

am
FX

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"I'm like a bird"

[Nelly Furtado, 2000](#)

Current Views

Long NZDUSD @ 0.6692

Stop loss 0.6614
Take profit 0.6818

Long BTC @ 38220

Stop loss 31400
Take profit 49900

Short GBPCAD @ 1.7252

Stop loss 1.7415
Take profit 1.7010

Bullish EURGBP

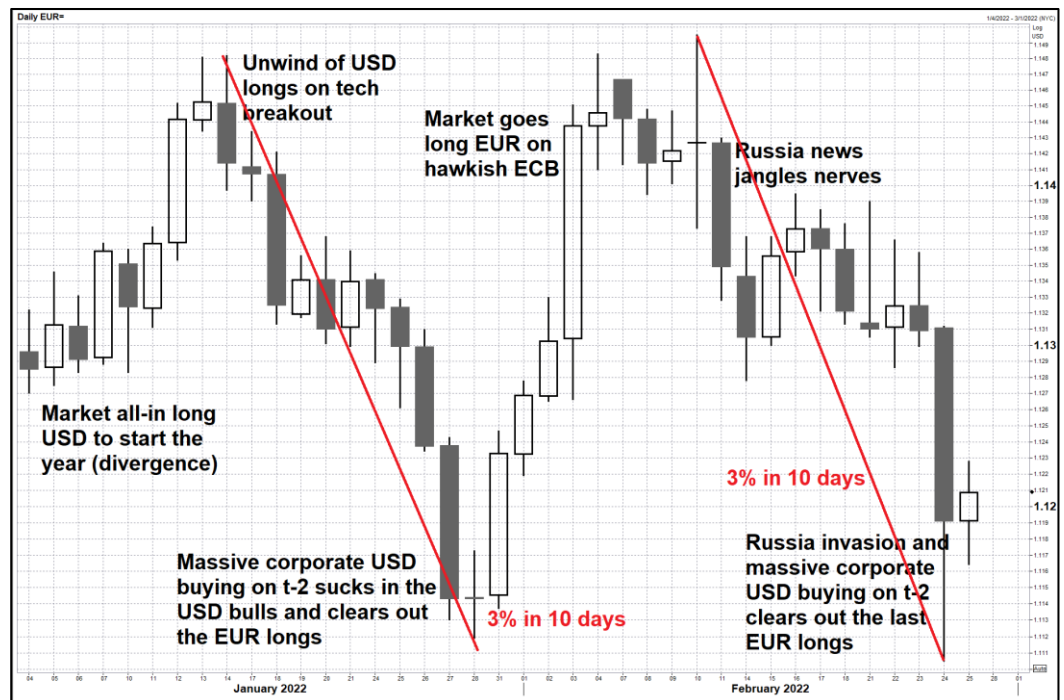
Long 18MAR 0.8550 EURGBP digital
call at 24% (spot ref. 0.8426)

Global Micro

Going a bit micro today as I compare this month to last and see more similarities than differences. The February daily EURUSD chart is just about a perfect repeat of January.

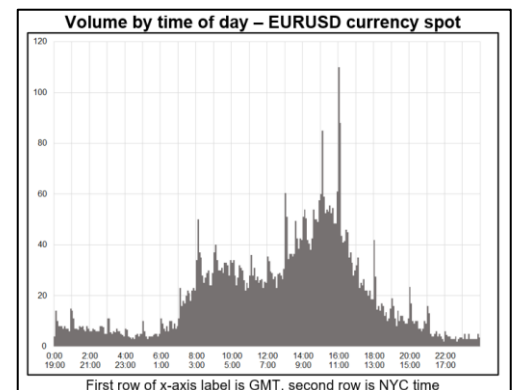
1. Squeeze into the 1.1500 gamma
2. Dump 3% in 10 days to 1.1100/20
3. Final leg on t-2 as corporates buy tons of USD
4. Bounce off 1.1100/20

EURUSD daily, January and February



In theory, Monday's month end flows should be bullish USD but I am ignoring this because the month end models have not been working. Real money is hedging earlier and more dynamically and too many systematic models are on the month end trade now so the thrill is gone. There is still outsized volatility on month end but the direction has become impossible to forecast.

Corporate USD buying has been outsized the past two months for whatever reason. Note that corps tend to buy their USD in the liquid period (7am to 11am NY, see chart at right) on the last day to settle for month end (t-2 for most currencies). On the next page, I show the 1-minute price action in GBPUSD yesterday. You can clearly see the mega footprint of the corporate USD buying and the snappy reversal at exactly 11:00:00am. This is textbook stuff and shows how knowledge of microstructure can give you an edge on execution / entry points.



1-minute GBPUSD yesterday



The same thing happened last month! I am showing GBPUSD simply because it's less liquid than EURUSD and flows tend to have a larger impact. But the charts all look similar, whether it's EUR, AUD, or whatever. Here is last month. Same thing.

1-minute GBPUSD bottomed at 11am on t-2 last month, too



It feels good to be bullish after being bearish for an extended period

I sent a special email yesterday afternoon to explain why I have turned bullish risky assets after four months of leaning mostly bearish. I particularly like bitcoin because it has traded so well through this recent period of risk aversion. While NASDAQ and SPX were crumbling to new lows, bitcoin never even came close to testing its low in the 28k / 30k area. **I think we could get a snappy rally to 50k here.** The bullish NZDUSD and bitcoin trades from yesterday are in the sidebar.

In SPX and NASDAQ, I think we can get back to the 200-day (4500 and 15000 area) and then I'll probably get bearish again. Or maybe not.

Have an ingenious day.

good luck ↑↓ be nimble



Magpies help each other remove tracking devices

<https://www.abc.net.au/news/2022-02-22/magpies-show-cooperative-behaviour-by-removing-tracking-device/100851458>

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