



# Macro Ops

## The Trifecta Report

*The best trades are the ones in which you have all three things going for you: fundamentals, technical, and market tone. ~ Michael Marcus*

# Weekly Summary

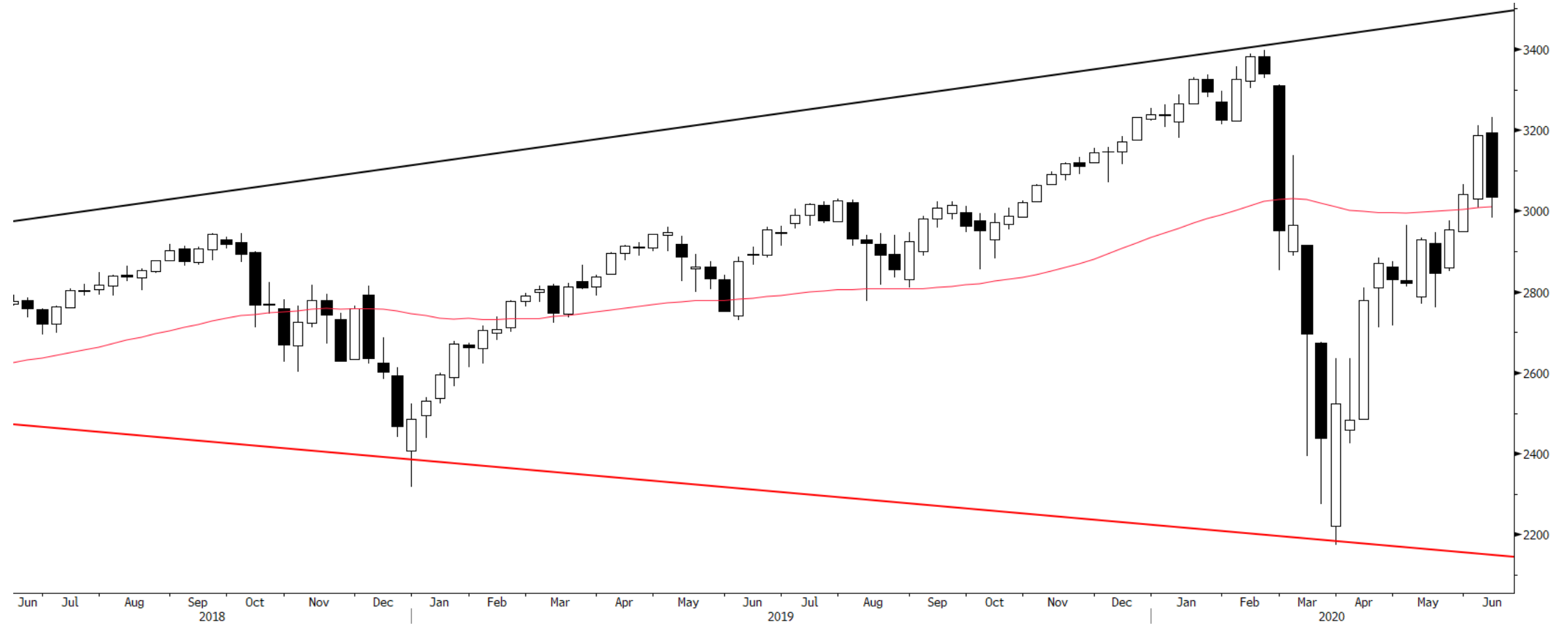


S&P 500	UST 10-year Bonds	Gold	EURUSD
<ul style="list-style-type: none"> <li>➤ The SPX is in a 28-month trading range that began in early 2018. The law of inertia means that we should expect this range to continue until there's a clear price signal – a monthly close above 3,300 or below 2,500</li> <li>➤ Last week the SPX spiked above 3,200 before reversing and forming a surprise bear bar on a weekly basis and a weak bull bar on the Friday daily</li> <li>➤ This raises the odds that we've begun a correction following a prolonged buy climax. Incredibly stretched Put/Call ratios increase the odds that we see the continuation of this minor correction that's part of a bull leg within a larger trading range</li> <li>➤ But flush liquidity and narrowing credit spreads are likely to keep a floor on this retrace and thus keep the SPX in its longer-term trading range</li> <li>➤ Also, breadth remains strong and we've not seen the kind of deterioration that typically precedes major selloffs. It's possible we see a bounce this week before a resumption of the correction</li> </ul>	<ul style="list-style-type: none"> <li>➤ Bonds are in an 18-month bull trend / buy climax on a monthly basis. The current monthly bar broke below the inside-inside (ii) breakout pattern but has since reversed back up, forming a large tail on the monthly chart so far</li> <li>➤ This would be a bullish development and signal a likely continuation of the trend if it can hold near these levels into the close of the month</li> <li>➤ However, each one of our bond indicators suggest that bonds are likely in an intermediate topping process which puts it odds on that we see bonds trade sideways to slightly down over the next 1-2 months</li> <li>➤ The path for bonds, as well as the SPX itself, will largely be driven by the developments and narrative surrounding COVID-19 as we move through summer and into the Fall. Currently, new hospitalization trends in a growing number of US states does not look promising. The countervailing force is, of course, the next fiscal package currently being worked on in Congress. These are the two opposing macro forces at work</li> </ul>	<ul style="list-style-type: none"> <li>➤ Gold is in a 12-month + uptrend / buy climax on a monthly basis. It's in a 2-month trading range on a weekly basis</li> <li>➤ We should expect it to continue to stay in this trading range until a breakout is confirmed. Currently, the odds are slightly in favor of a breakout lower</li> <li>➤ Net small specs and net positioning as a percentage of open interest are both slightly stretched on the upside and are moving lower. Action that typically precedes weak action in gold</li> <li>➤ However, real yields are the main driver of this rise in gold – lower real yields make gold more attractive on an all-else equal basis. And a resurgence in COVID-19 along with its accompanying bearish narratives, could continue to drive risk-off flows into the yellow metal. Plus, we're about to move into a seasonally strong period for gold</li> <li>➤ Basically, gold needs to close above 1,770 or below 1,670 on a weekly basis to signal the continuation or start of a new trend</li> </ul>	<ul style="list-style-type: none"> <li>➤ EURUSD is trying to breakout above a 30-month bear trend. It's attempted to break below the 1.08600 level every month over the last four months but has been rejected each time – note the large lower tails on the monthly candles</li> <li>➤ On a weekly basis, EURUSD attempted to breakout above its upper weekly Bollinger Band but was rejected. The next 2-3 weeks should tell us whether or not EURUSD can kick off a new bull trend or if it will be driven back down into its trading range where then a restart of the bear trend will become high odds</li> <li>➤ EURUSD indicators are currently a mixed bag but slightly favor a move lower in EURUSD. Relative growth and economic surprises greatly favor the US dollar. However, the indicators are coming off of such extremes that it could be considered bullish since there's little chance of them turning more in favor of the dollar from here</li> <li>➤ We should continue to expect trading range action until a breakout is confirmed</li> </ul>

# S&P 500 E-Mini Monthly



# S&P 500 E-Mini Weekly



ES1 Index (CME E-Mini Standard & Poor's 500 Index Future) WHITE SPX CHART Weekl

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# S&P 500 E-Mini Daily

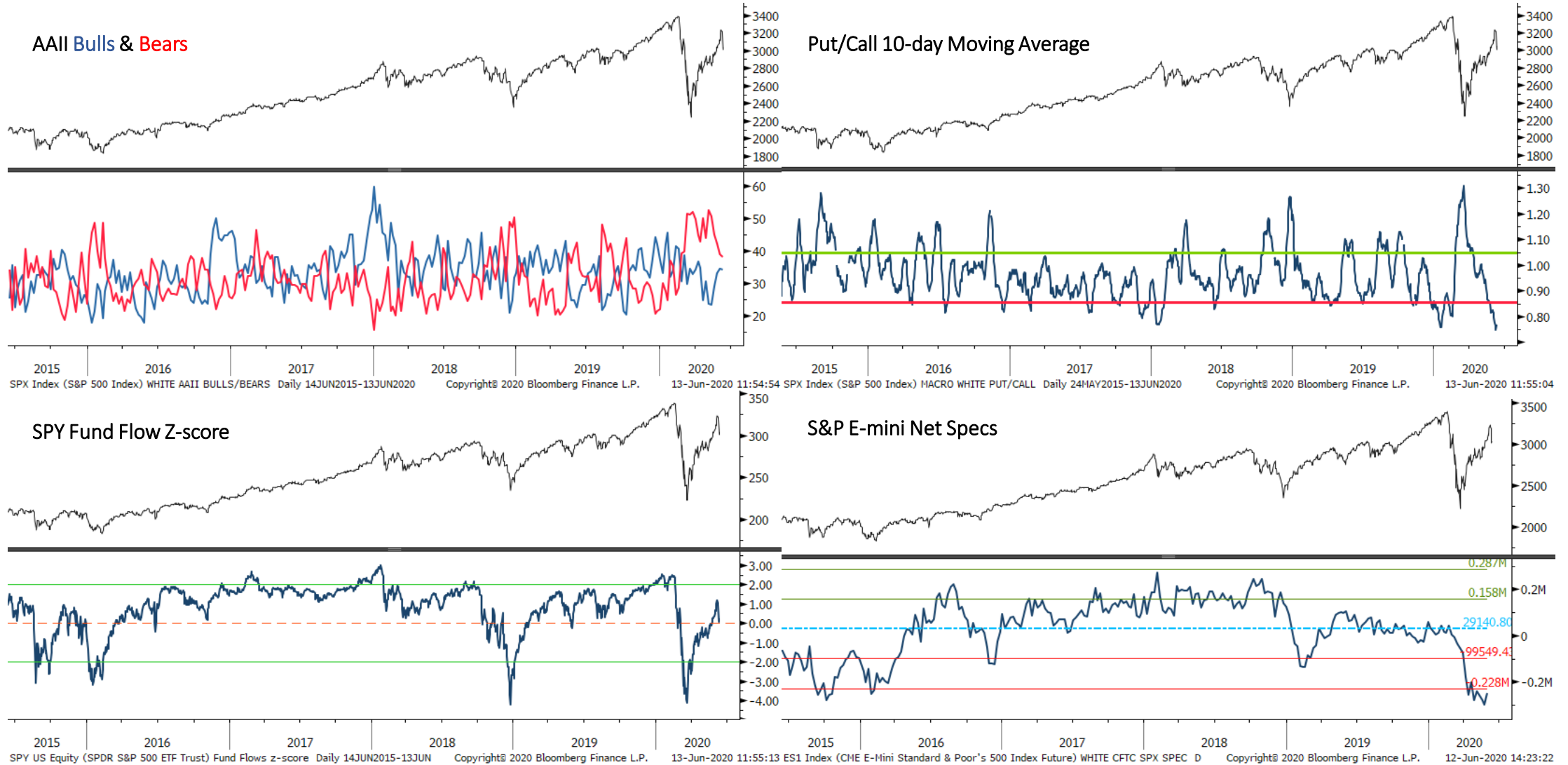


ES1 Index (CME E-Mini Standard & Poor's 500 Index Future) WHITE SPX CHART Daily

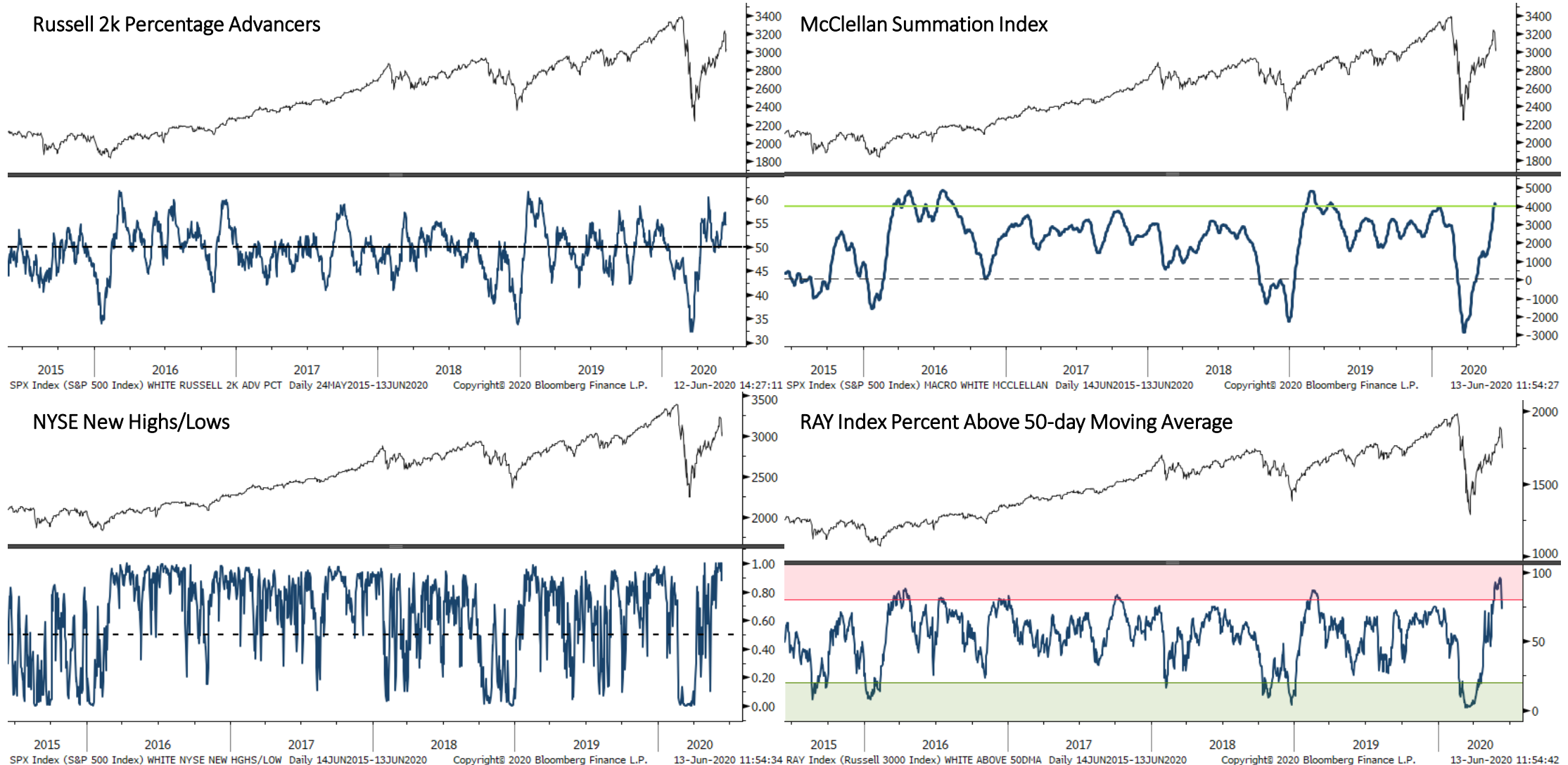
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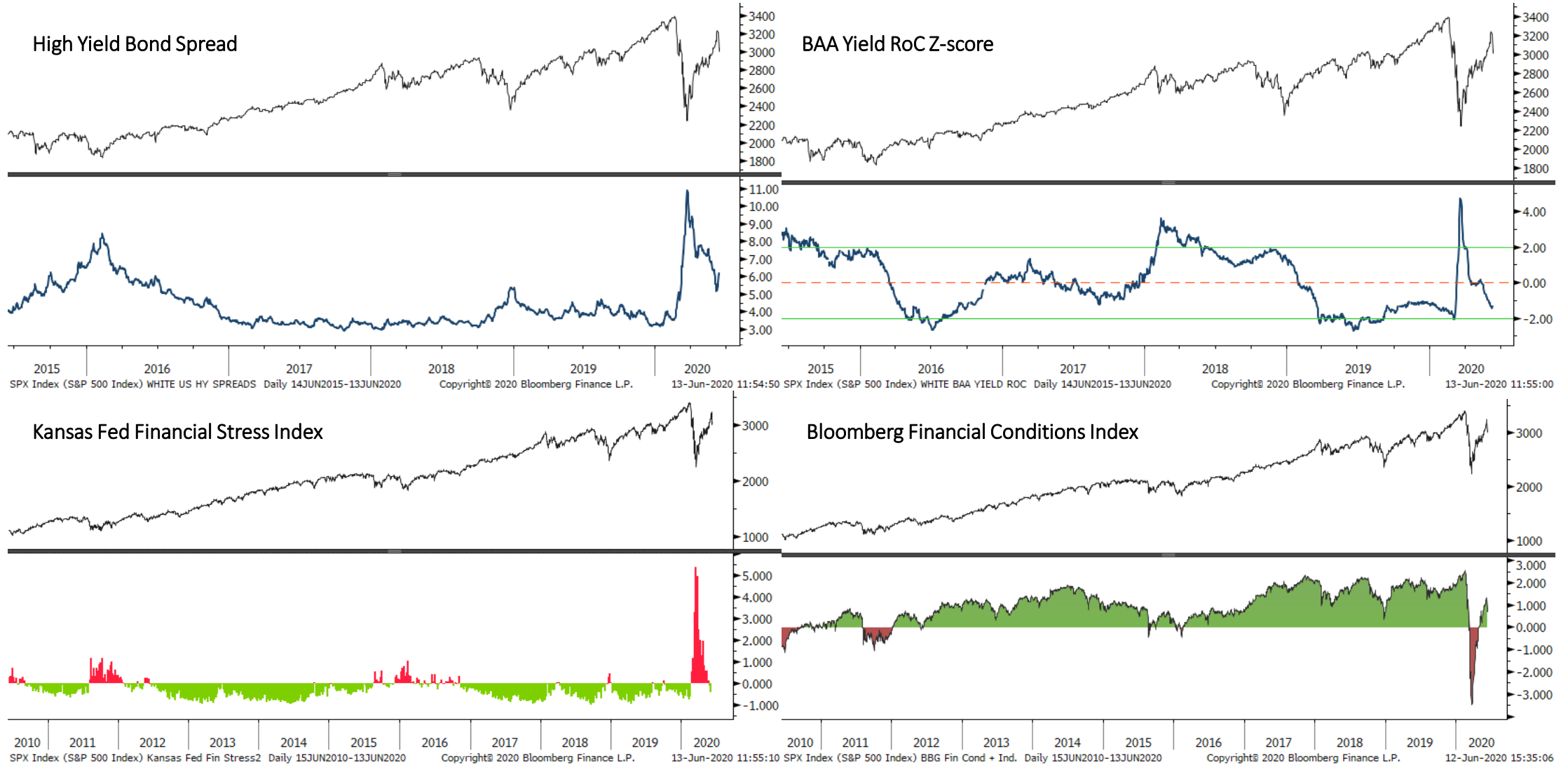
# Sentiment & Positioning



# Breadth



# Liquidity

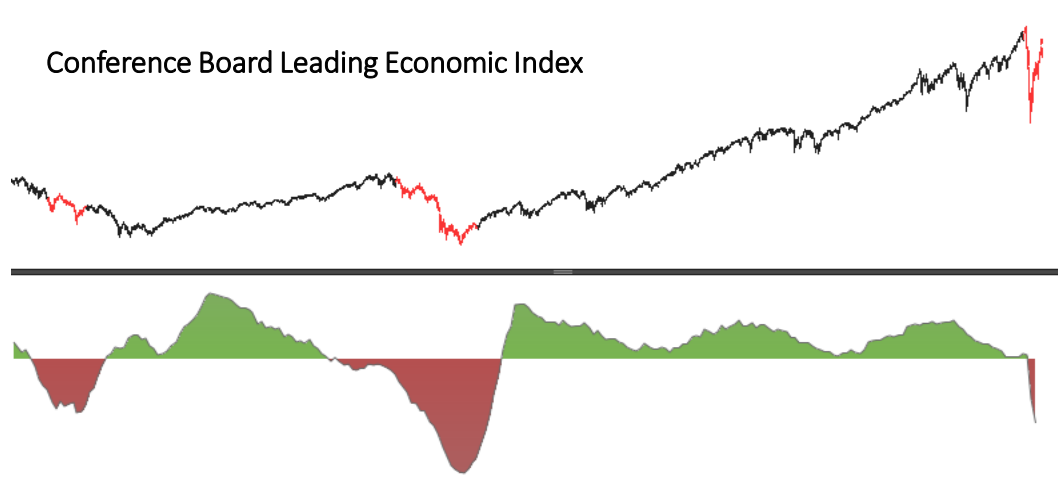




# Macro

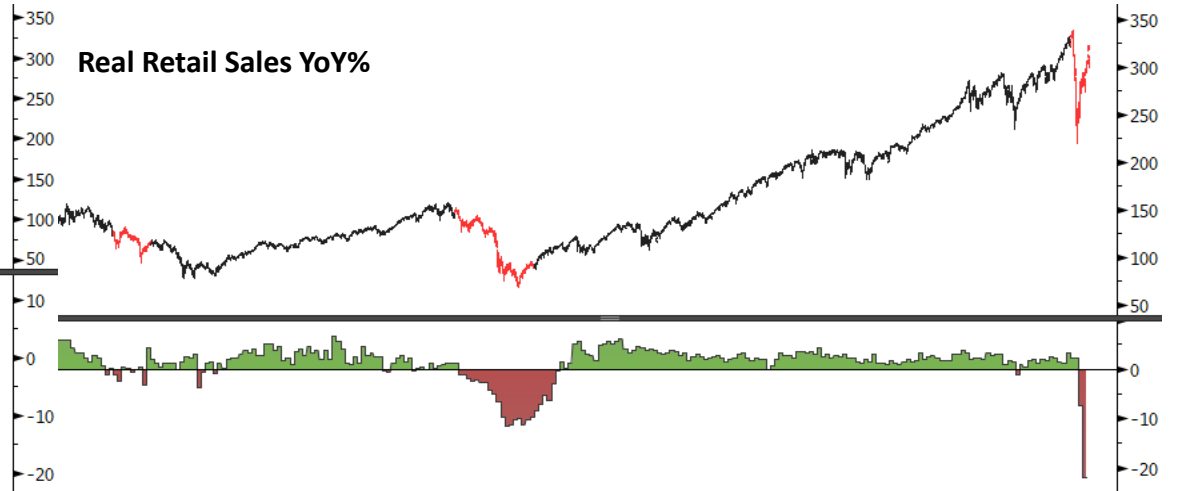


Conference Board Leading Economic Index



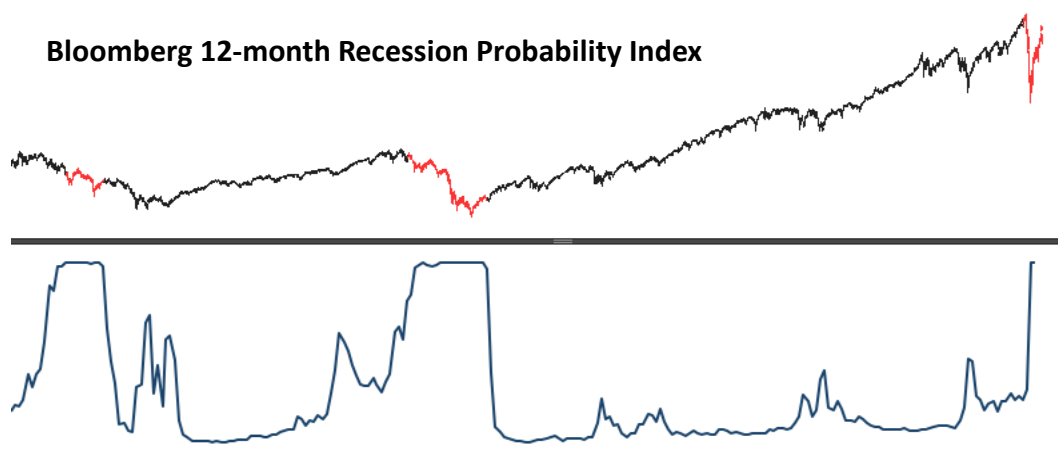
SPY US Equity (SPDR S&P 500 ETF Trust) MACRO LEI Daily 15JUN2000-13JUN2020 Copyright© 2020 Bloomberg Finance L.P. 12-Jun-2020 16:05:20

Real Retail Sales YoY%



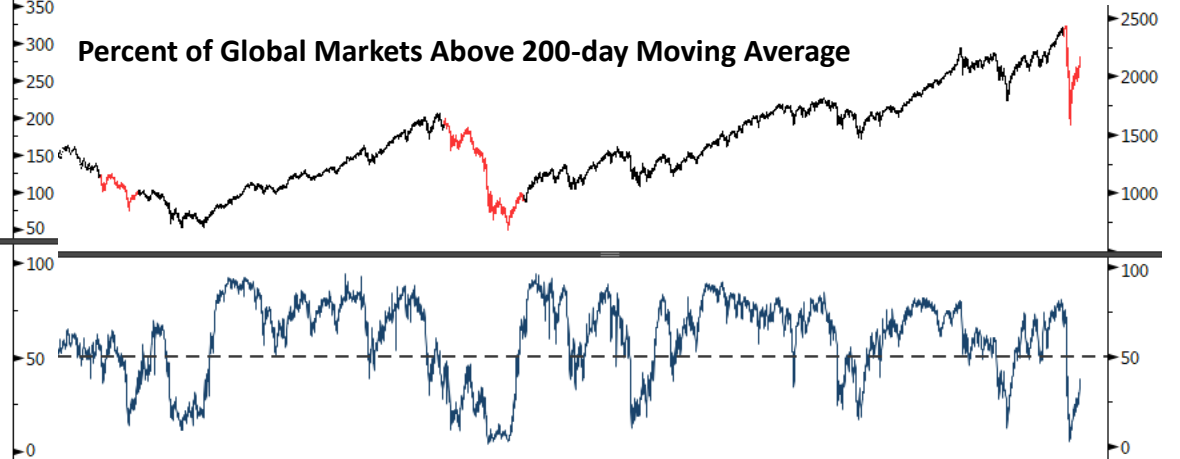
SPY US Equity (SPDR S&P 500 ETF Trust) Macro Real Retail Sales Daily 31JAN2000- Copyright© 2020 Bloomberg Finance L.P. 13-Jun-2020 11:54:26

Bloomberg 12-month Recession Probability Index



SPY US Equity (SPDR S&P 500 ETF Trust) Macro BBG 12m recession Daily 31JAN2000- Copyright© 2020 Bloomberg Finance L.P. 13-Jun-2020 11:54:35

Percent of Global Markets Above 200-day Moving Average

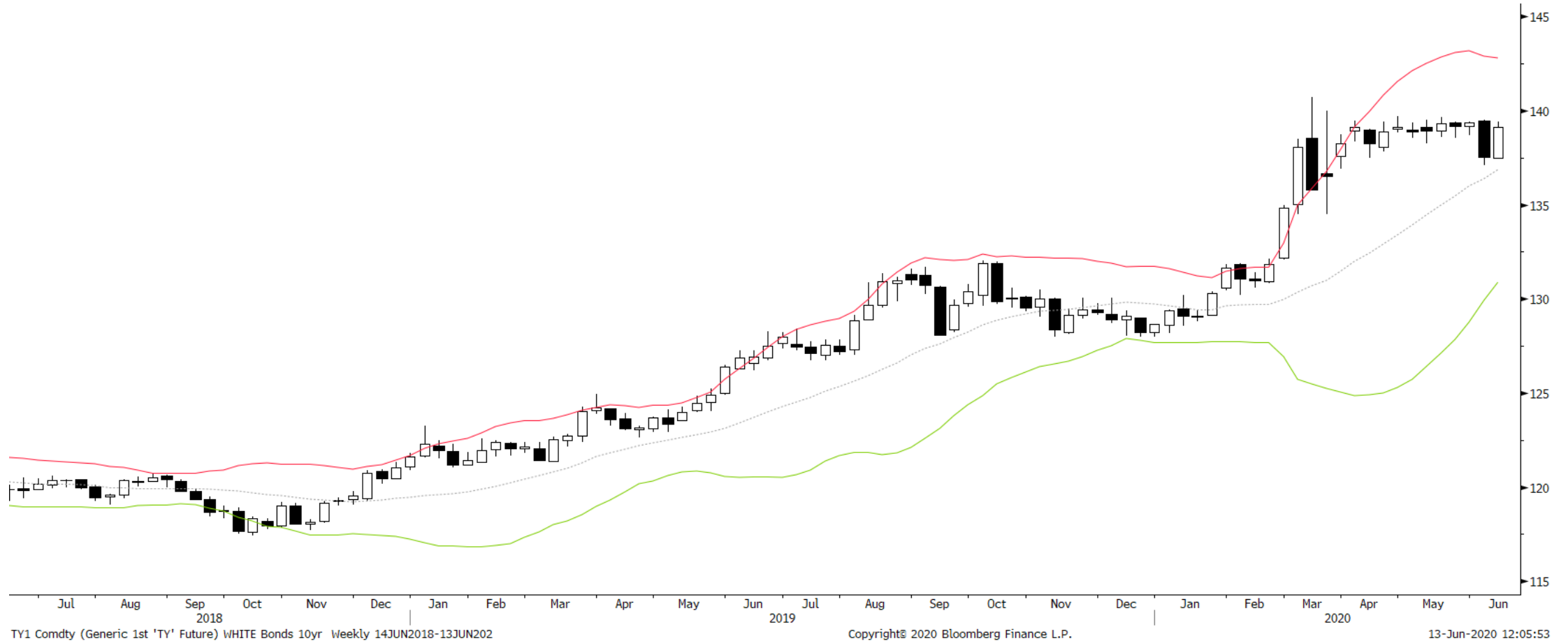


MWO Index (MSCI World Index) MSCI World PCT 200dma Daily 08MAY2000-29MAY2020 Copyright© 2020 Bloomberg Finance L.P. 13-Jun-2020 11:54:46

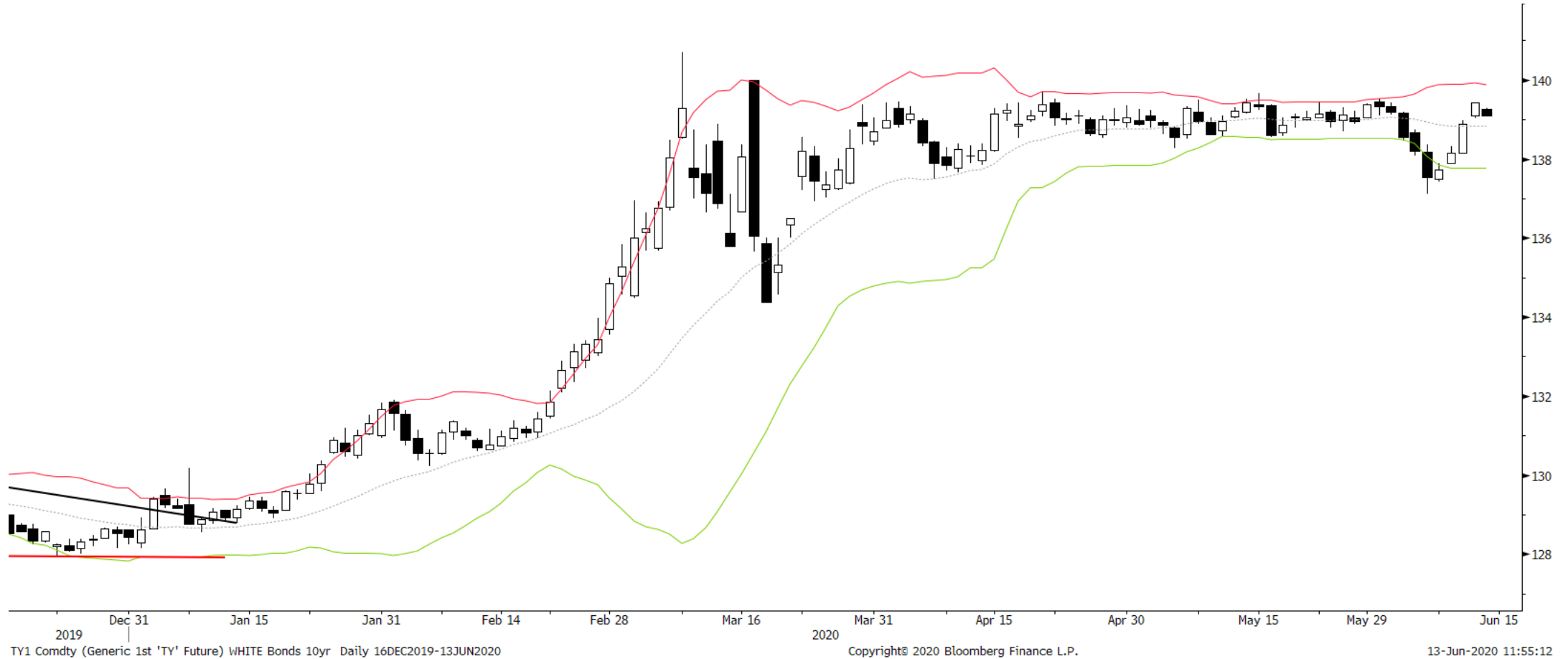
# Bonds: 10-year Futures Monthly



# Bonds: 10-year Futures Weekly

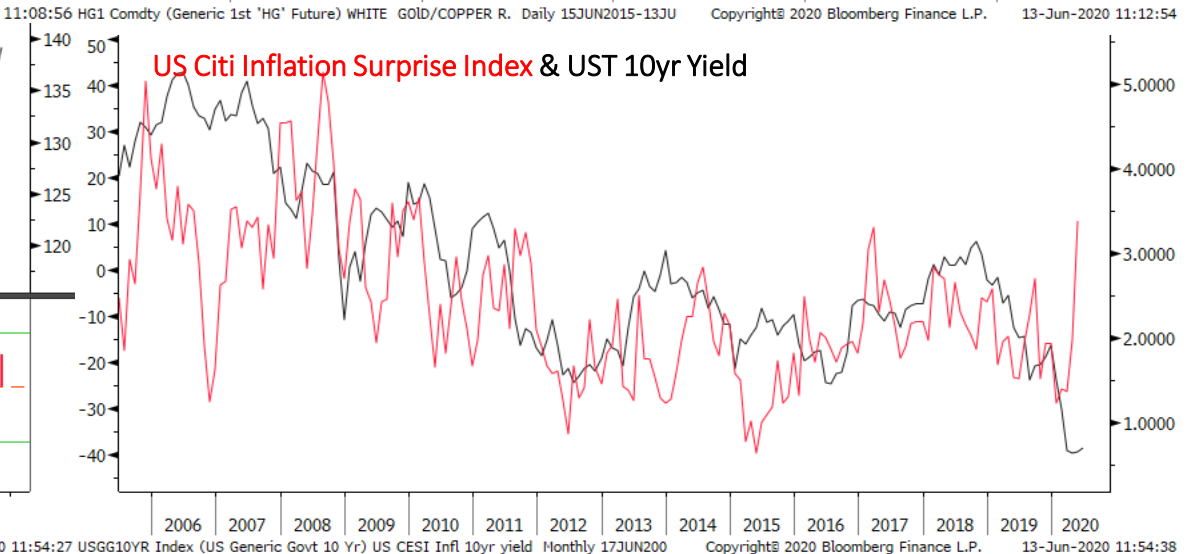
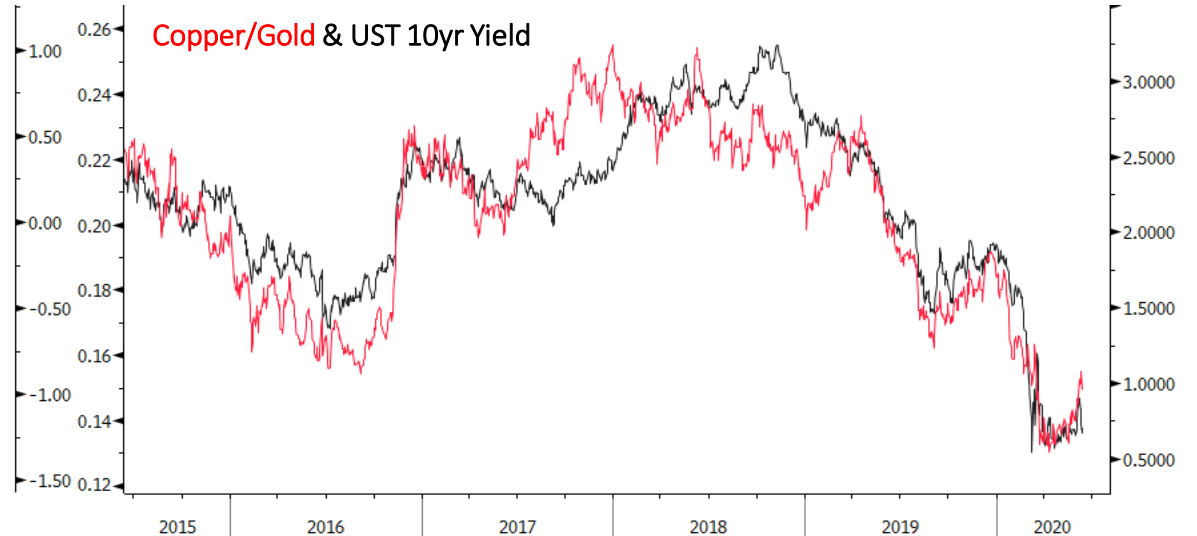
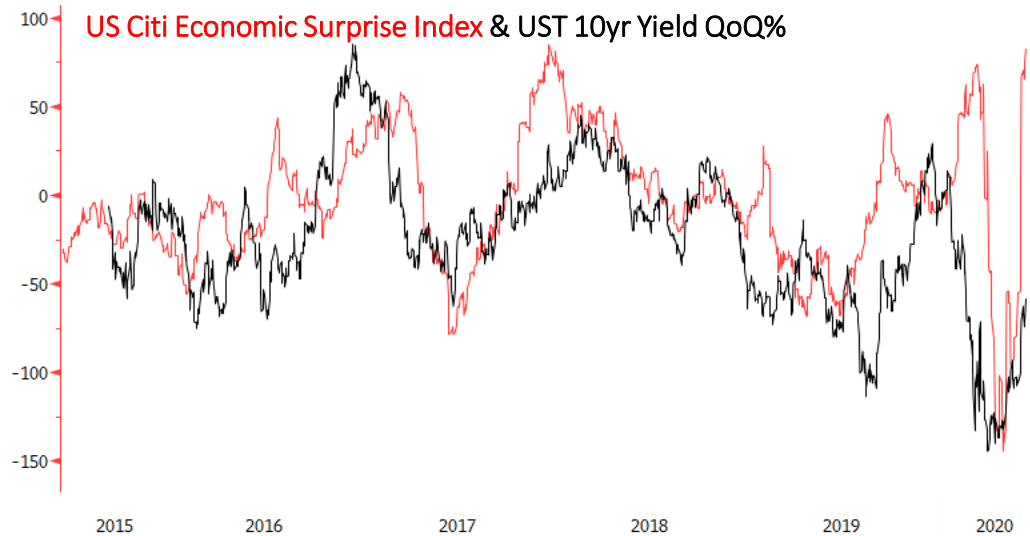


# Bonds: 10-year Futures Daily





# Bond/Yield Indicators



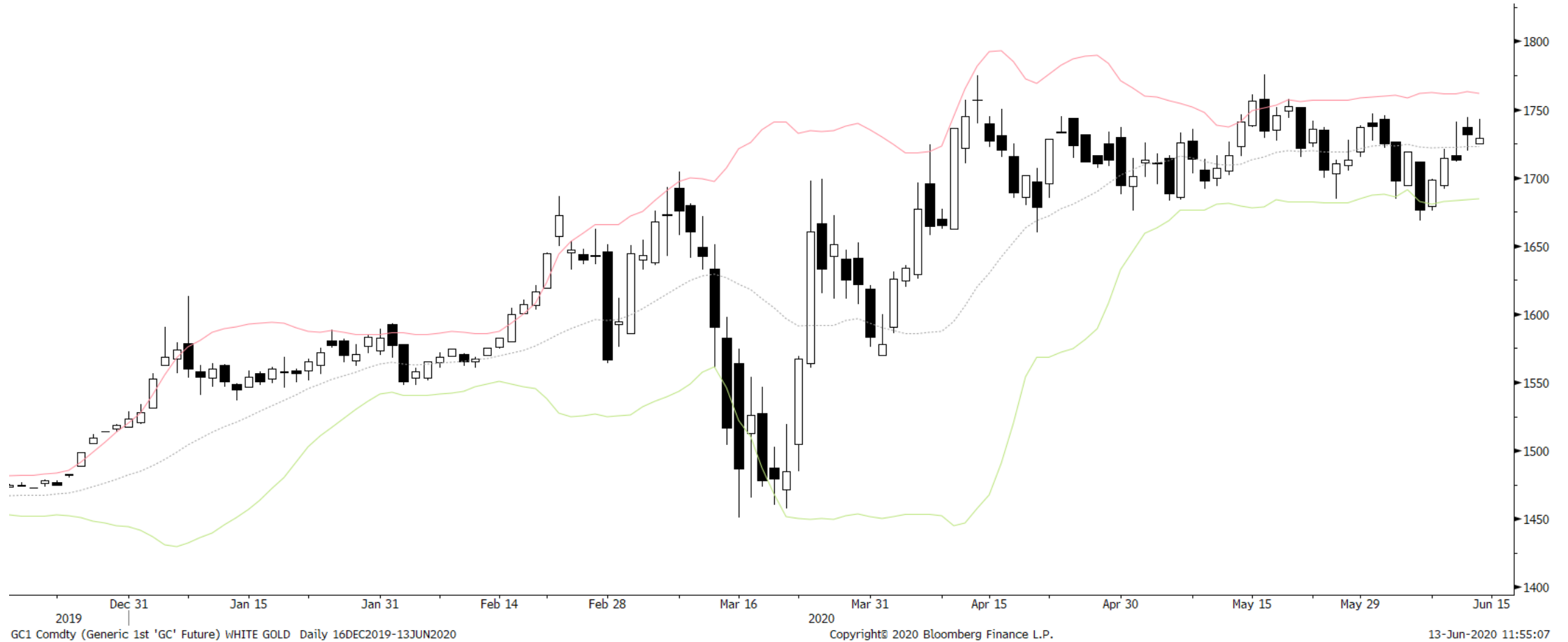
# Gold Monthly



# Gold Weekly

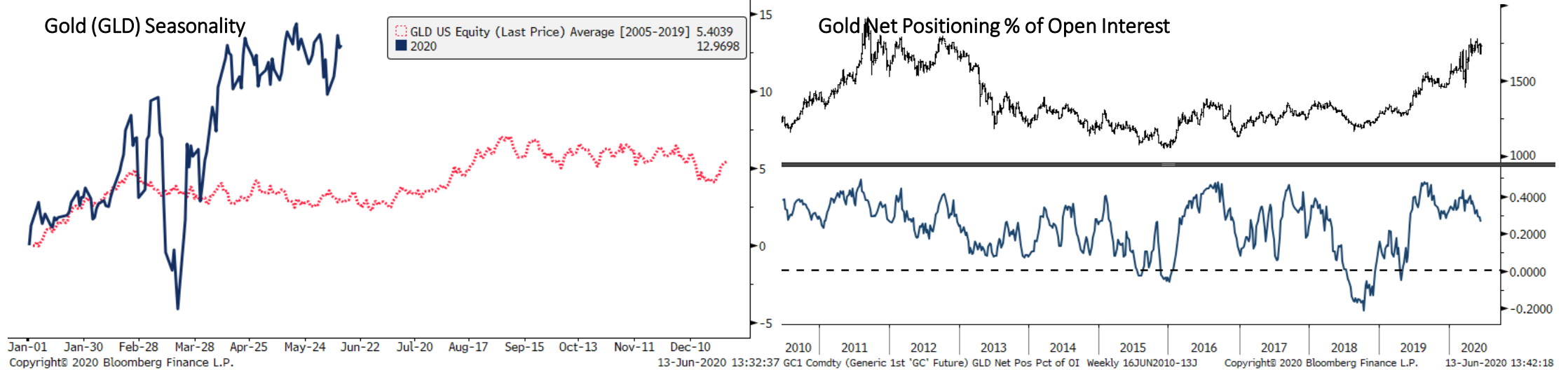


# Gold Daily

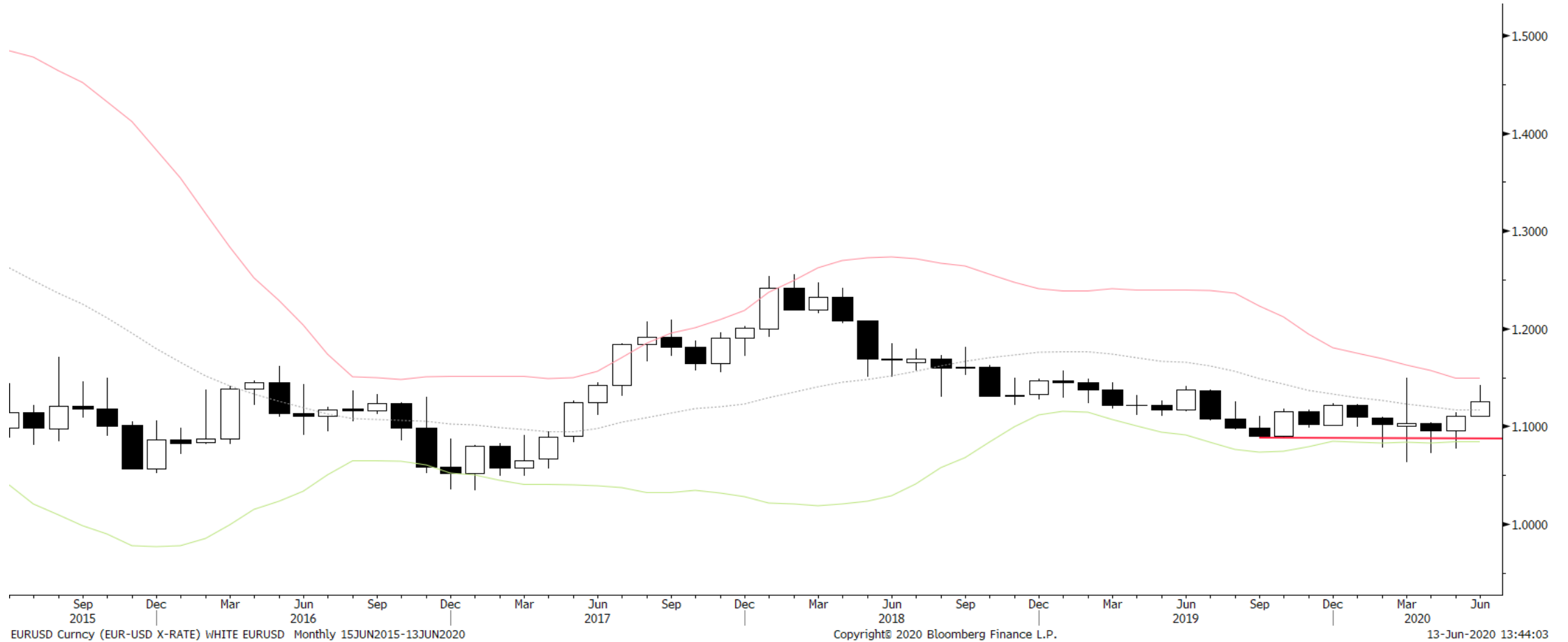




# Gold Indicators



# EURUSD Monthly



# EURUSD Weekly



EURUSD Curncy (EUR-USD X-RATE) WHITE EURUSD Weekly 14JUN2018-13JUN2020

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# EURUSD Daily



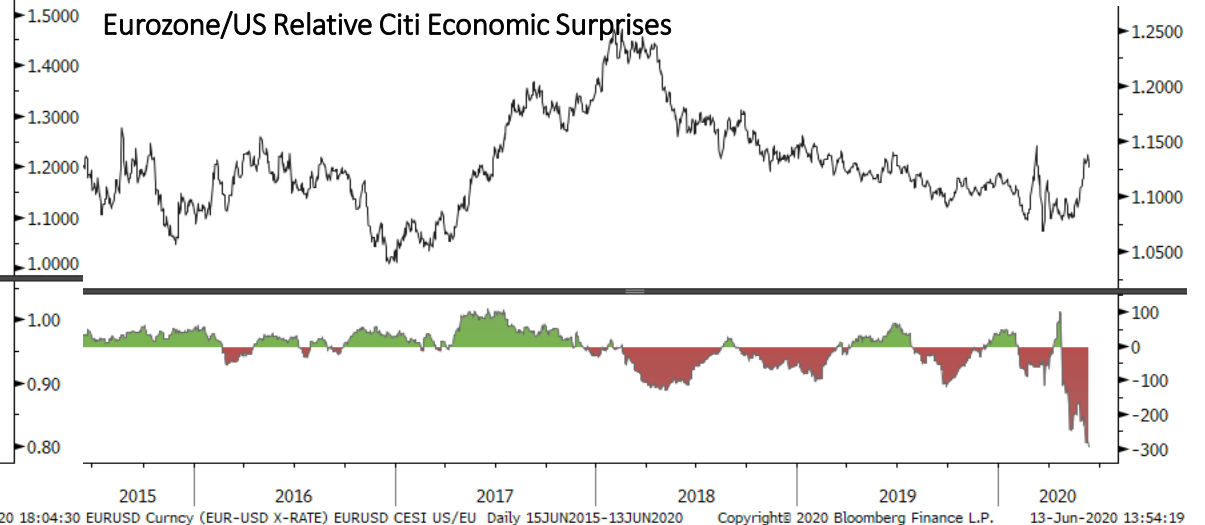
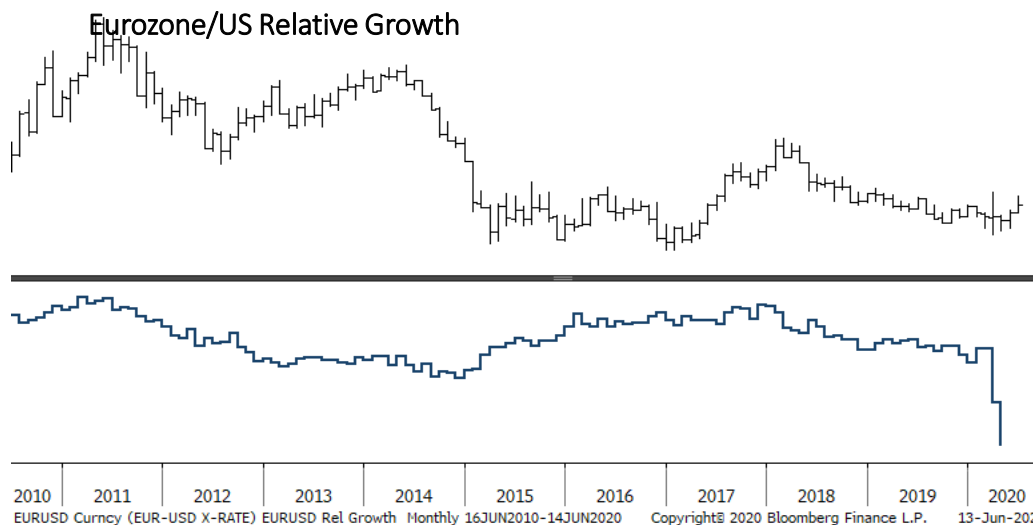
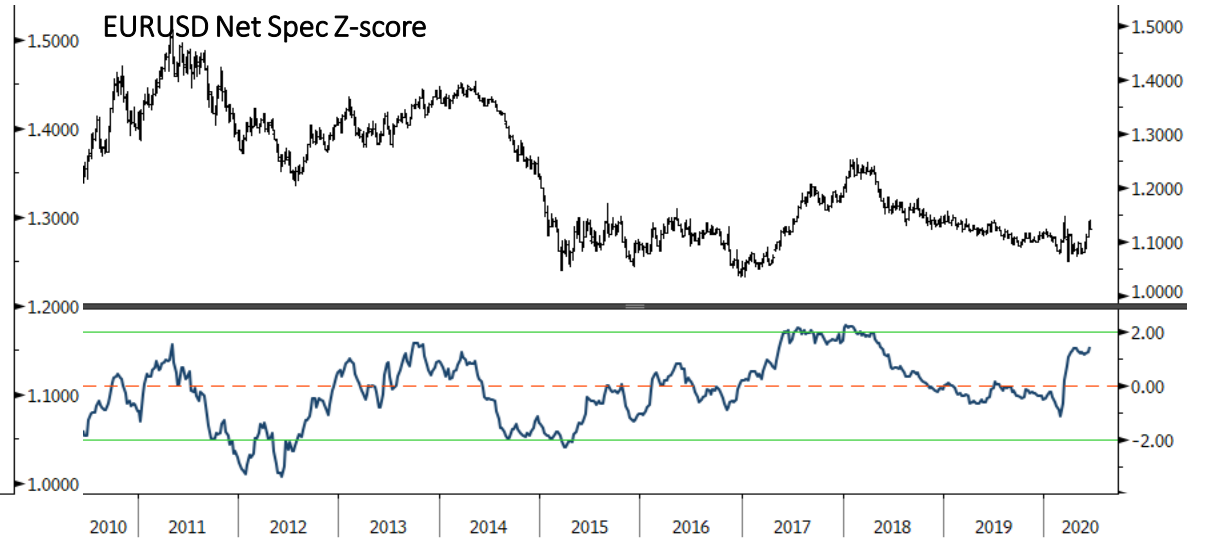
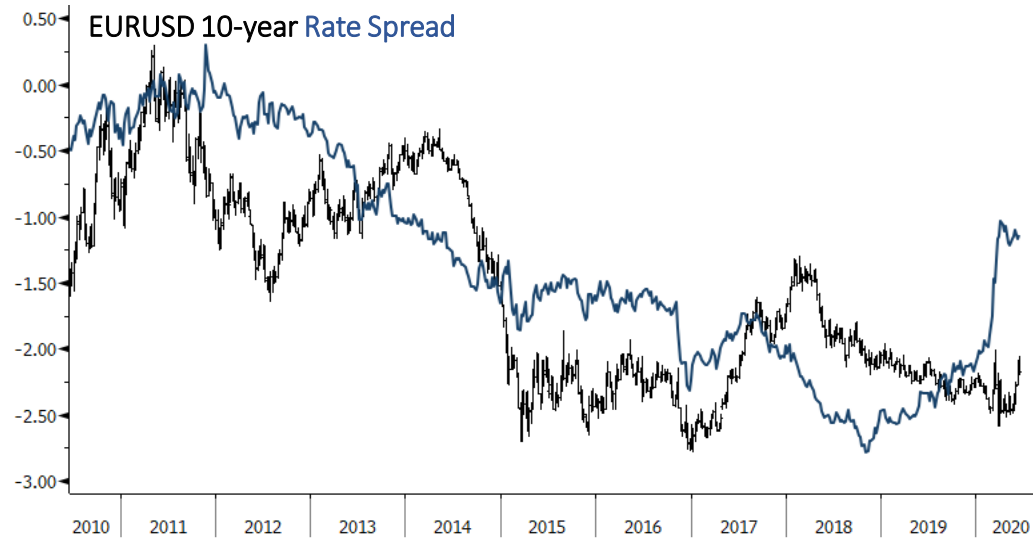
EURUSD Curncy (EUR-USD X-RATE) WHITE EURUSD Daily 15MAR2020-13JUN2020

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# EURUSD Indicators



<b>The Four Pillars Portfolio</b>		<u>YTD Return</u>				
		16.0%				
<b>The Core</b>	<u>Allocation</u>					
<b>Large Cap Equities (/ES_M or VOO)</b>	25%					
<b>Short-term Bills (/ZT_M or VGSH)</b>	25%					
<b>Long-term Bonds (/ZB_M or TLT)</b>	25%					
<b>Gold (/GC_M or GLD)</b>	25%					
<b>Big Bets</b>	<b>Thematic</b>	<b>Cost Basis</b>	<b>At Risk</b>	<b>Notional %</b>	<b>Risk Point</b>	<b>Last Price</b>
Teekay Tankers (TNK)	Deep Value/Cyclical	\$20.30	100bps	4%	\$15.20	\$16.30
Overseas Shipholding Group (OSG)	Deep Value/Cyclical	\$2.27	200bps	9%	\$1.70	\$2.19
Cameco (CCJ)	Deep Value/Cyclical	\$7.25	Above B/E	13%	\$8.50	\$10.26
Altisource Portfolio Solutions (ASPS)	Deep Value/Swing	\$10.16	B/E	7%	\$10.16	\$12.15
Bed Bath & Beyond (BBBY)	Deep Value	\$7.86	50bps	6%	\$6.85	\$8.10
Bolloré (BOL)	Hidden Deep Value	\$2.46	B/E	14%	\$2.46	\$2.78
MXNUSD (6MM2020)	Swing	0.04191	B/E	--	0.04045	0.04473