



Research Update

A few weeks ago, I noted that I have some new research planned for the Investable *Risk-O-Meter* and the *Levered ETF Model*.

Here's an update!

I have tested the underlying models in the Investable *Risk-O-Meter*, and they all perform better trading the same basket of ETFs, whether on risk on / risk off mode and with the addition of cash as a potential position.

Cash has been king in 2022!

Of course, with higher returns comes higher risk. For me, the additional risk is acceptable.

The stomach-churning period would be when all models are in risk on mode, and all of them are invested in the best trending asset. For example, let's say that happens to be small-cap stocks. If market trends, sentiment, volatility, and credit markets are in the risk-on mode, they would all be invested in small-cap stocks (the IWM ETF).

Let's say that trade goes poorly. Then it could be a decent ass-kicking. The Model only trades once a month and 100% of the performance is tied to small-cap stocks that month.

So you might experience a higher drawdown.

Of course, the flip side is, what if small-cap stocks go on a huge run? It's far easier to make out-sized gains fully invested in the best trending market.

That's how you make 50-100% in a year.

As I noted previously, famed trader George Soros once said, "if you're right, your position cannot be big enough."

I'm making these changes for selfish reasons.

I have a considerable amount of tax-deferred money in these strategies, and I am moving more money into these strategies as I unwind other trades.

I have a lot at stake!

Of course, this is for your benefit as well.

My overarching theme for running a business and this newsletter comes from a quote from self-help guru Zig Ziglar.

Here's what he said...



You don't need to scam anyone when you run your life this way. You do not need to do anything unethical. You do not need to backstab. You do not need to social climb.

You operate in the service of others.

As I develop the best Model for my retirement funds, you also benefit as these models can help you achieve your financial goals.

I am eating my cooking.

Big-time.

The one part of the research I have yet to do is to combine the four indicators into a single portfolio. The software does not do this automatically. It's a tedious process done manually through Excel.

Therefore, I will run all the indicators again and combine them the week before Christmas.

I will release the findings in this newsletter's December 26, 2022 issue. The week before Christmas, many aspects of my life slow down, and I will be able to focus on this task at hand.

This month's Model has no changes to the underlying math or systems already in place.

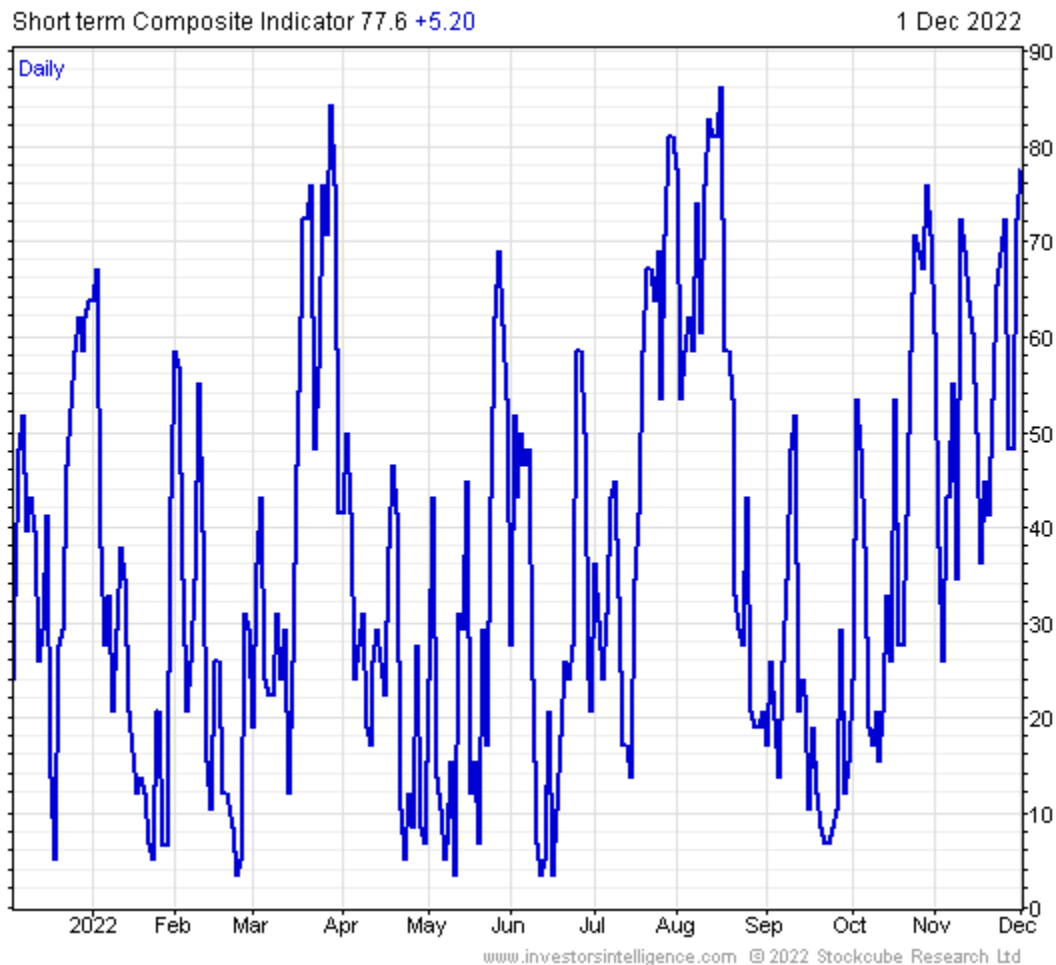
In addition, I have done a bit of testing in the *Levered ETF Model*. Because the Model has been in cash during this tumultuous year, I will suspend it for now and re-release it the week after the 26th for the January 2, 2023 issue.

That gives me two solid weeks where there's not much going on other than a few holiday events, and I can focus without much distraction.

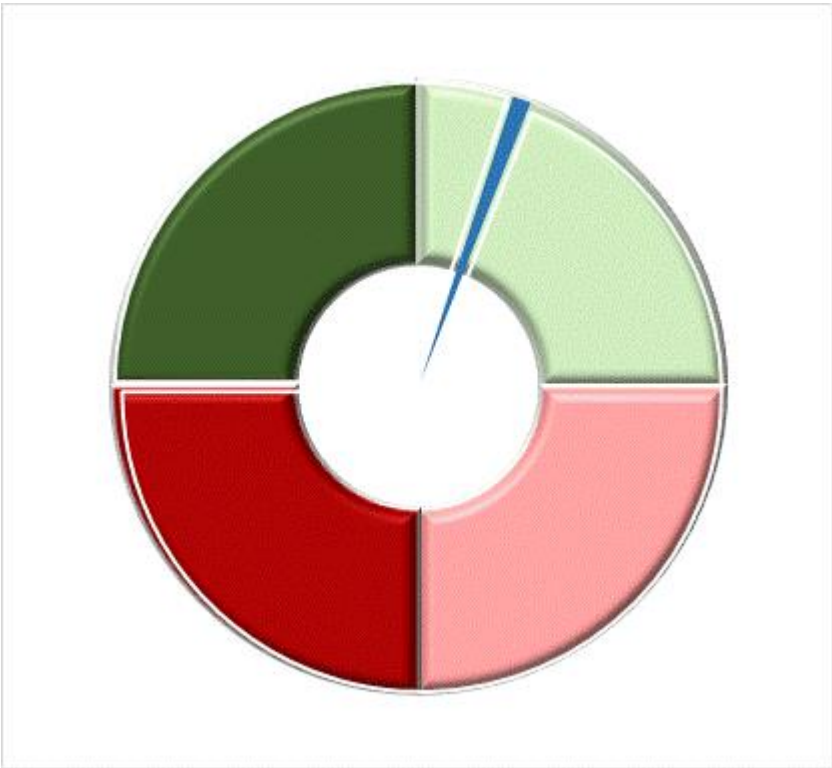
Stay tuned for updates!

The *Risk-O-Meter* is in the green zone, but the market is super duper overbought. My favorite short-term indicator, the *Short-Term Composite Indicator* from *Investors Intelligence* is now at 78.

That's nosebleed territory!!!







So, I am sitting on my hands right now.

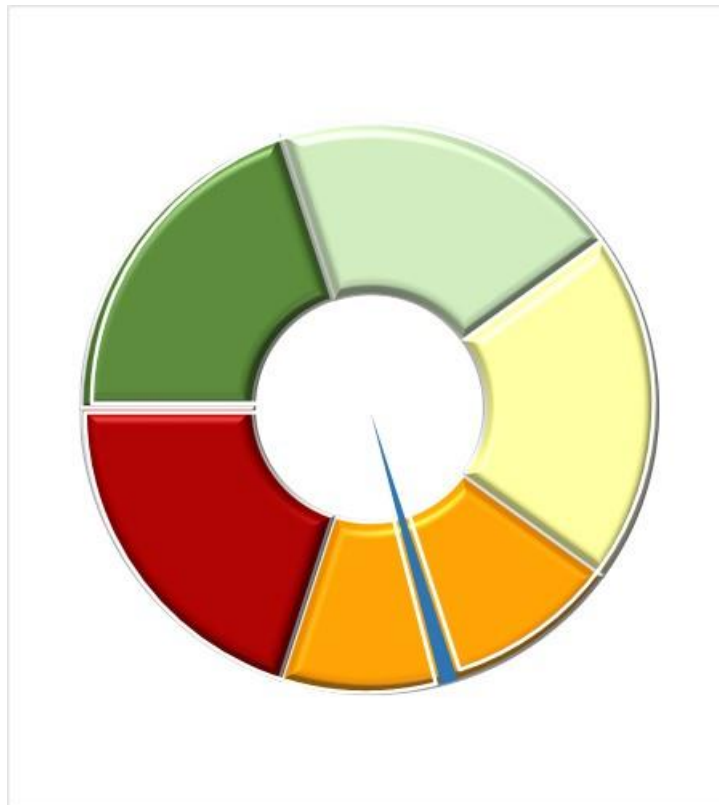


Investable Risk-O-Meter

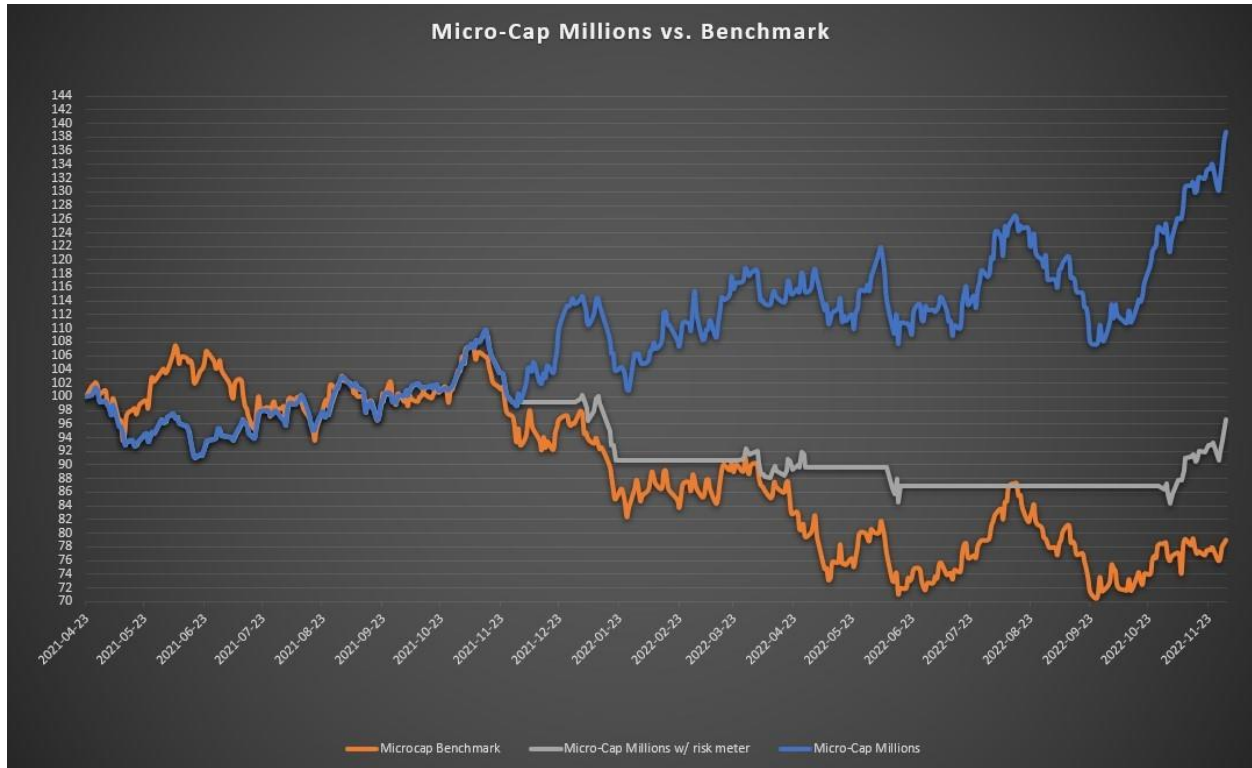
There are no new trades this month. Here is the current portfolio:

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	SPY	22.5%	ON	
Levered Credit Risk	QLD	2.5%	ON	

The model is down 5.0% year-to-date. The global 60/40 benchmark is down 12.7%. The S&P 500 is down 13.3%.



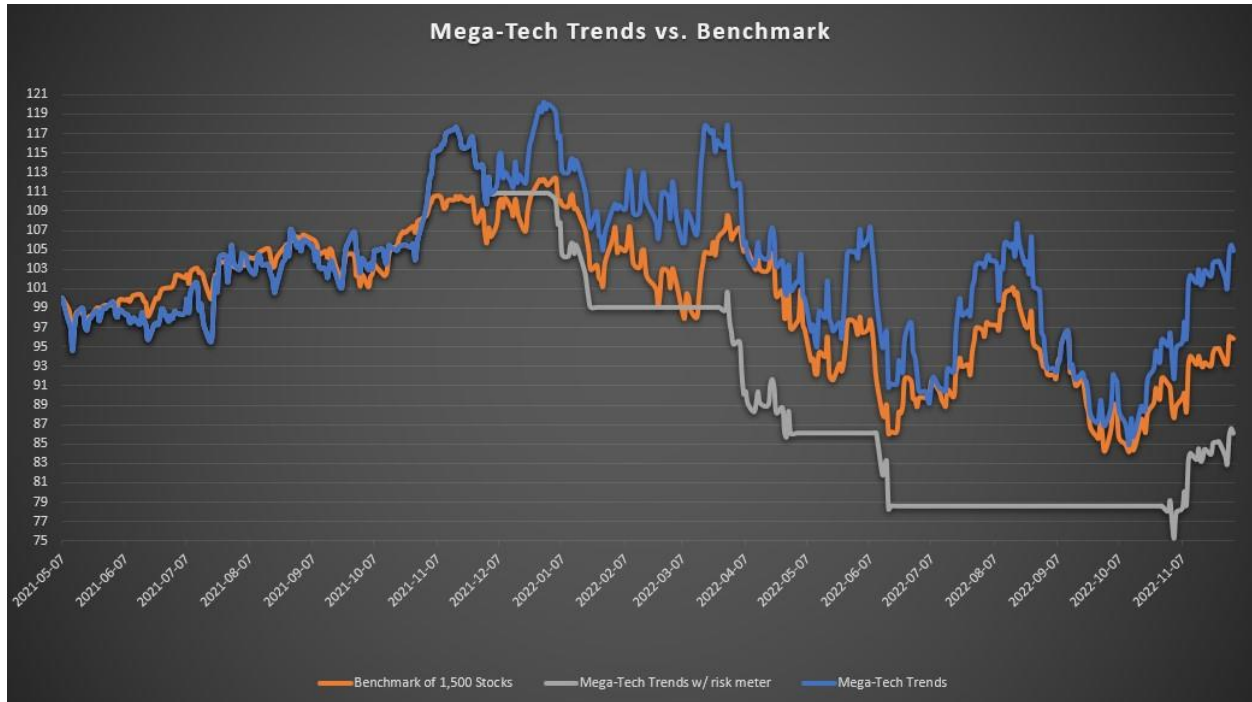
Micro-Cap Millions



No trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
BELFB	Bel Fuse, Inc.	30.97%	102	Technology
EDAP	EDAP TMS SA	34.48%	87	Healthcare
HCKT	The Hackett Group, Inc.	9.22%	256	Technology
IRMD	IRadimed Corp.	3.94%	25	Healthcare
IVAC	Intevac, Inc.	15.03%	25	Technology
KNSA	Kiniksa Pharmaceuticals Ltd.	19.97%	25	Healthcare
PERI	Perion Network Ltd.	58.22%	137	Technology
SMLR	Semler Scientific, Inc.	8.48%	25	Healthcare
TCMD	Tactile Systems Technology, Inc.	6.70%	18	Healthcare
VYGR	Voyager Therapeutics, Inc.	17.49%	18	Healthcare

Mega-Tech Trends



No trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
AEIS	Advanced Energy Industries, Inc.	11.65%	25	Technology
ARLO	Arlo Technologies, Inc.	-3.35%	4	Technology
BDC	Belden, Inc.	7.89%	25	Technology
BHE	Benchmark Electronics, Inc.	2.95%	32	Technology
CDW	CDW Corp.	18.83%	67	Technology
CRUS	Cirrus Logic, Inc.	-1.36%	4	Technology
JBL	Jabil, Inc.	20.95%	123	Technology
PLAB	Photronics, Inc.	20.43%	53	Technology
RAMP	LiveRamp Holdings, Inc.	6.55%	4	Technology
SANM	Sanmina Corp.	35.07%	116	Technology

Large Cap Leaders



There is one trade this week.

Buy Cisco Systems, Inc. (Nasdaq: CSCO)

Sell Motorola Solutions, Inc. (NYSE: MSI)

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ADI	Analog Devices, Inc.	0.92%	4	Technology
APH	Amphenol Corp.	2.36%	298	Technology
CDW	CDW Corp.	11.23%	74	Technology
CSCO	Cisco Systems, Inc.	0.00%	NEW	Technology
EPAM	EPAM Systems, Inc.	2.67%	18	Technology
FTNT	Fortinet, Inc.	13.82%	25	Technology
KEYS	Keysight Technologies, Inc.	2.21%	4	Technology
KLAC	KLA Corp.	21.17%	32	Technology
SNPS	Synopsys, Inc.	-4.09%	102	Technology
VRTX	Vertex Pharmaceuticals, Inc.	2.14%	11	Healthcare

The Forensic Accounting Stock Tracker™ (FAST)

Below are the top and bottom 50 stocks in the FAST Model for [December 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 50th 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	1	ORLY	O'Reilly Automotive, Inc.	A+	B+	A	A	A
2	1	APOG	Apogee Enterprises, Inc.	A+	A	A	A-	B+
3	87	MCK	McKesson Corp.	A+	B+	B	A+	A
4	78	IT	Gartner, Inc.	A+	B	A-	B	A+
5	2	EXLS	ExlService Holdings, Inc.	A+	C+	A+	A	A-
6	3	FTNT	Fortinet, Inc.	A+	B+	B-	A	A+
7	-3	AZO	AutoZone, Inc.	A+	A-	A	A+	C+
8	95	HWC	Hancock Whitney Corp.	A+	C	A	A+	A
9	-1	OFG	OFG Bancorp	A+	B+	B-	A	A
10	10	FBP	First BanCorp (Puerto Rico)	A+	A	A-	A+	C+
11	58	AMGN	Amgen, Inc.	A+	B	A	B	B+
12	7	EME	EMCOR Group, Inc.	A+	A	C	A-	A+
13	-8	ACM	AECOM	A+	B	B	A-	A+
14	10	QLYS	Qualys, Inc.	A+	B	B+	A	B+
15	-1	TWNK	Hostess Brands, Inc.	A+	B-	B+	A+	B+
16	25	CW	Curtiss-Wright Corp.	A+	B	B	A	A-
17	10	HUBB	Hubbell, Inc.	A+	C-	A+	A	A
18	114	NBTB	NBT Bancorp, Inc.	A+	C-	A	A	A
19	47	RTX	Raytheon Technologies Corp.	A+	C+	A-	A-	A
20	139	MEDP	Medpace Holdings, Inc.	A+	A	B	B	B
21	7	GD	General Dynamics Corp.	A+	C+	B	A	A+
22	-9	HSY	The Hershey Co.	A+	D+	A	A	A
23	82	BDC	Belden, Inc.	A+	B	B	A-	A
24	361	BKR	Baker Hughes Co.	A+	B	A	B+	B
25	-10	GPC	Genuine Parts Co.	A+	C-	A	A+	A-
26	233	BANC	Banc of California, Inc.	A+	A	B+	B-	B
27	102	AMN	AMN Healthcare Services, Inc.	A+	A-	B	A	B-
28	10	NVT	nVent Electric plc	A+	C	B+	A-	A+
29	259	CSGS	CSG Systems International, Inc.	A+	B	C	A	A+
30	76	PFBC	Preferred Bank (California)	A+	B-	B-	A+	B+
31	-6	CTAS	Cintas Corp.	A+	B-	A	B-	A
32	48	SAIC	Science Applications International Corp.	A+	B	A	B	B
33	69	HCA	HCA Healthcare, Inc.	A+	A	B-	B	A-
34	87	DCOM	Dime Community Bancshares, Inc.	A+	B+	B-	A-	A-
35	33	LOW	Lowe's Cos., Inc.	A+	A	B-	B-	A
36	178	LHX	L3Harris Technologies, Inc.	A+	B	A	A	C+
37	42	NOC	Northrop Grumman Corp.	A+	B-	B-	A+	A-
38	14	CATY	Cathay General Bancorp	A+	B	C+	A	B+
39	52	CSCO	Cisco Systems, Inc.	A+	B	A	C-	A+
40	144	BJ	BJ's Wholesale Club Holdings, Inc.	A+	C	A-	A	B
41	113	LKQ	LKQ Corp.	A+	A-	C+	A-	B+
42	-21	KBR	KBR, Inc.	A+	C+	A	A	B
43	450	AAP	Advance Auto Parts, Inc.	A+	A-	A	B	C+
44	37	MSI	Motorola Solutions, Inc.	A+	C	B	B	A+
45	0	FWRD	Forward Air Corp.	A+	C	A-	B	A
46	-11	INDB	Independent Bank Corp. (Massachusetts)	A+	B	B	B	A+
47	214	SCI	Service Corp. International	A+	A-	B+	C+	B+
48	198	MCD	McDonald's Corp.	A+	C+	A-	B	A
49	75	AVID	Avid Technology, Inc.	A+	B+	A	B	C+
50	14	TMP	Tompkins Financial Corp.	A+	C	A+	B	A-



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
1448	34	VIR	Vir Biotechnology, Inc.	F	D-	D+	D-	D-
1449	-41	TGI	Triumph Group, Inc.	F	D+	D-	D-	D-
1450	9	UAA	Under Armour, Inc.	F	D	D	D-	D-
1451	-89	UNIT	Uniti Group, Inc.	F	D-	D-	D-	D-
1452	13	INTC	Intel Corp.	F	D-	C	F	D-
1453	-48	QURE	UniQure NV	F	D-	C-	F	D-
1454	-76	CMTL	Comtech Telecommunications Corp.	F	F	C-	D-	D-
1455	-34	KMPR	Kemper Corp.	F	D-	D+	D-	D-
1456	21	HSC	Harsco Corp.	F	D	D-	F	D
1457	-208	IRBT	iRobot Corp.	F	D-	D	D-	F
1458	-4	HBI	Hanesbrands, Inc.	F	C-	F	D-	D-
1459	-21	CZR	Caesars Entertainment, Inc.	F	D-	D-	D-	D
1460	-13	SAM	Boston Beer Co., Inc.	F	D-	D+	D-	F
1461	-62	CARA	CARA Therapeutics, Inc.	F	F	C+	D-	D-
1462	-23	TRIP	TripAdvisor, Inc.	F	D-	D+	D-	D-
1463	23	NCLH	Norwegian Cruise Line Holdings Ltd.	F	F	D-	D-	D+
1464	-94	FBC	Flagstar Bancorp, Inc.	F	D	F	D-	D-
1465	-20	KALU	Kaiser Aluminum Corp.	F	D	D-	D-	D-
1466	-41	BDN	Brandywine Realty Trust	F	D-	D-	D-	D
1467	-41	ITOS	iTeos Therapeutics, Inc.	F	D-	D-	D	D-
1468	-54	NLY	Annaly Capital Management, Inc.	F	F	D-	D-	C
1469	-3	MAC	Macerich Co.	F	D-	D-	D	F
1470	-1	BFH	Bread Financial Holdings, Inc.	F	D	D-	D-	F
1471	-22	WDC	Western Digital Corp.	F	D-	D-	D-	D-
1472	6	KD	Kyndryl Holdings, Inc.	F	D	D-	F	D-
1473	-1	WBD	Warner Bros. Discovery, Inc.	F	D	D-	D-	D-
1474	-102	CNK	Cinemark Holdings, Inc.	F	D	D-	D-	D-
1475	-65	CHRS	Coherus BioSciences, Inc.	F	D-	D-	D+	D-
1476	-16	CVGW	Calavo Growers, Inc.	F	D-	D-	D-	D-
1477	-2	CNSL	Consolidated Communications Holdings, Inc.	F	F	F	D	D-
1478	-25	JBLU	JetBlue Airways Corp.	F	D-	D-	D-	D+
1479	-17	WW	WW International, Inc.	F	D	D-	D-	D-
1480	8	LPSN	LivePerson, Inc.	F	D-	D-	F	D
1481	-2	CCL	Carnival Corp.	F	F	D	D-	D-
1482	-54	GPMT	Granite Point Mortgage Trust, Inc.	F	F	D-	D+	D-
1483	-20	BA	The Boeing Co.	F	D-	D-	F	D-
1484	-4	ARR	ARMOUR Residential REIT, Inc.	F	F	F	D-	D+
1485	-273	RGNX	REGENXBIO, Inc.	F	D-	D	D-	F
1486	-3	MLKN	MillerKnoll, Inc.	F	F	D-	D-	D
1487	2	JRVR	James River Group Holdings Ltd.	F	F	D-	D-	D
1488	-31	CRSR	Corsair Gaming, Inc.	F	D-	D-	F	D-
1489	4	RWT	Redwood Trust, Inc.	F	D-	F	D	D-
1490	1	TWO	Two Harbors Investment Corp.	F	F	D+	D-	F
1491	-15	NKTR	Nektar Therapeutics	F	D-	D-	D-	D-
1492	-18	BGS	B&G Foods, Inc.	F	F	D-	D	D-
1493	-23	PARA	Paramount Global	F	D	D-	F	F
1494	-10	SAFE	Safehold, Inc.	F	F	D-	D-	D-
1495	-24	DBD	Diebold Nixdorf, Inc.	F	D	F	F	F
1496	-11	SKYW	Sky West, Inc.	F	D-	D-	D-	D-
1497	-10	HPP	Hudson Pacific Properties, Inc.	F	F	D-	D-	F

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