



MacroSpotlight

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Welcome to the club.

30th March 2026



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MFERM's total risk forecast for SPY — expressed as a rolling 50-day z-score — surged to $+3.24$ by Friday close.

This puts us in an exclusive club. Since 2017, every breach of the upper band has coincided with a significant market event:

- Feb 2018 ($+6.3\sigma$) — Volmageddon
- Mar 2020 ($+5.0\sigma$) — COVID crash
- Mar 2021 ($+3.2\sigma$) — Rates tantrum
- Apr 2024 ($+3.6\sigma$) — Tariff tremors
- Aug 2024 ($+4.6\sigma$) — Yen carry unwind / VIX blow-up
- Apr 2025 ($+5.0\sigma$) — Liberation Day
- Mar 2026 ($+3.2\sigma$) — Iran Crisis

Peak macro fear = peak opportunity. The question is whether $+3.2\sigma$ is the peak, or still in the foothills. At $+3.2\sigma$ today, we're roughly 70% of the way to the average peak of $+4.6\sigma$.

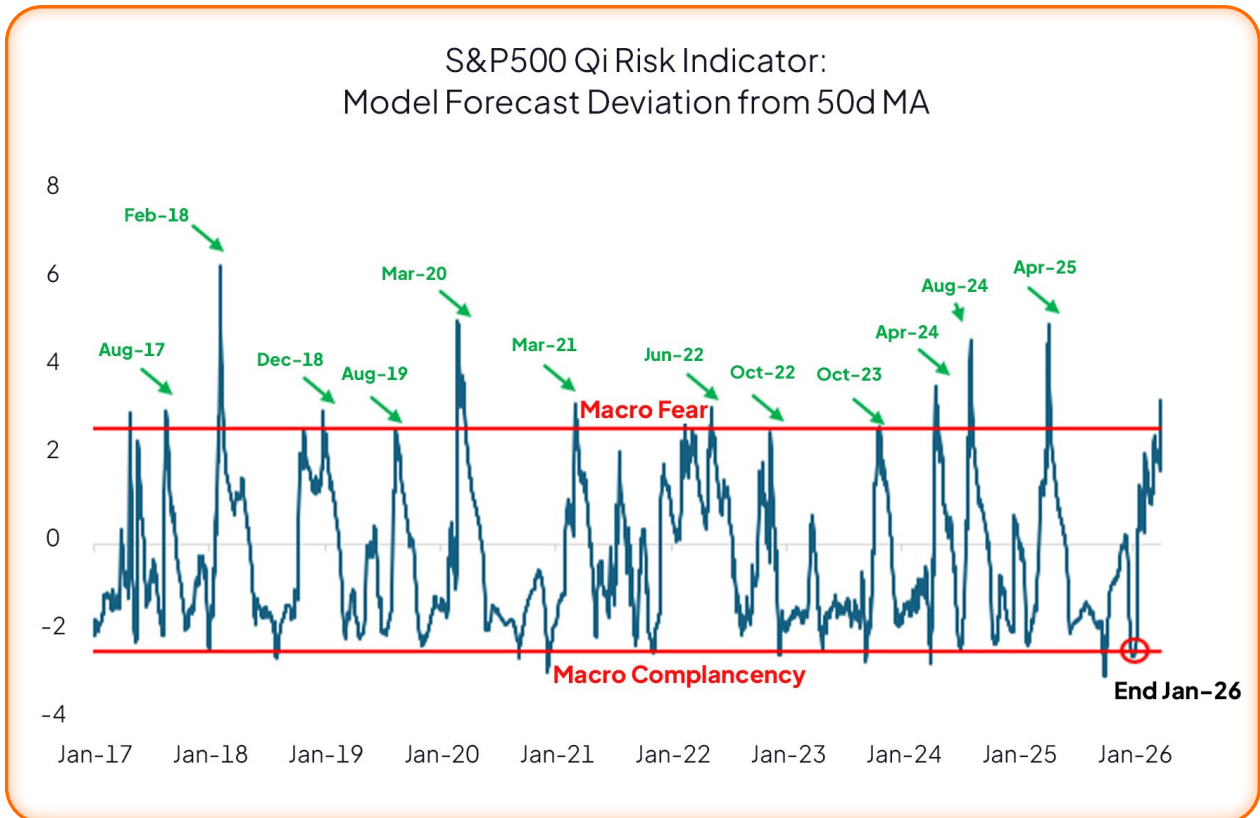
And this is the critical nuance — a $+3.2\sigma$ breach is the alert, not necessarily the peak. The first break above the band has historically been followed by further extension before the turn.

What's driving it this time? Credit widening. CDX HY spreads are the lead factor pushing the risk forecast higher — the same transmission mechanism that amplifies single-factor shocks into multi-factor cascades.



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The tactical read: we're entering the buying zone. The model is flashing the same signal that preceded every major tactical opportunity since 2017. But the higher-conviction entry comes when this indicator rolls over — buying the deceleration of fear, not the acceleration.





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