A Look Into 2024 With Asbury Research

Prepared for Fidelity Investments

January 11th, 2024

About Asbury Research
Who We Are

John Kosar, CMT, Chief Market Strategist

John has more than 40 years of experience studying, analyzing, and forecasting global financial markets. Asbury Research provides data-driven technical and quantitative investment research to professional and private investors. John began his career in 1980 on the Chicago Mercantile Exchange trading floor and spent the next 17 years there, acquiring a practical, real-world education on how the US financial markets work from the inside out. This experience, early in his career, became the foundation for his unique analytical approach and understanding of what really drives financial asset prices.

John is a contributor to **Forbes** and **StockCharts.com** and is frequently quoted by US and global financial news organizations including **The Wall Street Journal**, **Investors Business Daily**, **MarketWatch.com**, **Barron's**, **Yahoo! Finance**, and **Reuters**. John also regularly appears on financial television, including **CNBC**, **Fox Business**, and **Bloomberg**, and is a frequent speaker at financial events across the country presented by organizations including the **Chartered Financial Analyst (CFA) Society**, the **National Association of Active Investment Managers (NAAIM)**, the **CMT (Chartered Market Technician) Association**, and the **American Association of Individual Investors (AAII)**.

John was awarded the Chartered Market Technician (CMT) designation in 1999, served as Vice President of the CMT Association from 2004 to 2006, and was a member of its Board of Directors from 2002 to 2006. Previously, John was a trader, analyst, and strategist for several top global investment firms including Shearson American Express, NatWest Markets, Greenwich Capital Markets, and Deutsche Bank.

About Asbury Research
What We Do

We utilize decades of investment experience and our own **quantitative models** to provide active investors with **forward-looking, actionable market intelligence and specific trading / investment ideas.**

Our approach is purely data driven and focused on "following the money" and the performance it fuels via our own proprietary quantitative models and methodologies. This fact-based approach is much more influential to asset price performance than the opinion, market chatter, and Wall Street talking points that we read and hear about every day in the financial media.

Our metrics and methodology help our subscribers become more successful investors by identifying:

- <u>when</u> **it's time to be aggressive and fully invested (Risk On),**
- <u>when</u> **it's time to be defensive and protecting capital (Risk Off),**
- <u>what</u> **specific sectors and industry groups to buy, and when**
- <u>which</u> **ETFs are attracting investor assets and outperforming the broad market**
- <u>where</u> **the best Strategic opportunities in global stock markets are**

About Asbury Research
How We Do It

Our Data-Driven Models

- **The Correction Protection Model** (CPM) for **Wealth Preservation**

- **The Asbury 6 Model** (A6) for **Risk Management**

- **The SEAF** (Sector ETF Asset Flows) **Model** for **Sector Selection**

- **The CARP** (Cross Asset Relative Performance) **Model** for **Domestic Asset Allocation**

- **The US vs. The World Model** for **Global Asset Allocation**

A Review Of Our
July 14th 2023 Webinar for Fidelity Investments

• **7-14-2023, U.S. Stock Market:** I said the benchmark **S&P 500 (SPX)** targeted an eventual Strategic rise to 4800 but was **vulnerable to a corrective decline** from at or near its current level. I also stated I would view a significant decline into underlying support near SPX 4200 as a potential new buying opportunity.

The benchmark S&P 500 began a corrective decline nine days later, on July 27th from 4607, and subsequently declined by 11% to a low of 4104 on October 27th before rising by 16% to the 4778 December 20th high.

• **7-14-2023, Sector Selection/Rotation:** I said the **SEAF Model** currently favored the **Communication Services (XLC)** and **Financial (XLF) Sectors**.

XLC subsequently outperformed the S&P 500 (SPY) by 7% into late October while XLF outperformed SPY by 4% into mid December.

A Look Into 2024 With Asbury Research

1) Executive Summary: January 11th, 2024

- **U.S. Stock Market:** The emphatic conclusion from our comprehensive multi-time frame analysis of the US stock market is that **this is a particularly important inflection point from which the next one to several month directional move – up or down – is likely to begin**. Our interpretation of this special situation favors a bearish resolution, at least for a significant part of the 1st Quarter, likely from the major overhead resistance levels as defined in this report. Bigger picture, however, we would view a significant 1st Quarter correction as a potential longer term, Strategic buying opportunity.

- **Size: Small Cap** (SPSM) stocks, despite a minor pullback over the past two weeks, remain in a Dec 1st trend of Strategic relative outperformance versus the S&P 1500 (SPTM).

- **Style: Value** (SPYV) stocks are in the midst of a Nov 14th trend of Strategic relative outperformance versus the S&P 500 (SPY), which replaced the previous March 2023 trend of relative outperformance by Growth.

# A Look Into 2024 With Asbury Research

2) Executive Summary: January 11th, 2024

- **Domestic Asset Allocation:** All changes to the domestic relative relationships in the **CARP Model** last week were Defensive in nature, which suggests the market is starting to position itself for a corrective US broad market decline.

- **Global Relative Performance:** According to the **US vs. The World Model**, the best outperformers (Peru, Switzerland, Spain, India, and Australia) are currently scattered across multiple geographic regions, which is typically not indicative of a tradeable/investable counter-US relative trend.

- **Sector Selection/Rotation:** The **SEAF Model** currently favors the **Financials** (XLF), **Health Care** (XLV), and **Communication Services** (XLC) Sectors.

- **US Interest Rates:** The **yield of the benchmark US 10-Year Treasury Note** is currently testing its January 2021 major uptrend at **3.98%**. We view this as a major decision point in the direction of benchmark long term US interest rates.

US Stock Market

Price & Trend (1): Market Leading Semis, Technology Test Major Resistance
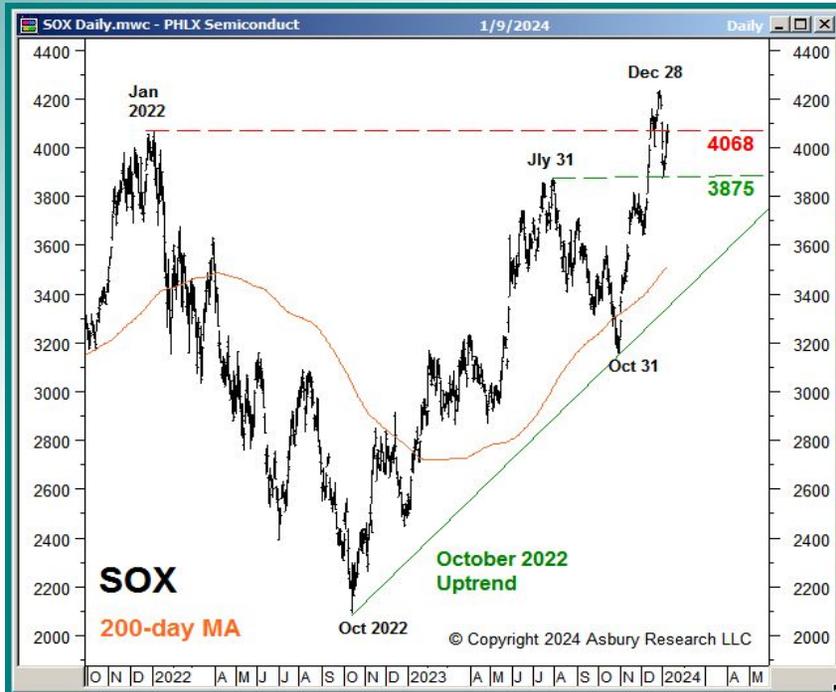
The PHLX Semiconductor Index is in a major uptrend but has been testing formidable overhead resistance at 4068 since Dec 15th. *Strategic decision point.*

The NASDAQ 100, another market leader, is also in a major uptrend but has been testing formidable resistance at 16,607 to 16,765 since mid December. *Strategic decision point.*

US Stock Market

Price & Trend (2): Small Caps Testing Resistance, Blue Chips Strengthening

The Russell 2000 is again testing and retracting from its August 2022 benchmark high at 2030. A rise above it is necessary to clear the way for more strength.

The defensive Dow 30 has recently broken through its corresponding formidable resistance level at 36,953, which now becomes underlying support.

US Stock Market

## Price & Trend (3): SPX Testing Major Resistance, Be Careful Below 4694

SPX is also testing formidable resistance at its 4819 January 2022 all-time high. *More evidence that the overall market is at a Strategic decision point.*
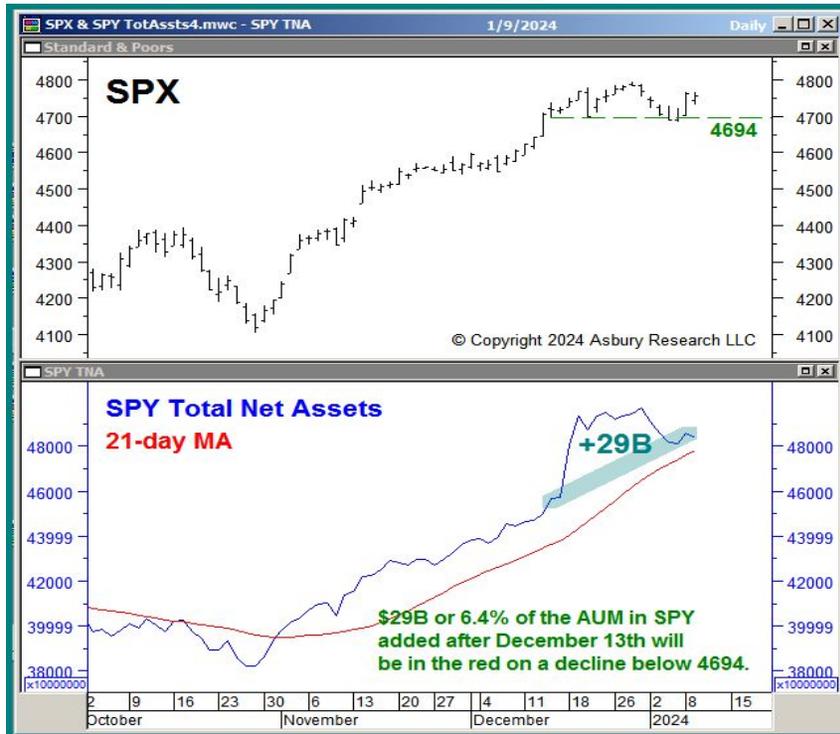
Tactically, $29 billion or 6.4% of the total assets invested in the SPDR S&P 500 ETF have recently been added above 4694. *If broken, this could trigger a correction.*

US Stock Market

Relative Performance (1): Semis, Tech Testing Relative Outperformance Trends
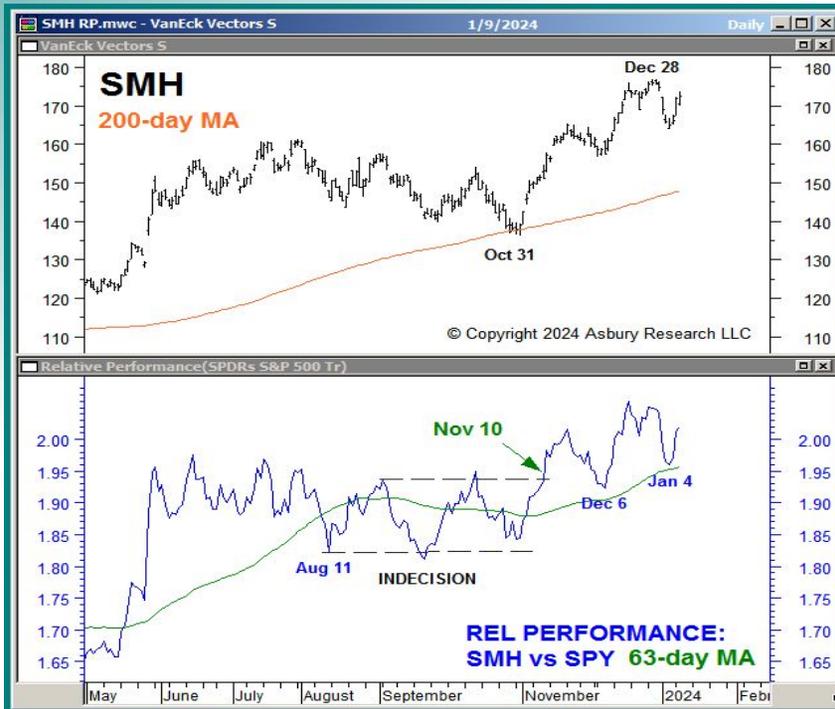
The VanEck Vectors Semiconductor ETF resumed its May 2023 trend of Strategic relative outperformance vs. the S&P 500 on Nov 10th, *but that trend is being tested.*
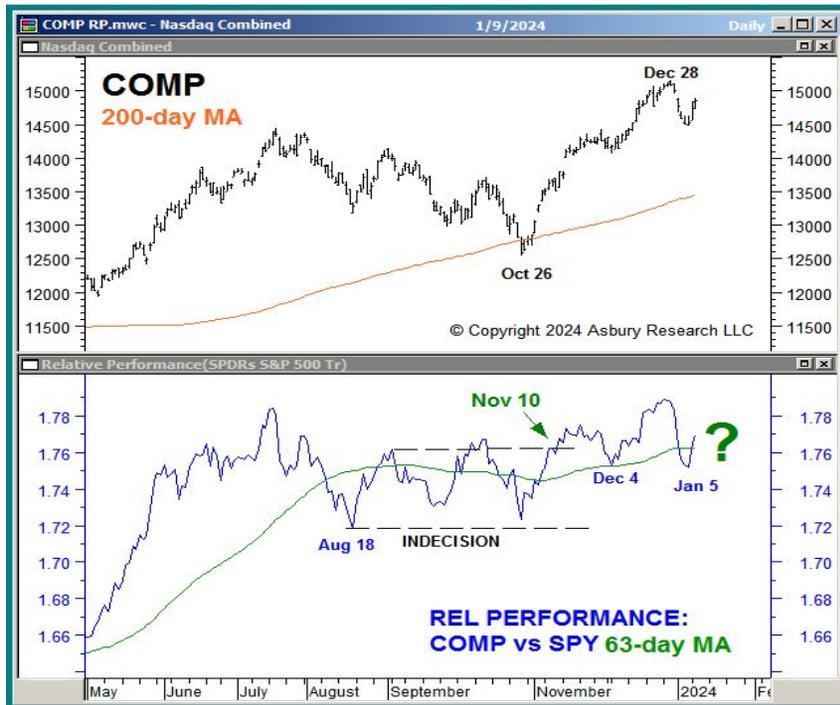
The NASDAQ Composite also resumed its May 2023 trend of Strategic relative outperformance versus SPY on Nov 10th, *but this trend is also being tested.*

US Stock Market
Relative Performance (2): Small Cap, Blue Chip Stocks Outperforming

The small cap iShares Russell 2000 ETF is in a Dec 1st trend of Strategic relative outperformance versus the S&P 500, but that trend is stalling.
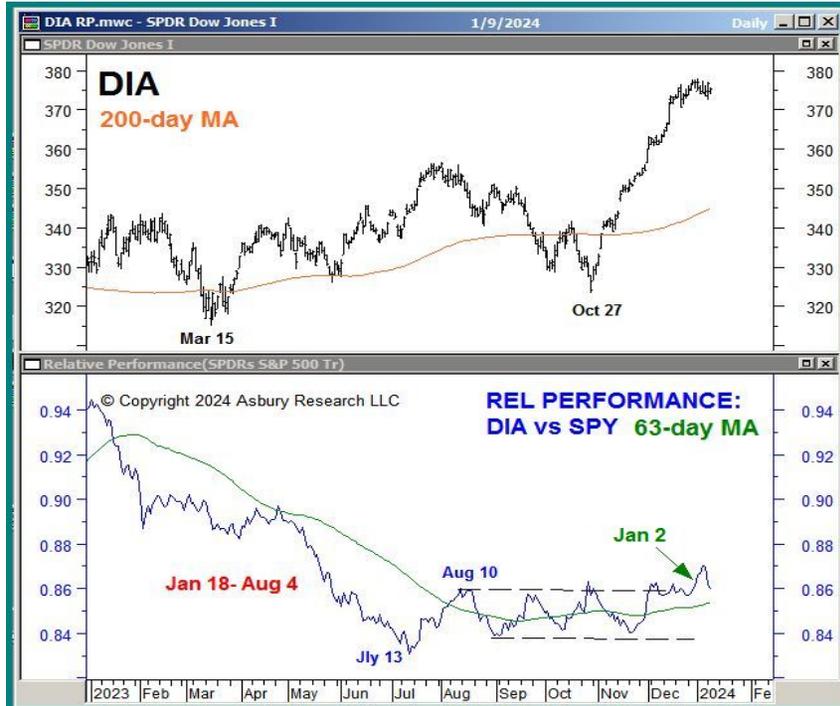
The defensive SPDR Dow Jones Industrial Average ETF appears to be in an emerging trend of Strategic relative outperformance versus the S&P 500.

US Stock Market

Key Stocks: APPL, MSFT Strategic Underperformers vs. S&P 500

Influential Apple is testing major support after failing to break major resistance in December. Meanwhile, it has been underperforming SPY since Dec 21st. *Bearish.*
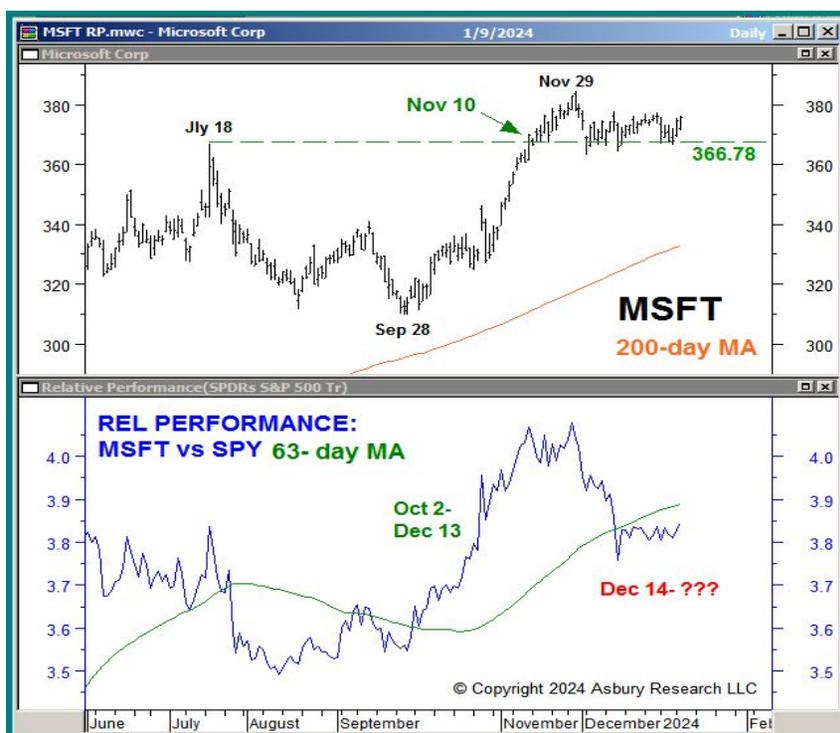
Microsoft, #2 in market cap, is struggling to hold its Nov 10th breakout while underperforming SPY since Dec 14th. *Important Strategic decision point.*

Asbury's Correction Protection Model (CPM)
Wealth Preservation: "Risk On" As Of November 2nd

About CPM

CPM Since June 2022

• Designed to **protect investor assets** during market declines, **eliminate large drawdowns**, and **reduce volatility** in portfolios by moving assets out of the market during adverse conditions.

• CPM was designed to be **a wealth preservation tool**. To "play the game with less risk".

• **CPM is completely data-driven.** No opinions. No forecasting. Just data.

• **CPM is binary**: either Risk On (in the S&P 500) or Risk Off (out of the market or in BIL).

Asbury's Correction Protection Model (CPM)

Wealth Preservation: <u>**When**</u> **To Be Invested**

Additional CPM Features

- CPM averages **5 round turns per year**.

- N**o short positions or derivatives** (options, futures, etc.) **trading**.

- CPM <u>**annualized total return**</u> **is very comparable** to the S&P 500 **with significantly lower risk** than the S&P 500 (according to <u>standard deviation</u>, <u>beta</u>, <u>maximum drawdown</u>).

- CPM has **better risk-adjusted returns** than the S&P 500 (according to <u>Sharpe Ratio</u>, <u>Sortino Ratio</u>).

- CPM can become **an alpha-generating model** by using leverage (SSO).

Asbury's Correction Protection Model (CPM)
## CPM As A Defensive Strategy: Quantitative Metrics

Non-Leveraged CPM vs S&P 500: Performance Comparison By Year			
Year	CPM+ via SPY	S&P 500	Rel Performance
2017* (since 9/29/2017)	6.8%	6.1%	0.7%
2018	-8.7%	-6.2%	-2.5%
2019	23.1%	28.9%	-5.8%
2020	26.9%	16.3%	10.6%
2021	21.0%	26.9%	-5.9%
2022	-11.1%	-19.4%	8.3%
2023	17.5%	24.2%	-6.7%
Total	75.5%	76.7%	-1.3%
Average	10.8%	11.0%	-0.2%

Non-Leveraged CPM vs S&P 500: Performance Measures 2017-2023			
Category	CPM via SPY	S&P 500	Difference
Total return	89.9%	86.8%	3.1%
Annualized total return	10.8%	10.5%	0.3%
Max drawdown	-20.2%	-33.9%	13.7%
Risk (standard deviation)	12.4%	17.7%	5.3%
Sharpe ratio	0.76	0.56	0.20
Sortino ratio	1.39	0.96	0.43
Beta	0.59	1.00	-0.43
Up capture ratio	0.70	0.96	-0.26
Down capture ratio	0.61	1.03	-0.42

Visit **https://asburyresearch.com/models/cpm-model2/** to learn how to use CPM as an offensive strategy

Asbury's Correction Protection Model (CPM)
CPM As A Defensive Strategy: Corresponding Charts
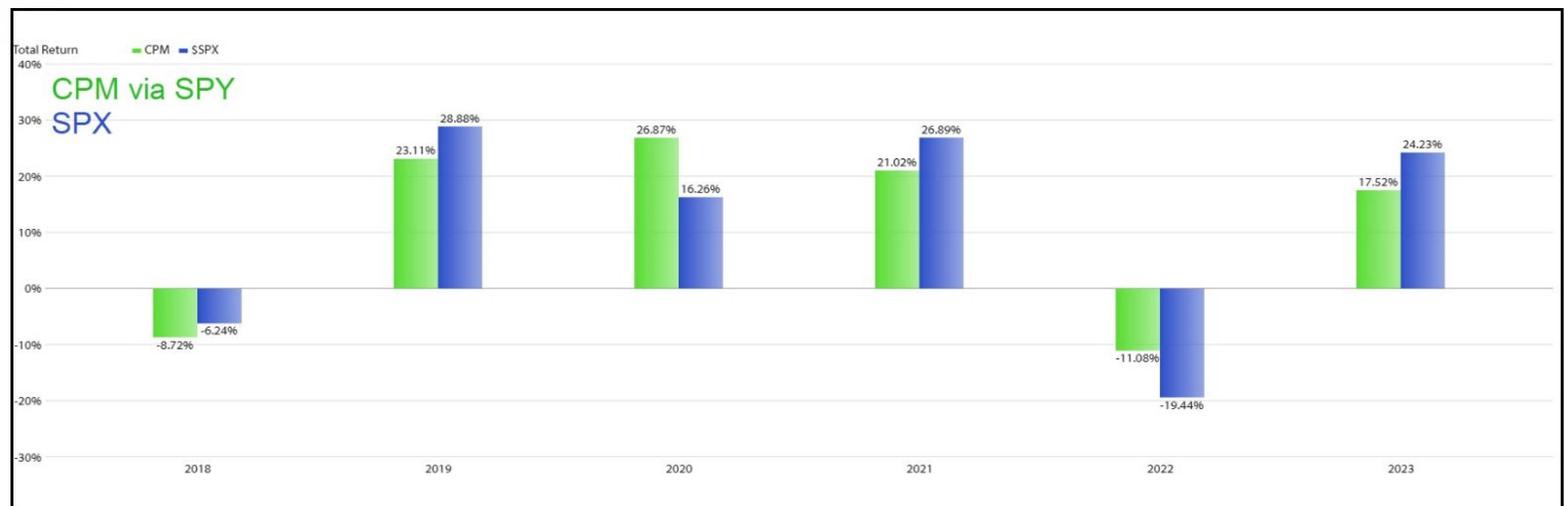
The Asbury 6 Key Market Internals
Risk Management: <u>When</u> To Be Invested

The Asbury 6:

- monthly rate of change in the S&P 500
- relative performance of equity prices versus high yield bond prices
  - investor asset flows
    - volatility
    - trading volume
    - market breadth

"A6" Signals Since October 2022

The Asbury 6 Key Market Internals
Risk Management: Positive Since November 2nd

"ASBURY 6" INTERNAL MARKET METRICS	through 1/9/2024	
METRIC	**POSITIVE AS OF:**	**NEGATIVE AS OF:**
Rate Of Change: S&P 500		1/9/2024
Rel Performance: Stocks v HiYld Bonds	12/7/2023	
Investor Asset Flows: SPY	10/31/2023	
Volatility: VIX	1/9/2024	
Trading Volume: SPX	11/10/2023	
Market Breadth: NYSE	11/10/2023	
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Four or more metrics in one direction, either Positive (green) or Negative (red), indicate a tactical bias.

When all Asbury 6 are positive, market internals are the most conducive to adding risk to portfolios. Each negative reading adds an additional element of risk to participating in existing or new investment ideas.
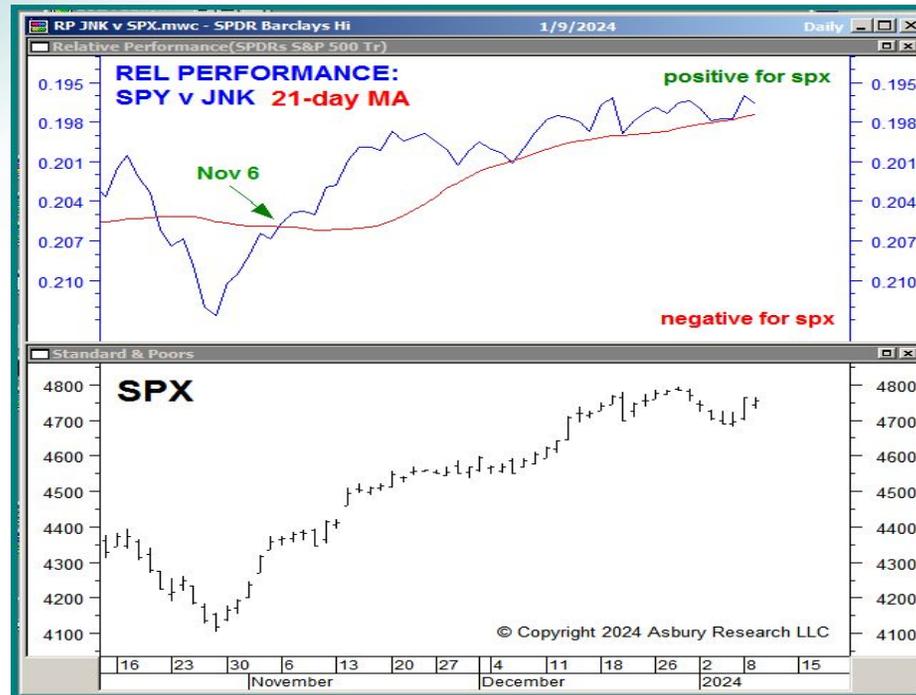
The Asbury 6 Key Market Internals
Momentum: Near Term Negative. *Tactical Decision Point.*
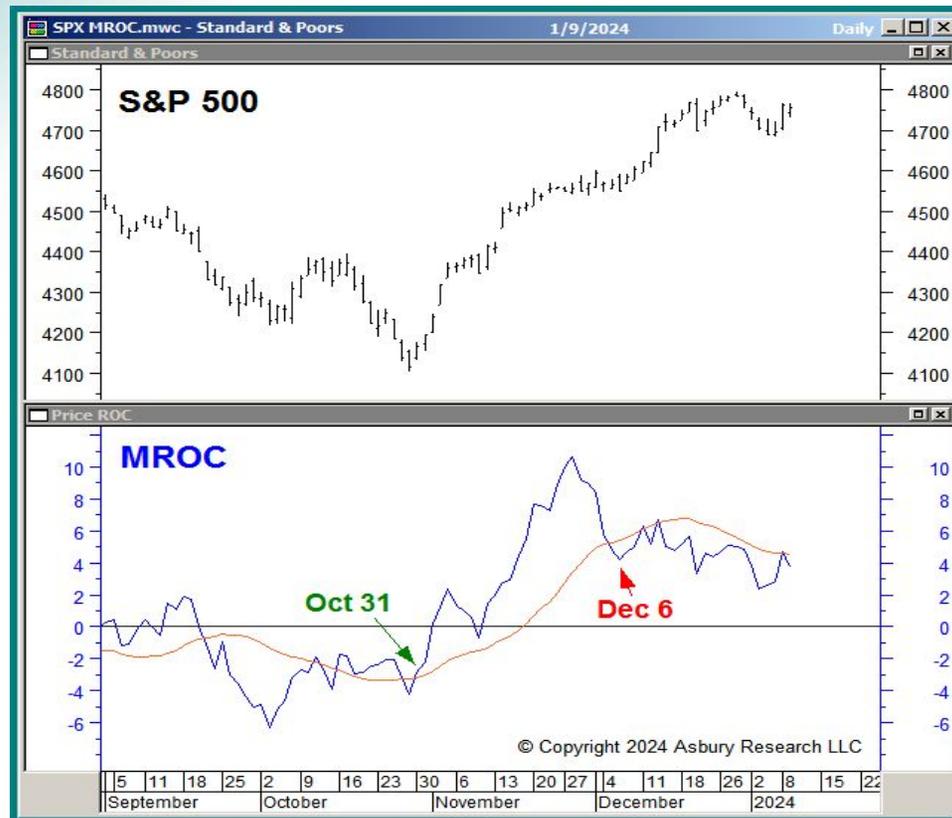
SPX's 1-month rate of change (MROC) has essentially been below its 21-day MA since Dec 6th, indicating bearish Tactical trend momentum, but *that trend is being tested*.

The Asbury 6 Key Market Internals
Relative Performance: Near Term Positive. *Tactical Decision Point.*

The daily relative performance line between the S&P 500 (SPY) and the SPDR Bloomberg Barclays High Yield Bond ETF (JNK) has essentially been above its 21-day MA since Nov 6th, indicating a *trend of monthly relative outperformance* by stocks that is characteristic of Tactical stock market advances. *That trend is being tested.*

The Asbury 6 Key Market Internals
## *ETF Asset Flows:* Near Term Positive. *Tactical Decision Point.*
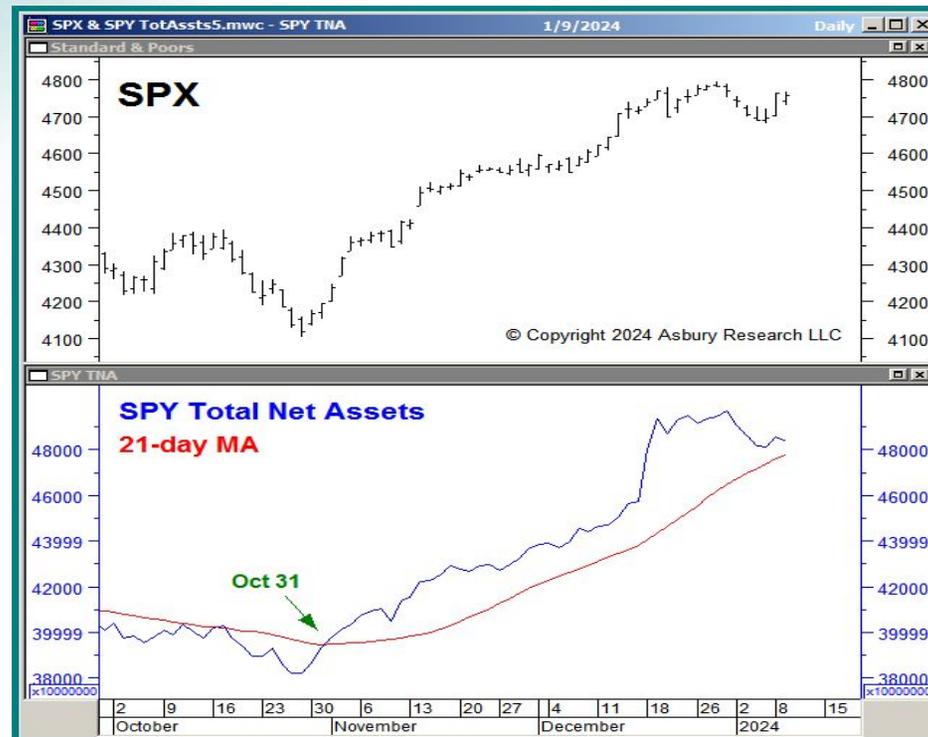
The total net assets invested in the SPDR S&P 500 ETF have been in a trend of *monthly expansion* since Oct 31st. *Expanding assets indicate near term bullish conviction in rising stock prices* and are characteristic of market advances.
However, this trend is being tested.

The Asbury 6 Key Market Internals
Volatility: Near Term Positive. *Tactical Decision Point.*
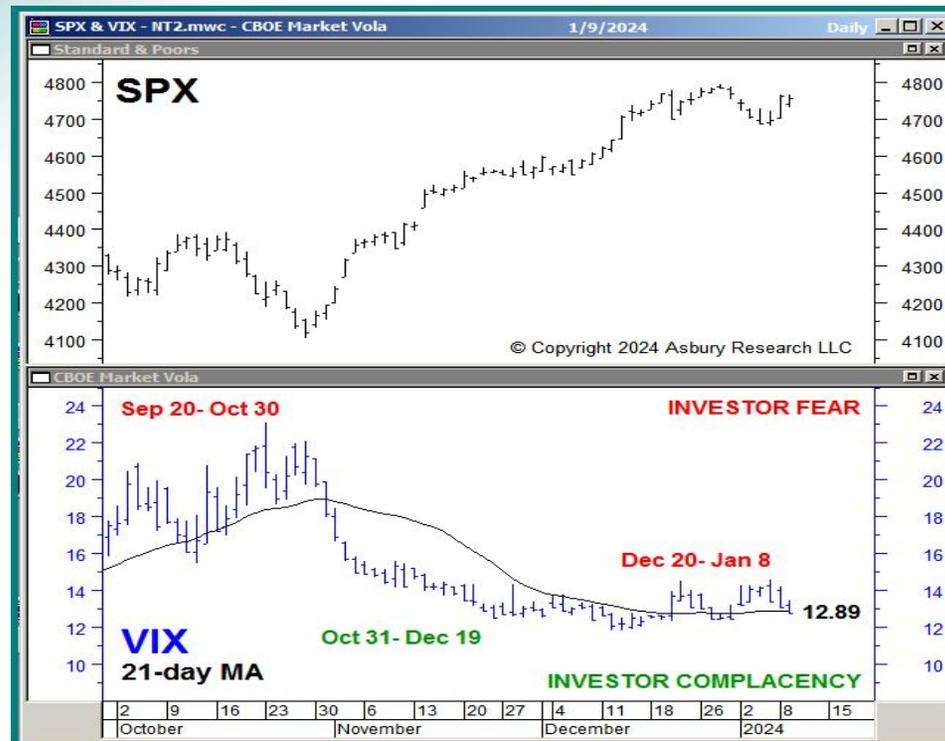
The CBOE Volatility Index edged below its 21-day moving average on Jan 9th to suggest *an emerging monthly decline in investor fear* that is characteristic of Tactical stock market advances.

The Asbury 6 Key Market Internals
Volume: Near Term Positive. *Tactical Decision Point.*
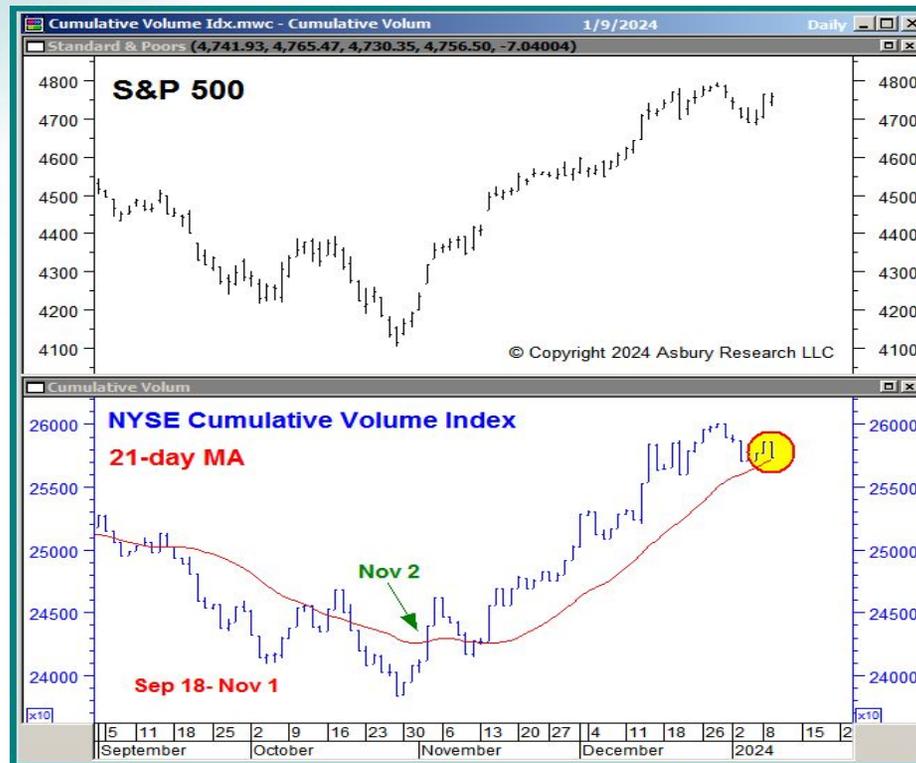
The NYSE Cumulative Volume Index (CVI) has essentially been above its 21-day MA since Nov 2nd to indicate a monthly trend of *increasing urgency to buy*. Expanding volume is characteristic of broad market advances. However, *this trend is being tested*.

The Asbury 6 Key Market Internals
Market Breadth: Near Term Positive. *Tactical Decision Point.*

The NYSE Composite's A/D line has been above its 21-day MA since Nov 10th to indicate a monthly trend of *improving market breadth*. Expanding market breadth is characteristic of broad market advances. However, *this trend is being tested.*

US Stock Market
ETF Asset Flows: Near Term Negative. *Tactical Decision Point.*
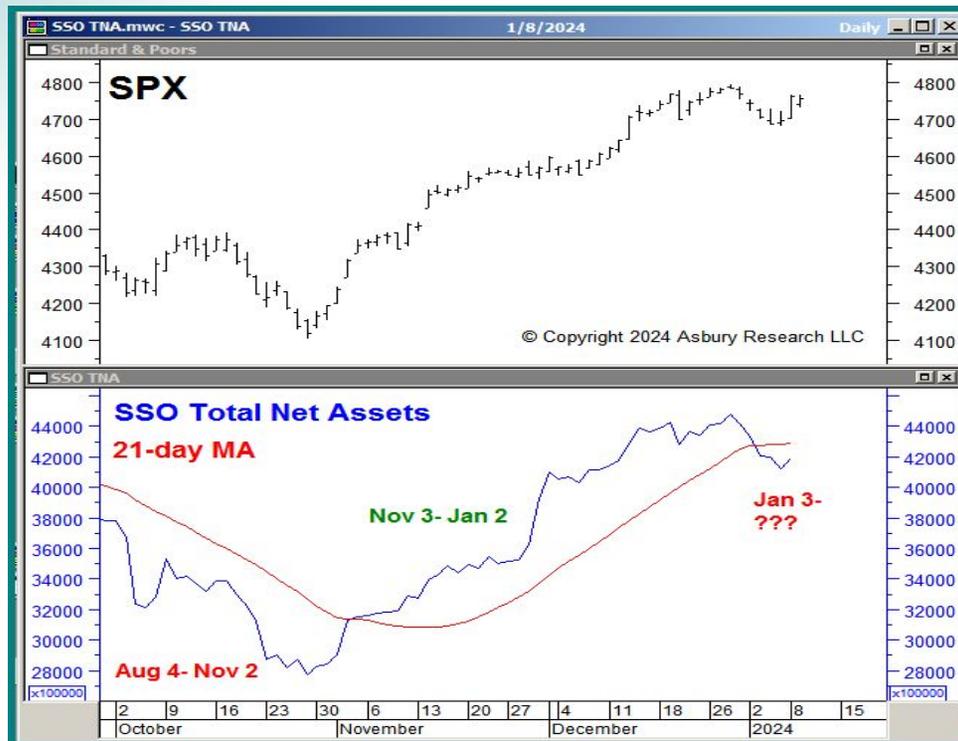
The daily total net assets invested in the ProShares Ultra S&P500 edged below their 21-day moving average on Jan 3ʳᵈ to indicate *an emerging trend of monthly contraction*, characteristic of broad market declines. The SSO data is particularly important because it represents a more pure directional bet on the S&P 500 than SPY.

US Stock Market
Relative Performance (UPRO vs SSO): Near Term Positive.
Tactical Decision Point.
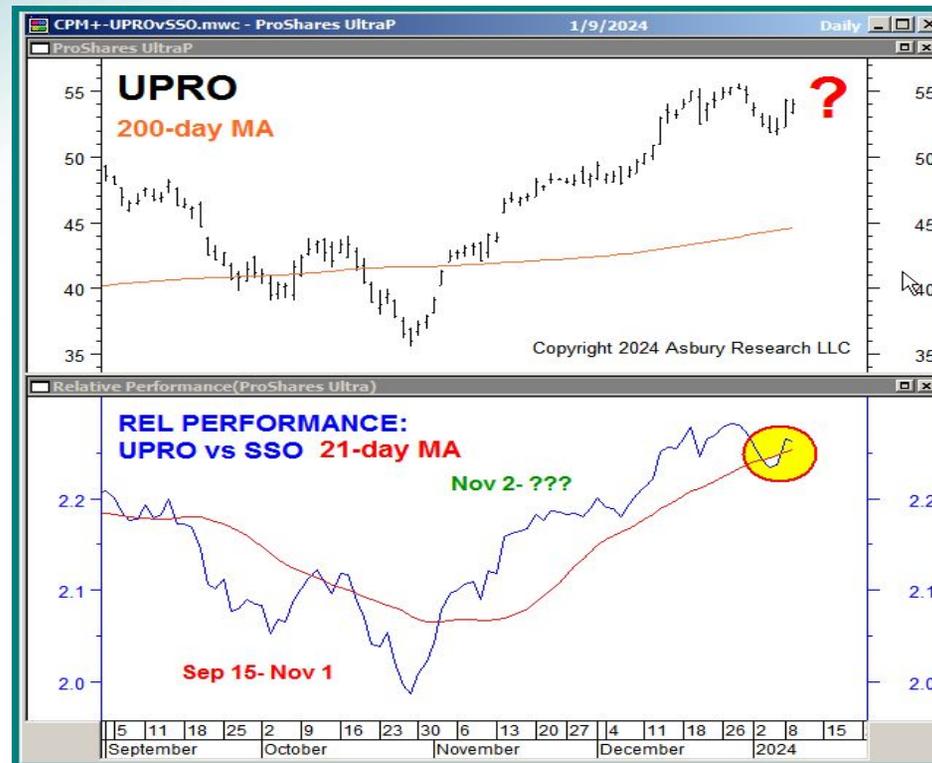
The ProShares UltraPro S&P500 (UPRO, 3x S&P 500) has essentially been outperforming the ProShares Ultra S&P500 (SSO, 2x S&P 500) since Nov 2nd, but *this trend is being tested*. Underperformance by UPRO vs. SSO would indicate an emerging Tactical top in the S&P 500.

US Stock Market

Standard Deviation: Near Term Negative. *Tactical Decision Point.*

The percentage of NYSE stocks trading one standard deviation *below* their 40-day MA (inverted scale) is reversing from a low extreme of 8% or less that has previously coincided with or closely led every significant peak in the S&P 500 since 2022.

US Stock Market
Options Premiums: Intermediate Term Negative

The Investors Business Daily's ratio of price premiums in puts versus calls shows that a downward reversal from the 3.20 level, *as is occurring now*, has closely coincided with most of the important Strategic peaks in the S&P 500 since 2018.

US Stock Market

Overbought/Oversold: Near Term Intermediate Term Negative
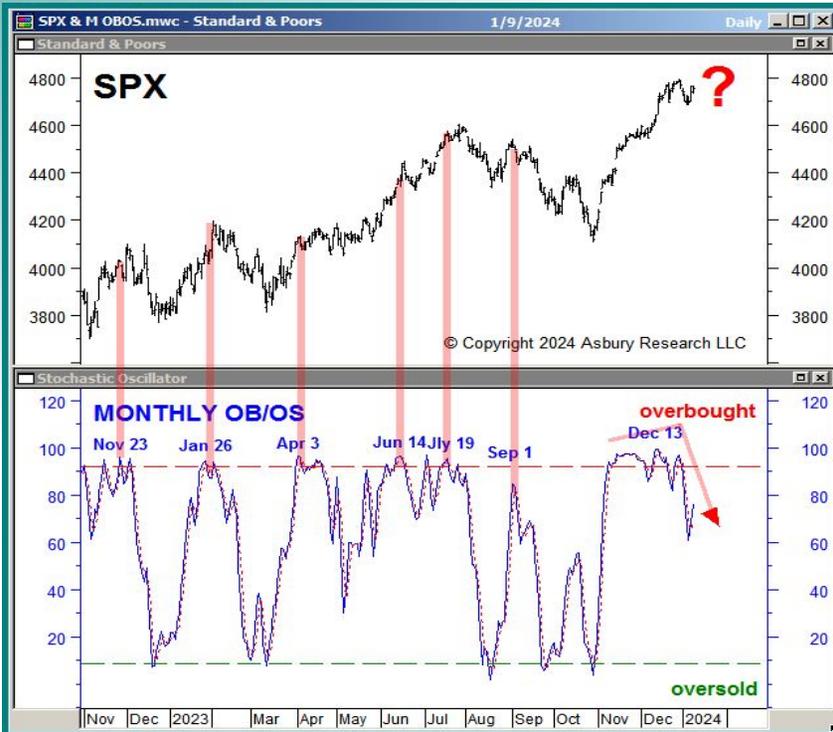
The S&P 500 is retracting from *monthly* overbought extremes that previously coincided with or led every Tactical peak in the S&P 500 since late 2022.

SPX is also retracting from *quarterly* overbought extremes that have previously coincided with or led the most significant Strategic broad market peaks since 2018.

US Stock Market

Market Breadth: Near Term Negative, Intermediate Term Neutral

The percentage of NYSE stocks trading above their 40-day MA is retracting from a multi-year strong extreme that previously coincided with every Tactical market peak since late 2021.

The percentage of NYSE stocks trading above their 200-day MA is situated right in the middle of quarterly high and low extremes to suggest a neutral Strategic bias.

US Stock Market

Investor Sentiment: Near Term, Intermediate Term Negative


A survey of *near to intermediate term* oriented futures traders is retracting from a previous *most bullish* extreme that is characteristic of *Tactical* broad market tops.

A survey of *intermediate to long term* newsletter writer bearishness is hovering at *least bearish* extremes that have coincided with or led most *Strategic* broad market tops since 2011.

US Stock Market

## *Seasonality:* Near Term To Intermediate Term Negative
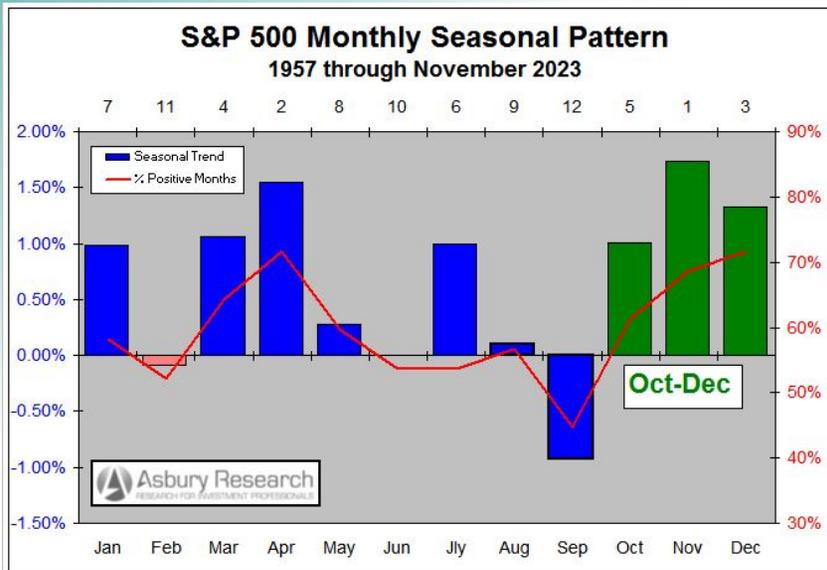
This annual chart shows that January, the 7th seasonally strongest month of the year in the S&P 500 based on data since 1957, marks a modest decline from November and December and leads into more acute weakness in February, the 11th strongest month.
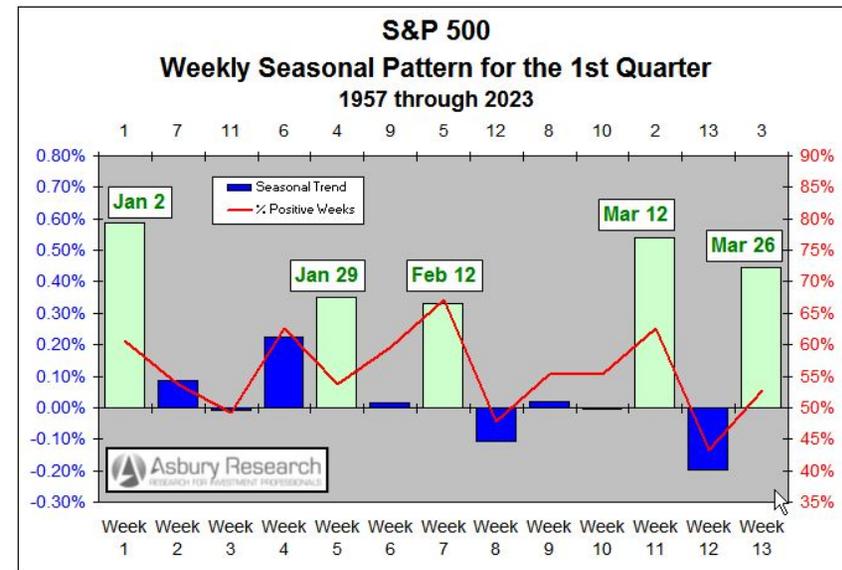
This quarterly chart shows that the first week of January is the seasonally strongest of the entire 1st Quarter based on these same data, but leads into a period of overall weakness through February.

US Stock Market

Size: Small Cap Remains In A December Relative Outperformance Trend
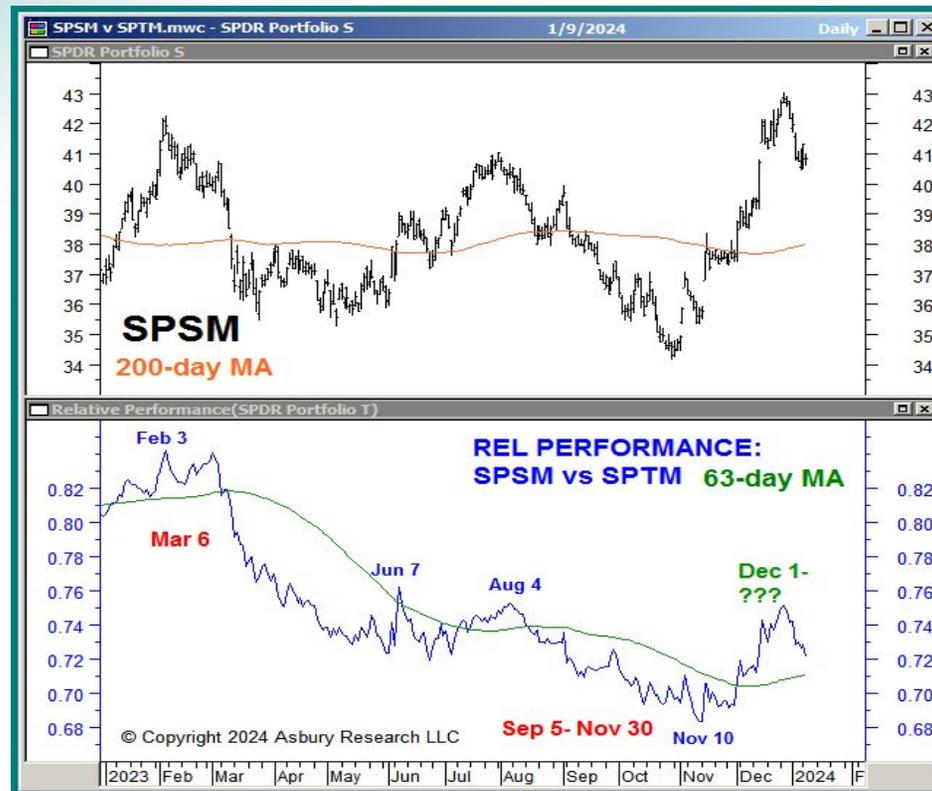
The lower panel shows that, despite a minor pullback over the past two weeks, the SPDR Portfolio S&P 500 Small Cap ETF remains in a Dec 1st trend of Strategic relative outperformance versus the S&P 1500 (SPTM) which has thus far outperformed by 2%.

US Stock Market

Style: Value Remains In A November Relative Outperformance Trend
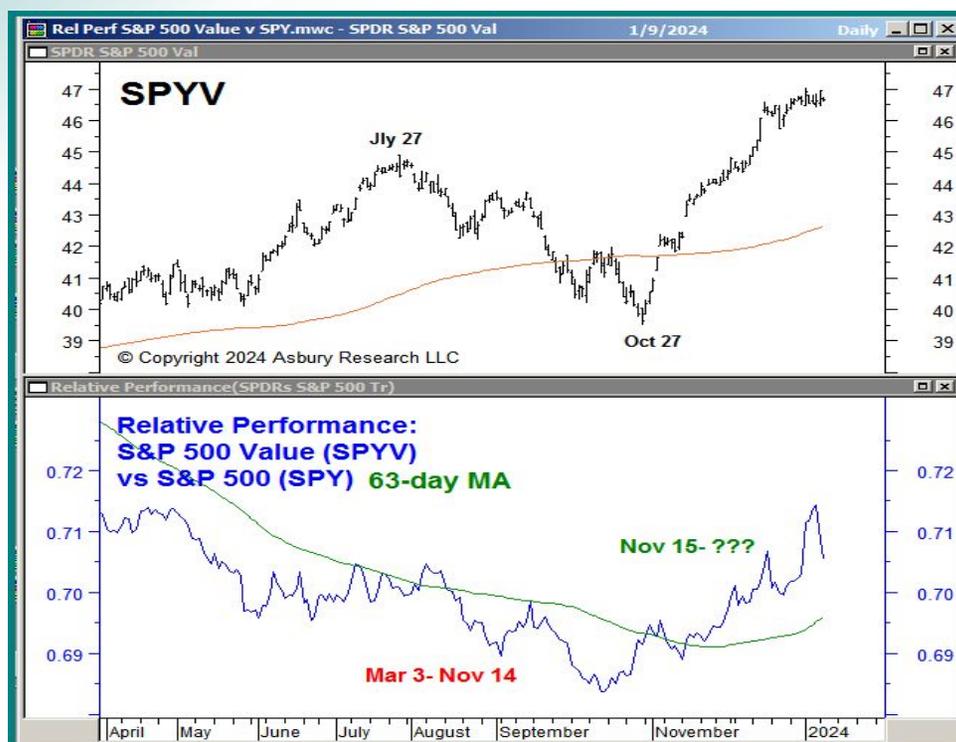
Value stocks (SPYV) are in the midst of a Nov 15th trend of Strategic relative outperformance versus the S&P 500 (SPY), which replaced the previous March 2023 trend of relative outperformance by Growth. *Relative outperformance by Value often indicates a defensive bias by investors.*

Cross Asset Investing
The CARP (Cross Asset Relative Performance) Model

CROSS ASSET RELATIVE PERFORMANCE (CARP): WHAT IS OUTPERFORMING?					through January 5th, 2024	
Asset Comparison	**Tickers**	**Trading (weekly)**	**Since**	**Tactical (monthly)**	**Since**	**Strategic (quarterly)**	**Since**
Equities							
US Stocks or Bonds	SPY vs AGG	BONDS	12/29	BONDS	1/3	STOCKS	11/3
High Beta or Low Volatility Stocks	SPHB vs SPLV	LOW VOL	12/29	LOW VOL	1/3	HIGH BETA	11/15
Large Cap or Small Cap	SPY vs IWM	LARGE CAP	12/29	LARGE CAP	1/3	SMALL CAP	12/1
Broad Market (S&P 500) or Blue Chips (Dow 30)	SPY vs DIA	**BLUE CHIPS**	**12/28**	**BLUE CHIPS**	**11/29**	**BLUE CHIPS**	**11/30**
Broad Market (S&P 500) or Tech (NASDAQ 100)	SPY vs QQQ	**BROAD MARKET**	**12/28**	**BROAD MARKET**	**1/2**	**BROAD MARKET**	**1/2**
Growth or Value Stocks (S&P 500)	SPYG vs SPYV	**VALUE**	**12/22**	**VALUE**	**11/14**	**VALUE**	**11/14**
US or Developed Markets	SPY vs VEA	**DEVELOPED**	**1/4**	**DEVELOPED**	**1/4**	**DEVELOPED**	**1/4**
US or Emerging Markets	SPY vs VWO	EMERGING	12/26	EMERGING	1/5	US	10/31
Fixed Income							
Government or Corporate Bond Prices	GOVT v LQD	GOVERNMENT	12/29	GOVERNMENT	1/3	CORPORATE	11/10
High Yield or Corporate Bond Prices	HYG vs LQD	HIGH YIELD	1/2	HIGH YIELD	1/4	CORPORATE	11/16
Short Term or Long Term Bond Prices	SCHO vs TLT	SHORT TERM	12/29	SHORT TERM	1/4	LONG TERM	11/17

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There were four changes to the six domestic relative relationships in the CARP Model last week. All of them were Defensive in nature. Last week's mostly subtle but widespread changes in relative performance suggest the market is starting to position itself for a corrective decline in the US broad market.

Global Equity Investing
The US vs. The World Model

S&P 500 vs THE WORLD: WHICH COUNTRY IS OUTPERFORMING?		through January 5th, 2024					
S&P 500 (SPY) vs:	Ticker	Trading (weekly)	Since	Tactical (monthly)	Since	Strategic (quarterly)	Since
Chile	ECH	US	1/4	US	1/2	US	1/4
Brazil	EWZ	BRAZIL	1/5	BRAZIL	1/5	BRAZIL	12/21
Peru	EPU	US	1/5	PERU	12/14	PERU	12/14
Canada	EWC	CANADA	1/3	CANADA	12/22	CANADA	12/22
Mexico	EWW	MEXICO	1/5	MEXICO	1/5	MEXICO	11/14
Switzerland	EWL	SWITZERLAND	12/21	SWITZERLAND	11/29	SWITZERLAND	12/21
Italy	EWI	ITALY	1/4	ITALY	1/4	ITALY	1/4
Germany	EWG	US	1/2	US	12/28	GERMANY	11/14
Spain	EWP	SPAIN	1/4	SPAIN	1/4	SPAIN	1/4
France	EWQ	US	12/28	US	12/28	US	11/24
United Kingdom	EWU	UNITED KINGDOM	1/3	UNITED KINGDOM	1/4	US	11/1
MSCI EMU (Eurozone) Index	EZU	US	1/5	US	12/18	EUROZONE	1/4
Malaysia	EWM	MALAYSIA	12/29	MALAYSIA	1/4	US	10/10
Japan	EWJ	JAPAN	12/22	JAPAN	1/4	US	11/8
Hong Kong	EWH	US	1/2	US	1/2	US	11/7
Singapore	EWS	US	1/4	US	1/4	US	11/8
Taiwan	EWT	US	1/2	US	12/15	US	12/18
South Korea	EWY	US	1/3	US	1/3	US	1/3
India	INDA	INDIA	12/26	INDIA	12/26	INDIA	12/27
China	MCHI	US	1/5	US	11/16	US	11/8
Thailand	THD	THAILAND	12/21	THAILAND	12/26	US	9/25
Vanguard FTSE Pacific ETF	VPL	PACIFIC	1/5	PACIFIC	12/28	US	11/7
New Zealand	ENZL	NEW ZEALAND	1/4	NEW ZEALAND	1/4	NEW ZEALAND	1/4
Australia	EWA	US	12/29	AUSTRALIA	12/6	AUSTRALIA	12/13
Vanguard Emerging Mkts ETF	VWO	EMERGING	12/26	EMERGING	1/4	US	10/31

The number of Tactical and Strategic outperformers versus the S&P 500 has been vacillating between five and 12 for the past five weeks, but the best outperformers (**Peru, Switzerland, Spain, India, and Australia**) are currently scattered across multiple geographic regions. When the current uptrend in the S&P 500 inevitably stalls, we are likely to see more geographically-focused relative outperformance.

US Market Sectors: SEAF Model
Following The Money In US Market Sectors

| ASBURY RESEARCH: SECTOR ETF ASSET FLOWS (SEAF) MODEL		for the week of January 8th, 2024			
Sector (Symbol)	% thru 01-04-2024	Trading (week)	Tactical (month)	Strategic (quarter)	Ranking
FINANCIALS (XLF)	13.5%	2	1	2	5
HEALTH CARE (XLV)	15.2%	1	3	9	13
COMMUNICATION SERVICES (XLC)	6.2%	9	2	3	14
UTILITIES (XLU)	5.6%	4	5	5	14
REAL ESTATE (XLRE)	2.2%	8	4	4	16
INDUSTRIALS (XLI)	6.0%	7	6	6	19
TECHNOLOGY (XLK)	21.8%	11	9	1	21
MATERIALS (XLB)	2.1%	5	8	8	21
CONSUMER DISCRETIONARY (XLY)	7.2%	10	7	7	24
ENERGY (XLE)	14.2%	3	11	11	25
CONSUMER STAPLES (XLP)	6.0%	6	10	10	26

Biggest % inflows during period shown   Biggest % outflows during period shown   © Copyright 2023 Asbury Research LLC

Favored: 3-15   **Neutral 16-24**   **Avoid 25-33**

The latest data in multiple time frames indicate a **new multi-timeframe trend of asset inflows into Financials** (since 12/28). **This is where the money is currently going in the sector space.**

The latest data also indicate an **existing multi-timeframe trend of asset outflows from Energy** (since 11/29) and **Consumer Staples** (since 1/4). **This is where the money is coming from.**

US Market Sectors: SEAF Model
## Health Care, Financials Are Favored
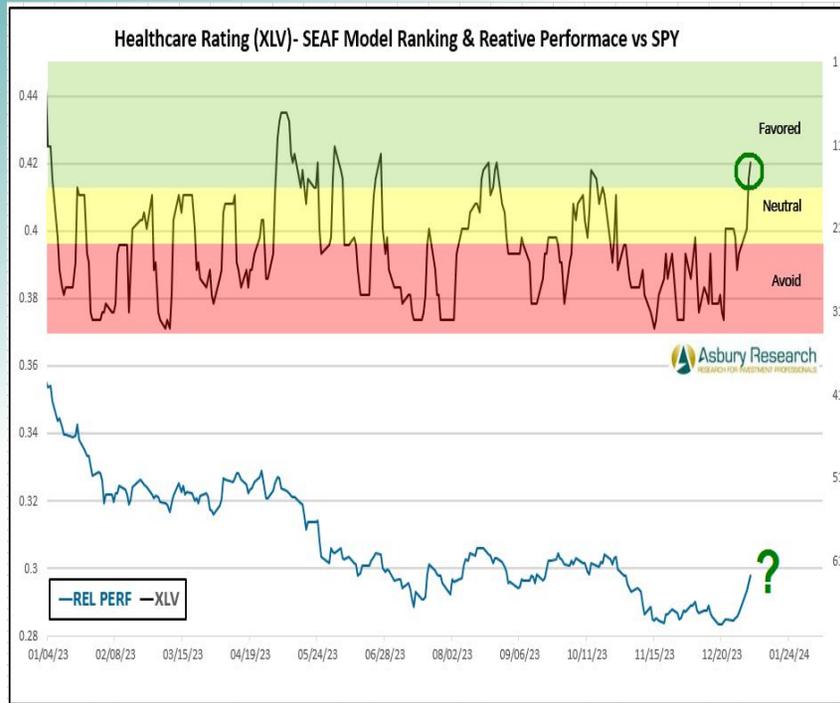
The SEAF Model ranking for the Health Care Select Sector SPDR Fund (XLV) edged into Favored status last week for the first time in months. Note the corresponding outperformance vs. SPY.
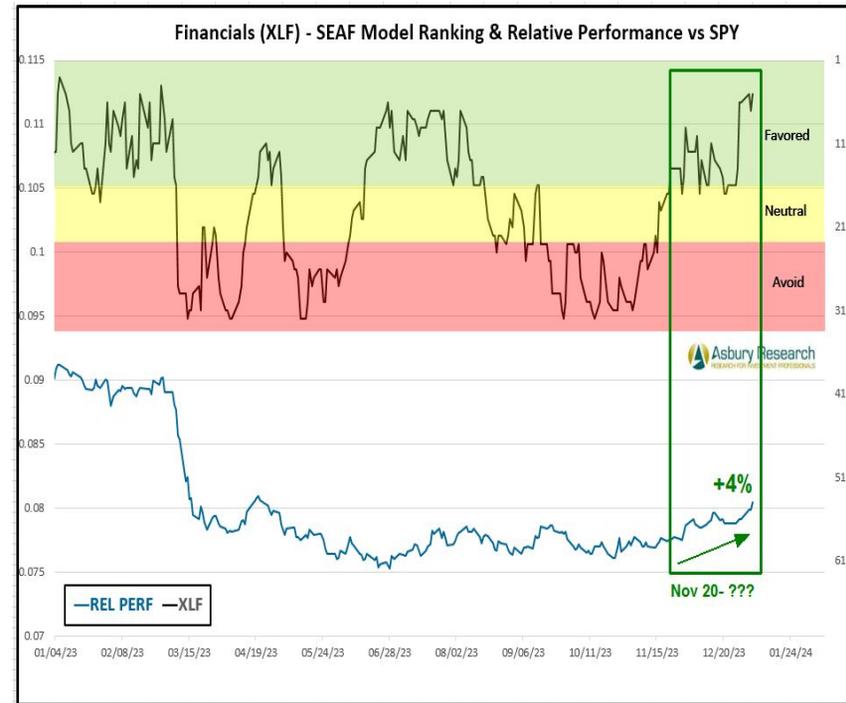
The SEAF Model ranking for the Financial Select Sector SPDR Fund (XLF) moved to Favored status on Nov 20th and, with few exceptions, has remained there since while outperforming SPY by 4%.

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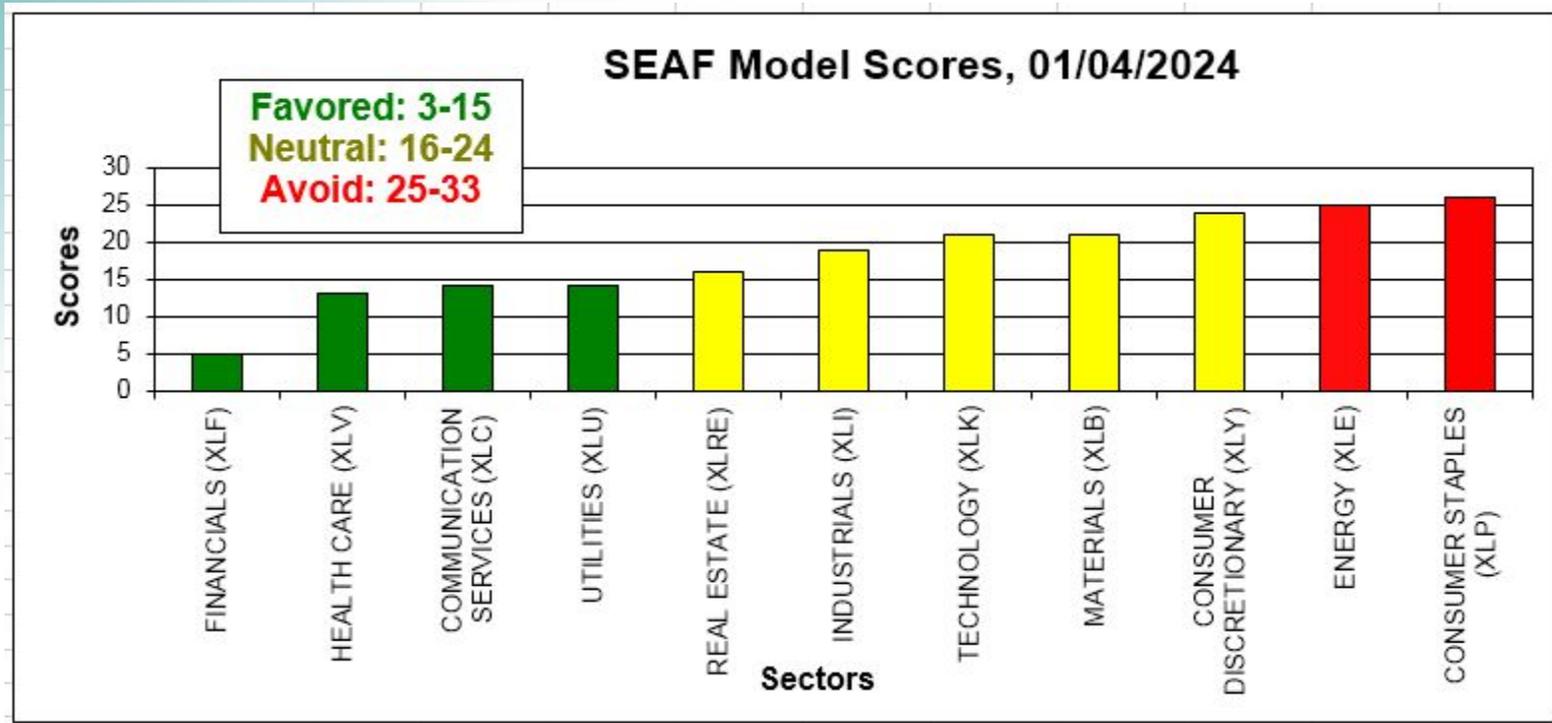
The **SEAF Model Scores chart** displays the rankings shown in the graphic in the previous slide according to **Favored** (score of 1-15, green), **Neutral** (score of 16-24, yellow), and **Avoid** (score of 25-33, red) sectors.

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SEAF Model vs S&P 500: Performance Comparison By Quarter			
Quarter Ending:	SEAF Model	S&P 500	Rel Performance
Q1'20	-15.1%	-20.0%	4.9%
Q2'20	11.5%	20.0%	-8.5%
Q3'20	14.7%	8.5%	6.2%
Q4'20	10.4%	11.7%	-1.3%
Q1'21	15.1%	5.8%	9.3%
Q2'21	12.3%	8.2%	4.1%
Q3'21	0.8%	0.2%	0.6%
Q4'21	17.3%	10.7%	6.7%
Q1'22	5.7%	-5.0%	10.6%
Q2'22	-4.7%	-16.5%	11.8%
Q3'22	-7.7%	-5.3%	-2.4%
Q4'22	15.0%	7.1%	7.9%
Q1'23	-1.4%	7.0%	-8.5%
Q2'23	12.5%	8.3%	4.2%
Q3'23	1.3%	-3.7%	5.0%
Q4'23	10.8%	11.2%	-0.5%
2020	21.5%	20.1%	1.4%
2021	45.6%	24.8%	20.8%
2022	8.3%	-19.6%	27.9%
2023	23.2%	22.9%	0.3%
Since 2020	98.6%	48.3%	50.4%

The table displays the quarter-by-quarter relative performance of the SEAF Model vs. the S&P 500 over the past 4 years, showing that SEAF has outperformed the S&P 500 in 11 of the past 16 quarters (69% of the time).

Disclaimer: This is provided for information purposes only and is not intended to be a solicitation to buy or sell securities. The performance indicated from back-testing or historical track record may not be typical of future performance. No inferences may be made and no guarantees of profitability are being stated by Asbury Research LLC. The risk of loss trading in financial assets can be substantial. Therefore, you should carefully consider whether such trading is suitable for you in light of your financial condition.
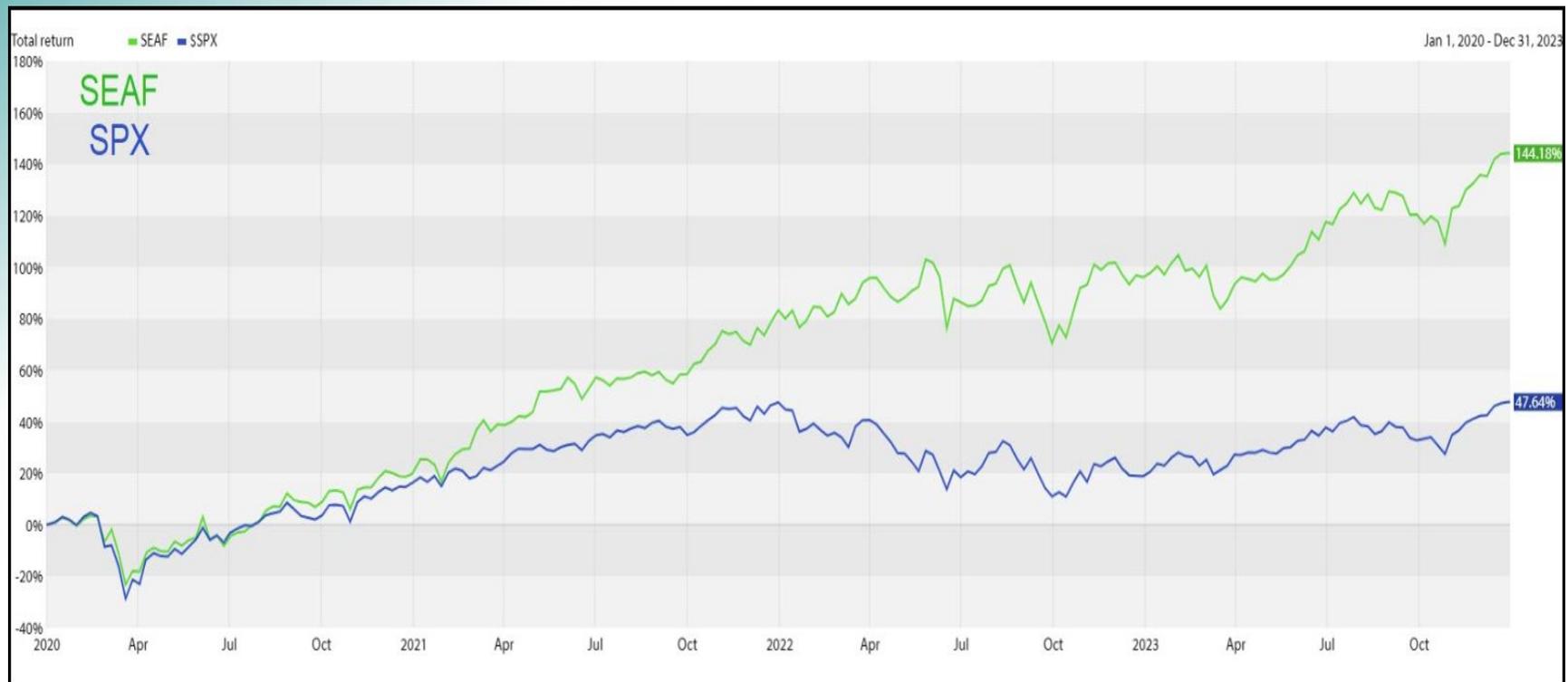
US Market Sectors: SEAF Model

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SEAF Model Performance Details		from 2020 through 2023
Category	SEAF Model	S&P 500 (SPY)
Total return	144.2%	47.6%
Annualized total return	25.0%	10.2%
Max drawdown	-29.4%	-33.9%
Risk (standard deviation)	18.7%	19.7%
Sharpe ratio	1.19	0.5
Sortino ratio	2.64	0.89
Beta	0.83	1
Up capture ratio	1.1	0.97
Down capture ratio	0.68	1.03

- **SEAF** has a significantly higher **total return** (see chart below) *and* **annualized total return** than the S&P 500

- with a *lower* maximum **drawdown**.

- **SEAF** has a **lower** **beta** (systematic risk) and **standard deviation** (market volatility) than the S&P 500.

- **SEAF** has *both* a **higher** **up capture ratio** (gains in up markets) and *lower* **down capture ratio** (losses in down markets) than the S&P 500.

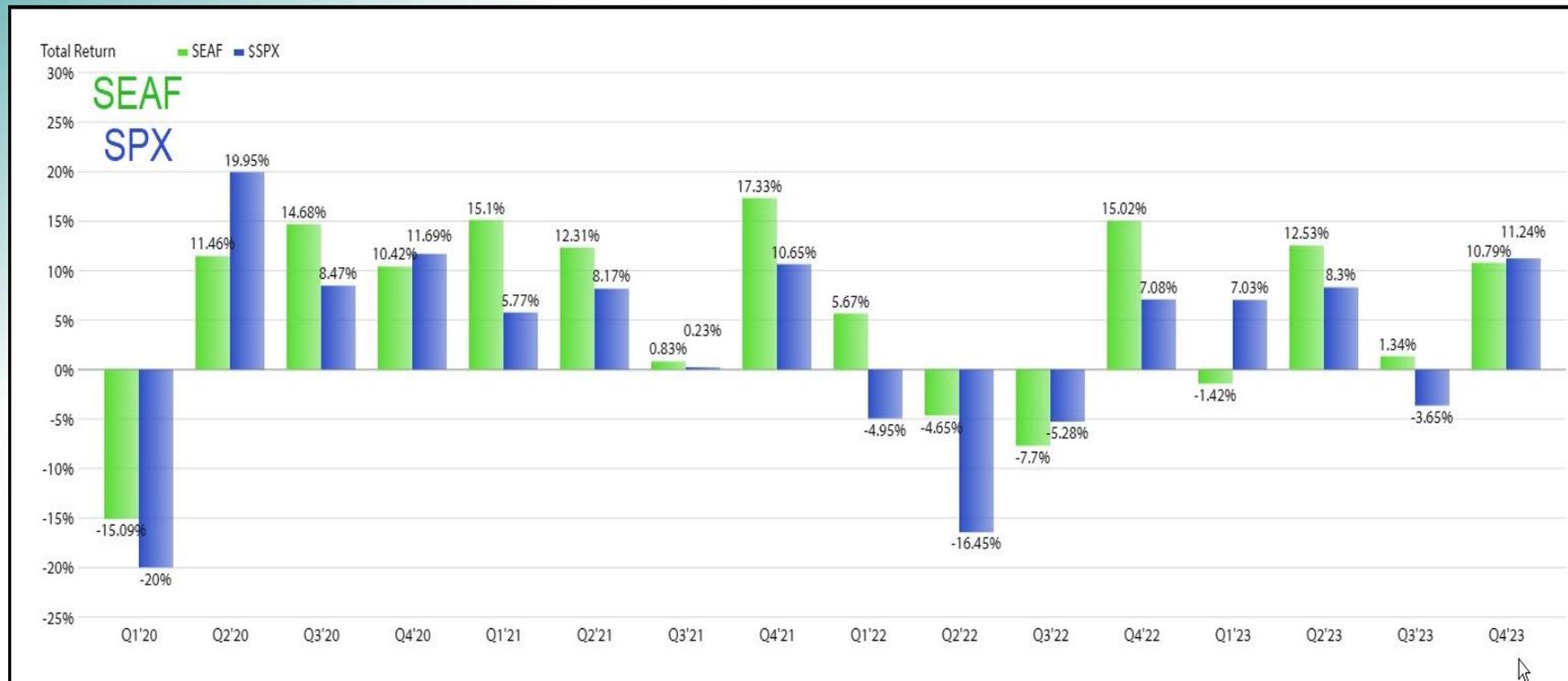# US Market Sectors: SEAF Model
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This chart plots the daily performance of the SEAF Model vs. the S&P 500, in terms of percentage return, from 2020 through 2023.

US Market Sectors: SEAF Model
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This chart plots the quarterly performance of the SEAF Model vs. the S&P 500,
in terms of percentage return, from 2020 through 2023.

US Interest Rates
US 10-Year Yields Held 5.00%, Now Testing Yield Support at 3.98%

This monthly chart of the closing yield of the 10-Year Treasury Note since 1900 shows that these yields are currently trading just below their 123-year average of 4.51%.

After reversing lower from major overhead resistance at 5.00%, 10-Year benchmark yields are current testing major support at their 3.98% 200-day moving average *which has defined the rising trend since 2021*.

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Disclosure –

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