

# ***May 2024 Outlook & Update: Stocks Should Struggle During Worst Six Months***

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**Members Only Webinar**

**May 1, 2024**

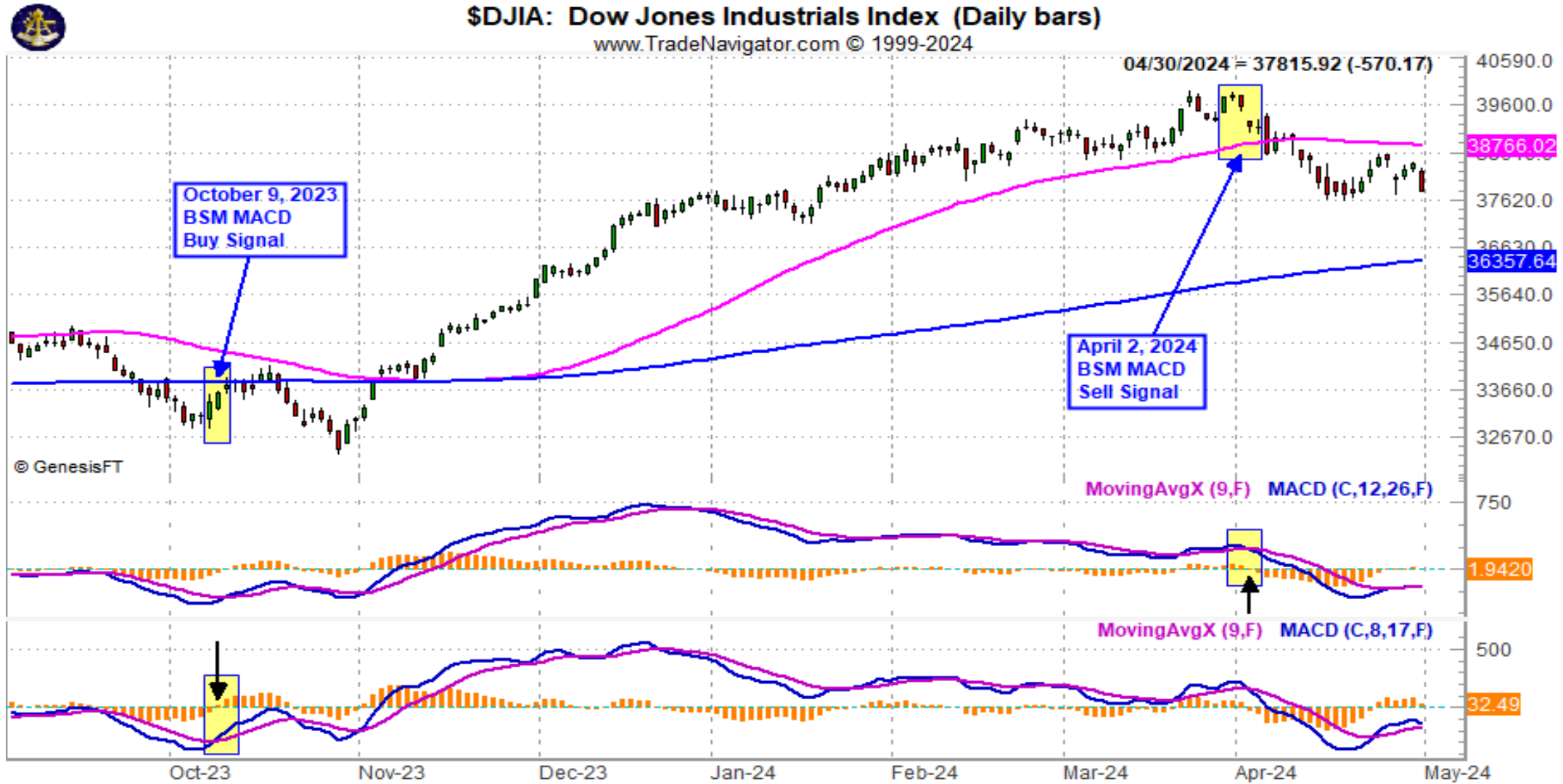
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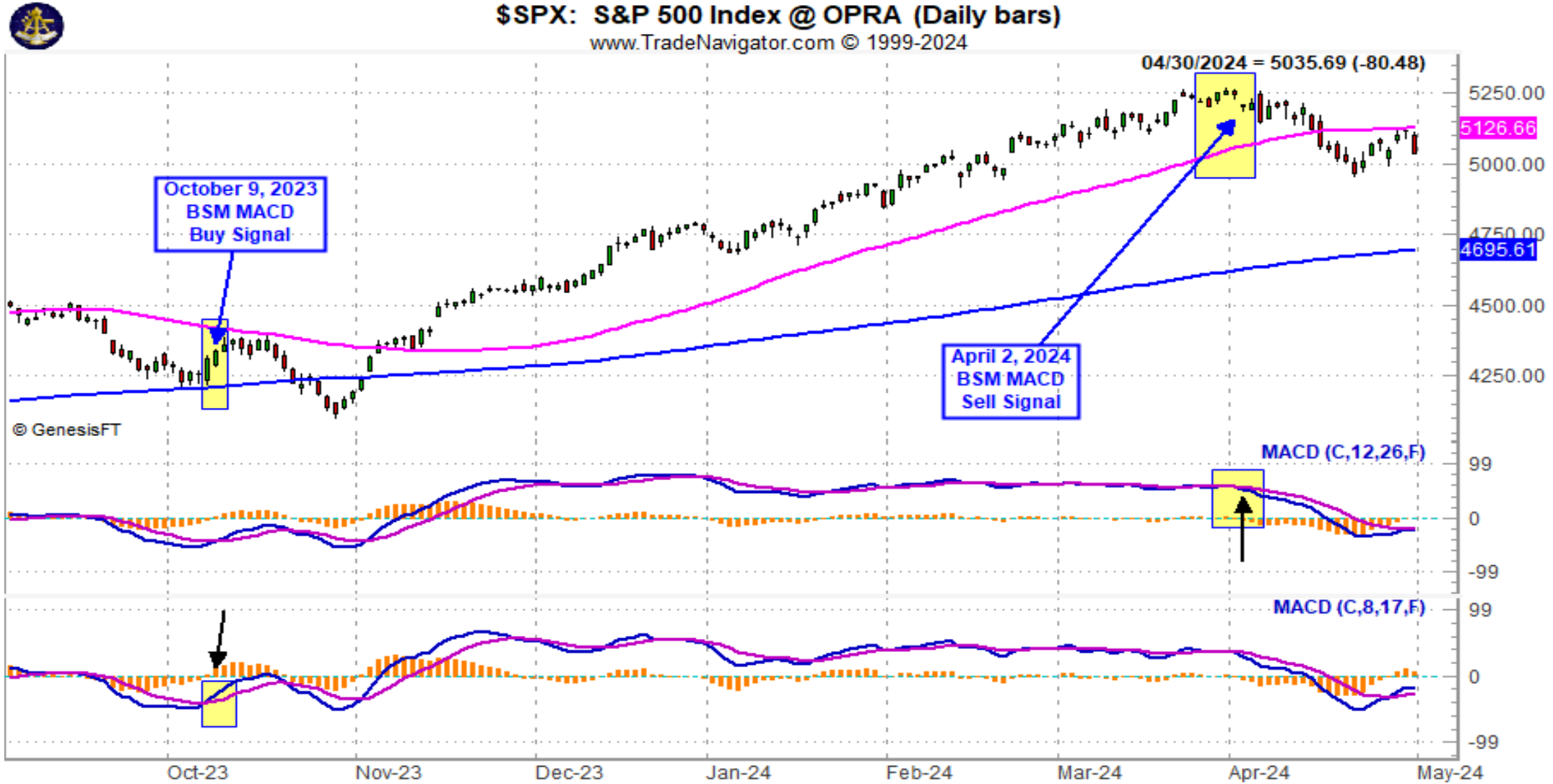
# Today's Takeaways

- **Seasonal MACD Sell Signal for DJIA and S&P 500 Triggered**
- **Down April After 5 Up Months = Stocks Struggle Until Q4**
- **Election Year Seasonality On Track**
- **Fed In No Rush To Cut – But No Hike Either!**
- **Bullish Sentiment @ 3-Year Highs Suggest Retreat**
- **3-6% Pullback Attained**
- **Expect More Chop, Limited Upside, But Not a Major Selloff**

# DJIA Seasonal MACD Sell Signal

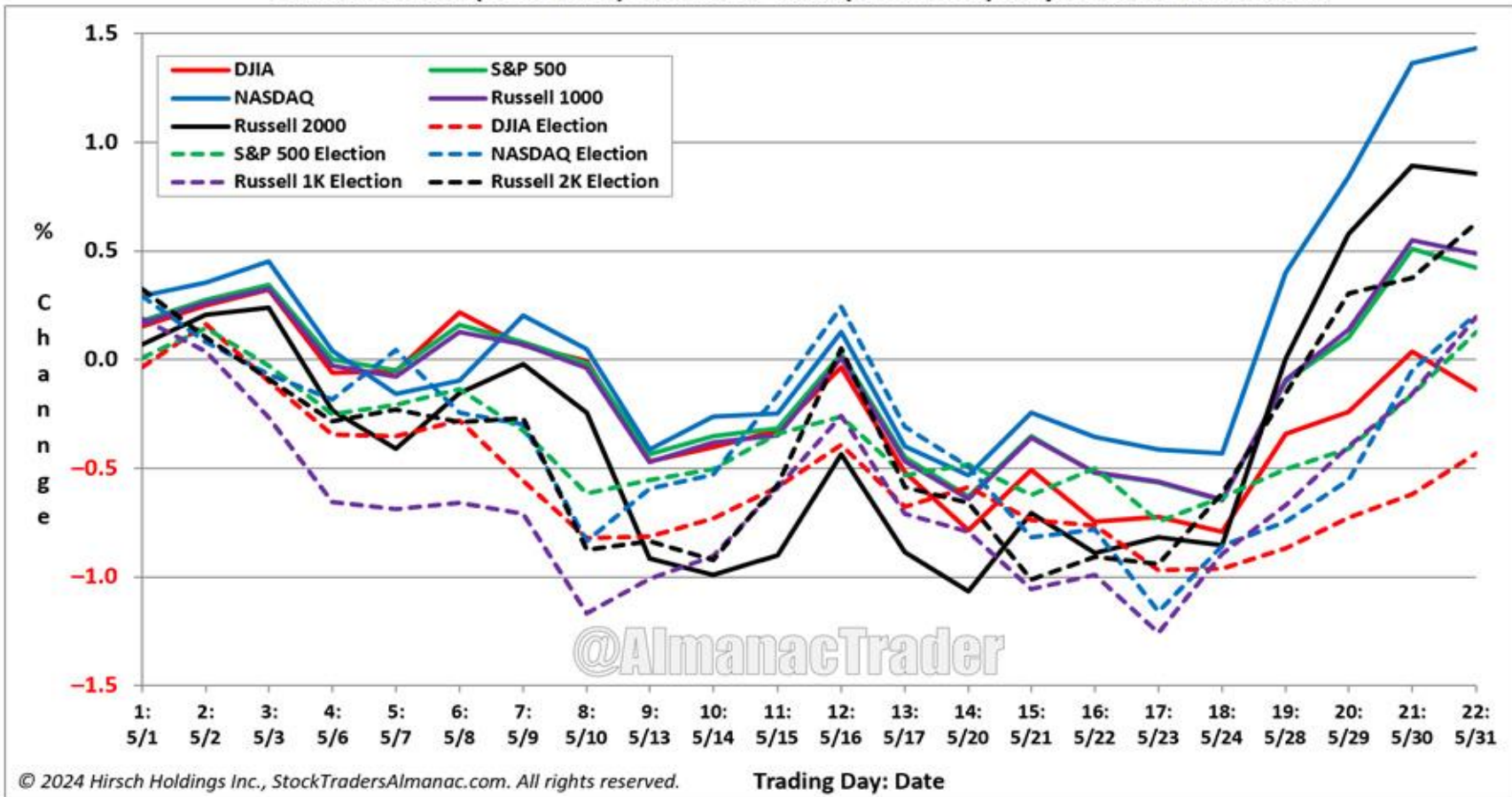


# S&P 500 Seasonal MACD Sell Signal



# May Almanac: Softer in Election Years

Recent 21-Year (2003-2023) & Election Years (1950-2020) May Market Performance



Election Year May since 1950				
	Rank	Avg %	Up	Down
DJIA	9	-0.4	9	9
S&P 500	9	0.1	13	5
NASDAQ*	8	0.2	8	5
Russell 1K**	7	0.2	8	3
Russell 2K**	8	0.6	7	4

\* Since 1971, \*\* Since 1979

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# When Bullish April Is Down Stocks Often Struggle Until Q4

When Bullish April Is Down Stocks Often Struggle Until Q4								
Down April S&P 500 Performance Since 1950								
Year	Q1	Apr	May	Q2	Q3	Q4	Last 8 Mos	Full Year
1952	2.5%	-4.3%	2.3%	2.4%	-1.7%	8.3%	13.9%	11.8%
1953	-4.8%	-2.6%	-0.3%	-4.5%	-3.3%	6.3%	0.8%	-6.6%
1956	6.6%	-0.2%	-6.6%	-3.1%	-3.4%	2.9%	-3.5%	2.6%
1960	-7.6%	-1.8%	2.7%	2.9%	-6.0%	8.6%	6.9%	-3.0%
1962	-2.8%	-6.2%	-8.6%	-21.3%	2.8%	12.1%	-3.3%	-11.8%
1970	-2.6%	-9.0%	-6.1%	-18.9%	15.8%	9.4%	13.0%	0.1%
1973	-5.5%	-4.1%	-1.9%	-6.5%	4.0%	-10.0%	-8.8%	-17.4%
1974	-3.7%	-3.9%	-3.4%	-8.5%	-26.1%	7.9%	-24.1%	-29.7%
1976	13.9%	-1.1%	-1.4%	1.5%	0.9%	2.1%	5.7%	19.1%
1981	0.2%	-2.3%	-0.2%	-3.5%	-11.5%	5.5%	-7.7%	-9.7%
1985	8.0%	-0.5%	5.4%	6.2%	-5.1%	16.0%	17.5%	26.3%
1986	13.1%	-1.4%	5.0%	5.0%	-7.8%	4.7%	2.8%	14.6%
1987	20.5%	-1.1%	0.6%	4.2%	5.9%	-23.2%	-14.3%	2.0%
1990	-3.8%	-2.7%	9.2%	5.3%	-14.5%	7.9%	-0.2%	-6.6%
1993	3.7%	-2.5%	2.3%	-0.3%	1.9%	1.6%	6.0%	7.1%
2000	2.0%	-3.1%	-2.2%	-2.9%	-1.2%	-8.1%	-9.1%	-10.1%
2002	-0.1%	-6.1%	-0.9%	-13.7%	-17.6%	7.9%	-18.3%	-23.4%
2004	1.3%	-1.7%	1.2%	1.3%	-2.3%	8.7%	9.4%	9.0%
2005	-2.6%	-2.0%	3.0%	0.9%	3.1%	1.6%	7.9%	3.0%
2012	12.0%	-0.7%	-6.3%	-3.3%	5.8%	-1.0%	2.0%	13.4%
2022	-4.9%	-8.8%	0.0%	-16.4%	-5.3%	7.1%	-7.1%	-19.4%
<b>Average:</b>	<b>2.2%</b>	<b>-3.1%</b>	<b>-0.3%</b>	<b>-3.5%</b>	<b>-3.1%</b>	<b>3.6%</b>	<b>-0.5%</b>	<b>-1.4%</b>
<b>Median:</b>	<b>0.2%</b>	<b>-2.5%</b>	<b>-0.2%</b>	<b>-2.9%</b>	<b>-2.3%</b>	<b>6.3%</b>	<b>0.8%</b>	<b>0.1%</b>
<b># Up:</b>	<b>11</b>	<b>0</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>17</b>	<b>11</b>	<b>11</b>
<b>#Down:</b>	<b>10</b>	<b>21</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>4</b>	<b>10</b>	<b>10</b>

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# Down April After Up Q1

## When Bullish April Is Down Stocks Often Struggle Until Q4

### Down April After Up Q1 S&P 500 Performance Since 1950

Year	Q1	Apr	May	Q2	Q3	Q4	Last 8 Mos	Full Year
1952	2.5%	- 4.3%	2.3%	2.4%	- 1.7%	8.3%	13.9%	11.8%
1956	6.6%	- 0.2%	- 6.6%	- 3.1%	- 3.4%	2.9%	- 3.5%	2.6%
1976	13.9%	- 1.1%	- 1.4%	1.5%	0.9%	2.1%	5.7%	19.1%
1981	0.2%	- 2.3%	- 0.2%	- 3.5%	- 11.5%	5.5%	- 7.7%	- 9.7%
1985	8.0%	- 0.5%	5.4%	6.2%	- 5.1%	16.0%	17.5%	26.3%
1986	13.1%	- 1.4%	5.0%	5.0%	- 7.8%	4.7%	2.8%	14.6%
1987	20.5%	- 1.1%	0.6%	4.2%	5.9%	- 23.2%	- 14.3%	2.0%
1993	3.7%	- 2.5%	2.3%	- 0.3%	1.9%	1.6%	6.0%	7.1%
2000	2.0%	- 3.1%	- 2.2%	- 2.9%	- 1.2%	- 8.1%	- 9.1%	- 10.1%
2004	1.3%	- 1.7%	1.2%	1.3%	- 2.3%	8.7%	9.4%	9.0%
2012	12.0%	- 0.7%	- 6.3%	- 3.3%	5.8%	- 1.0%	2.0%	13.4%
<b>Average:</b>	<b>7.6%</b>	<b>- 1.7%</b>	<b>0.0%</b>	<b>0.7%</b>	<b>- 1.7%</b>	<b>1.6%</b>	<b>2.1%</b>	<b>7.8%</b>
<b>Median:</b>	<b>6.6%</b>	<b>- 1.4%</b>	<b>0.6%</b>	<b>1.3%</b>	<b>- 1.7%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>9.0%</b>
<b># Up:</b>	<b>11</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>4</b>	<b>8</b>	<b>7</b>	<b>9</b>
<b>#Down:</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>2</b>

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# Down April In Election Years

## When Bullish April Is Down Stocks Often Struggle Until Q4

### Down April In Election Years S&P 500 Performance Since 1950

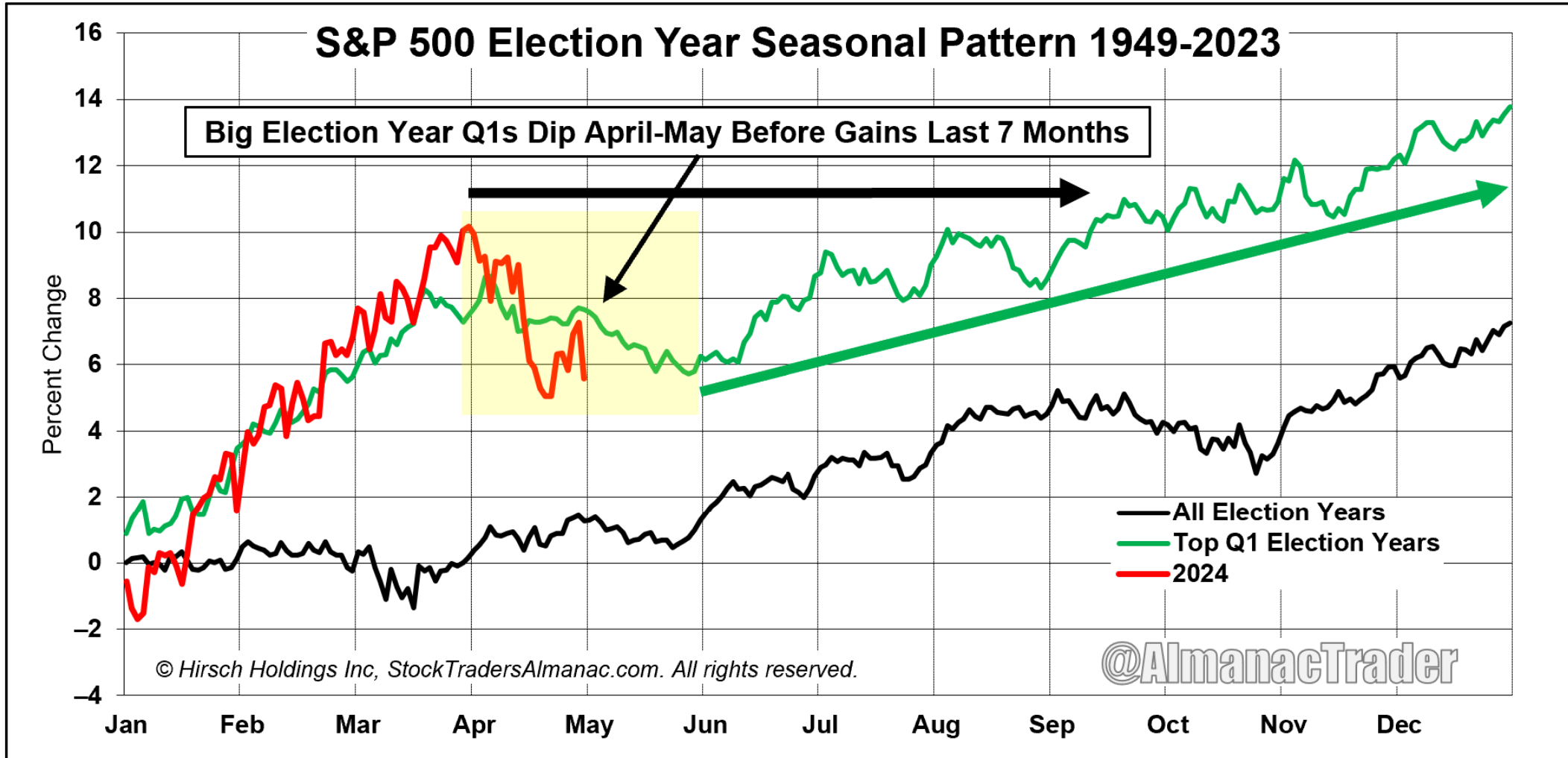
Year	Q1	Apr	May	Q2	Q3	Q4	Last 8 Mos	Full Year
1952	2.5%	-4.3%	2.3%	2.4%	-1.7%	8.3%	13.9%	11.8%
1956	6.6%	-0.2%	-6.6%	-3.1%	-3.4%	2.9%	-3.5%	2.6%
1960	-7.6%	-1.8%	2.7%	2.9%	-6.0%	8.6%	6.9%	-3.0%
1976	13.9%	-1.1%	-1.4%	1.5%	0.9%	2.1%	5.7%	19.1%
2000	2.0%	-3.1%	-2.2%	-2.9%	-1.2%	-8.1%	-9.1%	-10.1%
2004	1.3%	-1.7%	1.2%	1.3%	-2.3%	8.7%	9.4%	9.0%
2012	12.0%	-0.7%	-6.3%	-3.3%	5.8%	-1.0%	2.0%	13.4%
<b>Average:</b>	<b>4.4%</b>	<b>-1.8%</b>	<b>-1.5%</b>	<b>-0.2%</b>	<b>-1.1%</b>	<b>3.1%</b>	<b>3.6%</b>	<b>6.1%</b>
<b>Median:</b>	<b>2.5%</b>	<b>-1.7%</b>	<b>-1.4%</b>	<b>1.3%</b>	<b>-1.7%</b>	<b>2.9%</b>	<b>5.7%</b>	<b>9.0%</b>
<b># Up:</b>	<b>6</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>#Down:</b>	<b>1</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>2</b>

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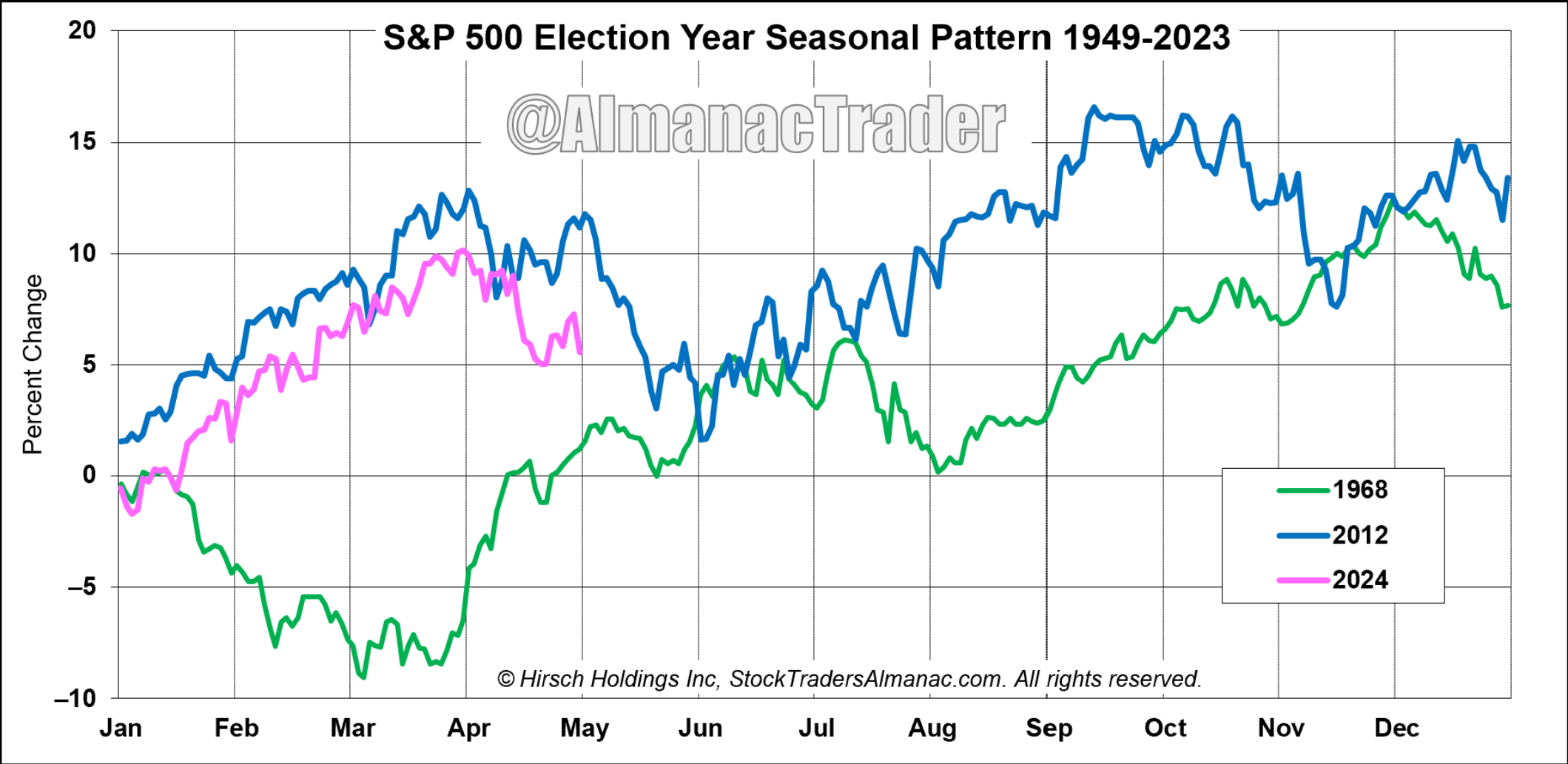
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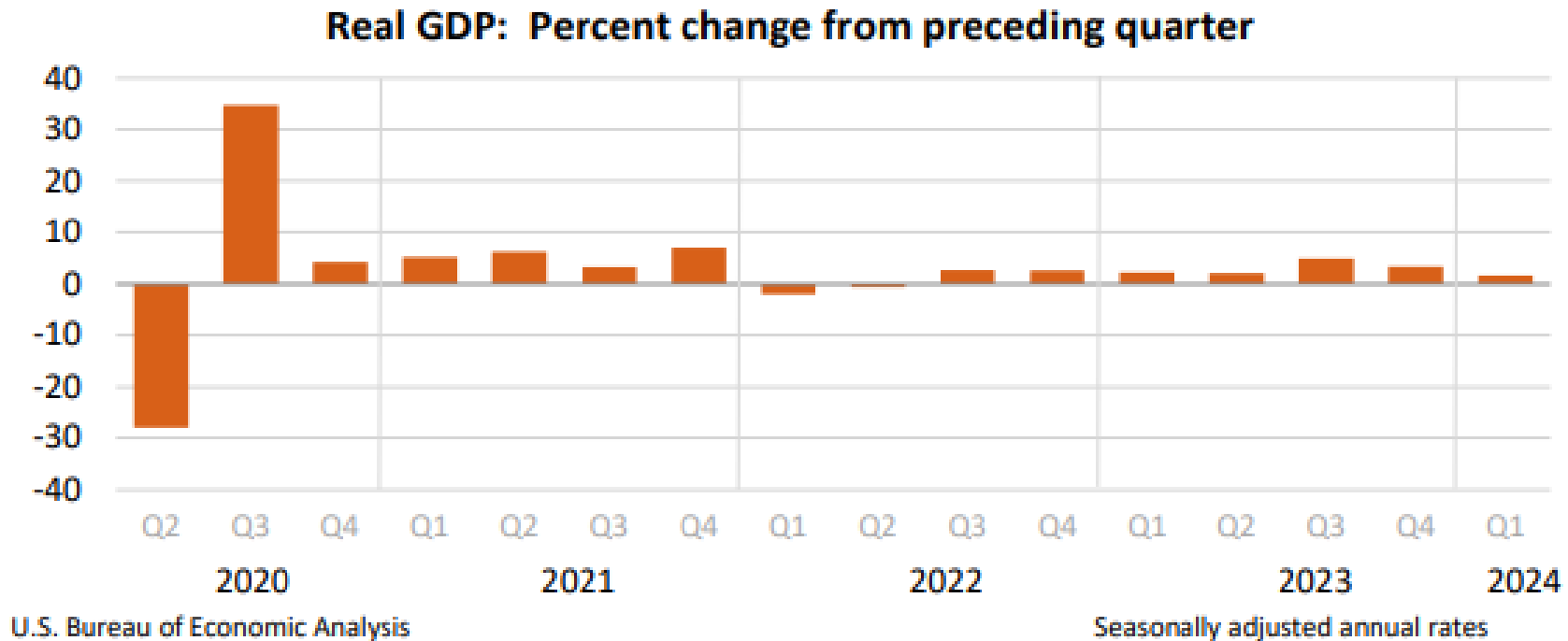
# Top Q1 Election Years S&P 500 Election Year Seasonal Pattern



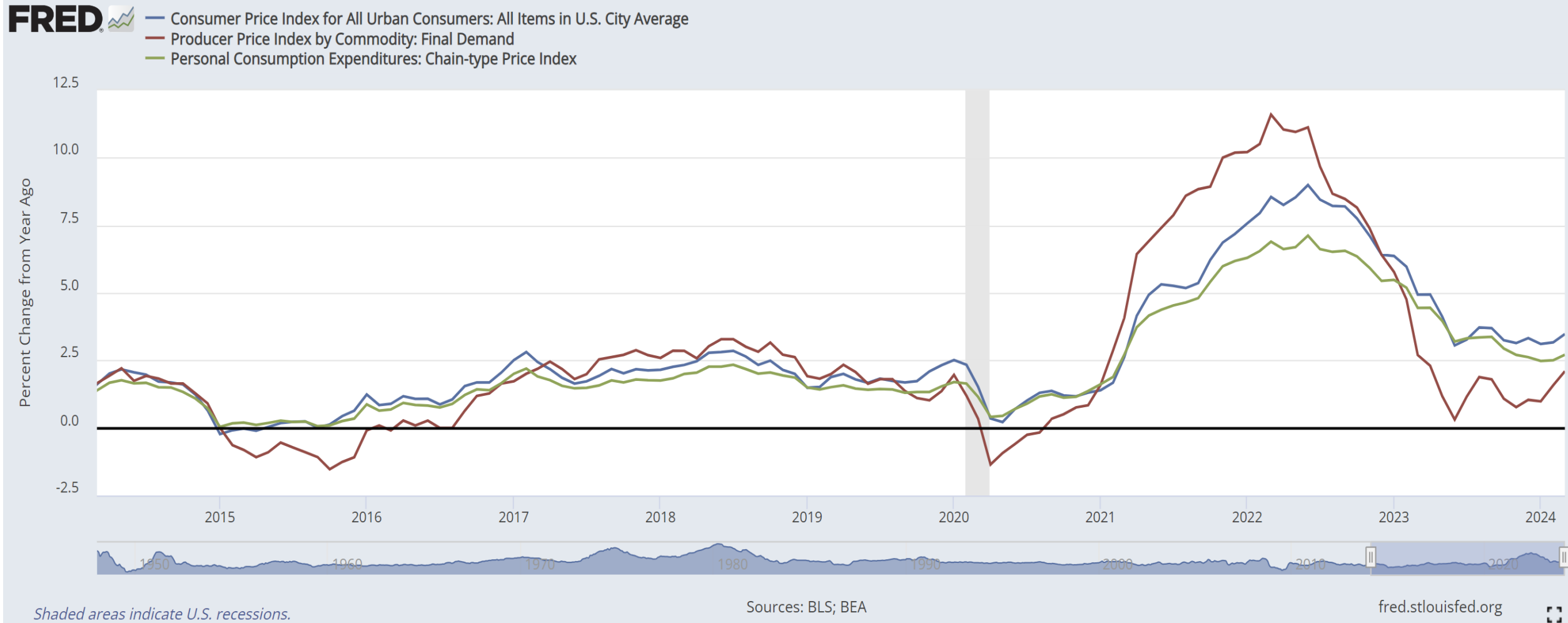
# 1968 & 2012 vs. 2024



# Stagflation Fears: Economy Slows – Q1 GDP 1.6% v 2.4%

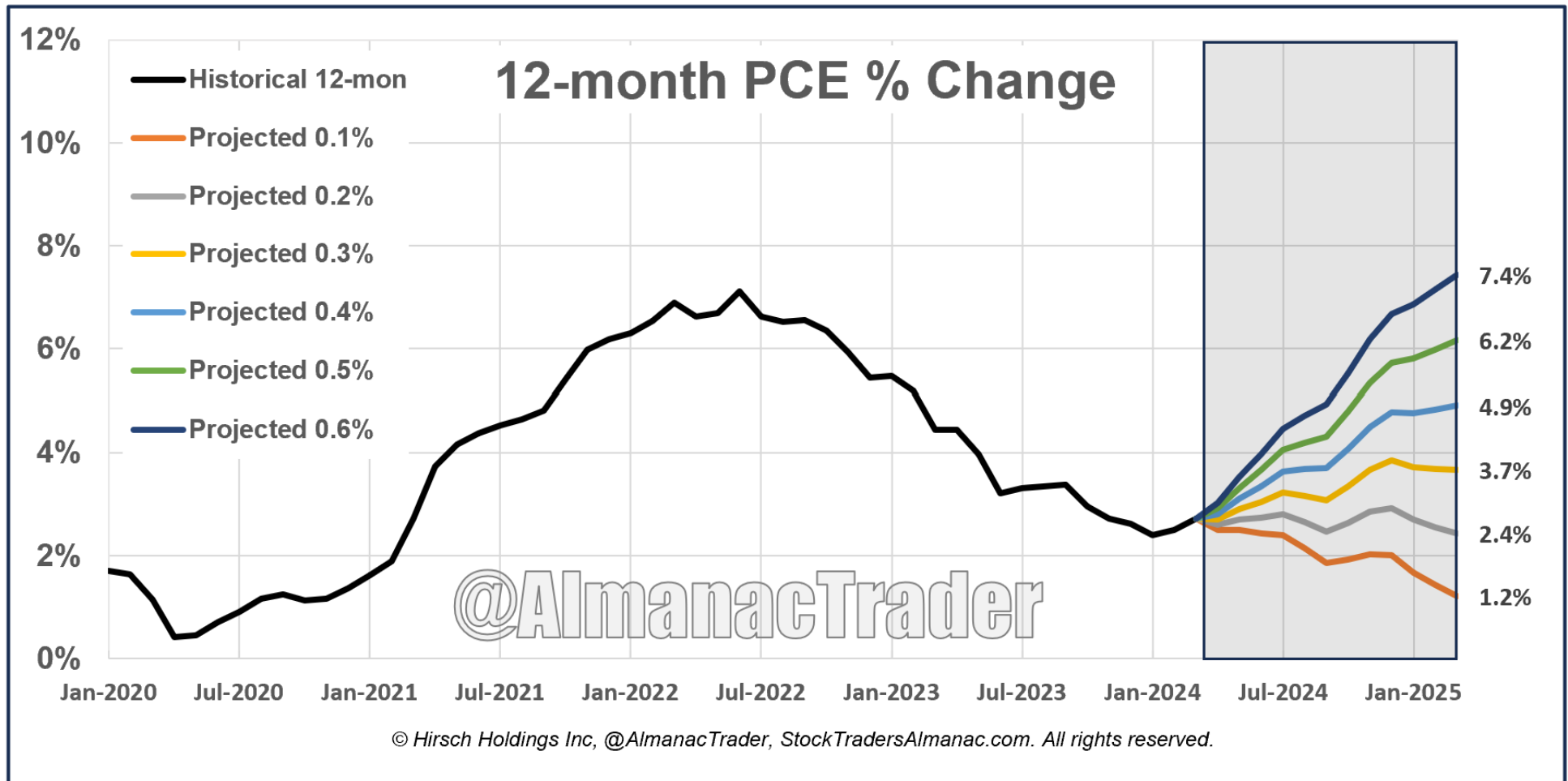


# Stagflation Fears: Nagging Inflation – Fed In No Rush

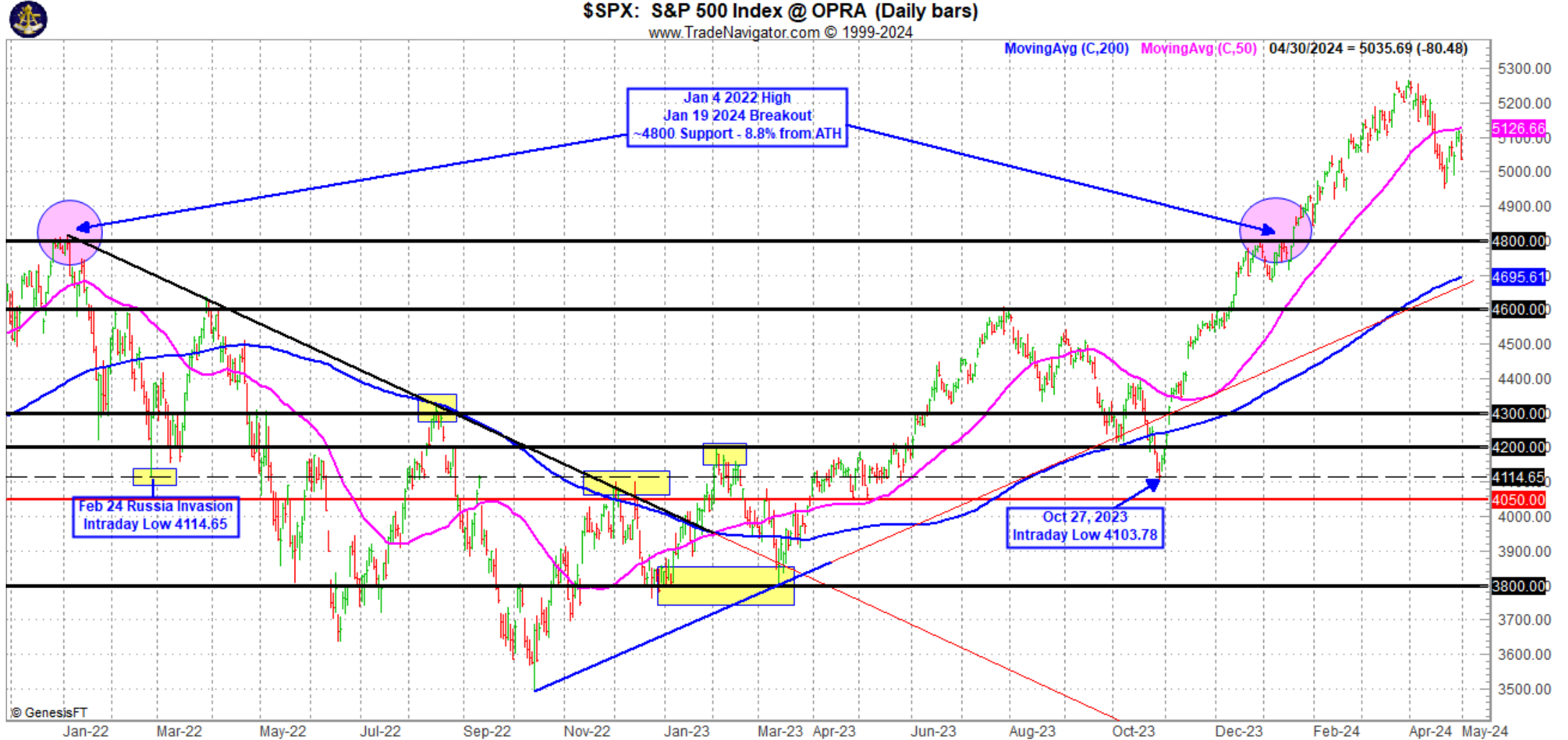




# Inflation Projection No Rate Cut Soon



# Technical Support



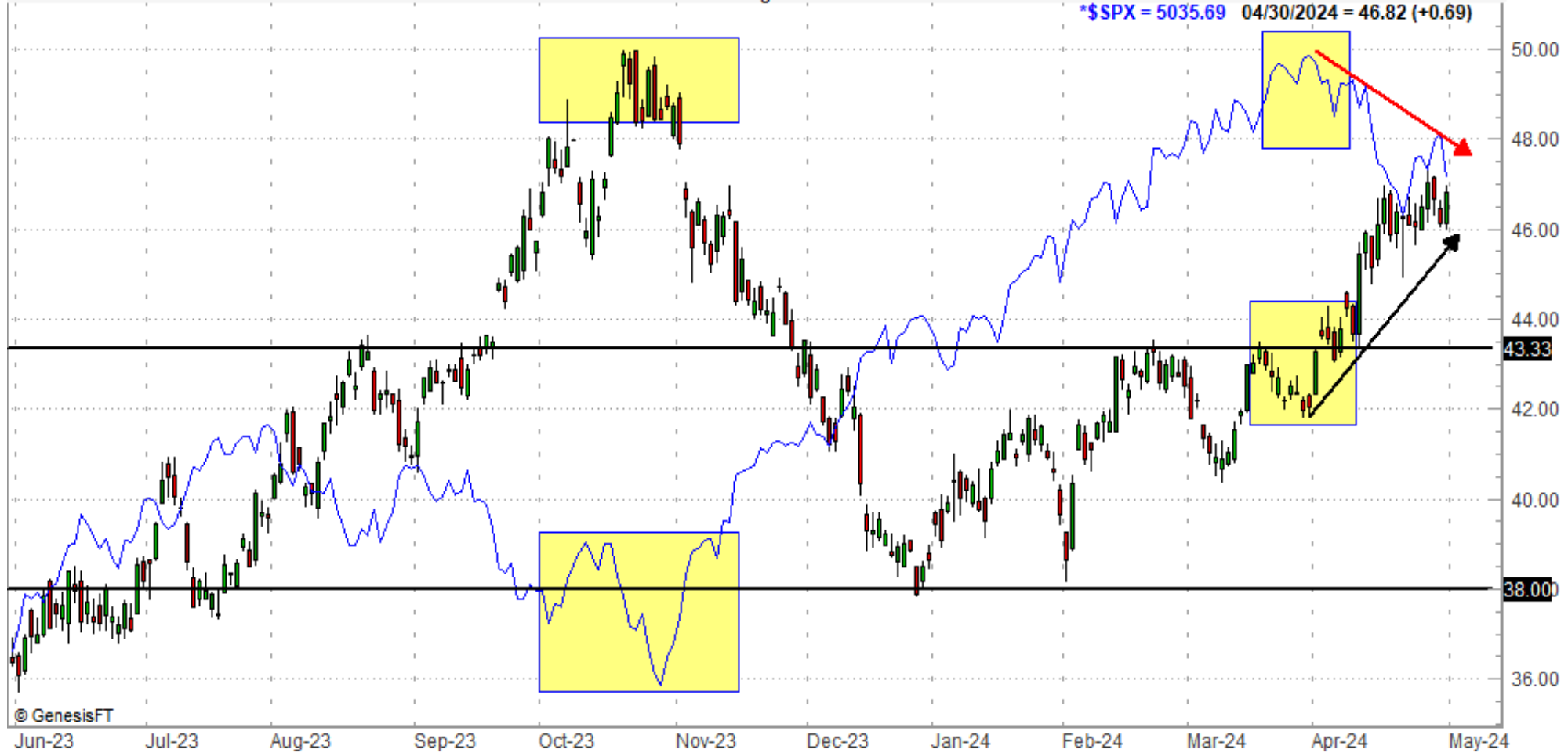
# 10-Year Yield Above 4.3% Pressures Stocks



\$TNX: 10-year T-note Index @ CBOT (Daily bars)

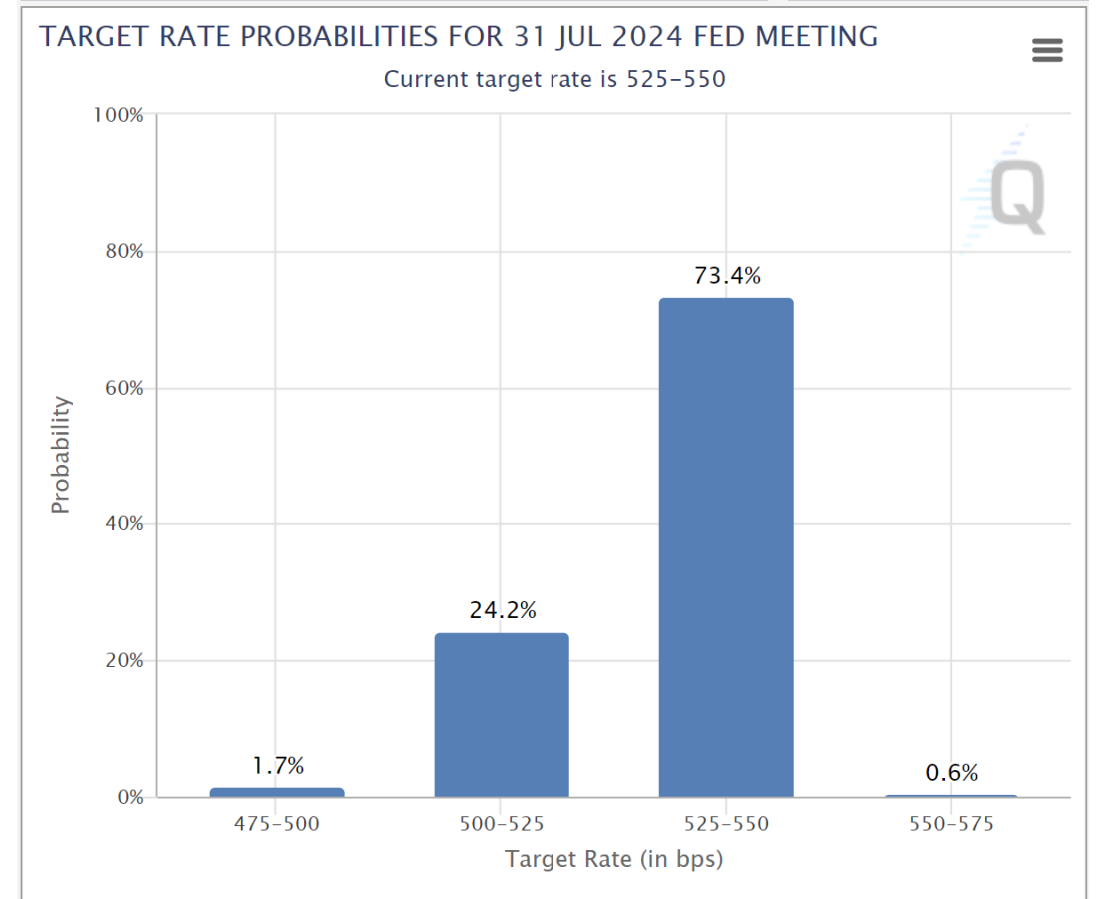
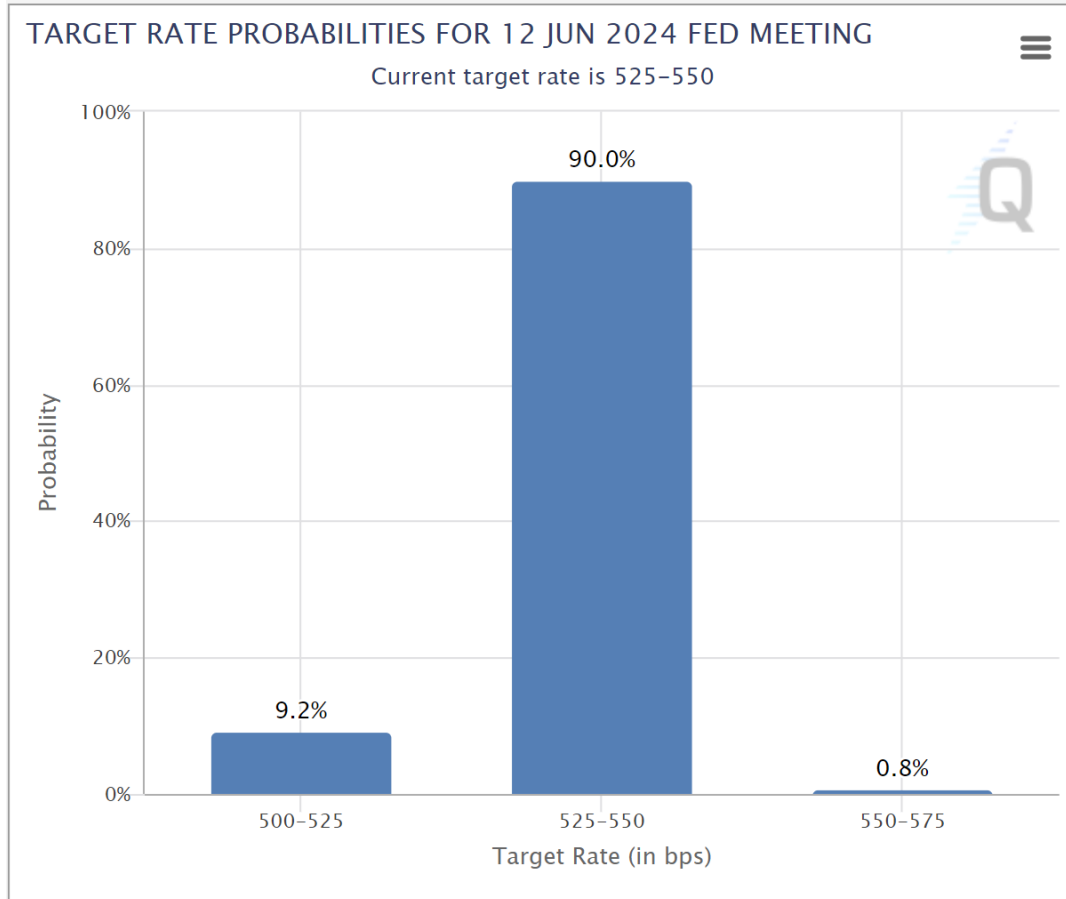
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\*\$SPX = 5035.69 04/30/2024 = 46.82 (+0.69)



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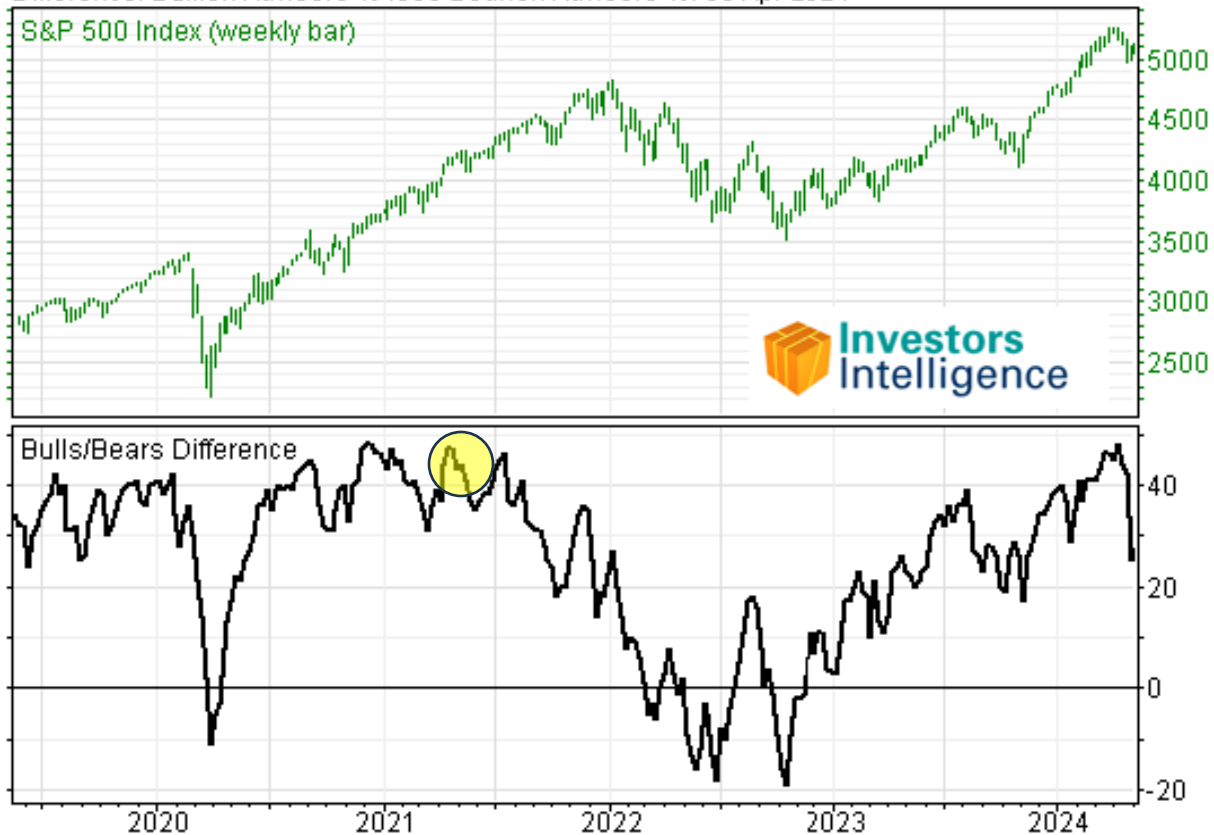
# Fed Cuts Not Likely Soon





# Bullish Sentiment 3-Year High Risk Of Retreat, But...

Difference: Bullish Advisors % less Bearish Advisors %: 30 Apr 2024



Ratio: Bullish Advisors % / Bearish Advisors %: 30 Apr 2024



## Almanac Investor Sector Rotation ETF Portfolio

Ticker	Exchange Traded Fund	Presented Date	Price	4/30/2024 Price	Return	Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Auto Sell*	Current Advice <sup>1</sup>
IYW	iShares US Technology	8/3/23	109.13	128.17	17.4%		118.93	146.54	Hold
XLY	SPDR Consumer Discretionary	10/5/23	162.52	175.62	8.1%		158.81	206.20	Hold
XLP	SPDR Consumer Staples	10/5/23	67.41	75.50	12.0%		66.48	80.66	Hold
XLK	SPDR Technology	10/5/23	169.73	196.27	15.6%		183.02	214.18	Hold
CPER	United States Copper	12/7/23	23.10	28.31	15.4%				Sold 4/8 @ Auto sell 26.65
XLE	SPDR Energy	12/7/23	81.25	93.52	15.1%		85.69	99.91	Hold
FCG	First Trust Natural Gas	2/1/24	22.52	27.14	20.5%		24.75	29.12	Hold
XLU	SPDR Utilities	3/7/24	63.10	66.74	5.8%		55.69	75.86	Buy Dips
<b>Open Position Average % Return</b>					<b>13.7%</b>				

<sup>1</sup> STANDARD POLICY: SELL HALF ON A DOUBLE, Buy Limits good til cancel, Stop only if closed below Stop Loss, (S) = Short Trade, \*\*\* Spilt adjusted  
Current Advice is based upon closing prices as they appear in table. \*Auto Sell price based upon historical returns plus 10% or 20%. \*\* Average purchase price. \*\*\* Adjusted.

## Almanac Investor Tactical Seasonal Switching Strategy ETF Portfolio

Ticker	Exchange Traded Fund	Presented Date	Price	4/30/2024 Price	Return	Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Auto Sell*	Current Advice <sup>1</sup>
QQQ	Invescos QQQ	10/5/23	368.84	424.59	15.1%				Hold
IWM	iShares Russell 2000	10/5/23	175.66	195.90	11.5%				Hold
TLT	iShares 20+ Year Treasury Bond	4/2/24	91.50	87.91	-3.9%				Hold
AGG	iShares Core U.S. Aggregate Bond	4/2/24	96.65	94.94	-1.8%				Hold
BND	Vanguard Total Bond Market	4/2/24	71.65	70.46	-1.7%				Hold
SHV	iShares Short Treasury Bond	4/2/24	110.10	110.01	-0.1%	110.25			Buy Current
SGOV	iShares 0-3 Month Treasury Bond	4/2/24	100.33	100.27	-0.1%	100.45			Buy Current
	Cash &/or Money Market Fund	4/2/24							Cash is a position
<b>Open Position Average % Return</b>					<b>5.5%</b>				

<sup>1</sup> STANDARD POLICY: SELL HALF ON A DOUBLE, Buy Limits good til cancel, Stop only if closed below Stop Loss.  
Current Advice is based upon closing prices as they appear in table. \*Auto Sell price based upon historical returns plus 10% or 20%. \*\* Average purchase price. \*\*\* Adjusted.

# Stock Portfolios

## Almanac Investor Small-Cap Stock Portfolio

Ticker	Company	Presented Date	Price	4/30/2024 Price	Net % Return ***	Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Current Advice <sup>1</sup>
NVGS	Navigator Holdings	10/13/22	11.66	15.02	28.8%		12.20	Hold
MAMA	Mama's Creations	11/9/23	3.59	5.94	65.5%		3.97	Hold
Open Position Average % Return:					47.1%			

## Almanac Investor Mid-Cap Stock Portfolio

Ticker	Company	Presented Date	Price	4/30/2024 Price	Net % Return ***	Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Current Advice <sup>1</sup>
SMCI	Super Micro Computer <sup>2</sup>	11/10/22	81.93	858.80	539.6%			Sold 1/2 on 4/12 @ 909.49
AMRX	Amneal Pharmaceuticals	11/9/23	4.19	6.05	44.4%		4.73	Hold
AWI	Armstrong World Industries	11/9/23	80.48	114.88	42.7%		100.98	Hold
CBZ	Cbiz Inc	11/9/23	56.52	71.18	25.9%		61.82	Hold
FTDR	Frontdoor Inc	11/9/23	34.23	30.69	-12.3%			Stopped Out 4/16 @ 30.03
LOPE	Grand Canyon Ed	11/9/23	137.14	130.02	-5.2%		117.21	Hold
ITGR	Integer Holdngs	11/9/23	84.51	111.63	32.1%		95.83	Hold
IPAR	Inter Parfums	11/9/23	123.38	116.38	-3.7%			Stopped out 4/25, Closed @ 118.77
IDCC	InterDigital	11/9/23	86.60	98.73	14.0%		87.89	Hold
MGRC	Mcgrath Rentcorp	11/9/23	100.14	106.66	6.0%			Stopped out 4/30, Closed @ 106.16
SKWD	Skyward Specialty Ins	11/9/23	30.65	34.92	13.9%		30.43	Hold
Open Position Average % Return:					88.4%			

## Almanac Investor Large-Cap Stock Portfolio

Ticker	Company	Presented Date	Price	4/30/2024 Price	Net % Return ***	Buy Limit <sup>1</sup>	Stop Loss <sup>1</sup>	Current Advice <sup>1</sup>
T	AT&T Inc *	4/9/20	20.24	16.89	-19.3%			Hold
RS	Reliance Steel & Aluminum	11/10/22	198.23	284.72	43.6%		282.21	Hold
AIZ	Assurant Inc	11/9/23	162.84	174.40	7.1%		150.65	Hold
EME	Emcor Group Inc	11/9/23	211.18	357.17	69.1%		290.55	Hold
DRS	Leonardo DRS	11/9/23	19.79	21.52	8.7%		19.09	Hold
NVT	nVent Electric	11/9/23	50.44	72.07	42.9%		61.78	Hold
Open Position Average % Return:					25.4%			

<sup>1</sup> STANDARD POLICY: SELL HALF ON A DOUBLE, Buy Limits good til cancel, Stop only if closed below Stop Loss. Shaded positions defenisve and/or dividend yielding.

<sup>2</sup> Half position, \* Adjusted, \*\* Canadian Dollars, (S) = Short Trade

\*\*\* Based on \$1000 to \$4000 initial investment in each stock, Net % Return includes half & closed positions, Value is open position value

# Recap & Outlook

## Headwinds

- Fed No Rush
- Economy Slowdown
- Inflation Persistent
- 10-Year Above 4.3%
- Too Many Bulls
- Geopolitics – 2 wars

## Tailwinds

- Inflation Cooling
- Fed Is Done Hiking
- GDP Cont. Growth
- Govt Spending Robust
- Sitting Prez Election
- Tracking Cycles

## Outlook

- Rally Respite
- Soft Landing Likely
- Rate Cuts Coming
- Economy Moderates
- Jobs Data Softens
- Base Case in Play



- **First Five Months Better When Party Retains White House**
- **Market Better When Sitting President Runs for Reelection**
- **Only Six Election Year Declines Greater Than 5% Since 1896**
- **Only Two Losses in Last Seven Months of Election Years**

# 2024 Forecast – Base Case In Play

- **Rally Respite – More New Highs Later In Year**
- **Current Four-year Cycle Tracks Historical Pattern**
- **Bullish Election Year 2024 Boosted By Sitting President Running**
- **Dow Gains 8-15% In 2024 – S&P/NASDAQ Likely More**
- **Weakness In Spring/Summer 2024 During Q2 And Q3**
- **Dow Near My Forecasted “Super Boom” Level Of 38820**

# Thank You!

- Jeffrey A. Hirsch is CEO of Hirsch Holdings & Editor-in-Chief of the *Stock Trader's Almanac & Almanac Investor*.
- Christopher Mistal is VP of Hirsch Holdings & Director of Research of the *Stock Trader's Almanac & Almanac Investor*
- Jeff is the author of *Super Boom: Why the Dow Will Hit 38,820 and How You Can Profit From It* and *The Little Book of Stock Market Cycles*.
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