

The industry's bulls know the right words to use but lack the timing, understanding, and vision that comes from the truth.

Without the support of the data, they try to make it look like everyone is bearish. The bulls trapped in the Crypto meltdown are blaming the media for hating digital money. Sorry to say the only hate I read is the geopolitical hate speech coming from the far right, which is one of the potential Black Swan events I've been concerned about since late 2017. The other Black Swan I pointed out at the same time was a meltdown in the Bitcoin & Co. world.

At this point, the latter is a known unknown, with banks folding up. According to Ken Vogel here is the latest:

FTX's influence on lawmakers & regulators

[Click here to view original web page at FTX's influence on lawmakers & regulators](#)

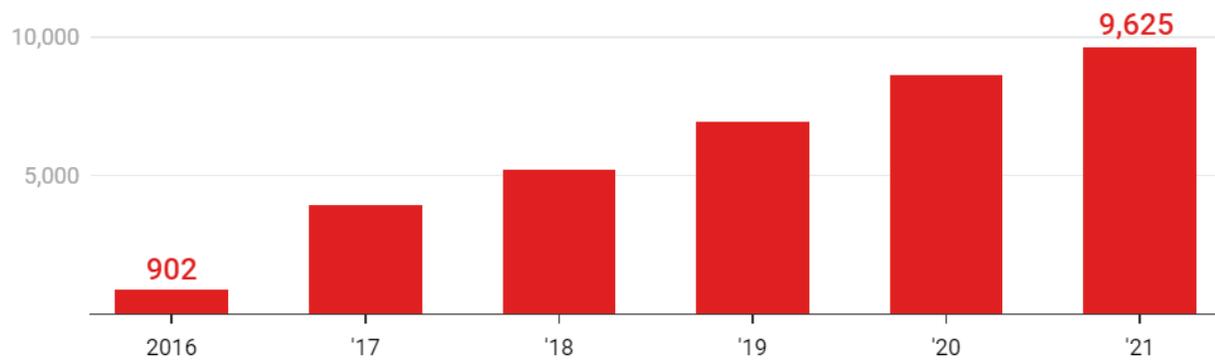
New reporting uncovers FTX's massive operation to shape regulation for the crypto industry through political and charitable donations. Ken Vogel and Ron Insana explain.

Regarding the national security threats foreseen at the end of 2017 in issue#1 of MarketMap™-2018

This paragraph captures the tenor of our society today,

Under attack

Reported threats against members of Congress have increased tenfold since 2016



Source: Capitol Police

TIME

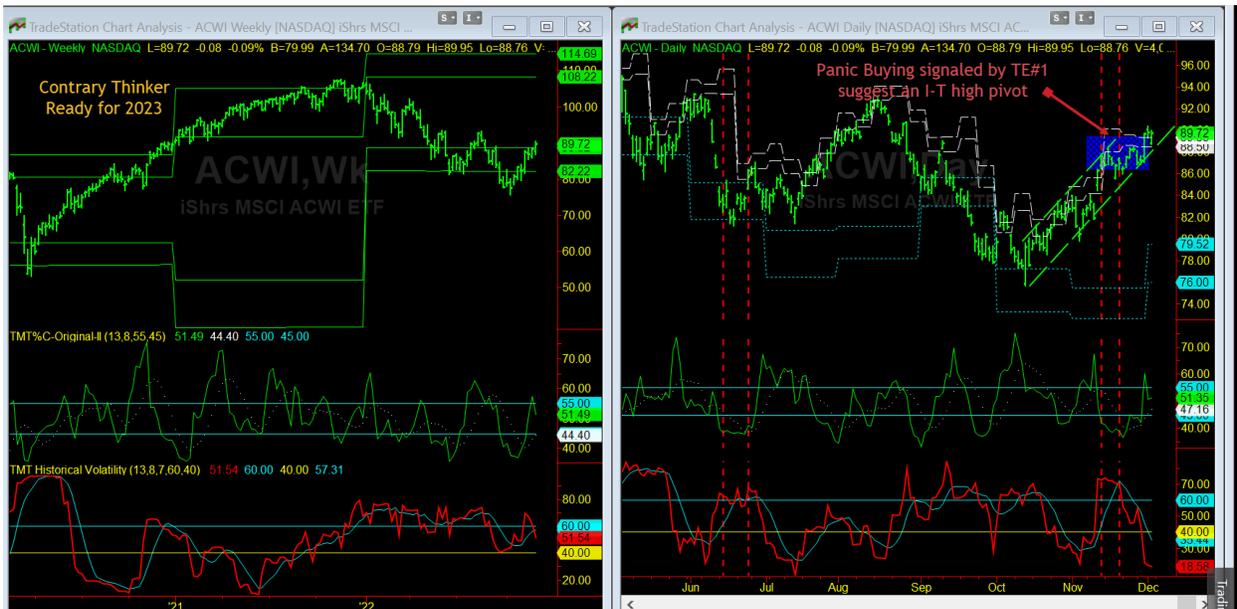
" As Americans' acceptance of violence as a political tool has jumped, previously unremarkable events and bureaucratic decisions have increasingly triggered threats and harassment, officials tell TIME. A significant number are fueled by social-media outrage that has fanned ongoing anger at America's election infrastructure, which supporters of former President Trump falsely claim cost him the 2020 election due to widespread voter fraud. The fear and anxiety that

fueled [COVID-19 conspiracies](#) has led to attacks on healthcare workers. Local school officials have increasingly come under threat for allegedly pushing “critical race theory” or inappropriate books, as well as issues related to transgender equity."

Contrary Thinker's outlook

is bearish on stocks, bullish on the dollar, bearish on the Euro, gold, and silver, trading range for bonds and trading range for crude oil, pegs under the market with the Biden team putting oil back into our reserves. Bitcoin is bearish and a bellwether.

You will find a vendor's support for his bullish outlook in a bullish analysis of the World Index. In terms of relative performance the Dow has been better, and the world index has moved into a setup for a breakout or a reversal. The weekly chart has prices in Long Term support zone, where a break below 82.22 would be a sell trigger. A break above recent highs is a buy trigger. However, the daily bar reveals the I-T recovered from the October lows ending in panic buying at S-T resistance zone. A break below the channel seen on the daily bar would be a sell suggesting support at 72.57 to 75.45 or 17% and risk to at least a new low.



Great News 10/30/22 “Enjoy the holidays Powell said Rate Hikes Won’t End”

Yet, the past week just like the past five weeks from all the posts from the public stream is summarized in this bullish observation about 90% of the time maybe more. Here is the view while light-hearted I am sure and not a real indicator regarding the power of one market over the markets, or at least the media's power.



Ben Carlson ✓
@awealthofcs



Jerome Powell basically saved Christmas today

3:59 PM · Nov 30, 2022

In the face of a pending bank meltdown, the transactional types of use - I mean chronically use-quotes of wisdom from the legends of the industry to postulate the words are applicable today. So what follows is in their own thinking their words:

"The "Most Obvious" Bear Market Rally Ever?"

"The stock market is never obvious. It is designed to fool most of the people, most of the time."
Jesse Livermore

Their justification reads as follows: "I've noticed a trend the past few weeks and that is since the mid-October lows most commentators say we are obviously experiencing a bear market rally in stocks. But is it really so obvious? Remember, as one of the greatest traders ever said, the market's job is to fool the masses most of the time. Wouldn't it be something if this was actually the start of a new bullish phase and not just another bear market bounce?"

George Orwell said, "To see what is in front of one's nose is a constant struggle." That is what is happening now, in my opinion. Things are getting better, yet people are focusing on the past and for some reason, angry about good news. My take is don't be angry and embrace what could be better times and better news coming."

Granted too many people chase their equity curve and are moved in and out of stocks based on money as opposed to price, but taking his argument at face value, there is nothing in it. There is could be better times yada yada yada, and his dumb money group can't see past their nose and they are missing something, which is a mystery to me, maybe he can tell us. So while he says many are calling this an "obvious" bear market rally, my casual viewing of a broad array of Perma bulls and Twitter content providers is outright bullish. I mean the gloves are off. Here are a number of examples and the bulls outnumber the bears 9 to 1.

Wall Street's Biggest Bear: The Bear Market Will Be Over In The First Quarter

Last Monday, when discussing Morgan Stanley's well-known uber-bear Michael Wilson's [doubling down on his "tactical rally" call](#) (as a reminder, he now expects that S&P to hit 4,000-4,150), we wrote that "Wilson is doubling down on his shift away from uber-bear to not just tactical bull, but the full-blown bull, a transformation predicated by Morgan Stanley's house view

that both yields and the dollar have peaked. Of course, if that is indeed the case, then with both yields and the dollar sliding, it's virtually inevitable that the bear market ends somewhere here, because even as earnings slide, **PE multiples start expanding again**. Of course, Wilson won't admit any of that just yet (**keep an eye on his tone in coming weeks**) and instead when sharing his feedback to last week's notable call as well as color on where Wilson thinks the markets will trade from here, he writes what we first [noted more than two weeks ago](#), namely that the meltup is all in the technicals."

November Mid-Month Conference Call: 5 Key Takeaways

(All bullish)

1. Dollar Down. Stocks Up?

The negative correlation between the US dollar and the stock market has been as strong as ever since last year.

When stocks have been in rally-mode, it's happened in environments where the dollar has been experiencing corrective action. And when stocks have struggled, the dollar has remained strong.

2. Will Rates Roll with USD?

With the dollar rolling over, all eyes are on yields to see if they will follow.

While the dollar has already broken a multi-month trendline and completed a short-term topping pattern, the same is not quite true for most interest rates.

3. International Improvement

When it comes to global equities, there has been material improvement across the board over the past month and a half.

4. Logical Levels

This is particularly true for the Dow Jones Composite Index, which recently reached the 161.8% Fibonacci extension of its 2018 drawdown.

This level coincides with a shelf of lows from last year, making for a confluence of resistance and a logical place for the current advance to pause and take a breather.

After some corrective action, we're looking for this index (and others) to reclaim its former lows from 2021 and take out the August highs. This would be incredibly constructive for the broader market and risk assets in general.

5. Mixed Evidence from Energy

"Energy has been the strongest area of the market for the past two years.

With energy stocks continuing to show relative strength as crude oil corrects, we have to give them the benefit of the doubt and err in the direction of the underlying uptrend. With that said, crude oil and its derivatives look rather vulnerable as they test their prior-cycle highs from above. If we start to lose these key levels, it will represent structural damage, and this is likely happening in an environment where energy stocks are also catching lower."

In the face of all that bearish consideration they conclude:

"For now, the market is telling us that stocks are the best way to express a bullish thesis in energy. Under this scenario, we want to keep looking for opportunities in this space and overweight energy over other areas."

TQQQ Shows 'Buy the Dip' Isn't Dead

After months of declines, including a 20% drop in the S&P 500, a 30% drop in the Nasdaq and a 65% drop in bitcoin, investors have given up on a quick snapback in markets. If you pull up a chart of just about any of the former highfliers—in stocks, exchange-traded funds or cryptocurrencies—you'll see them wallowing near their lows.

Still, declaring the investing strategy dead may not be sound. That's because in at least one area, dip buying hasn't gone away. The [ProShares UltraPro QQQ \(TQQQ\)](#) is No. 9 on this year's top inflows list. The triple-leveraged Nasdaq fund picked up \$10.9 billion of new money so far in 2022, even as prices for the ETFs have tumbled 74%.

The Best Trade Opportunity Of 2023? It's Setting Up To Be Treasuries

The Treasury bond market has experienced a historically anomalous year in 2022. Slowing economic growth and the threat of recession should have pushed investors toward the safety of Treasuries, but the opposite happened. Soaring inflation and a strong (albeit late) response from the Fed sent interest rates sharply higher.

Government bonds weren't a safe haven. They were a liability.

The bear market in fixed income will likely scare off a lot of investors, but ETF flows over the past month show people already moving back in. I think this will prove to be one of the best opportunities for investors in the new year.



[Membership begins here.](#)

Great and Many Thanks,

Jack F. Cahn, CMT

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Contrary Thinker 1775 E Palm Canyon Drive, Suite 110- box 176 Palm Springs, CA
92264 USA. 760-459-4681 OR

25/1 Poinsettia Court Mooloolaba, QLD Australia 4557 614-2811-9889

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