



Opportunity is Knocking

Last week, I noted how the market is top-heavy and driven by just a handful of companies. The top 15 stocks by weight in the S&P 500 account for over 42% of the index

As I was thinking about this over the last few days, it reminded me of the Internet Bubble meltdown, which created a massive opportunity.

I was performing forensic accounting analysis of technology companies, working for the most successful independent research company on Wall Street (all the significant hedge funds and asset managers were our clients) when I realized many of these companies were built on thin air.

It was all hype. Hype results in heartache.

So I quit my job, packed up my car, and moved to Dallas, TX. I worked as an analyst for a wealthy family and, within a few months, was promoted to portfolio manager.

I aggressively shorted those hyped-up technology companies. The wealthy family became...*wealthier*.

But here's where I see the similarities between today and back then.

Our long/short portfolio, which was 75% net long, was also up substantially on the year despite the S&P 500 being *down* 23.4% in 2002. Underneath the hype, there was a huge opportunity!

I pointed out last week that many stocks in the major indexes are already in defined downtrends based on point and figure charting.

Here's the current point and figure ratings on several major indexes.

Russell 2000	51.59%
S&P 100	59.6%
S&P Composite 1500	58.25%
S&P MidCap 400	58.31%
S&P SmallCap 600	55.61%

As the table shows, small-caps have been weak. This is expected because the AI theme is mainly focused on mega-caps. Even in the S&P 100, though, about 40% of stocks are in downtrends with 59.6% of stocks in bullish trends.

I am not the only one who thinks there's a similarity between today and 2002. OpenAI CEO, Sam Altman, as reported by *The Verge*, recently told a handful of journalists that investors are “overexcited” about AI. He also stated that, “when bubbles happen, smart people get overexcited about a kernel of truth.” He then compared the current environment to “the tech bubble.”

Eventually, Nvidia, Apple, Microsoft, and others will get hit. Hard. These stocks are leading the way, making it hard to keep pace with the S&P 500.

But the stocks underneath them have already been sold out. Those stocks are setting up for a significant move to close the performance gap with the stocks investors are overexcited about.

The milk has already spilled.

You must be prepared *ahead* of time, though.

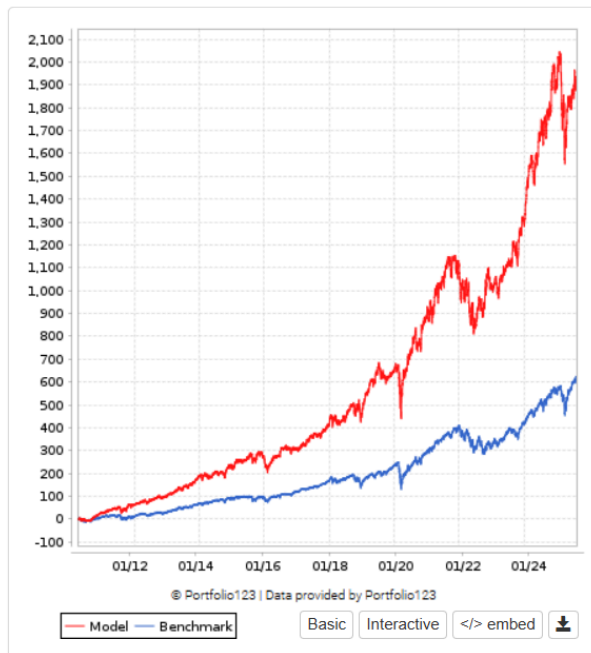
Here’s what I’m looking for and how to play it.

The market is starting to weaken and become oversold. The *Short-Term Composite* indicator from *Investors Intelligence*, which I have highlighted in the past, is at 36. Not deeply oversold, but weak. Investor sentiment is now neutral too.

My main bet in my taxable account will be the equally weighted S&P 500. Each stock is 0.20% of the index, instead of Nvidia and Microsoft weighing 7.8% and 6.8% respectively.

The average stock is poised for dramatic outperformance. I own both the S&P 500 and the equal-weighted S&P 500. But, I will favor the latter the next time I load up.

The second way is individual stocks. But what stocks? Over time, my *Forensic Accounting Stock Tracker (FAST) Model* has handily outperformed the S&P 500. Just the top 8 stocks have generated 1,900.6% returns compared with 620.9% for the S&P 500 since April 2010, when I started my research firm.



General Info

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Total Market Value (inc. Cash)	2,000,641.87
Cash	-3,148.87
Number of Positions	8
Last Trades (6)	08/11/25
Period	04/01/10 - 08/15/25
Sizing Method	Static Weight
Next Rebalance (Every Week)	08/16/25 Due
Mode	Manual
PIT Method - Prelim	Use
Benchmark	S&P 500 (SPY:USA)
Universe	S&P1500 CompositeCap (IVV+IJH+IJR)
Ranking System	FAST Ranking

Quick Stats as of 8/15/2025

Total Return	1,900.64%
Benchmark Return	620.91%
Active Return	1,279.73%
Annualized Return	21.50%
Annual Turnover	1,334.19%
Max Drawdown	-30.94%
Benchmark Max Drawdown	-33.72%
Overall Winners	(1001/1653) 60.00%
Sharpe Ratio	1.19
Correlation with S&P 500 (SPY:USA)	0.82

The *FAST Model* is my life's work. It easily and quickly separates the wheat from the chaff. Do you own a stock where the company is aggressive in its accounting? It could torpedo your portfolio. But, if you don't have access to the *FAST Model*, you'll never know...

As a special Labor Day offer, Harry Dent has agreed to drop the price by 20% to get access to *FAST Profits*, my weekly newsletter that trades the top eight stocks in the Model.

But here's where it gets better. The first 25 readers to snap up this offer will get access to the complete *Forensic Accounting Stock Tracker*. You'll be able to see how 1,500 stocks rank across a variety of factors that generate an edge in the market.

I charged clients over \$25,000 a year for access to the Model. You won't pay a fraction of the price. Now individual investors can be armed with the tools of the pros...and level the playing field!

To learn more about FAST Profits, check it out here.

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