



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)	1.1165	-0.0032 / -0.29%	↓	↓	-	1.0937, 1.0870	short
GBPUSD (Sep '16)	1.3298	+0.0167 / +1.27%	→↓	↓	1.2800, 1.2758	-	short
USDJPY (Sep '16)	0.9625	-0.0198 / -2.02%	→↑	↑	-	1.0221, 1.0315	-
Crude WTI (Oct'16)	44.64	-3.20 / -6.72%	→↓	→↓	-	-	-
S&P500 (Sep '16)	2178.00	+9.50 / +0.44%	→↑	↑	2195.25, 2200.50	-	long
Gold (Dec '2016)	1325.90	+0.80 / +0.06%	↓	↑	-	-	-
30-year Bond (Dec '16)	169 16/32	+ 20/32 / +0.37%	→↑	↑	-	-	-

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EURUSD: I'd like to bring to your attention two very important occurrences in the behavior of this currency, nothing to do with trends. They're in plain view so it's important to be aware of them: 1) The Euro has spent 80 weeks in the 1.15-1.06 range. 2) The Euro has spent the last 10 weeks within its Friday 24th June (Brexit referendum result) range of 1.1460-1.0947. I can assure you that the whole planet is looking at those two ranges. Paid subscribers will get a more in-depth analysis but suffice it to say that whichever way the market breaks from these ranges, the move will be explosive. Going back to our trend analysis, the weight of the evidence has now shifted in favour of the bears.

GBPUSD: Last week we wrote: *"It's very important to remain vigilant and manage risk carefully. The "easy" money has probably been made for now."* This is the first week where positive news for this market had a "sticking" effect which should mark an important milestone in the change of psychology of participants.

USDJPY (*n.b.: futures are quoted inversely to cash so when futures are rising the JPY is rising in value*): Last week we wrote: *"As I've mentioned so many times before, the health of a trend is ultimately judged by how a market behaves/holds during a counter-move."* I can safely declare that the JPY has caught a cold.

Crude WTI: Oil's psychotic moves continue and there's way too many conflicting evidence for my liking. For the historians out there, it is important to note that from a trend perspective in the last 12 months we've made our money from the short side.

S&P500: The resilience of this market is constantly being tested.....successfully. Our price target of 2195.25 is our next checkpoint.

Gold: This market has now cracked, at least for the short term. Best to stand aside until the dust settles.

30-year bond: Last week we wrote: *"There seems to be a fundamental change taking place in this market culminating in Friday's close. Caution is now advised. Stay out and keep your powder dry."* No change

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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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