



Conditional Price Movement

# Physics-Based Sentiment Forecasts

## Upcoming “M-Flash”

April 7, 2025

Source: CPM Investing LLC. Data using USD prices, except as noted. Backtested/hypothetical results do not indicate actual or future returns.

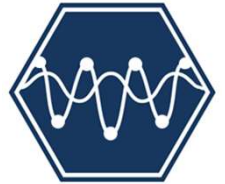
Current decision rules and parameters are used to simulate historical performance and portfolio statistics.

If and when the rules and parameters are revised, those revisions may affect previously reported simulated historical performance and portfolio characteristics.

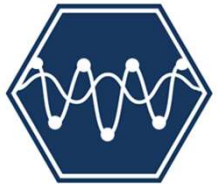
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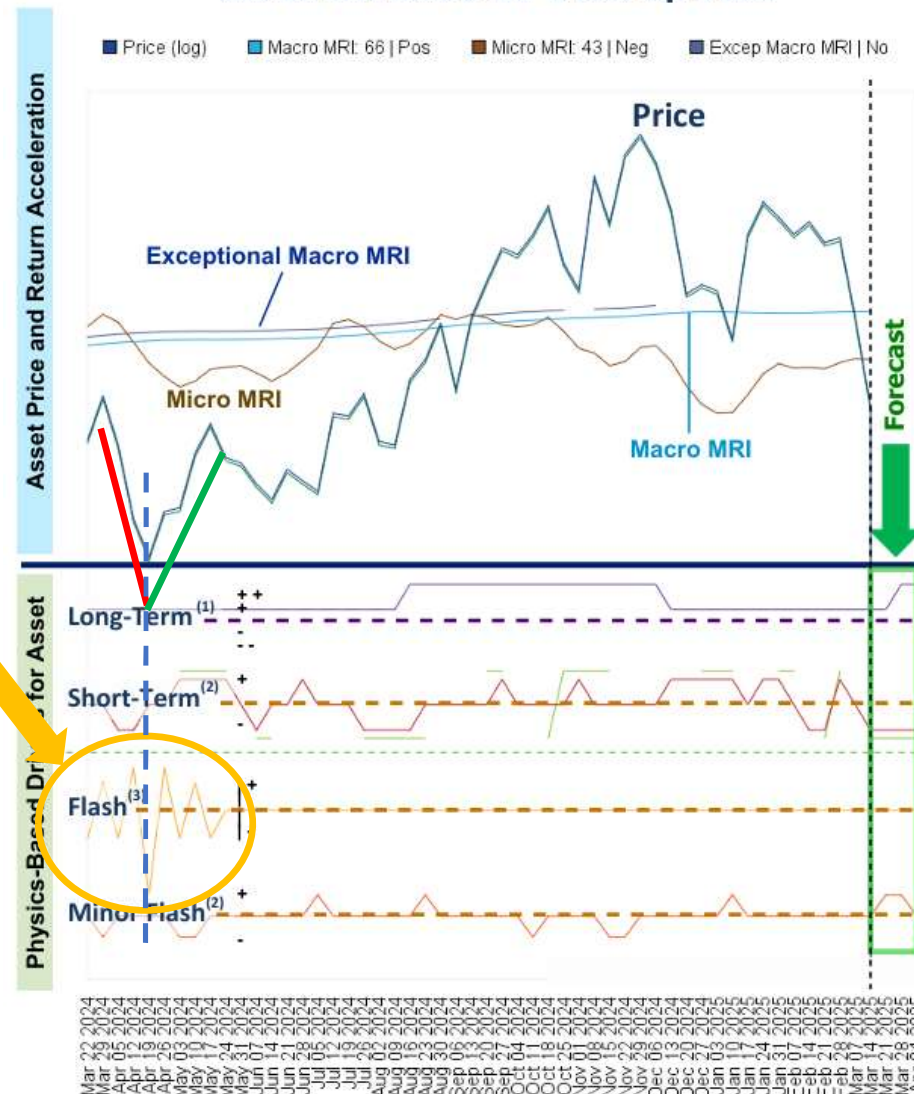
# Upcoming M-Flash



- Reliable pattern lasting 10 weeks or fewer
  - “M” shaped: Price gain, loss, gain, and then small loss
  - Likely to distract/confuse investors
- Key dates:
  - Beginning – approximately the week ending April 25
  - Most pessimistic period (middle of “M”) – approximately the week ending May 9
  - Ends – approximately the week ending May 30
- Flash is derived from a single set of physics-related measures
- The price decline at the middle of the “M” is statistically significant
- Predicted shifts are not always accurate to the week



Physics-Based Sentiment Forecasts  
ETF "RSP" | S&P 500® Equal Weighted Index as of Mar 14 2025  
MRI and Their Drivers: Mar 15 2024 - Apr 4 2025



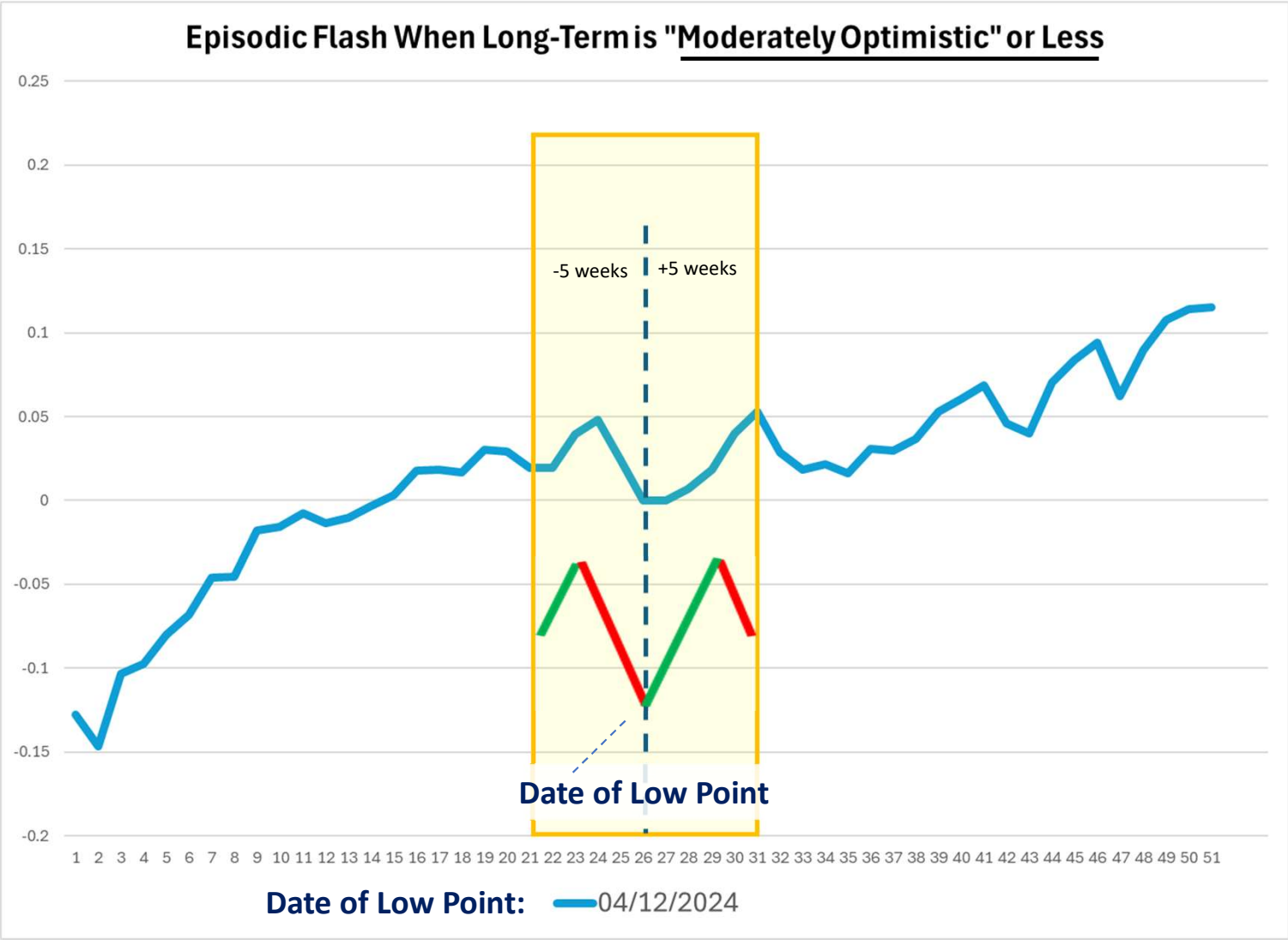
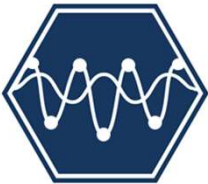
Condition of Long-Term Driver when the M-Flash is expected:  
**"Most Optimistic"**

Apr 25 2025 – Begin  
**May 9 2025 – Midpoint**  
May 30 2025 - End

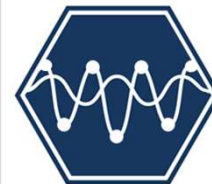
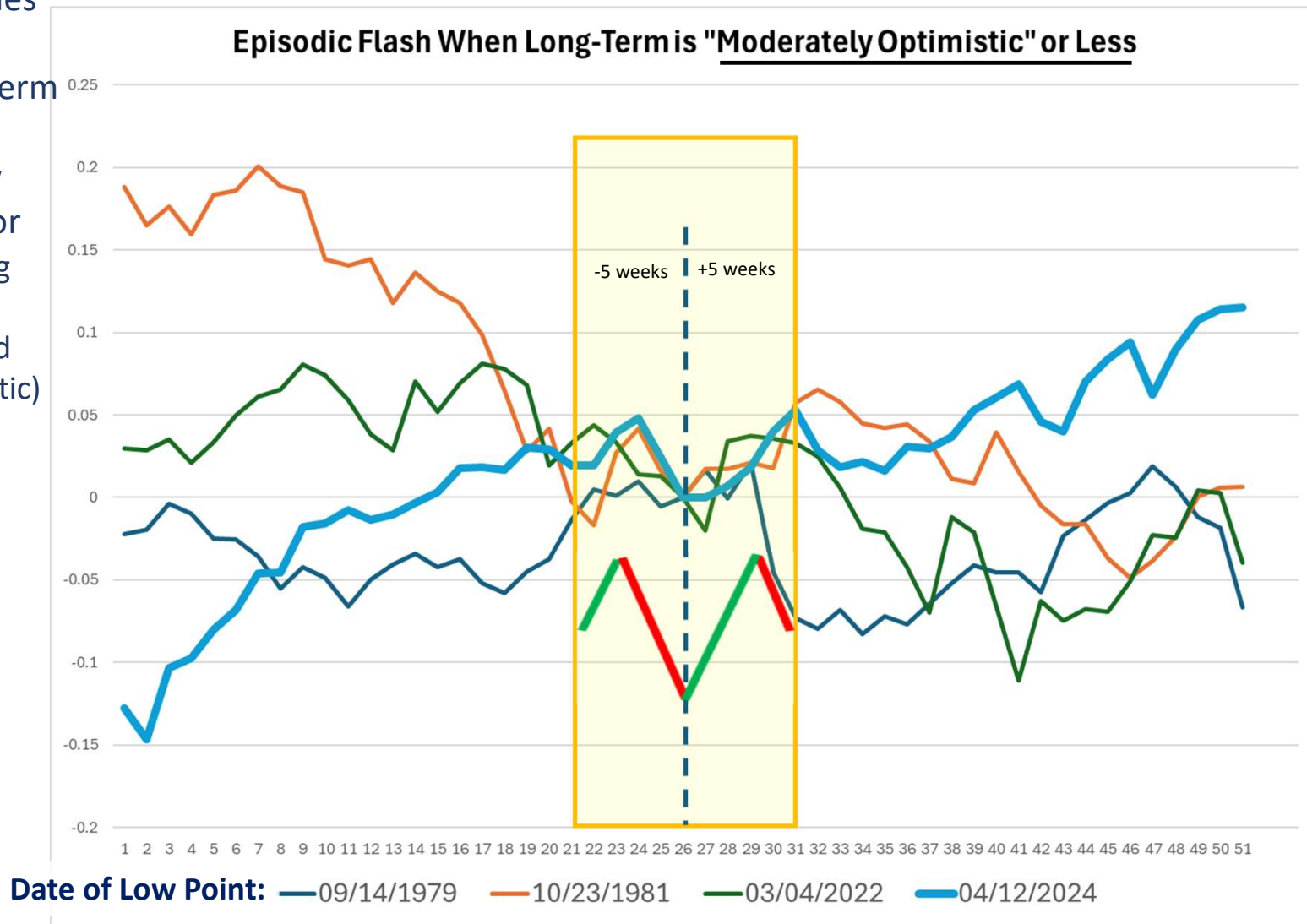
Upcoming M-Flash will resemble this episode, except that the previous M-Flash was when the Long-Term Driver was only **"Moderately Optimistic."** Profiled on the next slide...

Most Recent  
M-Flash

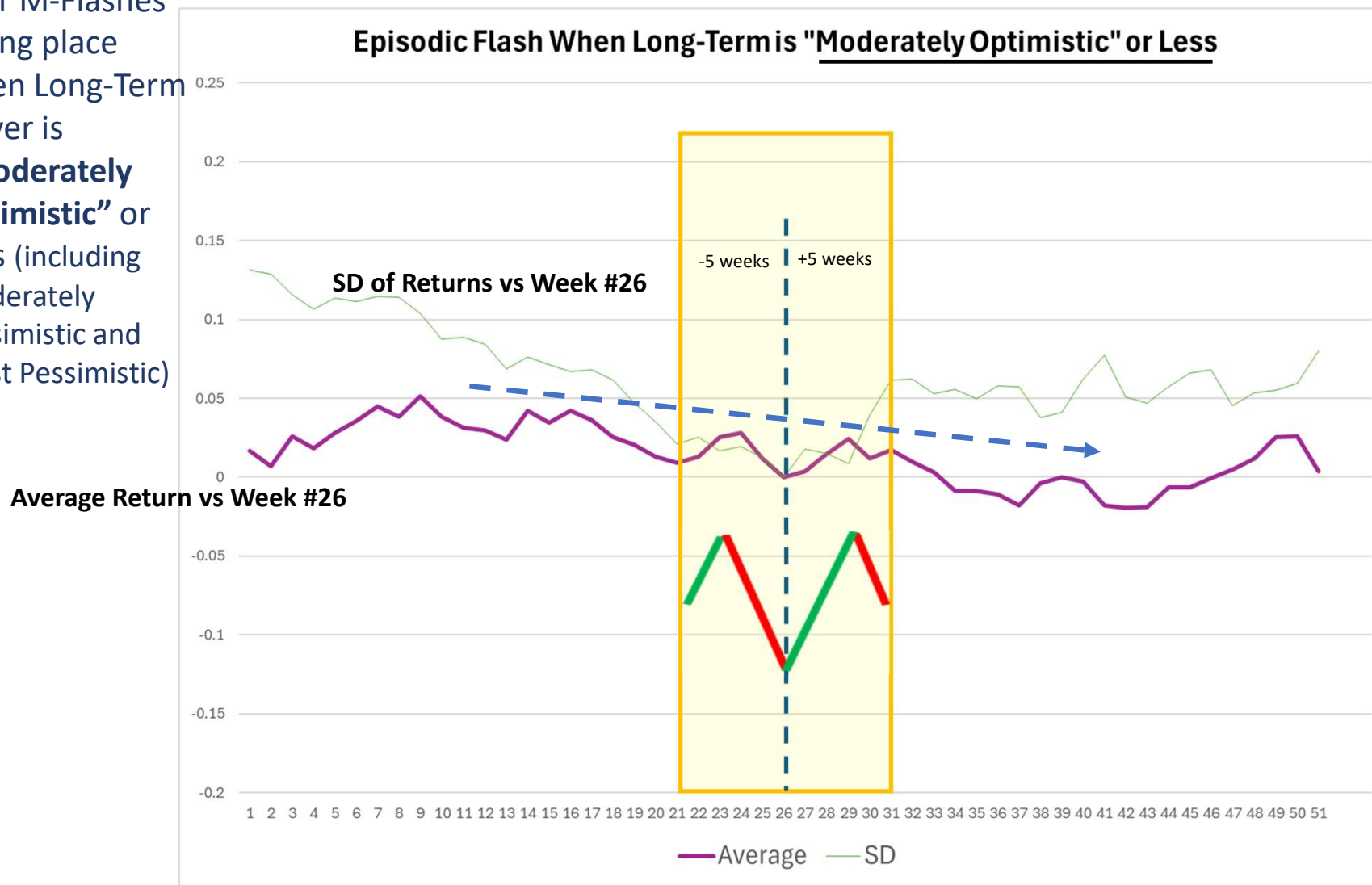
Condition of  
Long-Term  
Driver was  
“Moderately  
Optimistic.”



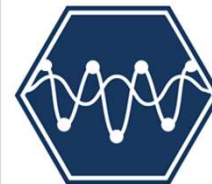
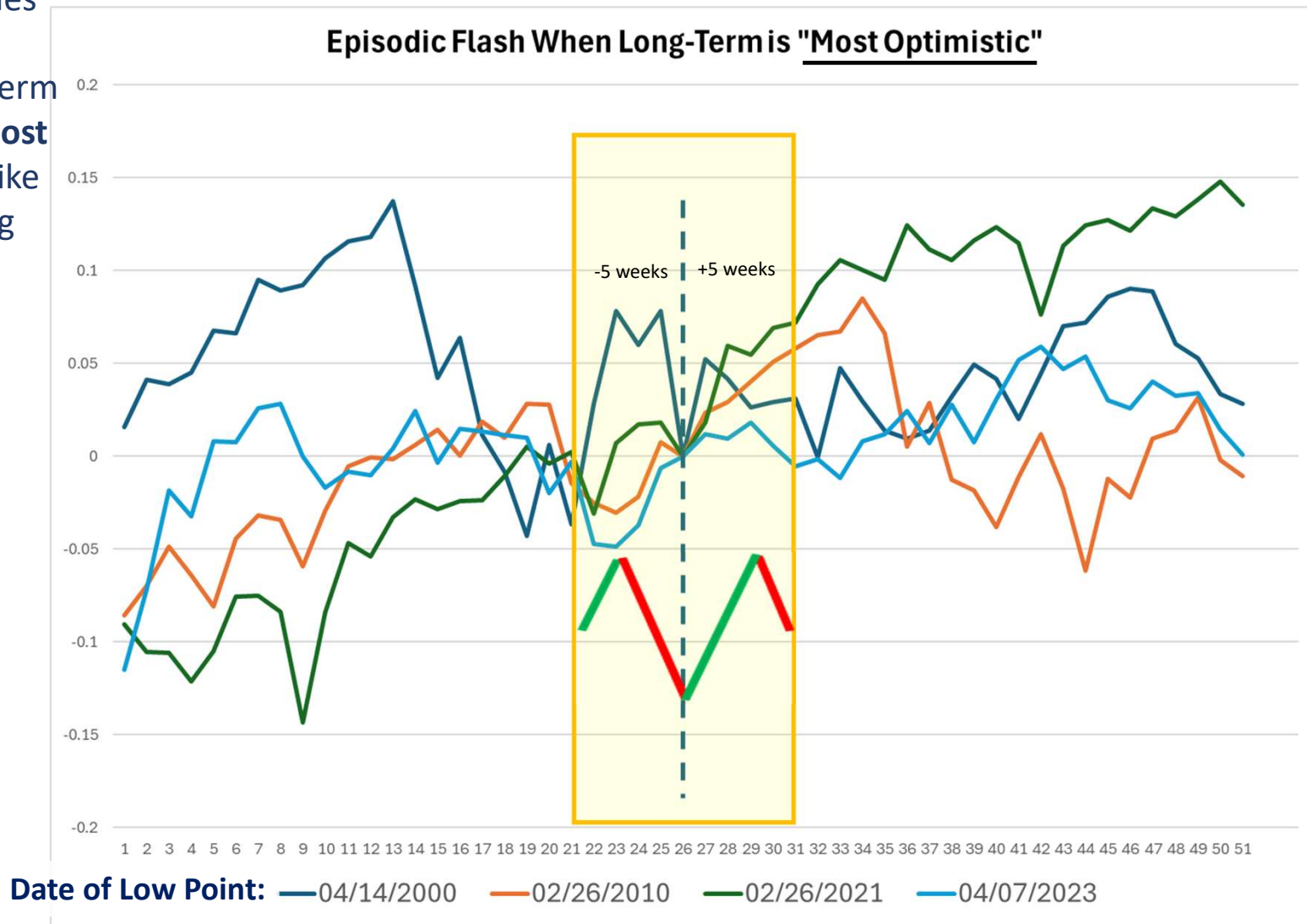
Four M-Flashes taking place when Long-Term Driver is **“Moderately Optimistic”** or Less (including Moderately Pessimistic and Most Pessimistic)



Four M-Flashes taking place when Long-Term Driver is “Moderately Optimistic” or Less (including Moderately Pessimistic and Most Pessimistic)

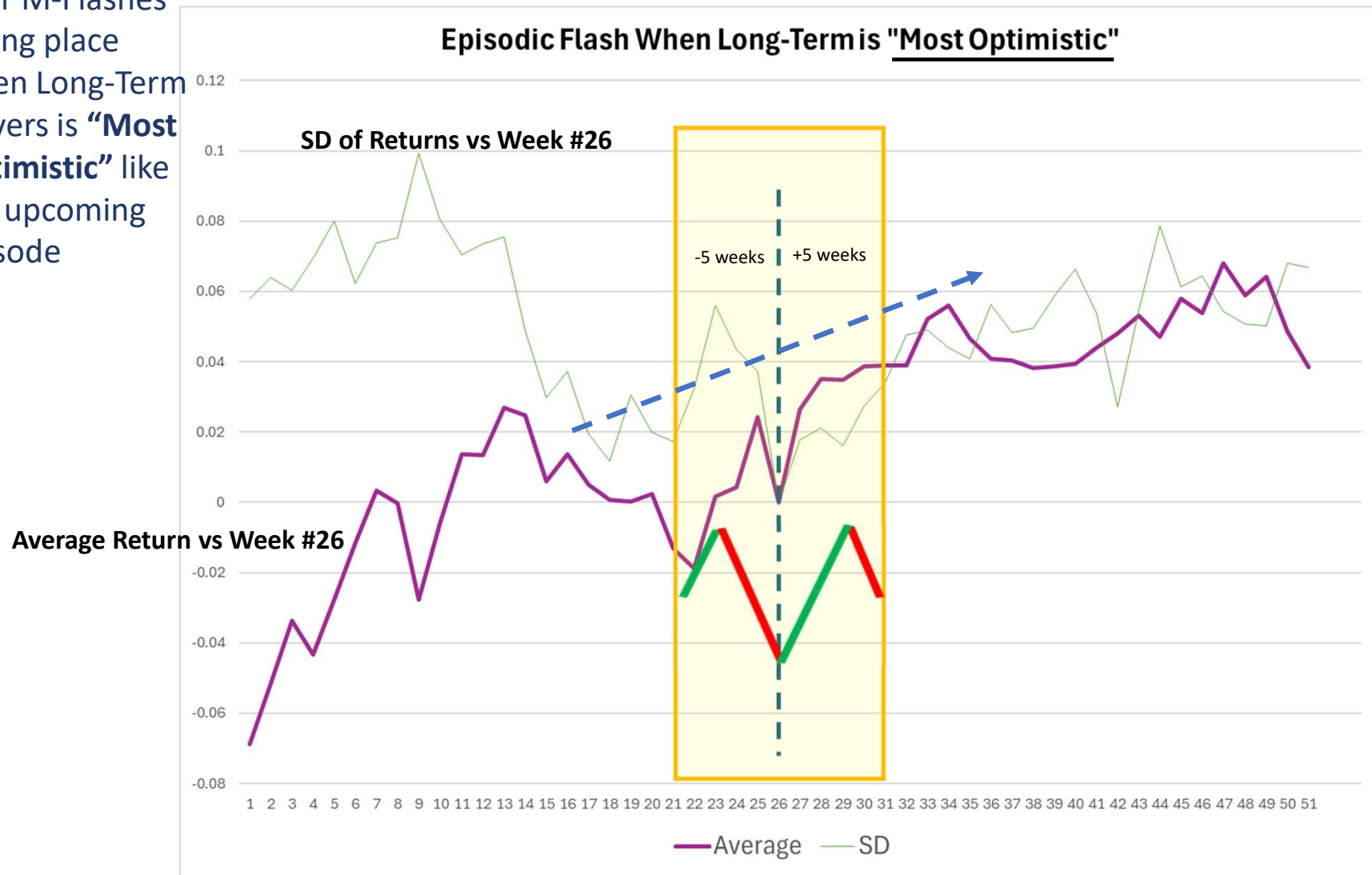
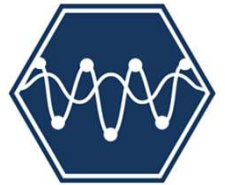


Four M-Flashes taking place when Long-Term Drivers is **"Most Optimistic"** like the upcoming episode



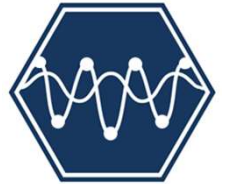


Four M-Flashes taking place when Long-Term Drivers is **"Most Optimistic"** like the upcoming episode





# Key Points: M-Flash



- Rapid changes distract/confuse investors
- Price decline in middle part of “M” is statistically significant
- The bottom of the “V” in the middle of the “M” may be a good time to add money to the stock market
- The upcoming episode may take place when our *Implied Economics-Based Sentiment* reading is still “Meaningfully Negative,” which can dampen price recoveries
- Contact us with questions