



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: Is beginning to soften but is not yet at levels that suggest a selloff is imminent ➤ Macro/Liquidity: Macro conditions continue to improve, and liquidity is flush ➤ Short-term: <u>SPX is in a Bull Quiet but is transitioning to a Bull Volatile. The TL Score turned negative on Monday for the first time since September. It's now oscillating between 0 and -1. The very short-term path of least resistance is up but I expect we'll continue to see the TL score drop and credit and breadth diverge. It's likely the market will run higher over the next couple weeks before an intermediate top is in</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. The path of least resistance is sideways to slightly lower for now 	<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 mid 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: The trend in yield differentials are moving in the USD's favor, this is likely to drive an eventual unwind of long euro positioning ➤ Short-term: EURUSD is reversing from its 18' highs. Odds favor it trading sideways to down over the next 1-2 months

S&P 500 Monthly



S&P 500 Weekly



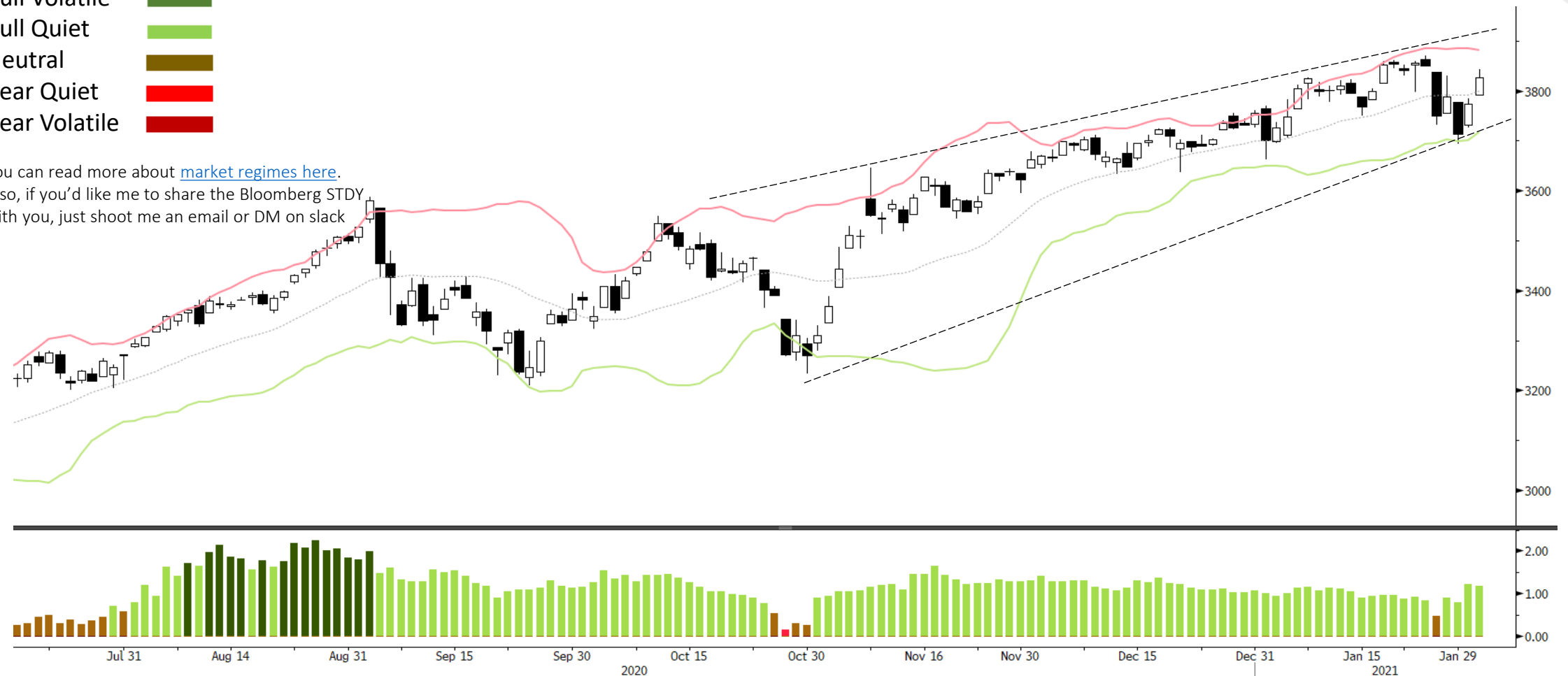
S&P 500 Daily

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



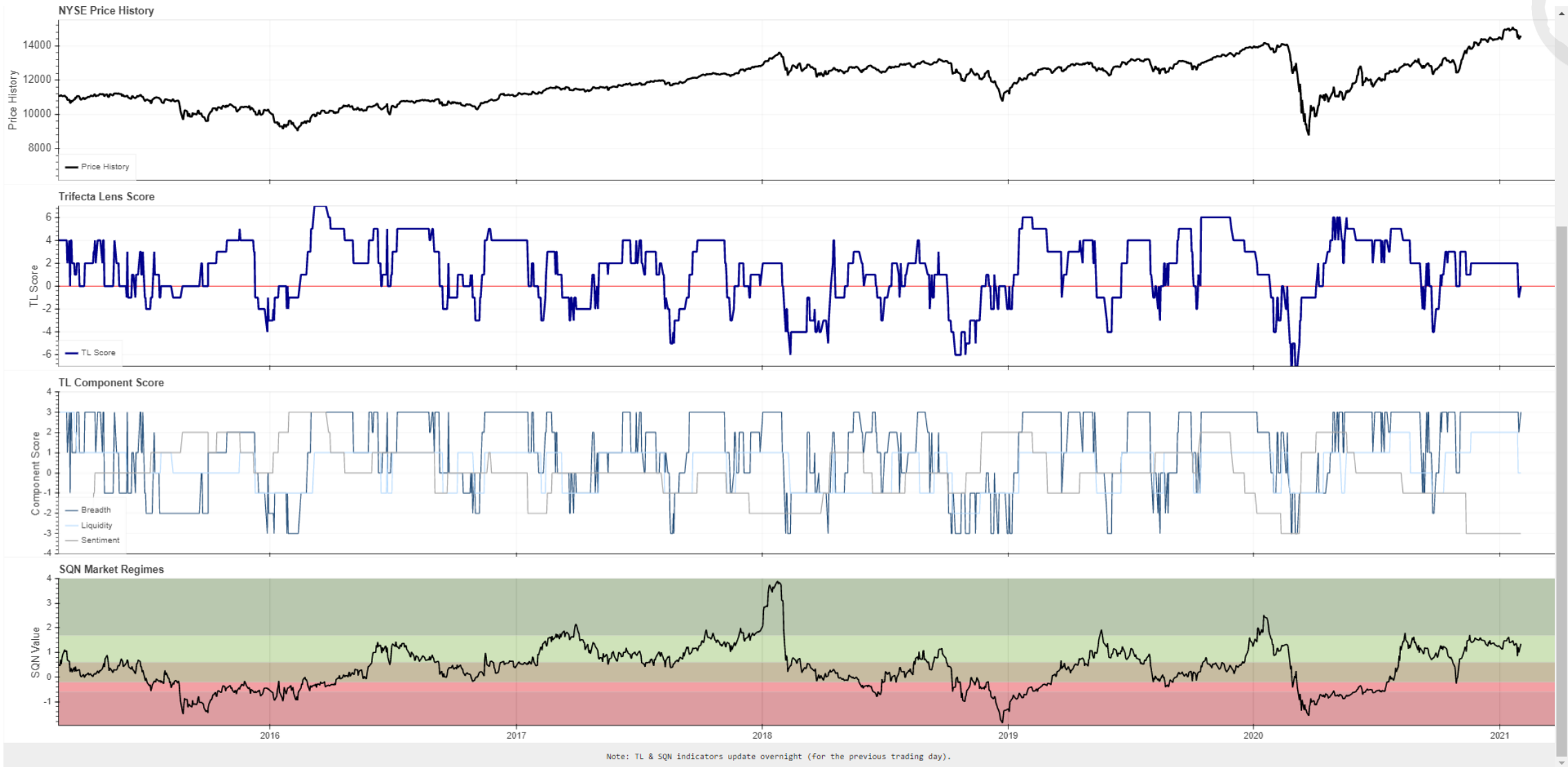
SPX Index (S&P 500 INDEX) SPX CHART-DAILY Daily 17JUL2020-03FEB2021

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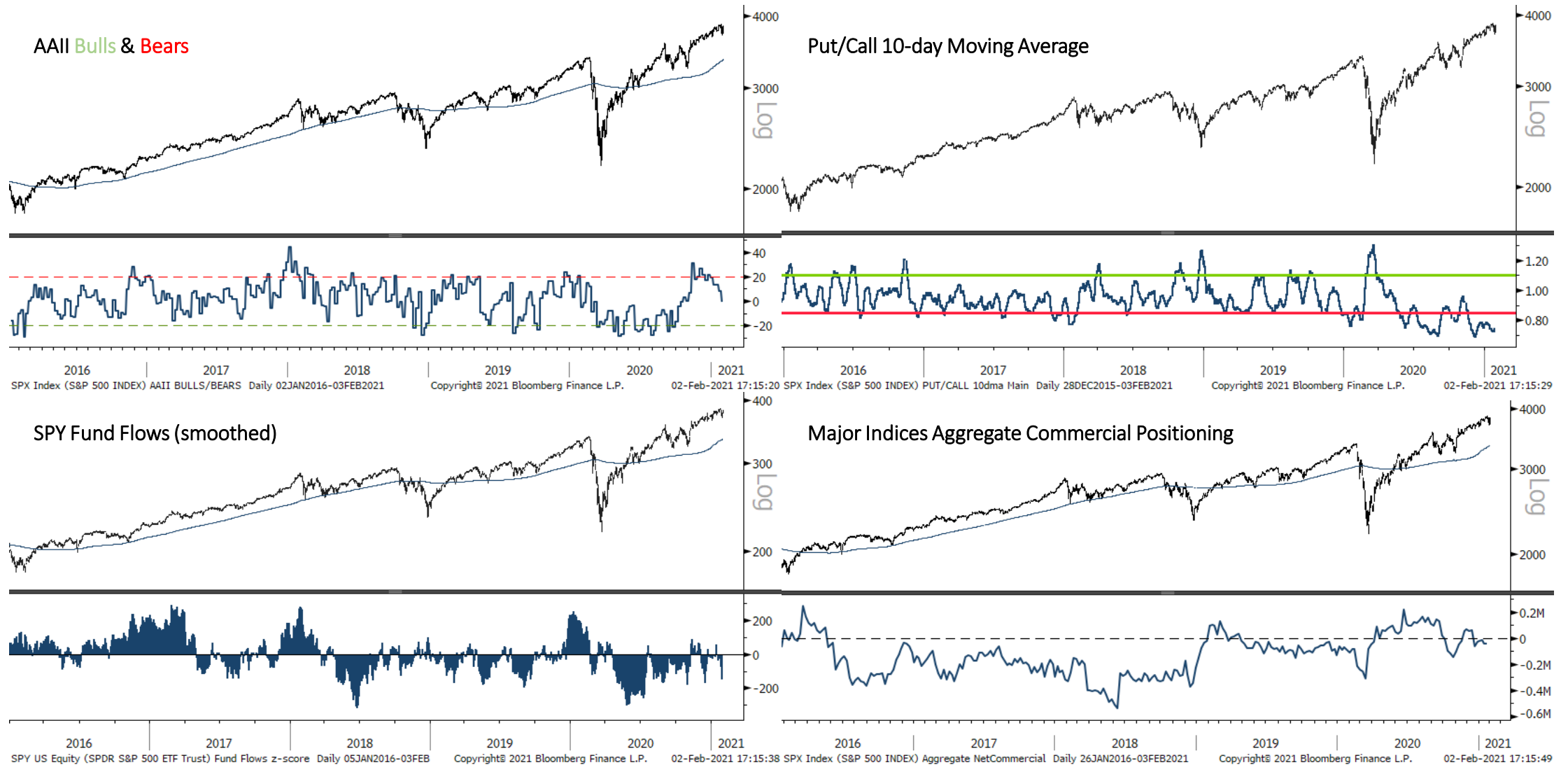
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Trifecta Lens Score: +2

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



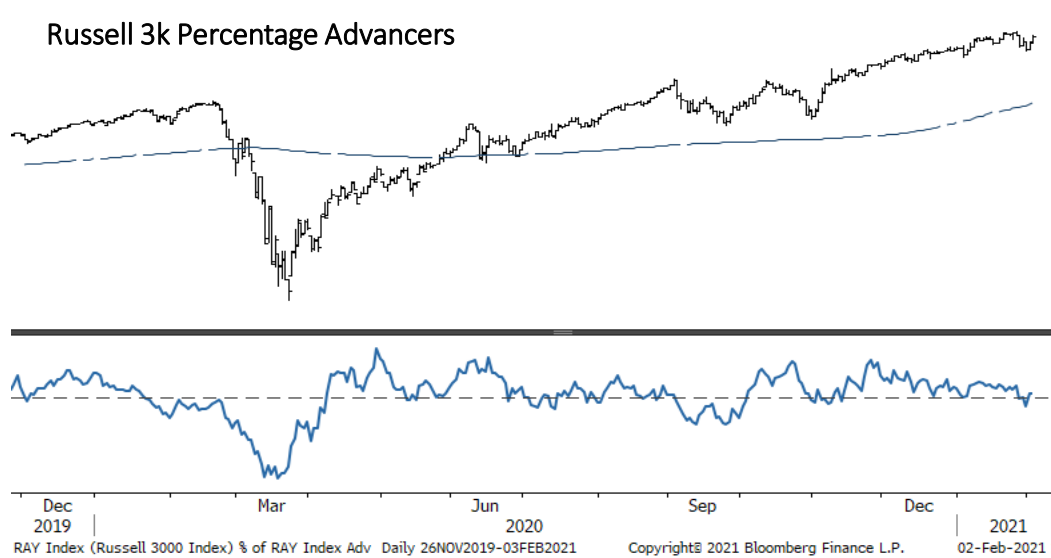
Sentiment & Positioning



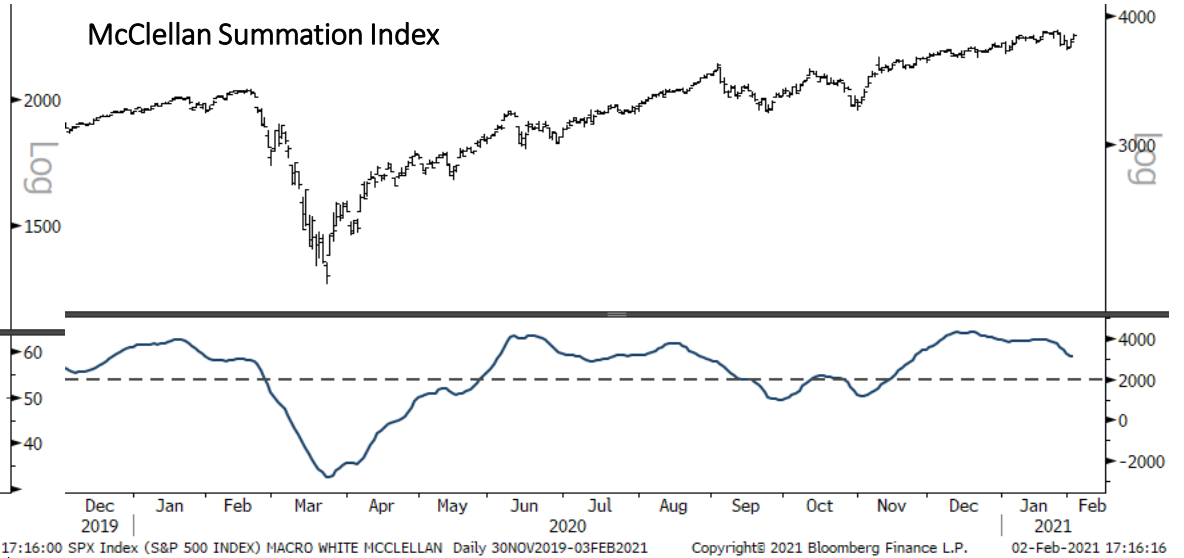
Breadth



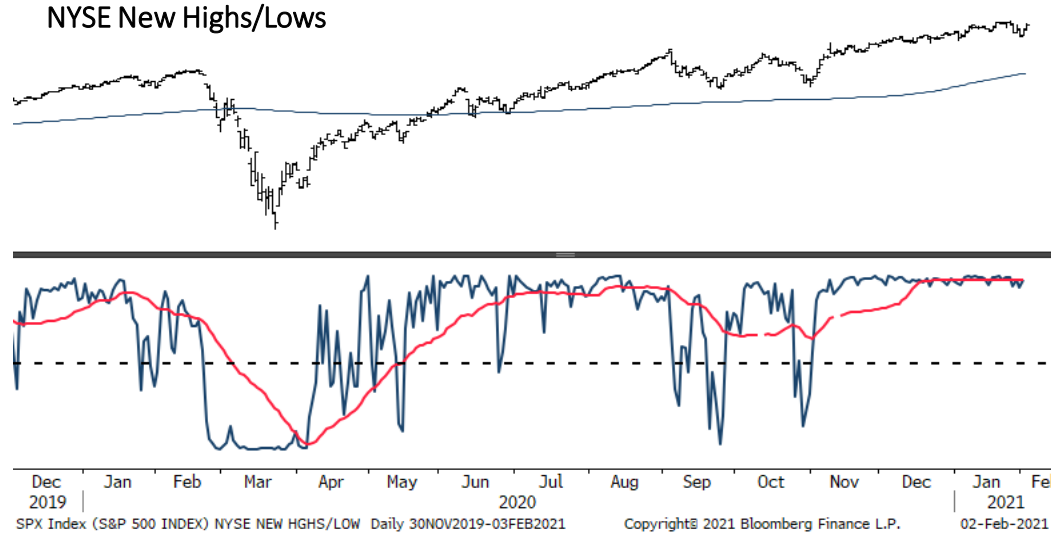
Russell 3k Percentage Advancers



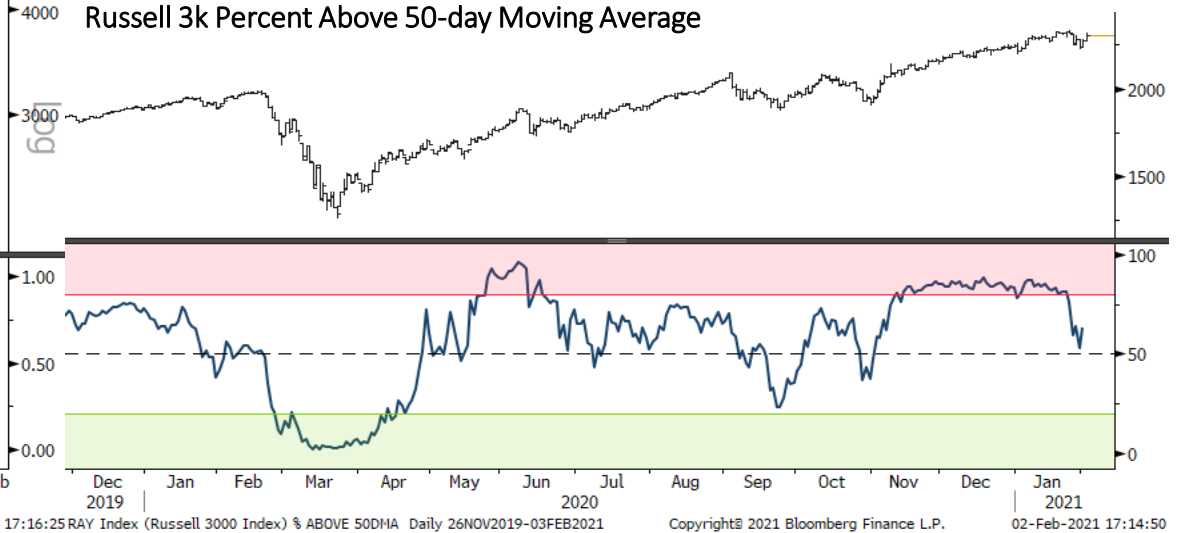
McClellan Summation Index



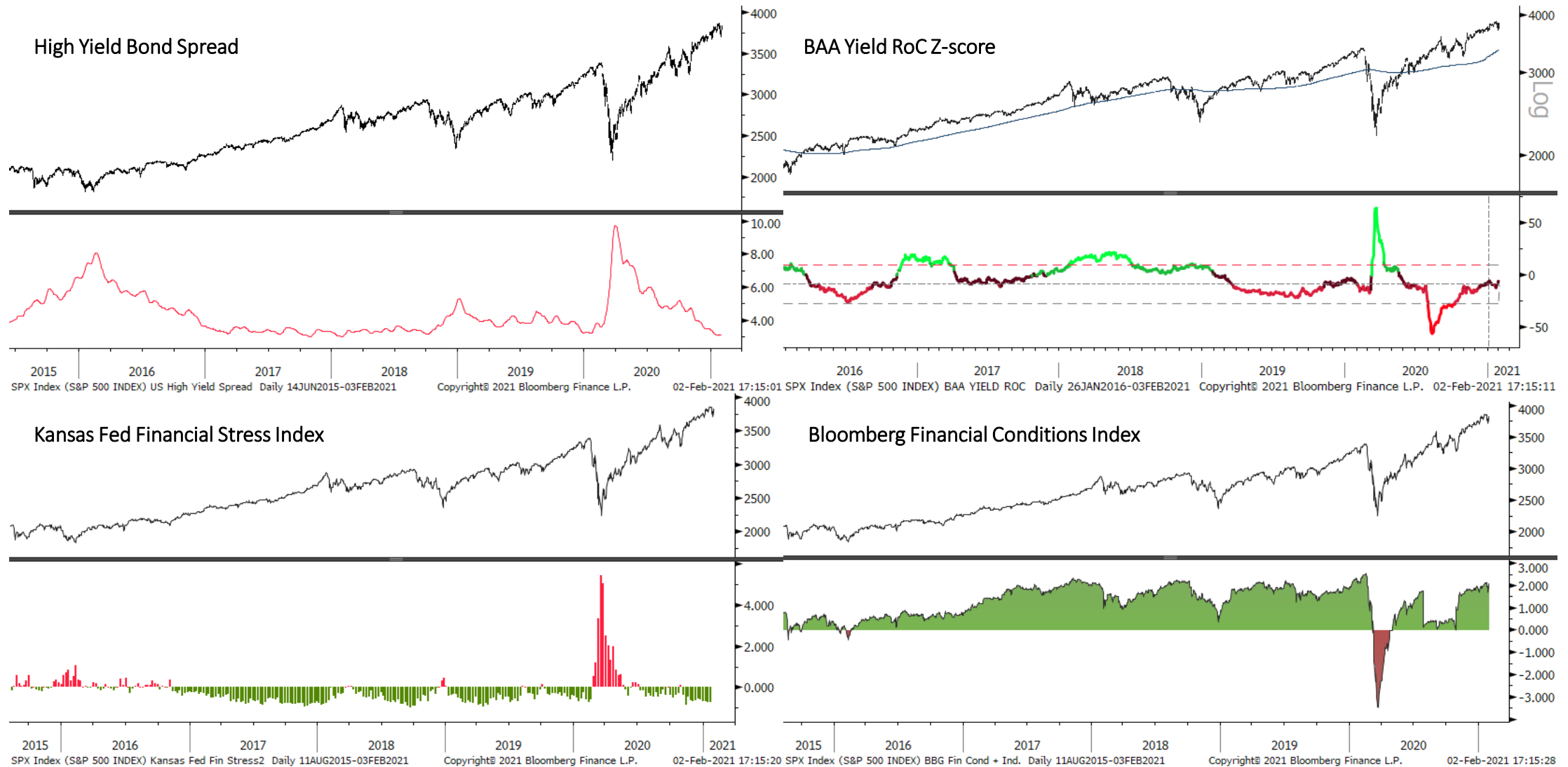
NYSE New High/Lows



Russell 3k Percent Above 50-day Moving Average



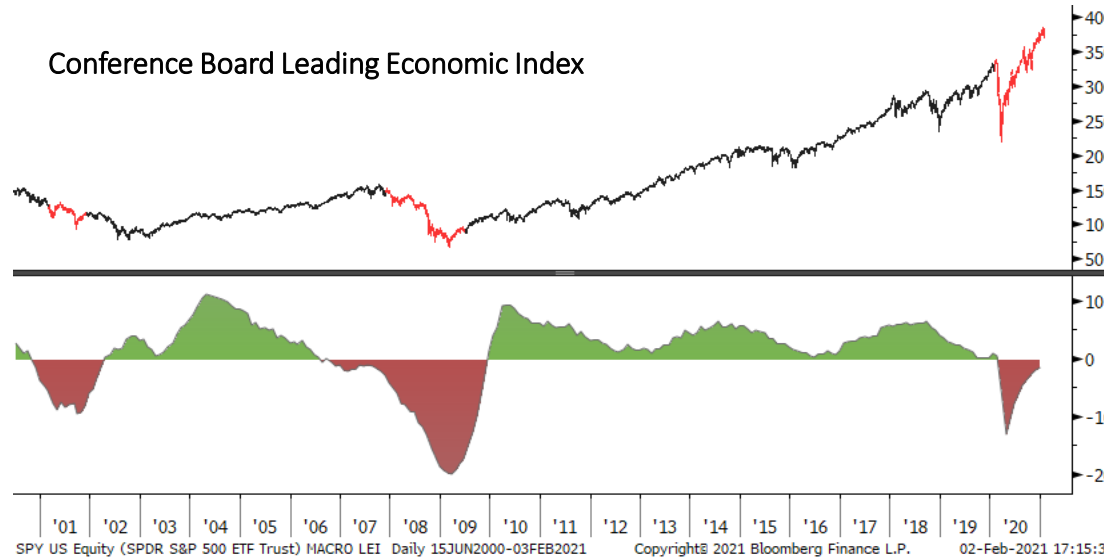
Liquidity



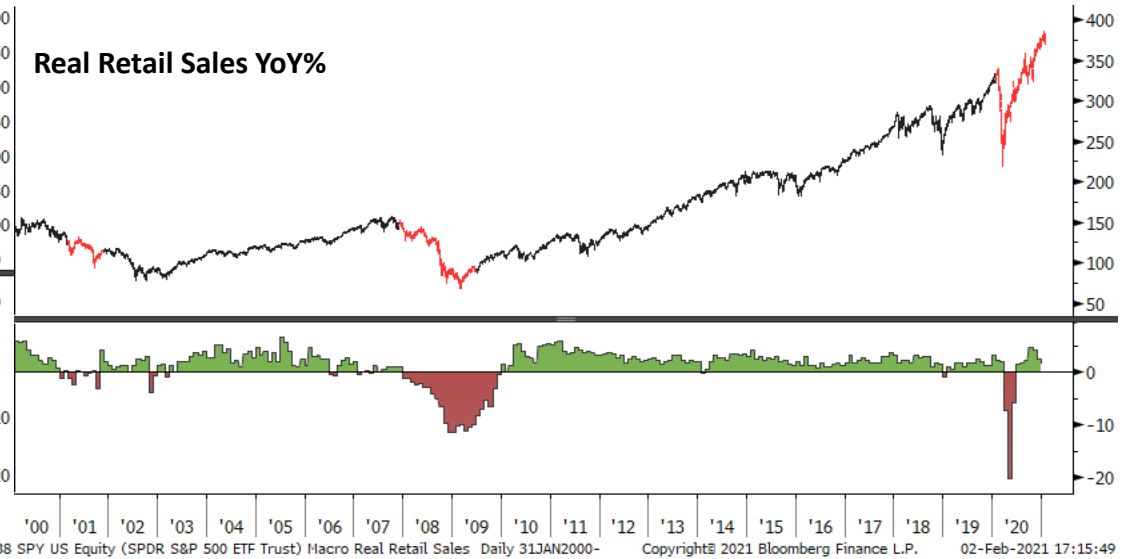
Macro



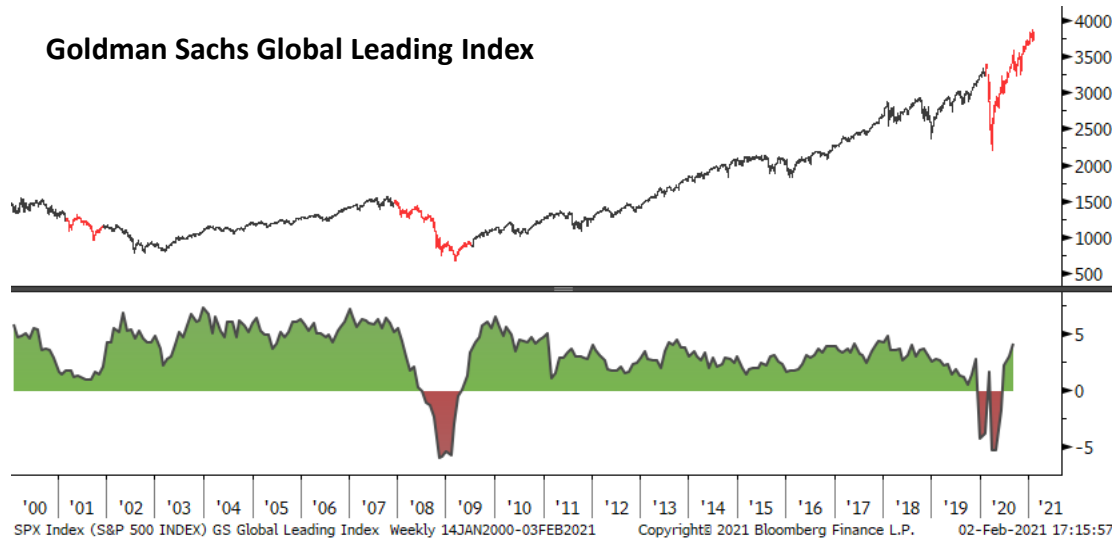
Conference Board Leading Economic Index



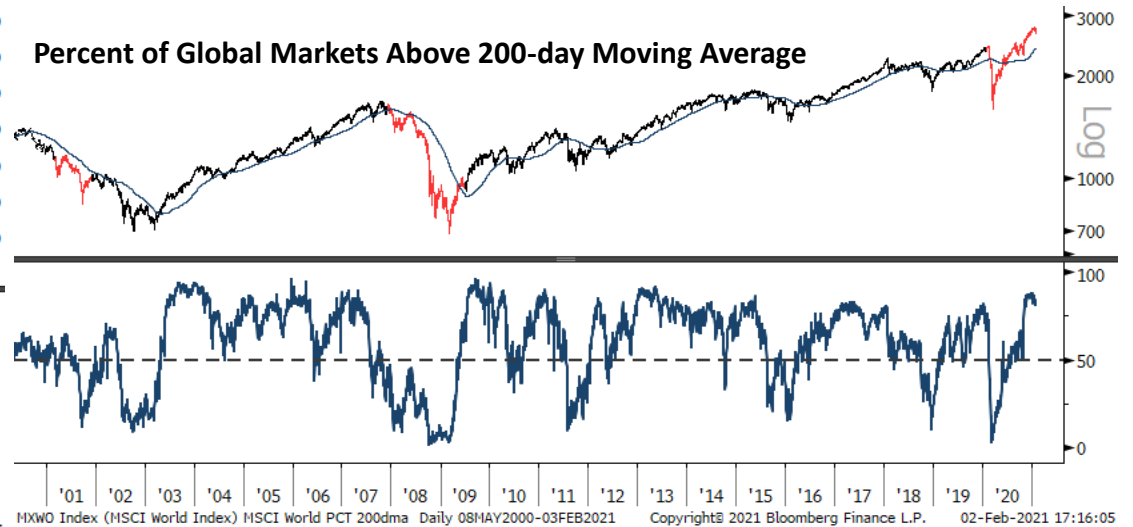
Real Retail Sales YoY%



Goldman Sachs Global Leading Index



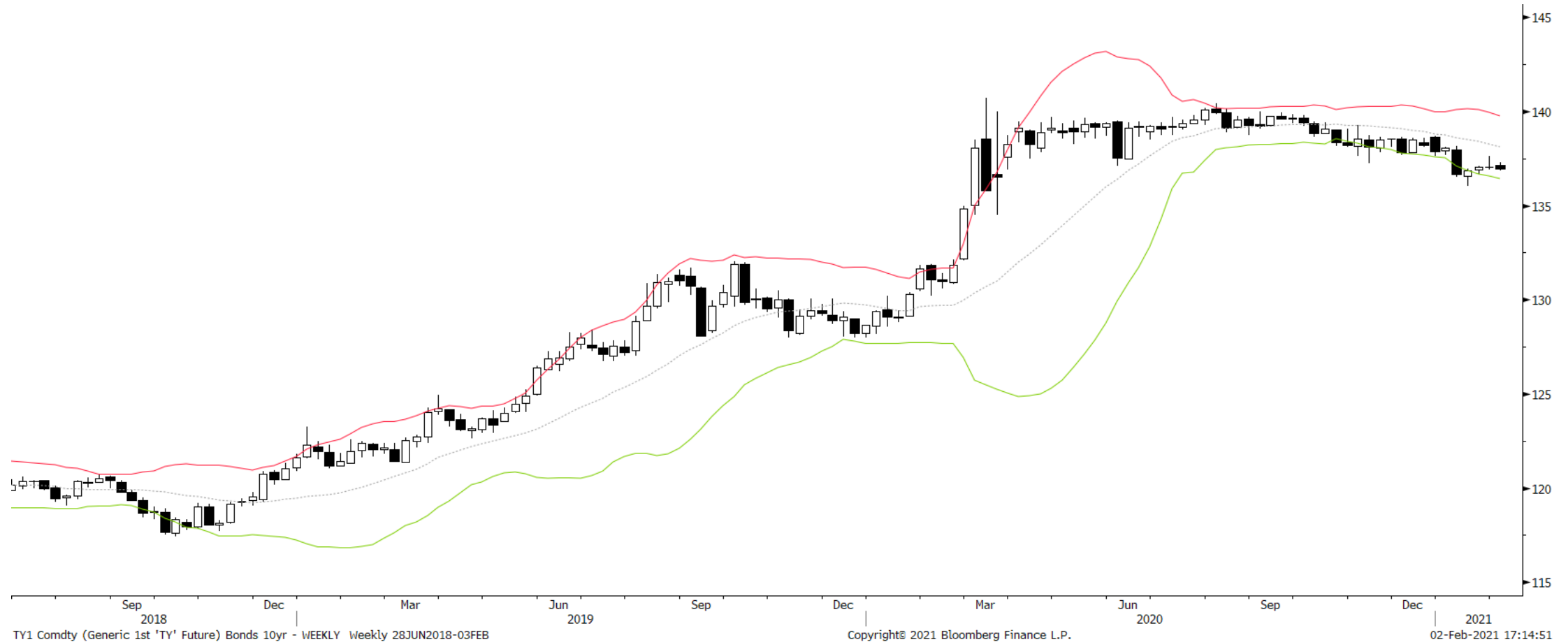
Percent of Global Markets Above 200-day Moving Average



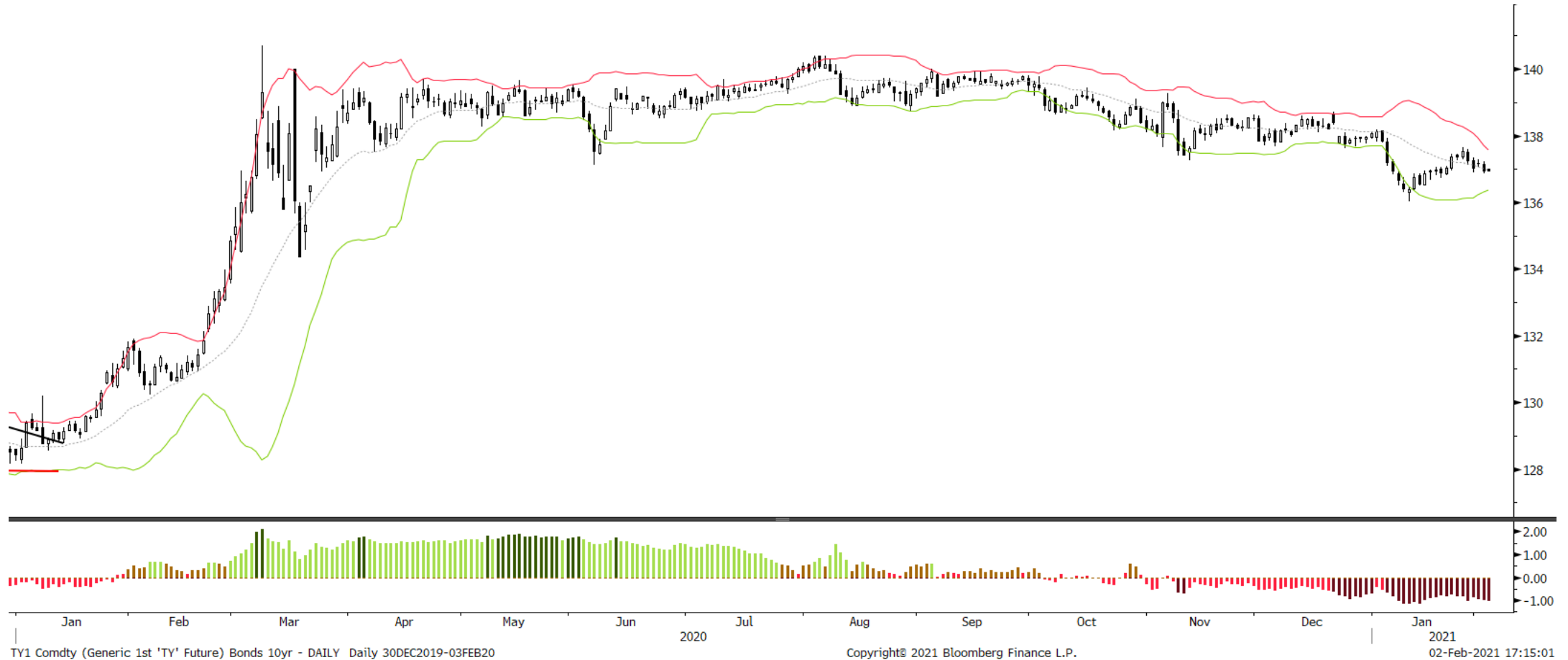
Bonds: 10-year Futures Monthly



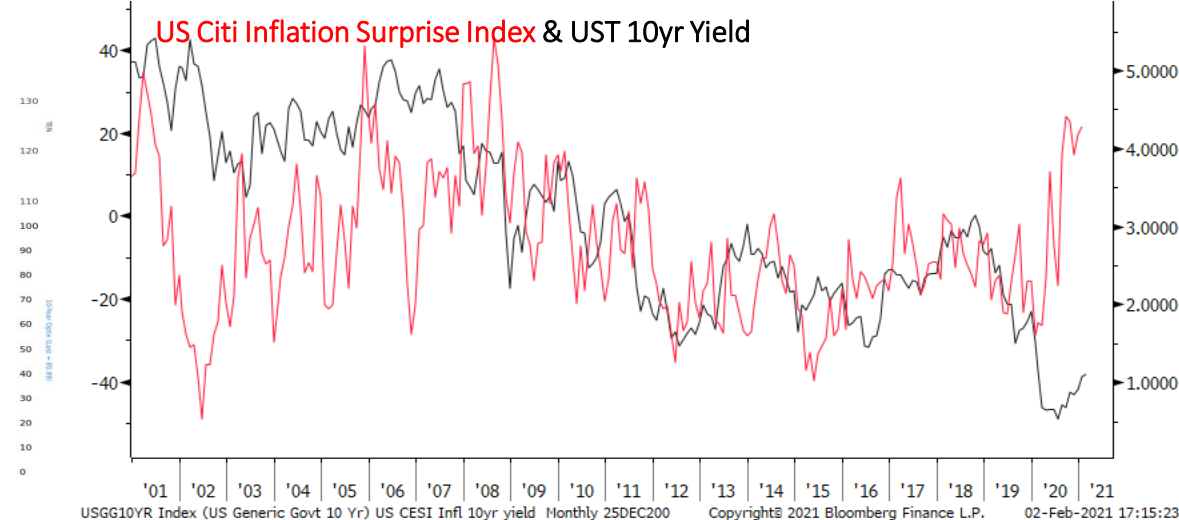
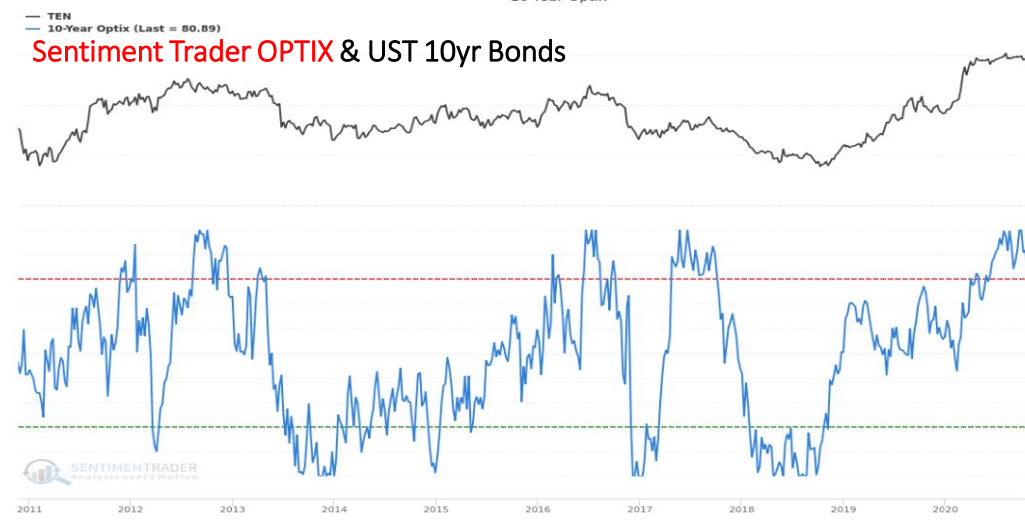
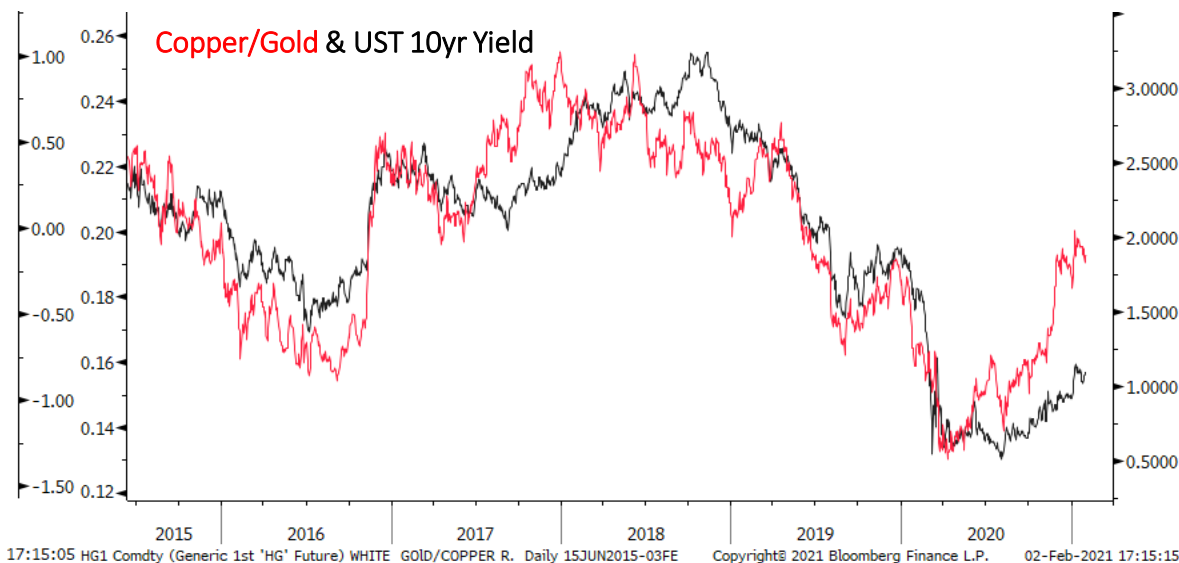
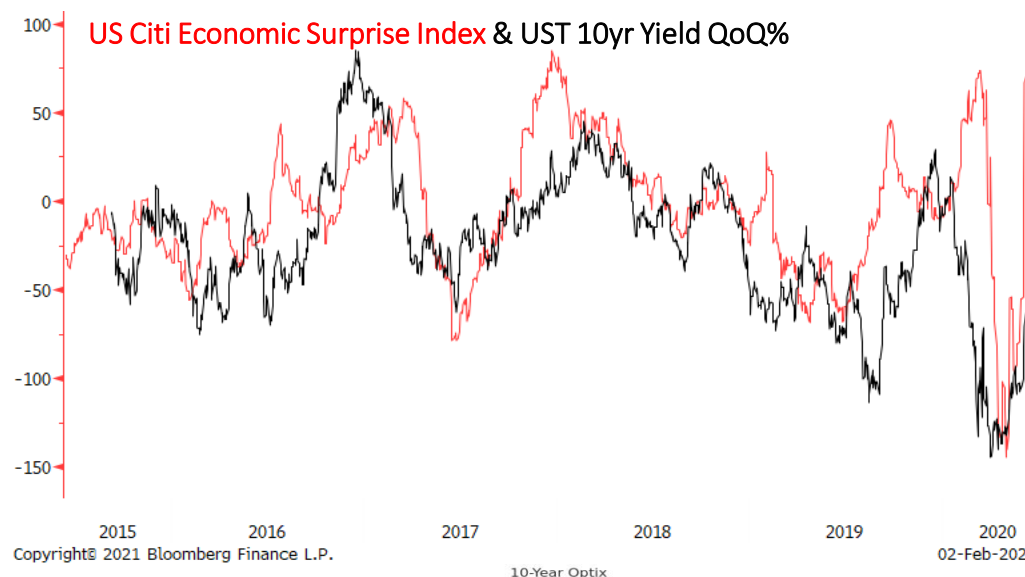
Bonds: 10-year Futures Weekly



Bonds: 10-year Futures Daily



Bond/Yield Indicators



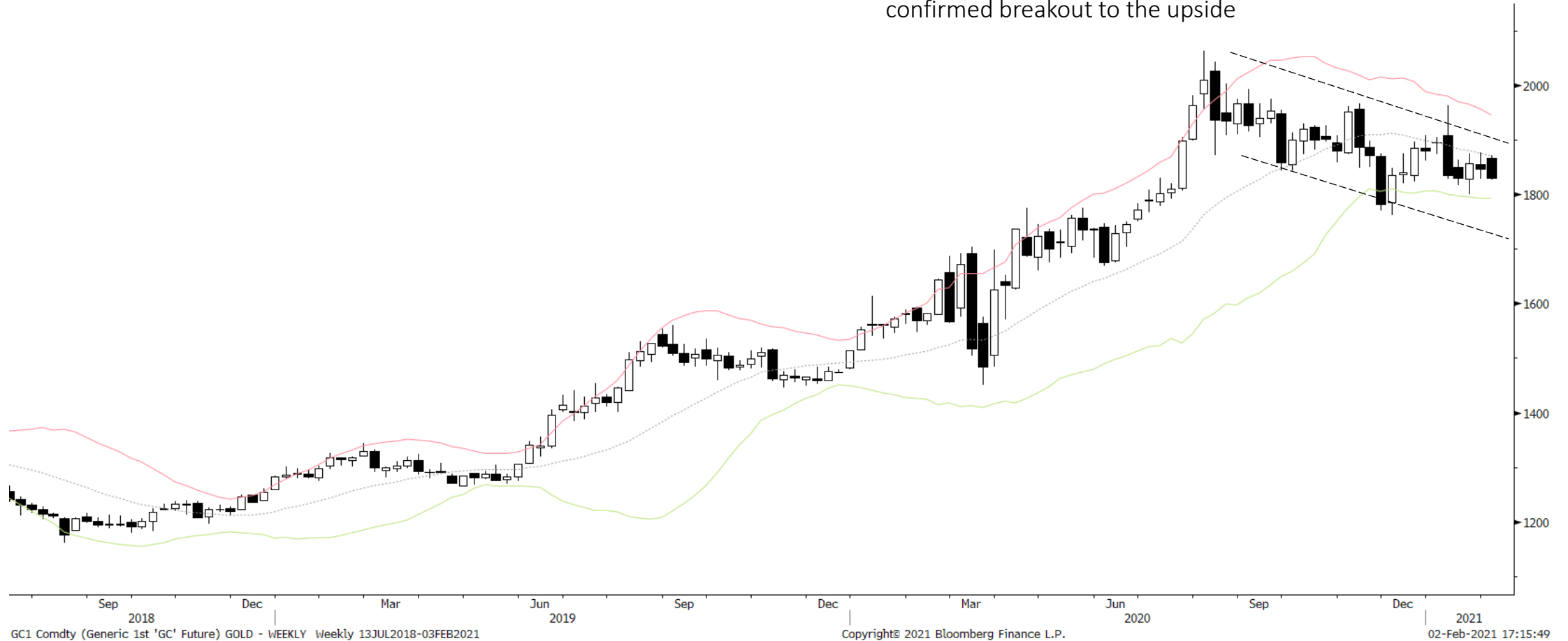
Gold Monthly



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 17JUL2020-03FEB2021

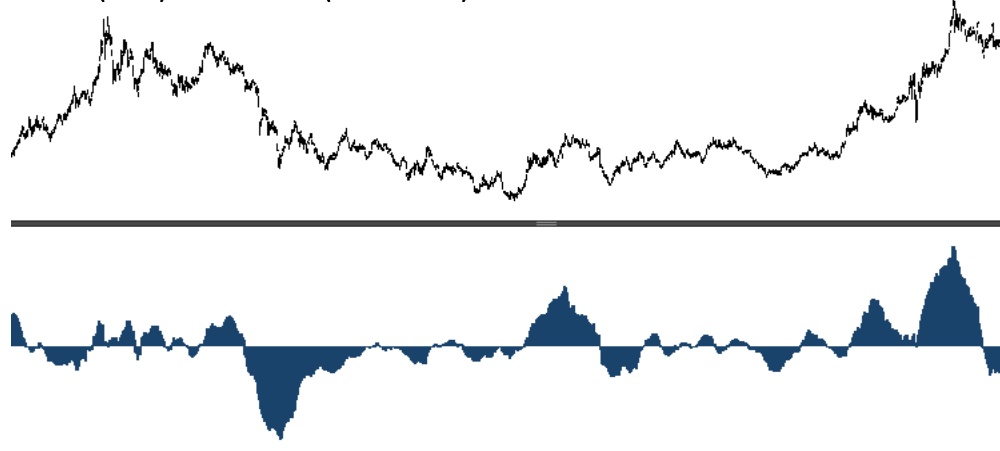
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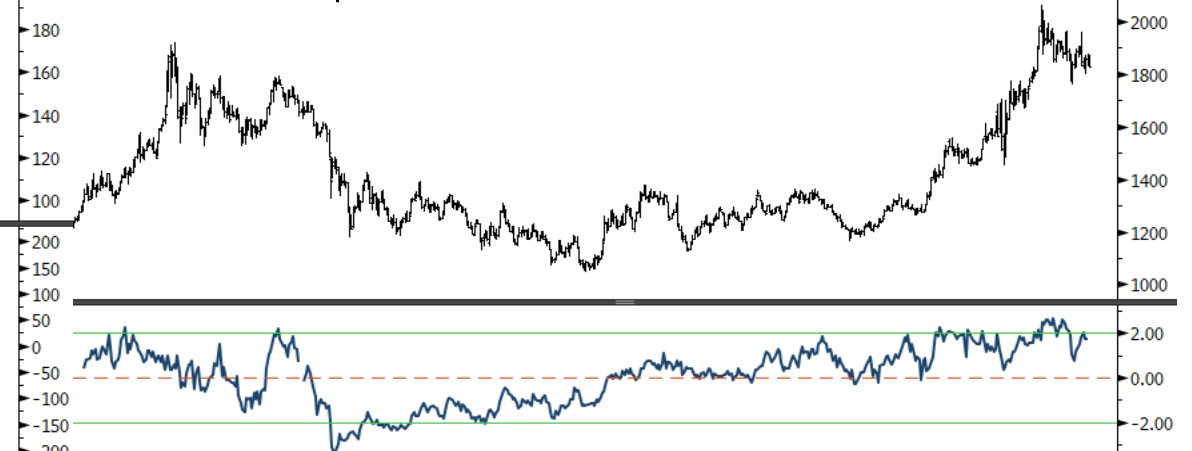
Gold Indicators



Gold (GLD) Fund Flows (smoothed)



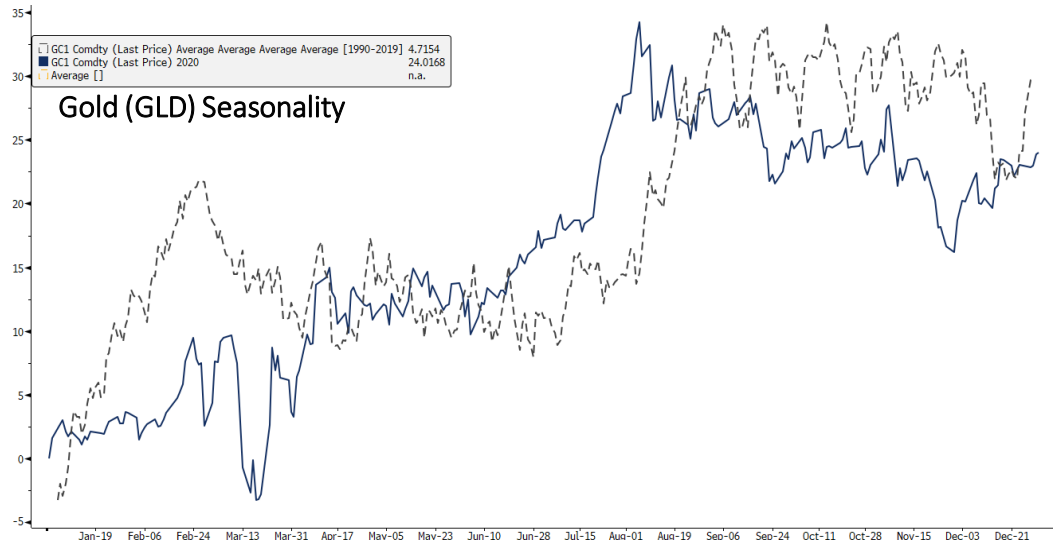
Gold Net Small Specs Z-score



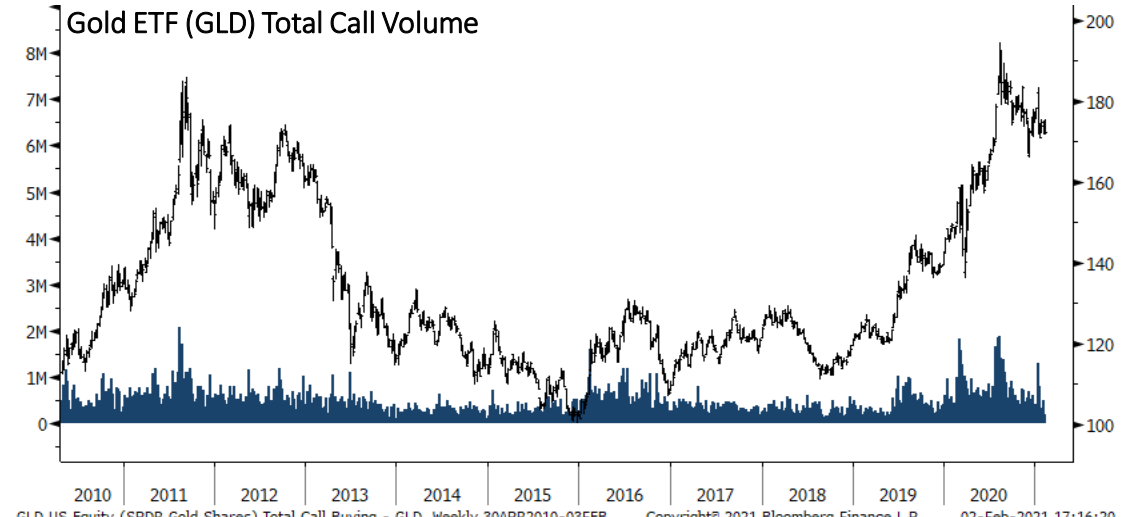
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2010-03FEB2 Copyright© 2021 Bloomberg Finance L.P. 02-Feb-2021 17:14:50

GC1 Comdty (Generic 1st 'GC' Future) GLD NET NON REPORTABLE Weekly 25AUG2010-03 Copyright© 2021 Bloomberg Finance L.P. 02-Feb-2021 17:16:11

Gold (GLD) Seasonality



Gold ETF (GLD) Total Call Volume



GLD US Equity (SPDR Gold Shares) Total Call Buying - GLD Weekly 30APR2010-03FEB Copyright© 2021 Bloomberg Finance L.P. 02-Feb-2021 17:16:20

EURUSD Monthly



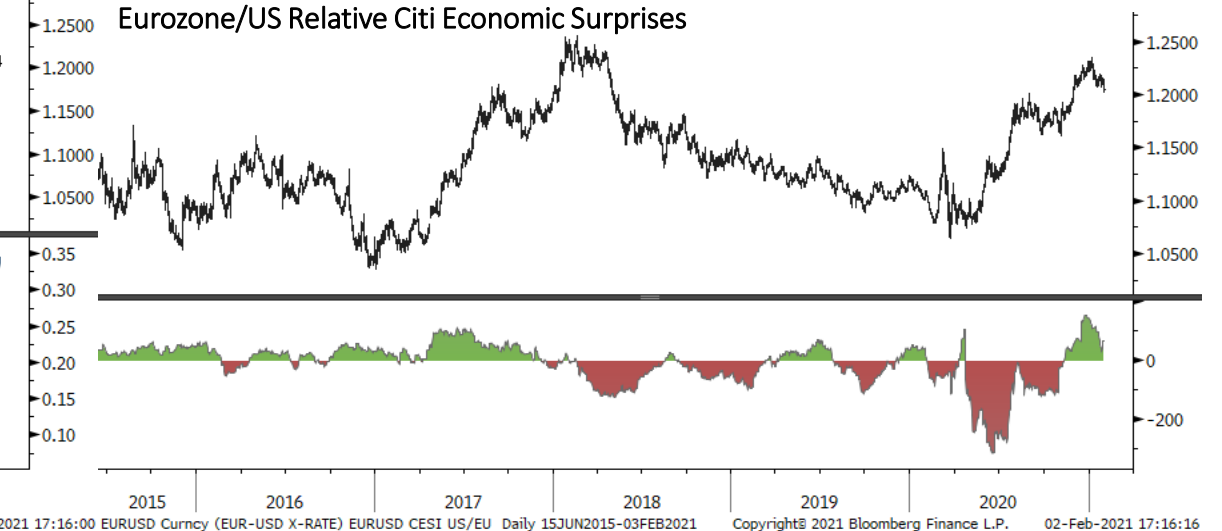
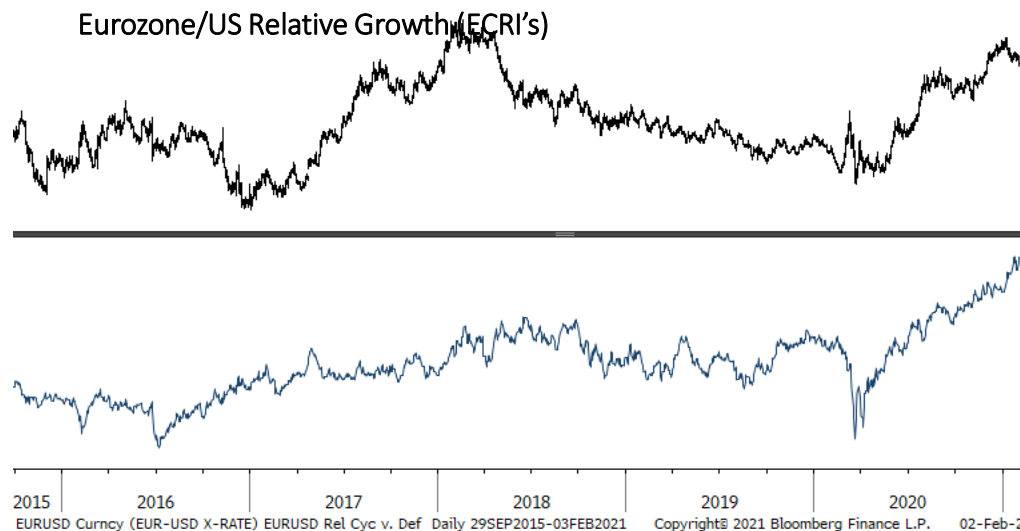
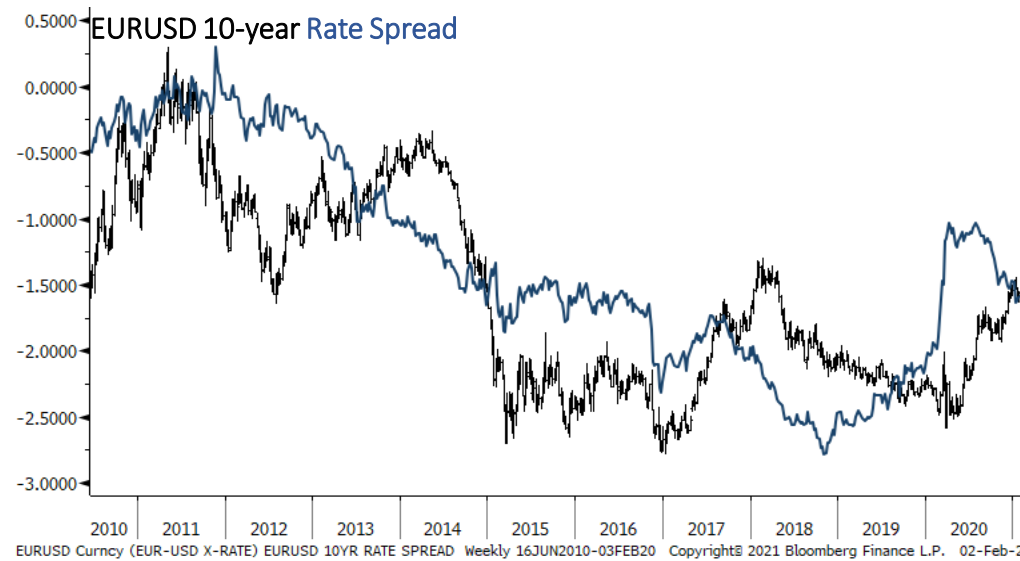
EURUSD Weekly



EURUSD Daily



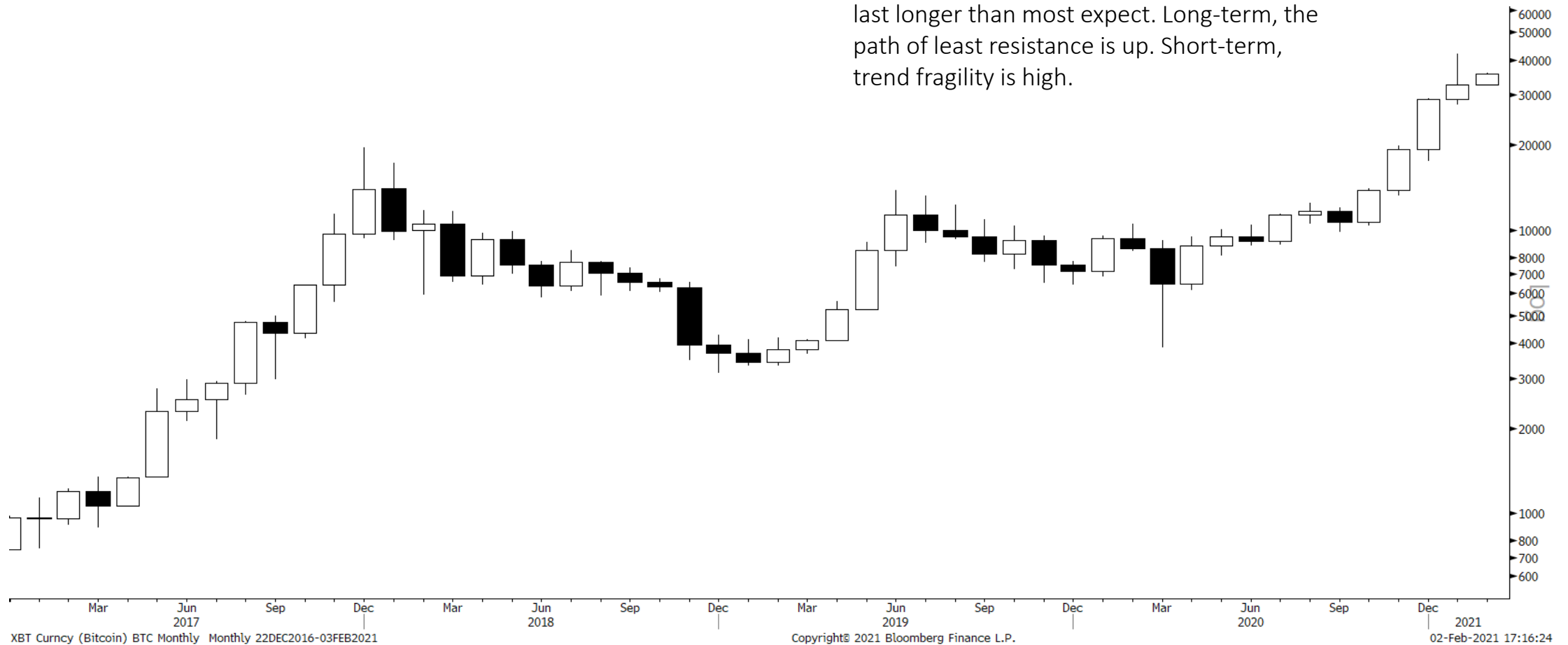
EURUSD Indicators



Bitcoin Monthly



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

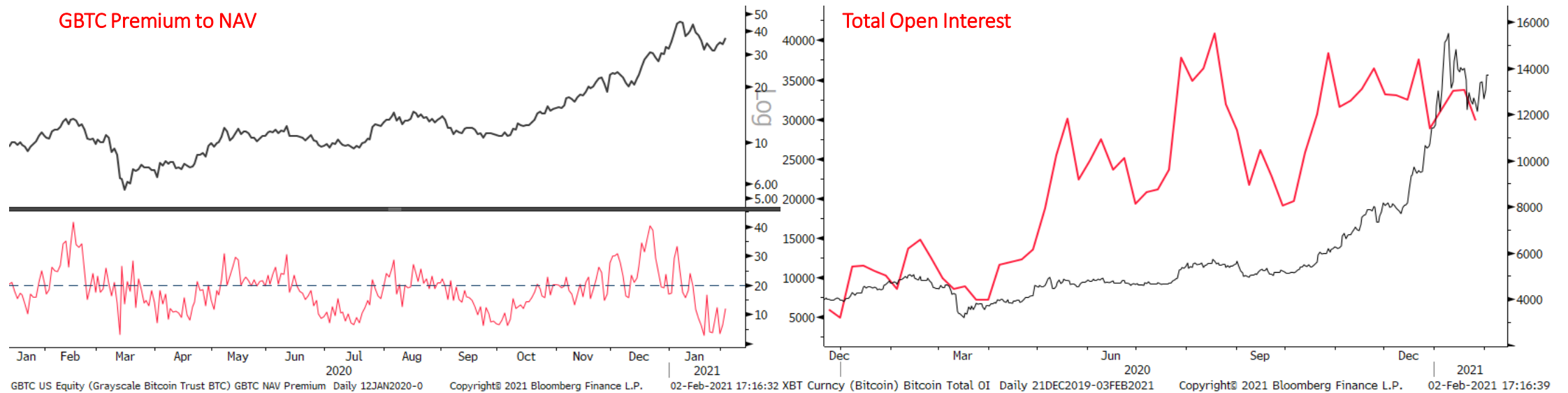


XBT Curncy (Bitcoin) bitcoin Daily Daily 03JUL2020-03FEB2021

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Bitcoin Indicators



<i>The Foundation Portfolio</i>				<u>2021 ytd return</u> <small>(updated 2/2)</small>		<u>2020 final return</u>	
				17.9%		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%	-100bps	\$3,610.00	\$3,839.00	
Ammo, Inc (POWW)	Value/Growth	\$3.01	11%	60bps	\$2.70	\$6.14	1/13/2021 Took 1/4 profits
S&W Seed Co. (SANW)	Cyclical Growth	\$3.57	5%	100bps	\$2.84	\$3.50	
Red Violet (RDVT)	Secular Growth	\$17.85	11%	-137bps	\$17.85	\$23.92	1/28/21 Took 1/4 profits
Frontdoor (FTDR)	Secular Growth	\$44.22	11%	-15bps	\$45.10	\$55.05	1/20/21 Added to position
Top Glove (TGLVY)	Secular Growth	\$6.85	3%	50bps	\$5.43	\$7.18	
Nintendo (NTDOY)	Secular Growth	\$63.46	8%	16bps	\$62.00	\$75.46	11/13/20 Added to position
Murata Manufacturing (6981)	Secular Growth	\$73.57 (=USD)	7%	-45bps	\$82.61	\$92.62	2/1/21 Took 1/4 profits
Kura Sushi (KRUS)	Value/Growth	\$18.27	7%	20bps	\$18.20	\$22.49	1/28/21 Took 1/4 profits
Antero Resources (AR)	Cyclical Recovery	\$5.70	5%	60bps	\$4.70	\$7.01	1/28/21 Took 1/4 profits
Centrus Energy (LEU)	Secular Growth	\$20.25	3%	95bps	\$13.30	\$21.62	1/28/21 Took 1/4 profits
Betterware De Mexico	Secular Growth	\$30.27	5%	40bps	\$28.86	\$37.74	1/14/21 Added to position
Qualitas Controladora	Secular Growth	\$5.22	6%	120bps	\$4.01	\$109.25	
BH Group Limited ADR (BHP)	Cyclical Recovery	\$65.80	3%	85bps	\$47.37	\$113.80	
Cresud S.A.C (CRESY)	Cyclical Recovery	\$4.51	4%	100bps	\$3.70	\$5.14	1/12/2021 Added to position
Bidstack, Inc. (BIDS)	Speculative Growth	\$0.16	2%	200bps	\$0.00	\$0.10	
Nic, Inc. (EGOV)	Secular Growth	\$27.41	8%	150bps	\$22.79	\$27.98	1/19/21 Added to position
Exone (XONE)	Secular Growth	\$13.49	3%	100bps	\$8.82	\$33.18	2/2/21 Took 3/4 profits
XP, Inc (XP)	Secular Growth	\$47.11	3%	50bps	\$37.37	\$48.85	
Micron Technology (MU) Jan 22' \$100 calls	DOTM	\$1.38	9%	100bps	N/A	\$8.75	
Deutsche Bank (DB) Jan 22 \$20 calls	DOTM	\$0.28	0.25%	50bps	N/A	\$0.14	
Intel Inc, (INTC) Jan 22' Calls	DOTM	\$0.83	1%	100bps	N/A	\$0.82	
Greyscale Bitcoin Trust (GBTC)	Secular Thematic	\$17.55	7%	-10bps	\$18.00	\$36.80	12/18/20 Took half profits