



GORDON T LONG

Advanced Technical Analysis



Gordon T Long

Global Macro Research |
Macro-Technical Analysis



Technical Analysis

Market Road Maps | HPTZ
Methodology



SII

Global Macro Research |
Market Road Maps

NOTE

Slides Are for discussion and educational purposes ONLY!

Do not Trade from Any of these Charts.

Gordon T Long is not giving investment advise nor should be construed as such

Always consult a professional investment advisor before making any investment decisions.

The content of this slide should not be considered investment advice of any sort, nor should it be used to make investment decisions. Use of this slide is considered to be your explicit acceptance of the Disclosure Statement and the Terms of Use found on the first and last frames of this video

A STALLING WEALTH EFFECT!



“Expect the best. Prepare for the worst. Capitalize on what comes.”

A STALLING WEALTH EFFECT

AGENDA

LIQUIDITY v CREDIT v DEBT

- They Are Different,
- Too Many \$\$'s, Too Few Goods

CREDIT GROWTH

- The 2% Credit Growth Metric
- Where Will It Come From?

REVERSING WEALTH EFFECT

- The Fed Will Break Something!
- Inflation & PE Compression

STAGFLATION COMETH

- Recessions are Deflationary
- The Event Horizon

CONCLUSIONS

- Scarcity, Disruptions and Commodities

Wealth Effect

"I'm rich!
Let's go shopping!"

Sue

Sue's Investment Portfolio

When We Feel Richer We Spend More

WHAT MAKES MARKETS REVERSE?



BUSINESS CHANGES!

A STALLING WEALTH EFFECT

AGENDA

LIQUIDITY v CREDIT v DEBT

- They Are Different,
- Too Many \$\$'s, Too Few Goods

CREDIT GROWTH

- The 2% Credit Growth Metric
- Where Will It Come From?

REVERSING WEALTH EFFECT

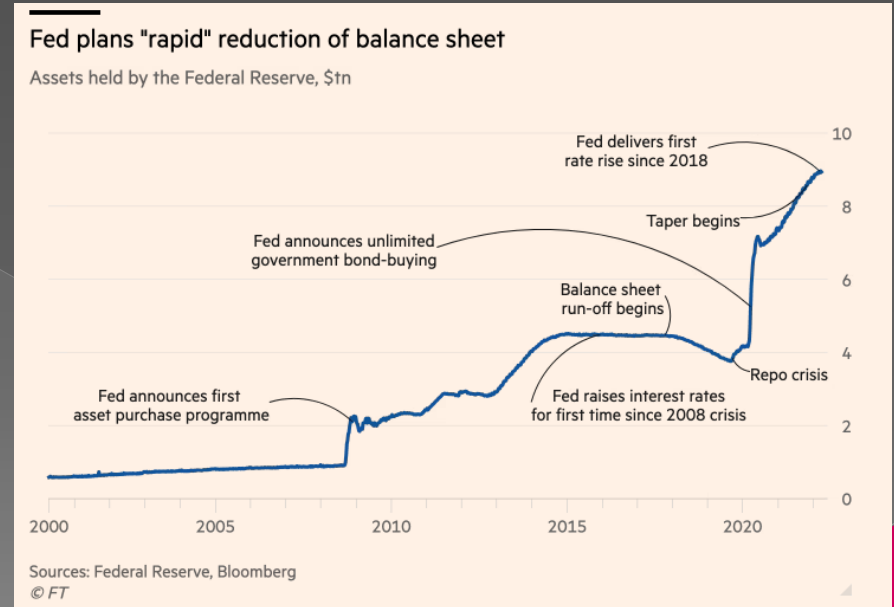
- The Fed Will Break Something!
- Inflation & PE Compression

STAGFLATION COMETH

- Recessions are Deflationary
- The Event Horizon

CONCLUSIONS

- Scarcity, Disruptions and Commodities



LIQUIDITY



Central Banks



Money Supply



Plan to Shrink
Charge More

CREDIT



Banks



Lending



Collateral
Risk – Credit Rating

DEBT



Consumers



Borrowing



Need / Desire
Ability to Pay

S&P 500

Monthly



4428.42
18d 2h



A STALLING WEALTH EFFECT

AGENDA

LIQUIDITY v CREDIT v DEBT

- They Are Different,
- Too Many \$\$'s, Too Few Goods

CREDIT GROWTH

- The 2% Credit Growth Metric
- Where Will It Come From?

REVERSING WEALTH EFFECT

- The Fed Will Break Something!
- Inflation & PE Compression

STAGFLATION COMETH

- Recessions are Deflationary
- The Event Horizon

CONCLUSIONS

- Scarcity, Disruptions and Commodities



Household Sector Net Worth

US\$ Millions, 1952 to Q4 2021

\$150 Trillion

160,000,000

140,000,000

120,000,000

100,000,000

80,000,000

60,000,000

40,000,000

20,000,000

0

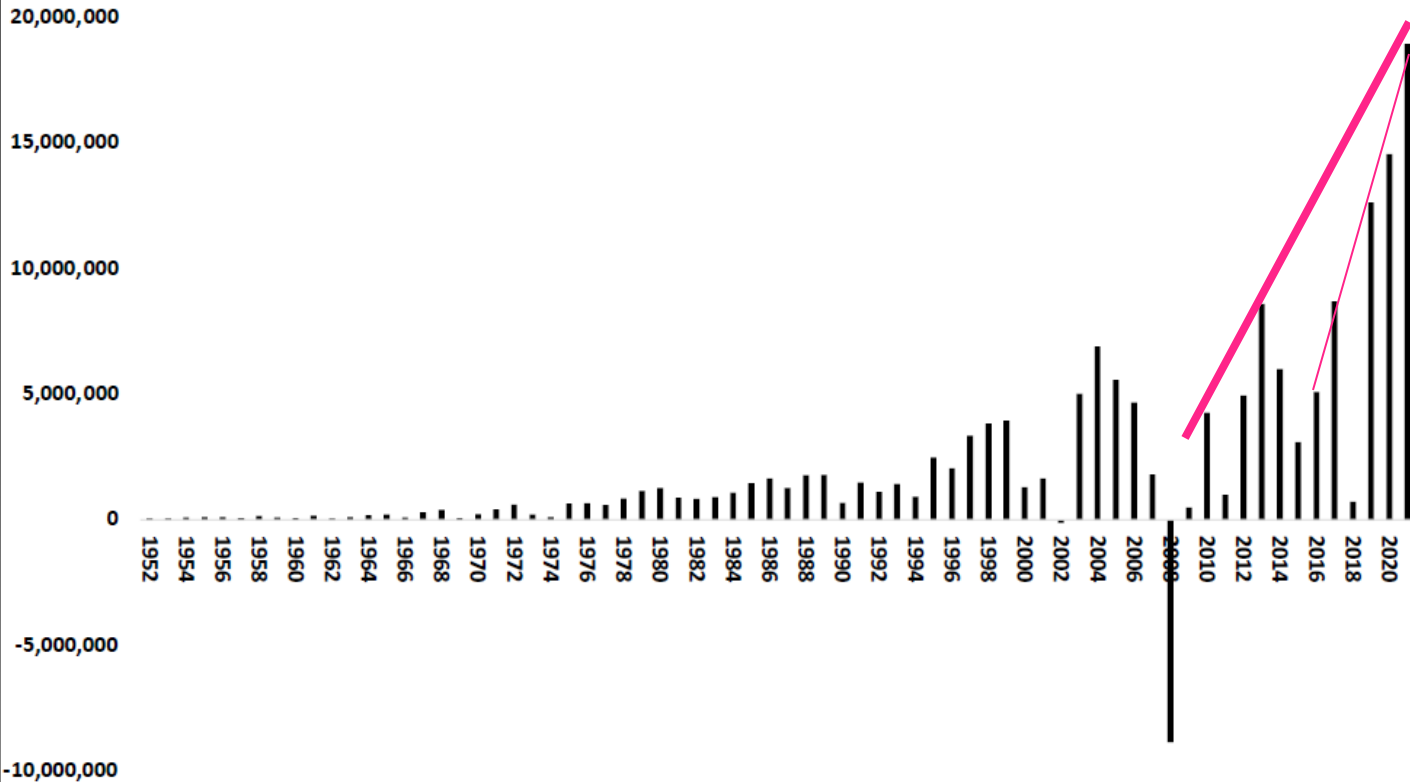
Household Wealth is now \$150 trillion.
It increased by \$19 trillion last year.
Over the past three years, Wealth has increased by \$46 trillion or by 44%. And since its pre-crisis peak in 2007, it's increased by \$80 trillion or by 114%. This surge in Wealth has been a very important driver of economic growth in recent years.

1952Q1
1954Q1
1956Q1
1958Q1
1960Q1
1962Q1
1964Q1
1966Q1
1968Q1
1970Q1
1972Q1
1974Q1
1976Q1
1978Q1
1980Q1
1982Q1
1984Q1
1986Q1
1988Q1
1990Q1
1992Q1
1994Q1
1996Q1
1998Q1
2000Q1
2002Q1
2004Q1
2006Q1
2008Q1
2010Q1
2012Q1
2014Q1
2016Q1
2018Q1
2020Q1

2020Q1

Household Net Worth, Annual Dollar Change

US\$ Millions, 1952 to 2021



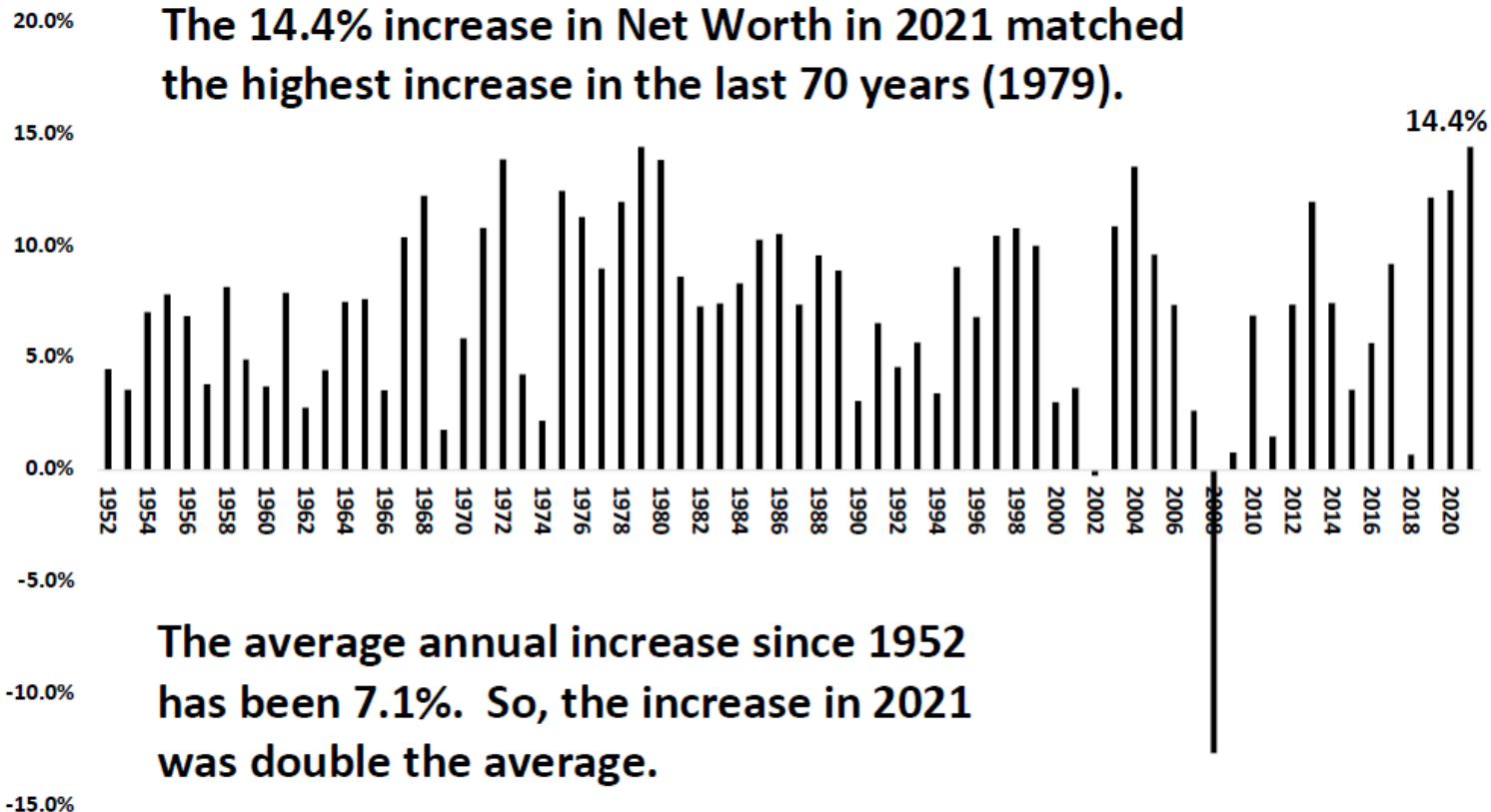
The number in **RED** is the largest of the three years.

2019 \$12.6 trillion
2020 \$14.6 trillion
2021 \$19.0 trillion

Household Net Worth, Annual % Change 1952 to 2021

The 14.4% increase in Net Worth in 2021 matched the highest increase in the last 70 years (1979).

2019: 12.1%
2020: 12.5%
2021: 14.4%



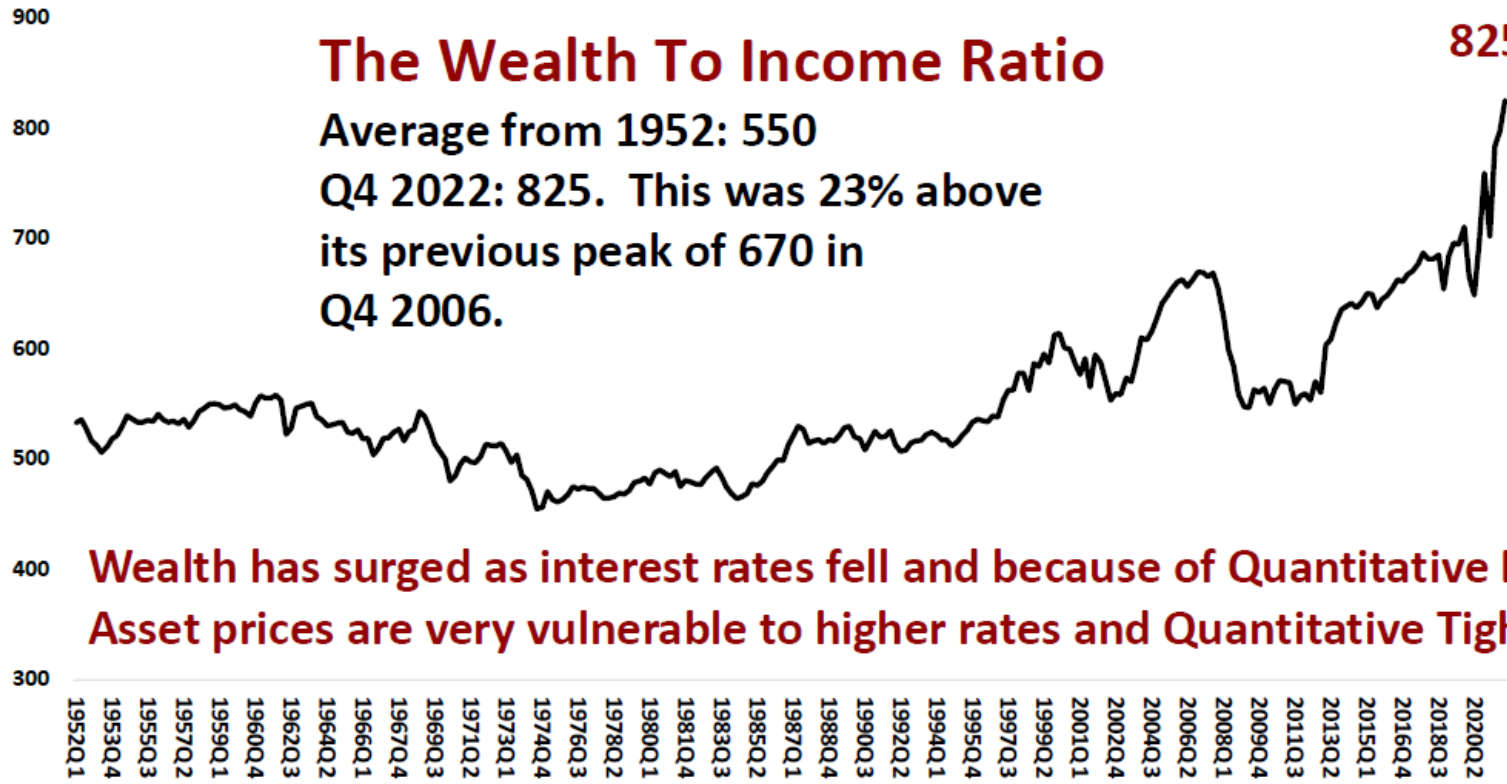
The average annual increase since 1952 has been 7.1%. So, the increase in 2021 was double the average.

Net Worth as a Percentage of Disposable Personal Income 1952 to Q4 2021

The Wealth To Income Ratio

Average from 1952: 550
Q4 2022: 825. This was 23% above
its previous peak of 670 in
Q4 2006.

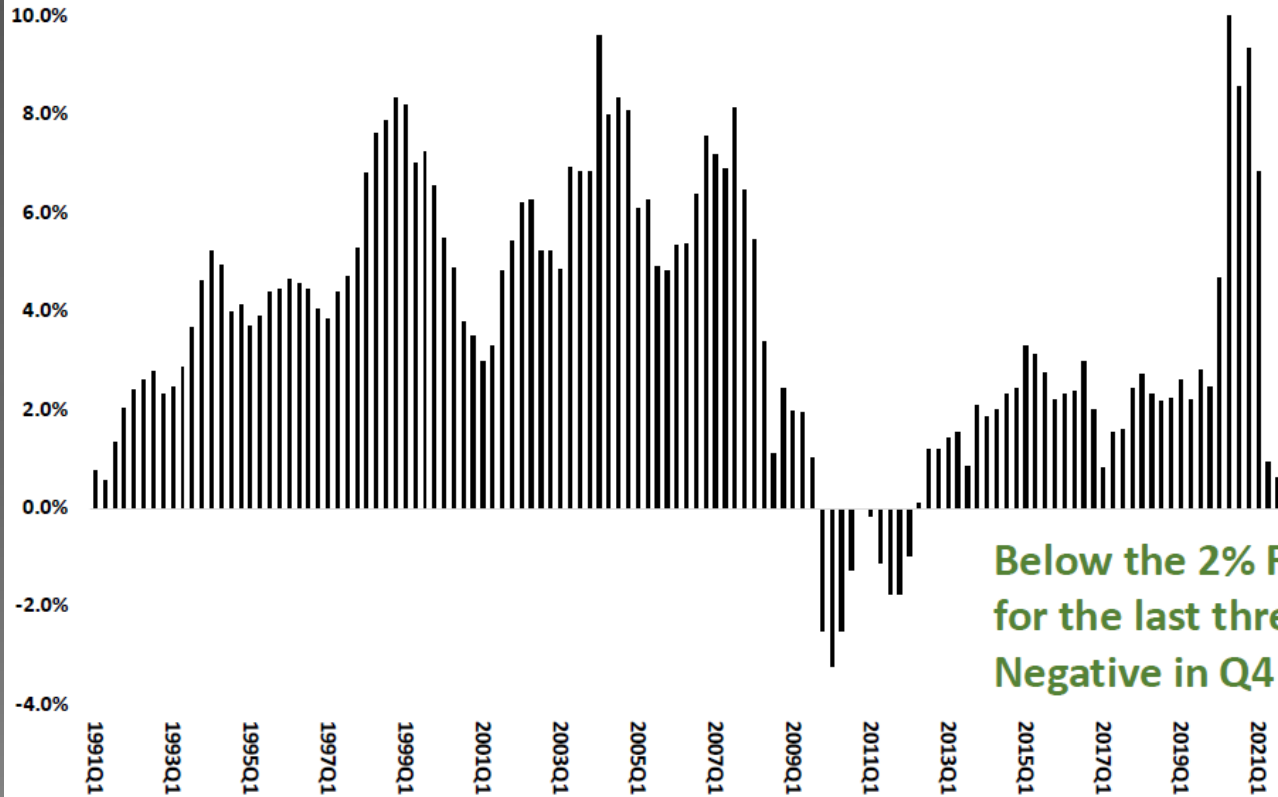
825



**Wealth has surged as interest rates fell and because of Quantitative Easing.
Asset prices are very vulnerable to higher rates and Quantitative Tightening!**

Total Debt, Annual % Change

Adjusted for Inflation, Quarterly, 1991 to Q4 2021



Compared with
one year earlier:

2020 Q1: 4.7%

2020 Q2: 10.0%

2020 Q3: 8.6%

2020 Q4: 9.4%

2021 Q1: 6.9%

2021 Q2: 0.9%

2021 Q3: 0.6%

2021 Q4: -0.4%

Below the 2% Recession Threshold
for the last three quarters.

Negative in Q4 2021. This does not
bode well for the
outlook for the
economy.

A STALLING WEALTH EFFECT

AGENDA

LIQUIDITY v CREDIT v DEBT

- They Are Different,
- Too Many \$\$'s, Too Few Goods

CREDIT GROWTH

- The 2% Credit Growth Metric
- **Where Will It Come From?**

REVERSING WEALTH EFFECT

- The Fed Will Break Something!
- Inflation & PE Compression

STAGFLATION COMETH

- Recessions are Deflationary
- The Event Horizon

CONCLUSIONS

- Scarcity, Disruptions and Commodities



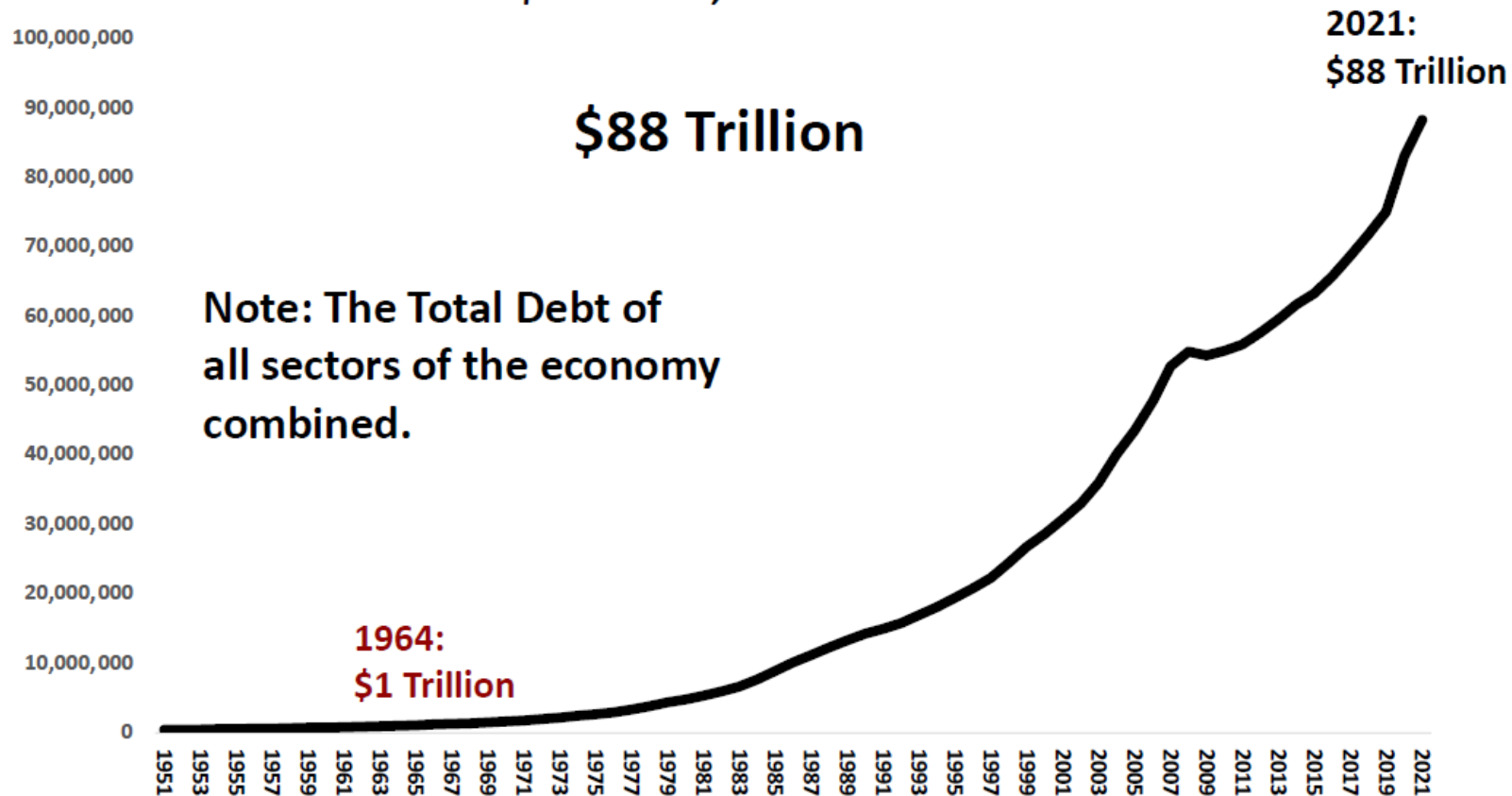
SUSTAINING & GROWING CURRENT CREDIT GROWTH??

**BANKS ARE OUT OF
ADDITIONAL
NEW, VIABLE LENDERS**



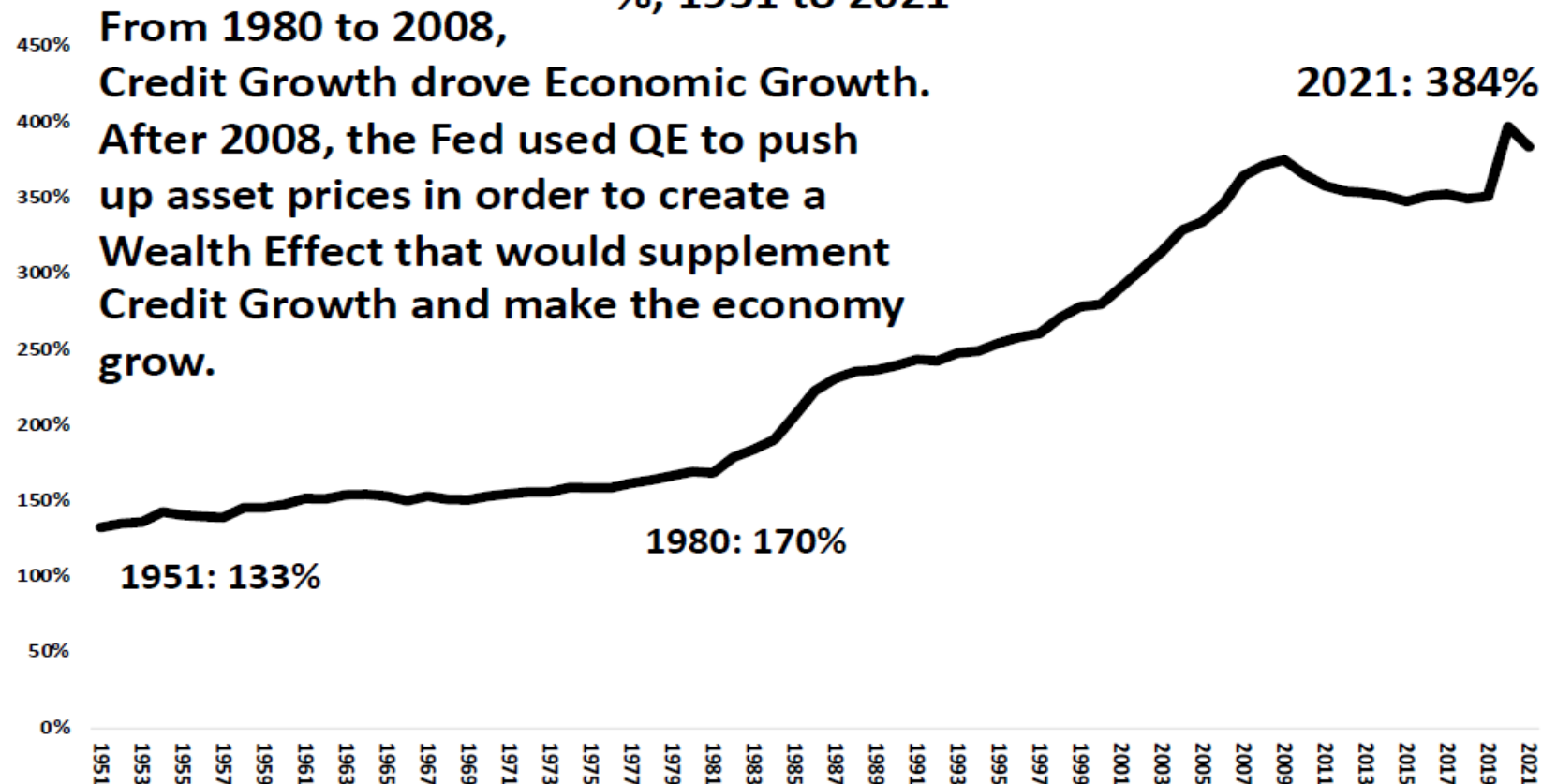
Total Debt = Total Credit

US\$ Millions, 1951 to 2021



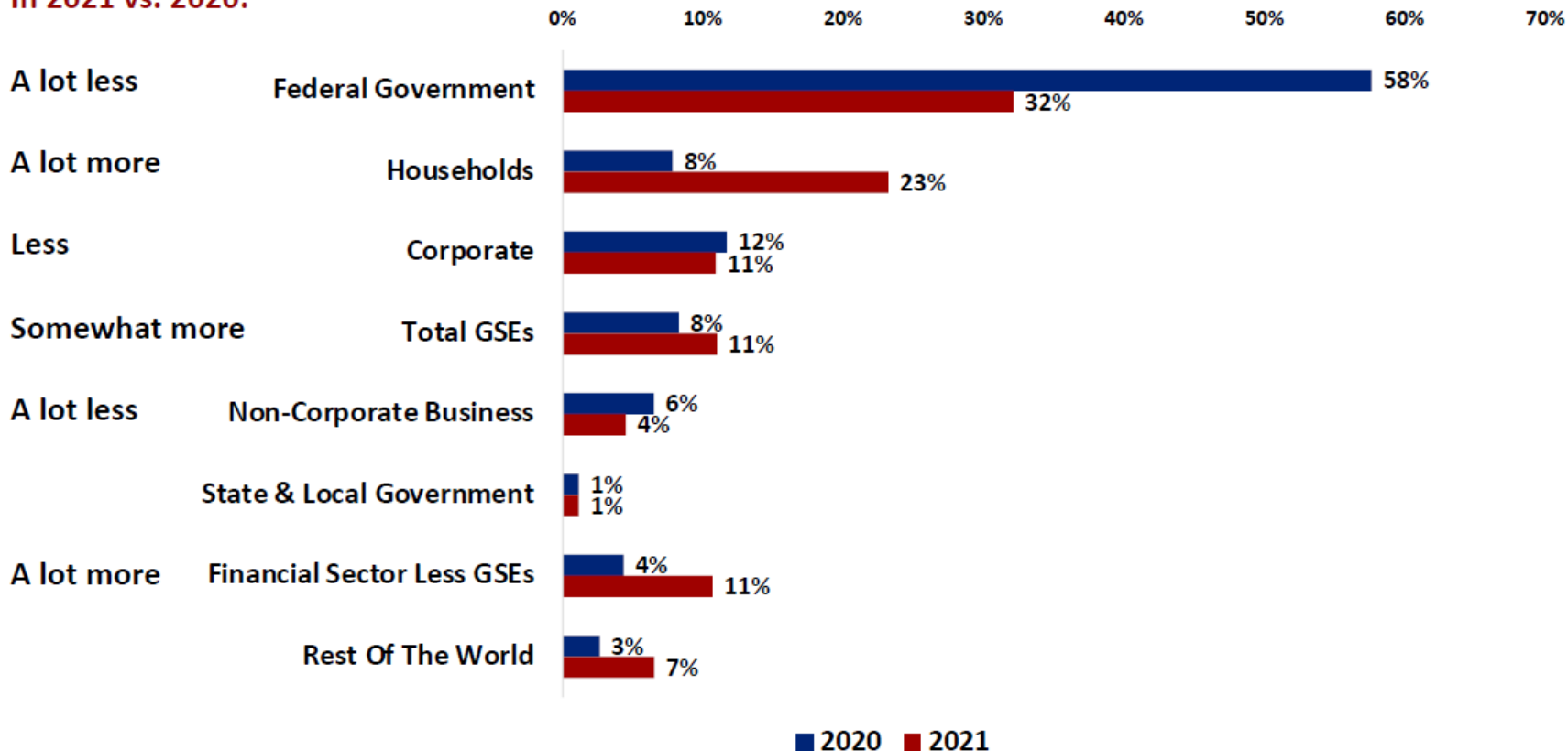
Total Debt to GDP

%, 1951 to 2021



Percent Contribution To The Increase In Total Debt 2020 vs. 2021

In 2021 vs. 2020:



A STALLING WEALTH EFFECT

AGENDA

LIQUIDITY v CREDIT v DEBT

- They Are Different,
- Too Many \$\$'s, Too Few Goods

CREDIT GROWTH

- The 2% Credit Growth Metric
- Where Will It Come From?

REVERSING WEALTH EFFECT

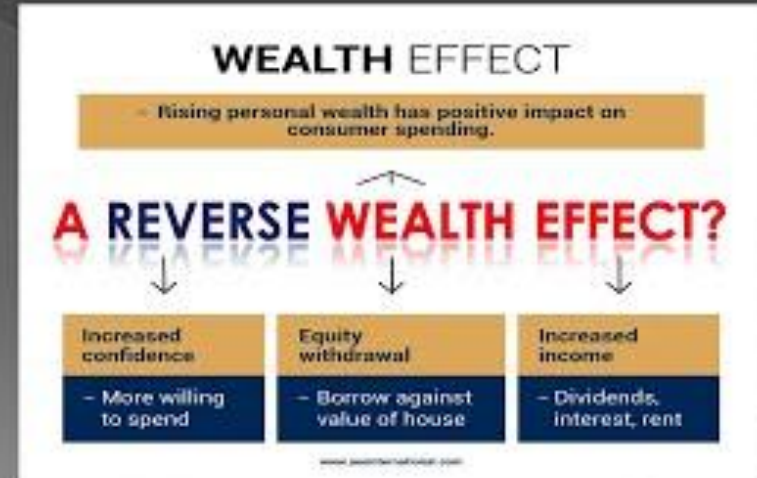
- **The Fed Will Break Something!**
- **Inflation & PE Compression**

STAGFLATION COMETH

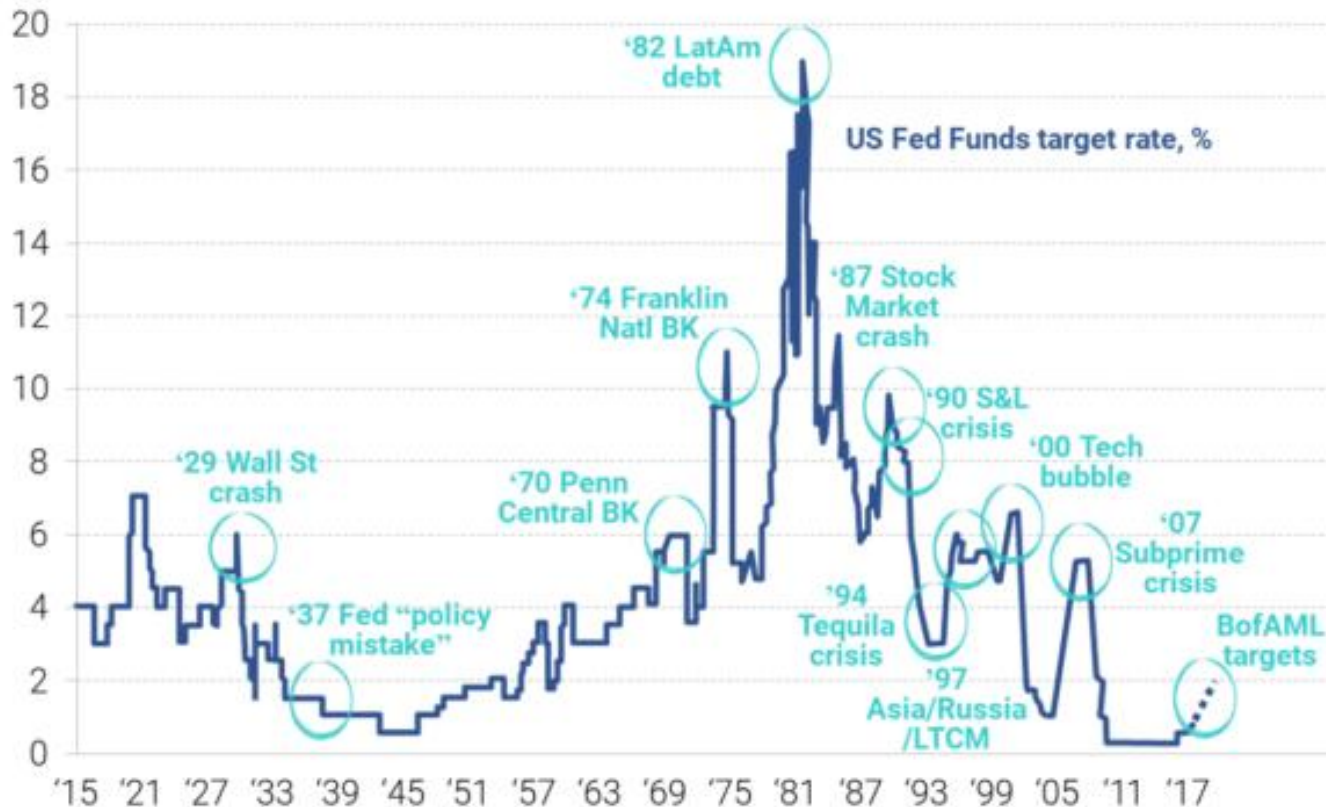
- Recessions are Deflationary
- The Event Horizon

CONCLUSIONS

- Scarcity, Disruptions and Commodities



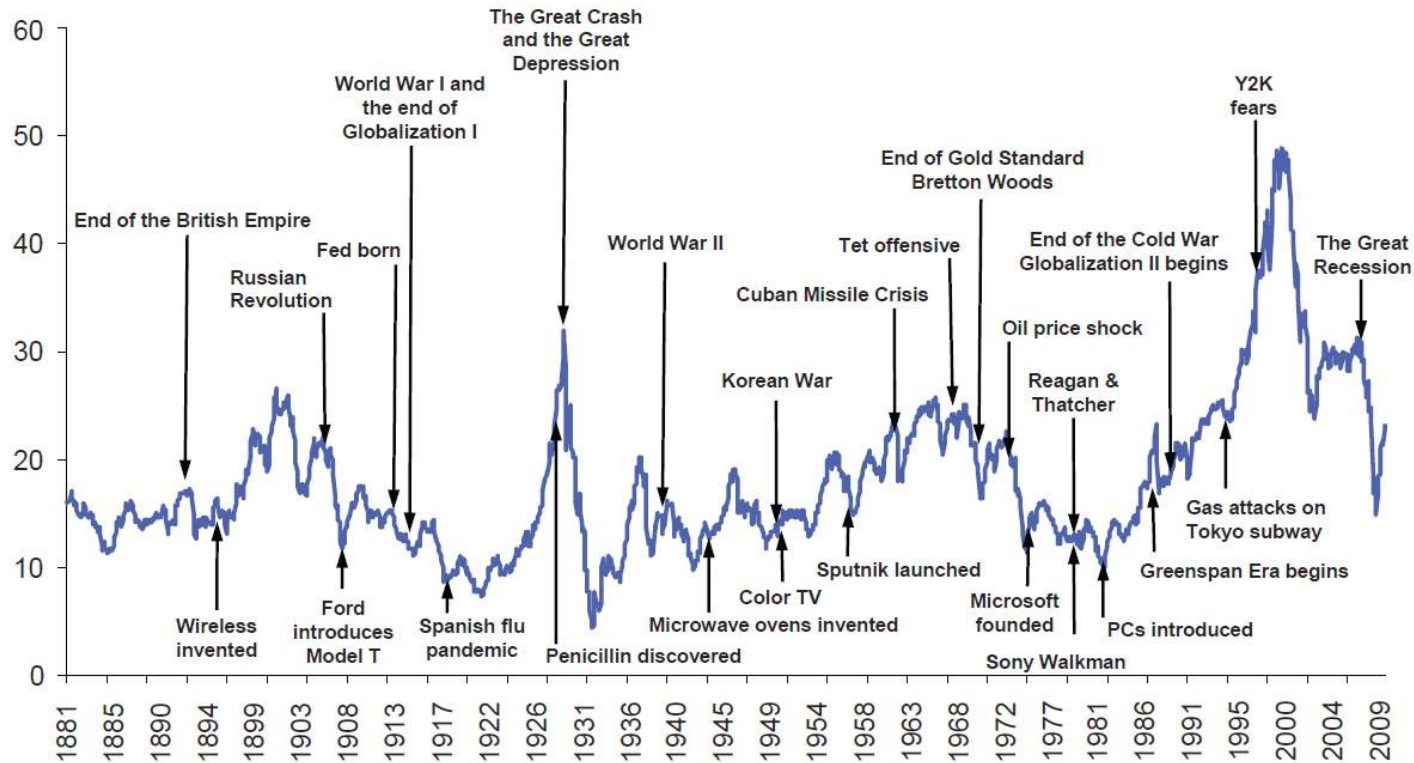
Fed tightening usually ends with a financial “event”



Source: Palisade Research, BofA Merrill Lynch Global Investment Strategy, Global Financial Data

Exhibit 6: The Only Constant Is Change!

The Graham & Dodd P/E for the S&P 500





Q4'21 SPX Top-25 Component Companies' Fundamentals

SPX Final

4766

26.9%

	US\$b		US\$b		US\$b		US\$b		TTM		US\$b		US\$b		
	SPX	MCap	YoY	Sales	YoY	Earn.	YoY	SBBs	YoY	P/E	YoY	Divid.	YoY	OCFs	YoY
- AAPL	6.80%	\$2,924	29%	\$123.9	11%	\$34.6	20%	\$20.5	-17%	31.8x	-22%	\$3.7	3.3%	\$47.0	21%
- MSFT	5.93%	\$2,548	52%	\$51.7	20%	\$18.8	21%	\$7.4	14%	38.0x	6.2%	\$4.7	10%	\$14.5	16%
+1 GOOGL	4.51%	\$1,940	65%	\$75.3	32%	\$20.6	36%	\$13.5	70%	28.1x	-16%	\$0.0		\$24.9	10%
-1 AMZN	3.98%	\$1,711	3.8%	\$137.4	9.4%	\$14.3	98%	\$0.0		66.0x	-31%	\$0.0		\$22.1	-27%
+1 TSLA	2.50%	\$1,075	63%	\$17.7	65%	\$2.3	760%	\$0.0		348.3x	-74%	\$0.0		\$4.6	52%
-1 FB	2.23%	\$958	24%	\$33.7	20%	\$10.3	-8.3%	\$20.1	941%	24.6x	-20%	\$0.0		\$18.1	29%
+9 NVDA	1.71%	\$737	127%	\$7.6	53%	\$3.0	106%	\$0.0		91.2x	6.1%	\$0.1	1.0%	\$3.0	47%
-1 BRK-B	1.56%	\$672	25%	\$71.8	12%	\$39.6	11%	\$6.9	-24%	8.1x	-48%	\$0.0		\$7.8	-26%
+6 UNH	1.10%	\$475	45%	\$73.7	13%	\$4.1	84%	\$1.1	-39%	31.3x	58%	\$1.4	15%	\$3.2	-47%
-2 V	1.10%	\$474	-1.6%	\$7.1	24%	\$4.0	27%	\$4.1	129%	38.7x	-13%	\$0.8	15%	\$4.2	20%
- JPM	1.09%	\$469	23%	\$29.3	0.1%	\$10.4	-14%	\$2.1		10.0x	-39%	\$3.4	7.9%	\$85.1	
-3 JNJ	1.05%	\$454	10%	\$24.8	10%	\$4.7	172%	\$1.0	210%	25.8x	4.9%	\$2.8	5.0%	\$5.7	-31%
+4 HD	1.00%	\$428	50%	\$35.7	11%	\$3.4	17%	\$4.4		27.4x	19%	\$1.7	6.6%	\$3.2	124%
-4 WMT	0.92%	\$397	-2.6%	\$152.9	0.5%	\$3.6		\$2.4	68%	50.4x	142%	\$1.5	-0.6%	\$7.9	-40%
-2 PG	0.92%	\$394	15%	\$21.0	6.1%	\$4.2	9.6%	\$4.8	58%	29.8x	13%	\$2.2	7.2%	\$5.1	-5.6%
+3 BAC	0.85%	\$364	41%	\$22.1	9.8%	\$7.0	28%	\$7.5	2764%	13.3x	-9.7%	\$2.0	7.5%	\$44.7	109%
-5 MA	0.82%	\$354	-0.1%	\$5.2	27%	\$2.4	33%	\$1.3	24%	44.4x	-17%	\$0.4	8.8%	\$3.2	42%
+8 PFE	0.76%	\$328	61%	\$23.6	297%	\$3.4	471%	\$0.0		16.7x	-30%	\$2.2	3.6%	\$5.9	5.1%
-5 DIS	0.66%	\$283	-13%	\$21.8	34%	\$1.1	6394%	\$0.0		142.5x		\$0.0		-\$0.2	
+17 AVGO	0.64%	\$275	55%	\$7.7	16%	\$2.4	84%	\$2.7		44.3x	-35%	\$1.8	14%	\$3.5	12%
- ADBE	0.63%	\$271	14%	\$4.1	20%	\$1.2	-45%	\$1.0	18%	56.9x	24%	\$0.0		\$2.0	15%
+2 NFLX	0.63%	\$271	17%	\$7.7	16%	\$0.6	12%	\$0.0		55.2x	-35%	\$0.0		-\$0.4	
+11 CSCO	0.62%	\$268	43%	\$12.7	6.4%	\$3.0	17%	\$4.8	528%	23.7x	31%	\$1.5	1.3%	\$2.5	-17%
+20 LLY	0.62%	\$265	66%	\$8.0	7.5%	\$1.7	-18%	\$0.8		42.3x	55%	\$0.8	15%	\$2.2	19%
- NKE	0.62%	\$265	19%	\$11.4	1.0%	\$1.3	6.9%	\$1.0		44.0x	-45%	\$0.4	14%	\$2.8	11%
Totals	43.3%	\$18.6t	30%	\$988.0	8.4%	\$202.1	25%	\$107.3	75%	53.3x	-45%	\$31.4	2.5%	\$192.8	-2.6%

WHAT MAKES MARKETS REVERSE?



BUSINESS CHANGES!

A STALLING WEALTH EFFECT

AGENDA

LIQUIDITY v CREDIT v DEBT

- They Are Different,
- Too Many \$\$'s, Too Few Goods

CREDIT GROWTH

- The 2% Credit Growth Metric
- Where Will It Come From?

REVERSING WEALTH EFFECT

- The Fed Will Break Something!
- Inflation & PE Compression

STAGFLATION COMETH

- **Recessions are Deflationary**
- **The Event Horizon**

CONCLUSIONS

- Scarcity, Disruptions and Commodities



Our Warning
LONGWave - 08-05-20 - AUGUST
Stagflation Investing

Cycle Phases

EARLY

- Activity rebounds (GDP, IP, employment, incomes)
- Credit begins to grow
- Profits grow rapidly
- Policy still stimulative
- Inventories low; sales improve

MID

- Growth peaking
- Credit growth strong
- Profit growth peaks
- Policy neutral
- Inventories, sales grow; equilibrium reached

LATE

- Growth moderating
- Credit tightens
- Earnings under pressure
- Policy contractionary
- Inventories grow; sales growth falls

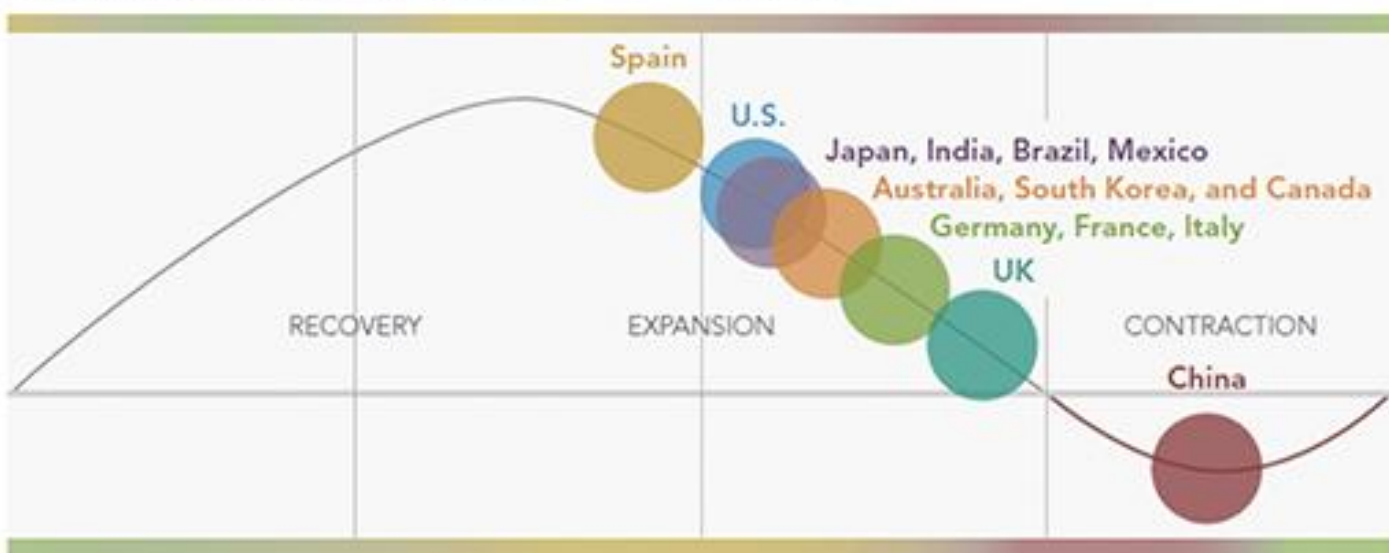
RECESSION

- Falling activity
- Credit dries up
- Profits decline
- Policy eases
- Inventories, sales fall

Inflationary Pressures
Red = High

Economic Growth
+
-

Relative Performance of
Economically Sensitive Assets
Green = Strong



THE BLACK HOLE OF STAGFLATION

INFLATION

The Event Horizon



We Appear
To Be Here!

GROWTH

A VERY SCARY POSITION!

THE ISSUE:

-- To Halt Inflation

-- To Increase Growth

TRADITIONAL KEYNESIAN THINKING

You Must Raise Rates

Stop Liquidity Pumping

You Must Lower Rates

Increase Liquidity Pumping



INFLATION

In Reality We
Are Here!

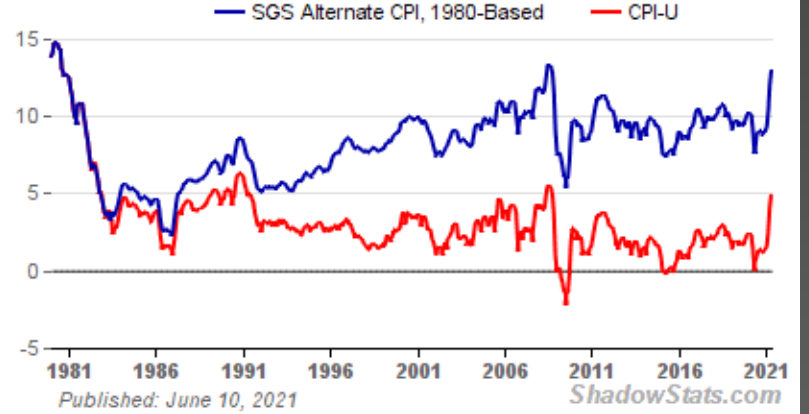
GROWTH

INFLATION

In Reality We
Are Here!

GROWTH

Consumer Inflation - Official vs ShadowStats (1980-Based) Alternate
Year to Year Change. Through May 2021

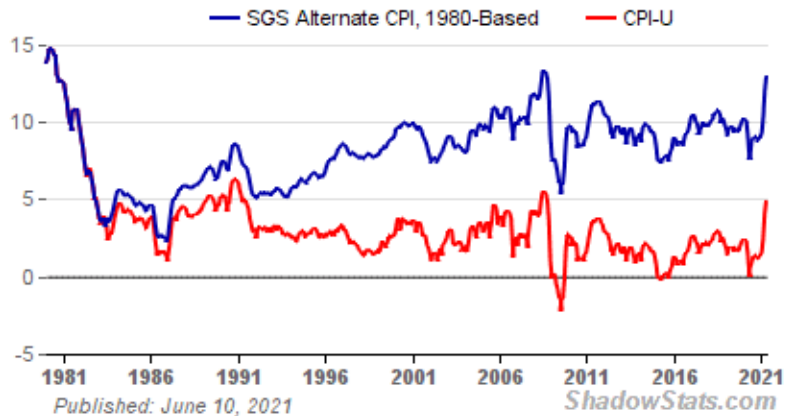


INFLATION

In Reality We
Are Here!

GROWTH

Consumer Inflation - Official vs ShadowStats (1980-Based) Alternate
Year to Year Change. Through May 2021



LONGWave: 04-07-21 – APRIL
Covid Triggered Inflation

URL:

<https://youtu.be/ix5EYBmYXo>

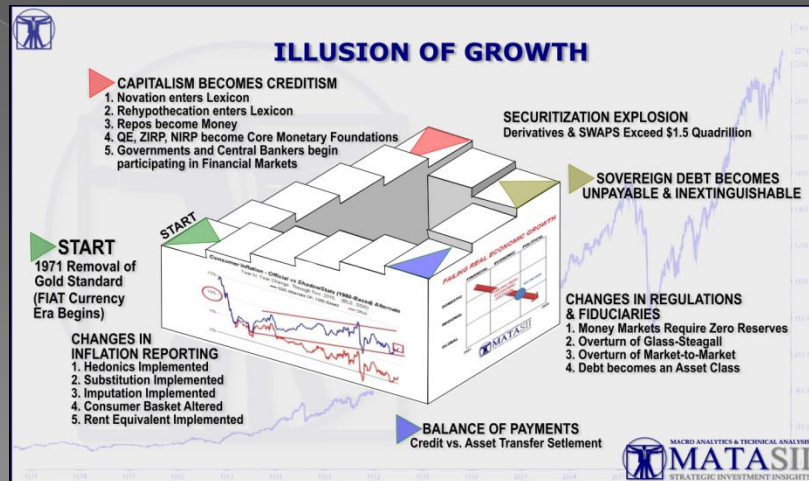
SLIDES: 35

MINUTES: 22

INFLATION

In Reality We
Are Here!

GROWTH



INFLATION

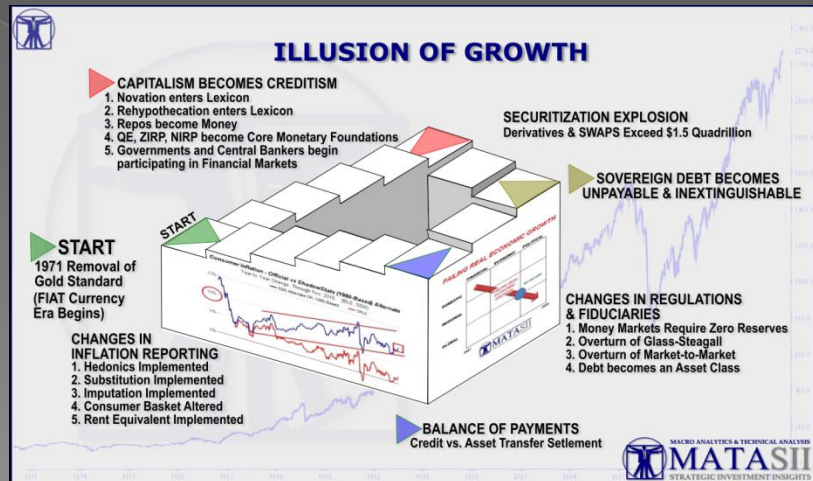
In Reality We
Are Here!

GROWTH

2017 ILLUSION OF GROWTH

[Download full pdf.](#)

111 Pages



WE ARE WLL BELOW THE EVENT HORIZON!!!

A STALLING WEALTH EFFECT

AGENDA

LIQUIDITY v CREDIT v DEBT

- They Are Different,
- Too Many \$\$'s, Too Few Goods

CREDIT GROWTH

- The 2% Credit Growth Metric
- Where Will It Come From?

REVERSING WEALTH EFFECT

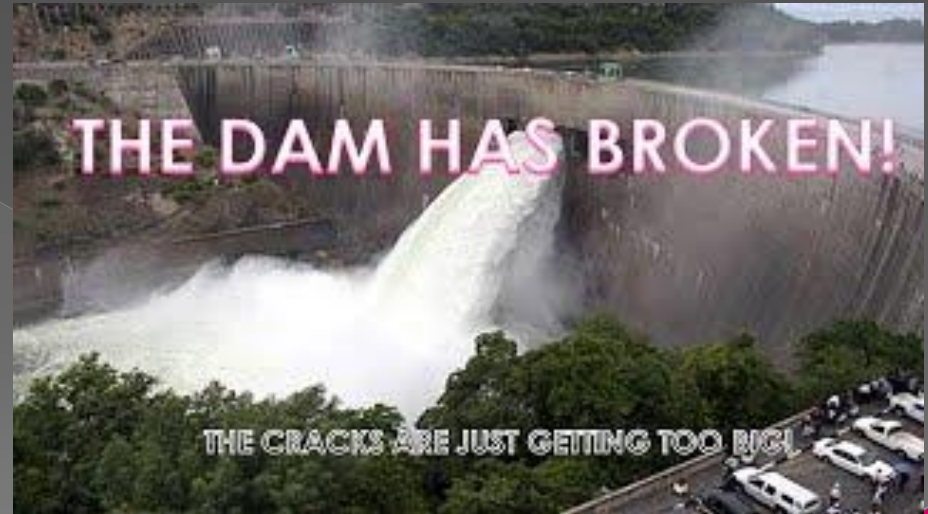
- The Fed Will Break Something!
- Inflation & PE Compression

STAGFLATION COMETH

- Recessions are Deflationary
- The Event Horizon

CONCLUSIONS

- Scarcity, Disruptions and Commodities



CHANGE

1. Re-Balancing
2. De-Growth
3. Re-Shoring
4. De-Financialization
5. De-Globalization

GLOBAL CRISIS, NATIONAL RENEWAL



A (REVOLUTIONARY) GRAND STRATEGY FOR THE UNITED STATES

Charles Hugh Smith

EXPECTED RESULT

- Loan Defaults, Delinquencies and Bankruptcies,
- Dividend Payout reduction or temporary moratorium and an almost complete halt in Stock Buybacks,
- Increasing Pressures on Central Banks & Government Fiscal Policies to Make or Guarantee Loans or Become Lender of First and Last Resort.

A REVERSING WEALTH EFFECT

INVESTOR CONSEQUENCES

- Reduction in Investor Risk & Leverage similar to 24 months after 2008 but likely longer,
- Shift to Value and Cash Flow investing from Momentum and Growth
- Equities previously supported by Buybacks and Dividends will require Government Equity Buying discussed as Conservatorships, Temporary Guarantees or Preferred Share/ Warrants to compensate tax payers



CRISIS

危機

Danger

Opportunity

ADMINISTRATIONS CHANGE – BUT THE PRINTING NEVER DOES ...

DON'T WORRY, THEY WILL PRINT THE MONEY!

EVERYONE IS NOW IN PLACE & READY!!



NOTE

Slides Are for discussion and educational purposes ONLY!

Do not Trade from Any of these Charts.

Gordon T Long is not giving investment advise nor should be construed as such

Always consult a professional investment advisor before making any investment decisions.

The content of this slide should not be considered investment advice of any sort, nor should it be used to make investment decisions. Use of this slide is considered to be your explicit acceptance of the Disclosure Statement and the Terms of Use found on the first and last frames of this video



JOIN US AT [MATASII.COM](https://matasii.com) FOR MORE ON THIS TOPIC & MANY OTHERS

- Market Research
- Technical Analysis
- Strategic Investment Insights
- Macro Analytics
- Videos
- Tipping Points
- Synthesis & Analysis
- Watch Lists
- Real Time Charting
- Guest Interviews
- News Abstraction Process
- Feature Articles



WE WELCOME YOUR COMMENTS!

WE READ ALL COMMENTS FOR
FEEDBACK THAT WILL IMPROVE OUR
RESEARCH ANALYSIS



WORLD CLASS MINDS FOLLOW THIS
CHANNEL & WE VALUE HEARING
FROM YOU!

IT IS THE ONLY PAYMENT WE ACCEPT
FOR POSTING THIS FREE YOUTUBE
CONTENT