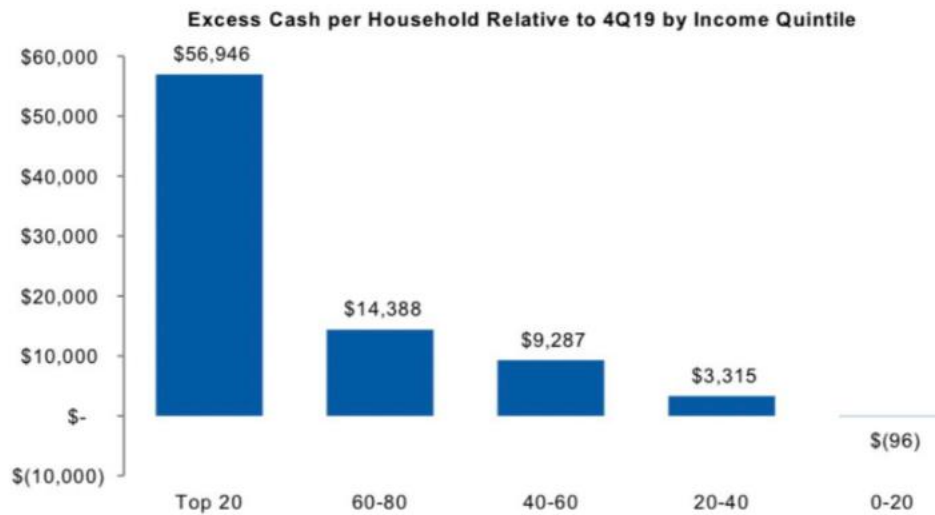# Broke

Americans are running out of cash.

With no more stimulus checks and other financial benefits related to COVID coming our way soon, the economy is at significant risk of hitting the skids.

Take a look at the chart below from Morgan Stanley.

Exhibit 4: The bottom quintile has less excess cash than they did in 2019

Excess Cash per Household Relative to 4Q19 by Income Quintile

Quintile	Excess Cash
Top 20	$56,946
60-80	$14,388
40-60	$9,287
20-40	$3,315
0-20	$(96)

Source: Federal Reserve, Morgan Stanley Research. Note: Data as of December 2021

As of December 2021, the bottom 20% of folks have less excess cash than in 2019. Nearly six months later, with skyrocketing prices on everything, a weak stock market, and crashing cryptos, the situation has not improved.

Sooner than later, this excess cash will be eaten away completely.

Since we know that before COVID that 50% of Americans couldn't fund a $500 emergency, we are back to where we started.

Broke.

This may be just the beginning…

Gas just hit $10 a gallon in California.

Something's gotta give…

The *Risk-O-Meter* is still in the middle of the range and has not yet hit the "green zone. The market is no longer oversold; however, sentiment is still too bearish. I've stopped buying stock indexes here and there nearly daily.

We are in no man's land rather than a deeply oversold market that would favor higher prices.

For now, I sit tight.
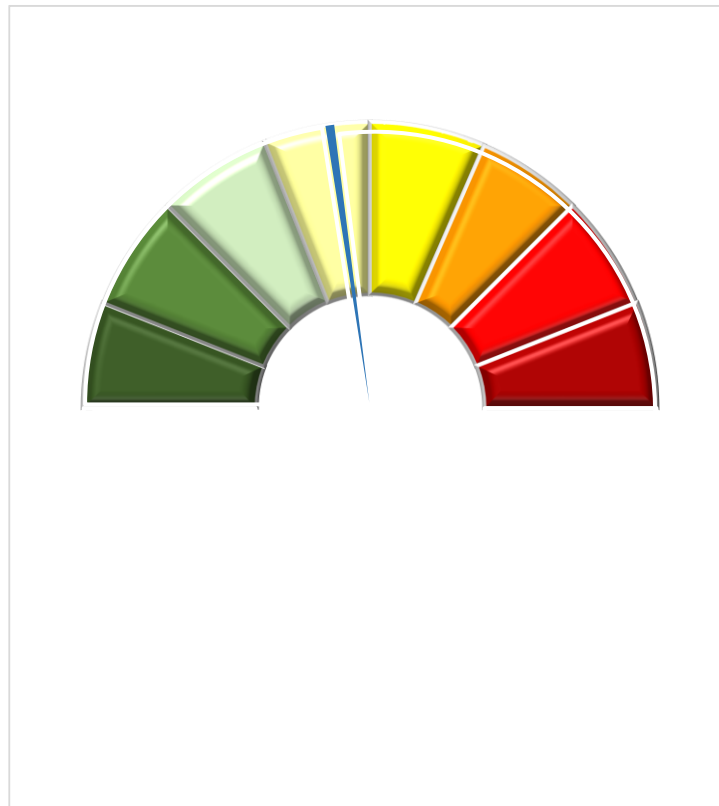
Investable Risk-O-Meter

Component	Position	Position Size	Risk ON or OFF	
Market Trend	Cash	25.0%	OFF	
Sentiment	Cash	25.0%	OFF	
Volatilty	IEF	22.5%	OFF	
Levered Volatility	UST	2.5%	OFF	
Credit Risk	SPY	22.5%	ON	
Levered Credit Risk	QLD	2.5%	ON	

There are no trades for the strategy this month. The *Investable Risk-O-Meter* is down 12.63% year-to-date in 2022.

The global 60/40 (stock/bond) benchmark is down 11.8% year-to-date. Meanwhile, the S&P 500 is down 13.3%.

I prefer to use the 60/40 benchmark, and thus, the strategy is under-performing by a touch under 1%.

The strategy does not short the market, and the major trends have mostly been down in 2022. As a result, the environment has not been one where the strategy would have a strong performance.

However, that can change quickly, and the most important thing is to stick with the system.

Micro-Cap Millions

It's the most challenging environment for technology stocks that I can recall, and the strategy is near all-time highs. It's pretty remarkable.
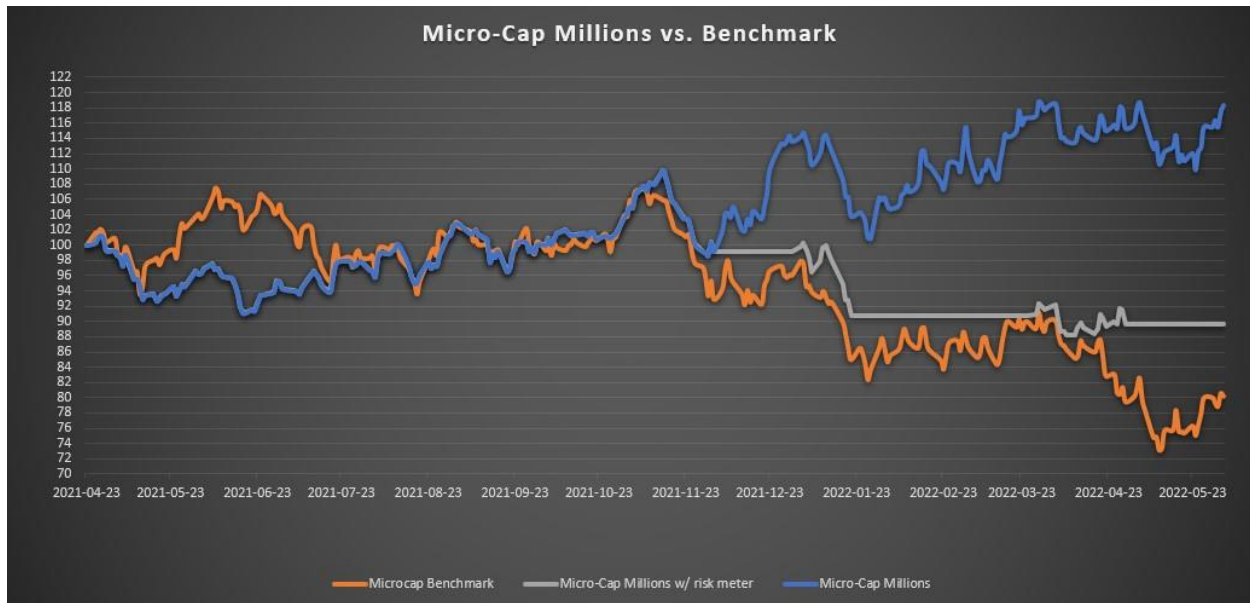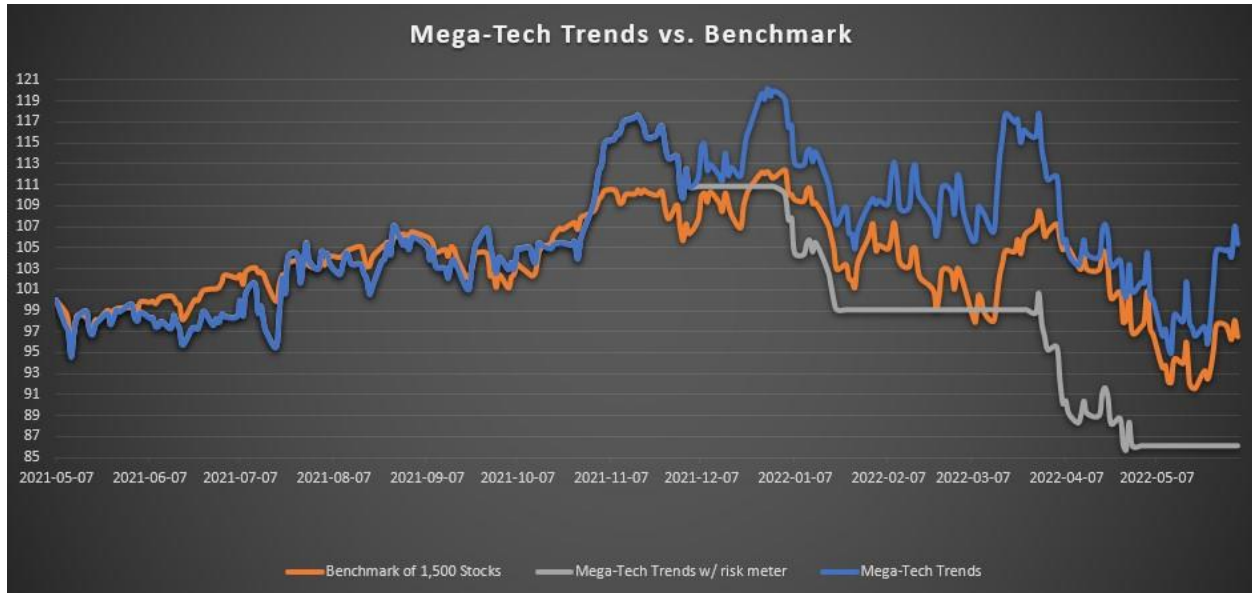

There are two trades this week.

Buy Computer Task Group, Inc. (Nasdaq: CTG) and Quipt Home Medical Corp. (Nasdaq: QIPT)

Sell Network 1 Technologies (Nasdaq: NTIP) and RCM Technologies (Nasdaq: RCMT)

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
CPHC	Canterbury Park Holding Corp	-0.07%	53	Consumer Services
CTG	Computer Task Group Inc	0.00%	new	Technology
HCKT	Hackett Group Inc (The)	-4.00%	74	Technology
HSON	Hudson Global Inc	27.48%	101	Business Services
NL	NL Industries Inc.	15.80%	11	Non-Energy Materials
QIPT	Quipt Home Medical Corp	0.00%	new	Healthcare
RGP	Resources Connection Inc	11.82%	25	Business Services
SCSC	ScanSource Inc	-0.46%	4	Technology
WSTG	Wayside Technology Group	0.67%	11	Technology
ZDGE	Zedge Inc	3.42%	4	Technology

Mega-Tech Trends

There are two trades this week.

Buy Diodes, Inc. (Nasdaq: DIOD) and ScanSource, Inc. (Nasdaq: SCSC)

Sell Avnet (Nasdaq: AVT) and TrueBlue, Inc. (NYSE: TBI)

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ACLS	Axcelis Technologies Inc.	23.83%	269	Technology
CDW	CDW Corp	9.61%	11	Technology
CTS	CTS Corp	8.10%	11	Consumer Cyclicals
DIOD	Diodes Inc	0.00%	new	Technology
HOLX	Hologic Inc	2.39%	200	Healthcare
JBL	Jabil Inc	-1.98%	74	Technology
KFY	Korn Ferry	-15.68%	165	Business Services
LFUS	Littelfuse Inc	3.94%	18	Technology
PLAB	Photronics Inc	29.53%	81	Technology
SCSC	ScanSource Inc	0.00%	new	Technology

Large-Cap Leaders

There are two trades this week.

Buy Microchip Technology, Inc. (Nasdaq: MCHP) and Synopsis, Inc. (Nasdaq: SNPS)

Sell Western Digital Corp. (Nasdaq: WDC) and KLA Corp (Nasdaq: KLA)

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ADI	Analog Devices Inc	-1.38%	4	Technology
AMD	Advanced Micro Devices Inc	11.50%	25	Technology
APH	Amphenol Corp	-10.01%	116	Technology
CDNS	Cadence Design Systems Inc	2.50%	88	Technology
CDW	CDW Corp	2.91%	25	Technology
HOLX	Hologic Inc	1.61%	25	Healthcare
HUM	Humana Inc.	-0.48%	32	Healthcare
IT	Gartner Inc	4.41%	18	Technology
MCHP	Microchip Technology Inc	0.00%	new	Technology
SNPS	Synopsys Inc	0.00%	new	Technology

The Forensic Accounting Stock Tracker™ (FAST)

Below are the top and bottom 50 stocks in the FAST Model for June 2022. The Model is updated monthly.

How to Use FAST™

There are several ways to use FAST™ in your investing process.

Among them:

• Individual stock selection -- FAST™ can help you analyze individual stocks and narrow your investment opportunities to the highest earnings quality equities.

• Options Trades – FAST™ is built around identifying companies with the highest opportunities or risks to generate earnings results that exceed or fall short of investor expectations. Stocks tend to have more volatility around earnings releases. Using options on high/low ranked FAST stocks may improve returns or hedging opportunities by betting on stocks that may exceed or fall short of analysts' and investors' expectations.

• Building an Entire Portfolio – While FAST™ ranks stocks in order of earnings quality, there may ultimately be little difference between the #1 and #22 ranked stock, for example. Buying an entire basket of the top 25 or 50 stocks may provide a diversified portfolio with similar underlying characteristics: strong earnings quality, reasonable valuations, and expectations that could lead to upward revisions in the coming quarters.

There is one change in the presentation of the model this month. The bottom 50 stocks are ranked by their actual rank (1447-1496) instead of 1-50 because the 50th stock was the lowest-ranked stock in the model, but some subscribers found that confusing with the 1-50 rank.

=FAST™
Forensic Accounting Stock Tracker
"CSI For Your Stock Portfolio"

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Rank	Rank Change	Ticker	Stock Name	Overall Rank	Buybacks	Earnings Quality	Momentum	Sentiment
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
1	33	IT	Gartner Inc	A+	A	B	A+	A
2	-1	CTAS	Cintas Corp	A+	B	A+	B	A
3	21	AAPL	Apple Inc	A+	B	A+	A-	B
4	174	SCI	Service Corp International	A+	A-	A-	B	A
5	7	ANTM	Anthem Inc	A+	C+	A+	A-	A
6	111	PG	Procter & Gamble Co (The)	A+	B	A	B-	A+
7	6	AVGO	Broadcom Inc	A+	B-	B	A-	A+
8	-2	ORLY	O'Reilly Automotive Inc	A+	A-	A+	C	A
9	24	FTNT	Fortinet Inc	A+	B	B-	A	A+
10	-3	CSX	CSX Corp	A+	B+	A+	B	B
11	42	MSI	Motorola Solutions Inc	A+	B-	A	B	A+
12	202	SANM	Sanmina Corp	A+	A	B+	B-	A
13	1	DFS	Discover Financial Services	A+	A	B+	A	C+
14	475	AMN	AMN Healthcare Services Inc.	A+	B+	B	A	B
15	41	AZO	AutoZone Inc	A+	A	B-	B	A
16	-13	ANET	Arista Networks Inc	A+	C+	A+	A+	B
17	227	FN	Fabrinet	A+	C+	A	B+	A+
18	22	GPC	Genuine Parts Co	A+	B-	A	B	A
19	47	ADP	Automatic Data Processing Inc	A+	B-	A-	B	A
20	56	TTEK	Tetra Tech Inc	A+	B-	A	B	A
21	31	LOW	Lowe's Cos Inc	A+	A	B-	B-	A
22	41	BYD	Boyd Gaming Corp	A+	B	A-	A	B-
23	131	STX	Seagate Technology Holdings plc	A+	A-	A	C+	B+
24	-14	NSC	Norfolk Southern Corp	A+	A-	A	B-	B
25	55	HSY	Hershey Co (The)	A+	C	A+	A-	B+
26	69	EXLS	ExlService Holdings Inc	A+	B-	B	A	B+
27	88	DRI	Darden Restaurants Inc	A+	B+	B-	B+	A
28	90	RSG	Republic Services Inc.	A+	C	A	B	A
29	39	LHX	L3Harris Technologies Inc	A+	A-	B	C+	A
30	-28	UNP	Union Pacific Corp	A+	A-	A+	B-	B-
31	-4	ACN	Accenture PLC	A+	B-	A	B-	A
32	-11	KLAC	KLA Corp	A+	B	A	C+	A+
33	13	MSFT	Microsoft Corp	A+	C+	A	B-	A
34	11	JBL	Jabil Inc	A+	A-	C	B+	A+
35	6	MANH	Manhattan Associates Inc	A+	B-	A+	B-	A
36	12	ORCL	Oracle Corp	A+	A	B	C	A
37	25	WAT	Waters Corp	A+	B	A	C+	A
38	6	KEYS	Keysight Technologies Inc	A+	B	A	C	A+
39	3	UNH	Unitedhealth Group Inc	A+	C	A-	B+	A
40	-3	NXPI	NXP Semiconductors NV	A+	A-	A+	C-	B+
41	81	CDW	CDW Corp	A+	B+	B	C+	A+
42	346	FWRD	Forward Air Corp	A+	B-	A-	B+	B
43	155	AFL	AFLAC Inc	A+	B+	A-	B	B-
44	256	LKQ	LKQ Corporation	A+	A-	B+	B	B-
45	294	PSB	PS Business Parks Inc.	A+	B	B-	B+	A-
46	14	TEL	TE Connectivity Ltd	A+	B	B	B-	A+
47	229	KBR	KBR Inc	A+	C+	A	A	B-
48	27	PRFT	Perficient Inc	A+	C-	B	A	A
49	-34	MTD	Mettler-Toledo International Inc	A+	B	A-	B-	B+
50	-28	TSCO	Tractor Supply Co	A+	B	B-	B+	A-

F-AST™
Forensic Accounting Stock Tracker
"CSI For Your Stock Portfolio"

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Rank	Rank Change	Ticker	Stock Name	Overall Rank	Buybacks	Earnings Quality	Momentum	Sentiment
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
1447	6	CMTL	Comtech Telecommunications Corp.	D-	F	D	D-	D
1448	8	SHAK	Shake Shack Inc	F	D	D	D-	D-
1449	-47	HPP	Hudson Pacific Properties Inc	F	D-	D	D+	D-
1450	-141	FF	FutureFuel Corp	F	D-	D-	D-	D-
1451	-2	VNO	Vornado Realty Trust	F	D-	D	D+	F
1452	-226	MNRO	Monro Inc	F	D-	C-	D-	F
1453	-5	MAC	Macerich Co (The)	F	F	D-	C	F
1454	-14	HLX	Helix Energy Solutions Group Inc	F	D-	D-	D	D-
1455	5	CCL	Carnival Corporation & Plc	F	D-	D-	D	F
1456	-73	CAMP	CalAmp Corp	F	D-	C-	D-	D-
1457	-21	RUN	Sunrun Inc	F	D-	D+	D-	D-
1458	20	ANIK	Anika Therapeutics Inc	F	D-	D+	F	D-
1459	8	WBD	Warner Bros. Discovery Inc	F	D+	D	F	D-
1460	-160	FBC	Flagstar Bancorp Inc	F	D+	F	D-	D-
1461	-20	NCLH	Norwegian Cruise Line Holdings Ltd	F	F	D-	C	D-
1462	-1462	RCUS	Arcus Biosciences Inc	F	D-	F	D+	D-
1463	-70	SPNT	SiriusPoint Ltd	F	D-	D-	D-	C-
1464	7	WW	WW International Inc	F	D-	D-	D-	D
1465	-49	OSUR	OraSure Technologies Inc	F	C-	D-	D-	D-
1466	-37	PMT	PennyMac Mortgage Investment Trust	F	F	F	C	D-
1467	-275	RLGY	Realogy Holdings Corp	F	D-	D-	D+	D-
1468	-166	STT	State Street Corporation	F	D-	F	D-	D+
1469	-88	GNL	Global Net Lease Inc	F	D-	D	D-	D-
1470	-1	CNSL	Consolidated Communications Holdings Inc	F	F	D-	D-	D+
1471	17	CARA	Cara Therapeutics Inc	F	F	D+	F	D-
1472	8	HA	Hawaiian Holdings Inc	F	D+	F	D-	D-
1473	-100	VSAT	ViaSat Inc.	F	D+	D-	D-	F
1474	-35	LPSN	LivePerson Inc	F	D-	D-	D-	D-
1475	-305	RILY	B. Riley Financial Inc	F	F	F	C+	F
1476	8	AAL	American Airlines Group Inc	F	D-	F	D+	D-
1477	-1	XNCR	Xencor Inc	F	D-	D	D-	D-
1478	12	QURE	UniQure NV	F	D-	D+	F	D-
1479	-121	TG	Tredegar Corp	F	D+	D-	D-	D-
1480	-89	LYLT	Loyalty Ventures Inc	F	D+	F	D-	D-
1481	-7	TRIP	TripAdvisor Inc	F	D-	D-	D-	D-
1482	-52	DBD	Diebold Nixdorf Inc	F	D+	F	D-	F
1483	2	SKYW	SkyWest Inc	F	D-	D-	D-	D-
1484	-581	ZIMV	ZimVie Inc	F	D+	D-	D-	F
1485	-15	NEO	Neogenomics Inc	F	F	D-	D-	D-
1486	-3	UGI	UGI Corp	F	D-	D-	D-	D-
1487	0	SLQT	SelectQuote Inc	F	D-	D-	F	D-
1488	-23	IVR	Invesco Mortgage Capital Inc	F	F	F	D-	D
1489	-37	TWO	Two Harbors Investment Corp	F	F	D-	D-	D-
1490	-1	NKTR	Nektar Therapeutics	F	D-	D-	F	F
1491	1	JRVR	James River Group Holdings Ltd	F	F	D-	F	D
1492	2	TDS	Telephone and Data Systems Inc	F	F	F	D-	D-
1493	-73	JBLU	JetBlue Airways Corp	F	D-	F	D-	D-
1494	-3	CHRS	Coherus BioSciences Inc	F	D-	D-	D-	D-
1495	-2	VIR	Vir Biotechnology Inc	F	D-	F	D-	D-
1496	-1	EHTH	eHealth Inc	F	F	F	F	D-