



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 spot	1.1773	-0.0166/ -1.39%	↓	→↑	-	-	-
GBPUSD spot	1.3472	-0.0065 / -0.48%	↓	→↑	-	-	-
Crude WTI - CL (Jul '18)	71.37	+0.59/ +0.83%	↑	↑	-	74.71, 78.29	long
Eurostoxx 50 cash	3573.76	+8.24 / +0.23%	↑	↓	-	-	long
S&P500 - ES (Jun '18)	2713	-16.50/ -0.60%	↑	→↑	-	-	long
Gold - GC (Jun '18)	1291.30	-29.4/ -2.23%	↓	→↑	1270.3	-	short
30-year Bond - ZB (Jun '18)	141 6/32	-1 30/32 / -1.35%	↓	↓	140-6, 139-03	139-24, 137-06, 135-31	short

**Italic:** Price target hit but not on close

**EURUSD:** Two things are very clear to us: a) something has changed in the market structure and b) we are phenomenally oversold. So what are the implications? We are not very sure. It's best to wait for the market to show us where it wants to go. We are clearly in some sort of transition.

**GBPUSD:** We're very close to the 50% retracement level of circa 1.3380 between the pre-referendum high and post-referendum low which we've noted for a long time now. So what, you may ask. 50% retracement levels are important because they act as strong support or resistance zones. Take a look at the GBPUSD chart and plot the 50% level for a better understanding. This is now the first time that this zone will be challenged as support so let's see what happens.

**Crude WTI:** We keep heading higher and closer to our next price target of 74.71. Attempting to short oil at this stage will be ruinous to one's financial health. Manage risk carefully.

**Eurostoxx50:** The rally is now in its 8<sup>th</sup> week and it's clear it's fizzling out. We will be adding to long positions with any future weakness.

**S&P500:** According to our model the S&P500 is in a clear uptrend. That said, as we noted last week there is a certain disconnect among the broader US equity indices as the Russell 2000 is making new all-time highs and the rest aren't. This is further confirmation that we're at the latter (probably dying) stages of a bull market. Some argue that small caps at all-time highs are the order of the day in a rising interest rate environment. We're fundamentally agnostic (pun intended). Our main take-away from all this is that the Russell 2000 is on fire and the other indices are not. This anomaly cannot persist for very long. In the meantime, we'd be more comfortable being long the Russell 2000 (and we are) than the S&P500.

**Gold:** Last week we described how gold remains "a riddle, wrapped in a mystery inside an enigma". No more. It's resolved downwards. Our next price target is 1270.30. If we close for a couple of weeks below that level, then we're heading back to the 1170-1200 area.

**30-year bond:** Last week we wrote: "We continue to believe it is a matter of time before bonds break below the very long-term support area of circa 141 ½ and head lower. Our price targets confirm this for now." Higher interest rates are here for real. Our first price target at 140-06 was hit, even though we failed to achieve it on close. We did close below the long-term 141 ½ area though so hold on to your hats.

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