



Macro Ops

The Trifecta Report

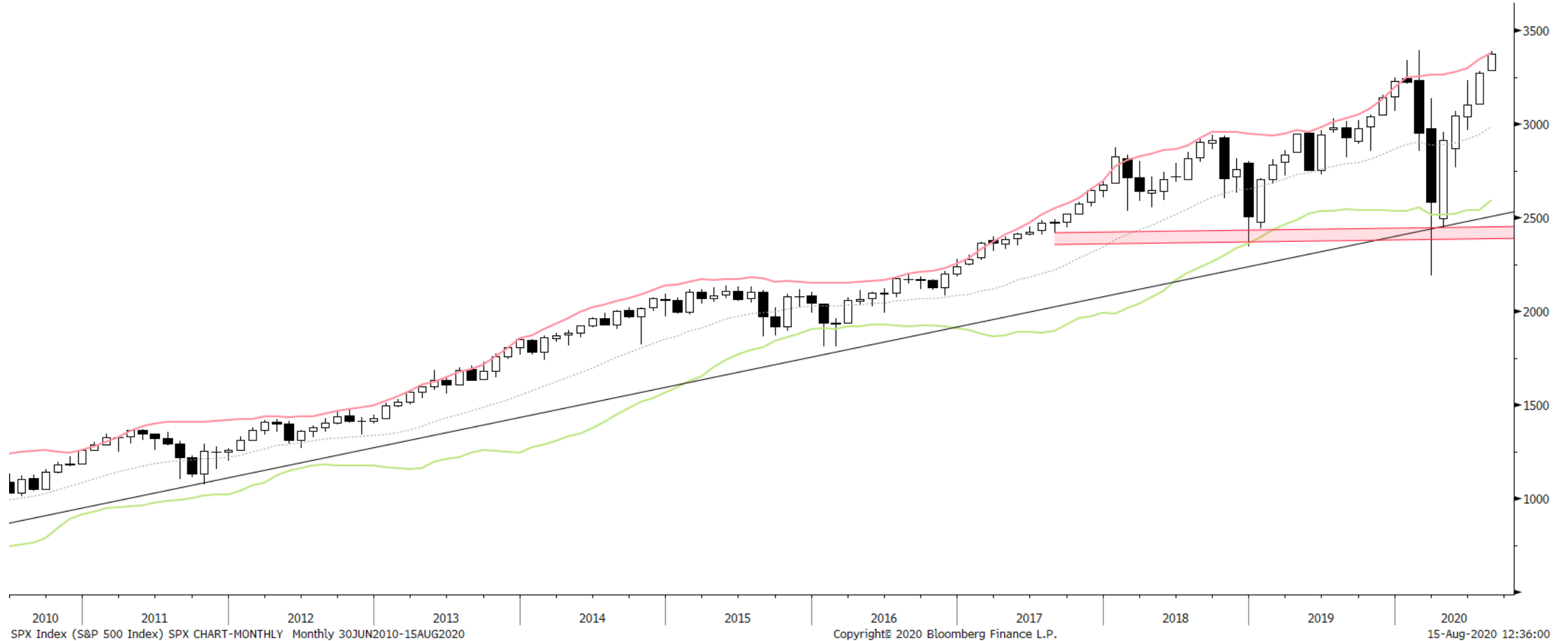
The best trades are the ones in which you have all three things going for you: fundamentals, technical, and market tone. ~ Michael Marcus

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 favor a resumption of the trend higher➤ Sentiment/Positioning: Is now neutral-to-bullish. The narrative that the “Fed will keep printing money and not let the market fall” is becoming popular and will likely near consensus within the next 1-2 weeks on the back of further market gains➤ Breadth: Breadth remains resilient and is not yet at levels that precede large selloffs➤ Macro/Liquidity: Macro conditions are rebounding. Liquidity is flush but yields are starting to rise and credit spreads are beginning to widen. If this continues it'll put the pinch on a very richly valued market➤ Short-term: SPX is in a bull volatile regime with rising yields and widening credit spreads. <u>Odds favor another bullish week but this trend is nearing its end</u>	<ul style="list-style-type: none">➤ Long-term: Bonds are in an 18m+ bull trend / buy climax on a monthly basis. They are in a 6-month sideways channel on a weekly/daily basis and we should expect them to stay there until there's a confirmed breakout➤ Sentiment/Positioning: A bullish bonds consensus is beginning to form. The narrative of yield-curve control and yield suppression are becoming mainstream.➤ Yield Indicators: Yield indicators are mostly neutral, but we need to watch cyclical vs defensive performance closely as cyclicals may be putting in a bottom on a relative performance basis. Positive economic data surprises and leading growth indicators suggest we're moving into a more bearish bonds environment➤ Short-term: Bonds are now probing the lower support area of their trading range. The downside on bonds is limited because if yields were to rise too much, they'd spark a selloff in equities and drive safety flows back into bonds. <u>But with cyclicals starting to breakout relative to defensives, we're likely to see a bit more near-term downward pressure on bonds</u>	<ul style="list-style-type: none">➤ Long-term: Gold is in a 15-month uptrend / buy climax on a monthly basis. Precious metals started to work off the extreme overbought levels we pointed out last week. The long-term path of least resistance is up but expect higher vol in the near-term➤ Sentiment/Positioning: The bullish gold narrative is consensus which raises the odds of continued volatility. Positioning and flows are coming off elevated levels, raising the odds of further volatility and washing out of weak hands➤ Gold Indicators: Gold is near the end of its positive seasonality and is under pressure from rising real yields.➤ Short-term: Gold had a bearish weekly candle. It's in a bull volatile regime which raises the odds of further volatility and the potential for a short-term top. <u>Odds favor sideways to down action again this week</u>	<ul style="list-style-type: none">➤ Long-term: Last month, EURUSD saw its highest monthly close since April of 2018. This may be the start of a major trend change in the USD➤ Sentiment/Positioning: The short US dollar trade is a consensus theme on the Street. Long positioning in EURUSD and aggregate short USD is stretched. This increases short-to-intermediate term fragility➤ EURUSD Indicators: The trend in yield differentials favor the euro while the absolute levels favor USD. Relative leading growth indicators favor the euro while Citi Econ surprises are neutral. It's a mix bag with no clear edge on future trend direction➤ Short-term: EURUSD may have put in a double-top on a weekly basis. After six bullish weekly candles, it's likely we see a multi-week period of sideways to down action. <u>We now have an inside-inside (ii) pattern on a weekly basis. This means EURUSD is in breakout mode. Odds slightly favor a retrace lower</u>

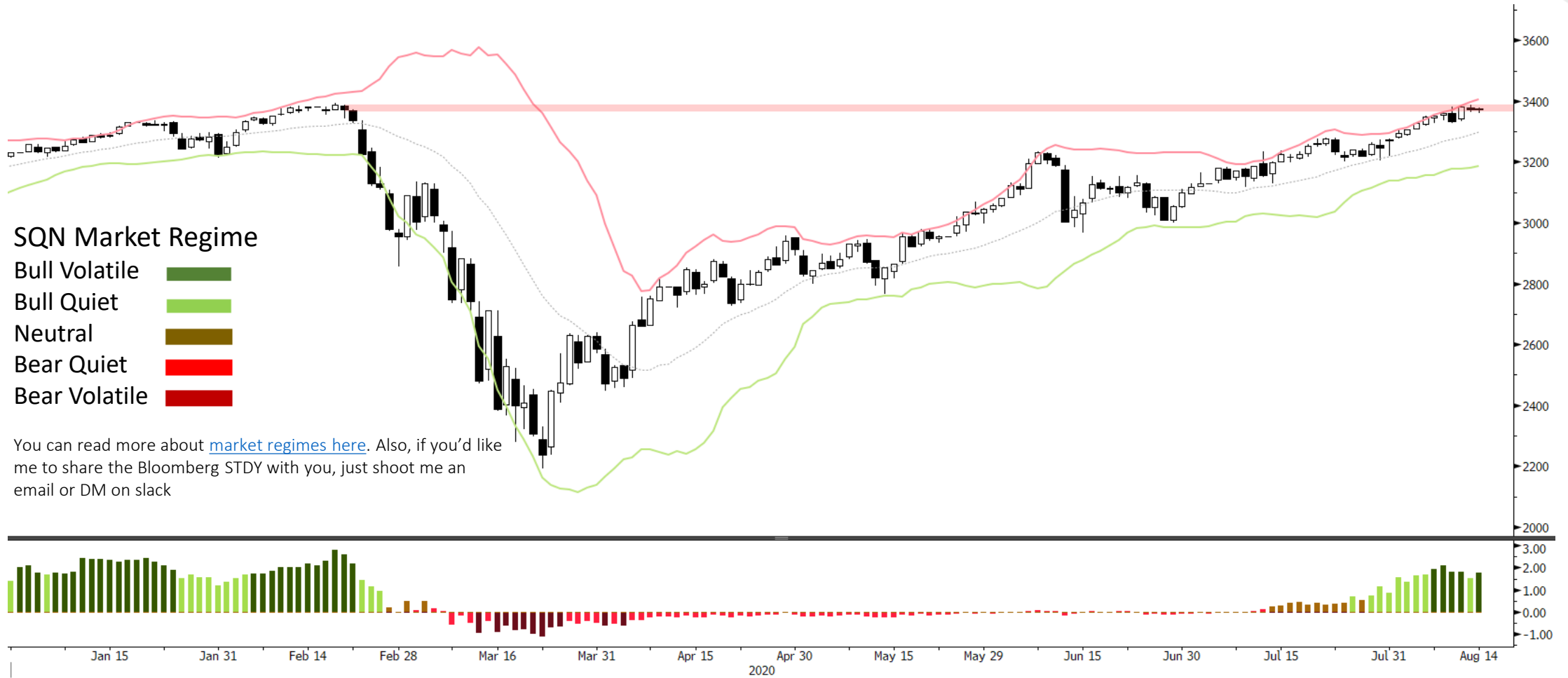
S&P 500 E-Mini Monthly



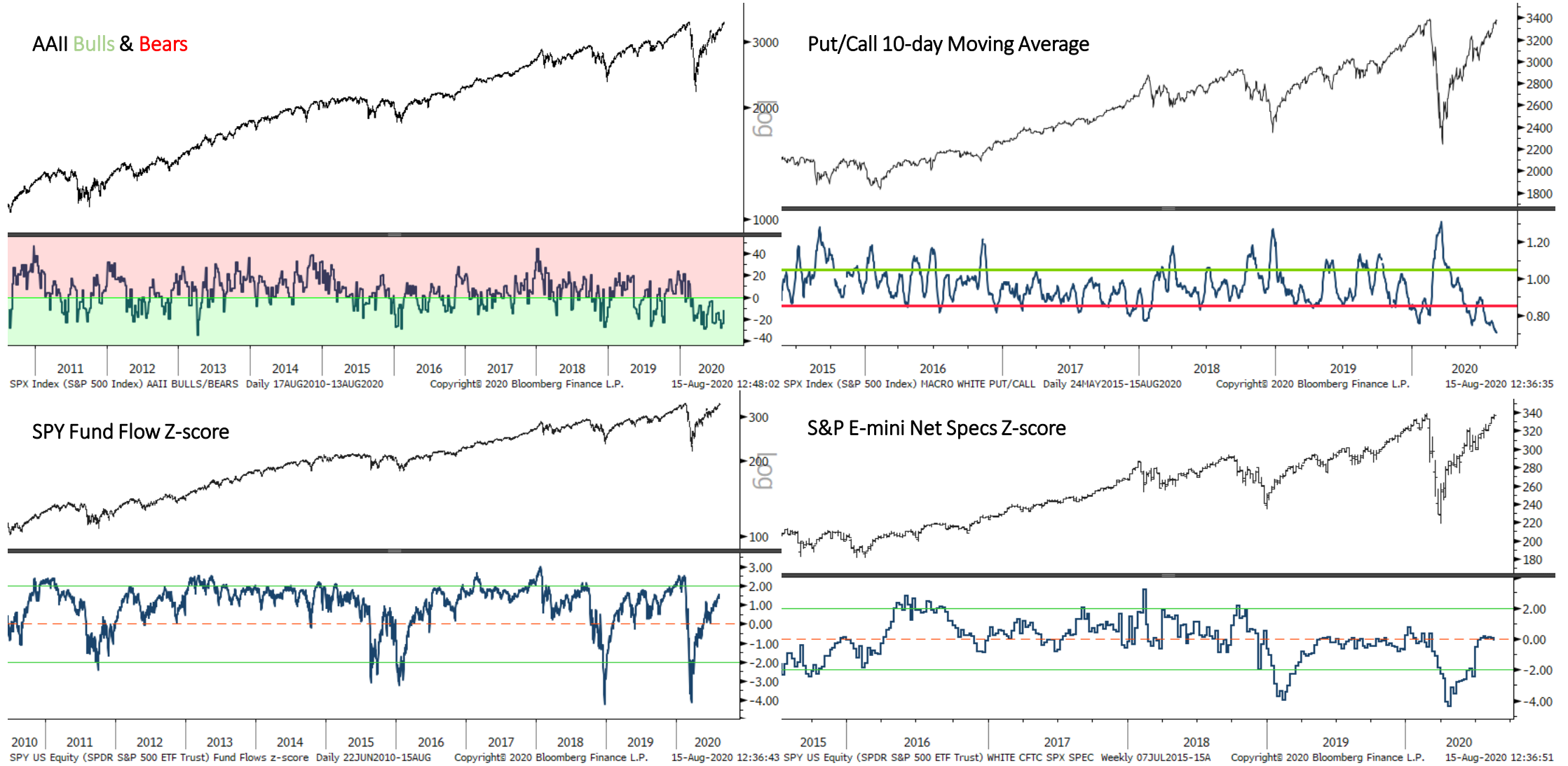
S&P 500 E-Mini Weekly



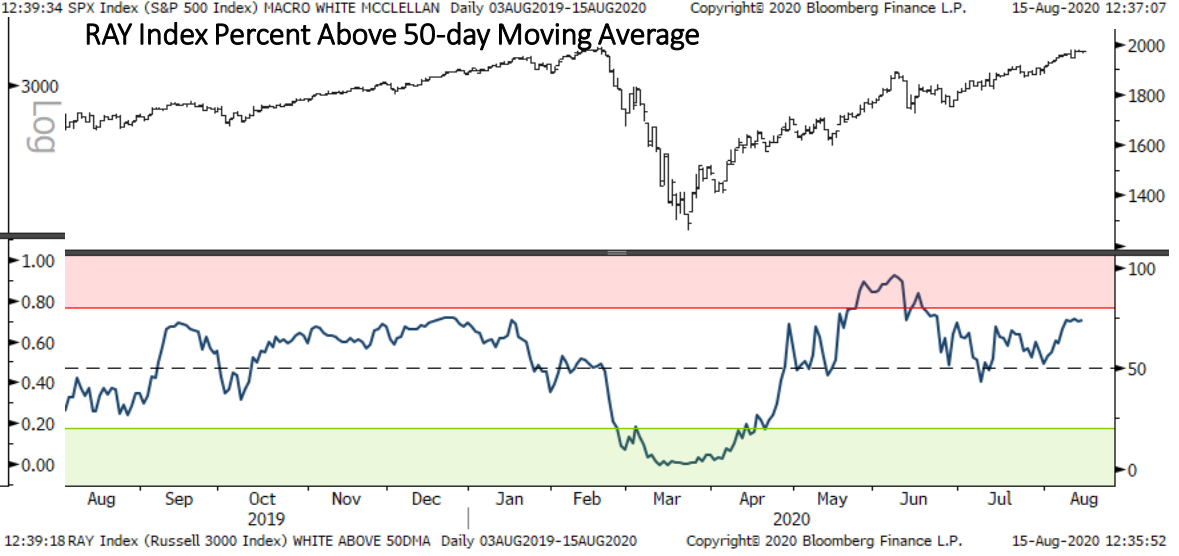
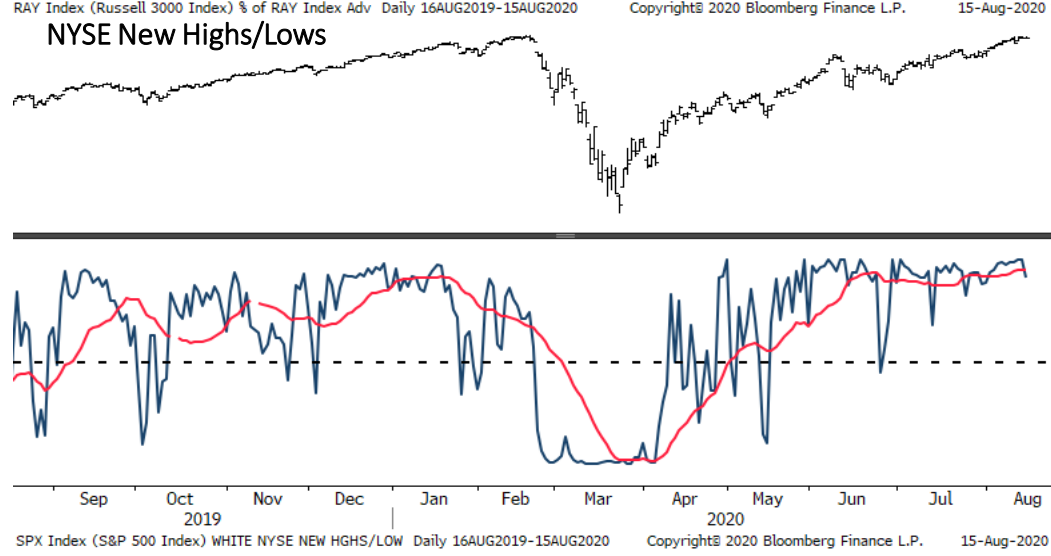
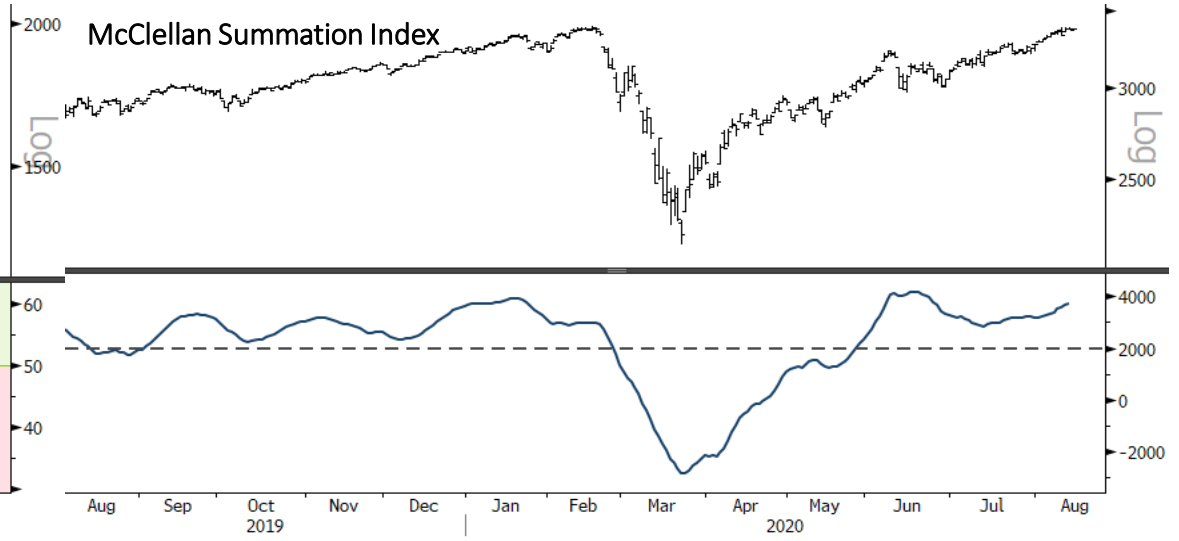
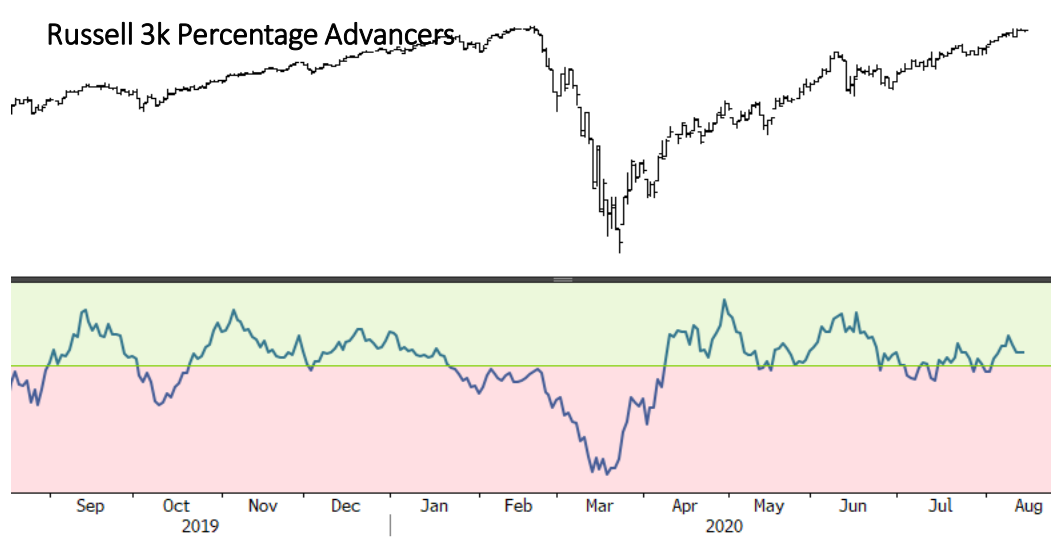
S&P 500 E-Mini Daily



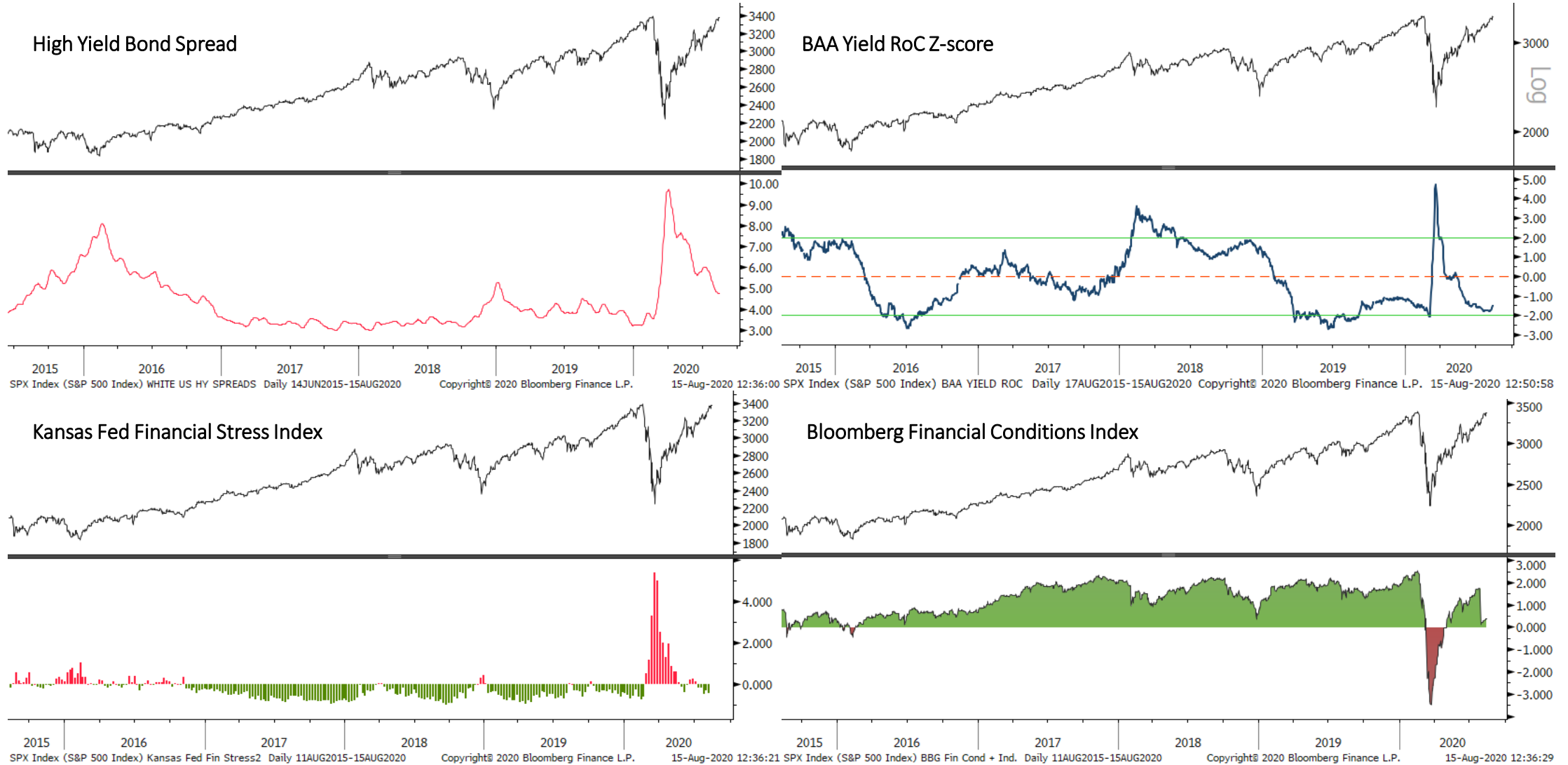
Sentiment & Positioning



Breadth



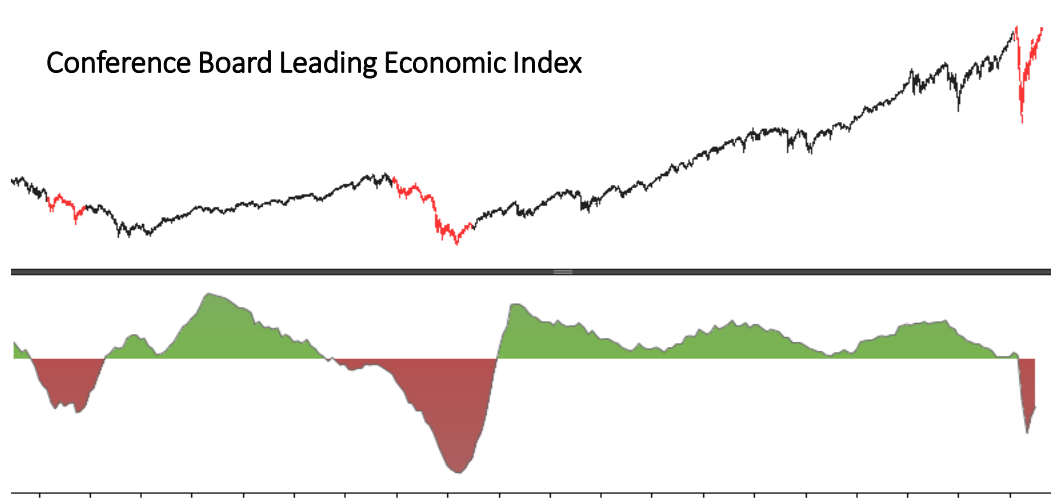
Liquidity



Macro

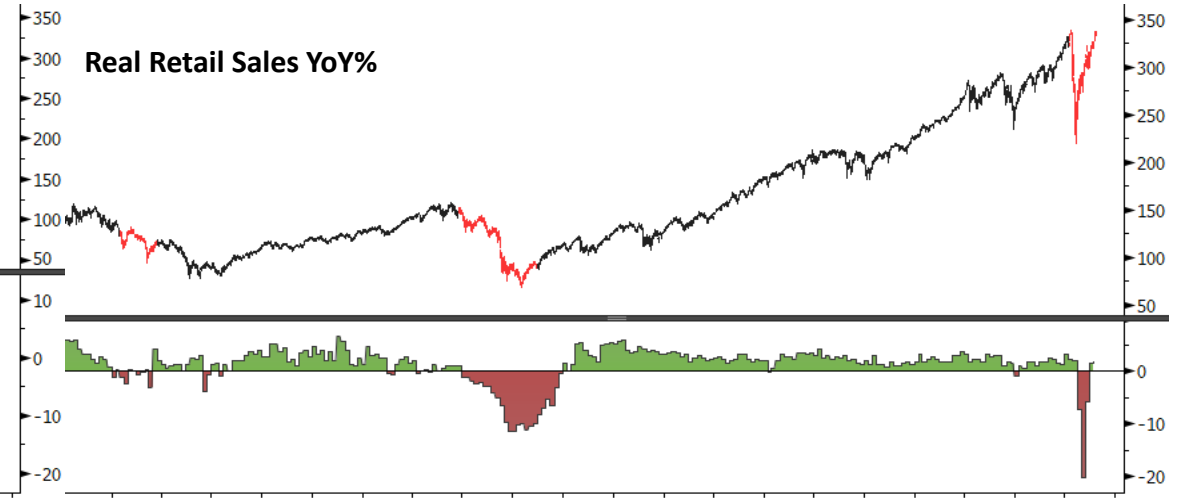


Conference Board Leading Economic Index



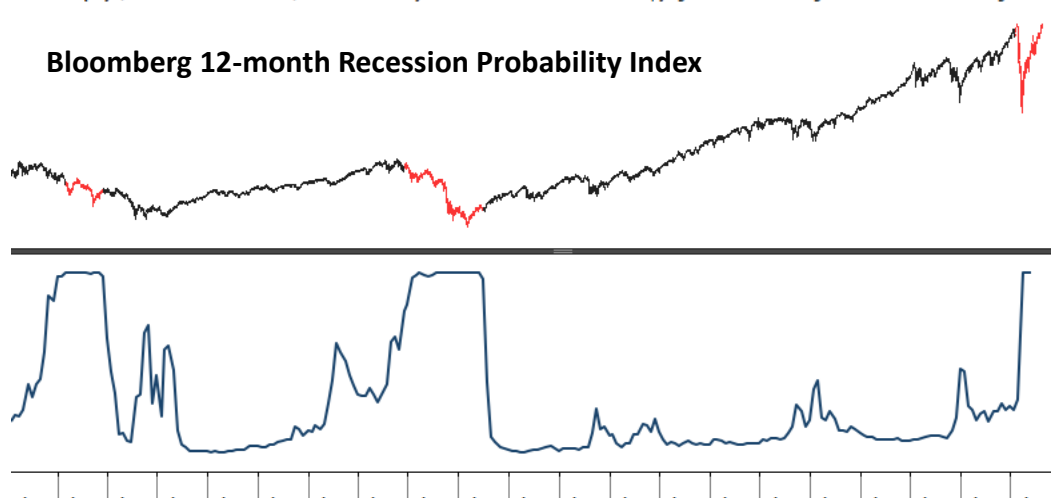
'01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20
 SPY US Equity (SPDR S&P 500 ETF Trust) MACRO LEI Daily 15JUN2000-15AUG2020 Copyright© 2020 Bloomberg Finance L.P. 15-Aug-2020 12:36:39

Real Retail Sales YoY%



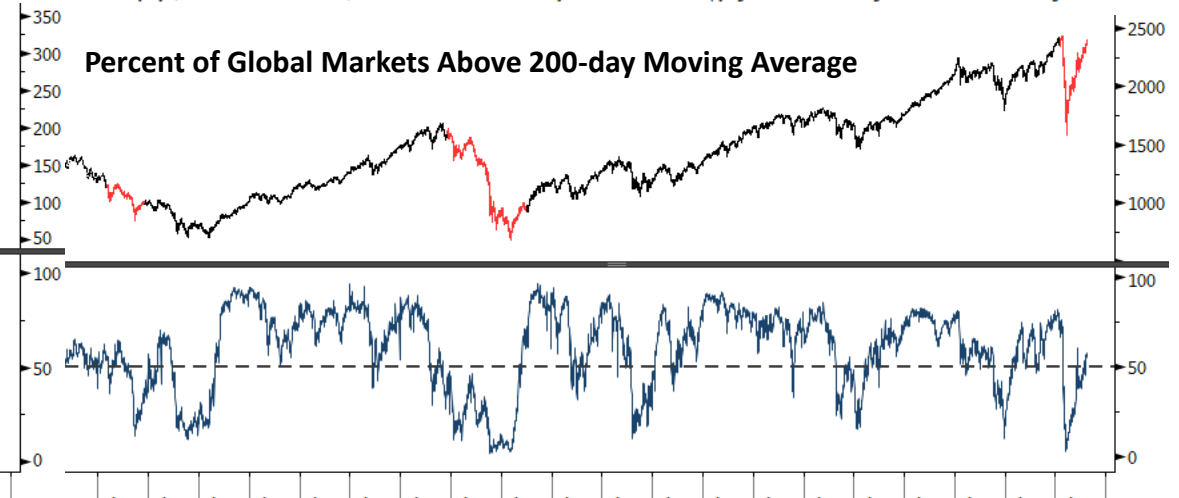
'00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20
 SPY US Equity (SPDR S&P 500 ETF Trust) Macro Real Retail Sales Daily 31JAN2000- Copyright© 2020 Bloomberg Finance L.P. 15-Aug-2020 12:36:47

Bloomberg 12-month Recession Probability Index



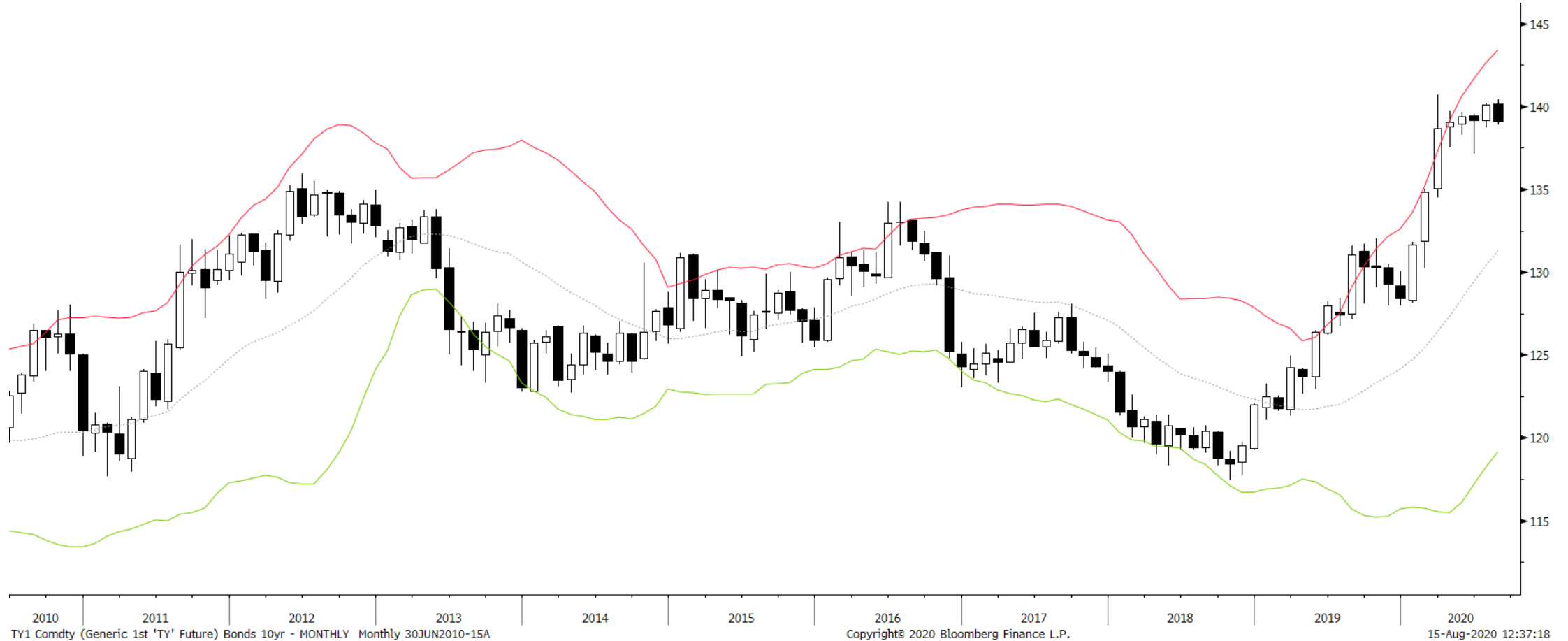
'00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20
 SPY US Equity (SPDR S&P 500 ETF Trust) Macro BBG 12m recession Daily 31JAN2000- Copyright© 2020 Bloomberg Finance L.P. 15-Aug-2020 12:36:56

Percent of Global Markets Above 200-day Moving Average

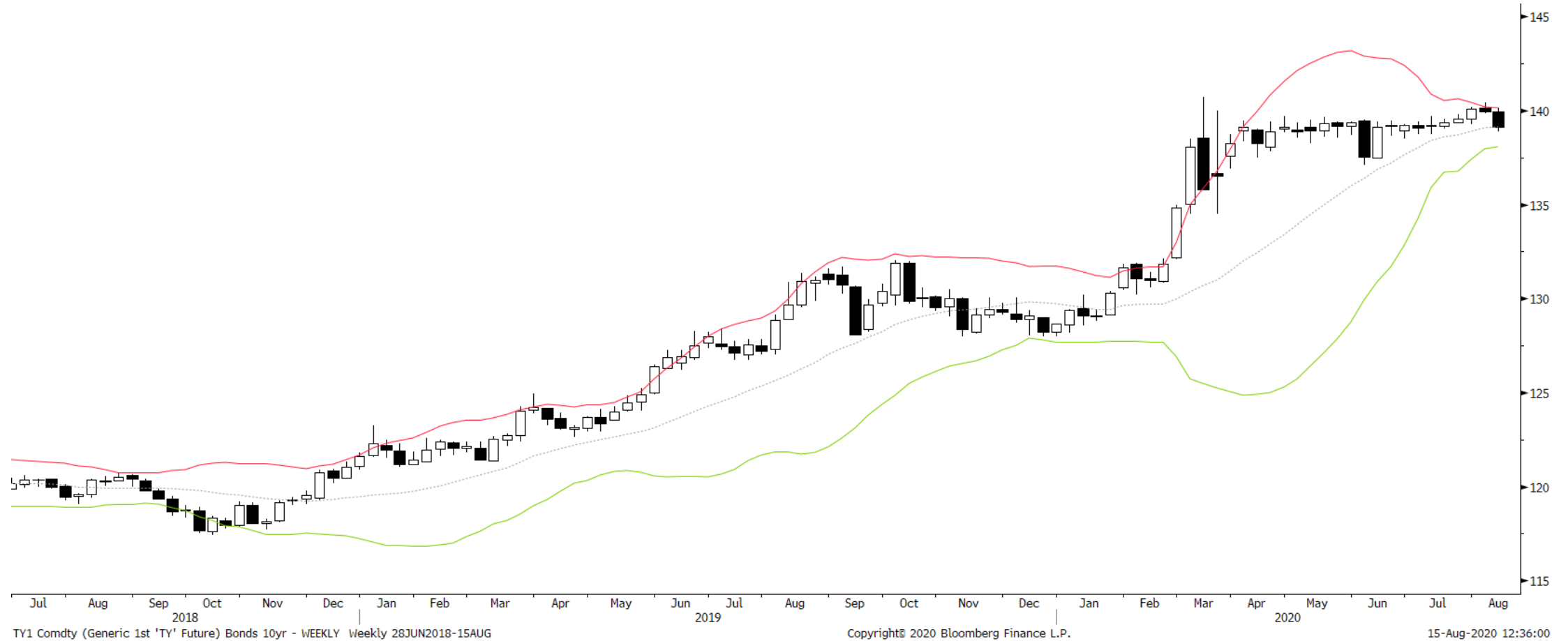


'01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20
 MWO Index (MSCI World Index) MSCI World PCT 200dma Daily 08MAY2000-15AUG2020 Copyright© 2020 Bloomberg Finance L.P. 15-Aug-2020 12:37:07

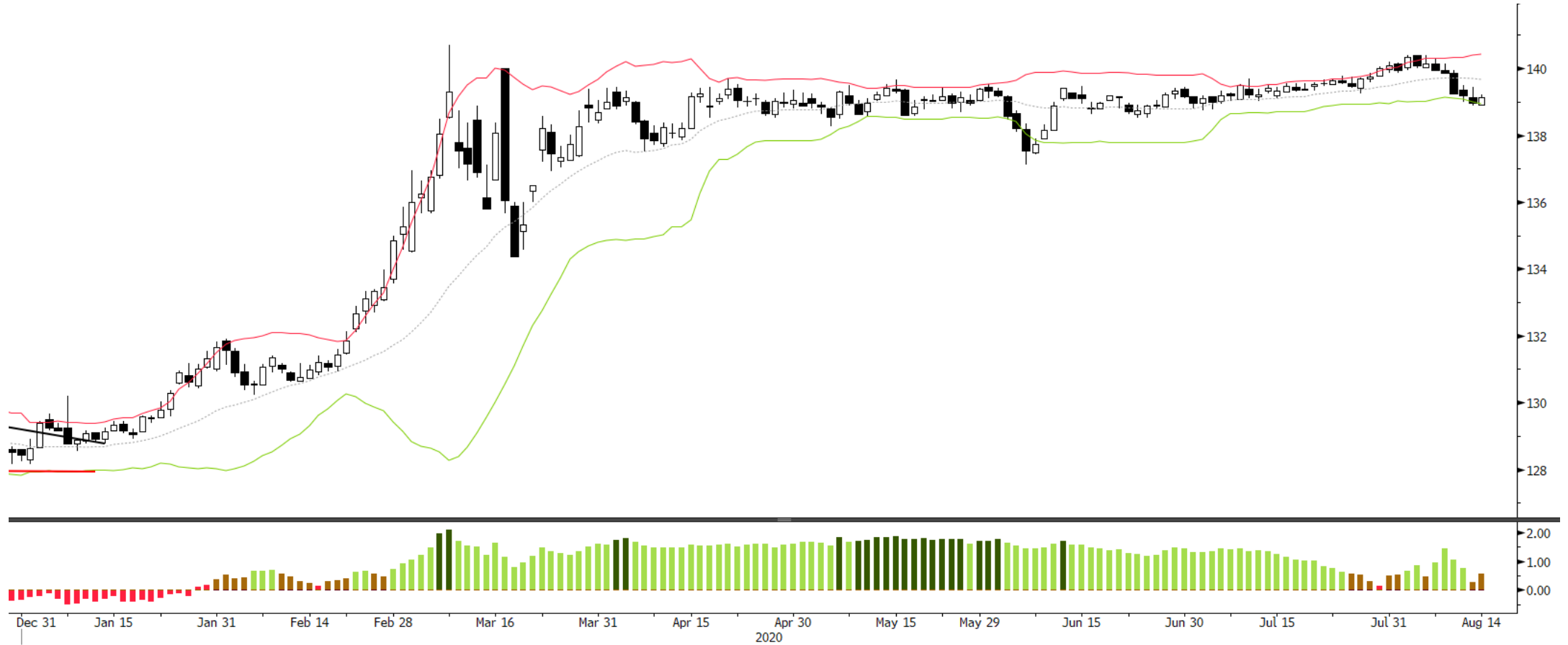
Bonds: 10-year Futures Monthly



Bonds: 10-year Futures Weekly



Bonds: 10-year Futures Daily

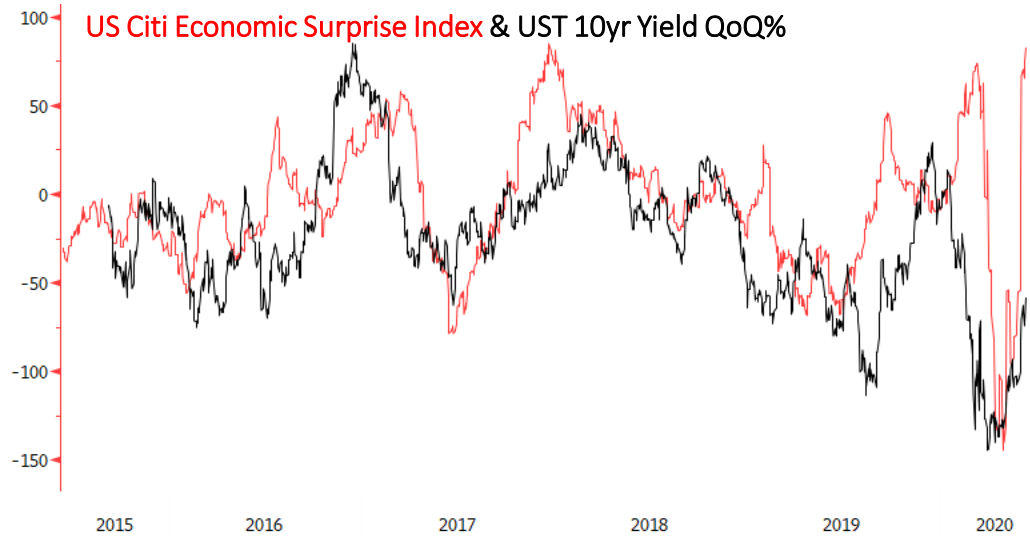


TY1 Comdty (Generic 1st 'TY' Future) Bonds 10yr - DAILY Daily 30DEC2019-15AUG20

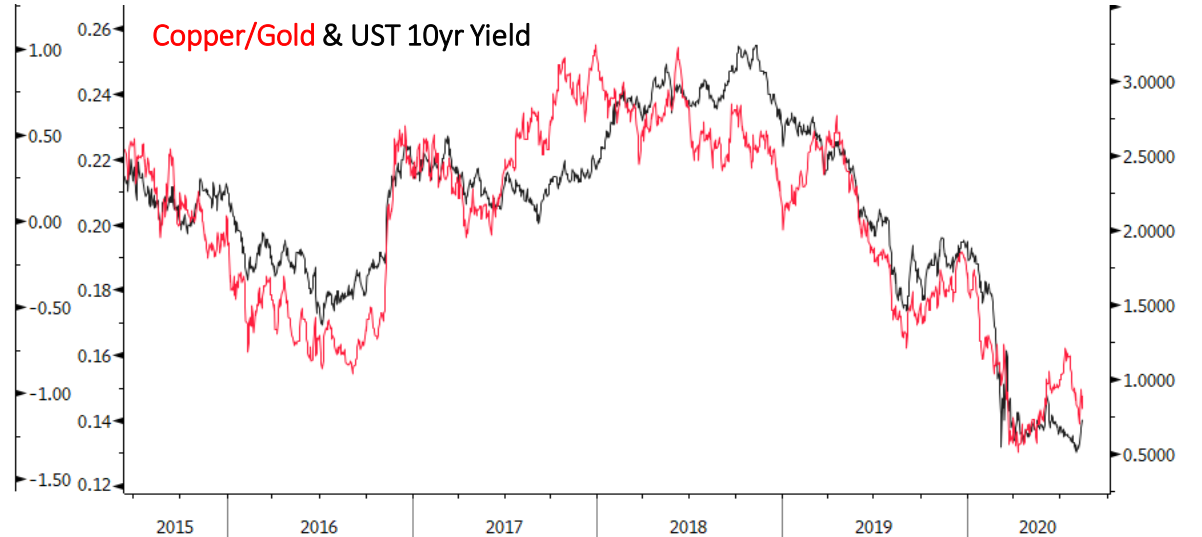
Copyright© 2020 Bloomberg Finance L.P.

15-Aug-2020 12:36:09

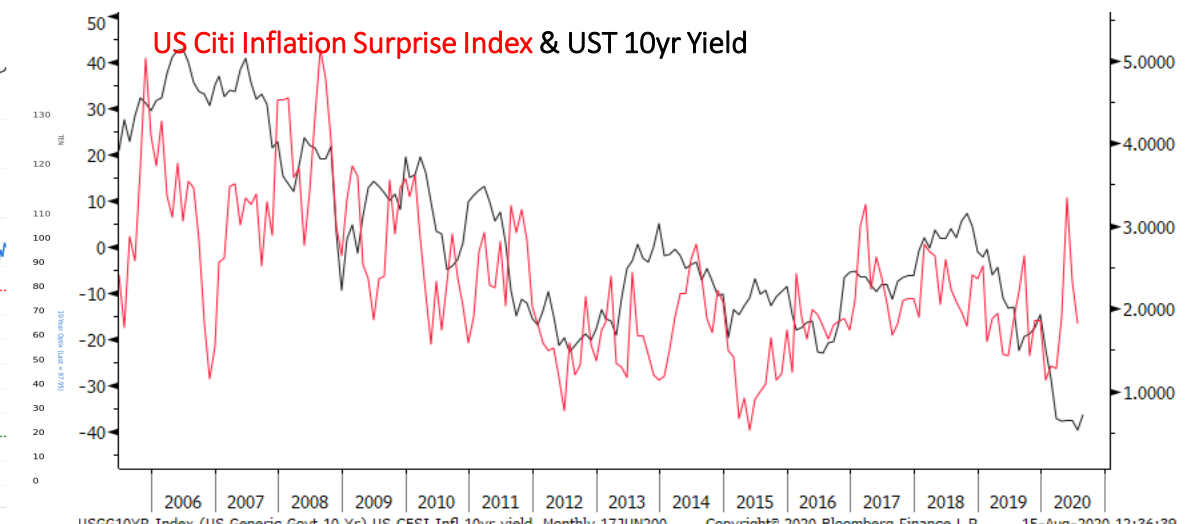
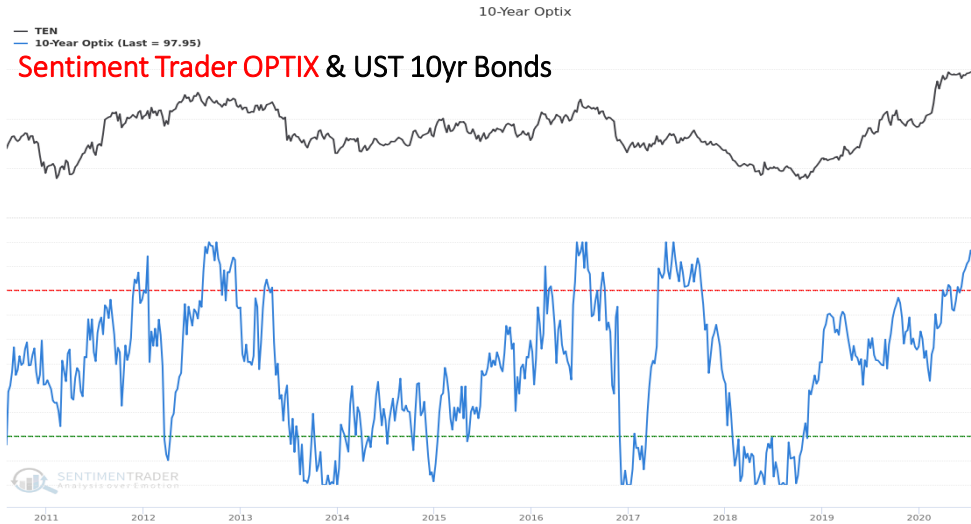
Bond/Yield Indicators



Copyright © 2020 Bloomberg Finance L.P.



15-Aug-2020 12:36:18 HG1 Comdty (Generic 1st 'HG' Future) WHITE GOLD/COPPER R. Daily 15JUN2015-15AU Copyright © 2020 Bloomberg Finance L.P. 15-Aug-2020 12:36:29



USGG10YR Index (US Generic Govt 10 Yr) US CESI Infl 10yr yield Monthly 17JUN200 Copyright © 2020 Bloomberg Finance L.P. 15-Aug-2020 12:36:39

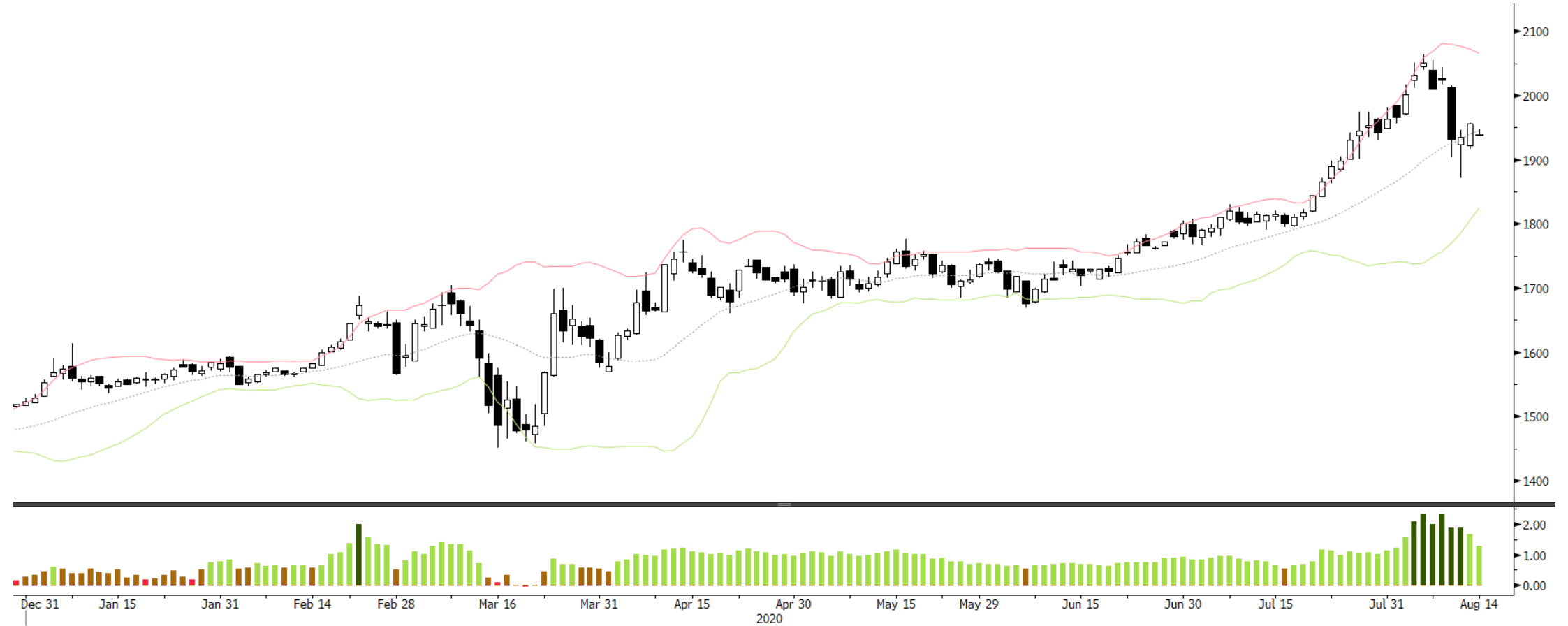
Gold Monthly



Gold Weekly



Gold Daily



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 30DEC2019-15AUG2020

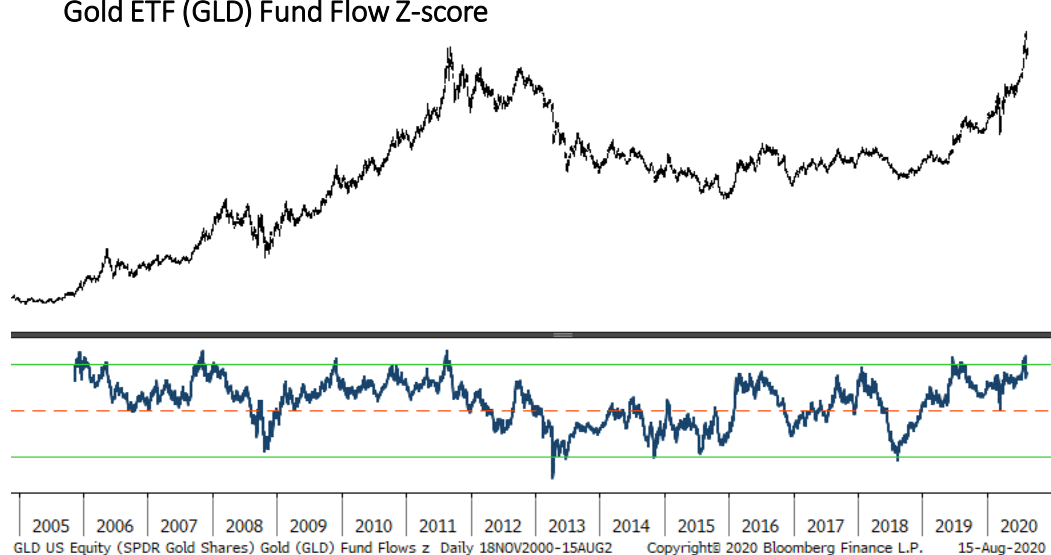
Copyright© 2020 Bloomberg Finance L.P.

15-Aug-2020 12:37:09

Gold Indicators



Gold ETF (GLD) Fund Flow Z-score



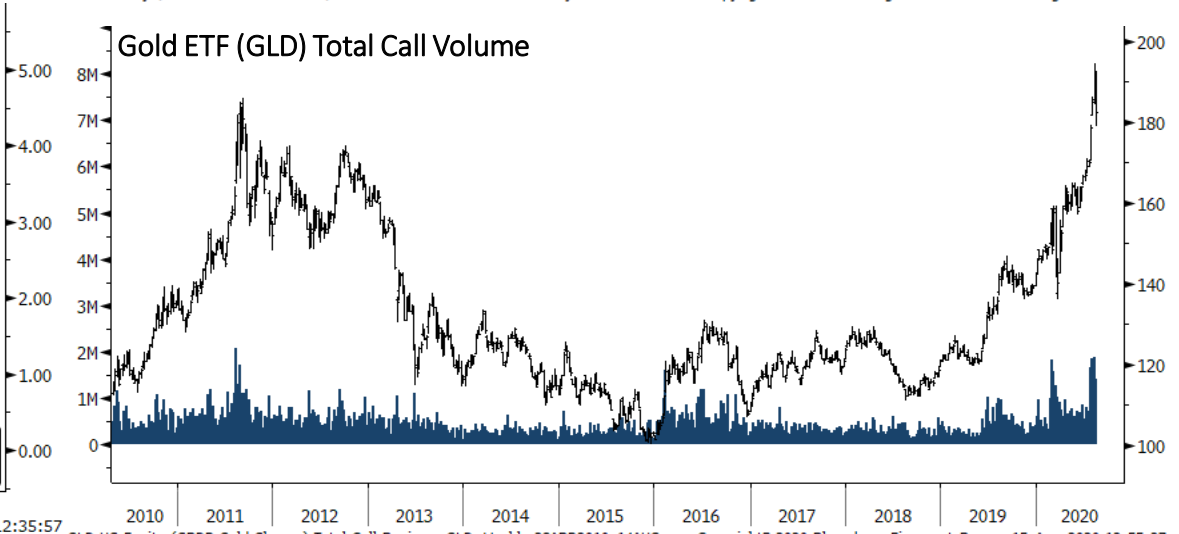
Gold Net Small Specs Z-score



Gold (GLD) Seasonality



Gold ETF (GLD) Total Call Volume



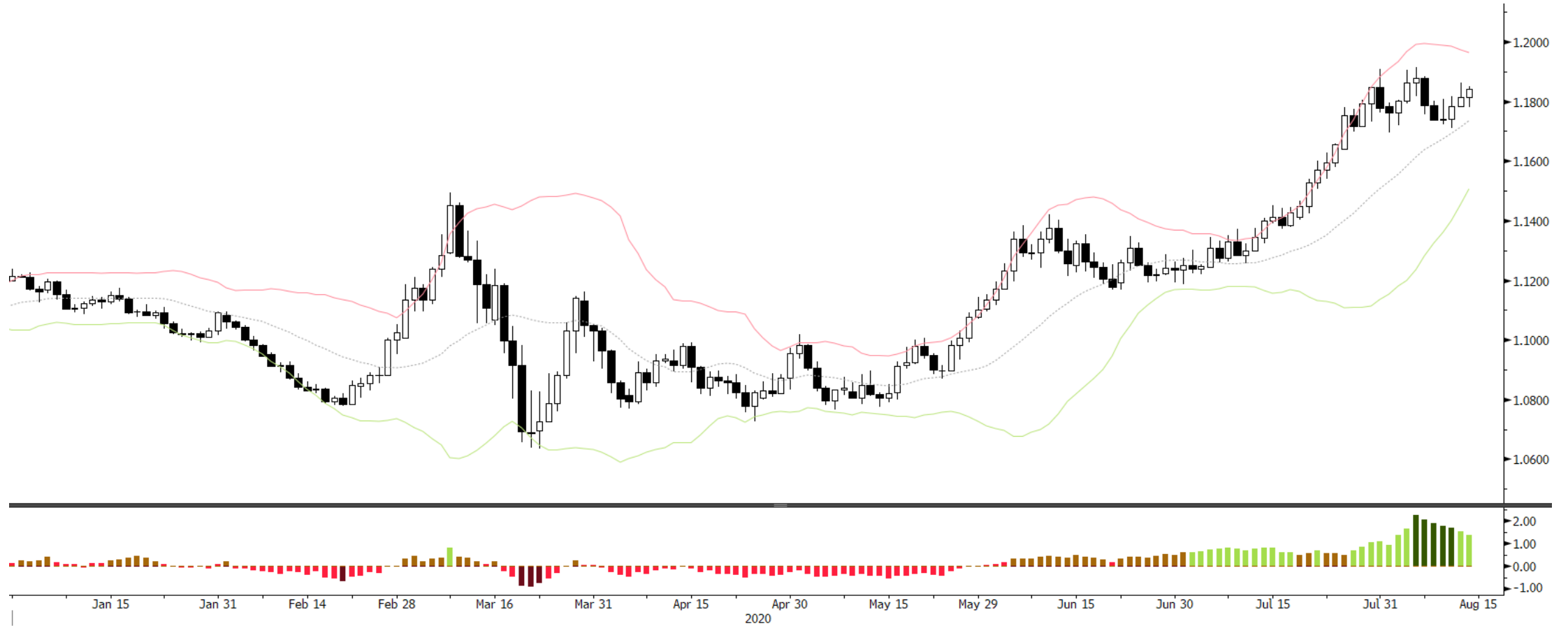
EURUSD Monthly



EURUSD Weekly



EURUSD Daily



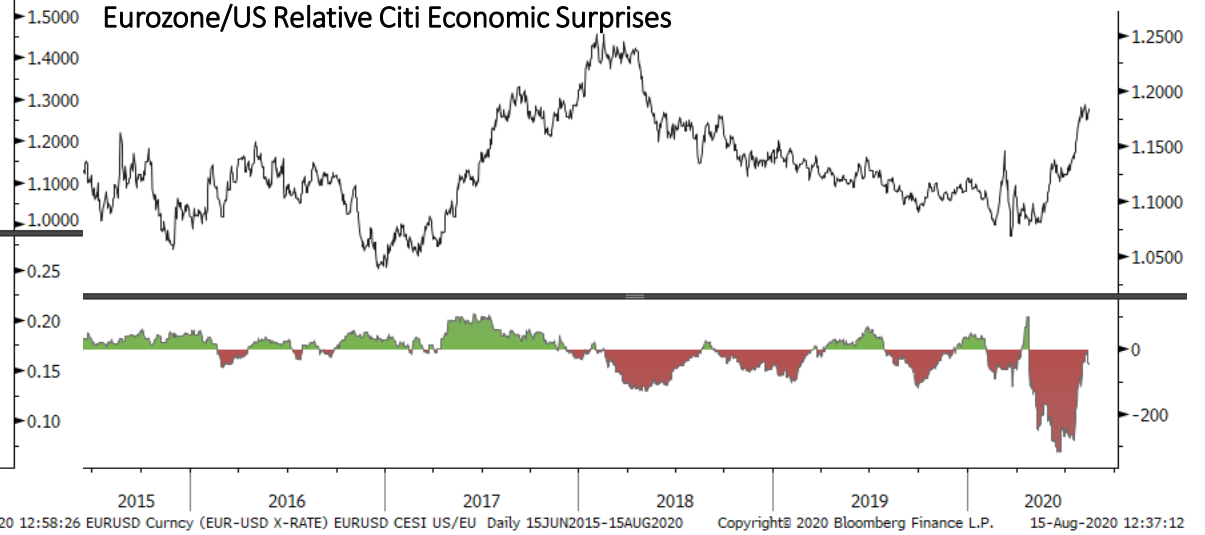
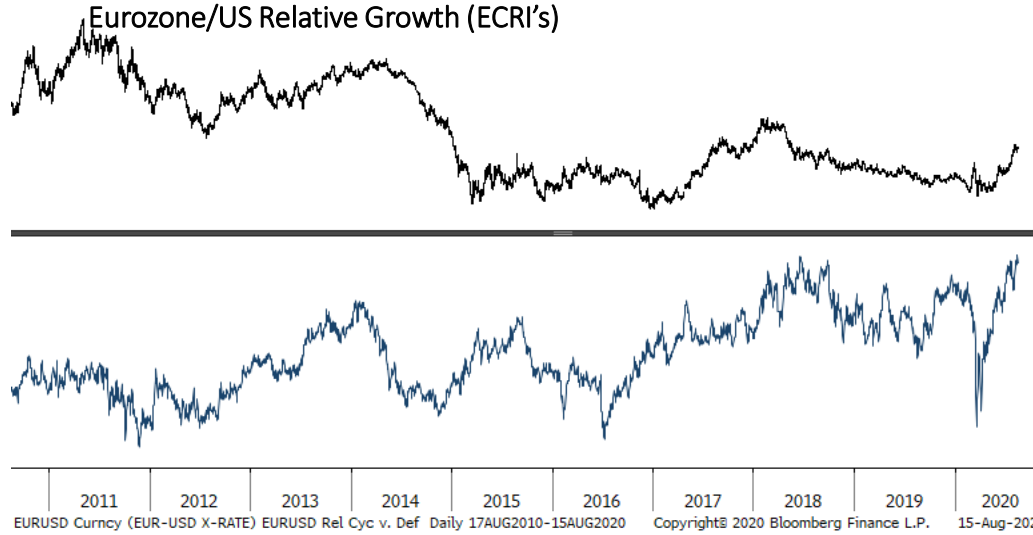
EURUSD Curncy (EUR-USD X-RATE) EURUSD - DAILY Daily 31DEC2019-15AUG2020

Copyright© 2020 Bloomberg Finance L.P.

15-Aug-2020 12:36:36



EURUSD Indicators

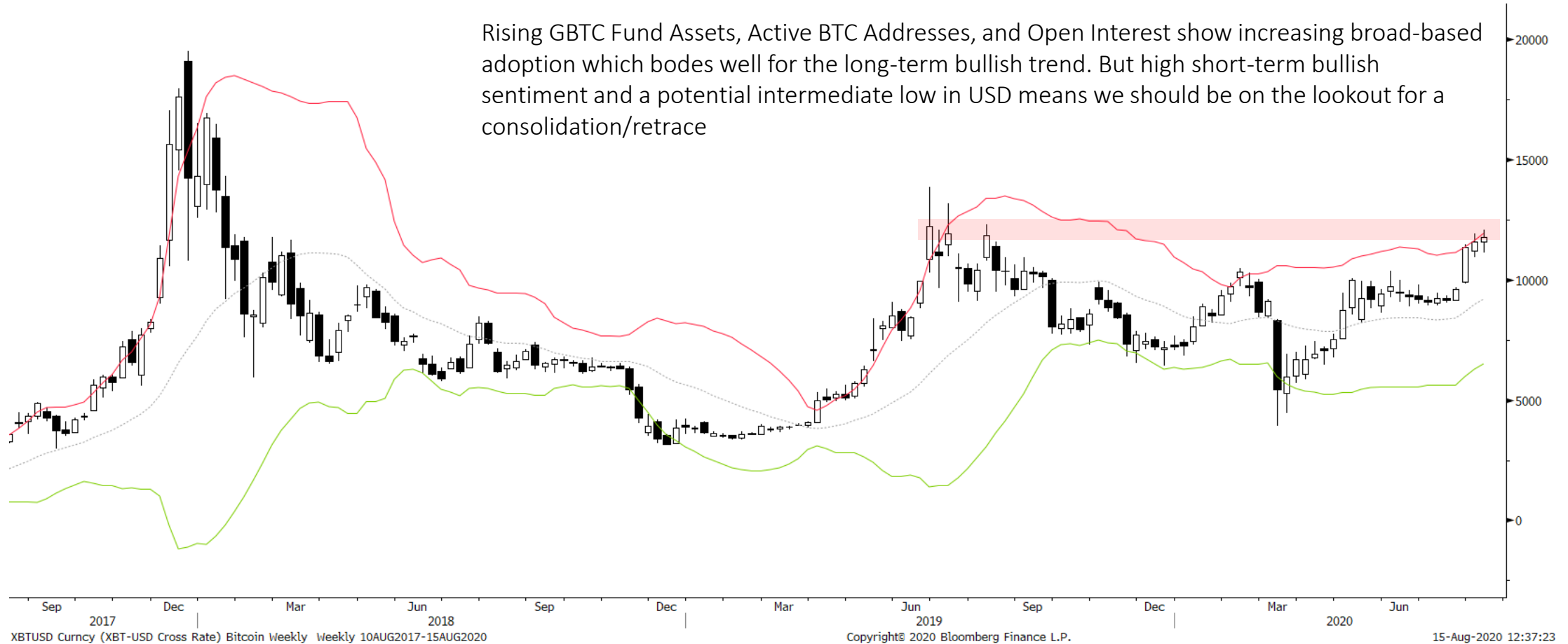


Bitcoin Weekly

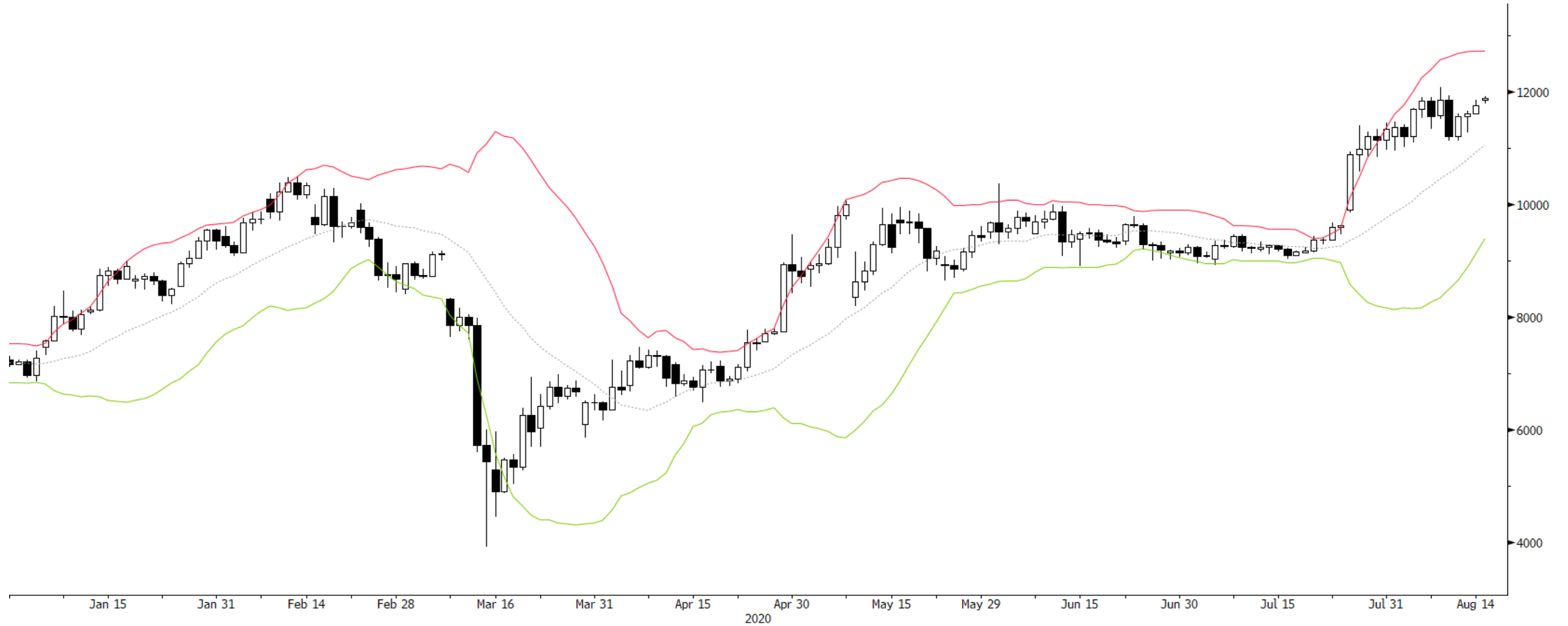


Bitcoin is trying to breakout of its 12-month+ trading range and is chewing through some major resistance. It's in a bull quiet regime and the path of least resistance is up.

Rising GBTC Fund Assets, Active BTC Addresses, and Open Interest show increasing broad-based adoption which bodes well for the long-term bullish trend. But high short-term bullish sentiment and a potential intermediate low in USD means we should be on the lookout for a consolidation/retrace



Bitcoin Daily



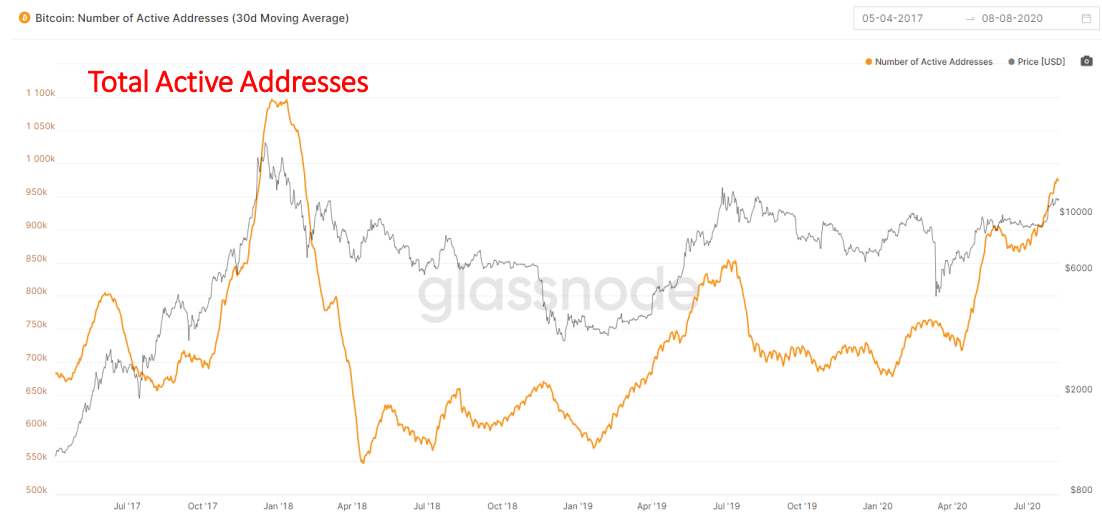
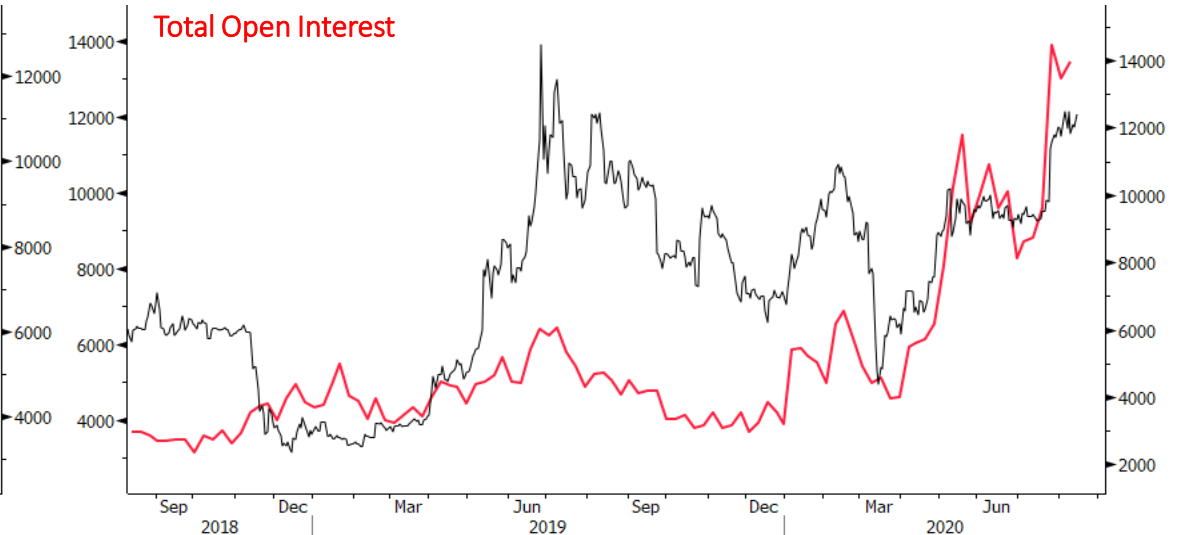
XBTUSD Curncy (XBT-USD Cross Rate) bitcoin Daily Daily 31DEC2019-17AUG2020

Copyright© 2020 Bloomberg Finance L.P.

16-Aug-2020 18:32:40



Bitcoin Indicators



The Four Pillars Portfolio

YTD Return

34.32%

The Core

Allocation

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)

0%

8/7: Took full profits

Big Bets

	Thematic	Cost Basis	At Risk	Risk Point	Last Price	Last Action
Cameco (CCJ)	Deep Value/Cyclical	\$7.25	Above B/E	\$8.50	\$10.43	
Bolloré (BOL)	Hidden Deep Value	\$2.46	B/E	\$2.46	\$3.11	
Interactive Brokers (IBKR)	Value/Technical	\$47.39	B/E	\$41.14	\$52.16	
Ammo, Inc (POWW)	Value/Growth	\$2.30	150bps	--	\$2.88	
Centrus Energy (LEU)	Deep Value/Cyclical	\$10.50	100bps	\$9.15	\$17.20	8/6/20 Took half profits
Hello Fresh (HFG.F)	Value/Growth	\$45.57	50bps	\$41.58	\$46.24	8/11/20 Exited full position
Dorian LPG (LPG)	Deep Value/Cyclical	\$8.34	B/E	\$7.59	\$9.27	
Enlabs (NLAB)	Secular Growth	\$27.25	100bps	\$21.10	\$30.00	
Revolve, Inc (RVLV)	Secular Growth	\$18.71	B/E	\$14.20	\$22.29	
Frontdoor (FTDR)	Secular Growth	\$44.22	100bps	\$39.50	\$43.04	
Silver (SI_U20)	Trend	18.88	100bps	17.78	24.215	8/7/20 Took full profits
Silver (SI_U20) Short	Countertrend swing	28.9456	B/E	30.2000	25.56	8/12/20 Took full profits
Silver (SI_U20) Short	Countertrend swing	26.275	50bps	27.2000	26.61	
CADUSD (6CU2020)	Swing	0.74515	B/E	0.73845	0.75445	
MXNUSD (6MU2020)	Swing	0.04191	B/E	0.04045	0.0454	
Bitcoin (BTCQ2020)	Trend/Breakout	10040	100bps	9230	12060	
Nikkei/USD (NKDU2020)	Trend/Breakout	23290	100bps	22440	23170	