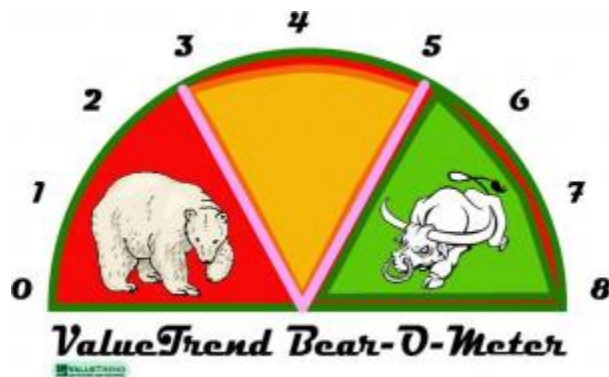


Bear-o-meter reading, and musings

Published on September 8, 2023

Today, I'm combining my monthly Bear-o-meter reading with some random musings and observations. First, the Bear-o-meter report, then the musings. BTW—don't forget to pop by the **MoneyShow at 3:00 tomorrow at the Metro Convention Center**. I'm bringing some of my books, and doing MoneyShow special prices (all 3 books for \$20!). Always like to meet my readers, so please mention you're a blog subscriber when you introduce yourself!

Bear-o-meter still reads "3"



In last month's report, the Bear-o-meter read 3, which is considered a mildly risky reading. This reading ties into my technical observations of support near 4200-4300 for the SPX as a target. In other words: There's room for a correction, but not a bear market – according to this risk/reward compilation. So far, last month's reading has proven correct, seeing the mild selloff and more choppy environment.

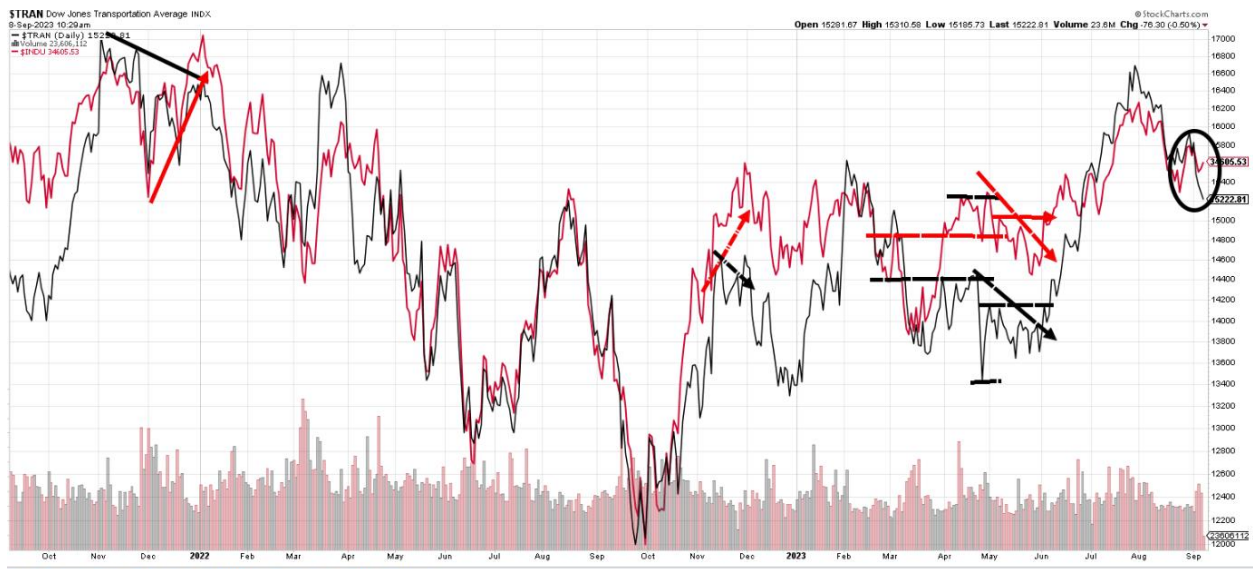
Changes since last month:

- A positive move (1 point) was seen as the Smart Money/ Dumb Money confidence indicator moved from high risk (Smart money hated the market, Dumb money loved it in August). Now it's more balanced as the Smarties have become neutral and the Dummies have become less optimistic. Read my book [Smart Money/ Dumb Money](#) (buy one at the show at the discount) to learn how the meter is constructed.
- A negative move was seen in the Dow Theory Transports (TRAN) vs. Industrials (INDU) reading. The chart is below. Note that TRAN (black line) is making a new low while the INDU (red line) is holding above the last low. This is **negative divergence**, which subtracts a point (-1 point) under the Breath category of the Bear-o-meter.

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He may hold positions in the securities mentioned. The opinions expressed are those solely of Keith Richards and may not necessarily reflect those of its employees or affiliates. The contents are for informational purposes only and do not represent investment advice.

- The positive in Smart/Dumb vs the negative in INDU/TRAN cancelled each other out, while all other indicators remained the same as in August. Net score remained at 3.



Random musings and observations

Wake me up when September ends

APPL is the biggest influence on tech stocks, not to mention a broad market influence. AAPL tends to sell off in September, see chart below going back to 2011.

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AAPL US Equity Spread Builder View Edit Seasonality Chart

Last Price Local CCY

12 Years Ending 2023 Percent Change

Calendar Year Trailing 12M 01-Jan 31-Dec

Almost every year they find a way to spark a sell-off in AAPL ahead of their late-Sept new iPhone launch

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
12 Yr Avg	-32	2.99	2.44	1.00	2.17	.29	8.27	5.97	-2.40	4.13	1.37	-1.02
2023	11.05	2.32	11.86	2.90	4.61	9.43	1.28	-4.24	-5.77			
2022	-1.57	-5.41	5.75	-9.71	-5.45	-8.14	18.86	-3.12	-12.10	10.96	-3.30	-12.23
2021	-5.55	-7.97	.73	7.62	-5.05	9.91	6.50	4.25	-6.80	5.87	10.51	7.42
2020	5.40	-11.47	-6.98	15.54	8.51	14.74	16.51	21.66	-10.25	-6.00	9.55	11.46
2019	5.52	4.48	9.70	5.64	-12.42	13.05	7.64	-1.65	7.30	11.07	7.76	9.88
2018	-1.06	6.82	-5.81	-1.50	13.51	-.94	2.80	20.04	-.83	-3.05	-18.12	-11.67
2017	4.77	13.38	4.87	-.01	6.78	-5.72	3.27	10.70	-6.02	9.68	2.03	-1.52
2016	-7.52	-.13	12.72	-13.99	7.18	-4.27	9.01	2.37	6.55	.43	-2.16	4.80
2015	6.14	10.08	-3.14	.58	4.53	-3.73	-3.29	-6.62	-2.18	8.34	-.58	-11.02
2014	-10.77	5.75	2.00	9.94	7.87	2.77	2.87	7.75	-1.71	7.20	10.60	-7.19
2013	-14.41	-2.53	.29	.03	2.24	-11.83	14.12	8.38	-2.15	9.64	7.00	.89
2012	12.71	18.83	10.53	-2.60	-1.07	1.09	4.58	9.39	.28	-10.76	-1.24	-9.07
2011	5.20	4.09	-1.33	.47	-.66	-3.50	16.33	-1.45	-.91	6.15	-5.58	5.97

Apple usually sells off before launching new product.

Apple chart, below: Note that \$175 is an important support point (former long term resistance, now support). Yes, AAPL often sells off this month. Yes, the tech sector is overbought. So we'd expect some selling pressure, and AAPL could crack \$175 momentarily. The test will be if the stock breaks \$175 AND stays below that level for too long. See my "rule of 3" ([per my online trading course](#)) to learn how to define "too long" is. We can cut AAPL some slack for a moment of weakness this month, but not for too long!!



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In the news, pertinent to investors

- *OPEC+ could push oil prices up to \$107*—**Goldman Sachs**
- *Uranium Market Heads for Potential Shortage, Says Nuclear Association* — **WSJ**
- *In the latest numbers, GLD saw an inflow but physical ETFs in aggregate saw outflows. CIO Resource Fund (referring to perception of stock market influence on ETF's vs buying physical gold itself – aka PM's are bearish on stocks, bullish on gold)*
- *\$7.6 trillion in US government bonds that will mature over the coming 12 months. Beartraps commenting on the effects of higher interest rates.*
- *Harris says she's ready to step into role of president if Biden is unwell: 'May have to take over'. Circulating news story – not seen as an improvement if it happens*
- *Consumer spending trends are clearly deteriorating, company after company is telling us as much. Beartraps adds to recession talk*
- *Justin Trudeau hammered by devastating polls just before Parliament reconvenes – Circulating news story – hopefully a fiscally responsible government replacement in October 2025?*

MoneyShow Saturday Sept 9th at 3:00 PM

I call the presentation “Profit in any market”. That’s because a vital part of investing goes beyond good analysis. You need to establish rules as to how and when you will position your portfolio so you don’t get caught in a firestorm!

I love to personally meet my readers in person at the show. So come out if you live in southern Ontario – I try to have a chat with individual attendees after my talk.

I’ll also have my books available at a special discount price, and will be happy to sign them for you. Of note: SmartBounce is now off the market. So if you want a copy, it will likely be your last chance to get one! I am editing and updating my book Sideways, and it should be back on Amazon in a couple of months. Meanwhile, I will have the original books on hand at the show.

BTW – its really helpful if you register for the show ahead of time. It doesn’t cost anything to register, but it does save you lineup time – you get to go to the pre-registered line if you register ahead of time. Here is the link (this allows you to attend any presentation):

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