

SCOTT REDLER'S

2020

**MARKET
OUTLOOK
REPORT**

Q3 Update



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About Scott Redler



Scott Redler has been a professional trader since 1999.

After 8 years of successful trading, Scott co-founded T3 Companies, LLC in 2007, and began serving as Chief Strategic Officer of both T3 Live and T3 Trading Group.

As the financial crisis began, Scott became a recurring guest on CNBC, repeatedly warning investors of the danger ahead.

Today, Scott remains a professional trader, and regularly appears on CNBC, Bloomberg Television, and Fox Business.

His technical analysis work has been cited by media outlets including the Wall Street Journal, Reuters, MarketWatch, and Investor's Business Daily, among many others.

Scott has trained traders all around the world, and has appeared in documentaries by the BBC and China's CCTV-2.

Through Redler All-Access, Scott helps traders, money managers, and individual investors view the markets through his eyes, and approach each day with a steady, measured approach.

Welcome to Your 2020 Market Outlook Q3 Update Report

Thank you again for purchasing my 2020 Market Outlook report!

As you know, the Market Outlook includes three follow-up reports, the last of which you are reading now.

I hope you'll consider picking up my 2021 Market Outlook Report, which T3 will begin selling around November.

In this report, you'll find:

- A complete review of the 2020 market action so far
- An overview of what's happened in major asset classes
- A review of my 2020 focus names
- Where we could go from here

2021 has been one for the ages.

Between Covid-19, the economic slowdown, and the rapidly approaching US Presidential election, there is a lot of confusion out there.

But it's also been a year full of opportunities, especially if you've been able to put your ego aside and focus on the price action.

So turn the page and let's start digging into the price action.

-Scott Redler

Positions Disclosure: As of 10/5/2020 at 10:36 a.m. ET, Scott J. Redler was long AAPL, BIGC, CRM, FLDM, IPOB, IPOC, JETS, KCAC, MBIO, NIO, PIC, SDGR, SONO, SPCE, TWTR, WMT, AMD 10/16 \$78 calls, NIO 10/16 \$21 calls, NIO 11/20 \$30 calls, SNAP 10/16 \$27 calls, SONO 10/16 \$15 calls, VXX 11/20 \$30 calls, VXX 12/18 \$30 calls, WMT 10/16 \$40 calls; was short SPY, AMD 10/16 \$83 calls, AMZN 10/9 \$2960 puts, NIO 10/16 \$25 calls, VXX 11/20 \$34 calls, VXX 12/18 \$37 calls

Q3 in Review

2020 By the Numbers

Here's a quick look at price performance in 2020*.

Index ETFs:

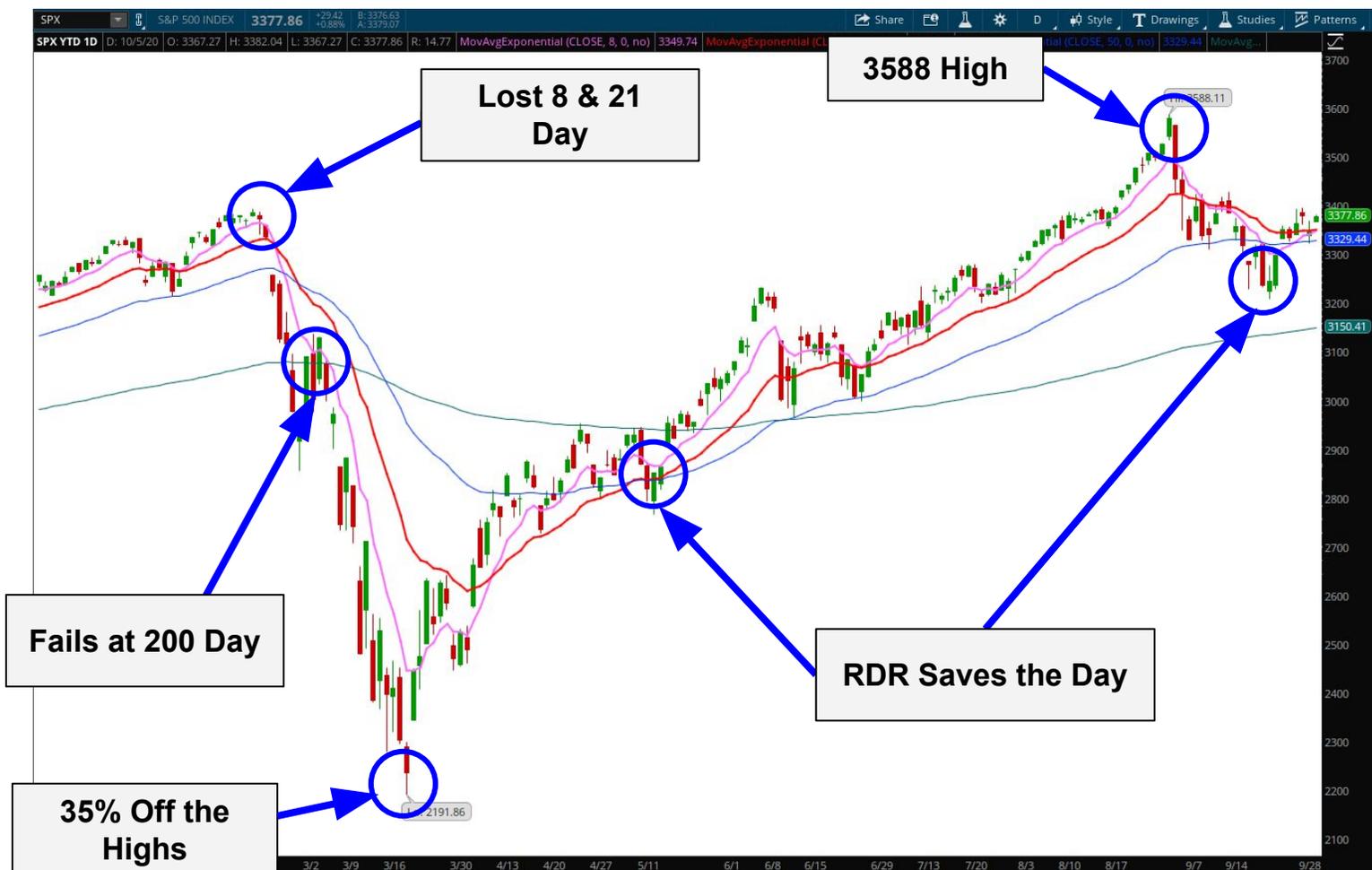
| | | |
|------------|-----------------------|--------|
| SPY | S&P 500 Index | +4.0% |
| QQQ | Nasdaq 100 | +30.7% |
| IWM | Russell 2000 | -9.6% |
| DIA | DJ Industrial Average | -2.7% |

Sector ETFs:

| | | |
|-------------|------------------|--------|
| SLV | Silver | +29.7% |
| ITB | Housing | +28.7% |
| XLK | Technology | +27.3% |
| RTH | Retail | +24.0% |
| GLD | Gold | +23.9% |
| SMH | Semiconductors | +23.2% |
| TLT | Treasuries | +20.5% |
| XLY | Consumer Discr. | +17.2% |
| IBB | Biotech | +12.4% |
| XLB | Materials | +3.6% |
| XLV | Health Care | +3.6% |
| XLP | Consumer Staples | +1.8% |
| IYT | Transportation | +1.7% |
| EEM | Emerging Markets | -1.7% |
| XLI | Industrials | -5.5% |
| XLU | Utilities | -8.1% |
| XLF | Financials | -20.3% |
| MJ | Cannabis | -39.2% |
| JETS | Airlines | -46.3% |
| XLE | Energy | -50.1% |
| OIH | Energy Service | -63.1% |

*as of the close 9/30/2020)Data source: Google Finance)

SPX Review



At the end of Q1, the **SPX** was down about 20% with the **Russell 2000** down over 31%.

Fast forward to October, and we're back to hovering near all-time highs, thanks to powerful leadership in tech. Believe it or not, the **QQQ's** are up over 30% this year, which shows you the importance of focusing on levels instead of "opinions."

Most recently, the **SPX** hit a high of 3588 on September 2 before dropping to 3209 on September 24, where we had a big Red Dog Reversal.

Even though we're up on the year, it is a market of "haves" and "have nots."

For example, while the **QQQ's** are up 30%+, energy is down more than 50% and you have plenty of other laggards like Banks and Airlines.

Q4: Where We Could Go From Here

I don't have to tell you how unpredictable things have been in 2020.

This year has been nonstop chaos, and we still have almost 3 months to go.

We have earnings season hitting soon, big questions over stimulus. Covid-19 developments (including the President's case), and of course, the Presidential election!

I'm not making any hard predictions because things are changing so fast.

But I would not be surprised if we just saw the high for 2020.

We just put a bottom in at 3209 following the big correction up at 3588, and the market's been neutral to positive since then.

From a big picture perspective, I do expect the SPX to hold the 2950-3150 range, which should serve as very strong macro support.

3323 is important support near-term, and 3359-3393 is resistance. So watch these levels carefully if they get hit.

Frankly, it would be irresponsible to get too specific because I'm getting much more tactical in my own trading, and I'm switching things up by the day or even by the hour.

I'm closely watching tech because it's been leading the market all year, and the leaders like **Apple** (AAPL), **Tesla** (TSLA), and **Amazon** (AMZN) have a lot of sway over the broader averages.

Right now, I want to take things one step at a time and trade from both sides to generate cash flow.

Now turn the page to read about 3 names I'm focused on for Q4.

3 New Names to Watch in Q4

Normally, I don't give new ideas in Market Outlook updates, but I wanted to share 3 interesting names on my radar now. I'm long all three.

#1: Schrodinger (SDGR)

Schrodinger is a life sciences software name that came public in February at \$26, and it hit \$99.50 in July.

It has pulled back quite a bit and looks interesting for the long-term. Plus, I think it could be breaking its downtrend to create a nice technical setup.

It also has backing from Bill Gates and some other big investors, which helps it from a story perspective.

#2: BigCommerce (BIGC)

BigCommerce is another 2020 new issue that had a massive post-IPO pop that deflated quickly.

There is some talk it could be the next **Shopify** (SHOP), and I think it's setting up very well technically.

#3: Kensington Capital Acquisition Corp (KCAC)

Over in SPAC world, I have a very close eye on **Kensington Capital Acquisition Corp** (KCAC).

Other SPACs like **NKLA** and **HLYN** have been great performers in 2020.

KCAC could be the next one to trigger, which is why I'm long and looking to accumulate more.

Reviewing Scott Redler's Focus Names for 2020

MJ/CGC/SNDL/CRON Longs



What I Said:

“As long as MJ holds the 2019 low of \$15.95, I think it can rebound to the \$22-\$24 range.”

What Happened:

Please Note: I’m consolidating all my analysis of **MJ/CGC/SNDL/CRON** here because the story is the same across the board. The cannabis group was red hot in January but cooled off quickly and fell out of play. I was very active in these names at the start of 2020, and they were good money makers before I got stopped out. I did well with them again in June before they fell out of favor. Right now, if I was looking for cannabis exposure, I would look at accumulating the MSOS ETF in case the group gets a tailwind into the election. But it’s not a low-risk group so I’d tread carefully.

Tesla (TSLA) Long



What I Said:

"Tesla broke above all moving averages, and made new record highs in December. I expect bigger things in 2020, including a move to \$104*. The analysts seem behind the curve. The average price target is \$59*. I think that number is going way up."

**numbers adjusted for Tesla's 5:1 stock split*

What Happened:

Tesla has been my #1 moneymaker since late 2019 and it's been great for our community. The stock had a tremendous move since the 5:1 stock split. Now it needs to hold the \$390-\$400 area to stay special. A break below would not be a problem. It could run into earnings in a few weeks and it could be added to the S&P 500, so I'm looking at options strategies.

Wynn (WYNN) Long



What I Said:

“Now I think WYNN is ready to clear the 2019 channel and work its way towards \$200.

WYNN was a repeat winner in the past in my Market Outlook Reports, and I’m looking for another victory this year.”

What Happened:

WYNN started the year strong with a rally up to \$153.41 but couldn’t sustain it and lost all moving averages. Casinos have been all over the place in 2020 thanks to Covid-19, and this stock is no exception. The chart is still very much broken and it’s hovering on support at \$65-\$67. It probably needs a major Covid-19 slowdown to get back in motion.

IBB ETF (IBB) Long



What I Said:

"... I think IBB is going to play catch-up big time as traders look for growth names that are below record highs.

I think a move to \$150+ can happen in 2020."

What Happened:

Some health care and infectious disease plays have been powerhouses in 2020, and that's made biotech one of the better performing sectors. **IBB** reclaimed the 8 & 21 day around mid-April and eventually reached \$146 in July.

It's hovering right around the 8 & 21 day moving averages and really needs to hold them.

Fortress Bio (FBIO) Long



What I Said:

"FBIO has a solid pipeline, multiple partnerships with other pharma companies, and stakes in 3 other public companies, including the name I discuss on the next page.

This gives FBIO multiple ways to win."

What Happened:

FBIO finally caught its footing in August and eventually made it up to \$4.78 in September. In last quarter's update, I said it could reach \$4, so this was a very nice surprise.

In fact, I wish I was in this instead of MBIO!

Mustang Bio (MBIO) Long



What I Said:

“**Mustang Bio** (MBIO) is my second speculative bio name for 2020. Some analysts think it can go to \$10+, but at this point, even a move to \$5 would be a home run.”

What Happened:

MBIO has been range-bound this past quarter. They’ve put plenty of positive news but the stock hasn’t really responded. They submitted an abstract to the American Society of Hematology, the acceptance of which could end up being a catalyst. If so, that would be a game changer that could propel the stock to \$7-\$8.

I’m committed to the name until year-end, but it is far from low risk.

Clovis Oncology (CLVS) Long



What I Said:

“**Clovis Oncology** (CLVS) is my third individual biotech play.

As long as it holds \$8, I think Clovis will be very strong, with potential for a double or more in 2020.”

What Happened:

CLVS hasn't done anything this year and has lagged the biotech/health care spaces as a whole.

I've avoided it and don't see myself getting involved.

Xilinx (XLNX) Long



What I Said:

"If XLNX gets above the 200 day, then that's the first step.

And if it powers above \$106, it will be officially in play.

I think the stock can ultimately get above \$112 in 2020."

What I Said:

XLNX took an awful long time to get in play this year, and it recently got above \$106 to clear \$112.

It still acts well, though it's been off my radar. \$98 is major support.

Apple (AAPL)



What I Said:

"I think Apple's set for more gains in 2020, but nothing like what we saw in 2019. I expect Apple to break \$75*, based mostly on big demand for AirPods, which seem like a huge holiday season hit."

*numbers adjusted for Apple's 4:1 stock split

What Happened:

AAPL announced a 4:1 stock split in August, then gave a pro gap and a beautiful swing trade to \$135. Thankfully, I sold around the top when it put in a bearish reversal. It recently gave clues of a September bottom and it's still a leader. As long as it holds \$110, it's hard to get bearish on the stock or tech as a whole.

Facebook (FB) Long



What I Said:

“... the reality is that companies are still spending tons of money on Facebook ads, and that’s not going to change any time soon. Regardless of what happens with political ad spending, the 2020 election cycle should be positive for social media activity, which flows through to Facebook.

I expect a move above \$220 in Q1.”

What Happened:

FB broke over my \$220 target in January. After a Q1 earnings miss, the stock struggled, but it came back with a vengeance. In August, I focused on it to break \$265 and it hit \$300. I got out, and now it’s not much more compelling than the market.

Amazon (AMZN) Long



What I Said:

“Right now, it needs to hold \$1,770.

A close above \$1,802 could mean a run to \$1,850.

Above \$1,850, and there’s room to make new record highs above \$2,050.”

What Happened:

AMZN made my \$2,050 objective look silly by sailing past \$3500 this year. It should act well if we get a stimulus bill. It would also be helpful to get a split, which would likely get me buying again. Short-term, it needs to hold \$3,000. Otherwise, tech might lose momentum.

Beyond Meat (BYND) Long



What I Said:

“Beyond Meat (BYND) was one of the great IPO’s of 2019, and then it fell apart after getting all the way up to \$239.71.

Now that it’s in the \$70’s, it’s a lot more compelling. It’s been consolidating around the 8 & 21 moving averages, and I see it reclaiming the 50 day and reaching the \$95-\$100 range.”

What Happened:

Beyond was great to us in 2020, hitting \$172+ last week. It’s a true go to name and acts better than most names, though it can be sloppy from time to time. As long as it holds \$160, it has leadership status.

Uber (UBER)



What I Said:

“The stock got very washed out in November, but now it’s slowly curling up and looks ready to build above the 8, 21, and 50 day moving averages. As long as it holds \$28.50, it can see \$35+.”

What Happened:

UBER was one of the best tech names out there in early 2020, surpassing my \$35 target area to hit \$41.86 back in February.

I haven’t been active, but it seems like institutions are buying so I wouldn’t fight it.

There’s a chance it takes out the original \$47 post-IPO high in 2021.

Luckin Coffee (LK)



What I Said:

So many new names rocketed up fast and then crashed, but LK did the opposite. It felt like a failure at first, but it picked up big time on a big November earnings report.

I think the strength can continue in 2020, and I expect the stock to break over the \$40 area.

What Happened:

LK soared way past my \$40 target area to reach \$51.38 on January 17. Since then, the stock's been destroyed on a major accounting scandal. Hopefully, you got out when Muddy Waters and Citron flagged it as a problem name. I avoid battlegrounds so I haven't been involved, thank goodness!

Up Fintech (TIGR) Long



What I Said:

“The stock is starting to curl up and I think it can hit \$6.50 to \$7. And if there’s any positive news, it could even get to \$10. Again, this is a speculative name but I’m comfortable with it.”

What Happened:

TIGR spiked as high as \$5.04 in January before selling back down along with the rest of China.

The stock’s had a major comeback, and eventually hit a high at \$7.60.

I haven’t been looking at it honestly... though I wish I had when it spiked in July.

Snap (SNAP) Long



What I Said:

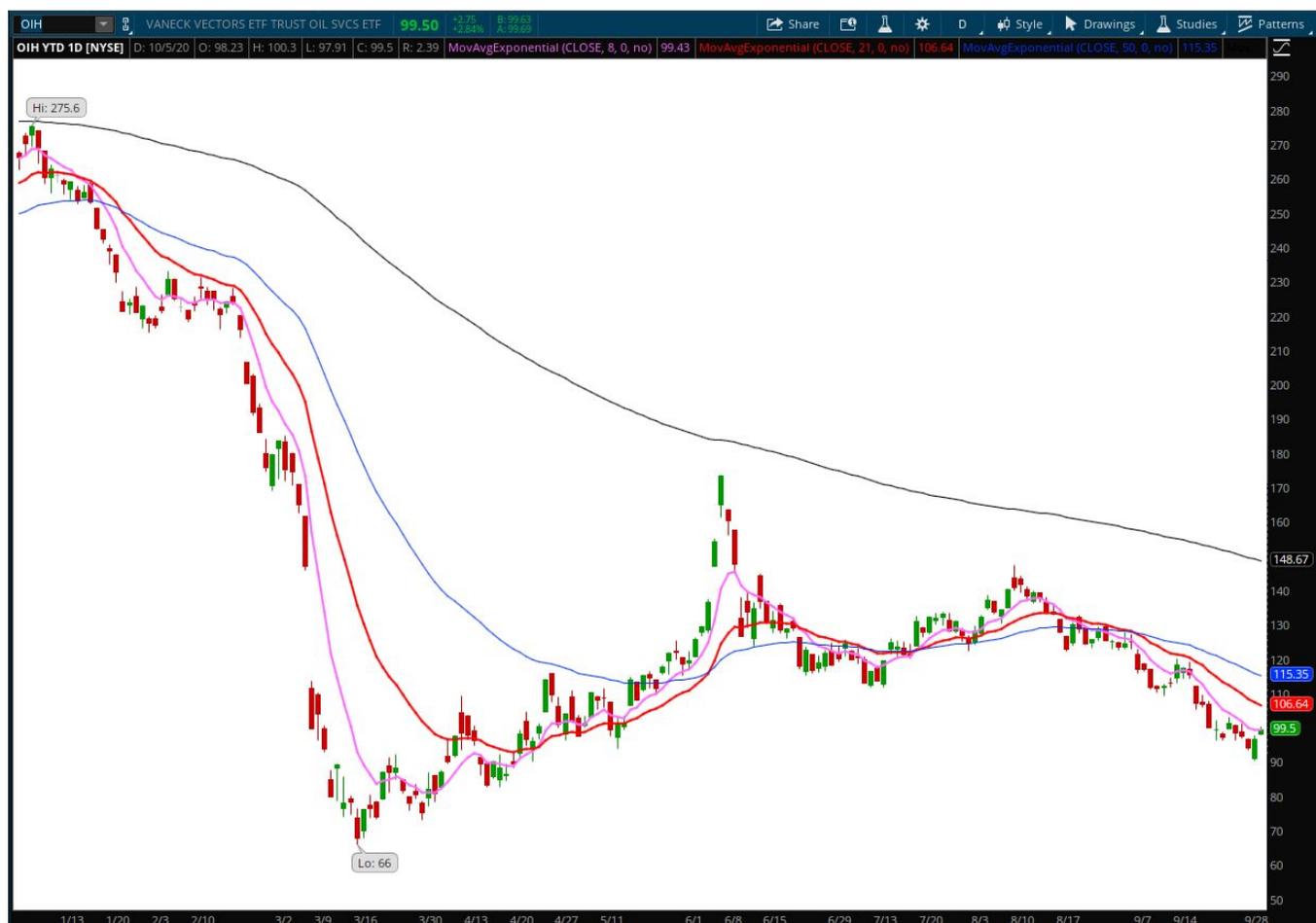
"I don't think Snap will match its 2019 performance, but I do think the stock can challenge its 2018 high of \$21.22. First, it has to get over \$18.50, and then it's off the races."

What Happened:

Snap has been a great name this year.

It's at multi-year highs over \$27 and it seems like the government focus on TikTok could push Snap over \$30. However, it seems like it's getting overextended short-term and I've been lightening up.

Oil Service ETF (OIH)



What I Said:

"I've been long since \$242ish and managing it.

I think it could reclaim the 200 day and move towards \$300 or even higher."

**prices reflect OIH's 1:20 reverse split*

What Happened:

OIH was very strong for the first few days of 2020, and it looked like it had a lot of potential.

But OIH has been a bit of a mess this year and doesn't even do well in rebalance trades. I'm still avoiding energy because it seems like there is so much more opportunity elsewhere.

Euro Stoxx 50 ETF (FEZ)



What I Said:

“If FEZ can break above that longstanding trendline around \$44.50, it’s going to get a lot of attention, especially if traders grow concerned the US is running out of steam. FEZ can get over \$51 in 2020.”

What Happened:

FEZ never made it to that trendline at \$44.50, and got hit awfully hard on the Coronavirus crisis, which was especially bad in Italy.

Right now, it’s just not worth focusing on because FEZ feels like SPY with relative weakness. There’s no need to complicate things by getting involved with FEZ.

Final Words: Don't Give Up

Thank you again for allowing me to help guide you through another year of trading.

It's certainly been the wildest one of my 20+ year career!

Many of you have been reading my Market Outlook Reports and/or have been members of Redler All-Access or the Trader Hub for years.

The sense of community you give me is the reason I get up at 4:45 a.m every morning.

So you're getting the same message I share here every quarter: don't give up.

Trading is not easy and it never will be. There are no guarantees.

But if we tune out the noise and focus on the price action, we can succeed -- even in a year like this one.

This is a marathon, not a sprint. So even if 2020 hasn't turned out the way you wanted, stay engaged and stay disciplined.

Take things one day at a time and focus on hitting singles and doubles.

Because the more often you get on base, the more you score.

This is a good time to take a fresh look at your trading to figure out what you can do better.

I wish you and your loved ones all the best in Q4 and beyond.

Millions of people are going through hard times with no end in sight.

So if you're doing well, be grateful. And if you can afford it, spend some extra money with local businesses -- they need every penny they can get.

Yours in Trading,

Scott J. Redler

About T3 Live

T3 Live was founded to help investors like you generate income and build wealth.

Our approach includes a mix of trading, training, and technology to help you succeed in all market conditions.

T3 was founded by traders, not marketers.

We know what works because we've been in the trenches, trading for a living.

If you have any questions about this report, your account, or any of our services, please email us at info@t3live.com, or call us at **1-888-998-3548**.