

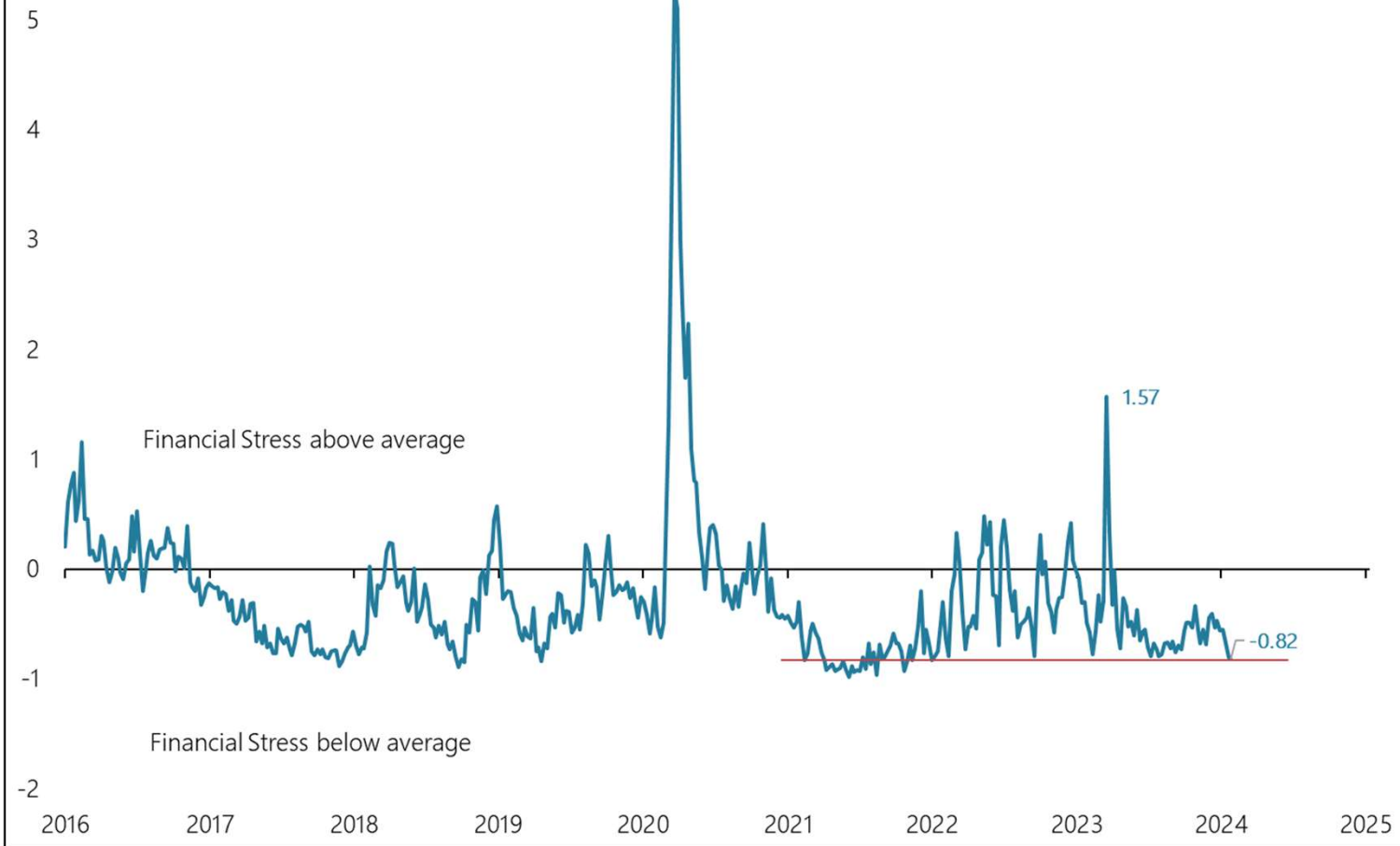
The logo features a blue oval with a thin orange border. The text "Hi Mount" is written in a white serif font, and "RESEARCH" is written in a white sans-serif font below it.

Hi Mount

RESEARCH



ST. LOUIS FED FINANCIAL STRESS INDEX



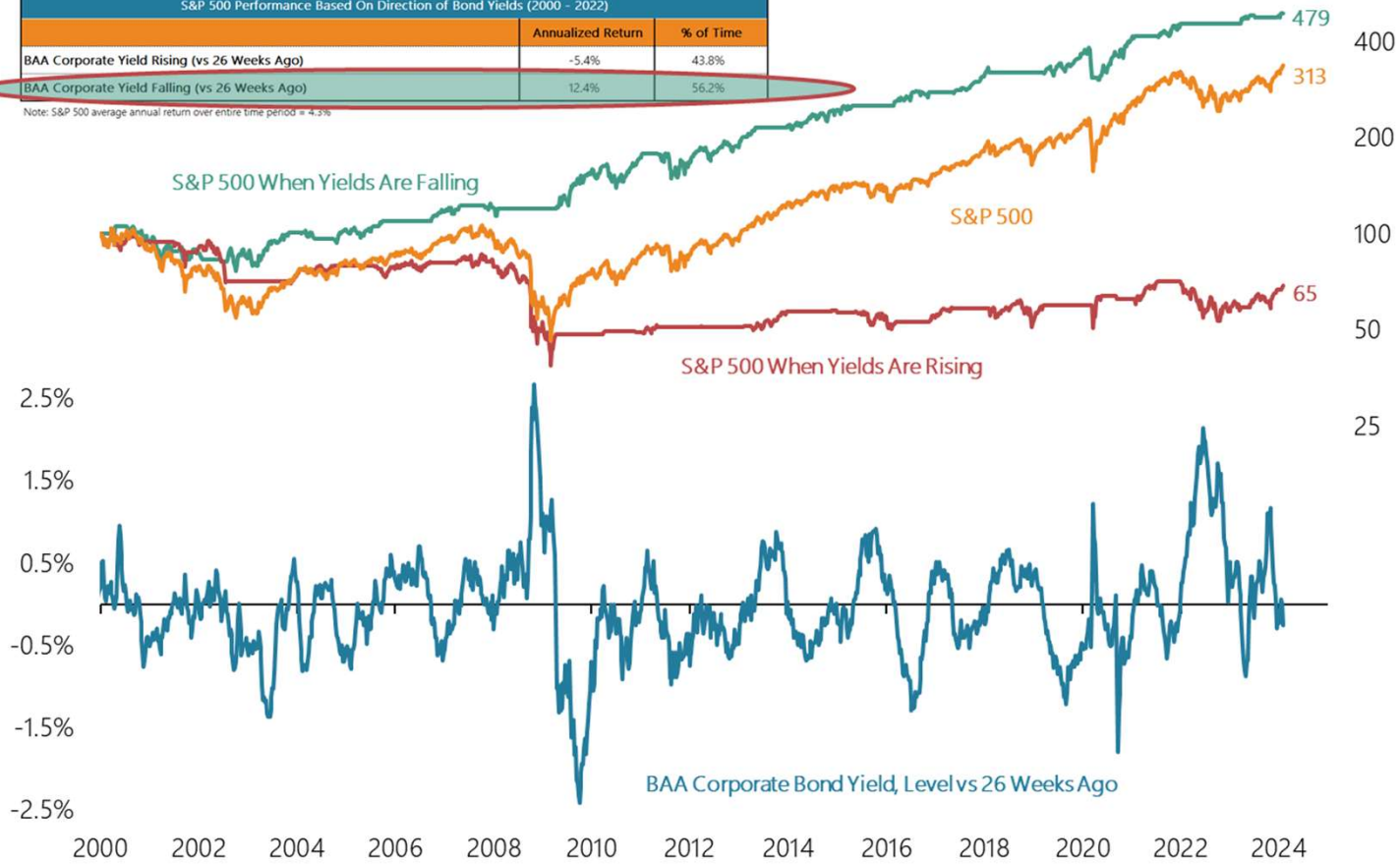
Financial stress is at its lowest level since late 2021.



S&P 500 PERFORMANCE WHEN BOND YIELDS ARE RISING VS FALLING

S&P 500 Performance Based On Direction of Bond Yields (2000 - 2022)		
	Annualized Return	% of Time
BAA Corporate Yield Rising (vs 26 Weeks Ago)	-5.4%	43.8%
BAA Corporate Yield Falling (vs 26 Weeks Ago)	12.4%	56.2%

Note: S&P 500 average annual return over entire time period = 4.3%



S&P 500 series indexed to Dec 31, 1999 = 100.

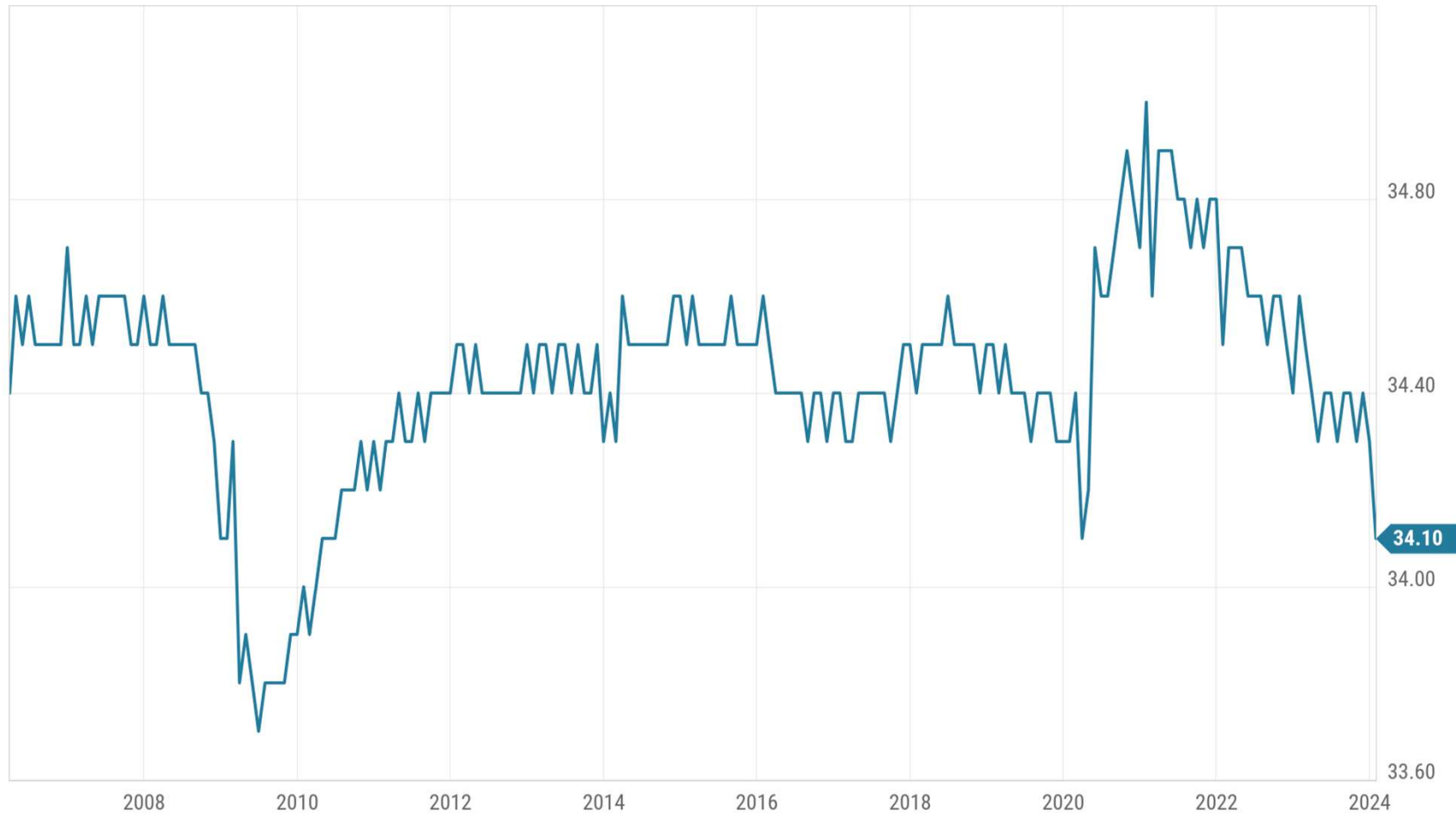
Powered by **YCHARTS**



CASH REGISTERS ARE RINGING BUT SALES HAVEN'T TAKEN OFF



US Total Private Average Weekly Hours (I:USTPAWH)





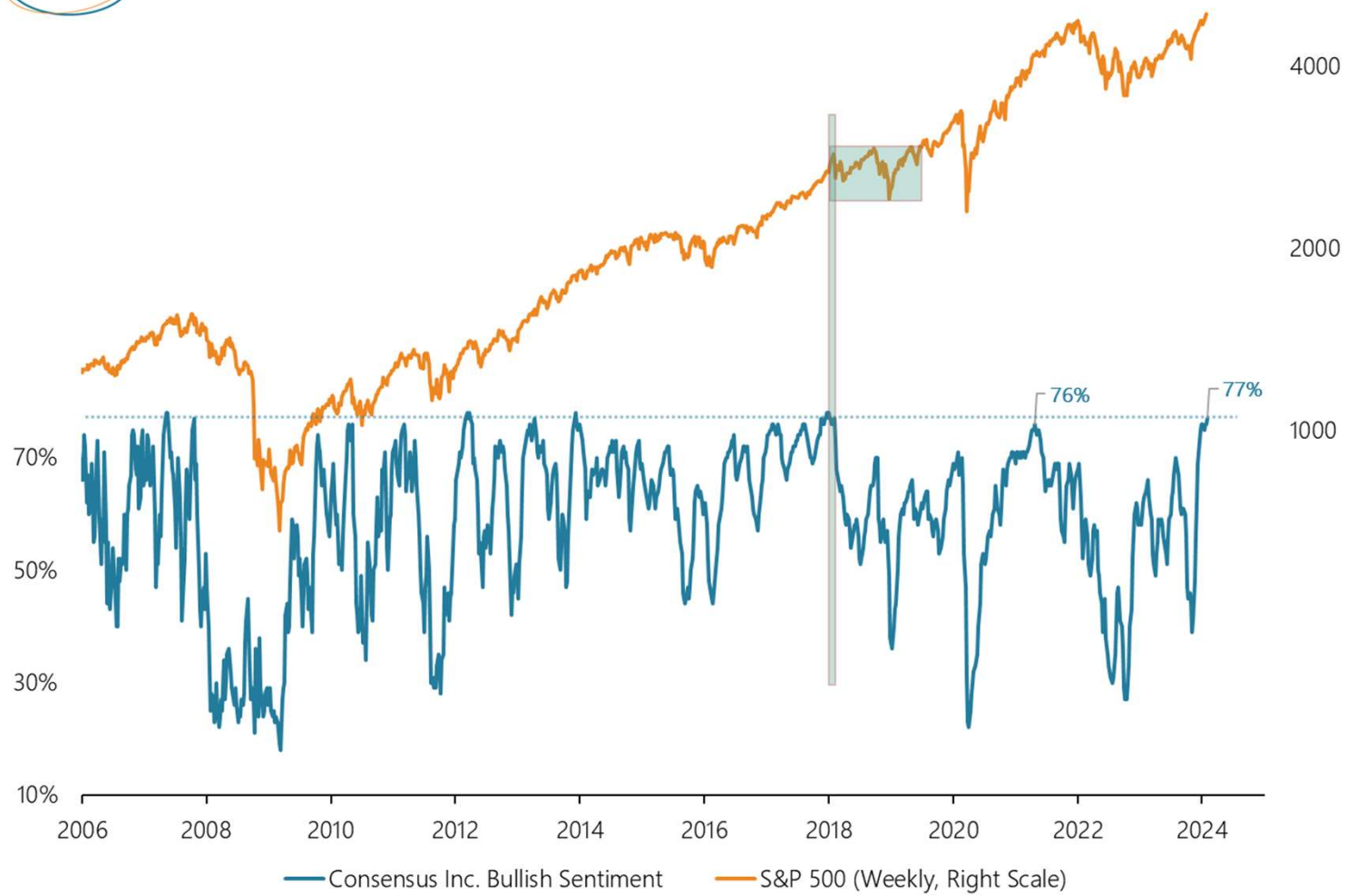
STOCKS VS BONDS, RELATIVE VALUATIONS



The valuation advantage enjoyed by stocks over bonds for the past decade has dissipated.

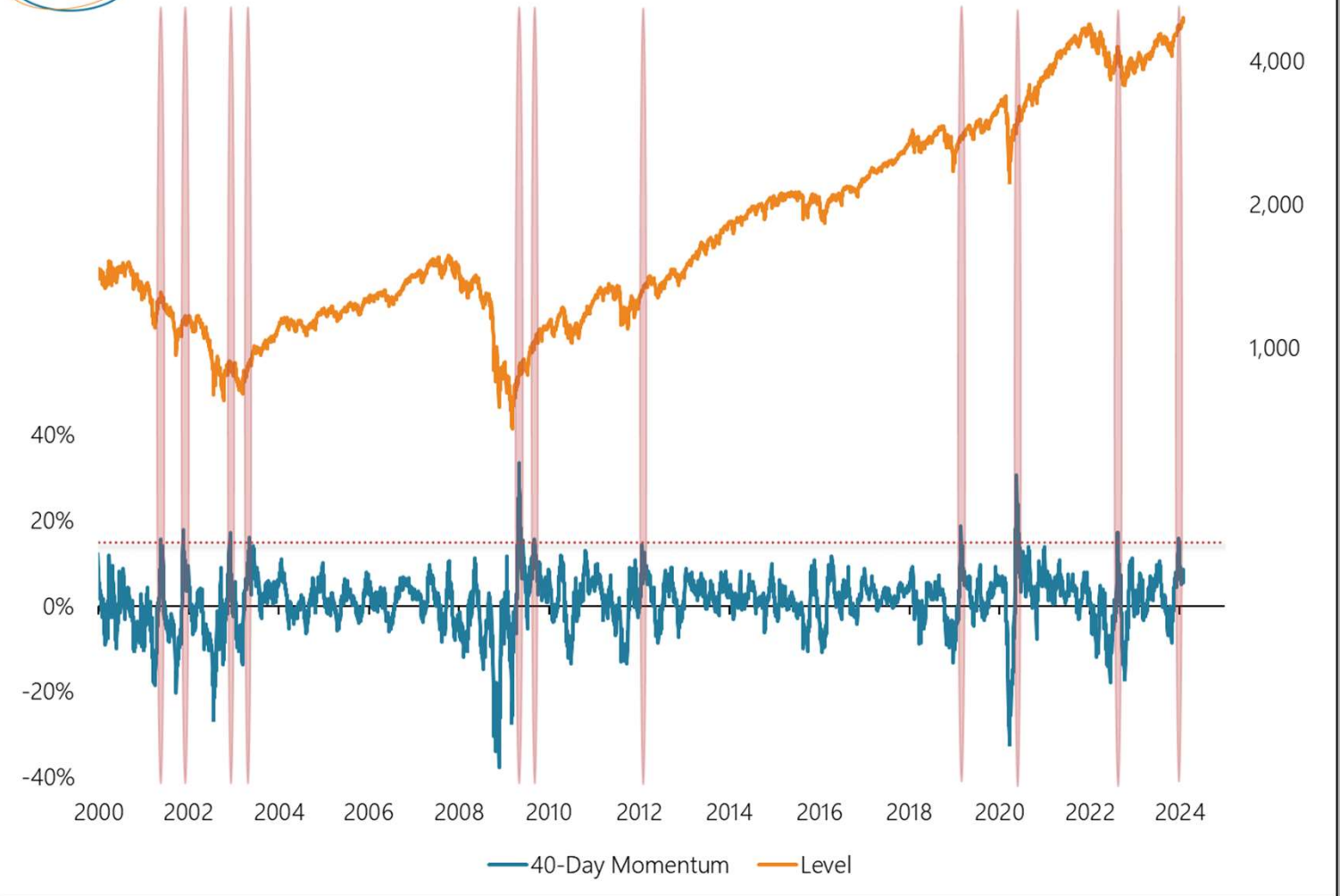


STOCKS AND INVESTOR SENTIMENT



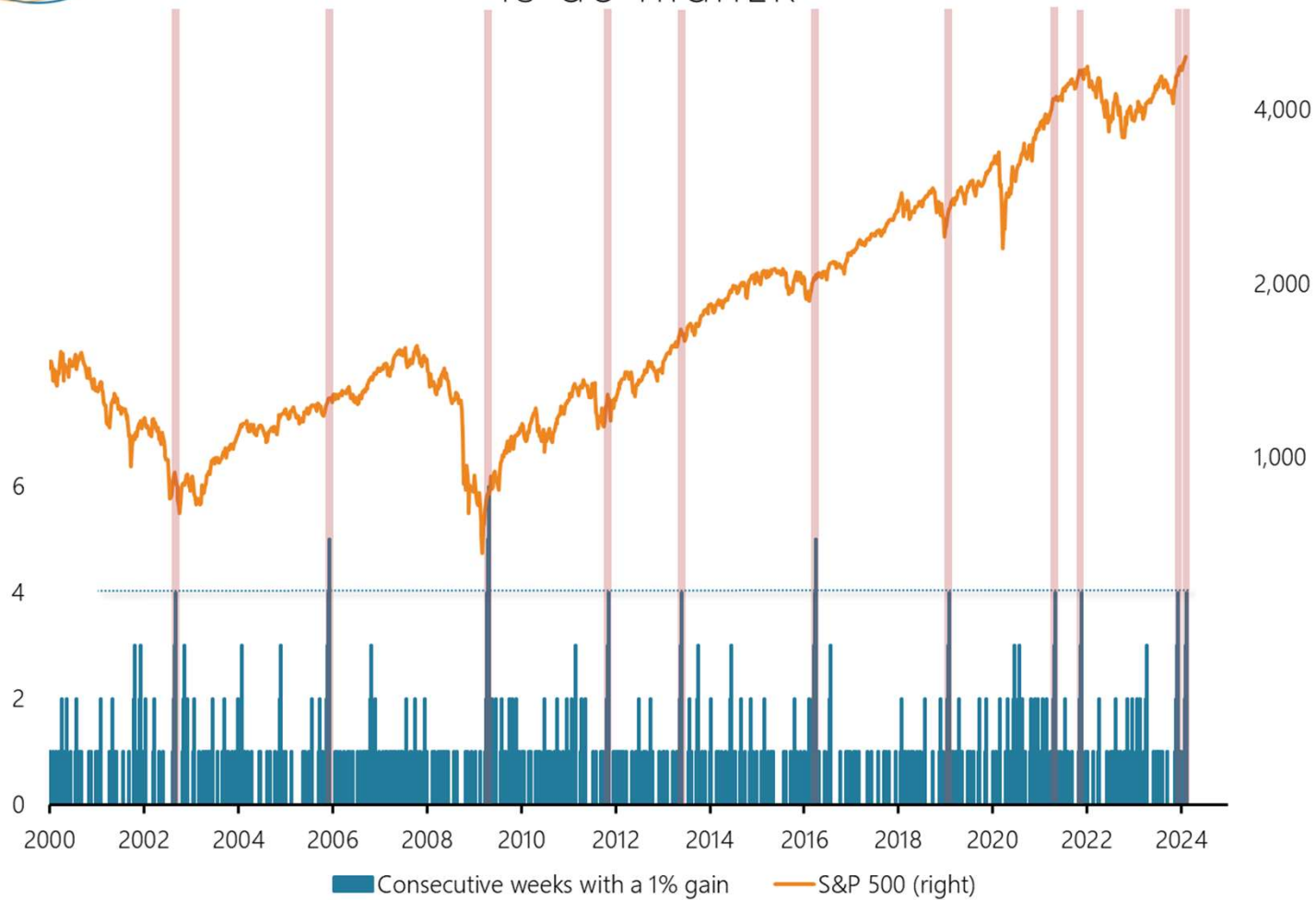


S&P 500: LEVEL & 40-DAY MOMENTUM



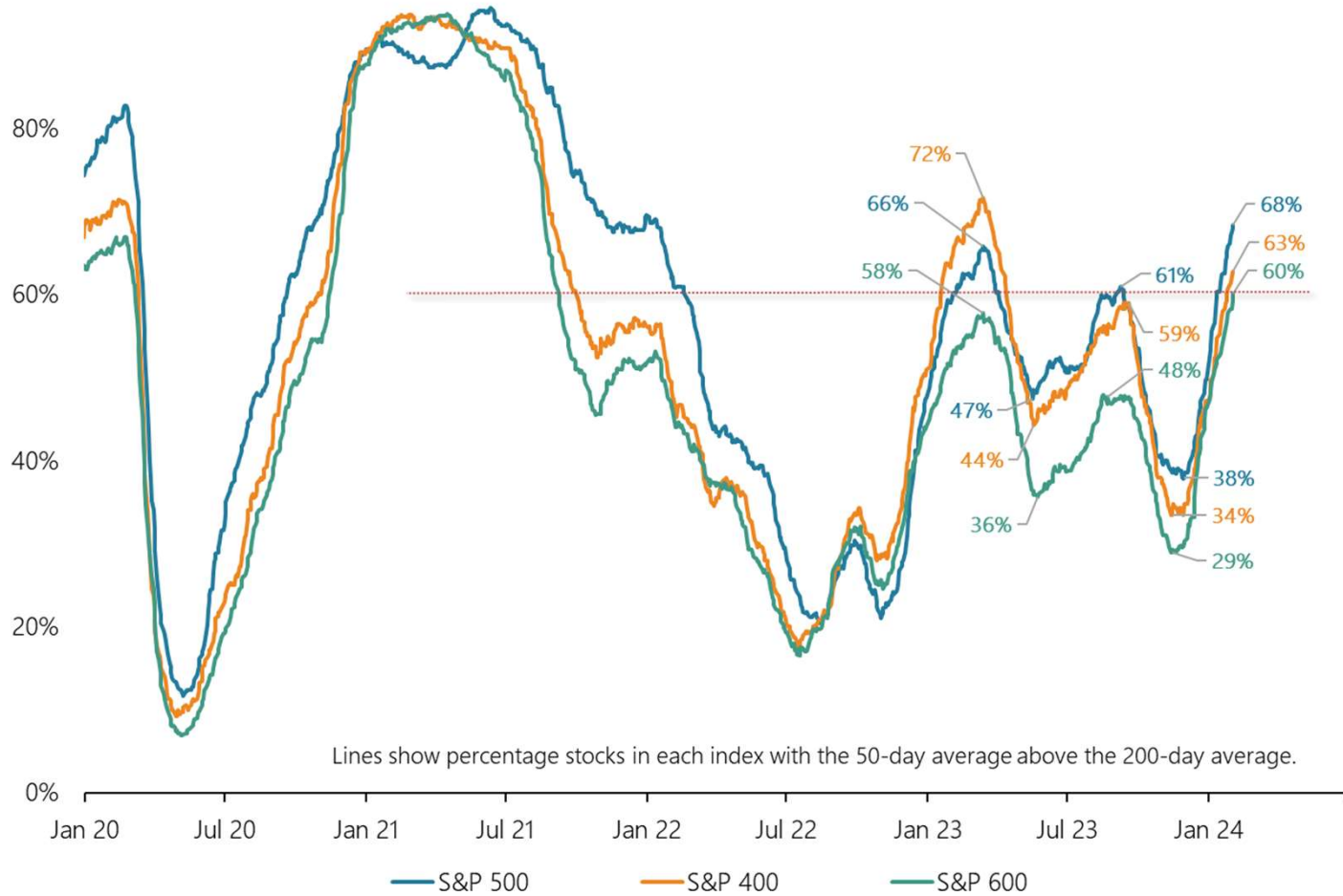


THE MOST BULLISH THING THE MARKET CAN DO IS GO HIGHER





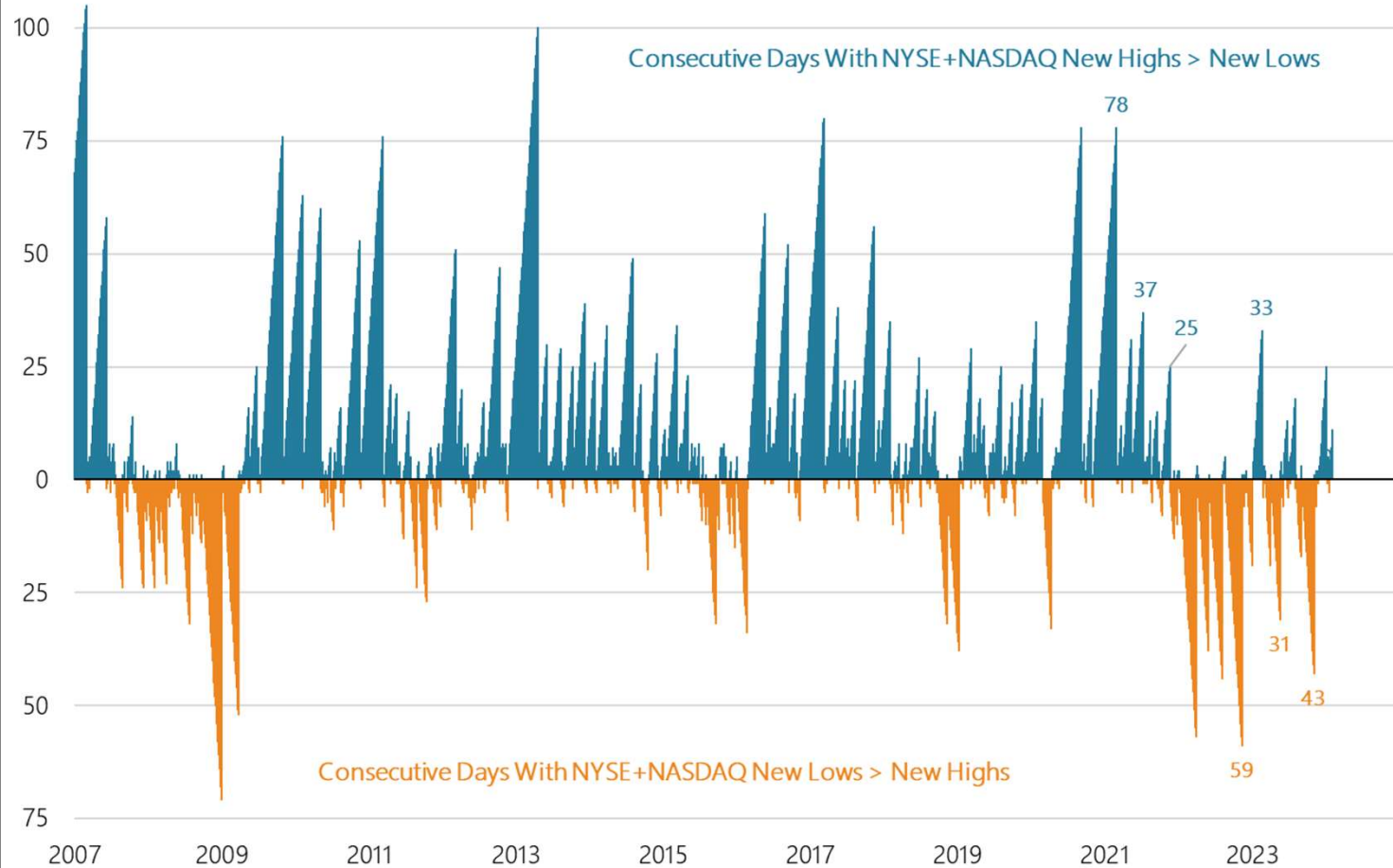
TREND STRENGTH BY MARKET CAP



Small-cap trend strength (% of stocks with 50-day > 200-day) is at highest level since September 2021 and is still rising.



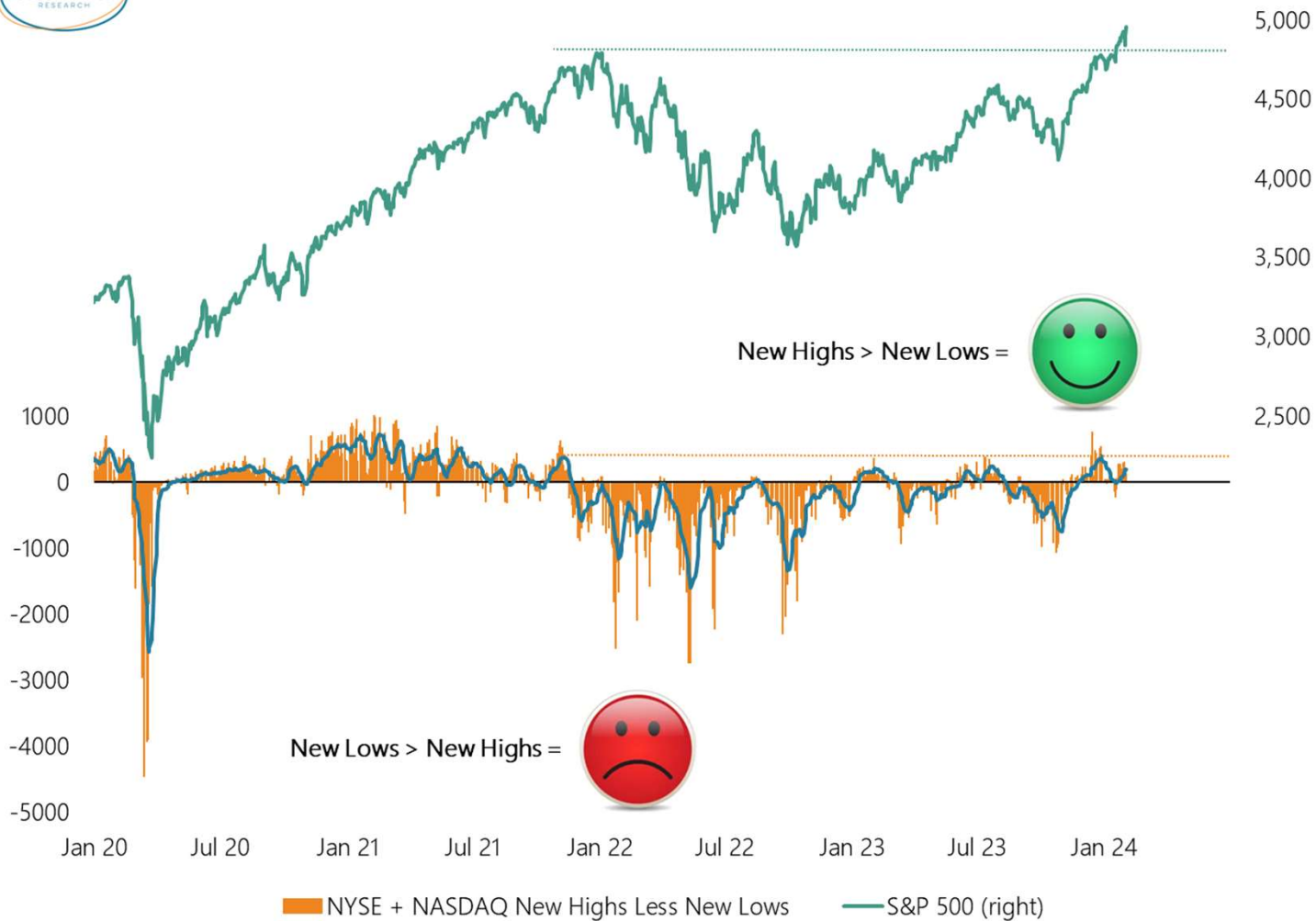
DAYS IN A ROW OF NEW HIGHS AND NEW LOWS



Extended periods of new lows > new highs have dissipated. Extended periods of new highs > new lows (which have been a defining characteristic of previous bull markets) have struggled to emerge.



NET NEW HIGHS AND S&P 500



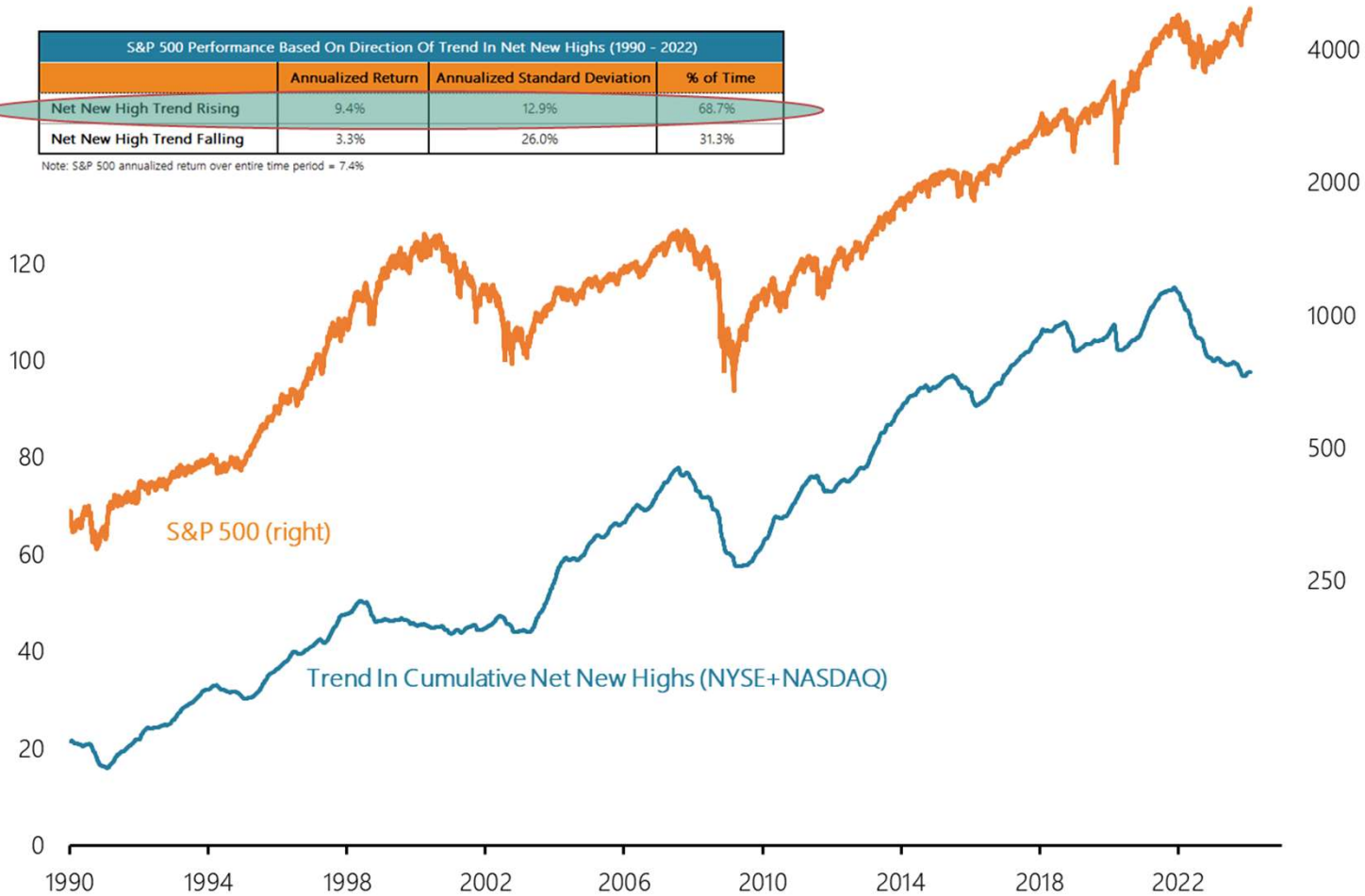
The number of new highs versus the number of new lows has also been less than robust.



DON'T FIGHT THE TAPE

S&P 500 Performance Based On Direction Of Trend In Net New Highs (1990 - 2022)			
	Annualized Return	Annualized Standard Deviation	% of Time
Net New High Trend Rising	9.4%	12.9%	68.7%
Net New High Trend Falling	3.3%	26.0%	31.3%

Note: S&P 500 annualized return over entire time period = 7.4%



Following the tape brings 3x the annualized return and ½ the realized volatility of fighting the tape. You are long two-thirds of the time and & the rest of the time you go fishing.

BULL MARKET BEHAVIOR CHECKLIST

	Bull Market Criteria	Current Reading	Bull Market Behavior?
Weekly New High - New Lows (As % of NYSE + NASDAQ Issues Traded)	Greater Than 0	Greater Than 0 (2 Consecutive Week)	Yes
Net New High A/D Line NYSE + NASDAQ	Rising	Rising (10 Days in a Row)	Yes
% of Global Markets Above Their 50-Day Average	Less Than 70%	Greater Than 70% (2 Days in a Row)	No
ACWI Long-Term Trend	Rising	Rising (41 Consecutive Weeks)	Yes
S&P 500 200-Day Average (Level vs 10-Days Ago)	Rising	Rising (165 Days in a Row)	Yes
Value Line Geometric Index Long-Term Trend	Rising	Rising (12 Consecutive Weeks)	Yes

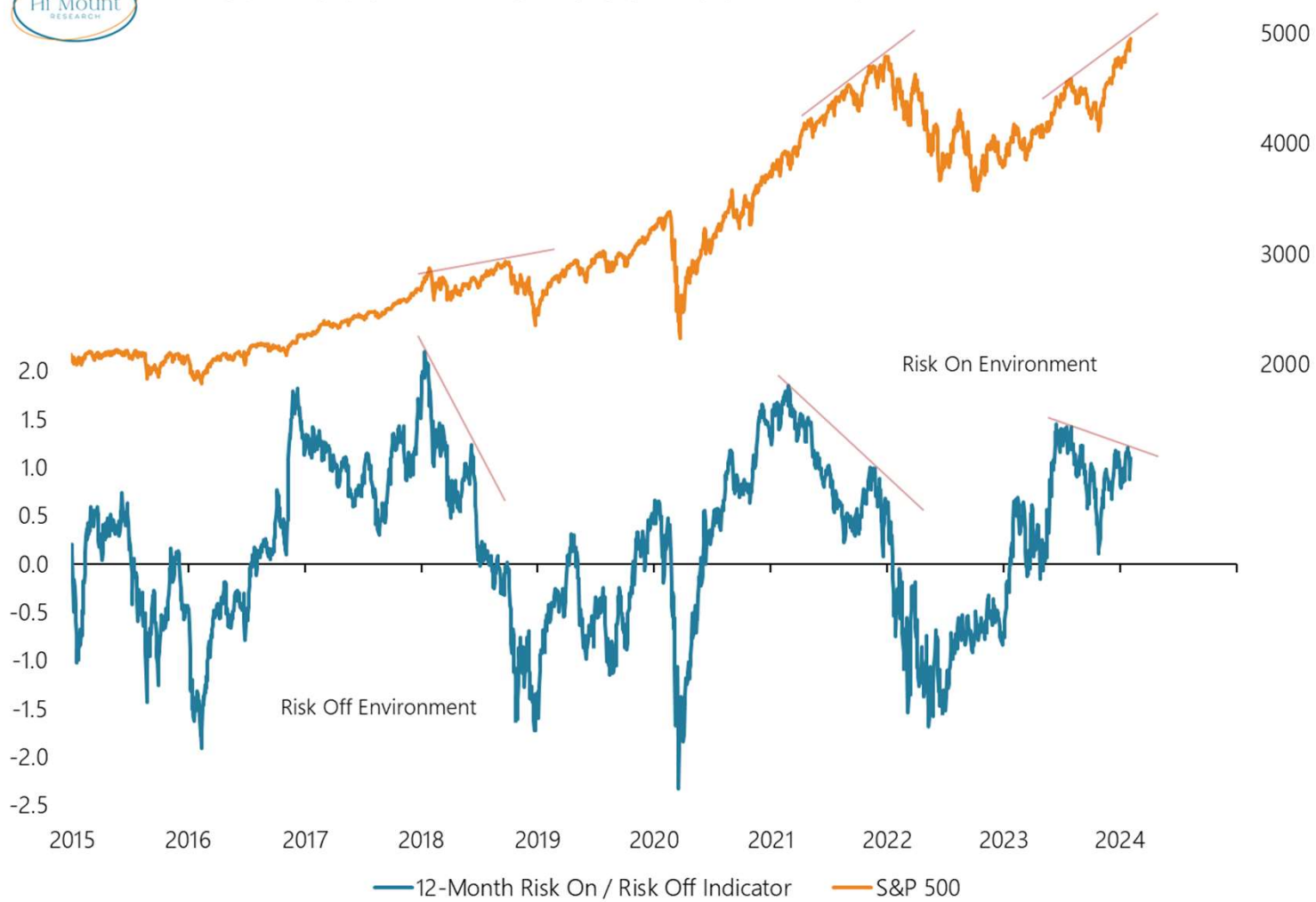
(data as of 2/2/2024)

Total:

5/6



S&P 500 AND CROSS-ASSET RISK APPETITE



Our Cross-Asset Risk Appetite Indicator is still firmly ensconced in Risk On Territory. BUT. . . It has made a lower high while the S&P 500 has made a higher high. If divergences matter, this would be one to make bulls feel a bit uncomfortable.



COMMODITIES (CRB INDEX)

