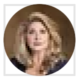
Catching A Tiger By The Tail



SAMANTHA LADUC

JUL 30, 2026 ∙ PAID

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Catching A Tiger By The Tail

We just positioned short for the “largest/fastest momentum crash in modern history.”

BTIG’s Jonathan Krinsky said so.

> And the MS Sector-Neutral Momentum Index has seen its worst four-day decline on record at 17.4%. That surpassed the drops after the dot-com bust, 2022 and post-COVID. per @MarketWatch

He reminds:

> In 2000, post dot-com peak, the PHLX Semiconductor Index SOX sank 35% in a month, it surged 37% before falling again.

So don't get too complacent. We aren't out of the woods from my macro, technical, intermarket or sentiment read. Fundamentals are strong but fund flows have suffered.

The biggest risk, as I have written about for clients repeatedly and again two wks ago: "***Rising Yields are Kryptonite to AI Bulls***". And Warsh said yesterday that the Fed is fine with the long-end rising.

For now:

- ***My "post-FOMC bounce" is in play!***
- ***After catching the largest dispersion unwind ever!***
- ***Then calling the hawkish pause.***

- *And AAPL just blew through my $315 short target on an "As Good As It Gets" double earnings beat.*

It's been a good week/month!!

> ***"While she expects the Fed to leave rates unchanged and sees the potential for a short-term bounce after the meeting, she continues to recommend protecting portfolios."*** 💃😉

About That Post FOMC Bounce Call

I laid out the bounce thesis here - as well as live:

The Market Was Way Too One-Sided

SAMANTHA LADUC · JUL 29

Read full story

Then this morning, live, I again gave QQQ bounce target off $664 into $683 before $686 by end of week (with overshoot to $701) on put monetization into EOW/EOM plus BOJ intervention of USDJPY smashing dollar down.

I always find it fascinating when a short target that I give of high conviction - 'NOT IF BUT WHEN' - is defended with so many catalysts that I can't anticipate when I give the target. In this case, mu QQQ $664 & MANY semi/memory short targets hitting their 30W EMA just happen to coincide with a short-covering rally for the record books today.

Again, there were several reasons for the bounce & reasons why it may not be done:

- **no rate hike in July & likely none for September, either (my bet anyway)**
- **tech support levels reached: 30W EMA (as discussed repeatedly live)**
- **end of week/end of month put monetization,**
- **my growth/value ratio was extremely oversold, as warned yday, with bet for semi bounce relative to value & software**

- **dollar dump on dollar yen intervention!**

Now, let's assume the AAPL dump & AMZN pump afterhours today doesn't dampen the mood; that the BOJ doesn't surprise, and neither oil nor yields rise for a few days/weeks... my QQQ $701 can become support not resistance.

> **If then: Once QQQ is above $710, we are off to the races with upside gap fills to target: $714.92, $725.26 and $735.77.**

Aside from the reflexive bounce, another supportive catalyst:

> **I suspect August 12th CPI print is likely soft - pushing rate hikes out even further.**

But again, a Fed not hiking affects the short-end not long. And a yen intervention is OFTEN reversed. My point is that I can see the case for stabilization until the next macro event risk. Then more volatility. Not a macro or mania path to follow right now.
Stay safe.

Share Macro-to-Micro by Samantha LaDuc

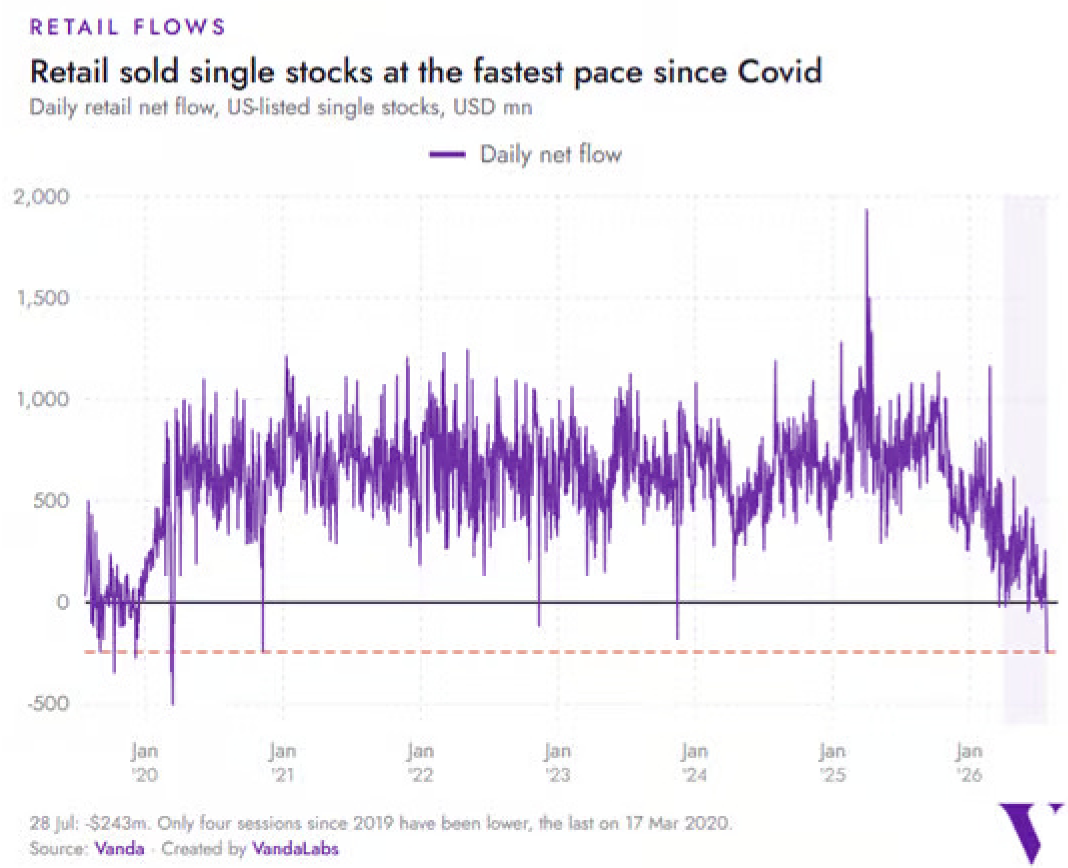
Bulls Looking For Redemption

Some say Leopold (Situational Awareness Fund) getting caught in Citadel's teeth, liquidating positions after a 450% YTD return, is seen as market bottom of capitulation for AI leveraged funds.

I would say a bigger fishing net are the Kospi traders. And JPM called a bottom Tuesday:

> ***JPMorgan says Korea's equity market has gone through an intense deleveraging phase since mid-June, with the KOSPI now down nearly 40% from its June 22 peak. The firm says the selloff was amplified by leveraged ETF flows and hedge fund positioning unwind, but now believes the leveraged ETF unwind is complete and hedge funds are roughly 90% done deleveraging. While some residual selling may continue and investors remain cautious ahead of the FOMC and hyperscaler earnings, JPMorgan says Korea's positioning setup now looks attractive on balance, supported by cheap valuations and earnings momentum.***

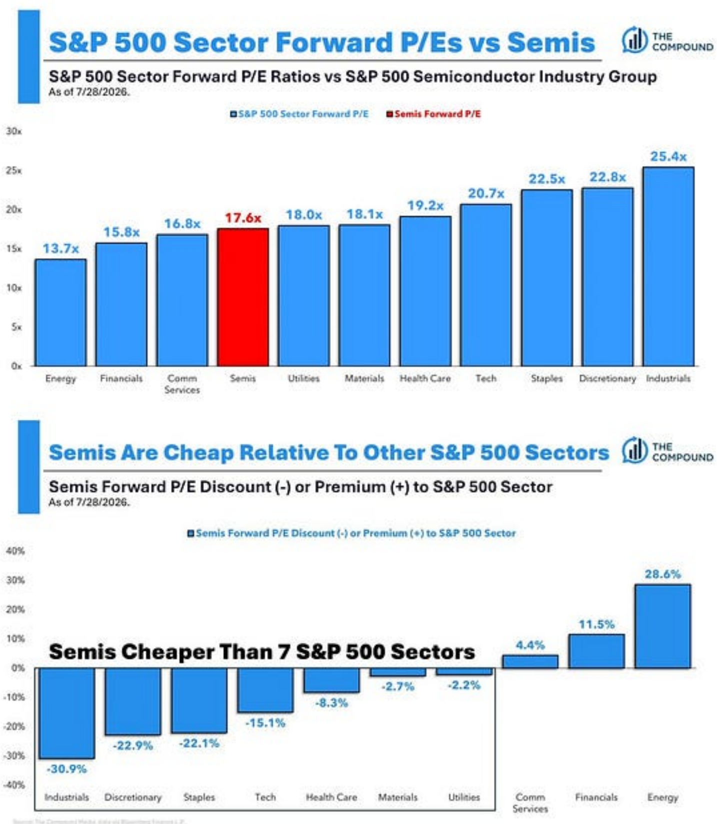
There is also the tale as old as time: Retail sold en masse - not just in Korea!



And then we have the “SEMIS ARE CHEAP” mantra making the rounds again:

Daily Chartbook
@dailychartbook

"If Semis were a sector, it would be the fourth cheapest. It would also have the highest expected earnings growth rate over the next 12 months ... The Semis industry is 22.1% cheaper than the Staples sector. Woah." @mattcerminaro



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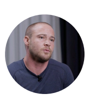
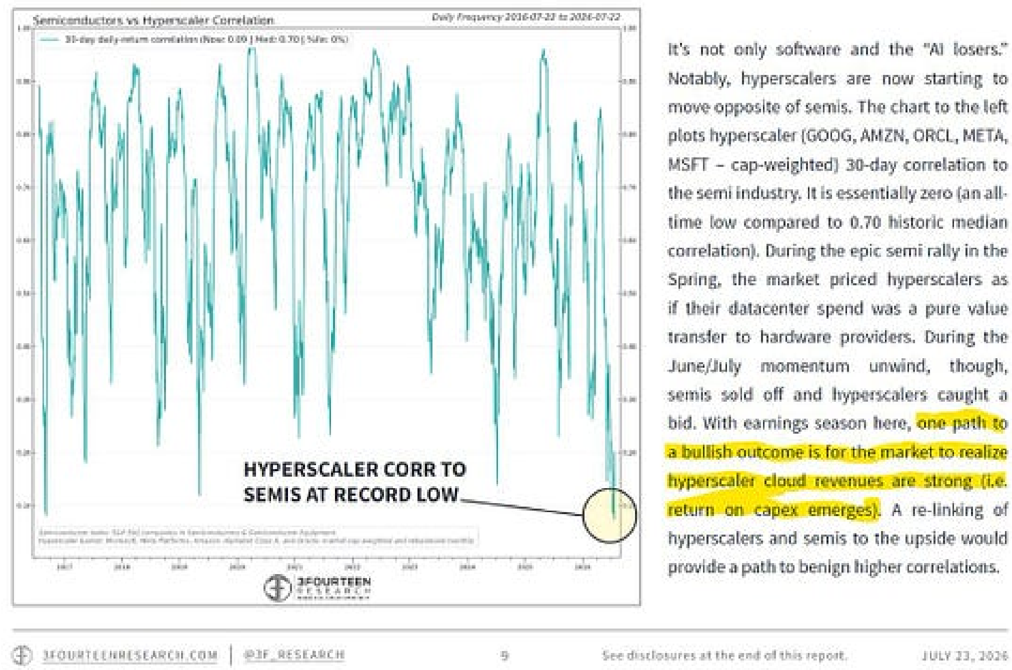
Hyperscaler love has also returned:



Warren Pies

@WarrenPies

Hyperscaler cloud revenue growth holds the key to this earnings season and is a likely catalyst to normalize low index correlations in a benign way (excerpt from last week's @3F_Research client report). $MSFT was first step along this path...$AMZN on deck.



It's not only software and the "AI losers." Notably, hyperscalers are now starting to move opposite of semis. The chart to the left plots hyperscaler (GOOG, AMZN, ORCL, META, MSFT – cap-weighted) 30-day correlation to the semi industry. It is essentially zero (an all-time low compared to 0.70 historic median correlation). During the epic semi rally in the Spring, the market priced hyperscalers as if their datacenter spend was a pure value transfer to hardware providers. During the June/July momentum unwind, though, semis sold off and hyperscalers caught a bid. With earnings season here, one path to a bullish outcome is for the market to realize hyperscaler cloud revenues are strong (i.e. return on capex emerges). A re-linking of hyperscalers and semis to the upside would provide a path to benign higher correlations.

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7:06 PM · Jul 30, 2026 · 15.1K Views

10 Replies · 11 Reposts · 105 Likes

Also those bullish breadth stats:

Milton W Berg CFA
@BergMilton

July 29, 2026 SOX 5-day rate of change below -14% or more NASDAQ 8/10 negative breadth days. 3 Precedents S&P 500 +12.18% within 30 days +35.32% within 1 year +18.92% within 30 days +33.84% within 1 year +13.24% within 30 days +54.74% within 1 year

5:27 PM · Jul 30, 2026 · 20.3K Views

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Point is: it was a Perfect Storm for a post-FOMC bounce. The question is whether the yen intervention and the AI bounce will stick or reverse by end of August! I still see volatility into the Fall.

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Fed Day Out Of The Way. Now BOJ Paves Its Way

I called for NO JULY HIKE, and I still say NO SEPT HIKE is likely.
In particular, if Lorie Logan softens, FOMC consensus is lost & no hike this year.
But... if oil spikes/sticks >crude oil $94. Let's talk.

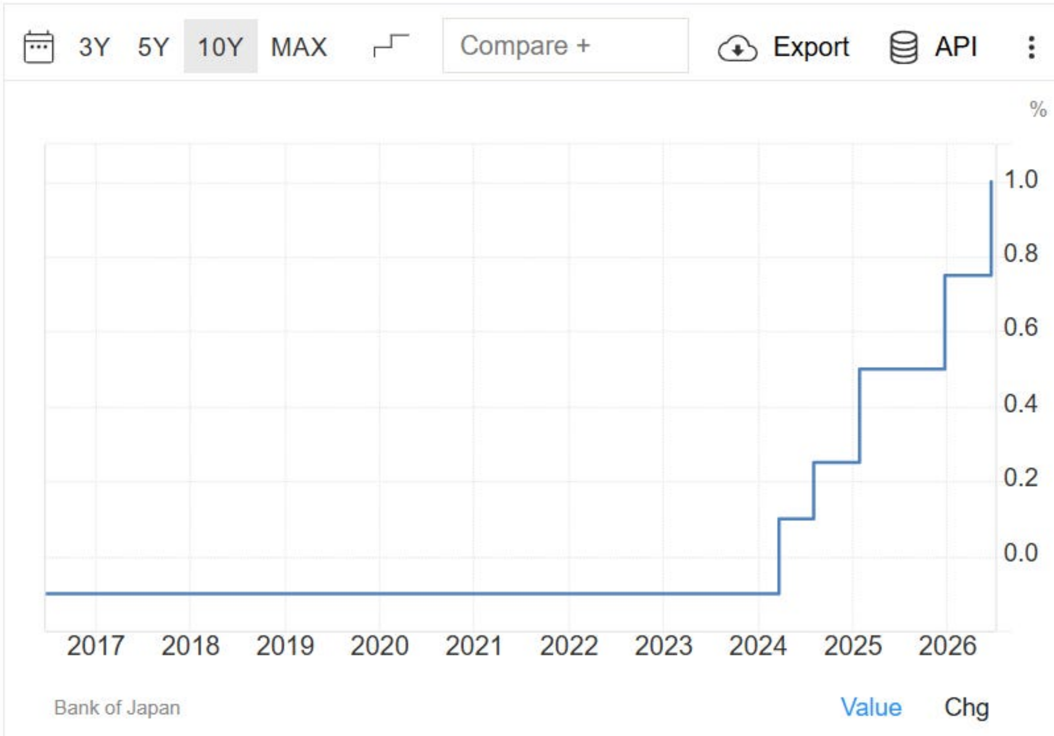
Until then, ***HOGWA(r)SH™.***

BOJ is next up tonight, but they already hiked in June so this is a pro-forma meet up to talk about how BOJ tightening is going amidst the ***MOF 'intervening'*** with Bessent to crash the dollar today.

> ***THE JAPANESE GOVERNMENT AND THE BANK OF JAPAN INTERVENED IN THE FOREX MARKET, WITH U.S. AUTHORITIES ALSO CONDUCTING A RATE CHECK - NIKKEI.***

Remember, Bessent tried this "rate check" business in January. It didn't stick. I wrote about it... ***The NEW Yen MONETIZATION Framework.***

My point: BOJ intervening with more rate hikes is more impactful to yen carry trade, but at 1% it is not enough to trigger volatility, yet.



I wrote about this June 2nd when I warned about the coming DISPERSION UNWIND:

Japan’s Intervention Isn’t Working

> ***"The MOF has shown that a failed $74B intervention infusion has diminishing rate of return. And the papering over of the problem does not solve a structural rate deficiency problem."***

So … will this yen pop today stick? Not likely. But it could stay in a range rest of year until it does trend higher next year!

Prior USDJPY ‘interventions’ have pushed the USD lower, lifting US equities with NIKKEI. Color me skeptical that #NIKK will continue its parabolic advance.

Japan will be watching this chart as well. A cup and handle on WTIC is not bullish much but especially not the yen. Just sayin' - bears watching.

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