



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 Market Prep



The Conference Board Leading Economic Index turned negative on a YoY% basis last week. Historically, this is a good lead on recessions and negative annualized market returns. The Philly Fed State Coincident Index also dropped below 60, which is a level when breached brings high odds of an incoming recession (slide 27). These join our other recession indicators (Housing starts, Probit model, Yield Curve Inversion, Growth Composite) in signaling the strong probability we enter into a recession within the next 12-months.

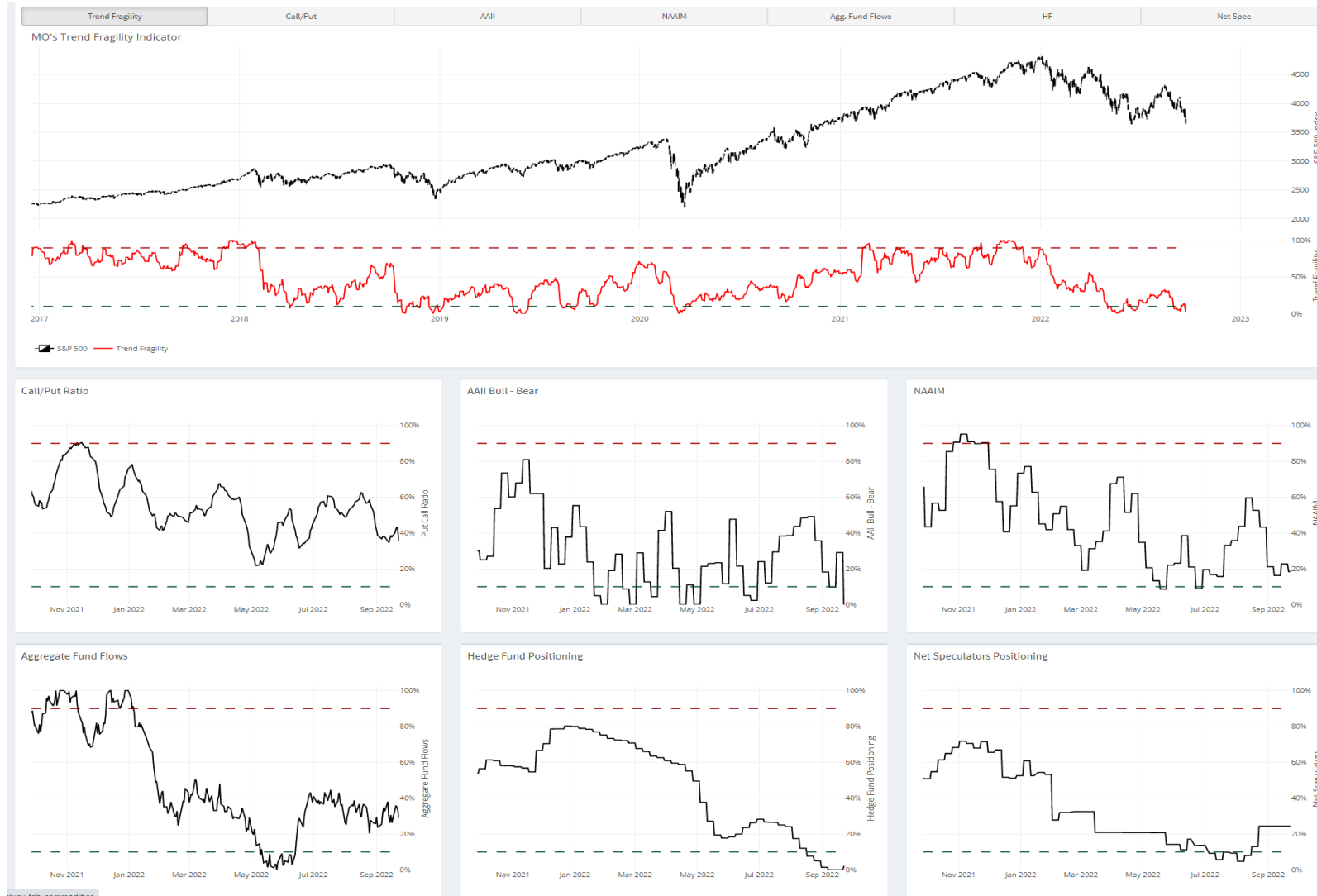
Liquidity is deteriorating, financial conditions continue to tighten. Long-term breadth remains anemic and indicative of a cyclical bear. And bonds have yet to attract a durable bid, giving zero relief to oversold equities. Powell has consistently reiterated that they will engineer a recession in order to bring down demand (their most recent growth and unemployment estimates show this).

Tightening US policy and a USD wrecking ball is starting a cascade of major FX devaluations, driving the British Pound to trade like an EMFX.

But we also have horrid sentiment and bearish short-term positioning. Our Trend Fragility indicator is in the 2nd percentile. A reading below 10% typically marks a bottom. AAll Bull-Bear sentiment is in the 0%tile of its 3yr average. Hedge funds in their 2nd %tile. And net speculative positioning across all major US indices is at 24%.

If the market was going to bounce it will need to do so here. If it doesn't, then that raises the odds of a larger air pocket (read: market crash).

Weekly Market Prep





Weekly Market Prep

This is an incredibly difficult market environment to navigate. In the past, I've loved trading recessionary bear markets. You can leverage up bonds and put stink bids in on names you like. Sticky inflation is so far preventing us from doing that. So we're left with what will likely be a grinding bear with increasing crash risks and the propensity to see violent swings both up and down.

There's not much to do other than stick to high cash, stay nimble, keep stops tight, and wait for the weight of evidence to give us an all clear.



Macro Ops

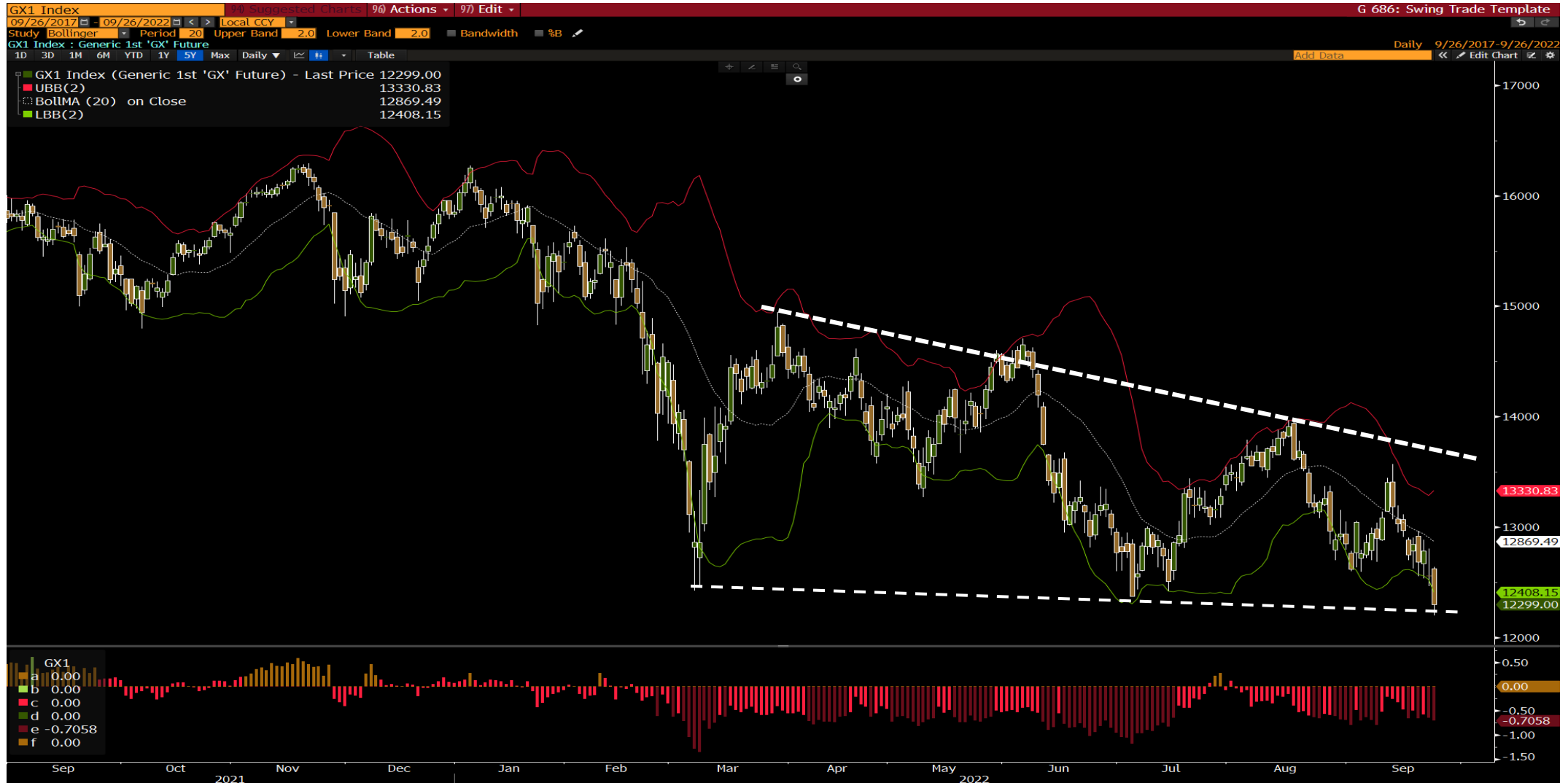
Trade Setups

See the signal, like the signal, follow the signal... ~ Commodities Corp Saying

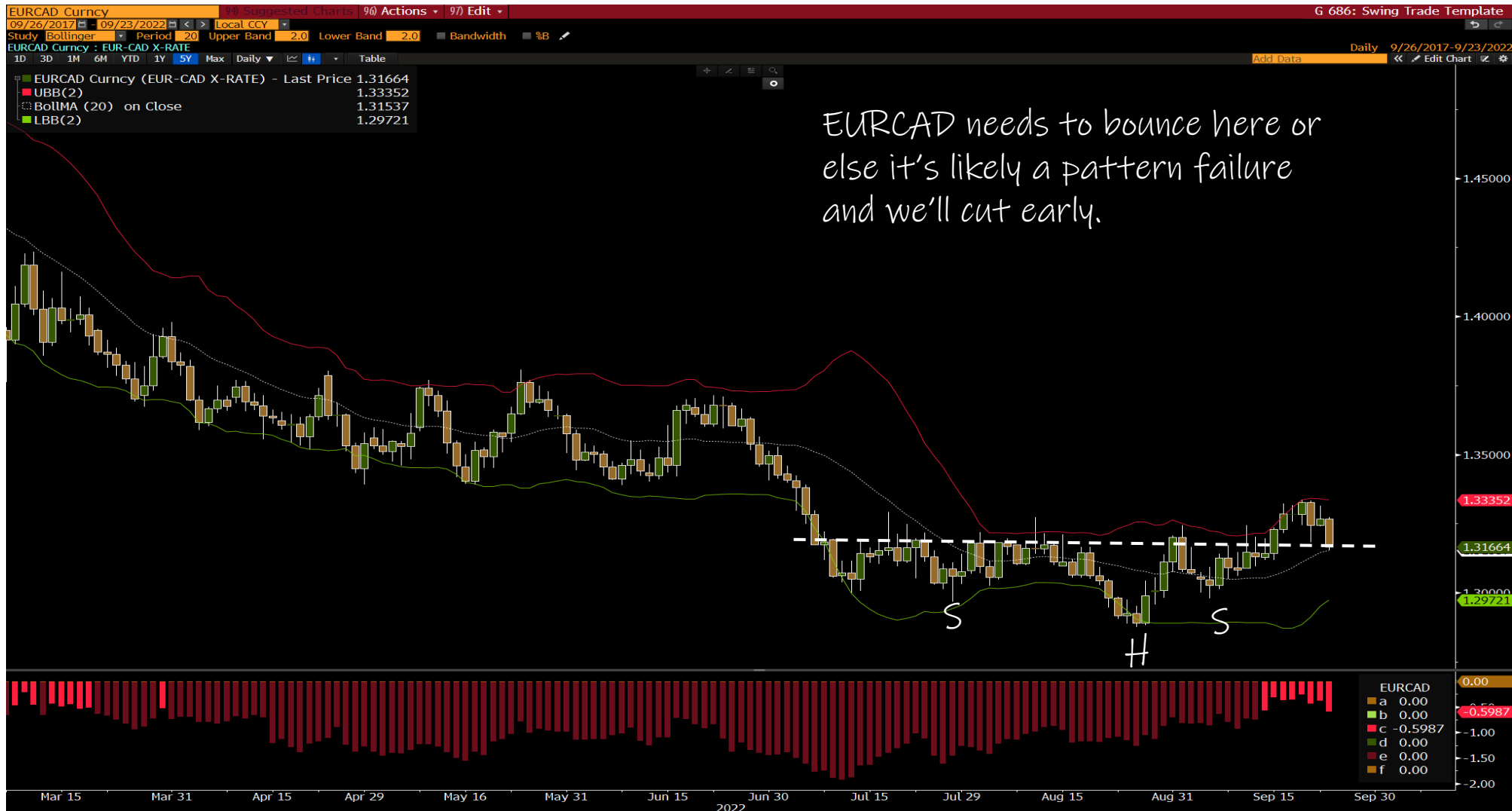
Wheat daily



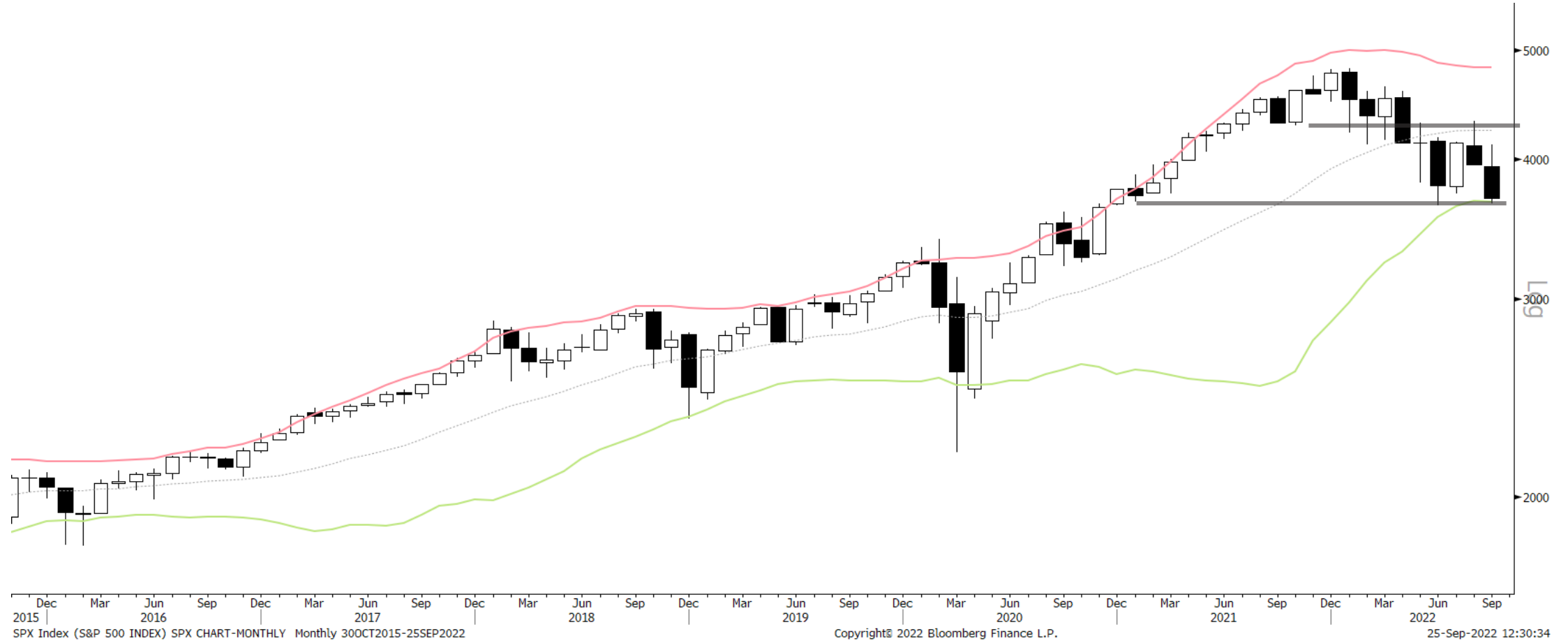
DAX daily



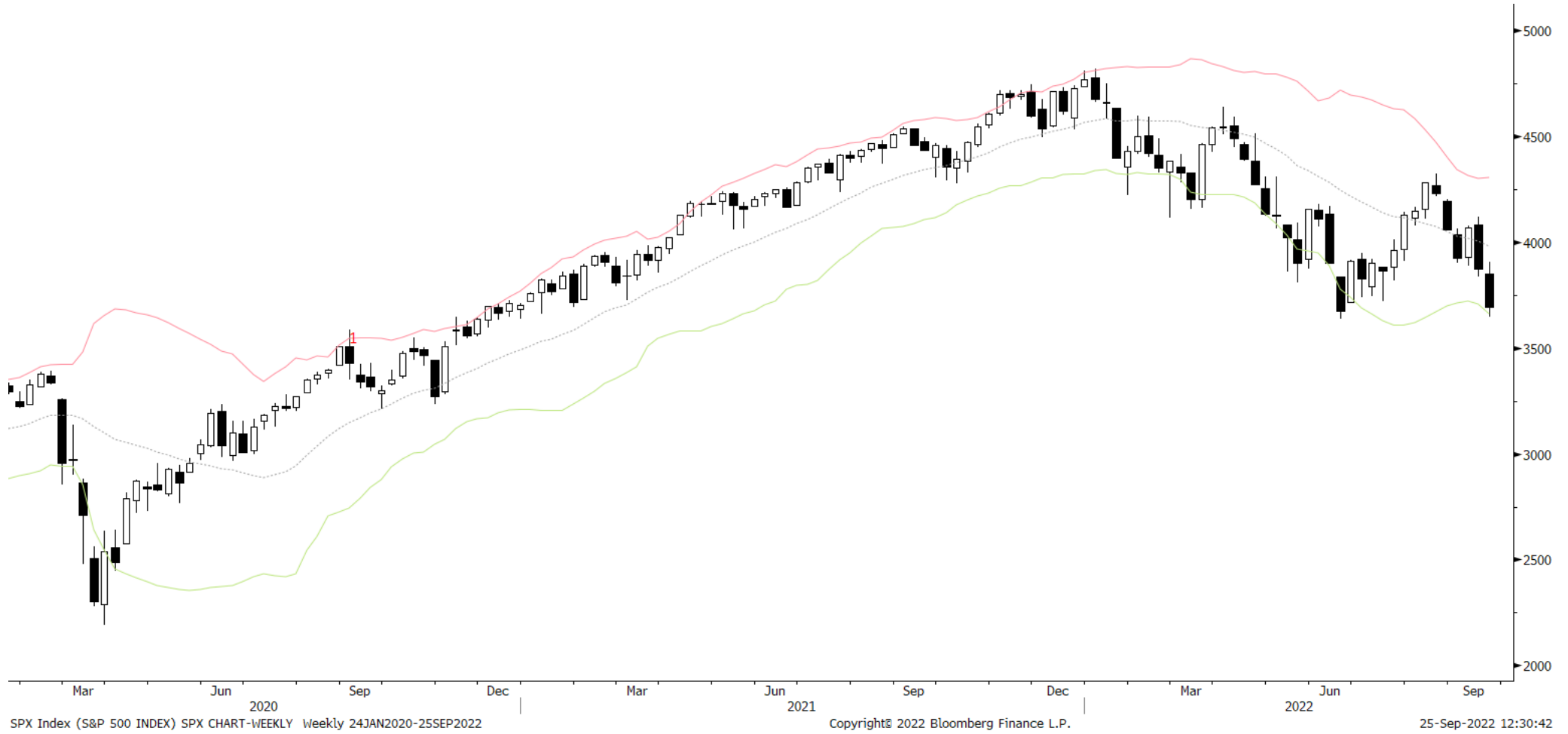
EURCAD daily



S&P 500 Monthly



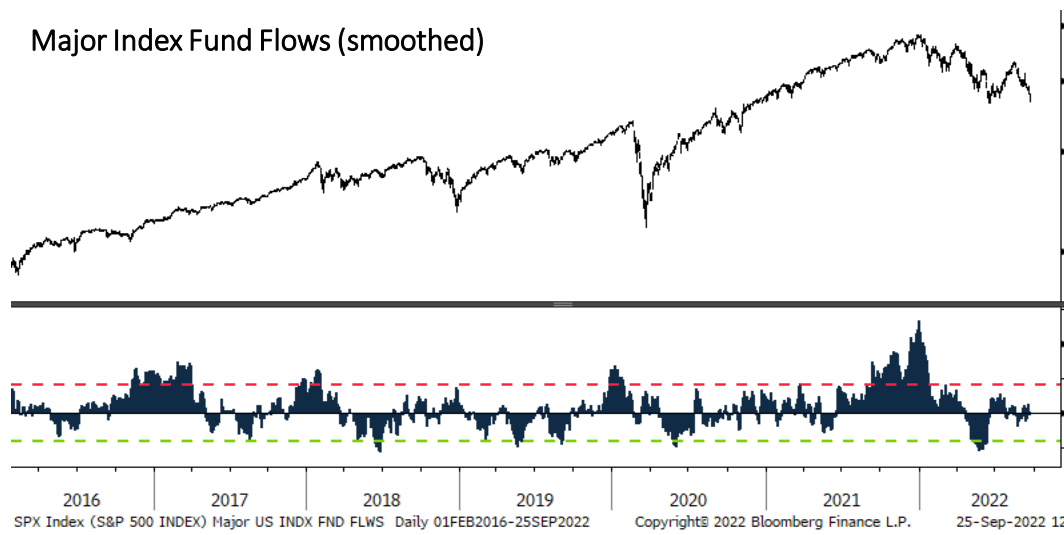
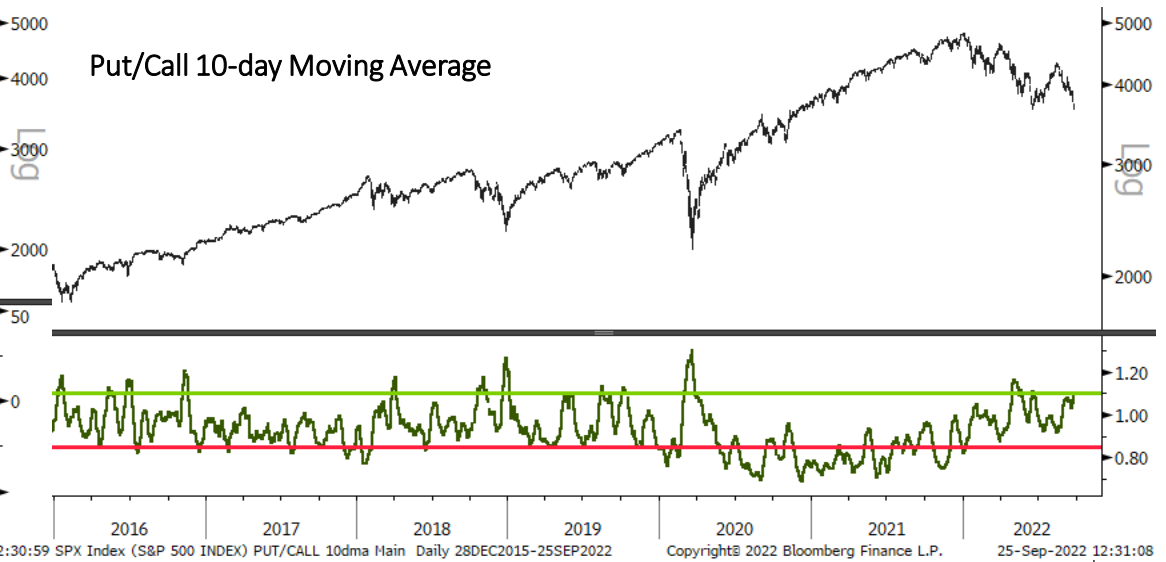
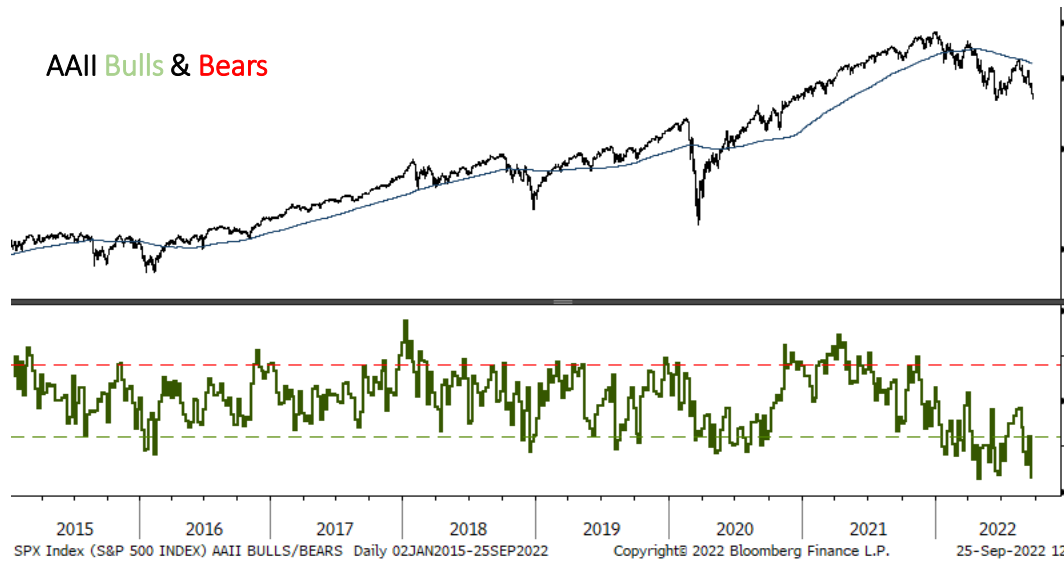
S&P 500 Weekly



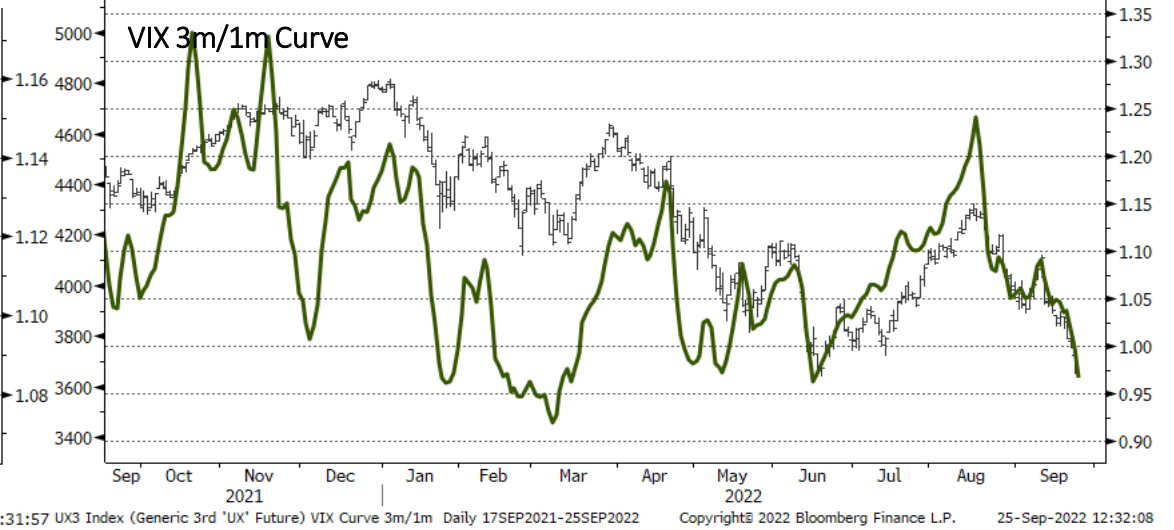
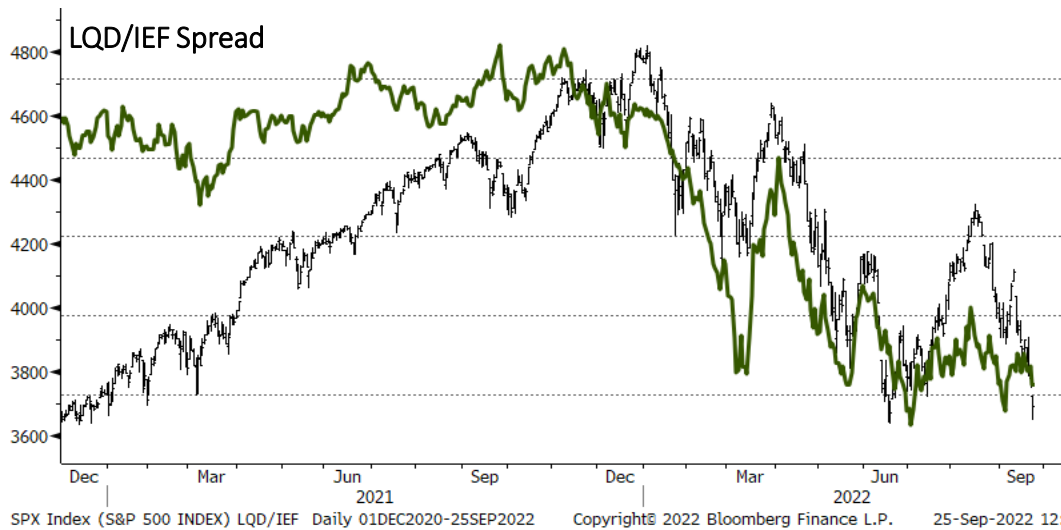
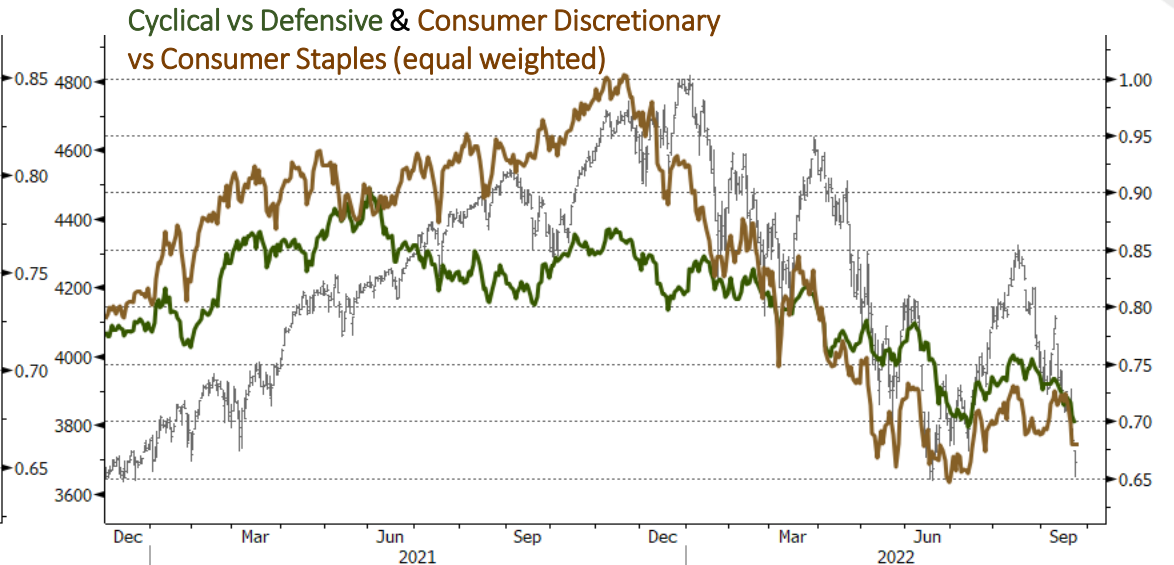
S&P 500 Daily



Sentiment & Positioning

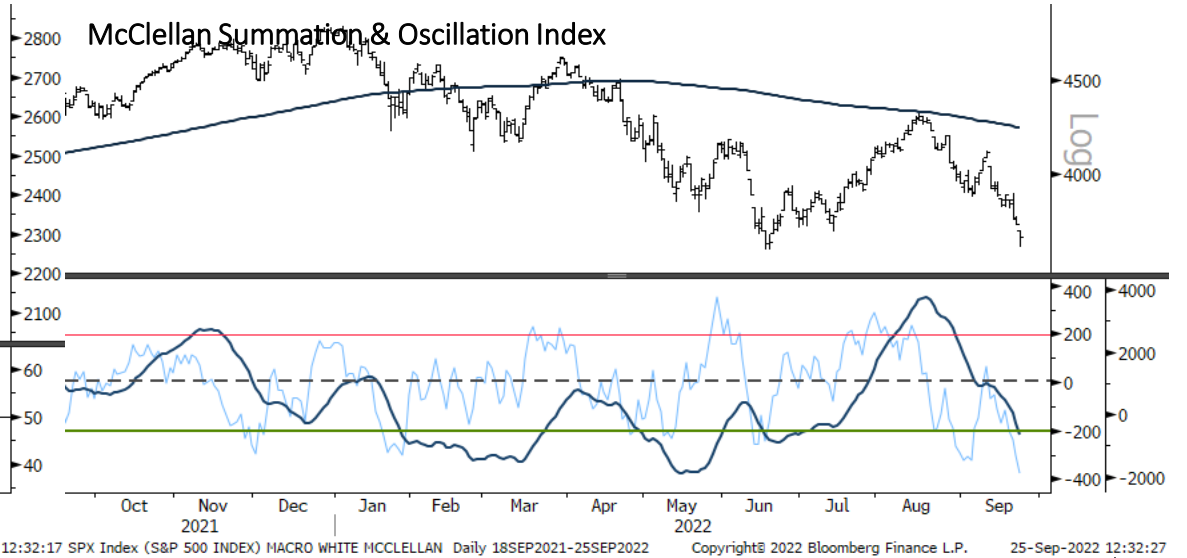
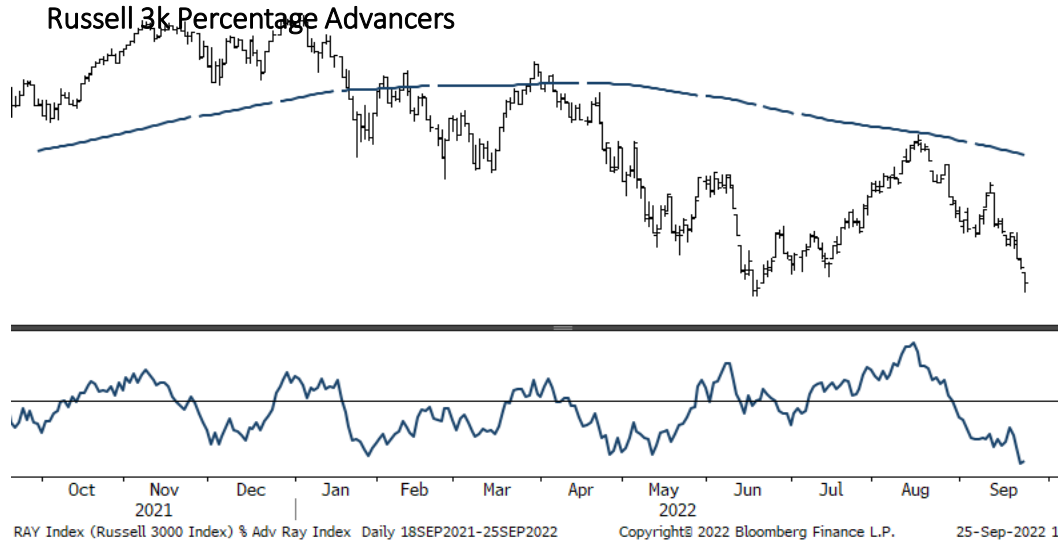


Market Internals

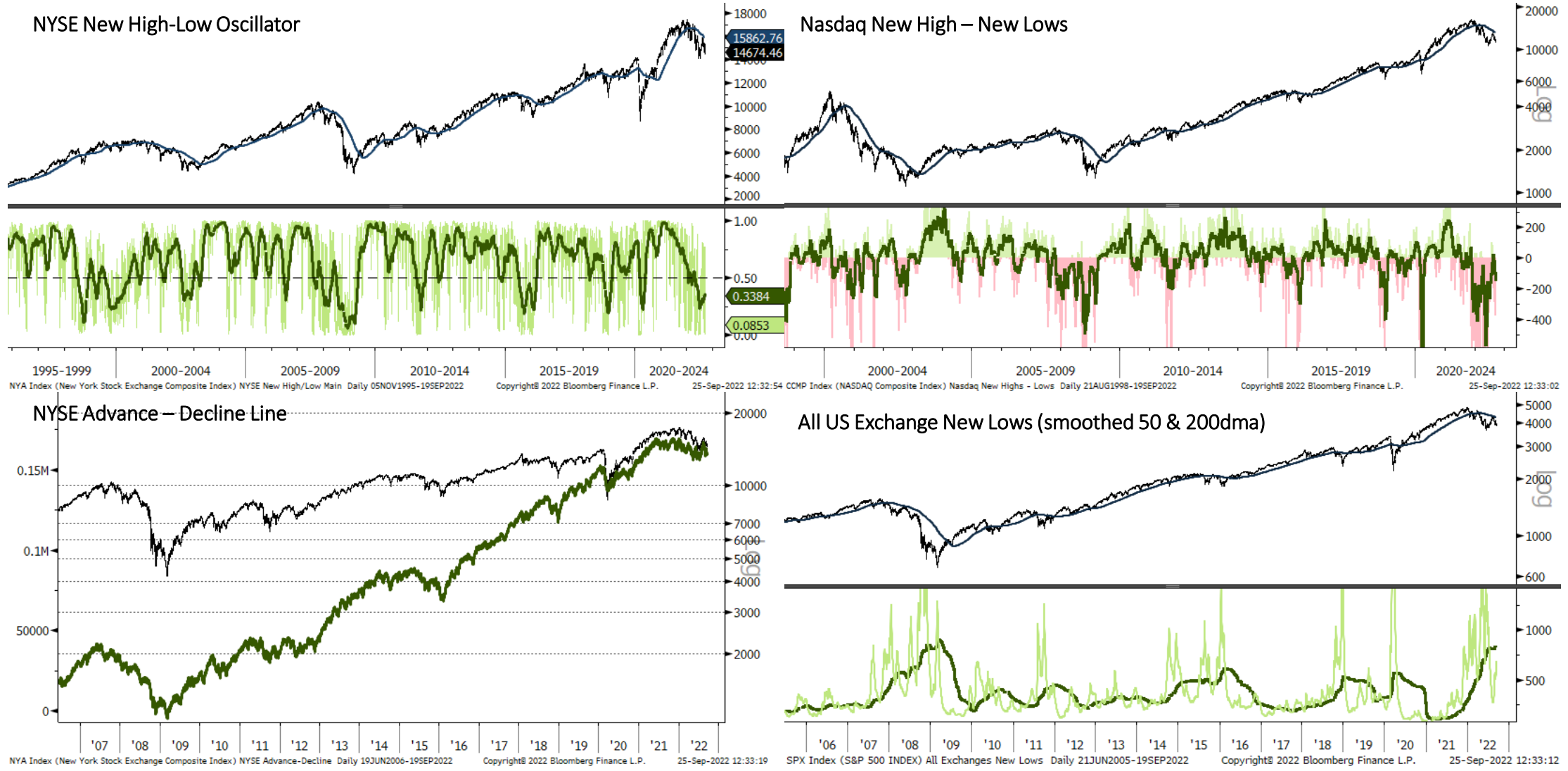




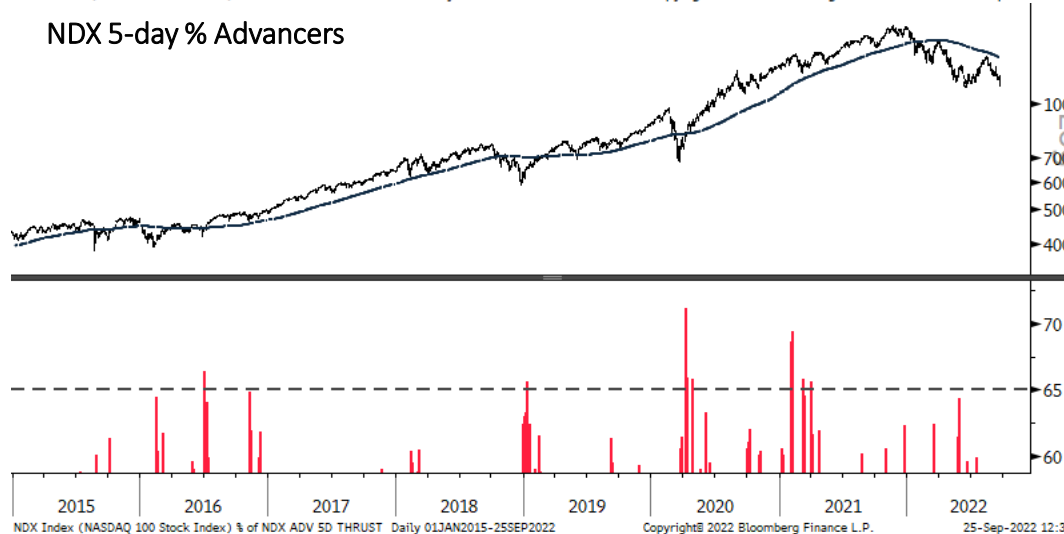
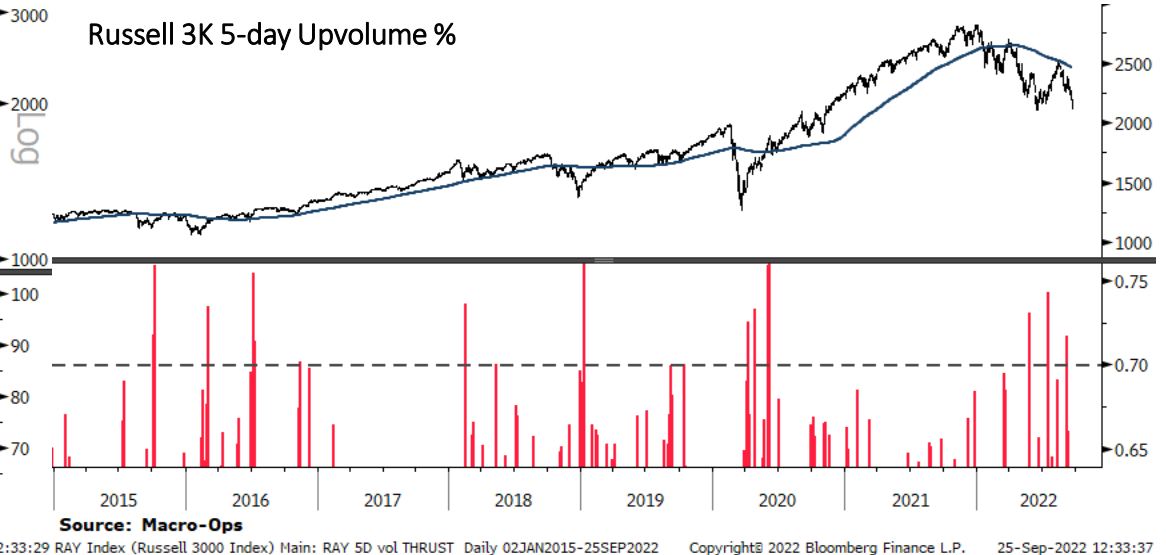
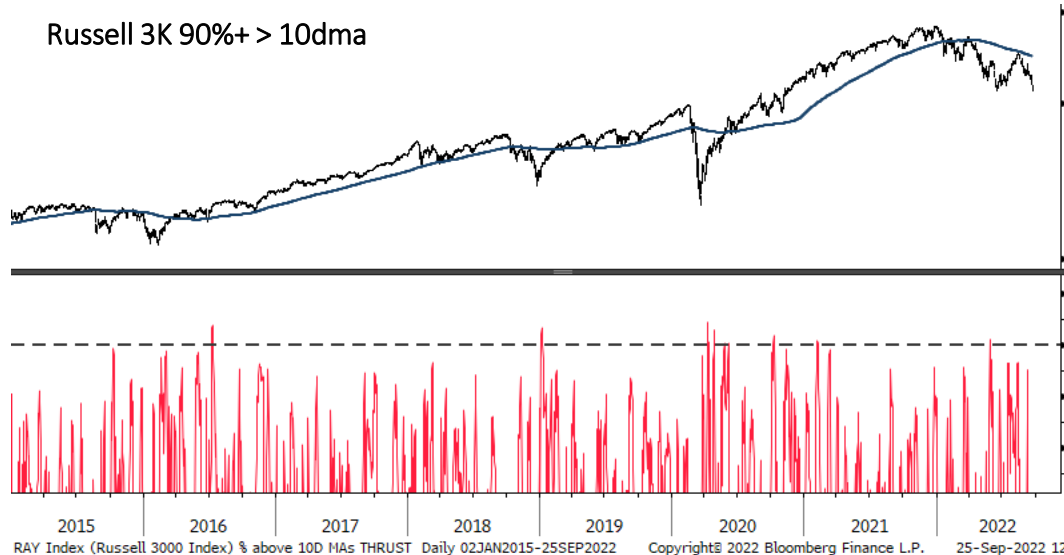
Short-term Breadth



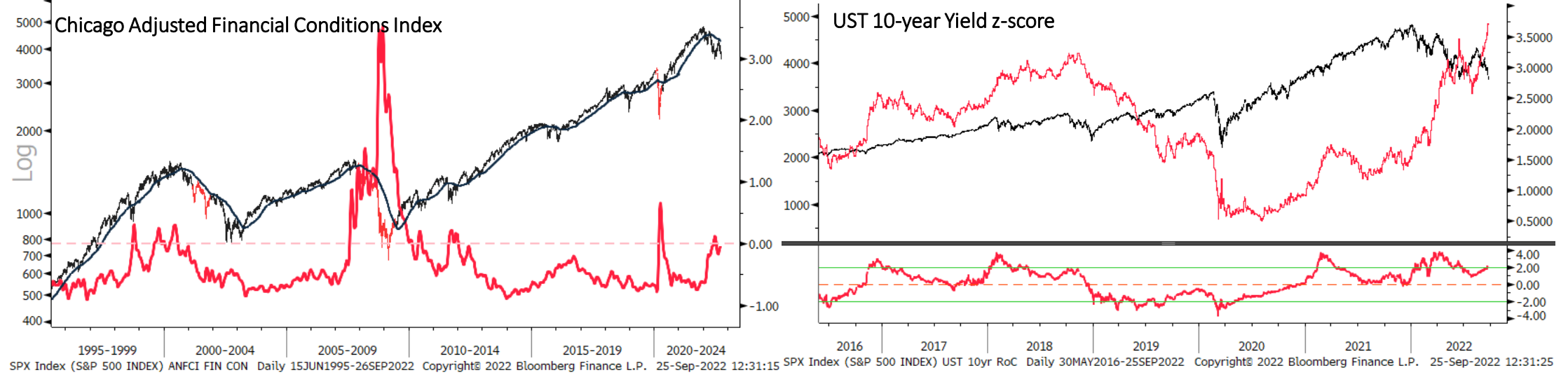
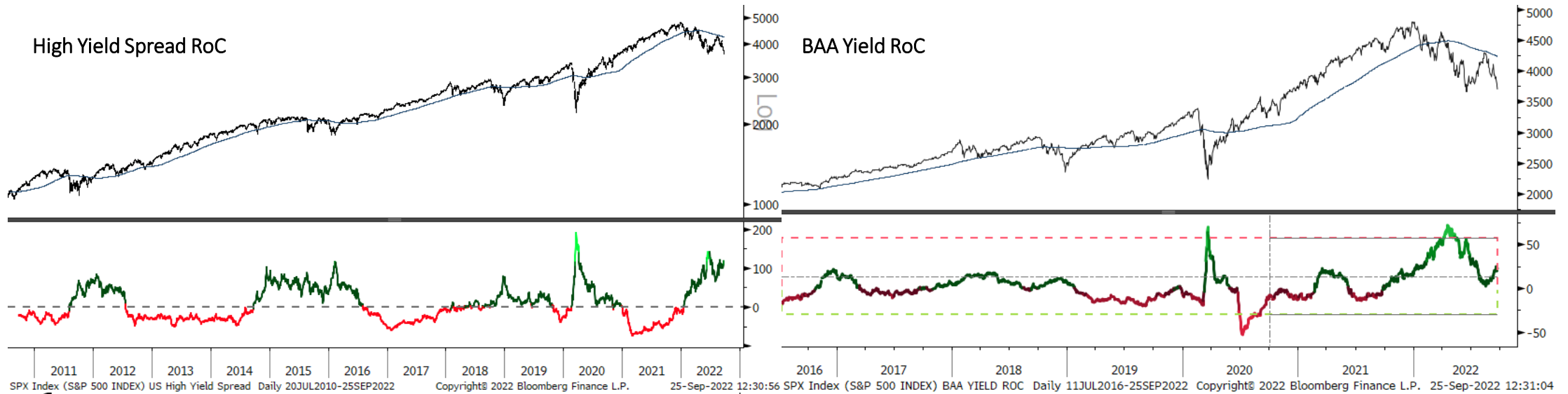
Long-term Breadth



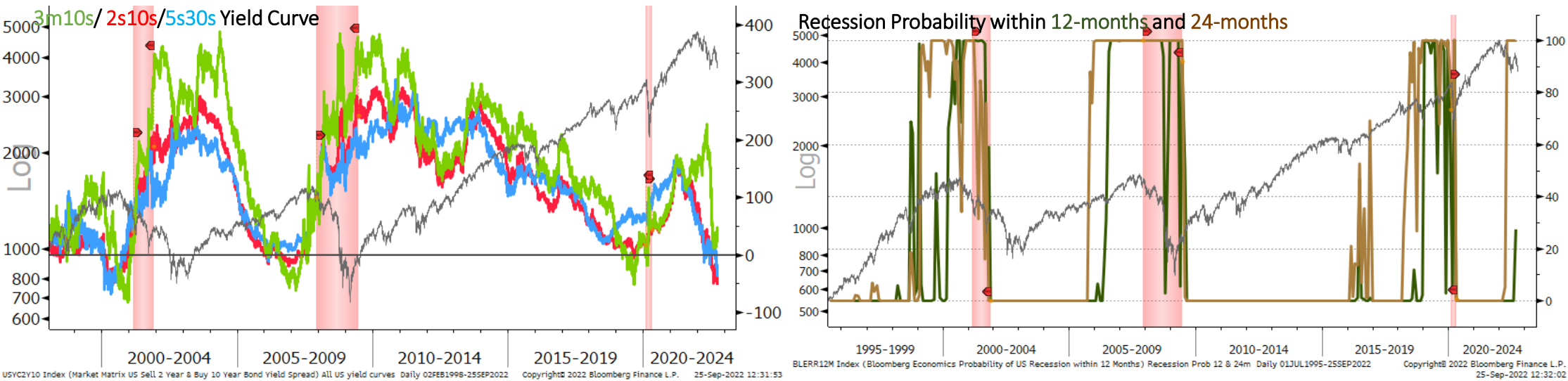
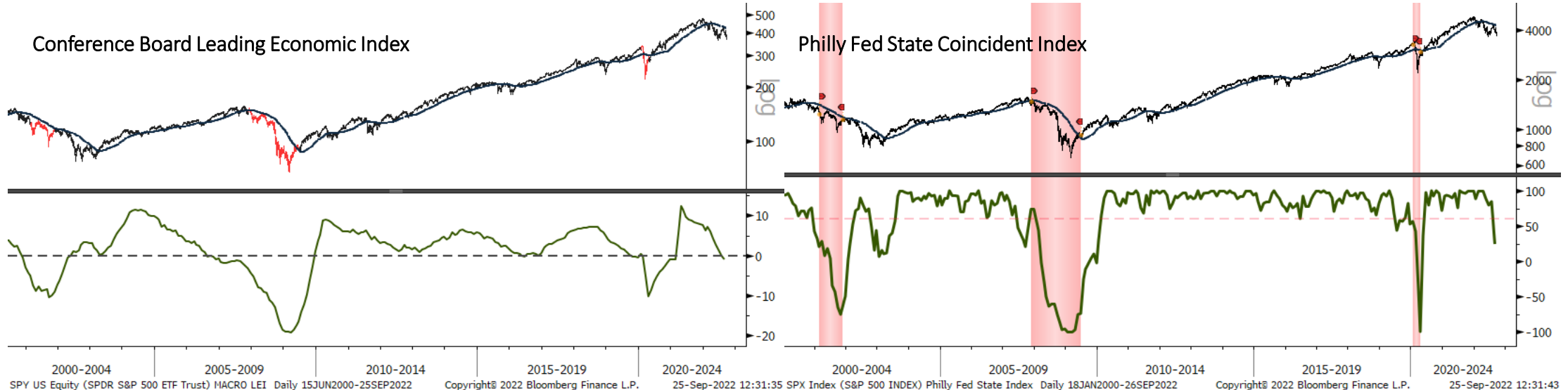
Breadth Thrust



Liquidity



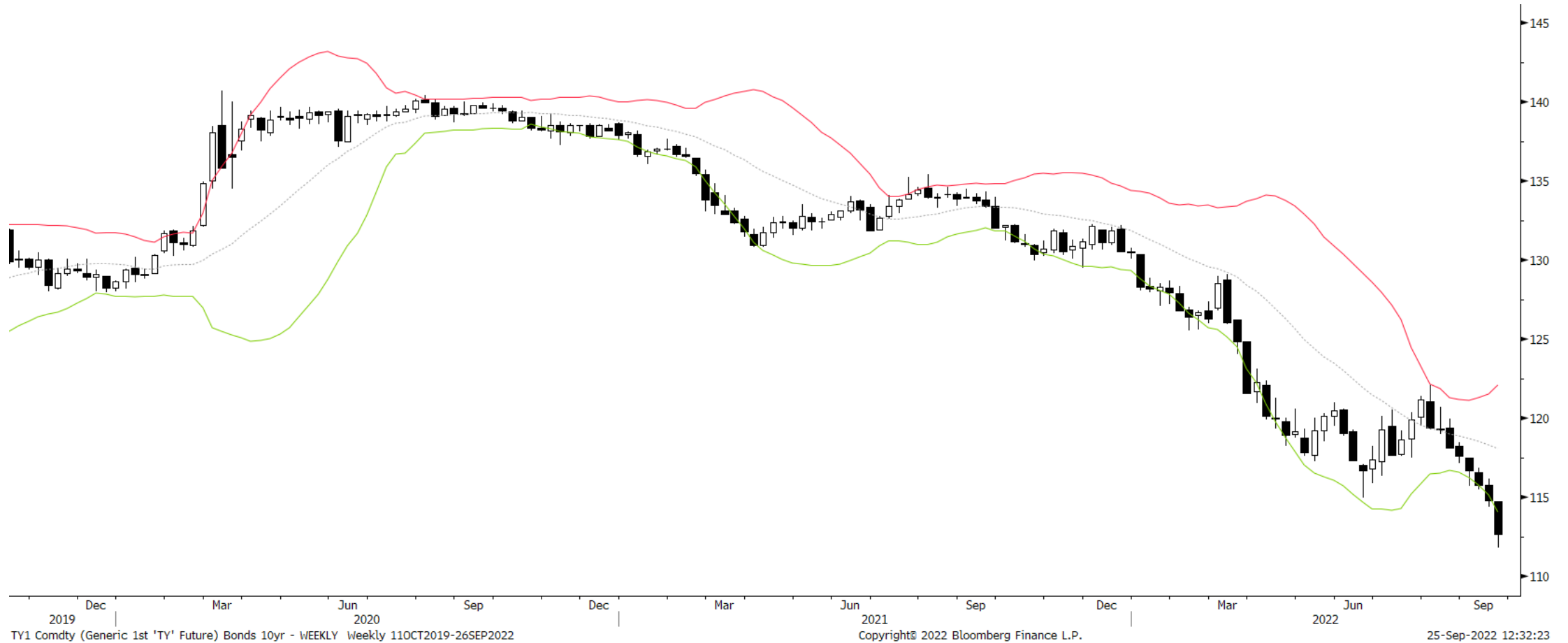
US Recession



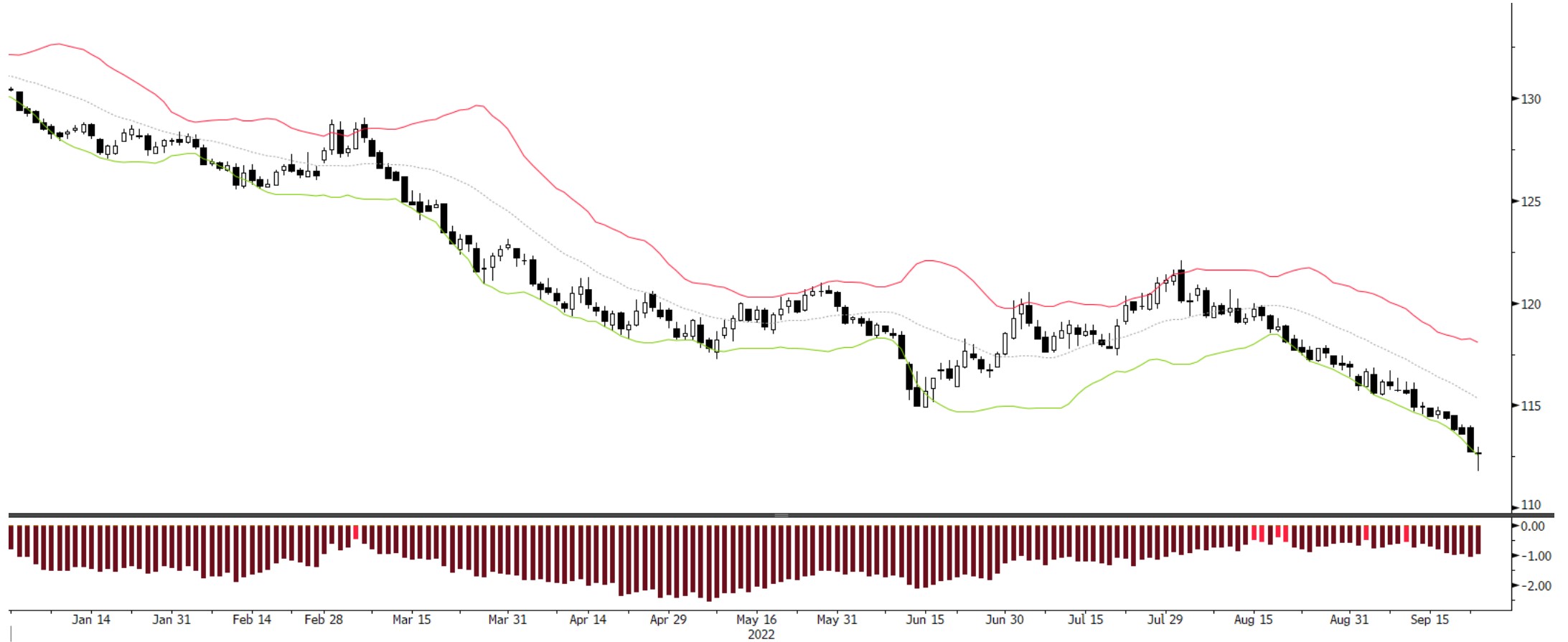
Bonds: 10-year Futures Monthly



Bonds: 10-year Futures Weekly



Bonds: 10-year Futures Daily



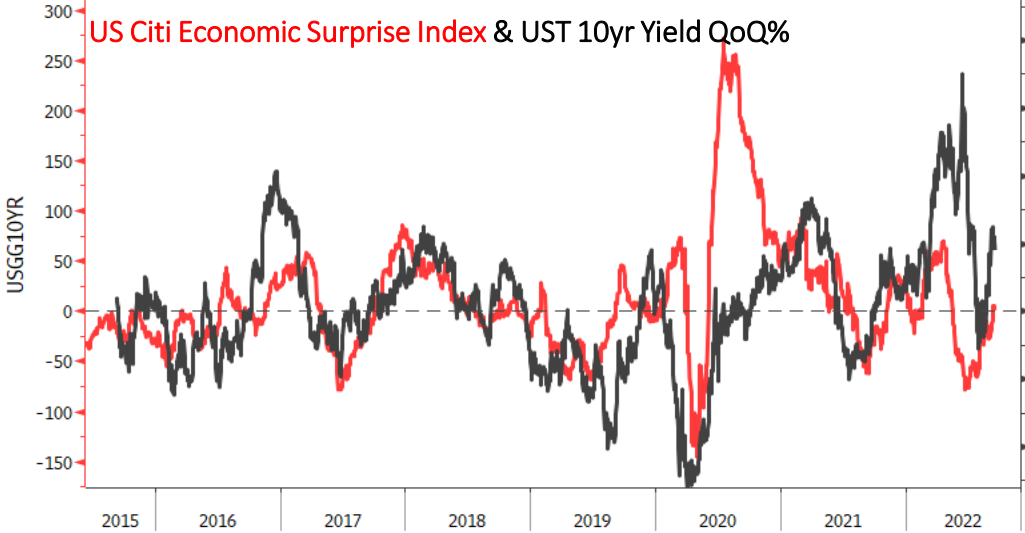
TY1 Comdty (Generic 1st 'TY' Future) Bonds 10yr - DAILY Daily 31DEC2021-26SEP2022

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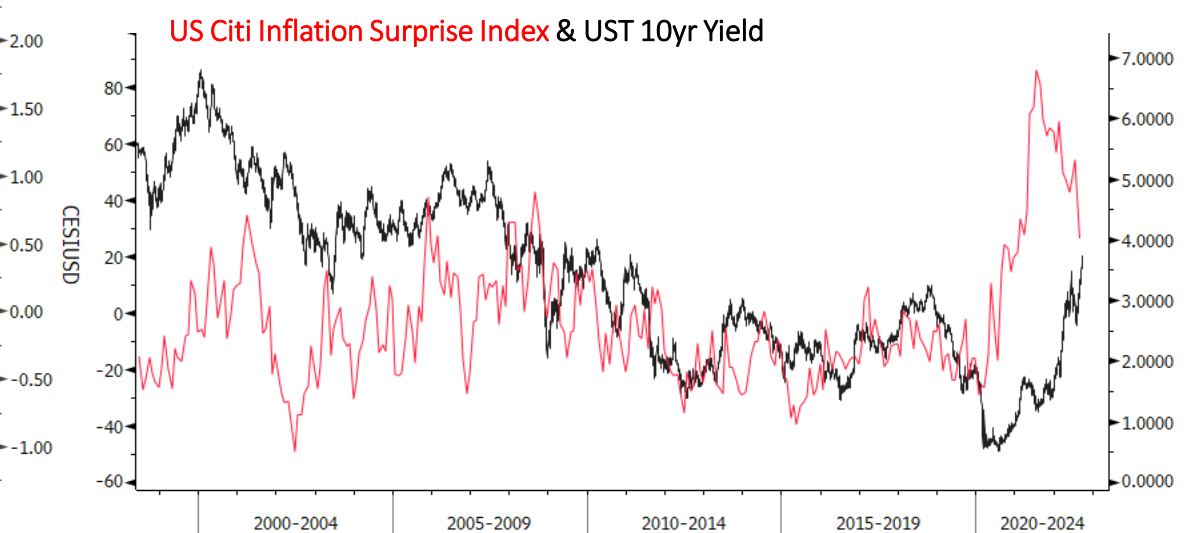
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Bond/Yield Indicators

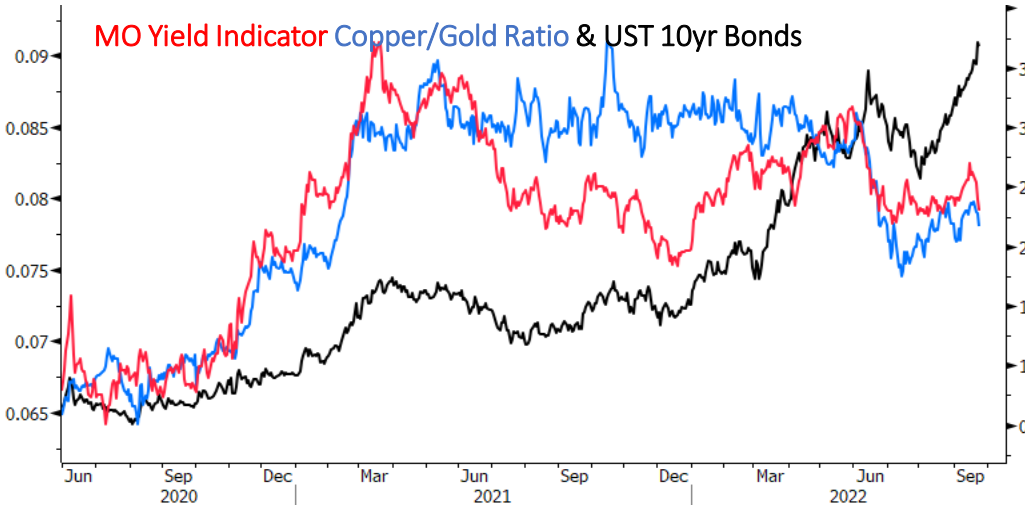


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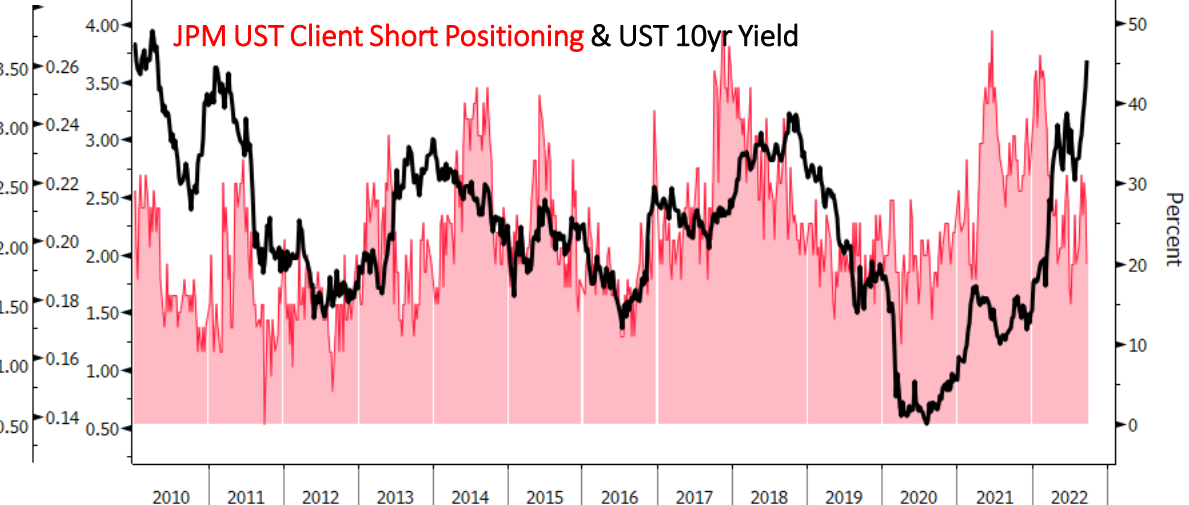
25-Sep-2022 12:32:39 USGG10YR Index (US Generic Govt 10 Yr) US Citi Inflation 10yr yield Daily 02JUN1998-25SEP2022

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GSTHUSTY Index (Interest Rate Sensitive) rate sensitive vs yield Daily 29MAY2020-25SEP2022

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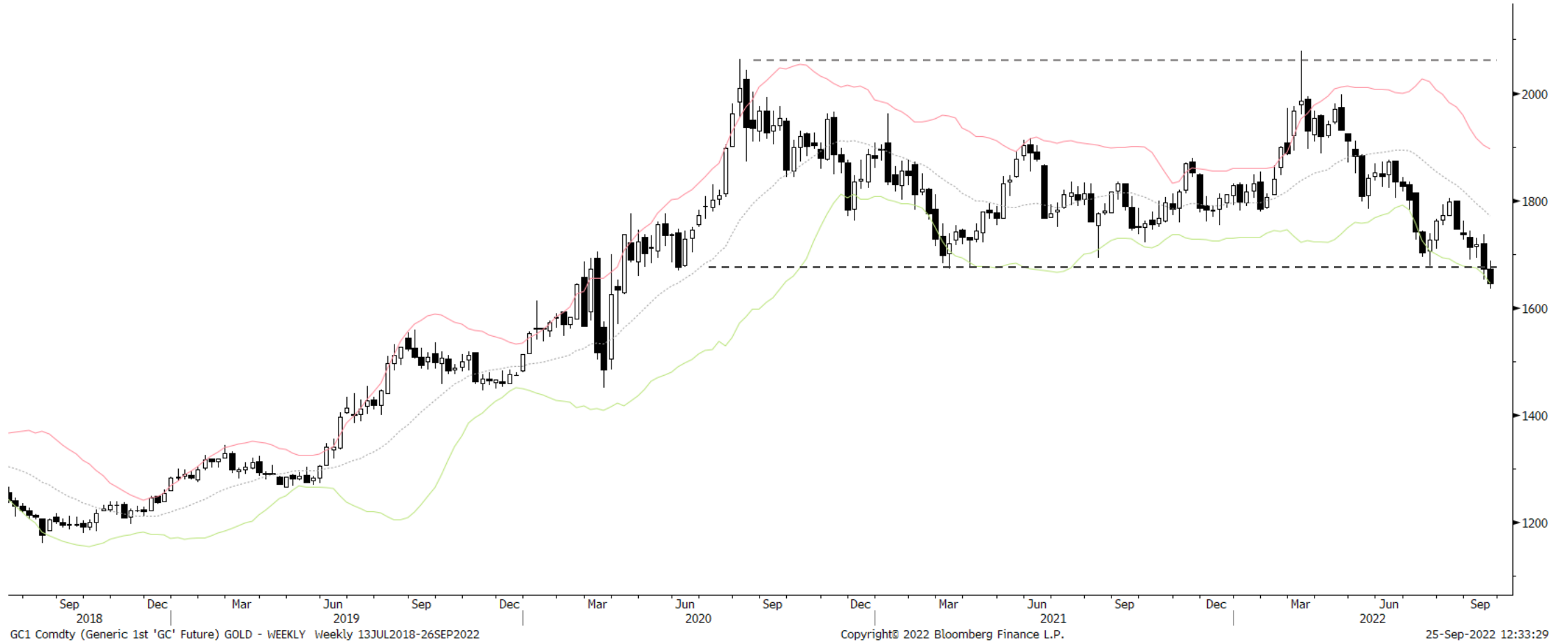


25-Sep-2022 12:33:05 TINSALLO Index (U.S. JP Morgan Treasury Investor Sentiment All Client Short) JPM Short Bond srvy Weekly 01JAN2010-25SEP2022 Copyright© 2022 Bloomberg Finance L.P. 25-Sep-2022 12:32:49

Gold Monthly



Gold Weekly



Gold Daily



GC1 Comdty (Generic 1st 'GC' Future) GOLD - DAILY Daily 02DEC2021-26SEP2022

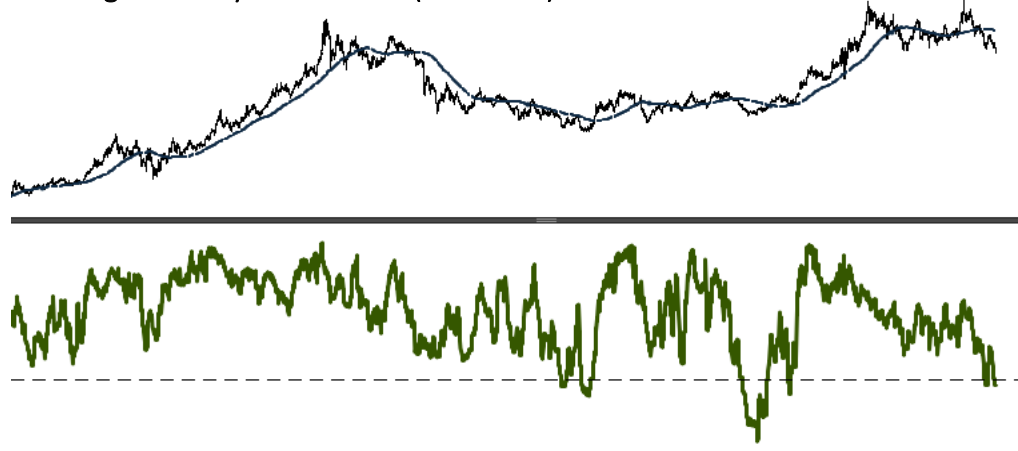
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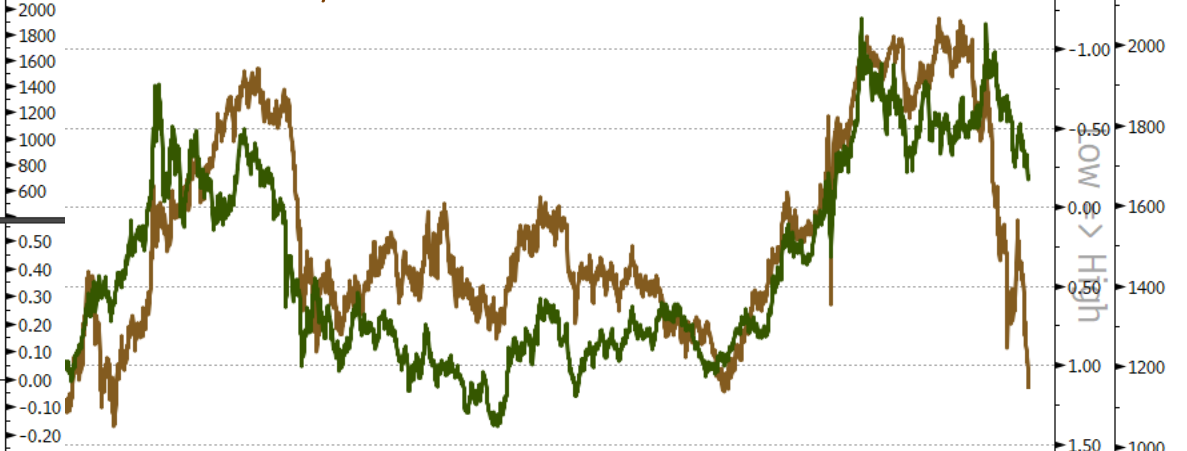
Gold Indicators

Managed Money Net Position (as % of OI)



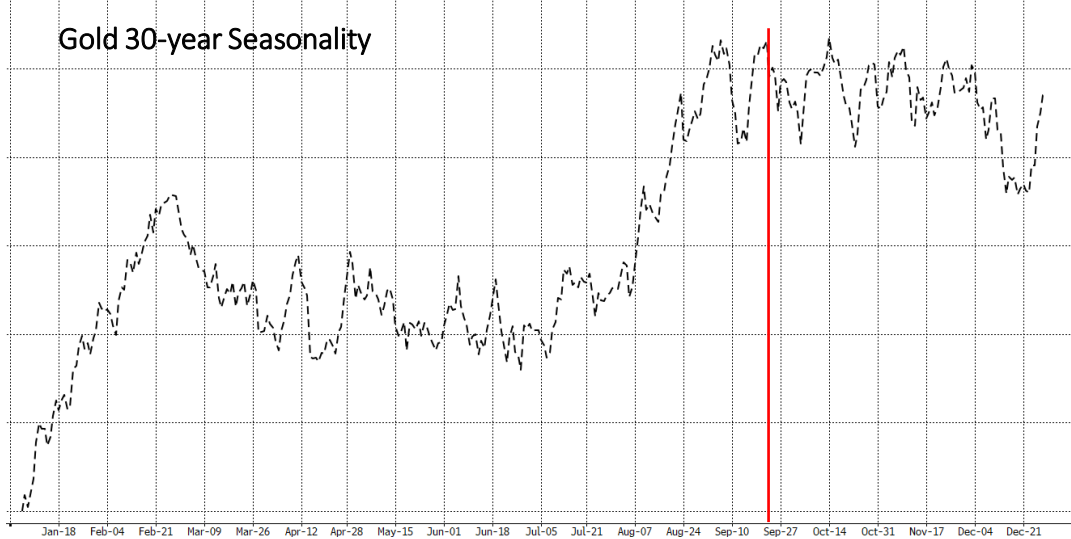
GC1 Comdty (Generic 1st 'GC' Future) GLD Net Pos Pct of OI Daily 26JUN2006-19SEP2022
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Gold & Real 10yr Yield



XAU Curncy (Gold Spot \$/Oz) Gold & Real 10yr Yield Daily 01JUL2010-19SEP2022
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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 05DEC2005-25SEP2022
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EURUSD Monthly



EURUSD Weekly

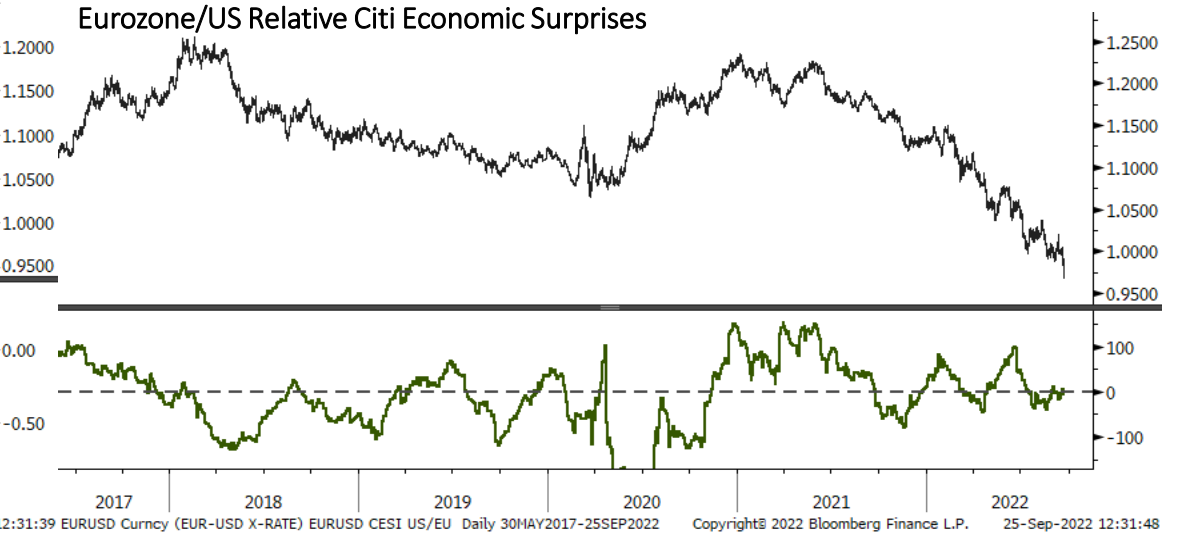
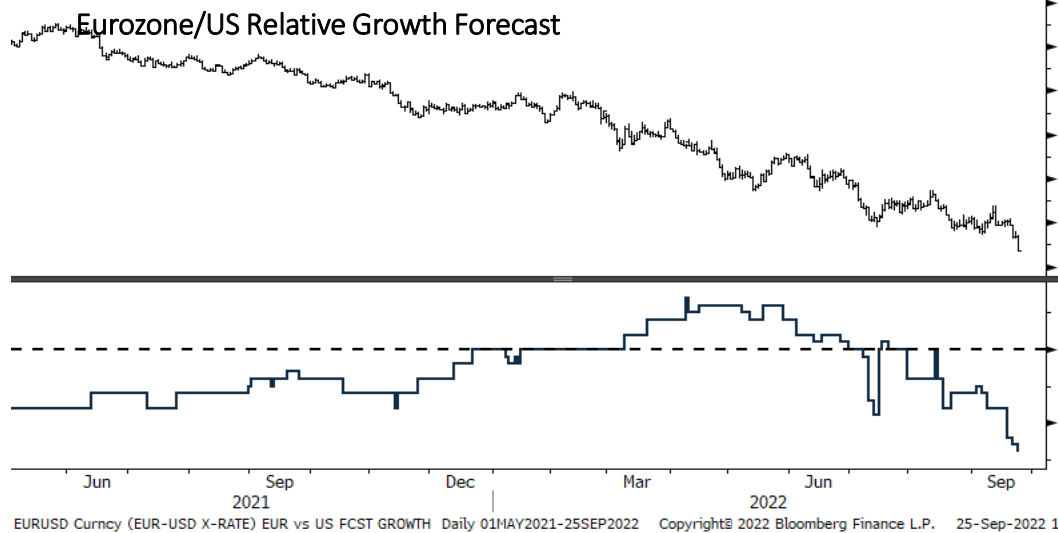
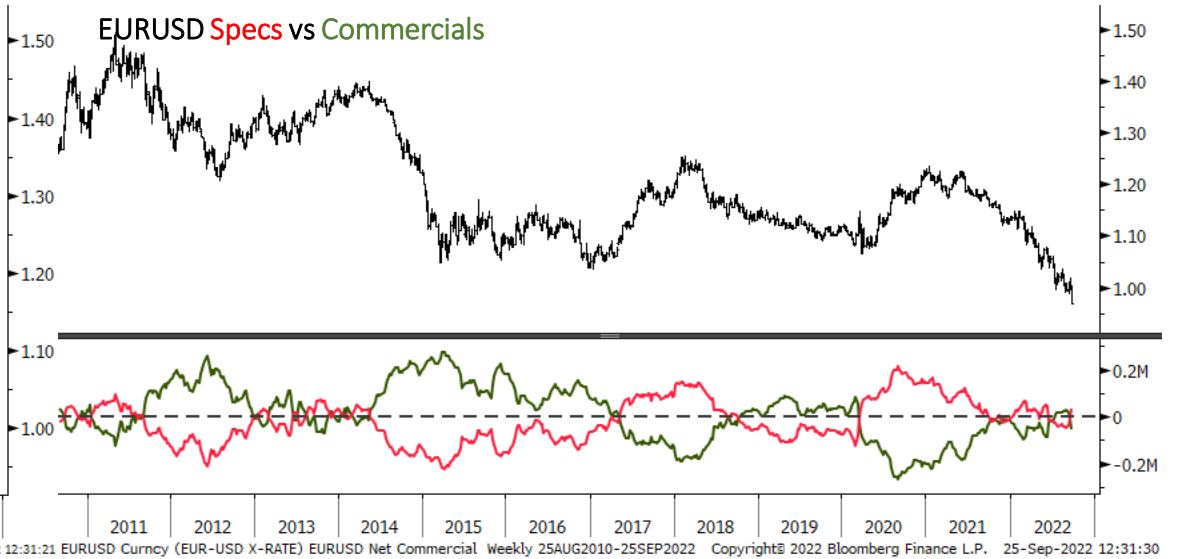


EURUSD Daily

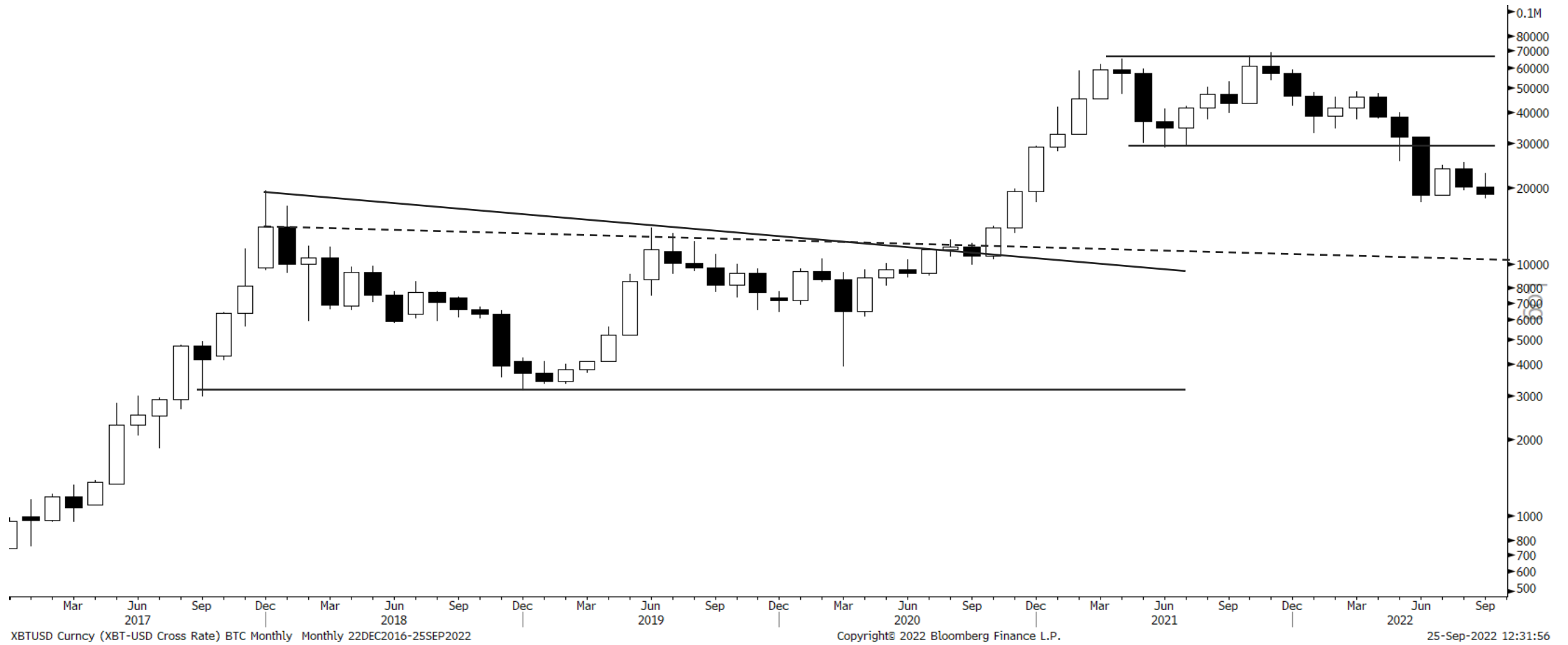




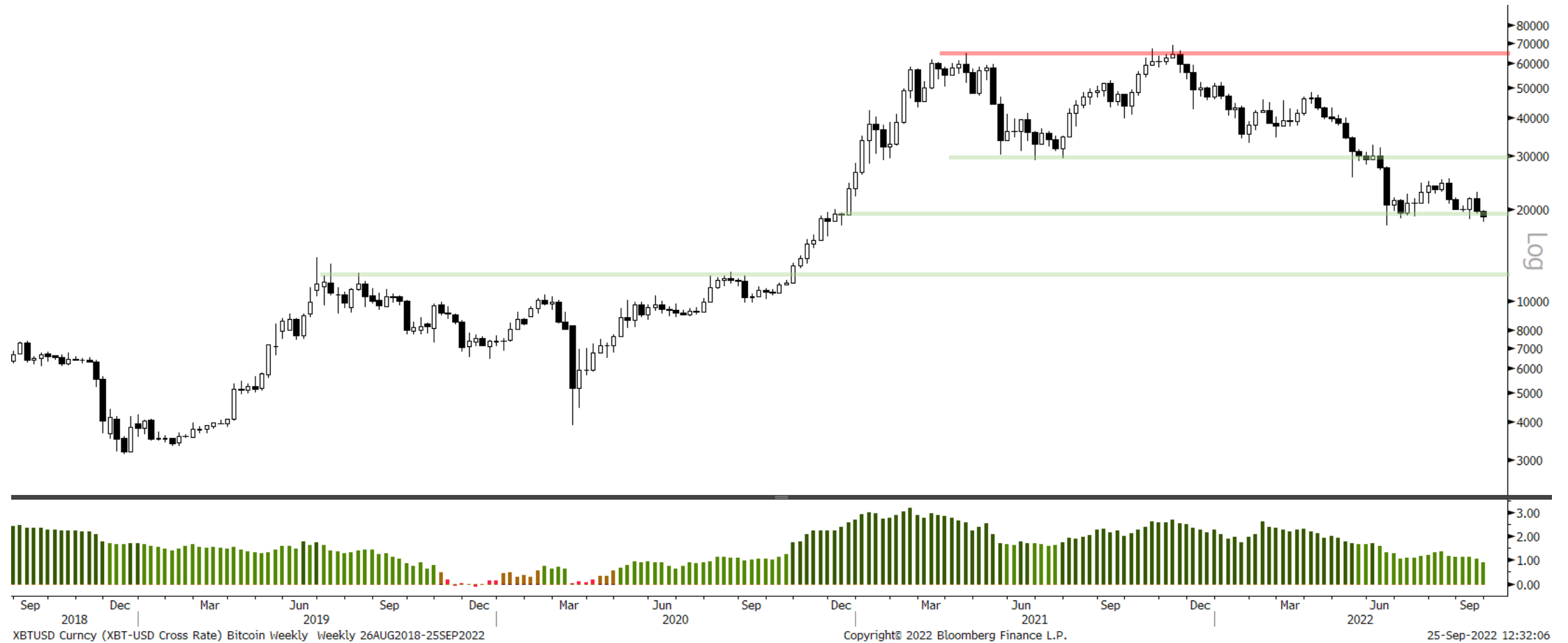
EURUSD Indicators



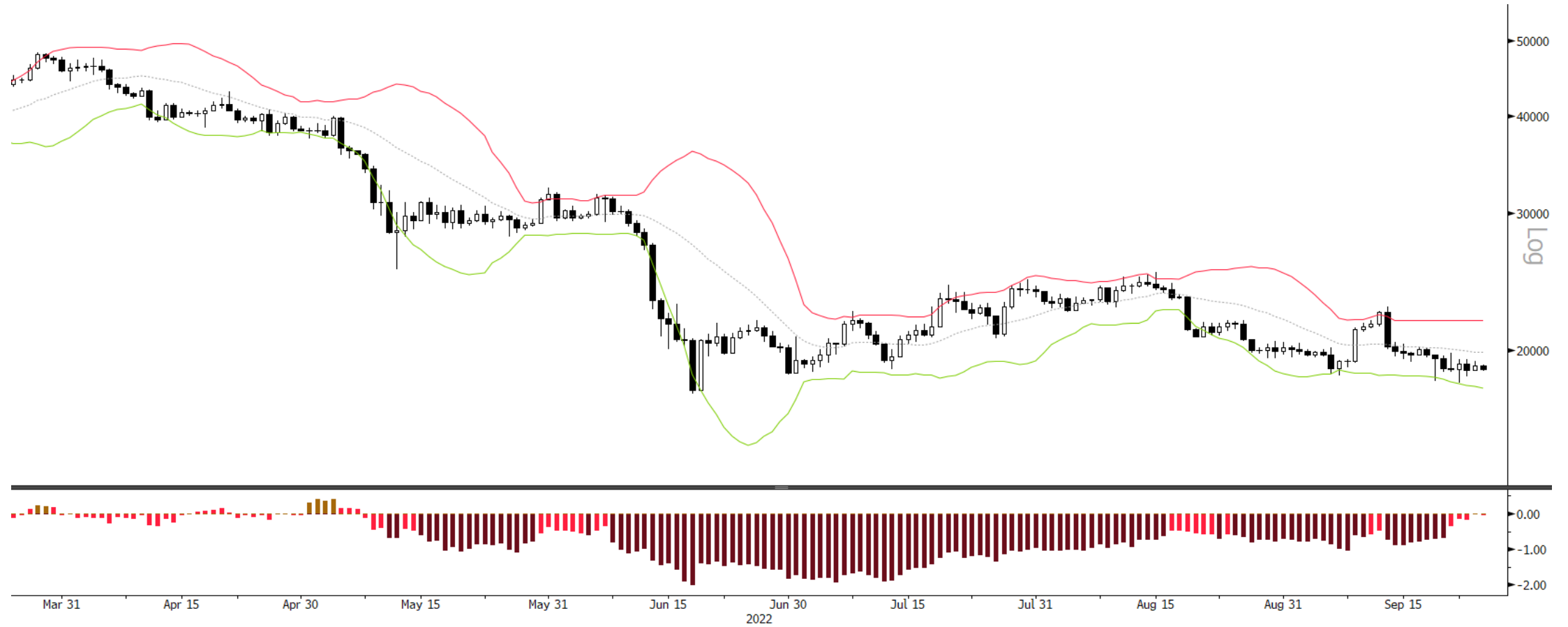
Bitcoin Monthly



Bitcoin Weekly



Bitcoin Daily

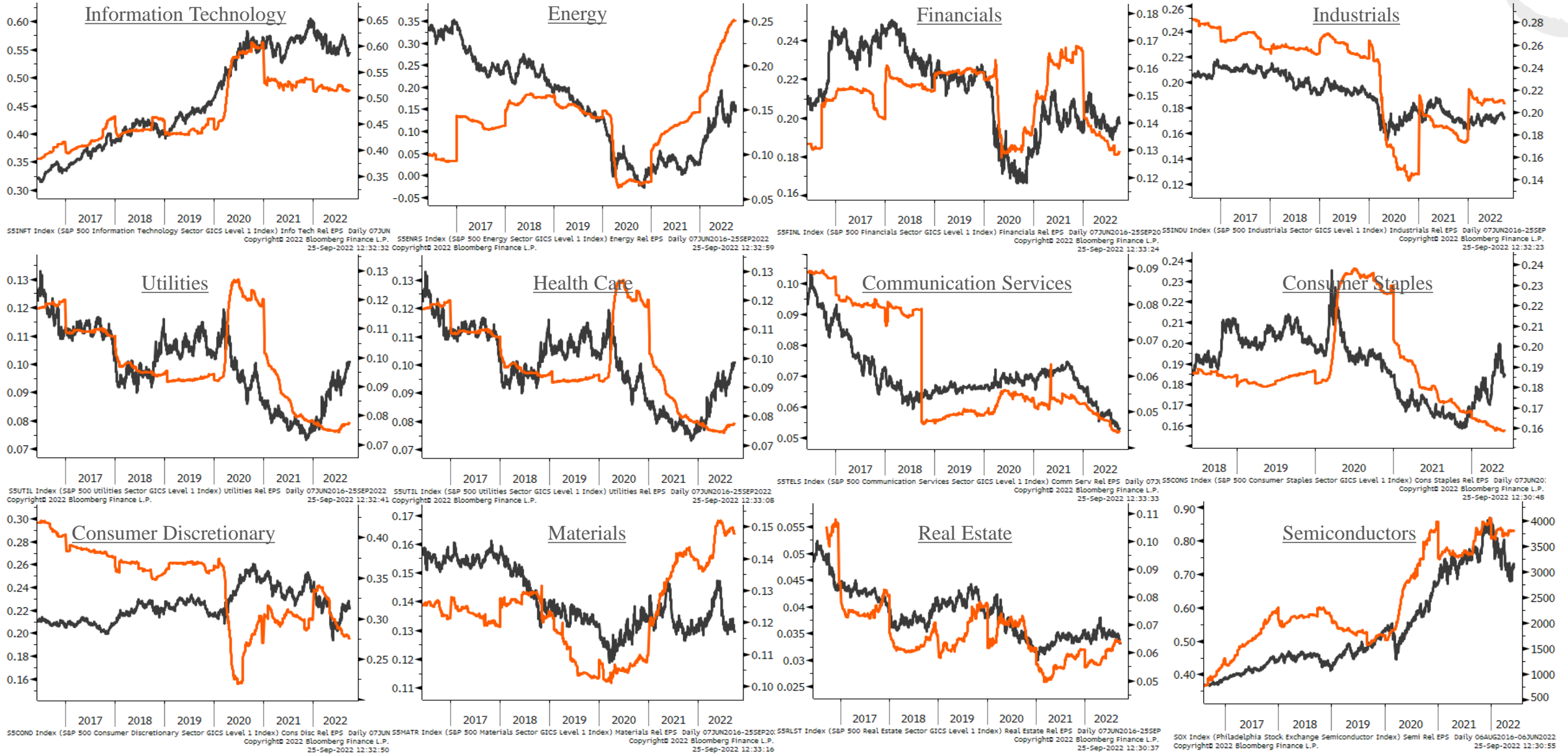
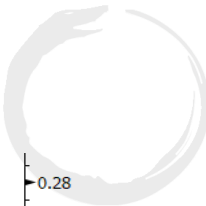


XBTUSD Curncy (XBT-USD Cross Rate) bitcoin Daily Daily 25MAR2022-25SEP2022

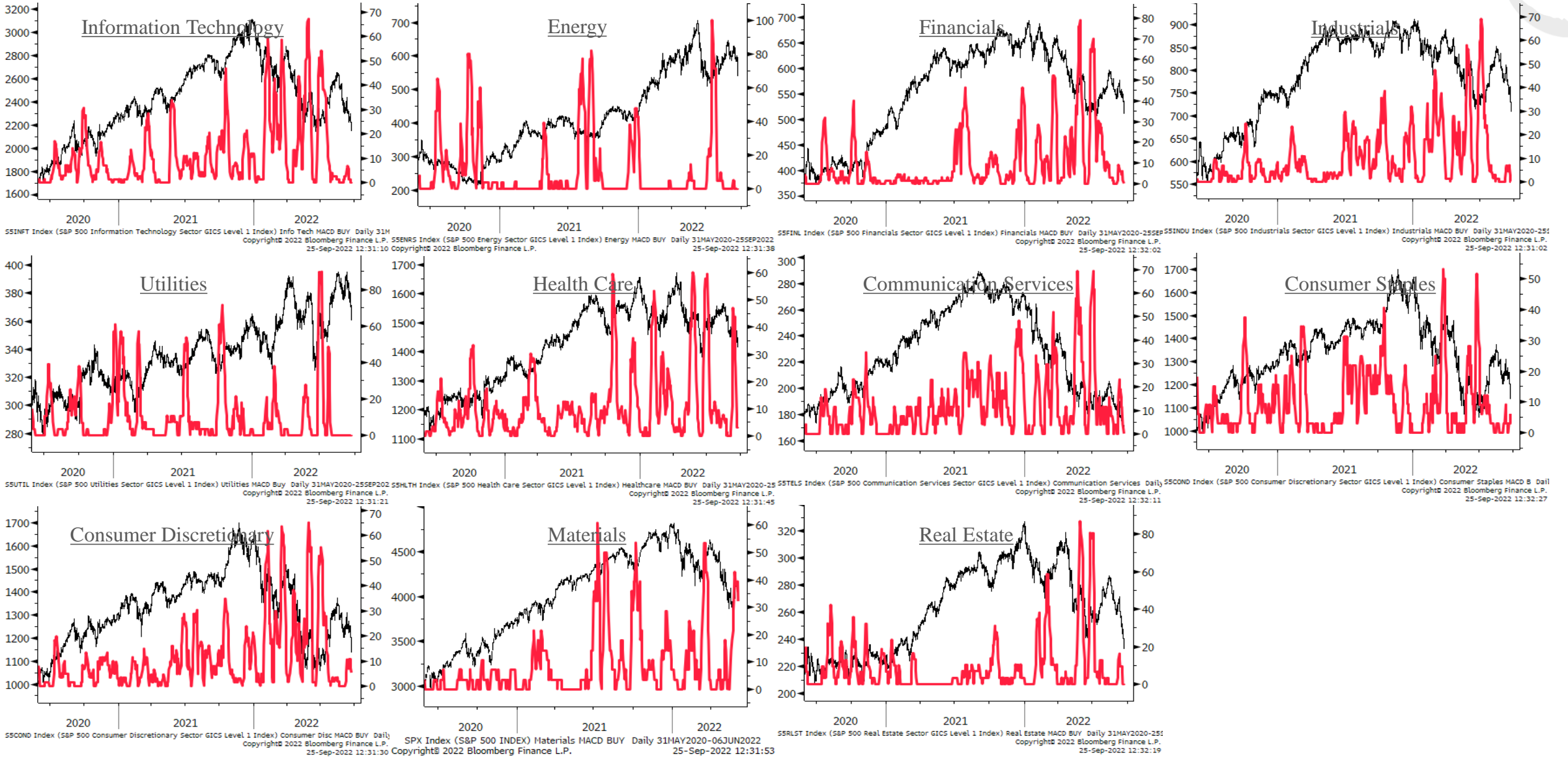
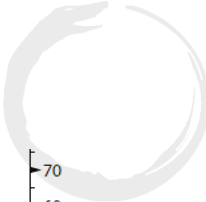
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Sector Relative to SPX Price & Forward EPS Performance (Price in Grey, F/EPS in Orange)



Sector % MACD Buy Signals



The Macro Ops Portfolio

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

2022 YTD Return **13.65%**
 Total Notional Exposure **174.56%**
 Equity Exposure **23.99%**
 Futures Exposure **150.57%**
 Current Cash Value (%) **69.85%**
 Total Capital At-Risk (%) **36.45%**
 Total Drawdown Risk (%) **27.98%**

2021 Final Return **6.39%**
 2020 Final Return **66.40%**

Futures, Bonds & FX

	Ticker	Contracts	Capital	Notional	Actual Risk	DD Risk	Cost Basis	Current Price	Current Stop-Loss	Initial Stop-Loss	Current P&L	R-Multiple (Curr.)	Total Notional	Total Risk	Total Drawdown Risk
US Dollar / Chinese Yuan (Second Leg)	USDCNH	92,131	\$656,912	38.58%	-0.62%	1.05%	\$6.82	\$7.13	\$6.94	\$6.77	4.53%	6.44	150.57%	0.43%	6.04%
Micro E-Mini Nasdaq 100	MNQZ2022	-12	-\$272,472	-16.00%	0.44%	1.30%	\$11,965.00	\$11,353.00	\$12,276.00	\$12,276.00	-5.11%	1.97			
Wheat Futures	ZWZ2022	5	\$228,000	13.39%	0.65%	1.55%	\$8.51	\$9.12	\$8.06	\$8.06	7.22%	1.38			
Euro / Canadian Dollar	EURCAD	910,493	\$1,209,955	71.05%	1.00%	0.95%	\$1.33	\$1.33	\$1.31	\$1.31	-0.07%	-0.05			
US Dollar / Chinese Yuan	USDCNH	104,025	\$741,720	43.56%	-1.04%	1.19%	\$6.77	\$7.13	\$6.94	\$6.68	5.39%	4.37			

Equities

Strategic

	Ticker	Shares	Capital	Notional	Actual Risk	DD Risk	Cost Basis	Current Price	Current Stop-Loss	Initial Stop-Loss	Current P&L	R-Multiple (Curr.)	Total Notional	Total Risk	Total Drawdown Risk
Desert Control	DSRT	10,026	\$21,055.62	1.24%	1.84%	1.24%	\$3.13	\$2.10	\$0.00	\$0.00	-32.91%	-0.33	7.39%	8.12%	4.25%
Nerdy, Inc.	NRDY	7,148	\$15,154.64	0.89%	1.05%	0.89%	\$2.49	\$2.12	\$0.00	\$0.00	-14.86%	-0.15			
Clearpoint Neuro	CLPT	4,443	\$47,189.05	2.77%	0.12%	-0.36%	\$12.46	\$10.62	\$12.00	\$9.40	-14.77%	-0.60			
Block, Inc.	SQ	753	\$42,376.40	2.49%	5.11%	2.49%	\$115.48	\$56.27	\$0.00	\$0.00	-51.27%	-0.51			

Thematic

	Ticker	Shares	Capital	Notional	Actual Risk	DD Risk	Cost Basis	Current Price	Current Stop-Loss	Initial Stop-Loss	Current P&L	R-Multiple (Curr.)	Total Notional	Total Risk	Total Drawdown Risk
Paladin Energy	PDN	68,959	\$45,512.82	2.67%	2.55%	2.67%	\$0.63	\$0.66	\$0.00	\$0.00	4.76%	0.05	21.31%	18.19%	14.82%
Sprott Uranium	U.UN	3,779	\$42,451.98	2.49%	2.61%	2.49%	\$11.76	\$11.23	\$0.00	\$0.00	-4.47%	-0.04			
Peabody Energy	BTU	3,632	\$72,281.08	4.24%	0.70%	0.04%	\$22.99	\$19.90	\$19.70	\$18.20	-13.44%	-0.65			
Sprott Uranium	U.UN	3,779	\$42,451.98	2.49%	2.61%	2.49%	\$11.76	\$11.23	\$0.00	\$0.00	-4.47%	-0.04			
Centrus Energy	LEU	985	\$36,100.96	2.12%	2.61%	2.12%	\$45.13	\$36.65	\$0.00	\$0.00	-18.79%	-0.19			
Pantheon Resources	PANR	32,282	\$31,038.98	1.82%	3.15%	1.82%	\$1.66	\$0.96	\$0.00	\$0.00	-42.08%	-0.42			
Vista Energy	VIST	5,457	\$46,708.11	2.74%	3.13%	2.74%	\$9.78	\$8.56	\$0.00	\$0.00	-12.47%	-0.12			
Tidewater, Inc.	TDW	2,161	\$46,274.81	2.72%	0.83%	0.43%	\$24.50	\$21.41	\$18.00	\$19.20	-12.61%	-0.58			

Tactical

	Ticker	Shares	Capital	Notional	Actual Risk	DD Risk	Cost Basis	Current Price	Current Stop-Loss	Initial Stop-Loss	Current P&L	R-Multiple (Curr.)	Total Notional	Total Risk	Total Drawdown Risk
Ethereum	ETHUSD	-62	-\$80,112.04	-4.70%	0.50%	0.65%	\$1,338.30	\$1,297.53	1477.5	1477.5	3.05%	0.29	-4.70%	0.50%	0.65%

Options

	Ticker	Contracts	Capital	Notional	Actual Risk	DD Risk	Cost Basis	Current (Mid) Price	Current Stop-Loss	Initial Stop-Loss	Current P&L	R-Multiple (Curr.)	Total Notional	Total Risk	Total Drawdown Risk
MU Jan 2023 \$125 CALLS	MU	82	\$328.00	0.02%	2.28%	0.02%	\$473.00	\$4.00	\$0.00	\$0.00	-99.15%	-0.99	2.21%	9.21%	2.21%
TSLA DEC 2022 \$350 PUTS	TSLA	9	\$4,228.37	0.25%	1.10%	0.25%	\$2,110.00	\$476.00	\$0.00	\$0.00	-77.44%	-0.77			
AG JAN 2024 \$20 CALLS	AG	237	\$16,565.48	0.97%	0.97%	0.97%	\$70.00	\$70.00	\$0.00	\$0.00	0.00%	0.00			
MO JAN 2023 \$70 CALLS	MO	299	\$1,495.00	0.09%	1.62%	0.09%	\$92.00	\$5.00	\$0.00	\$0.00	-94.57%	-0.95			
HAL JAN 2024 \$60 CALLS	HAL	67	\$9,311.03	0.55%	0.52%	0.55%	\$132.00	\$138.00	\$0.00	\$0.00	4.55%	0.05			
BHP Jan 2023 \$115 CALLS	BHP	55	\$1,375.00	0.08%	1.23%	0.08%	\$380.00	\$25.00	\$0.00	\$0.00	-93.42%	-0.93			
CCJ Oct 2022 \$19 PUTS	CCJ	132	\$4,356.00	0.26%	0.26%	0.26%	\$33.00	\$33.00	\$0.00	\$0.00	0.00%	0.00			
EWJ JAN 2023 \$90 CALLS	EWJ	173	\$0.00	0.00%	1.24%	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](#))

