

# NEXPOINT

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## Market Minute

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Mike Hurley, CMT  
Chief Market Strategist

775-750-8921

[mhurley@nexpoint.com](mailto:mhurley@nexpoint.com)

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# Important Last Week

## ‘Step 4’

- Stocks weak, testing breakouts
- ‘Step 4’ of bottoming process
- Still no damage technically
- Now on important area of support
  - Trendlines (red & blue)
  - Moving averages (50 & 200)

## Bottoming Process

- ✓ Set initial low
- ✓ Bounce & test that low
- ✓ Follow-through to the upside
- ❑ Test the breakout successfully

Note: Process can fail & restart



# Big Picture

## Commodities / US\$:

- Commodities up 2x since Mar'20
- BCOM testing key 105 area
- Oil likely a key 'canary' going forward

## Yields / Credit:

- 10-yr. found support in 3½% area
- Biggest yield curve inversion since 1981
- Corporate credit markets stabilizing

## Stocks:

- Have seen a typical 'bear market'
- Market internals improving dramatically
- Now testing recent trend breaks (Step 4)
- Likely embarking on new cyclical bull



Trends	LT	Notes
Commodities	---	Finally seeing a meaningful pullback, BCOM Index testing key 105 area
Bonds/Rates	▼ / ▲	10-yr. finding support in 3½% area; corporate credit now improving
Stocks	▲	Have seen an 'average' bear decline, and now breaking key down trendline



## About Mike

Mike Hurley, CMT serves as Chief Market Strategist and Portfolio Manager for NexPoint Advisors, L.P.

Prior to joining NexPoint he launched 2 of the first 100 'alternative mutual funds', including the Fusion Global Long/Short Fund (FGLSX) which posted a positive return in 2008 and won the Lipper Performance Achievement Award in the Long/Short category for the one-year period ending December 31, 2008 (ranked #1 of 90).

Mike also served as Chief Technical Strategist for several boutique research firms, including: SoundView Technology Group and E\*Offering (The Investment Bank of E\*TRADE).

He proudly served in the United States Navy, where he flew over 50 combat missions during Operation Desert Storm, earning two Air Medals.

Mike is a graduate of UC Santa Barbara, where he received BA degrees in both Business Economics and Chemistry. He is Series 7, 63 & 65 licensed and is a Chartered Market Technician (CMT).

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*Charts as of: February 24, 2023, courtesy of TradeStation or Bloomberg, unless otherwise noted.*