



Weekly Outlook for Sept.13 -17, 2021

SP500 index (E-mini, and SPY)

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



Note: Quad witching week.

The SP500 index had the first decent weekly pullback since June.

So far the intermediate- and long-term trend remains up, but Friday's closing price is near the long-term uptrend line. A move below it could trigger some selling and push the price down near the 20-wEMA line.

A negative divergence between price and PMO indicator has existed for months, and the overbought market condition needs to be adjusted.

In the past September has been the lowest month (seasonally adjusted) for negative yields for the Index. We often see some kind of correction between the middle of the month and the major option expiration week.

SP500 index has had only a one- week pullback; we may see further declines until the index hits the 20-wEMA area.

S&P 500 e-mini futures, Sept.10 2021. Weekly bars.

ES - SHORT-TERM TREND DIRECTION: up

Trade strategy: Short on strong bounce under 4535 area with protective stop



SP500 Index (SPX and ES) broke its 20-dEMA line, and closed under it last Friday, which could lead to a decline toward the 50-dEMA line, a key support level for this week as it had been in the past.

The 20-dEMA line will act as the first resistance. The Index may bounce near it for testing, but as long as price stays under it, 4420-15 will be the downside target.

The daily PMO indicator gave a selling signal, but indicator value is still positive. If PMO value turns negative, more selling should be expected.

The daily slow STO indicator needs to hold above 20 to help the index bounce. If it does not, a break below the 50-dEMA line should be expected.

This is quadruple witching week. Lots of options (index, ES and SPY) will expire this week.

S&P500 e-mini futures Sept. 10, 2021, Daily bars.

Weekly Option Trading (ES option)

	Strike price	Expiration Date
	4525	
Meanline	4450	9/13/2021
	4375	

2. Oil (\$WTIC, CL)

LONG-TERM TREND is neutral

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



Crude oil futures, Sept 10, 2021. weekly bars

Oil managed to hold the price above the 20-wEMA line, but still traded under \$70.50.

The 50% fibonacci retracement from the recent low at \$61.05 has been reached, and the market is preparing to determine the direction of the next move.

The 20-wEMA line will be a key level this week. A failure to hold above it could lead the price back to/near the 50-wEMA line (currently \$61.06) for testing.

The weekly PMO indicator maintains a selling signal in overbought territory, and the slow STO indicator has a buy signal.

The conflict between the two indicators hints at a big pump-and-dump effort could be seen this week.

OIL - SHORT-TERM TREND DIRECTION: Neutral

Trade strategy: watch for breakout direction and follow it with protective stops



Light crude futures, Sept.10, 2021. Daily bars.

Oil still travelled inside its daily triangle last week. The weekly range from \$70.50 to \$67.25 has been formed, and this will become a key range with the best range-trading opportunities near the top and bottom.

An upside break-out from this range could lead oil higher toward (but under) \$74.

A downside break-out could lead the price down near the \$64.50 area.

The daily PMO indicator has a buying signal, but the value remains negative.

The daily slow STO indicator has a buy signal, but in its overbought area.

Both hints oil could go in either direction.

3. GOLD (GC, GLD)

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



Gold futures, Sept.10, 2021. One day bars.

Gold's rally was rejected by the long-term downtrend line and the market pulled back under its 20- and 50-wEMA lines for closing last week.

The price action was bearish, and a re-test of \$1667 could be on the way if gold fails to hold above the \$1750 level.

The 20-wEMA and 50-dEMA lines will be a key for this week. As long as gold holds the price below those two lines, it is likely to go down further.

The weekly PMO indicator turned down again and a selling signal returns. The weekly slow STO indicator moved into neutral level. External events will largely influence the price movement.

GOLD - SHORT-TERM TREND DIRECTION: Neutral

Trade strategy: buy on dip above \$1750 with protective stoploss



Gold futures, Sept.10, 2021. One day bars.

Gold chopped around its 20- and 50-dEMA lines and was unable to close above them in the past three days. Price action was bearish and indicated that gold is likely to go down to retest \$1750 level and form a potential right shoulder's low there.

The short-term outlook turns neutral. Even though \$1850 is still possible as long as the price holds above \$1775, that possibility could disappear as soon as gold moves under \$1775 line and closes under it.

The 20-dEMA line has crossed below the 50-dEMA line to give a momentum selling signal, which slightly discourages the buyers.

The daily PMO indicator stopped rising and is sitting near the zero line. The daily slow STO indicator moved down in the oversold area. Both hint that a whipsaw movement lies ahead.

WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
MONDAY, SEPT. 13					
2 pm	Federal budget	Aug.	--		-\$200 billion
TUESDAY, SEPT. 14					
6 am	NFIB small business index	Aug.	--		99.7
8:30 am	Consumer price index	Aug.	--		0.5%
8:30 am	Core CPI	Aug.	--		0.3%
WEDNESDAY, SEPT. 15					
8:30 am	Import price index	Aug.	--		0.3%
8:30 am	Empire State index	Sept.	--		18.3
9:15 am	Industrial production	Aug.	--		0.9%
9:15 am	Capacity utilization	Aug.	--		76.1%
THURSDAY, SEPT. 16					
8:30 am	Initial jobless claims (regular state program)	Sept. 11	--		
8:30 am	Continuing jobless claims (regular state program)	Sept. 4	--		
8:30 am	Retail sales	Aug.	--		-1.1%
8:30 am	Retail sales ex-autos	Aug.	--		-0.4%
8:30 am	Philadelphia Fed manufacturing survey	Sept.	--		19.4
10 am	Business inventories	Aug.	--		0.5%
FRIDAY, SEPT. 17					
10 am	UMich consumer sentiment index (preliminary)	Sept.	--		70.3