



## The Week Ahead

### Rally on Rhetoric

Raphael Bostic, President of the Federal Reserve Bank of Atlanta and Federal Open Market Committee member spoke this week. Sometimes FOMC member use public appearances to hint at the FOMC's monetary stance and future policy plans. Bostic did not hint but stated that the FOMC is locked on 25 basis points and possibly a pause in rate hikes by the summer. These statements were anything but hints and the market responded by driving equities out of selling and into a buying spree. The S&P 500 rallied more than 3% from late Wednesday into Friday's close. Bostic did say he was supportive of more rate hikes but the market was grasping for good news and hopes of an end to rate hikes. The comments seem to contrast with previous statements from the FOMC and Jerome Powell. The CME is still pricing in 50 basis points in March and rate hikes surpassing 6% by July. Economic data this week was mixed. Consumer Confidence is sliding and manufacturing continues to consolidate. Durable Goods Orders came in lower-than-expected but that can be attributed to large contracts for aircraft orders in December and average orders in January. Bostic's comments can be found on the Federal Reserve link below.

---

## THE WEEK AHEAD:

There are very few earnings reports to be concerned with next week, however, it is the first full week of the new month. As the first week, we will see jobs data including reports from ADP, Job Openings and Labor Turnover Survey, and the Bureau of Labor and Statistics Non-Farm Payroll. Jobs data is very important as we watch the Federal Reserve attempting to manage inflation without destroying consumer demand and the economy. Federal Reserve Chair Jerome Powell will also testify on Wednesday which could add some clarity to the Federal Reserve's strategy and possibly could counter the comments from FOMC Member Bostic.

---

**Monday 03/06:** none

**Companies Reporting Before:** none

**Companies Reporting After:** none

---

**Tuesday 03/07:** Fed Chair Powell Testifies

**Companies Reporting Before:** none

**Companies Reporting After:** none

---

**Wednesday 03/08:** ADP Non-Farm Employment Change, Fed Chair Powell Testifies, Job Openings and Labor Turnover Survey (JOLTS) Job Openings, 10-year Bond Auction

**Companies Reporting Before:** BFb, CPB

**Companies Reporting After:** none

---

**Thursday 03/09: Weekly Unemployment Claims**

**Companies Reporting Before: JD, CRWD**

**Companies Reporting After: ORCL, ULTA, GPS**

---

**Friday 03/10: Average Hourly Earnings m/m, Non-Farm Employment Change, Unemployment Rate**

**Companies Reporting Before: none**

**Companies Reporting After: none**

---

## Forecast:

The market appears to have rallied on rhetoric this week. Strong employment data and continued rising prices along with testimony from Fed Chair Jerome Powell could easily throw cold water on the rally and push prices back to the previous week's lows. Be cautious as the top of March's move may have already been reached.

---

## Profit Harvester Trade Rules:

- 1- Watchlist High Liquidity: 500k shares a day and penny increment options
- 2- Signal: Big move on Friday: 2.5% or more up (or down)
- 3- Signal Confirmation: Single Deviation breakout based on 20 days (using a 20-day Bollinger with a single deviation as confirmation to the 2.5% breakout move.

4- Entry Price: Confirmed intraday distribution entry at OB or OS pullback - This is a Time Price Opportunity chart (monkeybar) distribution projection. It generally means it needs to pull back to within 20% of the mid-price of Friday's large candle.

5- Target is a "fair price" or projected 50% level on the new distribution for the next day. (I hand calculated this on Friday after close)

For the Profit Harvester Trade recommendations below, be sure to follow the entry and exit rules, especially the entry prices.

---

## Profit Harvester Trade Recommendations:

**(The following is intended for educational purposes only. Investors should research for due diligence and understand their own risk tolerance. Investors must recognize that investing holds no guarantees—you could lose money.)**

The previous week's Profit Harvester, SWN filled on Monday and reached the target on Friday. AGNC triggered the short on and reached the target price on Monday. For next week, we are looking at C for a bullish trade and UNH for a bearish trade. For all Profit Harvester examples, if the trade does not trigger within the first two trading days of next week, the trade is cancelled.

---

### Citigroup Inc (C)

#### Step 1, the Setup:

**Buy C long or buy a call option with a 70 delta for 7-14 days, when price is anywhere between \$52.00 and \$51.85**

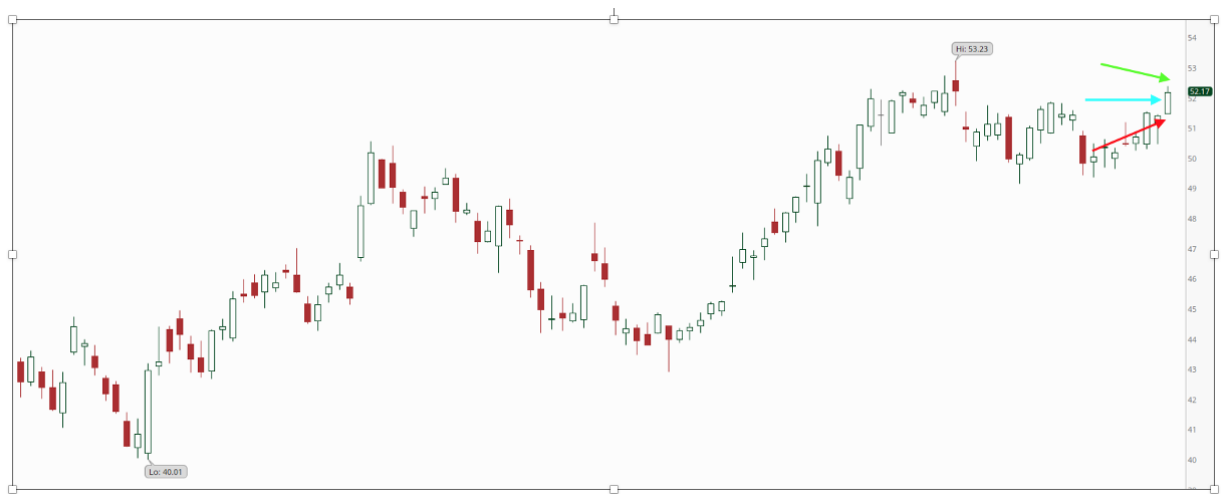
**Step 2, the stop loss:**

**Set a stop loss price \$1.50 below the entry price**

**Step 3, the profit target:**

**Consider taking profit if C rises \$0.45 per share higher.**

**Probabilities: For initial target from the entry provides a 77% probability of a win.**



## UnitedHealth Group Inc (UHC)

**Step 1, the Setup:**

**Sell UHC short or buy a put option with a 70 delta for 7-14 days, when price is anywhere between \$476.00 and \$478.00**

**Step 2, the stop loss:**

**Set a stop loss price \$3.50 above the entry price**

**Step 3, the profit target:**

Consider taking profit if UHC falls \$2.00 per share lower.

Probabilities: For initial target from the entry provides a 64% probability of a win.



---

## Worthwhile Reading from the Past Week:

<https://www.federalreserve.gov/newsevents/speeches.htm> (Bullish to Neutral)

<https://www.investing.com/news/stock-market-news/sp-500-in-search-of-first-weekly-win-in-four-weeks-as-rates-retreat-to-boost-tech-3022017> (Bullish)

<https://www.reuters.com/markets/us/fed-acutely-aware-trouble-inflation-is-causing-report-2023-03-03/> (Bearish to Neutral)

*-Blake Young*