB US\$ BU	24.78	1.23	1.59	(4.15)	(19.38)	(81.20)	24.44	24.82	24.52	(0.13)	25.10	23.94	1%	0%	BEARISH
BOND	PIMCO-TOT RETRN	109.26	0.55	(2.15)	(9.27)	(19.59)	(62.97)	111.83	112.16	111.11	0.09	113.98	108.24	-2%	-3%	BEARISH
TLT	ISHARS-20+YTB	134.75	(0.10)	(6.12)	(20.24)	(34.26)	(85.15)	148.03	156.66	143.12	(0.25)	146.34	139.90	-9%	-14%	BEARISH
BNDX	VANGD-TTL INT B	57.08	0.78	(0.70)	(8.27)	(18.99)	(66.47)	57.91	58.11	57.17	0.03	58.62	55.72	-1%	-2%	BEARISH
HYG	ISHARS-JBX HYCB	86.06	0.40	(1.82)	(7.05)	(14.40)	(46.28)	87.04	85.81	86.44	0.37	88.92	83.96	-1%	0%	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
AMAT	Appld Matls Inc	114.28	13.79	10.63	0.77	24.90	9.00
ETSY	Etsy Inc	209.51	25.25	38.42	-	79.66	8.00
QRVO	Qorvo Inc	176.08	13.99	5.10	-	22.20	8.00
ZTS	Zoetis Inc	152.42	12.22	7.76	0.66	39.59	8.00
MSFT	Microsoft Corp	230.72	11.93	14.71	0.97	34.38	8.00
CTLT	Catalent Inc	104.00	19.65	13.46	-	46.85	7.00
DE	Deere & Co	380.41	18.54	9.18	0.80	34.77	7.00
IDXX	Idexx Labs Inc	484.47	15.81	10.70	-	72.20	7.00
ABT	Abbott Labs	118.11	14.14	12.22	1.52	32.36	7.00
IT	Gartner Inc -A	183.10	13.50	16.25	-	37.37	7.00
NVDA	Nvidia Corp	508.90	12.55	21.54	0.13	62.52	7.00
ADI	Analog Devices	149.45	12.25	12.75	1.85	28.09	7.00
KLAC	Kla Corp	288.74	11.56	17.27	1.25	25.17	7.00
CDNS	Cadence Design	124.03	11.10	9.07	-	58.78	7.00
AAPL	Apple Inc	120.53	11.00	6.15	0.68	32.64	7.00
FB	Facebook Inc-A	278.62	19.24	35.45	-	27.59	6.00
KSU	Kansas City Sou	223.32	15.00	4.25	0.97	32.09	6.00
MTD	Mettler-Toledo	1,100.29	13.79	5.39	-	43.03	6.00
CDW	Cdw Corp	157.10	13.10	7.62	1.02	23.95	6.00
HCA	Hca Holdings	188.03	11.70	5.46	1.02	19.03	6.00
DOV	Dover Corp	137.20	11.50	(0.41)	1.44	24.20	6.00
CBRE	Cbre Group Inc	78.35	11.00	19.94	-	23.89	6.00
COO	Cooper Cos	378.78	11.00	7.27	0.02	37.43	6.00
EL	Estee Lauder	286.99	10.67	7.40	0.74	65.67	6.00
SPGI	S&P Global Inc	348.46	10.00	6.37	0.88	29.81	6.00
MTB	M&T Bank Corp	155.38	13.40	5.11	2.83	15.51	5.00
CAT	Caterpillar Inc	230.68	12.00	4.79	1.79	37.88	5.00
TT	Trane Tech Plc	167.54	11.90	2.13	1.41	37.65	5.00
TROW	T Rowe Price	171.87	11.83	9.16	2.51	17.90	4.00
MS	Morgan Stanley	83.94	10.03	9.77	1.67	12.84	4.00

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

Ticker	Company	Current Price	Price/ Book	ROE 5 Yr Avg	Div Yield	Score
CMTV	Commnty Bcp Vt	17.00	1.22	12.46	4.47	8
FLIC	First Long Is	20.51	1.20	10.80	3.71	8
GSBD	Goldman Sac Bdc	19.83	1.25	11.49	9.08	8
IBCP	Indep Bk Mich	23.33	1.31	11.45	3.60	8
LOMA	Loma Negra Cia	5.94	1.10	21.42	4.28	8
UGI	Ugi Corp	40.63	1.90	11.25	3.25	8
BSRR	Sierra Bancorp	27.72	1.24	10.47	3.03	7
CZFS	Citizens Fin Sv	58.00	1.17	11.97	3.21	7
FNCB	Fncb Bancorp	7.81	1.01	14.71	3.07	7
FNF	Fnf Group	41.08	1.44	14.68	3.51	7
KEY	Keycorp New	20.72	1.26	10.46	3.57	7

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
AMAT	Appld Matls Inc	114.28	13.79	10.63	0.77	24.90	9.00
ETSY	Etsy Inc	209.51	25.25	38.42	0.00	79.66	8.00
MSFT	Microsoft Corp	230.72	11.93	14.71	0.97	34.38	8.00
QRVO	Qorvo Inc	176.08	13.99	5.10	0.00	22.20	8.00
STZ	Constellatn Brd	231.07	7.41	4.95	1.30	22.63	8.00
ZTS	Zoetis Inc	152.42	12.22	7.76	0.66	39.59	8.00
AAPL	Apple Inc	120.53	11.00	6.15	0.68	32.64	7.00
ABT	Abbott Labs	118.11	14.14	12.22	1.52	32.36	7.00
ADI	Analog Devices	149.45	12.25	12.75	1.85	28.09	7.00
AVY	Avery Dennison	181.57	7.90	3.93	1.37	25.54	7.00
CDNS	Cadence Design	124.03	11.10	9.07	0.00	58.78	7.00
CTLT	Catalent Inc	104.00	19.65	13.46	0.00	46.85	7.00
DE	Deere & Co	380.41	18.54	9.18	0.80	34.77	7.00
FBHS	Fortune Brd H&S	91.64	9.82	4.82	1.13	21.87	7.00
IDXX	Idexx Labs Inc	484.47	15.81	10.70	0.00	72.20	7.00
IT	Gartner Inc -A	183.10	13.50	16.25	0.00	37.37	7.00
KLAC	Kla Corp	288.74	11.56	17.27	1.25	25.17	7.00
MAS	Masco	57.10	8.30	0.38	0.98	18.48	7.00
MLM	Martin Mrt-Matl	339.79	8.98	6.45	0.67	29.44	7.00
NVDA	Nvidia Corp	508.90	12.55	21.54	0.13	62.52	7.00
TXN	Texas Instrs	174.36	9.33	1.83	2.34	29.21	7.00
WAT	Waters Corp	268.76	8.85	2.70	0.00	29.66	7.00
CBRE	Cbre Group Inc	78.35	11.00	19.94	0.00	23.89	6.00
CDW	Cdw Corp	157.10	13.10	7.62	1.02	23.95	6.00
COO	Cooper Cos	378.78	11.00	7.27	0.02	37.43	6.00
DOV	Dover Corp	137.20	11.50	-0.41	1.44	24.20	6.00
EL	Estee Lauder	286.99	10.67	7.40	0.74	65.67	6.00
FB	Facebook Inc-A	278.62	19.24	35.45	0.00	27.59	6.00
HCA	Hca Holdings	188.03	11.70	5.46	1.02	19.03	6.00
INTC	Intel Corp	63.72	7.50	7.61	2.18	12.00	6.00
KSU	Kansas City Sou	223.32	15.00	4.25	0.97	32.09	6.00
MTD	Mettler-Toledo	1100.29	13.79	5.39	0.00	43.03	6.00
MXIM	Maxim Intg Pdts	88.03	10.00	0.31	0.00	33.35	6.00
SPGI	S&P Global Inc	348.46	10.00	6.37	0.88	29.81	6.00
A	Agilent Tech	122.59	9.00	6.57	0.63	34.73	5.00
CAT	Caterpillar Inc	230.68	12.00	4.79	1.79	37.88	5.00
EMR	Emerson Elec Co	89.46	9.82	-2.05	2.26	24.71	5.00
EXR	Extra Space Stg	132.10	5.11	9.71	3.03	25.11	5.00
MTB	M&T Bank Corp	155.38	13.40	5.11	2.83	15.51	5.00
SIVB	Svb Finl Gp	550.48	8.00	25.48	0.00	24.10	5.00
SNA	Snap-On Inc	225.52	8.72	1.30	2.18	19.39	5.00
TT	Trane Tech Plc	167.54	11.90	2.13	1.41	37.65	5.00
JNJ	Johnson & Johns	160.47	7.72	3.82	2.52	19.98	4.00
MS	Morgan Stanley	83.94	10.03	9.77	1.67	12.84	4.00
MU	Micron Tech	89.82	9.21	13.05	0.00	31.52	4.00
PXD	Pioneer Nat Res	161.88	8.55	18.93	1.36	78.20	4.00
TROW	T Rowe Price	171.87	11.83	9.16	2.51	17.90	4.00
NLOK	Norton Lifelock	21.18	7.00	-8.80	2.36	17.80	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
ETSY	Etsy Inc	209.51	25.25	38.42	-	2.99	8
MSFT	Microsoft Corp	230.72	11.93	14.71	0.97	2.62	8
ZTS	Zoetis Inc	152.42	12.22	7.76	0.66	2.83	8
CDNS	Cadence Design	124.03	11.10	9.07	-	5.21	7
IDXX	Idexx Labs Inc	484.47	15.81	10.70	-	4.04	7
NVDA	Nvidia Corp	508.90	12.55	21.54	0.13	3.90	7
TXN	Texas Instrs	174.36	9.33	1.83	2.34	2.77	7
SPGI	S&P Global Inc	348.46	10.00	6.37	0.88	2.81	6
MSCI	Msci Inc-A	405.62	#N/A	10.22	0.77	#N/A	6
MXIM	Maxim Intg Pdts	88.03	10.00	0.31	-	2.95	6
RGEN	Repligen	200.01	38.00	35.83	-	2.75	6
VICR	Vicor Corp	89.08	#N/A	9.06	-	#N/A	6
CELH	Celsius Holding	45.48	#N/A	52.49	-	#N/A	5
EXR	Extra Space Stg	132.10	5.11	9.71	3.03	4.28	5
IBKR	Interactive Brk	78.03	#N/A	15.21	0.51	#N/A	5
CGNX	Cognex Corp	80.03	#N/A	11.47	0.30	#N/A	4
SRC	Spirit Realty	42.60	4.05	(8.73)	5.87	3.62	4
ALGN	Align Tech Inc	514.36	19.81	25.56	-	3.32	3
PEN	Penumbra Inc	278.00	28.84	24.64	-	11.85	2

Portfolio / Client Update

As discussed over the past two weeks, the market "indigestion" continues even while indicators remain on "buy signals." However, the rotation between sectors and markets has been vicious, making managing risk exceedingly tricky. However, as noted last week:

"Our longer-term indicators are still negative which could apply some downside pressure and limit upside."

Such did remain the case this week as markets struggled to hold ground. The risk/reward balances in some market areas are improving, and we are looking for opportunities accordingly. We are continuing to use this rally to rebalance holdings and create a barbell approach in portfolios between "value" and "growth." **Furthermore, with yields having reached our target "buy" zone, there is a decent "risk/reward" to add some additional exposures back to portfolios to further hedge equity risk.** We aren't entirely ready to commit to that trade, but we are watching for the right opportunity. As always, we continue watching our indicators closely. However, support at the 50-dma held, and markets recovered back to all-time highs. Such negates downside risk in the short-term. We continue to look for opportunities to expand our portfolio as needed.

Portfolio Changes

During the past week, we made minor changes to portfolios. We post all trades in real-time at RIAPRO.NET.

**** Equity / ETF Portfolio ? Trade Update *****

"After a nice run-up in the banks/financials, we are taking some profits." - 03/16/21

- *Equity model- reduce GS and JPM from 2% to 1.5%*
- *Sector model- reduce XLF from 4% to 3%*

These changes follow up on our actions last Monday, reducing our exposure to "energy," which has been under considerable pressure this past week.

"We are using the early morning rally to rebalance portfolios once again as the ?energy? trade has gotten way ahead of itself. We also got stopped out of two positions in the Dynamic Model which we are raising some cash to add back into current holdings on the upcoming money flow buy signal." - 03/08/21

Equity Model

- *Reducing all energy holdings back to the model weight of 1% each. ? MRO, KMI, XOM, FANG*

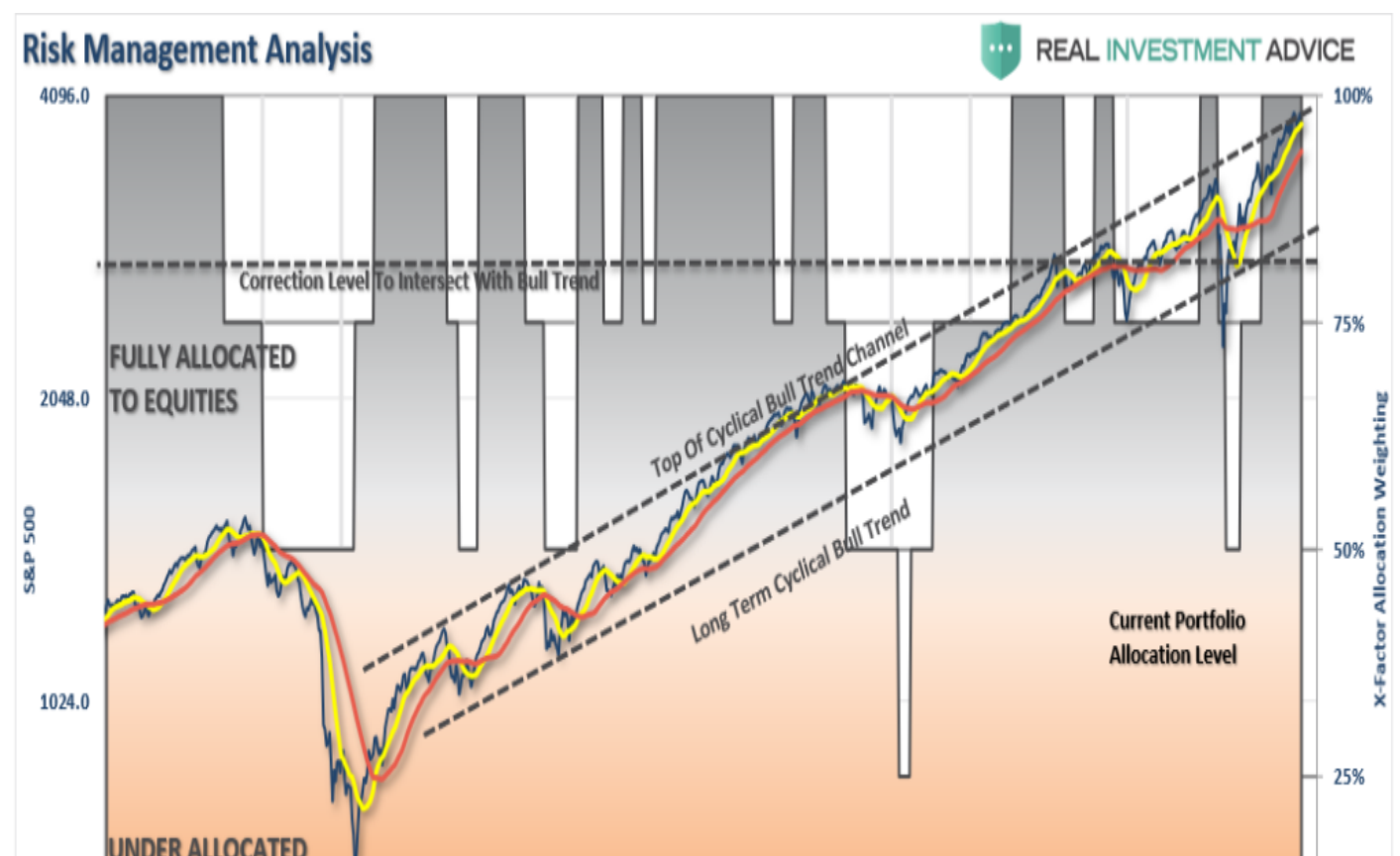
ETF Model

- *Reduce XLE back to portfolio model weight of 3% ? taking profits.*
- *Reduce XLC back to portfolio model weight of 5% ? taking profits.*

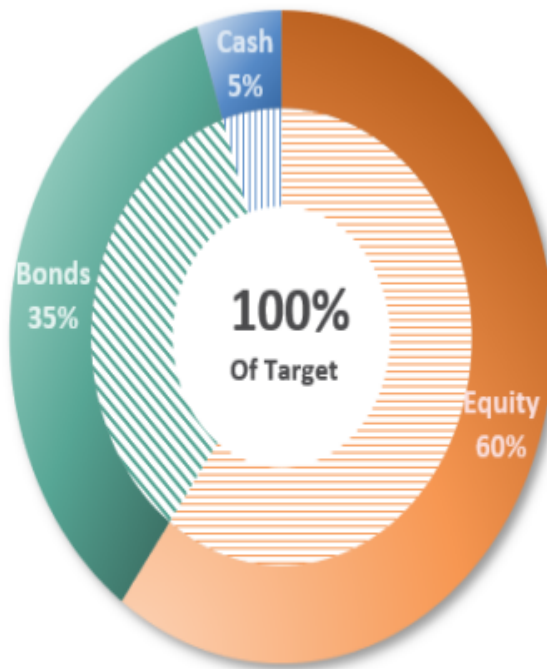
As always, our short-term concern remains the protection of your portfolio. We have now shifted our focus from the election back to the economic recovery and where we go from here. *Lance Roberts CIO*

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

After rallying off the 50-dma last week, the market struggled again at recent highs, and previous resistance, and sold off into Friday. As noted last week, we said that:

"Another bout of selling is likely over the next month as weekly sell signals remain negative. However, there is nothing at this point which suggests we need to be overly cautious with equity exposures."

Such remains the case this week with indicators still negative and short-term MACD indicators also registering a sell-signal. We remain concerned with the rising rate and inflationary environment, but the point at which those things matter is not yet clear. When it does begin to manifest we will advise dropping equity risk accordingly.

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](#).

**Tired of trying to
self-manage your 401k?
Let us do it for you.**



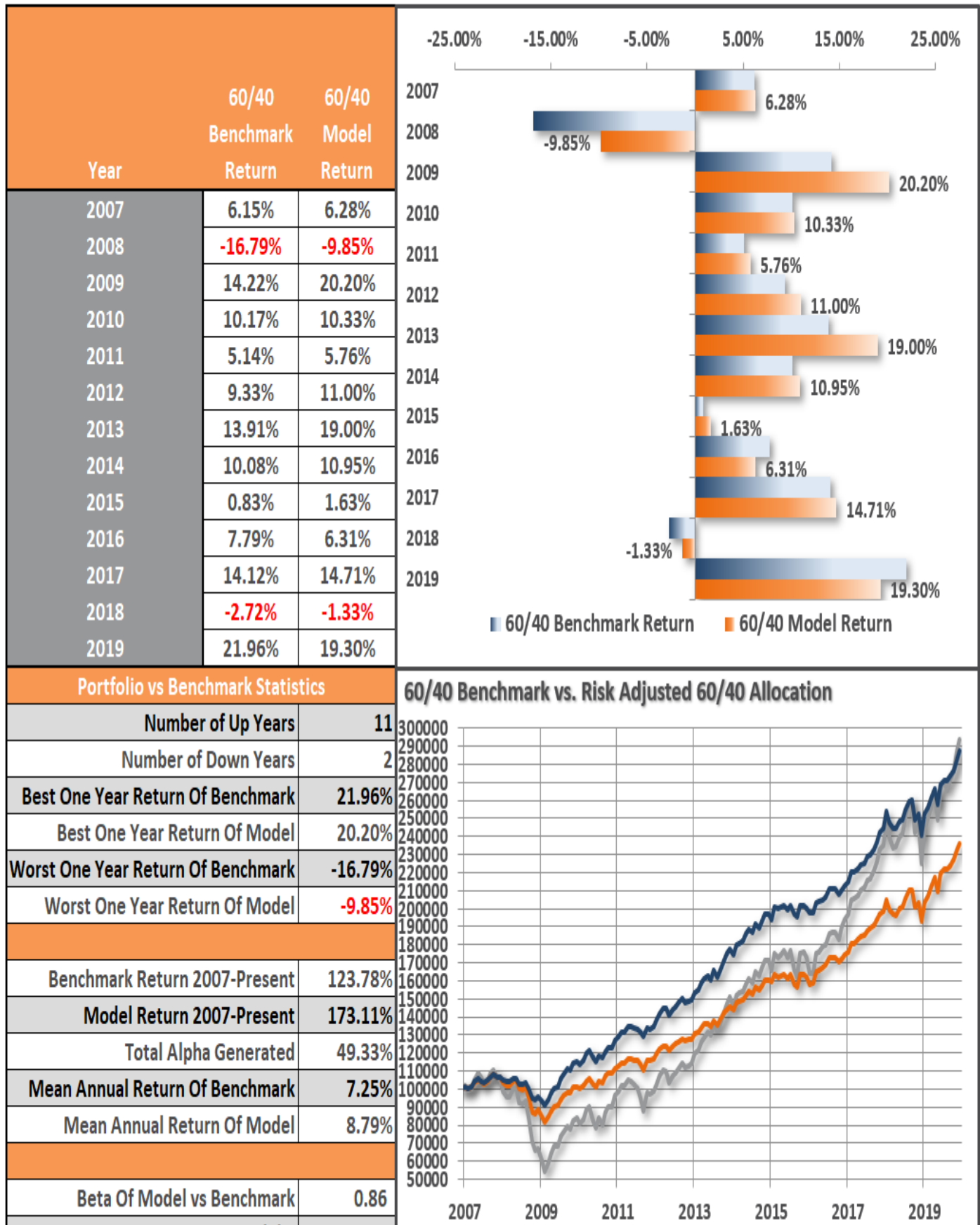
Take control of
your retirement
today with



RIA
Advisors

[> Learn More](#)

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