



Market (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 (Sep '16)	1.1110	-0.0092/ -0.82%	→↓	↓	1.0842	1.0429, 1.0412	short
GBPUSD (Sep '16)	1.3090	-0.0157 / -1.19%	↓	↓	1.2800	-	short
USDJPY (Sep '16)	0.9846	+0.0026/ +0.26%	↑	↑	-	1.0221, 1.0315	long
Crude WTI (Sep'16)	41.80	+0.20/ +0.48%	↓	→↓	37.00	26.57	short
S&P500 (Sep '16)	2168.25	+8.50/ +0.39%	↑	↑	2234	-	long
Gold (Dec '2016)	1344.40	-13.10/ -0.97%	→↑	↑	1383.30	-	long
30-year Bond (Sep '16)	171 18/32	-2 28/32 / -1.65%	→↑	↑	-	-	long

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EURUSD: The bears seem to still have the upper hand in this market. Last week we pointed out that a price target in the 1.0850 area was negated. Given this week's action, this price target is now back in effect.

GBPUSD: This market remains very vulnerable from every angle you look at it. The downtrend resumes and there is not much there to prevent the market from working its way towards its 1.2800 price target.

USDJPY (*n.b.: futures are quoted inversely to cash so when futures are rising the JPY is rising in value*): When I assess the state of a market there are quantitative and qualitative inputs that I have developed, which become part of a rules-based decision process. The quantitative inputs for this market are screaming for a higher JPY and the qualitative make me hesitate. Long entries can be considered for the right risk/reward.

Crude WTI: We traded at a low of 39.19 this week. The picture remains very bleak. Our new short-term price target is 37. We're in a state of affairs where both a pause in the slide and a further price collapse would be "normal". Manage risk carefully.

S&P500: If frustrating both the bulls and the bears in a clearly trending market were an Olympic event in Rio, then the S&P500 would be a very strong candidate for the gold medal.

Gold: The rally is stalling but the weight of the evidence remains overwhelmingly in favour of the bulls. This bull market in gold can take quite a beating before it's pronounced dead. Having said that, until we close at or above our price target of 1383.30 for a couple of days, the cracks that have appeared in the last few sessions will not be repaired.

30-year bond: While the weight of the evidence remains bullish, there are several signs that we're either pausing or actually reversing. It's the sort of situation where I'd rather be out of the market wishing I was in, rather than in wishing I was out.

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How to read the table

Market futures unless indicated (Contract month)	Weekly Closing Price (1)	Change from last week (2)	Short-term trend (3)	Long-term trend (4)	Short-term price target (5)	Long-term price target (6)	Position Bias (7)
EURUSD (Dec '15)	1.1241	+0.0038	→↑	→↓	1.1713, 1.1748, 1.1870	1.1713	-

- Weekly price close
- Change from last week
- Short-term trend
- Long-term trend
- Short-term price target
- Long-term price target
- This is not a recommendation to enter the market per se but rather a bias on the direction from which to enter if an appropriate trading/investment opportunity presents itself
 - When "long", we're thinking of entering from the long side
 - When "short", we're thinking of entering from the short side or at the very least we're out
 - When "-", then we're not thinking about this market

So looking at the above table we know that:

- EURUSD Dec 2015 future closed at 1.1241
- On a closing basis, EURUSD rallied 0.0038
- The short-term trend is side-up
- The long-term trend is side-down
- We have short-term price targets of 1.1713, 1.1748 and 1.1870
- We have long-term price targets of 1.1713
- We have no bias as to where this market is heading, hence we're not thinking about entering

How to benefit from the analysis

"The presumed positive relationship between risk and return is predicated on the assumption that there's no such thing as investment skill and value-added decision making. If markets are efficient and there's no skill, it's reasonable to believe that higher returns can be attained only through the bearing of increased risk. But if outstanding skill is present, there's no reason to think that it can't be used to create portfolios with low risk and high return potential." Howard Marks, Oaktree Capital Management L.P.

Making money in the markets is not easy and requires second-level thinking. The main purpose of the analysis is to help one's decision process by being properly positioned in a market to avoid a big hit. "Staying in the game" is an absolute prerequisite for long term success and it's mostly overlooked by the public. Results will ultimately depend on execution, managing one's risk and emotions and the use of common sense.

What it does

The analysis is based on a quantitative method. The sole purpose is to detect the trend – or lack of it – and to produce price targets (PT). What you read in the table is purely a quantitative output. However, the decision to trade/invest also depends on qualitative inputs, which is not the purpose of this write-up. At all times, remember that a market is in either of the 3 states below:

- Uptrend
- Downtrend
- Undecided

Basic principles

- In an uptrend we're either out, long or looking to enter from the long side
- In a downtrend we're either out, short or looking to enter from the short side
- When there is no trend, we simply wait until the market tells us where it wants to go

When a market is in trend, then we get signals that produce PT. In an uptrend, the PT is higher than current price. In a downtrend, lower. The PT is in effect until achieved or negated.

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