

# Market Trends Table

Issue 61

Week ending 9<sup>th</sup> December 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)	1.0557	-0.0108/ -1.01%	→↓	↓	1.0524	1.0542, 1.0524, 0.9933, 0.9659	short
GBPUSD - BP (Dec '16)	1.2570	-0.0142 / -1.12%	↑	↓	-	1.1606, 1.1594	-
USDJPY - JY (Dec '16)	0.8682	-0.0118/ -1.34%	↓	↓	-	-	short
<b>Energy</b>							
Crude WTI - CL (Jan'17)	51.50	-0.18/ -0.35%	↑	↑	-	-	long
Natural Gas - NG (Jan'17)	3.746	+0.310/ +9.32%	↑	→↓	-	-	-
<b>Equity Index – Rates</b>							
S&P500 - ES (Mar '17)	2254.75	+68.00/ +3.11%	↑	→↑	-	<b>2243.25</b>	long
Nasdaq 100 - NQ (Mar '17)	4893.25	+156.00/ +3.29%	↓	↑	-	5202.50	-
30-year Bond - ZB (Mar'17)	148 16/32	-2 / -1.33%	↓	↓	143-23	-	short
<b>Metals</b>							
Copper - HG (Mar'17)	2.6475	+0.0225/ +0.86%	↑	↑	-	2.8255	long
Gold - GC (Feb'17)	1161.90	-15.90/ -1.35%	↓	↓	-	-	short
<b>Agricultural – Meats - Softs</b>							
Corn - ZC (Mar'17)	359 4/8	+12 2/8/ +3.53%	↓	→↓	-	-	-
Live Cattle - LC (Feb'17)	110.525	+1.650/ +1.52%	↑	→↓	114.475	-	-
Sugar #11 – SB (Mar '17)	19.24	+0.12 / +0.63%	↓	→↑	-	-	-
Coffee "C" – KC (Mar '17)	139.35	-6.45/ -4.42%	↓	↑	-	-	-

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

Constantine Theodossiou  
 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

This document is issued by, and the property of, New College Capital Ltd ("New College") which is authorised and regulated in the UK by the Financial Conduct Authority ("FCA") under reference 430986.

The information contained herein is current at the date of publication, but is subject to change without notice. The information, including any third party data is published in good faith and New College believes that the information is accurate at the time of publication but no representation or warranty, express or implied, is made by New College as to its accuracy or completeness and it should not be relied on as such. New College has expressed its own views and opinions, and these may change without notice. This document is not directed at you if New College is prohibited by any law of any jurisdiction from making the contents available to you and is not intended for any use that would be contrary to local law or regulation. None of the information is intended to constitute any offer to sell or an invitation or solicitation of an offer to buy any product or service by New College and must not be relied upon in connection with any investment decision. Products or services mentioned are subject to legal and regulatory requirements in applicable jurisdictions and may not be available in all jurisdictions. Accordingly persons are required to inform themselves of and observe any such restrictions. Nothing in this website should be construed as investment, tax, legal or other advice.

Past performance is not necessarily a guide to future performance. The value of investments and the income of any financial instruments mentioned may fall as well as rise, and investors may get back less than the amount originally invested. Fluctuations in exchange rates may have a positive or an adverse effect on the value of foreign-currency denominated securities and financial instruments. Certain investments involve an above-average degree of risk and should be seen as long-term in nature. The investment products and services described in the website may have tax consequences. Any tax reliefs referred to are those currently available and their value depends on the circumstances of the individual investor. You acknowledge that levels and bases of taxation may change, and that New College does not provide tax advice. You should consult your own tax advisor in order to understand the tax consequences of the products and services described in the website.

It is the responsibility of the individual user to consider his or her legal and regulatory position in the relevant jurisdiction, the risks associated with trading such products and to ensure that the use of the content and the subsequent making of any investment does not contravene any such restrictions or applicable laws and regulations of any jurisdiction. Please seek the advice of professionals, as appropriate, regarding the evaluation of any specific security, index, report, opinion, advice or other content. This does not exclude or restrict any duty or liability that New College has to its professional clients under the Financial Services and Markets Act 2000 (as amended from time to time) or any other regulatory system under the laws of applicable jurisdictions.

New College shall therefore have no liability, save for any liability that New College may have under the UK Financial Services and Markets Act 2000, for any loss or damage arising out of the use or reliance on the information provided including without limitation, any loss of profit or any other damage, direct or consequential.



**ECZ16:** This is now the 3<sup>rd</sup> week we close outside our 90+ week range of circa 1.160-1.065. For the technical analysis purists out there, this breach triggers a price target of circa 0.970. Our methodology also has been signaling sub-parity price targets for a while. As mentioned in previous issues, betting against parity might be hazardous to your financial health.

**BPZ16:** The pound is partially “healed” and it feels like the 1.20-1.25 area is the new equilibrium. The weight of the evidence is now very mixed and as such we recommend staying out of this market.

**JYZ16** (*n.b.: futures are quoted inversely to cash so when futures are rising the JPY is rising in value*): The yen continues to new lows. Our trend indicators are now fully in sync pointing to a continuation of the downtrend. That said, there are no trades in the horizon and as such we need to wait for better entry levels.

**CLF17:** Last week we brought to your attention a 37-week trading between a range of 53-41 (January basis). We continue to trade within this range and there seems to be stickiness to this uptrend. Given the recent volatility and nervousness of this market, I’d wait to break out of this range before initiating positions. Aggressive participants can of course enter prior to that if the right opportunity appears.

**NGF17:** This is the 4<sup>th</sup> consecutive week where we’ve experienced a 7-10% move. From a quantitative point of view, there continues to be too much conflicting information and coupled with this extreme volatility we continue to recommend to stay out of this market.

**ESH17:** We’ve made new highs and have achieved on close our longer term price target of 2243 which we’ve had in place since issue #57. This is a good place to remind you that attempting to pick a top is just as financially ruinous as trying to pick a bottom.

**NQH17:** The so-called “disconnect” between the Naz and the rest of the U.S. equity indices we’ve been mentioning in our past issues appears to be healing. Having said that, this index remains a laggard and the only one that has not made new highs. It’s best to stick with the winners.

**ZBH17:** The bond market continues selling-off without much of a pause. Our next price target is 143-23. While the market is arguable very much oversold, never underestimate the ability of an extended market to become even more extended. Manage risk carefully.

**HGH17:** Last week we wrote: *“The copper market remains in an uptrend. Longs should be considered according to one’s risk/reward appetite.”* No change

**GCG17:** The outlook on gold is bleak. It is difficult to see how this market will not revisit its old lows in the 1080 area. For what it’s worth, we currently have sub-1,000 price targets, albeit with low probability of this happening. That said, we’ve learned over the years that the most (seemingly) absurd price targets can always be achieved and that is why we never bet against the trend. As an aside, [here’s](#) an interesting article about the curious case of the correlation between bonds and gold. We first brought it up in [issue 41](#).

**ZCH17:** The corn market remains in transition. Best to keep out.

**LCG17:** Live cattle remain in transition. If we close a couple of days at or above our shorter term target of 114.475, then the weight of the evidence should shift to the uptrend.

**SBH17:** Sugar remains in transition. Best to keep out.

**KCH17:** Last week we wrote: *“The uptrend is now over and we have conflicting signals to what the next trend will be. Therefore coffee is another market transitioning and as such, no position is a position.”* No change.

Constantine Theodossiou  
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](http://www.newcoll.com)

This document is issued by, and the property of, New College Capital Ltd (“New College”) which is authorised and regulated in the UK by the Financial Conduct Authority (“FCA”) under reference 430986.

The information contained herein is current at the date of publication, but is subject to change without notice. The information, including any third party data is published in good faith and New College believes that the information is accurate at the time of publication but no representation or warranty, express or implied, is made by New College as to its accuracy or completeness and it should not be relied on as such. New College has expressed its own views and opinions, and these may change without notice. This document is not directed at you if New College is prohibited by any law of any jurisdiction from making the contents available to you and is not intended for any use that would be contrary to local law or regulation. None of the information is intended to constitute any offer to sell or an invitation or solicitation of an offer to buy any product or service by New College and must not be relied upon in connection with any investment decision. Products or services mentioned are subject to legal and regulatory requirements in applicable jurisdictions and may not be available in all jurisdictions. Accordingly persons are required to inform themselves of and observe any such restrictions. Nothing in this website should be construed as investment, tax, legal or other advice.

Past performance is not necessarily a guide to future performance. The value of investments and the income of any financial instruments mentioned may fall as well as rise, and investors may get back less than the amount originally invested. Fluctuations in exchange rates may have a positive or an adverse effect on the value of foreign-currency denominated securities and financial instruments. Certain investments involve an above-average degree of risk and should be seen as long-term in nature. The investment products and services described in the website may have tax consequences. Any tax reliefs referred to are those currently available and their value depends on the circumstances of the individual investor. You acknowledge that levels and bases of taxation may change, and that New College does not provide tax advice. You should consult your own tax advisor in order to understand the tax consequences of the products and services described in the website.

It is the responsibility of the individual user to consider his or her legal and regulatory position in the relevant jurisdiction, the risks associated with trading such products and to ensure that the use of the content and the subsequent making of any investment does not contravene any such restrictions or applicable laws and regulations of any jurisdiction. Please seek the advice of professionals, as appropriate, regarding the evaluation of any specific security, index, report, opinion, advice or other content. This does not exclude or restrict any duty or liability that New College has to its professional clients under the Financial Services and Markets Act 2000 (as amended from time to time) or any other regulatory system under the laws of applicable jurisdictions.

New College shall therefore have no liability, save for any liability that New College may have under the UK Financial Services and Markets Act 2000, for any loss or damage arising out of the use or reliance on the information provided including without limitation, any loss of profit or any other damage, direct or consequential.