

Trend Report

3/2018

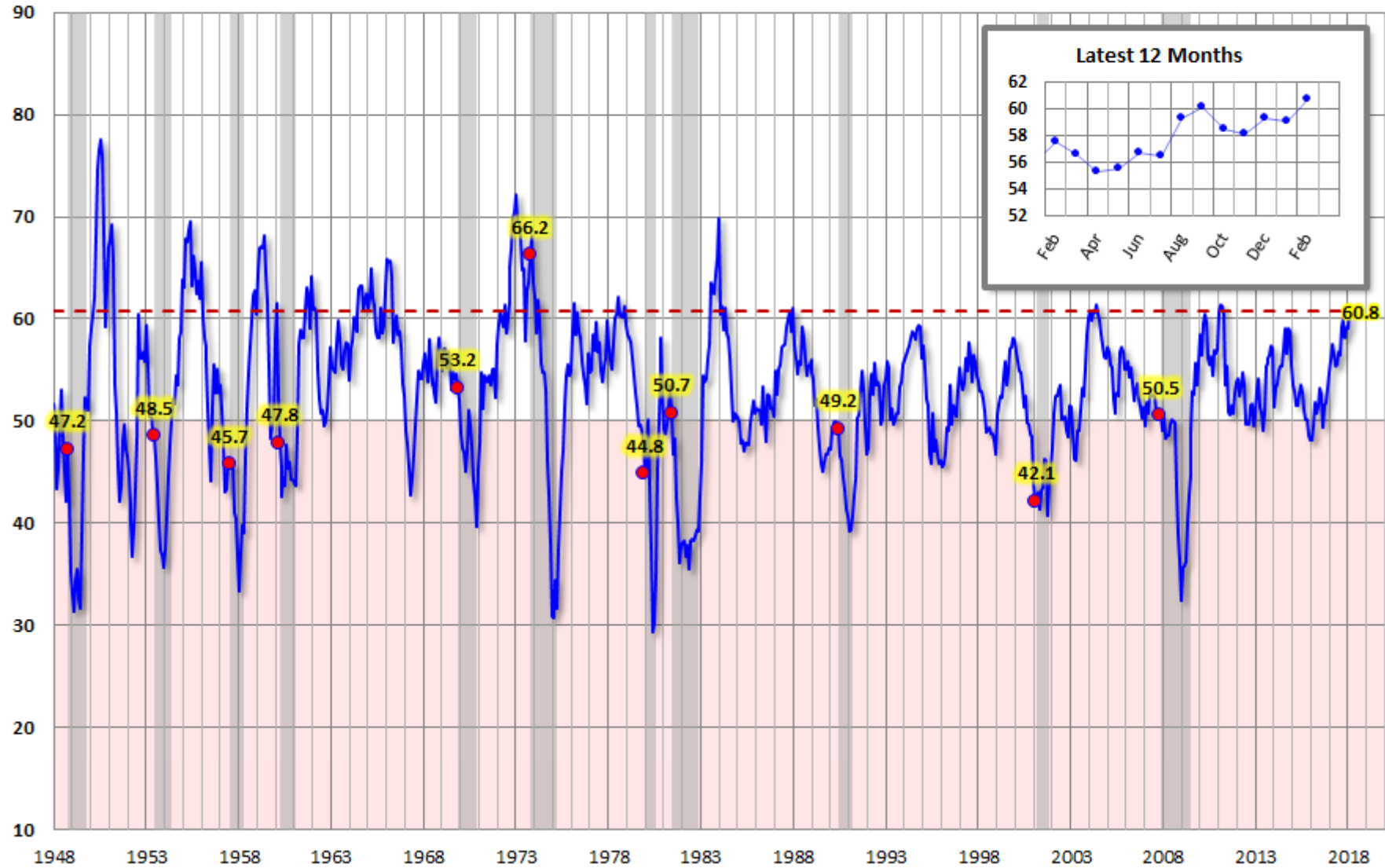
Summary

- Business Cycle
 - ISM PMI: Growing
 - ECRI Leading Economic Indicators: Growing
 - US Dollar: Negative Trend (inflation)
 - Interest Rates: Positive Trend (top of the range?)
 - Inflation: Still low
 - Credit Spreads: Risk On
 - Treasury Curve: Flattening but not inverted (Risk On)
- Market Trends
 - Stocks vs. Bonds: Stocks
 - Stocks vs. Gold: Stocks
 - High Yield vs. Treasuries: High Yield
 - TIPS vs. Treasuries: TIPS
 - International vs. US stocks: US Stocks
 - Dow Transports vs. Dow Industrials: Industrials
 - Nasdaq vs. S&P 500: Nasdaq
 - Small Cap Stocks vs. Large Cap Stocks: Large Cap Stocks
 - Value vs. Growth: Growth
 - Emerging vs. International: Emerging markets
- Valuations: Overvalued
- Asset Class Relative Strength- Risky assets are favored

ISM Manufacturing: PMI Composite Index

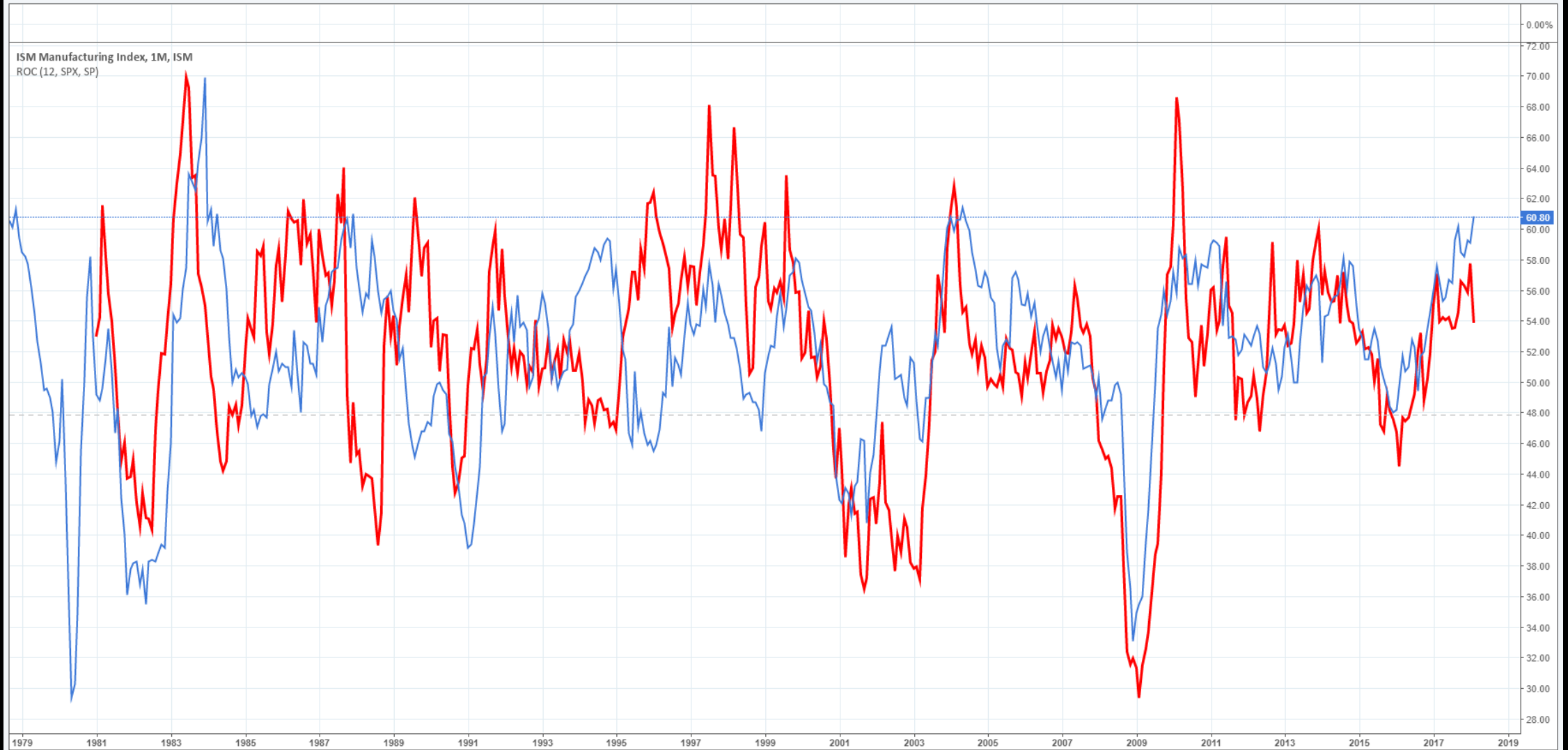
Monthly Series with Recessions Highlighted

Dashed line shows the current level, Dots highlight the month before a recession



clint0033 published on TradingView.com, March 05, 2018 00:09 UTC

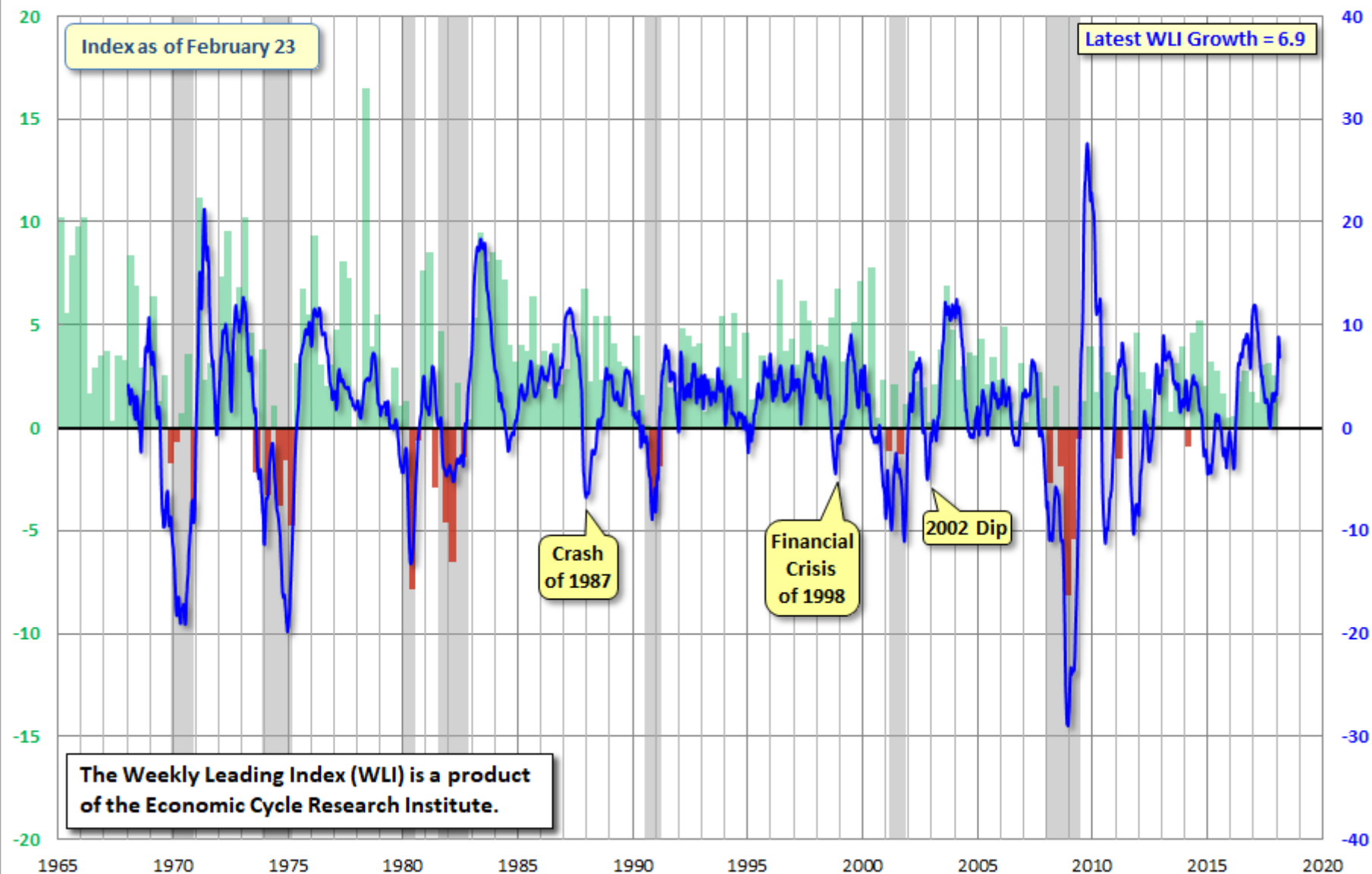
ISM:MAN_PMI, 1M 60.80 ▲ +1.70 (+2.88%) O:60.80 H:60.80 L:60.80 C:60.80



ECRI Weekly Leading Index (WLI) Growth Gross Domestic Product (GDP) and Recessions

GDP

WLI Growth



Index as of February 23

Latest WLI Growth = 6.9

Crash of 1987

Financial Crisis of 1998

2002 Dip

The Weekly Leading Index (WLI) is a product of the Economic Cycle Research Institute.

\$USD US Dollar Index - Cash Settle (EOD) ICE

2-Mar-2018

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Open 90.20 High 90.26 Low 89.83 Close 89.91 Chg -0.38 (-0.42%)

— \$USD (Daily) 89.91
— MA(200) 93.30



\$TNX CBOE 10-Year US Treasury Yield INDX

2-Mar-2018

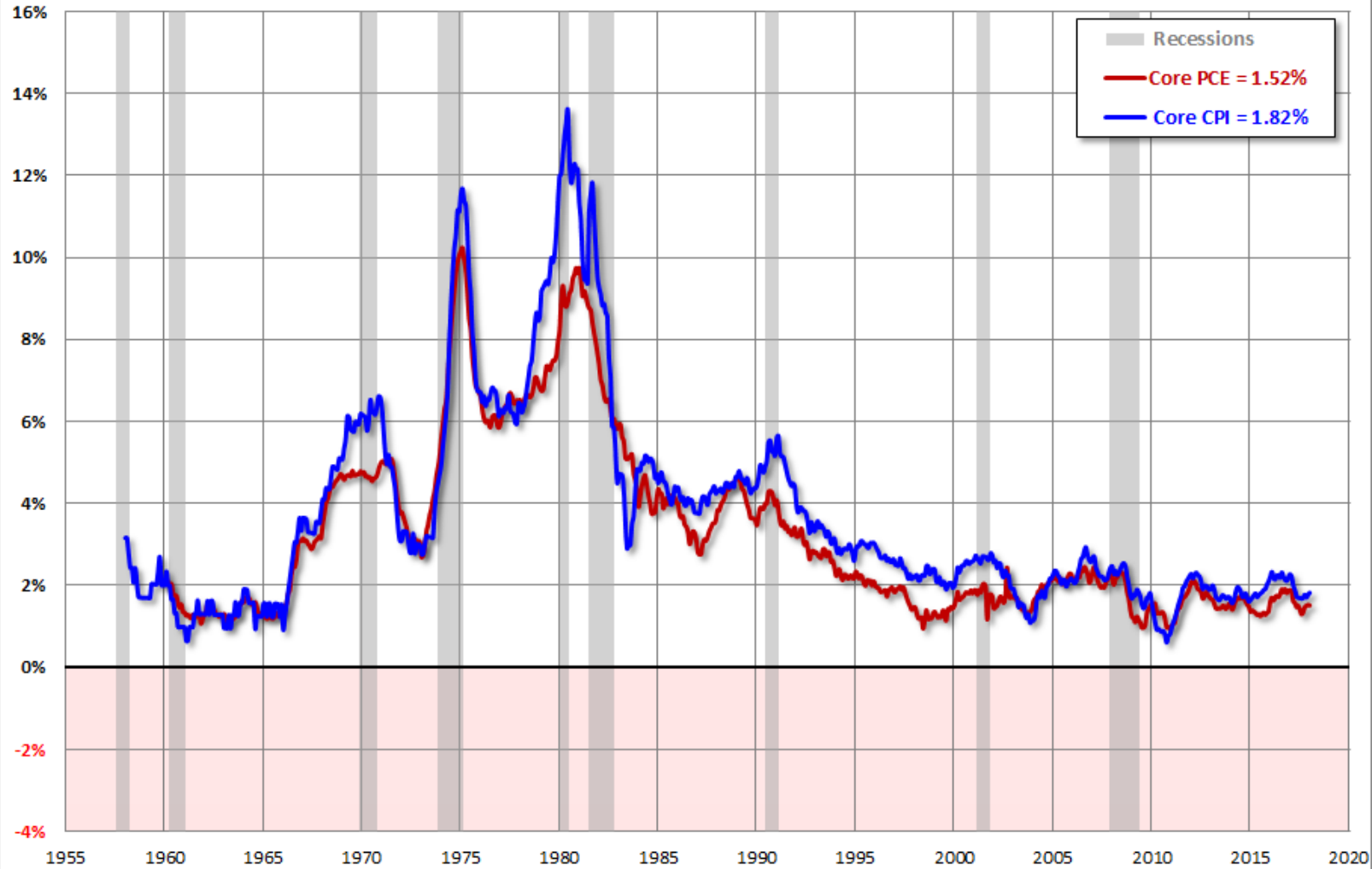
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Open 28.17 High 28.70 Low 28.17 Close 28.57 Chg +0.53 (+1.89%) ▲

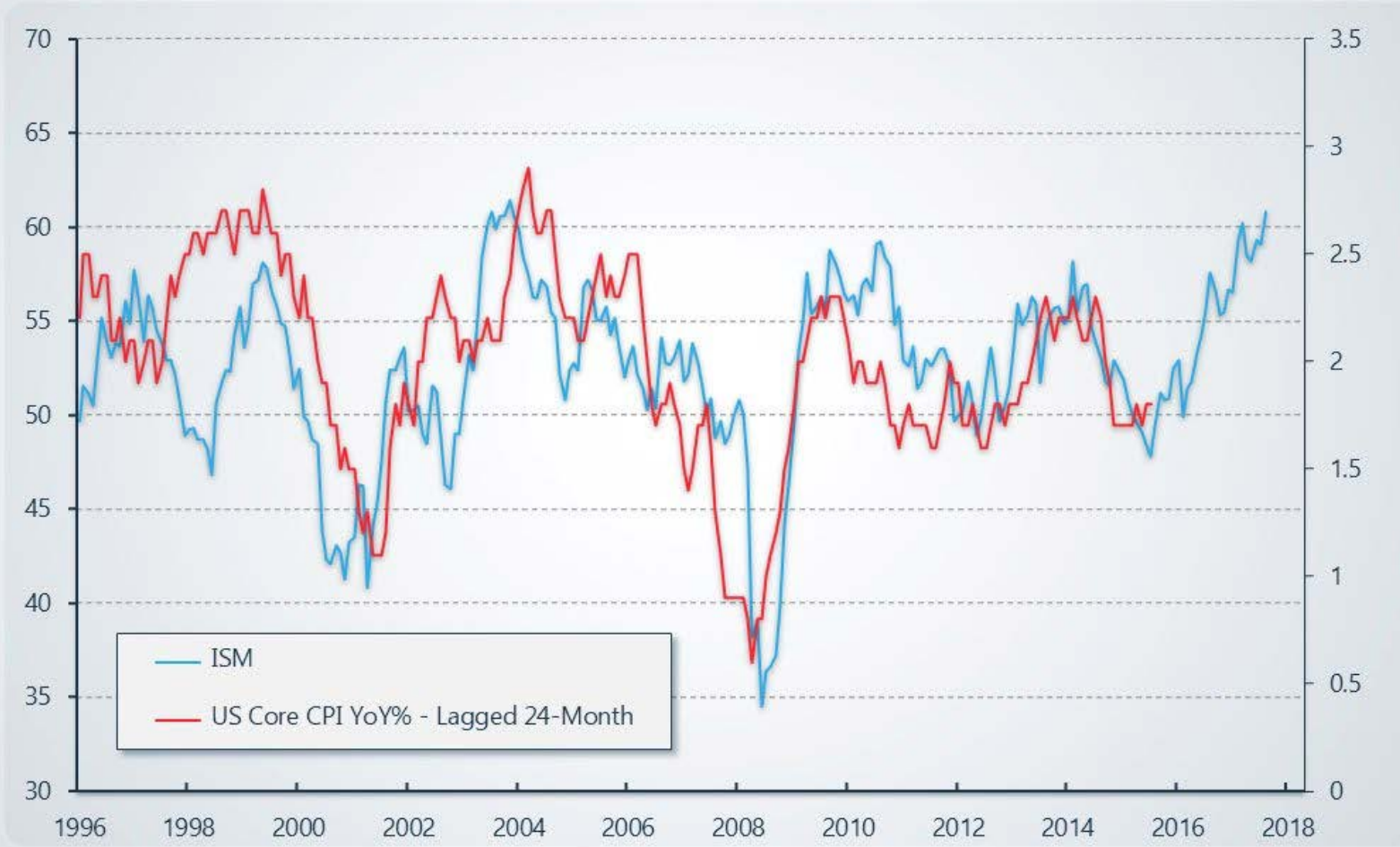
— \$TNX (Daily) 28.57
— MA(200) 23.76



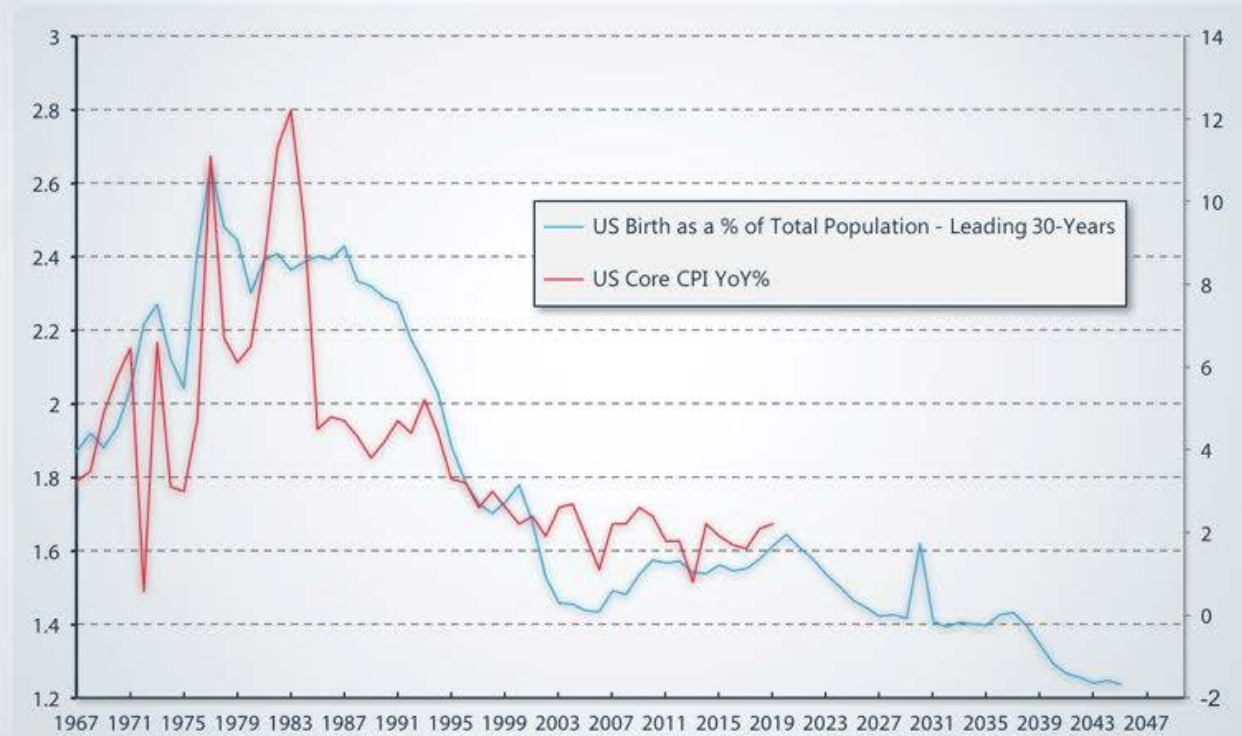
Consumer Price Index and PCE Price Index The Core Comparison (Excluding Food & Energy)



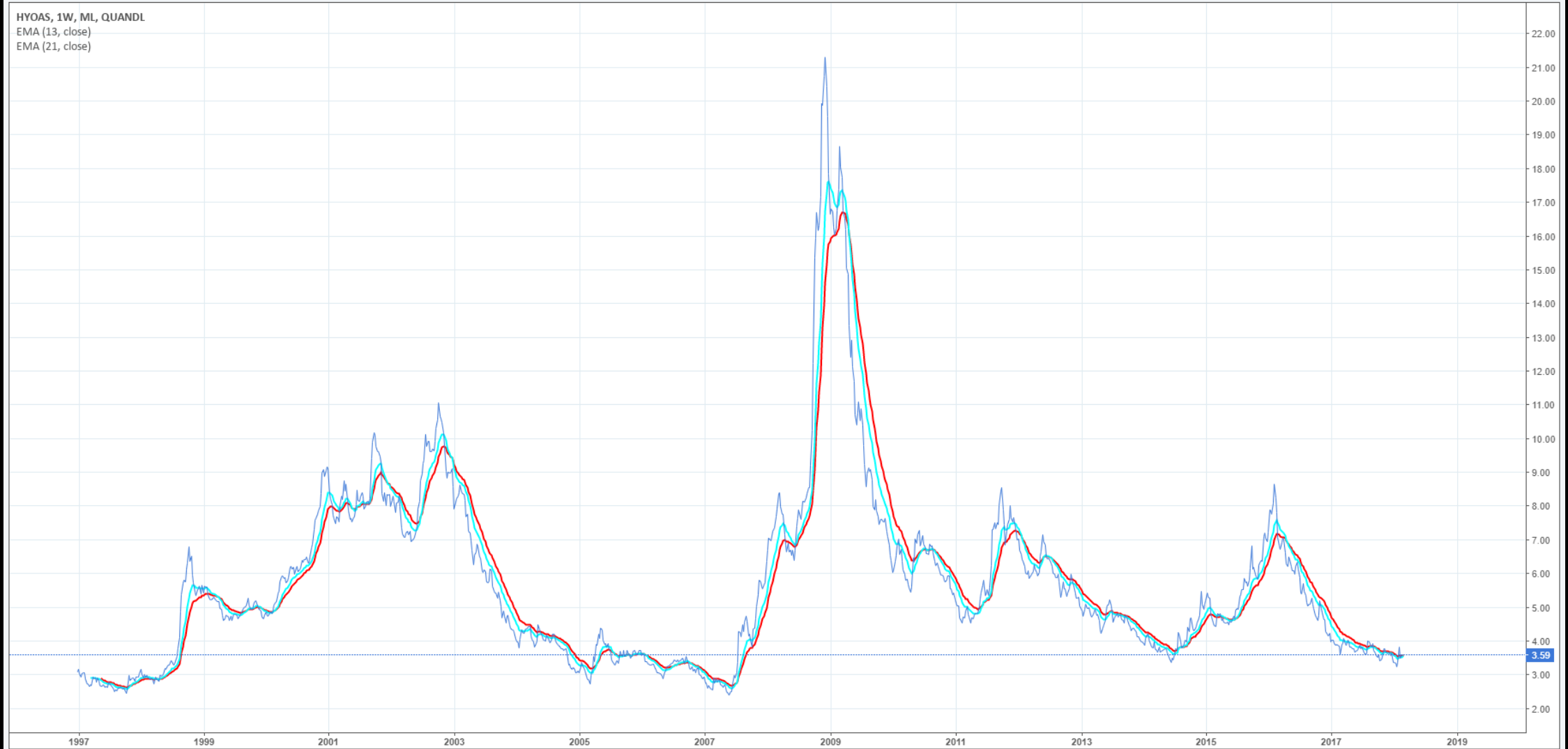
ISM vs. US Core CPI YoY%



US Core CPI vs. US Birth as a % of Total Population



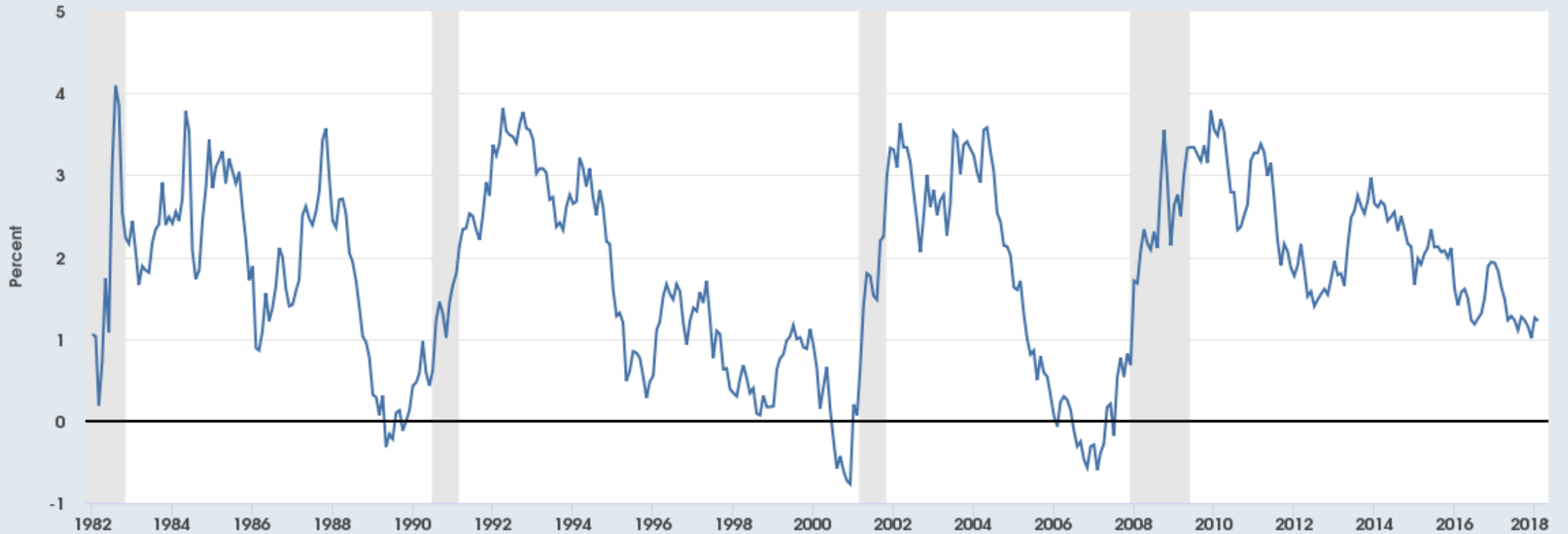
clint0033 published on TradingView.com, March 03, 2018 02:02 UTC
QUANDL:ML/HYOAS, 1W 3.59 ▲ +0.12 (+3.46%) O:3.50 H:3.59 L:3.47 C:3.59



FRED



10-Year Treasury Constant Maturity Minus 3-Month Treasury Constant Maturity



Shaded areas indicate U.S. recessions

Source: Federal Reserve Bank of St. Louis

myf.red/g/IPi3

SPY:AGG SPDR S&P 500 ETF/Shares Core U.S. Aggregate Bond ETF NYSE

2-Mar-2018

— SPY:AGG (Daily) 2.53
— MA(200) 2.35

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Open 2.50 High 2.53 Low 2.49 Close 2.53 Volume 39 Chg +0.02 (+0.68%) ▲



SPY:GLD SPDR S&P 500 ETF/SPDR Gold Shares NYSE

2-Mar-2018

— SPY:GLD (Daily) 2.15

— MA(200) 2.08

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Open 2.12 High 2.15 Low 2.11 Close 2.15 Volume 14 Chg -0.00 (-0.02%)



HYG:TLT iShares iBoxx \$ High Yield Corporate Bond ETF/iShares 20+ Year Treasury Bond ETF NYSE/Nasdaq GM

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2-Mar-2018

Open 0.721 High 0.725 Low 0.721 Close 0.725 Volume 2 Chg +0.010 (+1.39%) ▲

— HYG:TLT (Daily) 0.725
— MA(200) 0.697



TIP:TLT iShares TIPS Bond ETF/Shares 20+ Year Treasury Bond ETF NYSE/Nasdaq GM

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2-Mar-2018

Open 0.948 High 0.949 Low 0.946 Close 0.948 Volume 0 Chg +0.007 (+0.74%) ▲

— TIP:TLT (Daily) 0.948
— MA(200) 0.915



VEU:SPY Vanguard FTSE All-World ex-US ETF/SPDR S&P 500 ETF NYSE

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2-Mar-2018

Open 0.2003 High 0.2022 Low 0.1994 Close 0.2021 Volume 0 Chg -0.0003 (-0.13%)

VEU:SPY (Daily) 0.2021
MA(200) 0.2068



IYT:DIA iShares Transportation Average ETF/SPDR Dow Jones Industrial Average ETF NYSE

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2-Mar-2018

Open 0.754 High 0.763 Low 0.747 Close 0.761 Volume 0 Chg +0.002 (+0.28%) ▲

— IYT:DIA (Daily) 0.761
— MA(200) 0.776



QQQ:SPY PowerShares QQQ/SPDR S&P 500 ETF Nasdaq GM/NYSE

2-Mar-2018

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Open 0.604 High 0.618 Low 0.602 Close 0.617 Volume 0 Chg +0.002 (+0.40%) ▲

— QQQ:SPY (Daily) 0.617
— MA(200) 0.589



IWM:SPY iShares Russell 2000 ETF/SPDR S&P 500 ETF NYSE

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2-Mar-2018

Open 0.553 High 0.568 Low 0.552 Close 0.566 Volume 0 Chg +0.006 (+1.08%) ▲

IWM:SPY (Daily) 0.566
MA(200) 0.573



IVE:IVW iShares S&P 500 Value ETF/iShares S&P 500 Growth ETF NYSE

2-Mar-2018

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Open 0.695 High 0.703 Low 0.692 Close 0.702 Volume 1 Chg -0.001 (-0.18%)

— IVE:IVW (Daily) 0.702
— MA(200) 0.742



VWO:VEA Vanguard FTSE Emerging Markets ETF/Vanguard FTSE Developed Markets ETF NYSE

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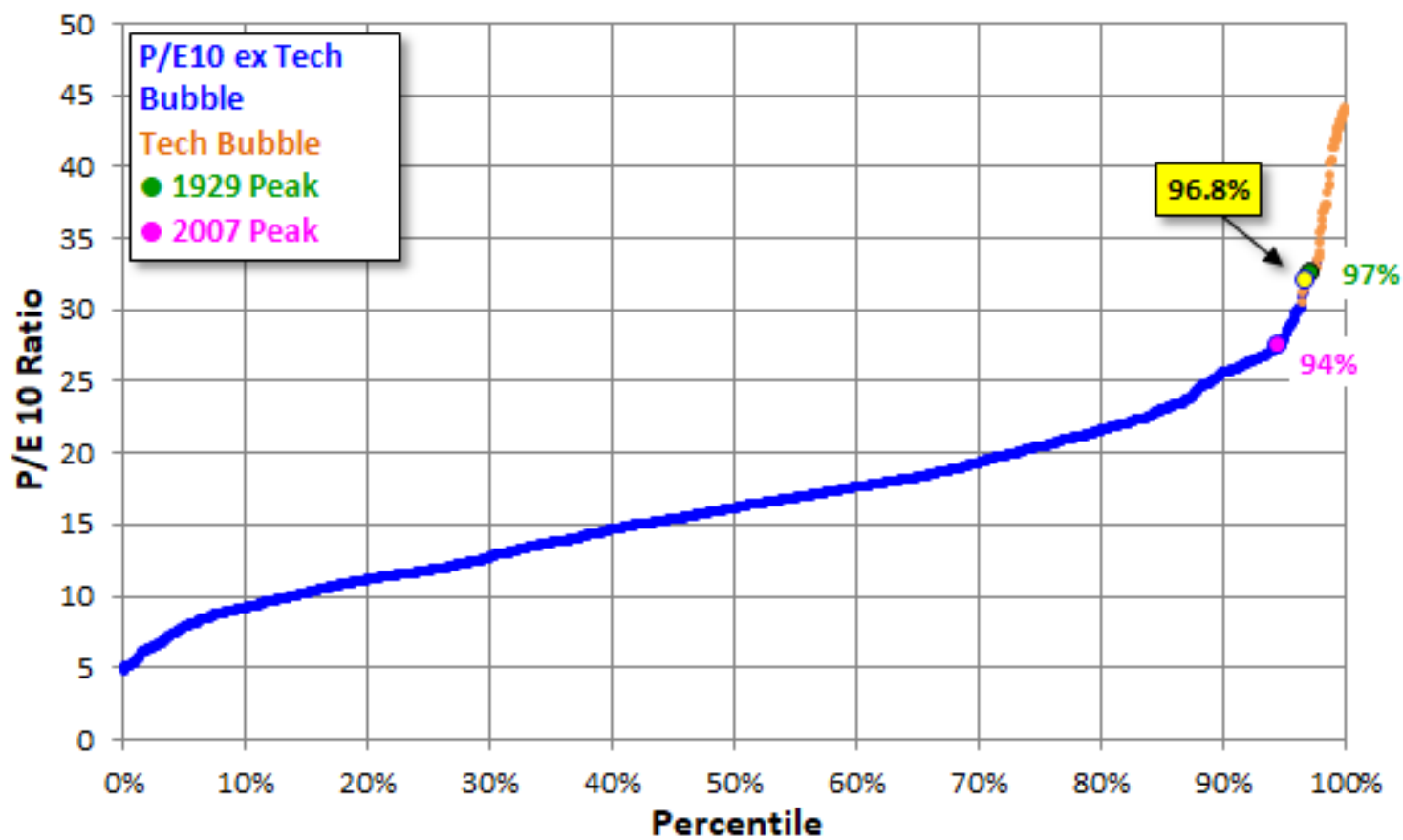
2-Mar-2018

Open 1.057 High 1.074 Low 1.051 Close 1.071 Volume 1 Chg -0.000 (-0.04%)

— VWO:VEA (Daily) 1.071
— MA(200) 1.019



P/E10 Ratios by Percentile



Asset Class-Relative Strength

Symbol	Description	Ranking
VWO	Emerging Markets	1
VEA	International Developed	2
VT	Total World Stock Market	3
VV	Large-Cap US	4
VTI	Total US Stock Market	5
VO	Mid-Cap Stocks	6
VB	Small-Cap Stocks	7
GLD	Gold	8
DBC	Commodities	9
LQD	Corporate Bonds	10
HYG	High Yield Bonds	11
TIP	Inflation Protected Securities	12
IEF	7-10 Year Treasury	13

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Asset Class	Proxy	Asset Class	Proxy
Large Cap Value Equity	S&P 500 Dividend Aristocrats TR USD	Short Bond	BBgBarc US Aggregate 1-3 Yr TR USD
Large Cap Growth Equity	DJ US TSM Large Cap Growth TR USD	Pacer Wealthshield Index	WealthShield Sector TR USD
Small Cap Equity	Russell 2000 TR USD	Managed Futures	SG Trend Index
International Developed Equity	MSCI EAFE NR USD	Dividend Growth Strategies	S&P 500 Dividend Aristocrats TR USD
International Emerging Equity	FTSE Emerging TR USD	M&A	Credit Suisse Merg Arbtrg Liquid TR USD
Intermediate/Aggregate Bond	BBgBarc US Agg Bond TR USD	Commodities	Bloomberg Commodity TR USD
International Bond	BBgBarc Gbl Agg Ex USD TR Hdg USD	REITs	S&P United States REIT TR USD