

June 13, 2022

The First Post!



Marcus Aurelius

Jun 13

Executive Summary

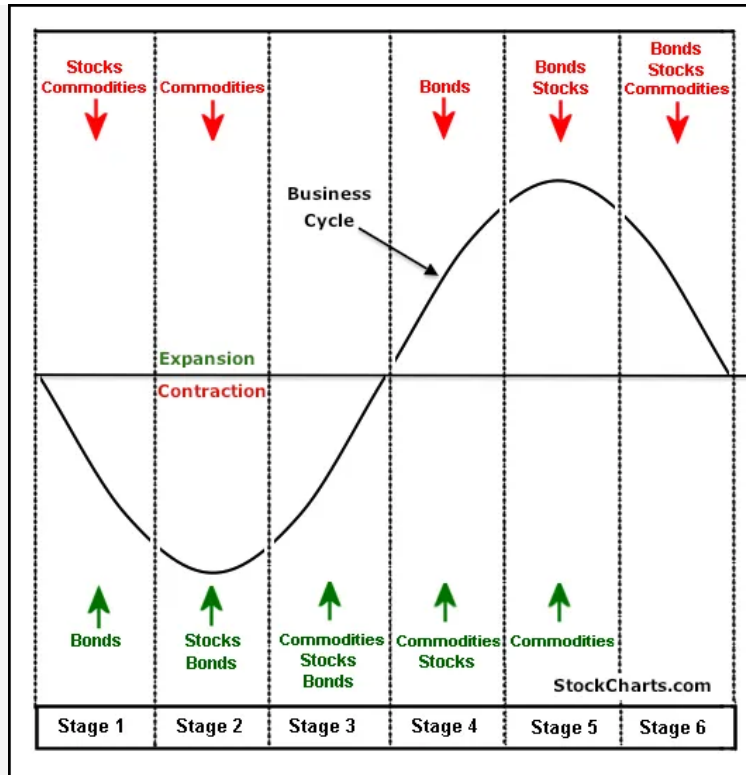
Congratulations, you've made it to the first post in the new Marcus Report series! This newsletter will cover macro asset class analysis and stock sector rotation to anticipate the direction of the current business cycle. Through our understanding of the business cycle, we can identify short to medium term investment opportunities that will outperform the market.

This first post will be presenting the method and data that will be covered each week. We will establish our baseline today, so that next week we can analyze the week over week change. In our analysis, it is not the current price that we must be fixated on, but it is the rate of change of how we just got here that will reveal the story of where we might go.

“When you arise in the morning, think of what a precious privilege it is to be alive - to breathe, to think, to enjoy, to love.”

- Marcus Aurelius -

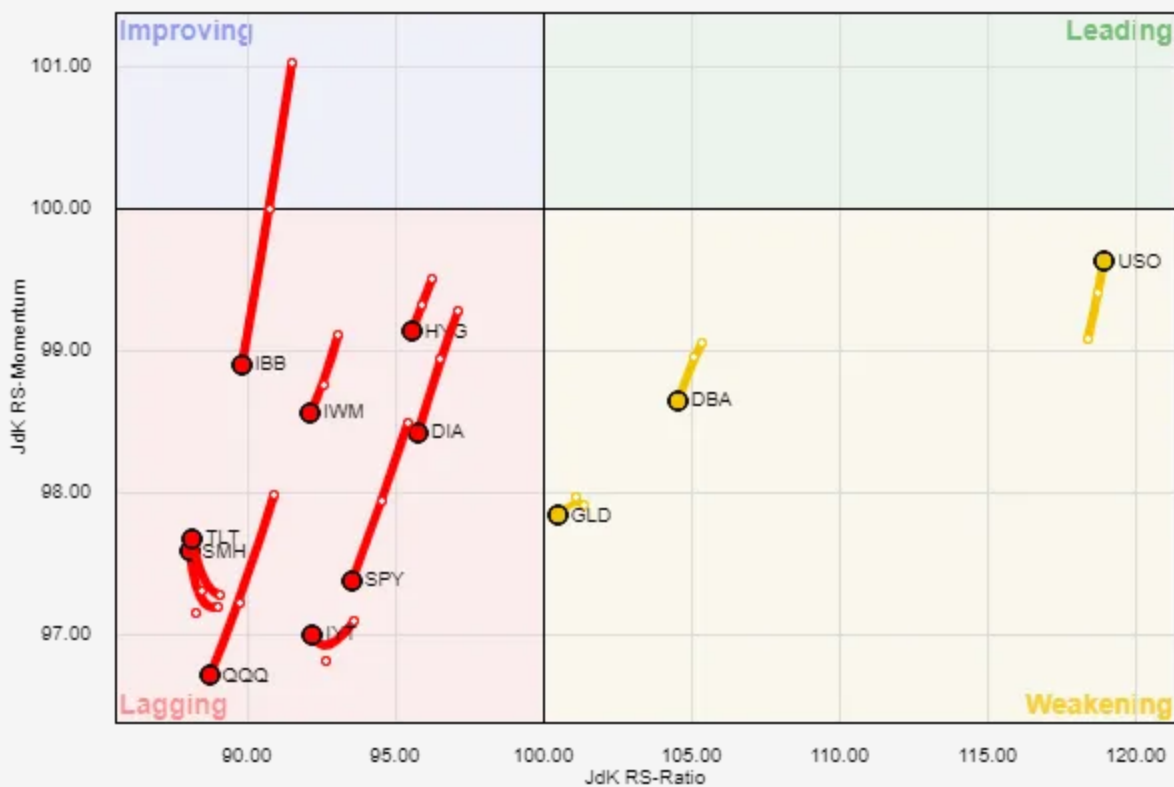
Business Cycle



Bonds (Blue). Stocks (Green). Commodities (Gold).

Stage 5 - We are in a late business cycle environment which corresponds with the rising concerns of a potential recession and economic downturn.

Asset Rotation

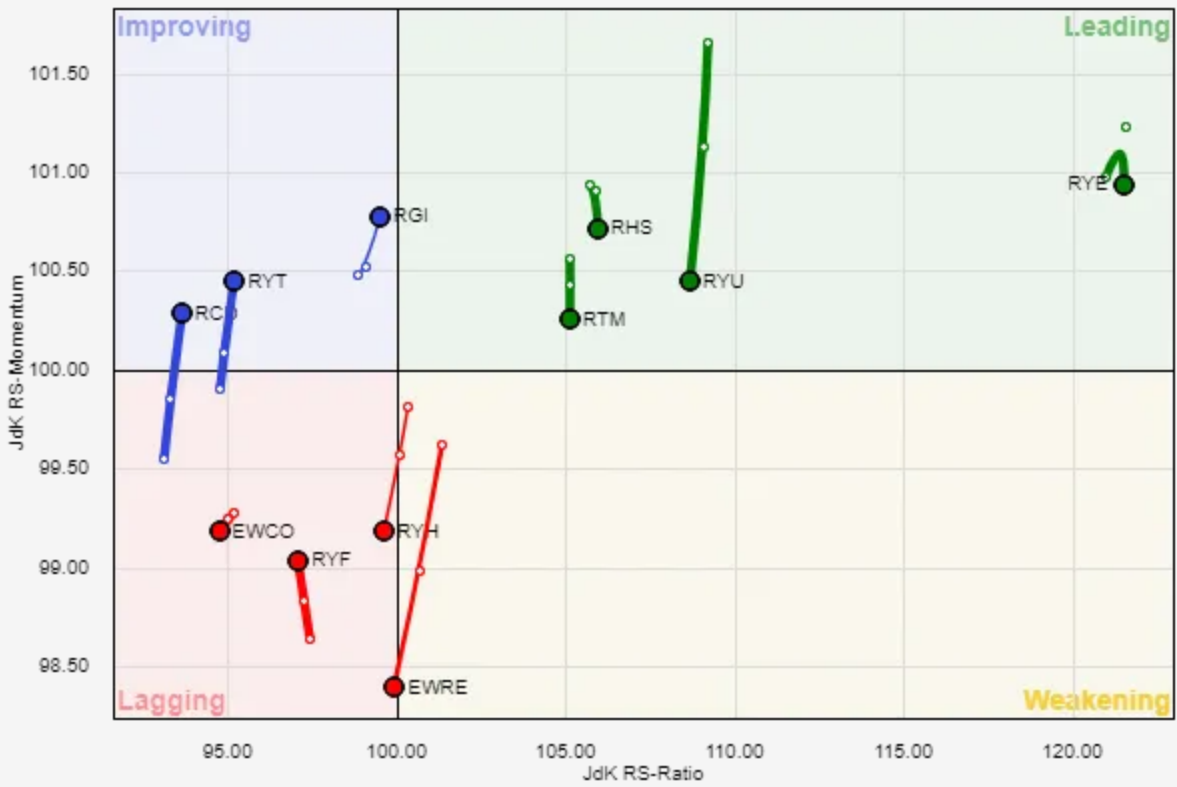
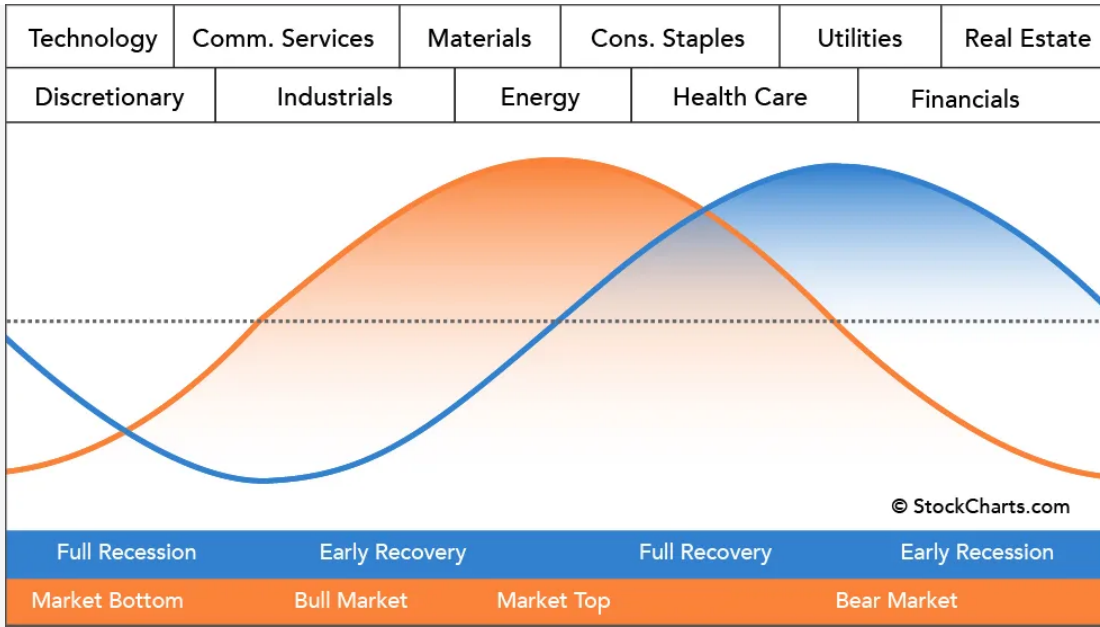


Bond ETFs - HYG, TLT. Stock ETFs - DIA, IBB, IWM, IYT, QQQ, SMH, SPY. Commodity ETFs - DBA, GLD, USO.

Asset Analysis

Commodities are weakening with precious metals and agriculture leading the decline. Oil & Gas has continued to outperform with signs of acceleration to the upside again. The increase in oil prices is placing stress on the economic system and until oil demand breaks (or a surprise in new supply), it looks like this uptrend is well in tact.

Sector Rotation



Improving

Discretionary, Technology, Industrials.

Leading

Energy, Utilities, Consumer Staples, Materials.

Weakening

Lagging

Communication Services, Financials, Real Estate, Health Care.

Sector Analysis

With early business cycle sectors such as Discretionary and Technology improving, and late business cycle sectors such as Real Estate and Health Care weakening/lagging, we are seeing signs of market positioning for a potential short term bottom to this current downswing in the markets.

The Charts



Major Stock Index Daily Charts



Major Stock Index Hourly Charts

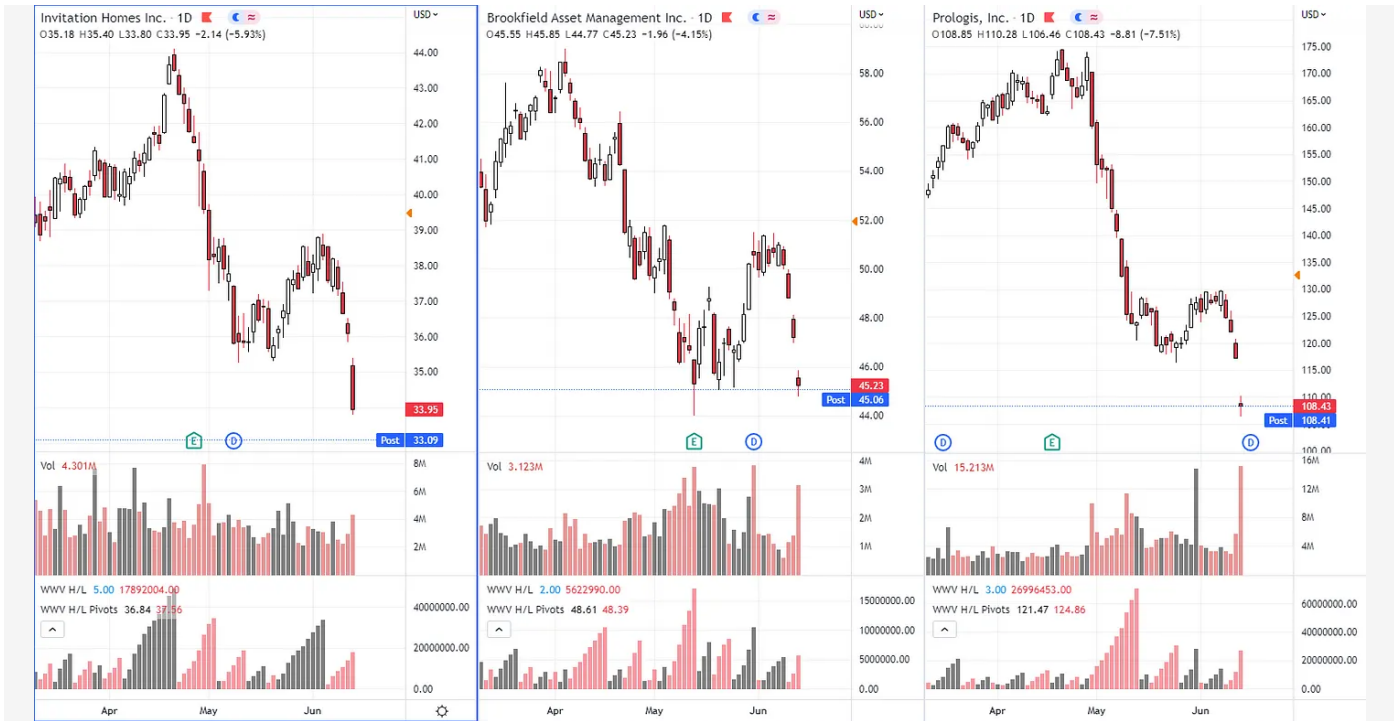
Technical Analysis

We are seeing clear downtrends in stocks in the daily and hourly charts with new lows being set. We will need to see stopping action and price consolidation before we can assume this downtrend is over. For now, expectation is for lower stock prices.

The Trades

Holds

Hold onto current short positions in Real Estate (INVH, BAM, PLD).



Closes

None at this time.

New Longs

None at this time.

New Shorts

None at this time.

Comments



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