

# ChartWizardsNFT™

## Actual Alpha Report #54

Presented by Jonathon King  
August 1, 2024





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## My Trading Process



1. **Trading Strategy:** To understand the expected probability of my trading strategy; trend-following, mean-reversion, momentum, short/long volatility, buy & hold
2. **Setup identification:** To understand signal generation. I can look at a chart for 3 seconds and know if there's something for me to do.
3. **Risk Management:** In the context of the trade, how much risk should be taken? Where are stops placed? How much do I lose if I am wrong? What is my target? How much do I make if it gets there.
4. **Alert System:** How do I know when a market reaches my entry price. Do I have a hard stop (orders in the system) or a soft stop (alerts + manual entry)?
5. **Trade Management:** What to do with open positions; more challenging for winning trades than losing trades. Cut losers fast, and let winners run.
6. **Reporting + Analysis:** The first way to get better at something is to measure it. Is there a pattern in my winners and losers? Is my performance sustainable?

### Words of a Wizard:

**“There are four kinds of bets: good bets, bad bets, winning bets, and losing bets.** Most people think that a losing bet was a bad bet. That is absolutely wrong. You can lose money even on a good bet. If the odds are 50/50 and the payoff is \$2 versus \$1 risk, that is a good bet even if you lose. The point is - do enough of the good bets, eventually you come out ahead.” - Ed Seykota, [Trading Setups](#)



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## Market Review & Outlook

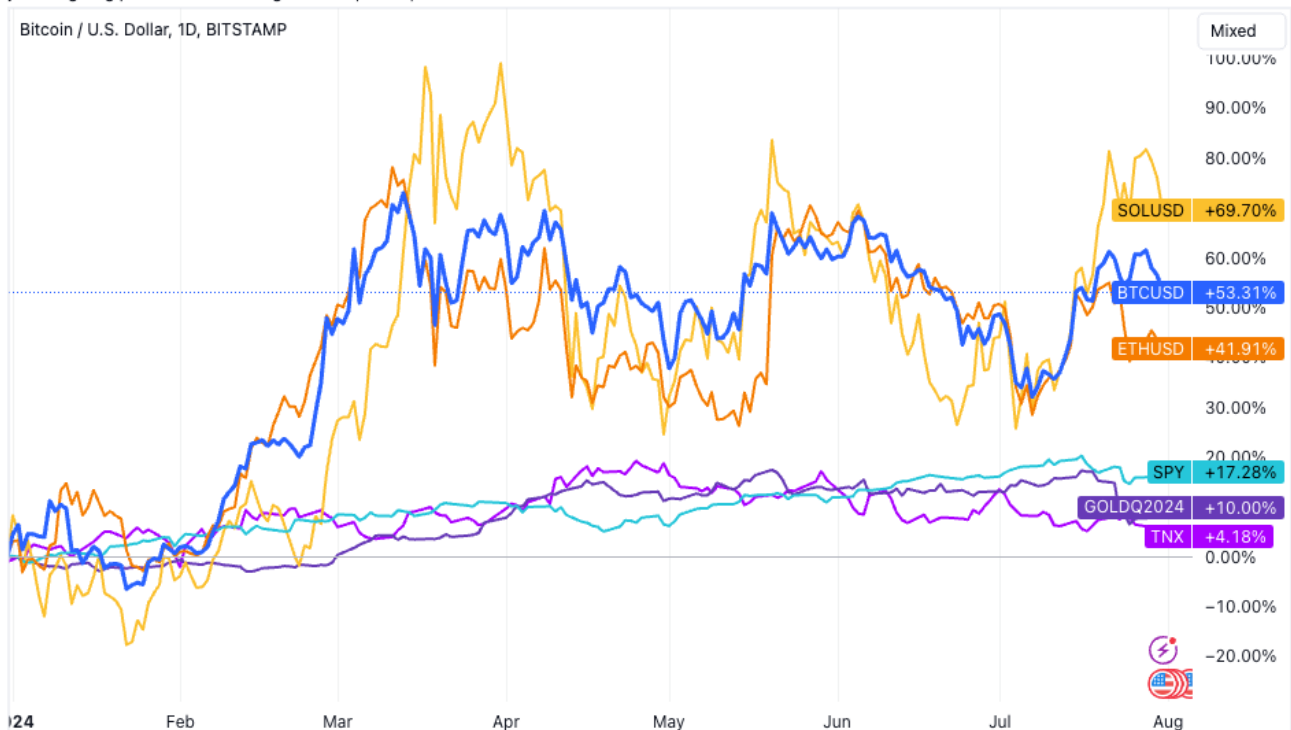
My assumptions on markets:

- Interest Rates rule the world.
- The Fed has completed its rate hike cycle.
- The US labor market and spending economy are strong but deteriorating.
- Low growth + loosening monetary policy = bullish most risk assets.
- Stock market  $\neq$  the economy.
- If rates are to fall, yield curve steepen, and unemployment rising, I'm raising cash

July was a mixed month for stocks and crypto, with an equity market rotation underway - from the tech-heavy Nasdaq 100 and S&P500 into the Russell 2000 supporting modest gains across the averages. The US Dollar fell vs. major FX. Crypto markets are in the crosshairs of the upcoming US Presidential Election, after Donald Trump referred to himself as, "the Crypto President". The Fed's *no-change* signals a likelihood of more gains for stocks in select sectors in the near-term as inflation continues to moderate.

### YTD Prices: SOL, BTC, ETH, *still* beating stocks, gold, bond yields

jBTCkingaling published on TradingView.com, Jul 31, 2024 18:26 UTC-5





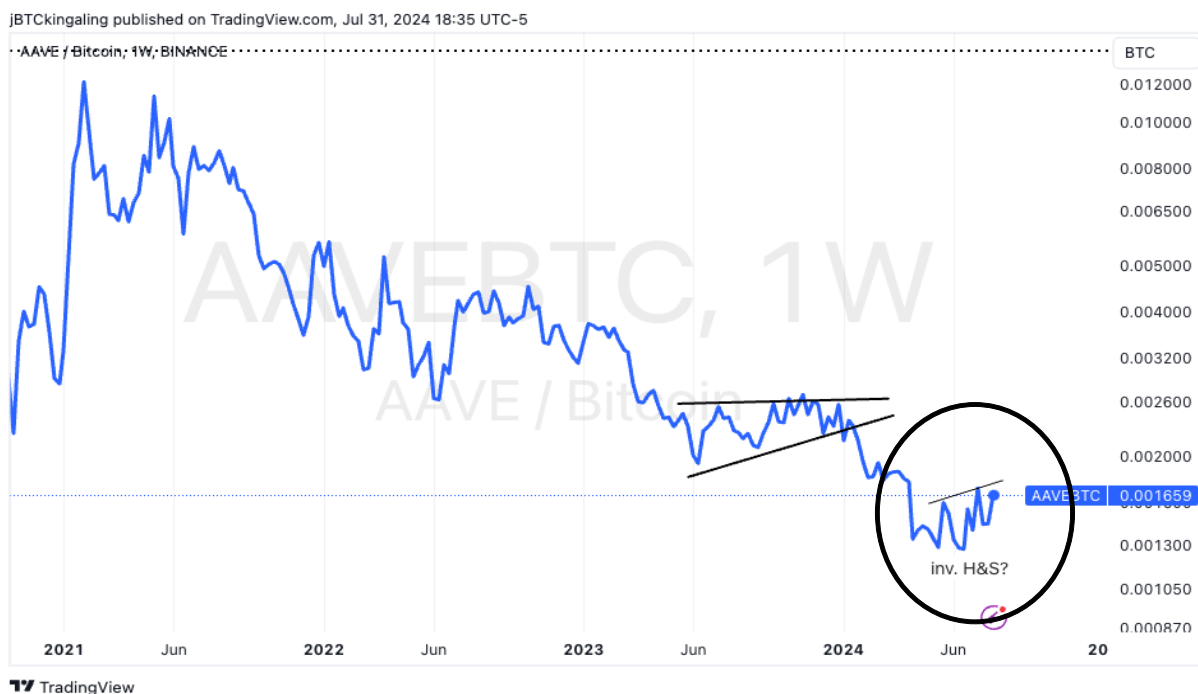
## AAVE

AAVE is a protocol that lives on Ethereum and is tradeable on [Coinbase](#) et al.

AAVE is near completion of an upside Failure of a Head and Shoulders pattern. This is a great setup for outsized risk-adjusted rewards > \$115.



## AAVE / Bitcoin

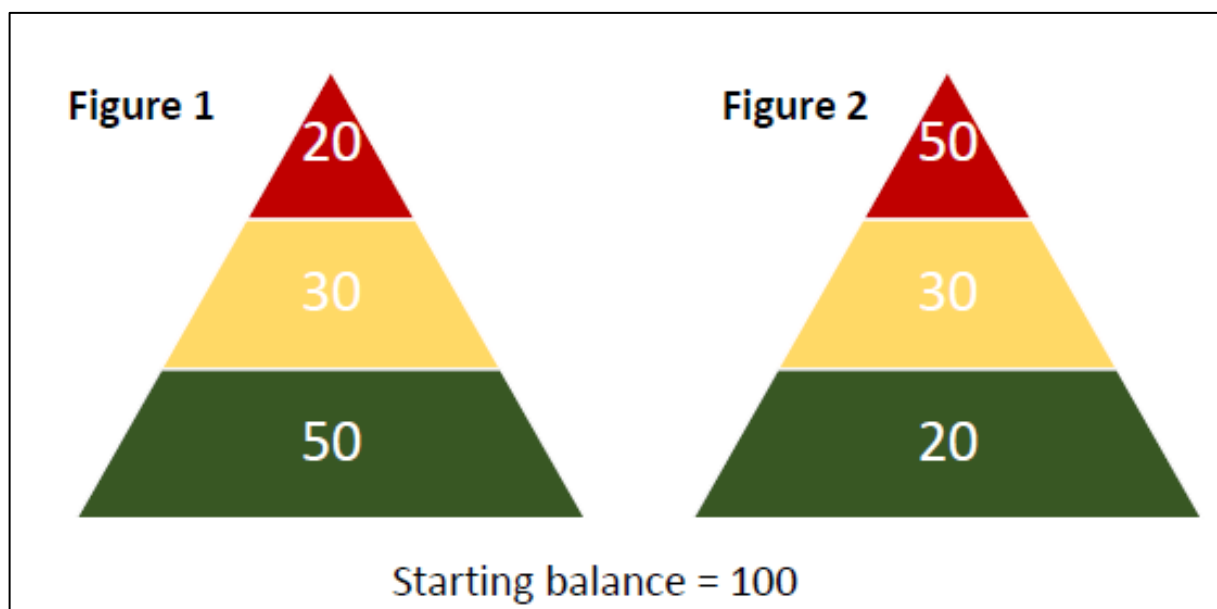




## Trading Tip: Layering into Positions

**Q: Which of these is the smarter way to scale into a position?**

1. Figure 1: **Biggest position first** (50), each new entry is smaller (30, 20), until I reach my full desired position size (= 100).
2. Figure 2: **Smallest position first** (20); each new entry is larger (30, 50) until I reach my full desired position size (=100).



*Answer can be found on the bottom of the page*

*A: Figure 1 is the smarter way to scale into a position, otherwise, with the biggest position on top, when a drawdown occurs, open trading profits will be wiped out exponentially.*







## Economic Calendar

- Earnings from Microsoft, Meta, Apple, P&G, AM , MDLZ, PYPL, and more
- The FOMC left interest rates unchanged Wednesday
- US Manufacturing Index Thursday is expected to show a minor contraction in manufacturing activity; anything other than a 5-sigma beat/miss is irrelevant
- Non-Farm Payrolls (NFP) and the Unemployment rate (U6) will be released Friday

| Time   | Cur. | Imp.  | Event                                 | Actual | Forecast | Previous |
|--|------|-------|---------------------------------------|--------|----------|----------|
| Friday, July 26, 2024  |      |       |                                       |        |          |          |
| 08:30  | USD  | ★ ★ ★ | Core PCE Price Index (YoY) (Jun)      | 2.6%   | 2.5%     | 2.6%     |
| 08:30  | USD  | ★ ★ ★ | Core PCE Price Index (MoM) (Jun)      | 0.2%   | 0.2%     | 0.1%     |
| Tuesday, July 30, 2024   |      |       |                                       |        |          |          |
| 10:00  | USD  | ★ ★ ★ | CB Consumer Confidence (Jul)          |        | 99.8     | 100.4    |
| 10:00  | USD  | ★ ★ ★ | JOLTs Job Openings (Jun)              |        | 8.030M   | 8.140M   |
| 23:00  | JPY  | ★ ★ ★ | BoJ Interest Rate Decision            |        | 0.10%    | 0.10%    |
| Wednesday, July 31, 2024   |      |       |                                       |        |          |          |
| 05:00  | EUR  | ★ ★ ★ | CPI (YoY) (Jul)                       |        | 2.4%     | 2.5%     |
| 08:15  | USD  | ★ ★ ★ | ADP Nonfarm Employment Change (Jul)   |        | 166K     | 150K     |
| 09:45  | USD  | ★ ★ ★ | Chicago PMI (Jul)                     |        | 44.1     | 47.4     |
| 10:30  | USD  | ★ ★ ★ | Crude Oil Inventories                 |        |          | -3.741M  |
| 14:00  | USD  | ★ ★ ★ | FOMC Statement                        |        |          |          |
| 14:00  | USD  | ★ ★ ★ | Fed Interest Rate Decision            |        | 5.50%    | 5.50%    |
| 14:30  | USD  | ★ ★ ★ | FOMC Press Conference                 |        |          |          |
| Thursday, August 1, 2024   |      |       |                                       |        |          |          |
| 08:30  | USD  | ★ ★ ★ | Initial Jobless Claims                |        | 239K     | 235K     |
| 09:45  | USD  | ★ ★ ★ | S&P Global US Manufacturing PMI (Jul) |        | 49.5     | 51.6     |
| 10:00  | USD  | ★ ★ ★ | ISM Manufacturing PMI (Jul)           |        | 49.0     | 48.5     |
| 10:00  | USD  | ★ ★ ★ | ISM Manufacturing Prices (Jul)        |        | 52.5     | 52.1     |
| <b>Legend</b> <div>  Speech            Retrieving Data           ★ ★ ★ Low Volatility Expected         </div> <div>  Preliminary Release            Report           ★ ★ ★ Moderate Volatility Expected         </div> <div>           Revised Release           ★ ★ ★ High Volatility Expected         </div> |      |       |                                       |        |          |          |



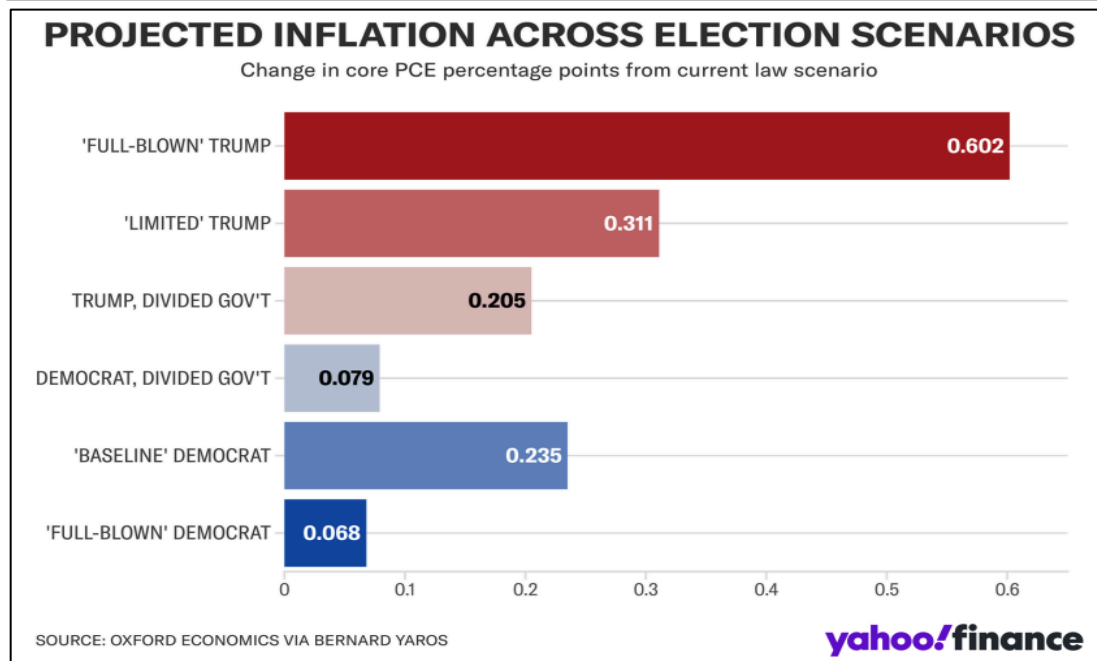
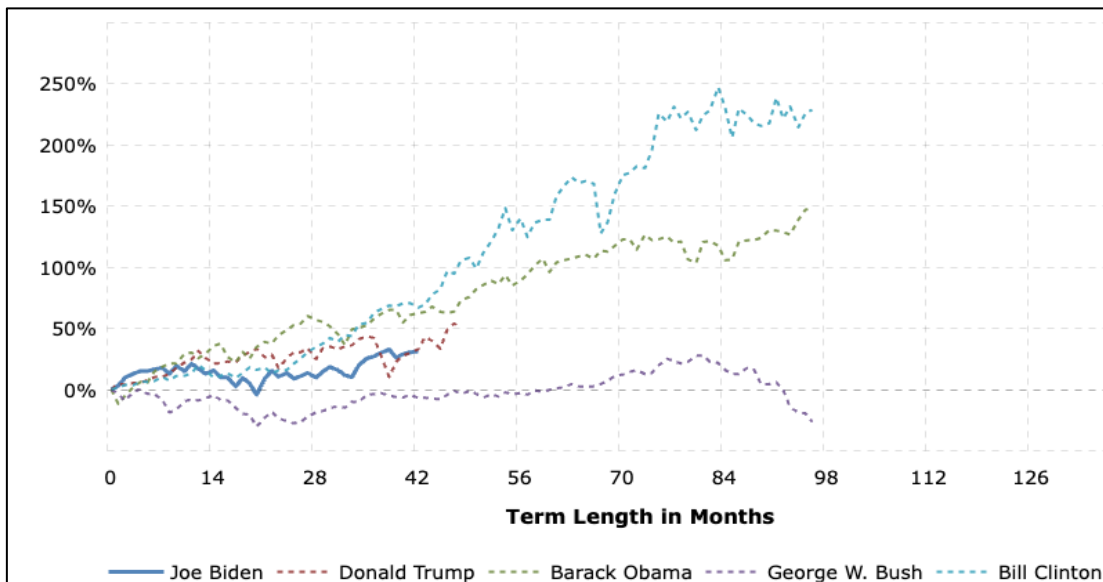


## Election 2024

Historical data shows equity market performance during election years. Since 1929, across 4-year presidential terms where elections are held in year four,

- Rank #1 = Year 3 avg. return (2023...) **+14%**
- Rank #2 = Year 4 avg. return (2024...) **+7% - here – we currently sit at +17% YTD**
- Rank #3 = Year 1 avg. return (2025...) **+6.5%**
- Rank #4 = Year 2 avg. return (2026...) **+3.3%**

*Stock market performance by President:*

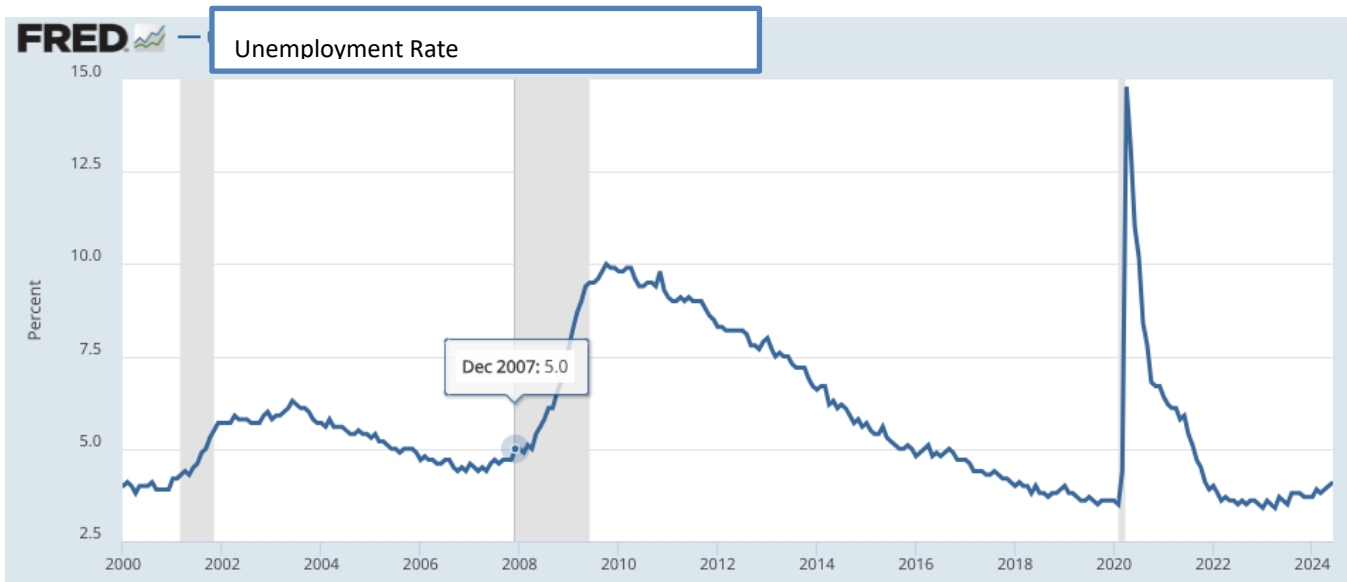
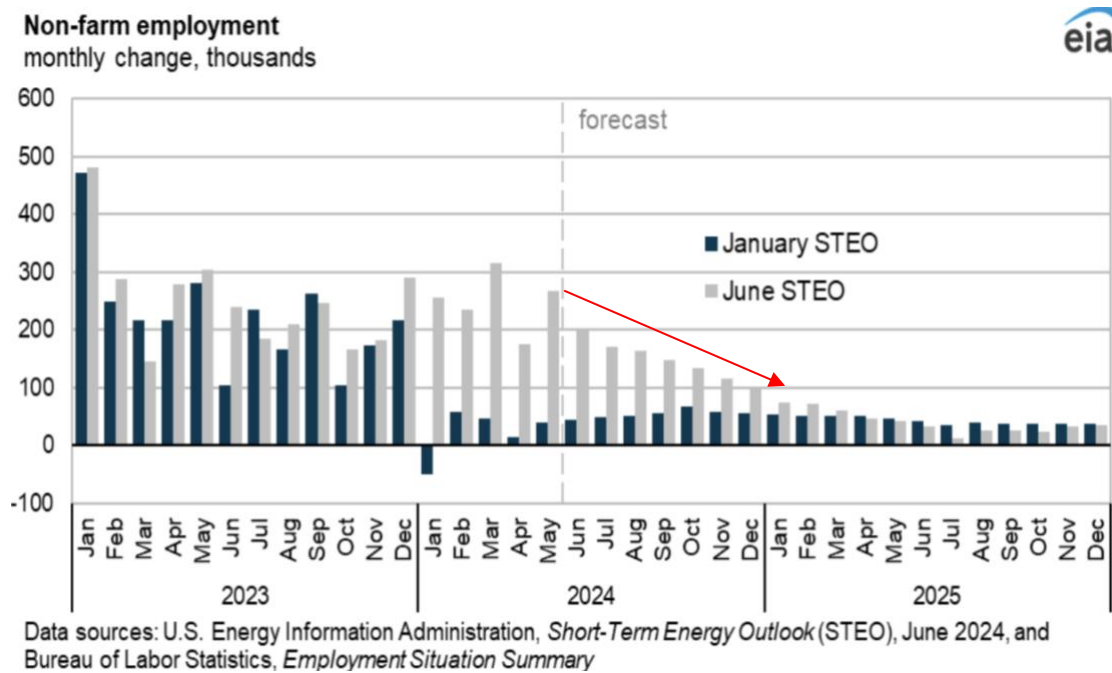




## Labor Market/Jobs

The unemployment rate ticked up, from 3.4% one year ago to 4.1% today, having crossed 4.0% for the first time since November 2021. The data continues to... not really make sense. It is being skewed by gains in temporary/low-cost labor, immigration, and more (making for a controversial conversation that's convenient to *avoid*).

The chart below from EIA shows that employment gains are expected to slow. The red arrow shows the gap between the expectations now vs. what they were in January.



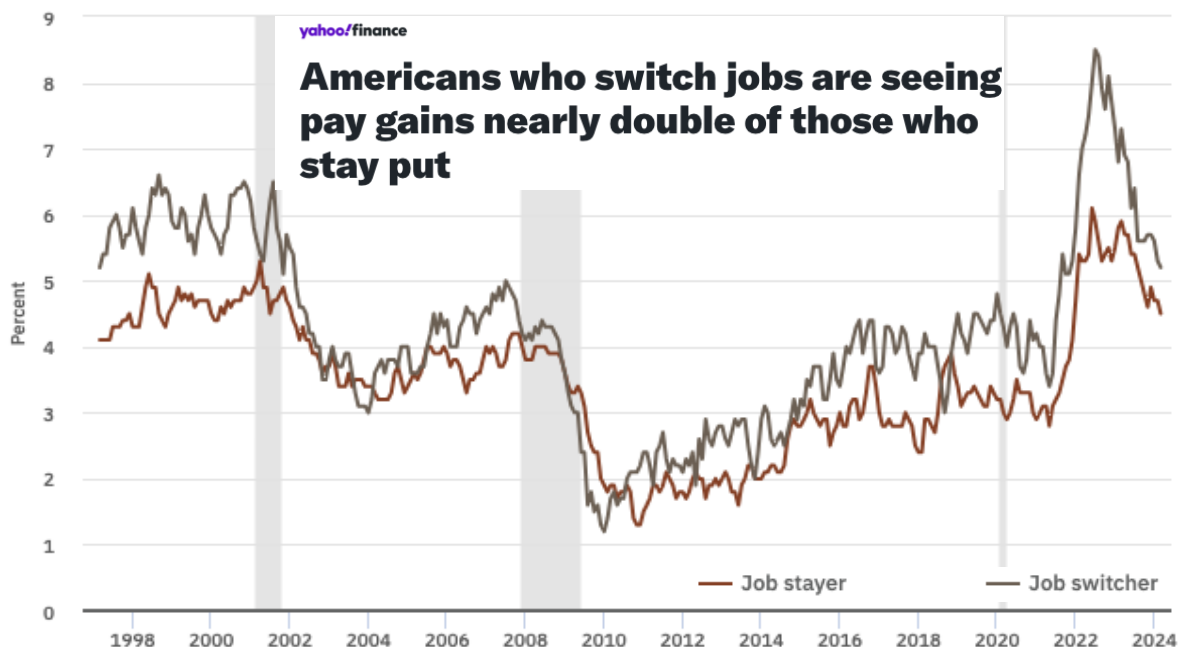


Those who change jobs continue to out-earn their peers.

### Wage Growth Tracker

Export

three-month moving average of median wage growth, hourly data



Sources: Current Population Survey, Bureau of Labor Statistics and author's calculations

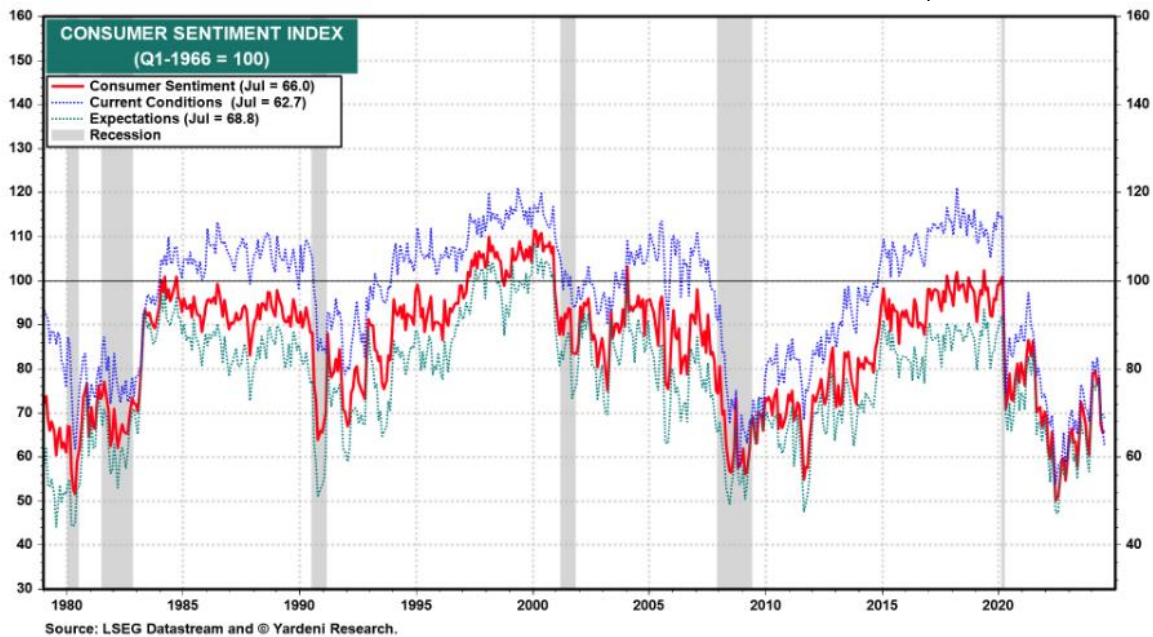
### Bottom Line:

Jobs market is deteriorating. Wage growth is falling faster than inflation, and inflation remains high. Thus, disposable income is falling and personal consumption is slowing. Eventually, this is going to catch up to stock prices.

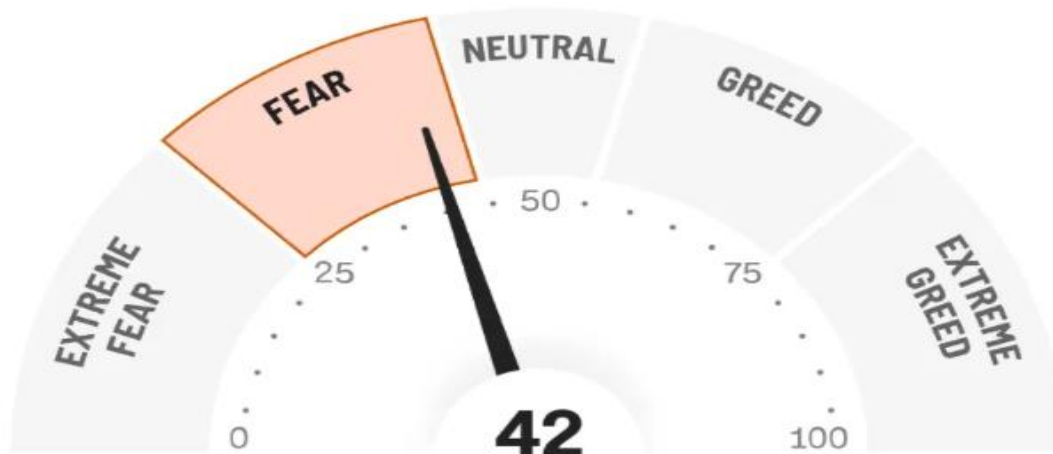
### Sentiment

- Yardeni Research Sentiment index remains near low levels associated with generational equities buying opportunities
- Record \$6.3 Trillion cash held in money market funds = Bullish (fear; markets usually don't crash when people are prepared for a crash)
- Fear & Greed Index = Bullish (Fear; see above)
- Consumer Confidence rose to 100.3 in July from 97.8 in June; rising but modest confidence = Bullish





### 🧐 Fear and Greed Index



### Interest Rates & Inflation

July 30 – Expectations for no cut in July and for 50bp (0.50%) cut in September

July 31 - The Federal Reserve kept interest rates unchanged for the eighth consecutive meeting, emphasizing that no rate cuts will occur until there is clear evidence that inflation is moving towards the 2% target. While inflation has eased, it remains "somewhat elevated". Although the unemployment rate has risen slightly, it is still considered "low."



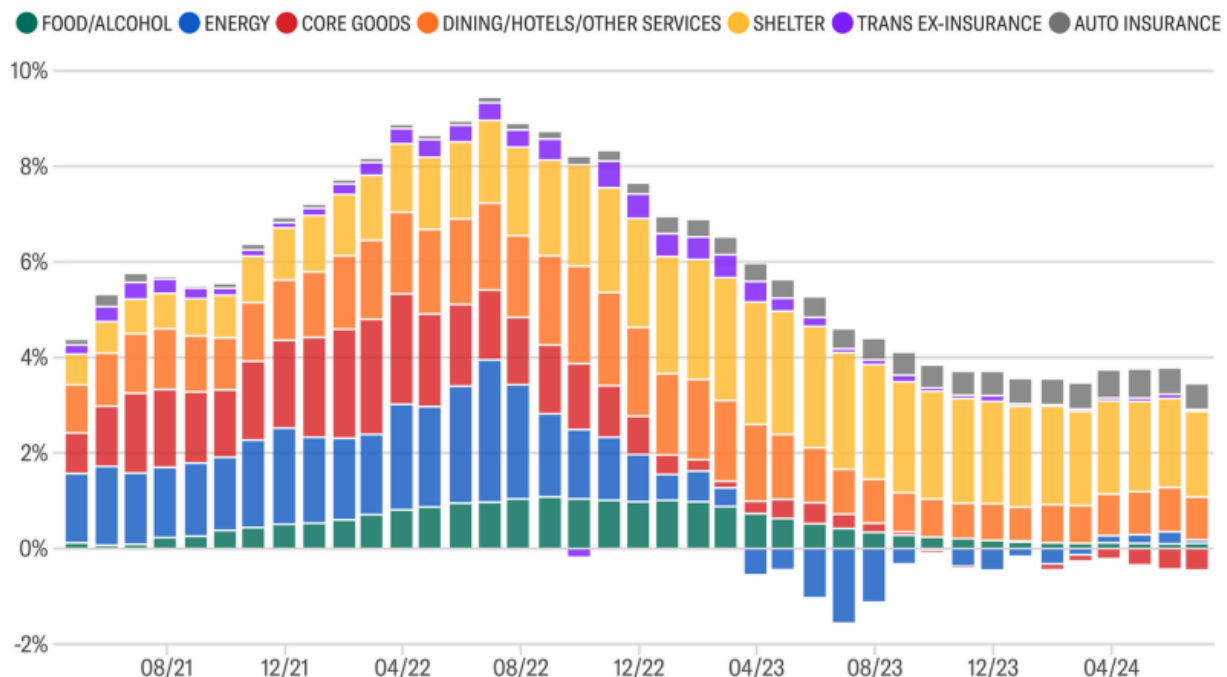


This creates uncertainty about whether a rate cut in September is assured. At minimum, a 50bp cut may be out of the question, unless it becomes necessary, in which case things are *not all good*, i.e. panic cutting. A 25bp cut would mean things are slowing down more *smoothly*, i.e. *soft landing*.

- Record oil/ production, *remote work*, AI and tech advances = disinflationary
- If either war in Russia/Ukraine or Israel/Gaza settle down = disinflationary
- Inflation risks remain to the *downside*, but the Fed needs to see more evidence

## INFLATION CONTINUES SLOW DESCENT

Contribution to year-over-year change in CPI, non-seasonally adjusted



SOURCE: BUREAU OF LABOR STATISTICS; FACTSET; J.P. MORGAN ASSET MANAGEMENT VIA DAVID KELLY

yahoo!finance

The Truflation dashboard (below) is more accurate than the CPI. Inflation is falling faster than Fed data is showing, leaving room for a market surprise.

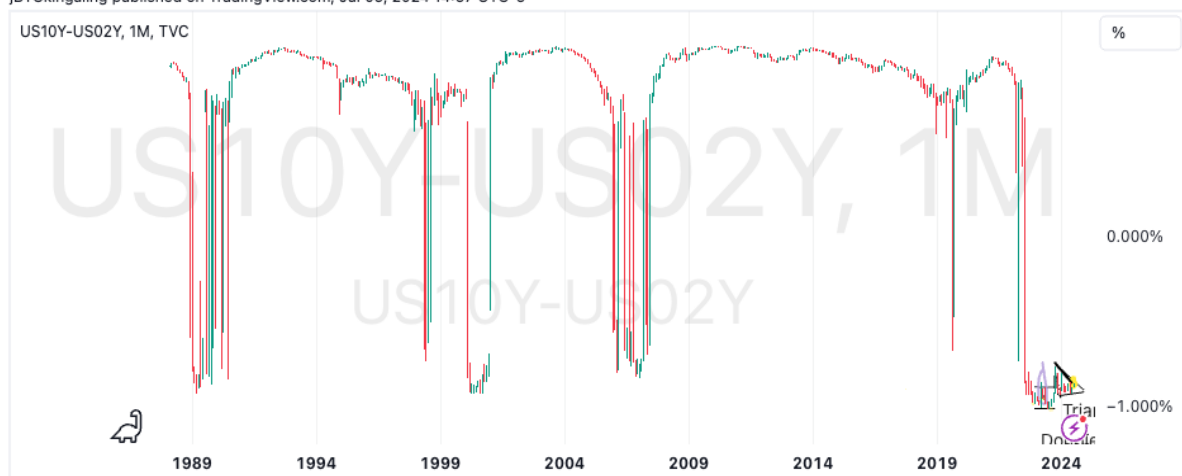




## Yield Curve Spread

The yield curve is crucial as it reflects the relationship between short-term and long-term interest rates, providing insights into economic expectations. An upward sloping yield curve (long-term interest rates higher than short-term interest rates) typically indicates positive economic prospects with anticipated growth and inflation. Conversely, a flat or inverted yield curve, where short-term rates exceed long-term rates, suggests pessimistic economic outlooks, predicting lower growth and inflation, and has historically preceded recessions (**the yield curve has been inverted since COVID**). Despite its predictive power regarding economic downturns, timing is difficult, and the yield curve doesn't predict the magnitude or duration of a recession.

jBTckngaling published on TradingView.com, Jul 09, 2024 14:57 UTC-5



TV TradingView

Zoomed in: breaking higher at multi-decade lows. Print this out and put it on your desk.







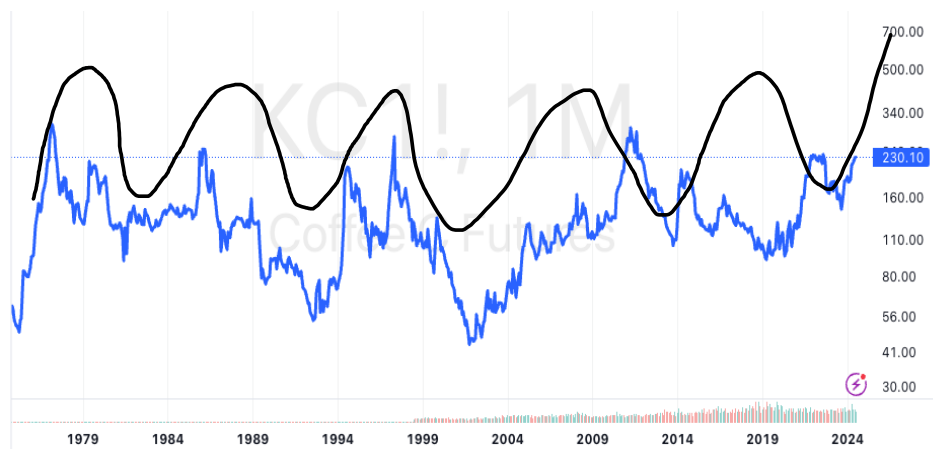
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TradingView

## Commodities Market Trends

Commodity markets are known for their cyclical nature, characterized by periods of significant surges followed by sharp declines, driven by supply-demand imbalances, speculative activities, and macroeconomic factors. Lately, commodities, largely considered 'inflation assets' have yielded higher returns, as a Fed money printer met supply constraints during the COVID storm.



TradingView







According to the National Oceanic & Atmospheric Administration (NOAA), expect a shift from El Nino into La Nina this year. If you're interested in geo/astro/thermo/ related stuff, you might find this interesting in the context of it impacting agricultural production: [https://www.cpc.ncep.noaa.gov/products/analysis\\_monitoring/enso\\_advisory/ensodisc.shtml](https://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/ensodisc.shtml)

This shift from El Nino to La Nina means **relief** for producers in key growing regions that were hit by brutal years of frost, floods, etc. It will take time for this relief to reach the consumer, and still, the impact of climate change on production *could* add a new premium relative to historical prices, but we should expect more favorable conditions for sugar, cocoa, and robusta coffee (at least).

The screenshot shows the National Weather Service Climate Prediction Center website. The header includes the NWS logo and the URL www.nws.noaa.gov. The main content area displays the title "EL NIÑO/SOUTHERN OSCILLATION (ENSO) DIAGNOSTIC DISCUSSION" issued by the Climate Prediction Center/NCEP/NWS on 11 July 2024. The ENSO Alert System Status is listed as "La Niña Watch".

### Impact on Commodity Prices Transitioning from El Niño to La Niña:

#### Sugar (India)

- **La Niña Transition:** Increased rainfall can improve soil moisture levels, potentially boosting sugarcane production. This increase in supply may lead to lower prices if the production rebounds significantly.

#### Cocoa (West Africa)

- **La Niña Transition:** Higher rainfall and cooler temperatures can improve growing conditions for cocoa trees, potentially increasing yields. This could result in a decrease in cocoa prices as supply improves.





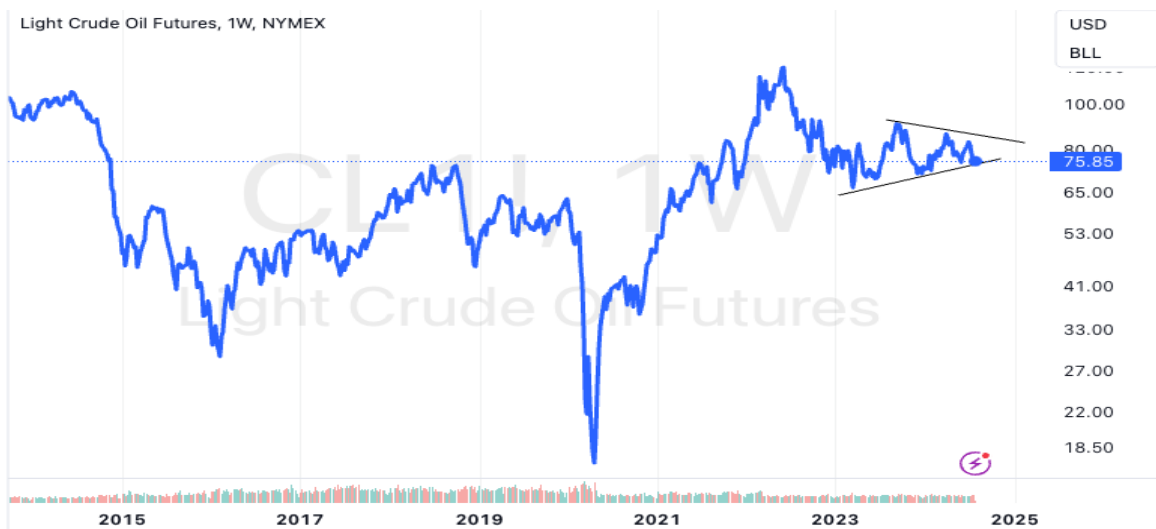
## Crude Oil

The last report covered production and price data from the US Energy Information Agency (EIA) and the International Energy Association (IEA).

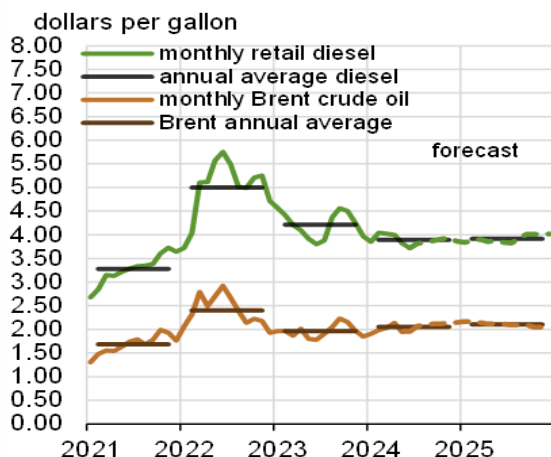
Both agencies expect higher production in 2024. Three things matter today for the price of oil:

1. US presidential election (expectations around energy policy)
2. US & OPEC+ oil Production
3. War and peace

**I AM BEARISH OIL** because we've been near WWII for a year and prices haven't spiked. Obviously there are risks to the upside on escalation, but upon any resolution... DOWN.

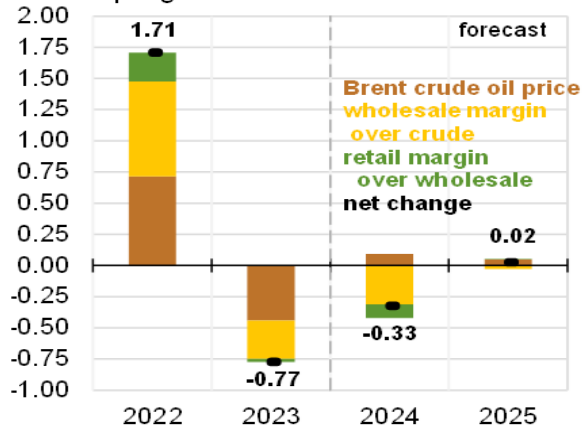


### U.S. diesel and crude oil prices



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, July 2024, and Refinitiv an LSEG Business

### Components of annual diesel price changes



eia





## Gold

Gold and BTC have been duking it out all year for store-of-value of the year. Dips in gold must be bought. Expectations are [rising](#) among central banks and investors for a larger portion of central bank reserves to be held in gold in coming years.

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TradingView

jBTCKingaling published on TradingView.com, Jul 31, 2024 15:21 UTC-5



TradingView





## Coffee

I covered Arabica as it broke the \$2.00/lb. barrier in April '24. Prices recently consolidated just below highs at \$2.40/lb. Long-term risks remain to the upside, but short-term risks point to lower futures prices (*chart next page*).

### Coffee Supply & Demand Dynamics

Coffee production was crippled by a couple terrible years of weather in key growing regions, and then compounded by COVID supply chain issues and climate change. The rise of ready-to-drink (RTD) coffee, usually pre-made with milk and sweeteners, increased *Robusta* demand, as quality and flavor of Arabica isn't as necessary in RTD.

### June 2024 USDA Brazil Coffee Market Outlook

#### Supply

- Brazil's 2024/25 coffee production forecast increased by 5.4% to 70 million bags
- Arabica production expected to reach 48 million bags, up 7%.
- Robusta/conilon production forecast at 21 million bags, up 1.4%.
- European coffee stocks increased from by 2 million bags by end of June.

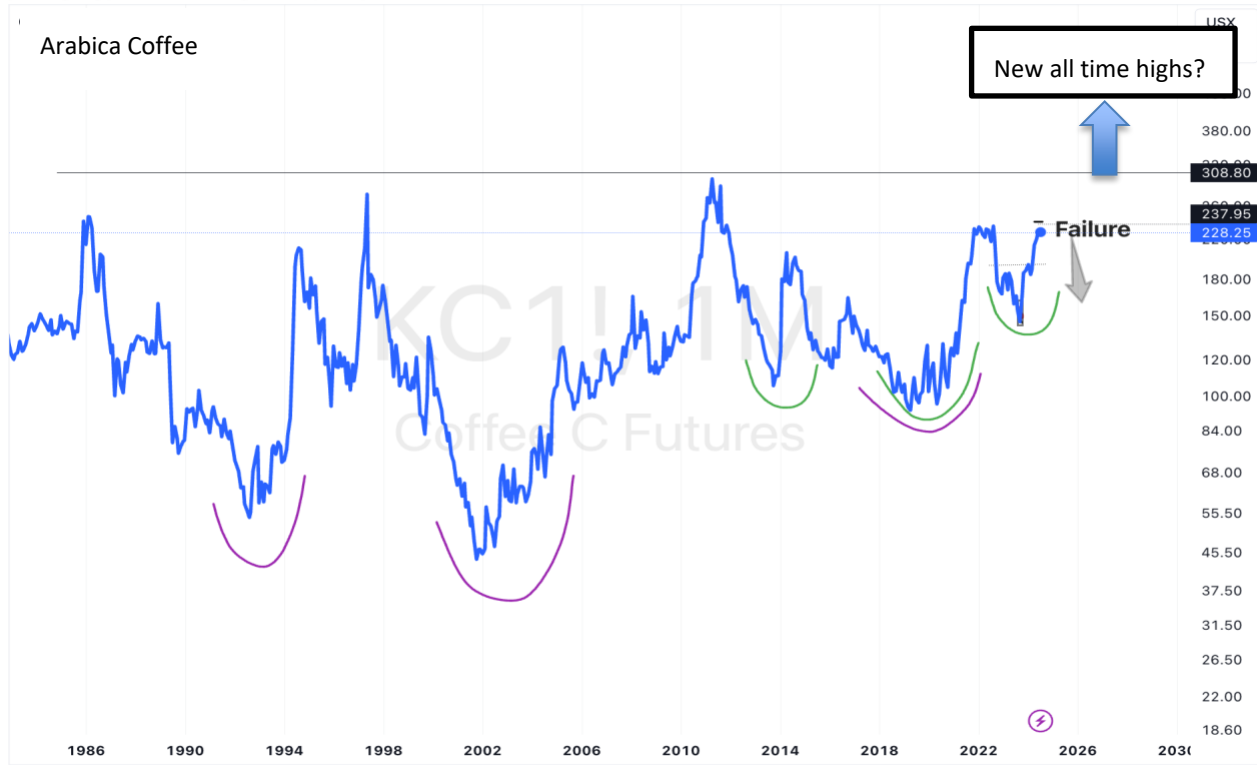
#### Demand

- Global coffee demand continues to rise at ~2% per year for 20 years in a row, outperforming any other consumer product
- Demand is exp. to rise by 3 million bags this year, which is on the high end of historical growth, and is attributed to growth in China/ SE Asia
- Increasing consumption due to specialty coffee trends



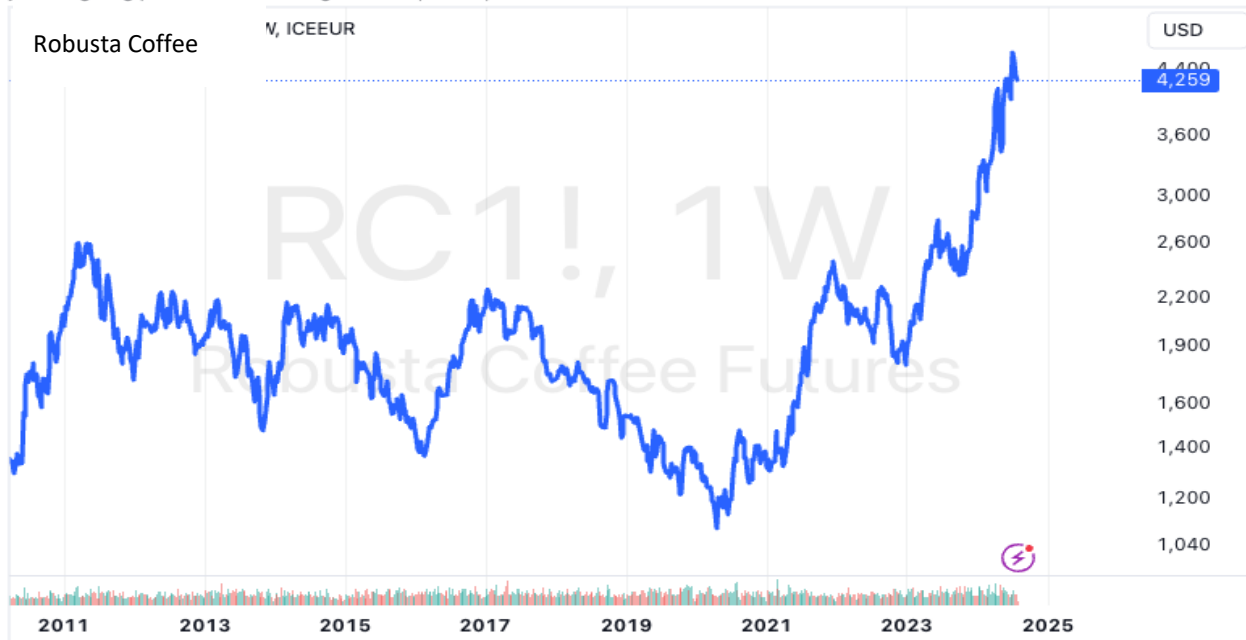


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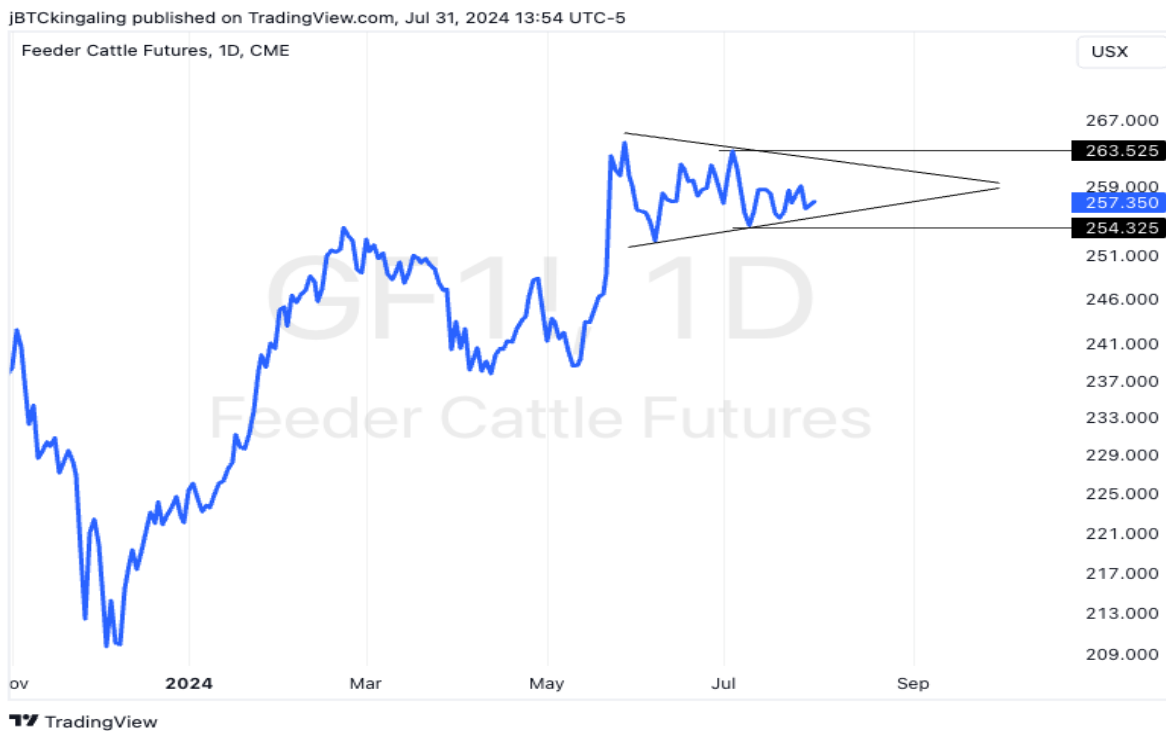
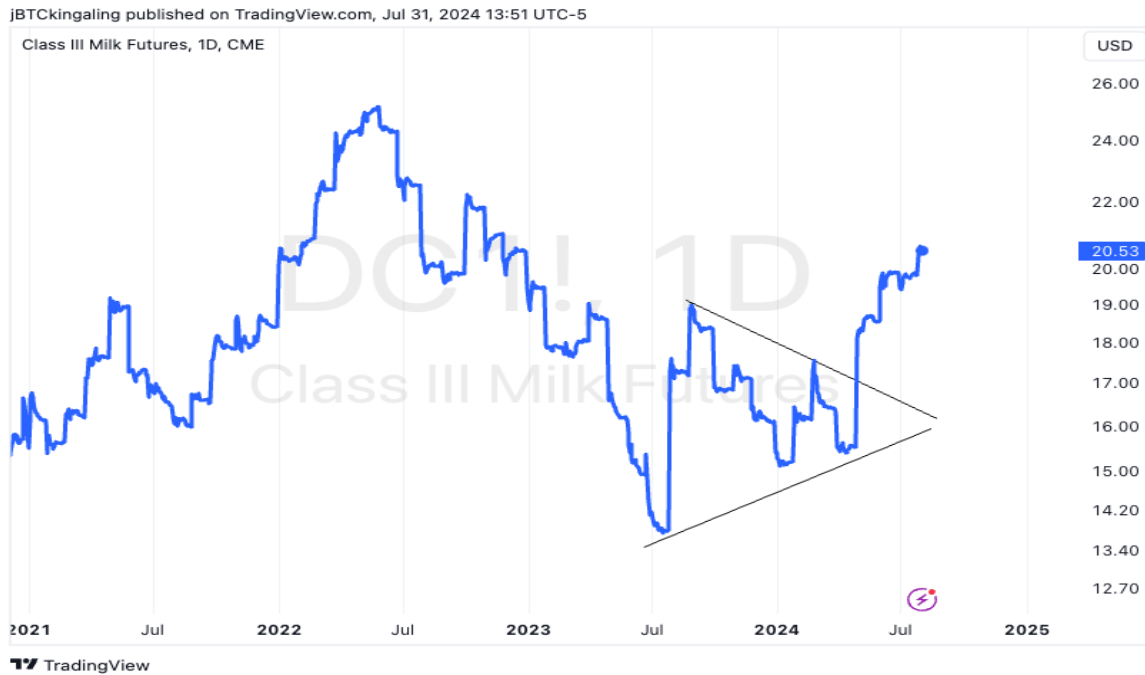


NOT FINANCIAL ADVICE. DO YOUR OWN RESEARCH.



## Dairy & Cattle

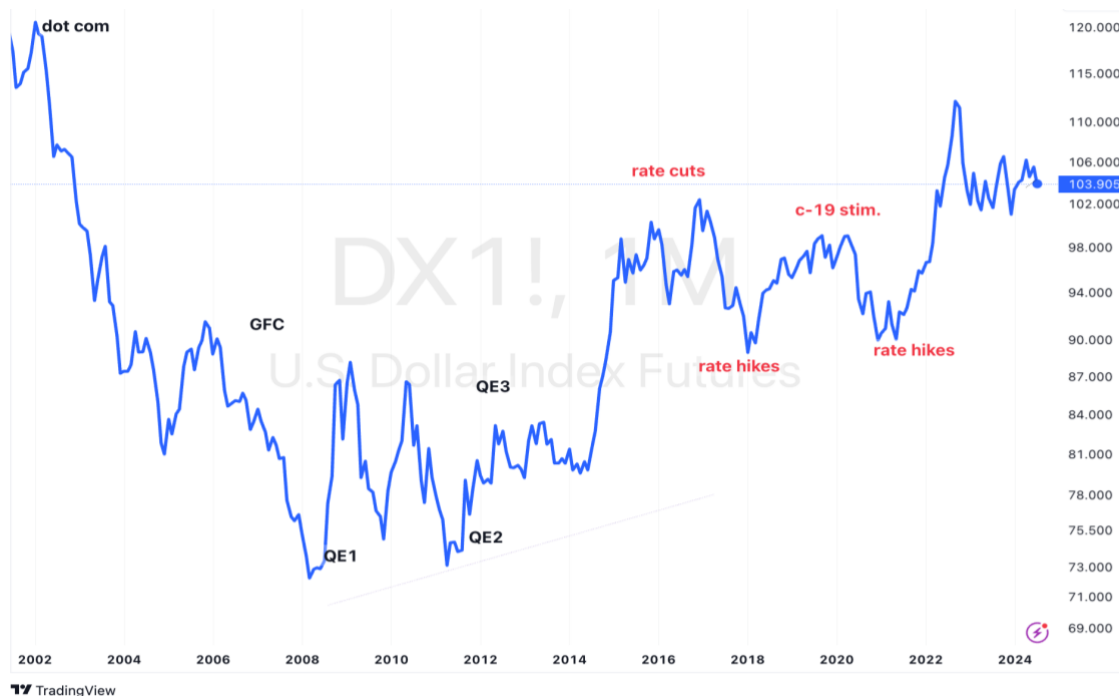
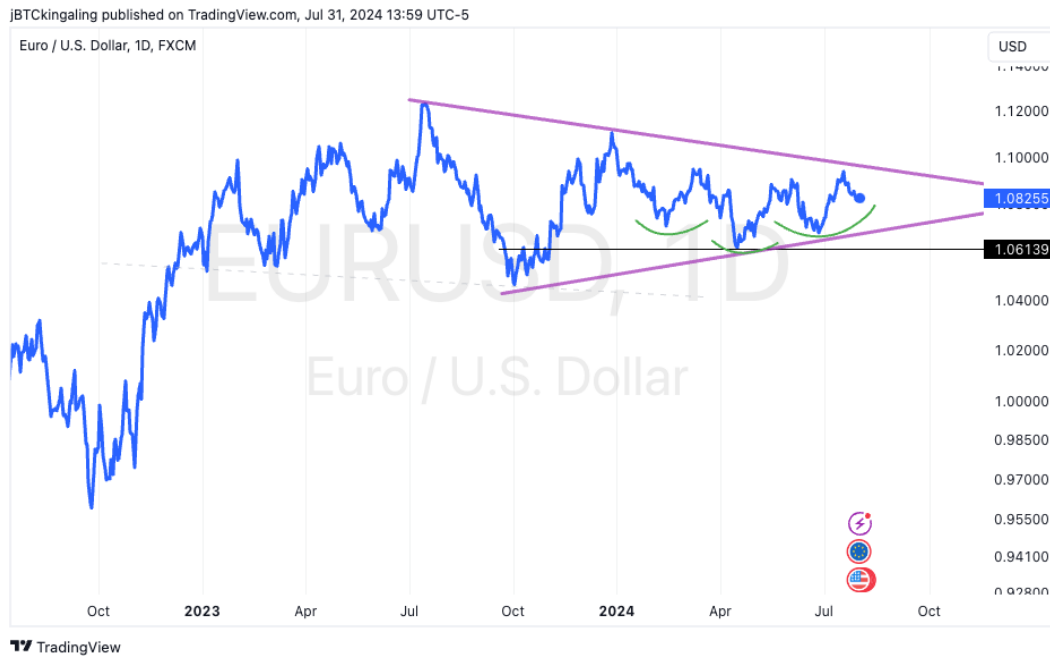
Dairy (milk, protein) prices broke out in Q2 '24. Not helping the cost of those lattes.





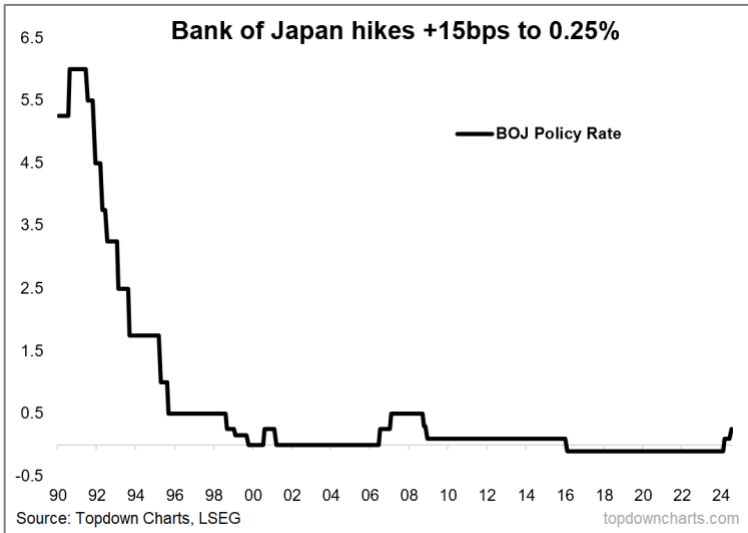
## Forex (FX)

Changes in expectations for interest rate differentials drive FX trends. Last report pointed out this potential long setup in EURUSD at 1.06, but we're rangebound below \$1.10. I think USD is moving lower until after the US election, at least.





## Japanese Yen



Tokyo, we have a problem.

Japan is a nation of savers, and when yields in Japan rise, the cost burden on the Bank of Japan and shift back to domestic assets can become a threat to global market stability.

The Bank of Japan [increased](#) its interest rate to 0.25% this week, the highest level since October 2008, marking a departure from a

prolonged period of negative rates in order to “normalize monetary policy amidst rising inflation and economic recovery”.

As investors may now get better yields in Japan, they may pull out of USTs, which can increase yields further as demand falls (prices down / yields up) and tends to strengthen the Japanese Yen against the Dollar, as we can see happening now.





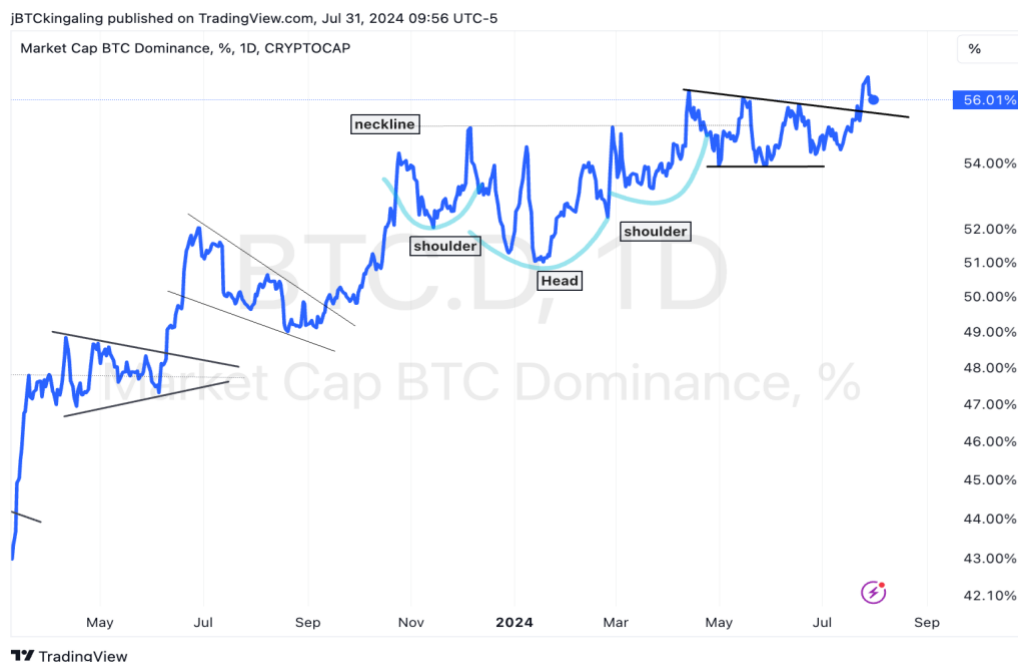


## Bitcoin \$BTCUSD

Three big things:

1. Bitcoin Dominance Breaks Out
2. Donald Trump loves Bitcoin
3. Mt. Gox Distributions Arrive
4. US Gov. continues to sell seized Bitcoin
5. Tether reports \$5.2 billion profit in H1 '24

Bitcoin dominance relative to the rest of crypto makes a new multi-year high (%). As we all know, 99% of crypto projects will die. This is good. Don't throw the baby out.



Donald Trump Proclaims He Will Be the 'Crypto President'

## Trump's Talk of Bitcoin Reserve for the U.S. Leaves Industry Waiting for More Details

The idea for a U.S. government stockpile – pushed by U.S. Sen. Lummis and echoed by former President Donald Trump – has been praised by bitcoin





## Mt Gox Moves BTC Ahead of Repayments

A decade-long saga comes to an end as the original Bitcoin exchange has distributed 59k of the 142k recovered Bitcoin, **leaving another 79k Bitcoin to go**. The distributions are larger than the ETF inflows, issuance to miners, and selling of German gov (Glassnode).

### Bitcoin: Mt. Gox Trustee Balance [BTC]



If you need to stay up to date on the Mt. Gox distribution, follow this link:  
<https://insights.glassnode.com/the-week-onchain-week-31-2024/>

## US Government

The US filed a public motion to sell and later moved to sell \$2bln in bitcoin linked to forfeitures. We can see all of this on the blockchain:



Arkham  
@ArkhamIntel

**UPDATE:** The U.S. Government has split the \$2B Bitcoin into two addresses:

10,000 BTC (\$669.35M):

bc1qlap8hkt9genaljz5nt2zlehhudx63zlahr2zek

19,800 BTC (\$1.33B):

bc1qngydl7hmgdtmuqjmtsyt3pcwszv0yn5mj6kz4c



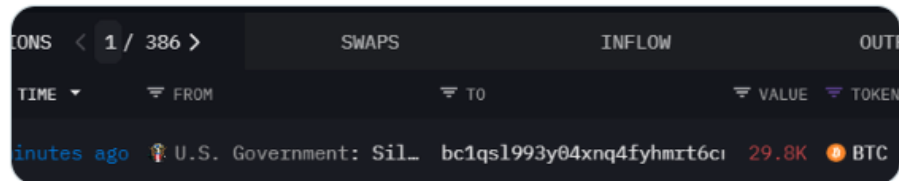


**Alistair Milne** ✓  
@alistairmilne

...

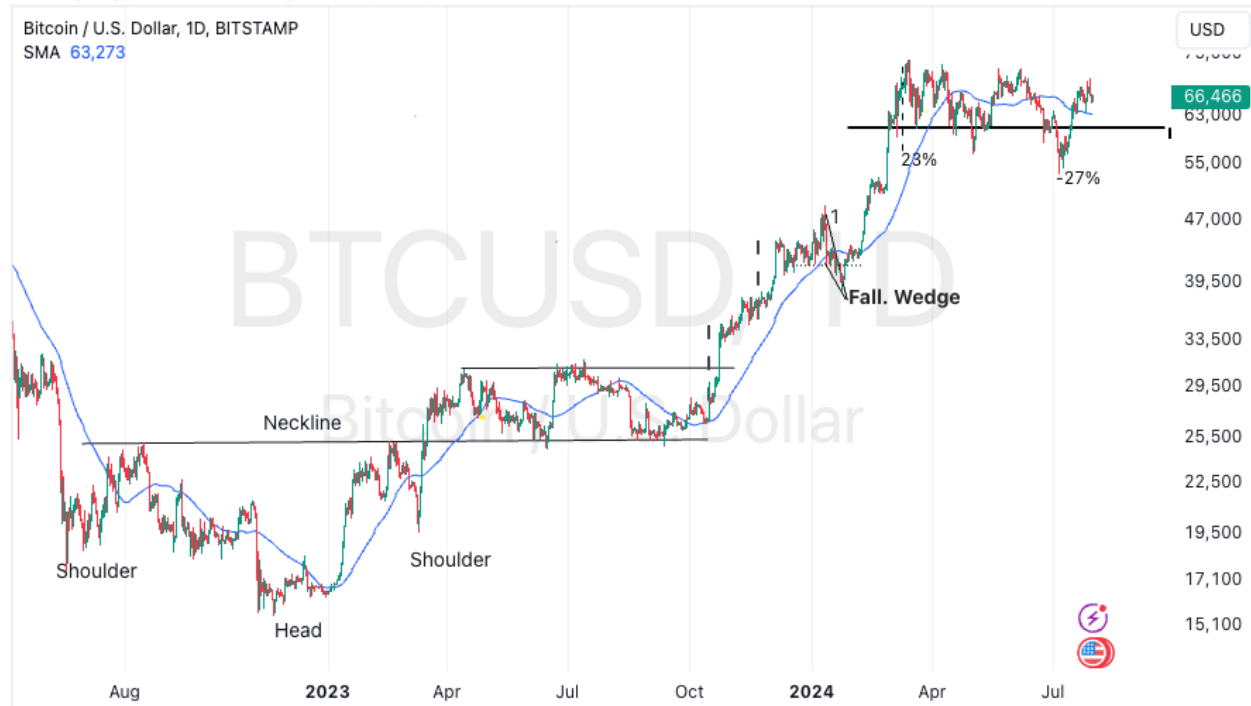
Biden admin wants to dump the US Gov's Bitcoin before Trump can get in?

\$2bil of Silk Road BTC was just moved:



IF((US gov. dumps all BTC) AND IF (Donald Trump Presidency promises to hold BTC))  
Then there's demand. That formula is one of many paths that remain >0% probable.

jBTCKingaling published on TradingView.com, Jul 31, 2024 13:05 UTC-5



TradingView

I will buy BTC at a new high; I believe BTC remains the most obvious long-term protection against the destruction of USD purchasing power.





Blackrock's IBIT (\$IBIT) Bitcoin Trust has the look of "from failed moves come fast moves" after rejecting \$30 on the downside. I don't want to see prices there again.



## Tether

There's this company called Tether that [reported](#) \$5.2 billion of profits in the first half of 2024, and that Peter Brandt says has the potential to take down the entire crypto market; yet, most people have never even heard of Tether. Isn't that kind of funny?

# Tether Reports Record-Breaking Profit of \$5.2B for First Half of 2024





**Peter Thiel** recently [stated](#) that Bitcoin has failed at the ideological level, citing that an FBI person told him that the FBI prefers everyone uses Bitcoin instead of cash because it's much easier to track. Furthermore, he suspects that Larry Fink of Blackrock adopted Bitcoin, not because Larry crumbled under the anti-ESG pressure, but rather because Peter thinks that Bitcoin has been co-opted by the government.

## Ethereum: ETH/USD, ETH/BTC

**Ethereum ETFs** launched on July 23, 2024, leading to a \$15 billion trading volume week across digital asset products. Total YTD *inflows* are at a record-breaking \$20.5bln.

Excluding Grayscale's outflows shows strong and diverse demand and investor interest. We can expect about two weeks of chop (from launch) until Grayscale selling subsides (\$9 billion left to sell as of 7/26.)

**Major Players:** Grayscale, iShares, BlackRock, VanEck, Franklin Templeton, Fidelity, Bitwise, and 21Shares.

- Grayscale launched **\$ETH**, a publicly traded ETF to replace its ETHE (not ETF) fund. For the first six months, **\$ETH** will have zero fees.

### Net Inflows and Outflows:

- iShares ETHA: \$442 Million net inflows
- Bitwise ETHW: \$265.9 Million net inflows
- Grayscale\* ETHE: \$1.5 Billion net outflows

### Trading Volume:

- Grayscale ETHE: \$1.95 Billion (46% of total volume)
- iShares ETHA: 25%
- Fidelity FETH: 10%
- Bitwise ETHW: 8%

**Net Flows (excluding Grayscale): +\$1.17 Billion**

### CME ETH Futures:

- Record high open interest: \$518 Million
- Increase from previous week: 5%
- Increase from two weeks ago: 45%





## Tokenization of Financial Assets Continues:

Scottie Pippen has tokenized the 1991 Game 5 NBA Championship basketball.



**Scottie Pippen**  @ScottiePippen · Jul 25

...

33 years ago, the ICONIC Game 5 ball marked the beginning of the Bulls' dynasty. Known as the holy grail of real-world sports objects, we're tokenizing it and making history for the first time on the blockchain. Check out [Game5Ball.com](https://Game5Ball.com) and follow [@Game5Ball](https://twitter.com/Game5Ball) for more!

## Solana

**Solana DEXs:** Significant growth driven by new tokens and lower fees, but sustainability and genuine value are questionable.

- **Weekly Active Addresses:** 2 million
- **Key DEX:** Jupiter, Raydium +\$25 billion in volume

**GOOD NEWS:** The U.S. SEC decided to withdraw allegations that SOL and other altcoins are securities in the ongoing lawsuit against Binance. This decision provides relief to altcoin holders and reduces regulatory uncertainty for these assets.

- While this development is positive, it does not completely resolve the regulatory concerns surrounding these tokens.

| Solana vs Ethereum + L2s |              |              |                    |                              |
|--------------------------|--------------|--------------|--------------------|------------------------------|
| Blockchain               | 7d DEX (\$B) | FDV          | TVL (\$B)          | Capital Efficiency (DEX/TVL) |
| Solana                   | 14,9         | 102          | 5,3                | 2,81                         |
| Ethereum                 | 12,1         | 417          | 60,8               | 0,20                         |
| Arbitrum                 | 5,4          | 8            | 3,2                | 1,69                         |
| Base                     | 4            | 8            | 1,7                | 2,35                         |
| Optimism                 | 0,6          | 8            | 0,8                | 0,75                         |
| Blast                    | 0,08         | 1,7          | 1,3                | 0,06                         |
| Polygon                  | 0,07         | 5,4          | 0,9                | 0,08                         |
| Total                    | 37,15        | 550,1        | 74                 | 1,13                         |
| Chain                    |              |              |                    |                              |
| Volume                   | FDV          | Volume Ratio | Capital Efficiency |                              |
| Ethereum + L2s           | \$22,25B     | \$448,1B     | 60%                | 0,30                         |
| Solana                   | \$14,9B      | \$102B       | 40%                | 2,81                         |

SOURCE: DEFI LAMA  
UPDATED: JULY 2024

@OxGumshoe



Report #30 (September 2023): **\$20 SOLANA**

## Solana: SOL/USD

Love the small H&S bottom forming at \$20.00. I want to buy a lot of SOL here, but will just buy a regular amount on another break > \$20.00.



16

In report #53 (July 2024) I noted adding to my SOL position at \$140 because of (1) institutional interest, (2) Solana's superiority as a product, and (3) a compelling analog chart. An **analog chart** is a chart that mirrors a previous market behavior or pattern, reflecting similar price actions in different time periods.



Peter's thoughts on the finish

Become Factor Member

Chart Wizards

Public Blog

About Peter

May 8, 2022

History is not guaranteed to repeat. Yet, when **analog** situations begin to develop it is important to be on the alert.



NOT FINANCIAL ADVICE. DO YOUR OWN RESEARCH.



“If I were not a classical chartist, I would focus on analog year comparisons. This is a highly rewarding source of market insight.” – Peter L. Brandt

### SOLANA 2021 vs. present (2023/24)







## Jupiter

Jupiter Exchange dominates ~ 80% of organic trading activity on the Solana network, ~\$1.5bln per week in trading volume, has features like staking, perpetual futures, decentralized governance, and more. Jupiter's Liquidity Pool, \$JLP, might be the best token on the market. Jupiter has all the potential to be what FTX could have been, but they also have the potential to be what FTX became.



Jupiters **\$JLP token** is the best token on the market in terms of its 1-yr. Sharpe ratio.

**JLP** is a liquidity pool that acts as a counterparty to traders. When traders open leveraged positions, they are borrowing from the JLP liquidity pool. The token itself is an index fund of SOL, ETH, BTC, USDC, traders profits and losses, and 75% of fees generated from trades on the Jupiter platform. As of 7/30/24, the APY stood at 74%.





## \$Kaspa, KASUSD

Last report said, “If Kaspa takes out twenty cents, the sky opens up.” Ladies and gentlemen, along with Jupiter’s \$JLP, we have a Chart of the Year candidate in \$KAS:



Kaspa was brought to my attention in the CWNFT Discord mid 2023 (thanks [@LouieT](#)). Kaspa is a LAYER 1 (like bitcoin, ethereum, solana) decentralized blockchain with a \$4bln marketcap. Layer 1's that make it to a billion tend to see upside after, as it implies there is room for exponential growth on the layers build atop of it.

See: [\\$MARA news](#)

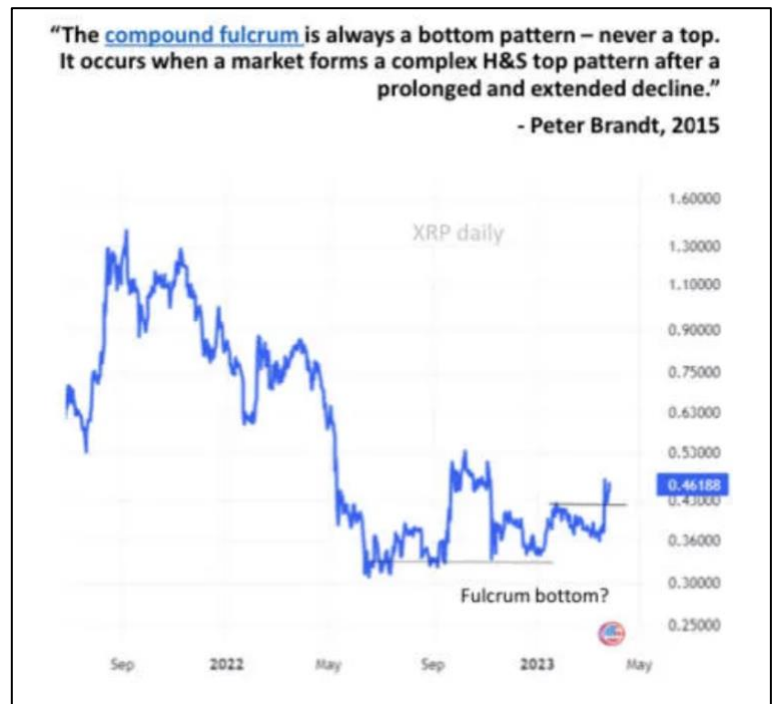




## Ripple (XRP)

In March 2023, Ripple broke out of a rare [compound fulcrum](#) at \$0.46.

XRP is back on the watchlist after re-testing the fulcrum on the downside and back to YTD highs on the upside. Bottom line: XRP remains an exceptional chart with possible asymmetry, and thus is worth an indefinite, small long-position for me. It needs to be sized small because I need to risk 20% to make 200%, which is fine, and in-line with my historical crypto volatility.





## Avalanche

- Avalanche just partnered with California DMV to put 42 million car titles on the blockchain to fight fraud ([Reuters](#))
- Municipal record keeping is the most obvious use case for blockchain imo

### California DMV puts 42 million car titles on blockchain to fight fraud

By Akash Sriram

July 30, 2024 4:59 PM MDT · Updated a day ago



## Chainlink (LINK)

- Chainlink partners with Fidelity and Sygnum to bring NAV data onchain
- Enhanced transparency and automated synchronization of NAV data.

I do not encourage drawing imaginary lines on charts, but it helps me define my bias. I think Chainlink (\$LINK) and much of crypto continues to consolidate ahead of November 2024, as the media leads us to believe the election is close.





The institutional demand and partnerships are interesting and good talking points, but these factors aren't enough to make me stay exposed to a falling market. **I am flat.**

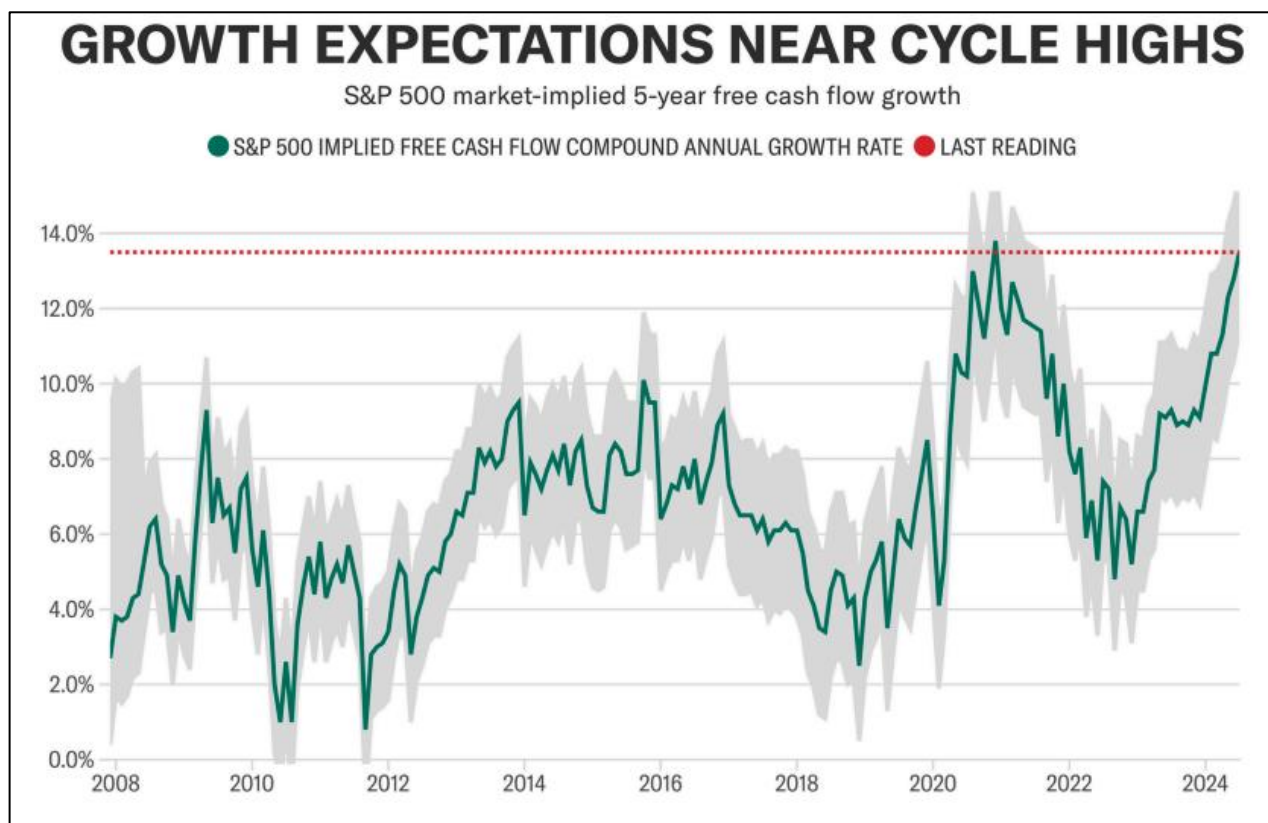
## Let's Talk Stocks

**Mixed signals.** The majority of Wall Street strategists express confidence in a "soft landing" scenario for the U.S. economy, despite investor fear reflected by record levels of cash in money market funds ("on the sidelines").

### Money Market Fund Assets

**Washington, DC; July 25, 2024**—Total money market fund assets<sup>1</sup> decreased by \$11.81 billion to \$6.14 trillion for the week ended Wednesday, July 24, the Investment Company Institute reported today. Among taxable money market funds, government funds<sup>2</sup> decreased by \$7.73 billion and prime funds decreased by \$2.86 billion. Tax-exempt money market funds decreased by \$1.22 billion.

Forward earnings expectations are the highest since 2021:

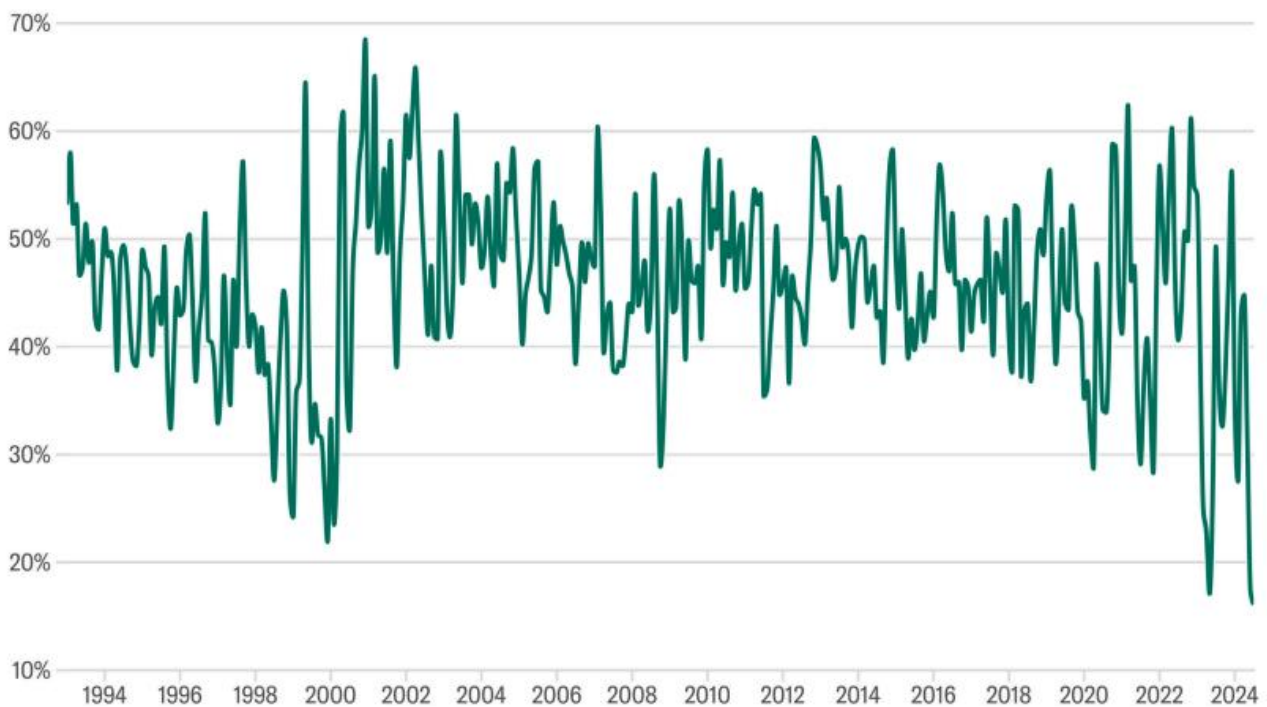




A rotation may have already started as Technology, particularly stocks tied to AI, may not sustain the same momentum if market dynamics shift, i.e. Donald Trump takes office. Tactically, this translates to me going from over to underweight GOOGL, AMZN, AAPL at upside targets and adding exposure to current leaders in Russell and/or DJIA.

## STOCKS OUTPERFORMING S&P 500 AT HISTORIC LOW

% of S&P 500 members outperforming the index (trailing two months)



From Bank of American Global Research:

**Jul 16** - US households have record \$18.3tn cash, +40% since '19. We favor credit for the yield, commodities as a hedge, and value stocks for upside with a margin of safety”.

### Russell 2000 Index

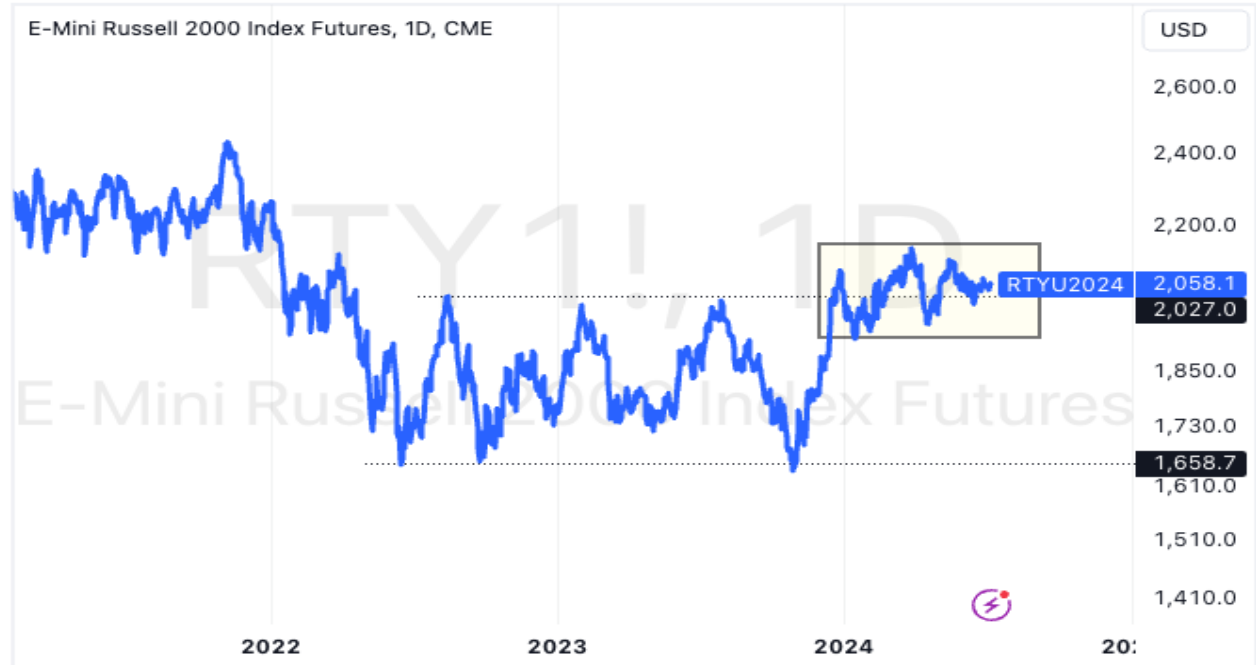
Last report highlighted the box forming above two years of chopiness.

Russell almost immediately took out the highs and led equity market index performance in July 2024. Notice the downside rejection in Q4 '23 that led to the current rally.





jBTCKingaling published on TradingView.com, Jul 08, 2024 16:17 UTC-5



TradingView

jBTCKingaling published on TradingView.com, Jul 30, 2024 11:22 UTC-5



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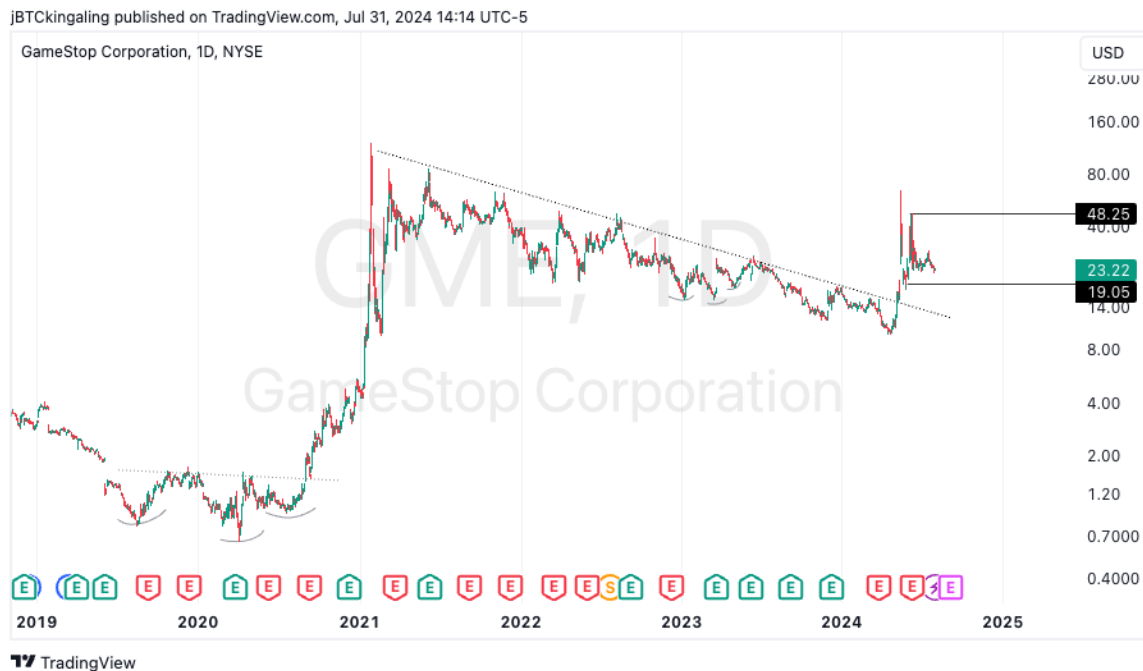
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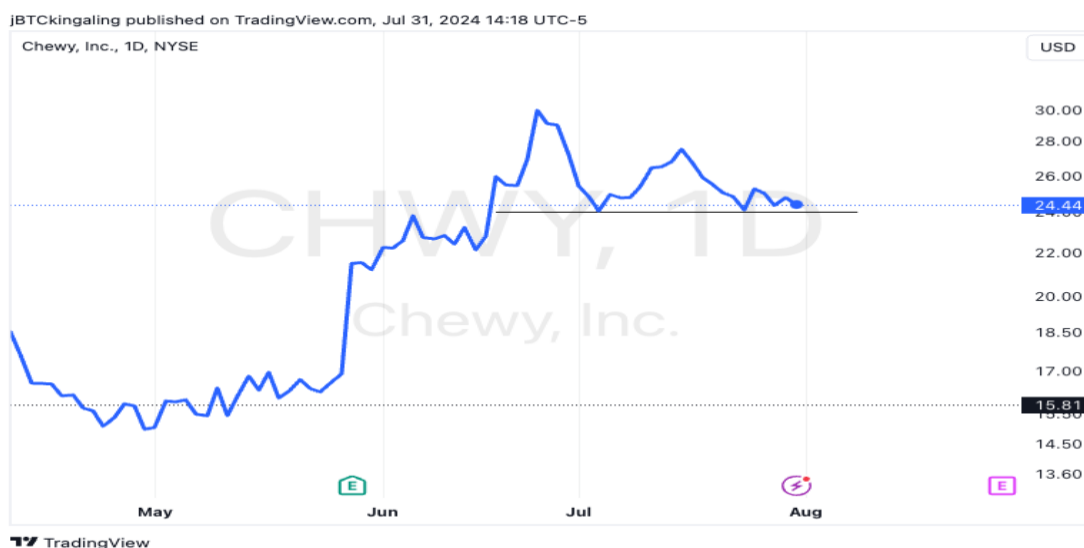


## Game \$GME

I remain long a small portion of \$GME @ \$18 based on the breakout of the wedge, and my stop-loss (exit order) is below yesterday (7/30) low. Gamestop has \$4 billion in cash and approximately \$2.7 billion in assets as of Jun 2024. **8/1 update: stopped out @ \$22.**



- Chewy \$CHWY has formed a descending triangle that confirms below \$24.00. A piercing candle or sweeping bullish reversal > \$27 would change my mind.







## Altria group \$MO

My last report pointed out the \$50 round number resistance level in \$MO. Prices broke above and are now re-testing former resistance. The vaping pandemic is real unfortunately, and these companies positioned themselves well.

JBTKingaling published on TradingView.com, Jul 09, 2024 12:06 UTC-5



TradingView

JBTKingaling published on TradingView.com, Jul 31, 2024 14:22 UTC-5



TradingView

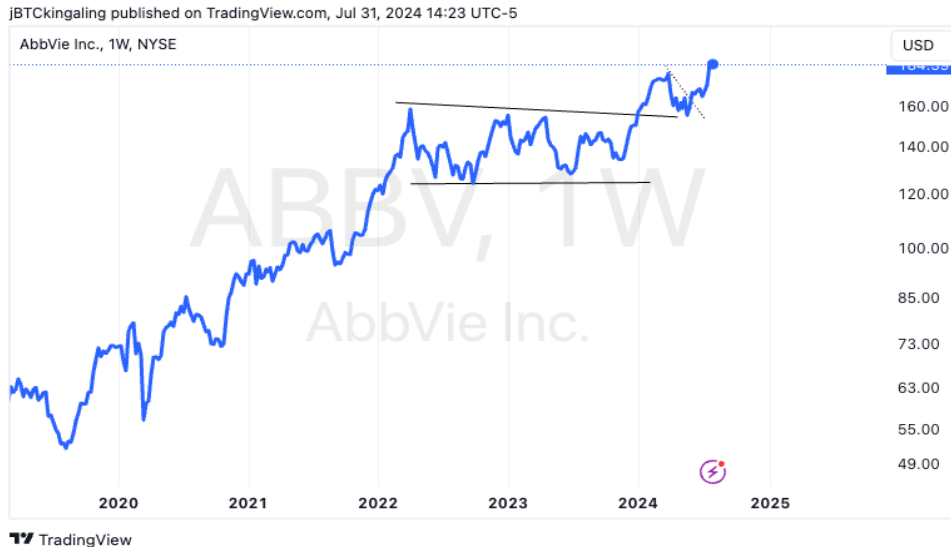


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## AbbVie, \$ABBV

After a hard re-test of a 2-year consolidation, \$ABBV regained momentum. The upside pattern target is \$205. New all-time high at time of writing. Good trade off the re-test. If you missed the first breakout, it paid to keep AbbVie on your watchlist.



## Amazon, \$AMZN

First shared in [report #43](#) (December 2023) at \$151 per share inv. H&S breakout. Market has reached its target based on the width of the pattern, and is now re-testing the highs from 2021/22. This level becoming support would be obvious in hindsight.

*Amazon reports earnings (ending June 2024) on August 1, 2024.*

| Financials     |             |                 |   |
|----------------|-------------|-----------------|---|
| Earnings calls |             |                 |   |
| Upcoming       |             |                 |   |
| Jun 2024       |             | Scheduled Aug 1 | ▼ |
| Previous       |             |                 |   |
|                | EPS         | Revenue         |   |
| Mar 2024       | Beat 18.12% | Beat 0.54%      | ▼ |
| Dec 2023       | Beat 24.44% | Beat 2.23%      | ▼ |
| Sep 2023       | Beat 58.70% | Beat 1.15%      | ▼ |
| Jun 2023       | Beat 89.59% | Beat 2.32%      | ▼ |





**AMZN – H&S bottom completed.** Again, members were alerted of this pattern in real-time. Yes, the “buy” signal comes after a 100% rally. No, I am not scared of buying it up 100%.

Dec. 2023

jBTCKingaling published on TradingView.com, Dec 29, 2023 10:36 UTC-6

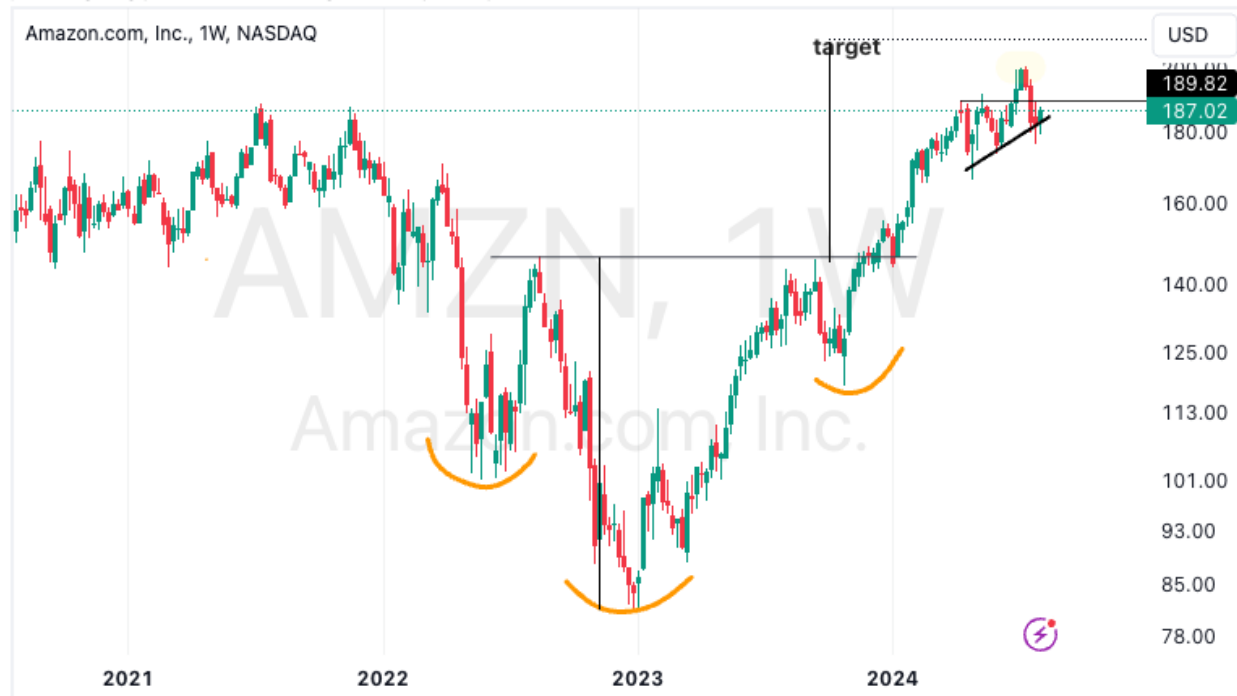
Amazon.com, Inc., 1W, NASDAQ



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jBTCKingaling published on TradingView.com, Jul 31, 2024 14:24 UTC-5

Amazon.com, Inc., 1W, NASDAQ



TradingView





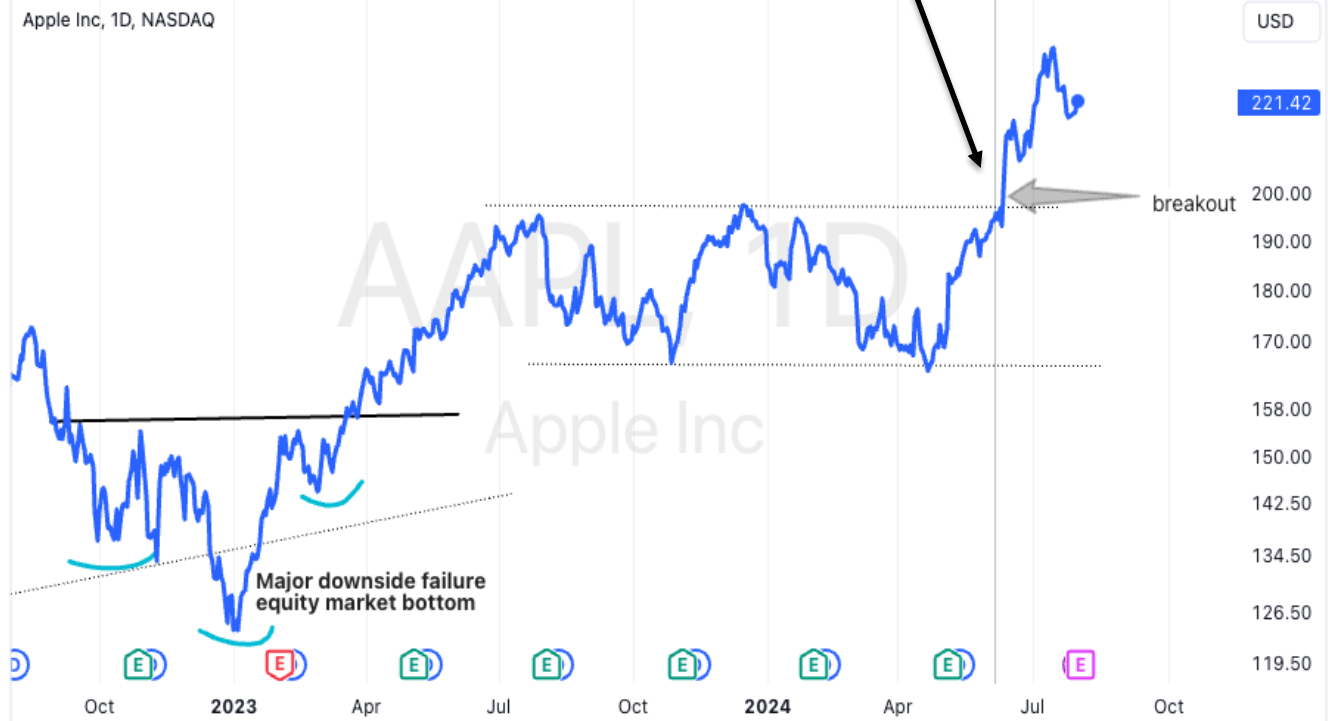
## Apple \$AAPL

For an entire year (Jul 2023 – Jul 2024) Apple formed a rectangle that rejected the downside at \$160. Prices broke out in June 2024 and quickly rallied +10%, reaching the measured target of the pattern.

[incredible video of new apple features](#)



jBTCKingaling published on TradingView.com, Jul 31, 2024 14:30 UTC-5



TradingView



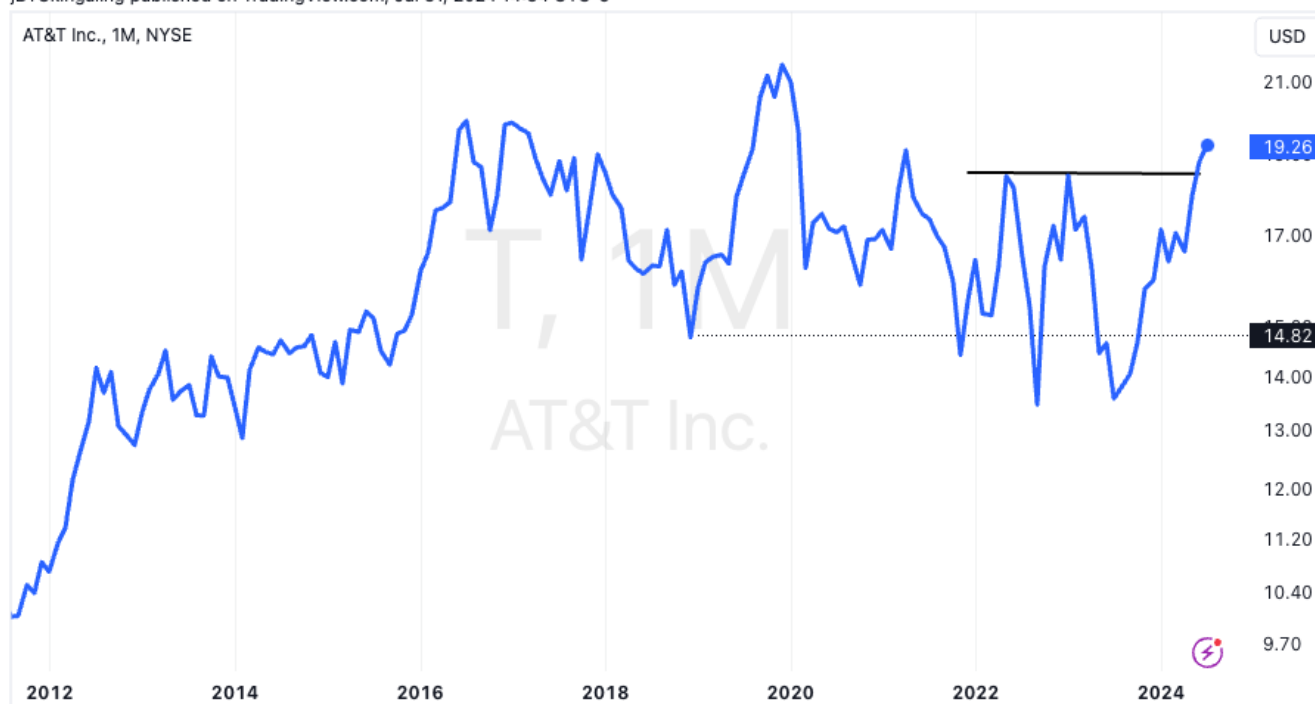


## AT&T, \$T

Shared on June 24 in CWNFT Discord, and July 9 in report #53. AT&T's price confirmed Head and Shoulders top in 2023, but creates an interlocking failure (monthly chart).

**Buy signal.** Resistance at \$21, could see a re-test of \$18. Beware of Double Top.

jBTCKingaling published on TradingView.com, Jul 31, 2024 14:34 UTC-5



TradingView

## Coinbase, \$COIN

**\$COIN** was rightfully one of the first stocks covered in my reports. Many members followed along and traded the inv. H&S bottom. The market reached its target @ \$250. This type of consolidated price action upon reaching a measured target is typical. The enemy of my enemy is my friend! **COIN Earnings 8/1/2024.**

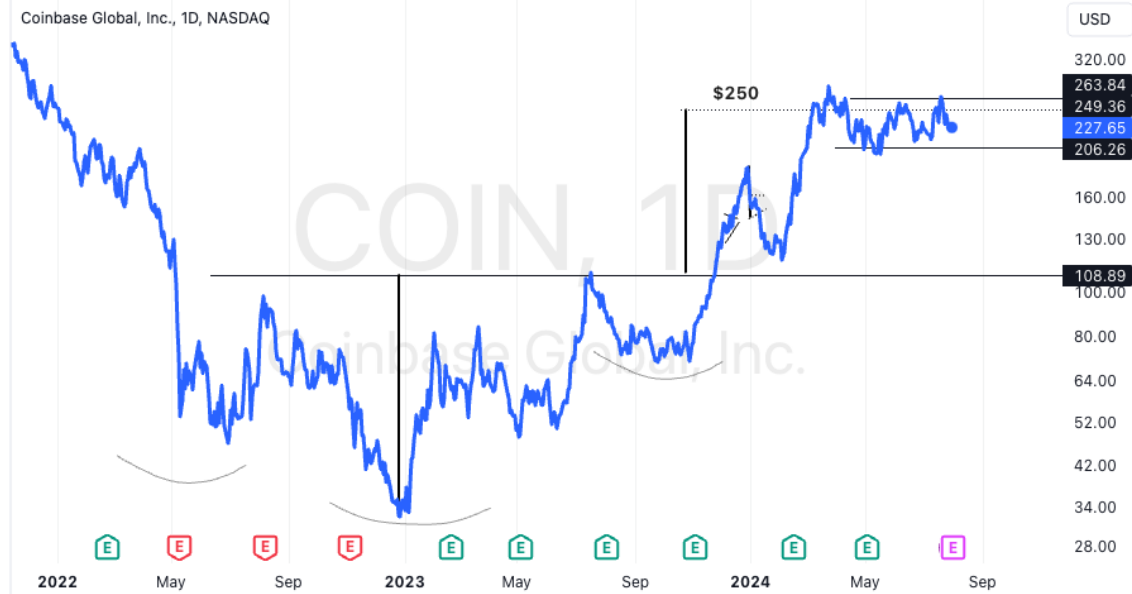
## Coinbase Battles SEC Over Access to Gary Gensler's Private Communications

© JUL 9, 2024





jBTCKingaling published on TradingView.com, Jul 31, 2024 14:36 UTC-5



TV TradingView

## Cameco, \$CCJ

I traded CCJ well all through 2023, but I could not have been more wrong in the last report. **This trade was minimally profitable due to the three day trailing stop after the breakout, signaling the importance of risk management over pattern identification.**

jBTCKingaling published on TradingView.com, Jul 31, 2024 14:40 UTC-5



TV TradingView





## Dillards, \$DDS

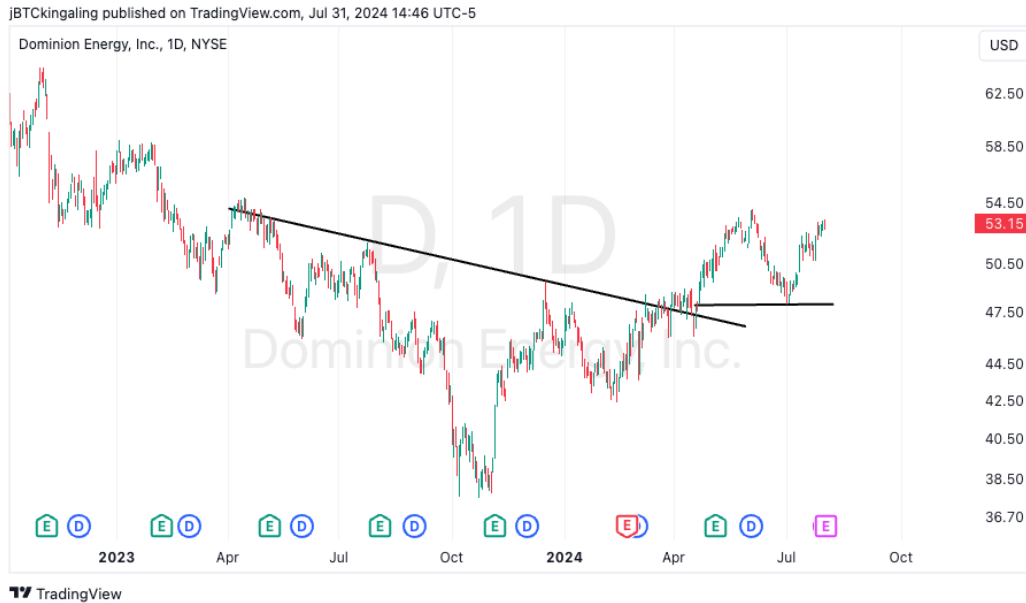
Another one I had a long bias and was wrong. Unlike Cameco above, Dillards didn't give me the chance to move my stop and stay profitable. I took a loss on this trade. It was appropriately sized (as a "shopping mall" coming out of a diagonal pattern) so... Zzz.



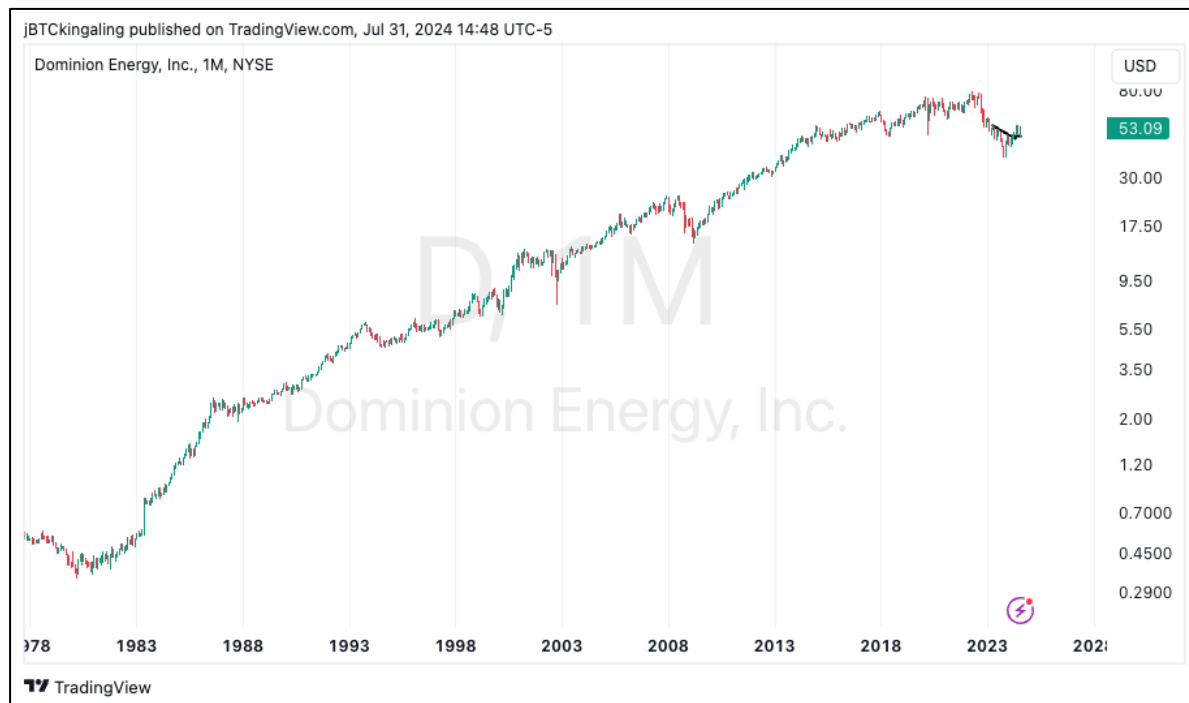


## Dominion Energy, \$D

I mentioned this market last report at \$49, and its broken above the \$50 round number. Downward sloping necklines in inverted H&S bottoms indicate stronger bullish reversals.



**Dominion's (\$D)** long-term chart made trading the inverted H&S bottom a no-brainer:







## General Electric \$GE

GE has been covered extensively in CWNFT reports, and broke out again last week. The company's stock turned around after it completed a restructure and sold off several parts of the company that were deemed a distraction from GE's core business.





## The GEO Group, \$GEO

\$GEO broke out on Trump and faded back on Kamala. This is a prison stock, and the perception of this ticker will be influenced by the election and polls.



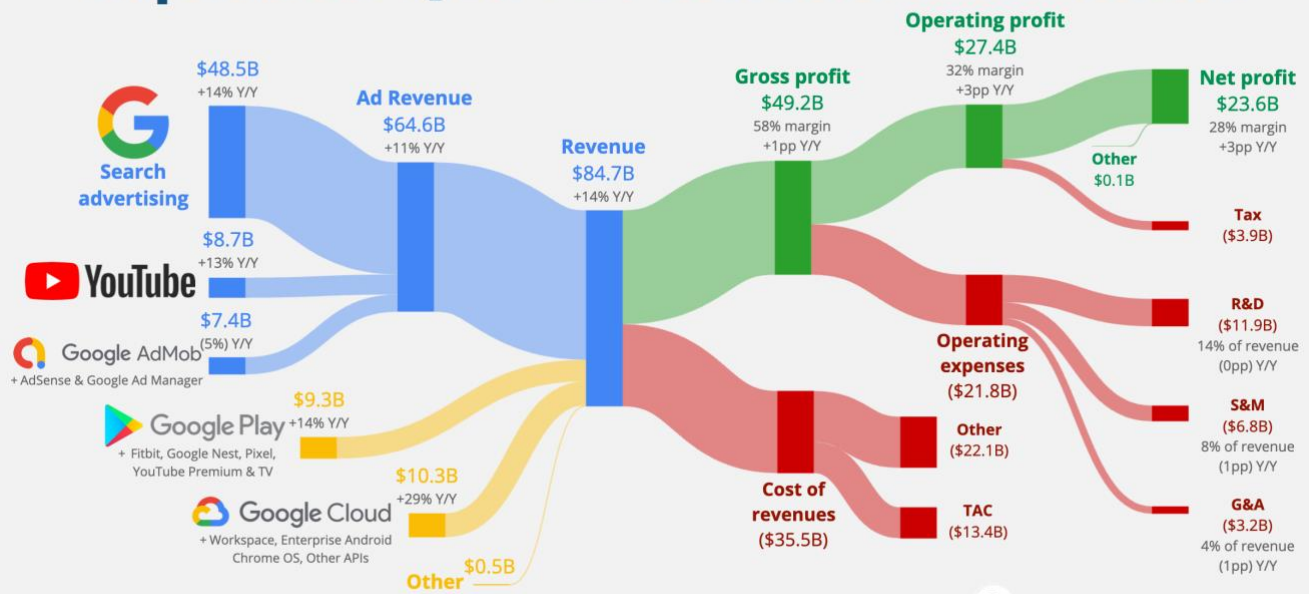
## Google, \$GOOGL

Entry at \$97 in Q4 '22, and another at \$137 in Q1 '24, and as I stated in the last two reports, I've exited most of my GOOGL position at \$172 (10 of 100 shares remain). On the chart alone, GOOGL down 15% is a heck of a deal; however, I use ChatGPT for a lot of my search now, and I want to wait and see for a year before jumping back into GOOGL at the size I was.





## Alphabet Q2 FY24 Income Statement



Source: Quarterly results

appeconomyinsights.com

APP ECONOMY INSIGHTS

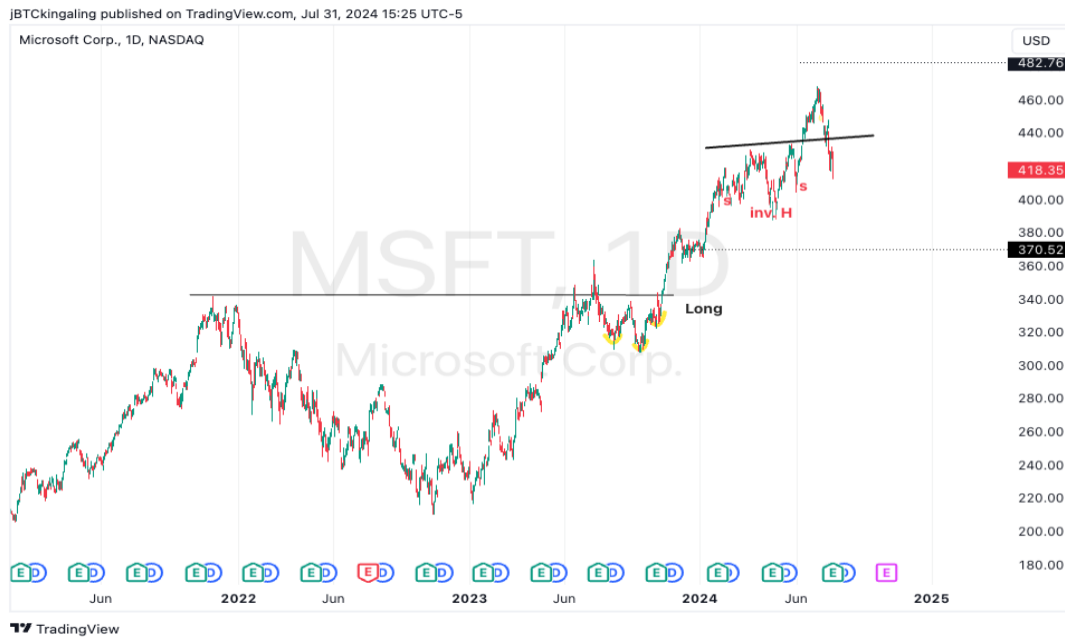


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## Microsoft

\$MSFT puked after earnings, falling 8% despite better-than-expected results, with analysts attributing the drop to decline in growth for MSFT Cloud Azure. I mentioned my intention to buy a dip in MSFT down to \$400 in the last report. When good news is bad its not good. Tech stocks are in the crosshairs of a tactical asset rotation.



## Miners (MARA, CIPR)

Marathon Petroleum [announced](#) mining Kaspas (KAS/USD), with current reserves of ~\$15mm from mining operations. I am more fond of \$CIPR – Cipher Mining, called out by one of the ChartWizardsNFT members (thanks OXagon).



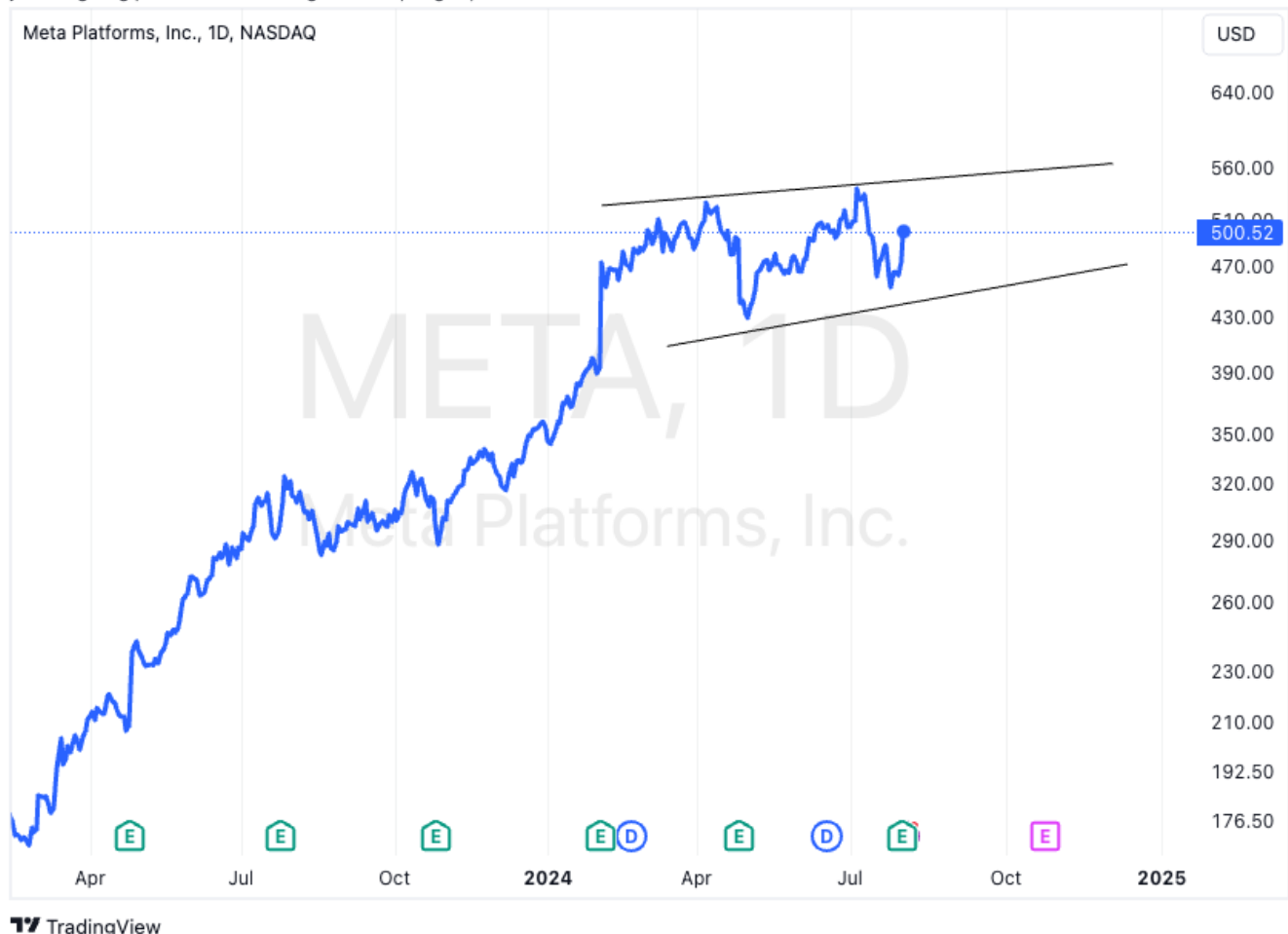


## Meta

\$META reported strong results for 2Q 2024 and jumped on the news. Revenue increased 20% y/y to \$38.4 billion, net income \$12.3 billion vs. \$7.8 billion y/y. Performance was driven by ad revenue and the adoption of new AI tools through Instagram Reels. META stated its intent to continue focusing on AI and announced the launch of its new AI model, [Llama 3.1](#) – I’ve checked, very impressive.

I expect to see Meta as the next big tech stock that goes from \$500 to \$1,000 and then splits in 16-18 months, like NVDA, TSLA, MSTR, etc did this year.

jBTCKingaling published on TradingView.com, Aug 01, 2024 11:41 UTC-5



FYI - Mark Zuckerberg is cool again after a few years in Hawaii and almost fighting Elon Musk – great vibes compared to the Lizard man memes we got in 2020. [Interview.](#)

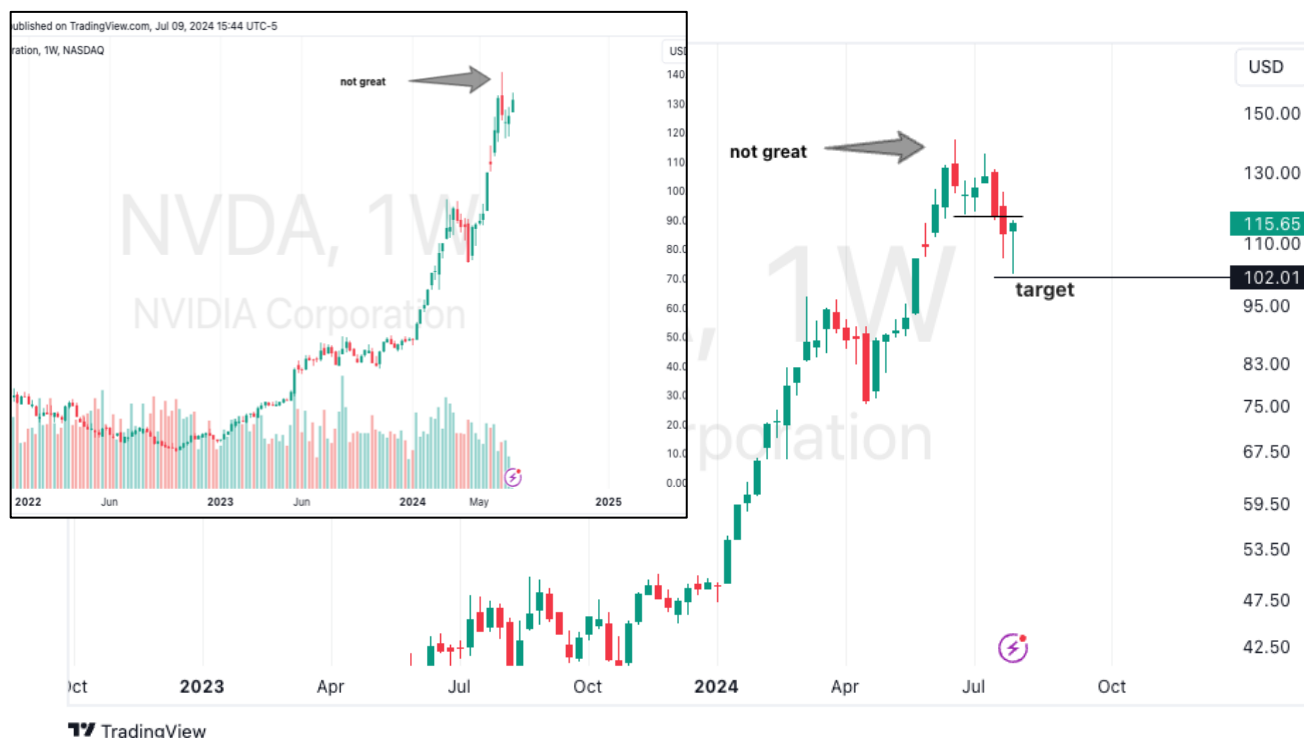




## Nvidia - \$NVDA

Report #53 pointed out the bearish weekly Sweeping reversal candle and insanely euphoric NVDA headlines. Prices fell from \$140 to \$100 in the interim.

The H&S top pattern has reached its downside target and then quickly reversed after Fed decision day. This is typical behavior for price leaders.



FYI – Nancy Pelosi purchased \$2.5m in NVDA shares throughout the correction.

| Stock        | % Drop Since July 10th | Market Cap Lost       |
|--------------|------------------------|-----------------------|
| NVDA         | 23%                    | \$800 Billion         |
| MSFT         | 15%                    | \$554 Billion         |
| AMZN         | 12%                    | \$259 Billion         |
| GOOGL        | 12%                    | \$288 Billion         |
| AAPL         | 9%                     | \$312 Billion         |
| META         | 18%                    | \$257 Billion         |
| TSLA         | 19%                    | \$164 Billion         |
| <b>Total</b> |                        | <b>\$2.6 Trillion</b> |

Source: @KobeissiLetter

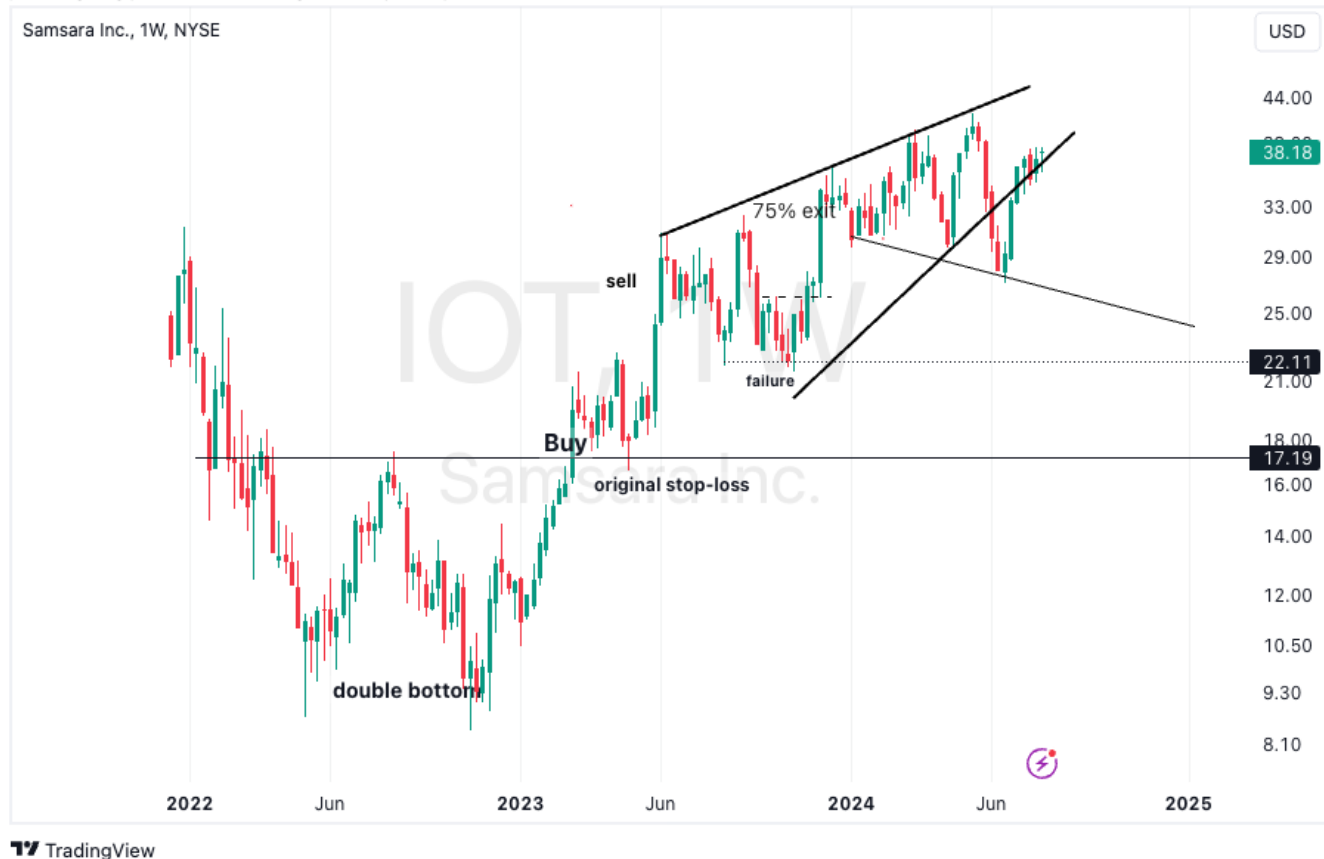




## Samsara (\$IOT)

\$IOT regularly beats earnings, and revenue growth is impressive, but no net-profit just yet. Earnings will be announced August 30, 2024.

jBTCKingaling published on TradingView.com, Jul 31, 2024 13:30 UTC-5



**Bottom line:** There's a volatility windup at here below \$40, and I expect this market \$10 higher or lower in the next 45 days. That's a 30% move... The \$40 calls for Sept. 2024 are trading for \$3 and the puts for the same expiration are and delta are trading \$4.93. This means there is more demand for puts, but that's typical for stocks, where Put options are often purchased as downside protection for long underlying stock positions. On the other hand, options traders are smart. I'd like to buy \$IOT at \$23 or \$41.





## Palantir

jBTckingaling published on TradingView.com, Jul 31, 2024 11:53 UTC-5



Buy Signal #1 = \$10 in May 2023 (inv. H&S bottom)

Buy Signal #3 = \$16.50 in Oct. 2023 (H&S top failure)

Buy Signal #3 = \$18 in March 2024 (falling wedge continuation)

Buy Signal #4 = \$24 July 2024 (symm. Triangle continuation)

**Edit:** PLTR triggered 3-day trailing stop and has formed a **bear pennant** with a price target ~10% lower. I am flat PLTR.

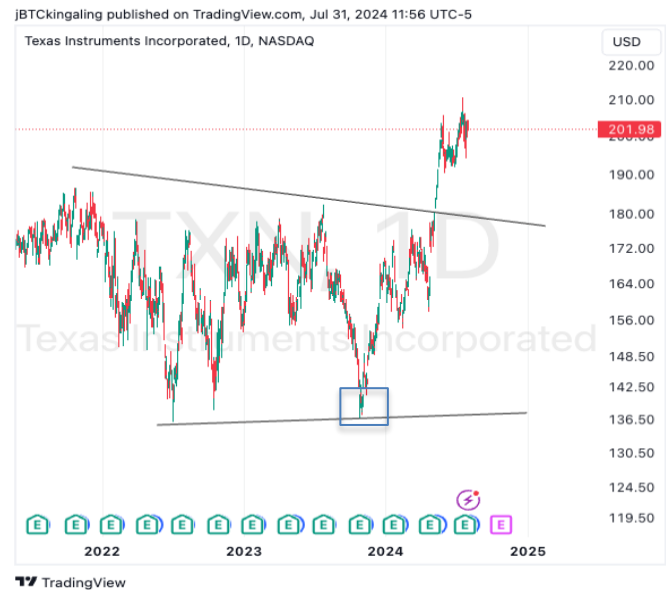
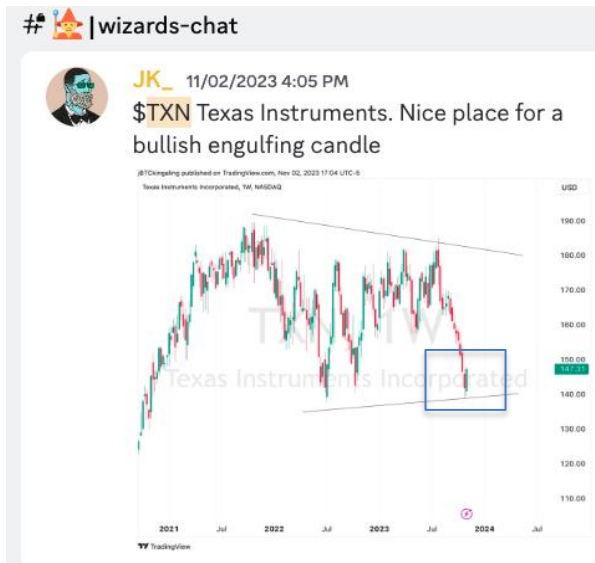






## Texas Instruments \$TXN

First shown at bullish engulfing candle bottom in November 2023 at \$140. Prices broke out of a 2-year consolidation in May 2024, and I will look for corrections to buy.



## \$TSLA vs. COST

I am long \$TSLA. Peter compared the current pattern in TSLA to the coil in Costco (\$COST), the latter broke out and reached its target in 2023/24.





## Rivian \$RIVN

RIVN jumped 50% in one day after it announced a strategic partnership with Volkswagen, but the stock was still down 45% YTD! Nonetheless, the price gap on the open confirmed an [island reversal](#).

**An Island Reversal** is characterized by gaps on both sides of a trading range, isolating it from the prior trend (Edwards & Magee, 1948).



The stock reached its measured target above \$18. I took  $\frac{3}{4}$  profits (say 300/400 shares) using a resting limit order that I placed at the time of entry. On August 1, 2024, the stock triggered a [3-day trailing stop](#), taking me out of my final  $\frac{1}{4}$  position (say 100 shares).

There are three lessons in this trade:

- 1.) the importance of taking profits at targets,
- 2.) not being intimidated by strength (+50% day), and
- 3.) money management is more important than a chart.





## Bank of America

\$BAC showed up in this report when it broke out of the wedge in Q4 2023.

The target of a falling wedge is always the high of the wedge.

I am finished with this trade (3DTSR exit, visible on candlestick chart only). ~38% ROE.



[29]



## Robinhood: \$HOOD

- Robinhood plans to launch CME-based Bitcoin and Ether futures in the US.
- Despite regulatory challenges, Robinhood's crypto trading increased 224% in Q1
- Acquired Marex FCM in March to secure US futures trading licenses.
- CEO Vlad Tenen emphasizes importance of crypto access for Americans

**Robinhood** broke out in Q1 '24; the company reports next week. I don't give much weight or value to trend lines, but this one could serve as support in an uptrend.





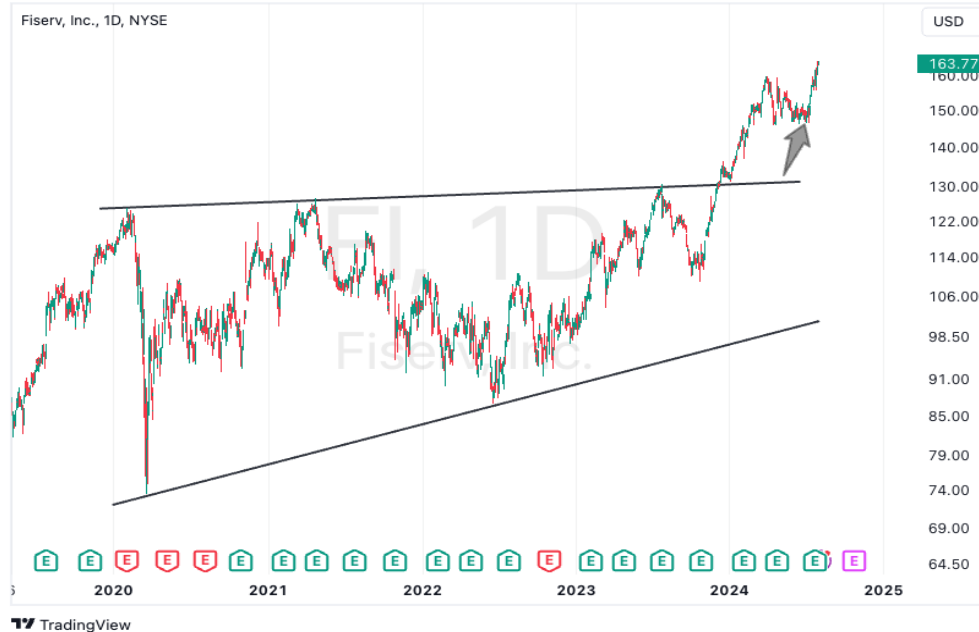
jBTCKingaling published on TradingView.com, Jul 31, 2024 15:31 UTC-5



## Fiserv

Last report highlighted the tightly wound bottom in \$FI. One of the most picturesque setups, in hindsight. \$FI is trading at a new all-time high at time of writing.

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## The Art

ChartWizardsNFT™ holders received the Peter Brandt art in July. I hand selected every chart, frame, background, and Peter pose (the charts are real line charts inspired by actual trades), and no two tokens have the same art.

This one, owned by SK shows Peter, the Chart Wizard. The back shows the \$COST (Costco) coil breakout, and the quote says: *“Every trader must find an approach that works for them. What works for one trader may not work for others.” – Peter L. Brandt*



You can see all the designs [here, on Magic Eden](#). We've come a long way from mint last year!! I'm thankful for each of you.

Safe trading.

#JBK

