

OptionProfessor.com Weekly

May 7th, 2022

PORTFOLIO ROADMAP & BLOG



BY THE OPTION PROFESSOR

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AD: Bonus Partner Education:

- Report: [5 Metaverse Stock to Buy for 2022](#)
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- Report: [2022 Ultimate Guide To Gold Investing](#)
- Master Class: [The Power Of Options](#)
- Uranium Bull Market: [Hottest Stock Sector of 2022](#)
- Report: [Tiny Stocks Ready To Pop](#)

Read on for this week's update from The Option Professor...

OptionProfessor Market Update

• Questions or comments? Email optionprofessor@gmail.com

OPTIONPROFESSOR PORTFOLIO ROADMAP 05/07/22:

May 7 2022

Much Ado About Nothing could be a summary of this weeks stock market action as despite the spikes up and down in prices we ended about where we left off last week. Since Nov 2022; the Fed has been clear that it is fighting inflation and is pursuing the second mandate of price stability (neglected for far too long). If investors have been holding on to most stocks hoping earning will bail them out or listening to stock touts (TV Newsletters Brokers)....they have lost a lot of money.

Removing liquidity does not make prices rise and the Global Inflation is out of control so Central Bankers are tightening financial conditions which means valuations are tightening. We have told readers about this for 2 years!! Some fear the old adage of making one or two decisions (Buy or Sell & Buy back in). We appreciate that but if a market is breaking for a reason that is not going away (that could be stocks falling for valuation repricing or oil rising for structural shortages)...our feeling is to consider either a HEDGE or REPLACEMENT of Risk. We have invited investors to Learn with Our PDF REPORTS!

It is possible the support levels of SPX 4037....3680...3450...will hold this year and we will resume a uptrend by 2023 as the sell the rumor (recession coming) buy the fact (it's here) plays out that way. HOWEVER...right now it is equally possible that we are UNDERESTIMATING the heights of where rates will go to slow down this monster economy the Fed has created and therefore UNDERESTIMATING the potential contraction of earnings & levels of P/E's that those interest rates may produce.

Not so much for us to add to what we told you for so many months. BONDS PEAKED in 2020....STOCKS PEAKED in 2021We are looking for COMMODITIES PEAK in 2022. If you have been DEFENSIVELY positioned in stocks & bonds based on our opinions & others...you should be ok.....no one knows how this plays out so we use our PARAMETERS to guide the way

As we said; SPX Technical SUPPORT 4037 (held so far) & 3690 with RESISTANCE SPX 4428. QQQ Technical SUPPORT 287 & RESISTANCE QQQ 330 (held last week) and 360. THIS WEEK- Will we start an EOM May UPSIDE

SURPRISE with SPX over 4250 then to SPX 4350-4450?? Would you like our opinion on support & resistance? Email Us optionprofessor@gmail.com

IMPORTANT!-Get Your Copy of PDF REPORT How to HEDGE Downside RISK & Upside SURPRISES" @ optionprofessor.com

Let's take a stroll around the Portfolio Road Map REMEMBER All investing involves a risk of loss.. not right for everyone.. CONSULT Your BROKERAGE FIRM/broker to determine your suitability/risk tolerance. It is NOT advice

Income Bond Market

We being saying the same thing about higher interest rates and while tax free bonds and corporate bond yields are getting very seductive.....the Ultra Short Term Bonds (1 year duration) or the laddered (0 to 24 months) Treasuries has been least effected. Get your wish list together (IG corporates now 5% Munis at 4+%) and possibly plan out a dollar cost average deal We can provide our opinion on INCOME...simply ask us at email us at optionprofessor@gmail.com

Growth & Value

We told you since DECEMBER 2021 that staples, dividend payers (energy) utilities would be the place to be as the Growth to Value Ratio peaked and has been rolling down. At some point...growth will be a steal as the digital revolution remains. We will keep you abreast of when that may be materializing. Should a deflationary hit occur...maybe hedge energy/ag stocks.

We can provide our opinion on Growth Value and DIVIDEND INCOME...ask us at email us at optionprofessor@gmail.com

US Dollar/International Markets

We have told you for many many months that the Dollar is KING due to our interest rate yield advantage and strong economy. We are now at about 20 year highs especially against the Yen. Overbought technically so either parabolic/dip. Global inflation is killing the overseas markets in Europe (possible recession) and Latin America (Brazil-Mexico) and Pacific Rim (Australia). China will un-tape the doors and let their citizens move about....their economic numbers stink as a result.

We can provide our opinion on the Dollar and Asia Europe Latin America...simply ask us at optionprofessor@gmail.com

Speculation-Energy-Gold Silver Copper Industrial Metals Crypto Agriculture

Again; our view is that there is a potential for a COMMODITIES PEAK in 2022. The Energy markets remain firm and stocks like DVN HAL SLB CVX ect are still elevated. OPEC has not really responded to supply shortages and when we hear release of strategic reserves it sounds temporary. Summer driving season dead ahead & Monday Putin talks....click those seatbelts Gold and Silver faded when it was unknown what the Fed has in mind but has rebounded as the slow boat to China approach the Fed believes is the way to normalization could mean sustained inflation. If Gold gets a 1700 handle; sayonara!

Should Gold start closing ABOVE 1900-1950....could be game on. Copper needs to get back ABOVE 4.40 and FCX +42 soon. Industrial metals (CLF VALE X) have given back some but if infrastructure happens in '23...could be value there. We noticed increased plantings in Brazil and rain brings grain so some of the fertilizer/ag darlings have run out of steam. Finally; crypto is struggling lately (GBTC ETHE) ...as we said back in JANUARY....if you want in....January lows are the line in the sand

We can provide our opinion on these and other markets....have questions?....Email Us at optionprofessor@gmail.com

Thanks!
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Remember All investing involves risk of loss and it is not right for everyone. CONSULT YOUR BROKEAGE FIRM/broker to determine your own risk tolerance an suitability. Past performance is not indicative of future results. Information and opinions are for informational purpose only. It is NOT advice

BLOG UPDATE 05/07/22: Stock Market-How to Survive the REPRICING Due to Liquidity Removal By the Fed? MUST READ!

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- Weekly FREE Market Updates at <https://www.optionprofessor.com/blog/>

May 7 2022 Option Professor Opinions & Observations

Well...It's the First Saturday in May....so the good news is we get the "Most Exciting 2 Minutes in Sports" as today is the running of the 148th Kentucky Derby.....so pour yourself a Mint Julep and Enjoy Yourself:))

We also have had 19 Bear Markets in the stock market over the last 140 years lasting an average of 290 days and an average of about a 37% decline.....we'll see how number 20 plays out. The Fed came out this week and did their telegraphed 1/2 point hike but Powell had a senior moment and said the 3/4 point hike was not presently being considered which gave us a multi trillion dollar whipsaw in the markets. He stated accurately and was confirmed in the jobs report that the labor market is white hot (2x the jobs available to job seekers plus participation rates and quits remain high). This puts labor in the control position and assures us that inflation will be stubbornly high. The market know has known since the 10 yr Treasury got ABOVE 1.75% LAST YEAR that the destination of interest rates is Higher if demand is to weaken a is taking the Fed's slow boat to China approach but rather is saying Let's Get on With It!!

If you've read these updates for the last couple years.....you know our position on the markets and what we have suggested as a reasonable anticipated outcome. From 2008 to Nov 2021; the Fed gave us Free Money and we had Low Inflation and High Valuations. We warned investors that VALUATIONS were unsustainable and would contract and the SPX & QQQ ect. were so far ABOVE their moving averages that a REVERSION to the MEAN was inevitable. We said the Bond Market peaked on 2020 which is exactly when the Commodity Markets BOTTOMED (remember -\$37dollars Crude Oil & OXY ect on the verge of bankruptcy!). We told everyone who's listen that with no drilling and demand strong where else would prices go? We said that 2022 was the year where Will Rogers investment philosophy would prevail "I'm more interested of the return OF my money more than the return ON my money".

Will the stock market stage a bear market rally by the end of May?.....Maybe?... should SPX hold 4037 and start closing above SPX 4220 a bear spike to SPX 4350-4450 may occur due to positioning and relief rally.

Our view since last year has been encouraging investors to Learn how to HEDGE Downside Risk and UPSIDE surprise via Replacement trades and many of you have thanked us for the information. We also have said that if you want to stabilize accounts...a short term (0-24 month) Treasury ladder since January would do the trick. Should an investor want to navigate this environment....staples, utilities and solid dividend paying stocks along with Energy Agriculture & Industrial Metals were the ways to go. Right On!

If you are looking at stock & bond salesman on TV or advisors in the brokerage firm to tell you to go to cash and wait out this repricing....you will be waiting for Godot....never happen.....no eyeballs for TV and no revenue for the brokerage firms. Truth be told....that is exactly where most investors should have been.

The SPX has support at about 4000 and 3700 so it is possible most of the decline may be behind us if 2 things happen in the 2nd half of 2022...Inflation rolls over & the Labor market softens...either not for sure

The OPTION PROFESSOR invites you to get the PDF REPORT How to Hedge Downside Risk & Upside Surprises. Also a PDF REPORT on How to Protect the Cost Basis of Stocks & PDF REPORT-Technical Signals

GO TO..optionprofessor.com & Submit your email & Valid Phone & learn how to get these in your INBOX The winds of change are blowing in the STOCK-BOND-COMMODITIES Markets....Educate Yourself Today!!

Thanks!

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Would you like our opinion/or have a question? Email us optionprofessor@gmail.com

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TIME to MOVE! GET REPORTS- How To HEDGE-STOCKS-RATES-OIL GOLD

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The Option Professor is a Graduate of Boston College & Don Bosco Prep and has OVER 30 yrs. Market Experience.

1. PDF REPORT #1 "How to HEDGE Against Market DECLINES and Upside SURPRISES" -Option Hedges & Replacements!
2. PDF REPORT #2 "OUR BEST STOCKS & BEST OPTION STRATEGIES-Covers EACH Sector and EACH Market Direction!
3. PDF REPORT #3 "How to PROTECT the COST BASIS" on Stocks For Tech-Big Cap-Energy-Metals Using COVERED CALLS!
4. PDF REPORT #4 "OUR FAVORITE TECHNICAL INDICATORS" You Can LEARN NOW about INDICATORS to WATCH DAILY!

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REMEMBER There is a risk of loss in all trading and it is not right for everyone. Consult your brokerage firm/broker/advisor to determine your own suitability. Past performance is not indicative of future results. Information and opinions provide are for informational purposes only. It is NOT advice.

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