



## Pigs Get Slaughtered

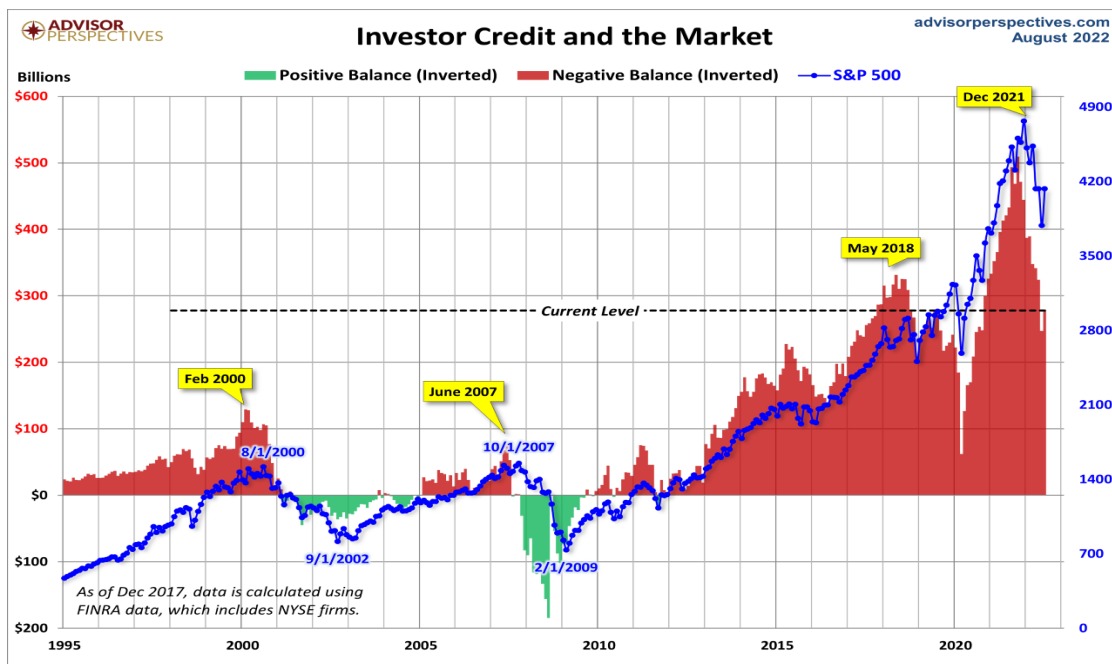
There's an old saying on Wall Street that "Bulls make money. Bears make money. Pigs get slaughtered."

There's a lot of "piggishness" in the market these days.

Take a look at this chart.

It represents the amount of margin debt that speculators hold.

Coming into 2022, we were at record levels of negative account balances. In other words, speculators were up to their eyeballs in leverage.



Like most things in the market, the typical speculator was leaning the wrong way. Pressure on stock prices forces levered bets to be unwound.

From there, a self-reinforcing cycle of pain begins.

Losses lead to more losses which lead to more losses until there is a wipeout.

While the stock market had its worst first half of a year in 50 years, the amount of margin debt is nowhere near the level we have seen at major bottoms.

In other words, there's more pain to come.

We are only back to 2018 levels. We are nowhere near the 2002 and 2009 levels, representing significant market buying opportunities.

Expect more volatility ahead as these levered bets get unwound.

The liquidity situation is still unfavorable. It's about to become even less favorable as rates rise and liquidity is withdrawn. This could lead to forced selling in the market as speculators reduce leverage.

There's an article in *The New York Post* by Charles Gasparino about Larry Fink. Fink is the CEO of BlackRock, which manages \$8.5 trillion. Fink is a well-respected risk manager.

He is also a prominent Democrat.

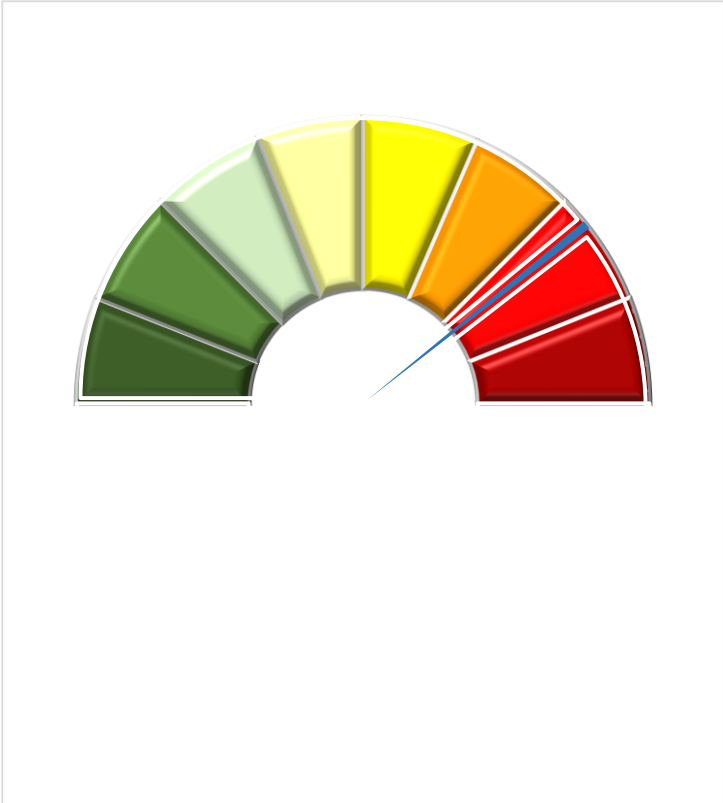
Right now, he's deeply concerned about the money being thrown around by The White House at a time when inflation is raging, and The Federal Reserve is behind the curve.

Of course, it makes no sense.

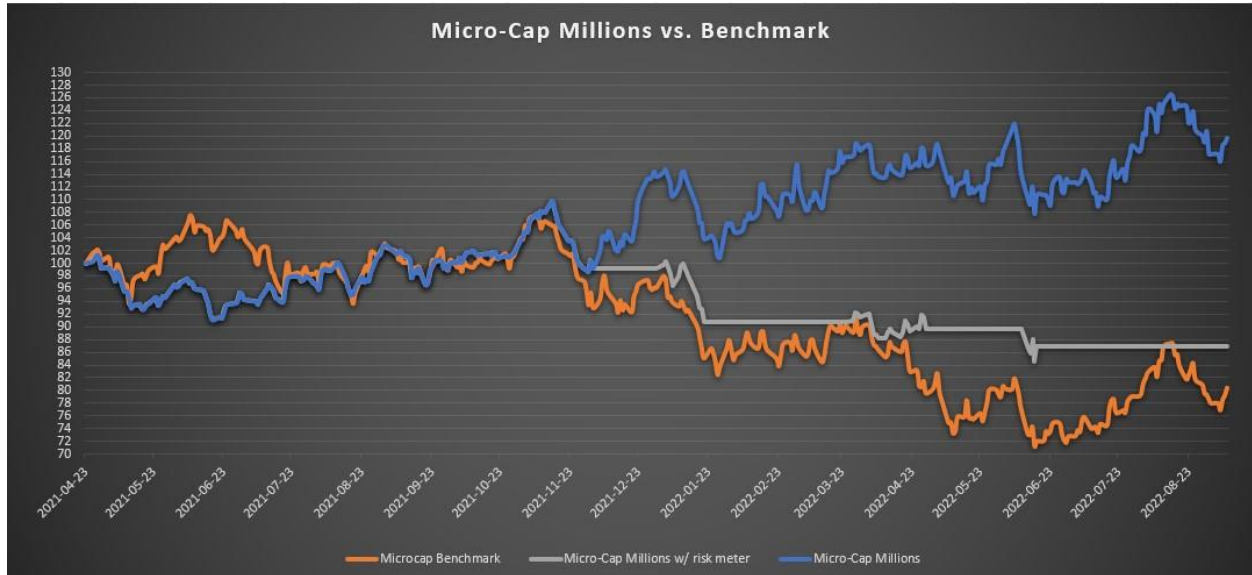
A rude awakening is coming.

As the article suggests, when Democrats lose Larry Fink, it's not a good sign.

Given the liquidity situation and leverage, odds suggest an ass-kicking rather than the start of a new bull market.



# Micro-Cap Millions



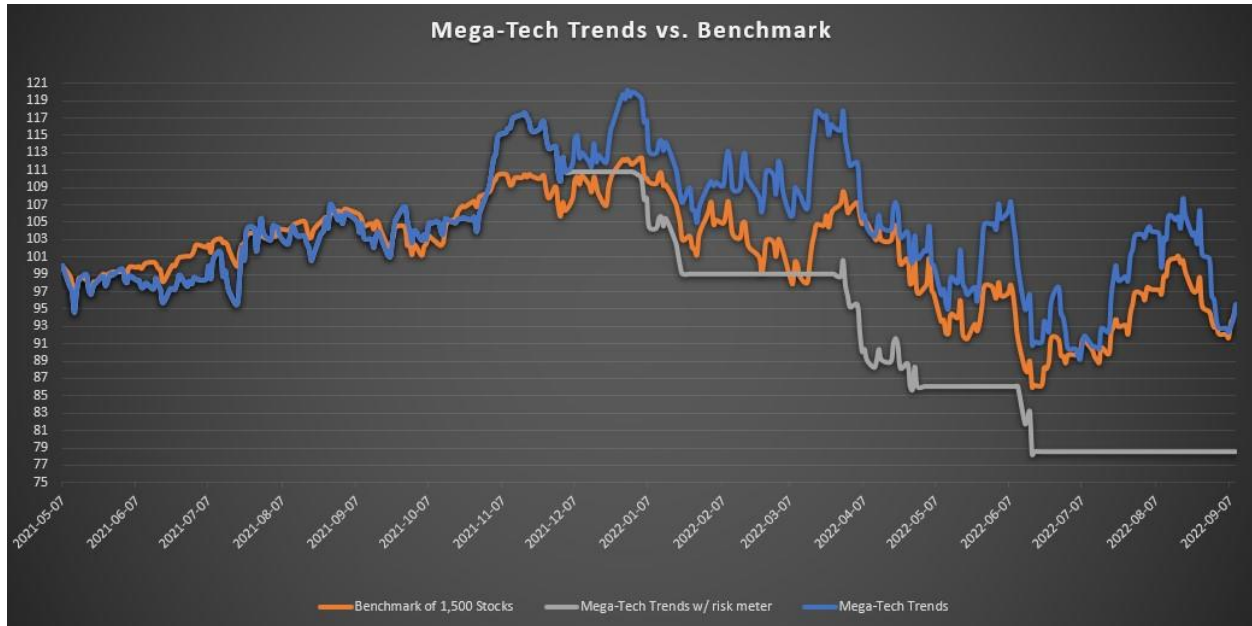
There is one trade this week.

**Buy Utah Medical Products, Inc. (Nasdaq: UTMD)**

**Sell Biomerica, Inc. (Nasdaq: BMRA)**

Ticker	Name	Return	Days Held	Sector
ASRT	Assertio Holdings, Inc.	-15.09%	74	Healthcare
BELFB	Bel Fuse, Inc.	-5.32%	18	Technology
CTG	Computer Task Group, Inc.	-19.69%	95	Technology
EDAP	EDAP TMS SA	-2.61%	3	Healthcare
HCKT	The Hackett Group, Inc.	-6.31%	172	Technology
MRAM	Everspin Technologies, Inc.	3.71%	3	Technology
PCTI	PCTEL, Inc.	6.87%	25	Technology
PERI	Perion Network Ltd.	23.86%	53	Technology
<b>UTMD</b>	<b>Utah Medical Products, Inc.</b>	<b>0.00%</b>	<b>NEW</b>	<b>Healthcare</b>
WSTG	Wayside Technology Group, Inc.	-22.27%	109	Technology

# Mega-Tech Trends



There are two positions to be sold this week and one purchase. As a result, the portfolio will hold nine stocks.

**Buy Cirrus Logic, Inc. (Nasdaq: CRUS)**

**Sell CDW Corp. (Nasdaq: CDW) and Plantronics, Inc. (Nasdaq: PLAB)**

Ticker	Name	Return	Days Held	Sector
AEIS	Advanced Energy Industries, Inc.	-5.96%	32	Technology
AMKR	Amkor Technology, Inc.	-13.47%	32	Technology
CNXN	PC Connection, Inc.	0.06%	32	Technology
<b>CRUS</b>	<b>Cirrus Logic, Inc.</b>	<b>0.00%</b>	<b>NEW</b>	<b>Technology</b>
JBL	Jabil, Inc.	2.34%	39	Technology
NTAP	NetApp, Inc.	1.64%	3	Technology
SANM	Sanmina Corp.	-2.40%	32	Technology
SGH	SMART Global Holdings, Inc.	4.62%	3	Technology
TTMI	TTM Technologies, Inc.	-6.69%	25	Technology

# Large Cap Leaders



There are three trades this week.

**Buy AbbVie, Inc. (NYSE: ABBV), ANSYS, Inc. (Nasdaq: ANSS), and NetApp, Inc. (Nasdaq: NTAP)**

**Sell Abbott Labs (NYSE: ABT), CDW Corp. (Nasdaq: CDW), and EPAM Systems, Inc. (NYSE: EPAM)**

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ABBV	AbbVie, Inc.	0.00%	NEW	Healthcare
ADI	Analog Devices, Inc.	-7.98%	102	Technology
ANSS	ANSYS, Inc.	0.00%	NEW	Technology
APH	Amphenol Corp.	-3.63%	214	Technology
AVGO	Broadcom, Inc.	4.76%	81	Technology
MCHP	Microchip Technology, Inc.	-6.30%	32	Technology
NTAP	NetApp, Inc.	0.00%	NEW	Technology
NXPI	NXP Semiconductors NV	-8.56%	39	Technology
SNPS	Synopsys, Inc.	-6.29%	18	Technology
WST	West Pharmaceutical Services, Inc.	7.61%	3	Healthcare

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