



# 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 inside-outside-inside pattern on the monthly chart. This is a breakout setup that is directionally agnostic. The primary trend is up</li><li>➤ <b>Sentiment/Positioning:</b> Has become more biased long which is creating a short-term headwind. Though large funds still hold high cash positions which = cash ready to buy dips</li><li>➤ <b>Breadth:</b> Short-term breadth is neutral. 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 is in a four-month sideways Bull Quiet regime with a TL Score of +1. Major resistance sits at the 3,500-3,600 zone which is at the top of the market's 4-month trading range. We should expect this range to continue until there's a compelling weekly close above this zone</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 in 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 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 Bull Quiet regime in a longer-term uptrend. <u>It has worked off much of its technical overbought levels and is breaking out from a compressed wedge. Odds favor continuation of the trend higher over the near-term</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



October formed an inside-outside-inside (ioi) breakout pattern and November is still an inside pattern as the market continues in its four-month trading range



# 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 29AUG2017-09NOV2020

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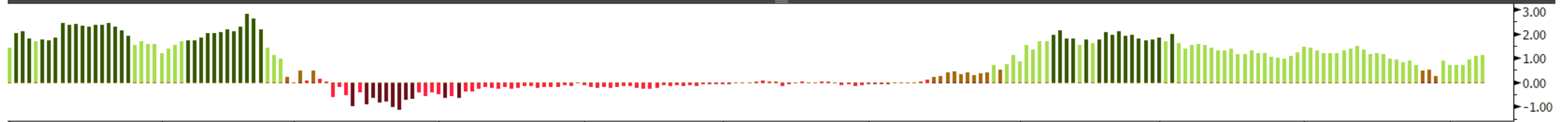
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# S&P 500 Daily

Last week's strong bullish thrust favors more follow-through in the near term but resistance and inertia make it odds on the market stays in its sideways range for the time being



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

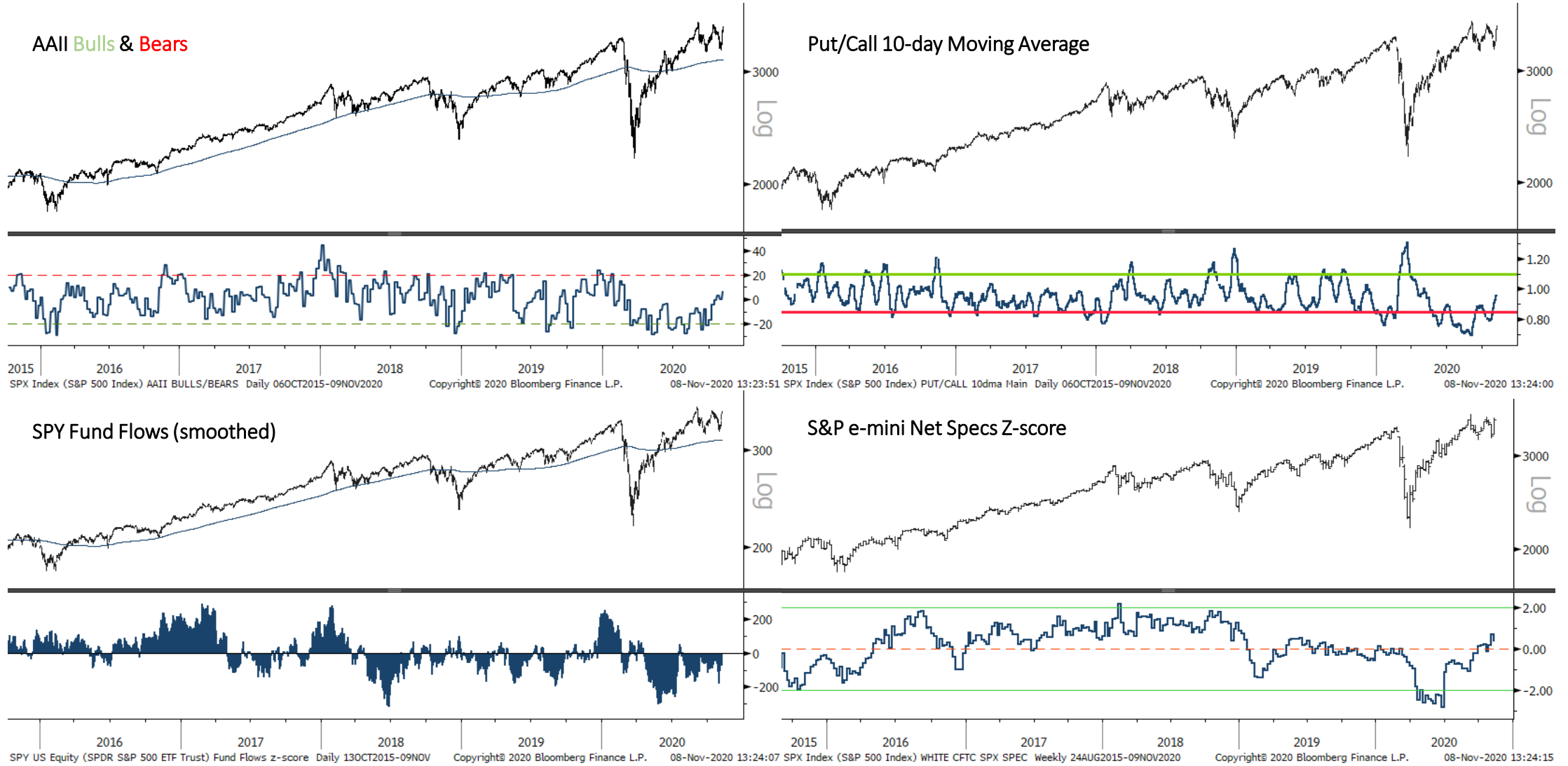


SPXFAST Index (S&P 500 Fast Cash Index) SPX CHART-DAILY Daily 31DEC2019-09NOV20

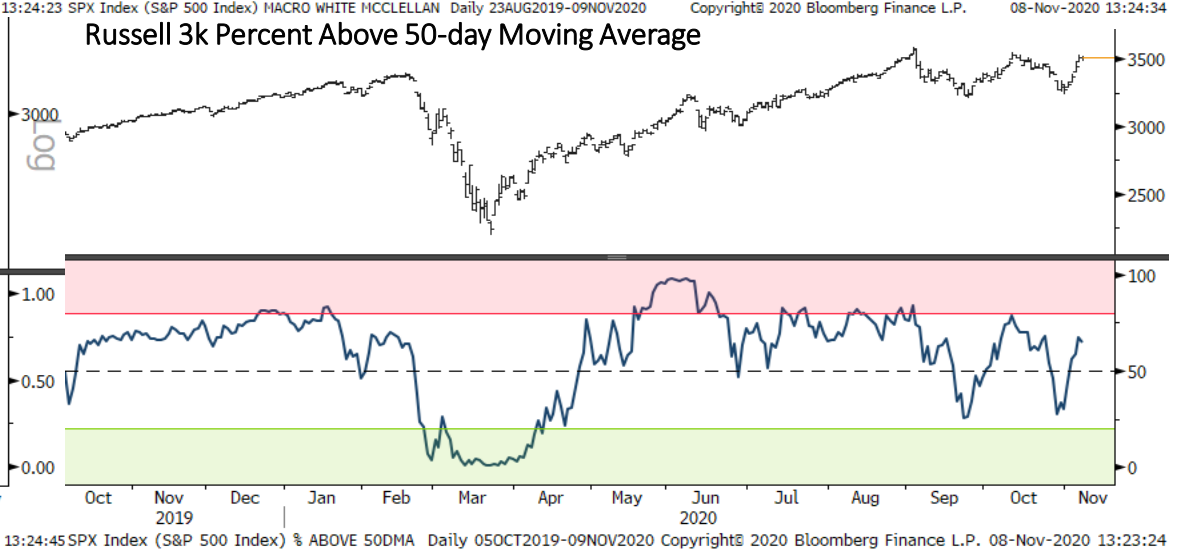
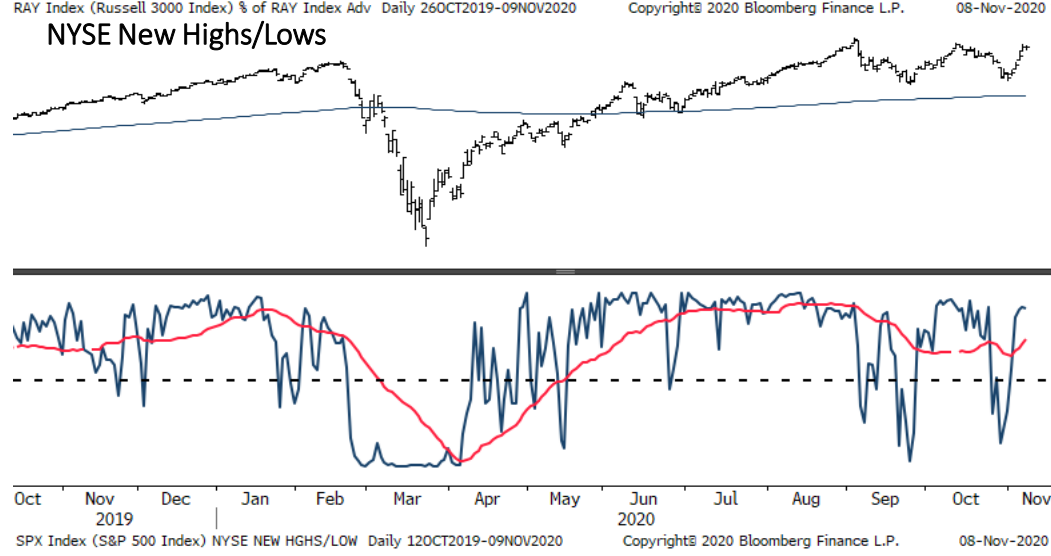
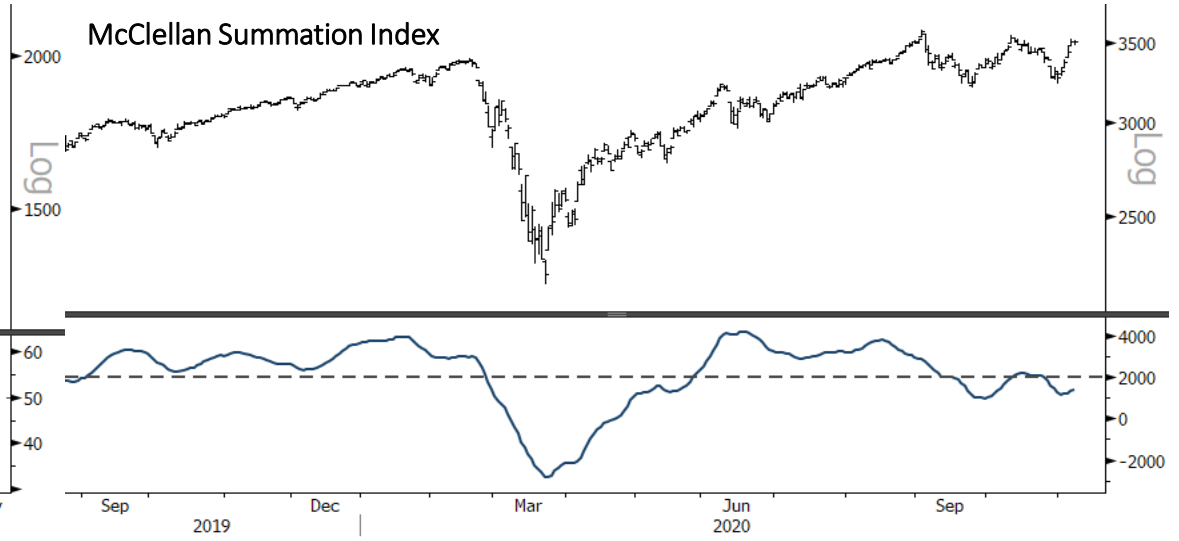
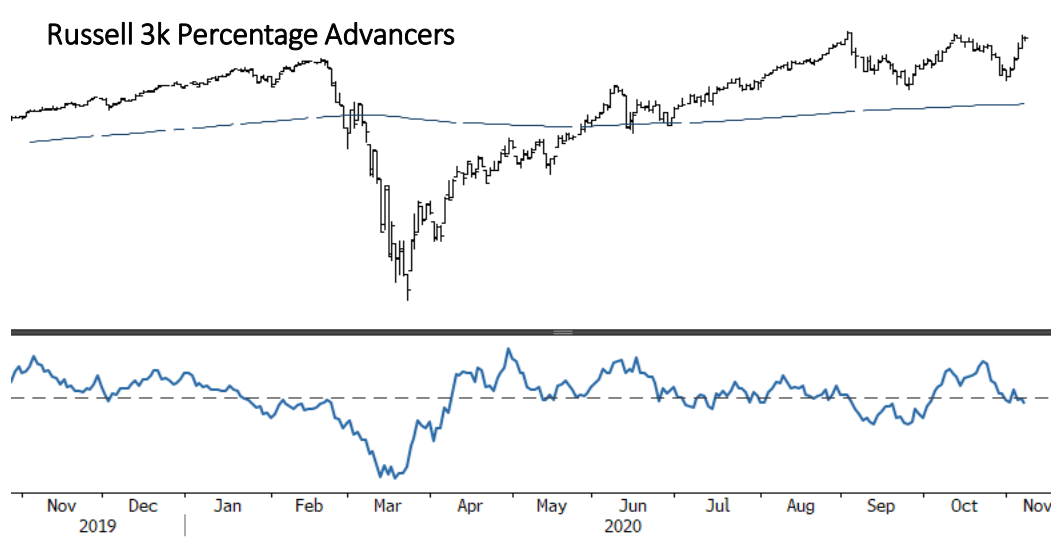
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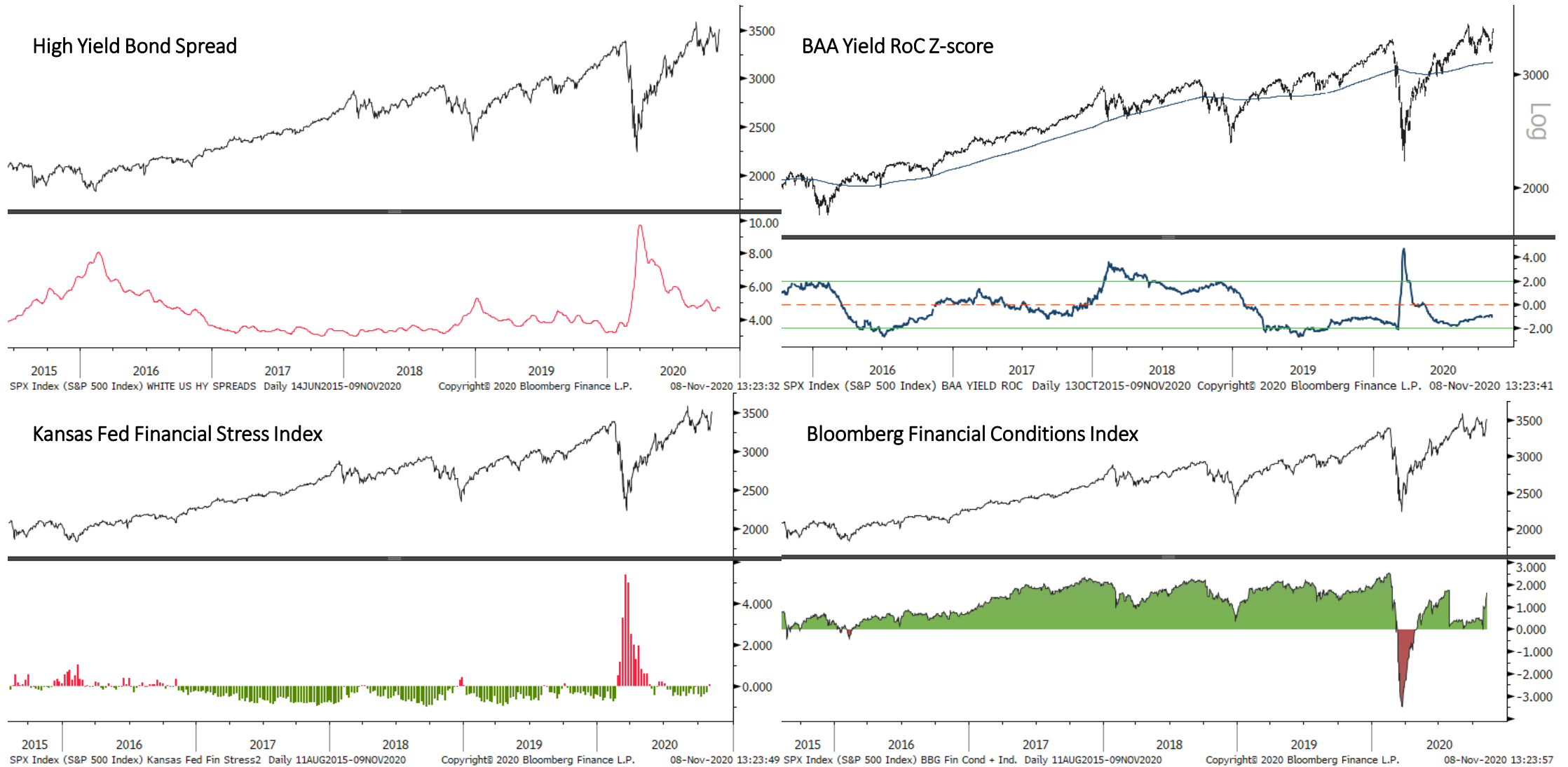
# Sentiment & Positioning



# Breadth



# Liquidity

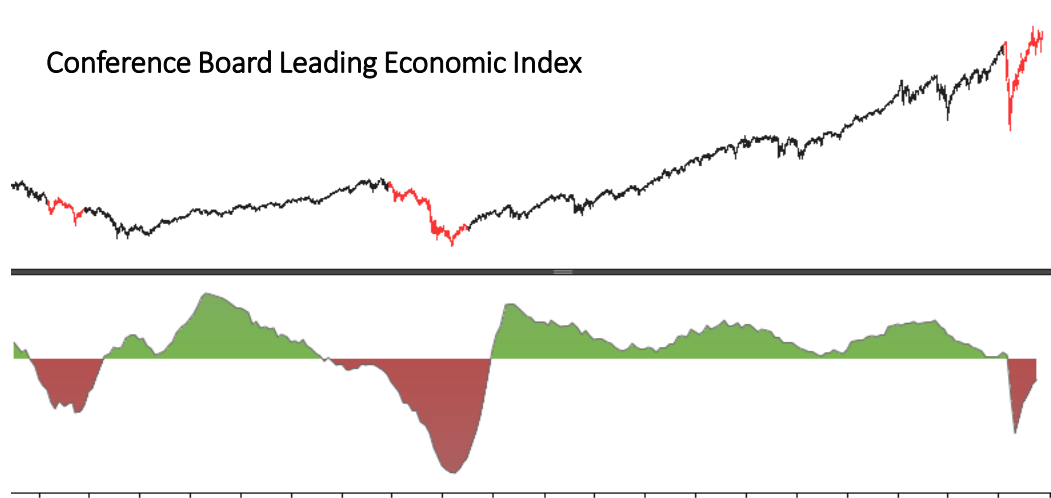




# Macro

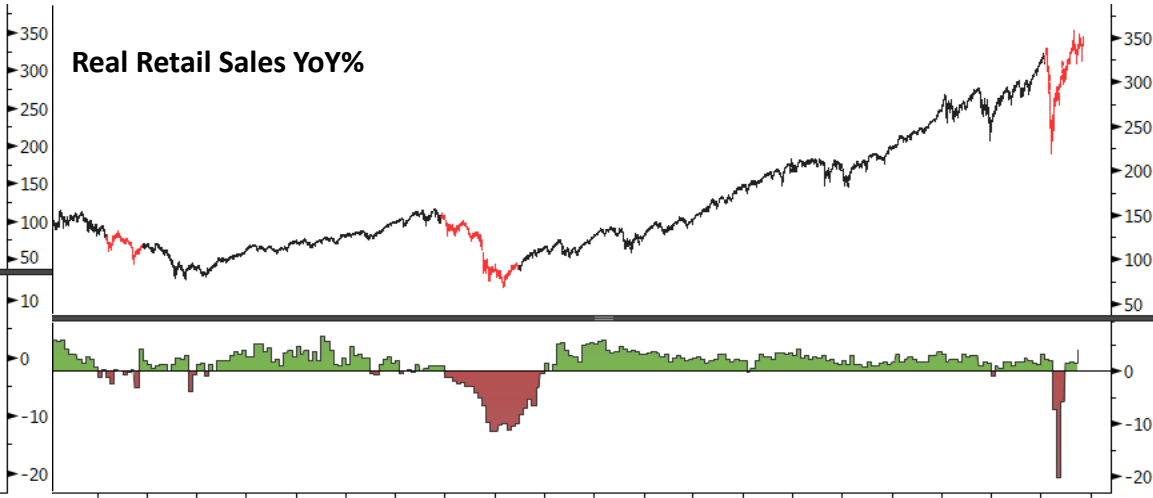


Conference Board Leading Economic Index



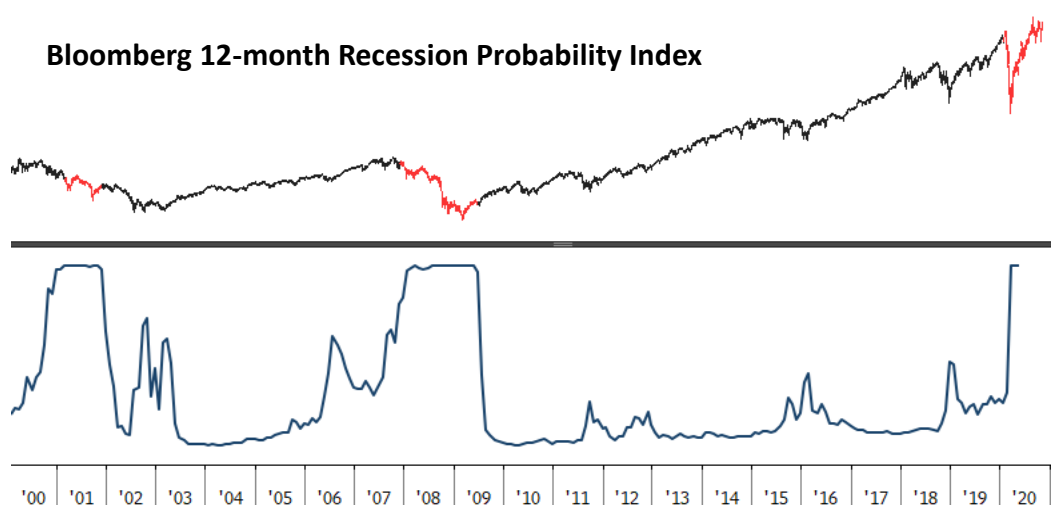
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Real Retail Sales YoY%



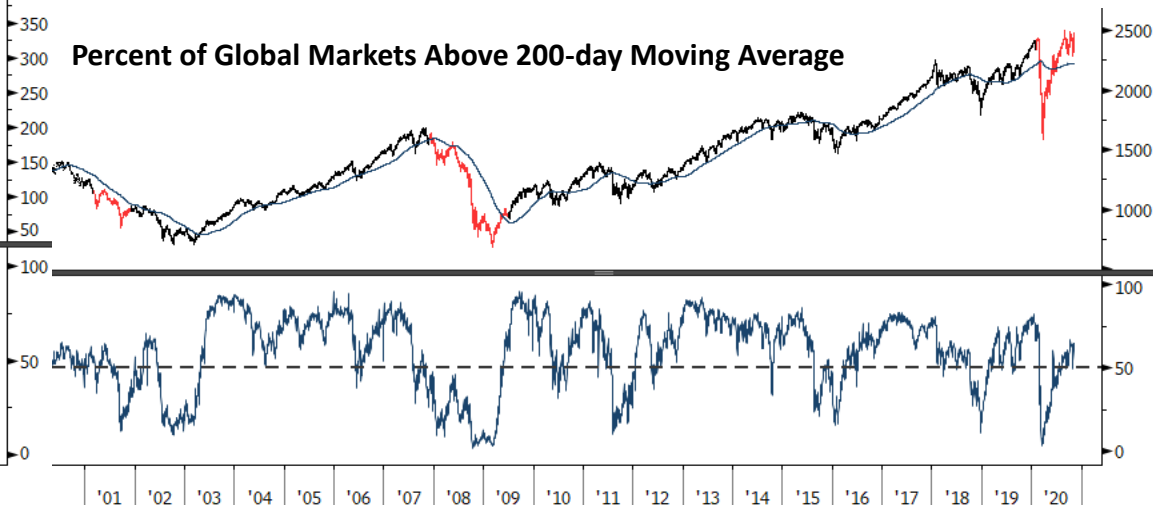
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Bloomberg 12-month Recession Probability Index



'00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20  
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Percent of Global Markets Above 200-day Moving Average

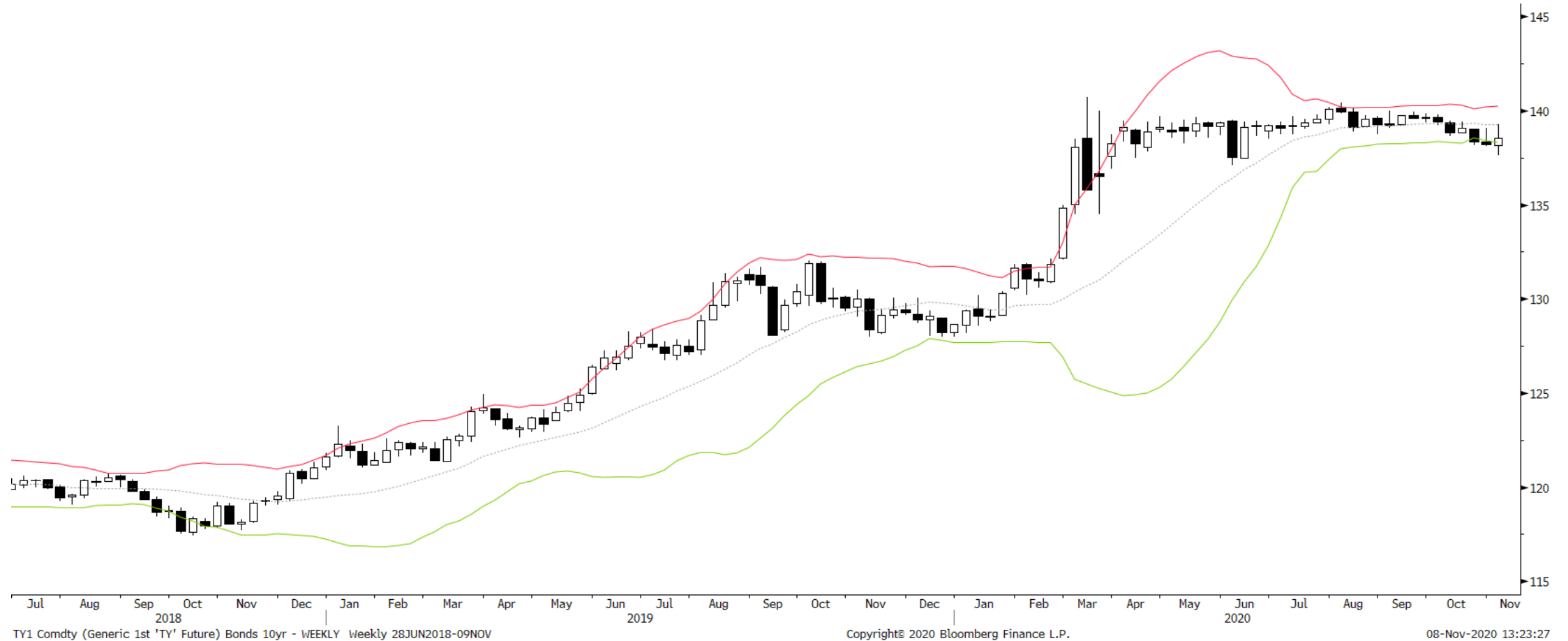


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 MWO Index (MSCI World Index) MSCI World PCT 200dma Daily 08MAY2000-09NOV2020 Copyright© 2020 Bloomberg Finance L.P. 08-Nov-2020 13:24:31

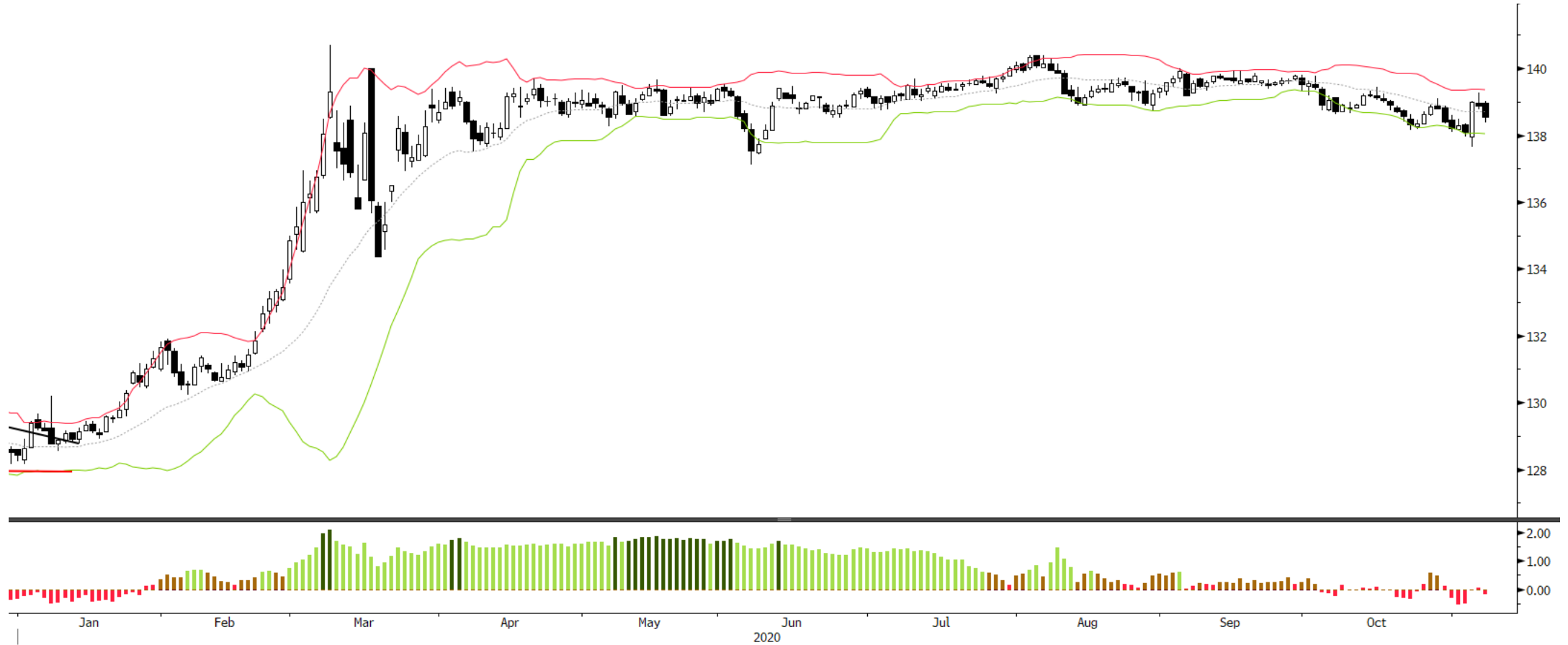
# Bonds: 10-year Futures Monthly



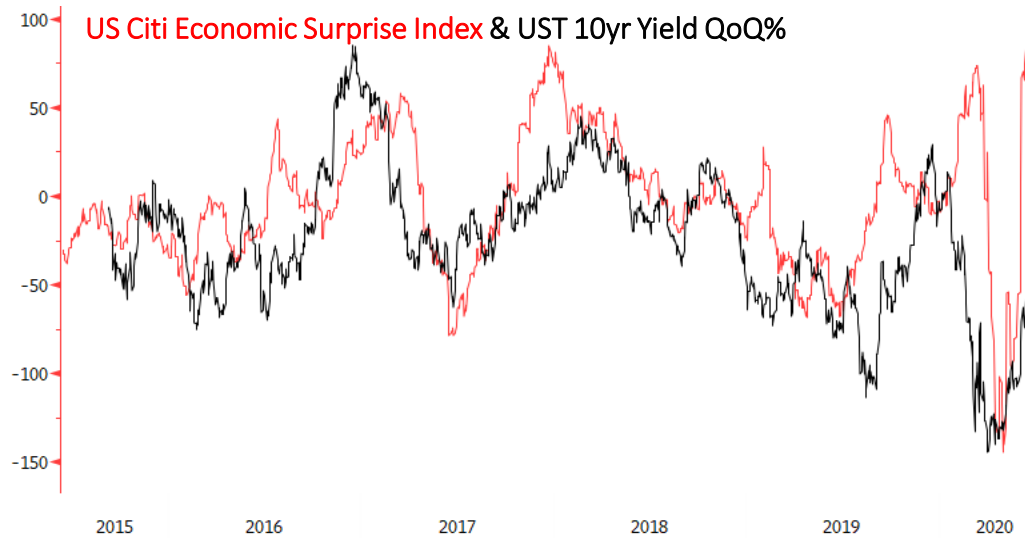
# Bonds: 10-year Futures Weekly



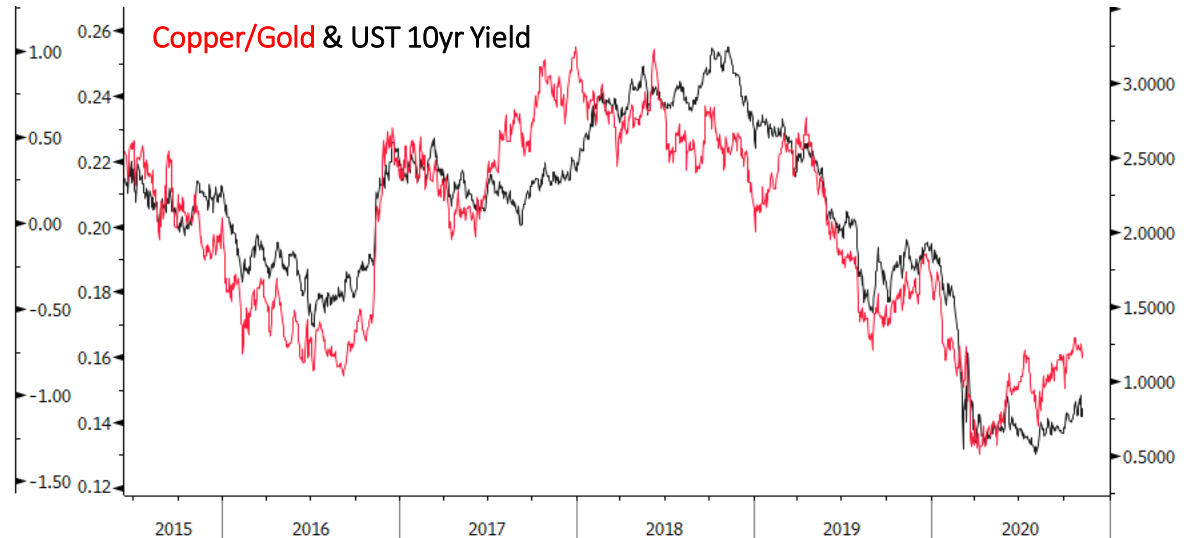
# Bonds: 10-year Futures Daily



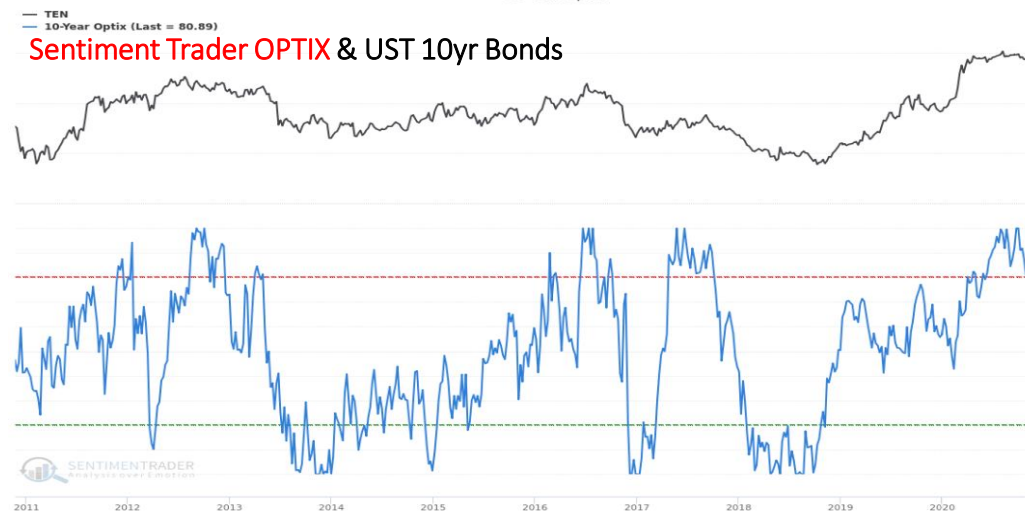
# Bond/Yield Indicators



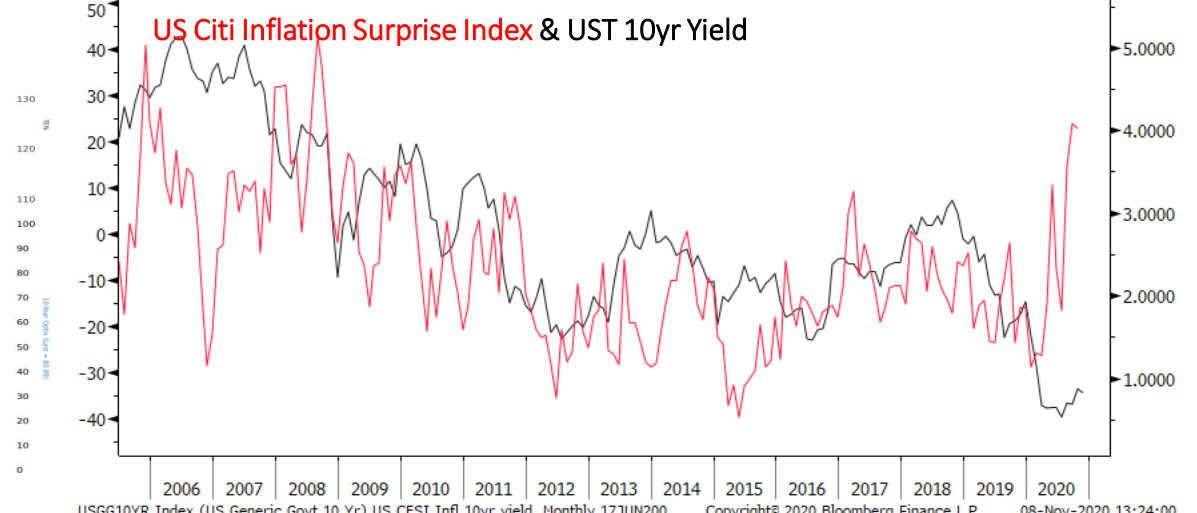
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08-Nov-2020 13:23:41 HG1 Comdty (Generic 1st 'HG' Future) WHITE GOLD/COPPER R. Daily 15JUN2015-08NO Copyright © 2020 Bloomberg Finance L.P. 08-Nov-2020 16:11:06



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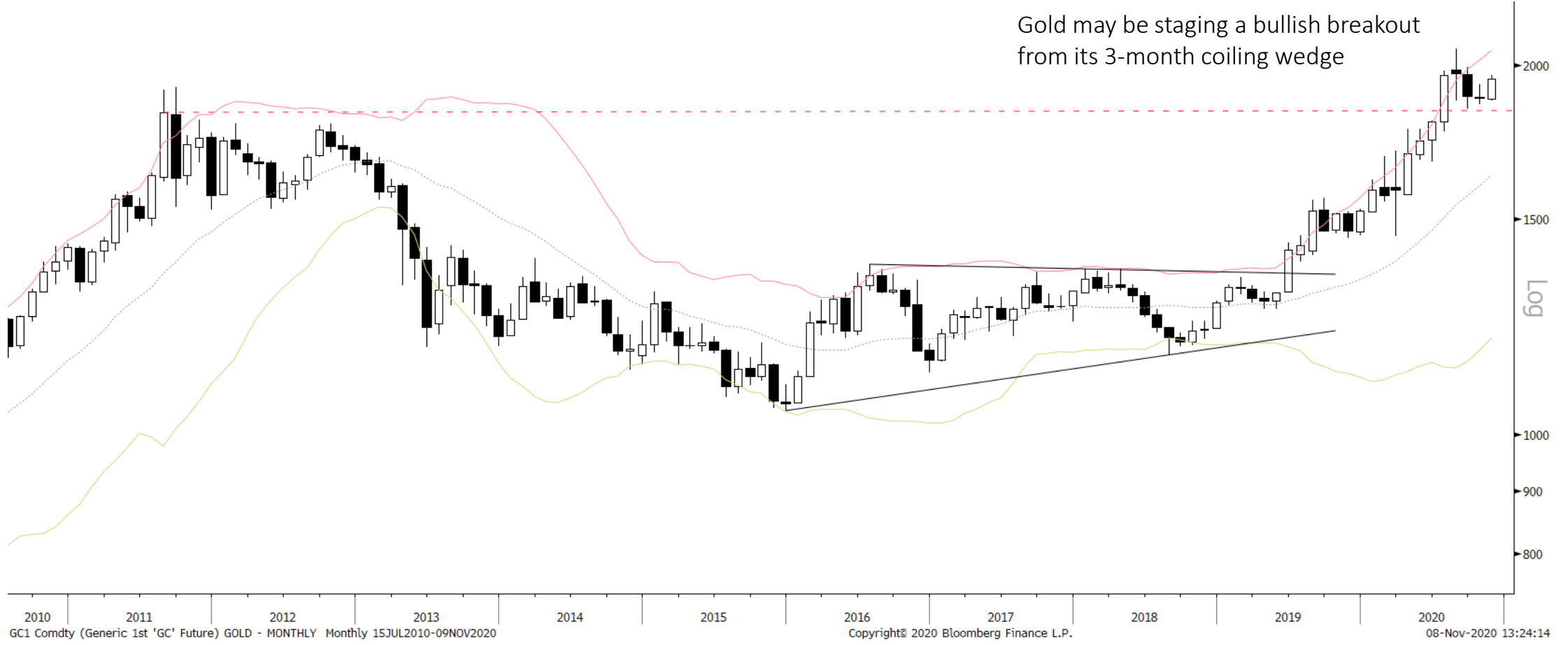


USGG10YR Index (US Generic Govt 10 Yr) US CESI Infl 10yr yield Monthly 17JUN200 Copyright © 2020 Bloomberg Finance L.P. 08-Nov-2020 13:24:00

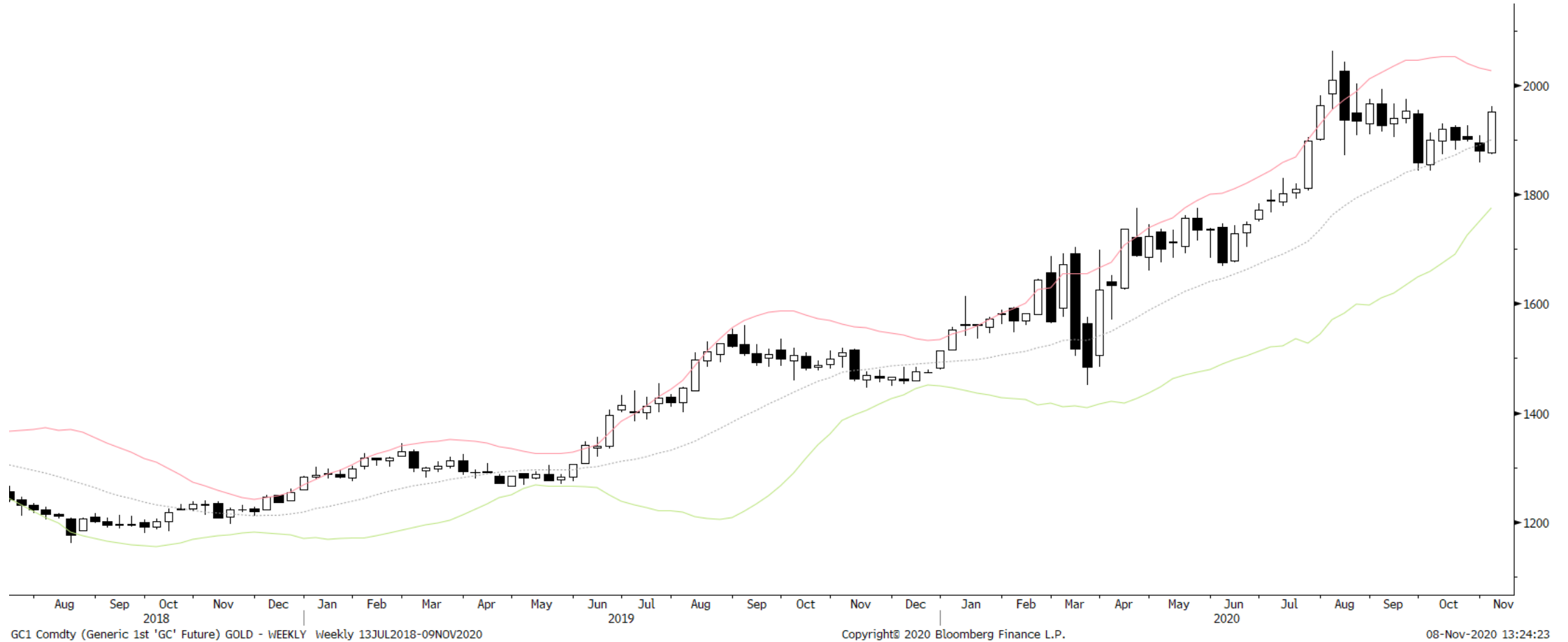
# Gold Monthly



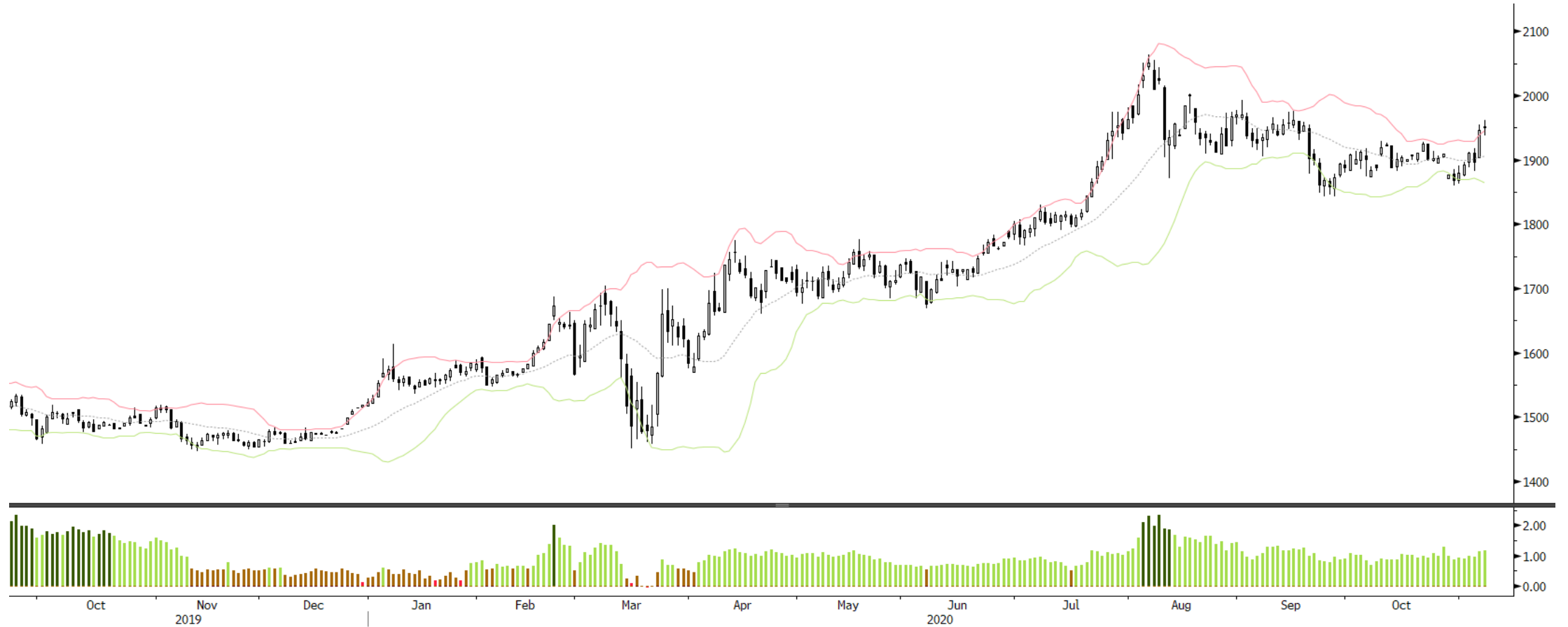
Gold may be staging a bullish breakout from its 3-month coiling wedge



# Gold Weekly



# Gold Daily



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 23SEP2019-09NOV2020

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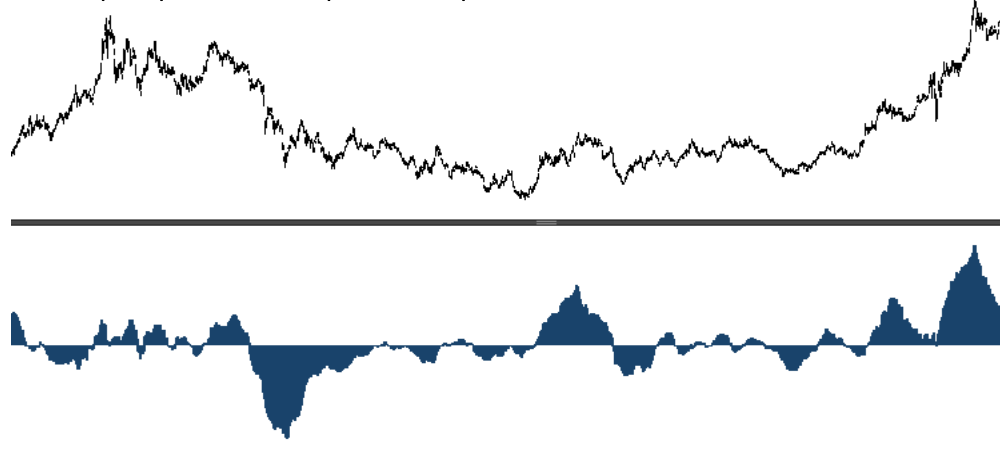
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# Gold Indicators

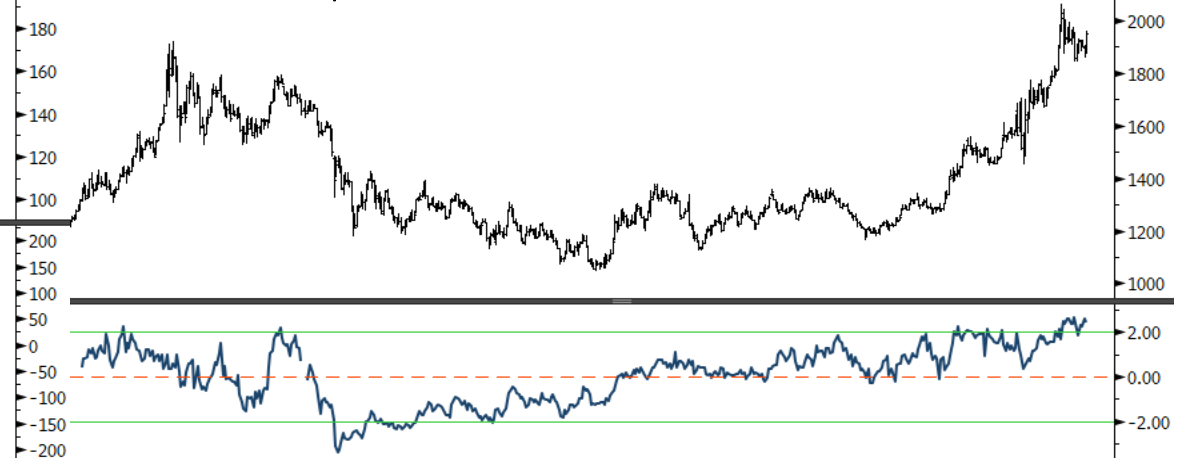


Gold (GLD) Fund Flows (smoothed)



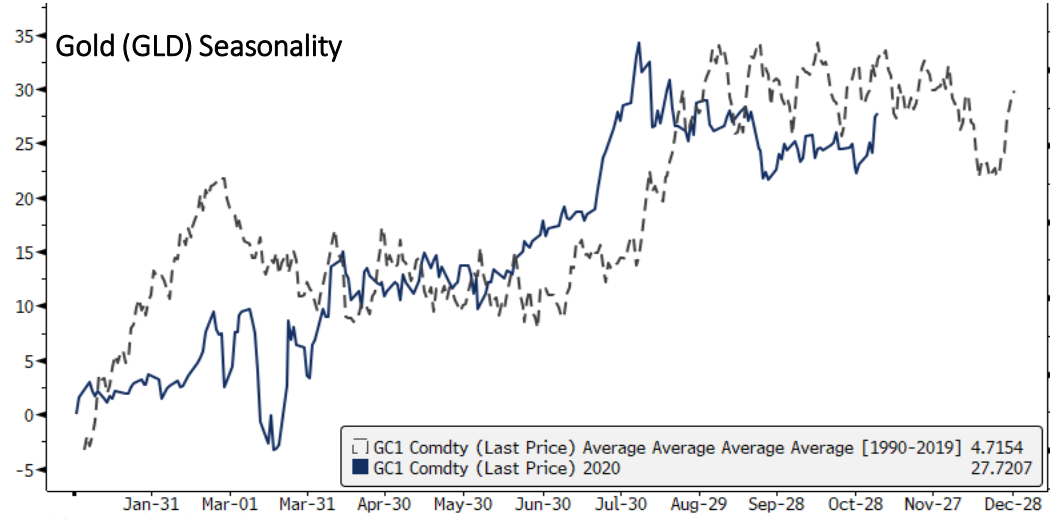
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2010-09NOV2 Copyright© 2020 Bloomberg Finance L.P. 08-Nov-2020 13:23:37

Gold Net Small Specs Z-score



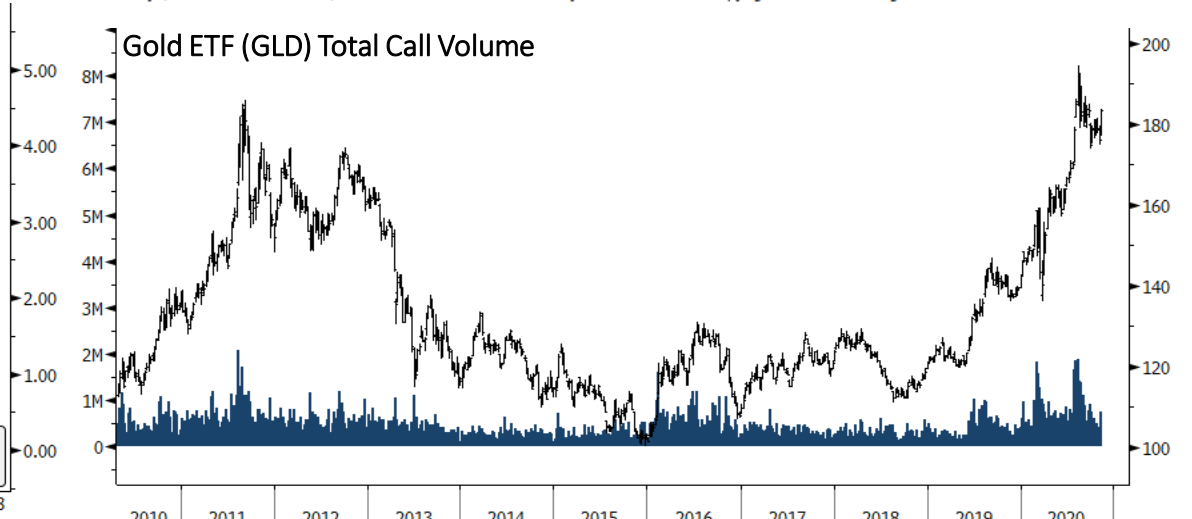
GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 25AUG2010-09 Copyright© 2020 Bloomberg Finance L.P. 08-Nov-2020 13:24:45

Gold (GLD) Seasonality



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Gold ETF (GLD) Total Call Volume



GLD US Equity (SPDR Gold Shares) Total Call Buying - GLD Weekly 30APR2010-07NOV Copyright© 2020 Bloomberg Finance L.P. 08-Nov-2020 13:23:28

# EURUSD Monthly



# EURUSD Weekly



# EURUSD Daily



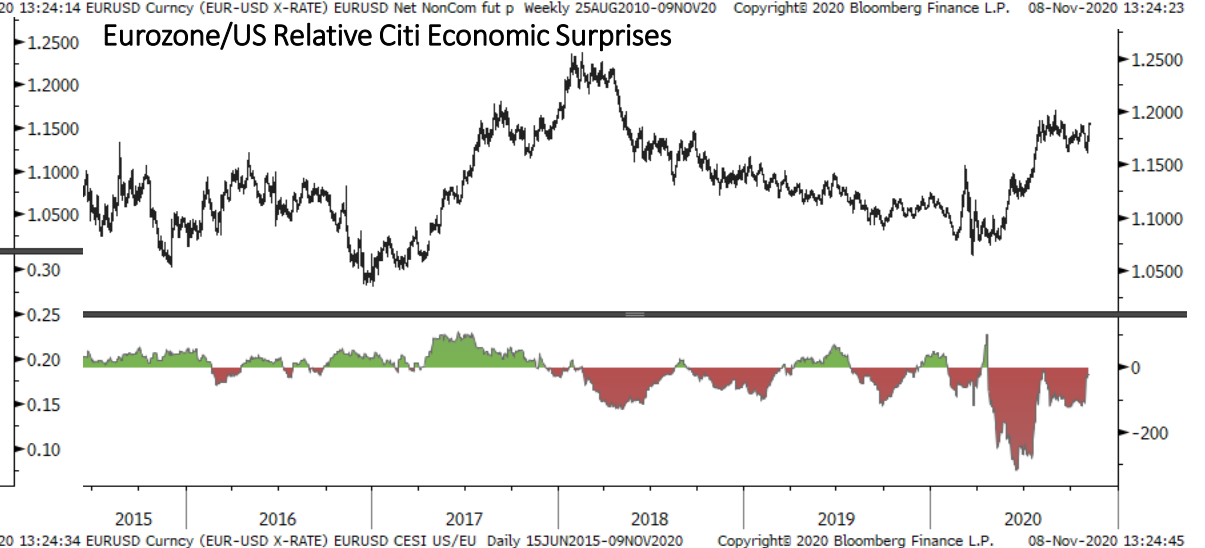
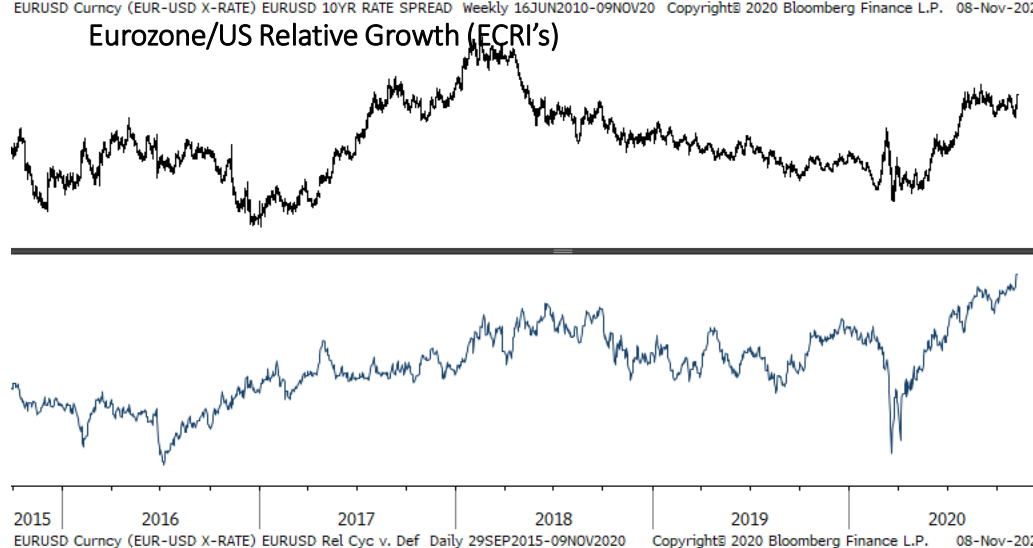
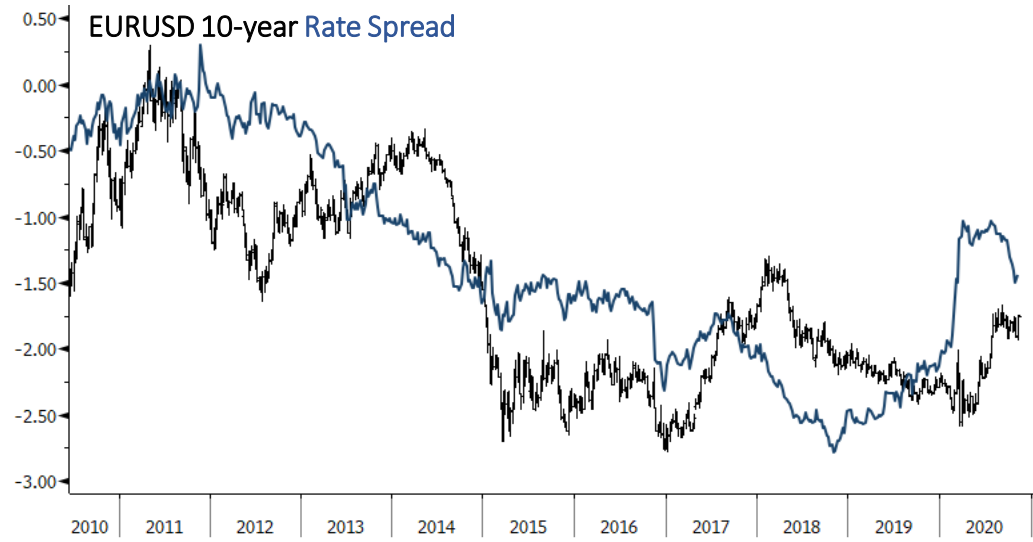
EURUSD Curncy (EUR-USD X-RATE) EURUSD - DAILY Daily 31DEC2019-09NOV2020

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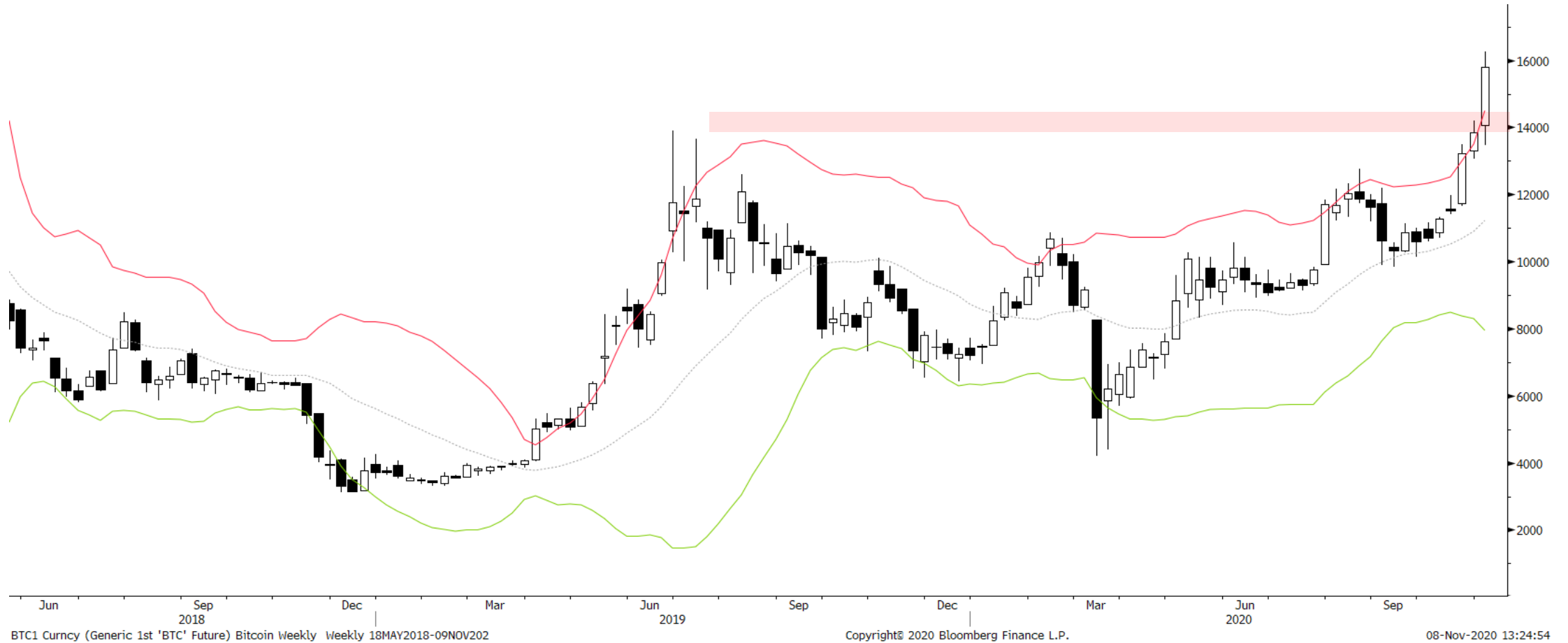
# EURUSD Indicators



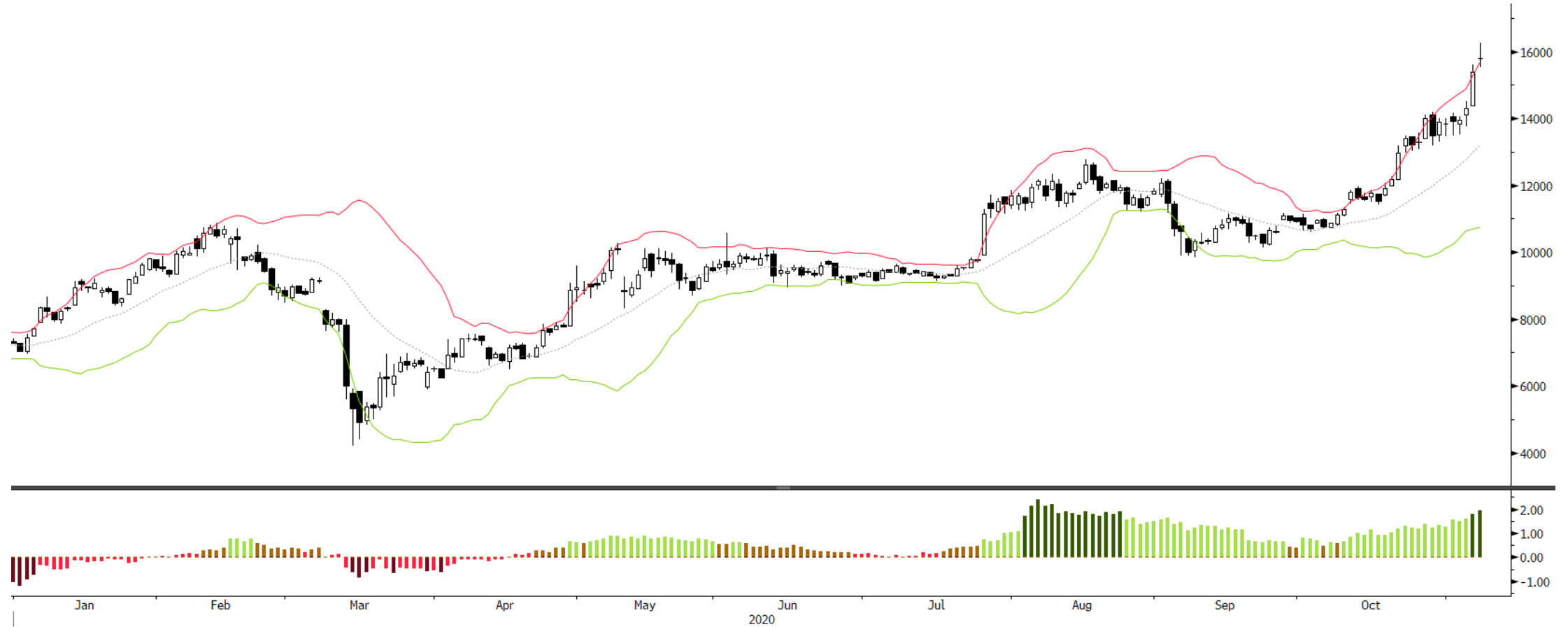
# Bitcoin Weekly

Bitcoin is in a renewed primary bull trend and a Bull Quiet 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. Odds strongly favor a continuation of the trend higher. Buy dips and buy breakouts



# Bitcoin Daily



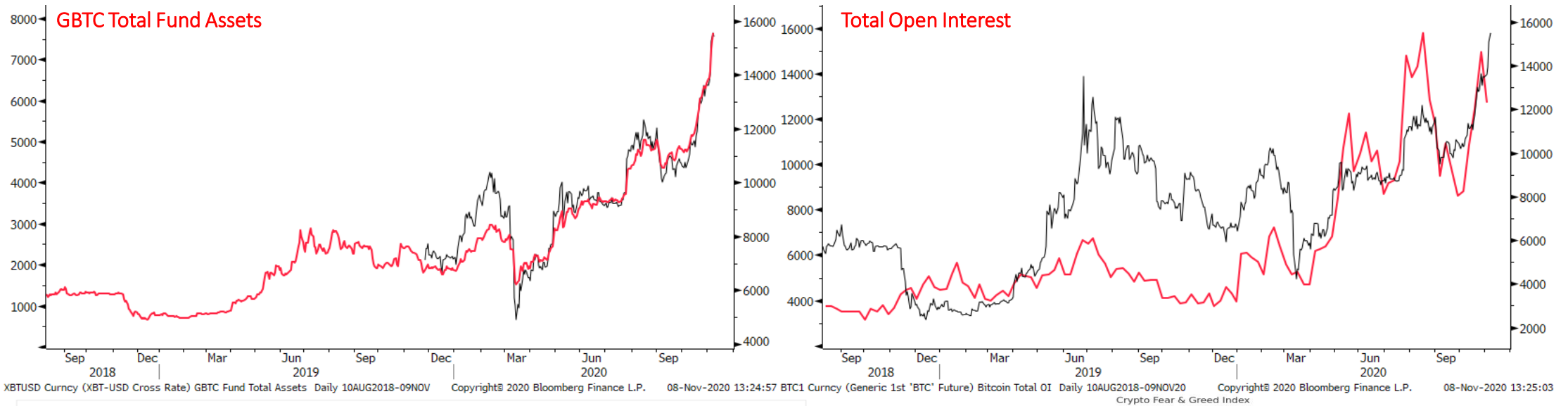
BTC1 Curncy (Generic 1st 'BTC' Future) bitcoin Daily Daily 31DEC2019-09NOV2020

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# Bitcoin Indicators





## The Four Pillars Portfolio

YTD Return (updated 11/8)

29.80%

### 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	\$48.70	
Ammo, Inc (POWW)	Value/Growth	\$2.30	1.86bps	\$0.96	\$2.15	10/22/20 Added to position
Enlabs (NLAB)	Secular Growth	\$27.25	B/E	\$28.25	\$37.25	9/17/20 Added to position
Red Violet (RDVT)	Cyclical Growth	\$17.85	36bps	\$17.21	\$22.49	
Frontdoor (FTDR)	Secular Growth	\$44.22	130bps	\$38.39	\$45.92	
Nintendo (NTDOY)	Secular Growth	\$62.71	100bps	\$54.60	\$70.66	11/5/20 Added to position
Cardlytics (CDLX)	Secular Growth	\$86.07	260bps	\$60.50	\$90.57	11/5/20 Added to position
Roku (ROKU)	Secular Growth	\$192.68	32bps	\$162.29	\$253.36	
Micron Technology (MU)	Secular Growth	\$54.70	100bps	\$55.16	\$55.16	
Micron Technology (MU) Jan 22' \$100 calls	DOTM	\$1.38	100bps	N/A	\$1.32	
Greyscale Bitcoin Trust (GBTC)	Secular Thematic	\$11.90	B/E	\$12.66	\$17.54	