



Weekly Outlook for April 12 – April 16, 2021

SP500 index (E-mini, and SPY)

LONG-TERM and INTERMEDIATE-TERM TREND DIRECTION: **up**



The SP500 index (mini-ES) broke its long-term triangle pattern last week. The current market behavior is giving a continuing bullish signal.

The weekly PMO started to rise again with a buy signal. It indicated that last week's rally was real.

We need to see a follow-through this week to keep the upside momentum going.

There could still be a short-term pullback, but it is likely to be bought by new entrants into the market.

More and more newbies have shown eagerness to get into this market recently, which should attract some attention and suggest a warning to us. This market may be not far away from a long-term correction.

S&P 500 index futures, April 9, 2021. Weekly bars.

ES: SHORT-TERM TREND DIRECTION: up

Trade strategy: buy above 3850 level with proper stop loss



S&P500 index futures (ES) April 9. Daily bars.

SP500 index (mini-ES) had a continuation high movement last week. Price continued to make new all time record highs and closed high. The price action was bullish with relative high volume.

Daily 20- and 50-dEMA lines keep chasing the price which is a sign the buyers were strong.

The daily PMO indicator kept rising last Friday and maintains a buying signal. The Daily slow STO was strong, even as it stayed in overbought territory.

Both suggest that the SP500 equity market is strong and bullish. Any pullback will continue to be bought at support areas even though there may be a minor pullback this week.

Weekly Option Trading

	Strike price	Expiration Date
	4165.00	
Meanline	4100.00	4/12/2021
	4005.00	

2. Oil (\$WTIC, CL)

LONG-TERM TREND is Down,
INTERMEDIATE-TERM TREND DIRECTION: Up



Crude oil futures, April 9, 2021. weekly bars

Oil mainly moved inside a sideways range from \$62.25 to \$58.25 last week.

As long as buyers can hold the price above the 20-wEMA line (currently \$55.75) the price could bounce back up to the previous high (~\$67.50) to form a double top pattern for the intermediate-term.

But recently buyers seem weaker than before as shown by momentum indicators.

The weekly PMO remains overbought, and the slow STO moved down with a sell signal.

The weekly 20-EMA line at \$55.75 could be reached if new buyers fail to show up in the coming weeks.

OIL: SHORT-TERM TREND DIRECTION: Up

Trade strategy: scalping buy above \$54.50 area with protective stop loss.



Light crude futures, April 9, 2021. Daily bars.

Oil continues to chop around the 50-dEMA line. The short-term downtrend line (Red) holds the price down and the 50-dEMA line (Blue) acts as support to hold the price up.

In the coming weeks oil needs to demonstrate which direction it will go next.

A failure to hold the price above the \$57.20 line will be bearish.

A break above \$62.50 will be bullish.

If oil can't go through either of those two numbers, the sideways congestion should be expected to continue for a time.

The daily PMO indicator still has a selling signal, which hints the upside buying momentum is not as strong as last February.

3. GOLD (GC, GLD)

LONG TERM and INTERMEDIATE-TERM TREND DIRECTION: **Neutral**



Gold futures, April 9, 2021. weekly bars

Gold managed to hold the \$1725 line for a whole week and continued to generate support for an upside move.

Overhead the converging 20- and 50- wEMA lines will continue to act as the initial resistance area.

But the more important line will be \$1760, which is the neckline of the short-term double bottom pattern.

The long-term uptrend line is lying at \$1680; it has acted as support in the past.

It should act as support again this time if the price retraces. The weekly PMO still has its selling signal. But it could turn up soon.

GOLD: SHORT-TERM TREND DIRECTION: neutral

Trade strategy: Buy on dip



Gold futures, April 9, 2021. One day bars.

A potential double bottom pattern has been formed. Gold attempted to make a breakout at the neckline but failed.

This week \$1760 remains as a key line.

A break above \$1765 and remaining above it will drive the price higher.

A failure to break it will lead to a retracement toward \$1725 or alternatively a sideways consolidation movement.

The daily PMO indicator continues to give a buy signal, in opposition to the long-term selling signal.

It suggests that gold is still vulnerable to a pullback around \$1725 area or lower near the \$1700 area.

WEEKLY ECONOMIC REPORTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
MONDAY, APRIL 12					
2 pm	Federal budget	March	--		-\$119 billion
TUESDAY, APRIL 13					
6 am	NFIB small-business index	March	--		95.8
8:30 am	Consumer price index	March	--		0.4%
8:30 am	Core CPI	March	--		0.1%
WEDNESDAY, APRIL 14					
8:30 am	Import price index	March	--		1.3%
2 pm	Beige Book				
THURSDAY, APRIL 15					
8:30 am	Initial jobless claims (regular state program)	April 10	--		
8:30 am	Continuing jobless claims (regular state program)	April 3	--		
8:30 am	Retail sales	March	--		-3.0%
8:30 am	Retail sale ex-autos	March	--		-2.7%
8:30 am	Philadelphia Fed manufacturing index	April	--		51.8
8:30 am	Empire state manufacturing index	April	--		17.4
9:15 am	Industrial production	March	--		-2.2%
9:15 am	Capacity utilization	March	--		73.8%
10 am	Business inventories	Feb.	--		0.3%
10 am	National Association of Home Builders index	April	--		82
FRIDAY, APRIL 16					
8:30 am	Building permits	March	--		1.720 million
8:30 am	Housing starts	March	--		1.421 million
10 am	Consumer sentiment index (preliminary)	April	--		89.1