



# Macro Ops

## The Trifecta Report

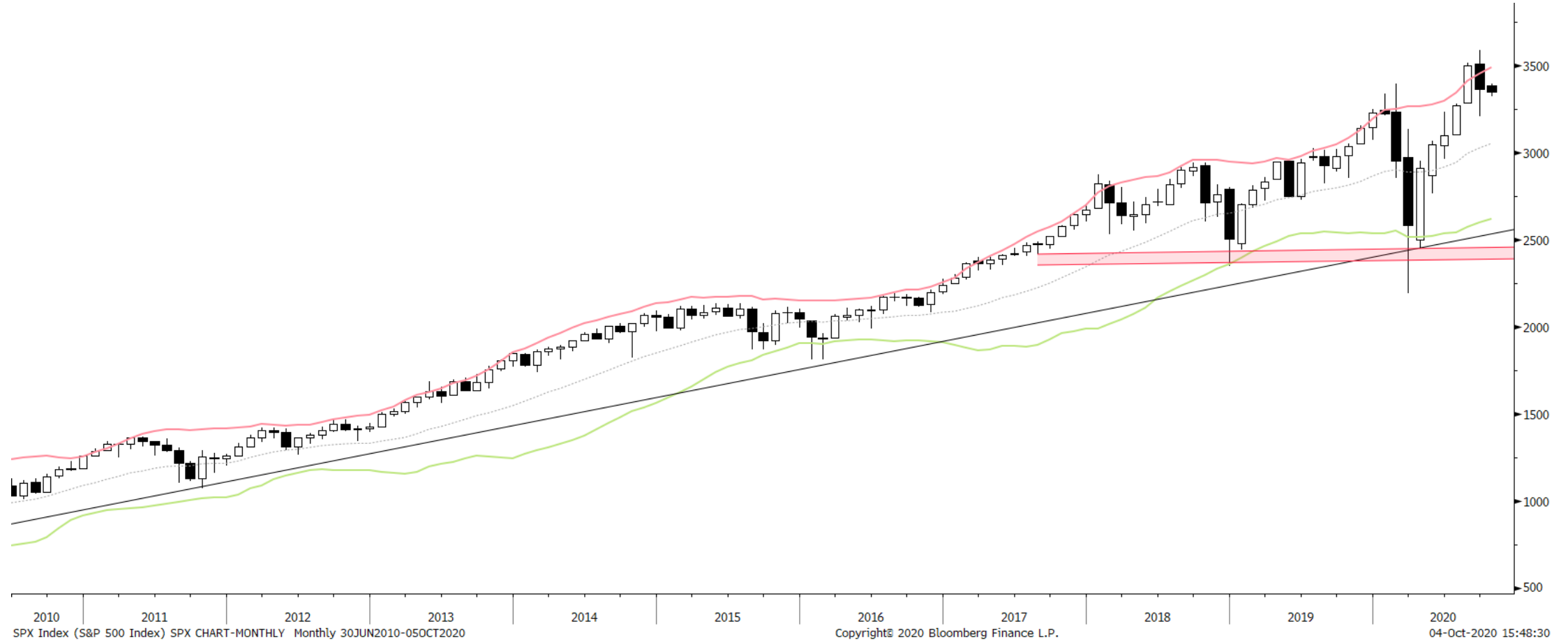
*The best trades are the ones in which you have all three things going for you: fundamentals, technical, and market tone. ~ Michael Marcus*

# Weekly Summary

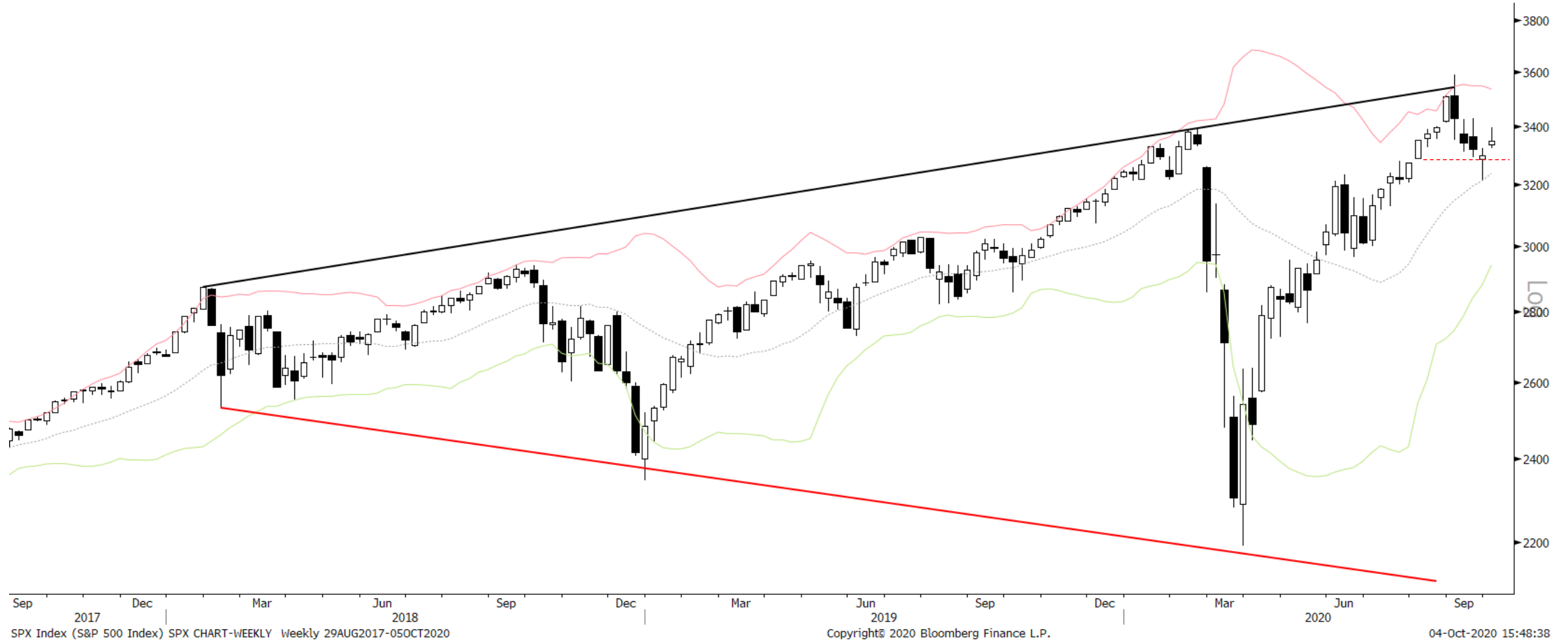


S&P 500	UST 10yr Bonds	Gold	EURUSD
<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> September formed an outside bear bar on the monthly chart. But buyers came in at the end of month and bid the market up well above the August lows – see the large lower wick for Sep. The path of least resistance 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 dramatically last week and is close to giving buy signals</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 -4. This score should improve on the back of better breadth and credit data. <u>We'll likely see sideways chop this week. Though rising odds of a stimulus deal getting done increases the chances we see a breakout to the upside soon.</u> Also, surprises in Trump COVID news could shake the market over the short-term</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>Small specs hold very crowded long positions and GLD call volume remains elevated</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. Odds favor an eventual breakout and continuation of the trend up. <u>But a rising dollar, rising yields, crowded positioning, and major trend extension gap from its 200-day moving average favors further short-term downside. However, if stimulus gets passed precious metals will catch a bid. A close above last week's high would likely negate the short-term bear thesis</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>

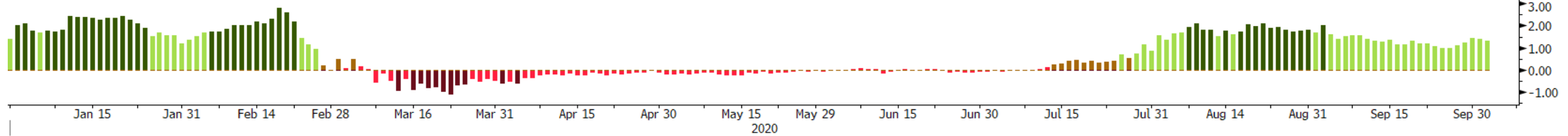
# S&P 500 Monthly



# S&P 500 Weekly



# S&P 500 Daily

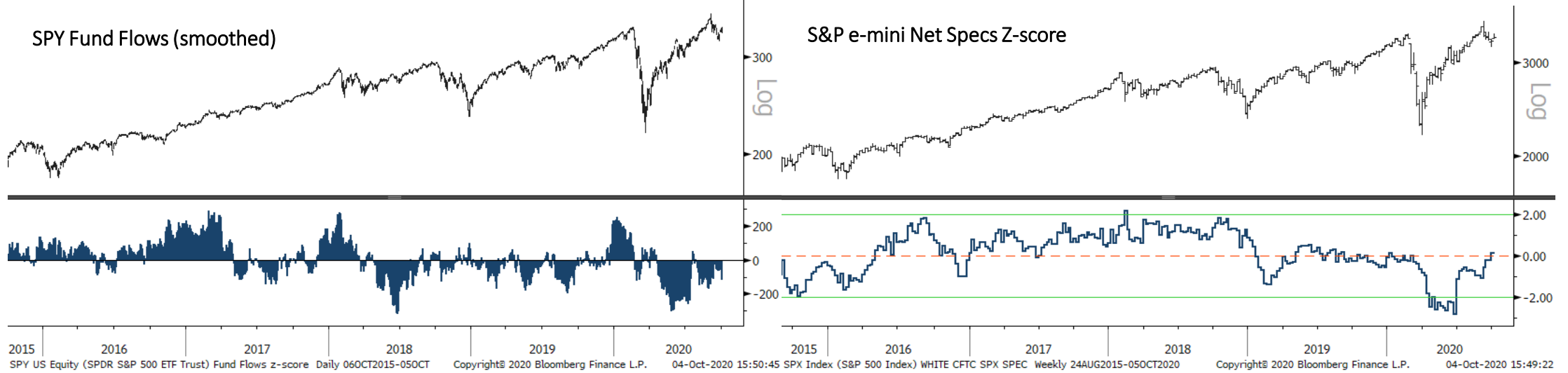
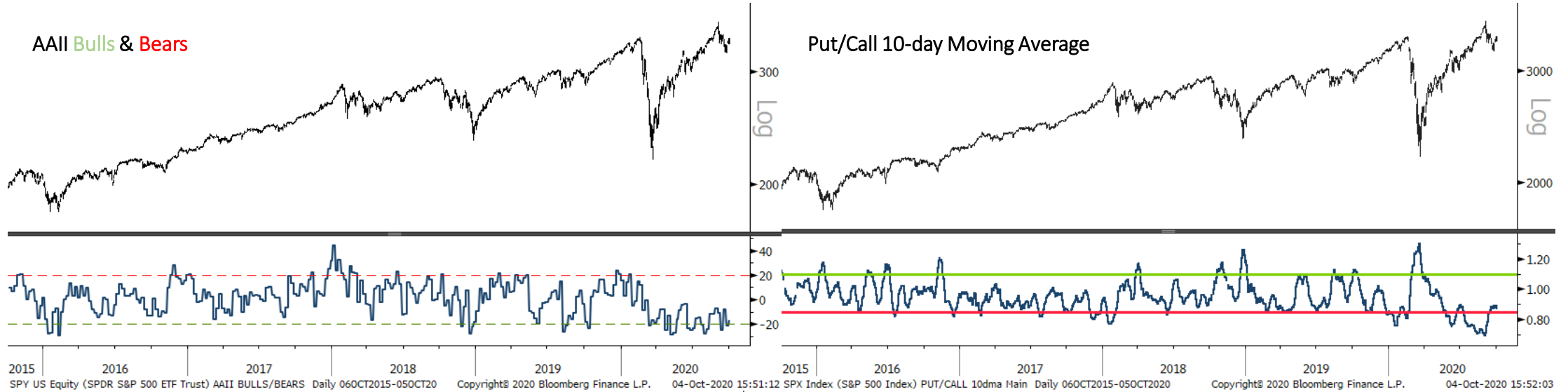


SPXFAST Index (S&P 500 Fast Cash Index) SPX CHART-DAILY Daily 31DEC2019-05OCT20

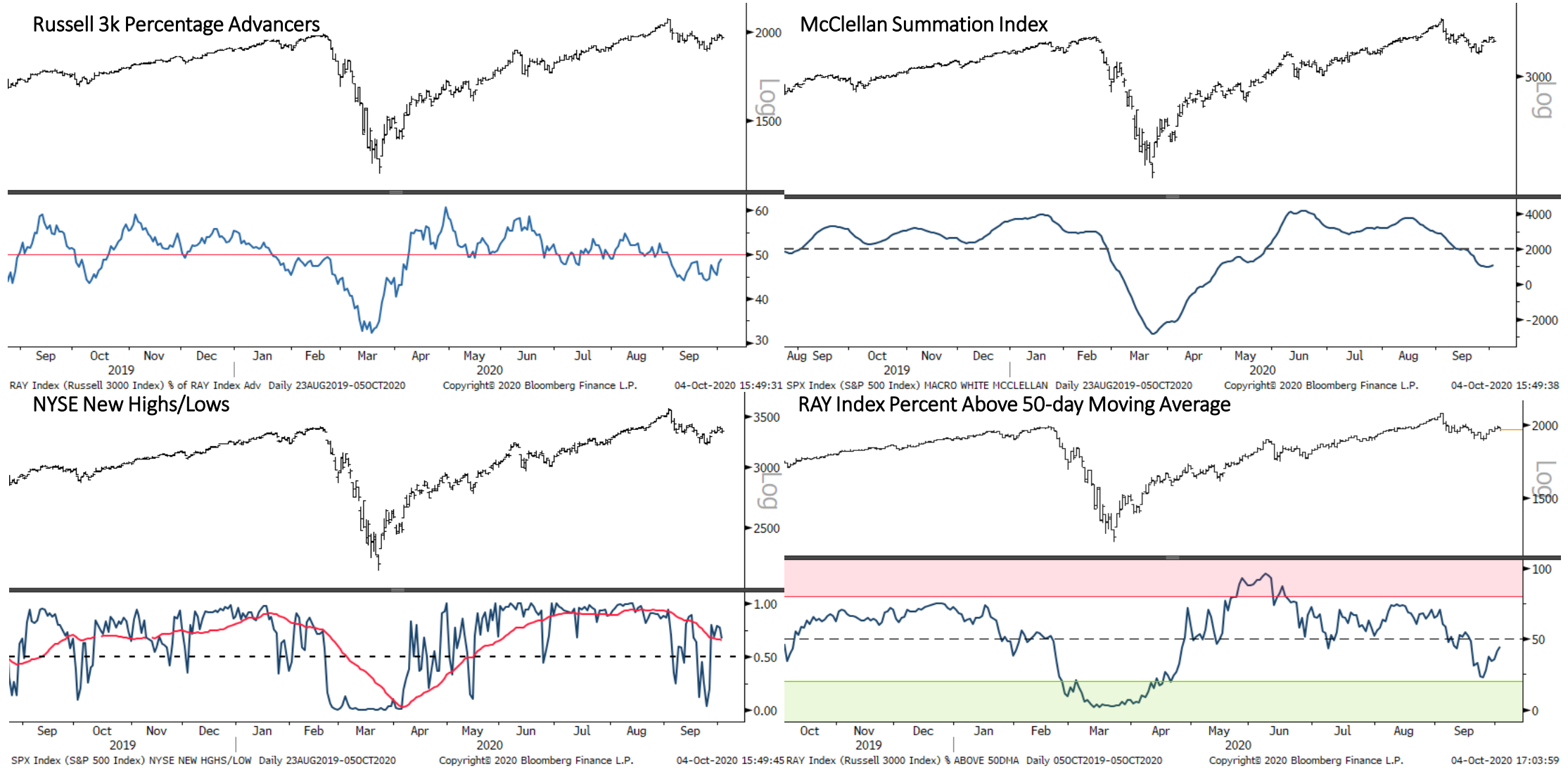
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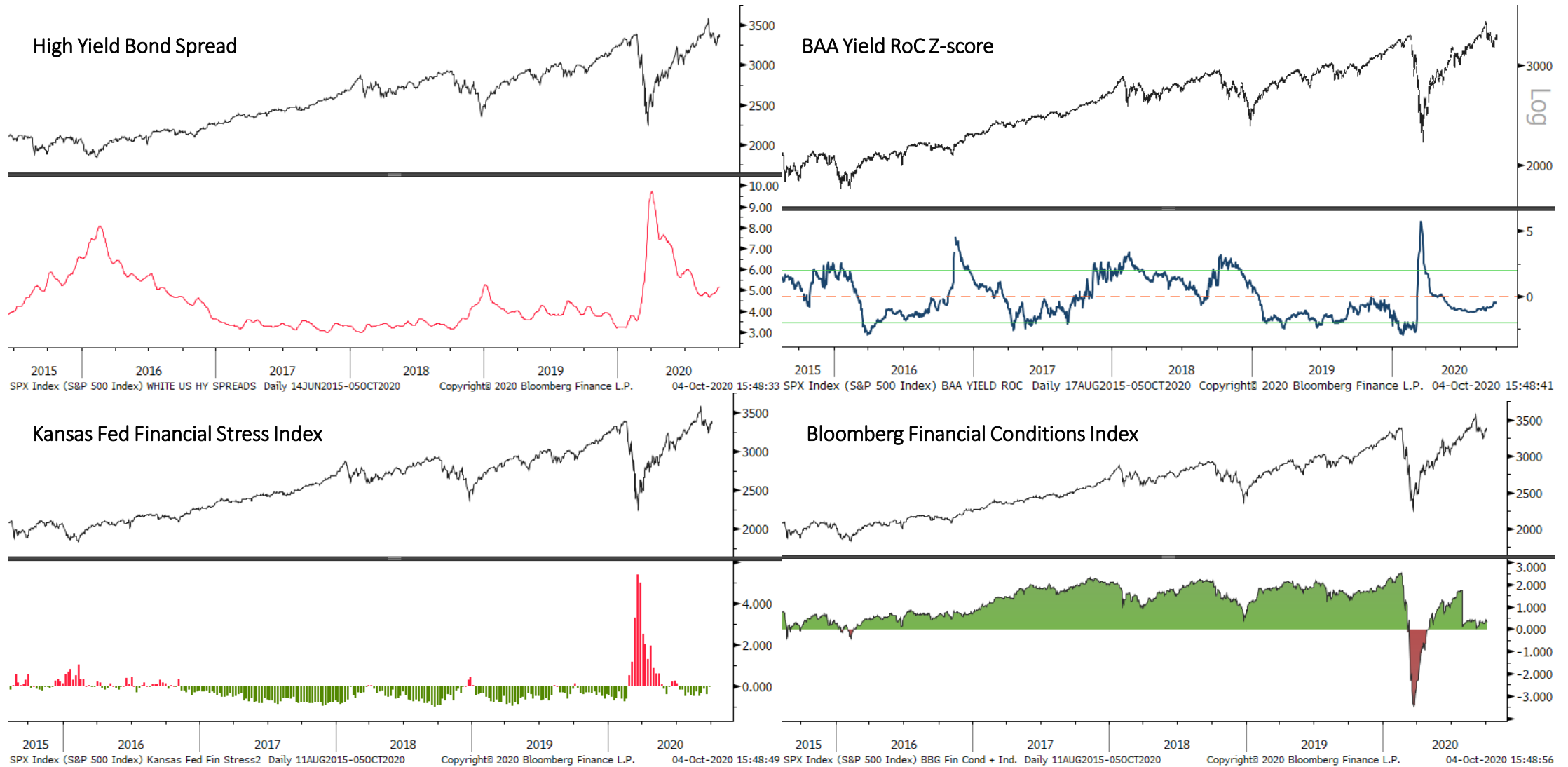
# Sentiment & Positioning



# Breadth

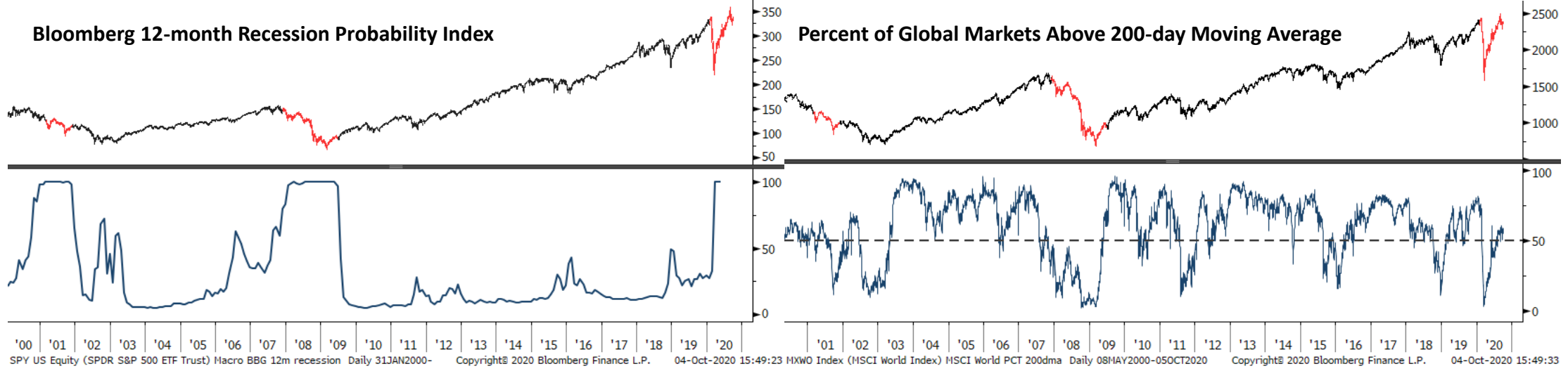
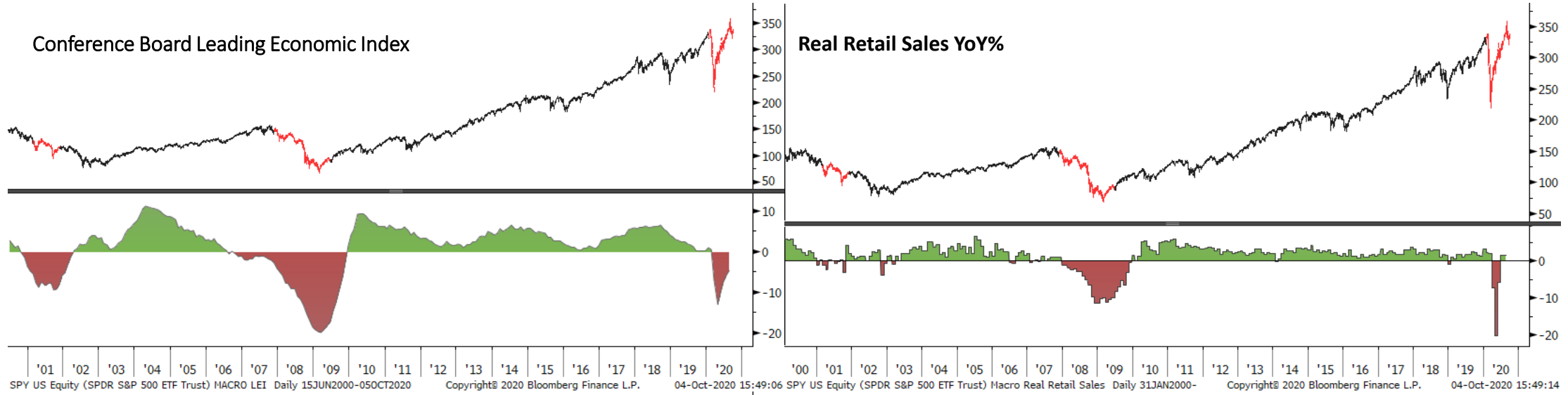


# Liquidity





# Macro



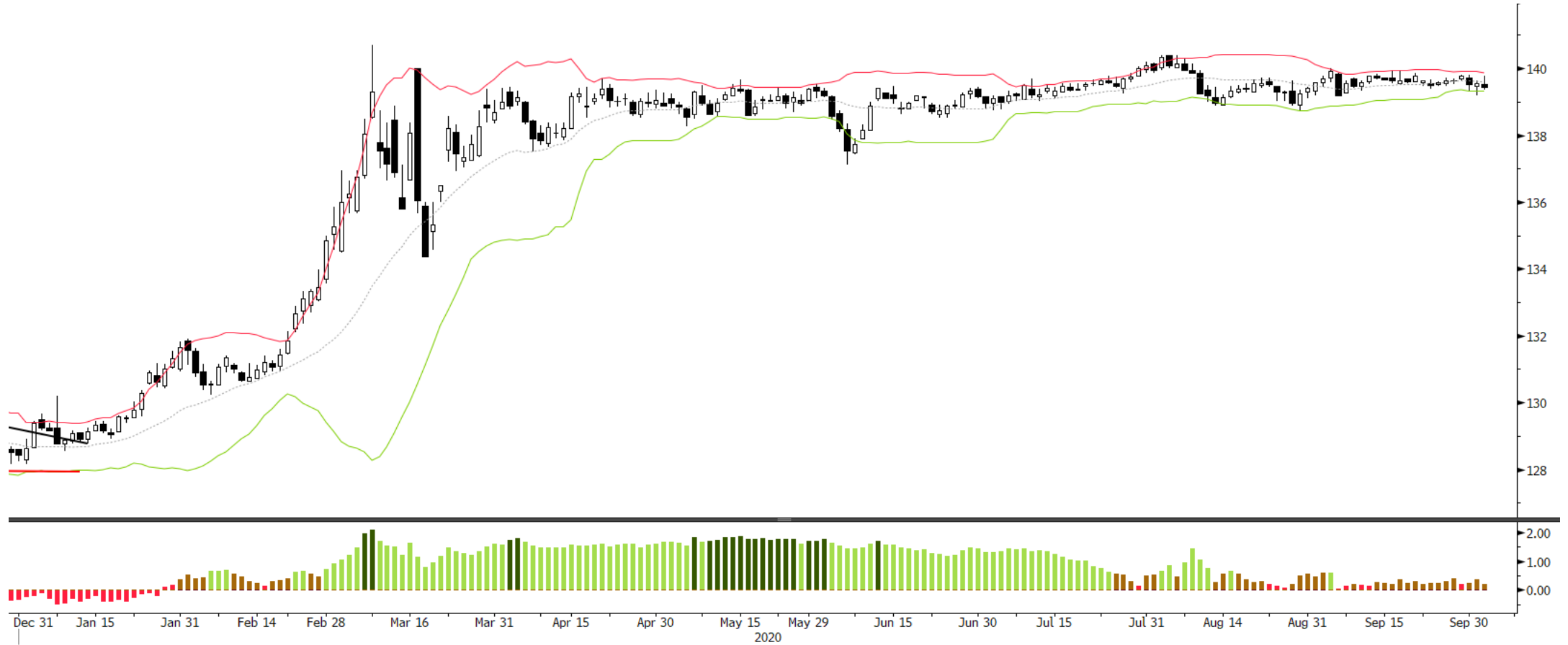
# Bonds: 10-year Futures Monthly



# Bonds: 10-year Futures Weekly

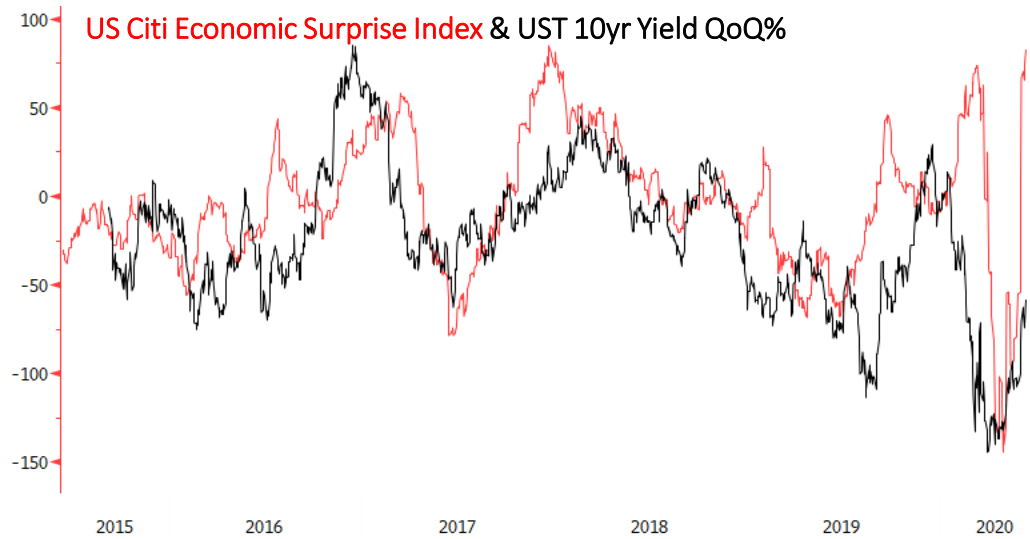


# Bonds: 10-year Futures Daily



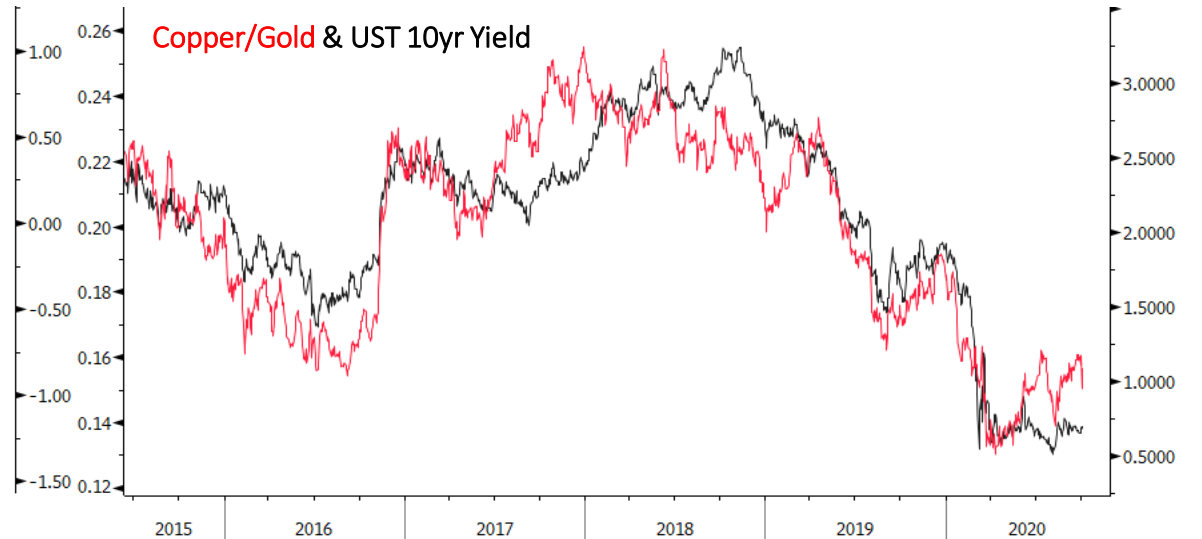
TY1 Comdty (Generic 1st 'TY' Future) Bonds 10yr - DAILY Daily 30DEC2019-05OCT20 Copyright© 2020 Bloomberg Finance L.P. 04-Oct-2020 15:48:39

# Bond/Yield Indicators

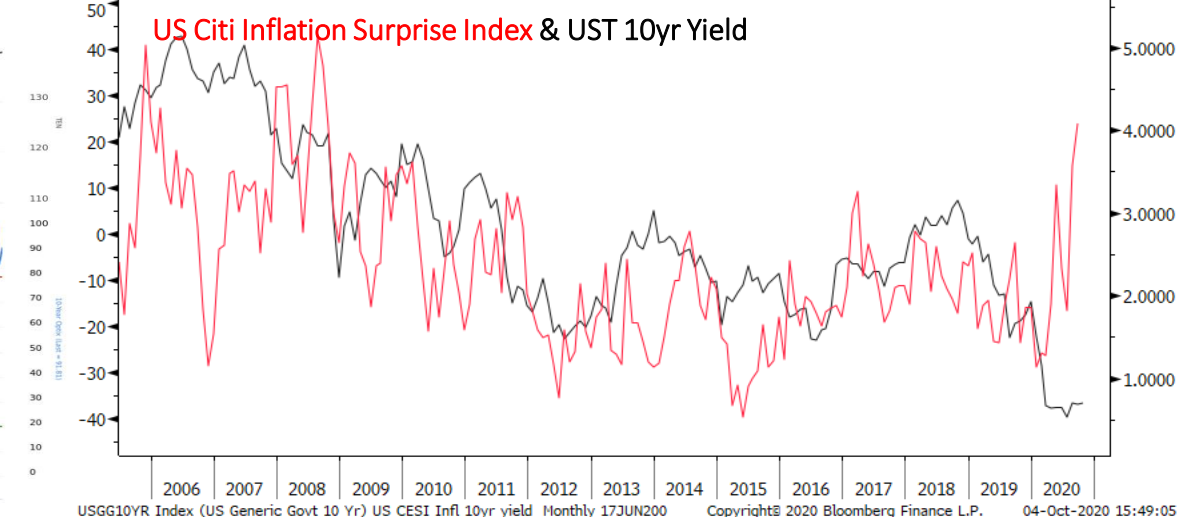
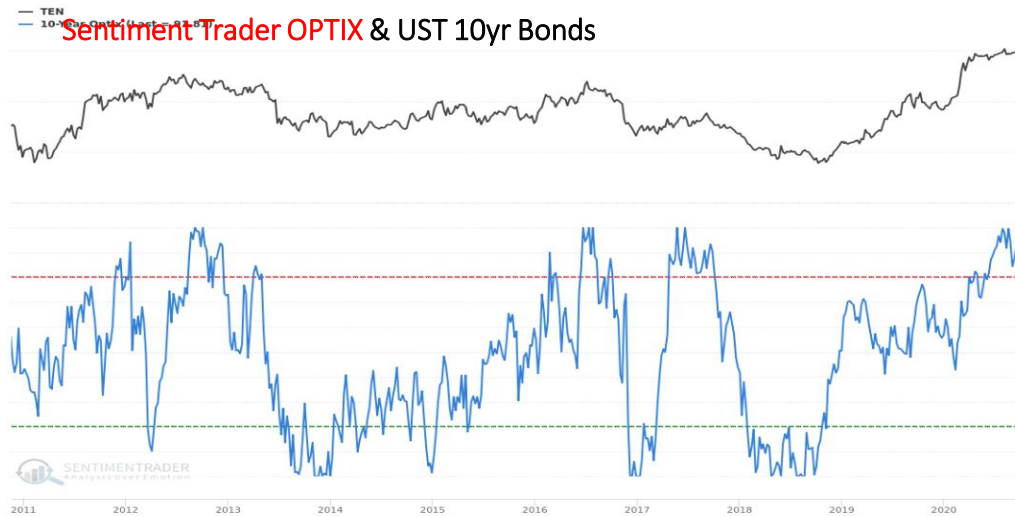


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10-Year Optix



04-Oct-2020 15:58:45 HG1 Comdty (Generic 1st 'HG' Future) WHITE GOLD/COPPER R. Daily 15JUN2015-050C Copyright© 2020 Bloomberg Finance L.P. 04-Oct-2020 15:48:56

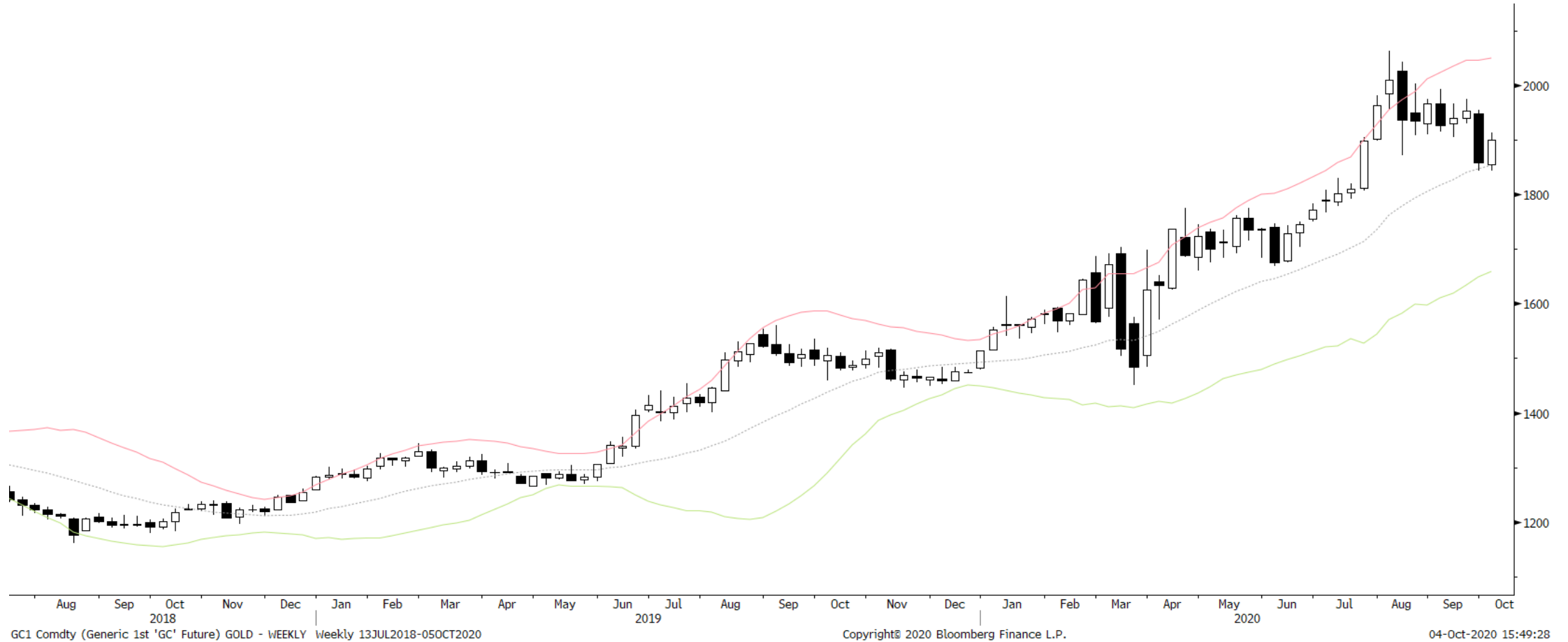


USGG10YR Index (US Generic Govt 10 Yr) US CESI Infl 10yr yield Monthly 17JUN200 Copyright© 2020 Bloomberg Finance L.P. 04-Oct-2020 15:49:05

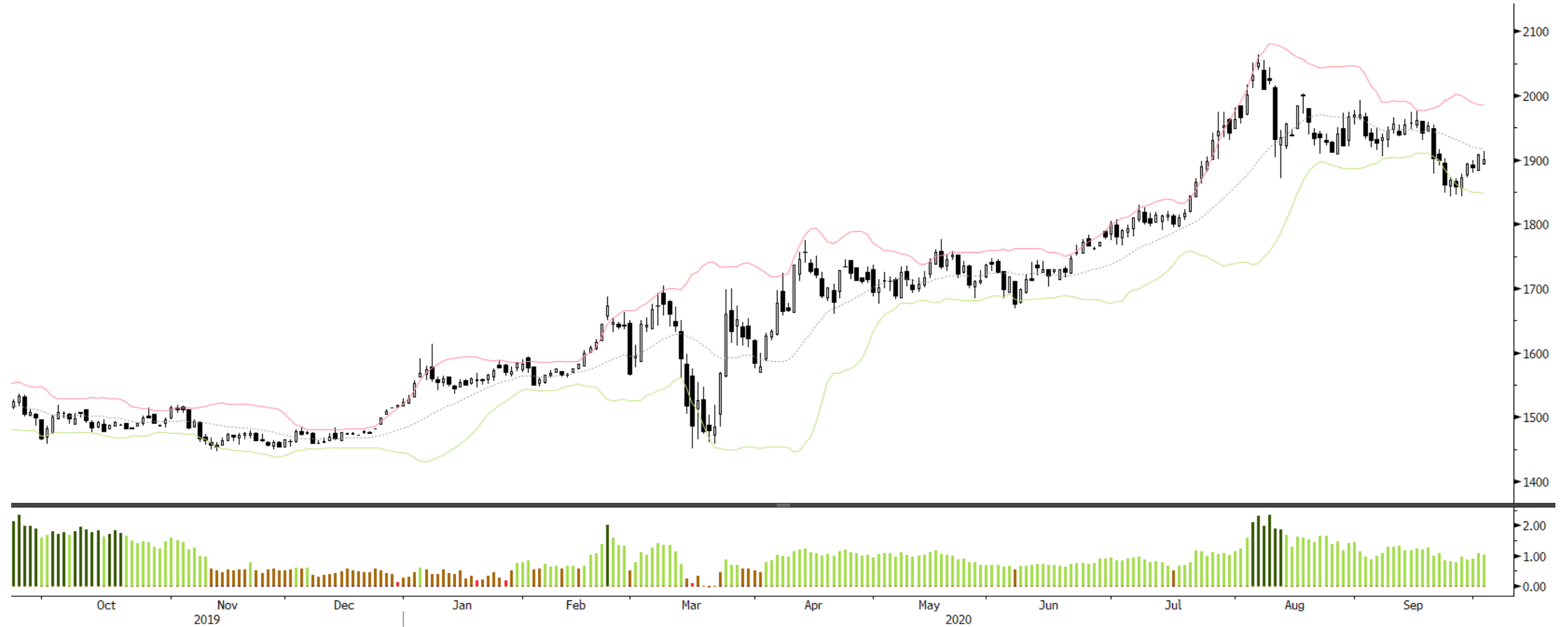
# Gold Monthly



# Gold Weekly



# Gold Daily



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 23SEP2019-05OCT2020

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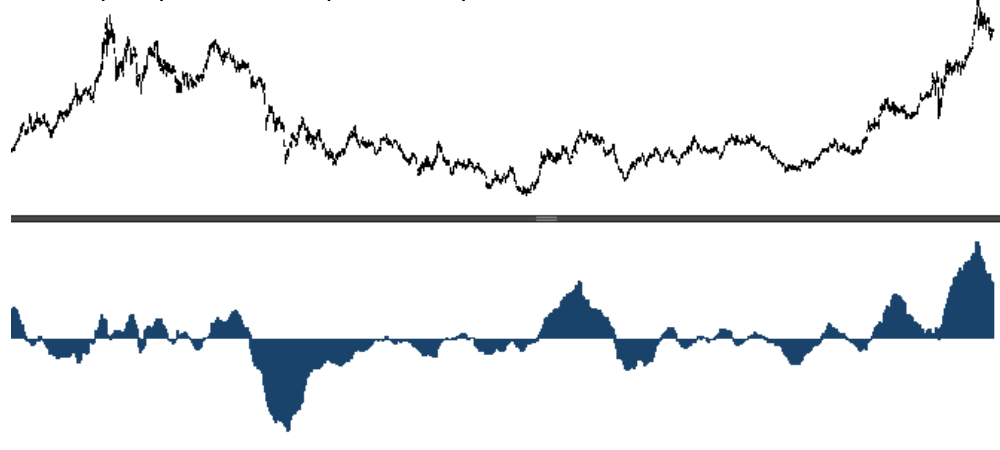
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# Gold Indicators



Gold (GLD) Fund Flows (smoothed)



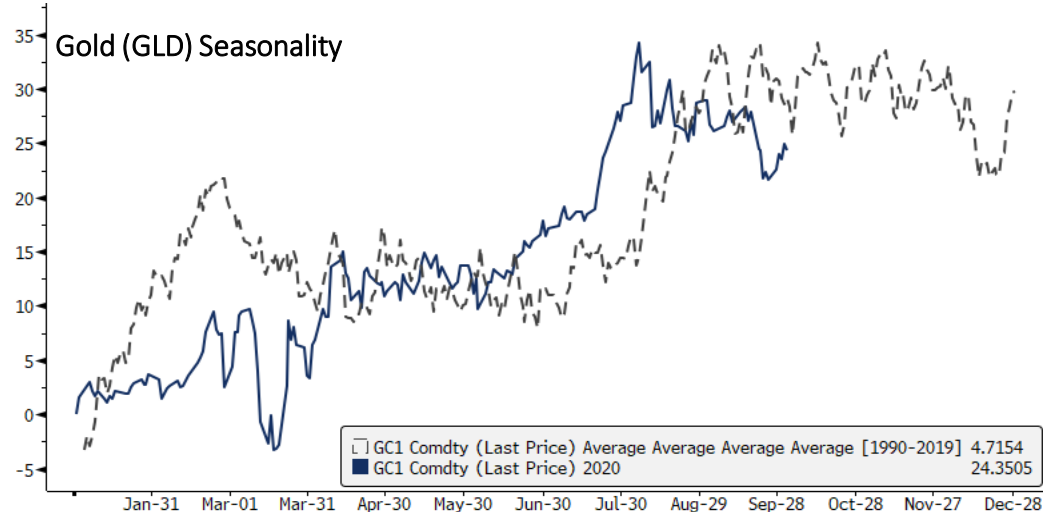
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2010-05OCT2 Copyright© 2020 Bloomberg Finance L.P. 04-Oct-2020 16:01:51

Gold Net Small Specs Z-score



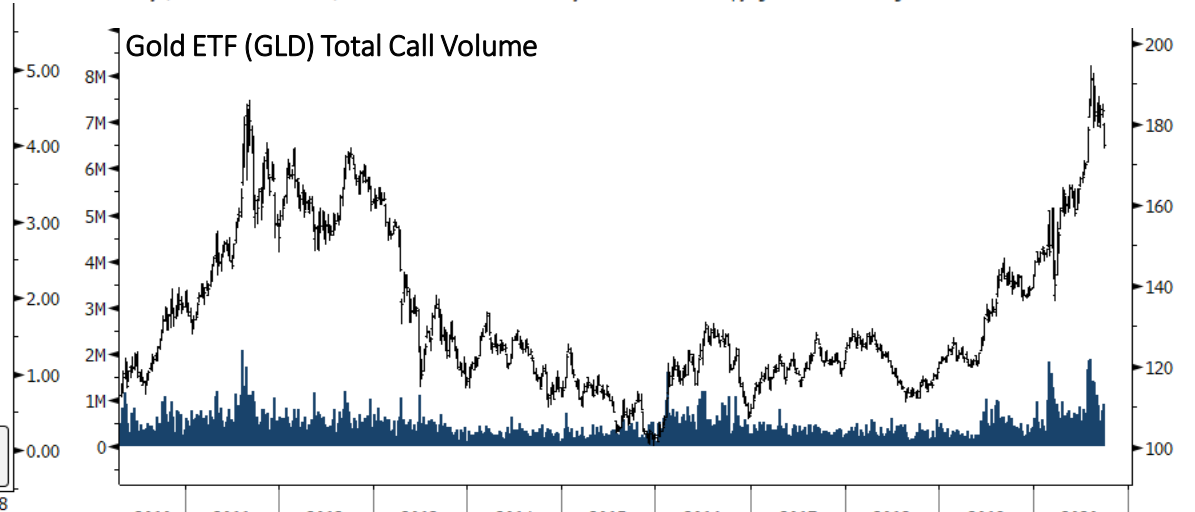
GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 25AUG2010-05 Copyright© 2020 Bloomberg Finance L.P. 04-Oct-2020 15:49:54

Gold (GLD) Seasonality



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Gold ETF (GLD) Total Call Volume



GLD US Equity (SPDR Gold Shares) Total Call Buying - GLD Weekly 30APR2010-26SEP Copyright© 2020 Bloomberg Finance L.P. 04-Oct-2020 15:48:36

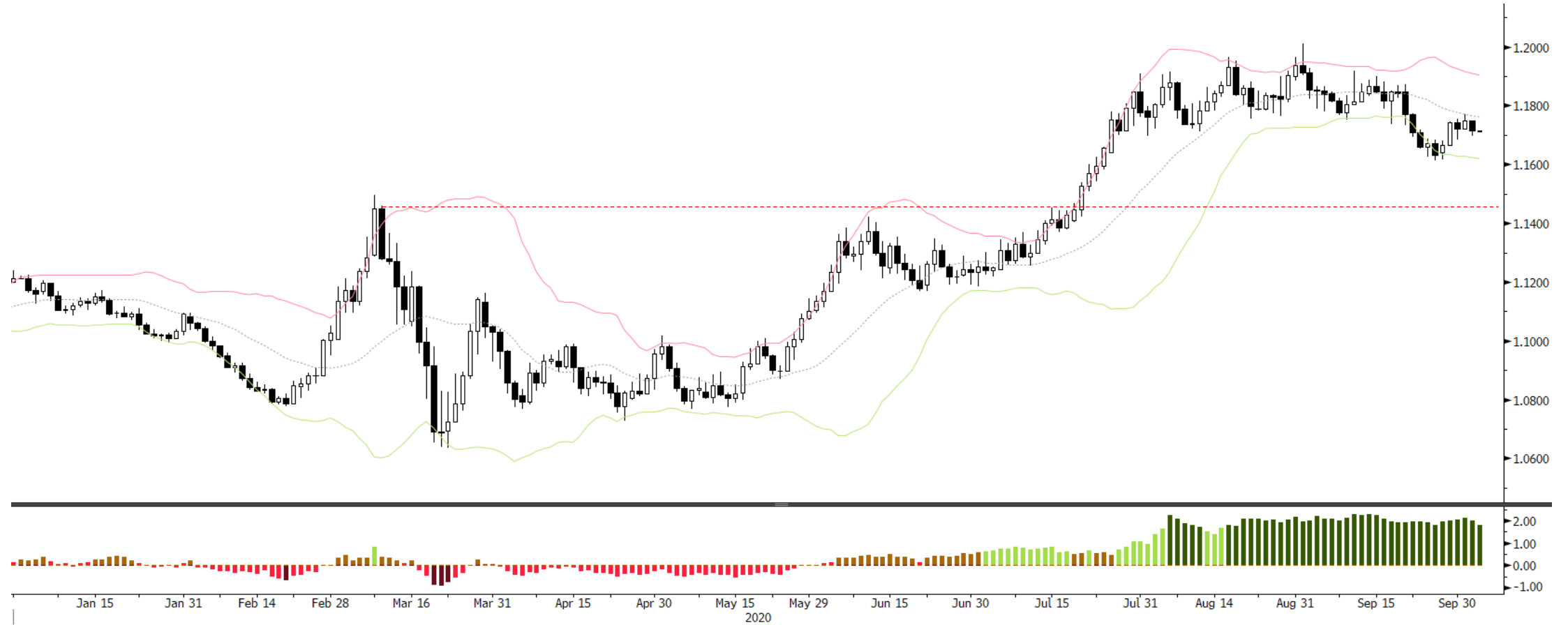
# EURUSD Monthly



# EURUSD Weekly



# EURUSD Daily



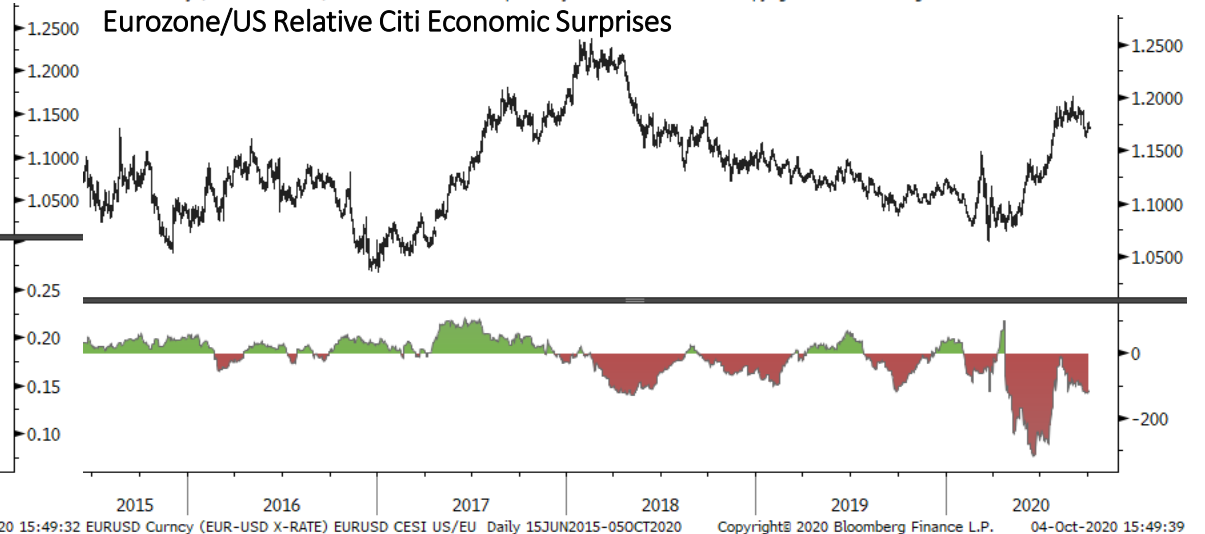
EURUSD Cmcny (EUR-USD X-RATE) EURUSD - DAILY Daily 31DEC2019-05OCT2020

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# EURUSD Indicators



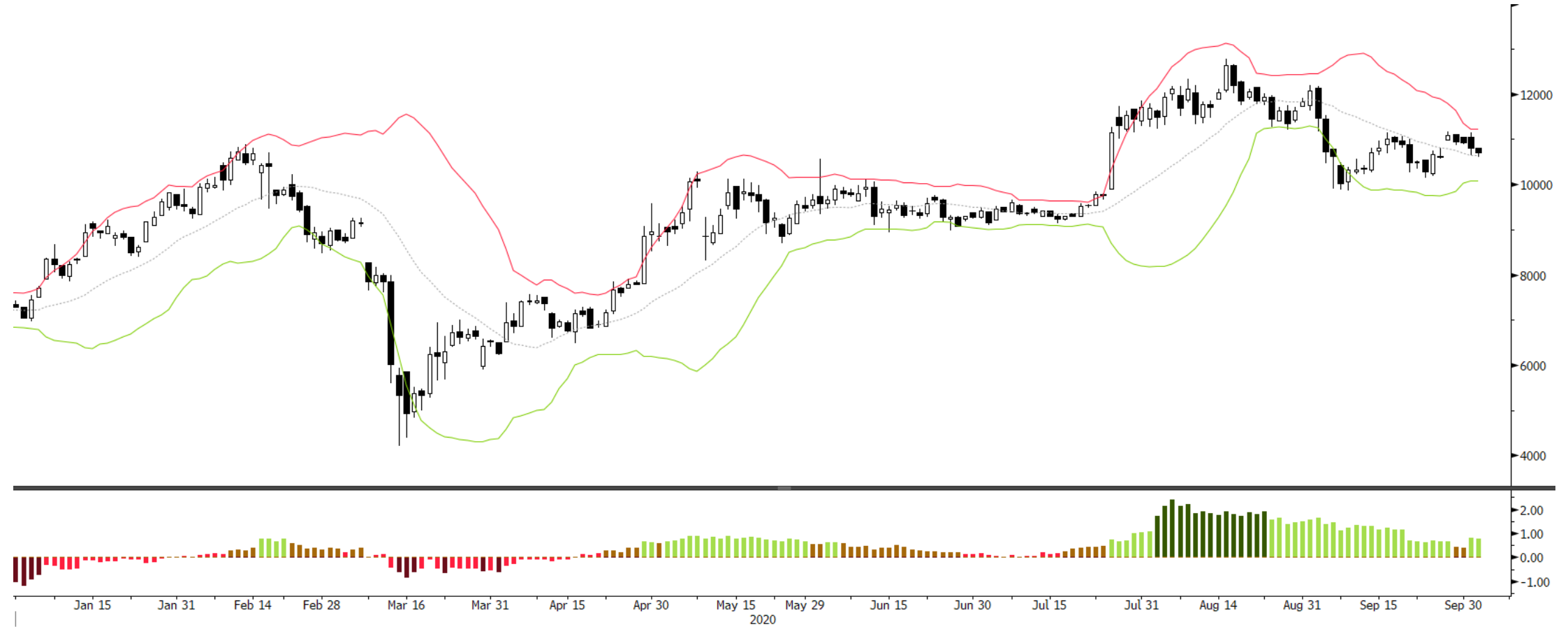
# Bitcoin Weekly

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 reset and while we should expect continued sideways action until there's a confirmed breakout, current levels represent a good area to build a position.



# Bitcoin Daily

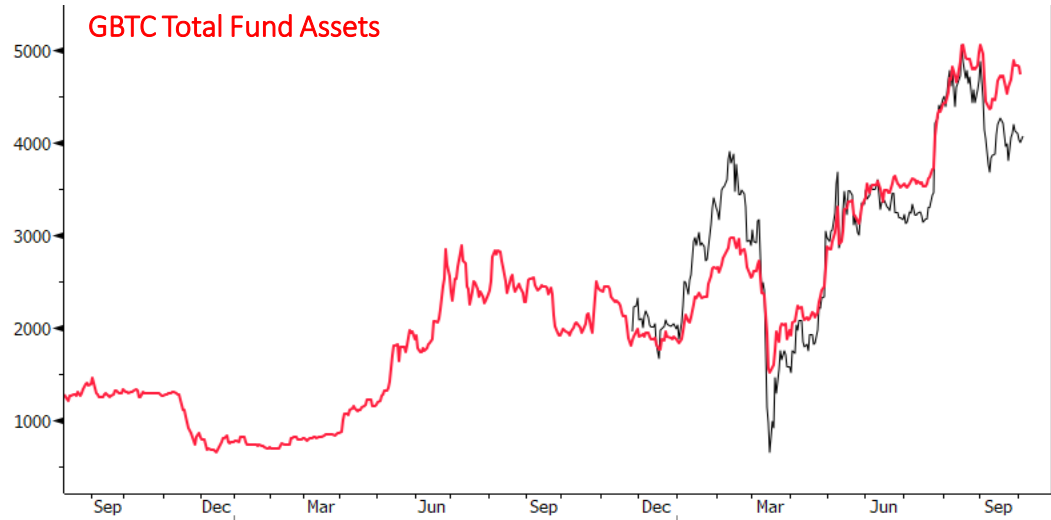


BTC1 Curncy (Generic 1st 'BTC' Future) bitcoin Daily Daily 31DEC2019-05OCT2020

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# Bitcoin Indicators



XBTUSD Curncy (XBT-USD Cross Rate) GBTC Fund Total Assets Daily 10AUG2018-05OCT Copyright© 2020 Bloomberg Finance L.P. 04-Oct-2020 15:49:57 BTC1

Curncv (Generic 1st 'BTC' Future) Bitcoin Total OI Daily 10AUG2018-05OCT20 Copyright© 2020 Bloomberg Finance L.P. 04-Oct-2020 15:50:03





<b>The Four Pillars Portfolio</b>		<b>YTD Return</b> <small>(updated 10/4)</small>				
		21.5%				
<b>The Core</b>	<u>Allocation</u>					
<b>Large Cap Equities (/ES_F or VOO)</b>	0%					
<b>Short-term Bills (/ZT_F or VGSH)</b>	25%					
<b>Long-term Bonds (/ZB_F or TLT)</b>	25%					
<b>Gold (/GC_F or GLD)</b>	0%	9/22 Flattened gold position and went short				
<b>Big Bets</b>	<b>Thematic</b>	<b>Cost Basis</b>	<b>At Risk</b>	<b>Risk Point</b>	<b>Last Price</b>	<b>Last Action</b>
Cameco (CCJ)	Deep Value/Cyclical	\$7.25	Above B/E	\$8.50	\$9.75	
Bolloré (BOL)	Hidden Deep Value	\$2.46	B/E	\$2.46	\$3.18	
Interactive Brokers (IBKR)	Value/Technical	\$47.39	B/E	\$41.14	\$48.93	
Ammo, Inc (POWW)	Value/Growth	\$2.30	150bps	--	\$2.69	
Enlabs (NLAB)	Secular Growth	\$27.25	100bps	\$21.10	\$31.90	9/17/20 Added to position
Red Violet (RDVT)	Cyclical Growth	\$17.85	100bps	\$13.45	\$18.66	
Frontdoor (FTDR)	Secular Growth	\$44.22	100bps	\$39.50	\$41.36	
Nintendo (NTDOY)	Secular Growth	\$62.71	100bps	\$54.00	\$69.46	
Cardlytics (CDLX)	Secular Growth	\$86.07	100bps	\$60.50	\$71.00	
Guillemot (GUI)	Secular Growth	\$7.76	100bps	\$4.50	\$71.51	
Jumbo Interactive (JIN)	Secular Growth	<del>\$14.52</del>	<del>100bps</del>	<del>\$12.30</del>	<del>\$12.19</del>	10/2/20 Cut position
Roku (ROKU)	Secular Growth	\$192.68	50bps	\$142.24	\$200.00	
Gold (QOZ2020) - Short	Swing Short	\$1,874.00	100bps	\$1,931.0000	\$1,907.00	
USDSEK	Swing Long	\$8.9265	100bps	\$8.8210	\$8.9222	9/29 Took half profits