PVG Asset Management
LOSS AVERSE INVESTING

Market in a Minute

September 15, 2026

Index Performance: As of September 11, 2026			
Index	**Price**	**Last Week**	**YTD**
S&P 500	7,656.98	-0.80%	11.85%
Dow Jones	52,573.29	-0.27%	11.13%
NASDAQ	26,333.04	0.40%	14.05%
Russell 2000	16,047.02	0.15%	20.83%
Russell 2000 Growth	13,892.75	-0.35%	16.49%
Russell 2000 Value	24,187.21	0.67%	23.66%
Russell 1000 Growth Total Return	5,125.85	0.56%	3.96%
SPDR Gold Shares	398.77	-0.52%	2.64%
Powershares US $ Index	28.07	-0.35%	3.88%
Ishares EAFE Index	106.7	0.58%	12.83%
Barclays Aggregate Bond Index	95.98	-0.50%	-2.88%
iShares Barclays 20+ Yr Treasury Bond	80.87	-0.81%	-5.68%
Utilities Select Sector ETF	42.39	0.82%	0.91%
Vanguard REIT ETF	94.8	-1.25%	8.51%
iShares Mortgage Real Estate	20.79	0.05%	-1.76%
Alerian MLP ETF	55.91	0.87%	18.50%
iShares Global Telecom	119.89	0.60%	-2.41%
ETFMG Alternative Harvest ETF	25.38	-2.90%	-13.53%
Grayscale Bitcoin Trust	59.77	2.87%	-9.70%
Shanghai SE Index	3,934.40	-0.56%	-0.98%

A Word on the Market

By: Patrick Adams, CFA

Market Update:

- **The market is focused on inflation/bond yields and technology fundamentals.**
- **First on the technology fundamentals. The Oracle earnings report was stronger than expected with revenues up 30%, and cloud infrastructure up121%, and a huge backlog of $664 billion! The market got what it needed to support the technology stocks.**
- **The inflation/bond yields also got some good news with the core CPI report for August coming in at 2.4% year-over-year, easing down from 2.5% in July. Headline inflation was 3.4% year-over-year with energy up 16.3%. Airline fares were up 23.4%.**
- **The inflation issue is driven by oil prices. There is nothing the Federal Reserve can do about oil prices.** The market seemed to feel like a hike in rates stabilizing the long-bond market as the Fed is reacting to the bond market demands. **Therefore the 10-Year Treasury yield may be peaking.**
- The market took the ORCL report, and the inflation report as good news…we also got the message.
- **On Wednesday, the Federal Reserve will very likely announce a rate hike of .25%. The bond market is demanding it. The 2-Year Treasury is now a surprising 4.6% and the Federal Funds rate is 3.6%. That is a widespread forcing the Fed to hike.**
- **We don't think the Fed has any choice but to hike, but it will do nothing about lowering oil prices!!!**

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

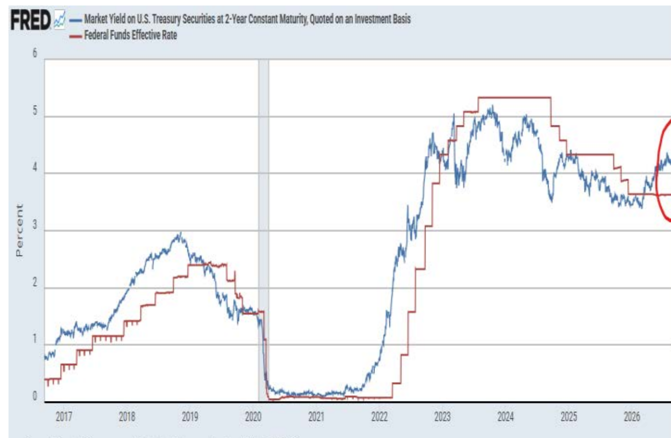
S&P Sector Performance: As of Sept 11, 2026			
Index	**Price**	**Last Week**	**YTD**
Information Technology	7,001.08	1.59%	24.01%
Consumer Disc.	1,870.49	-0.57%	-0.25%
Consumer Staples	922.43	-0.90%	7.31%
Health Care	1,924.99	0.17%	10.53%
Financials	949.95	-0.04%	5.83%
Industrials	172.37	-1.06%	12.99%
Energy	992.94	2.25%	41.58%
Communications Services	461.17	-0.46%	0.87%
Utilities	427.95	0.74%	0.31%
Materials	640.99	-1.57%	14.70%
Real Estate	276.41	-1.26%	9.59%

Source: Bloomberg website, Returns are appreciation only

PVG Strategies			
Tactical Strategies	**QTD**	**YTD**	**Average Annual Return as of 6/30/26**
Tactical Total Return	-2.69%	2.06%	9.53%
Dynamic Core	1.24%	8.84%	9.87%
Tactical Growth	-1.94%	-3.66%	19.33%
			9.01%
Loss Averse			
Loss Averse Equity Income	-0.56%	8.51%	4.51%
Specialty			
Emerging Healthcare	0.67%	-12.86%	64.91%
Focus			
High Income Focus 10	0.43%	2.61%	7.22%
Growth Focus 10	-6.65%	-4.54%	13.78%

- **We have said for a while that the 10-Year above 5%, it would be necessary to see it maintain that level, it would be a big issue for the stock market.** Just keep in mind the big earnings growth we are seeing relates to a cyclical build out of AI infrastructure that the market should not pay a full multiple for these earnings.
- **It will be interesting to see what Trump does about oil prices in front of the election.**

2-Year Treasury Yield vs Federal Funds Rate



Bond Market:

- **The 10-Year Treasury yield on a technical basis is very extended just under 5.0% and with the 200-day moving average currently at 4.38%.**
- **The 5-Year chart shows that this might be a peak in Yield.**
- **The Regional Bank ETF (KRE) appears to not reflect any serious credit fears.**

Emerging Healthcare Focus 10	-1.25%	-22.04%	12.36%
Strategic			
Tactical Aggressive	-2.19%	-2.19%	15.15%
Tactical Moderate	-1.70%	-1.70%	12.00%
Tactical Conservative	0.12%	0.41%	8.88%
Tactical Income	0.00%	-0.56%	7.83%

Interest Rates			
Fed Fund	3.63 %	**5-Year**	4.75%
3-Month	4.00%	**10-Year**	4.95%
6-Month	4.07%	**30-Year**	5.37%
2-Year	4.56%		

Source: Bloomberg.com

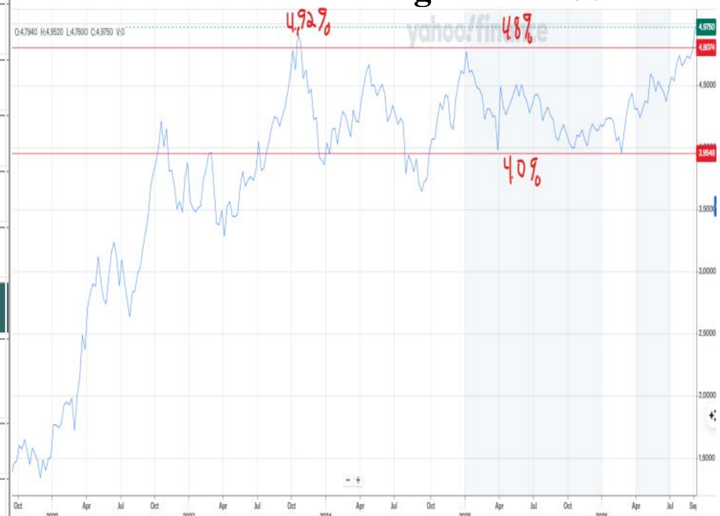
Economic Events This Week

Date	Report	Forecast	Previous
Sept 16	Retail Sales	0.9%	-0.6%
Sept 16	Retail Sales, ex-auto	0.5%	-0.3%
Sept 16	FOMC Decision	3.75-4.00%	3.75-4.00%
Sept 17	Housing Starts	1325K	1239K
Sept 17	Building Permits	1410K	1443K
Sept 17	Initial Claims	209K	206K
Sept 17	Philadelphia Fed Index	35	47.4
Sept 18	Industrial Production	0.3%	0.2%

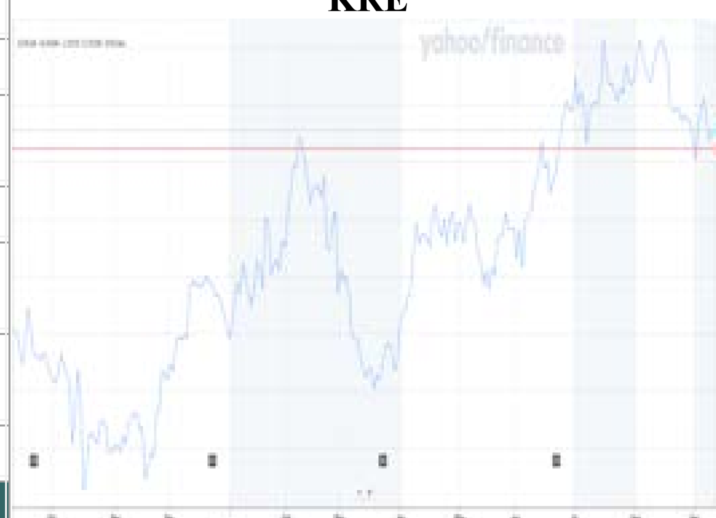
Economic Events Last Week

10-Year Treasury Yield with 20, 50, 100, and 200-day moving averages

5 Year Chart 10-Year Treasury Broke above October High of 4.92%



KRE



High Yield Idea

- **Opportunity in a mortgage REIT, the sector has been under pressure with the rise in bond yields but provides an opportunity.**

- **Redwood Trust (RWT) issued an oversubscribed $185 million convertible bond to pay off a higher yielding bond. With convertible price at $4.90.**
- **The convertible bond buyers like to sell short the stock prior to buying the convertible. Then the stock bounces back.**
- **This technical action is an opportunity to buy a stock with a 20% dividend yield, with good growth prospects. The ex-dividend date is September 23rd and book value is $6.9.**