



Weekly outlook for June 11 - June 15, 2018

Summary

- **The S&P500 index** is expected to go up to the overhead resistance area, and then have a brief pullback. FOMC announcement Wednesday could cause price going both direction, but buying on dips will continue to be seen. Friday is quadruple witch expiration
- **Oil** is expected to indicate if it will move further down or stall the recent retracement. \$69.55-\$70.25 is the resistance zone which should hold the price down.
- **GOLD** is expected to have some kind of move, especially around the FOMC announcement Wednesday, but any potential rally should not last very long..

SP500 index (ES mini, and SPY):

INTERMEDIATE-TERM TREND DIRECTION: up

Trade strategy: buy on dip

The intermediate-term trend remains bullish and up. The weekly PMO indicator turned up and SP500 index could advance up toward the March high area.



SHORT-TERM TREND DIRECTION: up
Trade strategy: markets are likely to be choppy

The SP500 index had an inside day on Friday, but the futures (the ES) moved to a higher level. Even though the volume is not confirming the new recent highs in the ES, the price action still was bullish. The SP500 index is approaching overhead resistance at 2807.25, the March high, so a brief pullback could be seen, especially after Tuesday. We have an FOMC announcement on Wednesday and the ES will rollover to a new front contract on Friday, which is a quadruple witching expiration, so there may be some price fluctuations.



Weekly Option

	Strike price	Expiration Date	Strike price	Expiration Date
	2835			
Meanline	2765	6/11/2018	****	6/13, 15, 2018
	2720			

**** see daily trading plan

2. Oil (\$WTIC, CL)

INTERMEDIATE-TERM TREND DIRECTION: neutral

Trade strategy: wait.

Oil hit 20-wEMA line last week and closed above it. So far intermediate-term support is not breached. But the weekly PMO is crossing down through the signal line and gave an early selling signal. The intermediate-term uptrend is not reassuring. Unless Oil goes back above \$70 level, the longer-term can not be maintained.



SHORT-TERM TREND DIRECTION: down

Trade strategy: Short on bounce at major resistance area (\$69-\$70)

In the previous week Oil broke below its short-term support line (dotted red rising line on chart) rising from the April low at \$62, and last week the price struggled to move up far enough to retest the broken support line. The 20- and 50-dEMA lines are converging, and a downside crossover would change the longer-term trend direction from up to down.



3. GOLD (GC, GLD)

INTERMEDIATE-TERM TREND DIRECTION: **flat**

Trade strategy: **none**

The weekly chart is positive, but the recent trend is negative. Gold is barely holding above the one year rising trend line (Green). Weekly PMO is falling, but still remains above zero line. And Slow STO has oversold condition. Fed decision this week may bring some freshness



SHORT-TERM TREND DIRECTION: neutral

Trade strategy: scalping trading before FOMC announcement day.

Gold has been stuck in the low range of the three-month consolidation channel. The daily PMO has crossed above the signal line to give a buy signal, but still under zero line, and just didn't show much buying interest. This Wednesday the FOMC announcement could lead Gold to have a relatively big swing movement. For upside \$1315 line is a key, for downside, \$1280 is a key. A break of either key line, may start a stop run that moves the price to the next major resistance or support area.



WEEKLY ECONOMIC REPORTS

MONDAY, JUNE 11					
11 am	Survey of consumer expectations				
TUESDAY, JUNE 12					
6 am	NFIB small-business index	May			104.8
8:30 am	Consumer price index	May			0.2%
8:30 am	Core CPI	May			0.1%
2 pm	Federal budget	May			
WEDNESDAY, JUNE 13					
8:30 am	Producer price index	May			0.1%
2 pm	FOMC announcement				
2:30 pm	Jerome Powell press conference				
THURSDAY, JUNE 14					
8:30 am	Weekly jobless claims	6/2			N/A
8:30 am	Retail sales	May			0.3%
8:30 am	Retail sales ex-autos	May			0.3%
8:30 am	Import price index	May			0.3%
10 am	Business inventories	April			0.0%
FRIDAY, JUNE 15					
8:30 am	Empire state index	June			20.1
9:15 am	Industrial production	May			0.7%
9:15 am	Capacity utilization	May			78.0%
10 am	Consumer sentiment index	June			98.0