



# Macro Ops

## The Trifecta Report

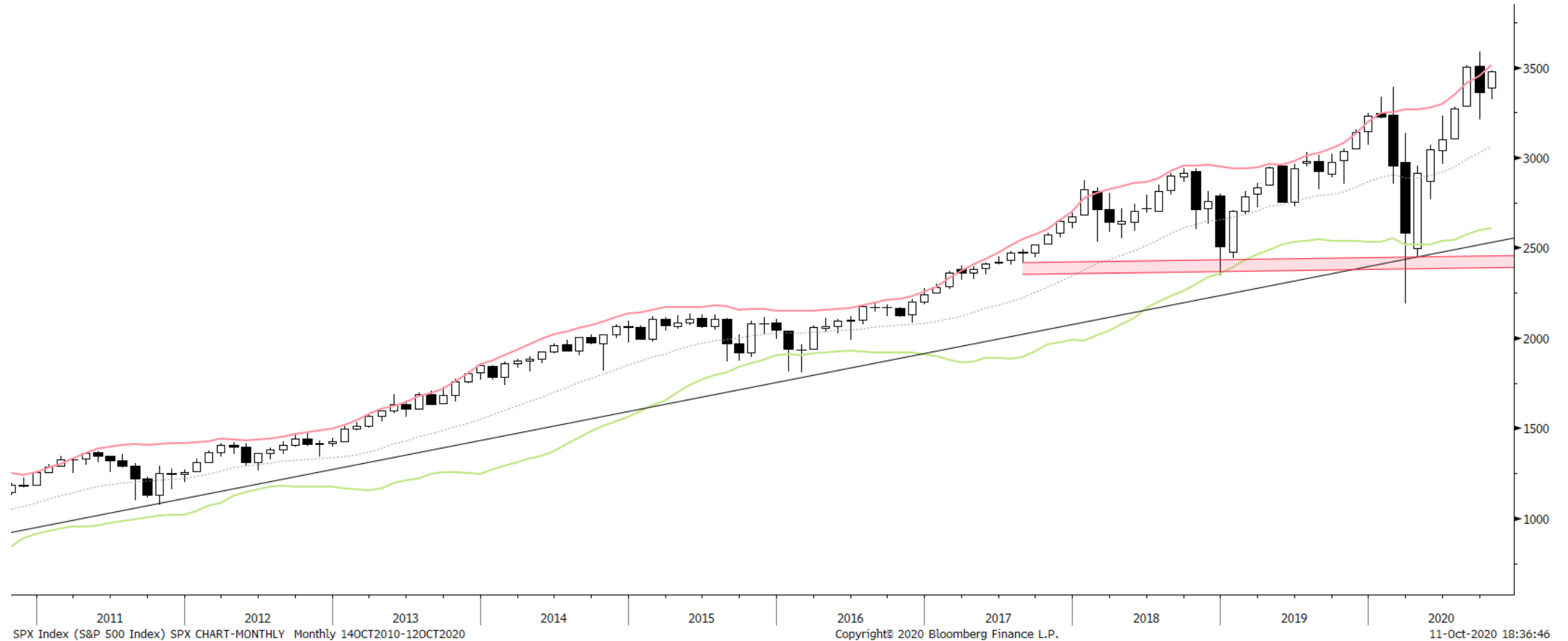
*The best trades are the ones in which you have all three things going for you: fundamentals, technical, and market tone. ~ Michael Marcus*

# Weekly Summary



S&P 500	UST 10yr Bonds	Gold	EURUSD
<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> September formed an outside bear bar on the monthly chart. But buyers came in at the end of month and bid the market up well above the August lows – see the large lower wick for Sep. The path of least resistance remains strongly in favor of higher prices</li><li>➤ <b>Sentiment/Positioning:</b> Outside of a subset of retail buying large amounts of call options, positioning and sentiment have been reset and tilt bearish. <u>In addition, large asset managers remain grossly underweight risk assets which = cash on sidelines ready to buy into dips</u></li><li>➤ <b>Breadth:</b> Breadth strengthened again last week triggering a buy signal</li><li>➤ <b>Macro/Liquidity:</b> Macro conditions are rebounding and liquidity is flush</li><li>➤ <b>Short-term:</b> SPX is in a bull quiet regime with a TL score of +3. <u>SPX closed on its highs for the week which raises the odds of bullish follow-through this week. Next major test for SPX will be around the 3,580-3,600 levels where its weekly upper Bollinger Band, September high, and top of 2 ½ year broadening wedge pattern sits</u></li></ul>	<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> Bonds are in a 6-month neutral sideways regime. The Law of Inertia states that we should expect this range to continue until there's a clear breakout</li><li>➤ <b>Sentiment/Positioning:</b> The narrative of yield-curve control and yield suppression are consensus</li><li>➤ <b>Bond Indicators:</b> Positive economic data surprises and leading growth/inflation indicators suggest we're moving into a more bearish long bonds environment (higher yields).</li><li>➤ <b>Short-term:</b> Bonds are now probing the lower support area of their trading range. We should expect this range to continue until there's a confirmed breakout, but odds now favor a breakout lower (yields up), though debt levels, structural demand, and the Fed should keep a relative ceiling on how high yields can climb. <u>We should expect to see a slight bear steepening in the curve. This will accelerate should CARES 2 fiscal stimulus get passed</u></li></ul>	<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> Gold is in a 16-month uptrend / buy climax on a monthly basis. Precious metals are still working off their extreme overbought levels. The long-term path of least resistance is up but expect continued sideways chop in the near-term</li><li>➤ <b>Sentiment/Positioning:</b> The bullish gold narrative is consensus which raises the odds of continued volatile action. <u>Long positioning remains crowded on the long side</u></li><li>➤ <b>Gold Indicators:</b> Gold no longer has favorable tailwinds from seasonality</li><li>➤ <b>Short-term:</b> Gold is in a Bull Quiet regime in a longer-term uptrend. <u>But rising yields, crowded positioning, and major trend extension gap from its 200-day moving average put odds in favor of more sideways chop before next leg higher</u></li></ul>	<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> EURUSD is in the early stages of a cyclical bull trend. Excessive capital concentration in the US and rich relative valuations + growing UST funding needs support the longer-term USD bear thesis</li><li>➤ <b>Sentiment/Positioning:</b> The short US dollar trade is a consensus theme on the Street. Long positioning in EURUSD and aggregate short USD is at multi-year highs. <u>Sentiment &amp; Positioning are major headwinds to EURUSD over the short-to-intermediate term</u></li><li>➤ <b>EURUSD Indicators:</b> The trend in yield differentials favor the euro while the absolute levels favor USD. Relative leading growth indicators slightly favor the euro while Citi Econ surprises favor the USD. It's a mix bag with no clear edge on future trend direction</li><li>➤ <b>Short-term:</b> EURUSD is overbought, over-loved, and momentum has waned. <u>Odds favor a continued pullback to around its March highs. But downside should be limited due to the strength of buying pressure we've seen over the preceding 4-months</u></li></ul>

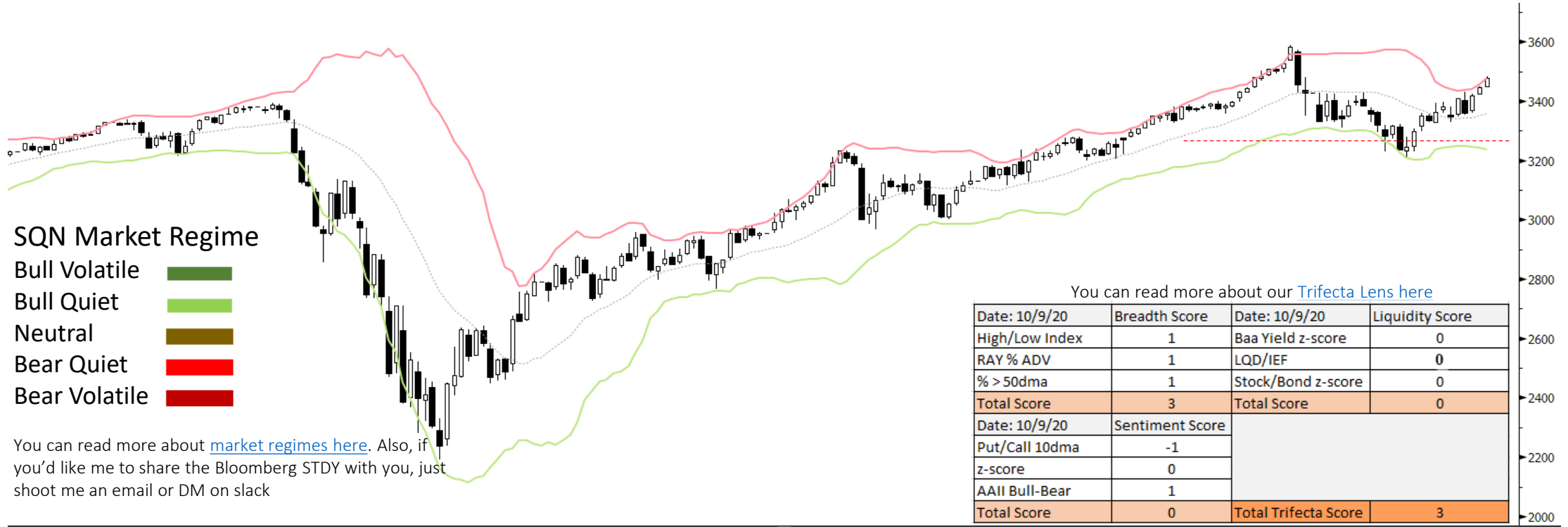
# S&P 500 Monthly



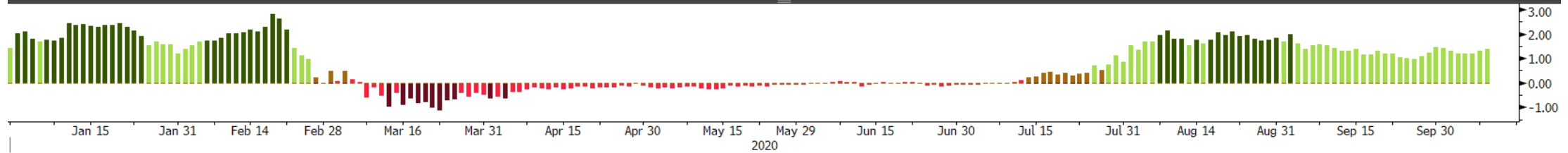
# S&P 500 Weekly



# S&P 500 Daily

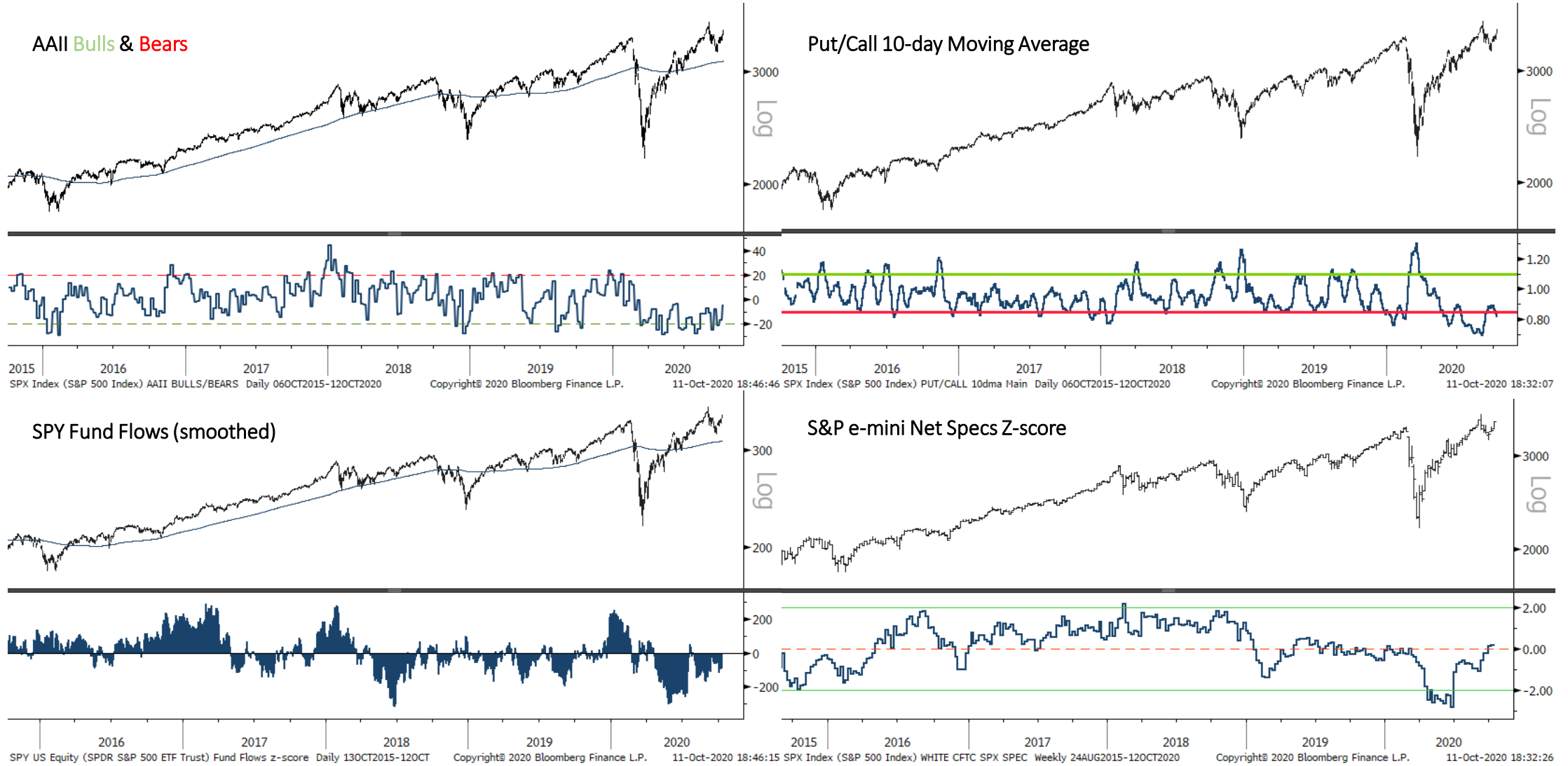


You can read more about [market regimes here](#). Also, if you'd like me to share the Bloomberg STDY with you, just shoot me an email or DM on slack

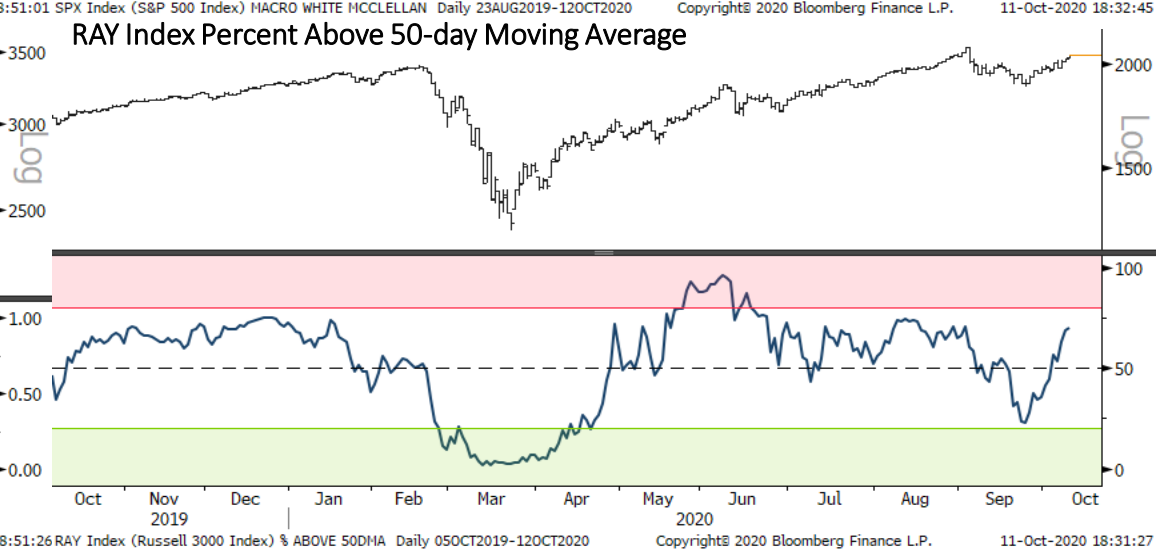
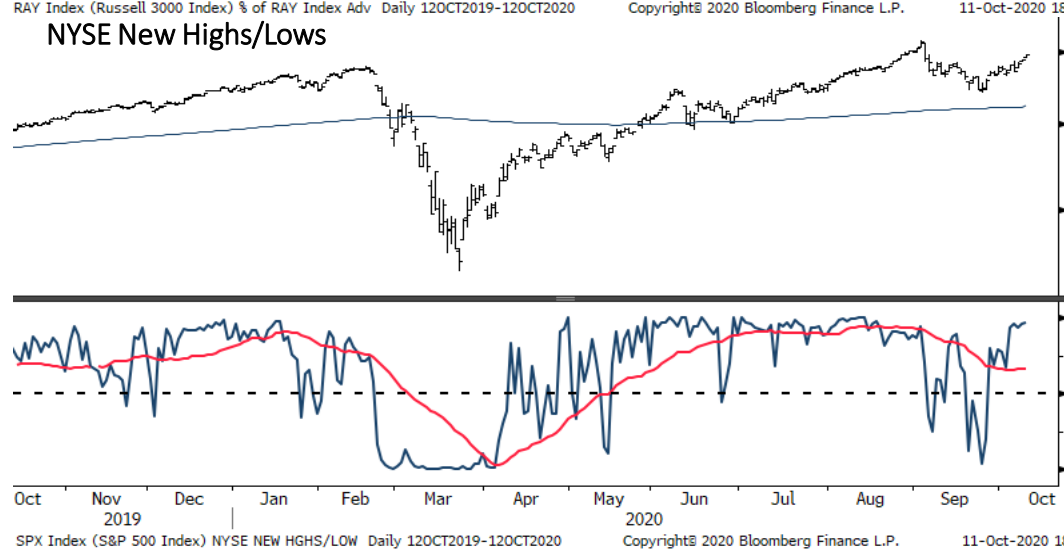
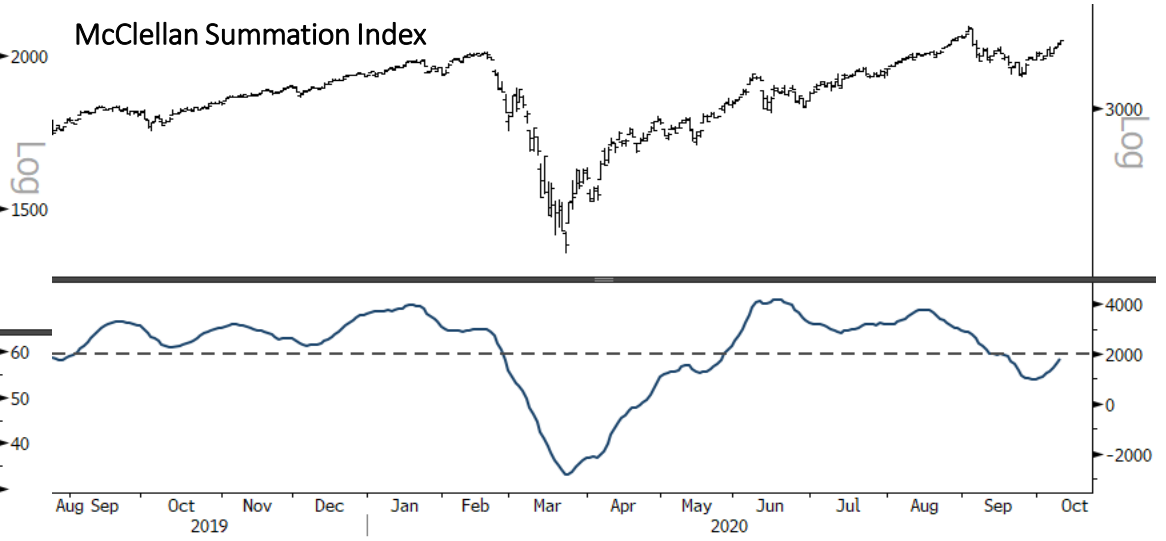
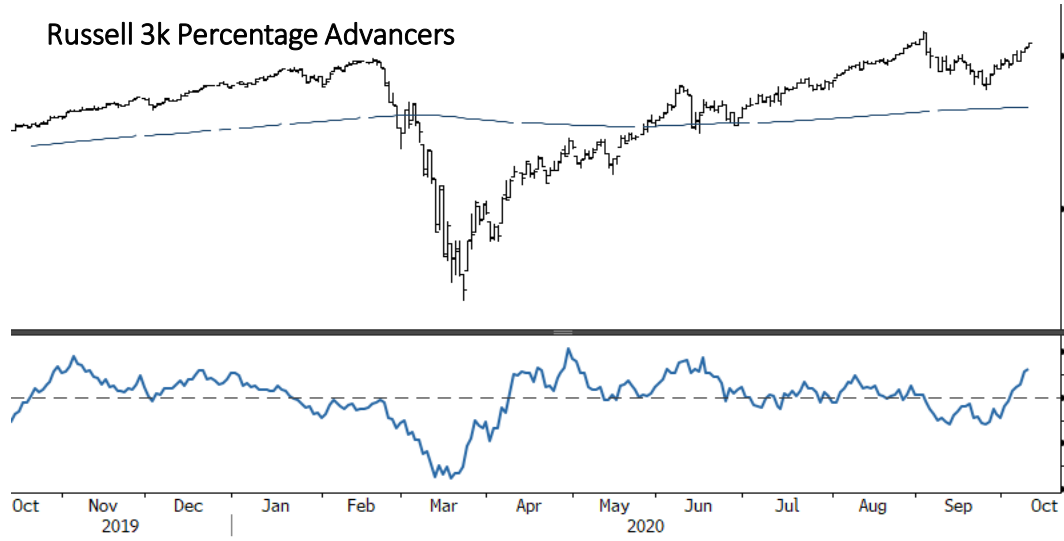


SPXFAST Index (S&P 500 Fast Cash Index) SPX CHART-DAILY Daily 31DEC2019-12OCT20 Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:37:41

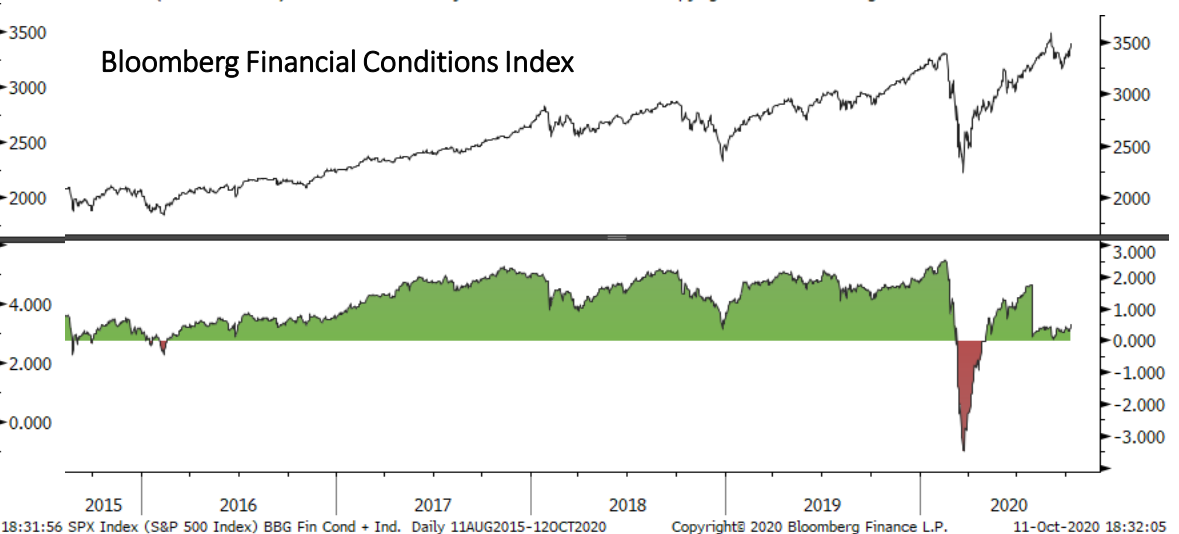
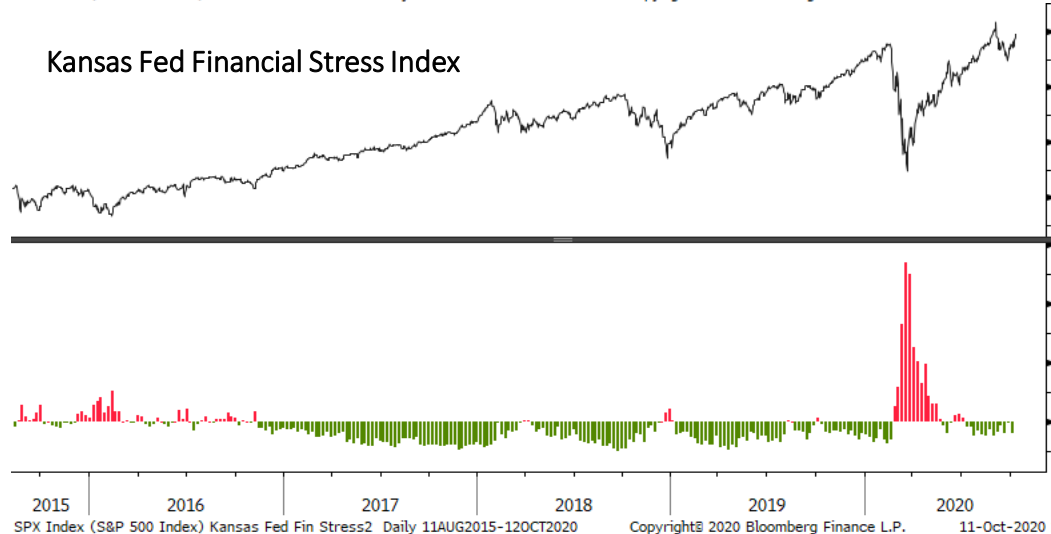
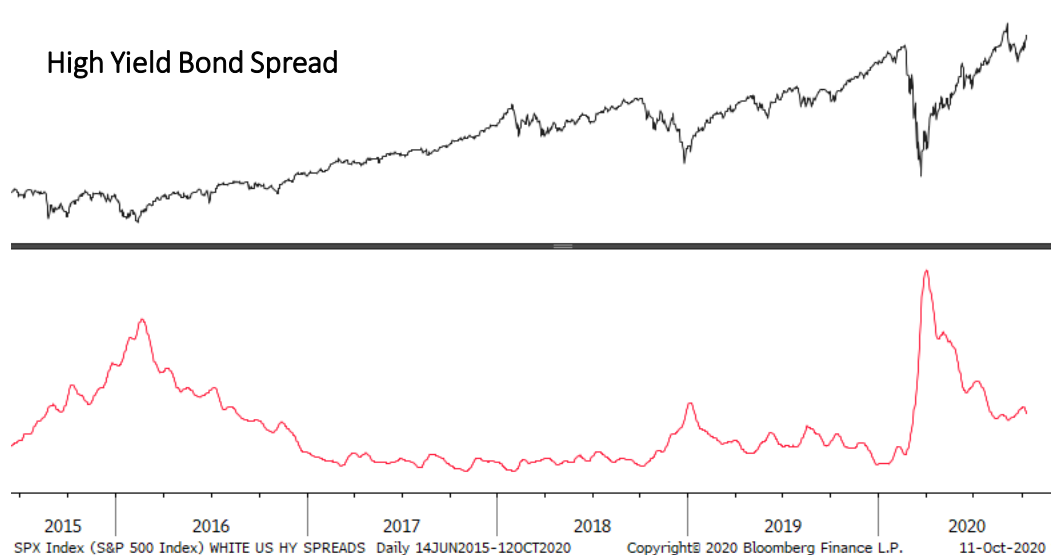
# Sentiment & Positioning



# Breadth



# Liquidity

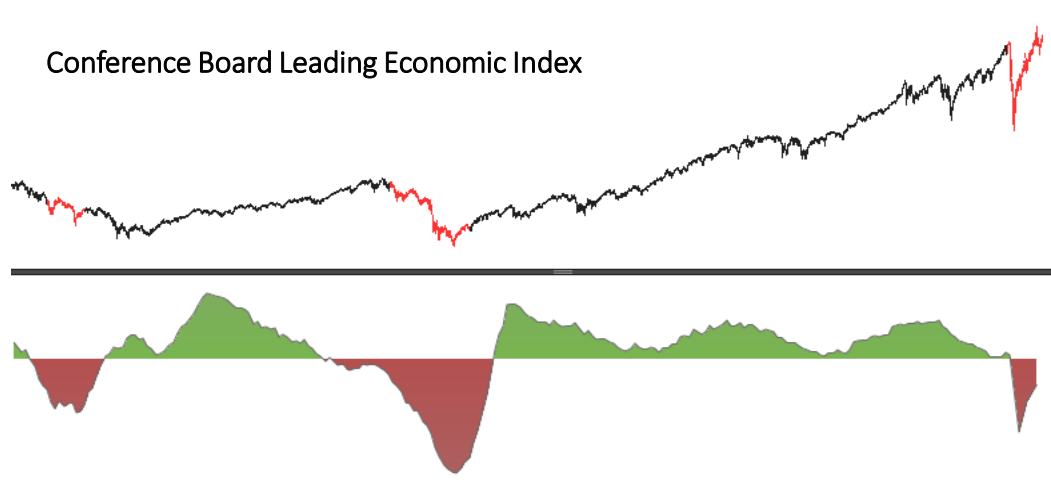




# Macro

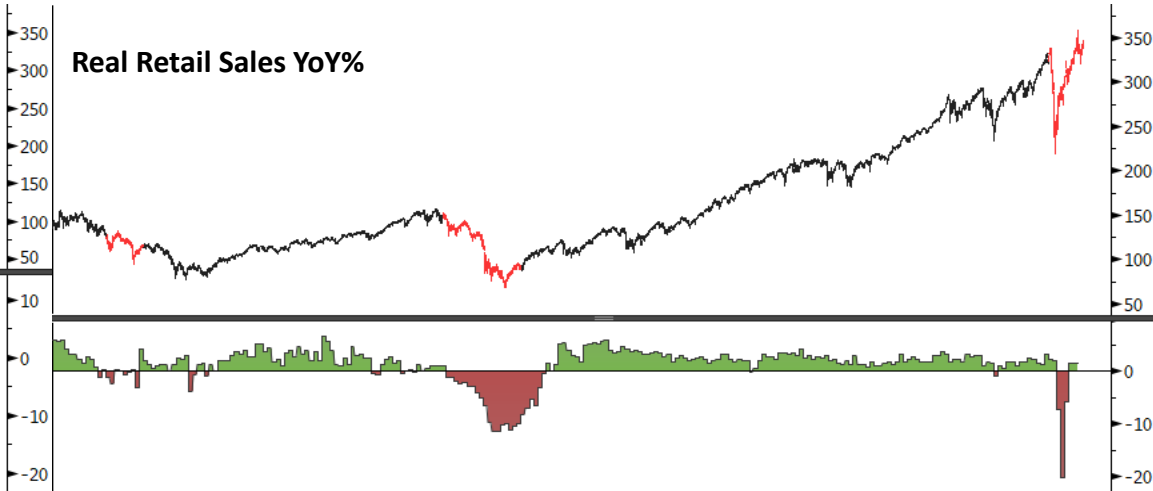


Conference Board Leading Economic Index



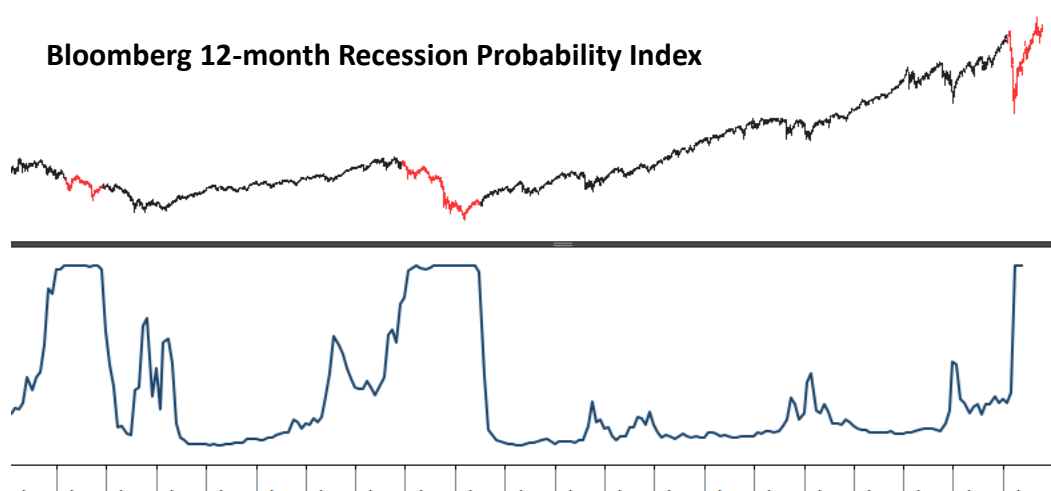
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 SPY US Equity (SPDR S&P 500 ETF Trust) MACRO LEI Daily 15JUN2000-12OCT2020 Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:32:16

Real Retail Sales YoY%



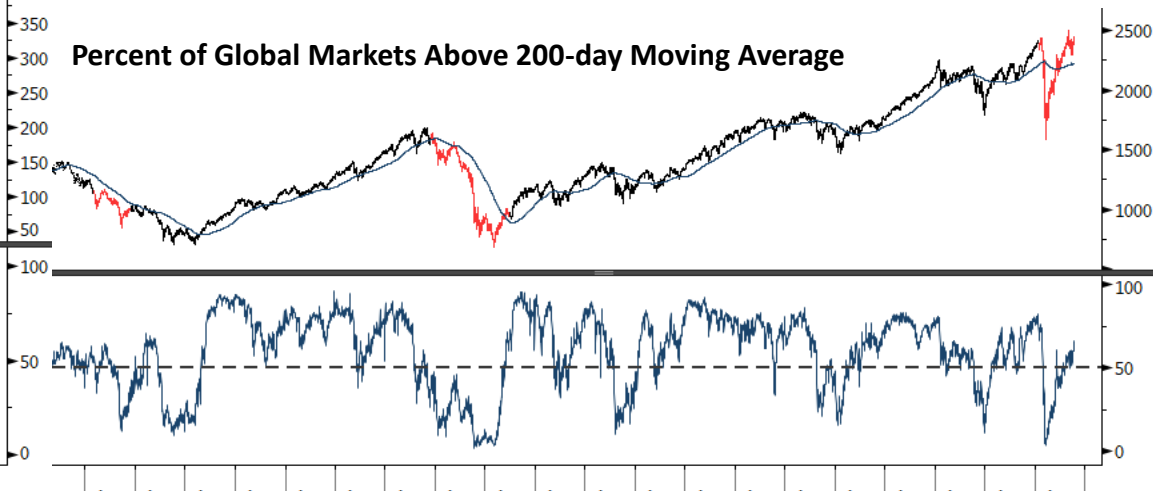
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 SPY US Equity (SPDR S&P 500 ETF Trust) Macro Real Retail Sales Daily 31JAN2000- Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:32:25

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. 11-Oct-2020 18:32:36

Percent of Global Markets Above 200-day Moving Average

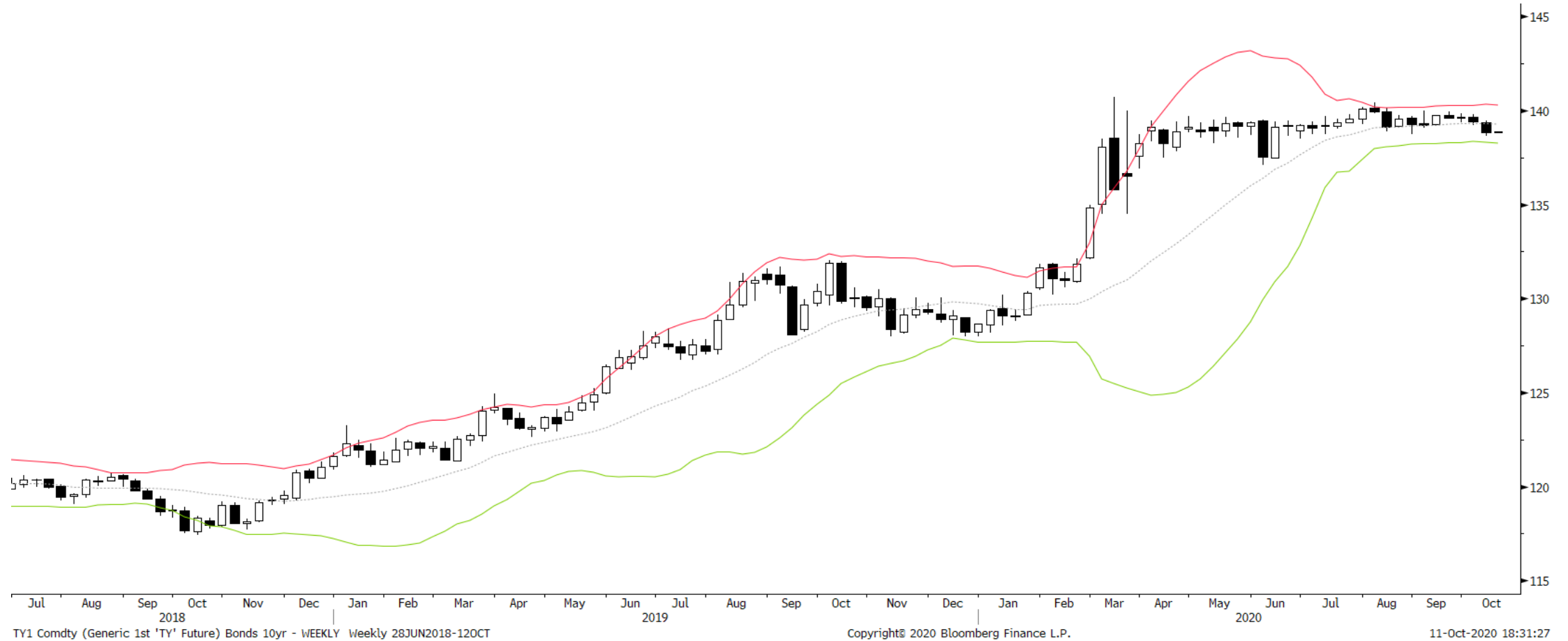


'01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20  
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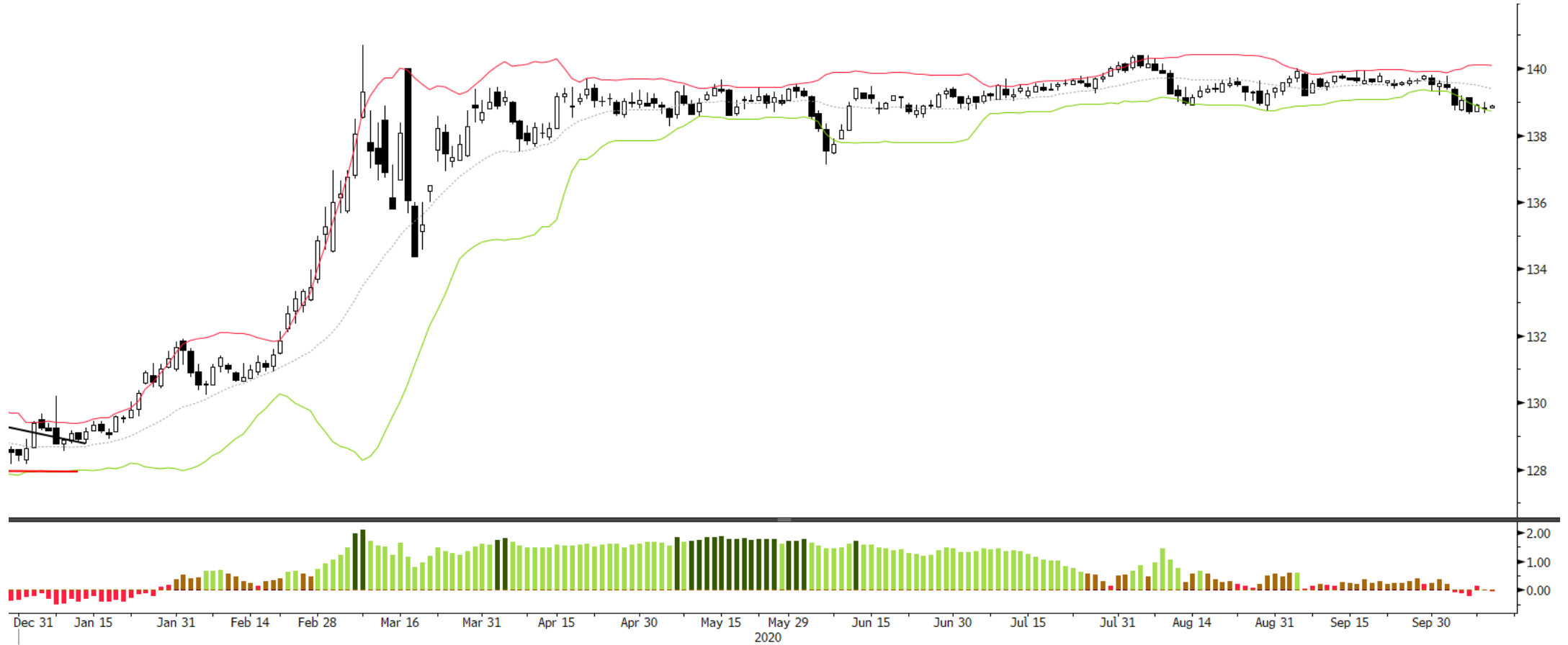
# Bonds: 10-year Futures Monthly



# Bonds: 10-year Futures Weekly

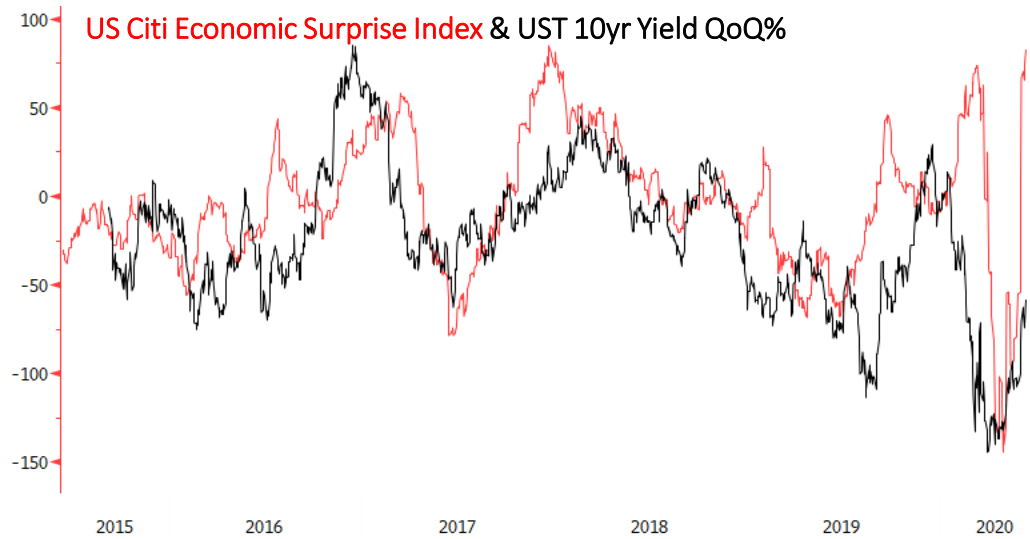


# Bonds: 10-year Futures Daily



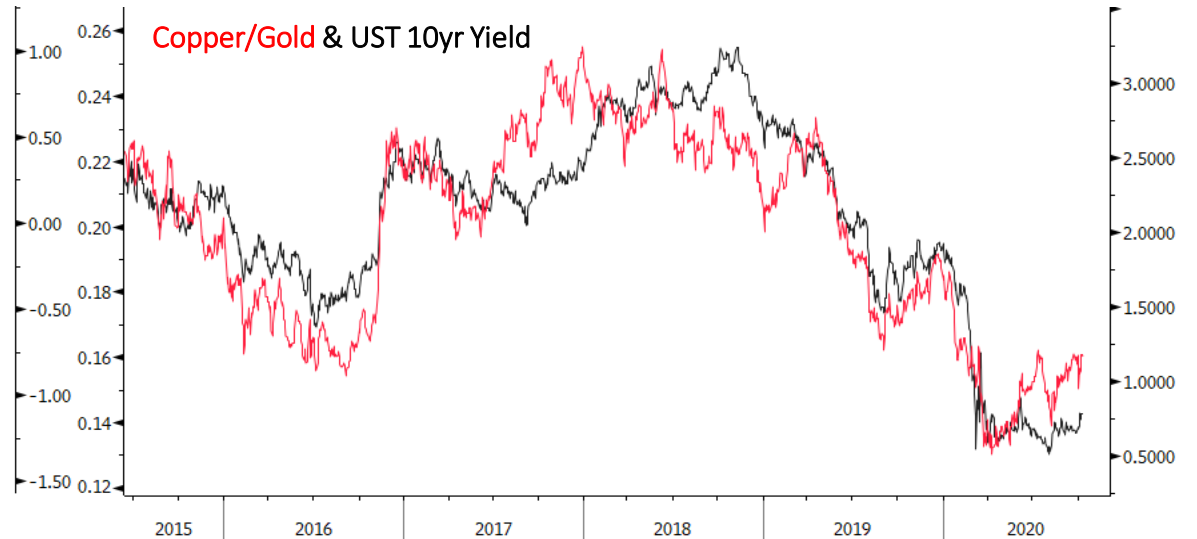
TY1 Comdty (Generic 1st 'TY' Future) Bonds 10yr - DAILY Daily 30DEC2019-12OCT20 Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:31:37

# Bond/Yield Indicators

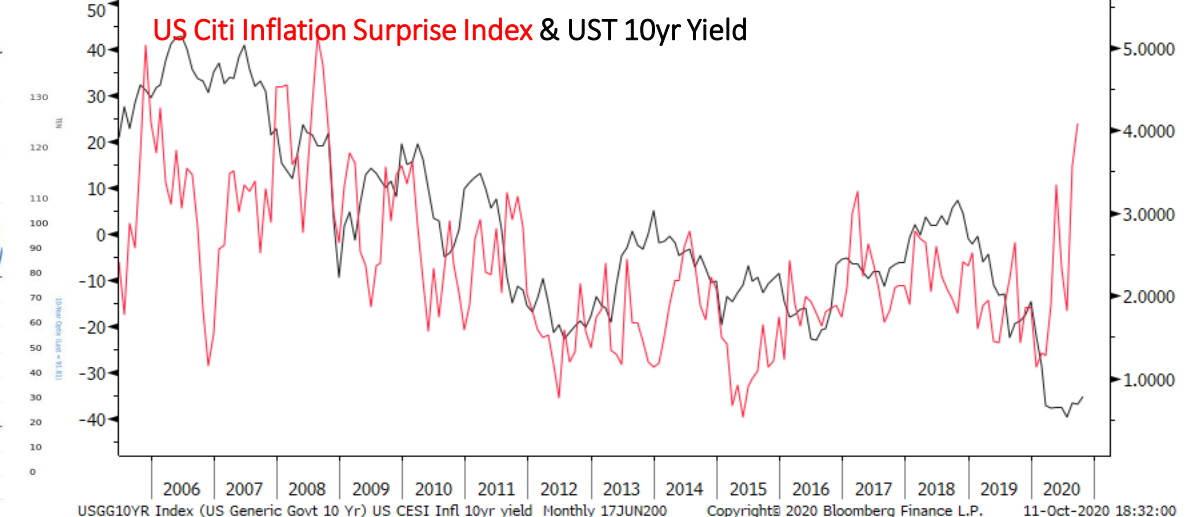
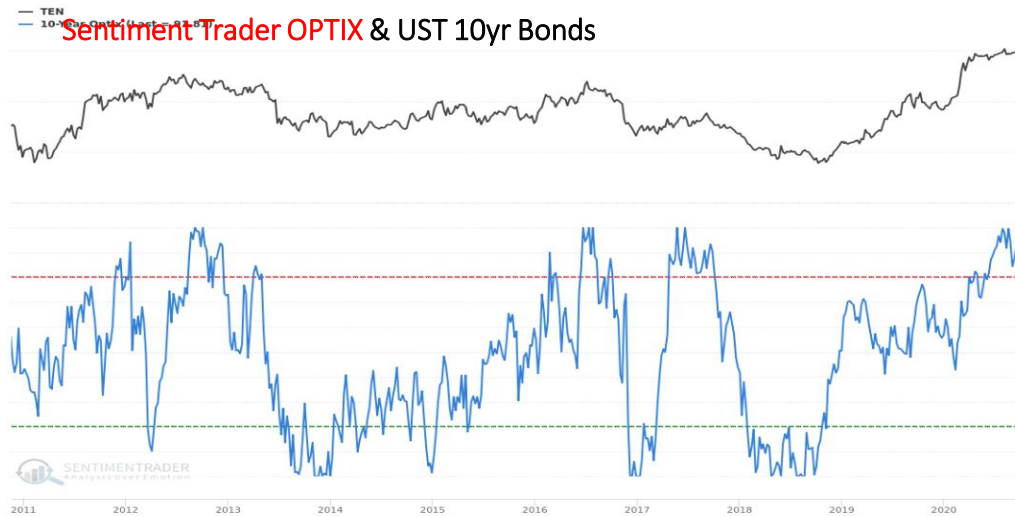


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10-Year Optix



11-Oct-2020 18:31:43 HG1 Comdty (Generic 1st 'HG' Future) WHITE GOLD/COPPER R. Daily 15JUN2015-120C Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:31:52

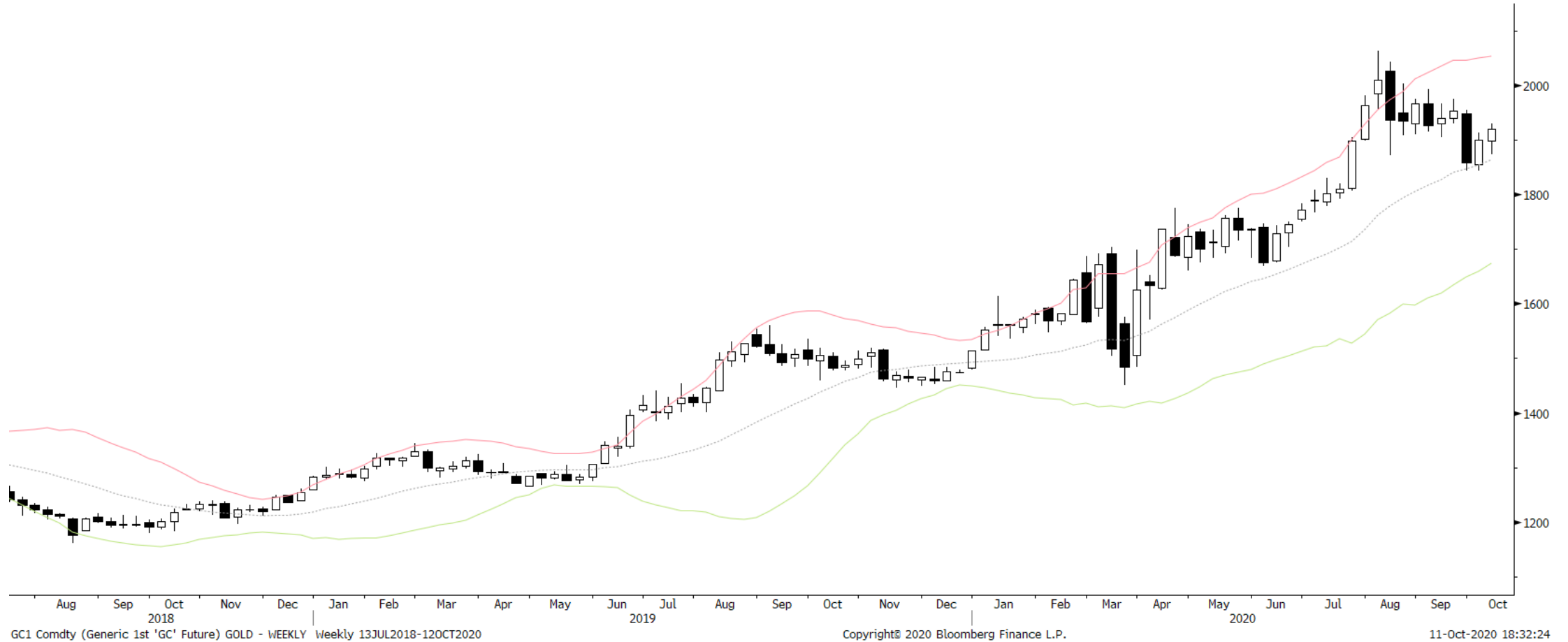


USGG10YR Index (US Generic Govt 10 Yr) US CESI Infl 10yr yield Monthly 17JUN200 Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:32:00

# Gold Monthly



# Gold Weekly



# Gold Daily



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 23SEP2019-12OCT2020

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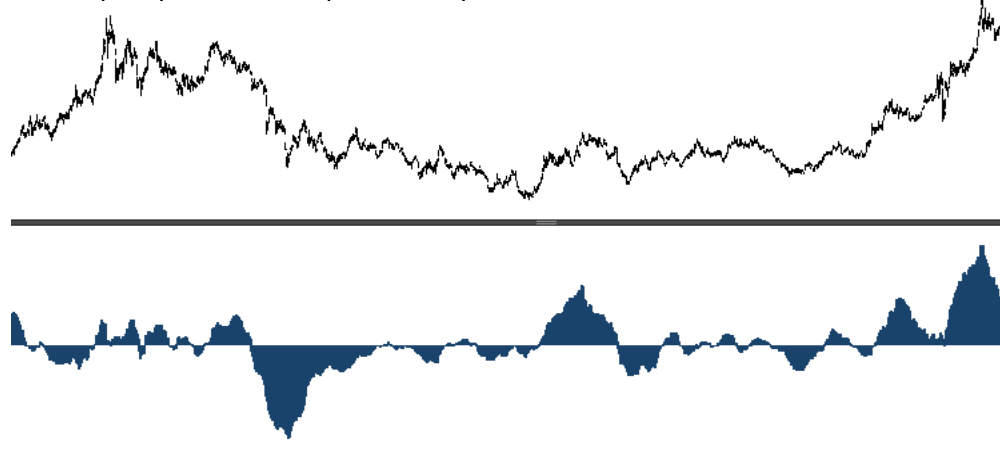
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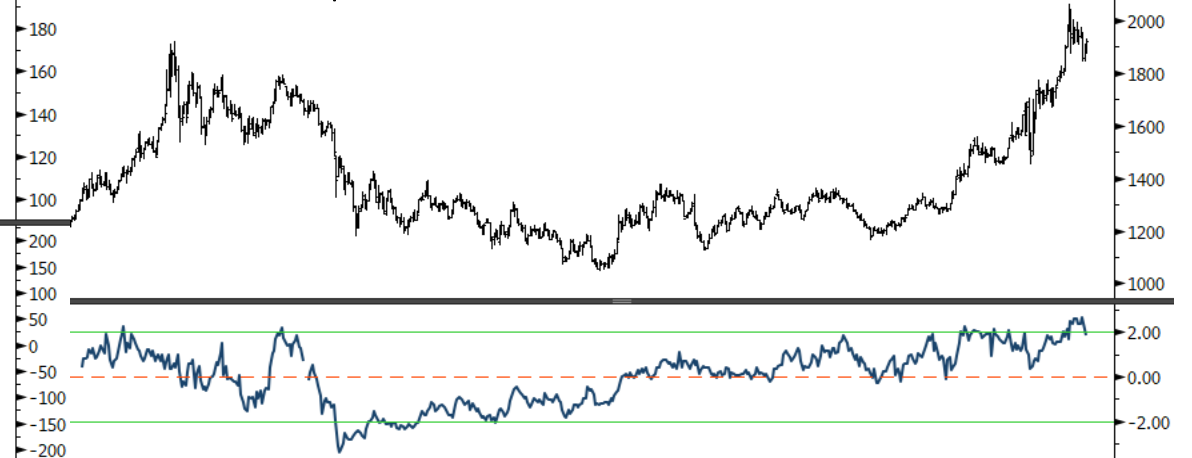
# Gold Indicators

### Gold (GLD) Fund Flows (smoothed)



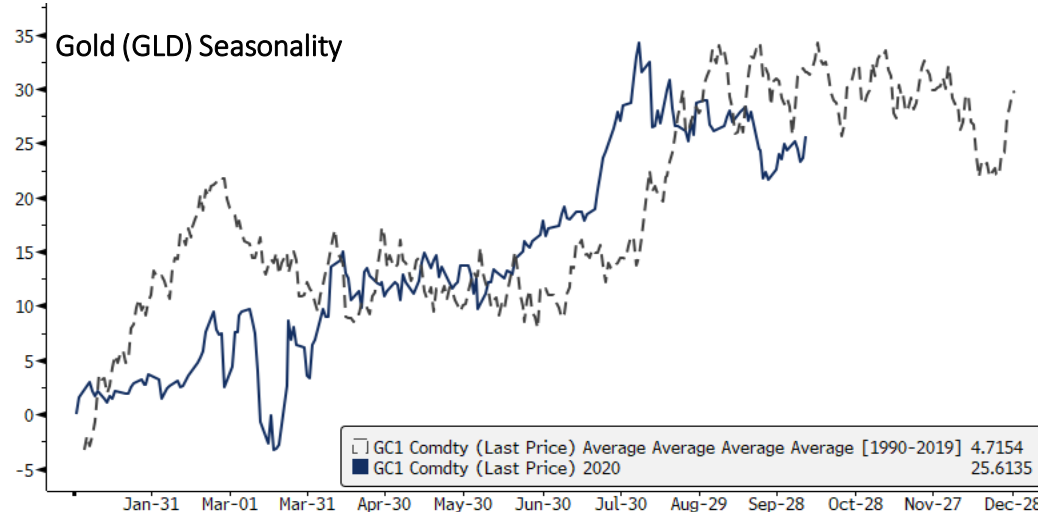
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2010-12OCT2 Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:31:37

### Gold Net Small Specs Z-score



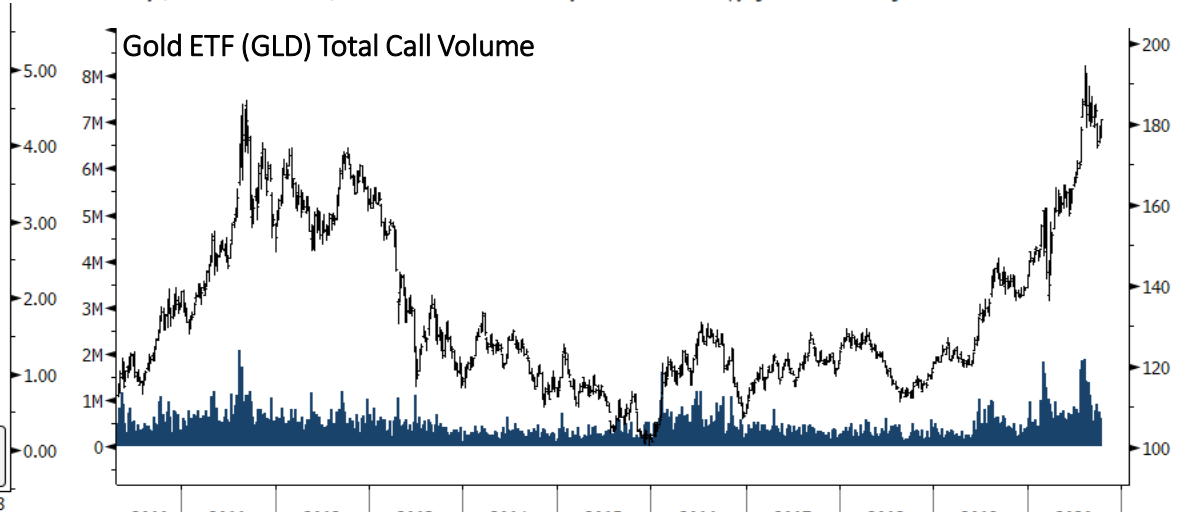
GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 25AUG2010-12 Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:32:41

### Gold (GLD) Seasonality



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### Gold ETF (GLD) Total Call Volume



GLD US Equity (SPDR Gold Shares) Total Call Buying - GLD Weekly 30APR2010-12OCT Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:59:07

# EURUSD Monthly



# EURUSD Weekly



# EURUSD Daily



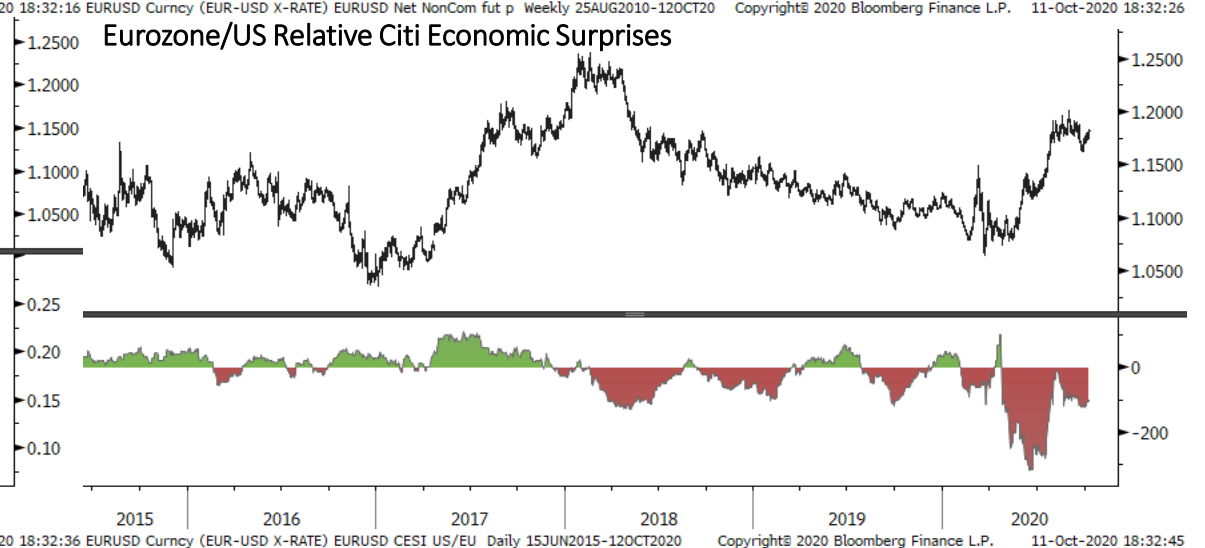
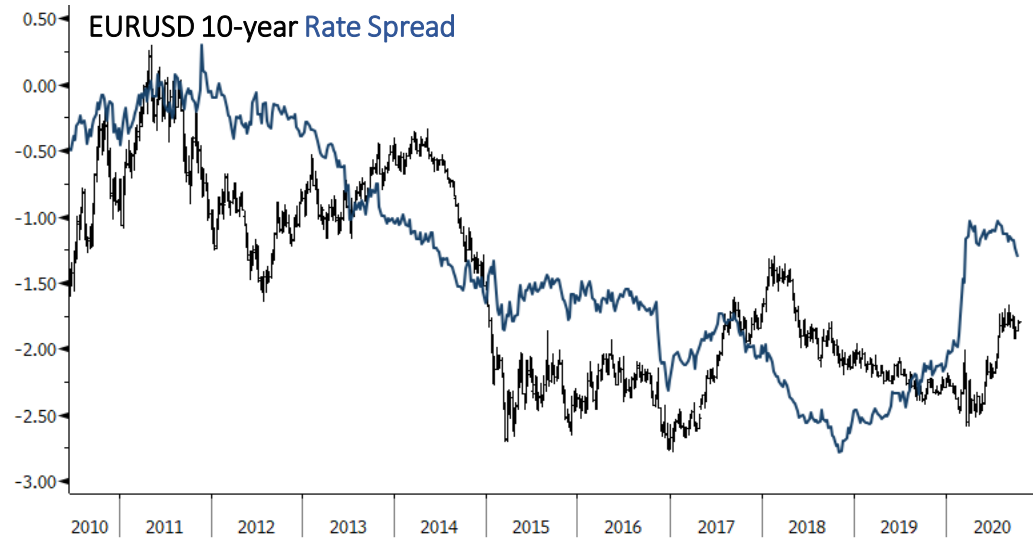
EURUSD Cmcny (EUR-USD X-RATE) EURUSD - DAILY Daily 31DEC2019-12OCT2020

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11-Oct-2020 18:32:05



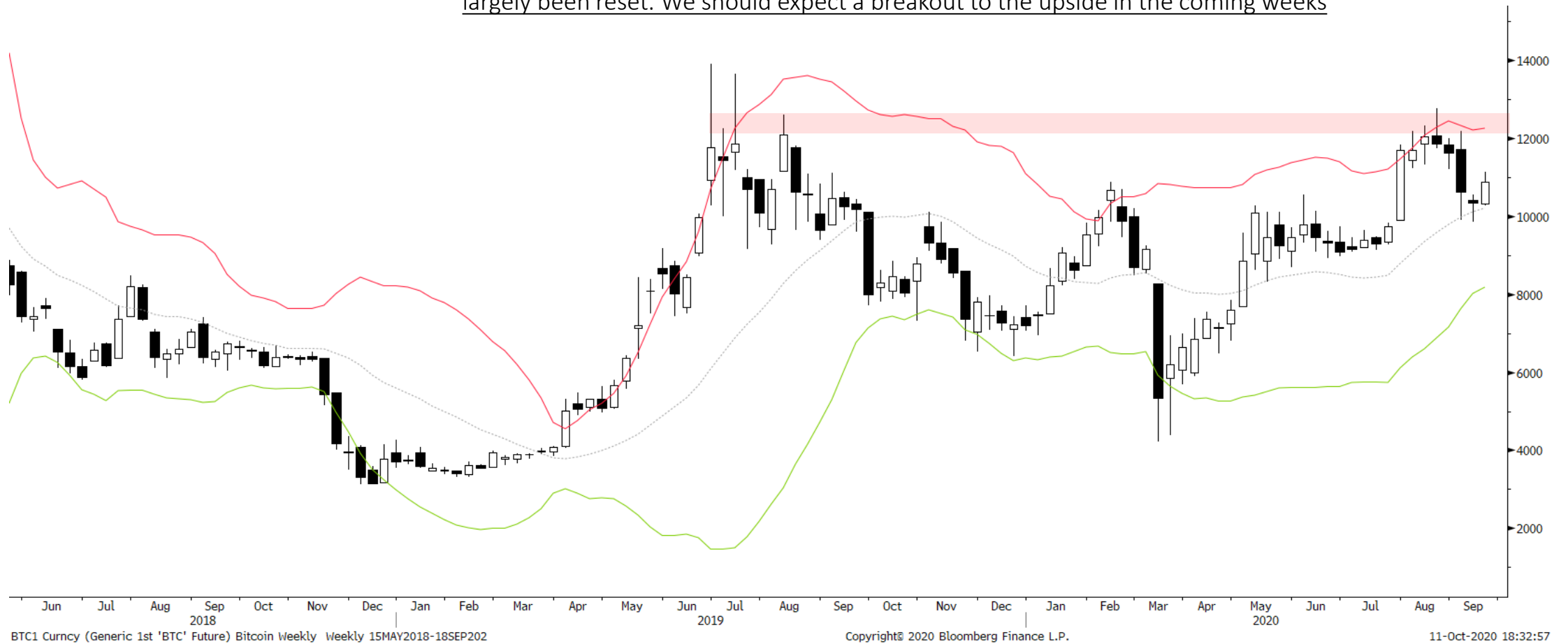
# EURUSD Indicators



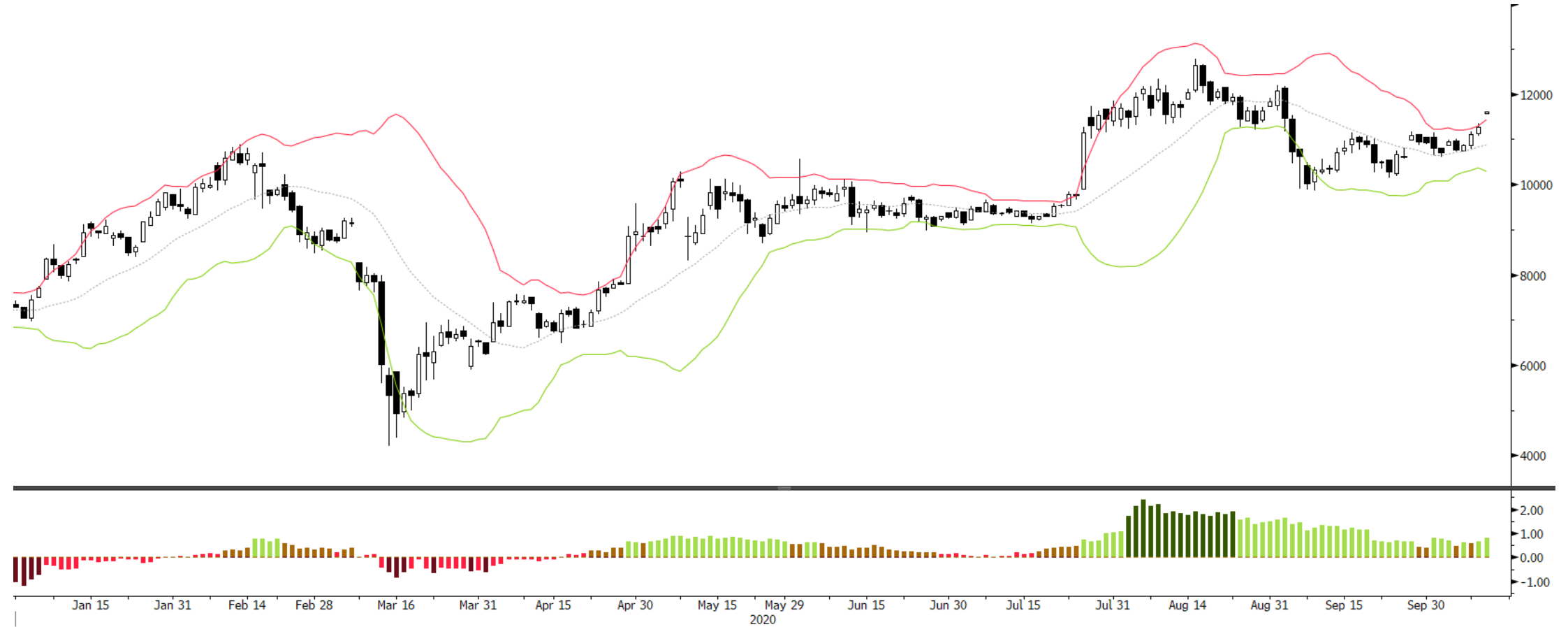
# Bitcoin Weekly

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. Excessive bullish sentiment has largely been reset. We should expect a breakout to the upside in the coming weeks



# Bitcoin Daily



BTC1 Curncy (Generic 1st 'BTC' Future) bitcoin Daily Daily 31DEC2019-12OCT2020

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11-Oct-2020 18:32:57

# Bitcoin Indicators



XBTUSD Curncy (XBT-USD Cross Rate) GBTC Fund Total Assets Daily 10AUG2018-12OCT Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:33:05 BTC1

Curncy (Generic 1st 'BTC' Future) Bitcoin Total OI Daily 10AUG2018-12OCT20 Copyright© 2020 Bloomberg Finance L.P. 11-Oct-2020 18:33:11





# The Four Pillars Portfolio

YTD Return (updated 10/11)

25.7%

## 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%

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	\$9.73	
Bolloré (BOL)	Hidden Deep Value	\$2.46	B/E	\$2.46	\$3.32	
Interactive Brokers (IBKR)	Value/Technical	\$47.39	B/E	\$41.14	\$50.66	
Ammo, Inc (POWW)	Value/Growth	\$2.30	150bps	--	\$2.63	
Enlabs (NLAB)	Secular Growth	\$27.25	100bps	\$21.10	\$32.80	9/17/20 Added to position
Red Violet (RDVT)	Cyclical Growth	\$17.85	100bps	\$13.45	\$24.42	
Frontdoor (FTDR)	Secular Growth	\$44.22	100bps	\$39.50	\$42.13	
Nintendo (NTDOY)	Secular Growth	\$62.71	100bps	\$54.00	\$68.78	
Cardlytics (CDLX)	Secular Growth	\$86.07	100bps	\$60.50	\$80.92	
Guillemot (GUI)	Secular Growth	\$7.76	100bps	\$4.50	\$8.40	
Roku (ROKU)	Secular Growth	\$192.68	50bps	\$142.24	\$223.91	
Greyscale Bitcoin Trust (GBTC)	Secular Thematic	\$11.90	100bps	\$10.40	\$11.77	
Sandridge (SD)	Cyclical Recovery	\$2.00	100bps	\$1.52	\$1.90	
NQZ2020 or QQQ etf alternative	Swing	11,525.00	100bps	11,000.00	11,743.50	