

## Weekly outlook for Sept. 9– Sept. 14 2019

### Summary

- **The S&P500 index** is expected to have a minor pullback to test support first and then bounce later this week.
- **Oil** is expected to continue within the current narrower range first; eventually a breakout move will occur, but the timing and direction are mainly determined by extrinsic events.
- **GOLD** is expected to hold above the \$1485 zone. But the short-term trend is changing and any early bounce may not last very long.

## SP500 index (ES mini, and SPY):

**INTERMEDIATE-TERM TREND DIRECTION: up**

**Trade strategy: buy on dip**

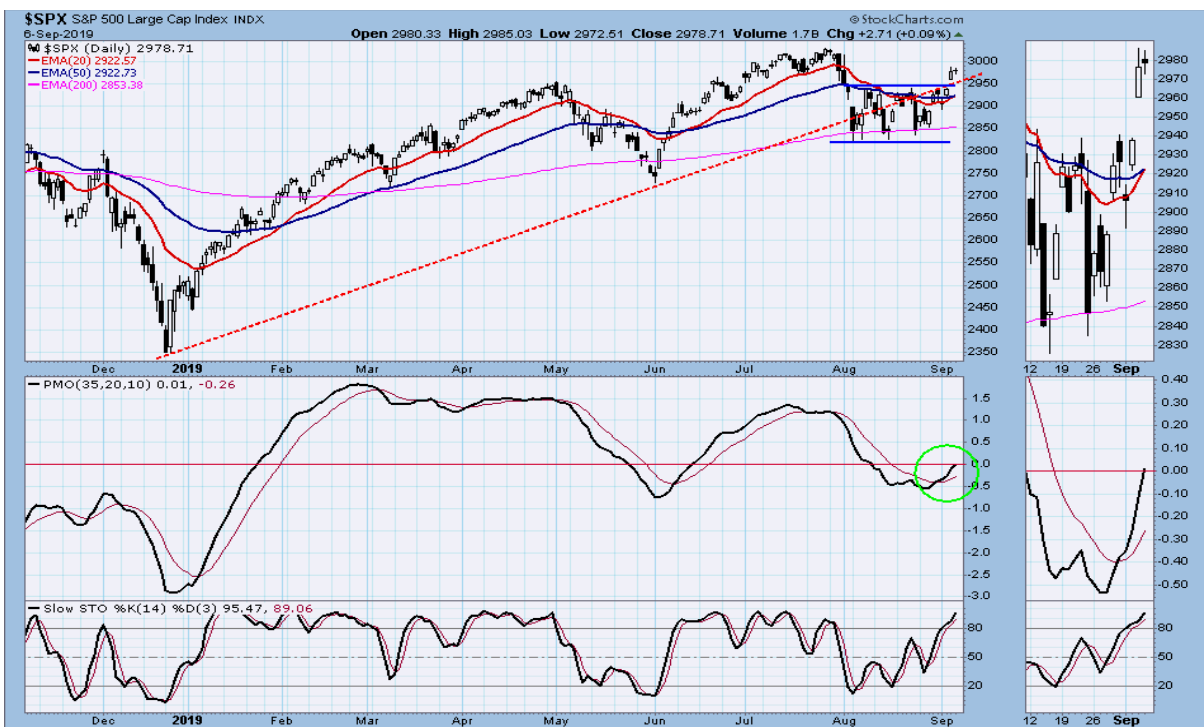
SP500 index remains inside a rising wedge formation. This was a bearish pattern, but the weekly PMO turned up, which is a bullish sign. If there is a correction the 2900-2905 will act as the first support zone. The second support zone will be 2875-65 and the third will be 2835-40. All those support zone will slow the speed of any pullback.



**SHORT-TERM TREND DIRECTION: Neutral with overbought**

**Trade strategy: scalping short on early bounce and buy on dip later in the week**

The SP500 index broke the August monthly range to the upside on trade-war news, with price action bullish and strong. Unfortunately for the Bulls, the following day had thin trading volume and produced a small doji candle, often a reversal signal. The daily PMO indicator is bullish, and stays at a neutral level, but slow STO indicator moves into overbought territory. The 20-dEMA line slightly crossed up through the 50-dEMA line and gave an premature buy signal. Based on those signs, we may see a whipsawed price ahead. However we could also see the index pull back into the 20/50-dEMA lines for testing. The dip buyers possibly will show up at that level.



**Weekly Option**

	Strike price	Expiration Date	Strike price	Expiration Date
	3025			
<b>Meanline</b>	<b>2975</b>	<b>9/9/2019</b>	<b>****</b>	
	2865			

\*\*\*\* see daily trading plan

## 2. Oil (\$WTIC, CL)

**INTERMEDIATE-TERM TREND DIRECTION: Neutral**

**Trade strategy: Short on bounce at 20 and 50-wEMA line area.**

It is not very interesting to see oil to stay inside a very narrow price range for so many weeks. As long as those two momentum resistance lines hold oil price down, we are likely to see the bottom of the long-term range from \$76 to \$42 before we see the top. But I don't know when it will be. External events and/or US dollar movement is dictating oil prices. Right now we only can assume that oil will try to stay inside this descending triangle range for a while, which implies that the 200- and 50-wEMA lines will continue to hold the price down.



**SHORT-TERM TREND DIRECTION: neutral**

**Trade strategy: Short on strong bounce or buy after oil has a big dip move**

Oil price continued to travel inside our expected narrow range last week. The price seems to be going nowhere. The longer the price contracts into a narrow range, the stronger the subsequent move may be when the breakout occurs. The 200-dEMA line at \$57.95 will continue to act as a resistance line and the \$52.50 support area is still expected to hold up. Oil may still travel inside that \$57 to \$53 range until it gets ready to break out.



### 3. GOLD (GC, GLD)

**INTERMEDIATE-TERM TREND DIRECTION: up with overbought**

**Trade strategy: Short on early bounce and buy on 20-wEMA line**

The intermediate-term trend remains up and overbought, but Gold may have just completed wave 3 and be starting a wave 4 correction process. The major key support line for the long term is lying around \$1375, but the momentum support line (the 20-wEMA) is rising and can help to prevent gold from falling into that long-term support level. The weekly PMO is overbought without a selling level, so a minor pullback into \$1495-\$1480 could be enough to solve the overbought problem.



**SHORT-TERM TREND DIRECTION: up**

**Trade strategy: Short on early bounce or scalping buy on \$1480 level.**

Gold broke below its recent rising channel last week. The next support will be \$1500 and \$1480. Because the daily PMO indicator has a selling signal, Gold could have a small retracement and a small bounce from the \$1500 level, but we could also see the price drop into the 50-dEMA line area (currently below \$1480) until the slow STO indicator moves into oversold territory. The ultra-short-term trend is down. It could take one or two more days of decline until the price hits major support.



## WEEKLY ECONOMIC REPORTS

TIME (ET)	REPORT	PERIOD	ACTUAL	FORECAST	PREVIOUS
<b>MONDAY, SEPT. 9</b>					
3 pm	Consumer credit	July			\$15 bln
<b>TUESDAY, SEPT. 10</b>					
6 am	NFIB small business index	Aug.			104.7
10 am	Job openings	July			7.4 mln
10 am	Real median household income	2018			\$61,372
<b>WEDNESDAY, SEPT. 11</b>					
8:30 am	Producer price index	Aug.			0.25
10 am	Wholesale inventories	July			0.0%
<b>THURSDAY, SEPT. 12</b>					
8:30 am	Weekly jobless claims	9/7			
8:30 am	Consumer price index	Aug.			0.3%
8:30 am	Core CPI	Aug.			0.3%
2 pm	Federal budget	Aug.			
<b>FRIDAY, SEPT. 13</b>					
8:30 am	Retail sales	Aug.			0.7%
8:30 am	Retail sales ex-autos	Aug.			1.0%
8:30 am	Import prices	Aug.			0.2%
10 am	Consumer sentiment index	Sept.			89.8
10 am	Business inventories	July			0.0%