Market Trends

Issue 131

Week ending 13th April 2018

Market - Ticker (Futures contract month)	Weekly Closing Price	Price / % change from last week	Short-term trend	Long-term trend	Short-term price target	Long-term price target	Position Bias
EURUSD - EC (Jun '18)	1.2389	+0.0040/ +0.33%	↓	→↑	-	-	-
GBPUSD - BP (Jun '18)	1.4275	+0.0150 / +1.05%	→↑	↑	1.4328, 1.4452	1.4661	long
Crude WTI - CL (May '18)	67.39	+5.33/ +8.59%	→↑	↑	-	67.89	-
SX5E (Eurostoxx 50)	3448	+39.90 / +1.17%	→↓	↓	-	-	-
S&P500 - ES (Jun '18)	2657.25	+51.50/ +1.98%	↓	→↑	-	-	-
Gold - GC (Jun '18)	1347.90	+11.8/ +0.88%	↑	↑	-	-	-
30-year Bond - ZB (Jun '18)	145 13/32	- 20/32 / -0.43%	↑	↓	-	-	-

Bold: Price target achieved on close
Italic: Price target hit but not on close

EURUSD: The sideways movement in the Euro continues. This could well be the prelude to a "deeper correction"; or it could simply be a pause before the next leg up. To be honest, the evidence remains evenly split at the moment. Until we convincingly break out of the 1.2250-1.2660 range, prepare to be frustrated. It is best to stand aside.

GBPUSD: Last week we wrote: *"All uptrends and price targets remain intact, pointing to a strengthening of Sterling. We believe it is a matter of time before previous highs in the 1.45 area are reached. Manage risk carefully."*

Eurostoxx50: What difference a week makes. European equities have healed considerably in the last couple of weeks and we're not just talking about price action. We're clearly not out of the woods yet but we're definitely toning down our bearishness as all our negative signals have been negated so far. It is best to stand aside and let the market show us where it was to go.

Crude WTI: Last week we wrote: *"We are changing our views about oil and advise to stand aside. We have been outright bulls for a long time but when the facts change, we need to change too. "Lose your opinion, not your money" is an adage we try to live by."* Clearly a wrong call. Two weeks ago oil sold off 4% and this week it rallied 8%. This kind of psychotic behavior always makes us very cautious and it is always in the interest of capital preservation that we make our recommendations. We prefer to be "wrong" and have money in our pocket, than wrong and broke.

S&P500: We've stressed in the last 2-3 weeks "that there is at least a 50% probability that THE top is now in." If your interpretation of that statement is "the top is in", then clearly your grasp of probabilities is poor. For the moment we'd like to stand aside.

Gold: While we continue to recommend to stand aside, price action and internal market structure is such that we would expect the market to break upwards. In the meantime patience.

30-year bond: This is another market that can go either way. Best to stand aside.

Constantine Theodossiou
ct@newcoll.com

New College Capital Ltd
39-40 St. James's Place
London SW1A 1NS
Tel + 44 20 7495 8720
Fax + 44 20 7495 8668

www.newcoll.com