

Weekly outlook for Sept. 10 – Sept.14, 2018

Summary

- **The S&P500 index** is expected to have a minor bounce due to ultra-short-term oversold condition. But the overall outlook is not encouraging. The accumulating negative divergence in the short term may continue to force a pullback move.
- **Oil** is expected to move sideways below the \$69.50 line to smooth out a short-term oversold condition, and later may resume the downside move.
- **GOLD** is expected to hold up the \$1190-\$1180 support zone this week.

SP500 index (ES mini, and SPY):

INTERMEDIATE-TERM TREND DIRECTION: up with overbought

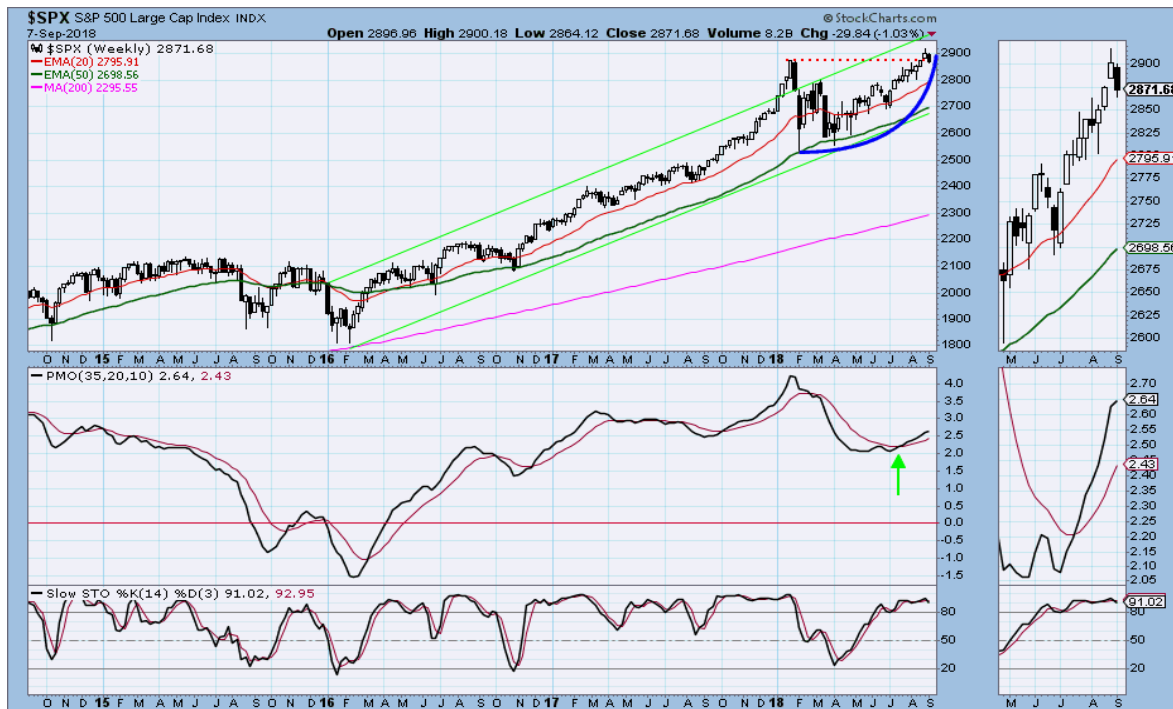
Trade strategy: Scalping buy 20-wEMA line area

The SP500 index has pulled the price below January's high and closed below it. This indicates two possibilities for future price action: one is a test of the breakout level to bail out aggressive sellers at the 2878-70 zone before the rally continues; the second could be a fake breakout forming a double top pattern before a retracement.

For the rally to continue the prices needs to hold above the 2835-2800 zone and the weekly PMO indicator needs to keep rising.

A failure to hold above 2835-2800 could trigger a short- and intermediate-term correction and the possibility of a decline to 2700 and/or 2600.

So far the weekly time frame remains positive, but the US mid-term election is approaching; combined with weakness in international markets that may create problems for the SP500 index.



Copyright 2018 by Naturus.com Ltd. All rights reserved. Photocopying and further distribution of this newsletter are strictly prohibited. Information, opinion, research, and commentary contained herein is obtained from sources believed to be reliable; their reliability, however, cannot be guaranteed. This newsletter is for education purpose only. It does not provide individual investment advice, and nothing in this document should be construed as a solicitation to buy or sell any security. Naturus.com Ltd. does not act as an investment advisor, or individually advocate the purchase or sale of any security or investment. In making any investment decision, you will rely solely on your own review and judgment. Past performance is not an indication of future performance. Naturus.com Ltd. shall have no liability of whatever nature in respect of any claim, damages, loss or expense arising out of or in connection with the reliance by you on the contents of our newsletter, any promotion, published material, alert or update.

SHORT-TERM TREND DIRECTION: bullish with overbought condition

Trade strategy: **Short on Bounce**

The SP500 index had a pullback move last week. So far it seems to be in a re-test mode, and the ultra-short-term is oversold. But the daily PMO turned down and crossed under the signal line which gave a selling signal last Friday. We do not have an optimistic outlook for this week. Any early bounce this week may be countered by aggressive sellers, and index may well head toward 2835-2800.



Weekly Option

	Strike price	Expiration Date	Strike price	Expiration Date
	2935			
Meanline	2875	9/10/2018	****	9/12, 14/2018
	2800			

**** see daily trading plan

2. Oil (\$WTIC, CL)

INTERMEDIATE-TERM TREND DIRECTION: UP

Trade strategy: short on bounce.

The six month range from \$75 to \$60 could become more narrow again. Oil failed to move back to the \$75 line last week; instead it returned to the 20-wEMA line for closing. The weekly PMO continues its selling signal. The lower rising trend line (green) is about to be challenged.



SHORT-TERM TREND DIRECTION: Neutral
Trade strategy: buy above 200-dEMA line area

Oil price pulled back into the short-term downtrend channel again last week. The price action was bearish and caused the daily PMO to top. This week \$68.50 will be the key to determine which direction oil should go next. A stay below that level will be bearish. A re-test of the 200-dEMA line should then be expected.



3. GOLD (GC, GLD)

INTERMEDIATE-TERM TREND DIRECTION: down with oversold
Trade strategy: buy at the low area

Gold remained under the 200-wEMA line resistance line for closing. The weekly chart is still bearish. Gold seems to be headed for a retest of the August low. It may find support near the August low area, or lower before the Fed's Sept. 26 interest rate announcement. But the weekly PMO indicator has an oversold condition; it may bottom soon and help Gold to find a higher low to support the price.



SHORT-TERM TREND DIRECTION: Neutral

Trade strategy: buy at low area

Gold had a minor pullback last week and made a head-fake at re-testing the August low. The week closed below the 20-dEMA line, which suggests the pullback move is not completed yet. This week Gold could continue its retracement. But the current support zone around \$1180-\$1190 will be the key. If the support holds Gold could push back up to the \$1220-30 zone.



WEEKLY ECONOMIC REPORTS

MONDAY, SEPT. 10					
12:01 am	Eric Rosengren interview with MarketWatch				
11 am	Survey of consumer expectations	Aug.			
12 pm	Raphael Bostic speaks				
3 pm	Consumer credit	July			\$10bln
TUESDAY, SEPT. 11					
6 am	NFIB small-business index	Aug.			107.9
10 am	Job openings	July			6.7 mln
10 am	Wholesale inventories	July			0.1%
2:20 pm	Neel Kashkari speaks				
WEDNESDAY, SEPT. 12					
8:30 am	Producer price index	Aug.			0.0%
9:40 am	James Bullard speaks				
2 pm	Beige book				
THURSDAY, SEPT. 13					
8:30 am	Weekly jobless claims	9/8			--
8:30 am	Consumer price index	Aug.			0.2%
8:30 am	Core CPI	Aug.			0.2%
1:15 pm	Raphael Bostic speaks				
2 pm	Federal budget	Aug.			
FRIDAY, SEPT. 14					
8:30 am	Retail sales	Aug.			0.5%
8:30 am	Retail sales ex-autos	Aug.			0.6%
9 am	Charles Evans speaks				
9:15 am	Industrial production	Aug.			0.1%
9:15 am	Capacity utilization	Aug.			78.1%
10 am	Consumer sentiment	Sept.			96.2 Aug
10 am	Business inventories	July			

Copyright 2018 by Natusus.com Ltd. All rights reserved. Photocopying and further distribution of this newsletter are strictly prohibited. Information, opinion, research, and commentary contained herein is obtained from sources believed to be reliable; their reliability, however, cannot be guaranteed. This newsletter is for education purpose only. It does not provide individual investment advice, and nothing in this document should be construed as a solicitation to buy or sell any security. Natusus.com Ltd. does not act as an investment advisor, or individually advocate the purchase or sale of any security or investment. In making any investment decision, you will rely solely on your own review and judgment. Past performance is not an indication of future performance. Natusus.com Ltd. shall have no liability of whatever nature in respect of any claim, damages, loss or expense arising out of or in connection with the reliance by you on the contents of our newsletter, any promotion, published material, alert or update.