PVG Asset Management
LOSS AVERSE INVESTING

Market in a Minute
June 25, 2019

Index Performance: As of June 21, 2019			
Index	**Price**	**Last Week**	**YTD**
Dow Jones 30	26,719.13	2.4%	14.5%
S&P 500	2,950.46	2.2%	17.7%
NASDAQ	8,031.71	3.0%	21.0%
Russell 2000	7,773.44	1.8%	15.6%
Russell 2000 Growth	7,190.20	2.5%	19.3%
Russell 2000 Value	11,288.05	1.1%	11.8%
Russell 1000 Growth	1,569.60	2.6%	22.3%
Russell 1000 Value	1,649.15	1.8%	15.9%
Shanghai SE Index	3,144.23	4.2%	20.4%
SPDR Gold Shares	131.98	4.3%	8.8%
GS Crude Oil Total Return	6.41	12.3%	33.8%
Powershares US $ Index	25.95	-1.4%	2.0%
Ishares EAFE Index	65.37	0.3%	11.2%
iShares Barclays 20+ Yr Treasury Bond	131.43	0.0%	8.2%
Utilities Select Sector ETF	60.99	0.3%	15.2%
Vanguard REIT ETF	90.38	0.8%	21.2%
iShares Mortgage Real Estate	41.66	-2.3%	4.3%
Wells Fargo BDC	19.98	0.3%	12.9%
Alerian MLP ETF	9.75	0.2%	11.7%
iShares Global Telecom	57.52	1.3%	14.6%

A Word on the Market by Pat Adams, CFA

The stage is set for the Federal Reserve to cut rates in July, we would assume something like almost guaranteed that the Fed will cut given what the bond market is saying. The bond market seems to be discounting .75% cut this year, as the 2-year U.S. Treasury is 1.74% and the Fed Funds rate is 2.5%. The 2-year U.S. Treasury was just slightly below a 3% yield in November. This is a massive shift in sentiment.

We are thinking the Fed could cut by as much as .50% when they announce their decision on July 31st. The problem for the stock market, we will get 2nd quarter earnings reports before the Fed meets, and if there are concerns the Fed will not deliver on their rate cut, poor earnings are going to be greeted very negatively. We believe earnings are not going to look very good. On Tuesday Powell speaks in NYC about the economy and will have the opportunity to give the market some confidence.

The big event starts this Friday with the very much awaited G20 meeting and what may happen with the U.S. and China. For now, the market wants progress on China. A rate cut, but no China deal we would expect the market to roll over.

ETFMG Alternative Harvest ETF	31.98	2.6%	28.2%
BitCoin Investment Trust	13.55	25.5%	242.2%

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

S&P Sector Performance: As of June 21, 2019

Index	Price	Last Week	YTD
Information Technology	1,375.25	3.3%	26.3%
Consumer Disc.	948.84	1.4%	21.4%
Consumer Staples	603.48	0.1%	15.7%
Health Care	1,085.15	3.1%	8.4%
Financials	452.28	0.4%	14.2%
Industrials	649.74	2.7%	19.9%
Energy	470.57	5.2%	10.9%
Communications Services	165.57	2.7%	19.2%
Utilities	309.59	1.2%	15.3%
Materials	361.81	0.2%	14.3%
Real Estate	234.31	0.9%	21.8%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

Fed Fund	2.25-2.50	5-Year	1.75
3-Month	2.13	10-Year	2.02
6-Month	2.10	30-Year	2.55
2-Year	1.72		

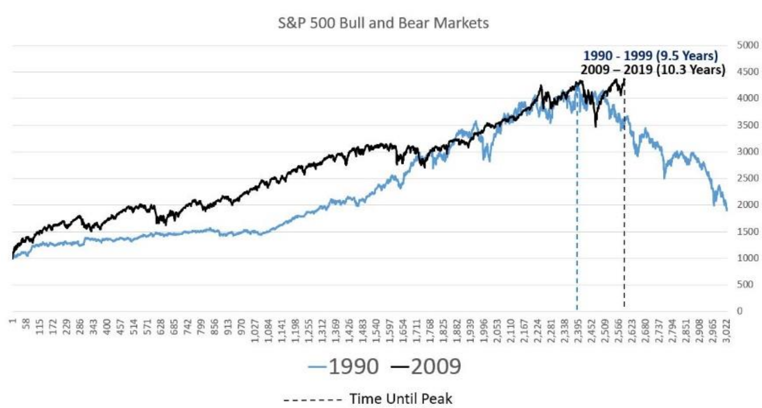
Source: Bloomberg.com

Economic Events This Week

25-Jun	CB Consumer Confidence	132.0	134.1
25-Jun	Richmond Manufacturing Index	7	5
25-Jun	New Home Sales	686K	673K
26-Jun	Core Durable	0.1%	0.0%

They rejiggered the S&P 500 components which resulted in technology being a much lower weighting. If we add back the names they took out of technology and put into communications, and also add AMZN it totals over 30%. On a historical basis this is not good for the market, very similar to year 2000. The smallest sector of the S&P 500 is materials, which is perfect for a big bounce. If both China and the Fed turn out to be positive, this sector could have a huge bounce. Many of these stocks look like they have been through a recession. We would point to a couple of high-quality companies: DOW with a 10x P/E and 5.8% dividend yield and International Paper (IP)with an 8.5 P/E and a 4.6% yield.

In the short-term the markets are at the very top end of a trading range in a side-ways pattern. Additionally, the market is over-bought. The coming several weeks as earnings are reported, and the Fed meets at the end of July will likely dictate if the markets will rise or run out of gas. We have included a chart of the previously longest bull market of the 1990s with this current bull market. Our opinion, the market cannot withstand bad news from the Fed. We would focus on Value, quality higher dividend paying stocks, and tactical portfolios that can protect portfolios.



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	Goods Orders m/m		
26-Jun	Durable Goods Orders m/m	0.0%	-2.1%
27-Jun	Goods Trade Balance	-71.8B	-72.1B
27-Jun	Final GDP q/q	3.1%	3.1%
28-Jun	Unemployment Claims	220K	216K
28-Jun	Core PCE Price Index m/m	0.2%	0.2%
28-Jun	Personal Spending m/m	0.5%	0.3%
28-Jun	Chicago PMI	54.0	54.2
28-Jun	Revised UoM Consumer Sentiment	97.4	97.9

Source: Briefing.com

Economic Events Last Week

Date	Event
18-Jun	Housing permits rose to 1.3M, better than April's rate and compared to a forecast of 1.3M
18-Jun	Housing starts were 0.9% lower than in April and 4.7% below the pace set a year ago
19-Jun	Fed holds interest rates steady between 2.25% and 2.5%
20-Jun	U.S. jobless claims fell by 6K to 216K in the week ending June 15th
20-Jun	Index falls to 0.3 in June from a four month high of 16.6 in May
21-Jun	Flash manufacturing PMI dropped to 50.1 in June from 50.5 in May, the worst reading since September 2009.
21-Jun	Existing-home sales were 2.5% higher than in April, but 1.1% lower than the selling pace a year ago

Source: Briefing.com

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