Recession Coming? Market Says It May Be Here.

In this 05-20-22 issue of "Recession Coming? It May Already Be Here."

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- ***Recession Coming? It May Already Be Here.***
- ***Portfolio Positioning***
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Market Review & Update

The market rally we hoped for ended abruptly as retail reports showed a recession is coming. However, since the stock market leads the economy, a recession could already be here.

A review of the current market and 2008 is helpful. I am not suggesting a financial crisis is coming, but the market did note a recession was already well in progress.

The head and shoulders topping pattern is quite evident. The break of the rising neckline was the first warning of a recessionary bear market. The subsequent rally to, and failure at, the neckline confirmed the topping process was complete.

We see the same market action in 2022.

Again, we see the topping process, the clear break of the neckline, and a failed test of the neckline, turning it into resistance. While the market sits on critical support, any failure will confirm a recession, and a bear market is underway.

Most importantly, bonds confirm the same. For the last couple of months, bonds remained highly correlated to equities as fears of inflation reigned. That changed as investors started to accept that a *"hard-landing"* is probable, and bonds are *"working"* as a risk-asset hedge.

Given the large short-position against bonds currently, the short-covering in longer-duration bonds is likely only beginning. Those short positions will remain a significant source of *"covering"* risk instability as it occurs.

Such is why we have continued to hold and add to our long-bond positions in portfolios because if Charlie McElligott is correct:

> *"**I just get the sense that as the market crystalizes on this (pre-emptive) move towards 'Contraction / Recession / Hard-Landing' that the market is gonna 'come hard' for this stuff.**" - Courtesy of ZeroHedge*

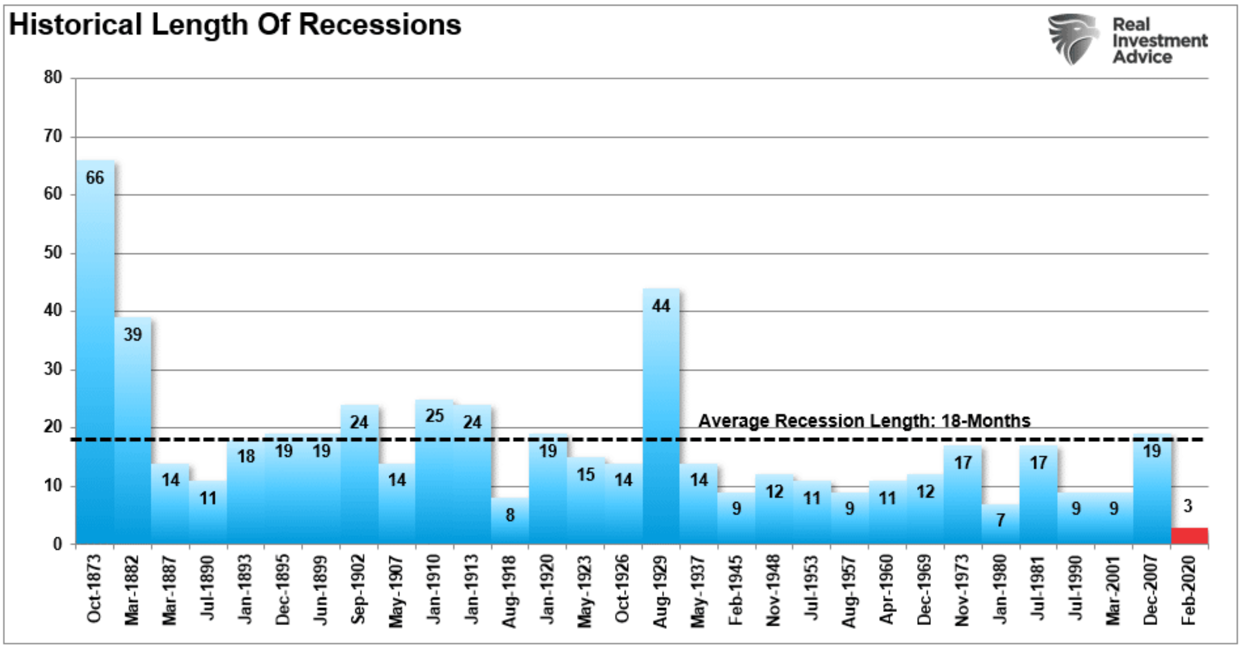
We agree.

So, if a recession is coming, historically, what can we expect?

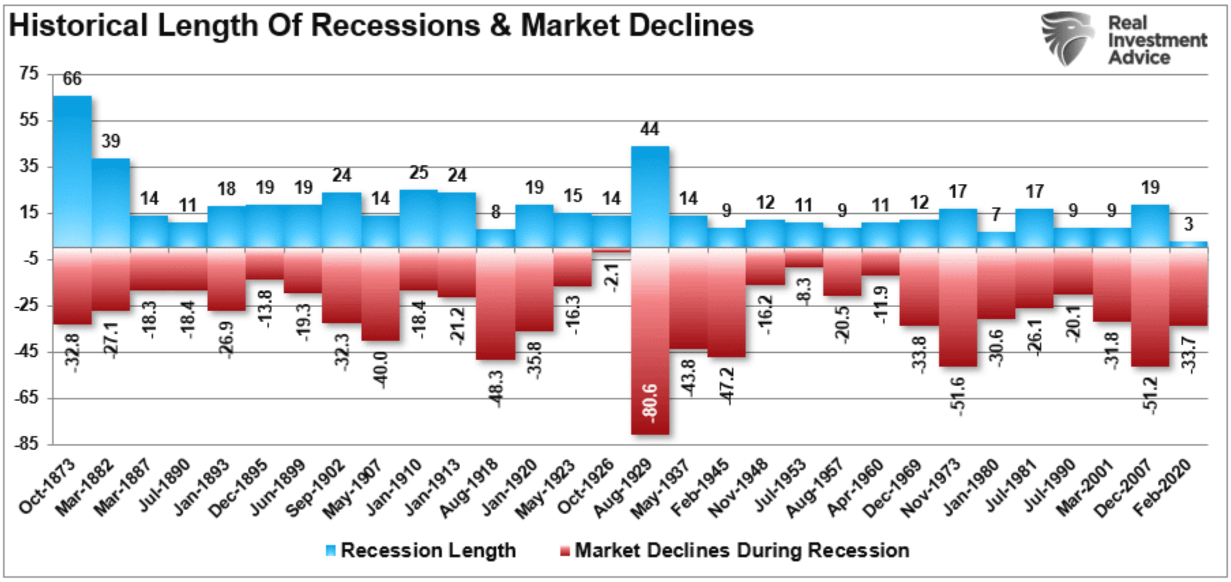
A History Of Recessions & Market Responses

Let's start with the definition of what a recession is. According to the National Bureau of Economic Research (NBER), the agency responsible for dating recessions, a recession is a period of two, or more, consecutive quarters of negative economic growth. While the *"R-Word"* gets discussed in the financial media as if it is the *"coming apocalypse,"* in reality, it is a period of declining economic growth.

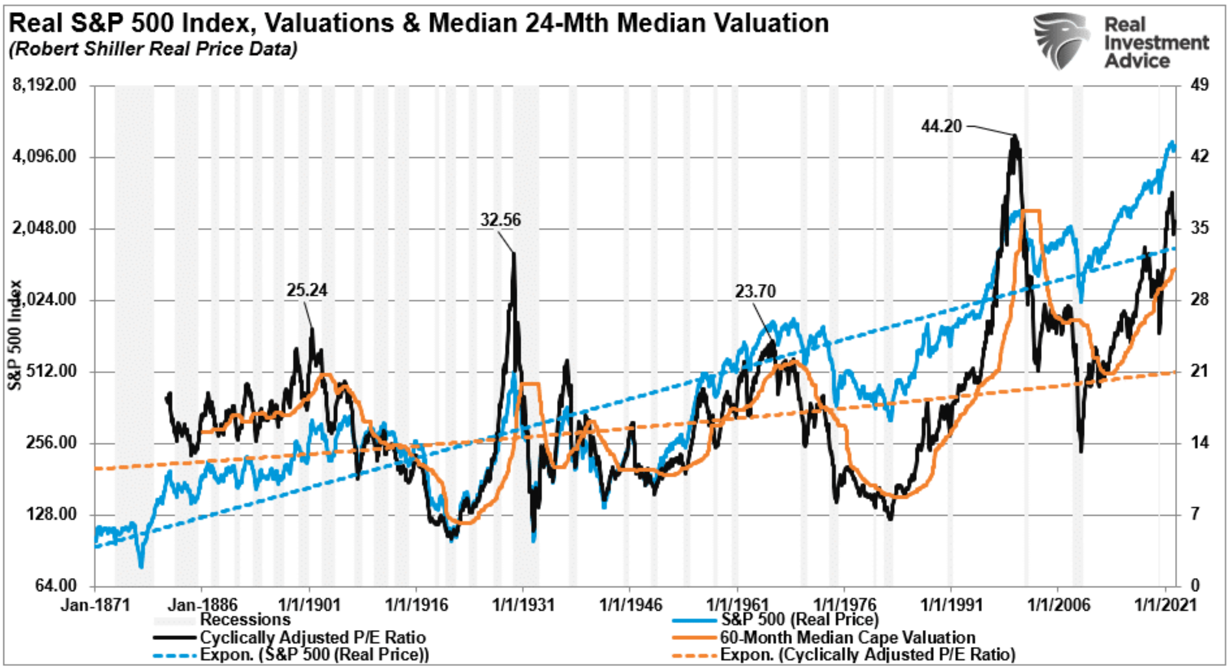
The chart below shows the historical length of recessions over time.



Notably, the risk to investors during an economic recession is high. Historically, markets tend to correct rather sharply during recessionary periods.



The markets reprice the excess valuations given to financial assets during the previous expansion. Higher valuations during expansions tend to precede deeper reversions during recessions.



As is evident, recessions are coincident with market corrections and bear markets. The problem with trying to avoid a recession, from an investment perspective, is this: by the time a recession is evident, it is often too late.

Recession Coming?

"Is a recession coming?" That is the question currently.

A few weeks ago, the mainstream media, Wall Street, and the Fed suggested the economy was strong and *"no recession"* was visible. Such may have been the case until Walmart and Target reported their earnings for the first quarter noting a sharp drop in revenue and inventory builds.

Those comments changed everything. Suddenly, not only is a recession coming, it may be already here. According to a Quinnipiac poll, many Americans think the economy is heading into a recession.

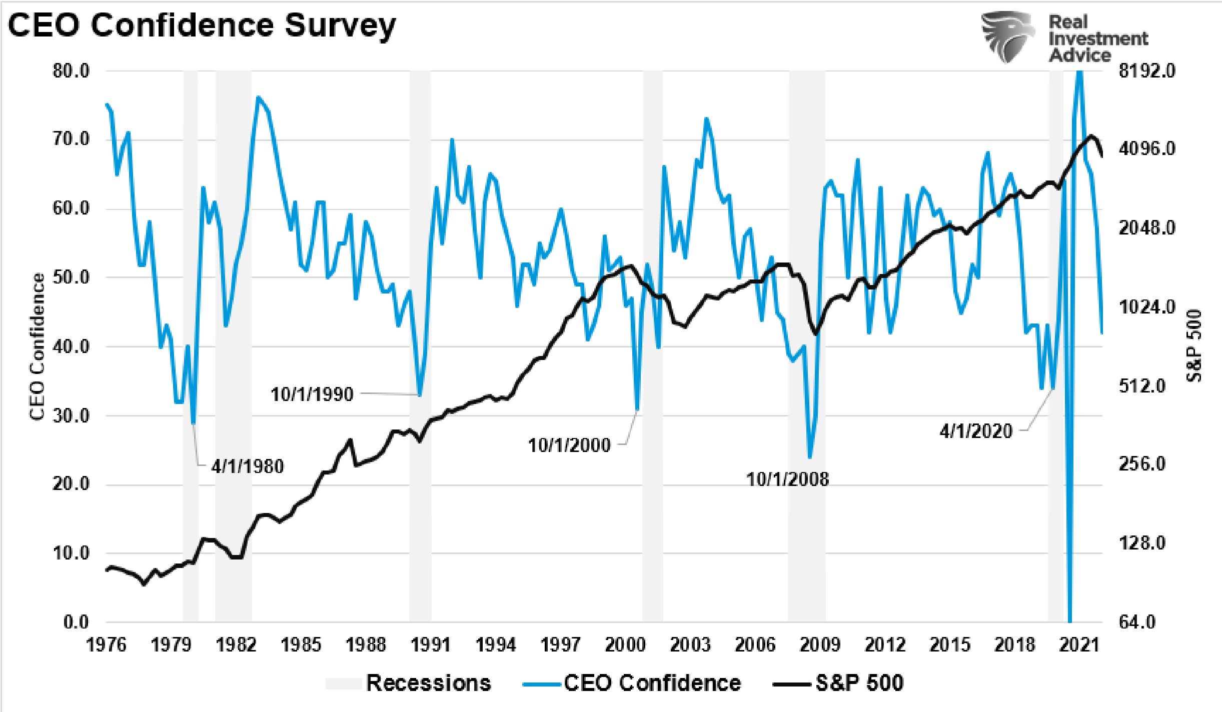
> *"The Quinnipiac University Poll found that **85% think it is likely or somewhat likely there will be an economic recession in the next year** amid fears of slowing growth and runaway inflation. Only 8% think it is 'not so likely,' and 4% don't see a recession happening at all."*

As Quinnipiac concluded:

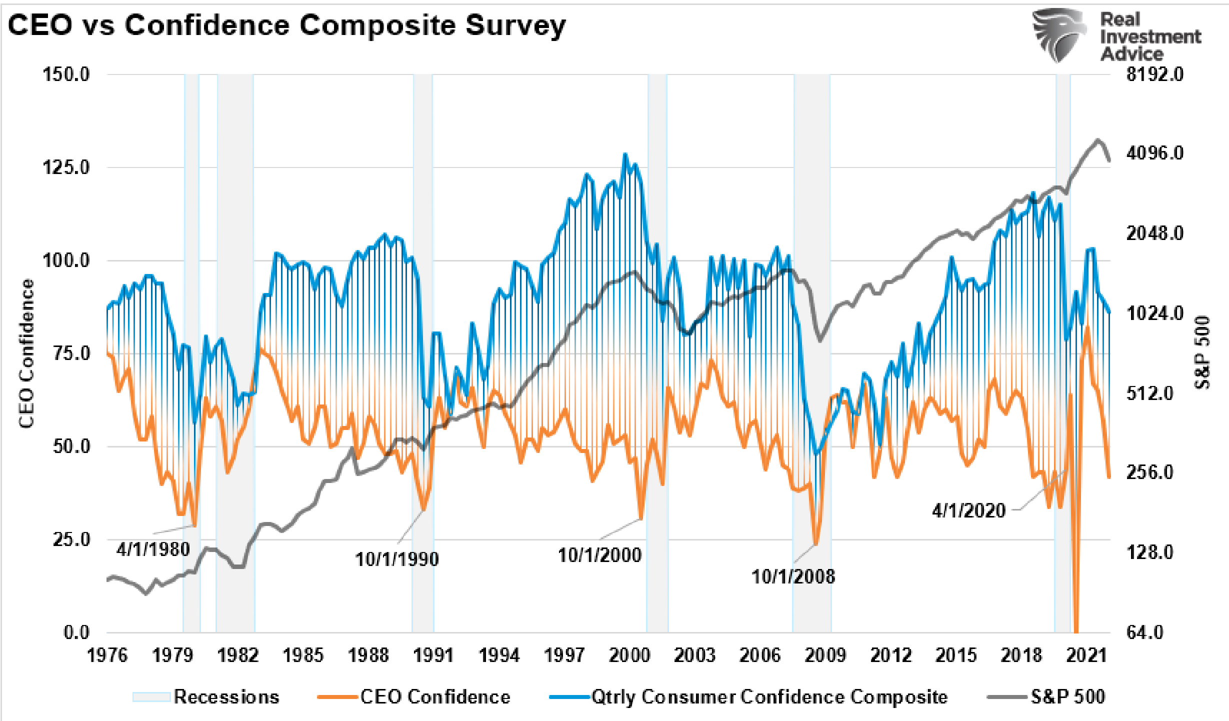
"Americans believe a recession is not a mere threat, it's a looming reality,"

Don't overlook the importance of that poll. Consumption makes up 70% of the economy. If Americans think a recession is coming, they will begin to contract spending and shift behaviors to prepare for a downturn. Ironically, those actions cause the recession to occur.

But it's not just consumers. CEOs are also increasingly downbeat, which means less hiring, increased layoffs, and less capital spending, contributing to a recessionary drag.



The chart below combines the CEO and Composite Consumer Confidence measures. As shown, previous downturns in both measures tend to denote recessionary outcomes.



Here is the problem, we won't know for sure until it is too late.

This Week's MacroView

The Right Strategy Is Critical When Investing During A Recession!

Written by Lance Roberts | May 20, 2022 | Investing

Investing during a recession can be a very difficult, and often dangerous, prospect. However, it…

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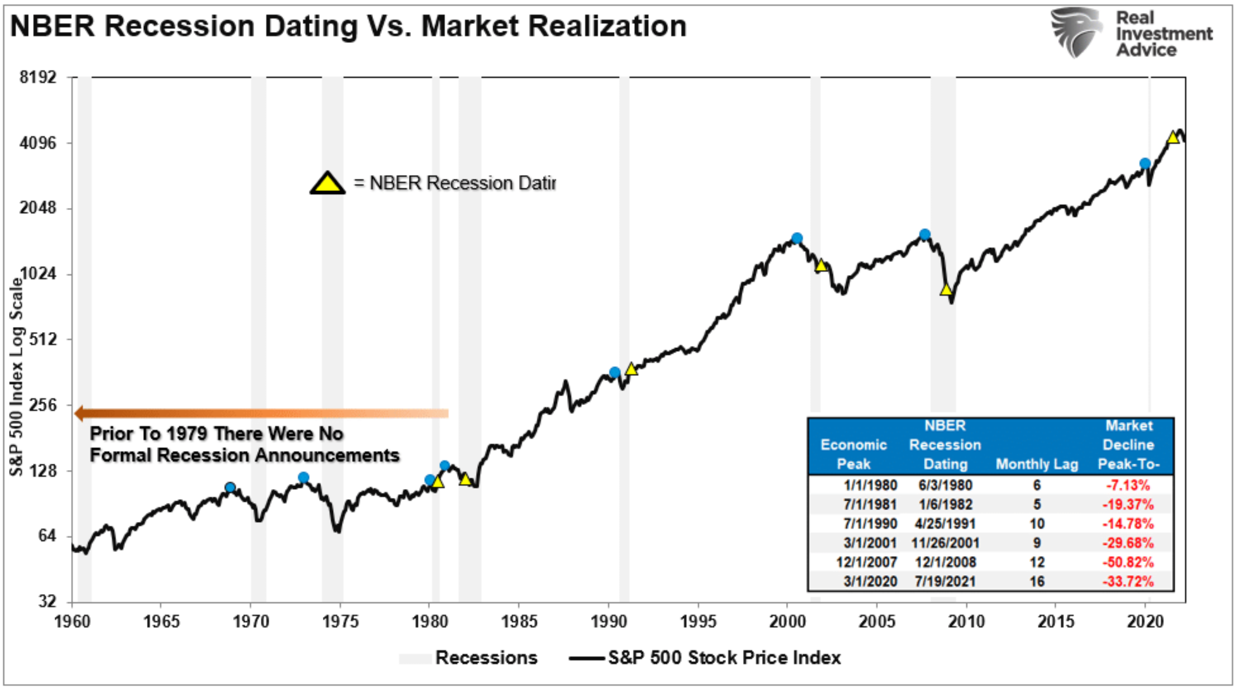
You Can't Wait For The Announcement

The most considerable risk of investing during a recession is putting a "recession investing strategy" into place at the right time. As I wrote in ***"Recession Risk Rising:"***

> *"**The problem with making an assessment about the state of the economy today, based on current data points, is that these numbers are only "best guesses."** Economic data is subject to substantive negative revisions as data gets collected and adjusted over the forthcoming 12- and 36-months.*
>
> *Consider for a minute that in January 2008 Chairman Bernanke stated:*
>
> *"The Federal Reserve is not currently forecasting a recession."*
>
> *In hindsight, the NBER, in December 2008, dated the start of the official recession as December 2007.*
>
> *If Ben Bernanke didn't know a recession was underway, how would we?"*

Such is the most significant risk to investors. The chart shows the S&P 500 from 1960 to the present. Each blue dot is the market's peak before the onset of a recession. The yellow triangles are the official NBER recession announcements.



The issue to investors is evident. In 9 of 10 instances, **the S&P 500 peaked and turned lower before the recognition of a recession.**

The decline from the peak was considered *"just a correction"* as economic growth remained robust. Therefore, investors didn't adjust their strategy to invest during a recession.

In reality, however, the market was signaling a coming recession in the months ahead. The economic data didn't reflect it as of yet.

The problem is in waiting for the data to catch up.

Date Of Market Peak	Market Peak Price	Recession Start	Market @ Recession Start	Market @ Recession Lows	Peak To Trough Decline	Market Lead Of Recession	NBER Recession Recognition	Recognition Lag
7/1/1956	48.78	9/1/1957	43.98	40.30	-17.38%	14		
7/1/1959	59.74	5/1/1960	55.22	53.73	-10.06%	10		
12/1/1968	106.48	1/1/1970	90.31	75.58	-29.02%	13		
1/1/1973	118.42	12/1/1973	94.78	67.07	-43.36%	11	NBER Dates Recessions	
1/1/1980	110.87	1/1/1980	110.87	102.97	-7.13%	0	6/3/1980	6
11/1/1980	135.65	7/1/1981	129.13	109.38	-19.37%	8	1/6/1982	5
6/1/1990	360.39	7/1/1990	360.03	307.12	-14.78%	1	4/25/1991	10
8/1/2000	1,485.46	3/1/2001	1185.85	1,044.64	-29.68%	7	11/26/2001	9
10/1/2007	1,539.66	12/1/2007	1479.23	757.13	-50.82%	2	12/7/2008	12
2/1/2020	3,368.68	3/1/2020	3080.7	2,405.55	-34.78%	1	7/19/2021	16
1/1/2022	4,783.10	???	???	???	???	???	???	???

Today, we are once again seeing many of the same early warnings. If you have been paying attention to the ***trend of the economic data,*** the ***stock market,*** and the ***yield curve,*** the signs are becoming more pronounced.

Investing In A Recession

As noted in this week's ***MacroView,*** recession investing can be dangerous, particularly when valuations across all asset classes are elevated. However, there are some steps to take to ensure you are prepared to weather increased volatility.

- *Have excess emergency savings,* so you are not "forced" to sell during a decline to meet obligations.
- *Extend your time horizon to 5-7 years as buying distressed stocks can get more distressed.*
- *Don't obsessively check your portfolio.*
- *Consider tax-loss harvesting (selling stocks at a loss) to offset those losses against future gains.*
- *Stick to your investing discipline regardless of what happens*.

Once you get prepared, what investments do well in a recession?

> *"A recession is a good time to avoid speculating, especially on stocks that have taken the worst beating. Weaker companies often go bankrupt during recessions, and while stocks that have fallen by 80%, 90%, or even more might seem like bargains, they are usually cheap for a reason.* ***Just remember -- a broken business at an excellent price is still a broken business."*** *- Motley Fool*

That is very true. To make money in a recession, focus on companies that:

- *Have consistent earnings growth over time.*
- *Are dividend-payers and avoid high leverage.*
- *Have free cash flow and strong operating margins.*
- *Avoid companies dependent on consumer spending, have high cash burn rates or have negative incomes and earnings.*
- *Invest incrementally using lower prices to build positions.*
- *Lastly, don't forget about bonds that offer a haven during volatile market environments.*

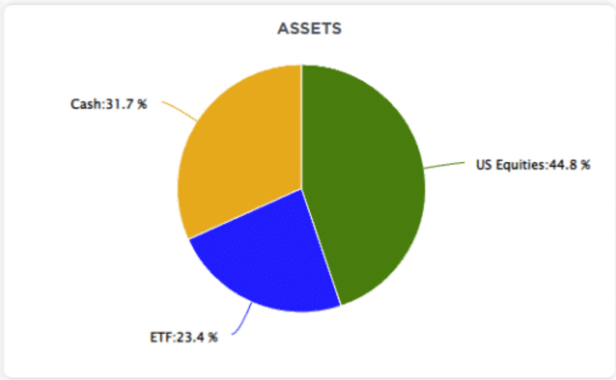
Investing during a recession is not easy due to high volatility, falling prices, and negative media headlines. However, it can be very profitable given a well-thought-out strategy, a longer-term timeline, and an ability to stick to your discipline.

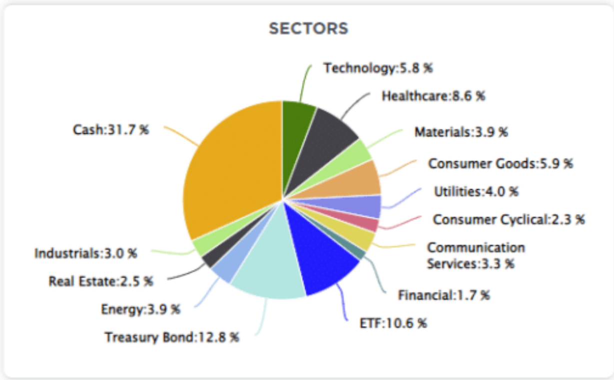
Portfolio Update

Yes. A recession is coming, and the markets are already likely telling us the same. The timing, magnitude, and duration will depend on the Federal Reserve's response to stop fighting inflation with tighter policy.

As such, *"Don't Fight The Fed*" remains a prudent motto for the time being. Currently, they intend to hike rates to combat inflation even though the stock market, interest rates, and inflation are doing the work for them. If they continue to hike rates with reckless abandon, the risk of a policy mistake rises sharply.

Therefore, we continue to keep our reduced equity exposure at lower levels. We expect a decent reflexive rally to increase cash levels further and reduce risk, but that rally has remained elusive in recent weeks. With markets oversold on many levels, and sentiment extremely negative, a reversal remains highly probable. However, such is not guaranteed.





Fortunately, we can take specific actions to protect portfolios from a recession without sacrificing financial goals. However, such steps are not *"free"* of cost.

1. *Properly sizing portfolio positions to mitigate the risk of concentrated positions.*
2. *Rebalancing portfolio allocations*
3. *Take profits from highly* overbought and extended positions.
4. Sell laggards
5. When you are not sure what to do, do nothing. Cash is an excellent *hedge against risk.*
6. *Don't dismiss the value of bonds in a portfolio.*
7. *Look for non-correlated assets to mitigate risk.*

As noted, there is a *"cost."*

Adding any strategy to a portfolio to mitigate or diversify risk will create underperformance relative to an all-equity benchmark index.

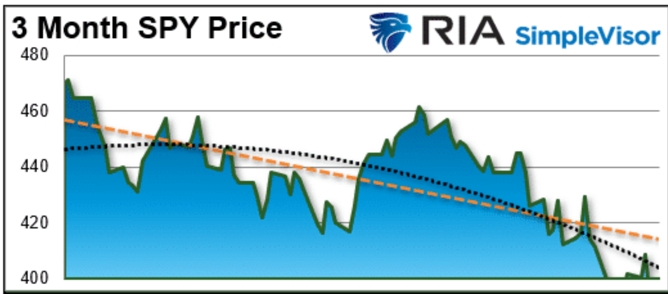
However, isn't short-term underperformance better than spending several years trying to *"get back to even"* from not reducing risk?

These suggestions are just something to consider.

Have a great week.

Market & Sector Analysis

S&P 500 Tear Sheet



SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	**31.22%**	**(6.18%)**	**(17.97%)**	190.87%
Max Drawdown	(20.72%)	(20.72%)	(20.72%)	0.00%
Sharpe	#N/A	(0.15)	(1.71)	10.49
Sortino	#N/A	(0.19)	(2.53)	12.49
Volatility	17.48	17.77	24.34	0.37
Daily VaR-5%	(9.78)	(31.70)	(81.23)	1.56
Mnthly VaR-5%	#N/A	(22.14)	(63.45)	1.87

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.90%	1.29%	1.52%	15.50%	2.14%	1.20%	(28.76%)	26.84%
P/E Ratio	18.97	30.52	18.39	(66.00%)	2904%	1646%	(36.7%)	11.68%
P/S Ratio	3.57	5.03	3.92	(28.45%)	5.16	3.17	(24.13%)	23.49%
P/B Ratio	4.91	6.69	5.74	(16.44%)	7.12	4.35	(19.39%)	31.94%
ROE	21.47%	23.17%	29.09%	20.35%	29.11%	18.04%	(0.06%)	61.27%
ROA	4.15%	4.16%	5.22%	20.32%	5.22%	3.57%	0.00%	46.16%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	2,834.7	2,739.0	(3.37%)
Sales	71,102	81,707	14.91%
SPS	25.1	29.8	18.93%
Earnings	12,011	15,850	31.96%
EPS TTM	4.6	6.4	39.51%
Dividend	1.6	1.8	10.04%

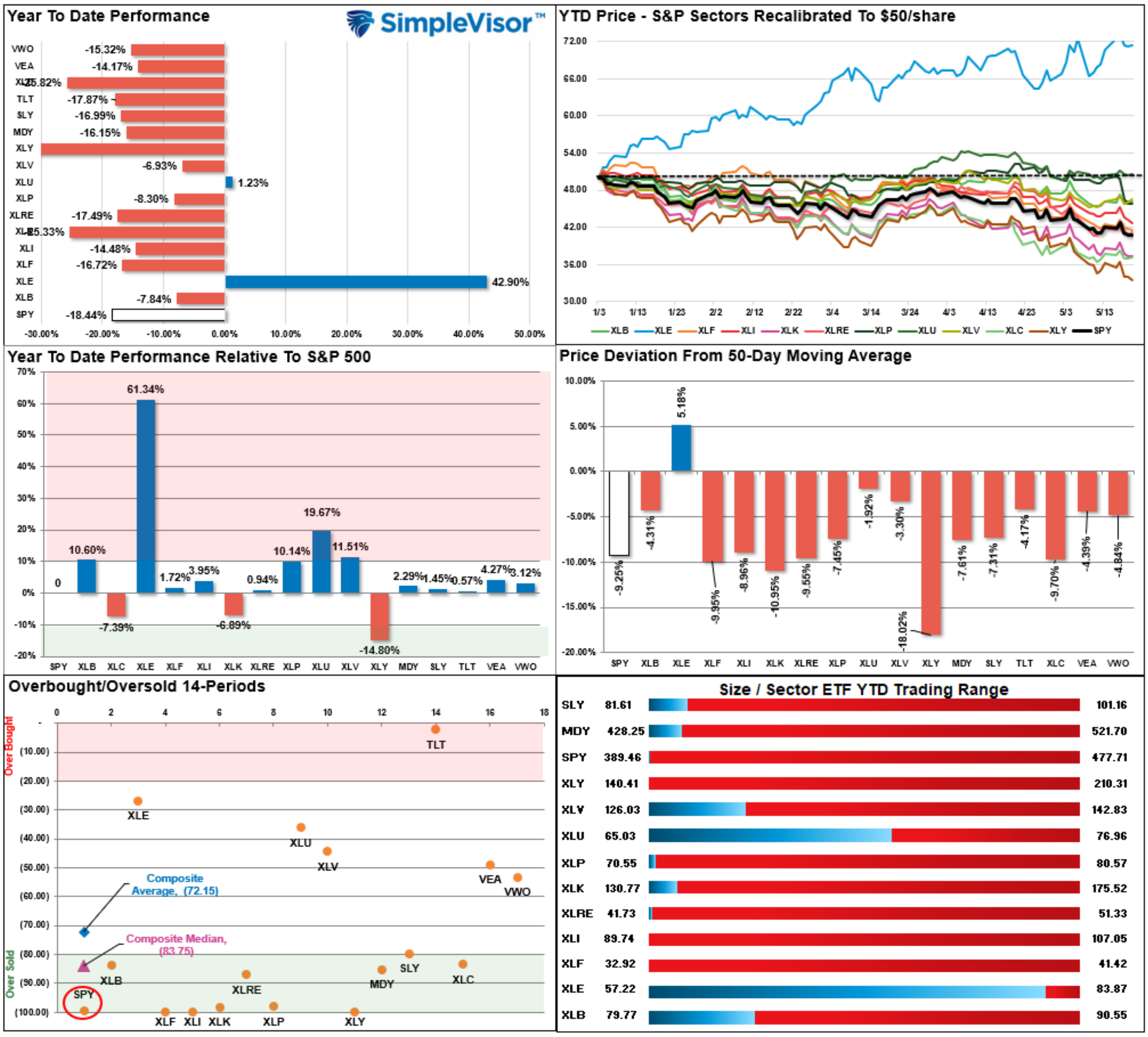
S&P 500 Asset Allocation

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	**57.76%**	4.74%	1.44	15.02	95.24	(330.04)	**(84.2%)**	16.4%	3.0%	5.02%	7.75	9.11
Materials	**(4.78%)**	2.81%	1.09	14.62	27.12	14.16	**(46.1%)**	19.7%	1.9%	6.21%	6.23	14.78
Industrials	**(12.72%)**	7.90%	1.15	22.55	54.84	14.51	**(58.9%)**	18.4%	1.8%	4.32%	6.62	17.74
Discretionary	**(18.32%)**	10.56%	1.29	27.85	59.91	21.98	**(53.5%)**	24.5%	0.9%	3.56%	7.20	24.26
Staples	**4.21%**	6.57%	0.57	21.27	23.64	17.65	**(10.1%)**	31.1%	2.5%	4.70%	4.94	22.18
Health Care	**4.77%**	14.65%	0.76	16.15	19.74	15.27	**(18.2%)**	36.1%	1.6%	5.99%	8.78	15.94
Financials	**(10.20%)**	11.08%	1.19	11.81	18.53	10.60	**(36.3%)**	11.9%	2.0%	8.26%	7.16	12.62
Technology	**(4.55%)**	26.83%	1.10	22.74	33.00	16.69	**(31.1%)**	76.2%	1.0%	4.21%	6.68	22.67
Telecom	**(23.76%)**	8.97%	0.90	16.27	28.37	17.73	**(42.6%)**	18.2%	0.6%	6.17%	9.13	16.14
Utilities	**5.97%**	3.03%	0.51	20.32	22.09	16.89	**(8.0%)**	11.2%	3.0%	4.84%	3.50	20.09
Real Estate	**(2.29%)**	2.77%	0.93	20.16	25.74	17.10	**(21.7%)**	11.3%	2.9%	4.79%	5.08	21.21

Momentum Analysis

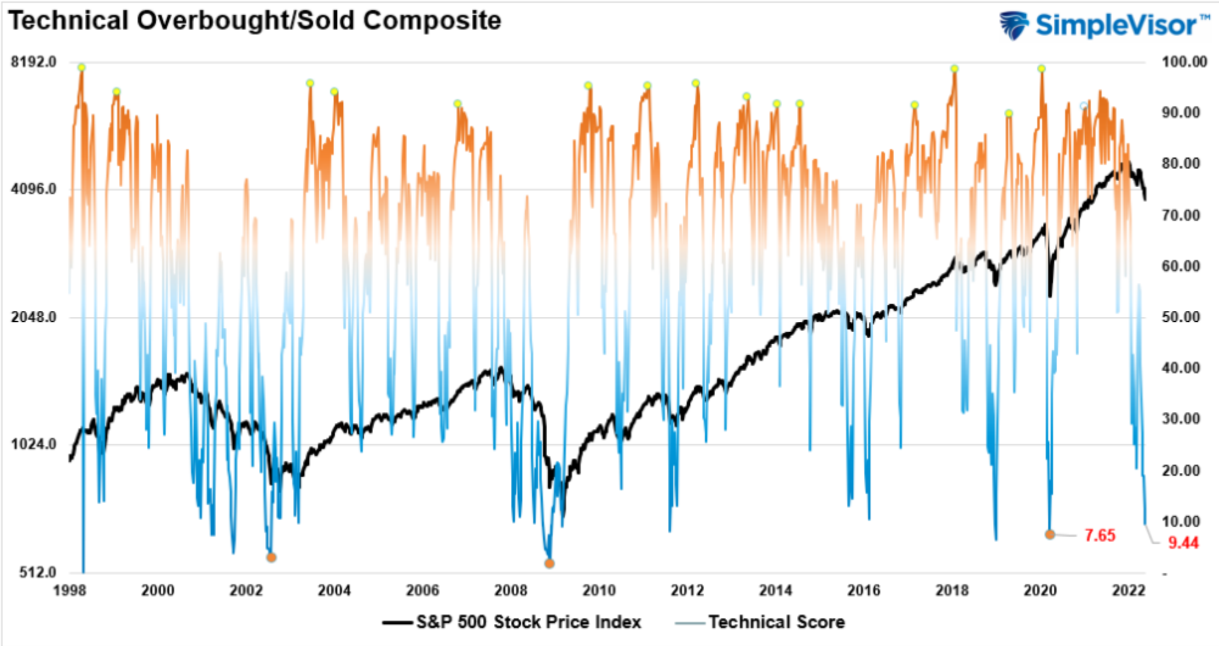
Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell
Large Cap	389.63	(7.25%)	429.52	24	(9.29%)	445.96	42	(12.63%)	(3.69%)	(18.82%)	2.39%	Sell
Mid Cap	435.36	(7.16%)	471.26	24	(7.62%)	491.14	39	(11.36%)	(4.05%)	(18.41%)	2.61%	Sell
Small Cap	83.34	(8.75%)	89.88	24	(7.28%)	94.73	39	(12.03%)	(5.12%)	(20.85%)	2.86%	Sell

Relative Performance Analysis



Technical Composite

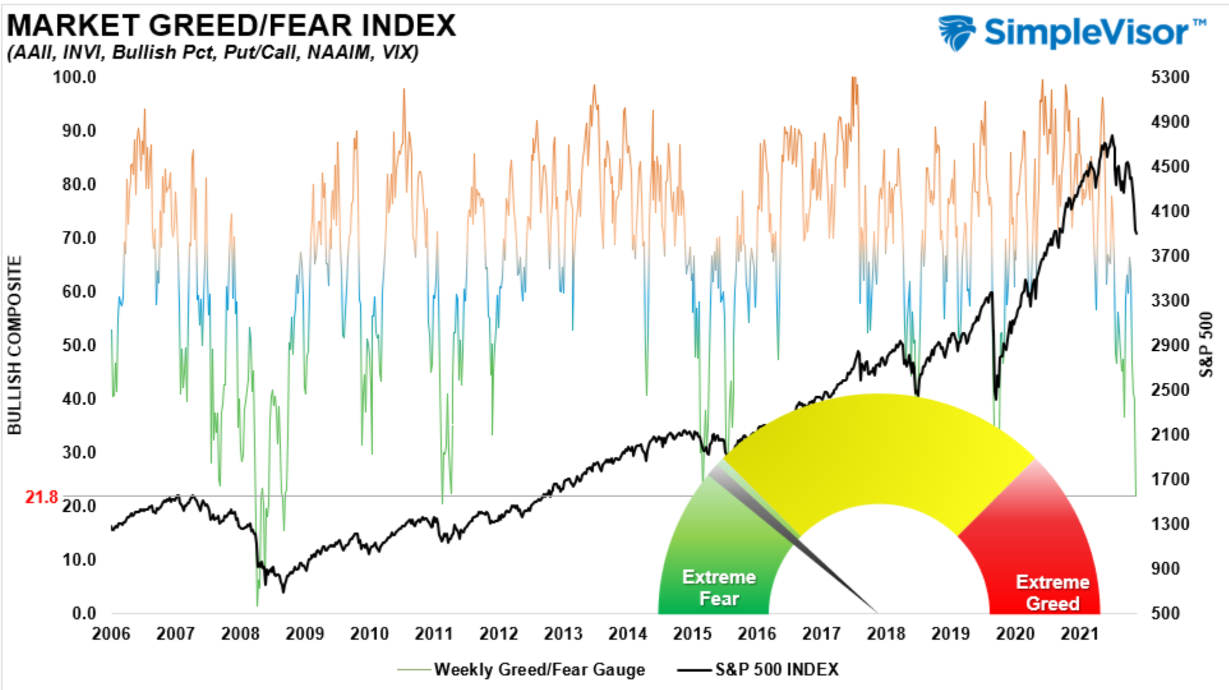
The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" are oversold. ***The current reading is 9.44 out of a possible 100.***



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 *current reading is 21.8 out of a possible 100.*



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 complete history of all sentiment indicators is under the* **Dashboard/Sentiment tab** *at* [***SimpleVisor***].

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		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	LONG WMA	PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	391.30	(3.00)	(8.53)	(10.99)	(14.03)	(6.07)	431.29	447.79	413.56	1.00	423.90	403.22	-9%	-13%	BEARISH
XLB	SPDR-MATLS SELS	82.42	2.92	4.66	8.71	10.64	1.24	85.32	85.79	85.03	1.03	88.03	82.03	-3%	-4%	BEARISH
XLC	SPDR-COMM SV SS	58.02	1.32	3.15	(4.35)	(8.30)	(18.44)	64.78	72.43	59.06	1.02	61.14	56.98	-10%	-20%	BEARISH
XLE	SPDR-EGY SELS	81.77	4.23	15.84	29.70	62.32	62.84	76.51	65.87	75.15	1.39	78.07	72.23	7%	24%	BULLISH
XLF	SPDR-FINL SELS	32.92	1.18	(0.46)	(4.82)	0.59	(6.33)	36.80	38.45	34.51	1.11	35.76	33.26	-11%	-14%	BEARISH
XLK	SPDR-TECH SELS	131.06	(0.53)	0.13	(4.10)	(6.61)	2.30	147.82	157.25	141.42	1.08	146.48	136.36	-11%	-17%	BEARISH
XLI	SPDR-INDU SELS	89.74	(0.61)	(0.30)	1.52	1.83	(6.84)	98.57	101.48	95.14	1.14	98.60	91.68	-9%	-12%	BEARISH
XLP	SPDR-CONS STPL	70.70	(5.12)	(2.25)	4.13	12.81	5.62	76.01	74.54	77.64	0.59	80.04	75.24	-7%	-5%	BULLISH
XLRE	SPDR-RE SELS	42.35	1.28	(5.69)	3.34	2.61	6.09	46.52	47.29	46.60	0.75	48.11	45.09	-9%	-10%	BEARISH
XLU	SPDR-UTIL SELS	71.74	3.44	5.15	17.14	20.47	14.50	72.12	69.40	71.26	0.46	73.37	69.15	-1%	3%	BULLISH
XLV	SPDR-HLTH CR	129.78	3.92	5.62	10.10	13.57	10.43	133.17	132.77	130.29	0.77	134.55	126.03	-3%	-2%	BULLISH
XLY	SPDR-CONS DISCR	140.41	(4.82)	(11.61)	(9.32)	(15.65)	(10.63)	171.53	186.23	162.88	1.16	168.84	156.92	-18%	-25%	BEARISH
XTN	SPDR-SP TRANSPT	74.19	(0.13)	(2.36)	(4.38)	(3.67)	(10.78)	83.24	87.95	81.51	1.27	84.58	78.44	-11%	-16%	BEARISH
SDY	SPDR-SP DIV ETF	121.79	0.79	3.16	8.02	13.21	3.48	126.30	125.60	124.02	0.85	128.18	119.86	-4%	-3%	BULLISH
RSP	INVS-SP5 EQ ETF	141.19	0.71	1.18	1.99	5.41	0.60	152.22	155.59	147.45	1.06	152.70	142.20	-7%	-9%	BEARISH
SLY	SPDR-SP6 SC	83.34	1.55	1.59	0.60	1.22	(6.82)	90.34	94.61	86.32	1.15	89.47	83.17	-8%	-12%	BEARISH
MDY	SPDR-SP MC 400	435.36	1.12	1.02	0.63	2.41	(5.16)	472.14	490.65	455.83	1.12	472.33	439.33	-8%	-11%	BEARISH
EEM	ISHARS-EMG MKT	41.14	4.61	5.60	(2.13)	(1.88)	(16.51)	43.77	47.54	42.38	0.76	43.76	41.00	-6%	-13%	BEARISH
EFA	ISHARS-EAFE	67.77	4.17	4.70	1.79	2.01	(9.25)	70.87	75.56	68.64	0.82	70.92	66.36	-4%	-10%	BEARISH
IAU	ISHARS-GOLD TR	35.04	4.89	3.95	8.43	17.30	3.84	36.45	35.13	36.04	0.11	36.98	35.10	-4%	0%	BULLISH
GDX	VANECK-GOLD MNR	32.06	6.82	(4.68)	4.21	18.49	(12.33)	36.44	33.47	34.99	0.73	36.12	33.86	-12%	-4%	BULLISH
UUP	INVS-DB US$ BU	27.54	1.46	10.34	17.57	20.89	19.78	26.80	26.04	27.57	(0.14)	28.22	26.92	3%	6%	BULLISH
BOND	PIMCO-TOT RETRN	97.41	3.41	8.29	3.95	2.44	(5.48)	100.52	105.69	97.67	0.11	100.22	95.12	-3%	-8%	BEARISH
TLT	ISHARS-20+YTB	118.51	5.18	7.29	(2.42)	(9.19)	(7.85)	126.73	138.09	119.45	(0.10)	122.31	116.59	-6%	-14%	BEARISH
BNDX	VANGD-TTL INT B	50.72	2.77	7.92	6.13	2.44	(4.53)	51.98	54.44	50.83	0.05	52.13	49.53	-2%	-7%	BEARISH
HYG	ISHARS-IBX HYCB	76.46	2.55	5.00	2.44	2.93	(6.16)	80.42	83.95	78.53	0.36	80.78	76.28	-5%	-9%	BEARISH

Real Investment Advice

RISK RANGE REPORT

SimpleVisor™

Weekly Stock Screens

Each week we will provide three different stock screens generated from [***SimpleVisor:***] *(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

Scan Result: 20 item(s) found | Tables | Overview | Technicals | Fundamentals | Performance

Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD
APA	10/10	$41.75	49.01	$40.75	$40.90	$36.69	5	6	1	1.31%	0.00
BKR	10/10	$35.51	55.60	$32.25	$34.77	$31.18	1	7	3	2.26%	-0.04
BMY	9/10	$76.12	56.89	$76.28	$74.30	$69.54	5	8	3	2.83%	0.69
CF	10/10	$102.15	52.09	$98.53	$100.33	$86.80	1	9	3	1.71%	0.98
COP	10/10	$106.47	49.51	$98.81	$99.38	$91.54	1	8	1	1.96%	0.34
CTRA	10/10	$30.98	58.48	$29.56	$27.68	$24.47	6	9	3	1.88%	0.77
CVX	10/10	$169.20	53.28	$163.59	$165.28	$148.97	5	7	2	3.48%	1.70
DVN	10/10	$71.13	60.07	$63.62	$61.43	$56.05	1	8	3	7.97%	2.63
EOG	10/10	$124.27	51.72	$120.19	$119.77	$112.37	7	8	3	2.49%	1.56
HAL	10/10	$36.61	47.79	$36.23	$37.30	$33.53	5	7	3	1.39%	-0.31
HES	10/10	$115.66	55.87	$108.85	$106.69	$98.24	5	7	3	1.42%	2.18
MCK	10/10	$319.05	50.39	$321.56	$312.50	$286.63	1	7	2	0.58%	4.12
MOS	10/10	$62.28	45.71	$63.28	$65.78	$54.81	5	9	2	0.76%	-1.32
MPC	10/10	$97.50	62.04	$91.48	$86.05	$79.51	—	9	1	2.50%	2.81
MRO	10/10	$27.45	53.50	$25.89	$25.30	$22.67	1	8	1	1.27%	0.50
OXY	10/10	$65.54	57.05	$60.01	$58.84	$48.50	5	7	1	0.88%	2.16
PXD	10/10	$269.03	61.23	$248.60	$247.64	$230.13	1	8	3	4.90%	6.49
SLB	10/10	$41.22	51.13	$40.34	$41.18	$39.30	5	7	2	1.82%	0.01
VLO	10/10	$125.82	61.47	$117.71	$105.68	$94.30	—	8	1	3.26%	6.08
XOM	10/10	$92.00	58.77	$86.70	$84.31	$78.86	3	8	1	4.06%	1.68

Momentum Screen

Scan Result: 20 item(s) found | Tables | Overview | Technicals | Fundamentals | Performance

Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD
BKR	10/10	$35.51	55.60	$32.25	$34.77	$31.18	1	7	3	2.26%	-0.04
COP	10/10	$106.47	49.51	$98.81	$99.38	$91.54	1	8	1	1.96%	0.34
DVN	10/10	$71.13	60.07	$63.62	$61.43	$56.05	1	8	3	7.97%	2.63
HES	10/10	$115.66	55.87	$108.85	$106.69	$98.24	5	7	3	1.42%	2.18
MCK	10/10	$319.05	50.39	$321.56	$312.50	$286.63	1	7	2	0.58%	4.12
OXY	10/10	$65.54	57.05	$60.01	$58.84	$48.50	5	7	1	0.88%	2.16
PXD	10/10	$269.03	61.23	$248.60	$247.64	$230.13	1	8	3	4.90%	6.49
MRK	9/10	$92.05	67.76	$88.27	$84.61	$81.15	5	8	3	3.09%	2.05
NRG	9/10	$46.26	74.92	$39.80	$38.96	$39.26	4	6	3	3.38%	1.64
CI	8/10	$258.46	50.82	$257.17	$250.14	$240.68	5	6	3	1.72%	3.59
CPB	8/10	$46.29	61.71	$47.39	$45.15	$44.45	5	6	3	2.96%	1.27
ED	8/10	$93.96	53.78	$94.38	$93.95	$89.05	1	6	3	3.41%	0.08
PM	8/10	$100.80	65.42	$102.13	$98.11	$99.35	1	8	3	5.06%	1.62
K	7/10	$67.81	47.81	$70.52	$66.72	$65.50	6	7	3	3.18%	1.50
LDOS	7/10	$102.08	51.18	$104.31	$105.58	$98.50	1	6	5	1.37%	-1.02
NI	7/10	$30.27	54.48	$29.89	$30.57	$29.39	6	4	2	3.17%	-0.10
ALB	6/10	$241.20	60.58	$212.86	$209.33	$212.76	1	5	3	0.71%	6.77
AMGN	6/10	$245.02	53.24	$241.70	$241.80	$233.99	1	4	3	3.22%	-0.14
HOLX	5/10	$78.32	58.64	$74.15	$74.87	$73.26	4	8	3	%	0.60
OGN	5/10	$36.43	58.98	$33.70	$34.41	$33.89	1	3	3	3.23%	0.40

Technical & Fundamental Strength Screen

Scan Result: 18 Item(s) found | Tables | Overview | Technicals | Fundamentals | Performance

Symbol	Trend	Last	RSI	20 SMA	50 SMA	100 SMA	Mohanram Score	Piotroski Score	SV Rank	Yield%	MACD
AVD	10/10	$22.88	57.60	$21.70	$20.73	$18.08	6	8	3	0.48%	0.36
CTRA	10/10	$30.98	58.48	$29.56	$27.68	$24.47	6	9	3	1.88%	0.77
EOG	10/10	$124.27	51.72	$120.19	$119.77	$112.37	7	8	3	2.49%	1.56
ITPOF	10/10	$30.19	42.80	$30.78	$31.09	$25.37	6	7	—	2.28%	-0.08
PBR	10/10	$15.18	58.03	$13.90	$13.68	$12.83	6	8	3	23.09%	0.25
TECK	10/10	$40.75	50.63	$38.49	$39.66	$36.46	6	7	1	1.10%	-0.38
VHI	10/10	$43.33	79.71	$36.22	$32.19	$29.43	6	8	—	0.82%	3.12
EPD	9/10	$26.59	56.69	$26.19	$25.58	$24.36	6	7	3	6.99%	0.22
PFIE	9/10	$1.35	50.53	$1.34	$1.31	$1.23	7	6	—	%	0.01
WES	9/10	$26.03	55.03	$25.03	$24.94	$24.60	6	7	2	8.08%	0.23
WRB	9/10	$66.43	52.37	$67.70	$66.68	$62.16	7	9	1	0.52%	0.27
BDL	8/10	$36.00	48.52	$36.55	$34.56	$31.91	6	7	—	2.69%	-0.18
SPH	8/10	$16.75	51.71	$16.70	$16.10	$15.32	7	8	3	7.84%	0.22
UFPT	8/10	$72.91	57.06	$72.06	$68.03	$69.48	6	7	—	%	1.93
AMCR	7/10	$13.00	56.68	$12.35	$11.82	$11.77	6	7	—	3.82%	0.33
CPHC	7/10	$20.10	34.22	$28.15	$23.59	$21.22	6	8	—	0.97%	0.69
K	7/10	$67.81	47.81	$70.52	$66.72	$65.50	6	7	3	3.18%	1.50
USDP	7/10	$6.09	48.52	$6.20	$6.01	$5.81	6	8	3	8.02%	0.01

SimpleVisor Portfolio Changes

We post all of our portfolio changes as they occur at ***SimpleVisor:***

May 16th

> *"This morning we added 0.5% to our position in Costco (COST) after its recent decline to oversold conditions. With a Price/Sales ratio of 1, and a steady cash flow stream from membership fees, we like this company long-term and continue to accumulate it on declines.*
>
> *We also added 1% to our SPDR Healthcare ETF (XLV) increasing that position from 8-9% due to the demographic trends in the U.S. that will continue to support profitability in that sector."*

Equity Model

- *Add 0.5% of the portfolio to Costco (COST)*

ETF Model

- *Add 1% to XLV, increasing the portfolio weight from 8% to 9%*.

May 18th

> *"After adding value-oriented positions to our model over the last couple of weeks, we had increased equity exposure above target levels. We were holding the SPDR S&P 500 Index (SPY) for a rally that started last week.*

However, that rally came to an abrupt end this morning following the dismal report by Target (TGT) which reeked of recessionary warnings about the consumer, inventory builds, and supply change issues. To raise cash and reduce equity exposure for the time being we sold our 3% SPY position."

- ***Sell 100% of SPY***

May 19th

"We had previously bought a small starter position in IAU that we intended to add to if gold corrected and held support. That price action occurred as expected so we are now adding again to our position."

- ***Increase IAU to 4% of the portfolio in both models***

Lance Roberts, CIO

Have a great week!