



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

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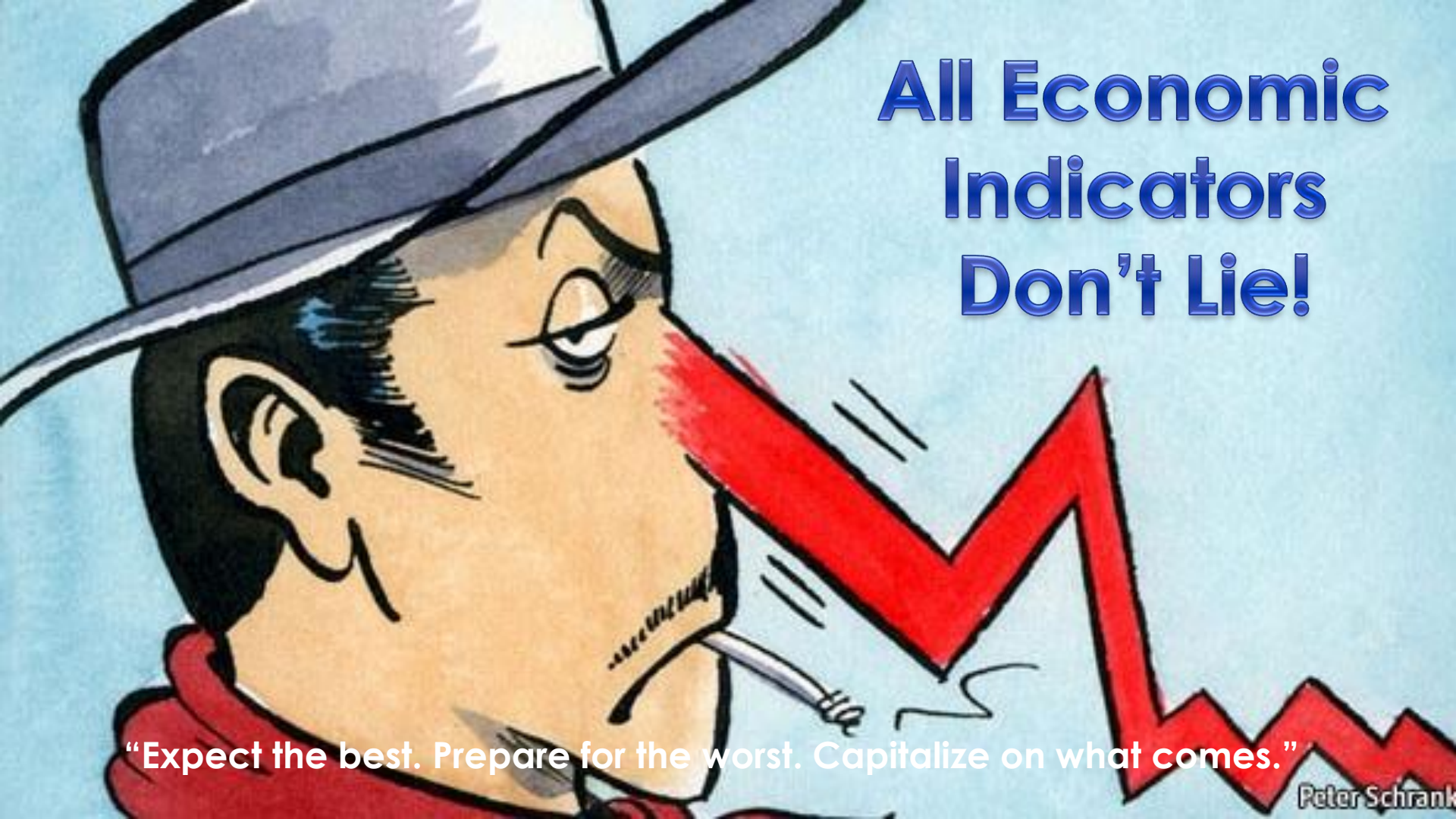
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All Economic Indicators Don't Lie!



"Expect the best. Prepare for the worst. Capitalize on what comes."

Peter Schrank

AGENDA

BUYING TIME!

1- DISTORTING ECONOMIC INDICATORS

- LAGGING INDICATOR GAME,
- BRIDGING 'HOPE' & 'MILESTONES',
- KEY INDICATORS,

2- STEALTH LIQUIDITY

3- NARRATIVE INFLUENCE

TELLS – RELIABLE RATIOS

CONCLUSIONS

- MARKETS LEAD: 6-8 Month Probabilities

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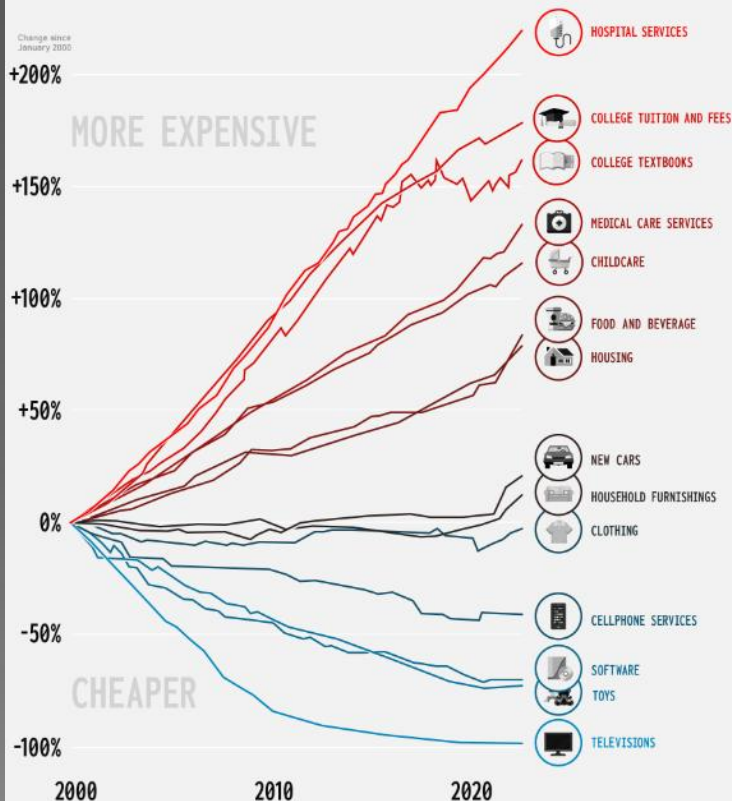
US DEBT GROWTH



Price Changes

OF CONSUMER GOODS AND SERVICES

Broadly speaking, price levels have increased by 74% since 2000. That said, the actual numbers vary widely depending on the type of good or service. Many consumer goods like toys and TVs have gotten cheaper, while critical categories like healthcare and education have skyrocketed.



Source: Bureau of Labor Statistics Original design and concept by Mark J. Perry, Senior Fellow Emeritus, AEI

Fed's Total Assets, From Crisis to Crisis

Trillion \$, week ending Wednesday



Source: Fed H.4.1. Balance Sheet

WOLFSTREET.com

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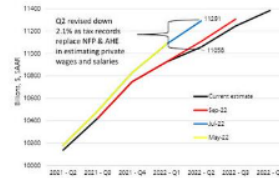
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Even JPMorgan Is Lashing Out At Ridiculous Seasonal Adjustments In Key US Data



"some alternative seasonal adjustments of the initial claims data show some less favorable changes in filings from recent weeks than the official figures."

FRI FEB 24. AT 8:15 AM

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RED

New Seasonal
Averages Used

GREEN

NO Seasonal
Averaging



GREEN

New Seasonal
Averages Used

RED

NO Seasonal
Averaging

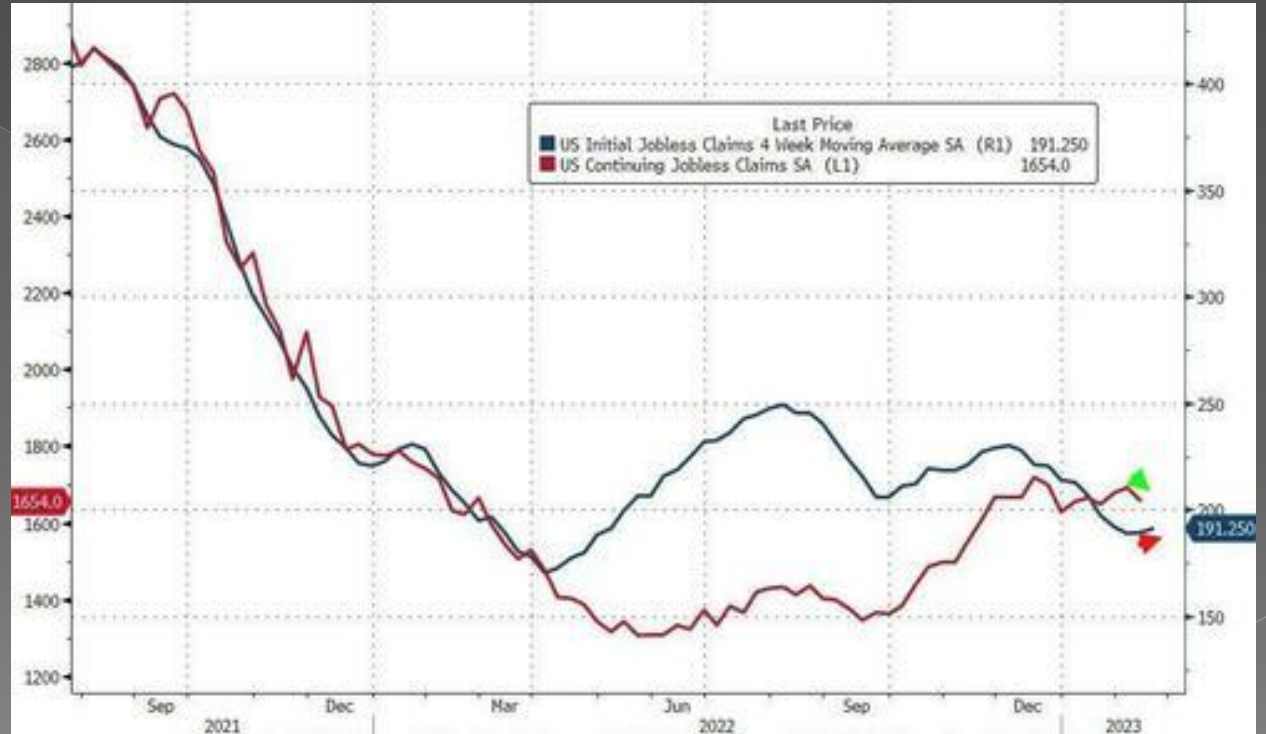


GREEN

New Seasonal
Averages Used

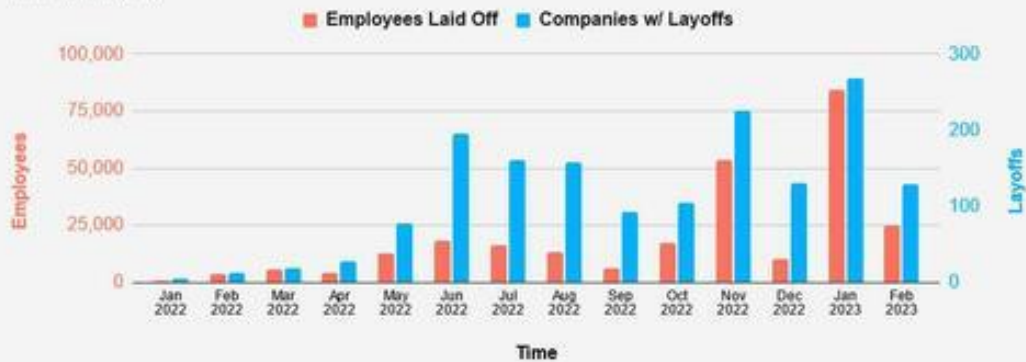
RED

NO Seasonal
Averaging



Tech layoffs in 2022-2023

Source: <https://layoffs.fyi>



Tech layoffs since COVID-19

Source: <https://layoffs.fyi>

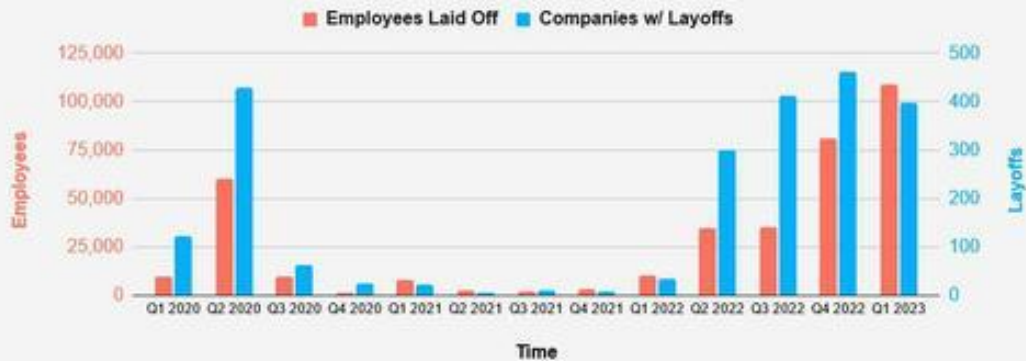
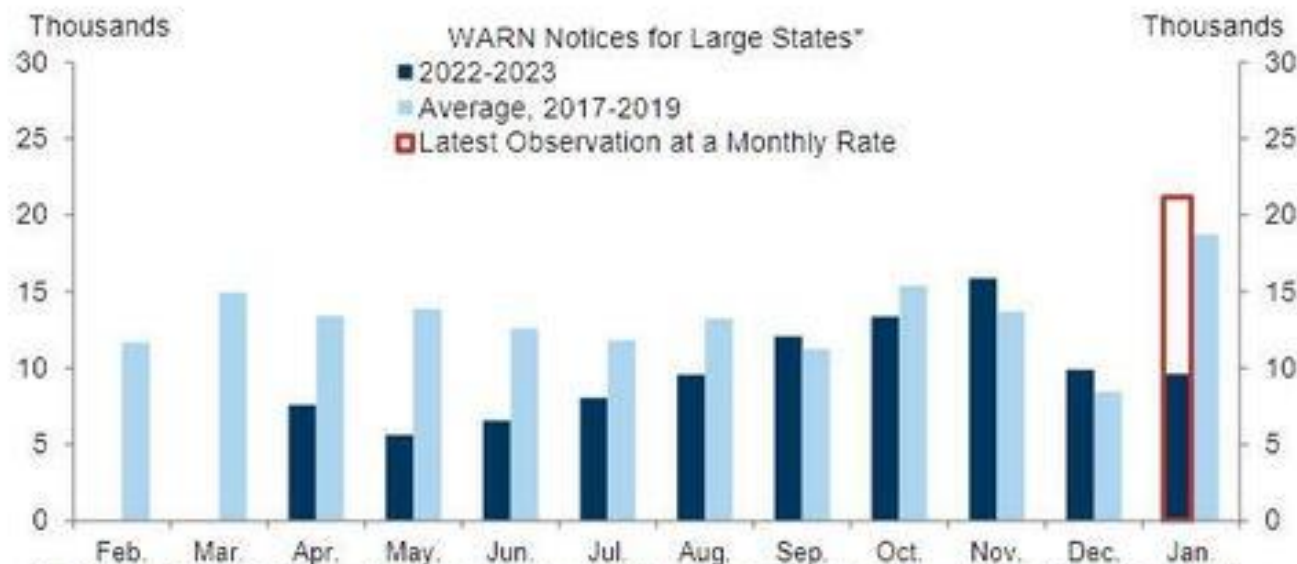
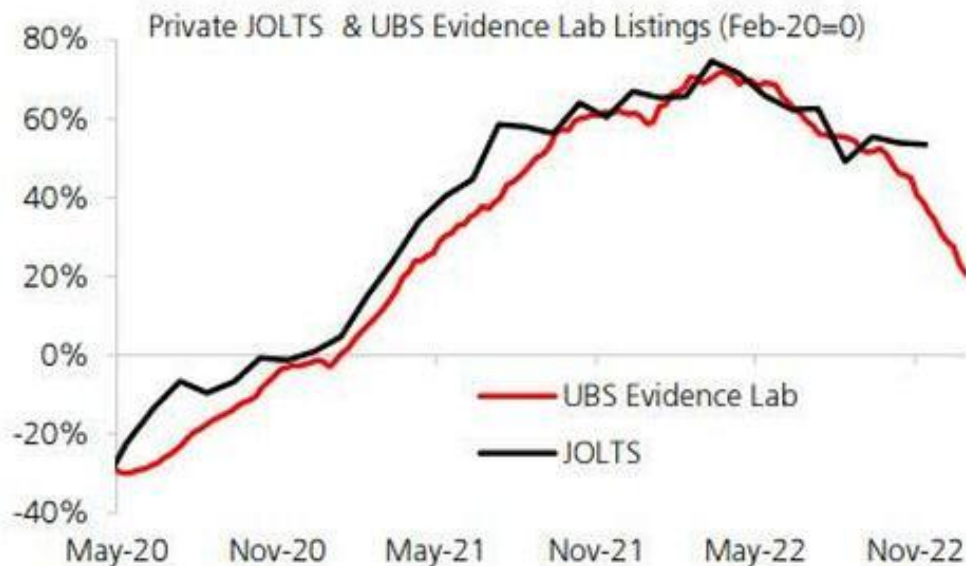


Exhibit 2: Our Timely Measure of WARN Notices Suggests Layoffs Have Risen a Bit Above the Pre-Pandemic Seasonal Norm in the Last Few Months



* California, New York, Texas, Florida, Pennsylvania, Virginia, and Ohio. Observations for the three latest months are adjusted for the average delay between when notices are dated and when they are reported on state government websites.

Figure 2: The UBS Evidence Lab data measure of job openings has been moving down since Q2 of last year but the JOLTS measure of openings has not fallen steadily



Source: NFIB, UBS, UBS Evidence Lab ([Access dataset](#))

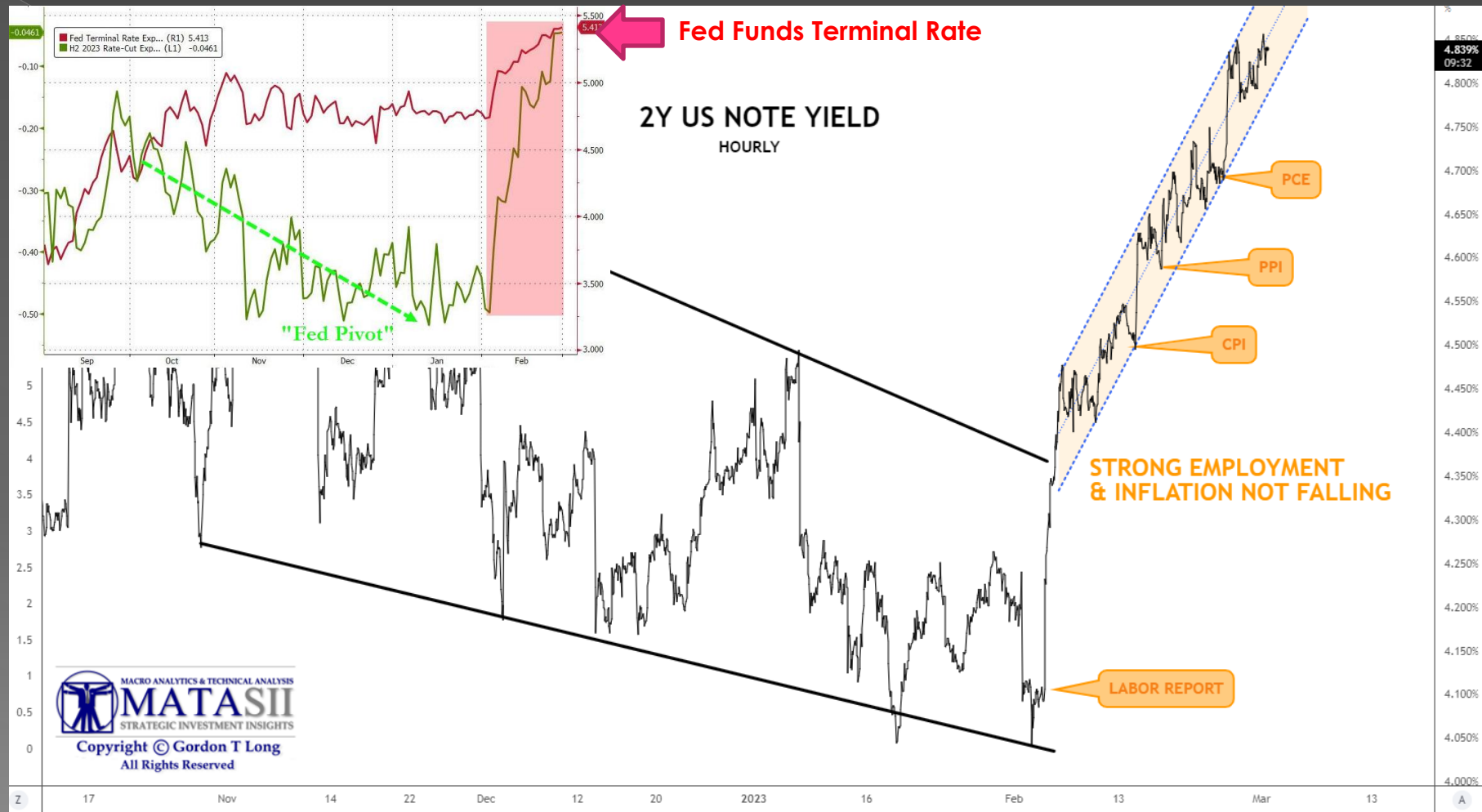


Start at 6:16

Former 6 Year Fed Governor Kevin Warsh
Fox's Kudlow 02-15-23

<http://finance.yahoo.com/video/kevin-warsh-long-making-just-230714065.html>

On a Data Dependent Fed -- ***"No major corporation would use data from the BLS or Commerce Department!"***



LEADING INDICATORS - COINCIDENT - LAGGING INDICATORS

Housing + New Orders (ISM)

+ Corporate Profits + Employment

CREDIT

2Y >>> FED FUNDS RATE >>> BANK TIGHTENING >>> LOAN DELINQUENCIES >>> LAYOFFS >>> DEFAULTS



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**GAMES ARE
TARGETED
HERE**

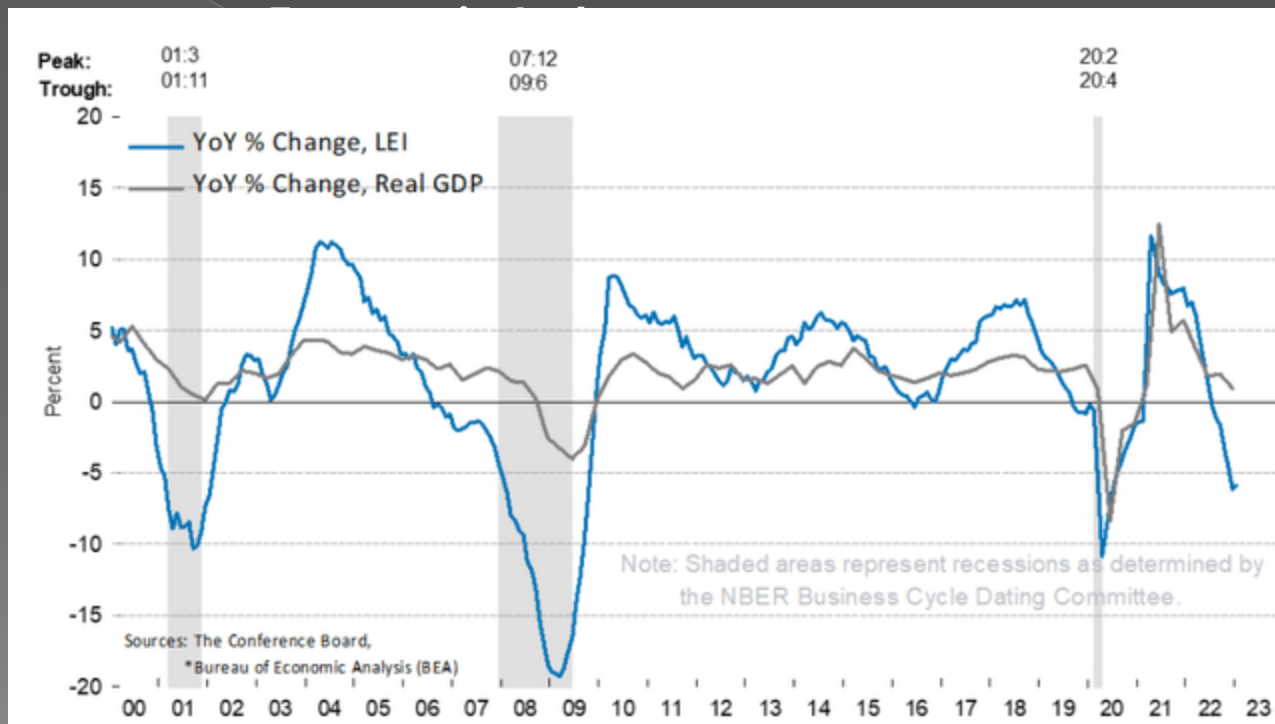
"You don't have a recession when you have the lowest unemployment rate in 53 years!"

U.S. Treasury Secretary Janet Yellen



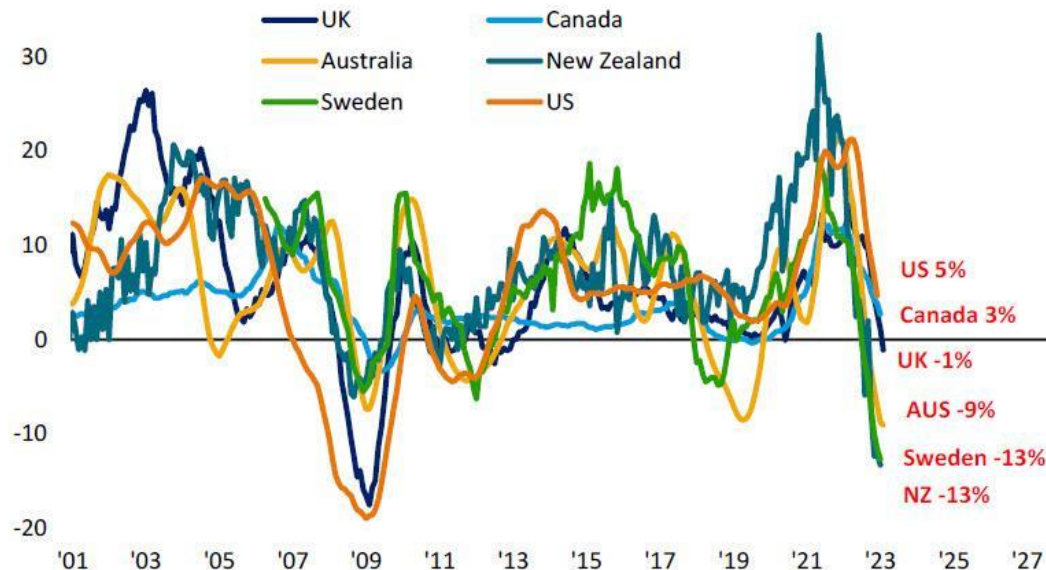
LEADING ECONOMIC INDICATOR (LEI)

The Conference Board's Leading



HOUSING

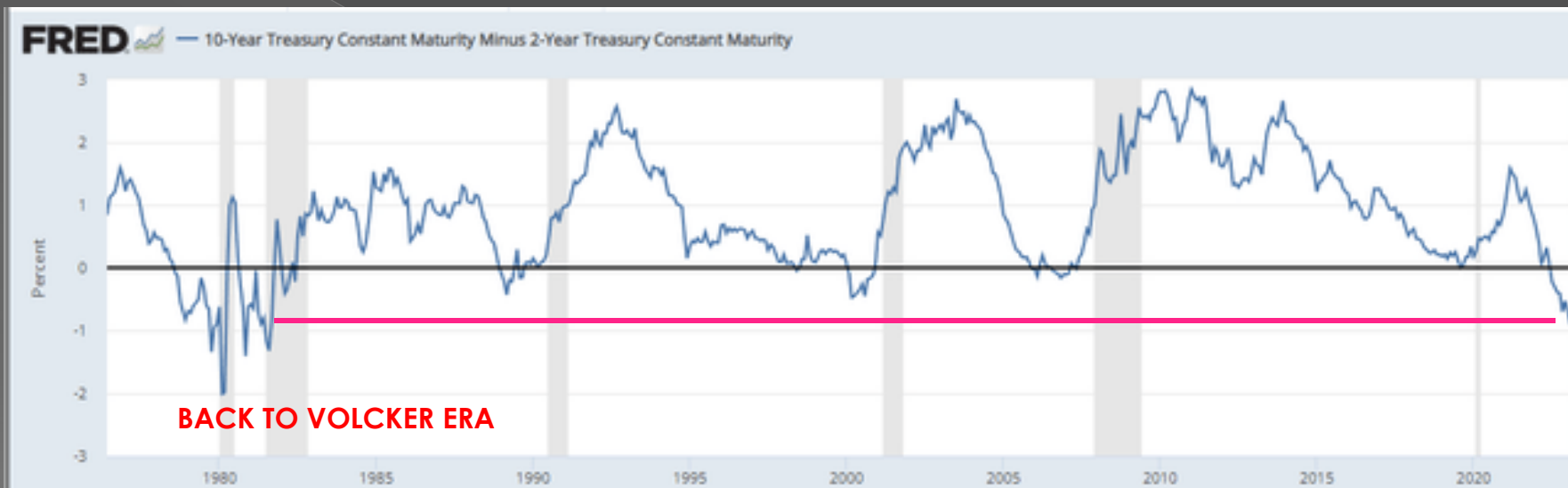
Chart 5: Housing markets globally are cracking
YoY change in residential housing prices (%)



Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

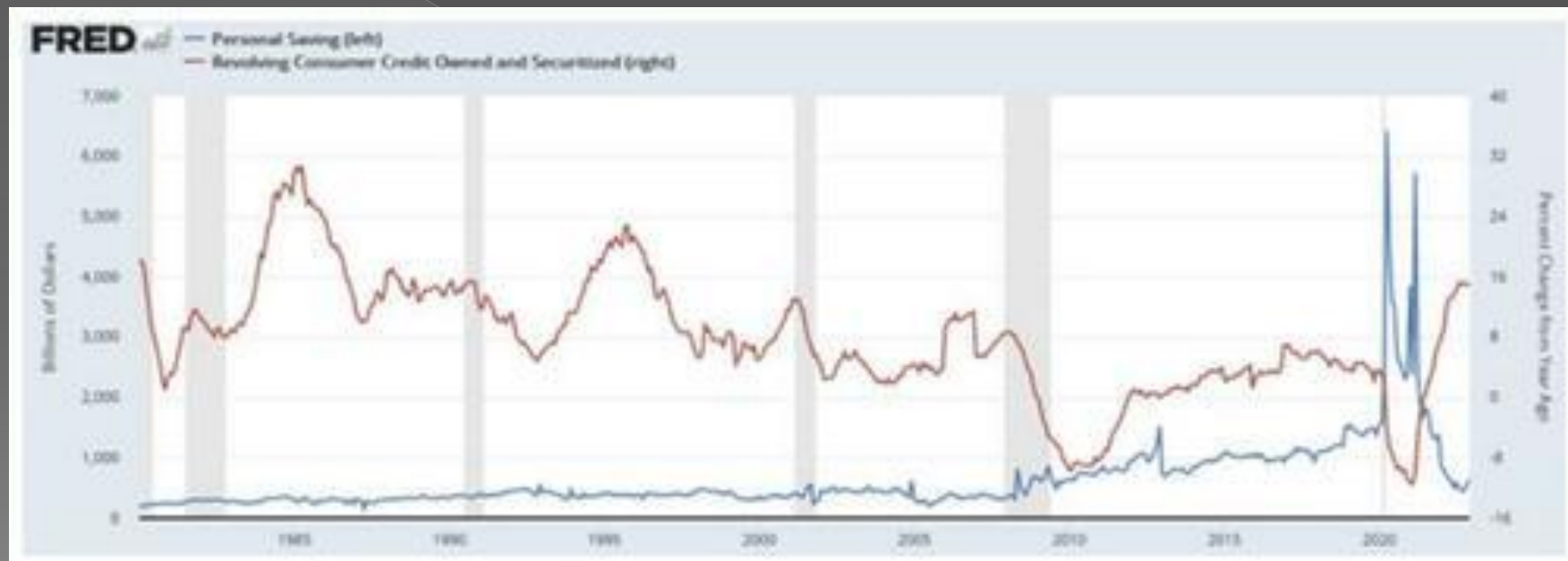
AN INVERTED YIELD CURVE



REAL DISPOSABLE PERSONAL INCOME



PERSONAL SAVINGS & REVOLVING CONSUMER CREDIT



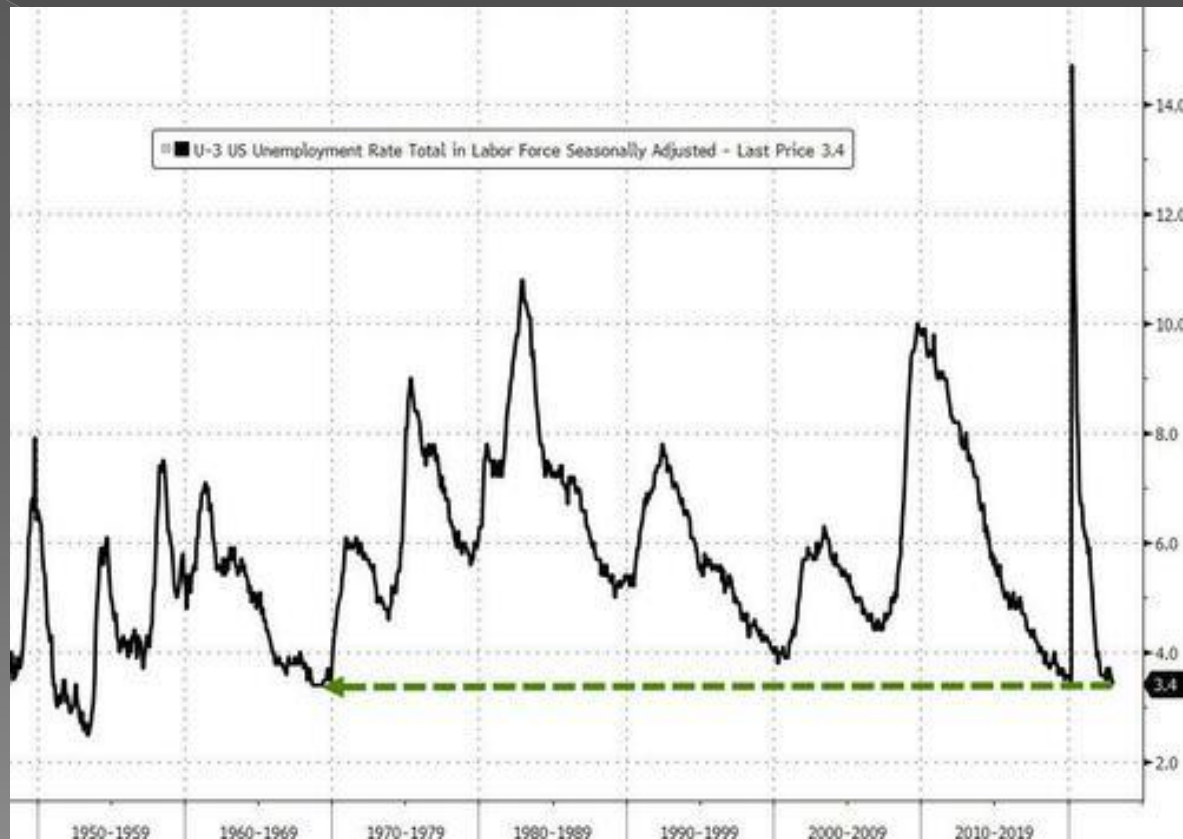
EMPLOYMENT: NON-FARM PAYROLLS



Source: BofA Global Research, Bureau of Labor Statistics, Haver Analytics

BofA GLOBAL RESEARCH

UNEMPLOYMENT RATE



USD ~

4800.00
4600.00
4400.00
4200.00
4076.59
4000.00
3800.00
3600.00
3400.00
3200.00
3000.00
2800.00
2600.00
2400.00
2200.00
2000.00
1800.00
1600.00
1400.00
1200.00
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800.00
600.00
400.00
200.00
0.00
-200.00

UNEMPLOYMENT RATE v S&P 500

17

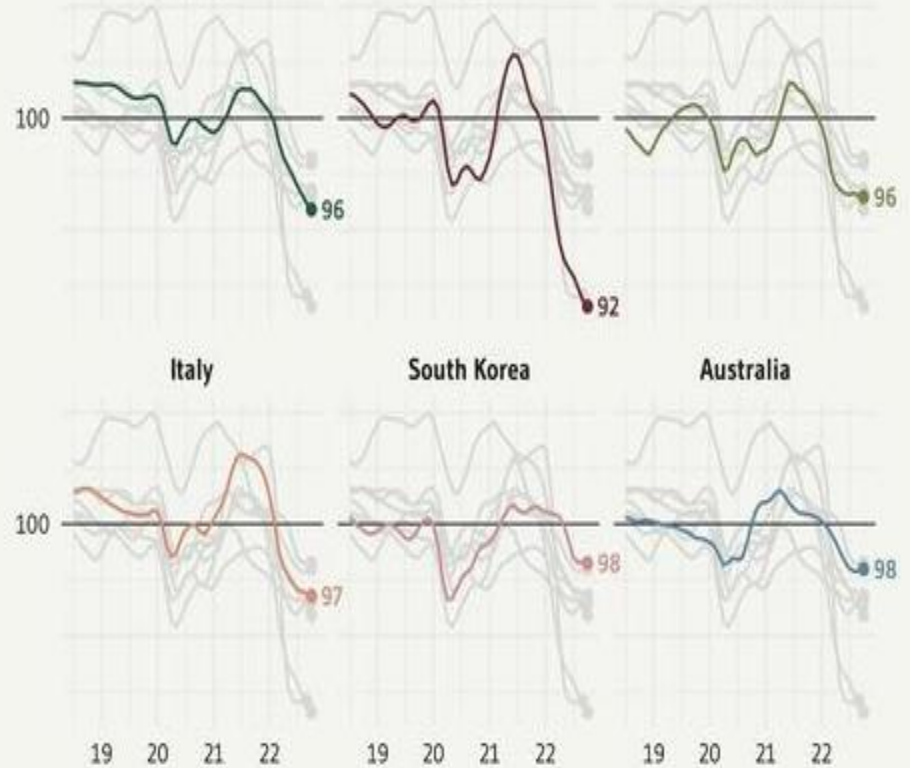
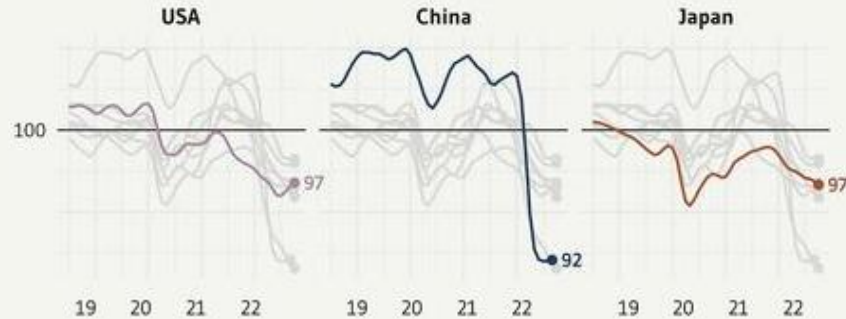
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1954 1959 1964 1969 1974 1979 1984 1989 1994 Sat 01 Apr 2000 Thu 01 May 2000 Fri 01 Dec 2000 Thu 01 Oct '09 2014 2019 Wed 01 Dec '21 2029

A

Consumer Confidence Around the World

The consumer confidence indicator provides an indication of future developments of households' consumption and saving. An indicator above 100 signals a boost in the consumers' confidence towards the future economic situation. Values below 100 indicate a pessimistic attitude towards future developments in the economy, possibly resulting in a tendency to save more and consume less. During 2022, the consumer confidence indicators have declined in many major economies around the world.



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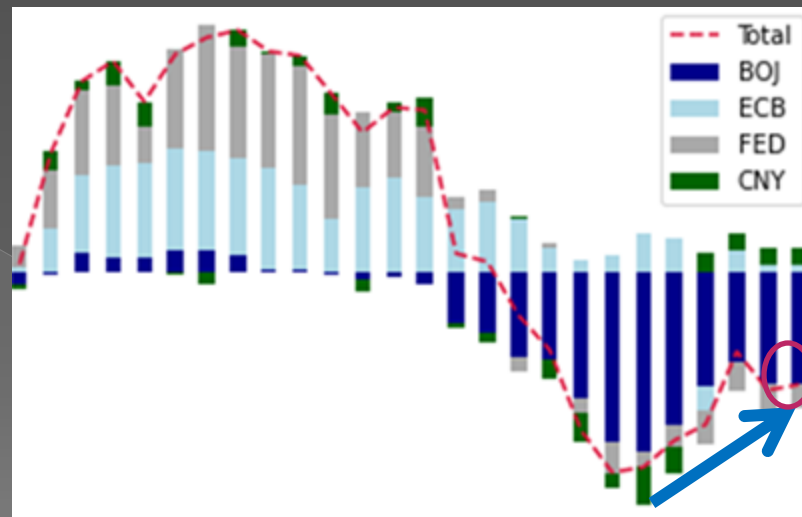
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CITIGROUP RESEARCH

"Even as central banks have told us they're going to be tightening, it turns out that they've just added \$1 trillion in liquidity over the last three months. It's basically as though in practice they've been doing QE even as they told us they were going to be doing QT."

"That \$1 trillion is directly worth about 10% in global equities or about 50bps off of investment grade credit spreads. I don't think it's a coincidence that's almost exactly as much as we've rallied over the same period."

"The sources of this liquidity injection are a bit technical: there's yield curve control interventions by the BOJ, then there was a drop in government deposits at the Fed and especially at the ECB, and in December the PBOC did a big liquidity injections."

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NARRATIVE FOLLOWS PRICE

Stable to Rising Prices have fostered four market narratives:

1. **EARNINGS & A STRONG LABOR MARKET:** Markets rise when expectations for earnings and jobs rise.
2. **INFLATION HAS PEAKED:** Markets have weathered the storm and clear skies are ahead!
3. **SOFT OR NO LANDING:** A so-called '**No Landing**' scenario, thanks to robust labor and consumer spending data and the strong performance of cyclical equities.
4. **CHINA:** China's reopening will be a major boost to the markets.

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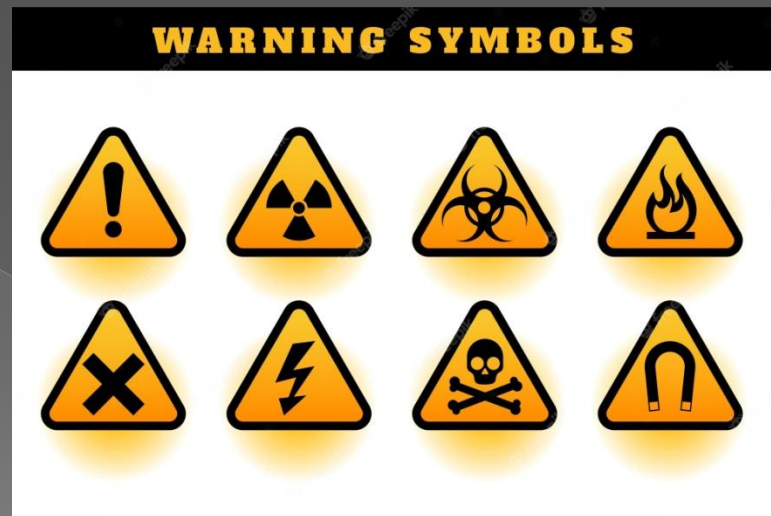
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TELLS

20% SLUMP IN HOUSING INVESTMENT (HOME BUILDERS)

RECESSION



LAGGING INDICATORS

EXISTING HOME SALES v S&P 500 TRAILING 12 MO OPERATING EPS

10 Months

PROFITS



YIELD CURVE INVERSION

10 Months

UNEMPLOYMENT



LEADING & COINCIDENT SPREAD

RISING

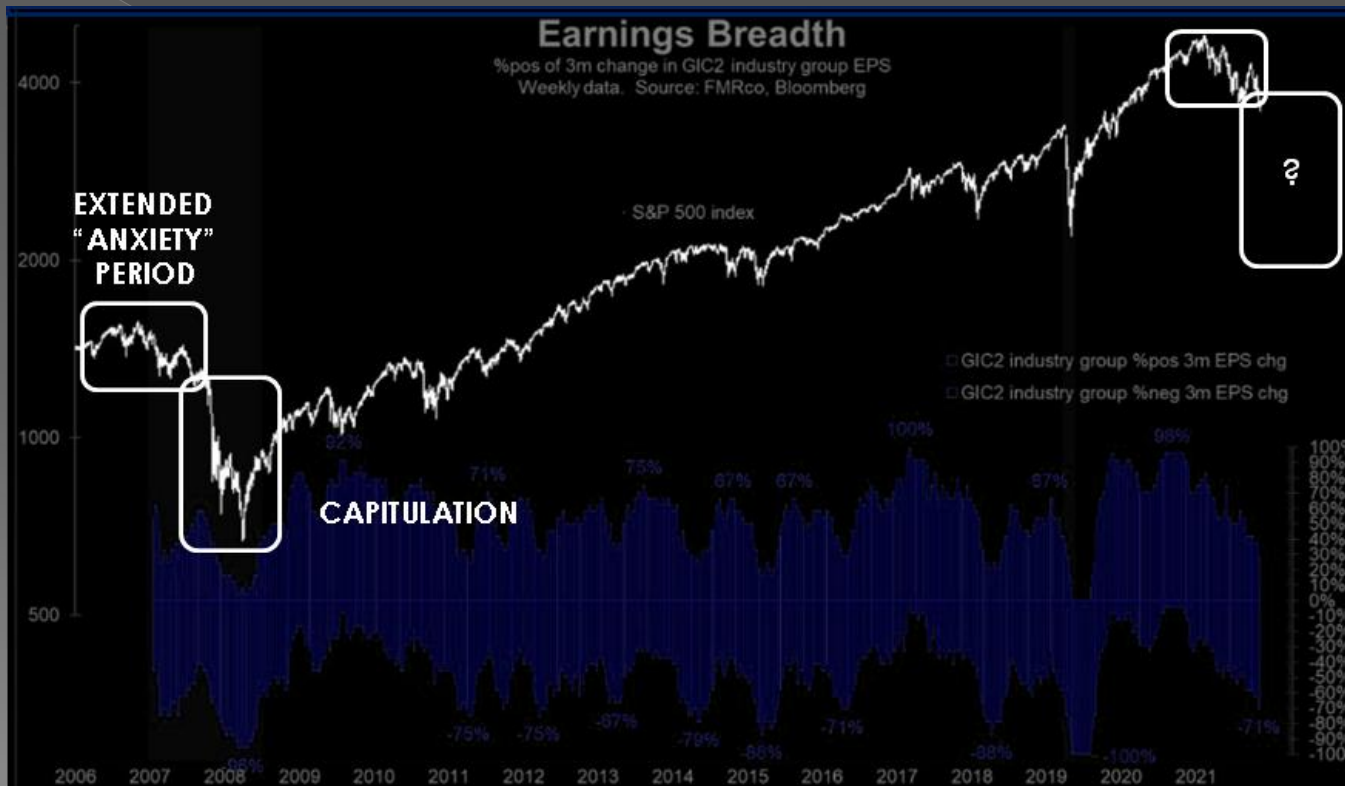
UNEMPLOYMENT



**** Previously Outlined in Weekly Newsletters**

TELLS

WHEN THEY ARE EVENTUALLY REPORTED WE ARE HIGHLY LIKELY TO GET A COLLAPSE



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STAGNATION

INFLATION

Crushes Consumer Disposable Income
Reversing Wealth Effect

DEFLATION

THE GREAT STAGFLATION

Insufficient Real
Economic
Growth

SURGING UNEMPLOYMENT



2020's

THE BETA DROUGHT DECADE

DEBT CRISIS

DEBT CRISIS

Collateral Failure
Leverage Failures

DE-DOLLARIZATION

HYPERINFLATION

Fiat
Currency
Failure

BRETTON WOODS II

**DEBT
CRISIS**

ADMINISTRATIONS CHANGE – BUT THE PRINTING NEVER DOES

DON'T WORRY, THEY WILL PRINT THE MONEY!

EVERYONE IS NOW IN PLACE & READY!!



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