



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: A reflationary Fed and US Gov bent towards stimulus suggest we'll see continued compression in risk-premium = higher risk assets over the long-term➤ Sentiment/Positioning: <u>Sentiment is at a bullish consensus and has fed into what's fast becoming very stretched positioning. Trend fragility is high</u>➤ Breadth: Short and long-term indicators of breadth remain supportive of further upside over near-term➤ Macro/Liquidity: Macro conditions continue to improve, and liquidity is flush➤ Short-term: <u>SPX is in a Bull Quiet regime with a TL Score of +2. Odds favor a continuation of the trend up, likely to the measured move target of 3,845. But hot sentiment and positioning has increased trend fragility</u>	<ul style="list-style-type: none">➤ Long-term: Bonds broke out of their 9-month neutral sideways regime. Macro fundamentals, technicals, and sentiment all favor a continued steepening of the curve➤ Sentiment/Positioning: The narrative of yield-curve control and yield suppression is consensus➤ Bond Indicators: All indicators point to a steeper yield curve (bear steepening).➤ Short-term: Bonds saw a bearish breakout from an extended trading range. Expect them to continue to trade lower as long as risk-on sentiment is alive in the market	<ul style="list-style-type: none">➤ Long-term: Gold has worked off much of its extreme over-bought levels. The long-term path of resistance is up➤ Sentiment/Positioning: Positioning and flows have come down from excessive levels➤ Gold Indicators: Gold is in its strongest period of seasonality of the year which lasts into early February➤ 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 a continuation of the bull trend to begin soon but we may see more sideways chop in the interim</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: US real yields are beginning to perk up which could drive an unwind in crowded long euro positioning➤ Short-term: EURUSD is reversing from near its 18' highs. Expect sideways chop in interim before a potential reversal lower

S&P 500 Monthly



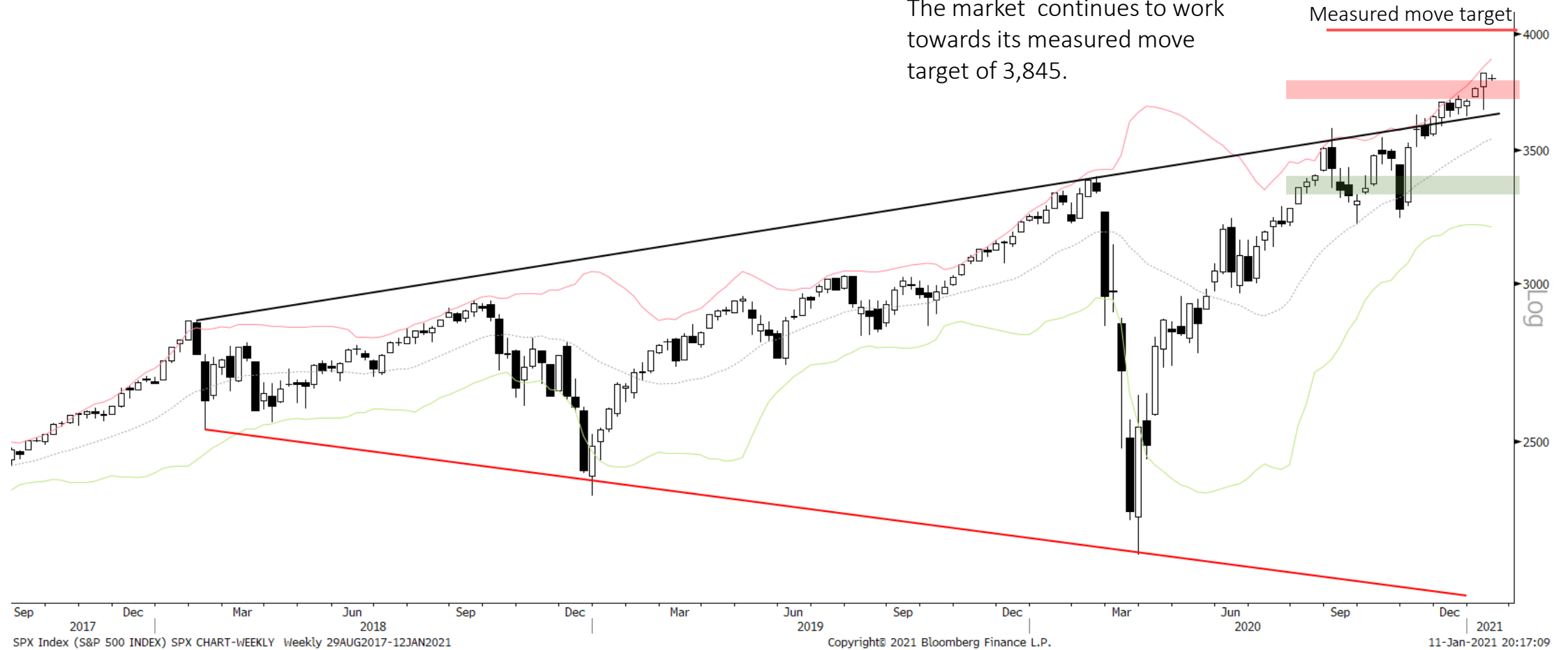
December showed upside follow-through and went out near its highs. Therefore, we should expect at least higher highs in January though trend-fragility is high



S&P 500 Weekly



The market continues to work towards its measured move target of 3,845.

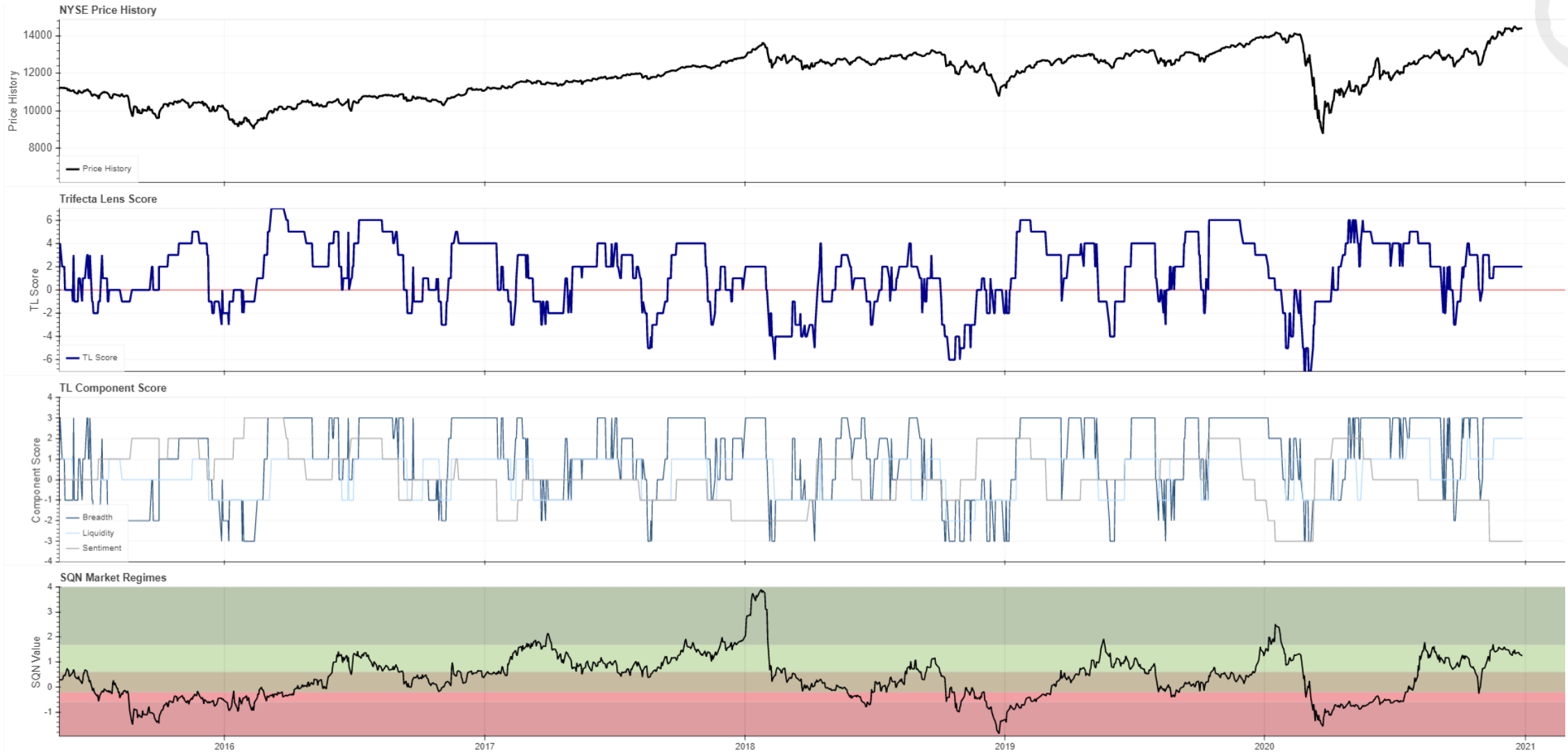


S&P 500 Daily



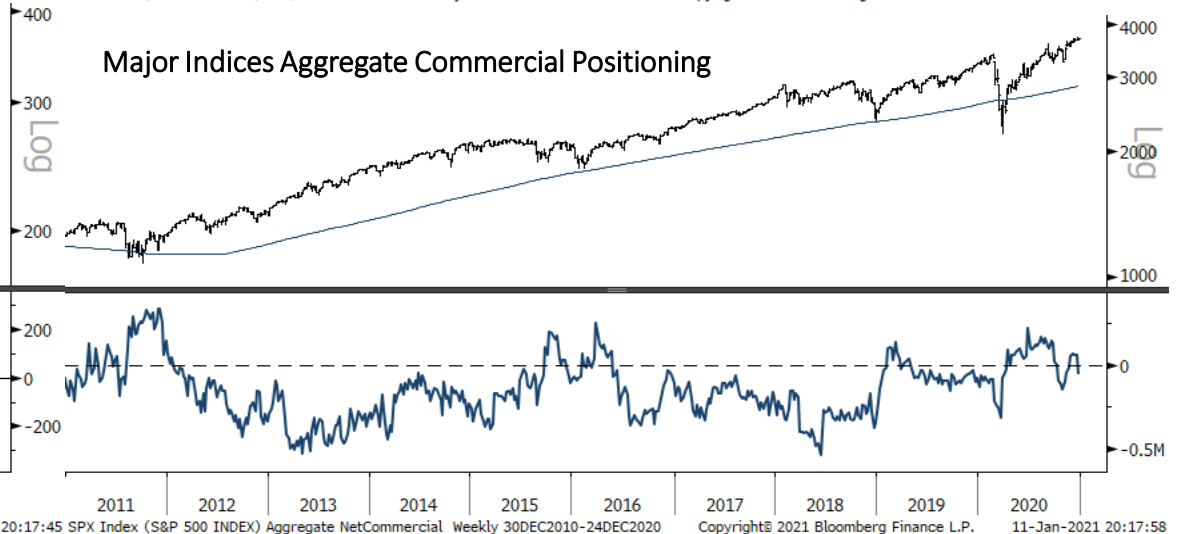
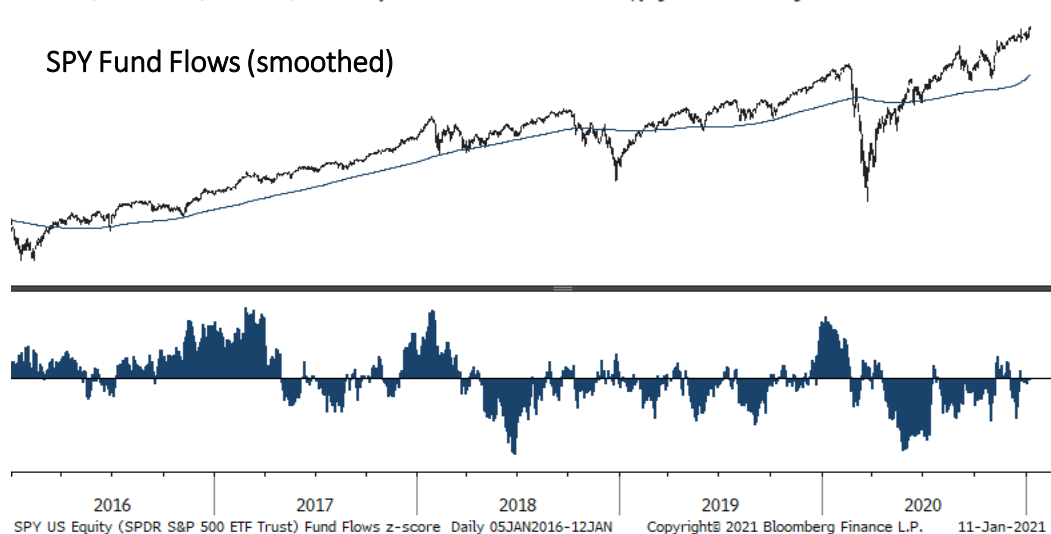
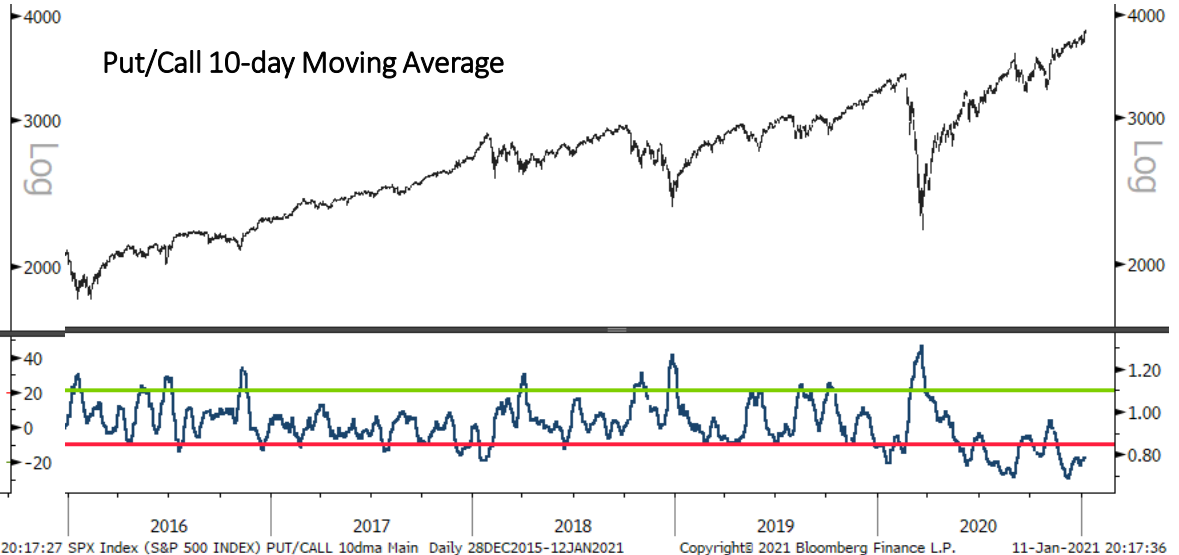
Trifecta Lens Score: +2

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

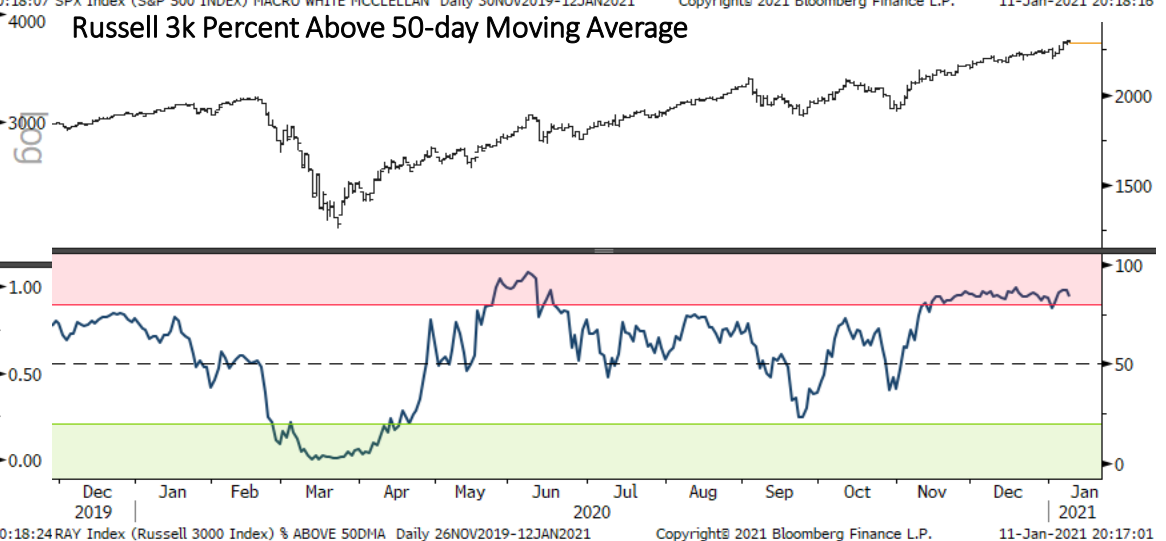
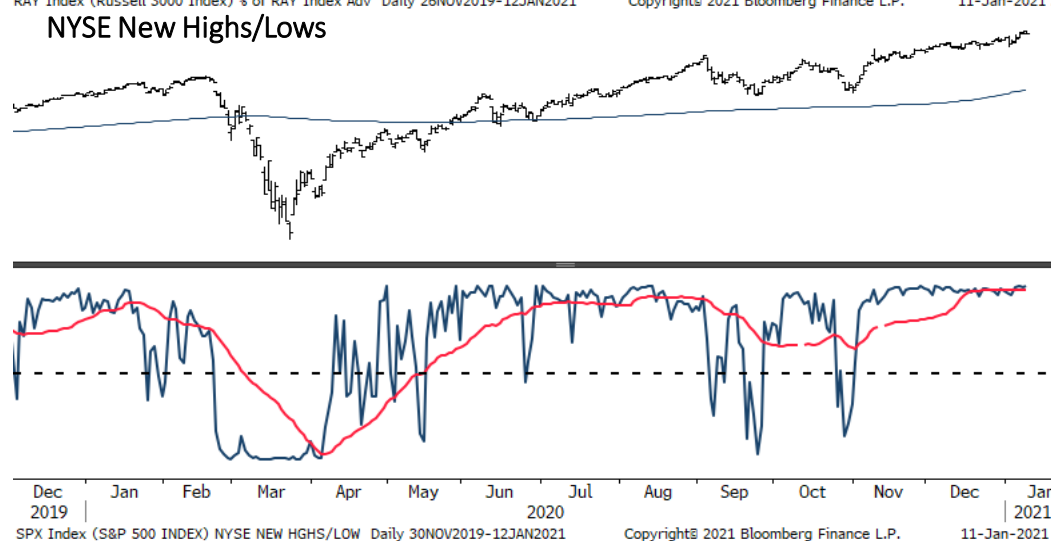
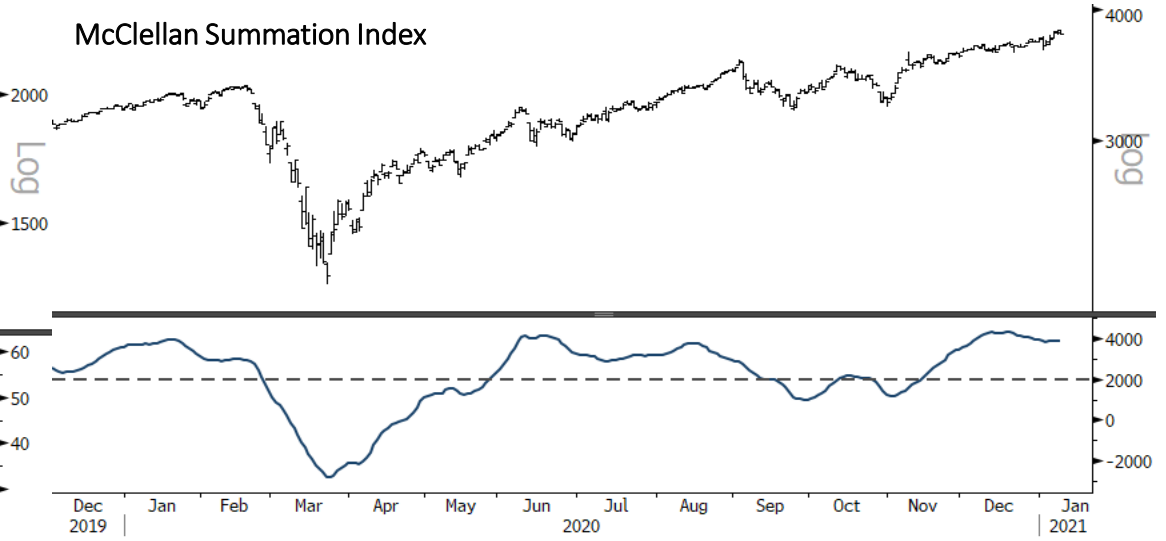
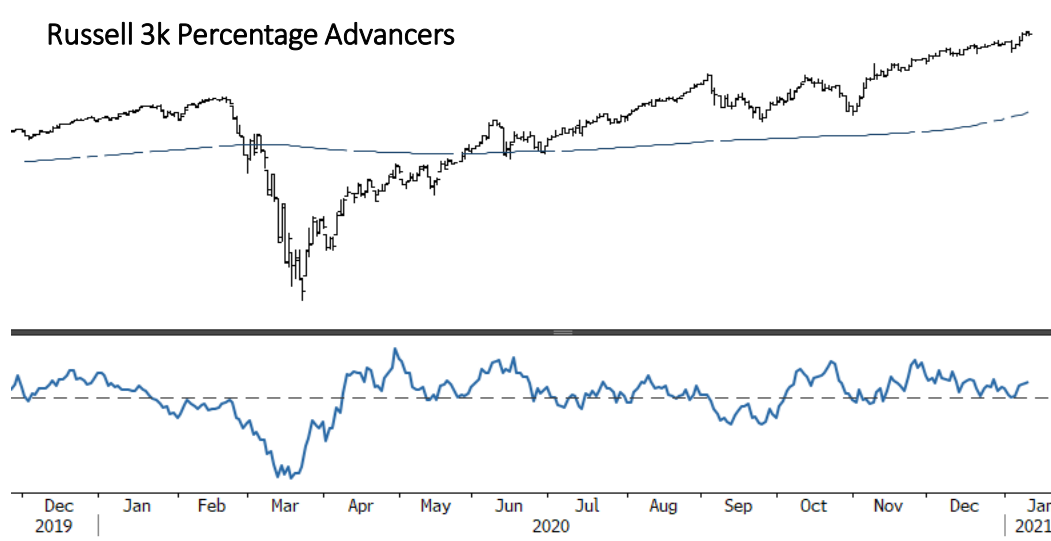


Note: TL & SQN indicators update overnight (for the previous trading day).

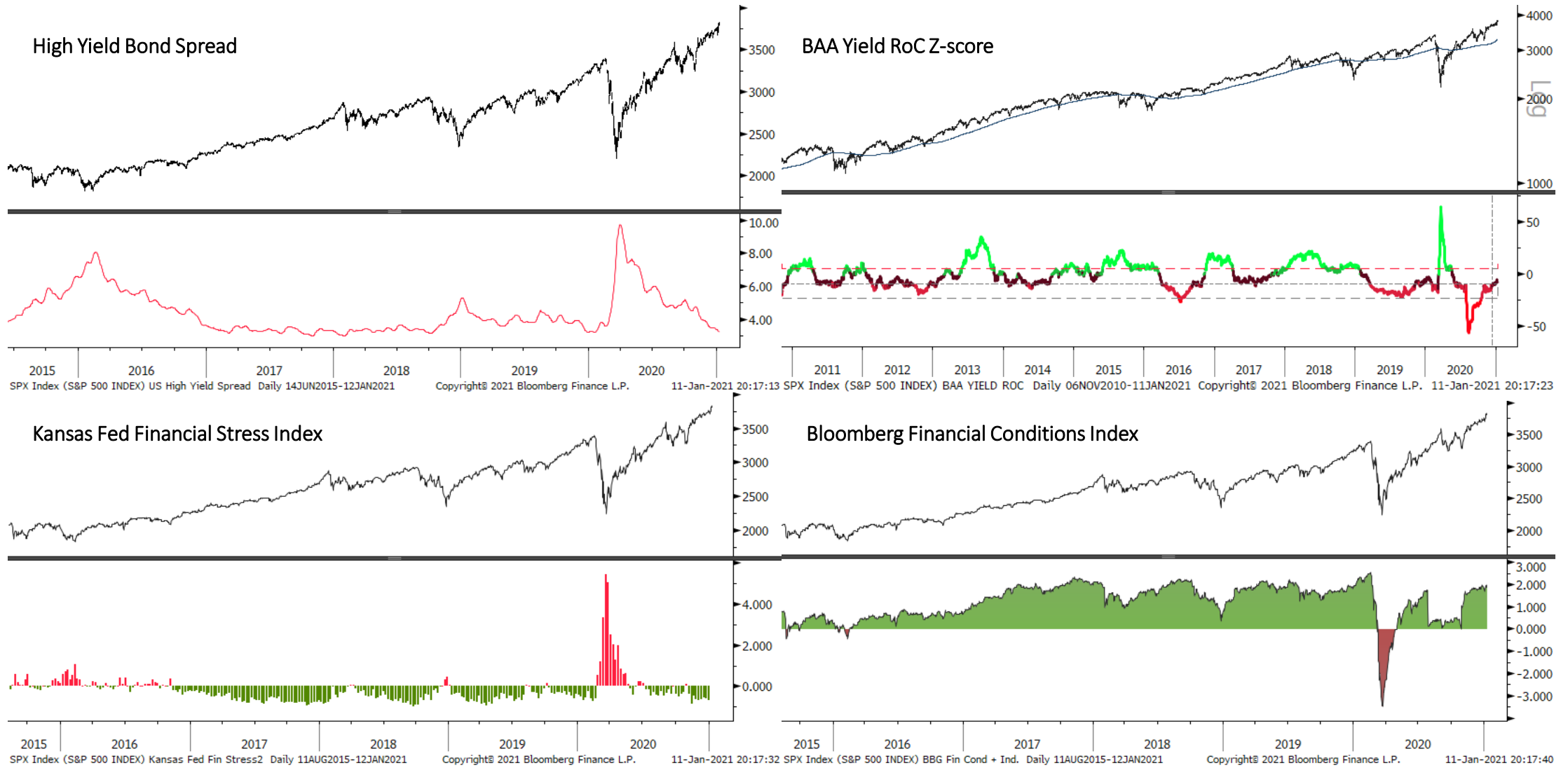
Sentiment & Positioning



Breadth



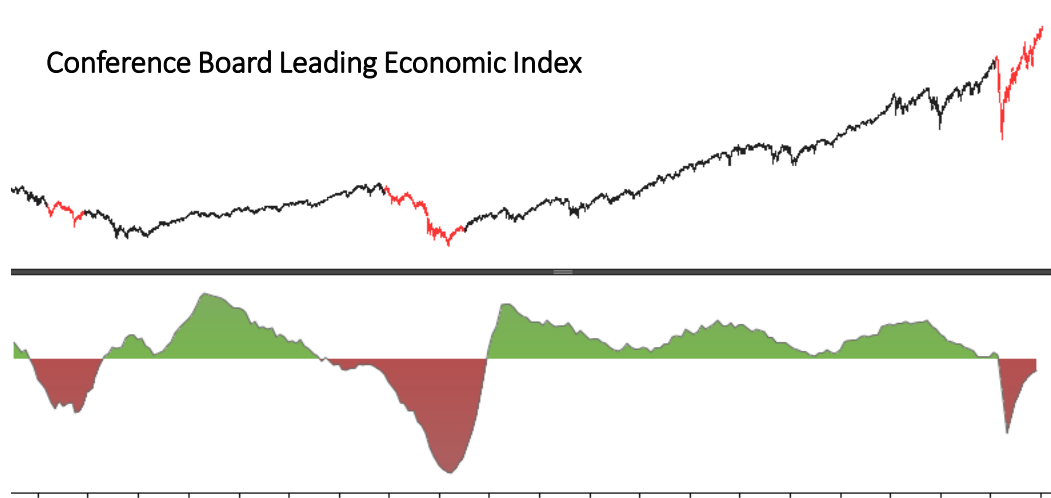
Liquidity



Macro

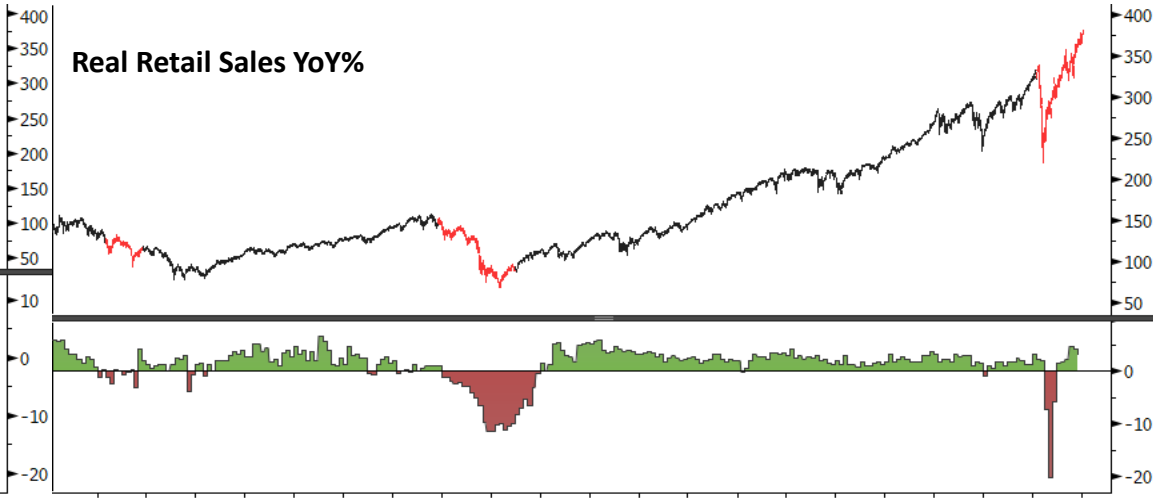


Conference Board Leading Economic Index



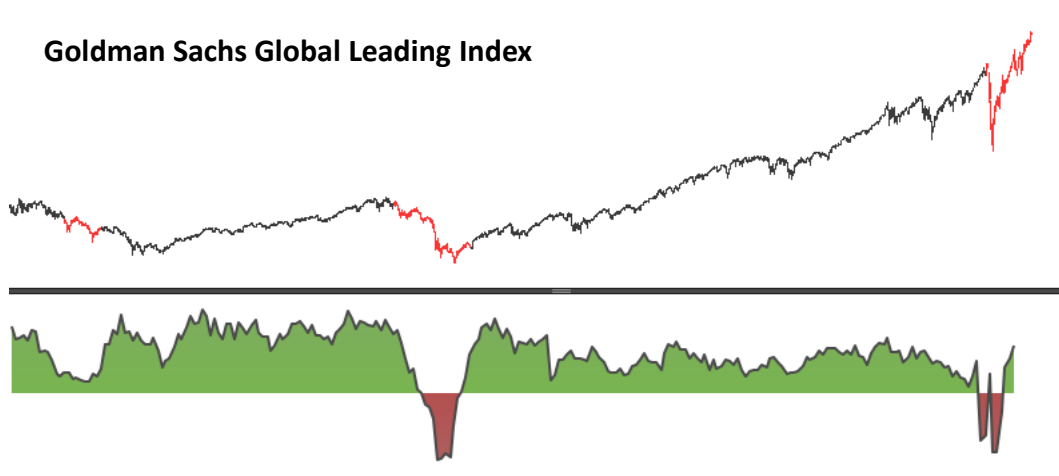
'01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20
 SPY US Equity (SPDR S&P 500 ETF Trust) MACRO LEI Daily 15JUN2000-12JAN2021 Copyright© 2021 Bloomberg Finance L.P. 11-Jan-2021 20:17:49

Real Retail Sales YoY%



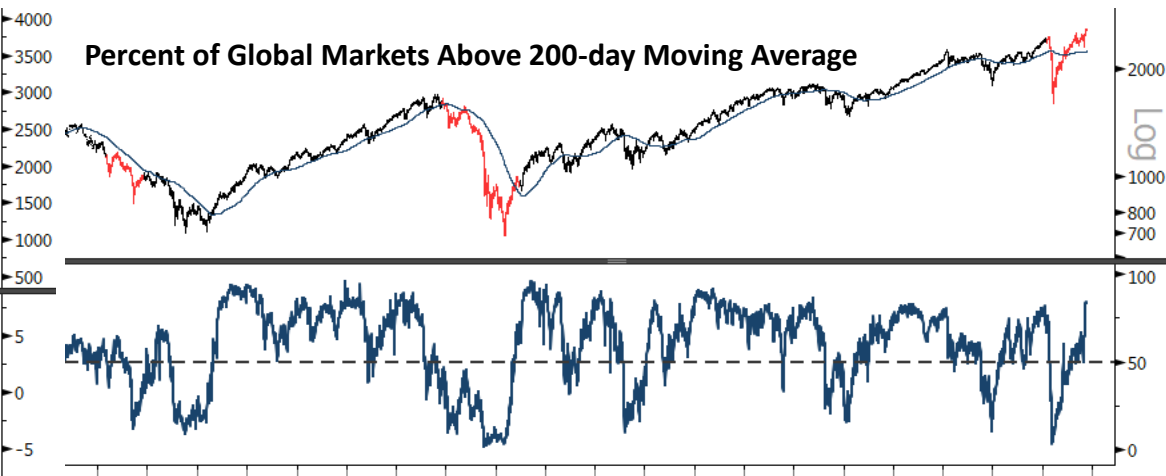
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 SPY US Equity (SPDR S&P 500 ETF Trust) Macro Real Retail Sales Daily 31JAN2000- Copyright© 2021 Bloomberg Finance L.P. 11-Jan-2021 20:17:59

Goldman Sachs Global Leading Index



'00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20
 SPX Index (S&P 500 INDEX) GS Global Leading Index Weekly 14JAN2000-12JAN2021 Copyright© 2021 Bloomberg Finance L.P. 11-Jan-2021 20:33:09

Percent of Global Markets Above 200-day Moving Average

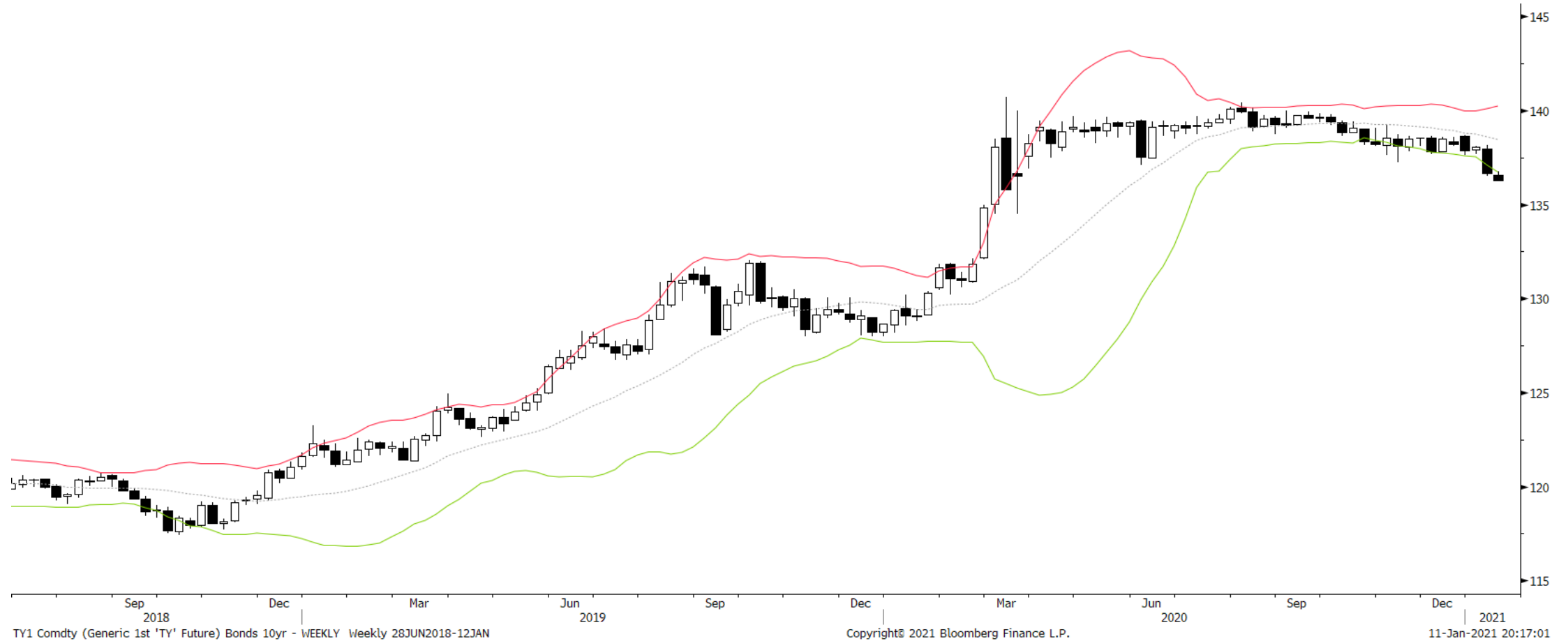


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 MWO Index (MSCI World Index) MSCI World PCT 200dma Daily 08MAY2000-20NOV2020 Copyright© 2021 Bloomberg Finance L.P. 11-Jan-2021 20:18:22

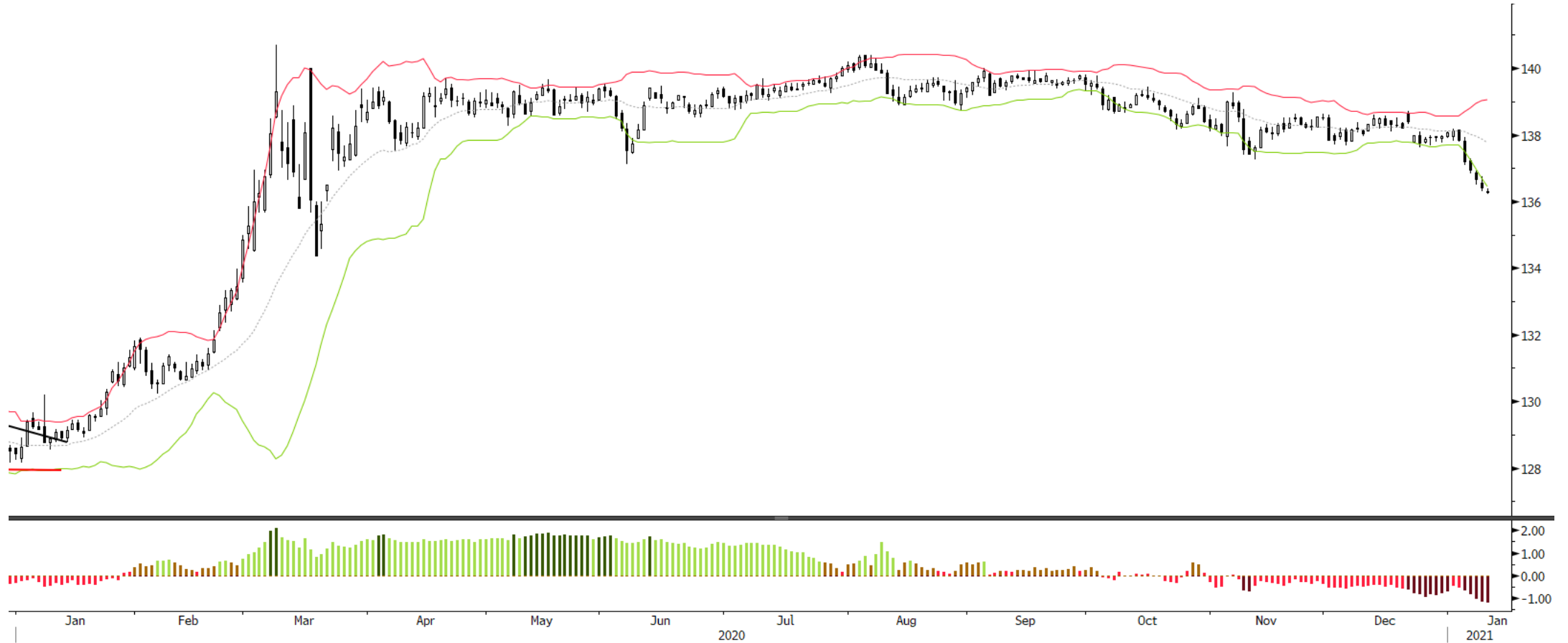
Bonds: 10-year Futures Monthly



Bonds: 10-year Futures Weekly



Bonds: 10-year Futures Daily



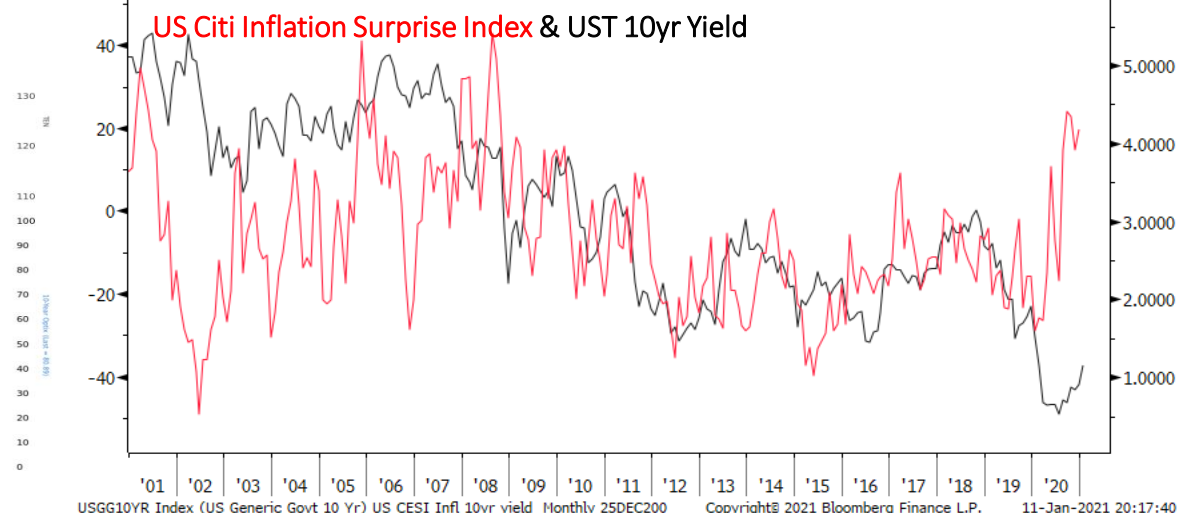
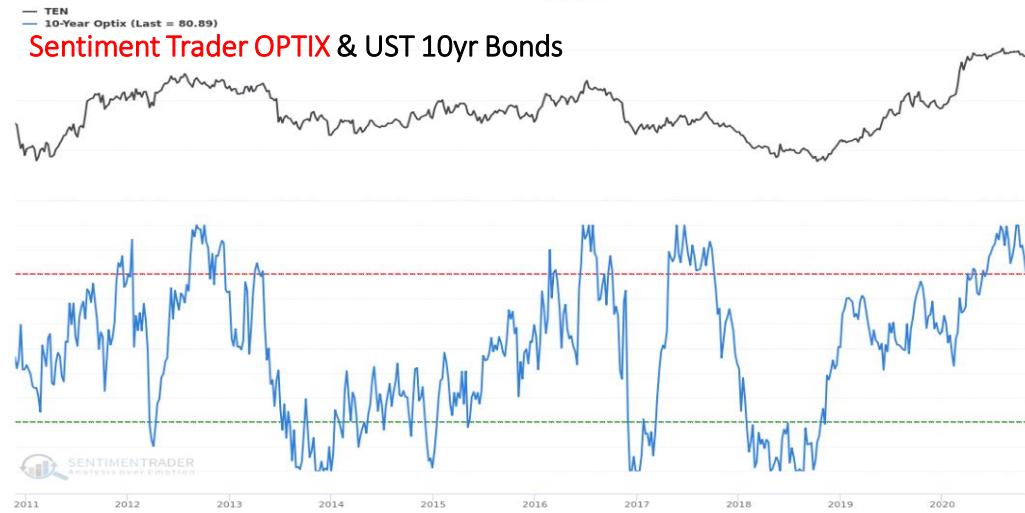
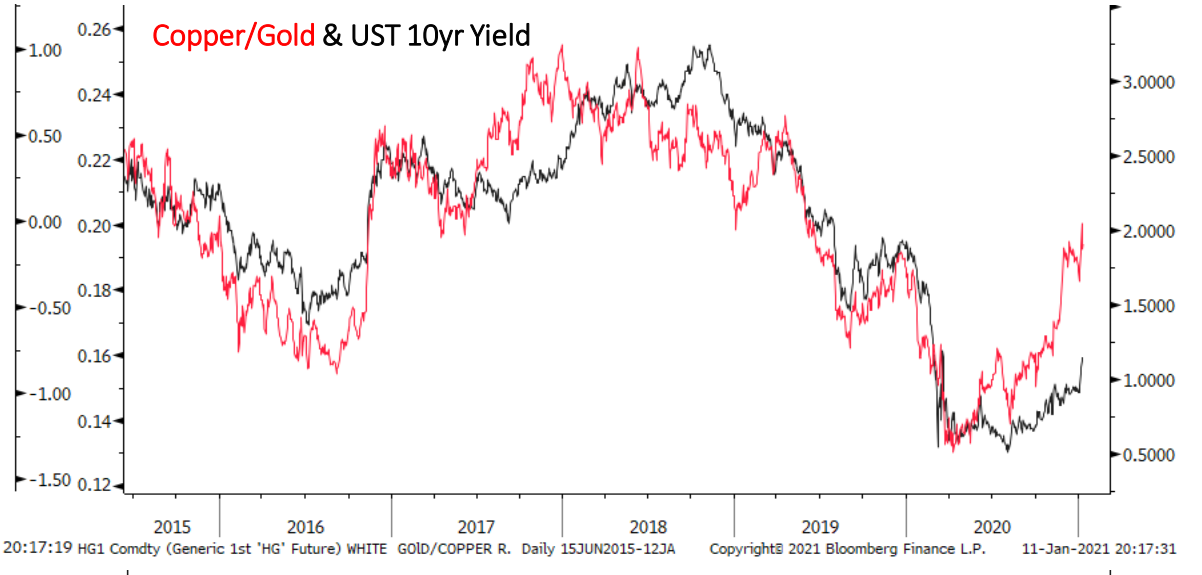
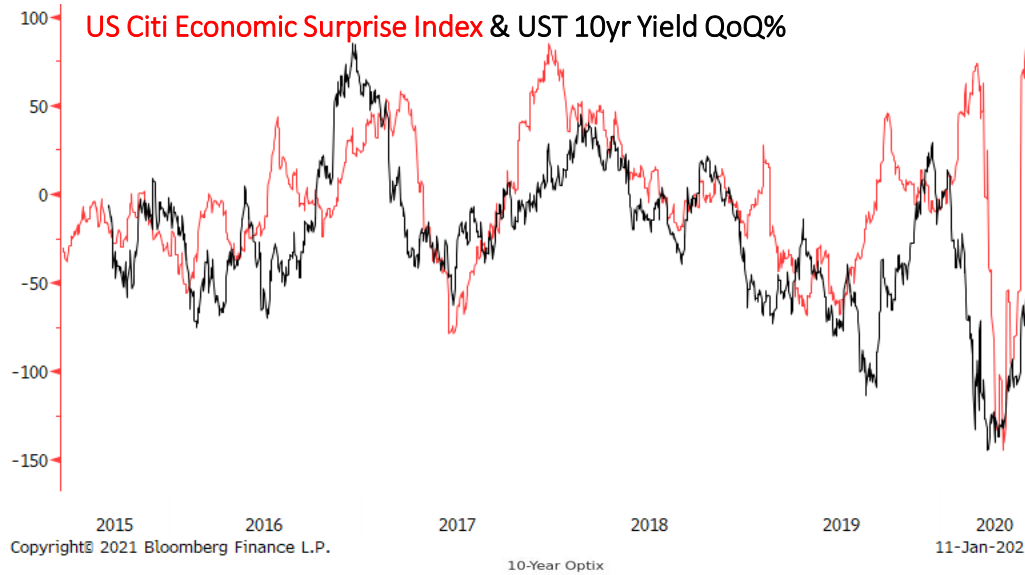
TY1 Comdty (Generic 1st 'TY' Future) Bonds 10yr - DAILY Daily 30DEC2019-12JAN20

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Bond/Yield Indicators



Gold Monthly



Gold Weekly



Gold is in a 6-month bull channel. Expect further slightly down to sideways chop until there's a confirmed breakout to the upside



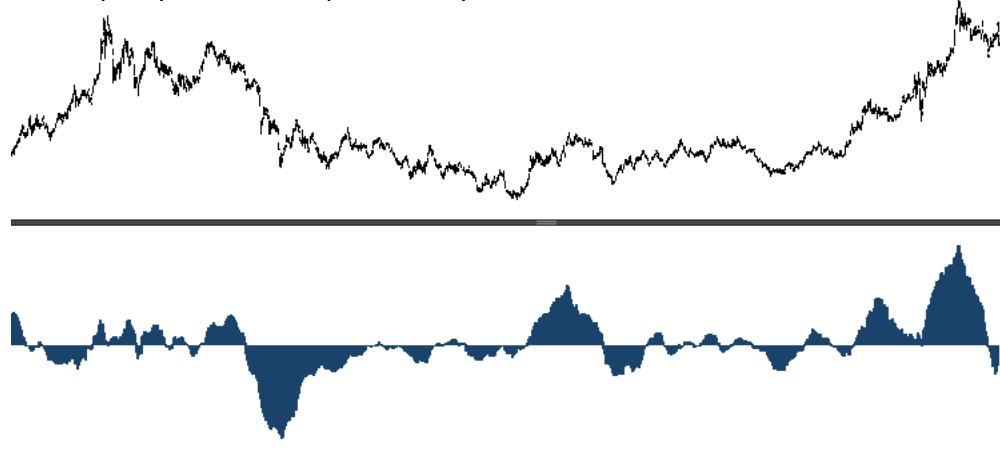
Gold Daily





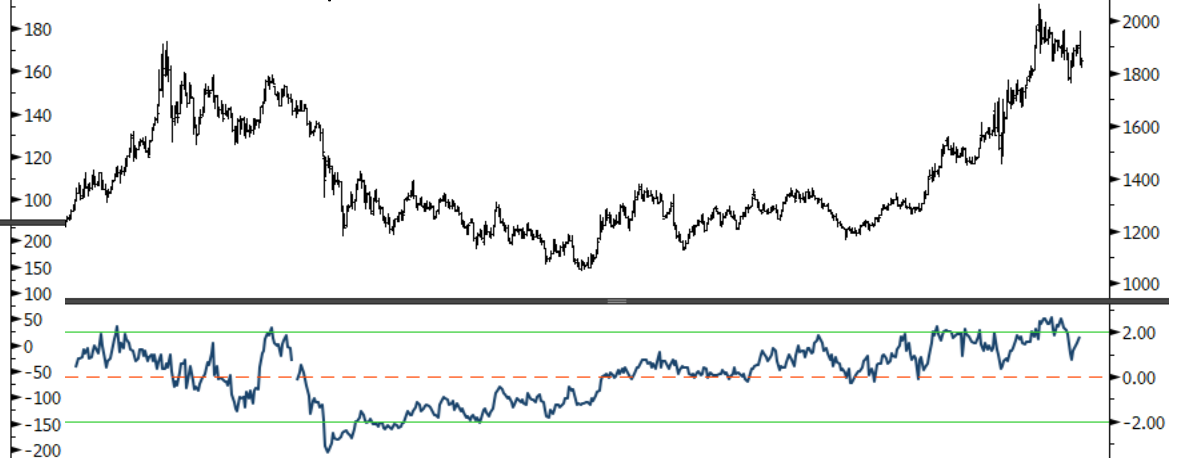
Gold Indicators

Gold (GLD) Fund Flows (smoothed)



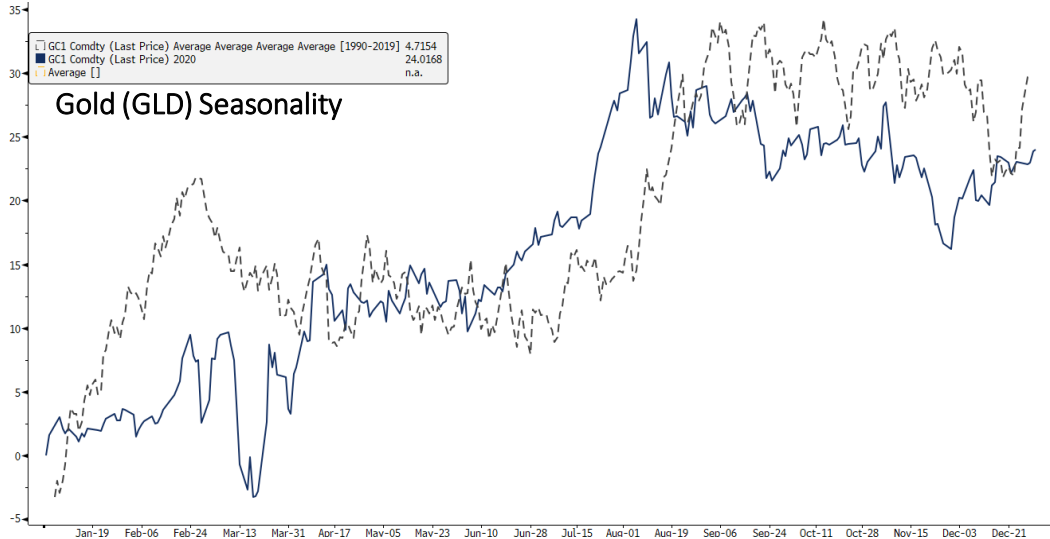
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2010-12JAN2 Copyright© 2021 Bloomberg Finance L.P. 11-Jan-2021 20:17:01

Gold Net Small Specs Z-score

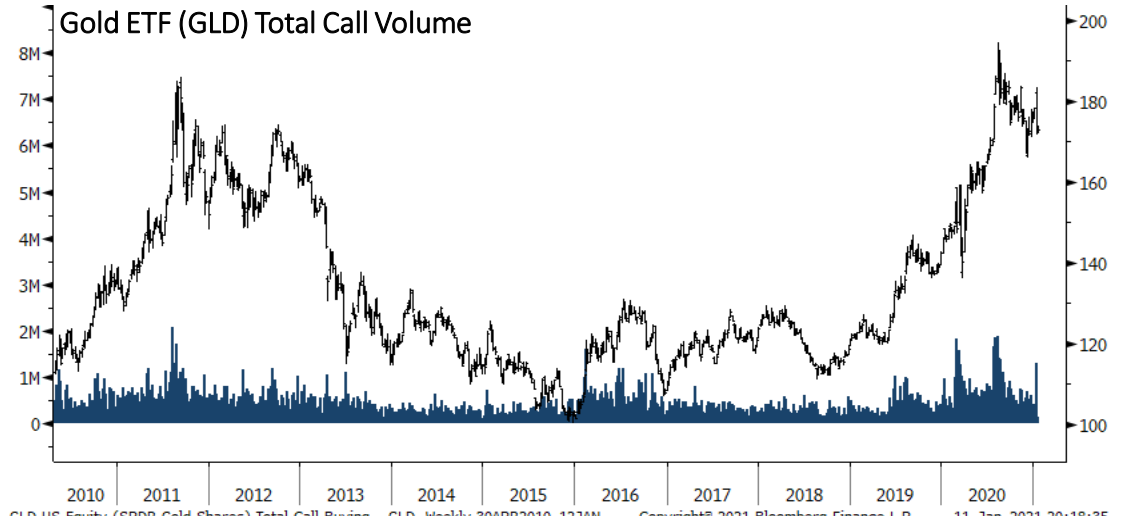


GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 25AUG2010-12 Copyright© 2021 Bloomberg Finance L.P. 11-Jan-2021 20:18:25

Gold (GLD) Seasonality



Gold ETF (GLD) Total Call Volume



GLD US Equity (SPDR Gold Shares) Total Call Buying - GLD Weekly 30APR2010-12JAN Copyright© 2021 Bloomberg Finance L.P. 11-Jan-2021 20:18:35

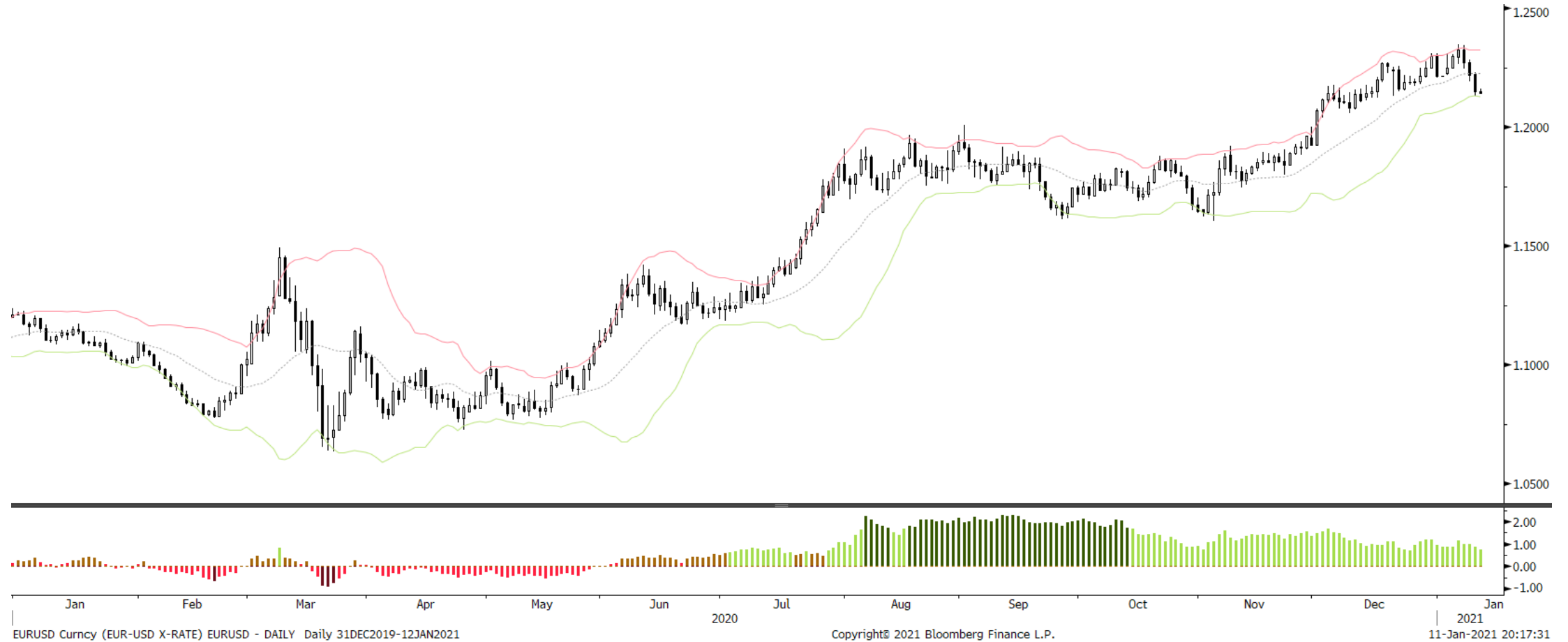
EURUSD Monthly



EURUSD Weekly

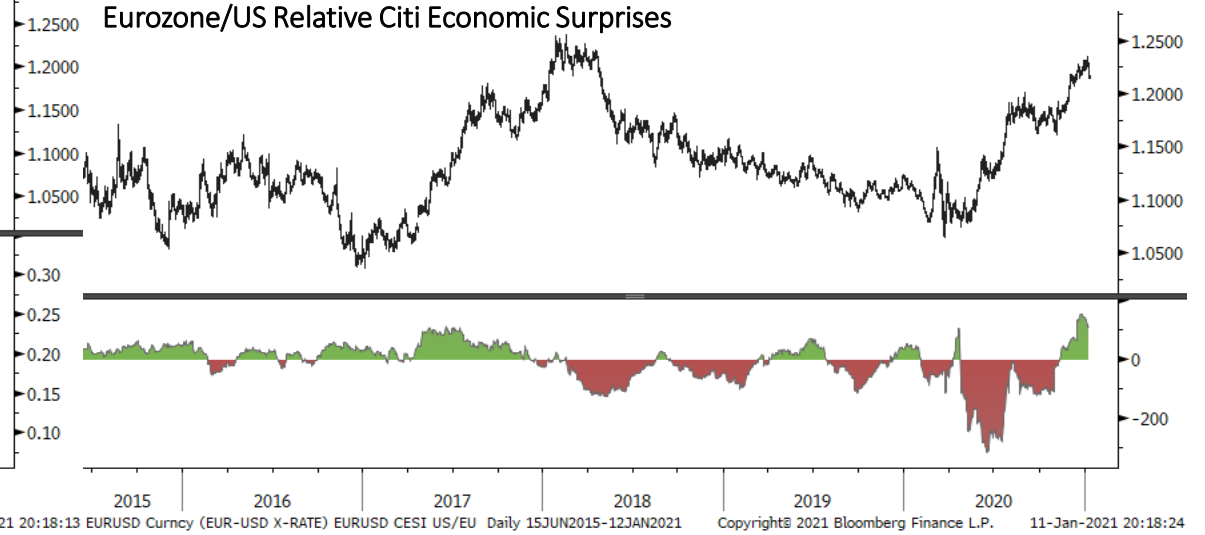


EURUSD Daily





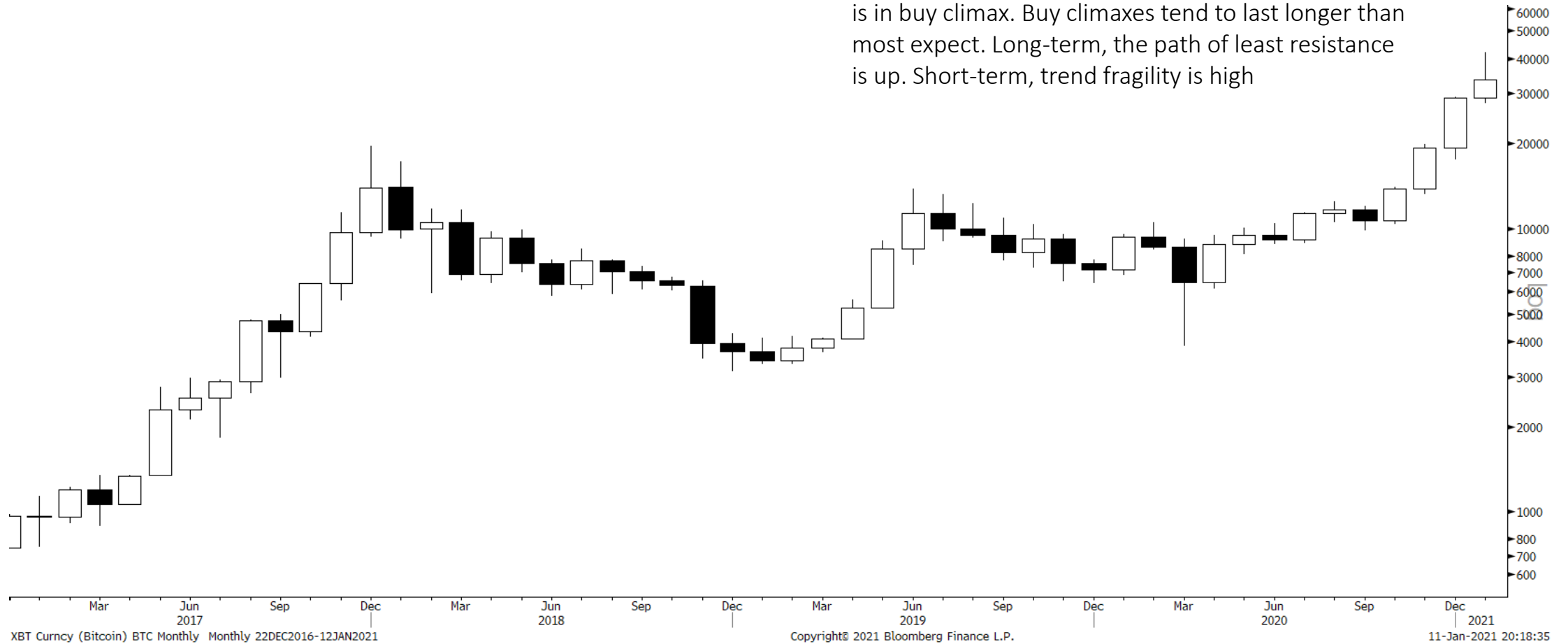
EURUSD Indicators



Bitcoin Monthly



As expected, December formed a strong bull bar. BTC is in buy climax. Buy climaxes tend to last longer than most expect. Long-term, the path of least resistance is up. Short-term, trend fragility is high



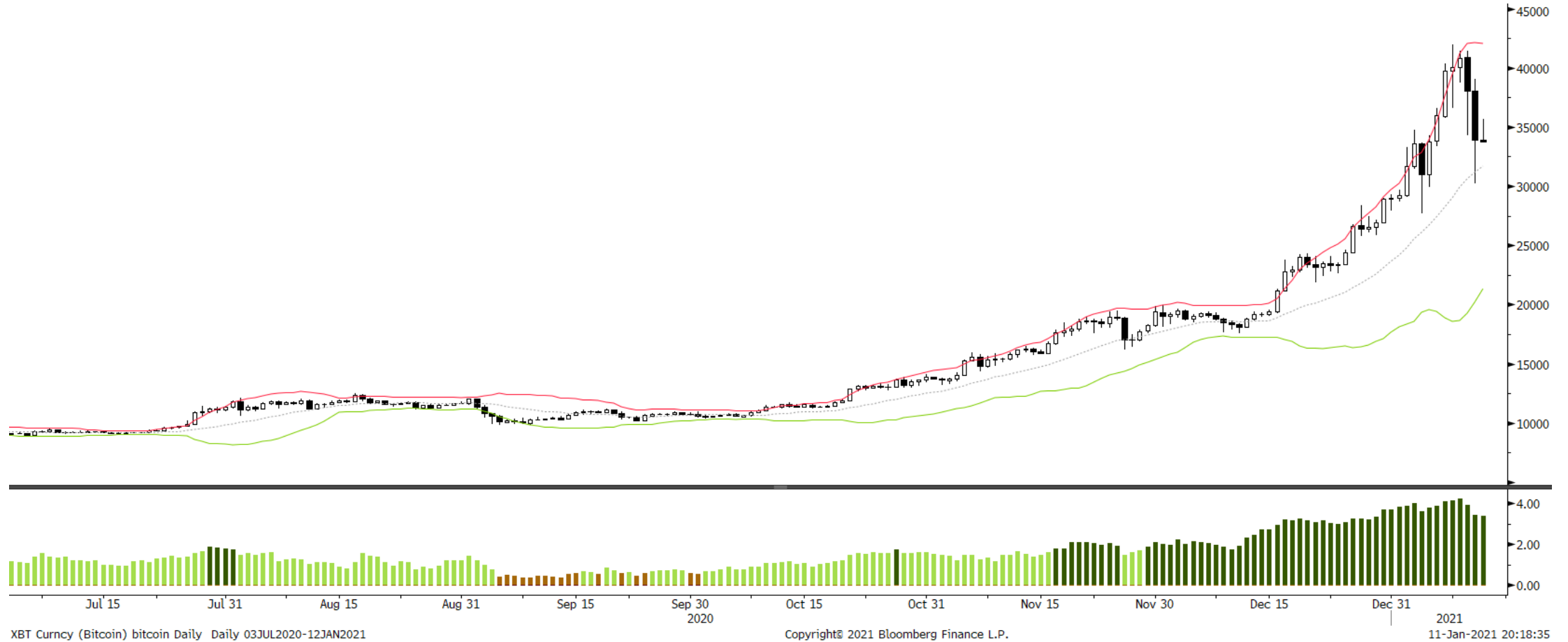
Bitcoin Weekly

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

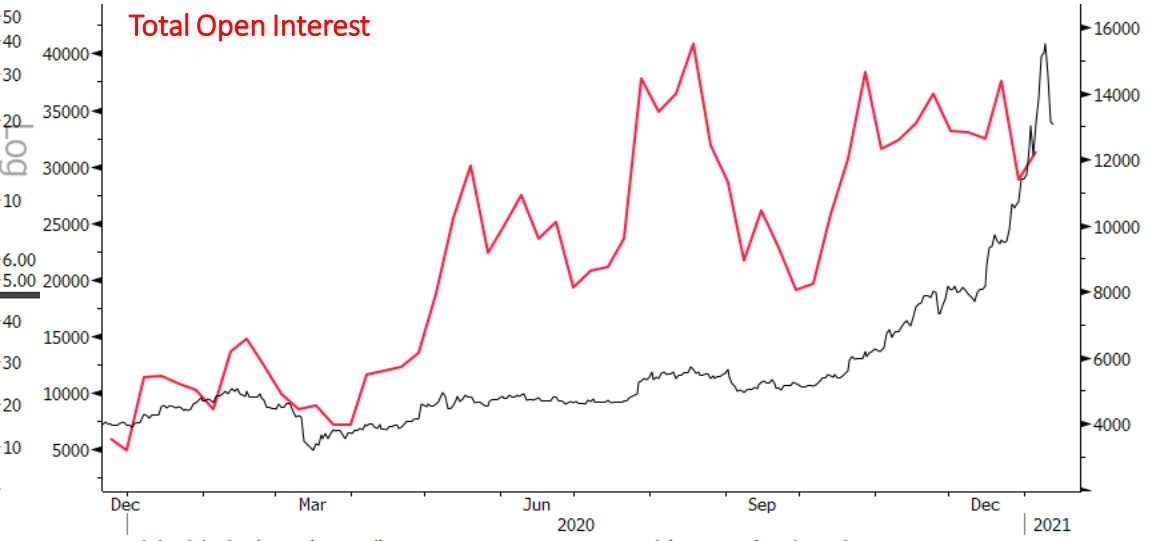
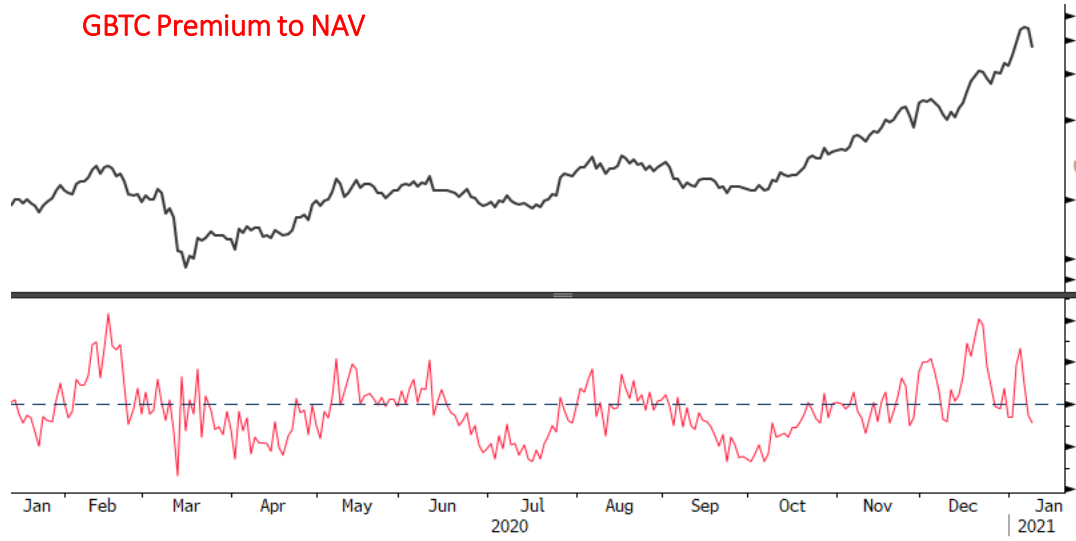
Rising GBTC Fund Assets, Active BTC Addresses, and increasing institutional adoption bode well for the long-term bullish trend. Bitcoin is in a buy climax and buy climaxes tend to last longer than most expect. **The long-term path of least resistance is up though sentiment indicators are showing high-levels of exuberance, so watch for the tape to indicate profit taking**



Bitcoin Daily



Bitcoin Indicators



GBTC US Equity (Grayscale Bitcoin Trust BTC) GBTC NAV Premium Daily 12JAN2020-1 Copyright© 2021 Bloomberg Finance L.P. 11-Jan-2021 20:38:37 XBT Curncy (Bitcoin) Bitcoin Total OI Daily 21DEC2019-12JAN2021 Copyright© 2021 Bloomberg Finance L.P. 11-Jan-2021 20:18:52



The Foundation Portfolio

2021 ytd return (updated 1/11)

2020 final return

6.6%

66.40%

Positions	Thematic	Cost Basis	At Risk	Risk Point	Last Price	Last Action
S&P e-mini (ES_F)	Trend	\$3,415.00	-75bps	\$3,610.00	\$3,797.25	
Ammo, Inc (POWW)	Value/Growth	\$3.01	270bps	\$2.17	\$4.17	12/18/2020 Added to position
Enlabs (NLAB)	Secular Growth	\$3.21 (=USD)	-32bps	\$3.46	\$40.85	9/17/20 Added to position
Red Violet (RDVT)	Secular Growth	\$17.85	-137bps	\$21.09	\$23.71	
Frontdoor (FTDR)	Secular Growth	\$44.22	-15bps	\$45.10	\$52.22	
Nintendo (NTDOY)	Secular Growth	\$63.46	26bps	\$61.50	\$79.29	11/13/20 Added to position
Cardlytics (CDLX)	Secular Growth	\$82.80	-154bps	\$104.00	\$140.80	1/11/20 Took half profits
Roku (ROKU)	Secular Growth	\$219.40	-25bps	\$236.00	\$403.13	11/19/20 Added to position
Murata Manufacturing (6981)	Secular Growth	\$73.57 (=USD)	-21bps	\$76.08	\$96.63	
Kura Sushi (KRUS)	Value/Growth	\$18.27	90bps	\$14.68	\$18.75	
Antero Resources (AR)	Cyclical Recovery	\$5.70	127bps	\$4.37	\$6.67	12/23/20 Added to position
Centrus Energy (LEU)	Secular Growth	\$20.25	95bps	\$13.30	\$21.80	
Betterware De Mexico	Secular Growth	\$30.27	50bps	\$26.00	\$34.15	
Qualitas Controladora	Secular Growth	\$5.22	150bps	\$4.01	\$5.58	
BH Group Limited ADR (BHP)	Cyclical Recovery	\$65.80	100bps	\$47.37	\$71.28	
Cresud S.A.C (CRESY)	Cyclical Recovery	\$4.51	50bps	\$3.70	\$4.87	
Bidstack, Inc. (BIDS)	Speculative Growth	\$0.16	200bps	\$0.00	\$0.16	
Nic, Inc. (EGOV)	Secular Growth	\$27.41	50bps	\$22.79	\$27.41	
Exone (XONE)	Secular Growth	\$13.49	75bps	\$8.82	\$13.49	
Salesforce (CRM) SHORT	Technical Trade	\$221.56	92bps	\$248.54	\$218.25	
Qualcomm, Inc (QCOM) SHORT	Technical Trade	\$148.00	50bps	\$161.10	\$156.11	
Zoom Video Communication (ZM) SHORT	Technical Trade	\$354.22	100bps	\$428.66	\$337.71	
Micron Technology (MU) Jan 22' \$100 calls	DOTM	\$1.38	100bps	N/A	\$8.00	
Deutsche Bank (DB) Jan 22 \$20 calls	DOTM	\$0.28	50bps	N/A	\$0.25	
Greyscale Bitcoin Trust (GBTC)	Secular Thematic	\$17.55	-12bps	\$18.00	\$37.40	12/18/20 Took half profits