

# ***July 2023 Outlook & Update***

**Jeffrey A. Hirsch**

CEO: Hirsch Holdings Inc. | Editor-in-Chief: *Stock Trader's Almanac*

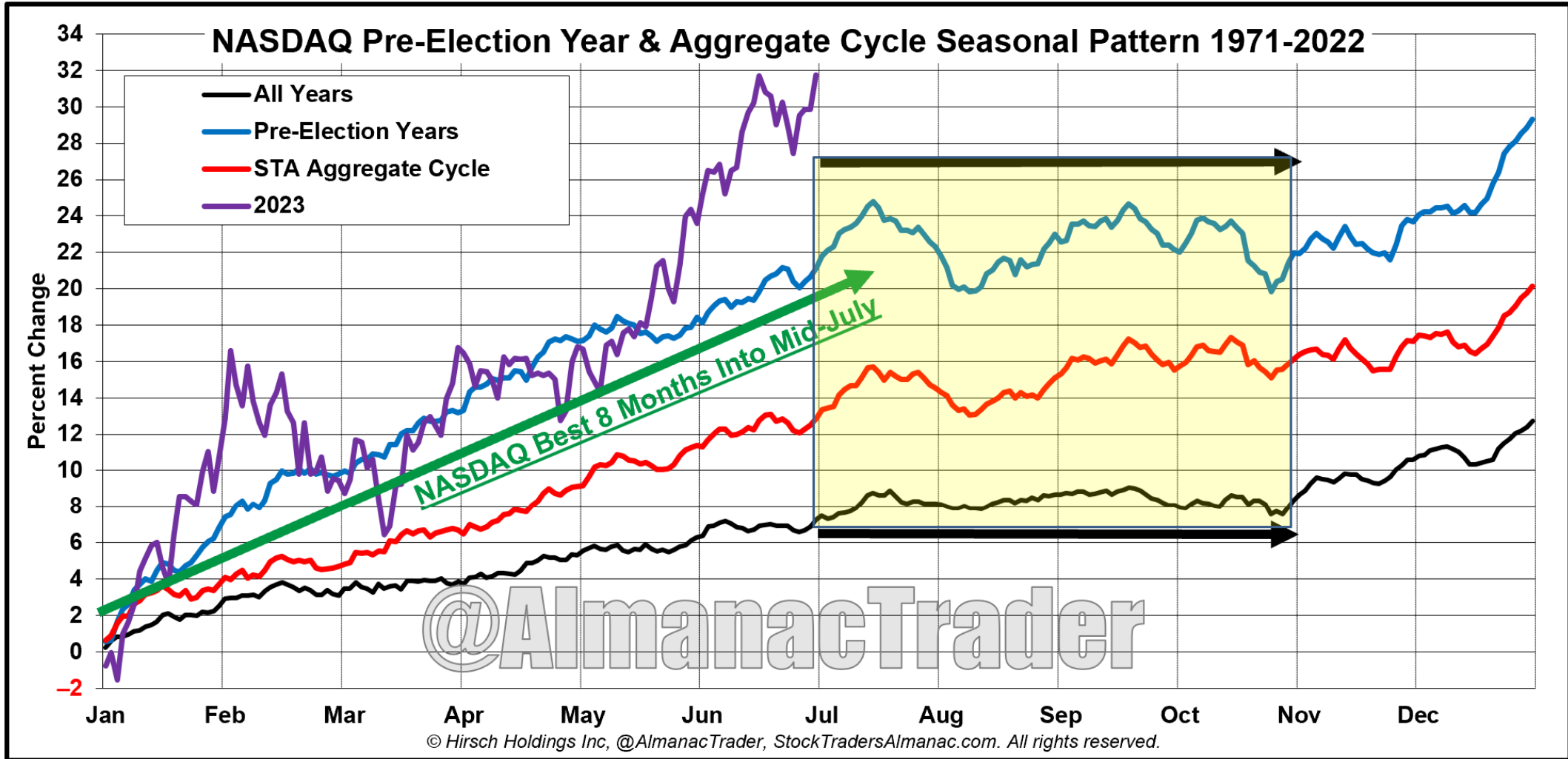
**Christopher Mistal**

VP: Hirsch Holdings Inc. | Director of Research: *Stock Trader's Almanac*

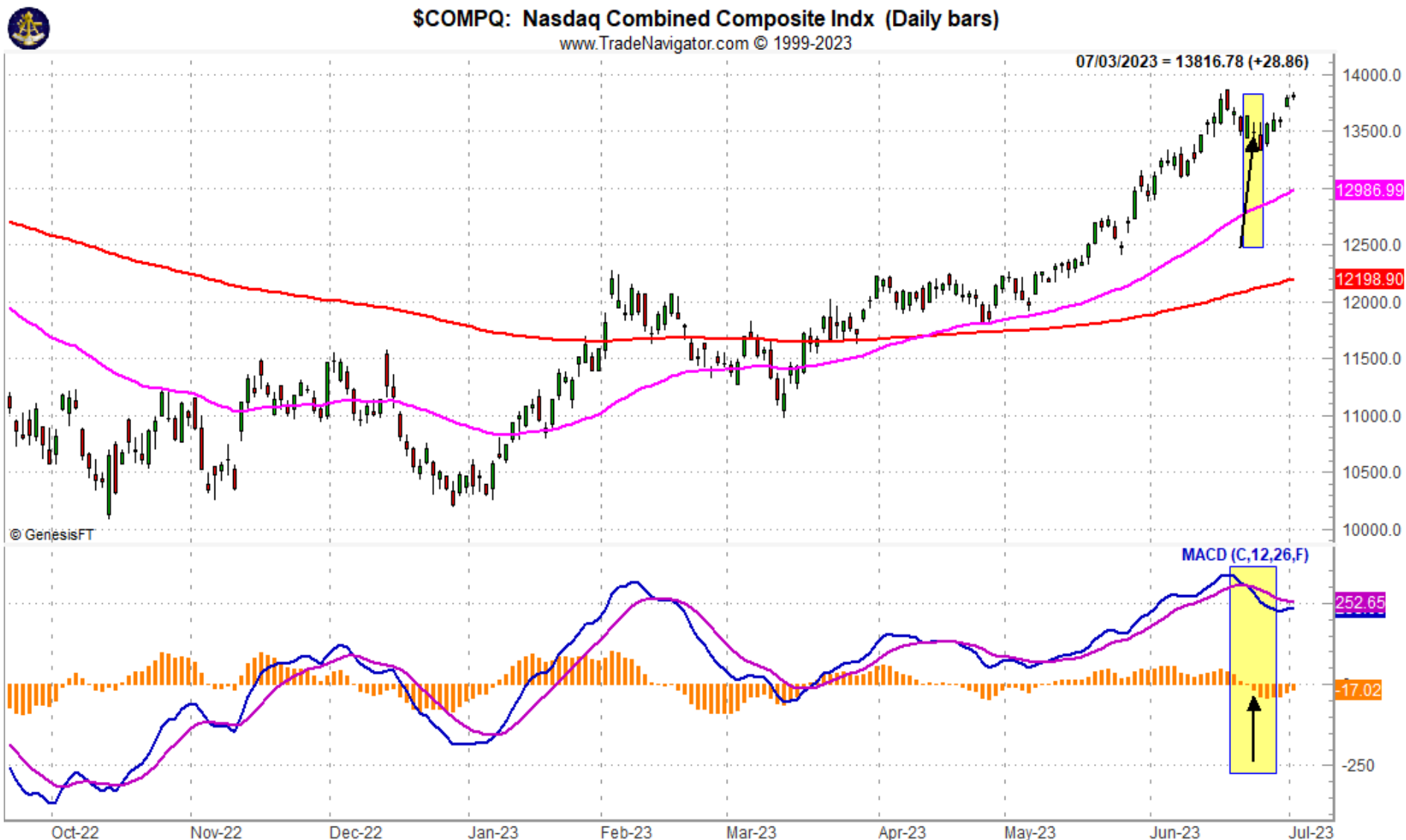
**Members Only Webinar**

**July 5, 2023**

# Overheated NASDAQ Tech Rally Set To Cool Off This Summer



# NASDAQ Best 8 Months Sell MACD Looks Timely So Far



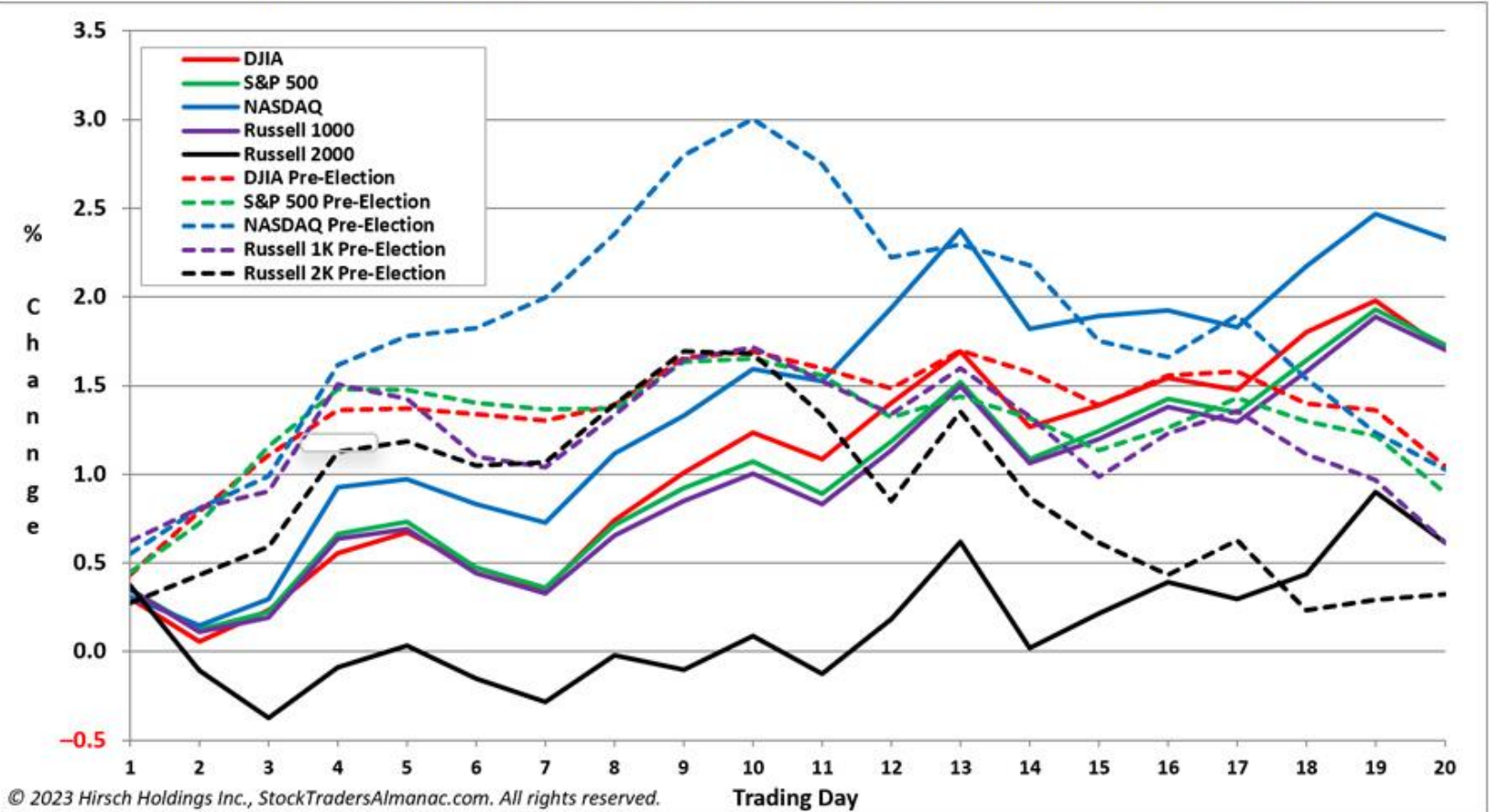
# Can NASDAQ Still Muster Its 12-Day Midyear Rally

NASDAQ 12-DAY MIDYEAR RALLY						
	June Close	4th Last June Trading Day	9th July Trading Day	July Close	12-Day % Change	July Change
1985	296.20	292.30	302.39	301.29	3.5 %	1.7 %
1986	405.51	402.22	384.80	371.37	-4.3	-8.4
1987	424.67	427.20	431.14	434.93	0.9	2.4
1988	394.66	389.00	394.67	387.33	1.5	-1.9
1989	435.29	448.55	448.90	453.84	0.1	4.3
1990	462.29	455.38	468.44	438.24	2.9	-5.2
1991	475.92	473.30	492.71	502.04	4.1	5.5
1992	563.60	548.20	575.21	580.83	4.9	3.1
1993	703.95	694.81	712.49	704.70	2.5	0.1
1994	705.96	702.68	721.56	722.16	2.7	2.3
1995	933.45	919.56	999.33	1001.21	8.7	7.3
1996	1185.02	1172.58	1103.49	1080.59	-5.9	-8.8
1997	1442.07	1446.24	1523.88	1593.81	5.4	10.5
1998	1894.74	1863.25	1968.41	1872.39	5.6	-1.2
1999	2686.12	2552.65	2818.13	2638.49	10.4	-1.8
2000	3966.11	3858.96	4246.18	3766.99	10.0	-5.0
2001	2160.54	2064.62	2084.79	2027.13	1.0	-6.2
2002	1463.21	1423.99	1373.50	1328.26	-3.5	-9.2
2003	1622.80	1602.66	1754.82	1735.02	9.5	6.9
2004	2047.79	2025.47	1914.88	1887.36	-5.5	-7.8
2005	2056.96	2045.20	2152.82	2184.83	5.3	6.2
2006	2172.09	2100.25	2037.35	2091.47	-3.0	-3.7
2007	2603.23	2574.16	2707.00	2545.57	5.2	-2.2
2008	2292.98	2401.26	2212.87	2325.55	-7.8	1.4
2009	1835.04	1829.54	1799.73	1978.50	-1.6	7.8
2010	2109.24	2223.48	2249.84	2254.70	1.2	6.9
2011	2773.52	2688.28	2796.92	2756.39	4.0	-0.6
2012	2935.05	2854.06	2908.47	2939.52	1.9	0.2
2013	3403.25	3347.89	3600.08	3626.37	7.5	6.6
2014	4408.18	4379.76	4440.42	4485.93	1.4	1.8
2015	4986.87	5112.19	5104.89	5128.28	-0.1	2.8
2016	4842.67	4594.44	5034.06	5162.13	9.6	6.6
2017	6140.42	6146.62	6312.47	6348.12	2.7	3.4
2018	7510.30	7561.63	7825.98	7671.79	3.5	2.2
2019	8006.24	7884.72	8244.14	8175.42	4.6	2.1
2020	10058.77	10017.00	10488.58	10745.27	4.7	6.8
2021	14503.95	14360.39	14644.95	14672.68	2.0	1.2
2022	11028.74	11524.55	11251.19	12390.69	-2.4	12.3
<b>Average:</b>					<b>2.4 %</b>	<b>1.3 %</b>
<b>Median:</b>					<b>2.7 %</b>	<b>1.9 %</b>
<b>Up:</b>					<b>29</b>	<b>25</b>
<b>Down:</b>					<b>9</b>	<b>13</b>

© Hirsch Holdings Inc. & StockTradersAlmanac.com All rights reserved

# Typical July – First Day Delivers – Softer In Pre-Election Years

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



Pre-Election Year July since 1950					
	Rank	Avg %	Up	Down	% Up
DJIA	7	1.0	11	7	61.1%
S&P 500	7	0.9	11	7	61.1%
NASDAQ*	9	1.0	7	6	53.8%
Russell 1K**	7	0.6	7	4	63.6%
Russell 2K**	9	0.3	6	5	54.5%

\* Since 1971, \*\* Since 1979

© StockTradersAlmanac.com, Hirsch Holdings Inc. All rights reserved.

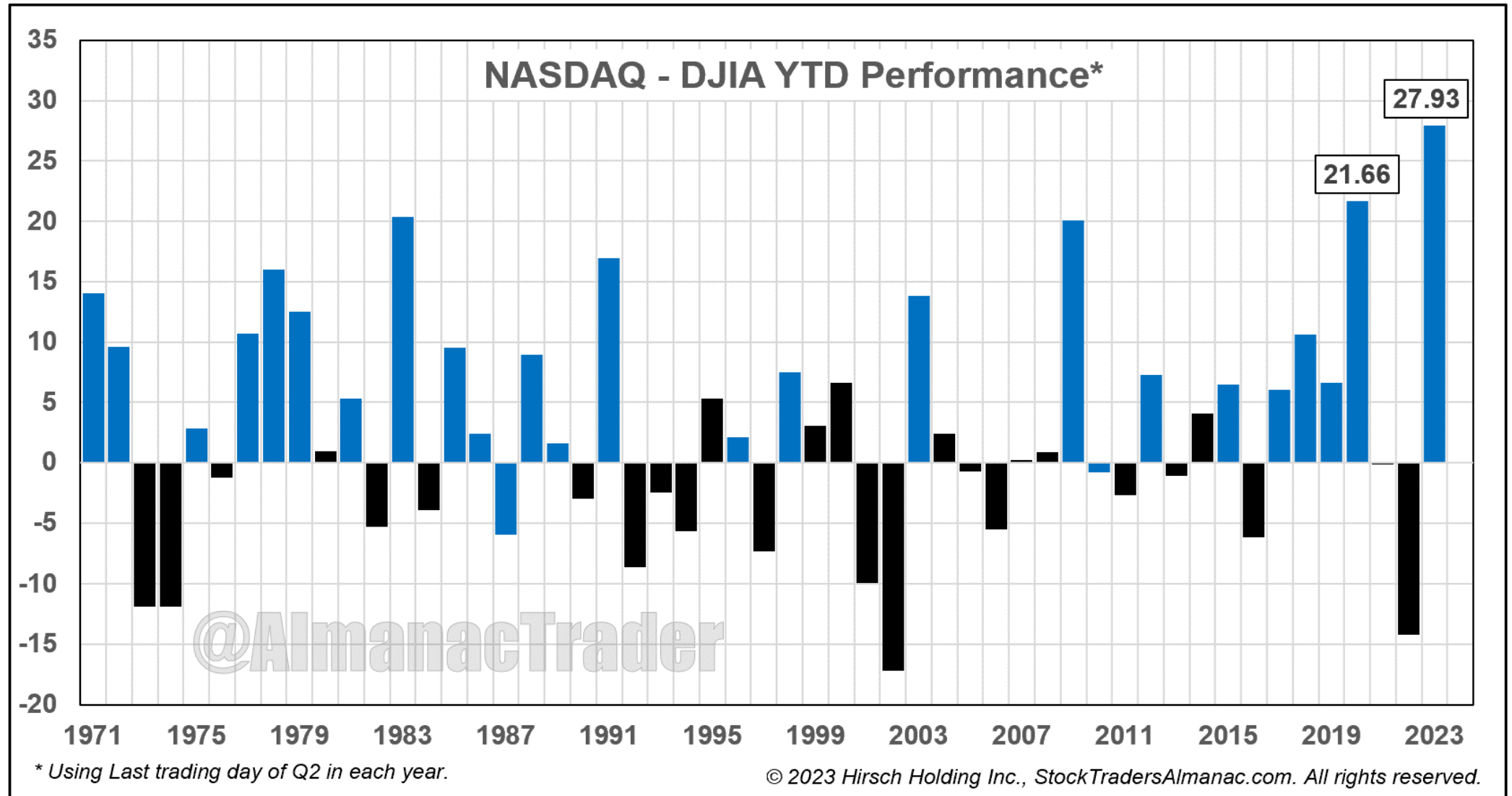
# Best NASDAQ First Half In 40 Years

- Only 1999 & 2003 2<sup>nd</sup> half better than 1<sup>st</sup>
- July & Q3 Below Average
- Q4 & Full-Year Stronger Than Average

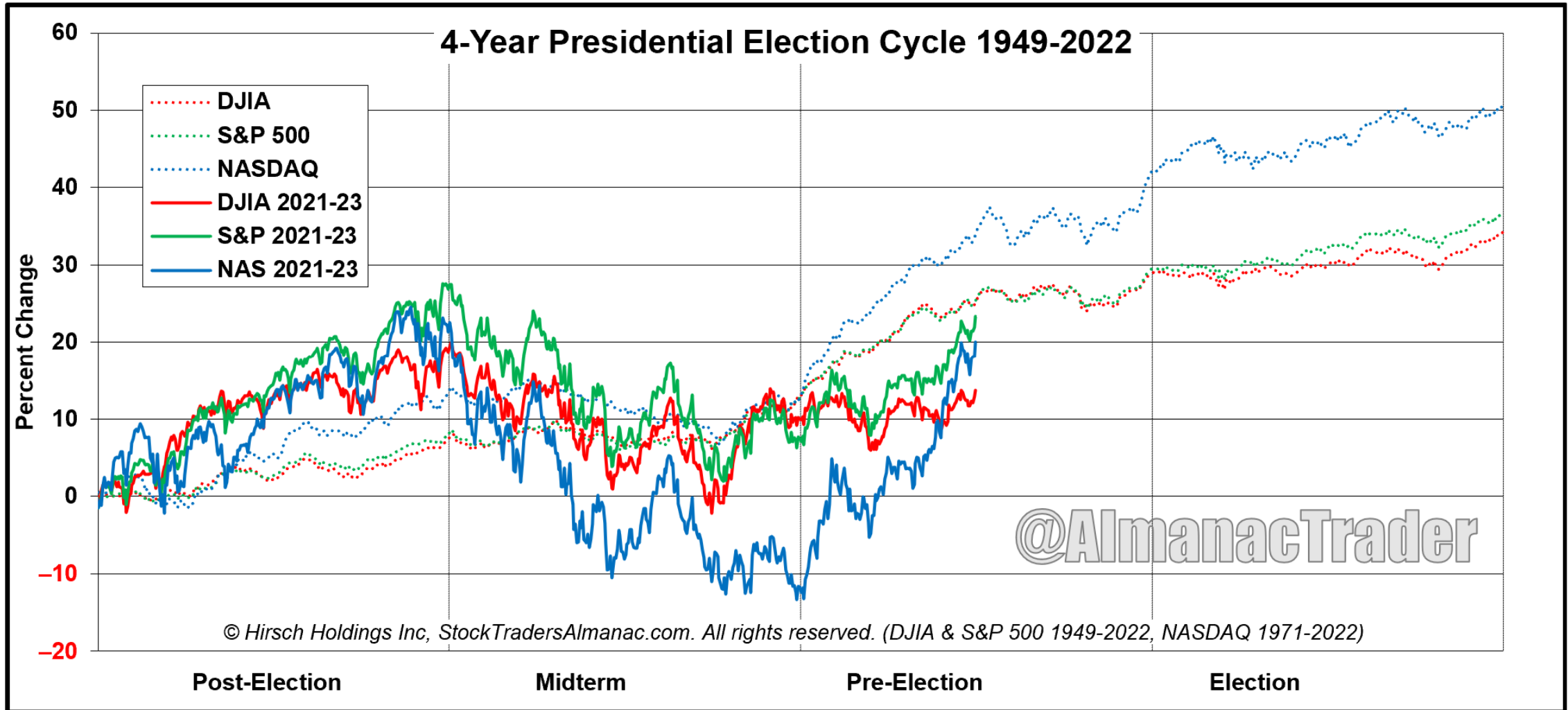
NASDAQ 1st Half Greater than 20% since 1971						
Year	1st Half	July	Q3	Q4	2nd Half	Full Yr
1971	20.3%	-2.3%	1.1%	4.7%	5.9%	27.4%
1975	45.5%	-4.4%	-14.6%	4.4%	-10.8%	29.8%
1983	37.1%	-4.6%	-6.9%	-6.1%	-12.6%	19.9%
1986	24.8%	-8.4%	-13.5%	-0.4%	-13.9%	7.5%
1987	21.6%	2.4%	4.6%	-25.6%	-22.2%	-5.4%
1991	27.3%	5.5%	10.7%	11.3%	23.2%	56.8%
1995	24.1%	7.3%	11.8%	0.8%	12.7%	39.9%
1998	20.7%	-1.2%	-10.6%	29.5%	15.7%	39.6%
1999	22.5%	-1.8%	2.2%	48.2%	51.5%	85.6%
2003	21.5%	6.9%	10.1%	12.1%	23.5%	50.0%
2019	20.7%	2.1%	-0.1%	12.2%	12.1%	35.2%
2023	31.7%	—	—	—	—	—
>20% 1st Half	Average:	0.1%	-0.5%	8.3%	7.7%	35.1%
	Median:	-1.2%	1.1%	4.7%	12.1%	35.2%
	% Higher:	45.5%	54.5%	72.7%	63.6%	90.9%
	Best:	7.3%	11.8%	48.2%	51.5%	85.6%
	Worst:	-8.4%	-14.6%	-25.6%	-22.2%	-5.4%
<20% 1st Half	Average:	1.0%	0.8%	3.4%	3.8%	6.7%
	Median:	1.2%	3.8%	5.4%	6.2%	12.3%
	% Higher:	61.0%	63.4%	68.3%	68.3%	68.3%
	Best:	12.3%	19.0%	30.1%	35.7%	43.9%
	Worst:	-9.2%	-30.6%	-32.7%	-37.7%	-40.5%
All Years	Average:	0.8%	0.5%	4.4%	4.7%	12.7%
	Median:	1.1%	3.5%	5.3%	6.4%	15.4%
	% Higher:	57.7%	61.5%	69.2%	67.3%	73.1%
	Best:	12.3%	19.0%	48.2%	51.5%	85.6%
	Worst:	-9.2%	-30.6%	-32.7%	-37.7%	-40.5%

© Hirsch Holdings Inc., StockTradersAlmanac.com. All rights reserved.

# Largest NASDAQ Lead Over DJIA Ever

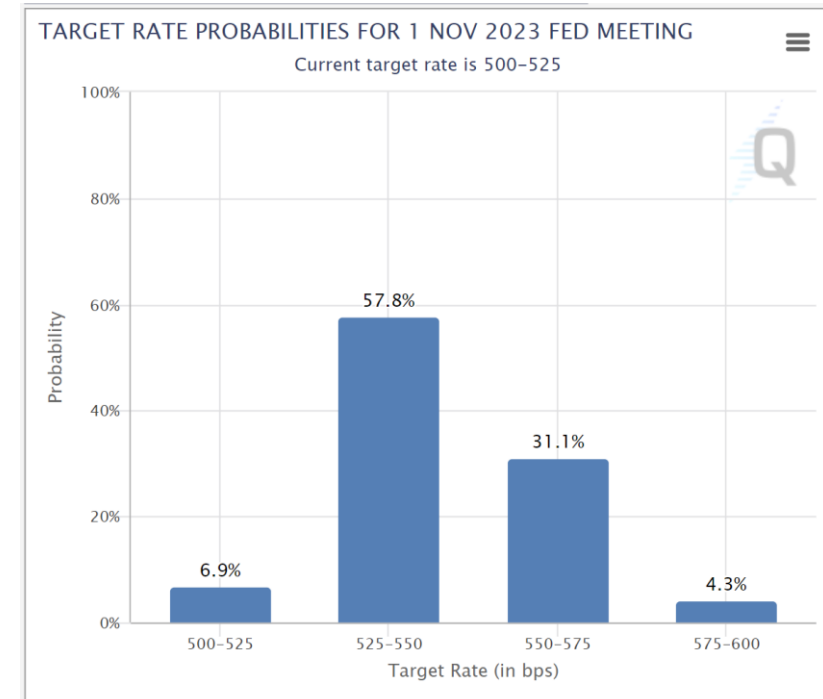
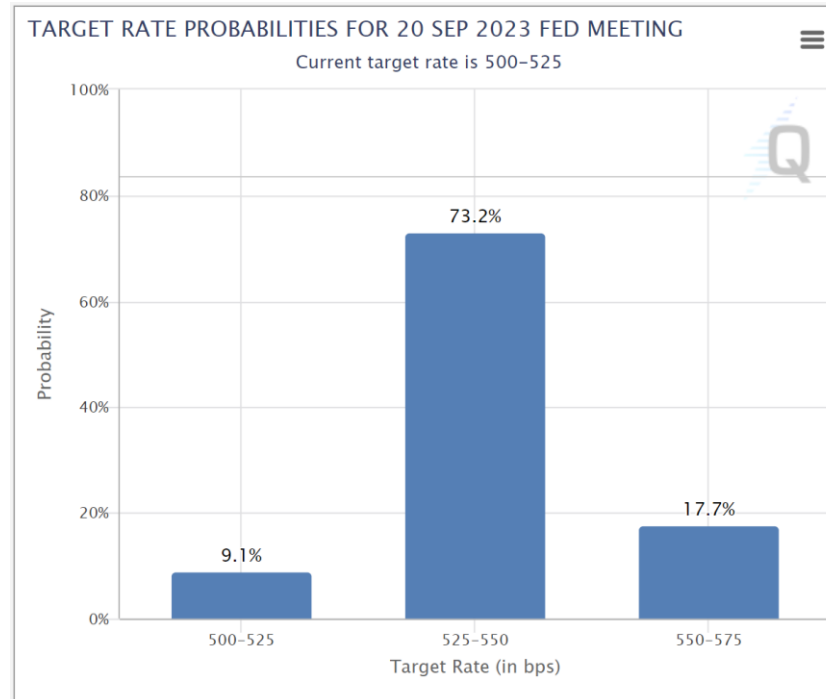
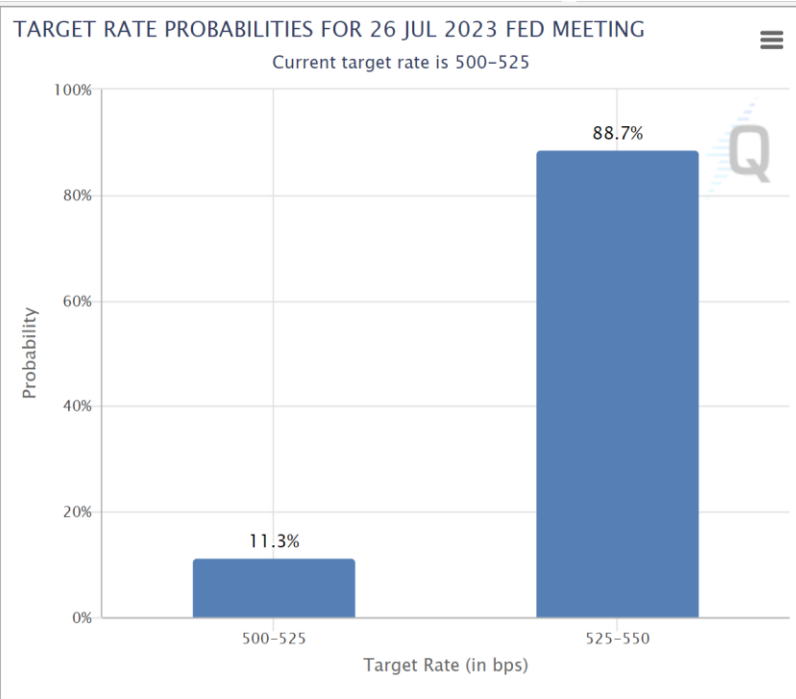


# Handicapping the 4-Year Cycle

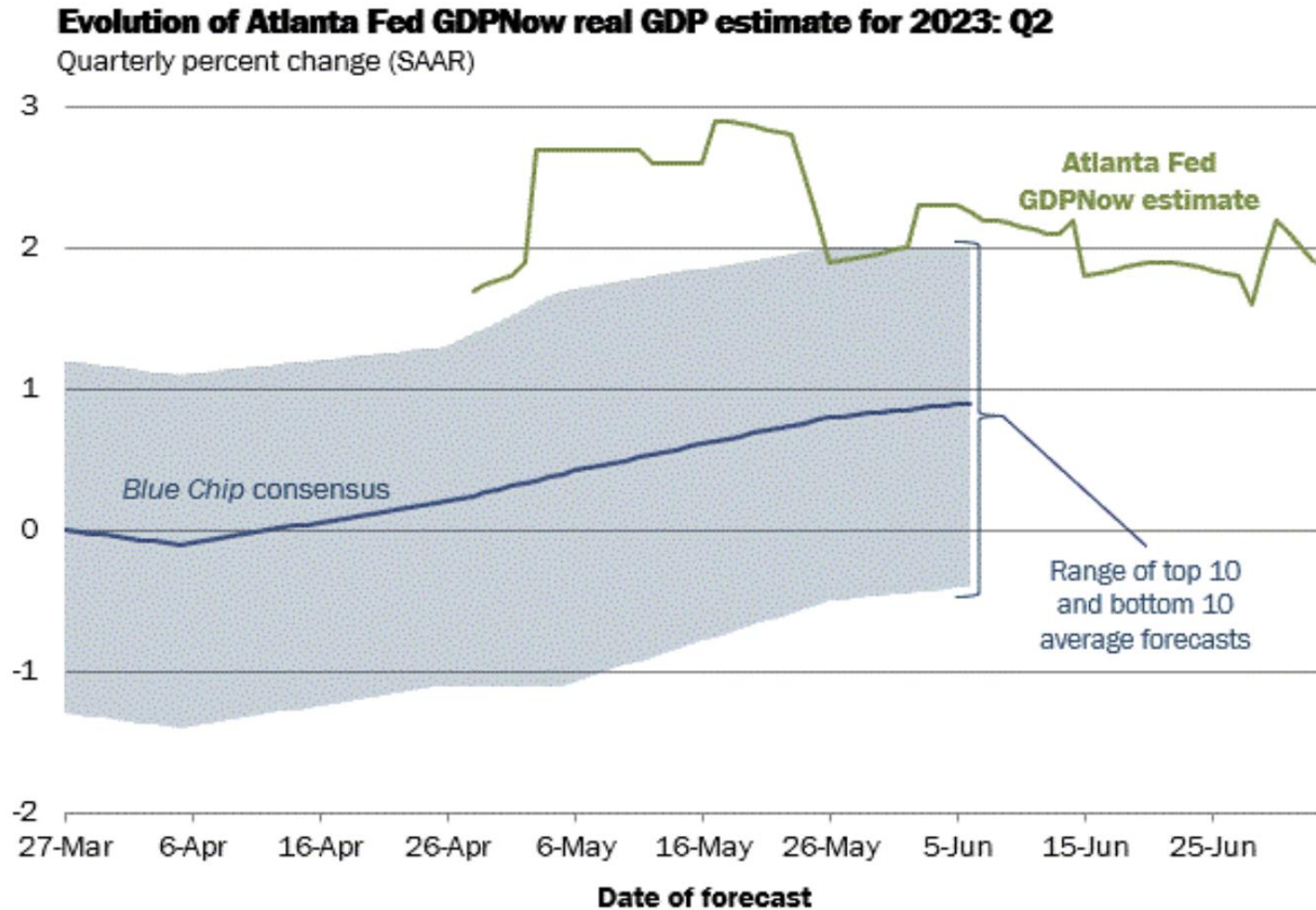




# CME FedWatch – ¼ Point In Play for July



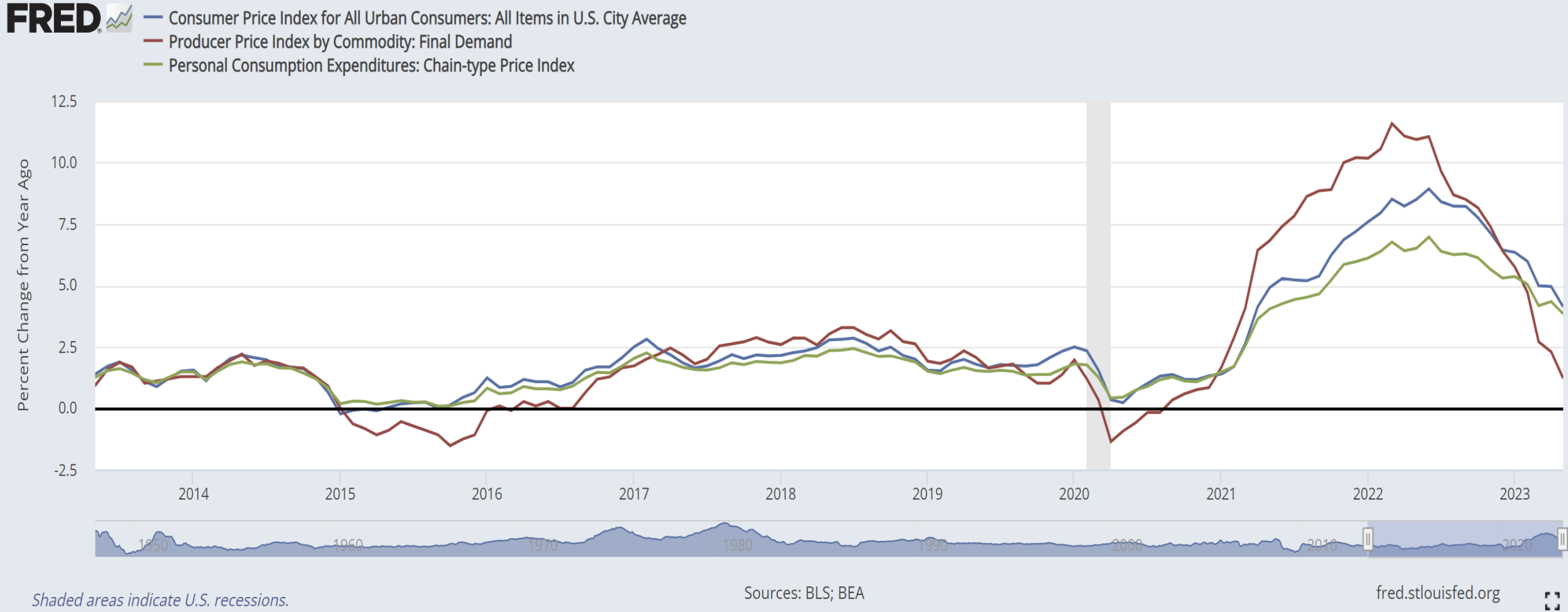
# Recession Still Not Likely – 2023 Q2 GDP Est. 1.9% July 3, 2023



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.

# Inflation Still Trending Lower



## Almanac Investor Sector Rotation ETF Portfolio

Ticker	Exchange Traded Fund	Presented		7/3/2023		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	82.94	-10.2%	83.25			Buy Dips
IBB	iShares Biotech	8/4/22	119.90	126.81	5.8%	130.00	119.28	149.70	Buy Current
XLP	SPDR Consumer Staples	10/6/22	66.85	74.75	11.8%	76.15	68.42	87.92	Buy Current
XLV	SPDR Health Care	10/6/22	123.23	131.64	6.8%	131.50	121.29	163.40	Buy Current
FCG	First Trust Natural Gas	1/5/23	23.00	23.33	-2.7%				Sold 6/2 @ 22.37
XLU	SPDR Utilities	2/2/23	67.35	65.93	-2.1%	67.35	63.88	88.74	Buy Current
GLD	SPDR Gold	5/4/23	186.50	178.47	-5.0%				Stopped out 6/29 @ 177.18
<b>Open Position Average % Return</b>					<b>2.4%</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		7/3/2023		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	370.29	29.2%				Sold 6/26 @ 361.22
IWM	iShares Russell 2000	10/4/22	173.38	187.65	4.7%				Sold 6/26 @ 181.56
TLT	iShares 20+ Year Treasury Bond	4/6/23	106.46	102.08	-4.1%				Hold
AGG	iShares Core U.S. Aggregate Bond	4/6/23	99.97	97.58	-2.4%				Hold
BND	Vanguard Total Bond Market	4/6/23	74.09	72.30	-2.4%				Hold
SHV	iShares Short Treasury Bond	4/25/23	110.41	110.01	-0.4%	110.45			Buy Current
SGOV	iShares 0-3 Month Treasury Bond	4/25/23	100.54	100.26	-0.3%	100.55			Buy Current
	Cash &/or Money Market Fund	4/6/23							Cash is a position
<b>Open Position Average % Return</b>					<b>-1.9%</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		7/3/2023	Net %	Buy	Stop	Current Advice <sup>1</sup>
		Date	Price	Price	Return ***	Limit <sup>1</sup>	Loss <sup>1</sup>	
MGPI	Mgp Ingredients <sup>2</sup>	11/12/20	41.12	107.26	130.4%		89.71	Hold
NVGS	Navigator Holdings	10/13/22	11.66	13.02	11.7%		12.20	Hold
					<b>71.0%</b>			

## Almanac Investor Mid-Cap Stock Portfolio

Ticker	Company	Presented		7/3/2023	Net %	Buy	Stop	Current Advice <sup>1</sup>
		Date	Price	Price	Return ***	Limit <sup>1</sup>	Loss <sup>1</sup>	
ACLS	Axcelis Technologies <sup>2</sup>	11/10/22	76.19	181.74	119.3%		141.52	Hold
SMCI	Super Micro Computer <sup>2</sup>	11/10/22	81.93	249.20	152.1%		199.02	Hold
					<b>135.7%</b>			

## Almanac Investor Large-Cap Stock Portfolio

Ticker	Company	Presented		7/3/2023	Net %	Buy	Stop	Current Advice <sup>1</sup>
		Date	Price	Price	Return ***	Limit <sup>1</sup>	Loss <sup>1</sup>	
T	AT&T Inc *	4/9/20	20.24	16.12	-23.0%			Hold
DOX	Amdocs Ltd	11/12/20	63.49	98.68	55.4%		81.64	Hold
ELV	Elevance Health	11/10/22	500.05	444.48	-11.1%	450.00	425.00	Buy Current
PWR	Quanta Services	11/10/22	146.59	195.71	33.5%		156.34	Hold
RS	Reliance Steel & Aluminm	11/10/22	198.23	272.16	37.3%		220.64	Hold
UNH	Unitedhealth Group	11/10/22	527.97	477.88	-9.5%	485.00	450.00	Buy Current
					<b>13.8%</b>			

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 defensive 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

# 2023 Forecast Best 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

# 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.
- To learn more please visit [www.stocktradersalmanac.com](http://www.stocktradersalmanac.com).

## **DISCLAIMER: FOR INFORMATION PURPOSES ONLY**

This presentation has been prepared solely for informational purposes, and is not an offer to buy, nor sell or a solicitation of an offer to buy or sell any security, product, service or investment. The opinions expressed herein do not constitute investment advice and independent advice should be sought where appropriate. All information and opinions expressed herein are current as of publication and are subject to change without notice. Investing involves substantial risk. Neither Mr. Hirsch, nor any of his respective affiliates, employees and/or associates makes any guarantee or other promise as to any results that may be obtained from using this information. The advice and strategies contained herein may not be suitable for every situation. While past performance may be analyzed in this presentation, past performance should not be considered indicative of future performance.

No one should make any investment decision based on this information without first consulting his or her own personal financial advisor and conducting his or her own research and due diligence, including carefully reviewing the prospectus and other public filings of the issuer. Neither Mr. Hirsch, nor any of his respective affiliates, employees and/or associates makes any representations or warranties with respect to the accuracy or completeness of the contents of the information herein and specifically disclaim all warranties, including without limitation warranties of fitness for a particular purpose. Neither Mr. Hirsch, nor any of his respective affiliates, employees and/or associates shall be liable for damages arising herefrom. No warranty is or may be construed to be created or extended by informational, sales or promotional materials.