

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

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2 October 2023

A misleading but slightly positive market environment.

Three quarters of 2023 have passed. Two years ago the markets peaked and ever since that point in time most have been under water.

We asked the Google version of AI, Bard, to write this report, by asking it to respond to this statement: 'Describe the 2023 stock market scene'.

The stock market scene in 2023 has been one of volatility and uncertainty. The year began with the market at all-time highs, but it quickly plunged into a bear market in the first half of the year. The market has since recovered some of its losses, but it remains well below its peak.

There are a number of factors that have contributed to the volatility in the stock market in 2023. One of the biggest concerns is rising inflation. Inflation is at a 40-year high, and it is putting a strain on consumers and businesses. The Federal Reserve is raising interest rates in an effort to combat inflation, but this is also causing the stock market to sell off.

Another concern for investors is the ongoing war in Ukraine. The war has disrupted the global economy and led to higher energy and food prices. This has also contributed to rising inflation.

In addition to these factors, the stock market is also being affected by a number of other issues, including supply chain disruptions, rising labor costs, and a potential recession.

Despite the challenges, there are also some bright spots in the stock market in 2023. The US economy is still growing, and unemployment is at a 50-year low. Corporate profits are also expected to be strong this year.

Overall, the stock market scene in 2023 is one of volatility and uncertainty. Investors should carefully consider their investment objectives, risk tolerance, and time horizon before making any investment decisions.

Here are some tips for investors in 2023:

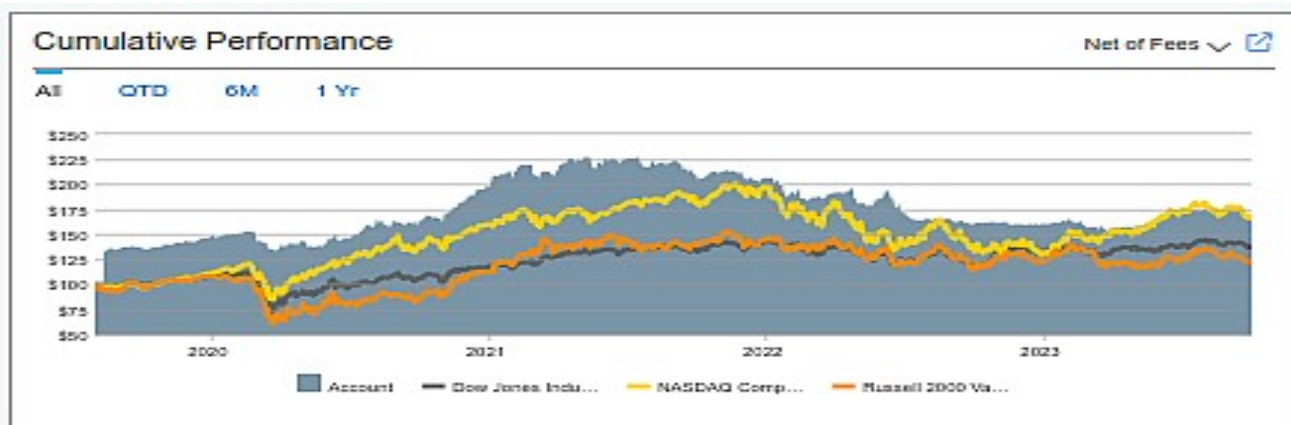
- Invest for the long term. Don't try to time the market.
- Diversify your portfolio. This means investing in a variety of different asset classes, such as stocks, bonds, and cash.
- Rebalance your portfolio regularly. This means selling some of your winners and buying more of your losers to maintain your target asset allocation.
- Don't panic sell. If the market takes a downturn, don't sell your stocks out of fear. Instead, use the opportunity to buy more stocks at a discount.
- Stay informed. Read financial news and talk to your financial advisor to stay up-to-date on the latest market developments.

These tips are totally in line with what 21CA tries to accomplish for its clients, via our 3 Technical Trading strategies.

In previous Reports we have covered the results of a specific client, and the most popular mutual funds on offer in the USA. Here is an update on our client's managed account, in the growth track.

Performance Summary Net of Fees <input type="checkbox"/> ↗				
	All	QTD	YTD	2 Yr
TOTAL	12.52%	(3.27%)	3.76%	(9.42%)
■ Dow Jones Industrial Averagr...	7.73%	(2.16%)	2.73%	1.98%
■ NASDAQ Composite TR USD	13.17%	(3.84%)	26.97%	(3.56%)
■ Russell 2000 Value TR USD	5.06%	(2.86%)	(0.53%)	(5.78%)

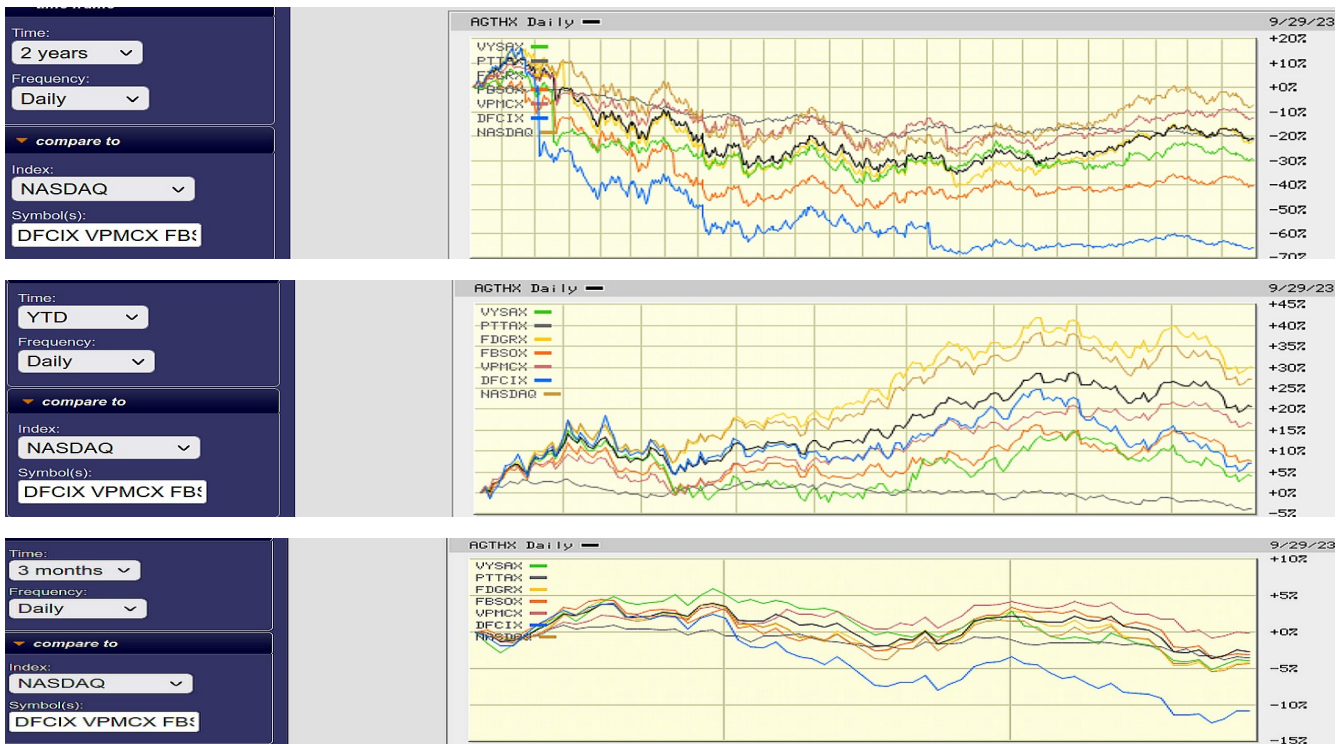
Periods == 1 Yr are annualized | Start Date: 05/01/2019



The Yellow line is the NASDAQ Composite Index, which is most of the time the World's top performing index. The Black line is the Dow Jones Industrial Average, which is considered the most stable indicator of the American market place. The Orange line represents the Russell 2000 Value index, which is the index of the most stable mid-sized American companies.

These charts are courtesy of Schwab, for the xxxx-xx96 account held there. On the date of this report's compilation, this small account held 25 positions, plus cash. At Schwab the client has daily liquidity, the same as a traditional bank account.

On the next page are graphs of the leading funds we have been following in previous reports.



America's leading funds: AGTHX - American Funds Growth Fund of America, VTSAX - Vanguard Total Stock Market Index, PTTAX - PIMCO Total Return A, FDGRX - Fidelity® Growth Company, FBSOX - Fidelity® Select IT Services, VPMCX - Vanguard PRIMECAP Invest, DFCIX - Delaware Smid Cap Growth A

These charts are courtesy of Marketwatch.com.

Finally, lets see what the quarter just completed has accomplished. Here is a quick summary report.

Macro Monday			October 2-6, 2023	
Key Markets	Fri., 4 p.m. ET	YTD	S&P500 Sector	3 Month
S&P 500	4,288	+11.68%	Communications	+0.80%
NASDAQ COMPOSITE	13,219	+26.30%	Discretionary	-4.95%
DJIA	33,508	+1.09%	Energy	+11.88%
Russell 2000	1,785	+1.35%	Financials	-1.25%
Int'l Developed	2,028	+4.34%	Health Care	-0.20%
VIX	17.61	12.7Lo/30.8Hi	Industrials	-4.54%
Oil	90.91	+12.92%	Materials	-3.31%
Gold	1,864	+1.90%	Real Estate	-9.84%
Bitcoin	26,934	+62.38%	Staples	-6.33%
U.S. 2-yr	5.05%	+63 bps	Technology	-4.25%
U.S. 10-yr	4.57%	+69 bps	Utilities	-9.88%

This chart shows there is little to be excited about in the current environment. This seems to fit the thesis mentioned in previous market reports. It could be several years before markets take off again. Those areas which are showing positive progress are all currently represented in client portfolios, plus near cash yielding 5%.

Summary: The 21st Century approach to Asset Management works well over time. Interested? Be in touch.

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