



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:** We have negative sentiment/positioning, deeply oversold breadth, and a potential 3-wave push bottom at support. We now have the conditions and a setup for at least a short-term bottom. Yields/liquidity are still the major headwind. But bonds may be bottoming. We need to see yields trade down or sideways, for a rally in equities to have staying power. This is THE thing to watch. Also, a number of beaten down growth names show potential bottoming action. This is a good spot to try adding back a little risk. This will be treated as a bear market retracement until we see indications that the Fed will turn more dovish, which we expect to happen by end of summer at the earliest.

UST 10yr Bonds

➤ **Summary:** We're of the belief that core inflation has peaked and headline inflation will top out around the end of summer, maybe sooner, as supply bottlenecks continue to get ironed out, the inventory glut drives discounting, and tightening liquidity slows demand. Copper/Gold is diverging and suggesting yields are at an intermediate peak. Bonds are overbought over the short-term and up against their top Bollinger Band. They should consolidate here for a few days. Whether they trade sideways to slightly down or dump on the back of risk-on will be a big tell whether this is a defensible longer-term bottom or just a bear market retrace.

Gold

➤ **Summary:** Gold is in a larger sideways range. Positioning and sentiment have been taken down. Seasonality turns very positive this week and remains a strong tailwind through September. We think precious metals might be gearing up for another leg higher in the 2nd half of this year. We have a potential double bottom on the daily chart which gives us a good technical inflection point to take a swing. We will be putting in a buy stop tomorrow and adding some DOTM calls to the book.

EURUSD

➤ **Summary:** EURUSD is at a significant long-term support level. Yield differentials are trending in the euro's favor as well as economic surprises. It's deeply oversold against its longer-term moving averages and is exceptionally cheap across every metric. This is an important technical inflection point. If EURUSD fails to hold and breaks to new lows that will also be an important signal and we'll look to get short.

S&P 500 Monthly

We got a weak reversal to close out the month. Market is oversold at support / near monthly bands, so potential for a strong rally is high. But the bears are still in control and larger path of least resistance is down.








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

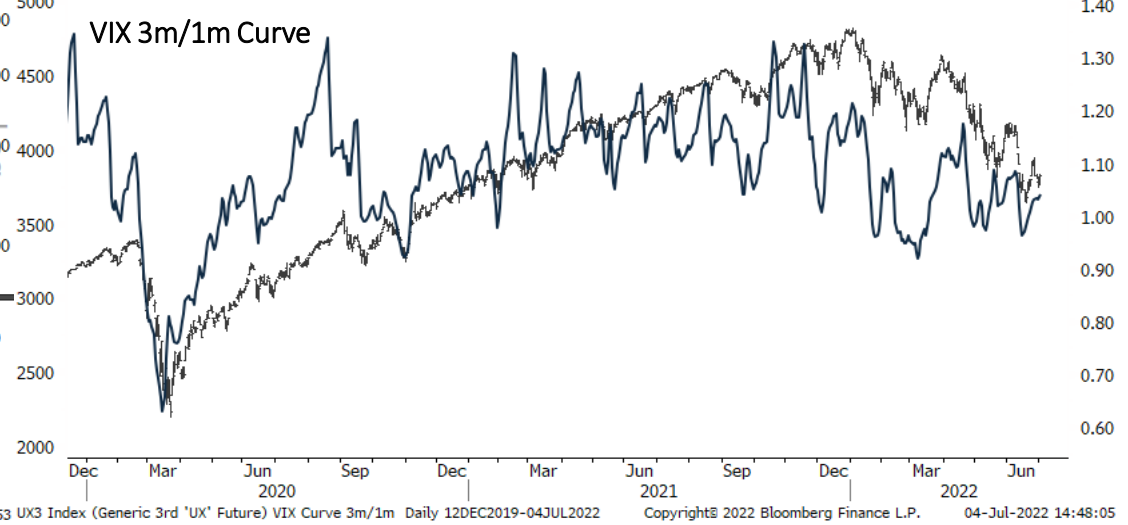
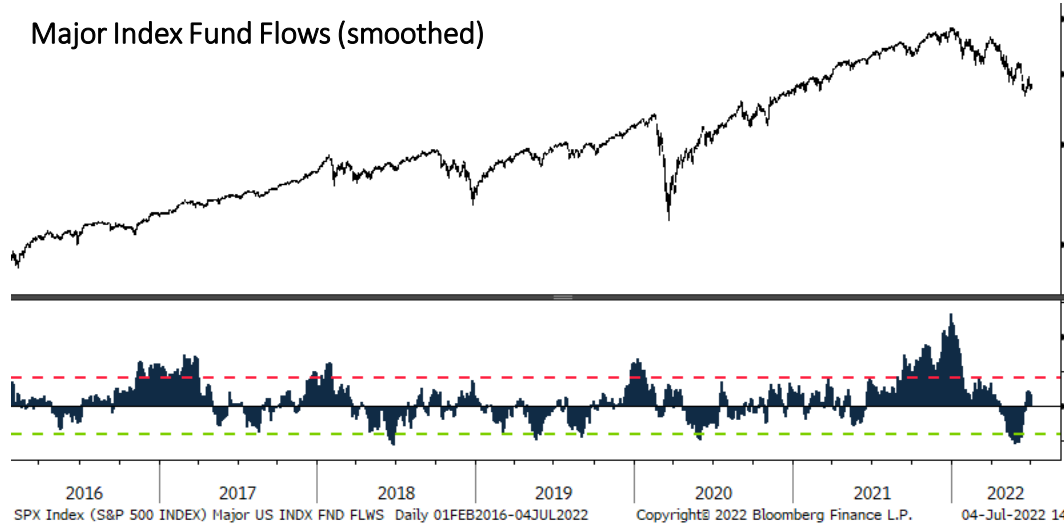
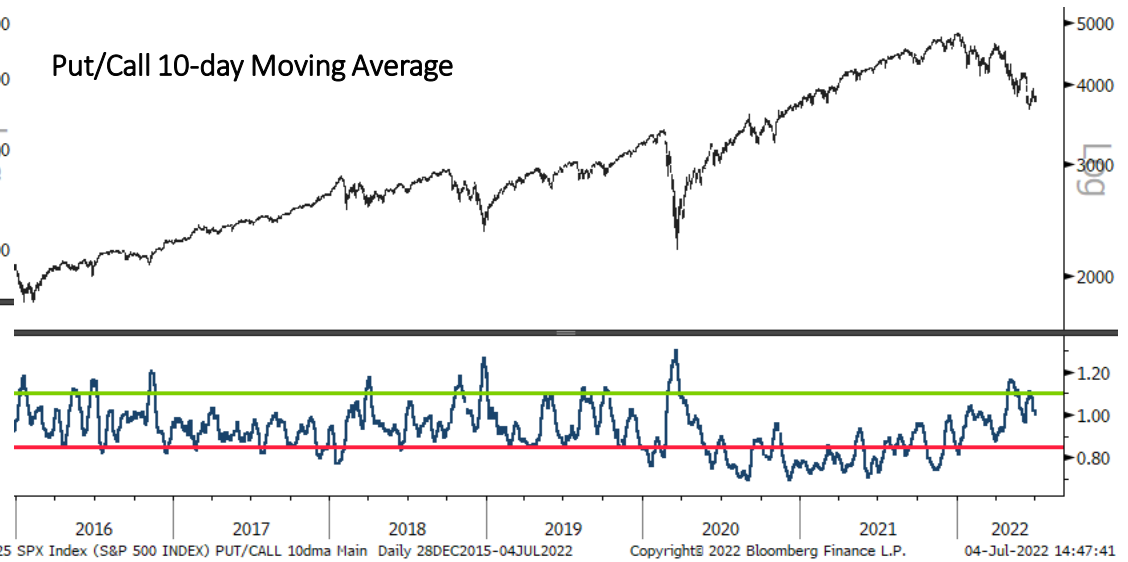
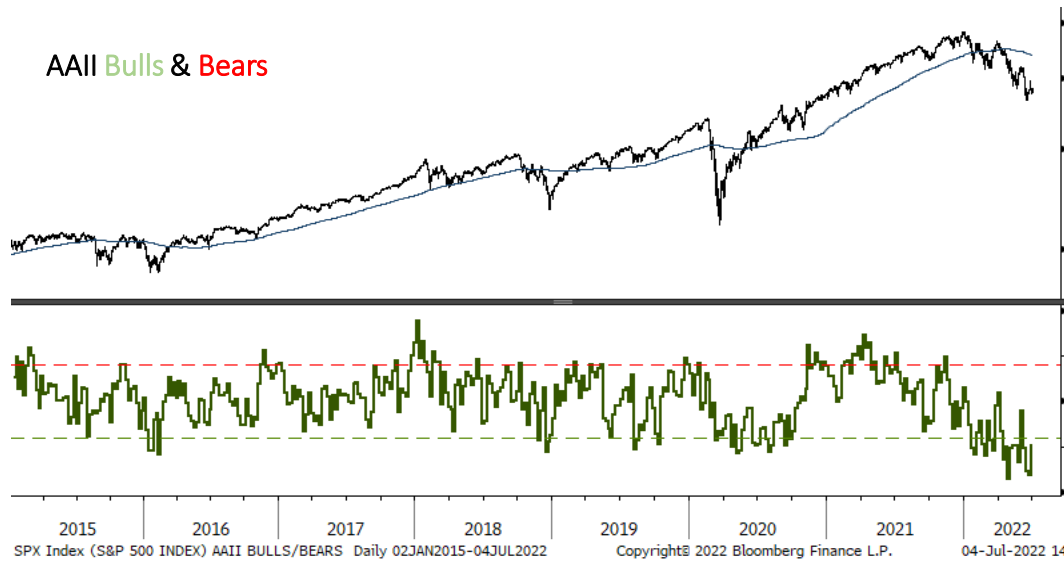


SPX Index (S&P 500 INDEX) SPX CHART-DAILY Daily 02FEB2021-04JUL2022

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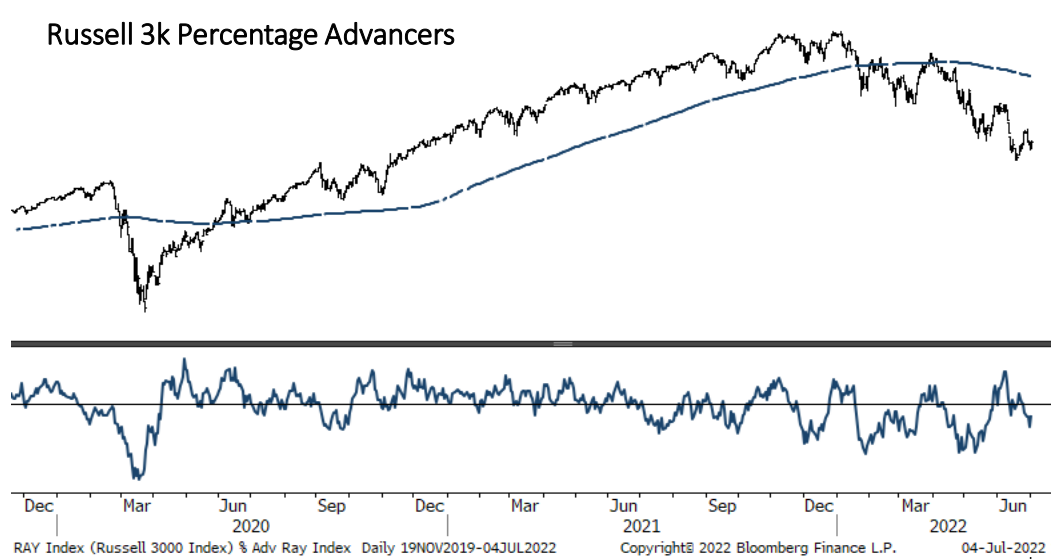
Sentiment & Positioning



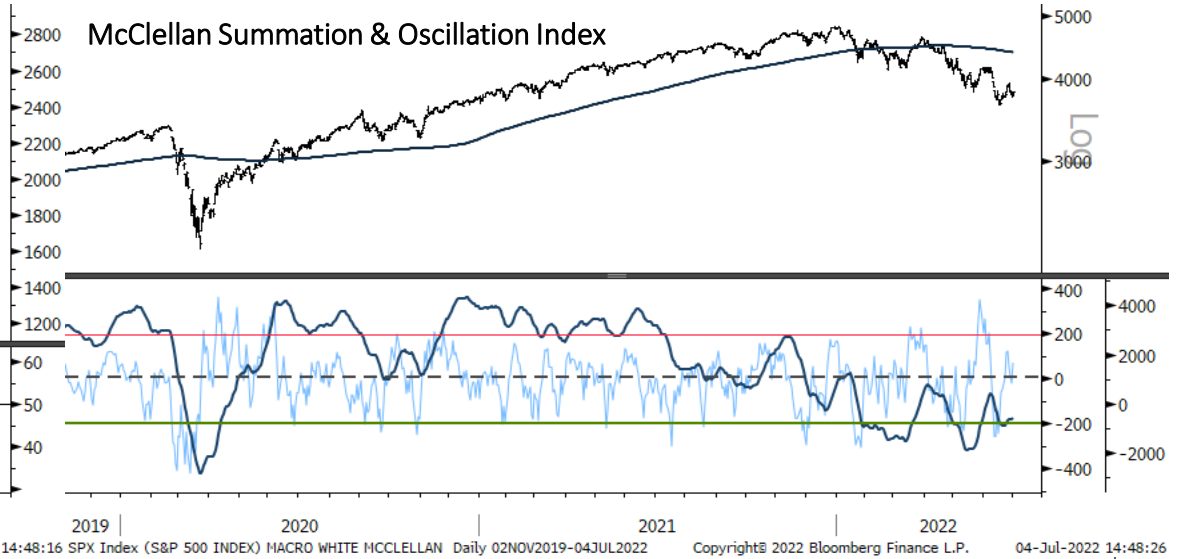
Breadth



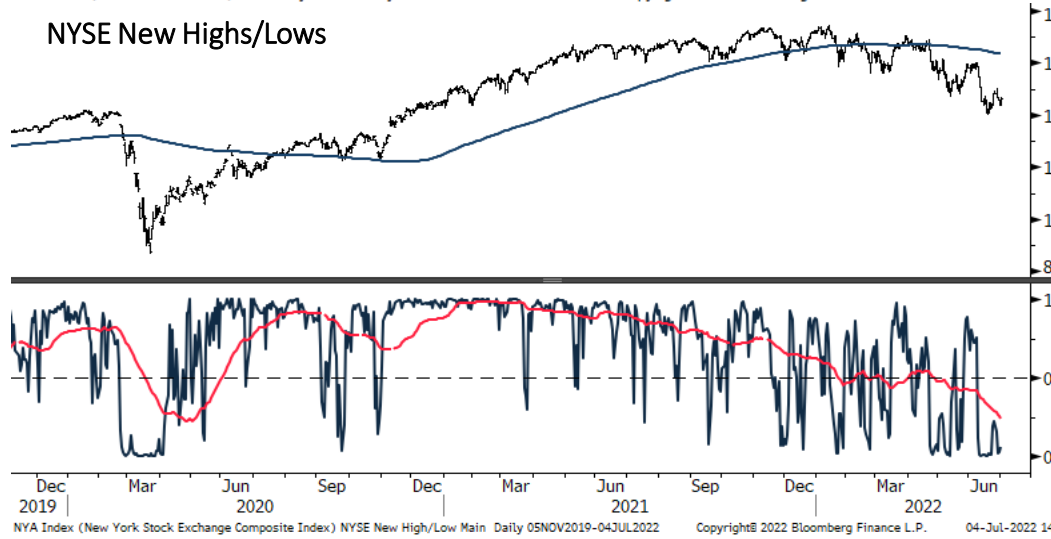
Russell 3k Percentage Advancers



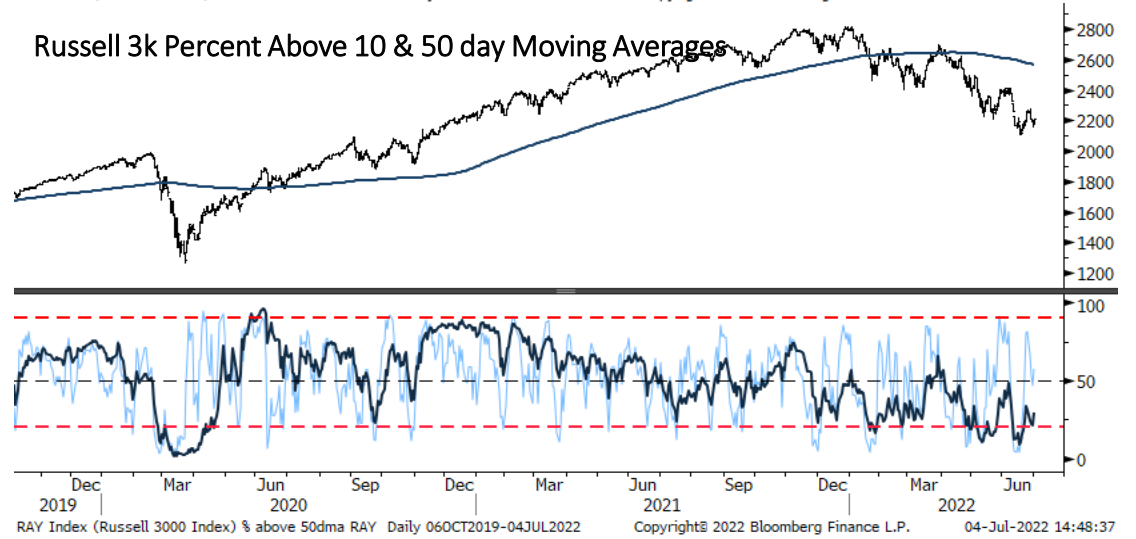
McClellan Summation & Oscillation Index



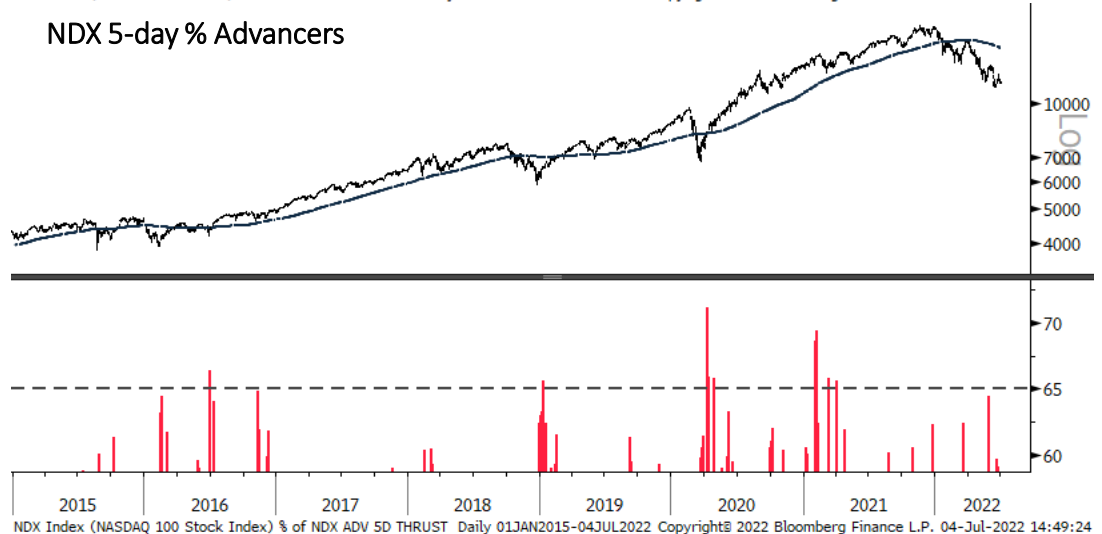
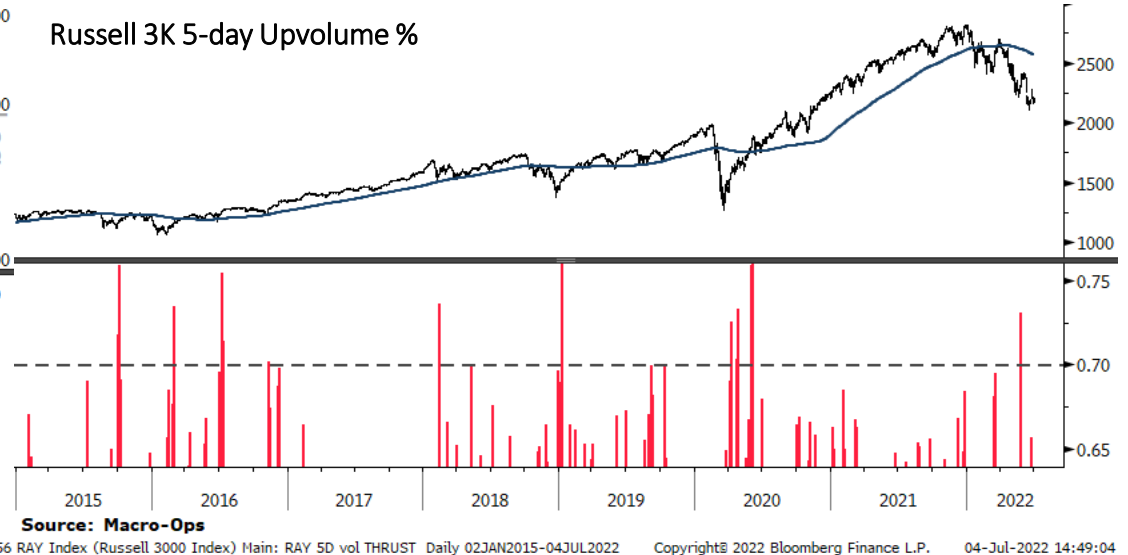
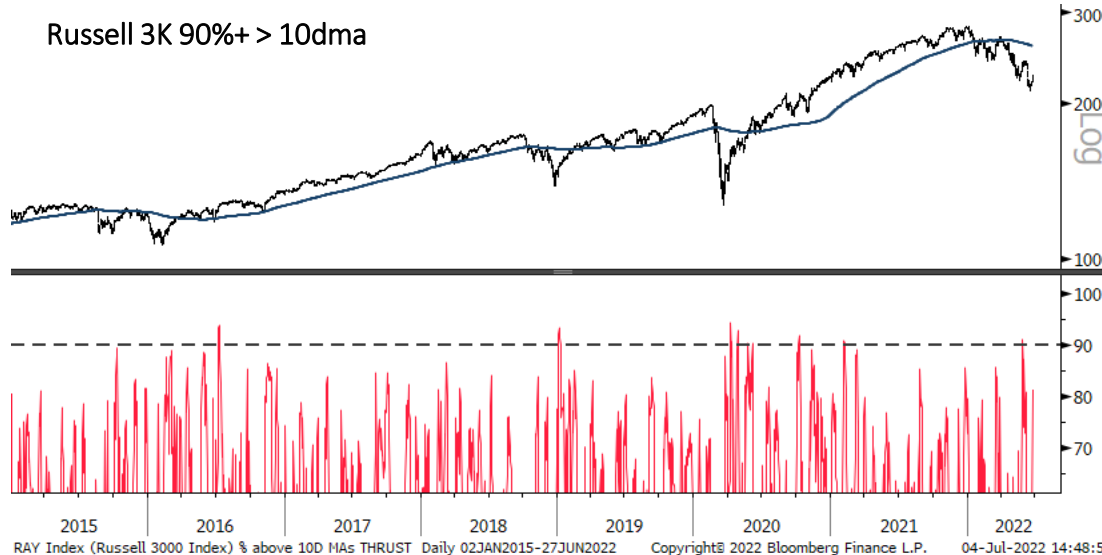
NYSE New High/Lows



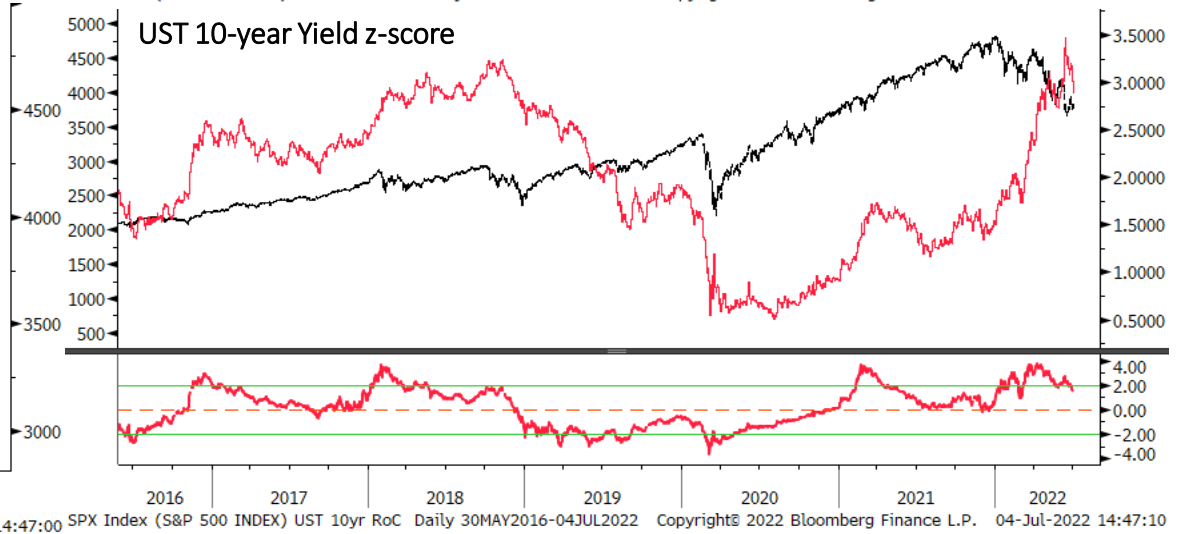
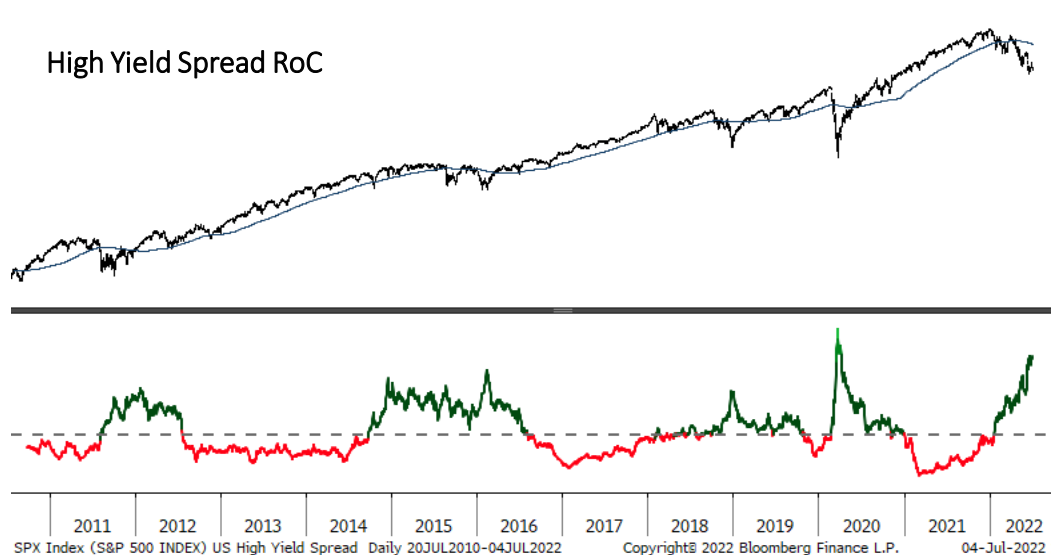
Russell 3k Percent Above 10 & 50 day Moving Averages



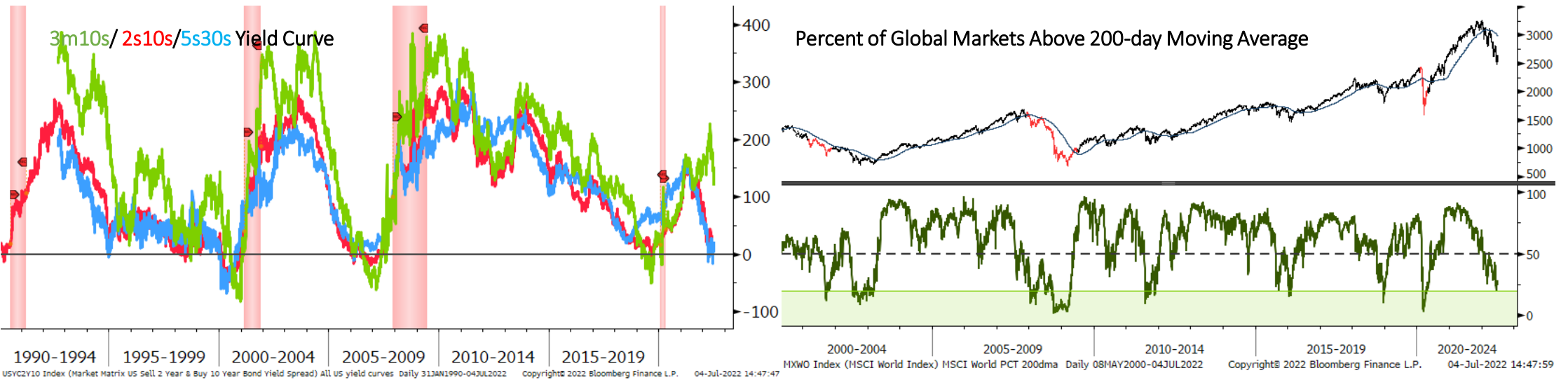
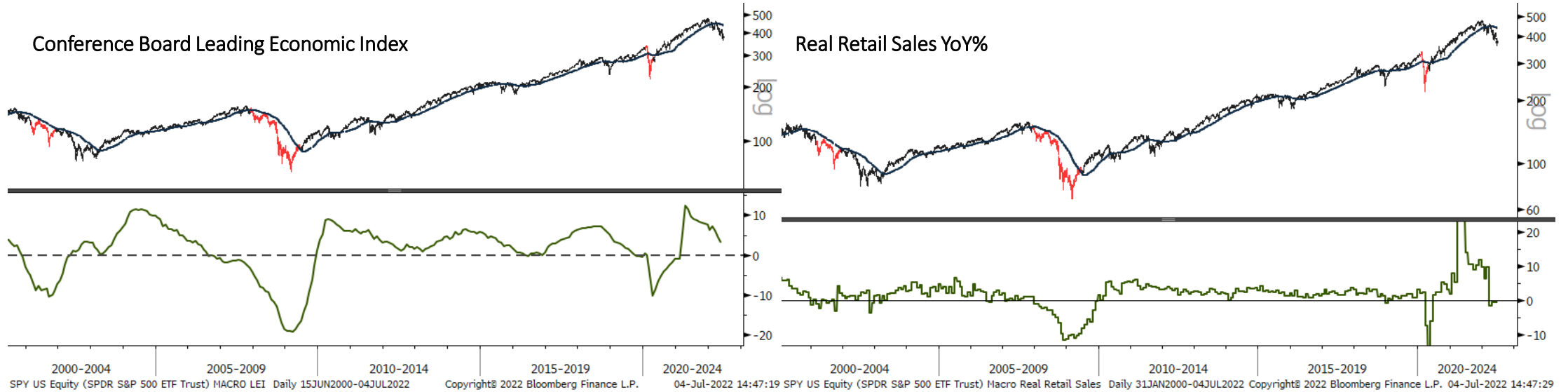
Breadth Thrust



Liquidity



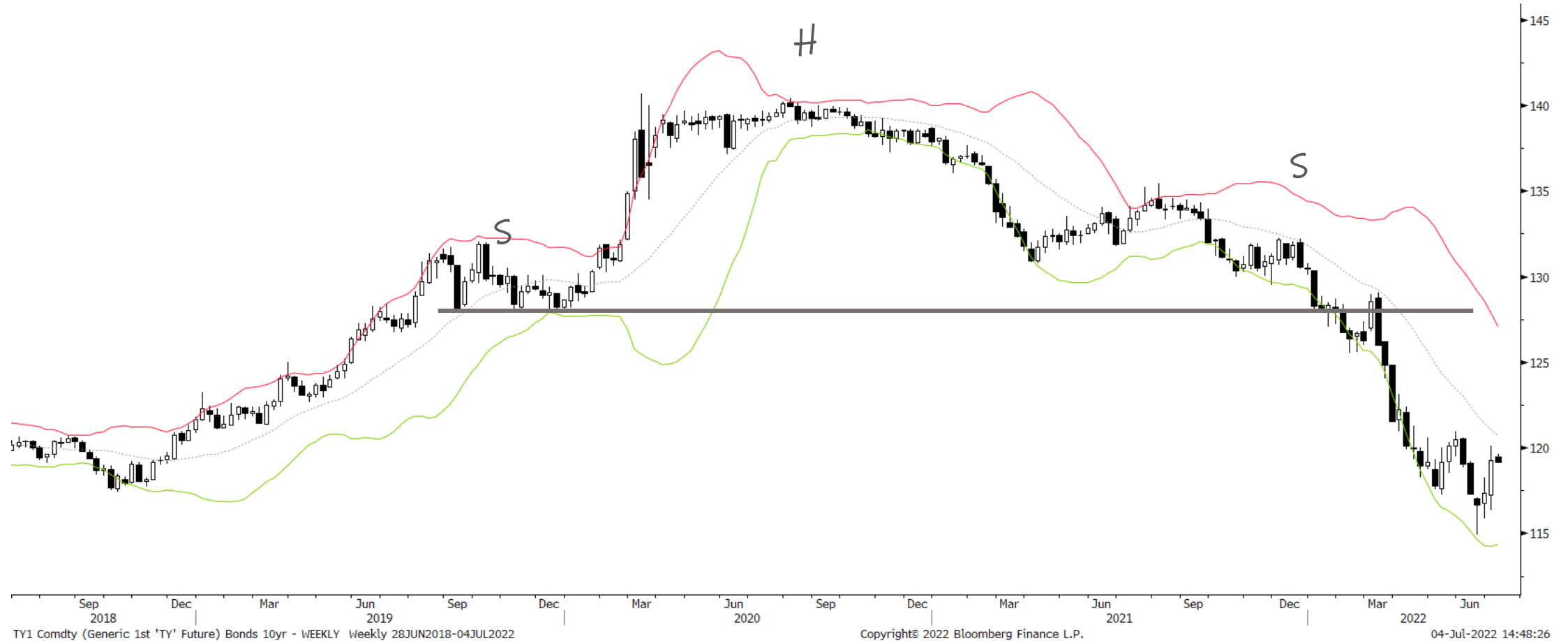
Macro



Bonds: 10-year Futures Monthly



Bonds: 10-year Futures Weekly

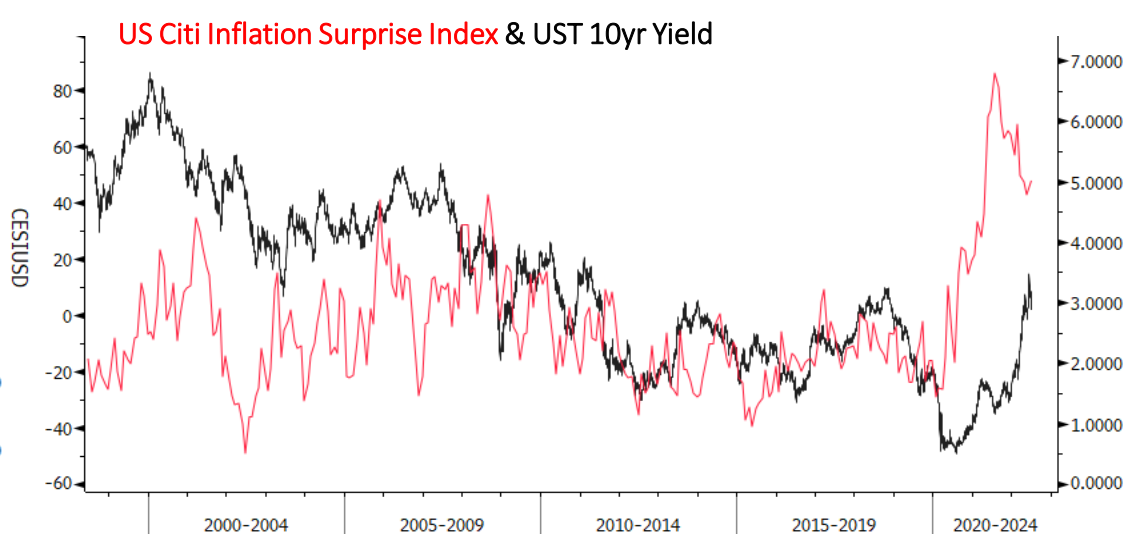


Bonds: 10-year Futures Daily



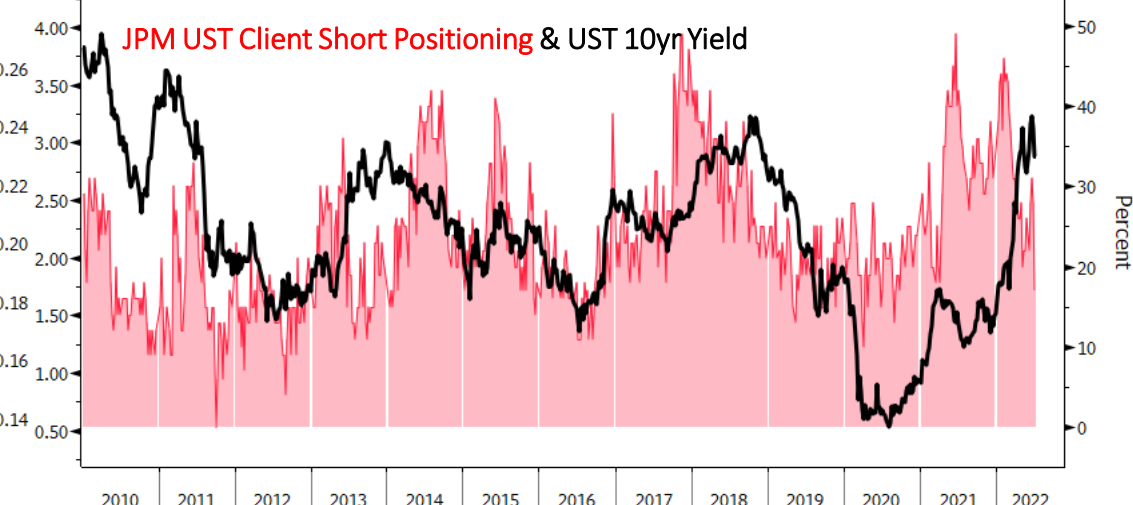
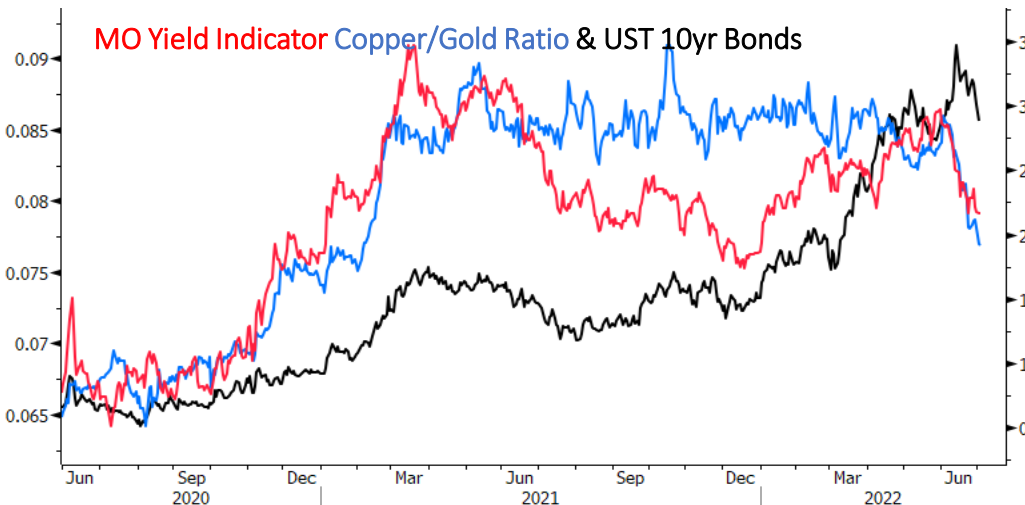


Bond/Yield Indicators



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04-Jul-2022 14:48:44 USGG10YR Index (US Generic Govt 10 Yr) US CESI Infl 10yr yield Daily 02JUN1998-04JUL2022 Copyright© 2022 Bloomberg Finance L.P. 04-Jul-2022 14:49:00



GSTHUSTY Index (Interest Rate Sensitive) rate sensitive vs yield Daily 29MAY2020-04JUL2022 Copyright© 2022 Bloomberg Finance L.P. 04-Jul-2022 14:49:10

TINSALLO Index (U.S. JP Morgan Treasury Investor Sentiment All Client Short) JPM Short Bond srvy Weekly 01JAN2010-04JUL2022 Copyright© 2022 Bloomberg Finance L.P. 04-Jul-2022 14:48:52

Gold Monthly



Gold Weekly



Gold Daily



Potential double-bottom on the daily chart.
Good spot for taking a swing to the long
side with stops slightly below Friday's lows.



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 02JUL2021-04JUL2022

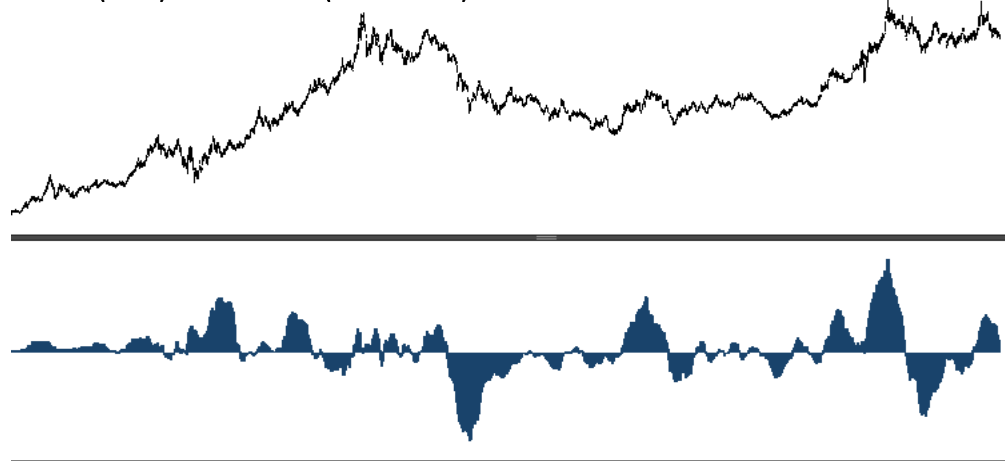
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Gold Indicators

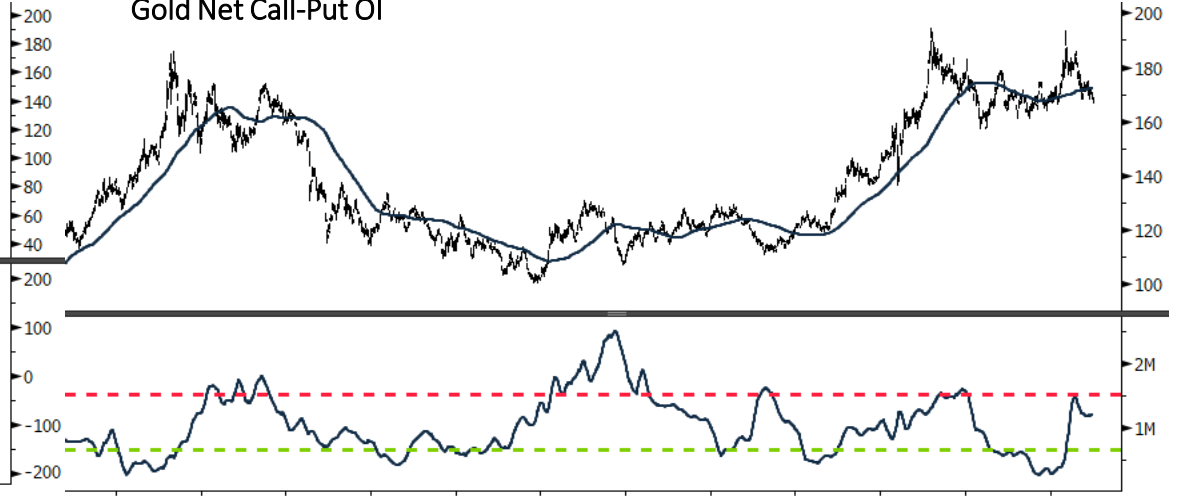


Gold (GLD) Fund Flows (smoothed)



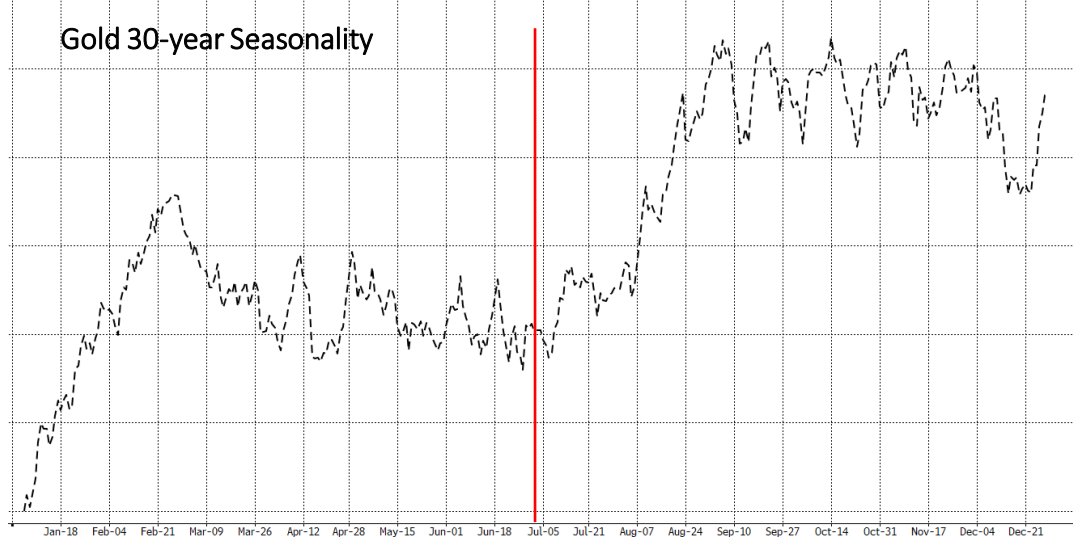
GLD US Equity (SPDR Gold Shares) Gold (GLD) Fund Flows z Daily 08SEP2005-04JUL2022 Copyright© 2022 Bloomberg Finance L.P. 04-Jul-2022 14:47:06

Gold Net Call-Put OI



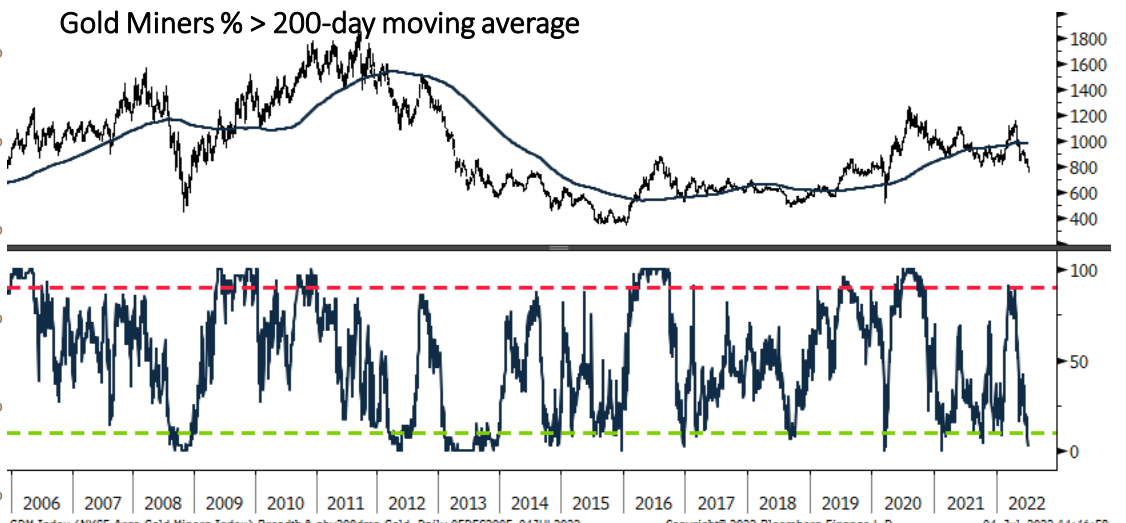
GLD US Equity (SPDR Gold Shares) Call/Put Open Intrst GLD Daily 29MAY2010-04JUL2022 Copyright© 2022 Bloomberg Finance L.P. 04-Jul-2022 14:49:51

Gold 30-year Seasonality



Jan-18 Feb-04 Feb-21 Mar-09 Mar-26 Apr-12 Apr-28 May-15 Jun-01 Jun-18 Jul-05 Jul-21 Aug-07 Aug-24 Sep-10 Sep-27 Oct-14 Oct-31 Nov-17 Dec-04 Dec-21

Gold Miners % > 200-day moving average

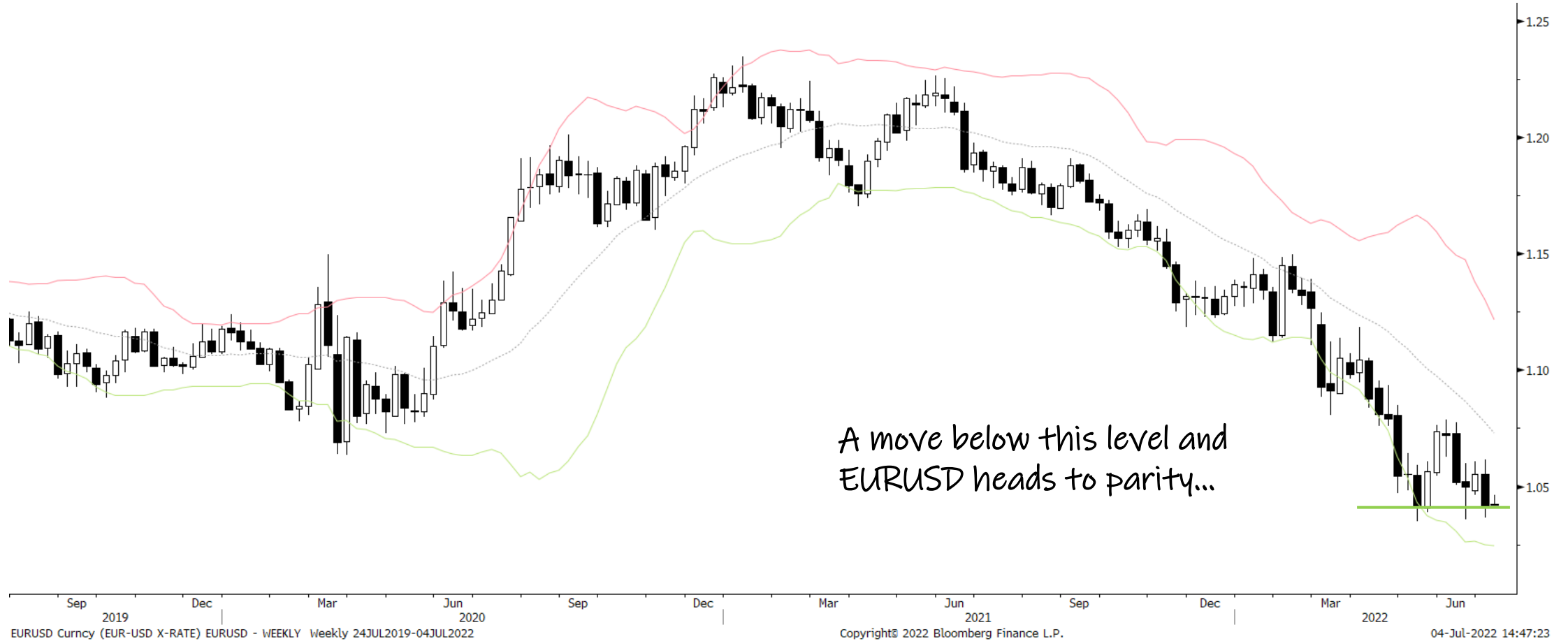


GDM Index (NYSE Arca Gold Miners Index) Breadth % abv200dma Gold Daily 05DEC2005-04JUL2022 Copyright© 2022 Bloomberg Finance L.P. 04-Jul-2022 14:46:58

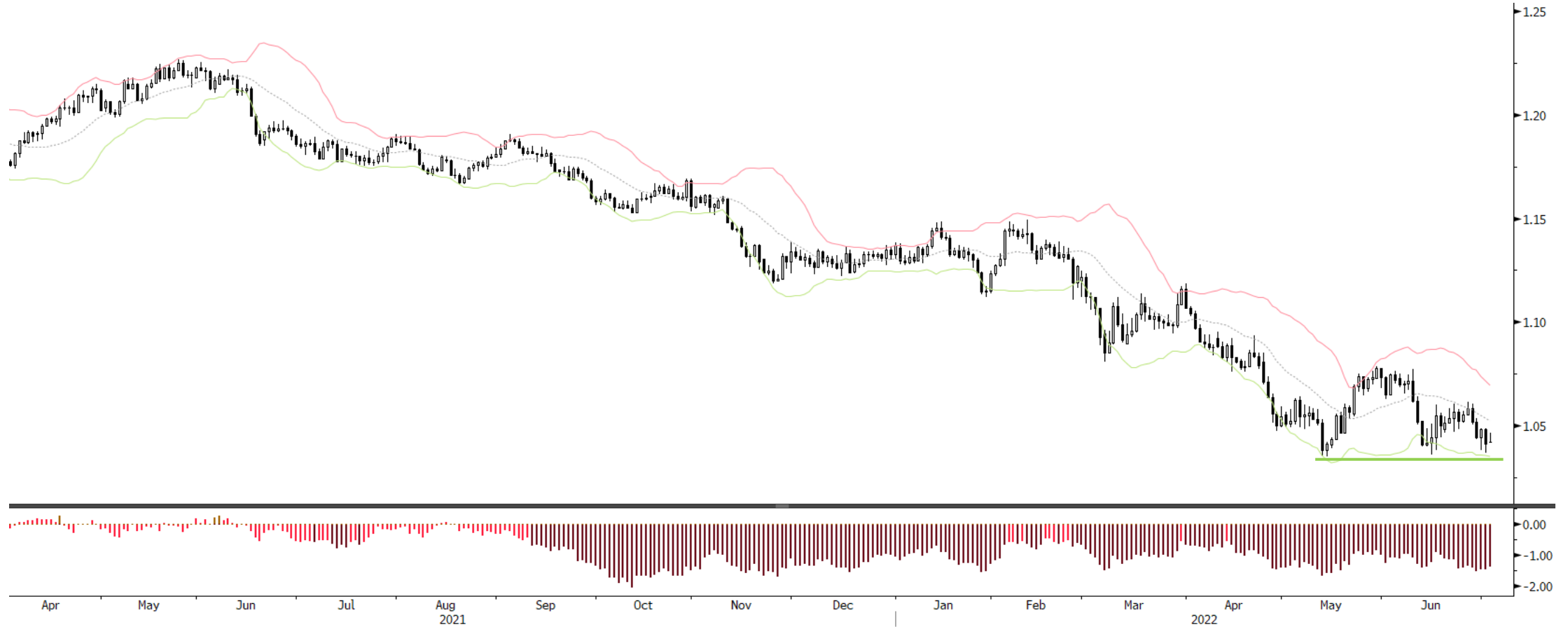
EURUSD Monthly



EURUSD Weekly

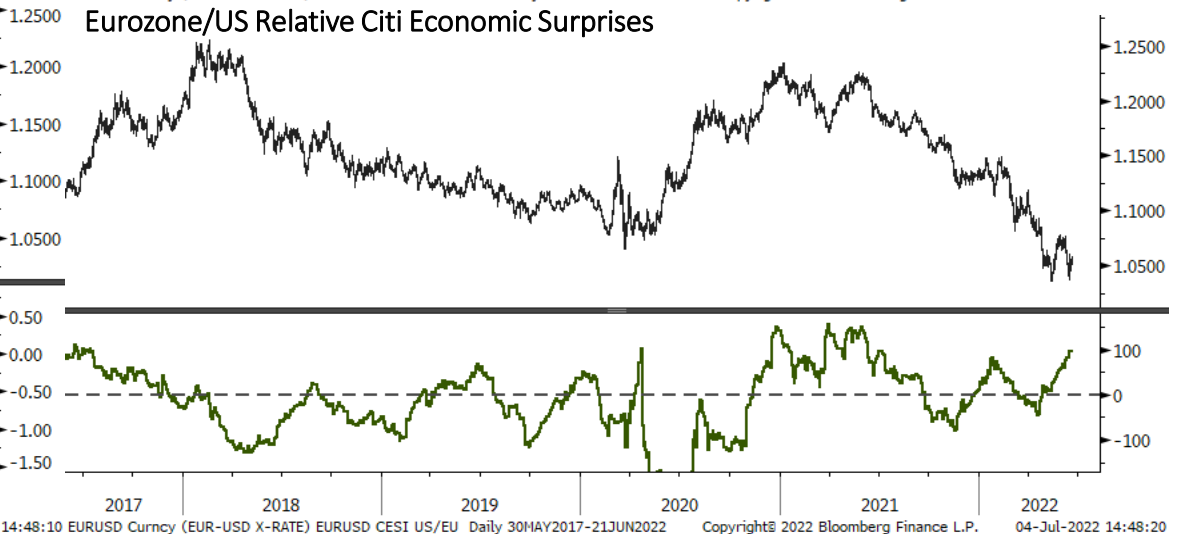
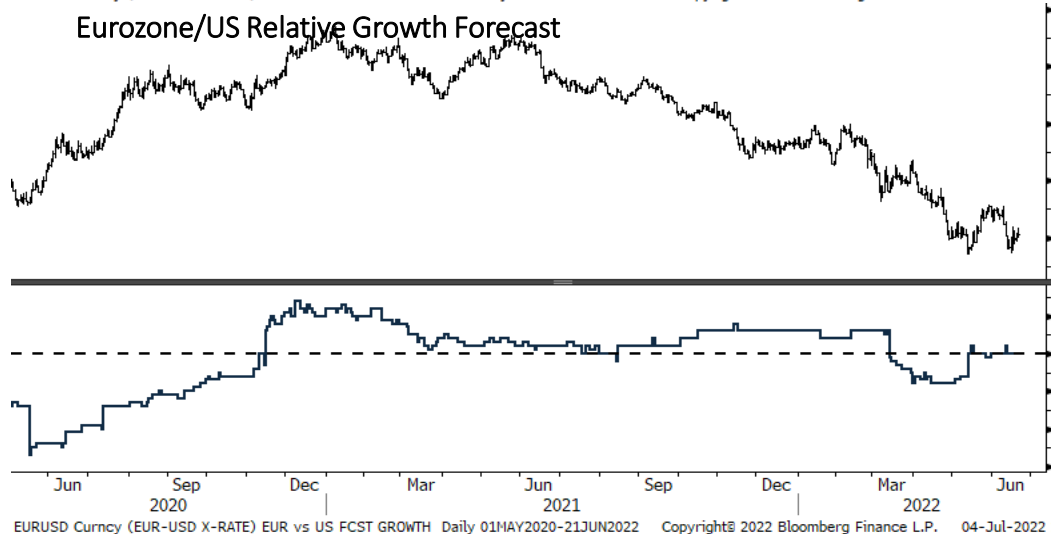
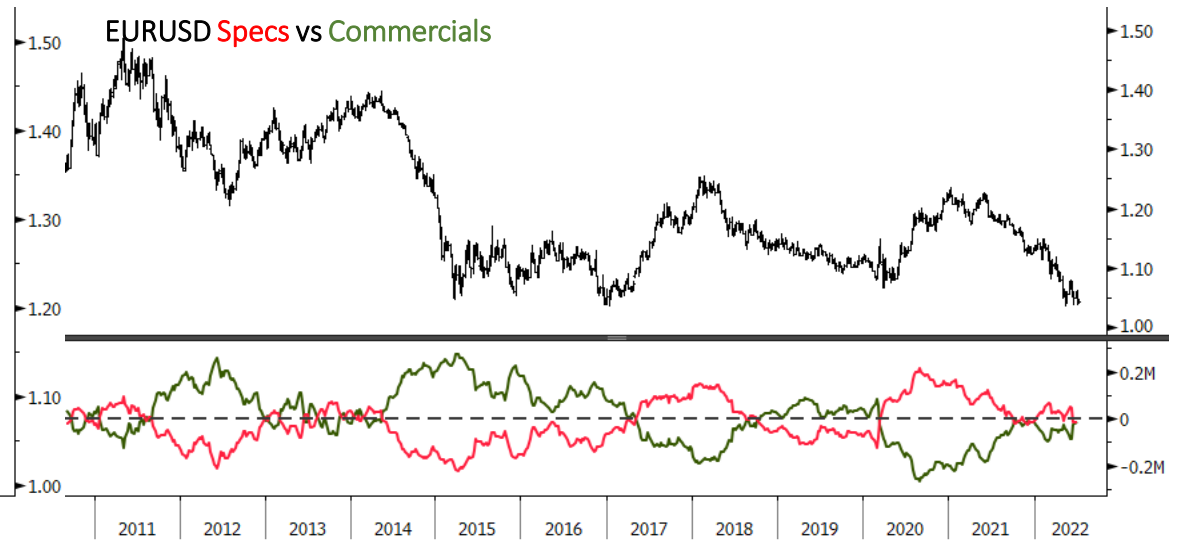
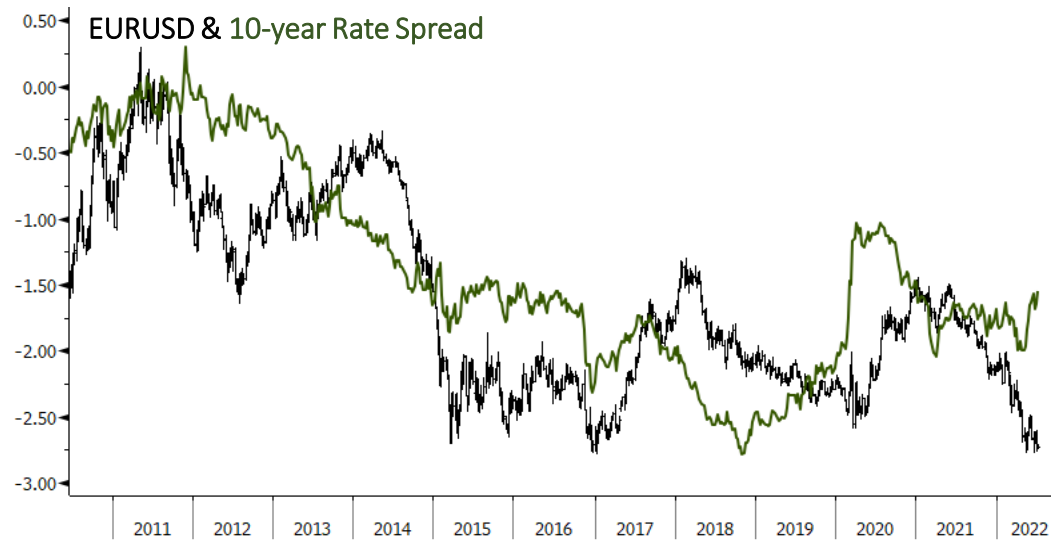


EURUSD Daily

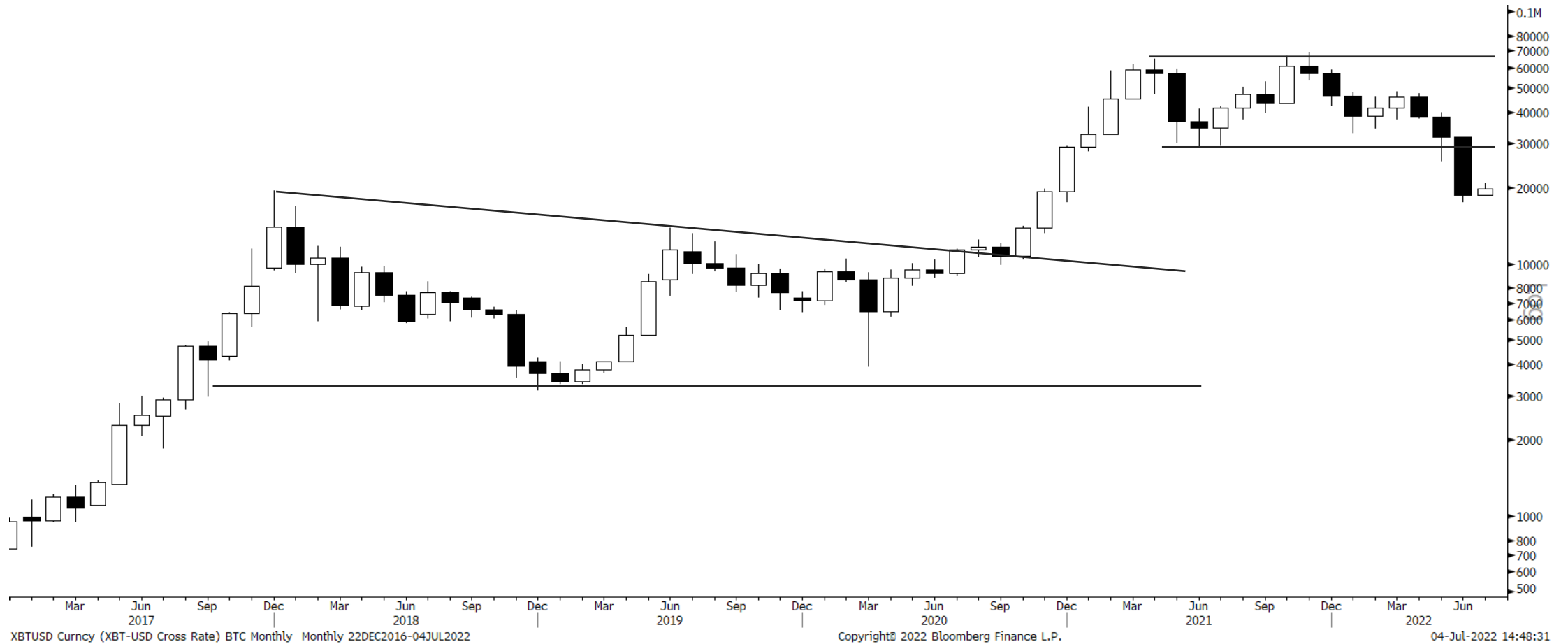




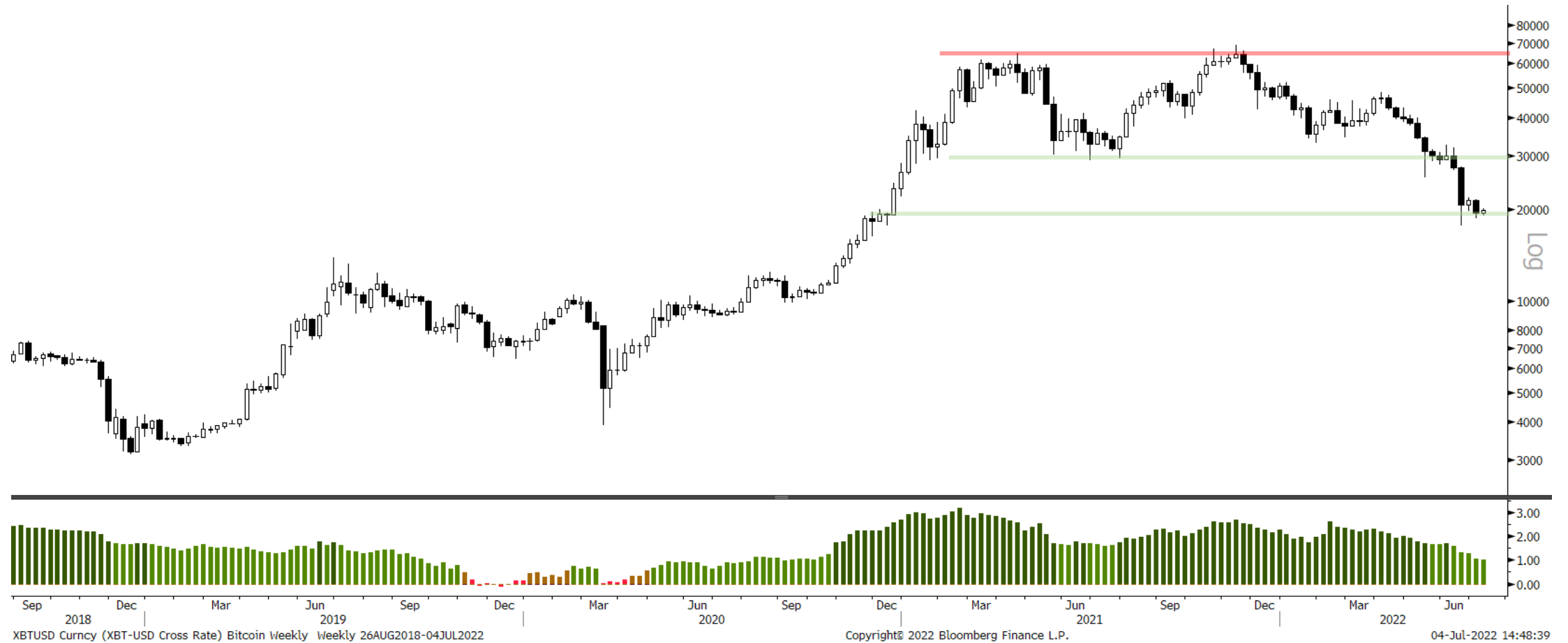
EURUSD Indicators



Bitcoin Monthly



Bitcoin Weekly



Bitcoin Daily

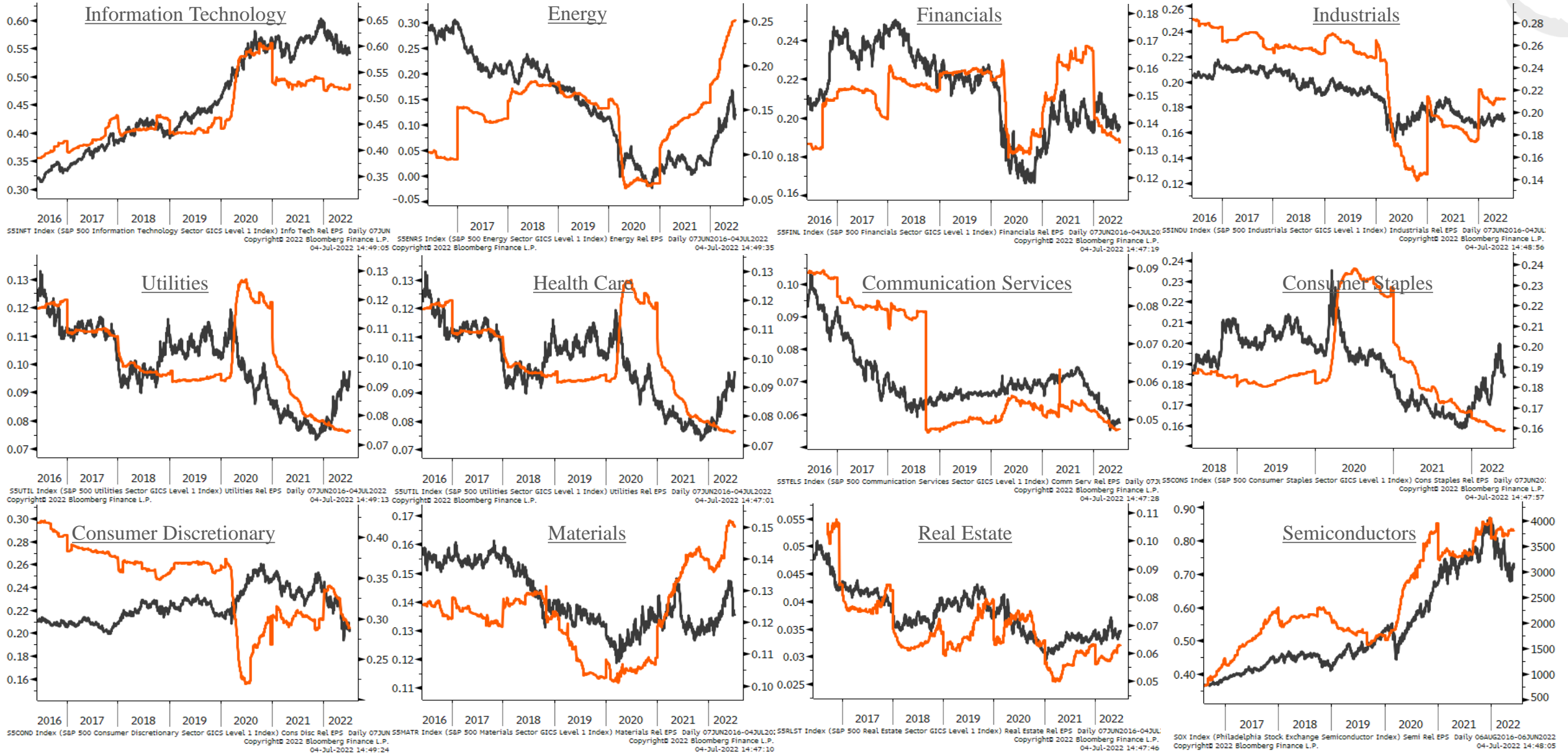
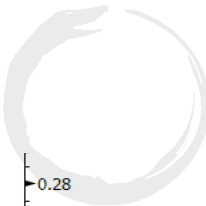


XBTUSD Curncy (XBT-USD Cross Rate) bitcoin Daily Daily 27JUN2021-04JUL2022

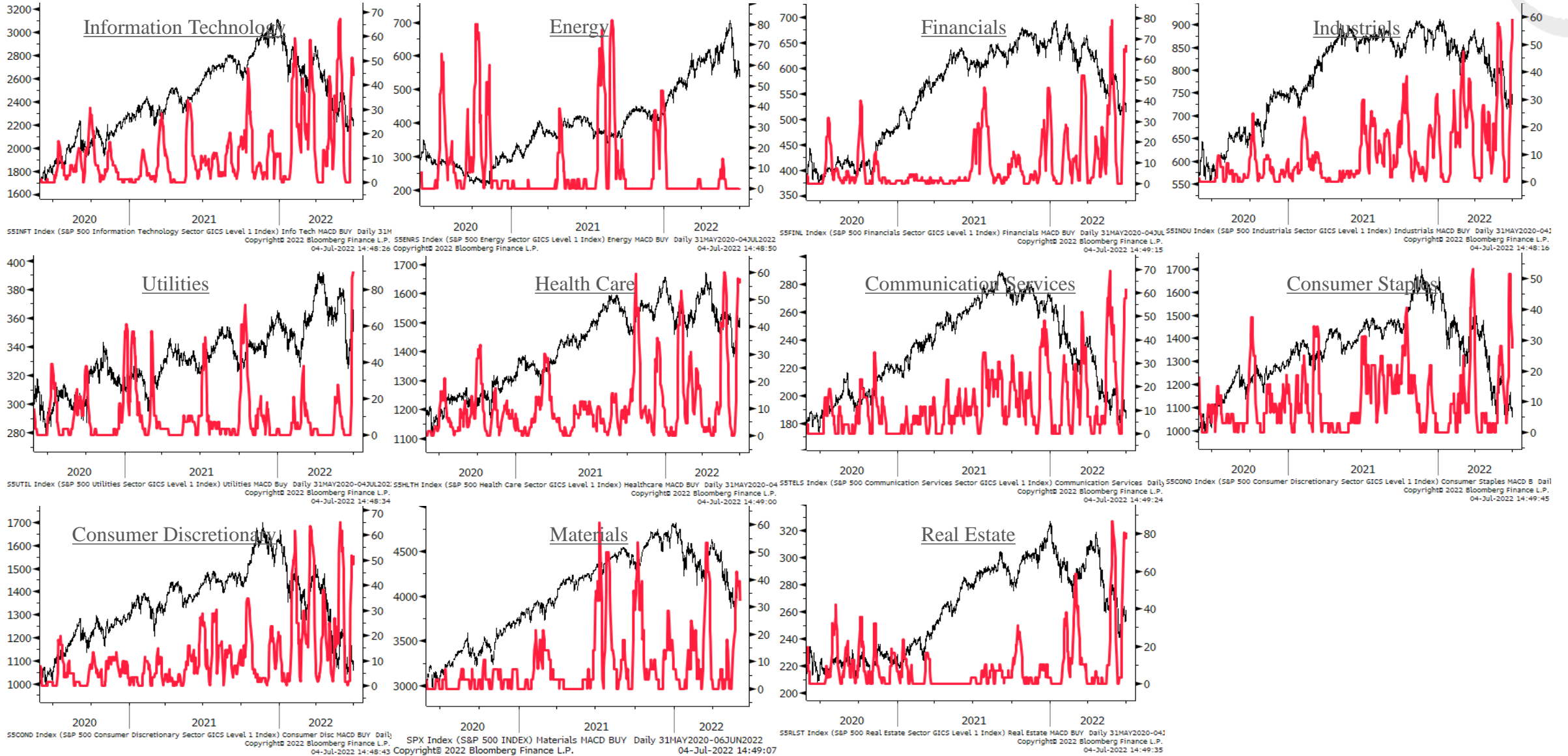
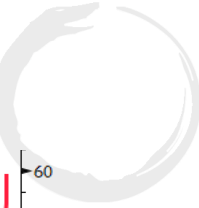
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Sector Relative to SPX Price & Forward EPS Performance (Price in Grey, F/EPS in Orange)



Sector % MACD Buy Signals



The Macro Ops Portfolio

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

2022 YTD Return	18.16%
Total Notional Exposure	33.62%
Equity Exposure	16.79%
Futures Exposure	16.83%
Current Cash Value (%)	81.00%
Total Capital At-Risk (%)	17.02%
Total Drawdown Risk (%)	8.13%

2021 Final Return	6.39%
2020 Final Return	66.40%

Futures, Bonds & FX

	<u>Ticker</u>	<u>Contracts</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>DD Risk</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Stop-Loss</u>	<u>Initial Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>	<u>Total Drawdown Risk</u>
US 20YR Treasuries	ZBU2022	3	16.83%	0.33%	0.85%	\$136.02	\$139.10	\$134.07	\$133.08	2.26%	1.05	16.83%	0.33%	0.85%

Equities

Strategic

	<u>Ticker</u>	<u>Shares</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>DD Risk</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Stop-Loss</u>	<u>Initial Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>	<u>Total Drawdown Risk</u>
Desert Control	DSRT	10,026	1.58%	1.76%	1.58%	\$3.13	\$2.78	\$0.00	\$0.00	-11.18%	-0.11	11.70%	7.96%	5.34%
Leonardo, Inc.	LDO	7,529	4.32%	0.56%	0.30%	\$10.82	\$10.22	\$9.50	\$9.50	-5.59%	-0.46			
Clearpoint Neuro	CLPT	4,443	3.12%	0.76%	0.78%	\$12.46	\$12.51	\$9.40	\$9.40	0.40%	0.02			
Block, Inc.	SQ	753	2.70%	4.88%	2.70%	\$115.48	\$83.90	\$0.00	\$0.00	-44.67%	-0.45			

Thematic

	<u>Ticker</u>	<u>Shares</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>DD Risk</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Stop-Loss</u>	<u>Initial Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>	<u>Total Drawdown Risk</u>
Tidewater, Inc.	TDW	4,323	5.09%	1.09%	0.24%	\$24.50	\$20.98	\$20.00	\$19.20	-14.37%	-0.66	5.09%	1.09%	0.24%

Tactical

	<u>Ticker</u>	<u>Shares</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>DD Risk</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Stop-Loss</u>	<u>Initial Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>	<u>Total Drawdown Risk</u>
Tesla, Inc.	TSLA	-157	-6.03%	0.51%	0.68%	\$899.39	\$881.79	756.8	756.8	2.52%	0.31	-6.03%	0.51%	0.66%

Options

	<u>Ticker</u>	<u>Contracts</u>	<u>Notional</u>	<u>Actual Risk</u>	<u>DD Risk</u>	<u>Cost Basis</u>	<u>Current (Mid) Price</u>	<u>Current Stop-Loss</u>	<u>Initial Stop-Loss</u>	<u>Current P&L</u>	<u>R-Multiple (Curr.)</u>	<u>Total Notional</u>	<u>Total Risk</u>	<u>Total Drawdown Risk</u>
MU Jan 2023 \$125 CALLS	MU	82	0.02%	2.18%	0.02%	\$473.00	\$5.00	\$0.00	\$0.00	-98.94%	-0.99	1.04%	7.13%	1.04%
TSLA DEC 2022 \$350 PUTS	TSLA	9	0.97%	1.05%	0.97%	\$2,110.00	\$1,946.00	\$0.00	\$0.00	-7.77%	-0.08			
MO JAN 2023 \$70 CALLS	MO	299	0.05%	1.54%	0.05%	\$92.00	\$3.00	\$0.00	\$0.00	-98.74%	-0.97			
BHP Jan 2023 \$115 CALLS	BHP	55	0.00%	1.17%	0.00%	\$380.00	\$0.00	\$0.00	\$0.00	-100.00%	-1.00			
EWJ JAN 2023 \$90 CALLS	EWJ	173	0.00%	1.18%	0.00%	\$122.00	\$0.00	\$0.00	\$0.00	-100.00%	-1.00			

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](#))

