I hope it was apparent last week that the 60-day no-money-down trial period for *Unbounded Wealth: Max Profits* is coming to an end and that your credit card is going to get charged. No refunds are offered.

If you want to cancel, please reach out to Karen at info@hsdent.com ***before*** your card is charged…since no refunds are offered.

I realize this newsletter isn't for everyone. It's especially not for you if you don't want stocks with explosive potential in your portfolio that can make big moves before Wall Street starts to catch wind of them. However, there is a catch. You must stick with the system.

Because *Micro-Cap Millions* is a powerful strategy that benefits from fewer people making the trades, it won't be offered for sale ever again.

Next week, I will share with you some updates to the original strategy I outlined in my book *Unbounded Wealth*. Specifically, I am talking about the system in chapter 11. This is a core investment strategy of mine.

The reason I outlined this strategy in the book is that it's effortless, and it works. In a nutshell, you get stock market-like returns with substantially less risk than the market over time.

This is important for two reasons. First, most people do not have any strategy at all. So having a plan that is simple to put into action is the first step in getting ahead. Second, most people that do invest hardly keep up with inflation. I outline these unfortunate statistics in the book as well.

You can take the initial strategy, make a couple of minor adjustments, and improve the returns with just a bit more risk. I'll share those minor adjustments as well as the results next week.

Now onto the *Risk-O-Meter*!

I mentioned last week that the *Risk-O-Meter* was on the edge and underneath that edge was thin ice. **The *Risk-O-Meter* stays on a buy**; however, the risks did increase over the week, and now the *Risk-O-Meter* is near to a sell signal.

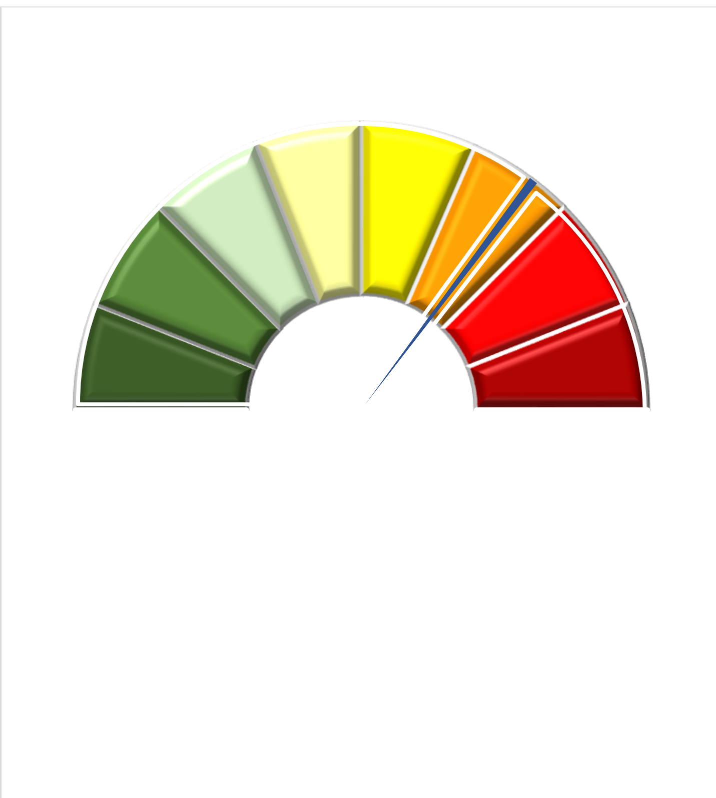
First, the volatility indicators flipped to a red flag. Volatility has been historically low for years except for a few scary periods, such as the bloodbath in December 2018 and COVID in 2020.

The next scare will likely see another massive spike in volatility.

In addition, the credit market indicators I look at have partially hit the red zone.

Furthermore, market breadth is starting to break down. I mentioned previously that there had been divergences in the market between small and large stocks. This has hurt the strategies in this newsletter, at least in the short term, because the focus here is on smaller stocks. A sell signal has not been tripped yet, but the trends indicate that many stocks are starting to run out of steam.

Lastly, market sentiment is way too high. However, since bears are nowhere to be found, I suspect that this factor will not move into a sell signal any time soon. If the other factors do, though, then the *Risk-O-Meter* will move to a sell anyway.



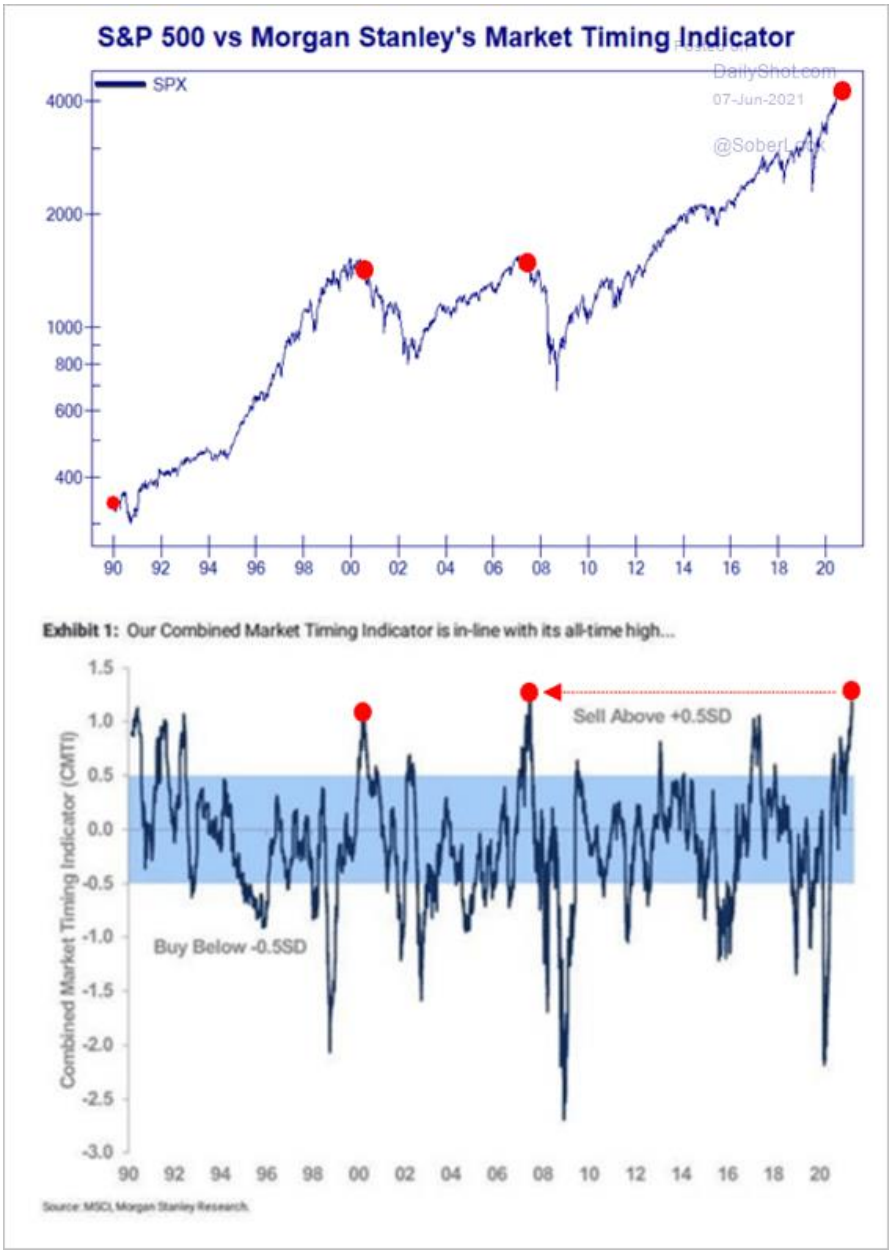
Speaking of sell signals, Morgan Stanley recently issued a rare sell signal on the U.S. market.

Wall Streeters are just a bunch of shills for Corporate America. They're also worse than the Five Crime Families of the New York Mafia. They're typically not looking out for your best interests.

In addition, these folks are perpetually bullish and go over the cliff every time there's a major butt-kicking in the market, just like a bunch of sheep.

The fact that Morgan Stanley came out with a sell signal is worth taking note of.

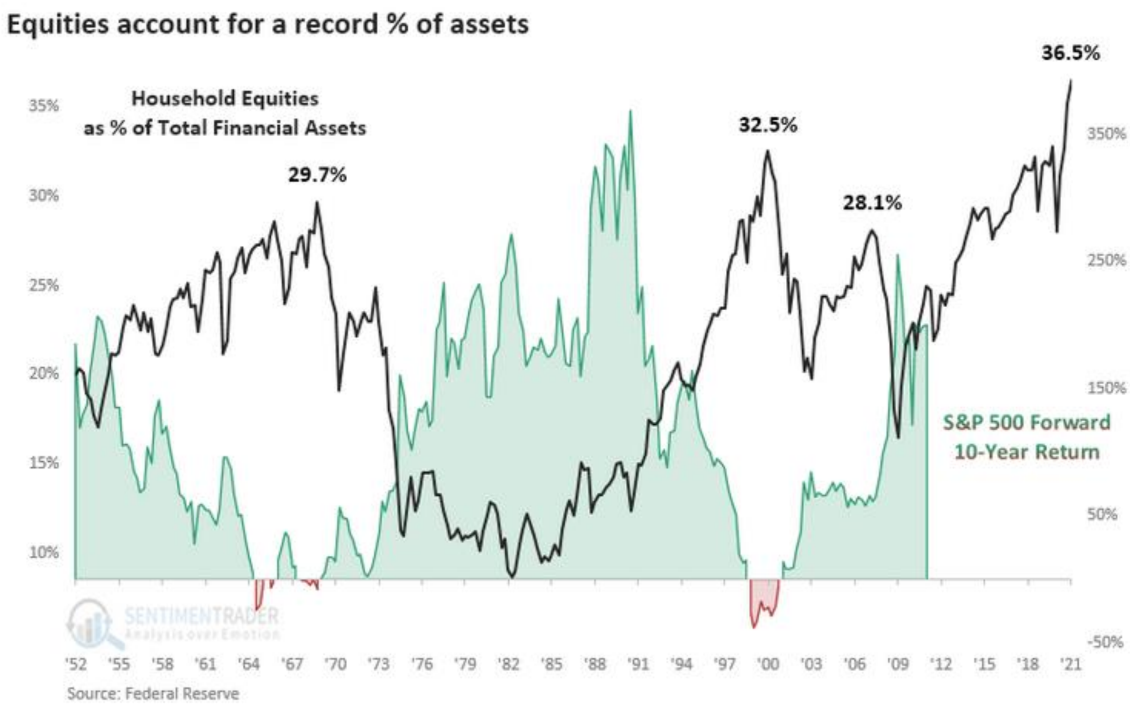
As the chart below shows, Morgan Stanley's composite market timing indicator has reached new highs, which is bearish for the markets. Previous significant signals include 1990, 2000, and 2007, which all preceded dramatic declines in equity indexes.



While the historical track record of the signal is impressive, current conditions in the market suggest that the next decline could be fierce.

I have already shared with you before that U.S. households are fully invested in equities, but it is worth repeating. In Addition, margin debt is exploding. Both are contrary indicators.

As the following chart illustrates, household equities as a percent of total financial assets have hit a new high of 36.5%.



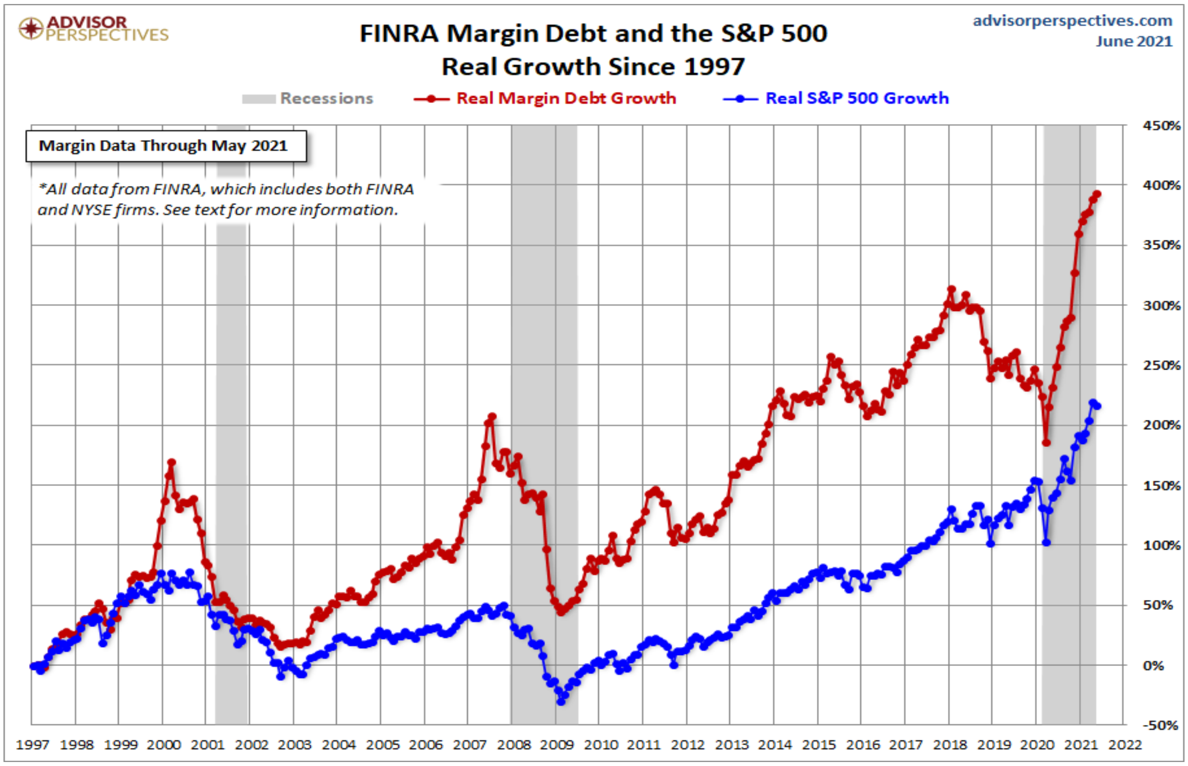
This tops the previous highs of 29.7% in the late 1960s and 32.5% near the turn of this century that preceded negative 10-year annualized returns in the market.

Quite simply, households are loaded to the gills inequities. Their holdings are more than double that of 2009, which represented a generational buying opportunity in stocks. That cycle may be coming to an end.

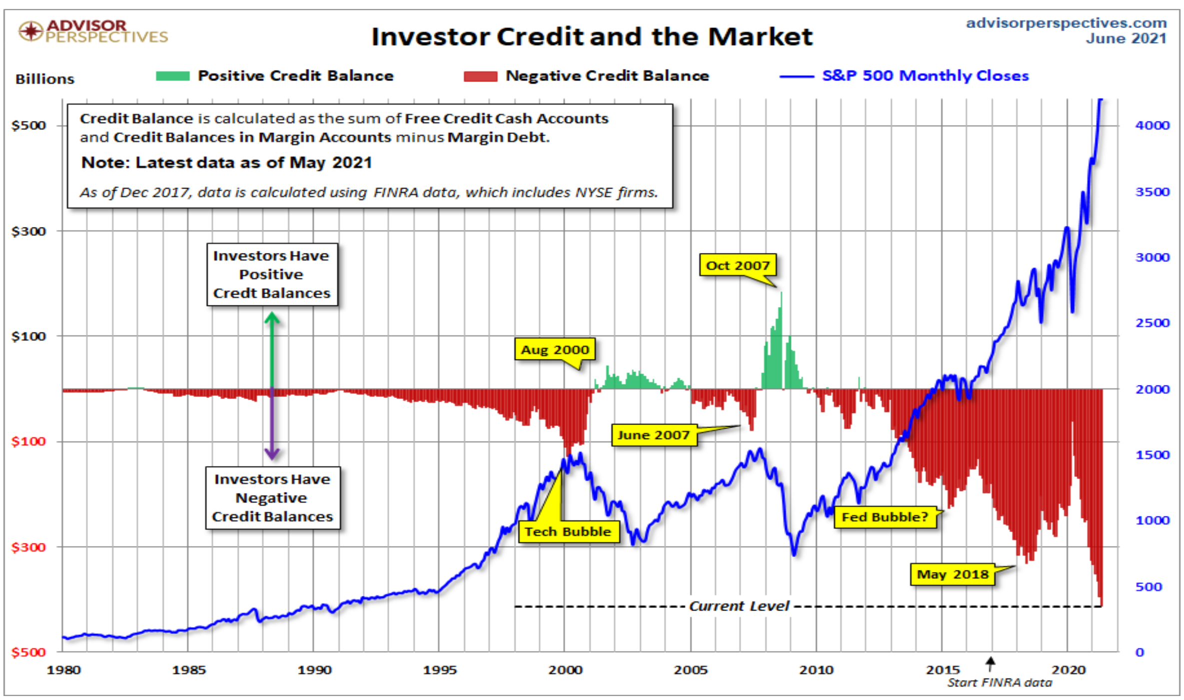
Should the cycle be coming to an end, leverage will only add fuel to the fire. The amount of margin debt has exploded and in real dollars (e.g., adjusted for inflation) is outside the norm of historical ranges.

Real growth in margin debt is literally off the charts. The following charts, courtesy of Advisor Perspectives, show that real growth in margin debt has dramatically outpaced the rally in U.S. stocks over the past 12 years.

The trend has accelerated since the COVID lows were hit last year.



Lastly, negative credit balances far exceed previously known bubbles.



The unwind is likely to happen swiftly and with tremendous damage. Morgan Stanley is making a rare bearish call on the market. Again it's worth taking note of and start preparing for turbulence ahead.

Micro-Cap Millions

No new trades this week

Here's the portfolio for this week:

CRAI	CRA International, Inc.
CRD.A	Crawford & Company Class A
DLHC	DLH Holdings Corp.
FEIM	Frequency Electronics, Inc.
HMTV	Hemisphere Media Group, Inc.
IHC	Independence Holding Company
ISDR	Issuer Direct Corp.
MAGIC	Magic Software Enterprises Ltd.
TAIT	Taitron Components, Inc.
WSTG	Wayside Technology Group

Mega-Tech Trends

No new trades this week

Here is the current portfolio:

AMEH	Apollo Medical Holdings, Inc.
BCOR	Blucora Inc.
FORR	Forrester Research, Inc.
HRC	Hill-Rom Holdings, Inc.
IT	Gartner, Inc.
JBL	Jabil, Inc.
KFY	Korn Ferry
LFUS	Littlefuse, Inc.
MKSI	MKS Instruments
XRAY	Dentsply Sirona Inc.

As it so happens, there are no new trades this week for either trading model. These tend to be my favorite periods because I have made more money doing nothing than any other way. Sitting on your hands can often be very profitable.

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