

Market Notes October 16, 2023

1. The year-over-year decline in margin interest greater than 25%, followed by a return to flat, is a very reliable signal to anticipate significant market upside

See the attached chart with 70 years of data.

2. On Friday, the SEC declined to contest the court's favorable ruling allowing Grayscale to convert GBTC to an exchange-traded fund. Bitcoin is becoming a recognized, mainstream asset class. I would anticipate BTC can rally to prior all-time highs around the next BTC mining supply award "halving" in April 2024.

3. Bonds are at their most oversold point in history. Fixed income strategies should outperform over the next 12 to 24 months above their historical returns.

4. Should the Q4 equity rally continue as anticipated I would expect "short volatility" to demonstrate strong performance. Q4 is statistically the best period for "short vol".