



Safety Harbor Capital
The Compass Online
Weekly Forecast for January 6th, 2025
Posted January 5th, 9:50 am PST

Happy New Year!

Current Forecast

Currently at 5942, our current forecast for the S&P index is “a possible 6-8 week sell off down from current levels to SPX 5710 and a possible SPX 4900 by March.” Our system indicates a sell below SPX 5950.

At this time, however, it appears we may see a bounce in the broad index up to 6050-6350 in the coming weeks. Let’s see if we can make some money on a bounce.

Current Allocation

Our current allocation of equities, gold and commodities, and other asset classes through US traded ETF’s is 100% invested 60% short the S&P via ETF ticker SDS and 40% long via ETF ticker SSO. That trade is fine for now. That leaves us 100% invested. Updates to follow.

This year we are bring back our S&P Index Options Trades! We trade 20% of our investable options funds into each trade. We only do five at a time so you can do all the trades (unlike most journals which just keep throwing trades at you with no way to do them all).

We kicked things off with a Strangle of the S&P last week and tomorrow morning, at the open, consider adding to positions with the purchase of 1 SPY April 560 Put Option at the open for approx. \$6 and the purchase of 1 SPY March 620 Call option at the open for approx. \$5. That leaves us 80% invested in our SPY options trades. Watch this!

We use Conditional Sell Orders so market makers can’t see your prices and take out your order right before the ETF goes up. The idea here is to invest 20% of your investable assets into each pick. A new weekly forecast comes out Monday before the open as usual.

Important Market Information

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