

## OptionProfessor Market Update September 5th, 2021

Hello Everyone!

As we have Labor Day upon us; we turn our focus to 2 important areas. Number one is that we will be closing out Q3 and earnings will follow soon after in October a historically wild month. Number 2 is positioning as we head into the end of the year. So far this year; operating leverage has been a tailwind to earnings as we see earnings growth dwarf revenue growth in many cases. Many believe Q3 GDP will be 6%+ so they say Q3 earnings will continue to blow out to the upside. Should the Delta variant or inflation accelerate; forecasts will be adjusted. Interest rates on the 10yr Treasury hit 1.75% in Q1 and it has been our position that that is the high for rates until proven otherwise so rallies in yields toward that level have been buying opportunities. We are watching the energy markets; China Na Gold closely for potential turns going into Q4. Our view has been that we don't fight the tape nor the Fed but each of the last few months have seen sharp albeit brief corrections...September may follow suit or be the blow off going into historically rocky October...keep hedges handy.

Here's a review of the Portfolio Roadmap. All investing involves risk and it is not right for everyone. Consult your brokerage firm/broker/advisor to determine your own suitability. Information/opinions are for informational purposes It is NOT advice

### Income

Interest rates have been range bound since March so we stay the course with core VFSUX & VWLUX with added PFF  
VWEAX VWOB FFRHX added to increase yield with additional risk. Let's see what Sept data brings to change things.

### Growth

The barbell approach we have believed in has served us well so VUG VGT SMH for tech  
MGV VYM VYMI for value and dividends and sectors such as XLI XLF XLC XLY XLV can prove useful during various cycles.

### International

We feel there could be value before the China Olympics in Feb 2022 so we nibble at these lows and would add if we see a turn in sustainable prices as the valuations are compelling. Europe V GK EWU EWG and Asia Pacific VPL and Mexico EWW India INDX are also on the radar.

### Speculation

Crypto seemed to bottom in July has been our call and so far good GBTC ETHE. The Gold & Silver need to maintain above the 1 yr MA and we monitor that closely. Energy is a big one as

GS analysts say 80 Crude in Q4 potentially so if XLE XOP OIH can take out this weeks high we may be off to the races...we monitor closely

Remember All investing involves risk of loss and it is not right for everyone. Consult your brokerage firm/advisor/broker to determine your own suitability. Information and opinions are for informational purposes only. It is NOT advice.