

Sevens Report Alpha Webinar – Fourth Quarter Preview

September 28th, 2023

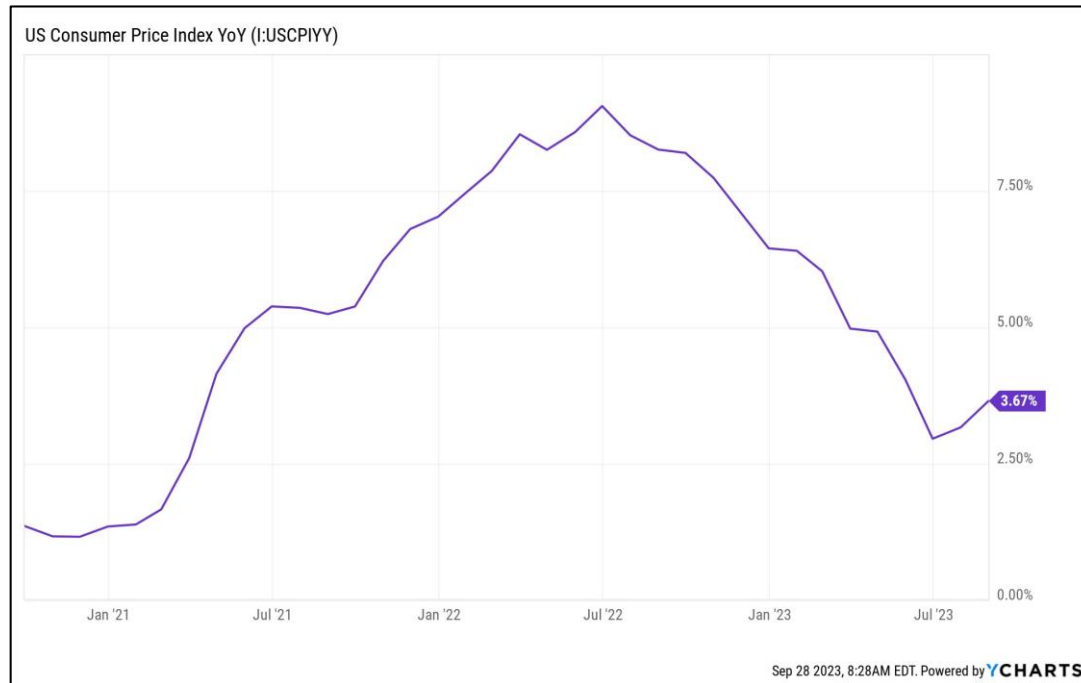
Tom Essaye, President Sevens Report Research

Inflation

Metric #1: CPI.

Release Dates:

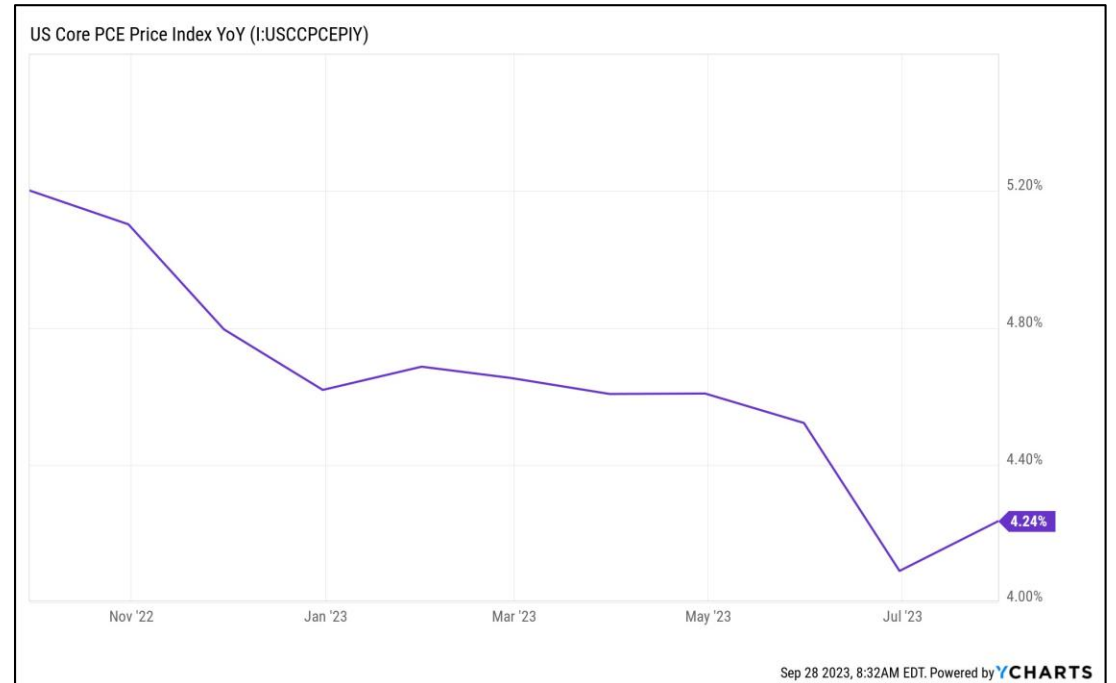
- **October 12th**
- **November 14th**
- **December 12th**



Metric #2: Core PCE Price Index.

Release Dates:

- **October 27th**
- **November 30th**
- **December 22nd**

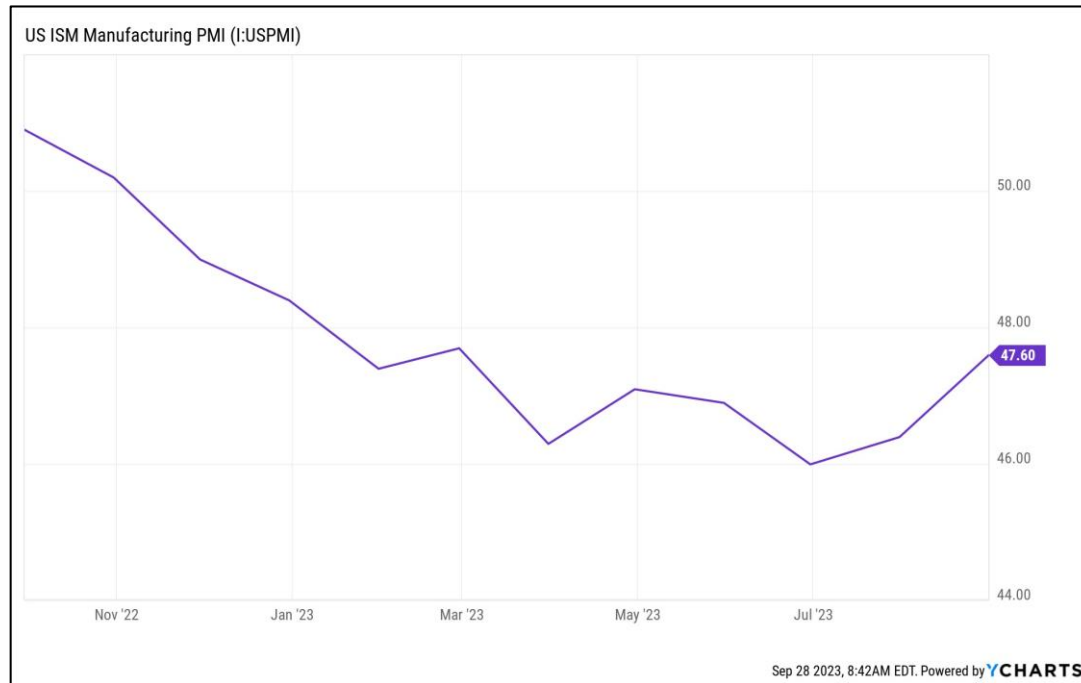


Economic Growth

Metric #1: ISM Manufacturing.

Release Dates:

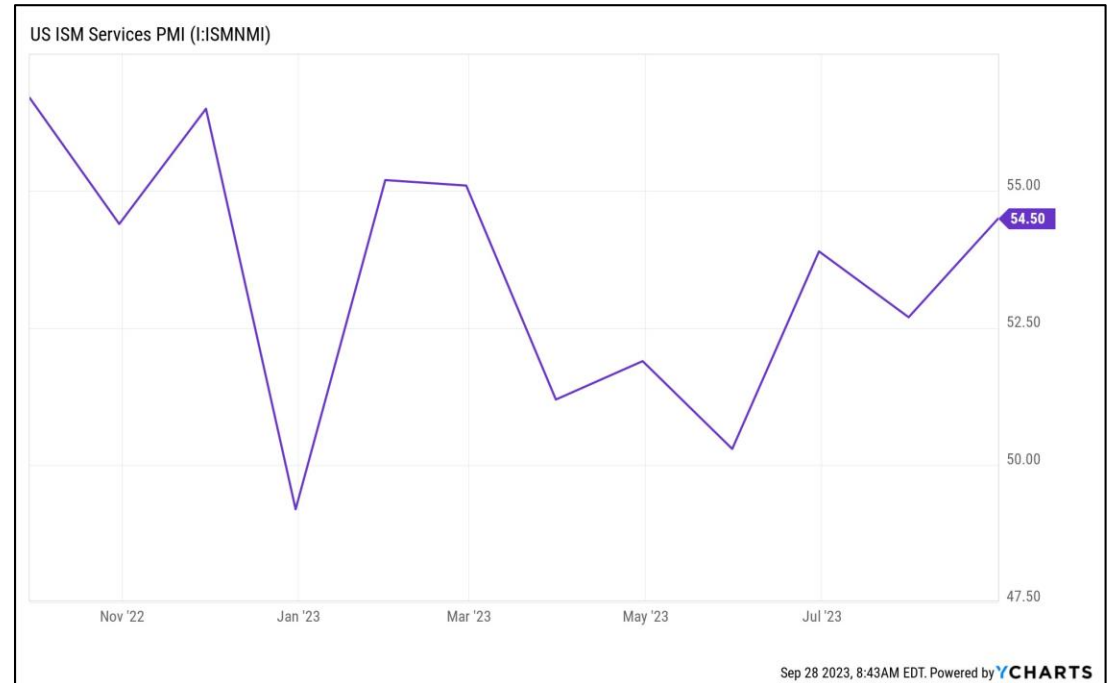
- **October 2nd**
- **November 1st**
- **December 1st**



Metric #2: ISM Services.

Release Dates:

- **October 4th**
- **November 3rd**
- **December 5th**



Economic Growth (cont'd)

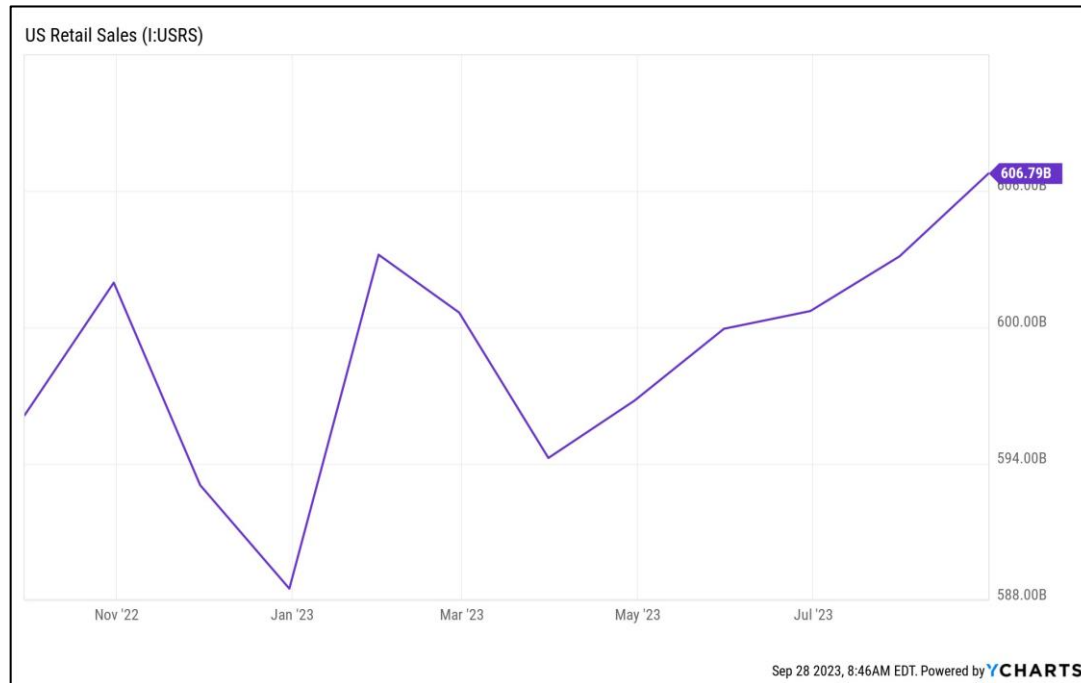
Metric #3: Retail Sales.

Release Dates:

October 17th

November 15th

December 14th



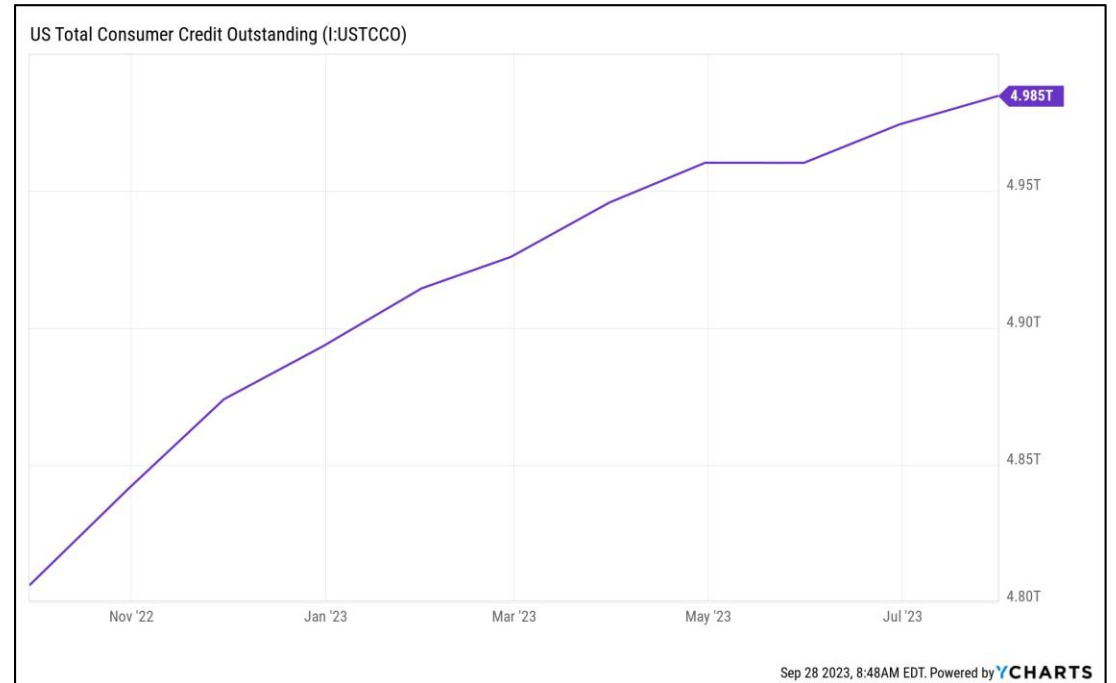
Metric #4: Consumer Credit.

Release Dates:

October 6th

November 7th

December 7th



Employment

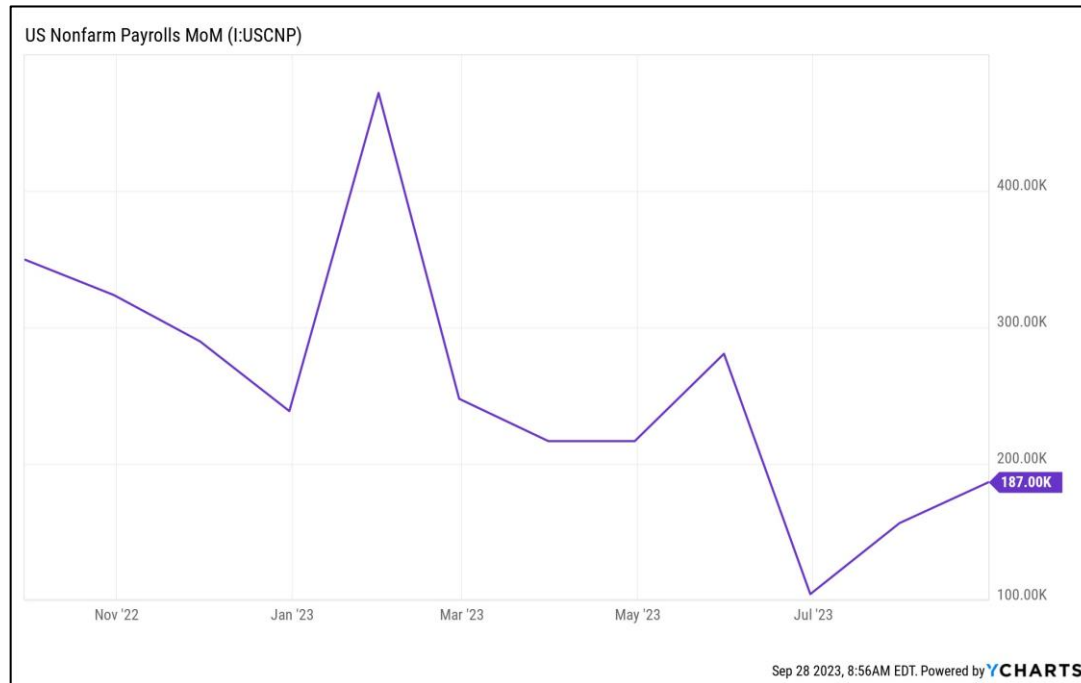
Metric #1: Non-Farm Payrolls.

Release Dates:

October 6th

November 3rd

December 8th



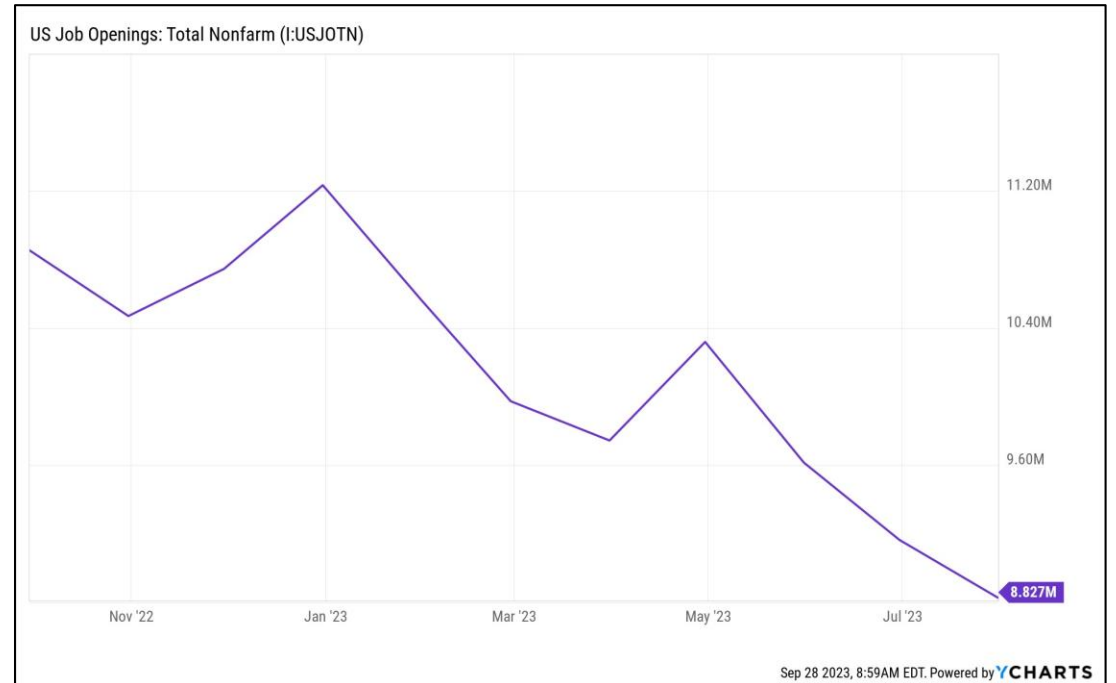
Metric #2: JOLTS.

Release Dates:

October 3rd

November 1st

December 5th

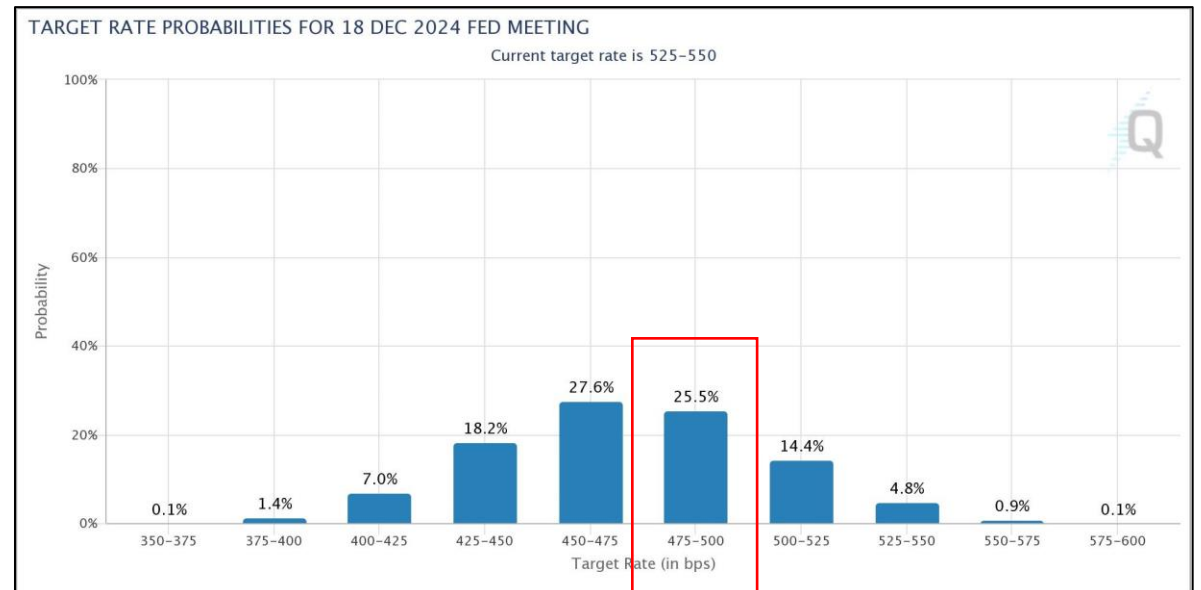
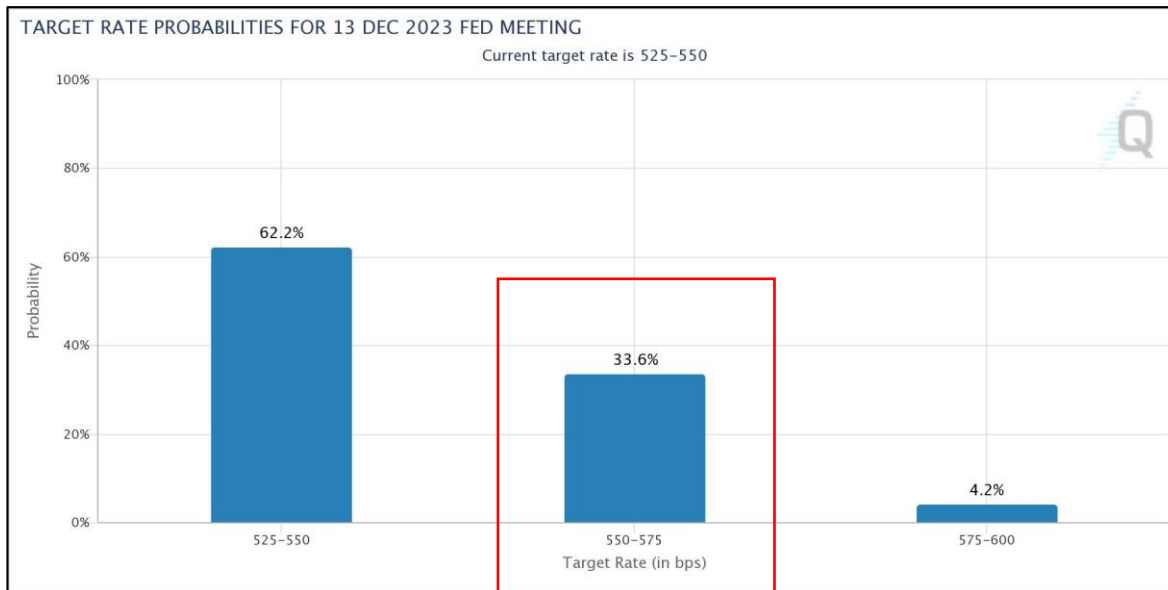


Fed Rate Decisions

FOMC Meeting Dates:

November 1st

December 13th



Other Events

Q3 Earnings

- Earnings start week of 10/13.
- “Magnificent Seven” earnings dates:
 - TSLA – 10/18
 - GOOGL – 10/24
 - MSFT – 10/24
 - META – 10/25
 - AAPL – 10/26
 - AMZN – 10/26
 - NVDA – 11/21

Government Shutdown

- Current Expected Date
 - October 1st
- Date if Senate Bill Passes
 - November 17th

A Good vs. Bad Scenario

What's A "Good" Outcome Look Like?

- More "good" inflation reports (meaning CPI and Core PCE Price Index are flat or decline further).
- Goldilocks growth (ISM Services above 50, no decline in retail sales or spike in consumer credit).
- Mild softening of the labor market (Non-Farm payrolls to the mid to low 100k, JOLTS back below 8M).
- No expected Fed rate hike, more than two cuts in '24.
- Solid earnings from Mag. Seven and limited government shutdown.

What's A "Bad" Outcome Look Like?

- The inflation rebound occurs (CPI and Core PCE Price Index rise).
- We get a growth scare (ISM Services PMI drops below 50, retail sales fall, and consumer credit deteriorates).
- The labor market does not soften.
- Markets do expect one more hike (probability over 50%) and two or less cuts in '24.
- Earnings disappoint and the \$240 2024 estimate is in jeopardy and/or the government shutdown lasts more than 10 days.

A Good vs. Bad Scenario

Strategies for a Good Outcome

- No Landing Scenario. 7/25/23.
 - JAVA/AVUV/USHY.
- Small Cap Stocks. 11/29/22.
 - IJR/RWJ/CALF.
- MOAT Stocks. 11.1.22.
 - MOAT/MOTE/SMOT.
- Commercial Real Estate. 5/2/23.
 - RWR/NETL.

Strategies for a Bad Outcome

- Utilizing High Returns on Cash. 5/31/23.
 - SGOV/BIL/BILS/PULS.
- Opportunity in Long Bonds. 2/7/23.
 - SPTL/PTCIX/MLN.

October Important Dates

JOLTS	October 3 rd
ISM Services PMI	October 4 th
Jobs Report	October 6 th
Consumer Credit	October 6 th
Consumer Price Index	October 12 th
JPM Earnings	October 13 th
Retail Sales	October 17 th
TSLA Earnings	October 18 th
GOOGL Earnings	October 24 th
MSFT Earnings	October 24 th
META Earnings	October 25 th
AAPL Earnings	October 26 th
AMZN Earnings	October 26 th
Core PCE Price Index	October 27 th

November Important Dates

ISM Manufacturing PMI	November 1 st
JOLTS	November 1 st
Fed Rate Decision	November 1 st
ISM Services PMI	November 3 rd
Jobs Report	November 3 rd
Consumer Credit	November 7 th
Consumer Price Index	November 14 th
Retail Sales	November 15 th
Core PCE Price Index	November 30 th

December Important Dates

ISM Manufacturing PMI	December 1 st
JOLTS	December 5 th
ISM Services PMI	December 5 th
Consumer Credit	December 7 th
Jobs Report	December 8 th
Consumer Price Index	December 12 th
Fed Rate Decision	December 13 th
Retail Sales	December 14 th
Core PCE Price Index	December 22 nd