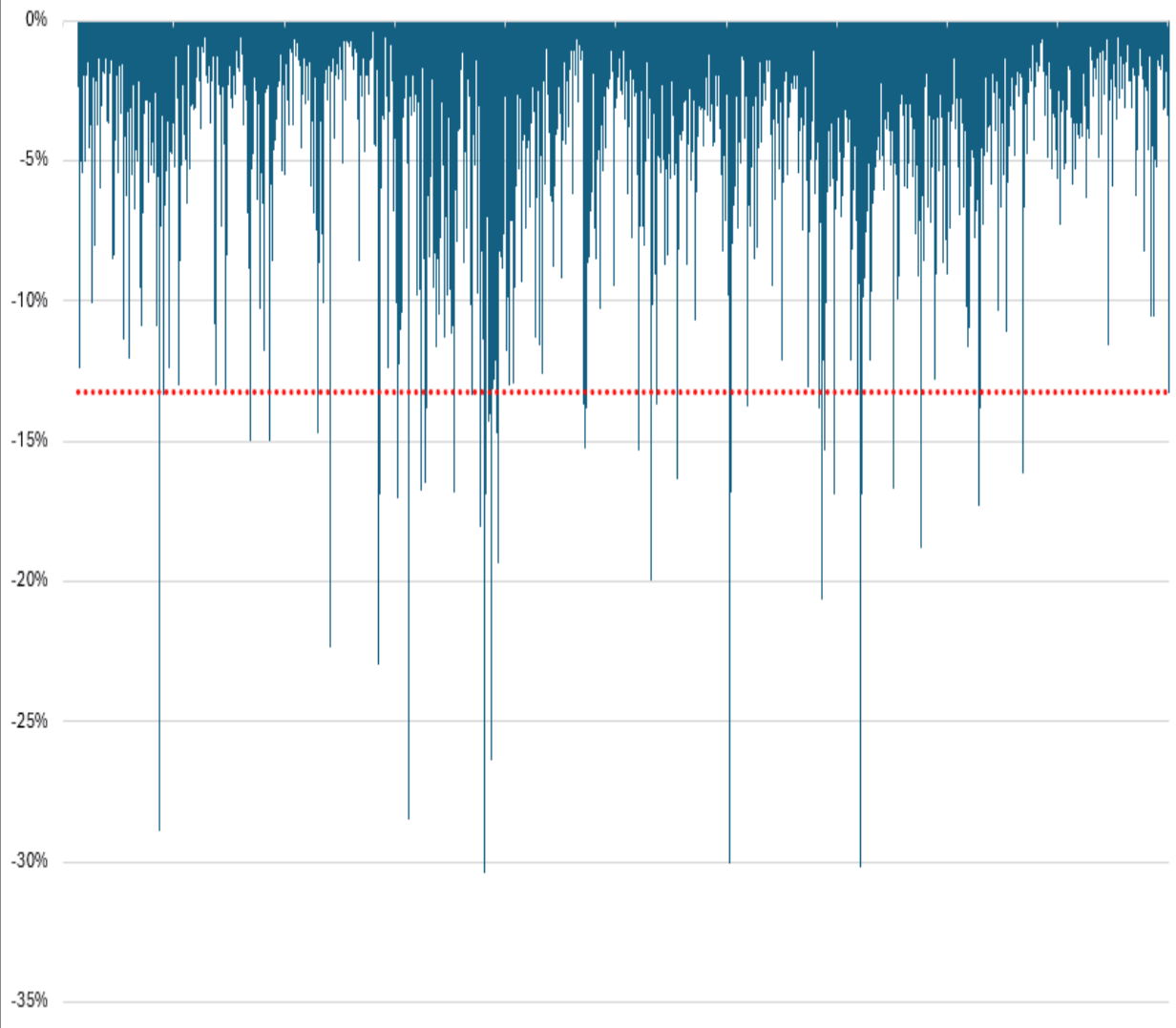


Bitcoin Declined 13% Intraday Again

From Monday's close to its low point on Tuesday, Bitcoin declined by over 13%. While a 13% decline in one day may seem enormous for almost any asset class, it's not that out of the ordinary for Bitcoin traders and investors. As we graph below, Bitcoin has fallen by 13% or more intraday 59 times over the last ten years. On average, such a drastic move occurs about six times a year. In fact, Bitcoin has declined by twice that amount, on an intraday basis, six times in just the last ten years! As of Wednesday morning, Bitcoin recovered over half of its losses. Furthermore, Ethereum, which was down over 15% intraday, erased the entire decline within 12 hours, as shown in our Tweet of the Day below.

The surge and recent decline in Bitcoin are not just confined to Bitcoin. The whole crypto sector is posting enormous gains. Furthermore, as we have mentioned in numerous Commentary, speculative fervor permeates many markets. Often, bubbles or periods of significant gains end with a bout of two-way volatility. Big gains are followed by sharp declines, another price surge, etc. Typically, such volatility marks a period when the number of sellers or those shorting becomes numerous and more aggressive. Further, buyers and sellers are often heavily convicted at these points. Consequently, sellers will pile on any downward movement, and buyers consider any dip a gift. Hence, we must ask- is this week's bout of volatility a warning or a speed bump on the way to higher prices?

Bitcoin Intraday Drawdowns



What To Watch Today

Earnings

Time	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's EPS*
🌙	AVGO	Broadcom Inc.	\$656,454,794,285	Jan/2024	\$8.95	8	3/02/2023	\$9.83
🌙	COST	Costco Wholesale Corporation	\$336,947,057,545	Feb/2024	\$3.60	14	3/02/2023	\$3.30
☹️	PBR	Petroleo Brasileiro S.A.-Petrobras	\$115,441,181,168	Dec/2023	\$1.11	3	3/02/2023	\$1.25
☹️	PBR.A	Petroleo Brasileiro S.A.-Petrobras	\$112,310,572,865	Dec/2023		5	N/A	\$1.25
🌙	MRVL	Marvell Technology, Inc.	\$68,598,075,000	Jan/2024	\$0.29	12	3/02/2023	\$0.34
☀️	KR	Kroger Company (The)	\$34,798,512,131	Jan/2024	\$1.13	8	3/02/2023	\$0.99
🌙	MDB	MongoDB, Inc.	\$31,685,982,204	Jan/2024	(\$0.71)	9	3/08/2023	(\$0.98)
☹️	ADM	Archer-Daniels-Midland Company	\$28,386,550,391	Dec/2023	\$1.42	6	1/26/2023	\$1.93
🌙	IOT	Samsara Inc.	\$18,247,814,698	Jan/2024	(\$0.08)	5	3/02/2023	(\$0.02)
☀️	BURL	Burlington Stores, Inc.	\$13,340,597,918	Jan/2024	\$3.28	10	3/02/2023	\$2.96
🌙	DOCU	DocuSign, Inc.	\$10,920,660,023	Jan/2024	\$0.09	8	3/09/2023	\$0.07
🌙	GWRE	Guidewire Software, Inc.	\$9,885,739,680	Jan/2024	(\$0.18)	6	3/06/2023	(\$0.56)
☀️	TTC	Toro Company (The)	\$9,860,381,749	Jan/2024	\$0.66	4	3/09/2023	\$0.98
☀️	BJ	BJ's Wholesale Club Holdings, Inc.	\$9,694,131,516	Jan/2024	\$1.07	11	3/09/2023	\$1
☀️	CLEN	Ciena Corporation	\$8,140,789,372	Jan/2024	\$0.29	8	3/06/2023	\$0.48
☀️	YMM	Full Truck Alliance Co. Ltd.	\$7,139,704,935	Dec/2023	\$0.08	1	3/08/2023	\$0.03
🌙	GPS	Gap, Inc. (The)	\$7,127,416,871	Jan/2024	\$0.20	7	3/09/2023	(\$0.75)
☀️	AEO	American Eagle Outfitters, Inc.	\$4,725,117,332	Jan/2024	\$0.50	7	3/01/2023	\$0.37

Time	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's EPS*
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🌙	GWRE	Guidewire Software, Inc.	\$9,885,739,680	Jan/2024	(\$0.18)	6	3/06/2023	(\$0.56)

Economy

Time	Event	Impact	Actual	Dev	Consensus	Previous
THURSDAY, MARCH 7						
12:30	USD Challenger Job Cuts(Feb)		-	-	- 82.307K	
13:30	USD Initial Jobless Claims 4-week average(Mar 1)		-	-	- 212.5K	
13:30	USD Initial Jobless Claims(Mar 1)		-	-	215K 215K	
13:30	USD Continuing Jobless Claims(Feb 23)		-	-	1.885M 1.905M	
13:30	USD Nonfarm Productivity(Q4)		-	-	3.1% 3.2%	
13:30	USD Goods and Services Trade Balance(Jan)		-	-	\$-63.5B \$-62.2B	
13:30	USD Goods Trade Balance(Jan)		-	-	- \$-90.2B	
13:30	USD Unit Labor Costs(Q4)		-	-	0.6% 0.5%	
15:00	USD Fed's Chair Powell testifies				SPEECH	
15:30	USD EIA Natural Gas Storage Change(Mar 1)		-	-	- -96B	
16:30	USD 4-Week Bill Auction		-	-	- 5.285%	
16:30	USD Fed's Mester speech				SPEECH	
20:00	USD Consumer Credit Change(Jan)		-	-	\$9.25B \$1.56B	
Time	Event	Impact	Actual	Dev	Consensus	Previous
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16:30	USD Fed's Mester speech				SPEECH	
20:00	USD Consumer Credit Change(Jan)		-	-	\$9.25B \$1.56B	

Market Trading Update

Just like clockwork, the market traded lower on Tuesday, testing the 20-DMA for a quick second before rebounding higher into the close. The market followed through on that rally yesterday, with Nvidia again leading the way even as Microsoft, Apple, Google, and Tesla lagged.

The story remains the same. An *unstoppable bull market*? that continues to trend higher. The bulls are getting more bullish, and the bears?.well?.they are hard to find. Sentiment is rising, and investor positioning is getting very long. As we have repeated over the last several weeks, there is no reason to be overly cautious on the markets. However, WHEN the market takes out the 20-DMA, expect a sharp move lower as all the computer algos are now keyed to that level.

Remain long but continue to manage portfolio risk accordingly.



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Jerome Powell Testifies To Congress

Powell testified to the House in his quarterly monetary policy and economic update yesterday. He did not break much new ground. However, of most importance, he stated that the forward guidance

regarding rate cuts has changed little. With the market and Fed rate expectations much more closely aligned, the market is less prone to volatility as market expectations change. For example, the table below shows the Fed Funds futures market now expects the Fed to cut three to four times by year-end. Based on his testimony, he thinks rate cuts are more likely in the second half of the year, as they want more confidence inflation is moving sustainably to 2%. The market is pricing a 58% chance that the first cut will occur on June 12.

Powell is aware of the risks the Fed faces as he notes they need to thread the needle with rate cuts. Cutting rates too soon could result in a reversal of progress in reducing inflation, or cutting them too late or too little could weaken the economy and hiring. He is aiming for a Goldilocks soft landing.

The stock and bond markets' reaction to his comments was muted, as he pretty much said what most market participants were thinking.

CME FEDWATCH TOOL - MEETING PROBABILITIES									
MEETING DATE	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550
3/20/2024				0.0%	0.0%	0.0%	0.0%	3.0%	97.0%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	20.4%	79.0%
6/12/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	13.6%	58.8%	27.3%
7/31/2024	0.0%	0.0%	0.0%	0.0%	0.2%	8.5%	41.6%	39.3%	10.4%
9/18/2024	0.0%	0.0%	0.0%	0.2%	6.9%	35.0%	39.7%	16.1%	2.1%
11/7/2024	0.0%	0.0%	0.1%	4.1%	23.2%	37.7%	26.1%	8.0%	0.9%
12/18/2024	0.0%	0.1%	3.0%	18.0%	33.8%	29.2%	12.8%	2.8%	0.2%
1/29/2025	0.0%	1.9%	12.2%	27.7%	31.0%	19.2%	6.7%	1.2%	0.1%
3/12/2025	0.8%	6.0%	18.4%	29.0%	26.3%	14.2%	4.5%	0.8%	0.1%

CME FEDWATCH TOOL - MEETING PROBABILITIES									
MEETING DATE	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550
3/20/2024				0.0%	0.0%	0.0%	0.0%	3.0%	97.0%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	20.4%	79.0%
6/12/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	13.6%	58.8%	27.3%
7/31/2024	0.0%	0.0%	0.0%	0.0%	0.2%	8.5%	41.6%	39.3%	10.4%
9/18/2024	0.0%	0.0%	0.0%	0.2%	6.9%	35.0%	39.7%	16.1%	2.1%
11/7/2024	0.0%	0.0%	0.1%	4.1%	23.2%	37.7%	26.1%	8.0%	0.9%
12/18/2024	0.0%	0.1%	3.0%	18.0%	33.8%	29.2%	12.8%	2.8%	0.2%
1/29/2025	0.0%	1.9%	12.2%	27.7%	31.0%	19.2%	6.7%	1.2%	0.1%
3/12/2025	0.8%	6.0%	18.4%	29.0%	26.3%	14.2%	4.5%	0.8%	0.1%

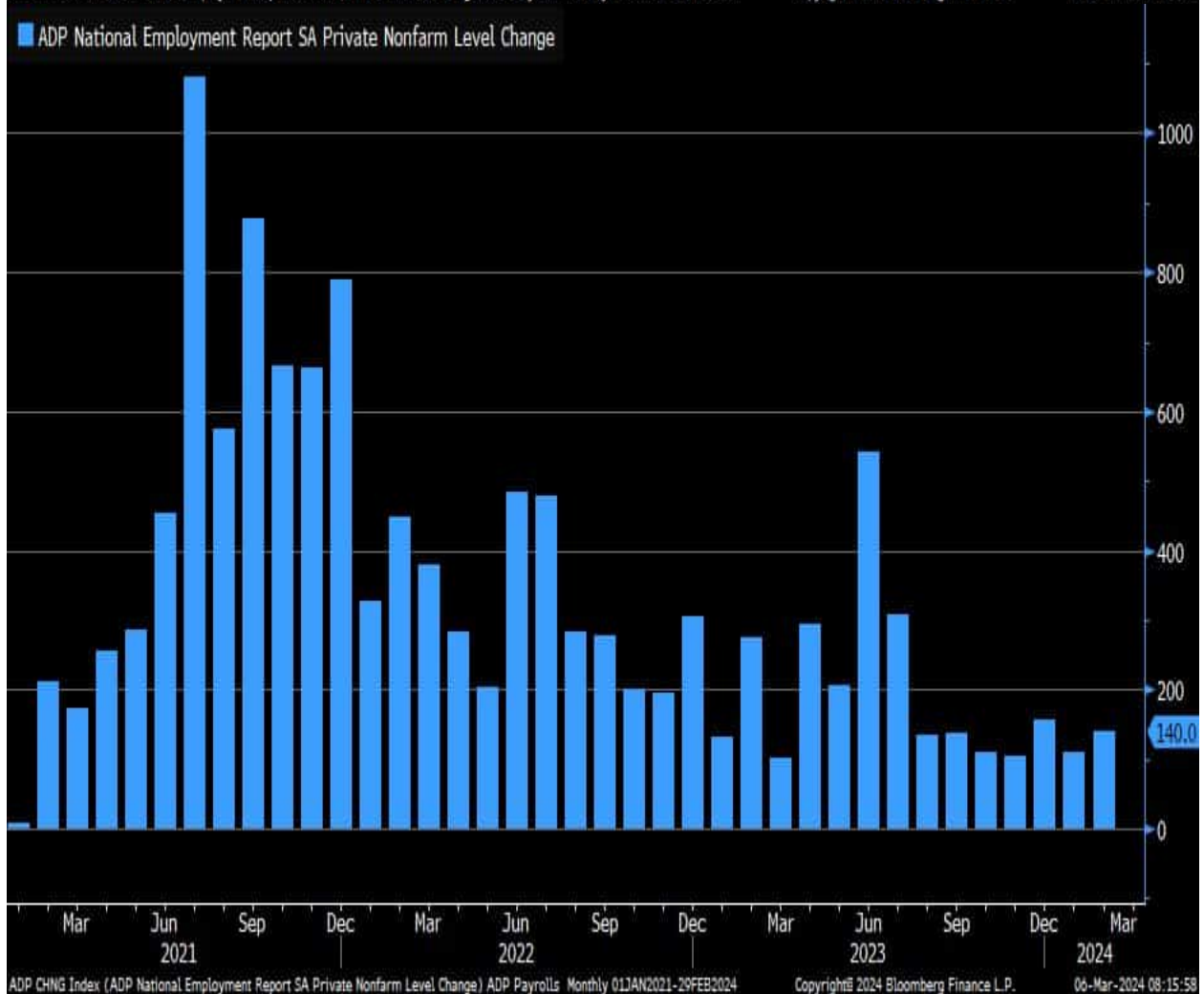
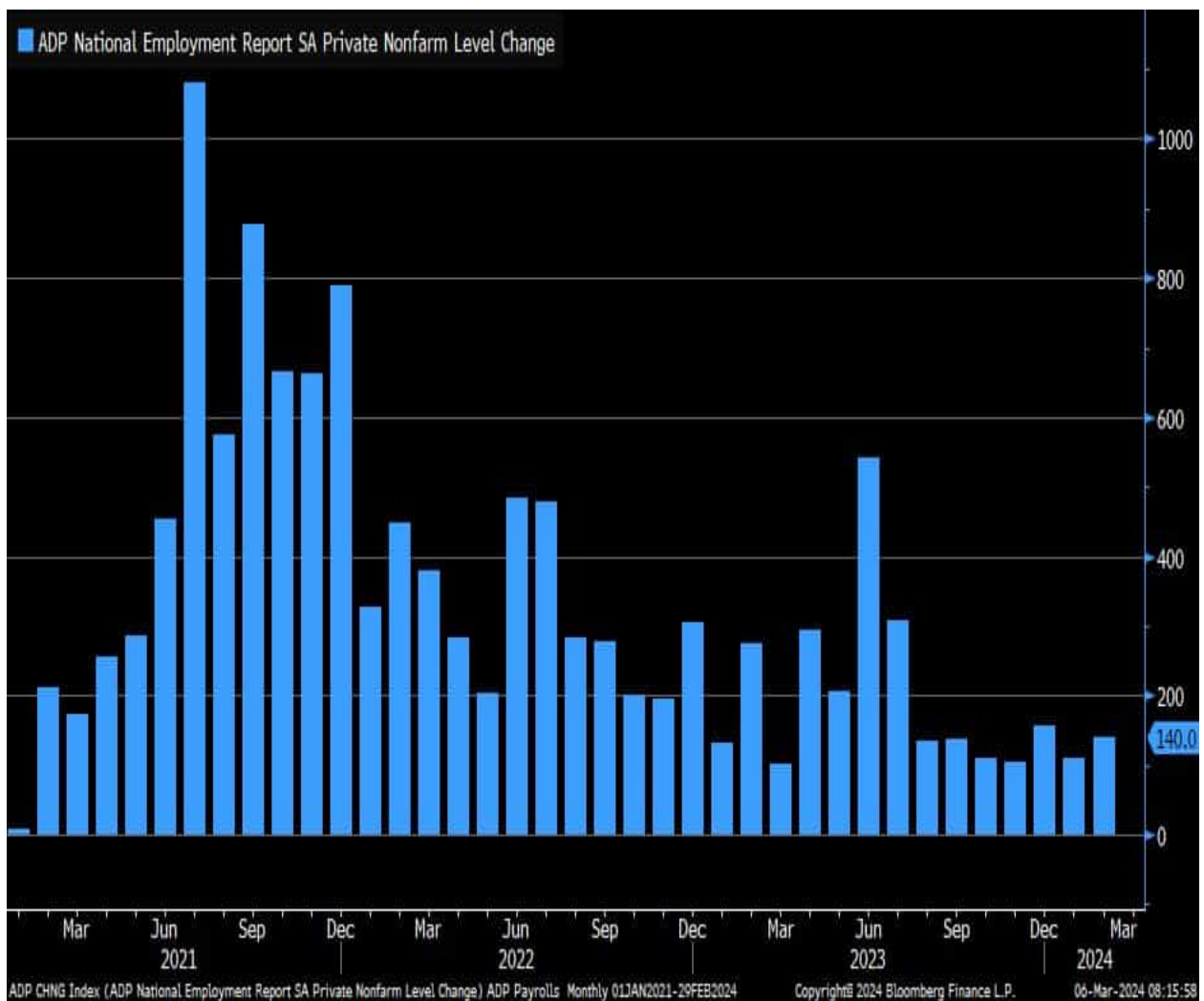
JOLTs And ADP Point To A Moderating Labor Market

Leading into Friday's employment report, we can try to gather some clues from yesterday's ADP and JOLTs reports. ADP was slightly lower than expectations at +140k. Once again, leisure and hospitality added the most jobs. We caution that these tend to be lower-paying jobs and are often temporary.

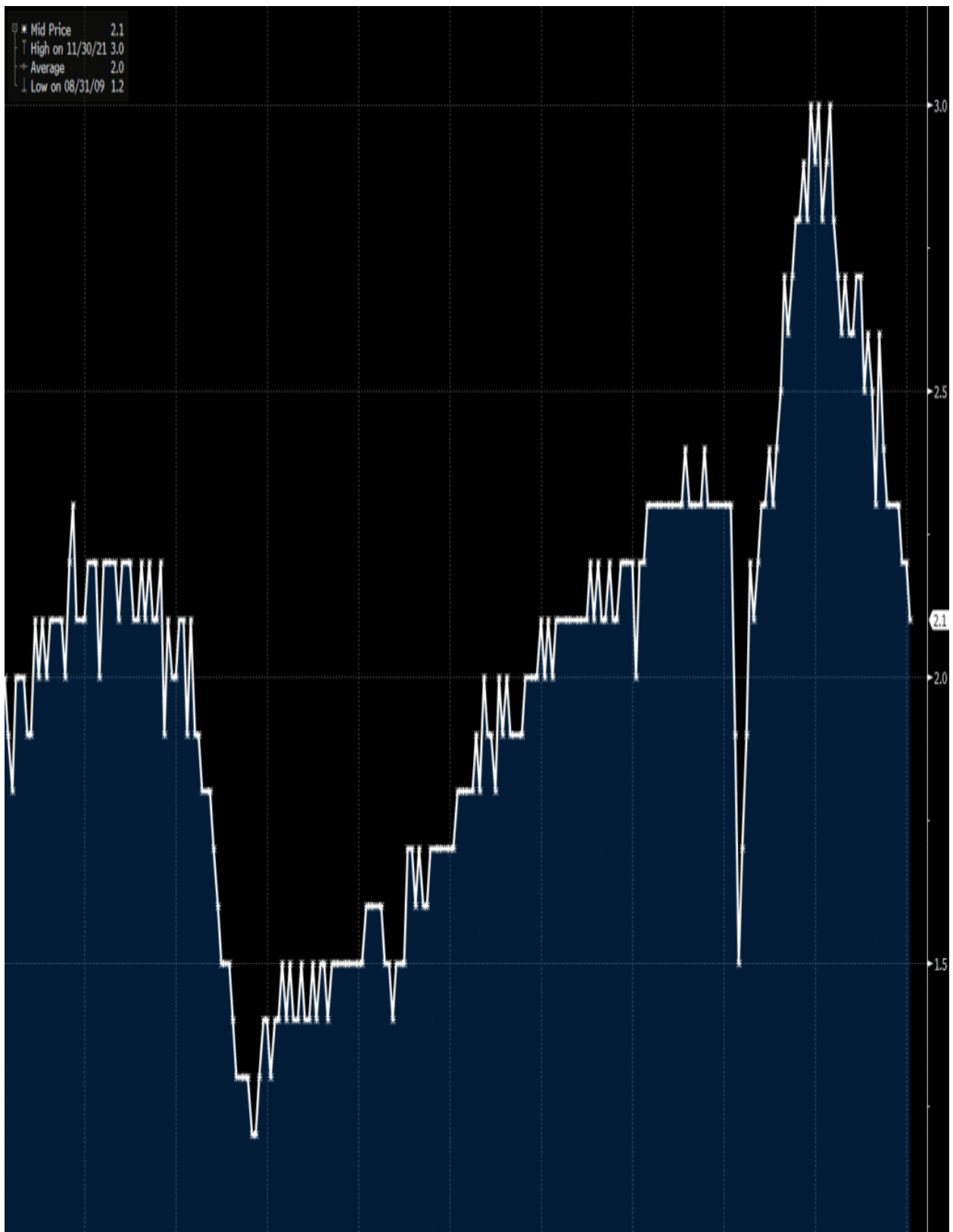
The JOLTs report, like ADP, points to a normalization of the labor market. The quit rate, a good measure of job mobility, is now below pre-pandemic levels. When the odds of finding a new, higher-paying job decline, so does the quit rate. The number of job openings was slightly below the

prior level, as it has been for four months running. As shown in the third graph, the trend remains lower, but it still lies decently above pre-pandemic levels.

The fourth and fifth graphs provide an excellent summary of the labor markets, in our opinion. The fourth graph shows that the hiring rate is down to 7-year lows, yet layoffs remain well below pre-pandemic levels, as highlighted in the fifth graph. The two data sets, in combination, point to a stagnant labor market in which companies are not laying off employees or hiring new employees.



Mid Price 2.1
High on 11/30/21 3.0
Average 2.0
Low on 08/31/09 1.2



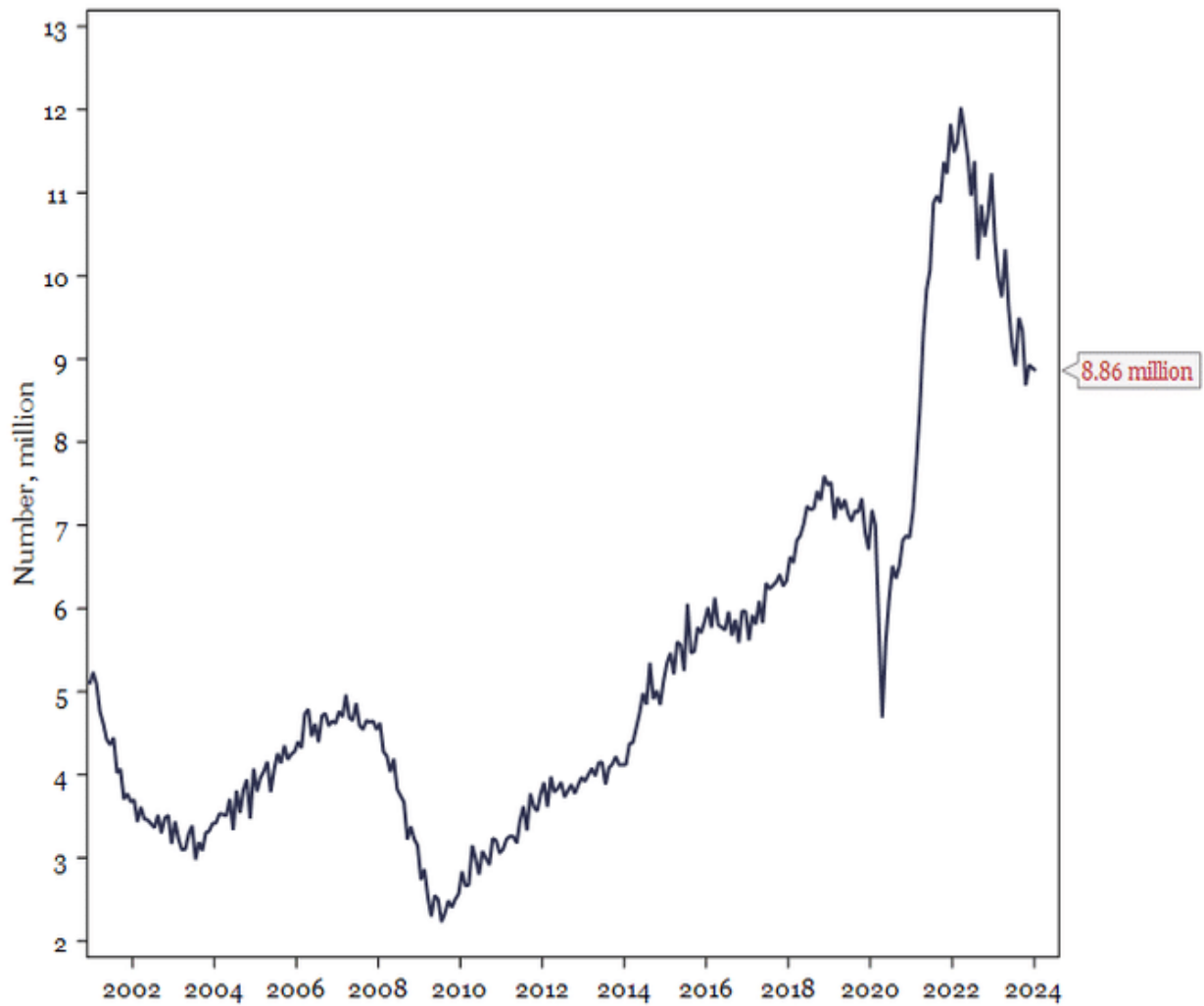
JOLTQUIS Index (US Quits Rate SA) Monthly 06MAR2004-06MAR2024

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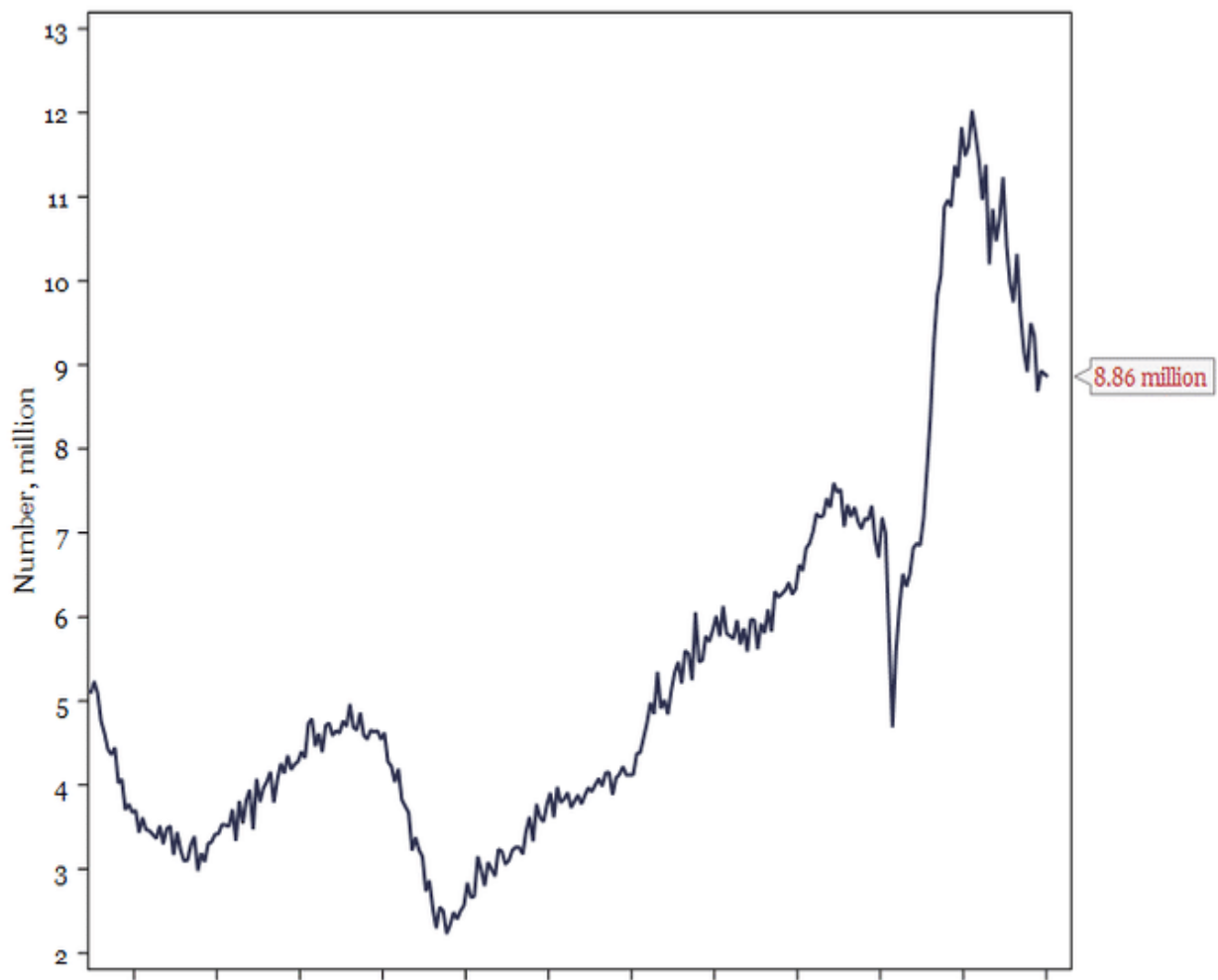
Mid Price 2.1
High on 11/30/21 3.0
Average 2.0
Low on 08/31/09 1.2





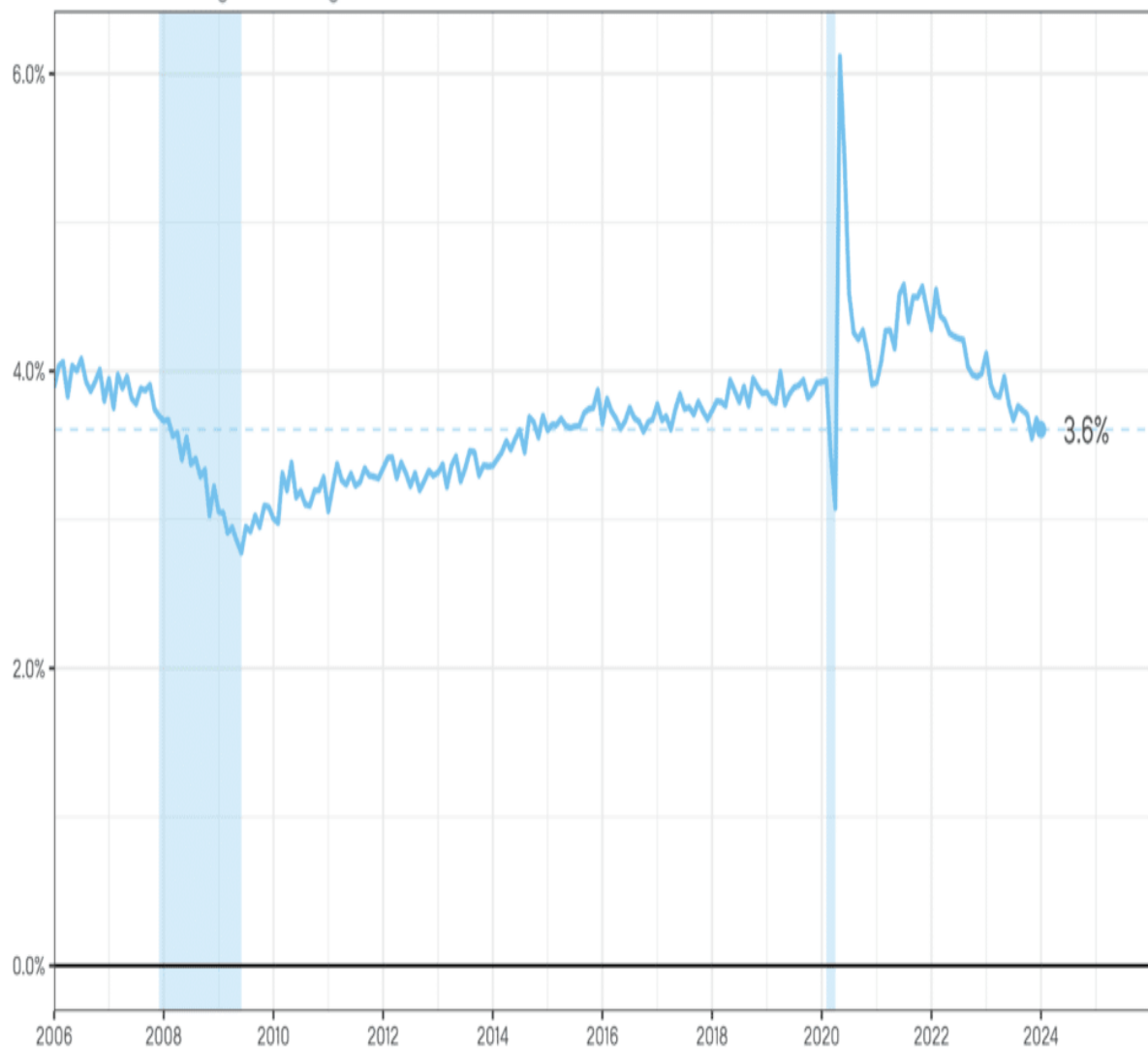
— United States, BLS, Job Openings & Labor Turnover Survey (JOLTS), Job Openings, Total Nonfa...

Source: Longview Economics, Macrobond



Hires rate drops to 3.6% in January 2024

Streak of weak gross hiring rates continues

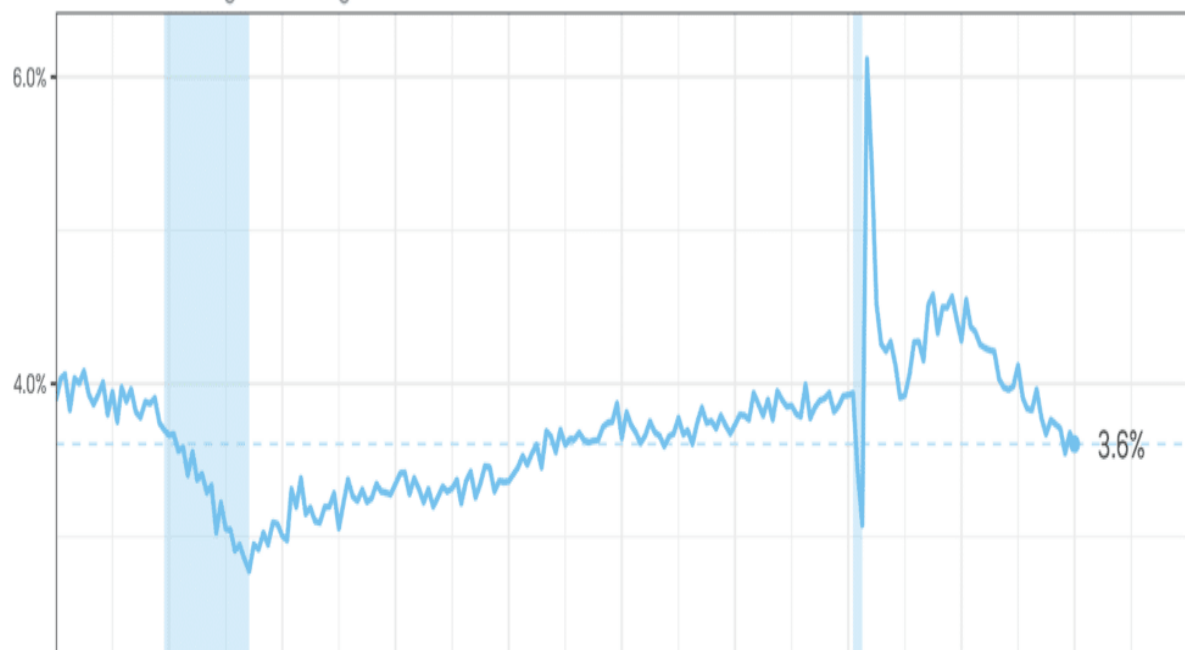


Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, January 2024

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Economic Research

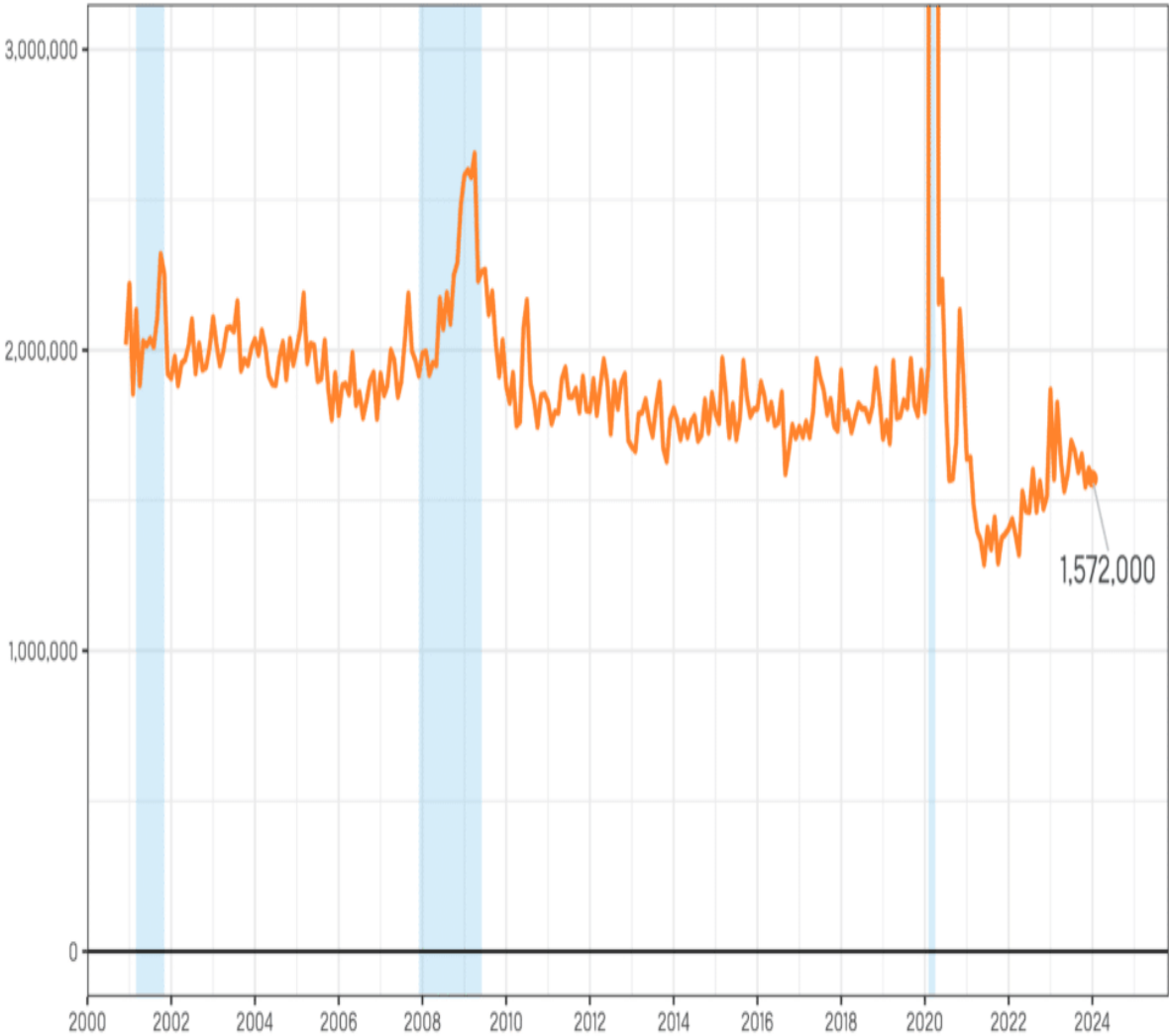
Hires rate drops to 3.6% in January 2024

Streak of weak gross hiring rates continues



Layoffs tick down slightly to 1,572,000 in January 2024

Layoffs & discharges still solidly below pre-pandemic averages

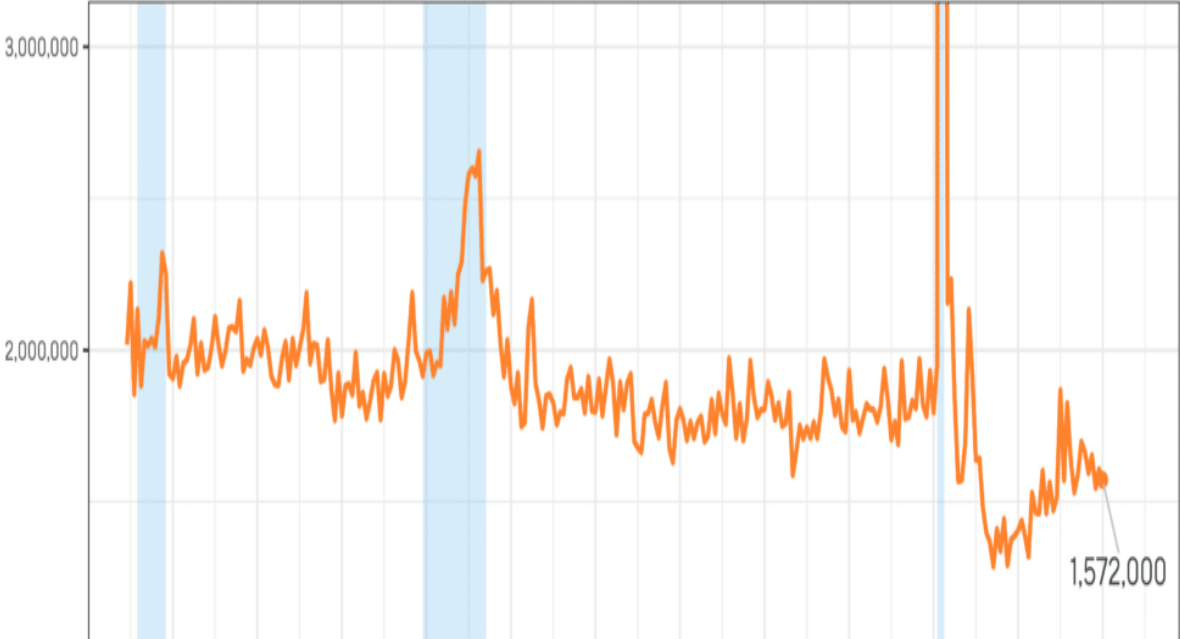


Note: Spring 2020 spike in layoffs cut off for readability
Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, January 2024

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Layoffs tick down slightly to 1,572,000 in January 2024

Layoffs & discharges still solidly below pre-pandemic averages



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