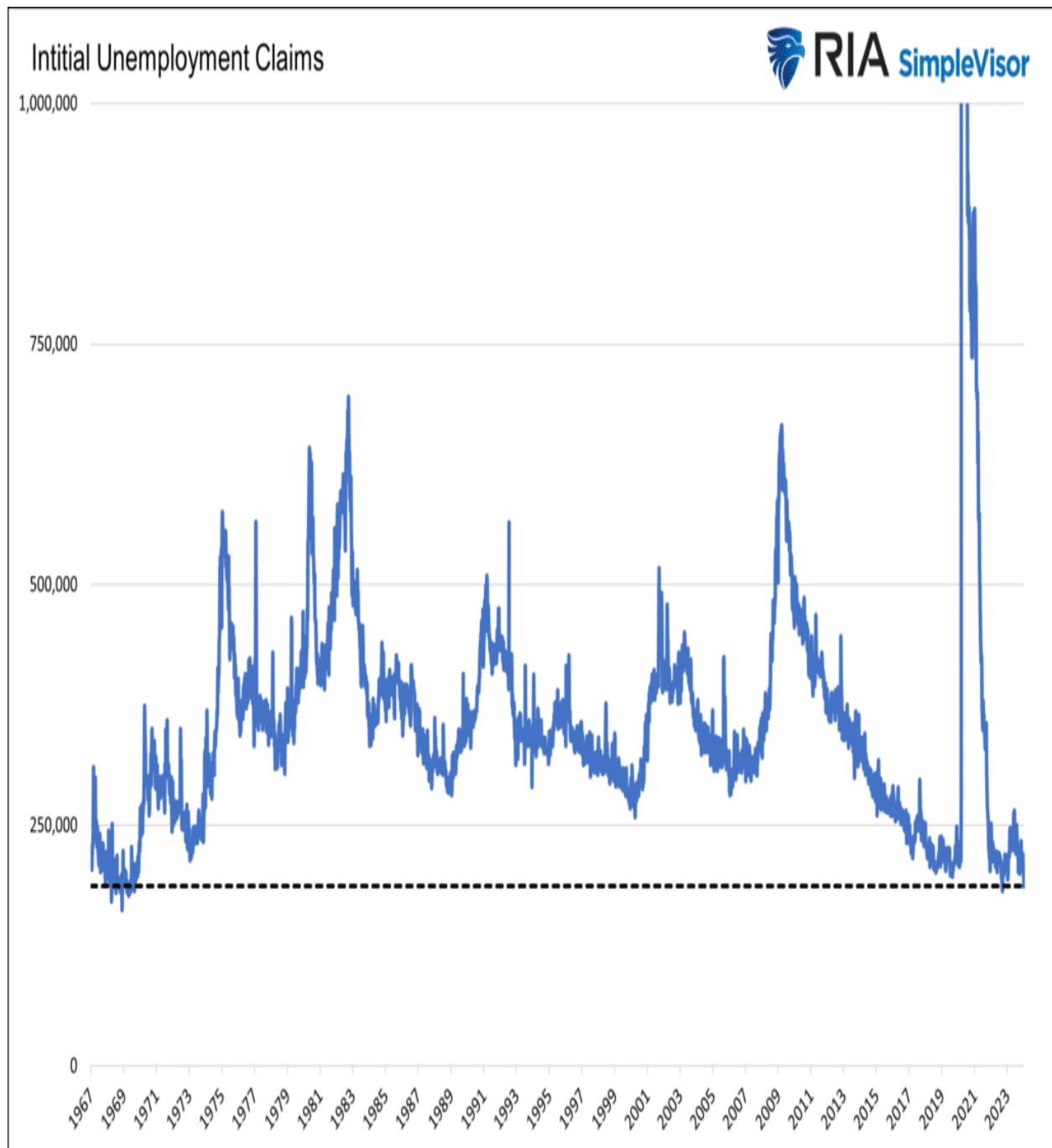


Unemployment Claims May Not Be As Low As You Think

Last week's initial unemployment claims were 187,000. Since 1967, there have only been 21 weekly instances of a total of 2,976 times in which unemployment claims were lower than the current reading. The low number of unemployment claims indicates a robust job market. Is it? In recent years, there is a new factor to consider. Accordingly, Annie Wong of Bloomberg put out a [story](#) shedding light on why unemployment claims may be so low. She points to two reasons why claims data may not be comparable to prior instances. First, eligibility is at a pre-covid low. Typically, eligibility rates increase going into recessions. The current rate has risen, but it is lower than where it has been in all other pre-recession periods. Either there isn't a recession in sight, or the rate is lower than usual.

Secondly, and more impactful, Bloomberg estimates that the average wage coverage gap is bigger than ever at \$1,400. Simply, unemployment claims payouts have not kept up with inflation. On the contrary, gig/part-time jobs have. Therefore, laid-off workers are better off working for Uber and other flexible gig economy jobs. Michael Green of Simplify Asset Management sums this up well. *Effectively, we've created private market unemployment insurance with gig economy work where the hassle/compensation of obtaining traditional unemployment insurance is simply not worth it. This is consistent with rising unemployment rates for college grads and suggests that policy is missing yet another important signal.* To his point, low-paying part-time jobs replace jobless claims but make the labor market look healthier than it is.



What To Watch Today

Earnings

Time	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's EPS*
🌙	TSLA	Tesla, Inc.	\$663,758,786,440	Dec/2023	\$0.60	8	1/25/2023	\$1.07
🌞	ASML	ASML Holding N.V.	\$302,523,809,625	Dec/2023	\$5.12	5	1/25/2023	\$4.70
🌞	SAP	SAP SE	\$200,504,175,704	Dec/2023	\$1.29	4	1/26/2023	\$0.56
🌞	ABT	Abbott Laboratories	\$198,240,524,225	Dec/2023	\$1.19	9	1/25/2023	\$1.03
🌙	IBM	International Business Machines Corporation	\$157,814,284,354	Dec/2023	\$3.76	7	1/25/2023	\$3.60
🌙	NOW	ServiceNow, Inc.	\$154,252,250,000	Dec/2023	\$1.10	11	1/25/2023	\$0.88
🌞	T	AT&T Inc.	\$120,120,337,982	Dec/2023	\$0.55	9	1/25/2023	\$0.61
🌞	ELV	Elevance Health, Inc.	\$110,863,118,258	Dec/2023	\$5.55	13	1/25/2023	\$5.23
🌙	LRCX	Lam Research Corporation	\$109,853,903,680	Dec/2023	\$7.05	11	1/25/2023	\$10.71
☹️	PGR	Progressive Corporation (The)	\$99,620,765,643	Dec/2023	\$2.38	11	1/25/2023	\$1.50
🌙	CSX	CSX Corporation	\$68,670,553,466	Dec/2023	\$0.44	8	1/25/2023	\$0.49
🌞	GD	General Dynamics Corporation	\$68,158,719,753	Dec/2023	\$3.66	8	1/25/2023	\$3.58
🌞	APH	Amphenol Corporation	\$58,616,453,331	Dec/2023	\$0.77	6	1/25/2023	\$0.78
🌞	FCX	Freeport-McMoran, Inc.	\$53,745,467,105	Dec/2023	\$0.23	7	1/25/2023	\$0.52
🌙	CCI	Crown Castle Inc.	\$47,168,000,739	Dec/2023	\$1.70	7	1/25/2023	\$1.85
🌞	TEL	TE Connectivity Ltd.	\$41,395,799,430	Dec/2023	\$1.72	7	1/25/2023	\$1.53
🌞	KMB	Kimberly-Clark Corporation	\$41,343,704,509	Dec/2023	\$1.53	6	1/25/2023	\$1.54
🌙	URI	United Rentals, Inc.	\$39,237,325,776	Dec/2023	\$10.85	8	1/25/2023	\$9.74
🌙	AMP	AMERIPRISE FINANCIAL SERVICES, LLC	\$39,174,057,885	Dec/2023	\$7.67	6	1/25/2023	\$6.94
🌙	LVS	Las Vegas Sands Corp.	\$36,642,047,590	Dec/2023	\$0.63	7	1/25/2023	(\$0.19)
🌙	RMD	ResMed Inc.	\$26,008,791,526	Dec/2023	\$1.81	5	1/26/2023	\$1.66
🌙	RJF	Raymond James Financial, Inc.	\$23,681,039,281	Dec/2023	\$2.25	6	1/25/2023	\$2.29
🌞	TDY	Teledyne Technologies Incorporated	\$20,698,039,186	Dec/2023	\$5.06	5	1/25/2023	\$4.94
🌙	WRB	W.R. Berkley Corporation	\$19,876,776,380	Dec/2023	\$1.35	5	1/26/2023	\$1.16
🌙	STX	Seagate Technology Holdings PLC	\$18,219,925,180	Dec/2023	(\$0.22)	5	1/25/2023	N/A
🌞	TXT	Textron Inc.	\$15,539,312,630	Dec/2023	\$1.53	6	1/25/2023	\$1.07
🌙	PKG	Packaging Corporation of America	\$14,809,518,836	Dec/2023	\$1.80	5	1/25/2023	\$2.35
🌞	EDU	New Oriental Education & Technology Group, Inc.	\$11,417,047,352	Nov/2023	\$0.09	1	1/17/2023	N/A
☹️	RDY	Dr. Reddy's Laboratories Ltd	\$11,217,317,727	Dec/2023	\$0.87	1	1/25/2023	\$0.91
🌙	KNX	Knight Transportation, Inc.	\$9,206,101,450	Dec/2023	\$0.47	5	1/26/2023	\$1
☹️	SEIC	SEI Investments Company	\$8,476,879,183	Dec/2023	\$0.90	6	1/25/2023	\$0.83
🌙	CACI	CACI International, Inc.	\$7,679,014,505	Dec/2023	\$4.50	9	1/25/2023	\$4.28
🌞	SF	Stifel Financial Corporation	\$7,191,736,408	Dec/2023	\$1.42	1	1/25/2023	\$1.58
Time	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's EPS*

Economy

Time	Event	Impact	Actual	Dev	Consensus	Previous
WEDNESDAY, JANUARY 24						
12:00	USD MBA Mortgage Applications(Jan 19)	<div><div></div></div>	-	-	-	10.4%
14:45	USD S&P Global Composite PMI(Jan) PREL	<div><div></div></div>	-	-	-	50.9
14:45	USD S&P Global Manufacturing PMI(Jan) PREL	<div><div></div></div>	-	-	47.9	47.9
14:45	USD S&P Global Services PMI(Jan) PREL	<div><div></div></div>	-	-	51	51.4
15:30	USD EIA Crude Oil Stocks Change(Jan 19)	<div><div></div></div>	-	-	-3M	-2.492M
18:00	USD 5-Year Note Auction	<div><div></div></div>	-	-	-	3.801%

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18:00	USD 5-Year Note Auction	<div><div></div></div>	-	-	-	3.801%

Investing Summit:Early Bird Registration Available Now

January 27th, we are hosting a live event featuring Greg Valliere to discuss investing in the 2024 presidential election. What will a new president mean for the markets, the risks, and where to invest through it all?Greg will be joined by Lance Roberts, Michael Lebowitz, and Adam Taggartfor morning presentations covering everything you need to know for the New Year.

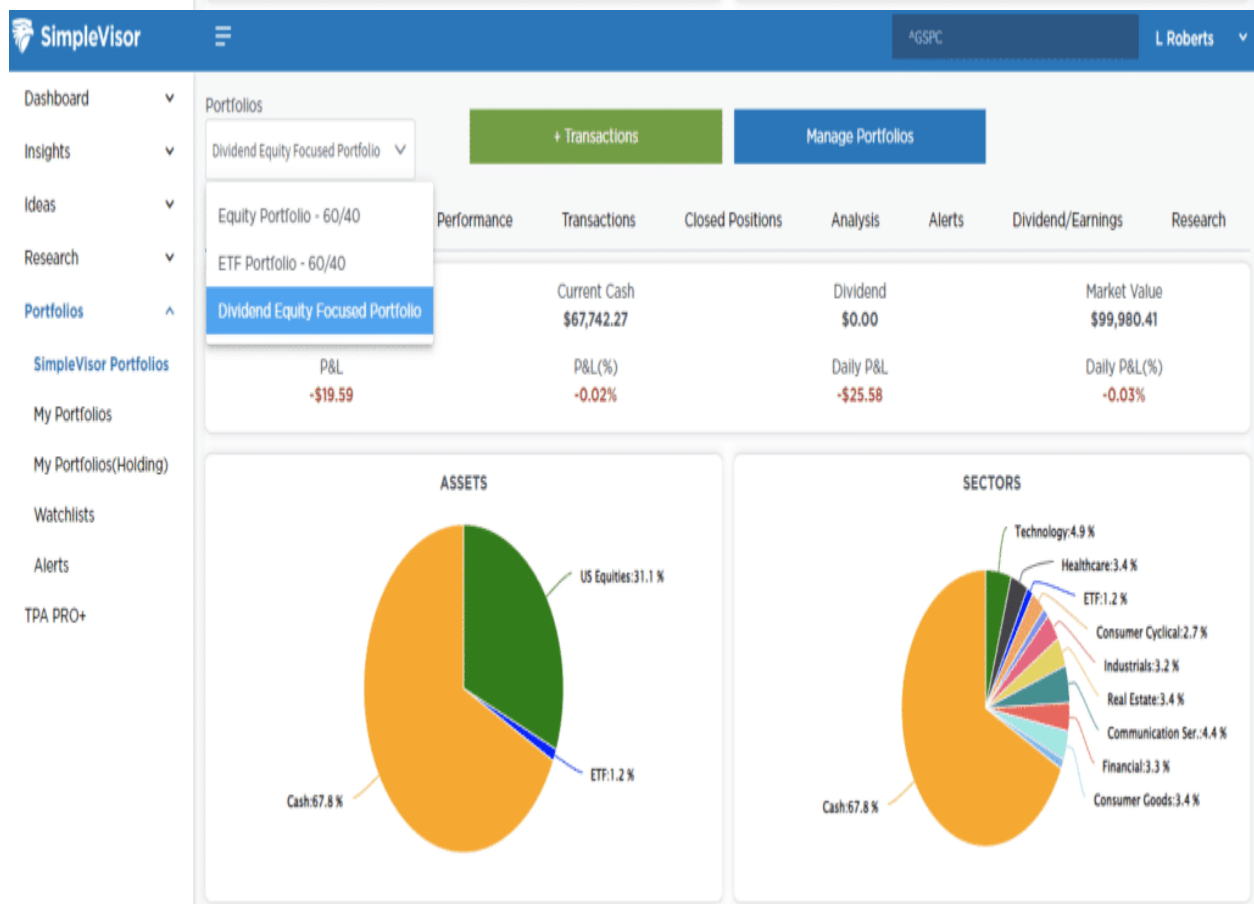
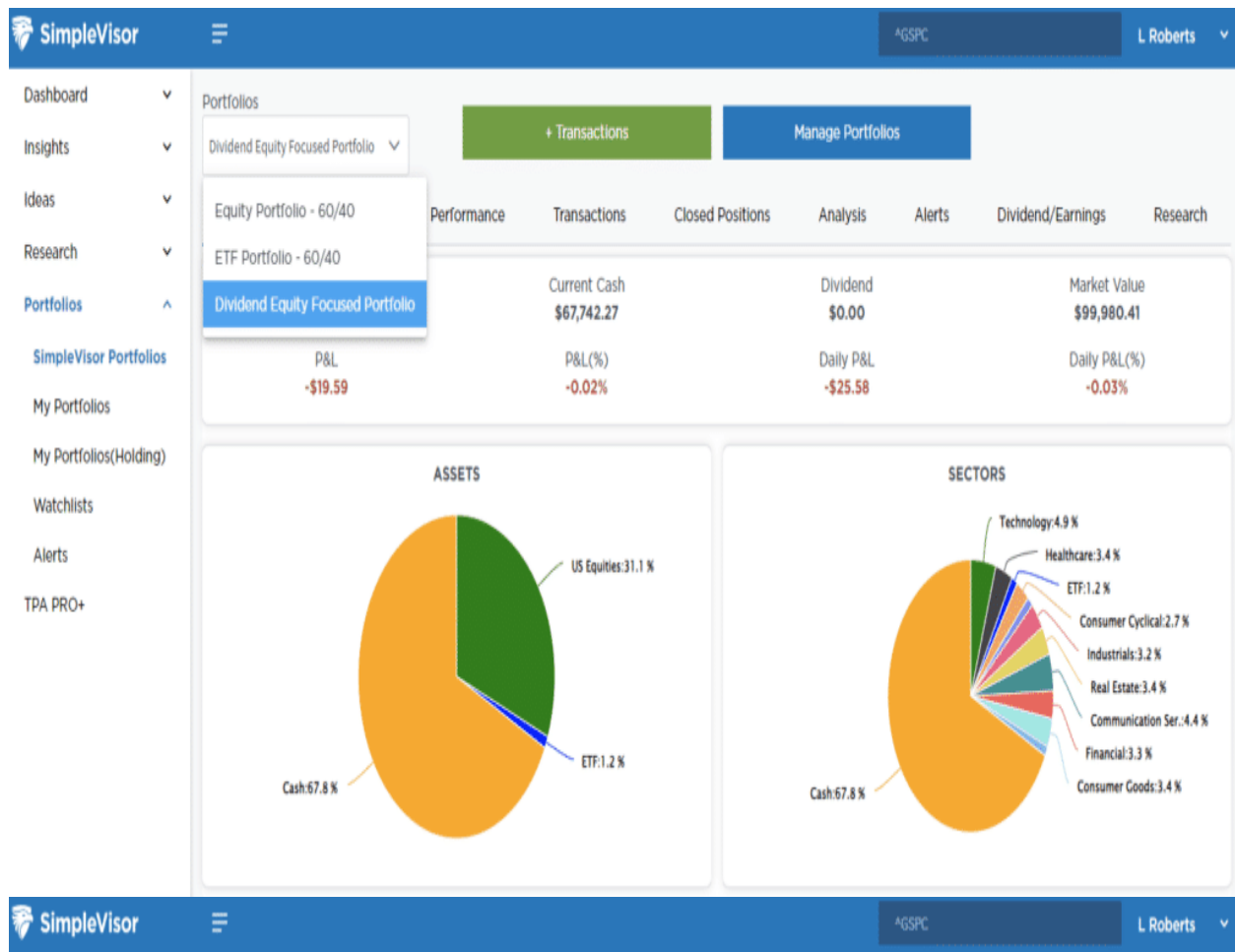
Register now, as there are only 150 seats. The session is a LIVE EVENT, and no recordings will be provided.

The image displays two identical promotional banners stacked vertically. Each banner has a dark blue background. On the left, there is a portrait of Greg Valliere, a man with glasses wearing a dark suit, white shirt, and red tie, positioned in front of a stylized American flag. To the right of the portrait, the title "Navigating Markets in a Presidential Cycle" is written in large, bold, white sans-serif font. Below the title, the text "Featuring Greg Valliere" appears, with "Featuring" in a smaller white font and "Greg Valliere" in a larger, bold red font. To the right of this text is a red button with the words "REGISTER NOW" in white, uppercase letters. Further to the right, there is a vertical column of three circular headshots of men. Next to each headshot is the man's name in white text: Adam Taggart, Lance Roberts, and Michael Lebowitz. The entire graphic is repeated twice.

Market Trading Update

Not much changed with respect to the market from [yesterday's update](#). As such, I wanted to use today's market update to let you know about the new Dividend Equity Growth Portfolio we launched yesterday at Simplevisor.com.

We have had many requests for an all-equity portfolio with a dividend focus. We started working on this model last year, and yesterday, we allocated 1/3rd of the capital to the portfolio. As with all primary models on the website, these are actual portfolios, and each portfolio is launched with \$100,000 in capital. *(Unlike most sites that use models, we put actual capital behind our strategies.)*



As shown, we allocated about 1/3rd of the capital yesterday into the holdings shown below, and we will *average* into the portfolio over the next few weeks until 100% of the capital is allocated.

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Dividend Equity Focused Portfolio ▾

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Symbol ↑↓ ▾	Name ↑↓	Type ↑↓	# Shrs ↑↓	Avg Cost ↑↓	Cost Basis ↑↓	% Acc ↑↓	Price ↑↓	Change ↑↓	Mkt Value ↑↓	P&L ↑↓	P&L(%) ↑↓	Div Yield ↑↓	Sector ↑↓
AMZN	Amazon.com Inc	Long	10	\$154.34	\$1,543.40	1.55%	\$155.33	\$0.54 (0.35%)	\$1,553.25	\$9.85	0.64%	%	Consumer Cyclical
AMLP	Alerian MLP ETF	Long	27	\$43.35	\$1,170.45	1.17%	\$43.39	\$0.03 (0.07%)	\$1,171.58	\$1.13	0.10%	%	ETF
META	Meta Platforms, Inc.	Long	4	\$384.15	\$1,536.60	1.54%	\$384.10	\$2.32 (0.61%)	\$1,536.38	-\$0.22	-0.01%	%	Communication Ser.
GOOG	Alphabet	Long	11	\$148.47	\$1,633.17	1.63%	\$148.33	\$0.61 (0.42%)	\$1,631.57	-\$1.60	-0.10%	%	Communication Ser.
NVDA	NVIDIA Corp	Long	3	\$592.18	\$1,776.54	1.79%	\$594.98	-\$1.56 (-0.26%)	\$1,784.93	\$8.39	0.47%	0.03%	Technology
AAPL	Apple Inc	Long	8	\$194.94	\$1,559.52	1.56%	\$194.84	\$0.95 (0.49%)	\$1,558.74	-\$0.78	-0.05%	0.53%	Technology
MSFT	Microsoft Corp	Long	4	\$395.05	\$1,580.20	1.59%	\$397.52	\$1.01 (0.25%)	\$1,590.07	\$9.87	0.62%	0.78%	Technology
FAST	Fastenal Co	Long	16	\$69.59	\$1,113.44	1.11%	\$69.20	-\$0.72 (-1.02%)	\$1,107.12	-\$6.32	-0.57%	2.30%	Industrials
JPM	JPMorgan Chase & Co	Long	6	\$169.12	\$1,014.72	1.02%	\$169.48	-\$0.63 (-0.37%)	\$1,016.88	\$2.16	0.21%	2.47%	Financial
GS	Goldman Sachs Group Inc	Long	3	\$382.24	\$1,146.72	1.14%	\$379.92	-\$6.04 (-1.56%)	\$1,139.76	-\$6.96	-0.61%	2.89%	Financial
KO	Coca-Cola Co	Long	19	\$59.66	\$1,133.54	1.14%	\$59.84	\$0.27 (0.46%)	\$1,137.04	\$3.50	0.31%	3.12%	Consumer Goods
CVS	CVS Health Corp	Long	15	\$74.40	\$1,116.00	1.12%	\$74.51	\$0.57 (0.78%)	\$1,117.57	\$1.57	0.14%	3.37%	Healthcare
SWK	Stanley Black & Decker Inc	Long	12	\$96.00	\$1,152.00	1.13%	\$94.40	-\$1.73 (-1.79%)	\$1,132.74	-\$19.26	-1.67%	3.43%	Industrials
ED	Consolidated Edison Inc	Long	13	\$89.21	\$1,159.73	1.16%	\$89.11	-\$0.09 (-0.11%)	\$1,158.37	-\$1.37	-0.12%	3.53%	Utilities
XOM	Exxon Mobil Corp	Long	12	\$97.36	\$1,168.32	1.17%	\$97.76	\$0.94 (0.97%)	\$1,173.08	\$4.76	0.41%	3.80%	Energy
MDT	Medtronic PLC	Long	13	\$87.03	\$1,131.39	1.12%	\$86.12	-\$0.35 (-0.41%)	\$1,119.51	-\$11.88	-1.05%	3.83%	Healthcare
KMB	Kimberly-Clark Corp	Long	9	\$124.81	\$1,123.29	1.12%	\$124.95	\$2.61 (2.13%)	\$1,124.55	\$1.26	0.11%	3.84%	Consumer Goods
FRT	Federal Realty Investment Trust	Long	11	\$101.44	\$1,115.84	1.11%	\$101.09	\$0.28 (0.28%)	\$1,111.94	-\$3.90	-0.35%	4.28%	Real Estate
ABBV	AbbVie Inc	Long	7	\$166.08	\$1,162.56	1.17%	\$166.69	\$1.30 (0.79%)	\$1,166.83	\$4.27	0.37%	4.35%	Healthcare
SPG	Simon Property Group Inc	Long	8	\$143.35	\$1,146.80	1.13%	\$141.74	-\$0.28 (-0.20%)	\$1,133.92	-\$12.88	-1.12%	5.26%	Real Estate
O	Realty Income Corp	Long	21	\$55.93	\$1,174.53	1.17%	\$55.64	\$0.05 (0.10%)	\$1,168.34	-\$6.19	-0.53%	5.40%	Real Estate
MMM	3M Co	Long	10	\$97.91	\$979.10	0.95%	\$95.47	-\$12.55 (-11.62%)	\$954.70	-\$24.40	-2.49%	5.61%	Industrials
PM	Philip Morris International Inc	Long	12	\$91.11	\$1,093.32	1.10%	\$91.62	-\$0.81 (-0.88%)	\$1,099.44	\$6.12	0.56%	5.73%	Consumer Goods
TFC	Truist Financial Corporation	Long	31	\$37.06	\$1,148.86	1.14%	\$36.91	-\$0.10 (-0.27%)	\$1,144.21	-\$4.65	-0.40%	5.78%	Financial
VZ	Verizon Communications Inc	Long	29	\$41.33	\$1,198.57	1.21%	\$41.88	\$2.30 (5.81%)	\$1,214.52	\$15.95	1.33%	7.02%	Communication Ser.
LEG	Leggett & Platt Inc	Long	51	\$23.12	\$1,179.12	1.19%	\$23.36	\$0.34 (1.50%)	\$1,191.11	\$11.98	1.02%	7.81%	Consumer Cyclical

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Once fully allocated, the portfolio should carry a dividend roughly twice as large as the S&P 500. Furthermore, given that 30% of the portfolio is allocated toward the major holdings of the S&P 500, the portfolio should track somewhat closely to the S&P 500 with lower volatility during drawdown periods.

This portfolio was just started yesterday morning. Once it is fully allocated, we will revisit this portfolio in a few months and see how it performs relative to the market. All Simplevisor.com subscribers were alerted of the launch and the trades yesterday.



Liquidity Ladder

The graphs below, courtesy of Eric Basmajian (EPB Research), show how liquidity flows to various sectors of the stock market, benefitting some more than others. The top left graphs show the S&P 500 is at an all-time high, and the equal-weighted S&P 500 index is closing in on a record high but still has another 5% to go. The bottom graphs show small and micro caps still have plenty of room to go before reaching new highs. Passive investment strategies are predominately market-cap-based. Therefore, most passive money flows to the most well-known large-cap indexes. Accordingly, liquidity flows to the biggest stocks first.

Weekly Update: Week 02



Weekly Update: Week 02



SPDR S&P 500 ETF Trust (SPY) Price



14

Invesco S&P 500 Equal Weight ETF (RSP) Price



15

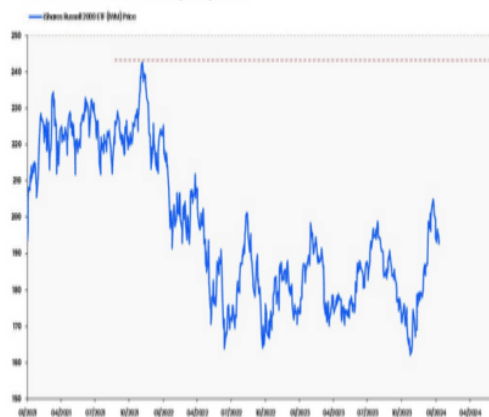
Weekly Update: Week 02



Weekly Update: Week 02



iShares Russell 2000 ETF (IWM) Price



16

iShares Micro-Cap ETF (IWC) Price



17

Weekly Update: Week 02



Weekly Update: Week 02

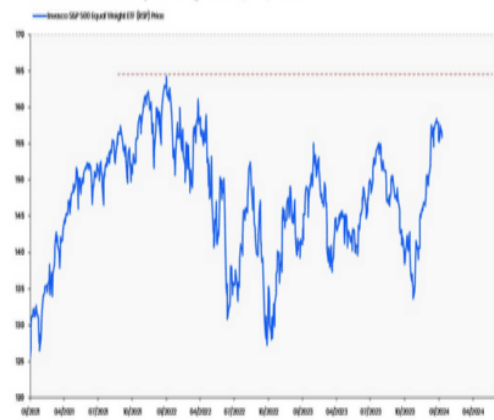


SPDR S&P 500 ETF Trust (SPY) Price



14

Invesco S&P 500 Equal Weight ETF (RSP) Price



15

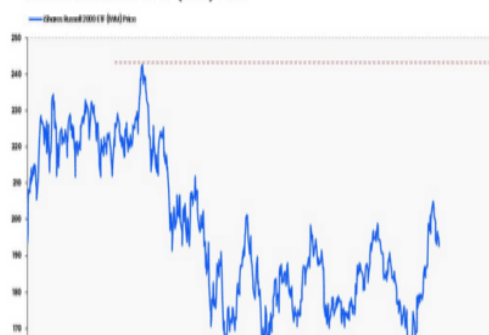
Weekly Update: Week 02



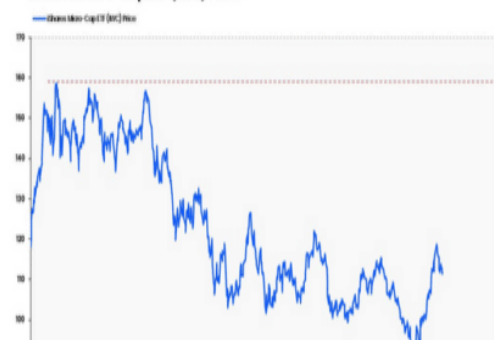
Weekly Update: Week 02



iShares Russell 2000 ETF (IWM) Price



iShares Micro-Cap ETF (IWC) Price



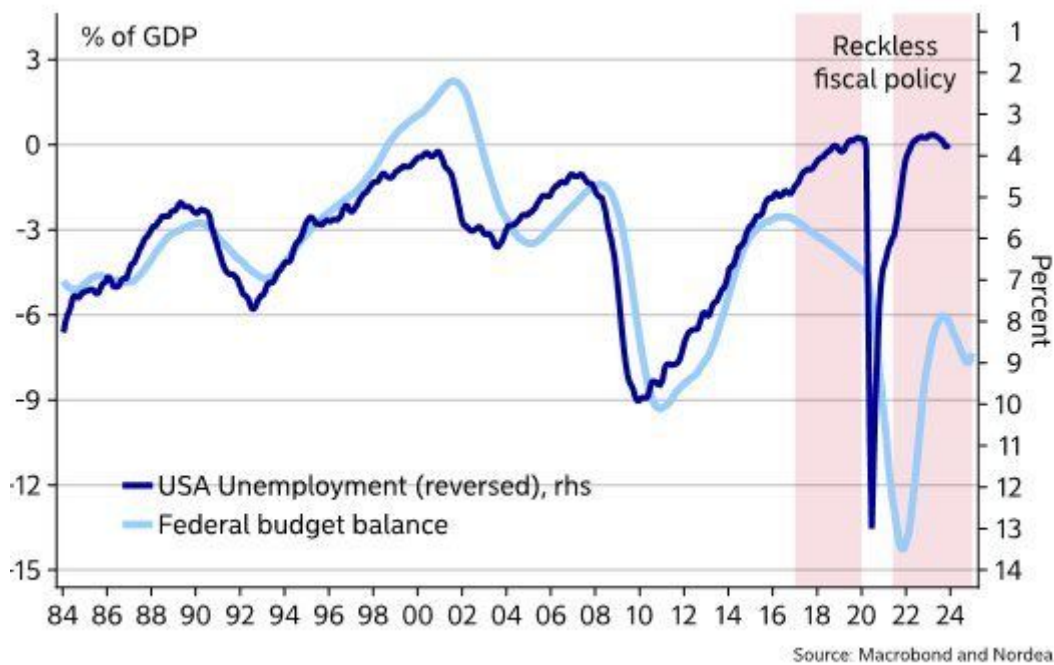
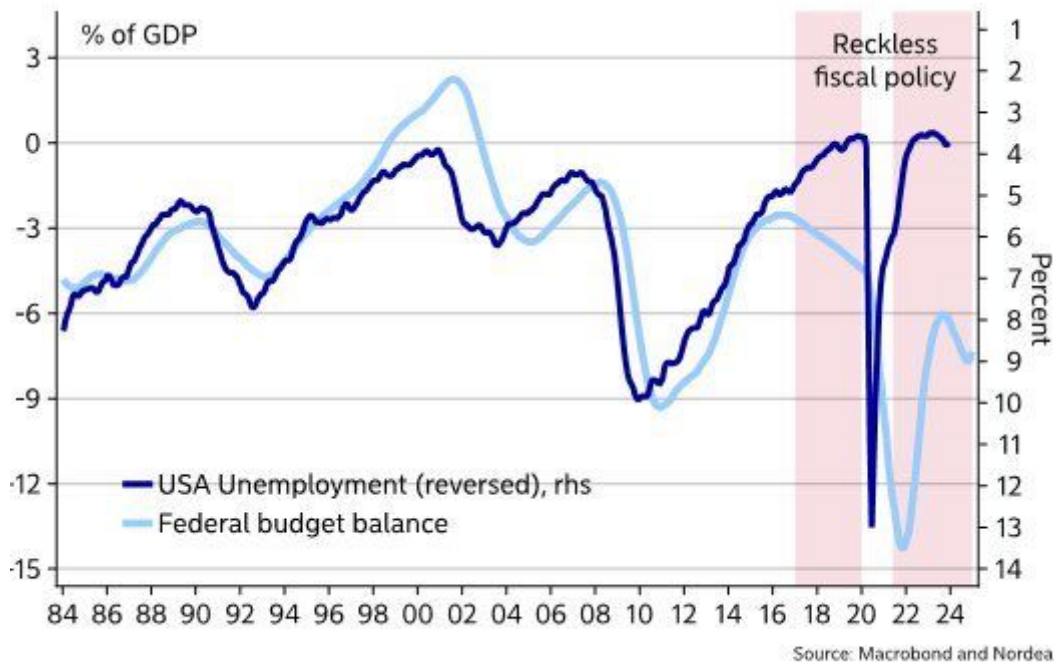
Eric Basmajian sums up his graphs as follows:

This is the "liquidity ladder" and it's emblematic of worsening economic conditions, not better. Cyclical improvements in the economy always come with outperformance of higher-beta smaller companies, and this is not at all what's occurring in markets. Smaller and micro-cap stock performance is more relatable to Main Street companies that don't have preferential borrowing terms in the corporate bond market.

Government Keeps Jobs And The Economy Humming

The strength of the economy is predicated on solid consumer spending. Consumer spending is a function of employment and wages. In today's environment, we can take that progression another step and say employment is a function of massive government spending. The graph below from Nordea shows that the unemployment rate and the Federal Budget balance as a percentage of GDP tend to be highly correlated. Most frequently, the government uses fiscal stimulus to boost the economy when needed. Conversely, they tend to spend less when the economy is stronger.

Since Covid, that rule of thumb has broken. The unemployment rate sits near 50-year lows, yet government spending as a percentage of the economy is on par with the 2008 recession and at a larger amount as a percentage of GDP than the prior two recessions.



Tweet of the Day

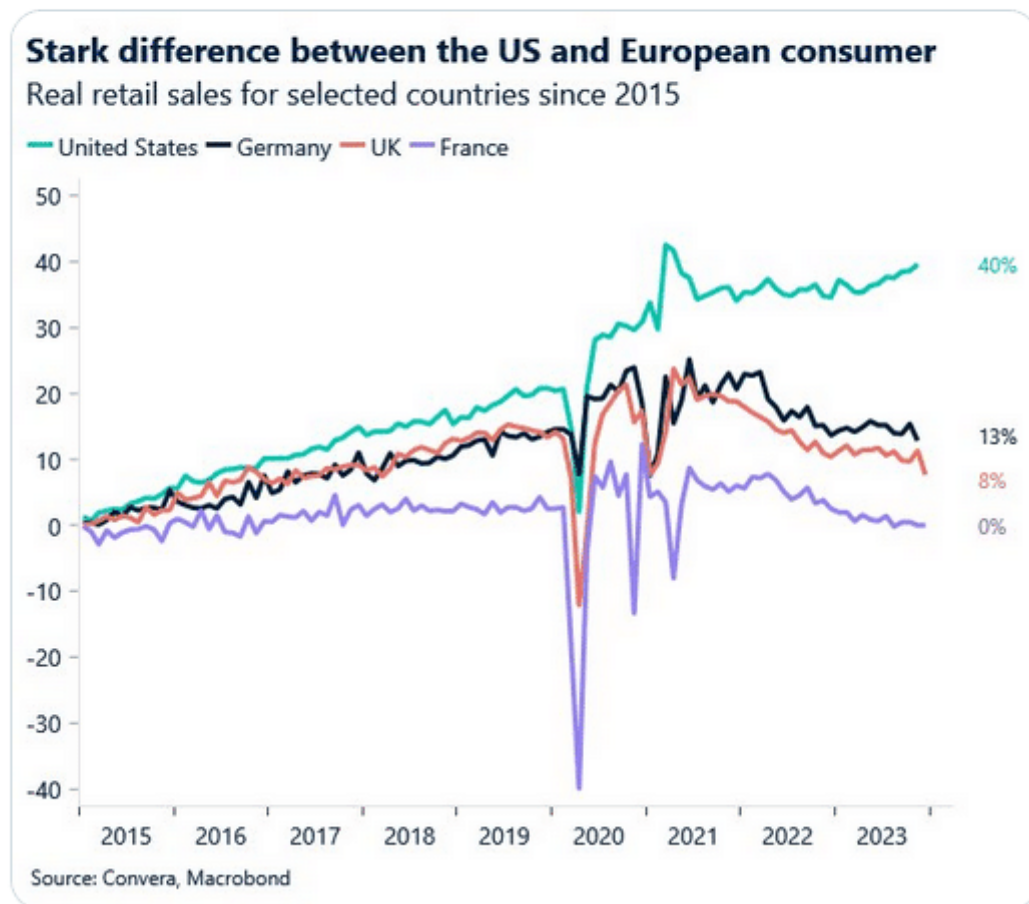


Michael A. Arouet ✓ @MichaelAArouet · 2m

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While US customers are in fairly good shape, Europe has been in decline since Covid. No wonder Europeans are frustrated.

Chart @MacroKova

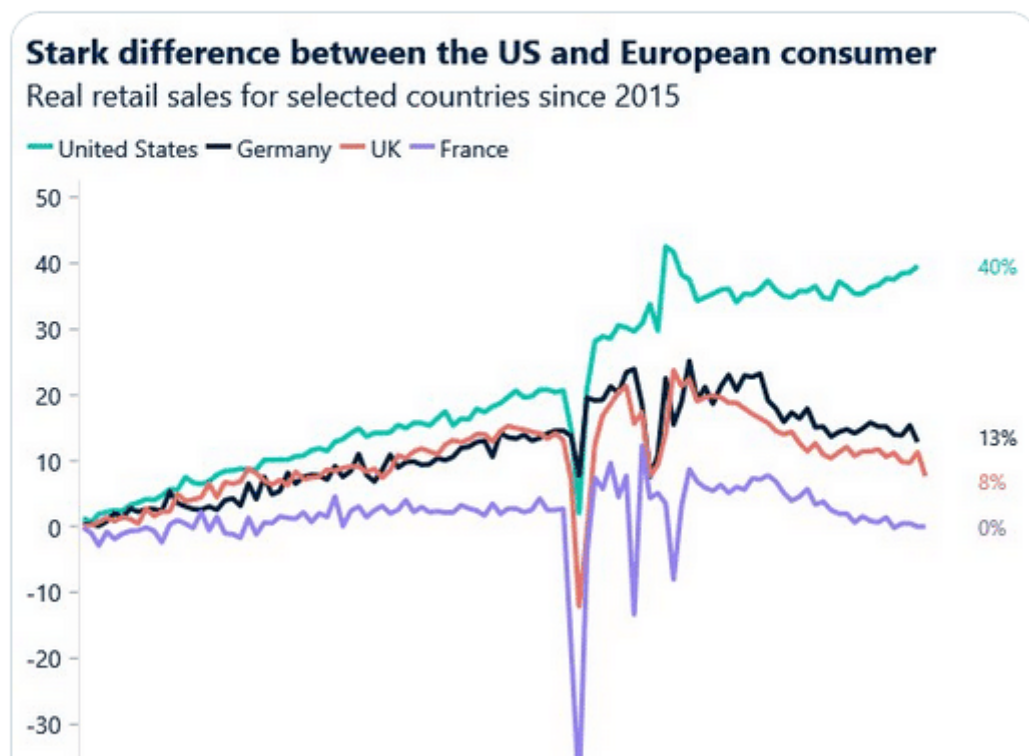


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Chart @MacroKova



?Want to have better long-term success in managing your portfolio? Here are our [15-trading rules for managing market risks.](#)?

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