

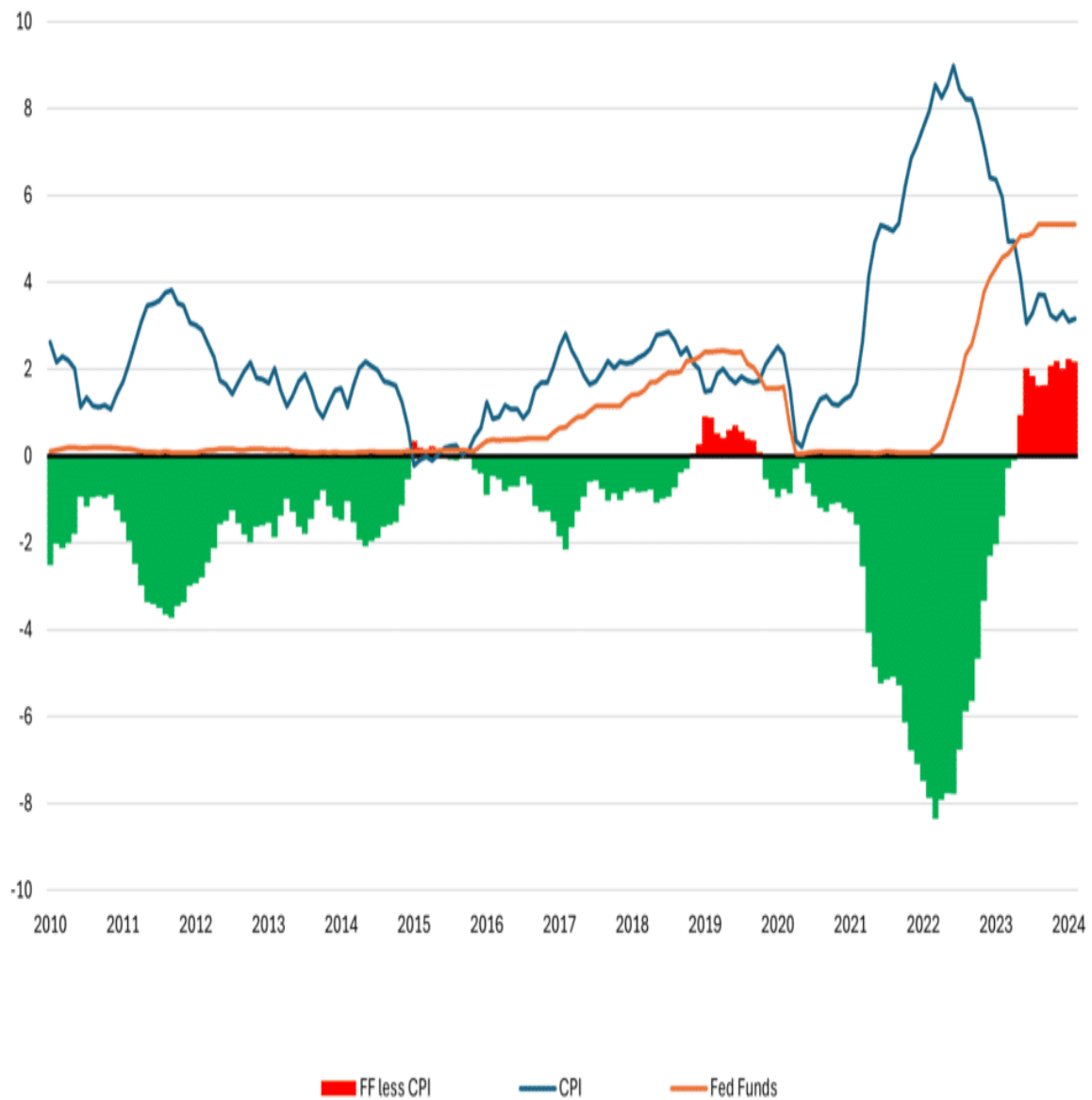


Sticky Inflation And Fed Policy In Context

Over the last few months, the downward inflation trend has slowed appreciably. Such leads some to conclude that inflation is sticky and likely to stay around current levels instead of returning to the Fed's 2% target. As we have noted on numerous occasions, we think inflation will continue to decline over time. The pandemic-related damage to the supply side of the economy is fixed. Further, demand for goods and services is normalizing quickly as pandemic-related savings are largely spent. Additionally, labor markets are no longer tight, meaning upward pressure on wages is diminishing rapidly.

As they always have, monetary policy and economic conditions will determine the longer-term inflation trend. With economic conditions normalizing rapidly, we should shift our attention to monetary policy. On that front, the Fed Funds rate is 2% higher than inflation. The green and red bars show this is the tightest Fed policy in well over 15 years. Even if inflation remains sticky, the Fed Funds can decline by at least 1% and still be tight. However, since 1950, tight monetary policy has, with only one exception (1995), led to a recession. A recession would likely cause inflation to fall to 2% or lower. The Fed would cut rates significantly in that circumstance.

Real Monetary Policy Is Very Tight



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*
🕒	ADBE	Adobe Inc.	\$261,771,280,000	Feb/2024	\$3.57	11	3/15/2023	\$2.97
⊖	PBR	Petroleo Brasileiro S.A.-Petrobras	\$98,092,393,490	Dec/2023	\$1.12	3	3/02/2023	\$1.25
⊖	PBR.A	Petroleo Brasileiro S.A.-Petrobras	\$96,527,089,338	Dec/2023		11	N/A	\$1.25
☀	DG	Dollar General Corporation	\$35,387,347,289	Jan/2024	\$1.74	24	3/16/2023	\$2.96
🕒	ULTA	Ulta Beauty, Inc.	\$26,979,321,999	Jan/2024	\$7.50	14	3/09/2023	\$6.68
🕒	WPM	Wheaton Precious Metals Corp.	\$20,221,747,734	Dec/2023	\$0.31	13	3/09/2023	\$0.23
☀	BEKE	KE Holdings Inc	\$18,302,161,000	Dec/2023	\$0.08	1	3/16/2023	\$0.11
☀	DKS	Dick's Sporting Goods Inc	\$14,897,890,838	Jan/2024	\$3.35	12	3/07/2023	\$2.93
☀	FUTU	Futu Holdings Limited	\$8,940,718,221	Dec/2023		N/A	3/28/2023	\$0.87
🕒	SMAR	Smartsheet Inc.	\$5,687,356,327	Jan/2024	(\$0.22)	7	3/14/2023	(\$0.31)
☀	BUR	Burford Capital Limited	\$3,050,074,046	Dec/2023	\$0.47	11	N/A	N/A
☀	WB	Weibo Corporation	\$2,266,924,293	Dec/2023	\$0.37	2	3/01/2023	\$0.65
🕒	PD	PagerDuty, Inc.	\$2,156,712,797	Jan/2024	(\$0.11)	1	3/15/2023	(\$0.17)
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Economy

Time	Event	Impact	Actual	Dev	Consensus	Previous
THURSDAY, MARCH 14						
12:30	USD Initial Jobless Claims 4-week average(Mar 8)		-	-	- 212.25K	
12:30	USD Producer Price Index ex Food & Energy (YoY)(Feb)		-	-	1.9% 2%	
12:30	USD Continuing Jobless Claims(Mar 1)		-	-	1.9M 1.906M	
12:30	USD Retail Sales (MoM)(Feb)		-	-	0.8% -0.8%	
12:30	USD Producer Price Index (MoM)(Feb)		-	-	0.3% 0.3%	
12:30	USD Retail Sales ex Autos (MoM)(Feb)		-	-	0.5% -0.6%	
12:30	USD Initial Jobless Claims(Mar 8)		-	-	218K 217K	
12:30	USD Producer Price Index ex Food & Energy (MoM)(Feb)		-	-	0.2% 0.5%	
12:30	USD Retail Sales Control Group(Feb)		-	-	- -0.4%	
12:30	USD Producer Price Index (YoY)(Feb)		-	-	1.1% 0.9%	
14:00	USD Business Inventories(Jan)		-	-	0.2% 0.4%	
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Market Trading Update

As the market continues to trade in the same narrow bullish trend since the beginning of the year, the angle of ascent is beginning to narrow to the 20-DMA, which has acted as consistent support. With relative strength continuing to diverge negatively, the risk of a correction continues to remain. Today, we are updating our Fibonacci retracement levels, which will establish potential levels of support during a corrective phase.

If the 20-DMA support line is broken, the first important support level becomes the 50-DMA at 4927. If that level fails, a bigger correction is in process, and the 38.2% retracement level is the next support, which takes the market back to the beginning of the year. However, there is very little support at that juncture. While the 50% correction retracement level should encompass the bulk of the bullish decline, by the time the market retraces to that level, such should coincide with the 200-DMA. Given the current deviation from the 200-DMA, a correction to that level, which would be around 4600, is entirely possible, as we saw in October last year.

So far, there is no evidence of a larger correction in the works. However, it is worth understanding the potential retracement levels to evaluate the risk in your portfolio. It is also important to realize that at some point, without a doubt, the market will retrace to the 200-DMA. It is only a function of time and the right catalyst. Manage your risk accordingly.



TradingView





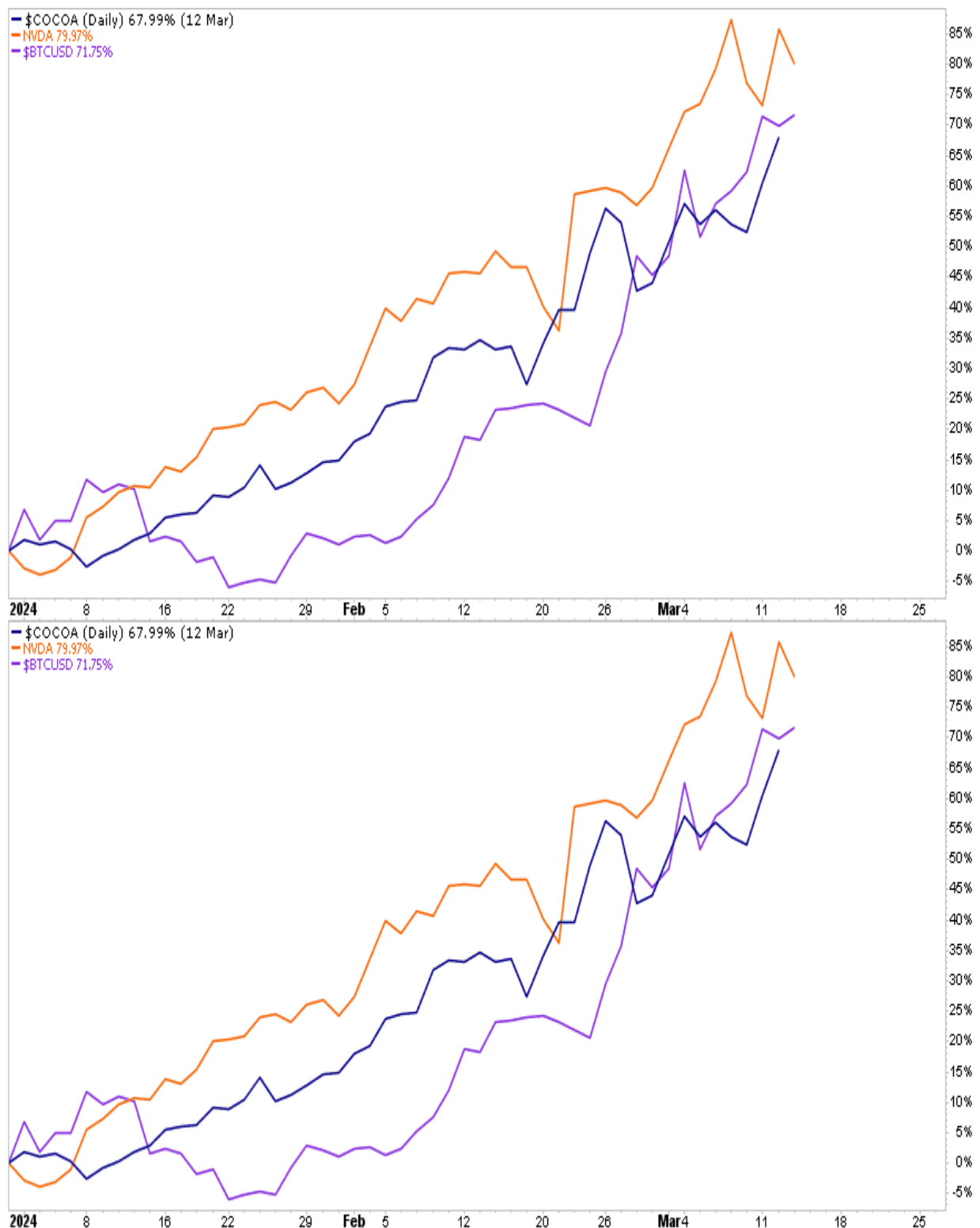
Add Cocoa To The List Of ?Mooning? Assets

While everyone is following the prices of Bitcoin, Nvidia, and a handful of other assets whose prices are soaring, few appreciate the recent price action of cocoa. The graph below shows that the year-to-date performance of cocoa is nicely aligned with that of Bitcoin and Nvidia. However, unlike the prices of Bitcoin and Nvidia, cocoa is not necessarily a speculative mania. Per NPR:

Cocoa's troubles stem from extreme weather in West Africa, where farmers grow the majority of the world's cacao beans.

There were massive rains, and then there was a massive dry spell coupled with wind, says CoBank senior analyst Billy Roberts. It led to some pretty harsh growing conditions for cocoa, including pests and disease.

Now, cocoa harvests are coming up short for the third year in a row. Regulators in the top-producing Ivory Coast at one point stopped selling contracts for cocoa exports altogether because of uncertainty over new crops.

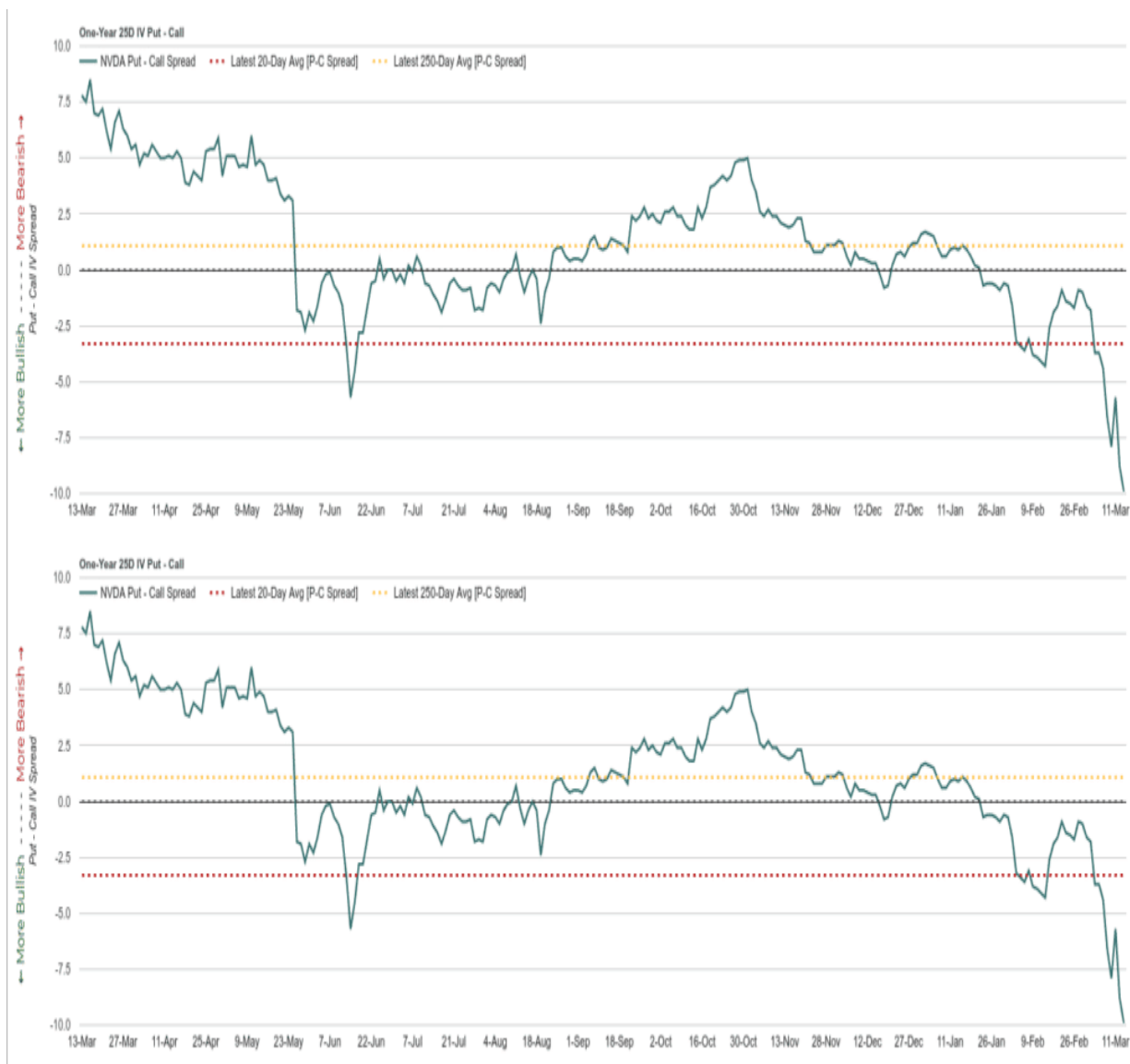


Nvidia Put Call Skew Shows Extreme Sentiment

Option put call skew measures the pricing of puts versus calls. It uses out-of-the-money puts and calls with strike prices of equal distance to the current price. If the skew is negative, it means investors are paying more for calls than puts. Under normal circumstances, the put call skew is positive.

As we share below, the put call skew on NVDA is exceptionally negative, meaning investors are heavily buying calls and shunning puts. More simply, investors are incredibly bullish. The second graphic below, courtesy of [SimpleVisor](#), shows Nvidia put and call option pricing for April expirations. When we clipped the screen, the circled puts were 7 points out of the money, and the

circled calls were 8 points out of the money. As it shows, the calls trade for \$70 while the puts are \$64.35. Furthermore, the open interest in the calls dwarfs that of the puts. In more simple terms, sentiment in Nvidia is off the charts!



Overview		Fundamentals - Beta			Short Interest		Insider Stats		Option Chain (beta)			Technical		News	
Expiry Date: April 18, 24		Strike From: 5			To:		Filter		Calls		Puts		Side by Side		
		1,940													
Calls						April 18, 24	Puts								
Last Price	Last Trade Date	Volume	Open Interest	Implied Volatility	Strike	↑↓	Last Price	Last Trade Date	Volume	Open Interest	Implied Volatility				
↑↓	↑↓	↑↓	↑↓	↑↓			↑↓	↑↓	↑↓	↑↓	↑↓				
86.13	March 13, 24	7	1418	64.00%	860		51.4	March 13, 24	37	913	58.74%				
83.65	March 13, 24	7	687	62.63%	865		55.5	March 13, 24	18	528	60.43%				
82	March 13, 24	102	1985	63.17%	870		58	March 13, 24	42	1206	59.80%				
80.2	March 13, 24	35	3250	62.79%	875		59.76	March 13, 24	26	2569	59.24%				
78.71	March 13, 24	126	1988	62.94%	880		62.34	March 13, 24	74	563	60.54%				
77.7	March 13, 24	237	1152	62.77%	885		64.35	March 13, 24	7	595	59.37%				
75	March 13, 24	146	1710	63.80%	890		67.84	March 13, 24	287	920	62.25%				
70	March 13, 24	80	1836	63.96%	895		72.85	March 13, 24	24	643	60.44%				
70	March 13, 24	812	11794	63.93%	900		72.58	March 13, 24	390	1991	61.12%				
67.9	March 13, 24	127	988	62.42%	905		71.6	March 13, 24	28	640	59.57%				
67.36	March 13, 24	355	1236	64.28%	910		81.5	March 13, 24	223	643	60.69%				
63.97	March 13, 24	29	954	65.37%	915		83.25	March 13, 24	25	471	60.26%				
60.04	March 13, 24	166	4978	64.77%	920		86.45	March 13, 24	32	995	62.82%				
59.15	March 13, 24	247	1692	64.47%	925		89.9	March 13, 24	21	335	61.38%				

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Tweet of the Day

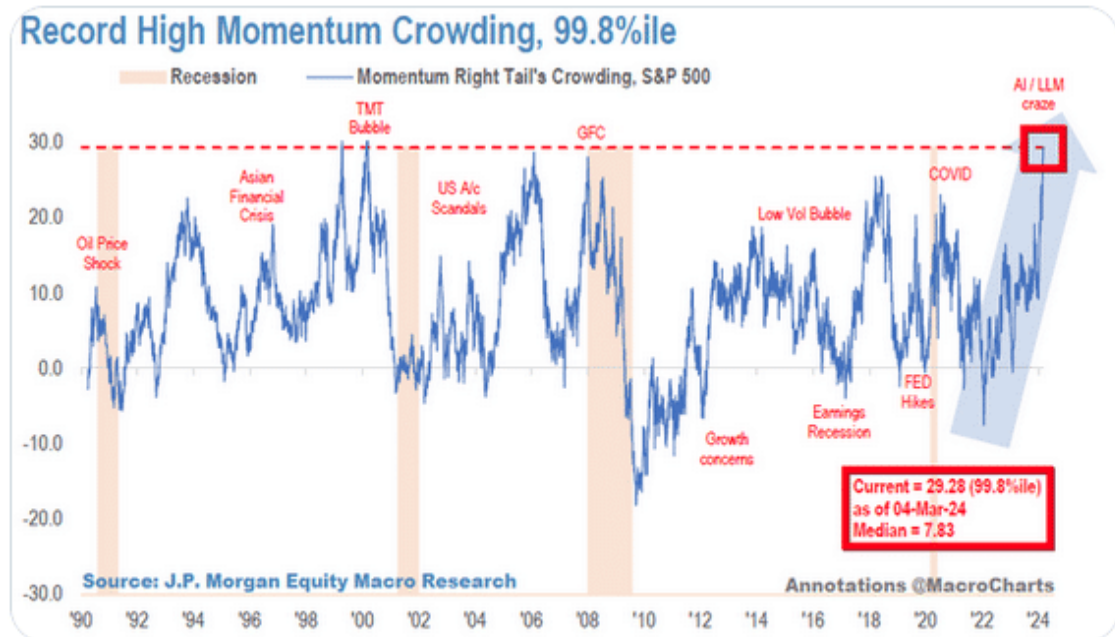


Macro Charts @MacroCharts · 25m

From JPM:

- Momentum crowding flashing RED at 99.8%ile – fastest increase ever.
- Last seen at the peak of 2000 Tech Bubble.
- Equity investor positioning near prior highs.
- Momentum often becomes crowded – leading to inevitable momentum crash.

Stay nimble.

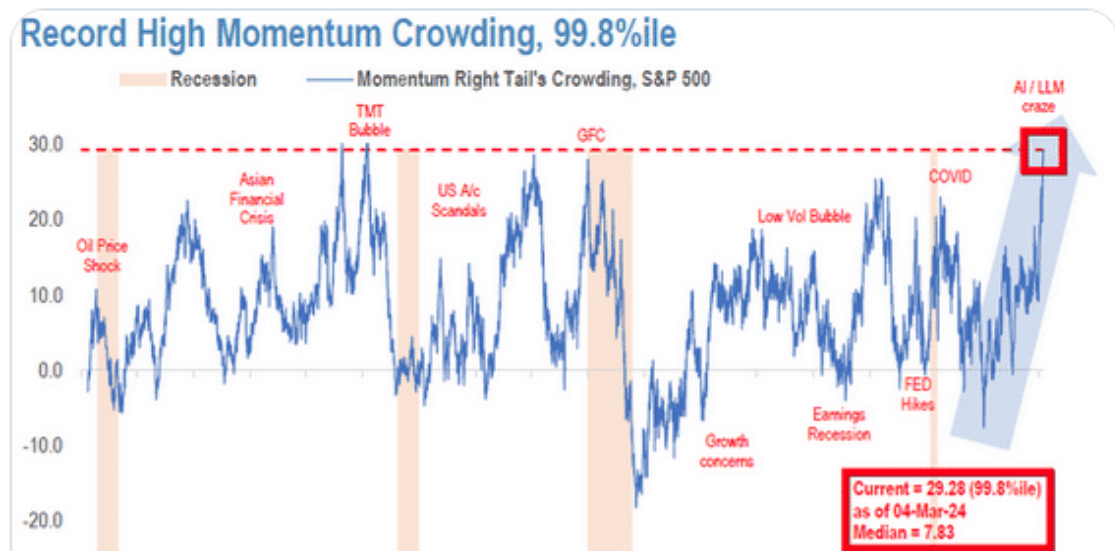


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