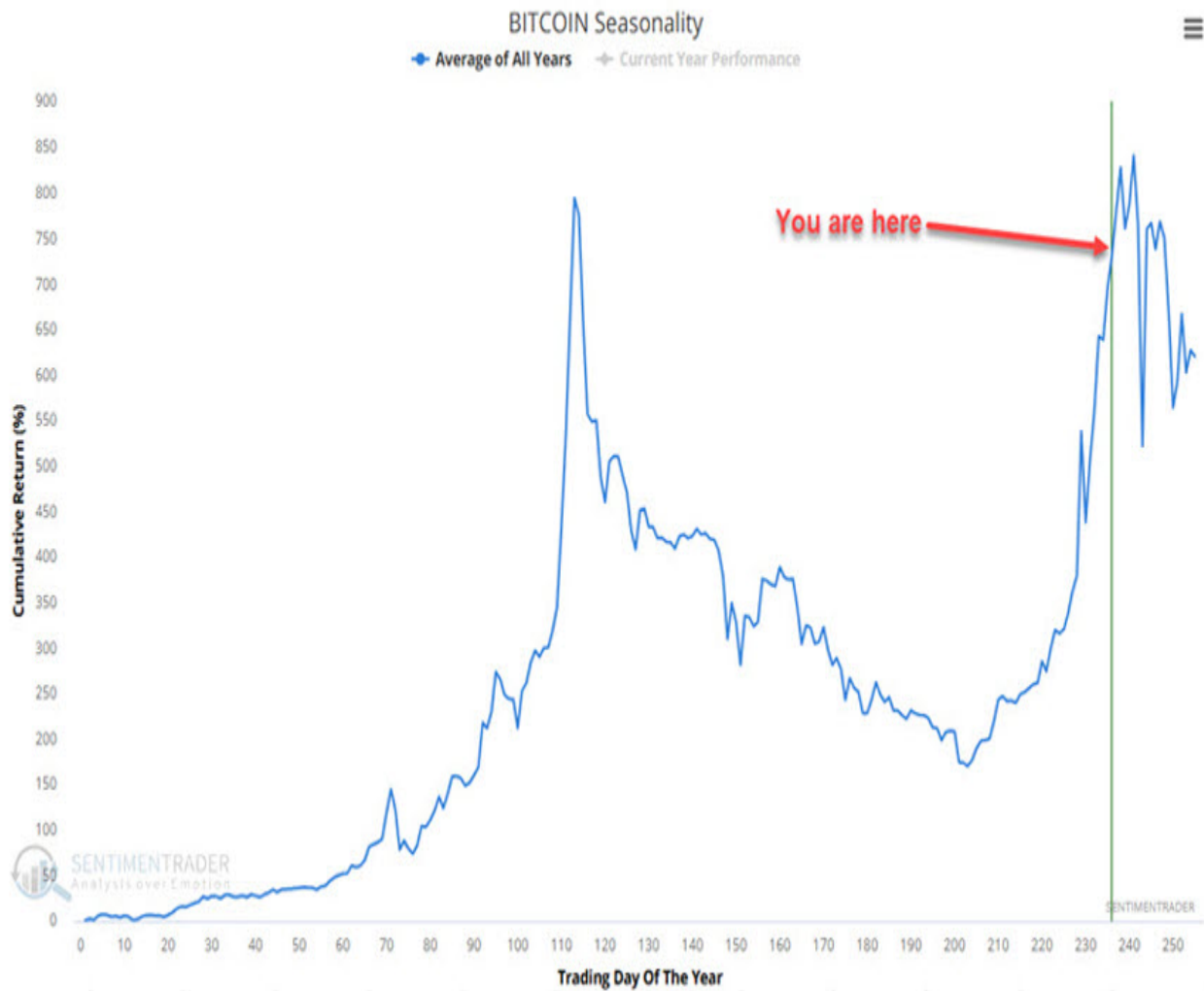


Bitcoin Is Entering Volatility Season

Since the election, Bitcoin has risen nearly 50%. While Bitcoin investors are licking their chops, believing the magnificent rally will continue, they need to realize that Bitcoin is entering a period of pronounced seasonal volatility. The graph below from Sentimentrader shows that the recent performance has tracked the typical performance for the time of year. However, as they highlight with the green line, the recent gains may fade, and volatility in Bitcoin may pick up. The lower graph highlights that Bitcoin's RSI is very extended. The prior three times it was as overbought resulted in a pause to the sharp rate of ascent in Bitcoin. Sentimentrader sums it up nicely in their quote below:

Is it time to lock in some profits on Bitcoin? Who could say for sure? But this rally does seem to be reaching the "Gosh, it sure is easy to make a ton of easy money" stage. That stage usually doesn't last forever.

To further support their comment about bitcoin being in the "easy money" stage of a rally, please see our Tweet of the Day at the bottom of this Commentary.



What To Watch Today

Earnings

Monday Nov 25	EPS	Consensus	Previous	Revenue	Consensus	Previous	MarketCap	Fiscal	Time
Grupo Mexico GMEXICO:MM	0.12	0.09					\$39.61B	Q3	★ 🔔
Agilent A:US	1.41	1.38		1.67B	1.69B		\$38.65B	Q4	PM ★ 🔔
Zoom ZM:US	1.31	1.29		1.16B	1.14B		\$25.84B	Q3	PM ★ 🔔
Inbursa GFINBURO:MM	1.60	1.13		16.14B	23.32B		\$13.5B	Q3	★ 🔔
Woodward WWD:US	1.26	0.84		810.57M	777M		\$10.44B	Q4	PM ★ 🔔
Bath And Body Works BBWI:US	0.47	0.48		1.58B	1.56B		\$6.93B	Q3	PM ★ 🔔

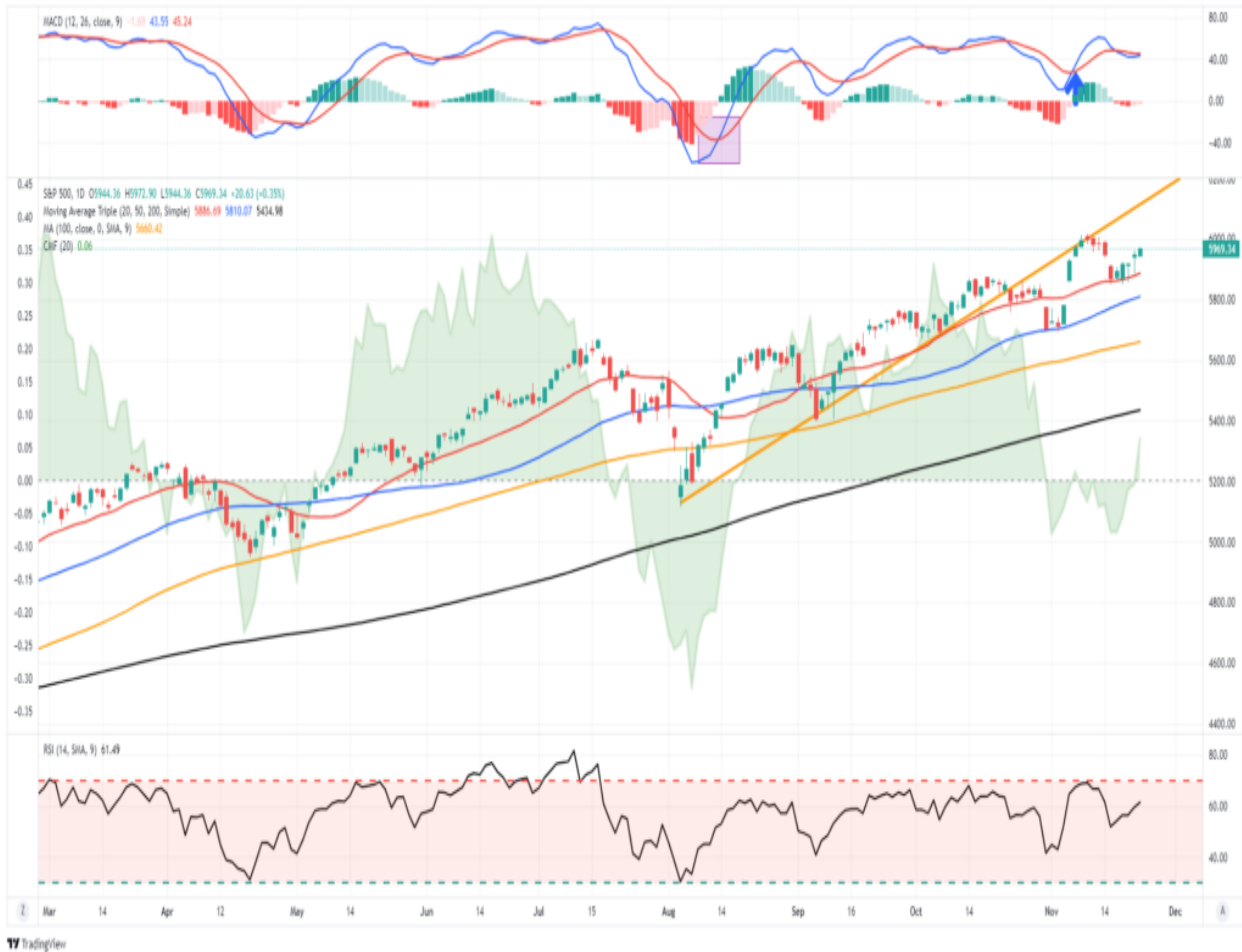
Economy

Monday November 25 2024			Actual	Previous	Consensus	Forecast
07:30 AM	US	Chicago Fed National Activity Index OCT		-0.28		-0.15
09:30 AM	US	Dallas Fed Manufacturing Index NOV		-3		1

Market Trading Update

the financial markets based on expectations of tax cuts, tariffs, and deregulation. Since then, the *Trump Trade* went into full swing, pushing the markets higher; however, as we noted, that trade had gotten a bit ahead of itself, and we saw some consolidation and profit-taking that reverted the market to the 20-DMA. Such is unsurprising given the overbought conditions with a more extreme deviation from the 50-DMA. However, the market recovered somewhat this past week, with buyers entering and reversing early morning market declines.

Notably, after holding support at the 20-DMA for several days, the market finally gained some traction late in the week. That buying pressure is reversing the short-term MACD sell signal which should allow the market to rally further next week.

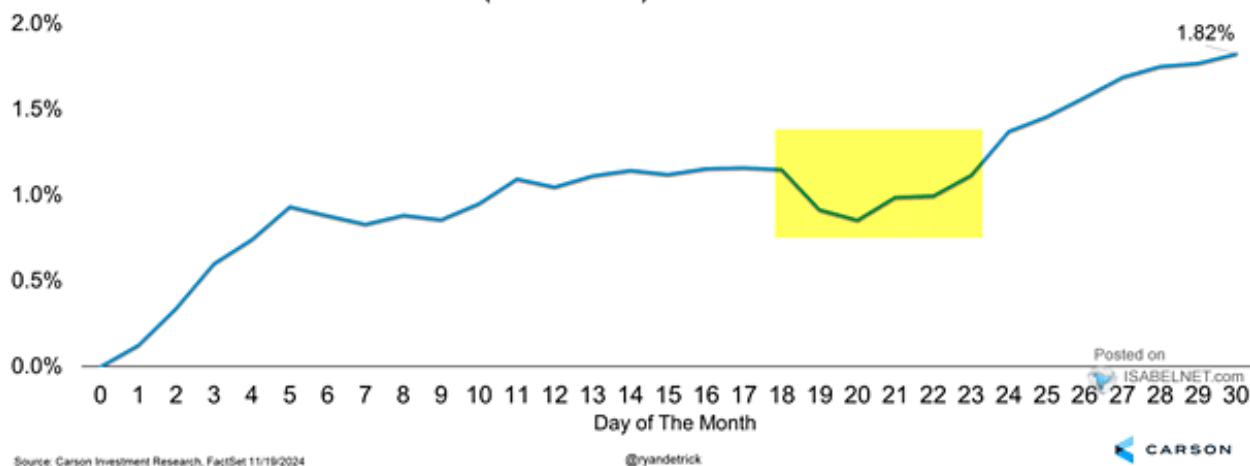


That action aligns with Friday's [Daily Market Commentary](#), wherein we noted the market seemed to be setting itself up for a pre and post-holiday trading bump into the end of the month. To wit:

?The good news is that we just past the normal�?weak?�period for the market in November. While not always the case, on average, the market trends to trade better the week before and after the Thanksgiving holiday. If that turns out to be the case again this year, a retest of recent highs at 6000 seems likely.?

November Can Be Weak Now, Then Rally Late

S&P 500 Index Returns In November (1950 - 2023)



While the trade into month-end tends to be positive, we expect to see another patch of weakness in early December as mutual funds complete their annual distributions. However, post that weakness, the bullish bias remains into year-end as professionals window dress their portfolios for year-end reporting.

If you are underweight equities, consider minor pullbacks and consolidations to add exposure as needed to bring portfolios to target weights. Pullbacks will likely be shallow, but being ready to deploy capital will be beneficial. Once we pass the inauguration, we can assess what policies will likely be enacted and adjust portfolios accordingly.

While there is no reason to be bearish, this does not mean you should abandon risk management.



The Week Ahead

For a holiday-shortened week, there is a good amount of economic data to watch for. On Wednesday, the BEA will release the PCE prices index. This Fed-preferred measure of inflation is expected to rise by 0.2%, equating to a 2.2% year-over-year rate. In addition, personal income and spending data are due on Wednesday. The Chicago Fed National Activity Index (CFNAI) will be released on Monday. The CFNAI is a broad measure of economic activity using 84 data points.

In addition to the economic data are the minutes from the last FOMC meeting, which is due Tuesday afternoon. As previously noted, we are looking for signals that the Fed is watching liquidity more closely as its RRP program moves toward zero. Such concerns may appear in a discussion of overnight repo rates or potential changes to its QT program.

The markets will close early on Friday due to the holiday.

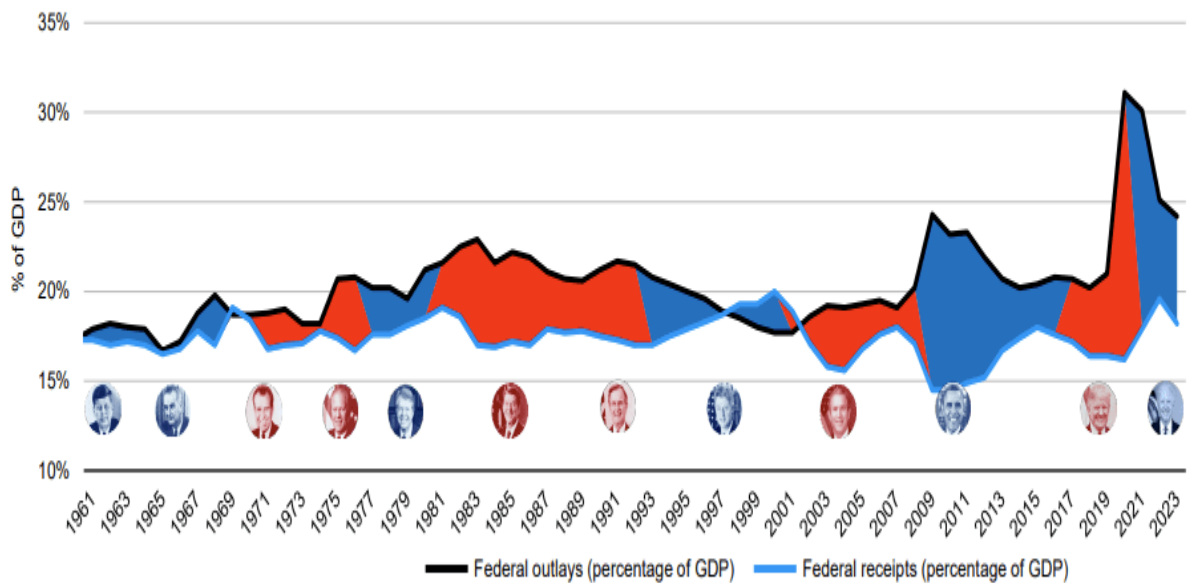
?Trumpflation? Risks Are Likely Overstated

With the re-election of President Donald Trump, the worries about tariffs and pro-business policies sparked concerns of *?Trumpflation?* Inflation has been a top concern for policymakers, businesses, and everyday consumers, especially following the sharp price increases experienced over the past few years. However, growing evidence shows inflationary pressures continue to ease significantly, paving the way for lower interest rates. The question is whether policies in consideration by the next Presidential administration will lead to *?Trumpflation?* or not.

[READ MORE?](#)

Neither party can claim fiscal responsibility; concerns are likely overstated

Federal outlays and receipts as a percentage of GDP



Source: US Department of Treasury, 12/31/23. Latest data available. Gross domestic product (GDP) is a broad indicator of a region's economic activity, measuring the monetary value of all the finished goods and services produced in that region over a specified period.

Tweet of the Day

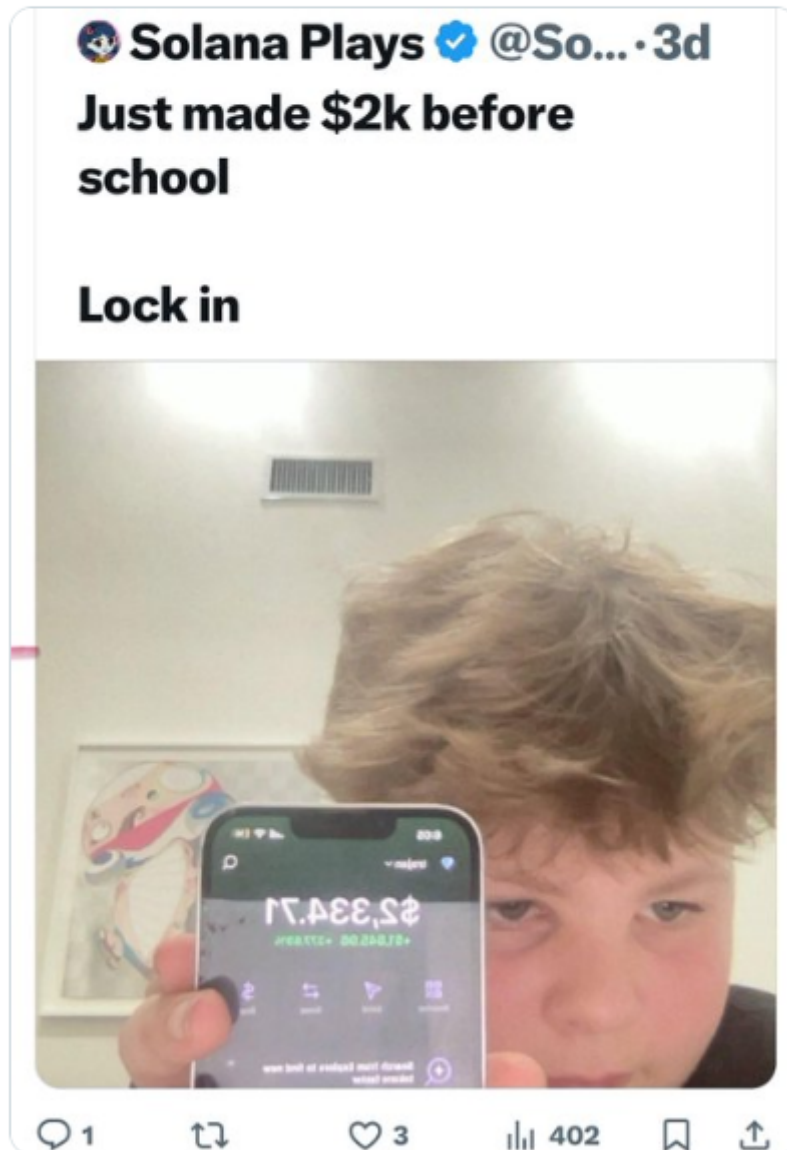


Alfalfa
@RA81516



When a toddler can bank 2k\$ before morning recess . . .

Can we one up the shoe shine boy with the android screen shining toddler



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