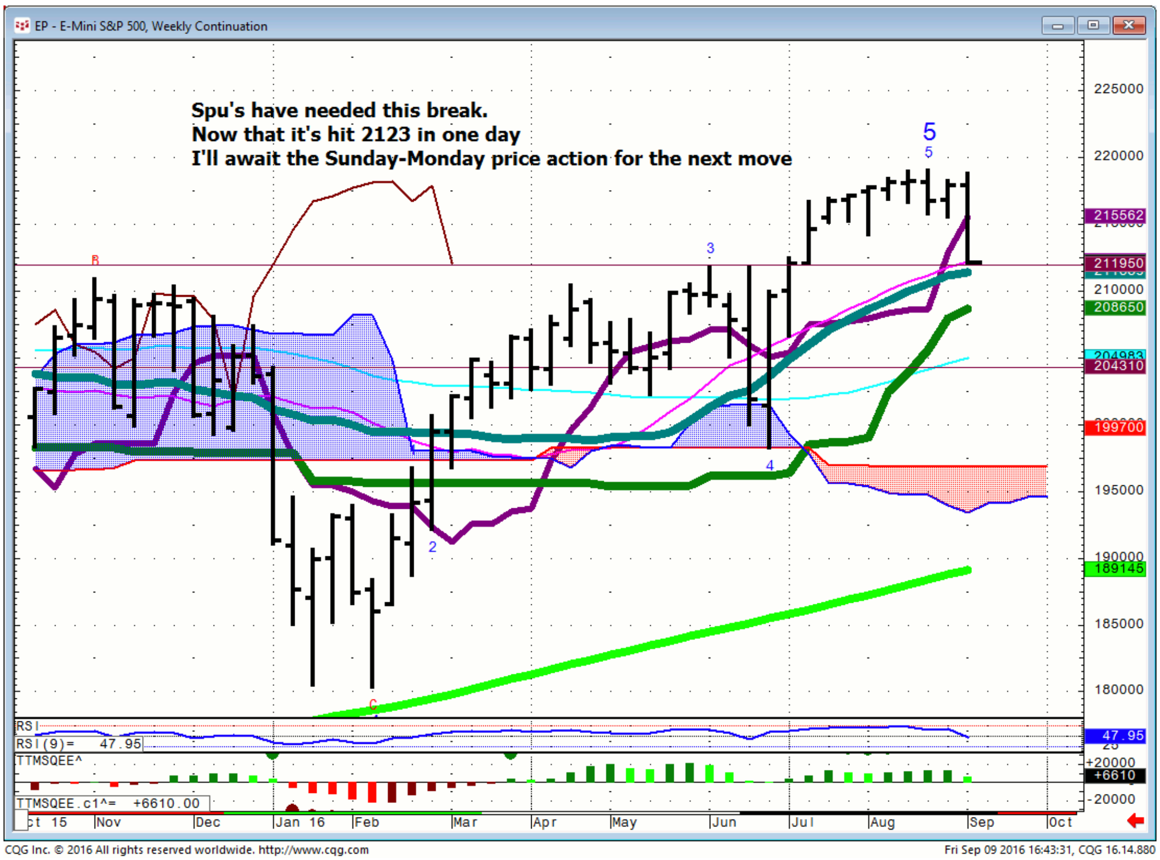
Daily Market Intelligence

A.M. LOOK

Stocks

Futures	S2	S1	Qtrly Pivot	R1	R2	
Spu		1965	2039	2090	2123	
Nasd 100	4103	4265	4402	4475	4575	
DAX	8680	9340	10,000	10,650	11,175	
Nikkei		14,855	16,835	17,200	18,200	
ASX			5075	5474	5900	
FTSE			5990	6490	6751	6962
DSX			2860	3060	3245-90	3490

Spu's…


EP - E-Mini S&P 500, Weekly Continuation
Spu's have needed this break.
Now that it's hit 2123 in one day
I'll await the Sunday-Monday price action for the next move
225000
220000
215562
211950
210000
208650
204983
204310
199700
195000
190000
189145
185000
180000
RSI
RSI(9)= 47.95
47.95
TTMSQEE^
+20000
+6610
-20000
TTMSQEE.c1^= +6610.00
Oct 15
Nov
Dec
Jan 16
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
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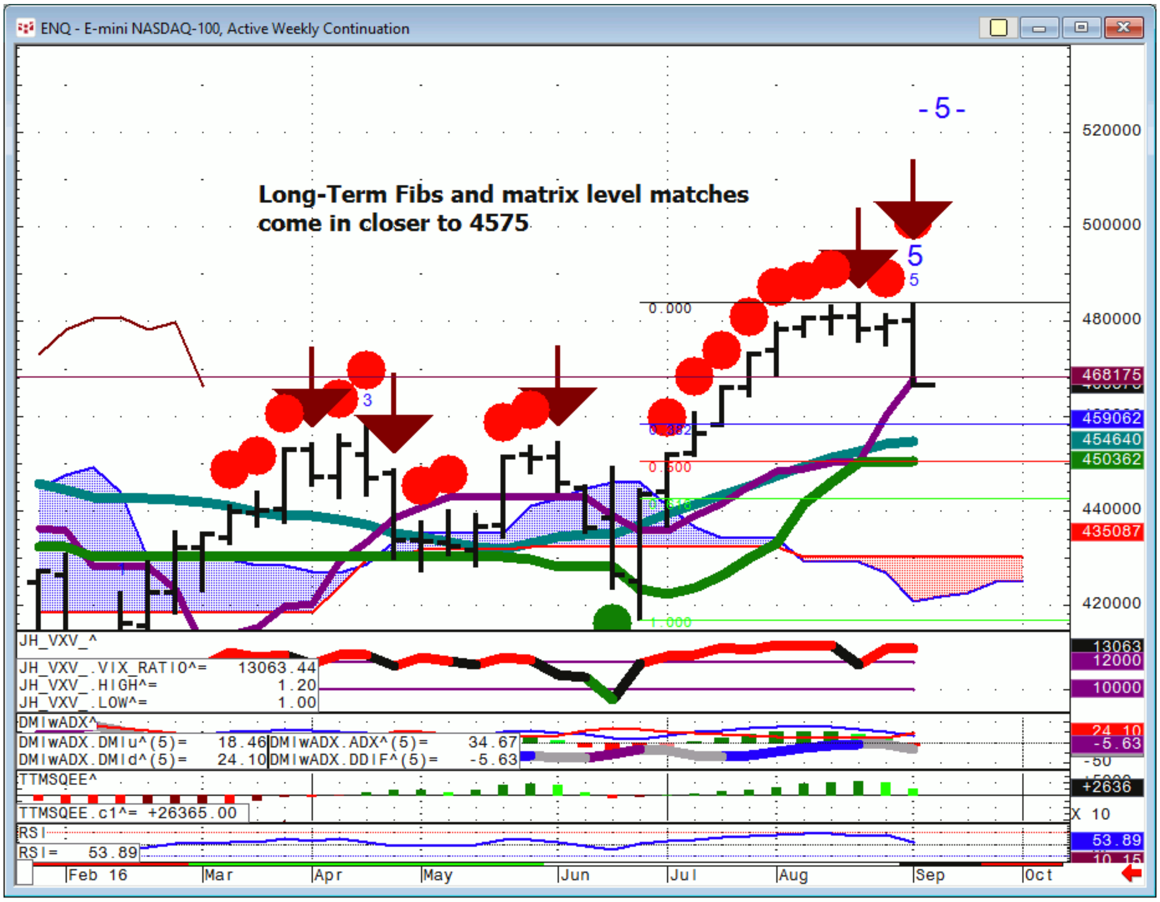
Spu's weekly continuation..

Nasd 100..



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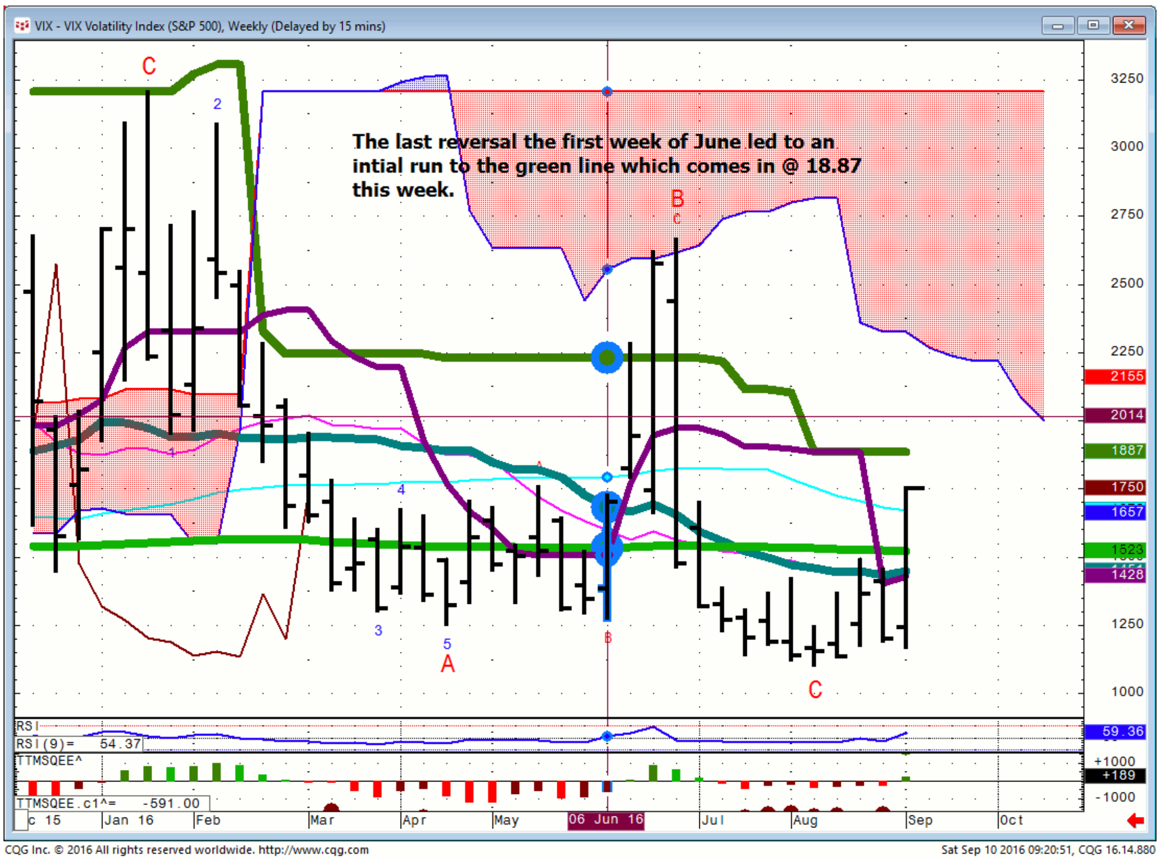
VIX...



VIX - VIX Volatility Index (S&P 500), Weekly (Delayed by 15 mins)
The last reversal the first week of June led to an intial run to the green line which comes in @ 18.87 this week.
C
2
B
A
C
3
4
5
3250
3000
2750
2500
2250
2155
2014
1887
1750
1657
1523
1428
1250
1000
RSI
RSI(9)= 54.37
59.36
TTMSQEE^
+1000
+189
-1000
TTMSQEE.c1^= -591.00
c 15
Jan 16
Feb
Mar
Apr
May
06 Jun 16
Jul
Aug
Sep
Oct
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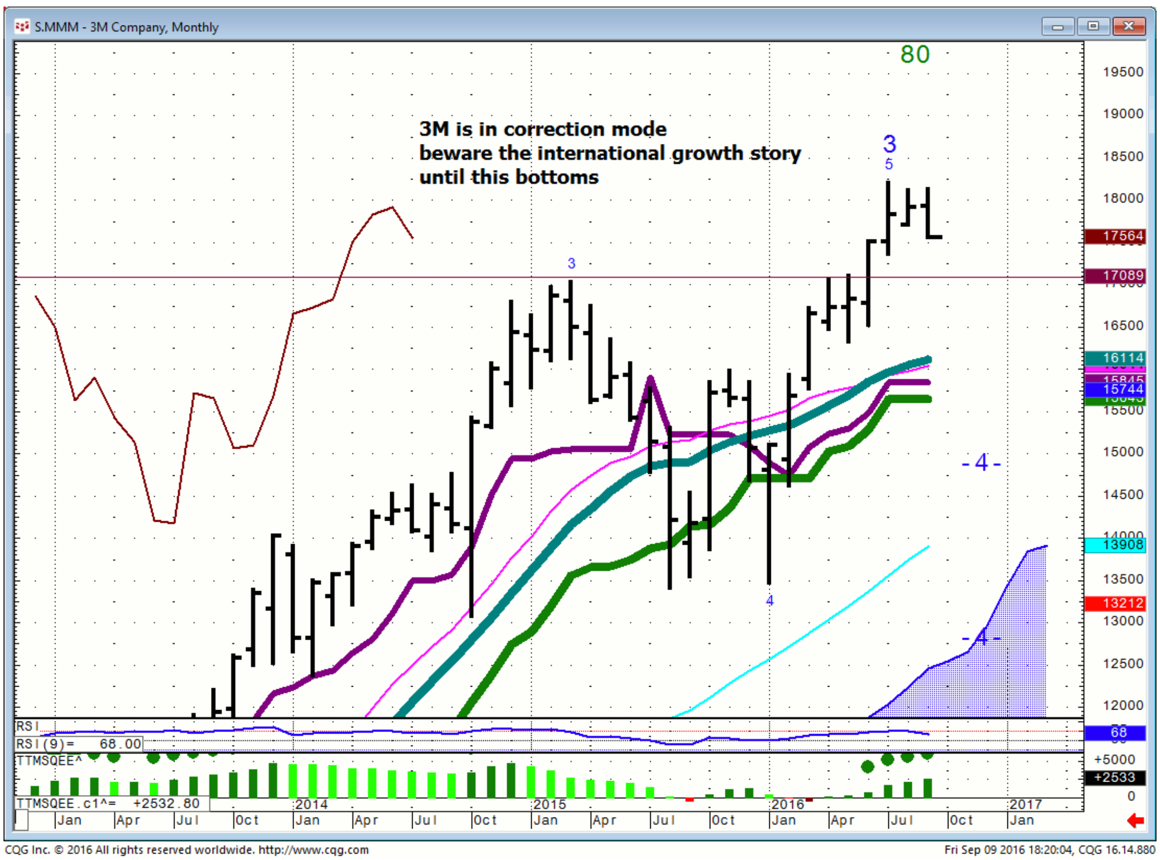
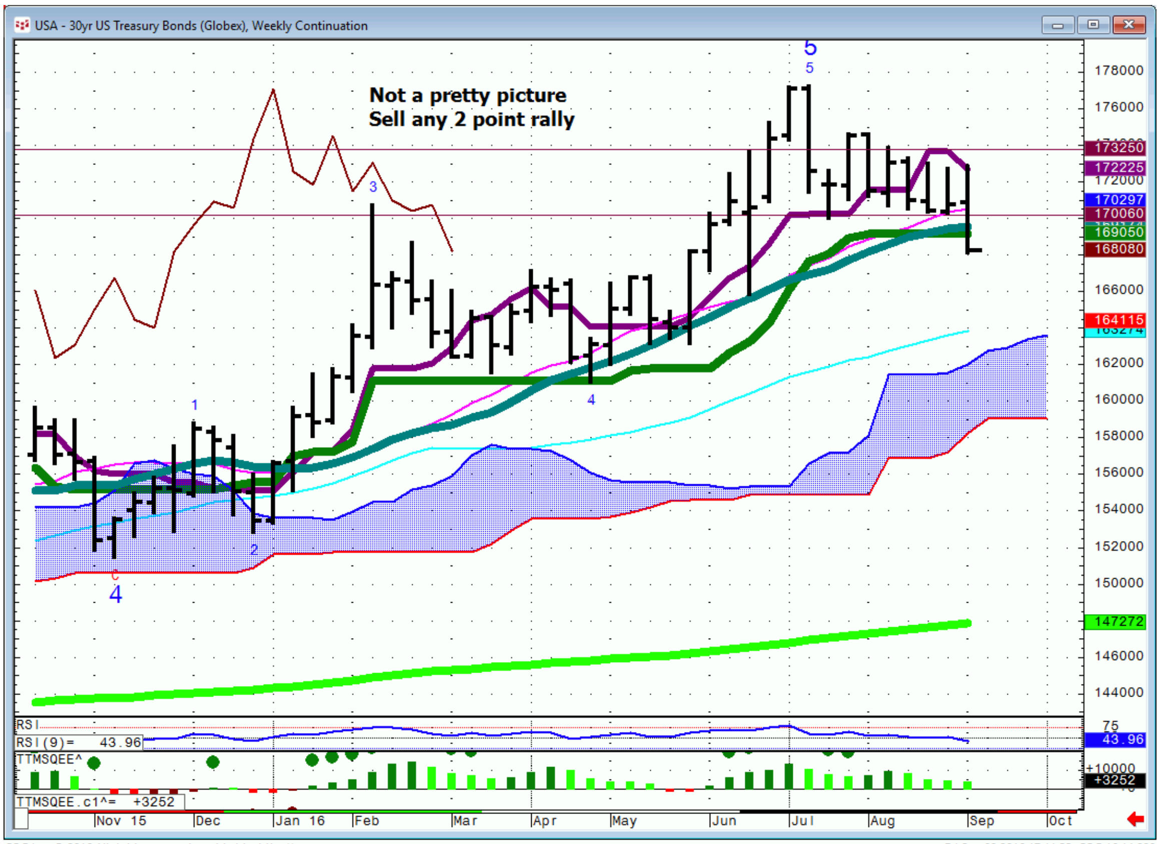
MMM...Monthly..short-term its getting oversold.



Bonds

Futures		S1	Qtrly Pivot	R1
30 Yr.	163	166.04	170.19	
Bund		159.07	165.3	

30 Yr. SEPT …weekly…166.04 December can bounce the first time down. December should get sticky at the old Sept level.



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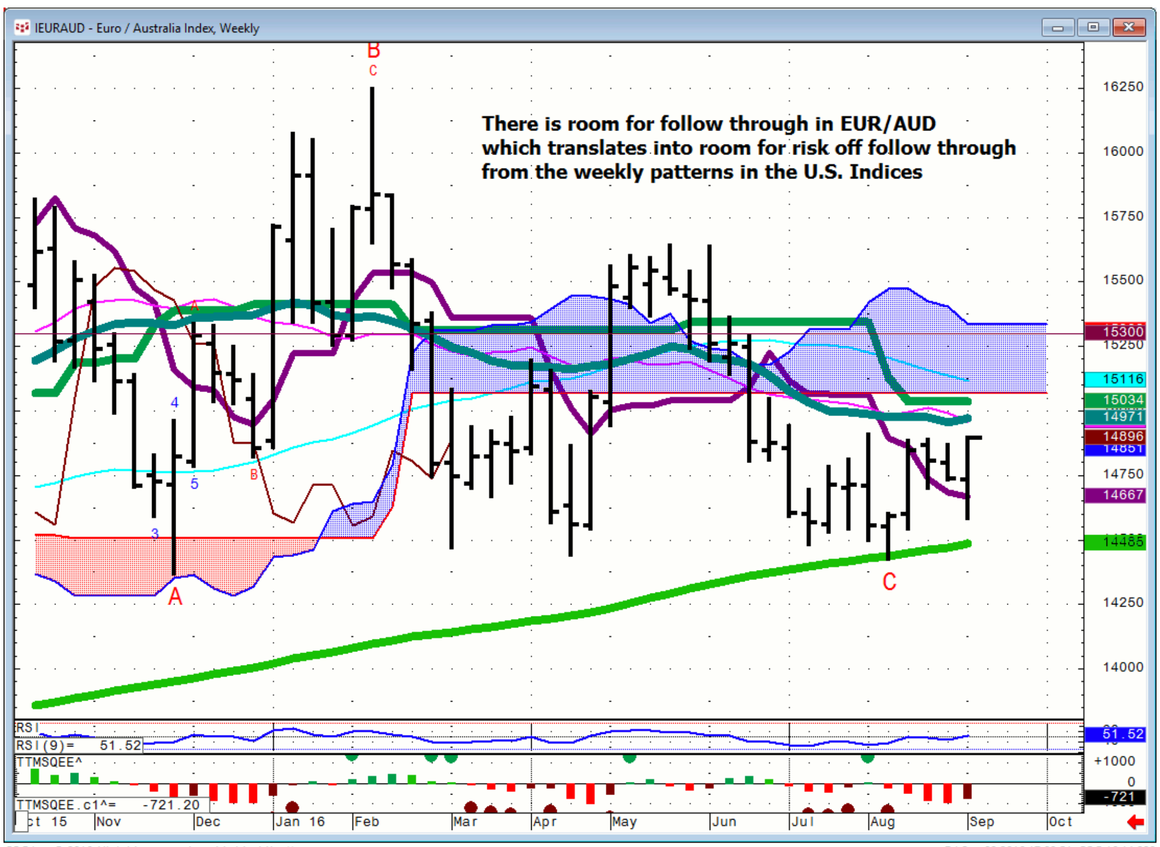
FX

FX		S1	Qtrly Pivot	R1		
Euro		108.25	111	112.85		
GBP/USD			145.4	148.2		
AUD/USD	71.3	72.6	74	76.78	77.7	82.1
NZD/USD	63.1	67	70.6	73.9		
USD/CAD		133.85	128.5	123.15		
CA6		74.75	77.82	81.2		
USD/JPY		107.21	106.38	103	99	
JY6		93.35	9400	97.07	101.25	
DXE	88.07	92.9	96.5	100.2		

EUR/AUD...



Commodities

Commodity		S1	Qtrly Pivot	R1		
OIL	34.75	42.75	44.40-60	46.62	48.5	50.2
Gold		1175	1238	1307	1420	
Copper	1.9	2.125	2.21	2.33	2.77	
Silver			17.85	21.54	28.83	

General Comments or **Valuable Insight**

I've rewritten this piece several times!!

As London went out on Friday I thought the Indices would maintain the weekly patterns and then sell off into this week.

Many of you exited your shorts at or near the weekly ORL levels only to watch the mayhem continue in the afternoon.

That has been the smart trade for weeks.
The next move is not going to be as straightforward.

I've been saying for weeks that Long term Investors should pull money off the table so they have some ammo on a break.

I posted I was looking for 2123, I just didn't think it would hit my target in one day!

Now it's all in the way she moves.
I'm currently neutral the Indices.

Bulls this is for you:
https://www.youtube.com/watch?v=NCtzkaL2t_Y

We have negative weekly ORL patterns in the Spus & Nasd 100, a pattern I was hoping would not be put in, since it can portend further weakness or just take more time to repair the pattern.

Nasd 100..the mere fact that we're back under 4739.50 (the yearly ORH #) will have me defensive for the next few weeks.

The short-term time frames went from overbought to entering oversold territory in one day across most asset classes.

Given this is an expiration week for the Equity Indices & Options, Bulls will be bottom fishing and Bears will be out selling rallies.

It would not be surprising to see a retest of 2154 in the Spu's (Friday's weekly ORL #, now a low risk sell zone as well as the level Spu's need to close back above for the Bull to return).

**2123.50 will act as a pivot. It's a closing #.
Since we closed right on it there is not a new signal.**

This tends to be a messy week, and not one to get married to anything.

**VIX first rejected its 200 DMA then blew through late day.
VIX was the better indicator of price since putting in an ORH day Thursday followed by a weekly ORH.**

I tend to not chase the first violation of a major mvg avg like the 200, rather I'd like it to prove itself for another day. It would not be atypical to see pattern follow through to as high as 18.87.

"It's all in the way she moves"

From a model perspective, I'm looking to see what the Mid-Week shuffle produces. I'll write more on that Tuesday.

Keep it simple and use the weekly close as a near term pivot Good Above/Negative below.

My bias at these levels is to buy before I sell given the magnitude of Friday's selloff, although Indices could take into Tuesday to find some footing.

I've recently reconnected with Tony (TLP with Simpler Futures). Tony is a Lind-Waldock Alum from the 1970's CME Gold Pit days (meaning he's seen the movie, survived and prospered through the 87 crash) In short he knows his stuff!

Tony is a swing trader who's been all over this break in both the rates and the indices.

He uses a different methodology for his qtrly gap hunting which is strikingly effective. His trades set up earlier than mine but are no less effective.

These are set-ups only long time Pit traders understand or utilize. Wall Street guys have no inkling!

TLP preaches about "Minding the 5 inch gap" between your ears.

After chasing the AAPL trade Wed. and exiting early Thursday, Tony sent me note "So you've violated every trading rule you have"

All I could say was "yup". Still trying to manage my gap.

It's a good lesson to acknowledge a mistake early, bail and move on.

"Wishing and hoping is not a strategy" "Making money is all that counts" TLP

He's been Long Eurodollar Puts into 2017 for a couple of weeks looking for rate normalization. Below is his trade.

Long June 2017 Eurodollar 9887.5 puts. I bought these at 8. They closed on Friday at 11. They still have around 300 days to run and are only 8 ticks out of the money. At $25 a tick, what a great risk/reward trade this is. The risk was $200. I still believe this is my trade of the year. Quality data and more Fed speak of higher rates will keep this Eurodollar Put bid.

Eurodollar Futures are million dollar contract and a great way to hedge interest rate risk.

https://www.cmegroup.com/trading/interest-rates/stir/eurodollar.html

We'll see what Sunday brings. It's all about the journey.

http://www.whitewavetradingstrategies.com/glossary/

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