

2023 January Indicator Trifecta & Annual Forecast Update

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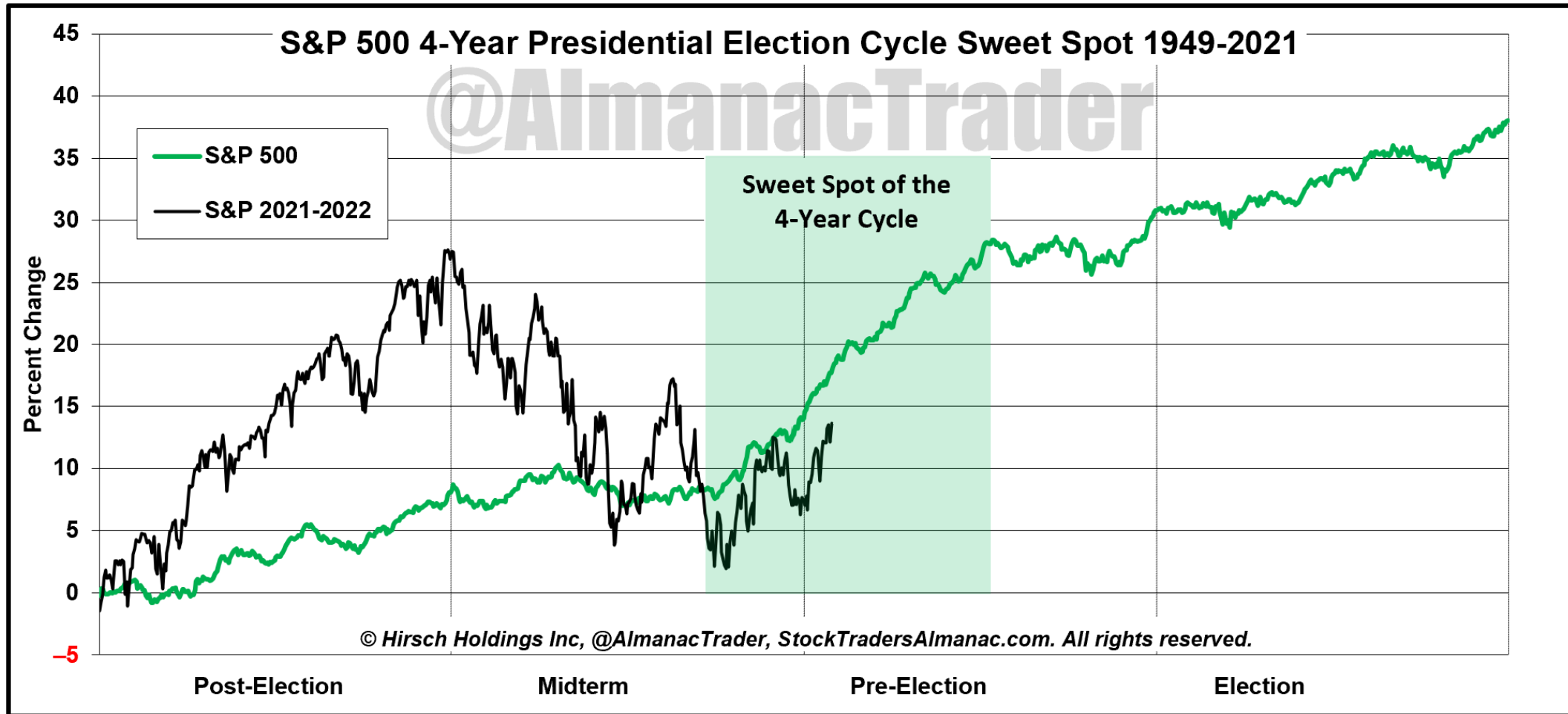
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2022 Midterm Bear Sets Up 4-Year Cycle Sweet Spot



Market Hits The Trifecta

S&P 500 January Indicator Trifecta — 3 Positive						
New Year	SC Rally	FFD	JB	Feb	Last 11 Mon	Full Year
1950	1.3%	2.0%	1.7%	1.0%	19.7%	21.8%
1951	3.1%	2.3%	6.1%	0.6%	9.7%	16.5%
1952	1.4%	0.6%	1.6%	-3.6%	10.1%	11.8%
1954	1.7%	0.5%	5.1%	0.3%	38.0%	45.0%
1958	3.5%	2.5%	4.3%	-2.1%	32.4%	38.1%
1959	3.6%	0.3%	0.4%	-0.02%	8.1%	8.5%
1961	1.7%	1.2%	6.3%	2.7%	15.8%	23.1%
1963	1.7%	2.6%	4.9%	-2.9%	13.3%	18.9%
1964	2.3%	1.3%	2.7%	1.0%	10.0%	13.0%
1965	0.6%	0.7%	3.3%	-0.1%	5.6%	9.1%
1966	0.1%	0.8%	0.5%	-1.8%	-13.5%	-13.1%
1971	1.9%	0.04%	4.0%	0.9%	6.5%	10.8%
1972	1.3%	1.4%	1.8%	2.5%	13.6%	15.6%
1975	7.2%	2.2%	12.3%	6.0%	17.2%	31.5%
1976	4.3%	4.9%	11.8%	-1.1%	6.5%	19.1%
1979	3.3%	2.8%	4.0%	-3.7%	8.0%	12.3%
1983	1.2%	3.2%	3.3%	1.9%	13.5%	17.3%
1987	2.4%	6.2%	13.2%	3.7%	-9.9%	2.0%
1989	0.9%	1.2%	7.1%	-2.9%	18.8%	27.3%
1995	0.2%	0.3%	2.4%	3.6%	30.9%	34.1%
1996	1.8%	0.4%	3.3%	0.7%	16.5%	20.3%
1997	0.1%	1.0%	6.1%	0.6%	23.4%	31.0%
1999	1.3%	3.7%	4.1%	-3.2%	14.8%	19.5%
2004	2.4%	1.8%	1.7%	1.2%	7.1%	9.0%
2006	0.4%	3.4%	2.5%	0.05%	10.8%	13.6%
2011	1.1%	1.1%	2.3%	3.2%	-2.2%	-0.003%
2012	1.9%	1.8%	4.2%	4.1%	8.7%	13.4%
2013	2.0%	2.2%	4.8%	1.1%	23.4%	29.6%
2017	0.4%	1.3%	1.8%	3.7%	17.3%	19.4%
2018	1.1%	2.8%	5.6%	-3.9%	-11.2%	-6.2%
2019	1.3%	2.7%	7.9%	3.0%	19.5%	28.9%
2023	0.8%	1.4%	6.2%			
Average:				0.5%	12.3%	17.5%
# Up:				20	27	28
#Down:				11	4	3

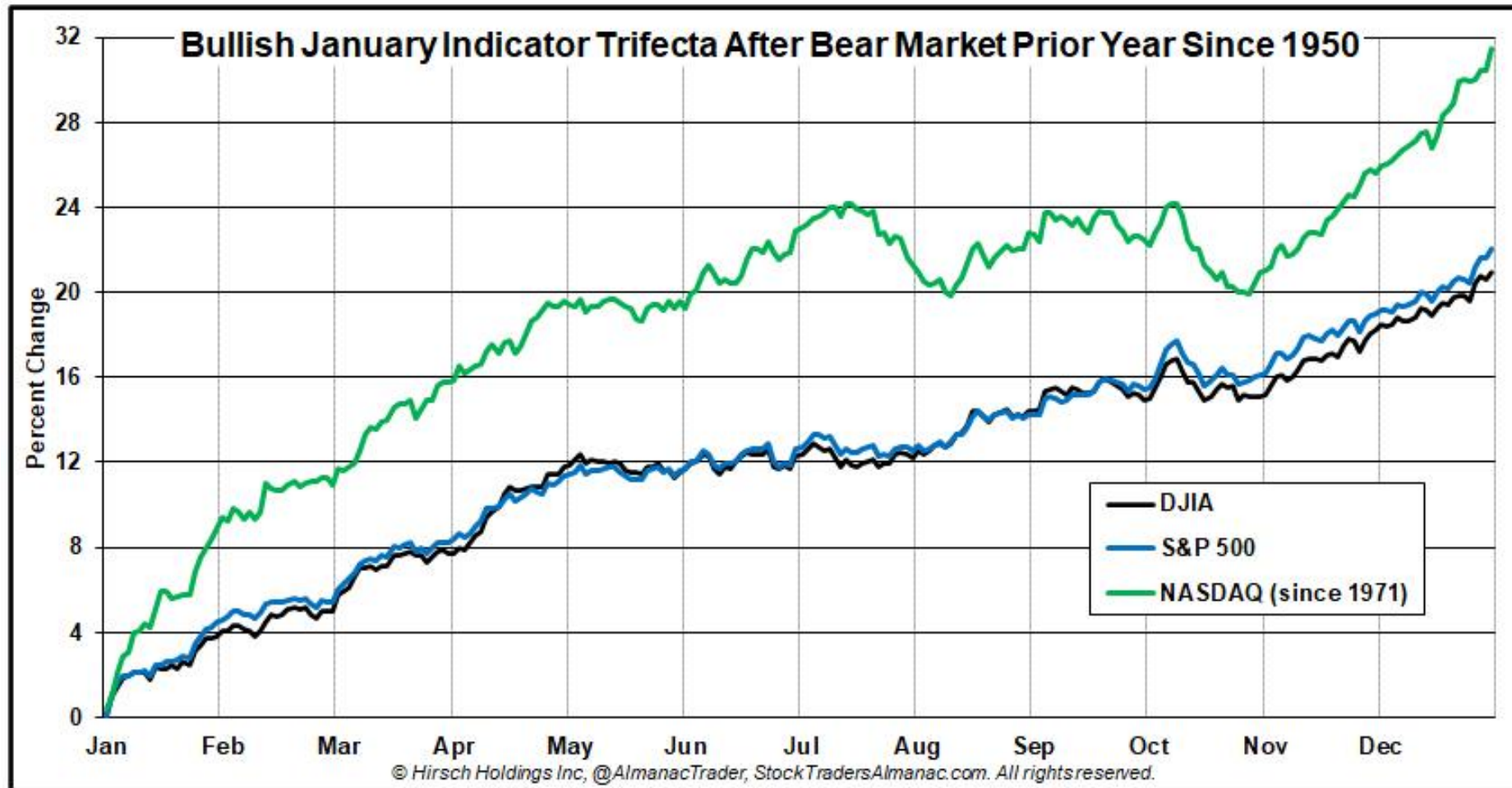
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Hitting January Indicator Trifecta After Bear Market

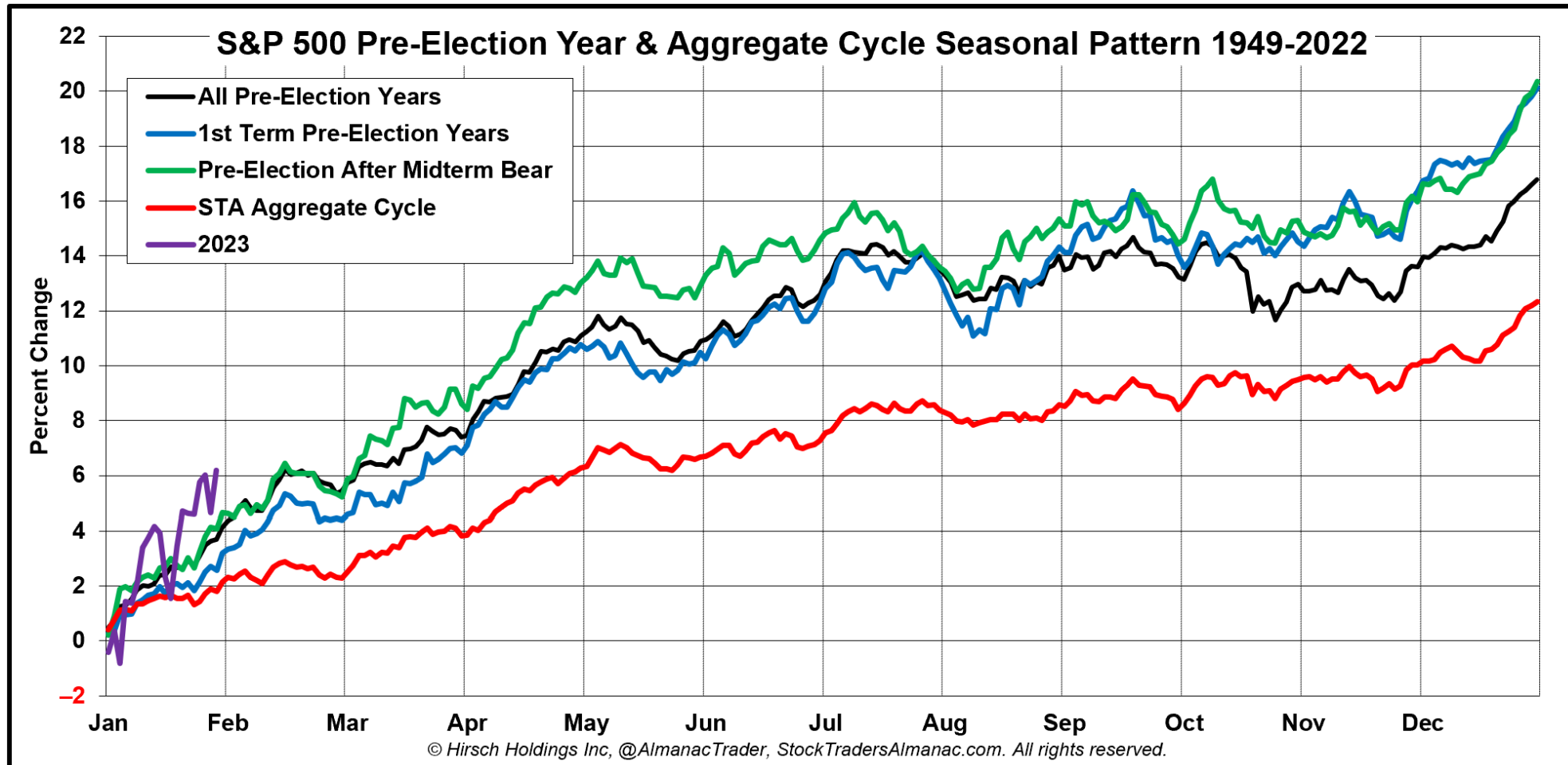
Bear Market Prior Year, Our January Indicator Trifecta Amazing! (S&P 500 Since 1949)							
Prior Year		Santa Claus	First 5	January			
Bear Low*	New Year	Rally	Days	Barometer	February	Last 11 Mos	Full Year
6/13/1949	1950	1.3%	2.0%	1.7%	1.0%	19.7%	21.8%
9/14/1953	1954	1.7%	0.5%	5.1%	0.3%	38.0%	45.0%
10/22/1957	1958	3.5%	2.5%	4.3%	-2.1%	32.4%	38.1%
10/25/1960	1961	1.7%	1.2%	6.3%	2.7%	15.8%	23.1%
6/26/1962	1963	1.7%	2.6%	4.9%	-2.9%	13.3%	18.9%
5/26/1970	1971	1.9%	0.04%	4.0%	0.9%	6.5%	10.8%
11/23/1971	1972	1.3%	1.40%	1.8%	2.5%	13.6%	15.6%
10/3/1974	1975	7.2%	2.2%	12.3%	6.0%	17.2%	31.5%
3/6/1978	1979	3.3%	2.8%	4.0%	-3.7%	8.0%	12.3%
8/12/1982	1983	1.2%	3.2%	3.3%	1.9%	13.5%	17.3%
8/31/1998	1999	1.3%	3.7%	4.1%	-3.2%	14.8%	19.5%
10/3/2011	2012	1.9%	1.8%	4.2%	4.1%	8.7%	13.4%
2/11/2016	2017	0.4%	1.3%	1.8%	3.7%	17.3%	19.4%
10/12/2022	2023	0.8%	1.4%				
Average:					0.9%	16.8%	22.1%
# Up:					9	13	13
#Down:					4	0	0

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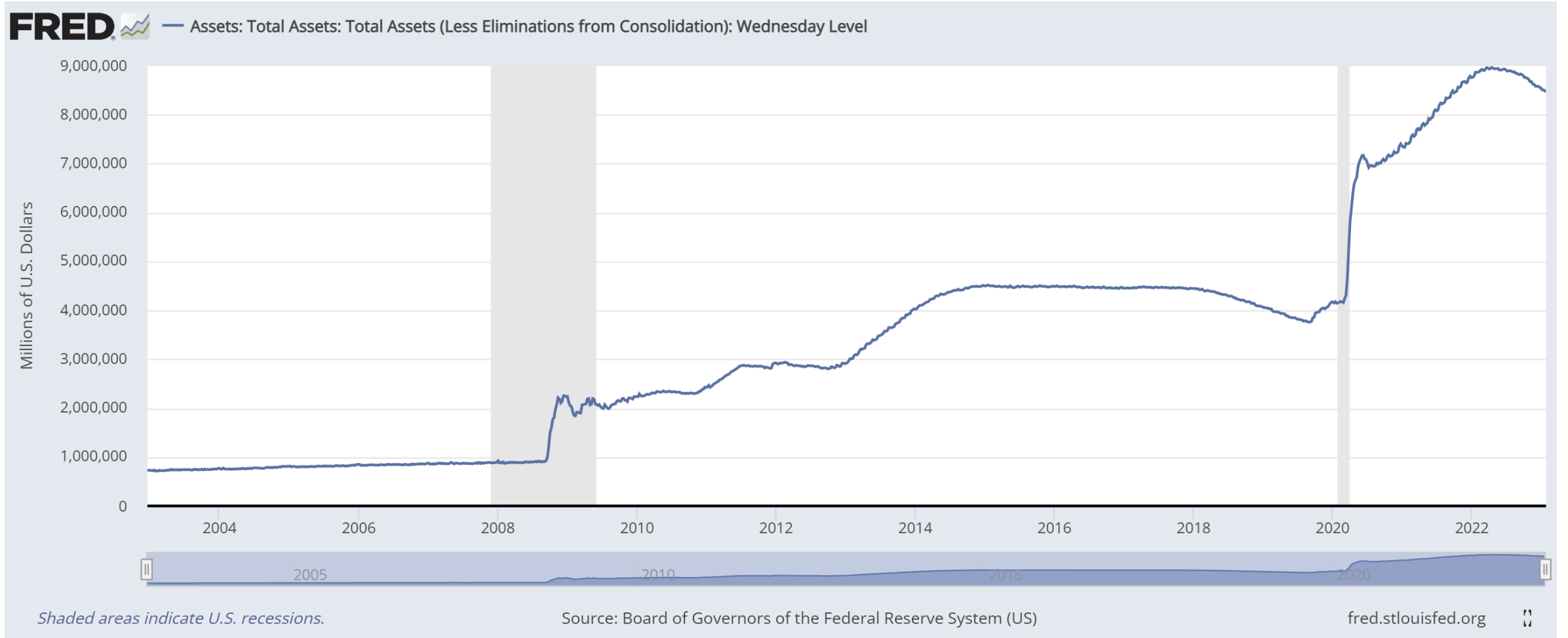
NASDAQ Amazing – January Trifecta Years After Bear Market



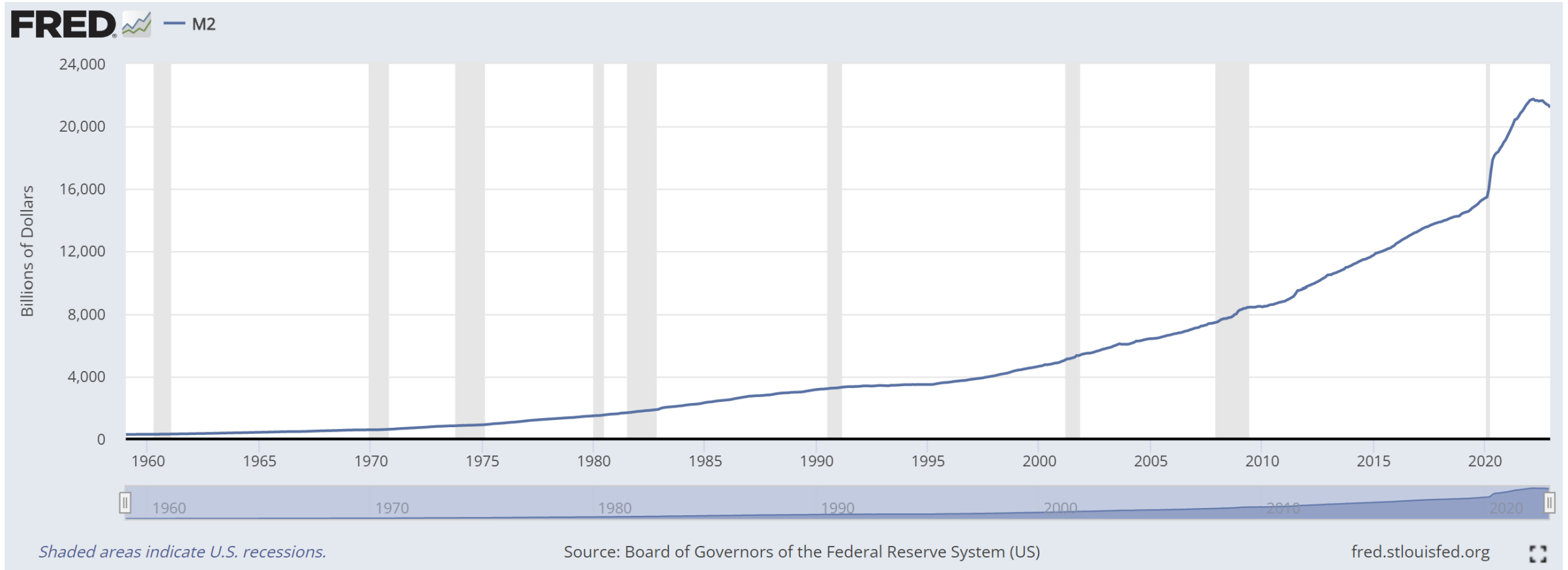
Pre-Election Best Year of 4-Year Cycle



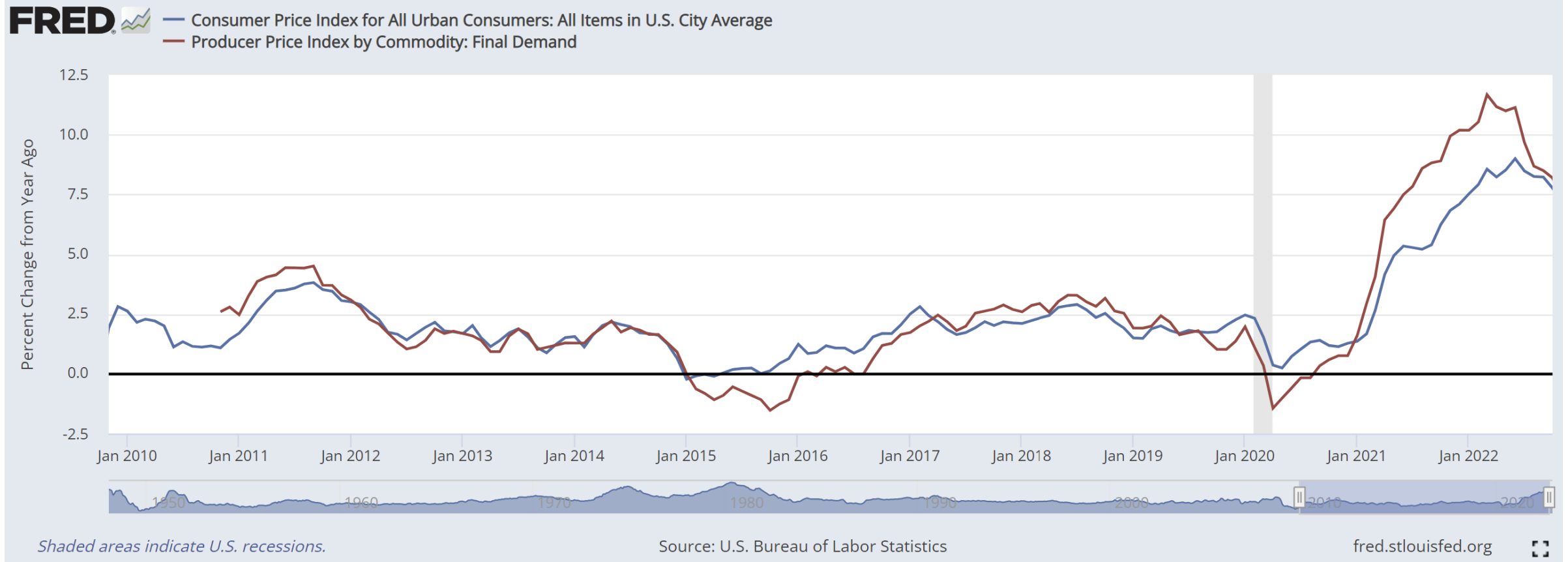
Quantitative Tightening



Money Supply



Inflation



Unemployment

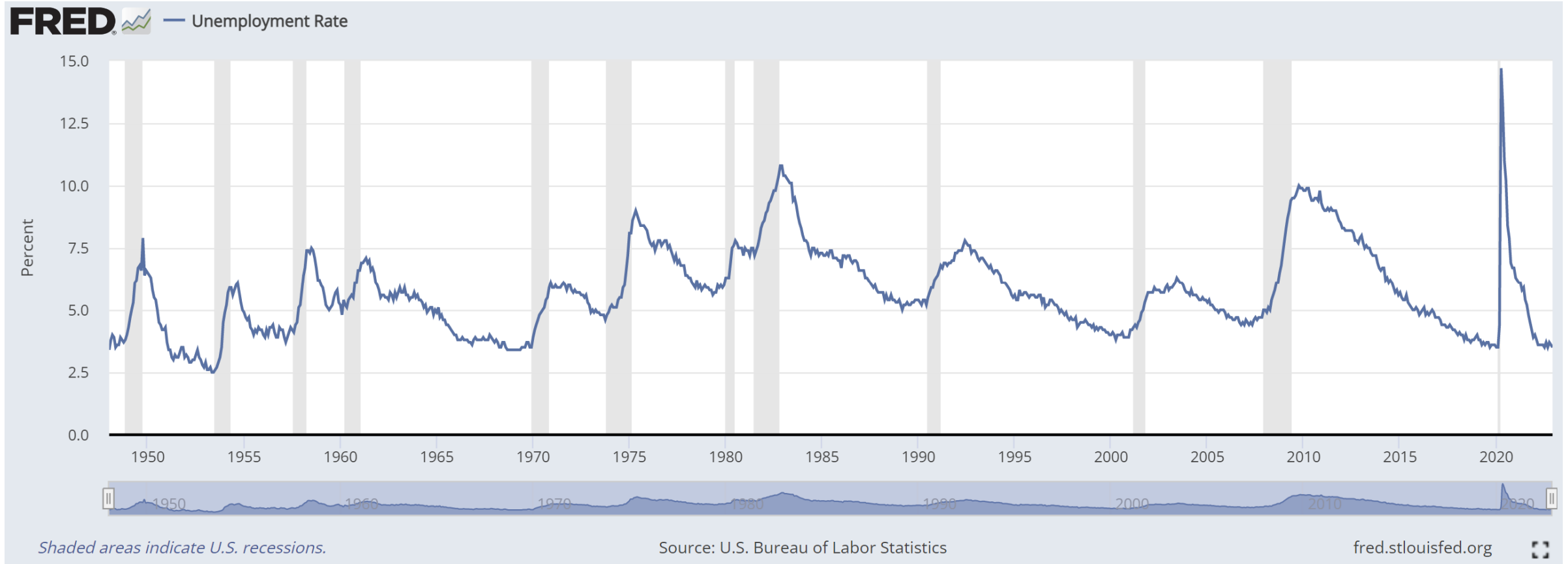
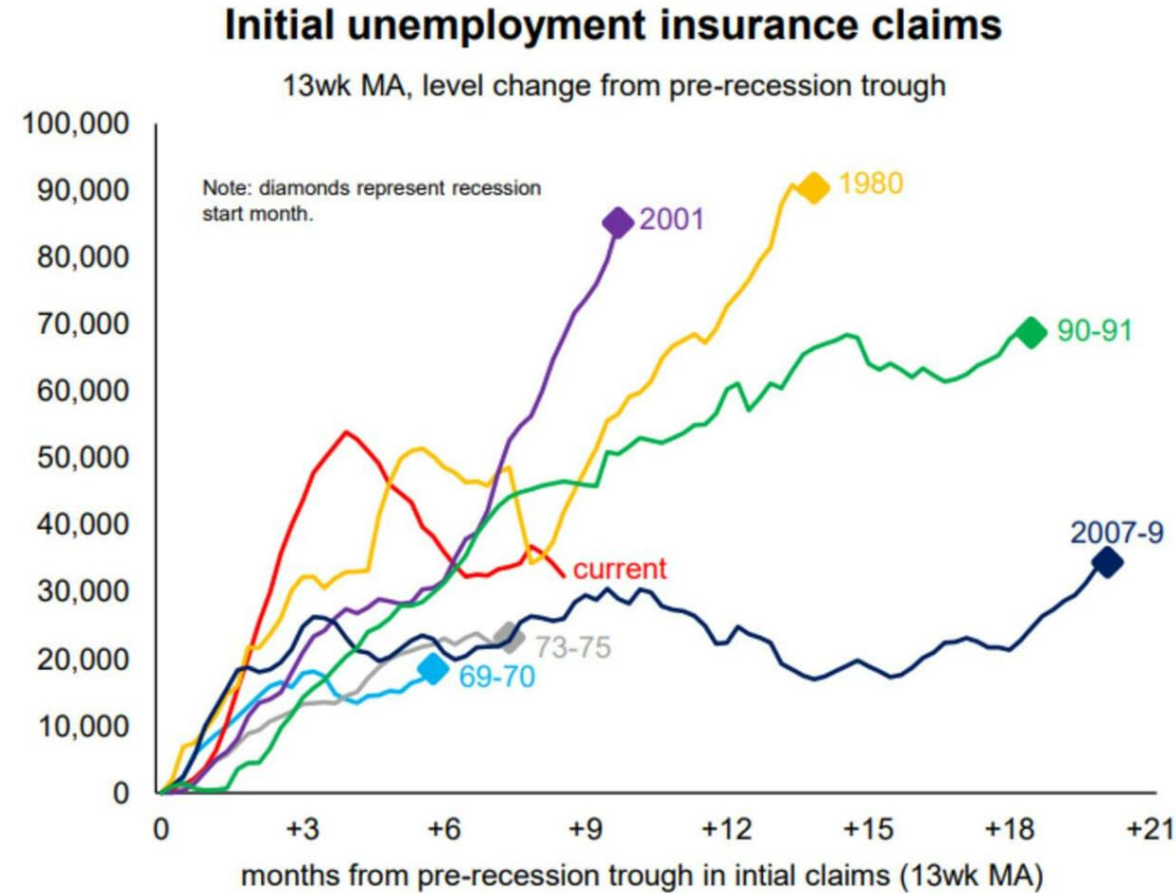


Fig 6 Initial claims (13wk MA) have troughed between 6 and 20 months prior to a recession commencing

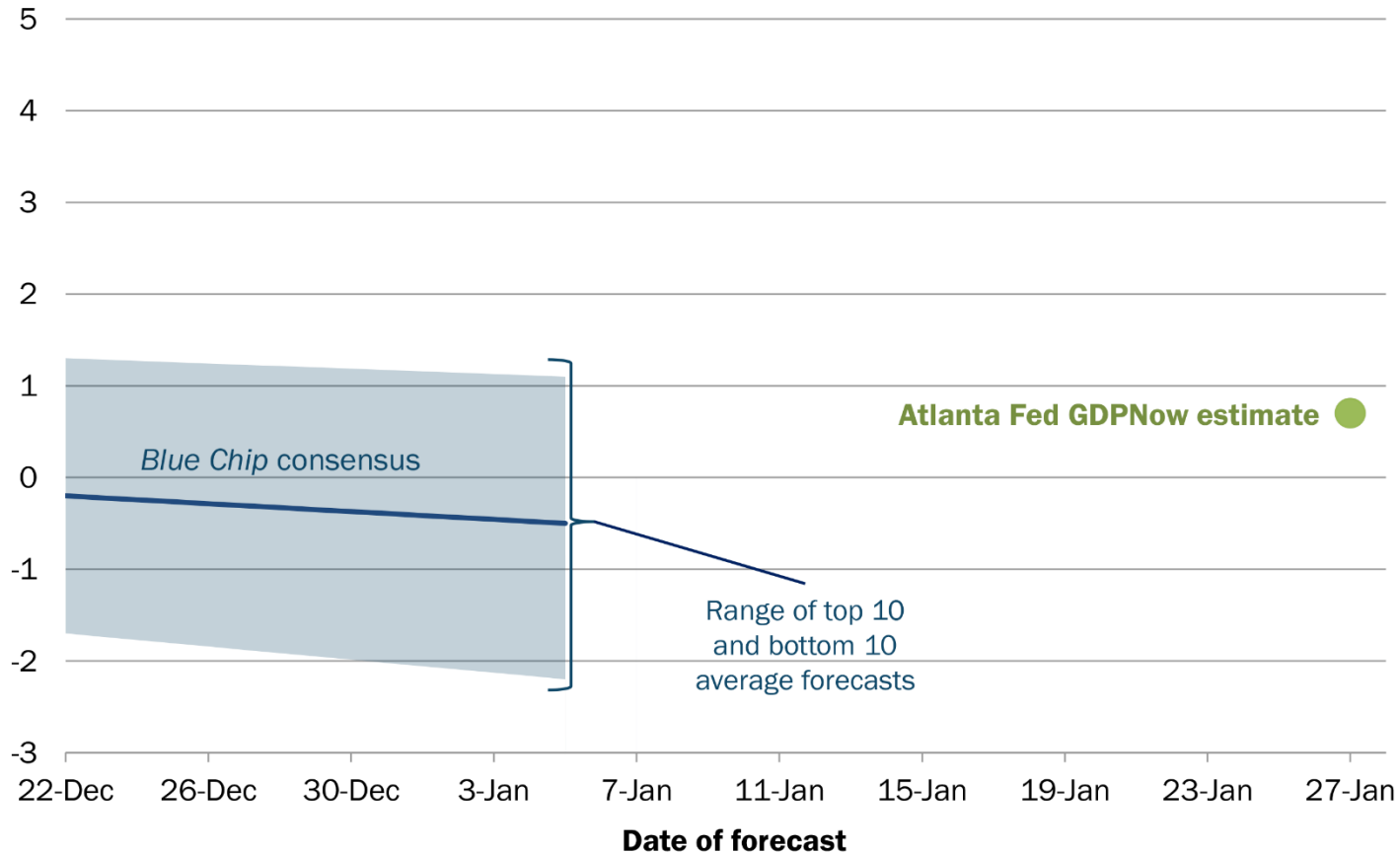


Source: Macrobond, Macquarie Macro Strategy

GDP Positive Q1 – Latest Estimate: 0.7% – January 27, 2023

Evolution of Atlanta Fed GDPNow real GDP estimate for 2023: Q1

Quarterly percent change (SAAR)



Sources: *Blue Chip Economic Indicators* and *Blue Chip Financial Forecasts*

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the *Blue Chip* survey.

2023 Forecast Best Case Scenario Now In Play

- **Base Case: 65% Probability** – Current trends remain intact. Inflation continues to moderate at current pace and Fed pauses rate hikes in Q1. No recession, but a marked slowdown in growth and a modest increase in unemployment. Supply chains slowly continue to improve with gains from loosening China Covid-19 policy being held in check by higher infection rates. Slightly below average pre-election year gains of 10-15%.
- **Best Case: 25% Probability** – Loosening China Covid-19 protocols accelerate supply chain recovery. Ukraine and Russia conflict ends. Inflation rapidly retreats allowing Fed to ease to a neutral policy stance. Recession is avoided, growth picks up, and unemployment remains low. Above average pre-election-year gains of 15-20%.
- **Worst Case: 10% Probability** – Inflation persists, and Fed forced to tighten beyond current expectations which triggers a full-blown recession that is accompanied by historical declines in economic growth and a spike in unemployment. Current rally ends up being a bear market bounce. Final bear market bottom arrives in first half of 2023 with late Q3-Q4 rally that returns major indexes to 0-5% at yearend.

Almanac Investor Sector Rotation ETF Portfolio

Ticker	Exchange Traded Fund	Presented		1/31/2023		Buy Limit ¹	Stop Loss ¹	Auto Sell*	Current Advice ¹
		Date	Price	Price	Return				
XBI	SPDR S&P Biotech **	12/2/21	92.39	88.90	-3.8%				Hold
IBB	iShares Biotech	8/4/22	119.90	136.55	13.9%		119.12	149.70	Hold
IYT	iShares DJ Transports	10/6/22	201.14	232.19	15.4%		203.67	260.19	Hold
IYZ	iShares DJ US Telecom	10/6/22	21.35	24.32	9.8%				Sold 1/6 @ 23.44
XLP	SPDR Consumer Staples	10/6/22	66.85	73.74	10.3%		67.35	87.92	Hold
XLF	SPDR Financial	10/6/22	31.09	36.56	17.6%		31.68	43.17	Hold
XLV	SPDR Health Care	10/6/22	123.23	133.36	8.2%		121.29	163.40	Hold
XLI	SPDR Industrials	10/6/22	85.39	101.85	19.3%		88.75	115.48	Hold
XLB	SPDR Materials	10/6/22	69.90	84.65	21.1%		72.20	97.05	Hold
XLK	SPDR Technology	10/6/22	121.76	135.96	11.7%		118.63	166.71	Hold
VNQ	Vanguard REIT	10/6/22	77.98	91.06	16.8%		76.85	103.78	Hold
IYW	iShares US Technology	10/6/22	75.42	82.69	9.6%		71.04	101.27	Hold
XLE	SPDR Energy	12/1/22	90.58	89.93	-0.7%		79.62	121.76	Hold
FCG	First Trust Natural Gas	1/5/23	23.00	25.04	New	23.00	20.07	32.15	Buy Dips

Open Position Average % Return 11.6%

¹ STANDARD POLICY: SELL HALF ON A DOUBLE, Buy Limits good til cancel, Stop only if closed below Stop Loss, (S) = Short Trade, *** Spilt adjusted
Current Advice is based upon closing prices as they appear in table. *Auto Sell price based upon historical sector returns plus 10% or 20%. ** Average purchase price.

Almanac Investor Tactical Seasonal Switching Strategy ETF Portfolio

Ticker	Exchange Traded Fund	Presented		1/31/2023		Buy Limit ¹	Stop Loss ¹	Auto Sell*	Current Advice ¹
		Date	Price	Price	Return				
QQQ	Invescos QQQ	10/4/22	279.62	294.62	5.4%				Hold
IWM	iShares Russell 2000	10/4/22	173.38	191.48	10.4%				Hold
DIA	SPDR DJIA	10/4/22	301.68	340.83	13.0%				Hold
SPY	SPDR S&P 500	10/4/22	375.21	406.48	8.3%				Hold

Open Position Average % Return 9.3%

¹ STANDARD POLICY: SELL HALF ON A DOUBLE, Buy Limits good til cancel, Stop only if closed below Stop Loss.
Current Advice is based upon closing prices as they appear in table. *Auto Sell price based upon historical returns plus 10% or 20%. ** Average purchase price.

Free Lunch & Small Cap Stock Portfolio

Almanac Investor Free Lunch Portfolio

Ticker	Company	Presented Date	Price	1/31/2023 Price	Net % Return ***	Buy Limit ¹	Stop Loss ¹	Current Advice ¹
EBS	Emergent Biosol	12/19/22	11.09	13.19	18.9%		12.58	Hold
IPI	Intrepid Potash	12/19/22	29.35	32.73	11.5%		30.11	Hold
ADV	Advantage Sol	12/19/22	1.91	2.59	36.0%		2.46	Hold
ALLT	Allot Ltd	12/19/22	2.90	3.79	30.9%		3.51	Hold
CDNA	Caredx Inc	12/19/22	12.05	14.94	24.0%		14.06	Hold
CONN	Conns Inc	12/19/22	5.98	9.41	50.5%			Stopped Out 1/25, Closed @ 9.00
EQRX	EqrX Inc	12/19/22	2.14	2.45	8.4%			Stopped Out 1/17, Closed @ 2.32
FLGT	Fulgent Genetic	12/19/22	30.69	33.78	10.1%		31.98	Hold
					21.9%			

Almanac Investor Small-Cap Stock Portfolio

Ticker	Company	Presented Date	Price	1/31/2023 Price	Net % Return ***	Buy Limit ¹	Stop Loss ¹	Current Advice ¹
MGPI	Mgp Ingredients ²	11/12/20	41.12	97.54	137.2%		89.71	Hold
EPSN	Epsilon Energy	10/13/22	6.52	5.91	-9.3%		5.06	Hold
NVGS	Navigator Holdings	10/13/22	11.66	12.91	10.7%		9.06	Hold
NWPX	Northwest Pipe	10/13/22	30.50	37.40	22.6%		27.94	Hold
SOI	Solaris Oilfield Infrastructure	10/13/22	10.73	10.59	-1.3%		8.26	Hold
					32.0%			

Mid Cap & Large Cap Stock Portfolio

Almanac Investor Mid-Cap Stock Portfolio

Ticker	Company	Presented Date	Presented Price	1/31/2023 Price	Net % Return ***	Buy Limit ¹	Stop Loss ¹	Current Advice ¹	
PR	Permian Resources	10/13/22	8.98	10.87	21.1%		7.73	Hold	
ACLS	Axcelis Technologies	11/10/22	76.19	109.95	44.3%		79.22	Hold	
CCRN	Cross Country Healthcare	11/10/22	31.72	27.75	-12.5%		25.54	Hold	
DGII	Digi International	11/10/22	39.35	33.99	-13.6%		30.21	Hold	
FN	Fabrinet	11/10/22	126.90	131.66	3.8%		111.78	Hold	
PERI	Perion Networks	11/10/22	25.00	33.50	34.0%		24.28	Hold	
SMCI	Super Micro Computer	11/10/22	81.93	72.33	-11.7%		67.00	Hold	
					9.3%				

Almanac Investor Large-Cap Stock Portfolio

Ticker	Company	Presented Date	Presented Price	1/31/2023 Price	Net % Return ***	Buy Limit ¹	Stop Loss ¹	Current Advice ¹	
T	AT&T Inc *	4/9/20	20.24	20.37	0.6%			Hold	
DOX	Amdocs Ltd	11/12/20	63.49	91.93	44.8%		75.64	Hold	
MUR	Murphy Oil	10/13/22	43.67	43.61	-0.1%		38.01	Hold	
AMN	A M N Healthcare Svcs	11/10/22	114.56	95.84	-16.6%			Stopped Out 1/18, Closed @ 95.50	
EOG	E O G Resources	11/10/22	146.32	132.25	-9.6%		119.55	Hold	
ELV	Elevance Health	11/10/22	500.05	499.99	-0.01%		438.15	Hold	
PWR	Quanta Services	11/10/22	146.59	152.19	3.8%		123.48	Hold	
RS	Reliance Steel & Aluminm	11/10/22	198.23	227.45	14.7%		178.98	Hold	
STLD	Steel Dynamics	11/10/22	97.79	120.64	23.4%		93.50	Hold	
UNH	Unitedhealth Group	11/10/22	527.97	499.19	-5.5%		456.76	Hold	
					8.0%				

Shaded are defensive, dividend positions.

¹ STANDARD POLICY: SELL HALF ON A DOUBLE, Buy Limits good til cancel, Stop only if closed below Stop Loss. Shaded positions defenisve and/or dividend yielding.

² Half position, * Adjusted, ** Canadian Dollars, (S) = Short Trade

*** Based on \$1000 to \$4000 initial investment in each stock, Net % Return includes half & closed positions, Value is open position value

Recap & Outlook

Headwinds

- Yield Curve
- Inflation
- Interest Rates
- Leading Economic Indicators
- Earnings
- Tech Layoffs
- Debt Ceiling
- Ukraine and Russia conflict

Tailwinds

- January Indicator Trifecta
- 4-Year Cycle Sweet Spot
- October Bear Killer
- Technical Breakout
- Fed Almost Done
- Employment Metrics Holding Up Well
- Inflation Retreating
- GDP Continued Growth

Outlook:

- Best Case In Play
- China Opening
- Supply Chain Recovery
- Fed Shifts Neutral
- Recession Avoided
- Growth Picks Up
- Unemployment Stable
- Above Average Pre-Election-Year Gains Of At Least 15-20%.

Thank You!

- Jeffrey A. Hirsch is CEO of Hirsch Holdings, Editor-in-Chief of the Stock Trader's Almanac & Almanac Investor Newsletter.
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- The Data-Rich & Data-Driven 56-Year Market Cycle Analysis of Stock Trader's Almanac is the only investment tool of its kind that helps traders and investors forecast market trends with accuracy and confidence. To learn more please visit www.stocktradersalmanac.com.

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