

S&P 500 daily charts week of December 23 – 27, 2019



I joined a cross-fit gym 2 months ago and have been doing what’s called high intensity training. One of the classes I really enjoy is referred to as an “All-Out” class. It’s where you go All-Out for 45 seconds and then rest for 20 seconds. We do this for 30 minutes. The S&P 500’s version of an All-Out class is similar, only it goes All-Out (seemingly straight up), all of the time and with no rest. You would think at some point the market would pull back and catch its breath.

This week was not that time. The S&P 500 continued its relentless surge to new all time highs and finished the shortened holiday week up +0.36%. 3D Defender was short during the week but covered the shorts when the market retraced too far off its low. 3D Defender finished the week +0.00% gross of fees. This week’s rally in the S&P 500 and its +14% surge off its low this quarter provides an example of why I like to say ultimately the S&P’s own price action will tell you where it wants to go. It’s also why 3D Capital Management protects long-only stock market investors one day at a time.

Despite repeated warning signs from around the globe, the S&P 500 has now made new all-time highs for 9 consecutive weeks. Some of those warning signs have included global stock market weakness and weakness in Copper and EURJPY (which rebounded this week). Other warning signs you have likely read about include historic levels in the Warren Buffet Indicator, Put Call Ratio, Smart and Dumb Money Spread, and Fear and Greed Index which are all saying the S&P 500 is overvalued or vulnerable to the downside. Another concern is that with two trading days left in the month of December, the S&P is up 3% and the VIX is up over 6%. The increase in volatility this month and weakness in the S&P 500 in the last hour of trading on Friday may be a sign of things to come. All of that said the S&P 500 trend is still up, for now.

As you have heard me say before, markets grind higher and sell off sharply and given month-end, quarter-end, year-end, earnings season and US Non-Farm Payroll are all around the corner it will be interesting to see which road the market takes.

Thank you for your interest and participation in 3D Defender. I hope you enjoy your weekend.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. THERE IS NO ASSURANCE OUR PROGRAMS WILL ACHIEVE THEIR OBJECTIVES OR AVOID LOSSES.**