# A bit of fundamental data, and this month's Bear-o-meter reading

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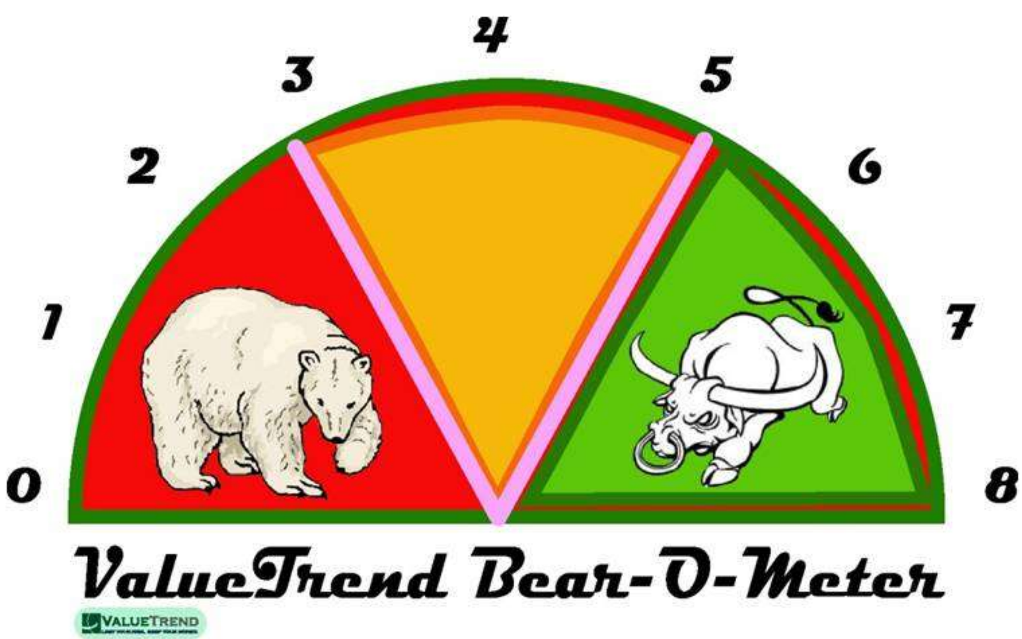
You guys know that I created a contest for the Bear-o-meter report for March. Readers who guessed the correct level of the meter this month are eligible for a free book. Today's blog highlights this month's report, and provides an interesting reading. One that – I must admit – surprised me!

As a quick reminder – the Bear-o-meter is a risk/reward compilation, not a buy/sell market timing indicator. Yes, it incorporates indicators that signal overbought/oversold stocks. But it also assigns major points to longer termed indicators such as trend (2 of the indicators), seasonality, and breadth.

Ok–let's get right to the punch. The Bear-o-meter reads using the data as of March 1. 2024. Using the 0-8 scale, this suggests that risk is about even with reward potential at this moment.

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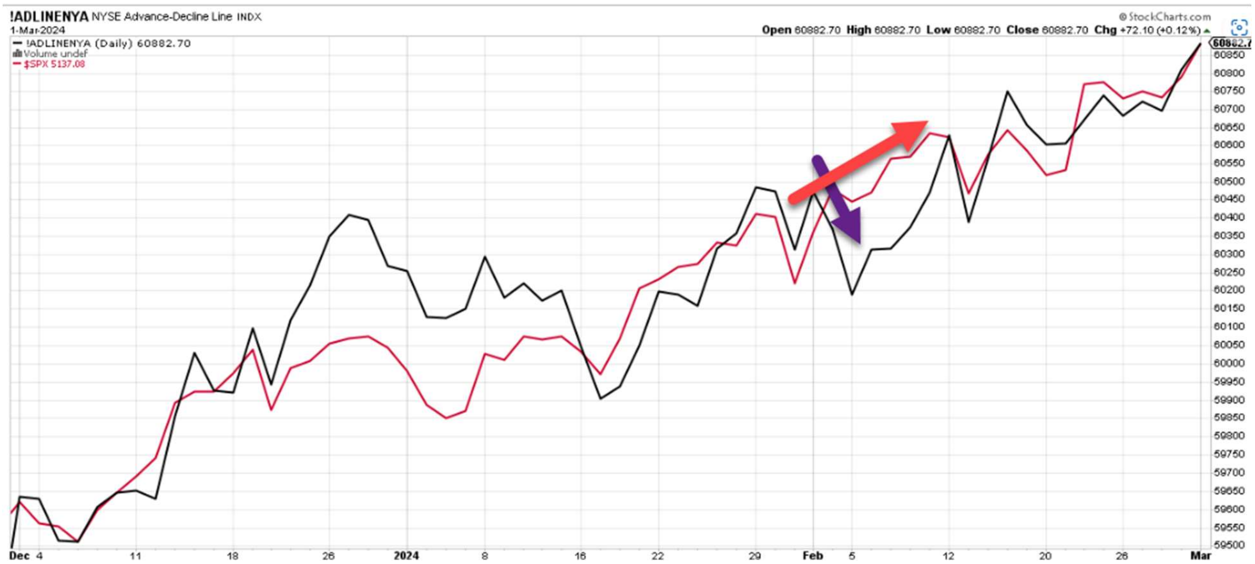
The change that brought the meter from “3” in February to “4” this month was a move by the NYSE AD line vs. the SPX. On **February 4th** when I posted the Bear-o-meter reading, the NYSE AD line moved down in the first week of Feb. Meanwhile, the SPX was moving up. This created a negative point for the meter (-1).

Interestingly, that condition corrected itself as February progressed. After February 5th, the NYSE AD began to trend up, alongside the SPX. You can see my observation of negative divergence in early Feb when I took the Bear-o-meter reading on the chart below. Since then, this breadth indicator has been moving in tandem with the SPX – awarding the meter neutral score for March.




## Conclusion

The Bear-o-meter report is not a buy/sell timing tool. Instead, it provides you with the relative risk compared to reward for the markets. The current score of 4 indicates a neutral environment when considering a mid termed (less than 6 months) view. This score does NOT conflict with my recent observations of a short termed overbought situation. A condition that needs correcting in the near-term! Instead, the score of 4 by the meter should provide us with incentive to buy a dip, assuming we get one. That’s because, all factors considered, risk/reward is not overly concerning at this time. Yet, not overly enticing either. Take that for what its worth.

To readers who submitted the score of 4 – we will be in touch to ensure you get your book of choice sent to you. If you answered that electing a Drama Teacher as Prime Minister was the change that set Canada up for our world-beating productivity woes after 2015, I’ll throw in a copy of my original book SmartBounce for fun.

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