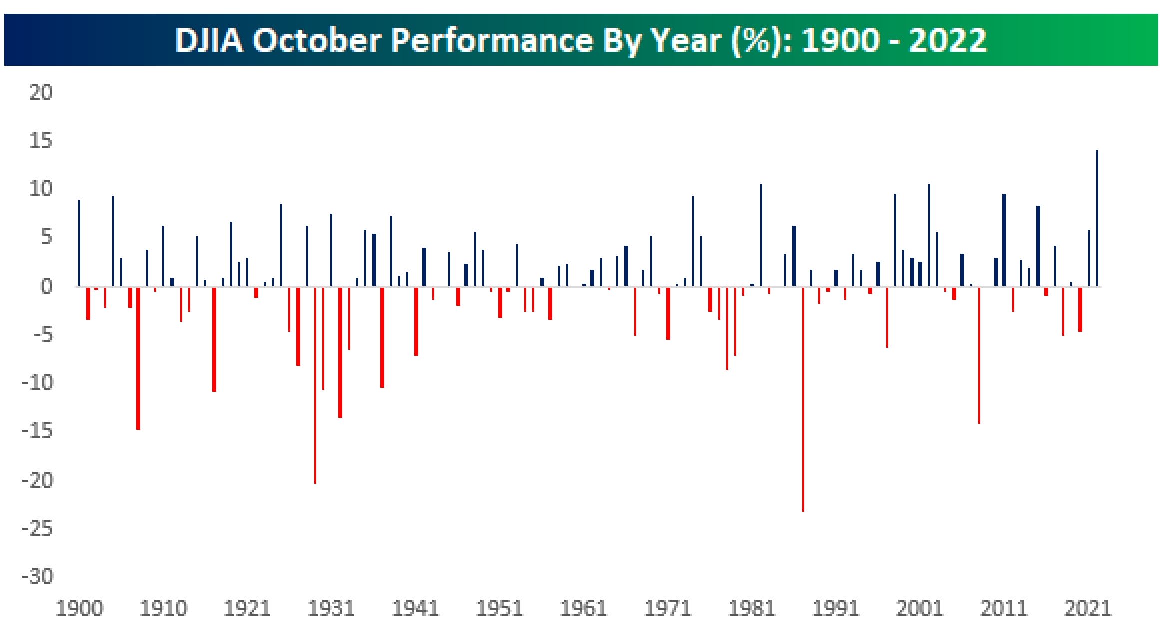
October 2021

From Bespoke:

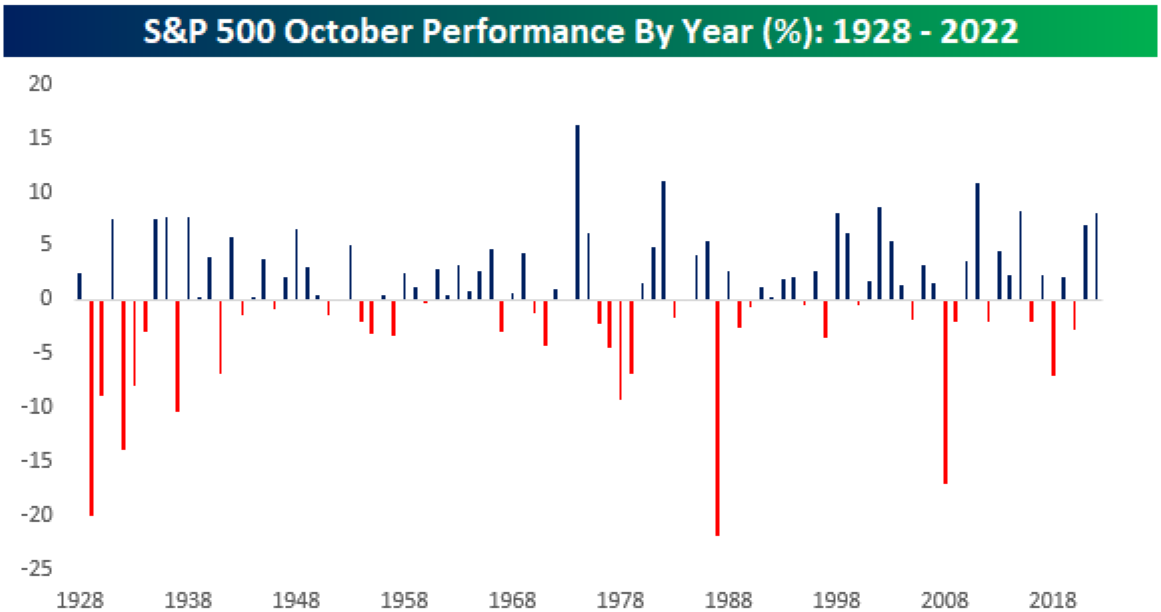
Best October Since...

Mon, Oct 31, 2022

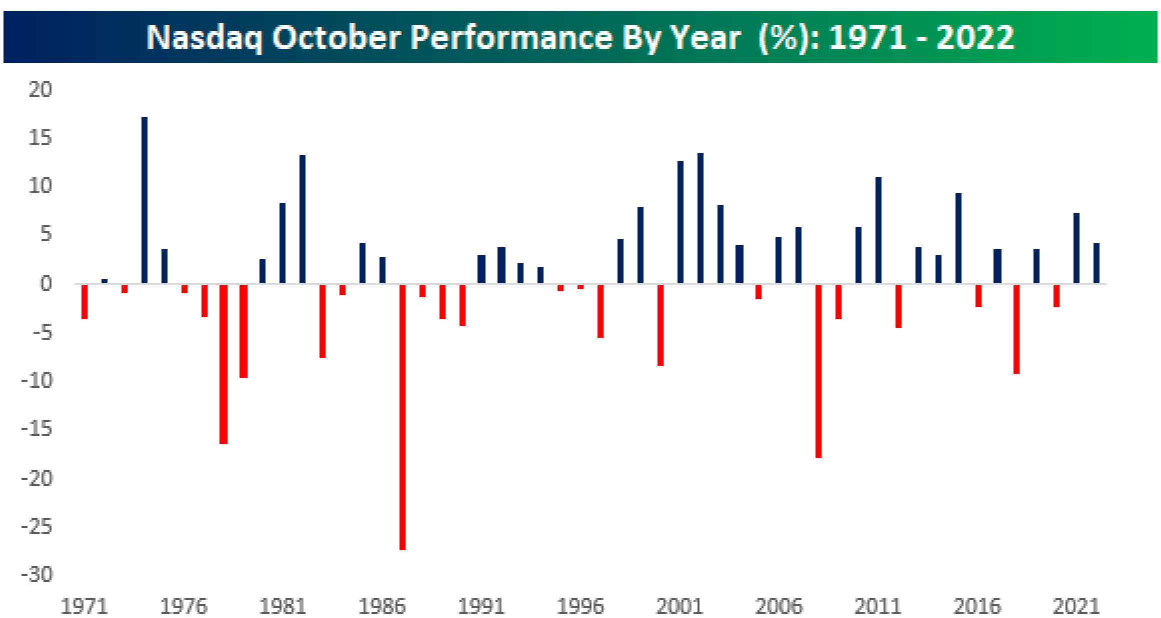
You've likely heard it a number of times in the last several days, but the Dow's gain of 13.95% this month ranks as the best month for the index since January 1976 and the best October since at least 1900, and it's not even close. Prior to this October, the DJIA's best October since 1900 had been a gain of 10.65%.



The DJIA may have had its best October in over 120 years, but it wasn't nearly as momentous of a month for the S&P 500. With its gain of 7.99% this month, the S&P 500 only had its best October since 2015 when the index rallied 8.30%.



For the Nasdaq, this month's gain was pedestrian when compared to the Dow or S&P 500. With its gain of 3.90% in October, the Nasdaq's rally was barely more than half of the rally seen last October (7.30%). ...



From Thursday's Global Investment Strategy:

This Ain't 1982

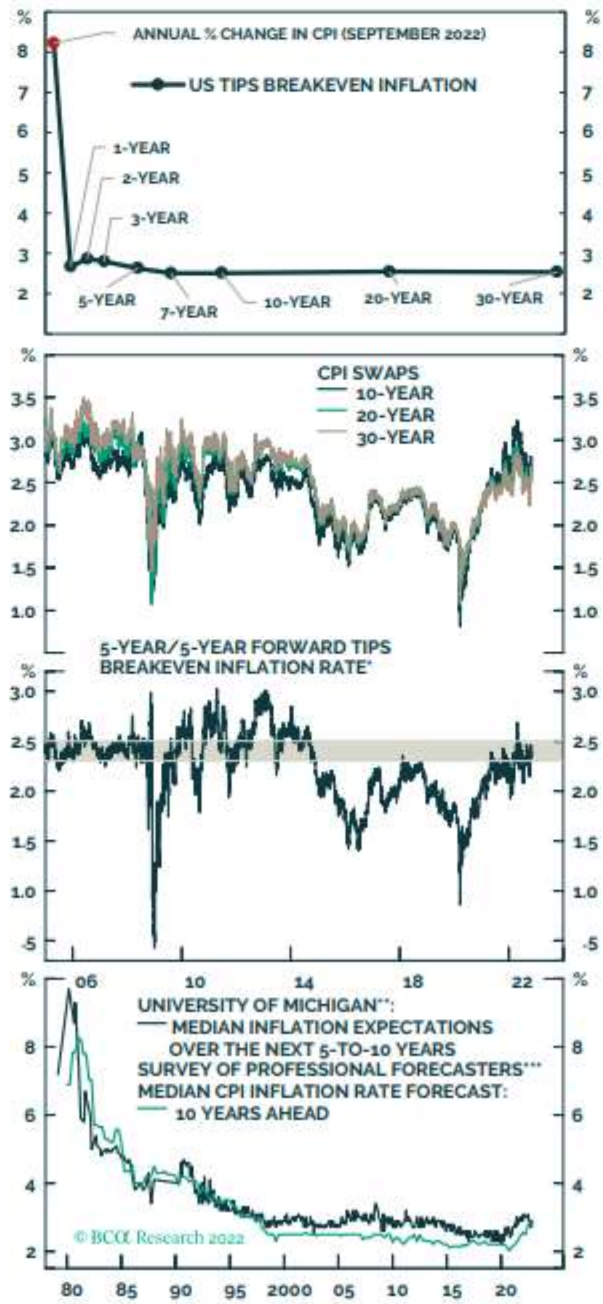
The prevailing view these days is that the Fed will have to engineer a recession in order to bring inflation back down to target. Most professional investors regard the notion that inflation could fall significantly with minimal economic pain as hopelessly naïve. Their go-to example is the 1982 recession, which at the time was the deepest slump in US post-war history.

While there are some similarities between today's environment and the early 1980s, there is also a major difference: Back then, long-term inflation expectations were unanchored; most people thought that inflation would average close to 10% over the remainder of that decade.

Paul Volcker had to crush the economy in order to bring down inflation expectations. Jay Powell does not need to do that because inflation expectations remain well contained, no matter if one looks at TIPS breakevens, CPI swaps, or surveys of households and economists (**Chart 2**).

CHART 2

Long-Term Inflation Expectations Remain Well Anchored



* THE FEDERAL RESERVE TARGETS AN AVERAGE INFLATION RATE OF 2% FOR THE PERSONAL CONSUMPTION EXPENDITURES (PCE) INDEX. THE TIPS BREAKEVEN IS BASED ON THE CPI INDEX. DUE TO COMPOSITIONAL DIFFERENCES BETWEEN THE TWO INDICES, CPI INFLATION HAS HISTORICALLY AVERAGED 30-TO-50 BASIS POINTS HIGHER THAN PCE INFLATION. THIS IS WHY THE FED EFFECTIVELY TARGETS A CPI INFLATION RATE OF 2.3%-TO-2.5%.
** SOURCE: UNIVERSITY OF MICHIGAN, SURVEY OF CONSUMERS.
*** SOURCE: FEDERAL RESERVE BANK OF PHILADELPHIA.

Today's situation is a lot more straightforward than it was 40 years ago: The economy is at full employment, and so the labor supply curve is nearly vertical. Once there is no slack left in the labor market, any additional labor demand will not boost employment since everyone who wants to work already has a job. All that will happen is that job openings will rise and/or wage growth will accelerate. This is exactly what happened last year.

This year, the opposite has occurred: labor demand has been weakening in response to tighter financial conditions. This has led to a decline in job openings and budding signs that wage growth is rolling over (**Chart 4**). ...

Will Shelter Inflation Spoil the Party?

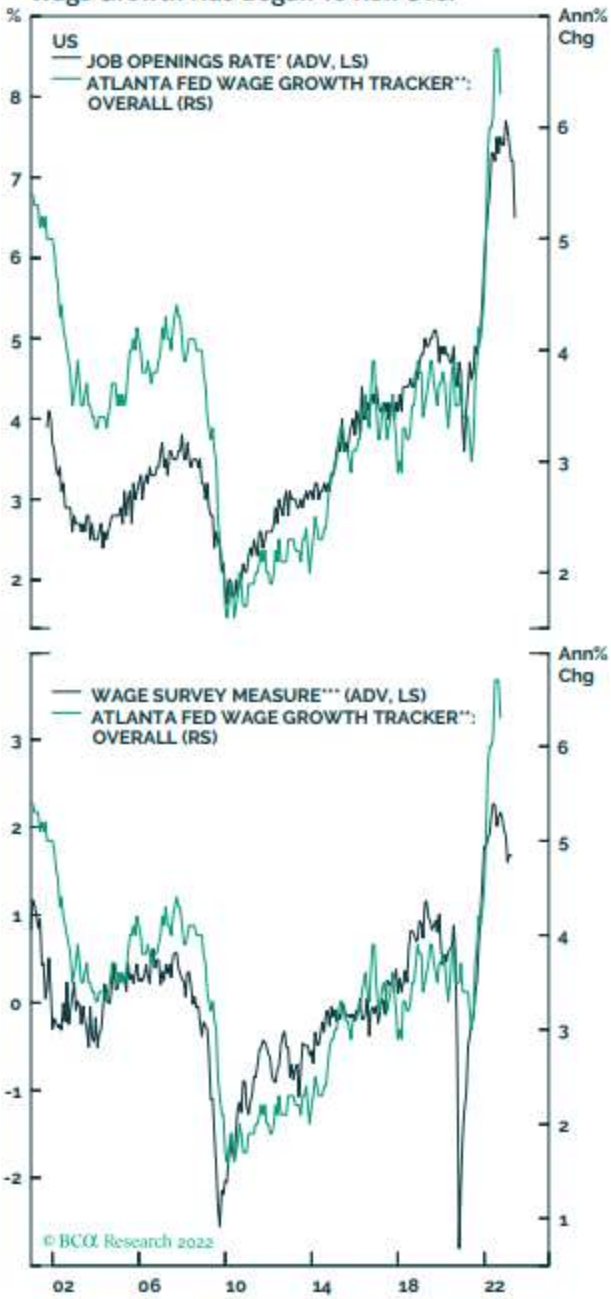
If our thesis is correct, we should see substantial disinflation over the next few quarters without much of an increase in the unemployment rate.

Chart 6 shows that goods inflation is already falling, thanks in part to a strong dollar and the unwinding of pandemic related supply-chain bottlenecks.

Things are more complicated on the services front. The two most important drivers of services inflation are wage growth and housing rents. While the former should decelerate over the next few quarters, the latter will remain elevated. That is a problem given that shelter accounts for 42% of the core CPI basket and 57% of the core services CPI basket.

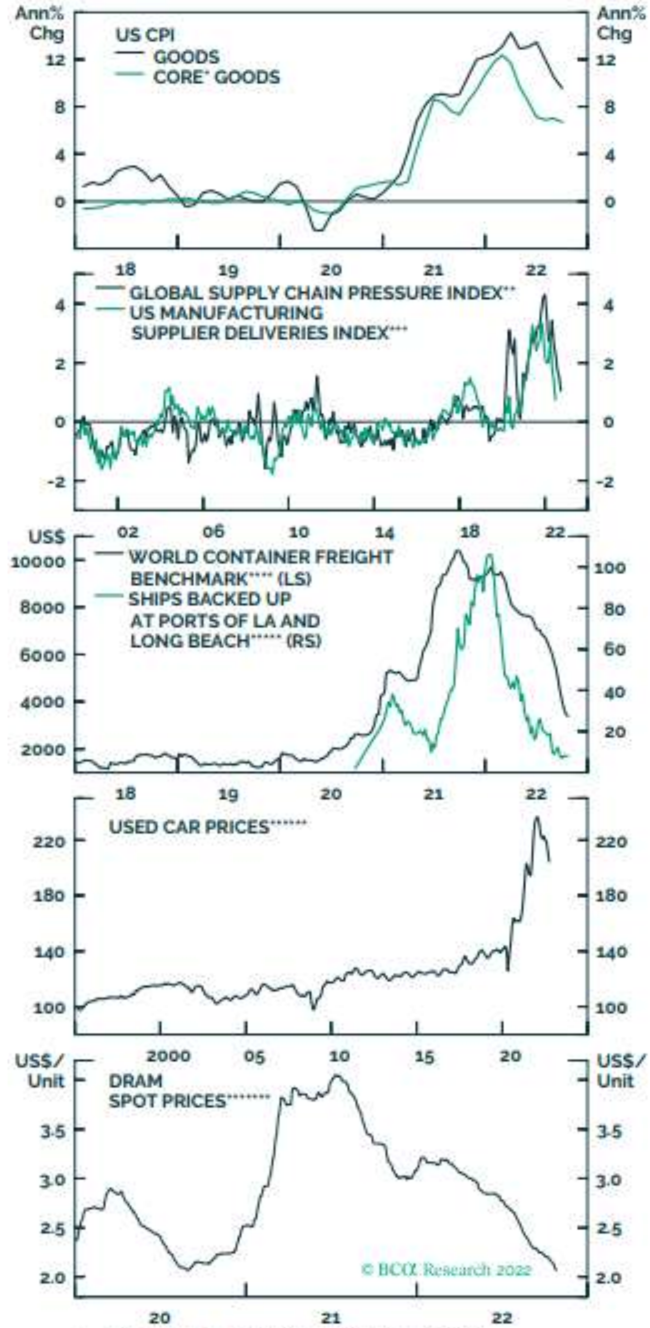
The pandemic led to a surge in the demand for housing, amplified in part by the proliferation of work-from-home arrangements.

CHART 4
Wage Growth Has Begun To Roll Over



* TOTAL PRIVATE. ADVANCED BY 9 MONTHS. SOURCE: BUREAU OF LABOR STATISTICS (BLS).
** 3-MONTH MOVING AVERAGE OF MEDIAN WAGE GROWTH, HOURLY DATA, UNWEIGHTED SERIES.
*** SHOWN ADVANCED BY 6 MONTHS. CALCULATIONS BASED ON 10 MANUFACTURING AND SERVICE SURVEY MEASURES OF CURRENT AND FUTURE WAGES FROM THE NEW YORK FED, DALLAS FED, RICHMOND FED, AND THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB) SURVEY.

CHART 6
Goods Inflation Has Started To Retreat



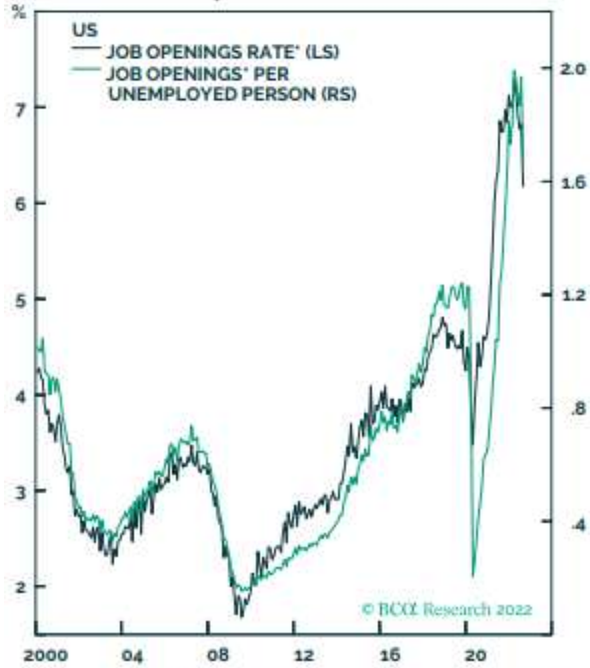
* COMMODITIES EXCLUDING FOOD AND ENERGY.
** SOURCE: FEDERAL RESERVE BANK OF NEW YORK.
*** BASED ON THE ISM AND REGIONAL FED SUPPLIER DELIVERIES. HIGHER VALUES IMPLY SLOWER DELIVERY TIMES.
**** SOURCE: DREWRY SHIPPING CONSULTANTS; SHOWN IN US$ PER FORTY FOOT CONTAINER.
***** SOURCE: MARINE EXCHANGE SOUTHERN CALIFORNIA. INCLUDES SHIPS AT ANCHOR IN PORTS AS WELL AS THOSE WAITING BEYOND THE PORTS SAFETY AND AIR QUALITY AREA FOLLOWING NEW QUEUING REGULATIONS IMPLEMENTED ON NOV. 16, 2021.
****** SOURCE: MANHEIM.
******* AVERAGE OF PRICES OF DDR4 4G AND DDR4 8G. SOURCE: INSPECTRUM TECH. INC. VIA BLOOMBERG FINANCE L.P.

In addition, early on, rent moratoria and other legal obstacles prevented landlords from raising rents to market levels. While these obstacles have now been largely lifted, a sizeable gap still persists between rents on continuing leases and rents on new leases.

Despite the fact that the rate of growth of rents on new leases has returned to pre-pandemic levels, official measures of rent inflation will continue to be bolstered by the catch-up in rents on continuing leases. ...

We disagree with the conventional wisdom that the Fed will keep looking through the rear-view mirror until the economy has sunk into recession. A growing chorus of Fed officials have made it clear that they only want to see evidence that inflation is rolling over before they stop hiking rates, not that inflation needs to drop all the way down to 2%. This is why the dots in the Summary of Economic Projections foresee core PCE inflation still at 3.1% by the end of 2023, even though the Fed is expected to stop hiking rates well before then.

CHART 8
Still Plenty Of Job Openings Even After The Recent Drop



* SOURCE: BUREAU OF LABOR STATISTICS (BLS).
NOTE: HISTORICAL JOB OPENINGS DATA IS EXTENDED USING THE CONFERENCE BOARD'S HELP WANTED INDEX.

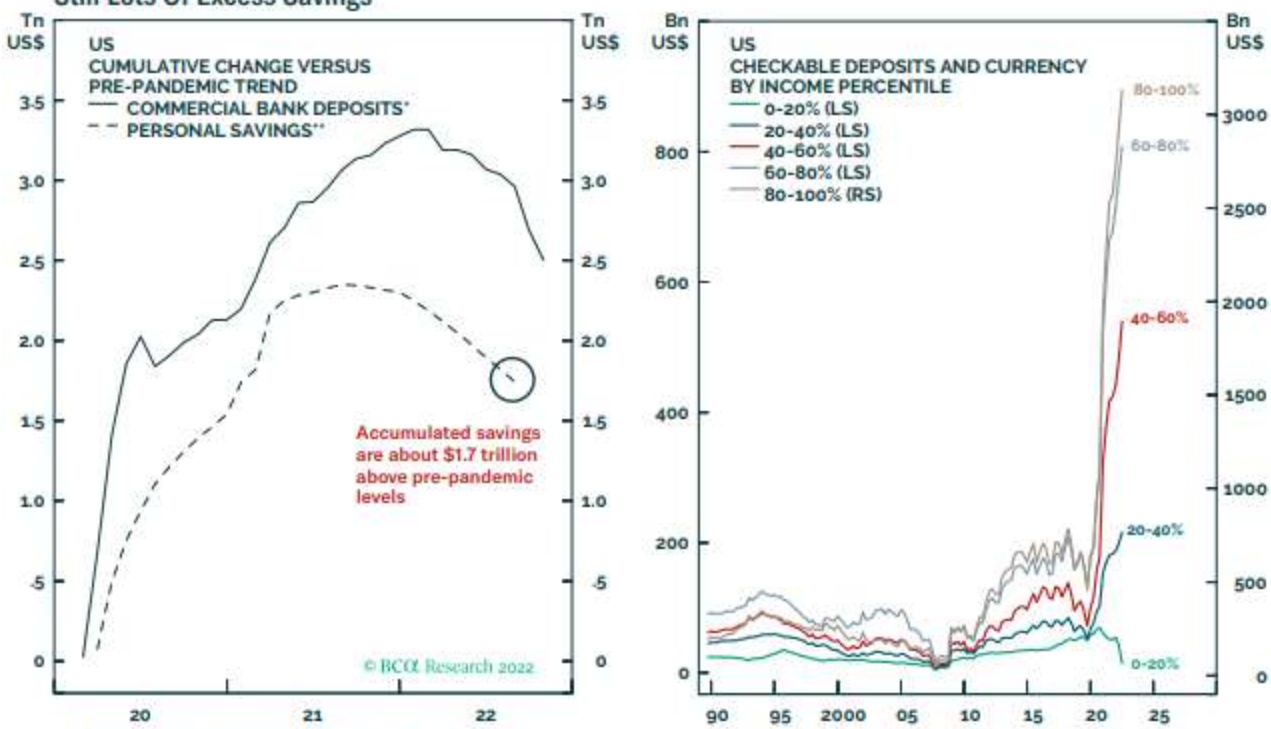
Those Pesky Lags

Of course, given the lags between monetary policy and the real economy, there is a risk that even a few quarters of abnormally high interest rates will push labor demand all the way down .... If that were to happen, any further decline in labor demand could trigger a vicious cycle where rising unemployment leads to lower aggregate income and decreased confidence, leading to even higher unemployment — in other words, a recession.

While such a risk cannot be ignored, we would bet against it, at least for the next 12 months. Despite the drop in job openings, there are still 1.7 openings for every unemployed worker (**Chart 8**). For the foreseeable future, most workers who lose their jobs will have little difficulty in finding new ones.

There is also a lot of pent-up demand. Aside from the poorest quintile of income earners, most US households

CHART 9
Still Lots Of Excess Savings



* PRE-PANDEMIC BASELINE IS BASED ON 2018-2019 TREND.
** PRE-PANDEMIC BASELINE ASSUMES 4% DISPOSABLE INCOME GROWTH AND 8.3% SAVINGS RATE.

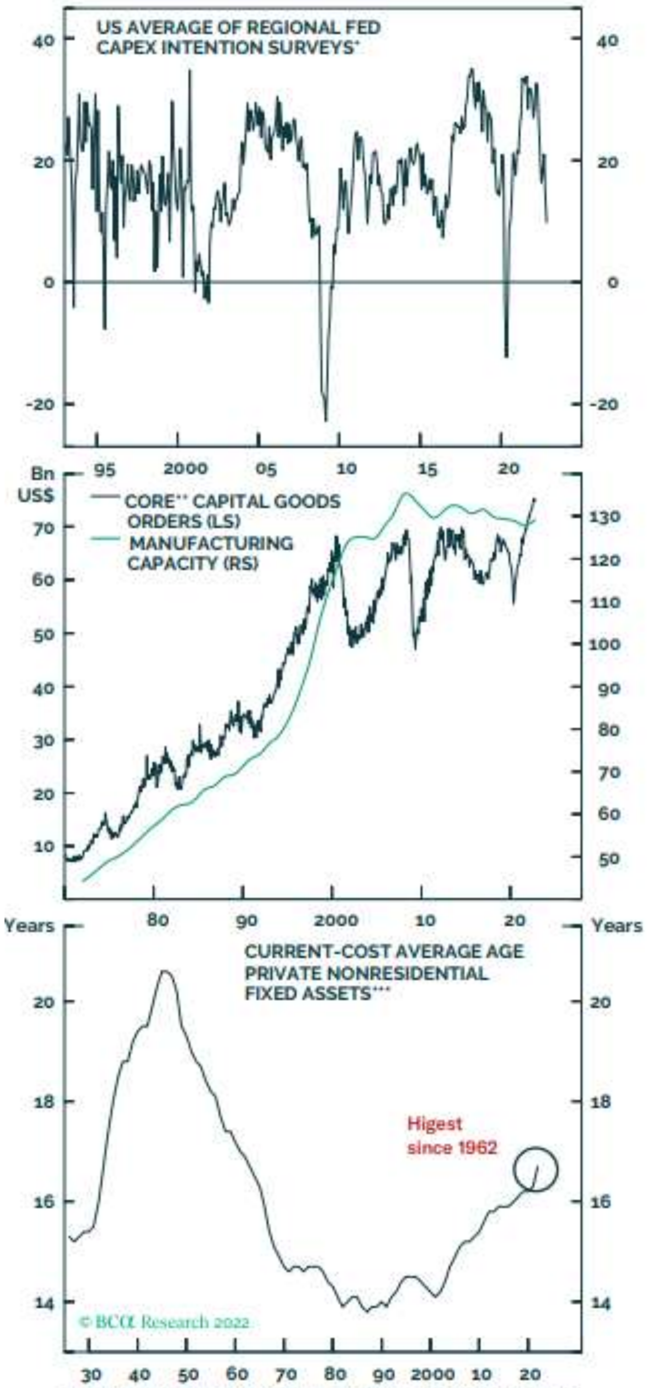
SOURCE: US DISTRIBUTIONAL FINANCIAL ACCOUNTS.
© BCA Research 2022

are sitting on significant amounts of excess savings and bank deposits (**Chart 9**). Moreover, any decline in inflation over the coming months should lift real incomes, boosting consumption in the process.

Business surveys point to some softening in capex over the next few quarters (**Chart 10**). That said, we doubt that capital spending will weaken very much. After doubling in the 1990s, manufacturing capacity has been flat for two decades. The average age of the nonresidential capital stock has risen to the highest level since 1962.

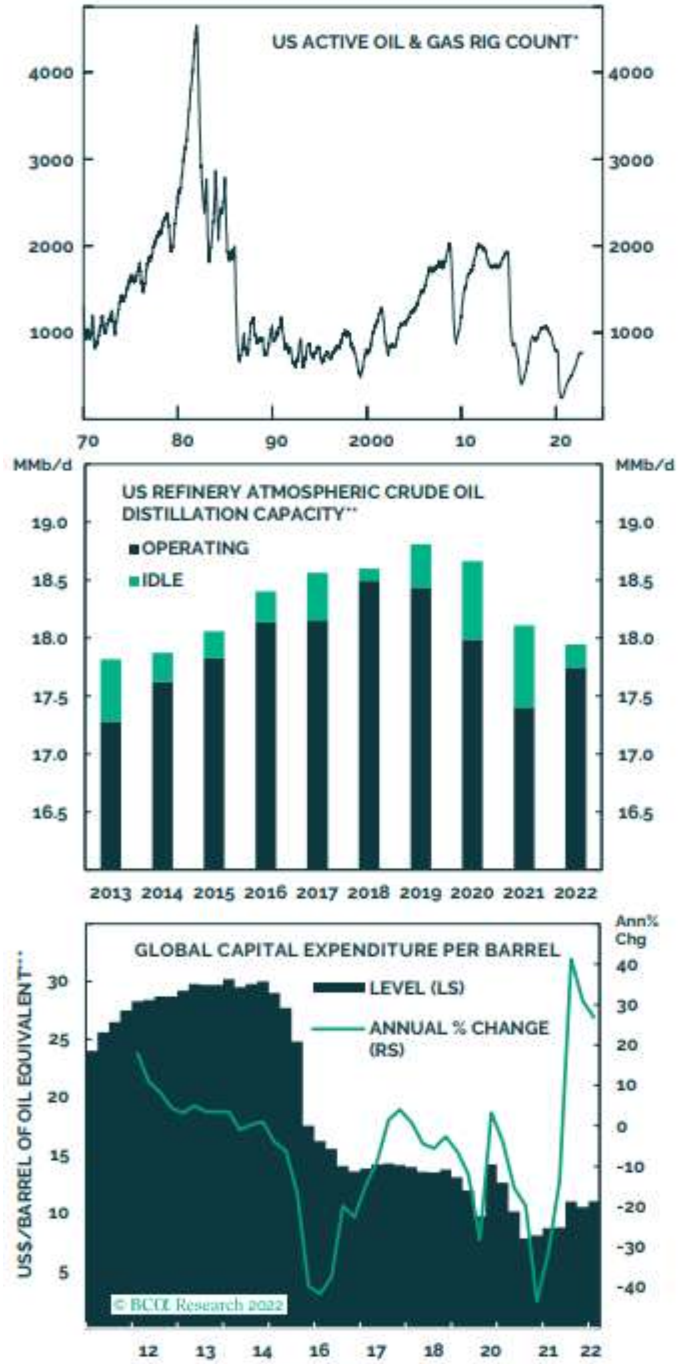
US companies increasingly recognize that they not only

CHART 10
Capex Intentions Have Cooled, But The US Needs More Investment



* SOURCE: AVERAGE OF CAPITAL EXPENDITURE EXPECTATIONS IN 6 MONTHS FOR THE DALLAS, KANSAS CITY, NEW YORK EMPIRE, PHILADELPHIA, AND RICHMOND FED REGIONAL SURVEYS.
** MANUFACTURING NONDEFENSE CAPITAL GOODS EXCLUDING AIRCRAFT.
*** SOURCE: BUREAU OF ECONOMIC ANALYSIS (BEA).

CHART 11
Eight Years Of Underinvestment In The Energy Sector Have Taken Their Toll



* SOURCE: BAKER HUGHES.
** SOURCE: US EIA. NOTE: 2022 CAPACITY BASED ON MONTHLY DATA FROM JANUARY – JULY 2022.
*** IN 2015 US DOLLARS. SOURCE: US EIA.
BASED ON PUBLIC FINANCIAL STATEMENTS FROM GLOBAL OIL AND NATURAL GAS COMPANIES. THE VALUE FOR Q4 2015 HAS BEEN INTERPOLATED.

have to replenish the existing capital stock, but they have to invest in new plant and machinery in order to shift capacity from China to the US, as well as invest in sectors such as energy which have seen significant underinvestment for years (**Chart 11**).

The hit to growth from tighter financial conditions and the winding down of pandemic-support programs should also abate. ...

Global Growth Should Surpass Beaten-Down Expectations

Globally, the picture should brighten. In Europe, the price of the November 2022 natural gas contract has fallen by 70% from its high in late August thanks to rising natural gas inventories and the prospects of a warmer-than-normal winter. The futures market points to stable gas prices over the next two years.

Chinese real GDP increased by 3.9% in Q3. While this was faster than expected, it was still below the government's growth target of 5.5% for 2022.

The Chinese government's increasingly statist economic policies will heavily weigh on growth over the long run. In the short run, however, economic activity should temporarily reaccelerate as Covid policies are relaxed next year, property developers receive additional financing to enable them to complete long-delayed projects, and the authorities ramp up the pace of stimulus. ...

Housing Headwinds Will Intensify, But Not by Enough to Trigger a US Recession Until 2024

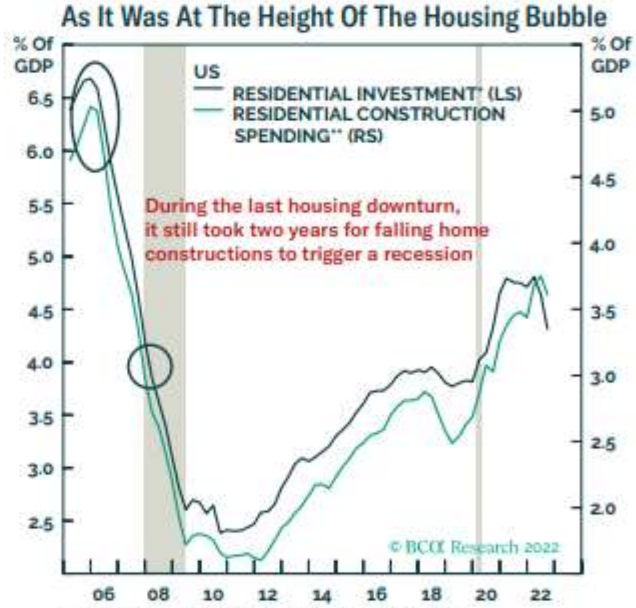
Housing is the most interest-rate sensitive sector of the economy. It is not surprising, therefore, that rising mortgage rates have walloped the housing market.

Just like wages, home prices are fairly sticky. Thus, a decline in the demand for homes usually manifests itself, as least initially, in the form of rising inventories and falling home sales, rather than sharply lower home prices.

During the last housing downturn, it took two years for falling home construction to trigger a recession (**Chart 15**). It could take even longer this time around, given that there is no glut of homes to contend with. The inventory of new and existing US homes for sale stood at 1.5 million in September, 16% below pre-pandemic levels and 61% below their 2007 peak (**Chart 16**). The homeowner vacancy rate, a broad measure of housing excess supply, hit an all-time low of 0.8% in the first half of this year (**Chart 17**).

A wave of foreclosures and fire sales amplified the decline in both construction activity and home prices during the Great Recession. Such a wave is unlikely today, considering that the quality of mortgage lending has been quite strong over the past 15 years and banks are much better capitalized (**Chart 18**). In addition, homeowners are no longer using

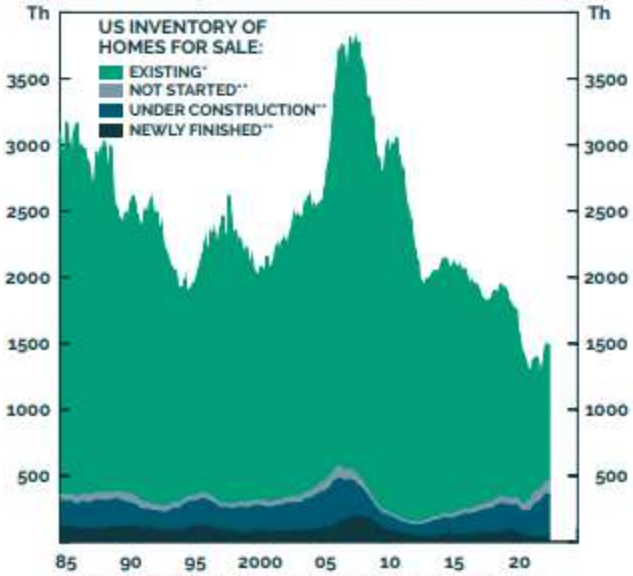
CHART 15
Residential Investment Is Not As Elevated Now As It Was At The Height Of The Housing Bubble



* SOURCE: BUREAU OF ECONOMIC ANALYSIS (BEA).
** SOURCE: US CENSUS BUREAU.
NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.

CHART 16

The Inventory Of Houses For Sale Remains Depressed



* SOURCE: NATIONAL ASSOCIATION OF REALTORS AND BCA CALCULATIONS.
** SOURCE: US CENSUS BUREAU.

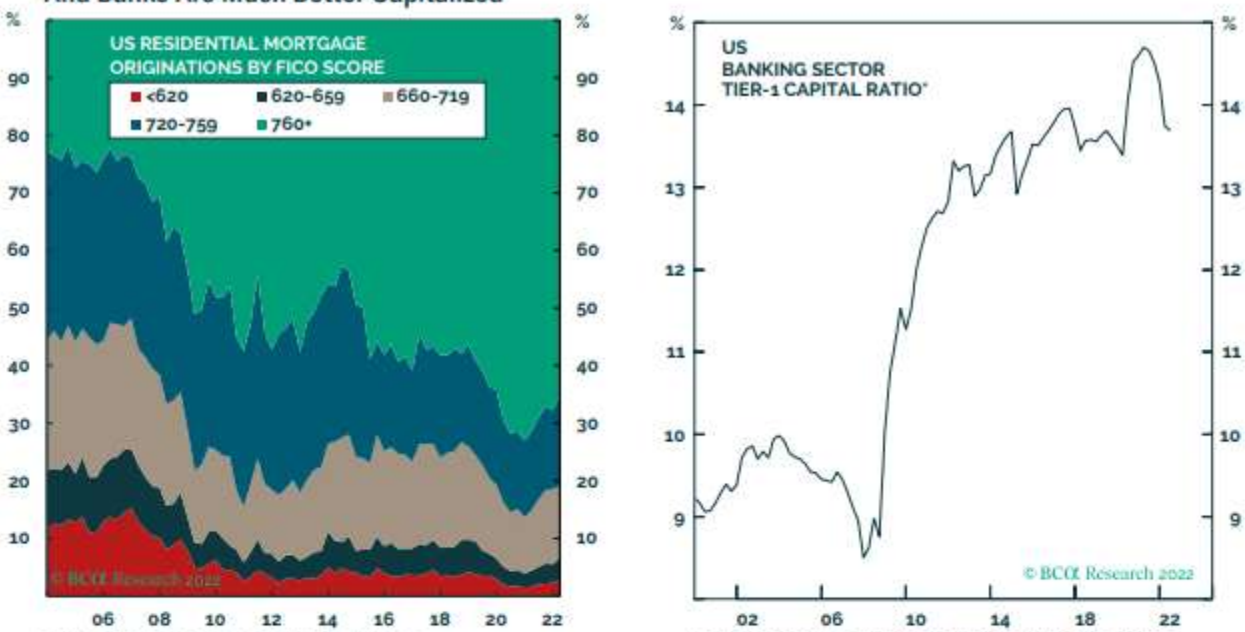
CHART 17

The Homeowner Vacancy Rate Is At Record Lows

SOURCE: US CENSUS BUREAU.

CHART 18

FICO Scores For Residential Mortgages Have Improved Considerably Since The Pre-GFC Housing Bubble ...
And Banks Are Much Better Capitalized



SOURCE: FEDERAL RESERVE BANK OF NEW YORK.

* TIER-1 CAPITAL AS A PERCENT OF RISK-WEIGHTED ASSETS.
SOURCE: FEDERAL RESERVE BANK OF NEW YORK.

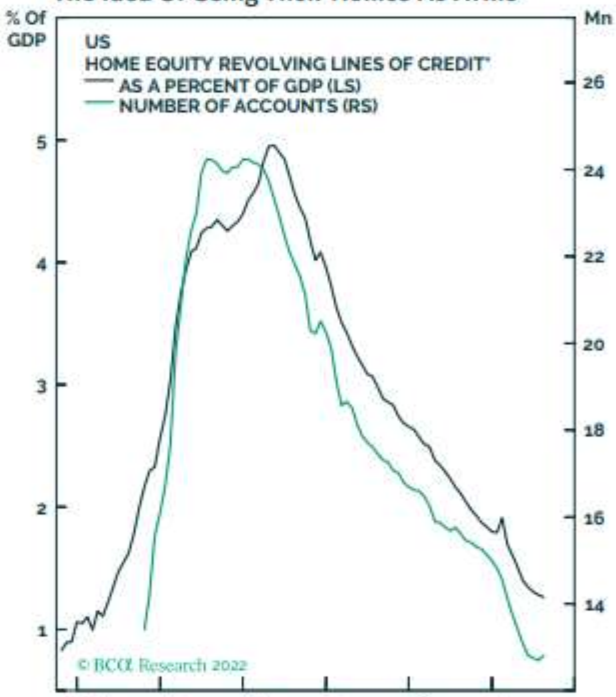
the equity in their homes to finance consumption. Outstanding balances on home equity lines of credit surged during the housing bubble but have been trending lower ever since (**Chart 19**).

Bleaker Housing Picture Abroad

The outlook for housing is more challenging in a number of economies outside of the US. While home prices have increased significantly in the US, they have risen much more in smaller developed economies such as Canada, Australia, New Zealand, and Sweden (**Chart 20**).

CHART 19

After The Housing Bust, Households Cooled On The Idea Of Using Their Homes As ATMs

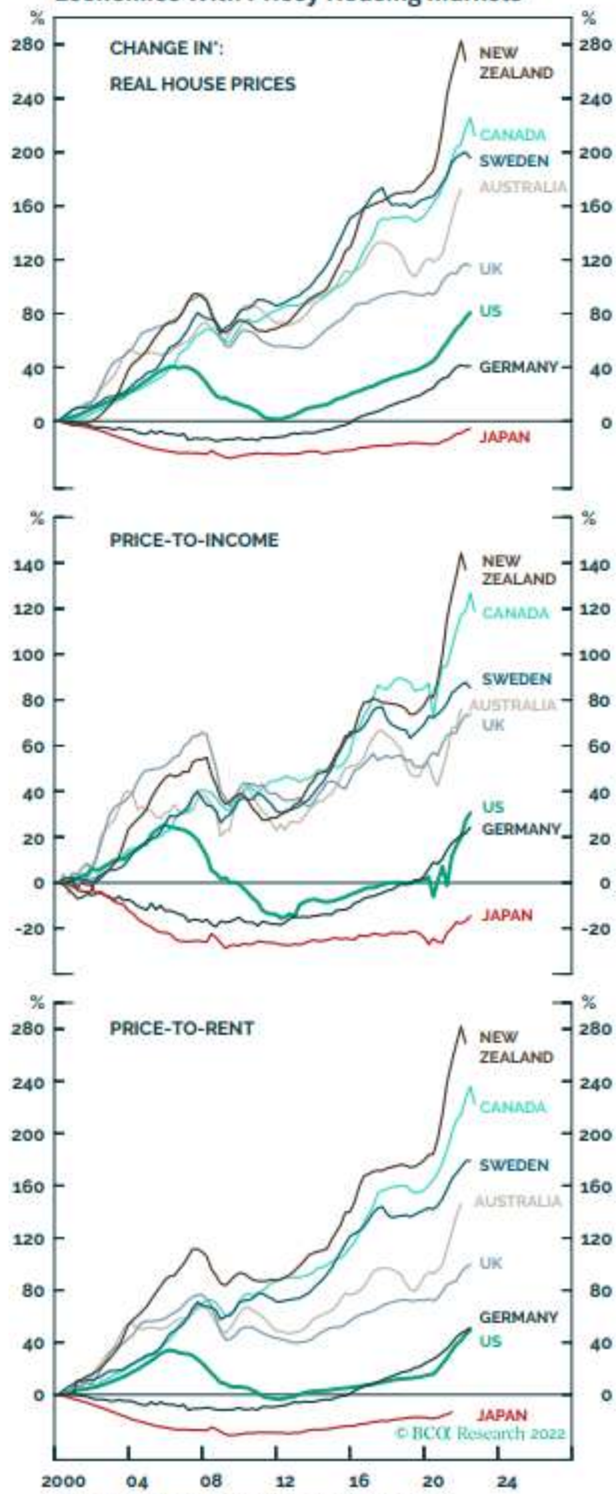


* SOURCE: FEDERAL RESERVE BANK OF NEW YORK.

The structure of some overseas mortgage markets also heightens housing risks. In Canada, for example, variable-rate mortgages account for about one-third of the total stock of mortgages. And even those that are fixed rate typically reset every five years. This will limit the ability of the Bank of Canada to raise rates as much as the Fed. ...

CHART 20

Rising Rates Will Weigh On Developed Economies With Pricey Housing Markets



* SERIES REBASED TO Q1 2000 = 0%. SOURCE OECD.

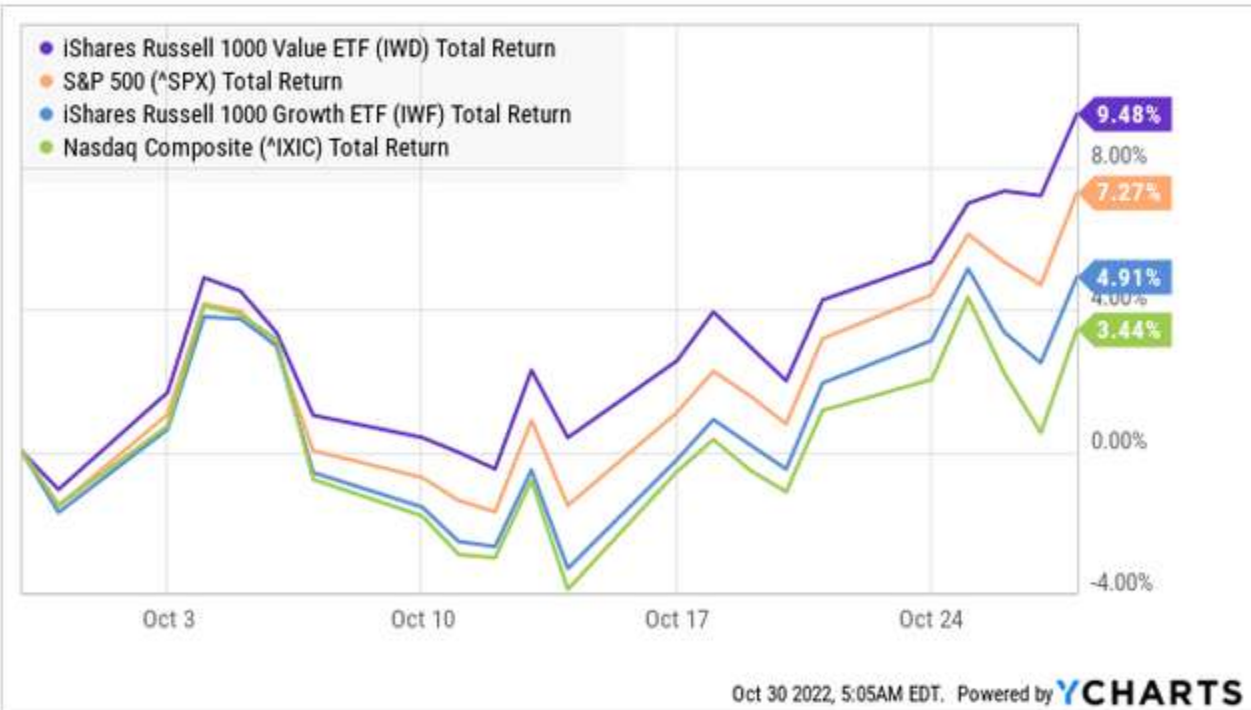
Follow-ups

From High Dividend Opportunities:

Market Outlook: Value Stocks Continue To Outperform

Oct. 30, 2022

October was an excellent month for Value stocks ….



Value stocks, as represented by the Russell 1000 Value ETF, rebounded much more strongly than Growth stocks, as represented by the Russell 1000 Growth ETF. With Growth stocks down so much more year-to-date, one might assume they have more upside. Yet IWD is now down only 10% year-to-date, while IWF is still down over 25%.

The main reason that Value stocks are rebounding stronger this month is because of earnings. Value stocks are surprising the market to the upside, while many Growth stocks are disappointing. It all boils down to valuation - Growth stocks started the year extremely overvalued.

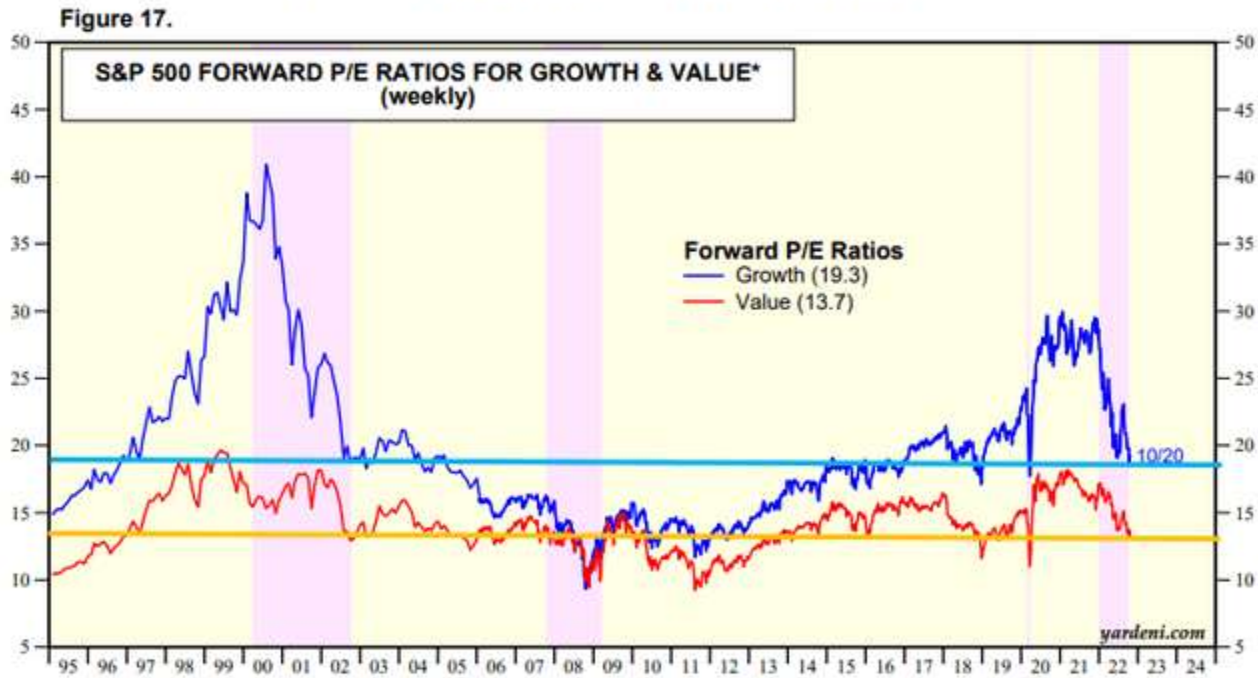
Growth Is Still Overvalued

As investors, it is easy for us to have a "recency bias". This means that events that happened the most recently have a stronger impact on our minds than events that occurred further back. With stocks, this often manifests itself through price movements. When a stock price is down 50%, we assume that it is "cheap". After all, it was twice the price recently.

I have drawn comparisons before to the Dot-Com bubble – comparing the overvaluation of Growth in 2020/2021 to a mini version of the dot-com bubble and subsequent crash.

While no two bear markets are identical, I continue to believe there are a lot of similarities. Here is a look at Forward P/E (price to earnings) for Growth vs. Value:

Forward P/E: Growth vs Value

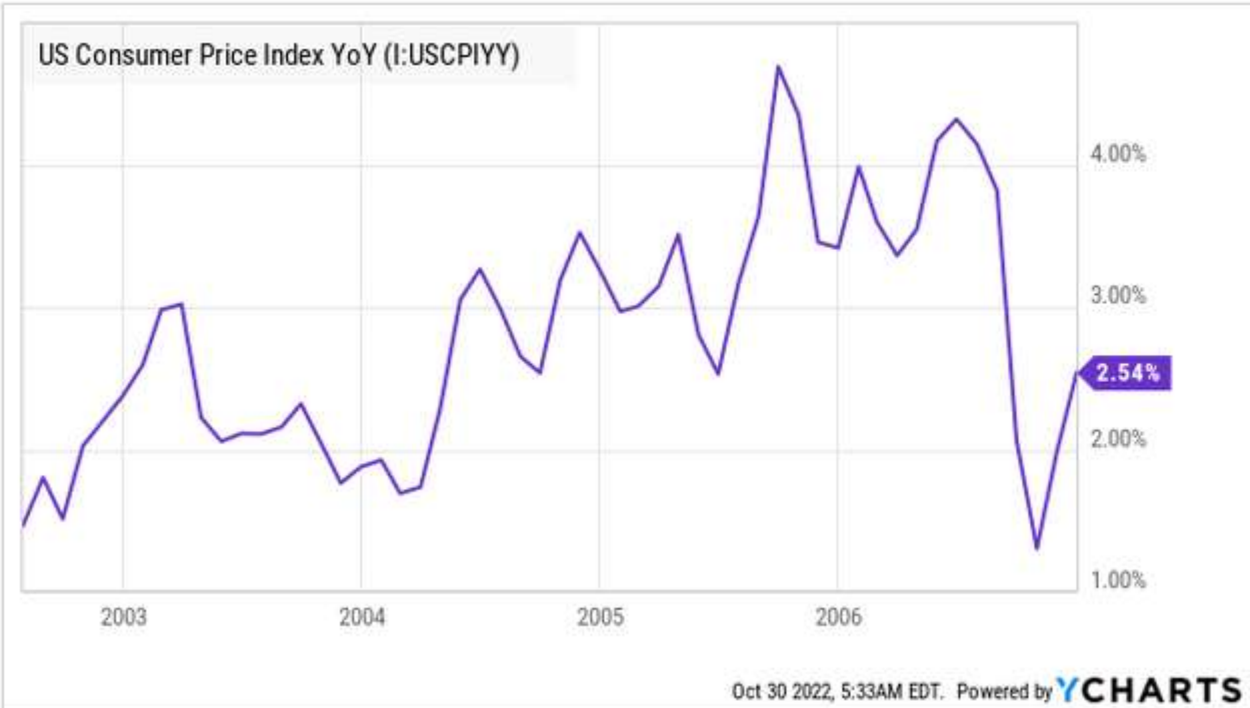


Note that Growth PEs have come down from nearly 30x to 19.3x, while Value PEs have fallen from 17x to 13.7x – a much smaller decline both as a percentage and in gross numbers. This is very similar to what we saw from 2000-2002, with the exception that the Growth bubble wasn't as big this time around. Interestingly, valuations are now very close to where they were in 2002 for both Growth and Value.

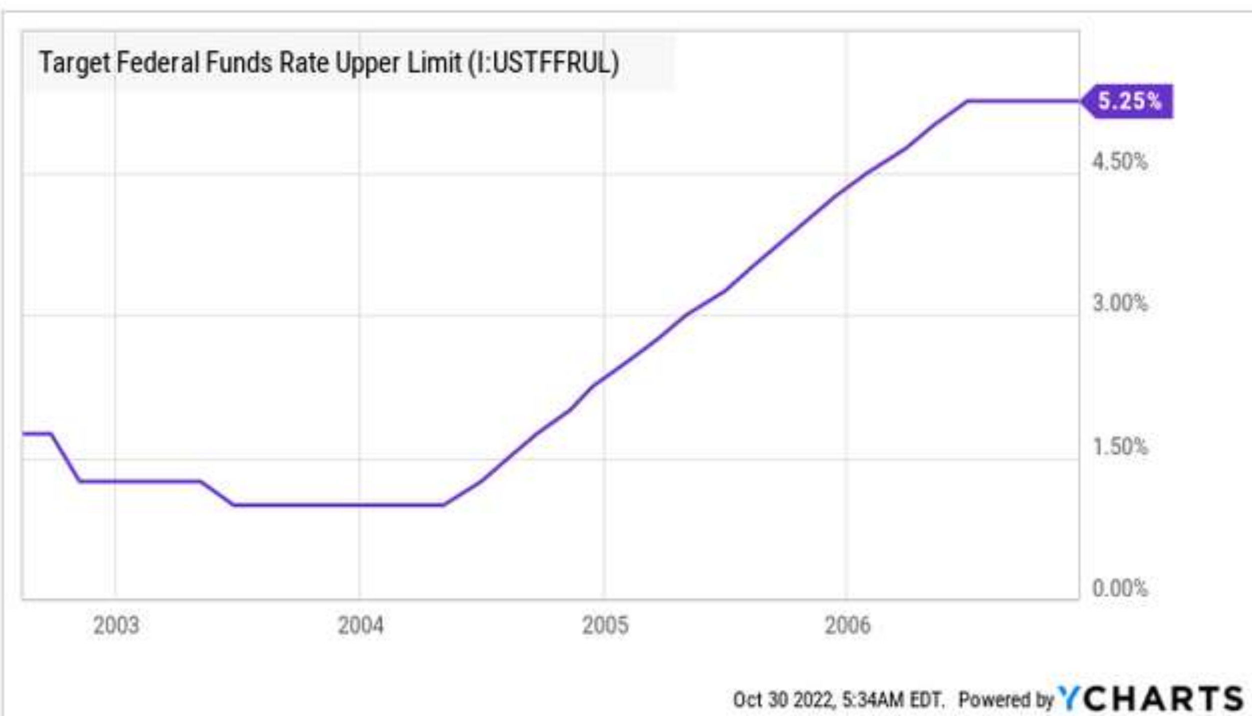
Note that from 2002-2006, Growth P/E ratios continued to compress while Value PE ratios remained stable. The result is that Value stocks outperformed Growth stocks for the four years of recovery. Even though they didn't fall as much in price, they still outperformed during the recovery.

I believe we are entering into a very similar period where Value stocks will outperform, thanks to growing earnings, while Growth stocks continue to see downward pressure on valuations.

What else was happening from 2003-2006? Elevated inflation.



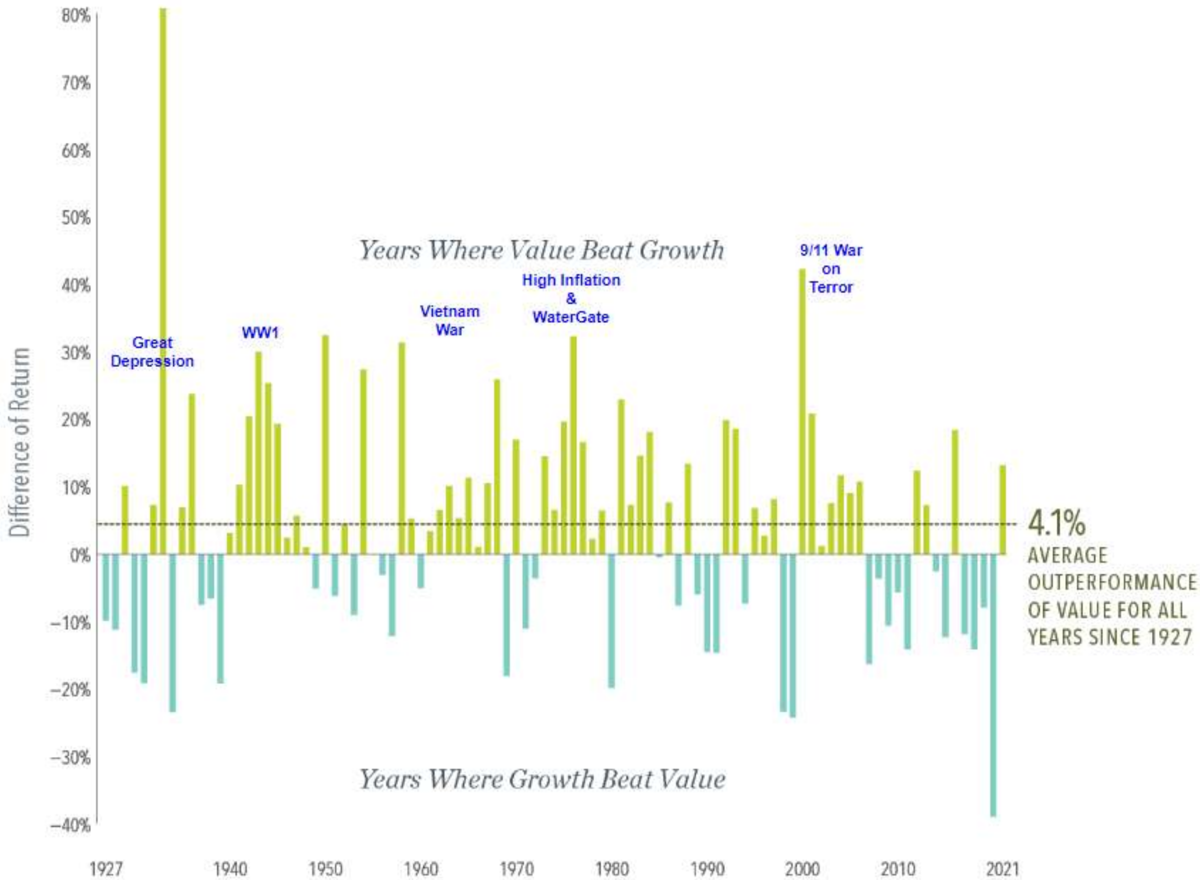
And rising interest rates.



Value stocks have outperformed Growth over the past year, and I expect that trend will continue even as the entire market turns bullish.

From High Dividend Opportunities on Oct. 29th:

A study analyzing ~100 years of market performance showed that value achieved a 4.1% outperformance over growth. Value's strong performance is more notable during precarious times for the U.S. economy, namely the great depression, wars, and periods of very high inflation.



Over the past several years we have repeatedly warned about the overvaluation of growth stocks, and in particular the four original FANG stocks, as Apple's subsequent addition resulted in FAANG. From Monday's WSJ:

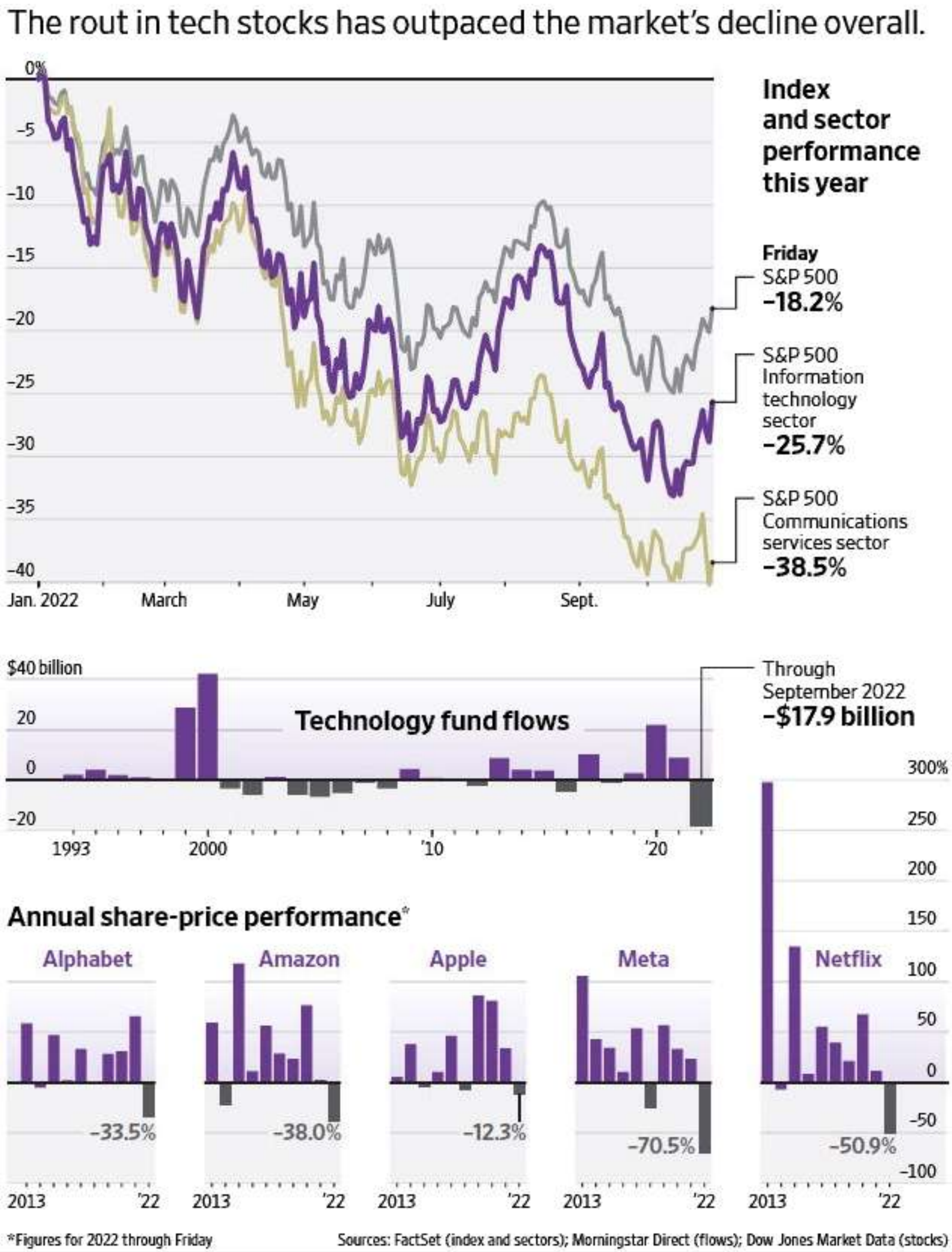
Higher Rates Hit Big Stocks In Technology

BY GUNJAN BANERJI AND HANNAH MIAO

Shares of the largest U.S. technology firms have fallen out of favor in the most pronounced way since the 2000 tech bubble, victims of a shift in investors' tastes inspired by rising interest rates.

The 2022 market bust has turned the popular "FAANG trade"—the practice of buying fast-growing technology titans such as Facebook owner **Meta Platforms**, **Apple**, **Amazon.com**, **Netflix** and Google parent **Alphabet** — into a pumpkin. Of those five companies, only Apple, down 12% this year, has outpaced the Nasdaq Composite Index's 29% decline.

For years, portfolio managers were willing to overlook the occasional blemish in the tech giants' quarterly results, reasoning that there were few alternatives at a time of generally slow economic expansion. That sort of



patience has evaporated this year, as investors in Meta in particular can attest following the past week's earnings-driven rout. ...

The Nasdaq index's value has dropped this year by some $8 trillion. That compares with around $5 trillion over three years in the 2000-2002 rout, a sum that would be worth about $8.6 trillion today. Technology shares have led the 2022 market decline, unlike the 2007-2009 downtown when the worst selling was in financials and housing-related shares. In the years after the financial crisis, tech stocks seemed to go only up, notching nearly a decade of mammoth returns that drew in even more buyers. During the pandemic bust and boom in 2020 and 2021, the companies appeared immune to economic distress while fully enjoying the benefits of reopening.

That all changed this year, with the Federal Reserve's determination to break inflation. Rising rates have left tech executives and investors navigating a starkly different market environment, one that favors investments that generate cash for the holder now.

Companies including Apple, Amazon, Meta, **Microsoft** and **Tesla** (another stock we warned about) have figured most in the S&P 500's roughly 19% fall through Thursday, according to S&P Dow Jones Indices, while shares of energy firms have risen. Meta is trading at levels not seen since 2016.

Wall Street expects more damage. Analysts' estimates for fourth-quarter earnings from firms in the S& P 500's communication-services sector— home to the parents of Facebook and Google—have fallen more than for any group since the end of June, according to FactSet. Stocks in the sector are on pace for their worst year in more than two decades.

At the start of the year, Meta was one of the 10 biggest companies in the S& P 500. Today, it isn't even in the top 20 ....

In addition to navigating rising rates and high valuations, tech executives have been grappling with a soaring U.S. dollar, consumers whose spending power is pinched by inflation and the possibility of an economic slowdown. ...

Some tech heavyweights still appear expensive despite this year's sharp pullback, analysts said. Amazon shares are trading with a price/earnings ratio of roughly 65 times projected earnings over the next 12 months, according to FactSet. The S&P 500 trades at around 16 times projected earnings. ...

Some companies' spending is facing increased scrutiny. After Meta forecast capital spending of more than $30 billion, primarily for artificial-intelligence investments, analysts on the company's earnings call pressed executives on how the expenses would pay off.

Meta Platforms Chief Executive Mark Zuckerberg expressed confidence that his initiatives would reward shareholders who showed patience. The next day, Meta's stock dropped 25%. ...

Snap shares fell 28% in a day this month after the company posted its weakest sales performance since coming public, leaving the stock down 79% for 2022. ...

Another "investment" that we repeatedly warned against when they were hot. From October 17th's WSJ:

SPAC Sponsors Win Out as Investors Lose

BY ELIOT BROWN

Since **AEye** went public by merging with a special-purpose acquisition company in August 2021, shareholders have had a rough go. The laser-technology company's stock is down over 90% in the midst of missed revenue projections and the rout in growth stocks.

The company that ran the SPAC fared better. The financial-services firm **Cantor Fitzgerald** invested less than $10 million in the deal, but reaped at least $35 million in fees related to the listing, share sales and the value of remaining holdings, securities filings show.

A Cantor spokeswoman didn't respond to requests for comment. An **AEye** spokeswoman declined to comment.

As the air has come out of the SPAC boom of recent years, a clear winner emerged: the money managers who oversaw the blank-check companies and who kept making profits even in the face of significant losses to stock investors.

Stock-market investors in SPACs that merged with private companies since 2015 lost an average 37% of their investment a year after the merger through the end of September, according to the authors of a forthcoming paper on SPACs in the Review of Financial Studies, an academic journal. At the same time, SPAC managers, known as sponsors, turned an average investment of about $8 million into about $54 million, giving them average annualized returns of 110% on their initial investment in the SPACs, the authors found.

"There is no question that the sponsors had great returns at the same time that public market investors had very negative returns," said Jay Ritter, a finance professor at the University of Florida who wrote the paper along with Minmo Gahng at the University of Florida and Donghang Zhang at the University of South Carolina. Share prices of more than one-third of the 339 SPACs that merged with private companies since 2020 are down more than 80%, according to the data-tracking firm SPAC Research. ...

The mismatch of fortunes is largely due to the way SPAC sponsors are compensated.

SPACs are essentially publicly listed pools of cash in search of private companies to merge with—providing an alternative to an IPO. The sponsors who form the SPAC—private-equity managers, hedge funds and the occasional celebrity—commit an average of 5% of this initial funding and raise the rest from stock investors, according to the researchers.

When the SPAC sponsor completes a merger, the sponsor gets a bonus typically equivalent to 20% of the value of the SPAC. Many investors and academics have criticized this bonus—known as a promote—as overly generous given that it can lead sponsors to profit even if the SPAC's investors are down over 90% in many cases. Regulators from the Securities and Exchange Commission called SPAC sponsor compensation costly and drafted rules to make it more transparent to investors.

Backers of the promote structure say it allows sponsors to be compensated to take the risk to launch a SPAC, given that sponsors get little if they don't complete a merger. The rate, they say, is set by the market, and it has fallen some as competition has grown.

The promote "is fully and fairly disclosed and has been for decades," directors of the SPAC Association trade group wrote in a comment to the SEC in June. "If investors want to support a sponsor and pay them 50%, it's their right." ...

For sponsors that sold shares of companies that rose in value, gains were particularly lucrative. **Apollo Global Management** put $14 million from an Apollo-run fund into a company that merged with the electric-vehicle company Fisker in 2020. Apollo sold at least $64 million of shares in the first quarter of 2021, and disposed of its remaining 12.9 million shares sometime in the second quarter of 2021, records show. Based on Fisker's lowest share price in the second quarter, Apollo would have garnered about $140 million from those sales.

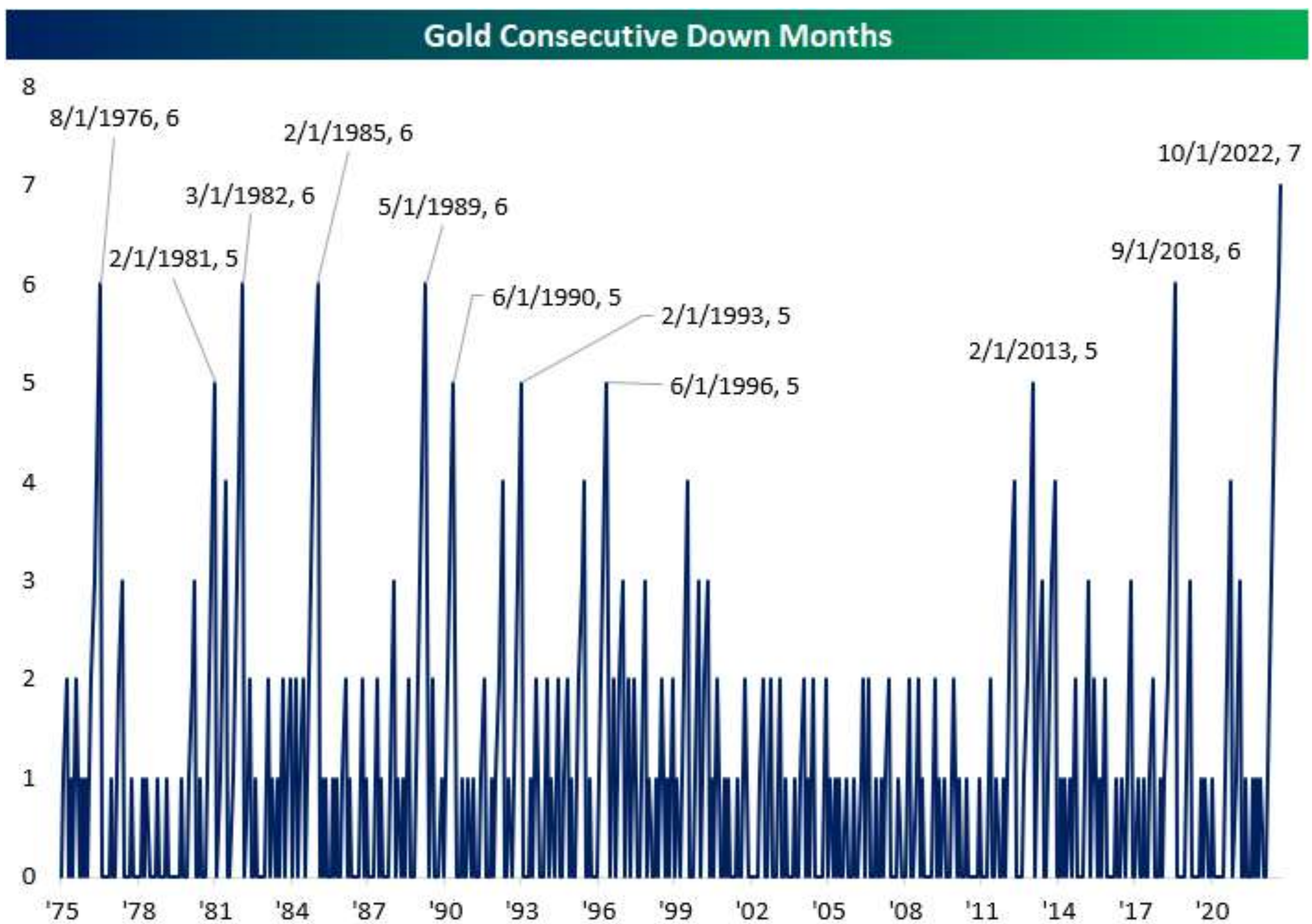
The profits came as Fisker's share more than doubled to above $20 soon after the merger. Fisker's share price has since fallen to less than $7 from its $10 initial merger price. ...

As detailed on our website, Gold has been our HCM's avoid list since inception. From Bespoke:

Gold Tarnished

Mon, Oct 31, 2022

The end of October is now here and barring a massive turnaround by the close, gold is on pace to once again end the month lower. Gold peaked back in August of 2020, but since the spring it has taken a more dramatic leg lower. In spite of a high inflationary environment, the often-considered to be go-to inflation hedge has been on a relentless streak of declines. With October's lower close month to date, gold has now dropped for a record seven months in a row. Going back to 1975, there have been a handful of other streaks lasting for five or six months, but none until now extended out to seven.



Although the current decline has been a record in length, the degree to which gold has fallen during it has not been as severe as some of the prior streaks of 5 months or more. For example, in 1976, 1981, and 1982 gold fell well over 20% compared to the current 16.1% decline. While we do not have a crystal ball to see if gold will end this streak in November, we would note that during the month that snaps these streaks, gold's performance tends to be particularly strong with an average gain of 5.5% compared to the norm of only a 0.5% rally for all months since 1975. Similarly, gold tends to find itself higher three, six, and twelve months later with stronger than normal performance. ...

Gold After 5+ Month Long Losing Streaks							
	Front Month	Consecutive	Decline (%)	Gold Forward Performance (%)			
Date	Gold Price ($)	Down Months	During Streak	Month	3 Month	6 Month	Year
8/31/1976	921.54	6	-22.38	12.98	29.31	41.62	43.59
2/27/1981	2,621.60	5	-29.02	6.97	0.56	-11.57	-25.46
3/31/1982	1,554.23	6	-24.30	4.81	-3.91	20.07	24.87
2/28/1985	1,025.69	6	-17.92	14.86	10.00	16.40	18.31
5/31/1989	974.05	6	-14.02	3.66	-0.39	14.72	1.39
6/29/1990	886.40	5	-13.30	3.58	12.85	10.53	3.77
2/26/1993	722.22	5	-5.30	3.00	15.43	13.76	16.39
6/28/1996	734.25	5	-5.96	2.09	-0.32	-2.53	-10.91
2/28/2013	1,810.95	5	-11.24	0.99	-11.92	-11.86	-16.65
9/28/2018	1,306.75	6	-10.22	1.78	7.24	8.21	22.47
10/31/2022	1,644.80	7	-16.10	?	?	?	?
			Average	5.47	5.88	9.94	7.78
			Median	3.62	3.90	12.14	10.08
			% Positive	100	60	70	70
			All Months Since 1975				
			Average	0.50	1.51	3.20	7.16
			Median	-0.01	0.11	1.39	2.67

Positions

OPCH - Value is the 2nd criteria of our IVA System, with the stock having to be in the lowest decile for the valuation metric used, in this case PEG. We consider a stock fully valued when it reaches the 5th decile, and begin watching for an opportune time to exit. OPCH's valuation had reached the 7th decile when we sold all positions on 10/25 @ 34.77 for 5 clients.


OPCH 34.64
35.00
34.64
32.50
30.00
27.50
25.00
22.50
Nov
Dec
2022
Feb
Mar
Apr
May
Jun
Jul
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Oct