Bull Or Bear Market? The Battle Begins.

[ad_1]

Inside This Week?s Bull Bear Report

- ***Bull or Bear Market***
- ***The Bullish Case***
- ***The Bearish Case***
- ***How We Are Trading It***
- ***Research Report ? Why Long-Term Returns Are Unsustainable***
- ***Stock Of The Week***
- ***Daily Commentary Bits***
- ***Market Statistics***
- ***Stock Screens***
- ***Portfolio Trades This Week***


Bull Or Bear Market? Who Is Right?

Bull or bear market. As **_noted last week,_** the race to call the bottom is on.

> *?Despite the Fed hiking rates, shrinking their balance sheet, and inflation at 9%,&#2013266080;**much of the financial media and market gurus have determined that the bear market is over and a new bull market has started**.?*

However, as we will review this week, there is data supporting both bull or bear market arguments. The challenging part for investors will be navigating the markets safely over the next few months until the *?tale is told.?* Before we get to the bull or bear market analysis, let?s review the action from the past week.

While the markets were consolidating recent gains over the last week or so, the weaker-than-expected CPI print on Wednesday, as expected, sent stocks surging. While the print came in softer than expected, the annual inflation rate remains very high, keeping the Fed focused on the *?inflation fight?* for now. Notably, the high inflation levels, which won?t come down quickly, will eat into corporate profit margins over time, leading companies to take on more defensive tactics to maintain profitability.

Net Corporate Profit Margins Vs. PPI-CPI Spread
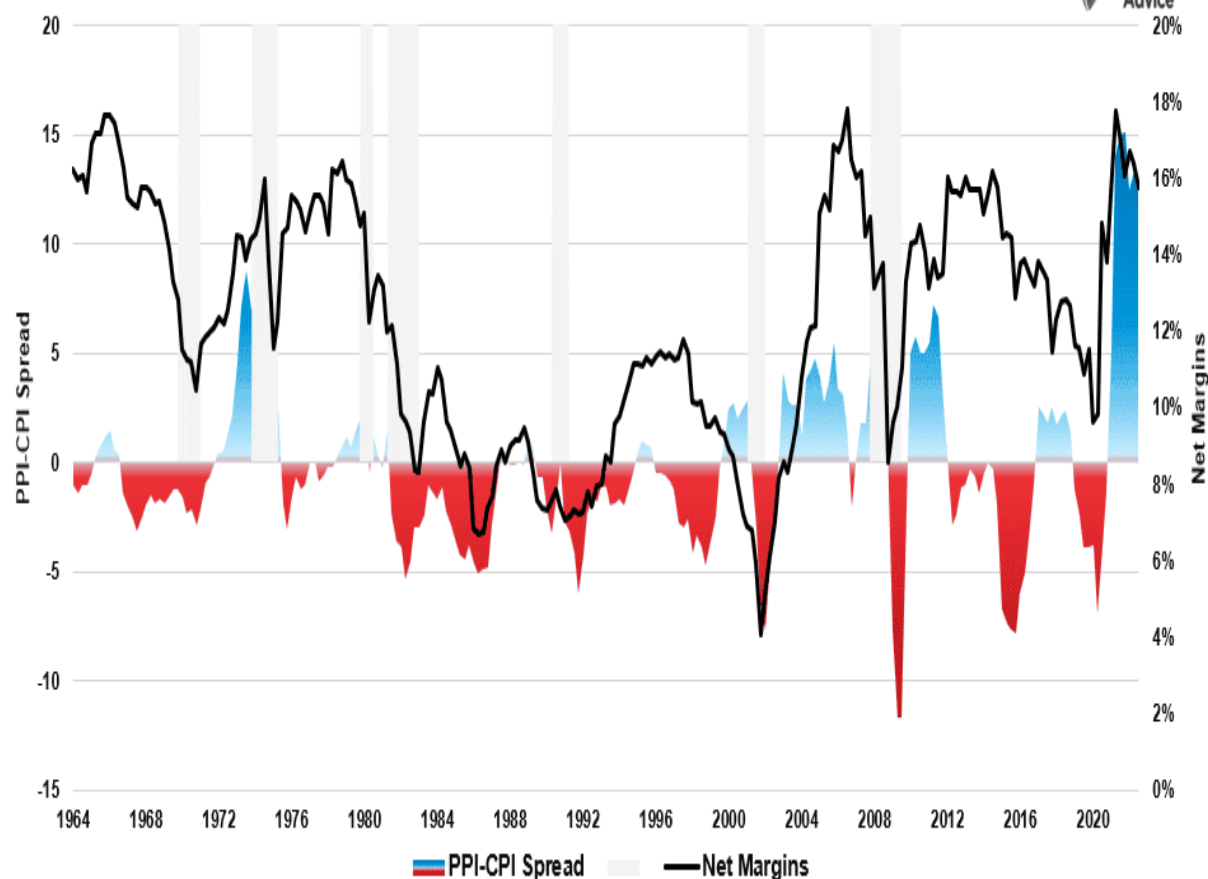
Net Corporate Profit Margins Vs. PPI-CPI Spread
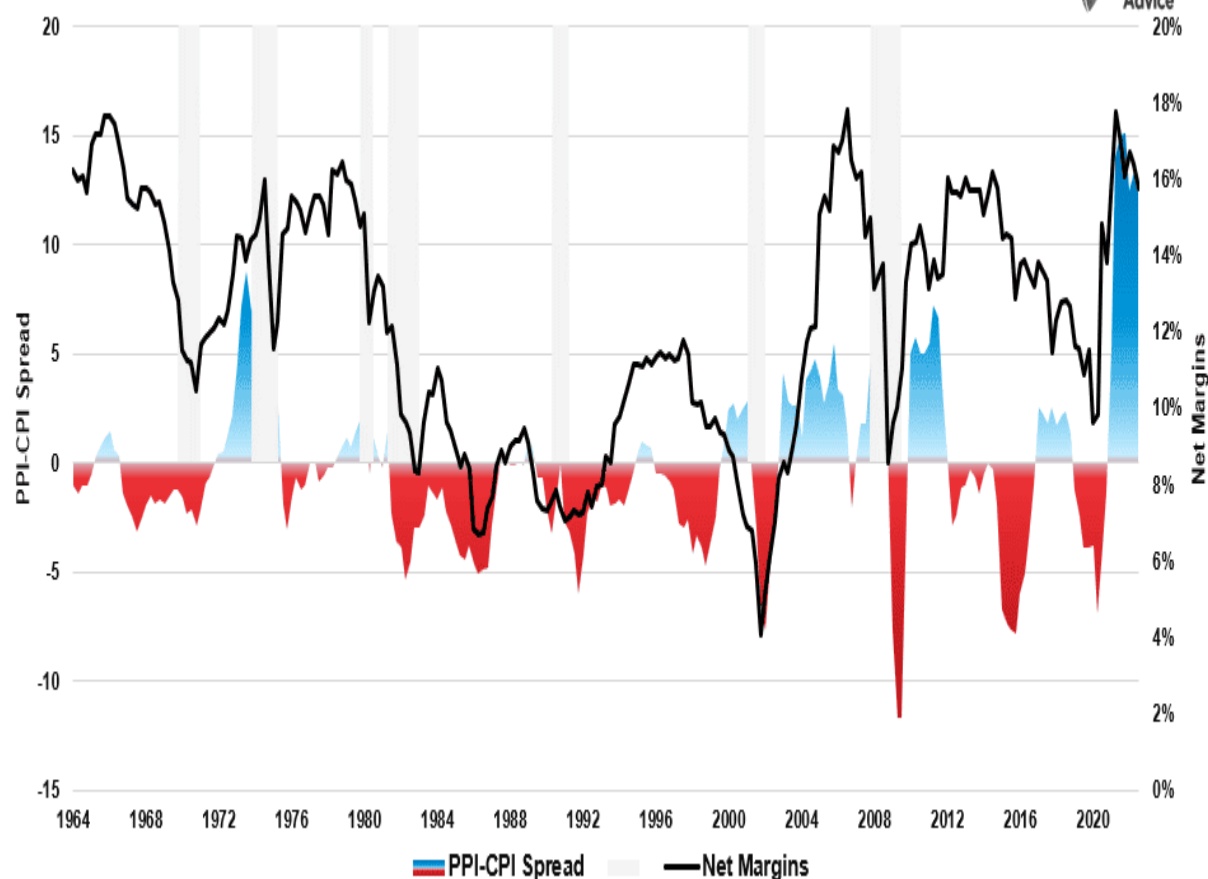
Ira Jersey, via Bloomberg, had one of the most relevant statements regarding inflation:

> ?*Our analysis shows that the lower-volatility (read sticky) components of core CPI may have peaked in July, but the medium-volatility sector continues to jump higher. If the low-volatility cluster stabilizes at this higher level, these combined trends may keep core CPI underpinned and the Fed hawkish?. The better-than-expected core CPI print will be a strong positive for the Treasury market, particularly the long end, so the knee-jerk reaction is unsurprising.* **The strong steepening of the curve may not last, however, as the better-than-expected core still doesn?t mean it will fall. In fact, although better than expected, the core may be sticker than the market seems to be anticipating.?**

However, in the short-term, the softer CPI reading emboldened the bulls on hopes the Fed may be closer to the end of its rate hiking campaign, potentially paving the way for future cuts. There is a bullish bias to the market, with sentiment improving sharply in recent weeks. **With the market clearing the 100-dma and the 20-dma crossing above the 50-dma, precise short-term support levels will provide better entry points for increasing trading positions.** While the market is pushing a rather extreme deviation above the 50-dma, the 200-dma is acting as a magnet for investors, which will likely be achieved next week.

MACD (12, 26, close, 9) 17.06 82.17 65.11

^GSPC, 1D O4225.02 H4280.47 L4219.78 C4280.15 +72.88 (+1.73%)
Volume 1.826B
BB (50, 2) 3952.67 4273.56 3631.78
BB (50, 3) 3952.67 4434.00 3471.34
Moving Average Triple (20, 100, 200, Simple) 4071.23 4107.79 4328.90

4280.15

Stoch (14, 1, 3) 99.91 95.02

TRIX (7) 40.27
TRIX (10) 37.26

Feb   Mar   Apr   May   Jun   Jul   Aug   19

TradingView

However, the question that we will debate today is the longer-term bull or bear market view.
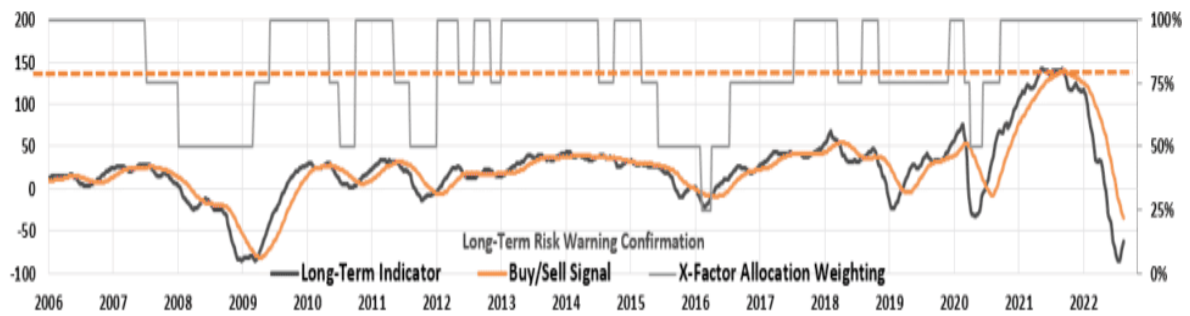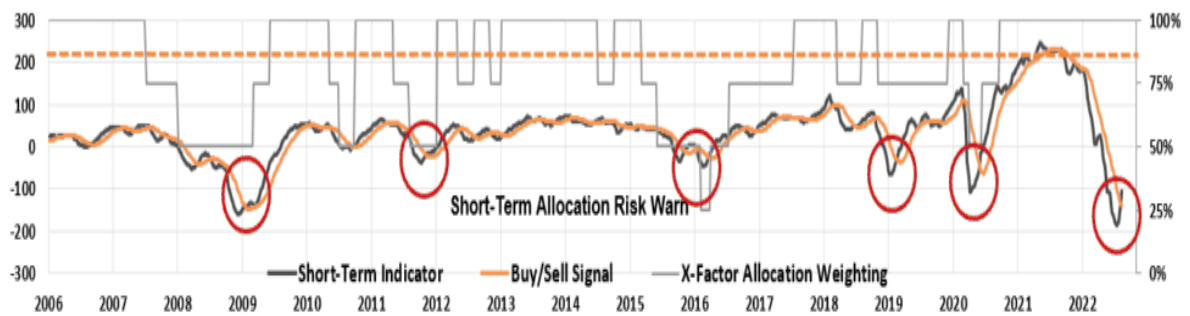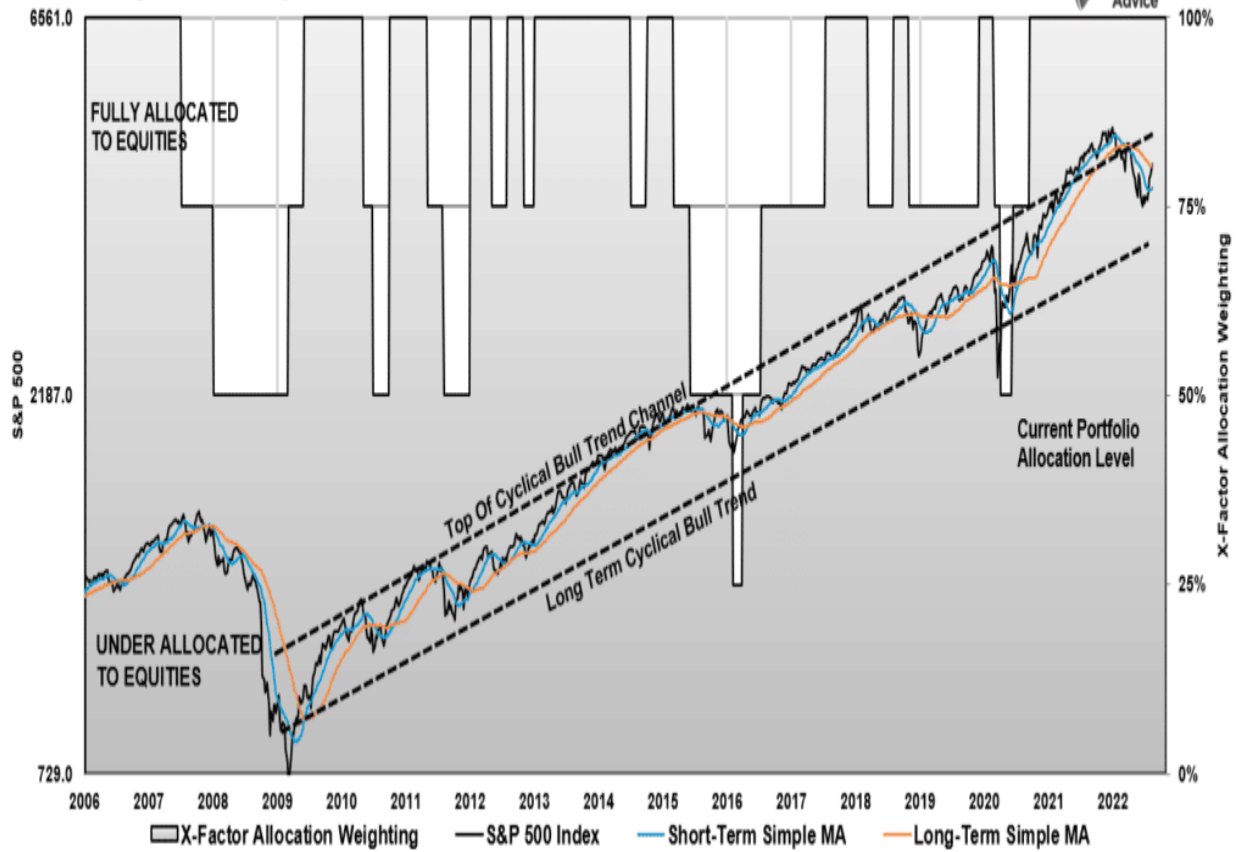
The Bullish Case

Much of the bullish case is predicated on the hope the Federal Reserve is closer to reinstating monetary accommodation. As Jim Paulsen of Leuthold Group noted this past week:
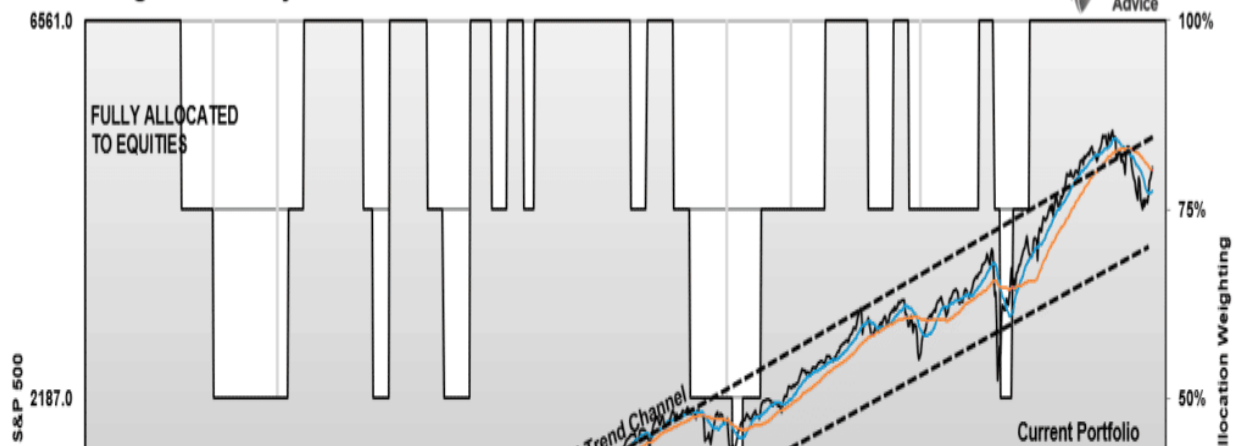
> *?Wow, finally the anecdotal evidence that inflation was easing has finally showed up in a mainstream inflation report. The Fed is rapidly losing its case for further tightening and* ***this report reinforces for investors that either a new easing cycle has already begun or we are getting very close to one.****?*

The market rally over the last couple of weeks was based upon the anticipation of *?peak inflation.?* Importantly, as we touched on last week, several bullish indicators suggest the market?s lows may be in**. On a weekly basis, the shorter-term MACD signals have triggered a buy signal from a very oversold basis. Historically, that signal suggests higher prices over the intermediate term.**

Risk Management Analysis

FULLY ALLOCATED
TO EQUITIES

Top Of Cyclical Bull Trend Channel

Long Term Cyclical Bull Trend

Current Portfolio
Allocation Level

UNDER ALLOCATED
TO EQUITIES

X-Factor Allocation Weighting — S&P 500 Index — Short-Term Simple MA — Long-Term Simple MA

Short-Term Allocation Risk Warn

Short-Term Indicator — Buy/Sell Signal — X-Factor Allocation Weighting

Long-Term Risk Warning Confirmation

Long-Term Indicator — Buy/Sell Signal — X-Factor Allocation Weighting

Risk Management Analysis

FULLY ALLOCATED
TO EQUITIES

Trend Channel

Current Portfolio

But an even more bullish chart comes from a monthly perspective. As shown, the market decline bounced solidly off of the 3-year moving average. **Such is an essential point as it tells us that the current decline was a *?correction?* and not a *?bear market?* since the market did not violate bullish price trends.** Notably, as shown at the bottom, the monthly relative strength index (RSI) also bounced off the 50% level, which is consistent with previous *?corrections.? (RSI tends to correct below 30 during bear markets.)*
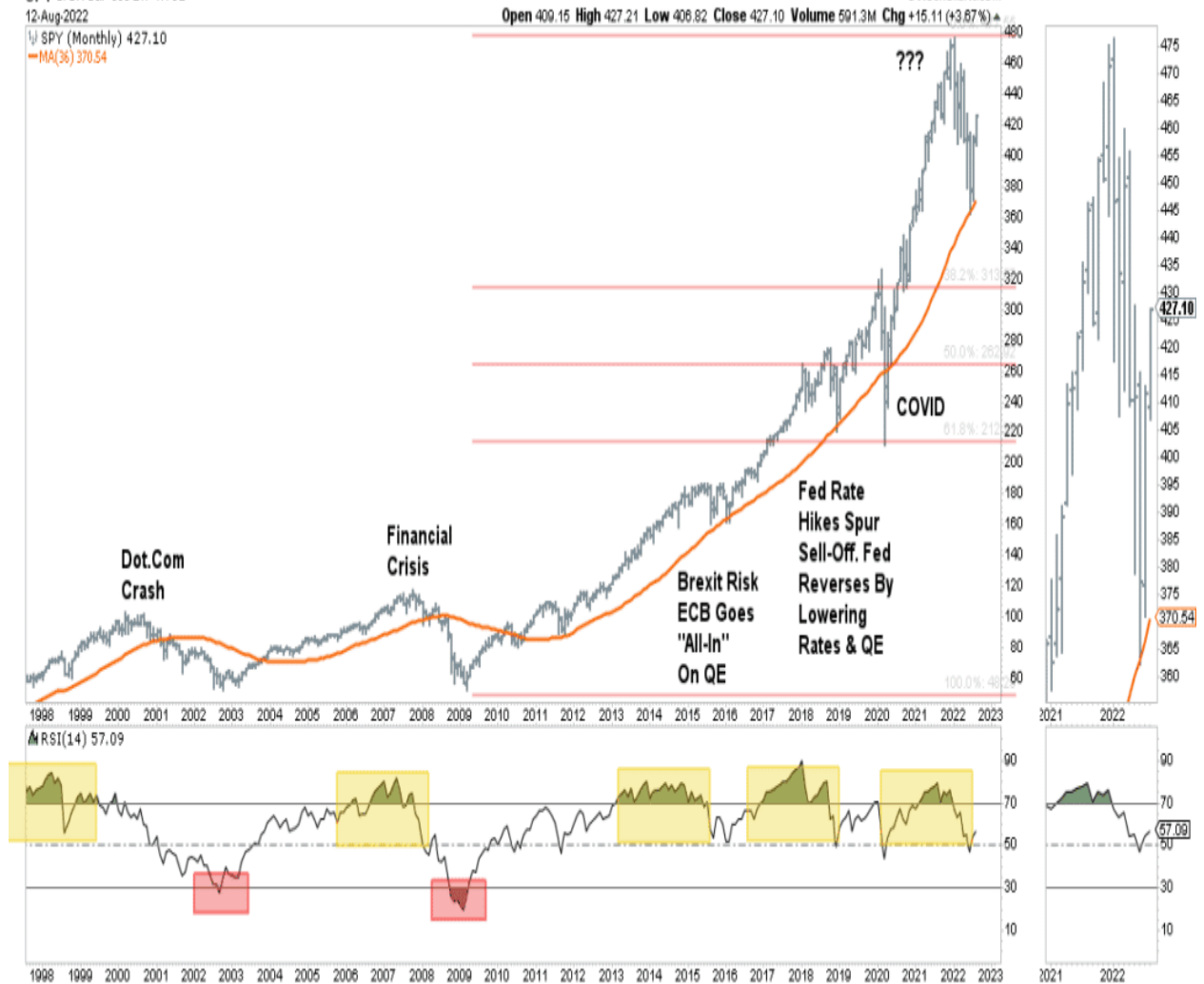
SPY SPDR S&P 500 ETF NYSE   @StockCharts.com
12-Aug-2022   Open 409.15 High 427.21 Low 406.82 Close 427.10 Volume 591.3M Chg +15.11 (+3.67%) ▲
○ SPY (Monthly) 427.10
—MA(36) 370.54

???

COVID

Dot.Com
Crash

Financial
Crisis

Brexit Risk
ECB Goes
"All-In"
On QE

Fed Rate
Hikes Spur
Sell-Off. Fed
Reverses By
Lowering
Rates & QE

RSI(14) 57.09

SPY SPDR S&P 500 ETF NYSE   @StockCharts.com
12-Aug-2022   Open 409.15 High 427.21 Low 406.82 Close 427.10 Volume 591.3M Chg +15.11 (+3.67%) ▲
○ SPY (Monthly) 427.10
—MA(36) 370.54

???

COVID

Dot.Com
Crash

Financial
Crisis

Brexit Risk
ECB Goes
"All-In"
On QE

Fed Rate
Hikes Spur
Sell-Off. Fed
Reverses By
Lowering
Rates & QE

RSI(14) 57.09
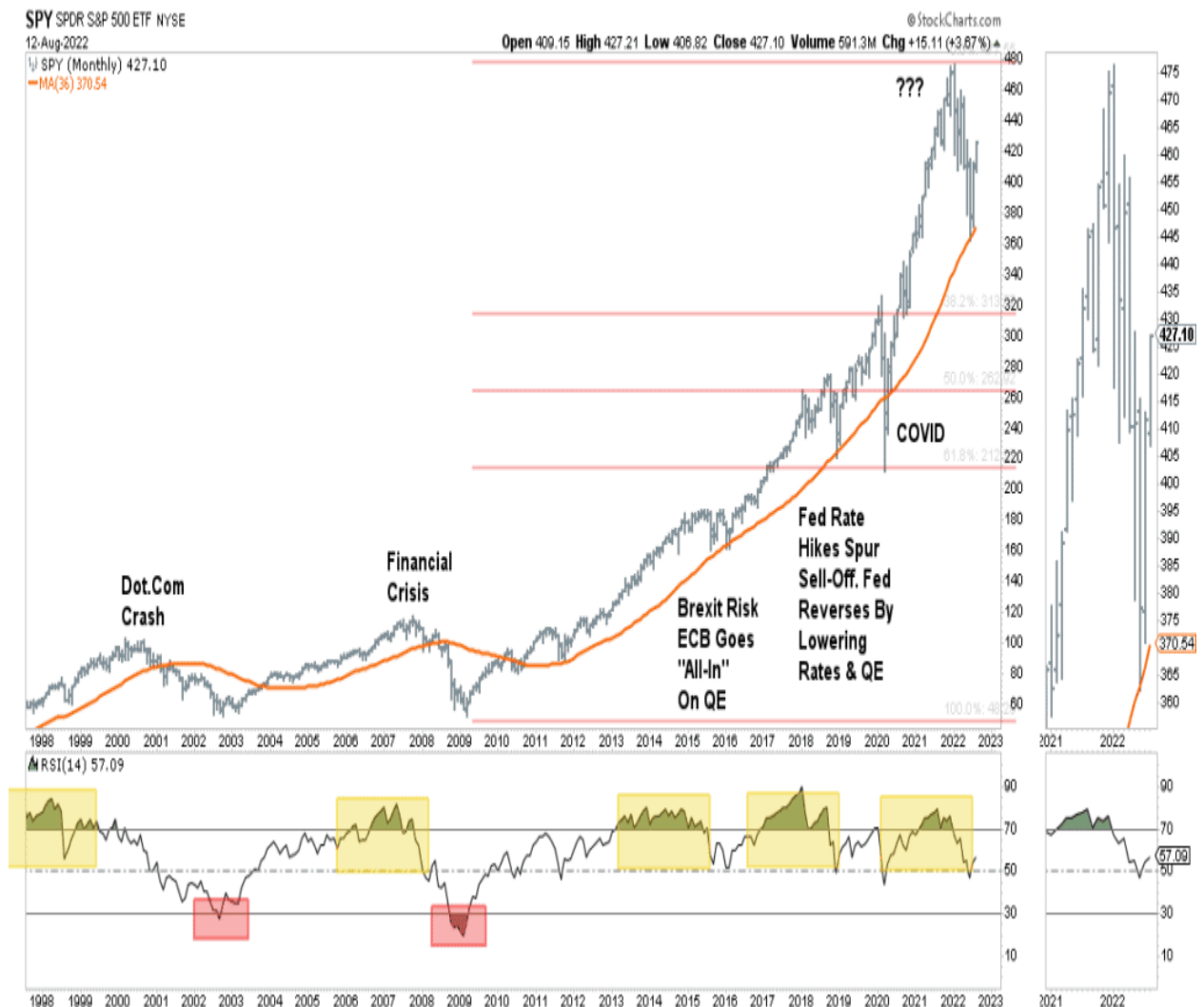
Lastly, there are several non-technical reasons the market likely has some additional strength and could rally further:

1. *There is still a sizeable level of short interest that will need to cover as prices rise.*
2. *Earnings estimates are getting rapidly cut, leading to improved ?beat rates? in the Q3 earnings period.*
3. *Retail investors are jumping back into the markets.*
4. *Institutions remain offside with too much cash on their books and a need to chase performance.*
5. *Volatility has declined rapidly as ?fear? of a correction fades.*
6. *Credit spreads continue to fall as money returns to the yield chase.*
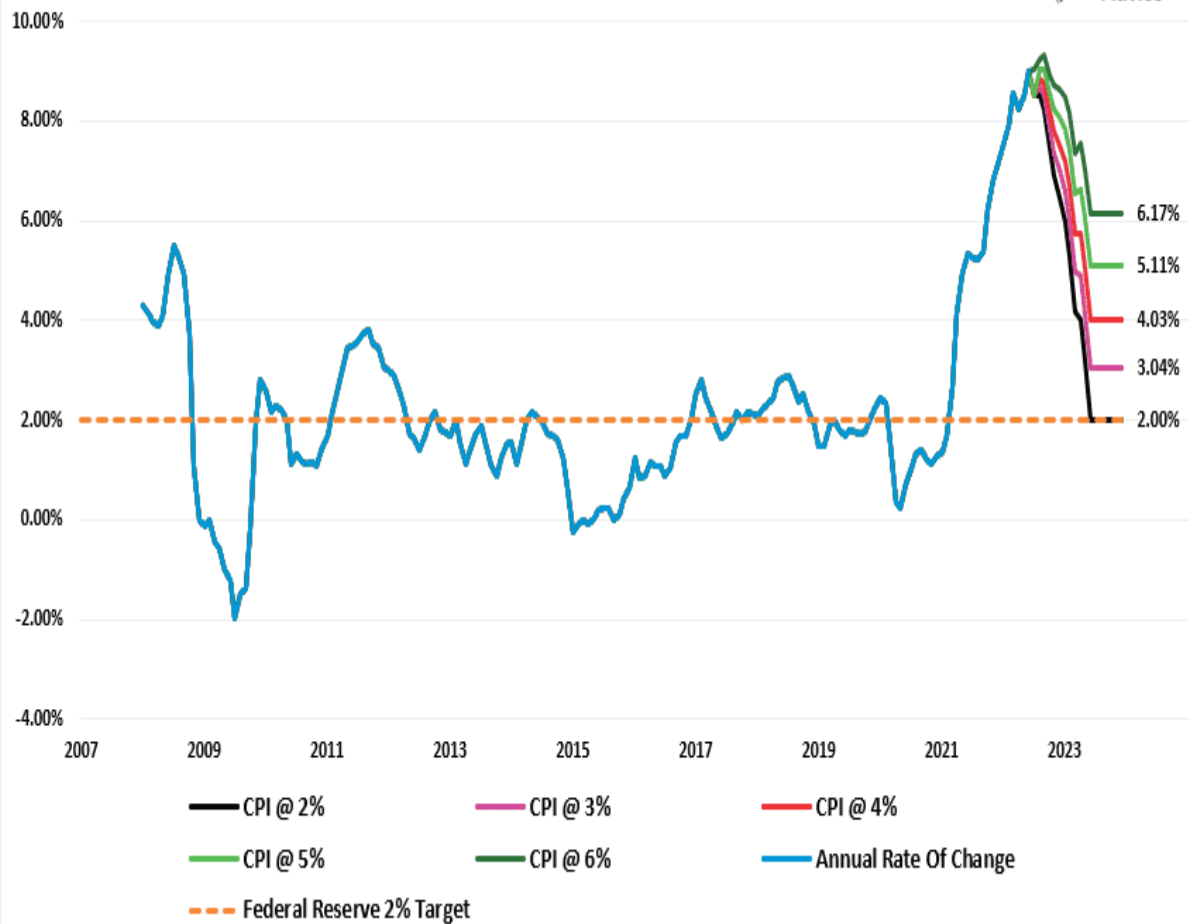
There are undoubtedly many rationales to the bullish case for equities. With financial conditions easing, as stocks rally and credit risks ease, there is a bid for equities in the short-term. **The technical backdrop also suggests that the lows are in, and investors should buy corrections.**

However, is this time different? That is where the bull or bear market debate finds its argument.
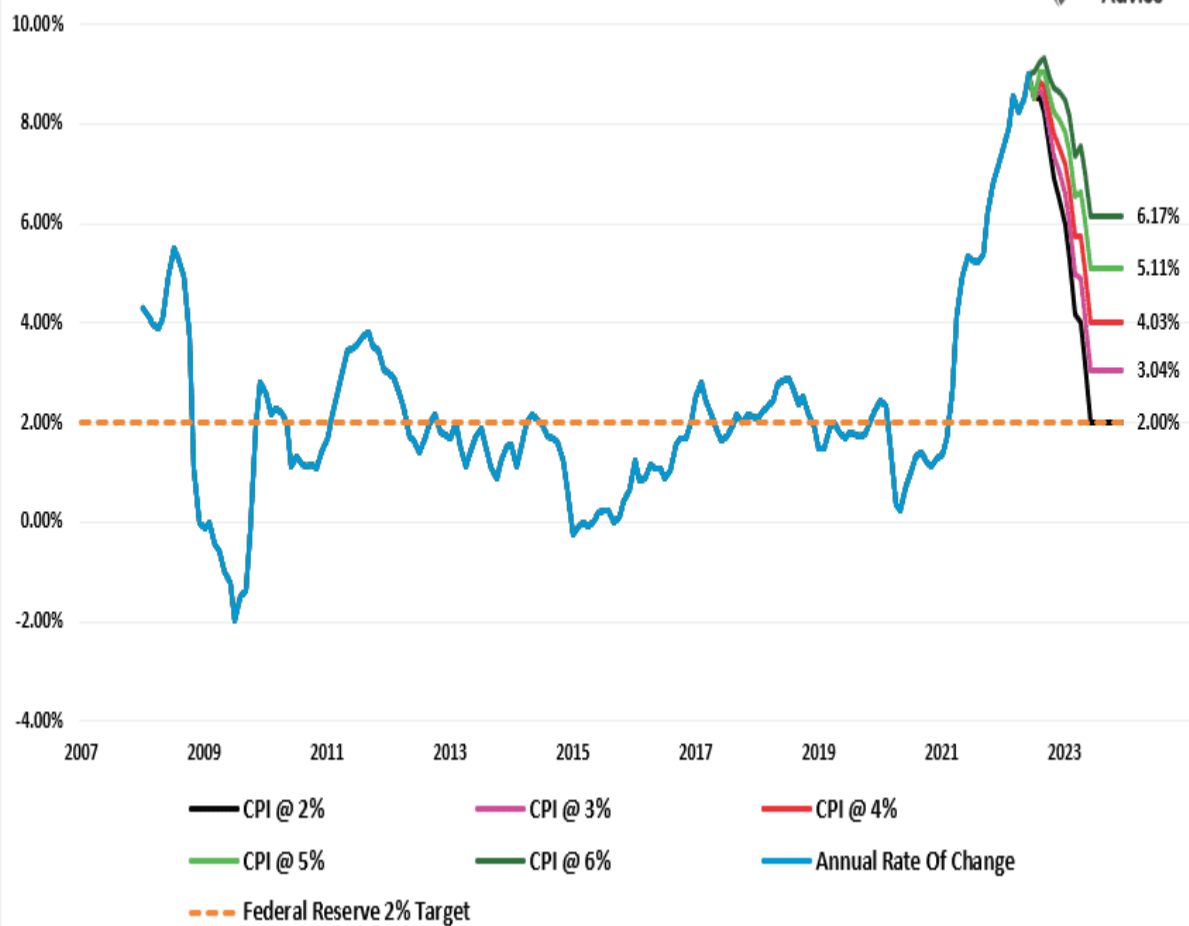
The Bearish Case

As is always the case, the bearish argument is grounded more in the macroeconomic, monetary, and financial fundamentals. While the bulls are ramping up equity risk in hopes of a *?Fed pivot,?* there is little indication from the Fed that such is likely anytime soon. In fact, from a historical perspective and even recent comments, the Fed?s focus is singular on bringing inflation down to its 2% target. As noted, even if CPI prints at 0.2% every month, it will take until the end of 2023 for inflation to decline to the Fed?s target.

Inflation Rate Projections At Various Annual Rates

Legend	
CPI @ 2%	(black)
CPI @ 3%	(pink)
CPI @ 4%	(red)
CPI @ 5%	(light green)
CPI @ 6%	(dark green)
Annual Rate Of Change	(blue)
Federal Reserve 2% Target	(orange dashed)

Projection endpoints: 6.17%, 5.11%, 4.03%, 3.04%, 2.00%

Inflation Rate Projections At Various Annual Rates

Legend	
CPI @ 2%	(black)
CPI @ 3%	(pink)
CPI @ 4%	(red)
CPI @ 5%	(light green)
CPI @ 6%	(dark green)
Annual Rate Of Change	(blue)
Federal Reserve 2% Target	(orange dashed)

Projection endpoints: 6.17%, 5.11%, 4.03%, 3.04%, 2.00%

Furthermore, the Federal Reserve is not keen on running a $9 Trillion balance sheet. The Fed needs the Fed Funds rate to be elevated and the balance sheet reduced to engage those policy tools to offset the next recession. Equities are at risk as the Fed?s inflation fight will trigger a recession. We can *?review the tape?* of the 1970s to see that bear markets and recessions were common when the Fed was hiking rates and combating inflation.

That 70's Show
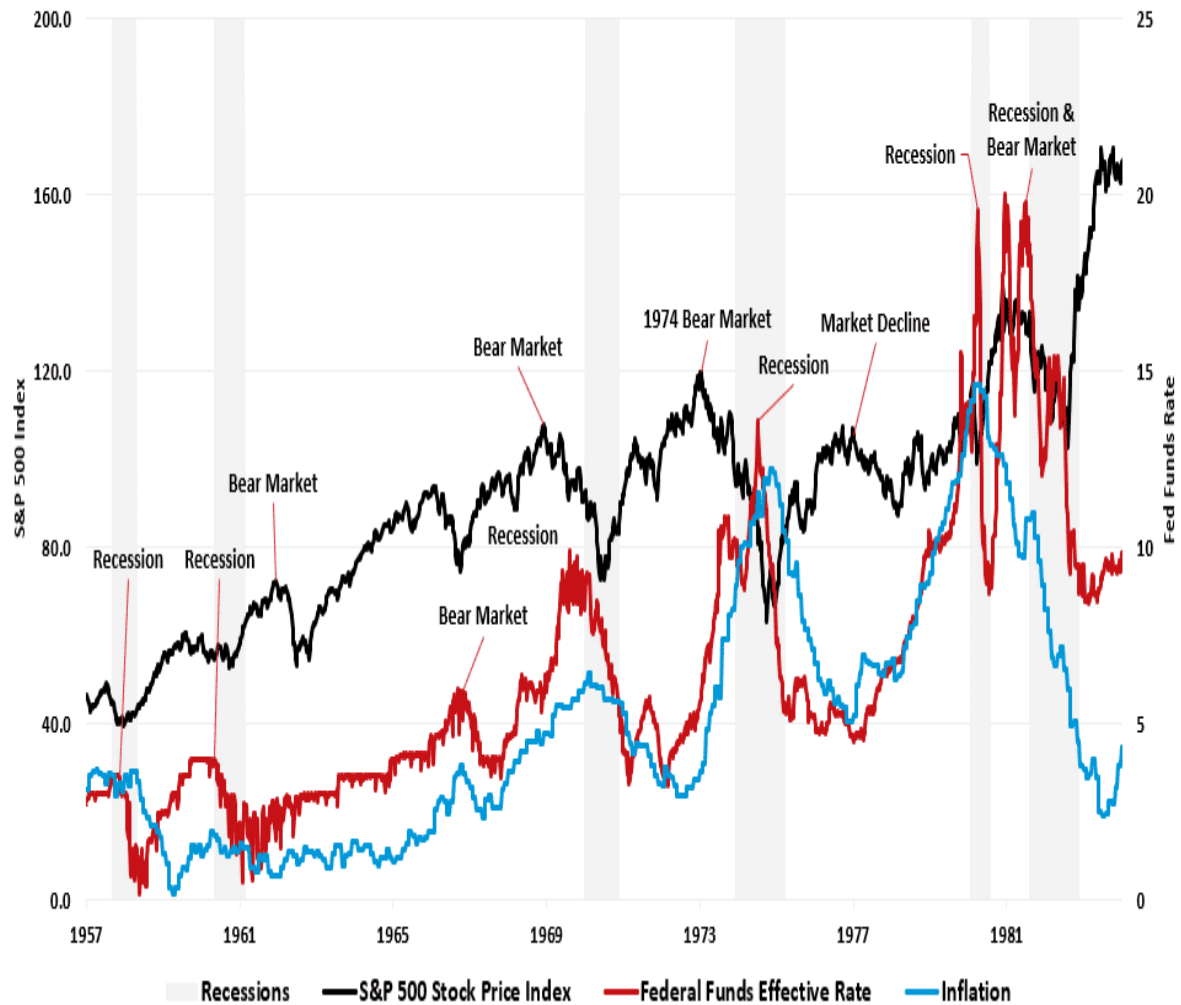
That 70's Show
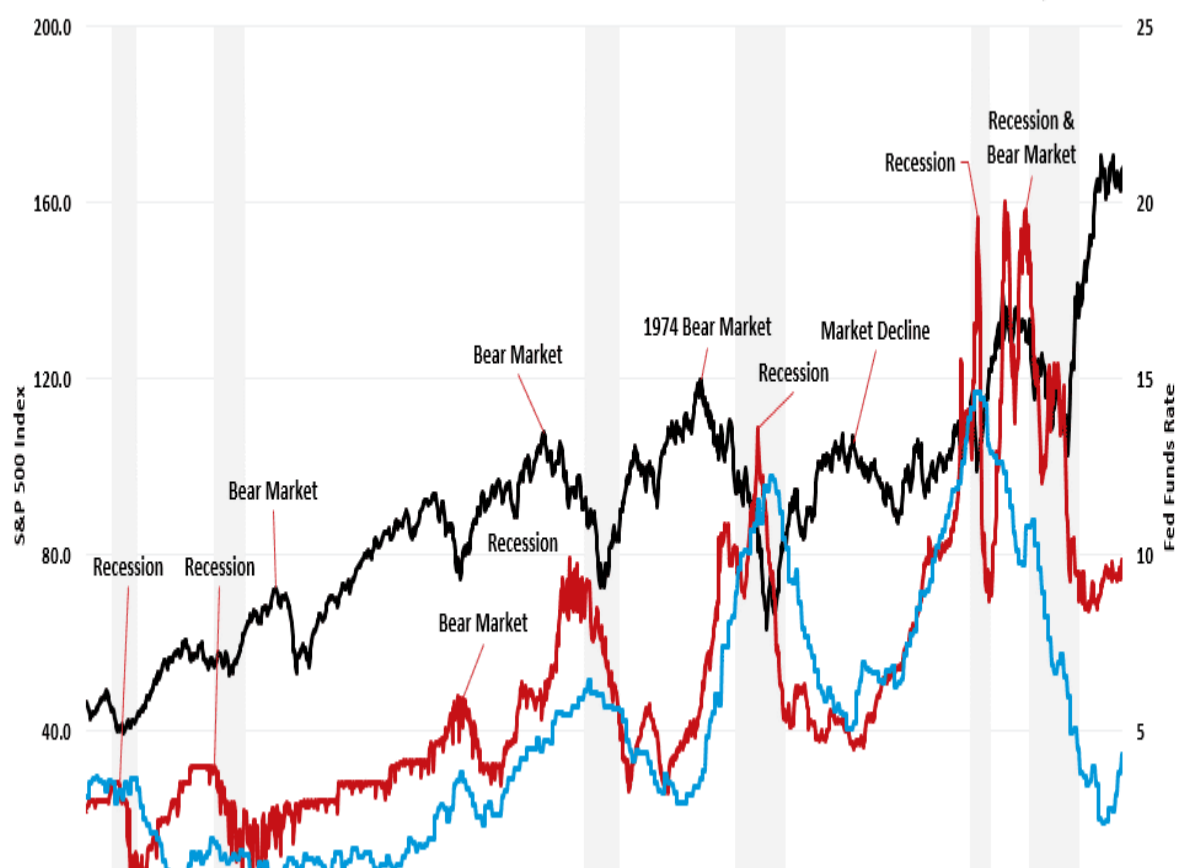
However, when it comes to equity risk it is corporate earnings that will drive equity prices. As the Fed hikes rates to slow economic activity and potentially cause a recession, such will translate into slower earnings growth and reduced profit margins. **Given that valuations are near 30x earnings currently, such suggests that stocks will need to reprice lower.** The 6-month annual rate of change of the Leading Economic Index (LEI) supports that thesis, suggesting earnings will decline over the next two quarters.

LEI 6-Month ROC vs S&P 500 EPS Ann. % Change

Legend: LEI 6-Month ROC — S&P 500 EPS YoY % Change

LEI 6-Month ROC vs S&P 500 EPS Ann. % Change
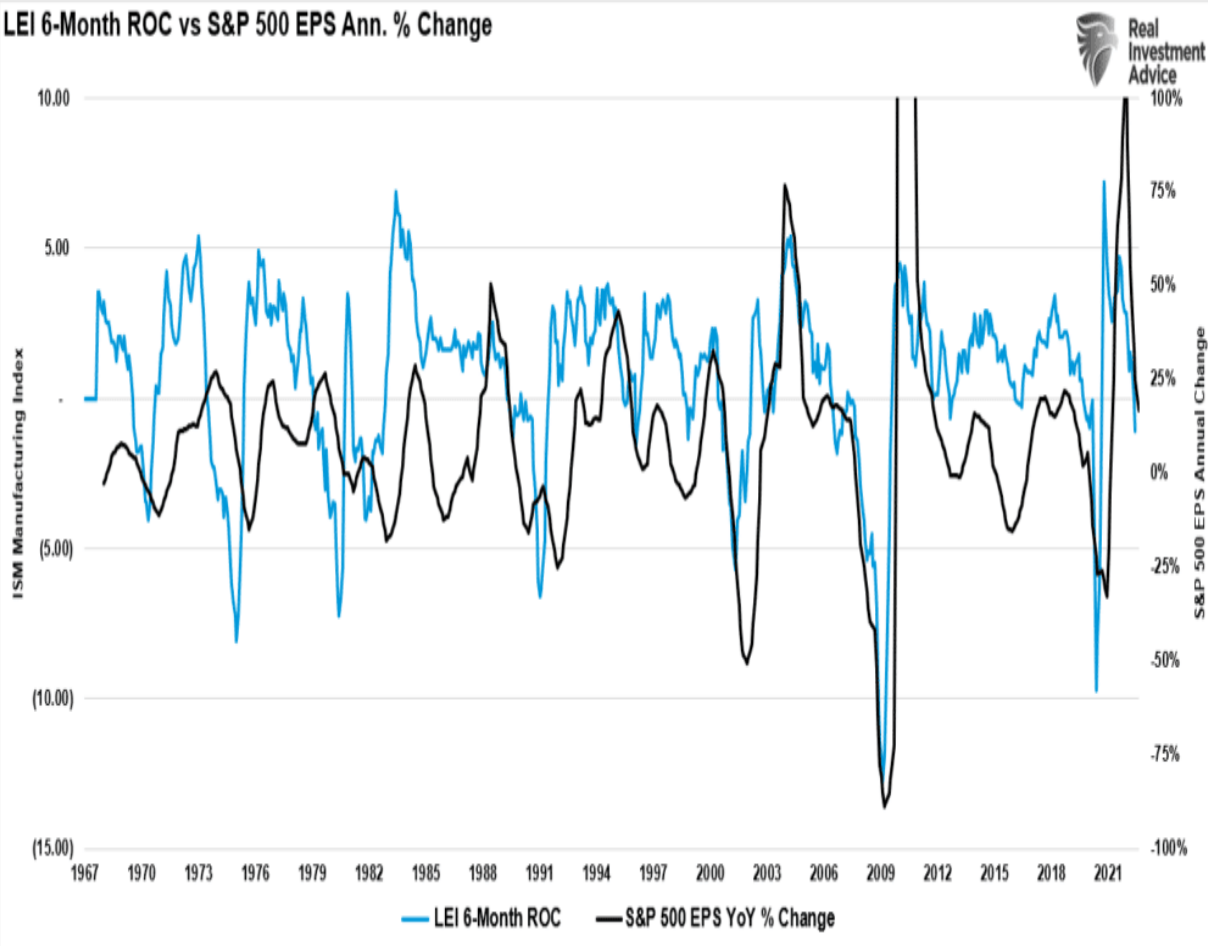
Legend: LEI 6-Month ROC — S&P 500 EPS YoY % Change
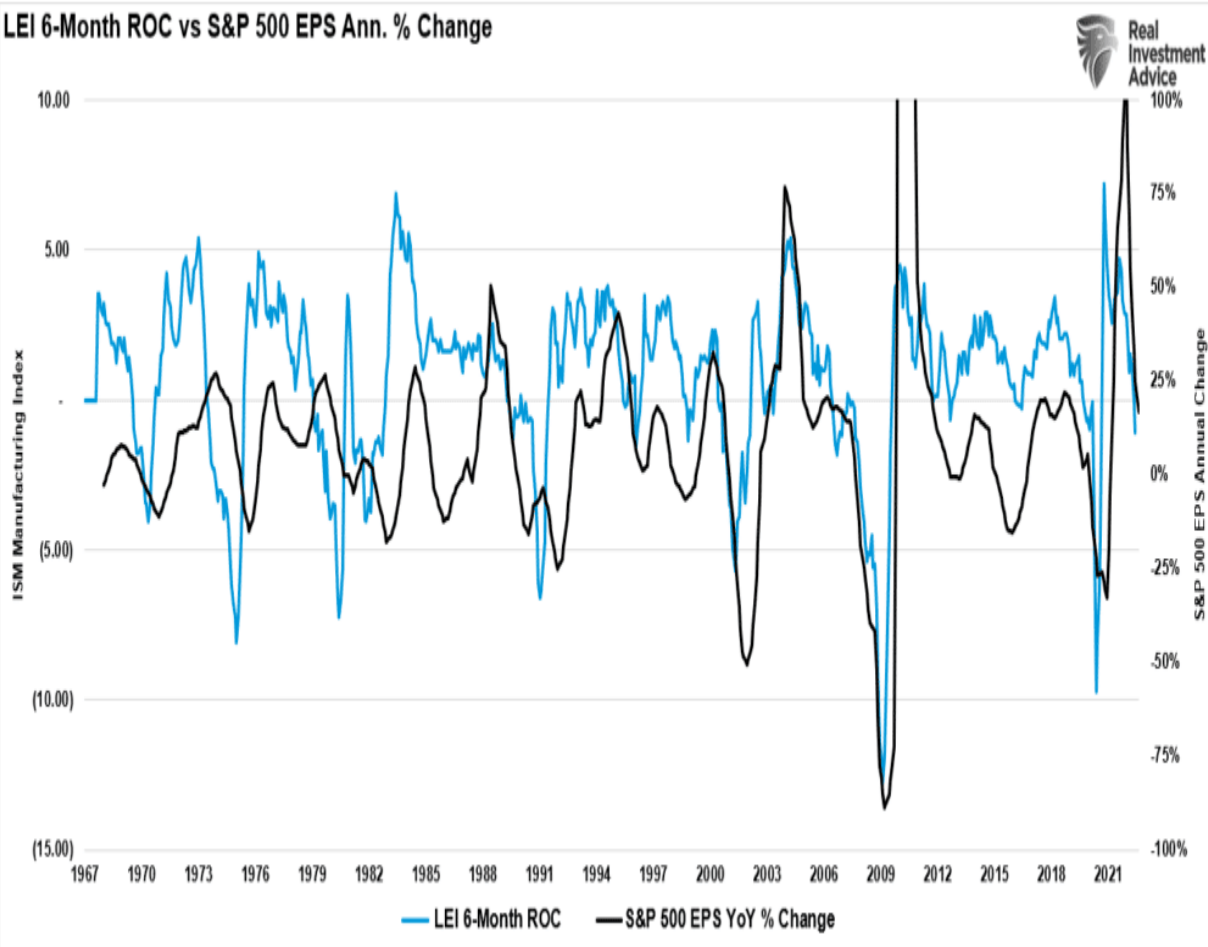
Whether the bull or bear market view wins out will only be found out in time. **However, as noted, while the bulls currently control the technical picture, the Fed still has control of the macro environment.** While we will continue to trade the markets tactically in the short term, in our view, there is still a risk of a more profound decline unless the Fed changes course in short order.

Not Getting The Bull Bear Report Each Week In Your Mailbox? [*Subscribe Here For Free.*](#)

3-Minutes On A Bull Or Bear Market

[embed]https://www.youtube.com/watch?v=GQzrfShRYzY[/embed]

[**Subscribe To Our Youtube Channel**](#) **To Get Notified Of All Our Videos**

How We Are Trading It

The short-term market environment is indeed bullish. As such, we are looking to increase equity exposure on tests of support that work off some of the overbought conditions. Those supports range from the 100-dma down to the 50-dma, keeping the short-term uptrend intact. The 20-dma is set to cross above the 100-dma next week, increasing that support level as a potential buying opportunity.

MACD (12, 26, close, 9) 17.06 82.17 65.11

^GSPC, 1D O4225.02 H4280.47 L4219.78 C4280.15 +72.88 (+1.73%)
Volume 1.826B
Moving Average Triple (20, 100, 50, Simple) 4071.23 4107.79 3952.67
Volume 1.826B

4280.15

Stoch (14, 1, 3) 99.91 95.02

%R (14) −0.09

TradingView

MACD (12, 26, close, 9) 17.06 82.17 65.11

To reiterate from last week, the current market environment remains very challenging. **We remain highly vigilant to the current climate where the bulls cling from one report to the next in hopes of a reprieve from the Fed. However, we suspect such won?t come soon, and the risk of disappointment remains elevated.** But, as always, we remain focused on what the market is telling us.

One area we added exposure to this week was Energy. After the recent correction, which we discussed was likely back in May, the oversold condition, a weakening dollar, and fundamental backdrop to higher energy prices made a compelling case to add to our energy holdings. Concerning technology, we will take advantage of any opportunity where the 50-dma is tested and holds as new support.

Even with our current changes, we maintain a substantial cash holding. We will work to lower that cash holding as opportunities present themselves.
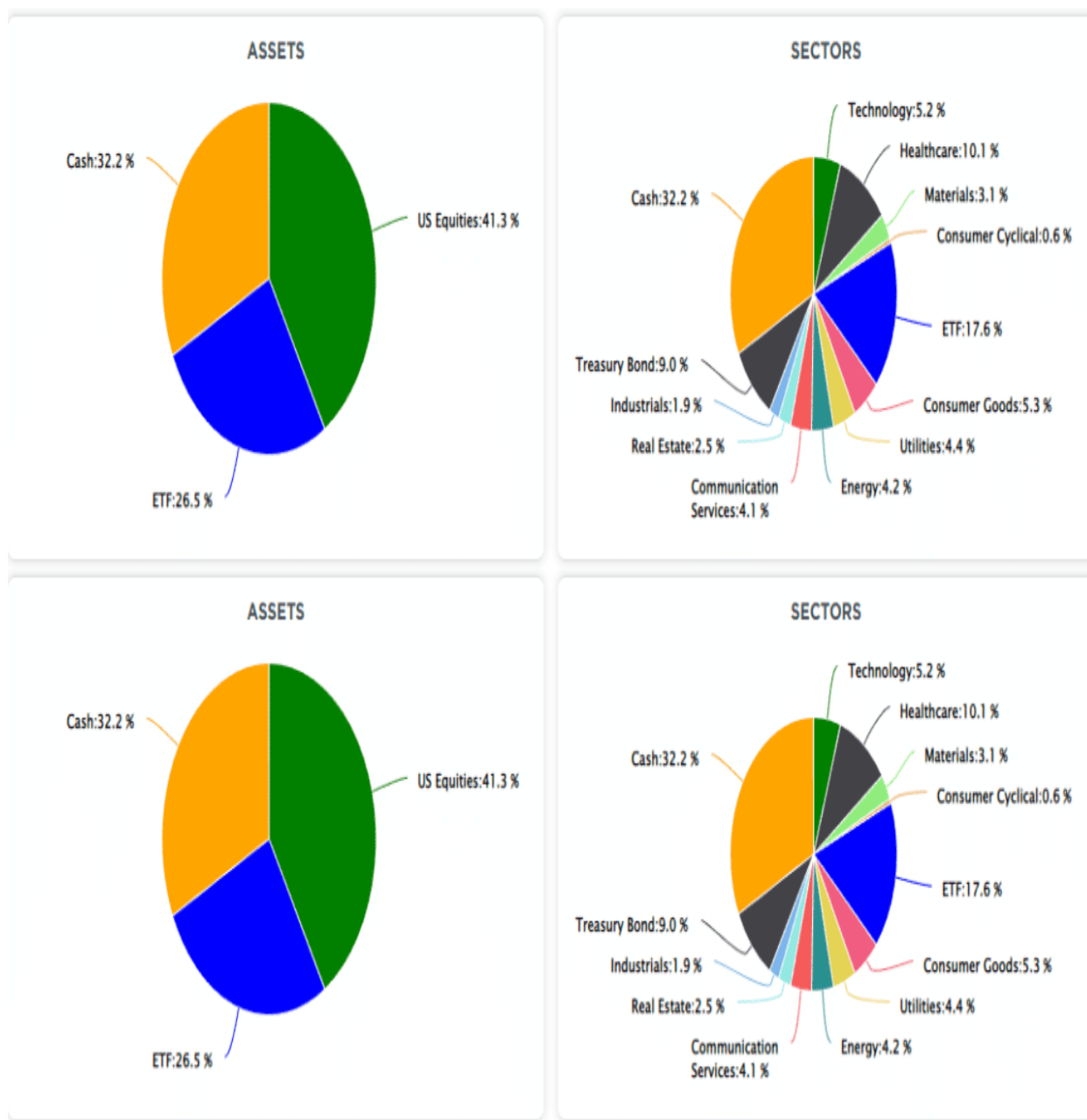
Over the last couple of weeks, we have repeated the portfolio management rules. With extended markets, now is the opportunity to:

- *Sell losers and laggards.*
- *Trim winners back to portfolio weights*
- *Rebalance allocations*
- *Hold cash for opportunities*

Patience remains vital in navigating this market. Try not to let *?FOMO?* direct your investment strategy.

Need Help With Your Investing Strategy?

Are you looking for complete financial, insurance, and estate planning? Need a risk-managed portfolio management strategy to grow and protect your savings? Whatever your needs are, we are here to help.

Research Report

Long Term Returns Are Unsustainable

Written by Lance Roberts | Aug 12, 2022 | Investing

Long-term returns are unsustainable. I realize that is a bold statement that flies in the...

> Read More

Long Term Returns Are Unsustainable

Stock Of The Week In Review

In the Bull Bear Report, we will post one of the stocks from our research at SimpleVisor to find stocks worth taking a deeper look into. The **5-For-Friday** report is published each week in full for

[**SimpleVisor.com**](SimpleVisor.com) subscribers.

This week we limit our population of potential stocks to those in the materials sector. The sector includes a diverse group of companies that mine, harvest, and produce raw materials used by many other industries.

Within the materials sector, we are looking for dirt cheap valuations alongside a history of solid earnings growth and strong earnings forecasts for the next five years. We limit the scan to companies with a market cap of at least $2.5 billion.

The screen and data are courtesy of Finviz.

Screening Criteria

- *Market Cap >$2.5 bn*
- *5yr EPS Growth Est. > 25%*
- *Prior 5yr EPS Growth >25%*
- *P/E and Forward P/E < 10*
- *PEG Ratio < 1*
- *P/S < 1*
- *Zacks Rank 1 or 2*

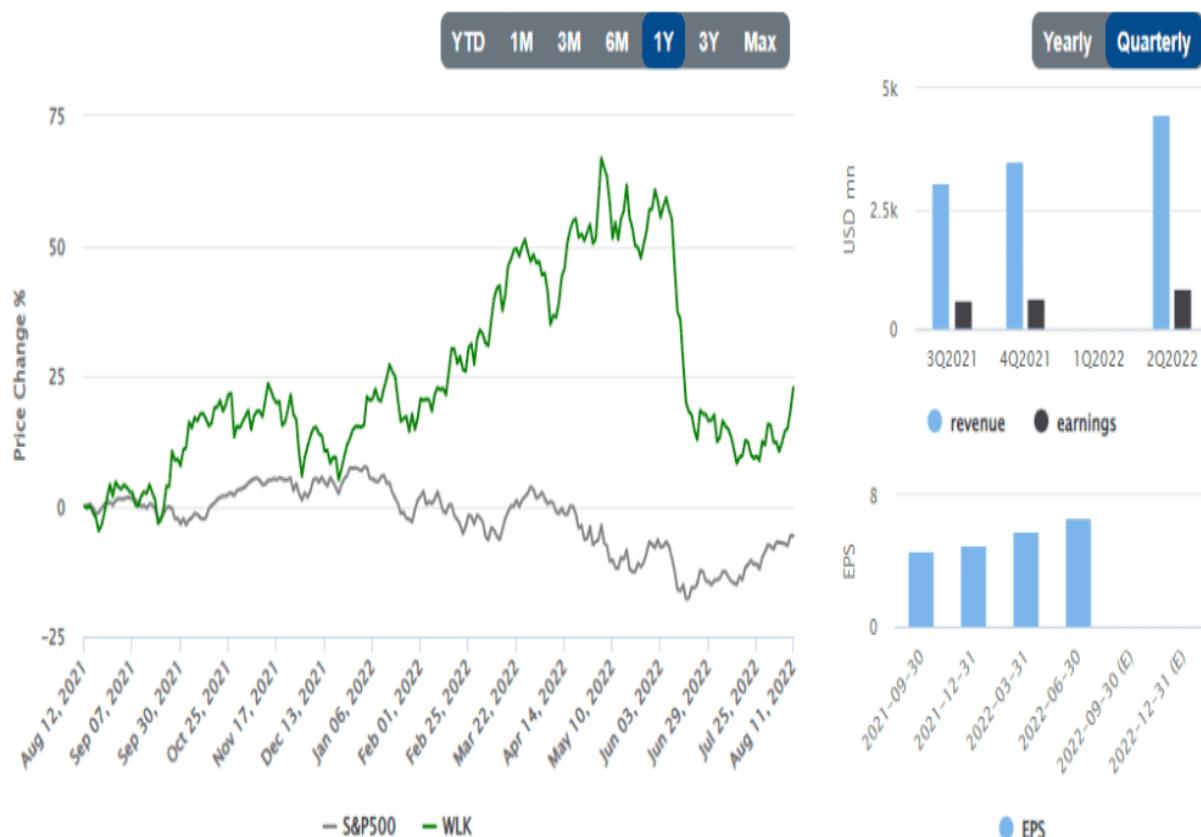Let?s take a look at one of them. *(Click the image to enlarge)*

Westlake Chemical (WLK)

Westlake Corporation (WLK) - Specialty Chemicals

Description

Westlake Corporation manufactures and supplies petrochemicals, polymers, and building products worldwide. It operates through two segments, Performance and Essential Materials; and Housing and Infrastructure Products. The Performance and Essential Materials segment manufactures and markets polyethylene, styrene monomer, ethylene co-products, PVC, VCM, ethylene dichloride chlor-alkali, and chlorinated derivative products. The Housing and Infrastructure Products segment manufactures and sells residential PVC siding; PVC trim and moldings; roofing applications; decorative stone; windows; PVC decking; PVC films for various inflatables, wallcovering, tape, and roofing applications; polymer composite roof tiles; PVC pipe and fittings; PVC compounds; and various consumer and commercial products such as landscape edging; industrial, home and office matting; marine dock edging; and masonry joint controls. The company offers its products to a range of customers, including chemical processors, plastics fabricators, small construction contractors, municipalities, and supply warehouses for use in various consumer and industrial markets, including residential construction, flexible and rigid packaging, automotive products, healthcare products, water treatment, and coatings, as well as other durable and non-durable goods. The company was formerly known as Westlake Chemical Corporation and changed its name to Westlake Corporation in February 2022. The company was founded in 1986 and is headquartered in Houston, Texas. Westlake Corporation is a subsidiary of TTWF LP.

Latest Price (Aug 11, 2022, 3:00:02 PM)	Last Close	Open	Volume	Annual Div.	Mkt Cap (mn)
$103.22 ▲ ($3.66) (3.68%)	$99.56	$100.62	802,346	$1.19	$13,208.13

52 Week Range		Day Range		Avg. Volume (3m)	Div. Yield	Beta
$79.88	$141.19	$100.53	$104.69	839,604	1.20%	1.22

Westlake Corporation (WLK) - Specialty Chemicals

Description

Westlake Corporation manufactures and supplies petrochemicals, polymers, and building products worldwide. It operates through two segments, Performance and Essential Materials; and Housing and Infrastructure Products. The Performance and Essential Materials segment manufactures and markets polyethylene, styrene monomer, ethylene co-products, PVC, VCM, ethylene dichloride chlor-alkali, and chlorinated derivative products. The Housing and Infrastructure Products segment manufactures and sells residential PVC siding; PVC trim and moldings; roofing applications; decorative stone; windows; PVC decking; PVC films for various inflatables, wallcovering, tape, and roofing applications; polymer composite roof tiles; PVC pipe and fittings; PVC compounds; and various consumer and commercial products such as landscape edging; industrial, home and office matting; marine dock edging; and masonry joint controls. The company offers its products to a range of customers, including chemical processors, plastics fabricators, small construction contractors, municipalities, and supply warehouses for use in various consumer and industrial markets, including

Daily Commentary Bits

From Maximum Fear To Extreme Greed

?The&#2013266080;*Fear & Greed Model, based on the inputs published by CNN, has entered excessive optimism territory. Over the past 24 years, the S&P 500 has returned an annualized -0.3% when the model is above 80%.*

Signs of pessimism abounded in June, and some residual indicators like fund flows still show investors? repulsion toward stocks. Higher-frequency indicators have rebounded recently, pushing our sentiment models to the upper end of neutral or even into excessive optimism territory.

This is the point of sink-or-swim. Fly-or-die. Fish-or-cut-bait. All the idioms, including more colorful ones my grandpa would have used. During bear markets, this is the point where brave buyers take their gains, and shorts feel emboldened. During bull markets, this is when the latter gets steamrolled. Which one comes out on top over the next 3-4 weeks will tell us a whole lot about prospects through year-end and beyond.?
?&#2013266080;*Sentiment Trader*

Fear & Greed Model

— SPX — Fear & Greed Model (Last = 80)

When indicator is...	Annualized Return	% Of Time
Above 80	-0.3%	18%
20 To 80	9.7%	74%
Below 20	15.7%	8%

Source: CNN, SentimenTrader

2008 Redux or New Highs Ahead?

The graph below shows the S&P 500 on a log scale and highlights (red) instances when every S&P 500 sector was simultaneously below their respective 40-week moving averages (WMA). A few weeks ago, all sectors were below their 40 WMA, which potentially signals the decline is ending. Such was the case in 2015-2016. However, as we see, the indicator often triggers multiple times during larger bear markets before an actual bottom forms.

As we have written, the recent decline and rally look eerily similar to the S&P decline leading to the Bear Stearns failure and the rally that ensued. The 40wma triggered twice at the initial lows of the 2008 bear market, but they proved to be false signals. If the economy enters a recession as it did in 2001 and 2008, we fear this may not be the last red dot for this bear market. Is the graph a reason for optimism or concern?
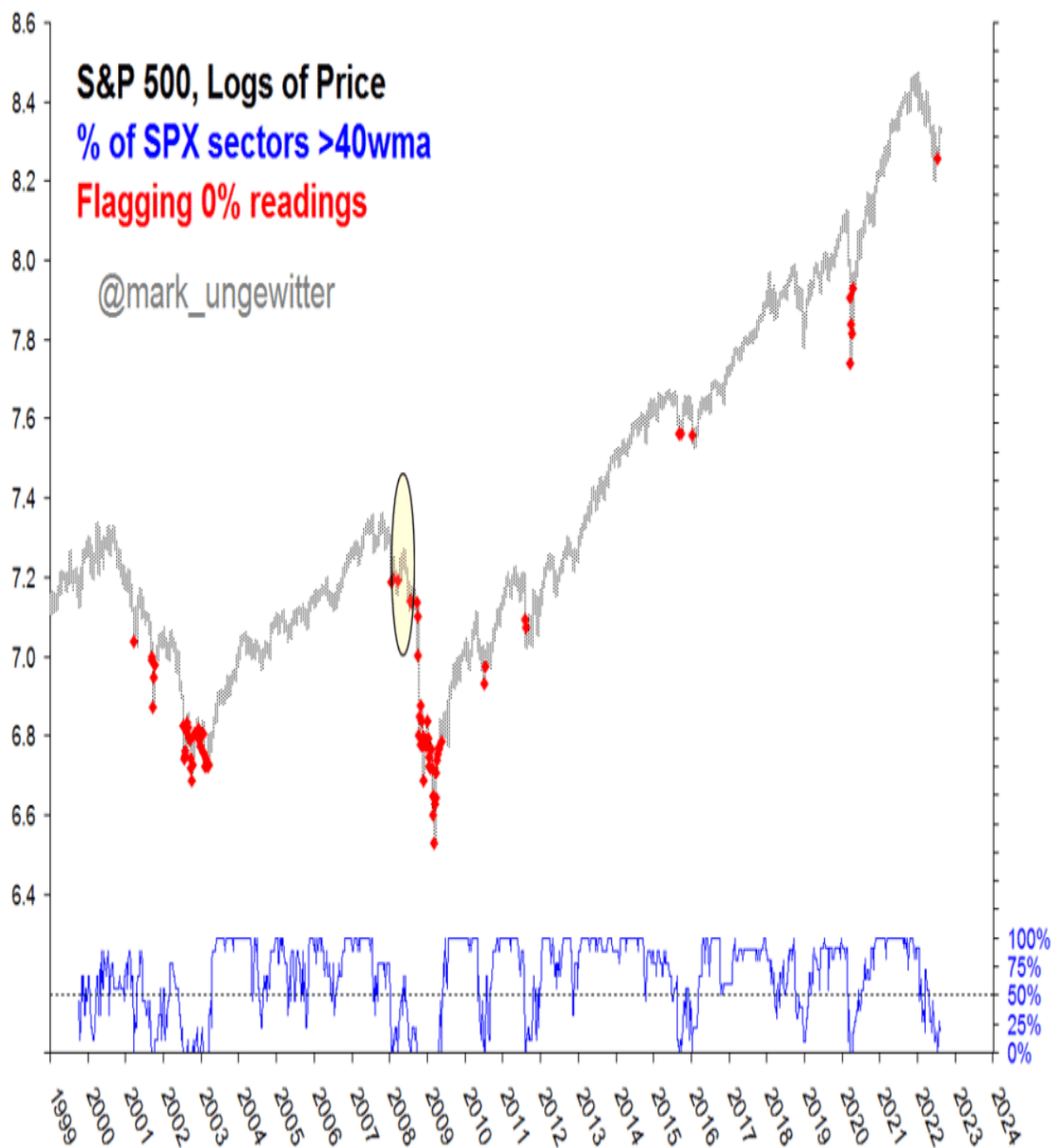
S&P 500, Logs of Price
% of SPX sectors >40wma
Flagging 0% readings
@mark_ungewitter

S&P 500, Logs of Price
% of SPX sectors >40wma
Flagging 0% readings
@mark_ungewitter

Bull Bear Report Market Statistics & Screens

SimpleVisor Top & Bottom Performers By Sector

Healthcare

CAH 5.18%	ABC 1.81%	VTRS 1.76%	PKI 1.71%
IQV 0.96%	HSIC 0.91%	ABBV 0.81%	OGN 0.54%
DVA 0.43%	WBA 0.43%	VRTX -1.22%	BIIB -1.28%
MRNA -1.41%	TECH -1.45%	AMGN -1.48%	DXCM -1.66%
JNJ -2.07%	CTLT -2.57%	REGN -2.74%	PFE -3.32%

Industrials

SWK 3.55%	DE 2.71%	MAS 2.6%	GNRC 2.58%
GE 2.28%	CAT 1.72%	JCI 1.64%	CHRW 1.58%
UNP 1.48%	RHI 1.39%	VRSK -0.62%	BA -0.67%
TDG -0.68%	LUV -0.79%	RSG -0.8%	ALK -0.82%
ADP -0.89%	ROP -1.14%	FDX -1.38%	LHX -1.44%

Consumer Cyclical

BBWI 5.09%	PVH 4.77%	RL 3.77%	WYNN 3.4%
APTV 3.13%	TPR 3.08%	LVS 2.84%	BBY 2.43%
ROST 2.29%	ULTA 2.24%	DPZ -0.4%	AMCR -0.63%
MCD -0.8%	YUM -1.23%	AMZN -1.44%	CMG -1.64%
ROL -1.82%	POOL -1.87%	ETSY -1.9%	TSLA -2.62%

Technology

WDC 2.89%	STX 2.65%	ZBRA 2.17%	MU 1.5%
FISV 1.33%	HPE 1.1%	FLT 1.01%	MCHP 0.96%
FTV 0.95%	GLW 0.92%	VRSN -1.29%	SEDG -1.46%
CDAY -1.92%	TYL -2.01%	AKAM -2.41%	ANSS -2.46%
FTNT -2.54%	MPWR -2.64%	NOW -3.24%	ENPH -3.41%

Consumer Goods

TAP 1.76%	TSN 1.68%	PM 1.37%	NWL 1.17%
WMT 0.96%	MO 0.87%	KR 0.85%	SYY 0.66%
ADM 0.65%	CPB 0.3%	BF-B -0.7%	PG -0.71%
KMB -0.76%	EL -0.79%	GIS -0.8%	STZ -0.95%
DG -0.99%	CL -1.05%	COST -1.41%	KDP -1.71%

Utilities

NRG 3.03%	PPL 1.48%	FE 1.37%	EIX 1.31%
DTE 0.81%	ATO 0.7%	ETR 0.47%	EXC 0.37%
SRE 0.25%	PEG 0.15%	NEE -0.39%	D -0.46%
LNT -0.48%	CNP -0.5%	DUK -0.5%	SO -0.5%
ED -0.52%	XEL -0.67%	PNW -0.98%	AWK -1%

Financial

SCHW 4.09%	LNC 3.57%	CMA 2.88%	CINF 2.72%
RE 2.61%	AIG 2.57%	ALL 2.54%	FITB 2.54%
CFG 2.53%	SBNY 2.5%	V -0.3%	AON -0.35%
PGR -0.36%	FDS -0.4%	MA -0.79%	CBOE -0.81%
MKTX -1.39%	MCO -1.53%	SPGI -1.79%	MSCI -1.91%

Materials

LYB 2.71%	ALB 2.47%	DD 2.37%	DOW 2.26%
CE 2.06%	MOS 1.43%	EMN 1.28%	FCX 0.86%
VMC 0.62%	CTVA 0.55%	NUE 0.29%	ECL 0.25%
SHW 0.1%	CF 0.06%	MLM -0.13%	PPG -0.15%
APD -0.31%	IFF -0.67%	NEM -0.96%	LIN -1.14%

Real Estate

VNO 4.09%	SPG 2.42%	HST 2.24%	BXP 2.23%
KIM 1.02%	WY 0.97%	AVB 0.64%	ESS 0.53%
FRT 0.44%	EXR 0.29%	MAA -0.27%	O -0.36%
IRM -1%	AMT -1.38%	PEAK -1.38%	CCI -1.61%
SBAC -1.96%	WELL -2.5%	DLR -2.62%	EQIX -2.84%

Energy

DVN 7.34%	MRO 7.03%	SLB 5.64%	FANG 5.35%
PXD 4.9%	APA 4.88%	COP 4.56%	OXY 4.5%
OKE 4.34%	HES 4.23%	HAL 4.08%	BKR 3.82%
CTRA 3.53%	PSX 3.15%	XOM 2.89%	WMB 2.79%
KMI 2.48%	CVX 2.44%	VLO 2.08%	MPC 1.61%

Communication Services

DIS 4.68%	FOXA 4.44%	WBD 4.43%	FOX 3.99%
LUMN 2.39%	IPG 2.02%	NWS 1.29%	NWSA 1.19%
CMCSA 1.13%	CHTR 0.76%	VZ -0.13%	META -0.48%
ATVI -0.49%	NFLX -0.58%	GOOG -0.69%	TMUS -0.85%
TWTR -1.1%	EA -1.13%	LYV -1.47%	TTWO -2.52%

SimpleVisor S&P 500 Snapshot
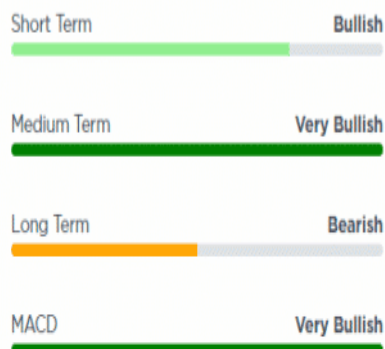
S&P 500

Neutral

0   **5**   10

^GSPC is currently rated a 5 out of 10 on the technical rating score, which technically is a Moderately Strong rating. For the last 12 months ^GSPC is **down -5.29%** compared to the S&P 500's -4.02%.

If you are long: Currently, ^GSPC is not showing any evidence of the overall trend weakening or significantly increasing at the current level.
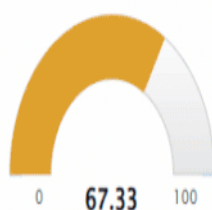
If you want to buy: If you are looking to initiate a position in ^GSPC, look for an increase in the trend score couple with increasing momentum measured by the MACD and RSI before going long.

Technical Strength Score Component Breakdown

Short Term   Bullish

Medium Term   Very Bullish

Long Term   Bearish

MACD   Very Bullish

Relative Strength Indicator

Approach Overbought
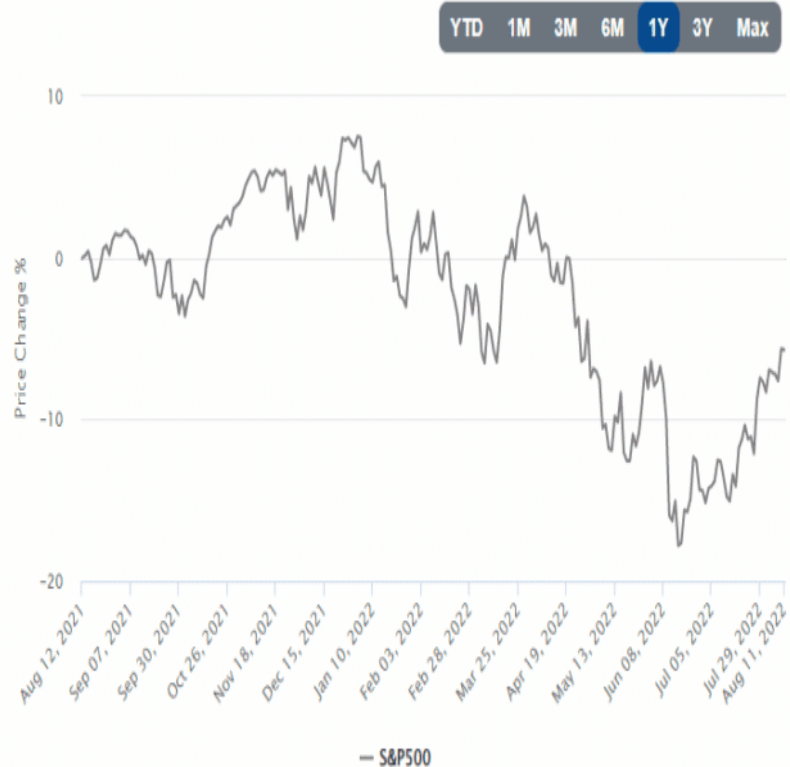
0   **67.33**   100

YTD 1M 3M 6M **1Y** 3Y Max

— S&P500

Oil   CBOE VIX   Gold   S&P 500   Dow Jones   NASDAQ 100   Russell 2000
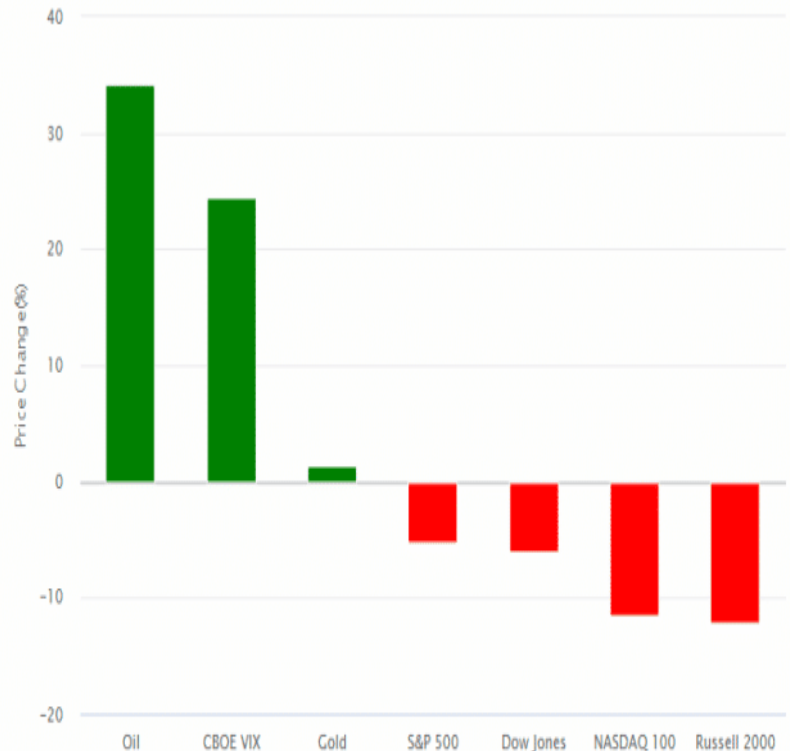
Relative Performance Analysis

The market surge pushed EVERY MARKET and SECTOR into extreme overbought territory.
As is usually the case, this analysis indicates the market has likely extracted the majority of the rally, so taking profits remains a profitable strategy. It is also worth noting that many markets and sectors are now well deviated ABOVE their respective 50-dma, which suggests a pullback is very likely.
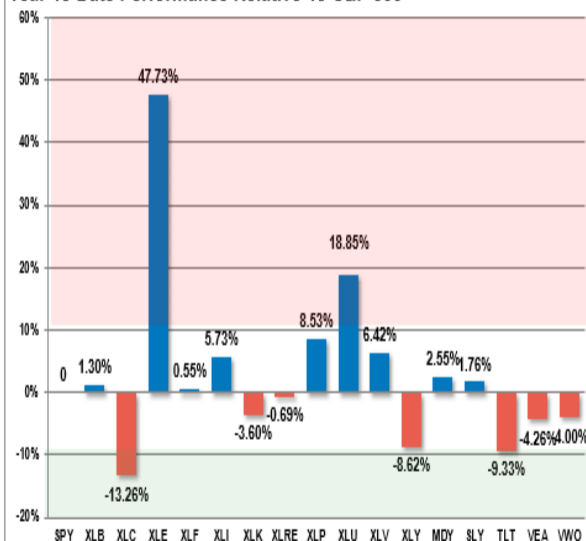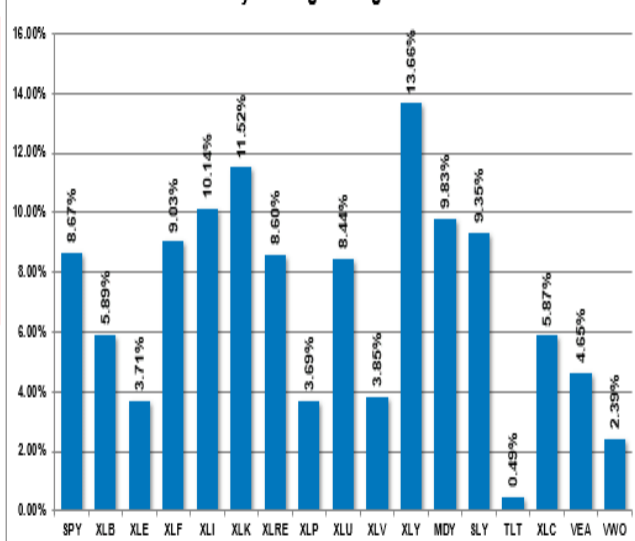
Year To Date Performance

SimpleVisor™

Ticker	Performance
VWO	-14.60%
VEA	-14.85%
XLC	-23.86%
TLT	-19.92%
SLY	-8.83%
MDY	-8.05%
XLY	-19.21%
XLV	-4.17%
XLU	8.25%
XLP	-2.06%
XLRE	-11.28%
XLK	-14.19%
XLI	-4.86%
XLF	-10.04%
XLE	37.14%
XLB	-9.29%
SPY	-10.59%

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

Legend: XLB, XLE, XLF, XLI, XLK, XLRE, XLP, XLU, XLV, XLC, XLY, SPY
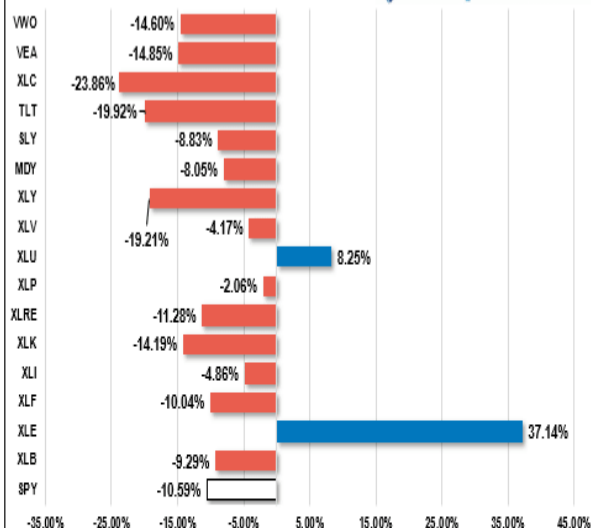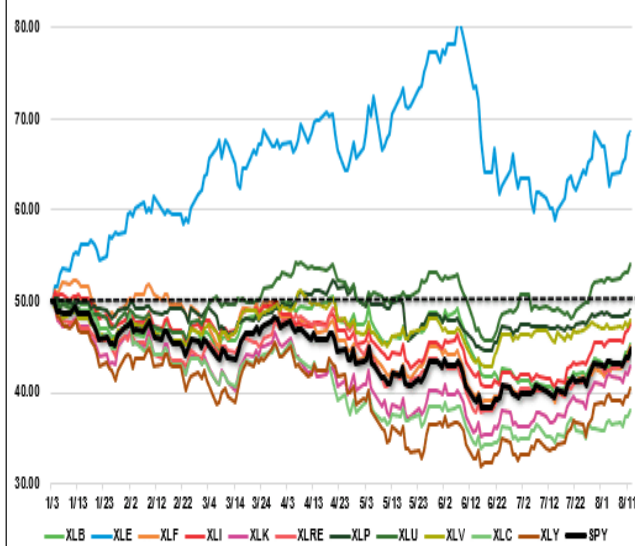
Year To Date Performance Relative To S&P 500

Values: SPY 0, XLB 1.30%, XLC -13.26%, XLE 47.73%, XLF 0.55%, XLI 5.73%, XLK -3.60%, XLRE -0.69%, XLP 8.53%, XLU 18.85%, XLV 6.42%, XLY -8.62%, MDY 2.55%, SLY 1.76%, TLT -9.33%, VEA -4.26%, VWO -4.00%

Price Deviation From 50-Day Moving Average

Values: SPY 8.67%, XLB 5.89%, XLE 3.71%, XLF 9.03%, XLI 10.14%, XLK 11.52%, XLRE 8.60%, XLP 3.69%, XLU 8.44%, XLV 3.85%, XLY 13.66%, MDY 9.83%, SLY 9.35%, TLT 0.49%, XLC 5.87%, VEA 4.65%, VWO 2.39%

Overbought/Oversold 14-Periods

Over Bought / Over Sold

SPY
XLB XLE XLF XLI XLK XLRE XLP XLU XLV XLY MDY SLY   XLC VEA VWO

Composite Median,

Composite Average, (4.67)

TLT
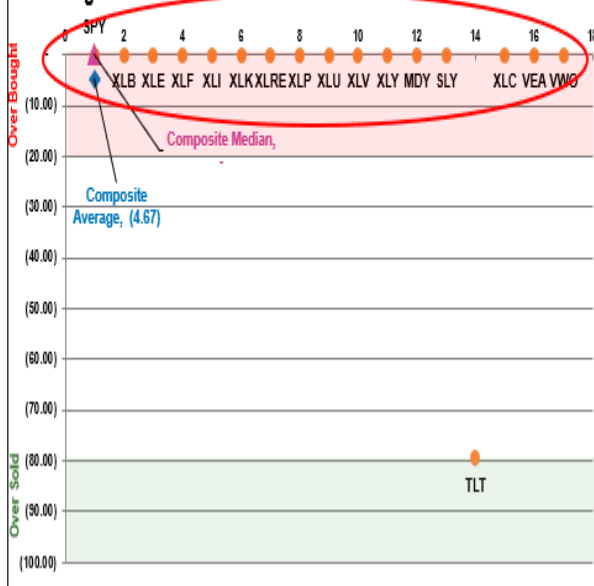
Size / Sector ETF YTD Trading Range

Ticker	Low	High
SLY	77.5	101.16
MDY	402.57	521.70
SPY	365.86	477.71
XLY	134.63	210.31
XLV	119.89	142.83
XLU	64.87	76.96
XLP	68.83	80.57
XLK	123.49	175.52
XLRE	38.85	51.33
XLI	85.5	107.05
XLF	30.74	41.42
XLE	57.22	92.28
XLB	70.93	90.55

Year To Date Performance

SimpleVisor™

Ticker	Performance
VWO	-14.60%
VEA	-14.85%
XLC	-23.86%
TLT	-19.92%
SLY	-8.83%
MDY	-8.05%
XLY	
XLV	-4.17%
XLU	-19.21%
	8.25%
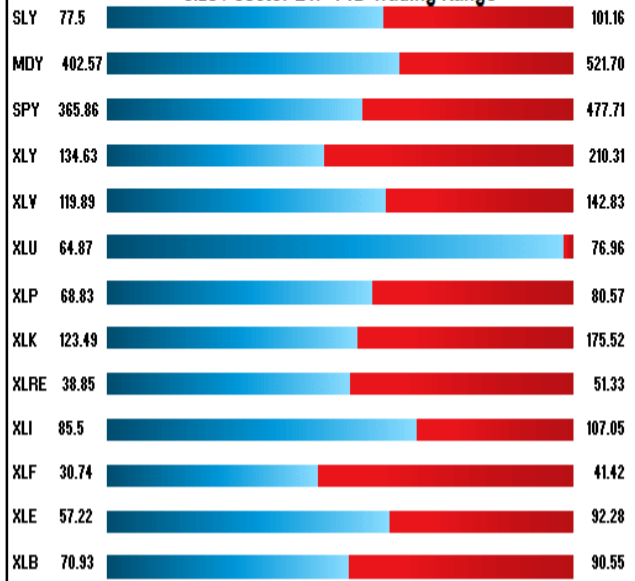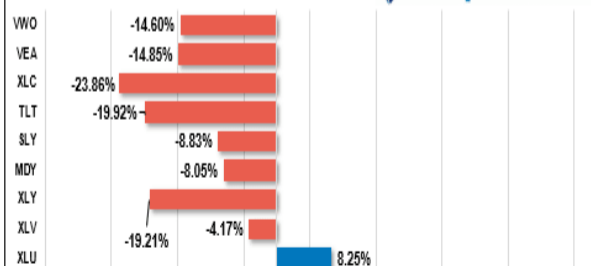
## YTD Price - S&P Sectors Recalibrated To $50/share
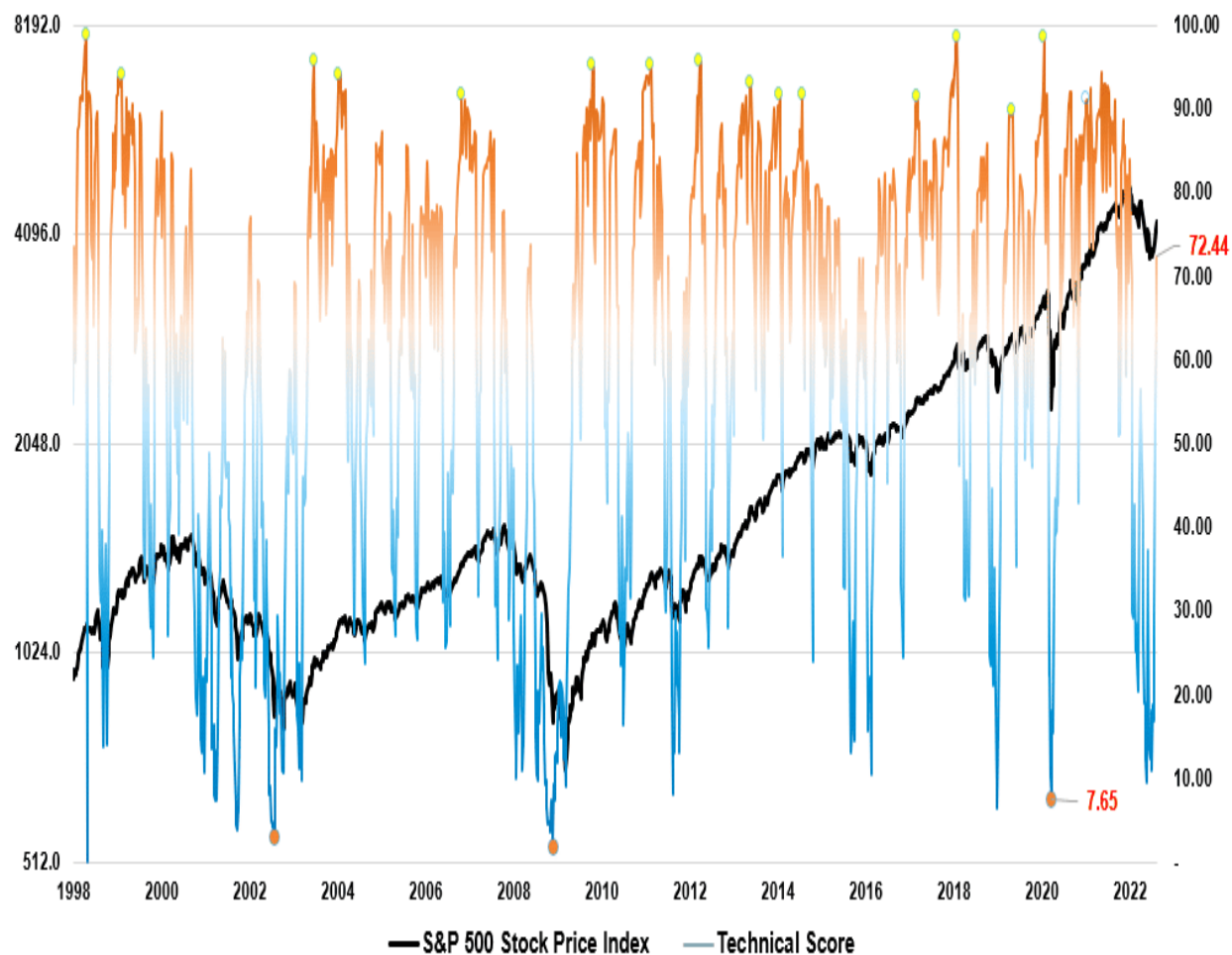
Technical Composite

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. Markets tend to peak when readings are at 80 or above, which suggests profit taking and risk management are prudent. The best buying opportunities are when readings are 20 or below.

The current reading is 72.44 out of a possible 100 and rising. Remain long equities for now.

Technical Overbought/Sold Composite

SimpleVisor™

— S&P 500 Stock Price Index — Technical Score

Technical Overbought/Sold Composite

SimpleVisor™
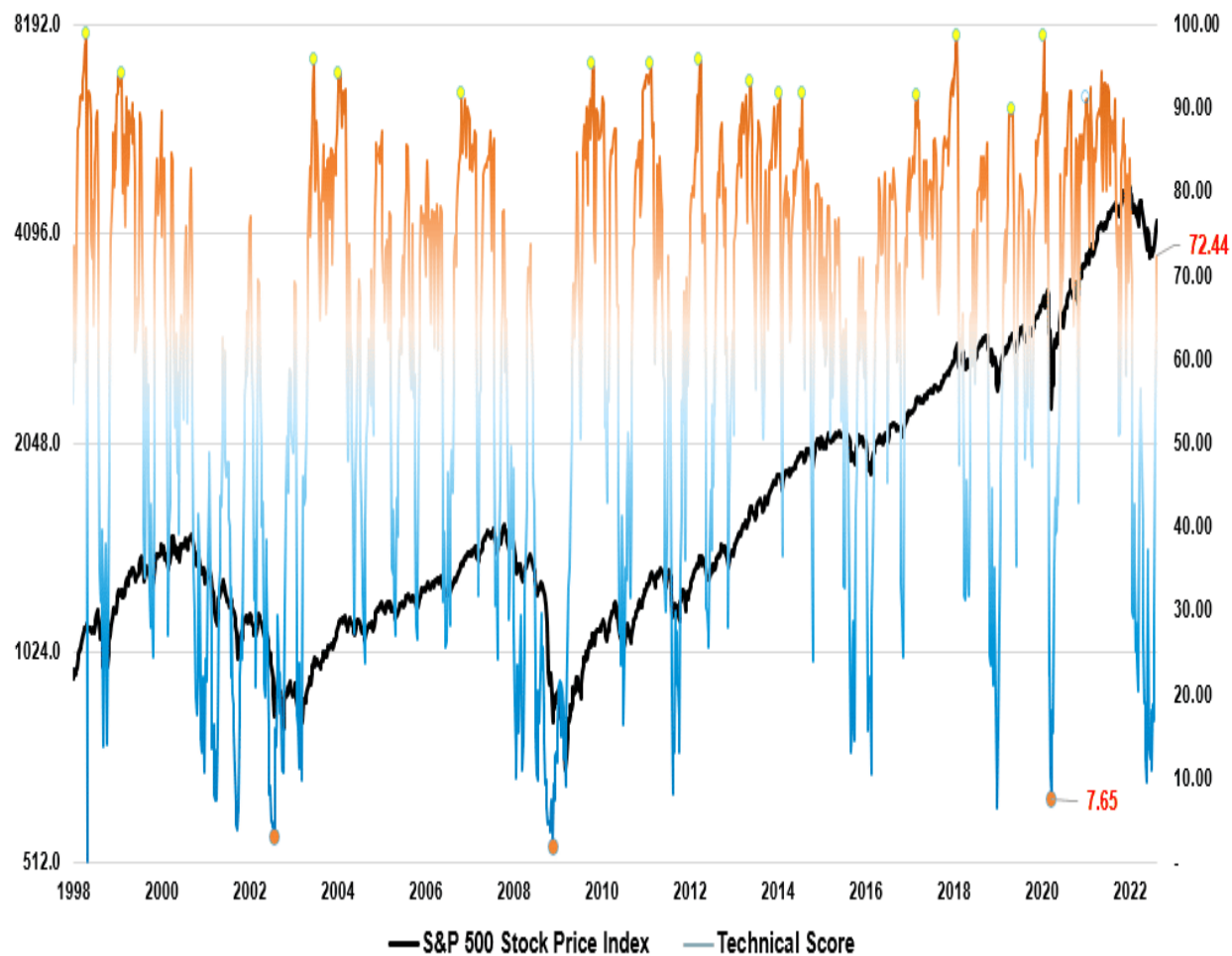
— S&P 500 Stock Price Index — Technical Score

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 to 100. It is a rarity that it reaches levels above 90. The c*urrent reading is 59.73 out of a possible 100.*

MARKET GREED/FEAR INDEX
(AAII, INVI, Bullish Pct, Put/Call, NAAIM, VIX)
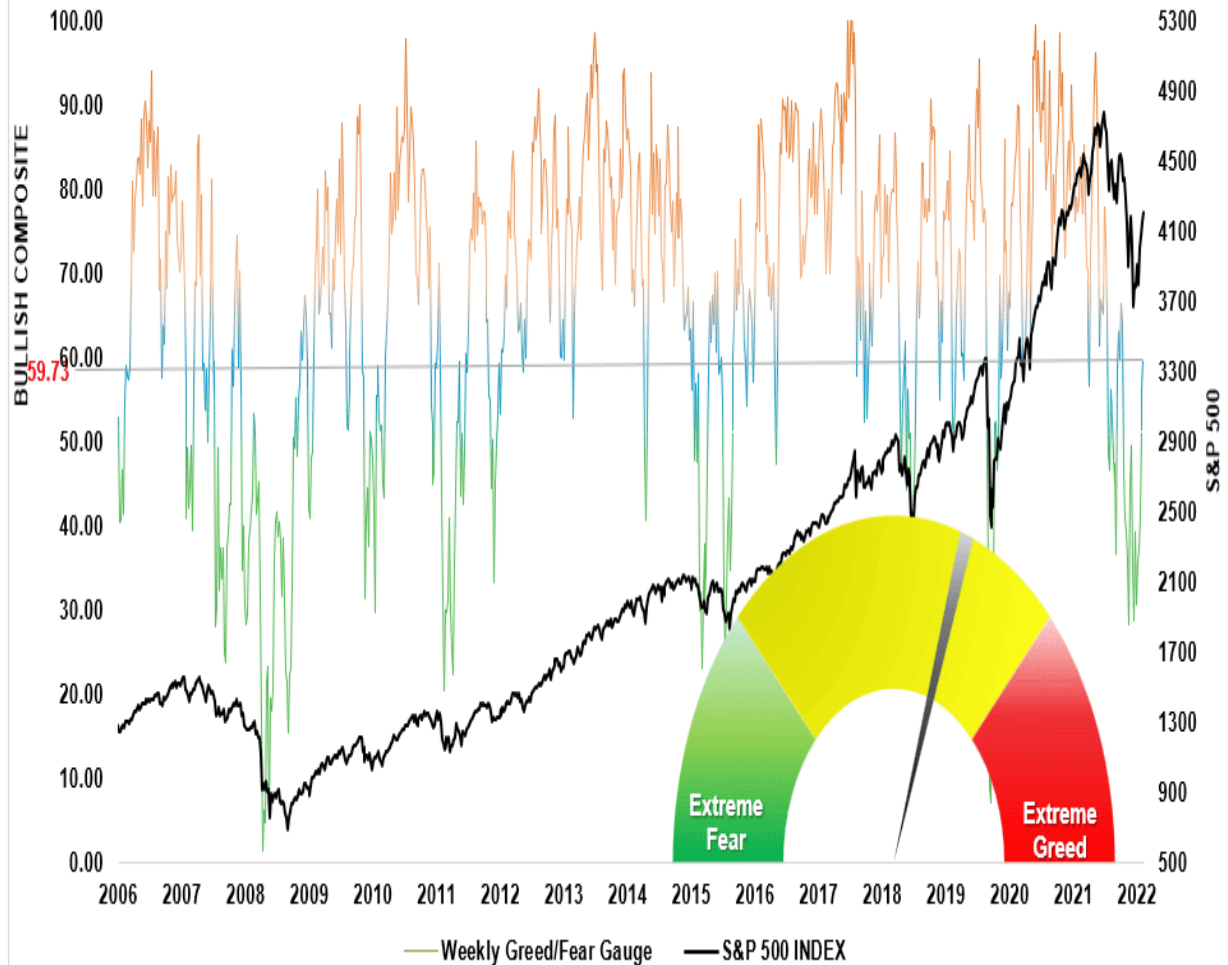
MARKET GREED/FEAR INDEX
(AAII, INVI, Bullish Pct, Put/Call, NAAIM, VIX)
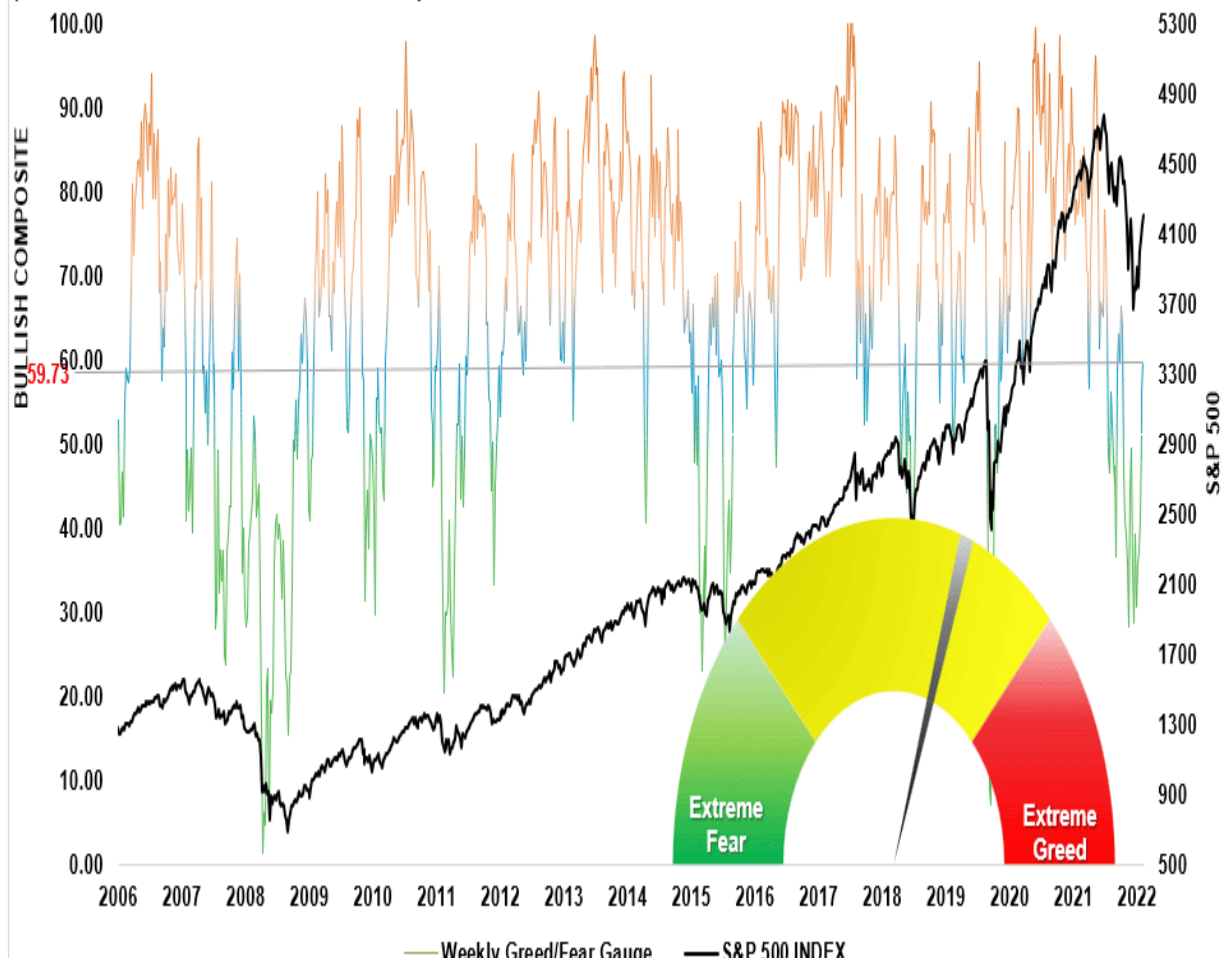
Sector Model Analysis & Risk Ranges

How To Read This Table

- *The table compares the relative performance of each sector and market to the S&P 500 index.*
- *?M/A 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. (Ranges reset on the 1st of each month)*
- *The table shows the price deviation above and below the weekly moving averages.*

The risk/range table resets at the first of each month, **Already, just two weeks into the month, many markets and sectors are trading well above their historical monthly trading ranges. Such usually is not sustainable, and the big deviations from the short-term moving averages also argue for a correction.** It is worth noting that most markets and sectors still trade with *?bearish?* crossovers of short- and long-term moving averages.

RISK RANGE REPORT

Ticker	ETF NAME	Current Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	SHORT WMA	LONG WMA	MONTH END PRICE	REL S&P BETA	RISK RANGE HIGH	LOW	% DEV Short M/A	% DEV Long M/A	M/A XVER SIGNAL
IVV	ISHARS-SP500	429.25	3.29	10.88	9.70	(2.36)	(4.15)	397.01	426.39	414.28	1.00	424.64	403.92	8%	1%	BEARISH
XLB	SPDR-MATLS SELS	81.12	1.91	1.72	(11.28)	(1.46)	(2.01)	78.32	83.07	78.13	1.04	80.90	75.36	4%	-2%	BEARISH
XLC	SPDR-COMM SV SS	59.56	1.04	(3.39)	(7.04)	(10.73)	(24.25)	56.84	64.44	56.37	1.00	58.34	54.40	5%	-8%	BEARISH
XLE	SPDR-EGY SELS	78.47	4.09	3.52	(13.73)	16.28	62.94	77.74	73.23	78.42	1.39	81.47	75.37	1%	7%	BULLISH
XLF	SPDR-FINL SELS	35.56	2.26	1.01	(1.68)	(6.70)	(3.67)	32.98	36.20	33.71	1.11	34.93	32.49	8%	-2%	BEARISH
XLK	SPDR-TECH SELS	150.61	(0.85)	2.89	5.22	(0.07)	1.33	135.36	147.67	144.22	1.10	149.41	139.03	11%	2%	BEARISH
XLI	SPDR-INDU SELS	99.84	0.58	4.09	1.56	3.07	(0.76)	91.18	97.07	95.64	1.12	99.10	92.18	10%	3%	BEARISH
XLP	SPDR-CONS STPL	75.51	(2.12)	(7.36)	(2.89)	1.83	8.29	73.03	74.96	74.49	0.56	76.77	72.21	3%	1%	BEARISH
XLRE	SPDR-RE SELS	45.54	0.88	0.19	(2.17)	1.66	1.59	42.25	45.42	44.34	0.77	45.79	42.89	8%	0%	BEARISH
XLU	SPDR-UTIL SELS	76.72	0.07	(0.90)	(2.76)	15.88	15.86	71.33	70.97	73.95	0.47	76.14	71.76	8%	8%	BULLISH
XLV	SPDR-HLTH CR	133.62	(1.64)	(8.25)	(6.74)	4.40	4.10	129.17	131.95	132.40	0.73	136.68	128.12	3%	1%	BEARISH
XLY	SPDR-CONS DISCR	169.91	0.12	6.43	11.31	(1.21)	(2.26)	149.14	169.14	162.83	1.21	168.88	156.78	14%	0%	BEARISH
XTN	SPDR-SP TRANSPT	81.24	(0.61)	6.98	(0.20)	(4.97)	(1.25)	73.29	81.25	76.74	1.30	79.66	73.82	11%	0%	BEARISH
SDY	SPDR-SP DIV ETF	130.89	0.61	(1.19)	(2.23)	6.63	8.43	122.49	125.14	126.56	0.84	130.79	122.33	7%	5%	BEARISH
RSP	INVS-SP5 EQ ETF	151.62	0.65	0.73	(2.31)	0.08	1.77	141.03	149.80	145.84	1.06	151.03	140.65	8%	1%	BEARISH
SLY	SPDR-SP6 SC	91.53	0.57	2.43	0.13	0.78	(0.52)	84.21	89.46	88.16	1.14	91.37	84.95	9%	2%	BEARISH
MDY	SPDR-SP MC 400	477.40	1.18	2.70	(0.04)	0.65	(0.00)	437.73	465.94	458.63	1.13	475.26	442.00	9%	2%	BEARISH
EEM	ISHARS-EMG MKT	41.05	(0.82)	(4.62)	(9.92)	(10.95)	(16.49)	40.39	43.92	39.96	0.71	41.24	38.68	2%	-7%	BEARISH
EFA	ISHARS-EAFE	66.76	(0.60)	(2.15)	(11.19)	(8.20)	(13.85)	64.91	70.41	65.72	0.82	67.90	63.54	3%	-5%	BEARISH
IAU	ISHARS-GOLD TR	34.21	(1.71)	(5.29)	(12.07)	(2.51)	5.16	34.13	35.14	33.45	0.10	34.32	32.58	0%	-3%	BEARISH
GDX	VANECK-GOLD MNR	27.22	0.29	(4.51)	(24.80)	(18.49)	(12.91)	28.85	32.34	26.27	0.72	27.12	25.42	-6%	-16%	BEARISH
UUP	INVS-DB US$ BU	28.25	(4.16)	(12.99)	(7.12)	11.68	17.79	28.03	26.95	28.29	(0.14)	28.96	27.62	1%	5%	BULLISH
BOND	PIMCO-TOT RETRN	96.69	(2.95)	(9.37)	(10.44)	(5.37)	(9.13)	95.98	100.75	97.51	0.13	100.08	94.94	1%	-4%	BEARISH
TLT	ISHARS-20+YTB	115.55	(4.08)	(11.39)	(12.20)	(13.22)	(18.06)	115.51	126.94	117.43	(0.07)	120.28	114.58	0%	-9%	BEARISH
BNDX	VANGD-TTL INT B	50.87	(3.48)	(9.38)	(9.40)	(2.22)	(8.05)	50.06	51.98	51.09	0.08	52.41	49.77	2%	-2%	BEARISH
HYG	ISHARS-IBX HYCB	78.94	(2.13)	(6.32)	(6.45)	(3.23)	(5.59)	76.34	80.27	78.19	0.40	80.46	75.92	3%	-2%	BEARISH

Weekly SimpleVisor Stock Screens

Each week we will provide three different stock screens generated from&#2013266080;
[SimpleVisor:](#)&#2013266080;*(RIAPro.net subscribers use your current credentials to log in.)*

This week we are scanning for the Top 20:

- *Relative Strength Stocks*
- *Momentum Stocks*
- *Technically Strong With Strong Fundamentals*

These screens generate portfolio ideas and serve as the starting point for further research.

(Click Images To Enlarge)

RSI Screen

Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD
ADP	10/10 👍	$250.23	79.02	$231.47	$220.65	$221.21	6	7	2	1.70%	9.39
CDNS	10/10 👍	$186.35	70.73	$174.54	$161.47	$157.06	6	7	2	%	8.00
CI	10/10 👍	$286.00	66.20	$274.37	$266.88	$260.76	5	6	3	1.65%	4.40
ENPH	10/10 👍	$292.90	73.44	$252.57	$217.83	$197.92	1	6	3	%	26.42
MCK	10/10 👍	$358.76	70.53	$337.17	$326.01	$322.28	1	7	2	0.66%	7.04
NLSN	10/10 👍	$27.45	72.70	$24.05	$23.92	$24.97	4	8	2	0.99%	0.42
VICI	10/10 👍	$34.82	76.24	$33.52	$31.65	$30.23	4	6	4	4.23%	0.93
VRTX	10/10 👍	$292.16	61.04	$284.89	$278.79	$271.58	1	6	2	%	2.75
JKHY	9/10 👍	$206.89	71.11	$201.97	$190.11	$190.45	—	7	2	0.97%	6.20
MPC	9/10 👍	$96.71	61.38	$89.15	$91.84	$90.48	—	9	1	2.58%	1.21
PWR	9/10 👍	$141.25	60.92	$134.77	$129.10	$126.49	4	8	3	0.20%	2.83
TWTR	9/10 👍	$43.94	71.30	$40.42	$39.12	$41.49	1	7	3	%	1.24
CF	8/10 👍	$102.37	68.62	$92.46	$90.19	$95.63	1	9	3	1.62%	3.63
CHRW	8/10 👍	$117.43	71.98	$105.16	$103.53	$104.43	—	5	3	2.01%	3.01
DG	8/10 👍	$251.87	61.62	$248.64	$242.97	$236.96	5	6	4	0.87%	3.02
ED	8/10 👍	$98.48	64.23	$95.62	$94.34	$94.47	1	6	3	3.22%	1.47
HII	8/10 👍	$227.34	65.73	$214.54	$213.05	$211.11	—	5	2	2.06%	4.08
OXY	8/10 👍	$65.69	53.13	$61.81	$61.78	$60.94	5	7	1	0.85%	0.15
SO	8/10 👍	$77.90	69.52	$74.62	$72.58	$73.18	1	5	3	3.52%	1.73
VLO	8/10 👍	$114.09	53.75	$107.66	$114.88	$112.94	—	8	1	3.58%	-0.69

Momentum Screen

Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD
ENPH	10/10 👍	$292.90	73.44	$252.57	$217.83	$197.92	1	6	3	%	26.42
EPAM	10/10 👍	$435.61	78.23	$354.22	$329.78	$314.42	1	6	3	%	30.23
GWW	10/10 👍	$566.36	76.08	$507.93	$486.26	$491.02	5	6	2	1.27%	24.56
MPWR	10/10 👍	$517.97	69.23	$467.02	$434.01	$434.09	7	6	3	0.57%	31.83
PAYC	10/10 👍	$377.90	72.52	$332.62	$308.87	$309.28	1	8	3	%	18.58
CMG	9/10 👍	$1,631.09	77.61	$1,468.64	$1,375.83	$1,419.47	1	7	3	%	83.31
AZO	8/10 👍	$2,230.83	62.88	$2,170.86	$2,128.87	$2,082.97	5	7	3	%	21.14
IT	8/10 👍	$299.59	77.66	$267.30	$254.53	$267.55	6	7	3	%	13.55
MSCI	8/10 👍	$501.12	74.70	$461.52	$436.55	$446.69	1	6	—	1.01%	21.12
ODFL	8/10 👍	$315.39	70.07	$285.75	$267.17	$272.62	6	7	3	0.41%	12.24
TDG	8/10 👍	$661.50	80.17	$603.27	$574.73	$596.58	5	8	3	%	25.27
INTU	7/10 👍	$478.77	68.50	$436.83	$411.55	$423.15	8	5	2	0.58%	18.74
TSLA	7/10 👍	$859.89	61.13	$825.94	$753.92	$831.72	4	7	1	%	40.67
TYL	7/10 👍	$407.22	69.54	$382.32	$354.66	$375.19	1	4	3	%	19.00
URI	7/10 👍	$332.22	73.65	$294.52	$275.94	$296.85	3	8	3	%	16.66
BLK	6/10 👍	$728.65	76.01	$654.61	$638.16	$658.49	2	6	3	2.92%	22.56
MTD	6/10 👍	$1,346.79	63.96	$1,267.26	$1,223.48	$1,266.88	1	7	2	%	41.54
SPGI	6/10 👍	$386.17	72.72	$365.94	$348.27	$363.16	6	8	3	0.92%	9.77
ADBE	5/10 👎	$434.89	66.52	$405.74	$395.83	$408.80	6	7	3	%	12.49
LMT	5/10 👎	$428.85	61.95	$409.54	$418.68	$430.59	5	7	3	2.61%	3.98

Technical & Fundamental Strength Screen

Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD
ADP	10/10 👍	$250.23	79.02	$231.47	$220.65	$221.21	6	7	2	1.70%	9.39
EPAM	10/10 👍	$435.61	78.23	$354.22	$329.78	$314.42	1	6	3	%	30.23
GPC	10/10 👍	$156.61	74.46	$146.77	$139.77	$135.59	1	8	3	2.37%	4.21
GWW	10/10 👍	$566.36	76.08	$507.93	$486.26	$491.02	5	6	2	1.27%	24.56
LW	10/10 👍	$80.31	67.02	$77.60	$72.82	$67.97	4	5	3	1.22%	2.37
AVY	9/10 👍	$198.76	72.83	$182.59	$172.68	$172.81	5	6	3	1.55%	7.59
BR	9/10 👍	$169.73	80.14	$159.07	$149.39	$148.93	4	3	3	1.55%	5.95
CMG	9/10 👍	$1,631.09	77.61	$1,468.64	$1,375.83	$1,419.47	1	7	3	%	83.31
JKHY	9/10 👍	$206.89	71.11	$201.97	$190.11	$190.45	—	7	2	0.97%	6.20
AAPL	8/10 👍	$168.49	73.10	$157.74	$147.73	$153.96	5	7	1	0.55%	5.70
CTAS	8/10 👍	$429.64	73.31	$409.24	$389.73	$394.99	6	7	3	0.94%	12.47
IEX	8/10 👍	$214.02	74.19	$199.92	$190.84	$191.12	5	7	2	1.14%	7.00
IT	8/10 👍	$299.59	77.66	$267.30	$254.53	$267.55	6	7	3	%	13.55
KEYS	8/10 👍	$166.72	67.68	$156.42	$146.79	$146.70	1	8	2	%	6.33
MRNA	8/10 👍	$171.81	54.87	$169.08	$154.39	$153.43	4	6	3	%	6.49
NDAQ	8/10 👍	$186.57	77.92	$173.74	$161.69	$163.09	—	5	3	0.44%	7.02
ODFL	8/10 👍	$315.39	70.07	$285.75	$267.17	$272.62	6	7	3	0.41%	12.24
PH	8/10 👍	$302.26	75.13	$276.02	$263.96	$269.84	6	9	3	1.83%	10.47
WM	8/10 👍	$169.74	74.60	$160.35	$155.08	$157.04	1	7	3	1.56%	4.61
CMI	7/10 👍	$223.88	67.56	$211.03	$204.47	$202.78	5	7	4	2.88%	5.51
ETSY	7/10 👍	$114.68	73.20	$99.40	$87.71	$97.30	—	7	3	%	7.39
FDS	7/10 👍	$433.15	70.27	$413.73	$392.82	$400.39	—	5	2	0.83%	9.96
IQV	7/10 👍	$242.00	65.74	$227.76	$218.41	$220.22	1	7	3	%	5.60
KLAC	7/10 👍	$372.75	56.10	$364.02	$343.27	$342.54	5	7	3	1.06%	13.62
NDSN	7/10 👍	$238.50	73.58	$222.67	$213.28	$216.13	7	8	2	0.90%	6.65
SNA	7/10 👍	$228.74	69.91	$215.86	$209.55	$212.08	1	9	3	2.55%	5.30
TMO	7/10 👍	$592.54	61.32	$570.85	$551.72	$557.40	5	7	3	0.20%	12.12
TT	7/10 👍	$158.64	77.12	$142.95	$135.77	$140.37	5	8	3	1.78%	6.37
TXN	7/10 👍	$182.06	65.60	$171.88	$163.51	$169.23	5	9	2	2.51%	6.31
UNH	7/10 👍	$532.86	59.17	$530.99	$508.75	$508.51	1	5	3	1.22%	7.85
URI	7/10 👍	$332.22	73.65	$294.52	$275.94	$296.85	3	8	3	%	16.66
AMP	6/10 👍	$283.32	72.40	$254.49	$250.78	$266.37	3	7	2	1.85%	8.33
AON	6/10 👍	$296.69	67.57	$282.40	$272.73	$289.06	6	5	3	0.78%	5.39
COST	6/10 👍	$532.20	61.01	$531.59	$497.15	$516.34	5	8	3	0.66%	12.48
HON	6/10 👍	$198.51	72.62	$185.10	$183.13	$188.36	1	6	4	2.05%	4.29
ITW	6/10 👍	$213.17	73.46	$198.10	$193.13	$199.38	0	6	3	2.34%	6.32
JBHT	6/10 👍	$192.89	70.25	$176.82	$169.24	$174.30	6	7	1	0.90%	5.40
MCO	6/10 👍	$317.60	71.85	$299.59	$285.29	$301.06	5	7	3	0.90%	9.05

SimpleVisor Portfolio Changes

We post all of our portfolio changes as they occur at&#2013266080;*SimpleVisor:*

Aug 11th

> *?We are rebalancing our energy exposure in the Equity model only by selling Marathon Oil (MRO) and adding to Exxon Mobil and Devon Energy. Energy has gone through a decent correction and turned back on short-term buy signals, and with a weakening dollar, such should bode well for energy stocks. While we like MRO, the consolidation into XOM and DVN boosted our overall dividend yield of the portfolio.?*

Equity Model Only

- *Sell 100% of Marathon Oil (MRO)*
- *Increase XOM to 2% of the portfolio.*
- *Increase DVN to 2% of the portfolio.*

Aug 12th

> *?While we are holding an outsized position in cash in our bond allocation to hedge against interest rate risk, we are moving 10% of that allocation to the 1-3 Month Treasury Bill ETF (BIL) for now to earn a better yield than money market and what we currently have allocated to Floating Rate Treasuries (TFLO). This is a temporary parking spot for cash until we begin to add to our longer-duration holdings as a recession becomes more evident.?*

Both Equity And ETF Models

- *Initiate a 10% position into SPDR 1-3 Month Treasury Bills (BIL)*

Lance Roberts, CIO

Have a great week!

[ad_2]
Source link