Major Bearish Divergence

A significant bearish divergence is forming.

A bearish divergence occurs when the market moves higher, but an underlying indicator is going in the opposite direction.

In this case, that indicator is the McClellan Oscillator.

The McClellan Oscillator is a measure of market breadth.

“Breadth” is just a fancy word for the difference between stocks going up and stocks going down.

Good market breadth would be when most stocks are going up. This is a positive sign because, in a healthy market, we would like to see most stocks participating in a market rally.

Poor market breadth is when only a few stocks are participating in the market rally to higher levels.

When only a few stocks are driving the market, it means the market is much weaker than it looks when observing the performance of market indexes.

When poor market breadth occurs, you might see in your brokerage account that you're losing money even though the stock market is marching higher.

You might think, "What the hell is going on here?"

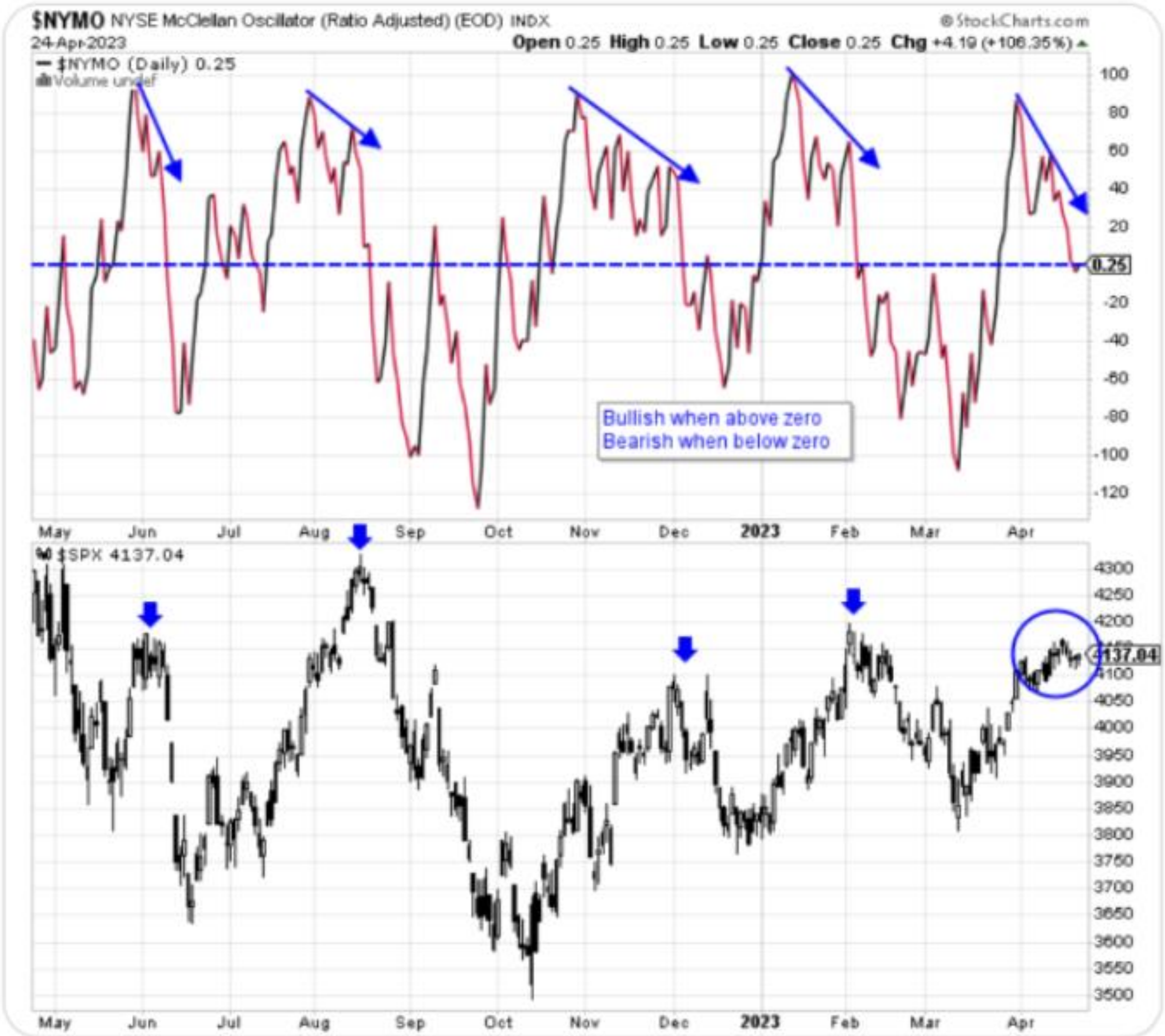
Poor market breadth is what is going on.

We are stuck in that situation right now.

Take a look at the chart on the next page.

As the chart below illustrates, the McClellan Oscillator has put in a bearish divergence.

With market sentiment near extremes and weakening breadth, now is not the time to be complacent!



The last four significant divergences between the McClellan Oscillator and the S&P 500 have led to a big spanking in the stock market.

Will this time be different?

Who knows!

No one knows!

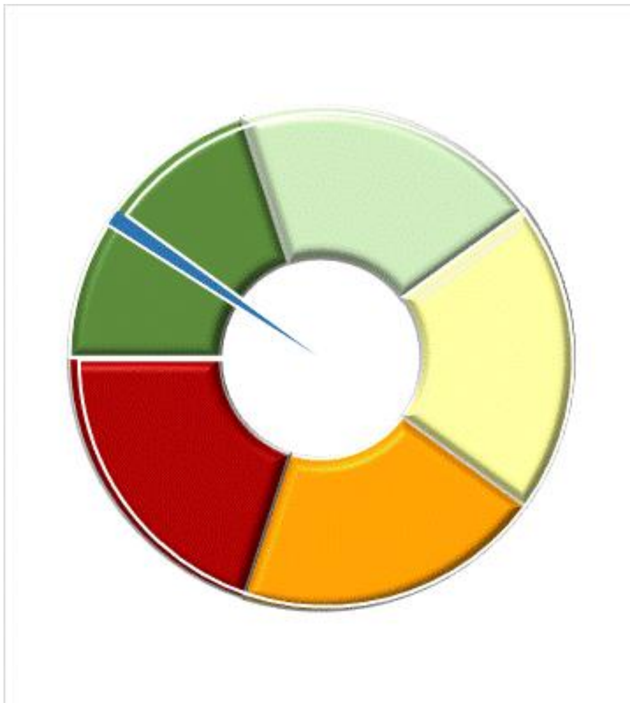
However, we must be aware that this situation is underway.

I'm holding off on buying in my taxable account because bearish divergences and too much greed in the market make me think there will be better opportunities to buy stocks down the road.

The four previous occasions have led to fantastic buying opportunities at much better prices.

I love bargain shopping. That includes stocks too!

The *Risk-O-Meter* is still in the "green zone," so if the past is prologue and the bearish differences soon lead to lower stock prices, I will be eager to snap up stocks in an oversold and fearful market!



50 X Fortunes

Semiconductor stocks got spanked in April. As a result, the position in SOXL, which is triple-levered, magnified the returns on the downside (just as it magnified the returns on the upside).

The Model has moved into “risk-off” mode. **As a result, the trade is to sell SOXL and hold 100% cash.**

On another note, the shift to “risk-off" mode is noteworthy. The Model was almost entirely bearish or in cash for 2022, which in retrospect, was the correct play as the market was down handily.

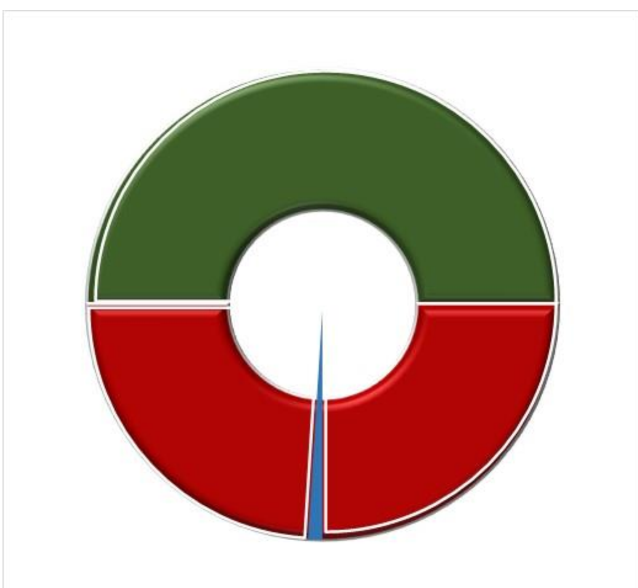
Recent action in the market in 2023 has felt like a bear market rally to me. The Model used in 50X Fortunes is my favorite and entirely my creation. I like It so much because it is based on market volatility and a touch of sentiment.

Shifts in these trends are highly statistically significant. Therefore, it catches my attention when there is a shift from “risk on” to “risk off” or vice versa. **I now have a cautious outlook regarding all of my investments.**

That said, the stock market doesn’t care about my feelings. We must follow the signal no matter what.

Following the signal religiously is the only way to outperform the markets. Since 2020, a period characterized by insane volatility, the Model is up 298.8% versus 13.0% for the benchmark. Those results can only be achieved by taking every trade.

Year-to-date, the strategy is up 8.96%. The benchmark is up 8.0%



Simple Retirement System

This month there has seen a dramatic shift in the Simple Retirement System.

The portfolio has shifted from 75% "risk-on" to 75% "risk-off." Only the market trend remains in "risk-on" mode, and the position remains the same in QQQ.

For April, the portfolio is now 75% IEF / 25% QQQ from 75% QQQ / 25% TLT.

Sentiment has shifted into “risk-off” mode and from QQQ to IEF.

Volatility has shifted into “risk-off” mode and from QQQ to IEF.

Credit risk remains on "risk-off" mode; however, the position has switched from TLT to IEF.

Component	Position	Position Size	Risk ON or OFF
Market Trend	QQQ	25.0%	RISK ON
Sentiment	IEF	25.0%	RISK OFF
Volatilty	IEF	25.0%	RISK OFF
Credit Risk	IEF	25.0%	RISK OFF

My models tell me the market is shifting from a "risk-on" to a "risk-off" mode. Moreover, only the price trend remains in a bullish mode. The fact that the other indicators are shifting to a defensive position *before* the price trend makes me *extremely* cautious about the markets.

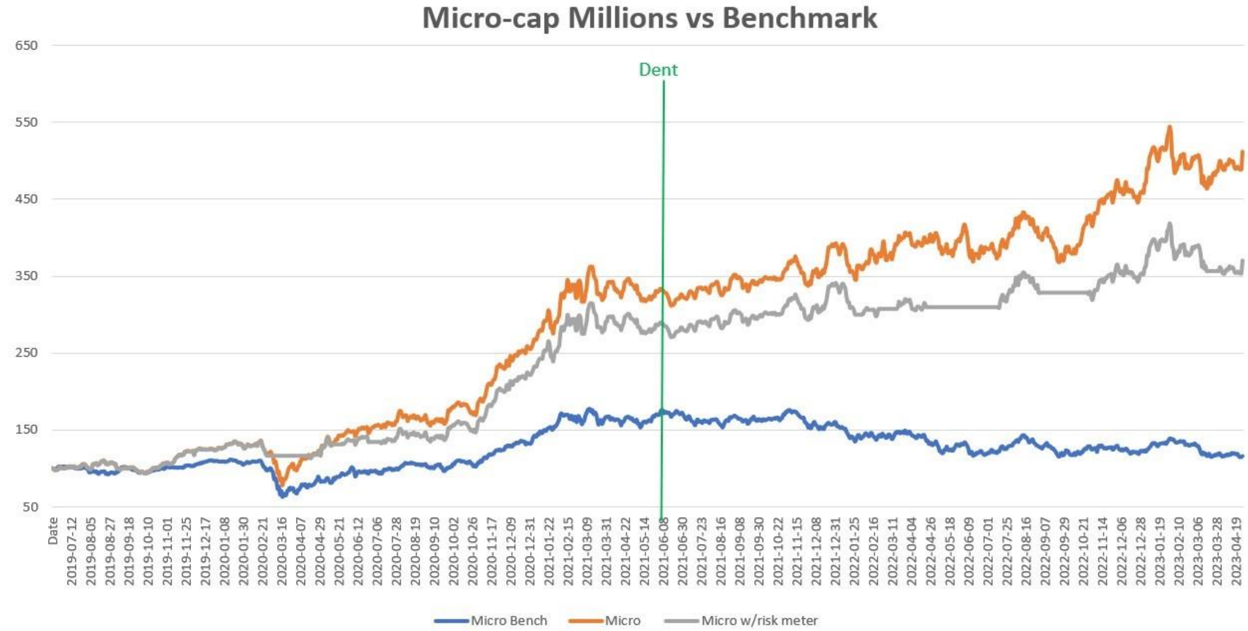
Therefore, I will be defensively positioned in my retirement accounts until these indicators flip back into "risk-on" mode. The trends in these indicators do not impact my taxable account as I invest with the intent not to sell. However, even if the market gets punched in the nose from here, I expect to hold off adding new capital until investor sentiment gets exceptionally bearish.

I have no problem sitting on my hands, whether for a month or two or even longer. While these indicators could be wrong, there are certainly a lot of trends indicating that capital preservation is more important now than chasing a significant return.

Year-to-date, the portfolio is 6.3% compared with 8.0% for the global benchmark and 9.2% for the S&P 500.

Since inception, the portfolio is up 5.9% compared with -9.3% for the global benchmark and -10.56% for the S&P 500.

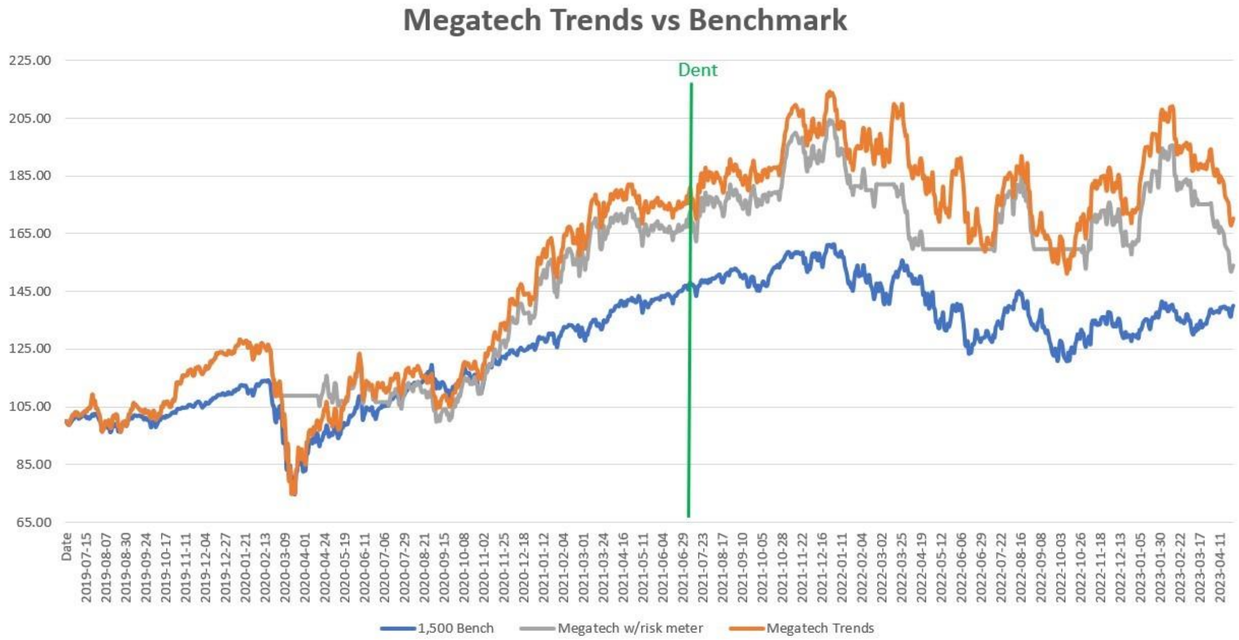
Micro-Cap Millions



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

Ticker	Name	Return	Days Held	Sector
BELFB	Bel Fuse, Inc.	45.55%	249	Technology
EGAN	eGain Corp.	-3.29%	25	Technology
KMDA	Kamada Ltd.	19.79%	130	Healthcare
KNSA	Kiniksa Pharmaceuticals Ltd.	-22.63%	172	Healthcare
MGIC	Magic Software Enterprises Ltd.	-17.03%	70	Technology
OPRA	Opera Ltd.	42.55%	39	Technology
SCPL	SciPlay Corp.	0.71%	25	Technology
SPOK	Spok Holdings, Inc.	31.51%	60	Telecommunications
UTMD	Utah Medical Products, Inc.	8.84%	60	Healthcare
UUU	Universal Security Instruments, Inc.	-23.17%	60	Technology

Mega-Tech Trends



There are three sell trades and three buy trades this week. There are nine stocks in the portfolio.

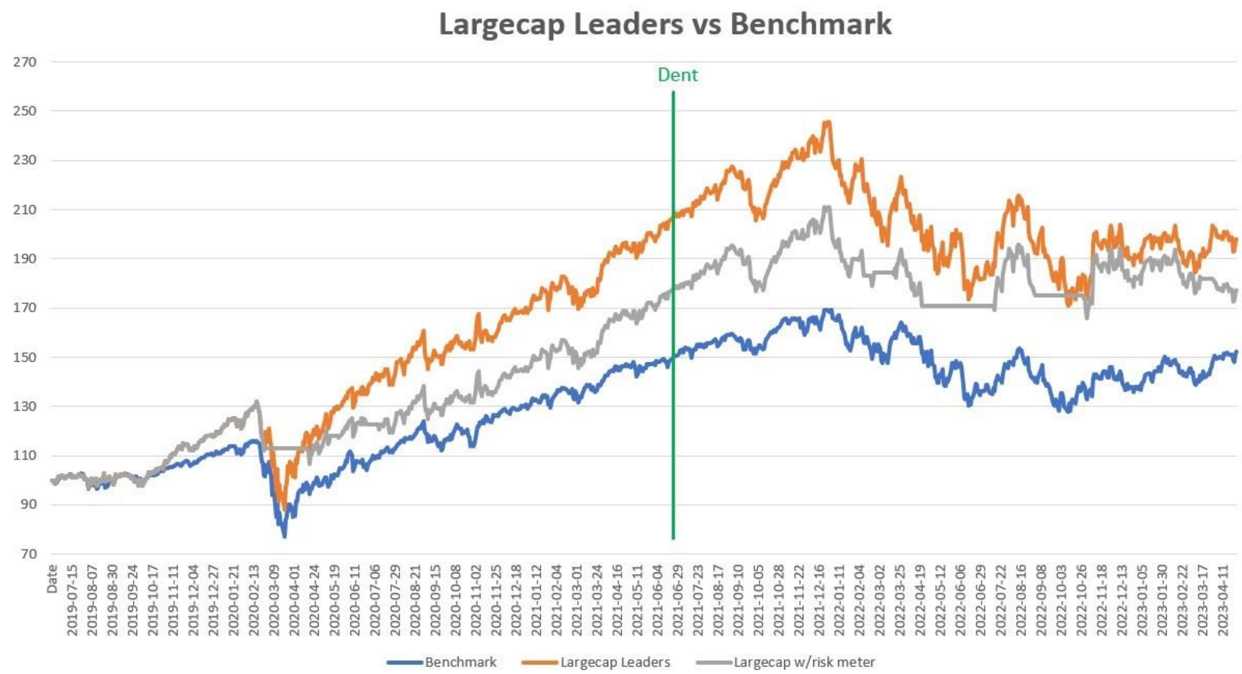
Buy Comcast Corp. (Nasdaq: CMCSA), Knowles Corp. (NYSE: KN), Xerox Holdings Corp. (Nasdaq: XRX)

Sell Cirrus Logic, Inc. (Nasdaq: CRUS), Plexus Corp. (Nasdaq: PLXS), Integra Lifesciences Holdings Corp. (Nasdaq: IART)

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
CMCSA	Comcast Corp.	0.00%	NEW	Telecommunications
COHU	Cohu, Inc.	-9.23%	35	Technology
DGII	Digi International, Inc.	-11.45%	53	Technology
DIOD	Diodes, Inc.	-9.68%	46	Technology
KN	Knowles Corp.	0.00%	NEW	Technology
TDC	Teradata Corp.	-8.40%	70	Technology
TTMI	TTM Technologies, Inc.	-6.64%	18	Technology
XRX	Xerox Holdings Corp.	0.00%	NEW	Technology
ZBRA	Zebra Technologies Corp.	-9.42%	25	Technology

Large Cap Leaders



There are four trades this week.

Buy Align Technology, Inc. (Nasdaq: ALGN), Boston Scientific Corp. (NYSE: BSX), Johnson & Johnson (NYSE: JNJ), and ResMed, Inc. (NYSE: RMD)

Sell Cisco Systems, Inc. (Nasdaq: CSCO), CoStar Group, Inc. (Nasdaq: CSGP), Motorola Solutions, Inc. (NYSE: MSI), and Zebra Technologies Corp. (Nasdaq: ZBRA)

Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
ADI	Analog Devices, Inc.	5.30%	88	Technology
ALGN	Align Technology, Inc.	0.00%	NEW	Healthcare
ANSS	ANSYS, Inc.	0.91%	39	Technology
BSX	Boston Scientific Corp.	0.00%	NEW	Healthcare
CRM	Salesforce, Inc.	14.55%	46	Technology
INTU	Intuit, Inc.	0.53%	11	Technology
JNJ	Johnson & Johnson	0.00%	NEW	Healthcare
NOW	ServiceNow, Inc.	-2.71%	81	Technology
ORCL	Oracle Corp.	8.56%	95	Technology
RMD	ResMed, Inc.	0.00%	NEW	Healthcare

The Forensic Accounting Stock Tracker™ (FAST)

Below are the top and bottom 50 stocks in the FAST Model for **May 2023**. 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 stocks, 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 needed clarification with the 1-50 rank.

FAST™

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	LOPE	Grand Canyon Education, Inc.	A+	A+	A-	A	A+
2	4	LMT	Lockheed Martin Corp.	A+	B+	A-	A	A
3	0	ORLY	O'Reilly Automotive, Inc.	A+	B+	A	A	A-
4	1	CI	The Cigna Group	A+	A	B+	A	A-
5	-4	AZO	AutoZone, Inc.	A+	A-	A-	A	A-
6	-2	ABC	AmerisourceBergen Corp.	A+	B	A	A-	A
7	2	MCK	McKesson Corp.	A+	A	C+	A+	A+
8	42	AVGO	Broadcom Inc.	A+	B-	A	A-	A
9	9	CDNS	Cadence Design Systems, Inc.	A+	C	A+	A	A
10	3	EME	EMCOR Group, Inc.	A+	A-	B-	A	B+
11	3	HCA	HCA Healthcare, Inc.	A+	A-	B+	B-	A+
12	-2	EXLS	ExlService Holdings, Inc.	A+	C	A	A	A
13	12	PRI	Primerica, Inc.	A+	B+	B+	B	A+
14	10	GIS	General Mills, Inc.	A+	B-	A	A+	B+
15	23	FTNT	Fortinet, Inc.	A+	B	B	A-	A
16	17	SNPS	Synopsys, Inc.	A+	C	B+	A	A+
17	108	MSCI	MSCI, Inc.	A+	B	A+	B	A
18	2	VRTV	Veritiv Corp.	A+	A	C-	A	A-
19	-3	SCI	Service Corp. International	A+	B+	A	B+	B-
20	-1	AON	Aon plc	A+	B	A+	B+	B
21	-4	ACM	AECOM	A+	B-	B+	A-	A
22	5	CTAS	Cintas Corp.	A+	C	A+	B+	A+
23	-12	OFG	OFG Bancorp	A+	B+	B	A-	A-
24	21	ADI	Analog Devices, Inc.	A+	B	A-	B+	A-
25	53	QLYS	Qualys, Inc.	A+	A-	B	A-	B
26	42	SXI	Standex International Corp.	A+	B-	B	B+	A+
27	38	MA	Mastercard, Inc.	A+	B-	A+	B-	A+
28	-5	TWNK	Hostess Brands, Inc.	A+	B	B	A	B
29	-21	FBP	First BanCorp (Puerto Rico)	A+	A	A+	C+	B
30	-2	WAB	Westinghouse Air Brake Technologies Corp.	A+	B-	A-	B	A
31	26	MSI	Motorola Solutions, Inc.	A+	C	B	A	A+
32	-2	FICO	Fair Isaac Corp.	A+	B	A	A	C+
33	41	LIN	Linde Plc	A+	B-	A-	B	A-
34	-22	KBR	KBR, Inc.	A+	B-	A	A-	B
35	0	HSY	The Hershey Co.	A+	D+	A	A+	B+
36	3	LKQ	LKQ Corp.	A+	A-	B+	B	B
37	44	DCI	Donaldson Co., Inc.	A+	C+	B+	B	A
38	-4	FN	Fabrinet	A+	C+	B	A	A
39	5	MTD	Mettler-Toledo International, Inc.	A+	B-	A	B-	A-
40	175	MDLZ	Mondelez International, Inc.	A+	C+	A-	B	A
41	82	CVCO	Cavco Industries, Inc.	A+	B	B	B+	B+
42	14	IR	Ingersoll Rand, Inc.	A+	C-	A	B	A
43	-1	PH	Parker-Hannifin Corp.	A+	D+	A	B+	A
44	50	CHE	Chemed Corp.	A+	D+	A	B	A+
45	17	SPSC	SPS Commerce, Inc.	A+	D+	A	B+	A
46	7	OXM	Oxford Industries, Inc.	A+	B+	B-	B	A-
47	-21	BMY	Bristol Myers Squibb Co.	A+	B+	B-	B+	B+
48	-12	GD	General Dynamics Corp.	A+	C+	B	B+	A
49	100	PG	Procter & Gamble Co.	A+	C+	A	C+	A+
50	159	AAPL	Apple, Inc.	A+	B	A+	B-	B

FAST™

Forensic Accounting Stock Tracker

"CSI For Your Stock Portfolio"

Rank Column1	Rank Change Column2	Ticker Column3	Stock Name Column4	Overall Rank Column5	Buybacks Column6	Earnings Quality Column7	Momentum Column8	Sentiment Column9
1449	-13	PETS	PetMed Express, Inc.	F	D	D-	F	D-
1450	-32	RPT	RPT Realty	F	D-	D-	D	D-
1451	17	AKR	Acadia Realty Trust	F	F	D-	D-	D-
1452	-2	LYV	Live Nation Entertainment, Inc.	F	D-	D-	D-	D-
1453	-45	CARA	CARA Therapeutics, Inc.	F	D-	D-	D-	D-
1454	-50	TG	Tredegar Corp.	F	D	D-	D-	F
1455	6	WBD	Warner Bros. Discovery, Inc.	F	D	D-	D-	D-
1456	-37	NCLH	Norwegian Cruise Line Holdings Ltd.	F	D+	D-	D-	D-
1457	25	VREX	Varex Imaging Corp.	F	D-	D-	D-	D-
1458	-79	RC	Ready Capital Corp.	F	F	F	D	D-
1459	12	DEI	Douglas Emmett, Inc.	F	D	D-	F	D-
1460	2	HBI	Hanesbrands, Inc.	F	C	D-	F	F
1461	-9	PARA	Paramount Global	F	D	D-	D-	F
1462	-23	PUMP	ProPetro Holding Corp.	F	D-	D-	D+	F
1463	-16	RUN	SunRun, Inc.	F	D-	D	D-	D-
1464	5	INGN	Inogen, Inc.	F	D-	D-	F	D+
1465	0	GT	Goodyear Tire & Rubber Co.	F	D+	D-	D-	D-
1466	24	LUV	Southwest Airlines Co.	F	D-	D-	D-	D
1467	10	ONL	Orion Office REIT, Inc.	F	D	D-	F	D-
1468	-58	MAC	Macerich Co.	F	D-	D-	D-	F
1469	-10	UNIT	Uniti Group, Inc.	F	D-	D-	D-	D-
1470	14	RGNX	REGENXBIO, Inc.	F	D-	D	D-	D-
1471	-14	LESL	Leslie's, Inc.	F	D-	D-	F	D
1472	7	BDN	Brandywine Realty Trust	F	D	D-	F	D-
1473	-113	KEY	KeyCorp	F	F	D-	D-	D-
1474	-40	RILY	B. Riley Financial, Inc.	F	D+	D-	F	F
1475	-9	EHAB	Enhabit, Inc.	F	F	D-	D+	D-
1476	16	CHRS	Coherus BioSciences, Inc.	F	D-	D	D-	D-
1477	-10	BFH	Bread Financial Holdings, Inc.	F	D	F	F	D-
1478	-3	DISH	DISH Network Corp.	F	D-	D	D-	F
1479	-31	CMP	Compass Minerals International, Inc.	F	F	D	D-	D-
1480	-4	HA	Hawaiian Holdings, Inc.	F	D	D-	F	F
1481	-98	EFC	Ellington Financial, Inc.	F	F	D-	D-	D-
1482	9	SAFE	Safehold, Inc.	F	D	F	D-	D-
1483	2	VIR	Vir Biotechnology, Inc.	F	D-	D-	D-	D-
1484	-42	JBLU	JetBlue Airways Corp.	F	D-	D-	F	D
1485	2	NLY	Annaly Capital Management, Inc.	F	F	D-	D-	D-
1486	10	INTC	Intel Corp.	F	D-	D-	D-	D-
1487	-15	ITOS	iTeos Therapeutics, Inc.	F	D-	F	D-	D-
1488	6	IRBT	iRobot Corp.	F	D-	D-	D-	D-
1489	4	SKYW	Sky West, Inc.	F	D-	F	D-	D-
1490	-39	CCL	Carnival Corp.	F	F	D-	D-	D-
1491	-2	RWT	Redwood Trust, Inc.	F	D-	F	D-	D-
1492	-4	VNO	Vornado Realty Trust	F	D-	D-	F	F
1493	-30	KREF	KKR Real Estate Finance Trust, Inc.	F	D-	F	D-	D-
1494	-24	LNC	Lincoln National Corp.	F	F	F	F	D-
1495	-41	NKTR	Nektar Therapeutics	F	D-	F	F	D-
1496	-16	FRC	First Republic Bank (San Francisco, California)	F	F	F	D-	F
1497	-37	LPSN	LivePerson, Inc.	F	D-	F	F	D-
1498	-70	PACW	PacWest Bancorp	F	F	D-	F	F

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