



Employment Situation Slipping

Employment data from the Job Openings and Labor Turnover Survey and ADP Non-Farm Employment showed signs of slowing in employment. Job Openings fell to 9.9 million job openings, the lowest level in 2 years. Additionally, ADP came in lower than expected and weekly new unemployment claims rose higher than expected and the previous week was also revised higher. Employment has been fading over the past 2 years. Manufacturing and services both missed expectation. With slowing manufacturing and services and employment sliding, we expect to see demand drop. Falling demand should see falling Gross Domestic Product (GDP).

THE WEEK AHEAD:

Next week will see the official kickoff of earnings season. Banks and financial institutions will lead out. With the threat of bank failure, all eyes will be on the earnings reported on Friday the 14th. Not only will it provide the first glimpse of earnings it will also be a statement on the economy. Inflation data will also be reported. Much of the bullish move in equities is being attributed to expectations

of no rate hike from the Federal Reserve at May's meeting. If inflation remains high, the Fed will likely raise rates which would cause equities to fall again.

Monday 04/10: none

Companies Reporting Before: none

Companies Reporting After: none

Tuesday 04/11: Federal Open Market Committee (FOMC) Member Harker Speaks

Companies Reporting Before: KMX

Companies Reporting After: none

Wednesday 04/12: Consumer Price Index (CPI) m/m, CPI y/y, Core CPI m/m, FOMCE Meeting Minutes, 10-year Bond Auction

Companies Reporting Before: none

Companies Reporting After: none

Thursday 04/13: Producer Price Index (PPI) m/m, Core PPI m/m, Weekly Unemployment Claims, 30-year Bond Auction

Companies Reporting Before: PGR, FAST

Companies Reporting After: none

Friday 04/14: Retail Sales m/m, Core Retail Sales m/m, Preliminary University of Michigan (UoM) Consumer Sentiment, Preliminary UoM Inflation Expectations

Companies Reporting Before: UNH, JPM, C, WFC, PNC, FRC

Companies Reporting After: none

Forecast:

All the economic data this past week showed weakness in the economy. Equities have been resilient as investors have looked to buy assets against the weakened U.S. dollar. If economic data continues to struggle, we should see equities move lower to reflect the fundamental data.

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. F filled the entry and reached the target on Monday. TH did sell off but it did not reach the trigger price during the week. For next week, we are looking at PINS for a bullish trade and BYND 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 canceled.

Pinterest Inc (PINS)

Step 1, the Setup:

Buy PINS long or buy a call option with a 70 delta for 7-14 days, when price is anywhere between \$28.00 and \$27.75

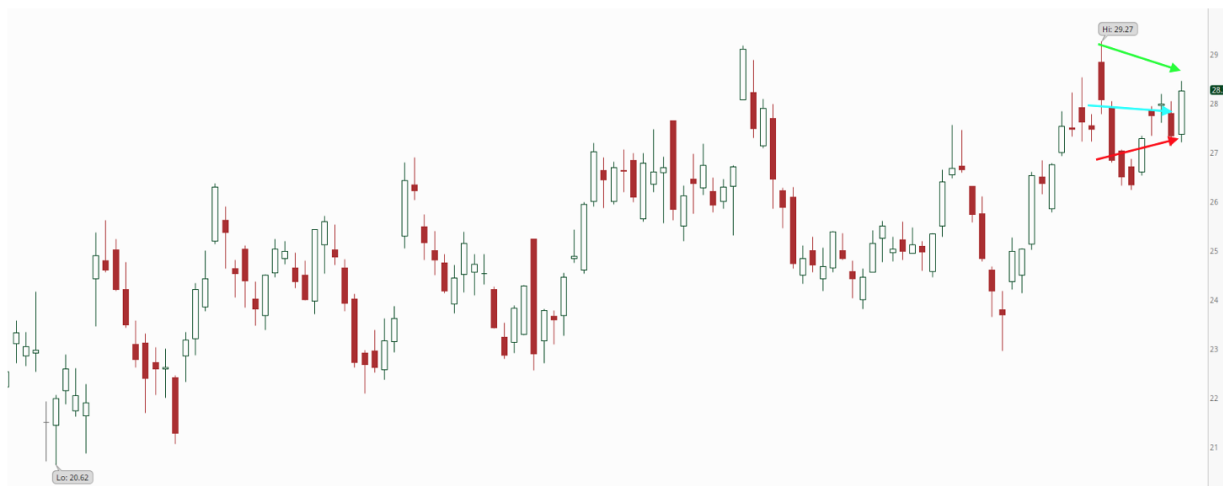
Step 2, the stop loss:

Set a stop loss price \$0.50 below the entry price

Step 3, the profit target:

Consider taking profit if PINS rises \$0.30 per share higher.

Probabilities: For initial target from the entry provides a 63% probability of a win.



Beyond Meat Inc (BYND)

Step 1, the Setup:

Sell BYND short or buy a put option with a 70 delta for 7-14 days, when price is anywhere between \$15.50 and \$15.25

Step 2, the stop loss:

Set a stop loss price \$0.60 above the entry price

Step 3, the profit target:

Consider taking profit if BYND falls \$0.25 per share lower.

Probabilities: For initial target from the entry provides a 70% probability of a win.



Worthwhile Reading from the Past Week:

<https://www.reuters.com/markets/us/us-weekly-jobless-claims-fall-layoffs-jump-march-2023-04-06/> (Bearish)

<https://www.forbes.com/sites/christopherhelman/2023/04/03/opec-surprise-oil-cut-underscores-bidens-missed-opportunity-to-refill-strategic-reserves/?sh=617a9a546967> (Bearish to Neutral)

<https://www.investing.com/news/stock-market-news/sp-500-advances-after-cutting-losses-as-dip-buyers-push-tech-higher-3050715> (Bullish to Neutral)

-Blake Young