



Presidential Brush Strokes

“Sunlight is pouring over the entire world.”

– President Trump, January 20, 2025.

“Stocks are bid-only.”

– T.G. Macro, January 22, 2025.

He’s back in charge and making moves. Whether anyone likes it or not, Donald John Trump was sworn in as the 47th President of the United States on Monday, and the stock market is in a full sprint to its all-time high. If this type of NEW ADMIN price action seems sustainable, trust your instincts. We’ve seen it before.

True to his form that never stops working, Trump was inaugurated and immediately applied powerful presidential brush strokes to the American landscape. I strongly believe many Americans, whether Trump fans or not, will be extremely pleased with the results of his traditional painting. I see a powerful and beautiful “Norman Rockwell” version of our country being created, and I’m excited for my young adult children.

Within 24 hours, President Trump scrapped the globalist blueprint for America and started recarving our traditional image of exceptionalism. He took [the following actions](#) that could directly affect financial markets:

- Rescinded 78 Biden-era orders related to diversity, immigration, and [climate](#).
- [Exited the Paris Agreement](#) for the second time.
- Withdrew the U.S. from the World Health Organization.
- Announced 25% tariffs on Mexico and Canada by February 1st.
- Established an External Revenue Service to collect tariffs.
- Orders all Federal agencies to address [the cost of living crisis](#).
- Revoke measures that blocked drilling on U.S. coastal waters.
- Renamed the Gulf of Mexico the “Gulf of America” for a reason.
- Promised to [fill our strategic reserves](#).
- Ended leasing of U.S. lands for wind farms.
- Eliminated the electric vehicle mandate.
- Halted the ban on TikTok.
- Plans to take over Greenland and the Panama Canal (sort of.)

We saw markets fire off in different directions, anticipating a Trump Presidency. First, Bitcoin took off, and then software, cloud, and cyber security broke out. Solar broke down immediately. Financials and broker-dealers roofed. Those moves are still intact now that Trump has been sworn in, and the markets appear invigorated by the idea of an America First President in the White House.

The moves yesterday spoke volumes. There was a 2-sigma slide in WTI crude oil on Trump’s “Drill Baby, Drill” comment. We saw 3-sigma gains in MMM, ORCL, and aerospace & defense. We saw 2-sigma gains in Bitcoin,



industrials, utilities, and health care as the S&P reclaimed 6,100. Animal spirits were firing.

MOST IMPORTANTLY FOR MARKETS RIGHT NOW:

- 1) The dollar is receding from its high print.
- 2) Bonds are bouncing off the bottom of the range, and rates are receding.
(Imagine Trump turns out to be a deflationary President after an extremely inflationary one?)
- 3) The 2s/10s curve is **FLATTENING** through 30bps from a peak above 40bps.

This type of price action tells the stock market, "**The bond/FX extremes are on the board. The AMERICA FIRST President is in the White House. REJOICE! RUN LIKE AN ANTELOPE AND DON'T LOOK BACK!**"

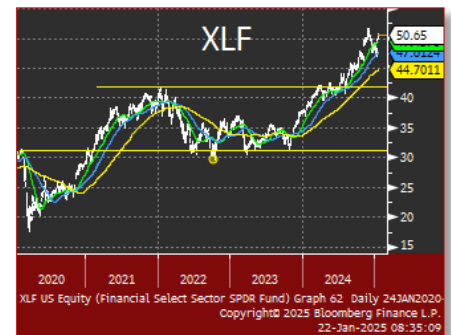
Since the Trump Inauguration, the S&P is up 88bps and it's NOT being led by tech. The Nasdaq is close behind, up 65bps. The ferocious combination of cyclicals with a side car of breakout technology is leading stocks.

In order of descending magnitude, the best-performing sectors since Melania Trump sported her **finest FAFO outfit** around D.C. are uranium (4%), aerospace & defense (3.2%), airlines (2.4%), cyber security (2.3%), gold miners (2.3%), industrials (2%), and cloud storage (2%). I've said it before – it's REALLY HARD to keep a bull market index down when the internals show dramatic enthusiasm across technology and cyclical sectors. Solar and pot stocks can't find a bid. Same as it ever was.

If you compare the sectors exhibiting relative strength after the inauguration, they are the same sectors that showed relative strength BEFORE the inauguration. It's a lot of mining, industrials, and technology, which is the cocktail that launched the S&P through 6K in anticipation of a Trump Presidency.

My challenge is the same: observe the change in market leadership with the change of administrative leadership, rotate us into the sectors that respond, and manage the risk. We already got into and out of software with a quick profit to pad the PnL. We're still in the Bitcoin Breakout trade and managing the risk. We're long the S&P, and we added commodities to the mix. If you think I got a little excited when Trump announced a massive infrastructure plan yesterday, trust your instincts. It must be a commodity-intensive plan!

To keep up with the rotation this week, I'm going to add financials (XLF) to the View Matrix at today's closing price, I'm going to put a stop 10% away below the 50-day moving average at \$49.50, and I'm going to let the Market Gods come and get us down there if the trend turns. If I can make a case that financials floundered during the Biden Administration and traded sideways, I can make the case that they're going to rally like gangbusters during the second Trump Administration.



That's the plan and I'm sticking to it.



View Matrix

Get into this habit:

"I'm making money, so I need to reset my ALL BETS ARE OFF levels."

Bitcoin stop raised, Solar stop lowered.

Lock in profits.

Keep navigating.

Financials go on the books at today's closing price.

With any luck, we'll get a pullback.

| VIEW MATRIX | | | | | | | THE PNL: | 68.3% |
|----------------|--|-----------|------------------------------|--------------------|-----------------|-----------------|---------------|---------------|
| LONG | TICKER | ENTRY | REASON | ALL BETS ARE OFF | TARGET | Entry/Mark | Last Sale | Performance |
| Commodities | DBC | 10-Jan-24 | Relative Strength Value Play | < \$20.75 | \$25 | \$22.16 | 22.36 | 0.90% |
| Cryptocurrency | IBIT | 28-Oct-24 | Trump Breakout | < \$54 | \$65 | \$39.78 | 60.42 | 51.89% |
| Stocks | SPY | 26-Sep-24 | Technical recovery | < \$578 | \$620 | \$568.64 | 603.05 | 6.05% |
| Gold | *PHYS | 24-Mar-20 | Monetary Insurance. | *COLLECTORS | FOR LIFE | \$21.32 | 21.19 | -0.61% |
| SHORT | TICKER | Added | REASON | ALL BETS ARE OFF | TARGET | Performance | | |
| Solar | TAN | 4-Dec-24 | Trump Breakdown | > \$37.50 | \$20 | \$36.02 | 33.67 | 6.52% |
| RADAR SCREEN | | | | | | | | |
| BULLISH | Transports, Financials, Broker Dealers, Cloud | | | | | | | |
| BEARISH | Bonds, Fiat Currency, PFE/MRNA, BIG FOOD, BIG PHARMA | | | | | | | |



STUDY BREAK



"The golden age of America begins right now." – President Trump Inauguration Speech, January 2025.

"Sometimes, this meant taking big swings and taking on fights that are much bigger than any of us as individuals. Fraud, corruption, and negativity often seem overwhelming. Early on, a sense of justice was usually elusive. When it happened, it was tremendously fulfilling. It kept us going when we needed it."

– A Personal Note from the Founder of [Hindenburg Research](#), Nate Anderson.

"The purpose of living is not to be happy. It is to be useful, to be honorable, to be compassionate, to have it make some difference that you have lived and lived well." – Ralph Waldo Emerson.

"Let us, then, with courage and confidence, pursue our own federal and republican principles, our attachment to union and representative government." – Thomas Jefferson's Inauguration Speech.

"I will also sign an executive order to immediately stop all government censorship and bring back free speech to America." - President Trump Inauguration Speech, January 2025.

"With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation's wounds."

- Abraham Lincoln 2nd Inaugural Address

"We will forge a society that is color-blind and merit-based. As of today, it will henceforth be the official policy of the United States government that there are only two genders: male and female."

– President Trump Inauguration Speech, January 2025.

"Above all, we must realize that no arsenal or no weapon in the arsenals of the world is so formidable as the will and moral courage of free men and women." – Ronald Reagan Inauguration Speech.

"Under the orders I sign today, we will also be designating the cartels as foreign terrorist organizations. And by invoking the Alien Enemies Act of 1798, I will direct our government to use the full and immense power of federal and state law enforcement to eliminate the presence of all foreign gangs and criminal networks bringing devastating crime to U.S. soil, including our cities and inner cities."

– President Trump Inauguration Speech, January 2025.

"I've been doing this for 49 years, and we're probably going from the most anti-business administration to the opposite." - Stanley Druckenmiller. #MAGA fan.



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