
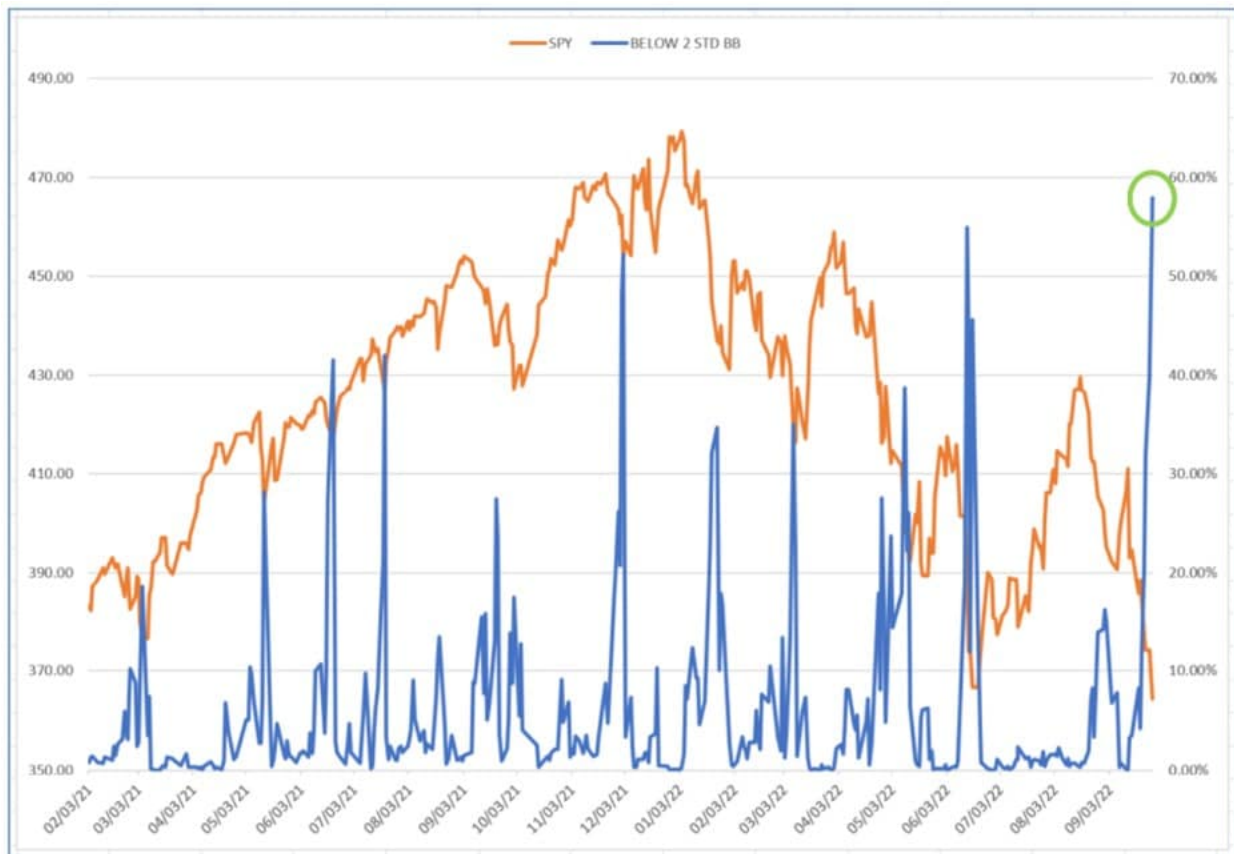




The TPA Marketscope shows that stocks are very oversold. The SPY is down 14% since 8/16/22 and the 14-day RSI is 27 (30 is oversold). In addition, 3 separate indicators are showing alerts that stocks are at an extreme:

- |   |  |                       |                           |   |   |  |  |  |  |  |  |
|---|--|-----------------------|---------------------------|---|---|--|--|--|--|--|--|
| <b>TPA MARKETSCOPE</b> (most indicators use Top 1000 stocks, detailed explanation below)  |  |                       |                           | Tuesday, September 27, 2022   |   |  |  |  |  |  |  |
| Since 2009, TPA has used the indicators below to identify extreme inflection points in the market for institutional clients.  |  |                       |                           |  |   |  |  |  |  |  |  |
|   |  | <b>EXTREME LIMITS</b> |                           |   |   |  |  |  |  |  |  |
| <b>INDICATORS</b>   |  | <b>TODAY</b>          | <b>LOW</b><br><b>HIGH</b> | <b>ALERT</b><br><br><b>STRONG BUY</b><br><br><br><b>BUY</b><br><br><b>Extreme</b>     | <b>HISTORICAL IMPORTANCE</b>  |  |  |  |  |  |  |
| Percent Term Market Score (SPY, see below)  |  | -3.5880               | -3.50 4.00                |   | Works better for the BUY side - accurate on the BUY side 4 out of 5 times since 2010. |  |  |  |  |  |  |
| Percent Stocks Above 2 STD DEV Bollinger Band   |  | 0.20%                 | 0.20% 40%                 |   | Valid short term indicator of an overbought market.                                   |  |  |  |  |  |  |
| Percent Stocks Below 2 STD DEV Bollinger Band   |  | 58.03%                | 40%                       |   | Valid short term indicator of an oversold market.                                     |  |  |  |  |  |  |
| Percent Stocks Above 50DMA  |  | 4.43%                 | 15% 85%                   |   | Very accurate on the BUY side. Effective irregularly on the SELL side.                |  |  |  |  |  |  |
| Percent Stocks RSI above 70   |  | 0.30%                 | 0.30% 30%                 |   | Mildly successful on predicting short term tops.                                      |  |  |  |  |  |  |
| Percent Stocks RSI below 30   |  | 44.83%                | 55%                       |   | Valid indicator of short term lows.   |  |  |  |  |  |  |
| Percent Stocks 50DMA > 200DMA   |  | 27.29%                | 25% 70%                   |   | Medium term indicator of a low extreme and high extreme. (see note below)             |  |  |  |  |  |  |
| Percent R1000 @ bottom 10% of 2 Std Dev BB Band   |  | 31.40%                | 40%                       |   | Monitor   |  |  |  |  |  |  |
| Percent R1000 @ top 10% of 2 Std Dev BB Band  |  | 0.10%                 | 40%                       |   | Monitor   |  |  |  |  |  |  |
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| <b>TPA 30 DAY MARKET EXTREME SIGNAL</b>   |  |                       |                           |   |   |  |  |  |  |  |  |
| <b>EXPLANATION OF TPA MARKET SCORE:</b> A daily analysis of S&P 500 relative to the normal distribution using the 2 standard deviation Bollinger Band. TPA then adjusts the SCORE by the amount of overbought or oversold as measured by RSI. |  |                       |                           |   |   |  |  |  |  |  |  |
|   |  |                       |                           | SPY LAST<br>364.31  |   |  |  |  |  |  |  |
|   |  |                       |                           | TPA MARKET SCORE<br>-3.58802  |   |  |  |  |  |  |  |
|   |  |                       |                           | TPA MARKET SIGNAL<br>STRONG BUY   |   |  |  |  |  |  |  |
|   |  |                       |                           | VALUE OF 1 STD DEV (SPX POINTS)<br>11.37  |   |  |  |  |  |  |  |
|   |  |                       |                           | 14 DAY RSI<br>77.43   |   |  |  |  |  |  |  |
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## Pair - Buy Bonds versus Stocks

<b>Pair – Buy: LQD,</b>	<b>Sell: SPY</b>
<b>Target +25%</b>	<b>Stop -5%</b>

Even though stocks are oversold, Bonds are very, very oversold. Yesterday, Deutsche Bank said that Global bonds are now in their first bear market in 76 years, after having dropped 20% from their peaks - using research dating back to 1786. The last time global bonds fared so poorly was in 1946 at the end of World War II.

The first chart below shows Investment Grade Corporate Bonds (ETF-LQD) in the past 18 months. The RSI = 27. Chart 2 shows LQD versus the S&P500 (ETF-SPY). Note that LQD/SPY broke out of a 2-year downtrend in May and has held its breakout level for 4 months. The next level of long-term resistance is much higher just below the 0.38 level or 33% higher than Monday's close (see chart 3).

Chart 4 shows the relative performance of LQD and SPY over the past 2 years. SPY is still up 12%, but LQD is down 19%.

## LQD



## LQD/SPY – 5 YEARS





## LQD/SPY – 2 YEARS



## RELATIVE PERFORMANCE OF LQD AND SPY – 2 YEARS

