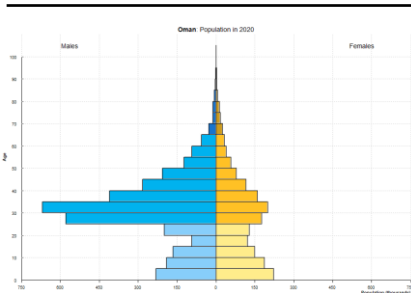


am
FX

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Male (blue) vs. female (yellow) population distribution in Oman. From this surprisingly interesting UN website:

<https://population.un.org/wpp/Graphs/DownloadProfiles/Pyramid/512>

Current Views

Long ESH2 at 4559

Stop loss 4568

Take profit 4694

Original stop loss was 4495

Short ETHUSD @ 4210

Stop loss 4902 / Take profit 3010

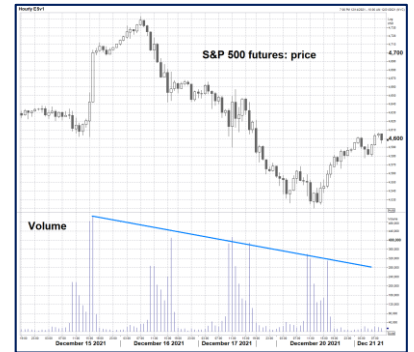
(From MacroTactical Crypto #4)

Lower volume

The excitement is draining from the market as we approach Christmas and there is no meaty theme to chew on. S&P volumes are trending lower over the last few days as you can see in the chart at right (hourly volumes).

Omicron lurks, but the crowds at the opening of Spider-Man show the broader US population is out and about even as governments continue to focus on minimax regret strategies and worst-case scenario analysis

You could argue the public is exhausted and behaving recklessly, or you might feel the public has a good sense of expected value and governments are overplaying the fear factor. If omicron turns out to be severe, it will be a huge surprise to individuals and the market. Otherwise, markets have already moved on.



Excellent read for a potentially quiet day

Assuming it's quiet today, here is one of the best things I have read in the past few months. It's simple, pragmatic, useful, and well written:

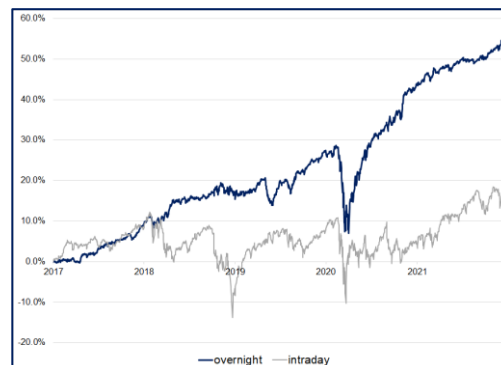
[Luke Burgis: 25 Anti-Mimetic Tactics for Living a Counter-Cultural Life](#)

TT

Interesting price action in ES as yesterday's closing print was 4559 and futures ripped immediately after. The Turnaround Tuesday tactic provided nice timing for long ES¹. The question with a trade like this is whether you hold onto it, or simply take the money and run. The trade is 100bps in the money in 16 hours, which is tempting to monetize, but my feeling is that we are entering the low-vol Christmas grind now and the path of least resistance is back towards 4700.

Full disclosure: I have held onto Turnaround Tuesday trades too long in the past and regretted not just cha-changing first thing pre-open. Often, the TT gains are all captured between the Monday close and the Tuesday open. This is consistent with the fact that the majority of gains in US equities come after hours. That effect has been around since the 1990s but here is a chart showing 2017 to now:

S&P 500 cumulative returns, overnight vs. intraday



¹ Long at 4 p.m. yesterday, see yesterday's "AM/FX: Til Tuesday" for more.

The next graphic is a super micro, 1-minute S&P chart. It shows the series of higher lows put in after the post-4pm ripper last night. You can safely move the stop loss on the long ES up to 4568 to guarantee a small win while maintaining the possibility of a large gain if stocks now embark on a Christmas grind higher.

1-minute ESH2 chart since 7 a.m. yesterday



2022 Outlook

There are usually some very strong consensus trades as the market heads into a new year. Going into 2022, that is *not* the case. While FX strategists are unanimously bearish EURUSD, bullish CAD, and bullish USDJPY, I don't get the sense that discretionary traders have much conviction or risk. The conversations I'm having run all the way from fiscal drag / disinflation to goldilocks to more inflation panic in Q1. There is certainly not an obviously dominant macro narrative here.

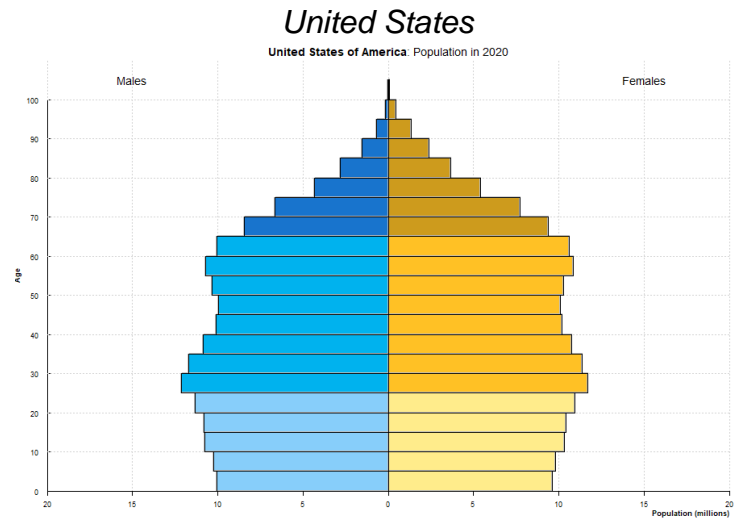
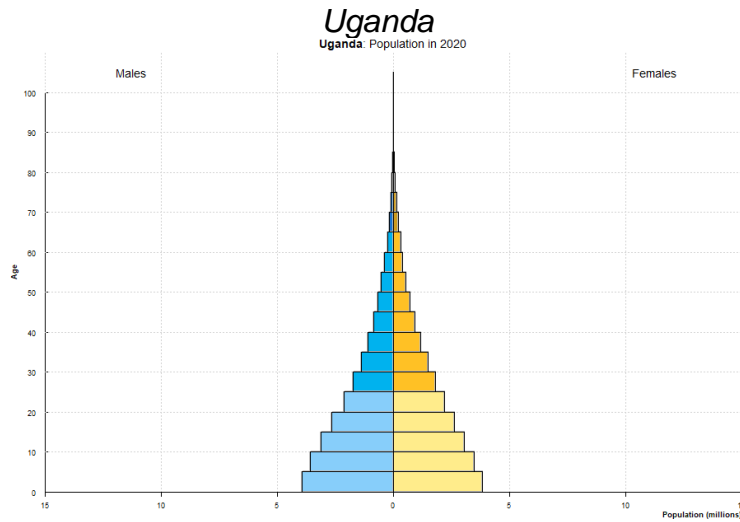
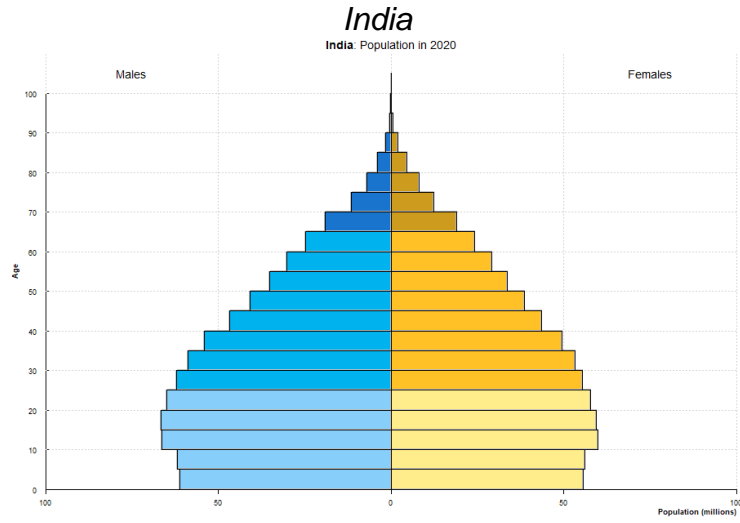
The largest positions out there are systematic CTA positions (short AUDUSD, short GBPUSD, long USD) but the humans are quiet and waiting for a new theme to emerge. Omicron and the Fed pivot are priced in for now, the next catalyst should either be the US data in January (CPI January 12 is a highlight) or a tail event driven by much-worse-than-expected omicron outcomes. That bear case is a low delta, but important path that still needs to be on the radar.

Have a Taj Mahal of a day.

good luck ↑↓ be nimble

Bonus read: on the tradeoffs between freedom and safety: [I live in a zero COVID world \(The Economist\)](#)

Three Population Pyramids



HT &

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