

Portfolio Trade Alert - January 21, 2022

Trade Alert For Equity & ETF Model Only

As shown below, after a rash of selling over the last two weeks, the Nasdaq is extremely oversold and 3-standard deviations below its 50-dma. Such extreme oversold conditions can't, and don't, last for long. With AII sentiment now extremely bearish, investor positioning negative, and technicals stretched, we think there is a decent setup for a tradeable bounce into next week.



This morning we are adding a 5% position in QQQ for a bounce to the previous trend line. We are carrying a 2% loss as our stop level.

Also, we have been stopped out of three other positions in our portfolio: ASAN, NFLX, and ADBE. However, given the extreme oversold condition on those positions we are looking for a rally to sell those positions into. Also, on that rally, we will reduce GOOG and AMZN as well.

Overall we are looking to reduce portfolio exposure to 50% of the portfolio during the next rally.

- **Buy 5% of the Portfolio in QQQ**