

# Market Trends Table

Issue 55

Week ending 28th October 2016



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
<b>FX</b>							
EURUSD - EC (Dec '16)	1.1003	+0.0104/ +0.95%	↓	↓	-	1.0542, 1.0524	short
GBPUSD - BP (Dec '16)	1.2201	-0.0040 / -0.33%	↓	↓	1.1922	1.1606	short
USDJPY - JY (Dec '16)	0.9564	-0.0085/ -0.88%	↓	→↑	-	-	-
<b>Energy</b>							
Crude WTI - CL (Dec'16)	48.70	-2.15/ -4.22%	↑	→↓	56.47	53.88, 55.47	-
Natural Gas - NG (Dec '16)	3.105	0.000/ 0.00%	↓	→↑	-	-	-
<b>Equity Index - Rates</b>							
S&P500 - ES (Dec '16)	2123.75	-11.00/ -0.52%	↓	→↑	2112.50, 2101	-	-
Nasdaq 100 - NQ (Dec '16)	4806	-37.25/ -0.77%	→↑	↑	-	-	long
30-year Bond - ZB (Dec '16)	162 6/32	-2 20/32 / -1.59%	↓	→↑	-	-	-
<b>Metals</b>							
Copper - HG (Dec '16)	2.1935	+0.0105/ +5.03%	↓	→↓	-	2.0610	short
Gold - GC (Dec '16)	1276.80	+9.10/ +0.72%	↓	→↑	-	-	-
<b>Agricultural – Meats - Softs</b>							
Corn - ZC (Dec '16)	355	+2 4/8/ +0.71%	↓	↑	362-4	-	-
Live Cattle - LC (Dec '16)	104.350	+2.475 / +2.43%	→↓	↓	93.475	94.275	short
Sugar #11 – SB (Mar '17)	22.16	-0.55 / -2.42%	→↑	↑	-	24.06	long
Coffee "C" – KC (Dec '16)	165.50	+9.40 / +6.02%	→↑	↑	160.10, 162.15	168.80	long

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**ECZ16:** The pause/bounce from the oversold position we mentioned last week is in effect. All trends remain down with 50%+ probability on seeing the bottom of our last range touched (currently around the 1.06 area) which coincides nicely with our longer term targets in the 1.055 area. That said, we're entering a couple of weeks of potential serious volatility with FOMC and the US elections. Plan ahead.

**BPZ16:** The pound seems to be flushed out. Given the weight of the evidence, I believe the move lower will eventually continue. UK politicians have been pretty good so far to provide catalysts for a lower exchange rate.

**JYZ16** (*n.b.: futures are quoted inversely to cash so when futures are rising the JPY is rising in value*): The yen remains uninteresting. Aggressive accounts can look at the short side of the futures.

**CLZ16:** Last week we wrote: *"Crude oil seems to be running out of steam. There are plenty of headwinds and it remains vulnerable to catching a cold again. Longs should be careful and raise stops."* It's definitely caught a cold and remains to be seen if it's pneumonia. Overall, the picture is now mixed, so best to stand on the lines for the time being.

**NGZ16:** Natural gas simply fell through the floor and we now recommend to stand aside. Such sharp reversals are always a good reminder on why trading with a plan with capital preservation as a priority, is always a good idea.

**ESZ16:** Another week where our price S&P500 target of 2112.50 was touched but we failed to achieve it on a closing basis. The longer-term picture is gradually being eroded but the trend remains up. We continue to recommend that aggressive accounts stay short. The jury will definitely have settled on a verdict by the second week of November.

**NQZ16:** Last week we wrote: *"The Nasdaq100 (as most US equity indices) has thrown a short-term sell signal which I will not take too seriously as a) there's really no inherent weakness in the Nasdaq's uptrends and b) I prefer to be short the weakest index (i.e. S&P500). Technology stocks have lead this bull market so it remains interesting to see how the disconnect with the S&P500 will evolve."* No change.

**ZBZ16:** The way the picture is evolving for bonds, it is simply a matter of time before all trends will point lower (i.e. higher rates)

**HGZ16:** Copper staged a spectacular v bounce this week leaving little choice but to step on the sidelines and wait for the dust to settle. Aggressive accounts could still look at the short side.

**GCZ16:** Gold remains very muddled with way too much conflicting information for my liking.

**ZCZ16:** Corn is trying to settle into a short term uptrend. Keep an eye on our first target of 362-4. I'd like to see it close above that for a couple of days to at least have a fair chance at staying in this uptrend. In the meantime, positioning is very tough so best to stay out.

**LCZ16:** Live Cattle stabilized at higher levels. That said, the weight of the evidence remains tilted to the short side and as such another stab at it is warranted provided there's an acceptable risk/reward.

**SBH17:** The bullish picture in sugar is gradually deteriorating. While it will take further selling-off to inflict more permanent type of damage, it remains very tricky to consider long positions as the risk/reward proposition is sub-optimal.

**KCZ16:** Last week we wrote: *"It remains a fabulous opportunity to be long coffee. This market generated another buy signal and we have several targets pointing quite higher. Given coffee's tendency to fluctuate wildly, it's probably a market that should only be looked at by more aggressive accounts than not"*.

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