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EQDerivatives

Does Sell in May and Go Away Actually Make Sense?

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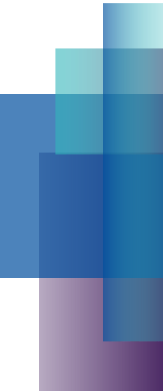
EQDerivatives

Sell In May And Go Away?

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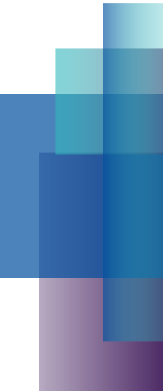
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Outline

- **Summer Equity Market Performance**
- **Historical Information**
- **Sector Performance**
- **Questions / Contact Info**



Equity Indices Summer Performance

Year	S&P 500	Nasdaq-100	Russell 2000
2014	5.41%	11.02%	4.28%
2015	-9.63%	-7.56%	-9.27%
2016	3.86%	6.34%	8.81%
2017	2.51%	3.45%	2.27%
2018	6.62%	9.96%	7.00%
2019	3.55%	5.34%	-1.27%
2020	15.95%	23.46%	13.26%
2021	7.88%	14.37%	1.02%

Data Sources: Barchart.Com and EQDerivatives Calculations

Past performance is not indicative of future results.

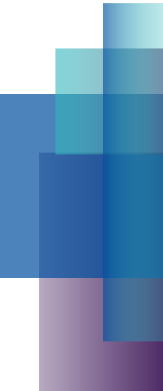
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Equity Indices Summer Performance Highlights

- **NDX is the best performer seven of the last eight summer seasons**
- **RUT was the best performer in summer of 2016**
- **RUT was the worst five of eight summers and SPX was the worst three of eight summers**
- **NDX historically has not been the worst performer**

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Annual Relative Performance

Year	SPX / NDX	SPX / RUT	RUT / NDX
2014	-5.61%	1.13%	-6.74%
2015	-2.07%	-0.37%	-1.70%
2016	-2.49%	-4.96%	2.47%
2017	-0.93%	0.25%	-1.18%
2018	-3.34%	-0.37%	-2.97%
2019	-1.79%	4.83%	-6.62%
2020	-7.50%	2.69%	-10.19%
2021	-6.49%	6.86%	-13.35%

Data Sources: Barchart.Com and EQDerivatives Calculations

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Trade Idea – Long NDX / Short SPX

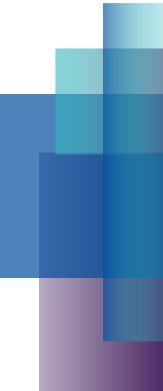
Using E-Mini Futures

NDX E-Mini Contract Multiple \$20 x Index

S&P 500 E-Mini Contract Multiple \$50 x Index

Buy NDX / Sell SPX E-Mini Futures

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Trade Idea – Long NDX / Short SPX

Historical Results

Year	S&P 500				Nasdaq-100				Combo
	Contracts	Sell	Cover	P/L	Contracts	Buy	Sell	P/L	P/L
2014	4	1889.50	2001.50	-22400	5	3769	4124.2	35520	13120
2015	4	2117.00	1921.75	39050	4	4522.5	4194	-26280	12770
2016	4	2089.00	2178.00	-17800	4	4502	4795.25	23460	5660
2017	4	2411.00	2474.25	-12650	4	5797.75	5988.25	15240	2590
2018	4	2722.75	2902.00	-35850	4	6985	7661.25	54100	18250
2019	4	2836.50	2924.75	-17650	4	7342	7690.75	27900	10250
2020	4	2943.75	3417.50	-94750	3	9391.5	11548.75	129435	34685
2021	4	4192.50	4534.50	-68400	3	13675.5	15651.5	118560	50160

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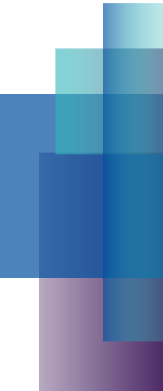
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Trade Idea - Deviations

- **Smaller (Micro) NDX and SPX futures pairs**
- **Long QQQ vs. Short SPY**
- **Long ITM NDX Call versus Long ITM SPX Put**

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Sector Summer Performance

Sector	Avg. Rank	Best	Worst	Average	% Higher
Technology	1	20.23%	-10.38%	7.38%	87.50%
Health Care	2	11.21%	-8.78%	4.56%	87.50%
Consumer Discretionary	3	19.38%	-4.10%	5.38%	75.00%
Consumer Staples	4	13.14%	-5.70%	3.22%	75.00%
Financials	5	14.30%	-9.31%	2.61%	87.50%
Materials	6	19.68%	-19.53%	2.06%	75.00%
Utilities	7	6.43%	-8.45%	2.62%	87.50%
Industrial	8	19.83%	-12.21%	2.42%	75.00%
Energy	9	4.76%	-22.89%	-5.51%	25.00%

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Sector Highlights

- **Based on the previous table, energy has been a laggard in the summer months over the past eight years**
- **Technology (like NDX) has been the leading sector four of eight years**
- **Health Care was the top performer three times and consumer discretionary once**

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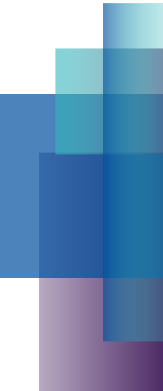
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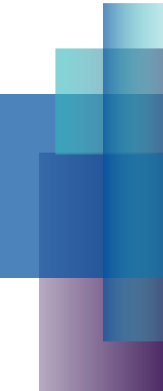
Attractive Pairs

- **Long Financials / Short Energy**
- **Long Utilities / Short Energy**
- **Long Technology / Short Energy**
- **Long Technology / Short Health Care**



Summary

- **The old saying “Sell in May and go away” is not valid when compared to recent market history**
- **Tech stocks and health care related stocks have achieved better performance than other sectors over the past eight years**
- **The biggest summer time laggard has been energy with losses over the past seven of eight summers**



Contact / Questions / Suggestions

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Questions?

Other Summertime Ideas?

