



# The Stock Market | Market Sentiment

---

RALPH ACAMPORA

HEAD OF TECHNICAL & MARKET ANALYSIS

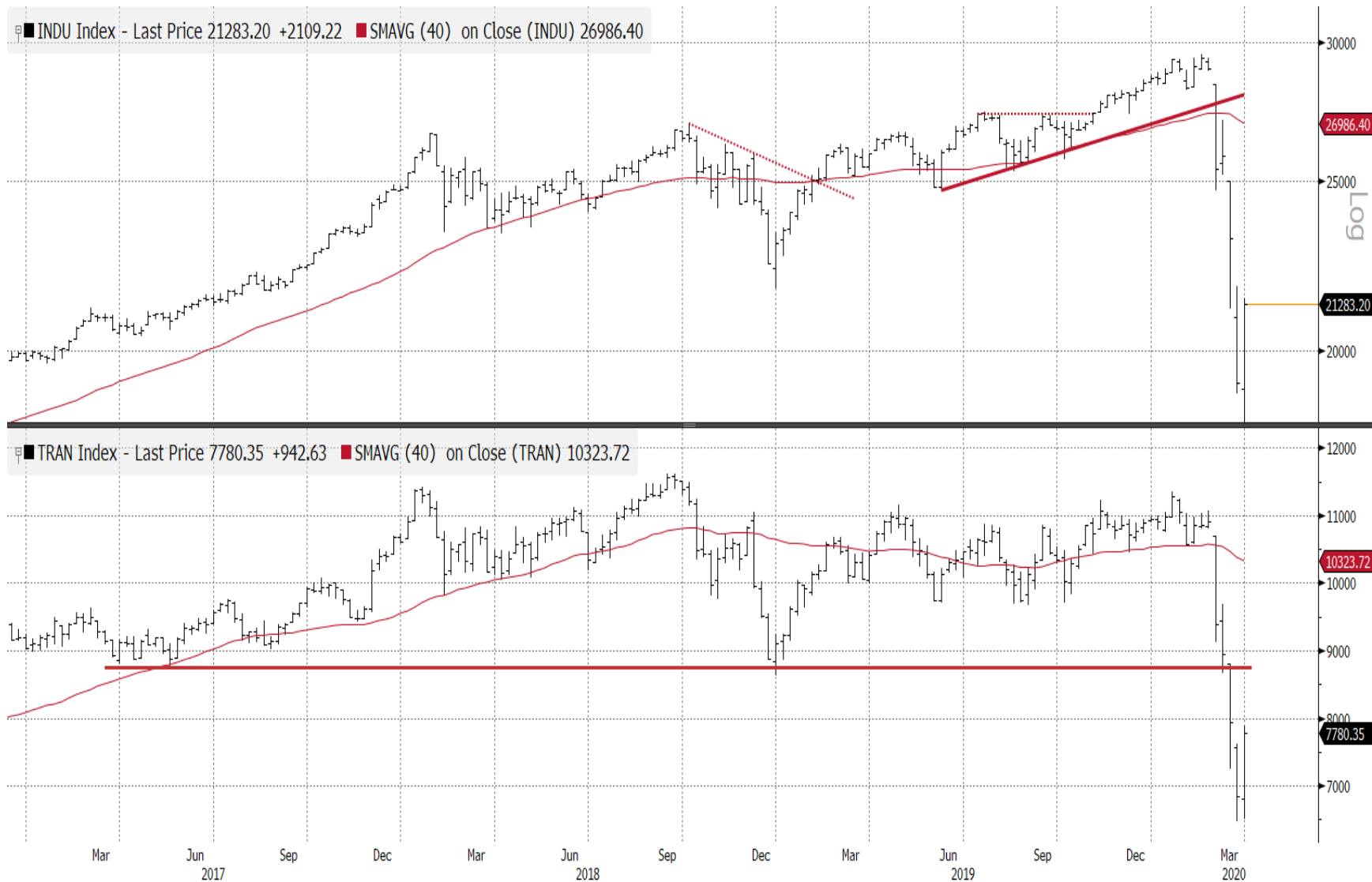
ALTAIRA CAPITAL PARTNERS

R.ACAMPORA@ALTAIRA.COM

# Macro Perspective

---

# Macro Perspective | Dow Theory



# Macro Perspective | Trend & Sentiment

## Sector RS Trend

Sector RS Trend (M.A.C.E)					
Sector	Unwtd	Wtd	Sector	Unwtd	Wtd
Energy	D3	D3	Transportation	D3	D3
Basic Materials (UW)	D3	D3	Healthcare (OW)	U3	U3
Industrial Manufacturing	D3	D3	Consumer Staples	U2	U2
Utilities (UW)	U3	U3	Consumer Cyclical (OW)	D3	U2
Services	D3	D2	Technology (OW)	U3	U3
Financials	U1	D3	Communications / Media (UW)	U3	U3

## Sector Absolute Trend

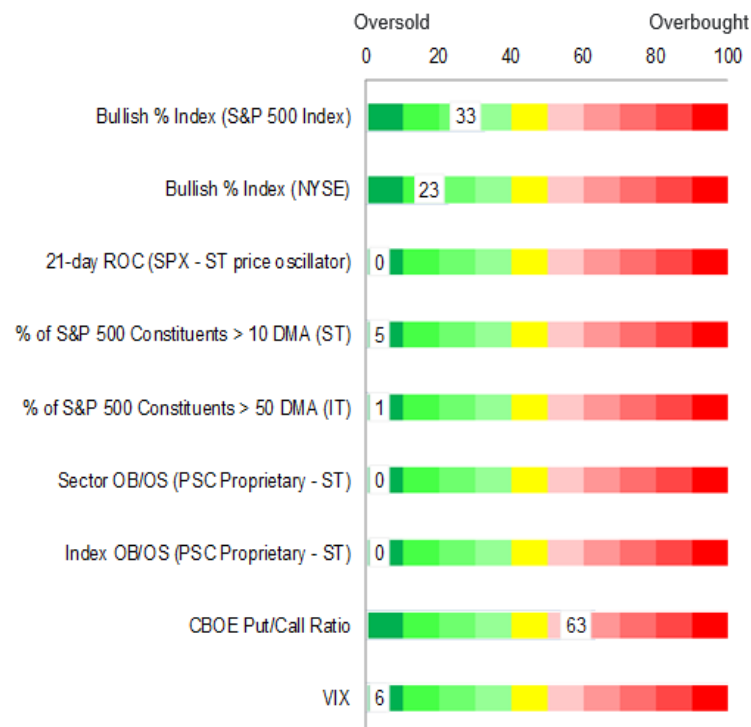
Sector Absolute Trend (M.A.C.E)					
Sector	Unwtd	Wtd	Sector	Unwtd	Wtd
Energy	D3	D3	Transportation	D3	D3
Basic Materials (UW)	D3	D3	Healthcare (OW)	D2	D2
Industrial Manufacturing	D3	D3	Consumer Staples	D3	D3
Utilities (UW)	D3	D2	Consumer Cyclical (OW)	D3	D3
Services	D3	D2	Technology (OW)	D2	D2
Financials	D3	D3	Communications / Media (UW)	D3	D2

## Relative Trend: Equities Leading vs Major Asset Classes

RS	Benchmark	RS	Benchmark
↑	Large-cap vs. Small-cap (OEX/SML)	↓	SPX vs. Bonds (SPX/IEF)
↑	SPX vs. EAFE Index (SPX/EFA)	↑	SPX vs. Commodities (SPX/CRB)
=	SPX vs. Emerging Mkts (SPX/EEM)	↓	SPX vs. Gold (SPX/GLD)
↑	SPX vs. Europe/Pacific (SPX/VEA)	↓	SPX vs. USD (SPX/USD)

As of 03/20/2020

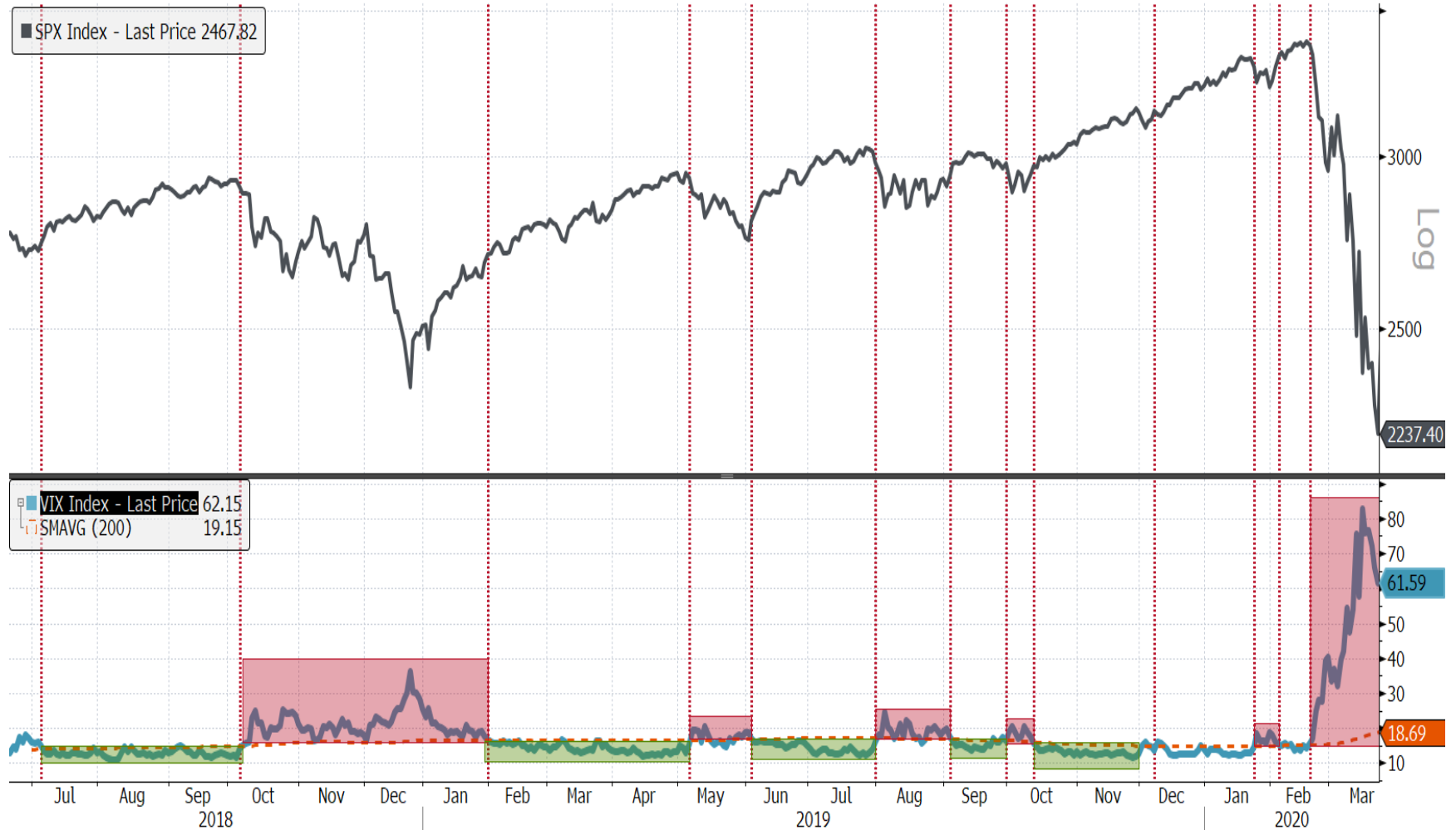
## Sentiment, Momentum, & Breadth Indicators



Abbreviations: ST represents short-term, while IT represents intermediate-term.

# Macro Perspective | VIX Index

## S&P 500 & VIX Index



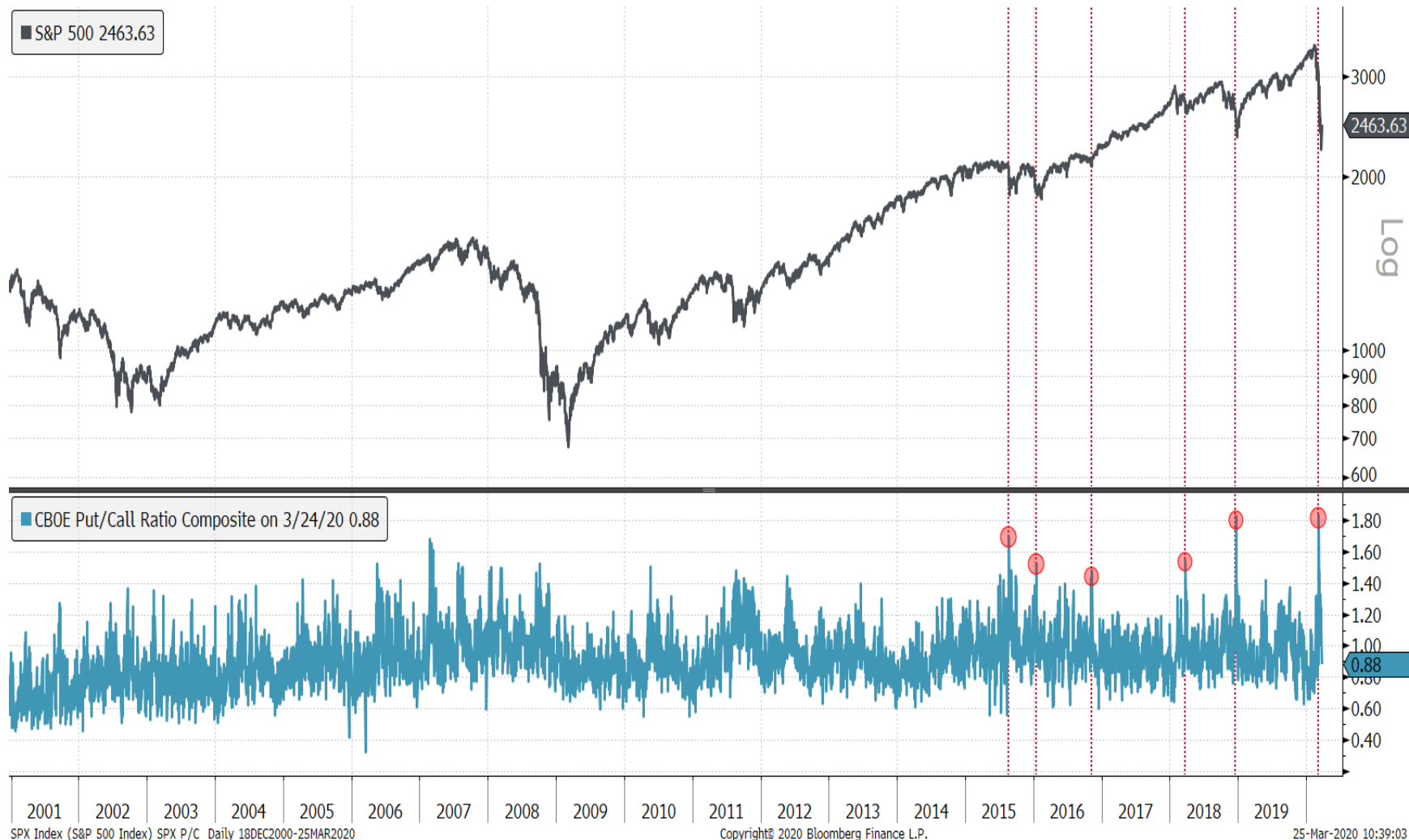
SPX Index (S&P 500 Index) S&P 500 & VIX Index Daily 01JUL2018-25MAR2020

Copyright© 2020 Bloomberg Finance L.P.

25-Mar-2020 10:34:20

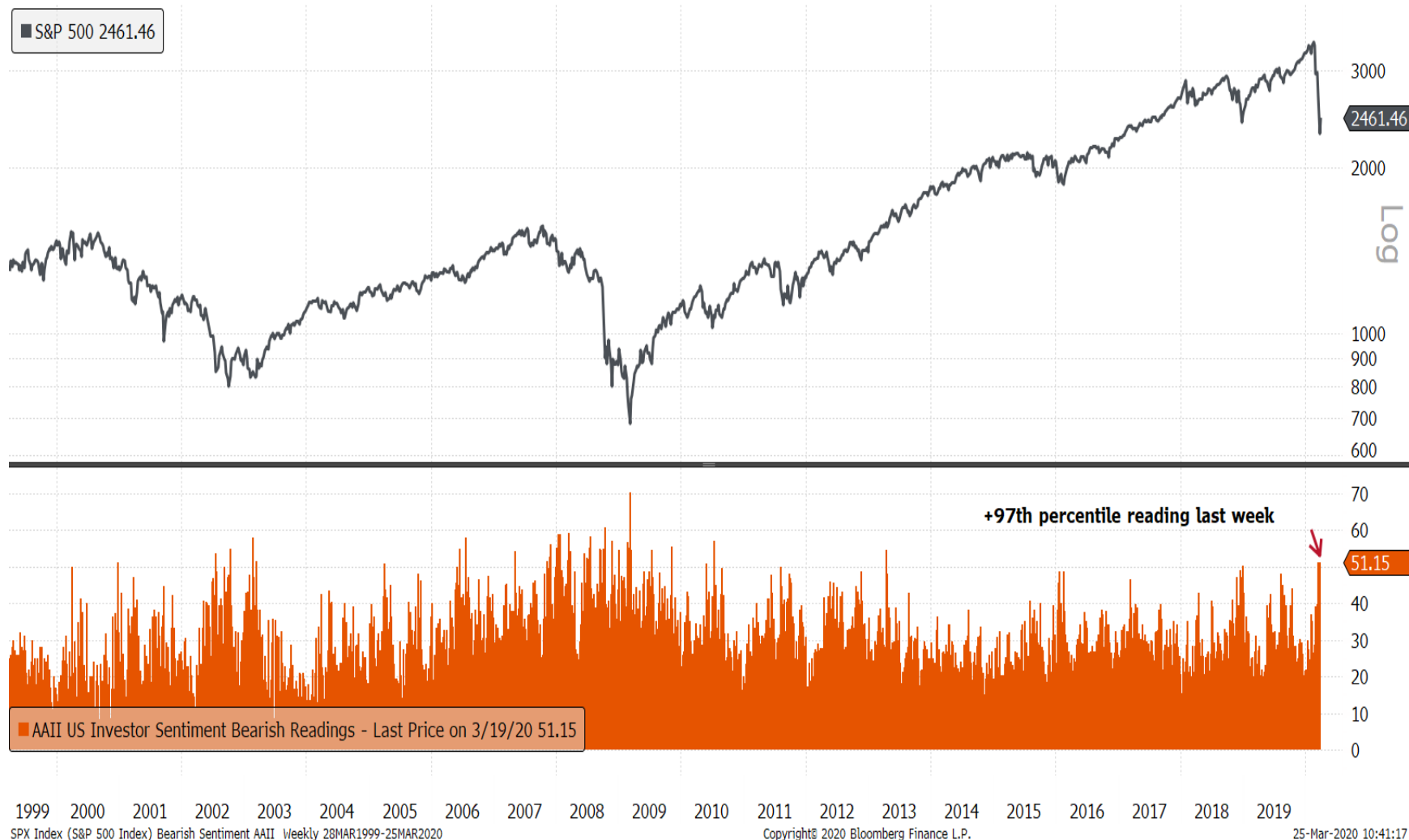
# Macro Perspective | Put / Call Ratio

## S&P 500 and CBOE Equity P/C Ratio



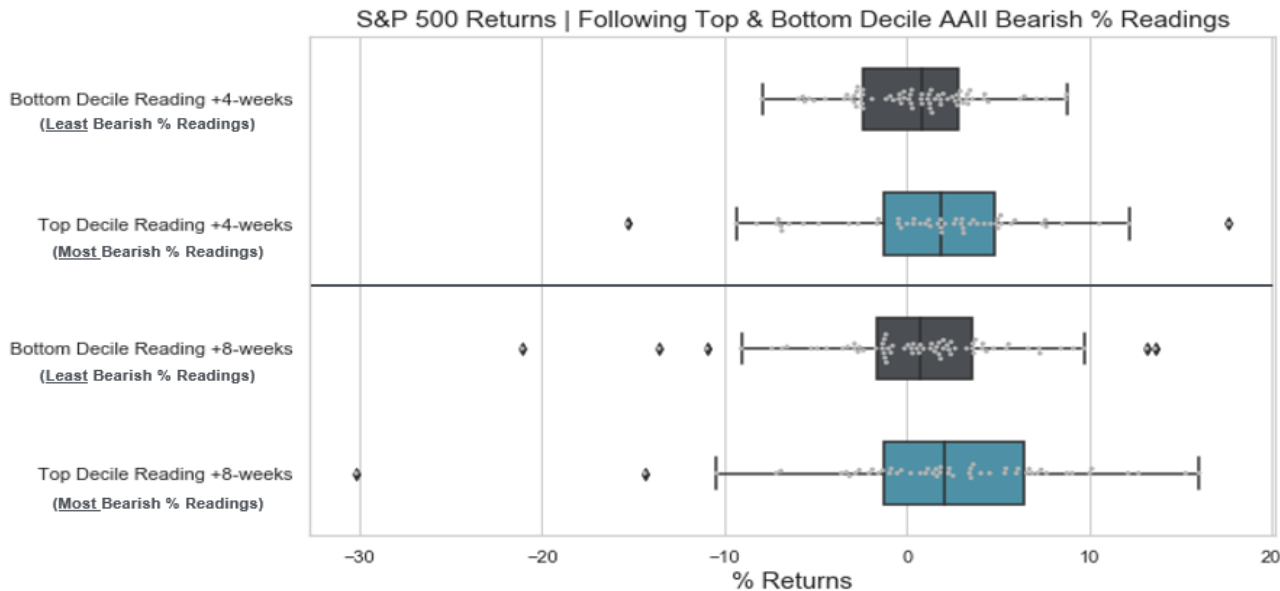
# Macro Perspective | AAI Bearish Sentiment

## S&P 500 & Bearish Sentiment



# Macro Perspective | Market Breadth

## Bearish Sentiment



“Be fearful when others are greedy and greedy when others are fearful”. — Warren Buffett.

Last week, the AAll Bearish percent index reached 51.2%, marking a 97<sup>th</sup> percentile reading and the highest level of bearishness since April '13. Historically, extreme readings in this sentiment gauge have been useful contrarian signals.

For example, forward 4- and 8-week returns following +90% bearish percentile readings have averaged 1.3% and 2.0%, respectively. Positive returns also occurred at least 66% of the time across both timeframes. On the flipside, bottom 10% percentile readings (historically low degree of bearishness) produced forward 4-/8-week returns of only 0.5% and 0.4%, respectively.

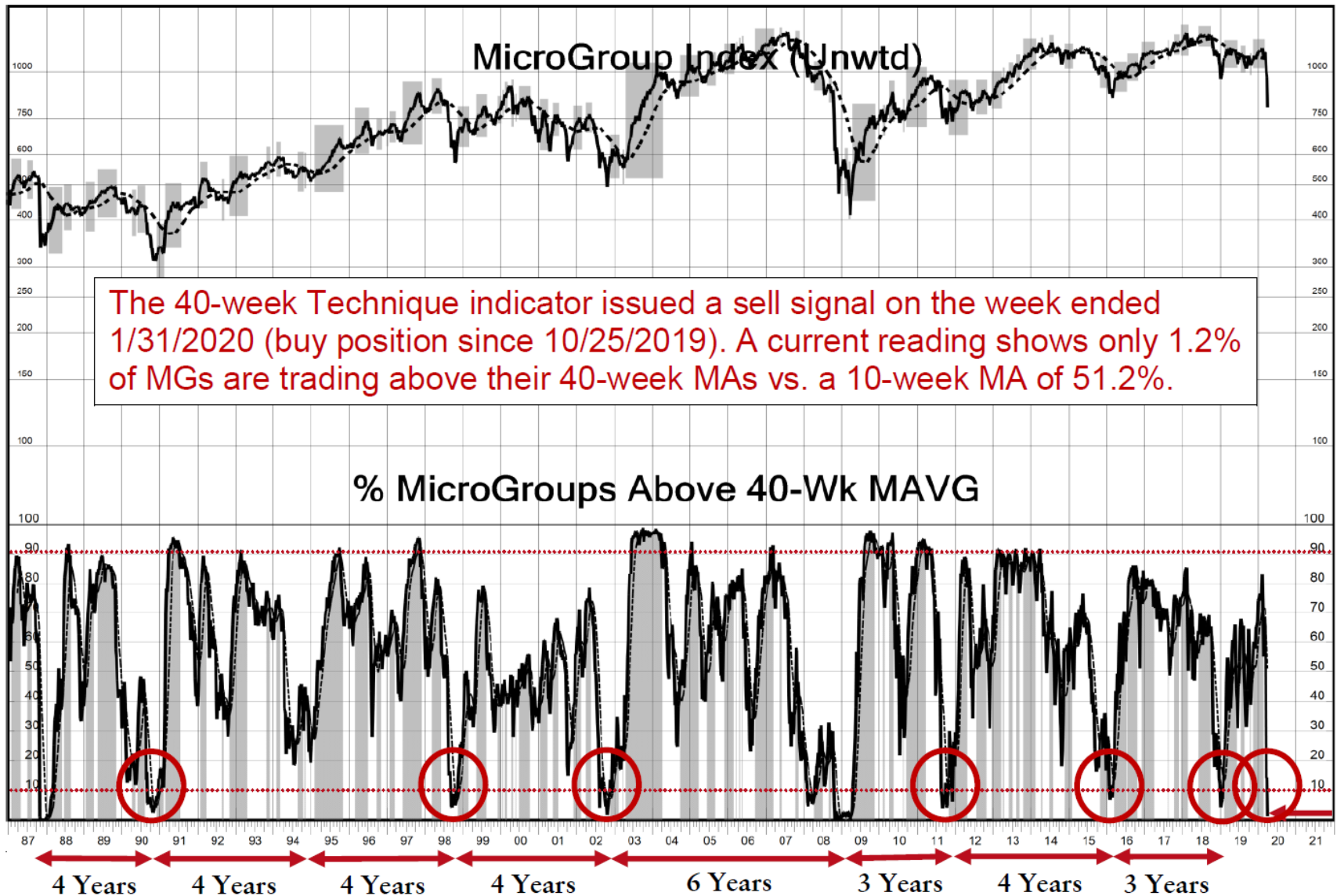
S&P 500 Returns | Following Top & Bottom Decile AAll Bearish Percent Readings

Return Metric	Forward 4-week Returns		Forward 8-week Returns	
	Bottom Decile	Top Decile	Bottom Decile	Top Decile
Average	0.50%	1.34%	0.42%	1.98%
Median	0.81%	1.90%	0.71%	2.07%
Percent Positive	58.57%	68.52%	58.57%	66.67%
Max	8.78%	17.65%	13.60%	16.02%
Min	-7.91%	-15.34%	-21.09%	-30.18%

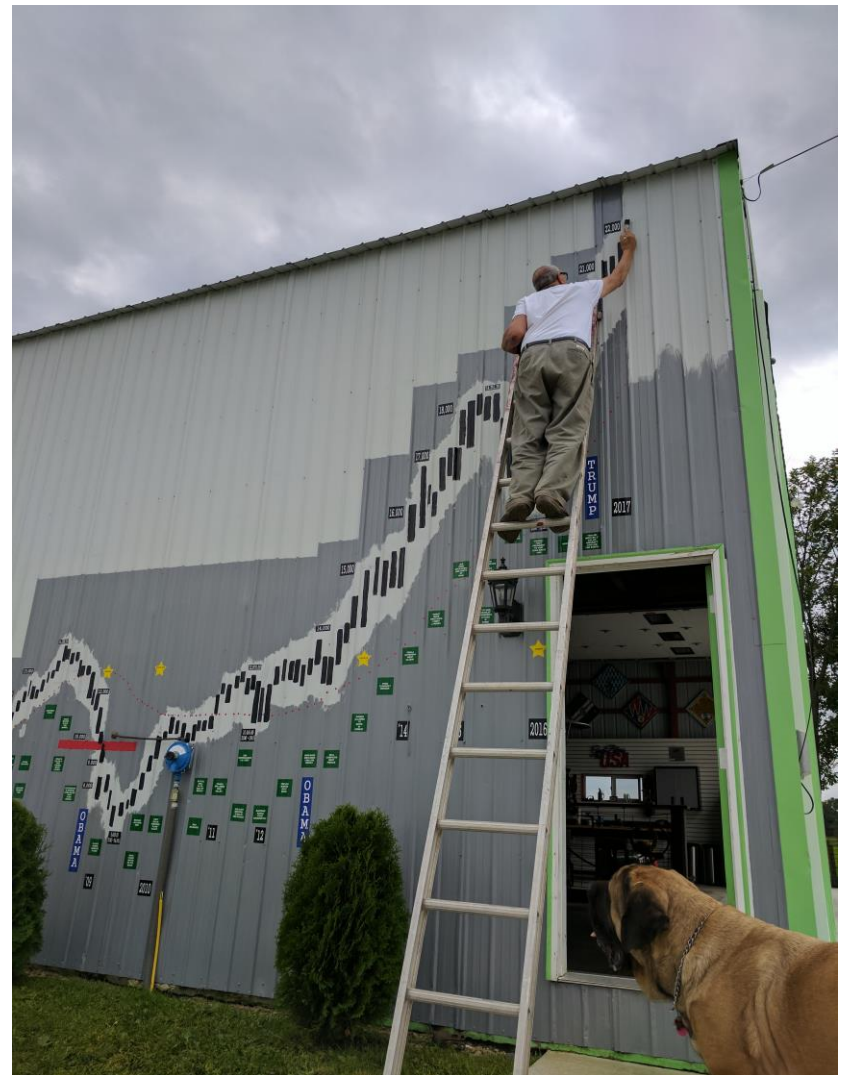
Source: Piper Sandler Technical Research/Bloomberg



# Macro Perspective | Market Breadth



# Bull Market That is Too Big for a Barn

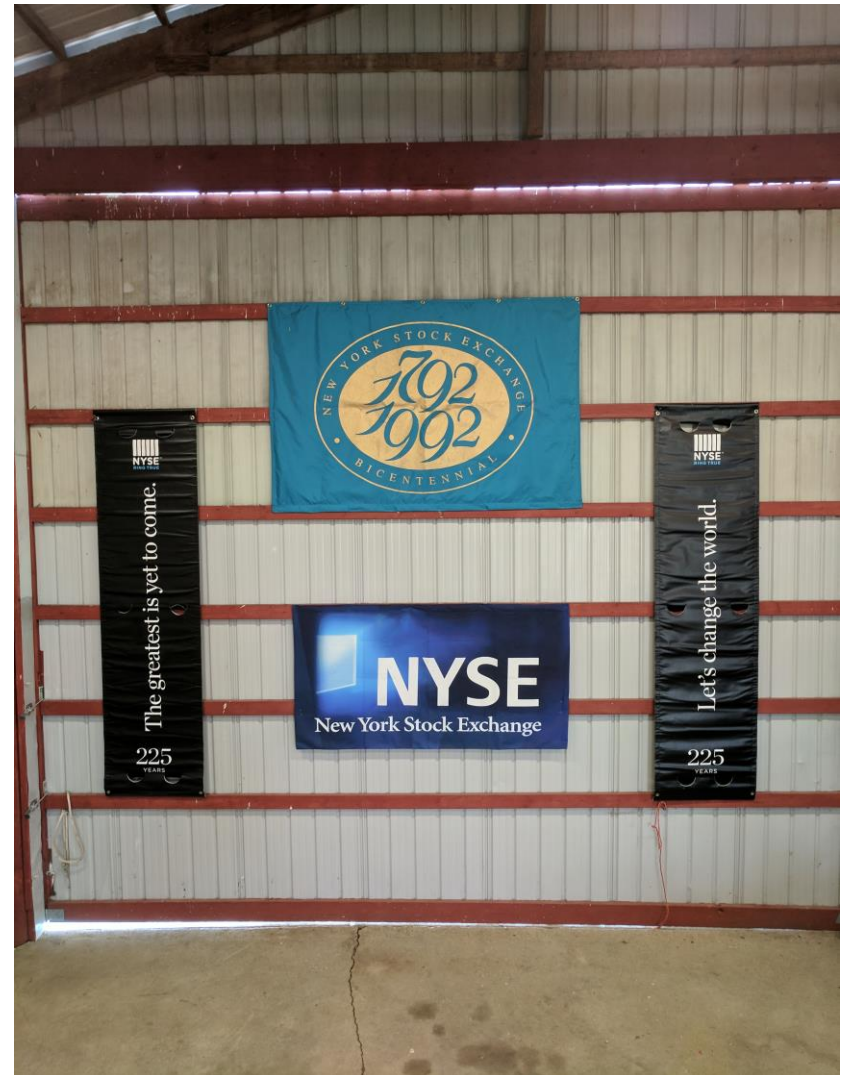
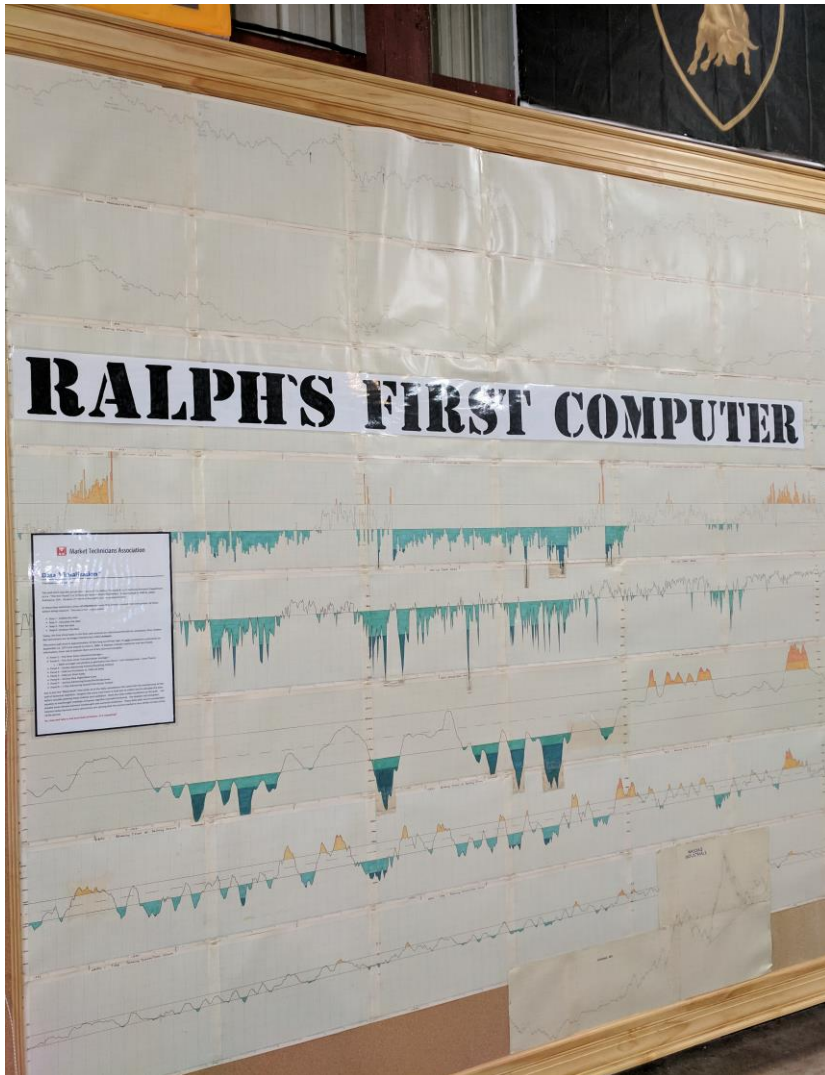


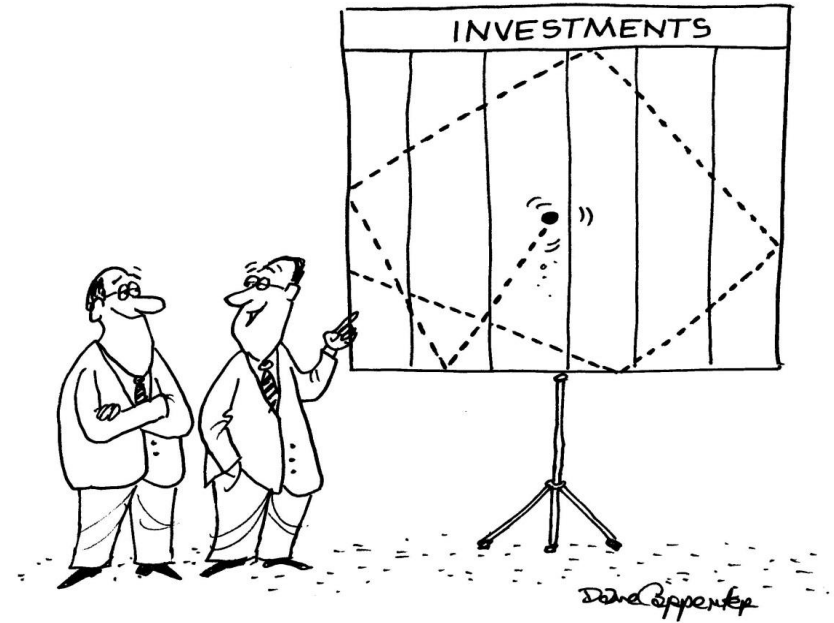


# Brief History Lesson



# Brief History Lesson Cont.





# Questions?

---

"We did bounce around for a while, but as you can see, we're now back on course."