

## Notes From The Rabbit Hole

**eResearch Corporation** is pleased to provide two articles, courtesy of NFTRH.com, and written by Gary Tanashian, with a bio on the Author provided at the end of the articles.

The articles, starting on the next page, are on the U.S. Dollar and are entitled: “Adding UUP” and “U.S. Dollar Bottoming?”

Biiwii.com was created in mid-2000 solely as a way to help get the message out about deeply-rooted problems about too much debt and leverage within the financial system. The concerns were confirmed and the message proved justified 3 to 4 years later as the system began to purge these distortions, resulting in a climactic washout extending from October, 2008 to March, 2009.

Along the way, a geek-like interest in technical analysis, a long-time interest in human psychology, and various unique macro market ratio indicators were added to the mix, with the result being a financial market newsletter (and dynamic interim updates), Notes From The Rabbit Hole (NFTRH) that combines these attributes to provide a service that is engaged and successful in all market environments by employing risk management first, and opportunity for speculation second.

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Bob Weir, CFA  
Director of Research

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# Notes From The Rabbit Hole

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**BW: *We are providing two commentaries today, both on the U.S. Dollar.***

Both commentaries are By **Gary Tanashian** (bio at the end of the article)

August 17, 2017

## **Adding UUP**

Well, in support of the firm dollar view I keep touting, more money is put where the mouth is and to my anti-euro position (EUO) I am adding the strong dollar fund UUP. These are not trades being touted, they are members of a risk-managed portfolio, which now includes by the way, a short against junk bonds as well.

See the UUP chart on the next page, following which is the second article.



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August 16, 2017

## U.S. Dollar Finally Bottoming?

So it would appear.

Much like with the contrary (bullish) view on Treasury bonds (negative view on yields) last December to March, I have been nursing Uncle Buck along on a contrary bullish view while holding the Euro short (and still at a paper loss). But ever plucky, the view has had to remain the same as long as big picture support remains intact, which it does.

### MONTHLY CHART: 2003-2017



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Here is the daily view showing that the harsh downtrend that began in June has been broken. Now, a break of a downtrend line (they all break sooner or later) does not a rally make, but it's a start; and Unc could be putting in a tiny little 'W' bottom. If RSI makes a new high above the June high, I'd say he's on his way. A bounce target? How about resistance at 98-99?

## DAILY CHART: December 2016 – July 2017



Meanwhile, the stock market can carry on against a strong USD, as it did in 2014. But I would continue to question for how long, because the market projected a Trump 'reflation' (which would of course feature a weakened USD) based on fiscal policy, which has been tardy at best and a non-starter at worst.

<continued>



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As for the gold sector, it is sneaky; I will say that for it. It was sneaky bearish during USD's decline but it was also sneaky in the bullish out-performance of several of its quality leaders. So one message of this chart below is that the miners need not get whacked to the degree – if at all – that the stock market may as we get into September and Q4 (although one might also put forth a view that this highly-sensitive sector has been negatively diverging in anticipation of a dollar rally and could still get whacked).



Either way, I am not near projecting the end of the line (and bull market) for stocks. Just the end of this particular line, which has seen U.S. and many global stocks feast off of the bearish U.S. dollar, aka the world's counter-party. Later on, if politicians are able to successfully compromise the currency in fact instead of just in words and intentions, maybe we will get that fiscally stimulated 'reflation'. But that is a story for another day.

A good target for stocks, if the intermediate view is correct, would be around 2100 on the SPX and an even better one might be around 1900. The bull market would be broken below 1800.

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See **NOTES** below.

## NOTES

*Biiwii: But it is what it is*

*NFTRH: Notes From The Rabbit Hole*

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Biiwii.com is proud to be included in the **50 Blogs Every Serious Trader Should Read** from [TraderHQ.com](#).

See **ABOUT THE AUTHOR** on the following page.



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## **ABOUT THE AUTHOR**



Gary Tanashian is a financial market analyst, writer, and editor. He provides “Accurate financial market analysis and commentary focused on unbiased reality as opposed to preconceived assumptions.”

As a long-time participant in financial media (published at leading outlets like SeekingAlpha, Investing.com, and many more), Gary has learned how to communicate with people about often-complex material. He knows that it requires hard work, but he believes that there is no other way in order to provide the highest quality service to the public.

Gary is the owner of Biiwii.com (launched in 2004) and, later, NFTRH.com (launched in 2014).

Biiwii is a financial website that got it RIGHT in the run up to 2008, unlike many in the financial services industry.

He is the owner and publisher of the weekly premium financial market report Notes From The Rabbit Hole, which was launched in September, 2008.

Notes From The Rabbit Hole is a premium newsletter service (including detailed in-week updates) for people who care more about financial market realities than having their preconceived notions reinforced. <http://nftrh.com/nftrh-premium/>

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