

# Market Trends Table

Issue 58

Week ending 18th 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
<b>FX</b>							
EURUSD - EC (Dec '16)	1.0611	-0.0248/ -2.28%	↓	↓	<b>1.0826,</b> <b>1.0742</b>	1.0542, 1.0524, 0.9933, 09659	short
GBPUSD - BP (Dec '16)	1.2370	-0.0239 / -1.90%	→↓	↓	-	1.1804, 1.1606	short
USDJPY - JY (Dec '16)	0.9047	-0.0329/ -3.50%	↓	→↑	-	-	-
<b>Energy</b>							
Crude WTI - CL (Jan'17)	46.36	+2.42/ +5.51%	↓	→↓	39.58, 37.48	29.38	short
Natural Gas - NG (Dec '16)	2.843	+0.224/ +8.55%	↓	→↓	-	-	short
<b>Equity Index - Rates</b>							
S&P500 - ES (Dec '16)	2180.75	+19.25/ +0.89%	↑	→↑	-	2243.25	long
Nasdaq 100 - NQ (Dec '16)	4808.50	+60.50/ +1.27%	→↑	↑	-	5202.50	long
30-year Bond - ZB (Dec '16)	153 5/32	-2 / -1.29%	↓	→↑	-	-	short
<b>Metals</b>							
Copper - HG (Dec '16)	2.4675	-0.0415/ -1.65%	↑	↑	-	-	long
Gold - GC (Dec '16)	1208.70	-15.60/ -1.27%	↓	→↑	<b>1215.40</b>	<b>1218.30</b>	-
<b>Agricultural – Meats - Softs</b>							
Corn - ZC (Dec '16)	345 4/8	-8 4/8/ -2.44%	→↑	↓	331	-	-
Live Cattle - LC (Dec '16)	105.600	+5.250 / +1.54%	↑	→↓	-	-	-
Sugar #11 – SB (Mar '17)	20.15	-1.55 / -7.14%	↓	↑	-	-	-
Coffee "C" – KC (Mar '17)	162.10	-1.00/ -0.61%	↑	↑	181.55	-	long

**Bold: Price target achieved on close**  
*Italic: Price target hit but not on close*

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**ECZ16:** In issue #35, published June 11<sup>th</sup> 2016, we first brought your attention to the range within which the Euro has been trading for 65 weeks at the time. After further consolidation, in issue #47 published September 2<sup>nd</sup>, we identified two more ranges within that range and remarked that any move out of each range will be explosive as energy that's been building over time gets released. This week, in addition to achieving all our short term price targets, we finally hit the lower boundary of that 89-week range. While we're extremely oversold and should pause to catch a breath, it is now unwise to bet against parity in the next 12 months.

**BPZ16:** In addition to trying to find an equilibrium range to settle, the pound is now dancing to the global repricing beat that has ensued after the US election. The weight of the evidence remains overwhelmingly on the bearish side.

**JYZ16** (*n.b.: futures are quoted inversely to cash so when futures are rising the JPY is rising in value*): Best to keep out of the yen market.

**CLF17:** The weight of the evidence for crude oil continues to point clearly to lower prices. All trends are down and we have lower price targets across the various intervals. That said, given the volatility, we continue to recommend that only the most aggressive accounts participate in this market.

**NGZ16:** Volatility in natural gas remains very high. Once the dust settles, it is time to think about entering from the short side since the bears appear to have won this battle.

**ESZ16:** Last week we wrote: *"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."* No change. Expect more subdued activity this week due to Thanksgiving.

**NQZ16:** The Naz is the only US equity index that doesn't like the election result as it's the only index that has failed to close at a new high. Market pundits have all sorts of narratives for why this is happening and I'm sure it makes good dinner party conversation. As far as we're concerned, our advice is always to buy the strongest of uptrends and sell the strongest of downtrends. From that respect, the Naz is uninteresting.

**ZBZ16:** The bond market is cracked and it's likely we've seen the top. Rallies should be used to short. If you missed Ray Dalio's initial comments on the global repricing, then it's worth reading them [here](#).

**HGZ16:** Copper is trying to catch its breath and find its equilibrium after the explosive rise it experienced the last couple of weeks.

**GCZ16:** Gold achieved all of our price targets. I believe the next leg down has started and if this seismic global repricing is here to stay then gold should trade <\$1000 again.

**ZCZ16:** The corn market remains in transition. Best to keep out.

**LCZ16:** Stand aside.

**SBH17:** Last week we wrote: *"Sugar is another market transitioning/pausing. There's way too much conflicting evidence to position oneself."* No change.

**KCH17:** The uptrends remain intact in spite of the recent pause. The risk/reward is attractive enough to initiate/re-enter long positions.

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