

Weekly outlook for Feb. 11 – Feb. 15 2019

Summary

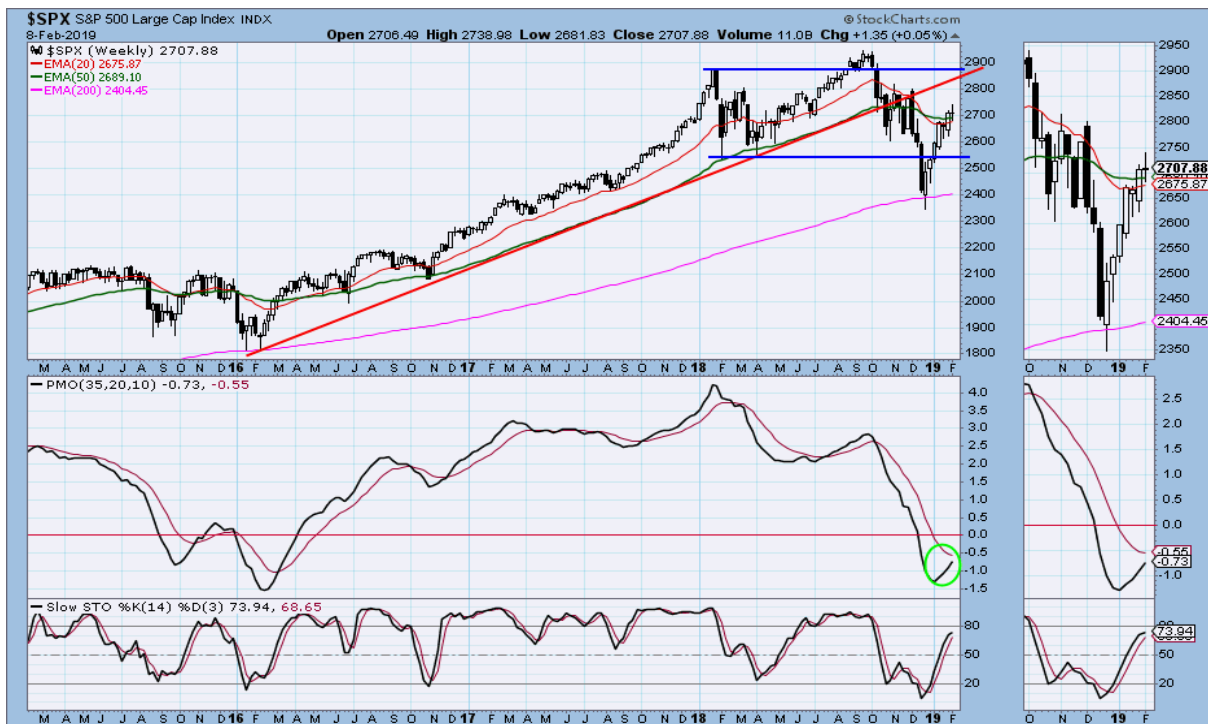
- [The S&P500 index](#) is expected to be relatively quiet toward the end of the week due to option expiration. 2650 is a key line. A move below it will be very negative.
- [Oil](#) is expected to continue to pull back early in the week. But \$50.25 is major support area.
- [GOLD](#) is expected to hold above \$1290-\$1300 zone and is struggling to move higher.

SP500 index (ES mini, and SPY):

INTERMEDIATE-TERM TREND DIRECTION: **neutral**

Trade strategy:

SP500 index made a small weekly doji candle pattern with price barely changing over the week. This week is major February option expiration week. If there is no significant external news, the Index could continue holding above 2650 line. The weekly PMO is rising and looks overbought. Some sort of correction may still occur soon.



SHORT-TERM TREND DIRECTION: up

Trade strategy: buy around 20/50-dEMA line area

The SP500 index reached the top of the rising trend channel and failed to make its breakout move. Instead it retraced and attempted to break down the 200-dEMA line. But price closed right back above 200-dEMA line on Friday. The daily PMO indicator is rising above the top area of September. This suggests the index may continue to hold itself above 20/50-dEMA line until major option expiration Wednesday this week.



Weekly Option

	Strike price	Expiration Date	Strike price	Expiration Date
	2775			
Meanline	2705	2/11/2019	****	
	2620			

**** see daily trading plan

2. Oil (\$WTIC, CL)

INTERMEDIATE-TERM TREND DIRECTION: neutral

Trade strategy: Short on bounce under 50-wEMA line

Oil attempted to break down its 200-wMA line at \$52.34 last week. So far the right shoulder of a potential long-term H&S pattern acts as a resistance line and prevented price from popping through. The weekly PMO looks like it will decline again; the outlook is not as bullish as before.



SHORT-TERM TREND DIRECTION: neutral

Trade strategy:

Oil tried to break down its rising flag two times last week. The daily PMO has topped, and a firm break-down move should be expected this week. But how far oil goes to make a low may depend on the \$50.25 line. A move below it will be very negative. Alternatively if oil fails to break down and goes back up instead, a break above \$53.25 could lead oil back to last week's high area at \$55.25.



3. GOLD (GC, GLD)

INTERMEDIATE-TERM TREND DIRECTION: up

Trade strategy: buy on dip

Short-term pullback move didn't do much damage to gold in longer-term. Gold still is in a rising trend. The weekly PMO continues rising and looks positive. The next intermediate-term resistance is at \$1375 area.



SHORT-TERM TREND DIRECTION: up

Trade strategy: buy on dip

Gold had a pullback week and successfully filled the Jan. 30 gap. The pullback doesn't seem complete. Daily PMO has topped. Gold may continue pulling back down near \$1300-\$1295 zone for testing purposes.



WEEKLY ECONOMIC REPORTS

MONDAY, FEB. 11					
	None scheduled				
TUESDAY, FEB. 12					
6 am	NFIB small business index	Jan.		--	104.4
10 am	Job openings	Dec.		--	6.9 mln
11 am	Household credit	Q4		--	4.3%
WEDNESDAY, FEB. 13					
8:30 am	Consumer price index	Jan.		0.1%	-0.1%
8:30 am	Core CPI	Jan.		0.2%	0.2%
2 pm	Federal budget	Dec.		--	-\$23 bln
THURSDAY, FEB. 14					
8:30 am	Weekly jobless claims	2/9		227,000	234,000
8:30 am	Retail sales (new date)	Dec.		0.0%	0.2%
8:30 am	Retail sales ex-autos (new date)	Dec.		-0.1%	0.2%
8:30 am	Producer price index	Jan.		0.2%	-0.2%
10 am	Business inventories (new date)	Nov.		--	0.6%
FRIDAY, FEB. 15					
8:30 am	Retail sales*	Jan.	DELAYED	--	N/A
8:30 am	Retail sales ex-autos*	Jan.	DELAYED	--	N/A
8:30 am	Import price index	Jan.		--	-1.0%
8:30 am	Empire state index	Feb.		--	3.9
9:15 am	Industrial production	Jan.		0.2%	0.3%
9:15 am	Capacity utilization	Jan.		78.8%	78.7%
10 am	Business inventories*	Dec.	DELAYED	--	N/A
10 am	Consumer sentiment index	Feb.		92.8	91.2
*DELAYED BY GOVERNMENT SHUTDOWN					