

# INSANE: WHAT IS GOING ON WITH U.S. MARKETS?

Hey there -

First a deep breath. If you're a long-term investor, you may not care about today's violent whipsaw that saw the NASDAQ traverse 700 points in the matter of 45-60 minutes.

Perhaps it's best that you don't...

Or should you?

Now I participate in multiple timeframes in the market depending on the environment - Daily, Multi-Week, and Long-Term.

I can tell you this: I have NOT seen this type of violent intraday price action since the darkest days of 2022.

The level of uncertainty I saw in the tape today gave me vibes that the market could have an "air pocket" (translation: plunge) if the Administration doubles down on their efforts to wreck the global economy through tariffs.

**Thankfully** - we found ourselves at the 200 Moving Day Average for the NASAQ and along with my view that Google was great value in the low 170s, algorithms gave this region a massive BID. But this BID's durability depends on some semblance of what the policy outlook will be.

In the world right now, there is an exchange of market structure. What do I mean by that?

All U.S. investors have entered the price action realm most similar to the “Hang Seng” where every single trading day is dictated by what President X will do. Now in this instance, it's President Trump.

In this environment for the near term, earnings estimates are secondary and the greater prized skill now is **how well we can read Trump and/or predict his policy decisions.**

Even my powerful DCF Model is having great trouble assessing the fair value of stocks because tariffs are making fair value a “moving target” based on the tariff's implementation.

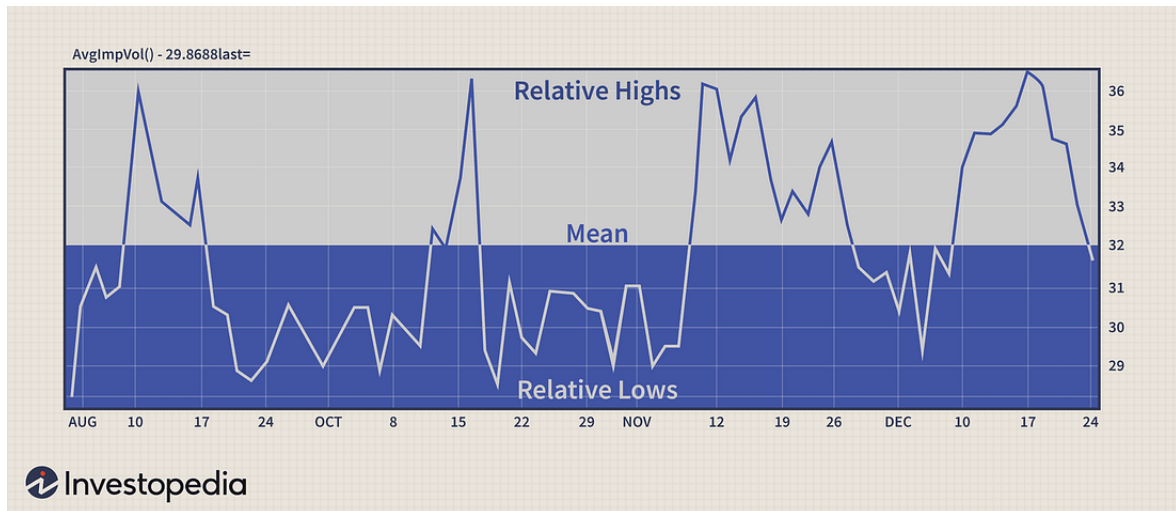
Now over in HK, all HK investors have now entered the price action realm of the “S&P 500” where there is now LESS policy uncertainty than before. Now, HSI is in melt-up mode. Every dip is bought. Every high gets higher.

If you've ever wondered what trading the Hang Seng is like before its recent rally (which is a departure from its former market structure), now you know.

I know this because when I was in HK/China in Fall 2024 and traded HSI rather than SPX/NQ (due to timezone) and I can say with certainty that today's S&P 500 price action is EXACTLY what HSI price action is like.

Unstable. Prone to random moves. Selloffs feel like we go to Hades. Rallies feel like we are taking a Moon trip. **But more often than not, the theme is Mean-Reverting.**

Chart below.



U.S. Market Structure UNTIL tariff resolution: MEAN- REVERTING.

What do we make of all this?

Look I'm a Bull and my thinking is always going to err on the Optimistic side.

The answer to how to position in this market depends on several things:

- Your risk tolerance
- How've you been positioned up until this point
- Your goals and aspirations
- Your age

The answer of whether this recent crater is Buyable DIRECTLY depends on the above factors and more.

Me issuing a Buy the Dip call makes sense for those who aggressive/have time.  
Makes less sense for those who are near retirement/have less time.

For this reason, based on different situations, I'll discuss what I think about whether we BUY this Dip.