Turning Point Analytics utilizes a time-tested, real-world strategy that optimizes the client's entry and exit points and adds alpha. TPA defines each stock as Trend or Range to identify actionable inflection points.

"In the short run, the market is a voting machine, but in the long run, it is a weighing machine." - Benjamin Graham

WORLD SNAPSHOT – COMMENTS & CHARTS Wednesday, December 16, 2020

General comments first and macro tables at the bottom. *Links for Explanations of Technical terms at the bottom of the report.*

INVESTORS RAMP UP RISK-TAKING

In yesterday's World Snapshot entitled "This is a Market at Extremes" TPA told clients that there is evidence that investors are just "picking up the trash" or "buying beaten-up stocks instead of buying good companies." Today, TPA examines the 30 stocks with the greatest 1-month percentage change to see if this is true. The table below shows the 30 stocks that have moved up the most I the past month. On average, they were up 44.58% versus the S&P500, which was up just 1.87% in the same timeframe.

TPA used Bloomberg data to look at the liquidity, leverage, and profitability of these companies and the answers are not encouraging. The stocks that rallied the most in the past month are generally, illiquid, highly leveraged, and unprofitable. Specifically, TPA found that:

- 18 stocks or 60% have Quick Ratios less than 1.00, which indicates questionable liquidity.
- 28 stocks or 93% have Total Debt to Total Equity ratios over 5.0 or very high leverage.
- 11 stocks or 36% were unprofitable in 2020.
- 13 stocks or 43% are not expected, by analysts, to be profitable in 2021.

As TPA has been telling clients, big growth stocks have stalled since the beginning of September as investors have broadened their interest and focus to the rest of the market. Unfortunately, it seems that looking far away from the largest and most profitable stocks has brought investors to the refuse pile and that may not bode well for future performance.

Table below…..

30 STOCKS WITH THE BEST 1 MONTH PERFORMANCE

						Under 1.0	Over 5.0	Negative	Negative
			SORT	($Billions)		Liquidity	Leverage	Profitability	Profitability
TICKER	SHORT_NAME	PX_LAST	CHG_PCT_1M	CUR_MKT_CAP	GICS_SECTOR_NAME	QUICK RATIO	TOT DEBT TO TOT EQY	NET INCOME	BEST NET INCOME
RIG	TRANSOCEAN LTD	2.49	**111.02**	1.532	Energy	1.42	83.16	-1255.00	-132.77
EGHT	8X8 INC	31.00	**64.72**	3.296	Information Technology	1.69	204.41	-172.37	-3.13
JWN	NORDSTROM INC	31.16	**62.38**	4.913	Consumer Discretionary	0.29	489.79	496.00	74.34
X	US STEEL CORP	17.92	**61.44**	3.950	Materials	0.65	95.02	-630.00	-158.03
CATM	CARDTRONICS PL-A	35.77	**56.34**	1.591	Information Technology	0.29	218.06	48.27	24.60
OXY	OCCIDENTAL PETE	19.84	**56.22**	18.475	Energy	0.63	116.96	-667.00	-585.38
GCI	GANNETT CO INC	2.63	**51.15**	0.363	Communication Services	0.83	201.44	-119.84	-22.85
KSS	KOHLS CORP	38.58	**47.53**	6.082	Consumer Discretionary	0.26	112.37	691.00	107.76
WDR	WADDELL & REED-A	25.19	**46.97**	1.575	Financials	#N/A N/A	21.30	114.99	26.83
OII	OCEANEERING INTL	8.65	**45.62**	0.859	Energy	1.32	90.88	-348.44	-24.42
CORT	CORCEPT THERA	26.18	**44.64**	3.041	Health Care	7.62	0.93	94.18	22.50
APA	APACHE CORP	15.89	**42.64**	5.998	Energy	0.71	178.15	-3553.00	-46.07
PTEN	PATTERSON-UTI	5.72	**42.11**	1.072	Energy	1.28	35.40	-425.70	-119.14
MTDR	MATADOR RESOURCE	12.44	**41.20**	1.453	Energy	0.57	85.07	87.78	9.06
MSTR	MICROSTRATEGY	285.79	**40.14**	2.648	Information Technology	2.70	22.22	34.36	#N/A N/A
MUR	MURPHY OIL CORP	13.13	**38.50**	2.017	Energy	0.78	58.87	1149.73	-19.02
CLB	CORE LABS NV	28.70	**38.31**	1.277	Energy	1.28	209.61	101.98	7.81
SEDG	SOLAREDGE TECHNO	313.77	**37.45**	16.069	Information Technology	1.42	7.18	146.55	44.34
GES	GUESS? INC	18.86	**36.37**	1.200	Consumer Discretionary	0.92	179.52	95.98	35.33
NCR	NCR CORP	33.84	**36.23**	4.362	Information Technology	0.79	269.91	564.00	80.80
CMD	CANTEL MEDICAL	76.46	**34.57**	3.230	Health Care	2.37	152.14	13.71	20.06
HP	HELMERICH & PAYN	24.92	**34.41**	2.681	Energy	3.51	15.85	-494.50	-86.08
FANG	DIAMONDBACK ENER	48.16	**34.04**	7.608	Energy	0.58	36.13	240.00	118.03
M	MACY'S INC	10.74	**33.92**	3.335	Consumer Discretionary	0.19	116.21	564.00	9.82
CPRI	CAPRI HOLDINGS L	40.35	**33.88**	6.079	Consumer Discretionary	0.63	201.43	-223.00	144.61
ELY	CALLAWAY GOLF CO	23.66	**33.75**	2.228	Consumer Discretionary	0.47	98.95	79.41	-20.84
PLCE	CHILDREN'S PLACE	46.19	**33.23**	0.674	Consumer Discretionary	0.17	257.07	73.30	-6.40
THC	TENET HEALTHCARE	42.30	**33.06**	4.463	Health Care	0.71	828.26	-232.00	94.90
AAL	AMERICAN AIRLINE	17.01	**32.99**	10.291	Industrials	0.30	---	1686.00	-2259.14
AIR	AAR CORP	35.34	**32.56**	1.248	Industrials	1.51	75.85	4.40	5.87

TPA - CURRENT RECOMMENDATIONS (All clients)		
TOTAL	32	
BUY	16	**50%**
SELL	16	**50%**
AVERAGE RECOMMENDATION PERIOD (CAL. DAYS)		**77**
Total TPA Recommendations since 2009 inception		**3957**

CANARIES IN THE COALMINE - what to watch								Focus
MARKET		PX_LAST	5 DAY % CHG	1 MO % CHG	3 MO % CHG	6 MO% CHG		
SPX	S&P500	3694.62	-0.21	1.87	9.13	18.24	<3385	
.BIGTECH	TPA BIGTECH	8412.73	0.16	1.95	10.20	27.84		AAPL, MSFT, AMZN, FB, GOOGL, GOOG, TSLA, NVDA
.FAANNGT	TPA FAANNGT (FANG derivative)	5256.00	2.67	6.01	7.71	33.60		FB, AMZN, AAPL, NFLX, NVDA, GOOGL, TSLA
MOMENTUM STOCK VS. S&P500		PX_LAST	5 DAY % CHG	1 MO % CHG	3 MO % CHG	6 MO% CHG		WEAKENING OF MO?
.TSLA/SPX		0.17	4.14	52.33	31.35	172.66		
.CRM/SPX		0.06	-0.77	-13.51	-19.50	3.17		
.ADBE/SPX		0.13	-0.82	2.78	-7.09	-0.85		
.AAPL/SPX		0.03	4.38	4.35	4.50	22.87		
.NVDA/SPX		0.14	2.72	-2.96	-2.17	24.61	1 MO % CHG	3 MO % CHG
		AVERAGES	1.93	8.60	1.42	44.49	ALERT	ALERT
TECH- overbought versus the market		PX_LAST	14-DAY RSI					ALERT or ANALYSIS
.XLK/SPX	TECH	0.03	57.21				75	None
.BIG/SPX	TPA BIGTECH	2.30	45.72				75	None
RUSSELL 3000 EXTREMES (WEEKLY)		12/7/20	11/16/20	5/6/19	2/11/19	8/13/18		ALERT or ANALYSIS
U.S. UPTRENDS	% STOCKS 50DMA>200DMA	55.89	45.14	40.00	19.10	53.40	>75	None
		12/15/20	12/8/20	11/17/20	9/15/20	6/16/20		
U.S. UPTRENDS	% STOCKS > 150DMA	90.22	89.62	89.62	77.09	46.60	>75	Overbought ALERT
CURRENCY		PX_LAST	5 DAY % CHG	1 MO % CHG	3 MO % CHG	6 MO% CHG	ALERT LEVEL	ALERT or ANALYSIS
EUR	EURO	1.219	0.91	2.86	3.17	8.23	>1.16	ALERT
DXY	US DOLLAR INDEX	90.239	-0.93	-2.59	-3.19	-6.93	<95	ALERT
COMMODITY		PX_LAST	5 DAY % CHG	1 MO % CHG	3 MO % CHG	6 MO% CHG	ALERT LEVEL	ALERT or ANALYSIS
CL1	CRUDE (WTI)	47.77	4.943	15.55	18.95	24.47	<40	None
RATES		PX_LAST	5 DAY % CHG	1 MO % CHG	3 MO % CHG	6 MO% CHG	ALERT LEVEL	ALERT or ANALYSIS
USYC2Y10	Sell 2Y/Buy 10Y	80.0280	2.17	10.08	43.97	45.59	<0	None
FEDL01	FED FUNDS	0.0900	0.00	0.00	0.00	12.50	>2.50	None
USGG3M	US 90 DAY YIELD	0.0684	-3.66	-10.12	-27.08	-55.03	5YR<90D	None
USGG5YR	US 5 YEAR YIELD	0.3734	-7.48	-8.10	32.51	8.58	5YR<90D	None
USGG2YR	US 2 YEAR YIELD	0.1190	-20.03	-32.81	-13.14	-40.26	<FED FUNDS	None
USGG10YR	US 10 YEAR YIELD	0.9213	-1.58	1.68	32.20	22.38	<FED FUNDS	None
GTII10	INFLATION INDEX 10YR	-1.0122	-1.78	-20.56	-2.70	-91.06	>.90	None
CSI BARC	BARCLAYS-HI YLD-10YR	3.5100	2.03	-14.18	-27.18	-40.61	>5.50	None
HOUSING - look for signs of sustained weakness		PX_LAST	5 DAY % CHG	1 MO % CHG	3 MO % CHG	6 MO% CHG	ALERT LEVEL	ALERT or ANALYSIS
EHSLAP	AVERAGE EXISTING HOME PRICE	348.70	----	0.60	2.30	8.20	<285K	None
ILM3NAVG	AVERAGE 30 YR MORTGAGE	2.86	-2.05	-3.38	-5.92	-15.88	>4.70	None

TPA MARKETSCOPE *(detailed explanation below)*

Wednesday, December 16, 2020

Since 2009, TPA has used the indicators below to identify extreme inflection points in the market for institutional clients.

INDICATORS (S&P500 Daily)	TODAY	EXTREME LIMITS LOW	EXTREME LIMITS HIGH	ALERT	HISTORICAL IMPORTANCE
Short Term Market Score (see below)	1.2927	-3.50	4.00		Works better for the BUY side - accurate on the BUY side 4 out of 5 times since 2010.
Percent Stocks Above 2 STD DEV Bollinger Band	4.94%		40%		Valid short term indicator of an overbought market.
Percent Stocks Below 2 STD DEV Bollinger Band	0.59%	60%			Valid short term indicator of an oversold market.
Percent Stocks Above 50DMA	81.55%	15%	85%		Very accurate on the BUY side. Effective irregularly on the SELL side.
Percent Stocks RSI above 70	6.72%		30%		Mildly successful on predicting short term tops.
Percent Stocks RSI below 30	0.00%	55%			Valid indicator of short term lows.
Percent Stocks 50DMA > 200DMA *	55.89%	22%	40% TO 50%	Extreme	Medium term indicator of a low extreme and high extreme. (see note below)

** Russell 3000. Only updated weekly. The upper percent has been declining since 2010 because of the increase weighting of BIGTECH (8 stocks).*

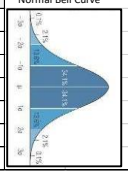
TPA 30 DAY MARKET EXTREME SIGNAL

EXPLANATION OF TPA MARKET SCORE: A daily analysis of S&P 500 relative to the normal distribution using the 2 standard deviation Bollinger Band. TPA then adjusts the SCORE by the amount of overbought or oversold as measured by RSI. Finally, probable

SPX LAST	3694.62
TPA MARKET SCORE	1.29270
TPA MARKET SIGNAL	OVERBOUGHT
VALUE OF 1 STD DEV (SPX POINTS)	588.10
14 DAY RSI	63.17

BOLLINGER BAND LEVELS	NORMAL PROBABILITY SPX	DISTRIBUTION	POSITION
3 STD DEV UPPER BB	3835.69	2.10%	
2 STD DEV UPPER BB	3758.32	13.60%	3694.62
1 STD DEV UPPER BB	3680.95	34.10%	
BB MID	3092.85	--	
1 STD DEV LOWER BB	3526.22	34.10%	
2 STD DEV LOWER BB	3448.85	13.60%	
3 STD DEV LOWER BB	3371.49	2.10%	

Normal Bell Curve



TPA WORLD BAROMETER - A broad brush view of Trend Strength in the world. TPA focuses on: 1. US Sectors: more uptrend % is better. 2. % stocks with 50DMA > 200DMA: higher is more positive. 3. Russell 3000 50DMA (99% of US market cap): rising is positive.											
	WEEKLY										
	12/14/20	12/7/20	11/29/20	11/22/20	11/16/20	11/9/20	11/1/20	10/26/20	10/18/20	10/11/20	10/5/20
WORLD MARKETS (60)											
UPTREND %	**75%**	**81%**	**78%**	**69%**	**47%**	**14%**	**5%**	**8%**	**5%**	**3%**	**2%**
DOWNTREND %	**3%**	**0%**	**0%**	**2%**	**2%**	**10%**	**31%**	**12%**	**8%**	**12%**	**27%**
RANGE %	**10%**	**7%**	**8%**	**14%**	**15%**	**47%**	**41%**	**64%**	**63%**	**58%**	**49%**
US MSCI GROUPS											
UPTREND %	40%	30%	30%	10%	0%	0%	0%	10%	0%	0%	0%
DOWNTREND %	0%	0%	0%	0%	0%	0%	20%	0%	0%	10%	10%
RANGE %	50%	60%	50%	50%	60%	80%	70%	80%	70%	90%	70%
EUROPE IND. GROUPS (10)											
UPTREND %	70%	70%	70%	70%	60%	10%	0%	0%	10%	0%	0%
DOWNTREND %	0%	0%	0%	0%	0%	20%	40%	10%	10%	10%	30%
RANGE %	20%	20%	30%	10%	0%	40%	30%	70%	80%	70%	70%
EM IND. GROUPS (10)											
UPTREND %	90%	90%	90%	90%	80%	30%	30%	50%	40%	30%	30%
DOWNTREND %	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	20%
RANGE %	0%	10%	10%	10%	10%	50%	40%	50%	60%	40%	30%
US SECTORS (124)											
UPTREND %	**62%**	**60%**	**64%**	**52%**	**30%**	**6%**	**2%**	**22%**	**24%**	**18%**	**5%**
DOWNTREND %	**1%**	**0%**	**0%**	**0%**	**2%**	**6%**	**23%**	**2%**	**1%**	**3%**	**9%**
RANGE %	**22%**	**23%**	**22%**	**18%**	**27%**	**55%**	**41%**	**53%**	**50%**	**54%**	**61%**
SPX INDEX CLOSE	**3663.46**	**3699.12**	**3638.35**	**3557.54**	**3585.15**	**3509.44**	**3269.96**	**3465.39**	**3483.81**	**3477.13**	**3348.44**
RUSSELL 3000 INDEX											
**** %'S DO NOT HAVE TO EQUAL 100%. SOME INDEXES ARE NOT IN A DEFINED UPTREND, DOWNTREND OR RANGE.***											
	12/14/20	12/7/20	11/29/20	11/22/20	11/16/20	11/9/20	11/1/20	10/26/20	10/18/20	10/11/20	10/5/20
LAST PRICE > 50 DMA	**59.97%**	**62.69%**	**62.75%**	**60.17%**	**59.50%**	**44.25%**	**26.00%**	**48.76%**	**46.33%**	**49.92%**	**31.48%**
LAST PRICE > 200 DMA	**63.91%**	**64.25%**	**62.89%**	**59.70%**	**57.35%**	**44.98%**	**37.41%**	**46.00%**	**43.52%**	**43.88%**	**35.72%**
50 DMA > 200 DMA	**58.81%**	**55.89%**	**51.44%**	**48.03%**	**45.14%**	**42.35%**	**41.66%**	**41.06%**	**40.50%**	**39.44%**	**38.28%**
CHANGE %	**5.22%**	**8.64%**	**7.11%**	**6.39%**	**6.58%**	**1.67%**	**1.45%**	**1.39%**	**2.69%**	**3.03%**	**1.76%**

TPA MARKETSCOPE EXPLAINED

Market timing is not a complete investment strategy in and of itself, but should be utilized as a tool for successful investing. Knowing when stocks are at extremes can present investors with opportunities and help them to avoid pitfalls. The TPA Marketscope uses a set of carefully watched indicators to assess if the market is at or near extremes. When the market is oversold, risk-return favors buying and not selling and when the market is overbought, risk-return favors selling and not buying.

The seven indicators below were developed after years of observation and the extreme limits used have historically been levels that mark short-term and medium-term inflection points.

Indicators explained:

- **Short term market score** – is a daily analysis of the S&P500 relative to the normal distribution using the 2 standard deviation Bollinger Band. TPA then adjusts the score by the amount of overbought or oversold as measured by RSI.
- **Percent stocks above or below the 2 standard deviation Bollinger Band** – Bollinger Bands identify ranges using standard deviations away from a moving average. They, therefore, measure volatility (the width of the band) and extremes (using normal statistical distributions). In a normal distribution, 2 standard deviations identifies 96% of all occurrences. As a stock reaches the extreme of the 2 standard deviation Bollinger Band, it becomes more probable that the price will regress back to the mean. TPA has found that historically market reversions are very likely when 40% of stocks are above or 60% of stocks are below the 2 standard deviation Bollinger Band.
- **Percent stocks above the 50DMA** – when a large number of stocks (85%) are trading above their 50DMA, the market is at an overbought extreme. When a small number of stocks (15%) are trading above the 50DMA, the market is oversold.
- **Percent stocks RSI above 70 or below 30** – RSI is a measure of the speed and size of a recent move in a stock or index; the greater the price move and the quicker that move has taken place, the higher RSI. TPA has found that historically market extremes occur when 30% of stocks are trading above RSI 70 or when 55% of stocks are trading below RSI 30.
- **Percent stocks 50DMA>200DMA** – This is a longer-term measure of extremes. An uptrend is defined when short term prices consistently trade above longer-term prices. An example of an uptrend is Last > 20DMA > 50DMA > 200DMA. Technically, a long-term uptrend is defined by the 50DMA trading above the 200DMA. TPA has found that historic oversold extremes occur when 22% or less stocks are trading 50DMA>200DMA. The overbought extreme has become trickier since it has been declining

since 2010 as a small number of TECH stocks have garnered an increasingly large percentage weighting in the S&P500. Currently, the extreme is approximately 40% to 50% of stocks trading 50DMA > 200DMA.

TPA notes that not all of these indicators are equally consistent. Clients should use the "Historical Importance" comments to determine the weight they will assign to each alert.

CLICK ON LINKS BELOW FOR TECHNICAL INDICATOR EXPLANATIONS:

ASCENDING - DESCENDING TRIANGLE
BASING-TOPPING-CONSOLIDATION
BREAKOUT (Breakdown)
CHANNEL & RANGE
DIRECTIONAL MOVEMENT INDEX (DMI)
DOUBLE BOTTOM or DOUBLE TOP
MACD-MOVING AVERAGE CONVERGENCE-DIVERGENCE
MOVING AVERAGES
RELATIVE STRENGTH & PEER STOCK PERFORMANCE
REPEATING PATTERNS
RSI-RELATIVE_STRENGTH
SUPPORT, RESISTANCE, BREAKOUT, BREAKDOWN
TREND

ALWAYS REMEMBER: No strategy exists in a vacuum – always evaluate the relevant sector & market.
Over 80% of portfolio performance is determined by sector and market forces (Ibbotson & Kaplan study – January/Febuary2000)

Turning Point Analytics Disclaimer

Turning Point Analytics (TPA) is only one of many tools that an investor should use to make a final investment decision. TPA is an overlay on top of a client's good fundamental or macro analysis. TPA does not create or provide fundamental analysis. The information in this communication may include technical analysis. Technical analysis is a discipline that studies the past trading history of a security while trying to forecast future price action. Technical analysis does not consider the underlying fundamentals of the security in question and it does not provide information reasonably sufficient upon which to base an investment decision. Investors should not rely on technical analysis alone while making an investment decision. Before making an investment decision, investors should consider reviewing all publicly available information regarding the security in question, including, but not limited to, the underlying fundamentals of the security and other information which is available in filings with the Securities and Exchange Commission. The information and analysis contained in reports provided by TPA

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