



Weekly outlook for Oct. 9 – Oct. 13 2017

TREND DIRECTION

	Short Term	Intermediate-Term	Long Term
S&P 500			
	buy	buy	Strong buy
Oil			
	sell	Neutral	Neutral
Gold			
	Weak sell	Neutral	Neutral

Summary

- **The S&P500 index** is expected to have a minor pullback this week. But the price should drop too much. It may just fill beneath several unfilled gaps, price still should hold above 2500 level.
- **Oil may break below \$49-\$48.50 zone, or at least make a serious attempt to break it.**
- **GOLD** is expected to have a minor bounce. As long as price stays under \$1298-\$1300 the short-term trend still is down and price could return to last week's low area again.

SP500 index (ES mini, and SPY):

Based on Feb. 2011 the **Long-term momentum uptrend is strong and bullish. It remains a buy signal.** The price is near the long-term resistance line at the top of the uptrend channel. Even if the long-term indicators remain overbought, we still don't expect this uptrend will change its direction soon.

Based on the **Feb, 2016** the **intermediate-term trend is up and still bullish.** The index had a continuation weekly high move without a major pullback. Instead it gave out a new buy signal on the weekly PMO indicator. But with the price approaching the long-term resistance line the Index may pause its advance to either go sideways or have a minor pullback. The earning season starts this week and the results will affect the next move in the index.



S&P 500 – short term

Based on July 6, 2017 **the short-term momentum trend remains up and bullish.** It had 8 days of rally at the end and beginning of the month period, and the index has now successfully reached its yearly range breakout final target. At this stage we don't know what the next move will be. The old wisdom is no longer working these days. Program trading, HFT and Algo trading systems all change previous trading behavior. Right now the Bulls in charge. Buy on dips until it proves itself wrong.



Weekly Option

Meanline	2565	2017/10/11	2575	2017/10/13
	2550		2535	
	2500	2017/10/11	2485	2017/10/13

2. Oil (\$WTIC, CL)

Based on Dec. 2014 the **Long-term momentum trend is in neutral position**. Monthly PMO indicator still is far away from overbought territory. But Slow STO indicator rejected a buy sign. The long-term consolidation range move from \$55 to \$43 remains intact.

The June. 2017 **intermediate-term momentum trend kept a momentum BUY signal last week**. The weekly PMO indicator keeps rising, and the slow STO indicator has an overbought condition. Which direction oil will go depends on if it can hold price above \$49-48.50 zone or not. A move below \$48.50 line could trigger an intermediate-term correction and open the door to \$46-45 door on the downside.



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Oil – short term

Based on Sept, 2017 the short-term momentum trend is flat and no selling signal has been given yet. But the daily PMO indicator gave out a selling signal last Friday. Even though the daily slow STO indicator has an oversold condition, it could easily become more oversold if Oil price continues to fall into the \$46 area. This week \$49 is a key line. A break below it could lead oil to fall into the \$46 area for testing.



3. GOLD (GC, GLD)

Based on Jan. 2017 the **Long-term momentum trend indicators are flat**. There was not much change last week. The price remains under resistance line of the monthly downtrend channel. Long-term traders will focus on the \$1250 level this week.

Based on July, 2017 the intermediate-term momentum trend is up. The weekly PMO turned down last week, but the signal line didn't cross below the slow line to give a selling sign. The Slow STO indicator may go down further if the price drops to test the \$1250 level. However the weekly PMO indicator may hold without giving a selling signal, and then traders should expect GOLD to bounce.



Gold – short term

The July 28, 2017 **ultra-short-term trend momentum trend is down and has a new selling signal given last week.** The daily PMO indicator accelerates on the downside and approaches oversold territory. The daily STO indicator is oversold. This week \$1250-\$1225 zone will be the key support area. If it holds GOLD up the price could bounce, but the bounce will have a short lifespan. \$1295-\$1300 is the first major resistance zone. It is likely to prevent the price from popping up further.



WEEKLY ECONOMIC REPORTS

MONDAY, OCT. 9					
	None scheduled				
TUESDAY, OCT. 10					
6 am	NFIB small-business index	Sept.		--	105.3
WEDNESDAY, OCT. 11					
10 am	Job openings	Aug.		--	6.2 mln
2 pm	FOMC minutes	9/20			
THURSDAY, OCT. 12					
8:30 am	Weekly jobless claims	10/7		250,000	260,000
8:30 am	Producer price index	Sept.		0.5%	0.2%
FRIDAY, OCT. 13					
8:30 am	Consumer price index	Sept.		0.7%	0.4%
8:30 am	Core CPI	Sept.		0.2%	0.2%
8:30 am	Retail sales	Sept.		2.1%	-0.2%
8:30 am	Retail sales ex-autos	Sept.		0.9%	0.2%
10 am	Consumer sentiment	Oct.		95.8	95.1
10 am	Business inventories	Aug.		--	0.2%