



**Weekly Outlook for
Sept. 6 – 10, 2021**
(excludes US Labor Day holiday)

SP500 index (E-mini, and SPY)

LONG-TERM and INTERMEDIATE-TERM TREND DIRECTION: up with overbought



SP500 index intermediate-term and long-term outlook didn't change very much last week. They remain bullish.

The price continues moving up smoothly to make record highs.

However the negative divergence between price and PMO indicator has continued for several weeks.

This demands a cautious outlook, and now we are moving into September and October when we usually see some seasonal correction.

We expect the target for a healthy correction could be the 20-wEMA line target area (currently 4310) or worst near the 35-wEMA line at the 4150 area.

S&P 500 e-mini futures, Sept. 3, 2021. Weekly bars.

ES - SHORT-TERM TREND DIRECTION: up

Trade strategy: buy on dip near 4400 area with protective stop



S&P500 e-mini futures Sept. 3, 2021, Daily bars.

The SP500 Index (SPX and ES) made new highs near 4550 last week but had the narrowest weekly trading range since June.

All new highs were made during overnight trading, and the market retraced from the new highs during regular hours.

Traders are getting ready to rollover into the December contract at the end of this week.

The 20-dEMA line keep rising into the 4480 area and will continue to support a move to higher levels.

The daily PMO indicator still has a buying signal, and the daily slow STO indicator remains in the overbought area. We may see a bump-and-dump move later this week to facilitate the rollover into the December contract.

Weekly Option Trading (ES option)

	Strike price	Expiration Date
	4625	
Meanline	4535	9/10/2021
	4320	

2. Oil (\$WTIC, CL)

LONG-TERM TREND is neutral

INTERMEDIATE-TERM TREND DIRECTION: Up with overbought



Oil seems to have completed a second bounce and is getting ready for a pullback to complete the intermediate-term correction.

The 20-wEMA line remains a key level for this week. A failure to hold above it could lead oil back down to the 50-wEMA line for testing.

The weekly PMO indicator holds its selling signal in overbought territory, and the slow STO indicator has moved near the oversold area, but is not extremely oversold.

Both indicate oil could retrace again if the price moves under 20-wEMA line (currently \$67.55).

Crude oil futures, Sept.3, 2021. Weekly bars

OIL - SHORT-TERM TREND DIRECTION: Up

Trade strategy: Short on bounce under \$71.50 line or buy dip near \$62 with protective stops



Light crude futures, Sept.3, 2021. Daily bars.

Oil’s attempt to move up stalled two times under the top of its short-term downtrend channel (dotted red line) last week.

Early this week, oil could remain inside its triangle range, but eventually the price could break out in either direction.

For an upside breakout oil first needs to break through \$71.50 for an upside target around \$74.

For a downside move, oil needs to at least break below the \$67.75 level and close below it to get to the \$62 area for a re-test of the support.

The daily PMO indicator has a buying signal, but the value was negative. The daily slow STO indicator is in the overbought area.

Either oil needs to break through the overhead resistance and move higher, or break down the support near \$67.75 for a further decline. Either is possible at this stage.

3. GOLD (GC, GLD)

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



Gold futures, Sept.3, 2021. Weekly bars.

Gold has firmly established its support level and is getting ready to challenge the major overhead resistance at \$1850.50.

The 20-wEMA and 50-dEMA lines have become support, and as long as the market holds above those two lines, gold is likely to break through the \$1850.50 line.

The weekly PMO indicator is going to give a buying signal, and the weekly slow STO indicator had higher lows.

Both indicators suggest gold is likely moving up again.

GOLD - SHORT-TERM TREND DIRECTION: Up

Trade strategy: buy on dip above \$1800 with protective stoploss



Gold futures, Sept.3, 2021. One day bars.

Gold formed a potential inverted H&S pattern on the daily chart and price is near the neckline at the \$1840 level.

The short-term outlook looks bullish right now. A breakout the neckline (dotted red horizontal line) could push gold up further to challenge next higher resistance at \$1850.50.

The 20-dEMA line crossed above the 50-dEMA line, and gave out a momentum buying signal, which also encourages the buyers.

The daily PMO indicator keeps rising and maintained its buying signal. The daily slow STO indicator pulled down a little in the overbought area and could give another buying sign in overbought territory this week.

Buying on dips that hold above the \$1800 level could be seen this week again.

WEEKLY ECONOMIC REPORTS

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
MONDAY, SEPT. 6					
	Labor Day holiday -- none scheduled				
TUESDAY, SEPT. 7					
	None scheduled				
WEDNESDAY, SEPT. 8					
10 am	Job openings	July	..		10.1 million
2 pm	Beige book				
THURSDAY, SEPT. 9					
8:30 am	Initial jobless claims (regular state program)	Sept. 4	..		340,000
8:30 am	Continuing jobless claims (regular state program)	Aug. 28	..		2.75 million
FRIDAY, SEPT. 10					
8:30 am	Producer price index	Aug.	..		1.0%
10 am	Wholesale inventories (revision)	July	..		0.6%