



## Taking a Breather

As I noted last week, I continued to buy in my accounts due to extreme oversold conditions in the equity markets. I made purchases on Monday, Tuesday, and Wednesday before planning to stop. Then I saw the chart below and a weak open and decided to purchase more on Thursday.

### Market Breadth

	%10 Wk	%30 Wk	Bullish %	P&F Status	Changed
NYSE	3.75	8.87	18.91	Bear Confirmed	3-Apr-25
Nasdaq	5.79	8.90	13.16	Bear Confirmed	3-Mar-25
Dow Industrials	3.33	13.33	6.67	Bear Confirmed	3-Apr-25
S&P 500	4.66	13.14	11.86	Bear Confirmed	3-Apr-25
Nasdaq 100	4.21	12.63	6.32	Bear Confirmed	26-Mar-25
Option Stocks	3.24	11.18	13.25	Bear Confirmed	3-Apr-25

The Bullish % figures above don't get that low that often. The selling pressure has been tremendous. Short of every company in the market going bankrupt simultaneously, it's not sustainable for those numbers to hold to those low levels.

So this risk is to the upside. For example, the administration pausing tariffs. When that happens, the market surges.

Even in a nuclear war or an asteroid landing on my head, I will step in and buy when I see numbers that low above.

I also have a proprietary VIX indicator, which is beyond the scope of this newsletter.

This indicator triggered a rare signal for me and indicated the odds favored a significant bounce in the markets. That's all I can do...play the odds...

Now, I am taking a breather.

First, I am traveling this week, and since I live in the boonies, getting out of town is an adventure.

More importantly, I do not enjoy watching the markets all day. It does not suit my personality.

I'd rather have an unsedated root canal and colonoscopy at the same time than watch the markets fluctuate during the day.

Of course, the intra-day volatility is wild with current conditions, which should continue for a while.

I was thinking back to 1997 when I started my career, and this is the scariest decline for me. I may review that next week, but the metrics I have shown and discussed the past few weeks are as pressed to the downside as I recall.

A crisis is always uncomfortable. Most people are either blown out or running for the hills during a crisis. It's not supposed to be fun. And I definitely have a few skid marks in my underwear. There has been some breathtaking action in the markets.

It may not get better. Two concerns I have are that typical "safe haven" assets such as the Dollar and U.S. treasuries have performed poorly.

The Dollar has been smushed. Here's a chart of this year's performance through last week. As the chart shows, the sell-off has been dramatic. What has always been a reliable hideout in a crisis has been anything but this time around.

Market Summary > Invesco DB US Dollar Index Bullish Fund

27.45 USD

-2.22 (-7.48%) ↓ year to date

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1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max

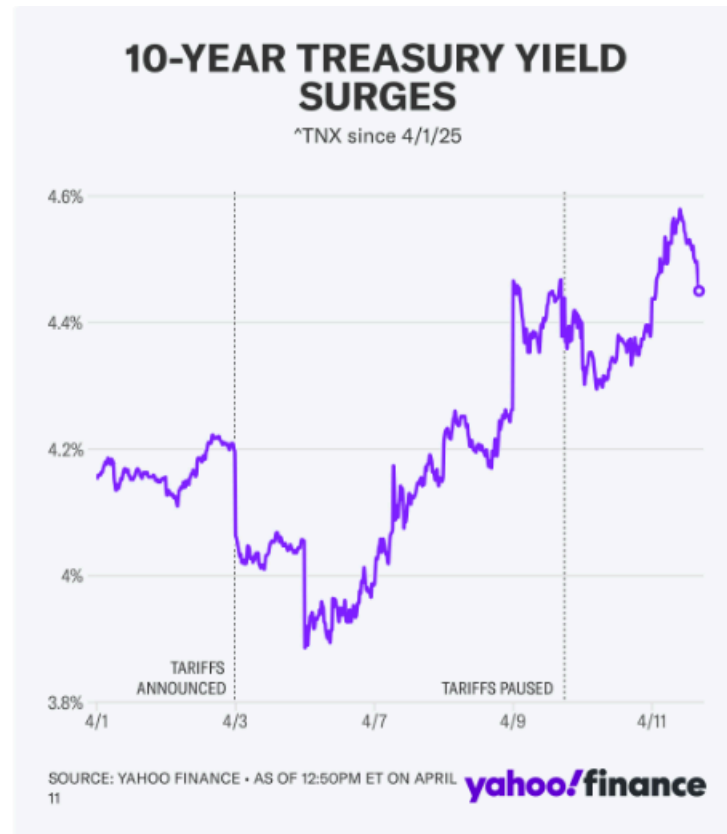


Also, interest rates have surged, which is a huge problem. The administration needs to bring rates down, specifically the 10-year rate.

Foreign holders may be dumping their holdings.

Or, hedge funds could be blowing up and having to unwind leveraged trades.

We will not know for a while, but the current trend is concerning. If it doesn't resolve quickly, another leg down is a certainty. However, rather than guess what will happen, I'd rather react to what's happening based on well-defined strategies.



The action above is not what we'd want to see if we expected the market to rally sustainably from here.

The wild ride continues!!!

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