



Brandschenkestrasse 174 Tel.: (1) 413 200 8895
 Zurich CH-8002 info@21CA.eu
 Switzerland www.21CA.eu

'Technically-based Asset Management Programs with a Fundamental Overlay.'®

21st Century Advisors Ltd. is the international sub-Advisor to Capital Markets IQ, LLC, a SEC registered investment advisor in the USA.
 21st Century Advisors Ltd. is a regulated affiliate of Devonshire Warwick LLP, a registered financial services firm in the UK.

30 December 2022

A no-good, very bad, year.

One commentator recently claimed, only 3 times in the last century were both the Stock Market and the Bond indices down simultaneously and almost equally bad. However, two of the three times happened within the last 15 years, which could indicate that this rare Black Swan phenomenon may no longer be an isolated event.

Not only was the downturn bad in the developed countries, it was generally worse in the rest of the World. In short, there was no place to hide. Here is a summary from a local investment house.



Your Weekly Newsletter !

Alma Management
 Conseil & Gestion

<http://alma-management.net/>

Week 52

MARKET TREND											
INDEX	26/12	YTD	COMMO	26/12	YTD	CURRENCIES	26/12	YTD	BONDS	26/12	YTD (Yield)
S&P500	3 845	-19.33%	GOLD	1 798.20	-1.69%	EUR-USD	1.06	-6.55%	US 10 Y	3.75%	148.14%
NASDAQ	10 498	-32.90%	SILVER	23.73	1.82%	GBP-USD	1.21	-10.77%	UK 10 Y	3.64%	274.56%
DOW JONES	33 204	-8.63%	WTI	79.56	5.78%	USD-CAD	1.36	7.58%	CAN 10 Y	3.17%	122.23%
EURO STOXX	3 817	-11.20%	NAT. GAS	5.08	36.17%	CHF-USD	1.07	-2.17%	SW 10Y	1.53%	1233.33%
HANG SENG	19 593	-16.26%	CORN	666.25	12.31%	USD-CNY	6.96	9.51%	HK 10 Y	3.42%	126.38%
TA-125	1 775	-13.69%	SUGAR	20.98	11.12%	USD-ILS	3.50	12.74%	ISR 10 Y	3.45%	234.95%

GENERAL	26/12	YTD	
VIX	20.87	21.20%	Volatility Index based on S&P 500 index options
MONEY M1	20 100	-1.62%	US Federal Reserve Money Supply M1
PUBL. DEBT	31 327	5.77%	US Treasury Public Debt (Billions USD)
INFLATION	7.10%	1.40%	US Inflation rate %
HOME SALES	640.00	-23.72%	US Home Sales

USA	26/12	YTD	
REIT	2 231	-24.74%	Real Estate Investment Trust (Based on Dow Jones)
US ISM M.	46.20	-19.90%	Markit US Manufacturing PMI SA
US ISM S.	44.40	-22.90%	Markit US Services PMI SA
GDP	5.95%	314.80%	US GDP Growth Annual %
UNEMPLOY.	3.57%	-15.60%	US Unemployment rate %

EUROZONE	26/12	YTD	
REIT	1 141	-31.05%	Real Estate Investment Trust (Based on Euronext)
EZ ISM M.	47.80	-17.60%	Markit Eurozone Manufacturing PMI SA
EZ ISM S.	49.10	-7.50%	Markit Eurozone Services PMI SA
GDP	5.33%	186.81%	Eurozone GDP Growth Annual %
UNEMPLOY.	6.63%	-7.01%	Eurozone Unemployment rate %

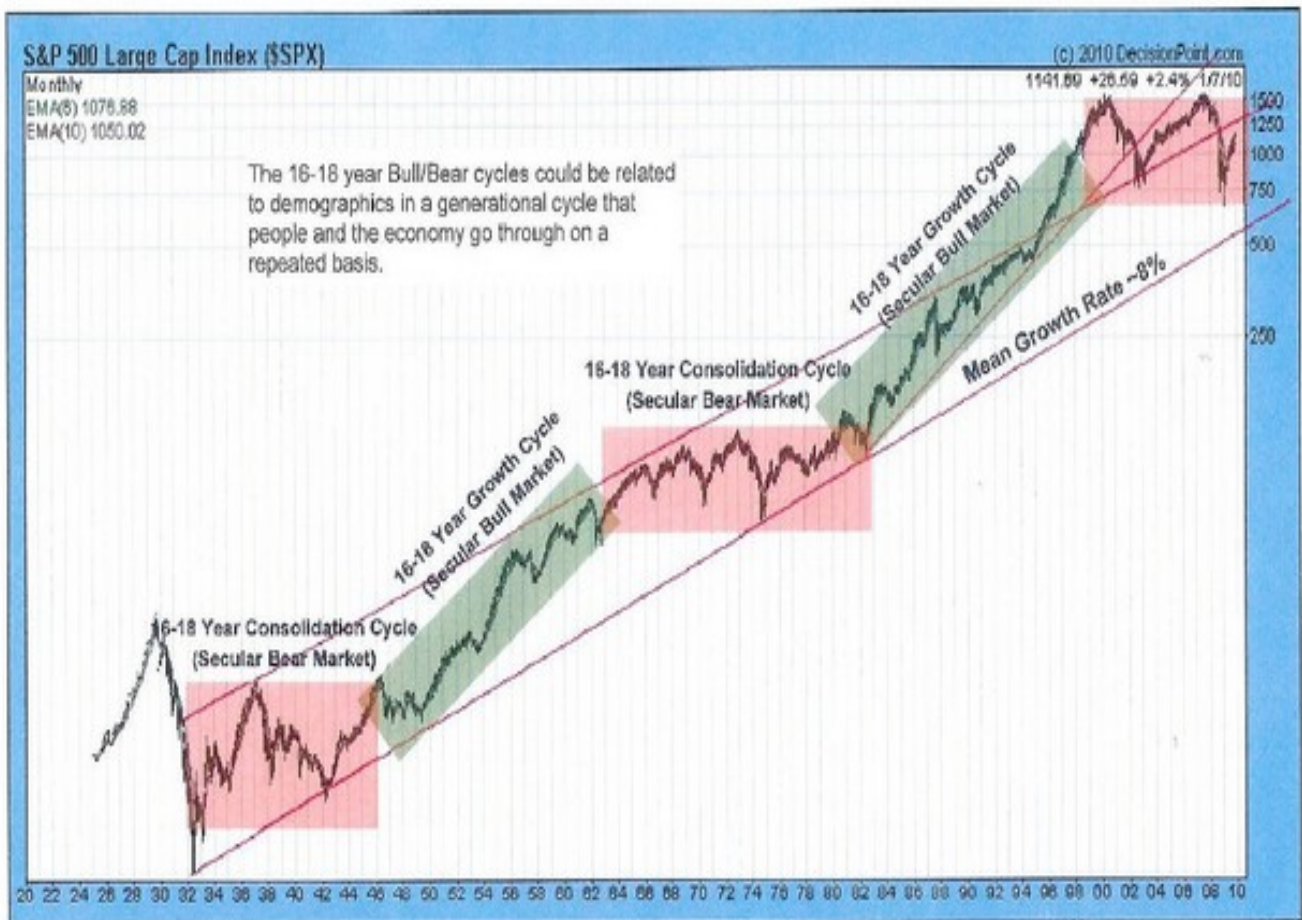
The big question on everybody's mind is, **what to expect in the new year and beyond?**

The prognostications are mixed.

Most market letters we have seen expect a big pick-up in the coming year, after a particularly bad year, which is logical. The accompanying compilation of recent articles gives summaries of some of the negative opinions.

Based on recent history (as far back as most of us can remember as adults!) the expectation is that markets are overdue to take off again, just like we have seen in the past.

Here are some sobering graphs, easily found on the internet, that may be indicating another story.



<https://www.stockideas.org/long-term-charts-us-stock-market-sp-and-dow/>

Although this graph ended 12 years ago, we can see a pattern that almost all stock market pundits fail to know or share. There can be extended periods where the markets do very little positive, if looking at the major indices.

This does not mean that **sector investing** will not achieve good results. Not everything works in tandem, as can be seen by the following sector report. This is why 21CA does regular buying and selling, trying to steer to where there is positive action in over 100 unique investment areas that include foreign Markets, commodities, sub sectors, etc.

S&P 500 Sector Performance

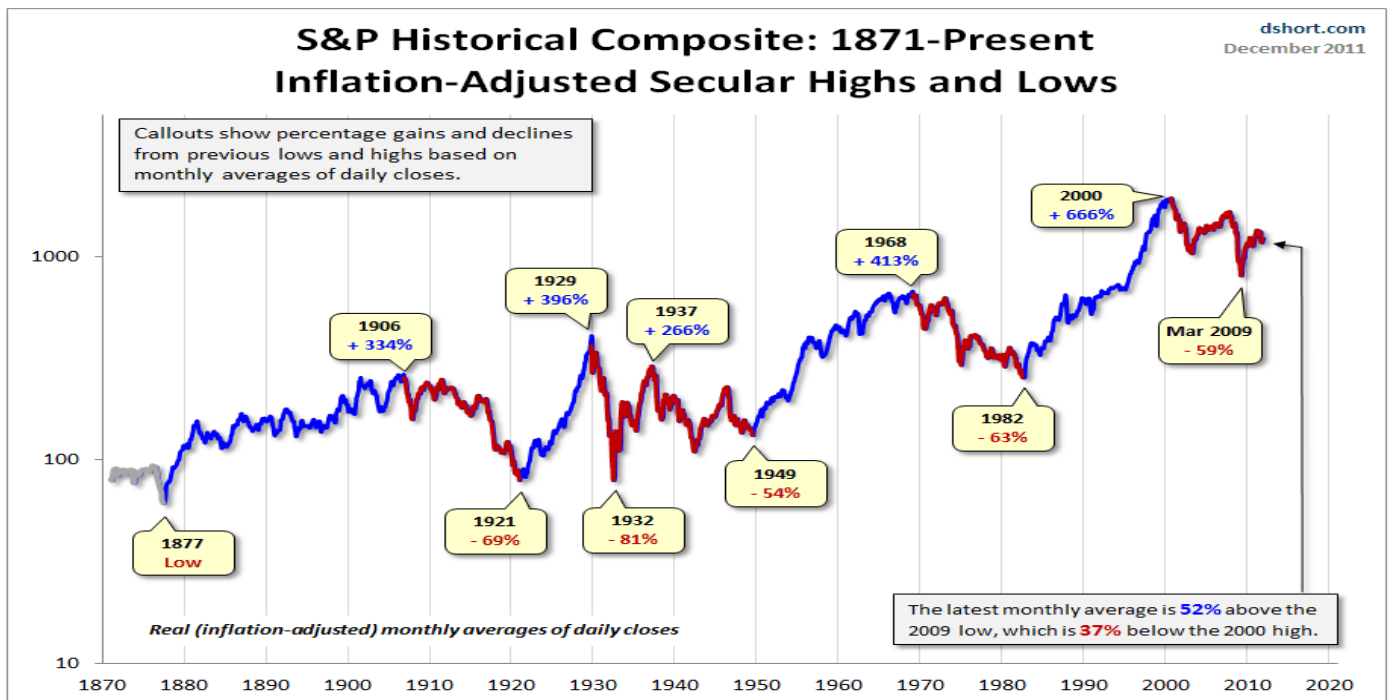
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
ENRS 34.4%	CONS -15.4%	INFT 61.7%	REAL 32.3%	UTIL 19.9%	FINL 28.8%	COND 43.1%	REAL 30.2%	COND 10.1%	ENRS 27.4%	INFT 38.8%	HLTH 6.5%	INFT 50.3%	INFT 43.9%	ENRS 54.6%	ENRS 31.8%
MATR 22.5%	HLTH -22.8%	MATR 48.6%	COND 27.7%	CONS 14.0%	COND 23.9%	HLTH 41.5%	UTIL 29.0%	HLTH 6.9%	TELS 23.5%	MATR 23.8%	UTIL 4.1%	TELS 32.7%	COND 33.3%	REAL 46.2%	UTIL -0.6%
UTIL 19.4%	UTIL -29.0%	COND 41.3%	INDU 26.7%	HLTH 12.7%	REAL 19.7%	INDU 40.7%	HLTH 25.3%	CONS 6.6%	FINL 22.8%	COND 23.0%	COND 0.8%	FINL 32.1%	TELS 23.6%	FINL 35.0%	CONS -5.6%
INFT 16.3%	TELS -30.5%	REAL 27.1%	MATR 22.2%	REAL 11.4%	TELS 18.3%	FINL 35.6%	INFT 20.1%	INFT 5.9%	INDU 18.9%	FINL 22.2%	INFT -0.3%	S&P 31.5%	MATR 20.7%	INFT 34.5%	HLTH -8.3%
CONS 14.2%	COND -33.5%	S&P 26.5%	ENRS 20.5%	TELS 6.3%	HLTH 17.9%	S&P 32.4%	CONS 16.0%	REAL 4.7%	MATR 16.7%	HLTH 22.1%	REAL -2.2%	INDU 29.4%	S&P 18.4%	S&P 28.7%	INDU -16.8%
INDU 12.0%	ENRS -34.9%	INDU 20.9%	TELS 19.0%	COND 6.1%	S&P 16.0%	INFT 28.4%	FINL 15.2%	TELS 3.4%	UTIL 16.3%	S&P 21.8%	S&P -4.4%	REAL 29.0%	HLTH 13.5%	MATR 27.3%	MATR -17.9%
TELS 11.9%	S&P -37.0%	HLTH 19.7%	S&P 15.1%	ENRS 4.7%	INDU 15.4%	CONS 26.1%	S&P 13.7%	S&P 1.4%	INFT 13.9%	INDU 21.0%	CONS -8.4%	COND 27.9%	INDU 11.1%	HLTH 26.1%	FINL -18.7%
HLTH 7.2%	INDU -39.9%	FINL 17.2%	CONS 14.1%	INFT 2.4%	MATR 15.0%	MATR 25.6%	INDU 9.8%	FINL -1.5%	S&P 12.0%	CONS 13.5%	TELS -12.5%	CONS 27.6%	CONS 10.8%	COND 24.4%	S&P -20.0%
S&P 5.5%	REAL -42.3%	CONS 14.9%	FINL 12.1%	S&P 2.1%	INFT 14.8%	ENRS 25.1%	COND 9.7%	INDU -2.5%	COND 6.0%	UTIL 12.1%	FINL -13.0%	UTIL 26.4%	UTIL 0.5%	TELS 21.6%	REAL -20.0%
COND -13.2%	INFT -43.1%	ENRS 13.8%	INFT 10.2%	INDU -0.6%	CONS 10.8%	UTIL 13.2%	MATR 6.9%	UTIL -4.8%	CONS 5.4%	REAL 10.9%	INDU -13.3%	MATR 24.6%	FINL -1.7%	INDU 21.1%	INFT -26.9%
REAL -17.9%	MATR -45.7%	UTIL 11.9%	UTIL 5.5%	MATR -9.6%	ENRS 4.6%	TELS 11.5%	TELS 3.0%	MATR -8.4%	REAL 3.4%	ENRS -1.0%	MATR -14.7%	HLTH 20.8%	REAL -2.2%	CONS 18.6%	TELS -30.2%
FINL -18.6%	FINL -55.3%	TELS 8.9%	HLTH 2.9%	FINL -17.1%	UTIL 1.3%	REAL 1.6%	ENRS -7.8%	ENRS -21.1%	HLTH -2.7%	TELS -1.3%	ENRS -18.1%	ENRS 11.8%	ENRS -33.7%	UTIL 17.7%	COND -32.8%

Abbr.	Sector Index	Annual	Best	Worst
COND	S&P 500 Consumer Discretionary Index	13.41%	43.1%	-33.5%
CONS	S&P 500 Consumer Staples Index	10.67%	27.6%	-15.4%
ENRS	S&P 500 Energy Index	2.35%	54.0%	-34.9%
FINL	S&P 500 Financials Index	3.99%	35.6%	-55.3%
HLTH	S&P 500 Health Care Index	12.18%	41.5%	-22.8%
INDU	S&P 500 Industrials Index	9.43%	40.7%	-39.9%
INFT	S&P 500 Information Technology Index	16.88%	61.7%	-43.1%
MATR	S&P 500 Materials Index	9.00%	48.6%	-45.7%
REAL	S&P 500 Real Estate Index	7.70%	46.2%	-42.3%
TELS	S&P 500 Communication Services Index	8.06%	32.7%	-30.5%
UTIL	S&P 500 Utilities Index	8.55%	29.0%	-29.0%
S&P	S&P 500 Index	10.66%	32.4%	-37.0%

Past performance does not guarantee future returns. The historical performance is meant to show changes in market trends across the different S&P 500 sectors over the past ten years. Returns represent total annual returns (reinvestment of all distributions) and does not include fees and expenses. The investments you choose should reflect your financial goals and risk tolerance. For assistance, talk to a financial professional. All data are as of 6/30/22.

<https://novelinvestor.com/sector-performance/>

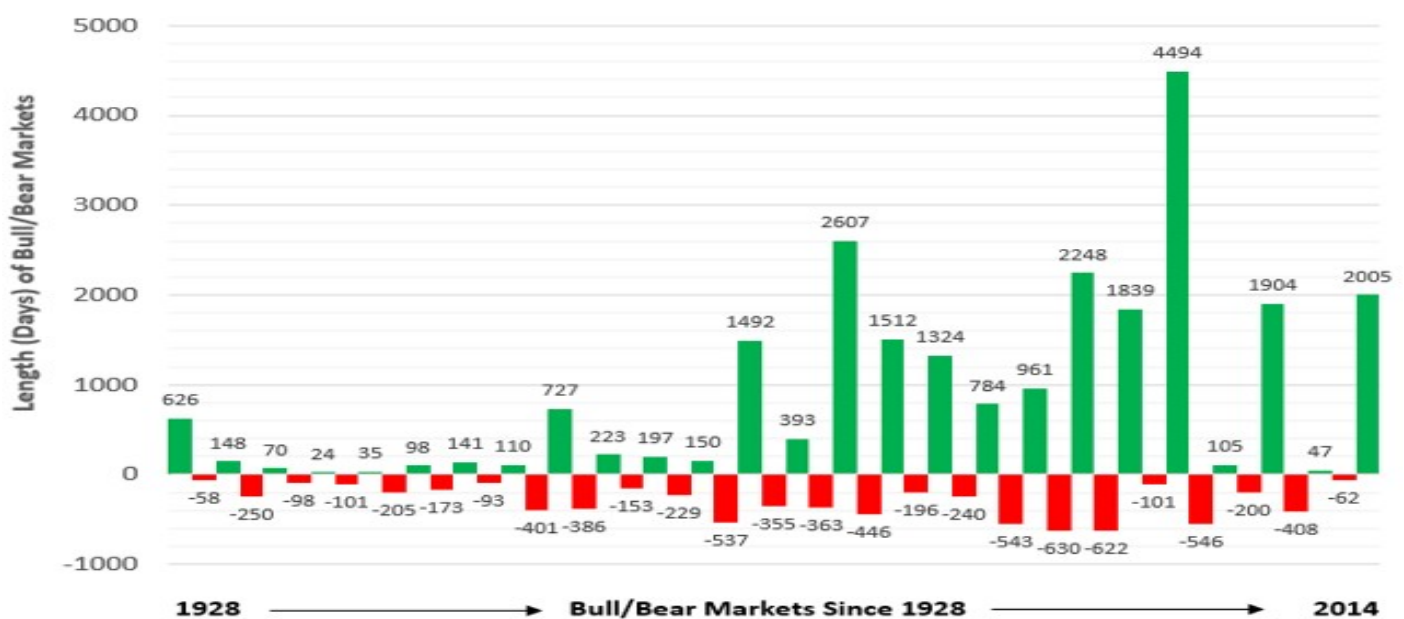
In case you are discouraged, the following is why we invest. Overall, with patience and a proven plan, it pays off nicely. Sometimes the majority is in cash, like now. When markets are doing well accounts are nearly fully invested.



<http://www.businessinsider.com/henry-blodget-140-years-of-bull-and-bear-markets-2009-4>

Another way of looking at it.

Length (Days) of Bulls and Bear Markets for the S&P 500 Since 1928



<https://endowmentwm.com/length-days-of-bulls-and-bear-markets-for-the-sp-500-since-1928/>

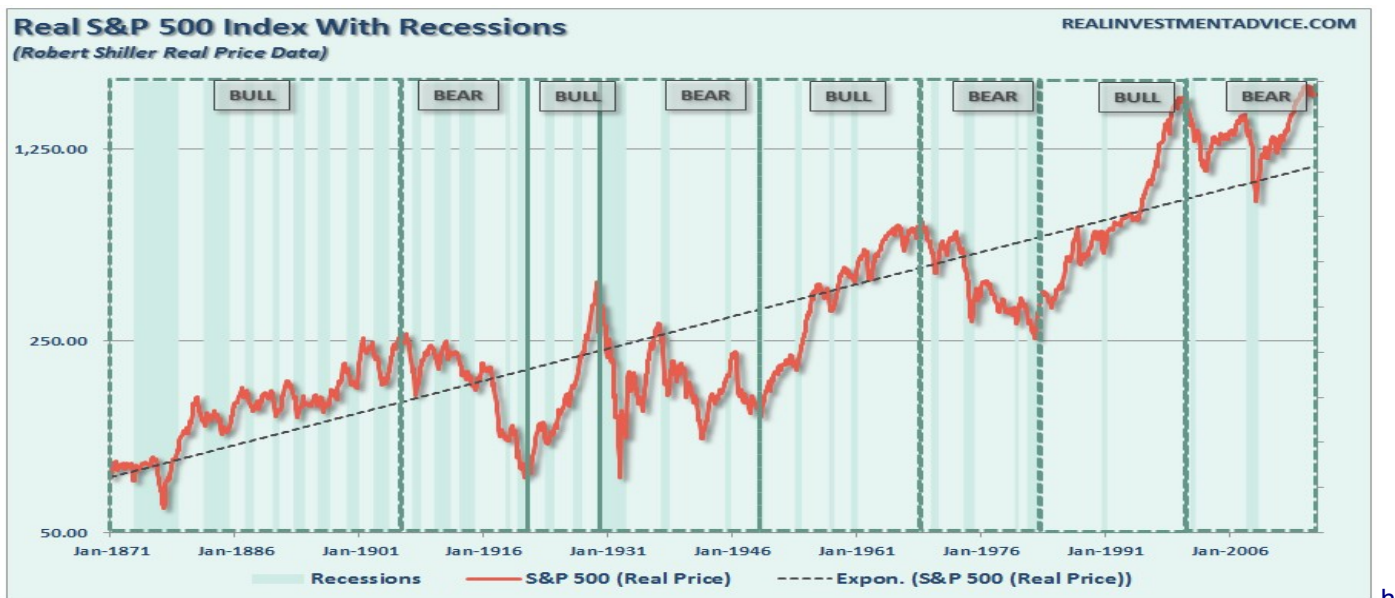
Bull & Bear Facts*

Average gain in bull market:	+155%
Average length of bull market:	50 months
Average loss in bear market:	-27%
Average length of bear market:	14 months

* Based on data since 1956. See page 2 for more details.

1955 - 2015, Mackenzie Investments

<https://studylib.net/doc/5313270/bull-and-bear-markets--sandp-500-chart>



<https://www.advisorperspectives.com/commentaries/2016/08/29/bulls-bears-the-broken-clock-syndrome?channel=Mutual%20Funds>

The above chart ended about 2015.

Please note that performance of investments does not correlate very closely with recessions. Thus all the talk of 2023 being a recession year will not necessarily affect investment results. Also, note that governments and central banks appear to be doing an ever better job in avoiding recessions; the interval between recessions is getting longer and the depth might be shallower.

Our guess: The fundamental factors were mentioned in previous Market Reports. Markets have possibly entered a longer than usual consolidation period, perhaps for several years. The markets when viewed from the perspective of the broad indices will appear dead or unstable.

However, there will be significant returns by concentrating on specific sectors and the bold will do well. In the last half year, some leading Hedge Funds have shown new life, after having severely under-performed since 2009. Unfortunately, these are not available to the average investor.

If a horizontal market is going to persist, our Technical Trading system should outperform; as it uses a trend following system to look for opportunities. Expect Buy and Hold portfolios, 60/40 splits between Shares and Bonds and other traditional systems to under-perform and perhaps continue to yield negative returns.

Regardless of what happens, our trend following system, for over a quarter century, has been providing reliable returns in most years by following whatever trend appears.

Do not hesitate. Allow us to do a free review of your current portfolios, and then compare it to the **21CA Technical Trading** approach.

<i>Av. Schijveschuurder</i>	<i>Jean Kaufmann</i>	<i>Reinhard Damberger</i>	<i>F. M. van Gelderen</i>	<i>Adam Jorgenson</i>
CEO, Switzerland ams@avracon.ch (41) 44 201 3765	Advisor, Israel jeankaufmann@wanadoo.fr (972) 546 381 803	Strategist, England Reinhard@Damberger.info (44) 776 334 2088	Advisor, Israel Mark@isrenet.com (972) 528 933 634	Portfolio Manager, USA adamj@veracityfinancialservices.com (1) 561 389 7176

Here is a review of the same big funds, our comparative peers, that were last visited 3 months ago.

The very biggest funds.

American Funds Growth Fund of Amer A AGTHX
Continued to lose, 1 year return: -31.21%

Vanguard Total Stock Mkt Idx Adm VTSAX
Has not changed, 1 year return: -20.27%

PIMCO Total Return A PTTAX
Has declined further, 1 year return: -14.62%

Among those that were considered the best funds of all time.

Fidelity® Growth Company FDGRX
Has declined further, 1 year return: -35.76%

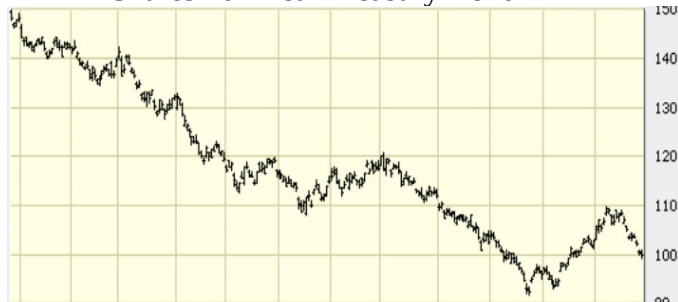
Fidelity® Select IT Services FBSOX
Has not changed, 1 year return: -30.11%

Vanguard PRIMECAP Inv VPMCX
Has improved, 1 year return: -16.00%

Delaware Smid Cap Growth A DFCIX
Has declined more, 1 year return: -46.30%

Here are 1 year graphs for the same Indices covered previously.

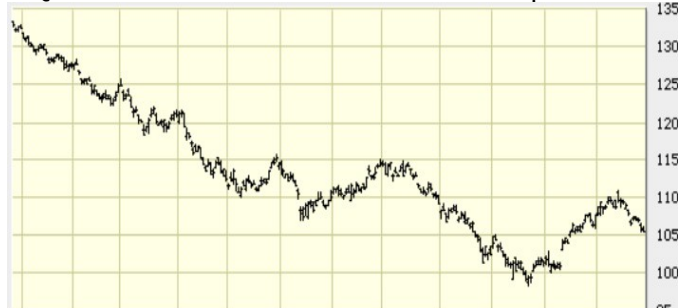
TLT iShares 20+ Year Treasury Bond ETF



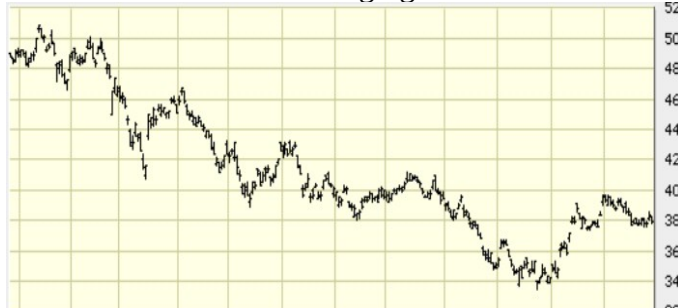
EFA iShares MSCI EAFE ETF



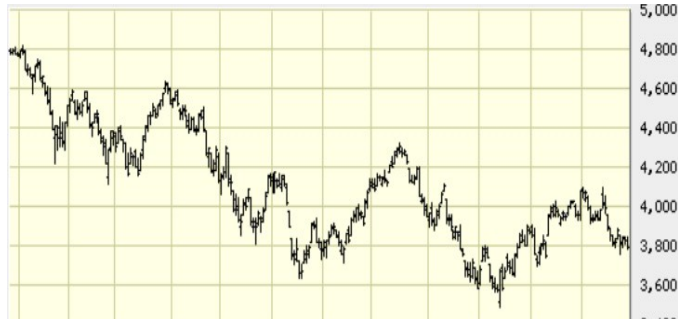
LQD iShares iBoxx \$ Investm't Grade Corp Bond ETF



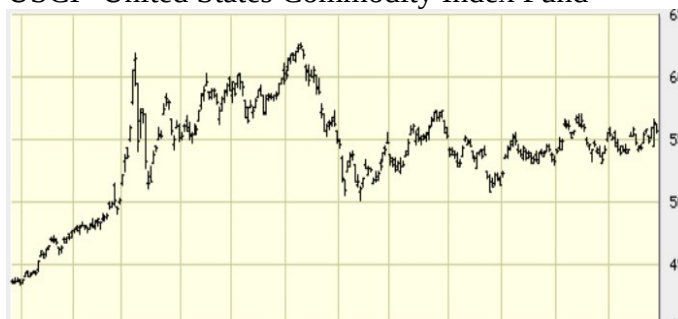
EEM iShares MSCI Emerging Markets ETF



SPX S&P 500 Index



USCI United States Commodity Index Fund



Sources: Bigcharts.com & Morningstar.com

Av. Schijveschuurder Jean Kauffmann Reinhard Damberger F. M. van Gelderen Adam Jorgenson

CEO, Switzerland
ams@avracon.ch
(41) 44 201 3765

Advisor, Israel
jean.kauffmann@wanadoo.fr
(972) 546 381 803

Strategist, England
Reinhard@Damberger.info
(44) 776 334 2088

Advisor, Israel
Mark@isrenet.com
(972) 528 933 634

Portfolio Manager, USA
adamj@veracityfinancialservices.com
(1) 561 389 7176