



## Ouch!

Last week I saw a statistic that the top 10% of stockholders have lost over \$8 trillion in the recent market swoon and are down more than 22%.

Ouch!

Bear markets do happen. They are normal. They are never fun if you're on the wrong side of the market.

The losses are not always made up. Investors are notorious for dumping stocks at precisely the wrong time (near the bottom) and then missing the ride back up.

Most people do not have a defined investment strategy.

All of the strategies in this newsletter are unemotional. The systematic approach acts as a check against your emotions to do the wrong thing at the wrong time.

Most people lack such a system and, as a result, are just a mouse on a treadmill.

It could get a lot worse for these very same people.

They are homeowners too.

The housing market is showing signs of big trouble.

The government threw trillions of dollars into the system. Everything became more expensive.

Now, people are getting priced out of the housing market.

Take a look at the chart below.

### Income Needed to Afford a House

to Afford Typical Home at 30% of HH Income

Rank	Metro, State	2022 Income Needed	2020 Income Needed
1	Austin, TX 	\$160,126	\$76,166
2	Boston, MA	\$170,841	\$99,434
3	Charlotte, NC	\$95,438	\$45,995
4	Columbus, OH	\$81,974	\$46,593
5	Dallas, TX	\$110,406	\$56,837
6	Houston, TX	\$87,909	\$48,994
7	Indianapolis, IN	\$67,815	\$36,272
8	Las Vegas, NV	\$106,652	\$51,553
9	Los Angeles, CA	\$222,184	\$123,329
10	Miami, FL	\$117,627	\$57,446
11	Oklahoma City, OK	\$55,676	\$31,523
12	Philadelphia, PA	\$93,269	\$55,004
13	Pittsburgh, PA	\$57,093	\$34,746
14	Seattle, WA	\$192,812	\$102,129
15	Washington, DC	\$139,453	\$84,828

\*Income Calculated based on Mto Payments & Prop Taxes at 30% DTI (Sources: Zillow / Census)

In many of these markets, the income required to afford a home has gone up 50-100% in *two years*.

Now, folks are canceling housing contracts in droves.

According to Redfin, 64,000 contracts were canceled last month. That figure represented 15.2% of all homes under contract last month.

All the highest back-out rates were in Sun Belt states and exceeded 20%.

Those areas are Jacksonville, FL at 26.1%, Las Vegas, NV at 23%, Atlanta, GA at 22.6%, Orlando, FL at 21.9%, and Ft. Lauderdale, FL at 21.7%

I'm suspicious that it is due to rising housing prices. Instead, the cost of a mortgage has skyrocketed as rates have increased.

There's no sign that rate increases are about to slow.

Furthermore, the rise in rates has been historic.

Mortgage rates are about the same as they were 20 years ago when I bought my first home. We are not at a historical level that would be out of the norm.

Out of the norm was the 0% rates that drove the markets for a decade.

Here is a chart of 2-year rates.



That is historic.

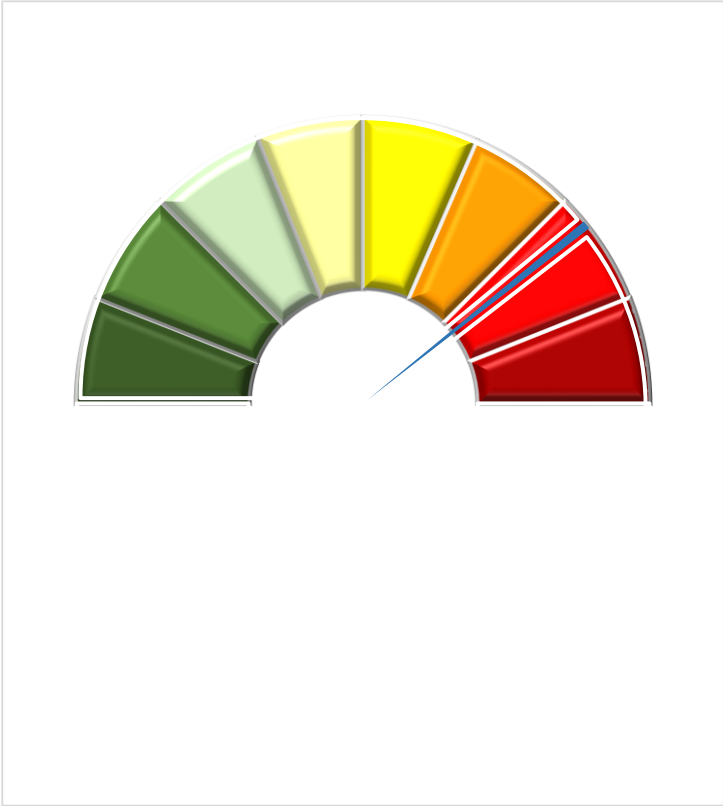
That is painful.

It's as steep as Mount Everest.

The stock market remains deeply oversold. It's gone from oversold to very oversold to very, very oversold. Too many people are leaning in the same direction as well – bearish. While the market could crash – anything can happen – the odds favor a rally to clear out some of the excess bearishness.





However, the liquidity situation is unfavorable. We are still in a bear market, and any rally should be treated with suspicion until that changes.

The *Risk-O-Meter* remains firmly in the “red zone.”

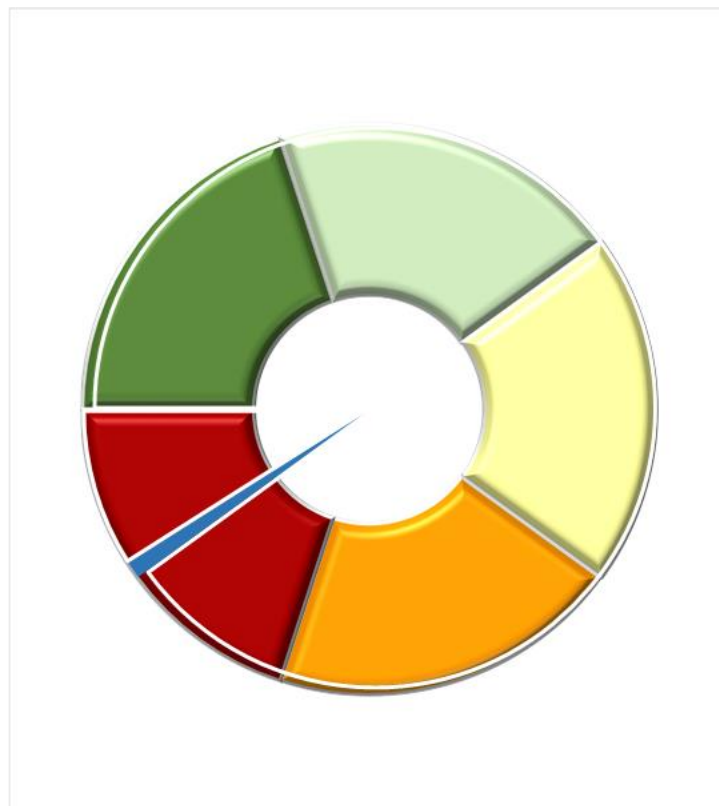


# Investable Risk-O-Meter

No changes this month. Everything is in the "red zone."

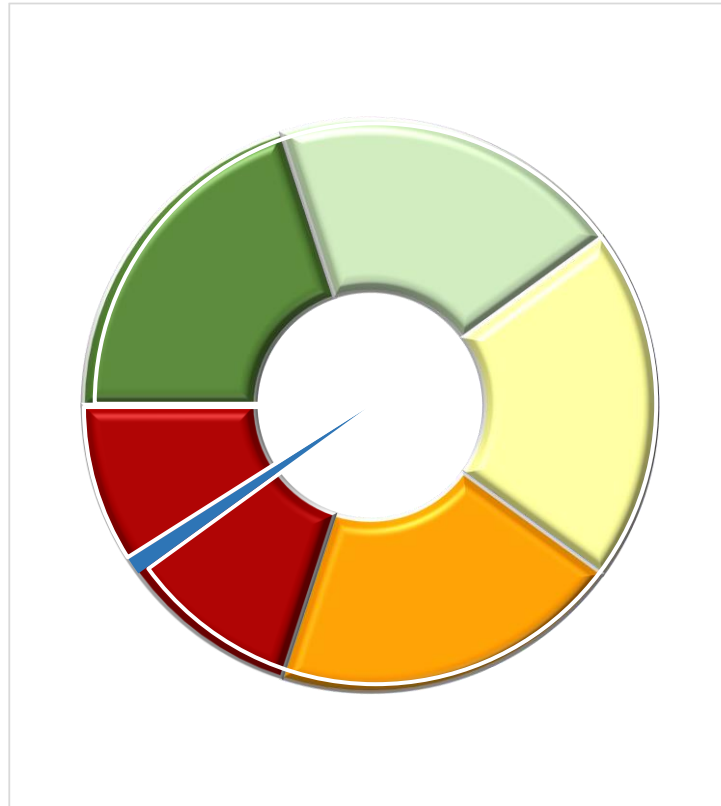
Component	Position	Position Size	Risk ON or OFF	
Market Trend	Cash	25.0%	OFF	
Sentiment	Cash	25.0%	OFF	
Volatility	IEF	22.5%	OFF	
Levered Volatility	UST	2.5%	OFF	
Credit Risk	TLT	22.5%	OFF	
Levered Credit Risk	UBT	2.5%	OFF	

Year-to-date the strategy is down 10.25% with the worst month of the year being September. The global 60/40 benchmark is down 21.8% and the S&P 500 is down 23.9%

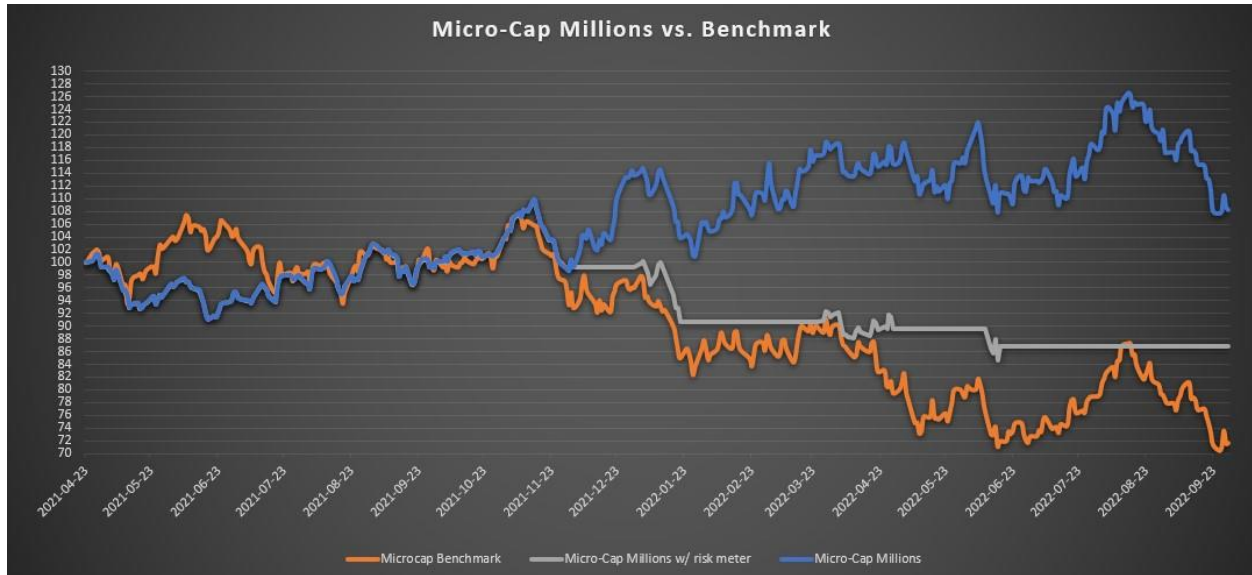


# Levered ETF Model

The levered ETF model remains 100% in cash. As I noted last month, at least cash pays some interest while your money sleeps softly and avoids all of this market volatility.



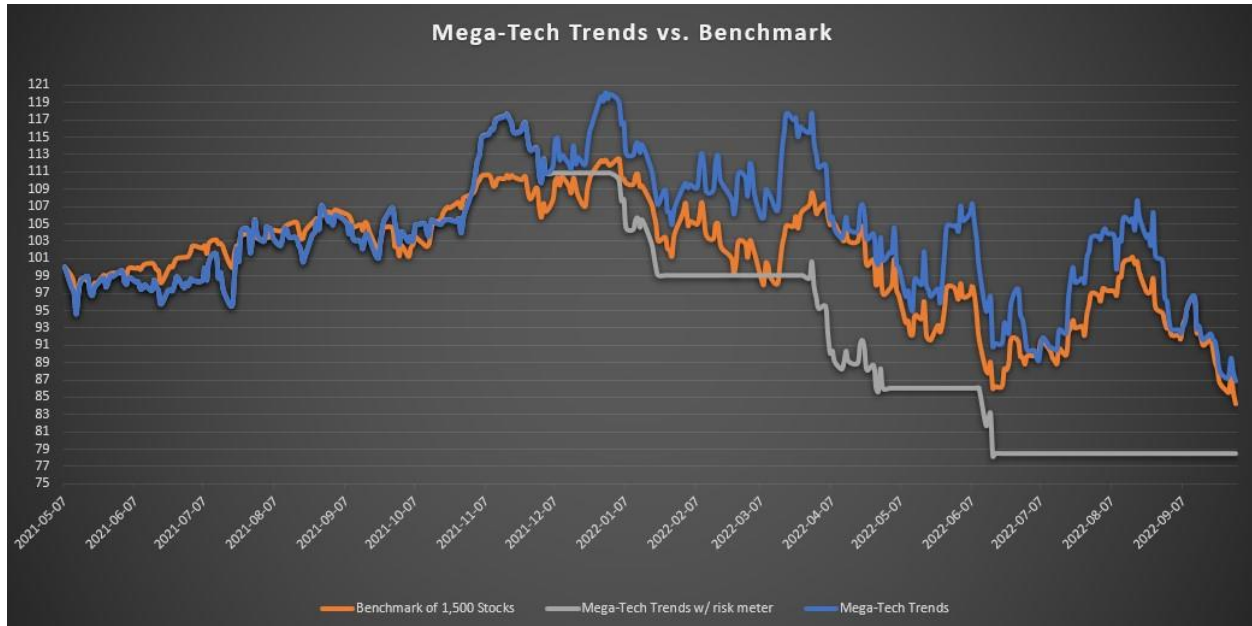
# Micro-Cap Millions



No trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
BELFB	Bel Fuse, Inc.	-8.65%	39	Technology
CTG	Computer Task Group, Inc.	-25.47%	116	Technology
EDAP	EDAP TMS SA	-2.25%	24	Healthcare
GNFT	Genfit SA	-4.70%	4	Healthcare
HCKT	The Hackett Group, Inc.	-16.61%	193	Technology
MRAM	Everspin Technologies, Inc.	-13.97%	24	Technology
PCTI	PCTEL, Inc.	-1.67%	46	Technology
PERI	Perion Network Ltd.	9.04%	74	Technology
UTMD	Utah Medical Products, Inc.	-7.17%	18	Healthcare
WSTG	Wayside Technology Group, Inc.	-28.32%	130	Technology

# Mega-Tech Trends



There is one trade this week.

**Buy TTEC Holdings, Inc. (Nasdaq: TTEK)**

**Sell NetApp, Inc. (Nasdaq: NTAP)**

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
AMKR	Amkor Technology, Inc.	-24.72%	53	Technology
CDW	CDW Corp.	-2.40%	4	Technology
CNXN	PC Connection, Inc.	-6.22%	53	Technology
CRUS	Cirrus Logic, Inc.	-8.79%	18	Technology
JBL	Jabil, Inc.	-2.75%	60	Technology
SANM	Sanmina Corp.	-7.66%	53	Technology
SGH	SMART Global Holdings, Inc.	-8.37%	24	Technology
<b>TTEC</b>	<b>TTEC Holdings, Inc.</b>	<b>0.00%</b>	<b>NEW</b>	<b>Technology</b>
TTMI	TTM Technologies, Inc.	-20.51%	46	Technology



# Large Cap Leaders



There is one trade this week.

**Buy Analog Devices, Inc. (Nasdaq: ADI)**

**Sell Microchip Technology, Inc. (Nasdaq: MCHP)**

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
AAPL	Apple, Inc.	-8.13%	4	Technology
ADI	Analog Devices, Inc.	0.00%	NEW	Technology
APH	Amphenol Corp.	-14.98%	235	Technology
AVGO	Broadcom, Inc.	-10.96%	102	Technology
BIO	Bio-Rad Laboratories, Inc.	-1.14%	4	Healthcare
CDW	CDW Corp.	-8.63%	11	Technology
MPWR	Monolithic Power Systems, Inc.	-2.11%	4	Technology
MRK	Merck & Co., Inc.	-1.82%	11	Healthcare
SNPS	Synopsys, Inc.	-15.84%	39	Technology
WST	West Pharmaceutical Services, Inc.	-15.54%	24	Healthcare

# The Forensic Accounting Stock Tracker™ (FAST)

Below are the top and bottom 50 stocks in the FAST Model for **October 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.

The bottom 50 stocks are ranked by their actual rank (1447-1496) instead of 1-50 because the 50<sup>th</sup> stock was the lowest-ranked stock in the Model, but some subscribers found that confusing with the 1-50 rank.



**Forensic Accounting Stock Tracker**  
**“CSI For Your Stock Portfolio”**



Rank	Rank Change	Ticker	Stock Name	Overall Rank	Buybacks	Earnings Quality	Momentum	Sentiment
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
1	0	SANM	Sanmina Corp.	A+	A	A+	A	A
2	3	ACM	AECOM	A+	B	A+	A-	A
3	0	ORLY	O'Reilly Automotive, Inc.	A+	B+	A+	B	A+
4	23	WAB	Westinghouse Air Brake Technologies Corp.	A+	B	A+	B+	A-
5	1	ELV	Elevance Health, Inc.	A+	C+	A+	A	A+
6	-2	DCOM	Dime Community Bancshares, Inc.	A+	B+	A	A-	B
7	213	OXM	Oxford Industries, Inc.	A+	B	B	A+	B+
8	271	APOG	Apogee Enterprises, Inc.	A+	A	A	A	C+
9	10	CR	Crane Holdings Co.	A+	B+	B-	A	A
10	-2	UNH	UnitedHealth Group, Inc.	A+	C-	A+	A-	A+
11	1	WAFD	Washington Federal, Inc.	A+	B+	B	B+	A-
12	-1	PFS	Provident Financial Services, Inc.	A+	B	B+	A	B
13	17	AVGO	Broadcom, Inc.	A+	B	B	B	A+
14	2	LHX	L3Harris Technologies, Inc.	A+	B+	A-	B	B+
15	3	ADP	Automatic Data Processing, Inc.	A+	C+	A	A	B+
16	13	CATY	Cathay General Bancorp	A+	B	B-	A	A-
17	5	RTX	Raytheon Technologies Corp.	A+	B-	A-	A-	A-
18	-1	ULTA	Ulta Beauty, Inc.	A+	B+	B	A	B
19	-4	ATEN	A10 Networks, Inc.	A+	B-	B+	A-	A-
20	21	FBP	First BanCorp (Puerto Rico)	A+	A	B-	A+	B-
21	7	NTAP	NetApp, Inc.	A+	B	A+	B	B
22	2	AAPL	Apple, Inc.	A+	B-	A+	B-	A-
23	11	STZ	Constellation Brands, Inc.	A+	B	A	B	B+
24	-10	AON	Aon plc	A+	A-	B	B	A-
25	-16	CDNS	Cadence Design Systems, Inc.	A+	C	A+	B	A
26	-6	TWNK	Hostess Brands, Inc.	A+	B-	A	A-	B
27	31	KEYS	Keysight Technologies, Inc.	A+	B-	B+	B-	A+
28	40	ANET	Arista Networks, Inc.	A+	B-	B	A	A-
29	10	CDW	CDW Corp.	A+	B-	B	B	A+
30	37	MMC	Marsh & McLennan Cos., Inc.	A+	C+	A-	B+	A-
31	41	CW	Curtiss-Wright Corp.	A+	B+	C-	A-	A+
32	5	HWC	Hancock Whitney Corp.	A+	C+	B	A	A
33	-31	AZO	AutoZone, Inc.	A+	A-	A-	A-	C
34	11	EXLS	ExlService Holdings, Inc.	A+	B-	B	A+	B+
35	-28	FTNT	Fortinet, Inc.	A+	B	B	B	A-
36	39	CI	Cigna Corp.	A+	B+	B-	B	A
37	172	UNP	Union Pacific Corp.	A+	B	A-	B-	A-
38	10	GD	General Dynamics Corp.	A+	B-	B-	A	A+
39	7	TRGP	Targa Resources Corp.	A+	A-	A	A+	D
40	2	INDB	Independent Bank Corp. (Massachusetts)	A+	B-	A-	B-	A
41	14	AIN	Albany International Corp.	A+	B	A-	A	C+
42	8	HWM	Howmet Aerospace, Inc.	A+	B	C-	A	A
43	44	EME	EMCOR Group, Inc.	A+	A-	C-	B	A
44	-1	IT	Gartner, Inc.	A+	B+	B	A-	B-
45	24	CTAS	Cintas Corp.	A+	B-	A	C+	A
46	47	OZK	Bank OZK	A+	B-	B	B+	B+
47	-7	SNPS	Synopsys, Inc.	A+	C	B	B+	A+
48	40	IR	Ingersoll Rand, Inc.	A+	B	A	C-	A-
49	29	CSCO	Cisco Systems, Inc.	A+	B	A	D+	A
50	10	CTS	CTS Corp.	A+	C	A	B+	B



**Forensic Accounting Stock Tracker**  
**“CSI For Your Stock Portfolio”**



Rank	Rank Change	Ticker	Stock Name	Overall Rank	Buybacks	Earnings Quality	Momentum	Sentiment
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
1447	-6	DISH	DISH Network Corp.	D-	D-	D	D-	D-
1448	4	CAMP	CalAmp Corp.	F	D-	D	D-	D-
1449	10	AAL	American Airlines Group, Inc.	F	D+	D-	D-	D-
1450	8	ALGT	Allegiant Travel Co.	F	D-	D-	D-	D-
1451	-43	OPRX	OptimizeRx Corp.	F	D-	D+	D-	D-
1452	-21	NYMT	New York Mortgage Trust, Inc.	F	D-	D-	D+	D-
1453	-143	MCY	Mercury General Corp.	F	D	F	D-	D+
1454	-36	IBKR	Interactive Brokers Group, Inc.	F	D-	F	D	D
1455	0	CNSL	Consolidated Communications Holdings, Inc.	F	F	D-	D+	D
1456	-3	LUV	Southwest Airlines Co.	F	D-	D-	D-	D-
1457	9	TWO	Two Harbors Investment Corp.	F	F	D-	D	D
1458	-14	NPK	National Presto Industries, Inc.	F	D-	D+	D-	F
1459	-25	JRVR	James River Group Holdings Ltd.	F	F	D-	F	B-
1460	3	TRIP	TripAdvisor, Inc.	F	D	D-	D-	D-
1461	-32	WDC	Western Digital Corp.	F	D-	D-	D	D-
1462	12	BJRI	BJ's Restaurants, Inc.	F	D	D-	D-	D-
1463	-21	MAC	Macerich Co.	F	D-	D-	D+	F
1464	-25	ITOS	iTeos Therapeutics, Inc.	F	D-	D-	D	D-
1465	-43	INTC	Intel Corp.	F	D-	D	D-	D
1466	13	HSC	Harsco Corp.	F	D	F	D-	D-
1467	-22	HR	Healthcare Realty Trust, Inc.	F	F	D	D	D-
1468	-4	KD	Kyndryl Holdings, Inc.	F	D	F	D-	D
1469	11	WW	WW International, Inc.	F	D	D-	F	D-
1470	-10	BFH	Bread Financial Holdings, Inc.	F	D	F	D-	D-
1471	-38	MDC	M.D.C. Holdings, Inc.	F	D	D-	D-	D-
1472	-18	XNCR	Xencor, Inc.	F	D-	D+	D-	D-
1473	-30	BDN	Brandywine Realty Trust	F	D-	D-	D-	D-
1474	-6	SHAK	Shake Shack, Inc.	F	D-	D	F	F
1475	11	DBD	Diebold Nixdorf, Inc.	F	D	F	D-	F
1476	8	PARA	Paramount Global	F	D	D-	F	D-
1477	6	RCL	Royal Caribbean Group	F	D	D-	D-	D-
1478	-2	TG	Tredegar Corp.	F	D	D-	D-	F
1479	3	PMT	PennyMac Mortgage Investment Trust	F	F	D-	D+	F
1480	-3	WBD	Warner Bros. Discovery, Inc.	F	D	D-	F	D-
1481	-16	SAM	Boston Beer Co., Inc.	F	D-	D	F	D-
1482	-13	RWT	Redwood Trust, Inc.	F	F	F	D+	D-
1483	-12	VIR	Vir Biotechnology, Inc.	F	D-	D-	D-	F
1484	-3	BGS	B&G Foods, Inc.	F	F	D-	D-	D-
1485	-18	SAFE	Safehold, Inc.	F	F	D-	D-	D-
1486	3	TDS	Telephone & Data Systems, Inc.	F	F	F	D-	D
1487	0	NKTR	Nektar Therapeutics	F	D-	D-	D-	D-
1488	-32	IVR	Invesco Mortgage Capital, Inc.	F	F	F	D-	D-
1489	1	SKYW	Sky West, Inc.	F	D-	F	D-	F
1490	3	EHTH	eHealth, Inc.	F	D-	D-	F	D-
1491	1	LPSN	LivePerson, Inc.	F	D-	D-	F	F
1492	-1	JBLU	JetBlue Airways Corp.	F	D-	D-	F	D-
1493	-8	HPP	Hudson Pacific Properties, Inc.	F	F	D-	D-	D-
1494	0	CCL	Carnival Corp.	F	D-	D-	D-	F
1495	-7	SLQT	SelectQuote, Inc.	F	D-	D-	D-	D-
1496	-1	NCLH	Norwegian Cruise Line Holdings Ltd.	F	F	D-	D-	D-

**DISCLAIMER:**

**THIS COMMUNICATION IS FOR EDUCATIONAL AND INFORMATION PURPOSES AND DOES NOT CONSTITUTE INVESTMENT ADVICE.** Any Publishing Service offered by HSD Publishing is for educational and informational purposes only and **should NOT be construed as a securities-related offer of solicitation or be relied upon as personalized investment advice.** HSD Publishing strongly recommends that you consult a licensed or registered professional before making any investment decision.

**THE RESULTS PRESENTED ARE NOT TYPICAL OR VERIFIED.** HSD Publishing has not verified information regarding the historical trading performance presented. Subscribers' trading results have **NOT been tracked or verified**, past performance is not necessarily indicative of future results, **and the results presented in this communication are NOT TYPICAL.** Actual results will vary widely given a variety of factors, such as experience, skill, risk mitigation practices, market dynamics, and the amount of capital deployed. Investing in securities is speculative and carries a high degree of risk; you may lose some, all, or possibly more than your original investment.

**HS DENT IS NOT AN INVESTMENT ADVISOR NOR A REGISTERED BROKER.** Neither HSD Publishing nor any of its owners or employees is registered as a securities broker-dealer, broker, investment advisor (IA), or I.A. representative with the U.S. Securities and Exchange Commission, any state securities or regulatory authority, or any self-regulatory organization.

**WE MAY HOLD THE SECURITIES DISCUSSED.** HSD Publishing has not been paid directly or indirectly by the issuer of any security mentioned in the Services. However, HS Dent, its owners, and its employees may purchase, sell, or hold long or short positions in securities of the companies mentioned in this and future communications.

John Del Vecchio is not an employee or partner of HSD Publishing. HSD Publishing is acting solely as the marketing arm for John Del Vecchio and Unbounded Wealth: Max Profits.

© 2022 HSD PUBLISHING. ALL RIGHTS RESERVED. 15016 Mountain Creek Trail Frisco, TX 77573.