




Market Rallies To All-Time Highs As Bulls Dismiss Fed

In this 06-25-21 issue of "Market Rallies To All-Time Highs As Bulls Dismiss Fed."

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- *Sector & Market Analysis*
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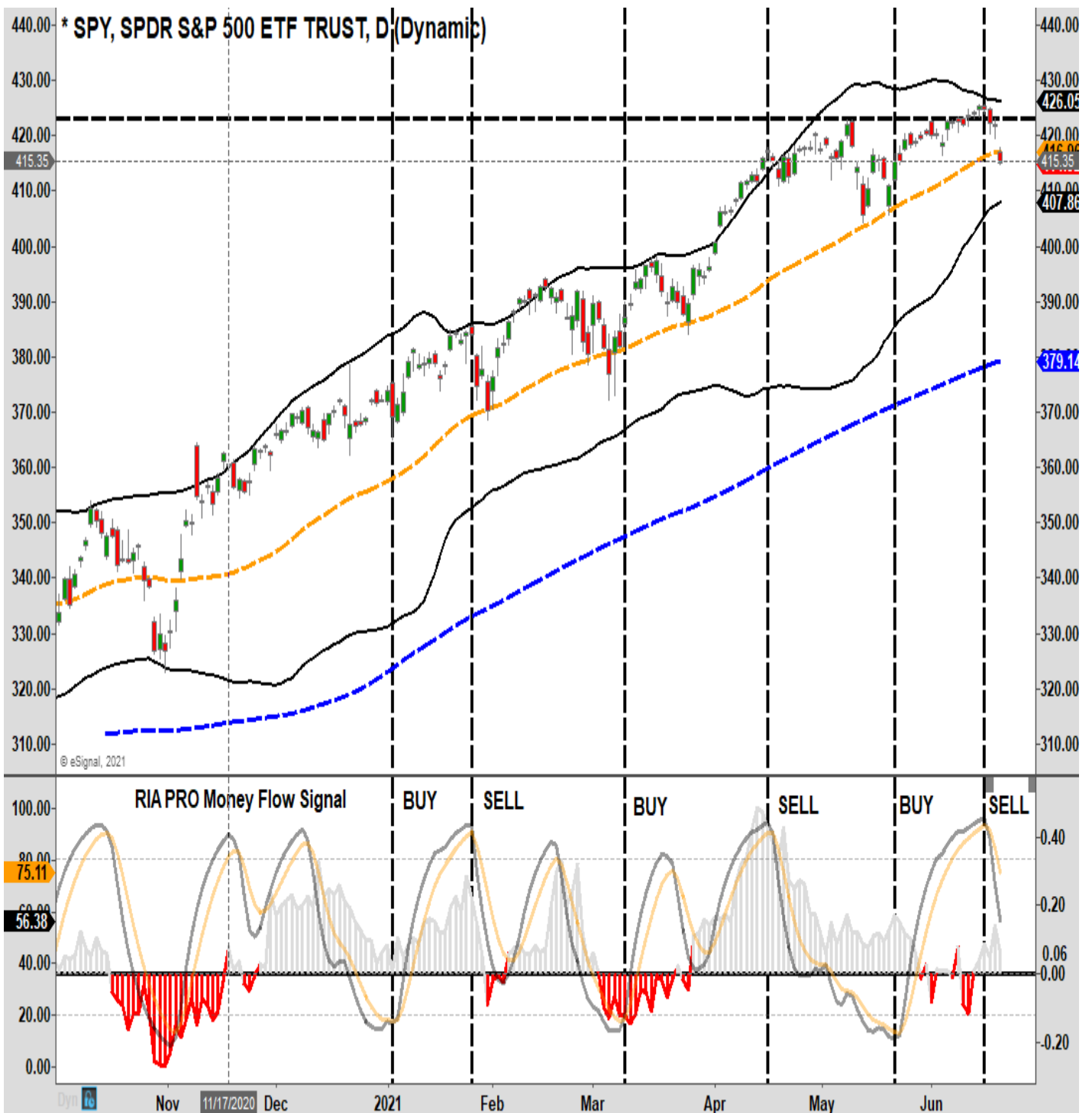
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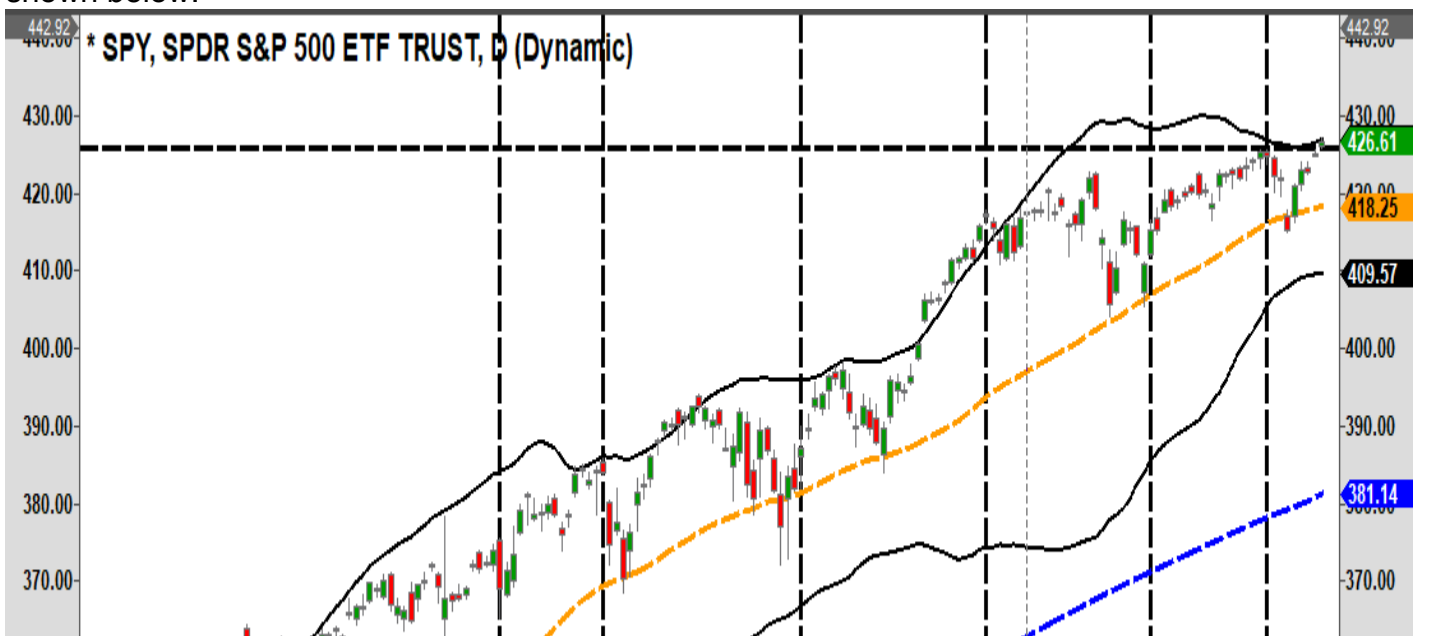
Market Rallies To All-Time Highs

Well, that was undoubtedly an exciting bout of volatility. [Last week](#), we reviewed our "signals" and the market sell-off.

"Well, not only did the highs not stick, but the 50-dma failed during Friday's sell-off. The market closing at its lows suggests we could see some more selling early next week. The "good news," if you want to call it that, is that the "sell signal" is moving quickly through its cycle. Such suggests that selling pressure may remain limited and may resolve itself by the end of June."



Well, this week, the market not only got off the mat but rallied back to new highs, just barely, as shown below.



While the rally did get the "bulls" motivated, the declining "money flows" (grey histogram chart) suggest the rally is unlikely to stick. With the market back to 2-standard deviations above the 50-dma, conviction weak, and investors extremely bullish, the market remains set up for more consolidation or correction in the week ahead. **The weekly chart confirms the same.** Our previous discussions warned that if the daily and weekly "sell signals" align, such often coincides with more "corrective" rather than "consolidative" actions. **If the "daily" signal triggers a "buy" next week, such would indicate a limit to the upside, and more consolidation.**



I got a few emails this week asking if I still think a 5-10% correction is possible? The short answer is "yes." However, it is not a guarantee that such will happen. If you notice in the weekly chart above, the market can consolidate over an extended period and reduce the "sell signal." A "correction" makes it happen faster. It is also worth noting that corrections **can come after "sell signals" are triggered.** Thus, they are not always immediately correlated.

Sell Signal Conundrum

As we have laid out repeatedly over the last few weeks, there are several important points concerning technical analysis.

1. *Technical analysis is not always 100% accurate. We look for our indicators to be correct about 70% of the time, providing better risk management.*
2. *Signals do not mean to be "all-in" or "all-out" of the market. As discussed, we reduced "risk" previously but still maintain a healthy exposure to markets.*
3. ***Just because the correction didn't happen immediately doesn't mean it won't.***

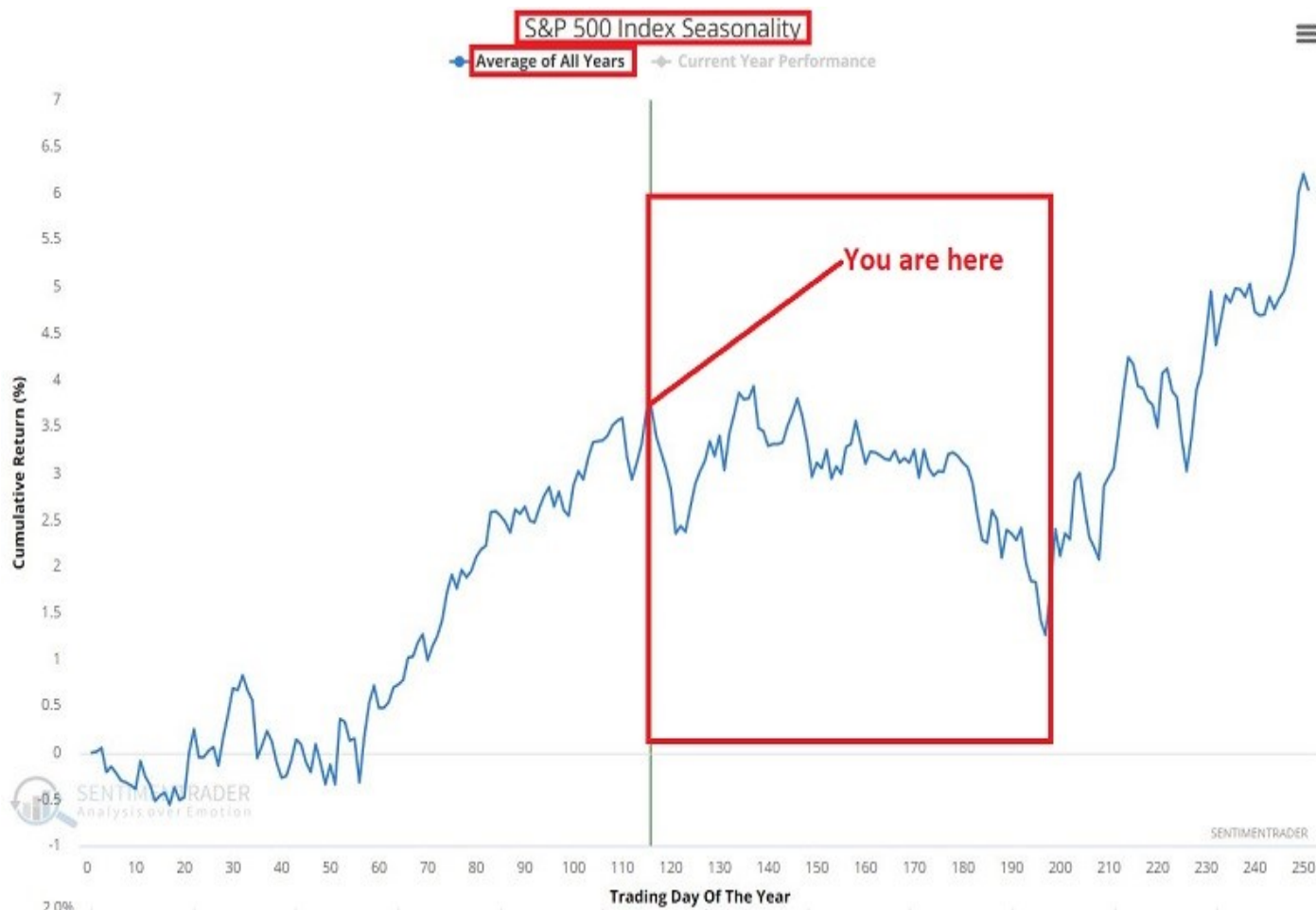
The last point I expand on in our latest [3-minutes video](https://www.youtube.com/watch?v=gTltv-dh-I). <https://www.youtube.com/watch?v=gTltv-dh-I> There are two other reasons we are cautious of this past week's rally. **Volume was lacking, and seasonality is still at play.**

"The implications are that we may see:

- ***A downdraft of some significance in the near-term***
- ***Not a lot of new upside in the months ahead***
- ***And a potentially bigger decline as we head into mid to late October***

Is that how it will play out? Sorry folks, 'climate, not weather,' remember? The stock market could easily rally to nominal new highs in the month ahead.

However, do also note in the chart below that the S&P 500 Index has tracked its annual season fairly closely (in terms of the trend - and to a much greater magnitude) so far in 2021. Will this continue? Same answer as the question above." - Sentiment Trader



That view supports our current thesis of remaining slightly underweight equities for now. The

market is likely to rally a bit from here for two reasons:

1. *End of the quarter "window dressing" by portfolio managers.*
2. *The first two weeks of July tend to be seasonally strong before weakness reasserts itself.*

We suggest remaining a little cautious but not overly defensive for now.

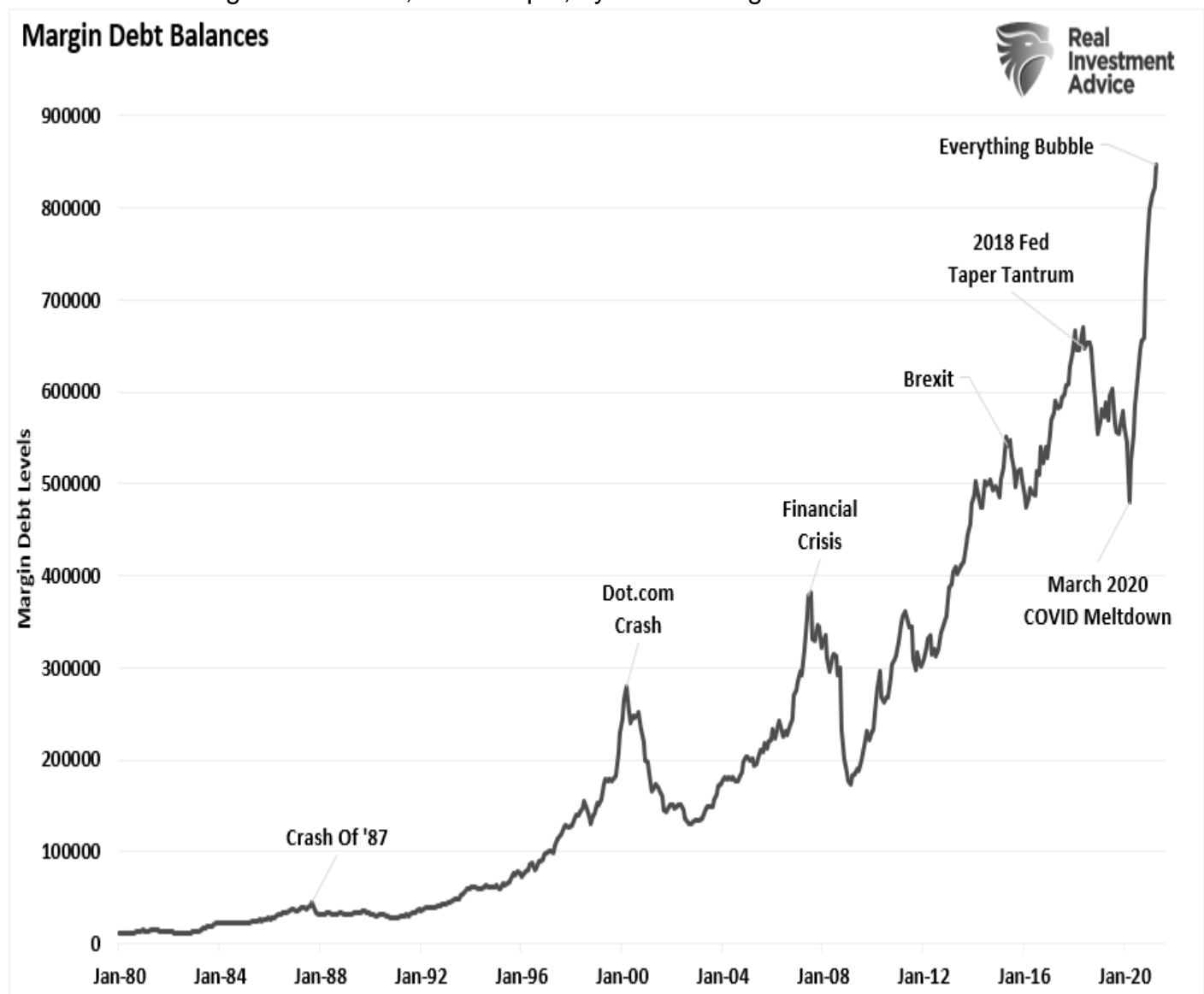


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Bullishness Is Back

One thing about the market is the rather extraordinary amount of *"bullish exuberance."* That exuberance often gets visualized, for example, by record margin debt levels.

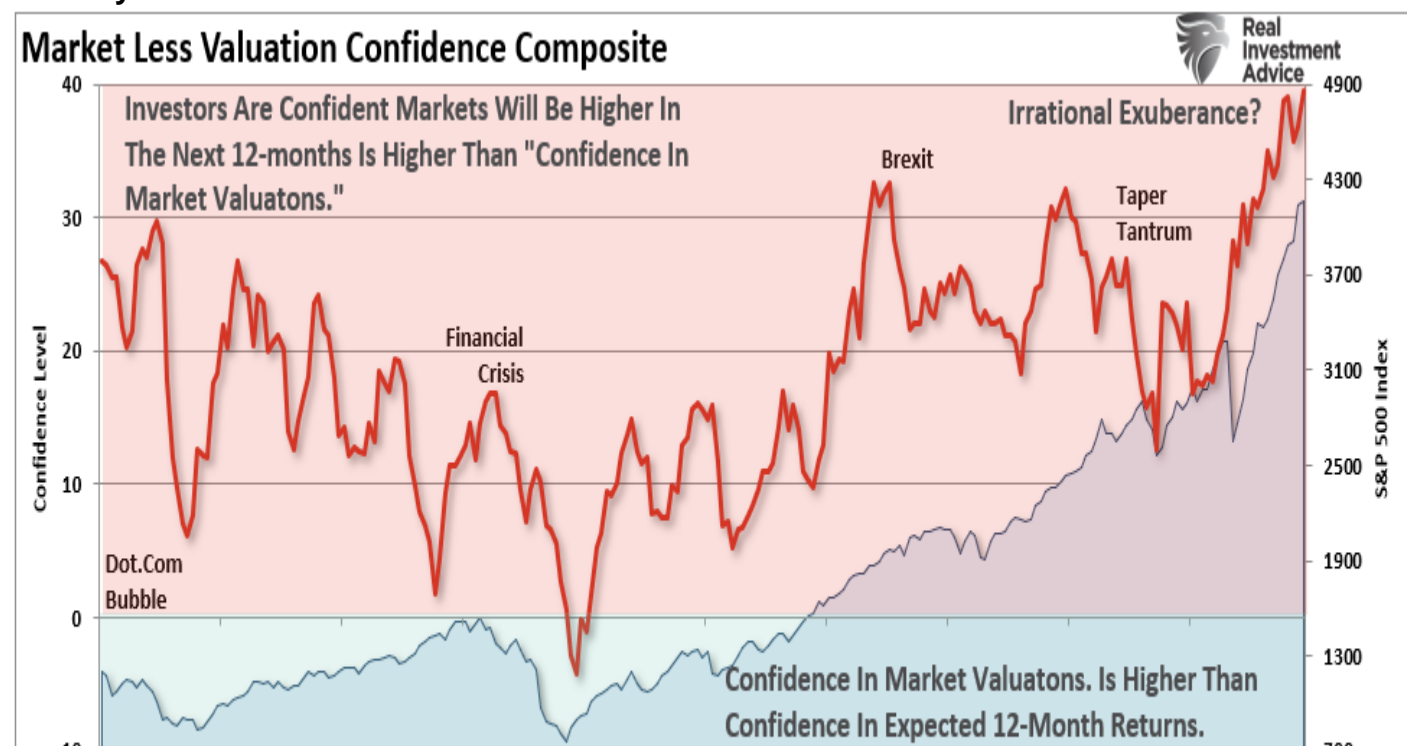


However, some other "non-mainstream" indicators show the same. For example, a new survey from Natixis shows a clear example of "recency bias" at work.

*"Wealthy Americans are pretty optimistic about their long-term investment returns, **expecting to earn average annual returns of 17.5% above inflation from their portfolios.** That's according to a new survey from Natixis that surveyed households that have over \$100,000 in investable assets in March and April of 2021."*

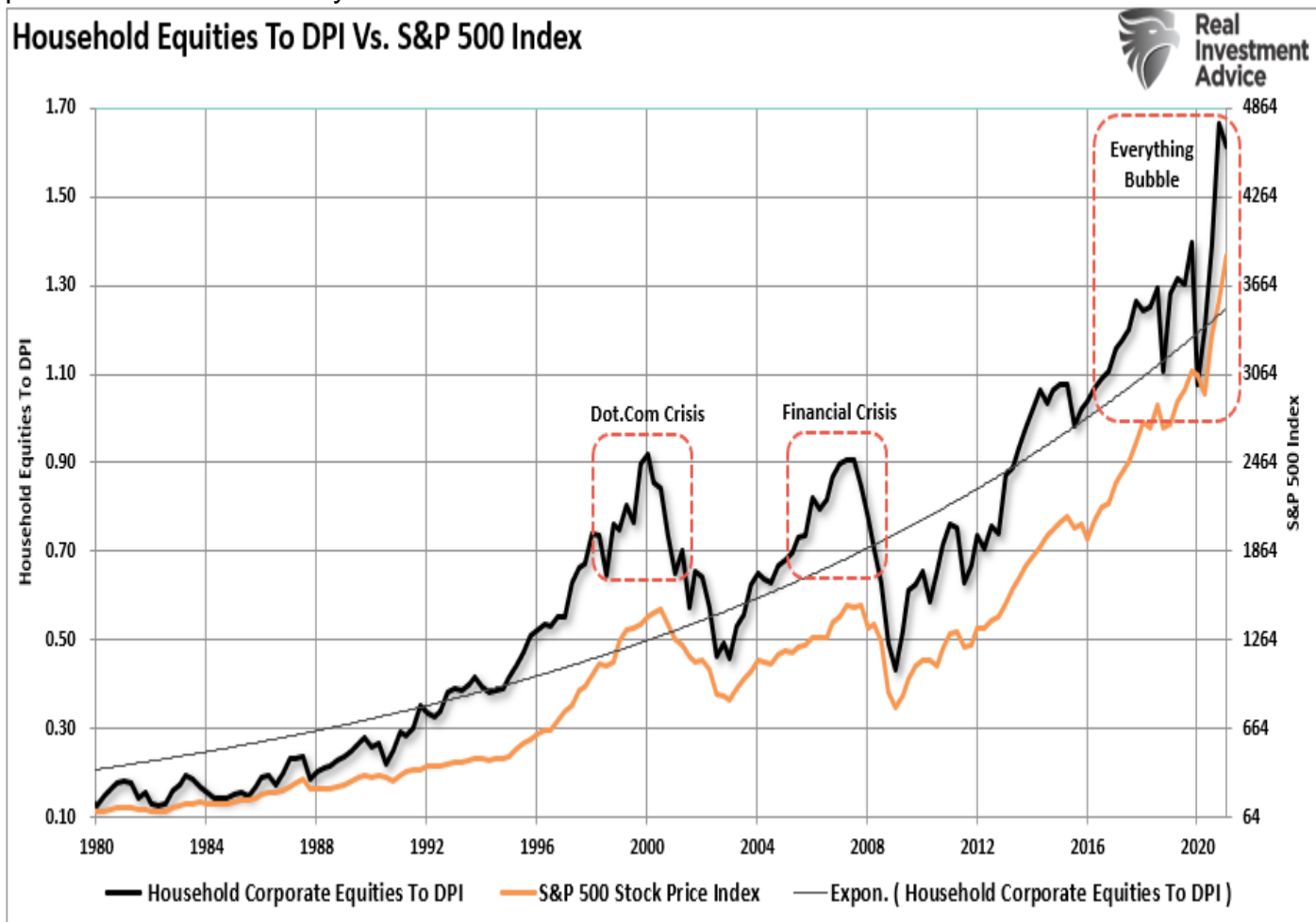


Of course, with inflation running roughly 5% in the second quarter, such suggests that investors are looking for more than 20% from the stock market by year-end. But it isn't just "recency bias." It is also the "moral hazard" driven by the belief the Fed will continue to support markets indefinitely. The Bespoke "irrational exuberance" indicator subtracts the "Valuation Confidence" from the "One Year Confidence" survey data. **This reading has exploded higher recently for both institutional and individual investors.**



"When the reading is positive, it means confidence that the market will be higher one year from now is higher than confidence in the valuation of the market. The opposite is the case when the reading is in negative territory." - Bespoke

The key takeaway is that **"investors simultaneously believe the market is over-valued but likely to keep climbing."** Why? Because the **"Fed has investor's backs."** Of course, we would be remiss not to look at the level of household equity ownership as a percentage of their disposable personal income. The current deviation from the long-term exponential growth trend rivals every previous bubble in history.



Yes, this time could be different. But, unfortunately, it just usually isn't.

In Case You Missed It



#MacroView: Capitalism Does Not Equal Corporatism – Pt. 1

Written by Lance Roberts | Jun 25, 2021

"Capitalism" is not the same as "Corporatism." Yet, whenever you mention capitalism, there is palpable anger that arises from a fundamental widespread belief.

[>> Read More](#)

Hard Data Getting Soft

The current market excitement remains a function of the "Fed" remaining accommodative and hopes of continued surging economic recovery. But, unfortunately, such is unlikely as the stimulus fades from the system.

*"Ugly PMIs (Services recovery collapsed), and even uglier housing data suggest all is not well under the surface of the excellent recovery. **The hope-filled gap between 'soft' and 'hard' data is set to slump again.**" - Zerohedge*



Look for both economic projections and earnings estimates to start getting revised down over the next two quarters. Such is problematic for the Fed.

***?Seven percent is more like a number that you would expect from an emerging market, not a developed country like the United States.** It really highlights how strong the economic growth is expected to be over the course of this year." - Eric Rosengren via [Mish Shedlock](#)*

As Mish notes, the way 7% "real" growth gets achieved is by underestimating inflation. Currently, trimmed mean PCE is close to 2% versus the real economy.

***"Fueled by negative real interest rates, the Fed has blown another housing bubble. Late as always, only now are some of the Fed presidents have noticed."** - Mish*

That is correct, as noted by Dallas Fed President Robert Kaplan:

"The U.S. economy will likely meet the Federal Reserve's threshold for tapering its asset purchases sooner than people think. I think we'd be far better off, from a risk-management point of view, beginning to adjust these purchases of Treasuries and mortgage-backed securities. If we do these purchases longer than might be necessary, for me, it actually may reduce our flexibility in adjusting rates. I'd rather start tapering, assuming we meet our conditions, sooner rather than later."

The Fed Can't Normalize

My colleague Albert Edward from Soc Gen nailed the Fed's problem.

"The global deflation trade was already in retreat before the Fed lobbed in their surprisingly hawkish statement of intent last week. That retreat quickly turned into a rout across many asset classes. Whilst not in the league of the 2013 Bernanke 'Taper Tantrum' it demonstrates the market's sensitivity to the Fed's intentions. To the surprise of many, the long end of the bond market rallied. Maybe it now realizes that a Fed tightening cycle is nigh on impossible?"

Albert also notes why the Fed may not continue to support markets indefinitely.

"Hilsenrath writes ([WSJ link.](#)) the markets could be too complacent. Former Fed Governor during the 2013 tantrum, Jeremy Stein thinks the markets shouldn't take a benign view of the extent of potential tightening as 'The Fed cannot support markets if there's an inflation surprise.'"

He is correct. The Fed is in a trap. If they remove monetary accommodation, the market will react. However, as Albert notes:

"As Mr. Powell said in a June 16 news conference 'We will do what we can to avoid a market reaction. But ultimately, when we achieve our macroeconomic goal, we will taper as appropriate.'"

In 2018, Chairman Powell failed miserably at trying to remove monetary accommodation. Unfortunately, Powell's failure this time will get amplified.

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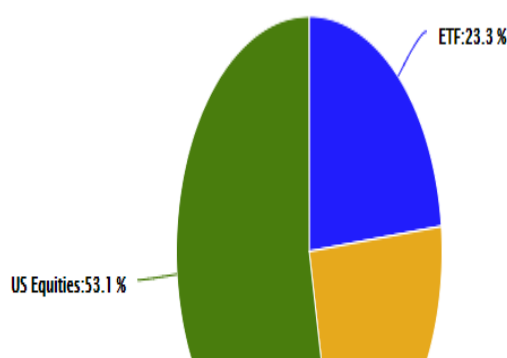
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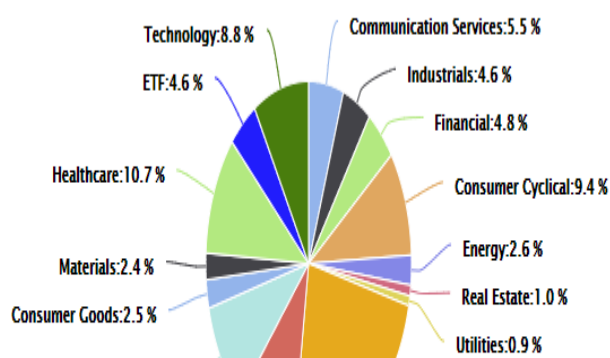
Portfolio Update

While the markets touched all-time highs this week, there was not a tremendous amount of conviction. **Nonetheless, after reducing some equity risk two weeks ago, we did take the opportunity to add a bit of exposure in positions that got oversold.** Those adjustments brought our equity weighting up slightly to 53% of a 60% target weight.

ASSETS



SECTORS



?Anyone who followed the numbers would have avoided the disaster of the 1929 crash, the 1970s or the past lost decade on Wall Street. Why didn't more people do so? Doubtless, they all had their reasons.�But I wonder how many stayed fully invested because their brokers told them ?You can't time the market.?? ?
Brett Arends

?Can we say when it will end? No. Can we say that it will end? Yes. And when it ends and the trend reverses, here is what we can say for sure. Few will be ready. Few will be prepared.?

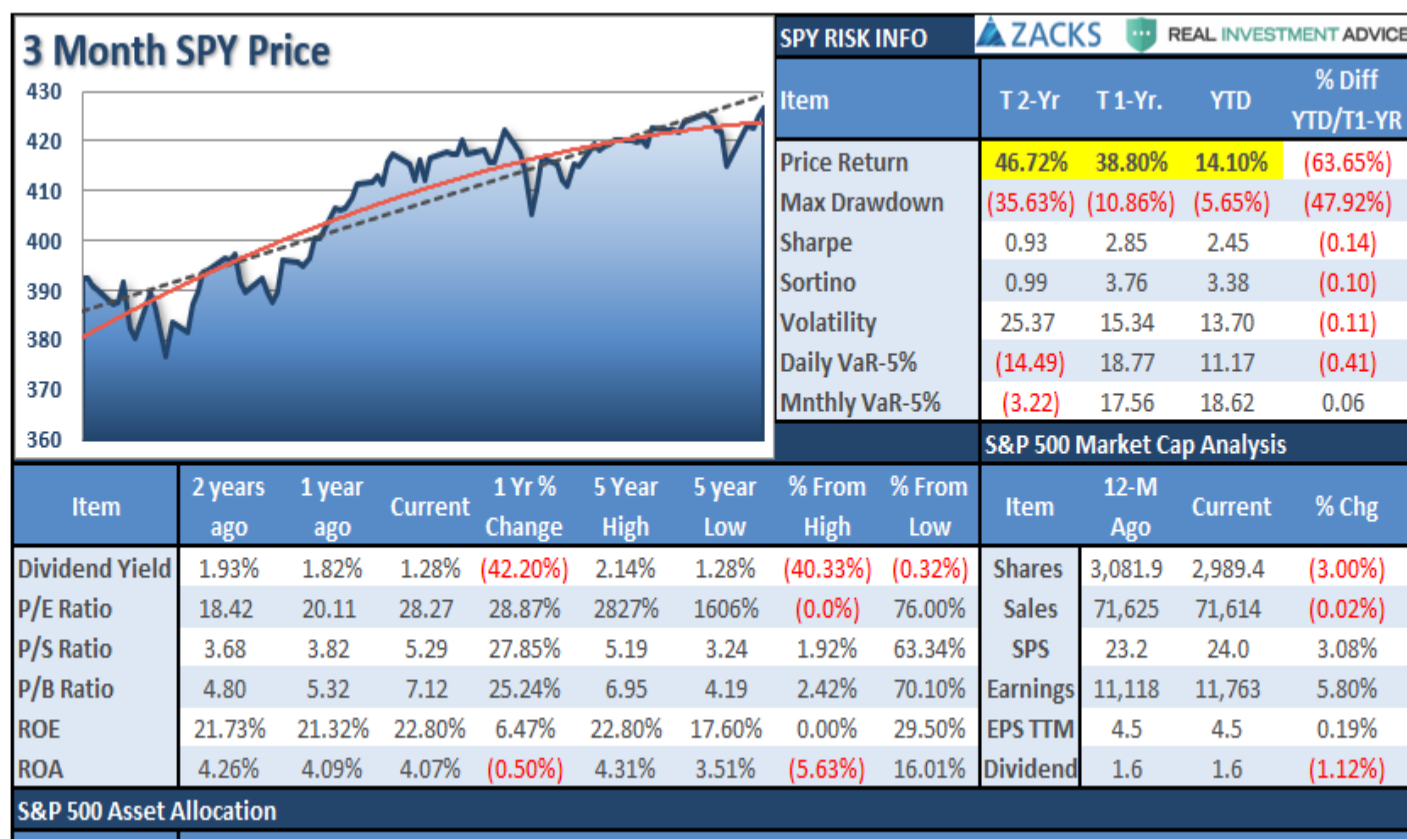
?History repeats itself all the time on Wall Street?� ? Edwin Lefevre

See You Next Week **By Lance Roberts, CIO**

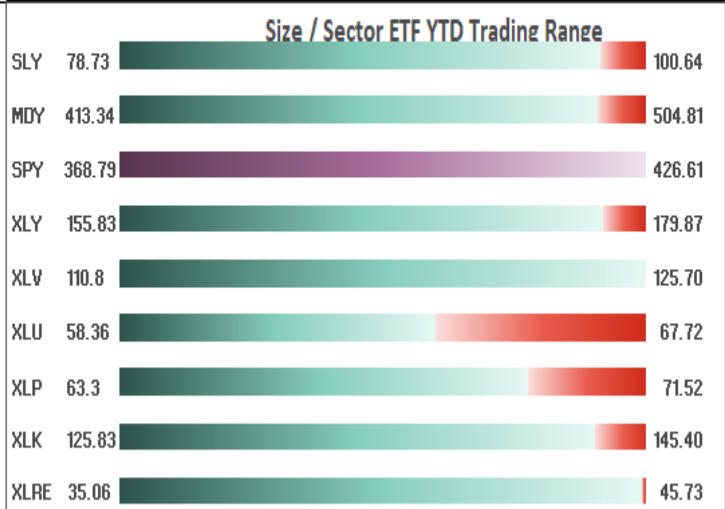
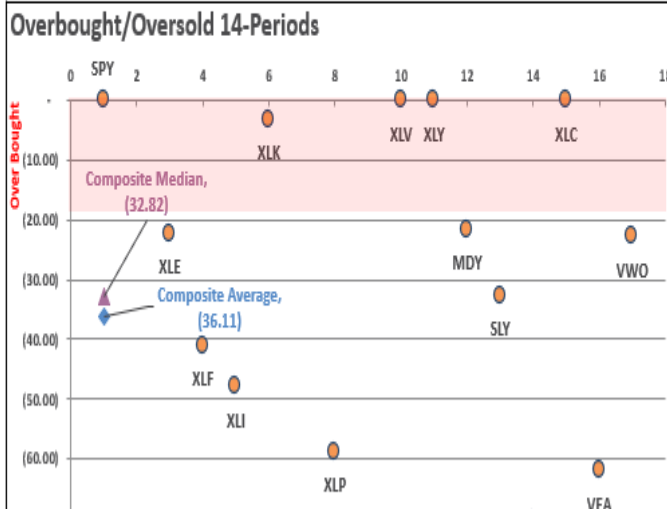
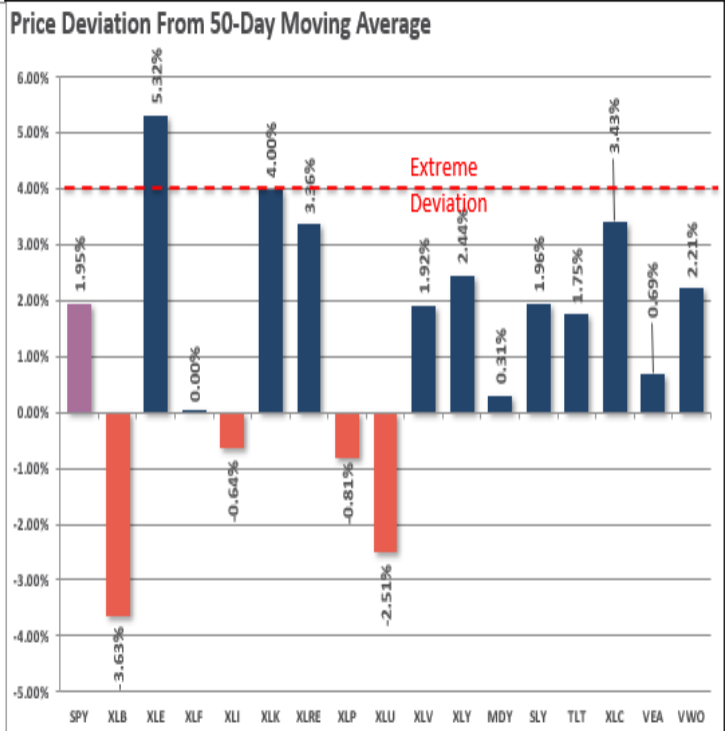
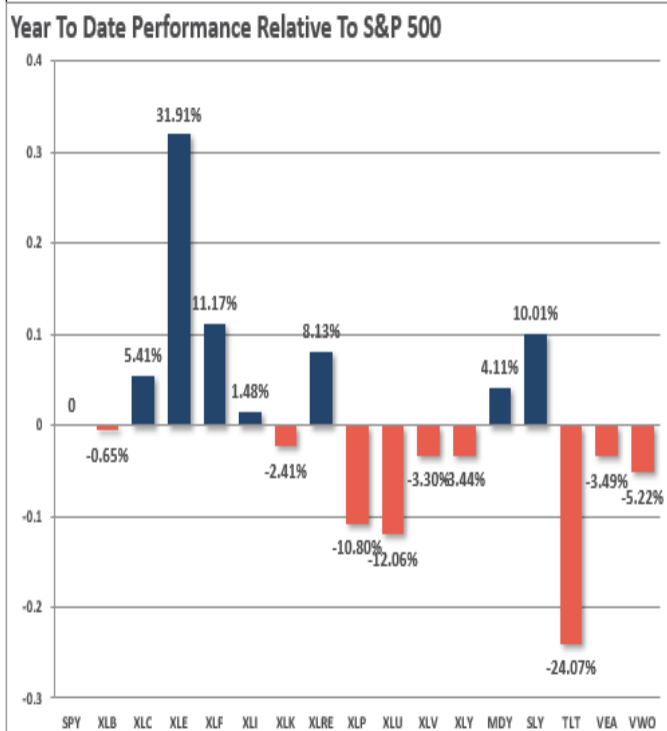
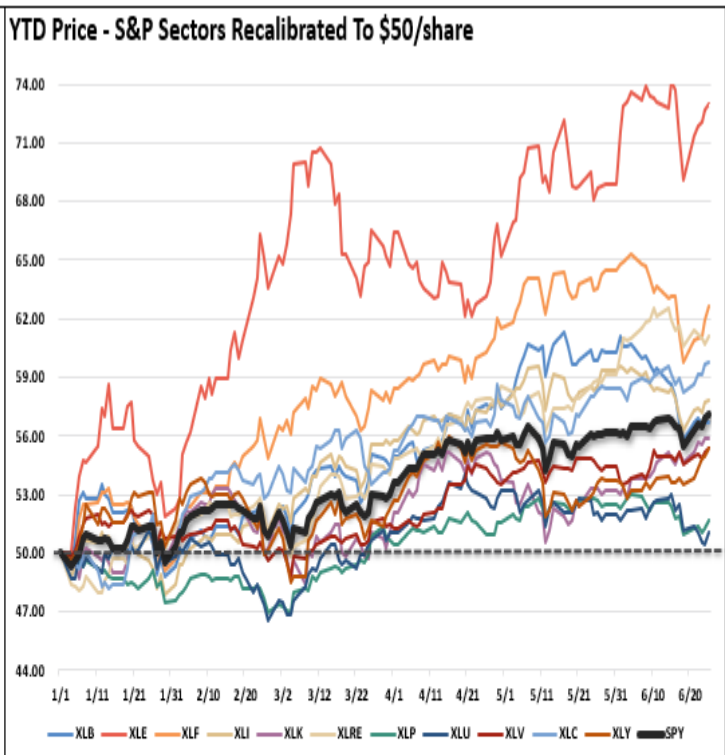
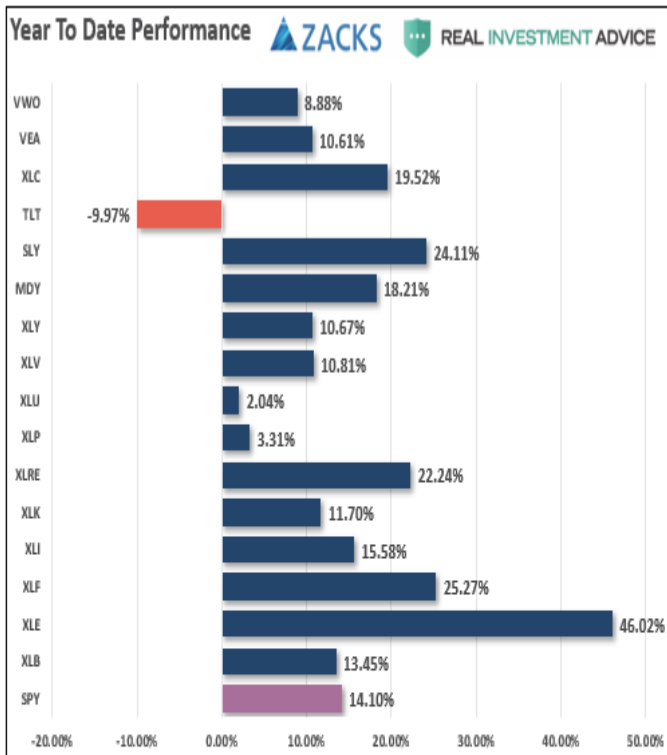
Market & Sector Analysis

Analysis & Stock Screens Exclusively For RIAPro Members

S&P 500 Tear Sheet

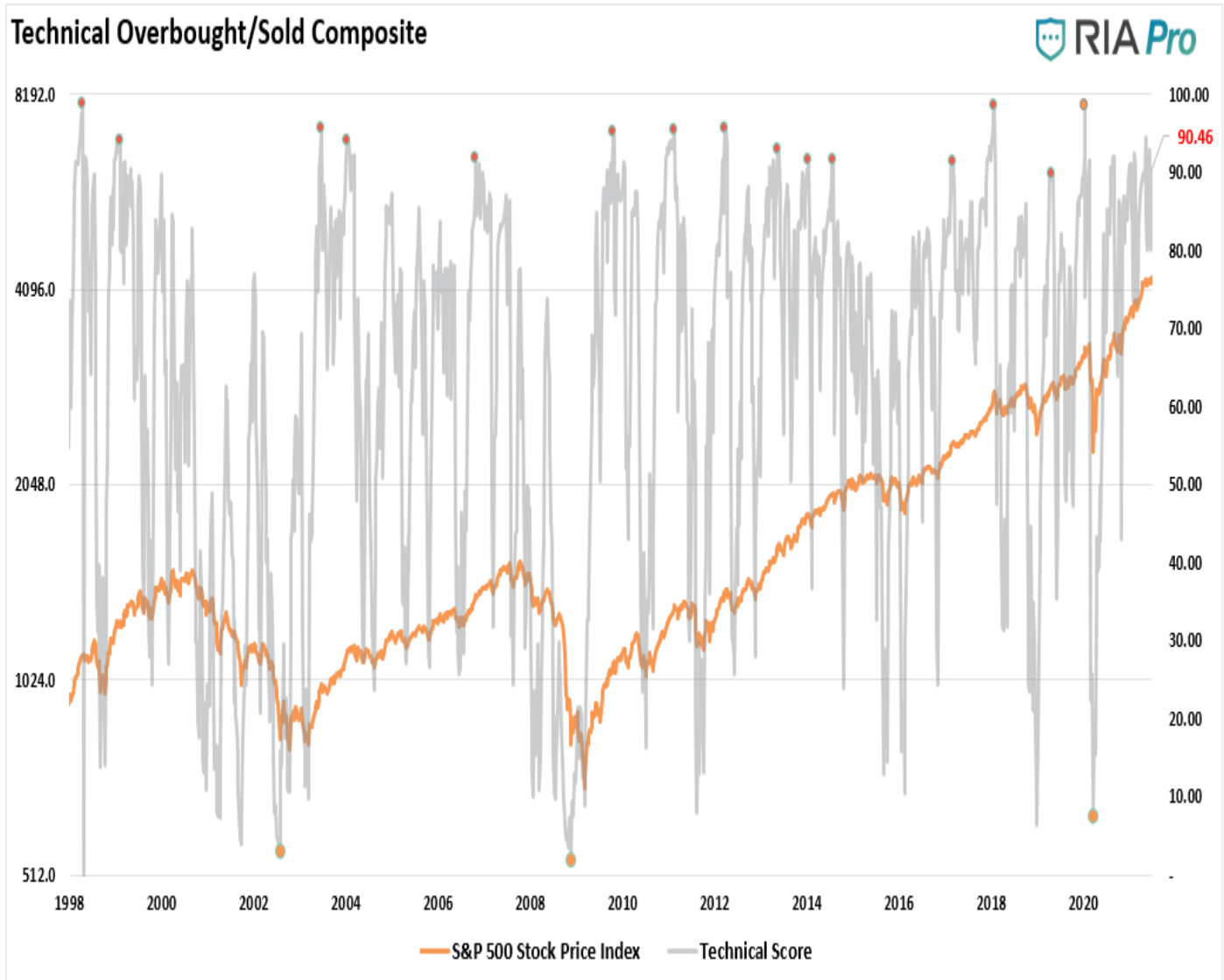


Performance Analysis



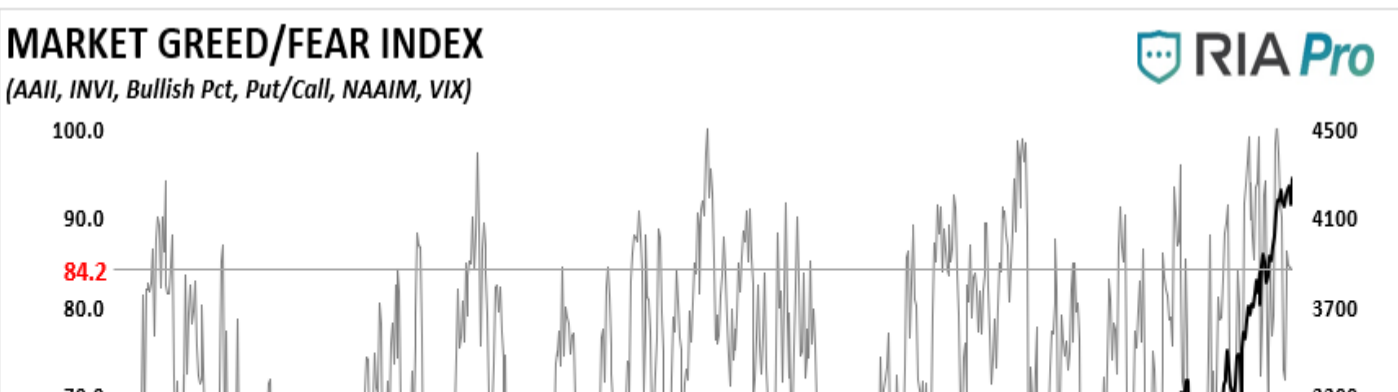
Technical Composite

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" are oversold. **The current reading is 90.46 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 84.20 out of a possible 100.



Sector Model Analysis & Risk Ranges

How To Read This Table

- The table compares each sector and market to the S&P 500 index on relative performance.
- "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.
- 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	428.44	2.80	1.61	6.56	11.97	42.27	417.20	392.22	421.65	0.99	432.19	411.11	3%	9%	BULLISH
XLB	SPDR-MATLS SELS	82.13	(1.08)	(7.49)	(3.23)	(4.62)	8.45	84.09	77.36	87.26	1.06	90.37	84.15	-2%	6%	BULLISH
XLC	SPDR-COMM SV SS	80.65	(0.17)	0.75	1.58	7.53	11.43	77.46	71.98	78.79	0.99	81.54	76.04	4%	12%	BULLISH
XLE	SPDR-EGY SELS	55.34	2.83	4.38	3.44	21.64	9.30	51.79	45.79	52.21	1.75	54.43	49.99	7%	21%	BULLISH
XLF	SPDR-FINL SELS	36.93	2.03	(4.40)	0.58	7.47	21.28	36.46	32.62	37.99	1.20	39.40	36.58	1%	13%	BULLISH
XLK	SPDR-TECH SELS	145.23	(0.59)	3.32	0.64	(0.90)	0.75	139.28	132.69	138.40	1.04	143.29	133.51	4%	9%	BULLISH
XLI	SPDR-INDU SELS	102.35	(0.05)	(4.25)	(2.94)	2.25	12.47	102.28	94.31	105.12	1.19	109.00	101.24	0%	9%	BULLISH
XLP	SPDR-CONS STPL	69.68	(1.52)	(3.21)	(4.06)	(7.81)	(20.31)	69.94	67.56	70.81	0.62	73.02	68.60	0%	3%	BULLISH
XLRE	SPDR-RE SELS	44.69	(1.99)	1.70	4.83	13.35	(9.78)	42.61	39.19	43.26	0.68	44.64	41.88	5%	14%	BULLISH
XLU	SPDR-UTIL SELS	63.98	(2.99)	(3.42)	(6.56)	(9.32)	(26.32)	65.45	63.66	65.16	0.35	67.02	63.30	-2%	1%	BULLISH
XLV	SPDR-HLTH CR	125.70	(1.22)	0.09	1.44	(4.89)	(13.36)	122.06	116.73	123.60	0.77	127.64	119.56	3%	8%	BULLISH
XLY	SPDR-CONS DISCR	177.93	0.55	1.33	(1.53)	(6.55)	1.51	173.53	166.43	172.84	1.14	179.13	166.55	3%	7%	BULLISH
XTN	SPDR-SP TRANSPT	86.43	(0.37)	(6.54)	(8.74)	5.84	29.01	88.90	80.15	90.91	1.40	94.46	87.36	-3%	8%	BULLISH
SDY	SPDR-SP DIV ETF	123.35	0.07	(3.25)	(2.67)	1.48	(1.73)	123.37	114.18	125.41	0.91	129.69	121.13	0%	8%	BULLISH
RSP	INVS-SP5 EQ ETF	151.14	0.26	(1.60)	(0.92)	3.12	11.26	148.41	136.80	151.12	1.12	156.59	145.65	2%	10%	BULLISH
SLY	SPDR-SP6 SC	98.72	1.35	(0.55)	(2.91)	4.62	34.08	96.36	88.59	97.68	1.26	101.35	94.01	2%	11%	BULLISH
MDY	SPDR-SP MC 400	496.39	1.68	(1.89)	(3.63)	0.83	16.38	492.38	454.84	497.76	1.19	516.13	479.39	1%	9%	BULLISH
EEM	ISHARS-EMG MKT	55.50	(0.46)	(0.46)	(3.51)	(10.53)	(3.31)	54.23	53.22	54.87	0.80	56.68	53.06	2%	4%	BULLISH
EFA	ISHARS-EAFE	79.98	(0.94)	(2.66)	(2.50)	(6.36)	(10.05)	79.27	75.58	80.83	0.84	83.53	78.13	1%	6%	BULLISH
IAU	ISHARS-GOLD TR	33.88	(1.85)	(8.17)	(3.64)	(15.88)	(42.21)	34.51	34.70	36.26	0.08	37.20	35.32	-2%	-2%	BEARISH
GDX	VANECK-GOLD MNR	34.36	(2.13)	(14.45)	(4.29)	(17.88)	(44.63)	36.46	35.62	39.42	0.69	40.68	38.16	-6%	-4%	BULLISH
UUP	INVS-DB US\$ BU	24.69	(3.32)	0.33	(7.84)	(10.24)	(48.57)	24.50	24.55	24.22	(0.11)	24.80	23.64	1%	1%	BEARISH
BOND	PIMCO-TOT RETRN	110.63	(2.95)	(1.32)	(5.59)	(13.30)	(43.06)	110.24	111.26	110.31	0.08	113.16	107.46	0%	-1%	BEARISH
TLT	ISHARS-20+YTB	142.01	(5.35)	0.97	(3.28)	(18.12)	(56.34)	139.10	146.39	138.44	(0.26)	141.54	135.34	2%	-3%	BEARISH
BNDX	VANGD-TTL INT B	56.95	(3.03)	(1.58)	(6.91)	(14.44)	(43.61)	57.01	57.65	56.93	0.03	58.37	55.49	0%	-1%	BEARISH
HYG	ISHARS-IBX HYCB	87.93	(2.23)	(0.75)	(5.57)	(11.33)	(34.17)	87.25	86.91	87.18	0.37	89.68	84.68	1%	1%	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	138.26	17.97	9.73	0.69	25.94	9.00
DE	Deere & Co	350.62	20.15	9.08	1.03	24.16	9.00
IDXX	Idexx Labs Inc	614.93	19.61	10.90	0.00	79.14	9.00
KLAC	Kla Corp	315.89	14.03	17.32	1.14	24.58	9.00
TGT	Target Corp	239.84	13.27	6.37	1.13	19.14	9.00
TSCO	Tractor Supply	180.96	9.03	10.75	1.15	23.47	9.00
AMD	Adv Micro Dev	86.10	35.01	20.18	0.00	61.50	8.00
AVGO	Broadcom Inc	470.06	15.00	14.64	3.06	21.55	8.00
CDW	Cdw Corp	170.29	13.10	7.52	0.94	24.64	8.00
GNRC	Generac Holding	392.62	6.50	14.89	0.00	49.20	8.00
INTU	Intuit Inc	482.62	14.82	13.32	0.49	62.84	8.00
IT	Gartner Inc -A	238.27	13.50	14.66	0.00	41.80	8.00
KEYS	Keysight Tech	152.66	10.96	11.08	0.00	29.36	8.00
LOW	Lowes Cos	191.75	13.75	7.11	1.25	18.67	8.00
MLM	Martin Mrt-Matl	358.96	12.40	6.26	0.64	29.50	8.00
MXIM	Maxim Intg Pdts	102.53	10.00	0.41	0.00	35.97	8.00
SHW	Sherwin William	270.08	12.39	11.56	0.81	30.39	8.00
SNPS	Synopsys Inc	273.80	14.65	10.75	0.00	53.17	8.00
SWK	Stanley B&D Inc	202.59	11.68	6.30	1.38	18.57	8.00
TER	Teradyne Inc	130.61	13.75	12.75	0.31	27.67	8.00
TXN	Texas Instrs	188.61	9.33	1.51	2.16	28.58	8.00
WMT	Walmart Inc	136.91	5.50	3.18	1.61	22.90	8.00
WST	West Pharm Svc	359.54	25.79	8.70	0.19	62.10	8.00
A	Agilent Tech	146.67	13.00	6.76	0.53	38.70	7.00
AAPL	Apple Inc	133.41	12.50	7.22	0.66	29.95	7.00
AIZ	Assurant Inc	155.48	17.78	9.08	1.70	18.40	7.00
AVY	Avery Dennison	207.82	7.00	3.71	1.31	26.47	7.00
BBY	Best Buy	111.38	8.28	3.93	2.51	11.75	7.00
CDNS	Cadence Design	135.02	14.41	9.66	0.00	57.70	7.00
CRL	Charles Rvr Lab	366.78	14.00	15.96	0.00	41.54	7.00
CSX	Csx Corp	95.15	11.12	-0.20	1.18	26.58	7.00
DG	Dollar General	213.90	11.31	10.53	0.79	19.68	7.00
DVA	Davita Inc	121.33	14.38	-6.81	0.00	16.16	7.00
FB	Facebook Inc-A	343.18	20.13	33.80	0.00	29.36	7.00
HD	Home Depot	311.84	11.44	7.77	2.12	22.60	7.00
J	Jacobs Engin Gr	135.24	12.72	6.91	0.62	22.69	7.00
NXPI	Nxp Semiconduct	203.83	10.00	-0.48	1.10	32.72	7.00
ORLY	O Reilly Auto	549.62	13.36	7.39	0.00	20.64	7.00
PH	Parker Hannifin	298.87	11.78	4.65	1.38	22.69	7.00
SEE	Sealed Air Corp	58.27	8.28	-6.08	1.37	17.93	7.00
TT	Trane Tech Plc	179.84	21.50	0.89	1.31	35.75	7.00
UNH	Unitedhealth Gp	398.87	13.24	8.95	1.45	21.61	7.00
UPS	Utd Parcel Srv	206.10	12.00	7.87	1.98	20.94	7.00
ADM	Archer Daniels	61.69	6.20	1.17	2.40	14.21	6.00
AME	Ametek Inc	133.63	10.18	5.54	0.60	33.41	6.00
CBRE	Cbre Group Inc	87.72	11.00	18.83	0.00	25.88	6.00

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
DE	Deere & Co	350.62	20.15	9.08	1.03	24.16	9.00
IDXX	Idexx Labs Inc	614.93	19.61	10.90	-	79.14	9.00
AMAT	Appld Matls Inc	138.26	17.97	9.73	0.69	25.94	9.00
KLAC	Kla Corp	315.89	14.03	17.32	1.14	24.58	9.00
AMD	Adv Micro Dev	86.10	35.01	20.18	-	61.50	8.00
WST	West Pharm Svc	359.54	25.79	8.70	0.19	62.10	8.00
AVGO	Broadcom Inc	470.06	15.00	14.64	3.06	21.55	8.00
INTU	Intuit Inc	482.62	14.82	13.32	0.49	62.84	8.00
SNPS	Synopsys Inc	273.80	14.65	10.75	-	53.17	8.00
TER	Teradyne Inc	130.61	13.75	12.75	0.31	27.67	8.00
LOW	Lowes Cos	191.75	13.75	7.11	1.25	18.67	8.00
IT	Gartner Inc -A	238.27	13.50	14.66	-	41.80	8.00
TT	Trane Tech Plc	179.84	21.50	0.89	1.31	35.75	7.00
FB	Facebook Inc-A	343.18	20.13	33.80	-	29.36	7.00
AIZ	Assurant Inc	155.48	17.78	9.08	1.70	18.40	7.00
CDNS	Cadence Design	135.02	14.41	9.66	-	57.70	7.00
DVA	Davita Inc	121.33	14.38	(6.81)	-	16.16	7.00
CRL	Charles Rvr Lab	366.78	14.00	15.96	-	41.54	7.00
PTC	Ptc Inc	137.74	25.99	6.88	-	58.86	6.00
MPWR	Monolithic Pwr	359.35	25.00	20.00	0.67	99.54	6.00
ODFL	Old Dominion FI	252.10	21.94	8.38	0.32	40.21	6.00
GOOG	Alphabet Inc-C	2,545.64	18.13	19.82	-	33.89	6.00
GOOGL	Alphabet Inc-A	2,450.00	18.13	19.82	-	32.61	6.00
MCHP	Microchip Tech	149.12	15.33	16.92	1.11	25.32	6.00
NVDA	Nvidia Corp	768.22	17.56	21.44	0.08	78.47	5.00
GWW	Grainger W W	441.61	13.50	4.02	1.47	26.91	5.00
ALGN	Align Tech Inc	617.39	23.20	24.58	-	107.37	4.00
REGN	Regeneron Pharm	544.45	18.33	15.50	-	16.61	4.00
TDY	Teledyne Tech	423.82	18.29	9.54	-	38.08	4.00
FRC	First Rep Bk Sf	185.19	17.45	18.27	0.48	28.94	4.00

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
IDXX	Idexx Labs Inc	614.93	19.61	10.90	-	3.93	9
FICO	Fair Isaac Inc	501.01	#N/A	9.98	-	#N/A	8
INTU	Intuit Inc	482.62	14.82	13.32	0.49	4.48	8
MXIM	Maxim Intg Pdts	102.53	10.00	0.41	-	3.28	8
SNPS	Synopsys Inc	273.80	14.65	10.75	-	4.04	8
TXN	Texas Instrs	188.61	9.33	1.51	2.16	2.73	8
WST	West Pharm Svc	359.54	25.79	8.70	0.19	1.95	8
CDNS	Cadence Design	135.02	14.41	9.66	-	3.91	7
FB	Facebook Inc-A	343.18	20.13	33.80	-	1.29	7
FFIN	First Fin Bk-Tx	49.22	#N/A	11.75	1.22	#N/A	7
STAA	Staar Surgical	154.96	#N/A	20.15	-	#N/A	7
WING	Wingstop Inc	157.44	11.00	29.56	0.36	10.26	7
CPRT	Copart Inc	131.39	#N/A	14.92	-	#N/A	6
EXPO	Exponent Inc	88.44	#N/A	7.13	0.90	#N/A	6
JYNT	Joint Corp/The	82.81	#N/A	31.99	-	#N/A	6
MPWR	Monolithic Pwr	359.35	25.00	20.00	0.67	3.22	6
REG	Regency Ctrs Cp	64.56	7.93	13.09	3.69	2.39	6
TECH	Bio-Techne Cp	439.51	14.00	11.07	0.29	5.75	6

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

Ticker	Company	Current Price	Price/ Book	ROE 5 Yr Avg	Div Yield	Score
AGNC	Agnc Investment	17.15	0.92	12.61	8.40	8
BSRR	Sierra Bancorp	26.14	1.16	10.55	3.21	8
CMTV	Commnty Bcp Vt	19.84	1.38	12.88	4.44	8
FNCB	Fncb Bancorp	7.34	0.96	12.84	3.27	8
LOMA	Loma Negra Cia	7.19	1.42	21.10	3.54	8
NHTC	Natural Hlth Tr	7.08	1.24	34.80	11.30	8
NRIM	Northrim Bcp	43.47	1.17	10.34	3.40	8
UBCP	Utd Bancorp -Oh	14.53	1.26	10.26	3.99	8
WAYN	Wayne Svgs Bcsh	25.05	1.18	10.08	3.35	8
ABR	Arbor Rlty Trst	18.54	1.57	11.02	7.34	7
AINV	Apollo Inv Cp	13.97	0.88	10.35	8.88	7
CATY	Cathay Genl Bcp	40.78	1.32	11.10	3.04	7
CIM	Chimera Invest	15.54	1.01	12.70	7.72	7
CRWS	Crown Crafts	7.66	1.83	13.95	4.18	7
DTE	Dte Energy Co	130.23	1.98	10.67	3.33	7
FCBP	First Choice Bc	31.20	1.28	11.93	3.21	7
FLIC	First Long Is	20.86	1.22	10.79	3.64	7
FNF	Fnf Group	43.99	1.55	15.41	3.27	7
FNLC	First Bancp Inc	31.06	1.50	11.71	3.99	7
GSBD	Goldman Sac Bdc	20.51	1.28	11.48	8.78	7
IBCP	Indep Bk Mich	22.41	1.27	12.02	3.75	7
NMFC	New Mountn Fin	12.99	1.00	10.26	9.24	7
PFG	Principal Finl	62.92	1.11	11.97	3.88	7
PRK	Park National	122.54	1.92	12.10	3.36	7
TRTN	Triton Intl Ltd	52.29	1.62	12.80	4.36	7
UVE	Univl Insur Hld	13.94	0.96	19.48	4.59	7
WTBA	West Bancorp	27.15	1.92	14.81	3.54	7

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
DE	Deere & Co	350.62	20.15	9.08	1.03	24.16	9.00
IDXX	Idexx Labs Inc	614.93	19.61	10.90	-	79.14	9.00
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AVGO	Broadcom Inc	470.06	15.00	14.64	3.06	21.55	8.00
INTU	Intuit Inc	482.62	14.82	13.32	0.49	62.84	8.00
SNPS	Synopsys Inc	273.80	14.65	10.75	-	53.17	8.00
TER	Teradyne Inc	130.61	13.75	12.75	0.31	27.67	8.00
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FRC	First Rep Bk Sf	185.19	17.45	18.27	0.48	28.94	4.00

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
IDXX	Idexx Labs Inc	614.93	19.61	10.90	-	3.93	9
FICO	Fair Isaac Inc	501.01	#N/A	9.98	-	#N/A	8
INTU	Intuit Inc	482.62	14.82	13.32	0.49	4.48	8
MXIM	Maxim Intg Pdts	102.53	10.00	0.41	-	3.28	8
SNPS	Synopsys Inc	273.80	14.65	10.75	-	4.04	8
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FB	Facebook Inc-A	343.18	20.13	33.80	-	1.29	7
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STAA	Staar Surgical	154.96	#N/A	20.15	-	#N/A	7
WING	Wingstop Inc	157.44	11.00	29.56	0.36	10.26	7
CPRT	Copart Inc	131.39	#N/A	14.92	-	#N/A	6
EXPO	Exponent Inc	88.44	#N/A	7.13	0.90	#N/A	6
JYNT	Joint Corp/The	82.81	#N/A	31.99	-	#N/A	6

Portfolio / Client Update

While the money flow sell signals remain on a "sell," the markets did muster a feeble rally back to highs. Such is not out of the ordinary, and as explained in the main body of this week's newsletter, happens occasionally. However, after previously taking profits, we used the pullback to add to some of our holdings. As noted last week, a rally was not entirely unexpected:

"However, with several support levels directly below current market levels, the overbought condition could also be resolved by the market just grinding sideways for a few weeks. In either case, the increased cash holdings will hedge risk short-term and allow us to rebalance equities back to target levels for the remainder of the year."

That remains the case this week as we continue to navigate the "summer doldrums." There currently remain no "big red flags" to make us significantly more active. But, should they appear, we assure you we will take action as needed. **Portfolio Changes**

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

*** Trading Update ? Equity and Sector Models ***

"With the markets holding the 50-dma and firming up a bit, we are increasing equity exposure in areas where money flow ?buy signals? are triggering. We were underweight discretionary holdings in the Equity and ETF models so those weights were brought up. Overall, the money flow ?sell? signal for the overall market remains in place with a confirming MACD sell signal. While the market is hitting an all-time high, such is not unusual given past cycles. A correction is still possible while the sell signal is in place, so we continue to maintain a slightly higher level of cash currently." - 06/24/21

Equity Model:

- Add 1% to F bringing the total weight to 3%.
- Initiate a 1% of the portfolio position in SBUX.

ETF Model:

- Add 2% to XLY, bringing the total weight to 6%.

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

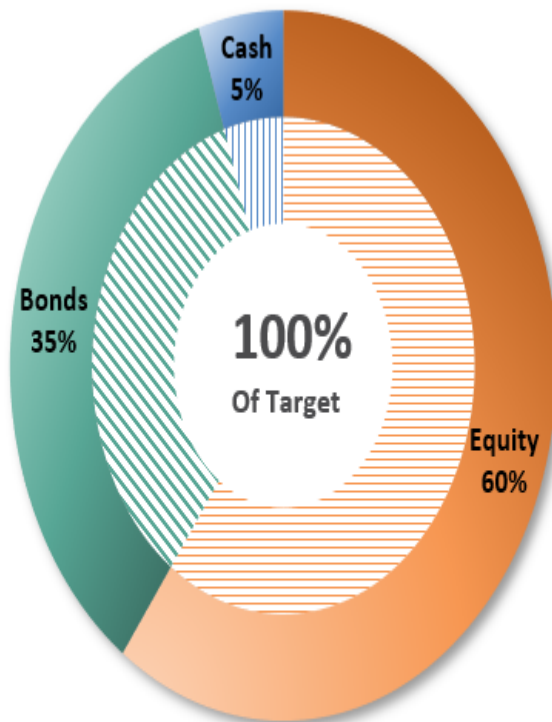
Lance Roberts
CIO

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

Last week, our short-term daily "sell signal" was triggered. The sell off on Thursday and Friday also triggered the weekly "sell" signal as well. This week, the market rallied back to all-time highs. However, that rally was on exceedingly light volume and money flows were very weak. As we noted last week, this week's action was not surprising:

"With a lot of support just below current prices, we don't expect a big "sell off," but rather a consolidative correction over the next 2-weeks as we head into July. At that point we will look to rebalance exposures after recent instructions to sell overweight positions and hold cash has generated some buying power."

That is the game plan now. If you are underweight equity exposure you can bring to targets, but move slowly. We are still likely to see more volatility over the next week or so. **Again, there is no need to be aggressive here. There isn't likely a lot of upside to the market as we head into summer, so we would recommend not being overly aggressive.**

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

**Tired of trying to
self-manage your 401k?
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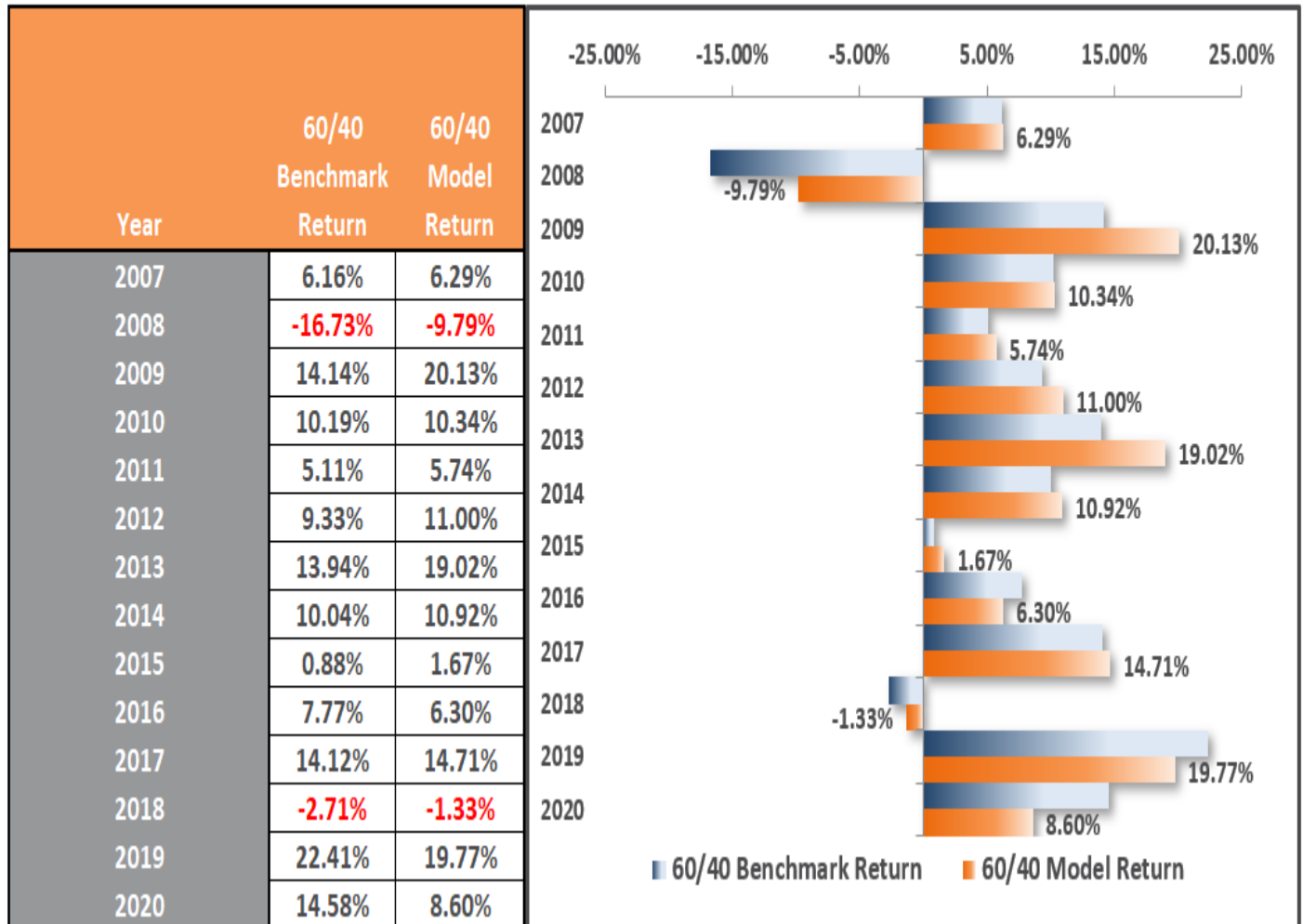
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Model performance is a two-asset model of stocks and bonds relative to the weighting changes made each week in the newsletter. Such is strictly for informational and educational purposes only, and one should not rely on it for any reason. Past performance is not a guarantee of future results. Use at your own risk and peril.



Portfolio vs Benchmark Statistics	
Number of Up Years	12
Number of Down Years	2
Best One Year Return Of Benchmark	22.41%
Best One Year Return Of Model	20.13%
Worst One Year Return Of Benchmark	-16.73%
Worst One Year Return Of Model	-9.79%
Benchmark Return 2007-Present	171.16%
Model Return 2007-Present	213.32%
Total Alpha Generated	42.17%
Mean Annual Return Of Benchmark	7.80%
Mean Annual Return Of Model	8.81%

60/40 Benchmark vs. Risk Adjusted 60/40 Allocation



Have a great week!