PRIVATE WEALTH ADVISORY

A Phoenix Capital Research Publication

Weekly Market Update 11-19-15

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WEEKLY MARKET UPDATE 11-19-15

It's options expiration week once again, which means the Fed has juiced the markets to help Wall Street shred options traders. Benjamin Franklin once wrote that, *"In this world nothing can be said to be certain, except death and taxes."*

We can now add to the list of certain items that at some point during options expiration week, the stock market will erupt higher courtesy of the Fed giving Wall Street additional liquidity to shred options traders.

Below are the Fed's balance sheet activities by date. Balance sheet expansions are in black font. Balance sheet contractions are red. Options expiration weeks are shaded gray.

Date	Balance Sheet Change
11/12/15	$2,310
11/2/15	$363
10/29/15	-$12,033
10/22/15	-$3,332
10/15/15	$18,519
10/8/15	$2,074
10/1/15	$13,373
9/24/15	$9,675
9/17/15	$9,596
9/10/15	$2,327
9/3/15	$781
8/27/15	$12,103
8/20/15	$2,042
8/13/15	$2,921
8/6/15	$849
7/30/15	$15,023
7/23/15	$6,898
7/16/15	$12,316
7/9/15	$2,159
7/2/15	$15,925
6/25/15	$7,238
6/18/15	$19,812
6/11/15	$2,645
6/4/15	$1,379
5/28/15	$16,403
5/21/15	$20,804
5/14/15	$28,485
5/7/15	$1,204
4/30/15	$18,196
4/23/15	$4,329
4/16/15	$1,947
4/9/15	$1,620
4/2/15	$1,196
3/26/15	$15,285
3/19/15	$6,609
3/12/15	$1,696
3/5/15	$858
2/26/15	$10,126
2/19/15	$4,834
2/12/15	$1,337
2/5/15	$284
1/29/15	$12,872
1/22/15	$3,141
1/15/15	$16,553
1/8/15	$1,864
1/2/15	$11,802
12/29/14	$7,215
12/18/14	$13,382
12/11/14	$2,675
12/4/14	$259
11/28/14	$6,828
11/20/14	$3,864
11/13/14	$2,310
11/6/14	$169

Expiration week average	**$10,350.58**
Non-expiration week average	**$2,767**

You'll note that the Fed, for some reason, feels the need to **expand** its balance sheet by an average of **$10.3 BILLION** during options expiration weeks… while **contracting** its balance sheet by an average of $2.7 billion during NON- options expiration weeks.

For this to be coincidence is a statistical impossibility **And mind you… this is going on during a period in which the Fed is NOT engaged in a QE program!**

I have little doubt that next week when the Fed releases its balance sheet data that we shall discover that it was once again juicing the market this week. The fact that this kicked off a rally when stocks were in danger of collapse is just icing on the cake.

On that note, the bounce of the last two days, while sharp, has done little to alter the markets from a technical analysis perspective. The S&P 500 has failed to reclaim its former bull market trendline. It now faces MAJOR resistance at 2080.

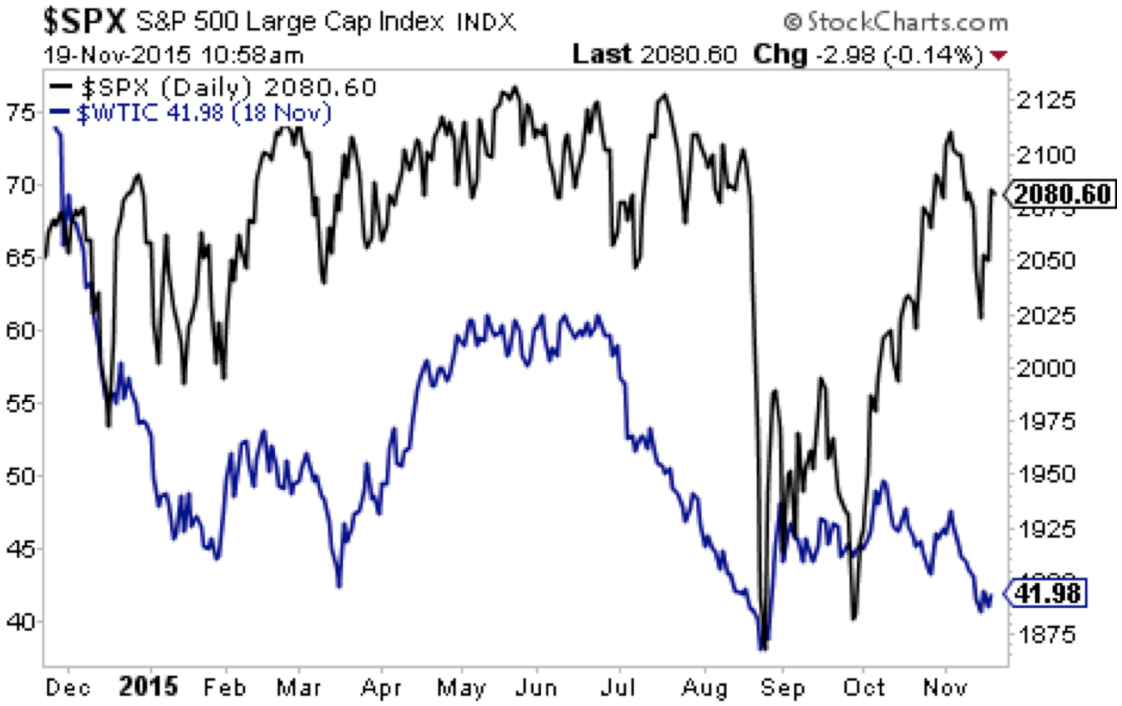
Moreover, while stocks continue to trade based on hype and hope, virtually every other "risk on" asset is signaling that things have not improved since the major breakdown in August.

Leveraged Loans have completely missed this bounce and in fact are back at the August 2015 lows.

High Yield Bonds rolled over in early November and are rapidly falling to retest the August 2015 lows.

Copper continues to plunge

Oil, which has sold off more aggressively than virtually every other asset on the planet, (and therefore is most susceptible to sharp rallies), quickly gave up its August bounce and is once again rolling over.



So while the Financial Media claps their hands with delight and proclaims that the August collapse was a "one off" event that has been fixed, I suspect the stock bulls are in for a nasty surprise shortly.

Indeed, the individual market sectors are already rolling over.

Financials (for which investors are 100% bulls and literally NO bears) have already failed to establish a new high and are rolling over.

Semiconductors' bounce was barely a move higher.

And Banks have are in the same boat as financials (failed reclaiming of the trendline and now rolling over).

In short, this Fed fueled bounce feels like the last hiccup before we turn sharply down again. I believe we'll see the S&P 500 in the mid-1900s shortly.

Let's look at some individual positions.

France is in a giant triangle pattern. Once this bounce ends we're rolling over to retest the lower trendline:

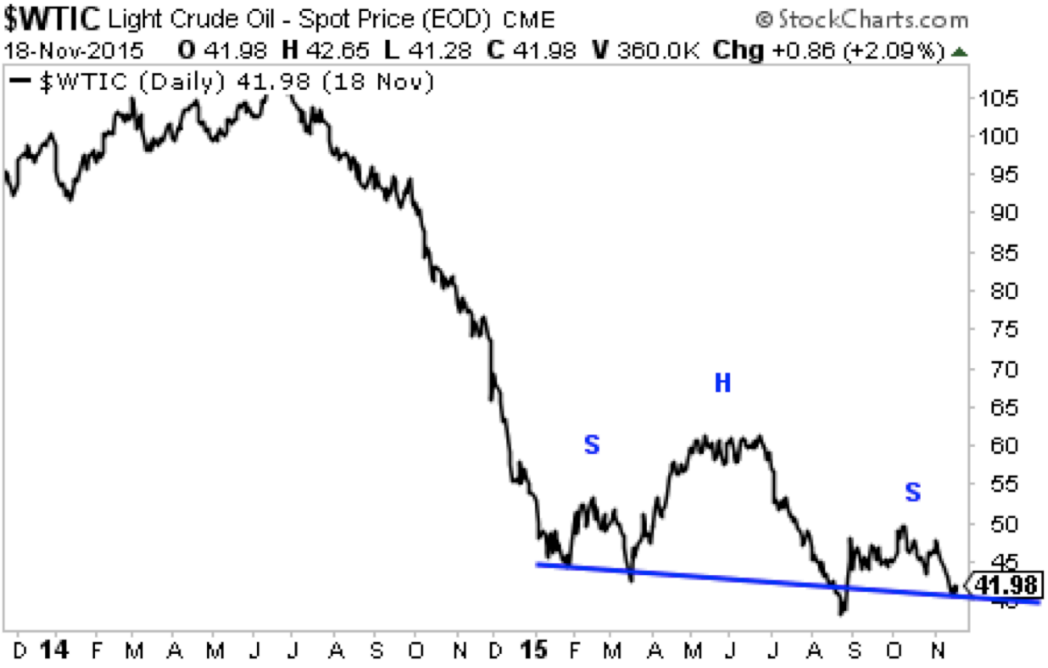
If we take that trendline out, the downside target is 18.

Spain is in a descending channel. After this bounce we're going to new lows.

Indeed, if we take out critical support here at 30, we could see a drop to 20 shortly.

Santander has formed a Head and Shoulders pattern. When we take out the neckline we are also taking out the post-2009 bull market trendline. At that point we're moving towards zero.

Oil is forming a Head and Shoulders. When we take out that neckline we're dropping to $30.



As the largest exporter of most commodities in the world, Brazil (EWZ) is largely a commodity play. As such it still has a WAYS to go to catch up with the collapse in commodities:

This bull market ended long ago. We're eventually going to 5.

The bounce in Emerging Markets is over. The next breakdown should take us to the long-term bull market trendline.

In short, the technical arguments for our positions remain firmly intact. With the US Dollar now beginning its next leg up, we should see considerable pressure in the commodities and emerging markets.

This will eventually hit the S&P 500. It's only a matter of time.

I remain convinced that the breakdown in August 2015 was the beginning of a cyclical bear market for stocks. This means that while there will be sharp bounces here and there, the overall trend is DOWN.

Remember when the Tech Bubble burst, we had over EIGHT moves of 16% of greater (many of them bounces) as the market worked its way down over the course of a year. This is a good template to follow for what's happening in the market today.

This concludes this week's update for ***Private Wealth Advisory***. Barring any new developments, you'll hear from me the week *after* next in our longer monthly issue of ***Private Wealth Advisory***.

We will not be publishing next week as it is a holiday week and the markets will be closed for much of it. I will however post a short update if anything of note happens between now and then.

Best Regards,

Editor
Private Wealth Advisory

OPEN POSITIONS

US DOLLAR CARRY TRADE IMPLOSION PORTFOLIO

POSITION	SYMBOL	BUY DATE	BUY PRICE	CURRENT PRICE	GAIN/ LOSS
Ultra Bullish Dollar ETF	UUP	5/23/11	$21.79	$25.82	18%
UltraShort Euro	EUO	4/10/15	$27.68	$26.38	-5%
UltraShort Yen ETF	YCS	5/27/15	$94.48	$91.91	-3%
UltraShort Gold ETF	GLL	7/29/15	$112.00	$111.89	0%
Banco De Chile (Short)	BCH	8/18/15	$61.89	$60.94	2%
Singapore ETF (SHORT)	EWS	9/22/15	$10.31	$10.71	-4%
Malaysia ETF (SHORT)	EWM	9/22/15	$9.90	$10.38	-5%

Prices as of 11AM on 11/19/15 at 10:30AM
Prices include dividends

RELATIVE US STRENGTH PORTFOLIO

POSITION	SYMBOL	BUY DATE	BUY PRICE	CURRENT PRICE	GAIN/ LOSS
Nuveen Muni. Fund	NIO	1/2/14	$13.12	$14.00	20%
Wal-Mart	WMT	7/30/14	$74.78	$60.65	-16%
Exxon	XOM	9/24/14	$95.82	$80.36	-12%
7-10 Yr Treasury ETF	UST	11/26/14	$55.54	$56.41	3%
20+ Yr Treasury ETF	TLT	7/15/15	$116.89	$120.72	4%
Nvidia	NVDA	6/26/13	$14.14	$31.09	125%
Coke	KO	8/28/13	$36.80	$43.15	25%
Auto-Zone	AZO	9/25/13	$422.73	$783.76	85%
Intel	INTC	12/20/13	$25.14	$33.27	40%
General Electric	GE	2/5/14	$24.57	$30.44	30%
Target	TGT	5/28/14	$55.34	$71.31	34%
Pfizer	PFE	7/30/14	$29.26	$32.48	16%
Kraft	KHC	9/24/14	$56.81	$72.57	33%
McDonalds	MCD	10/30/14	$92.87	$113.33	26%
Eli Lilly	LLY	12/3/14	$71.13	$83.64	20%
Microsoft	MSFT	12/3/14	$48.08	$54.42	15%
Universal Corp.	UVV	3/5/15	$48.05	$56.49	21%
RPX Corp	RPXC	8/5/15	$15.48	$13.57	-12%
Apple	AAPL	9/11/15	$114.21	$118.21	4%

SYSTEMIC RISK/ BLACK SWAN PORTFOLIO

POSITION	SYMBOL	BUY DATE	BUY PRICE	CURRENT PRICE	GAIN/ LOSS
Gold		3/17/10	$1,120	$1,082.00	-3%
Silver		3/17/10	$17.50	$14.34	-18%
Gold Miners ETF	GDX	5/13/15	$20.78	$13.97	-33%

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ASIA SLOWDOWN PORTFOLIO

POSITION	SYMBOL	BUY DATE	BUY PRICE	CURRENT PRICE	GAIN/ LOSS
UltraShort Nikkei ETF	EWV	1/6/15	$67.46	$46.43	-31%

TECH BUBBLE 2.0 PORTFOLIO

POSITION	SYMBOL	BUY DATE	BUY PRICE	CURRENT PRICE	GAIN/ LOSS
Tesla (SHORT)	TSLA	2/25/15	$203.76	$223.85	-10%
Amazon (SHORT)	AMZN	2/25/15	$385.37	$669.47	-74%

MARKET HEDGE PORTFOLIO

POSITION	SYMBOL	BUY DATE	BUY PRICE	CURRENT PRICE	GAIN/ LOSS
UltraShort S&P 500	SDS	9/18/15	$22.33	$19.43	-13%
UltraShort Financials	SKF	9/18/15	$52.39	$44.51	-15%
France ETF (SHORT)	EWQ	9/30/15	$24.07	$25.37	-5%
Spain ETF (SHORT)	EWP	9/30/15	$29.66	$30.94	-4%
Santander (SHORT)	SAN	10/28/15	$5.70	$5.53	3%
UltraShort Oil ETF	SCO	11/12/15	$95.35	$101.45	6%
UltraShort Brazil ETF	BZQ	11/12/15	$66.32	$61.31	-8%
UltraShort Emerging Markets ETF	EEV	11/12/15	$22.14	$21.48	-3%

Prices as of 11AM on 11/19/15 at 10:30AM
Prices include dividends

RECENTLY CLOSED POSITIONS

POSITION	SYMBOL	BUY DATE	BUY PRICE	SELL DATE	SELL PRICE	GAIN/ LOSS
Apple	AAPL	4/2/14	$77.51	9/29/14	$98.84	28%
European Financials (SHORT)	EUFN	4/15/14	$24.89	10/10/14	$22.47	11%
UltraShort Russell 2000	TWM	4/15/14	$49.46	10/10/14	$52.28	6%
UltraShort Brazil	BZQ	10/15/14	$62.00	10/21/14	$71.92	16%
UltraShort Gold	GLL	10/24/14	$94.15	11/14/14	$104.21	11%
UltraShort Silver	ZSL	10/24/14	$104.89	11/14/14	$122.00	17%
Enduro Royalty Trust	NDRO	5/22/13	12.05	11/28/14	$7.06	-26%
UltraShort Euro	EOU	1/20/15	$23.49	3/5/15	$26.51	13%
UltraShort Brazil	BZQ	1/6/15	$91.07	3/6/15	$100.74	11%
Target	TGT	5/28/14	$55.34	4/1/15	$82.13	52%
Pfizer	PFE	7/30/14	$29.26	4/1/15	$34.56	20%
General Electric	GE	2/5/14	$24.57	4/13/15	$27.89	18%
BP Prudhoe Bay Royalty Trust	BPT	1/2/14	$76.77	5/20/15	$66.70	5%
Conoco Phillips	COP	3/5/14	$66.30	5/20/15	$65.27	4%
Russia ETF	TRF	4/9/15	$10.62	5/20/15	$11.36	7%

RECENTLY CLOSED POSITIONS CONTINUED

POSITION	SYMBOL	BUY DATE	BUY PRICE	SELL DATE	SELL PRICE	GAIN/ LOSS
UtraShort Oil ETF	SCO	5/27/15	$61.08	7/6/15	$70.30	**15%**
UltraShort Gold ETF	GLL	2/25/15	$95.49	7/7/15	$101.75	**7%**
Copper (SHORT)	JJC	3/10/15	$31.35	7/7/15	$28.78	**8%**
UltraShort Brazil ETF	BZQ	5/27/15	$85.70	7/7/15	$92.02	**7%**
Industrial Metals ETF	UBM	3/25/15	$15.24	7/7/15	$13.56	**11%**
UltraShort China ETF (half)	FXP	3/10/15	$36.45	7/8/15	$41.93	**15%**
UltraShort Oil ETF (half)	SCO	7/21/15	$76.19	7/23/15	$82.14	**8%**
UltraShort Brazil ETF (half)	BZQ	7/21/15	$91.39	7/23/15	$102.36	**12%**
UltraShort Brazil ETF (second half)	BZQ	7/21/15	$91.39	7/24/15	$109.60	**20%**
UltraShort Oil ETF (second half)	SCO	7/21/15	$76.19	7/27/15	$87.36	**15%**
LinkedIn (SHORT)	LNKD	6/17/15	$215.45	8/4/15	$194.96	**10%**
Australia ETF (SHORT)	EWA	1/6/15	$21.97	8/11/15	$19.85	**11%**
Ultra Short Emerging Mkts ETF	EEV	1/20/15	$19.48	8/11/15	$21.56	**11%**

RECENTLY CLOSED POSITIONS CONTINUED

POSITION	SYMBOL	BUY DATE	BUY PRICE	SELL DATE	SELL PRICE	GAIN/ LOSS
UltraShort China ETF	FXP	3/10/15	$36.45	8/19/15	$41.59	14%
China Real Estate ETF (SHORT)	TAO	6/11/13	$20.11	8/24/15	$17.21	14%
South Korea ETF (SHORT)	EWY	8/18/15	$48.17	8/24/15	$43.82	10%
India ETF (SHORT)	INP	8/18/15	$70.18	8/24/15	$59.38	18%
Santander (SHORT)	SAN	8/13/15	$6.63	8/24/15	$5.99	10%
Spain ETF (SHORT)	EWP	8/13/15	$34.08	8/24/15	$31.38	8%
Australian Dollar ETF (SHORT)	FXA	5/27/15	$77.36	8/26/15	$70.99	8%
UltraShort Silver ETF	ZSL	7/29/15	$120.84	8/26/15	$132.02	9%
UltraLong S&P 500	SSO	9/2/15	$56.12	9/9/15	$59.37	6%
UltraLong Russell 200	UWM	9/2/15	$79.20	9/9/15	$83.75	6%
Canada Dollar ETF (SHORT)	FXC	5/27/15	$79.81	9/23/15	$74.47	7%
Canon (SHORT)	CAJ	7/31/13	$30.84	9/23/15	$29.12	6%
UltraShort Semiconductors ETF	SSG	9/18/15	$54.00	9/24/15	$60.20	11%
UltraShort Brazil ETF	BZQ	9/22/15	$172.16	9/24/15	$199.00	16%
Deutsche Bank (SHORT)	DB	10/28/15	$30.31	11/12/15	$26.17	14%