



Theodore Samuel

As Red Sox player from 1939 to 1960, with a 3 year stint in World War II in between, Ted Williams was a true student of hitting. The 19-time All-Star, 2X Triple Crown Winner, and 6 time American League Batting Champ has the highest ‘bases-on-balls-to-plate-appearances’ ratio of any Big League Hall of Famer. That means he studied a lot of pitches as they went by and almost always passed on the first one. Still, the greatest hitter of all time.

When you’re seeing the ball and the market clearly, you do everything you can to stay in form like Old Ted. **Sentiment, optics, technicals.** Let’s keep our eye on the ball during this slow mid-week rotation.

SENTIMENT – the CNN Business [Fear & Greed Index](#) leveled off to a pretty **neutral to bearish 44** from an extreme fear reading of 1 down at S&P 2,200. While this indicator can stay pinned in overly fearful or overly greedy territory for a long period of time, I find it to be an extremely useful tool in gauging sentiment. Here we are BETWEEN moving averages in the S&P and BETWEEN moving averages in the VIX and sentiment is mid-range. ✓

[AAII Investor Sentiment](#) for the week ending May 6, 2020 matched up pretty closely. 23.7% of investors surveyed were bullish, down 7 percentage points from last week and 52% are bearish, up 8 percentage points from last week. If you add up the 23.7% bulls and the 52% bears and you split the number down the middle – you get 38% which is just 6 percentage points below the Fear & Greed reading. ✓

In terms of sentiment – that’s splitting hairs. We’re in neutral territory right now, leaning slightly bearish. The pain trade and the incredulity trade are higher. ✓

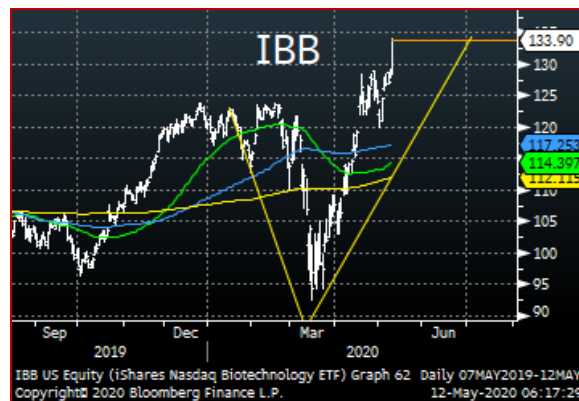
OPTICS – Let’s just say, Dr. Fauci isn’t getting hired by Michael Corleone as a wartime consigliere anytime soon. I know he’s applying academics to the situation but going out with a warning like this with no data and little factual support - sounds more like fear mongering to me.

“If we skip over the checkpoints in the guidelines to open America Again, then we risk the danger of multiple outbreaks throughout the country. This will not only result in needless suffering and death but would actually set us back on our quest to return to normal.”

The National Institute of Health is out [campaigning for vaccines](#). The propaganda wheels are in motion and another transformation of our nation has begun.

I’m not shocked the S&P isn’t buying a word of it as she recuperates from 2,900 to 2,932 this morning. If those sound like the same S&P prices as yesterday – trust your instincts. We’re rotating. ✓

TECHNICALS - Yesterday illustrated a world class Re-Opening Rotation with little net gain either way. We saw everything Big Tech, biotech, cyber security, health care, and software continue to trudge higher. The hallmarks of a post-corona-economy. These sectors are putting the finishing touches on “V” shaped recoveries of a more technical nature.





On the downside we saw industrial metals (short target XME) lead the way down with gold miners right behind them. Exploration & production stocks rotated their way to a 2% loss. Homebuilders and basic materials lost some ground, but they're at the top of their recent range, so it's no real damage. ✓

It won't dampen any animal spirits knowing that the Federal Reserve Bank of New York **announced** that the Secondary Market Corporate Credit Facility (SMCCF) will start buying corporate credit today. This is the number one reason I'm not expecting a combustive liquidation to new lows anymore.

Because the **"forceful, proactive, and aggressive"** emergency lending powers of the Fed are in motion and showing no signs of letting up. ✓

Buying **High Yield credit and ETF's from Blackrock** is just another supportive underpinning to HYG and JNK etf's which have put in "V" recoveries of their own. Eventually, we'll deal with the moral hazard of whose junk gets bought and whose doesn't – but in the end – the answer will likely be everyone's. I doubt the Fed just punted their balance sheet into uncharted territory only to get picky with which credit you rescue from oblivion. If they're buying any of it – they're buying all of it.

There is an adjustment to make to our View Matrix today, but with all the "V" recoveries in the leading sectors of the S&P right now, it's difficult to throw in the towel and get bearish just yet.



Fair Correction – I know Eric Schmidt is no longer CEO of Google, I've written about Sundar Pichai in that role, so I apologize for the language error. I still firmly believe that the intersection of even a *former* CEO of Google, who knows it's inner mechanics AND how it relates to the U.S. government, the Chairman of the Defense Innovation Board, and Chairman of the National Security Commission on Artificial Intelligence, is an absolutely outrageous expression of too much power. If you think Eric and Sundar don't speak, I'd ask you to check in with Michael Corleone. **"Now who's being naïve Kate?"**



Flying Scared

The 1986 Chicago Cop flick *Running Scared* starring Gregory Hines and Billy Crystal in the prime of his career was one of my favorite movies as a teenager, but that condition is no way to trade. In terms of risk management and getting sleep – being long airlines has me running scared and its jamming up my inner peace. It’s not like a gold position which I can sleep on like a baby. This airline noise is hampering my ability to dig deeper into the plays I think can be more valuable – like this Big Tech and Energy Post Corona Thread we’ve been working on. I like to make life easy on myself so I have to cut airlines loose.

We’re in the airlines because they’re now dirt cheap and because of our bullet proof thesis that Americans aren’t going to stop flying due to coronavirus. I thought it might be a good sector to be long into the re-opening rotation we’ve been observing but performance says they are not. They’re not even participating and that’s a bad sign.

Warren Buffett sold his airlines but it’s not why I’m pitching mine. I love knowing a big long jumped ship. I’m trying to think of WHY Warren Buffett would sell his airlines so I went on a short tour figuring out what he’s afraid of and saw a ghost. The ghost of me not flying anywhere in the foreseeable future.

“If you think about everything that came out of 9/11, with T.S.A. and Homeland Security and new public agencies, could there be a new public health agency coming out that requires a new passport to travel? I don’t know. But we’ll be on the forefront of all those advances.”

– Delta CEO Ed Bastian

If Delta CEO Ed Bastian is talking about a NEW PUBLIC HEALTH agency that’s going to insert itself between the TSA and my gate in this [Fake News NY Times](#) article then flying is going to morph into a nightmare for the foreseeable future. As much as I’m willing to go out in public, to a restaurant, or to a show THE DAY the economy opens I am mentally unable to subject myself to that type of torture to fly someplace exotic. I’ll have to let the beach weather come to me for a while because the thought of getting my temperature taken or throat swabbed by some government hack that happened to get stationed at JFK – is utterly undoable.

Take the Live Nation and bid it, because Dave Grohl saved every live music fans life yesterday with his ode to live music in The Atlantic, and leave the airlines. The sad reality is that we may be waiting forever for before taking a simple flight becomes simple again.





STUDY BREAK

“I know sh*t about finance but this section right here is off the hook.”

– Dave Grohl on the *Morning Navigator*

“I’m afraid concerts spoil people for everyday life.” – L.M. Montgomery



“I could never sit in a room and just play all by myself. I needed to play for people and all the time. You can say I practiced in public.” – Bob Dylan

“I don't think there's anything better than hearing your favorite band live.”

– Slash

“I’m hungry for a big old plate of sweaty, ear-shredding, *live* rock and roll, ASAP.” – GROHL, heroic journalism in *The Atlantic*

*There goes my hero
Watch him as he goes
There goes my hero
He’s ordinary! ***My Hero****

“I myself have been pressed against the cold front rail of an arena rock show. I have air-drummed along to my favorite songs in the rafters, and been crushed in the crowd, dancing to dangerous decibel levels while lost in the rhythm.”

– Dave Grohl, and me.

“May the forces of evil become confused on the way to your house.” — George Carlin, born May 12, 1937

“I don’t know when it will be safe to return to singing arm in arm at the top of our lungs, hearts racing, bodies moving, souls bursting with life. But I do know that we will do it again, because we have to.” – GROHL *fist bump*

“Thank God Dave pushed back against all the concert hazmat suit bullsh*t. Talk about extreme propaganda.”
– TG Macro

“Being a rock star is the intersection of who you are and who you want to be.” – Slash

Who are you? - Roger



VIEW MATRIX

XLE – moving ALL BETS OFF level to the 50dma at \$33.50 from \$35.

TRUL CN – it’s breaking the neckline as I type. I moved the ALL BETS OFF level to \$12.50 from \$11. Elevator up.

AAPL – ALL BETS OFF level raised to \$275. Shopping for GOOGL and MSFT.

JETS – YER OUT.

XHB – she’s consolidating in the gap. I can live with that. ALL BETS ARE OFF below \$33.50, up from \$30.

EEM – [Moody’s Warns of Sharp Pick-Up In Emerging Market Corporate Debt Defaults](#) – I think we’re good short here.

Everything else stays as is.

VIEW MATRIX				
BULLISH	TICKER	Added	REASON	ALL BETS ARE OFF
BUY RADAR	GOOGL, PTON, JACK, V, AFL, GS, NSC, MSFT			
	XLE	30-Apr-20	Negative Sentiment/Restart trade	< \$33.50
	TRUL CN	28-Apr-20	Cannabis turn/Head & Shoulders pattern	< \$12.50
	AAPL	24-Apr-20	5th BUY for reflation / best name in Tech	< \$275
REMOVE	JETS	7-Apr-20	4th BUY for retracement/ neg sentiment	< \$11.25
	XHB	25-Mar-20	2nd BUY for retracement	< \$33.50
	LYV	20-Mar-20	FIRST BUY for retracement	< \$30
	UUP	1-Mar-20	OWN DXY FOR CAPITAL PRESERVATION	< DXY 88.00
	GOLD [PHYS]	24-Mar-20	Re-enter gold for Post-Covid-19 economy	< \$12
BEARISH	TICKER	Added	REASON	ALL BETS ARE OFF
SHORT RADAR	IWM, XME			
	AUDUSD	1-May-20	Shorting the retracement to resistance	> .6700
	EEM	24-Apr-20	BEARISH EM/ USD wrecking ball theory	> \$41



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