The Nvidia Effect

I'm back after a restful holiday in Europe.

I never imagined, though, that I'd wake up in Porto, Portugal, to head home and rest my head that night in East Orange, NJ, due to inclement weather and flight cancellations.

I strongly suggest East Orange, NJ, **_not_** be part of your next travel itinerary.

Something about the crack dens is not that charming. I had to lubricate my left eyeball from keeping it open all night as I "slept," thinking that some nefarious characters would bust through the door at any moment.

This happens when flights get canceled at midnight, you're traveling with a foreigner who has yet to learn that Newark, NJ, isn't Mayberry, USA, and they book the hotel!

Nonetheless, I am home and ready to rock!

As you may have noticed in your investments in 2024, it's become increasingly difficult to keep up with the S&P 500. I've always thought the S&P 500 isn't a good benchmark, but it is the standard.

One reason it could be a better benchmark, among several, is due to what we are seeing in 2024.

I call it the "Nvidia Effect".

Nvidia's stock is on a tear. It's surged due to the hype around artificial intelligence, and as a result, its market cap has exploded.

The S&P 500 is a market-cap-weighted index.

When a massive company such as Nvidia becomes an even more massive company, the performance of the index is skewed.

Nvidia's performance in 2024 accounts for nearly 40% of all of the gains in the S&P 500.

One stock.

Out of 500.

The S&P 500 performance doesn't tell you much about what's happening in the stock market right now regarding the average stock.

The average stock is lagging badly.

And, if you're not heavily invested in Nvidia, it's impacting you too.

Now, this will go the other way.

At some point, Nvidia stock will sell off.

Hard!

Then, the S&P 500 will take it on the chin.

Your other investments may start to outperform, possibly dramatically, as Nvidia cools off and money rotates to different asset classes.

It's just the way it is.

This happens over and over again in market cycles.

It's nothing new.

The two main retirement systems, *The Simple Retirement System* and *50X Fortunes* have held their own because they were either invested mainly in the S&P 500 or the leveraged version of the S&P 500.

So, the leveraged version benefitted from Nvidia's surge times two!

Again, that can go the other way, too.

However, as trends follow systems, those models will adjust.

Microcap Millions was up 9% last week.

Yet, *Megatech Trends* continues to be in a defined downtrend.

I received a question from a subscriber about volatility in the models because the models show stocks down 10% weekly.

While that's a fair question, you're doing it wrong if you're looking at the individual stocks.

Strategies need to be followed.

Through thick and thin.

A stock is just a means to allocate to a strategy.

While *Microcap Millions* may have had a *stock* down 10%, the *strategy* was up 9% for the week and continues to do well in 2024.

Meanwhile, the *NO BS* dividend strategy has flat-lined.

That's what's happened with dividend strategies in 2024.

No one cares about a 5% yield when Nvidia can go up 20% weekly.

However, compared to the VIG benchmark, the NO BS portfolio has performed solidly.

VIG is a watered-down S&P 500 version with a 1.8% yield.

Compared with SCHD, the *NO BS* portfolio has been up 25% over the past 12 months compared with 12% for SCHD, and *NO BS* has been up 42% since inception compared with 15% for SCHD.

(Note…for some reason, we cannot display SCHD as a benchmark in the software; otherwise, we could use that instead of VIG, which is less of a dividend-oriented benchmark).

Now, all I care about is *you* achieving *your* financial goals.

Your success is far more important to me than selling newsletters.

To steal a quote from Julia Child, "The only brand I'm selling is honesty."

If you want to invest in the S&P 500 and do nothing else, go for it!

That's not for me, so I don't.

Your life will be much easier.

Most of the time.

Your life will be miserable the numerous times going forward that you suffer 50% drawdowns if you cannot mentally and emotionally handle the Mike Tyson-esque punch in the nose of bear markets.
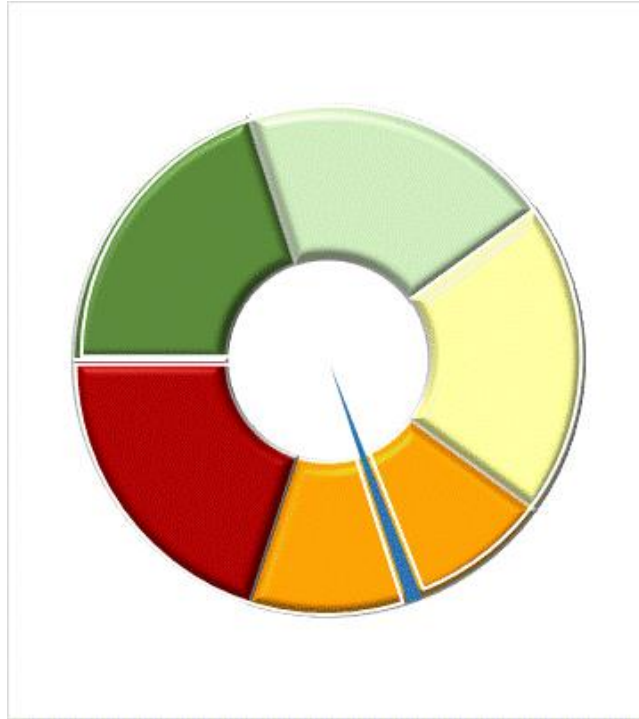
Most people can't.

Possibly, you can.

If you can stick with it, the S&P 500 may be the easiest path to padding your retirement savings.

Either way, I'll end with another quote I stole.

This time, it was from the real Wolf on Wall Street, Jordan Belfort.

In an interview I watched, he recently said, "You can get rich in the stock market…just not overnight."
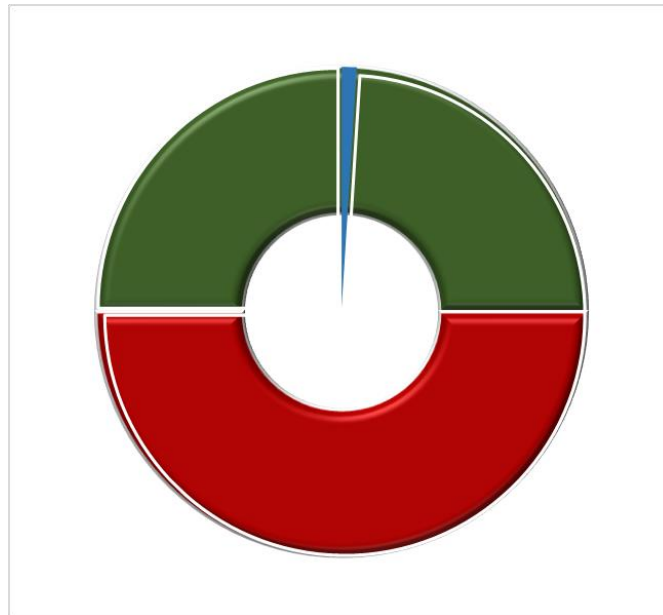
50X Fortunes

The Model remains in "risk on" mode and in SSO.

SSO is the 2x Levered S&P 500.

Own 100% SSO.

Year-to-date, the strategy is up 25.64% for 2024 compared with 5.1% for the global benchmark.

Since its inception, the strategy has gained 41.02% compared with 20.44% for the global benchmark.

Simple Retirement System

There are several changes again this month.

All factors are in "risk on" mode and invested in QQQ.

Therefore, the Model switches from 75% SPY and 25% JNK to 100% QQQ.

Own 100% QQQ.

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

In 2024, the *Simple Retirement System* is up 12.94% for the year compared with 15.2% for the S&P 500 and 5.1% for the global 60/40 benchmark.

Since its inception, the *Simple Retirement System* has been up 41.41%, compared with an 18.85% gain for the S&P 500 and a 5.2% gain for the global benchmark.

Micro-Cap Millions
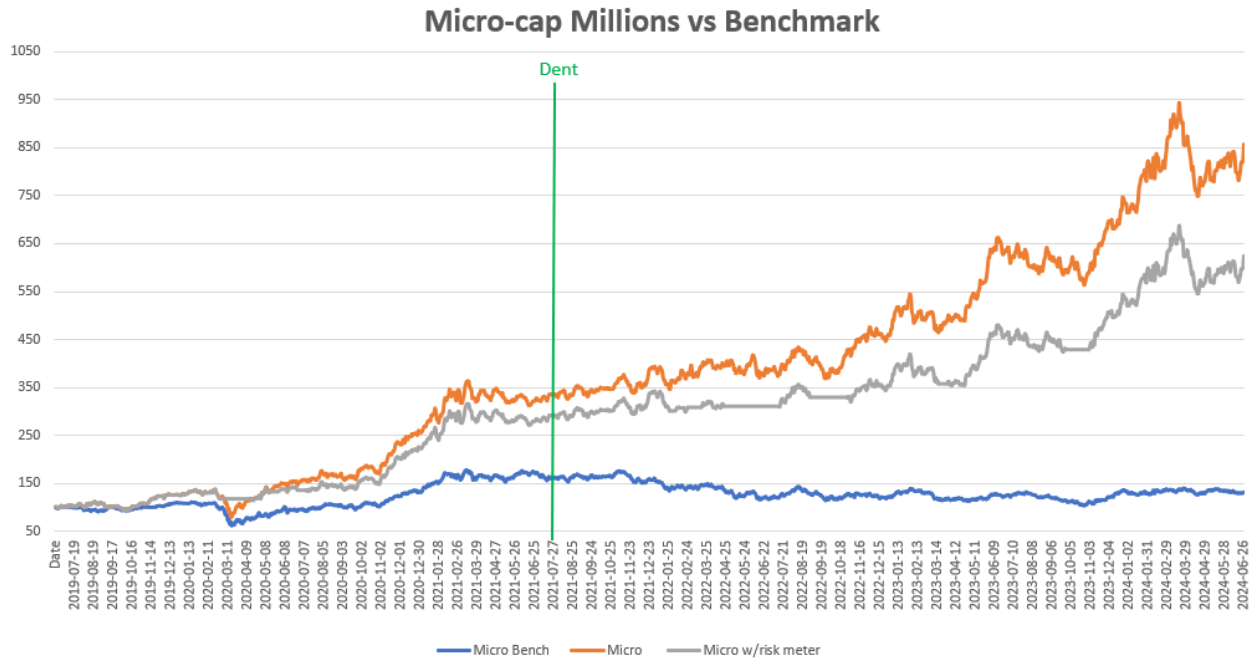
Micro-cap Millions vs Benchmark

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

Ticker	Name	Return	Days Held	Sector
ACTG	Acacia Research Corp.	-10.22%	25	Technology
ALOT	AstroNova, Inc.	-7.76%	67	Technology
BWAY	Brainsway Ltd.	4.91%	102	Healthcare
DDI	DoubleDown Interactive Co., Ltd.	-1.15%	129	Technology
DSP	Viant Technology, Inc.	95.54%	242	Technology
ELMD	Electromed, Inc.	9.39%	129	Healthcare
IMMR	Immersion Corp.	13.37%	46	Technology
MPTI	M-tron Industries, Inc.	22.90%	46	Technology
RDVT	Red Violet, Inc.	24.69%	46	Technology
WYY	WidePoint Corp.	55.76%	39	Technology

Mega-Tech Trends

Megatech Trends vs Benchmark
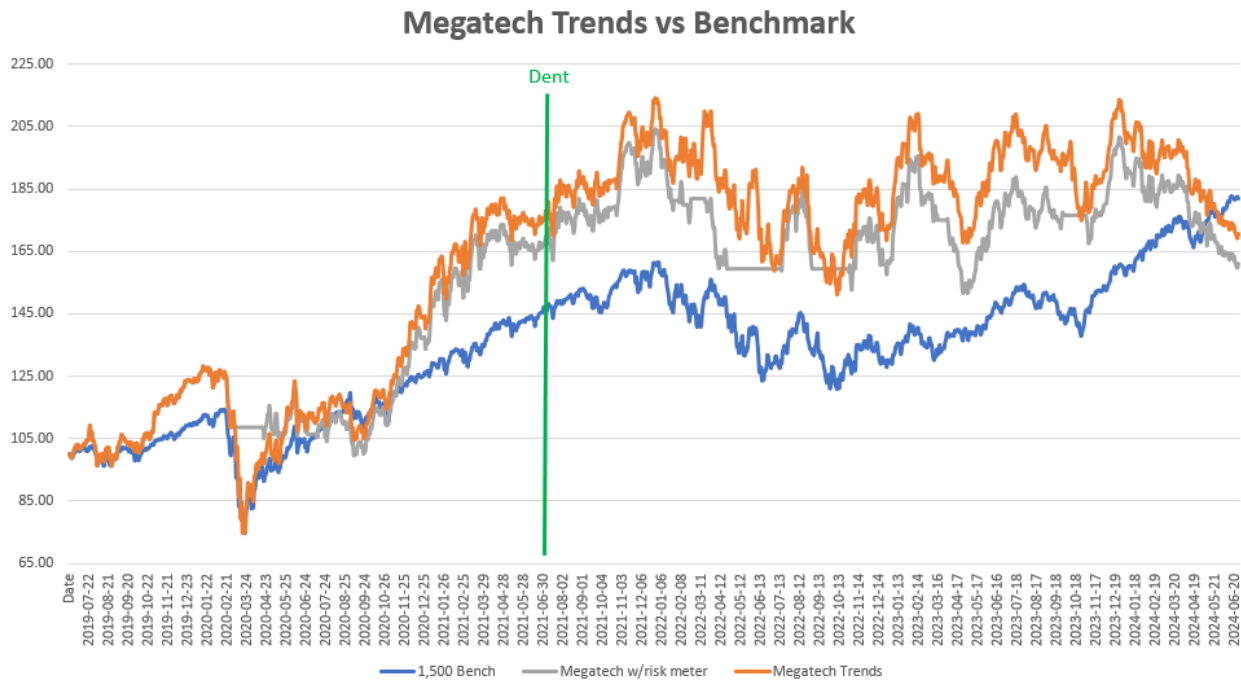
There are three trades this week.

Buy Jabil, Inc. (NYSE: JBL), Resideo Technologies, Inc. (NYSE: REZI), and Zebra Technologies, Inc. (Nasdaq: ZBRA)

Sell Incyte Corp. (Nasdaq: INCY), TD Synnex Corp. (NYSE: SNX), ScanSource (Nasdaq: SCSC),

Here is the current portfolio:

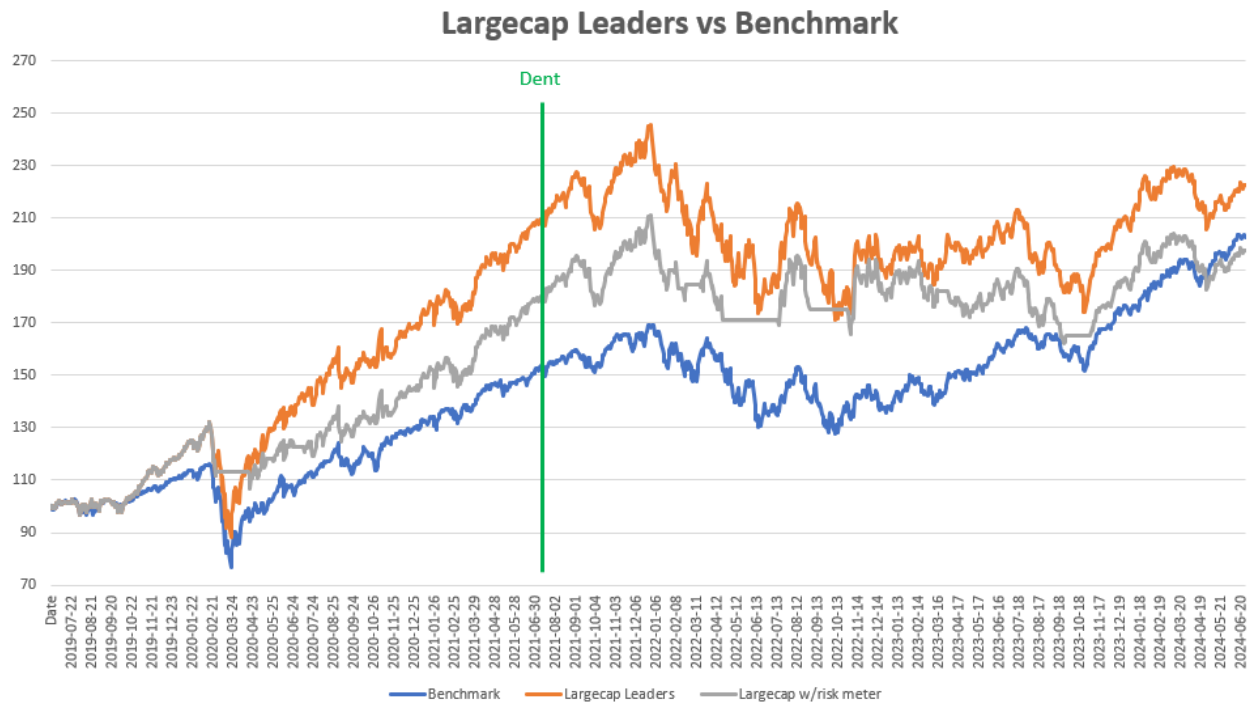| Ticker	Name	Return	Days Held	Sector
ACLS	Axcelis Technologies, Inc.	2.49%	11	Technology
BDC	Belden, Inc.	-0.96%	11	Technology
FN	Fabrinet	1.61%	11	Technology
HPE	Hewlett Packard Enterprise Co.	1.20%	4	Technology
JBL	Jabil, Inc.	0.00%	NEW	Technology
MKSI	MKS Instruments, Inc.	-2.38%	11	Technology
QRVO	Qorvo, Inc.	3.26%	11	Technology
REZI	Resideo Technologies, Inc.	0.00%	NEW	Technology
TRMB	Trimble, Inc.	-0.39%	4	Technology
ZBRA	Zebra Technologies Corp.	0.00%	NEW	Technology

Large Cap Leaders

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

Ticker	Name	Return	Days Held	Sector
AKAM	Akamai Technologies, Inc.	-17.34%	95	Technology
CDW	CDW Corp.	-5.06%	67	Technology
CMCSA	Comcast Corp.	-9.67%	158	Telecommunications
EPAM	EPAM Systems, Inc.	0.17%	39	Technology
FFIV	F5, Inc.	-4.36%	158	Technology
HPE	Hewlett Packard Enterprise Co.	21.88%	95	Technology
INCY	Incyte Corp.	12.76%	53	Healthcare
MSCI	MSCI, Inc.	3.15%	53	Technology
MSFT	Microsoft Corp.	40.99%	277	Technology
TMUS	T-Mobile US, Inc.	7.43%	39	Telecommunications

MAX Profits

July 1, 2024

The Forensic Accounting Stock Tracker™ (FAST)

Below are the top and bottom 50 stocks in the FAST Model for July 2024. The Model is updated monthly.

4 Factor Ranking Performance
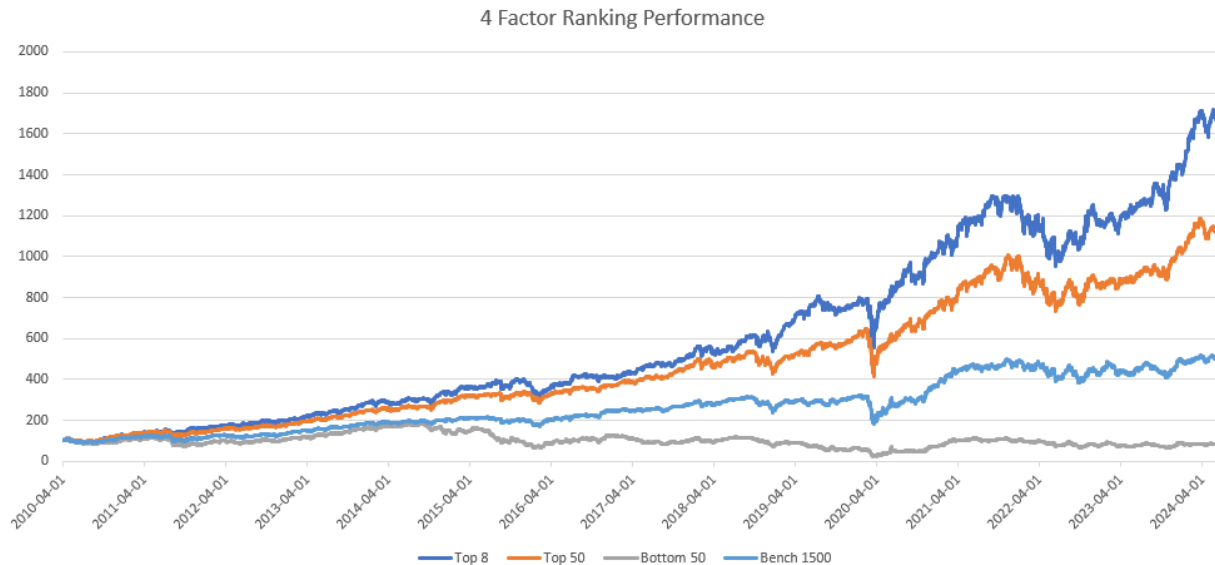
How to Use FAST™

There are several ways to use FAST™ in your investing process.

Among them:

• Individual stock selection—FAST™ can help you analyze 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 of generating 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	5	LOPE	Grand Canyon Education, Inc.	A+	B	A+	B+	A+
2	2	LRCX	Lam Research Corp.	A+	B	A-	A-	A+
3	-1	FI	Fiserv, Inc.	A+	A-	A	B	A-
4	9	CSL	Carlisle Cos., Inc.	A+	A-	B	B+	A
5	77	UHS	Universal Health Services, Inc.	A+	A-	A	B	A-
6	13	PRI	Primerica, Inc.	A+	A-	B+	A-	B+
7	3	AMAT	Applied Materials, Inc.	A+	C+	A	A	A
8	30	SXI	Standex International Corp.	A+	B-	A	A	B
9	-8	ORLY	O'Reilly Automotive, Inc.	A+	B+	A+	B-	A
10	8	DXPE	DXP Enterprises, Inc.	A+	A	C+	A-	A
11	3	MANH	Manhattan Associates, Inc.	A+	B-	A+	B+	A
12	-4	GOOGL	Alphabet, Inc.	A+	B	A	A	B
13	56	NXPI	NXP Semiconductors NV	A+	B-	A+	A-	B
14	11	AVGO	Broadcom Inc.	A+	B-	A	A-	A
15	5	IT	Gartner, Inc.	A+	B-	A	A-	B+
16	-4	V	Visa, Inc.	A+	B	A	B	A
17	5	MSI	Motorola Solutions, Inc.	A+	C+	A	B+	A+
18	-15	HCA	HCA Healthcare, Inc.	A+	A-	A	B	B+
19	-8	JBL	Jabil, Inc.	A+	A+	B-	B+	A-
20	-3	CTAS	Cintas Corp.	A+	C+	A	A	A-
21	-16	KLAC	KLA Corp.	A+	B-	A+	A	B+
22	4	PH	Parker-Hannifin Corp.	A+	C-	B+	A+	A+
23	0	EPAC	Enerpac Tool Group Corp.	A+	B+	C	A	A+
24	-17	NFLX	Netflix, Inc.	A+	B	A	B+	B
25	-16	WST	West Pharmaceutical Services, Inc.	A+	B	A+	B	A-
26	4	HLT	Hilton Worldwide Holdings, Inc.	A+	A-	B+	B	B
27	6	GMS	GMS, Inc.	A+	B	B	A	B
28	0	CACI	CACI International, Inc.	A+	B-	B+	B+	A+
29	89	CAL	Caleres, Inc.	A+	B	B+	B+	B+
30	46	WWD	Woodward, Inc.	A+	D+	A+	A	A-
31	12	INTU	Intuit, Inc.	A+	C+	B	A	A+
32	-3	MSFT	Microsoft Corp.	A+	C-	A+	B+	A+
33	72	SAIC	Science Applications International Corp.	A+	A	B-	A-	B
34	7	DD	DuPont de Nemours, Inc.	A+	A	B	B-	A+
35	23	TEL	TE Connectivity Ltd.	A+	B	A-	B-	A+
36	-20	ADBE	Adobe, Inc.	A+	B-	A	B-	A+
37	99	PRDO	Perdoceo Education Corp.	A+	C	B+	A	A
38	-4	ROST	Ross Stores, Inc.	A+	B	A-	B	A
39	1	MLI	Mueller Industries, Inc.	A+	C	A	A	A-
40	6	SPGI	S&P Global, Inc.	A+	B	A-	B-	A+
41	33	ITT	ITT, Inc.	A+	D+	B+	A+	A+
42	28	WAB	Westinghouse Air Brake Technologies Corp.	A+	B-	A	A	B
43	79	DCI	Donaldson Co., Inc.	A+	C+	A+	B	A
44	-5	BRC	Brady Corp.	A+	B+	A-	C	A+
45	-14	CMG	Chipotle Mexican Grill, Inc.	A+	C	A+	A-	B+
46	-10	USFD	US Foods Holding Corp.	A+	B-	B+	A	B+
47	-32	GWW	W.W. Grainger, Inc.	A+	B	A	A	B-
48	3	TT	Trane Technologies plc	A+	C	B+	A	A-
49	22	BGC	BGC Group, Inc.	A+	B+	D+	A	A+
50	-29	MAR	Marriott International, Inc.	A+	A-	B+	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
1450	6	BKH	Black Hills Corp.	F	D-	D	D-	D-
1451	-31	SUPN	Supernus Pharmaceuticals, Inc.	F	D-	D-	D-	D
1452	7	BANC	Banc of California, Inc.	F	F	D-	C-	D-
1453	-4	JWN	Nordstrom, Inc.	F	D-	D-	D+	D-
1454	-4	BXMT	Blackstone Mortgage Trust, Inc.	F	D	F	D-	D-
1455	-21	PRVA	Privia Health Group, Inc.	F	D-	D+	F	D-
1456	9	TTEC	TTEC Holdings, Inc.	F	D	D-	F	D-
1457	-9	MLAB	Mesa Laboratories, Inc.	F	D-	D-	D-	D-
1458	-28	HBI	Hanesbrands, Inc.	F	D	D-	D-	F
1459	10	WPC	W.P. Carey, Inc.	F	F	D-	D-	D+
1460	-5	BGS	B&G Foods, Inc.	F	F	D-	D-	D
1461	-28	MPW	Medical Properties Trust, Inc.	F	D	D-	D-	F
1462	-41	OGS	ONE Gas, Inc.	F	D-	D	D-	D-
1463	16	RWT	Redwood Trust, Inc.	F	F	F	D+	D-
1464	2	WBD	Warner Bros. Discovery, Inc.	F	D	D-	D-	D-
1465	-30	RILY	B. Riley Financial, Inc.	F	F	D-	C	F
1466	-6	XPER	Xperi, Inc.	F	D-	D-	D-	D
1467	13	WOLF	Wolfspeed, Inc.	F	D-	D	D-	D-
1468	-1	ORA	Ormat Technologies, Inc.	F	D-	D	D-	D-
1469	-33	CRNC	Cerence, Inc.	F	F	F	D-	D-
1470	-19	IRWD	Ironwood Pharmaceuticals, Inc.	F	D-	D	D-	D-
1471	12	HZO	MarineMax, Inc.	F	D-	D-	D-	D
1472	3	HTLD	Heartland Express, Inc.	F	D	D-	D-	D-
1473	-5	RGNX	REGENXBIO, Inc.	F	F	D	D-	D-
1474	-13	MXL	MaxLinear, Inc.	F	D-	D-	D-	D-
1475	21	SAFE	Safehold, Inc.	F	F	D-	D-	D+
1476	-5	PARA	Paramount Global	F	D	D-	D-	F
1477	1	ALB	Albemarle Corp.	F	D-	D-	D-	F
1478	6	CMP	Compass Minerals International, Inc.	F	D	D-	F	D-
1479	-15	OMCL	Omnicell, Inc.	F	D-	D-	D-	D
1480	-10	NBR	Nabors Industries Ltd.	F	D	F	D-	F
1481	-7	ARR	ARMOUR Residential REIT, Inc.	F	F	D-	D-	D
1482	5	RUN	SunRun, Inc.	F	D-	D-	D-	D-
1483	7	SABR	Sabre Corp.	F	D-	F	D	D-
1484	9	NYCB	New York Community Bancorp, Inc.	F	F	D-	D	D-
1485	-4	MRCY	Mercury Systems, Inc.	F	D-	D	F	F
1486	-1	ARWR	Arrowhead Pharmaceuticals, Inc.	F	F	D	D-	F
1487	-24	PCRX	Pacira Biosciences, Inc.	F	D-	D-	D-	D-
1488	-16	LUV	Southwest Airlines Co.	F	D-	D-	D-	D-
1489	-13	D	Dominion Energy, Inc.	F	D-	D-	D-	D-
1490	-1	LUMN	Lumen Technologies, Inc. (Louisiana)	F	D	F	D-	F
1491	1	GDOT	Green Dot Corp.	F	D-	F	D-	D-
1492	2	VSAT	ViaSat, Inc.	F	D-	F	D-	D-
1493	-7	TWO	Two Harbors Investment Corp.	F	F	F	D-	D-
1494	-3	JBLU	JetBlue Airways Corp.	F	D-	F	D-	F
1495	-7	MD	Pediatrix Medical Group, Inc.	F	D-	D-	F	D-
1496	-19	VIR	Vir Biotechnology, Inc.	F	D-	D-	D-	D-
1497	-24	VTLE	Vital Energy, Inc.	F	F	D-	D-	F
1498	-3	ADTN	ADTRAN Holdings, Inc.	F	D-	F	F	D-
1499	-2	CRK	Comstock Resources, Inc.	F	D-	D-	D-	F