The KGBgirl Weekly
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You are reading the inaugural issue of a weekly investor-focused newsletter, which systematically provides the reader with risk/reward assessment of key markets.

Key features of the newsletter are as follows:
- **Underlying premise** of my analysis is that anything can happen in the markets. As such, my work using technical analysis to distill the slew of possibilities down to what is likely to happen, and identifying levels beyond which my working hypothesis is wrong and requires reassessment.
- Newsletter is written in **plain English**, without the use of technical terms. Those interested in the technical discussion should feel free to reach out to me directly.
- **Markets covered** are: US equity markets (SPX, NDX and RUT), bonds (TLT), and gold and miners (GLD and GDX)
- **Investor focus** – assessment is from the long-only perspective, and degrees of risk appetite are stated in terms of underweight/overweight rating for the asset in question.
- **Risk management** – with the exception of extraordinary market setups, the goal is to have allocations between 50% and 150% of neutral. Note, this does not necessarily imply leverage, as in my construct of a tactical investor, cash should be a meaningful position, thus "neutral" is not equivalent to "fully invested". Given that everyone's allocation model is different, I leave it to the readers to define what their "neutral" is.
- **Investment timeframe** –focuses on multi-week and multi-month opportunities and risks.
- **Tactical** – focusing on the attractive risk-reward opportunities on stated timeframes (and highlighting particularly unattractive risk-reward points in the market), while stating the market level below which my assessment is invalidated.
- **Frequency** – in the absence of action that requires tactical allocation adjustments, frequency will be weekly, published at the end of the week. If intraweek adjustments are required, an additional alert will be posted.
- **Charts** are included as a bonus for more technically inclined readers but are not "required reading". That said, for those who want to understand the charts: red zones are resistance zones where, upon topping action, reduction of exposure is considered. Conversely, green zones are support zones; bottoming into those zones is a consideration for adding exposure. Lines marked with a green and red arrow are ultimate support/resistance levels; breaching those changes the odds away from the primary scenario and likely warrants a change in allocations.

S&P 500 (Ticker: SPX)

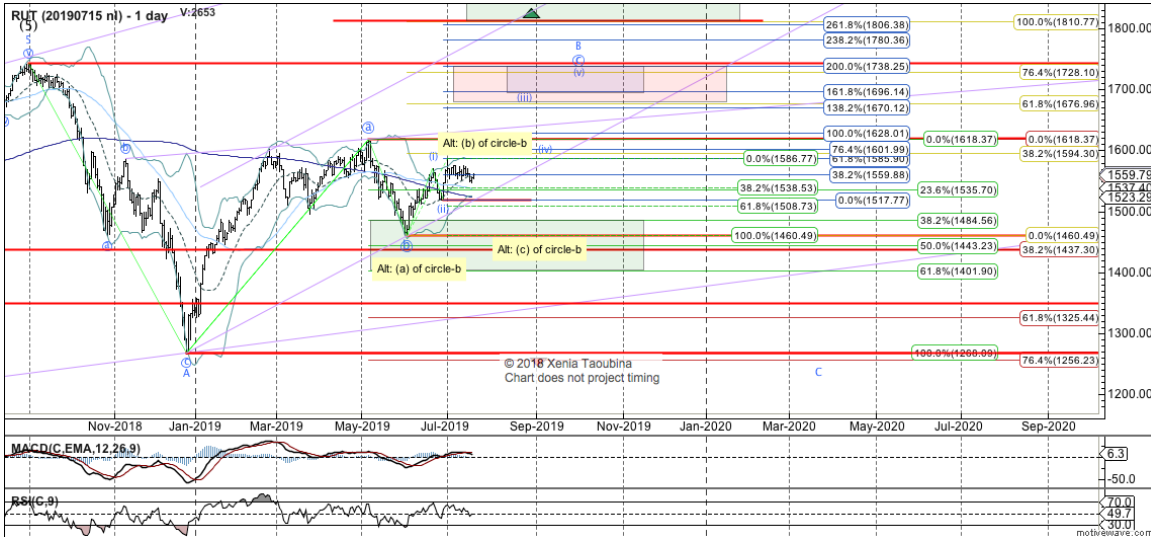| View	Key Support	Key Resistance
90% of neutral	2913 2739 2533	3000-3150 3448

On May 31, I voiced an unequivocal "overweight" bullish bias for equities (though this date precedes the initiation of this newsletter, those familiar with my work, including my followers on LinkedIn, may have seen the bullish article published that day). My minimum expectation off that low, a move back to 2953+, has been met, thus warranting what would have been a reduction back to "neutral" at that level. Reaching expanding top resistance this week, in what is best viewed as topping action, had me reduce allocations to 90% of neutral. IF SPX breaks below 2913, a further 20% reduction, to 70% of neutral, will be seen. Conversely, topping action (subjectively defined by me) at higher levels, towards 3150, will also likely prompt further reduction in allocations. Below 2913, key structural level is 2739. Break of that level will suggest that the rally off December 2018 low completed, and SPX is in a larger degree correction.
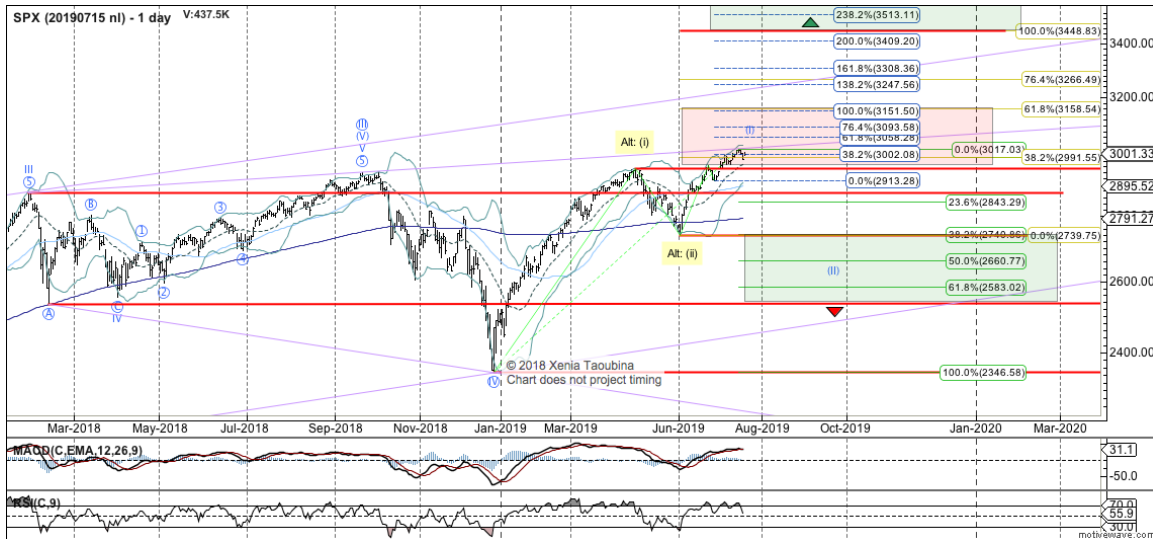
Russell 2000 (Ticker: RUT)

View	Key Support	Key Resistance
120% of neutral	1517 1460 1268	1618 1696-1742

On May 31, I voiced an unequivocal "overweight" bullish bias for equities, and RUT in particular (though this date precedes the initiation of this newsletter, those familiar with my work, including my followers on LinkedIn, may have seen the bullish article published that day). My minimum expectation off that low, a move back to 1618+, has not yet been met, so I continue to favor an overweight position in RUT, to be trimmed back to neutral at 1618. My raised stop for the overweight view is 1517; below it, I will move the view to 100% of neutral, with the expectation that 1460 will likely be revisited (at which time, I will look at the structure of the decline for an optimal spot to add to exposure).

Nasdaq 100 (Ticker: NDX)

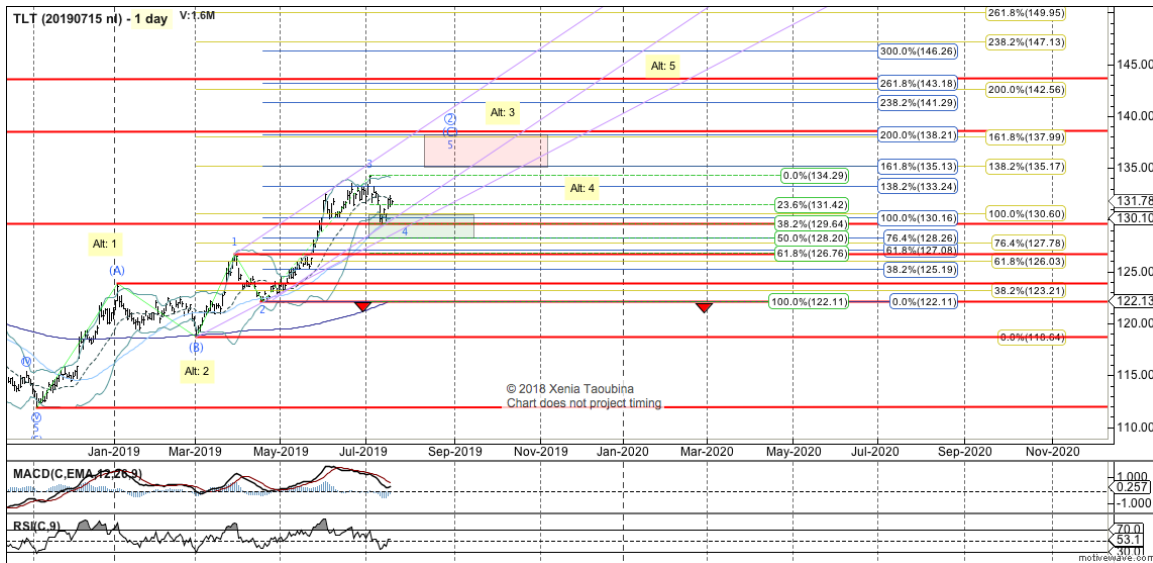| View	Key Support	Key Resistance
100% of neutral	7615 7315 6938	8278 9232

On May 31, I voiced an unequivocal "overweight" bullish bias for equities (though this date precedes the initiation of this newsletter, those familiar with my work, including my followers on LinkedIn, may have seen the bullish article published that day). My minimum expectation off that low, a move back to 7851+, has been met, thus warranting what would have been a reduction back to "neutral" at that level. At this time, structure can be viewed as topping, so I'm watching this action closely to potentially further reduce allocations. On the downside, a reversal below 7615 will have me consider reducing allocation (decision will be subjective, based on the shape of the decline). Ultimately, the 6938 level has structural significance, and if it gets tested on the downside, the structure of the decline will be a key determinant of whether I would be increasing or reducing allocations there.

iShares 20+ Year Treasury Bond ETF (Ticker: TLT)

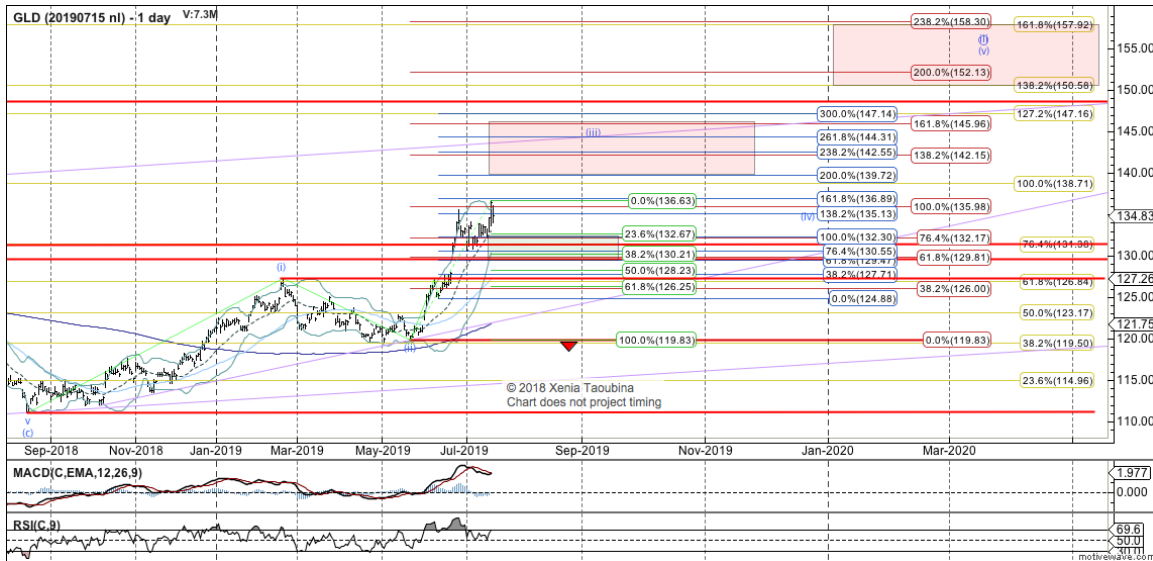| View	Key Support	Key Resistance
120% of neutral	128.2-130.6 126.69 122.11	135.1-138.2 142.5-143.6

Though this predates the initiation of this newsletter, those who have been following my work know that I've been tracking a bullish pattern off November 2018 lows in TLT this entire year. In this pattern, TLT is in the latter stages of the rally, however higher, to 135.1-138.2, remains favored. I view 128.2-130.6 as accumulation zone, and the pullback into that zone that we saw a week ago was an opportunity to add to the position to 120% of neutral, with target of 135.1-138.2. If TLT pulls back deeper into that zone, I will consider adding more. Must-hold level for this additional allocation is 126.69; if it's breached, I will revert back to neutral, and if TLT continues to below 122.11, that will put it in a long-term bearish stance, making me drop allocations to significantly below neutral.

SPDR Gold Shares (Ticker: GLD)

View	Key Support	Key Resistance
100% of neutral	129.4-132.3 127.21 119.83	139.7-145.9 150.5-157.9

I view gold as being in a bullish stance, with upside structure off May low unlikely to be complete. However, substructure of this rally is not entirely clear, which makes me more cautious than I would have otherwise been. IF we see a pullback to the 129.4-132.3 zone, I will likely increase allocations to above neutral with target in the 139.7-145.9 range. Conversely, reversal below 127.21 will have me stop out of any overweight position I may have, and will have me consider reducing further to below neutral.

Market Vectors Gold Miners (Ticker: GDX)

View	Key Support	Key Resistance
100% of neutral	24.48-25.64 23.70 20.14	27.62-29.06 31.17-33.58

Those who are familiar with my work know that I was strongly bullish GDX in early May, and it certainly delivered, following the more bullish of the two routes I shared at the time. At this point, GDX has reached resistance for that count, so the overweight position off early May lows has been trimmed to neutral. I see 24.48-25.64 as support for further extensions higher; constructive action into that support zone will have me consider adding to the position against the 23.7 level. Conversely, continuing higher to 31.17-33.58 will have me consider trimming the position to underweight.