

Market Trends Table

Issue 62

Week ending 16th 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
FX							
EURUSD - EC (Mar '17)	1.0479	-0.0124/ -1.17%	→↓	↓	1.0524	1.0542 , 1.0524 , 0.9978, 0.9704	short
GBPUSD - BP (Mar '17)	1.2501	-0.0095 / -0.75%	↑	↓	-	1.1632, 1.1616	-
USDJPY - JY (Mar '17)	0.8506	-0.0213/ -2.44%	↓	↓	-	-	short
Energy							
Crude WTI - CL (Feb'17)	52.95	+0.38/ +0.72%	↑	↑	-	-	long
Natural Gas - NG (Jan'17)	3.415	-0.331/ -8.84%	↑	→↓	-	-	-
Equity Index – Rates							
S&P500 - ES (Mar '17)	2255.25	+0.50/ +0.02%	↑	↑	-	-	long
Nasdaq 100 - NQ (Mar '17)	4915.75	+22.50/ +0.46%	↑	↑	-	5202.50	long
30-year Bond - ZB (Mar'17)	147 21/32	-27/32 / -0.57%	↓	↓	143-23	-	short
Metals							
Copper - HG (Mar'17)	2.5645	-0.0830/ -3.14%	→↑	↑	-	2.7650	long
Gold - GC (Feb'17)	1137.40	-24.50/ -2.11%	↓	↓	-	-	short
Agricultural – Meats - Softs							
Corn - ZC (Mar'17)	356 2/8	-3 2/8/ -0.90%	↑	→↓	-	-	-
Live Cattle - LC (Feb'17)	115.350	+4.825/ +4.37%	↑	→↓	114.475	-	-
Sugar #11 – SB (Mar '17)	18.22	-1.02 / -5.30%	↓	→↑	-	-	-
Coffee "C" – KC (Mar '17)	142.25	+3.10/ +3.22%	↓	↑	-	-	-

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

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ECH17: All our targets in the 1.05 area are now achieved on close. In fact, the market ripped through them. Our next targets are at parity and below. You do not want to be standing in front of this freight train.

BPH17: Last week we wrote: *“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.”* No change; picture remains mixed.

JYH17 (*n.b.: futures are quoted inversely to cash so when futures are rising the JPY is rising in value*): The violent sell-off of the yen continues and the damage seems to have no end in sight. Manage risk carefully.

CLG17: The uptrend in crude oil seems to have some traction. I really would like to see us breaking and holding above 53 (February basis) to be further convinced. Once this happens, the 60 area will act like a magnet.

NGF17: This is the 5th consecutive week where we’ve experienced a 7-10% move in natural gas. This past week it was on the downside. It is simply too dangerous to be participating in this market with so much volatility. Besides, there’s a lot conflicting information with regards to the trend.

ESH17: The S&P500 is definitely trying to catch its breath. We also got a weekly *doji*. More often than not, this Japanese candlestick pattern marks quite abrupt changes of directional energy, especially in the longer time intervals such as the weekly. Longs should be tightening stops and those out of the market should be thinking about entering from the long side once the pause (and ensuing small retreat) is over.

NQH17: The Naz is now in perfect sync with the rest of the US equity indices which bodes well for the broader near term health of US equities.

ZBH17: Last week we wrote: *“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.”* The sell-off continues, albeit at a more measured pace. Tough to see how our price target will not be reached.

HGH17: The weight of the evidence in the copper market continues to favour the bullish case. Pick your entries and risk carefully. The only things a trader/investor ultimately has control over are his entries, his risk management and his emotions.

GCG17: We no longer do case studies but I’d like to spend a bit longer on gold today. We recommended staying out of gold as far back as [issue 47](#). Gold was trading at circa 1325 at the time. It’s moved almost a whole \$200 lower since then, admittedly not all in a straight line. Having said that, this is an excellent case in point on keeping an eye on the “Position Bias” column of the table on the front page of this report. Sustainable and consistent returns are only possible if one avoids the big hit(s) and trades/invests with the trend.

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

LCG17: Last week we wrote: *“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.”* Aggressive accounts should be thinking from the long side.

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

KCH17: There are way too many conflicting signal in coffee. Best to stay out.

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