



What is a Recession?

Unfortunately, we live in a bizzarro goofy world where politicians and the mainstream media continually gaslight the public by changing definitions of things we all know about.

See the definition of a woman. A Supreme Court nominee could not tell Senators what a woman is just a couple of months ago.

This same gaslighting is now hitting economic terms like “recession.”

To be sure, we are in a recession. About two thirds of Americans think we are in a recession and 85% of folks think we are headed the wrong way economically.

So, it doesn't really matter what the technical definition of a recession is.

People aren't stupid.

Let's use the definition Bill Clinton used at the White House on December 19, 2000 while sitting next to incoming president George W. Bush.

A recession is two negative quarters of GDP.

Based on that definition, we are in a recession.

The fact we are in a recession has not negatively impacted the stock market.

In fact, since we have technically been in a recession, the stock market has rallied. The riskiest stocks are up the most.

However, quality has performed well too. My microcap strategy is at all-time highs. Frankly, I'm amazed.

However, risks remain elevated. Valuations are rich. Most importantly, the liquidity situation is unfavorable.

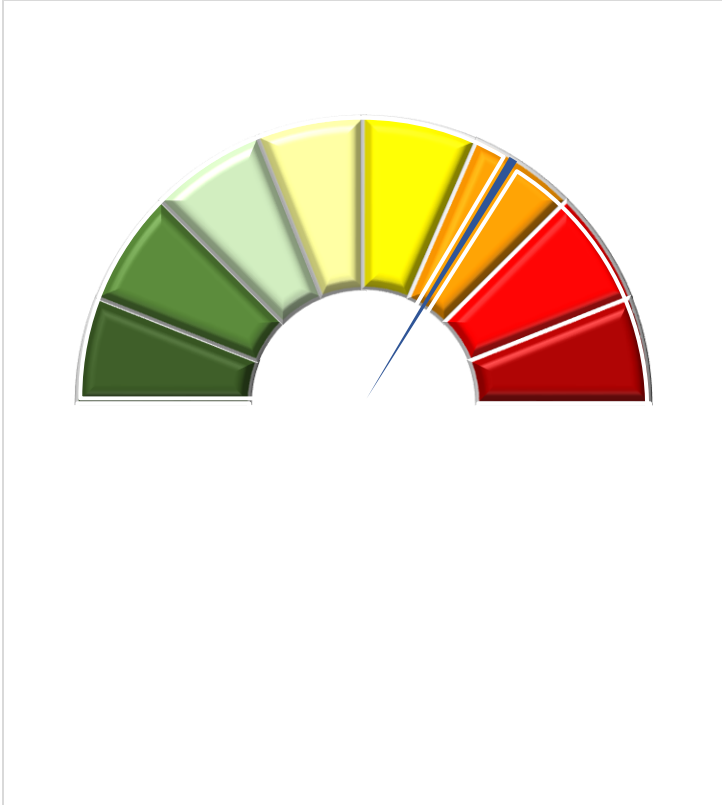
The recent rally in stocks has all the signs of being a classic bear market rally. Now is not the time to be complacent!



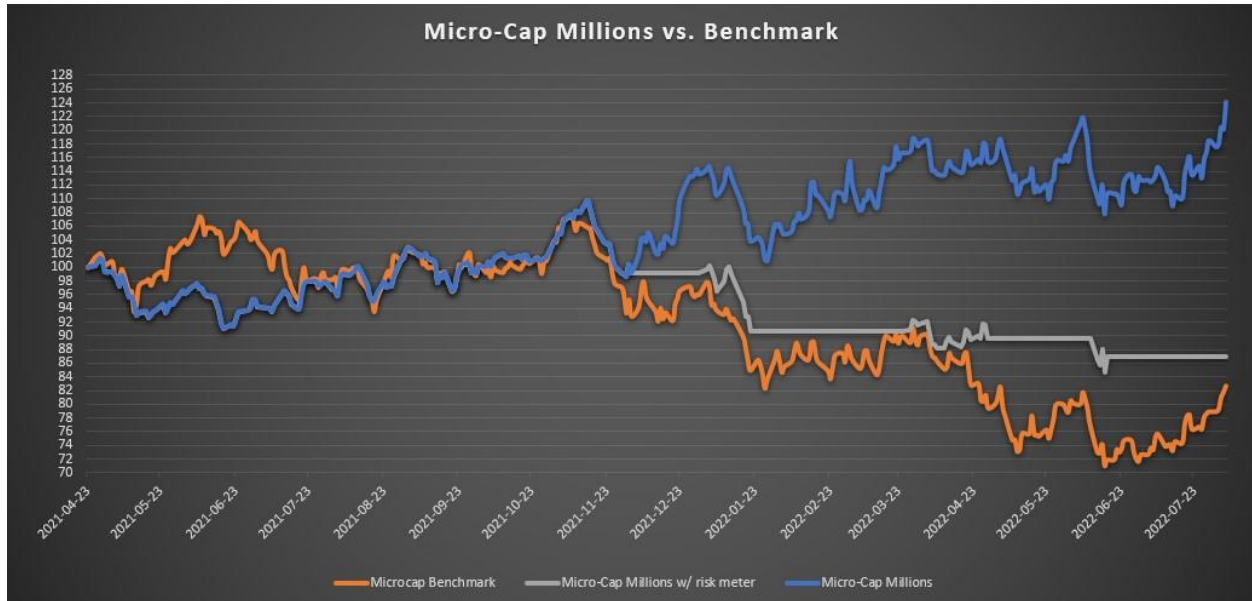
Lastly, the market is extremely overbought. The *Short-term Composite Indicator* that I post here occasionally is the most overbought it's been in at least two years.

The odds just don't favor aggressively buying stocks here.

I'm sitting on my hands.



Micro-Cap Millions



There are three trades this week.

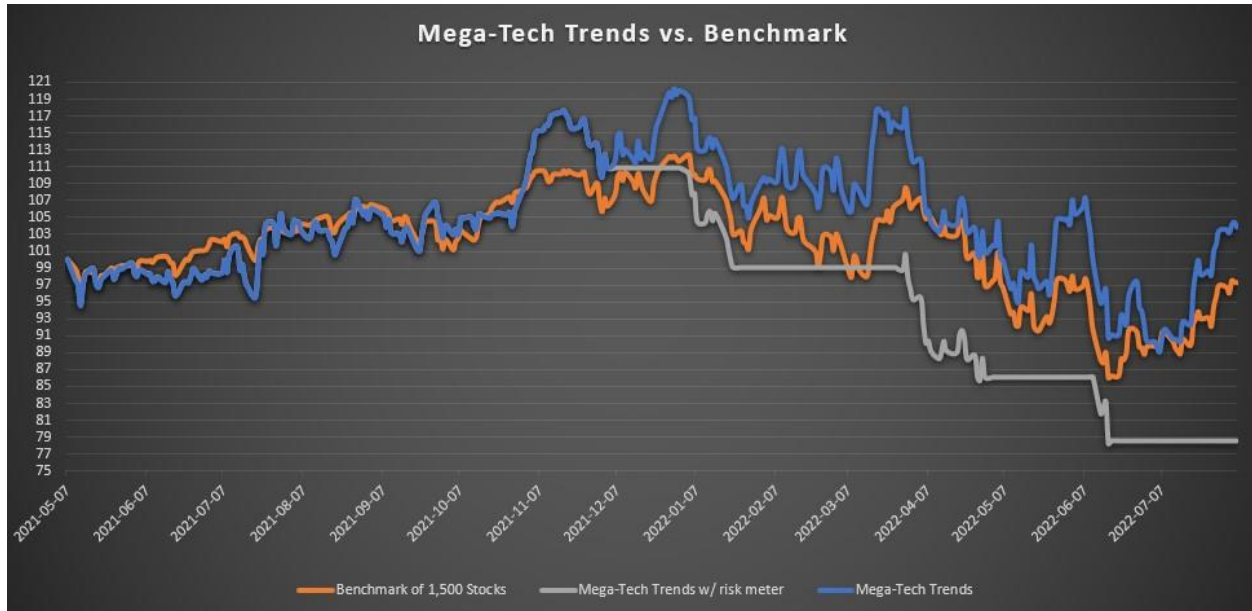
Buy Biomerica, Inc. (Nasdaq: BMRA), Immersion Corp.(Nasdaq: IMMR), and Utah Medical (Nasdaq: UTMD)

Sell CoreCard Corp. (NYSE: CCRD), Sensus Healthcare (Nasdaq: SRTS), and Iradimed Corp. (Nasdaq: IRMD)

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ALPN	Alpine Immune Sciences Inc	-1.11%	18	Healthcare
ASRT	Assertio Holdings Inc	26.81%	39	Healthcare
BMRA	Biomerica Inc	0.00%	NEW	Healthcare
CTG	Computer Task Group Inc	-6.79%	60	Technology
HCKT	Hackett Group Inc (The)	1.27%	137	Technology
IMMR	Immersion Corp	0.00%	NEW	Technology
PERI	Perion Network Ltd	16.79%	18	Technology
SCSC	ScanSource Inc	-19.35%	67	Technology
UTMD	Utah Medical Products Inc	0.00%	NEW	Healthcare
WSTG	Wayside Technology Group	-17.73%	74	Technology

Mega-Tech Trends



There are four trades this week.

Buy Advanced Energy Industries (Nasdaq: AEIS), Amkor Technology (Nasdaq: AMKR), PC Connection (Nasdaq: CNXN), and Sanmina Corp. (Nasdaq: SANM)

Sell Littelfuse, Inc. (Nasdaq: LFUS), Prestige Consumer Healthcare (NYSE: PBH), Netscout Systems (Nasdaq: NTCT), Axcelis Technologies, Inc. (Nasdaq: ACLS)

Ticker	Name	Return	Days Held	Sector
AEIS	Advanced Energy Industries Inc.	0.00%	NEW	Technology
AMKR	Amkor Technology Inc	0.00%	NEW	Technology
ARLO	Arlo Technologies Inc	16.38%	18	Technology
CDW	CDW Corp	12.17%	74	Technology
CNXN	PC Connection Inc	0.00%	NEW	Technology
JBL	Jabil Inc	3.00%	4	Technology
PLAB	Photronics Inc	41.94%	144	Technology
SANM	Sanmina Corp	0.00%	NEW	Technology
SCSC	ScanSource Inc	-19.03%	60	Technology
SNX	TD SYNnex Corporation	10.62%	18	Technology

Large Cap Leaders



There are three trades this week.

Buy Abbott Labs (NYSE: ABT), EPAM Systems, Inc. (NYSE: EPAM), and Microchip Technology, Inc. (Nasdaq: MCHP)

Sell Advanced Micro Devices (Nasdaq: AMD), Fortinet, Inc. (Nasdaq: FTNT) Gartner, Inc. (NYSE: IT)

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ABT	Abbott Laboratories	0.00%	NEW	Healthcare
ADI	Analog Devices Inc	5.79%	67	Technology
APH	Amphenol Corp	-1.55%	179	Technology
AVGO	Broadcom Inc	10.59%	46	Technology
CDW	CDW Corp	5.32%	88	Technology
CRM	SALESFORCE INC	13.62%	18	Technology
EPAM	EPAM Systems Inc	0.00%	NEW	Technology
KLAC	KLA Corp	24.90%	25	Technology
MCHP	Microchip Technology Inc	0.00%	NEW	Technology
NXPI	NXP Semiconductors NV	-1.21%	4	Technology

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