



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

**S&P 1500+ DAILY SNAPSHOT – COMMENTS & CHARTS**      Thursday, May 20, 2021

**Today’s TPA Trend-Range Report included below. TPA Trend-Range Strategy explained below. Links for Explanations of Technical terms at the bottom of the report**

**BUY:**

**Pair: Buy: IBM, Sell: XLK**  
**Target +40% Stop -6%**

TPA sees a long-term opportunity to be long IBM versus the TECH ETF XLK. TPA explains its reasoning in the charts below:

1. The ratio IBM/XLK broke out of its steep 16-month downtrend in March. From October through the end of February, IBM underperformed the XLK by 50%.



- After moving above the long-term downtrend, IBM/XLK then rose above short-term resistance at the 1.04 level. The optimal entry point for IBM/XLK is more likely 1.04 or 2.8% lower, but given the potential upside of IBM/XLK of 40%, TPA makes this call now.



- The weekly chart shows that the recent outperformance of IBM vs. XLK also forced IBM/XLK above its 8-year downtrend line.



4. The 20-year chart of IBM/XLK shows the ratio fell below long-term support at 1.50 in late 2019. This is the closest resistance level after the recent breakouts.



5. 1.50 is 40% above the current level of IBM/XLK (1.07).



6. Finally, IBM is relatively inexpensive compared to XLK. The average PE of the top 10 constituents of XLK is 43, compared to IBM's PE of 24. The top 10 constituents of XLK make up 66% of the ETF.

<b>STOCK</b>	<b>P/E</b>
IBM	24.43
AAPL	27.98
MSFT	33.09
V	51.70
NVDA	81.56
MA	55.29
PYPL	55.74
ADBE	41.78
INTC	12.44
CSCO	21.97
CRM	50.14
<b>AVERAGE</b>	<b>43.17</b>



<https://www.etf.com/XLK#overview>

**TPA TREND-RANGE STRATEGY** (see explanation below)

**TPA TREND-RANGE REPORT** (New and improved!)

SYMBOL	DESCRIPTION	INDUSTRY	SECTOR	(\$million)		CONDITION	SHORT TERM	POSSIBLE	OVERBOUGHT	RANGE?
				MKT CAP	LAST	TREND/RANGE	ALERT	NEXT MOVE	OVERSOLD	ALERT
LEG	Leggett & Platt	Furniture & Fixtures	Consumer Cyclical	7,231	54.27	DOWNTREND	TURN UP?	-8.07%	1	
SLM	SLM Corp	Consumer Financial Services	Financial	6,380	19.76	DOWNTREND	TURN UP?	-5.52%	0	
CPT	Camden Ppty Trust	Real Estate Operations	Services	11,896	121.78	DOWNTREND	TURN UP?	-5.45%	0	
CNP	Centerpoint Energy	Natural Gas Utilities	Utilities	14,211	24.48	DOWNTREND	TURN UP?	-4.33%	0	
EXLS	ExlService Hldgs Inc	Business Services	Services	3,249	97.1	DOWNTREND	TURN UP?	-4.12%	0	
LHX	L3Harris Technologies Inc	Aerospace & Defense	Capital Goods	43,936	214.34	DOWNTREND	TURN UP?	-3.66%	0	
THG	The Hanover Insurance Grp	Insurance (Prop. & Casualty)	Financial	5,004	139.39	DOWNTREND	TURN UP?	-3.47%	0	
UMBF	UMB Finl	Regional Banks	Financial	4,697	97.23	DOWNTREND	TURN UP?	-2.60%	0	
EFX	Equifax Inc	Business Services	Services	28,409	233.43	UPTREND	TURN DOWN?	-13.41%	1	
CROX	Crocs Inc	Footwear	Consumer Cyclical	6,443	98.77	UPTREND	TURN DOWN?	-11.61%	1	
KSU	Kansas City Southern	Railroads	Transportation	26,875	295.54	UPTREND	TURN DOWN?	-8.49%	0	
THC	Tenet Healthcare	Healthcare Facilities	Healthcare	6,586	61.67	UPTREND	TURN DOWN?	-8.46%	1	
FAF	First American Finl Corp	Insurance (Prop. & Casualty)	Financial	7,179	65.42	UPTREND	TURN DOWN?	-7.03%	0	
DISH	DISH Network Corp Cl A	Broadcasting & Cable TV	Services	22,755	43.15	UPTREND	TURN DOWN?	-6.91%	0	
WST	West Pharmaceutical Svcs	Medical Equipment & Supplies	Healthcare	24,057	325.87	UPTREND	TURN DOWN?	-6.67%	0	
KBR	KBR Inc	Biotechnology & Drugs	Healthcare	5,710	40.4	UPTREND	TURN DOWN?	-5.89%	0	
GMED	Globus Medical Inc	Medical Equipment & Supplies	Healthcare	7,126	71	UPTREND	TURN DOWN?	-5.58%	0	
BRO	Brown & Brown	Insurance (Miscellaneous)	Financial	14,662	52.02	UPTREND	TURN DOWN?	-5.56%	0	
VRSN	Verisign Inc	Software & Programming	Technology	24,553	218.02	UPTREND	TURN DOWN?	-4.95%	0	
MOH	Molina Healthcare	Healthcare Facilities	Healthcare	15,096	258.5	UPTREND	TURN DOWN?	-4.85%	0	
AIZ	Assurant Inc	Insurance (Prop. & Casualty)	Financial	9,514	157.08	UPTREND	TURN DOWN?	-4.67%	0	
VMC	Vulcan Materials	Construction - Raw Materials	Capital Goods	24,536	184.95	UPTREND	TURN DOWN?	-4.63%	0	
WM	Waste Mgt Inc	Waste Management Services	Services	58,727	139.15	UPTREND	TURN DOWN?	-4.53%	0	
RSG	Repub Svcs Inc	Waste Management Services	Services	34,549	108.19	UPTREND	TURN DOWN?	-4.42%	0	
IBM	Intl Business Machines Corp	Computer Services	Technology	127,944	143.19	UPTREND	TURN DOWN?	-4.19%	0	
REG	Regency Centers	Real Estate Operations	Services	10,666	62.79	UPTREND	TURN DOWN?	-4.16%	0	
HCA	HCA Healthcare Inc	Healthcare Facilities	Healthcare	68,624	203.67	UPTREND	TURN DOWN?	-4.01%	0	
RE	Everest Re Grp	Insurance (Prop. & Casualty)	Financial	10,790	269.2	UPTREND	TURN DOWN?	-3.40%	0	
LAMR	Lamar Advertising Co Cl A REIT	Real Estate Operations	Services	10,227	101.15	UPTREND	TURN DOWN?	-3.29%	0	
CRL	Charles River Labs Intl	Biotechnology & Drugs	Healthcare	16,031	319	UPTREND	TURN DOWN?	-2.67%	0	
EHC	Encompass Health Corp	Healthcare Facilities	Healthcare	8,529	85.67	UPTREND	TURN DOWN?	-2.56%	0	
ISCK	Discovery Inc Ser C	Motion Pictures	Services	16,340	31.04	UPTREND	TURN DOWN?	27.93%	-1	
LGFA	Lions Gate Entertainmnt Corp A	Motion Pictures	Services	3,696	17.86	RANGE	TOP	-25.14%	2	!!
AM	Antero Midstream Corp	Natural Gas Utilities	Utilities	4,726	9.9	RANGE	TOP	-14.34%	0	
LYV	Live Nation Entertainment, Inc	Recreational Activities	Services	19,091	87.3	RANGE	TOP	-12.71%	1	!!
PLXS	Plexus Corp	Electronic Instr. & Controls	Technology	2,822	98.69	RANGE	TOP	-9.11%	0	
CHE	Chemed Corporation	Healthcare Facilities	Healthcare	7,917	496.34	RANGE	TOP	-6.82%	0	
AEL	Amer Equity Inv Life	Insurance (Life)	Financial	3,072	32.19	RANGE	TOP	-6.09%	0	

SYMBOL	DESCRIPTION	INDUSTRY	SECTOR	(\$million)		CONDITION	SHORT TERM	POSSIBLE	OVERBOUGHT	RANGE?
				MKT CAP	LAST	TREND/RANGE	ALERT	NEXT MOVE	OVERSOLD	ALERT
CERN	Cerner Corp	Software & Programming	Technology	23,632	78.43	RANGE	TOP	-5.44%	0	!!
NEU	NewMarket Corporation	Chemical Manufacturing	Basic Materials	3,771	345.03	RANGE	BOTTOM	4.08%	0	!!
CTAS	Cintas Corp	Personal Services	Services	35,980	342.49	RANGE	BOTTOM	5.31%	0	
ROK	Rockwell Automation	Electronic Instr. & Controls	Technology	29,997	258.42	RANGE	BOTTOM	5.46%	0	
SYI	Sysco Corp	Retail (Grocery)	Services	41,510	81.14	RANGE	BOTTOM	6.10%	0	
PH	Parker-Hannifin Corp	Misc. Fabricated Products	Basic Materials	39,358	304.97	RANGE	BOTTOM	6.16%	0	
SFM	Sprouts Farmers Mkts Inc	Retail (Grocery)	Services	3,003	25.42	RANGE	BOTTOM	6.22%	0	
ABM	Abm Indus Inc	Business Services	Services	3,398	50.65	RANGE	BOTTOM	6.85%	0	!!
RGA	Reinsuran Grp Of America Inc	Insurance (Life)	Financial	8,481	124.75	RANGE	BOTTOM	7.54%	0	
SBUX	Starbucks Corp	Retail (Grocery)	Services	129,224	109.67	RANGE	BOTTOM	7.63%	0	
HAS	Hasbro Inc	Recreational Products	Consumer Cyclical	12,909	93.84	RANGE	BOTTOM	7.69%	0	
ITT	ITT Inc	Misc. Capital Goods	Capital Goods	7,922	92.01	RANGE	BOTTOM	7.98%	0	!!
ABG	Asbury Automotive	Retail (Specialty)	Services	3,803	196.65	RANGE	BOTTOM	8.06%	0	
SAIA	Saia Inc	Trucking	Transportation	5,989	227.44	RANGE	BOTTOM	8.41%	0	
WWD	Woodward, Inc.	Misc. Capital Goods	Capital Goods	7,570	119.17	RANGE	BOTTOM	8.68%	0	
ECL	Ecolab Inc	Construction Services	Capital Goods	60,999	213.33	RANGE	BOTTOM	8.73%	0	!!
BBY	Best Buy	Retail (Technology)	Services	28,468	113.69	RANGE	BOTTOM	8.80%	0	
ROL	Rollins Inc	Business Services	Services	17,195	34.94	RANGE	BOTTOM	9.10%	0	
EXEL	Exelixis Inc	Biotechnology & Drugs	Healthcare	7,396	23.6	RANGE	BOTTOM	9.36%	0	
SWX	Southwest Gas Hldgs Inc	Natural Gas Utilities	Utilities	3,857	66.49	RANGE	BOTTOM	9.43%	0	!!
RLI	RLI Corp	Insurance (Prop. & Casualty)	Financial	4,798	106.14	RANGE	BOTTOM	9.51%	0	!!
TJX	TJX Companies	Retail (Apparel)	Services	81,260	67.38	RANGE	BOTTOM	9.60%	0	!!
RBC	Regal Beloit Corp	Electronic Instr. & Controls	Technology	5,646	138.95	RANGE	BOTTOM	9.66%	0	!!
DE	Deere & Co	Constr. & Agric. Machinery	Capital Goods	112,343	358.42	RANGE	BOTTOM	10.21%	0	
TPR	Tapestry Inc	Apparel/Accessories	Consumer Cyclical	12,434	44.59	RANGE	BOTTOM	10.74%	0	
JBT	John Bean Technologies	Misc. Capital Goods	Capital Goods	4,252	133.91	RANGE	BOTTOM	10.78%	0	
LZB	La-Z Boy Inc	Furniture & Fixtures	Consumer Cyclical	1,924	41.55	RANGE	BOTTOM	10.81%	0	
SBNY	Signature Bank	Regional Banks	Financial	13,594	235.22	RANGE	BOTTOM	10.90%	0	!!
PK	Park Hotels & Resorts Inc	Real Estate Operations	Services	4,886	20.66	RANGE	BOTTOM	11.71%	0	
NVR	NVR Inc	Construction Services	Capital Goods	17,113	4705.67	RANGE	BOTTOM	12.08%	0	!!
SMG	Scotts Miracle-Gro Co	Chemical Manufacturing	Basic Materials	12,252	219.96	RANGE	BOTTOM	12.24%	0	!!
TPX	Tempur Sealy Intl Inc	Furniture & Fixtures	Consumer Cyclical	7,320	36.28	RANGE	BOTTOM	13.09%	0	!!
DIS	Disney (Walt) Co	Broadcasting & Cable TV	Services	307,552	169.27	RANGE	BOTTOM	13.12%	-1	!!
CTVA	Corteva Inc W	Personal & Household Prods.	Consumer/Non-Cyclical	33,037	44.82	RANGE	BOTTOM	13.45%	0	!!
DAR	Darling Ingredients Inc	Food Processing	Consumer/Non-Cyclical	10,965	67.2	RANGE	BOTTOM	13.48%	0	
MDC	MDC Hldg Inc	Construction Services	Capital Goods	3,912	55.67	RANGE	BOTTOM	13.51%	0	
WSM	Williams-Sonoma	Retail (Specialty)	Services	12,316	163.6	RANGE	BOTTOM	14.33%	0	
AGCO	Agco Corp	Constr. & Agric. Machinery	Capital Goods	10,181	135.12	RANGE	BOTTOM	15.77%	0	
UAA	Under Armour Inc Cl A	Apparel/Accessories	Consumer Cyclical	9,210	21.92	RANGE	BOTTOM	15.97%	0	

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KBH	KB Home	Construction Services	Capital Goods	4,053	44.04	RANGE	BOTTOM	17.89%	0	
DY	Dycum Industries Inc	Construction Services	Capital Goods	2,613	85.33	RANGE	BOTTOM	17.90%	0	!!
VC	Visteon Corp	Auto & Truck Parts	Consumer Cyclical	3,024	108.13	RANGE	BOTTOM	19.69%	0	!!
WGO	Winnebago Indus	Mobile Homes & RVs	Capital Goods	2,387	71.05	RANGE	BOTTOM	23.29%	0	!!
LAD	Lithia Motors, Inc.	Retail (Specialty)	Services	8,855	329.77	RANGE	BOTTOM	24.07%	-1	!!

## TPA TREND-RANGE STRATEGY EXPLAINED

### Alerts:

#### 1. Uptrend stocks trading below short term moving averages:

- Possible buy at uptrend support (chart 1)
- Possible sell if medium-term trend break (chart 2)

#### 2. Downtrend stocks trading above short-term moving averages

- Possible sell at downtrend resistance (chart 3)
- Possible buy if medium-term trend break (chart 4)

#### 3. Range stocks (low trend strength) at the top or bottom 10% of their 2 STD DEV Bollinger Band

- Possible buy at bottom of range (chart 5)
- Possible sell at top of range (chart 6)

### Medium-term Trend Strength determined by DMI ADX

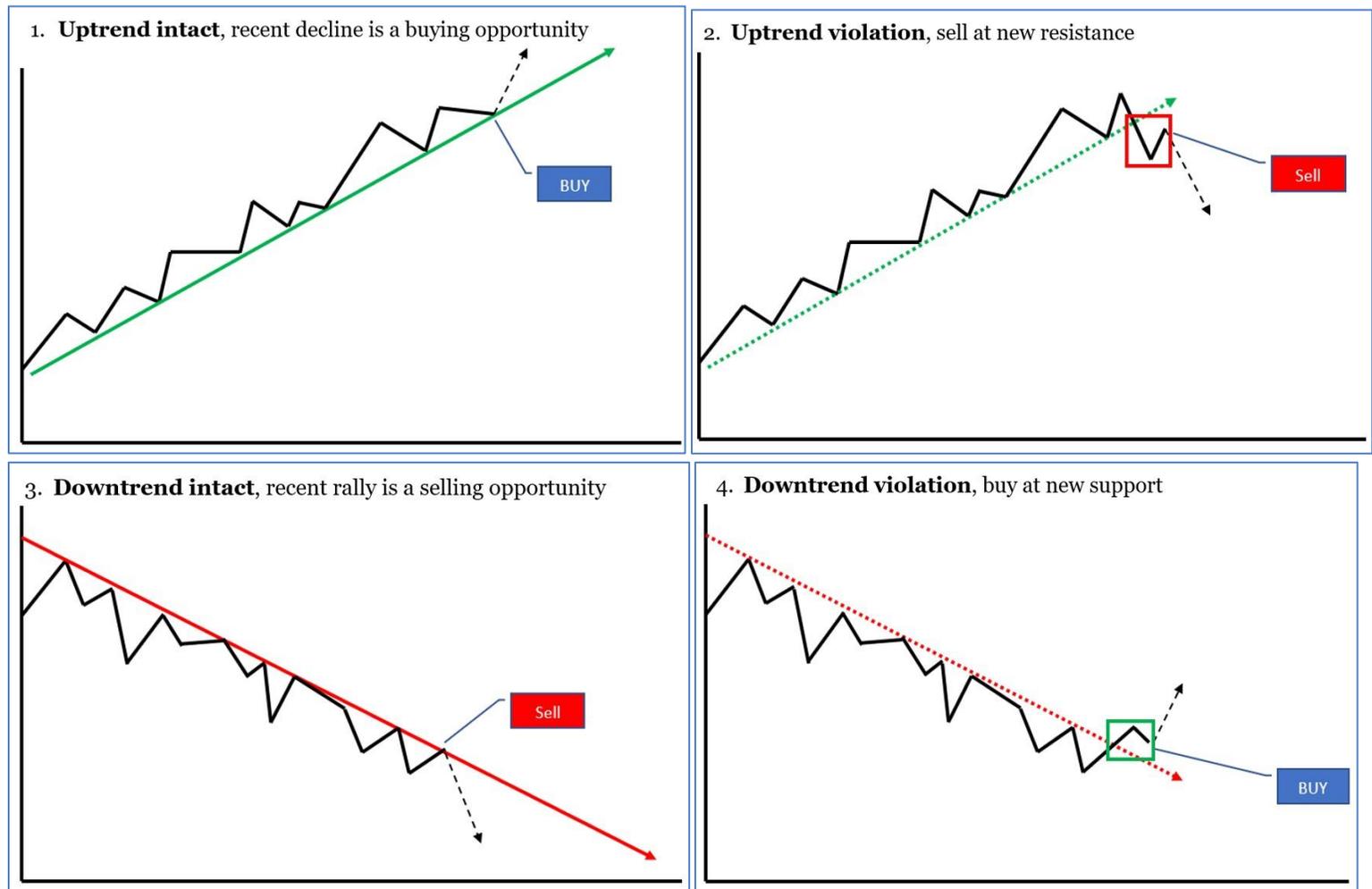
**Uptrend** – trend strength &  $DMI+ > DMI-$

**Downtrend** – trend strength &  $DMI- > DMI+$

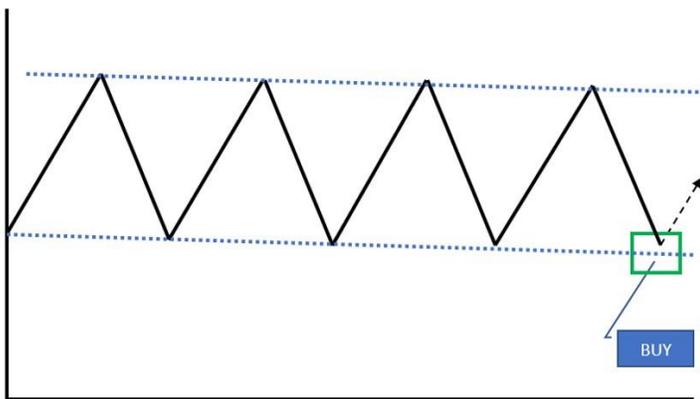
**Range** – low trend strength

**Actionable stocks fit one of the 6 TPA charts at the bottom of this report**

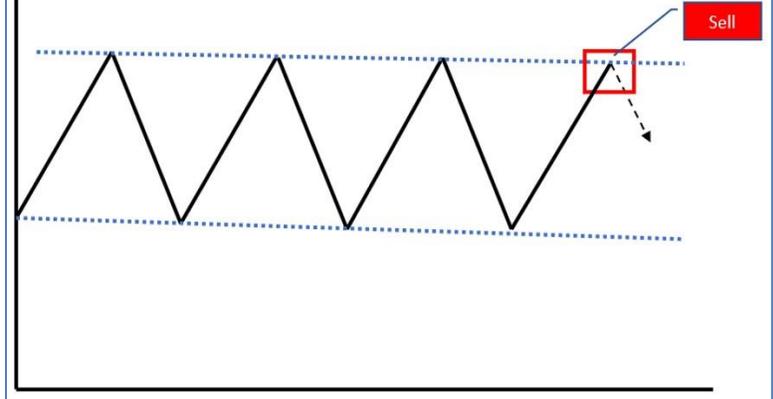
TPA looks first to Trend-Range for actionable ideas. Other variables must also be examined including, but not confined to, TPA's ongoing macro investment themes, relative strength compared to the market, sector, and subsector, overbought or oversold characteristics, other technical patterns that may exist, patterns that involve fundamentals or EPS surprise, longer-term support and resistance levels, and longer-term uptrends and downtrend lines.



**5. Bottom of range, buy at established support**



**6. Top of range, sell at established resistance**



**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](#)  
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**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/February2000)*

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