



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: We now have an ioi pattern on the monthly chart for the Aug through Oct bars, plus an Outside Up bar so far for Nov. If November holds strong into the close it'll put odds strongly in favor of further upside follow-through. There are only 5-trading days left in the month➤ Sentiment/Positioning: <u>Sentiment is at a bullish consensus and is feeding into positioning. This raises trend fragility though positioning is not yet near levels that tend to precede larger selloffs</u>➤ Breadth: Short-term breadth is positive. Longer-term breadth is supportive of the bull trend➤ Macro/Liquidity: Macro conditions continue to improve, and liquidity is flush though another wave of COVID and lockdowns could materially change this backdrop➤ Short-term: SPX is attempting to break out of a four-month sideways Bull Quiet regime with a TL Score of +2. Major resistance sits at the 3,500-3,600. We should expect this range to continue until there's a compelling weekly close above this zone	<ul style="list-style-type: none">➤ Long-term: Bonds are in a 7-month neutral sideways regime. The Law of Inertia states that we should expect this range to continue until there's a clear breakout➤ Sentiment/Positioning: The narrative of yield-curve control and yield suppression are consensus➤ Bond Indicators: Global economic data is rebounding but COVID and a new round of lockdowns is likely to temporarily reverse this trend, which is positive for bonds➤ Short-term: Bonds are 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>	<ul style="list-style-type: none">➤ Long-term: Gold is pausing after a 17-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➤ Sentiment/Positioning: The bullish gold narrative is consensus which raises the odds of continued volatile action. <u>Long positioning remains somewhat crowded</u>➤ Gold Indicators: Gold no longer has favorable tailwinds from seasonality➤ Short-term: Gold is in a neutral sideways regime in a longer-term uptrend. It has worked off much of its technical overbought levels. <u>Odds favor an eventual continuation of the trend higher but we need a confirmed breakout from its current range first. Until then, expect more sideways to down action</u>	<ul style="list-style-type: none">➤ Long-term: 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➤ Sentiment/Positioning: 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 & Positioning are headwinds to EURUSD over the short-to-intermediate term</u>➤ EURUSD Indicators: 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➤ Short-term: <u>EURUSD is in a Bull Quiet regime and traders keep buying the dips. So any downside over the interim is likely to be moderate. November has formed an Outside-up bar following a monthly i-o-i pattern. This means EURUSD is in breakout mode. The path of least resistance is up</u>

S&P 500 Monthly



November is forming an Outside Up bar following an inside-outside-inside (ioi) breakout pattern. If it holds into the close it'll be a strong bull signal indicating high odds of further upside. **There are only 5 trading days left in the month**



S&P 500 Weekly



The 3,500-3,600 is a zone of major resistance. It's where the upper trendline of the 3-year "Broadening Top" meets the upper weekly Bollinger Band and the round 3,600 number which has rejected the market multiple times. Inertia favors a continued sideways range until the market can put in a decisive weekly close above this level



SPX Index (S&P 500 Index) SPX CHART-WEEKLY Weekly 29AUG2017-22NOV2020 Copyright© 2020 Bloomberg Finance L.P. 22-Nov-2020 08:20:41

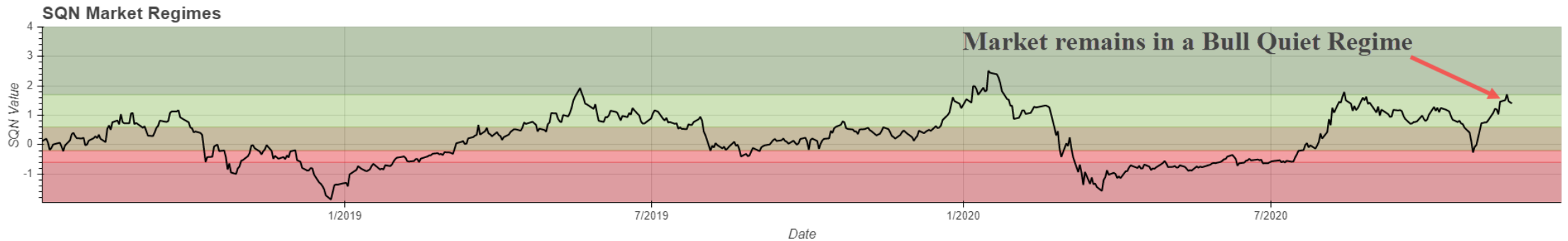
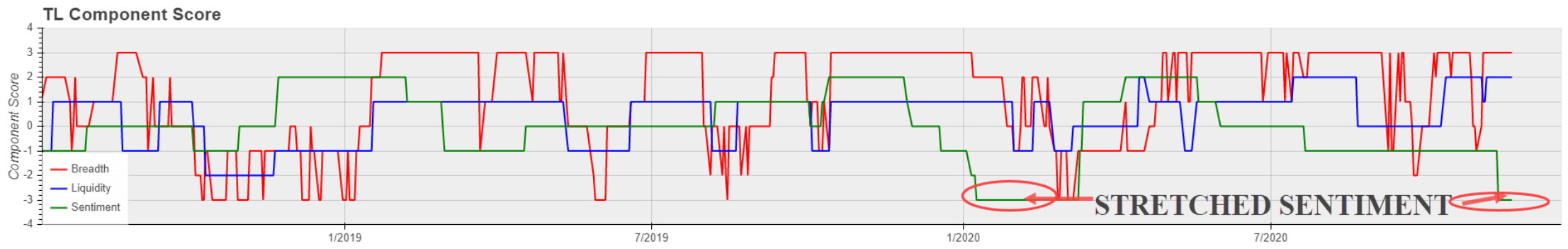
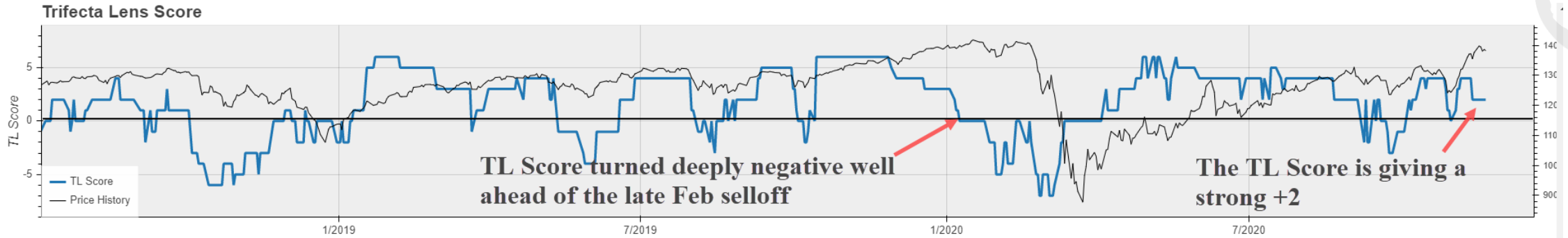
S&P 500 Daily

The market is churning through major resistance as it tries to breakout from its 4-month sideways range. Odds favor an eventual move higher, but it needs a strong close above 3,600 first to confirm



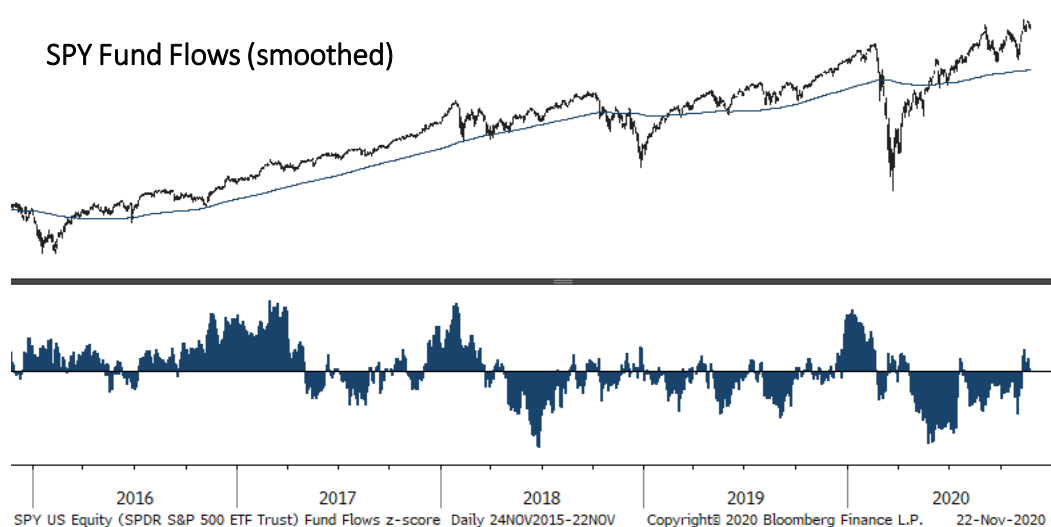
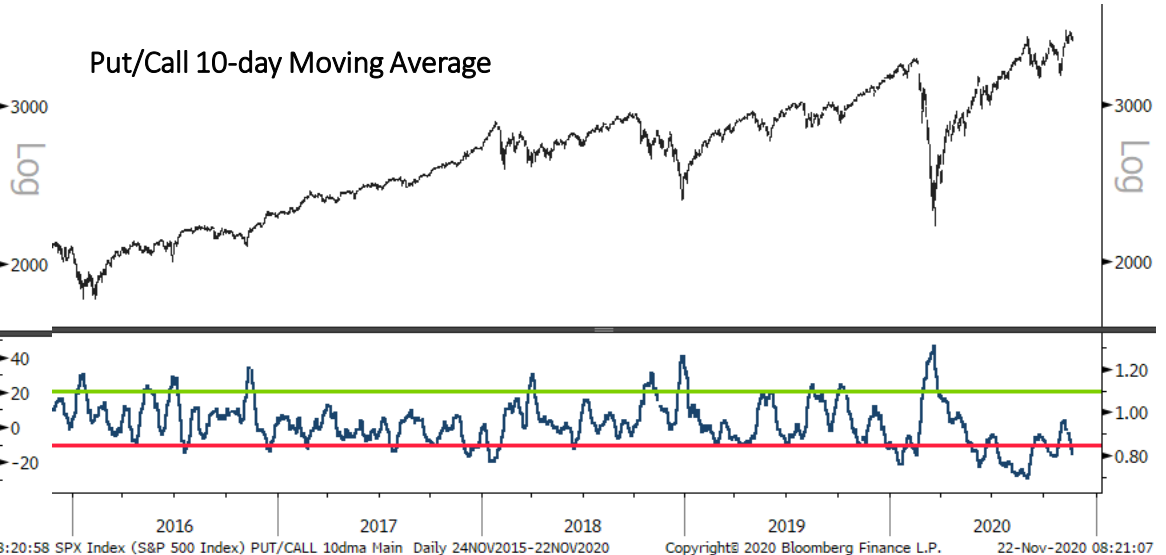
Trifecta Lens Score: +2

(You can read more about our [Trifecta Lens here](#) and link to the [Dashboard here](#))

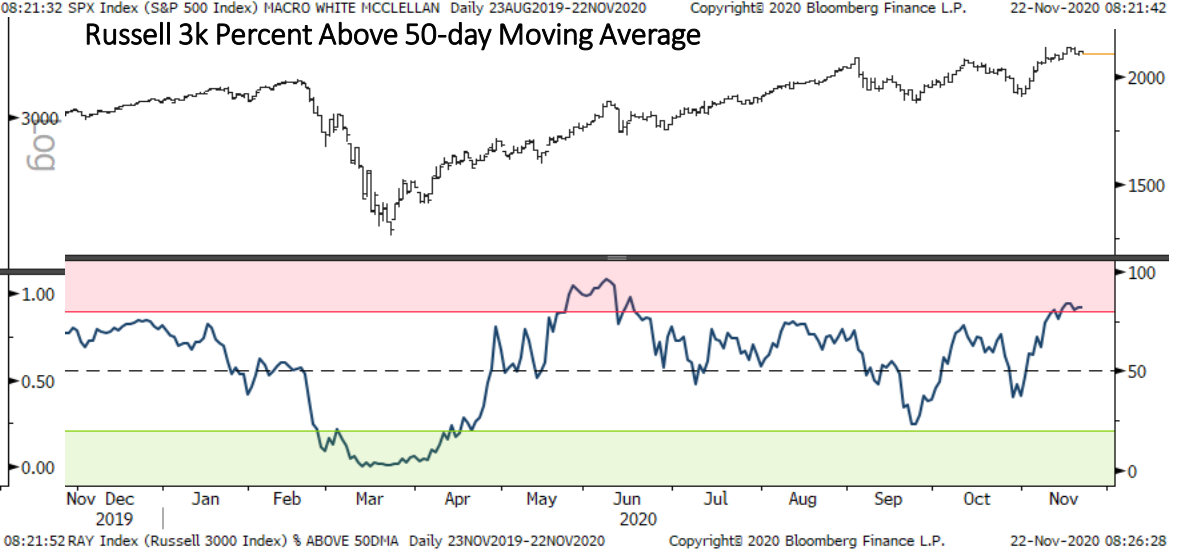
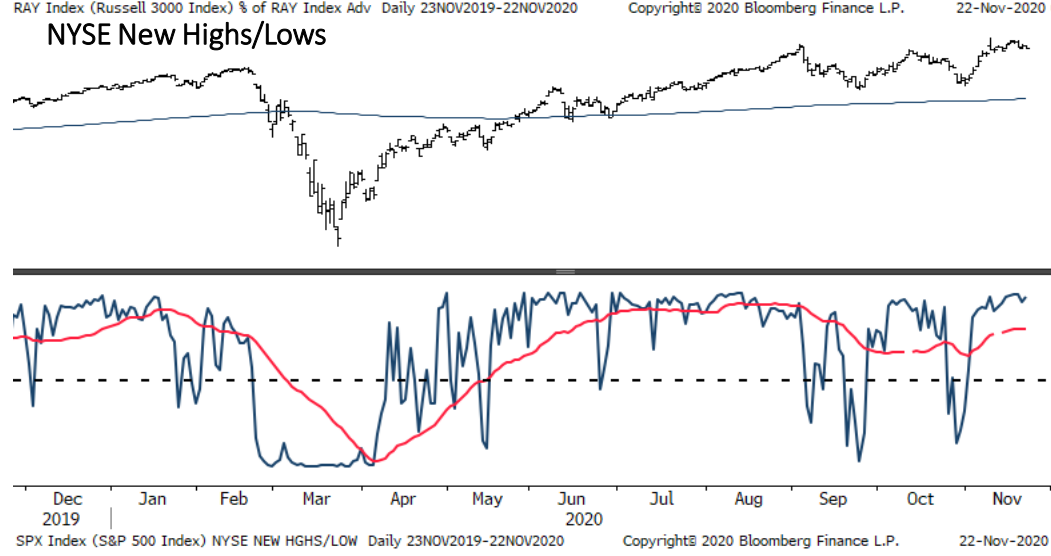
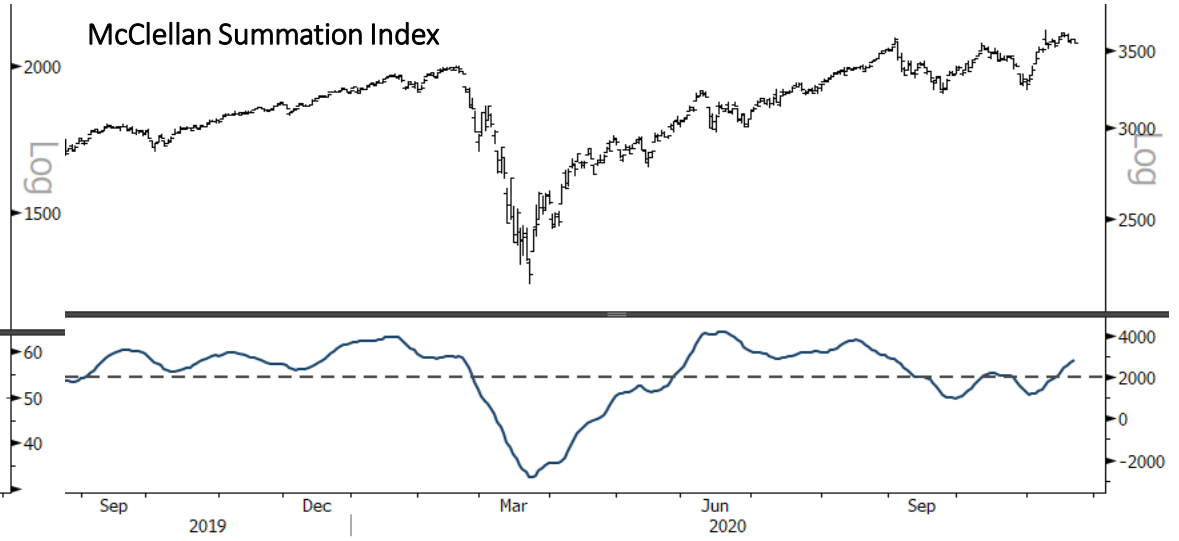
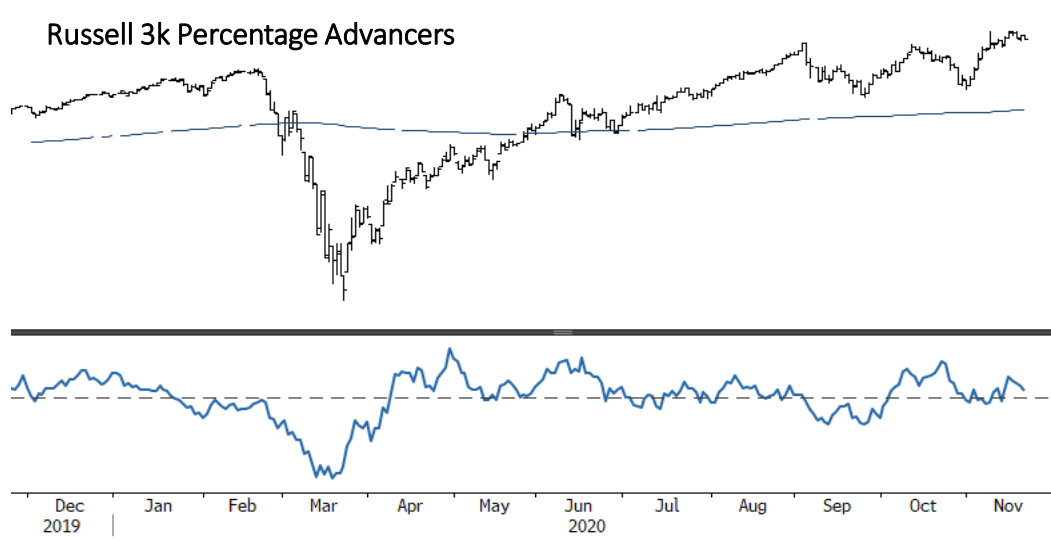


Note: TL & SQN indicators update overnight (for the previous trading day).

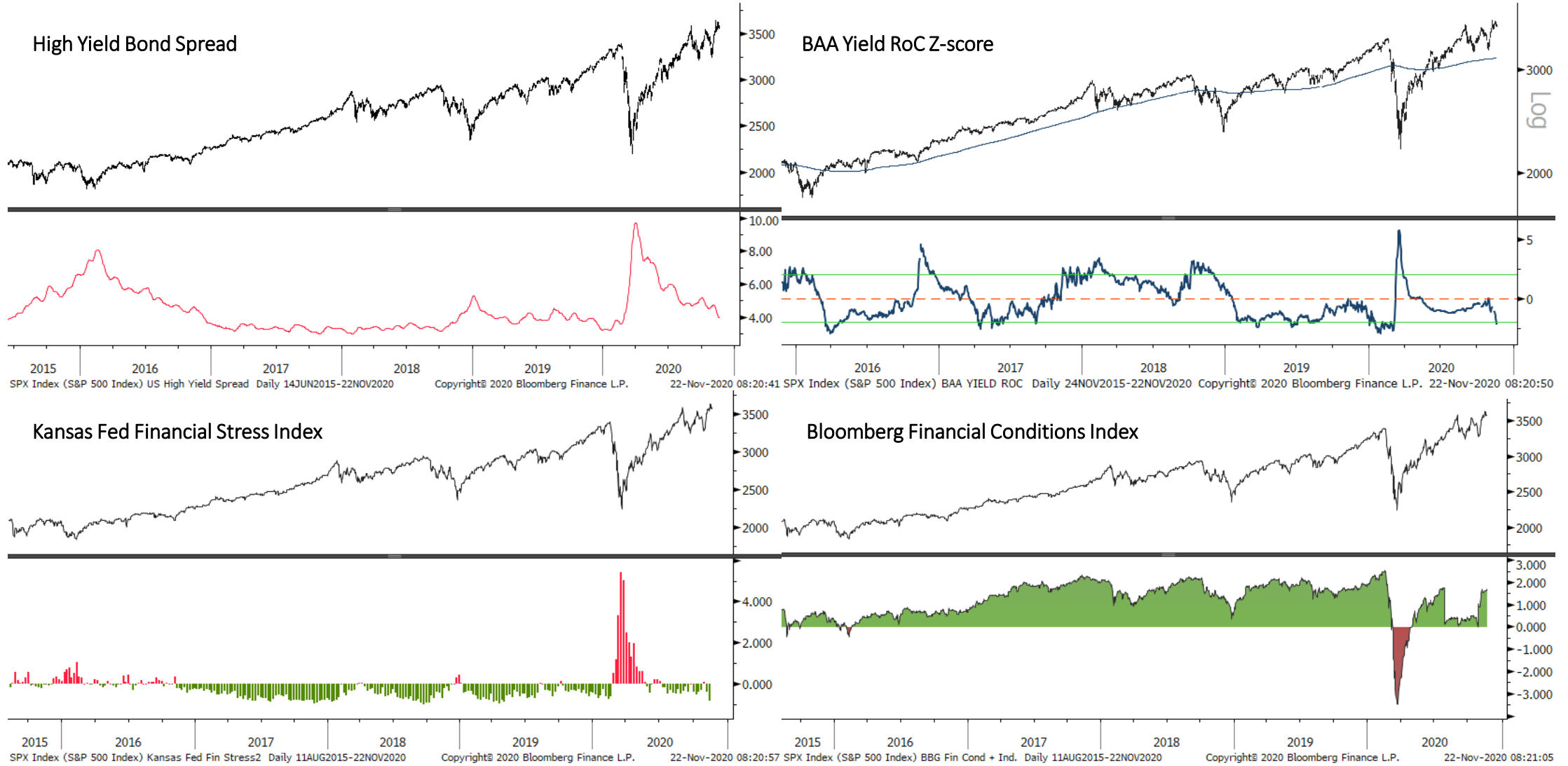
Sentiment & Positioning



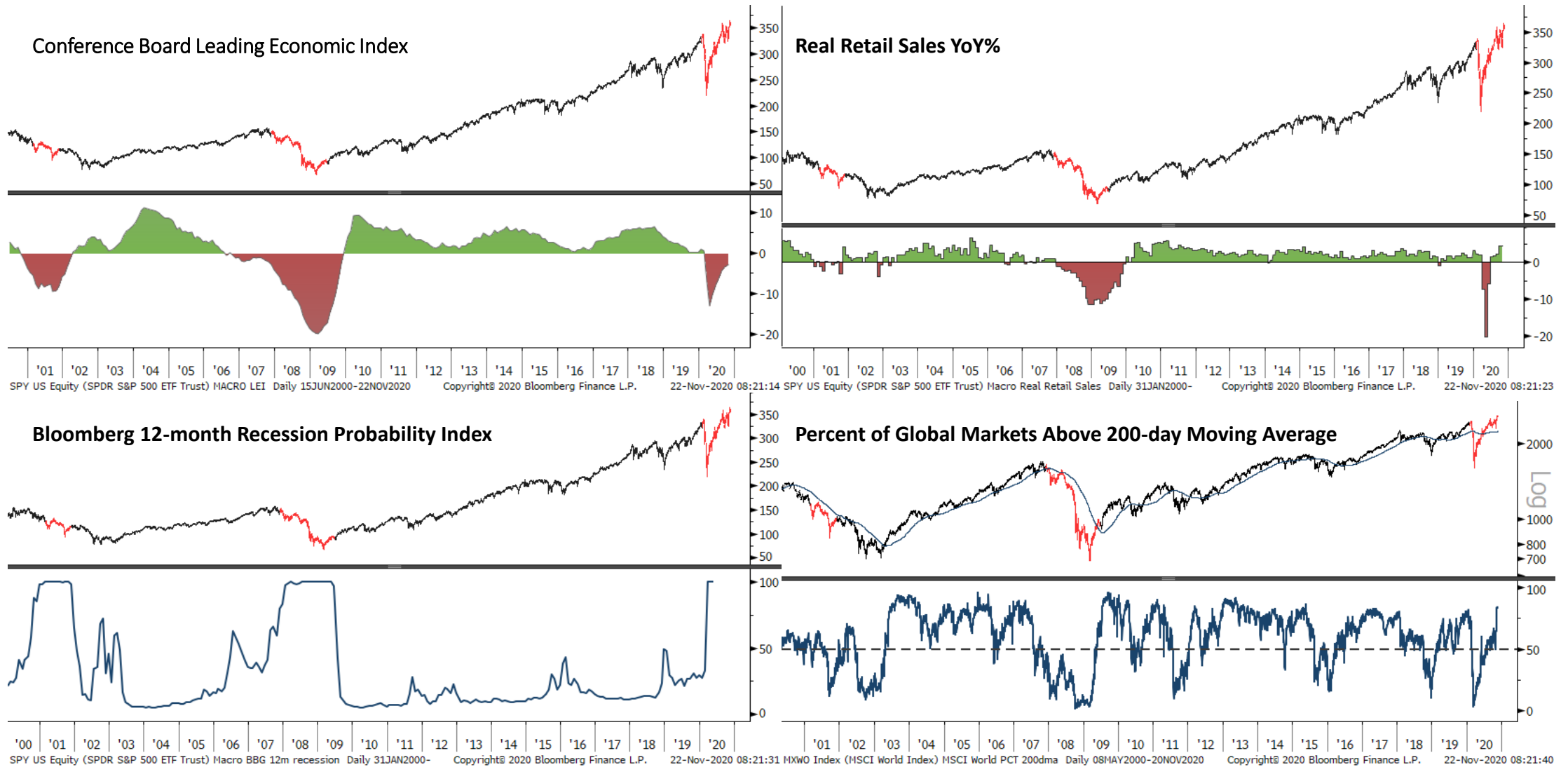
Breadth



Liquidity



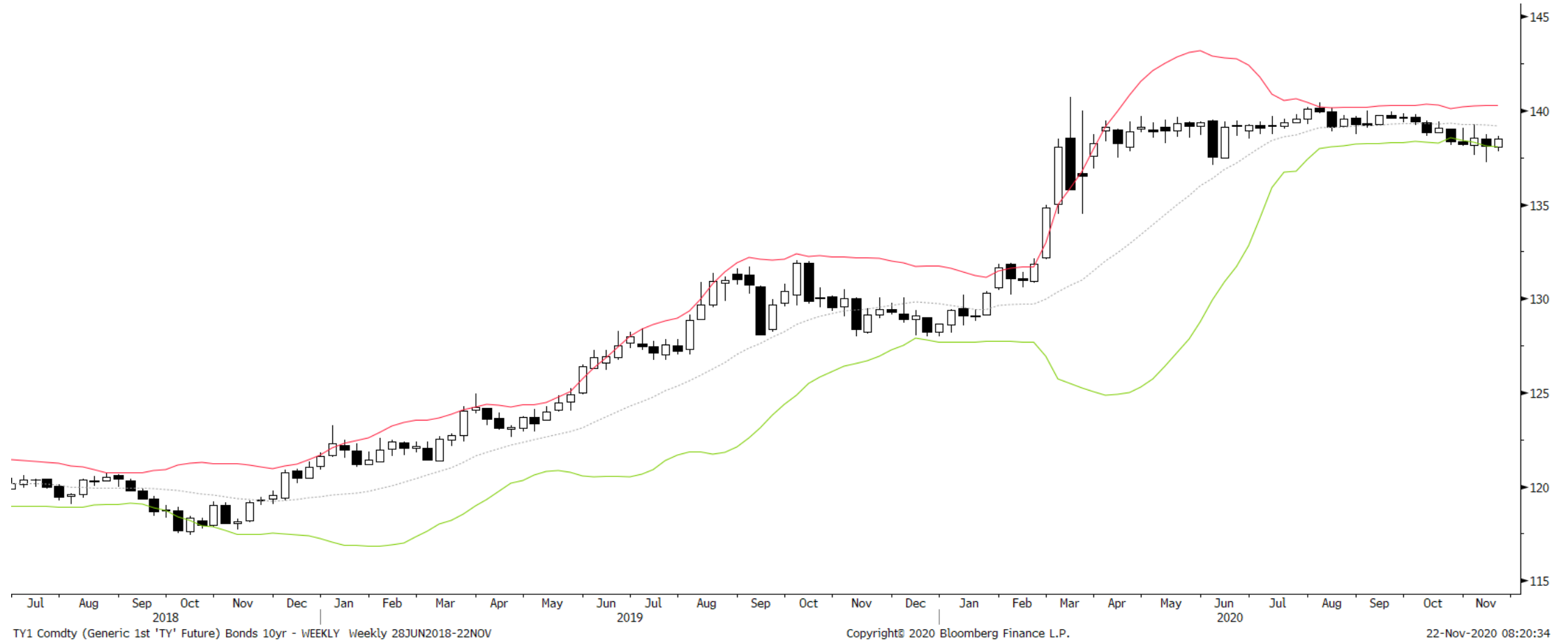
Macro



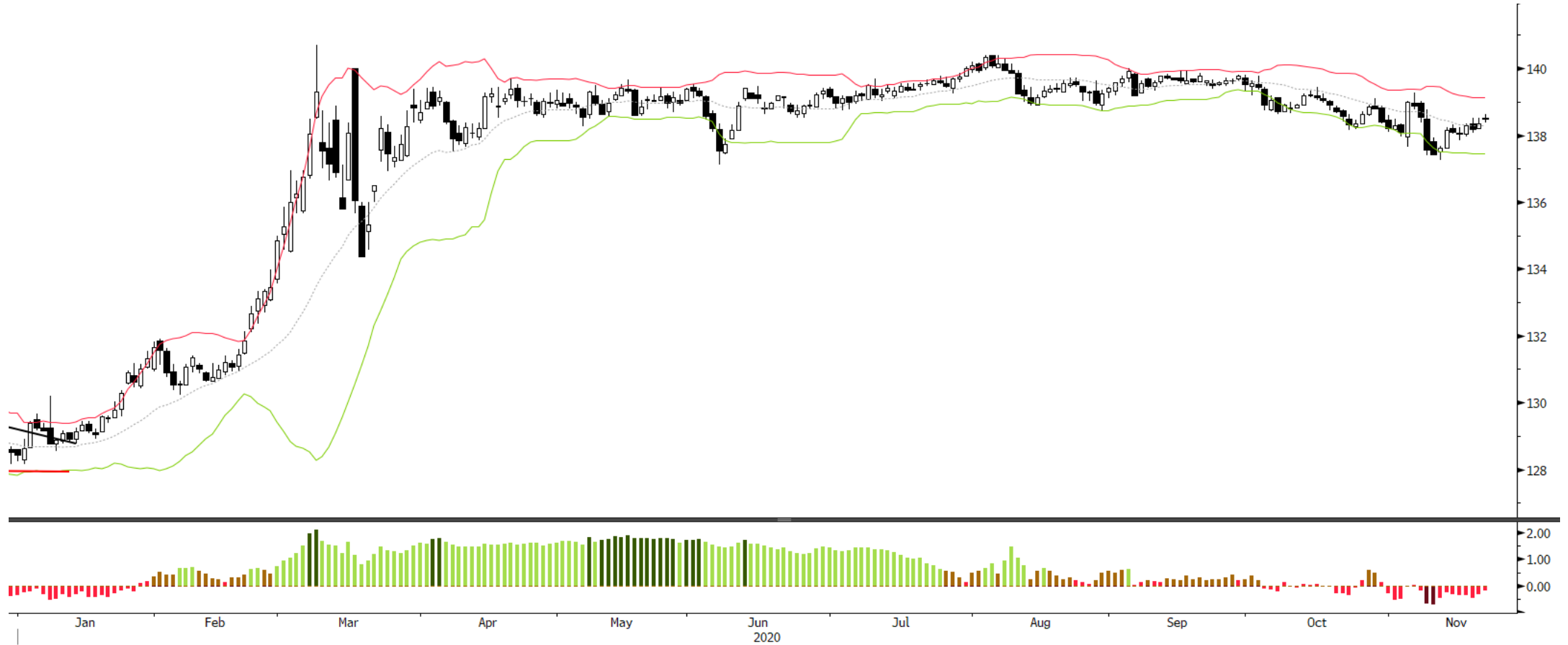
Bonds: 10-year Futures Monthly



Bonds: 10-year Futures Weekly



Bonds: 10-year Futures Daily



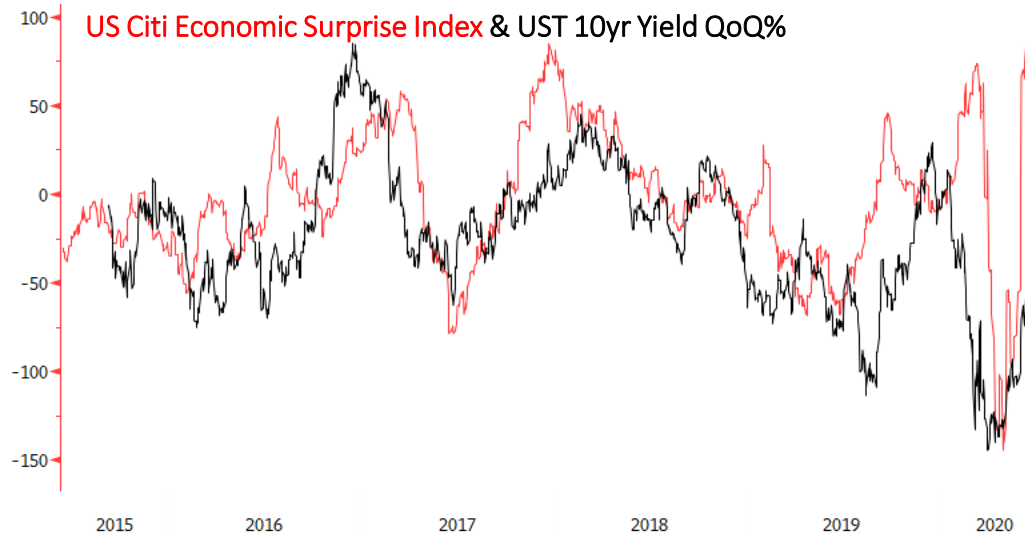
TY1 Comdty (Generic 1st 'TY' Future) Bonds 10yr - DAILY Daily 30DEC2019-22NOV20

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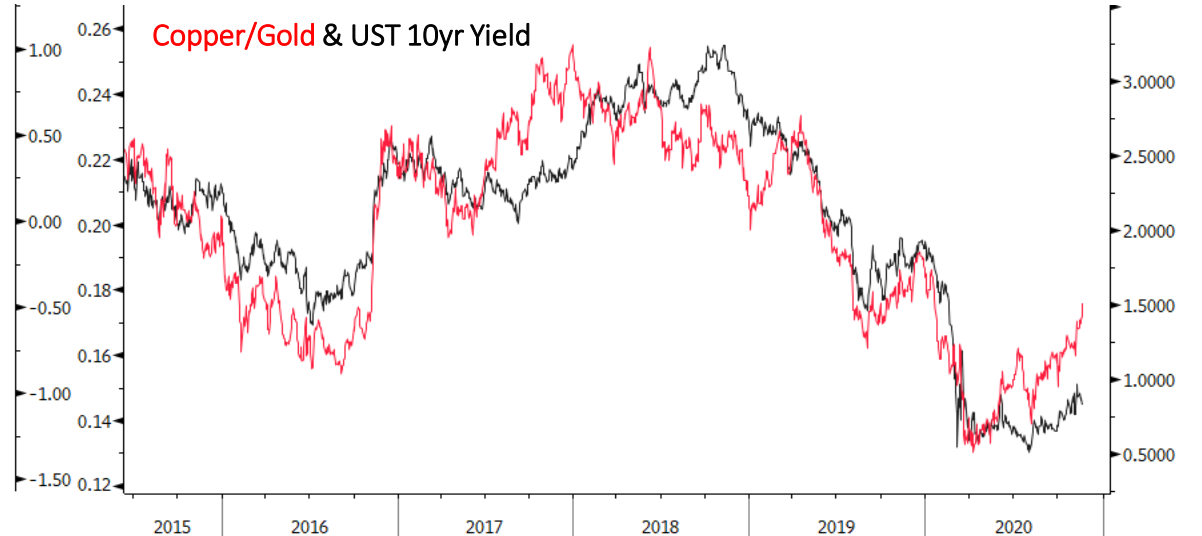
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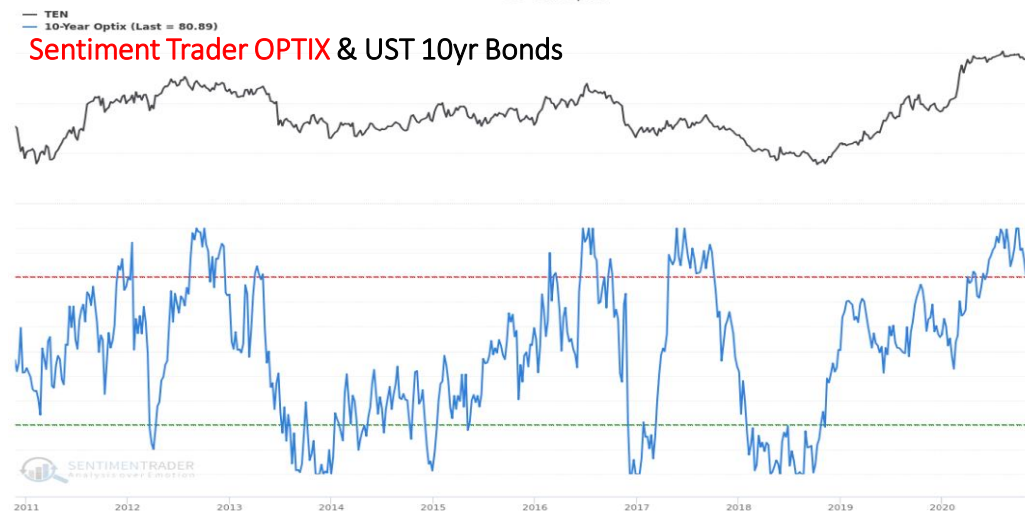
Bond/Yield Indicators



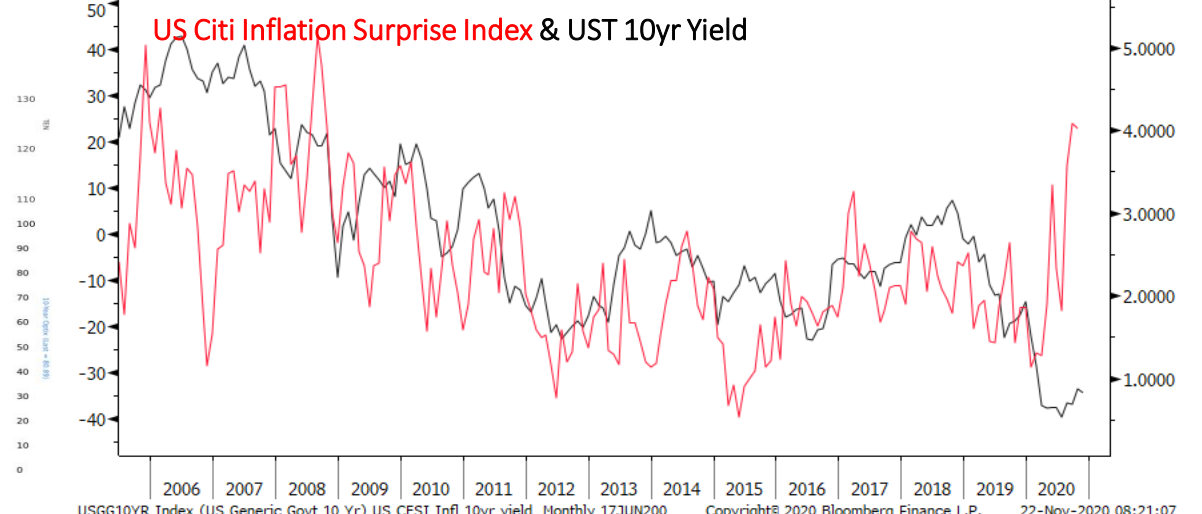
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22-Nov-2020 08:20:50 HG1 Comdty (Generic 1st 'HG' Future) WHITE GOLD/COPPER R. Daily 15JUN2015-22NO Copyright © 2020 Bloomberg Finance L.P. 22-Nov-2020 08:20:59



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USGG10YR Index (US Generic Govt 10 Yr) US CESI Infl 10yr yield Monthly 17JUN200 Copyright © 2020 Bloomberg Finance L.P. 22-Nov-2020 08:21:07

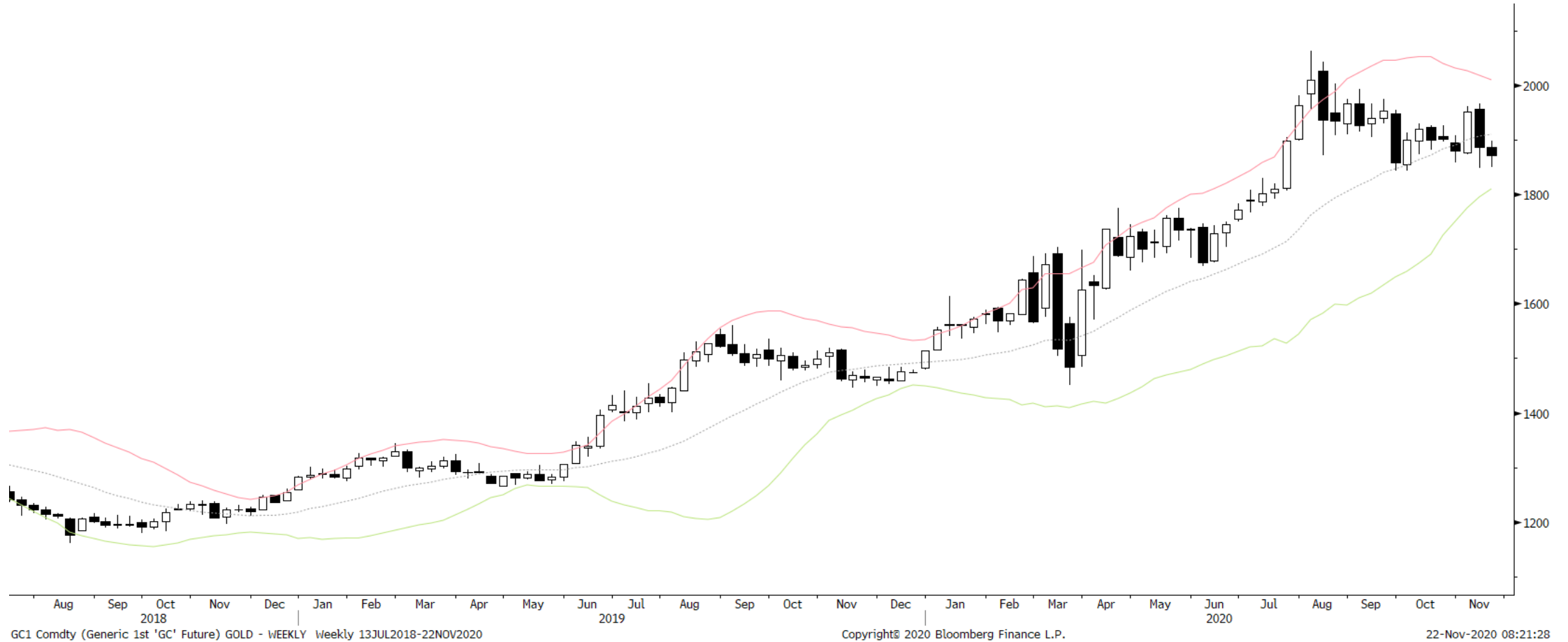
Gold Monthly



Gold is coiling tight in a wedge pattern. Compression like this tends to precede large expansionary moves (trends). Gold is in a primary uptrend and therefore the long-term path of least resistance remains up, but **the intermediate picture remains mixed**



Gold Weekly



Gold Daily



Gold remains in a corrective move in a longer-term uptrend. Expect this sideways/down phase to continue until there's a confirmed breakout/thrust. **A close below the 1,850 level would open it up to more downside follow-through**



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 23SEP2019-22NOV2020

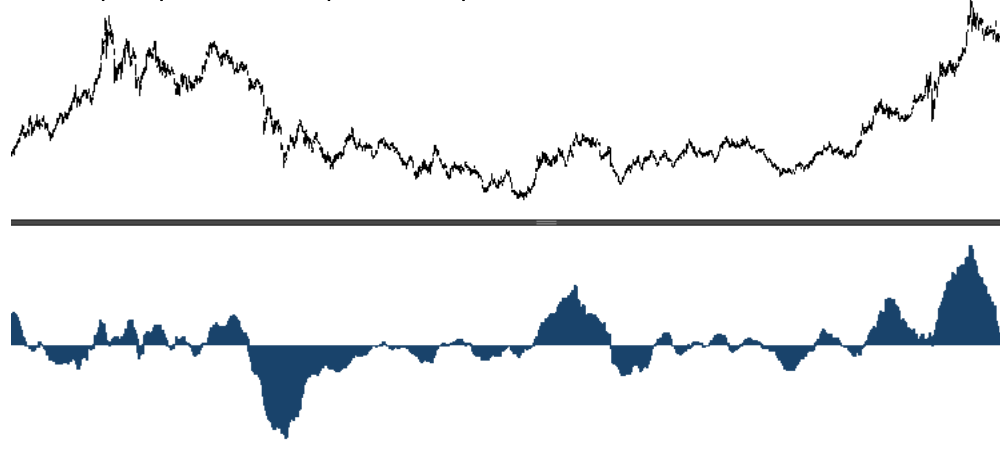
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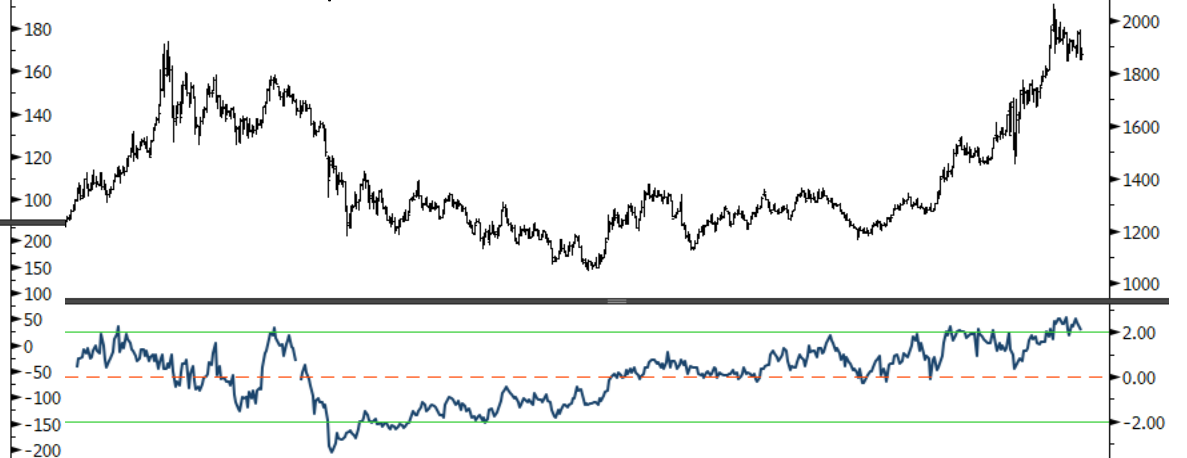
Gold Indicators

Gold (GLD) Fund Flows (smoothed)



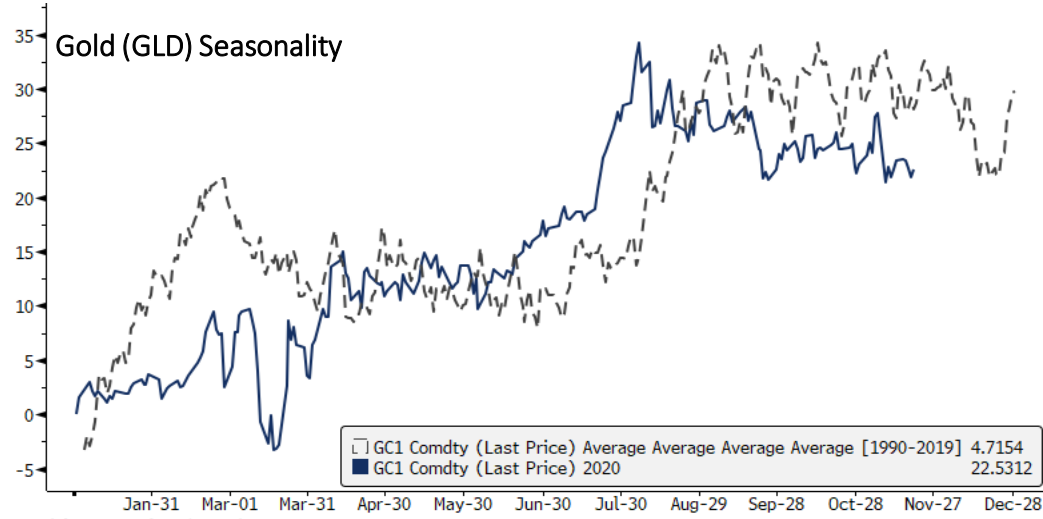
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2010-22NOV2 Copyright© 2020 Bloomberg Finance L.P. 22-Nov-2020 08:20:44

Gold Net Small Specs Z-score



GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 25AUG2010-22 Copyright© 2020 Bloomberg Finance L.P. 22-Nov-2020 08:21:46

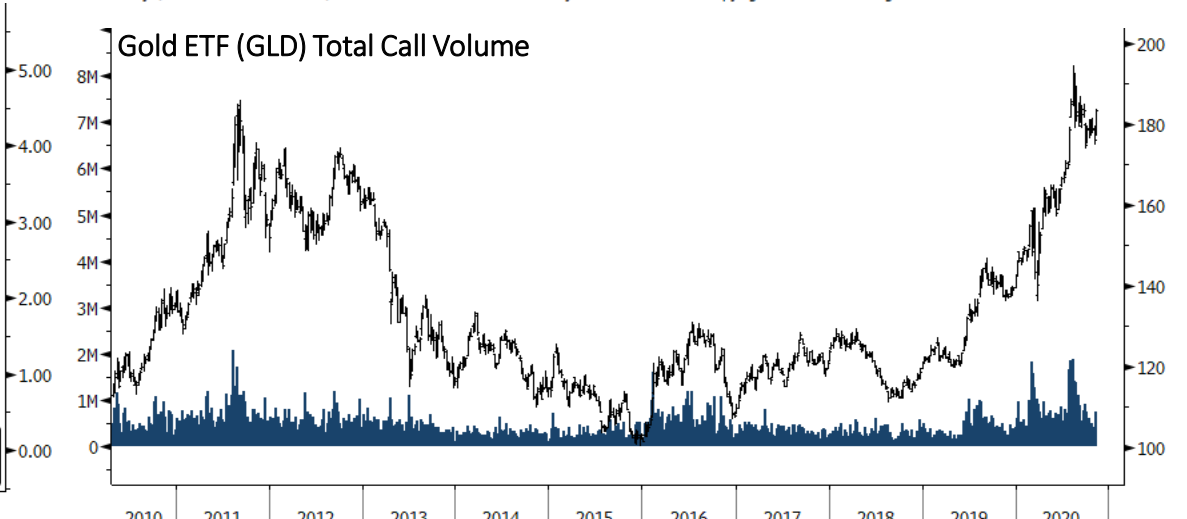
Gold (GLD) Seasonality



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GC1 Comdty (Last Price) Average Average Average Average [1990-2019] 4.7154
GC1 Comdty (Last Price) 2020 22.5312

Gold ETF (GLD) Total Call Volume



GLD US Equity (SPDR Gold Shares) Total Call Buying - GLD Weekly 30APR2010-07NOV Copyright© 2020 Bloomberg Finance L.P. 22-Nov-2020 08:20:34

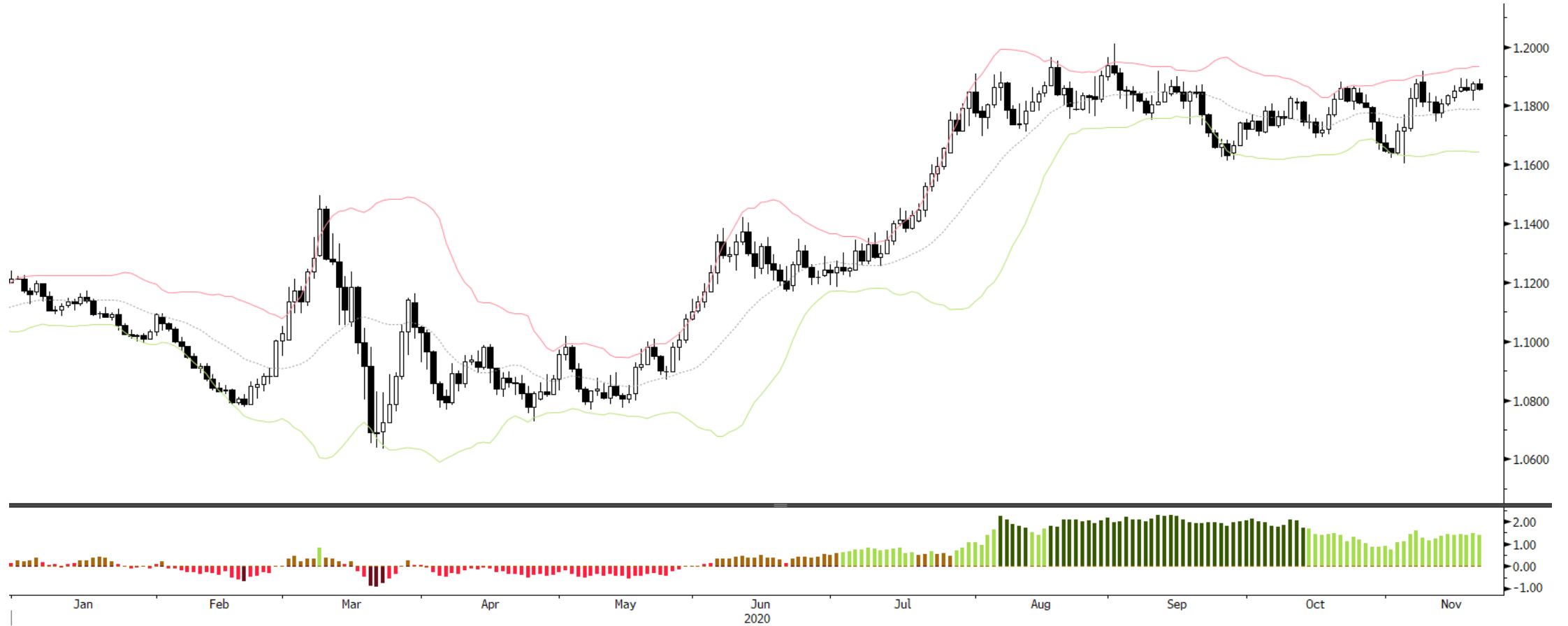
EURUSD Monthly



EURUSD Weekly



EURUSD Daily



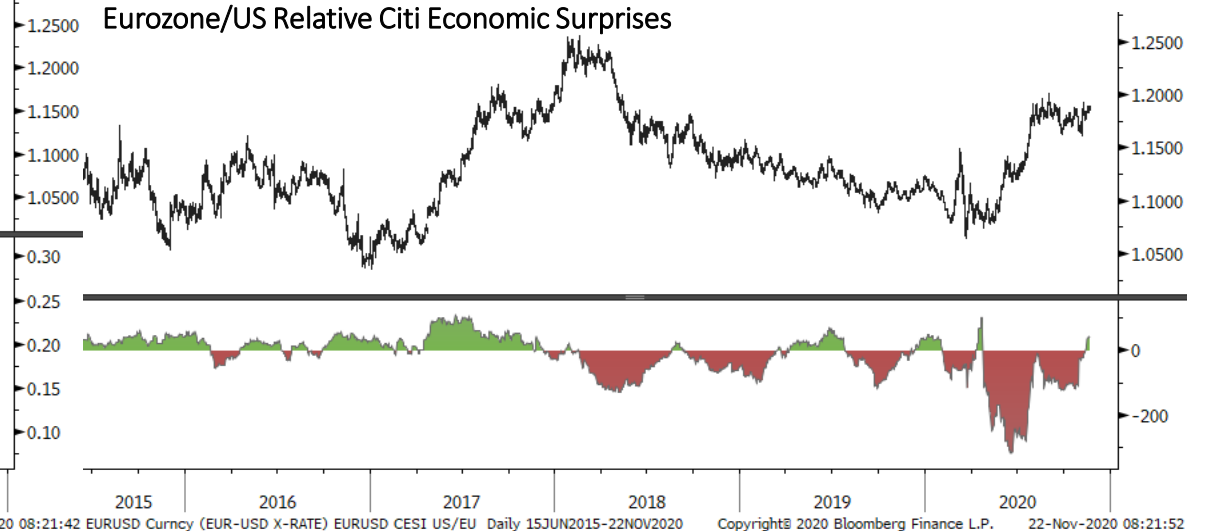
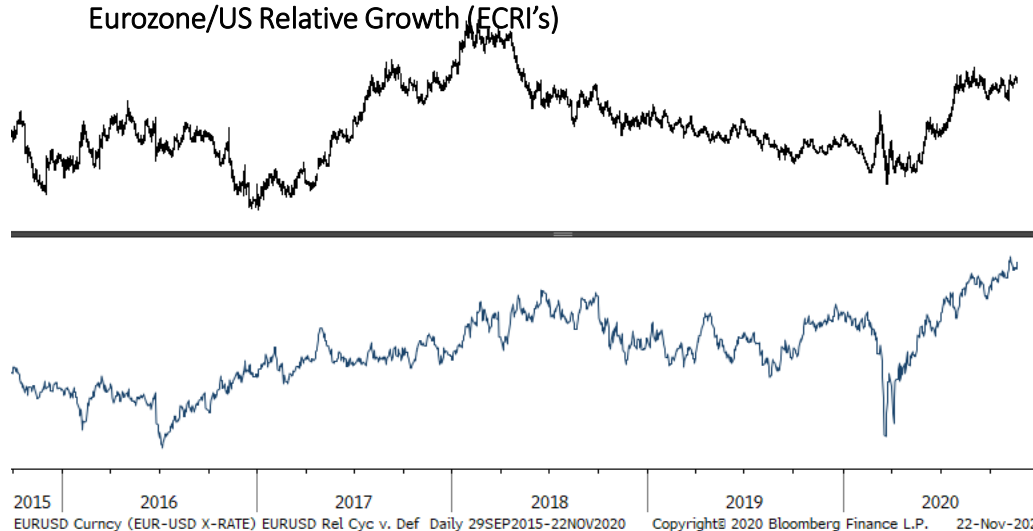
EURUSD Curncy (EUR-USD X-RATE) EURUSD - DAILY Daily 31DEC2019-22NOV2020

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EURUSD Indicators



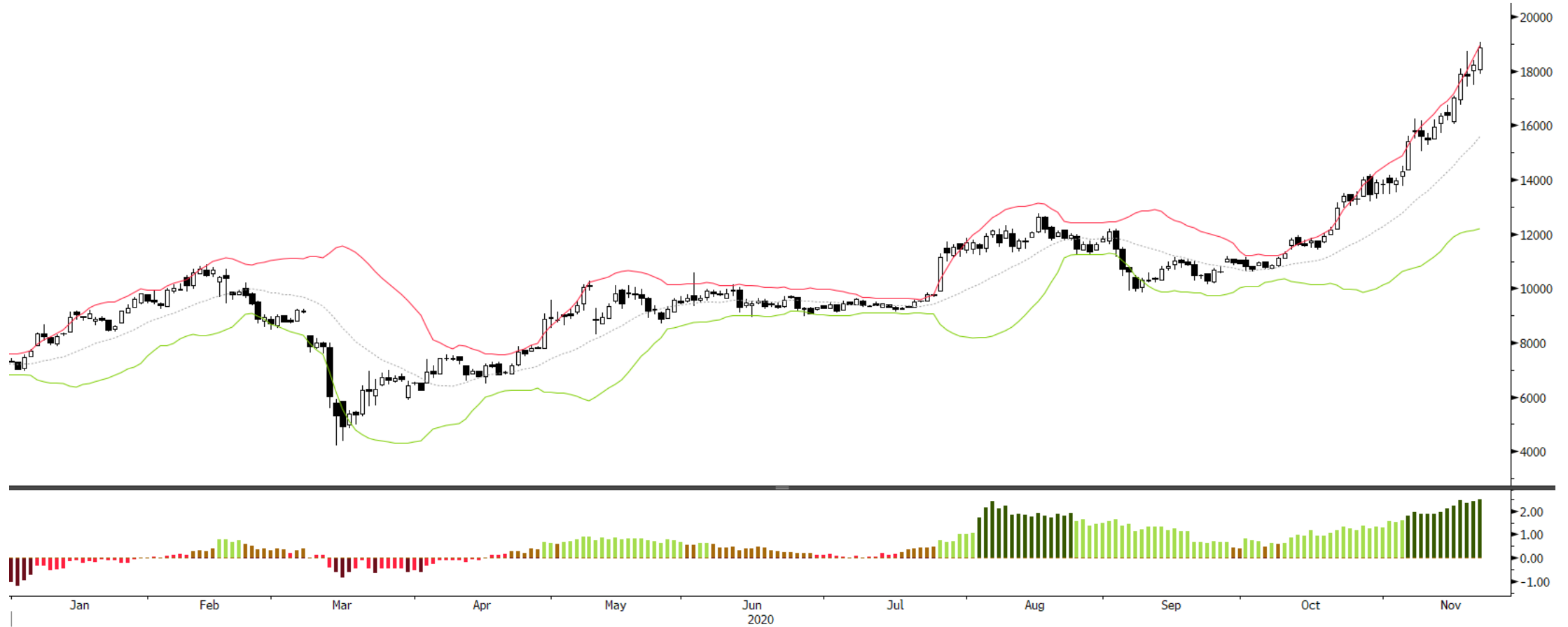
Bitcoin Weekly

Bitcoin is in a primary bull trend and a Bull Volatile Regime.

Rising GBTC Fund Assets, Active BTC Addresses, and Open Interest show increasing broad-based adoption which bodes well for the long-term bullish trend. Bitcoin is in a buy climax and buy climaxes tend to last longer than most expect. The trend is extended and the SQN is in a Bull Volatile regime, which means we should expect some vol and a pullback soon. We'll add on pullbacks



Bitcoin Daily

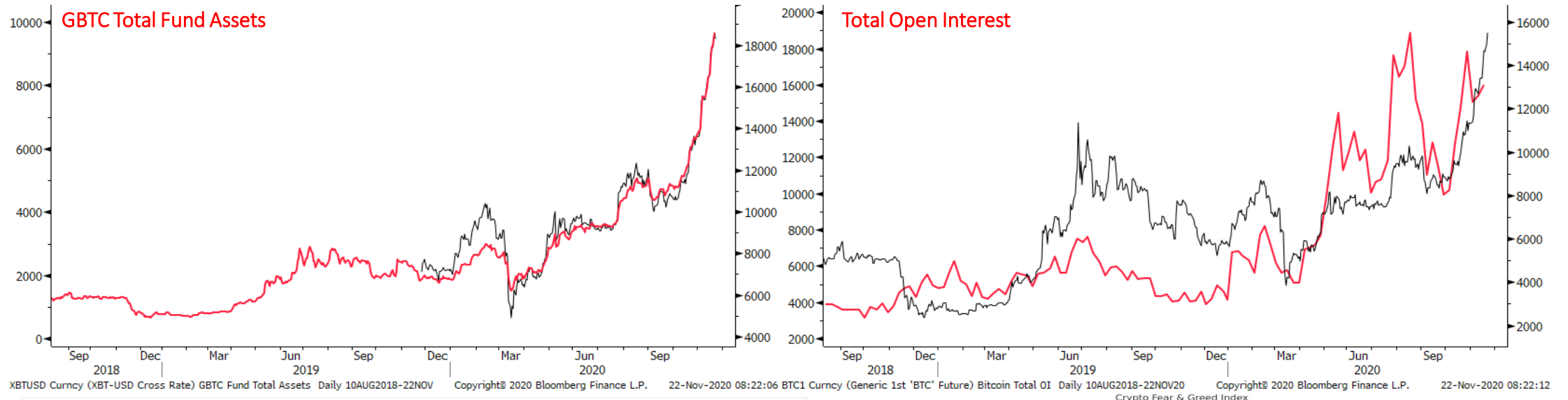


BTC1 Curncy (Generic 1st 'BTC' Future) bitcoin Daily Daily 31DEC2019-22NOV2020

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Bitcoin Indicators



The Four Pillars Portfolio

YTD Return (updated 11/21)

35.1%

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)	25%

Big Bets

	Thematic	Cost Basis	At Risk	Risk Point	Last Price	Last Action
Interactive Brokers (IBKR)	Value/Technical	\$47.39	B/E	\$41.14	\$52.98	
Ammo, Inc (POWW)	Value/Growth	\$2.30	186bps	\$0.96	\$2.29	10/22/20 Added to position
Enlabs (NLAB)	Secular Growth	\$27.25	B/E	\$28.25	\$38.40	9/17/20 Added to position
Red Violet (RDVT)	Secular Growth	\$17.85	36bps	\$17.21	\$22.43	
Frontdoor (FTDR)	Secular Growth	\$44.22	130bps	\$38.39	\$46.21	
Nintendo (NTDOY)	Secular Growth	\$62.71	100bps	\$54.60	\$66.32	11/13/20 Added to position
Cardlytics (CDLX)	Secular Growth	\$86.07	260bps	\$60.50	\$119.33	11/5/20 Added to position
Roku (ROKU)	Secular Growth	\$192.68	32bps	\$162.29	\$263.14	11/19/20 Added to position
Murata Manufacturing (6981)	Secular Growth	¥7,606	100bps	¥6,666	¥8,282	
Jumbo Interactive (JIN)	Secular Growth	\$9.47	100bps	\$10.60	\$13.84	
FairFax India (FIH.U)	Cyclical Recovery	\$8.80	100bps	\$6.70	\$9.42	
Tencent Music (TME)	Technical Trade	\$16.32	50bps	\$15.30	\$16.73	
Micron Technology (MU)	Secular Growth	\$54.70	100bps	\$55.16	\$61.40	11/5/20 Added to position
Micron Technology (MU) Jan 22' \$100 calls	DOTM	\$1.38	100bps	N/A	\$2.40	
Greyscale Bitcoin Trust (GBTC)	Secular Thematic	\$11.90	B/E	\$12.66	\$21.24	