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2025-04-17 Is The FED Tricking Us Again?

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well guys it's been a while since we've had to discuss this chart central bank liquidity but as it turns out it looks like it's back on the rise and contrary to what we just saw from the Federal Reserve and Jerome Pal they are trying to support one particular market can you guess what it is well in today's video we'll take a look at it together along with what's happening on the most important market sector semiconductors as they continue to see weakness and of course everybody goes towards safe haven demand the US may not be the number one market anymore according to some people today we look at the bankruptcies that are on the rise and why everyone is choosing a couple of shiny metals let's go through stocks commodities and cryptos to see what's next for markets join us guys this one's not to be missed well welcome back everybody to the daily show my name is Tom and in today's video we have a lot to discuss together the latest macro the big data the darkpool liquidity the options flow and then of course the bankruptcies and what Jerome Pal just said if it's your first time here remember to subscribe and smash that like button if you love markets like we do as we do do this on a daily show but on top of that we've got some amazing stuff to share with you so let's jump into it straight away and have a look at that correlation that we've used several times before which is Nvidia versus Cisco are we in some type of dot boom to bust that we don't even know about yet and yes I know the argument here is of course totally different when you look at valuations one thing that is pretty similar though seems to be the overlay chart if you take 1996 all the way to the 2000's boom and then bust you'll notice that Cisco and Nvidia seem to be following a very similar path and that begins this most important level if we start to lose structure around here then of course we will literally be on the recessionary path and things really will be dire but if markets are able to regain certain highs

that we'll look at later on today's video that could be a huge deal so let's break down what everybody is saying and of course we'll start off here with JP Morgan and their latest call we posted this over on our exac account links in the description down below but basically it's more of the same bank of America Goldman Sachs JP Morgan everyone's downgrade in the US and now they're saying their worst case scenario is 4,000 i tend to believe the worst case is much worse than 4,000 if things really go bad but either way they've downgraded it and now their base case is 5200 funnily enough exactly where we pretty much are at the time of this recording and their bull case is 5,800 by the end of the year so what they're predicting is up down and all around basically this all the way through to the end of the year now will that happen well let's take a look at some of the things that Jerome Pow just mentioned over the last 24 hours in his meeting now basically we saw here a very interesting comment drone power was asked with the Fed will step in and support the market basically he said no I think the market is functioning as it should be even with the current uncertainties obviously talking about the tariffs and he's basically saying no bailout is coming for the stock market but that being said as we've seen recently there are signs of liquidity increasing in markets and particularly we think that Jerome Pow will be supporting the bonds market so will there still be a plunge protection team i think whether that's let's say the administration or it's Jerome Pow clearly something will be going on because we already saw someone blink and we are starting to see central banks around the world pay a lot of attention have a look here particularly at the new all-time highs almost every central major bank in the world is actually pumping M2 money supply and a lot of people liken this to Bitcoin as there is some correlation we'll look at in some upcoming videos and of course they also liken it to certain things like gold and other markets going up so the US monetary supply looks like it's actually going to a new all-time high we've got China absolutely pumping which is part of the reason we've been so bullish on market structure and as you guys know this is often the early stage of forming a base support now that doesn't mean we can't hit 4,700 on the spy together you know obviously that could be hit or we might actually make new lows as that would actually entertain but it does mean that generally speaking you're looking at high volatility to create some form of structure and this is where our concept of patience react don't predict comes in very clearly over the next coming sessions now Japan and Eurozone and UK and Germany and everybody else also are doing something very similar so it's a very interesting thing to track and obviously we will be tracking M2 money supply along with

other liquidity injections over the next coming weeks and months now another thing is have we actually hit extreme fear well you can see here on this chart if you're taking just the AI sentiment surveys which obviously we have for a long time then yeah we've kind of hit maximum fear but one of our good friends here Grant Hawkrige has gone through and what he's actually done is he's looked at all of these reads together including put call ratios bu bull bear spreads NAIM reports etc etc and he's actually put them in with all of the great lows and I think this is an excellent chart because what it shows you is that we may have hit the extreme low but if we're going into let's say some form of recession significant pullback that's going to last then we're not quite at those extreme extreme periods so of course there is more room to potential downside from that aspect that being said a lot of the temporary low periods are coming up so I'd be looking forward to seeing the next week or two weeks worth of these reports and hopefully Grant I'll have a chat to him will continue to make this report for us so that we can therefore share it with you guys and be pretty clear whether we've actually hit a rock bottom low in that aspect a really cool chart well worth checking out now what about first quarter bankruptcies this is going to shock a lot of people bankruptcies are up big time and you can see we are now at the highest level of first quarter bankruptcies since 2010 now this may look at this point wow shocking of course you think "Wow bankruptcies are up tariffs are taking control market's screwed everything's bad nothing's going to work out." But you do need to remember to put things into of course you know some form of okay is this normal to see bankruptcies up quite a lot and you can see here yes it is although it is elevated here no doubt in 2025 it'll be interesting to see how the lower level of bankruptcies that tends to come through April May and June tends to come through this year but yeah bankruptcies are increasing and obviously the real case of where bankruptcies are expected to spike at least in our eyes going to be the back of this year third quarter fourth quarter and that's going to be because there are so many refinance companies coming up that need to get backing and that may be very difficult in the current environment so are there still some good cases for the markets right now even though they've pulled back to 5200 well it turns out there are a lot of options sitting here but also CTAs are still expected to be a buyer during of course the month of April and we are also on those kind of you know I say narratives of the 1960s or 1990s period where you might say okay yes we've hit the level based on the Cisco chart but we also have overlaid very nicely so far with both the 1960s run and the 1990s run as this is a dip that is therefore bought but it is still near the end of a serious cycle run so you've got to remember in both of those

cases even if we do follow a new all-time high you can never forget what we've just seen here this year because luckily well not luckily generally this is where the damage has been done so actually damage gets done markets still go on like nothing's been happening everyone thinks "Oh yeah it's all good." And then it's it's really not very good at all now if we are to see a market go towards the Vshape and recover this is around the level that we tend to see it now you might think of course the last 24 hours things got really wild but you've got to remember that we're in a structural zone of a,000 points and you would say "What are you talking about it's thousand point structural." Well we're in a VIX plus 30 environment so yes we are in that type of structure the way that this plays out over the next 1 to one and a half months could be the most important level we've said this for now literally a month so we knew this was going to be an important level this area here will matter to the recessionary structure which we may actually already be in or of course the recovery structure and this is really where we're going to see stocks like Nvidia semiconductors and of course many others hold up or not in terms of people fleeing the US this story line at the moment is of course the end of US exceptionalism i don't believe that happens overnight so you know I think that this story is getting blown out i've seen this story run many many times over the last kind of 15 years and of course it's always been wrong so far you may argue that it could be having more merit this time and no doubt these reports the latest ones here from Bank of America are showing you April 25 but do you think it's the end of US exceptionalism in terms of companies and stocks i'd be interested to know what your opinion is in the comments down below maybe we'll do a poll on it soon to see what people's thought process is but in general these are the thought the forward-looking indicators that people are using and you can look at these and say oh yes things look pretty dire but at the same time again price will be everything and what we're looking for is we're looking for these big flows these big darkp liquidities you know what is Wall Street actually doing not what they're saying and claiming S&P 500 posted one day massive 9% return such as last Wednesday as you can see here it's pretty usual to see an up down all-around market that's exactly what we're seeing we've gone up we've come back down we've gone back to the same high we've come back down and we're actually trading in a bit of a range at this point on the charts and as you guys will see we're now at what we would call a significant put support one thing that isn't trading at range though is gold i mean this thing is absolutely flogging and it is probably on target to hit our second and really final target at so far which is 3600 now a lot of central banks are buying but at the same time

a lot of big banks are actually supporting that 3600 target very weird that they've all come out with pretty similar targets in fact Goldman Sachs now is sitting at around 3600 up from I think it was like 2950 or 3,000 before so a lot of people are looking at gold it's pretty much catching storm fire and this usually means that everyone's going to pile into it it is the most worrying time for gold traders in some ways because everybody is looking so what this usually will mean is there'll be a lot of uh people starting to bet on it and maybe we'll see some very outlandish candles over the next couple of weeks and I'm actually looking for that because if we hit 3600 very quickly or get close to it that could be a big warning sign for gold at least temporarily remember if liquidity was to dry up which it isn't at the moment M2 money supply is up and other things are up then we could be in of course liquidity crisis gold will not do well in that particular time let's have a look at another chart here from Subu Trade which is the percentage of stocks below their lower Bollinger band so basically this means markets oversold themselves and of course when a market oversells itself what happens you often see a mean reversion now you'll notice that when this happens it's usually what we call a panic crash and one week later which is what we're in currently this data was taken as of the weekend you can have up down and all around 2 weeks later becomes more green 1 month later certainly structures up traditionally better and then 9 months later well actually the stats are very very bullish indeed but if you have a look here this is what happens a few days later and you guys will notice that it's pretty sketchy when it comes through to the next week queen coin flip type of material so no surprises that we're starting to build structure around here and we're seeing up down and all around now does that make sense also from the darkpool liquidity we've already seen huge Q trades at the highs which is the resistance area we've seen huge Q trades where we're finding ourselves right now we're kind of stuck within those two range zones you will notice though there are a couple of really large trades i want to point here the largest trade that we have now seen on gold on PHYS now this is a big one and this doesn't necessarily mean the high is directly in but I tell you what it's a massive dark pool and it has happened so just like the massive accumulations of back in 2020 and 2023 before gold went ballistic this is one of the largest trades or it is the largest trade we've seen on this particular ETF there's a big one it's the biggest one we've ever seen and it's happening at these highs what do you guys take of that like could be getting close if you know what I'm saying now let's have a look at PLTR another thing here that's been going up pretty strongly recently the number one not a dark pull but a big sweep near the end of the day

coupled with the number four they did end up selling just after this particular read so has PLTR come back too heavily too quickly um maybe i mean as you can see it's a two times long so it's most likely a target or take profit now I thought I'd just include a couple of the previous ones we'd shared here in terms of large activity this was taken as of before the sell off the last 24 hours again kind of stuck within a range this is basically 5200 on the SPY so no no surprise that we're getting there and yeah people are basically trading the range you can pretty much see this sweeps dark pools everything doesn't matter which quality fund NASDAQ S&P they're all kind of buying up to the high and selling off into the low and then of course buying back up again now we do have a big Thursday this will be probably one of the most well this is the most important day of this week other than the Fed which is TSM and Netflix these are the kickoff of the two tech stocks but of course next week and the week after will be the ones we need to watch and I just leave this chart in here just to recognize that okay we entered a bare market traditionally it's very difficult for this to be a soft landing we're going to need everything to work out going to need deregulation further tax cuts an accommodative liquidity supply from the Federal Reserve and central banks around the world maybe we've got that but they haven't told us we've got it why would they and at the same time uh we we need to dodge a lot of poor recessions in the past so yes we entered a technical bare market and they do tend to be kind of bad now when we have a look at rotations of the last 24 hours and last 5 days you guys can see here it's been more of a defensive kind of market which makes sense and if you have a look over here the last 24 hours was a little bit more defensive now what that's telling us is that as we've rallied up it hasn't been semiconductors forming this structure at this point it hasn't been people buying technology stocks and saying this is great it's been people taking profit and rotating into defensive sectors it's not exactly the thing you would really want to see here at these resistances so as we look at the charts here you can kind of see what's going on some people will argue this is some form of island reversal gap up 2 days sitting at the daily 20 then gap down you can see here clearly that this 5200 level is a major support zone and very important and what we'll do is we'll jump we've actually left some gaps here so we'll jump on over to the S&P uh futures so you can get a bit of an idea here so this is the 5200 level this is actually where we've got 52 to 5250 is where we have a lot of puts and you'll notice that's exactly where the market came down to over the last 24 hours now for this market to go bullish you're going to want to go past this high uh over here which is also going to fill gap and this is going to be important because if it gets

through here then it's actually starting to put in a little mini sequence of bullishness and then it could push 5600 on the downside if we get through 5200 that could create what we call a cascade effect which we've seen a few times 5,400 was the other notable cascade effect over here where we hit that level there were lots of puts and then as soon as it went through it it just triggered a huge amount of hedging so at this stage the problem is is we have the most traded zone and a massive gap fill at 5670 we have of course the possibility of markets going bullish if we get through these zones up to there and then having problems and if a bear is going to take control really what they've got to do is push this low 5200 they're going to push through it if that happens it could create a cascade effect next stop maybe even 47 let's have a look at the actual options themselves you'll see what I mean massive options expiration here on the 17th of April and you guys can see here 5250 5200 wow that's a lot of puts so huge amounts of puts huge amounts of uh I guess you would say almost the market not wanting to go through those zones because if they do they're going to need a lot of hedging remember who writes a lot of the options the market makers themselves they will need to hedge off these events if it does occur and it does make sense to hold this support and I kind of looked at all of the other majors including of course the other major stocks we look at Tesla 240 massive amount of puts again could be a significant put wall here that's just appeared as of Friday stabilizing force and then of course we've got 105 stabilizing Nvidia even after that bad news on semiconductors which happened yesterday after the close we still have a 105 100 kind of massive put support now so 105's always been a put support but it seems to have enlarged itself over the last 24 hours so this is going to be the big support line in the sand it doesn't really matter what stock we're looking at what sector we're looking at what index we're looking at all of these particular markets seem to have a ton of puts right where we are at the time of this recording so it would make sense maybe that the market would try to hold above this at least for the Thursday session leading into the long weekend now more importantly than this though if markets do rally back up then we could get to that 565 5670 i still think that's a huge deciding factor now let's jump on over and have a look at the charts first up let's have a look here at the bonds market the bonds market was stable I would say over the Fed chair pals discussion yields went down not up which is okay that's good and spreads actually came down with the latest data again not a bad thing when we have a look at central bank liquidity though you'll notice that both world central bank liquidity and the US central bank liquidity which is this green line here have both started to increase and this is

not just money supply this is actually a mixture of whole bunch of liquidity across the board now if this continues to accelerate at fast rates we might be seeing more of what we did over the last couple of years which was an accommodative central bank kind of liquidity being injected to keep markets afloat so this is more I would say for the bonds market but still liquidity floats everywhere so this will be absolutely important and I know that Jerome says "Oh we're not doing it." But you've got to remember there were backdoor methods that they used since 2023 to 2025 this time around they might be using the more traditional techniques well worth watching we'll keep tracking it what's going on with the dollar nothing structure at around 100 you know this 99 par to 100 is a structural zone so obviously we're going to have to see how that plays out and gold continues to fly has everyone started talking about it yes everyone is talking about it these are very large very big moves and of course at this stage you ride the trend the trend is your friend till the very end as they say but at the same time we do need to recognize the number one largest trade on one of the biggest ETFs just came through silver's doing well as well comes back down to support finding a little bit of a buyer at this time obviously we need to get silver through this area up here of 34 plus 3450 plus and if that happens silver will be free to potentially move into the \$40 an ounce target so we obviously want 45 ultimately for that us oil also on the improve here guys look at this inverse head and shoulders basically breaking the head and shoulders pattern neckline at this stage and again that's pointing towards a little bit stronger on oil and that's a good thing 240 seems to be support for the next 24 hours on Tesla and 220 and then 280 and 300 of course on the high end but Tesla is remember in a trapped range so a lot of you guys want what's happening really it's about these these puts it's about the options market more than anything else with Tesla as it's trapped in the zone with Nvidia it did start off really bad it ended up pretty much neutral on the gap down and look the only thing you've got here is an anchored VWAP so off the low you've got an anchored VWAP low you've got a little bit of a fib that's about it so other than the options at 105100 I wouldn't say you have a great technical level or anything we certainly haven't broken back above you've got to remember that at the moment that semiconductors chart you know semiconductors and semiconductors versus SPY they're really struggling every time this market comes back to this daily 20 moving average it rejects to really start to build some buying pressure we need to breach this we then need to take out this lower high now if we do that great times you know that's an excellent signal that the markets really want to actually find recovery and the worst could be

behind us but for now the worst chart is that semiconductor spy chart that absolutely looks terrible pltr has recovered well again massive trade coming through take of it what you want it's at resistance obviously there's been a little bit of reaction i would say it's a sell that doesn't mean that it has to sell straight away it can go higher it's just that someone made a big decision i think HSI doing okay not too bad of course we know that Chinese central bank is just pumping liquidity right now going ballistic trying to get this market back up that's been one of the reasons we've enjoyed the Chinese market over the last one year in particular but it was really just mostly just great structure you know the structure had improved a lot obviously now we're in trade wars and all sorts of things that are not going to be good for China at all but they will continue to push liquidity once they start they don't stop and you guys know that because we've experienced it with the Fed and of course the Bank of Japan over time in particular and then the EU as well now let's have a look here at the NASDAQ 20 moving average still too much for it obviously gap up gap down nasdaq will show that we haven't really done anything in particular that interesting we've come down to the support we found a bit of buying pressure for the NASDAQ you're looking at 18,750 you get through that we might be able to push that 196 this is the most traded zone now with the Russell 2000 unfortunately it's kind of like even doing nothing more so than the other two which is that it hasn't shown as much weakness but obviously it's not really doing anything great technically again I'd be looking at the NASDAQ and the SPY and then if you wish to trade the Russell accordingly you could do so what about Bitcoin well a lot of people will be celebrating the increase of M2 money supply because there is a correlation with Bitcoin at least it looks like there is we'll explore that soon but at the same time we're not back to that correlation up here so that makes sense because of course the S&P the NASDAQ they all lost value so really you'll be looking for the S&P to break those highs the NASDAQ break those highs and that to potentially push Bitcoin back up to this resistance completing that kind of double bottoming pattern at that point we're going to see a big decision does this market really want to structure back up and start repairing or are we in something much much worse for now the VIX is so high it's above 32 as you guys can see here 32.6 but whenever you're this high you can have to expect five six seven even percent days to come out of nowhere and obviously we're going to have to see deescalation of tariffs very quickly a lot of roll backs on them and more importantly more of this liquidity coming in from the Federal Reserve thanks so much for watching guys just remember we do have a long weekend this weekend so I want to wish each and

every one of you a great time with your families hopefully uh you have a good long weekend and obviously in terms of following us and checking out everything that's going on we will be producing a video this weekend we will also uh be updating plenty of charts on X so follow us over there make sure to follow me on LinkedIn might post a new one next week in terms of some psychology and you can do that links in the description folly Thomas