



Macro Ops

The Trifecta Report

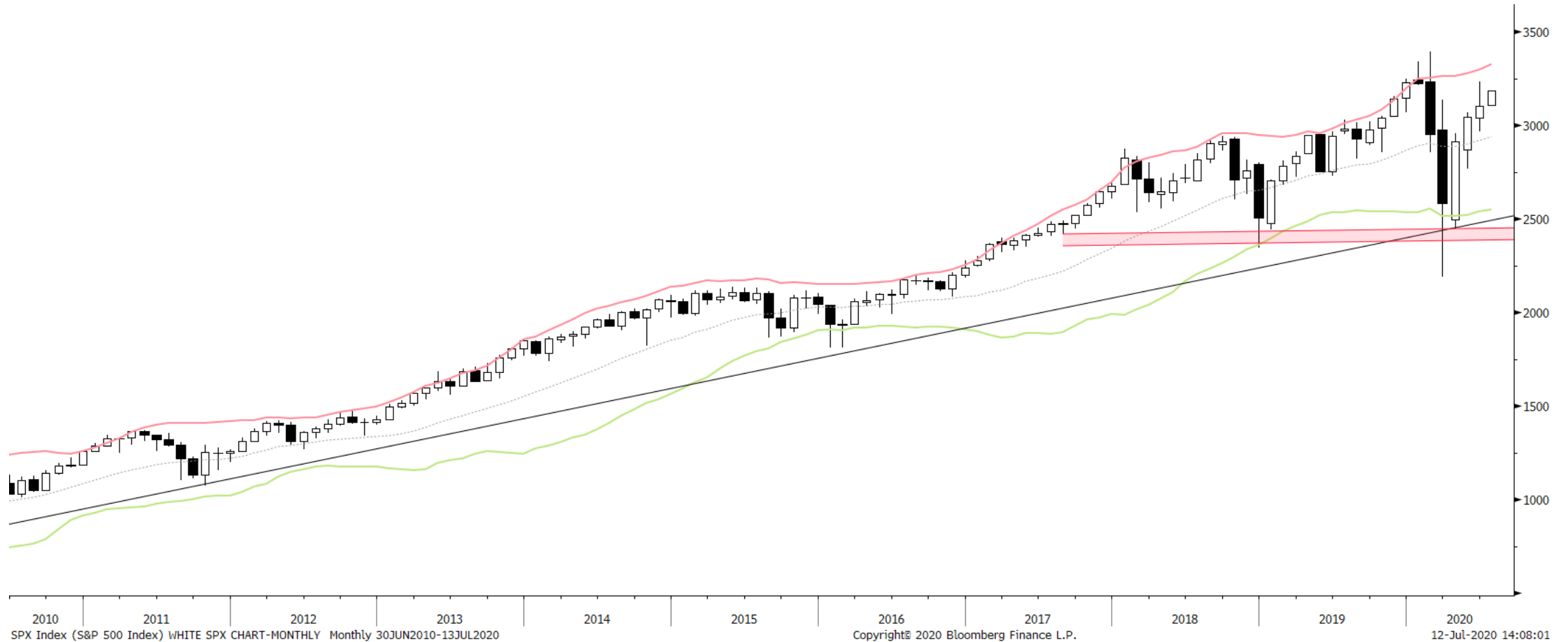
The best trades are the ones in which you have all three things going for you: fundamentals, technical, and market tone. ~ Michael Marcus

Weekly Summary

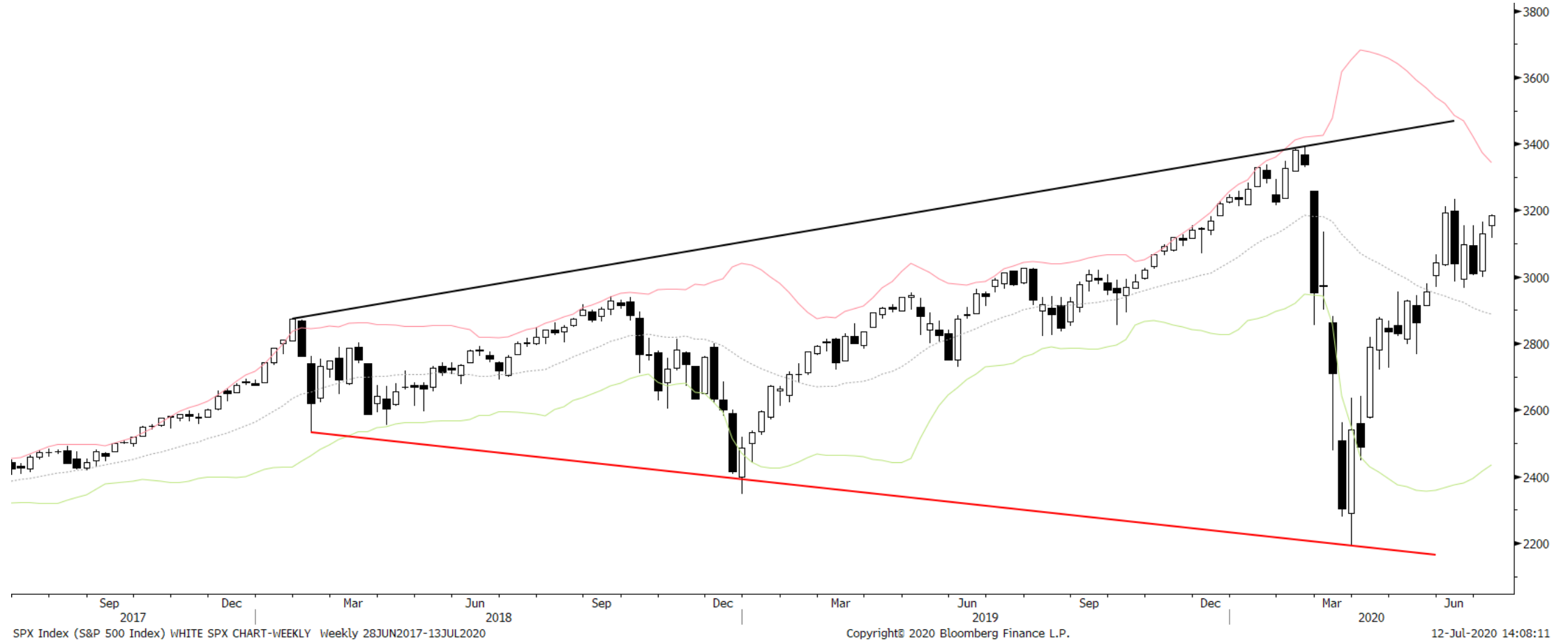


S&P 500	UST 10yr Bonds	Gold	EURUSD
<ul style="list-style-type: none">➤ Long-term: The SPX is in a 28-month trading range that began in early 2018. The law of inertia means that we should expect this range to continue until there's a clear price signal – a monthly close above 3,300 or below 2,500. Odds currently favor a resumption of the trend higher➤ Sentiment/Positioning: Outside of Put/Calls, sentiment and positioning continue to recover from bearish extremes. They remain supportive of the intermediate trend higher while the stretched P/C ratios increase short-term trend fragility➤ Breadth: Breadth stabilized last week and is now neutral. Bigger picture, breadth remains supportive of the trend higher➤ Macro/Liquidity: Macro conditions are recovering from extremely bearish levels and the data is positively beating expectations. Liquidity is flush and yields are staying low despite the rise in equities. This is a supportive backdrop for risk assets➤ Short-term: SPX saw a bullish weekly close but it's still within a 5-week trading range. Odds now slightly favor a breakout higher. The Feb 24th gap (3,320 level) is acting as a magnet	<ul style="list-style-type: none">➤ Long-term: Bonds are in an 18m+ bull trend / buy climax on a monthly basis. June's candle has a long lower tail indicating strong buying pressure below the current consolidation. Odds favor a continuation of the sideways range until price can confirm a breakout➤ Sentiment/Positioning: There isn't any clear consensus currently in bond positioning or the narrative structure➤ Yield Indicators: Copper/Gold has been diverging higher from yields, but this is likely due to Chilean COVID driven supply restraints. Our other indicators, such as Cyclical vs Defensive and Regional Banks vs SPX are moving right in line with yields➤ Short-term: The fact that bonds continue to hold their ground despite the rise in stocks and the return of some semblance of risk-on action, is a powerful point for the bond bulls camp. Bonds are back to trading in their tight sideways consolidation range and we should expect this action to continue until there's a confirmed breakout. Odds now favor an eventual break higher	<ul style="list-style-type: none">➤ Long-term: Gold is in a 13-month uptrend / buy climax on a monthly basis. June put in a strong bullish monthly candle with its highest monthly close in 9-years. Gold is now within spitting distance of taking out its all-time highs. Odds favor a continuation of the trend up➤ Sentiment/Positioning: The bullish gold narrative has certainly become more popular over the last month. With that said, positioning, flows, and bullish news story counts remain below levels marking exuberance and which typically coincide with longer-term tops➤ Gold Indicators: With real yields staying pinned down and gold holding strong despite the risk-on in the equity market, the Trifecta backdrop remains very favorable to the bullish trend. Gold is also entering its strongest two-month return period of the year➤ Short-term: Gold has broken out of its consolidation and is holding strong. The short and longer-term path of least resistance is up. Buy dips and new highs. Also, silver should continue to close the large silver/gold performance gap	<ul style="list-style-type: none">➤ Long-term: EURUSD is in a 12-month sideways range. It's attempted to break above and below multiple times, only to fail each time. The market law of inertia means we should expect this trading range to continue until the tape says otherwise➤ Sentiment/Positioning: The short US dollar trade has certainly become a consensus theme on the Street. Long positioning in EURUSD and aggregate short USD is becoming somewhat crowded. Though it's not quite at levels that have marked turning points in the past.➤ EURUSD Indicators: The trend in yield differentials favor the euro while the absolute levels favor USD. Relative growth favors the US but the disparity is at such extremes it could be used as a contra indicator. It's a mix bag with no clear edge on future trend direction➤ Short-term: EURUSD is possibly forming a bullish wedge following a strong bullish thrust in May. This tilts the odds slightly in favor of an eventual break higher in EURUSD.

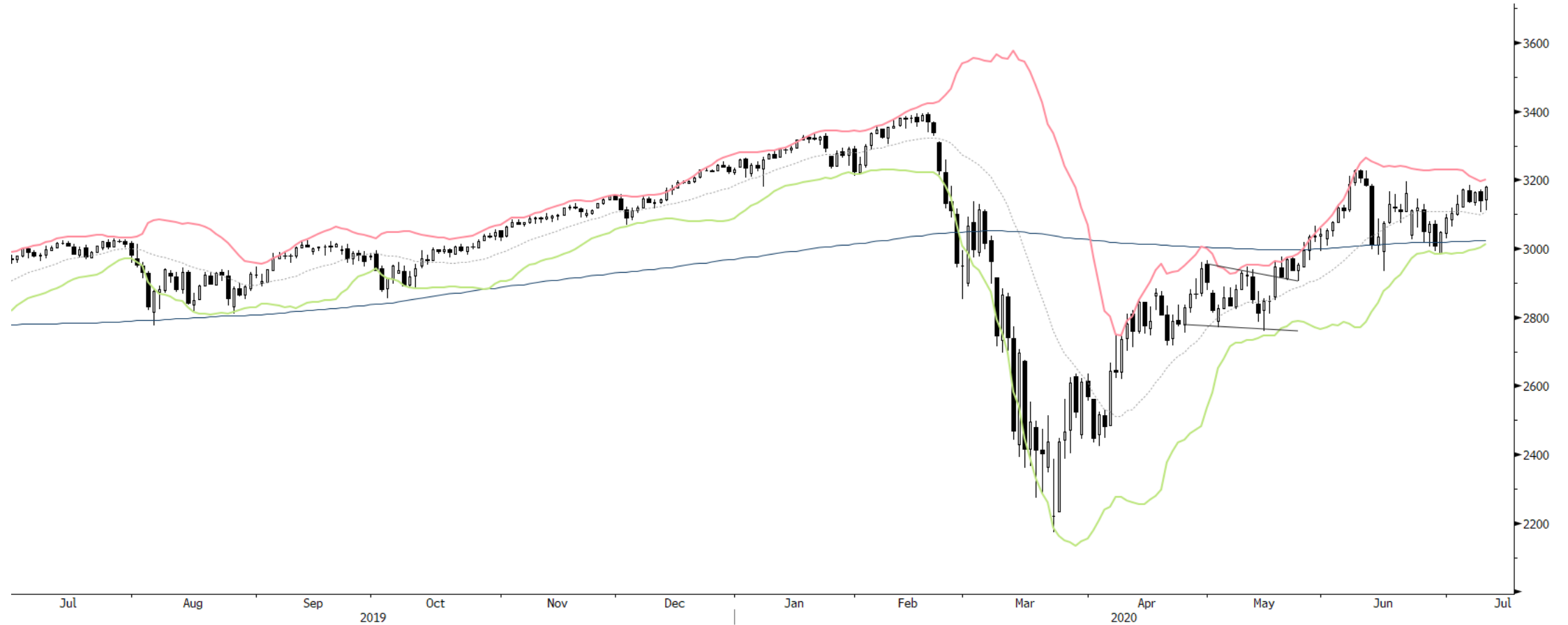
S&P 500 E-Mini Monthly



S&P 500 E-Mini Weekly



S&P 500 E-Mini Daily

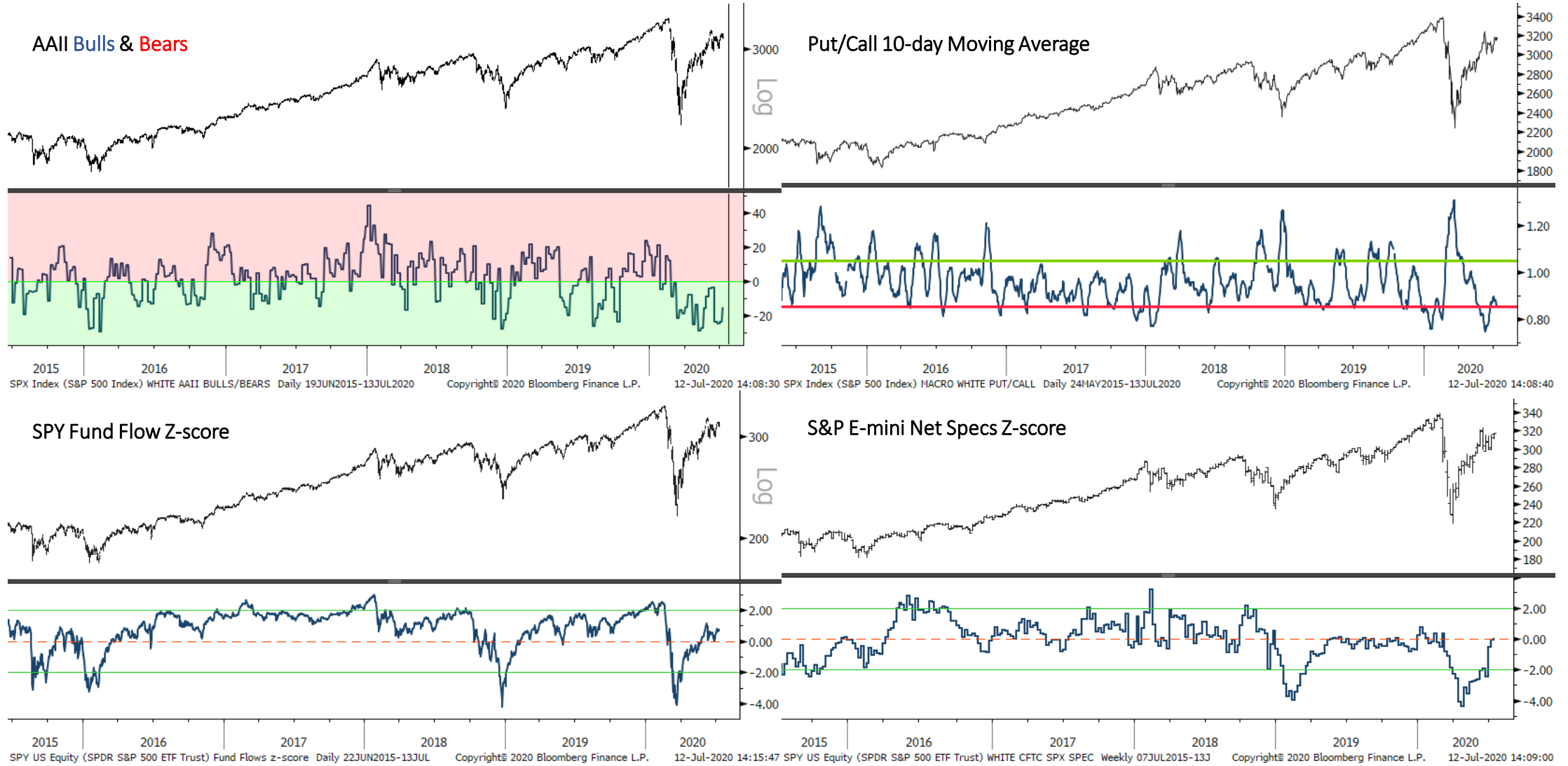


ES1 Index (CME E-Mini Standard & Poor's 500 Index Future) WHITE SPX CHART-DAILY

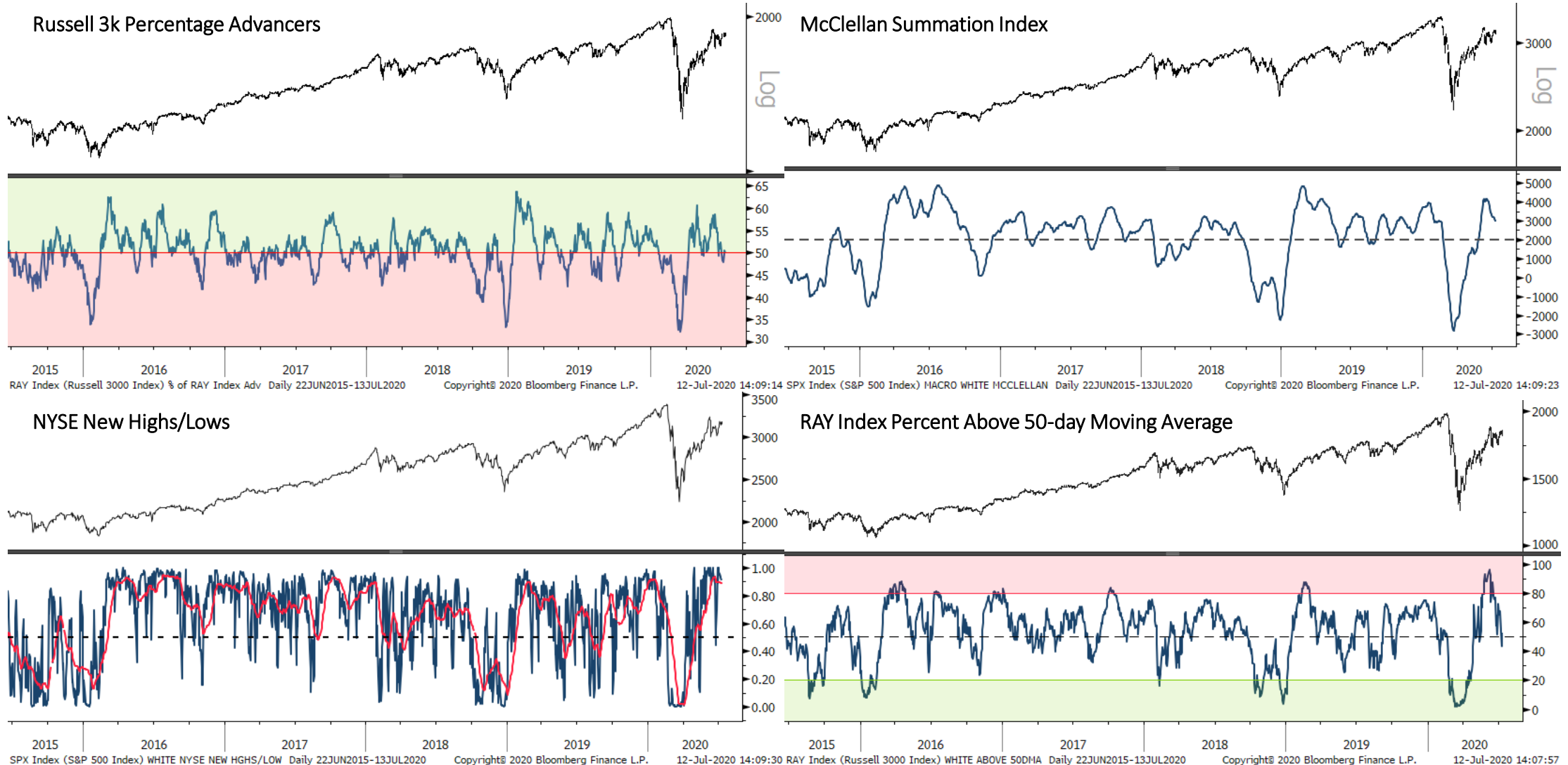
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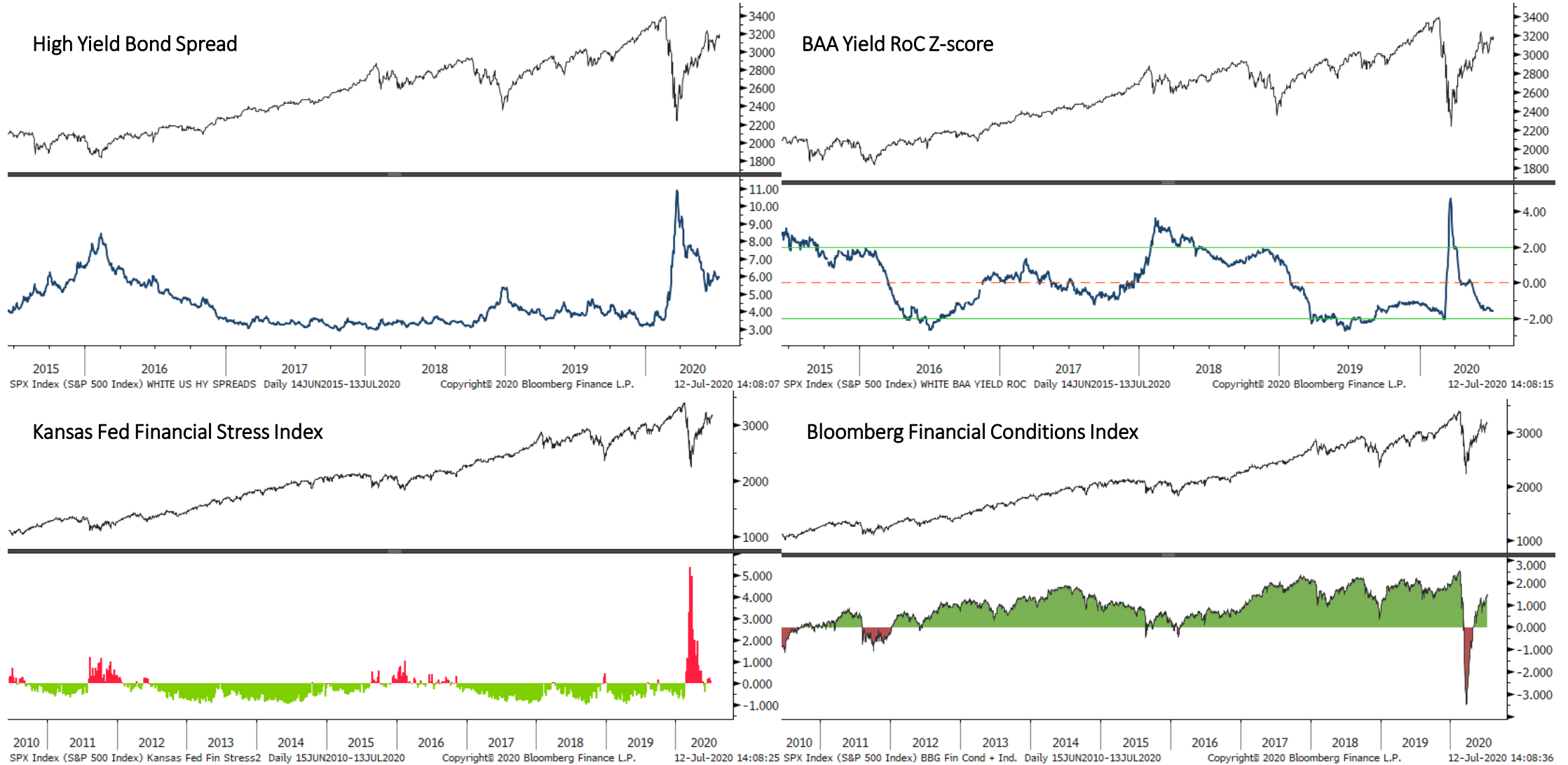
Sentiment & Positioning



Breadth



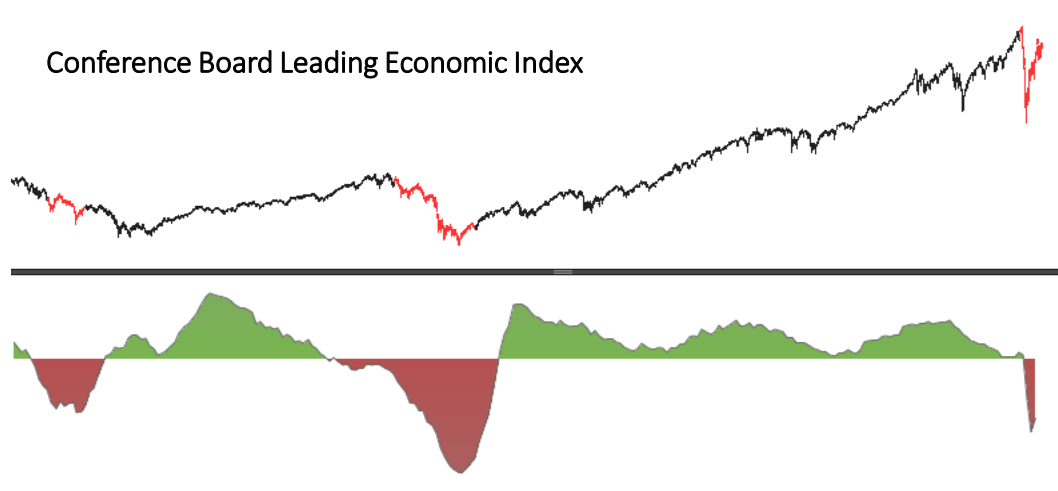
Liquidity



Macro

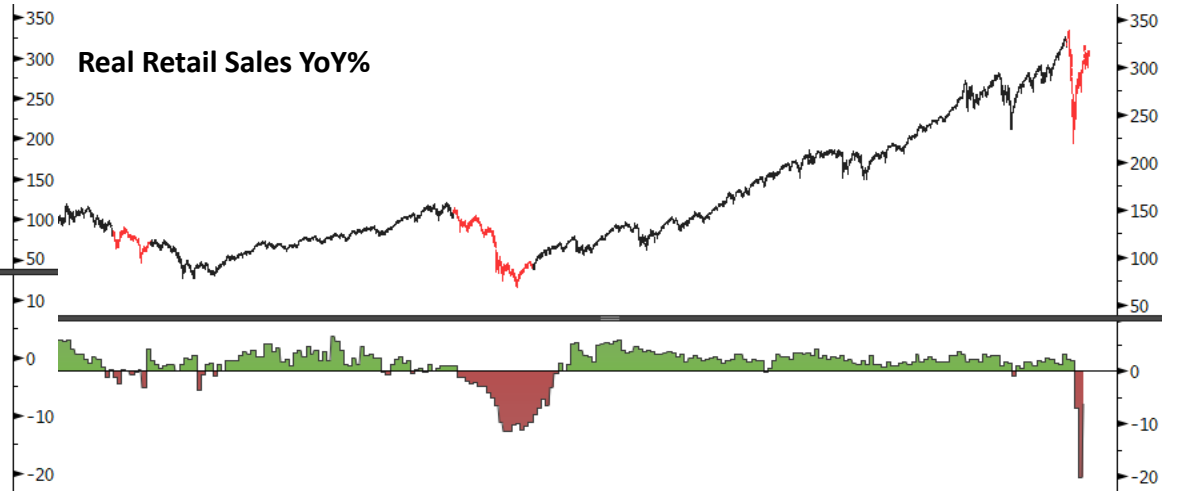


Conference Board Leading Economic Index



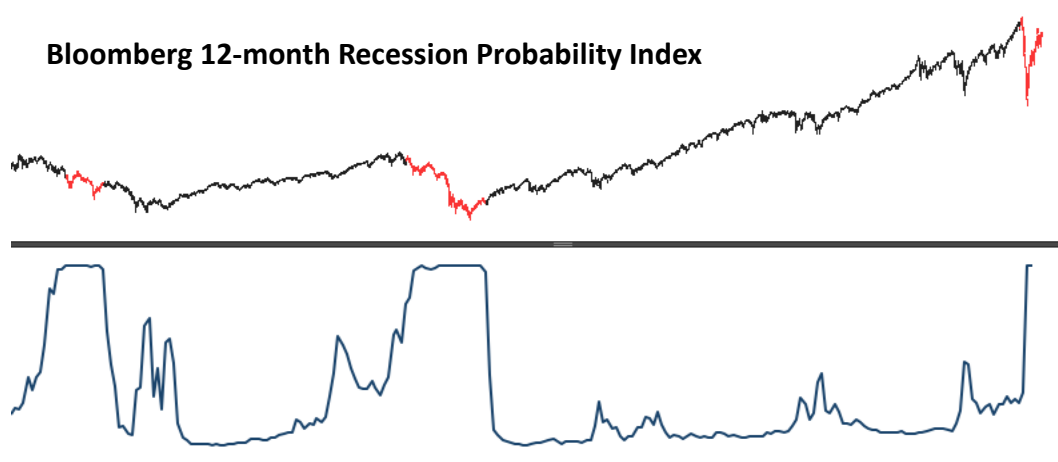
SPY US Equity (SPDR S&P 500 ETF Trust) MACRO LEI Daily 15JUN2000-13JUL2020 Copyright© 2020 Bloomberg Finance L.P. 12-Jul-2020 14:08:46

Real Retail Sales YoY%



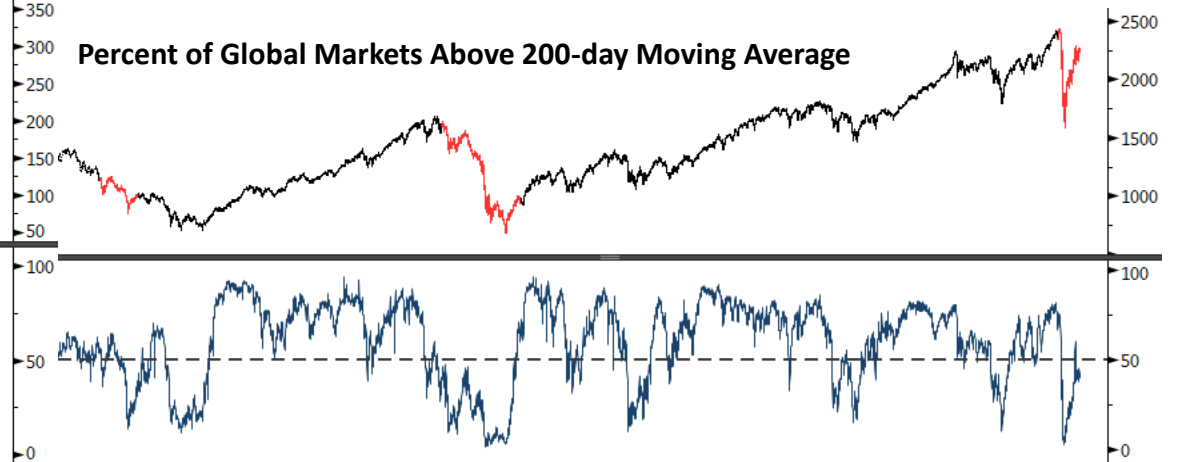
SPY US Equity (SPDR S&P 500 ETF Trust) Macro Real Retail Sales Daily 31JAN2000- Copyright© 2020 Bloomberg Finance L.P. 12-Jul-2020 14:09:00

Bloomberg 12-month Recession Probability Index



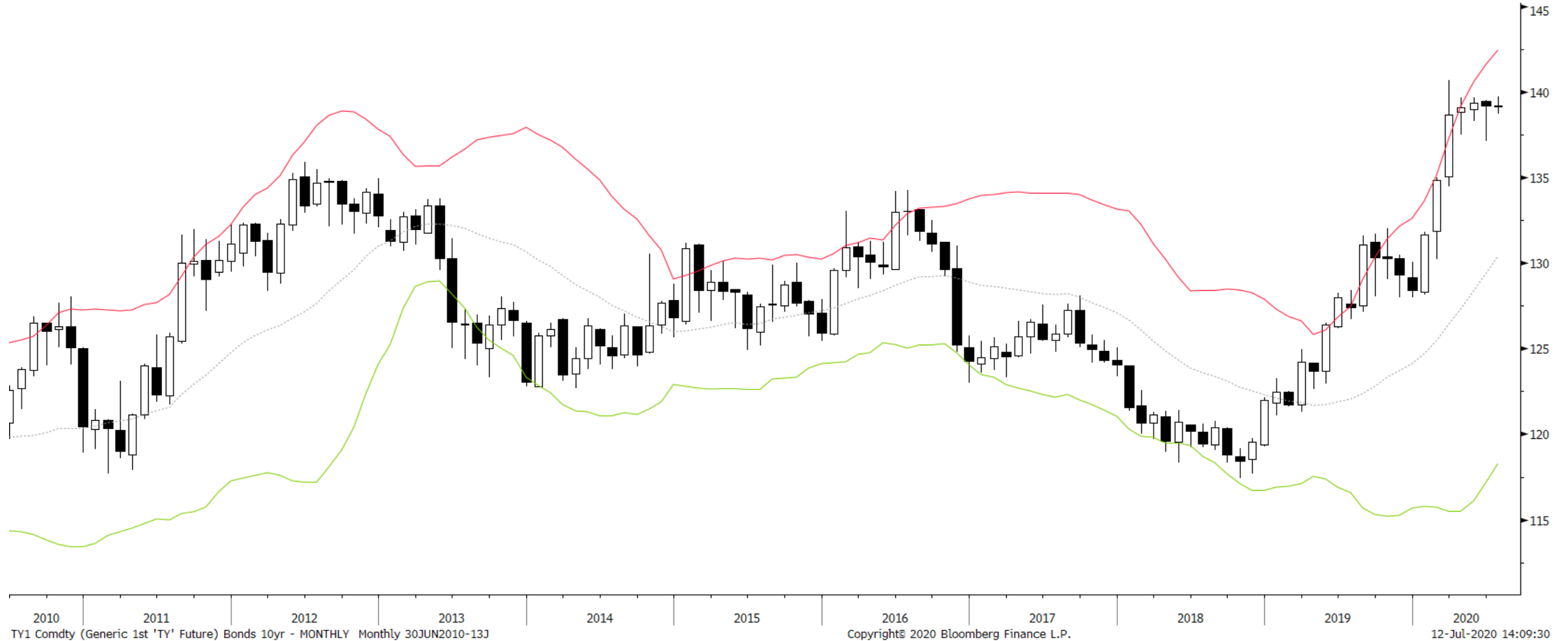
SPY US Equity (SPDR S&P 500 ETF Trust) Macro BBG 12m recession Daily 31JAN2000- Copyright© 2020 Bloomberg Finance L.P. 12-Jul-2020 14:09:09

Percent of Global Markets Above 200-day Moving Average

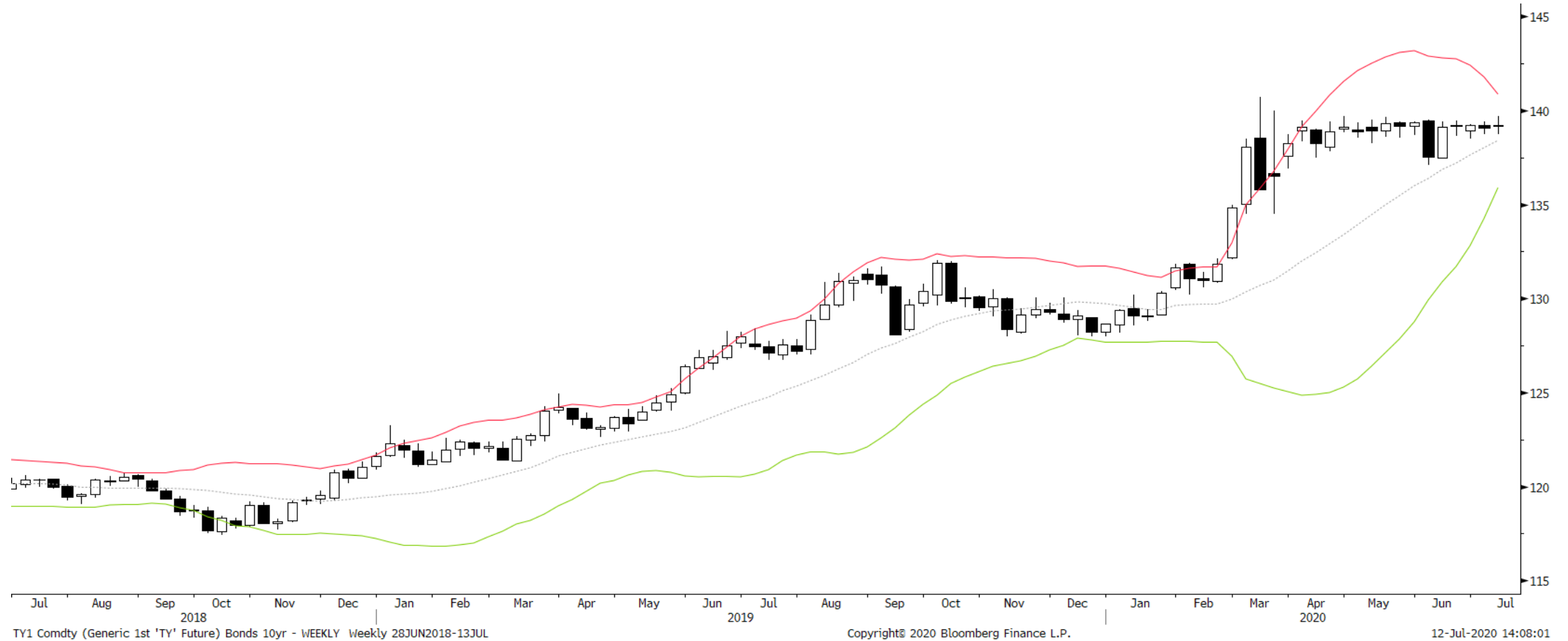


MXWO Index (MSCI World Index) MSCI World PCT 200dma Daily 08MAY2000-13JUL2020 Copyright© 2020 Bloomberg Finance L.P. 12-Jul-2020 14:09:18

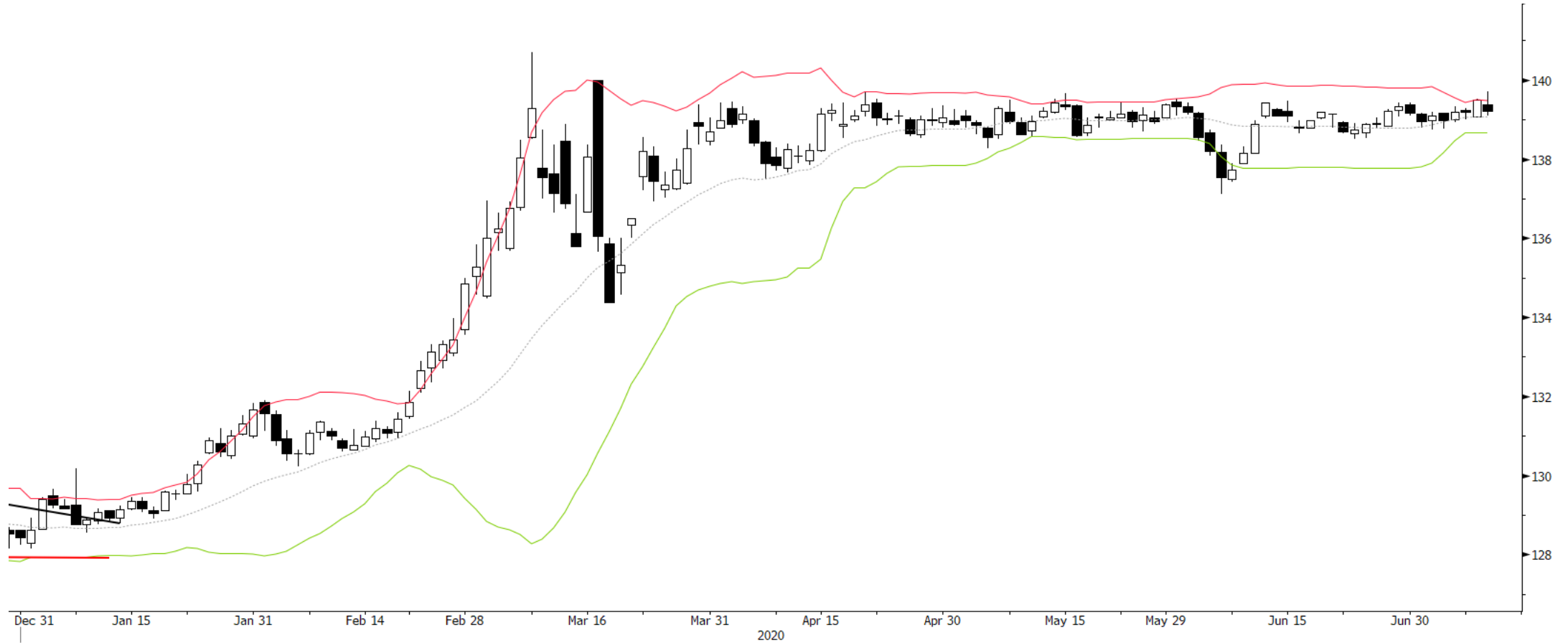
Bonds: 10-year Futures Monthly



Bonds: 10-year Futures Weekly



Bonds: 10-year Futures Daily

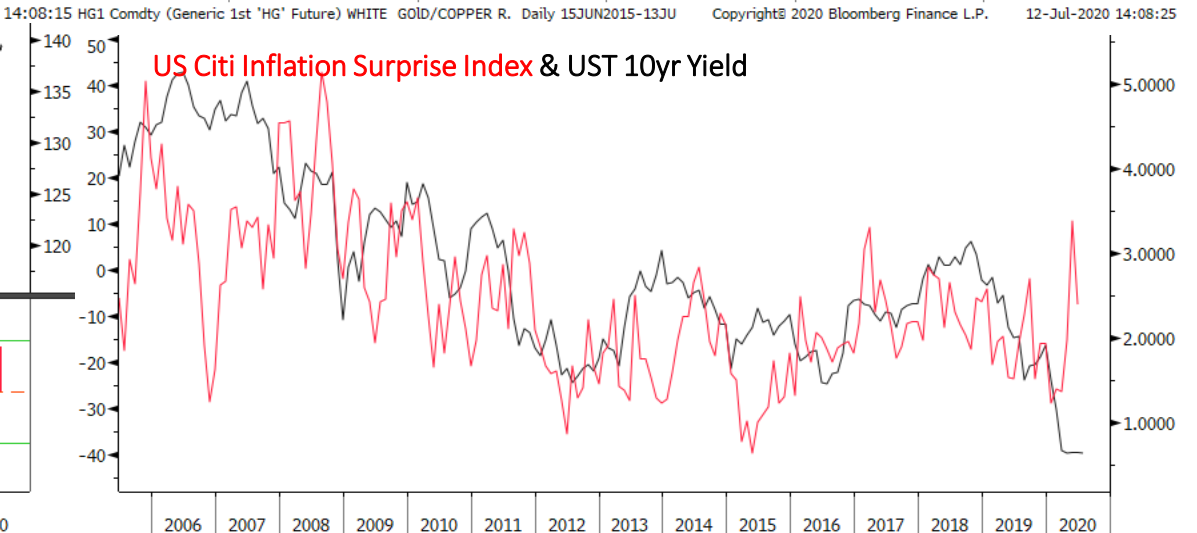
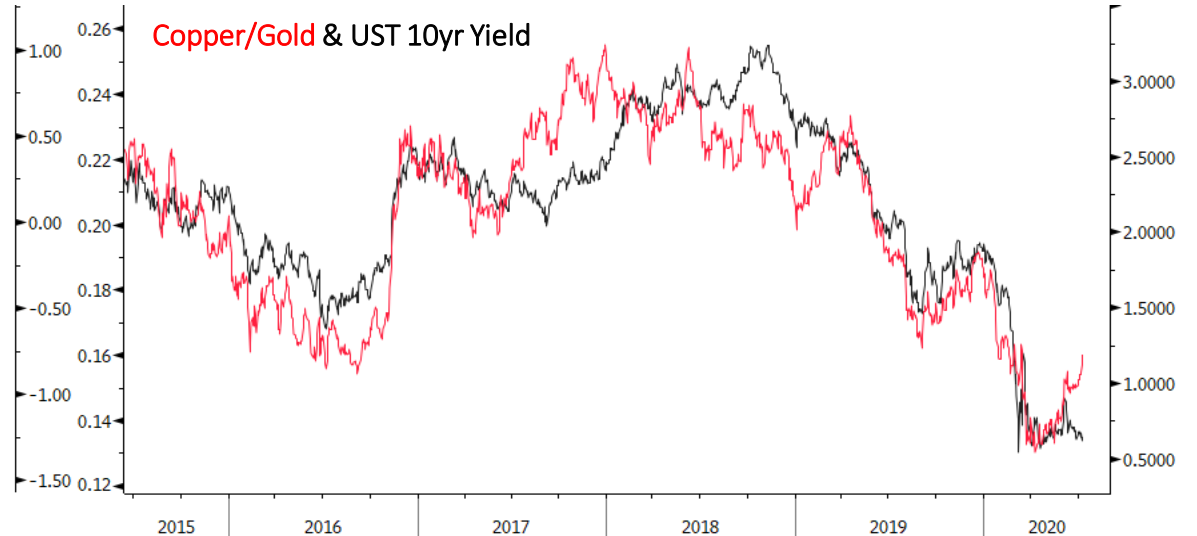
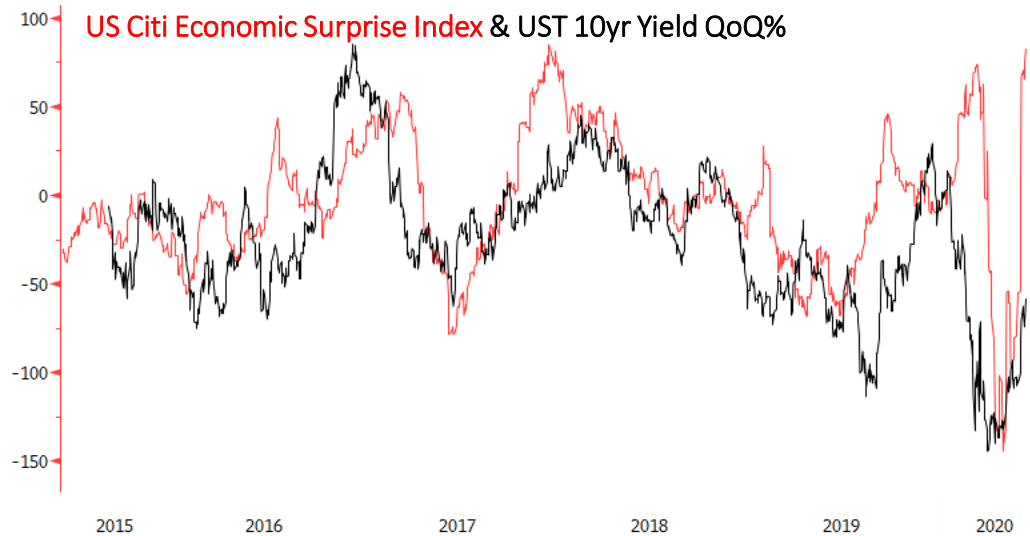


TY1 Comdty (Generic 1st 'TY' Future) Bonds 10yr - DAILY Daily 30DEC2019-13JUL20

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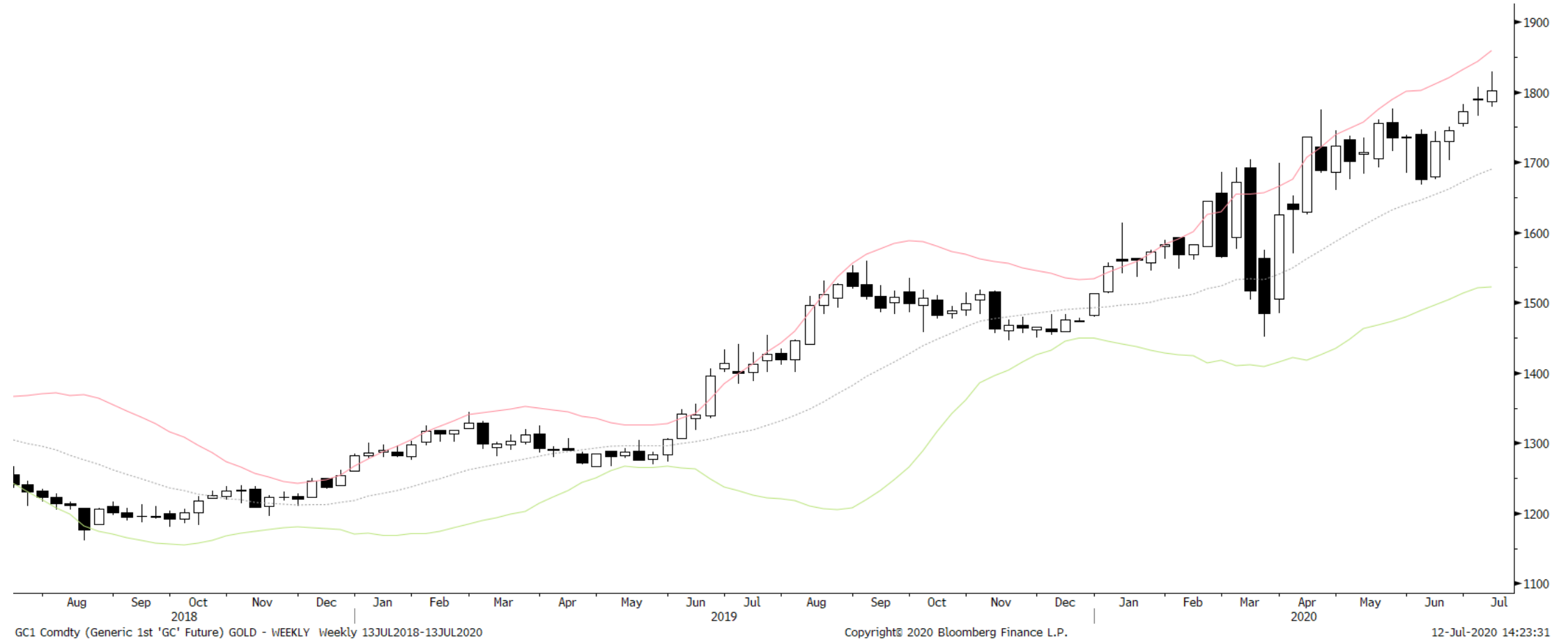
Bond/Yield Indicators



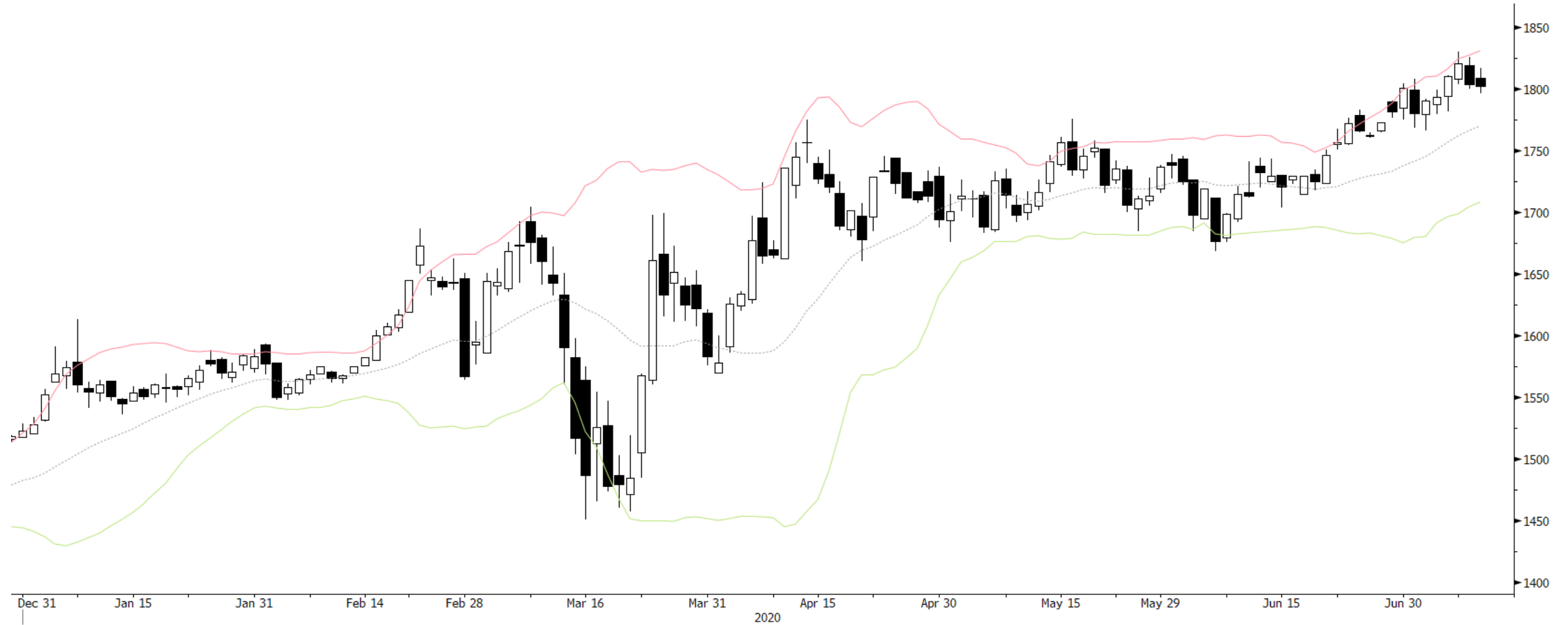
Gold Monthly



Gold Weekly



Gold Daily



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 30DEC2019-13JUL2020

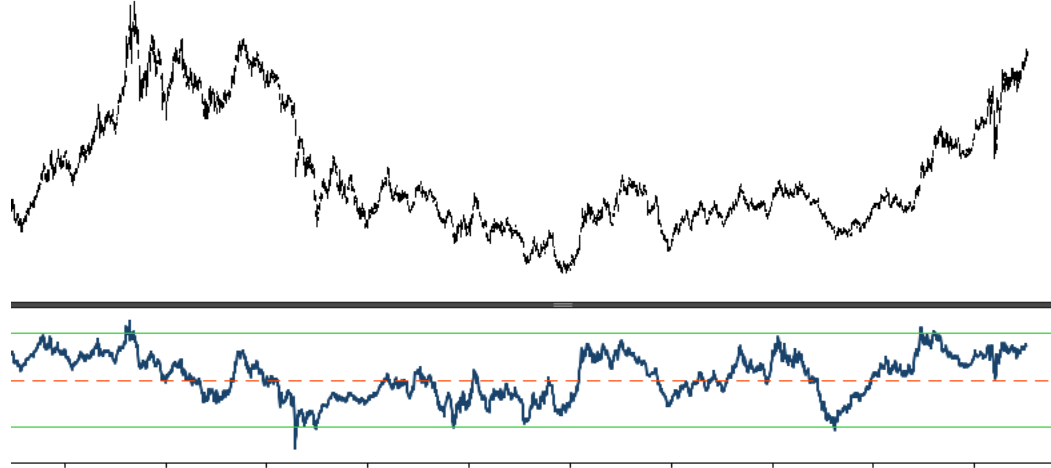
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Gold Indicators

Gold ETF (GLD) Fund Flow Z-score



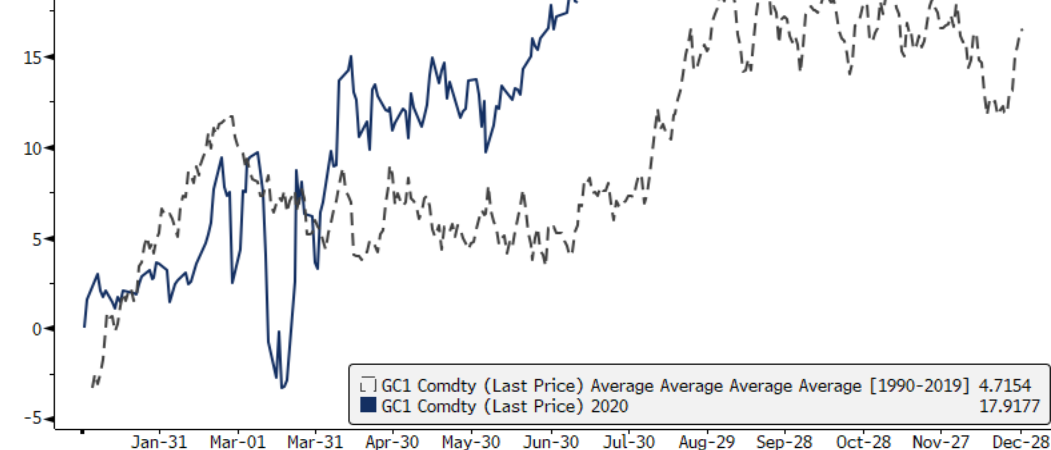
2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020
 GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 22JUN2010-13JUL2 Copyright© 2020 Bloomberg Finance L.P. 12-Jul-2020 14:09:33

Gold Net Small Specs Z-score



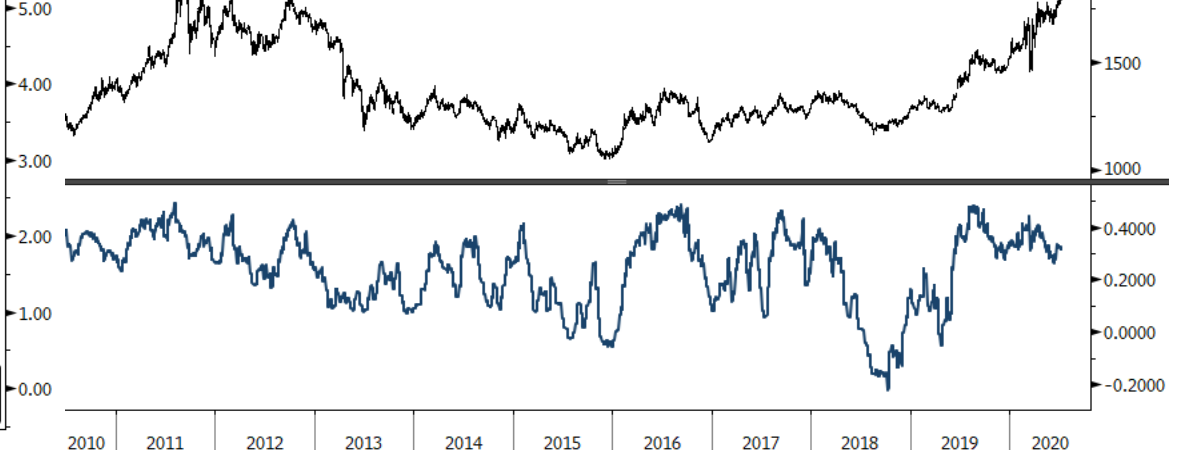
2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020
 GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 04JUL2010-13 Copyright© 2020 Bloomberg Finance L.P. 12-Jul-2020 14:08:01

Gold (GLD) Seasonality



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Gold Net Positioning % of Open Interest



2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020
 GC1 Comdty (Generic 1st 'GC' Future) GLD Net Pos Pct of OI Daily 26JUN2010-13JU Copyright© 2020 Bloomberg Finance L.P. 12-Jul-2020 14:08:24

EURUSD Monthly



EURUSD Weekly



EURUSD Daily



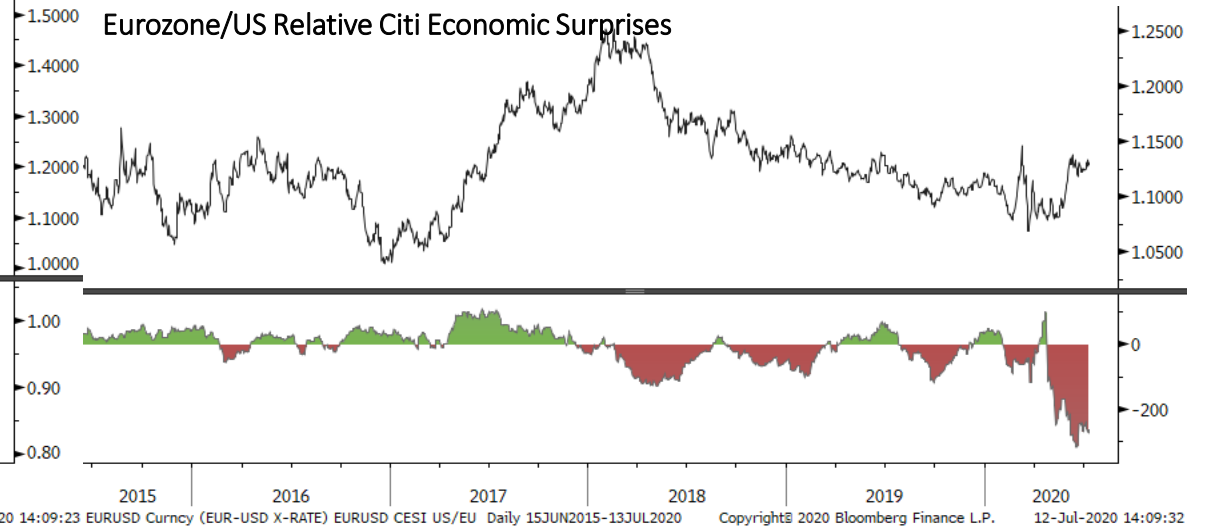
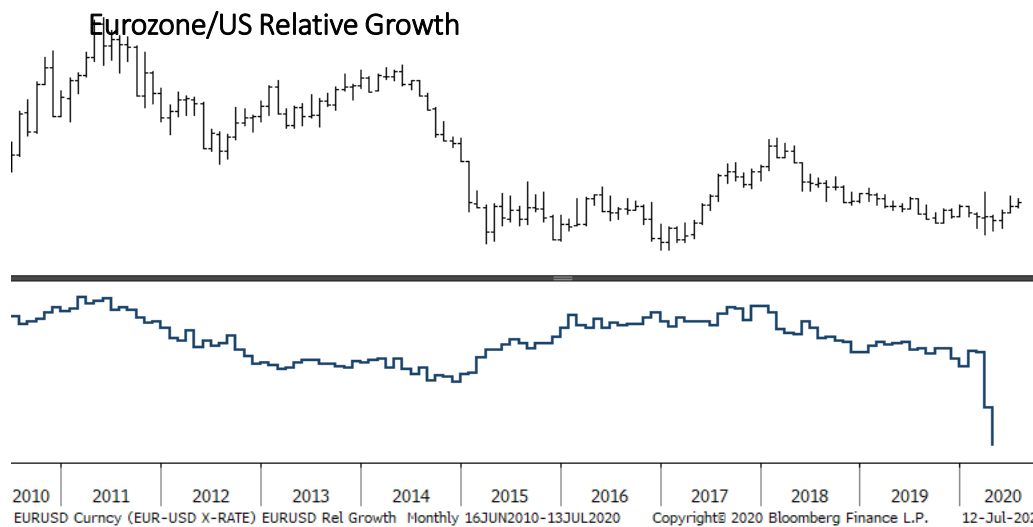
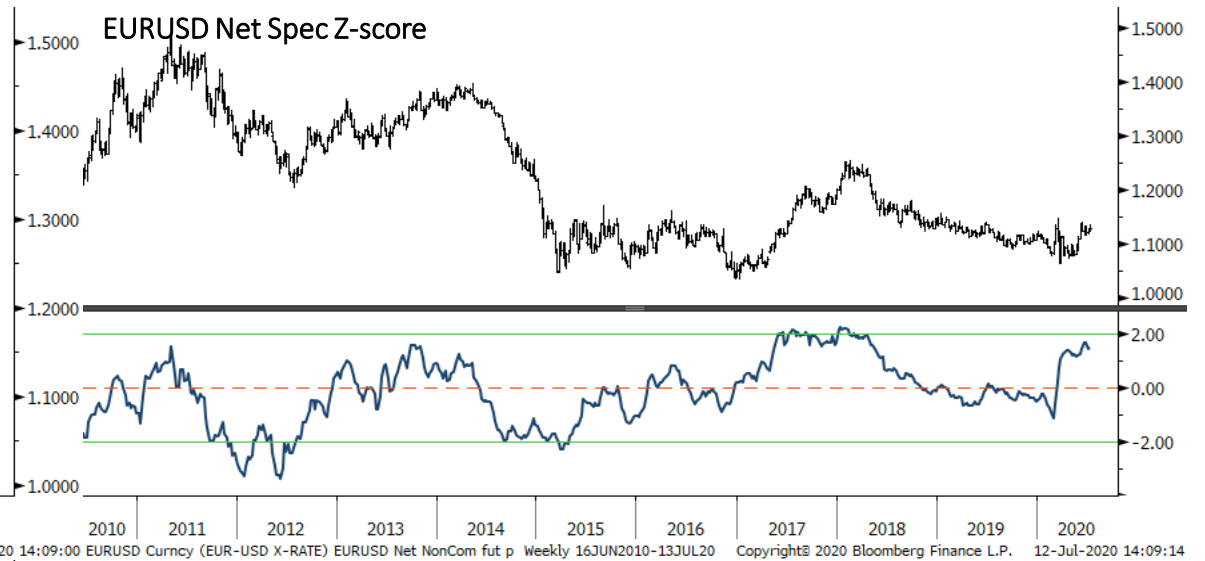
EURUSD Cmcny (EUR-USD X-RATE) EURUSD - DAILY Daily 31DEC2019-13JUL2020

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EURUSD Indicators



<i>The Four Pillars Portfolio</i>		<u>YTD Return</u>			
		16.8%			
The Core	<u>Allocation</u>				
Large Cap Equities (/ES_F or VOO)	25%				
Short-term Bills (/ZT_F or VGSH)	25%				
Long-term Bonds (/ZB_F or TLT)	25%				
Gold (/GC_F or GLD)	25%				
Big Bets	Thematic	Cost Basis	At Risk	Risk Point	Last Price
Cameco (CCJ)	Deep Value/Cyclical	\$7.25	Above B/E	\$8.50	\$10.85
Altisource Portfolio Solutions (ASPS)	Deep Value/Swing	\$10.16	B/E	\$10.16	\$12.40
Bolloré (BOL)	Hidden Deep Value	\$2.46	B/E	\$2.46	\$2.82
Intuit, Inc. (INTU)	Growth/Momentum	\$304.71	70bps	\$281.82	\$307.55
Interactive Brokers (IBKR)	Value/Technical	\$47.39	100bps	\$41.14	\$49.23
Medallia, Inc (MDLA)	Value/Technical	\$30.00	50bps	\$26.68	\$30.05
Silver (SI_U20)	Trend	18.88	100bps	17.78	19.06
MXNUSD (6MU2020)	Swing	0.04191	B/E	0.04045	0.04415