

INSIDE OUR 10 MIN PODCAST:

The Stock Market Today

Get Defensive

New Featured Stock

INDICES & CATALYSTS

	<u>Close</u>	<u>2023 Perf</u>
DJIA	33,926	2.2%
S&P 500	4,090	6.5%
NASDAQ	11,718	12.0%
RUSS 2K	1,919	9.0%
VIX	\$20.52	-5.3%
BITCOIN	\$21,749	31.4%
OIL	\$79.84	-0.1%

KEY TAKEAWAYS

- ⇒ *Fundamental data, metrics, and sentiment have quickly turned negative and appear to stay that way for a spell*
- ⇒ *Technical data is even worse than fundamentals*
- ⇒ *Our featured stock is in the defense segment and there is a reason behind this play*

KEY FIGURES

	<u>Fwd P/E</u>	<u>RSI</u>
DJIA	18.1	49.7
S&P 500	18.6	44.9
NASDAQ 100	25.2	38.7
RUSS 2K	23.3	42.0

Stock Market Winter is Here

We have been preaching for a month that once we reached the tail end of the earnings season stocks would start to swoon. Well, after rocking two weeks ago, they began a downtick last week. So, we are calling it now. It's winter time for stocks. Or swoon time. If you have some gains, take them off the table. Be especially discerning with new ideas, and unless they are extenuating circumstances, buy Growth at a Reasonable Price (GARP)-style stocks.

The negative data is just too negative on a fundamental and technical basis. Here's what happened and where we stand.

Oil prices, which were down sharply YTD a week ago, rose 9.2% last week, prompted in part by Russia. Conversely, the VIX was up a whopping 12% last week. Both of these have an inverse relationship with attractive/up markets. The AAI Sentiment Survey's Bearish figure is now too far below historical averages, which often portend future drops.

There was also a massive ETF outflow last week in the SPDR S&P 500 Index ETF (SPY)—to the tune of \$7.1B. Inflows in general were poor as the top 3 inflow levels were less than the top ETF inflow a week ago. This shows waning confidence across the board. Finally, the indices' RSIs crashed and are either Sells or Neutrals. Plus, nearly all the 20, 50 and 200 DMAs for these indices are screaming Sell.

We have been anticipating a negative economic data-focused market would follow earnings season and we are here. We still like the 3 stocks previously highlighted in the Guide, suggest having exposure to the VIX Index through VXX and are introducing a new Defense stock for the times.

Have a good week!

The Stock Market Today

U.S. Market Performance 2/10/2023									
Index	Close	Y/E 2022	YTD Perf	52-Wk Hi	52-Wk Low	% off Hi	% from Low	200 DMA	% Abv/Bel 200 DMA
DJIA	33,869	33,147	2.2%	35,492	28,661	-4.6%	18.2%	32,329	4.8%
S&P 500	4,090	3,839	6.5%	4,637	3,492	-11.8%	17.1%	3,945	3.7%
NASDAQ	11,718	10,466	12.0%	14,647	10,889	-20.0%	7.6%	11,438	2.4%
Russell 2000	1,919	1,761	9.0%	2,138	1,641	-10.2%	16.9%	1,877	2.2%
Bitcoin	\$21,749	\$16,548	31.4%	\$48,087	\$15,599	-54.8%	39.4%	\$21,306	2.1%
Average						-20.3%	19.9%		3.0%
Avg w/o BTC						-11.7%	15.0%		3.3%

Source: Barchart.com, Yahoo!Finance, Goldman Small Cap Research

Notable Numbers

AAll Sentiment Survey (figures rounded)

	<u>Current</u>	<u>Last Week</u>	<u>Long Term Avg</u>
Bullish	38%	30%	38%
Neutral	38%	36%	32%
Bearish	25%	35%	31%



Equity Fund Flows	
Lipper	ETF.com
<u>2/8/2023</u>	<u>2/9/2023</u>
Inflows \$111M	Top 3 inflows less than top
Outflows Ex ETFs (\$3.8B)	ETF inflow a week ago: \$1.8B
	Huge SPY Outflows: (\$7.1B)



The Goldman Guide

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