Monthly Market Update

April 9, 2024

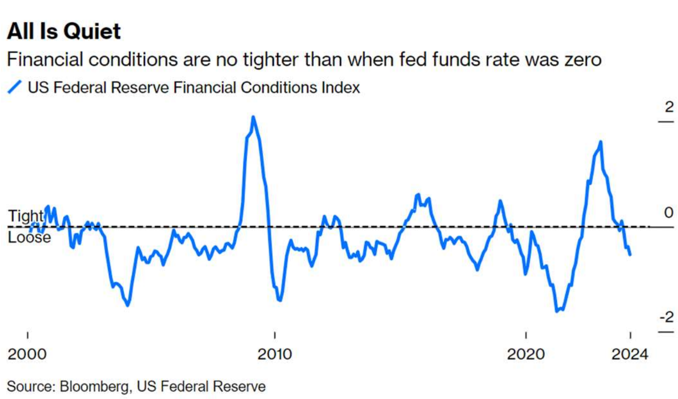
TACTICAL STRATEGIES

PREMIER WEALTH TACTICAL & PREMIER WEALTH TACTICAL CORE

Markets continue to hum along, turning into an exceptional first quarter as the S&P 500 posted consistent new highs along the way.

The narrative hasn't changed. Investors are hopeful that a soft landing can be pulled off, one where inflation returns to its goal without the economy having a recession. Meanwhile, the debate over if and when we might see interest rate cuts remains. Still, stocks have been positive, likely believing that a cut may be coming in the back half of the year. The big question on rate cuts is will the Fed see the data required to warrant such a move.

Despite raising the Fed Funds rate 11 times in 1.5 years and bringing short term rates to 5.25-5.5%, financial conditions by some measures can be considered loose given the Fed hinting that rates may be lowered.



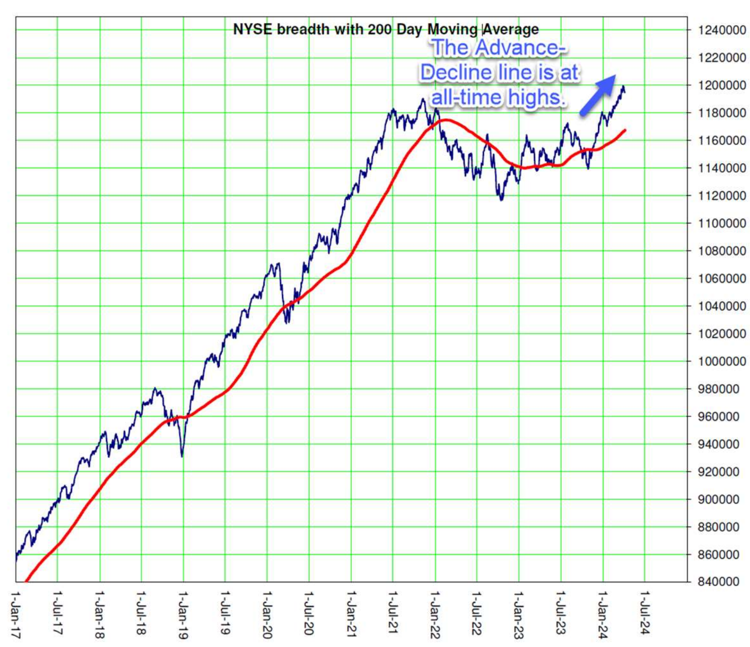
Fundamentally the good news is that projections for GDP and corporate earnings are ramping up. Considering the drastic rise in interest rates, it has been a surprise that many economic releases have been so resilient, handily beating most of the estimates. Additionally, the jobs market remains robust and has been the highlight of this cycle.

On the technical side, the fact that we keep seeing new highs in the major indices is a big positive. Nothing speaks louder and more positively than making new all-time highs.

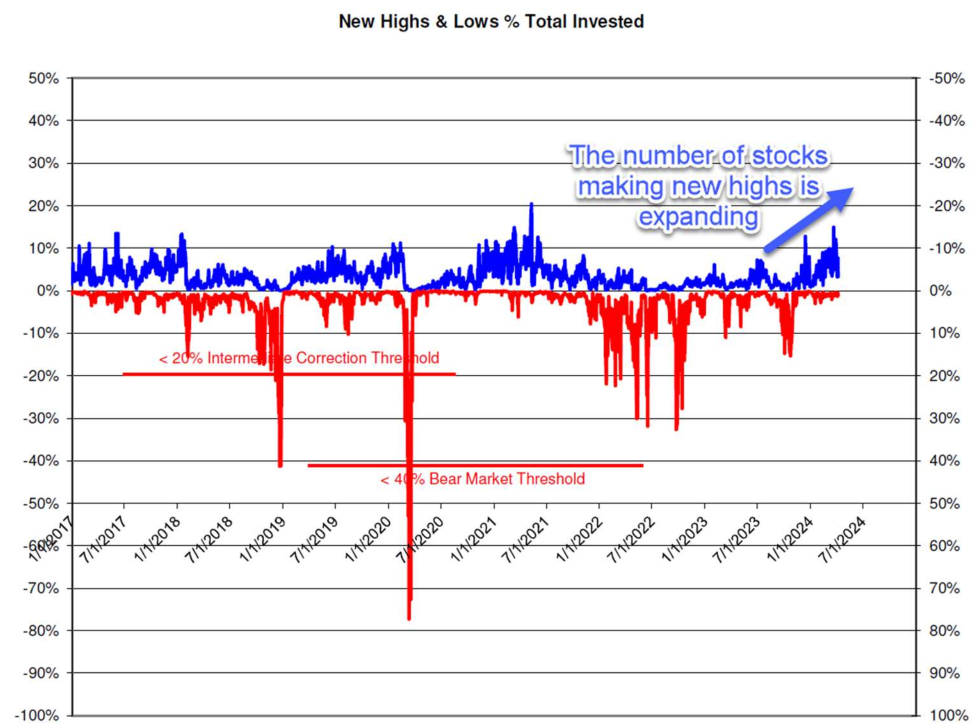
We have mentioned that the current run – under normal circumstances – appears stretched and extended, and possibly due for a pullback or consolidation period. However, we have yet to see one. That likely speaks to the positive inertia behind the bull market.

It is a big positive to see that despite the overbought conditions, the market is still managing to produce positive underlying indicators.

For example, the Advance/Decline line on the NYSE has also recently begun making all-time highs and the number of stocks making new highs has also been expanding.



Current up to 4/7/2024



Current up to 4/7/2024

When breadth (Advance/Decline line) confirms the market, there is typically little to be concerned about. It is when we have a divergence that a red flag is raised.

For now, both the fundamentals and technicals remain positive. Like the Fed, we remain data-dependent. Until we see data to the contrary, we will remain bullish.

TACTICAL OPPORTUNITY

Despite some weakness in Apple, AMD, and the biotech area, the majority of the holdings were positive over the past month. Cava group was strong, as were Generac and Google. There have been little forced sells as the strategy is on the lookout for which direction leadership will shift to next. Like the other strategies, little change is anticipated unless the market direction shifts.

FULLY INVESTED STRATEGIES

ETF SECTOR ROTATION

It was a broadening of sorts for the sectors as a strong rally from Energy (up around 13% since March 1) and Materials led the way. Consumer Discretionary, behind a bad month from Tesla, was the biggest laggard, but was down just 2% to a market that was up 2%, so not terrible. Energy's strength led us to step in with an equal weight, and we remain overweight Tech and Communications, and slightly Industrials. Industrials also had a nice plus 4% month.

In the broad markets, Value was better than Growth across the board, with the most strength being found in the Mid Caps. Having the market broaden out is a positive for all.

Internationals were also positive, up slightly better than the S&P, though our model keeps a preference for U.S. stocks at present.

EQUITY GROWTH OPPORTUNITY

March was a relatively quiet month in the portfolio. The last month saw risk appetite in the high flyers subside while leadership expansion broadened out. We saw some sideways consolidation in March which is positive after the hot start to the year. We continue to view the market as bullish until proven otherwise and will look to take advantage.

EQUITY GROWTH AND VALUE

In addition to good moves from the Energy plays held in the strategy (like Exxon Mobil and Valero Energy), good months from Google, Caterpillar, and big strength from General Electric more than offset sluggish months from some Tech names like Apple, Advanced Micro and Adobe. Strong months from Meta and Netflix also contributed as well as another strong bounce from Nvidia. We like our mix in the strategy right now.

EQUITY DIVIDEND INCOME

With Value in play, dividend stocks had a strong month. There were big leaps from Energy plays such as Exxon, Marathon Petroleum, and Valero that helped boost the group. No significant moves are expected.

RISK BLENDED STRATEGIES

Our Risk Blended Strategies are a combination of both Premier Wealth Tactical Core and ETF Sector Rotation. Please see the above commentary for more information on each strategy.

- **Churchill Moderate:** 70% Premier Wealth Tactical Core / 30% ETF Sector Rotation
- **Churchill Moderately Aggressive**: 50% Premier Wealth Tactical Core / 50% ETF Sector Rotation
- **Churchill Aggressive:** 30% Premier Wealth Tactical Core / 70% ETF Sector Rotation

For a full description of each strategy, please click here.

Best regards,

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