

Market Trends Table

Issue 57

Week ending 11th November 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
FX							
EURUSD - EC (Dec '16)	1.0859	-0.0279/ -2.50%	→↓	↓	1.0826, 1.0742	1.0542, 1.0524	short
GBPUSD - BP (Dec '16)	1.2609	+0.0094 / +0.75%	→↓	↓	-	1.1606	short
USDJPY - JY (Dec '16)	0.9376	-0.0334/ -3.44%	↓	→↑	-	-	-
Energy							
Crude WTI - CL (Dec'16)	43.41	-0.66/ -1.50%	↓	→↓	39.01	28.34	short
Natural Gas - NG (Dec '16)	2.619	-0.148/ -5.35%	↓	→↑	-	-	-
Equity Index - Rates							
S&P500 - ES (Dec '16)	2161.50	+81.50/ +3.92%	↓	→↑	-	2243.25	-
Nasdaq 100 - NQ (Dec '16)	4748.00	+90.25/ +1.94%	↓	↑	-	5202.50	-
30-year Bond - ZB (Dec '16)	155 5/32	-8 6/32 / -5.01%	↓	→↑	-	-	-
Metals							
Copper - HG (Dec '16)	2.5090	+0.2440/ +10.77%	↑	↑	-	-	long
Gold - GC (Dec '16)	1224.30	-80.20/ -6.15%	→↓	→↑	1215.40	1218.30	-
Agricultural – Meats - Softs							
Corn - ZC (Dec '16)	340 2/8	-8 4/8/ -2.44%	→↑	→↓	-	-	-
Live Cattle - LC (Dec '16)	105.600	+2.875 / +2.80%	→↓	↓	-	96.45	short
Sugar #11 – SB (Mar '17)	21.70	-0.03 / -0.14%	↓	↑	-	25.15	-
Coffee "C" – KC (Mar '17)	163.10	-12.05/ -6.88%	↑	↑	181.55	-	long

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ECZ16: The US election was a catalyst as expected. What wasn't expected, was the result and its impact on global markets. Our methodology has been pointing to a weaker Euro for a while and the downward momentum resumed with conviction this week. Keep an eye on our various price targets lower for a confirmation of the trend down.

BPZ16: Last week we wrote: *"The pound is still trying to find its equilibrium as various pieces of (mainly political) news push it in either direction. There is no evidence whatsoever that the downtrends have changed."* The quantitative picture for the pound remains straightforward i.e. down. That said, I struggle to find an asymmetric trade with good risk/reward.

JYZ16 (*n.b.: futures are quoted inversely to cash so when futures are rising the JPY is rising in value*): The yen remains uninteresting as it keeps throwing conflicting signals

CLZ16: Crude oil weakness continues. This market should be avoided by all but the most aggressive accounts. We now have a 39.01 short-term price target. If we achieve this target on close and manage to hold that level for a while, then the doors are open for the 30-area and our longer-term target of 28.34 (December basis). Manage risk carefully.

NGZ16: Given the continued volatility in natural gas, it is virtually impossible to be positioned. Best to keep out.

ESZ16: Following the US election result equity indices in the US have repriced and the path of least resistance will likely be upwards from now on, something which our longer-term price targets confirm. We're also in the traditionally bullish period leading up to Thanksgiving and into the Presidential inauguration.

NQZ16: As per S&P500 comment

ZBZ16: Last week we wrote: *"From a quantitative perspective, the trends in bonds remain rather conflicting. As such, this is another market marking time until it figures out its next move. The evidence on the short side is steadily gaining momentum over the last couple of months."* Bonds crashed as they're rushing to discount the future economic policies of the President-elect. They are massively oversold so any pause or subsequent bounce will likely serve as a further short entry opportunity.

HGZ16: Copper exploded. We totally missed this market as it moved way too fast.

GCZ16: Gold was another market this week undergoing some serious repricing as the result of the US presidential election. We need to wait for the dust to settle. If its inverse relationship to the US\$ is still intact, then the future for this precious metal is very bleak.

ZCZ16: The corn market is going through a transition. More aggressive accounts can start thinking about the short side.

LCZ16: While live cattle keeps its downward bias from a quantitative perspective, the quality of this bias is very poor as the market is showing signals of exhaustion and possibly a base. As such, it is best to stand aside.

SBH17: Sugar is another market transitioning/pausing. There's way too much conflicting evidence to position oneself.

KCH17: Coffee's recent rally seems to have ended rather abruptly. Having said that, we got further buying signals this week and all the upward trends have remained intact.

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