



## CPI. MARK IT ZERO AND BUY STOCKS.

Walter Sobchack should have announced this morning's CPI print for October. "[Mark it zero.](#)"

CPI for October was 0.0% versus 0.1% expectations. CPI Ex Food and Energy for October was 0.2% versus 0.3% expectations. CPI year-over-year for October came in light at 3.2% versus 3.3% expectations. The data covers October, with a median oil price of \$85. With oil and gas prices falling in unison last month, there is almost NO CHANCE for a "hot" CPI number to derail the bond market in our foreseeable future.

US2Y yields fell from 5.05% to 4.86% on the data. They are six basis points from the low of the move and about to take it out. Treasuries across the curve are ROARING, and the curves are stable. You can picture raging bond bull Jared Dillian smugly winking at himself in the rearview mirror of his 'Vette, and so he should.

The S&P just vaulted 60 handles through its 100-day moving average resistance on the headline. [As of today, I will be adding SPY to the View Matrix from the Radar Screen.](#) I have high hopes for this to become a long-term position, and I will put the ALL BETS ARE OFF level down at 4,250. With the S&P around 4,450, I will risk 200 S&P points to make 800. Yes, the S&P can trade 5,300 by 3Q24 before this run ends.

This is one of the trades that you pray you have some dry powder to invest in when it comes along. The idea of positioning properly for year-end is extremely difficult in mid-November when everyone has witnessed the 2024 tape of non-linear chaos. The non-linear chaos arose when the FOMC raised Fed Funds 500 basis points to fight inflation. Bulls and bears battled in the S&P until the bear's heads were just lopped off.

The Fed fought inflation, and the Fed won. The pace of the rate hikes has flattened, and one has to assume that the next move is an easing to combat either a slowdown in GDP growth or a rise in the unemployment rate heading into an election year.

Tomorrow, I will tell you a true story about what happens when the Fed stops raising rates and Fed Funds are rangebound for several years. It's an analog to 1994, and it's one of the most bullish things I've researched as a student of the stock market.

For today's purposes, pick a spot and get a manageable SPY position on the pad. Technicals have taken over. Seasonality is about to provide a hellacious tailwind. Get the bat off your shoulder and lean into this fat S&P pitch above all major moving averages with bears abound.



# NAVIGATOR BULLETIN

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