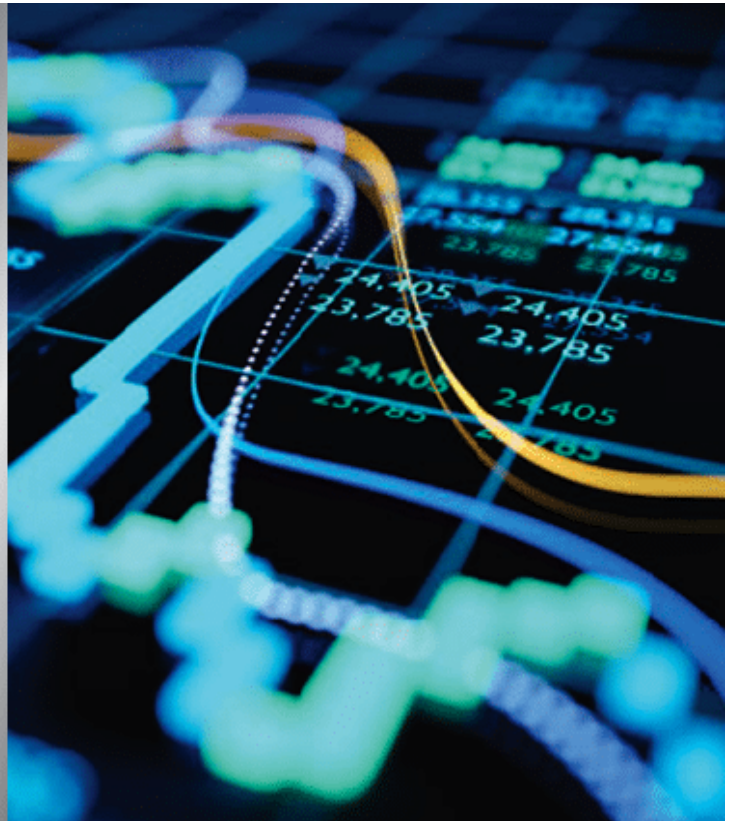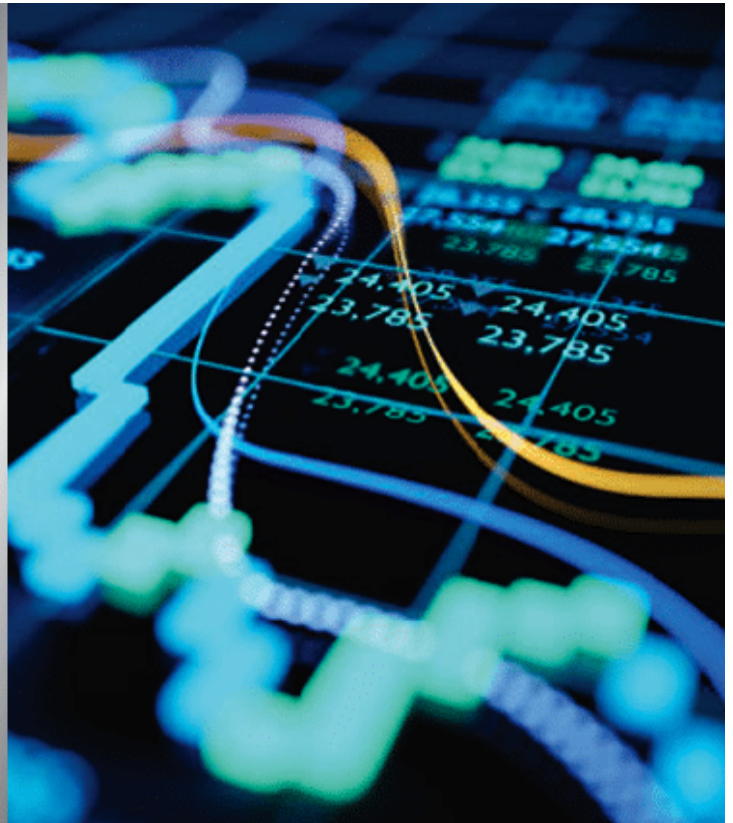# RIA Advice

As Rates Rise, Why I Personally Doubled Down On Bonds

By Lance Roberts | August 19, 2023

Inside This Week?s Bull Bear Report

- *The Correction Continues*
- *As Rates Rise, Why I Am Buying Bonds*
- *How We Are Trading It*
- *Research Report ? A Recession Is Coming, Or Is It?*
- *Youtube ? Before The Bell*
- *Market Statistics*
- *Stock Screens*
- *Portfolio Trades This Week*

Market Review & Update

This week we will discuss why I doubled my bond position in my personal account. That may seem odd, given that rates have continued to tick up this past week. Much of the recent increase was related to a knee-jerk reaction to the July FOMC minutes, which failed to show signs of an aggressive timeline to cut rates. Notably, the rate uptick only improved the fundamental backdrop of bonds versus stocks.

However, a review of the recent market correction is needed before this week?s main topic.

During July, we repeatedly suggested a correction was needed to work off the short-term overbought condition of the broad market. To wit:
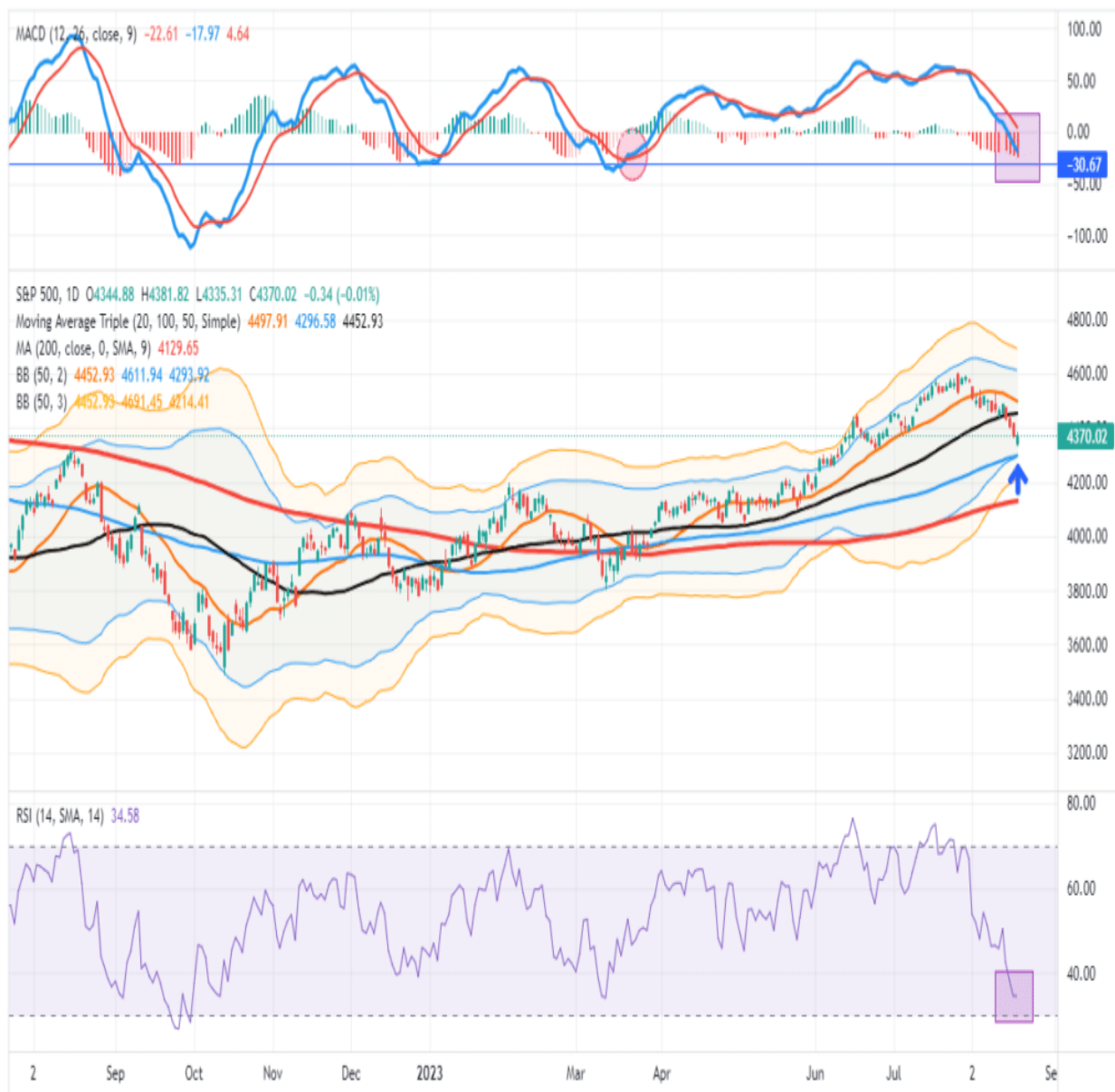
> ?*We must remember that market advances can only go so far before an eventual correction occurs. My best guess is that if the markets are to reach all-time highs this year, we will likely have a correction to reset some of the more extreme overbought*

conditions, as shown below. Any pullback to the 50-DMA is likely a good entry point to increase exposure on a better risk/reward basis.? ? **[Trading An Unstoppable Bull Market](#)**

The correction began the following week. Since then, the market took out initial support at the 50-DMA, our initial target, and is approaching the 100-DMA. In Friday morning?s **[pre-market commentary](#)**, I noted:

> **?While the market is oversold enough to bounce, the break of the 50-DMA has been decisive enough to suggest that the 100-DMA is the next logical support level.** *The MACD, as noted previously, is firmly entrenched in its&#2013266080;?sell signal?&#2013266080;but is reaching levels that normally mark bottoms during bullish corrections.* **While I would expect a rally as soon as today, that rally will likely remain contained below the 50-DMA for now.***?*
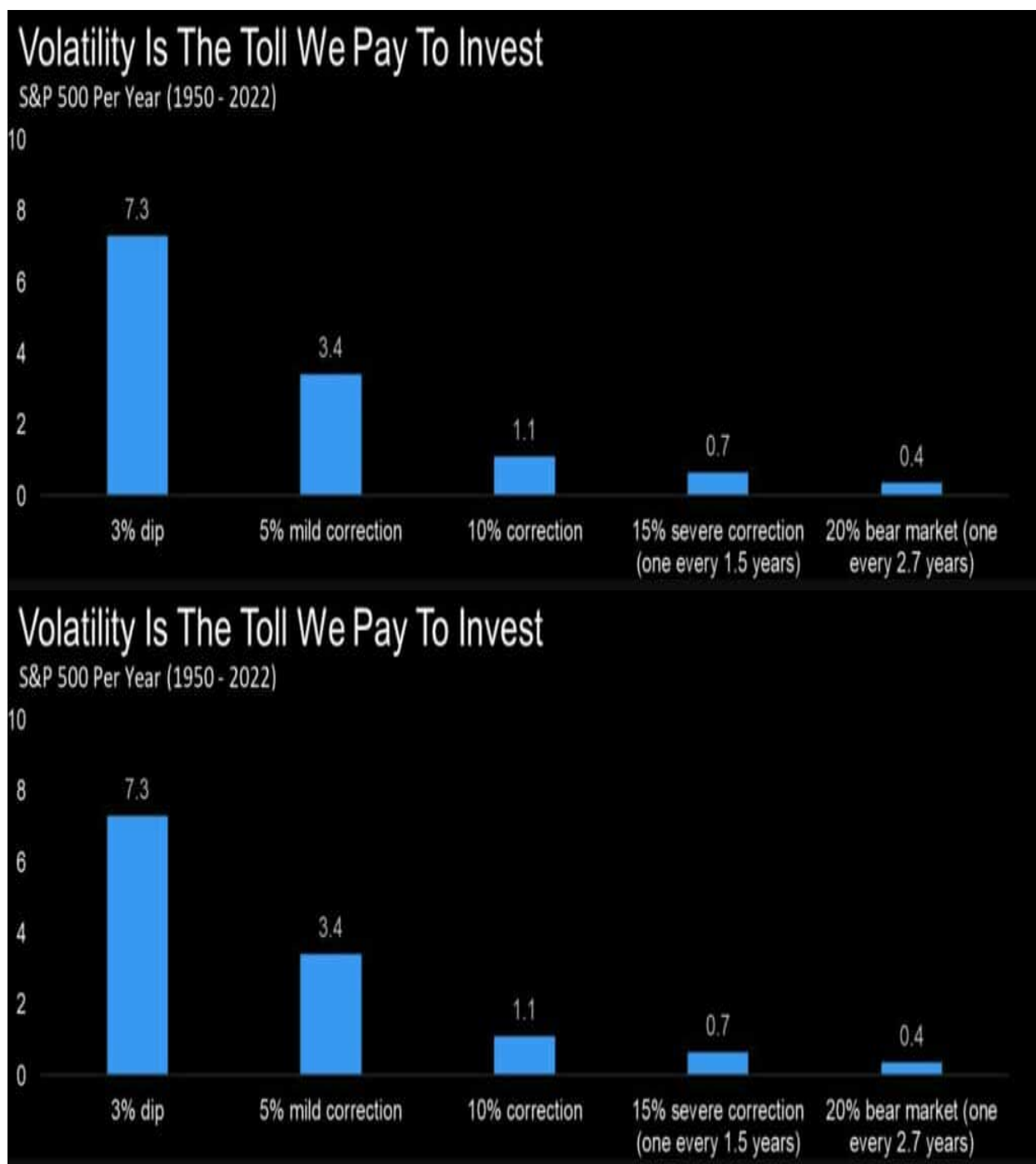
As shown, while the market did end flat on Friday, it rallied pretty strongly from the opening lows. A further *?relief rally?* next week will be unsurprising, with the market still very oversold. Any failed test of the 50-DMA will be a reasonable point to reduce equity risk and rebalance portfolio allocations as needed.

MACD (12, 26, close, 9) -22.61 -17.97 4.64

S&P 500, 1D O4344.88 H4381.82 L4335.31 C4370.02 -0.34 (-0.01%)
Moving Average Triple (20, 100, 50, Simple) 4497.91 4296.58 4452.93
MA (200, close, 0, SMA, 9) 4129.65
BB (50, 2) 4452.93 4611.94 4293.92
BB (50, 3) 4452.93 4691.45 4214.41

RSI (14, SMA, 14) 34.58

TradingView

The overall market momentum and sentiment remain bullish, and the correction, so far, remains orderly and normal. **_As discussed_**, a 3-10% correction is normal in any given year.

Volatility Is The Toll We Pay To Invest
S&P 500 Per Year (1950 - 2022)

Volatility Is The Toll We Pay To Invest
S&P 500 Per Year (1950 - 2022)

As long as nothing *?breaks,?* when this corrective cycle completes, we expect a rally into year-end. Such will be a function of performance chasing as portfolio managers play catch up into year-end.

We will continue to monitor things closely, but with stocks sporting high valuations, there are several reasons why I am excited about bonds.

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.

As Rates Rise, Why I Am Buying Bonds

In **_last week?s newsletter_**, I made the following statement.

> ?As the analysis shows, bonds are currently very undervalued relative to stocks. As such, the performance pickup over the next 18-24 months will likely be rather significant. Such is particularly the case if the U.S. does slip into a recession or even if economic growth slows below 2%. Both outcomes remain likely possibilities, given the deep inversion of yield curves.
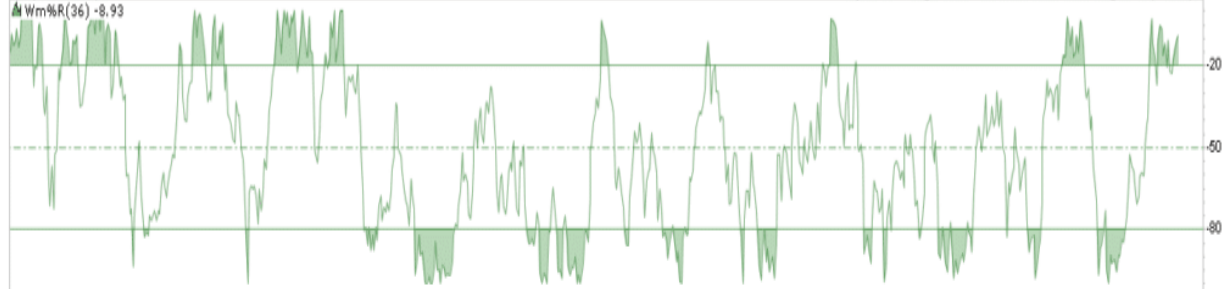>
> **This analysis is also why I doubled my Treasury Bond ETF (TLT) position in my personal investment account this past week**. Given that global Central Banks, and Government politicians, can not afford high inflation or a defaulting economic cycle, the pressure to suppress rates will continue to increase. The math provides a clear roadmap for the future.?
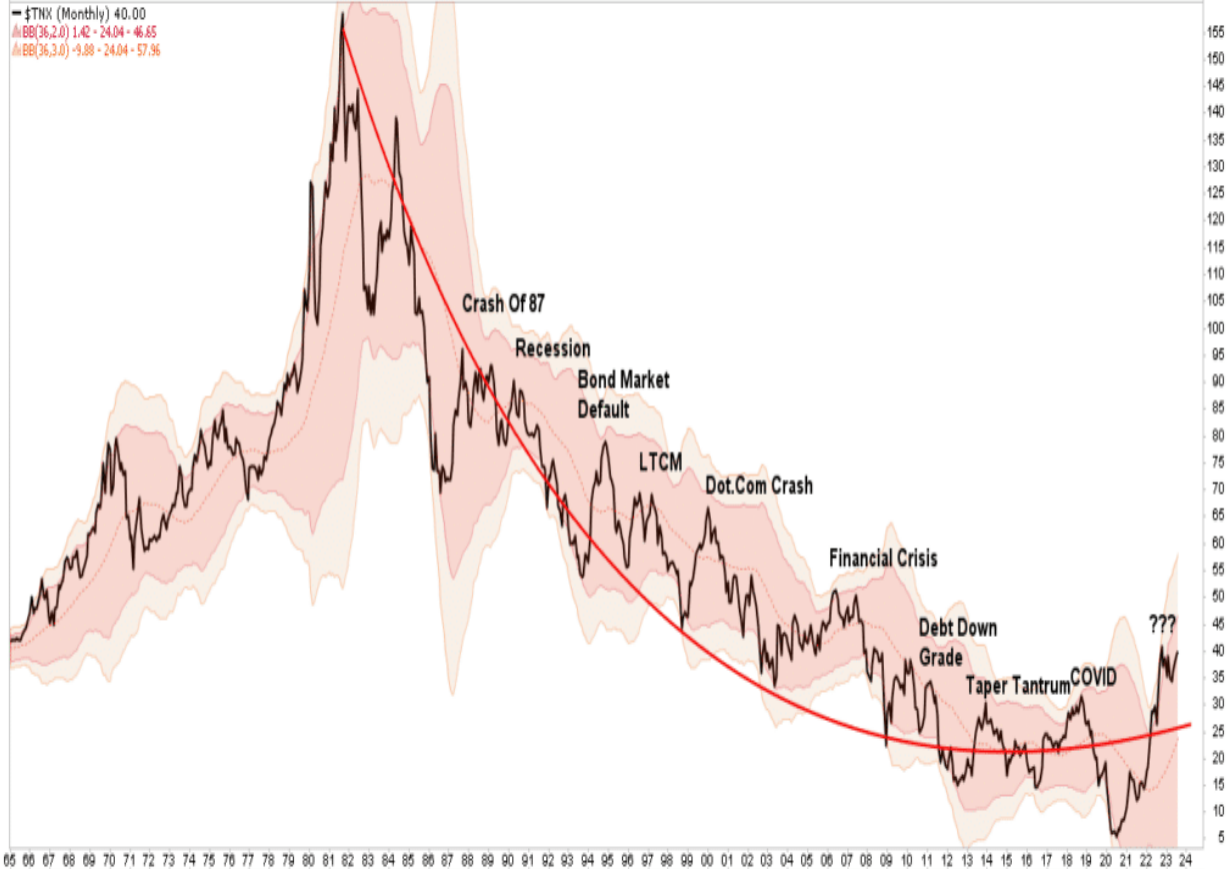
$TNX CBOE 10-Year US Treasury Yield INDX
9-Aug-2023 12:09pm
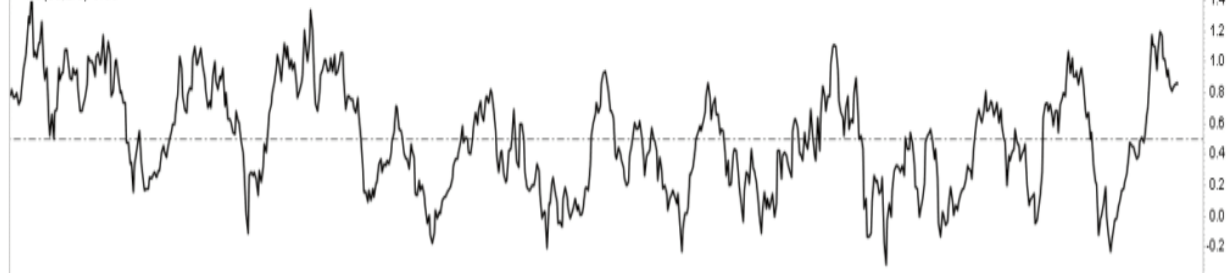Open 40.01 High 42.06 Low 39.84 Last 40.00 Chg +0.41 (+1.04%) ▲

©StockCharts.com

Wm%R(36) -8.93

— $TNX (Monthly) 40.00
BB(36,2.0) 1.42 - 24.04 - 46.65
BB(36,3.0) -9.88 - 24.04 - 57.96

Crash Of 87

Recession

Bond Market
Default

LTCM

Dot.Com Crash

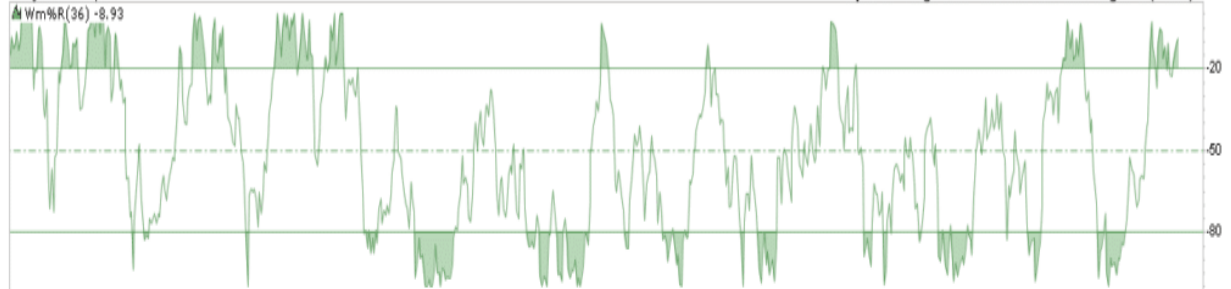Financial Crisis

Debt Down
Grade

Taper Tantrum COVID

???

—%B(36,2.0) 0.85

$TNX CBOE 10-Year US Treasury Yield INDX
9-Aug-2023 12:09pm
Open 40.01 High 42.06 Low 39.84 Last 40.00 Chg +0.41 (+1.04%) ▲

©StockCharts.com

Wm%R(36) -8.93

— $TNX (Monthly) 40.00
BB(36,2.0) 1.42 - 24.04 - 46.65
BB(36,3.0) -9.88 - 24.04 - 57.96

Unsurprisingly, that comment sparked many emails questioning my position on bonds. After all, my thesis directly contradicts recent statements by Ray Dalio, Bill Ackman, Bill Gross, and others. Therefore, I thought I would use this week?s message to explain further my decision and, most importantly, my timeframe.

However, for this discussion, it is crucially important to understand the mechanics behind bonds.

Unlike stocks, bonds have a finite value. At maturity, the lender receives its principal and final interest payment. Therefore, bond buyers know the price they pay today for the return they will get tomorrow. Unlike an equity buyer taking on *?investment risk,?* a bond buyer is *?loaning?* money to another entity for a specific period. Therefore, the *?interest rate?* takes into account several substantial *?risks:?*

- *Default risk*
- *Rate risk*
- *Inflation risk*
- *Opportunity risk*
- *Economic growth risk*

Since the future return of any bond, on the date of purchase, is calculable to 1/100th of a cent, a bond buyer will not pay a price that yields a negative return in the future. *(This assumes a holding period until maturity. One might purchase a negative yield on a trading basis if expectations are benchmark rates will decline further.)*

Therefore, since bonds are loans to borrowers, a bond?s interest rate is tied to the prevailing rate environment at the time of issuance. **In other words, the interest rate reflects expectations for economic growth and inflation.**
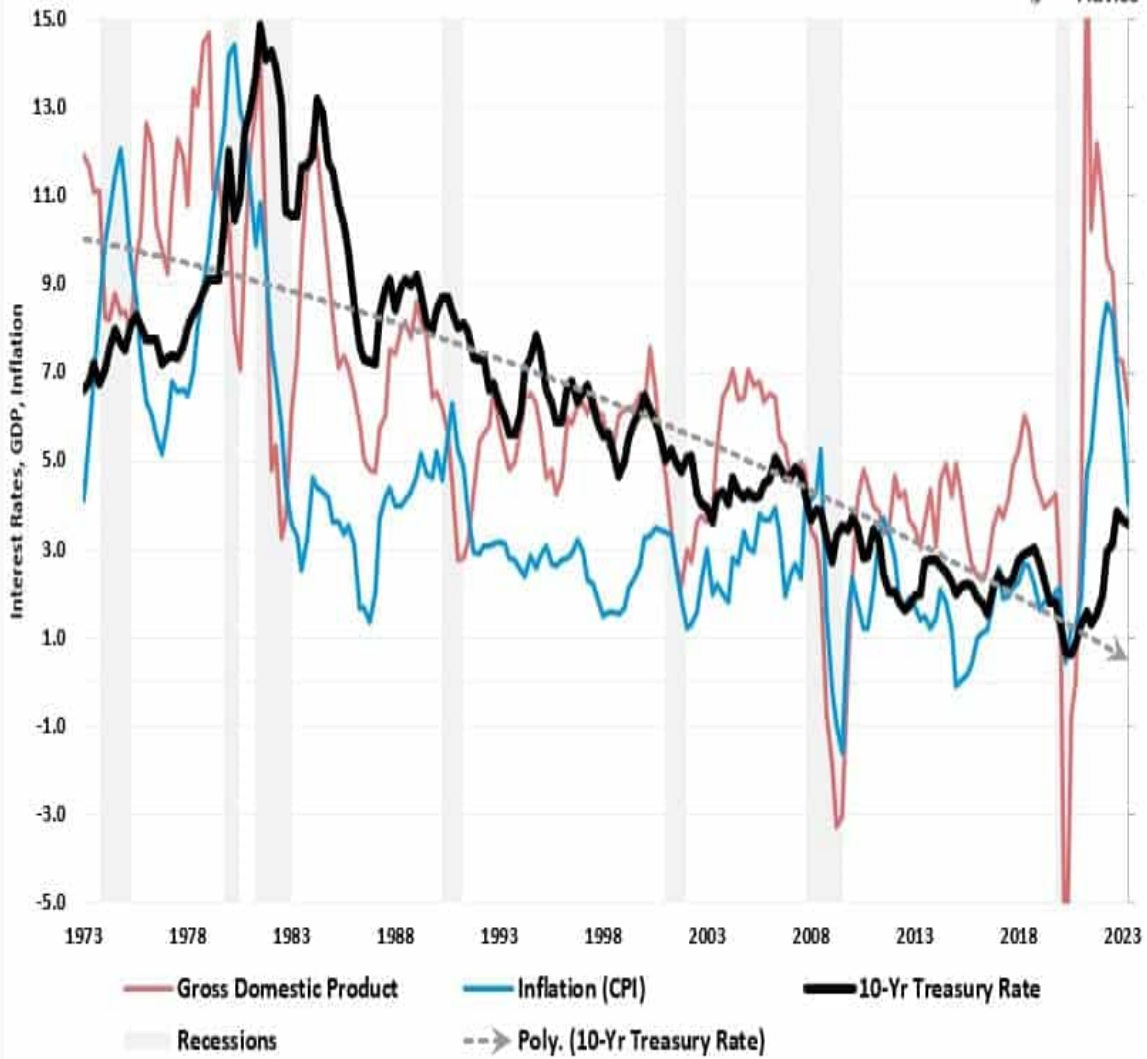
It?s The Economy Stupid

Since rates and expectations must adjust for the potential future impact on the current value of invested capital:

- *Equity investors expect that as economic growth and inflationary pressures increase, the value of invested capital will increase to compensate for higher costs.*
- *Bond investors have a fixed rate of return. Therefore, the fixed return rate is tied to forward expectations. Otherwise, capital is damaged due to inflation and lost opportunity costs.*
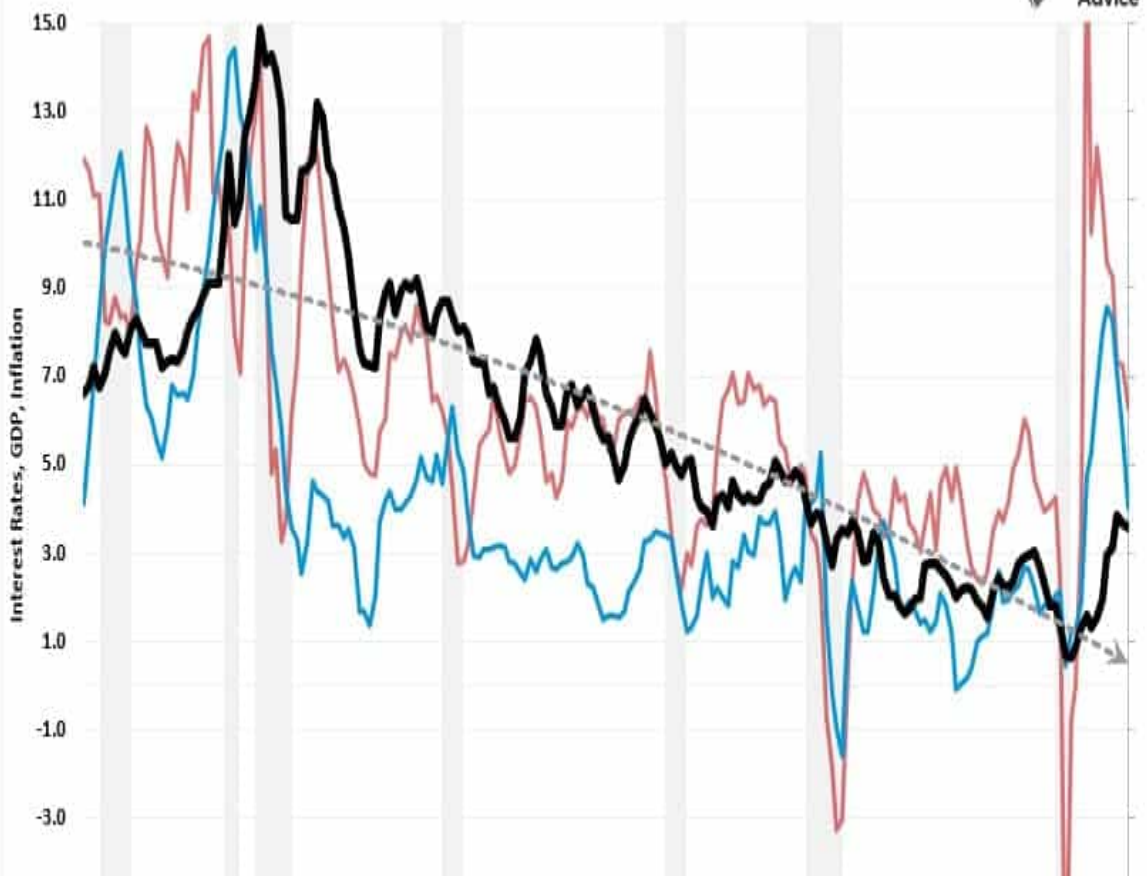
Therefore, the long-term correlation between rates, inflation, and economic growth is unsurprising.

Interest Rates A Function Of Economic Growth & Inflation

Legend:
- Gross Domestic Product
- Inflation (CPI)
- 10-Yr Treasury Rate
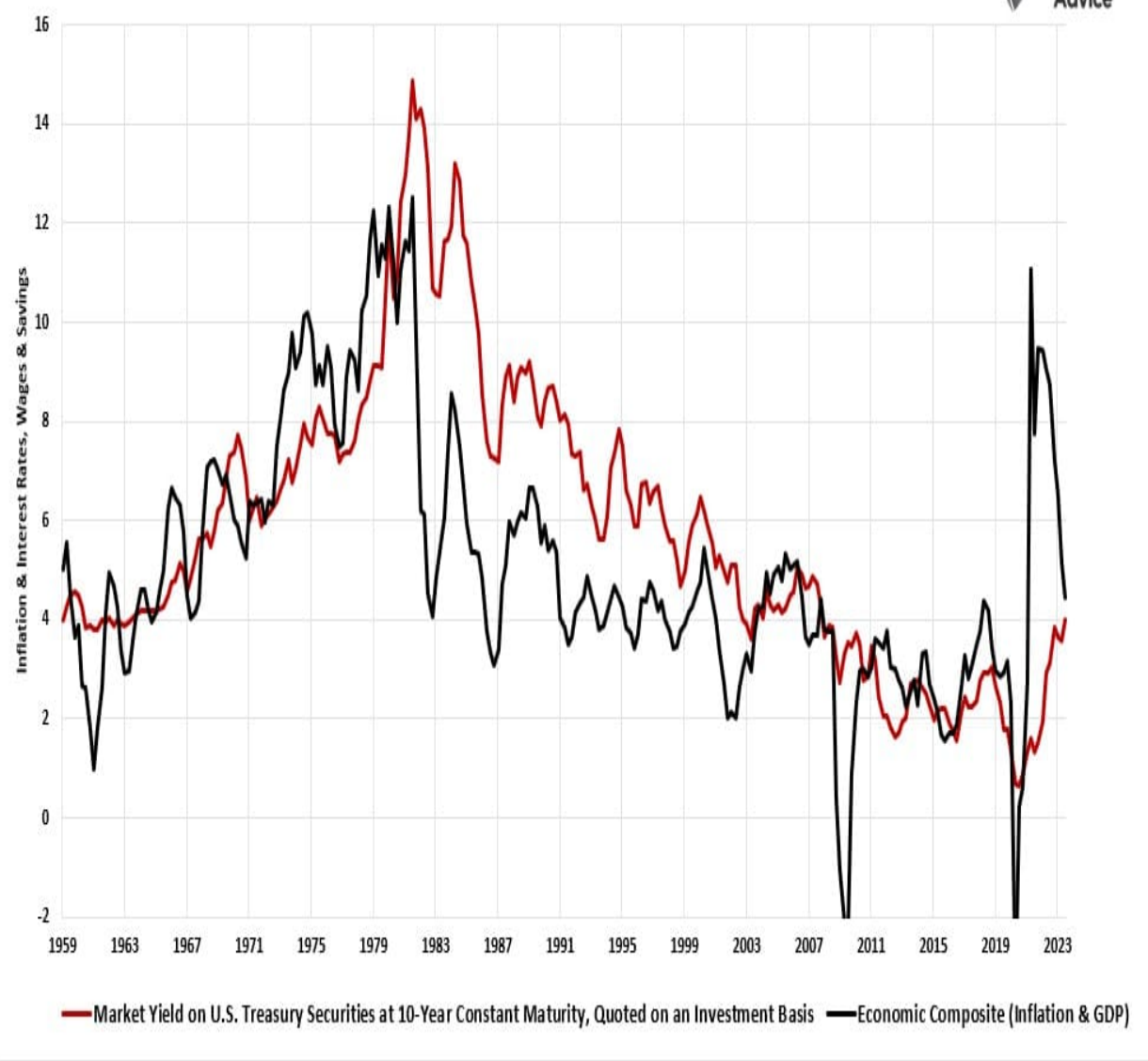- Recessions
- Poly. (10-Yr Treasury Rate)

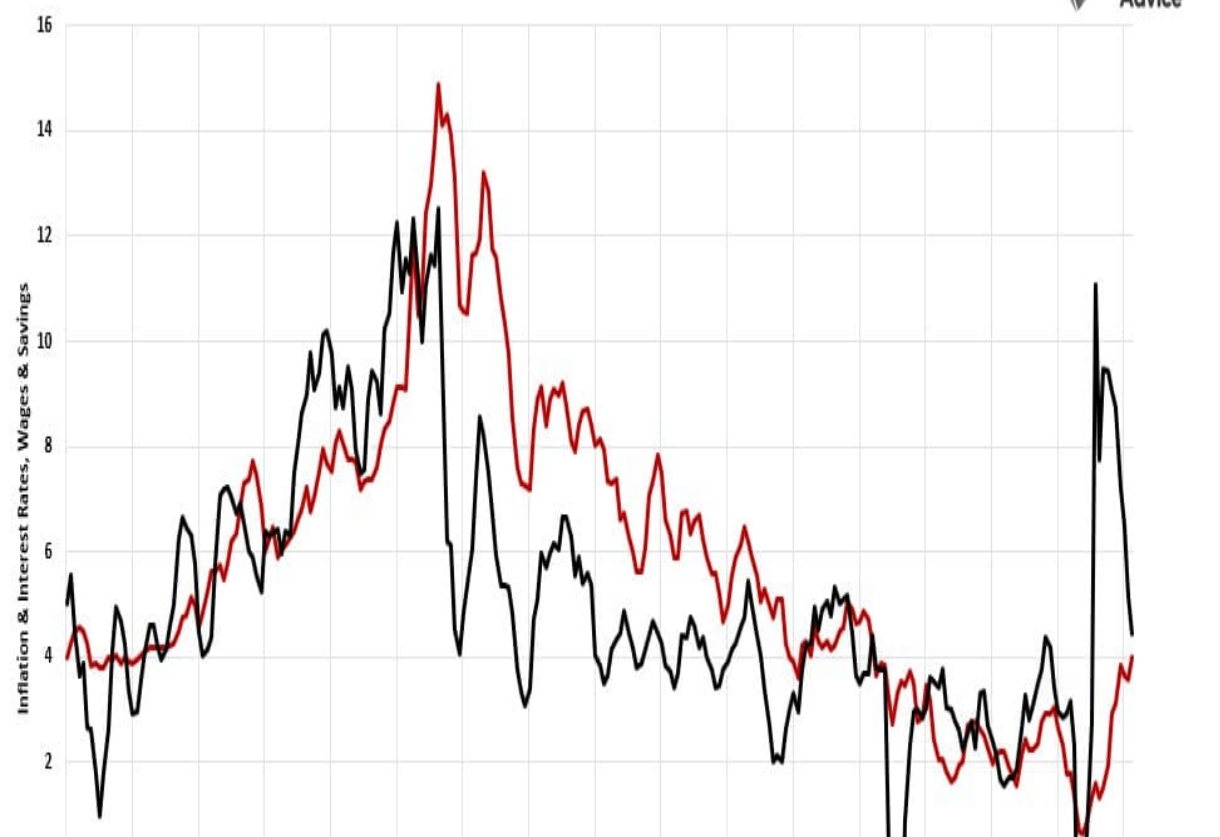## Interest Rates A Function Of Economic Growth & Inflation

That is pretty cluttered, so the following chart is a composite index of inflation and economic growth compared to the 10-year Treasury yield.

Interest Rates vs. Economic Composite (CPI & GDP)

Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis — Economic Composite (Inflation & GDP)
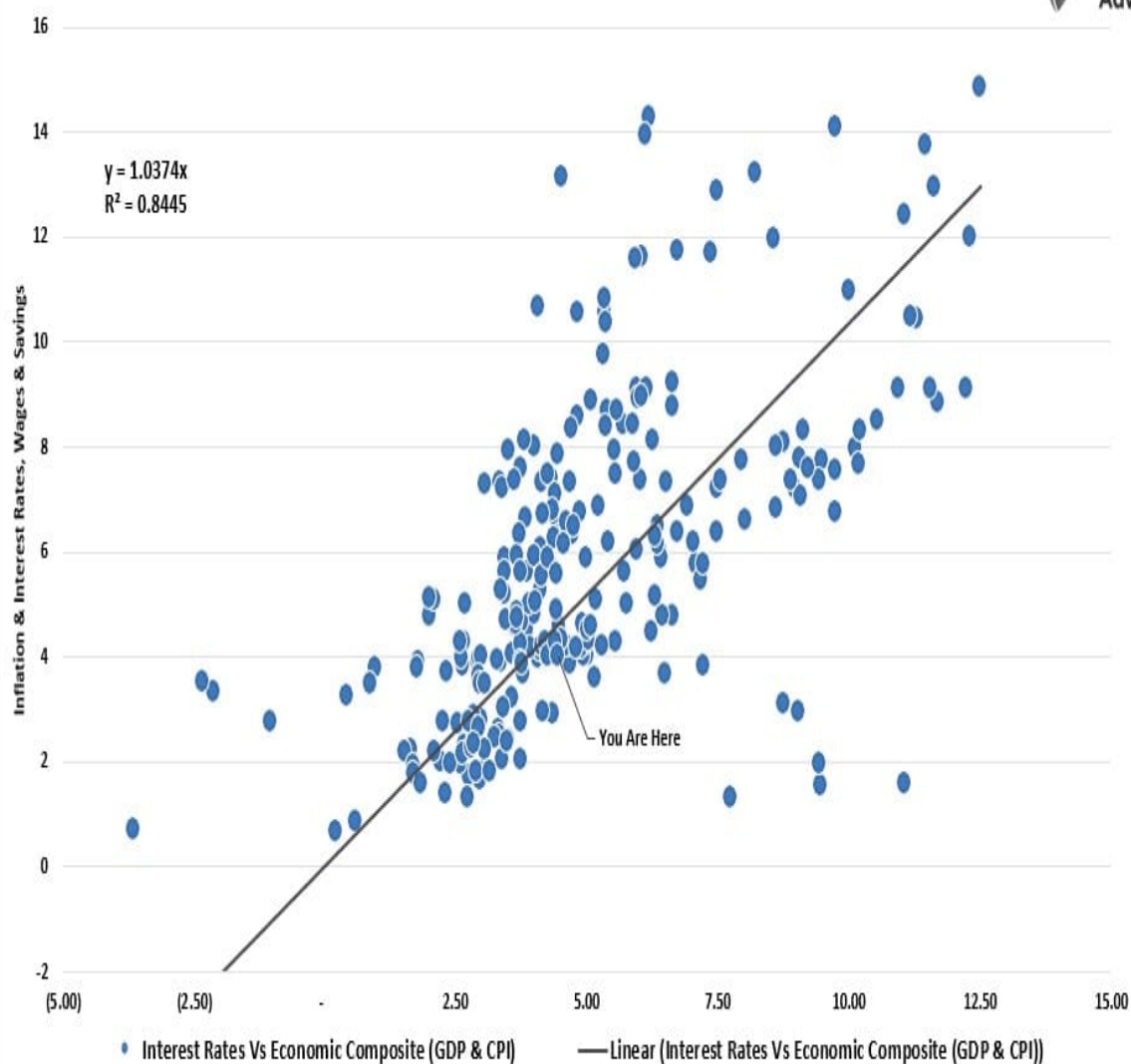
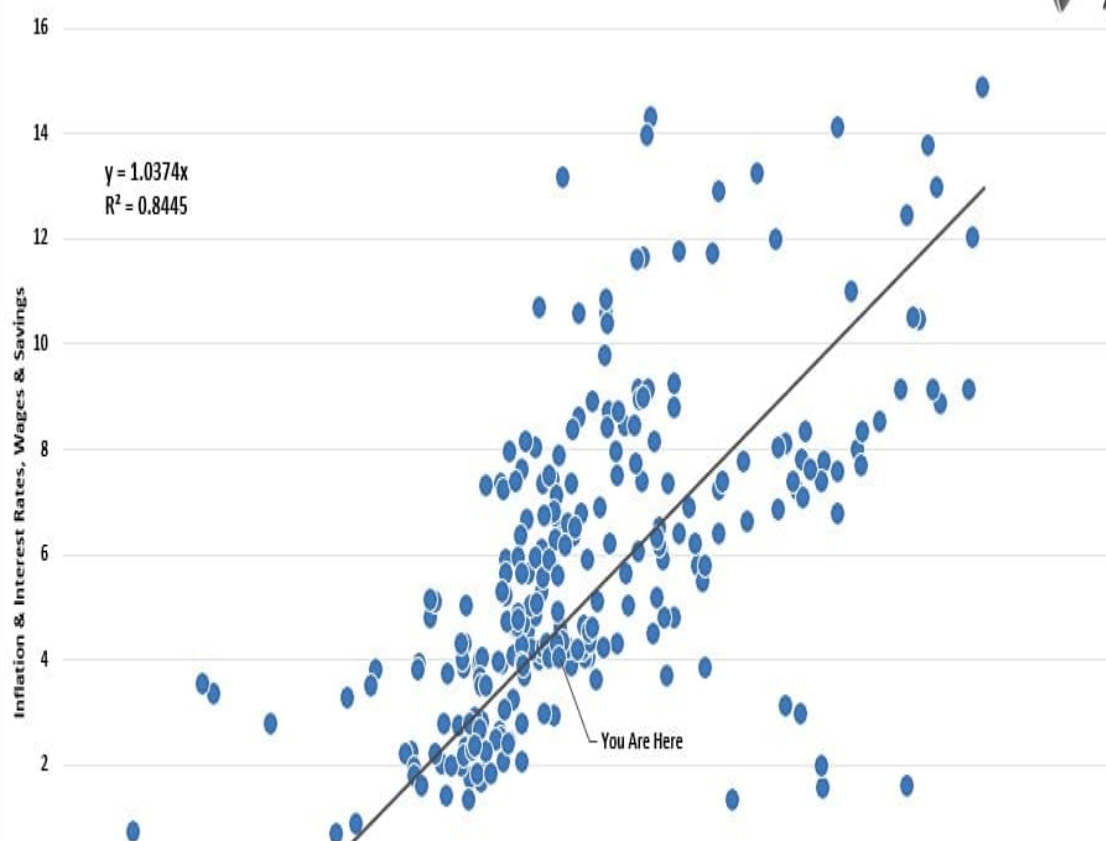# Interest Rates vs. Economic Composite (CPI & GDP)

As expected, the surge in economic growth and inflation pulled longer-duration yields higher. With a correlation of nearly 85% between interest rates and a GDP/Inflation composite index, investors should expect rates to fall as economic growth and inflation decline.

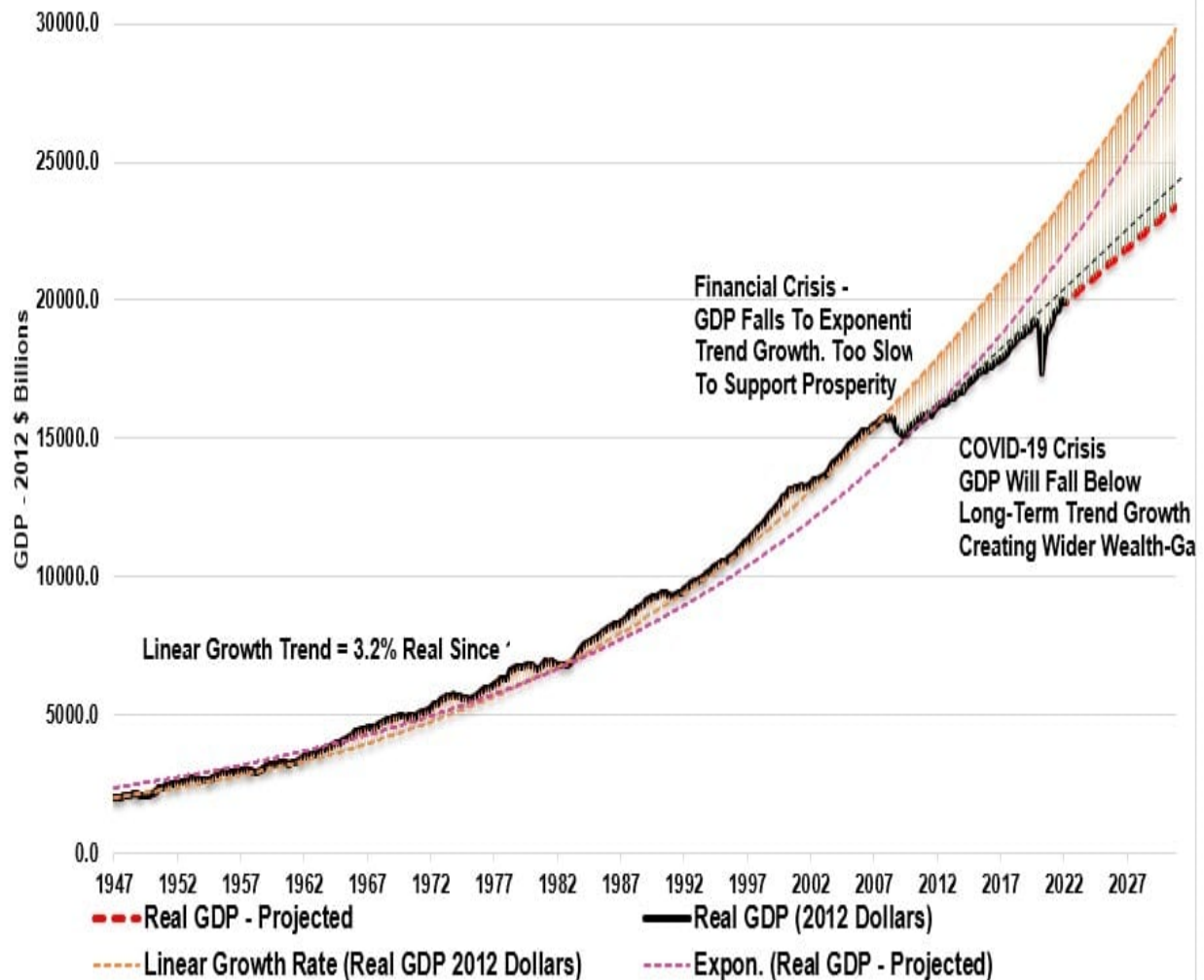## Interest Rates vs. Economic Composite (CPI & GDP)

Real
Investment
Advice

$y = 1.0374x$
$R^2 = 0.8445$

Inflation & Interest Rates, Wages & Savings

You Are Here

16

14

12

10

8

6

4

2

0

-2

(5.00)   (2.50)   -   2.50   5.00   7.50   10.00   12.50   15.00

• Interest Rates Vs Economic Composite (GDP & CPI)   —— Linear (Interest Rates Vs Economic Composite (GDP & CPI))

Interest Rates vs. Economic Composite (CPI & GDP)

Real
Investment
Advice

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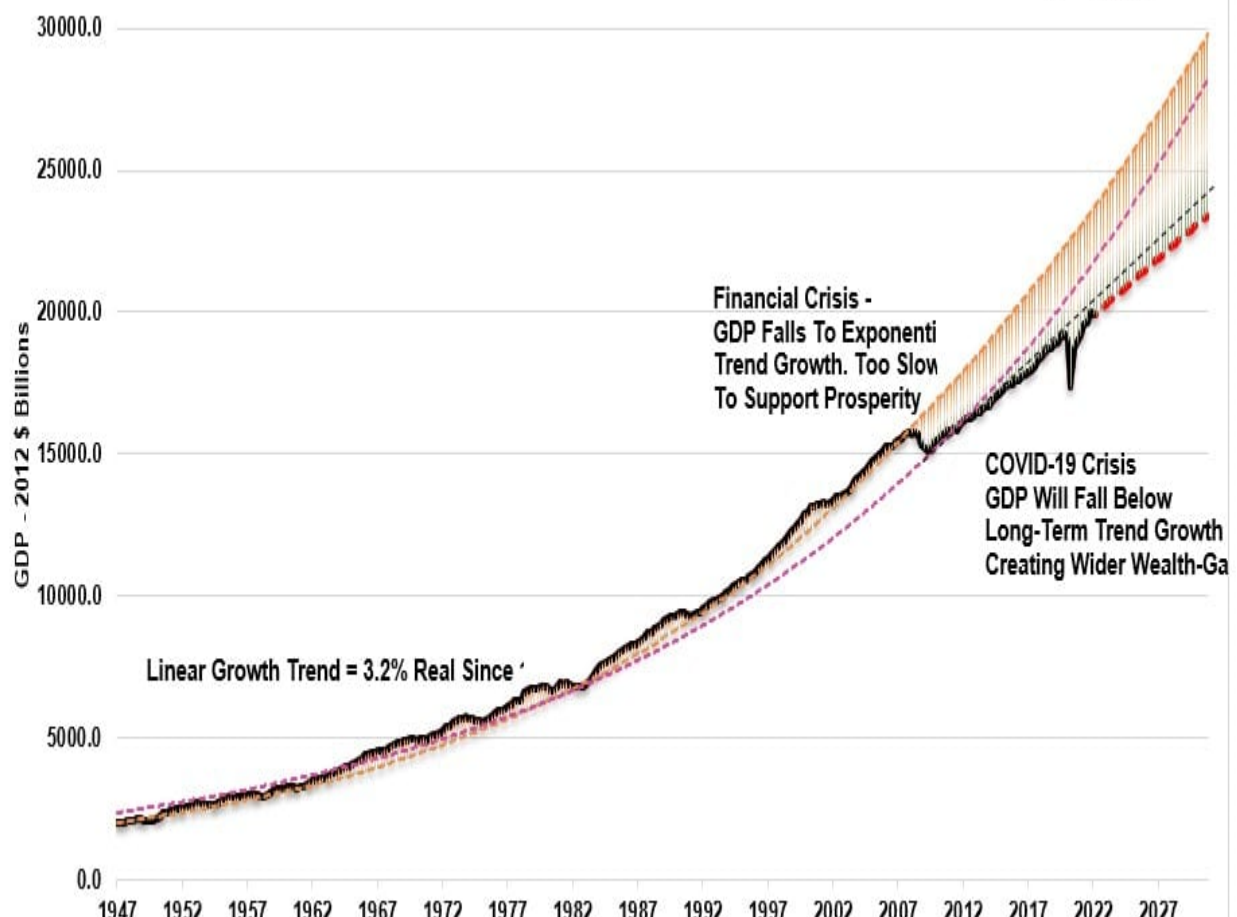
16

14

12

10

8

6

4

2

You Are Here

As debt increases and monetary policies divert capital from productive uses, the expected growth trend will return to levels at or below 2% annualized.

Real GDP "New-New Normal"

Real Investment Advice

GDP – 2012 $ Billions

- - -Real GDP - Projected
——Real GDP (2012 Dollars)
-----Linear Growth Rate (Real GDP 2012 Dollars)
-----Expon. (Real GDP - Projected)

Financial Crisis -
GDP Falls To Exponenti
Trend Growth. Too Slow
To Support Prosperity

COVID-19 Crisis
GDP Will Fall Below
Long-Term Trend Growth
Creating Wider Wealth-Ga

Linear Growth Trend = 3.2% Real Since

Real GDP "New-New Normal"

Real Investment Advice

GDP – 2012 $ Billions

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To Support Prosperity

COVID-19 Crisis
GDP Will Fall Below
Long-Term Trend Growth
Creating Wider Wealth-Ga

Linear Growth Trend = 3.2% Real Since

Such is particularly the case as Central Banks globally have to monetize Government debt to suppress interest rates from causing a global depression. The Congressional Budget Office recently updated its debt trajectory over the next 30 years. **The chart below models that analysis using the growth trend of debt but also factors in the need for the Federal Reserve to monetize nearly 30% of that issuance.**

US Government Debt & Fed Balance Sheet Projected Through 2050

Legend: Federal Debt 2050 Trend Growth | Fed Balance Sheet At 30% Ownership | - - - Growth Trend Of Debt
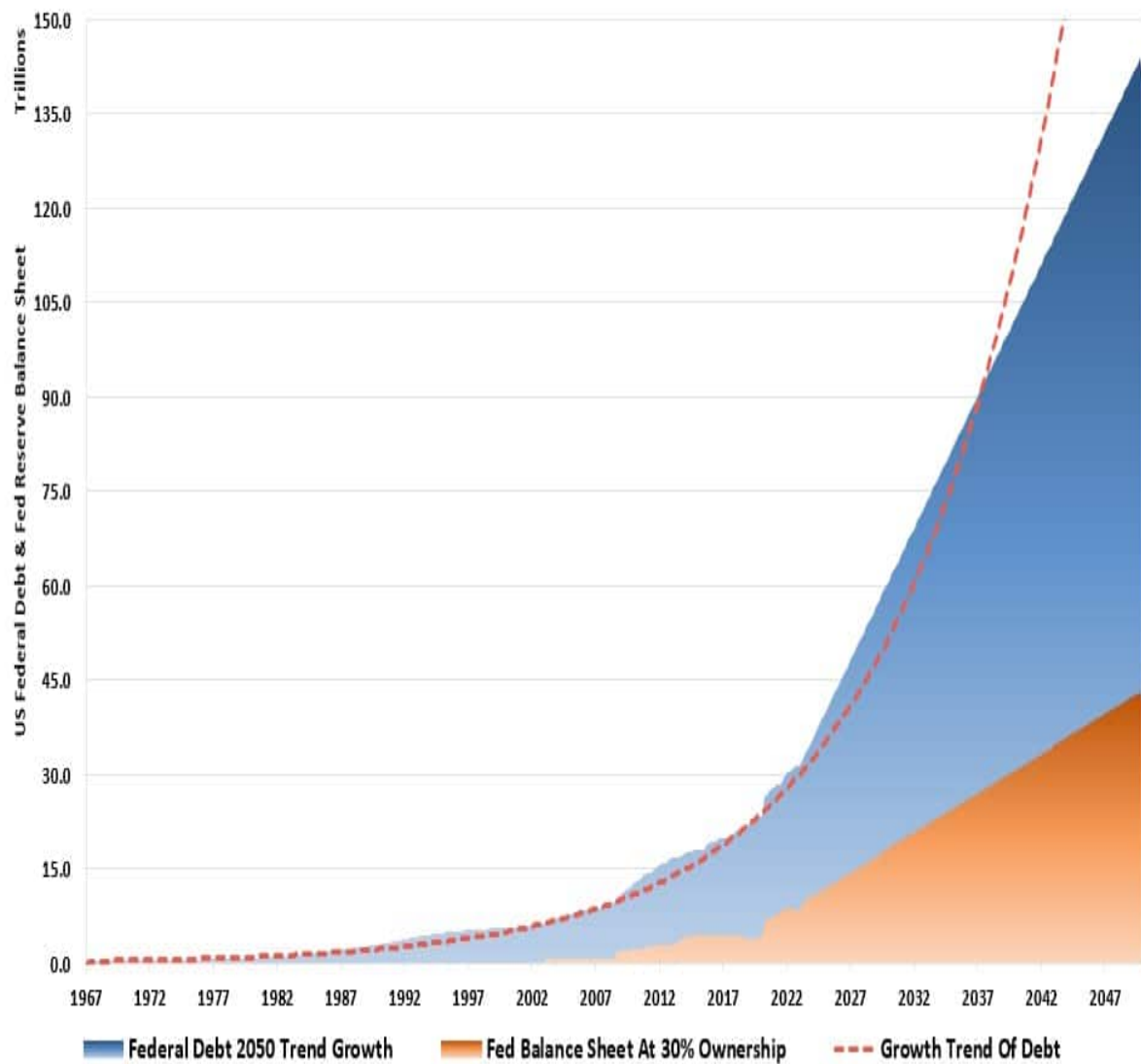
US Government Debt & Fed Balance Sheet Projected Through 2050

At the current growth rate, the Federal debt load will climb from $32 trillion to roughly $140 trillion by 2050. Concurrently, assuming the Fed continues monetizing 30% of debt issuance, **its balance sheet will swell to more than $40 trillion.**

The Fed will remain the *?buyer of last resort?* for bonds.

Why I Can?t Do This For Clients

In *?Bonds Versus Stocks,?* I noted:

> *?There is an inverse relationship between bond prices and interest rates. When interest rates are low and rising, bond prices fall. However, when they are high and falling, bond prices rise. In the portfolio management process, there are three reasons to buy bonds:*

> 1. ***Capital appreciation**? the same reason we buy equities*
> 2. ***Total return**? interest income plus capital appreciation*
> 3. ***Risk reduction**? lower volatility assets to offset higher volatility assets (equities.)*
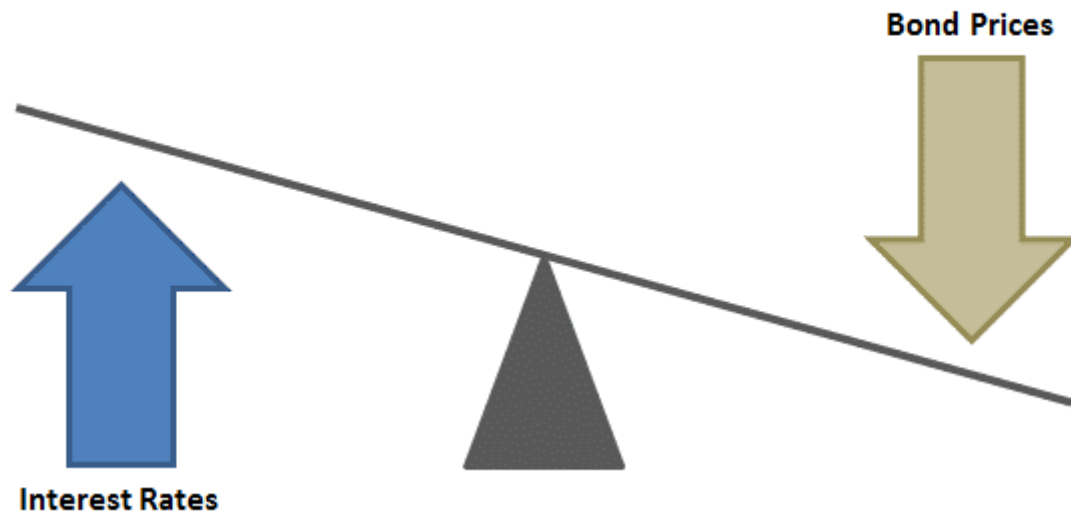
> *If you consider government bonds as an ?asset class,? the analysis changes from an income strategy to a capital appreciation opportunity.?*

WHEN INTEREST RATES RISE, BOND PRICES FALL.

Bond Prices

Interest Rates

WHEN INTEREST RATES RISE, BOND PRICES FALL.
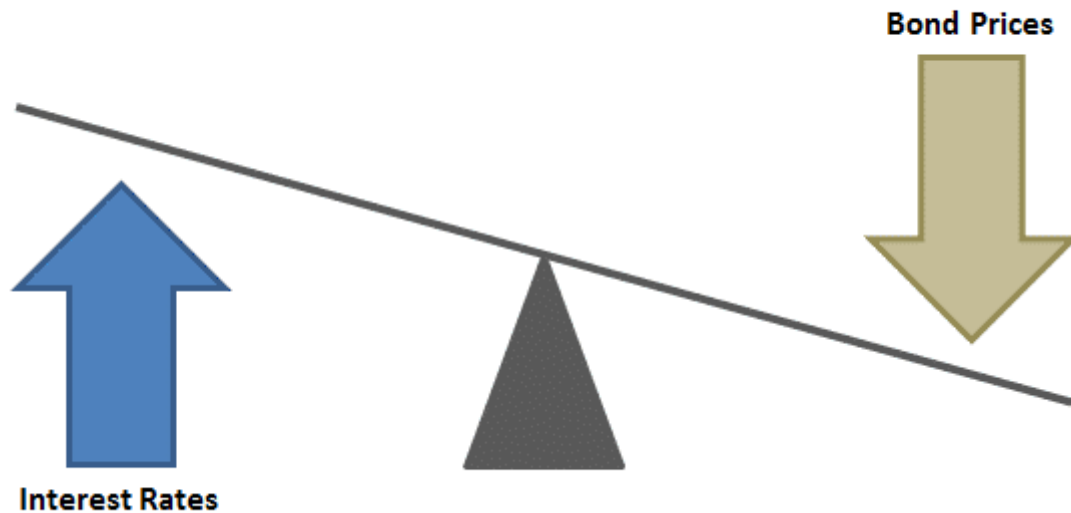
Bond Prices

Interest Rates

?The hope is that the Fed will again start dropping interest rates. However, as we have noted previously, the only reason for the Fed to cut rates would be to offset the risk of an economic recession or a financially related event. Should such occur, the&#2013266080;?risk off?&#2013266080;rotation would cause a drop in rates toward the pandemic-era lows. Such a decline would imply an increase in bond prices of approximately 50%.?
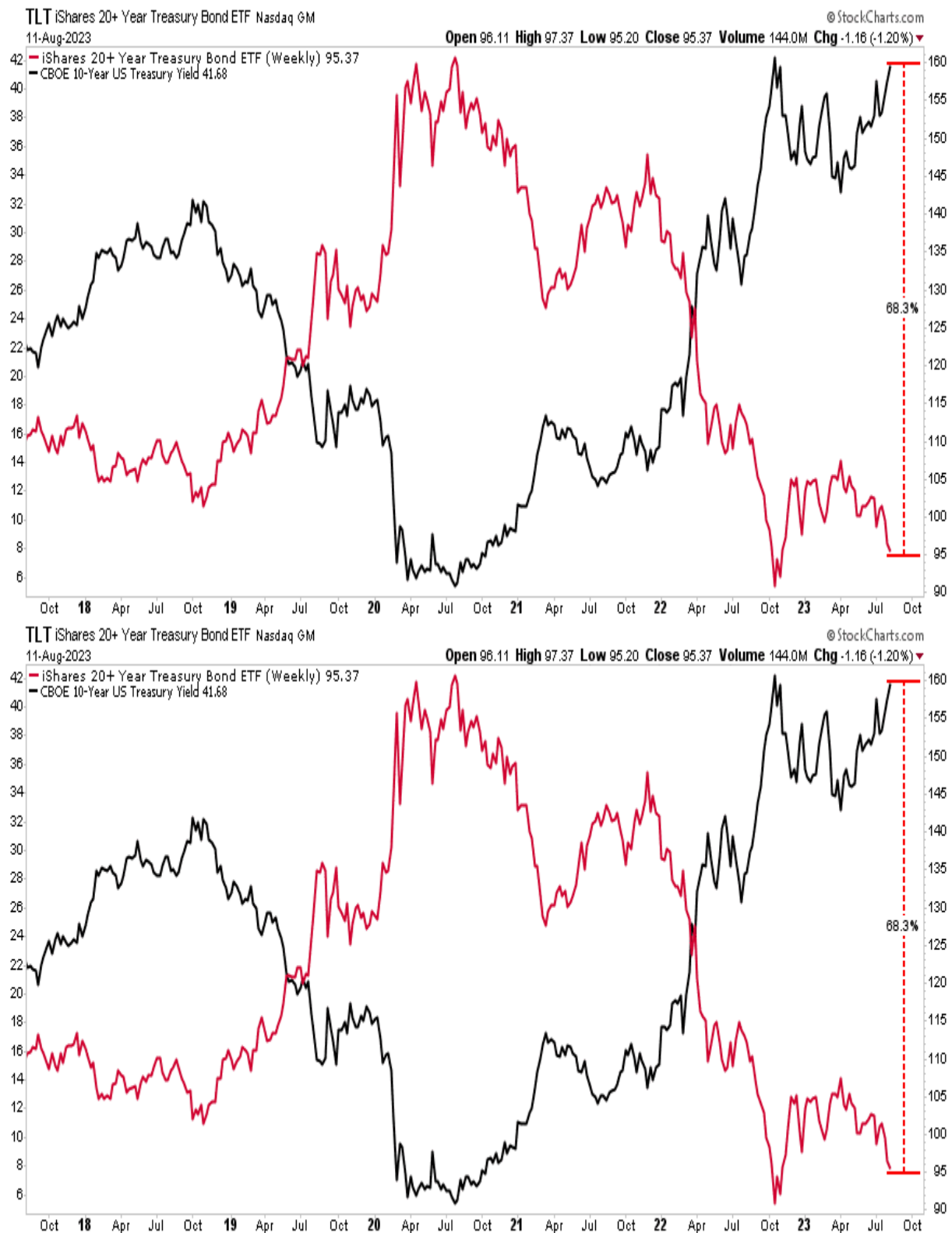
All of this analysis is why I doubled my personal position in the iShares 20-Year Treasury Bond ETF (TLT) recently.

However, that conversation sparked a lot of questions about why, if I have this much conviction in this particular investment, the same positioning was not done in client accounts. There are three primary reasons why such is the case.

1. ***My personal time horizon for this trade is 18-36 months.*** *As such, I am willing to suffer underperformance for quite some time for the expected outcome. Given that most clients measure their performance from January 1st to December 31st, such long-term investment*

horizons are not feasible.

2. ***Client performance chasing also makes long-term investment themes unusable in client portfolios.*** *For example, In December 2022, clients wanted only short-term bonds. Now they want to sell the bonds to buy stocks. Performance chasing is fine, but such eliminates the possibility of building investment positions with higher returns over time.*

3. ***Our fiduciary responsibility also prohibits creating concentrated positions in portfolios due to the potential risk*** *that something could go wrong. Personally, I have an exceedingly high level of confidence in my positioning over the next three years. However, I also understand the risk that something could go wrong. When managing many client portfolios with various risk tolerances and time frames, we must focus on risk management and controls.*

Over the last couple of weeks, I have discussed bonds and why the many concerns of higher, sustained interest rates are not likely. I hope this week?s newsletter better clarifies why I am willing to place a longer-term bet on that outcome.

Also, if you didn?t make the connection, a reversion in interest rates is not great for currently overvalued stocks.

S&P 500 & Interest Rates vs. Composite (CPI, GDP, Wages & Savings)

Real Investment Advice

Legend:
- Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis
- Composite Indicator (GDP, CPI, Wages & Savings)
- S&P 500 Stock Price Index

Annotations: '68 Bear Market, Crash Of '74, Oil Embargo, Continental Illinois, Crash Of '87, Tequila Crisis, Asia Crisis, LTCM, Dot.Com Crash, Financial Crisis, EU Crisis, Taper Tantrum, Covid-19, Fed Rate Hikes

S&P 500 & Interest Rates vs. Composite (CPI, GDP, Wages & Savings)

Real Investment Advice
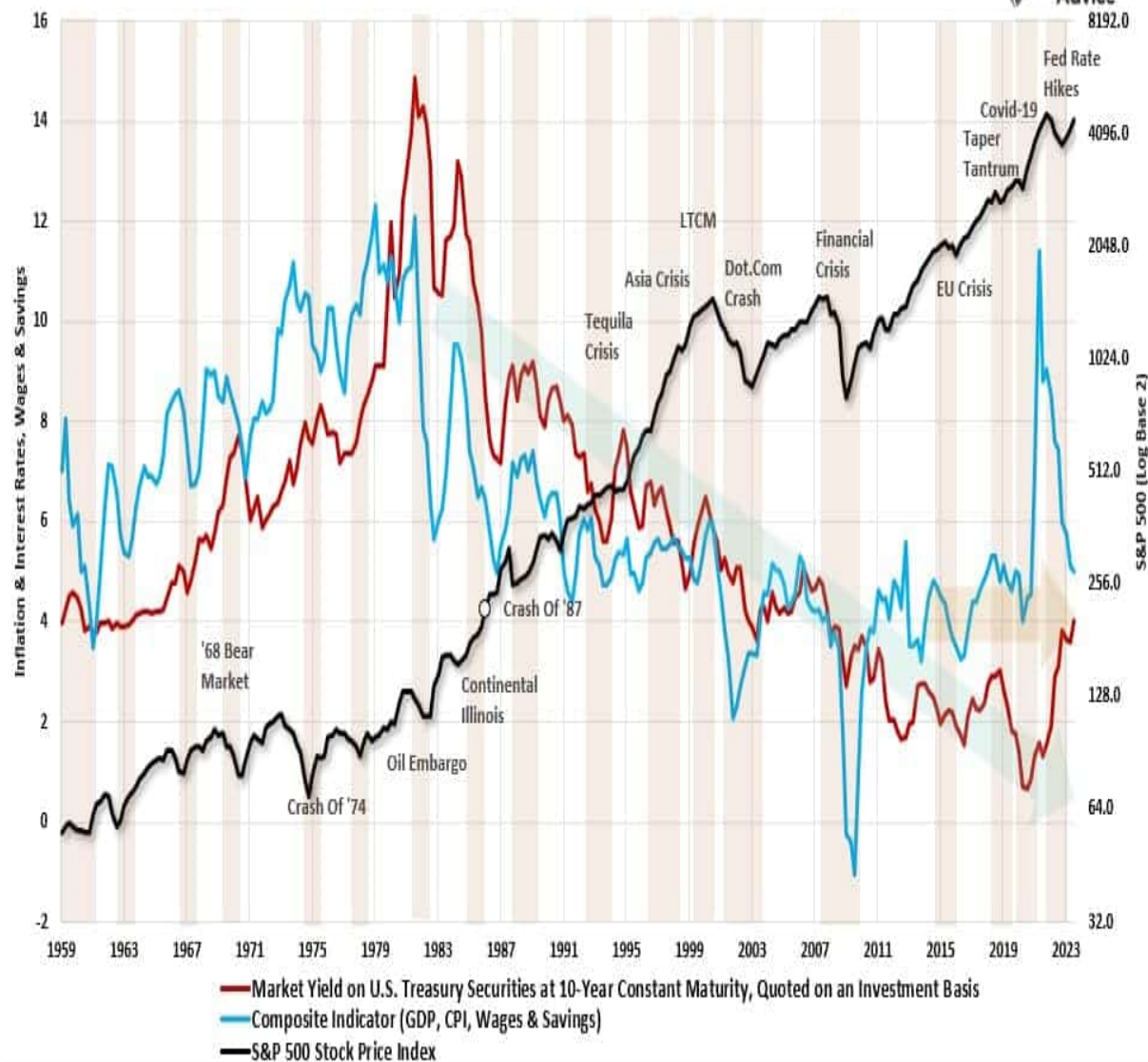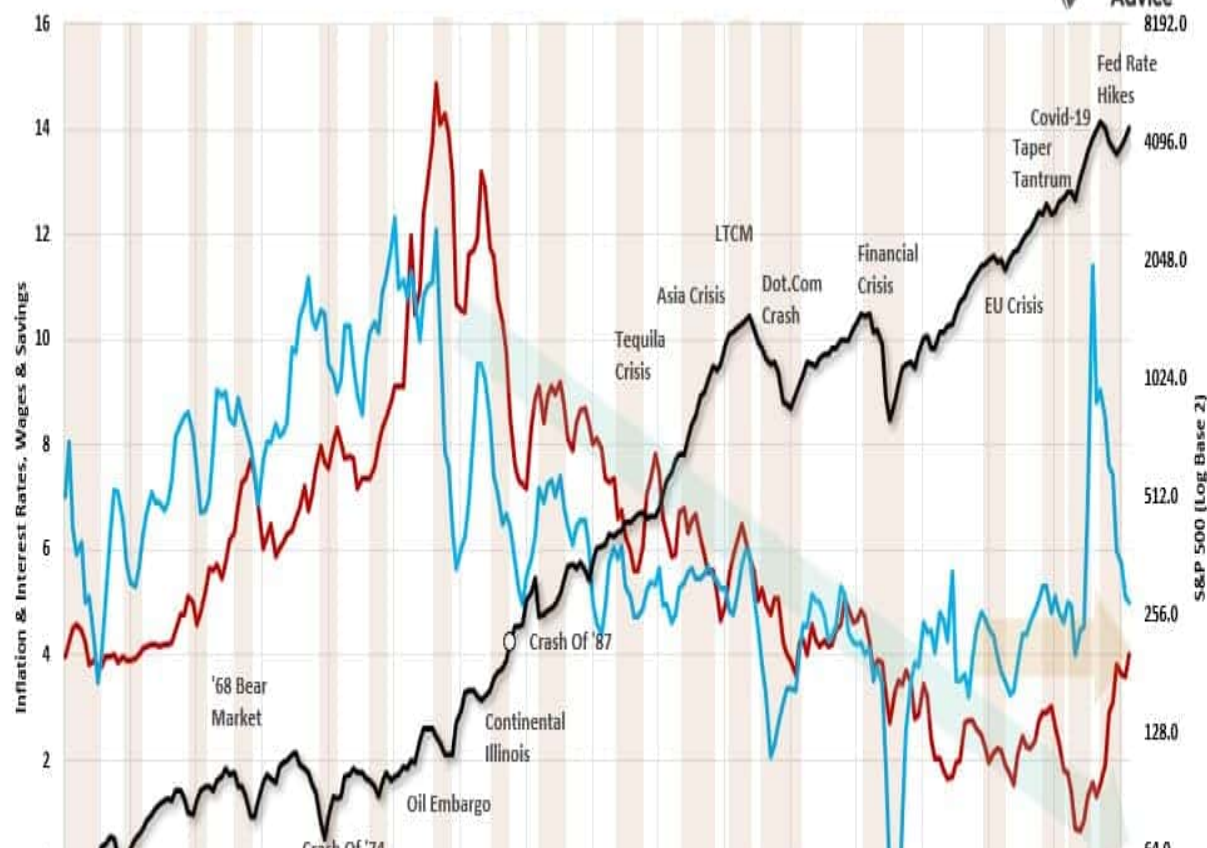
How We Are Trading It

The market correction continued this past week. Such was unsurprising given the previous runup into August. Nonetheless, there is still a short-term risk, so we suggest rebalancing portfolios as needed until the next buy signal is registered.

We have been using this correction opportunistically to increase equity exposure overall and rebalance portfolio sectors closer to index weightings. We expect that the bull market will continue into year-end but that the overall advance should broaden out to include more than just a handful of Megacap-Weighted stocks.

If you have been following our portfolio changes (which we list at the bottom of this newsletter each week), you will already know that our allocation is moving more toward our benchmark over the last month. We do have some small and mid-capitalization exposure as well as we do expect to see some more robust economic data near term. However, as we move into 2024, the lag effect of the Fed?s rate hikes will likely impact economic growth, and current liquidity will begin to wane.

We remain highly aware of our risk matrix and continue to monitor performance very closely, making changes as needed. However, the bullish trends remain intact for now, so we act accordingly.

ASSETS

Cash:6.6 %
ETF:35.2 %
US Equities:58.2 %

SECTORS

Cash:6.6 %
Energy:2.1 %
Technology:10.2 %
Healthcare:11.4 %
Materials:0.9 %
Consumer Cyclical:4.4 %
Communication Services:4.4 %
Consumer Goods:10.7 %
Utilities:3.0 %
ETF:5.8 %
Financial:4.6 %
Real Estate:2.4 %
Industrials:4.0 %
Treasury Bond:29.3 %

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Have a great weekend.

Research Report

Real Investment Daily

A Recession Is Coming, Or Is It?

Written by Lance Roberts | Aug 18, 2023 | Economics

Since the beginning of 2022, the media has regularly warned a recession is coming. As we suggested ...

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Bull Bear Report Market Statistics & Screens

SimpleVisor Top & Bottom Performers By Sector

Today's Top & Bottom Performer by Sector

Click on a Symbol to see details below

Healthcare
REGN	CI	LLY	GEN	MOH
2.16%	2.07%	1.71%	1.67%	1.37%
HCA	DVA	UNH	DGX	MCK
1.32%	0.94%	0.91%	0.9%	0.82%
BIO	ISRG	ILMN	BSX	PODD
-1.36%	-1.42%	-1.47%	-1.49%	-1.53%
DXCM	TFX	MTD	TECH	MRNA
-1.63%	-1.64%	-1.67%	-2.49%	-4.35%

Industrials
GNRC	AXON	CSX	CHRW	NSC
2.62%	2.41%	1.98%	1.78%	1.71%
ALLE	EXPD	TDG	PWR	PCAR
1.68%	1.67%	1.63%	1.26%	1.09%
ITW	ROP	NDSN	DAL	GPN
-0.49%	-0.49%	-0.51%	-0.66%	-0.73%
FDX	UAL	AOS	ALK	DE
-0.86%	-0.87%	-1.15%	-1.59%	-5.27%

Consumer Cyclical
ROST	EXPE	TJX	ULTA	BBWI
5.01%	1.5%	1.4%	1.4%	1.19%
BBY	F	KMX	NVR	LKQ
1.16%	1.14%	1.08%	1.06%	1%
WRK	CZR	CCL	RL	VFC
-1.05%	-1.14%	-1.3%	-1.38%	-1.4%
BALL	ETSY	TSLA	BKNG	SEE
-1.44%	-1.59%	-1.7%	-1.72%	-2.6%

Technology
AMAT	EPAM	CDAY	ZBRA	ORCL
3.68%	2.46%	2.31%	2.24%	1.42%
KLAC	NXPI	PANW	AMD	JNPR
1.06%	1.05%	1.02%	0.97%	0.91%
ACN	STX	PTC	TRMB	FIS
-0.87%	-0.89%	-0.98%	-1.18%	-1.2%
ANET	WDC	FTV	GOOGL	KEYS
-1.26%	-1.37%	-1.71%	-1.89%	-13.76%

Financial
AON	LNC	PYPL	ACGL	DFS
1.61%	1.48%	1.4%	1.28%	1.03%
MET	KEY	AMP	HIG	RJF
0.7%	0.65%	0.6%	0.53%	0.45%
HBAN	AIZ	PGR	IVZ	TROW
-0.89%	-0.9%	-0.94%	-0.97%	-0.98%
AFL	MS	CINF	ALL	CFG
-1.02%	-1.03%	-1.2%	-1.63%	-2.02%

Consumer Goods
NWL	KR	LW	DG	WMT
1.93%	1.79%	1.6%	1.52%	1.44%
TAP	BG	KMB	CPB	PM
1.38%	1.31%	1.12%	1.1%	1.07%
SYY	MDLZ	GIS	STZ	PEP
0.03%	-0.1%	-0.12%	-0.14%	-0.15%
MKC	CLX	HRL	COST	EL
-0.16%	-0.23%	-0.3%	-0.4%	-3.34%

Utilities
AEE	WEC	PNW	ED	NI
1.77%	1.24%	1.2%	1.19%	0.95%
CMS	ATO	FE	PEG	LNT
0.92%	0.91%	0.84%	0.75%	0.72%
PCG	EVRG	AEP	ES	EXC
0.39%	0.38%	0.3%	0.17%	0.13%
XEL	CEG	SRE	AES	NRG
0.03%	-0.05%	-0.17%	-0.28%	-0.87%

Materials
CF	IFF	PPG	SHW	DD
1.55%	1.4%	1.04%	0.79%	0.76%
CTVA	MOS	EMN	LYB	ALB
0.65%	0.61%	0.53%	0.46%	0.38%
FMC	APD	CE	MLM	STLD
0.21%	0.16%	-0.18%	-0.19%	-0.19%
LIN	VMC	ECL	NEM	FCX
-0.28%	-0.72%	-0.92%	-1.19%	-1.96%

Real Estate
HST	VICI	SPG	PLD	IRM
1.9%	1.42%	1.31%	1.05%	0.94%
KIM	SBAC	CSGP	WY	CCI
0.74%	0.71%	0.53%	0.47%	0.45%
UDR	VTR	ESS	CPT	INVH
-0.08%	-0.1%	-0.12%	-0.15%	-0.19%
DLR	EQIX	WELL	PEAK	ARE
-0.39%	-0.54%	-0.77%	-0.91%	-0.92%

Energy
DVN	XOM	MRO	MPC	OXY
1.88%	1.58%	1.54%	1.48%	1.44%
EQT	VLO	TRGP	BKR	HES
1.31%	1.27%	1.15%	1.12%	0.82%
COP	WMB	OKE	APA	FANG
0.5%	0.46%	0.41%	0.39%	0.36%
HAL	PXD	SLB	FI	CTRA
0.36%	0.36%	0.24%	-0.19%	-0.54%

Communication Services
PARA	OMC	FOXA	FOX	IPG
1.79%	1.64%	1.52%	1.16%	1.11%
VZ	T	NFLX	WBD	DIS
0.4%	0.39%	0.38%	0.16%	0.08%
NWS	NWSA	TMUS	LYV	EA
0%	-0.1%	-0.17%	-0.21%	-0.34%
TTWO	META	CHTR	CMCSA	GOOG
-0.45%	-0.65%	-1.03%	-1.04%	-1.8%

S&P 500 Weekly Tear Sheet

3 Month SPY Price

RIA SimpleVisor

SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	(0.61%)	2.01%	14.14%	602.64%
Max Drawdown	(27.47%)	(18.78%)	(9.00%)	(52.07%)
Sharpe	0.03	0.06	1.46	24.71
Sortino	(0.00)	0.09	2.49	25.62
Volatility	19.63	18.57	13.60	(0.27)
Daily VaR-5%	(29.77)	(24.85)	2.66	(1.11)
Mnthly VaR-5%	(26.43)	(16.49)	20.19	(2.22)

S&P 500 Market Cap Analysis

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.24%	1.44%	1.46%	1.12%	2.14%	1.20%	(31.76%)	21.49%
P/E Ratio	29.16	20.18	20.91	3.50%	2899%	1649%	(27.9%)	26.84%
P/S Ratio	4.83	3.84	3.76	(2.04%)	4.98	3.23	(24.50%)	16.39%
P/B Ratio	6.56	5.83	5.66	(3.17%)	6.76	4.31	(16.37%)	31.26%
ROE	26.64%	28.29%	25.37%	(11.48%)	29.59%	19.25%	(14.24%)	31.82%
ROA	6.00%	6.49%	5.95%	(9.12%)	6.72%	4.48%	(11.45%)	32.88%

Item	12-M Ago	Current	% Chg
Shares	3,742.4	3,664.3	(2.09%)
Sales	106,543	112,998	6.06%
SPS	28.5	30.8	8.32%
Earnings	19,745	18,011	(8.78%)
EPS TTM	5.7	5.5	(3.12%)
Dividend	1.6	1.7	6.61%

S&P 500 Asset Allocation

Sector	1 Year Price Return	Weight	Beta	P/E	P/E High- 5yr (Mo.)	P/E Low - 5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE
Energy	10.62%	4.42%	1.42	9.64	93.64	(357.54)	(89.7%)	23.6%	2.9%	12.38%	6.79	11.91
Materials	1.14%	2.46%	1.15	16.86	26.87	11.36	(37.2%)	12.9%	2.0%	6.57%	5.06	18.52
Industrials	4.02%	8.53%	1.15	20.85	54.65	14.97	(61.9%)	23.2%	1.7%	4.71%	7.12	19.22
Discretionary	(5.76%)	10.58%	1.42	30.03	64.00	22.25	(53.1%)	14.0%	0.8%	3.10%	4.57	28.10
Staples	(4.49%)	6.63%	0.58	21.09	22.79	17.34	(7.4%)	30.9%	2.6%	4.82%	4.86	20.43
Health Care	0.66%	13.70%	0.68	18.72	19.74	14.84	(5.2%)	29.2%	1.7%	5.79%	7.98	17.85
Financials	(2.01%)	12.67%	1.13	15.05	21.40	12.66	(29.7%)	12.2%	1.8%	6.58%	7.29	14.26
Technology	11.76%	27.24%	1.19	31.80	33.76	15.43	(5.8%)	66.1%	0.9%	3.25%	6.32	29.86
Telecom	7.58%	8.71%	0.98	22.30	28.39	15.54	(21.5%)	21.7%	0.5%	4.34%	5.50	18.32
Utilities	(17.71%)	2.51%	0.65	18.20	21.24	15.56	(14.3%)	10.7%	3.4%	5.48%	3.40	17.22
Real Estate	(18.19%)	2.45%	0.99	16.84	26.21	16.73	(35.8%)	7.4%	3.6%	5.99%	4.72	17.58

Momentum Analysis

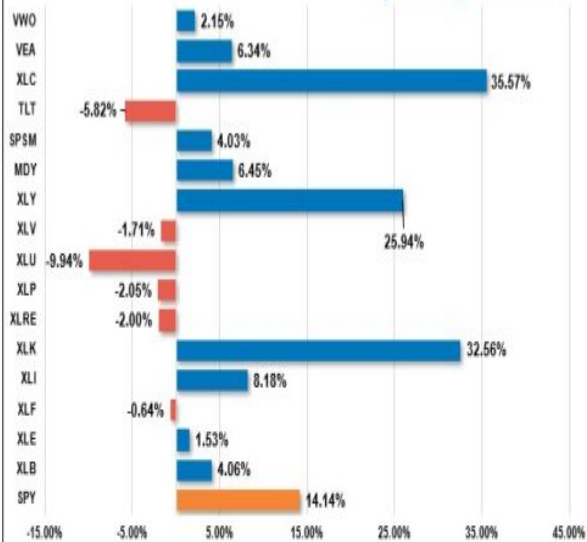| Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell
Large Cap	436.50	1.54%	444.63	50	(1.83%)	413.25	107	5.63%	7.59%	(4.99%)	25.39%	Buy
Mid Cap	471.37	1.40%	481.98	50	(2.20%)	464.18	56	1.55%	3.83%	(5.87%)	18.40%	Buy
Small Cap	38.46	0.16%	39.31	50	(2.17%)	38.42	1	0.10%	2.32%	(8.99%)	14.02%	Buy

Relative Performance Analysis

Expect a rally this week, given that most sectors and markets are trading in short-term oversold conditions. As shown in the Risk/Range report below, most sectors and markets have fallen outside of their normal ranges and, combined with short-term oversold conditions. Such will likely contribute to a short-term rally.

While just three sectors drove the majority of the year?s broad market performance, the deep oversold conditions in this year?s most hated sectors are a prime setup for next year?s outperformers. Such was the same as we saw in 2021, when Energy was the most hated. In 2022, it was Technology and Communications. In 2024, it may well pay to be long those sectors most impacted by falling interest rates.

Year To Date Performance

Symbol	Performance
VWO	2.15%
VEA	6.34%
XLC	35.57%
TLT	-5.82%
SPSM	4.03%
MDY	6.45%
XLY	25.94%
XLV	-1.71%
XLU	-9.94%
XLP	-2.05%
XLRE	-2.00%
XLK	32.56%
XLI	8.18%
XLF	-0.64%
XLE	1.53%
XLB	4.06%
SPY	14.14%

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

Symbol	Value
SPY	0
XLB	-10.08%
XLC	21.43%
XLE	-12.61%
XLF	-14.78%
XLI	-5.96%
XLK	18.42%
XLRE	-16.14%
XLP	-16.19%
XLU	-24.08%
XLV	-15.85%
XLY	11.80%
MDY	-7.68%
SLY	-10.11%
TLT	-19.95%
VEA	-7.80%
VWO	-11.98%
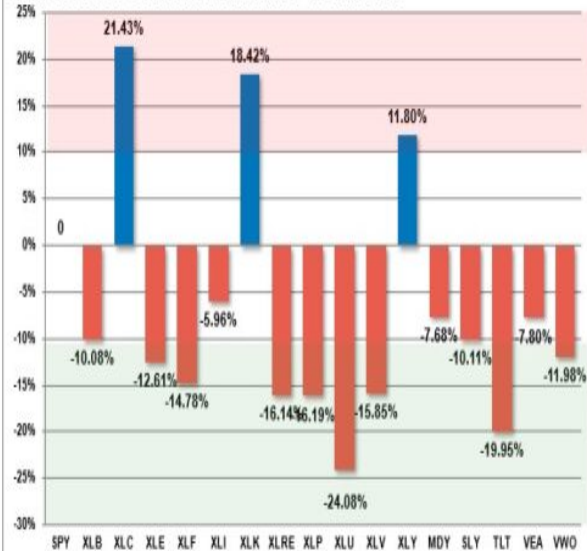
Price Deviation From 50-Day Moving Average

Symbol	Value
SPY	-1.77%
XLB	-1.98%
XLE	6.46%
XLF	-0.69%
XLI	-1.10%
XLK	-4.35%
XLRE	-3.84%
XLP	-1.86%
XLU	-3.57%
XLV	0.62%
XLY	-4.01%
MDY	-2.13%
SPSM	-2.12%
TLT	-6.23%
XLC	-1.40%
VEA	-3.75%
VWO	-3.50%
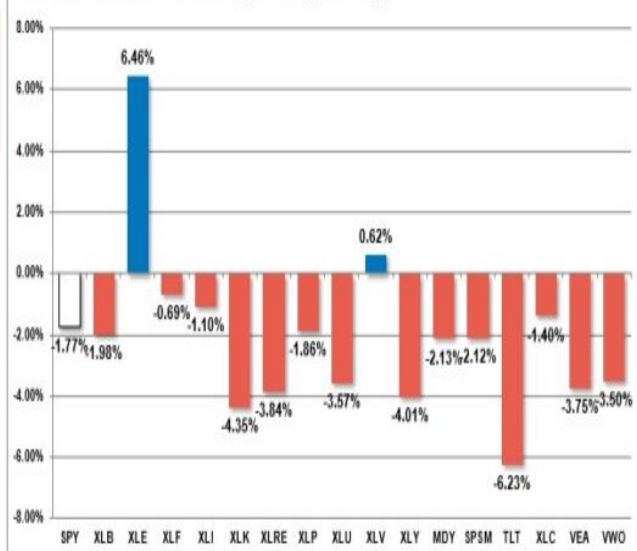
Overbought/Oversold 14-Periods

Composite Average, (90.66)
Composite Median, (95.75)
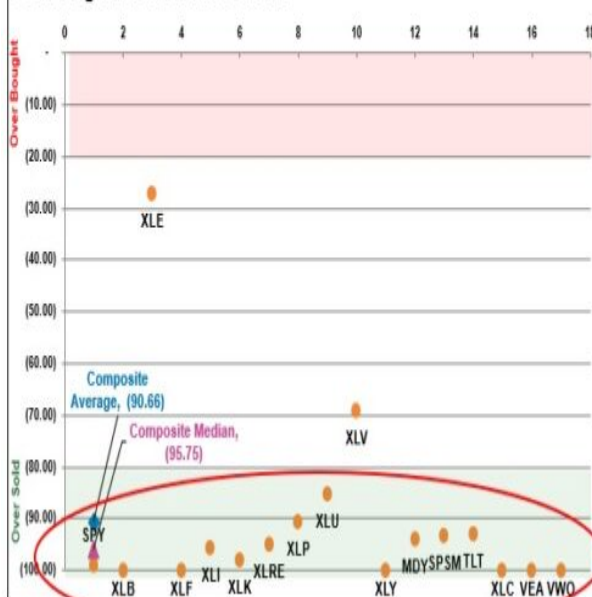
Size / Sector ETF YTD Trading Range

Symbol	Low	High
SPSM	35.57	42.08
MDY	433.1	498.33
SPY	379.38	457.79
XLY	128.39	176.97
XLV	124.15	136.24
XLU	63.02	72.08
XLP	71.11	77.50
XLK	121.18	180.26
XLRE	34.62	41.83
XLI	96.51	110.75
XLF	30.98	37.00
XLE	76.59	93.11
XLB	75.02	85.72

Year To Date Performance

Symbol	Performance
VWO	2.15%
VEA	6.34%
XLC	35.57%
TLT	-5.82%
SPSM	4.03%
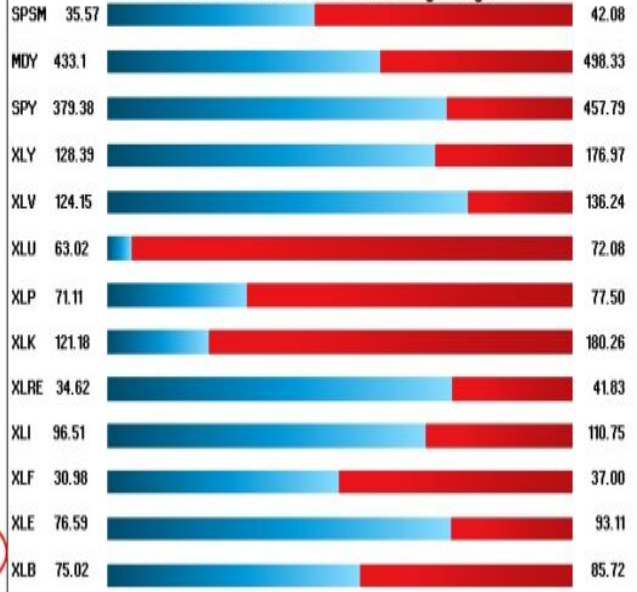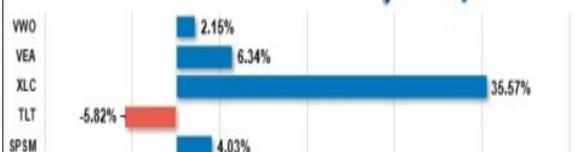
YTD Price - S&P Sectors Recalibrated To $50/share

Technical Composite

The technical overbought/sold gauge comprises several price indicators (R.S.I., Williams %R, etc.), measured using ?weekly? closing price data. Readings above ?80? are considered overbought, and below ?20? are oversold. The market peaks when those readings are 80 or above, suggesting prudent profit-taking and risk management. **The best buying opportunities exist when those readings are 20 or below.**

The current reading is 60.75 out of a possible 100.

Technical Overbought/Sold Composite
(Composite Of Weekly Technical Measures)
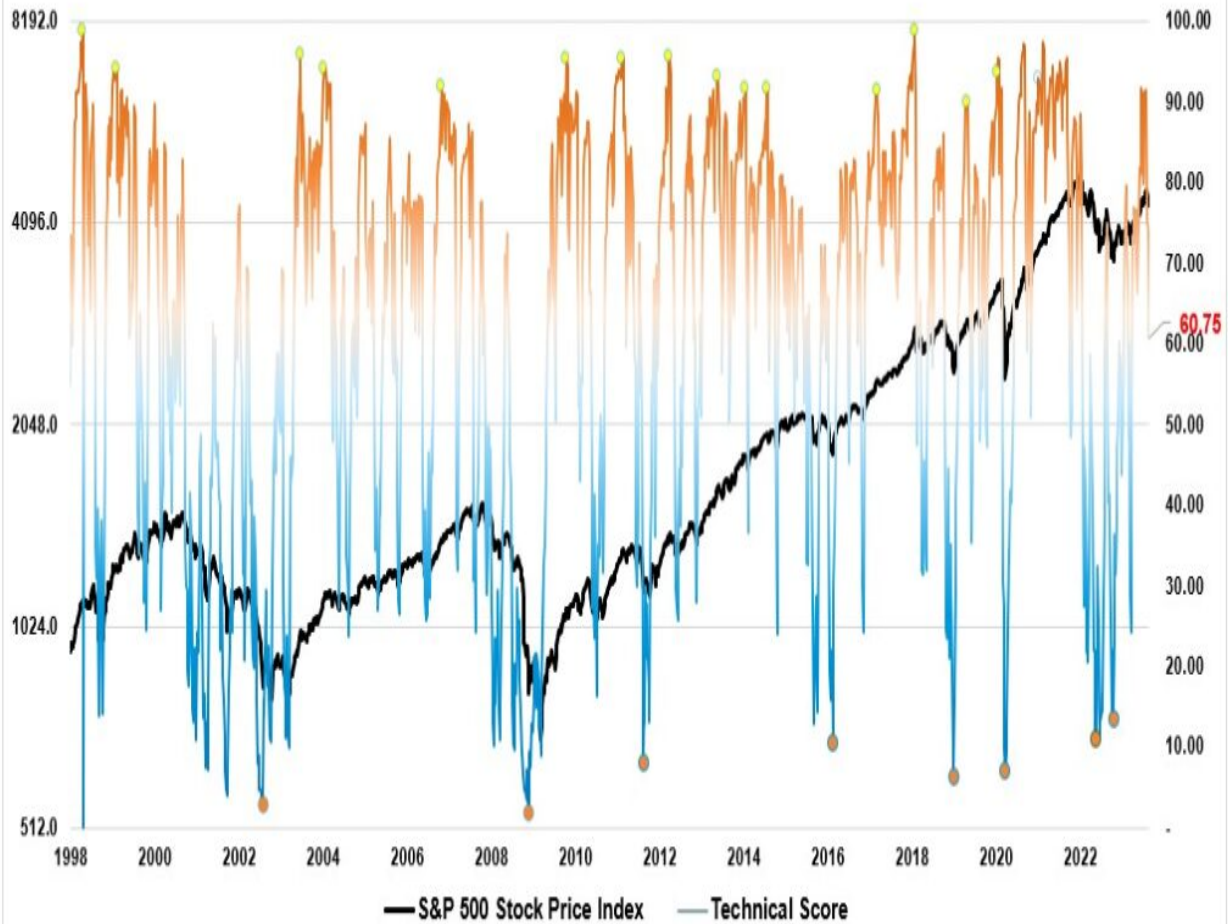
S&P 500 Stock Price Index — Technical Score

Technical Overbought/Sold Composite
(Composite Of Weekly Technical Measures)

S&P 500 Stock Price Index — Technical Score
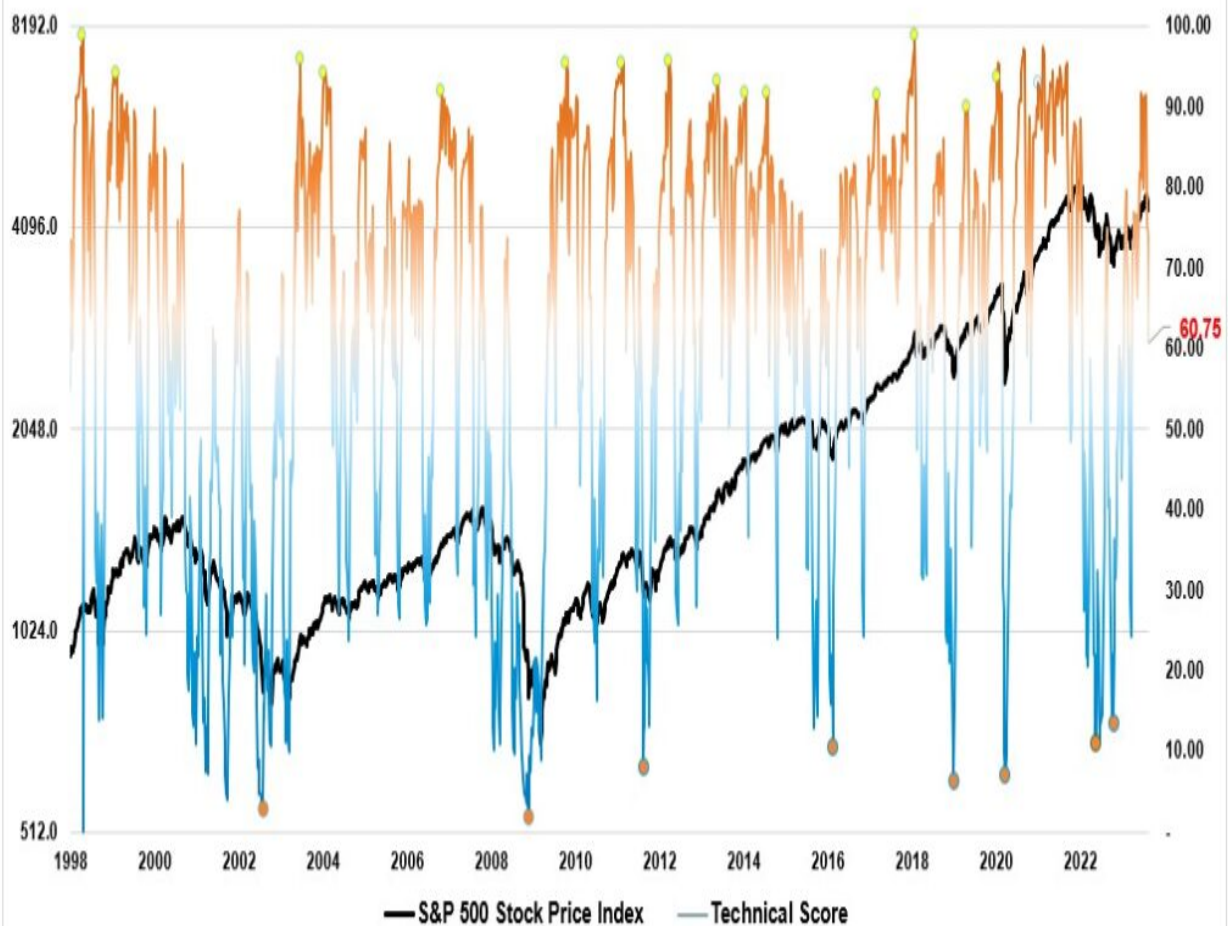
Portfolio Positioning ?Fear / Greed? Gauge

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, the 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 current reading** *is 69.71 out of a possible 100.*

MARKET GREED/FEAR INDEX
(AAII, INVI, Bullish Pct, Put/Call, NAAIM, VIX)

SimpleVisor™

Weekly Greed/Fear Gauge — S&P 500 INDEX

MARKET GREED/FEAR INDEX
(AAII, INVI, Bullish Pct, Put/Call, NAAIM, VIX)

SimpleVisor™
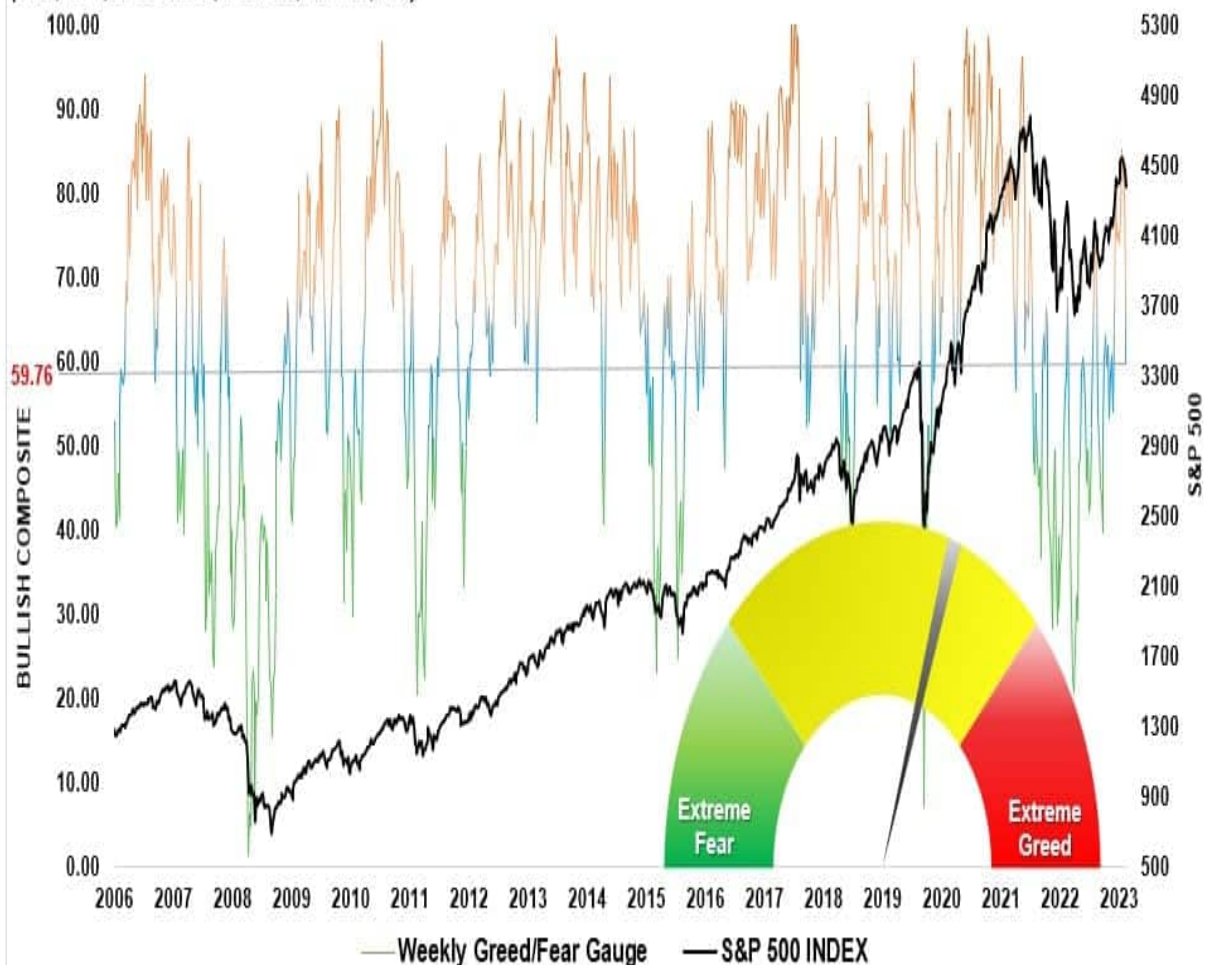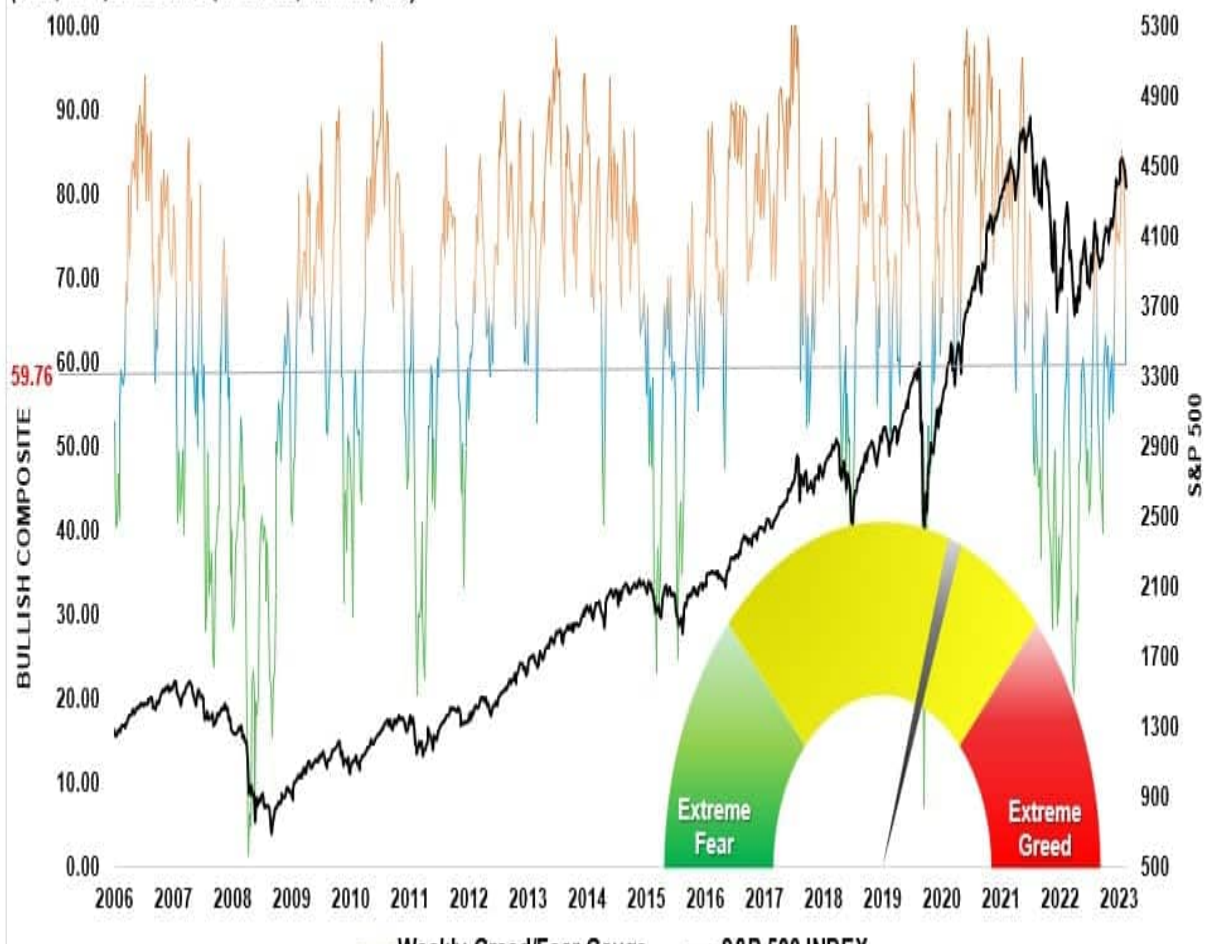
Relative Sector Analysis

Relative Analysis of Sectors against SPY

(click sector symbol for sector details including a relative analysis of its top ten holdings)

Technology (XLK) -0.45 »	Utilities (XLU) -0.44 »	Real Estate (XLRE) -0.24 »	Materials (XLB) -0.19 »	Consumer Staples (XLP) -0.11 »	Transportation (XTN) -0.02 »
Health Care (XLV) 0.15 »	Industrials (XLI) 0.23 »	Consumer Discretionary (XLY) 0.23 »	Financial (XLF) 0.24 »	Communication Services (XLC) 0.44 »	Energy (XLE) 0.68 »

Overbought - could be a good time to reduce holdings. Oversold - could be a good time to increase holdings

About Relative Analysis

This analysis uses the price ratio of two securities to establish a relative technical score. 13 technical measures are applied to the ratio to determine the score. The score tells us how one stock compares to another stock. We like to compare sector ETFs to the S&P 500 to help assess relative strength or weakness of the sectors.

Quite often scores of + .75 or greater are good times to reduce holdings and -.75 are good times to buy. However, scores can stay extremely overbought or sold for a few weeks so at times patience is required.

Most Oversold Sector Analysis

XLU (Utilities) - Absolute Analysis

— XLU   Abs Score
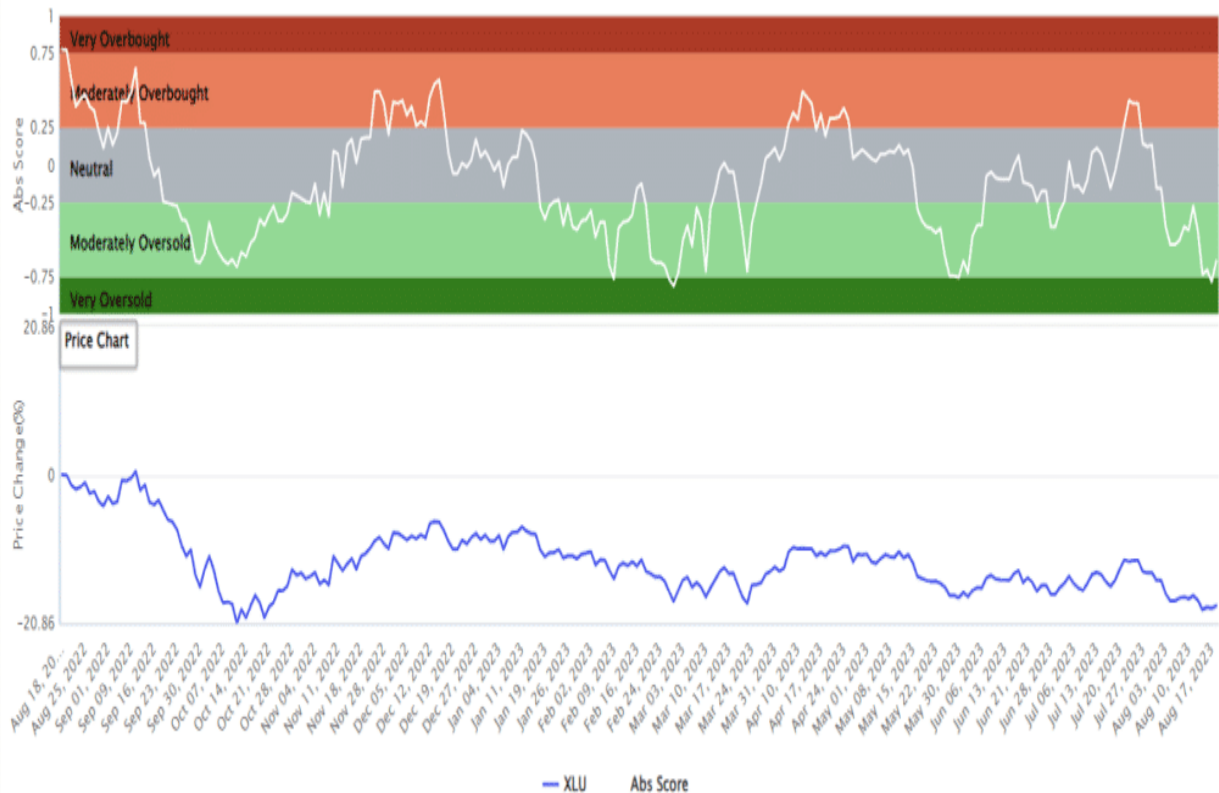
Description

In seeking to track the performance of the index, the fund employs a replication strategy. It generally invests substantially all, but at least 95%, of its total assets in the securities comprising the index. The index includes securities of companies from the following industries: electric utilities; water utilities; multi-utilities; independent power and renewable electricity producers; and gas utilities. The fund is non-diversified.

Latest Price (Jan 20, 1970, 8:06:28 AM)

$63.47 △ ($0.31) (0.49%)

Last Close	**Open**		**Volume**	**Annual Div.**
$63.16	$63.15		12,821,834	$1.95

52 Week Range	**Day Range**	**Avg. Volume (3m)**	**Div. Yield**
$60.35 $78.22	$63.10 $63.64	N/A	3.09%

Symbol	Name	Holdings
NEE	NextEra Energy Inc	15.11%
SO	Southern Co	8.04%
DUK	Duke Energy Corp	7.35%
SRE	Sempra Energy	4.78%
D	Dominion Energy Inc	4.56%
AEP	American Electric Power Co Inc	4.45%
EXC	Exelon Corp	4.24%
XEL	Xcel Energy Inc	3.52%
ED	Consolidated Edison Inc	3.35%
PEG	Public Service Enterprise Group Inc	3.21%

Xcel Energy Inc (XEL) -0.82	**American Electric Power Co Inc (AEP)** -0.81	**NextEra Energy Inc (NEE)** -0.75
Dominion Energy Inc (D) -0.65	**Sempra Energy (SRE)** -0.62	**Consolidated Edison Inc (ED)** -0.56
Exelon Corp (EXC) -0.47	**Southern Co (SO)** -0.41	**Public Service Enterprise Group Inc (PEG)** -0.27
	Duke Energy Corp (DUK) -0.22	

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.*
- *?MA XVER? (Moving Average Cross Over) is determined by the short-term weekly moving average crossing 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.*

It?s probably time for a short-term rally. Most markets and sectors are now trading well below their normal monthly risk ranges. Combined with the technically oversold condition, as shown by the Relative Performance Analysis above, a short-term rally toward the 50-DMA should be expected. Until the market registers a technical buy signal, short-term rallies should be used to rebalance equity risk accordingly.

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG WMA	MONTH END	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		PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	438.69	(2.09)	(3.50)	3.97	8.03	3.38	441.44	418.40	460.18	1.00	471.44	448.68	-1%	5%	BULLISH
XLB	SPDR-MATLS SELS	80.83	(0.01)	0.01	2.05	(12.49)	(1.28)	81.35	80.78	85.72	1.07	88.78	82.66	-1%	0%	BULLISH
XLC	SPDR-COMM SV SS	65.06	(0.98)	2.74	0.70	10.78	9.40	65.20	59.17	68.79	1.03	71.22	66.36	0%	10%	BULLISH
XLE	SPDR-EGY SELS	88.81	0.87	8.85	8.78	(6.25)	8.39	82.56	83.94	87.48	1.37	90.86	84.10	8%	6%	BEARISH
XLF	SPDR-FINL SELS	33.98	(0.61)	(0.13)	1.86	(13.62)	(6.18)	33.82	33.92	35.33	1.07	36.59	34.07	0%	0%	BEARISH
XLK	SPDR-TECH SELS	164.96	0.92	(2.84)	(3.86)	9.68	8.00	170.40	152.17	178.35	1.13	184.82	171.88	-3%	8%	BULLISH
XLI	SPDR-INDU SELS	106.24	(0.35)	0.48	4.07	(5.55)	4.11	105.67	102.22	110.42	1.11	114.41	106.43	1%	4%	BULLISH
XLP	SPDR-CONS STPL	73.02	(0.29)	0.05	(4.53)	(7.37)	(8.43)	74.17	74.25	75.75	0.58	78.08	73.42	-2%	-2%	BEARISH
XLRE	SPDR-RE SELS	36.19	(1.12)	(2.74)	(2.59)	(14.64)	(22.38)	37.34	37.67	38.19	0.84	39.47	36.91	-3%	-4%	BEARISH
XLU	SPDR-UTIL SELS	63.49	0.41	(3.76)	(5.67)	(12.20)	(21.67)	65.73	67.32	67.07	0.52	69.09	65.05	-3%	-6%	BEARISH
XLV	SPDR-HLTH CR	133.53	0.51	1.51	0.74	(4.66)	(2.92)	131.92	131.83	134.15	0.69	138.43	129.87	1%	1%	BULLISH
XLY	SPDR-CONS DISCR	162.66	(2.07)	(1.37)	3.07	3.14	(6.28)	166.08	152.32	173.74	1.19	180.16	167.32	-2%	7%	BULLISH
XTN	SPDR-SP TRANSPT	80.26	(1.49)	(3.71)	6.45	(6.00)	0.06	81.23	76.36	88.03	1.35	91.42	84.64	-1%	5%	BULLISH
SDY	SPDR-SP DIV ETF	121.25	(0.21)	(0.43)	(1.93)	(12.82)	(10.61)	122.68	124.08	126.84	0.86	131.10	122.58	-1%	-2%	BEARISH
RSP	INVS-SP5 EQ ETF	147.28	(0.55)	(0.93)	0.42	(9.55)	(4.82)	148.55	146.48	154.88	1.06	160.39	149.37	-1%	1%	BULLISH
SPSM	SPDR-PRT SC	38.46	(1.23)	(0.80)	0.69	(13.46)	(8.58)	38.83	38.41	41.02	1.15	42.52	39.52	-1%	0%	BULLISH
MDY	SPDR-SP MC 400	471.37	(0.95)	(1.05)	1.54	(10.55)	(3.18)	475.11	465.67	498.33	1.13	516.43	480.23	-1%	1%	BULLISH
EEM	ISHARS-EMG MKT	38.40	(0.85)	(1.26)	(5.51)	(10.91)	(7.14)	39.92	39.65	41.95	0.74	43.31	40.59	-4%	-3%	BULLISH
EFA	ISHARS-EAFE	69.84	(1.09)	(2.10)	(7.16)	(9.50)	4.58	72.37	71.38	74.46	0.86	76.96	71.96	-3%	-2%	BULLISH
IAU	ISHARS-GOLD TR	35.78	0.82	(0.24)	(7.06)	(6.35)	4.56	36.77	36.60	37.20	0.14	38.18	36.22	-3%	-2%	BULLISH
GDX	VANECK-GOLD MNR	27.45	(4.74)	(9.33)	(13.70)	(12.15)	5.34	30.46	31.08	31.41	0.77	32.44	30.38	-10%	-12%	BEARISH
UUP	INVS-DB US$ BU	28.77	2.79	6.40	(3.34)	(6.41)	(3.93)	28.31	28.05	28.22	(0.16)	28.88	27.56	2%	3%	BULLISH
BOND	PIMCO-ACTV BOND	89.43	1.54	1.18	(5.84)	(9.74)	(10.03)	91.14	91.94	91.37	0.17	93.81	88.93	-2%	-3%	BEARISH
TLT	ISHARS-20+YTB	93.77	0.41	(4.32)	(11.21)	(16.00)	(20.42)	100.34	102.93	100.05	0.05	102.61	97.49	-7%	-9%	BEARISH
BNDX	VANGD-TTL INT B	48.24	1.80	2.31	(4.26)	(6.83)	(7.17)	48.60	48.54	48.74	0.13	50.02	47.46	-1%	-1%	BULLISH
HYG	ISHARS-IBX HYCB	74.09	1.10	1.80	(3.87)	(8.87)	(7.09)	74.66	74.74	75.50	0.43	77.71	73.29	-1%	-1%	BEARISH

RISK RANGE REPORT

Real Investment Advice

SimpleVisor™

Weekly SimpleVisor Stock Screens

We provide three stock screens each week from&#2013266080;[**SimpleVisor**](.).

This week we are searching for the Top 20:

- *Relative Strength Stocks*
- *Momentum Stocks*
- *Fundamental & Technical Strength*

(Click Images To Enlarge)

R.S.I. Screen

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
ADBE	Technology	10/10 👍	$508.13	$485.67(-4.62%)	55.63	$518.09(-1.92%)	$477.91(6.32%)	$420.78(20.76%)	6	7	3	%
ALGN	Healthcare	10/10 👍	$350.36	$213.76(-63.90%)	55.12	$351.93(-0.45%)	$323.06(8.45%)	$320.33(9.37%)	6	5	4	%
AMZN	Consumer Cyclical	10/10 👍	$133.22	$25.22(-428.23%)	68.21	$132.05(0.89%)	$128.37(3.78%)	$116.57(14.28%)	6	7	3	%
CCL	Consumer Cyclical	10/10 👍	$15.60	()	42.74	$17.61(-11.44%)	$14.94(4.38%)	$12.55(24.26%)	1	—	3	%
CHTR	Communication Services	10/10 👍	$420.47	$594.56(29.28%)	74.32	$404.85(3.86%)	$365.68(14.98%)	$363.21(15.76%)	3	7	3	%
DVA	Healthcare	10/10 👍	$101.56	$86.05(-18.02%)	69.79	$101.60(-0.04%)	$96.63(5.10%)	$88.12(15.25%)	1	8	3	%
FLT	Technology	10/10 👍	$262.20	$278.84(5.97%)	64.94	$249.30(5.17%)	$237.40(10.45%)	$222.15(18.03%)	6	7	3	%
GE	Industrials	10/10 👍	$111.83	$124.70(10.32%)	55.96	$111.19(0.58%)	$106.05(5.45%)	$98.83(13.15%)	1	5	5	0.28%
GOOG	Communication Services	10/10 👍	$128.11	()	56.84	$128.69(-0.45%)	$124.92(2.55%)	$118.29(8.30%)	6	8	3	%
GOOGL	Technology	10/10 👍	$127.46	()	57.08	$127.80(-0.27%)	$124.26(2.58%)	$117.45(8.52%)	6	8	3	%
LLY	Healthcare	10/10 👍	$546.50	$154.87(-252.88%)	76.63	$479.70(13.93%)	$462.78(18.09%)	$428.80(27.45%)	—	5	3	1.04%
META	Communication Services	10/10 👍	$283.25	$267.96(-5.71%)	53.69	$305.76(-7.36%)	$286.88(-1.27%)	$252.99(11.96%)	—	—	—	%
NOW	Technology	10/10 👍	$541.75	$481.22(-12.58%)	45.36	$571.89(-5.27%)	$548.08(-1.15%)	$498.39(8.70%)	7	5	3	%
NVDA	Technology	10/10 👍	$432.99	$130.24(-232.46%)	48.05	$444.90(-2.68%)	$433.61(-0.14%)	$365.90(18.34%)	0	6	2	%
ON	Technology	10/10 👍	$90.73	()	52.75	$99.72(-9.02%)	$90.07(0.73%)	$84.44(7.45%)	1	7	1	%
PHM	Consumer Cyclical	10/10 👍	$79.32	()	44.85	$82.73(-4.12%)	$76.13(4.19%)	$67.45(17.60%)	4	7	2	0.74%
PNR	Industrials	10/10 👍	$66.61	$43.62(-52.69%)	75.39	$67.35(-1.11%)	$62.42(6.70%)	$58.38(14.09%)	6	7	3	1.28%
WST	Healthcare	10/10 👍	$387.79	$208.14(-86.31%)	58.87	$385.11(0.70%)	$369.19(5.04%)	$339.90(14.09%)	0	8	2	0.21%
AVGO	Technology	9/10 👍	$825.84	$1,048.31(21.22%)	38.77	$877.03(-5.84%)	$866.79(-4.72%)	$761.59(8.44%)	3	8	2	2.18%
CPRT	Industrials	8/10 👍	$86.84	$72.70(-19.45%)	43.77	$89.98(-3.49%)	$87.30(-0.53%)	$79.43(9.33%)	—	7	2	%

Momentum Screen

Symbol ↑↓ ▽	Sector ↑↓	Trend ⌊F	Last ↑↓	FairValue ↑↓	RSI ↑↓	20 SMA ⓘ ↑↓	50 SMA ⓘ ↑↓	100 SMA ⓘ ↑↓	Mohanram ⓘ ↑↓	Piotroski ⓘ ↑↓	SV Rank ⓘ ↑↓	Yield% ↑↓
BKNG	Consumer Cyclical	10/10 👍	$3,058.43	()	78.73	$2,837.61(7.78%)	$2,719.30(12.47%)	$2,656.54(15.13%)	2	6	3	%
CAT	Industrials	10/10 👍	$273.87	$261.18(-4.86%)	61.34	$266.81(2.65%)	$245.52(11.55%)	$231.62(18.24%)	1	7	3	%
CHTR	Communication Services	10/10 👍	$420.47	$594.56(29.28%)	74.32	$404.85(3.86%)	$365.68(14.98%)	$363.21(15.76%)	3	7	3	%
DPZ	Consumer Cyclical	10/10 👍	$378.80	$220.30(-71.95%)	68.85	$386.95(-2.11%)	$340.44(11.27%)	$335.45(12.92%)	6	5	4	1.58%
ETN	Industrials	10/10 👍	$214.64	$74.34(-188.72%)	71.87	$199.97(7.33%)	$181.74(18.10%)	$173.84(23.47%)	7	8	3	1.76%
LLY	Healthcare	10/10 👍	$546.50	$154.87(-252.88%)	76.63	$479.70(13.93%)	$462.78(18.09%)	$428.80(27.45%)	—	5	3	1.04%
MPC	Energy	10/10 👍	$144.67	()	83.09	$125.34(15.42%)	$116.35(24.34%)	$120.53(20.03%)	—	9	1	2.21%
ODFL	Industrials	10/10 👍	$393.49	$370.65(-6.16%)	65.05	$373.62(5.32%)	$343.70(14.49%)	$338.13(16.37%)	6	7	3	0.43%
URI	Industrials	10/10 👍	$451.44	$490.09(7.89%)	69.71	$446.51(1.10%)	$390.09(15.73%)	$395.74(14.07%)	3	8	3	1.23%
WST	Healthcare	10/10 👍	$387.79	$208.14(-86.31%)	58.87	$385.11(0.70%)	$369.19(5.04%)	$339.90(14.09%)	0	8	2	0.21%
BA	Industrials	9/10 👍	$226.76	$64.77(-250.10%)	67.98	$220.17(2.99%)	$212.78(6.57%)	$209.15(8.42%)	3	4	4	%
MCK	Healthcare	9/10 👍	$420.51	$564.68(25.53%)	61.98	$414.39(1.48%)	$397.17(5.88%)	$378.83(11.00%)	1	7	2	0.61%
PKG	Consumer Cyclical	9/10 👍	$146.96	$175.05(16.05%)	75.34	$138.55(6.07%)	$134.72(9.09%)	$136.14(7.95%)	—	8	1	3.81%
ZTS	Healthcare	9/10 👍	$181.56	$102.34(-77.41%)	64.71	$176.29(2.99%)	$174.46(4.07%)	$170.59(6.43%)	1	8	3	0.89%
AMGN	Healthcare	8/10 👍	$261.82	$225.06(-16.33%)	77.17	$242.61(7.92%)	$230.80(13.44%)	$233.72(12.02%)	1	4	3	3.85%
CME	Financial	8/10 👍	$203.73	$106.41(-91.46%)	70.53	$193.85(5.10%)	$186.92(8.99%)	$184.92(10.17%)	2	4	3	2.40%
LIN	Materials	7/10 👍	$374.81	$320.49(-16.95%)	55.83	$377.21(-0.64%)	$369.15(1.53%)	$352.84(6.23%)	5	7	3	1.33%
MSCI	Financial	7/10 👍	$520.51	$355.34(-46.48%)	71.52	$510.28(2.00%)	$487.25(6.83%)	$500.88(3.92%)	1	6	—	1.01%
VLO	Energy	7/10 👍	$133.70	()	75.70	$119.00(12.35%)	$114.56(16.71%)	$119.60(11.79%)	—	8	1	3.20%
REGN	Healthcare	6/10 👍	$812.40	()	65.24	$755.16(7.58%)	$749.51(8.39%)	$765.89(6.07%)	4	6	3	%

Fundamental & Technical Strength

Symbol	Sector	Trend	Last	FairValue	RSI	20 SMA	50 SMA	100 SMA	Mohanram	Piotroski	SV Rank	Yield%
CMCSA	Communication Services	10/10 👍	$45.76	$57.21(20.01%)	76.80	$42.70(7.17%)	$41.09(11.37%)	$39.27(16.53%)	5	8	4	2.68%
CNI	Industrials	10/10 👍	$113.61	$120.90(6.03%)	39.45	$117.03(-2.92%)	$117.45(-3.27%)	$117.35(-3.19%)	1	8	3	2.05%
AVGO	Technology	9/10 👍	$825.84	$1,048.31(21.22%)	38.77	$877.03(-5.84%)	$866.79(-4.72%)	$761.59(8.44%)	3	8	2	2.18%
PXD	Energy	9/10 👍	$237.80	()	70.24	$223.91(6.20%)	$211.82(12.26%)	$208.35(14.13%)	1	8	3	7.06%
ADP	Industrials	8/10 👍	$251.05	$180.53(-39.06%)	67.76	$246.27(1.94%)	$228.66(9.79%)	$221.41(13.39%)	6	7	2	2.01%
COP	Energy	8/10 👍	$117.33	()	62.92	$113.95(2.97%)	$107.11(9.54%)	$103.75(13.09%)	1	8	1	2.08%
EOG	Energy	8/10 👍	$130.61	()	68.29	$124.50(4.91%)	$116.43(12.18%)	$114.49(14.08%)	7	8	3	2.52%
SAN	Financial	8/10 👍	$3.82	()	51.93	$3.84(-0.65%)	$3.62(5.39%)	$3.62(5.39%)	4	7	4	3.30%
SCCO	Materials	8/10 👍	$77.26	$80.56(4.10%)	52.96	$80.41(-3.92%)	$74.74(3.37%)	$74.75(3.36%)	6	8	4	5.21%
CNQ	Energy	7/10 👍	$61.58	()	56.26	$59.75(3.05%)	$57.30(7.46%)	$56.89(8.24%)	1	8	3	4.46%
CSCO	Technology	7/10 👍	$55.04	$35.23(-56.23%)	58.08	$52.43(4.98%)	$51.26(7.37%)	$49.83(10.46%)	1	7	3	2.97%
IBM	Technology	7/10 👍	$141.45	$89.28(-58.43%)	57.31	$139.59(1.33%)	$134.82(4.92%)	$129.90(8.89%)	5	7	4	4.61%
JNJ	Healthcare	7/10 👍	$172.55	$136.02(-26.86%)	67.30	$165.66(4.16%)	$161.40(6.91%)	$159.13(8.43%)	1	9	3	2.76%
MDLZ	Consumer Goods	7/10 👍	$71.13	$46.63(-52.54%)	50.84	$73.31(-2.97%)	$74.41(-4.41%)	$71.89(-1.06%)	5	7	3	2.08%

SimpleVisor Portfolio Changes

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

August 15th

?As we have repeatedly discussed, we have been waiting for some corrective action to rebalance our equity and ETF models to align them closer to the benchmark indices in terms of weighting. We continue that process today by reducing our overweight Utility exposure and increasing our Discretionary and Financial weightings.

In the Equity Model, we sold Nextera Energy (NEE) and rebalanced Duke Energy (DUK) to sector weight. We are also initiating two new positions in Lennar (LEN) to increase our Discretionary holdings and adding Visa (V) for the financial weightings. In the ETF model, we are swapping iShares Real Estate ETF (XLRE) for the Homebuilders ETF (ITB), reducing the iShares Utilities ETF, and increasing our weighting to the iShares Discretionary ETF (XLY).

We are also using the recent rate uptick to shift our 1-3 Month T-Bill Holdings (BIL) to the 1-3 Year Treasury Bill ETF (SHY).

Equity Model

- *Sell 100% of NextEra Energy (NEE)*
- *Increase Duke Energy to 3% of the portfolio.*
- *Initiate a new 2% of the portfolio position in Lennar (LEN)*
- *Buy 2% of the portfolio in Visa (V).*
- *Swap 100% of the iShares 1-3 Month Treasury Bill ETF (BIL) into the iShares 1-3 Year Treasury Bill ETF (SHY)*

ETF Model

- *Sell 100% of the iShares Real Estate ETF (XLRE)*
- *Buy 1.5% of the portfolio in the Homebuilders ETF (ITB)*
- *Add 2% of the portfolio to the iShares Discretionary ETF (XLY)*
- *Trim the iShares Utility ETF (XLU) by 0.5% to 4% of the portfolio.*
- *Swap 100% of the iShares 1-3 Month Treasury Bill ETF (BIL) into the iShares 1-3 Year Treasury Bill ETF (SHY)*

August 17th

This morning we swapped our 1.5% in IWM for CSCO in the equity model. In the sector model, we are leaving IWM. This will better align small-cap exposure in both portfolios. CSCO adds to our technology weighting, which we have been trying to increase. It also has somewhat of a value tilt with a P/E<20 and a 2.85% dividend. &#2013266080;

- *Sell 100% of Russell 2000 Index ETF (IWM)*
- *Buy 1.5% of the portfolio in Cisco Systems (CSCO)*

Lance Roberts, C.I.O.

Have a great week!