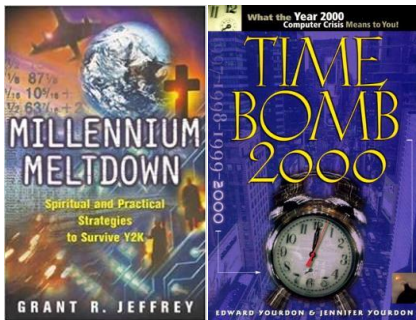


am  
FX

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Nope. No. Nope.

## Current Views

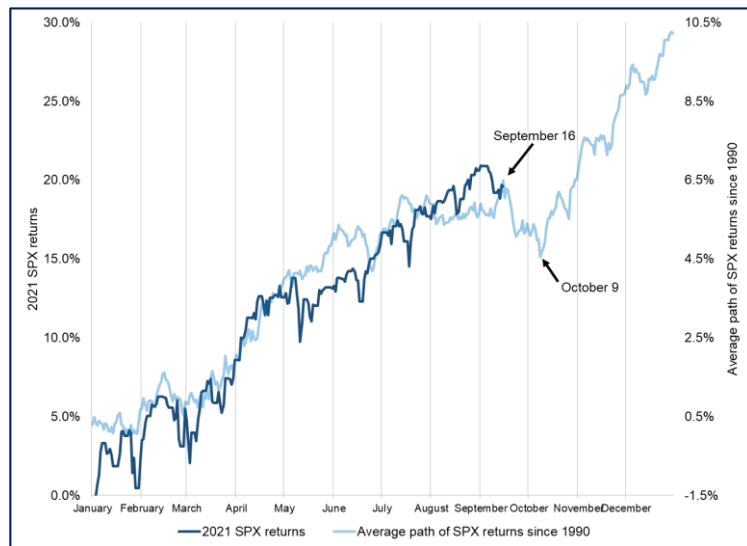
Bullish USDCNH @ 6.4488  
Stop loss 6.3990  
Take profit 6.5590  
Reassess early October if trade still alive

# Rectification

There is plenty to worry about in equity markets right now as we approach options expiry and what has historically been the worst three weeks of the year. The chart below shows the average path of equities since 1990. You can see we are on the front edge of the danger zone. In case you are wondering, the huge moves in 2008 are not the reason for this pattern; it's persistent.

2021 has followed the typical seasonal path with a see-saw start then steep gains in April and then a slightly flatter upward slope through the summer. I am using two different y-axes on the chart because we are interested in direction, not magnitude here. Sometimes two y-axes can be used to make a bogus point, but that is not the case here. Anyway, the empirical fact is that the 16SEP to 09OCT window has been a terrible time to own stocks.

### 2021 SPX returns are larger than usual, but following a somewhat normal path



Meanwhile, China refused to blink as they let air out of the speculative side of the economy and pummel specific industries in an attempt to achieve a variety of societal rectification goals. The slow-motion car crash that is 3333 looks to be reaching some sort of climax. Meanwhile, inflation is high, and the Fed is about to reduce accommodation in response. As I [discussed yesterday](#), I lean to a hawkish Fed.

Since I'm bullish USD, worried about risky assets for the next few weeks, and [discussed yesterday how USDCNH looks crazy low](#), I'm adding long USDCNH to the sidebar under Current Views. The main pushback on the view is that USDCNH isn't moving, and that CNH has performed well but to me the strong performance of the currency is not sustainable as these negatives pile up. There is a nice triple bottom there just above 6.42, so you only have to risk 400 pips and a few weeks of carry.

I added the trade idea to the sidebar. I track these trades and publish the performance once per quarter. Have an ingenious day.

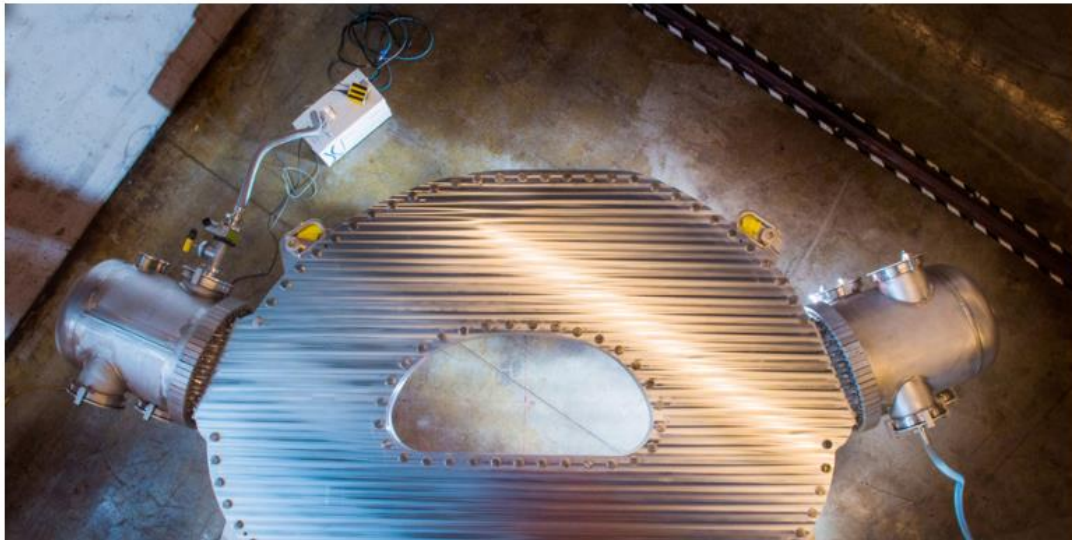
good luck ↑↓ be nimble

## MIT-designed project achieves major advance toward fusion energy

New superconducting magnet breaks magnetic field strength records, paving the way for practical, commercial, carbon-free power.

 Watch Video

David Chandler | MIT News Office  
September 8, 2021



<https://news.mit.edu/2021/MIT-CFS-major-advance-toward-fusion-energy-0908>

Humans are good at solving big problems.

That's why Malthus was wrong, and [Ehrlich was wrong](#), and Y2K never happened... And so on.

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AM/FX is Brent Donnelly's must-read daily macro letter, published since 2004.

It is a clear and concise daily look at one or two important topics related to global markets. Brent talks macro, narrative economics, trading strategy, tactics, positioning, technicals, and market psychology as he covers whatever markets are in play. Topics covered include FX, crypto, stocks, fixed income, commodities, and macroeconomics.

Brent's huge network of hedge fund, real money, central bank, and trading contacts give him unique insight into what's driving markets today, and what will move markets tomorrow.

Brent offers actionable analysis, clear directional views, and real trade ideas as he helps you surf the current narrative. He puts new themes on your radar before they hit the mainstream.

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