

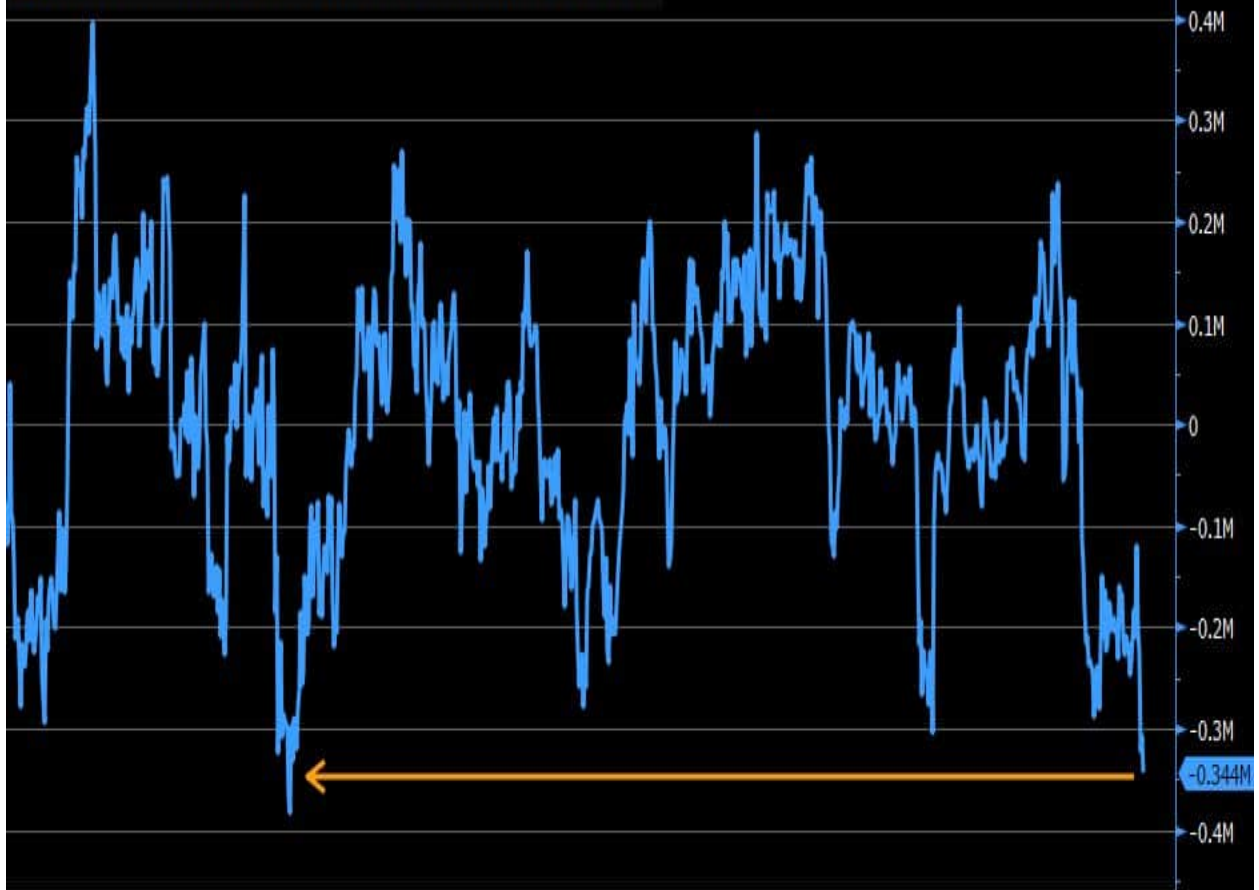


Individual Investors Versus Hedge Funds

Individual investors bought a net \$78 billion in stocks and ETFs in the first quarter. As reported in the Wall Street Journal, data from Vanda Research point to the third-largest quarter of purchases in history. The prior two were the first quarter of 2021 and 2022. In both quarters, individual investors bought about \$80 billion. Before the pandemic, the average quarterly net sum of individual purchases only averaged around \$15 billion.

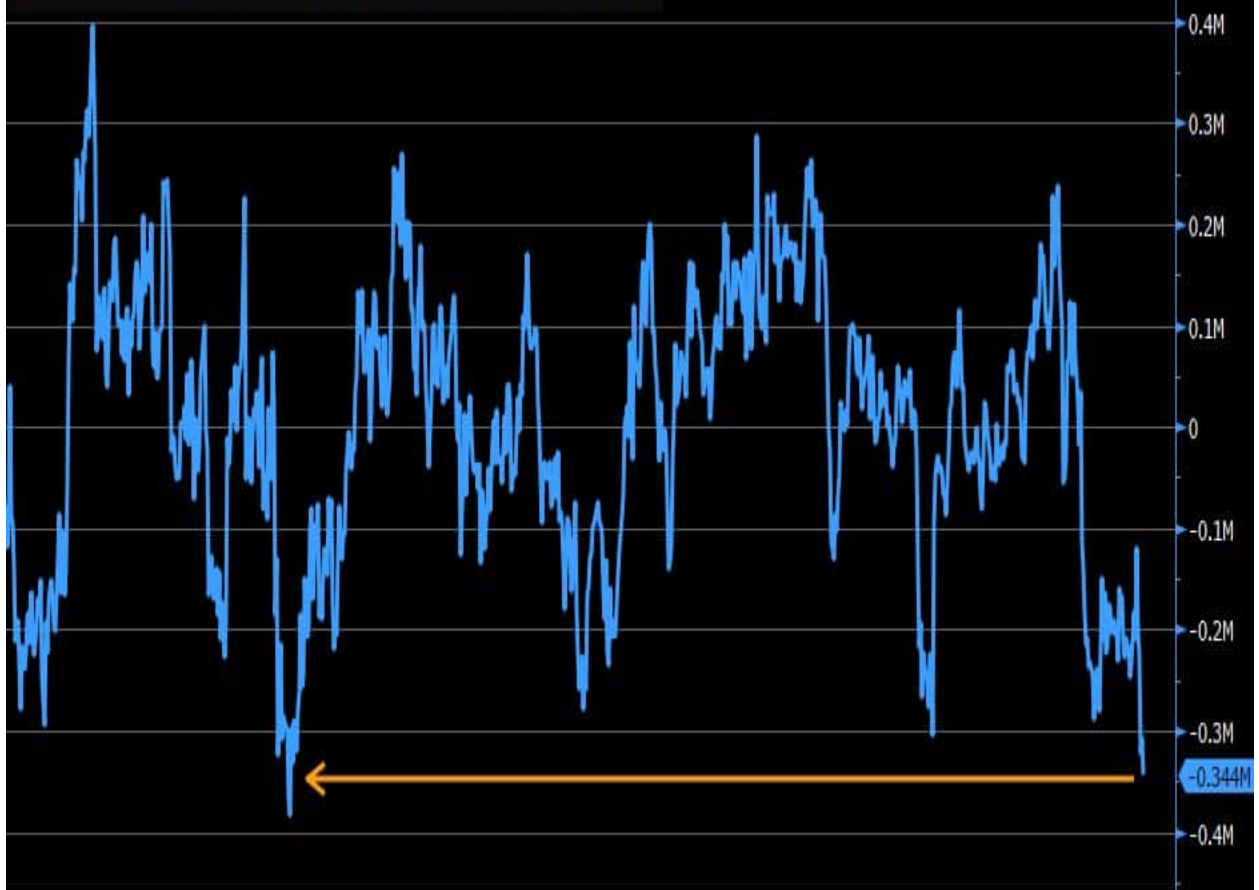
While individual investors appear bullish, hedge funds are digging into their bunkers. As we share below, hedge funds are now at their largest short position since 2011. The market rallied for five months from that low, forcing many hedge funds to cover their shorts. The current divergence of opinion will resolve itself, but historically, looking at the positioning of individuals or hedge funds has not proven to be an accurate predictor.

Bloomberg CFTC CME E-Mini S&P 500 Net Non-Commercial Futures Positions



2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023
IMMOENCN Index (CME EMini S&P 500 Idx Net NCFP) S&P 500 HF Positioning Weekly 01JAN2008-18APR2023 Copyright© 2023 Bloomberg Finance L.P. 21-Apr-2023 16:30:46

Bloomberg CFTC CME E-Mini S&P 500 Net Non-Commercial Futures Positions




2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023
IMMOENCN Index (CME EMini S&P 500 Idx Net NCFP) S&P 500 HF Positioning Weekly 01JAN2008-18APR2023 Copyright© 2023 Bloomberg Finance L.P. 21-Apr-2023 16:30:46


What To Watch Today

Economy

Time	Event	Impact	Actual	Dev	Consensus	Previous
TUESDAY, APRIL 25						
12:55	USD Redbook Index (YoY)(Apr 21)		-	-	-	1.1%
13:00	USD Housing Price Index (MoM)(Feb)		-	-	-0.2%	0.2%
13:00	USD S&P/Case-Shiller Home Price Indices (YoY)(Feb)		-	-	0.1%	2.5%
14:00	USD Consumer Confidence(Apr)		-	-	-	-
14:00	USD New Home Sales (MoM)(Mar)		-	-	0.634M	0.64M
14:00	USD New Home Sales Change (MoM)(Mar)		-	-	1.1%	1.1%
14:00	USD Richmond Fed Manufacturing Index(Apr)		-	-	-9	-5
17:00	USD 2-Year Note Auction		-	-	-	3.954%
20:30	USD API Weekly Crude Oil Stock(Apr 21)		-	-	-	-2.675M
Time	Event	Impact	Actual	Dev	Consensus	Previous
TUESDAY, APRIL 25						
12:55	USD Redbook Index (YoY)(Apr 21)		-	-	-	1.1%
13:00	USD Housing Price Index (MoM)(Feb)		-	-	-0.2%	0.2%
13:00	USD S&P/Case-Shiller Home Price Indices (YoY)(Feb)		-	-	0.1%	2.5%
14:00	USD Consumer Confidence(Apr)		-	-	-	-
14:00	USD New Home Sales (MoM)(Mar)		-	-	0.634M	0.64M
14:00	USD New Home Sales Change (MoM)(Mar)		-	-	1.1%	1.1%
14:00	USD Richmond Fed Manufacturing Index(Apr)		-	-	-9	-5
17:00	USD 2-Year Note Auction		-	-	-	3.954%
20:30	USD API Weekly Crude Oil Stock(Apr 21)		-	-	-	-2.675M

Earnings

	Company	Time	Estimate	 Growth <small>Show only confirmed?</small>	Surprise	
✓	GOOGL Alphabet Inc.	4:00 PM ET	\$1.07	\$68.85 B	1.2%	+ = -
✓	GOOG Google	4:15 PM ET	\$1.07	\$68.81 B	1.2%	+ = -
✓	MSFT Microsoft Corp.	4:05 PM ET	\$2.22	\$51.03 B	3.4%	+ = -
✓	CNC Centene Corporation	6:00 AM ET	\$2.23	\$35.95 B	-3.3%	+ = -
✓	GM General Motors Corp.	6:30 AM ET	\$1.58	\$38.73 B	7.6%	+ = -
✓	VZ Verizon Communicati...	7:30 AM ET	\$1.19	\$33.63 B	0.2%	+ = -
✓	UPS United Parcel Service...	6:00 AM ET	\$2.19	\$23.04 B	-5.5%	+ = -
✓	ADM Archer-Daniels-Midla...	7:00 AM ET	\$1.71	\$24.07 B	1.8%	+ = -
✓	GE General Electric Co.	6:30 AM ET	\$0.13	\$13.36 B	-21.6%	+ = -
✓	PEP PepsiCo, Inc.	6:00 AM ET	\$1.37	\$17.21 B	6.2%	+ = -
✓	RTX Raytheon Technologies	6:55 AM ET	\$1.11	\$16.97 B	8.0%	+ = -
✓	DOW Dow Chemical Co.	6:00 AM ET	\$0.37	\$11.35 B	-25.6%	+ = -
✓	NVS Novartis International ...	BMO	\$1.56	\$12.66 B	1.0%	+ = -
✓	UBS UBS AG	BMO	\$0.54	\$8.93 B	-12.1%	+ = -
✓	CB Chubb Corporation	4:45 PM ET	\$4.37	\$9.41 B	-1.3%	+ = -
✓	MMM 3M Company	6:30 AM ET	\$1.60	\$7.48 B	-15.3%	+ = -
✓	DHR Danaher Corp.	6:00 AM ET	\$2.26	\$7.02 B	-8.7%	+ = -
✓	V Visa Inc	4:05 PM ET	\$1.97	\$7.78 B	8.2%	+ = -
✓	ABB ABB Ltd.	BMO	\$0.51	\$7.38 B	6.0%	+ = -
✓	PCAR PACCAR, Inc.	8:00 AM ET	\$1.81	\$7.69 B	18.8%	+ = -
✓	MCD McDonalds Corp.	7:00 AM ET	\$2.30	\$5.57 B	-1.7%	+ = -
✓	KMB Kimberly-Clark Corp.	7:30 AM ET	\$1.34	\$5.05 B	-0.9%	+ = -
✓	SHW Sherwin-Williams Co.	7:00 AM ET	\$1.84	\$5.13 B	2.6%	+ = -
✓	TXN Texas Instruments In...	4:00 PM ET	\$1.76	\$4.38 B	-10.7%	+ = -
✓	THC Tenet Healthcare Corp.	BMO	\$1.16	\$4.82 B	1.6%	+ = -
✓	TX Ternium S.A.	AMC	\$0.98	\$3.73 B	-13.4%	+ = -
✓	HAL Halliburton Company	6:45 AM ET	\$0.67	\$5.50 B	28.4%	+ = -
✓	FISV Fiserv, Inc.	7:00 AM ET	\$1.56	\$4.18 B	1.0%	+ = -
✓	ABG Asbury Automotive G...	7:00 AM ET	\$7.94	\$3.79 B	-3.1%	+ = -
✓	LH Laboratory Corp. of A...	7:00 AM ET	\$3.99	\$3.70 B	-5.1%	+ = -
✓	GLW Corning Inc.	7:10 AM ET	\$0.39	\$3.35 B	-9.0%	+ = -
✓	UHS Universal Health Serv...	4:15 PM ET	\$2.15	\$3.45 B	4.8%	+ = -
✓	PHM PulteGroup, Inc.	6:30 AM ET	\$1.78	\$3.28 B	2.9%	+ = -
✓	WFG West Fraser Timber ...	5:00 PM ET	\$0.61	\$1.64 B	-47.3%	+ = -
✓	SPOT Spotify Technology S.A.	6:00 AM ET	(\$0.93)	\$3.40 B	13.9%	+ = -
✓	NEE NextEra Energy Inc	7:30 AM ET	\$0.75	\$5.12 B	77.2%	+ = -
✓	BIIB Biogen Inc.	7:15 AM ET	\$3.30	\$2.36 B	-6.8%	+ = -
✓	NVR NVR Inc	9:00 AM ET	\$96.46	\$2.24 B	-3.0%	+ = -
✓	TFII TFI International Inc.	4:05 PM ET	\$1.46	\$1.91 B	-12.8%	+ = -
✓	AGR AVANGRID, Inc.	4:20 PM ET	\$0.76	\$2.22 B	4.1%	+ = -
✓	CMG Chipotle Mexican Gril...	4:10 PM ET	\$8.89	\$2.34 B	15.8%	+ = -
✓	PII Polaris Industries, Inc	6:00 AM ET	\$1.73	\$1.95 B	-0.3%	+ = -
✓	JBLU JetBlue Airways Corp...	7:00 AM ET	(\$0.38)	\$2.32 B	33.6%	+ = -
✓	NTRS Northern Trust Corpo...	8:15 AM ET	\$1.51	\$1.78 B	3.4%	+ = -
✓	OI O-I Glass, Inc.	4:15 PM ET	\$0.83	\$1.77 B	4.6%	+ = -
✓	XRX Xerox Corp.	6:30 AM ET	\$0.21	\$1.74 B	4.3%	+ = -
✓	IVZ Invesco PLC	6:55 AM ET	\$0.36	\$1.08 B	-33.7%	+ = -
✓	RUSHA Rush Enterprises, Inc.	4:30 PM ET	\$1.67	\$1.75 B	11.9%	+ = -
✓	MCO Moody's Corporation	7:00 AM ET	\$2.31	\$1.43 B	-6.0%	+ = -
✓	OMF OneMain Holdings, Inc.	8:00 AM ET	\$1.59	\$902.55 M	-27.9%	+ = -
✓	ILMN Illumina Inc.	4:05 PM ET	\$0.02	\$1.07 B	-12.5%	+ = -
✓	JNPR Juniper Networks, Inc.	4:15 PM ET	\$0.43	\$1.34 B	14.7%	+ = -
✓	HUBB Hubbell Incorporated	7:30 AM ET	\$2.46	\$1.25 B	8.1%	+ = -

	Company	Time	Estimate	 Growth <small>Show only confirmed?</small>	Surprise	
✓	GOOGL Alphabet Inc.	4:00 PM ET	\$1.07	\$68.85 B	1.2%	+ = -

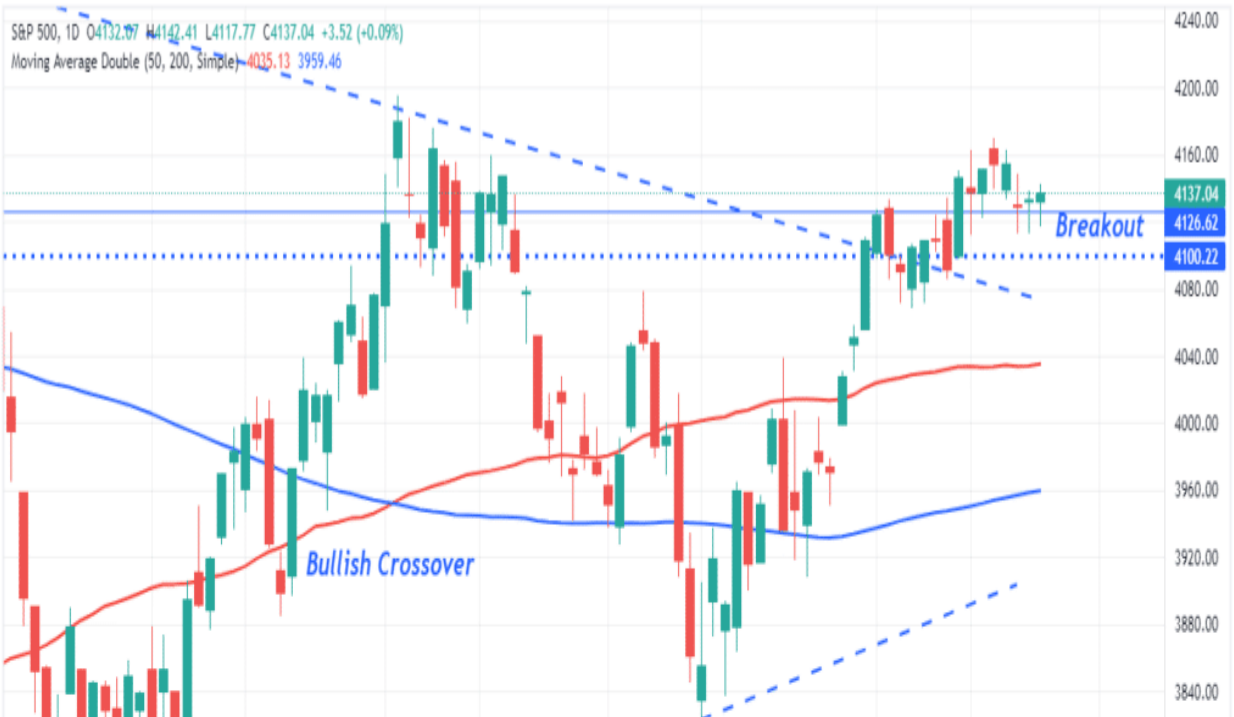
Market Trading Update

Another day of weak market action is putting additional pressure on the MACD buy signals, which are now close to triggering. If the markets trade weakly tomorrow, the signals will trigger. Currently, the market is holding support just above the early April high after breaking above the downtrend line from last year. Despite the bearish rhetoric as of late, the market continues to trade very bullish. However, this week will be the test as the largest market cap companies report earnings. While they will likely beat estimates, their outlook will maintain or reverse recent bullish price action.

We suggest remaining cautious until the market declares its next directional move by either breaking above last week's high or breaking below the recent support line.



TradingView



THE **Bull Bear** REPORT
BY SimpleVisor™

The most important things you need to know about the markets.
> **Subscribe today**

Hedge Funds Hate Treasuries and Stocks

As we led this Commentary, hedge funds are now the shortest stocks than at any time in the last ten-plus years. It's not only stocks they think will perform poorly.

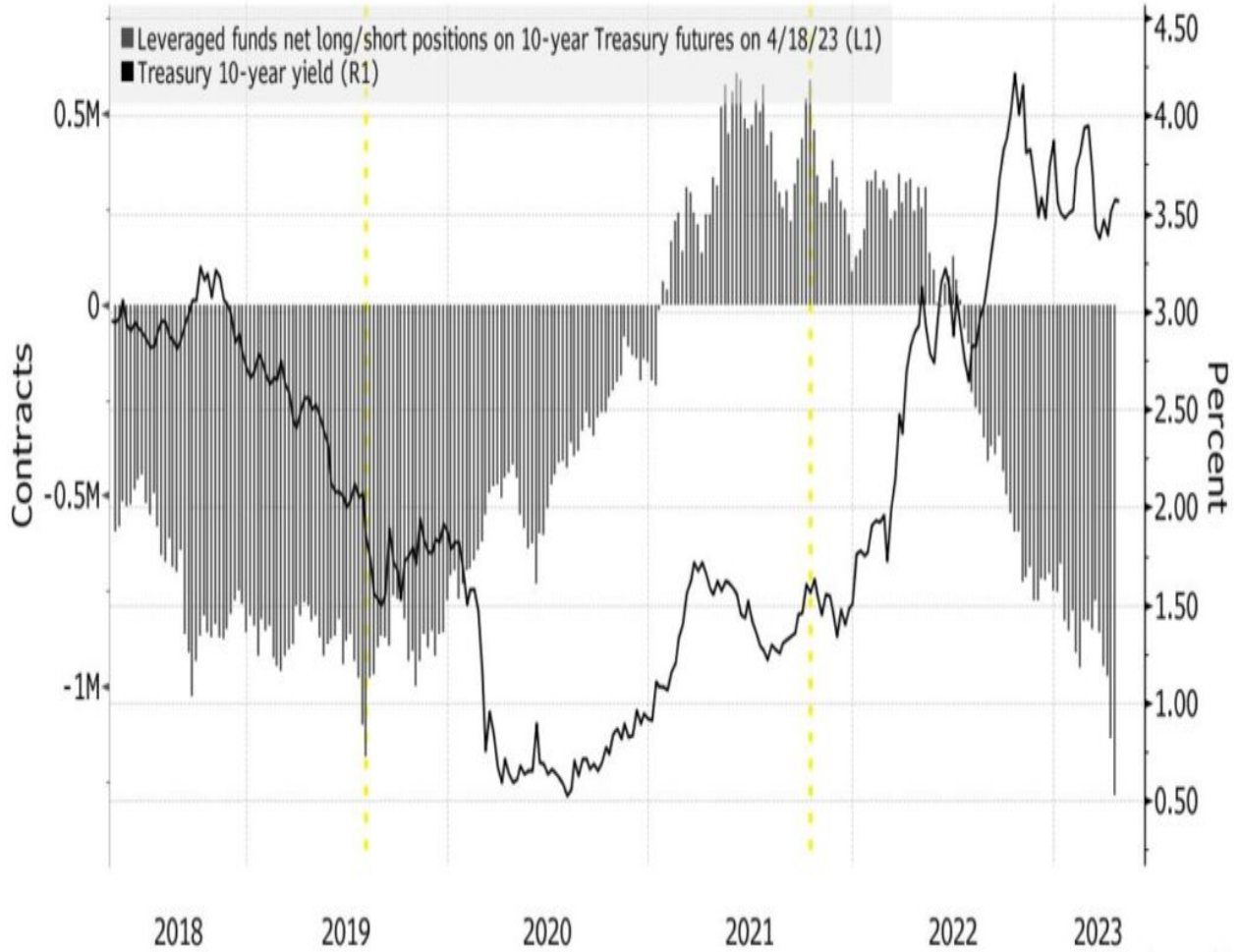
The graph below from Bloomberg shows that hedge funds, in the aggregate, are not buying into the recent trend of lower yields. Given their extreme bearishness, they are betting yields will rise back to the highs of 2022. Per Bloomberg:

?Hedge funds may be thinking that inflation will be stickier than many in the market are currently expecting,? said Damien McColough, head of fixed-income research at Westpac in Sydney.?

What does that mean for the future direction of yields? The graph highlights in yellow the prior peak and trough. The 2019 record short was 1.5 years and about 1.50% too early. The previous high bullish positioning was equally poor.

Hedge Funds Have Never Been This Bearish on Treasuries

Extreme positioning failed to pick previous turning points

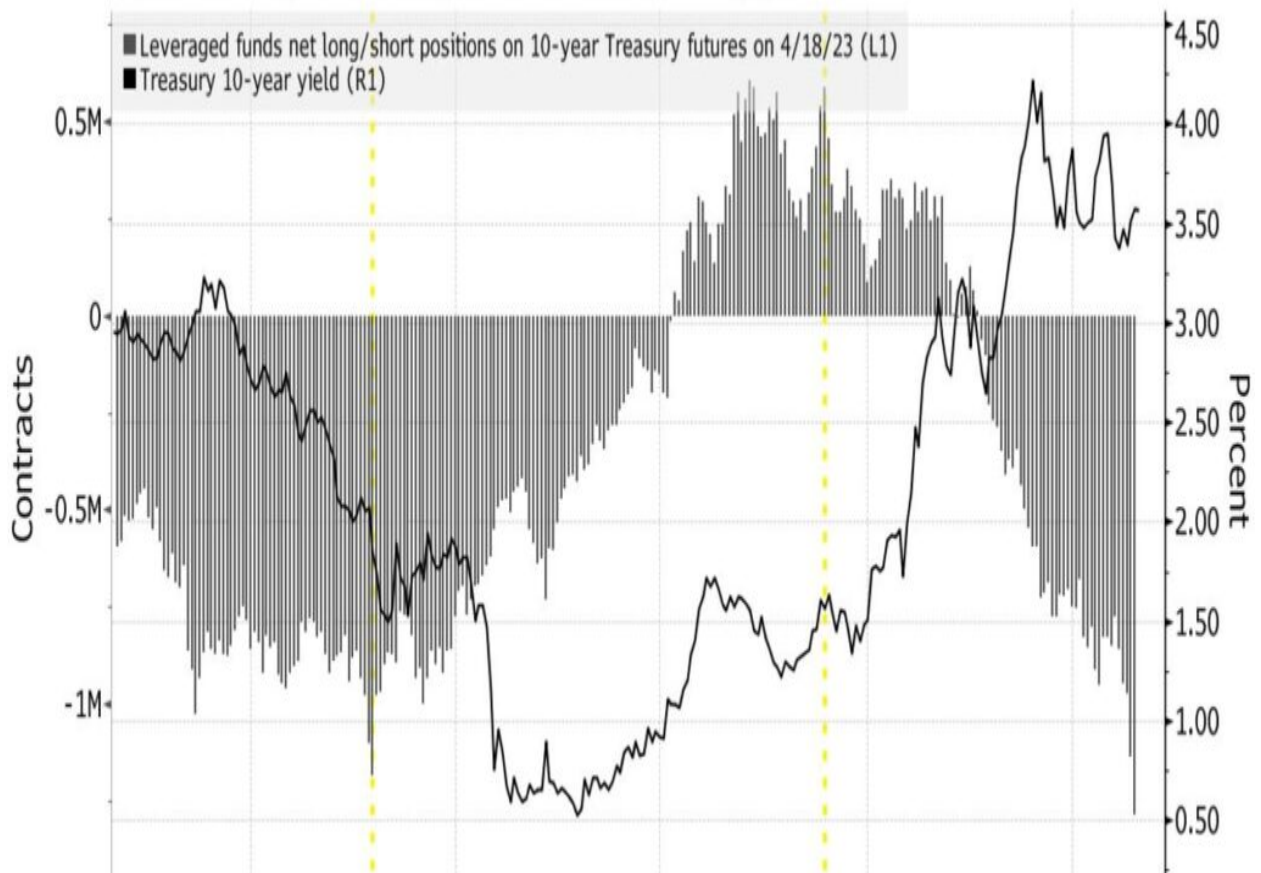


Source: CFTC, Bloomberg

Bloomberg

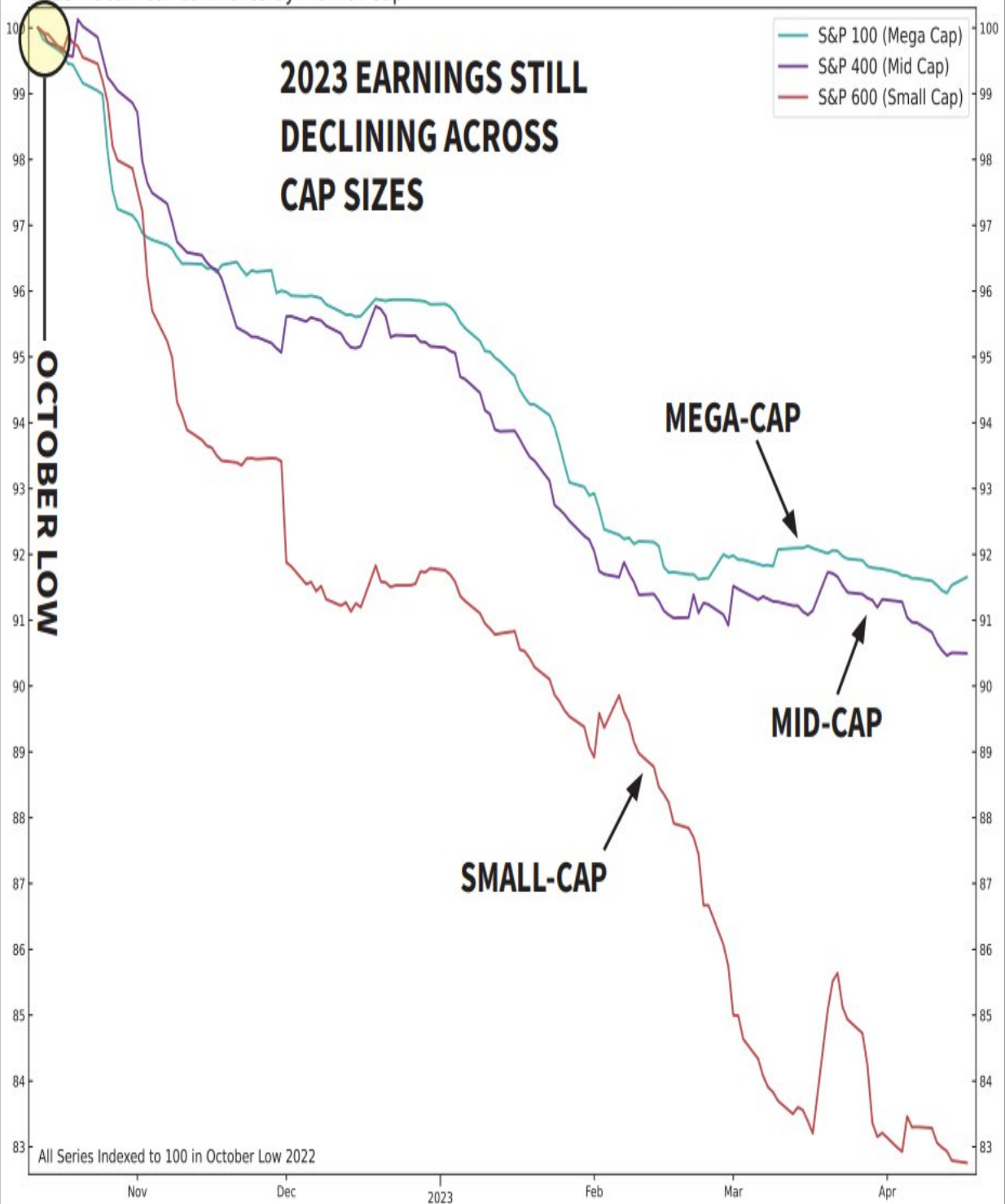
Hedge Funds Have Never Been This Bearish on Treasuries

Extreme positioning failed to pick previous turning points



Earnings Estimates Stabilizing

The graph below, courtesy 3Fourteen Research, shows that 2023 annual earnings estimates have continually declined since the market bottomed last October. Not surprisingly, mega-cap stocks appear to be leveling off. Many of these companies are less vulnerable to slowing economic activity than smaller companies. Mid-cap stocks are also showing signs of stabilizing. Earnings estimates for small-cap stocks have been off 17% since October. Higher interest rates will likely have a much more significant effect on small companies. Since October, IWM, the Russell 2000 small-cap ETF is only up two percent, while MGK, representing mega-cap stocks, is up about 12%.



Bye-Bye, Bed Bath & Beyond ? BBY

Bed Bath & Beyond (BBY), after being on the financial ropes for a few years, finally filed for bankruptcy this past weekend. The stock closed on Friday at 28 cents, so the news is unsurprising. From an economic perspective, there are jobs and store leases at stake. BBY currently operates 360 Bed Bath & Beyond stores and 120 BuyBuy Baby stores.

BBY was a meme favorite at times over the last year. The chart below shows that it rose nearly 800% from its pandemic lows. The various spikes in the stock represent very short periods where the stock surged along with other meme stocks. While those rallies were breathtaking, they were always reversed quickly.



Tweet of the Day



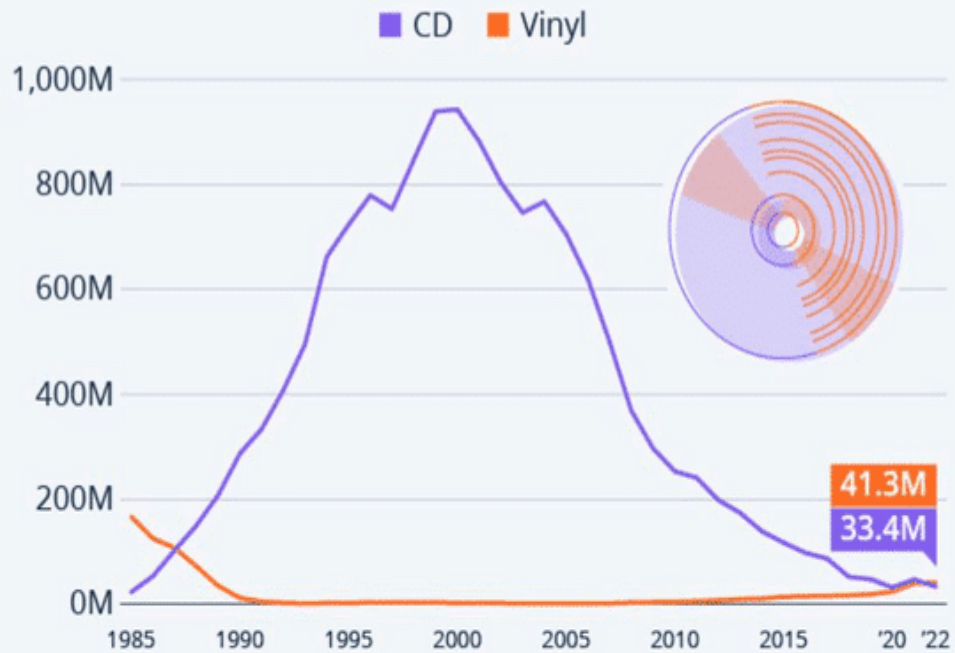
J.C. Parets @allstarcharts · 12h

...

Here's the fun one

Vinyl Sales Surpass CDs for the First Time Since 1987

Vinyl and CD album unit sales in the United States



Source: RIAA



statista



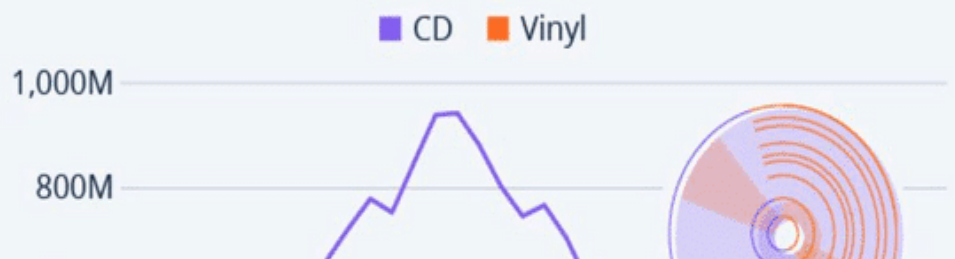
J.C. Parets @allstarcharts · 12h

...

Here's the fun one

Vinyl Sales Surpass CDs for the First Time Since 1987

Vinyl and CD album unit sales in the United States



Please [subscribe to the daily commentary](#) to receive these updates every morning before the opening bell.

If you found this blog useful, please send it to someone else, share it on social media, or contact us to set up a meeting.

Post Views: 6

2023/04/25

[> Back to All Posts](#)