



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. But hot sentiment and positioning has increased trend fragility which means we should expect higher chop and volatility in the near future</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. Last week saw a weak bullish reversal. This raises the odds that bonds trade sideways before embarking on another leg down	<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 though remain somewhat stretched to the bull side➤ 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 at some point, but we're likely to see more down-to-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 its 18' highs. Odds favor it trading sideways to down. Watch this week's action to confirm a bearish reversal

S&P 500 Monthly



S&P 500 Weekly



The market is within a hair of its measured move target of 3,845. Last week formed a weak bear bar that's part of an inside-outside-inside (ioi) pattern, meaning the SPX is now in breakout mode

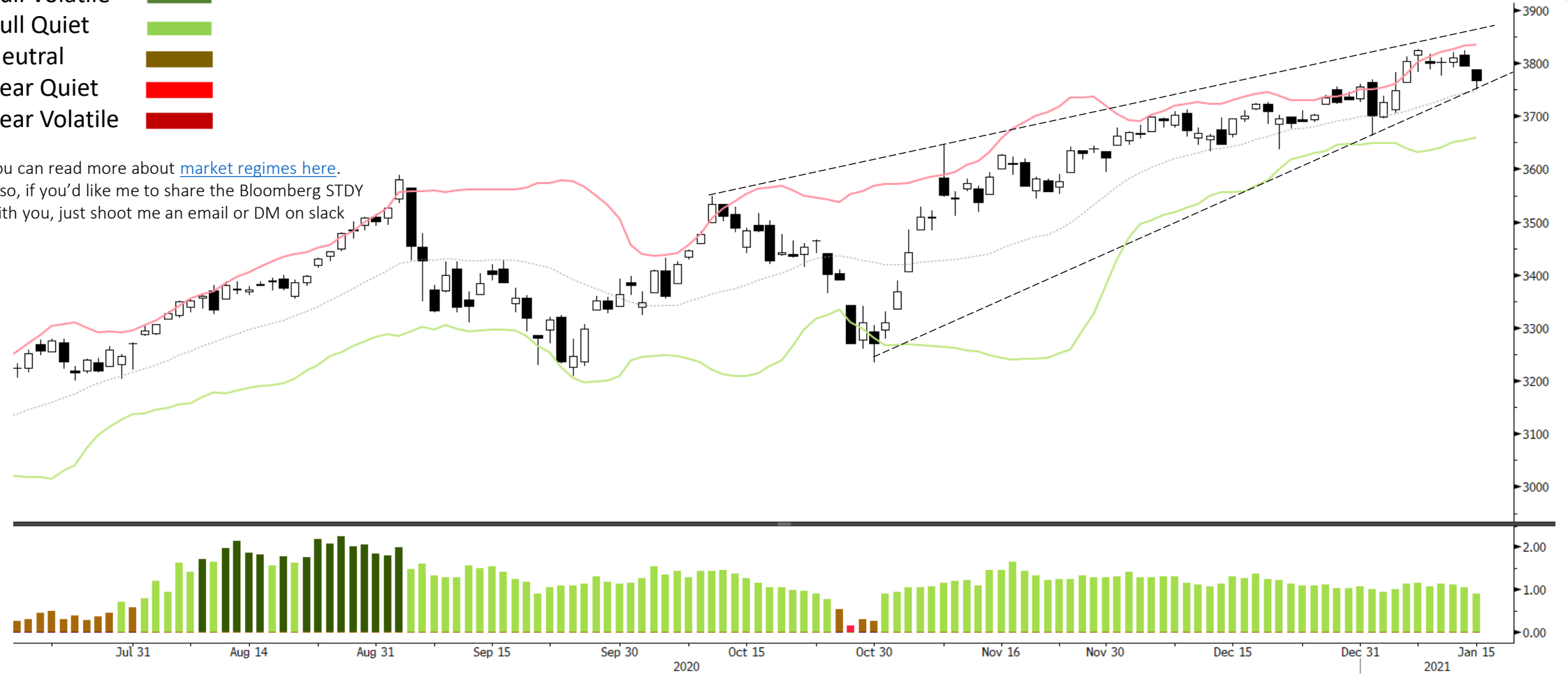


S&P 500 Daily

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



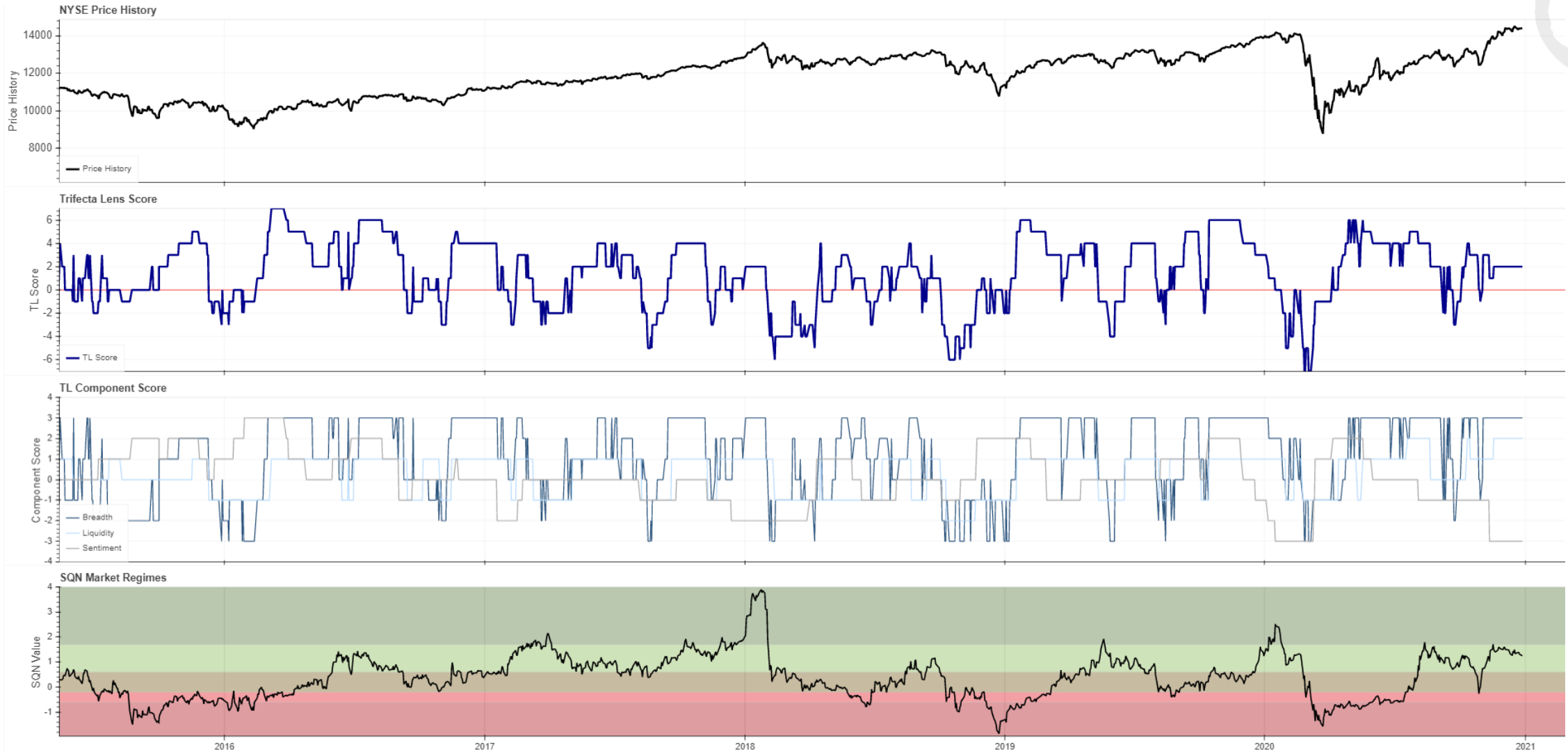
SPX Index (S&P 500 INDEX) SPX CHART-DAILY Daily 17JUL2020-17JAN2021

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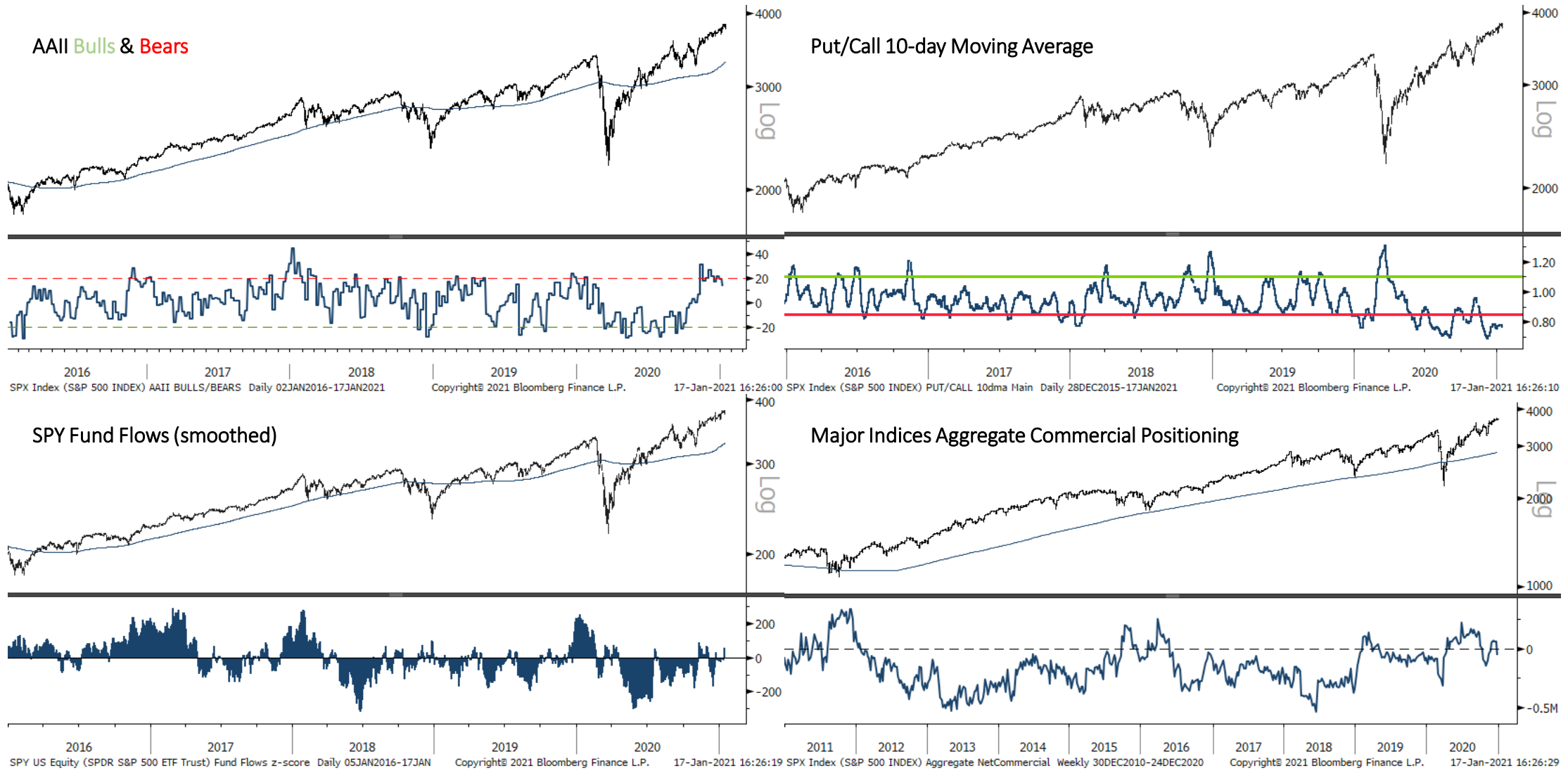
Trifecta Lens Score: +2

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

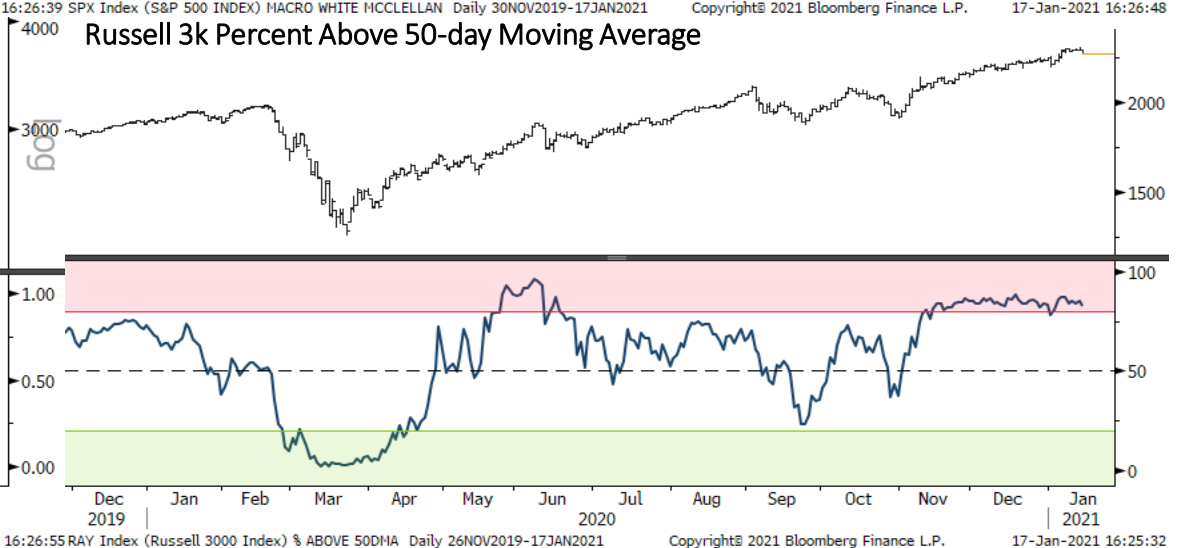
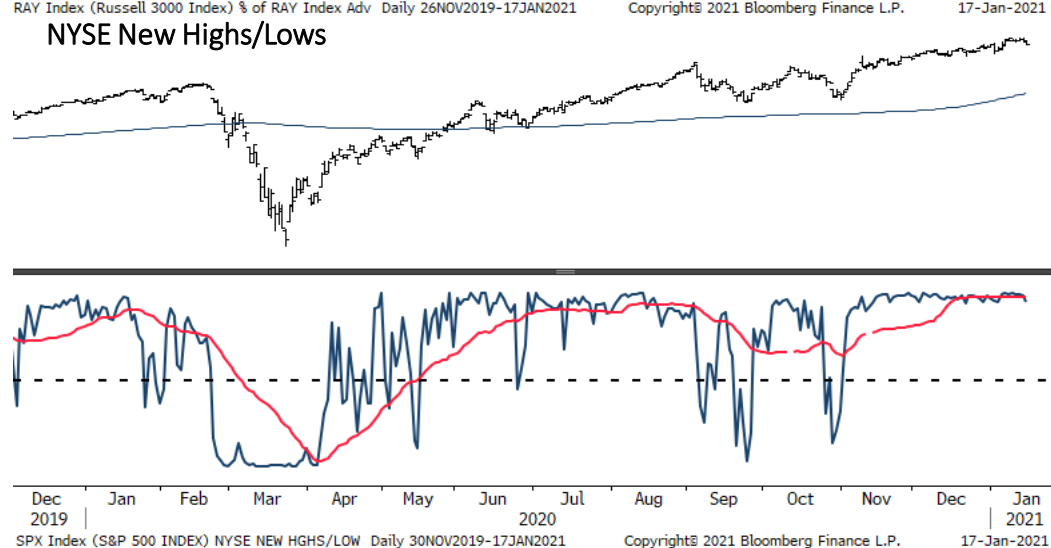
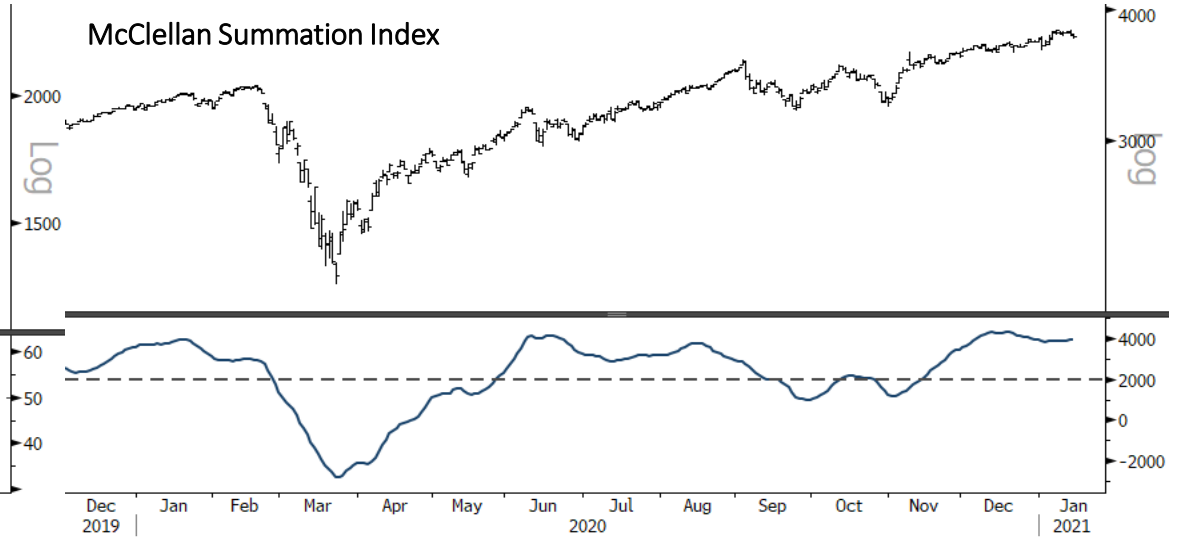
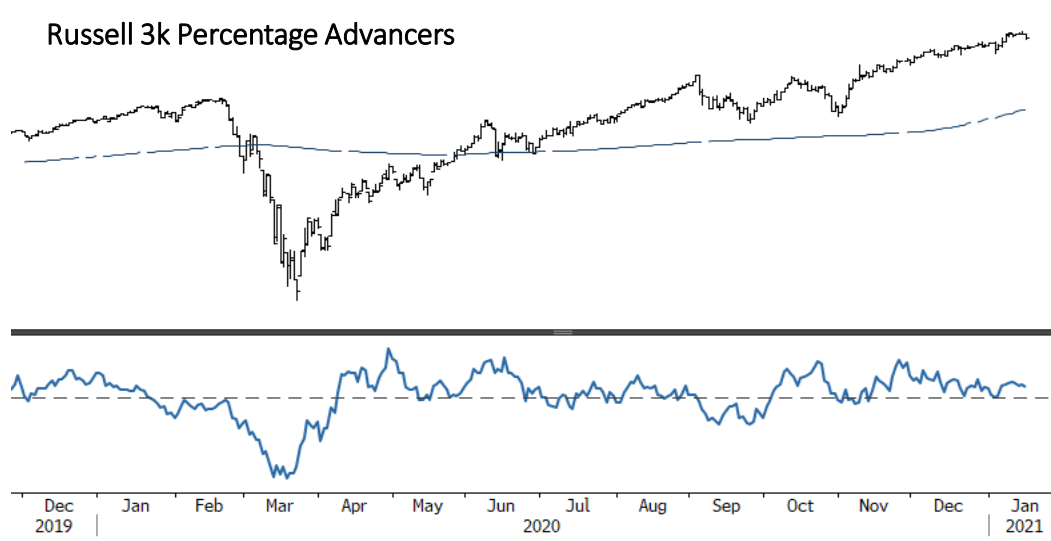


Note: TL & SQN indicators update overnight (for the previous trading day).

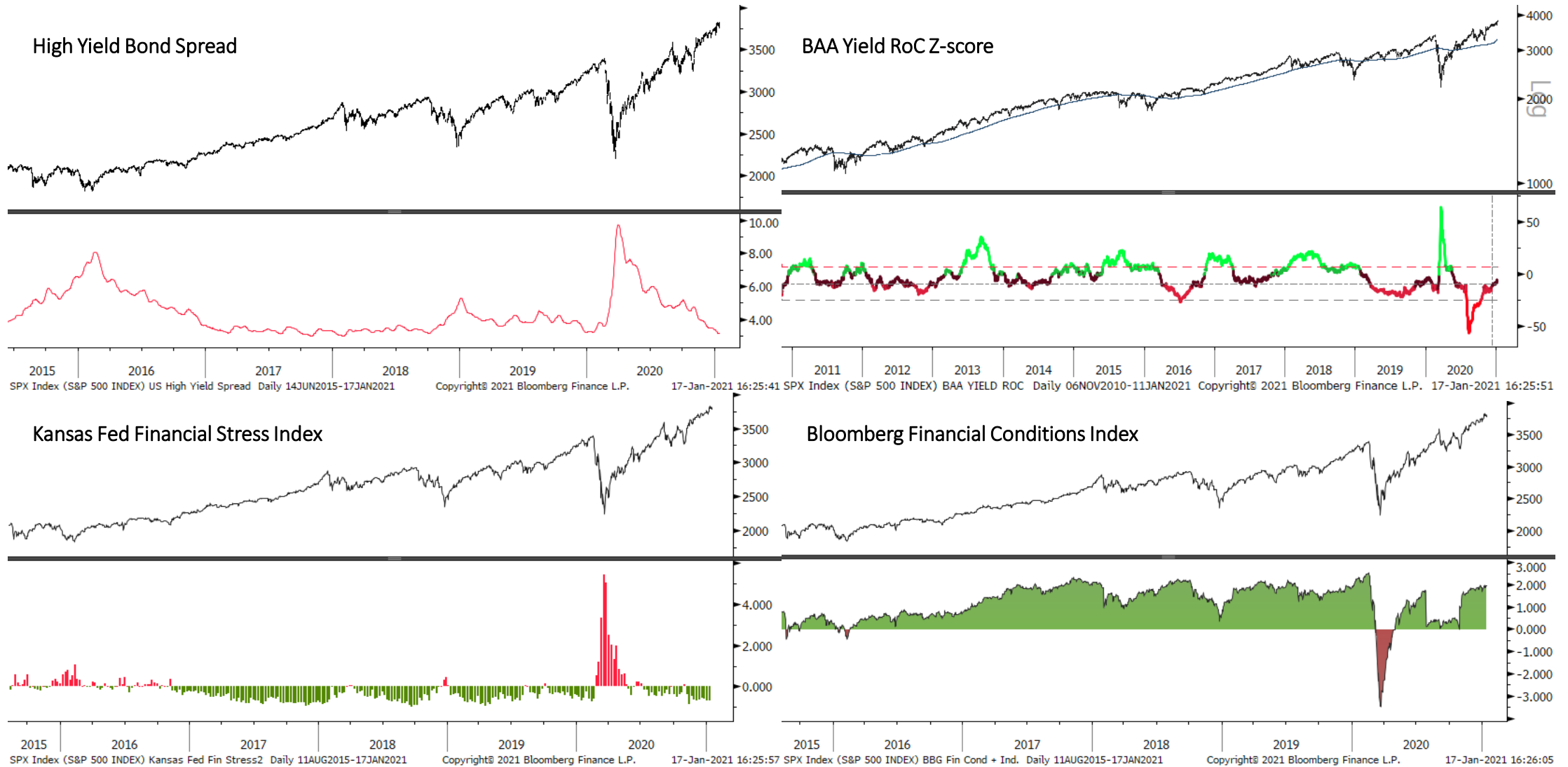
Sentiment & Positioning



Breadth



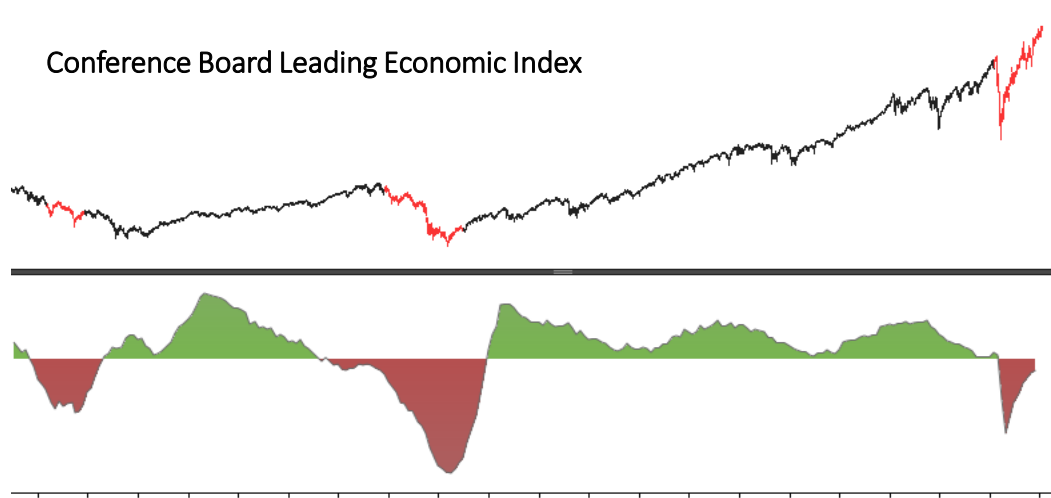
Liquidity



Macro

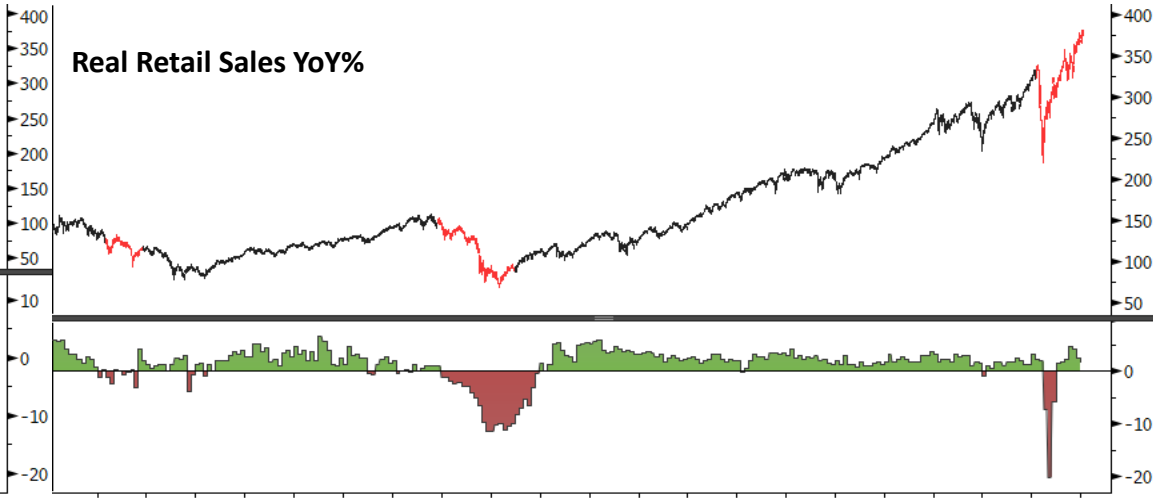


Conference Board Leading Economic Index



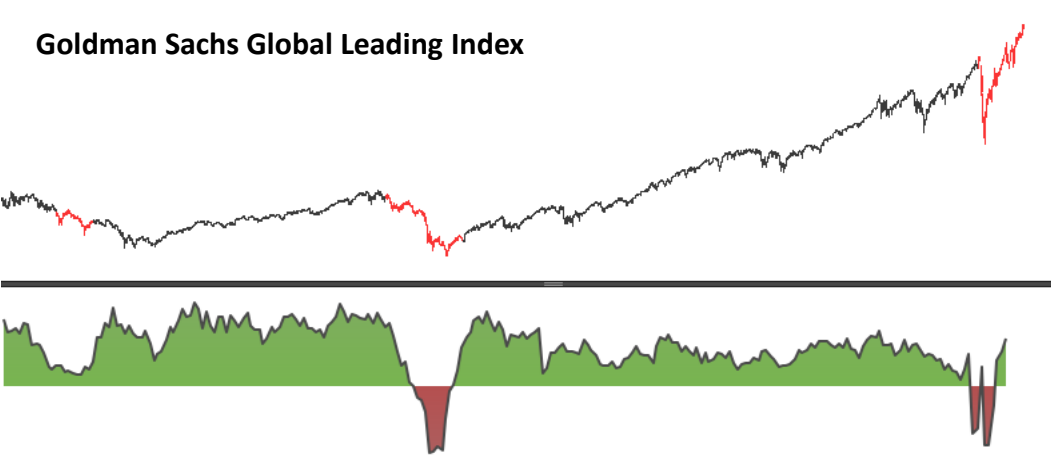
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 SPY US Equity (SPDR S&P 500 ETF Trust) MACRO LEI Daily 15JUN2000-17JAN2021 Copyright© 2021 Bloomberg Finance L.P. 17-Jan-2021 16:26:14

Real Retail Sales YoY%



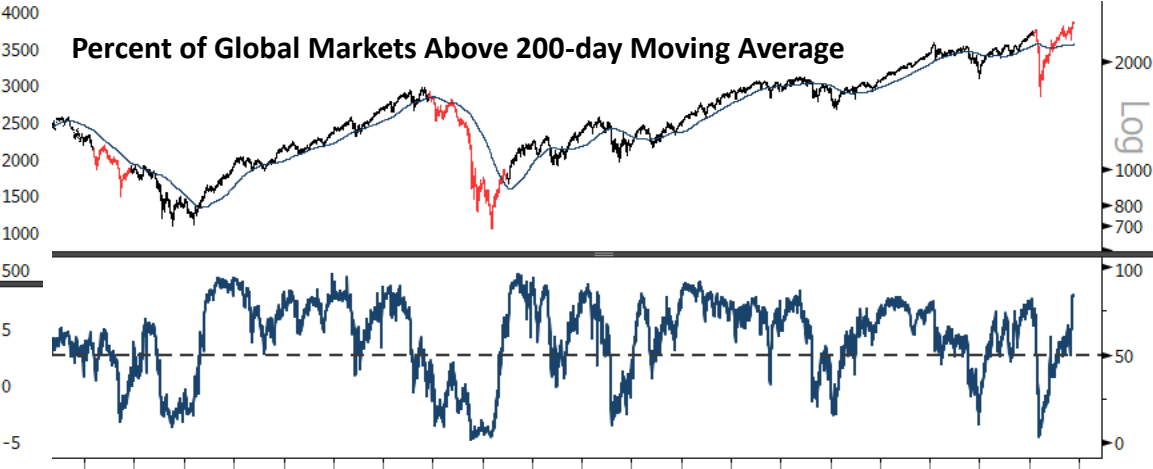
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 SPY US Equity (SPDR S&P 500 ETF Trust) Macro Real Retail Sales Daily 31JAN2000- Copyright© 2021 Bloomberg Finance L.P. 17-Jan-2021 16:26:21

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 14JAN2000-17JAN2021 Copyright© 2021 Bloomberg Finance L.P. 17-Jan-2021 16:26:29

Percent of Global Markets Above 200-day Moving Average

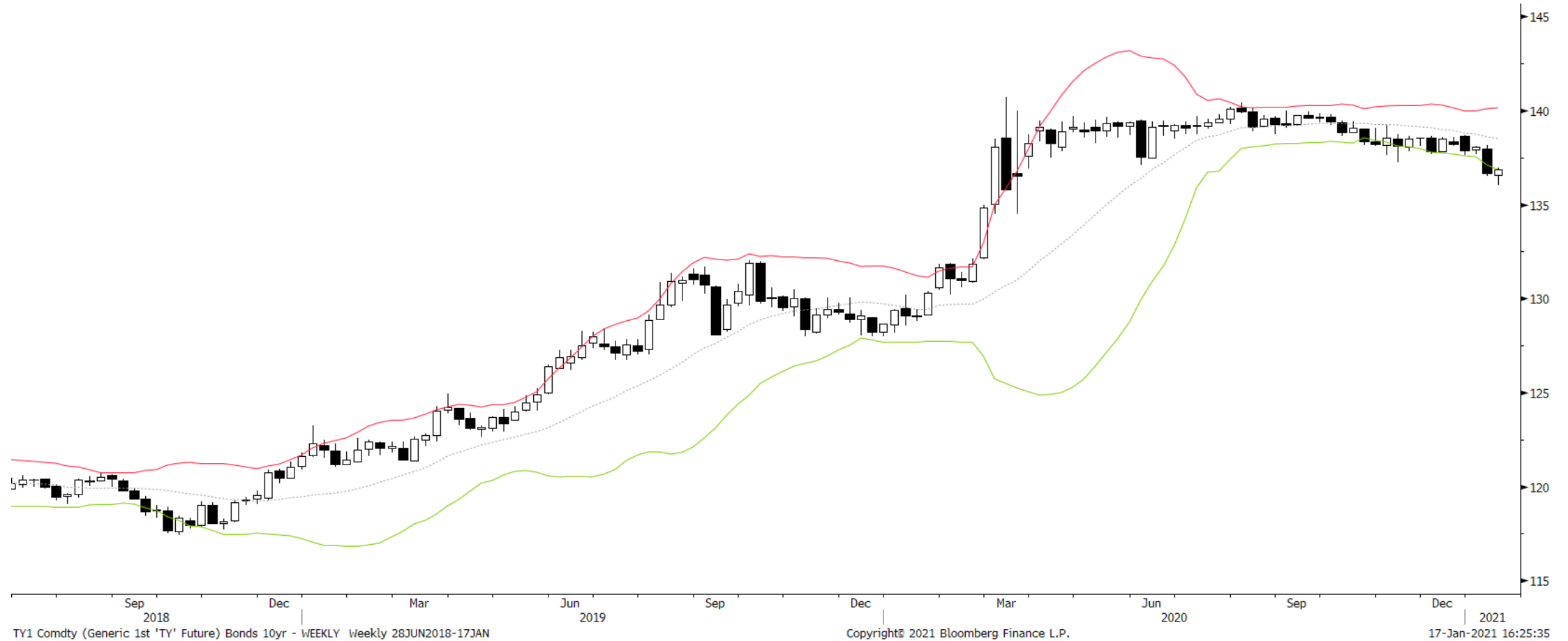


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 MWO Index (MSCI World Index) MSCI World PCT 200dma Daily 08MAY2000-20NOV2020 Copyright© 2021 Bloomberg Finance L.P. 17-Jan-2021 16:26:36

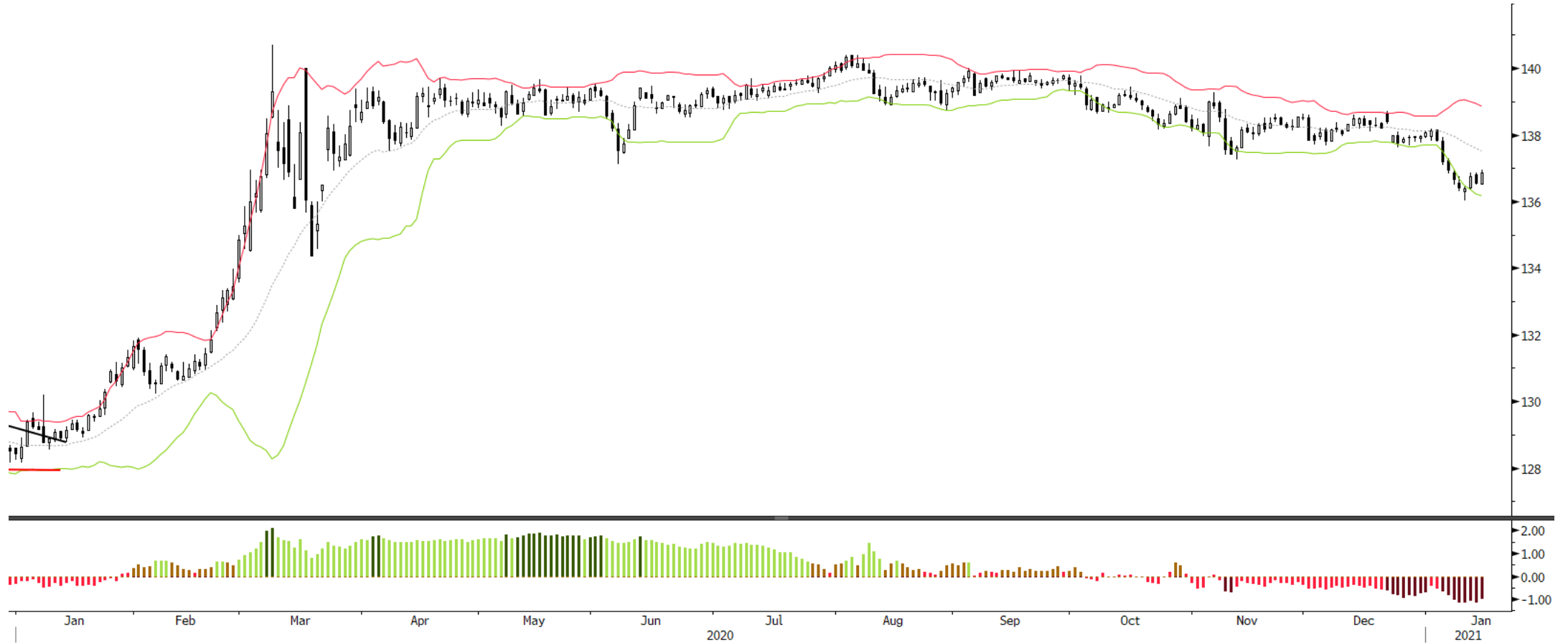
Bonds: 10-year Futures Monthly



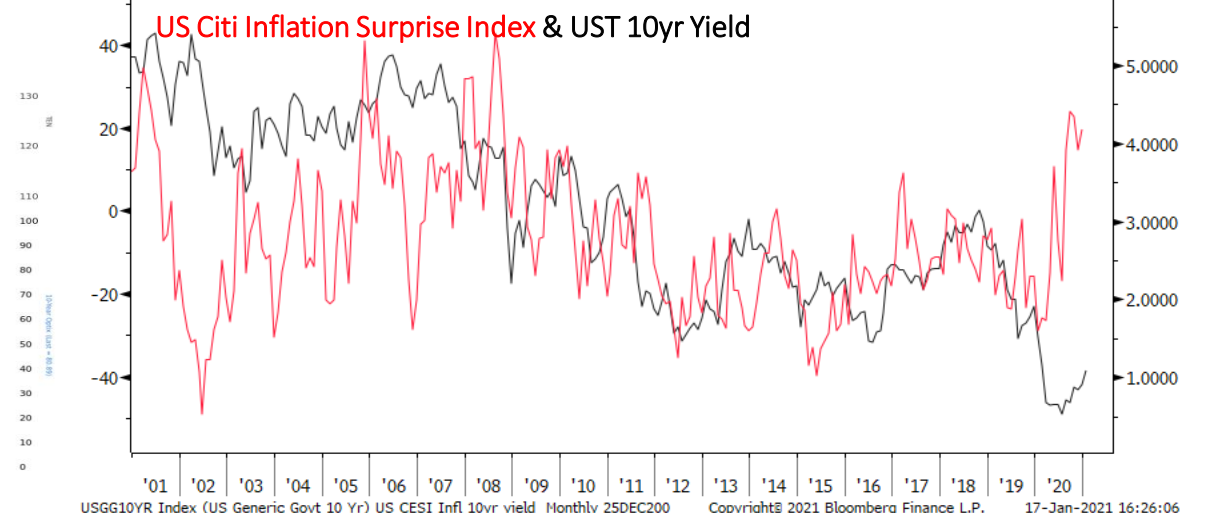
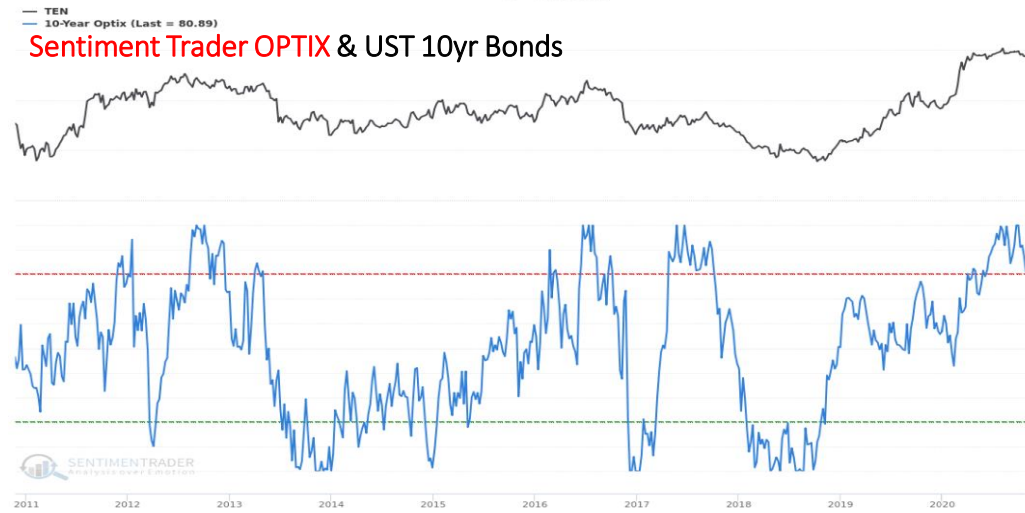
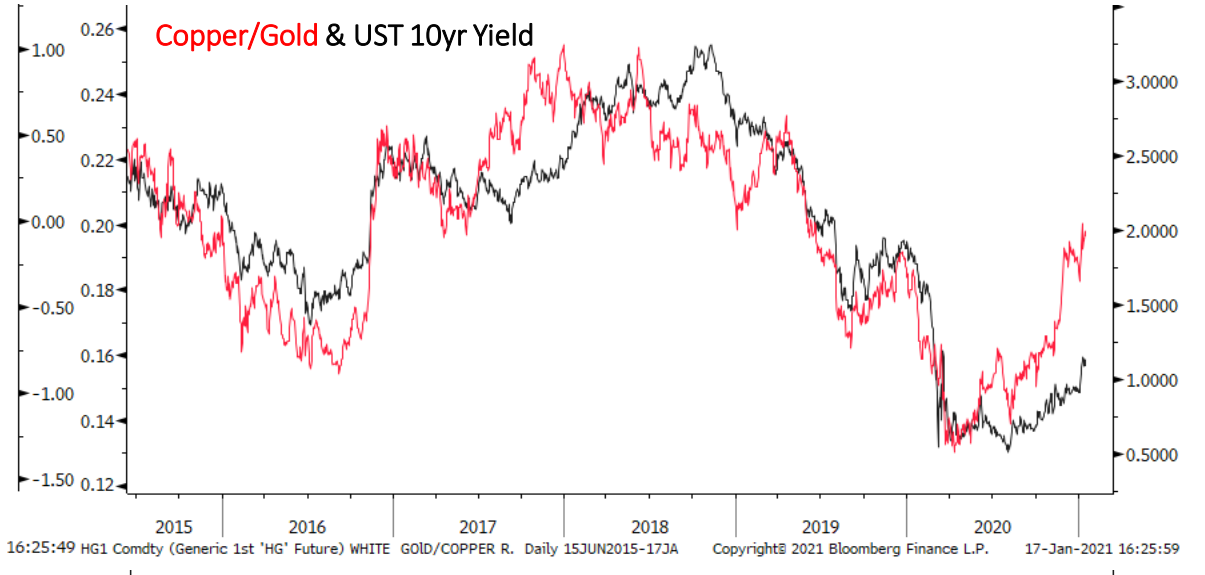
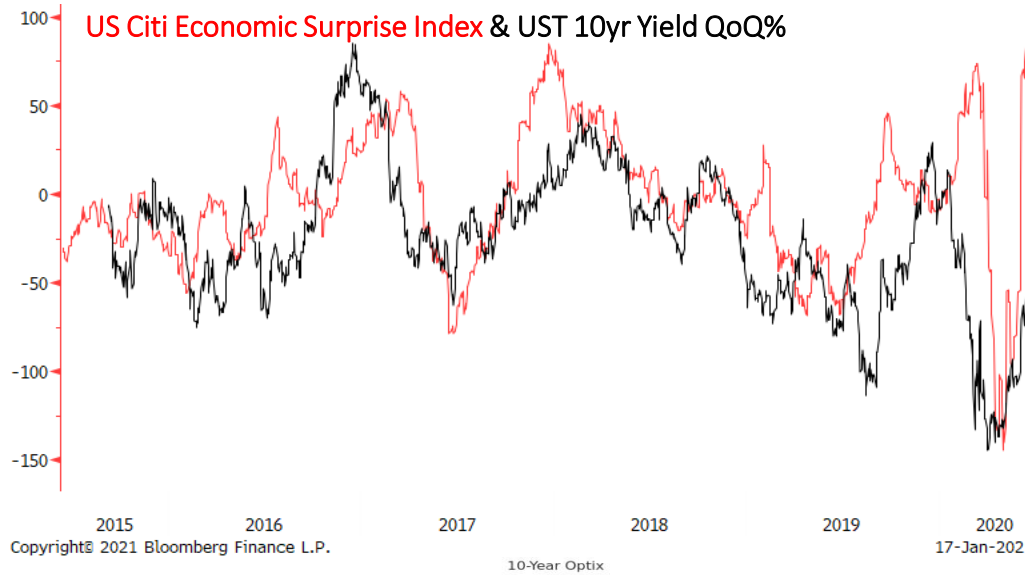
Bonds: 10-year Futures Weekly



Bonds: 10-year Futures Daily



Bond/Yield Indicators



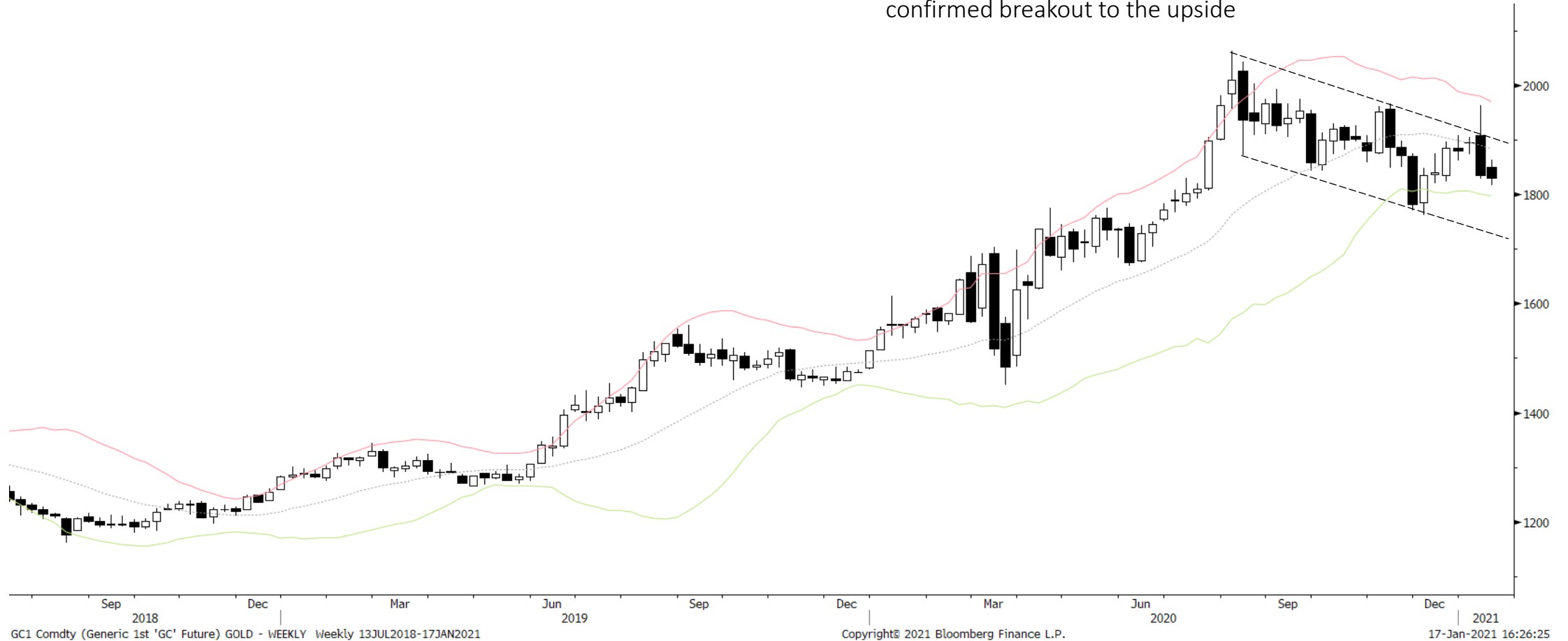
Gold Monthly



Gold Weekly



Gold is in a 6-month bull channel. Expect more sideways/lower chop until there's a confirmed breakout to the upside



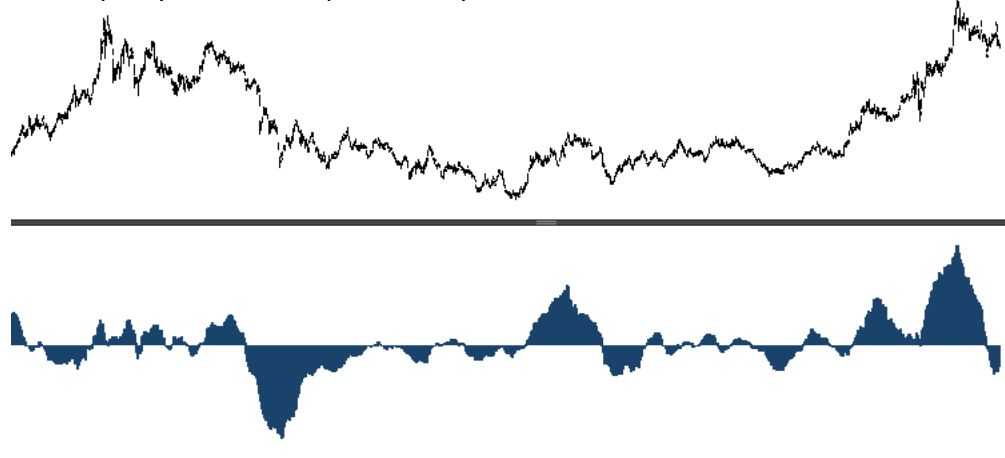
Gold Daily





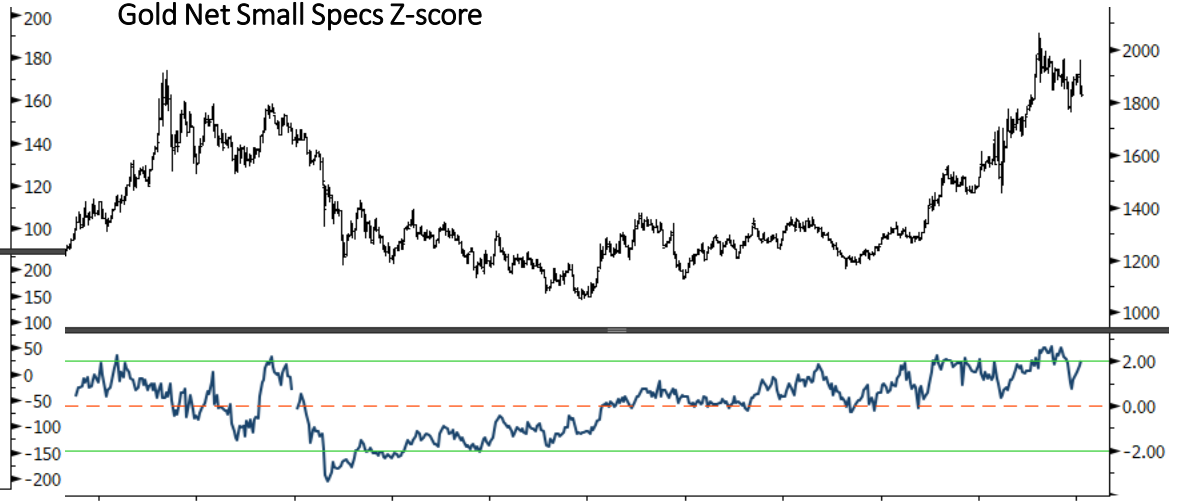
Gold Indicators

Gold (GLD) Fund Flows (smoothed)



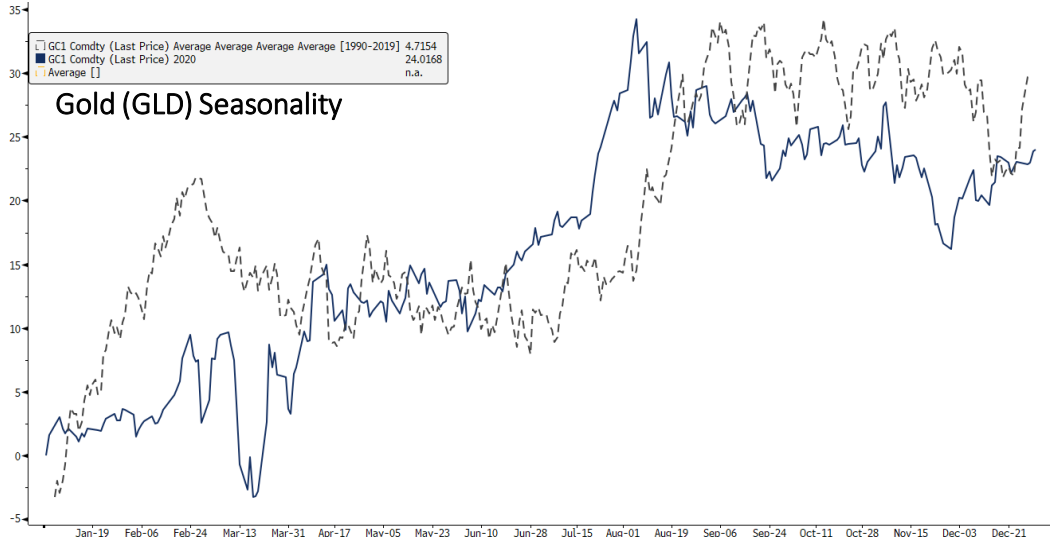
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2010-17JAN2 Copyright© 2021 Bloomberg Finance L.P. 17-Jan-2021 16:25:35

Gold Net Small Specs Z-score

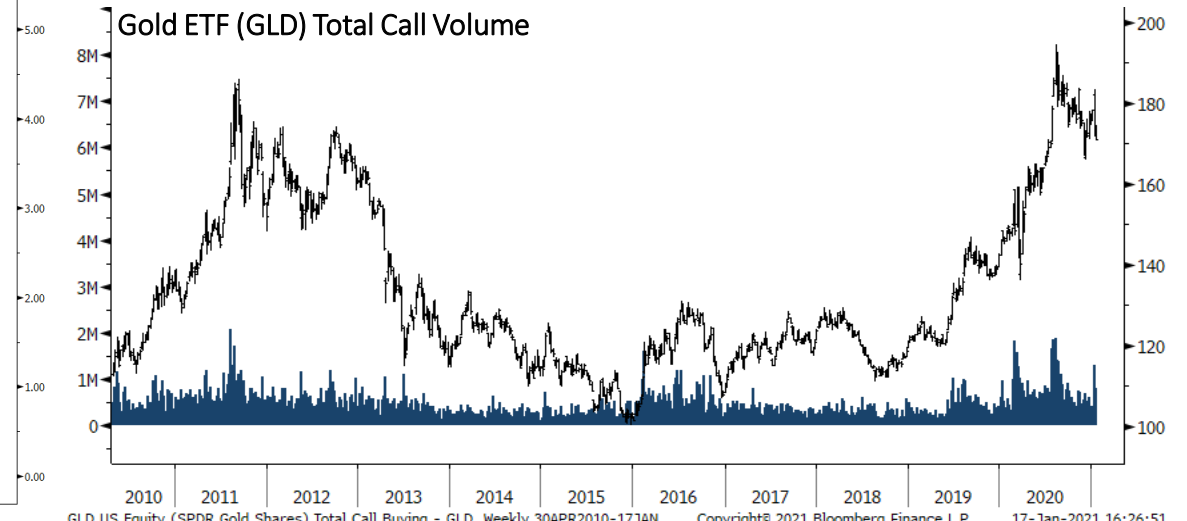


GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 25AUG2010-17 Copyright© 2021 Bloomberg Finance L.P. 17-Jan-2021 16:26:43

Gold (GLD) Seasonality



Gold ETF (GLD) Total Call Volume



GLD US Equity (SPDR Gold Shares) Total Call Buying - GLD Weekly 30APR2010-17JAN Copyright© 2021 Bloomberg Finance L.P. 17-Jan-2021 16:26:51

EURUSD Monthly



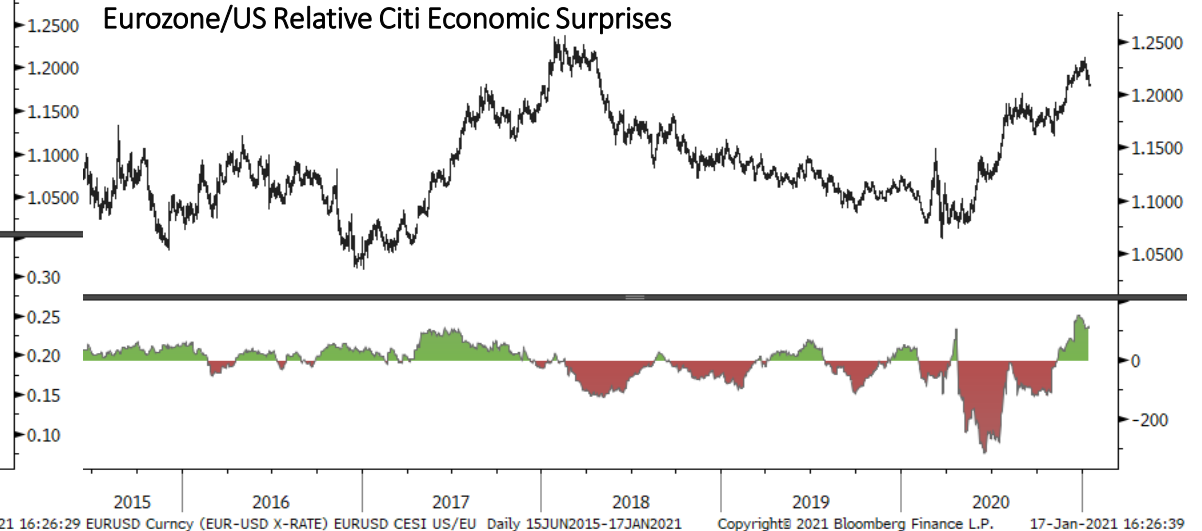
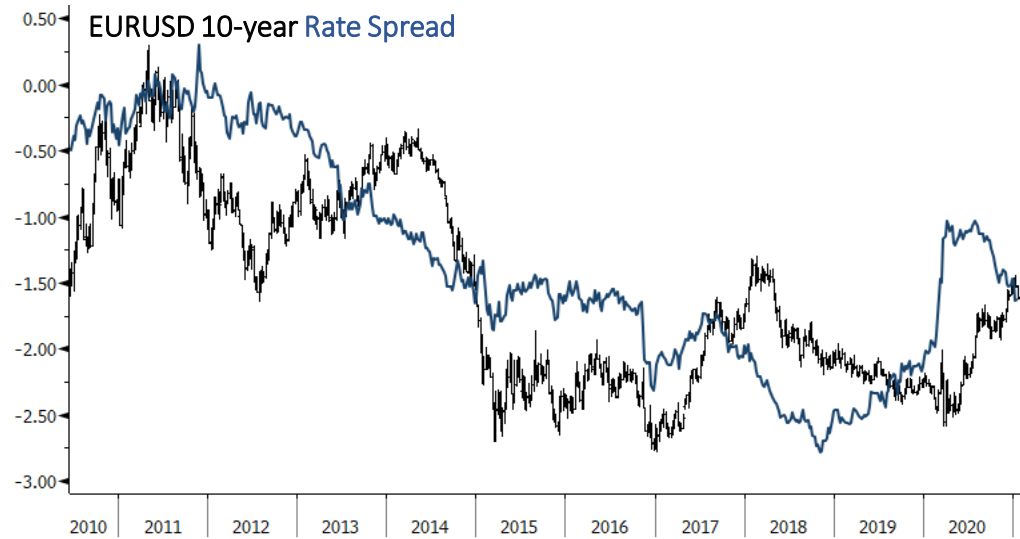
EURUSD Weekly



EURUSD Daily



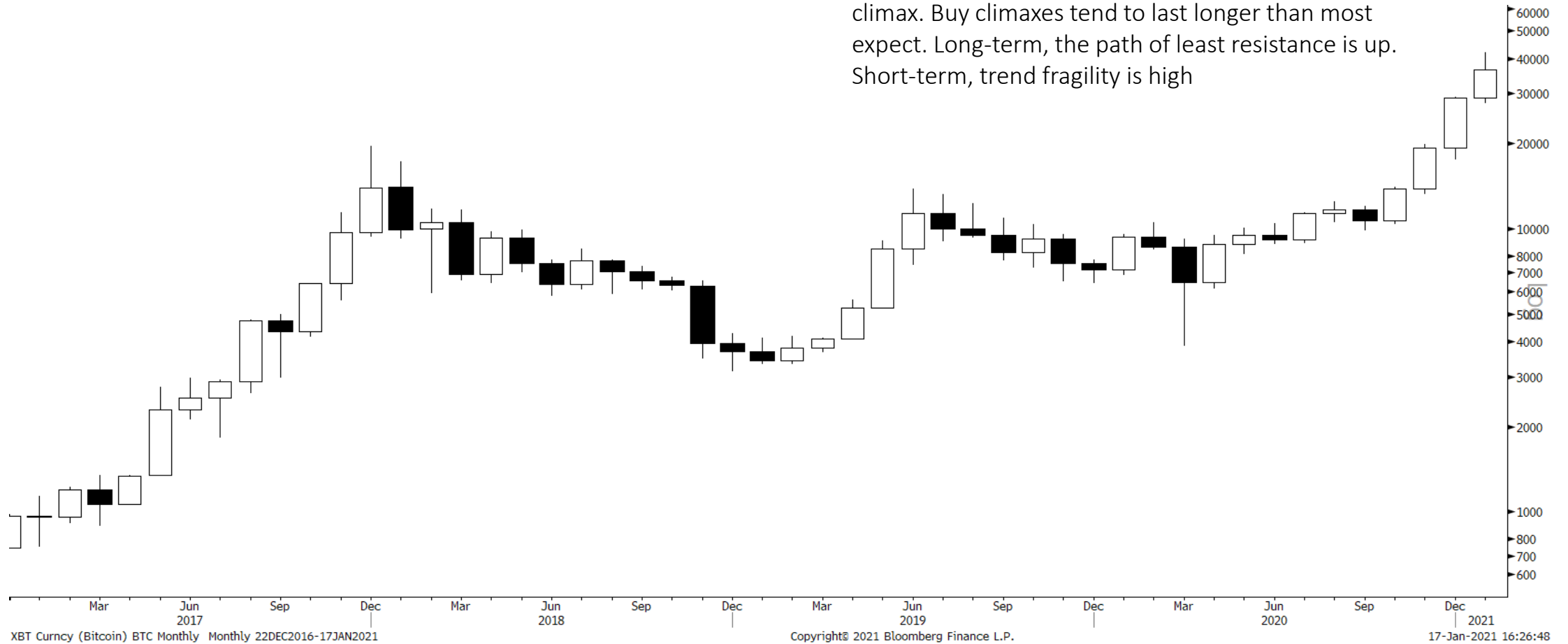
EURUSD Indicators



Bitcoin Monthly



December formed a strong bull bar. BTC is in a 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

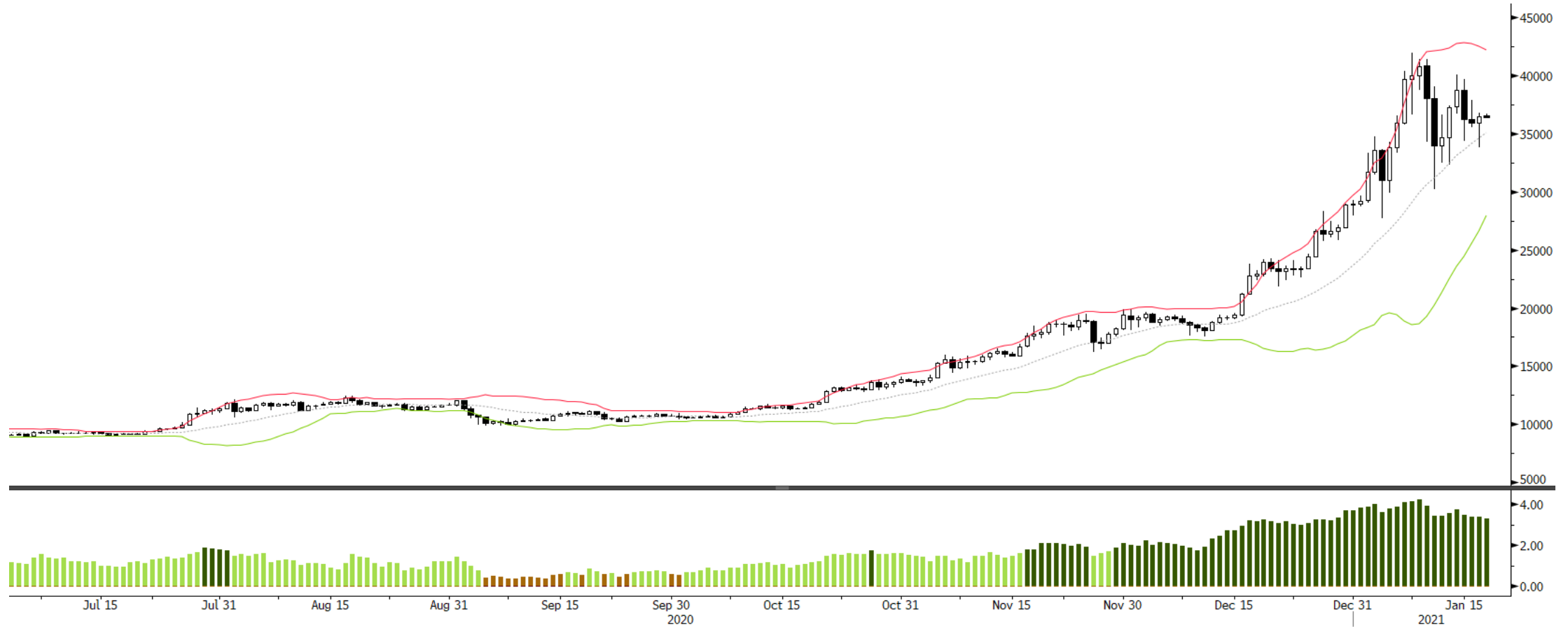


Bitcoin is in a primary bull trend and a Bull Volatile Regime.

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. The volatility over the last few weeks has helped reset some of the excessively bullish sentiment. BTC is forming a wedge pattern on the daily timeframe. Expect continued sideways chop until there's a confirmed breakout**



Bitcoin Daily

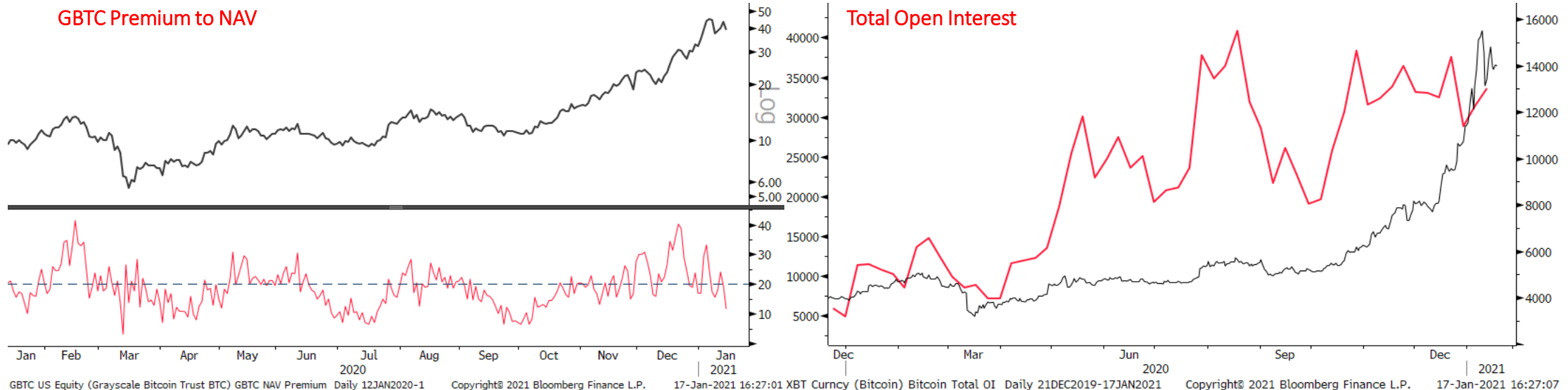


XBT Currency (Bitcoin) bitcoin Daily Daily 03JUL2020-17JAN2021

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Bitcoin Indicators



The Foundation Portfolio		2021 ytd return <small>(updated 1/11)</small>		2020 final return		
		20.3%		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	\$3,756.25	
Ammo, Inc (POWW)	Value/Growth	\$3.01	270bps	\$3.70	\$6.83	1/13/2020 Took 1/4 profits
S&W Seed Co. (SANW)	Cyclical Growth	\$3.57	100bps	\$2.84	\$3.80	
Red Violet (RDVT)	Secular Growth	\$17.85	-137bps	\$21.09	\$23.71	
Frontdoor (FTDR)	Secular Growth	\$44.22	-15bps	\$45.10	\$53.88	
Nintendo (NTDOY)	Secular Growth	\$63.46	26bps	\$62.00	\$79.29	11/13/20 Added to position
Roku (ROKU)	Secular Growth	\$219.40	-25bps	\$275.00	\$408.30	11/19/20 Added to position
Murata Manufacturing (6981)	Secular Growth	\$73.57 (=USD)	-21bps	\$82.61	\$98.57	
Kura Sushi (KRUS)	Value/Growth	\$18.27	90bps	\$16.00	\$22.49	1/12/2020 Added to position
Antero Resources (AR)	Cyclical Recovery	\$5.70	127bps	\$4.50	\$7.26	12/23/20 Added to position
Centrus Energy (LEU)	Secular Growth	\$20.25	95bps	\$13.30	\$24.84	
Betterware De Mexico	Secular Growth	\$30.27	75bps	\$26.00	\$37.65	1/14/20 Added to position
Qualitas Controladora	Secular Growth	\$5.22	150bps	\$4.01	\$5.58	
BH Group Limited ADR (BHP)	Cyclical Recovery	\$65.80	100bps	\$47.37	\$70.61	
Cresud S.A.C (CRESY)	Cyclical Recovery	\$4.51	100bps	\$3.70	\$5.84	1/12/2020 Added to position
Bidstack, Inc. (BIDS)	Speculative Growth	\$0.16	200bps	\$0.00	\$0.12	
Nic, Inc. (EGOV)	Secular Growth	\$27.41	50bps	\$22.79	\$27.41	
Exone (XONE)	Secular Growth	\$13.49	100bps	\$8.82	\$15.26	1/14/20 Added to position
Salesforce (CRM) SHORT	Technical Trade	\$221.56	70bps	\$233.00	\$218.25	1/12/2020 Added to position
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	
Intel Inc, (INTC) Jan 22' Calls	DOTM	\$0.83	100bps	N/A	\$0.95	
Greyscale Bitcoin Trust (GBTC)	Secular Thematic	\$17.55	-10bps	\$18.00	\$39.34	12/18/20 Took half profits