NAS COMMUNITY

Eastern Time, October 31, 2024

9:30 AM

Professor Montgomery Keane (Helmsman)

Sharing Topics:

1. **Mixed economic data and earnings reports, market fear leading to declines.**
2. **Why do market speculators often face unfavorable outcomes?**
3. **Crypto market trading strategies.**

Good Morning, My Friends!

Hello, everyone, it's Montgomery Keane, your old friend. How are you feeling today? Trading is an exhilarating pursuit that stimulates our minds and brings about intense emotional shifts. A successful trade can release dopamine, filling us with excitement and satisfaction and imbuing us with boundless energy and a sense of accomplishment. This rush keeps many traders eagerly pursuing the next peak of success.

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However, there is another side to trading—one filled with uncertainty and risk. When the market doesn't behave as expected, fear and anxiety quietly emerge, affecting our decisions and placing strain on both mind and body. This is why seasoned traders prioritize not only their technical skills but also their emotional management and risk control. Through solid risk strategies, ongoing learning, and accumulated experience, they remain calm amidst market turbulence. As the Bible reminds us, "Faith without works is dead." We need not only belief but action to transform our faith into steady steps forward.

If you're feeling overwhelmed by emotions, consider joining our Trading Bootcamp—an excellent opportunity to enhance your mindset and skills. At the same time, the upcoming AlphaStream 5.0 global test launch in November offers you a unique chance to experience its groundbreaking capabilities, a system that will transform your understanding of the market.

Friends, each of us carries dreams in our hearts—a vision and mission given by God. Achieving these dreams requires not only faith but also the courage to act. May we bravely take each step toward our goals, drawing strength from God and moving forward with purpose. No matter the challenges before us, remember—God is with us, helping us reach our dreams.

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The latest data shows that initial jobless claims rose to 216,000 last week, lower than the previous figure and expectations, indicating that the labor market remains resilient. Meanwhile, the year-over-year PCE price index stands at 2.7%, higher than expected, suggesting that inflationary pressures are still present.

On Wednesday, October 30, U.S. stocks closed lower. Mixed economic data, coupled with multiple corporate earnings reports, resulted in significant fluctuations on Wall Street. The latest GDP report showed that the U.S. economy grew by 2.8% in the third quarter, slightly below the expected 3.1%. Additionally, ADP's employment data revealed strong performance, with the private sector adding the highest number of jobs in over a year, reflecting labor market resilience. Economists had initially expected job growth to slow, but this report has heightened anticipation for Friday's comprehensive employment data.

Yet, strong data also presents new challenges for investors. Continued economic resilience could mean that the Federal Reserve will be more cautious about rate cuts, which has tempered some market optimism.

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For corporate earnings, Alphabet's stock rose by 2.92%, driven by strong performance in its Google business, with quarterly profits exceeding analyst expectations. On the other hand, Trump Media & Technology Group's stock dropped 18.9%, marking its largest single-day decline since late September. This loss-making company's stock is influenced more by expectations surrounding Trump's potential re-election than by its financial performance.

Yesterday, we made a clear forecast on META, noting that earnings trading carried high risk with relatively low reward, and the technical signals had already indicated caution. While the earnings report slightly exceeded expectations, the market's reaction was a slight decline rather than a rally. This illustrates how a stock's price positioning determines the market's interpretation of earnings, affecting the balance of bullish and bearish forces.

As shown in the chart, previous instances of high trading volume at DJT's peak levels have often been precursors to significant declines. The large volume on October 15 led to substantial market volatility, yet the expectation of Trump's potential return to the White House kept the bulls pushing upwards. On Tuesday, DJT again saw exceptionally high volume, far surpassing previous levels, making Wednesday's decline almost inevitable. This capital outflow reflects market sentiment, as locking in profits aligns with investment logic.

It's worth noting that speculation surrounding Trump's return to the White House may have nearly run its course, so this theme might taper off in the short term. The crypto market, however, remains distinct, with sentiment and momentum still highly active. I'll provide a detailed analysis of crypto trading strategies shortly.

On the weekly candlestick chart, the current downtrend in SMCI clearly marks the fourth wave, with the stock approaching a $31 gap, which it seems set to fill. In such cases, with technical and sentiment management, we can navigate DJT’s up or down trends and avoid considerable risks. However, a recent black swan event hit institutional investors in SMCI hard.

Currently, SMCI's chip is distributing with institutions hold approximately 60% of it. If the emotional downturn continues, prompting retail investors to panic and sell at the bottom, a solid support level may quickly emerge. This situation centers on Ernst & Young (EY) resigning as the company’s auditor, raising concerns about the independence of SMCI’s governance and financial controls. EY’s lack of confidence in SMCI’s financial statements sent a significant shock through the market. Coupled with past accounting violations and ongoing federal investigations, this has heavily pressured market sentiment.

Much of the negative sentiment has already been priced in, so attention now turns to the upcoming earnings report for any positive signals. Based on current conditions, relying solely on technical analysis holds limited value. Instead, combining fundamentals with sentiment analysis is crucial. For those who bought shares above $40, the $27-25 range can serve as an accumulation zone.

Prioritize exiting with profit after each rebound of over 7%, thereby reducing holding costs over several cycles. A strong rally in the near term remains unlikely, as more favorable news will likely be needed to drive substantial recovery.

Currently, the bullish trend at the bottom has been disrupted, and reestablishing a stable upward trend will require time and a rebuilding of market confidence.

Additionally, SMCI will serve as an insightful case study in our current Trading Practice Camp, where it will illustrate how to manage emotions, control positions, and reduce holding costs effectively through short-term trading. Liquidity is critical in trading; avoid committing all funds at once and remaining static. A flexible, rolling trading strategy will help us stay proactive amidst market fluctuations, improve capital utilization, and seek opportunities to capture rebounds during downturns.

Many are intrigued by the concepts of “investment” and “speculation.” Today, I’d like to discuss the difference and the lessons we can learn from it.

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In finance, investment and speculation are fundamentally different. Investment typically rests on in-depth analysis, focusing on an asset's intrinsic value and aiming for long-term growth. Warren Buffett is a classic example of a value investor, whose long-term strategy and strong convictions have guided him steadily through the market. Speculation, however, relies more on price fluctuations for profit, focusing on short-term opportunities. Speculators often look at market trends, sentiment, and expectations rather than fundamentals.

There have been many notable speculators in history, among them Jesse Livermore. His legendary career was filled with dramatic rises and falls, making millions in the stock market but also facing multiple bankruptcies. His story serves as a warning: while speculation can lead to rapid wealth, it's not a sustainable path to consistently beat the market. Livermore's experience reminds us that decisions driven by emotion can cloud judgment, often leading to ruin.

J. Welles Wilder, is another pioneer in technical analysis, developed many core indicators, such as RSI and SAR, that are widely used to this day. Yet even Wilder couldn't achieve consistent profits. In his later years, he proposed the "Adam Theory," critiquing the subjectivity of traditional technical indicators and

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advocating for trend-following. His self-reflection reminds us that the market is unpredictable, and no tool is without its limitations.

In contrast, value investors often achieve long-term success. The investment philosophies of Benjamin Graham, Peter Lynch, Philip Fisher, and Warren Buffett all reflect a stable, rational approach. Buffett's strategy and long-term outlook have yielded significant returns and provided him with a balanced life.

Today, quantitative investment represented by mentor Simons is redefining the standard of success. Renaissance Technologies, led by him, has created returns far exceeding traditional value investments by using high-frequency and algorithm-driven trading strategies. This change shows that the power of data-driven and algorithmic investment is gradually rising in the financial market. Are we experiencing a disruption in the investment field in our era?

Today at 3:30 pm, I'll delve into the impact of quantitative investing, examining how it has redefined our understanding of success in investing and what it means for traditional and emerging investors alike. I look forward to your participation as we explore the new landscape of the investment world!

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The largest publicly traded "Bitcoin whale" in U.S., MicroStrategy, announced an ambitious three-year plan on Wednesday, October 30, intending to raise $42 billion to further increase its Bitcoin holdings. This plan, dubbed the "21/21 Plan," consists of $21 billion in stock and $21 billion in fixed-income securities investments. MicroStrategy currently holds 252,220 Bitcoins, with a holding value of $18.2 billion and an acquisition cost of approximately $9.9 billion, resulting in an unrealized gain of $8.3 billion. Notably, this holding exceeds the U.S. government's current Bitcoin reserve of 207,189 coins.

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Despite the crypto industry's long-standing regulatory conflicts with the Biden administration, industry insiders anticipate a more lenient stance from Washington toward cryptocurrencies, regardless of who takes office next week. Crypto asset management firms like Bitwise and Canary Capital are preparing to launch new products, with many executives believing that the incoming administration could be friendlier to the crypto market. At the same time, companies like Ripple are pushing for cryptocurrency legislation to adapt to the forthcoming Congressional landscape.

This plan indicates that MicroStrategy not only has strong confidence in Bitcoin's future but is also further solidifying its position as a leading player in the crypto market. With potential new policy support on the horizon, the outlook and opportunities in the crypto market may reach new heights. Friends, this is a key area to watch and not to be missed.

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Crypto market has followed the stock market's lead today with a downward adjustment, and BTC is currently facing resistance from the historical high of $73,800, with bears temporarily in control. This adjustment can be seen as a profit-taking opportunity for bulls in anticipation of "Trump's return to the White House." However, unlike DJT, BTC has been adopted as a strategic investment by multiple countries and boasts broad participation from global investors. Therefore, this pullback provides a favorable buying opportunity for the bulls.

Trading Strategy:

- **Entry Point: Buy around $69,800**
- **Stop Loss: If price falls below $69,000**
- **Target: Around $71,000**

For more timely trading strategies, feel free to add my assistant on Telegram. That concludes this morning's session, see you in the afternoon, friends!

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Eastern Time, October 31, 2024

3:30 AM

Professor Montgomery Keane (Helmsman)

Sharing Topics:

1. **Major Data Incoming: VIX Spike Triggers Market Adjustment**
2. **The Magic of AlphaStream 5.0**
3. **Crypto Market Trading Strategies**

Good afternoon, my friends!

I'm Montgomery Keane, your old friend. Do you enjoy trading? Whenever I talk with friends in the NAS community, I often ask this question. To achieve your dreams through investing, you've got to truly love trading. The appeal of trading isn't just in its potential financial rewards; it's also in the intellectual challenges and psychological battles it presents. For many, trading feels like a competition, with the market as the arena. Here, investors pit their wits against other participants, savoring the thrill of the game and the sense of victory—just like a sports match.

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Trading is also a never-ending learning journey. The pursuit of knowledge and skill improvement brings its own sense of fulfillment. Designing and executing trading strategies is an art—setting entry and exit points, managing risk, and adapting to market changes—all require creative thinking and meticulous planning.

When a strategy succeeds, it not only brings financial rewards but also sparks a sense of intellectual accomplishment. Although trading is often a solo activity, the community built around it offers us another level of enjoyment. From solo learning to joining community forums, sharing trading experiences, strategies, and insights, traders support each other and grow together. This process is not only about personal growth but also an opportunity to build meaningful relationships.

The allure of trading lies in its ability to span intellectual, emotional, psychological, social, and even philosophical dimensions. It becomes not just a means to increase wealth, but also a path for personal growth. Ultimately, many people get into trading to achieve financial freedom. Being able to earn a

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steady income through trading allows you the freedom to choose your lifestyle and control your work hours. This sense of autonomy and freedom is the life many dream of. Trading isn't just about profits; it's a vital bridge to achieving our ideal way of life.

Take the current stock market as an example—how can we create effective strategies in today's conditions? First, we need to recognize that the three major indices are generally at high levels, and the expectation of Trump's return to the White House is already priced in. So, where will future upside come from? If inflation doesn't ease up, can we expect significant rate cuts? It all boils down to the market's current position. That's why we consistently emphasize the importance of managing position sizes in the stock market. The current market isn't in a strong upward trend; instead, it's experiencing high-level fluctuations. Controlling position sizes is the smartest approach for now. Even if you pick the wrong stock, smart position management can help you stay on track.

As major tech companies release their earnings reports, the market's fatigue with "slightly better-than-expected" results has become evident. When stock prices are at high levels, even a modest earnings beat struggles to drive prices up; not declining is already a decent performance. However, if results fall short of expectations, a pullback becomes inevitable. During a strong upward trend, these issues may not be significant, but at elevated levels, market sentiment amplifies every fluctuation. This is the power of emotion.

For example, when we held SMCI during a black swan event, pessimists worried about declines or even delisting, while optimists saw an opportunity. Indeed, SMCI briefly delisted in 2018 due to financial issues but successfully returned after reaching an agreement with the SEC, becoming one of the best-performing stocks in 2024. The company now has a price-to-earnings ratio of less than 20, its core business remains strong, and institutional ownership exceeds 60%. We still have a positive outlook on SMCI, but that doesn't mean we should simply hold large positions and wait for a price increase. Instead, we should use rolling trades to lower costs and develop new strategies once the technical indicators improve. Denying the essence of a company due to past mistakes is not wise, the market is changing, and we must progress alongside it.

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After a lackluster performance on Wall Street, U.S. stock index futures fell, with Nasdaq 100 futures declining by over 1%. In pre-market trading, shares of Microsoft and Meta both dropped by about 4%, significantly contributing to the decline in Nasdaq futures. Overnight, earnings reports from Meta and Microsoft indicated that the tech giants are increasing their investments in artificial intelligence, but the short-term lack of returns has left investors worried. Bloomberg estimates that the declines in Microsoft and Meta accounted for half of the drop in Nasdaq futures. Market sentiment is cautious, especially ahead of the earnings reports from Amazon and Apple, leading to a strong sense of watchfulness among investors.

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In the international markets, Asia-Pacific stock markets faced a setback, with stock indices in Japan, Australia, and South Korea all declining. This month, the region is expected to experience its worst performance since August 2023. However, the mainland Chinese stock market saw mixed results, while the Hong Kong stock market closed up due to a rebound in China's manufacturing expansion data.

In terms of macroeconomic risk events, the U.S. Personal Consumption Expenditures (PCE) index unexpectedly rose, making investors more cautious about rate cut expectations, as this is the inflation indicator preferred by the Federal Reserve. Additionally, the market is closely monitoring Friday's non-farm payroll data and next Tuesday's presidential election. As the election approaches, polls show a neck-and-neck race between Trump and Harris, but financial markets and some betting platforms lean toward a Trump victory being almost a foregone conclusion. In fact, the decline in Trump-related stocks has already reflected the market's anticipation of a favorable outcome.

Against this backdrop, the VIX fear index surged significantly, rising by over 10%, with a key resistance level at 23.8. A breakthrough of this level could lead to further increases. Before the risk events materialize, market risk appetite remains subdued. As individual investors, our best strategy right now is to maintain reasonable position management to navigate the current uncertainty.

Due to time constraints, if you want to get our curated strategy portfolio and the latest trading strategies for high-quality stocks, please add my assistant on Telegram. AlphaStream 5.0 will provide you with ongoing tracking and support.

From a traditional investment perspective, many historically speculative investors often end up failing due to the high-risk nature of speculative activities, which are accompanied by extreme volatility and unpredictable financial outcomes. However, with the rapid advancement of technology, especially the application of AI and big data, investment concepts are changing. Renaissance Technologies, led by Jim Simons, is a typical example of this shift. The firm relies on high-frequency trading and algorithm-driven strategies, achieving returns that consistently outperform traditional value investing while challenging the long-term strategies advocated by value investing masters like Warren Buffett. This has sparked a reevaluation of best practices in the investment community.

Renaissance Technologies demonstrates the powerful potential of quantitative investing through complex mathematical models and extensive data analysis. In this data- and algorithm-driven era, AI not only enhances efficiency but also opens up unconventional profit opportunities in the capital markets. Despite investing millions of dollars each year to maintain and optimize AI systems, this high cost is justified when compared to the significant returns it generates. Quantitative investing has rapidly risen, especially within hedge funds, marking a significant transformation in the investment landscape.

We are witnessing a shift in investment strategies from traditional methods based on intuition and fundamentals to data-driven and technical analysis approaches. This transition not only provides investment professionals with new tools and methods but also brings unprecedented opportunities and challenges. The rise of AI and algorithmic trading demonstrates their effectiveness and profit potential in modern financial markets, gradually becoming the preferred strategy for many top financial institutions. This trend may well represent the future direction of the investment industry.

This morning, we shared the topic of "Why Speculators Often Don't End Well," and I believe that after reviewing countless failed cases, we have a clearer answer to this question. We found that the impact of emotions on investors cannot be underestimated, especially during losses, when emotions often drive people to make poor decisions. This is where AI-driven quantitative trading makes a difference—it can avoid the pitfalls of human emotion. Take the well-known case of George Soros's failed bet against Hong Kong; overconfidence led him to fail to cut his losses in time, resulting in significant losses. In contrast, AI-driven quantitative trading is not swayed by emotions, it strictly adheres to data and rules, avoiding these deadly emotional traps.

In today's globalized and highly interconnected financial markets, traditional intuition and experience are certainly important. However, in the face of complex and ever-changing market conditions, in-depth data analysis and AI-driven decision support have become crucial for achieving success. Reflecting on our past emotions and decision-making processes, I've come to realize that regardless of how the market fluctuates, maintaining calm and clear judgment is key to success. Artificial intelligence, as a powerful auxiliary tool, can help investors find stable direction in turbulent markets, serving as a beacon for pursuing stability and opportunity. This highlights the importance of integrating AI and advanced technology into our daily analysis and trading processes; it's not just a trend but also a safeguard for personal growth.

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From the initial AlphaStream 1.0 to today's AlphaStream 5.0, NAS has come a long way in its remarkable development journey. Our journey began with a small team of a few dozen engineers, who, under early technical limitations, could only perform basic data collection and analysis. Although AlphaStream 1.0 had limited functionality, it laid a solid foundation for our future technological advancements.

With the launch of AlphaStream 2.0, we made significant breakthroughs in the gold market and successfully earned our first $60 million. Version 2.0 enabled around-the-clock data collection and introduced a manual follow trading mode for quantitative signals. This marked a key step in our use of artificial intelligence for financial trading.

The leap in technology ultimately led to the birth of AlphaStream 5.0. Supported by advanced chips and powerful computing power, AlphaStream 5.0 achieved fully automated quantitative trading. This system combines cutting-edge technologies such as machine learning, neural networks, data sensing, and signal decision-making, forming a complete artificial intelligence trading decision and investment advisory system.

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AlphaStream 5.0 not only provides precise trading guidance but also becomes an intelligent investment partner for each of our users, leading them to navigate the future in the financial markets.

 # Trading Signal Decision System: Our system includes 7 trend-following strategies, 2 trend-reversal strategies, and 1 comprehensive strategy, enabling us to make precise trading decisions in a volatile market environment.

 # Technical Indicators: In addition to traditional indicators like Bollinger Bands and MACD (Moving Average Convergence Divergence), we also use proprietary innovative indicators such as the Neural Net Indicator and Vantagepoint A.I. software to provide reliable data support and predictive advantages for our strategies.

 # AI Programmatic Trading System: This system significantly enhances trading efficiency and effectiveness by automatically executing trade instructions, making trading fast, precise, and seamless.

Investment Strategy Decision System and Expert Investment Advisory System:

These two systems combine AI's analytical capabilities with the deep insights of human experts, providing clients with comprehensive investment advice and strategies to ensure they can make the best decisions in the market and achieve maximum returns.

In the community I founded after my retirement, I chose the name "NAS as a tribute to my past experiences and a symbol of moving toward a better future. In this "Trading Practice Bootcamp" course, we will delve into market analysis and trading strategies by combining time and theory. In November, AlphaStream 5.0 will have its first public test globally, and if the test goes smoothly, this system will significantly enhance your trading performance, allowing you to experience the powerful capabilities of AI technology firsthand.

Due to the enthusiastic response to this testing event, registration will be on a first-come, first-served basis with limited spots available. To ensure you receive the latest updates and successfully register, please add my assistant on Telegram. I look forward to witnessing the arrival of a new trading era together with the support of AlphaStream 5.0!

Crypto market followed the stock market's adjustment today, dropping by around $2,600. Currently, it's presenting an excellent opportunity for a long rebound below $70,000. The trading strategy remains as advised this morning: buy around $69,600, with a target of $71,000, we will reassess direction for the short term tomorrow.