

INSIDE OUR 10 MIN PODCAST:

The Stock Market Today
SIVB and What's Next
Make the Right Moves

INDICES & CATALYSTS

	<u>Close</u>	<u>2023 Perf</u>
DJIA	31,910	-3.7%
S&P 500	3,862	0.6%
NASDAQ	11,139	6.4%
RUSS 2K	1,773	0.7%
VIX	\$24.80	14.4%
BITCOIN	\$20,523	24.0%
OIL	\$76.68	-4.5%

KEY TAKEAWAYS

- ⇒ *Higher, faster interest rate hikes are ahead as are speed bumps related to the SIVB collapse*
- ⇒ *Risk management should be priority one for now, with upside not far away*
- ⇒ *It may be hard to realize but bad news is good news if you have the right time horizon*

KEY FIGURES

	<u>Fwd P/E</u>	<u>RSI</u>
DJIA	17.1	31.2
S&P 500	18.1	34.6
NASDAQ 100	24.3	39.3
RUSS 2K	21.9	29.1

When Bad News is Good

Well, that was ugly. The last two days of the trading were painful—especially for the Russell 2000 Index, which dropped 5.6% in just two days. I am sure you have read what happened, why, or how, and where some risks lie. I don't want to re-hash these details for you. But I will provide high level info you can use today, tomorrow, and going forward, regarding interest rates and other issues. But don't fret: Bad news is good news as you will see/hear ahead.

Meanwhile, why the Feds had to step in and take over Silicon Valley Bank (NASDAQ: SIVB) offers some lessons rarely spoken: Policy and Business Model Failures.

SIVB was a great business and appeared to operate in a clever, albeit entirely different model from traditional banks. In hindsight, the model was flawed. For that, founders and management are to blame. The model broke down in part because of federal economic and monetary policy. For that, the Biden Administration is to blame.

More on that later. Suffice it to say others will take up the slack for the king of venture debt and bank to the VC world and startup nation. So, all will be all right at the end of the day. In the meantime, we've got more speed bumps ahead. Prepare for a lot of finger-pointing as to who is next to fall or at risk, and which loss-making companies are enduring capital access issues.

Right now, you need to be in risk management mode, rather than in capital appreciation mode. That will come again soon enough. Inside we offer up ideas to get you through the potential lingering turmoil.

Have a good day!

The Market Today

U.S. Market Performance 3/10/2023									
Index	Close	Y/E 2022	YTD Perf	52-Wk Hi	52-Wk Low	% off Hi	% from Low	200 DMA	% Abv/Bel 200 DMA
DJIA	31,910	33,147	-3.7%	35,492	28,661	-10.1%	11.3%	32,392	-1.5%
S&P 500	3,862	3,839	0.6%	4,637	3,492	-16.7%	10.6%	3,940	-2.0%
NASDAQ	11,139	10,466	6.4%	14,647	10,089	-24.0%	10.4%	11,402	-2.3%
Russell 2000	1,773	1,761	0.7%	2,138	1,641	-17.1%	8.0%	1,827	-3.0%
Bitcoin	\$20,523	\$16,548	24.0%	\$48,087	\$15,599	-57.3%	31.6%	\$20,588	-0.3%
Average						-25.0%	14.4%		-1.8%
Avg w/o BTC						-17.0%	10.1%		-2.2%
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	25%	23%	38%
Neutral	33%	32%	32%
Bearish	42%	45%	31%



I wouldn't be surprised to see Bearish go to 50%

Equity Fund Flows	
Lipper	ETF.com
<u>3/1/2023</u>	<u>3/9/2023</u>
Outflows (\$0.735B)	Biggest inflows in weeks...but
Outflows Ex ETFs (\$3.9B)	...Risky equity vs. debt
Acceleration is in the offing	Sector-based outflows

Random Thoughts...

How long are we going to endure a double whammy of interest rate hikes and SIVB fallout---and CPI?

Will a flight to quality or companies earning profit become accelerated?

Do small stocks in biotech and tech have significant cash access risk?

Why invest in financials right now?

Considering the market's YTD performances, is all the bad news a future positive?

An Ugly Table...and Correction

The Goldman Guide: Ugly Performance									
Index/Sec	Y/E 2022 Price	3/10/23 Price	YTD Return	Peak Price	Peak Date	Peak Return	YTD Low Price	YTD Low Date	Peak to Low Return
DJIA	33,147	31,910	-3.7%	34,342	1/13/23	3.6%	31,783	3/10/23	-7.45%
S&P 500	3,839	3,846	0.2%	4,195	2/2/23	9.3%	3,846	3/10/23	-8.32%
NASDAQ Comp	10,466	11,094	6.0%	12,270	2/2/23	17.2%	11,094	3/10/23	-9.58%
Russell 2000	1,761	1,757	-0.2%	2,007	2/2/23	14.0%	1,757	3/10/23	-12.46%
Bitcoin	\$16,548	\$20,200	22.1%	\$25,134	2/16/23	51.9%	\$20,200	3/10/23	-19.63%
VIX^	\$21.67	\$28.97	33.7%	\$28.97	3/10/23	33.7%	17.06	2/2/23	-21.27%
Average			0.6%			11%			-9%

SIVB FALLOUT

The Stock Market: Regional Banks, Others
 Public, Private Customers Lack Access to Cash
 Management Stories---Blame
 Biotech, Tech Firms Nationwide
 Pressure on Federal Government: Bailout?
 White Knights
 Relationship Disclosures
 When Bad News is Good News

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The Goldman Guide

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