



# 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> 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</li><li>➤ <b>Sentiment/Positioning:</b> <u>Sentiment is at a bullish consensus and has fed into what's fast becoming very stretched positioning. Trend fragility is high</u></li><li>➤ <b>Breadth:</b> Short and long-term indicators of breadth remain supportive of further upside over near-term</li><li>➤ <b>Macro/Liquidity:</b> Macro conditions continue to improve, and liquidity is flush</li><li>➤ <b>Short-term:</b> <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></li></ul>	<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> Bonds broke out of their 9-month neutral sideways regime. Macro fundamentals, technicals, and sentiment all favor a continued steepening of the curve</li><li>➤ <b>Sentiment/Positioning:</b> The narrative of yield-curve control and yield suppression is consensus</li><li>➤ <b>Bond Indicators:</b> All indicators point to a steeper yield curve (bear steepening).</li><li>➤ <b>Short-term:</b> Bonds saw a bearish breakout from an extended trading range. The other week saw a weak bullish reversal. This raises the odds that bonds trade sideways before embarking on another leg down</li></ul>	<ul style="list-style-type: none"><li>➤ <b>Long-term:</b> Gold has worked off much of its extreme over-bought levels. The long-term path of resistance is up</li><li>➤ <b>Sentiment/Positioning:</b> Positioning and flows have come down from excessive levels though remain somewhat stretched to the bull side</li><li>➤ <b>Gold Indicators:</b> Gold is in its strongest period of seasonality of the year which lasts into mid February</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 a continuation of the bull trend at some point, but we're likely to see more down-to-sideways chop in the interim</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 are moving in the USD's favor, this is likely to drive an eventual unwind of long euro positioning</li><li>➤ <b>Short-term:</b> EURUSD is reversing from its 18' highs. Odds favor it trading sideways to down. Watch this week's action to confirm a bearish reversal</li></ul>

# S&P 500 Monthly



# S&P 500 Weekly



The market hit the measured move target of 3,845 that we pointed out back in November. Last week the market saw a bullish breakout from an inside-outside-inside (ioi) pattern, meaning the SPX is now in breakout mode and the path of least resistance is up

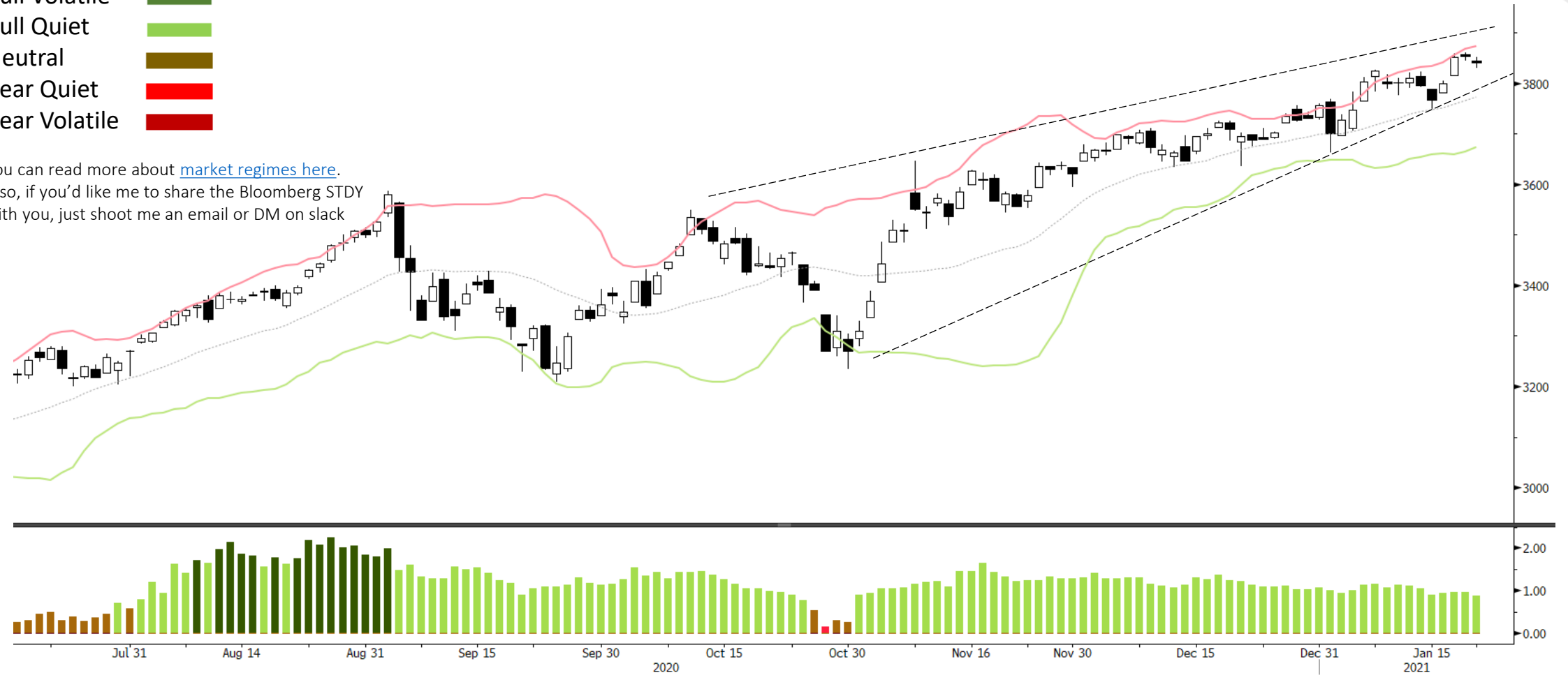


# S&P 500 Daily

## 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



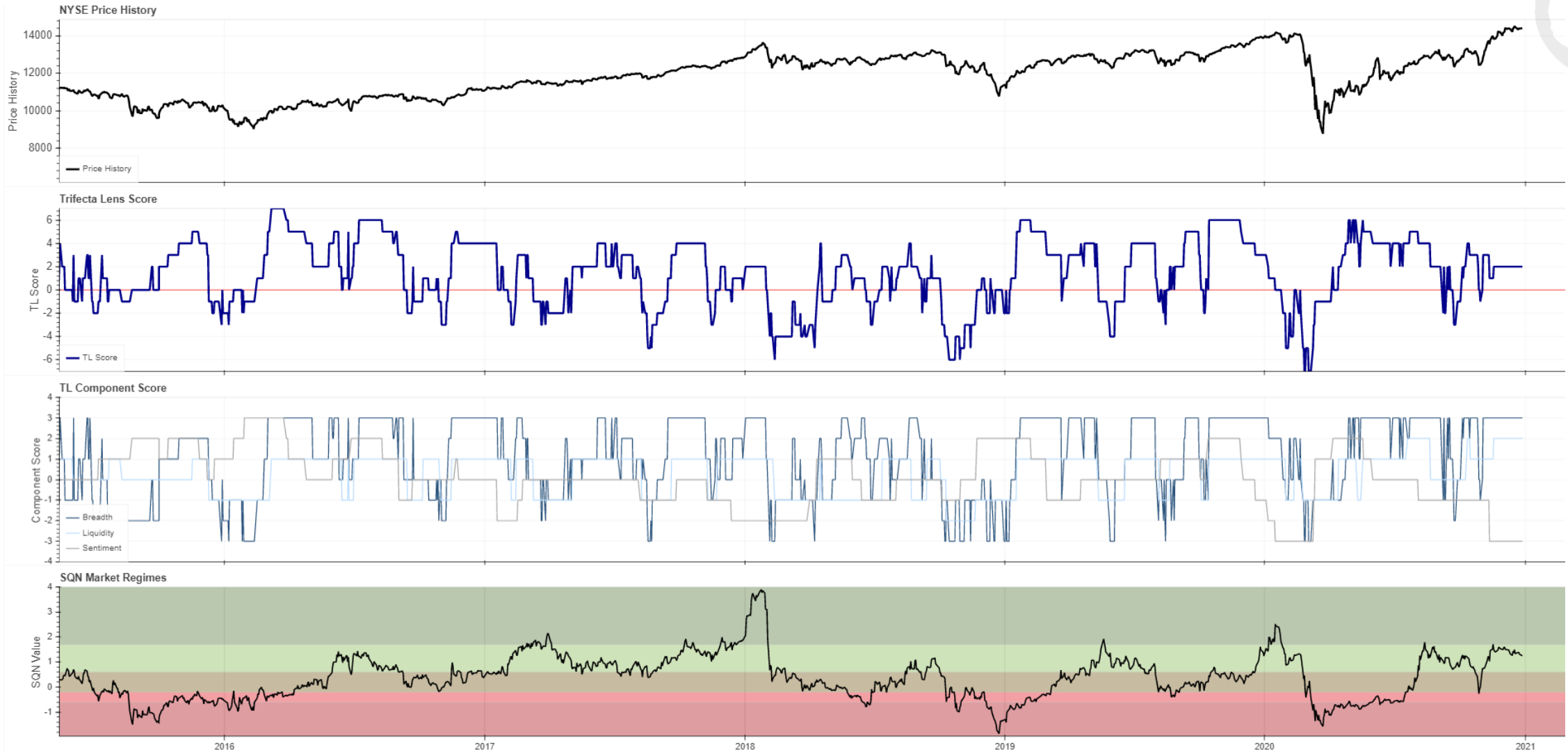
SPX Index (S&P 500 INDEX) SPX CHART-DAILY Daily 17JUL2020-24JAN2021

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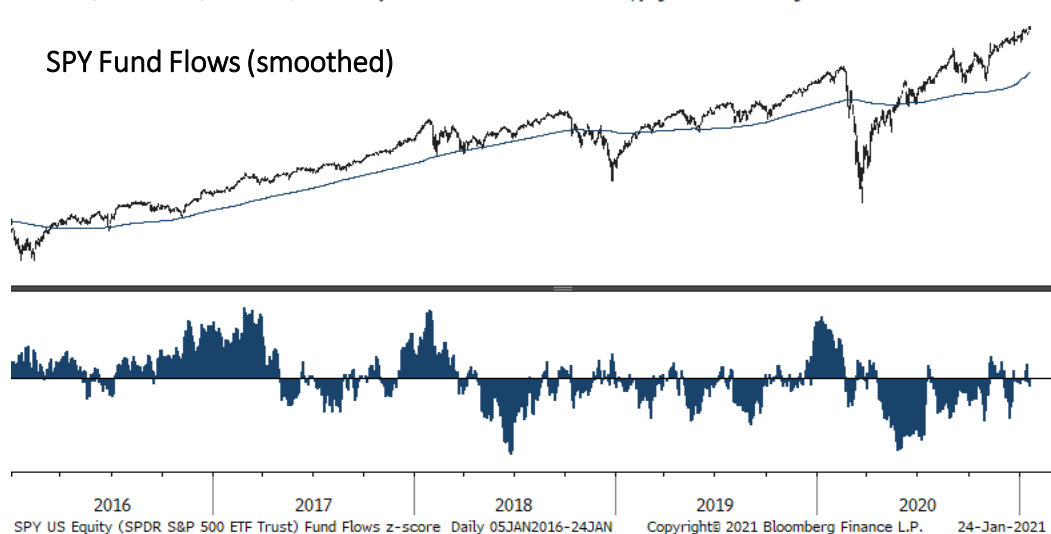
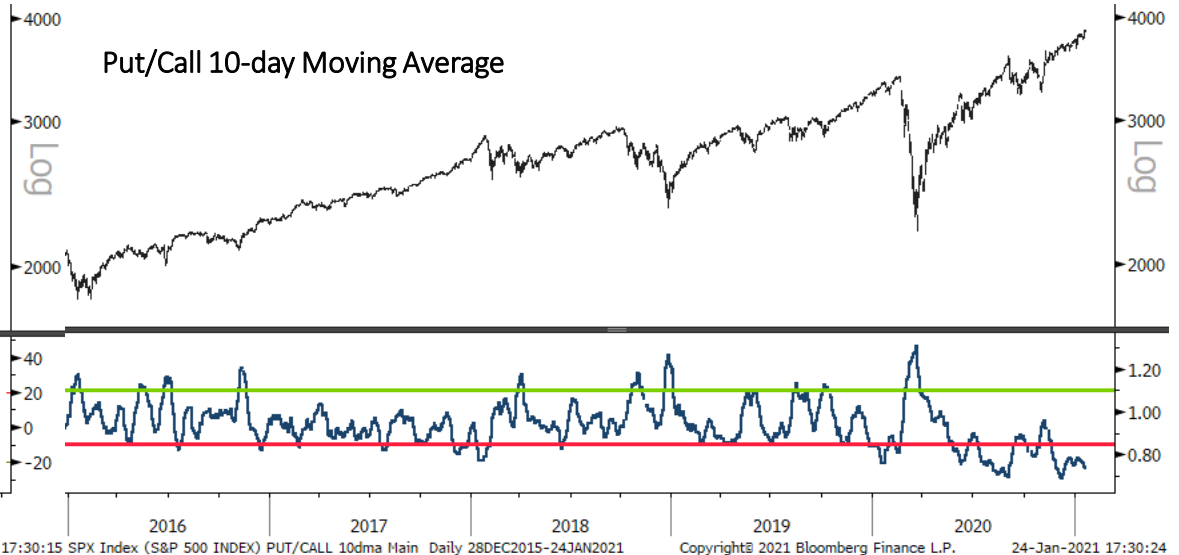
# Trifecta Lens Score: +2

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

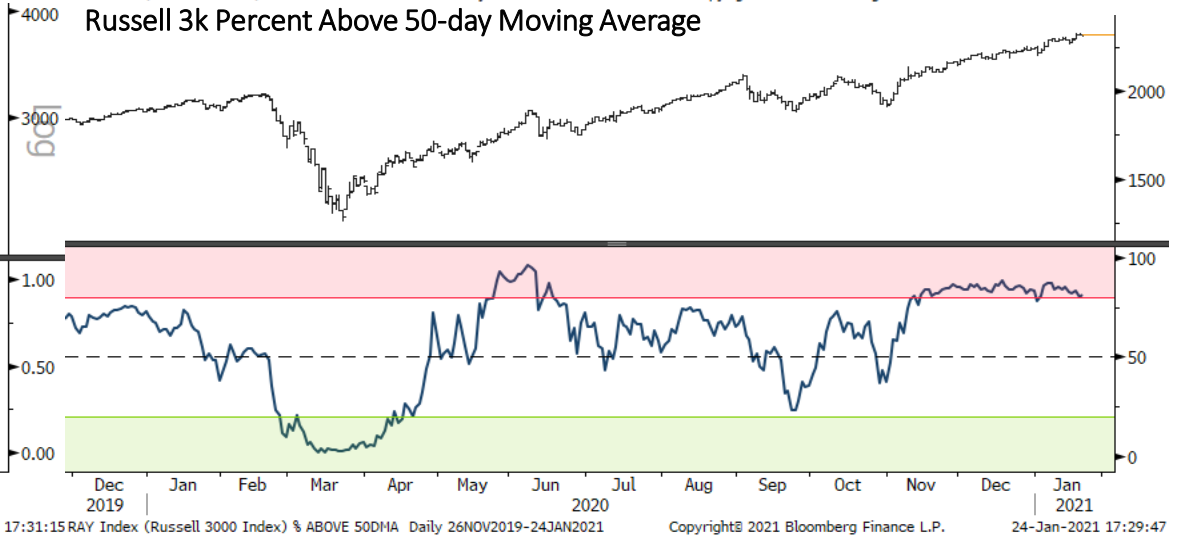
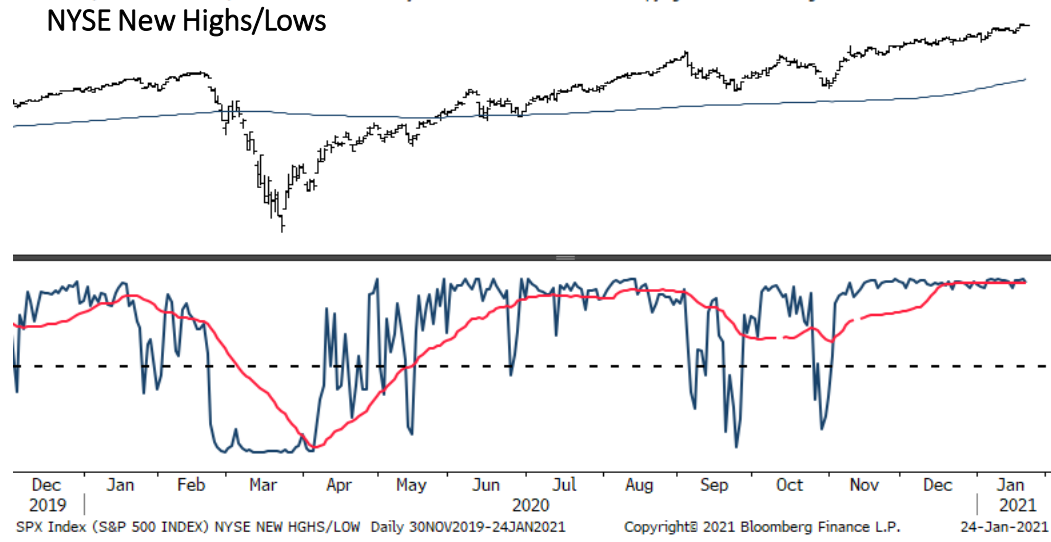
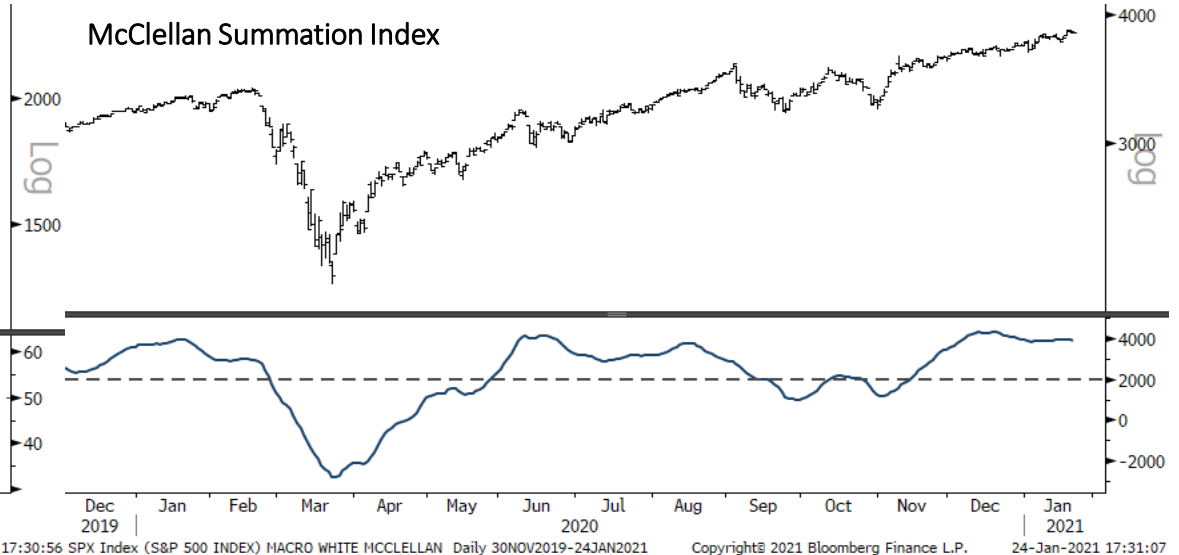
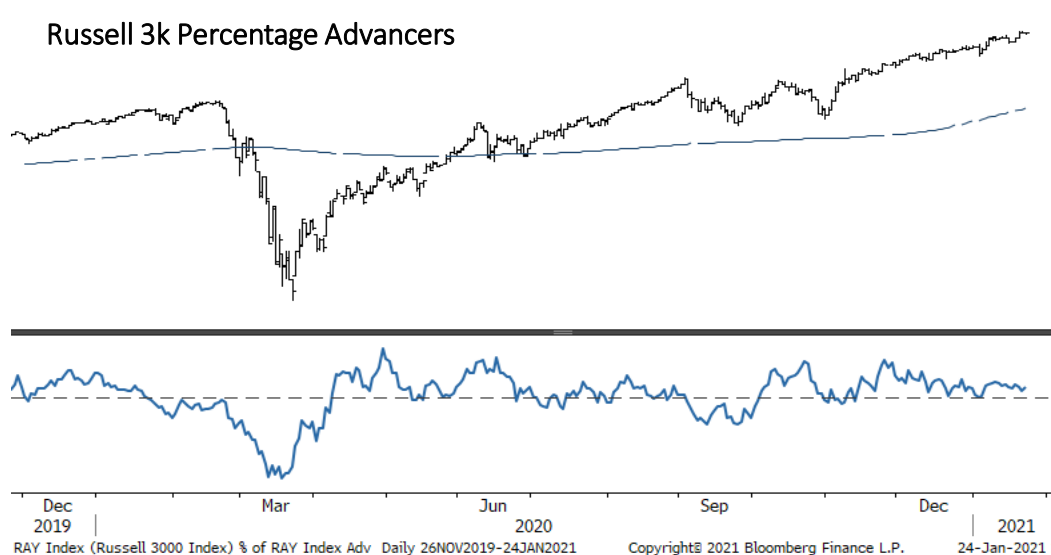


Note: TL & SQN indicators update overnight (for the previous trading day).

# Sentiment & Positioning

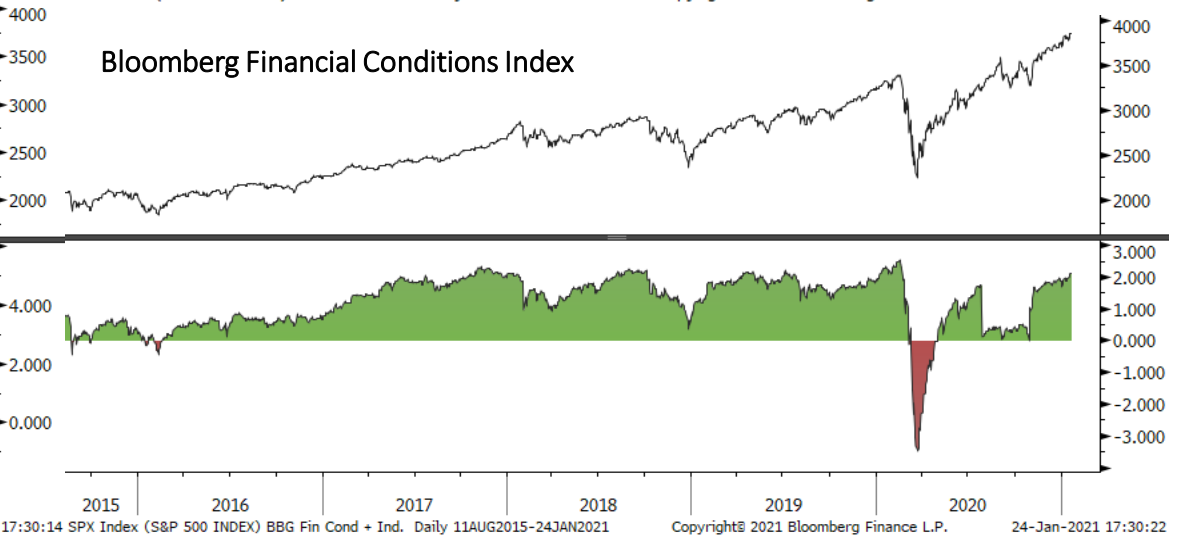
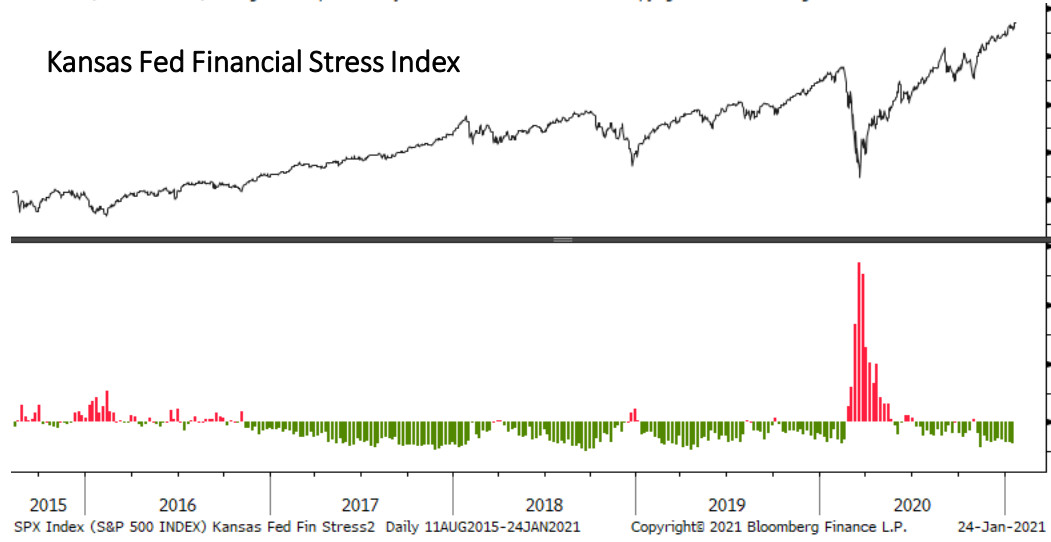
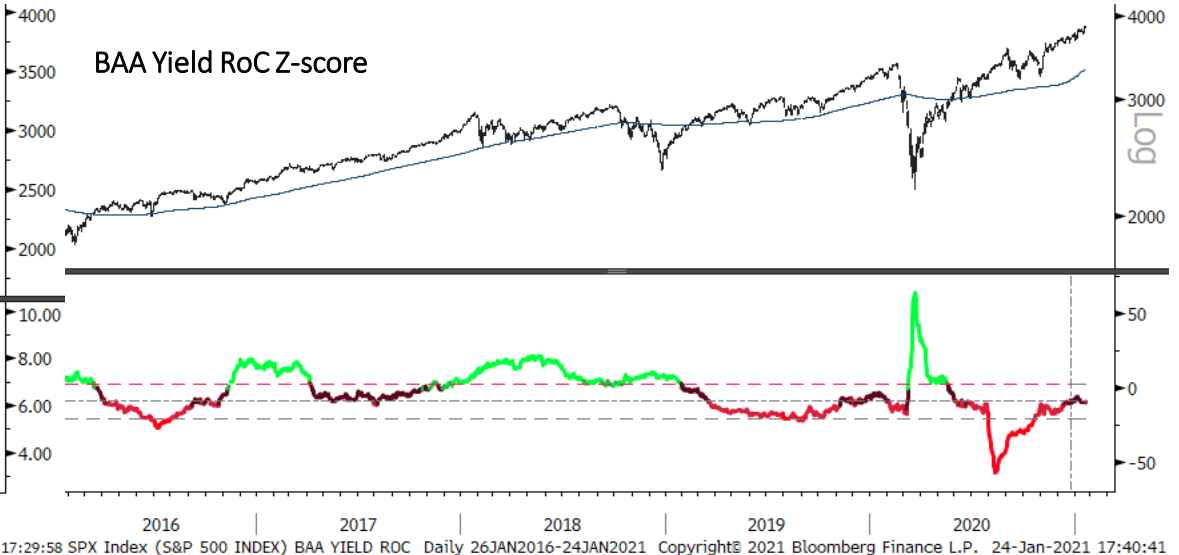
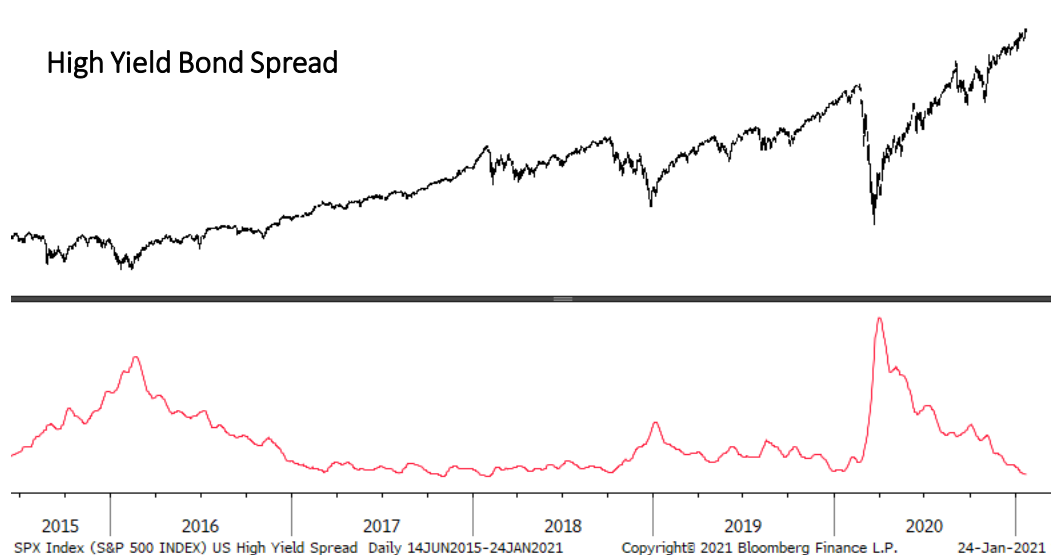


# Breadth

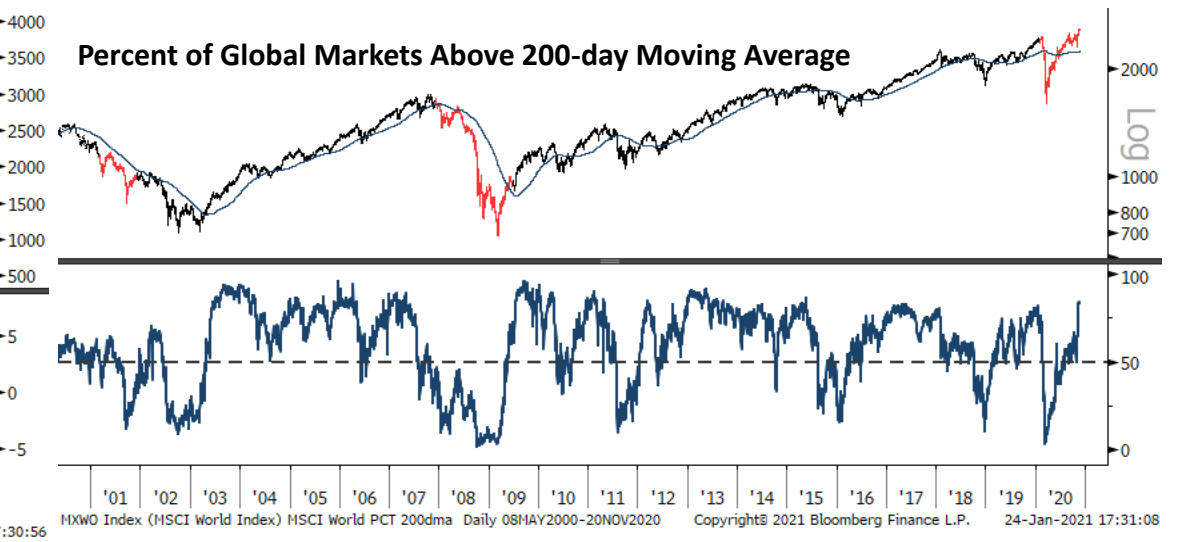
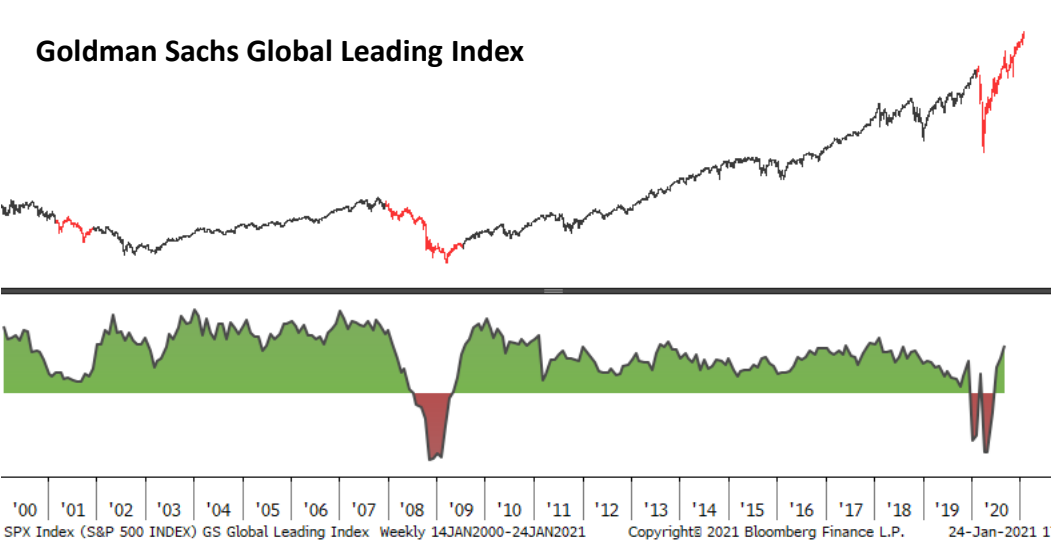
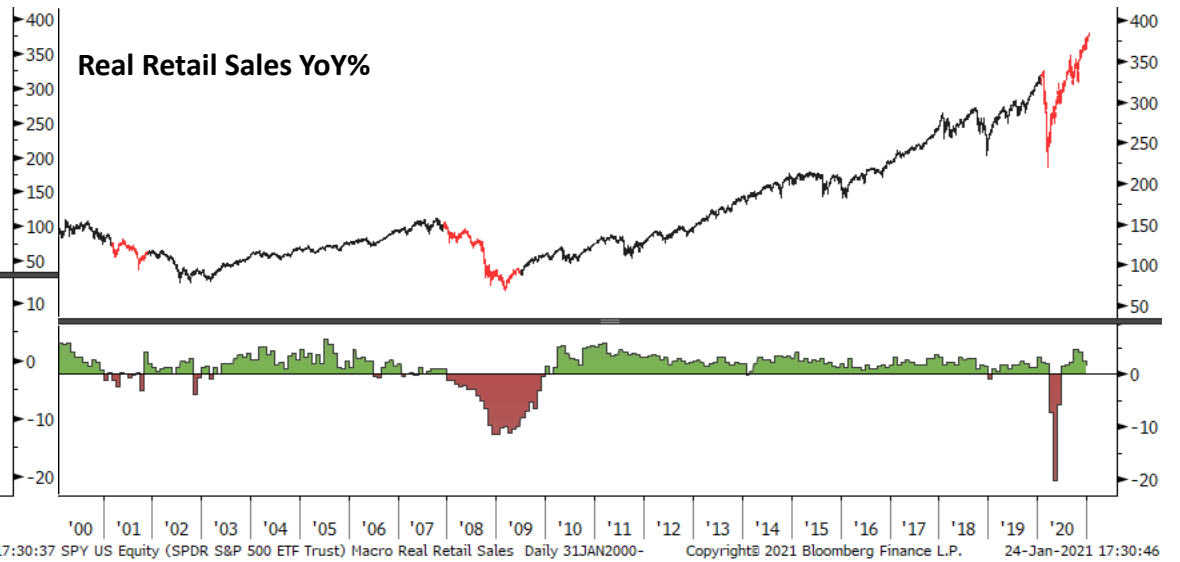
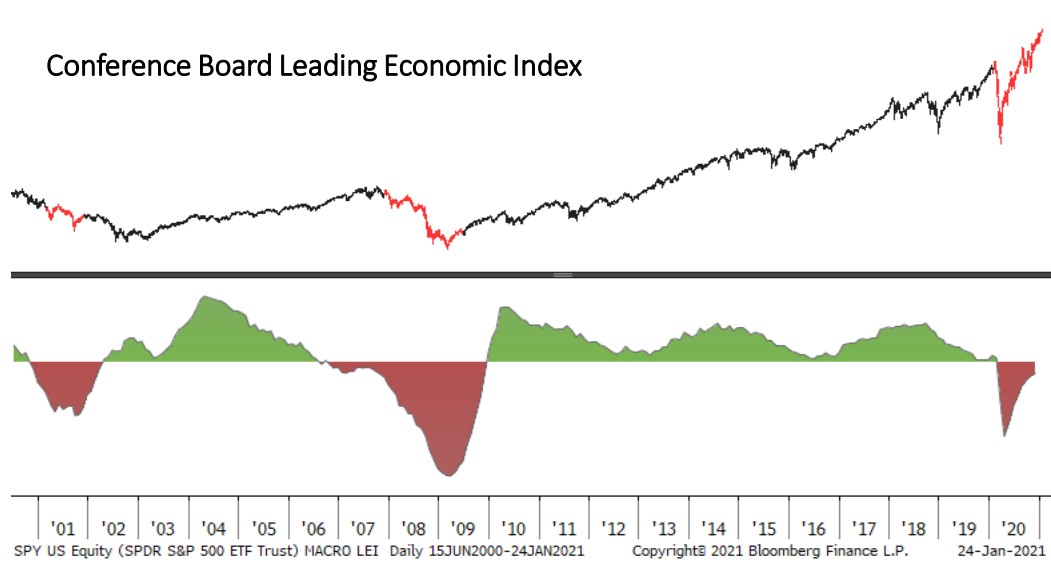




# Liquidity



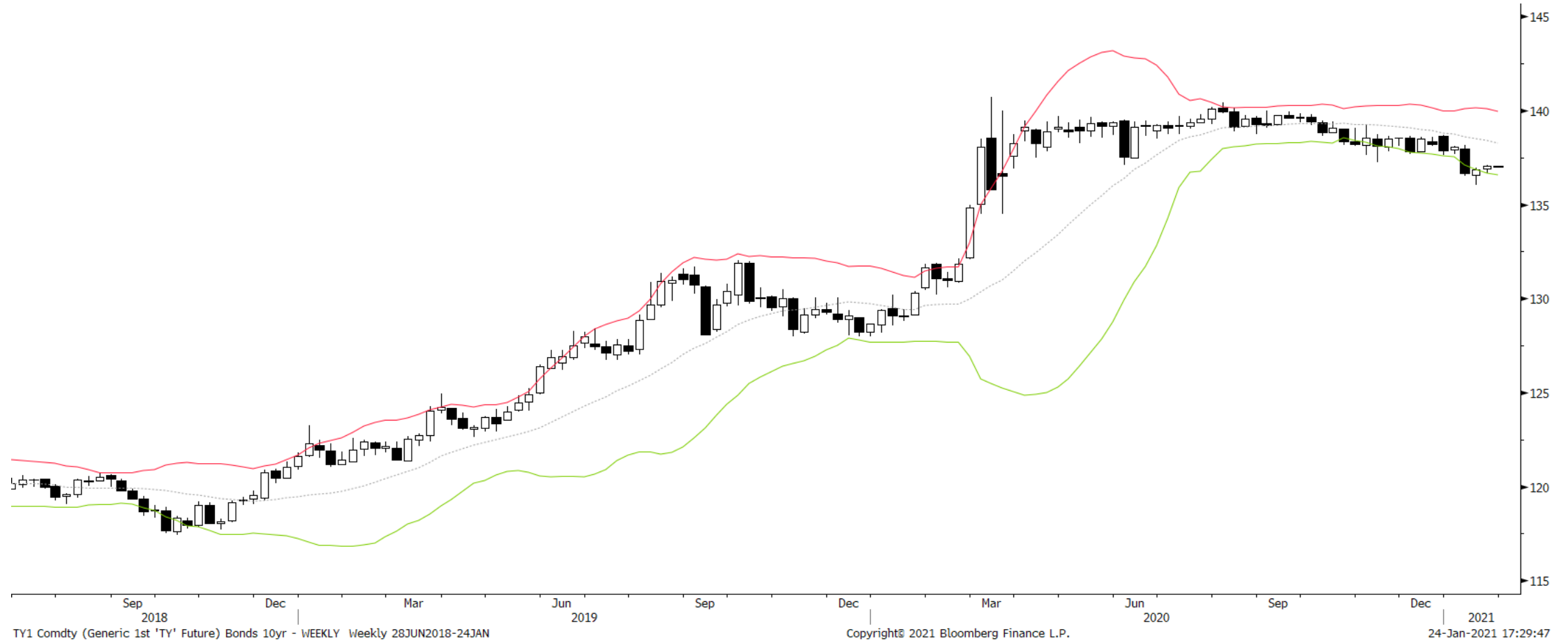
# Macro



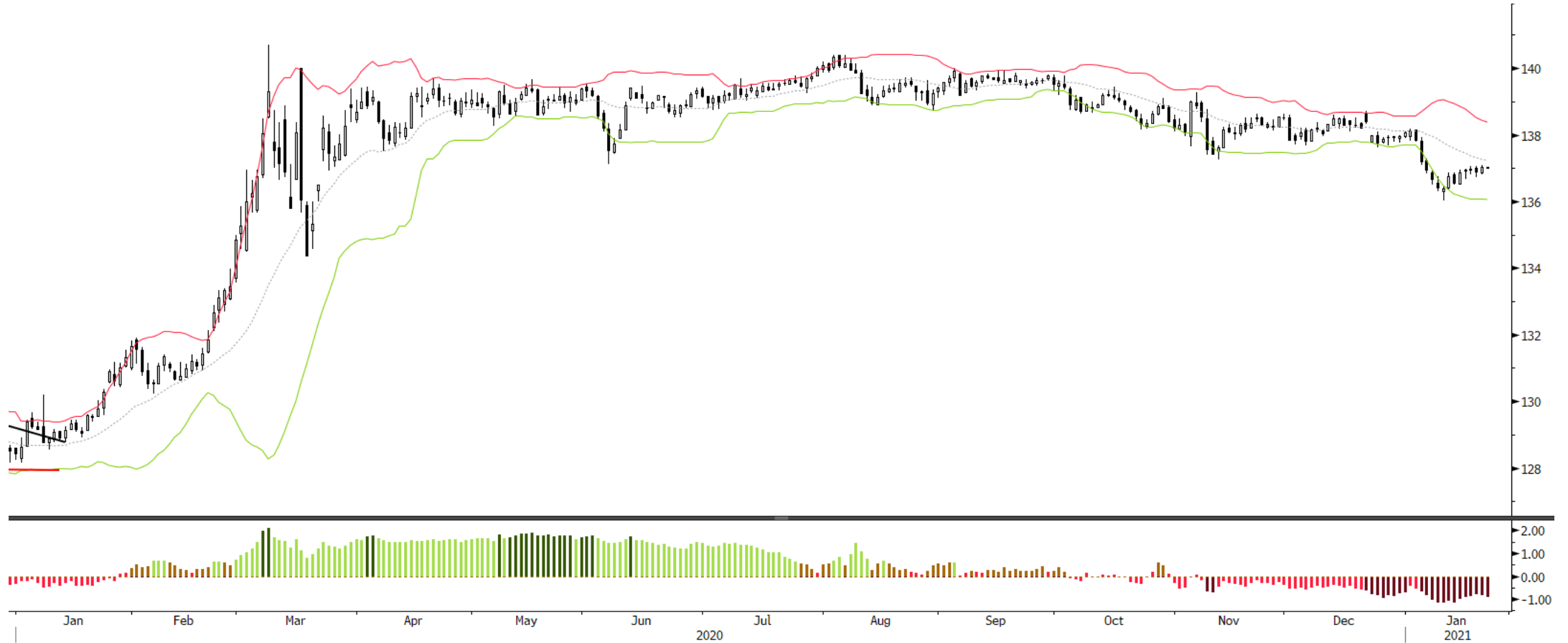
# Bonds: 10-year Futures Monthly



# Bonds: 10-year Futures Weekly

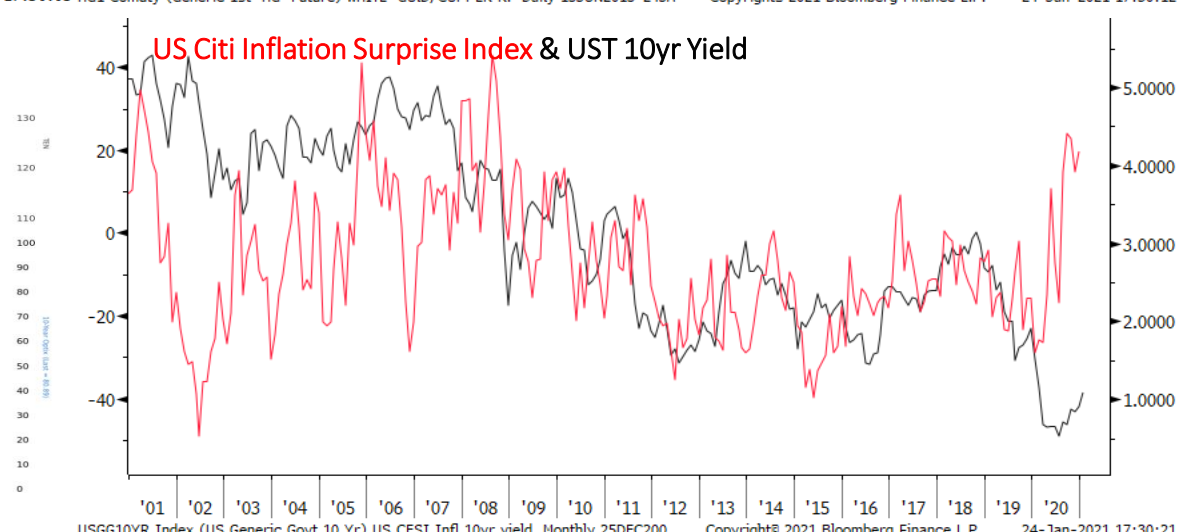
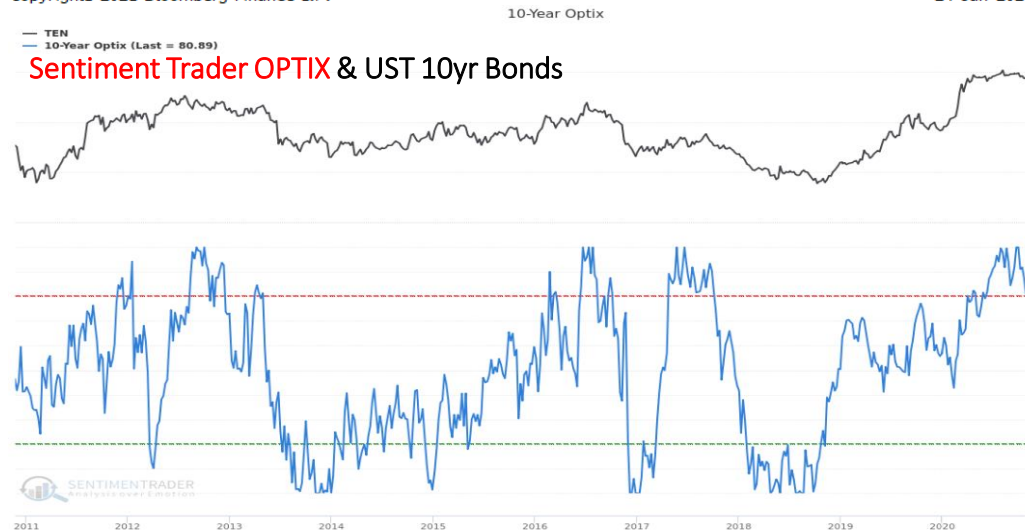
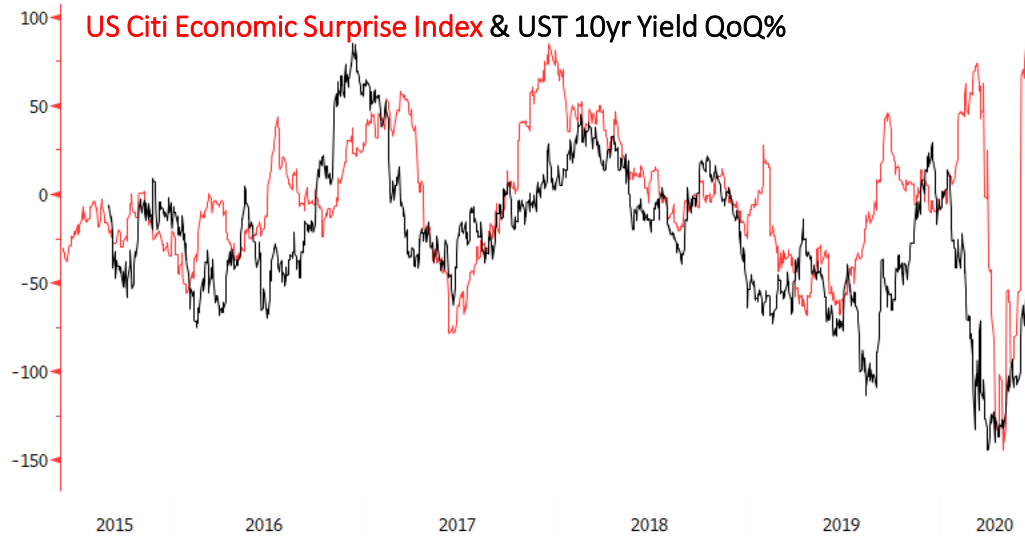


# Bonds: 10-year Futures Daily





# Bond/Yield Indicators



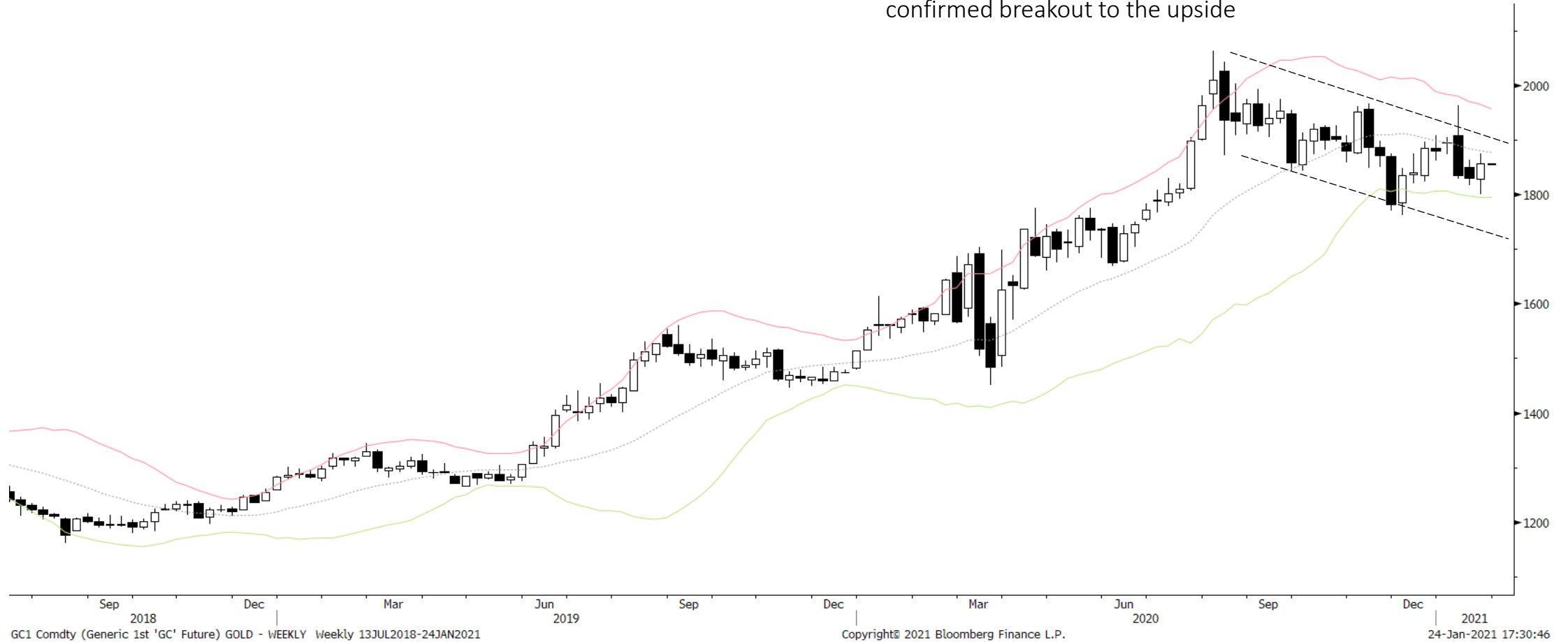
# Gold Monthly



# 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



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 17JUL2020-24JAN2021

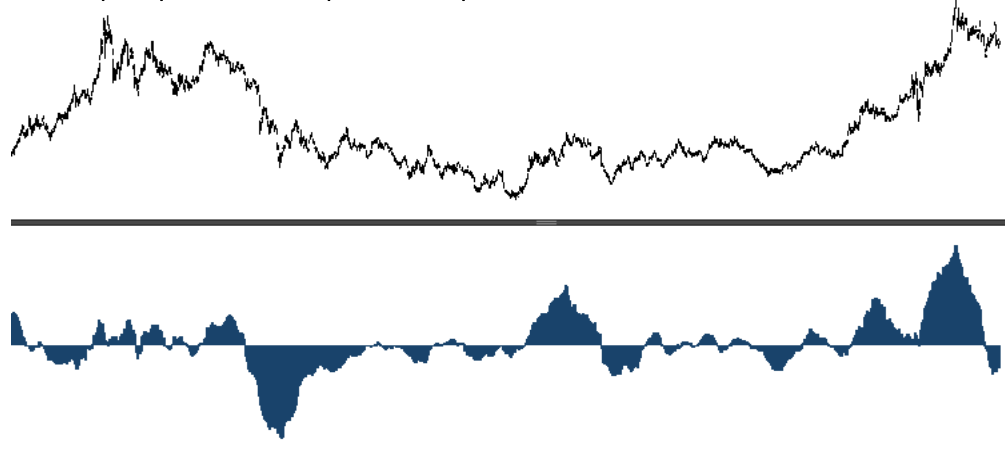
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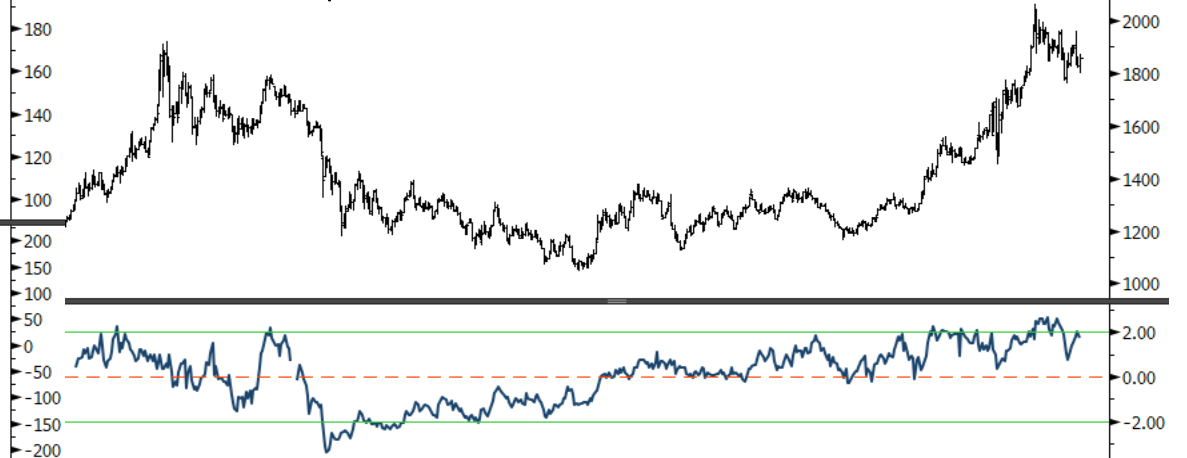
# Gold Indicators

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



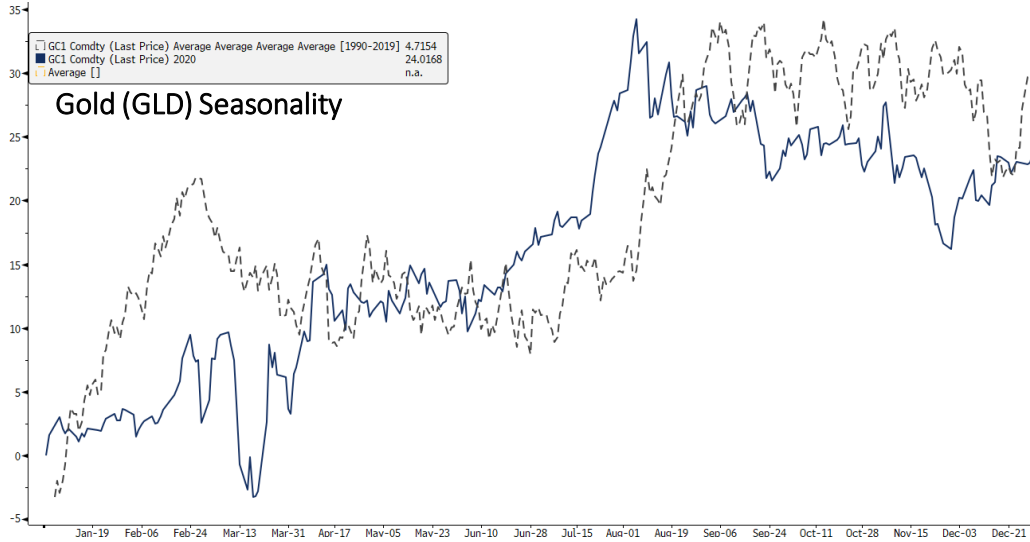
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2010-24JAN2 Copyright© 2021 Bloomberg Finance L.P. 24-Jan-2021 17:29:46

### Gold Net Small Specs Z-score



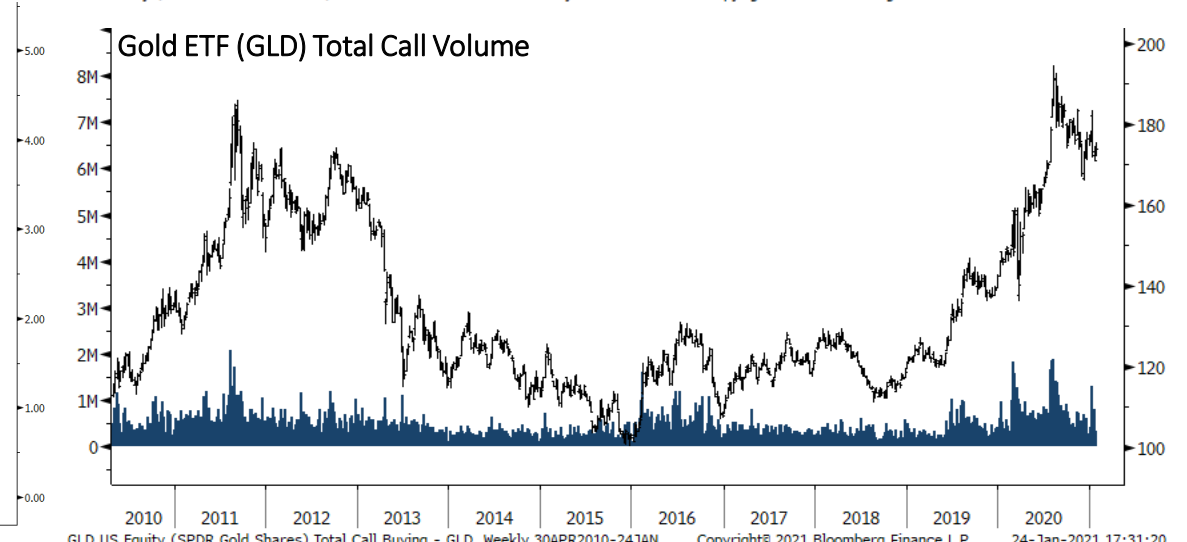
GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 25AUG2010-24 Copyright© 2021 Bloomberg Finance L.P. 24-Jan-2021 17:31:07

### Gold (GLD) Seasonality



Jan-19 Feb-06 Feb-24 Mar-13 Mar-31 Apr-17 May-05 May-23 Jun-10 Jun-28 Jul-15 Aug-01 Aug-19 Sep-06 Sep-24 Oct-11 Oct-28 Nov-15 Dec-03 Dec-21

### Gold ETF (GLD) Total Call Volume



GLD US Equity (SPDR Gold Shares) Total Call Buying - GLD Weekly 30APR2010-24JAN Copyright© 2021 Bloomberg Finance L.P. 24-Jan-2021 17:31:20

# EURUSD Monthly



# EURUSD Weekly

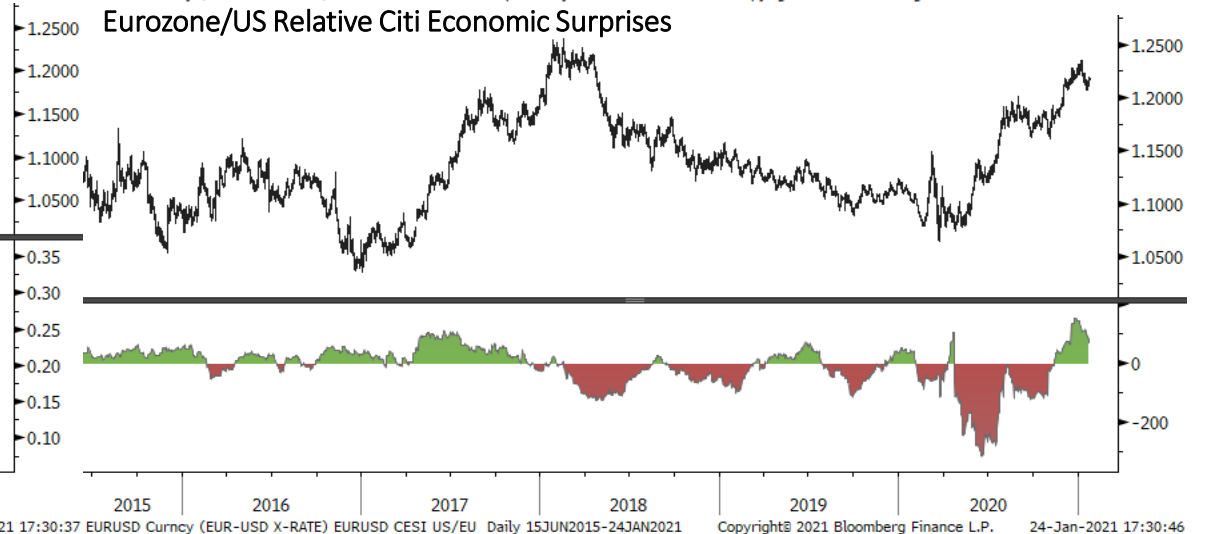
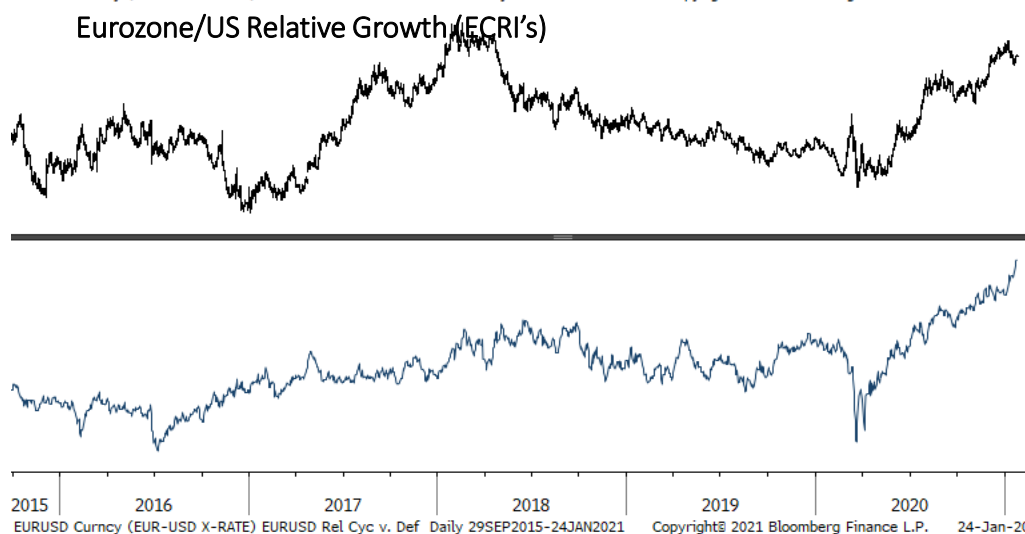


# EURUSD Daily





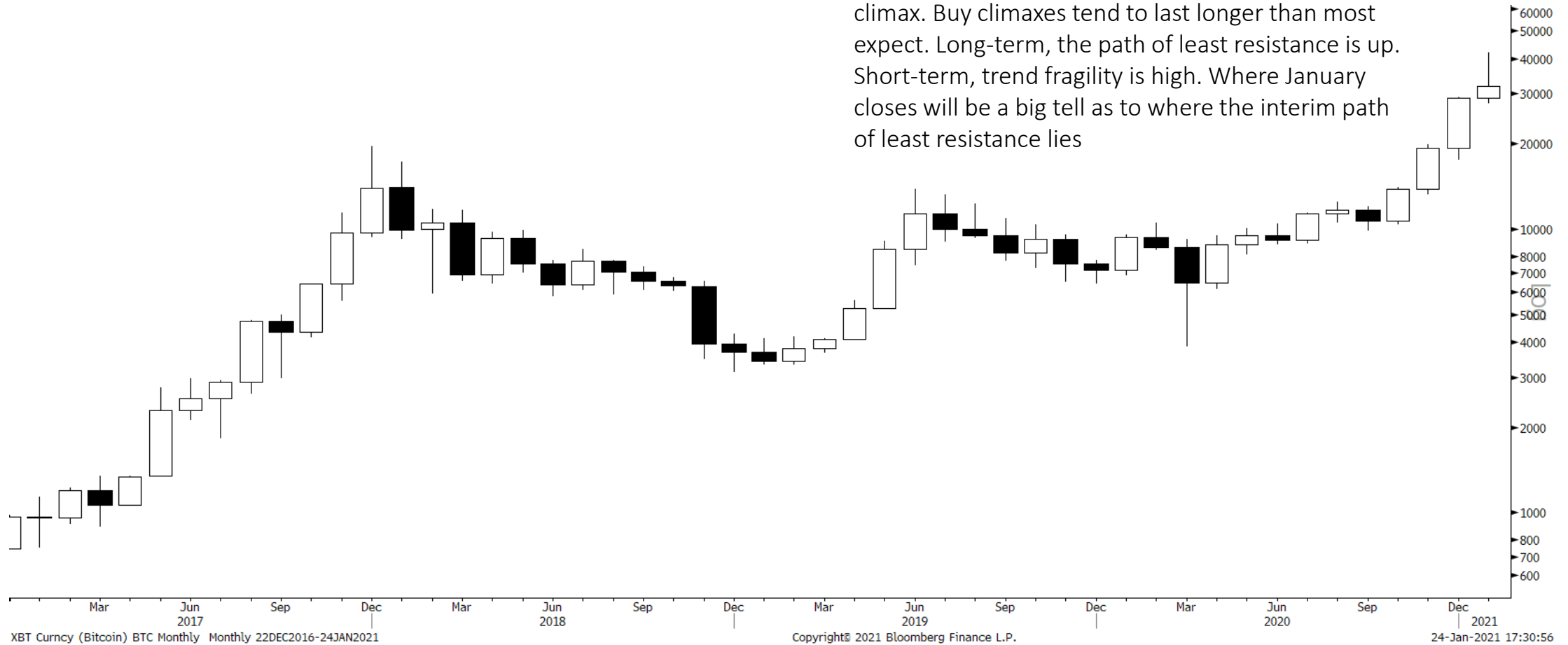
# EURUSD Indicators



# 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. Where January closes will be a big tell as to where the interim path of least resistance lies



# Bitcoin Weekly



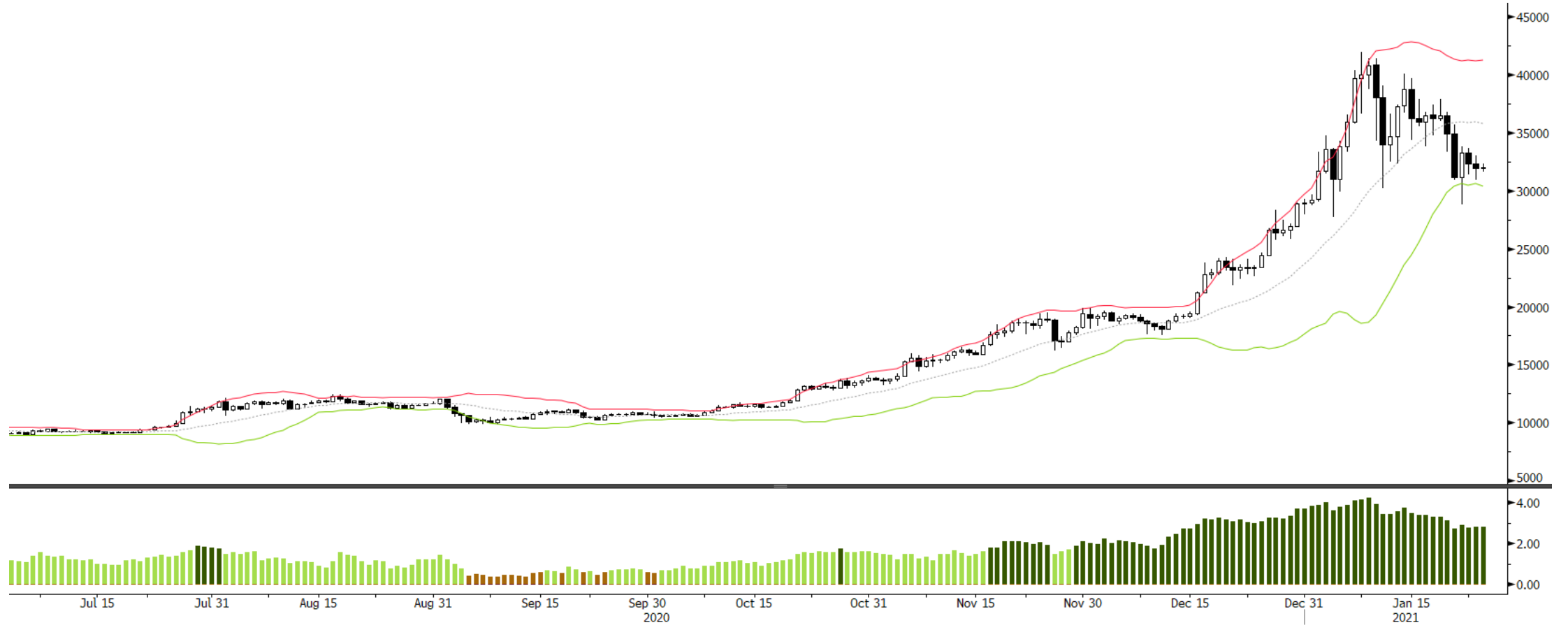
Bitcoin is in a primary bull trend and a Bull Volatile Regime.

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

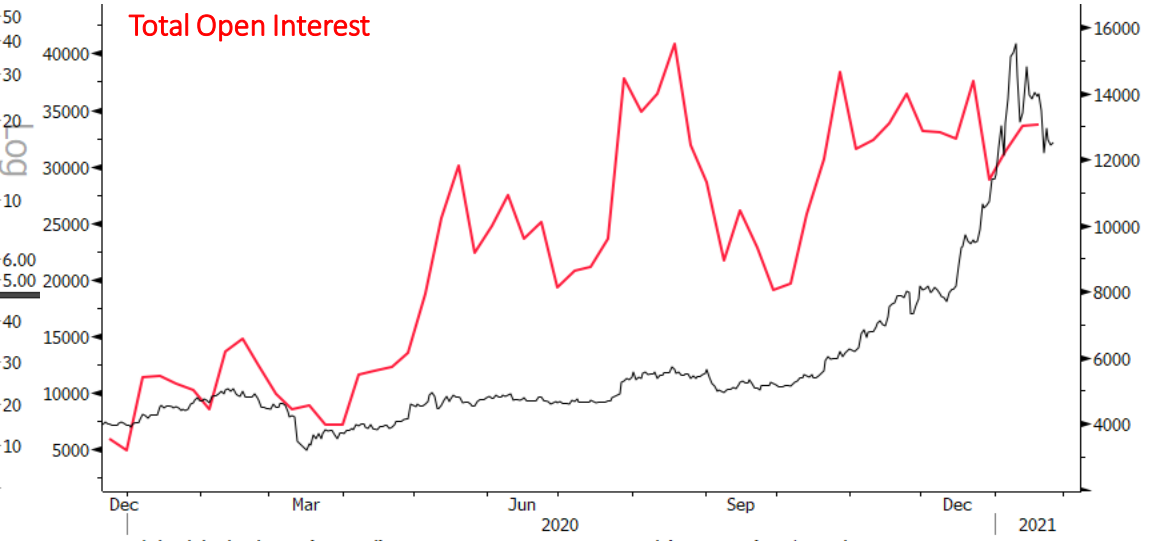
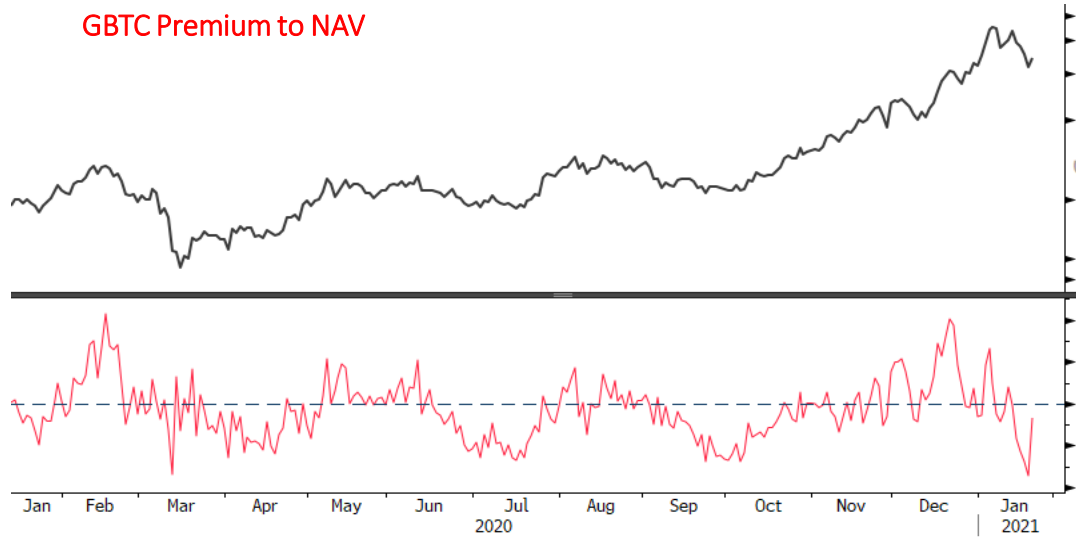


XBT CURRENCY (Bitcoin) bitcoin Daily Daily 03JUL2020-24JAN2021

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# Bitcoin Indicators



## The Foundation Portfolio

2021 ytd return (updated 1/11)

2020 final return

18.1%

66.40%

Positions	Thematic	Cost Basis	Notional % Allocation	At Risk	Risk Point	Last Price	Last Action
S&P e-mini (ES_F)	Trend	\$3,415.00	21%	-75bps	\$3,610.00	\$3,839.00	
Ammo, Inc (POWW)	Value/Growth	\$3.01	11%	270bps	\$3.70	\$5.78	1/13/2020 Took 1/4 profits
S&W Seed Co. (SANW)	Cyclical Growth	\$3.57	5%	100bps	\$2.84	\$3.60	
Red Violet (RDVT)	Secular Growth	\$17.85	11%	-137bps	\$21.09	\$23.11	
Frontdoor (FTDR)	Secular Growth	\$44.22	11%	-15bps	\$45.10	\$56.03	1/20/20 Added to position
Nintendo (NTDOY)	Secular Growth	\$63.46	8%	26bps	\$62.00	\$77.49	11/13/20 Added to position
Roku (ROKU)	Secular Growth	\$219.40	3%	-25bps	\$275.00	\$422.85	11/19/20 Added to position
Murata Manufacturing (6981)	Secular Growth	\$73.57 (=USD)	7%	-21bps	\$82.61	\$102.06	
Kura Sushi (KRUS)	Value/Growth	\$18.27	7%	90bps	\$16.00	\$23.65	1/12/2020 Added to position
Antero Resources (AR)	Cyclical Recovery	\$5.70	5%	127bps	\$4.50	\$6.67	12/23/20 Added to position
Centrus Energy (LEU)	Secular Growth	\$20.25	3%	95bps	\$13.30	\$22.09	
Betterware De Mexico	Secular Growth	\$30.27	5%	75bps	\$26.00	\$38.15	1/14/20 Added to position
Qualitas Controladora	Secular Growth	\$5.22	6%	150bps	\$4.01	\$113.00	
BH Group Limited ADR (BHP)	Cyclical Recovery	\$65.80	3%	100bps	\$47.37	\$113.80	
Cresud S.A.C (CRESY)	Cyclical Recovery	\$4.51	4%	100bps	\$3.70	\$5.31	1/12/2020 Added to position
Bidstack, Inc. (BIDS)	Speculative Growth	\$0.16	2%	200bps	\$0.00	\$0.17	
Nic, Inc. (EGOV)	Secular Growth	\$27.41	8%	50bps	\$22.79	\$29.76	1/19/20 Added to position
Exone (XONE)	Secular Growth	\$13.49	3%	100bps	\$8.82	\$22.55	1/21/20 Took qtr profits
Salesforce (CRM) SHORT	Technical Trade	\$221.56	-11%	70bps	\$233.00	\$225.77	1/12/2020 Added to position
Micron Technology (MU) Jan 22' \$100 calls	DOTM	\$1.38	9%	100bps	N/A	\$9.15	
Deutsche Bank (DB) Jan 22 \$20 calls	DOTM	\$0.28	0.25%	50bps	N/A	\$0.17	
Intel Inc, (INTC) Jan 22' Calls	DOTM	\$0.83	1%	100bps	N/A	\$0.85	
Greyscale Bitcoin Trust (GBTC)	Secular Thematic	\$17.55	7%	-10bps	\$18.00	\$34.45	12/18/20 Took half profits