



Asbury Research

Using Data-Driven Investing To Find The Best Post-Election Opportunities

*Prepared for the American Association of Individual Investors (AAII)
San Diego Chapter*

November 14th, 2020



About Asbury Research

Who We Are

John Kosar, CMT, Chief Market Strategist

John has 40 years of experience and insight in analyzing and forecasting global financial markets. John spent the first half of his career on the trading floor of the Chicago futures exchanges, where he had the opportunity to learn how the US financial markets work from the inside out. This practical experience, early in his career, became the foundation for his unique analytical approach, is, understanding of intermarket relationships, and global perspective. John incorporates a comprehensive blend of technical and quantitative metrics, plus Asbury Research's own proprietary models, which collectively tend to be more intuitive and forward-looking than the typical Wall Street approach.

John is a contributor to **Forbes** and is frequently quoted in the financial press, in both the US and abroad, including **The Wall Street Journal**, **MarketWatch.com**, **Barron's**, **Yahoo! Finance**, **CNBC.com**, and **Reuters**. He can regularly be seen on U.S. financial television including **CNBC**, **Fox Business**, and **Bloomberg**, and is a frequent speaker at financial seminars and events across the country presented by national organizations including the **Chartered Financial Analyst (CFA) Society**, the **National Association of Active Investment Managers (NAAIM)**, the **CMT (Chartered Market Technician) Association**, and the **American Association of Individual Investors (AAII)**.

Throughout his career, John has been consistently recognized as a top U.S. financial market analyst and was awarded the **Chartered Market Technician (CMT)** designation in 1999. He served as Vice President of the CMT Association from 2004 to 2006 and was a member of its Board of Directors from 2002-2006. During his career he has been a trader, analyst, and strategist for **Shearson American Express**, **NatWest Markets**, **Greenwich Capital Markets**, and **Deutsche Bank**.

About Asbury Research

What We Do

We utilize decades of investment experience and our own **proprietary models** to provide clients and subscribers with **forward-looking, actionable market intelligence and investment ideas**.

Our approach is purely data driven and focused on finding patterns and signals contained in our own very large and broad database of market information. These signals, hidden behind the daily talking points we hear about in the financial media, typically lead important changes in the direction of financial asset prices.

Our metrics and methodology help our subscribers become more successful investors by identifying:

- **when** it's time to be aggressive and fully invested (Risk On),
- **when** it's time to be defensive and protecting capital (Risk Off),
- **where** the opportunities in global stock markets exist,
- **what** parts of the US financial landscape are performing best,
- **which** sectors, industry groups, and individual stocks to buy, and
- **where** the best opportunities exist in a broad array of ETFs.

About Asbury Research

How We Do It

The Metrics We Use To Forecast Financial Asset Prices

- Price, trend, and chart patterns
- Our **Correction Protection Model (CPM)**
- Our **Asbury 6** key market internals
- **Global** intermarket relationships
- Our **stock and ETF selection** models (Asbury Momentum, Asbury Value)
- Market volatility
- Investor sentiment
- Seasonality
- Relative performance
- **Investor asset flows**
- **Sector and Industry group selection**
- **Size** (Small, Mid, or Large Cap) & **Style** (Growth or Value)

Finding Post-Election Opportunities With Data-Driven Investing

1) Executive Summary: November 14th, 2020

- **U.S. Stock Market:** There is a **tentative breakout taking place** in the S&P 500 (SPX) and being corroborated by more defensive names like Walmart (WMT) and Hershey (HSY), amid a **Risk On / Positive status in our Tactical models** (Asbury 6, Correction Protection Model). These breakouts target an additional 7%-10% rise in the US broad market amid seasonal strength into January. However, the market is **over-extended** from a momentum standpoint while market-leading **Technology has not been participating**. If these breakouts (SPX, WMT, etc.) fail amid a Risk Off / Negative shift in our models, it would signal the start of a correction that could be in the 10% plus category.
- **Size: Large Cap** stocks appear to be in the early stages of a Tactical (monthly) trend of relative outperformance trends versus Small Cap.
- **Style:** The S&P 500 **Value** ETF (SPYV) appears to be beginning of a new trend of Strategic relative outperformance versus the SPDR S&P 500 ETF (SPY).
- **Cross Asset:** Our **CARP Model** indicates a **moderate appetite for risk** as **Stocks** are outperforming Bonds, **High Beta** stocks are outperforming Low Volatility, **Emerging Markets** are outperforming US, and **Corporate Bonds** are outperforming Government Bonds.

Finding Post-Election Opportunities With Data-Driven Investing

2) Executive Summary: November 14th, 2020

- **Global Relative Performance:** The vast majority of the countries that are outperforming the US on a Tactical (monthly) and Strategic (quarterly) basis are from the **Asia and Pacific Region**. **India** is the oldest of these trends, outperforming the S&P 500 by 17% since June.
- **Sector & Industry Group Performance:** The latest data in multiple time frames shows an emerging trend of inflows into **Technology** (since 10/29) and an emerging trend of outflows from **Consumer Staples** (since 11/5).
- **US Interest Rates:** The yield of the benchmark **10-Year Treasury Note** is rising from multi-generational lows and is amid favorable Tactical conditions to potentially test the 1.00% area.
- **Gold:** Extremes in investor sentiment suggest a potential emerging Tactical buying opportunity.

US Stock Market

Price & Trend (1): Semis Making New Highs, Blue Chips Testing All-Time Highs



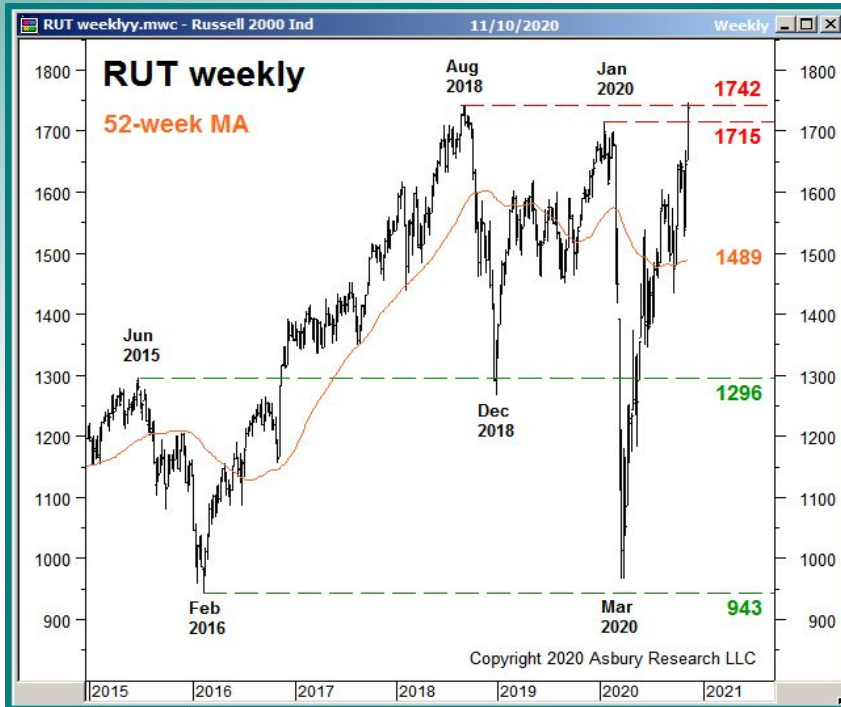
The market-leading PHLX Semiconductor Index, after testing and rebounding from its 2016 uptrend line in March, is making new all time highs.



Meanwhile, the blue chip NYSE Composite is testing major overhead resistance at its Jan 2018 and Jan 2019 highs. *Major decision point.*

US Stock Market

Price & Trend (2): RUT Testing All-Time Highs, Failed Breakout In COMP?



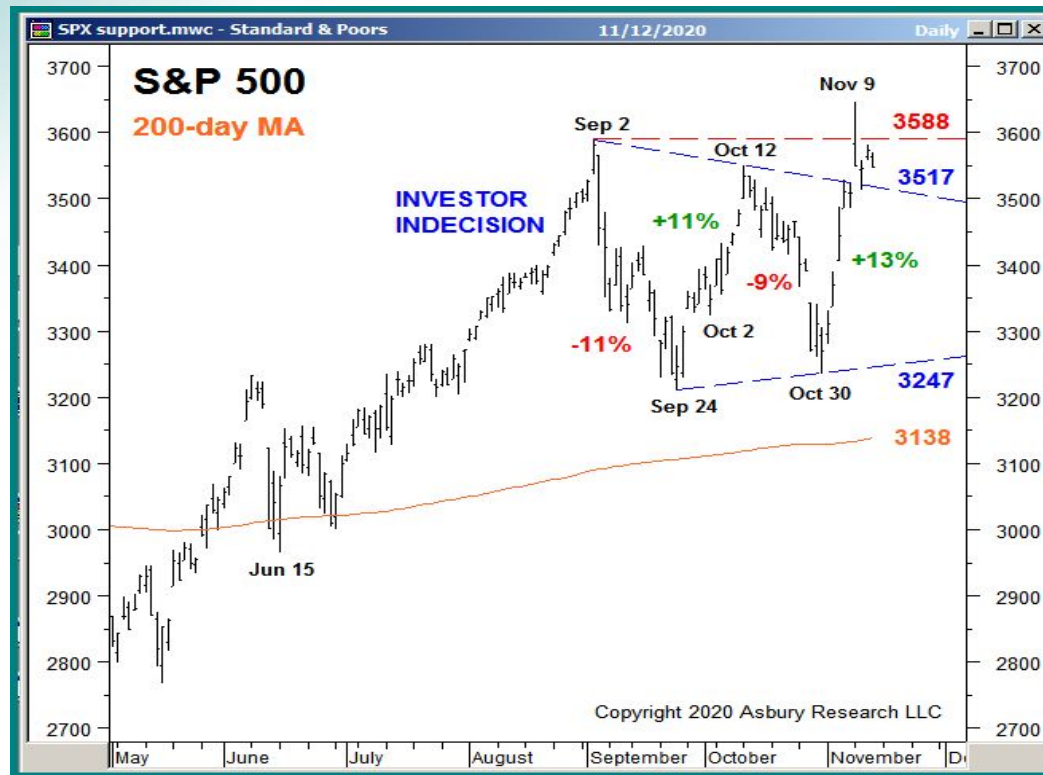
Similar to NYSE, the small cap Russell 2000 is testing major overhead resistance at its Aug 2018 and Jan 2020 highs. *Major decision point.*



Tech bellwether NASDAQ Composite is flirting with a major bullish breakout, but has not yet been able to confirm it. *Another major decision point.*

US Stock Market

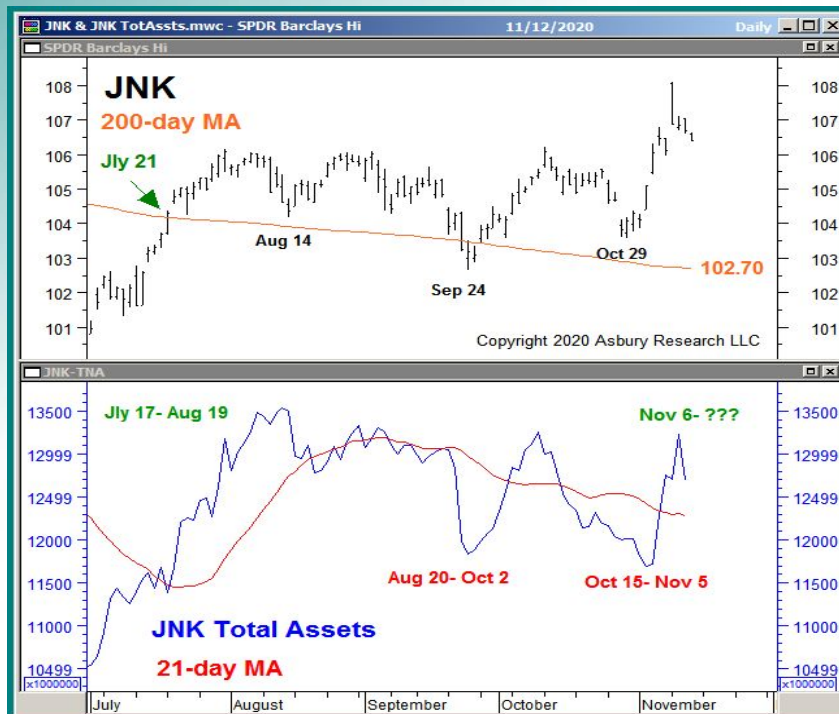
Price & Trend (3): Tentative Breakout Higher In SPX Targets 8% Rise



The broad market SPX confirmed a breakout from investor indecision on Nov 9th that targets a rise to 3850, but needs to hold 3517 support for that target to remain valid. Note the large, choppy price swings since September. Nervous market.

US Stock Market

Intermarket Relationships : High Yield Bond Prices Point Higher



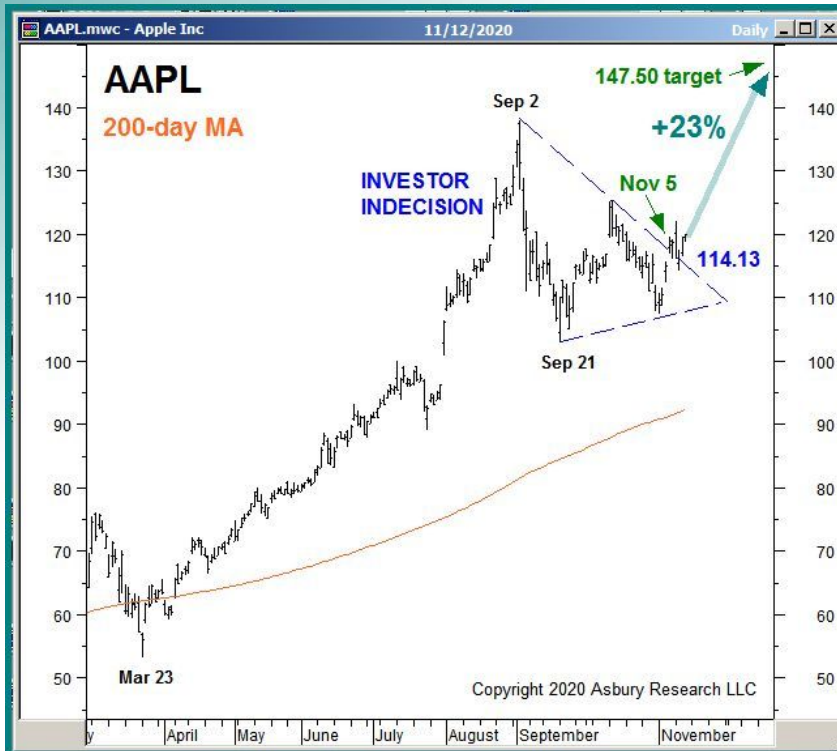
The SPDR Bloomberg Barclays High Yield Bond (JNK) is in a Jly 21st major uptrend and now making fresh highs on monthly asset expansion. *Bullish.*



JNK has maintained a significant and stable positive correlation to the S&P 500 throughout the past 10 years. Thus, *as goes JNK so is likely to go the US broad market.*

US Stock Market

Influential Stocks (1): AAPL, MSFT Indicate Major Decision Point For Stocks



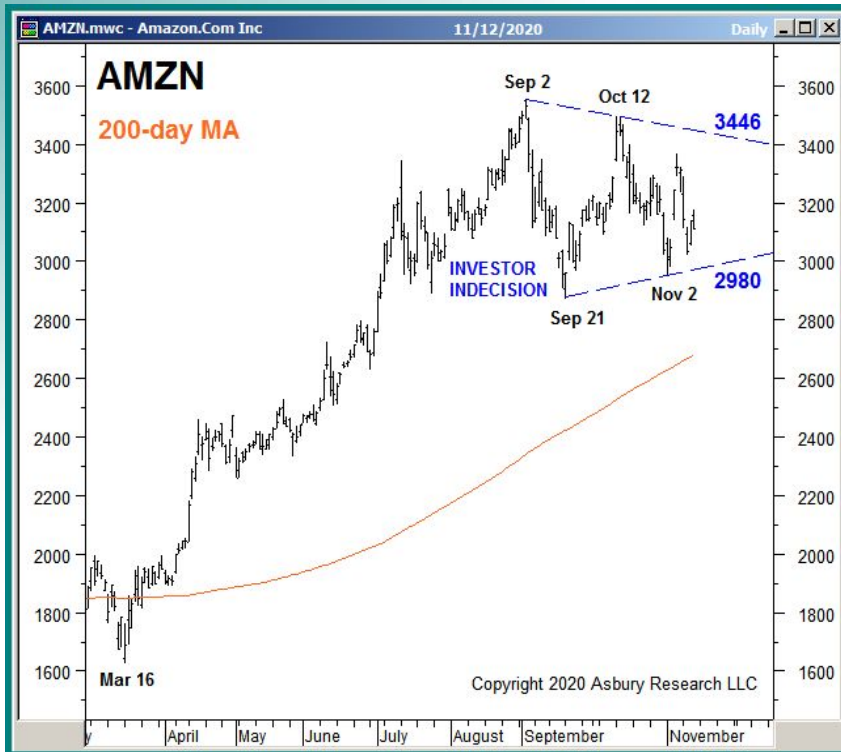
Tech bellwether AAPL made a tentative breakout from indecision that suggests its March advance is resuming, but *must remain above 114.13 to confirm it.*



However, a similar breakout in MSFT is failing by falling back into the pattern (below 219.00). Both stocks typically lead the US broad market. *Indecision.*

US Stock Market

Influential Stocks (2): AMZN Indecision, WMT Targets 7% Rise



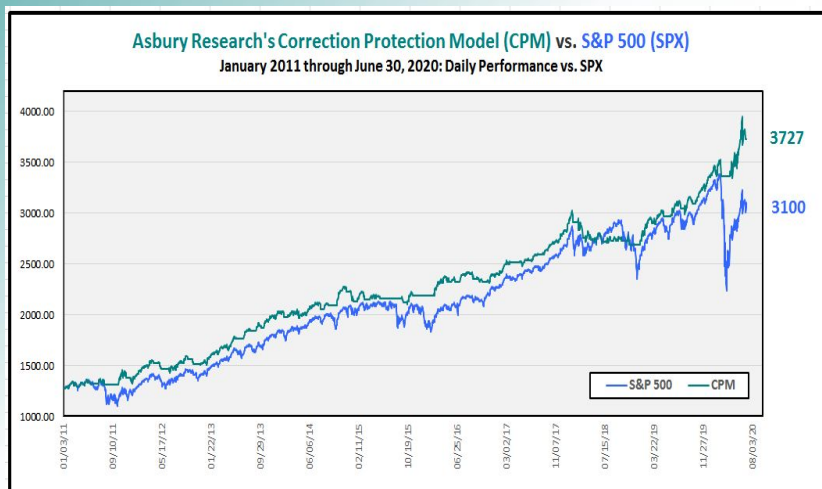
Cons Discretionary stock Amazon is still stuck within the boundaries of its Sep 2nd investor indecision pattern. Likely springboard for next significant trend.



Cons Staples stock Walmart is holding its Nov 6th breakout much better than Tech. Targets an additional 7% rise to 158.20 that remains valid above 142.70.

Asbury's Correction Protection Model (CPM)

Wealth Preservation: When To Be Invested



Purpose & Key Features

- Protects investors against significant market declines
- without sacrificing long term performance under a variety of market conditions,
- while **greatly reducing market risk** as measured by actual time invested and by volatility of returns (low beta).

CPM v SPX: Performance Comparison By Year			
Year	S&P 500	CPM	CPM Rel Perf
2011	0.00%	9.78%	9.78%
2012	13.41%	12.17%	-1.24%
2013	29.60%	35.31%	5.71%
2014	11.39%	9.07%	-2.32%
2015	-0.73%	-0.86%	-0.13%
2016	9.54%	8.83%	-0.71%
2017	19.42%	20.16%	0.74%
2018	-6.24%	-4.76%	1.48%
2019	29.24%	27.23%	-2.01%

Performance Highlights Since 2011

- CPM has a **beta of 0.31** vs. 1.0 for SPX.
- CPM has averaged **5 signals per year**.
- CPM has only been **in the market 65% of the time**, significantly reducing risk.
- CPM has a **maximum drawdown of 9.5%** compared to 27.6% for SPX.

Asbury's Correction Protection Model (CPM)

Wealth Preservation: "Risk On" As Of November 5th

About CPM

- The Correction Protection Model (CPM) is our own **proprietary defensive model** for the S&P 500. It is **quantitative and data driven**.
- **CPM is binary: it is either Risk On or Risk Off.**
- **CPM is not a returns-driven model, but rather a wealth preservation tool.** It was designed to protect investor assets during potentially dangerous market conditions while also taking advantage of the market's historical upward bias.
- **2020 Year-To-Date Performance**
Correction Protection Model (CPM): **+22.6%**
S&P 500 (SPX): **+8.6%**
CPM Relative Outperformance: **+14.0%**

CPM Signals: Trailing 12 Months



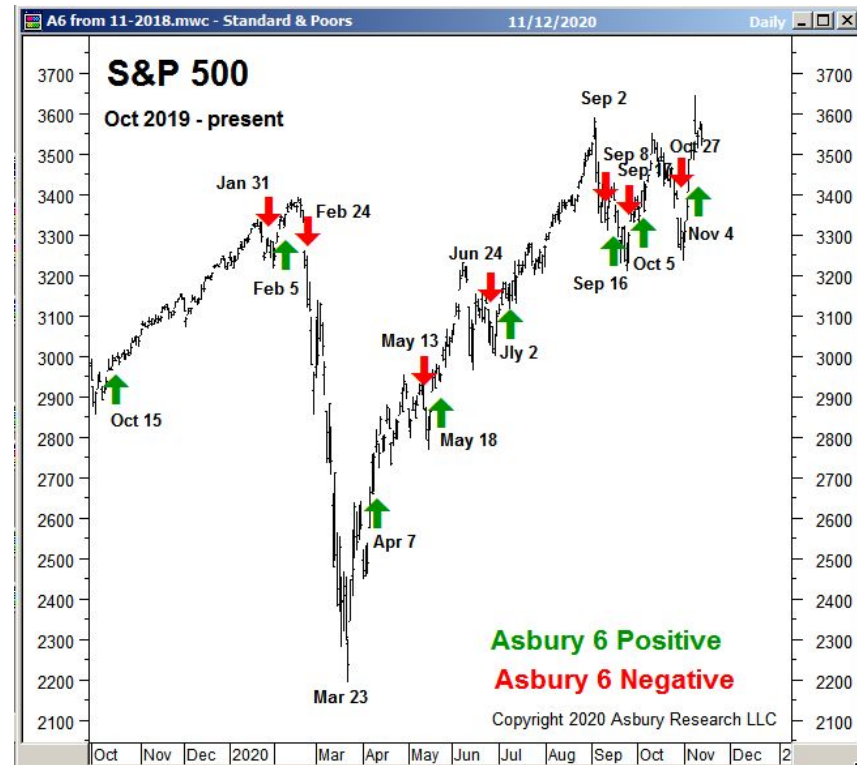
The Asbury 6 Key Market Internals

Risk Management: When To Be Invested

The Asbury 6:

- the monthly rate of change in the S&P 500
- the relative performance of equity prices versus high yield bond prices,
 - investor asset flows
- corporate bond spreads
 - trading volume
 - market breadth

“A6” Signals: Trailing 12 Months



The Asbury 6 Key Market Internals

Risk Management: Positive As Of November 4th

"ASBURY 6" INTERNAL MARKET METRICS through 11/12//2020		
METRIC	POSITIVE AS OF:	NEGATIVE AS OF:
Rate Of Change: SPX	11/4/2020	
Rel Performance: Stocks v HiYld Bonds	11/5/2020	
Investor Asset Flows: SPY	11/4/2020	
Corporate Bond Spreads	11/4/2020	
Trading Volume: SPX	11/3/2020	
Market Breadth: NYSE	11/5/2020	

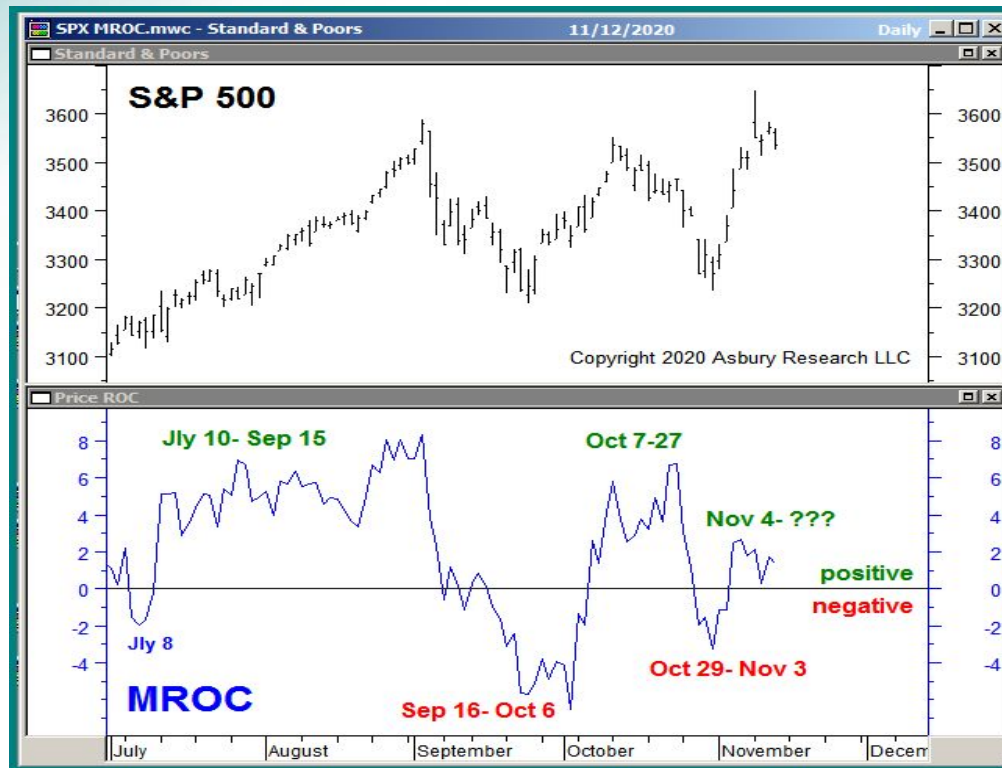
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Four or more metrics in one direction, either Positive (green) or Negative (red), indicate a tactical bias.

When all Asbury 6 are positive, market internals are the most conducive to adding risk to portfolios. Each negative reading adds an additional element of risk to participating in existing or new investment ideas.

The Asbury 6 Key Market Internals

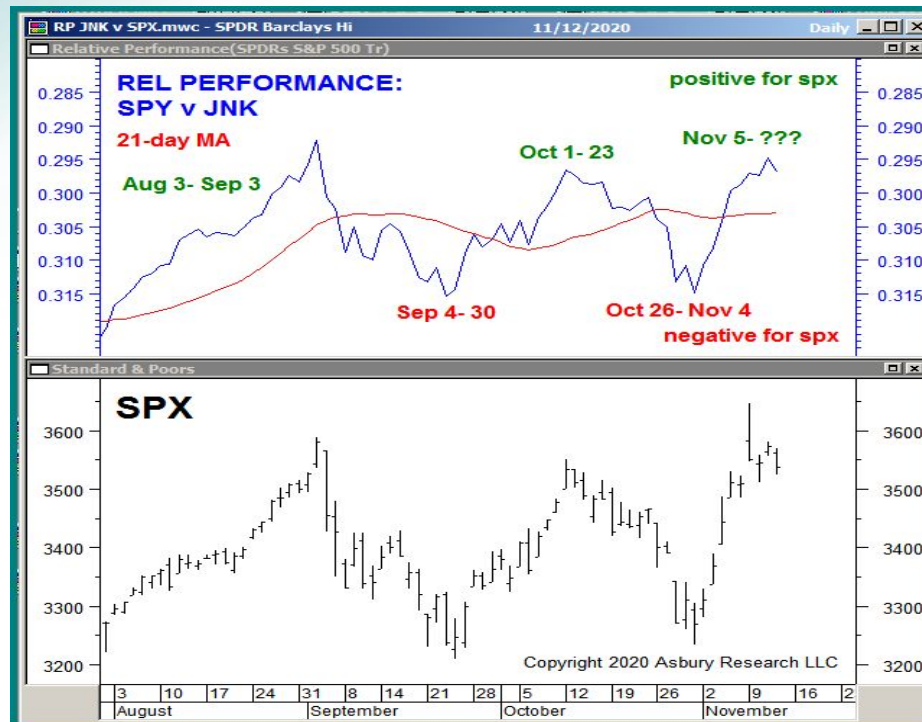
Momentum: Near Term Positive



SPX's 1-month rate of change, a Tactical momentum gauge, has been positive since Nov 4th.

The Asbury 6 Key Market Internals

Relative Performance: Near Term Positive



The green highlights show the S&P 500 (SPY) has been in a trend of *monthly relative outperformance* versus junk bond prices (JNK) since Nov 5th. This has historically coincided with Tactical stock market advances.

The Asbury 6 Key Market Internals

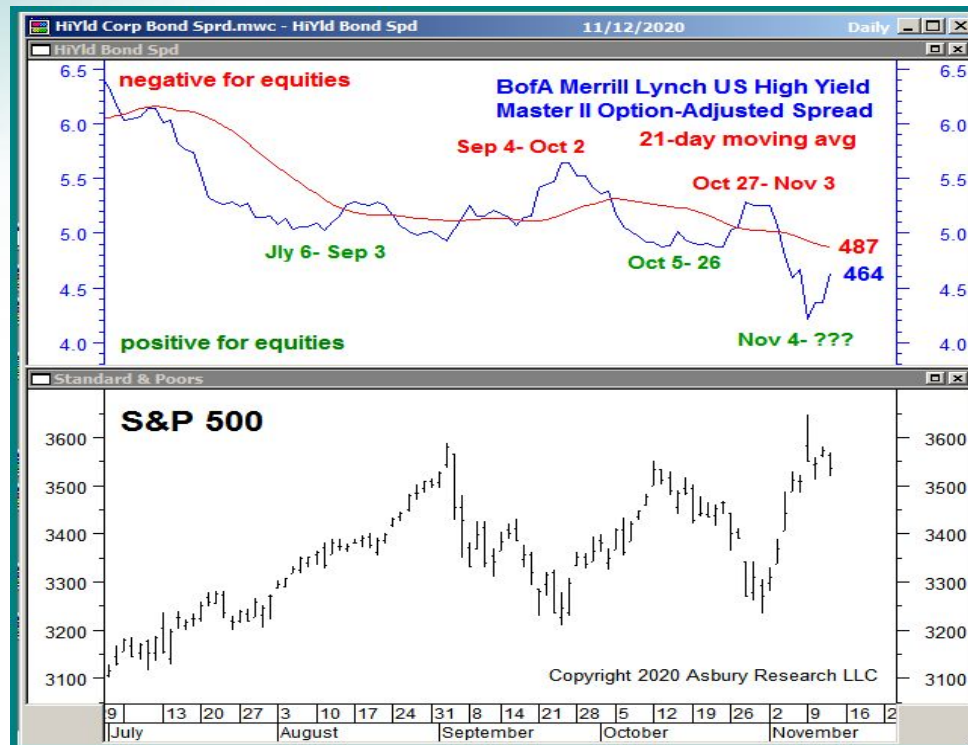
ETF Asset Flows: Near Term Positive



The total net assets invested in the SPDR S&P 500 ETF shifted to a trend of *monthly expansion* on Nov 4th, characteristic of Tactical broad market advances.
Note that assets have exceeded the Sep 2nd high.

The Asbury 6 Key Market Internals

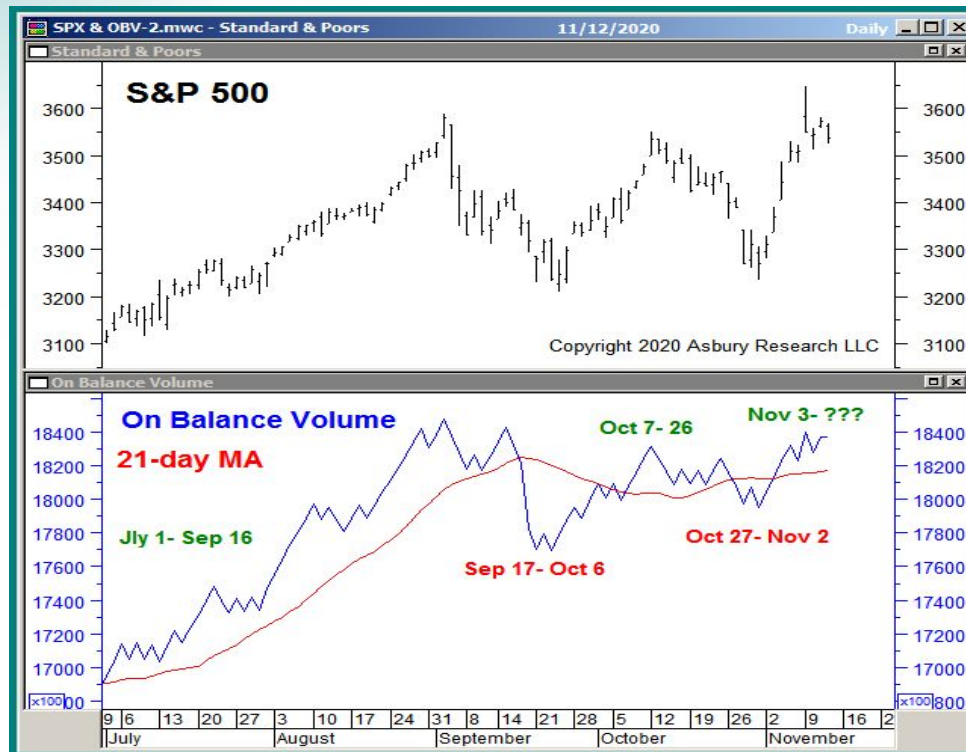
Corporate Bond Spreads: Near Term Positive



High yield corporate bonds have been in a trend of *monthly narrowing* since Nov 4th, This indicates *near term complacency* in the bond market that has historically coincided with Tactical stock market advances.

The Asbury 6 Key Market Internals

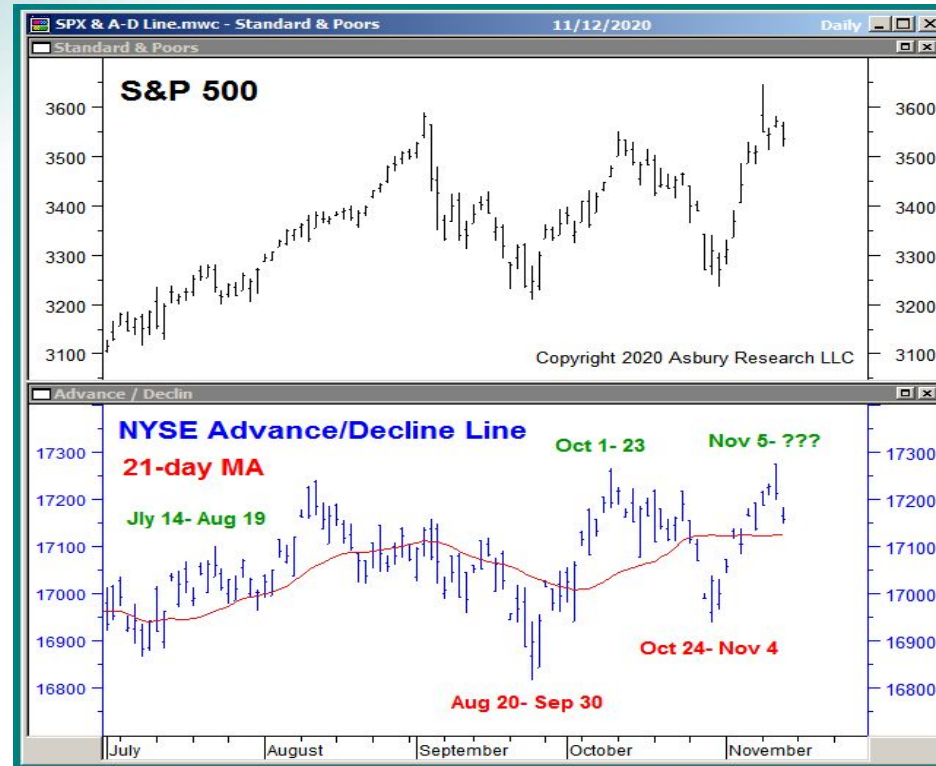
Volume: Near Term Positive



On Balance Volume (OBV) moved back above its 21-day moving average on Nov 3rd, indicating a trend of *monthly expansion* that is historically characteristic of Tactical stock market advances.

The Asbury 6 Key Market Internals

Market Breadth: Near Term Positive



The NYSE Composite's A/D line has been above its 21-day MA since Nov 5th, indicating a monthly trend of improving market breadth characteristic of Tactical stock market advances.

Asbury Research Stock & ETFs Ideas

Quantitative Stock Selection

Asbury Research uses a quantitative, repeatable, multi-step process to identify trending stocks with favorable market internals, low initial risk, and exceptional risk/reward ratios.

We use our own proprietary models, **Asbury Momentum** which buys strength and **Asbury Value** which buys weakness, to scan over 6,000 US stocks and about 200 ETFs every business day. Of those identified as trade candidates, we only consider those:

- **with a market capitalization greater than \$2 billion**
- **with an initial risk of 5% or less**
- **with a risk/reward ratio of 1:3 or greater** (the reward must be 3 times the risk).

We then adjust the protective stop throughout the trade to either further mitigate risk or to lock in open trade profits. Protective stops are only moved in the direction of the trade.

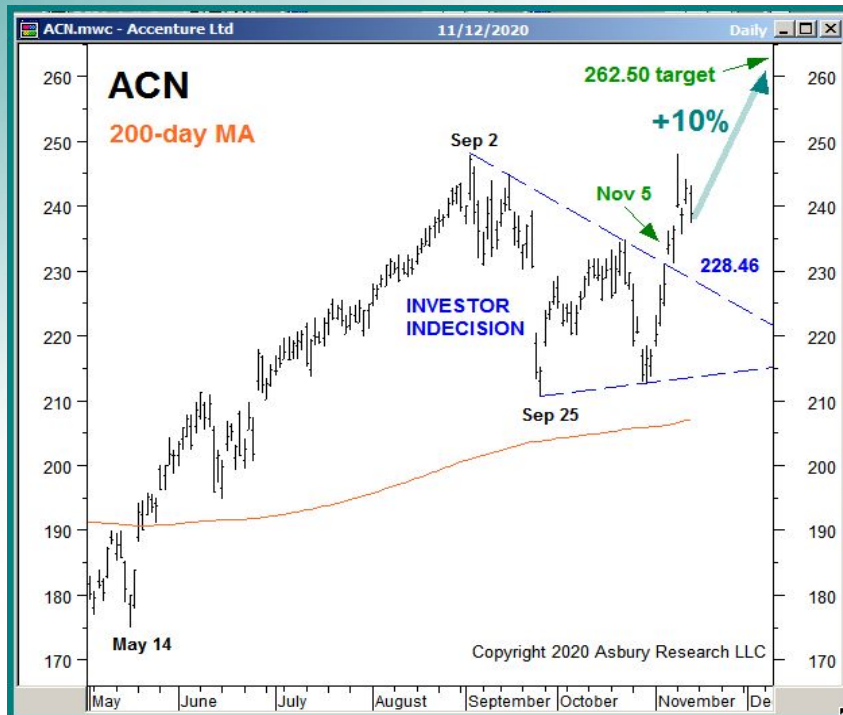
Asbury Research Stock & ETFs Ideas

Quantitative Stock Selection: Our Current Stock & ETF Picks

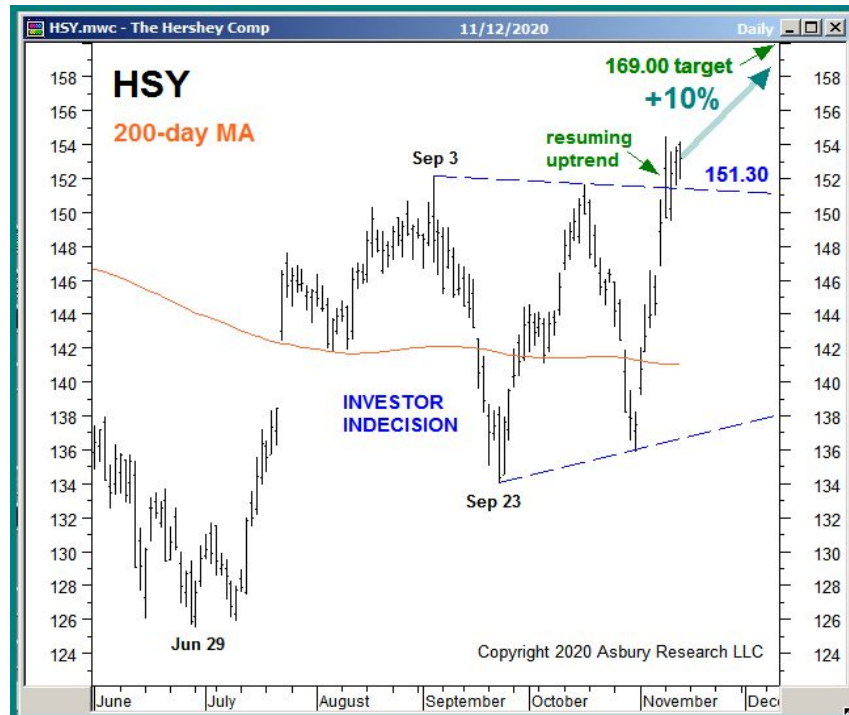
ASBURY RESEARCH TRADE IDEAS & PRICE TARGETS												updated 11/12/2020
Entry Date	Asset	Ticker	Type	Long/Short	Earnings Date	Entry Price	Target	Initial Reward vs Risk	Initial % Risk	Stop Loss	Exit Price	Exit Date
SPECIFIC IDEAS IN STOCKS / ETFs												
11/12/2020	Apple	AAPL	Momentum	Long	1/26/2021	119.85	147.50	4.8 to 1	4.8%	114.13		new
11/11/2020	Hershey	HSY	Momentum	Long	2/4/2021	152.36	169.00	3.0 to 1	3.6%	146.81		
11/10/2020	Walmart	WMT	Momentum	Long	11/17/2020	145.50	158.20	3.1 to 1	2.9%	141.34		
11/6/2020	Accenture LTD	ACN	Momentum	Long	12/17/2020	233.93	262.50	3.0 to 1	4.1%	224.40		
PRICE TARGETS IN GLOBAL INDEXES												
												* positive correlation to SPX
11/2/2020	iShares MSCI Malasia ETF	EWM	Negative			25.36	21.50	NEW	-15%	21.59 target negated by rise above 25.58		-1%
CLOSED TRADE IDEAS												
Entry Date	Asset	Ticker	Type	Entry Price	Target			days in trade	Exit Price	Exit Date	% Profit/Loss	
11/6/2020	Old Dominion Freight Lines	ODFL	Momentum	206.14	234.00			3	199.07	11/10/2020	-3%	
10/30/2020	Abbot Laboratories	ABT	Momentum	104.57	94.00			2	107.41	11/2/2020	-3%	
10/23/2020	SPDR S&P Biotech ETF (XBI)	XBI	Momentum	117.06	132.00			6	114.23	10/30/2020	-2%	
9/23/2020	Bio-Techne Corp	TECH	Value	245.81	286.68			25	260.18	10/28/2020	6%	
10/9/2020	Royal Gold	RGLD	Value	119.84	147.64			13	116.78	10/28/2020	-3%	
10/6/2020	Home Depot	HD	Momentum	281.08	307.00			14	279.68	10/26/2020	-1%	
10/1/2020	Roper Technologies	ROP	Value	399.03	455.72			17	424.02	10/26/2020	6%	
10/14/2020	Papa John's International	PZZA	Value	82.93	102.25			4	79.27	10/19/2020	-4%	
8/28/2020	Nisource Inc.	NI	Momentum	22.04	16.00			30	22.64	10/12/2020	-3%	
10/1/2020	Whirlpool Corp	WHR	Momentum	183.31	200.50			7	201.84	10/9/2020	10%	
9/15/2020	Crown Castle International	CCI	Value	162.50	180.00			7	157.00	9/23/2020	-3%	
9/15/2020	United Therapeutics	UTHR	Value	106.90	127.79			5	103.58	9/21/2020	-3%	
9/1/2020	Stryker Corp	SYK	Momentum	198.16	232.00			14	200.53	9/21/2020	1%	
8/10/2020	CSX Corporation	CSX	Momentum	73.96	82.50			30	77.38	9/21/2020	5%	
8/5/2020	Caterpillar Inc.	CAT	Momentum	133.68	160.30			33	148.36	9/21/2020	11%	

Asbury Research Stock & ETFs Ideas

ACN, HSY Target Additional 10% Advances



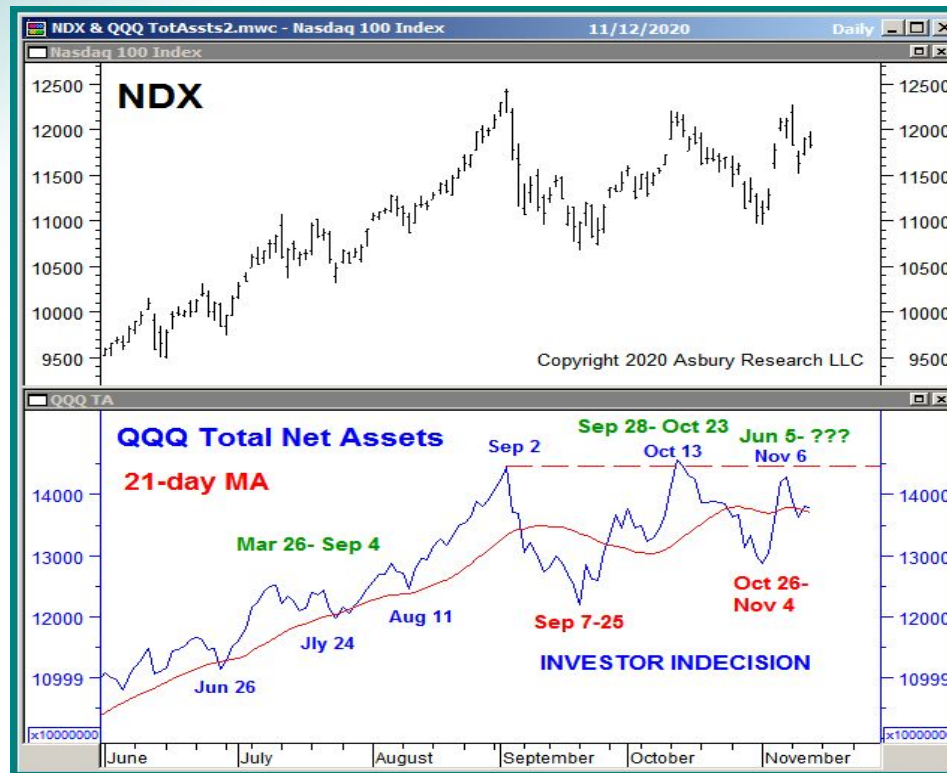
Technology stock Accenture's Nov 5th resumption of its May advance targets an additional 10% rise to \$262.50. 15-year positive correlation to S&P 500.



Cons Staples stock Hershey's Nov 9th resumption of its June advance targets an additional 10% rise to \$169.00. 40-year positive correlation to S&P 500.

US Stock Market

Asset Flows: Near Term Neutral

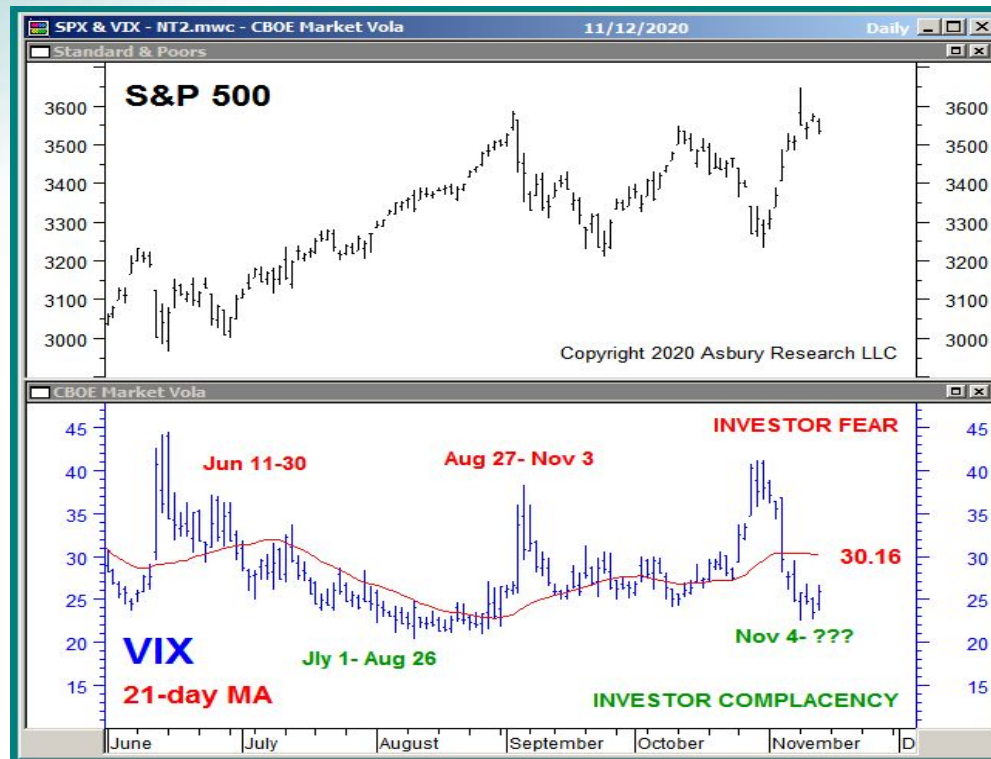


Unlike SPY as shown in Slide 15, the daily total net assets invested in the Invesco QQQ ETF, which tracks the NASDAQ 100 (NDX), have been drifting sideways since Sep 2nd.

This indicates near term bullish conviction in Technology is waning.

US Stock Market

Volatility: Near Term Positive



The VIX moved below its 21-day MA on Nov 4th, indicating a monthly trend of declining volatility that is characteristic of Tactical stock market advances.

US Stock Market

Stocks vs Bonds: Near Term Positive



The SPDR S&P 500 ETF (SPY) has been in a monthly trend of *relative outperformance* versus the iShares 20+ Year Treasury Bond ETF (TLT) since Nov 5th. Relative outperformance by equities has historically been positive for US stocks.

US Stock Market

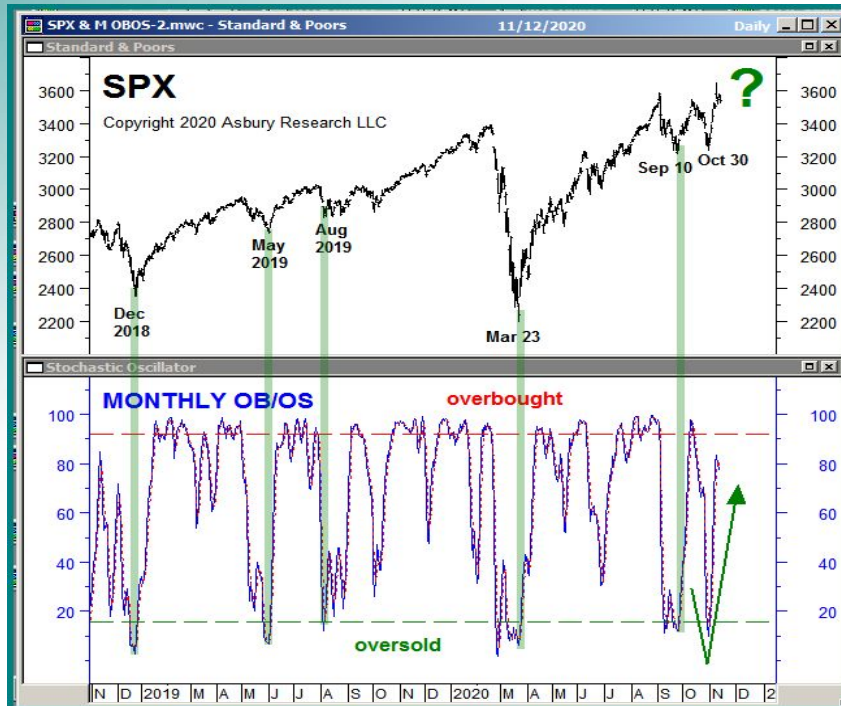
Strategic Momentum: Intermediate Term Negative



SPX moved to as much as 13.9% above its 200-day MA on Nov 11th, which is an historically over-extended extreme. This is a Strategic indication that the March advance is over-extended and vulnerable to a corrective decline.

US Stock Market

Overbought/Oversold: Near Term Positive, Intermediate Term Negative



The S&P 500 is rebounding from Oct 30th *monthly* oversold extremes that are characteristic of Tactical US broad market advances.



Meanwhile, SPX is also retracting from Sep 2nd *quarterly* overbought extremes that have historically coincided with Strategic US market declines.

US Stock Market

Market Breadth: Near Term Negative, Intermediate Term Positive



The percentage of NYSE stocks trading above their 40-day MA has reached a high extreme, of 71% or higher, that has historically coincided with or led Tactical market tops.



The percentage of NYSE stocks trading above their 200-day MA is rising from a Mar 19th low extreme that is characteristic of Strategic market bottoms.

US Stock Market

Investor Sentiment: Near Term, Intermediate Term Positive



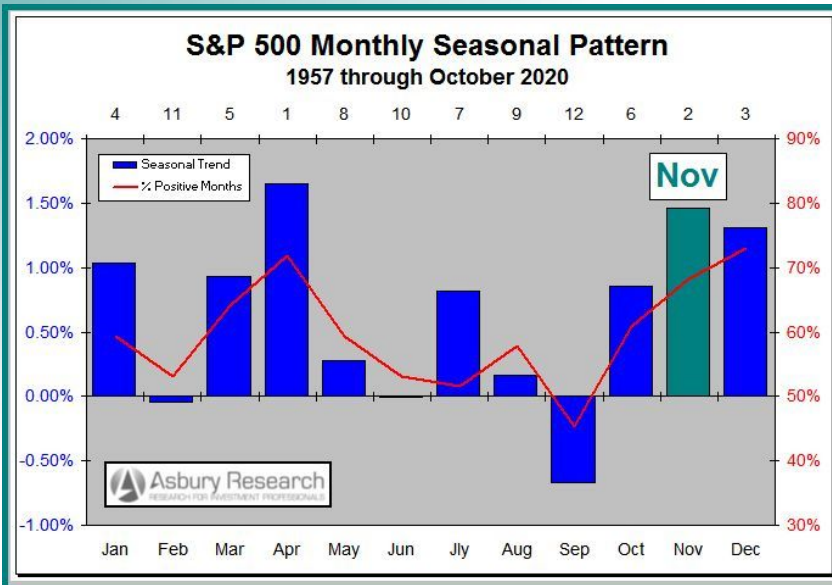
A survey of near to intermediate term oriented retail futures traders is reversing from an Oct 30th *least bullish* extreme that is characteristic of Tactical market bottoms.



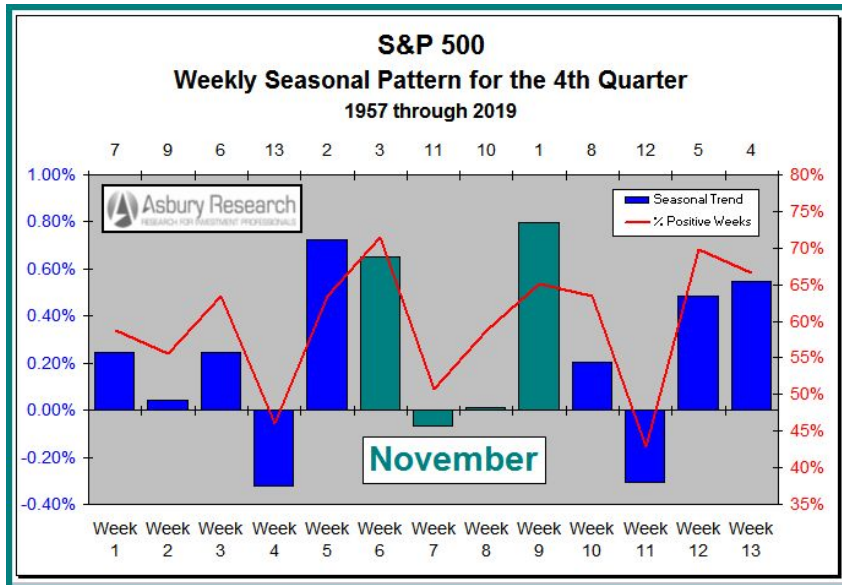
A survey of intermediate to long term oriented individual investors continues to rebound from a March *least bullish* extreme characteristic of Strategic market bottoms.

US Stock Market

Seasonality: Near Term, Intermediate Term Positive



This annual chart shows that, based on data since 1957, the November-January period includes 3 of the 4 seasonally strongest months of the year.



This quarterly chart shows that the first and last week's of November are the 3rd and 1st seasonally *strongest* of the 4th Quarter, and that the middle two weeks of November are the 3rd and 4th *weakest* of the quarter.

US Stock Market

Style: Emerging Trend Of Relative Outperformance By Value



The S&P 500 Value (SPYV) ETF appears to be beginning a new Strategic trend of *quarterly relative outperformance* versus the SPDR S&P 500 ETF (SPY), after underperforming SPY (and the S&P 500 Growth ETF, SPYG) since late December 2019.

Relative Performance

Cross Asset Investing (CARP) Model: Mostly Increasing Risk Appetite

CROSS ASSET RELATIVE PERFORMANCE (CARP): WHAT IS OUTPERFORMING?							thru November 6th 2020	
Asset Comparison	Tickers	Trading (weekly)	Since	Tactical (monthly)	Since	Strategic (quarterly)	Since	
US Stocks or Bonds	SPY vs AGG	STOCKS	11/3	STOCKS	11/4	STOCKS	11/4	
High Beta or Low Volatility Stocks	SPHB vs SPLV	LOW VOL	11/6	HIGH BETA	10/29	HIGH BETA	10/29	
Large Cap or Small Cap	SPY vs IWM	LARGE CAP	11/4	LARGE CAP	11/6	SMALL CAP	10/2	
Growth or Value Stocks (Russell 1000)	IWF vs IWD	GROWTH	11/4	GROWTH	11/4	GROWTH	11/4	
US or Developed Markets	SPY vs VEA	DEVELOPED	11/6	DEVELOPED	11/5	US	9/25	
US or Emerging Markets	SPY vs VWO	EMERGING	11/6	EMERGING	10/19	EMERGING	10/19	
Govt or Corporate Bond Prices	GOVT v LQD	CORPORATE	11/3	CORPORATE	11/4	CORPORATE	11/4	
High Yld or Corporate Bond Prices	HYG vs LQD	CORPORATE	11/5	CORPORATE	11/5	HIGH YIELD	10/30	
Short Term or Long Term Bond Prices	SCHO vs TLT	SHORT TERM	11/6	SHORT TERM	11/6	SHORT TERM	9/4	

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The table above highlights which segments of the US financial market are outperforming in both equities and fixed income. The green highlights identify changes in trend, and the date they occurred, in 3 different time frames:

- **TRADING (weekly, yellow column)**, the most sensitive to changes in relative market direction
- **TACTICAL (monthly, blue column)**, which we use to enter or exit an investment strategy
- **STRATEGIC (quarterly, red column)**, which we use to identify intermediate term opportunity.

Our **CARP Model** currently suggests a **moderate appetite for risk** as **Stocks** are outperforming Bonds, **High Beta** stocks are outperforming Low Volatility, **Emerging Markets** are outperforming US, and **Corporate Bonds** are outperforming Government Bonds.

Relative Performance

Global Relative Performance (1): The US vs. The World

S&P 500 vs THE WORLD: WHICH COUNTRY IS OUTPERFORMING? thru November 6th 2020							
S&P 500 (SPY) vs:	Ticker	Trading (weekly)	Since	Tactical (monthly)	Since	Strategic (quarterly)	Since
Chile	ECH	CHILE	11/6	CHILE	11/5	US	7/30
New Zealand	ENZL	NEW ZEALAND	11/6	NEW ZEALAND	11/6	NEW ZEALAND	10/9
Peru	EPU	PERU	11/6	US	11/4	US	8/20
Australia	EWA	AUSTRALIA	11/5	AUSTRALIA	11/5	AUSTRALIA	11/6
Hong Kong	EWK	US	11/6	HONG KONG	10/26	US	11/6
Italy	EWI	ITALY	11/2	ITALY	11/3	US	8/20
Japan	EWJ	US	11/4	JAPAN	10/27	JAPAN	10/26
Switzerland	EWL	SWITZERLAND	11/2	SWITZERLAND	11/3	US	9/25
Malaysia	EWM	MALAYSIA	11/6	US	11/3	US	8/3
Spain	EWP	SPAIN	11/5	SPAIN	11/6	US	7/30
France	EWQ	FRANCE	11/2	FRANCE	11/3	US	9/21
Singapore	EWS	SINGAPORE	11/4	SINGAPORE	11/5	US	11/19
Taiwan	EWT	US	11/2	US	11/5	TAIWAN	10/19
United Kingdom	EWU	UNITED KINGDOM	11/4	UNITED KINGDOM	11/6	US	12/20
Mexico	EWV	MEXICO	11/5	MEXICO	11/5	MEXICO	10/7
South Korea	EWY	SOUTH KOREA	11/3	SOUTH KOREA	10/20	SOUTH KOREA	9/8
Brazil	EWZ	BRAZIL	11/5	BRAZIL	11/5	US	8/12
MSCI EMU (Eurozone) Index	EZU	US	11/2	US	11/6	US	9/21
India	INDA	INDIA	11/6	INDIA	11/6	INDIA	6/22
China	MCHI	CHINA	11/6	CHINA	9/30	CHINA	9/30
Russia	RSX	RUSSIA	11/3	RUSSIA	11/4	US	8/20
Thailand	THD	THAILAND	11/5	THAILAND	10/28	US	7/8
Vanguard FTSE Pacific ETF	VPL	US	11/4	PACIFIC	10/26	PACIFIC	10/26
Vanguard Emerging Mkts ETF	VWO	EMERGING	11/6	EMERGING	10/19	EMERGING	10/20

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The vast majority of the countries that are outperforming the US on a Tactical (monthly) and Strategic (quarterly) basis are from the **Asia and Pacific Region**. **India** is the oldest of these trends, outperforming the S&P 500 by 17% since June.

US Market Sectors: SEAF Model

Investor Assets Moving Into Technology, Out Of Consumer Staples

ASBURY RESEARCH: SECTOR ETF ASSET FLOWS (SEAF) MODEL				November 9th 2020
Sector (Symbol)	As of 11-05-2020	Trading (weekly)	Tactical (monthly)	Strategic (quarterly)
FINANCIALS (XLF)	11.5%	11.4%	since 10/29	11.8%
ENERGY (XLE)	5.5%	5.6%	5.5%	since 9/10
TECHNOLOGY (XLK)	22.4%	since 10/29	since 11/5	22.2%
UTILITIES (XLU)	7.5%	since 11/5	7.6%	7.7%
INDUSTRIAL (XLI)	8.0%	8.2%	8.2%	since 8/13
CONSUMER STAPLES (XLP)	8.6%	since 11/5	since 11/5	since 11/5
CONSUMER DISCRETIONARY (XLY)	10.4%	10.4%	10.4%	since 9/24
HEALTH CARE (XLV)	15.3%	since 11/5	15.5%	15.3%
MATERIALS (XLB)	2.7%	2.7%	2.7%	2.2%
REAL ESTATE (XLRE)	1.3%	1.4%	since 11/5	1.5%
COMMUNICATION SERVICES (XLC)	6.8%	6.8%	6.7%	6.6%

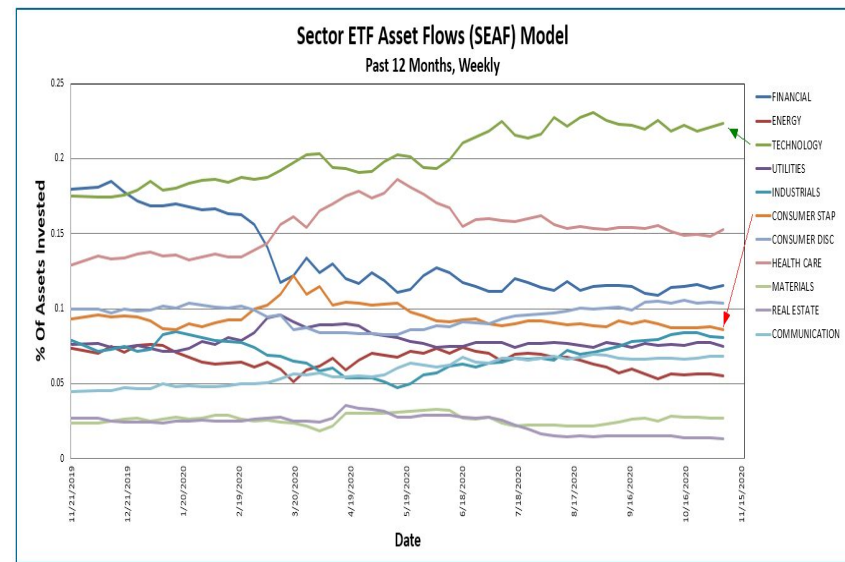
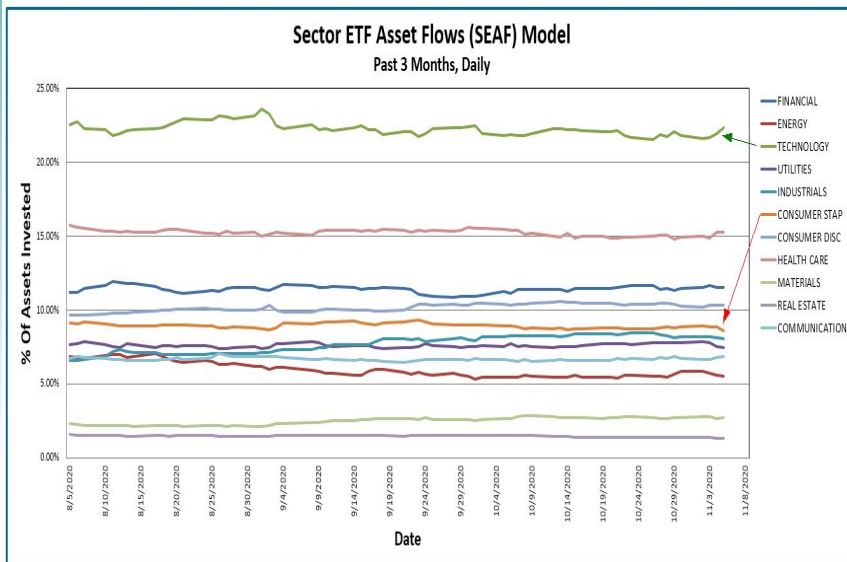
Biggest inflows during period shown
 Biggest outflows during period shown
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Trends in investor asset flows, across multiple time periods typically coincide with, and often lead, directional moves in outright and relative performance.

The latest data in multiple time frames shows an **emerging trend of inflows into Technology** (since 10/29). This is where the money is currently going in the sector space. The data also show **an emerging trend of outflows from Consumer Staples** (since 11/5). This is where the money is coming from.

US Market Sectors: Trends In Relative Asset Flows

Plotting Trends Of Relative Asset Flows In The Sectors Of The S&P 500



These charts plot our **SEAF Model**:

- **daily over the past 3 months** (left) and
- **weekly over the past 12 months** (left) for all 11 Sector SPDR ETFs.

The colored arrows point out the quarterly and annual trends of assets invested in the **Technology (XLK)** and **Consumer Staples (XLP)** Sectors.

US Market Sectors & Industry Groups

Asbury Research's Current Price Targets

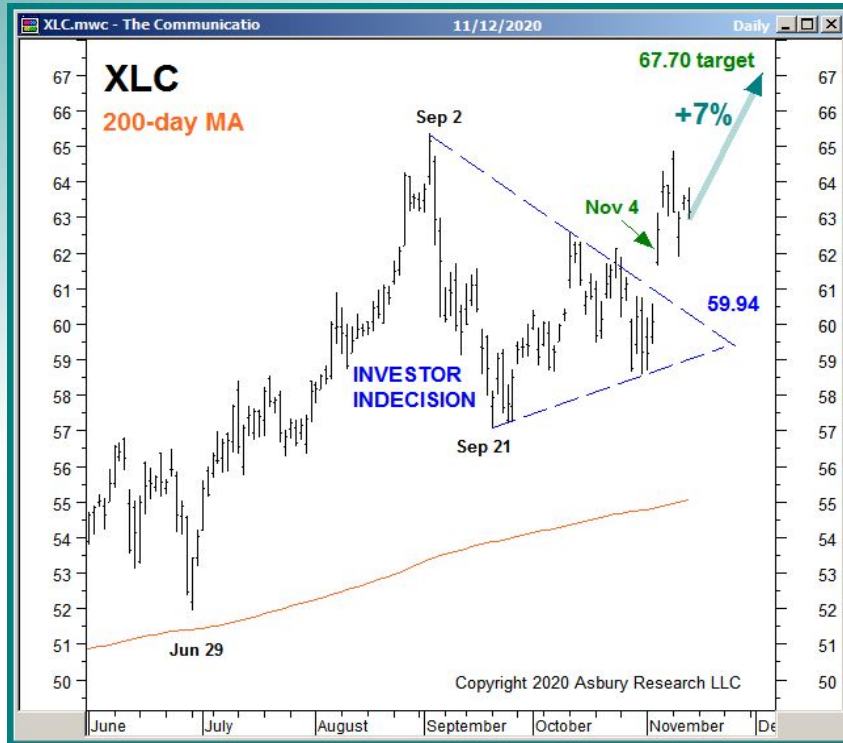
SECTOR / INDUSTRY SELECTOR: CURRENT PRICE TARGETS						November 13th 2020	
Asset	Ticker	Date Initiated	Pos (Neg)	Target	Valid Abv (Below)	Asbury Performance	
Communication Sector SPDR ETF	XLC	11/9/2020	Pos	67.70	60.55	+1%	
SPDR S&P Telecom ETF	XTL	11/9/2020	Pos	81.20	71.30	+1%	
SPDR S&P Metals & Mining ETF	XME	11/9/2020	Pos	29.50	25.65	+1%	
Energy Select Sector SPDR Fund (XLE)	XLE	9/11/2020	Neg	21.50 target negated on rise above 31.25		+4%	
SPDR S&P Oil & Gas Explor & Prod ETF (XOP)	XOP	9/11/2020	Neg	23.50 target negated on rise above 44.35		-1%	

The green highlights indicate ETFs with positive (bullish) price targets.

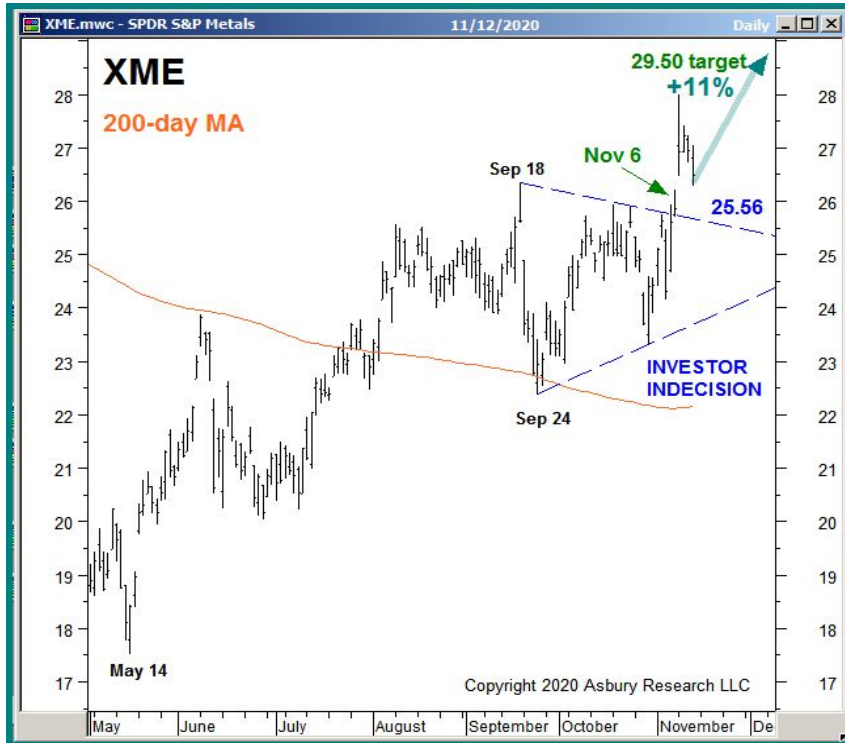
The red highlights indicate ETFs with negative (bearish) price targets.

US Market Sectors & Industry Groups

XLC Targets Another 7% Advance, XME Targets An 11% Rise



The Communication Services Sector SPDR ETF's (XLC) Nov 4th breakout from indecision targets an additional 7% rise to 67.70. Positively correlated to SPX.



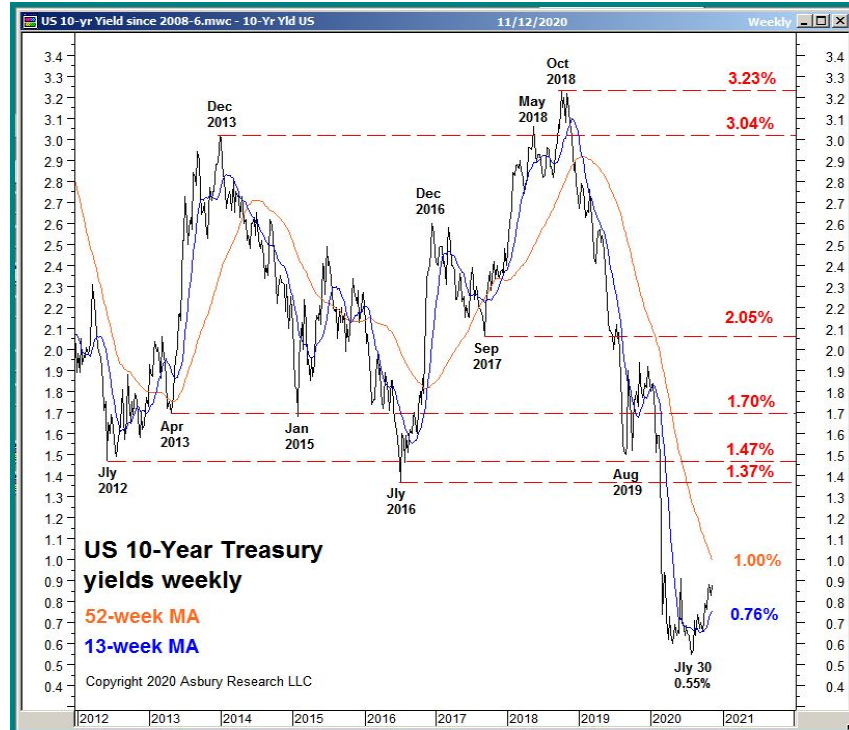
The SPDR S&P Metals and Mining ETF's (XME) Nov 6th breakout from investor indecision targets an additional 11% rise to 29.50

US Interest Rates

Long Term Interest Rates Rising From Multi-Generational Lows



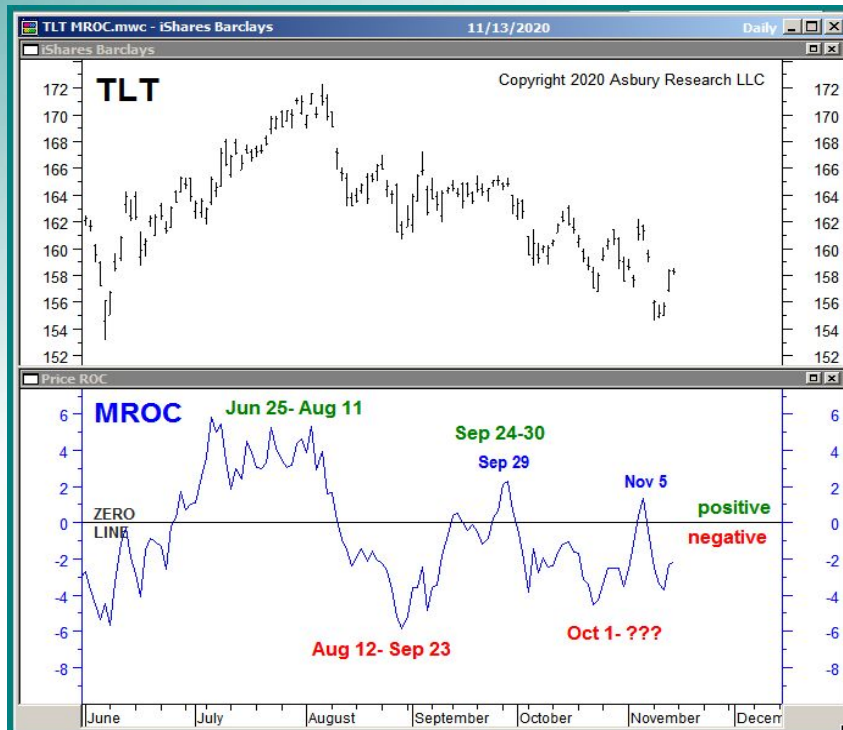
This monthly chart shows the yield of the US 10-Year Note is at multi-generational lows, and that previous long term lows were around 1.50% (1945, 2012, 2016).



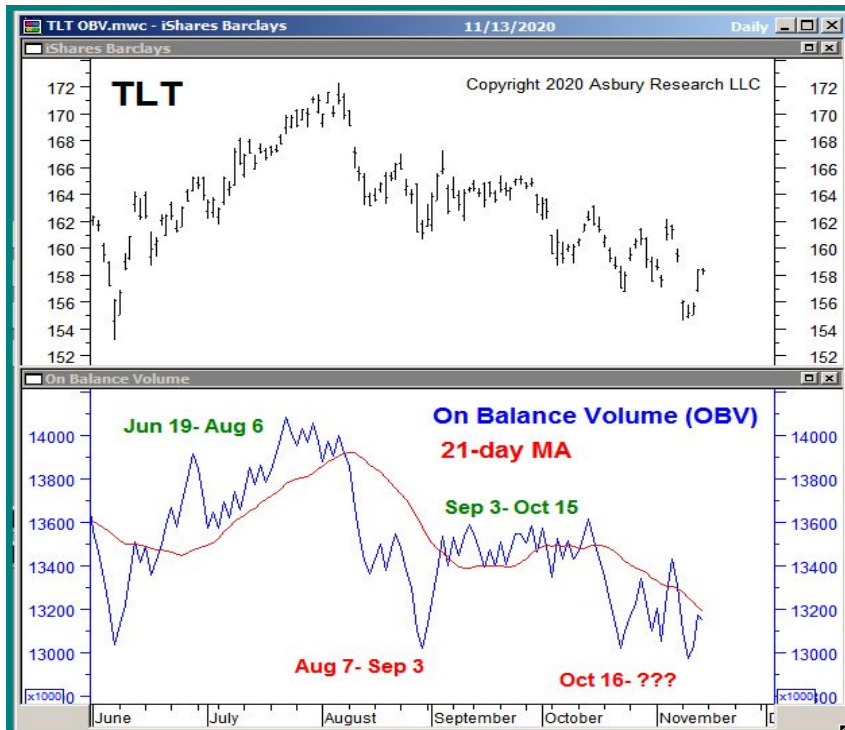
This weekly chart shows the yield of the US 10-Year Note has recently moved above yield support at 0.76%. First yield resistance is at 1.00%, then 1.37%-1.47%.

US Interest Rates

Momentum, Volume Favor Tactical Rise In Long Term Rates



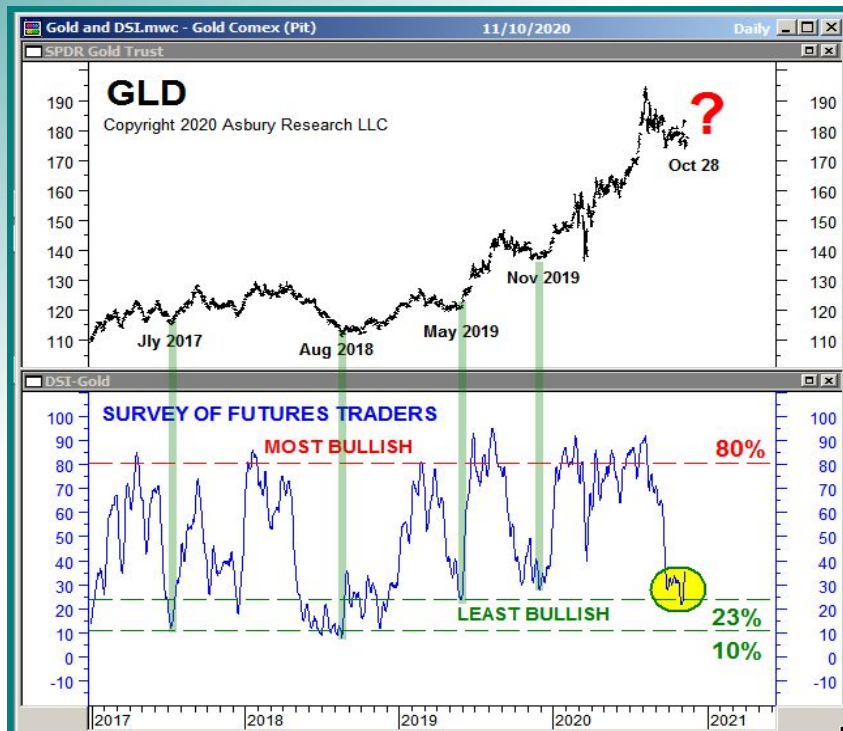
The monthly rate of change in the iShares 20+ Year Treasury Bond ETF has essentially been negative since Oct 1st. *Tactically positive for long term yields.*



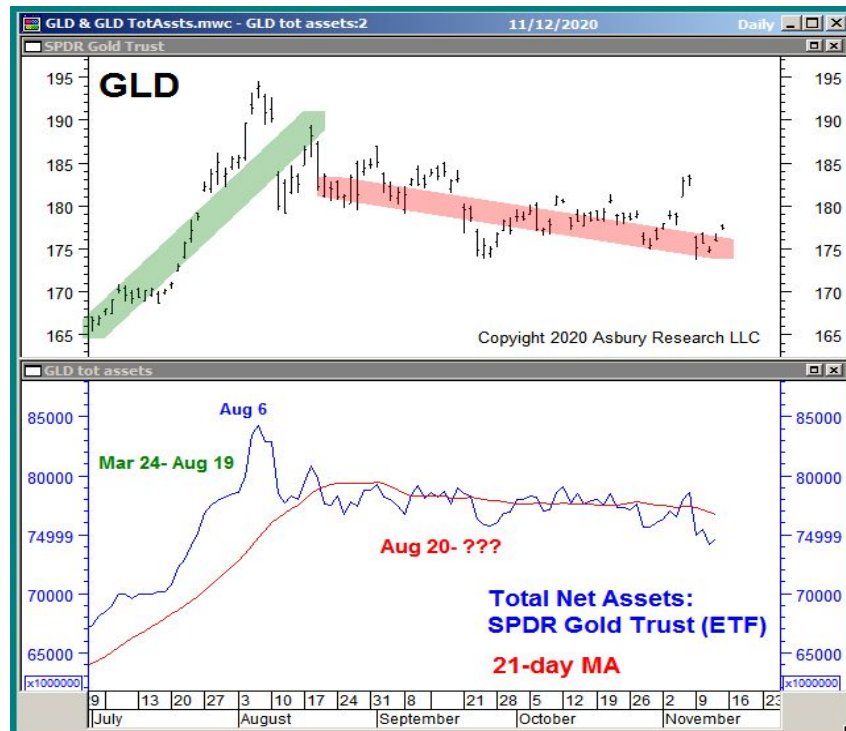
On Balance Volume in TLT has been decreasing on a monthly basis since Oct 16th. *Also Tactically positive for long dated Treasury yields.*

Gold

With Improved Assets Flows, Could Become A Buy Opportunity



A survey of futures trader bullishness on gold prices is at a *least bullish* extreme that has historically coincided with multi-month bottoms in the SPDR Gold Shares ETF.



It would take a trend of *monthly expansion* in the total daily assets invested in GLD to indicate that gold prices are positively responding to it.

Some Investors Like Our Approach But Really Want Management

Asbury Investment Management (AIM)



Our data-driven models and professional execution are designed to produce equity-like returns with bond-like risk.

The account balance chart above is a sample from our client base and does not represent a composite of all client accounts. While we do generally manage all of our accounts in the same manner, clients may request adjustments. This chart is meant to be educational and past performance is no guarantee of future performance.

Two Ways To Get The Asbury Advantage



INVESTMENT RESEARCH

Asbury Research

Chatham Centre
1901 N. Roselle Rd., Suite 800
Schaumburg, IL 60195

Phone:

1-888-960-0005
1-224-569-4112

Internet: <https://asburyresearch.com/>

Email: info@asburyresearch.com

INVESTMENT MANAGEMENT

Asbury Investment Management

2 TransAm Plaza Drive
Suite 200
Oakbrook Terrace, IL 60181

Phone:

1-844-4ASBURY
(1-844-427-2879)

Internet: www.asburyinvest.com/

Email: contact@asburyinvest.com

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