

# ***April 2023 Outlook & Update***

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**Members Only Webinar**

**April 3, 2023**

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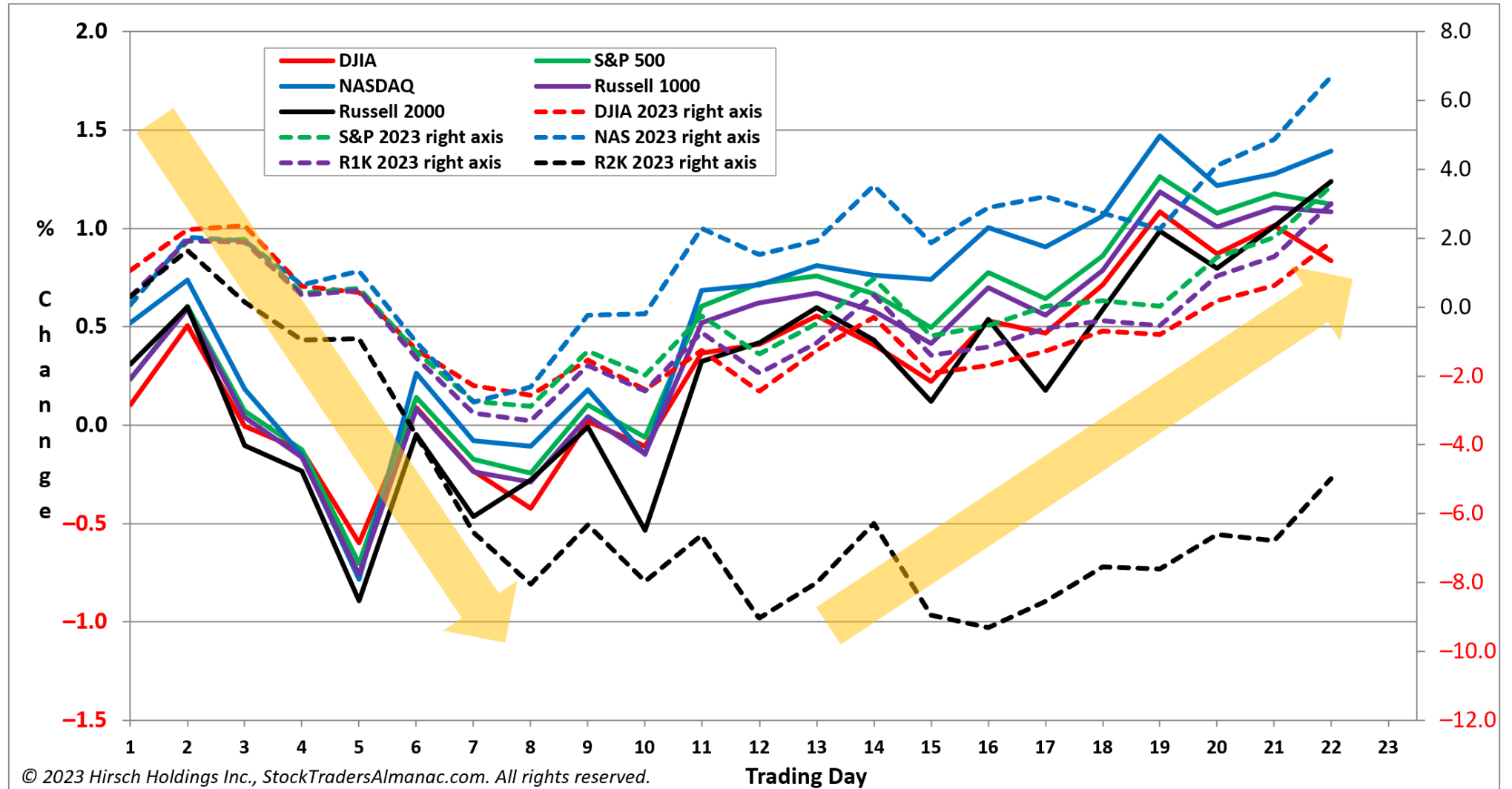
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# Remaining Calm Was Prudent, But We're Not Out Of The Woods Yet

- Outlook Remains Cautiously Bullish
- Base Case Scenario Still In Play
- Uncertainties Likely To Mute Pre-election Year Gains
- Looming Debt Ceiling Crisis
- April Is The Last Month Of The Best Six Months
- Not Time To Add More Stocks Now
- But Not Overly Concerned About New Low
- Our Overall Current Market Position Is “Hold”

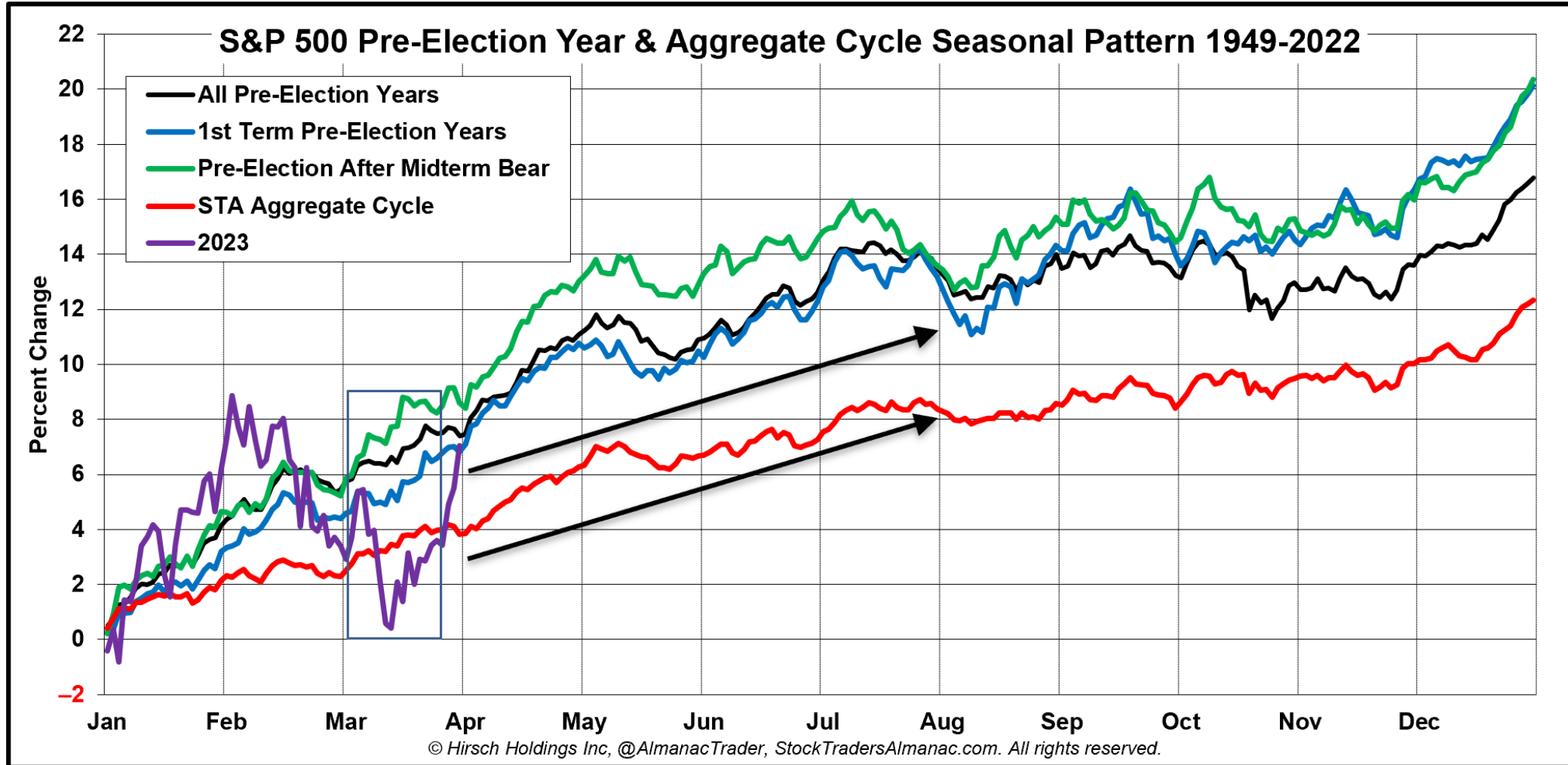
# Ides Delivers – March Seasonality Prevails Over Banking Fiasco

Recent 21-Year (2002-2022) March Market Performance

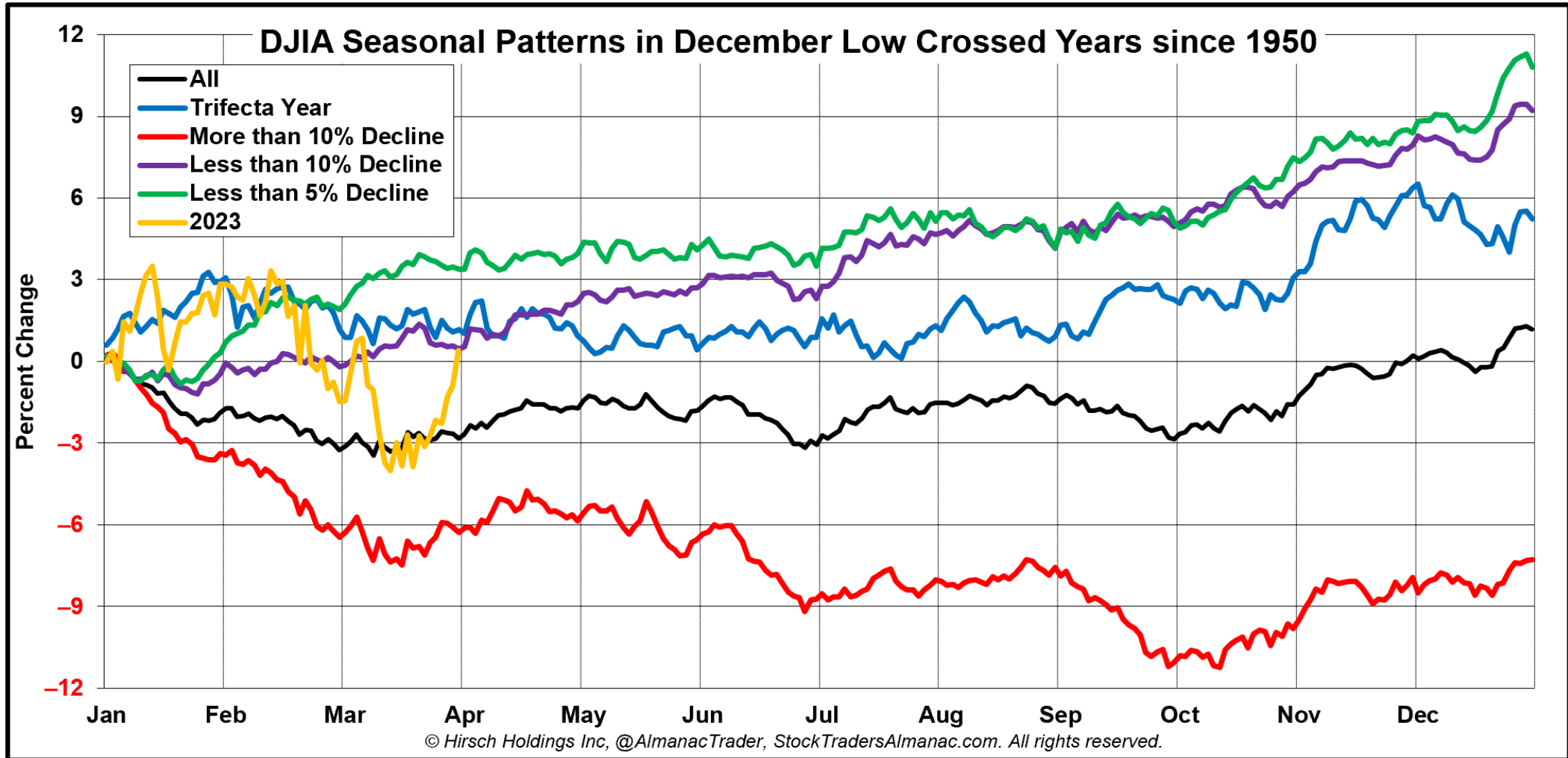


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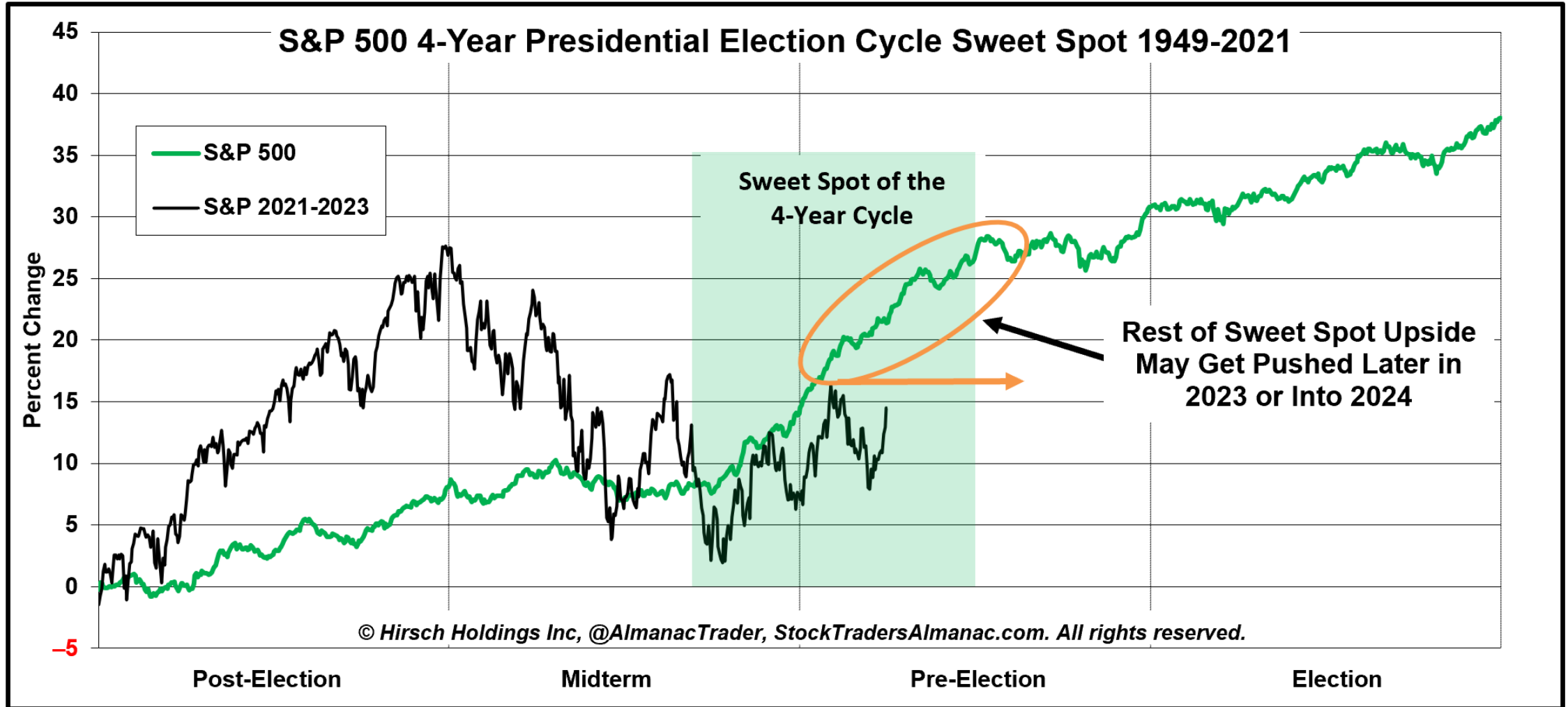
# Pre-Election Year Seasonal Cycle Back On Track



# Years DJIA Crossed December Low In Q1 Since 1950

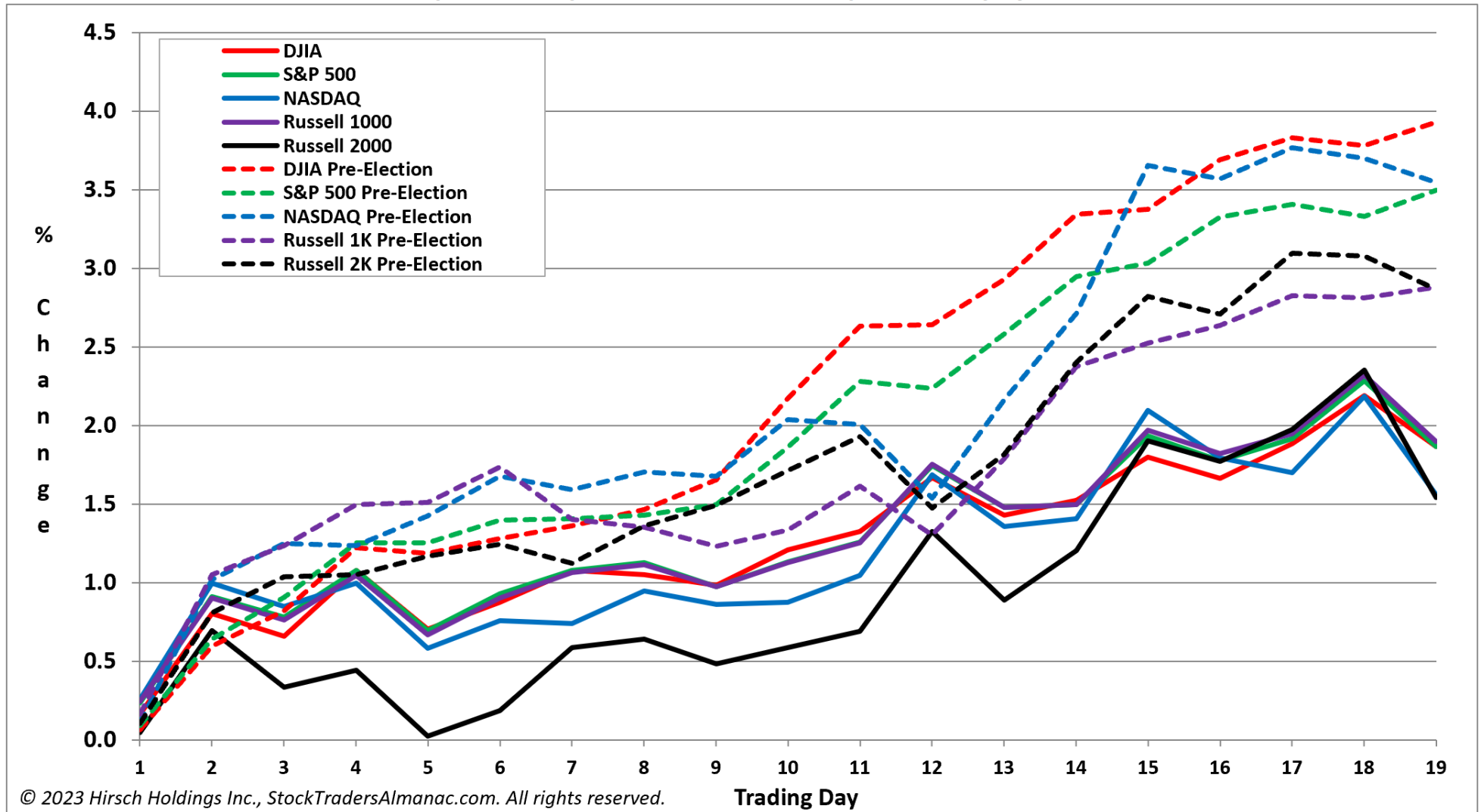


# Debt Ceiling Crisis Can Push Sweet Spot Gains Later



# April Strong Across The Board

Recent 21-Year (2002-2022) & Pre-Election Years (1950-2019) April Market Performance



# April Even Better In Pre-Election Years

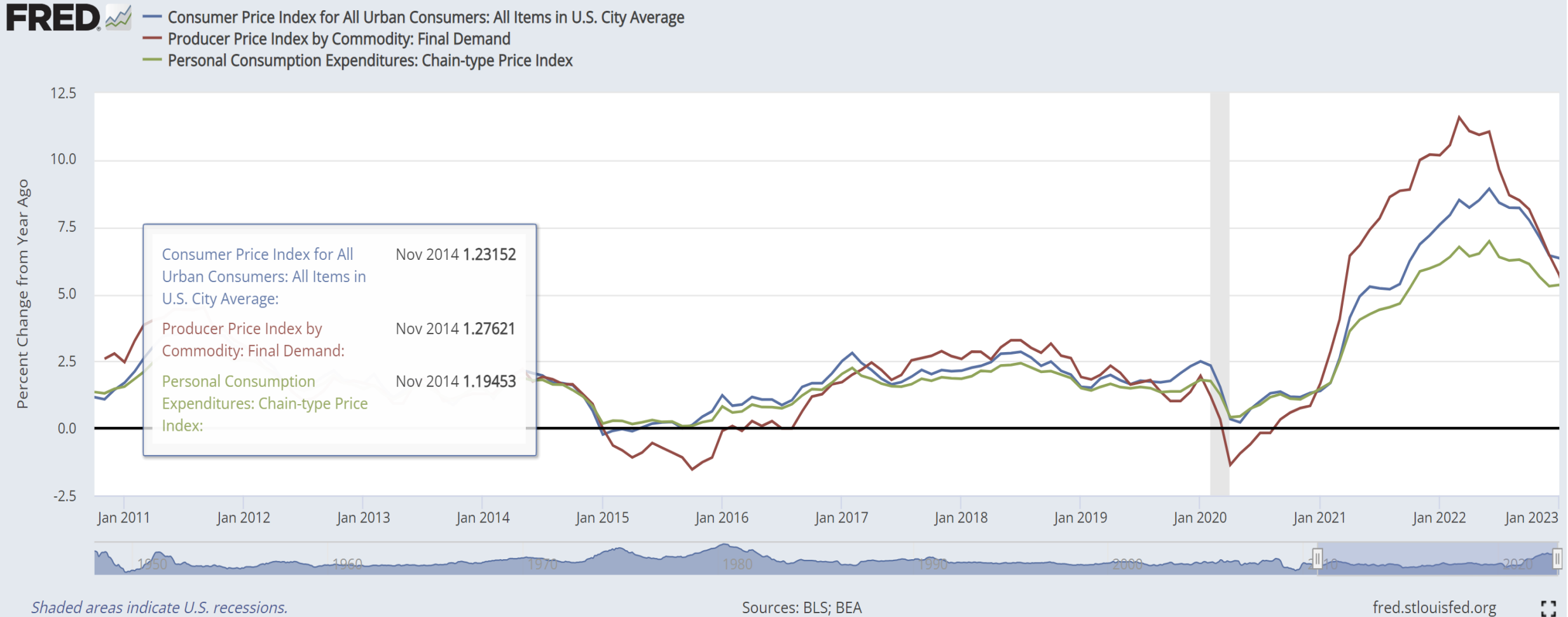
Pre-Election Year April since 1950					
	Rank	Avg %	Up	Down	% Up
DJIA	1	3.9	15	3	83.3%
S&P 500	2	3.5	17	1	94.4%
NASDAQ*	3	3.6	12	1	92.3%
Russell 1K**	3	2.9	9	2	81.8%
Russell 2K**	3	2.9	8	3	72.7%

\* Since 1971, \*\* Since 1979

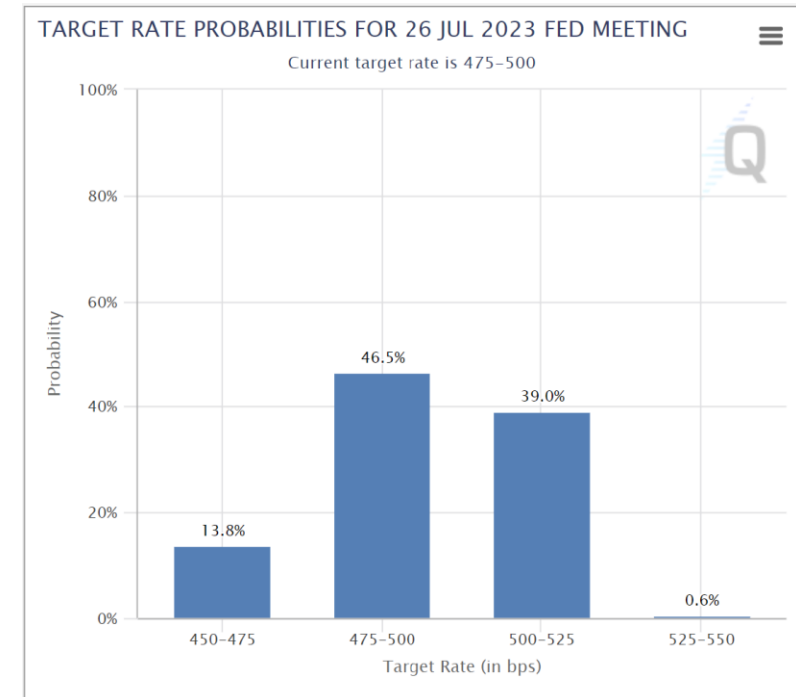
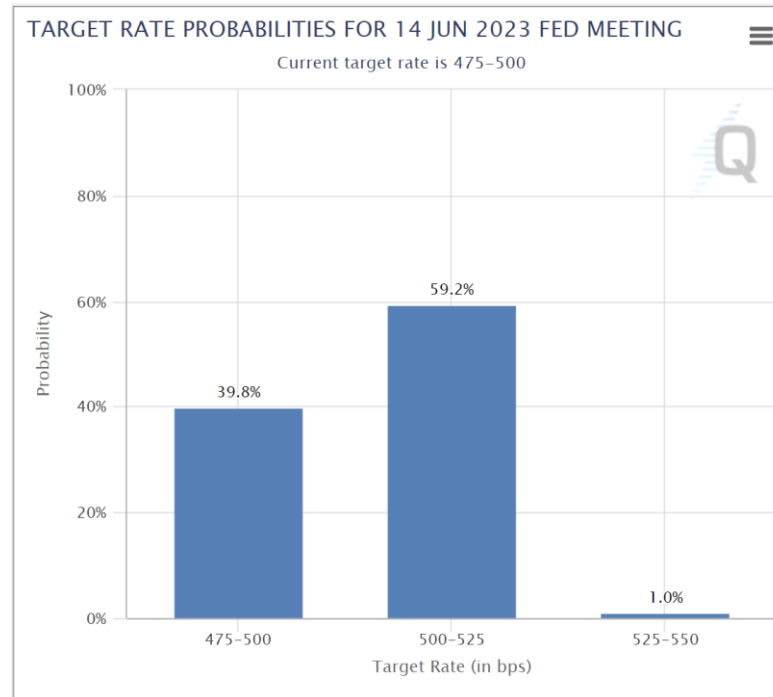
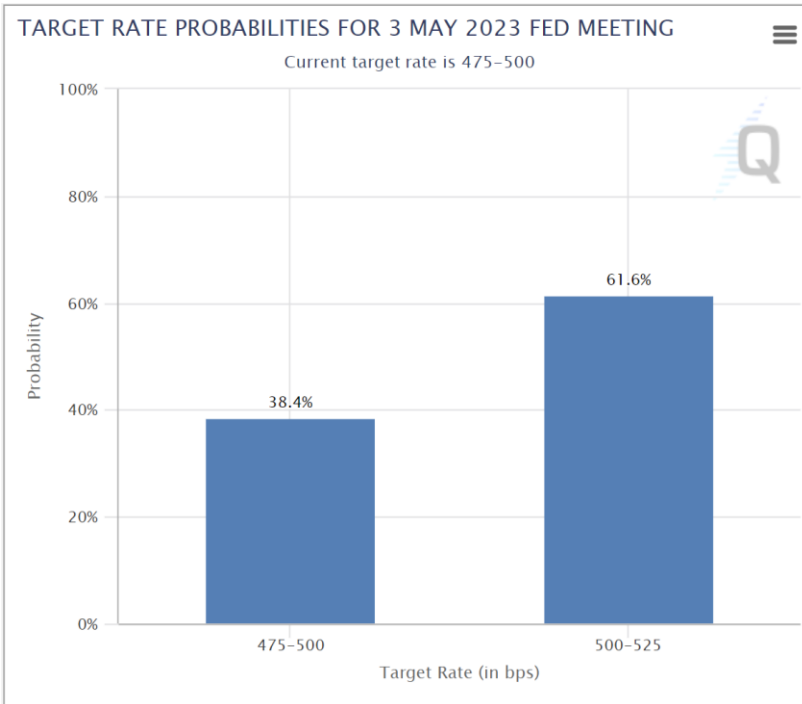
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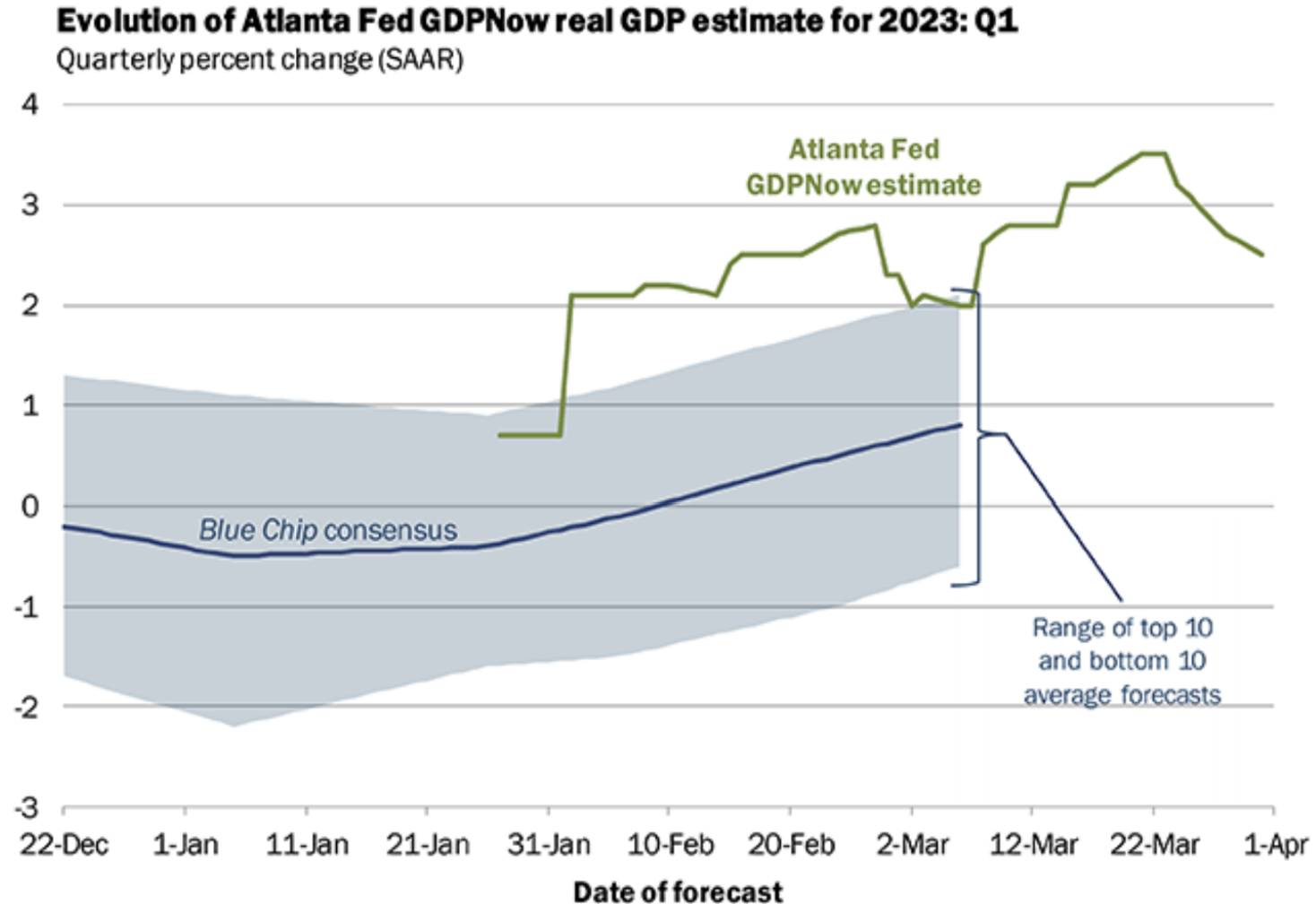
# Inflation Still Trending Lower



# CME FedWatch Tool – Fed Pause Soon



# GDP Positive Q1 – Latest Estimate: 2.5% – March 31, 2023



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.

# 10-Year Treasury Yield Backs Off



**\$TNX: 10-year T-note Index @ CBOT (Daily bars)**

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\*\$SPX = 4109.31 03/31/2023 = 34.94 (-0.57)



# S&P Finds Support



\$SPX: S&P 500 Index @ OPRA (Daily bars)

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MovingAvg (C,200) MovingAvg (C,50) 03/31/2023 = 4109.31 (+58.48)



# NASDAQ 100 (NDX) Bull Market



# Market Internals Improve

## Pulse of the Market

Week End	DJIA	Net Change Week	Net Change On Fri**	Net Change Next Mon*	S&P 500	% Change Week	NASDAQ	% Change Week	NYSE Adv	NYSE Decl	NYSE New Highs	NYSE New Lows	CBOE Put/Call Ratio	90-Day Treas. Rate	30-Year Treas. Rate
18-Nov-22	33745.69	- 2.17	+ 199.37	- 45.41	3965.34	- 0.7%	11146.06	- 1.6%	1484	1928	192	131	0.73	4.14	3.94
25-Nov-22	34347.03	+ 601.34	+ 152.97	- 497.57	4026.12	1.5%	11226.36	0.7%	2426	935	189	136	0.87	4.22	3.81
2-Dec-22	34429.88	+ 82.85	+ 34.87	- 482.78	4071.70	1.1%	11461.50	2.1%	2239	1156	238	157	0.84	4.26	3.71
9-Dec-22	33476.46	- 953.42	- 305.02	+ 528.58	3934.38	- 3.4%	11004.62	- 4.0%	691	2682	172	208	0.87	4.22	3.51
16-Dec-22	32920.46	- 556.00	- 281.76	- 162.92	3852.36	- 2.1%	10705.41	- 2.7%	1139	2190	187	273	0.93	4.24	3.53
23-Dec-22	33203.93	+ 283.47	+ 176.44	+ 37.63	3844.82	- 0.2%	10497.86	- 1.9%	1574	1764	150	354	1.07	4.24	3.73
30-Dec-22	33147.25	- 56.68	- 73.55	- 10.88	3839.50	- 0.1%	10466.48	- 0.3%	1600	1710	165	296	1.37	4.34	3.95
6-Jan-23	33630.61	+ 483.36	+ 700.53	- 112.96	3895.08	1.4%	10569.29	1.0%	2607	717	201	79	0.80	4.46	3.79
13-Jan-23	34302.61	+ 672.00	+ 112.64	- 391.76	3999.09	2.7%	11079.16	4.8%	2822	499	256	28	0.65	4.54	3.65
20-Jan-23	33375.49	- 927.12	+ 330.93	+ 254.07	3972.61	- 0.7%	11140.43	0.6%	1811	1478	228	28	0.77	4.56	3.60
27-Jan-23	33978.08	+ 602.59	+ 28.67	- 260.99	4070.56	2.5%	11621.71	4.3%	2406	906	269	31	0.60	4.57	3.64
3-Feb-23	33926.01	- 52.07	- 127.93	- 34.99	4136.48	1.6%	12006.95	3.3%	2244	1021	356	18	0.56	4.56	3.61
10-Feb-23	33869.27	- 56.74	+ 169.39	+ 376.66	4090.46	- 1.1%	11718.12	- 2.4%	1002	2264	224	35	0.65	4.61	3.73
17-Feb-23	33826.69	- 42.58	+ 129.84	- 245.90	4079.09	- 0.3%	11787.27	0.6%	1659	1593	240	32	0.62	4.68	3.85
24-Feb-23	32816.92	- 1,009.77	- 336.99	+ 72.17	3970.04	- 2.7%	11394.94	- 3.3%	776	2469	136	78	0.76	4.72	3.93
3-Mar-23	33390.97	+ 574.05	+ 387.40	+ 40.47	4045.64	1.9%	11689.01	2.6%	2082	1167	245	93	0.73	4.73	3.95
10-Mar-23	31909.64	- 1,481.33	- 345.22	- 90.50	3861.59	- 4.5%	11138.89	- 4.7%	389	2871	177	236	0.82	4.84	3.85
17-Mar-23	31861.98	- 47.66	- 384.57	+ 382.60	3916.64	1.4%	11630.51	4.4%	943	2273	62	534	0.72	4.59	3.70
24-Mar-23	32237.53	+ 375.55	+ 132.28	+ 194.55	3970.99	1.4%	11823.96	1.7%	1808	1385	83	401	0.64	4.61	3.67
31-Mar-23	33274.15	+ 1,036.62	+ 415.12	-	4109.31	3.5%	12221.91	3.4%	2792	411	123	103	0.65	-	-

**Bold Red = Down Friday, Down Monday**

\* On Monday holidays, the following Tuesday is included in the Monday figure

\*\* On Friday holidays, the preceding Thursday is included in the Friday figure



# Sentiment Still Bullish

## Advisors Sentiment Charts

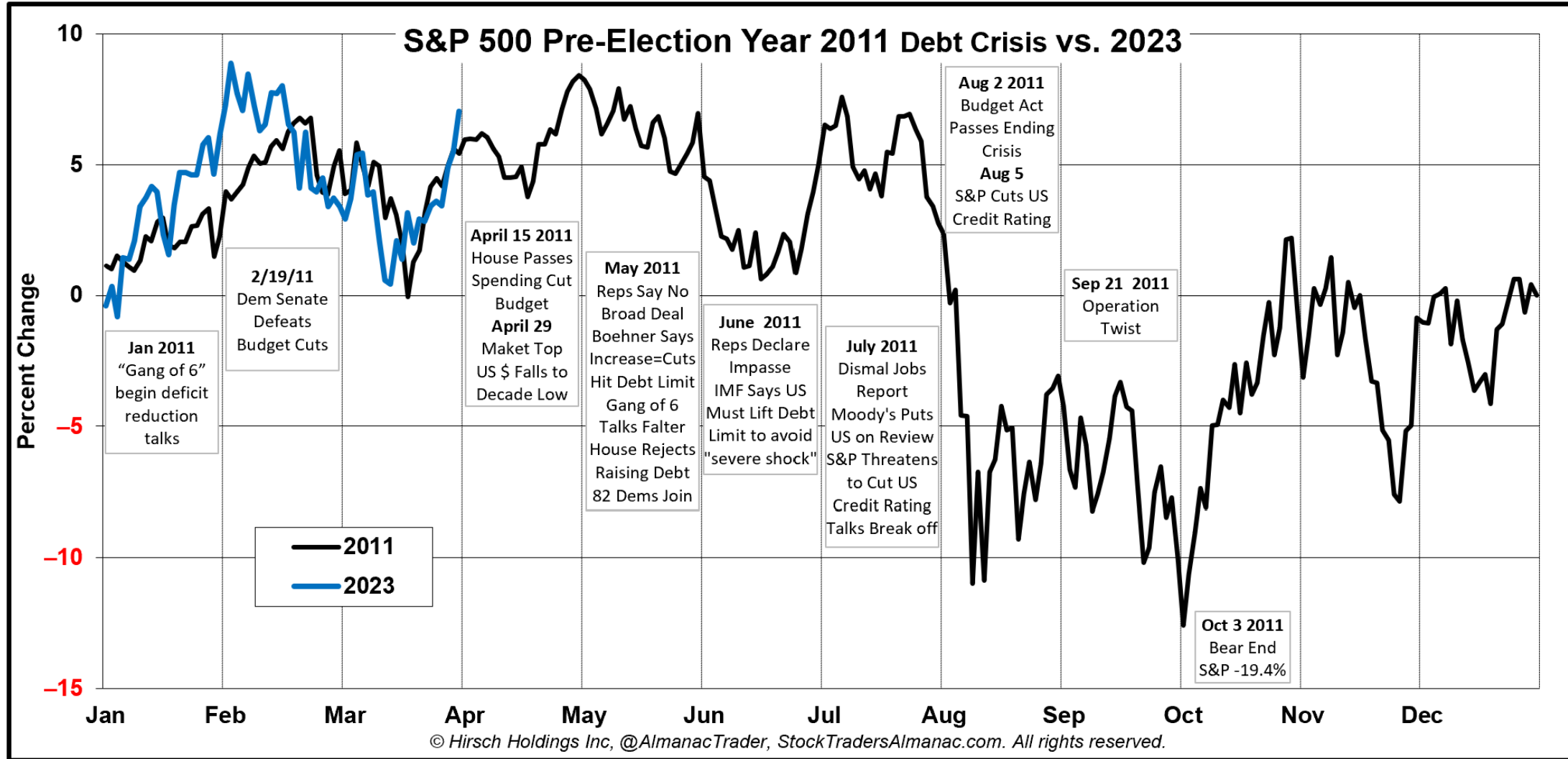


Difference: Bullish Advisors % less Bearish Advisors %: 28 Mar 2023





# Pre-Election Year 2023 Debt Crisis Set Up Like 2011



# Worst Six Months Not Great in Pre-Election Years

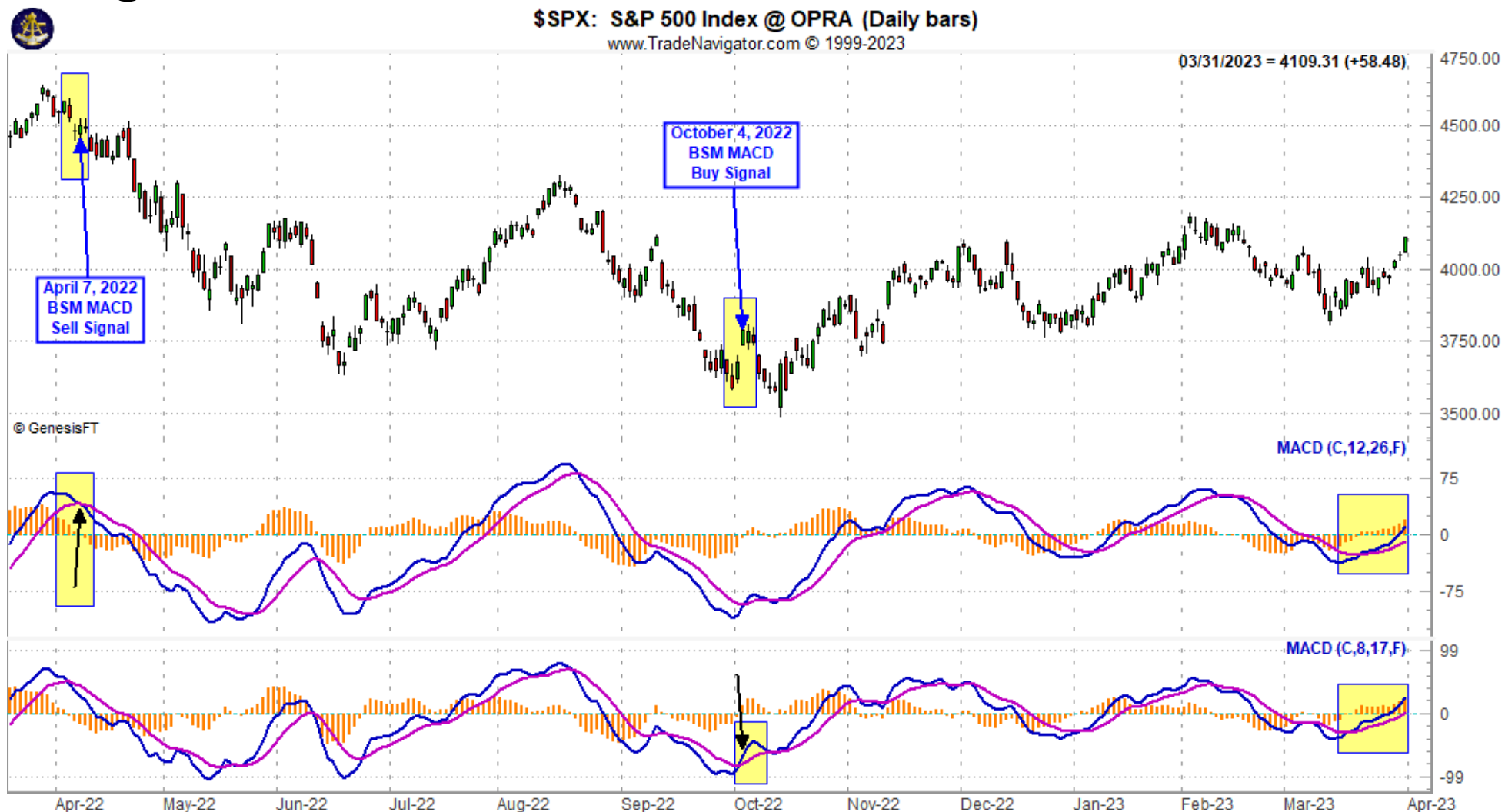
## Worst Months Performance By 4-Year Presidential Election Cycle Since 1951

Post-Election Year Worst Months				Midterm Year Worst Months				Pre-Election Year Worst Months				Election Year Worst Months			
Year	DJIA	SP 500	NASDAQ	Year	DJIA	SP 500	NASDAQ	Year	DJIA	SP 500	NASDAQ	Year	DJIA	SP 500	NASDAQ
1953	0.39	-0.32	-	1954	10.27	12.10	-	1951	1.24	2.27	-	1952	4.50	5.15	-
1957	-10.79	-10.23	-	1958	19.16	18.16	-	1955	6.86	11.54	-	1956	-7.03	-5.79	-
1961	3.71	5.07	-	1962	-11.36	-13.37	-	1959	3.66	-0.12	-	1960	-3.55	-1.80	-
1965	4.18	3.71	-	1966	-13.56	-11.93	-	1963	5.23	6.03	-	1964	7.69	6.80	-
1969	-9.91	-6.22	-	1970	2.65	2.12	-	1967	-1.93	-0.12	-	1968	4.40	5.96	-
1973	3.81	1.23	9.10	1974	-20.46	-18.17	-14.13	1971	-10.91	-9.35	-2.50	1972	0.14	3.63	0.12
1977	-11.71	-6.20	-2.22	1978	-5.36	-3.80	-7.63	1975	1.79	1.99	-11.53	1976	-3.20	1.24	0.03
1981	-14.55	-8.22	-9.51	1982	16.90	14.83	24.13	1979	-4.59	0.06	-1.88	1980	13.15	19.93	22.18
1985	9.24	5.56	-1.24	1986	5.26	3.59	-11.03	1983	-0.08	-0.53	-13.85	1984	3.13	3.77	3.08
1989	9.36	9.92	4.67	1990	-8.07	-8.10	-28.65	1987	-12.81	-12.68	-23.87	1988	5.72	6.75	-3.09
1993	7.38	6.28	10.70	1994	6.15	4.75	10.13	1991	6.28	4.56	14.09	1992	-3.95	0.90	7.38
1997	6.18	14.14	10.51	1998	-5.20	-1.18	-6.51	1995	10.05	12.98	10.99	1996	8.27	7.81	3.08
2001	-15.46	-15.18	-21.77	2002	-15.58	-17.75	-9.12	1999	-0.55	2.08	10.44	2000	2.21	-1.59	-15.04
2005	2.43	4.34	3.08	2006	6.28	5.14	8.96	2003	15.58	14.59	19.07	2004	-1.94	2.07	-3.56
2009	18.91	18.72	11.45	2010	1.00	-0.29	18.88	2007	6.64	4.52	9.83	2008	-27.26	-30.08	-24.95
2013	4.76	9.95	15.18	2014	4.88	7.12	5.05	2011	-6.68	-8.09	-3.21	2012	-0.89	1.02	1.44
2017	11.64	8.01	9.56	2018	3.94	2.41	-2.72	2015	-0.99	-0.29	1.34	2016	2.07	2.95	7.15
2021	5.74	10.15	6.86	2022	-0.74	-6.29	-0.37	2019	1.70	3.11	3.57	2020	8.86	12.28	8.48
<b>Average:</b>	<b>1.41</b>	<b>2.82</b>	<b>3.57</b>		<b>-0.21</b>	<b>-0.59</b>	<b>-1.00</b>		<b>1.14</b>	<b>1.81</b>	<b>0.96</b>		<b>0.68</b>	<b>2.28</b>	<b>0.49</b>
<b>Median:</b>	<b>4.00</b>	<b>4.70</b>	<b>6.86</b>		<b>1.83</b>	<b>0.92</b>	<b>-2.72</b>		<b>1.47</b>	<b>2.04</b>	<b>1.34</b>		<b>2.14</b>	<b>3.29</b>	<b>1.44</b>
<b>% Up:</b>	<b>72.2</b>	<b>66.7</b>	<b>69.2</b>		<b>55.6</b>	<b>50.0</b>	<b>38.5</b>		<b>55.6</b>	<b>61.1</b>	<b>53.8</b>		<b>61.1</b>	<b>77.8</b>	<b>69.2</b>

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# Preparing for the End of the Best Six Months

**NOT** issuing the signal at this time!



## Almanac Investor Sector Rotation ETF Portfolio

Ticker	Exchange Traded Fund	Presented		3/31/2023		Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Auto Sell*	Current Advice <sup>1</sup>
		Date	Price	Price	Return				
XBI	SPDR S&P Biotech **	12/2/21	92.39	76.21	-17.5%				Hold
IBB	iShares Biotech	8/4/22	119.90	129.16	7.7%		119.28	149.70	Hold
IYT	iShares DJ Transports	10/6/22	201.14	227.84	13.3%		207.61	260.19	Hold
XLP	SPDR Consumer Staples	10/6/22	66.85	74.71	11.8%		67.35	87.92	Hold
XLF	SPDR Financial	10/6/22	31.09	32.15	2.6%				Stopped Out 3/13 @ 31.90
XLV	SPDR Health Care	10/6/22	123.23	129.46	5.1%		121.29	163.40	Hold
XLI	SPDR Industrials	10/6/22	85.39	101.18	18.5%		89.51	115.48	Hold
XLB	SPDR Materials	10/6/22	69.90	80.66	15.4%		74.35	97.05	Hold
XLK	SPDR Technology	10/6/22	121.76	151.01	24.0%		121.42	166.71	Hold
VNQ	Vanguard REIT	10/6/22	77.98	83.04	2.5%				Stopped Out 3/17 @ 79.94
IYW	iShares US Technology	10/6/22	75.42	92.81	23.1%		74.18	101.27	Hold
XLE	SPDR Energy	12/1/22	90.58	82.83	-15.1%				Stopped Out 3/15, Closed @76.88
FCG	First Trust Natural Gas	1/5/23	23.00	22.52	-2.1%		20.59	32.15	Hold
XLU	SPDR Utilities	2/2/23	67.35	67.69	0.5%		62.06	88.74	Hold
<b>Open Position Average % Return</b>					<b>9.1%</b>				

<sup>1</sup> 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		3/31/2023		Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Auto Sell*	Current Advice <sup>1</sup>
		Date	Price	Price	Return				
QQQ	Invescos QQQ	10/4/22	279.62	320.93	14.8%				Hold
IWM	iShares Russell 2000	10/4/22	173.38	178.40	2.9%				Hold
DIA	SPDR DJIA	10/4/22	301.68	332.62	10.3%				Hold
SPY	SPDR S&P 500	10/4/22	375.21	409.39	9.1%				Hold
<b>Open Position Average % Return</b>					<b>9.3%</b>				

<sup>1</sup> 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.

# Stock Portfolios

## Almanac Investor Small-Cap Stock Portfolio

Ticker	Company	Presented Date	Price	3/31/2023 Price	Net % Return ***	Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Current Advice <sup>1</sup>	
MGPI	Mgp Ingredients <sup>2</sup>	11/12/20	41.12	96.72	117.6%		89.71	Hold	
EPSN	Epsilon Energy	10/13/22	6.52	5.34	-22.3%			Stopped Out 3/15 @ 5.06	
NVGS	Navigator Holdings	10/13/22	11.66	14.00	20.1%		10.40	Hold	
NWPX	Northwest Pipe	10/13/22	30.50	31.23	-0.2%			Stopped Out 3/22 @ 30.44	
SOI	Solaris Oilfield Infrastructure	10/13/22	10.73	8.54	-23.0%			Stopped Out 3/17 @ 8.26	
Average Open Position Return					68.8%				

## Almanac Investor Mid-Cap Stock Portfolio

Ticker	Company	Presented Date	Price	3/31/2023 Price	Net % Return ***	Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Current Advice <sup>1</sup>	
PR	Permian Resources	10/13/22	8.98	10.50	17.0%		9.26	Hold	
ACLS	Axcelis Technologies	11/10/22	76.19	133.25	74.9%		108.80	Hold	
DGII	Digi International	11/10/22	39.35	33.68	-14.4%		30.21	Hold	
FN	Fabrinet	11/10/22	126.90	118.76	-11.9%			Stopped Out 3/17 @ 111.78	
PERI	Perion Network	11/10/22	25.00	39.58	58.3%		30.11	Hold	
SMCI	Super Micro Computer	11/10/22	81.93	106.55	30.1%		84.95	Hold	
Average Open Position Return					33.2%				

## Almanac Investor Large-Cap Stock Portfolio

Ticker	Company	Presented Date	Price	3/31/2023 Price	Net % Return ***	Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Current Advice <sup>1</sup>	
T	AT&T Inc *	4/9/20	20.24	19.25	-8.1%			Hold	
DOX	Amdocs Ltd	11/12/20	63.49	96.03	51.3%		80.93	Hold	
MUR	Murphy Oil	10/13/22	43.67	36.98	-13.0%			Stopped Out 3/9 @ 38.01	
ELV	Elevance Health	11/10/22	500.05	459.81	-8.0%		438.15	Hold	
PWR	Quanta Services	11/10/22	146.59	166.64	13.7%		138.07	Hold	
RS	Reliance Steel & Aluminm	11/10/22	198.23	256.74	29.5%		220.64	Hold	
STLD	Steel Dynamics	11/10/22	97.79	113.06	15.3%			Stopped Out 3/15, Closed @ 103.16	
UNH	Unitedhealth Group	11/10/22	527.97	472.59	-10.5%		456.76	Hold	
Average Open Position Return					11.3%				

Shaded are defensive, dividend positions.

<sup>1</sup> 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.

<sup>2</sup> 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

Disclosure note: Officers of Hirsch Holdings Inc hold positions in EPSN, MUR & PR in personal accounts.



# 2023 Forecast Base Case Scenario Back 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.

# Recap & Outlook

## Headwinds

- Debt Ceiling
- Recession Fears
- Interest Rates
- Energy Prices
- Earnings Recession
- Geopolitical
- Banking Sector
- Yield Curve
- Inflation

## Tailwinds

- NDX Bull Market
- January Trifecta
- 4-Year Cycle Sweet Spot
- Technical Breakout
- Fed Almost Done
- Employment Firm
- Inflation Retreating
- GDP Continued Growth
- Consumer Confidence
- Govt Spending Robust

## Outlook:

- Best Case In Play
- Fed Shifts Neutral
- Recession Avoided
- Growth Picks Up
- Unemployment Stable
- Average Pre-Election Year Gains Of 10-15%.

# Thank You!

- Jeffrey A. Hirsch is CEO of Hirsch Holdings & Editor-in-Chief of the *Stock Trader's Almanac & Almanac Investor*.
- Christopher Mistal is VP of Hirsch Holdings & Director of Research of the *Stock Trader's Almanac & Almanac Investor*
- Jeff is the author of *Super Boom: Why the Dow Will Hit 38,820 and How You Can Profit From It* and *The Little Book of Stock Market Cycles*.
- 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.
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