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Press Clips: Wild Stock Market Swings, Bad Breadth, China & US Economies Slow, Inflation, Russia Threats**Bloomberg Dec 17 - The Only Reliable Trend in the Stock Market Right Now Is Wilder Swings**

Down one day, up the next, the stock market is making life miserable for anyone in search of a coherent narrative to explain its moves. One thing has stuck, though: Episodes of daily upheaval are worsening. Particularly at the speculative end, the trend is pronounced. In the Nasdaq 100, the absolute size of close-to-close moves has been roughly 1.5% a day this month, up or down. That's three times as great as any December since the Christmas rout of 2018 and almost twice the average move of the last year. Big flip-flops reflect an elevated level of confusion among market participants, according to Mike Zigmont, head of research and trading at Harvest Volatility Management. Conflicting narratives abound. While strategists at Credit Suisse Group AG point to history and say it's safe to buy stocks during the initial stage of a tightening cycle, their counterparts at Bank of America Corp. warn this time could be different as inflation is out of control. "I don't have conviction. And I think a lot of investors are like that," Zigmont said. "They look at the world and they have a view, but it's not a powerful view. Without conviction, but with a lot of trend following, you can get this whippiness that we've seen." In speculative corners of the market, the ride has become bumpier. Over the past few weeks the Russell 2000 of small-caps fell into a 10% correction, newly minted shares sank into a bear-market decline of 20%, and a group of profitless technology firms plunged almost 30%. Not everyone is convinced the reflation trade will soon return. With the economic path uncertain, investors sought safety in firms with stable income and dividends. Over the week, a MSCI measure of defensive shares such as utilities and consumer staples climbed 1.2%, compared with a loss of 2.9% for cyclical shares.

Reuters Dec 17 - Narrowing Market Breadth May Be Worrying Signal For Stocks

Only 31% of stocks in the tech-heavy Nasdaq are trading above their 200-day moving average despite the index's 18% year-to-date gain, according to Refinitiv data, the lowest level in at least a year. That number stands at 36% for the small-cap-focused Russell 2000.

WSJ Dec 15 - China's Economic Activity Slowed in November on Property Slump, Weak Consumption

China's economic activity decelerated in November amid a prolonged property slump and sluggish consumption recovery, adding urgency for Beijing to step up efforts to support the world's second-largest economy. The latest economic data point to a further slowdown in China's economy that began to sputter in the third quarter on the back of a power crunch that curbed factory output, and sporadic Covid-19 outbreaks that hit consumption.

WSJ Dec 15 - U.S. Retail Sales Slow With Holiday Shoppers Facing Inflation, Shortages

Wednesday's report showed sales at electronics stores down 4.6% in November from the previous month, while sales at general merchandise stores were down 1.2%. Spending at nonstore retailers, including online sellers, was flat last month.

Bloomberg Dec 14 - Summers Warns Markets Are at Risk of a 'Spontaneous Deflating'

Former U.S. Treasury Secretary Lawrence Summers warned of the risk of a "spontaneous deflating of financial markets" that have been pumped up by retail buying and exuberant investors. There is "a lot of euphoria," Summers said at an American Council for Capital Formation webinar on Tuesday -- pointing, among other things, to cryptocurrencies, so-called meme stocks and technology shares. "Super-excited retail is usually a sign of trouble to come," he added. "The Fed will have a very difficult time organizing a soft landing," he said, noting the long and variable lags between monetary-policy actions and their impact on the economy. "All the efforts at disinflation that we have had historically, where it was clearly established that inflation was too high and the Fed acted, have ended in recession." He called on the Fed to immediately stop buying mortgage-backed securities and wind up its purchases of Treasury debt "probably by the end of February." "I would be establishing a presumption that the Fed will do whatever is necessary to bring inflation under control, and that quite possibly that could involve four rate increases during the next year and more after that," he said.

WSJ Dec 20 - Central Banks Worry Omicron Could Sustain Inflation

Instead of loosening monetary policy to prop up their economies as they did at the start of the Covid-19 pandemic, central banks are moving to unwind stimulus and raise interest rates. "What we saw in the early stages of the pandemic is that demand initially dropped a lot more than supply so it ended up being deflationary, particularly because of pretty stringent lockdowns," said Paul Ashworth, chief North America economist at Capital Economics. Today, with governments reluctant to impose new lockdowns, it is the other way around, he said. "Supply could potentially be hit more than demand and therefore it becomes inflationary rather than deflationary this time," he said. Increasingly, Federal Reserve officials are worried the new Omicron variant could exert even more upward pressure on inflation.

Reuters Dec 20 - Russia Presses For Urgent U.S. Response On Security Guarantees

Russia said on Monday it urgently needed a response from the United States on its sweeping security demands and again warned of a possible Russian military response unless it saw political action to assuage its concerns. Konstantin Gavrilov, a Russian diplomat in Vienna, said that relations between Moscow and NATO had reached a "moment of truth". "The conversation needs to be serious and everyone in NATO understands perfectly well despite their strength and power that concrete political action needs to be taken, otherwise the alternative is a military-technical and military response from Russia," he was quoted as saying by RIA news agency.

Epic Top

Global Index of Stock Indexes Monthly 2018-Now



Global stock markets had a huge rally off the March 2020 virus selloff lows, on the back of massive monetary and fiscal stimulus. That momentum thrust is over. The stimulus created blowback in the form of excessive inflation. Authorities have no choice except to reverse course and withdraw stimulus.

The Fed is tapering QE and preparing for rate hikes next year. The Bank of England (BOE) is the first major central bank to raise interest rates (Dec 16). Emerging market banks in Russia, Mexico, Chile, Costa Rica, Pakistan, Hungary and Armenia also just raised interest rates. Global monetary policy is tightening.

Somebody forgot to tell US investors who keep pouring money into equity ETFs. The psychology of throwing money at stock persists, despite the fact that most stocks stopped going up months

ago.

Our global stock index (index of indexes) stands at the same level as it did in May, seven months ago (see chart). US indexes have been slightly stronger, but our US index of indexes stands at the same level as it did in August, four months ago. Since August there has been \$125bn of equity ETF buying, with -\$73bn of equity mutual fund selling for net buying of \$52bn (Refinitiv data). Much buying, no progress.

Investor psychology is sticky, still obsessed with stimulus that is going to be withdrawn. The Fed has done its best to encourage this mindset by delaying tapering and rate hikes because they know when investors start selling, the wealth effect the Fed has nurtured will turn negative and the economy will choke.

Viewed from this perspective, the stock market has been transformed into an intentionally-created speculative bubble. But sentiment is fragile. Bubbles don't continue forever.

Obviously someone is selling. Beneath the surface of the US stock market, many popular ETFs and stocks are down big from their 2021 peaks: ARKK Innovation Fund -40%, TAN solar -40%, SOCL social media -33%, Bitcoin -33%, Tesla -27%, XRT retailers -18%, EEM emerging markets -18%, CLOU cloud software -18%, FB -15%, FDN FANG internet -13%, IWM Russell 2000 -12%, KBE bank -11%, GVIP Goldman hedge fund VIP -9%.

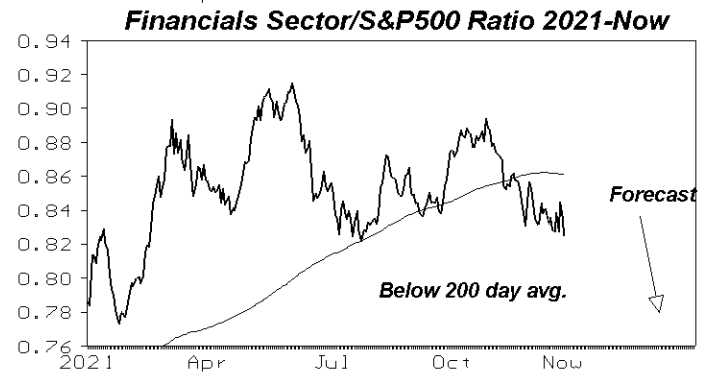
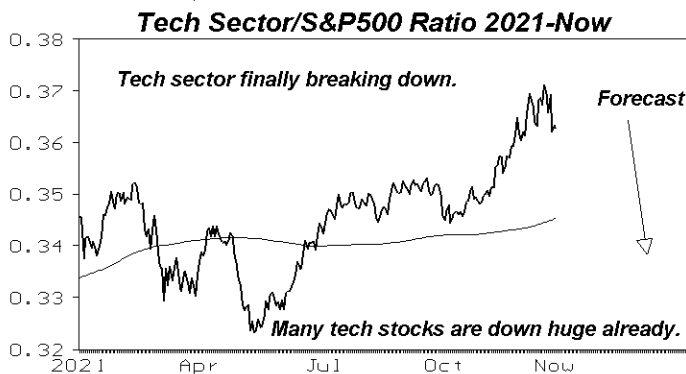
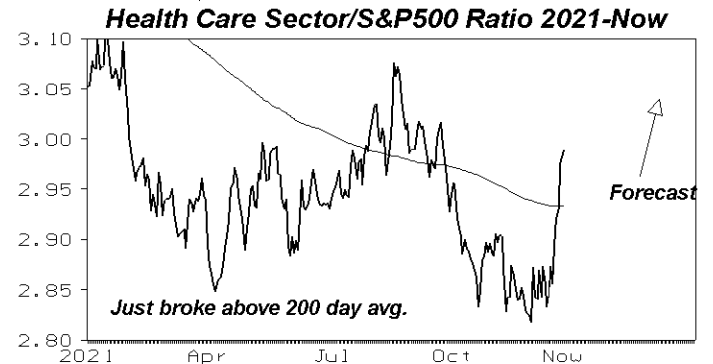
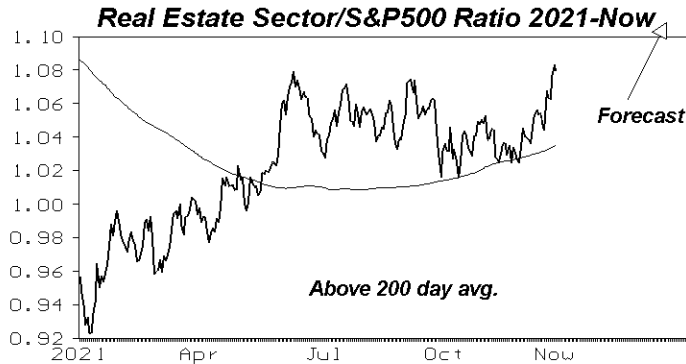
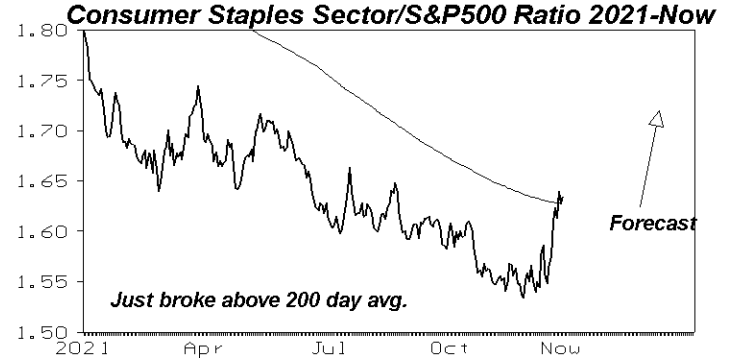
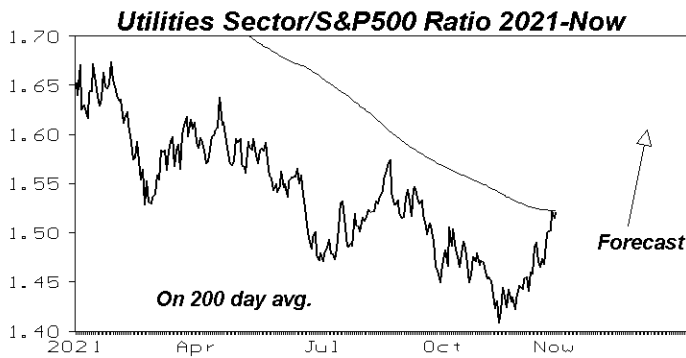
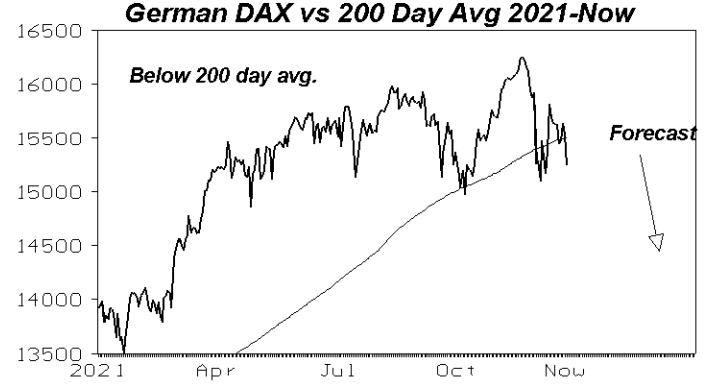
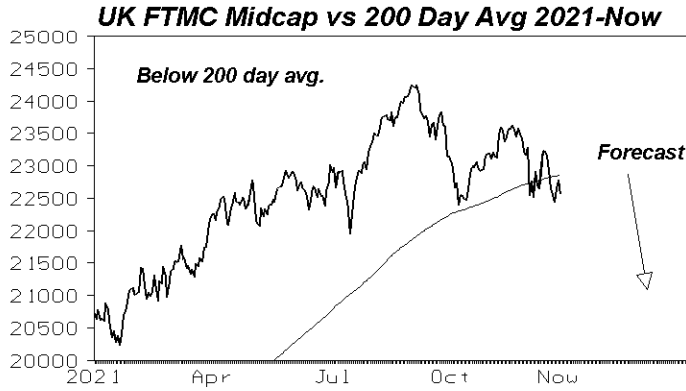
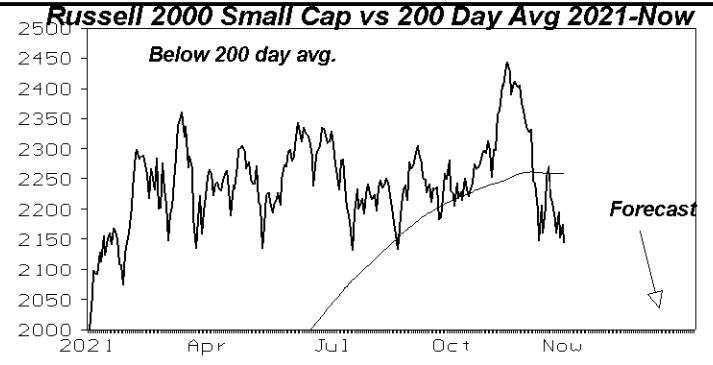
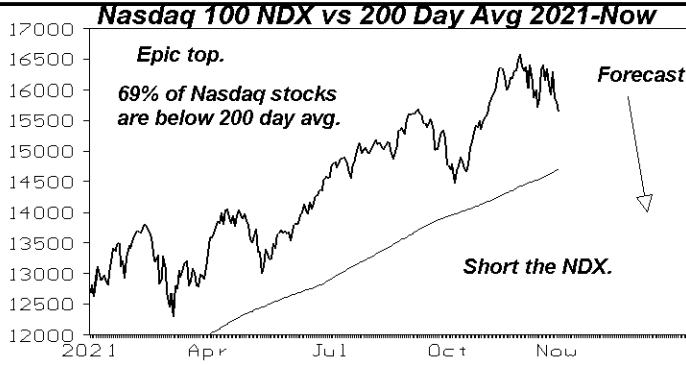
That is with the S&P500 down just -3% and the Nasdaq down -6% from their 2021 peaks. Popular groups and stocks are down much more. Some widely touted and overowned cloud software stocks are down 10-20 times as much as the S&P500: ZM -54%, DOCU -52%, PLTR -49%, SQ -43%, etc.

The overall picture is a sick market with many stocks down big already, 69% of Nasdaq stocks are already below their 200 day averages (Reuters press clip). Both the Nasdaq and S&P500 are still 5% above their 200 day averages. Indexes are now probably poised to follow their weak members lower.

Investment Recommendations: Reduce long exposure to the minimum allowed in your investment mandate. Raise cash by selling into brief snapback rallies. Hedge funds should raise short exposure to the maximum allowed, with shorts focused on tech, consumer discretionary, financials and communication services. Asset allocators should shift out of stocks into government bonds.

A major alpha opportunity exists in defensive sectors: Utilities, consumer staples, REITs and health care. As discussed in last week's report, these bottomed in relative terms to the index, mostly in November. They have added big relative gains in the past two weeks, From their lows utilities and REITs are +8%, staples +7% and health care +6%. The upward relative move for defensive sectors is just starting in the model forecast, this is the time to participate in this move. For long exposure, switch out of tech, consumer discretionary and financials into defensive sectors. The same goes for European EuroStoxx sector rotation.

As for stock indexes, the model forecast suggests this is an epic top on the order of March 2000 or October 2007. Sell and short into brief bounces. Happy holidays, no report next week. The next report will be Jan 3rd.



COMMENT: Stock market volatility is headed higher. That means bigger daily percentage swings, both down and up, but resolving to the downside. Sell and short into brief snapback rallies. High volatility means options should get more expensive. Put options are still relatively affordable and are recommended until volatilities get too high. Volatility sellers will probably get squeezed.

FAVORITE TRADES: Most timely and strong model signals across all asset classes, next 1 to 3 months: Short Nasdaq 100 NDX and global stock indexes on bounces. Long volatility (VIX, VXX). Short bitcoin. Overweight S&P500 utilities, staples, REITs, health care and overweight EuroStoxx supersectors utilities, food & beverages, personal & HH goods, telecom, real estate, health care. Underweight S&P tech, consumer discretionary, financials, communication services and EuroStoxx tech, travel & leisure, banks. Short EEM. Long gold and GDV.

EQUITY MARKETS: Risk is to the downside. Sell and short into brief rallies.

BONDS & INTEREST RATES: US Treasuries and global bond futures are recommended longs. Also bond future/stock index spreads are recommend longs for asset allocators (switch out of stocks into government bonds).

CURRENCIES: We are still long the dollar.

EMERGING EQUITY MARKETS (MSCI Indexes in US\$): *Shorts:* India, China, Russia, Poland, Hungary, Indonesia, Turkey, Peru, Colombia, Greece, Saudi Arabia, Kuwait, Qatar, Czechia, Thailand, Mexico, Argentina, S Africa, Brazil, Korea, Malaysia, Taiwan, Egypt, Philippines, *Chile.*

FRONTIER EQUITY MARKETS (MSCI Indexes in US\$): *Shorts:* Ukraine, Kazakhstan, Zimbabwe, Bahrain, Estonia, Romania, Lithuania, Mauritius, Morocco, Kenya, Nigeria, Croatia, Bangladesh, Slovenia, Serbia, Jamaica, Tunisia, Senegal, Vietnam, Bulgaria, Bosnia.

STOXX SUPERSECTORS: Forecast Stronger: Utilities, Food & Beverages, Telecom, Personal & HH Goods, Real Estate, Health Care, Gold Mining. **Weaker:** Technology, Banks, Travel & Leisure, Autos & Parts, Financial Services,

JAPANESE TOPIX INDUSTRY GROUPS: Forecast Stronger: Electric Power & Gas, Foods, Mining, Land Transport, Pharmaceuticals. **Forecast Weaker:** Services, Communication, Precision Instruments, Air Transport, Retail, Securities, Banks, Other Financials, Marine Transport.

COMMODITIES: Gold remains a long. New shorts on energy, some grains and softs are added.

POSITIONS REMOVED 1) CLOSE LONG XLE/SHORT S&P500 2) COVER SHORT CZECH KORUNA/EURO CROSS 3) CLOSE LONG LIVE CATTLE

POSITIONS ADDED	1) SHORT SMH SEMICONDUCTOR ETF	5) LONG XLV/SPY (HEALTH CARE/S&P)	9) SHORT WHEAT
	2) SHORT KBE BANK ETF	6) LONG US\$/HONG KONG DOLLAR	10) SHORT OATS
	3) SHORT XLY/SPY (CONS DISC/S&P)	7) SHORT CRUDE OIL	11) SHORT COFFEE
	4) SHORT XLF/SPY (FINANCIALS/S&P)	8) SHORT BRENT CRUDE	12) SHORT SUGAR

NEW PORTFOLIO

SHORT	CLOU CLOUD SOFTWARE ETF	SHORT	NIKKEI AVERAGE	LONG	US 30YR BOND FUTURE/SHRT S&P500 SPRD
SHORT	FDN INTERNET FANG ETF	SHORT	SINGAPORE STI	LONG	UK GILT FUTURE/SHORT FTSE100 SPREAD
SHORT	SMH SEMICONDUCTOR ETF	SHORT	NEW ZEALAND 50 INDEX	LONG	BUND FUTURE/SHORT DAX SPREAD
SHORT	QQQ NASDAQ 100 ETF	SHORT	CANADA S&P/TSX COMPOSITE	LONG	DXY US DOLLAR INDEX
SHORT	SOCL SOCIAL MEDIA ETF	SHORT	PORTUGAL PSI ALLSHARE	LONG	US\$/EURO
SHORT	XRT RETAILER ETF	SHORT	EWV MEXICO ETF	LONG	US\$/BRITISH POUND
SHORT	ARKK ARK INNOVATION ETF	SHORT	EWZ BRAZIL ETF	LONG	US\$/SWEDISH KRONA
SHORT	NYFANG FANG INDEX	SHORT	AUSTRALIA ASX 200	LONG	US\$/NORWEGIAN KRONE
SHORT	XBD SECURITIES BROKER INDEX	SHORT	EWT TAIWAN ETF	LONG	US\$/MEXICAN PESO
SHORT	KBE BANK ETF	SHORT	TAN SOLAR ETF	LONG	US\$/BRAZILIAN REAL
SHORT	BITCOIN	SHORT	XLK TECH SECTOR ETF	LONG	US\$/SOUTH AFRICAN RAND
LONG	VXX VIX VOLATILITY ETF	SHORT	XLI INDUSTRIAL SECTOR ETF	LONG	US\$/RUSSIAN RUBLE
SHORT	RUSSELL 2000 SMALL CAP	SHORT	JNK JUNK BOND ETF	LONG	US\$/SHORT TURKISH LIRA
LONG	TLT TBOND ETF	LONG	XLU/SHORT S&P500 (UTILITIES/S&P)	LONG	US\$/SOUTH AFRICAN RAND
SHORT	EEM EMERGING MARKET ETF	LONG	XLV/SHORT S&P500 (STAPLES/INDEX)	LONG	US\$/CANADIAN DOLLAR
SHORT	S&P500	LONG	XLRE/SHORT S&P500 (REITS/INDEX)	LONG	US\$/AUSTRALIAN DOLLAR
SHORT	DJIA	LONG	XLV/SPY (HEALTH CARE/S&P)	LONG	US\$/NEW ZEALAND DOLLAR
SHORT	S&P400 MIDCAP	LONG	GDV/SHORT S&P500 SPREAD (GOLD MINER/S&P)	LONG	US\$/SINGAPORE DOLLAR
SHORT	DAX	SHORT	XLK/S&P500 SPREAD	LONG	US\$/INDONESIAN RUPIAH
SHORT	CAC40	SHORT	XLY/SPY (CONS DISC/S&P)	LONG	US\$/COLOMBIAN PESO
SHORT	FINLAND OMX HELSINKI	SHORT	XLF/SPY (FINANCIALS/S&P)	LONG	US\$/CHINESE YUAN
SHORT	SWEDEN OMX STOCKHOLM	LONG	TLT/SHORT SPY (TBONDS/S&P500)	LONG	US\$/INDIA RUPEE
SHORT	IRISH ISEQ	SHORT	FTMC MIDCAP/LONG FTSE100 SPREAD	LONG	US\$/MALAYSIAN RINGGIT
SHORT	FTMC MIDCAP	SHORT	SHORT ML HIGH YIELD TOTAL RETURN INDEX	LONG	US\$/HONG KONG DOLLAR
SHORT	FTSE AIM SMALL CAP	SHORT	SHORT ML EMG MKT TOTAL RETURN INDEX	SHORT	HUNGARIAN FORINT/EURO CROSS
SHORT	FTSE100	WIDEN	ML HIGH YIELD OAS SPREADS	SHORT	POLAND ZLOTY/EURO CROSS
SHORT	SWISS SMI	WIDEN	ML EMG MKT OAS SPREADS	LONG	GOLD
SHORT	ITALIAN FTSEMIB	FLATTEN	US YIELD CURVE 30YR-2YR	LONG	SILVER
SHORT	SPANISH IBEX	LONG	US30YR TBOND FUTURE	LONG	SILVER/SHORT GOLD SPREAD
SHORT	DENMARK OMX COPENHAGEN 20	LONG	US10YR TNOTE FUTURE	LONG	CORN
SHORT	DUTCH AEX	LONG	US5YR TNOTE FUTURE	LONG	SOYBEANS
SHORT	BELGIUM BEL 20	LONG	UK GILT FUTURE	LONG	SOYBEAN MEAL
SHORT	FXI CHINA 25 ETF	LONG	GERMAN BUND FUTURE	SHORT	COTTON
SHORT	HANG SENG	LONG	SWISS BOND FUTURE	SHORT	WHEAT
SHORT	HSCE HK CHINA H SHARE INDEX	LONG	AUSTRALIAN BOND FUTURE	SHORT	OATS
LONG	QQQ MARCH 330 PUT	LONG	CANADIAN BOND FUTURE	SHORT	COFFEE
LONG	GDV GOLD STOCK ETF	LONG	FRENCH OAT BOND FUTURE	SHORT	SUGAR
LONG	GLD GOLD ETF	LONG	ITALIAN BTP BOND FUTURE	SHORT	CRUDE OIL
LONG	SLV SILVER ETF	LONG	SPANISH BONO BOND FUTURE	SHORT	BRENT CRUDE
SHORT	CHINEXT TECH 100 INDEX	LONG	JGB FUTURE		

STRONGER US INDUSTRY GROUP PROSPECTS

THESE GROUPS AND STOCKS ARE SELECTED BY THE MODEL TO OUT-PERFORM THE S&P500 OVER THE NEXT SEVERAL MONTHS.

REMOVED THIS WEEK: *Building Products, Chemicals, Oil & Gas, Energy Service, Construction Materials*

ADDED THIS WEEK: *Health Care Equipment, Tobacco*

TOP PICKS

HH Products: CHD, EPC, CLX, CL
Food Products: MKC, SJM, MDLZ, HRL, HSY, GIS, PFGC, DAR, UL, THS, TSN, SAFM, SMPL, POST, K
Beverages: STZ, KO, PEP, KDP, MNST
Personal Product: PG, NUS
Multi Utilities: NI, ES, CMS, NEE, EVRG, AEF, CNP, PNW, XEL, DTE, MDU
Electric Utilities: ED, WEC, SO, EIX, FE, LNT, PEG, ETR, AEP
REITs: CCI, DLR, PLD, PSA, EQR, ESS, AVB, UDR, WELL, PEAK, AMT
Pharmaceuticals: PFE, BMY, JNJ, ABT, ABBV, GSK, LLY
HCare Providers: UNH, MCK, ANTM, PKI, LH
Gold & PM Mining US listed: NEM, AU, GFI, HMY, SSRM, WPM, PAAS, RGLD, USAS, DRD, GORO, IAG, EGO, BTG, NGD, AG, EXK, HL, EQX, SAND, MAG, FNV, SA, OR, PVG, AUY, THM, AXU, GOLD
Silver Miners Global: FRES.L, PAAS, USA.TO, WPM, MND.TO, SVE.V, DSV.V, SSRM, POLY.L, GORO, SIL.TO, AXU, EXK, AG, HL, GGD.TO, MAG, BCM.V, AAG.V, EXN.TO, GATO, HOC.L, VZLA.V, Canadian Listed (.TO): OSK, FF, BSR.V, USA, KNT, SKE, MOZ, OLA, IVN, ARTG.V, FNV, BTO, GCM, WDO, LGD, FR, KRR, TUD.V, EQX, TXG, DPM, MMX, IAU, PGM.V, AMX.V, VGX, AGI, AOT, CXB, CGG, KOR, ORA, FPC.V Australian Listed (.AX): SBM, EVN, NCM, GOR, IGO, WGX, ARD, SLR, RMS, NST, SVL, KCN, RRL, AML Platinum Miners Global: IMP.J, AMS.J, ARI.J, IVN.TO, PLG, ZIM.AX, PAF.L, NPH.J, NCP.TO, ELR.TO, SBSW, NOT.V London Listed (.L): FRES, PLZL, POLY, GFM, POG, AAZ, PAF.L, SOLG.L, CNR.L China/HK listed: 1818HK, 601069SS, 600547SS, 1787HK, 2899HK, 600988SS, 000975SS, 600531SS, 2099HK, 002155SS
Food&Drug Retail: SFM, CVS, GO, KR, WMK
Div Telecom: VZ, T
Wireless Telecom: CCI, PTNR, TMUS
Gas Utilities: OGS, SJI, EQT, CPK, ATO, NJR, UGI, AGR, SR, OGS, NWN, SR, NWN, SWX
Water Utilities: WTRG, ARTNA, CWT, AWR, SJW, AWK, YORW
Air Freight: FDX, UPS, EXPD
Homebuilders: HOV, DHI, BZH, TOL, NVR
HealthCare Equip: BDJ, BAX, BSX, EW, NVST, STE, TMO
Tobacco: MO, VGR, PM, UVV

WEAKER US INDUSTRY GROUP PROSPECTS

THESE GROUPS AND STOCKS ARE SELECTED BY THE MODEL TO UNDER-PERFORM THE S&P500 OVER THE NEXT SEVERAL MONTHS.

REMOVED THIS WEEK: *Insurance, IT Services, Communication Equipment*

ADDED THIS WEEK: *Textiles/Apparel, Auto Components, Commercial Services, Trading Companies, Machinery, Construction & Engineering*

TOP PICKS

Software: TEAM, HUBS, CRM, NET, SQ, U, CRWD, ZS, NOW, PAYC, DOMO, COUP, FTNT, SPLK, AVLR, PLTR, OKTA, TWLO, MSCI, PTC, IT, VEEV, CTXS, GWRE, AYX, EA, ADSK, FSLY, WDAY, RNG, SHOP, DDOG, ADBE
Internet: ABNB, ETSY, FVRR, DASH, OSTK, NFLX, MTCH, JD, CRM, EBAY, LYFT, UBER, TWTR, SOHU, AI, PDD, BIDU, BABA, BKNG, IAC, FB, SNAP, AMZN, GOOG, GRUB, ATHM, EXPE, SNOW
Social Media: MOMO, MTCH, WB, SNAP, SPOT, TWTR, YNDX, FB, YELP, IAC, GOOG, YY, PINS, ZNGA, BIDU, GRPN, TCEHY, NTEG
FAANGMT: TSLA, NFLX, AMZN, FB, GOOG, AAPL, MSFT
Semiconductors: NVDA, AMD, ASML, XLNX, ADI, KLAC, ON, RUN, SMTX, TXN, STM, ICHR
Securities Broker: MS, GS, JEF, EVR, SF, HLI, HOOD, DHIL, PIPR, LPLA, LZR, PJT, BGCP, RJF, SNEK, SCHW, COWN
MoneyCenterBnk: C, JPM, BAC
Asset Managers: KKR, BX, GROW, CG, JHG, AB, BSIG, GBL, APAM, SCU, IEP, IVZ, TROW, APO, BLK
Specialty Retailer: WSM, BGFV, GME, BBY, URBN, ODP, LAD, GPS, FL, ANF, AN, RH, KMX, BBWI
Autos: TSLA, STLA, TTM, GM, F
Multi Retailers: M, DDS, TGT, JWN, KSS
Credit Cards: ADS, RM, COF, AXP, DFS, V, MA, SYF
Hotels & Leisure: HTHT, TCOM, CZR, IGT, BKNG, NCLH, CCL, TRIP, RRR, MAR, HLT, IHG, LYY
Restaurants: CBRL, CAKE, JACK, EAT, CMG, BLMN, QSR, RRGB, DENN, TXRH, SHAK, DRI, ARMK
Regional Banks: SIVB, ZION, SBNY, CMA, HBAN, FITB, WFC, USB, PNC, KEY, MTB, PBCT, FHN
Cyber Security: CYBR, CRWD, RPD, ATEN, SCWK, CHKP, MNDT, FTNT
Solar: NOVA, DQ, RUN, SPWR, AZRE, FSLR, EMKR, CSIQ, ENPH, SEDG
Electric Vehicles: NIU, NIO, BEEM, TSLA, QS, ARVL, CHPT, BLNK, KNDI, SOLO, XL, RIDE, NKLA, FUV, GP
Emg Market Bank: AKBTY, TKGBY, IBN, HDB, BBAR, SBRCY, BSBR, ITUB, BSMX
Electronic Instr: CGNX, A, WAT, SANM, TEL
Industrial Congl: GE, EMR
Media: NYT, ROKU, FOX, WMG, VIAC, DIS, NXST, TGNA, LBTYK, AMCX, SPOT, DISCA, CSCSA, CHTR
Auto Finance: ALLY, NICK, CACC, CPSS
Diversified Fins: PYPL, OMF, STT
Airlines: AAL, UAL, DAL, ALK, LUV
Aerospace & Def: BA, RTX, LHX, AER, SPR, HII, HON, TDG
Computers: NTAP, NCR, GDS, DELL
Textiles/Apparel: UAA, RL, PVH, NKE, LEVI
Auto Component: CPS, MTOR, GT, TEN, SUP, MOD, APTV
Commercial Serv: CAR, RHI, WM, RSG, PBI, EFX, DLX, CTAS, AVY, ADT
Trading Comp: WCC
Machinery: MTW, CMI, BLDP, PH, PCAR, AGCO
Construct & Eng: PWR, MYRG, GVA, J, TPC, AGX

STRONGER EUROSTOXX SECTOR PROSPECTS

THESE SECTORS AND STOCKS ARE SELECTED BY THE MODEL TO OUT-PERFORM THE EUROSTOXX 600 OVER THE NEXT SEVERAL MONTHS.

REMOVED THIS WEEK: Oil & Gas

ADDED THIS WEEK: Nothing

TOP PICKS

Utilities: E.ON, National Grid, Veolia, United Utilities, Engie, RWE, Iberdrola, Verbund, Fortum, Enel

Food & Beverages: Associated British Foods, Anheuser Busch Inbev, Unilever, Orkla, Nestle, Rémy Cointreau, Diageo, Kerry, Heineken, Groupe Danone

Telecom: Vodafone, BT, Telecom Italia, Telenor, Hellenic Telecom, Proximus, Telefonica, Telefonica Deutschland

Personal & HH Goods: BAT, Swatch, Swedish Match, Electrolux, Salvatore Ferragamo, Reckitt Benckiser, LVMH, Moncler, Christian Dior, Hermes, Beiersdorf

Real Estate: Gecina, Landsec, PSP Swiss Property, Immofinanz, Hammerson, British Land, Castellum, Derwent London, Cofinimmo, URW, LondonMetric

Health Care: Novartis, Glaxosmithkline, Argenx, Gerresheimer, Roche, Ipsen, Smith & Nephew, Sanofi, Chr Hansen, BioMérieux, Fresenius

Gold Mining: Fresnillo, Polymetal, Polyus Gold, Griffen Mining, Petropavlovsk, Anglo Asian Mining, Pan African Resources, SolGold, Condor Gold

WEAKER EUROSTOXX SECTOR PROSPECTS

THESE SECTORS AND STOCKS ARE SELECTED BY THE MODEL TO UNDER-PERFORM THE EUROSTOXX 600 OVER THE NEXT SEVERAL MONTHS.

REMOVED THIS WEEK: Nothing

ADDED THIS WEEK: Autos & Parts

TOP PICKS

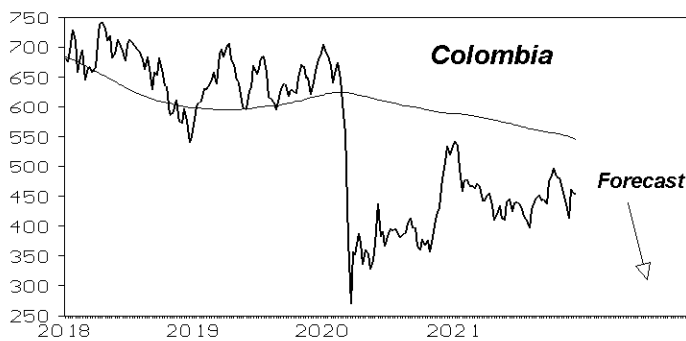
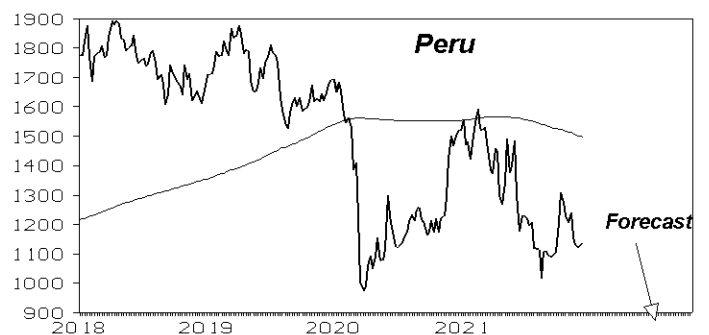
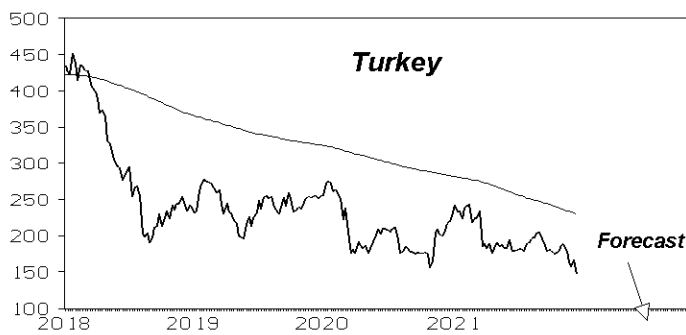
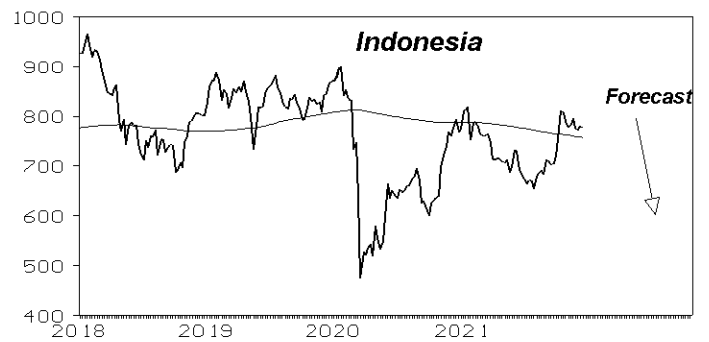
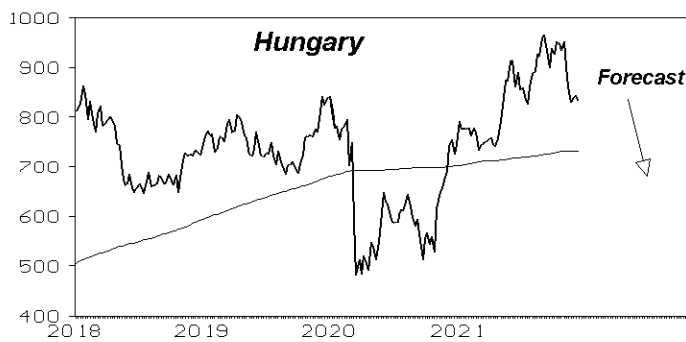
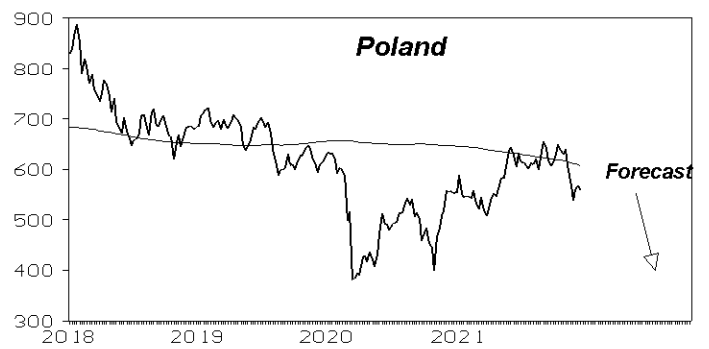
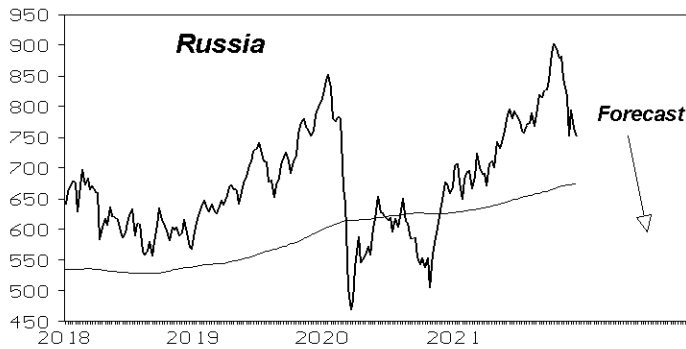
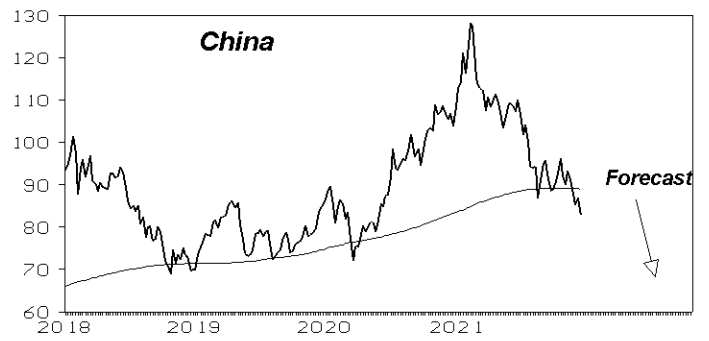
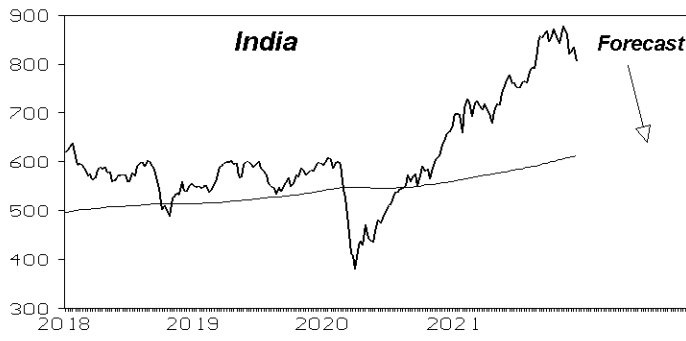
Technology: Infineon, STMicroelectronics, ASML, Softcat, Adyen, Spirent, Sinch, Nemetschek, Sopra Steria, Dometic, Soitec, SimCorp, Ericsson, Hexagon, Vitec, Datalogic, Cap Gemini, Rexel, Ubisoft, Just Eat, Bechtle, CD Projekt, Ascential, BESI, Dassault Systèmes, Indra Sistemas

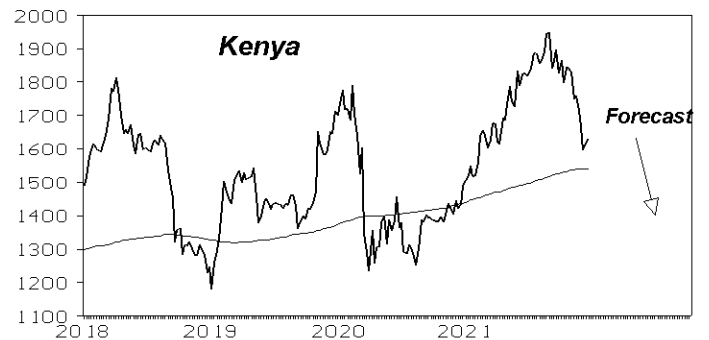
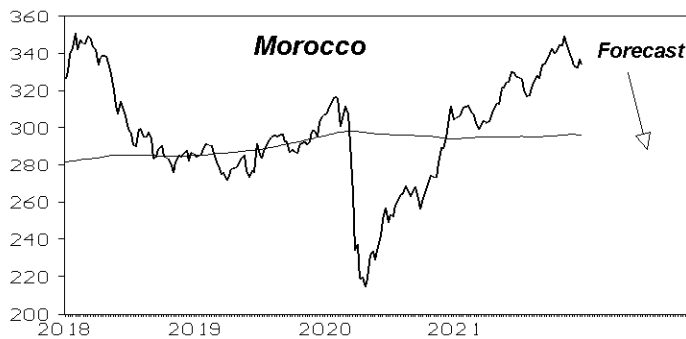
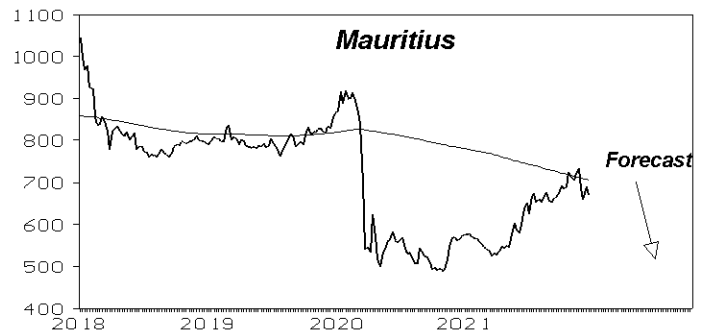
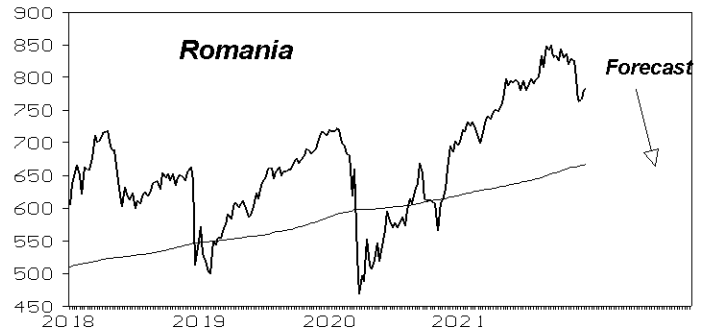
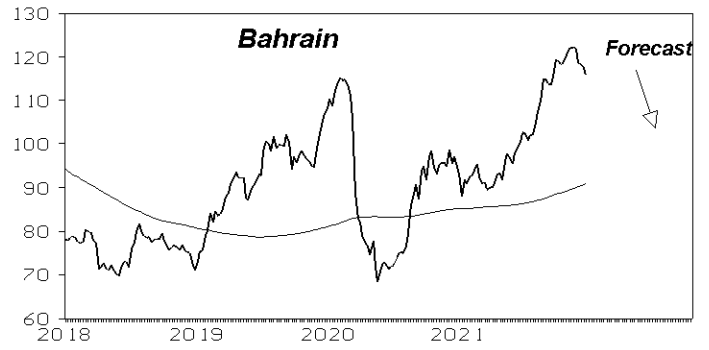
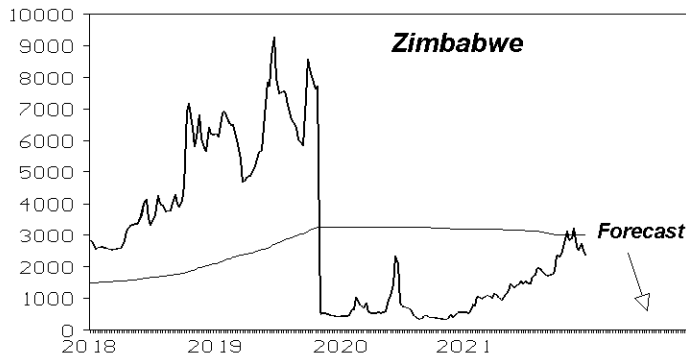
Banks: Avanza Bank, Raiffeisen Bank, SEB Group, Swedbank, Banco Santander, Barclays, Standard Chartered, Intesa Sanpaolo, BBVA, Caixabank, Banco Sabadell, Virgin Money, Credito Emiliano, Nordea Bank, BPER Banca, Deutsche Bank, ABN Amro, Credit Agricole, Handelsbanken, Deutsche Pfandbriefbank, Commerzbank

Travel & Leisure: Ryanair, IAG, Carnival, Wizz Air, Flutter Entertainment, Easyjet, Air France-KLM, Scandic, Evolution Gaming, Accor, Whitbread, Sodexho, Française des Jeux

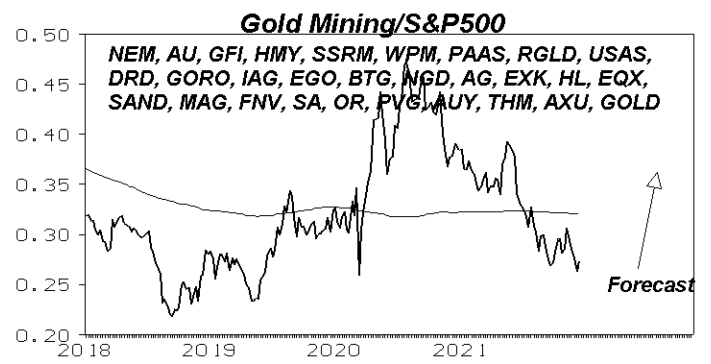
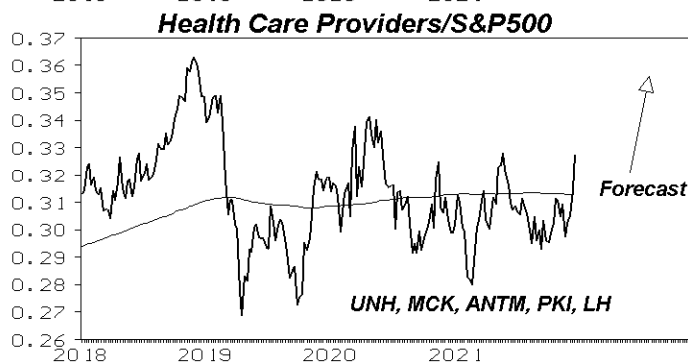
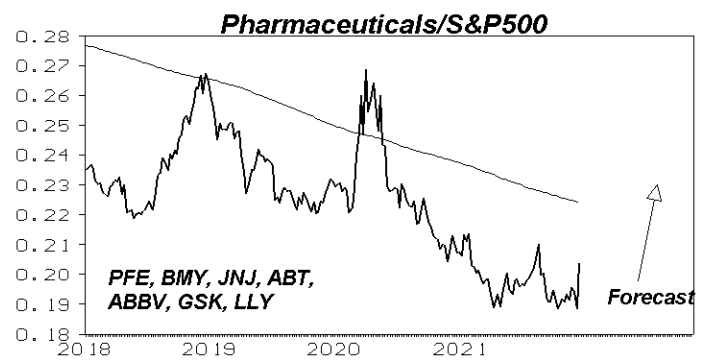
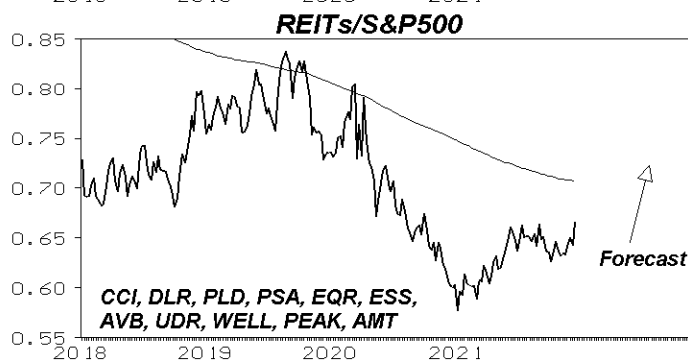
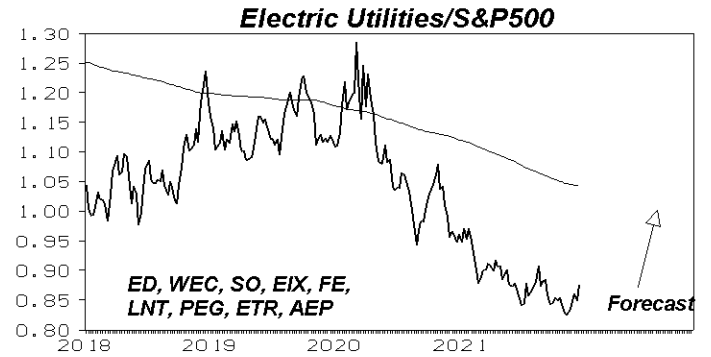
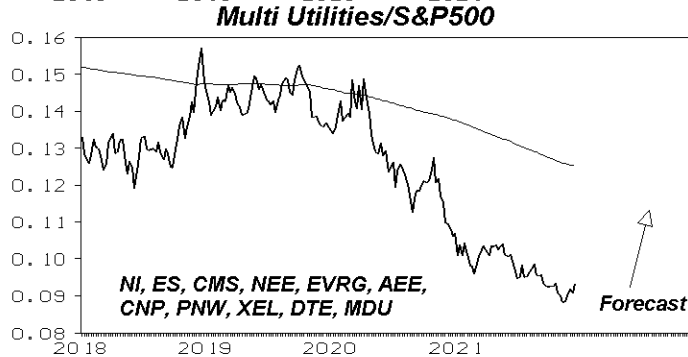
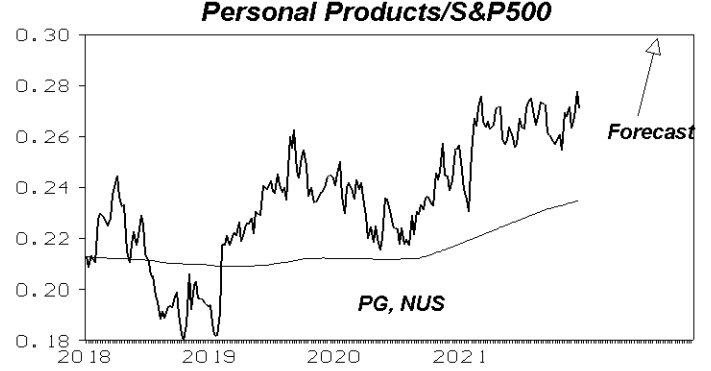
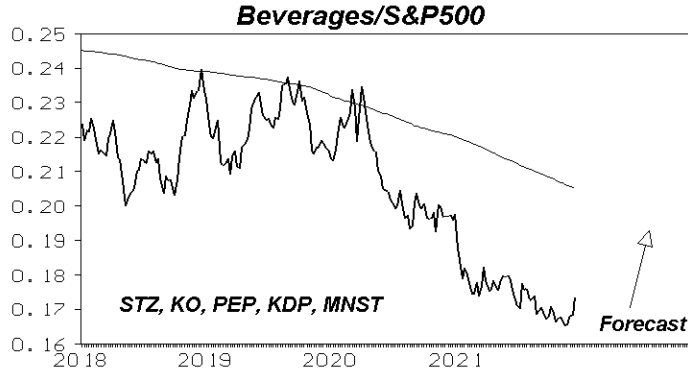
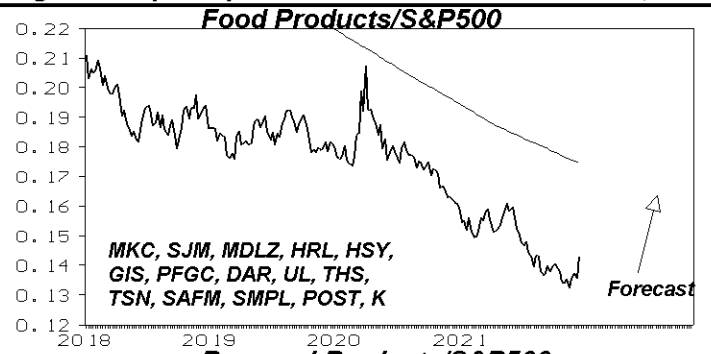
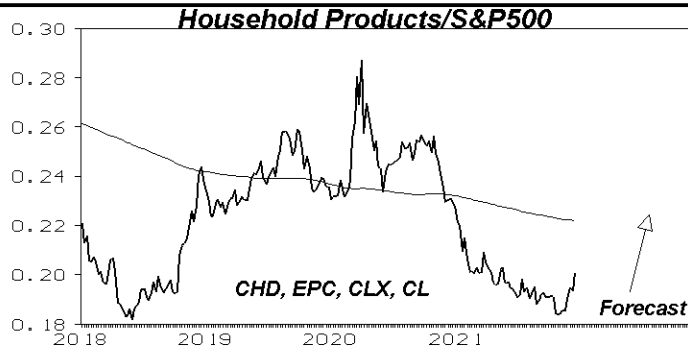
Autos & Parts: Daimler, Faurecia, BMW, Renault, Valeo

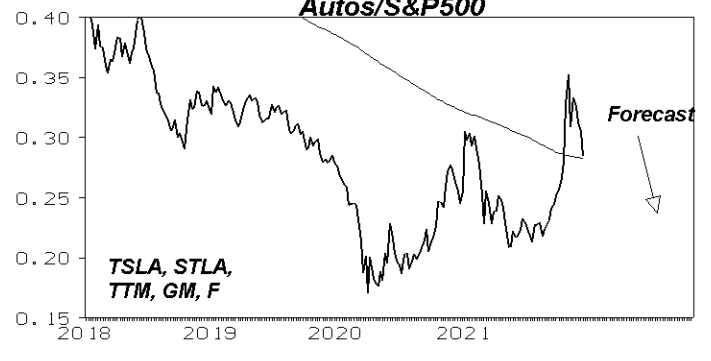
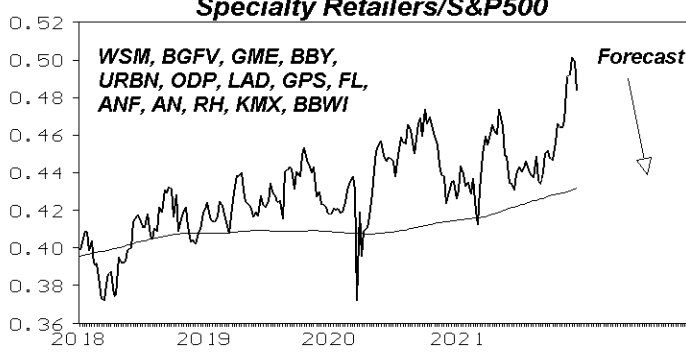
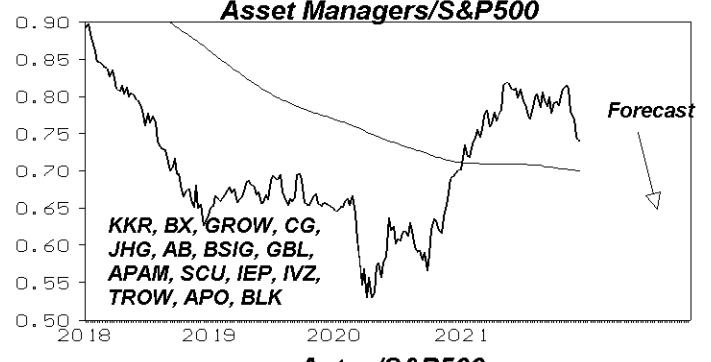
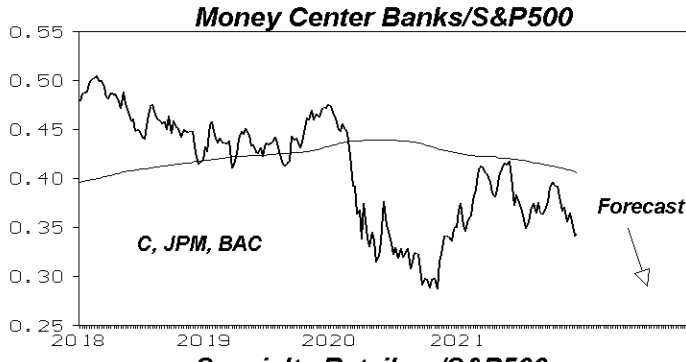
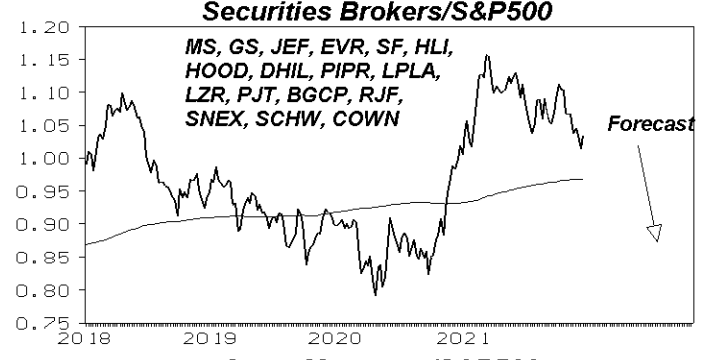
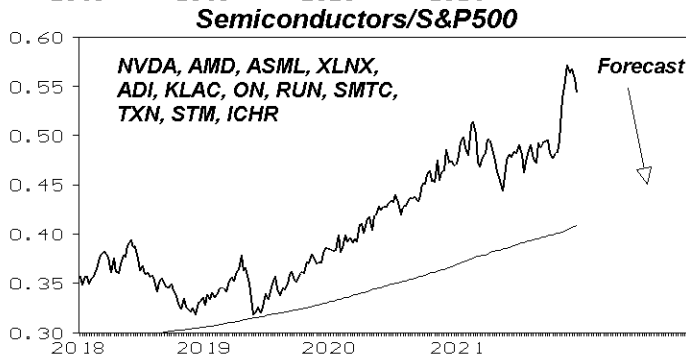
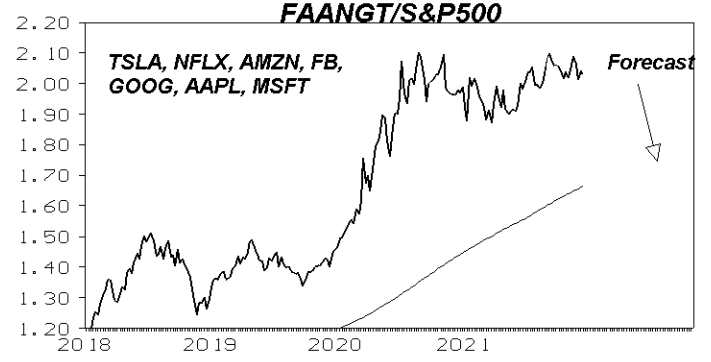
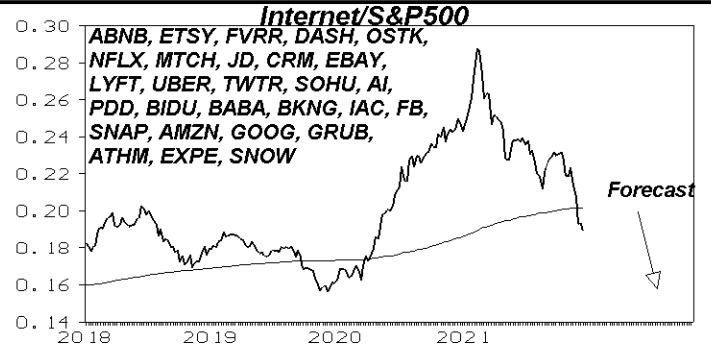
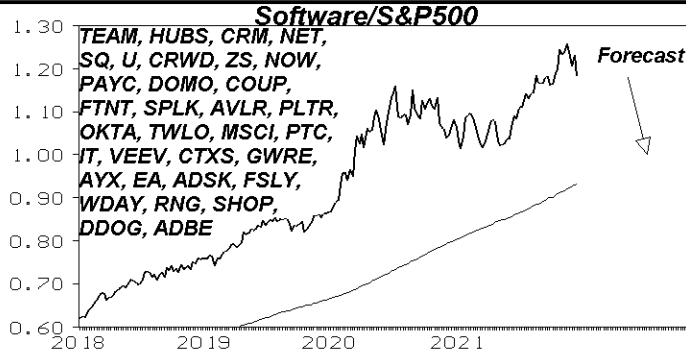
Financial Services: Amundi, Julius Baer, Provident Financial, Euronext, Schroders, Man, LSEG, IPF, Swissquote, Abrdn, Storebrand, Deutsche Boerse, Tikehau Capital, Hargreaves Lansdown, EQT, ICG, Pershing



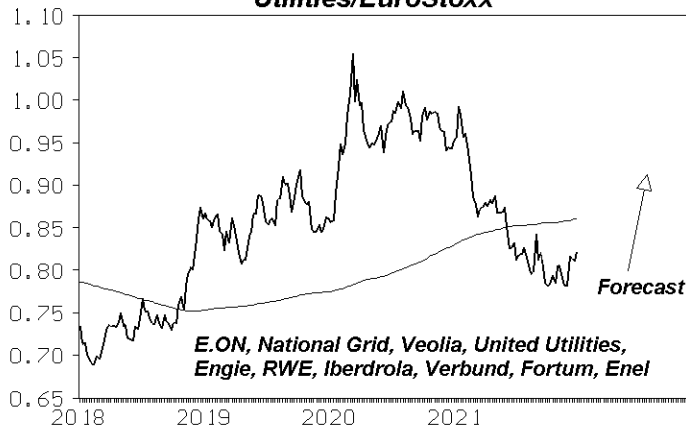


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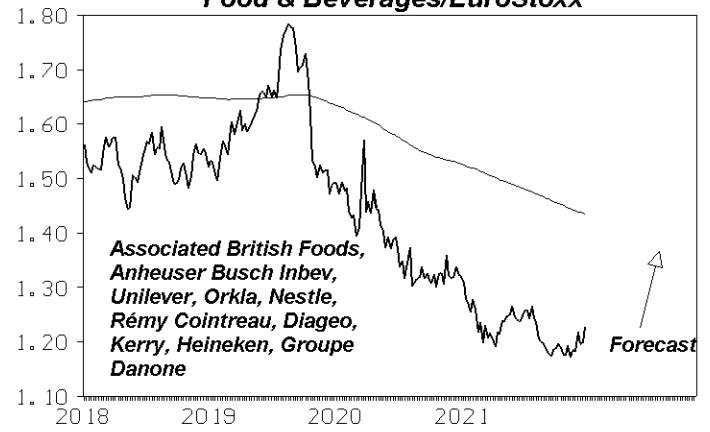




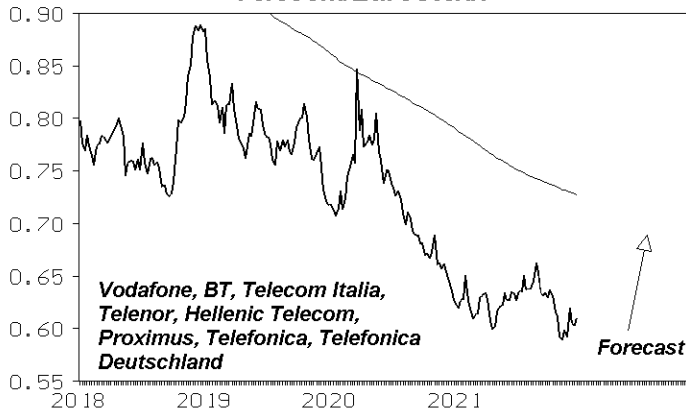
Utilities/EuroStoxx



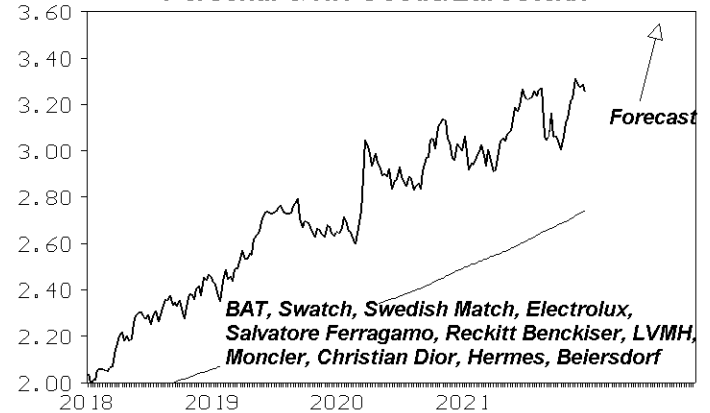
Food & Beverages/EuroStoxx



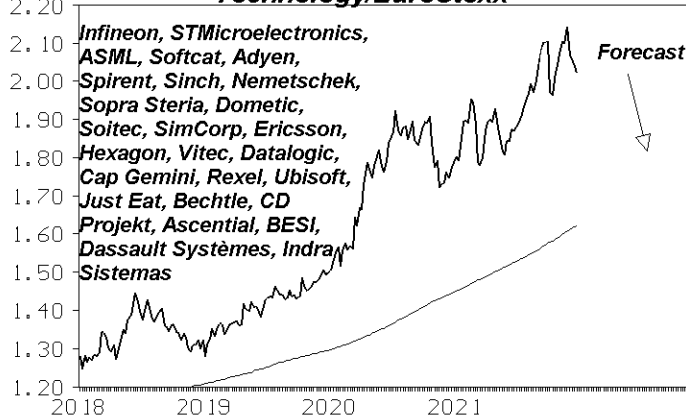
Telecom/EuroStoxx



Personal & HH Goods/EuroStoxx



Technology/EuroStoxx



Banks/EuroStoxx



Travel & Leisure/EuroStoxx



Autos & Parts/EuroStoxx

