

THE TRADER REVIEW

market
forecast &
model
portfolio



Feb 06, 2025

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Dear Readers,



Friday is the non-farms payroll report.

This is the most important of all economic reports as it shows how many jobs are added to the economy. It is on the first Friday of the month.

If jobs are up = economy up. That **should** mean market up. But if you read last week's report, a red hot jobs number can mean less chance of a rate cut and the market can overreact. It can sell off temporarily and then come to its senses and realize jobs = good and the market can snap back.

However, it's also important to take into account the growth rate of jobs being added since the market always factors in the growth rate much more than the growth. Even if jobs are growing but it's less and less each time that can be a pre-cursor to eventually negative job growth.

As long as the job number is more than expected, it's a good report.

It's the Sector that Matters

80% of your gains come not from the stock you buy but from being in the right sector. If you bought Exxon and oil is hot then Chevron is up to. So is Apache and so are most oil stocks.

That's why in 2022 we were heavily in oil, potash, and natural gas and made 55% on the year with the market down -18%.

Sectors are what matters!

Right now Retail is a Favored Sector. Stocks like Amazon and Walmart especially. Both are at yearly highs.

They always talk about the "consumer" keeping the economy going. Well, B2B spending (business to business) is just as important as B2C (the consumer) spending but at the moment with confidence in the economy (and keeping one's job) Retail is up. So that's definitely a place I am looking.

A good long term holding in this sector is simply The VanEck Retail ETF (RTH) holding Amazon, Walmart, and many others.

The Presidential Cycle

Something to always be aware of is the Presidential Cycle. The third year of any President is usually the best year in the 4 year market cycle.

Now we're in the first year of the Presidential Cycle and we have to look at the January barometer. When there's a good January, often the year goes well. This year I am specifically looking for stock sectors that are moving up unnoticed as semiconductors and AI are getting all the news while not ignoring these sectors either.

Surprisingly Retail stocks are leading the year so far.



Meet The Expert



Neil Batho

Long-Time Trader & Investor

Neil writes commentary on the market, economy, finance, and trends in the marketplace in order to get you in the picks and sectors that can move right now.

Neil issues model portfolios for individual traders to trade in Stocks/ETFs, Options, and Crypto.

Neil has a Bachelor in Finance, Minor in Economics, and was an NCAA Div. 1 ski racer and on the University Dean's List and a former Series 7, 63, 65 fully licensed Financial Advisor.

Neil uses his knowledge and experience to see "through" what the Fed is saying while using historical trend analysis to get you into trades like technology since 2022 since he knew rising interest rates favor tech stocks since tech companies have billions in cash.

Long term readers were also warned of the crashes in 2009 and 2020, profiting in a big way on the downside while buying at the bottom. Or, at least staying out.

Recent successes were 55% in 2022 when the S&P500 was down -18% due in large part to being in the right sectors. Oil, Natural Gas, and Potash. In fact, energy was the only sector up the entire year proving that sector allocation is the most important thing in trading as we were heavily weighted in energy since the first trading day of the year. A \$100,000 account in the S&P500 would have been only \$82,000 at the end of 2022, while an account trading our picks would have been at \$155,000, an 89% difference. We are still well ahead of the market since 2020.



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