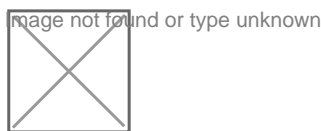


RUSSELL 3000 50DMA CROSSES BELOW THE 200DMA (Mar 7, 2022, 7:37:37 AM)



Turning Point Analytics utilizes a time-tested, real-world strategy that optimizes the clients entry and exit points and adds alpha. TPA defines each stock as Trend or Range to identify actionable inflection points.

In the short run, the market is a voting machine, but in the long run, it is a weighing machine. - Benjamin Graham

WORLD SNAPSHOT COMMENTS & CHARTS

Monday, March 07, 2022

General comments first and macro tables at the bottom. *Links for Explanations of Technical terms at the bottom of the report.*

RUSSELL 3000 50DMA CROSSES BELOW THE 200DMA

Although the S&P500 and the Nasdaq get most of the attention, it is the Russell 3000 Index that represents 98% of all publicly traded equity in the U.S. On Friday the Russell 3000 50DMA traded below the 200DMA for the first time since July of 2020. In general, stocks and markets are technically positive when the nearer-term moving averages trade higher than the longer-term moving averages. This makes intuitive sense, of course, because it connotes that prices are rising. Before clients search for the exit doors or their parachutes, it may be helpful to see what has happened historically when

the Russell 3000 50DMA crosses below the 200DMA.

The table located under the chart below is derived from all data since the inception of the Russell 3000 on 12/31/86 (35 years). A 50DMA<200DMA cross has occurred 17 times in the past 35 years. TPA calculated the percent change in the Russell 3000 at 30, 90, 182, and 365 days after a 50DMA<200DMA cross. Normally, such a cross is not a negative signal for stocks. The Russell 3000 was -0.31%, +5.08%, +9.24%, and +18.65% on average 30, 90, 182, and 365 days after a 50DMA<200DMA cross. In fact, the Russell 3000 was positive 52.94%, 70.59%, 76.47%, and 82.35% of the time 30, 90, 182, and 365 days after a 50DMA<200DMA cross. The only significant negative markets after a Russell 3000 50DMA<200DMA cross was 2000 (TECH bubble) and 2008 (Housing crisis).

The lower portion of the table shows that performance for all 35 years for the Russell 3000 is fairly in line with the 50DMA<200DMA cross data.

Of course, if the Russia-Ukraine situation broadens into a European War or worse, all bets are off. If, however, the current markets swoon is like 80% of similar incidents since 1986, this could present a buying opportunity.

RUSSELL 3000 50DMA < 200DMA

Chart, histogram
Description automatically generated



CLICK ON LINKS BELOW FOR TECHNICAL INDICATOR EXPLANATIONS:

[ASCENDING - DESCENDING TRIANGLE](#)

[BASING-TOPPING-CONSOLIDATION](#)

[BREAKOUT \(Breakdown\)](#)

[CHANNEL & RANGE](#)

[DIRECTIONAL MOVEMENT INDEX \(DMI\)](#)

[DOUBLE BOTTOM or DOUBLE TOP](#)

[MACD-MOVING AVERAGE CONVERGENCE-DIVERGENCE](#)

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[RELATIVE STRENGTH & PEER STOCK PERFORMANCE](#)

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[RSI-RELATIVE STRENGTH](#)

[SUPPORT, RESISTANCE, BREAKOUT, BREAKDOWN](#)

[TREND](#)

ALWAYS REMEMBER: No strategy exists in a vacuum always evaluate the relevant sector & market.

Over 80% of portfolio performance is determined by sector and market forces (Ibbotson & Kaplan study January/February 2000)

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