



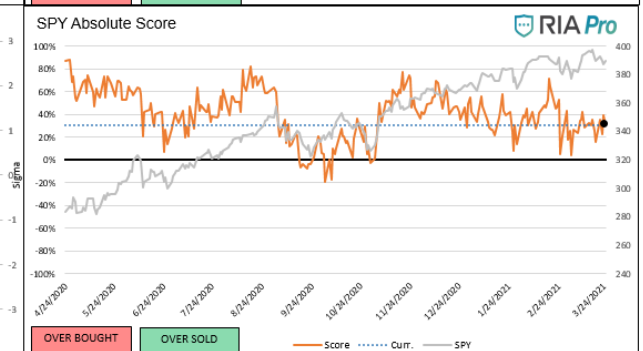
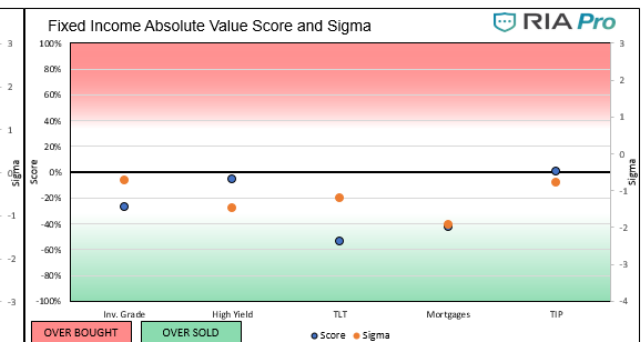
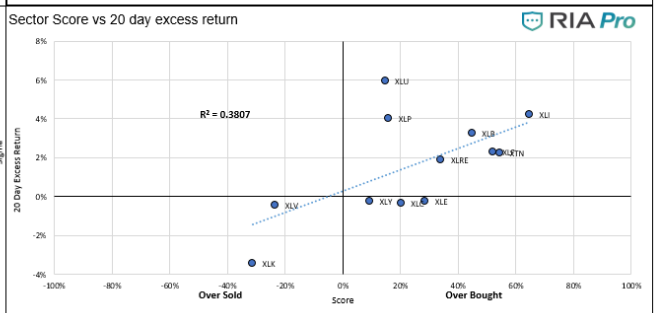
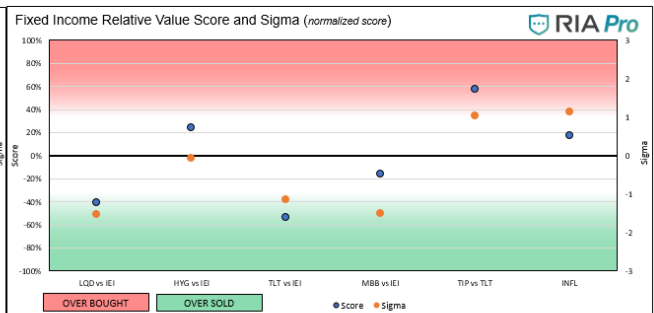
# Technical Value Scorecard Report For The Week of 3-26-21

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

## Commentary 3-26-21

- When looking at the relative sector graphs you will notice the sectors on the left side continue to move up. In general, these sectors, such as Staples and Utilities, are lower beta, more conservative stocks, that tend to perform poorly in an inflationary/higher rates environment. Staples beat the S&P by 1.47% last week, while Utilities beat it by 1.65%. If you go back and look at the same graph from a month ago, you will notice the dots were positioned in order from the lower left of the graph to the upper right corner. Today, the graph has a slight bias lower starting from the upper left.
- Note also the sigma (orange dots) are higher than the scores (blue dots) for Utilities and Staples. The sigma normalizes the score versus recent history, so moves away from recent trends result in higher sigmas than scores. The opposite is true for those sectors that just started lagging.
- At the same time, the inflationary sectors like Energy and Financials are slowly fading back to fair value. XLE, after having been the best performing sector for a few months running, lost 7% versus the S&P in the last two weeks. **The million-dollar question is whether or not the reflationary trade is over, or just taking a much-needed consolidation before another leg higher?** Watching interest rates and break-even inflation expectations will help answer our question.
- In the Absolute graphs, the sector tilt from the upper left to the lower right is a little more obvious. Staples and Realestate have the highest absolute sigmas. Energy is now only slightly above fair value after been highly overbought for months.
- Most of the factor/indexes continue to hover around fair value, with small/mid-caps well lower than prior weeks. Emerging markets are the most oversold, in part due to the stronger dollar. The S&P graph, lower right, shows its score continues to hover in slightly overbought territory.
- As shown in the third table below, Staples are now over 2 standard deviations above its 50 dma. The only other sector trading more than 2 standard deviations above or below a moving average is Realestate above its 200 dma.
- The market has normalized on the recent consolidation. Given how overbought some sectors and factors/indexes were a few weeks ago, this is technically a healthy development.

## Graphs (Click on the graphs to expand)



		Price	% From 20	% From 50	% From 200	Sigma From 20	Sigma From 50	Sigma From 200	Sum	Rank	% From 2/19/20
Staples	XLP	67.39	2.90%	3.06%	4.22%	1.43	2.14	1.17	4.74	1	4%
Util	XLU	63.26	3.26%	2.11%	3.19%	1.24	0.91	0.85	2.99	8	-10%
Health	XLV	114.9	0.74%	-0.36%	5.06%	0.69	(0.25)	1.09	1.53	15	10%
Real Est.	XLRE	38.96	2.16%	2.99%	7.18%	0.81	1.29	2.15	4.25	2	-6%
Material	XLB	77.76	1.15%	3.58%	14.56%	0.53	1.26	1.57	3.36	6	28%
Indust	XLI	96.65	1.90%	5.77%	17.10%	0.88	1.52	1.75	4.15	3	15%
Comm	XLC	73.09	-1.14%	1.79%	14.18%	(0.57)	0.46	1.57	1.47	16	27%
Bank	XLF	33.84	0.01%	5.14%	23.60%	0.01	0.98	1.85	2.83	9	9%
Trans	XTN	85.11	-0.37%	6.74%	27.90%	(0.13)	0.95	1.85	2.68	10	28%
Tech	XLK	129.4	-1.02%	-2.42%	6.71%	(0.58)	(0.99)	0.85	(0.72)	19	26%
Energy	XLE	49.21	-3.14%	5.69%	28.27%	(0.80)	0.61	1.76	1.57	14	-10%
Discret	XLY	164.7	0.53%	-1.18%	7.94%	0.22	(0.48)	0.99	0.73	17	25%
Value	VG	140	0.70%	3.89%	14.88%	0.37	1.18	1.85	3.40	5	7%
Small	SL	216.7	-3.10%	-1.78%	21.34%	(1.01)	(0.54)	1.27	(0.28)	18	29%
Mid	ML	467.6	-0.24%	2.11%	20.20%	(0.10)	0.67	1.56	2.13	11	22%
Equal	RSP	139.6	0.54%	3.25%	17.03%	0.29	1.09	1.67	3.05	7	18%
Moment	MTUM	155.6	-2.32%	-6.38%	1.93%	(0.88)	(1.46)	0.25	(2.09)	21	14%
SPY	SPY	389.7	0.26%	0.85%	10.02%	0.17	0.52	1.38	2.08	12	15%
QQQ	QQQ	311.3	-0.85%	-3.11%	6.53%	(0.45)	(1.09)	0.79	(0.75)	20	31%
DIA	DIA	326.2	1.34%	3.37%	12.15%	0.62	1.38	1.77	3.77	4	11%
EEM	EEM	51.92	-3.32%	-5.78%	7.23%	(1.90)	(1.97)	0.70	(3.17)	22	17%
EFA	EFA	75.62	0.08%	0.42%	10.05%	0.07	0.31	1.31	1.69	13	10%

## Users Guide

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

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

*The technical value scorecard report is one of many tools we use to manage our portfolios. This report may send a strong buy or sell signal, but we may not take any action if other research and models do not affirm it.*

The ETFs used in the model are as follows:

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

- Growth IVW
- Small Cap SLY
- Mid Cap MDY
- Momentum MTUM
- Equal Weighted S&P 500 RSP
- NASDAQ QQQ
- Dow Jones DIA
- Emerg. Markets EEM
- Foreign Markets EFA
- IG Corp Bonds LQD
- High Yield Bonds HYG
- Long Tsy Bonds TLT
- Med Term Tsy IEI
- Mortgages MBB
- Inflation TIP
- Inflation Index- XLB, XLE, XLF, and Value (IVE)
- Deflation Index- XLP, XLU, XLK, and Growth (IWE)