The Correction Is Over As Market Rises. Time To Buy Stocks?

The correction is now officially over as the market regained its 50-day moving average leading us to buy stocks. With the market finishing in the green on Friday after a large gap down to open the week such confirmed the bullish trend is still intact. This week, chock full of economic data and Fed speakers, will be important to fully determine whether the key support will hold.

[dmc]

What To Watch Today

Economy

- 8:30 a.m. ET: **Durable goods orders,** August preliminary (0.6% expected, -0.1% in July)
- 8:30 a.m. ET: **Durable goods excluding transportation,** August preliminary (0.5% expected, 0.8% in July)
- 8:30 a.m. ET: **Non-defense capital goods orders excluding aircraft,** August preliminary (0.3% expected, 0.1% in July)
- 8:30 a.m. ET: **Non-defense capital goods orders excluding aircraft,** August preliminary (0.9% in July)
- 10:30 a.m. ET: **Dallas Fed Manufacturing Activity Index,** September (11.0 expected, 9.0 in July)

Earnings

- 4:15 p.m. ET: **Aurora Cannabis** (ACB) is expected to report adjusted losses of 27 Canadian dollars on revenue of 56.38 million Canadian dollars

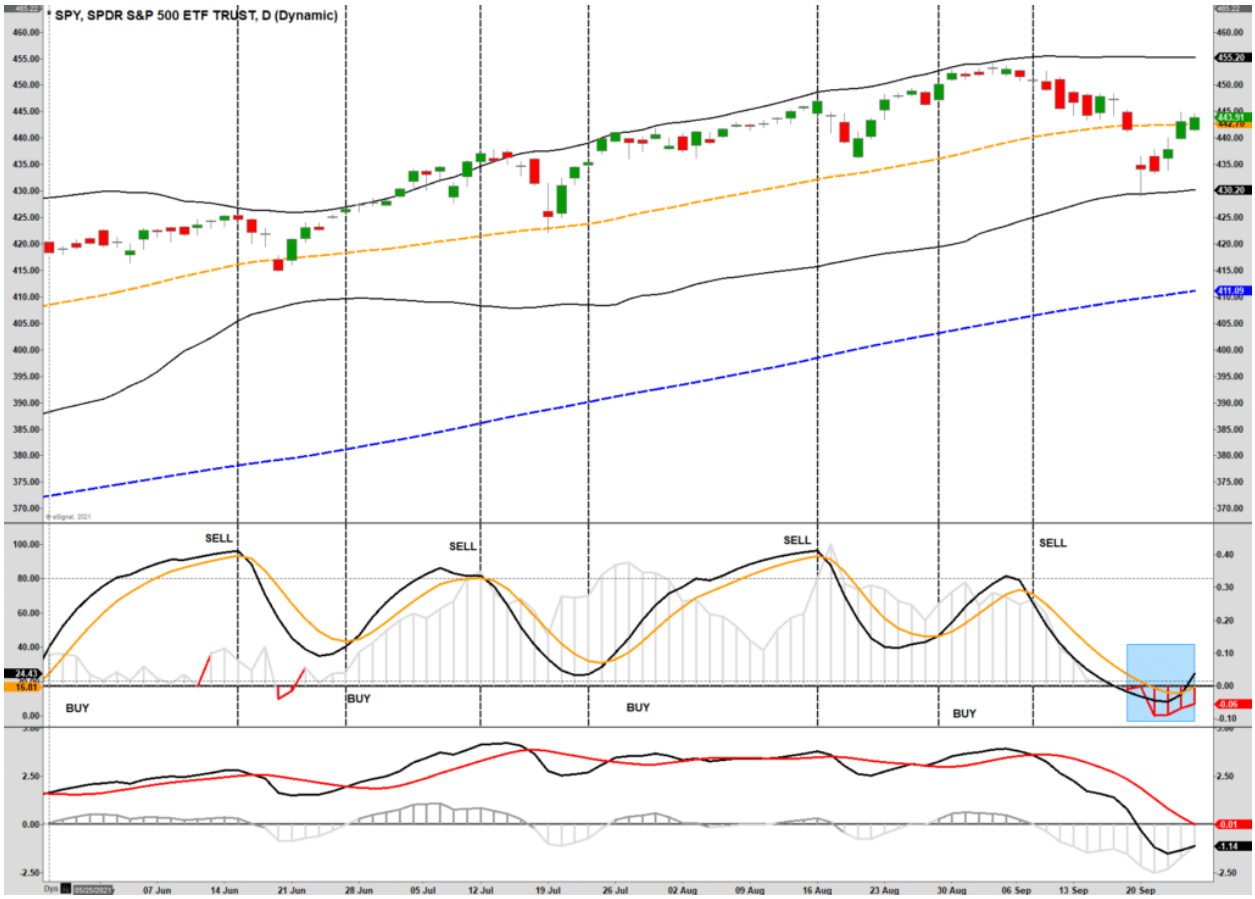
Politics

- ?The next few days will be a time of intensity? is how&#2013266080;**U.S. House of Representatives Speaker Nancy Pelosi**&#2013266080;put it to her members over the weekend. Lawmakers return to Washington today with votes likely this week on averting a government shutdown, lifting the&#2013266080;debt ceiling, the bipartisan infrastructure deal, and the multitrillion dollar budget reconciliation package. First up,&#2013266080; **Senate Majority Leader Chuck Schumer**&#2013266080;is pushing for a vote at 5:30 p.m. ET on the first two items but Republicans have vowed to block the effort.
- Today is also the deadline&#2013266080;**Senator Pat Toomey (R-Pa)** &#2013266080;set&#2013266080;for ideas on how Washington should regulate cryptocurrency. The issue could then come up again tomorrow as&#2013266080;**U.S. Treasury Secretary Janet Yellen**&#2013266080;and&#2013266080;**Federal Reserve Chair Jerome Powell**&#2013266080;are set to testify before Toomey and the Senate Banking Committee.

Market Back On A Buy Signal To Close Out The Quarter

Portfolio managers will be repositioning portfolios to be in the *"right stocks"* as the quarter end reporting approaches. As noted ***in this past weekend's newsletter***:

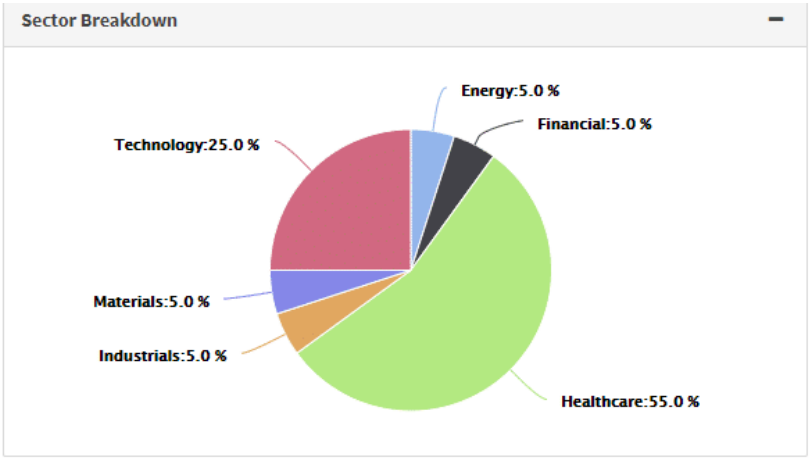
> *"Notably, two essential things occurred this week. The market regained its 50-dma and triggered our&#2013266080;**RIAPRO Money Flow** &#2013266080;?buy?&#2013266080;signal. Both suggest that bulls have regained control, and we could see some follow-through buying next week."*

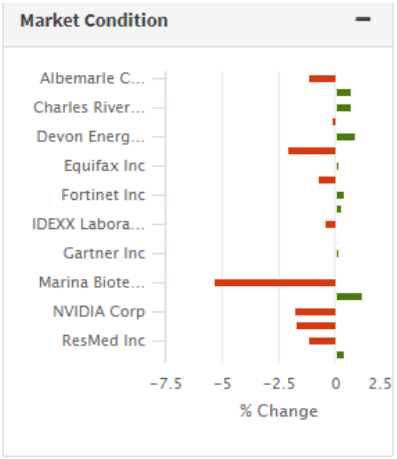


If the MACD signal turns this week, such will confirm the current "money flow" signal suggesting higher prices for stocks near term. Such is why we increased our exposures last week, and will look to return to full allocation levels quickly.

Stocks To Buy

If you are looking for stocks to consider adding to your portfolio, ***RIAPRO*** ***(try FREE for 30-days)*** can help you with that. We can scan for the strongest stocks in the markets under the IDEAS/ACTIVE TRADER tab. The following are the top 10 S&P 500 companies with the strongest relative strength.

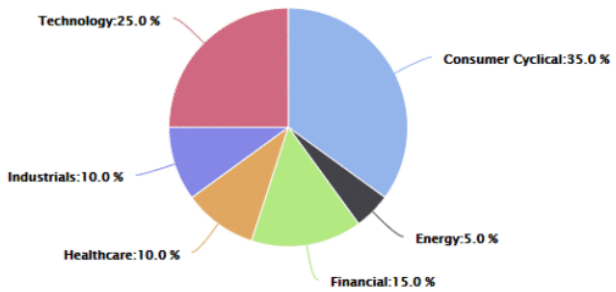




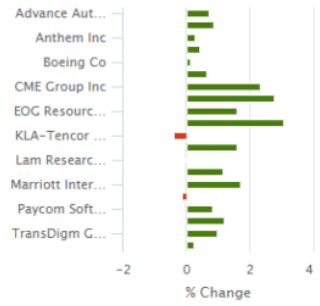
Symbol	Last	Today's Change	MTD %	YTD %	52 Week Range (Low - High)	RSI	20 SMA	50 SMA	100 SMA	200 SMA	Trend Analysis	Mohanram Score	Piotroski Score
ALB	226.40	-2.75 (-1.2)%	-5.19%	54.47%	82.54 - 253.10	48.24	234.22	216.29	190.47	172.42	10 out of 10		6
BIO	802.96	5.62 (0.7)%	-1.47%	37.74%	491.58 - 832.70	57.55	801.72	765.02	690.70	643.10	10 out of 10	5	7
CRL	458.30	3.26 (0.72)%	3.27%	83.42%	209.59 - 460.20	69.32	443.20	421.81	385.84	334.12	10 out of 10	5	6
DHR	324.50	-0.53 (-0.16)%	-0.95%	46.34%	201.44 - 333.96	56.32	326.12	313.05	285.68	258.39	10 out of 10	7	8
DVN	33.09	0.29 (0.88)%	19.24%	118.13%	7.73 - 33.34	58.90	28.54	27.15	26.99	23.04	10 out of 10		6
DXCM	560.74	-11.99 (-2.09)%	2.90%	51.67%	305.63 - 579.00	70.73	537.36	501.92	444.37	408.88	10 out of 10		5
EFX	265.50	0.38 (0.14)%	-2.86%	38.40%	135.98 - 279.59	51.30	269.99	261.04	248.00	214.71	10 out of 10	5	8
EW	120.07	-0.95 (-0.78)%	0.54%	31.61%	70.92 - 123.27	55.58	119.95	115.59	107.05	96.69	10 out of 10	5	7
FTNT	311.90	1.36 (0.44)%	1.11%	109.99%	106.75 - 322.00	58.22	308.05	296.58	262.11	215.17	10 out of 10	1	8
HCA	256.33	0.8 (0.31)%	1.65%	56.91%	115.74 - 263.92	56.21	255.16	249.10	229.42	203.43	10 out of 10	5	8

Here are the top 10 strongest S&P 500 companies on MACD buy signals.

Sector Breakdown



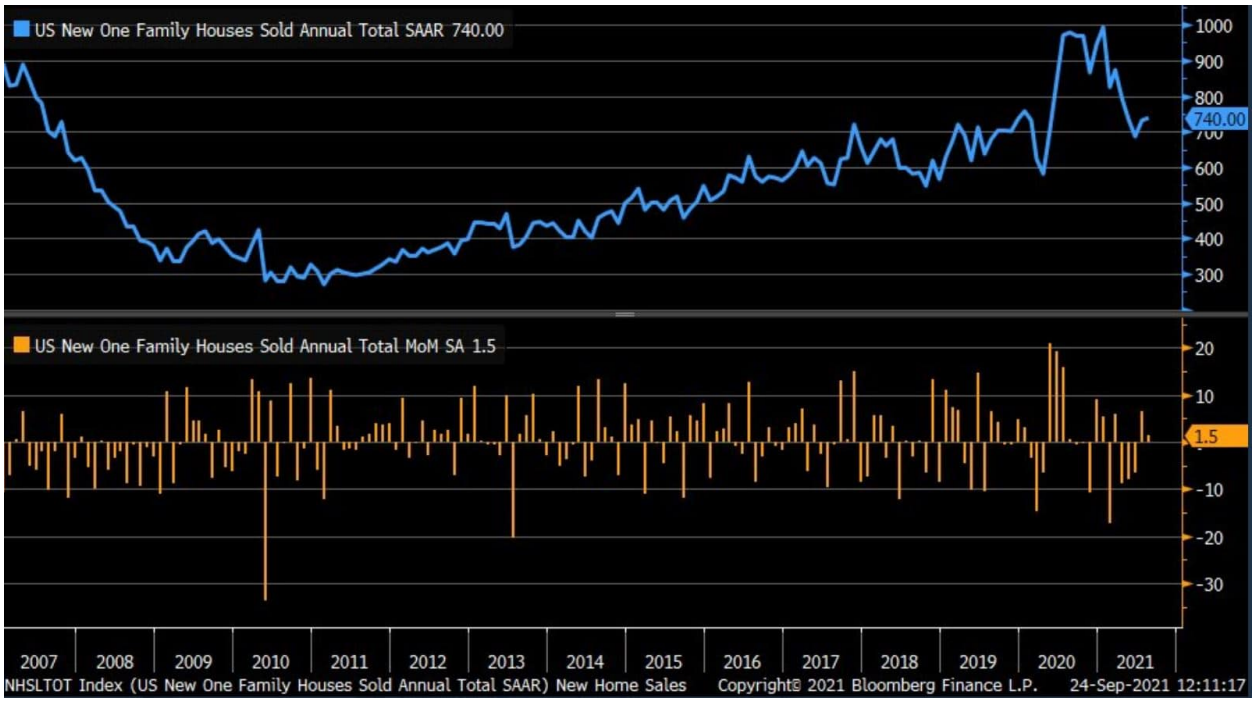
Market Condition



Symbol	Last	Today's Change	MTD %	YTD %	52 Week Range (Low - High)	RSI	20 SMA	50 SMA	100 SMA	200 SMA	Trend Analysis	Mohanram Score	Piotroski Score	RIAPro Rank	Yield
AAP	215.66	1.57 (0.73)%	7.35%	38.47%	142.59 - 217.69	66.62	203.45	206.69	202.82	186.50	8 out of 10		8	3	1.87 %
ADSK	294.67	2.51 (0.86)%	-2.83%	-3.49%	219.92 - 344.39	47.54	291.69	309.63	296.88	293.59	3 out of 10	5	6	3	%
ANTM	381.33	1.03 (0.27)%	3.55%	19.87%	246.20 - 406.00	55.38	373.75	376.82	381.97	355.40	5 out of 10	6	5	3	1.19 %
AZO	1,694.83	7.04 (0.42)%	10.05%	42.97%	1,085.85 - 1,704.02	54.14	1,570.81	1,596.82	1,526.68	1,394.70	6 out of 10	5	6	2	%
BA	221.39	0.29 (0.13)%	1.50%	3.42%	141.58 - 278.57	54.79	215.52	221.02	229.89	228.67	2 out of 10		1	2	%
BKNG	2,491.35	15.84 (0.64)%	8.94%	11.86%	1,589.00 - 2,516.00	72.70	2,339.45	2,239.05	2,251.37	2,251.29	7 out of 10	2	5	3	%
CME	198.01	4.53 (2.34)%	-0.14%	10.19%	146.89 - 221.82	57.38	192.69	200.86	206.59	200.19	3 out of 10	3	6	3	1.86 %
CRM	285.63	7.77 (2.8)%	6.45%	28.36%	201.51 - 286.36	75.93	263.32	254.20	244.23	234.23	10 out of 10	7	3	3	%
EOG	78.10	1.23 (1.6)%	17.69%	61.33%	31.22 - 87.99	62.26	68.82	70.85	75.87	68.42	6 out of 10	7	6	3	2.15 %
EXPE	171.99	5.15 (3.09)%	17.66%	29.90%	87.90 - 187.93	56.46	146.26	151.91	160.91	156.41	2 out of 10	3	6	3	%

New Home Sales

August new home sales came in above expectations at 740k (+1.5% MoM) versus a consensus of 708k. The median new home sales price grew to $390,900, which represents a massive increase of +20.1% YoY.



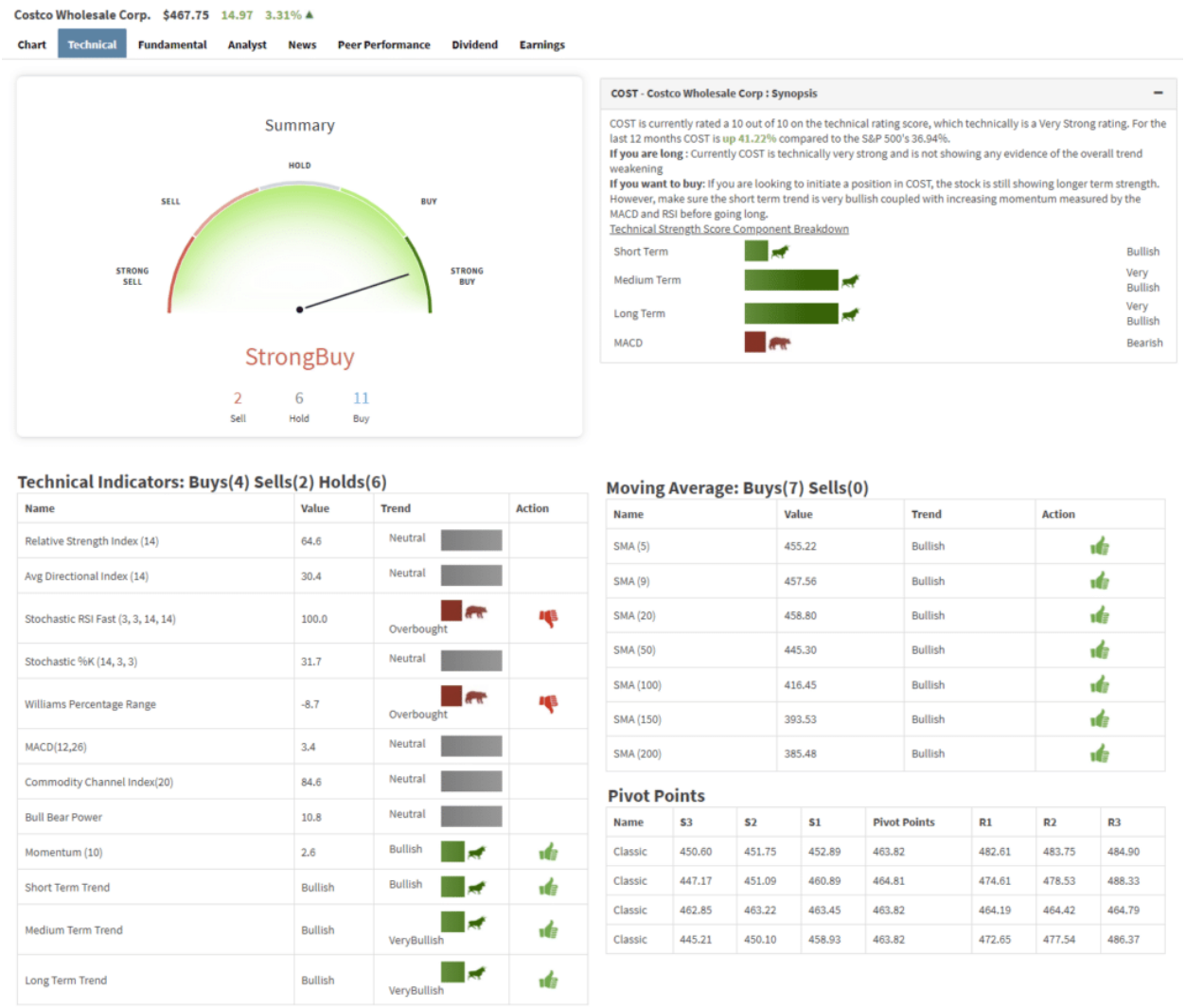
China Crackdown Continues

Cryptocurrencies are selling off following news that the PBOC has declared all cryptocurrency transactions illegal. According to ZeroHedge, *"In a statement the People?s Bank of China said the latest notice was to further prevent the risks surrounding crypto trading and to maintain national security and social stability."* Prices have previously dipped and recovered from attempts by the CCP to squash digital currencies. Will this time be different?

Name	Symbol	Price (USD)	Market Cap	Vol (24H)	Total Vol	Chg (24H)
Bitcoin	BTC	42,376.5	$801.67B	$41.84B	31.89%	-4.00%
Ethereum	ETH	2,906.72	$344.32B	$25.09B	19.12%	-7.28%
Cardano	ADA	2.2290	$72.08B	$5.77B	4.40%	-0.70%
Tether	USDT	1.0009	$68.67B	$92.29B	70.35%	+0.01%
Binance Coin	BNB	352.41	$59.53B	$2.06B	1.57%	-7.03%
XRP	XRP	0.93140	$43.79B	$4.66B	3.55%	-6.47%
Solana	SOL	139.355	$41.70B	$4.04B	3.08%	-6.02%
Polkadot	DOT	30.769	$30.75B	$3.78B	2.89%	-3.00%
USD Coin	USDC	0.999288	$30.43B	$3.96B	3.02%	-0.03%
Dogecoin	DOGE	0.208755	$27.55B	$2.22B	1.69%	-6.69%

Costco Earnings

COST reported earnings for its fourth fiscal quarter yesterday after the close. GAAP EPS of $3.76 comfortably beat expectations of $3.58. Fourth quarter revenue came in at $62.7B (+17.4% YoY) versus the consensus estimate of $61.5B. Sales growth was primarily driven by comparable store growth of 15.5% YoY, with double digit growth in all operating segments. **We hold a 1.5% position in the Equity Model.**



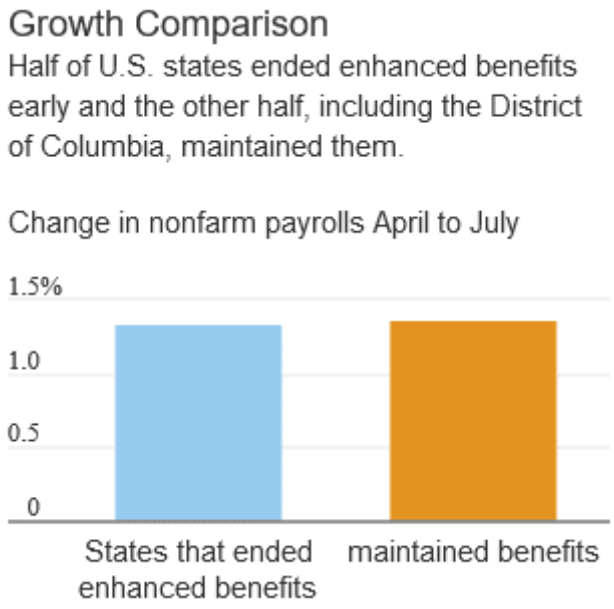
Bonds Get Routed

Bond yields rose significantly yesterday, following a decent performance after the Fed policy statement on Wednesday. While too early to tell if yesterday's move is just technical, it may be an early warning from bond investors that the Fed is behind the curve in tapering. Market implied five-year inflation expectations rose from 2.41% to 2.48%, supporting our concern.

Today bonds are being punished further, with the 10-Y yield pushed up 4 bps to 1.45% by mid-morning. If the 10-Y yield remains elevated through the close, it will have reached its highest point quarter-to-date.

Did Ending Jobless Benefits Help?

The Wall Street Journal helps answer our question. Per their article, States That Cut Unemployment Benefits Saw Limited Impact on Job Growth, *"States that ended enhanced federal unemployment benefits early have so far seen about the same job growth as states that continued offering the pandemic-related extra aid, according to a Wall Street Journal analysis and economists."* The graph below shows there is no discernable difference in job growth between states that ended benefits during the summer and the states in which they just expired.



Fed Speakers

Starting today and through next week, Fed members will make their thoughts known through a plethora of speaking engagements.

Date Time	A	M	R	Event
09/24 09:45				Fed's Mester Discusses the Economic Outlook
09/24 11:00				Powell, Clarida and Bowman Host Fed Listens Event
09/24 11:05				Fed's George Discusses Economic Outlook
09/24 13:00				Fed's Bostic Discusses Equitable Community Development
09/25 08:00				Fed's Williams Delivers Policy Paper at SNB Conference
09/27 09:00				Fed's Evans Speaks at Annual NABE Conference
09/27 10:00				Fed's Williams Makes Opening Remarks at Conference on...
09/27 13:00				Fed's Williams Discusses the Economic Outlook
09/27 13:15				Fed's Brainard Speaks at Annual NABE Conference
09/28 10:00				Fed's Evans Makes Welcome Remarks at Payments Conference
09/28 16:00				Fed's Bostic Discusses the Economic Outlook
09/28 20:00				Fed's Bullard Discusses U.S. Economy and Monetary Policy
09/29 15:00				Fed's Bostic Gives Remarks at Chicago Fed Payments...
09/30 11:00				House Panel Holds Hearing on Fed and Treasury's Covid...
09/30 11:00				Fed's Williams Discusses the Fed's Pandemic Response
09/30 12:00				Fed's Bostic Discusses Economic Mobility
09/30 13:30				Fed's Evans Discusses Economic Outlook
09/30 14:05				Fed's Bullard Makes Opening Remarks at Book Launch
09/30 16:30				Fed's Harker Discusses Sustainable Assets and Financial...