

August 2023 Outlook & Update

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Members Only Webinar

August 2, 2023

Another Hot July. Another Late-Summer/Autumn Buy?

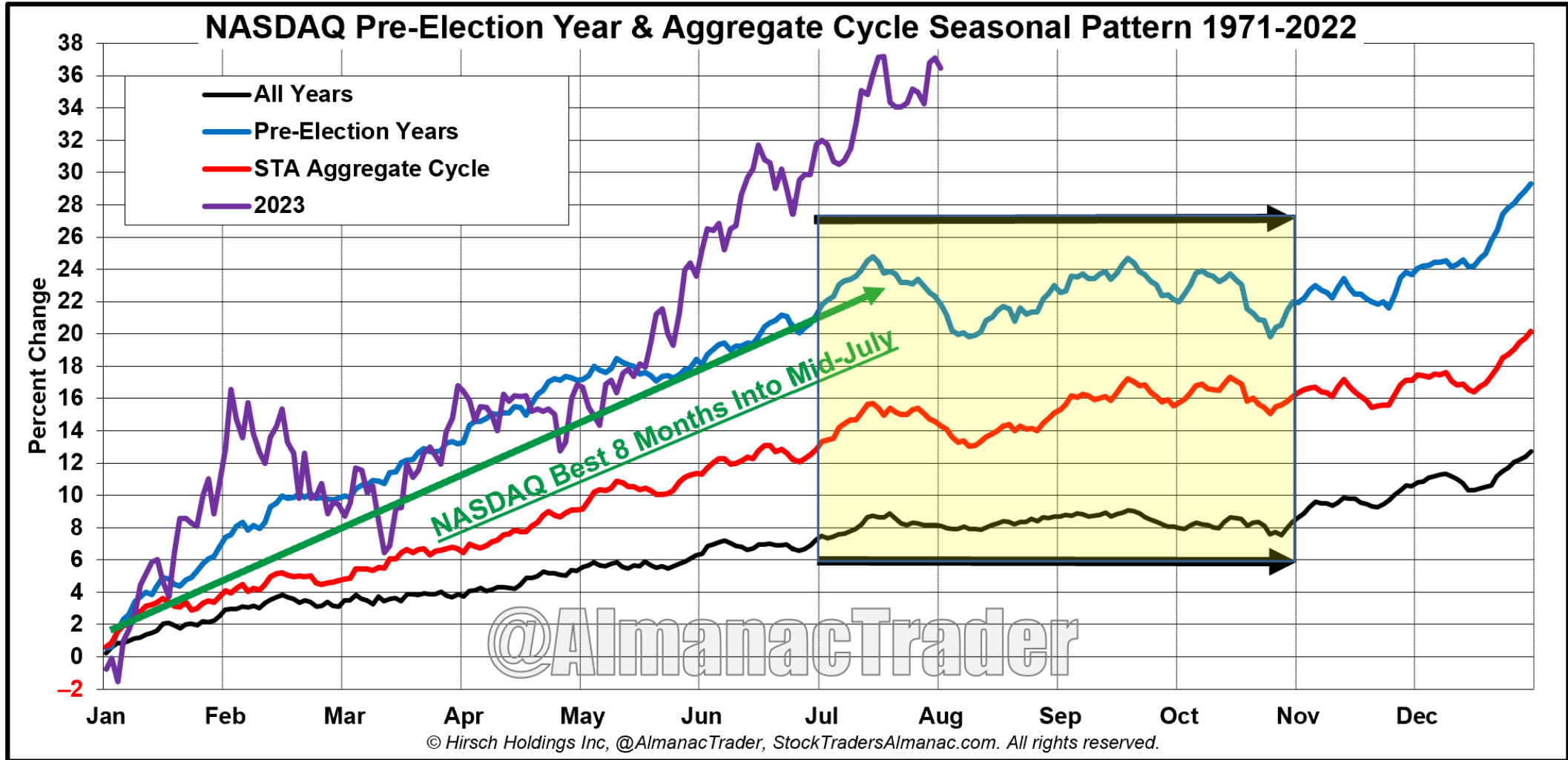
Hot July Markets & Late-Summer/Autumn Buys

July Gains of 3.0% or More			Subsequent 2nd Half Low		
Year	DJIA	% Gain	Date	DJIA	% Lower
1951	257.86	6.3 %	Nov 24	255.95	- 0.7 %
1954	347.92	4.3	Aug 31	335.80	- 3.5
1955	465.85	3.2	Oct 11	438.59	- 5.9
1956	517.81	5.1	Nov 28	466.10	- 10.0
1958	502.99	5.2	Aug 18	502.67	- 0.1
1959	674.88	4.9	Sep 22	616.45	- 8.7
1961	705.37	3.1	Sep 25	691.86	- 1.9
1962	597.93	6.5	Oct 23	558.06	- 6.7
1967	904.24	5.1	Nov 08	849.57	- 6.0
1970	734.12	7.4	Aug 13	707.35	- 3.6
1973	926.40	3.9	Dec 05	788.31	- 14.9
1978	862.27	5.3	Nov 14	785.26	- 8.9
1980	935.32	7.8	Dec 11	908.45	- 2.9
1987	2572.07	6.3	Oct 19	1738.74	- 32.4
1989	2660.66	9.0	Oct 13	2569.26	- 3.4
1991	3024.82	4.1	Dec 10	2863.82	- 5.3
1994	3764.50	3.8	Nov 23	3674.63	- 2.4
1995	4708.47	3.3	Aug 24	4580.62	- 2.7
1997	8222.61	7.2	Oct 27	7161.15	- 12.9
2005	10640.91	3.6	Oct 21	10215.22	- 4.0
2009	9171.61	8.6	Aug 17	9135.34	- 0.4
2010	10465.94	7.1	Aug 26	9985.81	- 4.6
2013	15499.54	4.0	Aug 27	14776.13	- 4.7
2018	25415.19	4.7	Dec 24	21792.20	- 14.3
2022	32845.13	6.7	Sep 30	28725.51	- 12.5
2023	35559.53	3.3	—	—	—

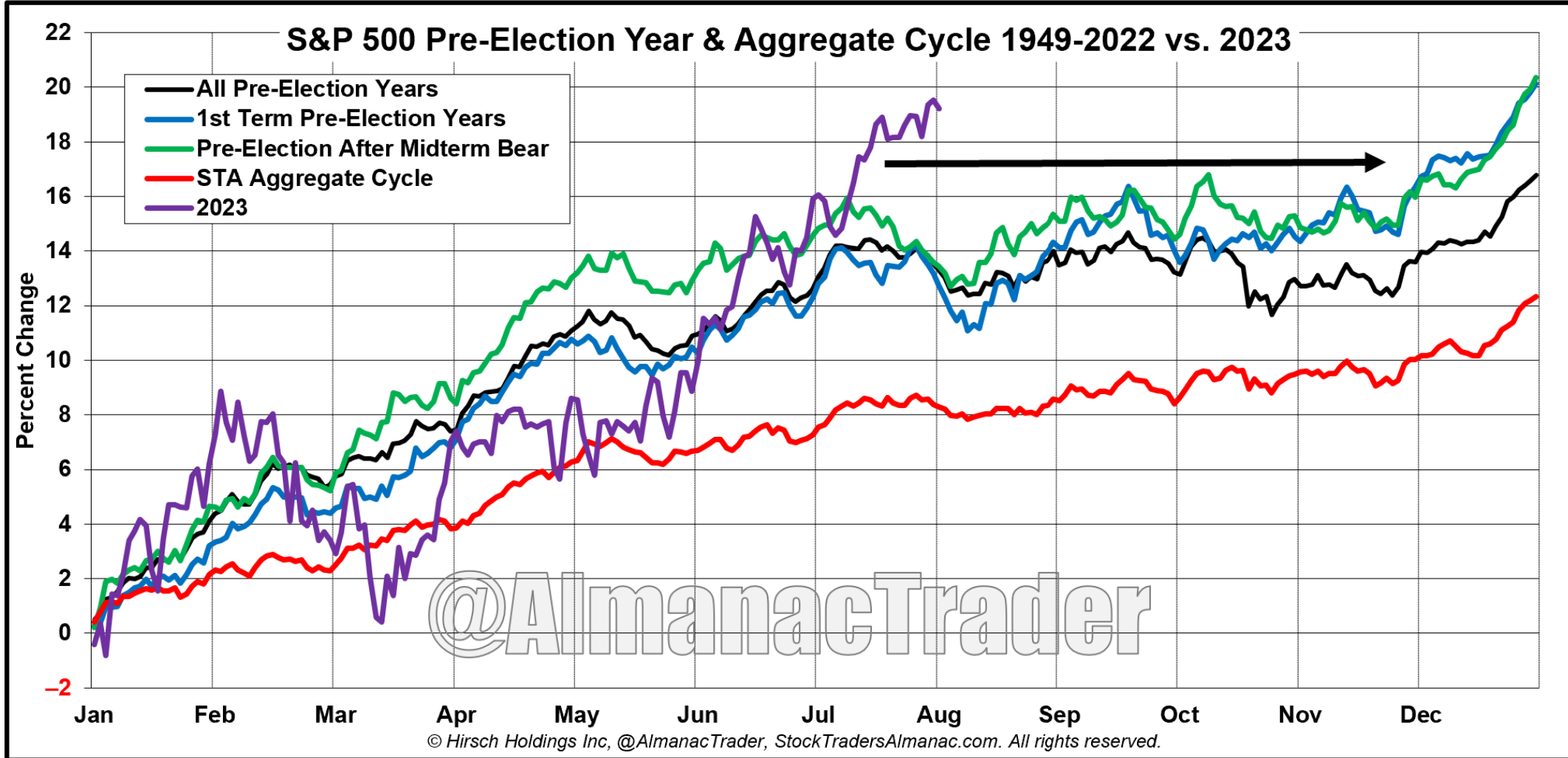
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Average: - 6.9 %
Median: - 4.7 %

Uncertainty On The Rise During Seasonal Weak Period

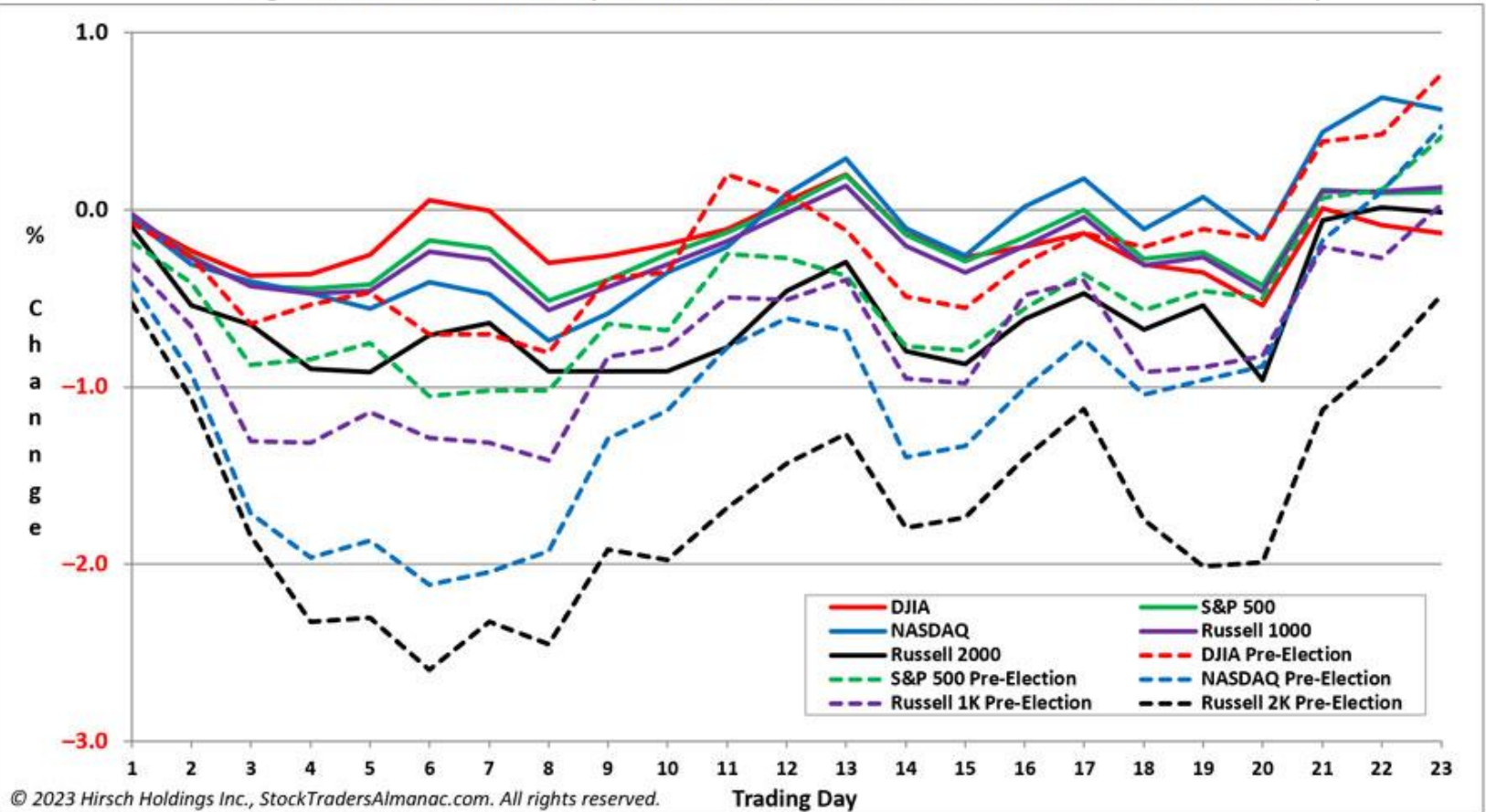


Is S&P 500 Ready to Take a Well-Deserved Summer Vacation?



Typical August – Challenging In Pre-Election Years, Weak Start

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

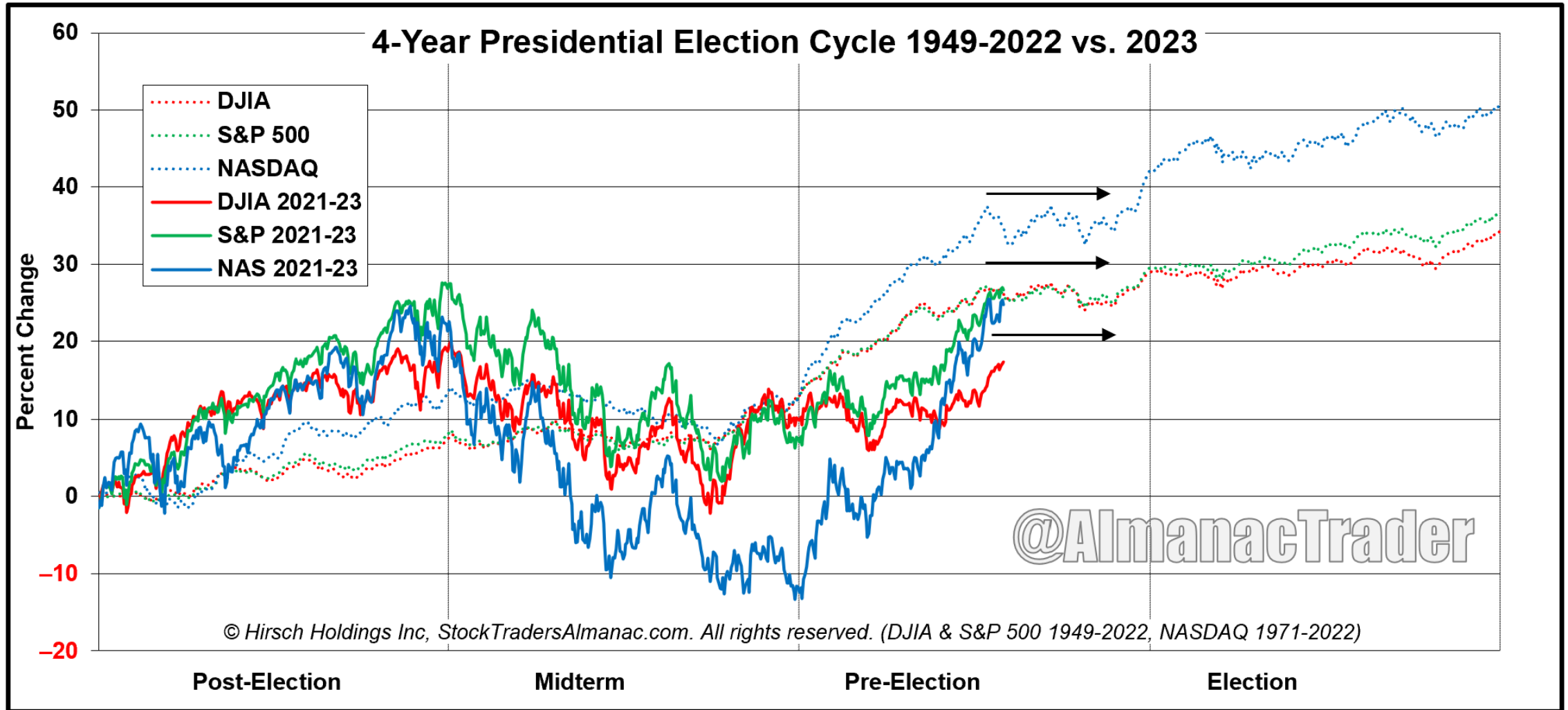


Pre-Election Year August since 1950				
	Rank	Avg %	Up	Down
DJIA	8	0.8	12	6
S&P 500	9	0.4	9	9
NASDAQ*	10	0.5	8	5
Russell 1K**	11	0.05	7	4
Russell 2K**	10	-0.5	6	5

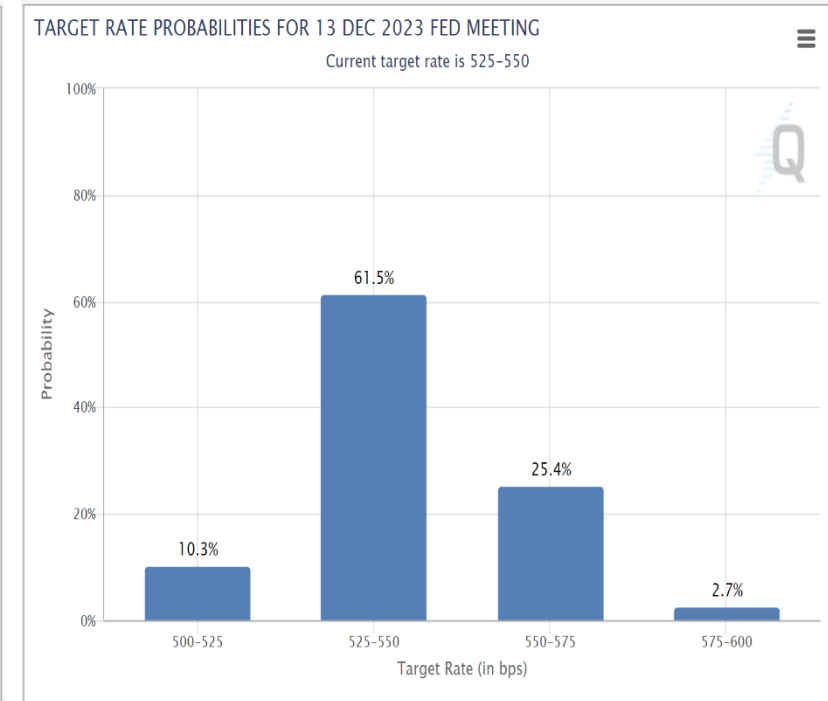
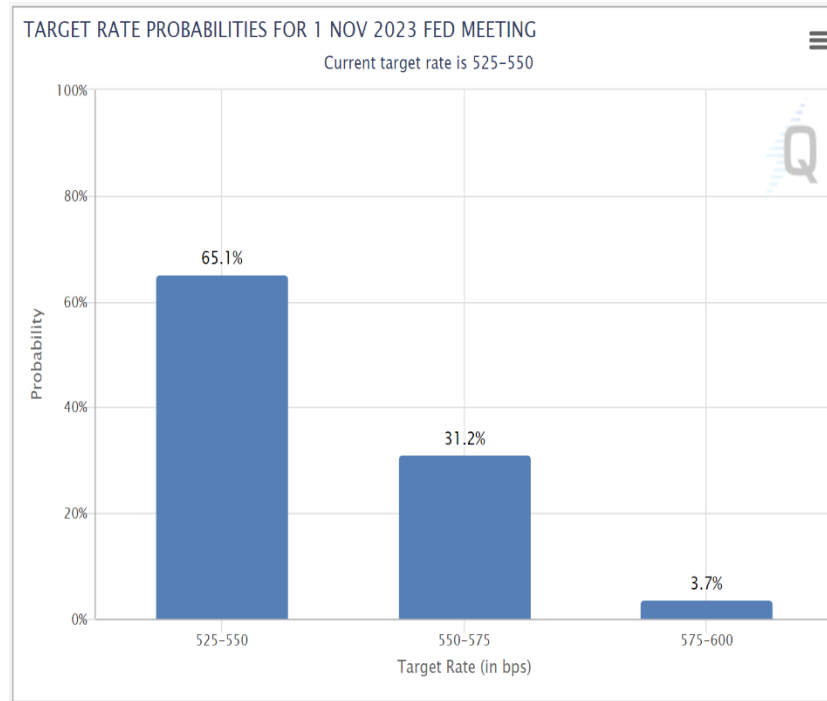
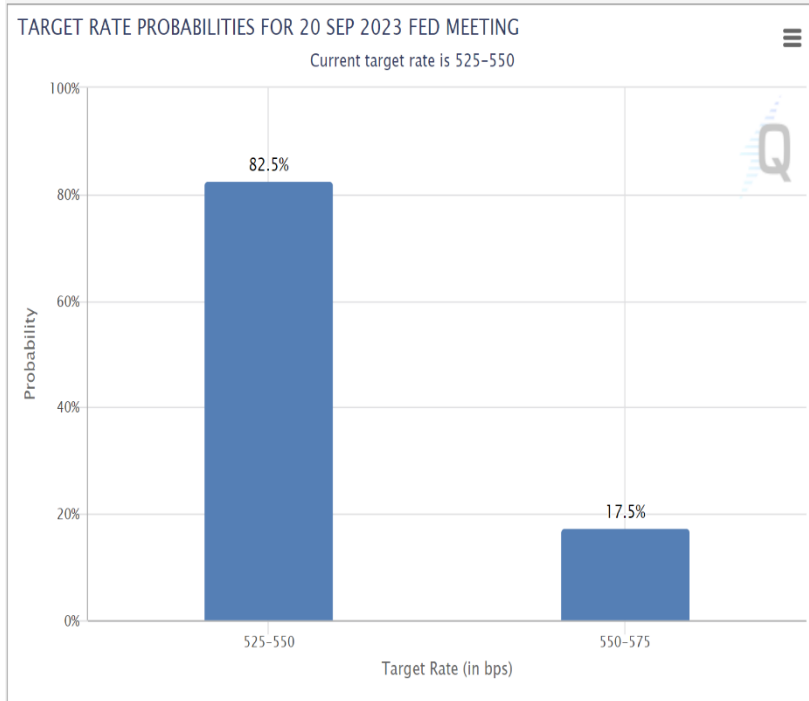
* Since 1971, ** Since 1979

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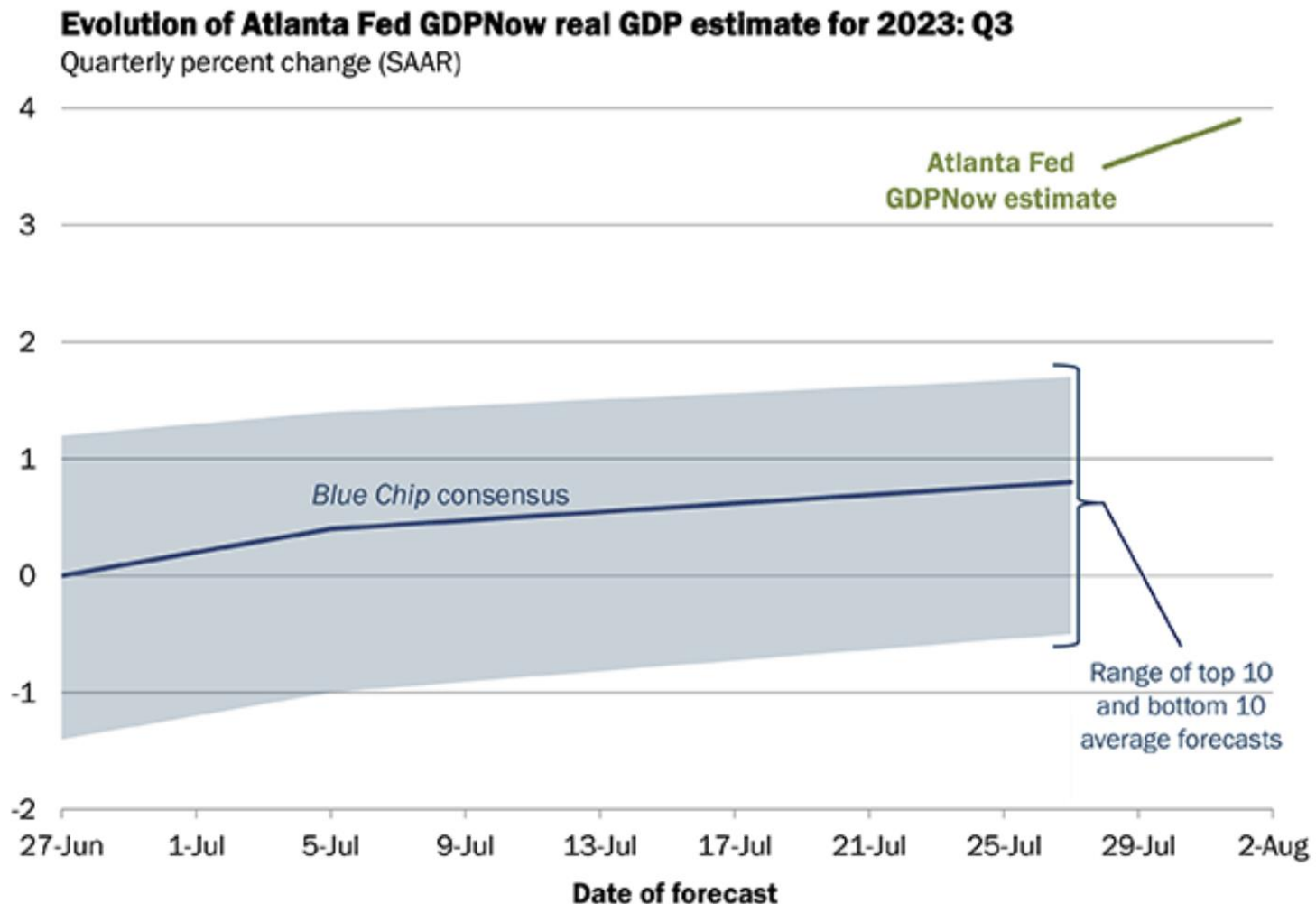
Handicapping the 4-Year Cycle



Is the Fed Done...For Now Maybe?



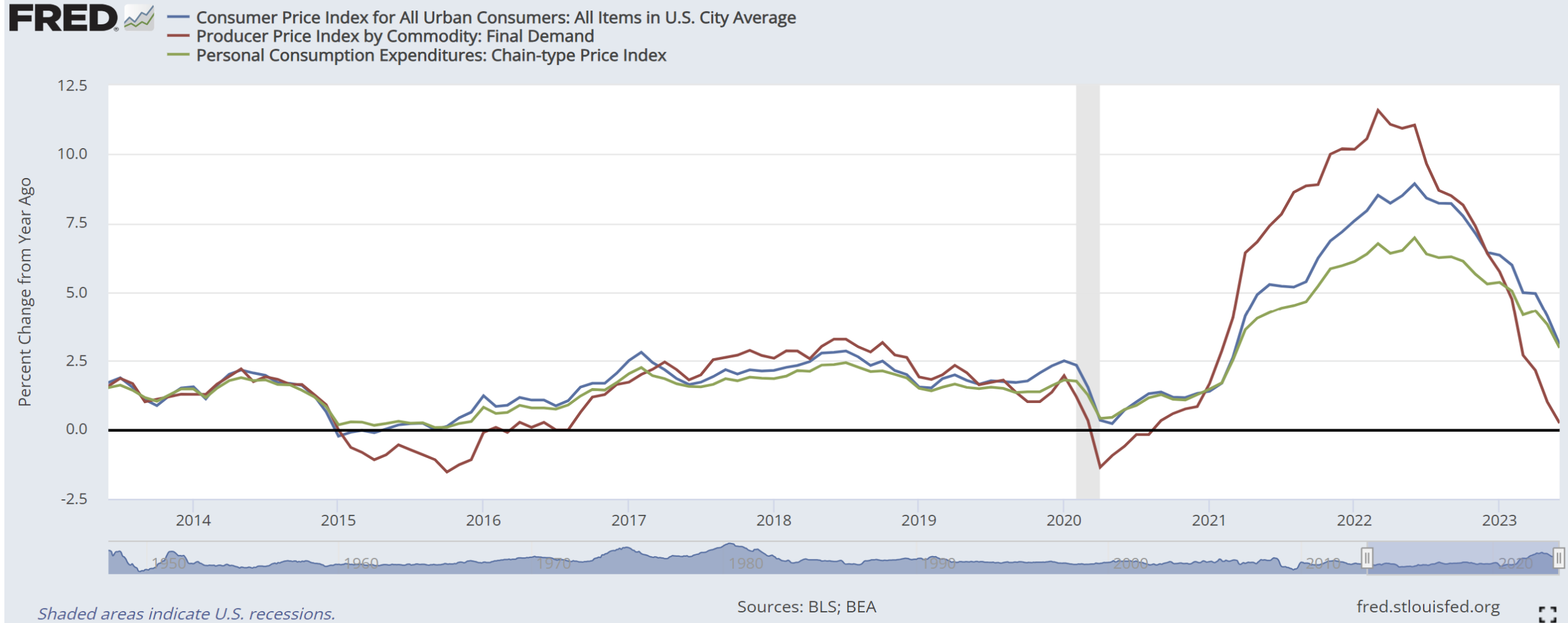
Recession Still Not Likely – 2023 Q3 GDP Est. 3.9% August 1, 2023



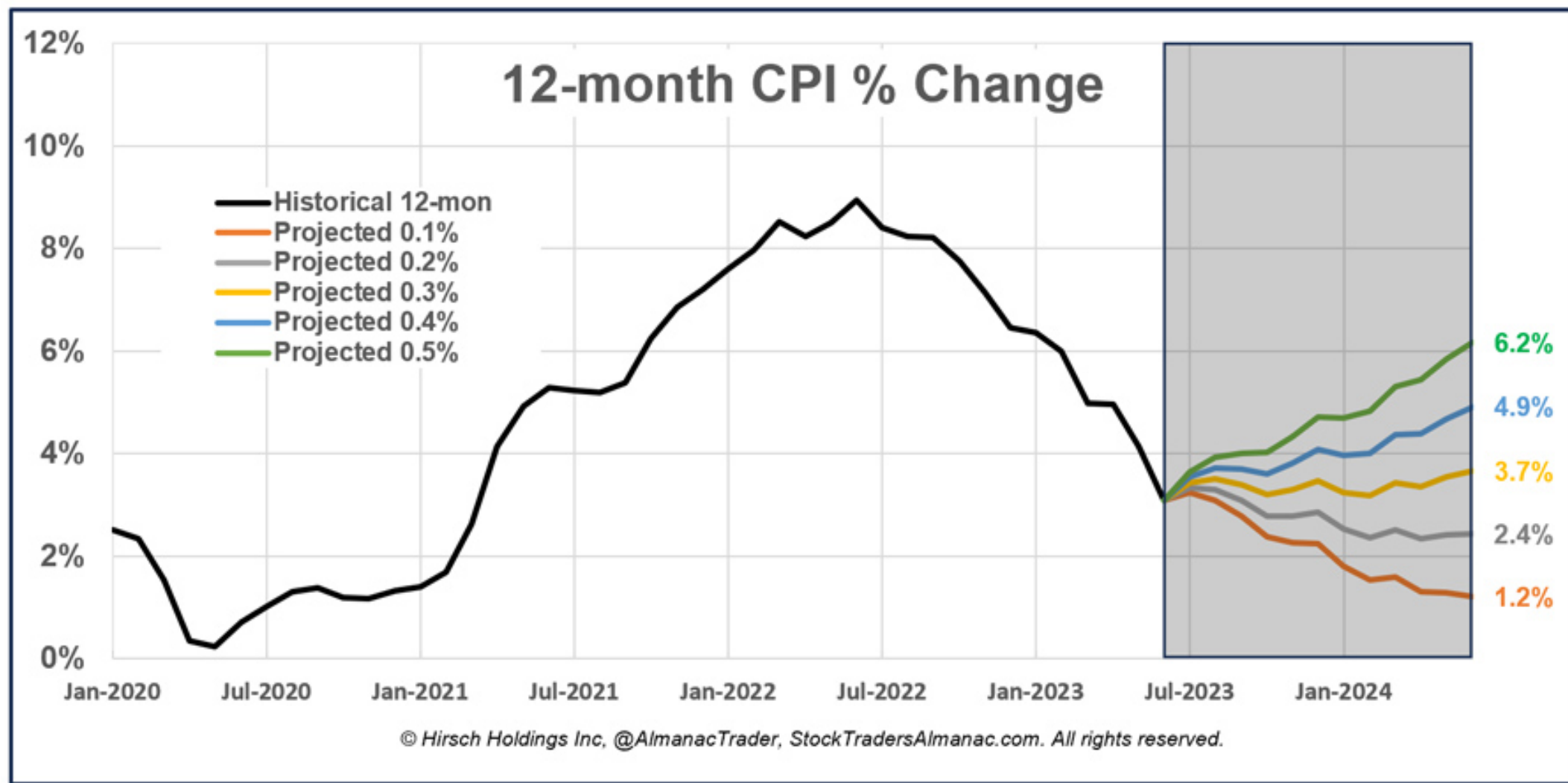
Sources: *Blue Chip Economic Indicators* and *Blue Chip Financial Forecasts*

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



Easy Inflation Comps Ending



Upward Pressure On Inflation From Energy Prices



CL2-057: Crude Oil NY (Comb) Cont Liq @ NYMEX (Daily bars)

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10-Year Yield on the Rise



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

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*\$SPX = 4576.73 08/01/2023 = 40.43 (+0.84)



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Almanac Investor Sector Rotation ETF Portfolio

Ticker	Exchange Traded Fund	Presented Date	Price	8/1/2023 Price	Return	Buy Limit ¹	Stop Loss ¹	Auto Sell*	Current Advice ¹
XBI	SPDR S&P Biotech **	12/2/21	92.39	83.30	-9.8%				Hold
IBB	iShares Biotech	8/4/22	119.90	128.05	6.8%		119.28	149.70	Hold
XLP	SPDR Consumer Staples	10/6/22	66.85	75.34	12.7%		68.42	87.92	Hold
XLV	SPDR Health Care	10/6/22	123.23	133.45	8.3%		121.29	163.40	Hold
XLU	SPDR Utilities	2/2/23	67.35	66.25	-1.6%		63.88	88.74	Hold
IYT	iShares Transportation (S)	7/6/23	240.92	263.33	Not Yet	240.92	252.97		Short on breakdown @ 240.92
XLI	SPDR Industrials (S)	7/6/23	103.90	110.75	Not Yet	103.90	109.10		Short on breakdown @ 103.90
Open Position Average % Return					2.6%				

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 Date	Price	8/1/2023 Price	Return	Buy Limit ¹	Stop Loss ¹	Auto Sell*	Current Advice ¹
TLT	iShares 20+ Year Treasury Bond	4/6/23	106.46	98.14	-7.8%				Hold
AGG	iShares Core U.S. Aggregate Bond	4/6/23	99.97	96.77	-3.2%				Hold
BND	Vanguard Total Bond Market	4/6/23	74.09	71.78	-3.1%				Hold
SHV	iShares Short Treasury Bond	4/25/23	110.41	109.99	-0.4%	110.45			Buy Current
SGOV	iShares 0-3 Month Treasury Bond	4/25/23	100.54	100.20	-0.3%	100.55			Buy Current
	Cash &/or Money Market Fund	4/6/23							Cash is a position
Open Position Average % Return					-3.0%				

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.

Stock Portfolios

Almanac Investor Small-Cap Stock Portfolio

Ticker	Company	Presented		8/1/2023	Net %	Buy	Stop	Current Advice ¹
		Date	Price	Price	Return ***	Limit ¹	Loss ¹	
MGPI	Mgp Ingredients ²	11/12/20	41.12	114.19	138.8%		89.71	Hold
NVGS	Navigator Holdings	10/13/22	11.66	13.80	18.4%		12.20	Hold
					78.6%			

Almanac Investor Mid-Cap Stock Portfolio

Ticker	Company	Presented		8/1/2023	Net %	Buy	Stop	Current Advice ¹
		Date	Price	Price	Return ***	Limit ¹	Loss ¹	
ACLS	Axcelis Technologies ²	11/10/22	76.19	196.21	128.8%		145.54	Hold
SMCI	Super Micro Computer ²	11/10/22	81.93	337.56	206.0%		229.61	Hold
					167.4%			

Almanac Investor Large-Cap Stock Portfolio

Ticker	Company	Presented		8/1/2023	Net %	Buy	Stop	Current Advice ¹
		Date	Price	Price	Return ***	Limit ¹	Loss ¹	
T	AT&T Inc *	4/9/20	20.24	14.30	-31.7%			Hold
DOX	Amdocs Ltd	11/12/20	63.49	94.21	48.4%		82.11	Hold
PWR	Quanta Services	11/10/22	146.59	201.89	37.7%		168.67	Hold
RS	Reliance Steel & Aluminm	11/10/22	198.23	293.07	47.8%		240.82	Hold
UNH	Unitedhealth Group	11/10/22	527.97	504.74	-4.4%		450.00	Hold
					19.6%			

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

2023 Forecast Best Case Conditions Met – Now Ahead of Forecast

- **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

- Worst Months
- Recession Fears
- Rising 10-Year Yield
- Geopolitical
- Inflation
- Fed
- Rising Energy Prices

Tailwinds

- Tech Bull Market
- Employment Firm
- Inflation Retreating
- GDP Continued Growth
- Consumer Confidence
- Govt Spending Robust

Outlook:

- Sideways Volatile WSM
- Choppy But Lows Hold
- Best Case In Play
- Fed Shifts Neutral
- Recession Avoided
- Growth Picks Up
- Unemployment Stable
- Average+ Pre-Election Year Gains Of 15-20%.

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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