



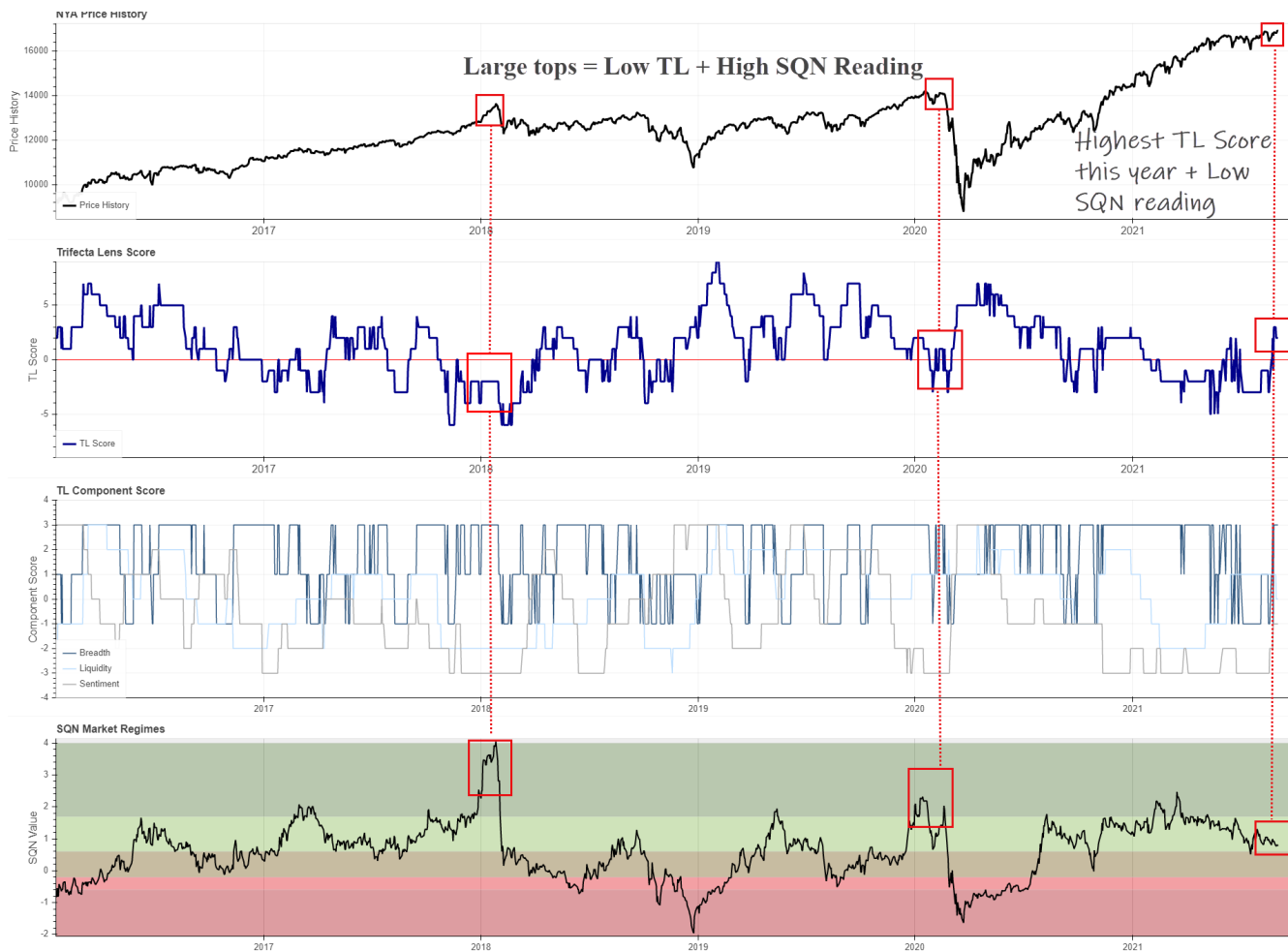
## 9/7/2021: A Correction Through Time, Note Space...

So this is interesting...

Our Trifecta Lens Score has flipped to +3 after negative readings for the better part of summer. +3 is its strongest showing since November of last year, which happened to coincide with the upward thrust that restarted the bullish trend after a few months of volatile sideways chop.

Market internals have been noisier than a rooster at sunrise so we'll have to see if it can hold strong through the rest of the week. But, if it does, this may signal that the current Buy Climax is about to kick up a gear ([small caps breaking out](#) and joining the party maybe?).

Either way, conditions are a ways off from where they'd need to be for a more significant market top (examples highlighted on the chart below). So upward trend with occasional pullbacks to the 20-day marked by good looking sell setups failing, seems to be the name of the game for now.



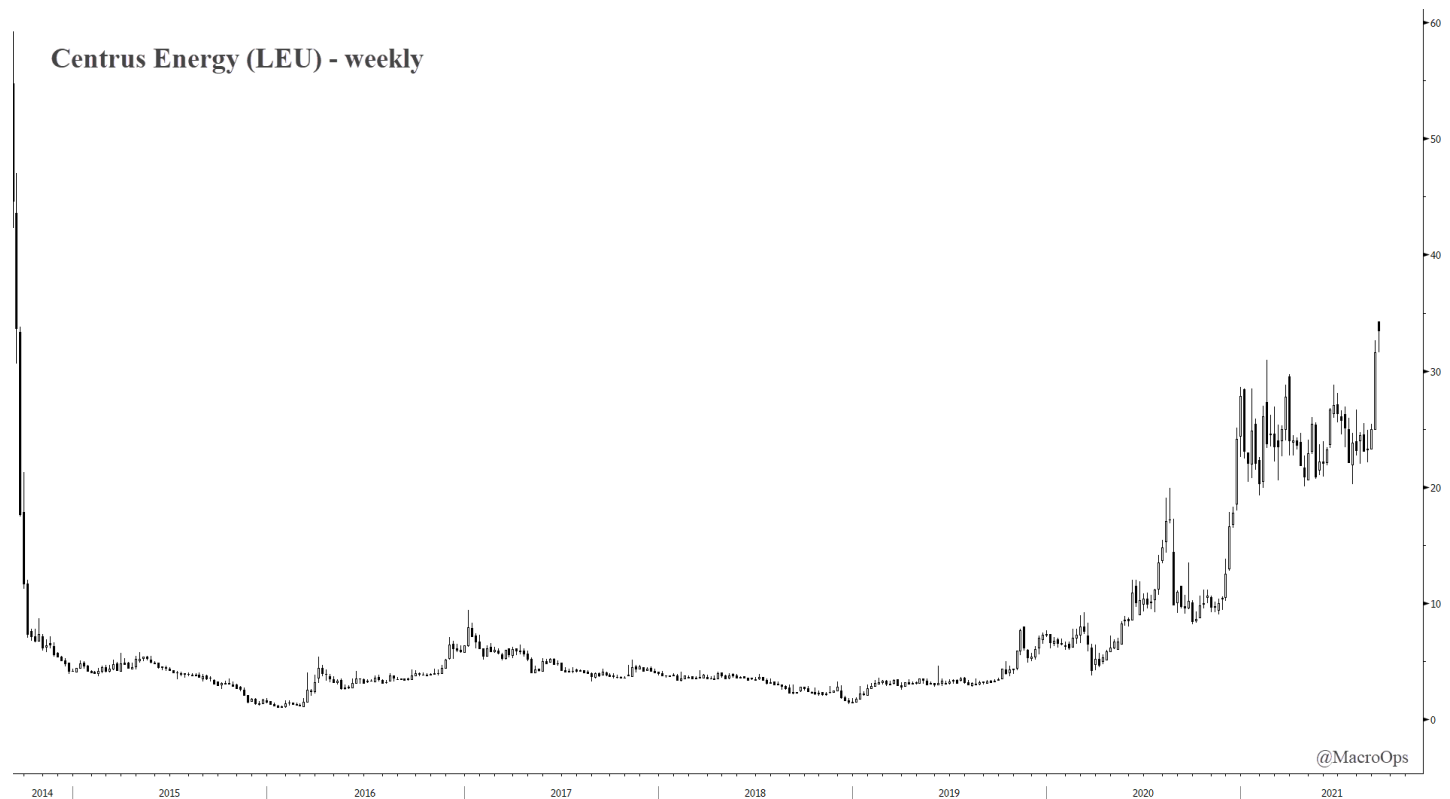


Despite reducing our exposure a few weeks ago, market technicals acted to pull us back in. Bringing us back up to being fully invested.

Price is king as they say... The market, a cruel temptress at times, knows more than we. And when there's a lot of dissonance, it's best we defer to it, since playing it is what pays our bills at the end of the day.

Speaking of price, the action in the uranium space is really starting to fission (ahem, sorry).

The long-term chart of LEU is a beaut. A strong breakout from a tight range in a bull trend that spawned from a left for dead 6-year base. LEU is now our largest position and I expect this stock to trade well into the triple digits before this uranium bull market is spent.



I was asked the other day whether I think the setup in uranium is a fat pitch, and if so, why not go for the jugular here. You know, [back up the truck and whole hog it..](#)

It's a good question and my answer was that the stars do seem to be aligning on U names.. The conditions have long been there but the Sprott buying gives us the catalyst as well as the structural feedback loop to drive prices significantly higher.

The wide scale adoption of nuclear power is a *significantly* longer timeframe play, but also one I view as an eventuality.



The charts to the right (via @theAlexW) show the pace of buying and Sprott's impact on the spot market. It's significant and unlikely to abate anytime soon.

This is likely to cause a demand cascade as utilities and end users react to rising spot prices with a rush into the market.

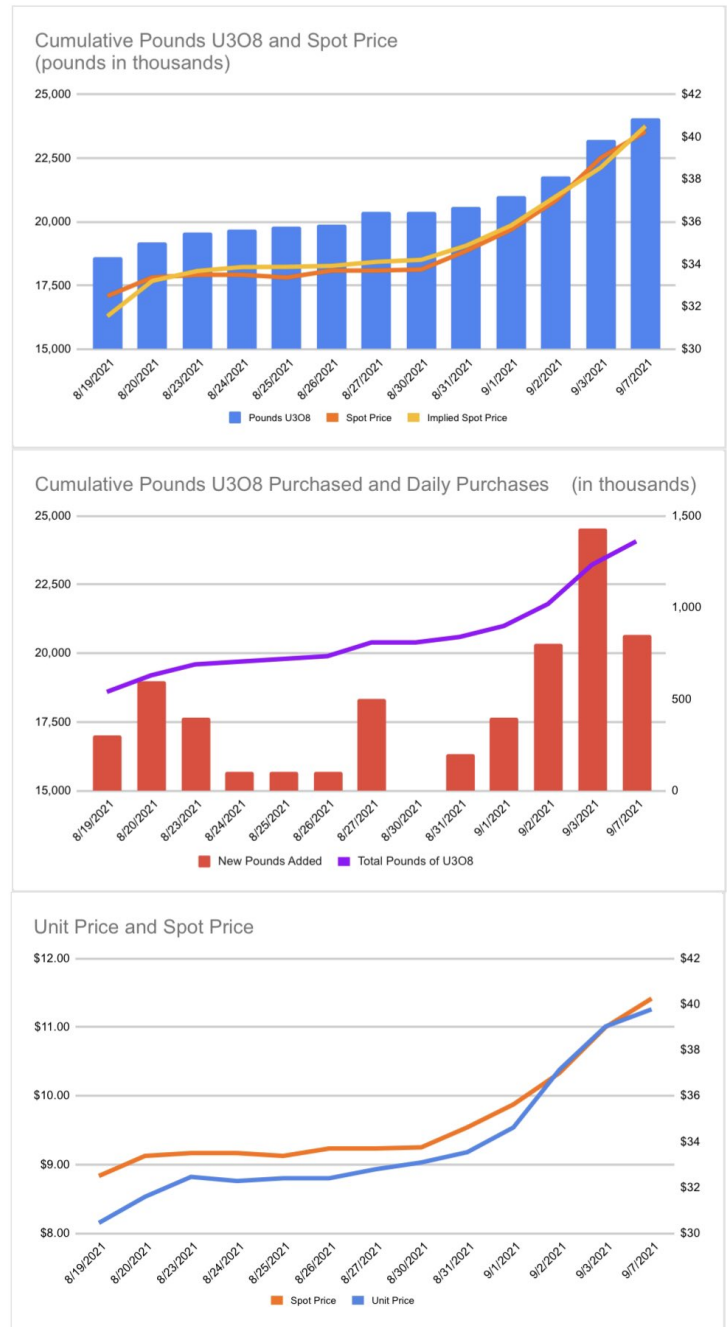
Just the other week, kazatomprom announced they may buy additional material in the spot market during the second half of this year to keep its inventories within its targeted range and to meet sales commitments for the rest of 2021.

We currently have just over 10% of our portfolio devoted to the uranium theme. Split between LEU and PDN:ASX.

We want to build this up to 15%, which is near the max position we devote to any single thematic as we run the MO port on the conservative side. We're going to do this by adding to our position in PDN:ASX on a pullback or technical entrypoint. We'll be sending out an alert when we do.

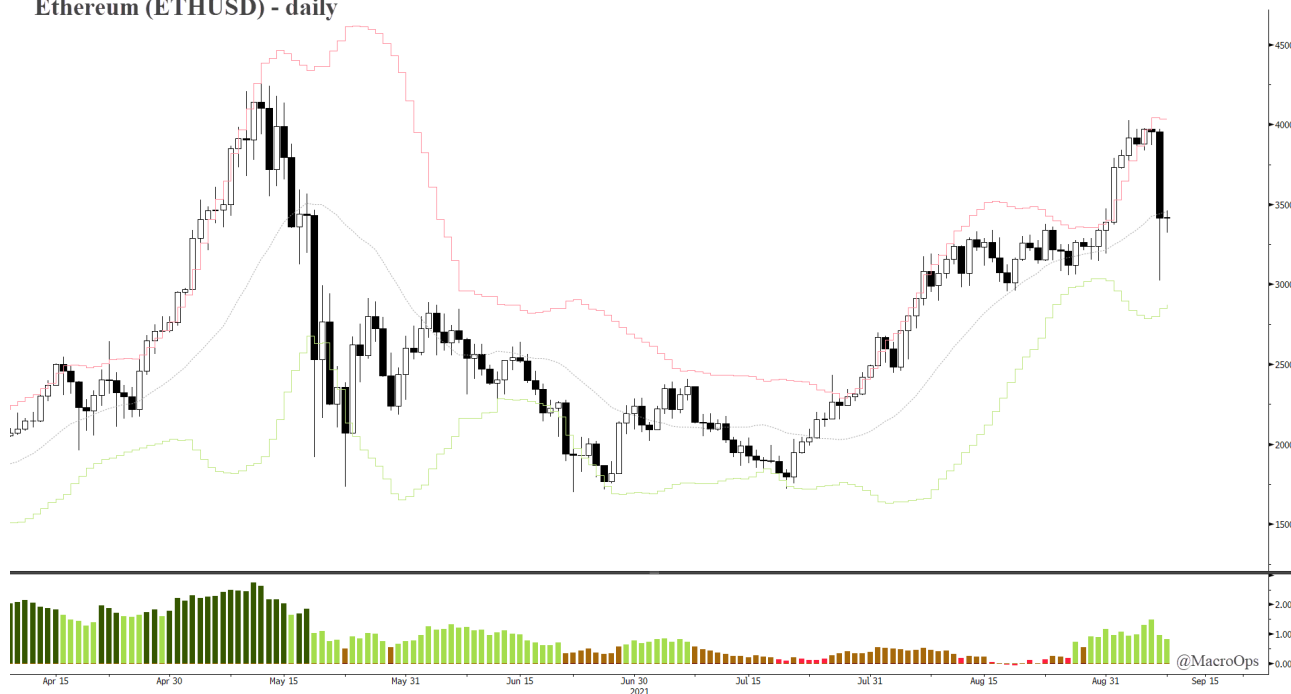
The big crypto names saw a washout today, with BTC and ETH both dropping by as much as 20% and 24% respectively midday only to reverse much of the losses.

This type of action is normal in the space and should be expected. Crypto attracts a lot of noob traders who then leverage up as they buy at the highs. These volatile reversals are the market's way of bleeding them out. We're up roughly 35% on our ETHE position even after this recent dip. We may consolidate and chop around for a bit here but the path of least resistance is still up.





Ethereum (ETHUSD) - daily



Cotton No.2 is still on our target-list for a long entry. The soft is trading in a classic Bull Quiet regime, where the best looking sell setups fail and get reversed right around the midline of the Bollinger Band.

It's currently coiling in a wedge. We are buyers at reversals off the bottom level of the wedge and/or a breakout above.

Cotton No.2 (CTZ21') - daily





That's it for now. In my next Note we'll explore the characteristics of a Buy Climax. What they are, how to define them, and what data indicates their imminent demise...

Until then, stay safe and keep your head on a swivel.

Your Macro Operator,

Alex