



# 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

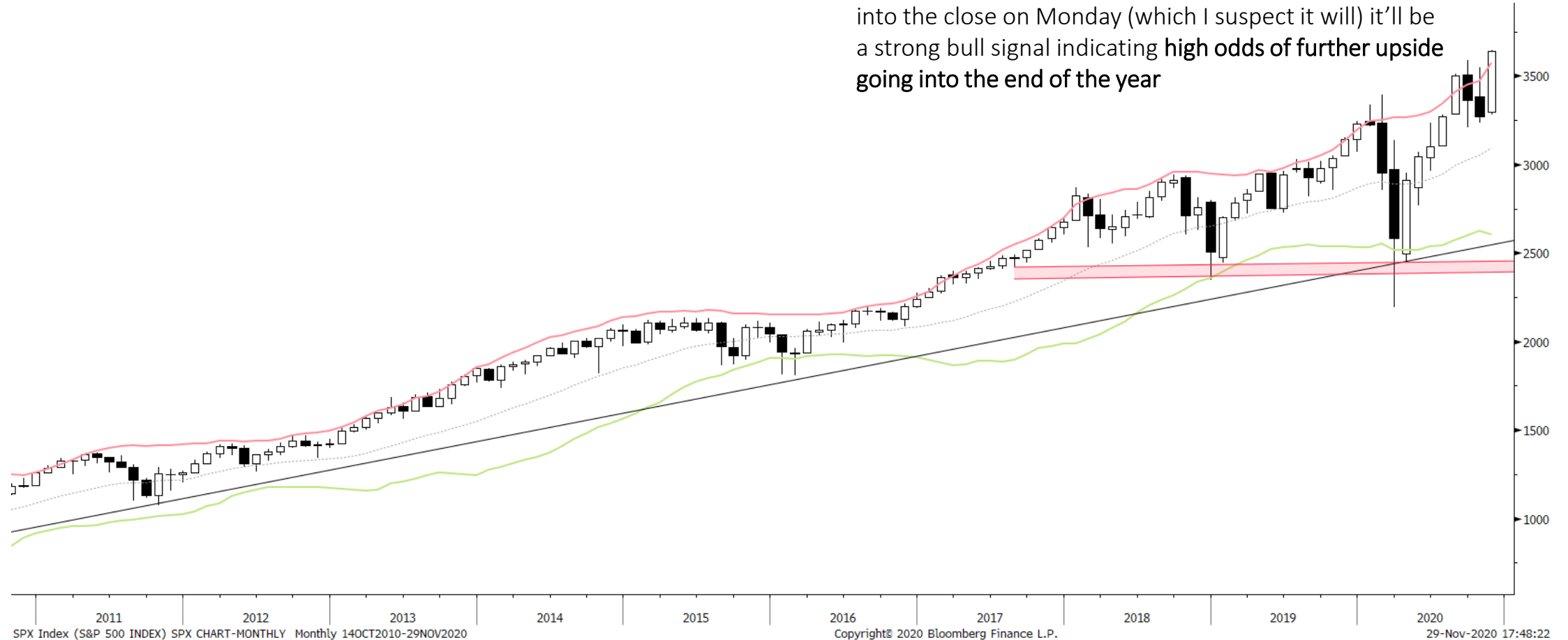


S&P 500	UST 10yr Bonds	Gold	EURUSD
<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> We now have an ioi pattern on the monthly chart for the Aug through Oct bars, plus an Outside Up bar so far for Nov. If November holds strong into the close Monday, it'll put the odds strongly in favor of further upside follow-through.</li><li>➤ <b>Sentiment/Positioning:</b> <u>Sentiment is at a bullish consensus and is feeding into positioning. This raises trend fragility though positioning is not yet near levels that precede larger selloffs</u></li><li>➤ <b>Breadth:</b> Short-term breadth is positive. Longer-term breadth is supportive of the bull trend</li><li>➤ <b>Macro/Liquidity:</b> Macro conditions continue to improve, and liquidity is flush though another wave of COVID and lockdowns could materially change this backdrop</li><li>➤ <b>Short-term:</b> <u>SPX has broken out of a 4-month range while in a Bull Quiet regime with a TL Score of +2. Odds favor a continuation of the trend higher in the end of the year</u></li></ul>	<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> 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</li><li>➤ <b>Sentiment/Positioning:</b> The narrative of yield-curve control and yield suppression are consensus</li><li>➤ <b>Bond Indicators:</b> 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</li><li>➤ <b>Short-term:</b> 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></li></ul>	<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> 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</li><li>➤ <b>Sentiment/Positioning:</b> The bullish gold narrative is consensus which raises the odds of continued volatile action. <u>Long positioning remains somewhat crowded</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 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 up but we need a confirmed breakout from its current corrective move first. Until then, expect more sideways to down action. The next major level of support is in the 1,675-1,750 range</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 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> <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></li></ul>

# S&P 500 Monthly



November has formed an Outside Up bar following an inside-outside-inside (ioi) breakout pattern. If it holds into the close on Monday (which I suspect it will) it'll be a strong bull signal indicating **high odds of further upside going into the end of the year**



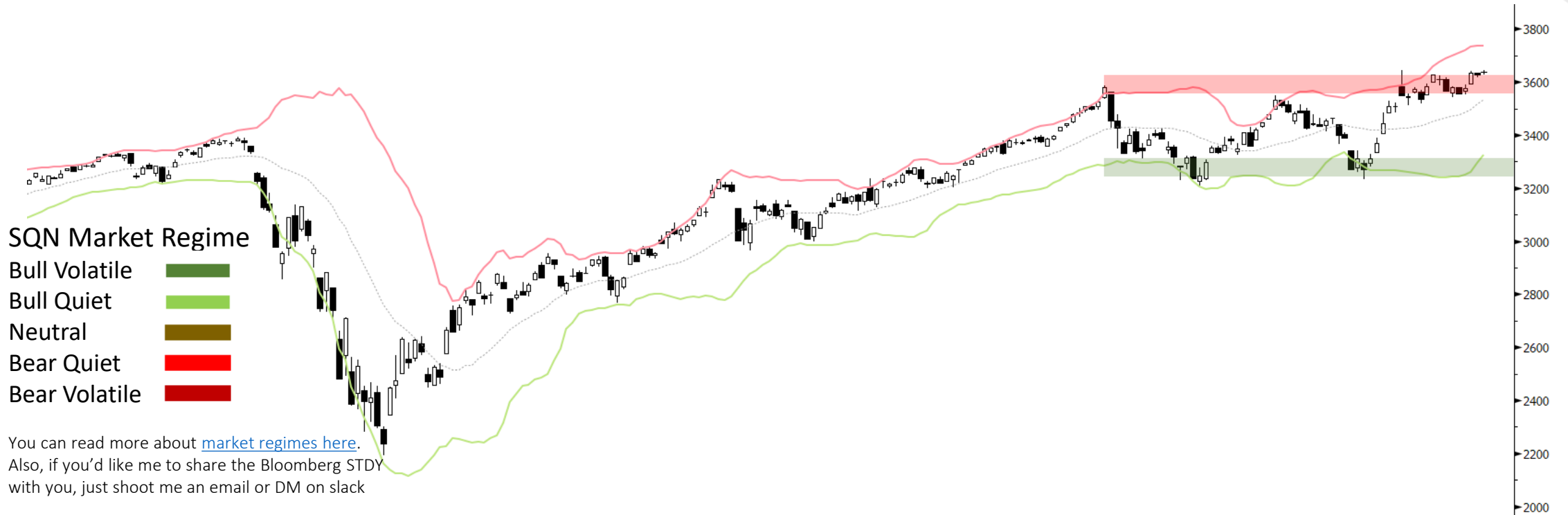
# S&P 500 Weekly



SPX has closed above the 3,600 resistance level.  
Odds strongly favor a continuation of the run higher  
into year's end



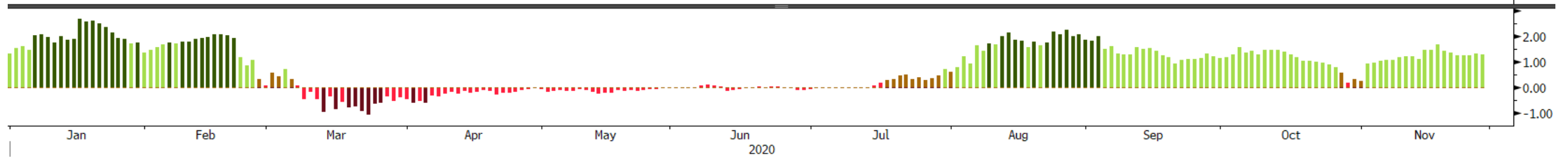
# S&P 500 Daily



## SQN Market Regime

- Bull Volatile
- Bull Quiet
- Neutral
- Bear Quiet
- Bear Volatile

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

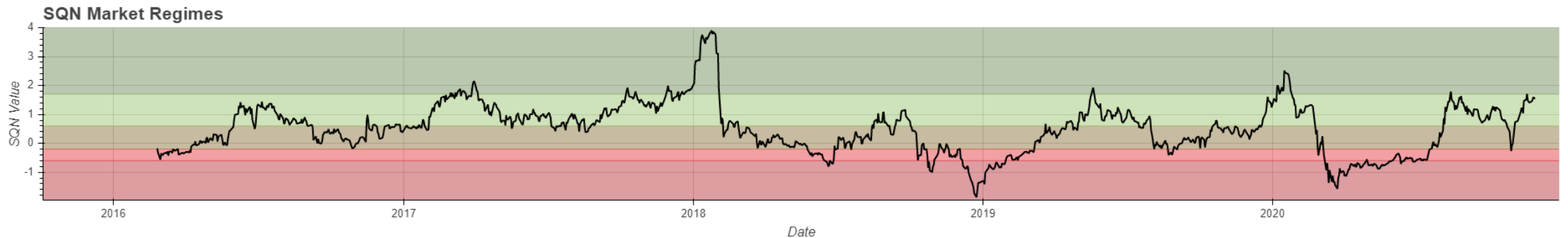
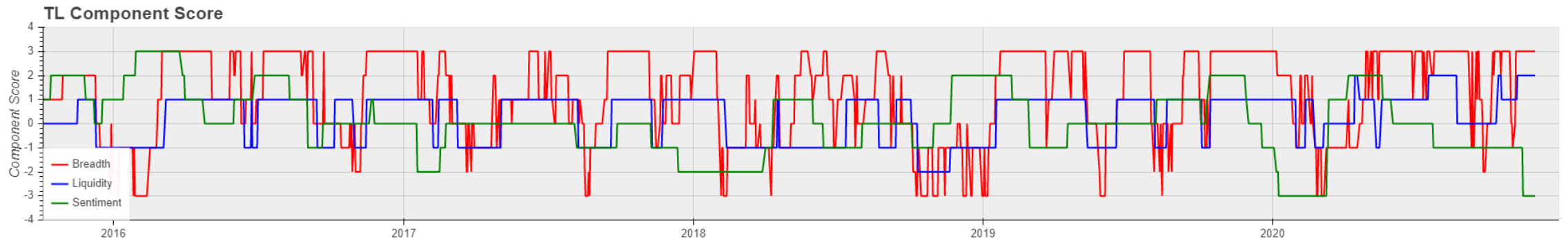
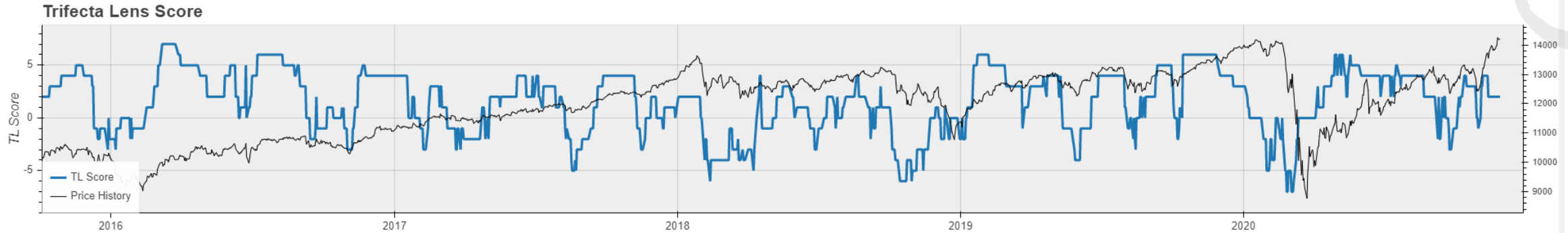


SPX Index (S&P 500 INDEX) SPX CHART-DAILY Daily 31DEC2019-29NOV2020

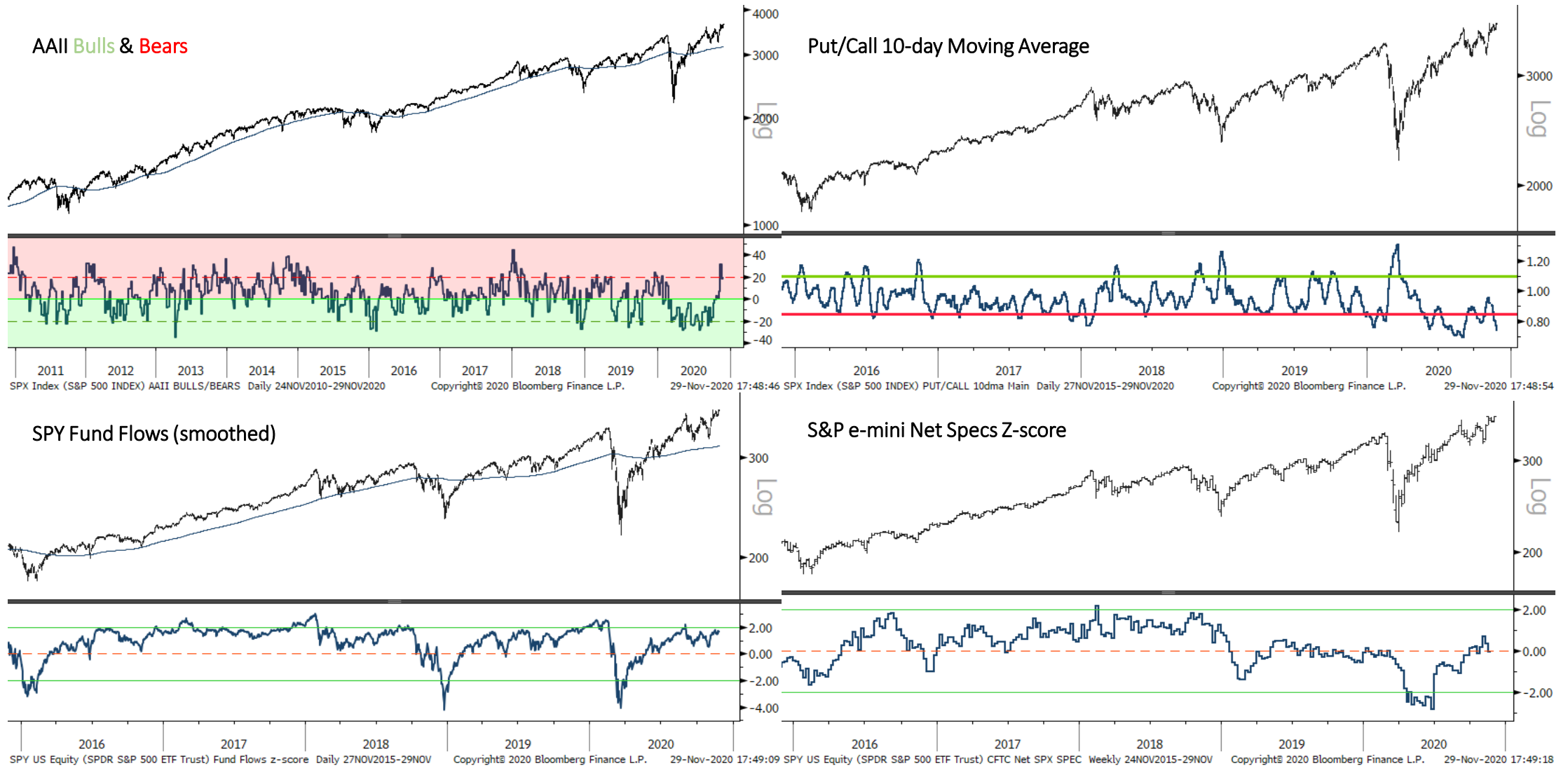
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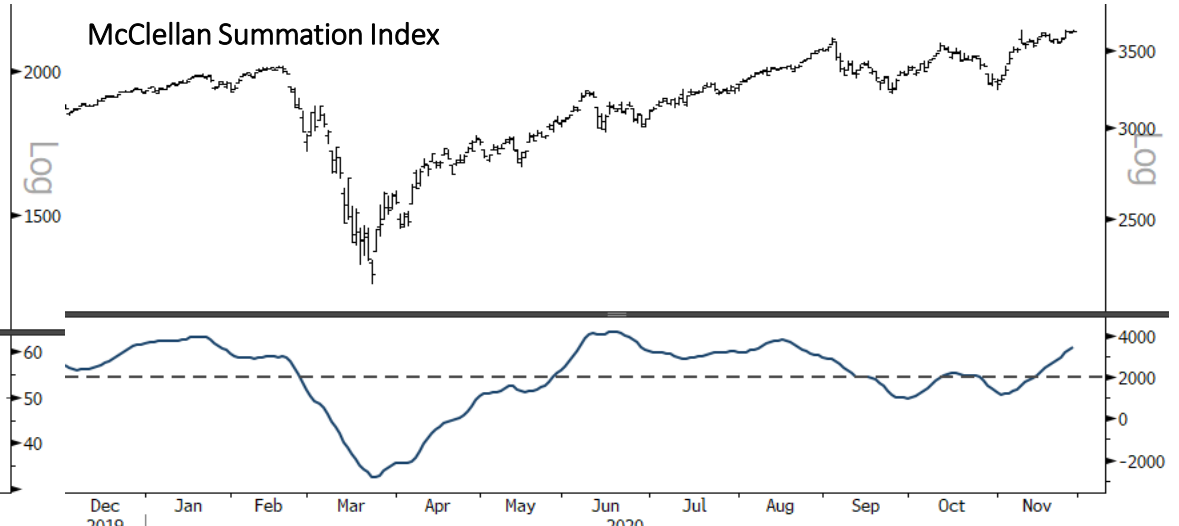
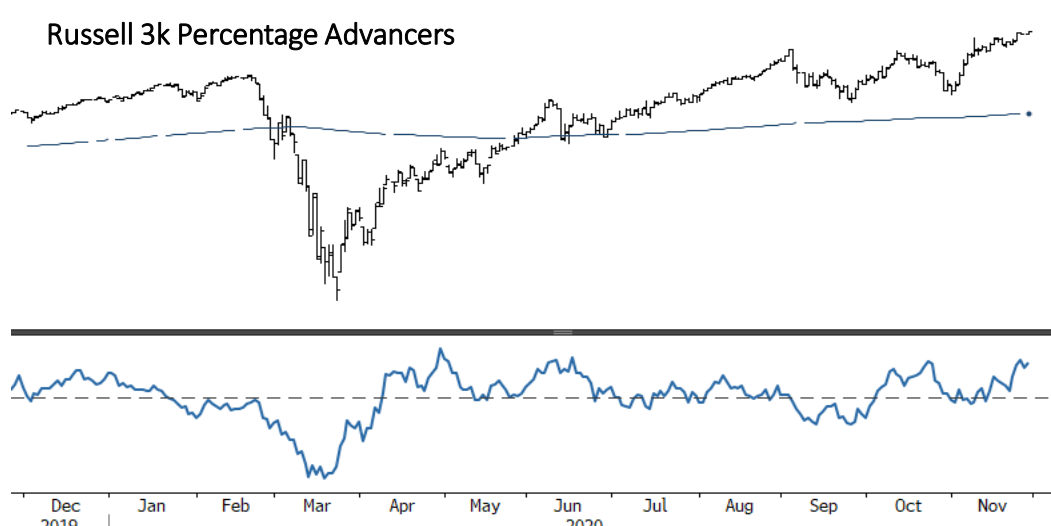
# Trifecta Lens Score: +2 (You can read more about our [Trifecta Lens here](#) and link to the [Dashboard here](#))



# Sentiment & Positioning

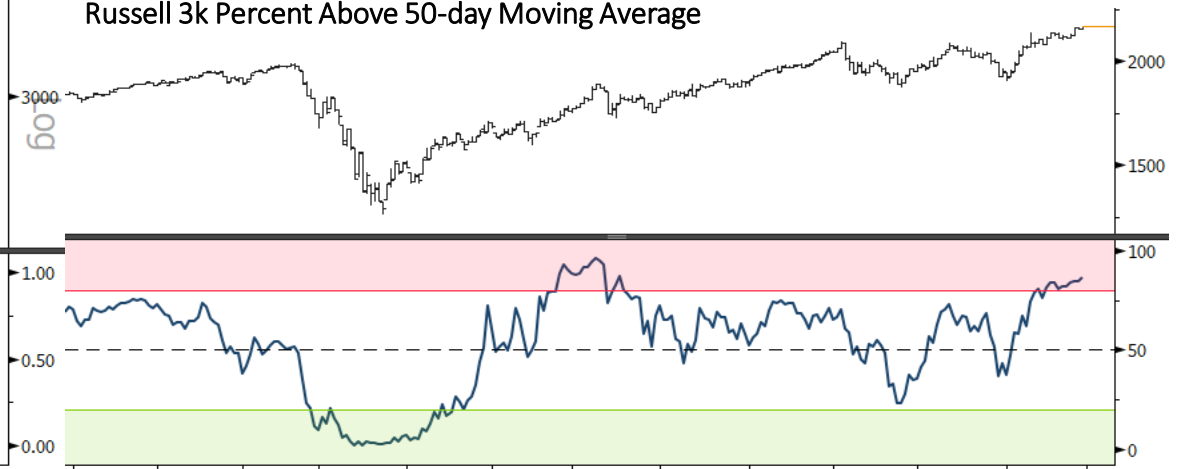
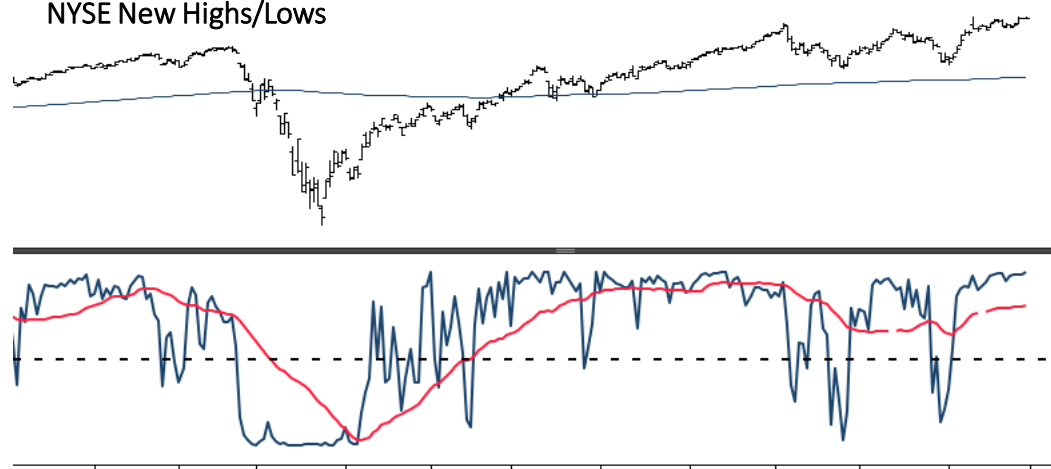


# Breadth



RAY Index (Russell 3000 Index) % of RAY Index Adv Daily 26NOV2019-29NOV2020 Copyright© 2020 Bloomberg Finance L.P. 29-Nov-2020 17:49:24

SPX Index (S&P 500 INDEX) MACRO WHITE MCCLELLAN Daily 30NOV2019-29NOV2020 Copyright© 2020 Bloomberg Finance L.P. 29-Nov-2020 17:57:56

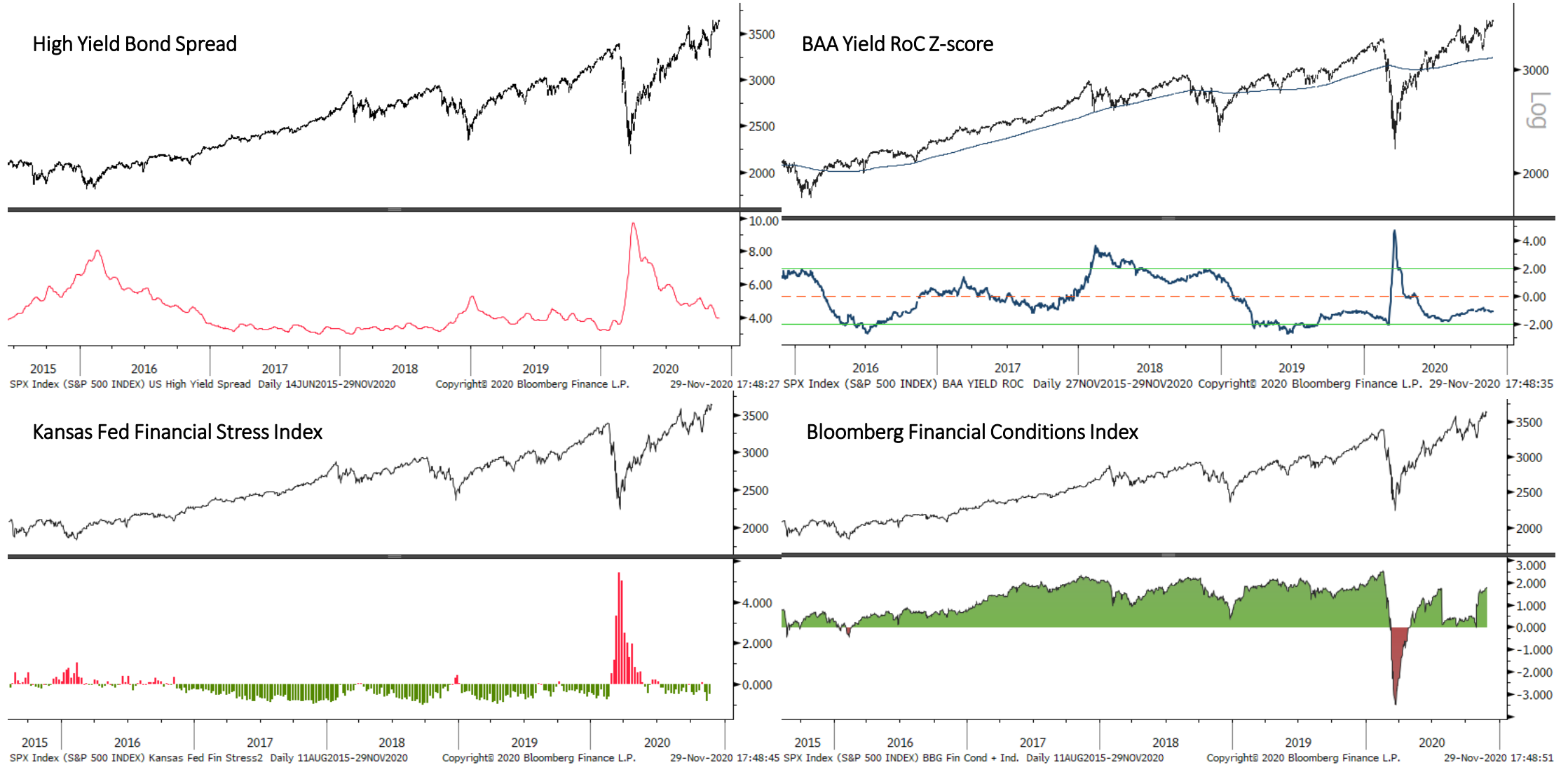


SPX Index (S&P 500 INDEX) NYSE NEW HGHS/LOW Daily 30NOV2019-29NOV2020 Copyright© 2020 Bloomberg Finance L.P. 29-Nov-2020 17:58:10

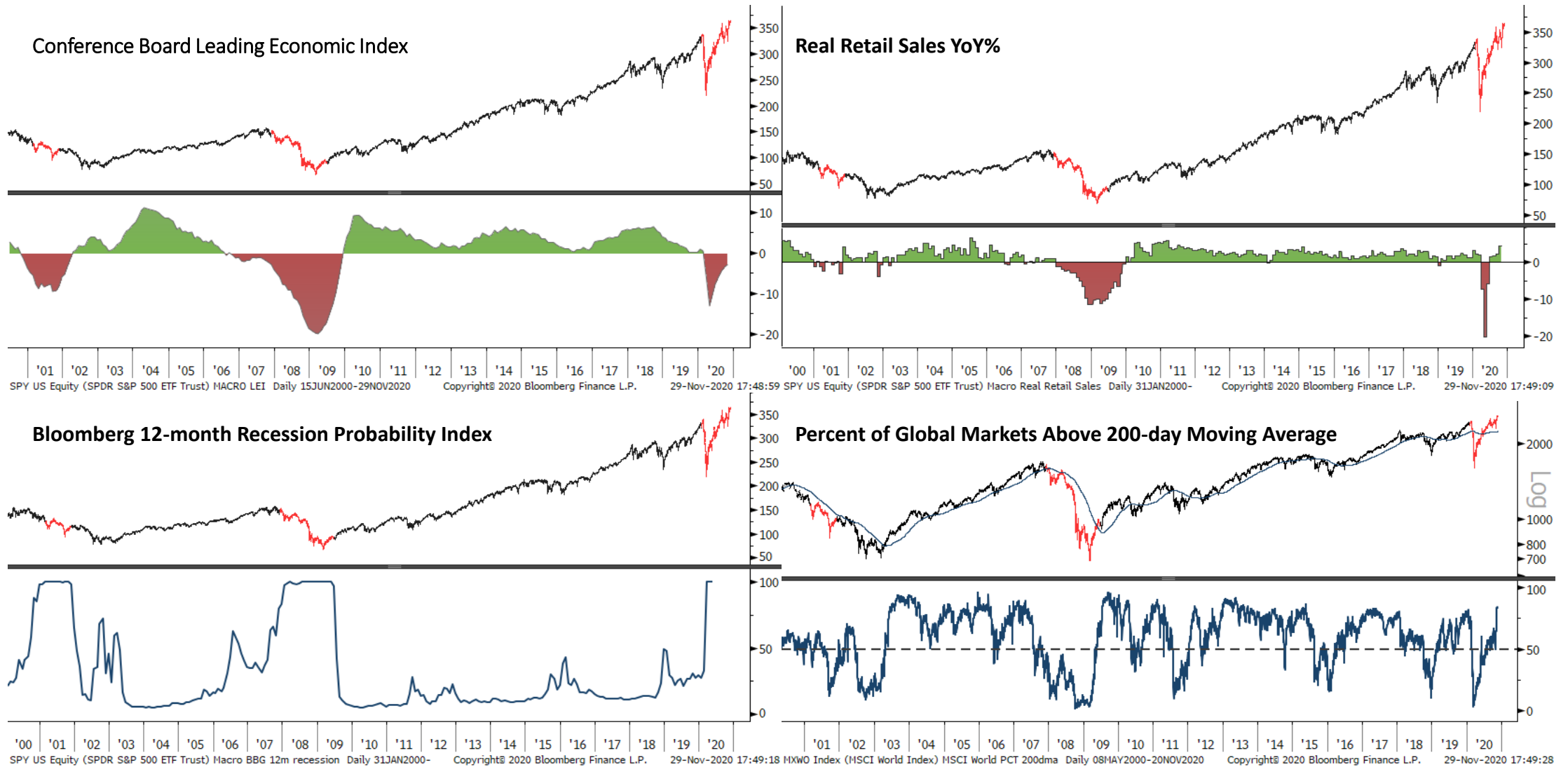
RAY Index (Russell 3000 Index) % ABOVE 50DMA Daily 26NOV2019-29NOV2020 Copyright© 2020 Bloomberg Finance L.P. 29-Nov-2020 17:48:20



# Liquidity



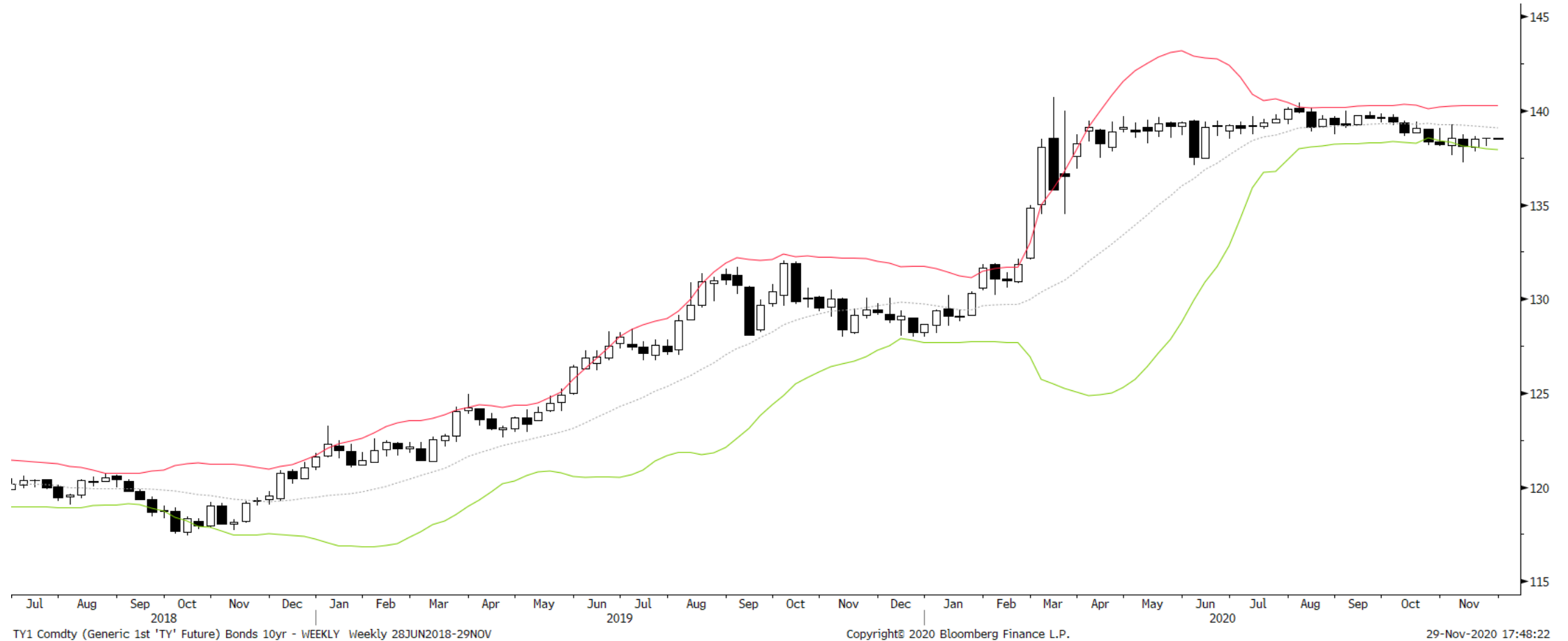
# Macro



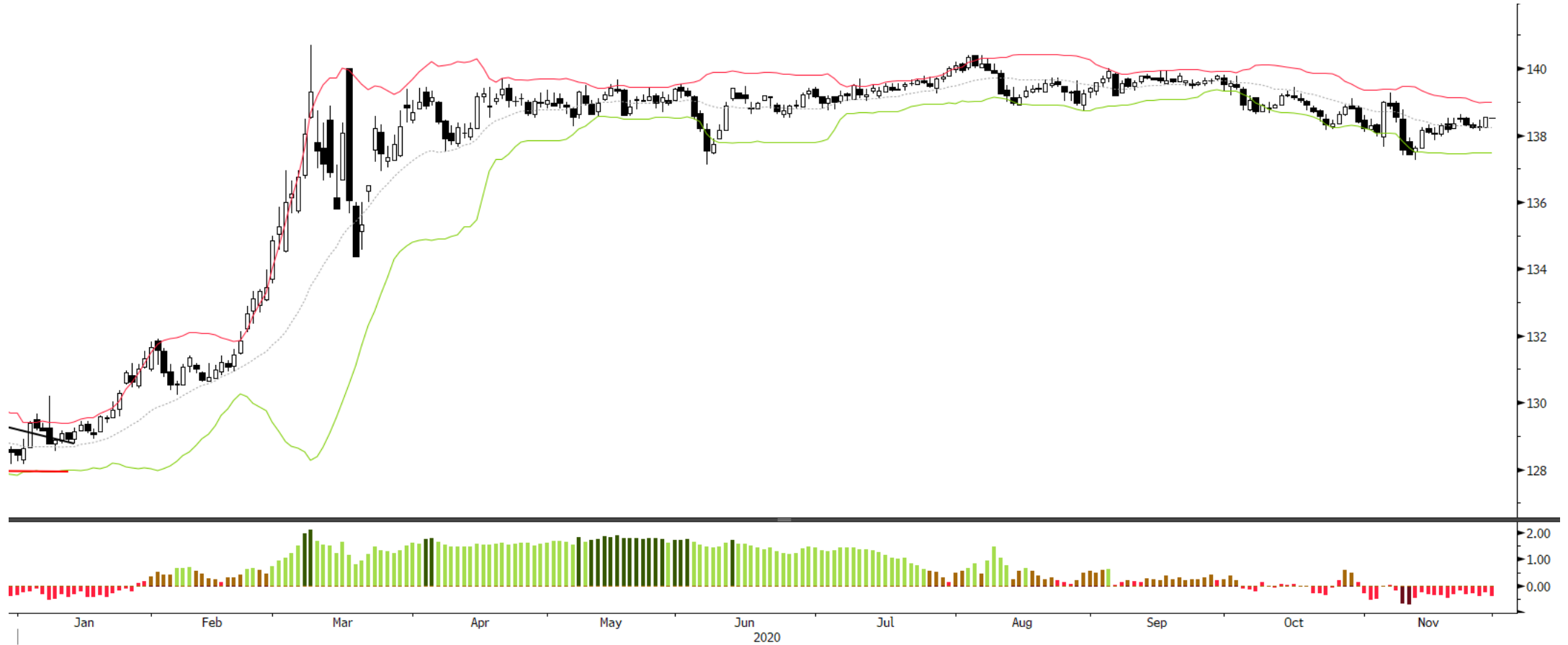
# Bonds: 10-year Futures Monthly



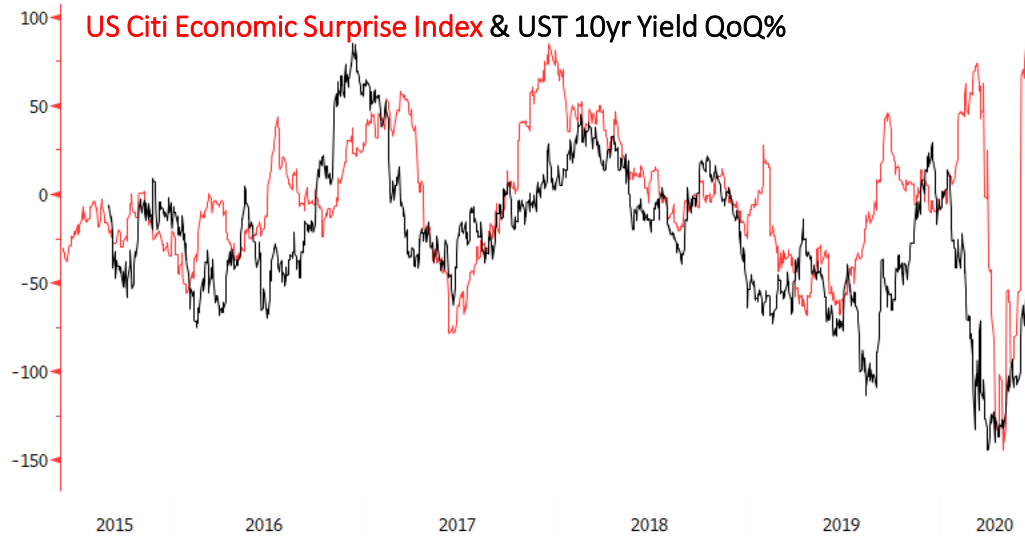
# Bonds: 10-year Futures Weekly



# Bonds: 10-year Futures Daily



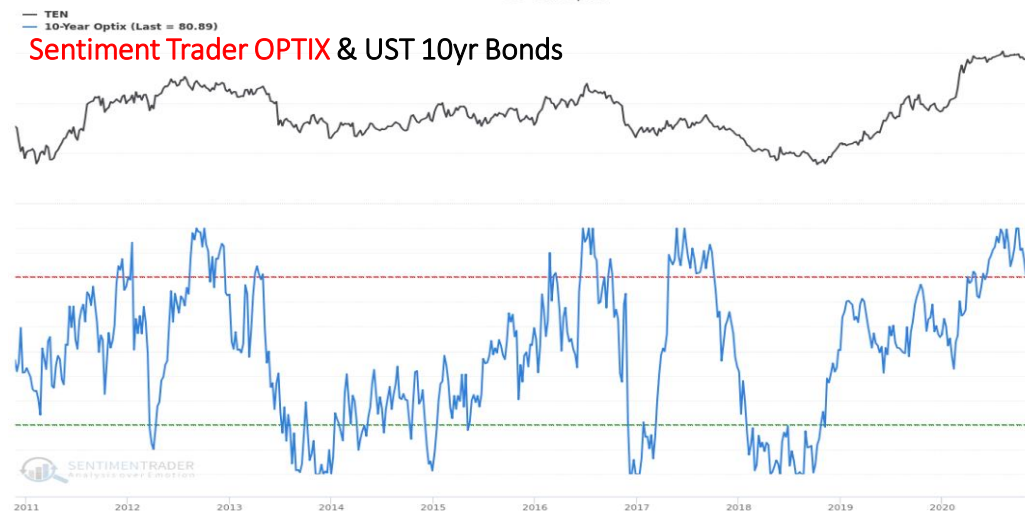
# Bond/Yield Indicators



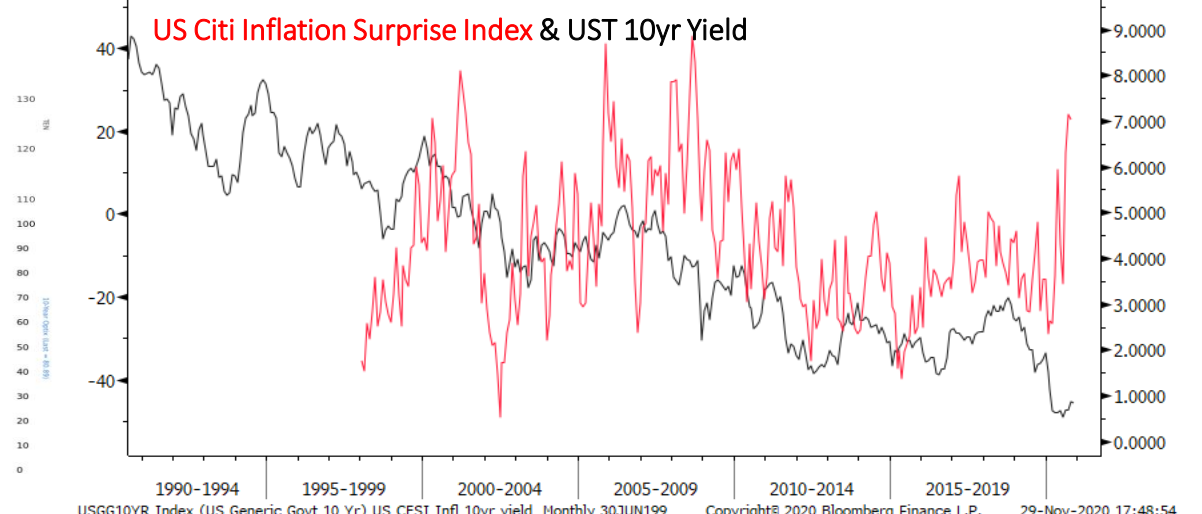
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29-Nov-2020 17:48:36 HG1 Comdty (Generic 1st 'HG' Future) WHITE GOLD/COPPER R. Daily 15JUN2015-29NO Copyright © 2020 Bloomberg Finance L.P. 29-Nov-2020 17:48:46

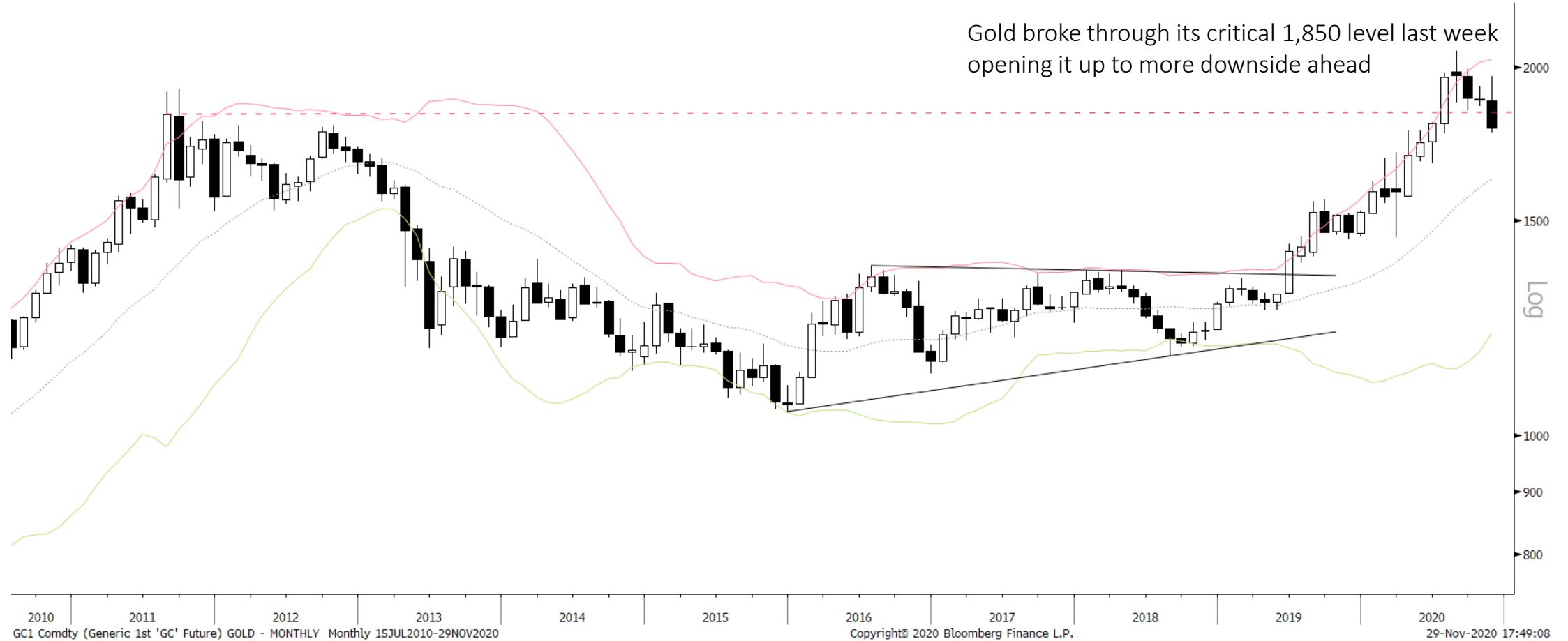


2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

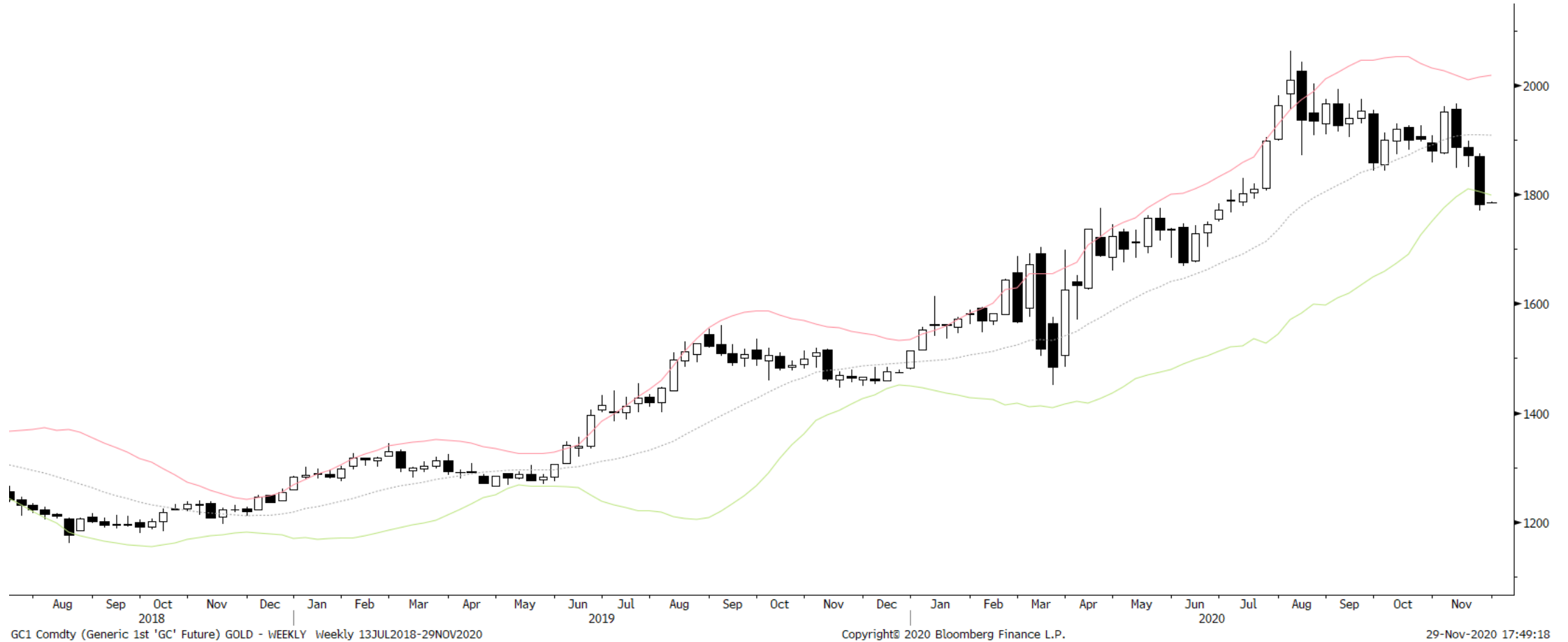


USGG10YR Index (US Generic Govt 10 Yr) US CESI Infl 10yr yield Monthly 30JUN199 Copyright © 2020 Bloomberg Finance L.P. 29-Nov-2020 17:48:54

# Gold Monthly



# 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. **It's next major level of support sits at the 1,675-1,750 range**



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 23SEP2019-29NOV2020

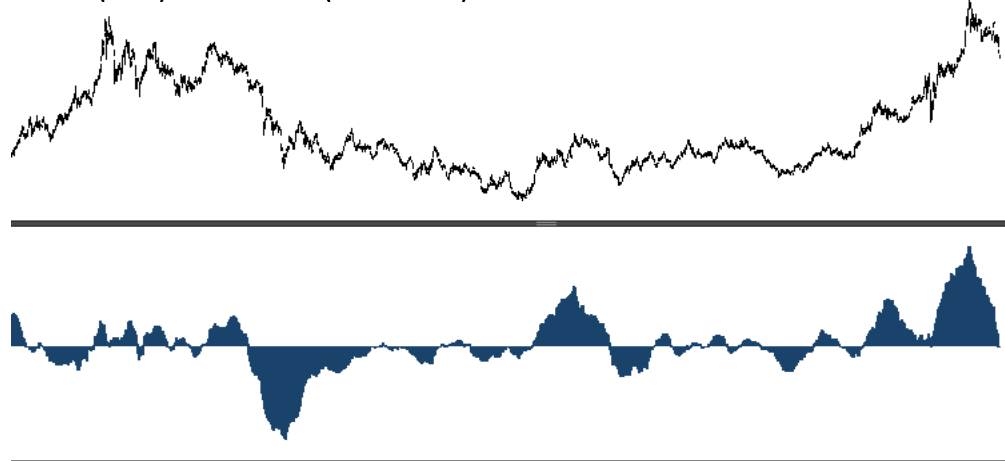
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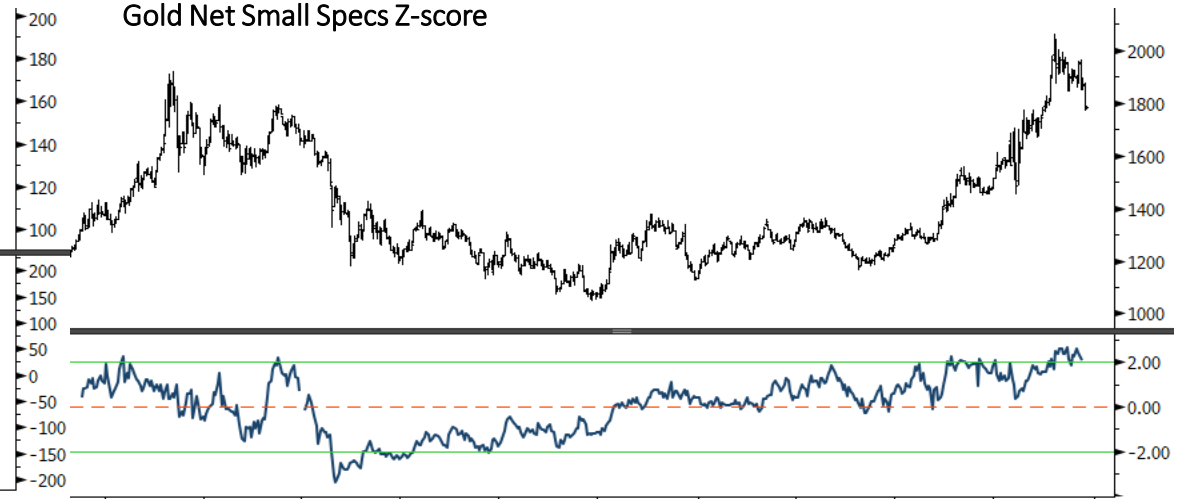
# Gold Indicators

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



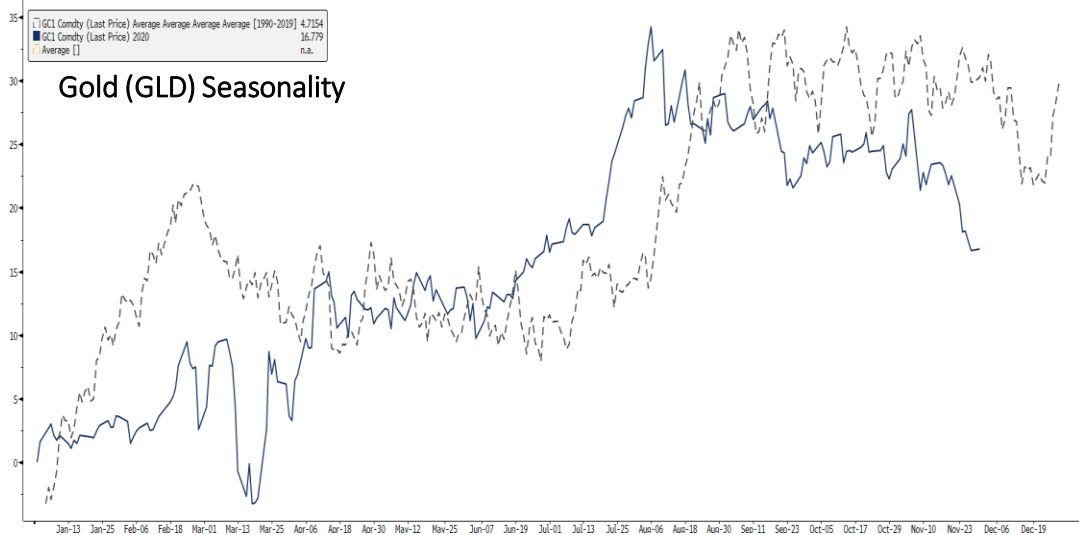
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2010-29NOV2 Copyright© 2020 Bloomberg Finance L.P. 29-Nov-2020 17:48:31

### Gold Net Small Specs Z-score

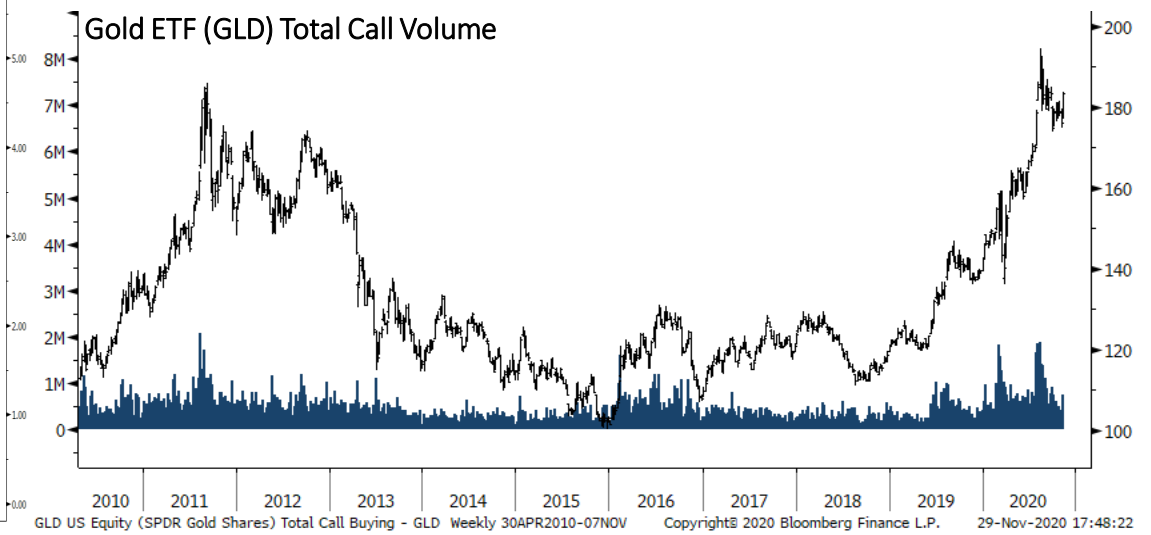


GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 25AUG2010-29 Copyright© 2020 Bloomberg Finance L.P. 29-Nov-2020 17:49:39

### Gold (GLD) Seasonality



### Gold ETF (GLD) Total Call Volume



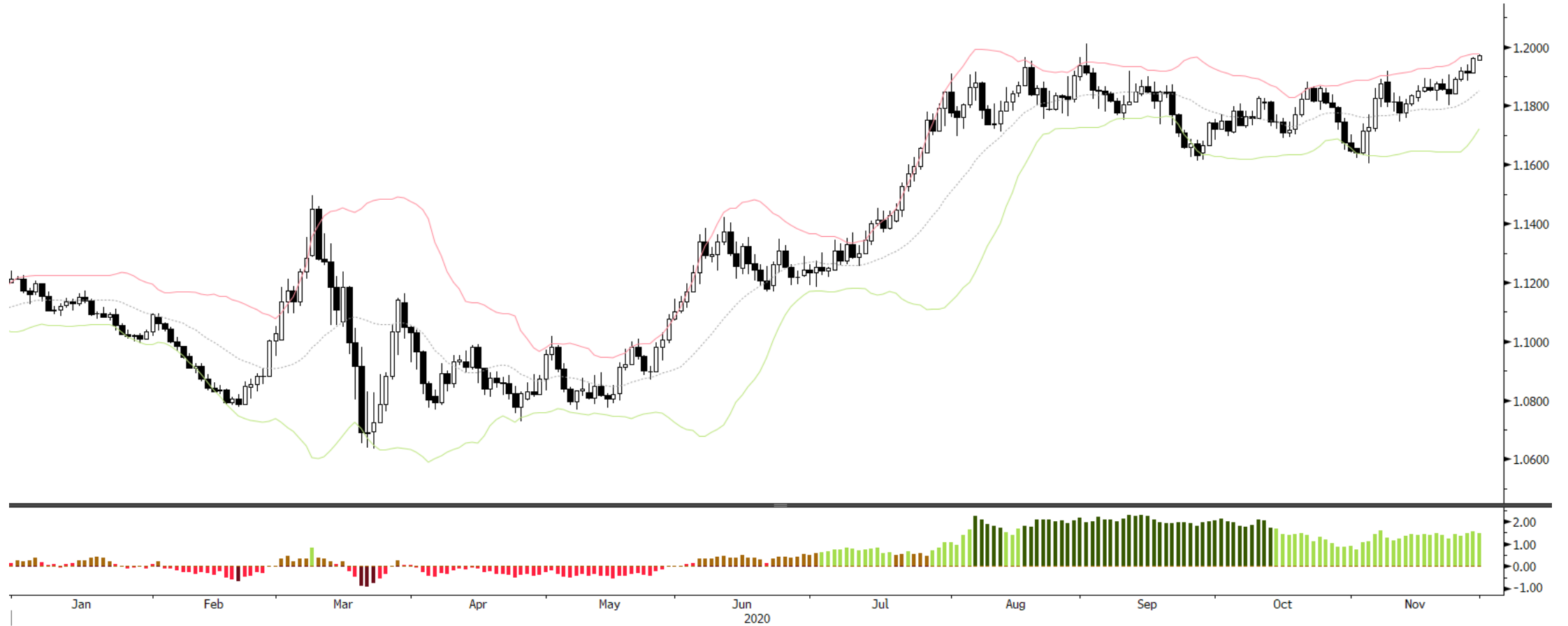
# EURUSD Monthly



# EURUSD Weekly



# EURUSD Daily

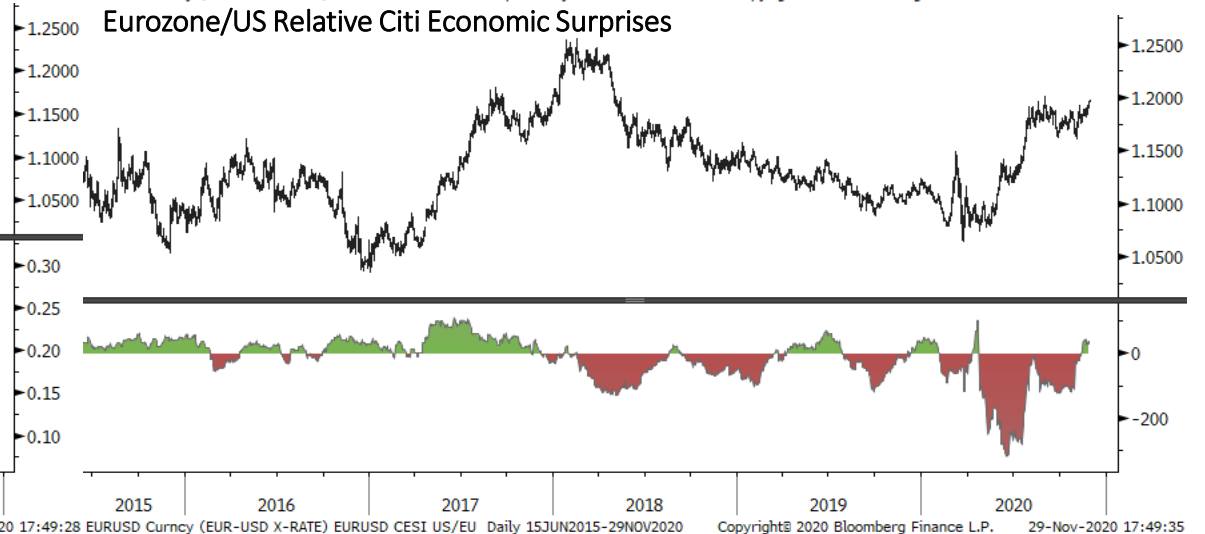


EURUSD Curncy (EUR-USD X-RATE) EURUSD - DAILY Daily 31DEC2019-29NOV2020

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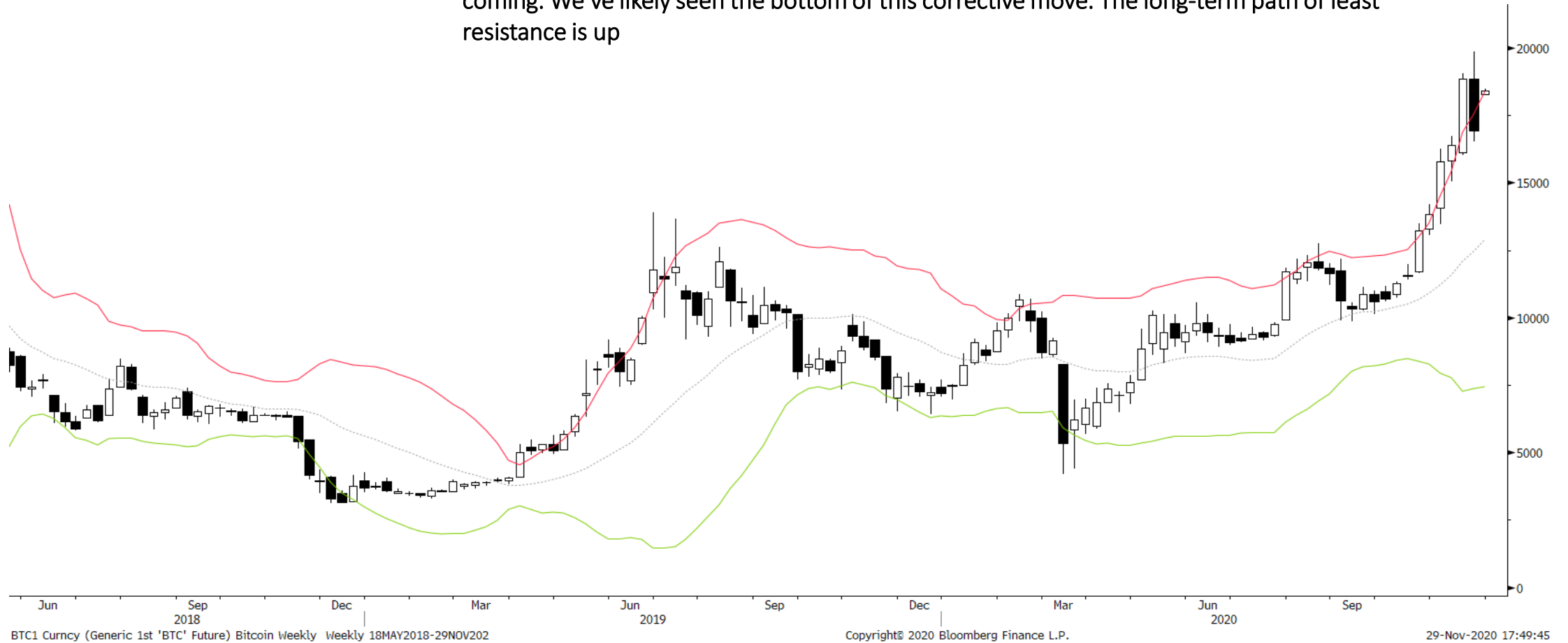
# EURUSD Indicators



# 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. **We got the correction last week that we said was coming. We've likely seen the bottom of this corrective move. The long-term path of least resistance is up**

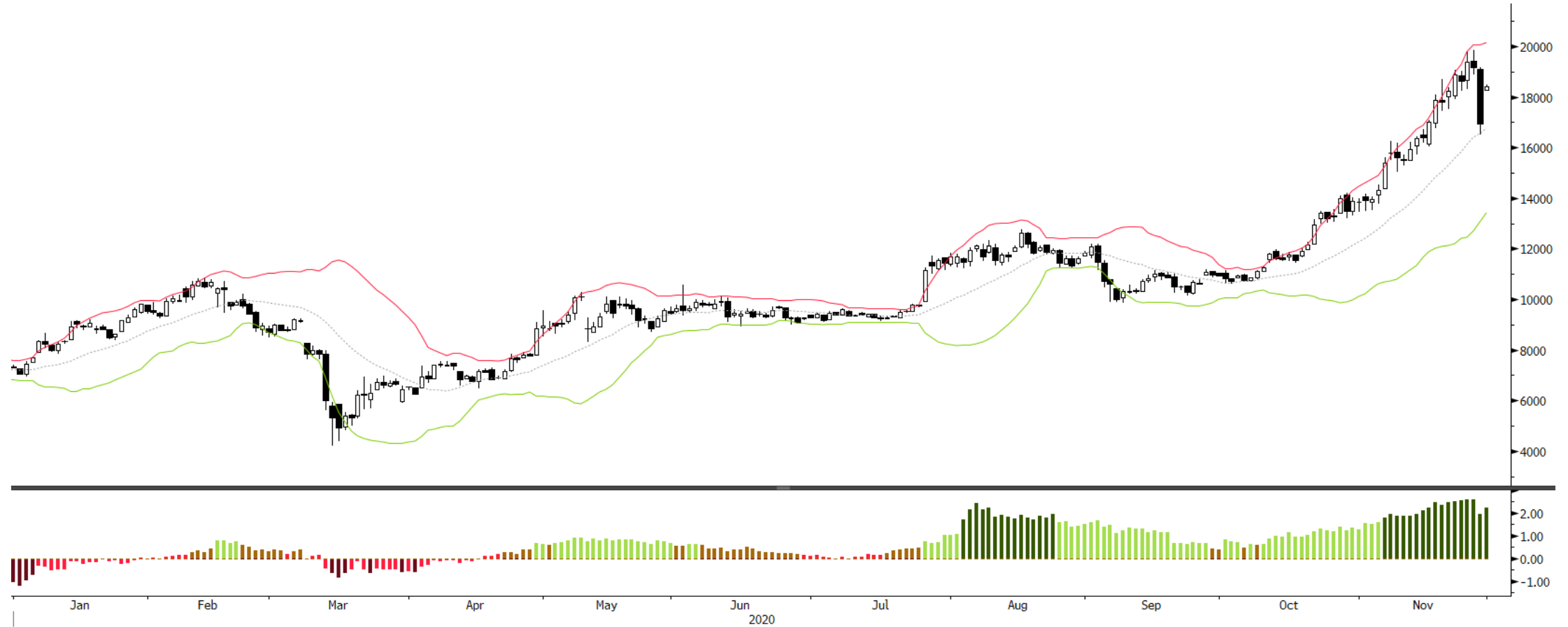


BTC1 Curncy (Generic 1st 'BTC' Future) Bitcoin Weekly Weekly 18MAY2018-29NOV202

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# Bitcoin Daily



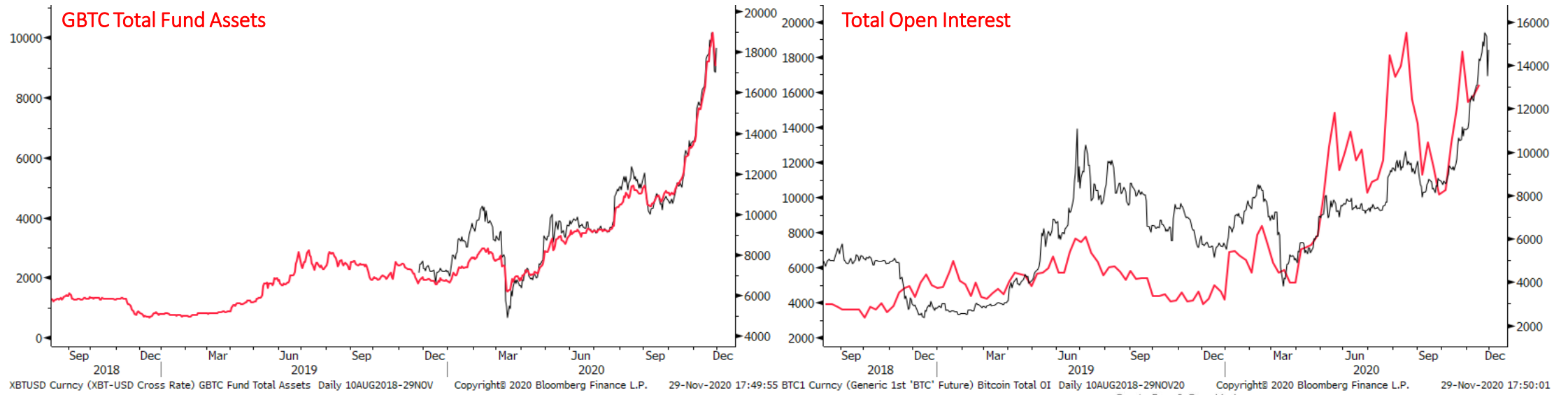
BTC1 Curncy (Generic 1st 'BTC' Future) bitcoin Daily Daily 31DEC2019-29NOV2020

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# Bitcoin Indicators



## The Four Pillars Portfolio

YTD Return (updated 11/29)

40.44%

### 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
Ammo, Inc (POWW)	Value/Growth	\$2.30	186bps	\$0.96	\$2.59	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	\$23.68	
Frontdoor (FTDR)	Secular Growth	\$44.22	130bps	\$38.39	\$47.59	
Nintendo (NTDOY)	Secular Growth	\$62.71	100bps	\$54.60	\$70.00	11/13/20 Added to position
Cardlytics (CDLX)	Secular Growth	\$86.07	B/E	\$90.00	\$119.33	11/5/20 Added to position
Roku (ROKU)	Secular Growth	\$192.68	32bps	\$200.00	\$275.34	11/19/20 Added to position
Murata Manufacturing (6981)	Secular Growth	¥7,606	100bps	¥7,500	¥9,062	
Jumbo Interactive (JIN)	Secular Growth	\$9.47	100bps	\$10.60	\$14.00	
FairFax India (FIH.U)	Cyclical Recovery	\$8.80	100bps	\$6.70	\$9.47	
Tencent Music (TME)	Technical Trade	\$16.32	50bps	\$15.30	\$17.00	
Micron Technology (MU)	Secular Growth	\$54.70	100bps	\$55.16	\$64.23	11/5/20 Added to position
Micron Technology (MU) Jan 22' \$100 calls	DOTM	\$1.38	100bps	N/A	\$3.00	
Carvana (CVNA)	Breakout/Growth	\$249.14	50bps	\$230.00	\$250.00	
Greyscale Bitcoin Trust (GBTC)	Secular Thematic	\$11.90	B/E	\$14.00	\$18.83	