



Weekly Outlook for Sept. 27 – Oct.1, 2021

SP500 index (E-mini, and SPY)

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



The SP500 index hit its 20-wEMA line and bounced from it last week. It maintains a bullish outlook for the intermediate- and long-term.

This is the last week of September and there are four option expiration days. We could see a monthly adjustment movement in the first two days, and later a big move in either direction, depending on how the index reacts to the overhead resistance line and/or the underlying support line.

The weekly PMO indicator still points to the downside, and the weekly STO indicator released some overbought condition. Neither shows a strong direction.

The big tech stocks are currently weak. They may be a drag on the market while the smaller-cap stocks attempt to rally.

S&P 500 e-mini futures Sept.24 2021. Weekly bars.

ES - SHORT-TERM TREND DIRECTION: Neutral

Trade strategy: buy on pullback above last week's low area with protective stops.



S&P500 e-mini futures Sept. 24, 2021, Daily bars.

SP500 Index (SPX and ES) regained control of its 20/50-dEMA momentum support lines. Now these two lines turn into a key support for this week. As long as the index holds above those two lines, the short-term trend is up.

A move under the 50-dEMA line could trigger another decline and the possibility of an ABC correction, with the final measured destination at the 4200 area.

The daily PMO indicator attempted to move up while daily slow STO indicator has already moved away from oversold area into neutral area.

Together they indicate that the index could hold above last week's low area at 4306 this week.

Weekly Option Trading (ES option)

	Strike price	Expiration Date
	4510	
Meanline	4455	9/27/2021
	4325	

2. Oil (\$WTIC, CL)

LONG-TERM TREND is neutral

INTERMEDIATE-TERM TREND DIRECTION: Up



Crude oil futures, Sept. 24, 2021. Weekly bars

Oil has had five consecutive weeks that closed higher than the previous week since it first closed above the 50-wEMA line at \$61.74. It will attempt to test July's high (~\$77) in the coming weeks.

The weekly PMO indicator maintains its selling signal, but it is attempting to turn up, and the slow STO indicator rose above the neutral area with a buy signal.

Together they show that the oil market is bullish in the intermediate- and long-term. Any pullback will be bought by new buyers.

OIL - SHORT-TERM TREND DIRECTION: up

Trade strategy: buy on pullback above \$68 with protective stops



Light crude futures, Sept.24, 2021. Daily bars.

Oil was bought when it pulled back near the 20-dEMA line early last week. The market subsequently rallied to close above the previous week’s high, which gives a bullish outlook.

However, there are still lots of overhead resistance areas lying ahead, and they may hold oil down for few days.

The 20-dEMA line will be first major support line for this week. As long as oil stays above it, the price will bounce from that area. Active buying will be seen if there is any pullback.

The daily PMO indicator continue to rise while the daily slow STO indicator is moving into overbought area. We could see oil pull down to test the \$70.75 area before the market rallies again.

3. GOLD (GC, GLD)

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



Gold futures, Sept.24, 2021. One day bars.

Gold sold off again this week after it attempted to rally back to its 20/50-wEMA line. The intermediate-term outlook remains bearish.

In addition, the 20-wEMA line almost moved below the 50-wEMA line to give a selling signal.

If the 20-wEMA line does cross below the 50-dEMA line, it could add an even more bearish tone to the market.

The weekly PMO indicator is weak and continued to move on the downside with a sell signal. The weekly slow STO indicator also moved down with a sell signal.

Together they suggest gold could continue moving down after this week.

GOLD - SHORT-TERM TREND DIRECTION: Down with little oversold

Trade strategy: Short on early strong bounce under \$1798 with protective stops.



Gold attempted to retest its prior weekly low on Thursday but managed to hold the price above that level on Friday. The short-term oversold condition may help gold to slow down the speed of the decline. It may hold up for this week.

The daily PMO indicator maintained a selling signal and continued to move to the downside, while the daily slow STO indicator is near its oversold area.

Together they suggest gold needs one or two consolidation days before it begins its next directional movement.

Gold futures, Sept.24, 2021. One day bars.

WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
MONDAY, SEPT. 27					
8:30 am	Durable goods orders	Aug.	--		-0.1%
8:30 am	Core capital goods orders	Aug.	--		0.1%
TUESDAY, SEPT. 28					
8:30 am	Trade in goods, advance report	Aug.	--		-\$86.4 billion
9 am	S&P Case-Shiller home price index (year-over-year)	July	--		18.6%
10 am	Consumer confidence index	Sept.	--		113.8
WEDNESDAY, SEPT. 29					
10 am	Pending home sales index	Aug.	--		-1.8%
THURSDAY, SEPT. 30					
8:30 am	Initial jobless claims (regular state program)	Sept. 25	--		
8:30 am	Continuing jobless claims (regular state program)	Sept. 18	--		
8:30 am	Real gross domestic product (revision)	Q2	--		6.6%
9:45 am	Chicago PMI	Sept.	--		66.8
FRIDAY, OCT. 1					
8:30 am	Real disposable income	Aug.	--		0.7%
8:30 am	Real consumer spending	Aug.	--		-0.1%
8:30 am	Core inflation	Aug.	--		0.3%
9:45 am	Markit manufacturing PMI (final)	Sept.	--		
10 am	ISM manufacturing index	Sept.	--		59.9%
10 am	Construction spending	Aug.	--		0.3%
10 am	Consumer sentiment index (final)	Sept.	--		71.0
10 am	5-year expected inflation rate (final)	Sept.	--		2.9%