

## Primary Trend Indicator (PTI)

Market breadth data showing long-term health of the stock market



- Big picture, our PTI on all major indices remain positive. The broader weight of evidence remains supportive of the market's Primary Uptrend. (05.14.21)

## Buying Power Indicator (BPI)

Money flow illustrating the commitment of large institutions in the market.



- Currently buying power is weak. Any signs of weakness in our PTI carry more weight as a result. (05.07.21)

## US Recession Watch

Health of the US economy



- Structurally there are debt and monetary problems in this economy which leave it more sensitive to interest rates than ever before.
- Still, 2021 risk of recession unlikely. Expansion in standard GDP metrics should continue. (06.04.21)

## Credit Markets

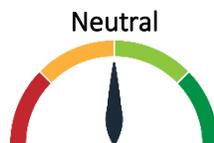
Measure of credit market strain



- HY bond spreads remain tight and the HY bond index starting to close a negative divergence with the S&P500. (06.11.21)
- Selectively, corporate bonds remain a good risk/reward.

## Valuation/Sentiment

Greed vs. Fear



- Equity market valuations are high, yet have no predictive value for the market direction over 1-3 years.
- CNN Fear/Greed index remains neutral at 54. (06.11.21)

## Government Policy

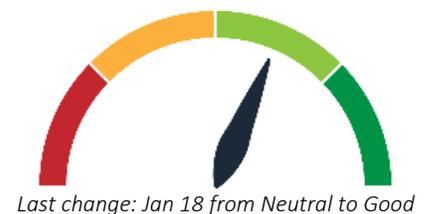
Overall state of monetary and fiscal policy



- Fed Mester on CNBC: "Some of the valuations look higher than can be supported on regular fundamentals" but adds "I don't think it's fed policy that's driving that."
- "Weird how drunk people are getting" says the guy at the party handing out Jello shots. (06.04.21)

## The Bottom Line For Equities:

Big picture, Mr. Market remains healthy as reflected by our PTI readings. As Mr. Market is trying to understand the "re-opening" of the economy in the most rotational year in my career, it seems likely that over the summer, the inflationary trade abates, technology resumes it's uptrend, and the Loonie has peaked. For now, the weight of evidence supports the stock market's Primary Up Trend. (06/11/21)



## Current Equity Allocation:

70% Equity, 10% Long/Short, 5% Silver, 8% Agricultural Commodities, 7% Bonds/Cash