

# Decades of Data

**Featuring:**

**Ned Davis**

Senior Investment Strategist

**Moderator:**

**Robert Schuster**

Product Specialist



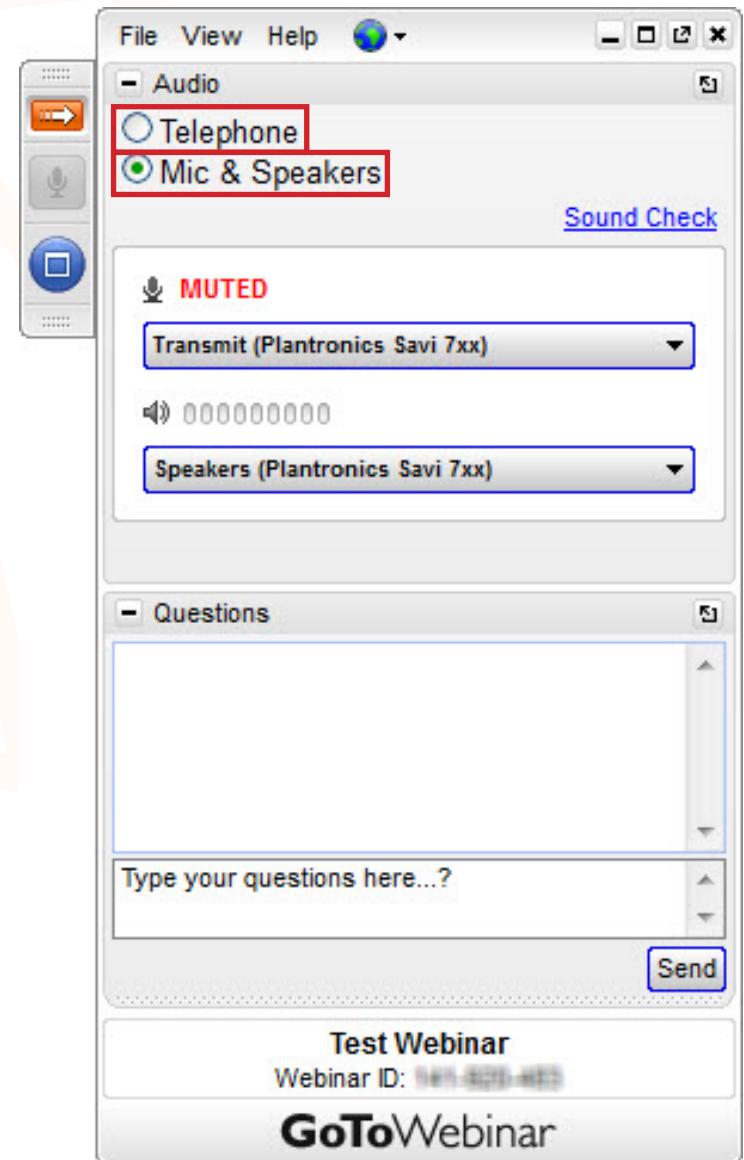
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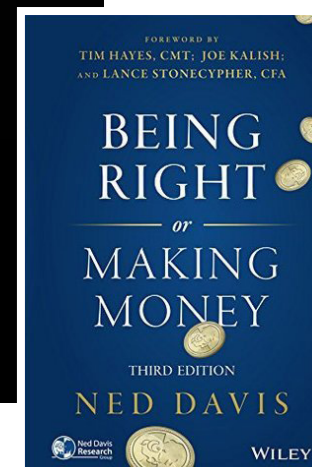
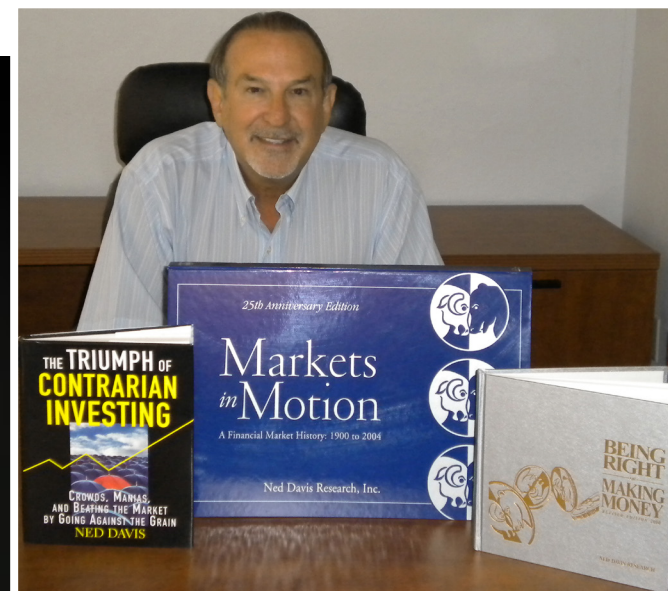
October 16, 2025

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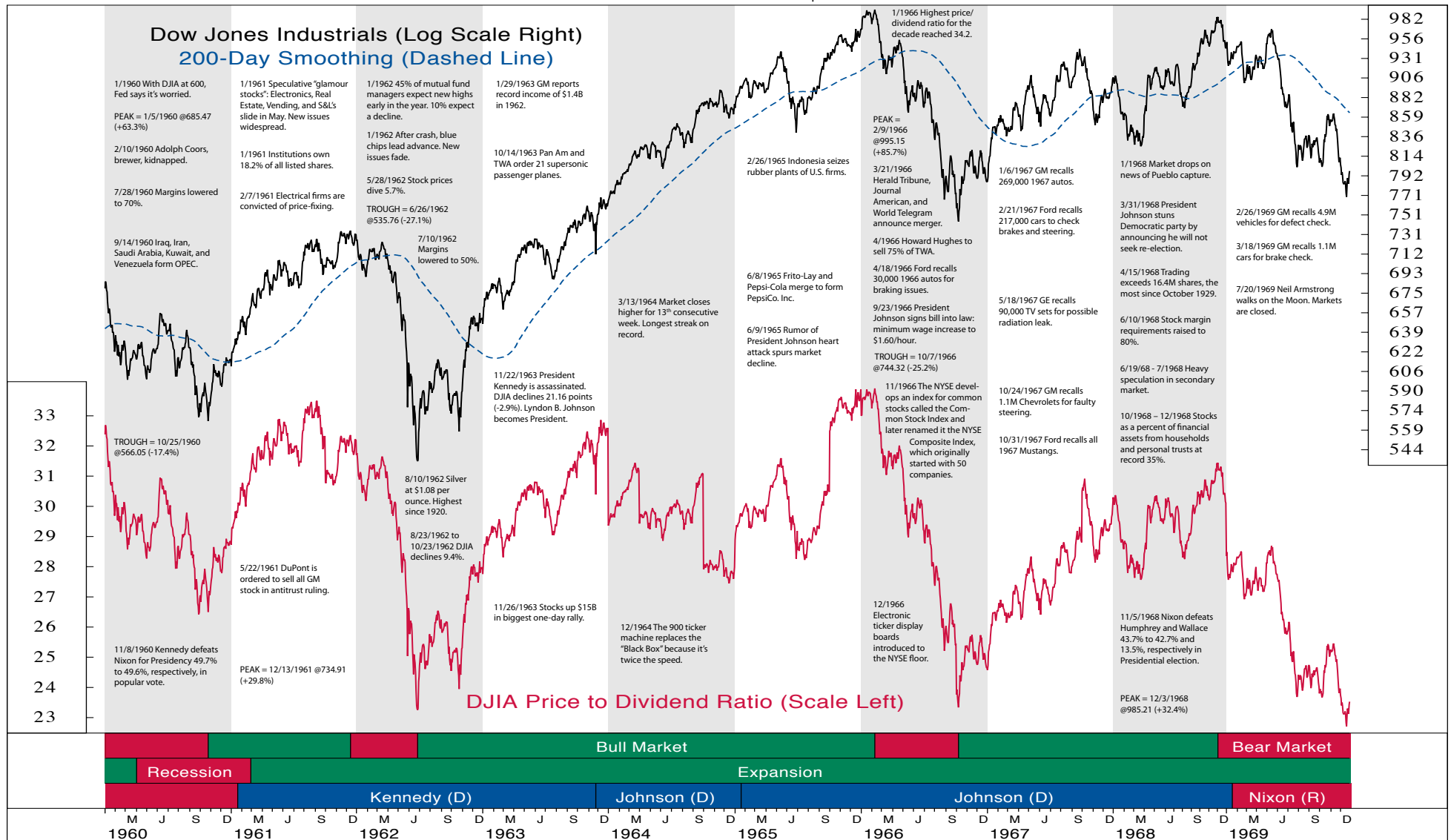


# A Pioneer in Market Research



# A "New Frontier" and a "Great Society" (1960 - 1969)

A Decade of Economic Expansion



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# NDR's 10 Rules of Research

1	Be Objective	6	Don't Fight the Fed
2	Be Disciplined	7	Beware of the Crowd at Extremes
3	Be Flexible (and humble)	8	Those who do not study history are condemned to repeat its mistakes
4	Be Risk Aware	9	Apply Money Management Rules: primarily cut your losses and let your profits run
5	Don't Fight the Tape	10	Don't fight the government (e.g., fiscal policy)

# Exploring Sentiment

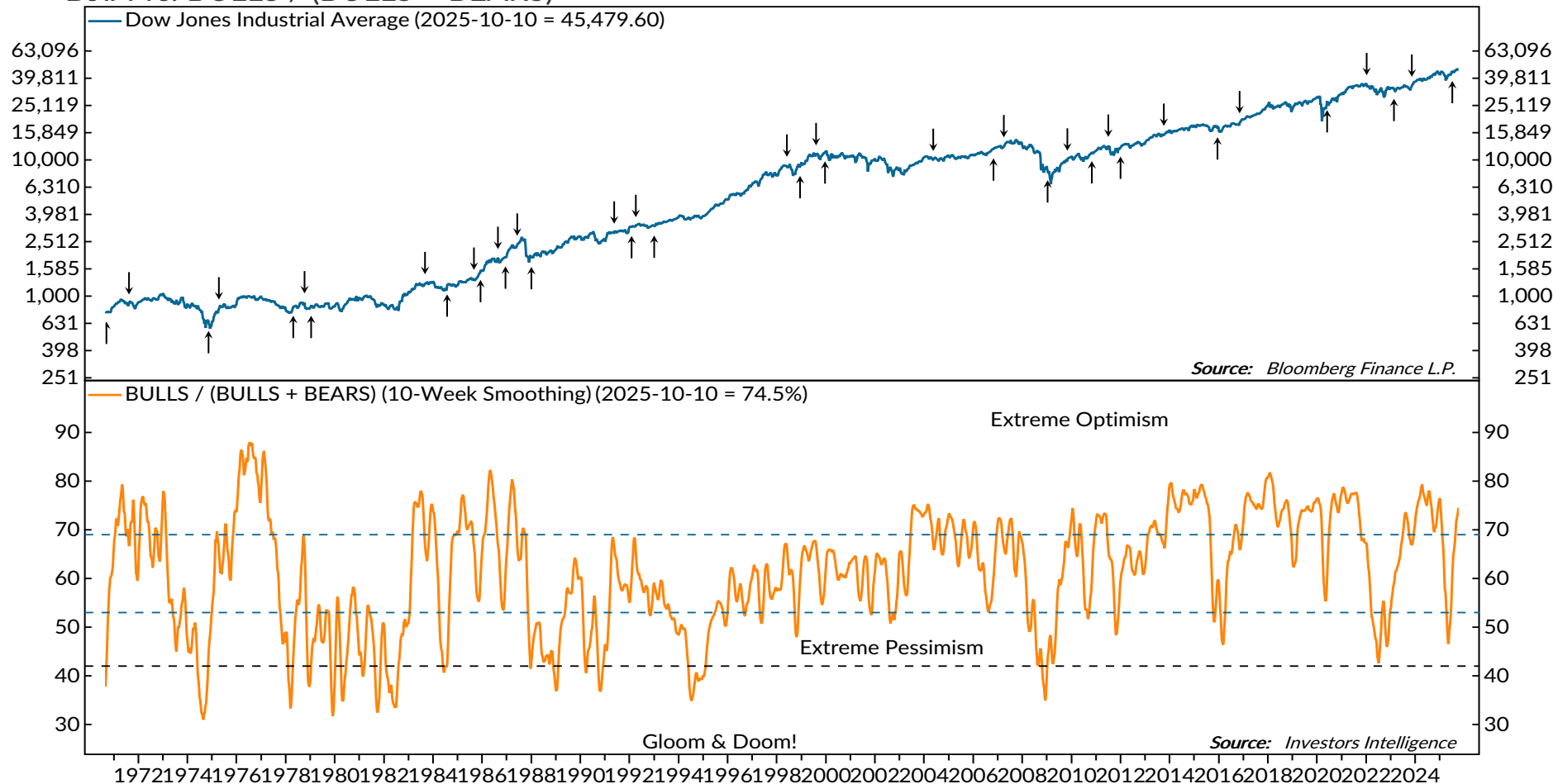


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# DJIA vs. BULLS / (BULLS + BEARS)

Weekly Data 1970-09-04 to 2025-10-10



Buy signal (100% long DJIA) when Ratio:  
Rises Above 42% or 59% (whichever comes first)  
Declines Below 67% = Neutral (Switch into Commercial Paper)

Dow Jones Industrial Average Performance		
Chart View: 1970-09-04 to 2025-10-10		
Excess Liquidity Growth is	% Gain/Annum	% of Time
Above 69.0	2.75	30.88
53.0 - 69.0	8.50	44.03
Below 53.0	12.54	25.09
Buy/Hold = 7.67% Gain/Annum		

Signal Analysis					
Long Only: 1970-09-18 to 2025-10-10					
Signals	% Gain/Annum	% Profitable	% Gain/Trade	Trades/Annum	% of Time
All	9.4	97.4	15.9	0.7	100.0
Buy	13.9	95.0	25.4	0.4	54.3
Neutral	4.3	100.0	5.9	0.3	45.7
Buy/Hold	7.7	--	--	--	--
Last Signal: Buy (2025-07-11 = 44371.51)					

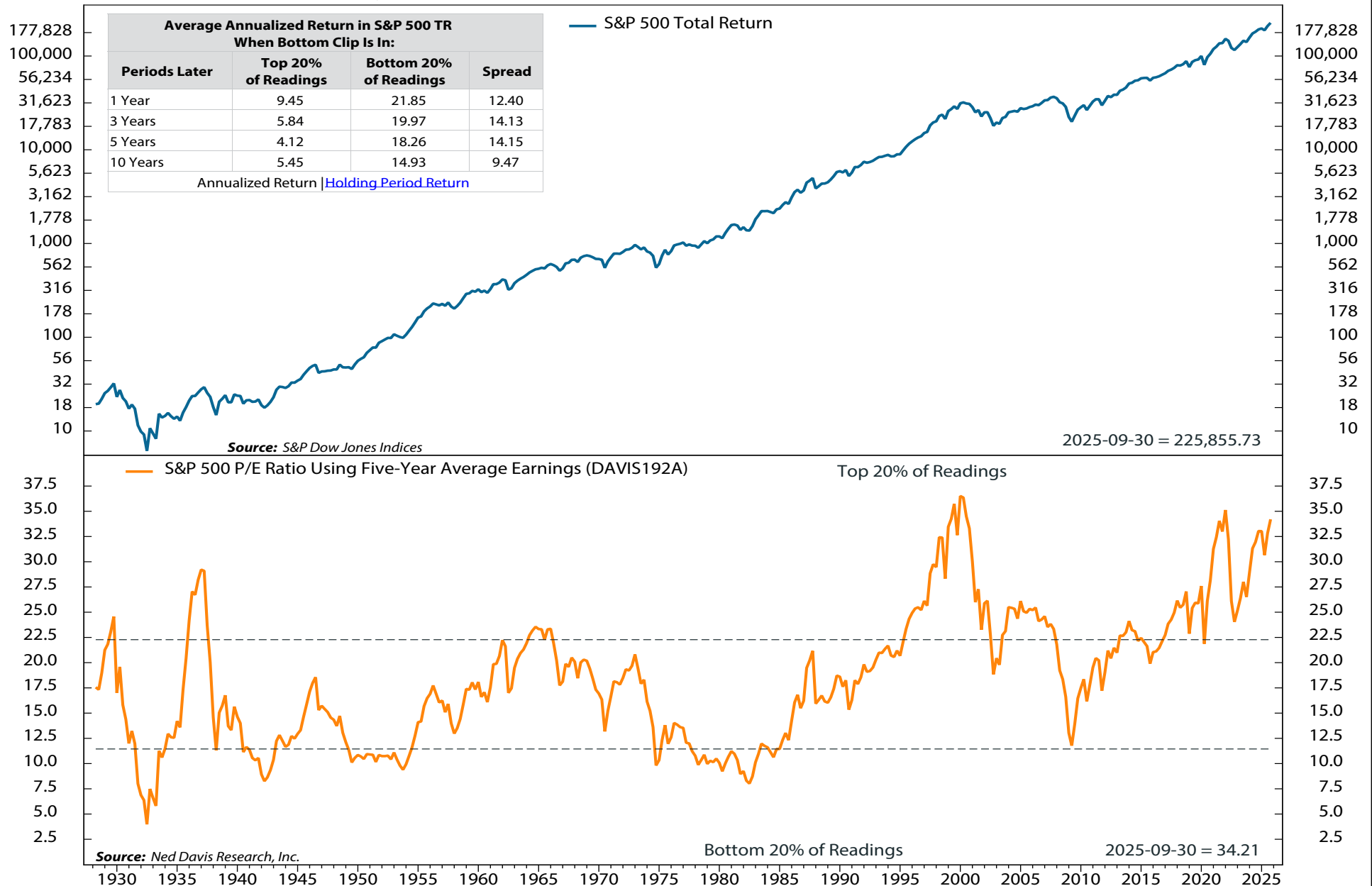
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# S&P 500 5-Year P/E Long-Term Trend

Quarterly Data 1928-03-31 to 2025-09-30 (Log Scale)



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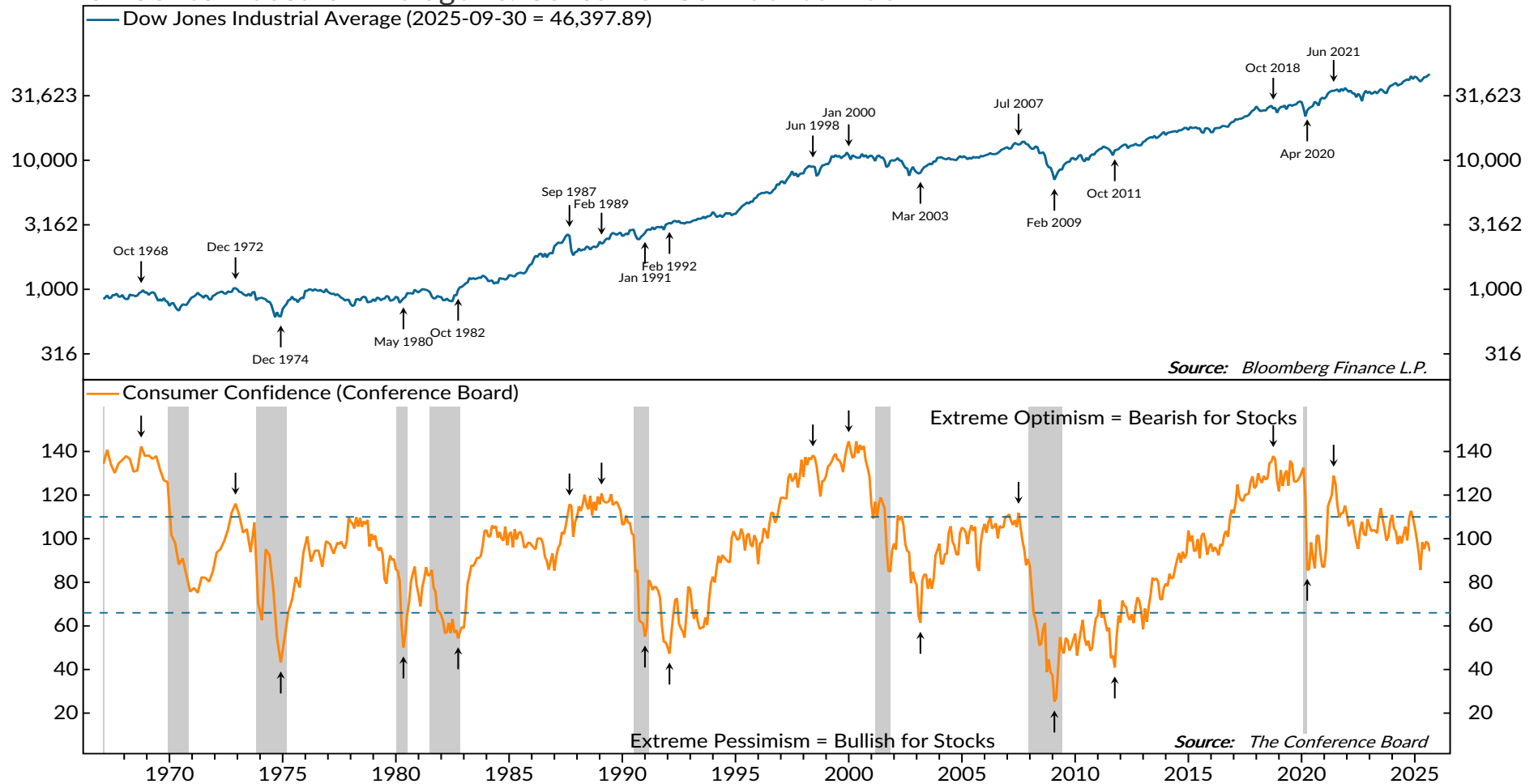


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# Dow Jones Industrial Average vs. Consumer Confidence Index

Monthly Data 1967-02-28 to 2025-09-30



DJIA Performance		
Full History: 1967-02-28 to 2025-09-30		
Consumer Confidence Is	% Gain/Annum	% of Time
Above 110.0	1.39	26.14
66.0 - 110.0	7.82	59.24
Below 66.0	14.82	14.62
Buy/Hold = 7.08% Gain/Annum		

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# Ned's 'Can't be without' Charts

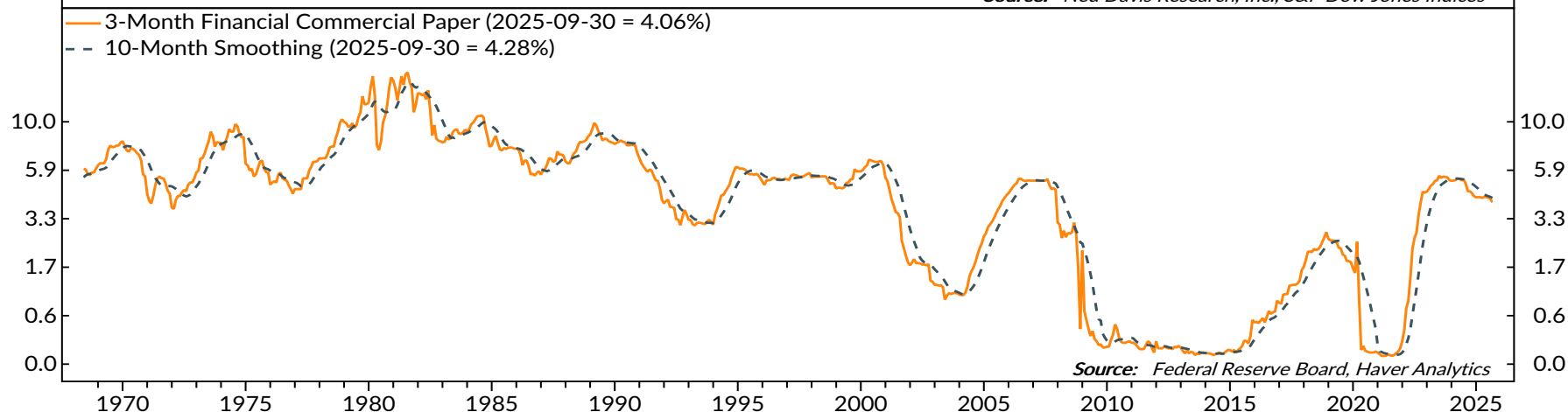
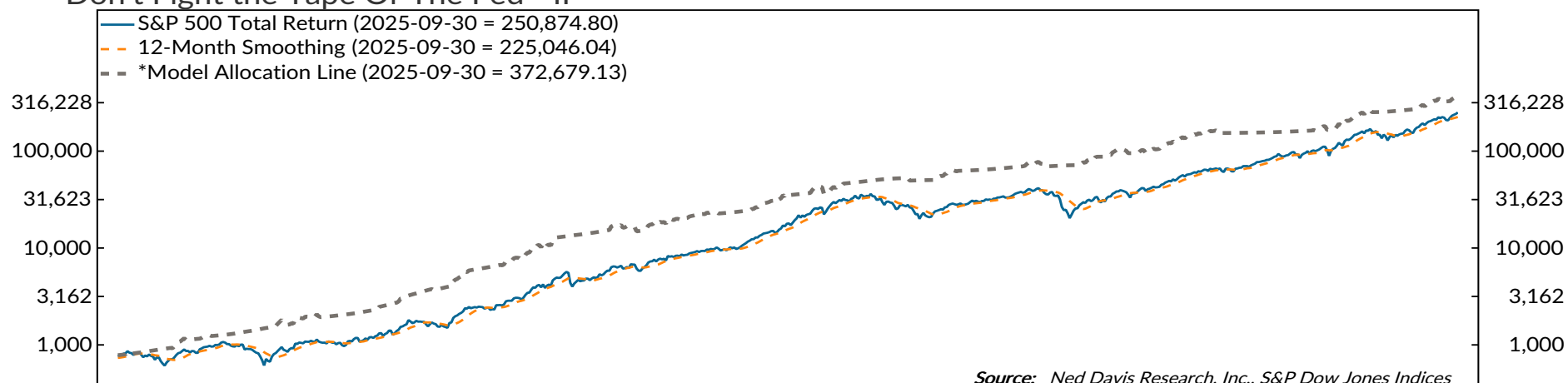


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# Don't Fight the Tape Or The Fed - II

Monthly Data 1968-06-30 to 2025-09-30



Model is positive when both the S&P 500 TR is above its 12-month MA, and the 3-month commercial paper rate is below its 10-month MA. Commercial paper will stay on a buy until the rate rises above its MA by more than 10 basis points

\*The allocation line reflects going long the S&P 500 total return when both indicators are positive and switching to commercial paper otherwise. The model outperforms the S&P 500 Index by a 1.5 to 1 margin while only having assets at risk 44.7% of the time. (1968-06-30 to 2025-09-30)

S&P 500 Total Return Performance Full History: 1968-06-30 to 2025-09-30		
Indicators Are:	% Gain/ Annum	% of Time
Both Positive	18.40	44.67
Mixed	4.73	43.97
Both Negative	4.47	11.36
Buy/Hold = 10.60% Gain/Annum		

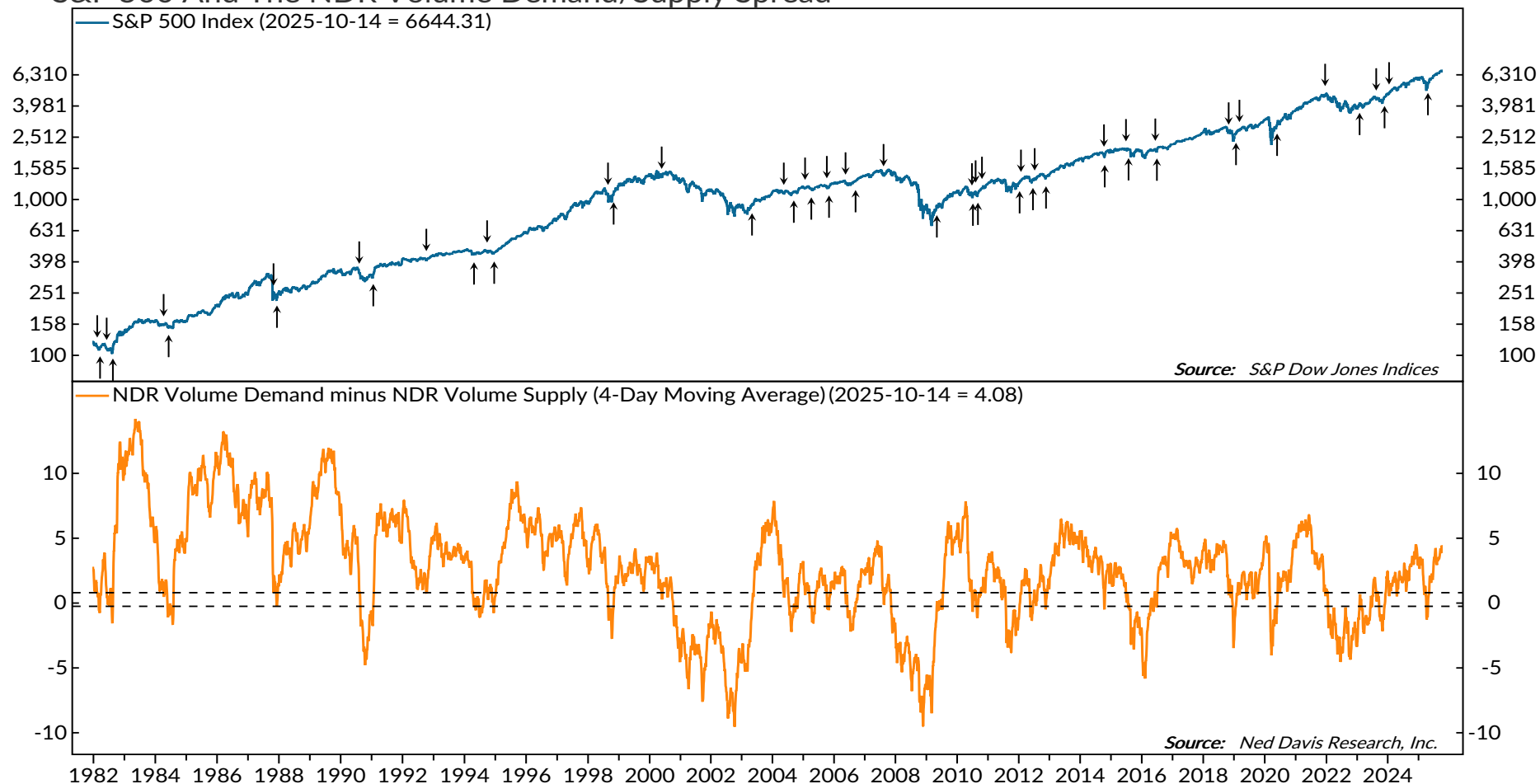
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# S&P 500 And The NDR Volume Demand/Supply Spread

Daily Data 1981-12-24 to 2025-10-14



Buy when the spread rises above -0.25  
Sell when the spread falls below 0.80

Strategy switches into T-Bills on Sell signals

S&P 500 Index Performance		
Chart View: 1981-12-24 to 2025-10-14		
DAVIS125C Signals	% Gain/ Annum	% of Time
Buy	16.67	65.76
Sell	-2.39	34.24
Buy/Hold = 9.54% Gain/Annum		

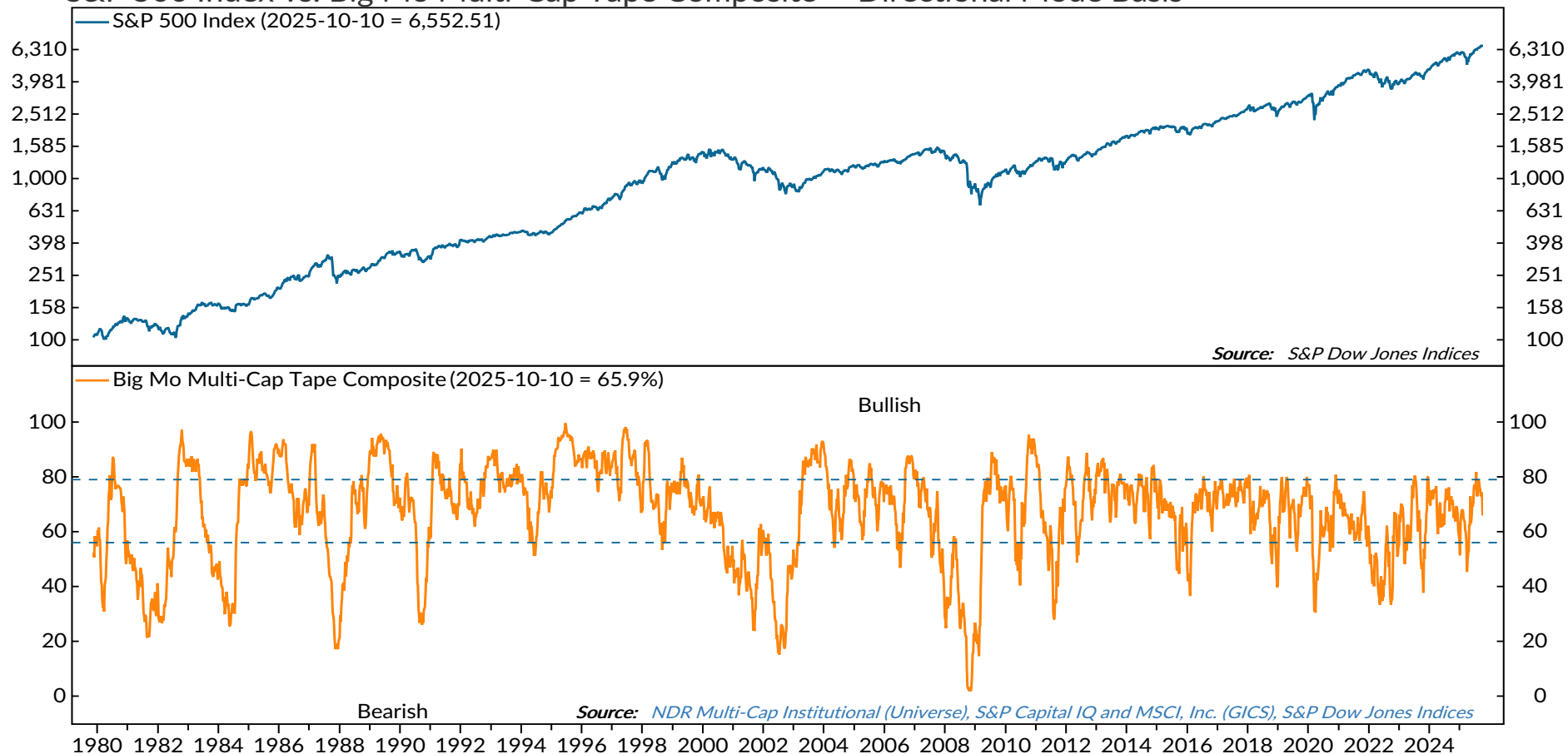
Signal Analysis					
Long Only: 1982-02-17 to 2025-10-14					
Signals	% Gain/ Annum	% Profitable	% Gain/ Trade	Trades/ Annum	% of Time
All	11.8	94.4	11.0	1.2	100.0
Buy	16.7	88.9	20.4	0.6	65.8
Switch	2.9	100.0	1.6	0.6	34.2
Buy/Hold	9.8	--	--	--	--
Last Signal: Buy (2025-04-25 = 5525.21)					

DAVIS125C



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## S&amp;P 500 Index vs. Big Mo Multi-Cap Tape Composite -- Directional Mode Basis



Composite direction  
is FALLING.

Direction is determined  
by whether Big Mo is  
higher or lower than it  
was six weeks ago.

Returns Regardless of Direction S&P 500 Index Performance Chart View: 1979-12-28 to 2025-10-10		
Big Mo Tape is	% Gain/ Annum	% of Time
Above 79.0	28.19	24.45
56.0 - 79.0	9.60	52.78
Below 56.0	-8.19	22.77
Buy/Hold = 9.38% Gain/Annum		

Big Mo Tape is Rising S&P 500 Index Performance Chart View: 1979-12-28 to 2025-10-10		
Big Mo Tape is	% Gain/ Annum	% of Time
Above 79.0	32.46	15.04
56.0 - 79.0	12.12	23.05
Below 56.0	4.90	8.05
Buy/Hold = 9.38% Gain/Annum		

Big Mo Tape is Falling S&P 500 Index Performance Chart View: 1979-12-28 to 2025-10-10		
Big Mo Tape is	% Gain/ Annum	% of Time
Above 79.0	19.77	8.58
56.0 - 79.0	7.38	28.48
Below 56.0	-17.05	14.30
Buy/Hold = 9.38% Gain/Annum		

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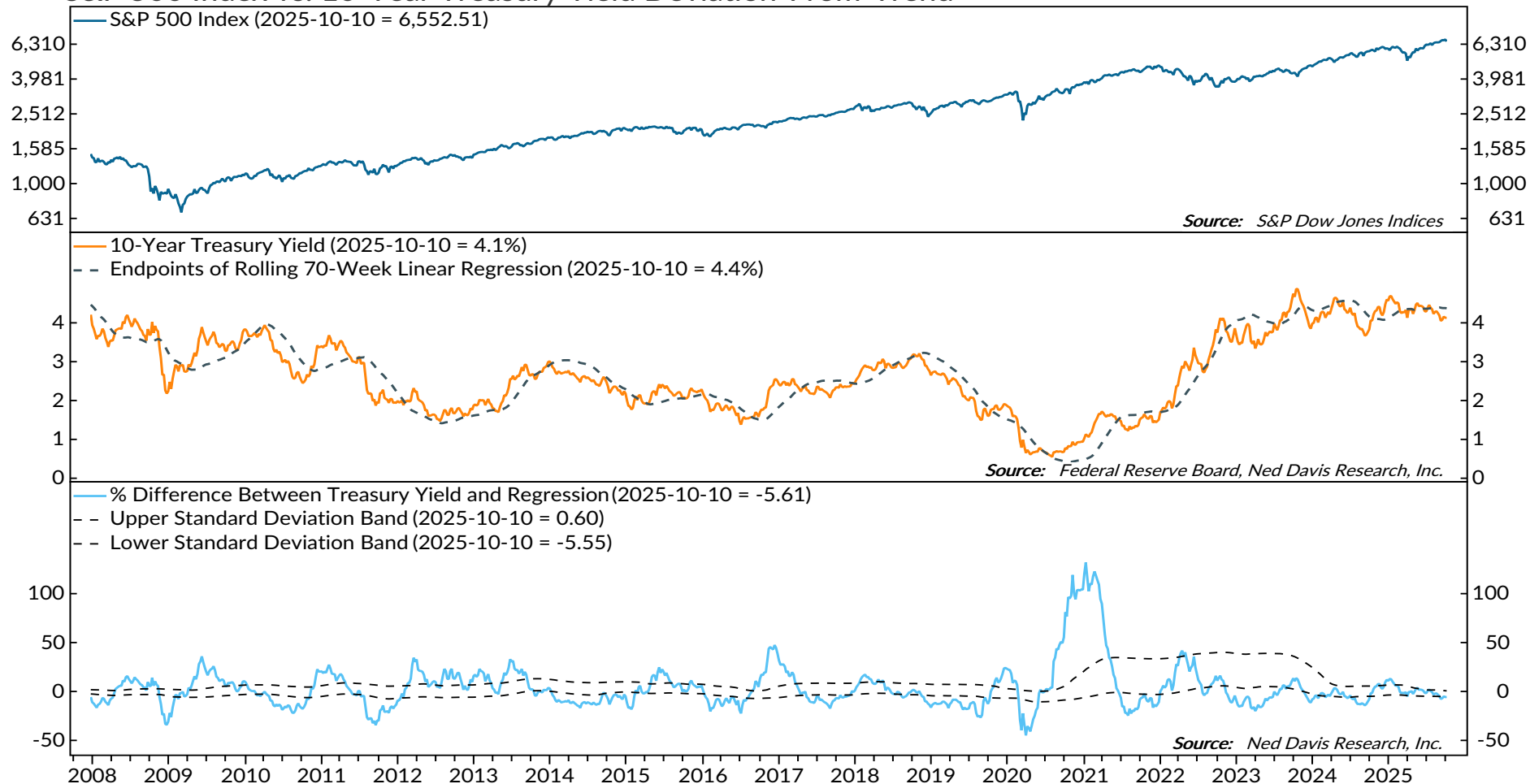


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# S&P 500 Index vs. 10-Year Treasury Yield Deviation-From-Trend

Weekly Data 2007-12-28 to 2025-10-10



S&P 500 Gain/Annum Performance		
Full History: 1969-04-25 to 2025-10-10		
Ind. In Bottom Clip	% Gain/Annum	% of Time
Above Upper Bracket	-1.12	31.69
Between Brackets	5.28	30.90
Lower Bracket and Below	17.83	37.40
Buy/Hold = 7.65% Gain/Annum		

S&P 500 Gain/Annum Performance		
Chart View: 2007-12-28 to 2025-10-10		
Ind. In Bottom Clip	% Gain/Annum	% of Time
Above Upper Bracket	1.57	30.53
Between Brackets	8.28	28.00
Lower Bracket and Below	14.63	41.47
Buy/Hold = 8.73% Gain/Annum		

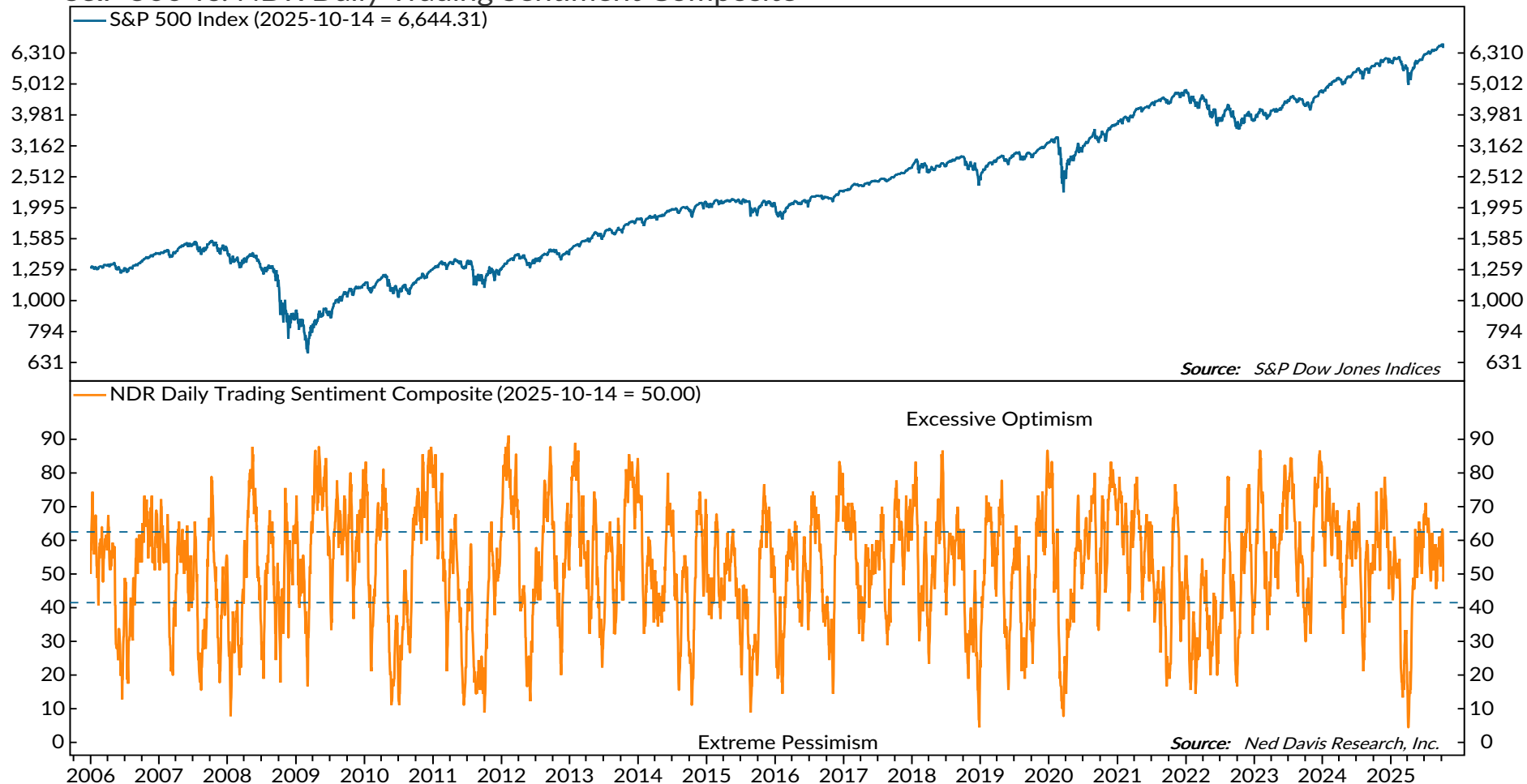
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# S&P 500 vs. NDR Daily Trading Sentiment Composite

Daily Data 2006-01-03 to 2025-10-14



S&P 500 Index Performance		
Full History: 1994-12-30 to 2025-10-14		
NDR Daily Sentiment Composite is	% Gain/Annum	% of Time
Above 62.5	-4.80	28.61
41.5 - 62.5	9.16	44.95
Below 41.5	26.13	26.44
Buy/Hold = 9.06% Gain/Annum		

S&P 500 Index Performance		
Chart View: 2006-01-03 to 2025-10-14		
NDR Daily Sentiment Composite is	% Gain/Annum	% of Time
Above 62.5	-1.59	29.64
41.5 - 62.5	7.55	43.47
Below 41.5	23.50	26.90
Buy/Hold = 8.73% Gain/Annum		

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# Ned's Current Thoughts on the Market



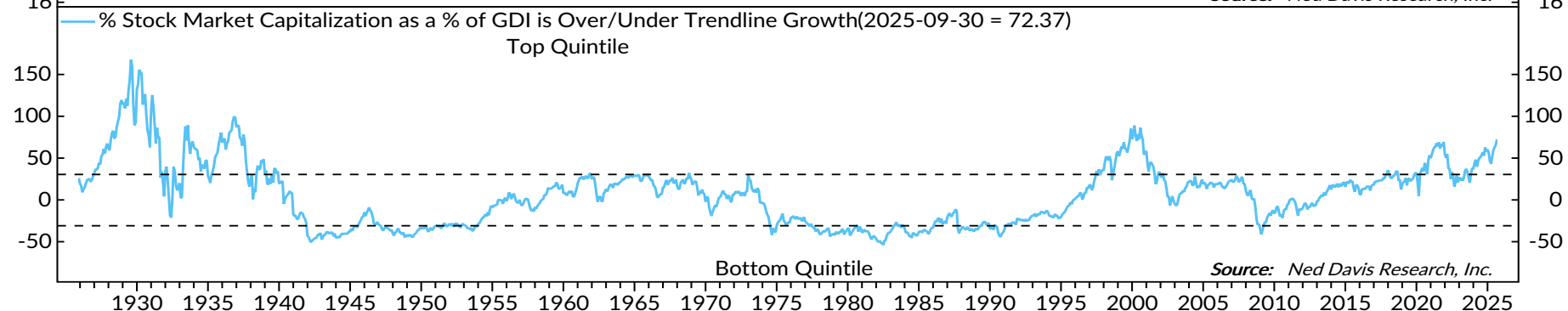
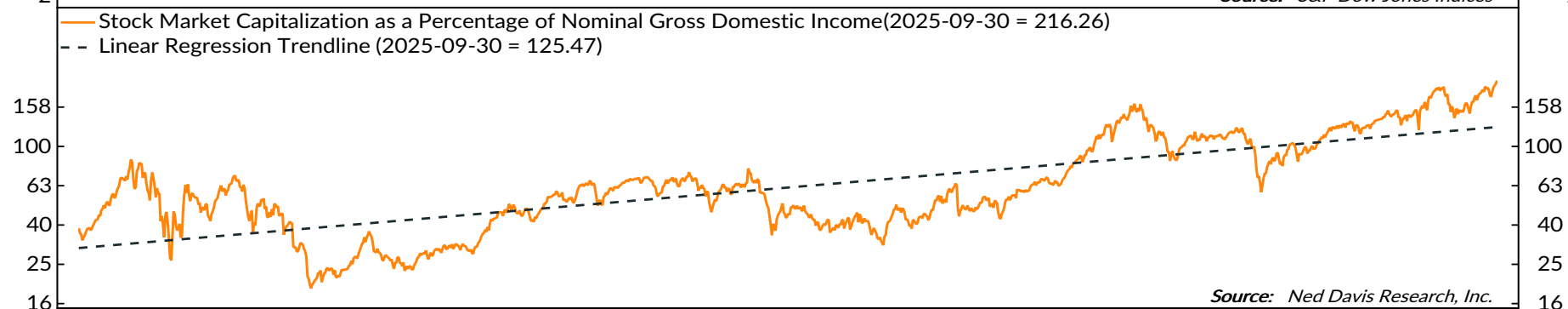
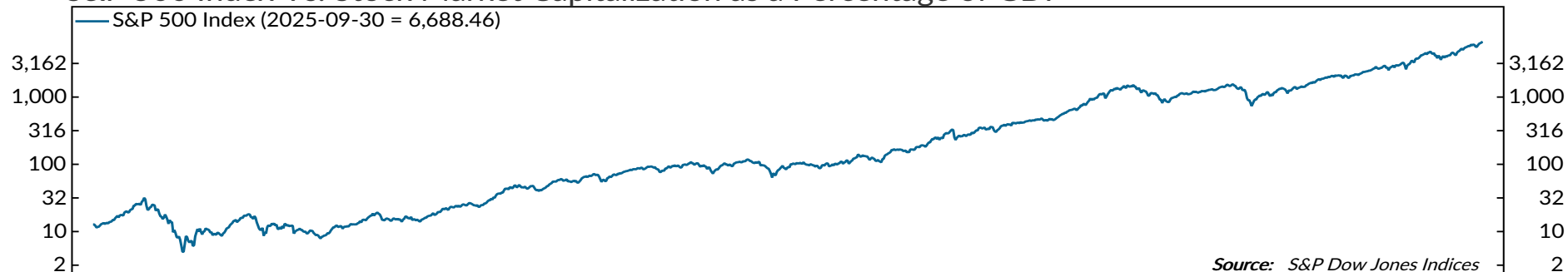
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# S&P 500 Index Vs. Stock Market Capitalization as a Percentage of GDI

Monthly Data 1925-12-31 to 2025-09-30



Average % Change in S&P 500 (1925-12-31 - 2025-09-30)	% Market Cap / GDI Over/Under Trendline is:	Years Later:					
		1-Year	3-Years	5-Years	7-Years	9-Years	11-Years
	Above 30.44	0.27	-3.28	-12.07	-6.75	-5.23	-3.64
	Below -30.91	16.35	43.60	74.34	121.10	179.81	242.64

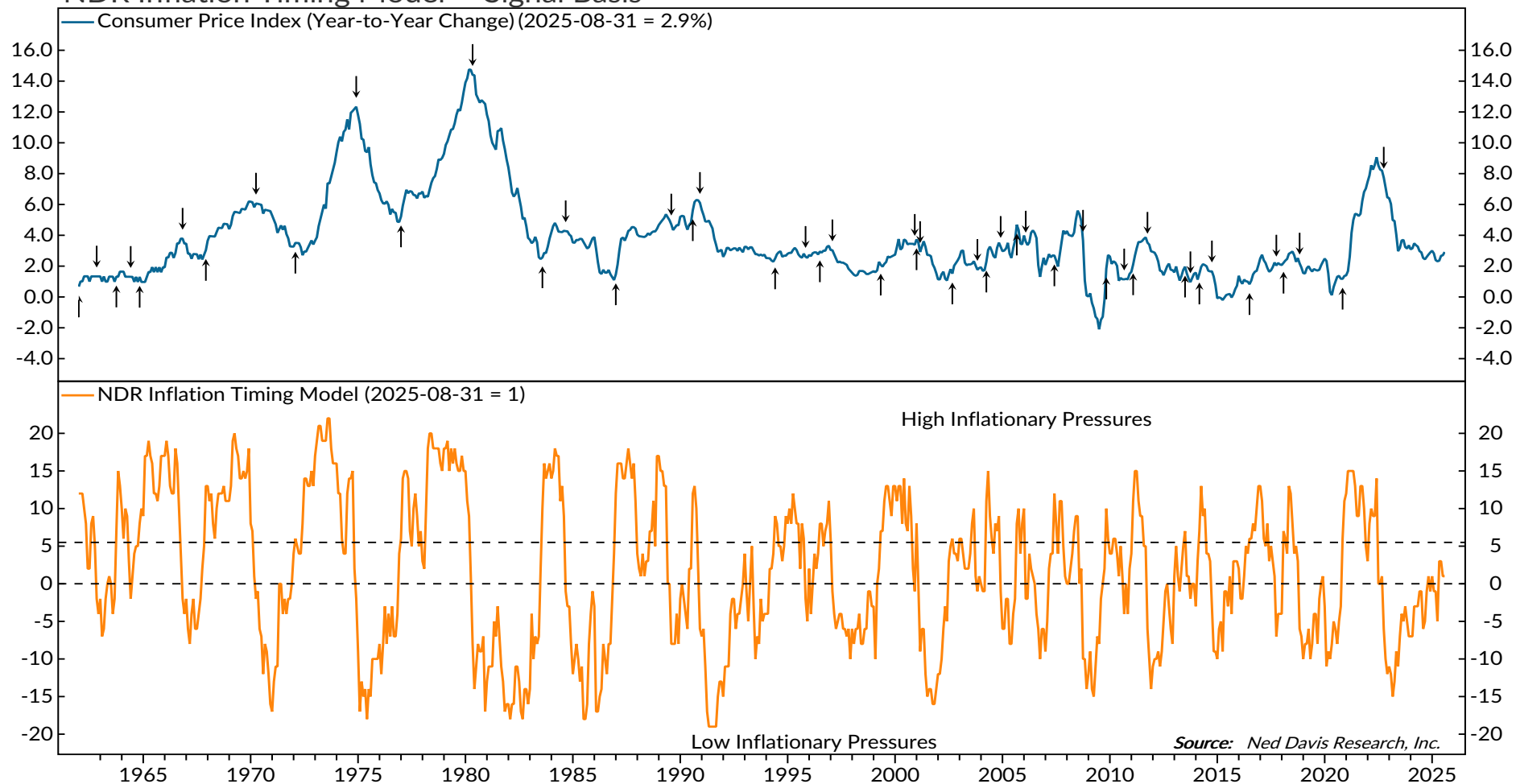
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# NDR Inflation Timing Model -- Signal Basis

Monthly Data 1962-01-31 to 2025-08-31



Buy = Forecast of Rising Inflation Rates  
Sell = Forecast of Falling Inflation Rates

Inflation Signal Stats: 1962-01-31 to 2025-08-31	
Correct Signals	70.8%
Inflationary Mode GPA	4.6%
Disinflationary Mode GPA	3.1%
Buy-Hold GPA	3.8%
Last Signal: Disinflationary Mode (2022-10-31 = 7.7%)	

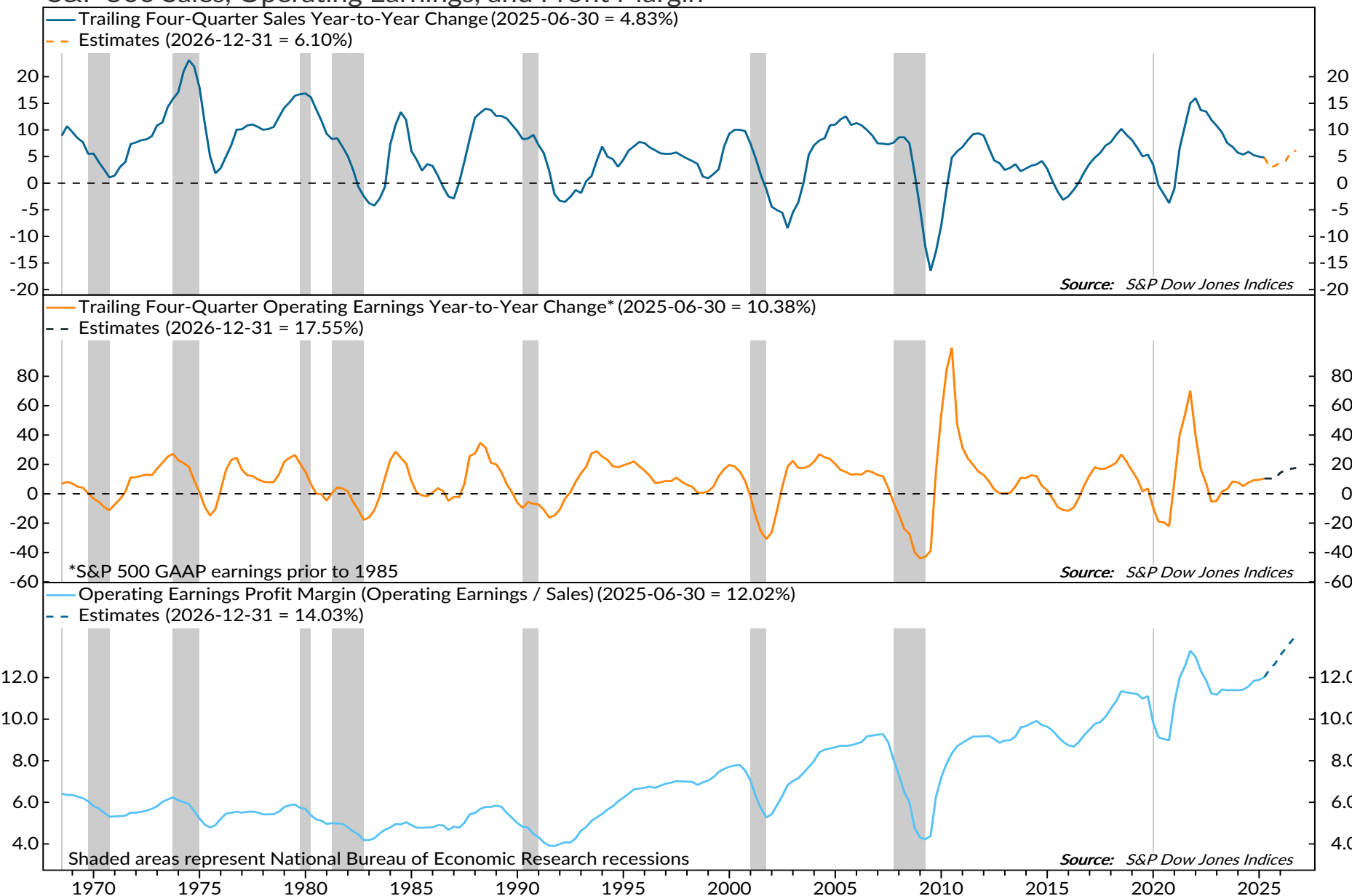
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# S&P 500 Sales, Operating Earnings, and Profit Margin

Quarterly Data 1968-09-30 to 2026-12-31



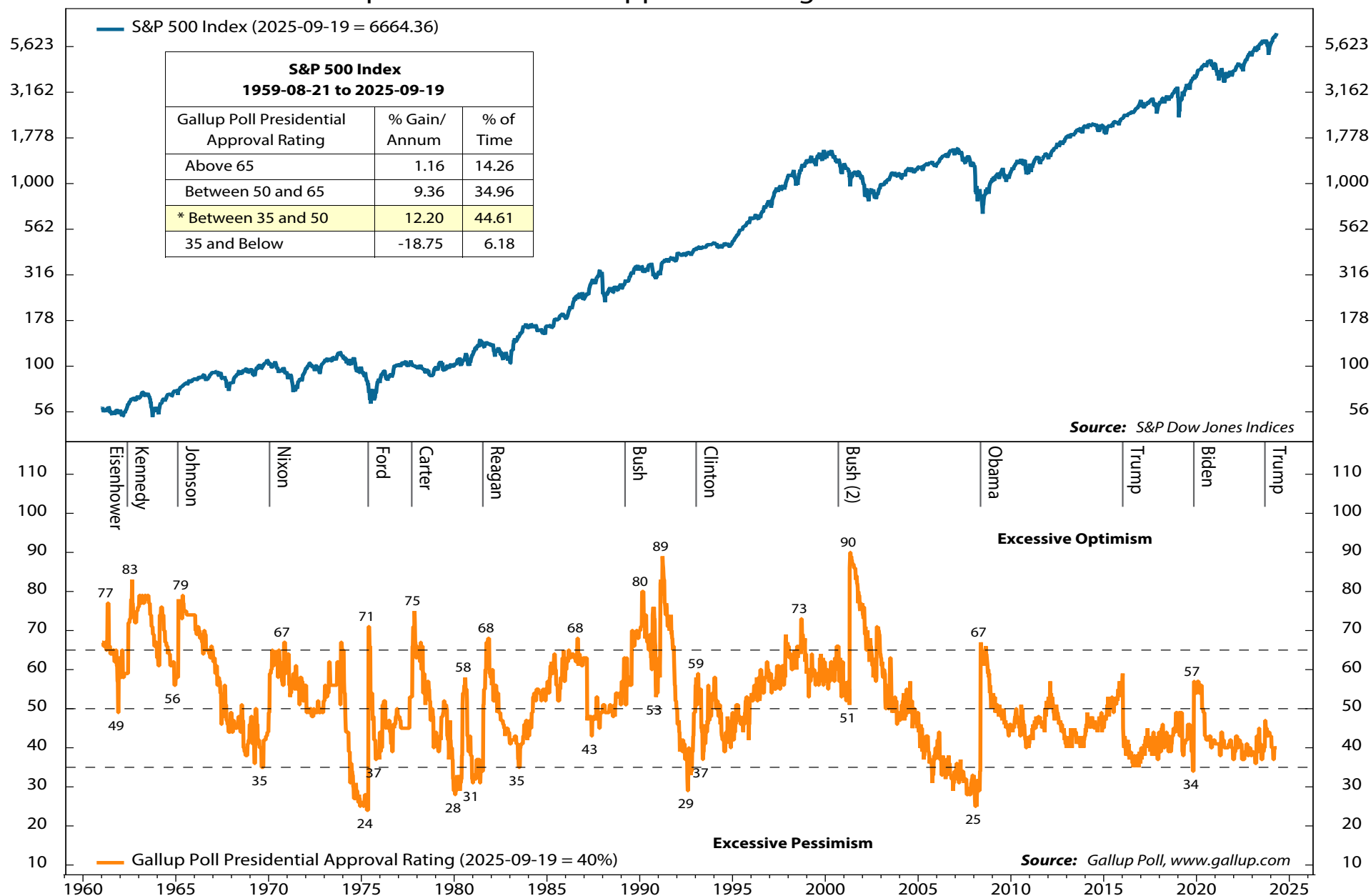
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# S&P 500 Index vs Gallup Poll Presidential Approval Rating

Weekly Data 1959-08-21 to 2025-09-19 (Log Scale)



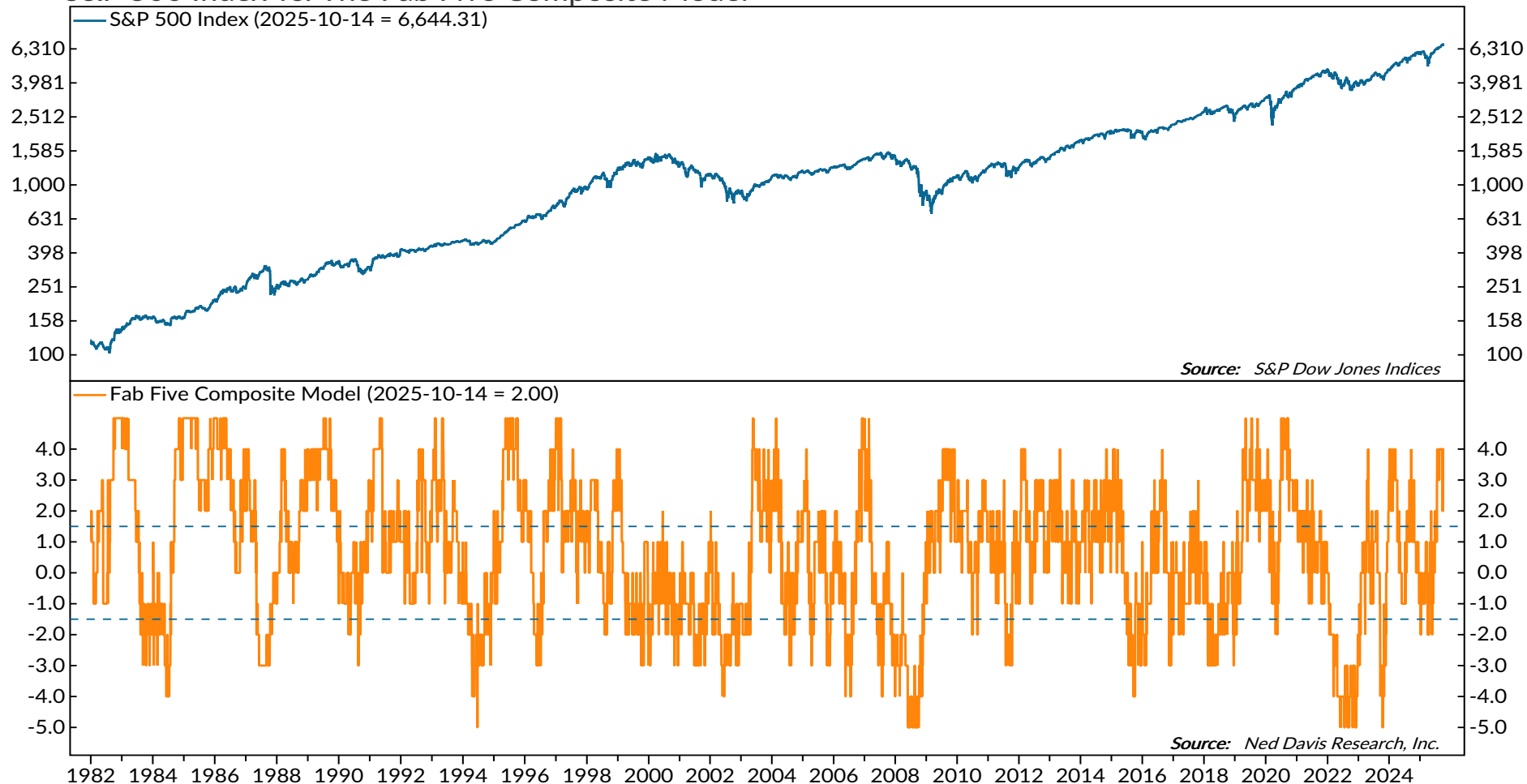
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# S&P 500 Index vs. The Fab Five Composite Model

Daily Data 1981-12-31 to 2025-10-14



Model Component	Chart	Model Reading (As of 2025-10-14)
Tape	<a href="#">DAVIS501</a>	NEUTRAL
Sentiment	<a href="#">DAVIS502</a>	NEUTRAL
Monetary	<a href="#">DAVIS503</a>	BULLISH
Combo	<a href="#">DAVIS504</a>	BULLISH

S&P 500 Index Performance Full History: 1981-12-31 to 2025-10-14		
Fab Five Model is	% Gain/ Annum	% of Time
Above 1.5	26.64	37.84
-1.5 - 1.5	8.33	43.94
Below -1.5	-16.73	18.23
Buy/Hold = 9.54% Gain/Annum		

[DAVIS500](#)



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# Ned Davis

## Senior Investment Strategist

**Ned Davis**, Senior Investment Strategist, founded Ned Davis Research (NDR), in 1980. Ned has been professionally involved in the stock market for over 50 years. While arguing that forecasting reliably (“Being Right”) is impossibly difficult, he espouses a philosophy that he feels can consistently win (“Make Money”) through a disciplined strategy of following the weight of objective indicator evidence. Because he also believes flexibility (ability to adapt) is crucial, Ned Davis Research also produces many sentiment indicators warning investors to be wary at crowd extremes, and helping them to be open-minded about potential trend changes. A self-proclaimed risk manager, Ned dedicates his research to avoiding major mistakes, cutting losses short, and letting profits run.

Ned is the author of **Being Right or Making Money** and **The Triumph of Contrarian Investing**. He has been the subject of numerous featured interviews in **Barron’s**, and has been a featured guest many times on the late Lou Rukeyser’s **Wall Street Week**. NDR is widely quoted by various media and Wall Street sources.

Ned is a **Phi Beta Kappa** graduate of the University of North Carolina at Chapel Hill. He attended the Harvard Business School.



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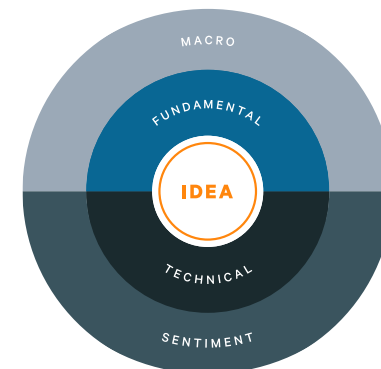


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## See the Signals.™

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