

OptionProfessor.com Quick Alert

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# STOCKS-SAY HELLO TO DEFLATION!



BY THE OPTION PROFESSOR

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**OptionProfessor Alert:  
07/05/22 - STOCKS-Say Hello to DEFLATION!**

WELCOME BACK! We came back from the July 4th holiday and were met by DOWN Stocks & Commodities (We said since LAST YEAR we felt that 2022 was PEAK in COMMODITIES like we said 2020 was PEAK in BONDS and 2021 was PEAK in STOCKS So all these NEWSLETTER guys and TV TOUTS telling everyone to get into Energy (Oil & Nat Gas Drop) or Ag & Fertilizers (Both drop) and Industrial metals (CLF ect) and late night TOUTS on Gold & Silver (hope they didn't hit you with the tool as they threw it in or pinched your hands on the lawn chair as they folded it in). In fact; look around, we said the GOLDMAN SACHS COMMODITY INDEX PEAKED in 2008 at about 900 and we would make a run but FAIL and we went into the 800's and did just that when OIL went to 131, Nat Gas double digits, Lumber 1200, Gold 2100 area, SOYBEANS near 18 Corn 8+ Coffee-Sugar ect..all ROLLED OVER!

Besides the Fed NORMALIZING rates (still ridiculously negative real yield but improving); one of the main culprits has been the US DOLLAR which just hit 20+YEAR HIGHS against most major currencies (Yen-Euro ect.). Now one of the main reasons was the meteoric rises in the 10 yr Treasury from about .5% to 3.5% or 7 TIMES INCREASE IN YIELD! With that type of a rise; two things are fairly certain. The US DOLLAR will RISE against lesser yielding currencies and VALUATIONS & GROWTH will be LOWER as our system is heavily dependent on BORROWED MONEY and the COMPARATIVE COST on borrowed money just went up 7X in about 24 months! This is of NO SURPRISE to our readers as we have spoke of this for a long time. We are obviously getting closer to the end of much of this selling IF the FED GOING TO SUCCEED TO UNWIND the BUBBLE they created via over stimulus.

RIGHT NOW.....For STOCKS...the VIX has been behaving by staying UNDER 30-35 and the SPX has been behaving by staying ABOVE our LONG TERM M/A at 3720 and the LOWS of 3630. Should they BOTH get violated; then something is NOT going as PLANNED and rather than the SPX 3600-3400 being the LOW; we may see a NEW WINDOW of 2800-3200 SPX HOWEVER we don't Catch Falling Knives so we will LOOK for PRICE EVIDENCE  
NO ONE IS TELLING YOU THIS.....but the KEYS will be the 10 Yr Treasury PEAKING at 3.00% to 3.50% yield (so far looks like that as we said the yield was OVERBOUGHT at 3.50% and would retrace to the mean (2.60 to 2.80).  
ALSO...the US DOLLAR had a DROP UNDER 104 and just made NEW HIGHS..great BUT the RSI has FAILED to make a NEW HIGH (just like BONDS at 3.50%),,,,which is called a DIVERGENCE and could eat to a DROP.

This could also be beneficial to COMMODITIES after their big sell off so we are EN GARDE to see if these drops in GOLD-GRAINS-ENERGY are FUGAZZI DROPS or are telling us the FED's Soft Landing is now HARD LANDING!

We have been ENCOURAGING YOU to GET the OPTION PROFESSOR'S PDF REPORT "How to HEDGE Against Market DECLINES & Upside SURPRISES" and also take advantage of the 45 minute 1 on 1 SESSIONS to LEAR more about how we determine TRENDS and HOW OPTIONS WORK as we SHARE Our 35+Yrs Of EXTENSIVE KNOWLEDGE. If Your Accounts Ae DOWN SUBSTANTIALLY- t Makes Sense ti Get Our OPINIONS-COMPARE!

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**- The Option Professor, 07/05/2022**

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