

Counts number of weeks since the crossing; green is up, red is down

Calendar week

Medium-term: 3-week exponentially weighted moving average (EWMA) vs 10-week EWMA

Long-term: 10-week simply weighted moving average (SWMA) vs 40-week SWMA

50D MAV: 50-day SWMA

Hedging in US equities is less important, the wind is at the investor's back. Shorting is difficult. The opposite is true in Brazil.

Measures the trend of TLT (ETF on long-term bonds) vs. SPY (ETF on equities). The medium-term trend has turned just recently in TLT's favour

| IR&M Momentum monitor 1/2 Week: | Medium-term | | | | | Long-term | | | | | 50D MAV | |
|------------------------------------|-------------|-----|-----|-----|------|-----------|-----|-----|-----|------|---------|------|
| | 14 | 15 | 16 | 17 | Chg. | 14 | 15 | 16 | 17 | Chg. | 17 | Chg. |
| Equities by country | | | | | | | | | | | | |
| MSCI World | 19 | 20 | 21 | 22 | | 34 | 35 | 36 | 37 | | ↑ | |
| USA (S&P 500) | 14 | 15 | 16 | 17 | | 63 | 64 | 65 | 66 | | ↑ | |
| USA (Nasdaq) | 14 | 15 | 16 | 17 | | 13 | 14 | 15 | 16 | | ↑ | |
| Brazil (Bovespa) | -9 | -10 | -11 | -12 | | -2 | -3 | -4 | -5 | | ↓ | |
| Eurozone (Euro STX 50) | -2 | -3 | -4 | -5 | | 31 | 32 | 33 | 34 | | ↑ | ● |
| TLT | 1 | 2 | 3 | 4 | | -13 | -14 | -15 | -16 | | ↑ | |
| TLT / SPY | -17 | -18 | 1 | 2 | | -29 | -30 | -31 | -32 | | ↑ | |
| HYG | 7 | 8 | 9 | 10 | | 62 | 63 | 64 | 65 | | ↑ | |
| HYG / TLT | -1 | -2 | -3 | -4 | | 25 | 26 | 27 | 28 | | ↓ | |
| Gold | -18 | -19 | -20 | -21 | | -8 | -9 | -10 | -11 | | ↓ | |
| Copper | -7 | -8 | -9 | -10 | | -1 | -2 | -3 | -4 | | ↓ | |

Current direction

Change (Chg.) from Friday to Friday. Green dot means 50D MAV changed direction; in this case to rising from falling the week before.

HY Corporates have been rising for a long time and correlation to stock market seems high. Both are "surfing" the same (Fed) wave

Tail events do not always happen out of the blue. Gold collapsed in the weeks 15 and 16. Momentum has been very negative many weeks prior to the 8 standard deviation event. Negative momentum makes hedging more important and suggests position sizing should be more conservative.

Note that negative momentum with rising 50D MAV is not as bearish as negative momentum with falling 50D MAV. The trough of TLT was in calendar week 10, i.e., 4 weeks prior to the 50D MAV turning in week 14. Gold is all red; TLT is 4 weeks into a medium-term bull phase