



## Weekly Outlook for Oct.11 - Oct.15, 2021

### SP500 index (E-mini, and SPY)

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



S&P 500 e-mini futures, Oct. 08, 2021. Weekly bars.

SP500 index managed to regain control of the 20-wEMA line last week, and closed above it. Some selling pressure still exists there, but the buyers were dictating the price last week.

This week is the major October option expiration week, which could bring some choppiness to the market. The Columbus Day holiday in the US, with the Bond market closed Monday but the equity markets open, could add to the disorder.

The 20-wEMA line (currently 4351) will be a key line this week. As long as it holds up, buyers may engineer a short squeeze to push the index back to the 4500 area.

The weekly PMO indicator and weekly STO indicator continued to the downside, even as the index held above the 20-wEMA line. The divergence between the indicators and price could increase the choppiness ahead.

**SHORT-TERM TREND DIRECTION: Neutral**

Trade strategy: buy on pullback around 100-dEMA at 4335 area with protective stops or short on strong bounce under 4509.50 with protective stops.



S&P500 e-mini futures Oct.8, 2021, Daily bars.

SP500 Index (SPX and ES) gapped up on Thursday and regained control of the 100-dEMA line. On Friday, it closed under the 50-dEMA line.

The market is trading between the potential resistance line (the 50-dEMA line around 4403) and potential support (the 100-dEMA line around 4335). The short-term outlook is neutral.

The daily PMO indicator stopped declining in the last two days, but it hasn't turned up to give any buying signal and is still in oversold territory. The daily slow STO indicator moved into a neutral level on Friday, so there is still some room for an upside move.

But the signals are mixed; the index could go either way.

**Weekly Option Trading (ES option)**

	Strike price	Expiration Date
	4445	
<b>Meanline</b>	<b>4400</b>	<b>10/11/2021</b>
	4220	

## 2. Oil (\$WTIC, CL)

**LONG-TERM TREND is neutral**

**INTERMEDIATE-TERM TREND DIRECTION: Up**



Crude oil futures, Oct. 8, 2021. weekly bars

Oil broke through the July high and closed above it. The move gave a bullish outlook for the intermediate and long term.

The weekly PMO indicator hasn't given a buying signal yet. The weekly slow STO indicator moved slightly into the overbought area, but not extremely so.

Both indicators show that the oil market is bullish in the intermediate and long term.

Any significant pullback will be bought by long time-frame traders.

**SHORT-TERM TREND DIRECTION: up**

Trade strategy: buy on pullback above \$74.84 with protective stops



Light crude futures, Oct.8, 2021. Daily bars.

Oil gapped up and continued making new highs of 7 years. It gives out a courage sign to longer-term. Of course, price will not straight forward all the time. Oil could retrace a lot before it resumes rally again.

The 20-dEMA line at \$74.84 will be first major support line for this week. As long as oil stays above it, price should go higher to near \$107 level area.

The daily PMO indicator are rising with a buying signal and the daily slow STO indicator stays above 80 and holds up there. Any retracement to major support level could see new buyers.

### 3. GOLD (GC, GLD)

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



Gold futures, Oct.8, 2021. One day bars.

Gold attempted to push the price above the 20- and 50-wEMA lines in order to generate some upside momentum.

Unfortunately it failed again. The intermediate-term outlook remains neutral.

Both the weekly PMO indicator and the weekly slow STO indicator remain in neutral territory.

Both suggest there is some hard work to be done before gold can rally again.

**SHORT-TERM TREND DIRECTION: Down with a little oversold**

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



Gold futures, Oct.8, 2021. One day bars.

Gold spiked briefly above the 20- and 50-dEMA lines Friday in response to a shockingly weak Non-Farm Payrolls report.

But the market came down as quickly as it went up, and the day closed below the 20-dEMA (red line, currently around \$1765) and close to where it opened.

The bearish outlook for the short term continues. Gold may attempt to retest last Friday's high (~\$1782) one more time before it moves back down again but we do not expect a sustained rally unless some dramatic news breaks.

The daily PMO indicator has an oversold condition, and the daily slow STO indicator moved up to the neutral area.

Both suggest gold could struggle to move up one more time before it pulls back down again.

On the downside, \$1742 will be a key line for short-term. A breach of this line will open the path to \$1725.

## WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
<b>MONDAY, OCT. 11</b>					
Columbus Day holiday. None scheduled					
<b>TUESDAY, OCT. 12</b>					
6 am	NFIB small-business index	Sept.	--		100.1
10 am	Job openings	Aug.	--		10.9 million
<b>WEDNESDAY, OCT. 13</b>					
8:30 am	Consumer price index	Sept.	--		0.3%
8:30 am	Core CPI	Sept.	--		0.1%
2 pm	FOMC minutes				
<b>THURSDAY, OCT. 14</b>					
8:30 am	Initial jobless claims (regular state program)	Oct. 9	--		N/A
8:30 am	Continuing jobless claims (regular state program)	Oct. 2	--		N/A
8:30 am	Producer price index	Sept.	--		0.7%
<b>FRIDAY, OCT. 15</b>					
8:30 am	Retail sales	Sept.	--		0.7%
8:30 am	Retail sales ex-autos	Sept.	--		1.8%
8:30 am	Import price index	Sept.	--		-0.3%
8:30 am	Empire state index	Oct.	--		34.4
10 am	Consumer sentiment index	Oct.	--		72.8
10 am	Business inventories	Sept.	--		0.5%