

8 Seconds

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8 seconds is how long a bull rider has to stay on the bull to score points.

While I've been riding this bull for more than 8 seconds, it has been a tense ride with a constant fear of getting bucked off.

From this weekend's [Simple Strategy](#), we wanted to be "long risk" because:

- People would start interpreting weak/okay data as a soft landing.
- Positioning was so bearish that it wouldn't take much to turn markets around.

The concern is timing when that bullish trade will end.

- Positioning swinging too bullish would be one sign. We are not there yet, but a lot of bears have been stopped out so positioning isn't bad and it no longer reflects how bearish most people really are.
- **Will the next leg lower be about the Fed or the economy?**
 - If it is because we are worried that the Fed will still hike, then I don't think that it is a big deal (especially as OER set another monthly record which is not reflected in any reality and will ultimately temper the Fed).
 - If it is because we are turning our attention to earnings risk, valuations, QT, and the worry that the Fed has already gone too far, then markets could get ugly (the Fed still intends to pile on and 25 bps seems likely, though we have a few more weeks of data).

Dust off the Hat and Watch for a Bit

We just finished a good ride. We didn't get bucked off, but now seems like a good time to be neutral.

- I could see more strength in this market (and could even half convince myself that this narrative is correct).
- I want to be really bearish, but that data hasn't come in (yet) and the "soft landing" conversation is still nascent enough that the "hard landing" talk won't catch on immediately.

Bottom Line

Neutral. If anything, bearish tilt on risk, with some calls on equities just in case.

Bonds are okay here, though I still like 5-to-7-year bonds the most.

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