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## Market Minute

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# Important Last Week

## 'New' Bull?

- Some define a 'Bull' when up 20%
- Good returns over next 3, 6 & 12 months
- 10 of 13 times marked the cycle low
- 3 which did not, were in secular bears


## Improving Rally!

- Another strong week for the S&P
- Decisive breakout through resistance
- Internals continue to improve
- Small & mid-caps playing catch-up
- Can argue extended over short term

**A New Bull Market Should Have Bulls Smiling Very Soon**  
 New Bull Markets Start (20% Off Bear Lows) and What Happened Next for the S&P 500

Start Of Bear	End Of Bear	Bear Market Return	Up 20% From Bear Lows	Trading Days to New Bull Market	Real Bear Lows?	S&P 500 Returns					
						1 Month	3 Months	6 Months	12 Months		
8/2/1956	10/22/1957	(21.6%)	7/25/1958	191	Yes	1.6%	8.5%	18.8%	27.8%		
12/12/1961	6/26/1962	(28.0%)	12/5/1962	112	Yes	2.0%	3.8%	12.2%	17.7%		
2/9/1966	10/7/1966	(22.2%)	2/14/1967	88	Yes	2.2%	5.6%	7.5%	2.4%		
11/29/1968	5/26/1970	(36.1%)	9/28/1970	87	Yes	-0.9%	8.6%	19.2%	16.3%		
1/11/1973	10/3/1974	(48.2%)	11/5/1974	23	Yes	-12.0%	5.1%	18.6%	17.8%		
11/28/1980	8/12/1982	(27.1%)	9/14/1982	22	Yes	11.1%	13.7%	22.5%	34.4%		
8/25/1987	12/4/1987	(33.5%)	3/8/1988	64	Yes	-1.2%	-1.6%	-1.4%	9.1%		
3/24/2000	9/21/2001	(36.8%)	12/5/2001	52	No	-0.5%	-0.5%	-12.2%	-22.5%		
3/24/2000	7/23/2002	(47.8%)	8/22/2002	23	No	-13.4%	-5.0%	-13.5%	3.2%		
3/24/2000	10/9/2002	(49.1%)	11/21/2002	31	Yes	-3.9%	-10.2%	1.9%	10.9%		
10/9/2007	3/9/2009	(56.8%)	3/23/2009	10	Yes	2.5%	8.5%	29.4%	42.7%		
10/9/2007	11/20/2008	(51.9%)	12/8/2008	11	No	0.0%	-20.7%	3.2%	20.0%		
2/19/2020	3/23/2020	(33.9%)	4/8/2020	12	Yes	6.5%	14.6%	24.3%	50.1%		
1/3/2022	10/12/2022	(25.4%)	6/8/2023	164	?	?	?	?	?		
Average						64	10 of 13 marked the lows	-0.5%	2.3%	10.0%	17.7%
Median						41.5		0.0%	5.1%	12.2%	17.7%
% Higher								53.8%	61.5%	76.9%	92.3%

Source: Carson Investment Research, YCharts 06/11/2023  
 A new bull market is 20% off the previous bear market low  
 @ryandetrick




# Big Picture

## Commodities / US\$:

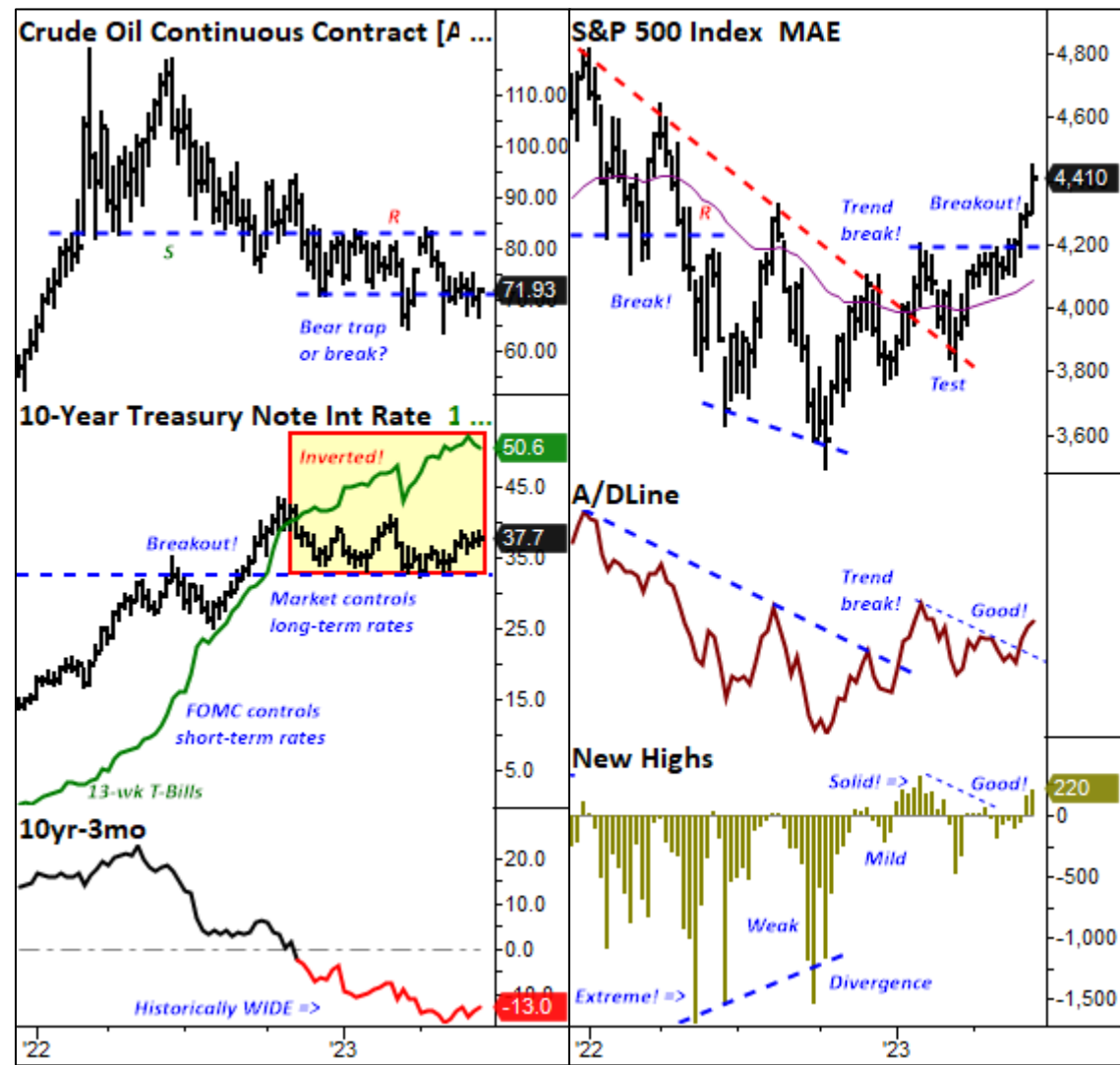
- Commodities up 2x since Mar'20
- Oil a key 'canary', very GDP sensitive
- Risk of secular bull and/or 'stagflation'

## Yields / Credit:

- 10-yr. yield holding bottom of range
- Yield curve inversion largest since 1981
- Reliable forecaster of economic recession

## Stocks:

- Saw a typical 'bear market'
- Market has likely formed cyclical bottom
- Have tested recent breakouts successfully
- Internals have been weak, now improving



Trends	LT	Notes
Commodities	▲	Finally seeing a meaningful pullback, BCOM Index testing key 105 area
Bonds/Rates	▼ / ▲	Rates likely in secular uptrend; corporate credit now improving
Stocks	▲	Saw an 'average' bear, a typical bottom and now likely a new bull



## About Mike

Mike Hurley, CMT serves as Chief Market Strategist and Portfolio Manager for NexPoint Advisors, L.P.

Prior to joining NexPoint he launched 2 of the first 100 'alternative mutual funds', including the Fusion Global Long/Short Fund (FGLSX) which posted a positive return in 2008 and won the Lipper Performance Achievement Award in the Long/Short category for the one-year period ending December 31, 2008 (ranked #1 of 90).

Mike also served as Chief Technical Strategist for several boutique research firms, including: SoundView Technology Group and E\*Offering (The Investment Bank of E\*TRADE).

He proudly served in the United States Navy, where he flew over 50 combat missions during Operation Desert Storm, earning two Air Medals.

Mike is a graduate of UC Santa Barbara, where he received BA degrees in both Business Economics and Chemistry. He is Series 7, 63 & 65 licensed and is a Chartered Market Technician (CMT).

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*Charts as of: June 16<sup>th</sup>, 2023, and courtesy of TradeStation or Bloomberg, unless otherwise noted.*