

Viking Analytics: Gamma Band Update 4/24/2023

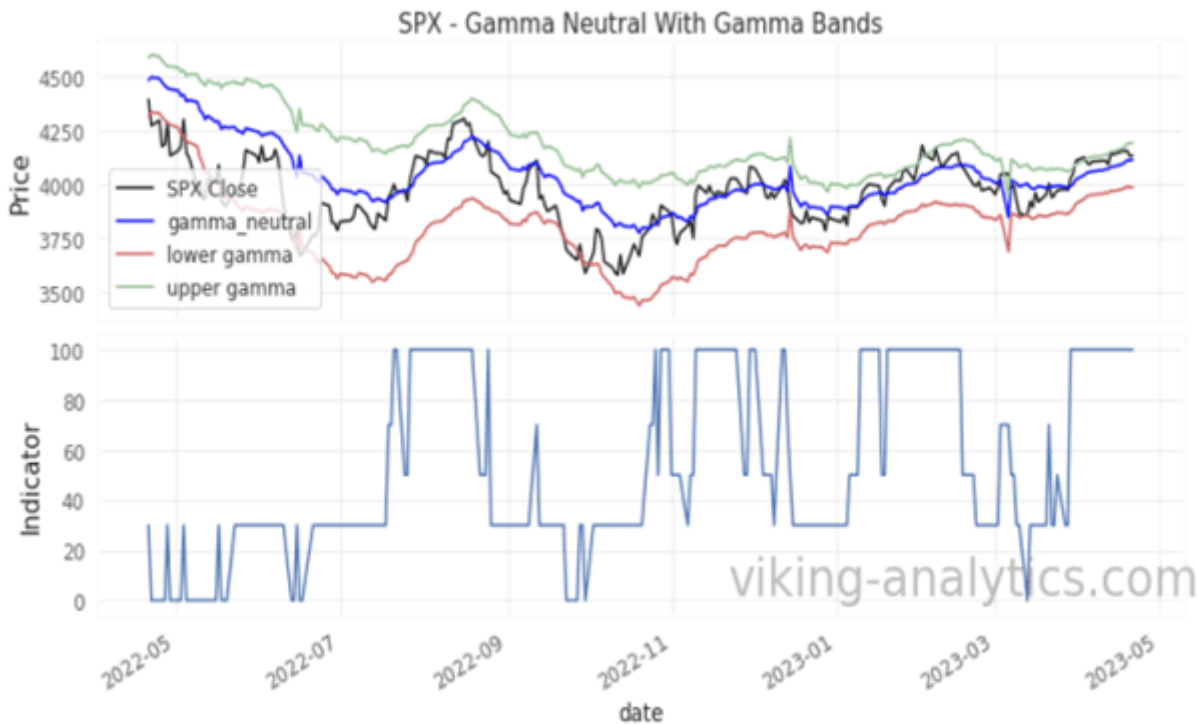
We share the Weekly Gamma Bands Update by Viking Analytics. The report uses options gamma to help you better manage risk and your equity allocations.

Gamma Bands

The S&P 500 (SPX) closed 4 points lower on the week, and 108 points above the gamma flip level.

The gamma band model enters the week with a 100% allocation to the SPX. The model will drop to a partial allocation if the market falls and closes below the gamma flip level, currently near 4,113. This model will fall to a 0% allocation if SPX closes below the lower gamma level currently near 4,005.

The chart below shows how price (in black) relates to the gamma flip (in blue) and the lower gamma level (in red). The indicator below the price chart shows the daily positioning allocations.



The Gamma Band model can be viewed as a trend following model that shows the effectiveness of tracking various levels of market gamma. When the daily price closes below Gamma Flip, the model will reduce exposure to avoid price volatility and sell-off risk. There is also an allocation adjustment on the trend slope of the gamma flip line.

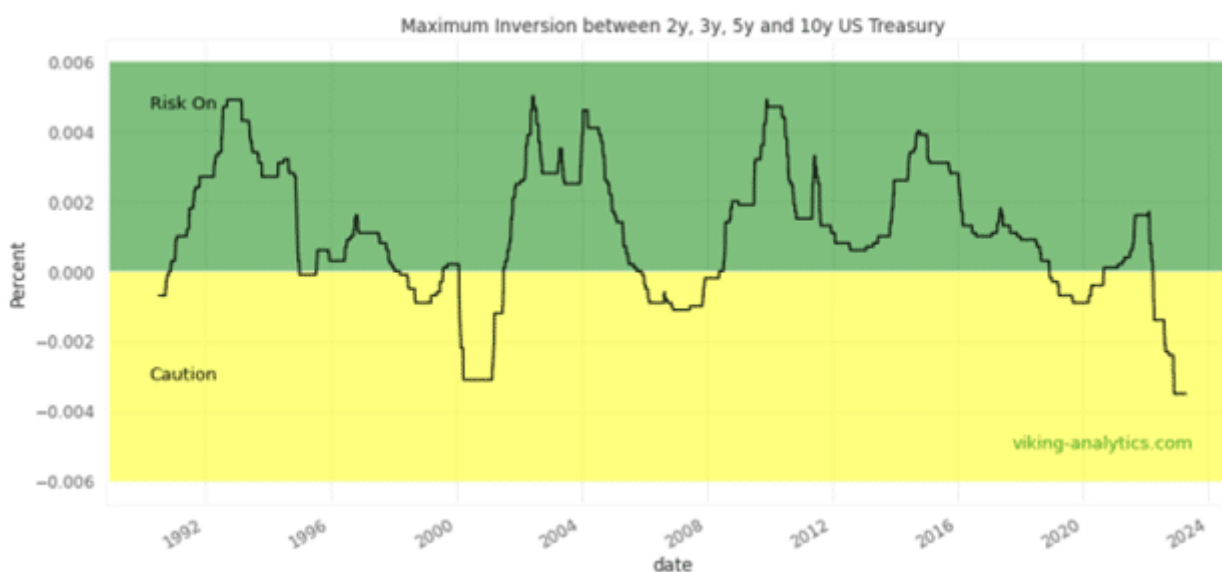
Market Navigator Signals

Our Market Navigator Report encapsulates data from the broader market and the economy to provide a near-term outlook for stocks. Fundamentally, the market is cautious due to credit concerns and the inverted yield curve. From a technical perspective, the market continues to show signs of recovery.

Indicator Name	Indicator Class	Current State
Overnight	Technical	↑
Safe Sector	Technical	→
Open Interest Put Call Ratio	Technical	↑
Market Titan	Technical	↑
Credit Market Support	Fundamental	↓
US Treasury Curve	Fundamental	→

US Treasury Curve

The US treasury curve is more inverted than it has ever been. It is more inverted than the dot com sell-off, and more inverted than the Great Financial Crisis of 2008. The inverted yield curve almost always precedes a recession.



Please visit our [website](#) for more information or to download sample reports.

Disclaimer

This is for informational purposes only and is not trading advice. The information contained in this article is subject to our [full disclaimer](#) on our website.

[1] The Gamma Band model in our SPX Market Report adjusts position size DAILY based upon the daily closing levels of SPX value and calculated Gamma Neutral. The Weekly Gamma Band model is shown for illustrative purposes only.

Authors

Erik Lytikainen, the founder of Viking Analytics, has over twenty-five years of experience as a financial analyst, entrepreneur, business developer and commodity trader. Erik holds an MBA from the University of Maryland and a BS in Mechanical Engineering from Virginia Tech.

Rob McBride has 15+ years of experience in the systematic investment space and is a former Managing Director at a multi-billion dollar hedge fund. Rob has deep experience with market data, software and model building in financial markets. Rob has a M.S. in Computer Science from the South Dakota School of Mines and Technology.
