

MARKET INSIGHTS

MARCH 2024



PARK EDGE

The dominant Market Regime continues to be Goldilocks which we called out in February. However, Quad 2 Reflation did take the lead in February but was unable to sustain itself. The conviction score has weakened to only 1% implying the change back to Goldilocks is a function of what markets are losing signal as opposed to gaining signal. Our cross-asset class view is broadly unchanged from last month as the bull market in equities and bear market in long duration bonds continues. We remain cautiously optimistic but won't be surprised if the eventual increased supply of long-duration bonds becomes a headwind for risk assets or if the Fed pushes back on the significant easing of financial conditions.

ASSET CLASS SIGNAL STRENGTH:

ASSET CLASS	MARCH 2024	FEBRUARY 2024	MARCH 2023
EQUITIES	OFFENSIVE LONG	OFFENSIVE LONG	DEFENSIVE SHORT
FIXED INCOME	DEFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE SHORT
COMMODITIES	DEFENSIVE SHORT	DEFENSIVE SHORT	DEFENSIVE LONG
US DOLLAR	DEFENSIVE LONG	DEFENSIVE LONG	OFFENSIVE LONG
RFR (3M TBILL)	OFFENSIVE LONG	OFFENSIVE LONG	OFFENSIVE LONG

MODEL SNAPSHOT:

MODEL	EQUITIES		FIXED INCOME	
	MARCH 2024	FEBRUARY 2024	MARCH 2024	FEBRUARY 2024
BOND	NO POSITION	NO POSITION	DEFENSIVE LONG	DEFENSIVE LONG
PEA CORE STOCK	OFFENSIVE LONG	OFFENSIVE LONG	NO POSITION	NO POSITION
MODERATE ARM	OFFENSIVE LONG	OFFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
DIVIDEND INCOME	OFFENSIVE LONG	OFFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
MOD L/S ARM	DEFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
RME	DEFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
RME FOCUS	DEFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG	DEFENSIVE LONG
Special Situation Equity	DEFENSIVE LONG	DEFENSIVE LONG	NO POSITION	NO POSITION

MARKET REGIME & ECONOMIC OUTLOOK:

Quadrant	MARKET REGIME	ECONOMIC REGIME OUTLOOK	
	Current % Share	3 Month % Probability	6 Month % Probability
GOLDILOCKS / Quad 1	39%	29%	27%
REFLATION / Quad 2	35%	17%	16%
INFLATION / Quad 3	10%	20%	22%
DEFLATION / Quad 4	16%	34%	35%

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