XT on Markets
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Published by Xenia Taoubina

Mission
The objective of this newsletter is to assist investors with tactical decision-making. The goal is to outperform a buy-and-hold strategy for each of the individual markets covered.

Author
Xenia Taoubina is a capital markets professional with 17 years of experience. Xenia spent the first 10 years of her career working on trading desks of some of the top investment banks on Wall Street. In 2011, Xenia left an Executive Director position at J.P. Morgan to become an independent trader. Soon after, Xenia established a reputation as an Elliott Wave expert, having built a six year track record of market forecasts, with a high degree of accuracy.

Methodology
The basis for the views expressed in this newsletter is technical analysis – Elliott Wave Theory, as well as traditional technical analysis. The underlying premise of my analysis is that anything can happen in the markets. As such, my work is to distill the slew of possibilities down to what is likely to happen, and to identify levels that require me to reassess my working hypothesis. I use that information strategically to increase, or decrease, allocation to a particular market.

Executive Summary
Market is providing further validation to my risk-on bias, with equities just under their July highs. That said, the high probability portion of the risk-on move has completed, and I have shifted allocations back towards a more balanced stance, and put protective stops in place on portions of the equity positions.

| Market	This issue		This issue	
	Level	Allocation	Level	Allocation
SPX	2,979.00	100%	3,014.00	100%
RUT	1,515.00	120%	1,575.00	120%
NDX	7,866.00	100%	7,947.00	100%
TLT	145.41	50%	139.40	80%
GLD	143.30	80%	141.30	110%
GDX	29.22	80%	27.34	110%

Key features of the newsletter are as follows:
- 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 allocation for the asset in question.
- **Risk management** – with the exception of extraordinary market situations, the goal is to have allocations between 50% and 150% of neutral, where "neutral" is defined as one's target allocation model. Given that everyone's allocation model is different, I leave it to the readers to determine what their "neutral" is.
- **Tactical** – strategically adjusting level of market exposure with the goal of outperforming the market on a risk adjusted basis.
- **Publication frequency** –absent action that requires intraweek tactical allocation adjustments, frequency will be weekly. If intraweek adjustments are required, an additional alert will be posted.
- **Support/resistance levels –** levels marked in red mark automatic reduction in positions; levels marked in green mark automatic increase in positions (for details, please review the writeup). The rest of the support/resistance levels are zones where I will consider taking action on a discretionary basis.
- **Charts** are included as a bonus for more technically inclined readers and 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 Index (Ticker: SPX)

Allocation	Level	Support Levels	Resistance Levels
100%	3014	2939	3027
		2739-2822	3082-3163
		2533-2665	3448

SPX continued to follow the bullish path that I had favored, at this time within 1% of prior high. I'm favoring higher levels ahead, for as long as SPX can hold over 2940. IF that level is breached, it will open up potential to a failure, suggesting another trip to 2822 and potentially lower to follow. So, I'm maintaining a stop on 20% of the allocation, and slightly raising it, to 2839 (breaching this level will automatically make me move from neutral to 80% of neutral). On the upside, I'm tracking a smaller degree pattern, which would have SPX topping in the 3082-3163 range. IF such topping is seen, I will look to reduce allocations there.
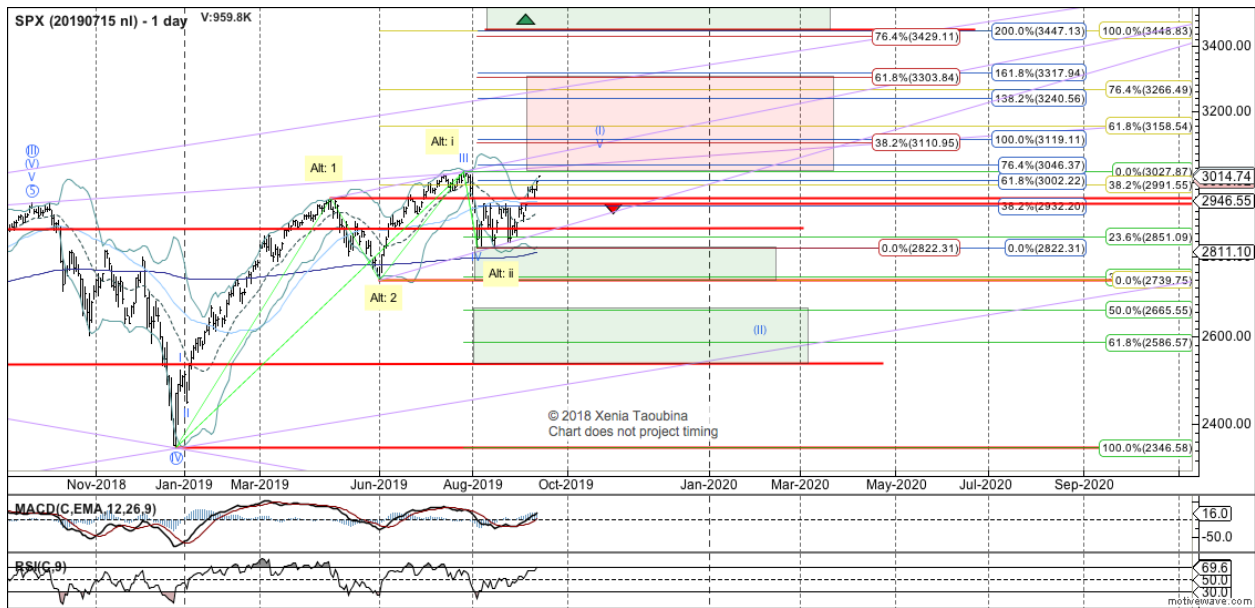
Past allocation changes

Change Date	Transaction	Price	Total Position
7/19/19	90%	3001	90%
8/6/19	10%	2865	100%

Russell 2000 Index (Ticker: RUT)

Allocation	Level	Support Levels	Resistance Levels
120%	1575	1535	1599
		1401-1450	1618
		1268	1742

My thesis for acceleration higher, voiced in a mid-week action alert, is likely playing out. For as long as RUT can hold 1540 area, it is likely heading to 1618 directly. At this time, I'm replacing the stop on the 20% overweight portion with what's known a bracket order – I will unwind it automatically if RUT either reaches 1618, or breaks below 1535. Furthermore, if topping sub-1742 becomes likely, I will consider reducing the position to below neutral, given that such a top would open up potential to 1268 or lower (to make that potential likely, RUT will then need to reverse below 1450).
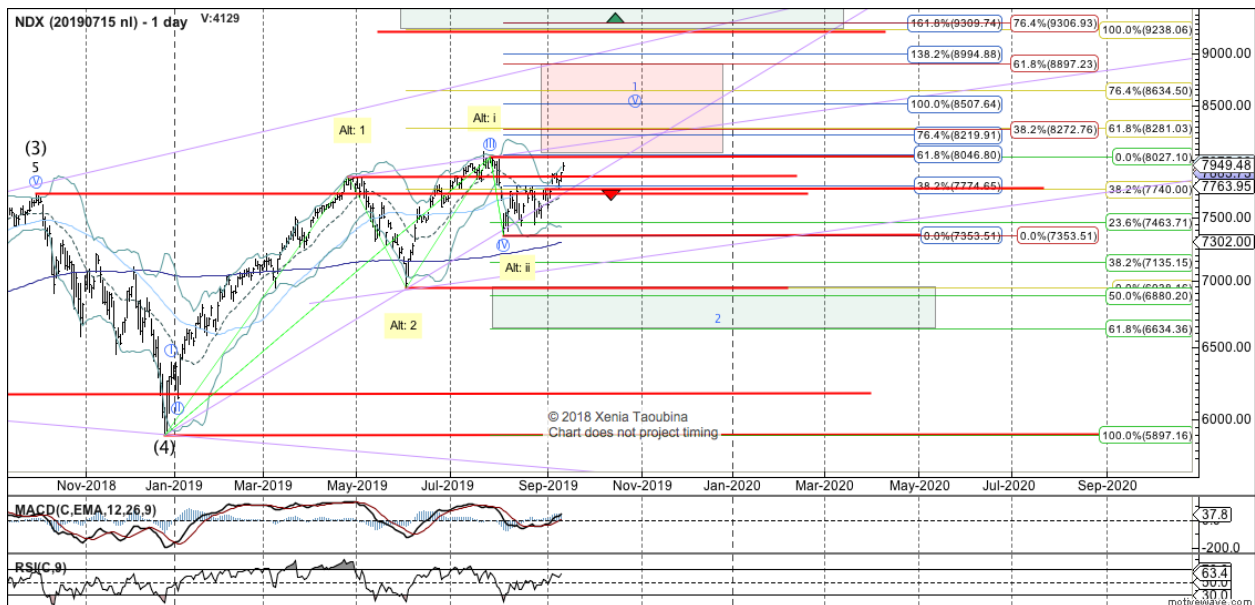

Past allocation changes

Change Date	Transaction	Price	Total Position
7/19/19	120%	1559	120%
8/1/19	-20%	1557.97	100%
8/14/19	20%	1465	120%

Nasdaq 100 Index (Ticker: NDX)

Allocation	Level	Support Levels	Resistance Levels
100%	7947	7740	8027-8320
		6938-7353	8507
		6634	9238

NDX narrowly missed the stop I had for it in this week's pullback, in what was a hard test of the breakout area. I'm maintaining a stop on 20% of the position at 7740. Picture here is the most ambiguous of the three equity indices; signs of topping in 8027-8145 zone will have me consider reducing allocation; conversely, a move over 8320 will open up potential to acceleration higher.
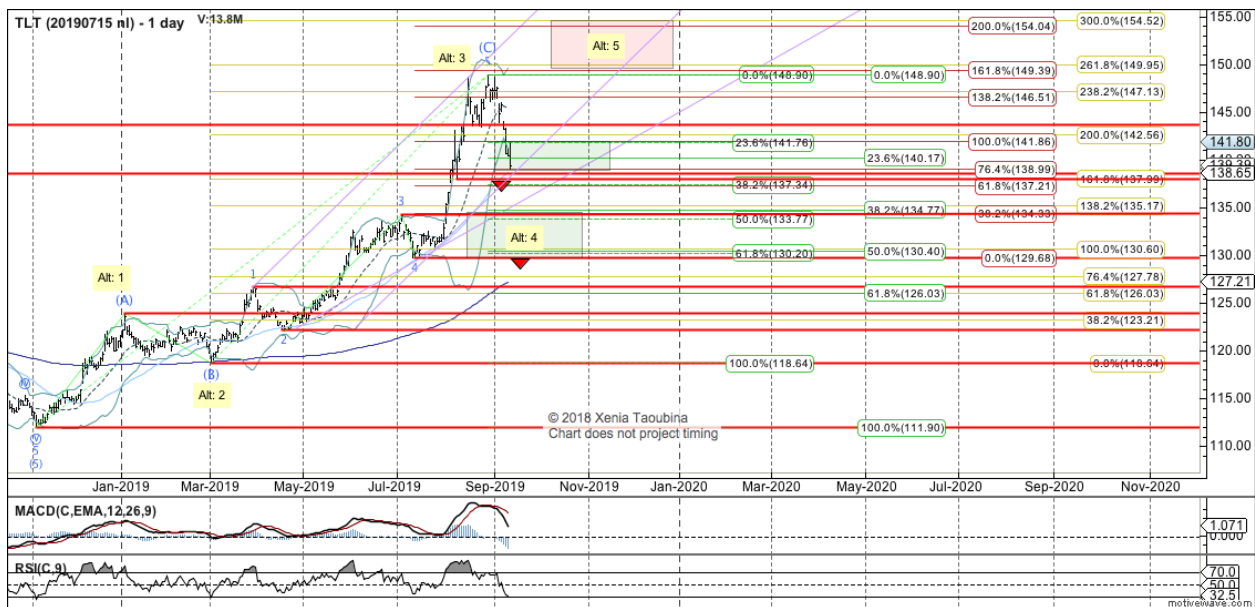

Past allocation changes

Change Date	Transaction	Price	Total Position
7/19/19	100%	7916	100%

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

Allocation	Level	Support Levels	Resistance Levels
80%	139.4	139.0-141.9	148.9
		138.0	149.9-154.5
		129.68-134.29	

My preference for at least a local top did play out, with TLT testing the bottom of the support zone at this time. Having been only 50% of neutral at the time of the last newsletter, I added back some of the exposure on the way down. At this time, I'm watching carefully how action off of this support zone develops. A bullish pattern off of here will have me looking to add back the remaining underweight position and bring it back to neutral. In the absence of such constructive pattern, I will be looking to the next support zone for potential signs of bottoming.
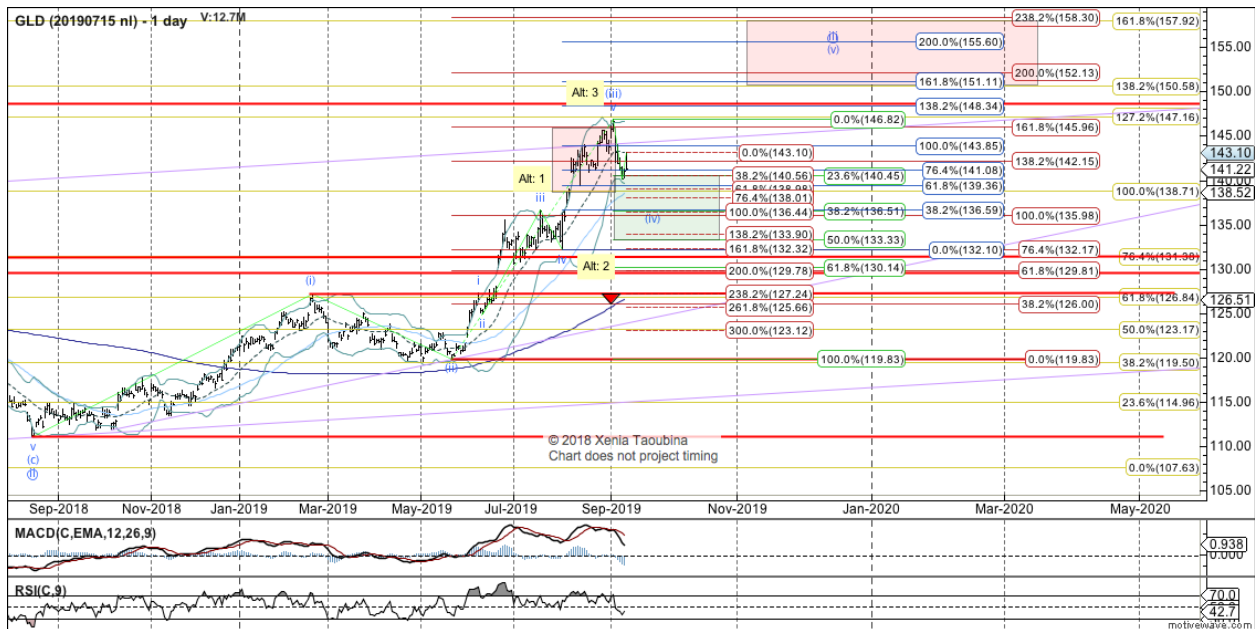

Past allocation changes

Change Date	Transaction	Price	Total Position
7/19/19	120%	131.78	120%
8/2/19	-20%	135.7	100%
8/5/19	-20%	138.15	80%
8/15/19	-20%	147	60%
8/28/19	-10%	148.8	50%
9/6/19	10%	145.85	60%
9/9/19	20%	143.6	80%

SPDR Gold Shares ETF (Ticker: GLD)

Allocation	Level	Support Levels	Resistance Levels
110%	141.3	133.3-140.5	146.82
		132.1	150.5-157.9
		127.21	

GLD saw further downside, as was favored, and with it, had me move the position from 80% to 110% of neutral since the last newsletter. Ideally, a deeper pullback will be seen, and if action makes that likely, I will consider trimming the position back to neutral. Conversely, a pullback deeper into the support zone will have me looking to add to exposure.
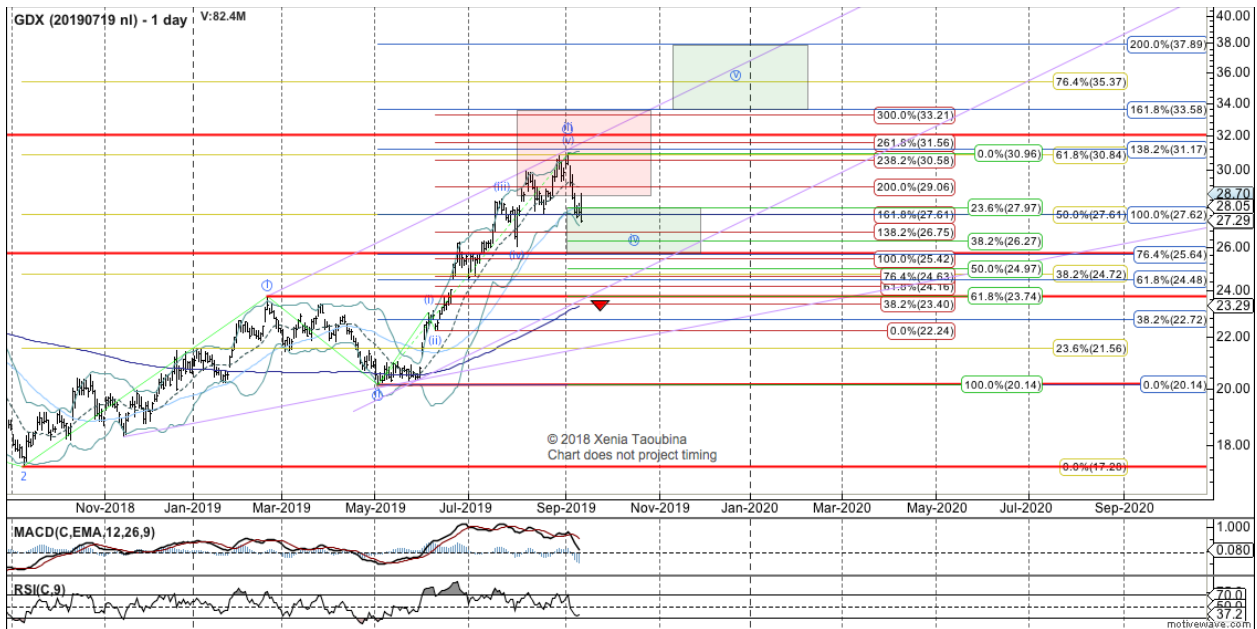

Past allocation changes

Change Date	Transaction	Price	Total Position
7/19/19	100%	134.83	100%
8/1/19	20%	132.4	120%
8/5/19	-20%	137.95	100%
8/8/19	-10%	142	90%
8/28/19	-10%	145.5	80%
9/6/19	10%	142.35	90%
9/9/19	10%	141.83	100%
9/11/19	10%	140.87	110%

Market Vectors Gold Miners ETF (Ticker: GDX)

Allocation	Level	Support Levels	Resistance Levels
110%	27.34	25.64-27.97	30.96
		23.70	33.58-37.89

GDX saw further downside, as was favored, and with it, had me move the position from 80% to 110% of neutral since the last newsletter. Ideally, a deeper pullback will be seen, and if action makes that likely, I will consider trimming the position back to neutral. Conversely, a pullback deeper into the support zone will have me looking to add to exposure.

Past allocation changes

Change Date	Transaction	Price	Total Position
7/19/19	100%	27.82	100%
8/8/19	-10%	29.6	90%
8/19/19	10%	27.88	100%
8/23/19	-10%	29.63	90%
8/28/19	-10%	30.62	80%
9/6/19	10%	28.79	90%
9/9/19	10%	28.03	100%
9/9/19	10%	27.9	110%