

## Weekly Outlook for Nov. 16 – Nov. 20 2020

### Summary

- **The S&P500 index** is expected to hold above the 3500 line if we see an early retracement this week. The November major option expires on Friday, which will affect trading.
- **Oil** is expected to hold above the support at \$37; on the upside, the market will continue to challenge the overhead resistance around \$43.00-42.50.
- **GOLD** is expected to hold above the support around the \$1845 area.

## SP500 index (ES mini, and SPY)

**INTERMEDIATE-TERM TREND DIRECTION: up**

**Trade strategy: buy on dip at major support line**

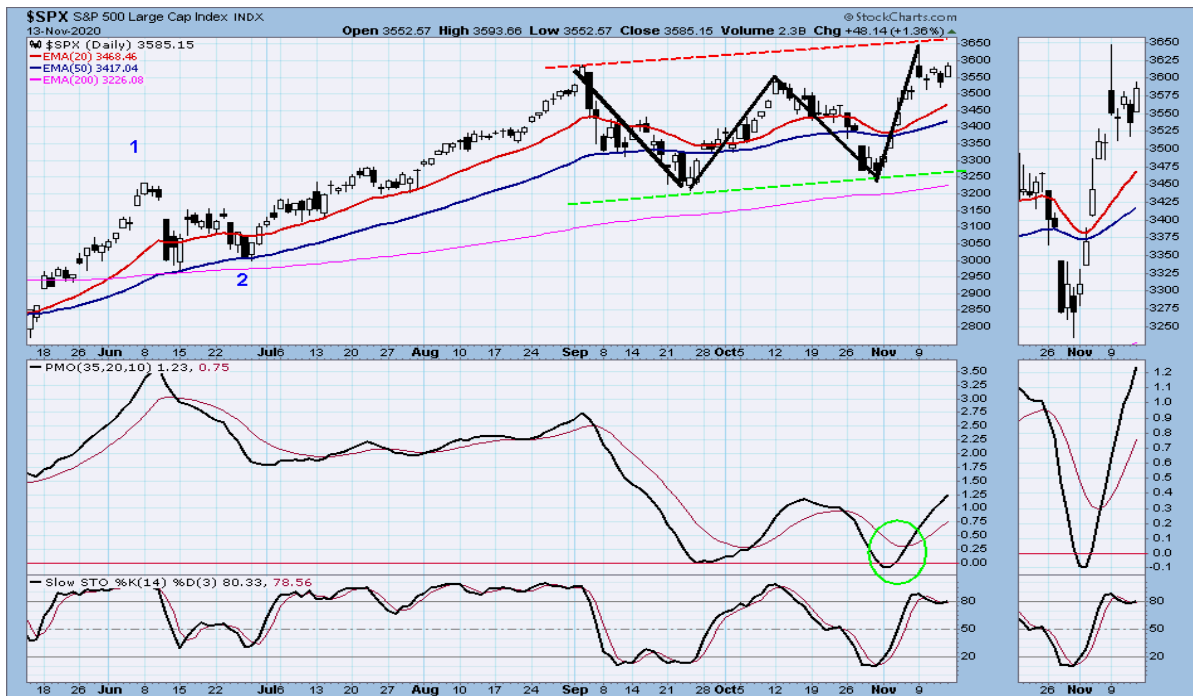
The S&P 500 index formed a doji pattern which gives out a warning signal. Even though short-term outlook is bullish, and the price action was bullish last week,, the doji formation may point out that market maybe acted too fast and too optimistic for positive vaccine news. The weekly PMO indicator remains at overbought territory without giving out a selling signal, and weekly slow STO indicator sits at its neutral level. A minor retracement could occur before index rallies again.



**SHORT-TERM TREND DIRECTION: up**

Trade strategy: Buy on dip above 3450 level.

The S&P 500 index held above last Monday's breakout gap, and closed firmly after it spent many days consolidating its sharp gains on last Monday. There is no doubt that the money flowed back into the market. This week 3589 level becomes a key line for upside movement, and 3475 is a key level for downside movement. If index can stay above 3540 to 3590 range on early week days, price may go further up in later days. The daily PMI indicator kept a buying signal. More or less odds will continue to buy. The daily slow STO indicator sits at its overbought area, it could get more overbought if index keeps moving up.



**Weekly Option**

	Strike price	Expiration Date	Strike price	Expiration Date
	3685.00			
<b>Meanline</b>	<b>3575.00</b>	<b>11/16/2020</b>	<b>****</b>	
	3430.00			

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

## Oil (\$WTIC, CL)

### INTERMEDIATE-TERM TREND DIRECTION: **down**

Trade strategy: Short on bounce as long as \$43.50 line holds or buy above \$37 line as long as it holds

The intermediate-term outlook still looks bearish even after oil had a strong rally to under the \$43.15 line last week. The price had been pushed back into the range marked by the 20-wEMA and 50-wEMA lines, but the price remains inside the short-term trading range. The weekly PMO indicator is flat, and weekly slow STO indicator attempts to move back up. It hints oil could continue to stay in the short-term trading range for a while until it rolls over into the January contract at the end of this week.



**SHORT-TERM TREND DIRECTION: down**

Trade strategy: Focus on short side, and short under the \$42.75 line

There is not too much change in the short-term chart. The price remains its broad trading range from \$43.50 to \$35.50. Last week the oil rally was rejected by the top of the board trading range and closed between the 20- and 50-dEMA lines again. This week the 50-dEMA line is a key level, which could lead oil in either direction. Holding above it could help oil move back up to the \$40.80 area or higher for testing. On the downside, a move below \$38.75 could lead oil back to the \$37.20 area or lower. There is also a conflict between the PMO and STO indicators.



## GOLD (GC, GLD)

**INTERMEDIATE-TERM TREND DIRECTION: Neutral**

Trade strategy:

Gold managed to hold the price above the 20-wEMA line. Even though the price dropped below the 20-wEMA line after the positive – but short-lived Covid vaccine news, the market closed above it for the week. The weekly PMO indicator maintains a selling signal and still has an overbought condition. The weekly slow STO indicator is near oversold territory but not extremely oversold. Gold may continue chopping around the 20-wEMA line for a while until the US government completes the election certification process and decides on the next steps.



**SHORT-TERM TREND DIRECTION: Neutral**

**Trade strategy: looking for support level and scalping long side**

Last week Gold just chopped around the 50-dEMA line at \$1903.30, which becomes a key level for this week. The Daily PMO short-term buying signal was disrupted by last Monday's news selloff, and now it is lying at the previous month's low area even as it attempts to turn up again. The daily slow STO indicator is oversold, also attempts to turn away from oversold territory. The \$1850 level seems like the lower bound for the price this week; \$1930 could be the upper bound.



## WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
<b>MONDAY, NOV. 16</b>					
8:30 am	Empire state index	Nov.	--		10.5
<b>TUESDAY, NOV. 17</b>					
8:30 am	Retail sales	Oct.	--		1.9%
8:30 am	Retail sales ex-autos	Oct.	--		1.5%
8:30 am	Import price index	Oct.	--		0.3%
9:15 am	Industrial production	Oct.	--		-0.6%
9:15 am	Capacity utilization	Oct.	--		71.5%
10 am	Business inventories	Oct.	--		0.3%
10 am	Home builders index	Nov.	--		85
<b>WEDNESDAY, NOV. 18</b>					
8:30 am	Housing starts	Oct.	--		1.415 million
8:30 am	Building permits	Oct.	--		1.553 million
<b>THURSDAY, NOV. 19</b>					
8:30 am	Initial jobless claims (state program, SA)	Nov. 14	--		709,000
8:30 am	Initial jobless claims (total, NSA)	Nov. 14	--		1.02 million
8:30 am	Continuing jobless claims (state program, SA)	Nov. 7	--		6.79 million
8:30 am	Continuing jobless claims (total, NSA)	Oct. 31	--		21.16 million
8:30 am	Philly Fed index	Nov.	--		32.3
10 am	Existing home sales	Oct.	--		6.54 million
10 am	Index of leading economic indicators	Oct.	--		0.7%
<b>FRIDAY, NOV. 20</b>					
	None scheduled				