



Weekly outlook for July 9 - July 13, 2018

Summary

- [The S&P500 index](#) is expected to have a upside breakout June's high soon.
- [Oil](#) could retest last week \$72.14 low area in early this week. It depends on how last week's support can hold up price or not.
- [GOLD](#) is expected to continue having a minor bounce if the dollar keeps its short-term correction.

SP500 index (ES mini, and SPY):

INTERMEDIATE-TERM TREND DIRECTION: up

Trade strategy: buy near 20-wEMA line area

The intermediate-term uptrend remains intact. But the weekly PMO indicator gets ready to turn up, which is a bullish sign.



SHORT-TERM TREND DIRECTION: bullish

Trade strategy: **buy on dip**

The SP500 index regained a control of 20/50-dEMA lines last Friday. The daily PMO turns up, which could give a very early short-term BUY signal. If PMO does cross above the signal line this week, it could indicate that a new trend might be starting.



Weekly Option

	Strike price	Expiration Date	Strike price	Expiration Date
	2825			
Meanline	2765	7/9/2018	****	7/11, 13/2018
	2700			

**** see daily trading plan

2. Oil (\$WTIC, CL)

INTERMEDIATE-TERM TREND DIRECTION: up

Trade strategy: short on overhead resistance zone

Oil has formed a weekly doji candle, which hint the current uptrend needs a retracement. The price has been confined in the channel, and the weekly PMO is overbought and has a negative divergence on value. Oil could have a short-term minor correction on the way.



SHORT-TERM TREND DIRECTION: up

Trade strategy: **buy on 20-dEMA line, and short on last week's high area**

Oil pulled back last week due to short-term overbought condition. Also the overhead resistance zone \$75-\$78 confined the price. Now the May high becomes an important horizontal support for this week. A break below it could trigger another pullback into the 20-dEMA line area.



3. GOLD (GC, GLD)

INTERMEDIATE-TERM TREND DIRECTION: neutral

Trade strategy: Short on bounce under \$1300

Gold found its intermediate-term trend support last week. The 200-wEMA line overlapped intermediate-term uptrend line and acts as current support. But the weekly PMO is falling, and sentiment still is bearish. \$1300 area will remain as a resistance zone.



SHORT-TERM TREND DIRECTION: down with oversold condition

Trade strategy: Short on bounce at 20/40ema line and buy on last week's low area at \$1238

Gold has bounced off horizontal support last week. That should be an oversold bounce. With the dollar has a short-term correction, the gold rally looks reasonable. But that will be only a short-term oversold bounce for a while. As soon as the bounce completes, selling could resume.



WEEKLY ECONOMIC REPORTS

MONDAY, JULY 9					
3 pm	Consumer credit	May		--	\$9 bln
TUESDAY, JULY 10					
6 am	NFIB small-business index	June		--	107.8
10 am	Job openings	May		--	6.7 mln
WEDNESDAY, JULY 11					
8:30 am	Producer price index	June		0.2%	0.5%
10 am	Wholesale inventories	May		--	0.1%
4:30 pm	John Williams speaks				
THURSDAY, JULY 12					
8:30 am	Weekly jobless claims	7/7		228,000	231,000
8:30 am	Consumer price index	June		0.2%	0.2%
8:30am	Core CPI	June		0.2%	0.2%
10:30 am	Patrick Harker speaks				
2 pm	Federal budget	June		--	-\$90 bln
FRIDAY, JULY 13					
8:30 am	Import price index	June		--	0.6%
10 am	Consumer sentiment index	July		98.7	98.2
12:30 pm	Raphael Bostic speaks				