



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

➤ **Summary:** Short-term sentiment and positioning indicators are at extreme bearish/oversold levels. However, credit is still the canary in the coal mine and makes aggressively adding risk here a negative EV proposition. The rate of change in yields is at levels that typically leads to further multiple compression and risk-off. Breadth is still weak and the VIX curve is bearish. Path of least resistance remains down. Major support at 4,300. Critical for market to hold this level. Expect further chop and vol with risk to downside.

UST 10yr Bonds

➤ **Summary:** Bonds completed a large H&S top. Price action and the tape favor continued downside in bonds (yields up) though they are very oversold which is why we went long this week on the reversal up from its multi-day wedge. Play for a quick pop. Will ride stops close.

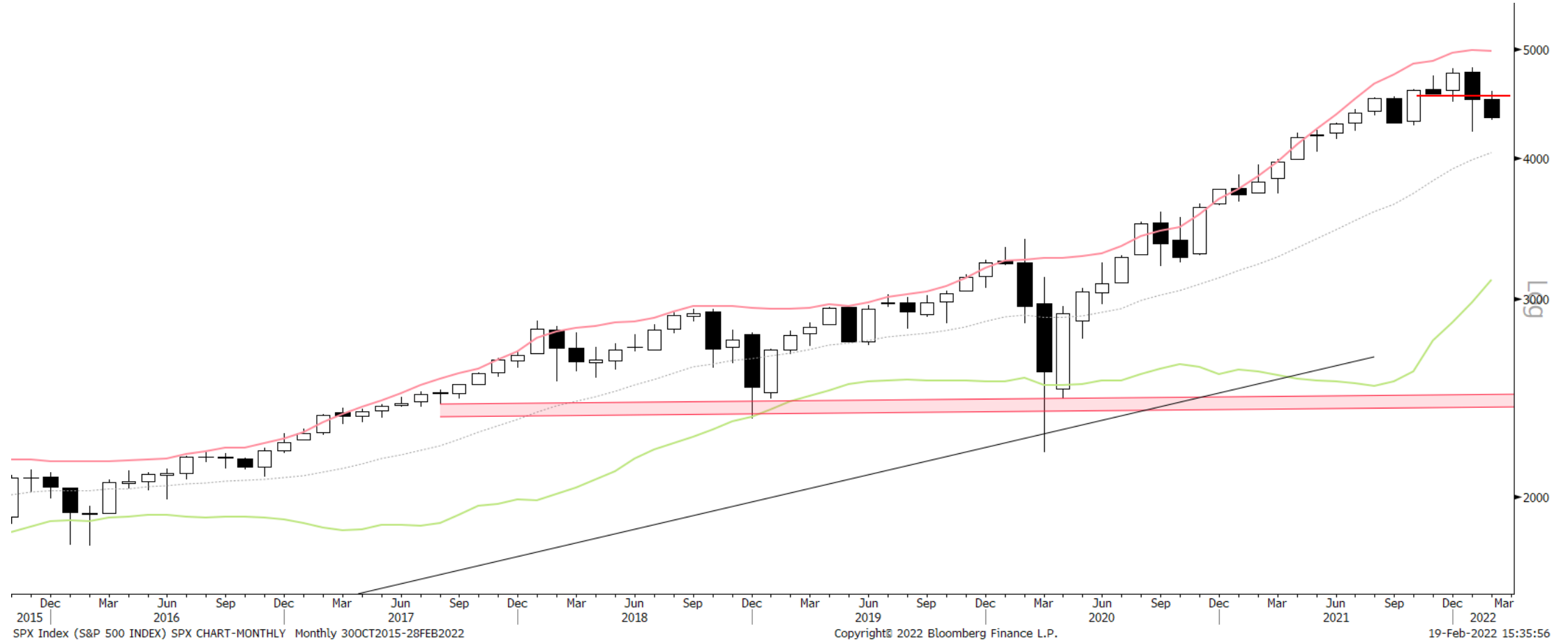
Gold

➤ **Summary:** Gold broke out from its major 2yr triangle and its smaller wedge. It also cleared November highs this past week. Positioning and sentiment are both firmly bearish. And the market is now in a Bull Quiet regime. We want to see silver join in to confirm a new bull trend. The fact that geopol risk seems to be driving this move makes me hesitant to get too aggressively long here but we'll be adding a small starter position this week.

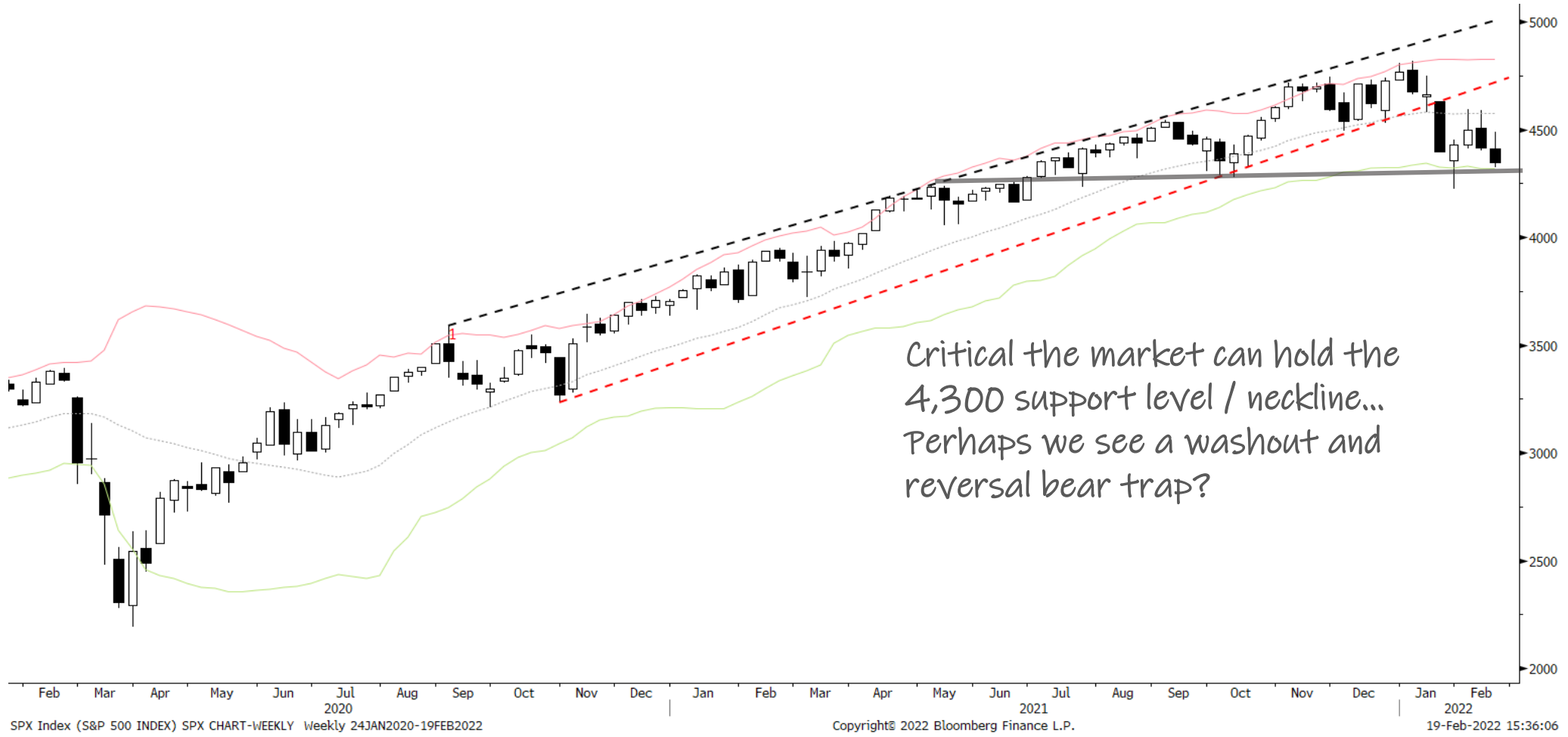
EURUSD

➤ **Summary:** EURUSD saw a large bear trap reversal recently, right off its lower monthly Bollinger Band. Sentiment and positioning are very bearish. All indicators are shifting in favor of EURUSD. It's likely the EURUSD "January Effect" means the lows for the year were just put in for the euro. It may be putting in the right shoulder of an inverted H&S bottom. Will get interested to the long side if it clears the neckline.

S&P 500 Monthly



S&P 500 Weekly



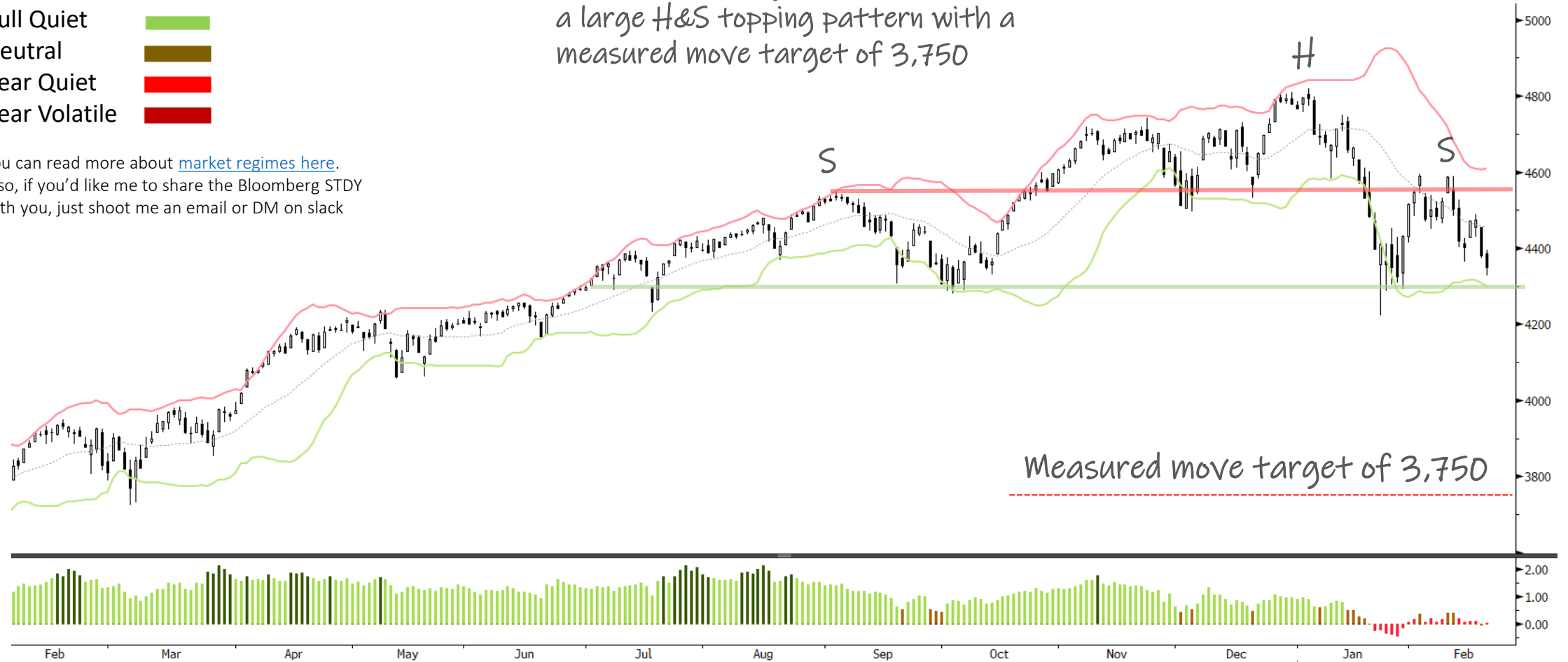
S&P 500 Daily

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 is in a neutral regime /sideways range.
 Look for chop between these key levels. A break below the green line would complete a large H&S topping pattern with a measured move target of 3,750

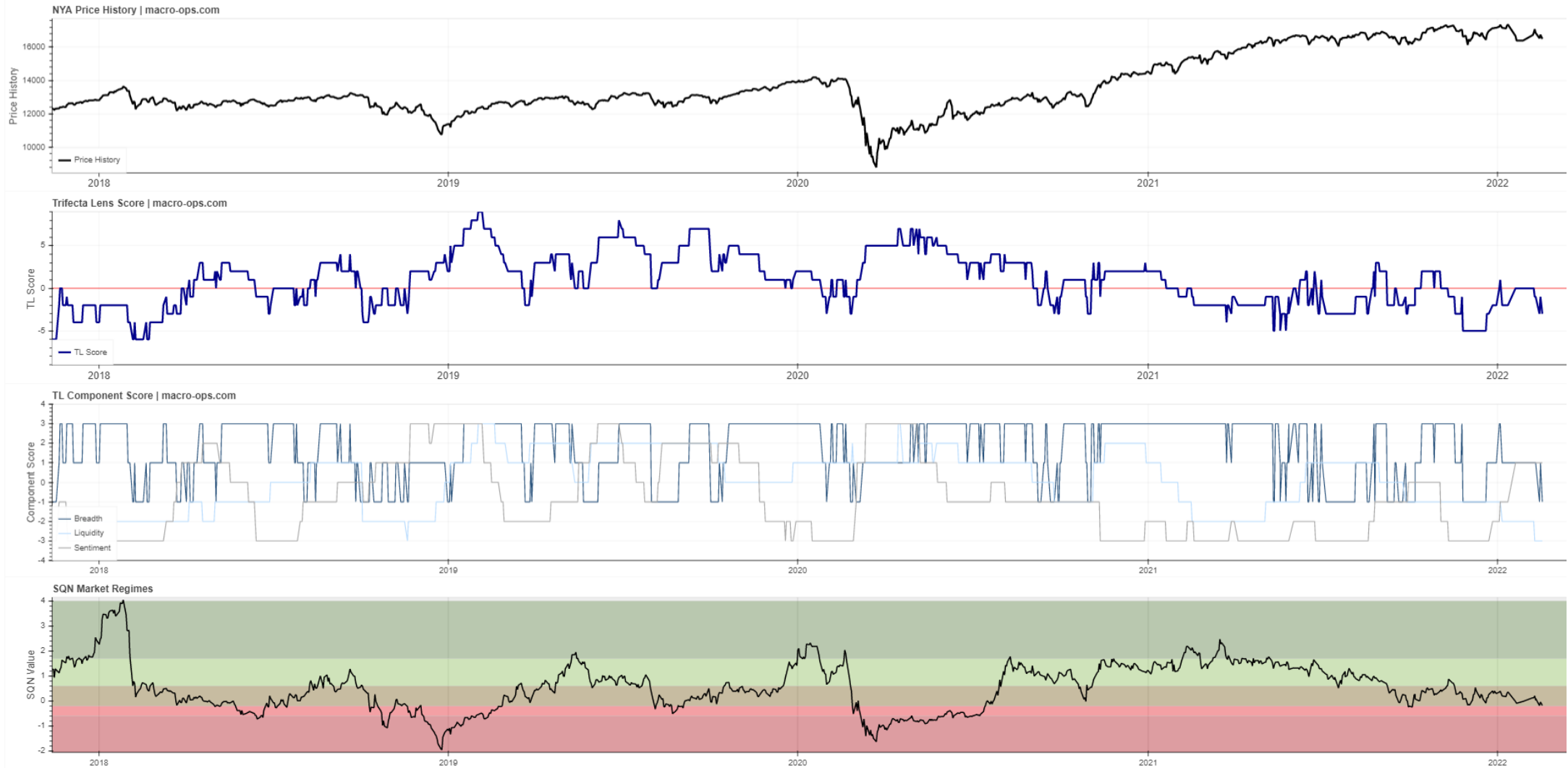


SPX Index (S&P 500 INDEX) SPX CHART-DAILY Daily 02FEB2021-19FEB2022

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Trifecta Lens Score: **-3** (You can read more about our [Trifecta Lens here](#) and link to the [Dashboard here](#))



Trend Fragility and N&N: Neutral fragility & Numb Investors (weekly) (see appendix at bottom for more info)

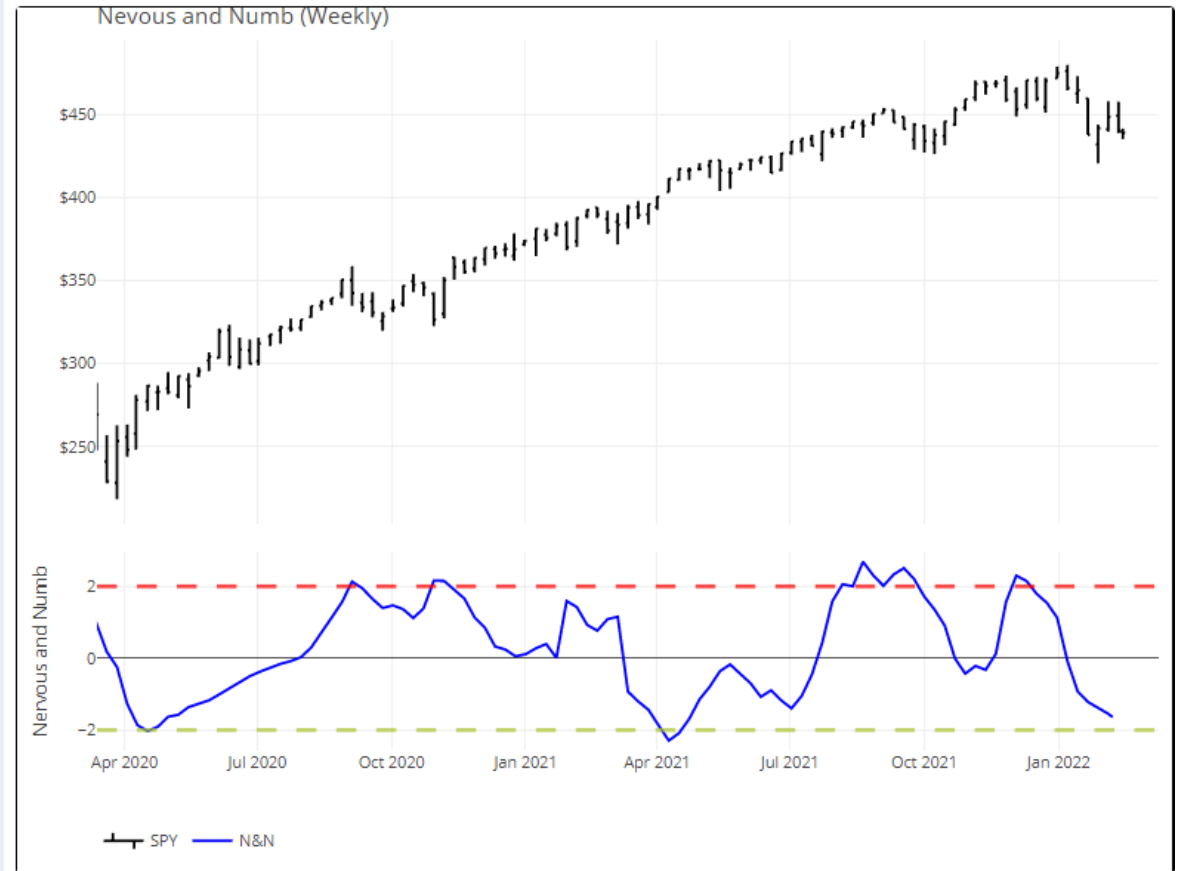


Trend Fragility

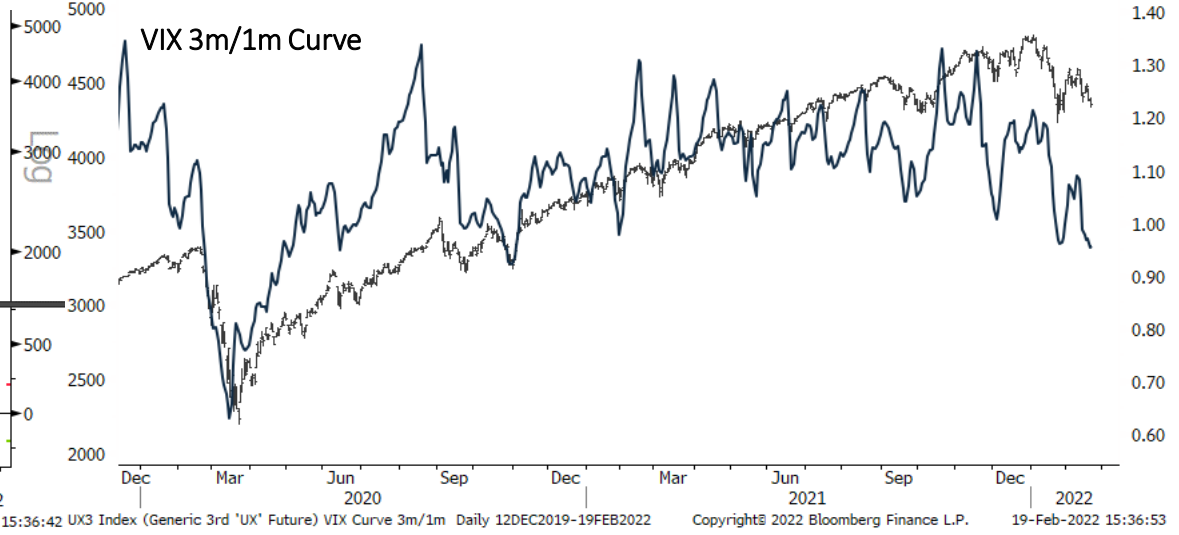
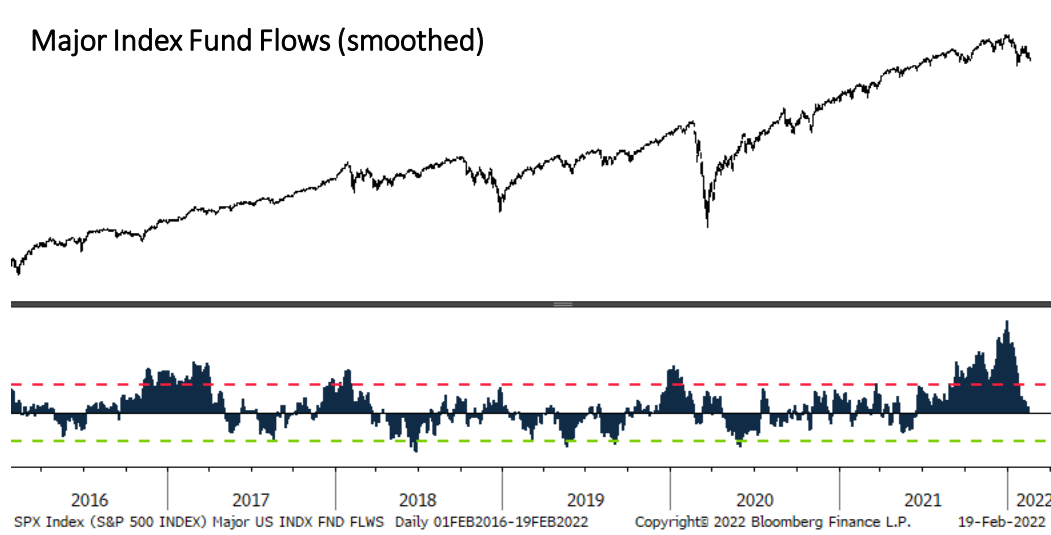
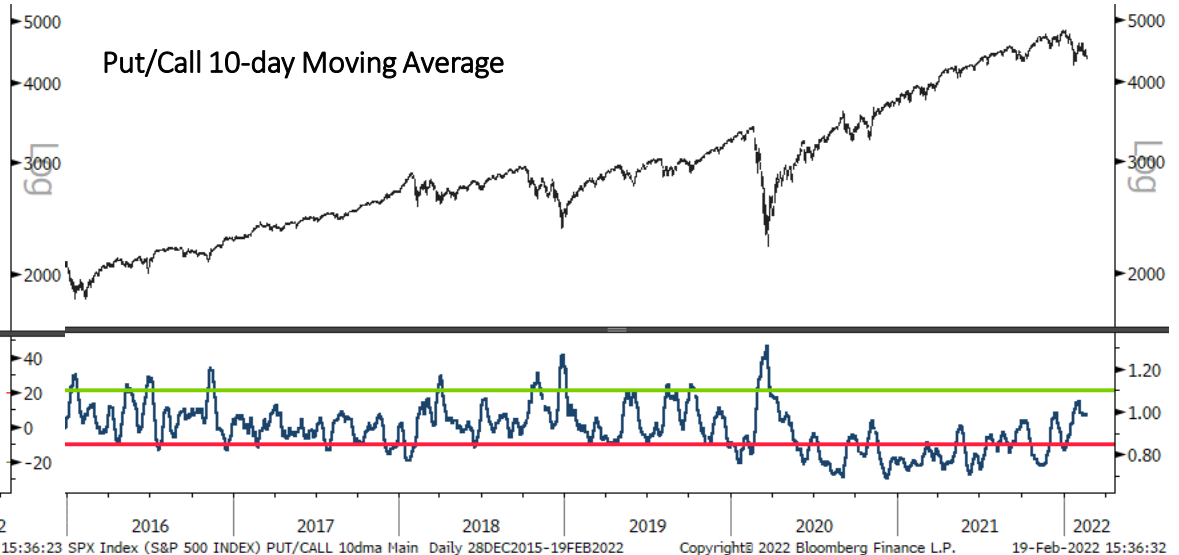


Nervous and Numb

Daily Weekly



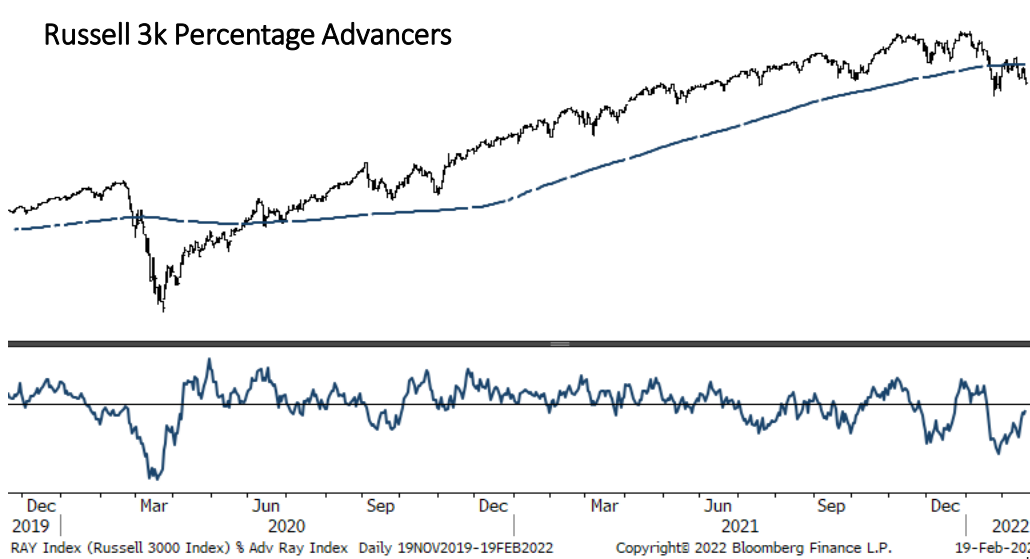
Sentiment & Positioning



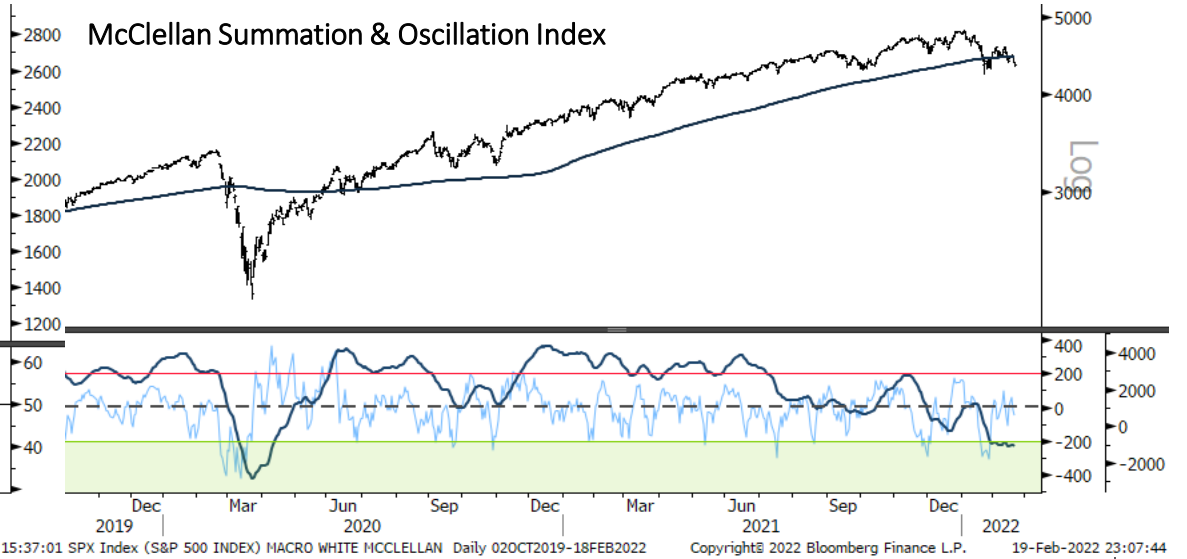
Breadth



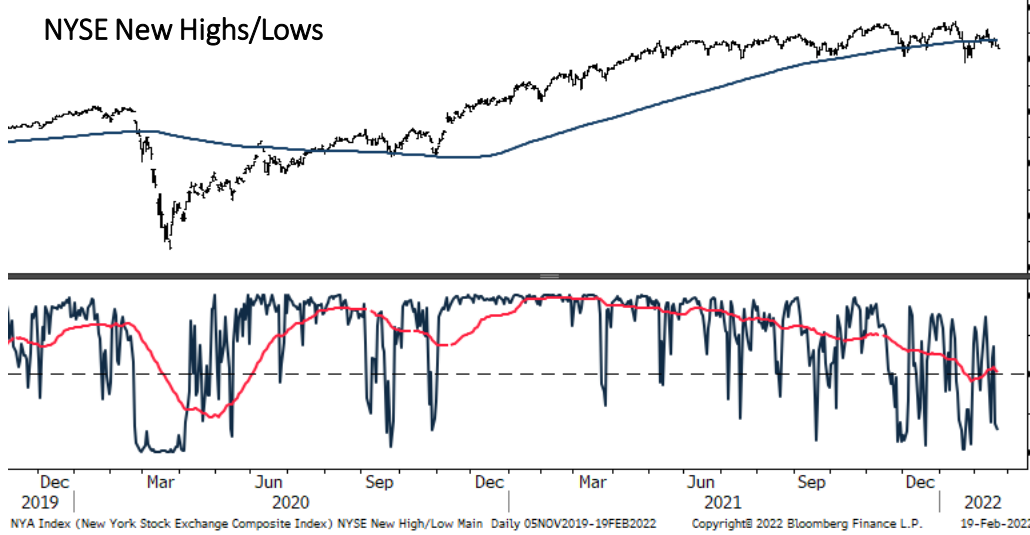
Russell 3k Percentage Advancers



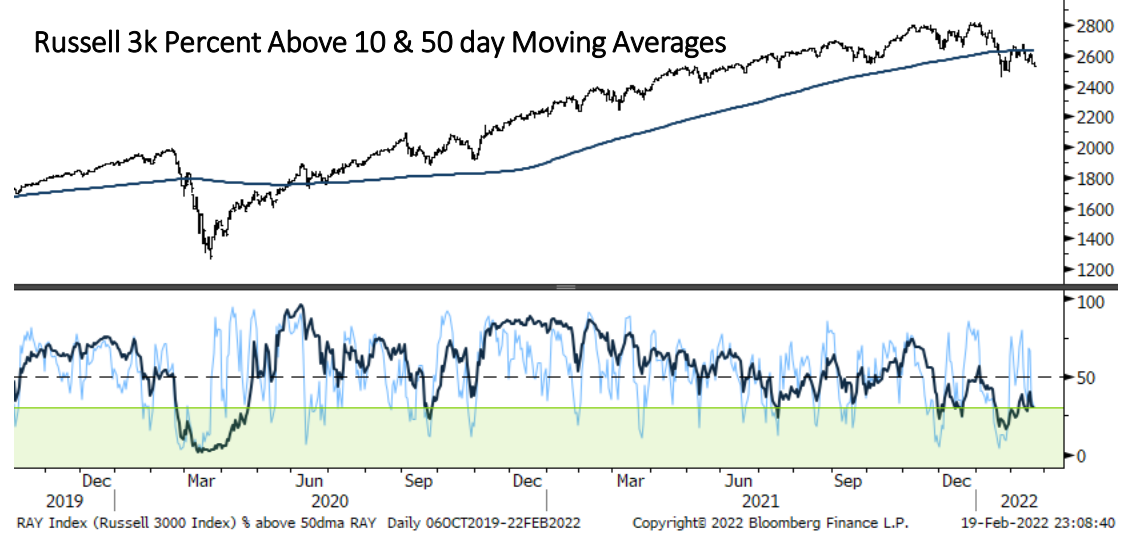
McClellan Summation & Oscillation Index



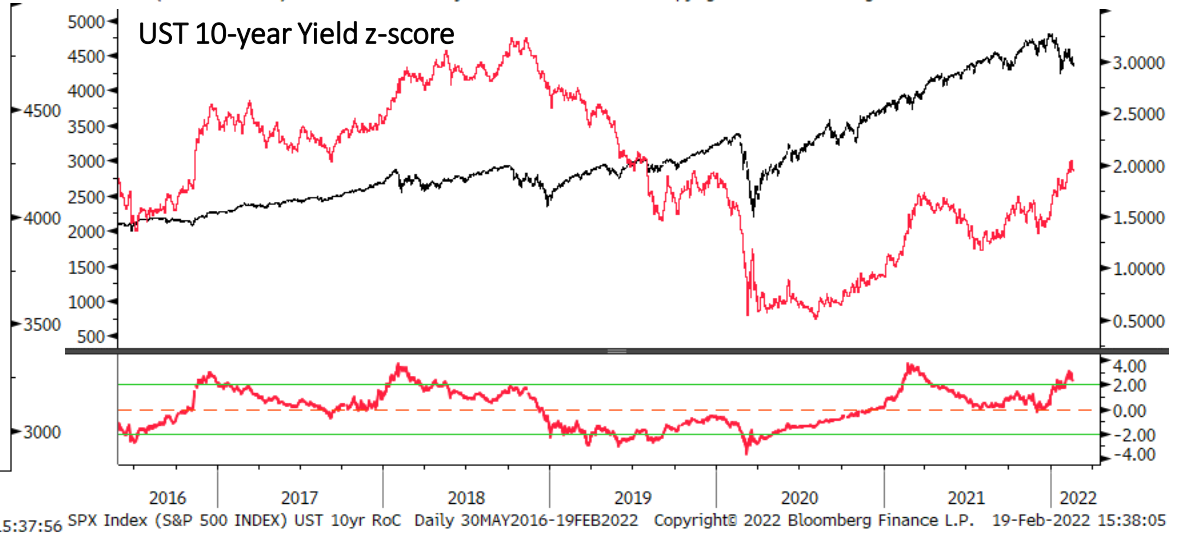
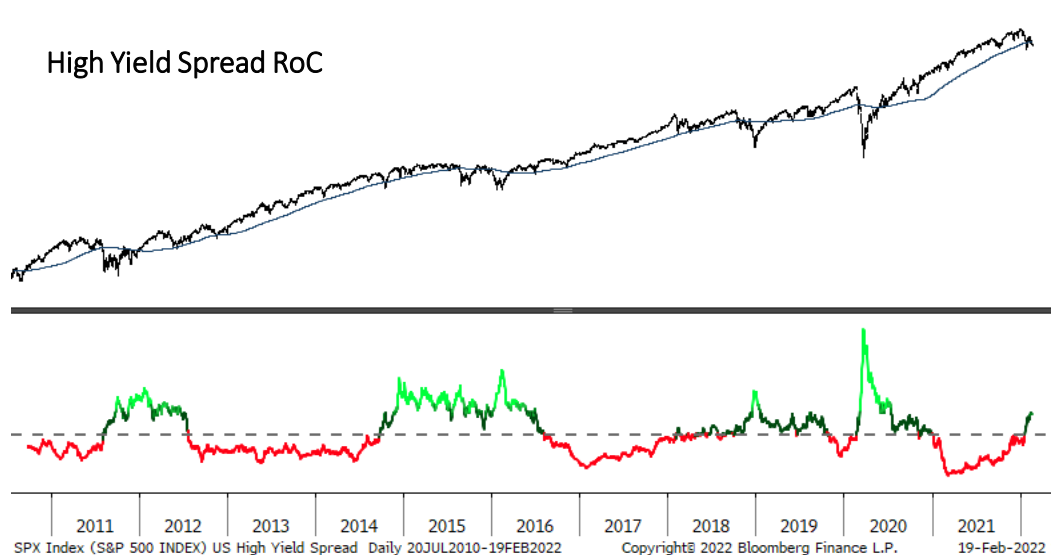
NYSE New High/Lows



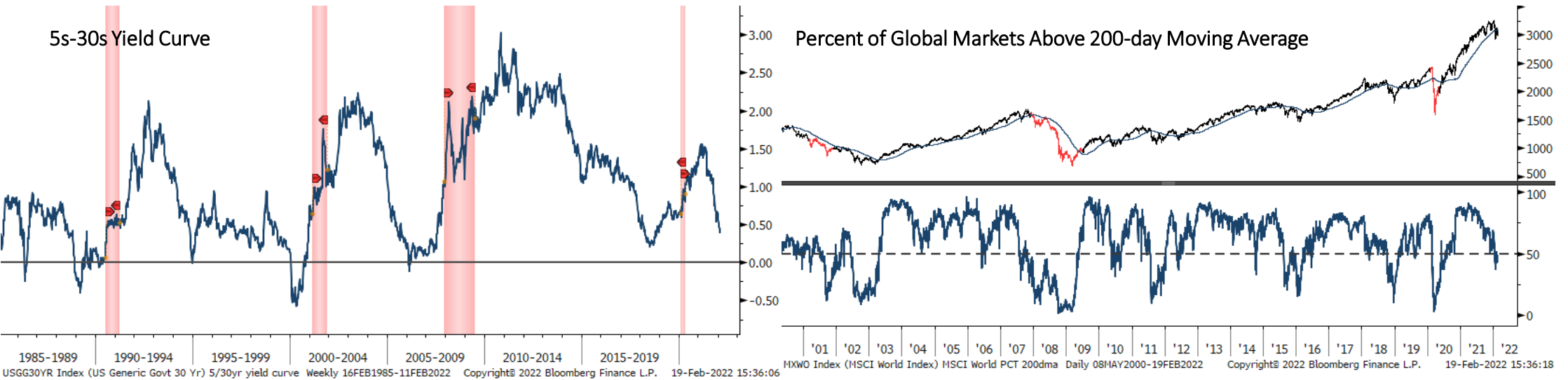
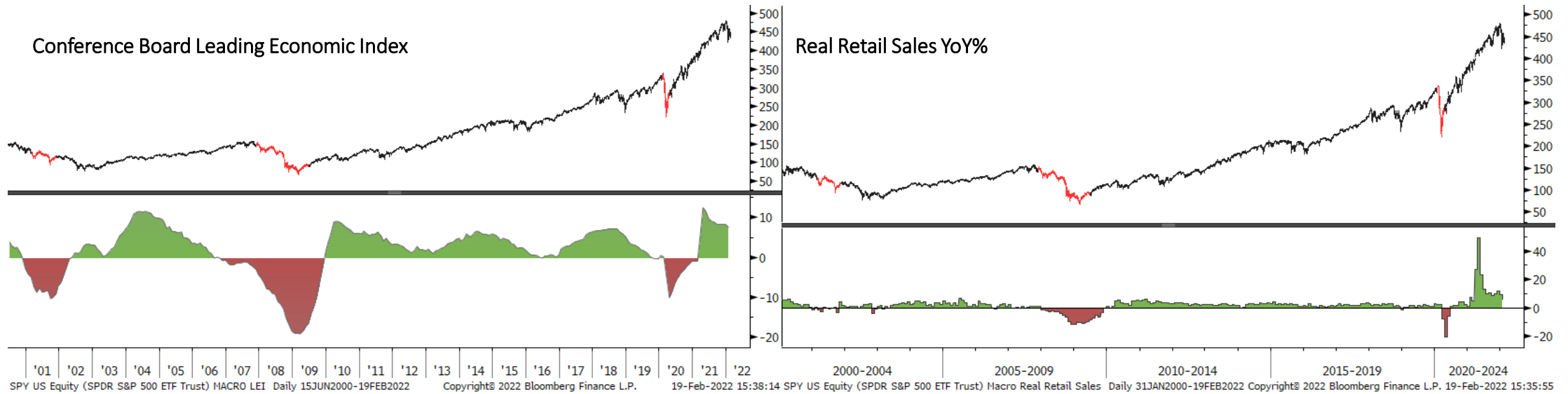
Russell 3k Percent Above 10 & 50 day Moving Averages



Liquidity



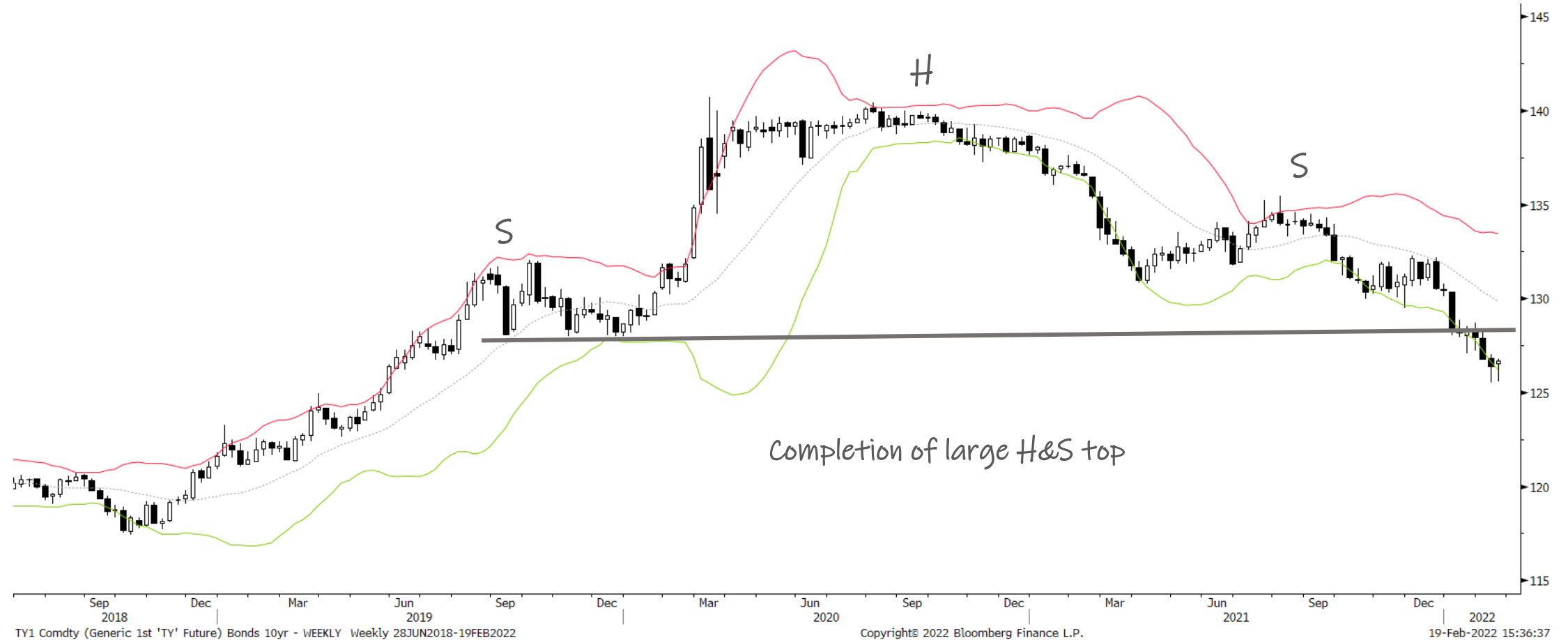
Macro



Bonds: 10-year Futures Monthly



Bonds: 10-year Futures Weekly

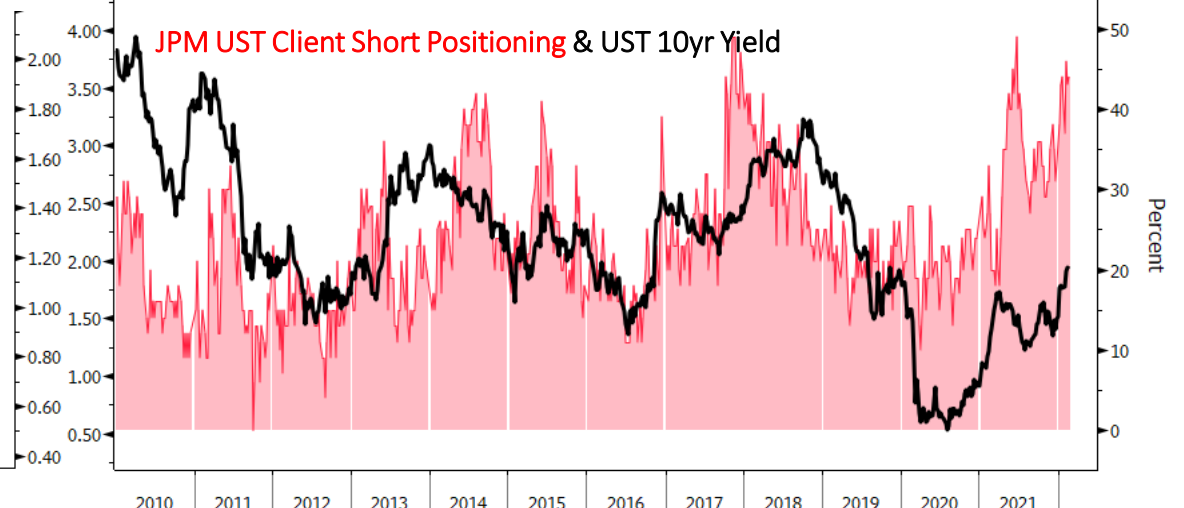
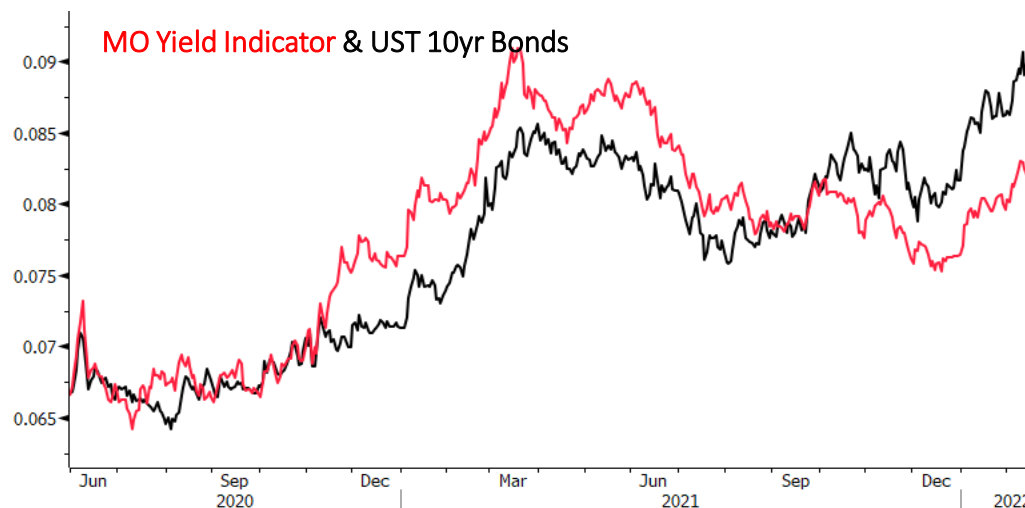
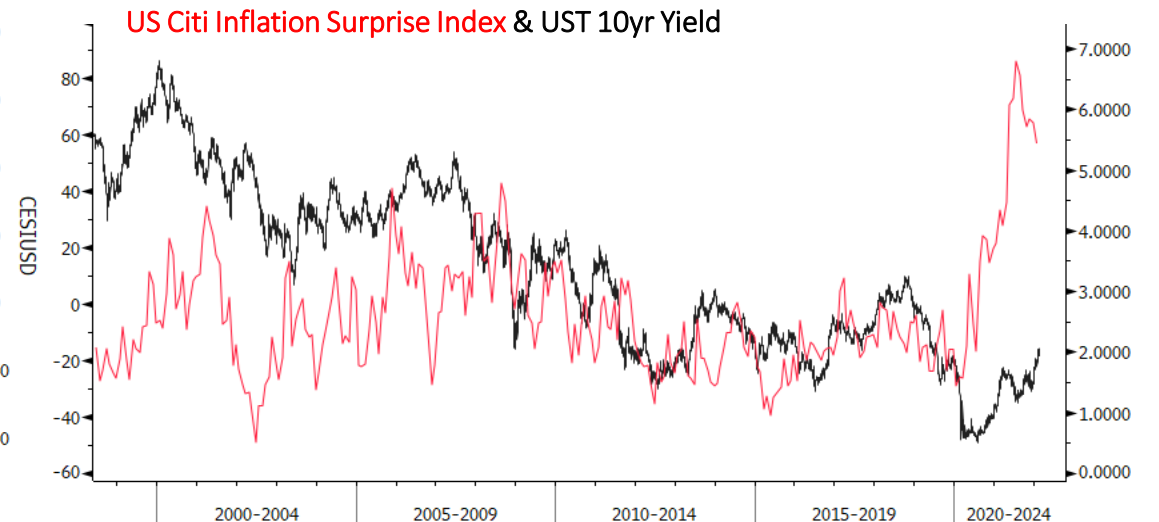


Bonds: 10-year Futures Daily





Bond/Yield Indicators



Gold Monthly



Gold breaking out of its 2-year triangle pattern on the monthly!



Gold Weekly



Gold Daily



And a strong move above its Nov
highs, while market now firmly in a
BullQ regime



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 02JUL2021-19FEB2022

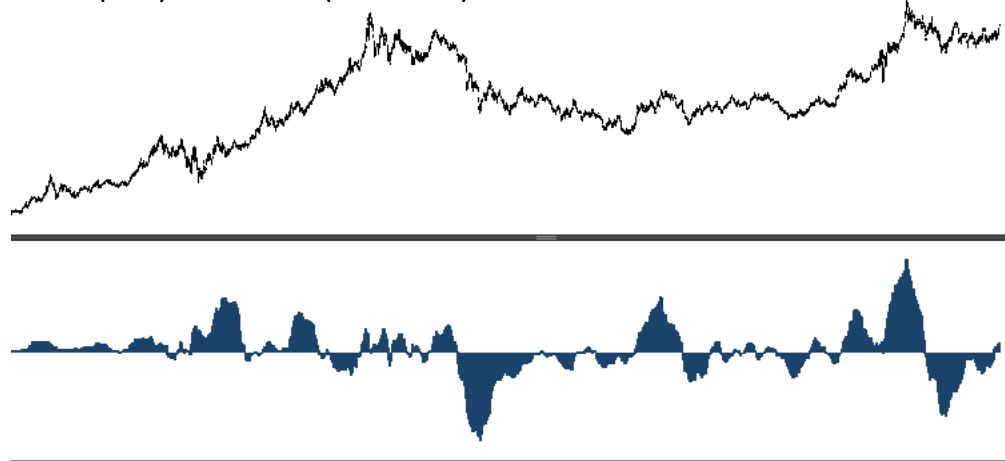
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Gold Indicators

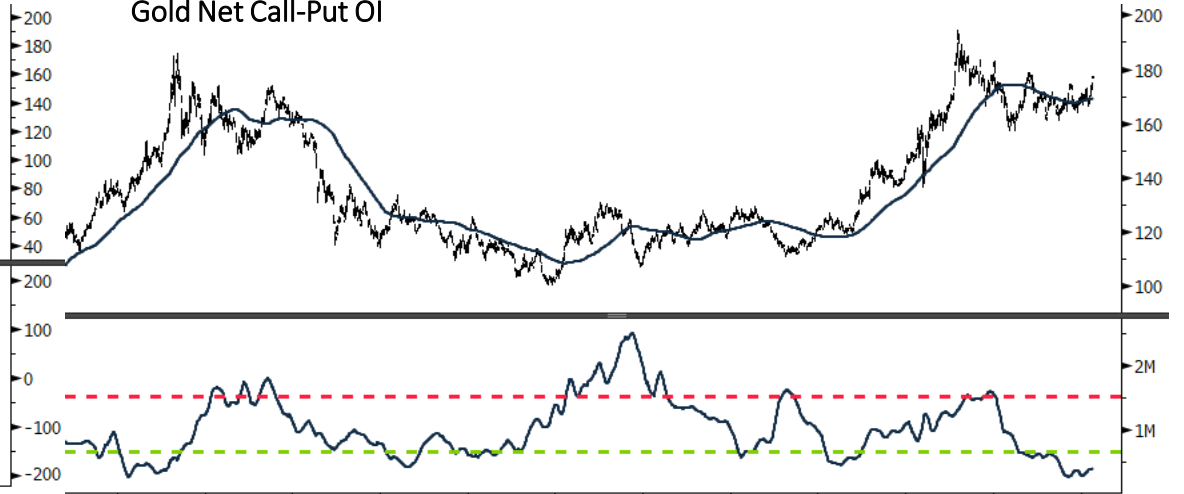


Gold (GLD) Fund Flows (smoothed)



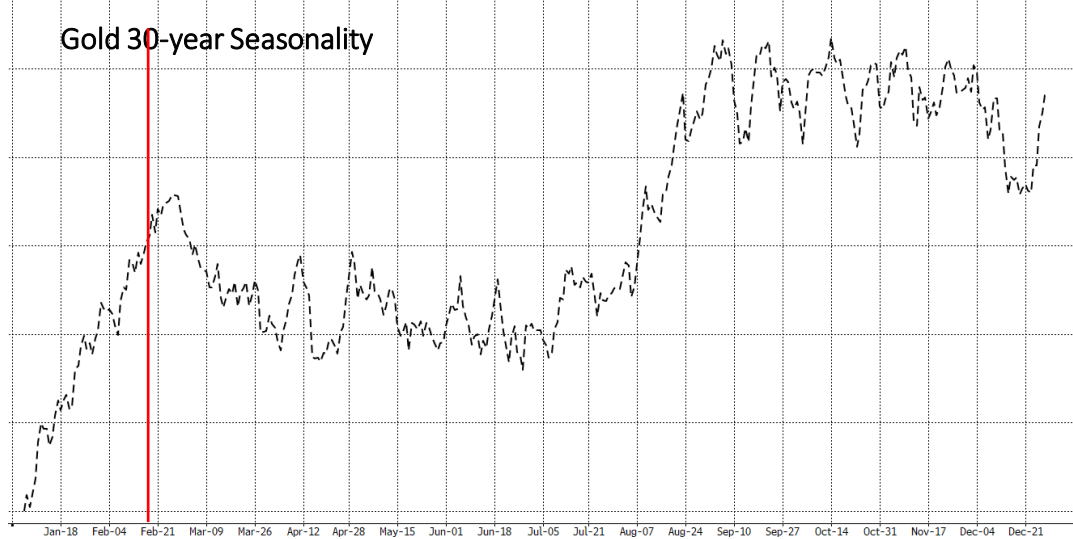
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2005-19FEB2022 Copyright© 2022 Bloomberg Finance L.P. 19-Feb-2022 15:38:20

Gold Net Call-Put OI

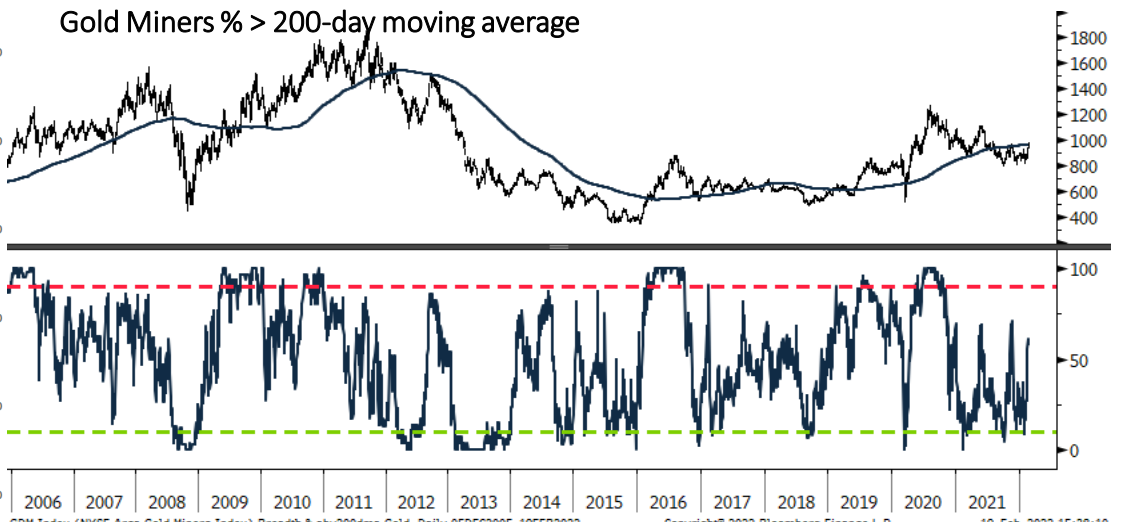


GLD US Equity (SPDR Gold Shares) Call/Put Open Intrst GLD Daily 29MAY2010-19FEB2022 Copyright© 2022 Bloomberg Finance L.P. 19-Feb-2022 15:38:01

Gold 30-year Seasonality

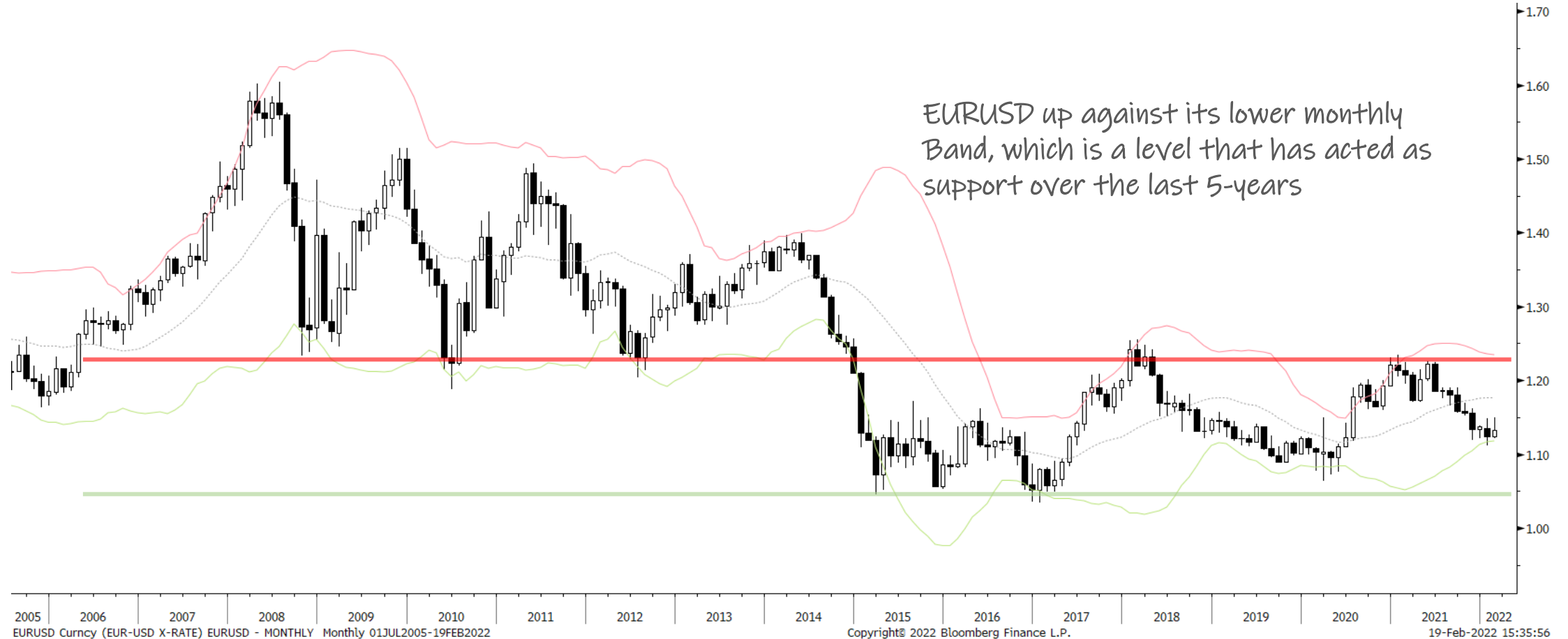


Gold Miners % > 200-day moving average

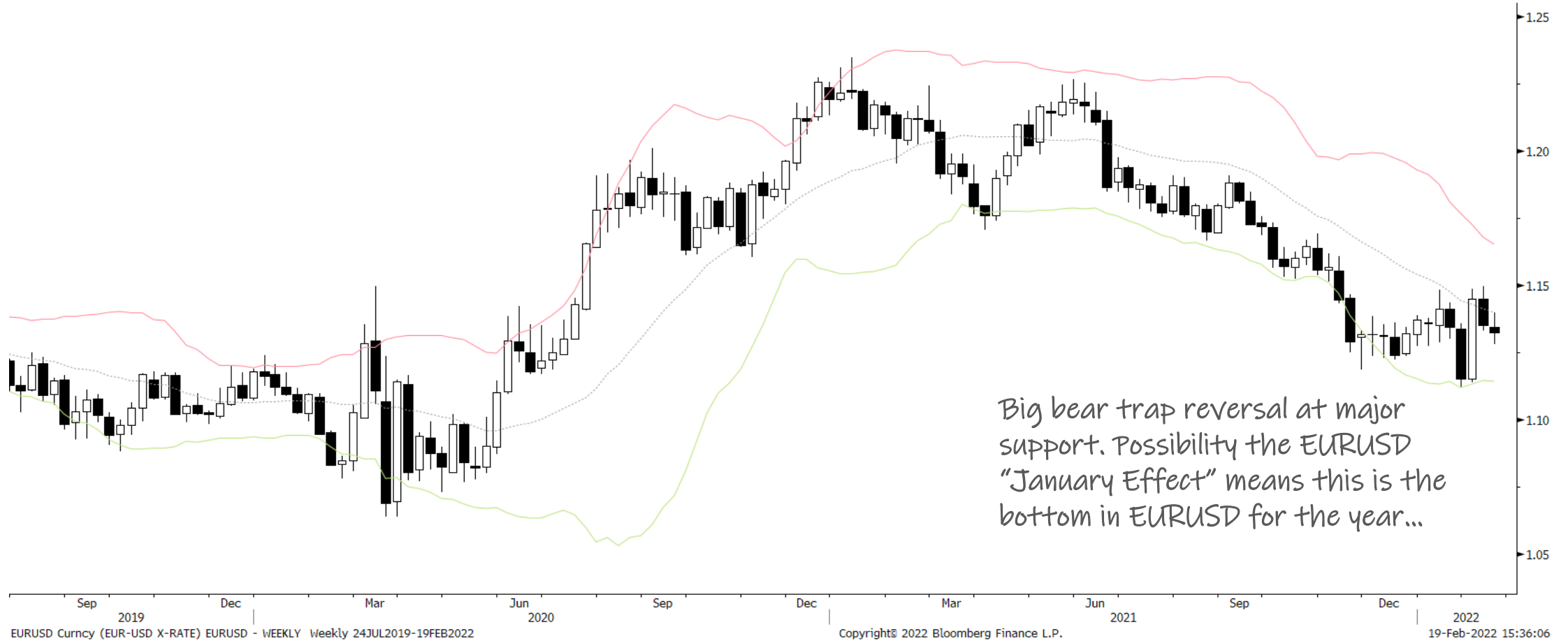


GDM Index (NYSE Arca Gold Miners Index) Breadth % abv200dma Gold Daily 05DEC2005-19FEB2022 Copyright© 2022 Bloomberg Finance L.P. 19-Feb-2022 15:38:10

EURUSD Monthly



EURUSD Weekly



EURUSD Daily



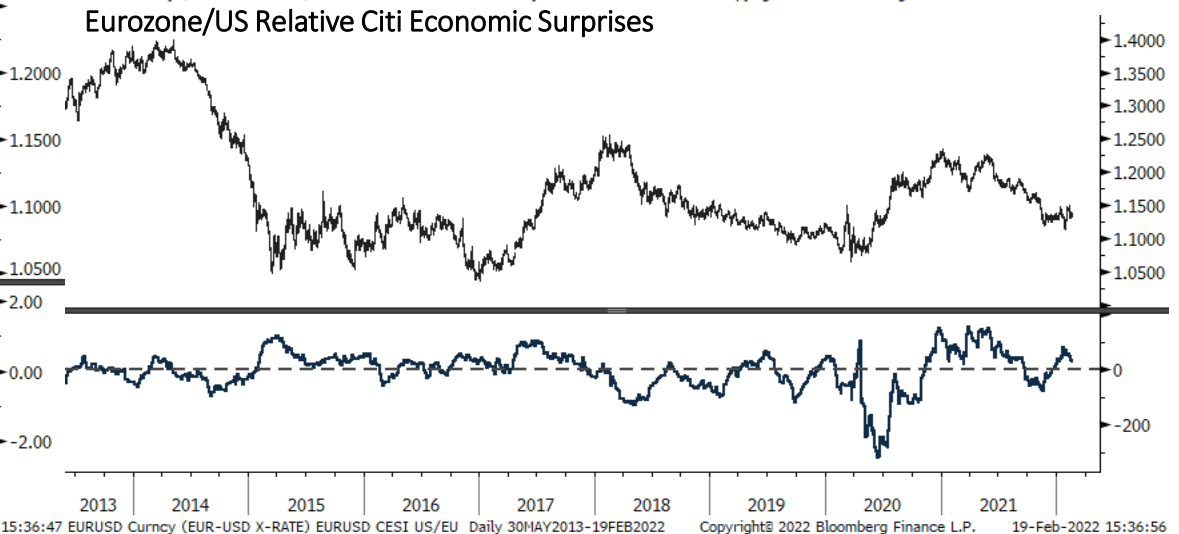
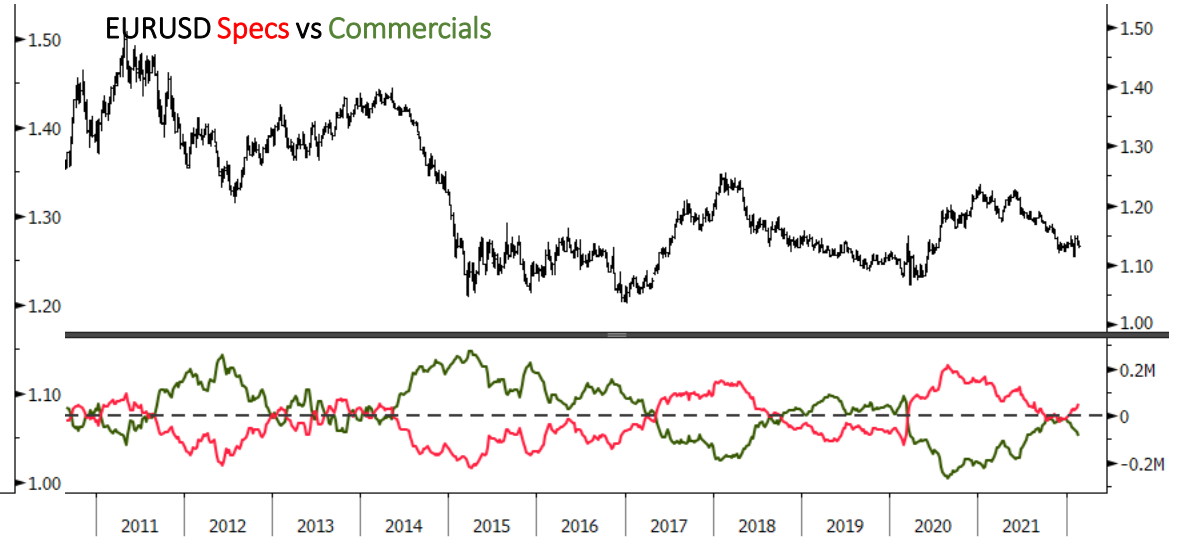
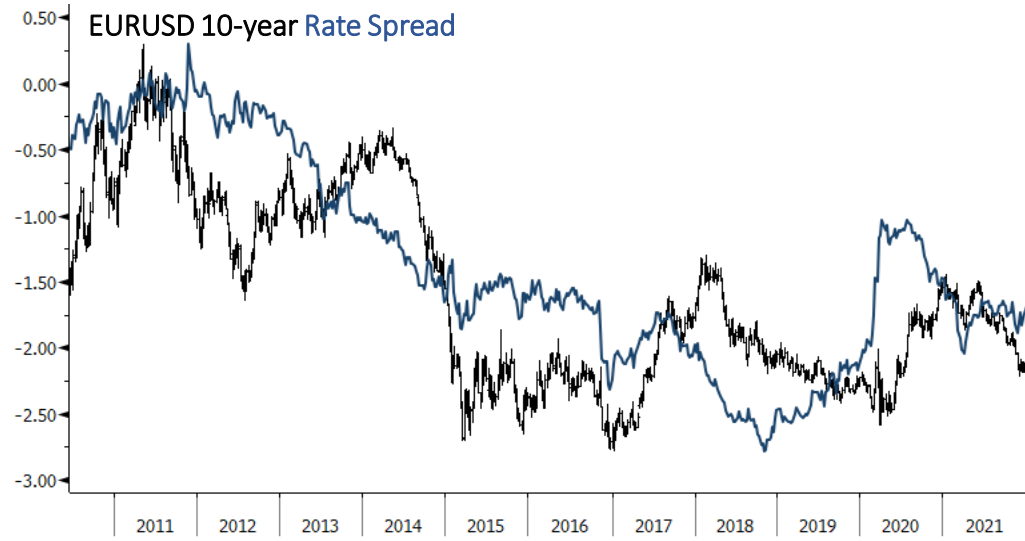
EURUSD Curncy (EUR-USD X-RATE) EURUSD - DAILY Daily 02APR2021-19FEB2022

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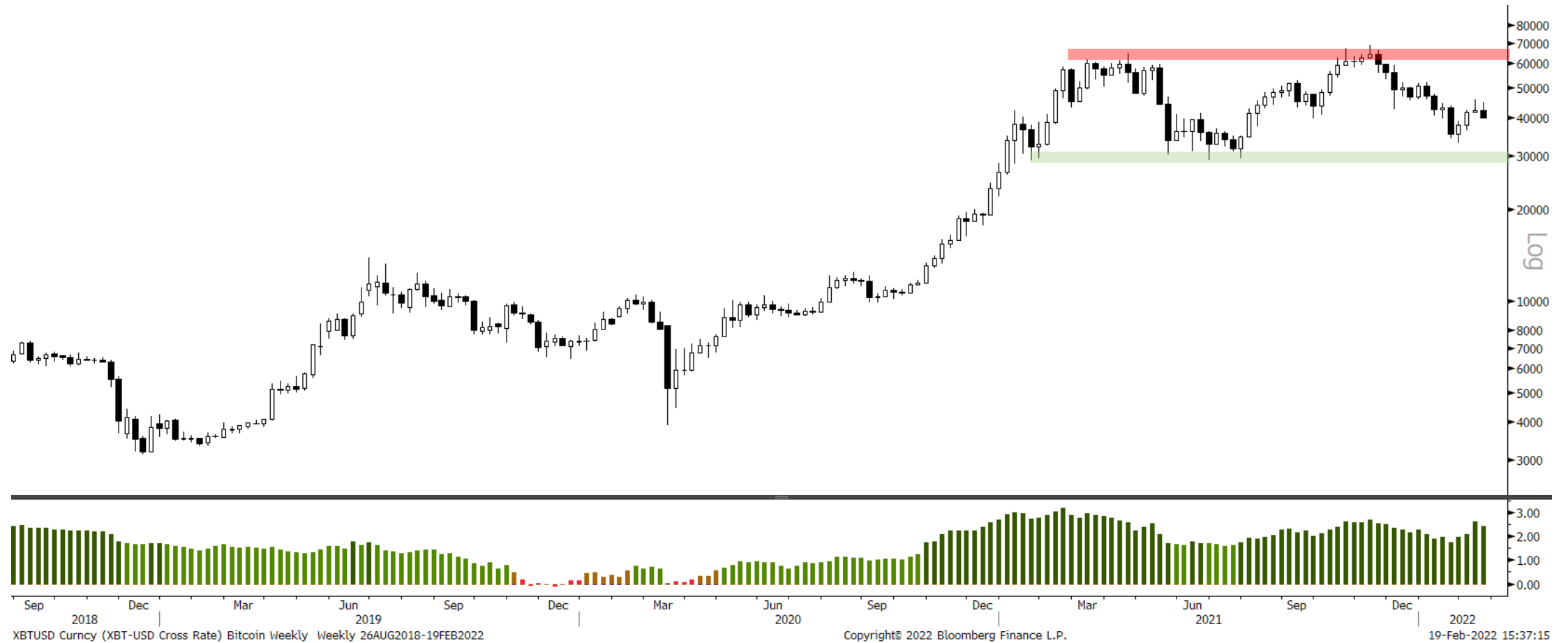
EURUSD Indicators



Bitcoin Monthly



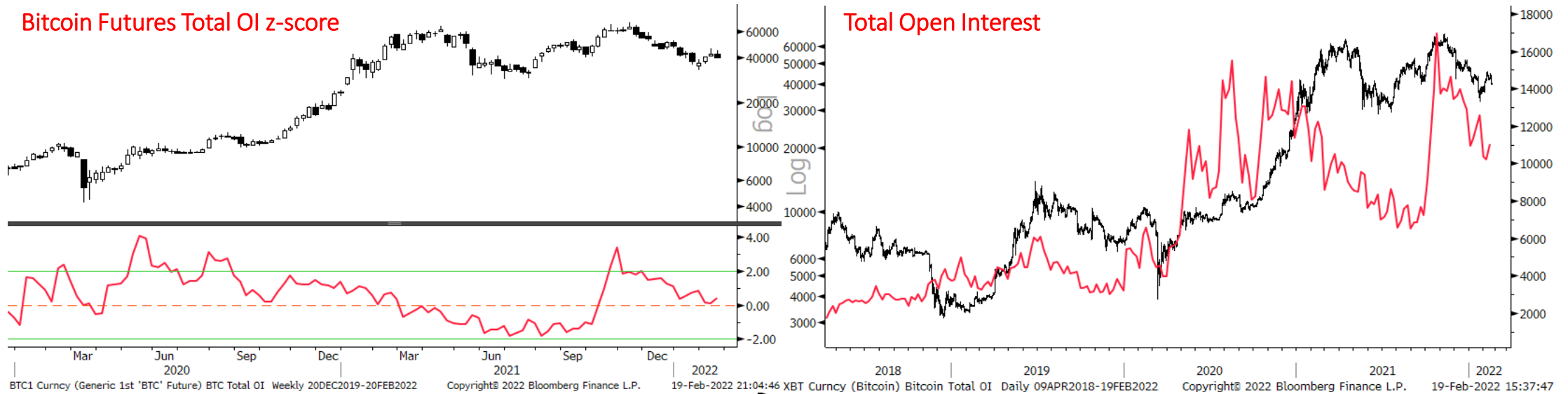
Bitcoin Weekly



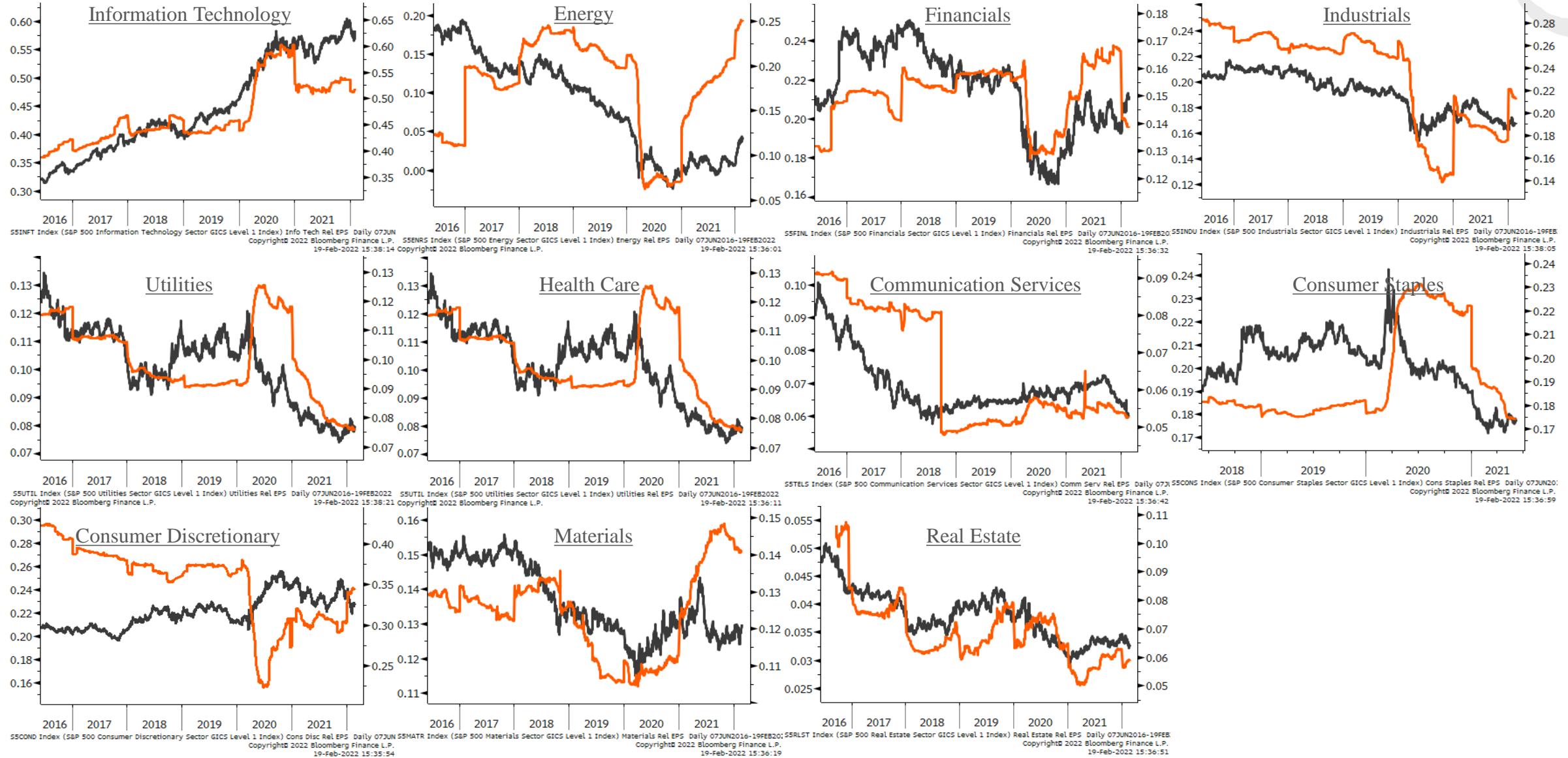
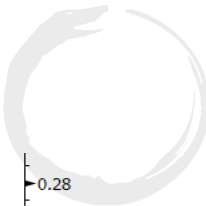
Bitcoin Daily



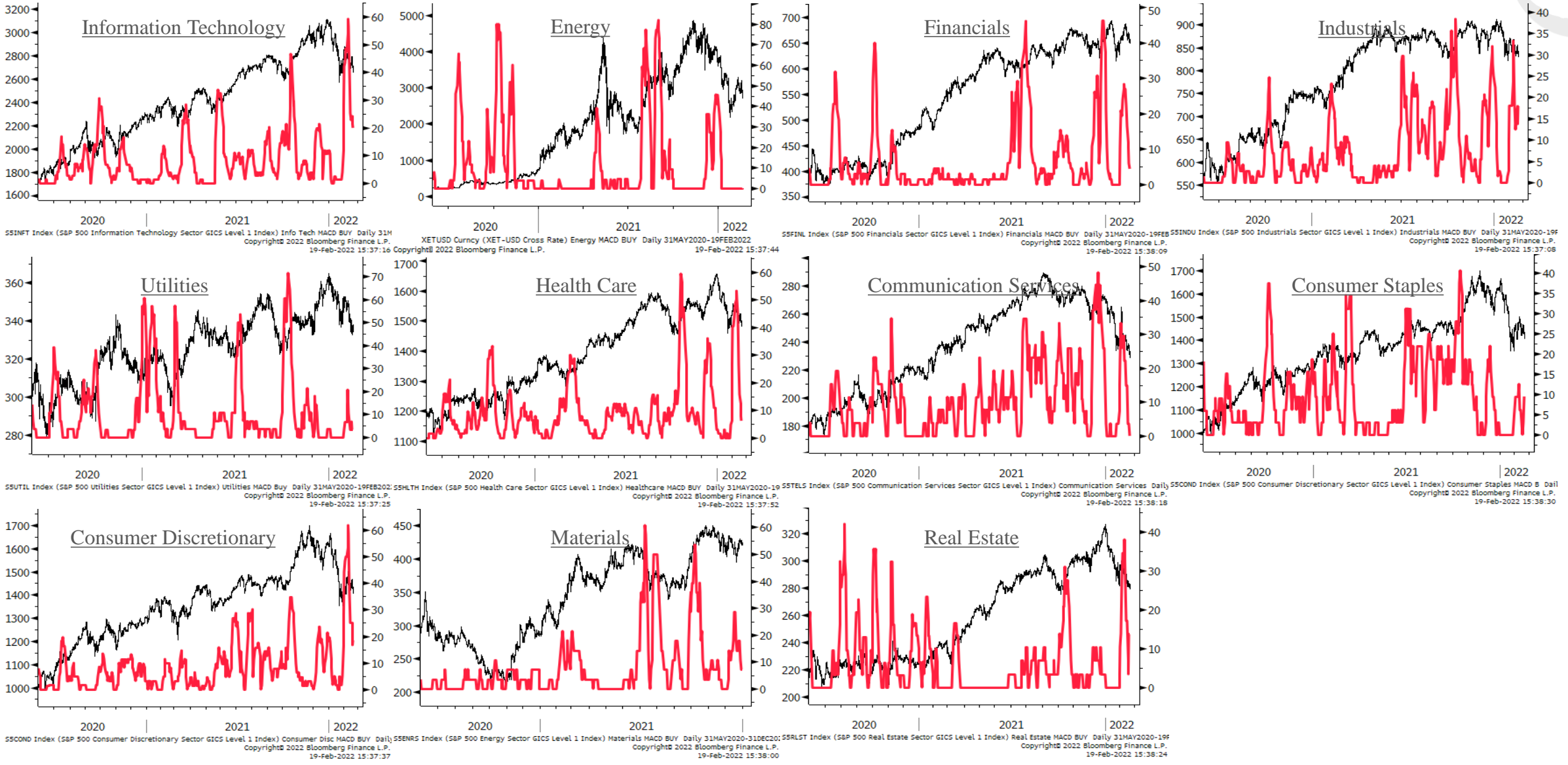
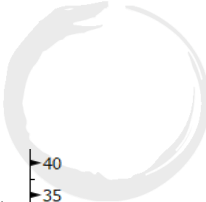
Bitcoin Indicators



Sector Relative to SPX Price & Forward EPS Performance (Price in Grey, F/EPS in Orange)



Sector % MACD Buy Signals





Swing Trade Current Positions and Active Setups

• Current Positions:

- Long Corn (ZCH22)
- Long Soybean Oil (ZLH22)
- Long WTI Oil (CLZ23)
- Long Natgas (NGZ23)
- Short Nasdaq micro (MNQH22)
- Short Russell 2K mini (RTYH22)

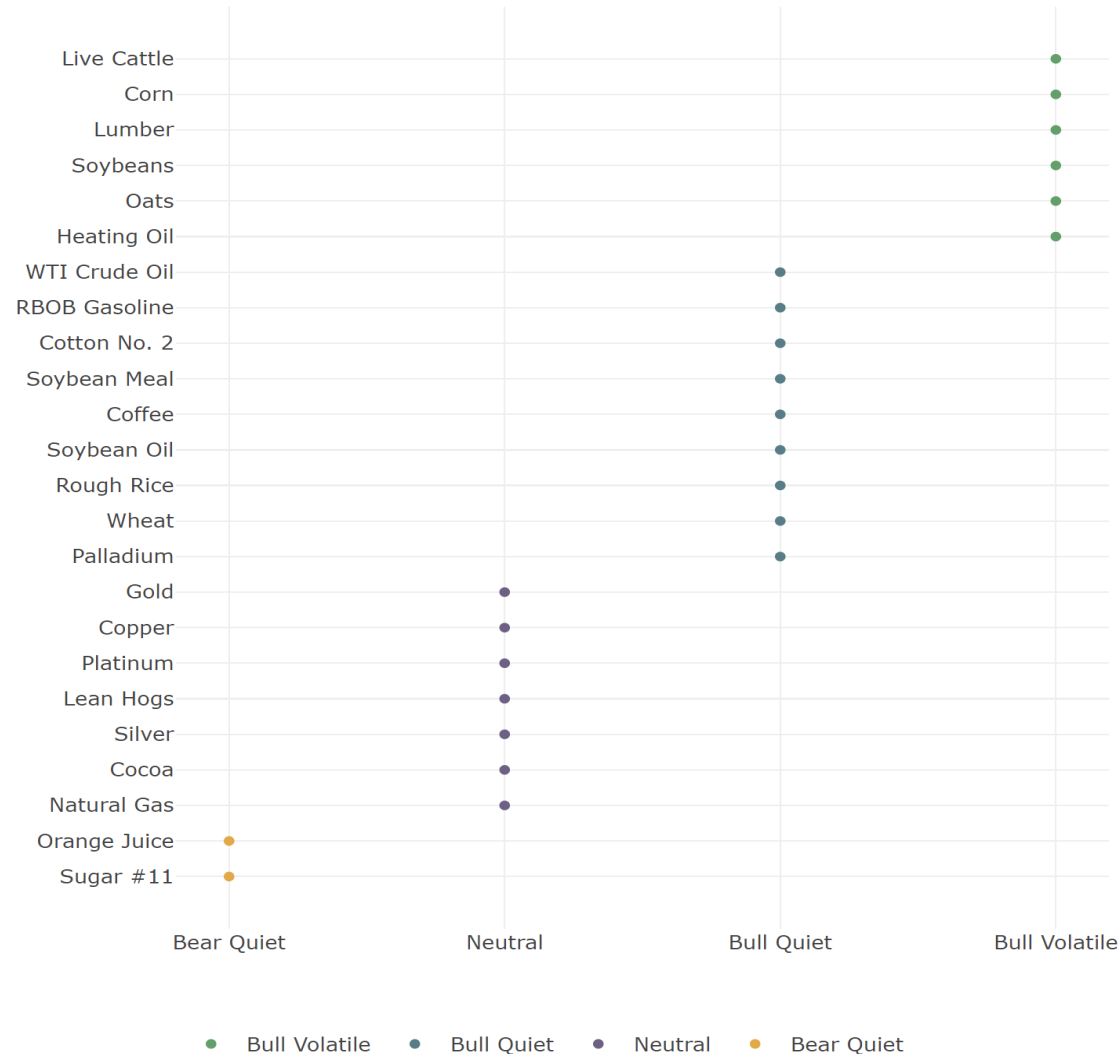
• Active Setups/On Watch:

- Long Gold (BullQ/BO)
- Long Wheat (BullQ/Inverted H&S)
- Long NY Coffee (BullQ/Pullback reversal)
- Ultras (30yr bonds) major H&S top / at neckline/big support

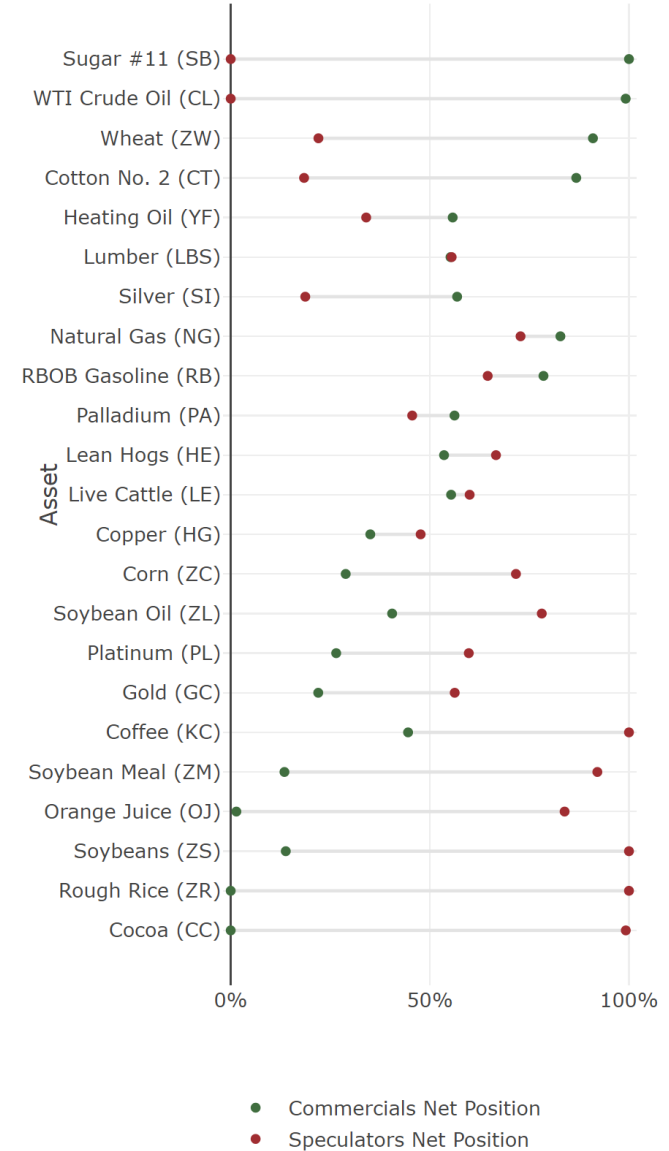
Market Regimes & Positioning



Commodity Market Regimes



Net Position



Soybean Oil



Corn





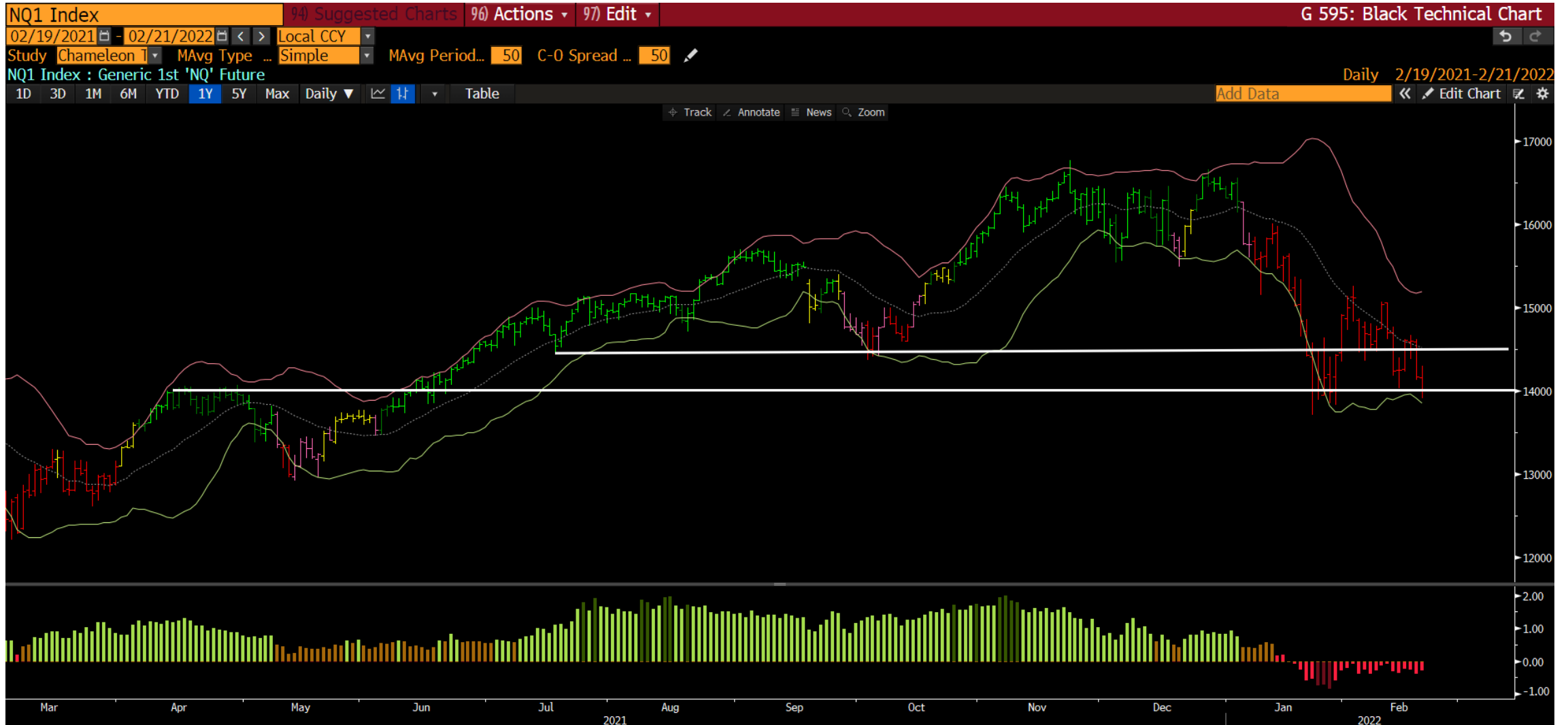
WTI Crude



Russell



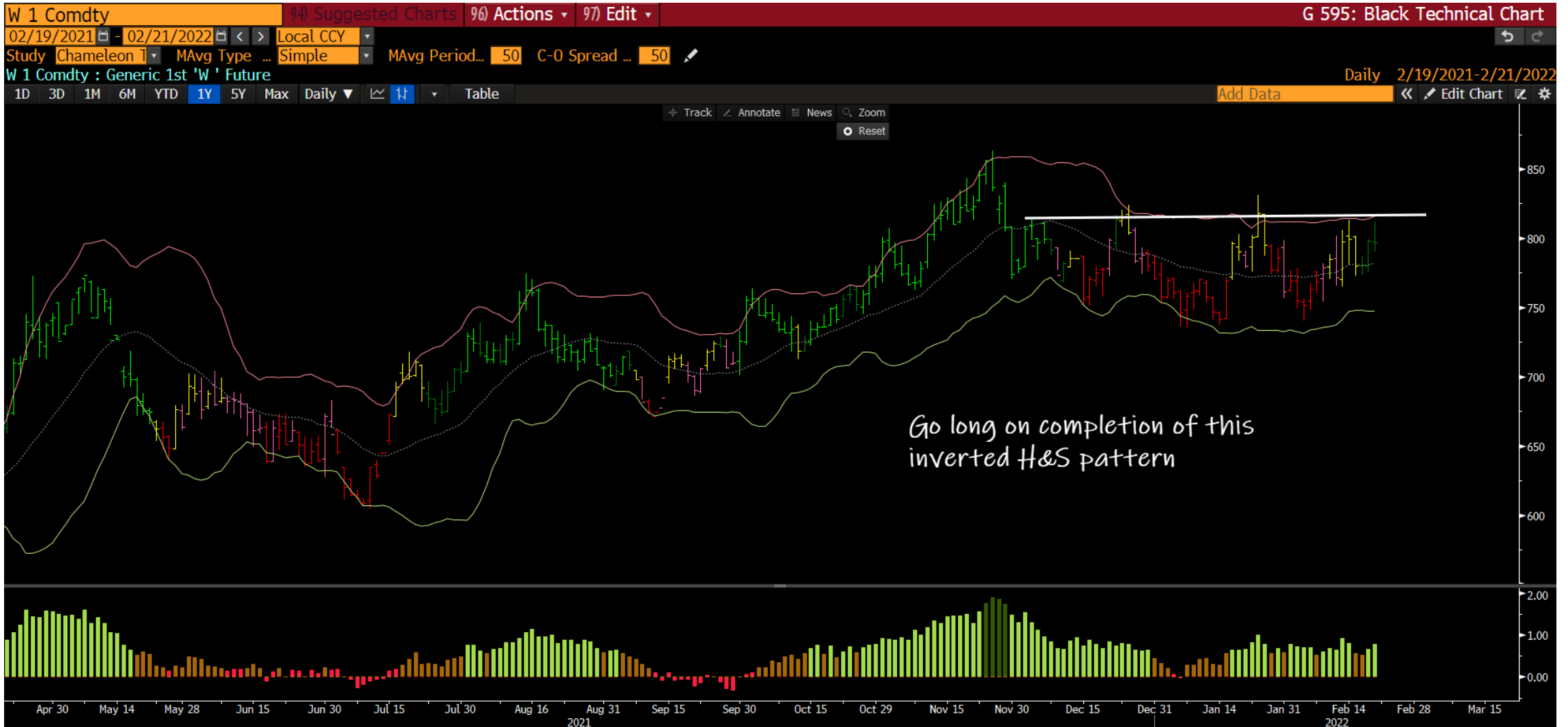
Nasdaq mini



Gold



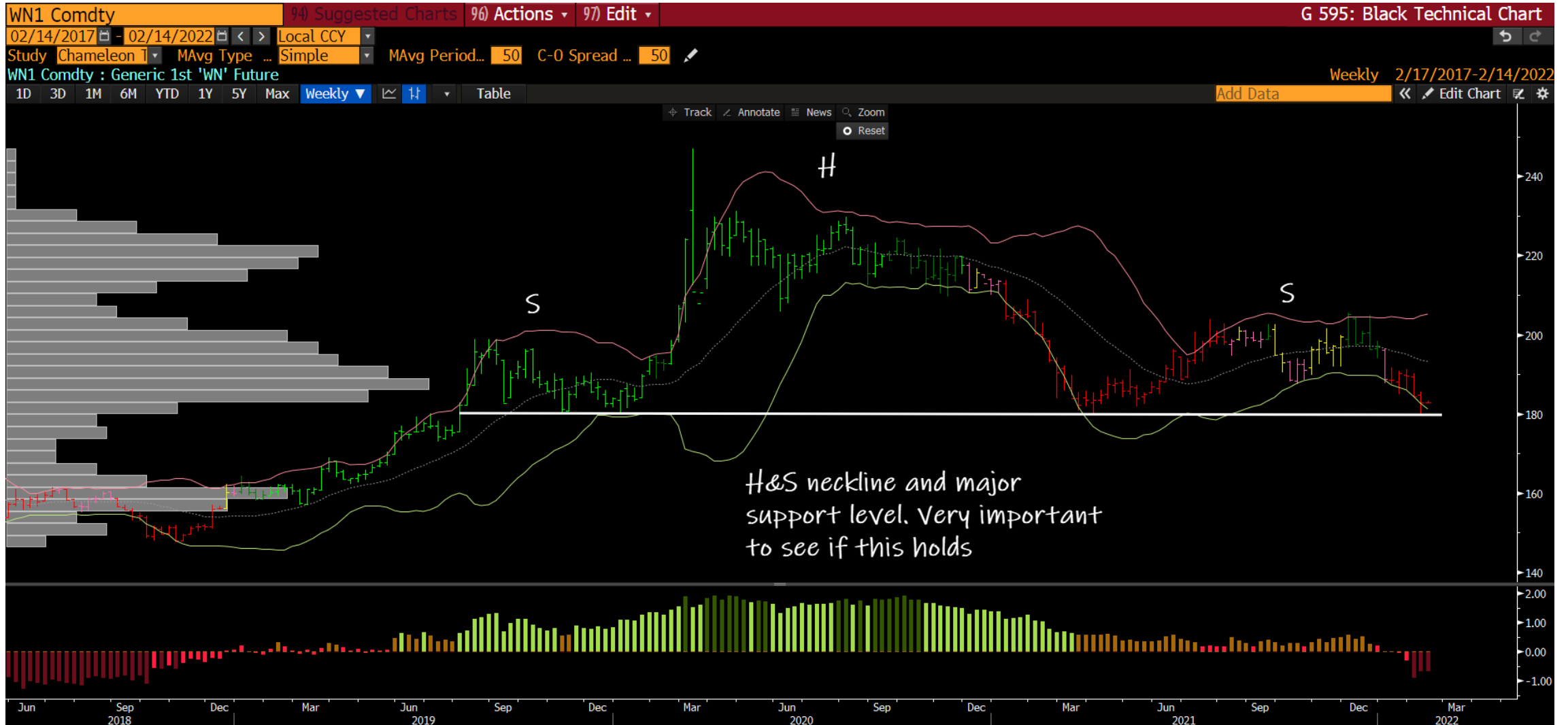
Wheat



NY Coffee



Ultras (30yr bonds)



The Macro Ops Portfolio

PDF: <https://tinyurl.com/mo-portfolio>

2022 YTD Return	3.46%
2021 Final Return	6.39%
2020 Final Return	66.40%

Futures, Bonds & FX

	<u>Ticker</u>	<u>Contracts</u>	<u>Capital</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Initial Stop-Loss</u>	<u>Current Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>
Soybean Oil	ZLH2022	6	\$243,000.00	15.58%	0.45%	\$0.65	\$0.68	\$0.63	\$0.63	4.44%	1.48		
Corn Futures	ZCH2022	7	\$230,090.00	14.75%	-0.13%	\$6.04	\$6.57	\$5.84	\$6.10	8.81%	2.58	-6.75%	2.45%
Natural Gas	NGZ2022	3	\$142,200.00	9.12%	0.46%	\$4.54	\$4.74	\$4.30	\$4.30	4.41%	0.83		
Micro E-Mini Nasdaq	MNQH2022	-8	-\$222,960.00	-14.29%	0.49%	\$14,570.00	\$13,935.00	\$15,050.00	\$15,050.00	4.36%	1.32		
Crude Oil Futures	CLZ2023	2	\$149,500.00	9.68%	0.32%	\$73.02	\$74.75	\$70.50	\$70.50	2.37%	0.69		
Corn Futures (Second Leg)	ZCH2022	3	\$98,610.00	6.32%	0.17%	\$6.27	\$6.57	\$6.09	\$6.10	4.78%	1.65		
E-mini Russell 2000 (Second Leg)	RTYH2022	-3	-\$303,000.00	-19.42%	0.63%	\$2,016.00	\$2,020.00	\$2,081.00	\$2,081.00	-0.20%	-0.06		
E-mini Russell 2000	RTYH2022	-2	-\$200,400.00	-12.85%	0.51%	\$2,025.00	\$2,004.00	\$2,105.00	\$2,105.00	1.04%	0.26		

Equities

Strategic

	<u>Ticker</u>	<u>Shares</u>	<u>Capital</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Initial Stop-Loss</u>	<u>Current Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>
Basic-Fit	BFIT	1,794	\$85,594.70	5.49%	0.22%	\$45.26	\$47.70	\$40.74	\$43.32	5.39%	0.54	21.95%	7.24%
XP, Inc.	XP	1,860	\$63,539.95	4.07%	0.99%	\$34.00	\$34.17	\$25.70	\$25.70	0.50%	0.02		
Asana, Inc.	ASAN	692	\$43,709.25	2.80%	3.04%	\$68.57	\$63.14	\$0.00	\$0.00	-7.92%	-0.08		
Ammo, Inc.	POWW	12,806	\$54,552.66	3.50%	0.47%	\$4.52	\$4.26	\$3.95	\$3.95	-5.75%	-0.46		
Desert Control	DSRT	15,705	\$48,135.56	3.09%	1.01%	\$4.11	\$3.07	\$3.11	\$3.11	-25.43%	-1.05		
Nintendo	NTDOY	733	\$46,817.89	3.00%	0.15%	\$62.17	\$63.88	\$53.00	\$59.00	2.75%	0.19		

Thematic

	<u>Ticker</u>	<u>Shares</u>	<u>Capital</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Initial Stop-Loss</u>	<u>Current Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>
Pantheon Resources	PANR	57,746	\$105,386.56	6.76%	0.56%	\$1.05	\$1.83	\$0.88	\$0.90	73.81%	4.56	21.20%	1.63%
Vista Oil & Gas	VIST	9,019	\$62,228.80	3.99%	-0.09%	\$5.85	\$6.90	\$5.00	\$6.00	17.95%	1.24		
Sprott Uranium	U.UN	4,818	\$53,717.60	3.44%	0.49%	\$11.56	\$11.15	\$9.96	\$9.96	-3.55%	-0.26		
Alphamin Resources	AFMTSX	58,715	\$50,494.49	3.24%	0.49%	\$0.76	\$0.86	\$0.63	\$0.63	13.16%	0.77		
Alphamin Resources (Second Leg Tactical)	AFMTSX	37,302	\$32,080.10	2.06%	0.24%	\$0.86	\$0.86	\$0.76	\$0.76	0.00%	0.00		
Bioceres Crop Solutions	BIOX	2,195	\$26,802.86	1.72%	-0.33%	\$9.67	\$12.21	\$12.00	\$12.00	26.27%	1.09		

Tactical

	<u>Ticker</u>	<u>Shares</u>	<u>Capital</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Initial Stop-Loss</u>	<u>Current Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>
Basic-Fit (Second Leg Tactical)	BFIT	1,473	\$70,275.45	4.51%	0.20%	\$45.47	\$47.70	\$43.01	\$43.32	4.90%	0.91	18.26%	0.27%
Danaos Corporation	DAC	745	\$70,839.51	4.54%	-0.45%	\$77.81	\$95.07	\$68.00	\$87.20	22.18%	1.76		
Natural Resource Partners	NRP	1,375	\$52,843.78	3.39%	0.50%	\$38.43	\$38.43	\$32.80	\$32.80	0.00%	0.00		
Alliance Resource LP (Second Leg)	ARLP	3,597	\$46,402.03	2.97%	0.23%	\$13.80	\$12.90	\$12.80	\$12.80	-6.52%	-0.90		
Alliance Resource LP	ARLP	3,442	\$44,402.69	2.85%	-0.21%	\$11.83	\$12.90	\$9.65	\$12.80	9.04%	0.49		

Options

	<u>Ticker</u>	<u>Contracts</u>	<u>Capital</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>Cost Basis</u>	<u>Current (Mid) Price</u>	<u>Initial Stop-Loss</u>	<u>Current Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>
CRK JAN 2023 \$10 CALL \$	CRK	171	\$19,665.00	1.26%	1.32%	\$120.00	\$115.00	\$0.00	\$0.00	-4.17%	-0.04	5.80%	8.55%
ENB Jan 2023 \$50 CALL \$	ENB	389	\$13,615.00	0.87%	0.75%	\$30.00	\$35.00	\$0.00	\$0.00	16.67%	0.17		
MU Jan 2023 \$125 CALL \$	MU	82	\$45,920.00	2.94%	2.49%	\$473.00	\$560.00	\$0.00	\$0.00	18.39%	0.18		
MO JAN 2023 \$70 CALL \$	MO	299	\$7,774.00	0.50%	1.76%	\$92.00	\$26.00	\$0.00	\$0.00	-71.74%	-0.72		
EWJ JAN 2023 \$50 CALL \$	EWJ	173	\$2,595.00	0.17%	1.35%	\$122.00	\$15.00	\$0.00	\$0.00	-87.70%	-0.88		
BHP Jan 2023 \$115 CALL \$	BHP	55	\$2,310.00	0.15%	1.34%	\$380.00	\$42.00	\$0.00	\$0.00	-88.95%	-0.89		
\$Q APR 2022 \$70 PUT \$	\$Q	-4	-\$1,440.00	-0.09%	-0.06%	\$220.00	\$380.00	\$0.00	\$0.00	-38.89%	-0.64		

Appendix

- Trifecta Lens & SQN Methodology & Case Study ([link here](#))
 - TL Score Theory ([link here](#))
 - TL & SQN Dashboard ([link here](#))
 - Trend Fragility Dashboard ([link here](#))
- Nervous & Numb Case Study (coming soon)
- Volatility & Failed Volatility Breakouts (VBO/FVBO) ([link here](#))
- Hierarchy of Technicals ([link here](#))
- Currency Framework ([link here](#))
- Precious Metals Framework ([link here](#))
- How to Read Market Sentiment ([link here](#))
- Equity Supply & Demand Equation ([link here](#))
- 50 Cent Conditional Tail Hedge Strategy ([link here](#))

