



Naturus

Weekly outlook for June 10– June 14 2019

Summary

- **The S&P500 index** is expected to have a brief pullback. But 2800 will be a key support: above it a further rally is possible; below it, expect a short-term decline.
- **Oil** is expected to hold above \$52 and continue moving up toward \$57.50 for testing.
- **GOLD** is expected to have a small retracement to retest \$1300-\$1310 zone first, and then rally again.

SP500 index (ES mini, and SPY):

INTERMEDIATE-TERM TREND DIRECTION: neutral

Trade strategy: buy on dip

SP500 index not only managed to regain control of the 20-wEMA line and 50-wEMA line last week, but the weekly PMO also turned up again. There is a plenty of room for it to move higher if the index continues to rally and the bullish outlook is maintained. The one thing that could cause index to drop again would be a Fed decision to not cut interest rates in June.



SHORT-TERM TREND DIRECTION: up

Trade strategy: buy

The SP500 index had a strong oversold bounce after soft comments by the Fed chief about rate change policy in the future. At the moment extrinsic news or events are fueling speculation that the Fed will cut interest rates at the June 19 announcement. The Index may make all-time highs before the announcement on the strength of that speculation. What if there is no rate cut? For the moment, the index could pull back again. The short-term indicators are getting overbought, and a pullback is likely at some point this week.



Weekly Option

	Strike price	Expiration Date	Strike price	Expiration Date
	2950			
Meanline	2875	6/10/2019	****	
	2785			

**** see daily trading plan

2. Oil (\$WTIC, CL)

INTERMEDIATE-TERM TREND DIRECTION: neutral to down

Trade strategy: Short on Bounce

Oil started to have a short-term oversold bounce last week, but the momentum lines maintained the previous sell signal and the weekly PMO crossed down through the signal line to give a new selling signal. The next major support at \$45-\$42.50 zone still could remain as downside target.



SHORT-TERM TREND DIRECTION: down with extremely oversold

Trade strategy: short under \$60-\$59 zone if possible

Oil had an oversold bounce in the last two days. The daily PMO stopped declining and could turn up, which could give some strength to move the price up. The slow STO indicator has an extremely short-term oversold condition. Oil could bounce up to \$57.50 for testing. But as long as oil stays under the \$57.50 line, the outlook will remain bearish.



3. GOLD (GC, GLD)

INTERMEDIATE-TERM TREND DIRECTION: neutral

Trade strategy: buy on dip

The long-term resistance is not too far away from the current gold price. But the weekly PMO was positive, and gave out a bull signal. Plus the price action was bullish and the dollar has been weak. Gold likely will continue going up to challenge the overhead long-term resistance line (red).



SHORT-TERM TREND DIRECTION: up
Trade strategy: buy on dip

Gold moved back to the February top on Friday in reaction to dovish comments from the Fed Chairman. The price action was bullish. The daily PMO was strong in advance of the comments. But overall market sentiment remains bearish. This week gold could attempt to move up first, and then retrace to retest the \$1300-\$1310 breakout zone. However, as long as gold stays above \$1300, the price could bounce back up again.



WEEKLY ECONOMIC REPORTS

MONDAY, JUNE 10					
	None scheduled				
TUESDAY, JUNE 11					
6 am	NFIB small-business index	May			103.5
8:30 am	Producer price index	May			0.2%
WEDNESDAY, JUNE 12					
8:30 am	Consumer price index	May			0.3%
8:30 am	Core CPI	May			0.1%
2 pm	Federal budget	May			-\$147 bln
THURSDAY, JUNE 13					
8:30 am	Weekly jobless claims	6/8			--
8:30 am	Import price index	May			0.2%
FRIDAY, JUNE 14					
8:30 am	Retail sales	May			-0.2%
8:30 am	Retail sales ex-autos	May			0.1%
9:15 am	Industrial production	May			-0.5%
9:15 am	Capacity utilization	May			77.9%
10 am	Consumer sentiment index	June			100.0
10 am	Business inventories	April			0.0%