



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)	1.1178	-0.0068/ -0.61%	→↓	↓	1.1145, 1.0842	1.0986, 1.0429, 1.0412	short
GBPUSD (Sep '16)	1.2924	-0.0166 / -1.27%	↓	↓	1.2800	-	short
USDJPY (Sep '16)	0.9889	+0.0043/ +0.44%	↑	↑	1.0249	1.0221, 1.0315	long
Crude WTI (Sep'16)	44.49	+2.69/ +6.44%	↓	→↓	-	26.57	short
S&P500 (Sep '16)	2180.25	+12.00/ +0.55%	↑	↑	2234	-	long
Gold (Dec '2016)	1343.20	-1.20/ -0.09%	→↑	↑	1383.30	-	long
30-year Bond (Sep '16)	172 ^{31/32}	+1 ^{13/32} / +0.82%	→↑	↑	-	-	long

Constantine Theodosiou
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

EURUSD: All trends remain down, yet the currency refuses to sell-off. The close on Friday should be encouraging for the bears as should the fact that we got another quick and sharp sell signal with a 1.1145 price target and a longer term sell signal targeting 1.0986. It is imperative that 1.1145 be achieved on close this week for the bears to maintain the upper hand.

GBPUSD: Last week we wrote: *"This market remains very vulnerable from every angle you look at it. The downtrend resumes and there is not much to prevent the market from working its way towards its 1.2800 price target."* For those keeping a diary, Friday's close was a new post-referendum low. The sell-off continues and 1.2800 is getting closer.

USDJPY (n.b.: futures are quoted inversely to cash so when futures are rising the JPY is rising in value): The bull trend remains intact with prices moving higher in a rather "dull" fashion. This market has a lot of internal strength and is positioned for a further rally.

Crude WTI: Oil pulls a rabbit out of the hat and with it another (seemingly) v bottom. Time will tell if it holds. Our previous short-term target of 37 is also negated and while this complicates the short term picture, all trends remain down. This is perhaps a good point in time to remind our readers, that we focus on trading/investing with the trend and not on picking tops/bottoms.

S&P500: Another dull week in August. I know people calling for a crash and people calling for 2350-2500. Our methodology has been painting a very clear picture of internal strength and a bullish trend for the last month or so. This is the 7th weekly close higher.

Gold: Last week we wrote: *"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."* No change.

30-year bond: This market is holding its ground, yet not doing much. A break and close below 170 will put a solid dent in the uptrends. Based on our methodology, the chances of this happening before Labor Day are around 25%.

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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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ct@newcoll.com

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