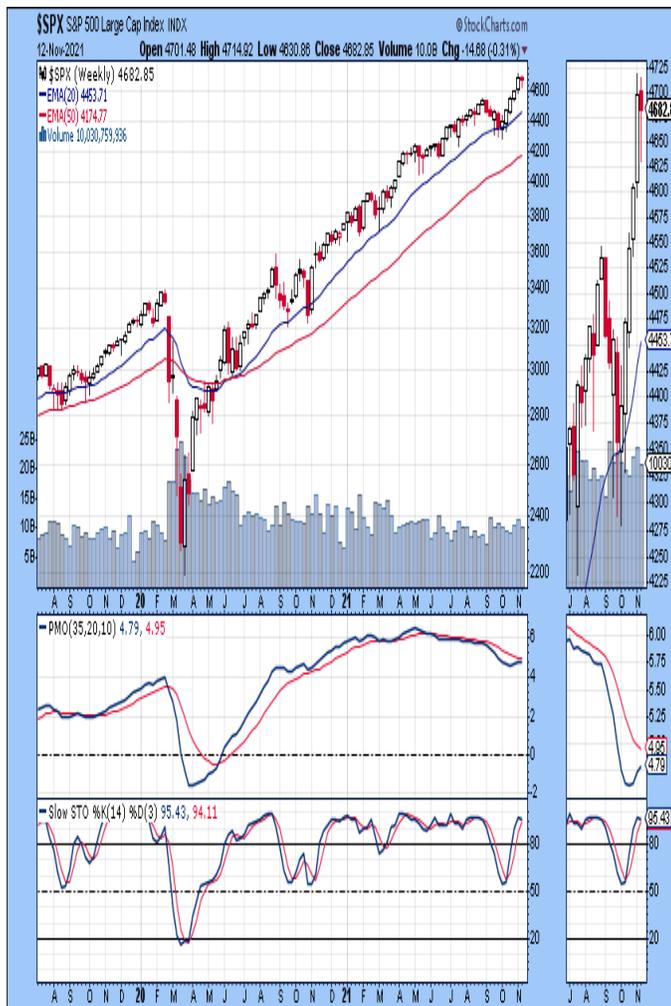




Weekly Outlook for Nov.15 – Nov.19, 2021

SP500 index (E-mini, and SPY)

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



S&P 500 e-mini futures, Nov. 12, 2021. Weekly bars.

SP500 index intermediate- and long-term outlook remains strong and bullish. The uptrend continued with seasonal tendencies favoring buying strength – common in November (Thanksgiving) and December (Christmas).

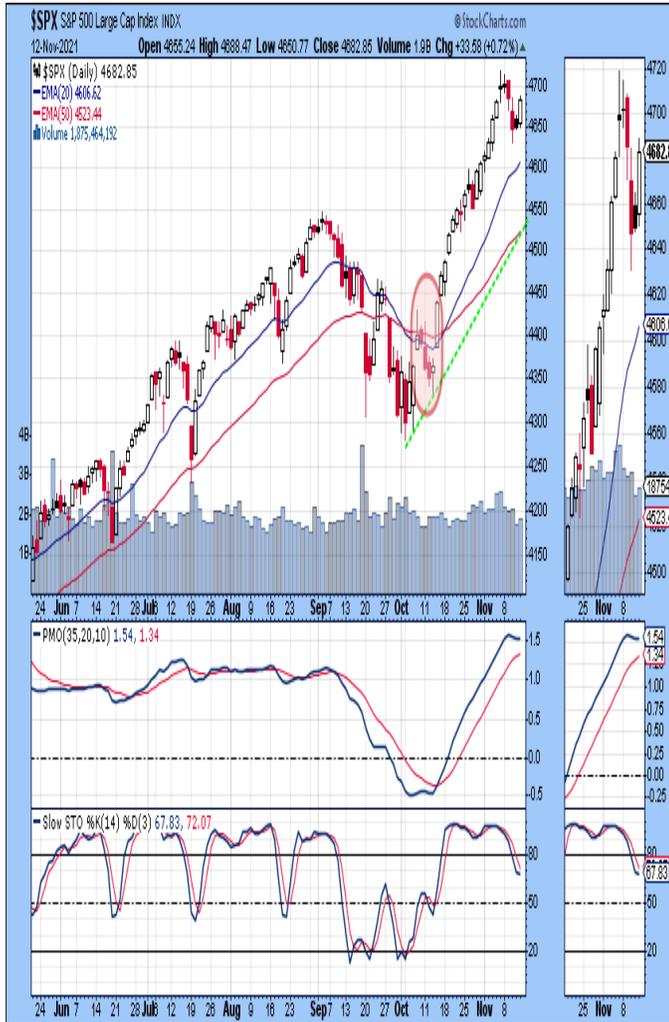
The strong seasonal momentum favors the upside. Last week's loss was not enough to reverse favorable outlook.

The weekly PMO indicator turned up a little bit but has not given a buying signal for the intermediate term. The weekly slow STO indicator is extremely overbought. Both suggest the index is close to this year's top.

However, with the major option expiration this week it is likely the index will be held above last week's low.

ES - SHORT-TERM TREND DIRECTION: up

Trade strategy: aggressive buy on dip around 20-dEMA at 4599 area with protective stops



S&P500 e-mini futures Nov. 12, 2021, Daily bars.

SP500 Index (SPX and ES) had a minor pullback last week, but it didn't do any damage to the short-term uptrend. The outlook remains bullish and the trend remains up.

The 20-dEMA line is the first major support line. As long as the price stays above it, a repeat of the pattern from mid-October is possible, with the index moving higher.

But if the index falls under 4580 it could trigger a stop run and lead down towards the 50-dEMA line around 4520. However for the short-term the market would still remain inside the uptrend channel.

The daily PMO indicator stopped advancing last week and the daily slow STO indicator moved away from the overbought area. Both indicate that the current brief pullback is mainly an opportunity for buyers to enter on the dip.

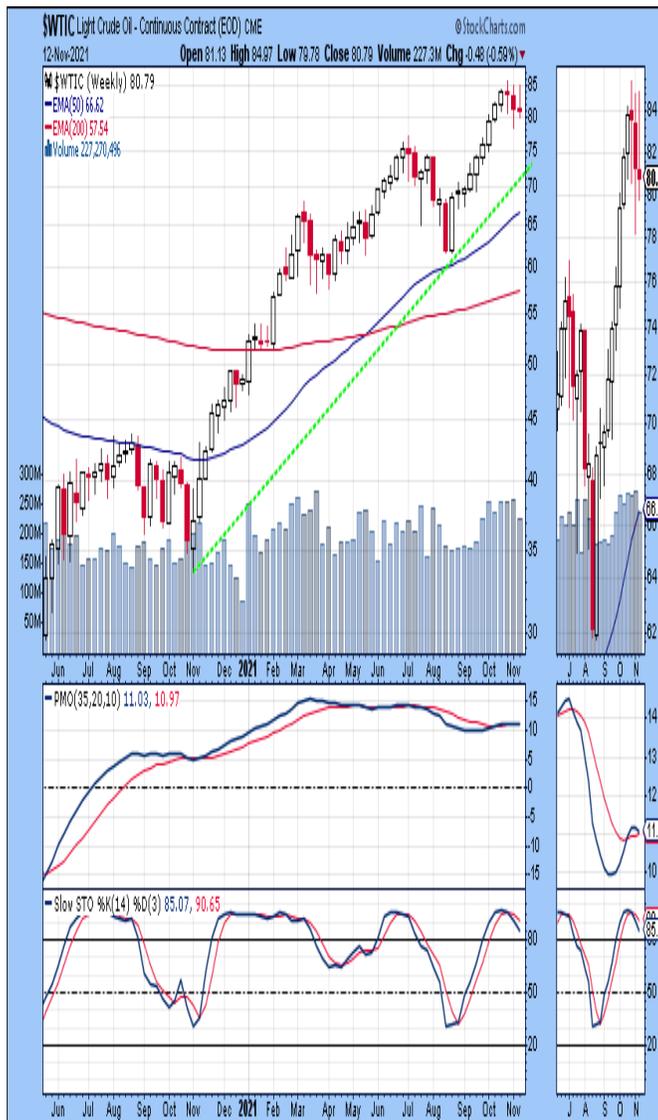
Weekly Option Trading (ES option)

	Strike price	Expiration Date
	4765	
Meanline	4685	11/12/2021
	4550	

2. Oil (\$WTIC, CL)

LONG-TERM TREND is neutral

INTERMEDIATE-TERM TREND DIRECTION: Up with overbought.



Crude oil futures, Nov. 12, 2021. weekly bars

Oil had an inside week and closed inside the range of the prior week. The upside momentum has disappeared, but we haven't seen a large profit taking movement in past three weeks.

The majority of buyers still hold their positions. But the intermediate-term overbought condition brought caution to new buyers. Buy high and sell higher now means chasing the price.

The weekly PMO indicator remains overbought and gets ready to give a selling signal. The weekly slow STO indicator is still in overbought territory. Both shows oil may need more time to resolve the overbought condition before the rally can resume.

It could continue going sideways to the end of year, or pull back near the intermediate-term uptrend line around \$72 to search for support and rally again.

OIL - SHORT-TERM TREND DIRECTION: neutral

Trade strategy: aggressive buy on pullback above \$78 with protective stops or aggressive short on strong bounce under \$85.50 with protective stops



Light crude futures, Nov.12, 2021. Daily bars.

Oil has been back and forth to set up a consolidation range between \$85.35 and \$78.25 since it broke its short-term uptrend line early this month. The price chopped around the 20-dEMA line, but managed to hold above the 50-dEMA line.

This sideways movement could continue until the short-term overbought condition totally vanishes.

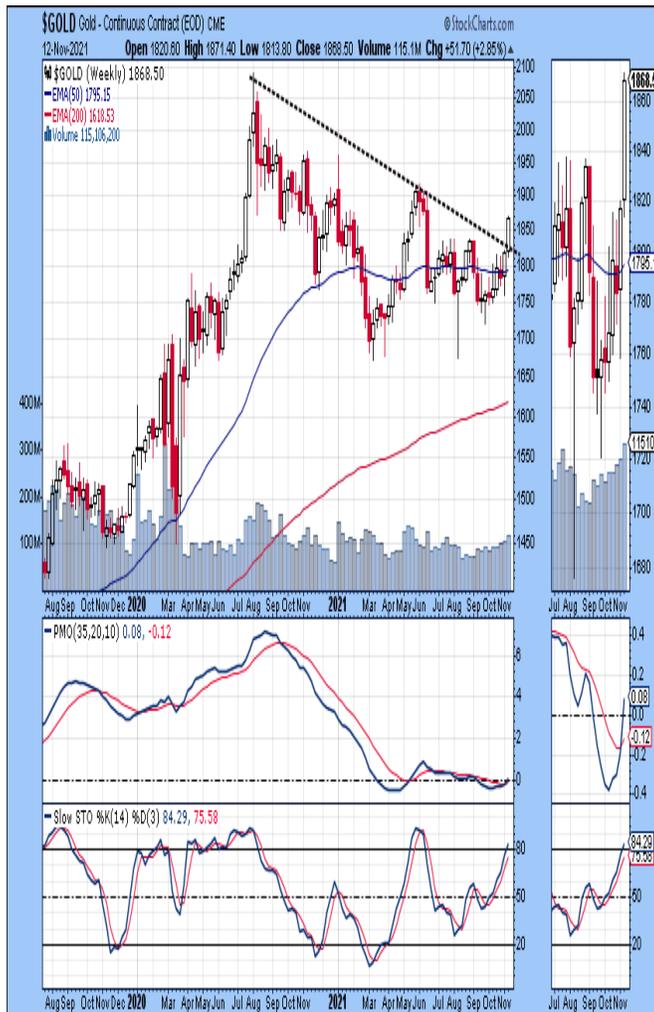
The 20-dEMA line at \$81.50 will be a magnet for the price and the 50-dEMA line at \$78.50 area will be current support. As long as oil doesn't close under \$78 on a weekly basis, the price is likely to be pushed back up again.

Last month's high at \$85.35 area will be the current resistance level. If oil doesn't break above it and close above it, the price will likely push back down to the 20-dEMA line or below.

The daily PMO indicator is declining with a selling signal, and the daily slow STO indicator moved away from overbought territory. Both hint that the sideways move will continue.

3. GOLD (GC, GLD)

LONG TERM and INTERMEDIATE-TERM TREND DIRECTION: up



Gold futures, Nov. 12, 2021. One day bars.

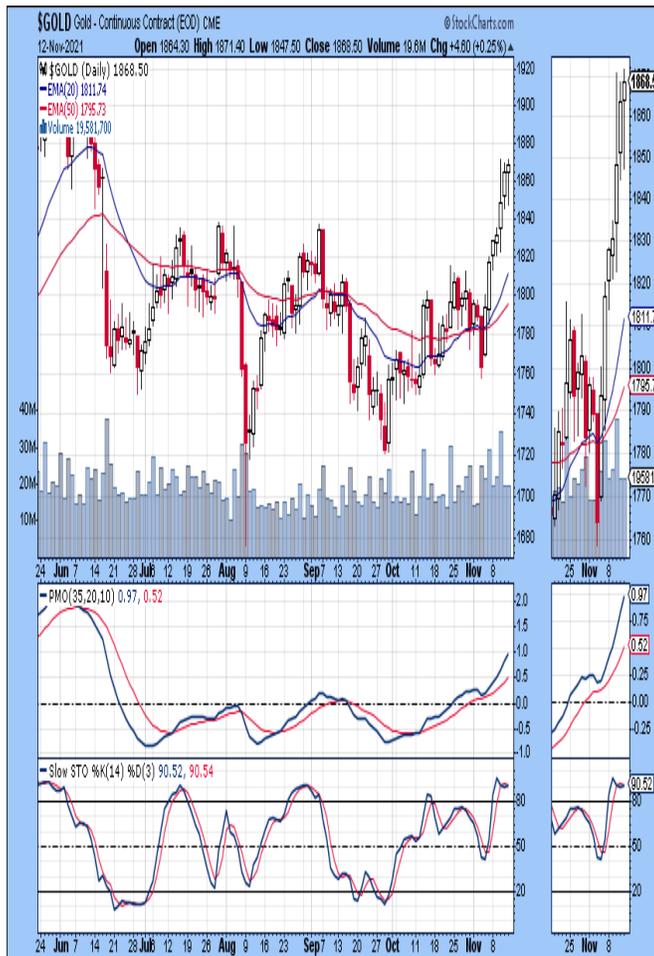
Gold broke through the intermediate-term downtrend line last week, and closed above it. The weekly 50-EMA momentum line now becomes a major support line. Any short-term pullback near the broken resistance line is likely to be held up by shorts covering. The current upside target is \$1900.

The weekly PMO indicator gave a buying signal and the signal line crossed above zero value to reinforce buying strength. The weekly slow STO indicator is near overbought area but not extremely overbought. Both indicates gold could go up further in the short term.

Even though the short-term indicators are bullish, the long-term history flagged some issues with gold vs inflation in the past. It needs to be watched as it develops in the coming months.

GOLD - SHORT-TERM TREND DIRECTION: up

Trade strategy: buy on dip above \$1800 area with protective stops.



Gold futures, Nov. 12, 2021. One day bars.

Gold broke through its key resistance at \$1837.50 and resumed its rally after going sideways for almost 6 months. But it is still inside the range between the August 2020 high and the April 2021 low.

No sustained longer-term rally. Yet. Now we have to wait and see if gold will break out in the coming months.

The daily PMO indicator continues to rise with a buying signal. The daily slow STO indicator is in overbought territory. Both show the current gold price action is strong; the market could rally further.

Look for an entry if the price falls around the \$1800 area in a brief pullback.

WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
MONDAY, NOV. 8					
	None scheduled				
TUESDAY, NOV. 9					
8 am	NFIB small-business index	Oct.	--		99.1
8:30 am	Producer price index final demand	Oct.	--		0.5%
WEDNESDAY, NOV. 10					
8:30 am	Initial jobless claims (regular state program)	Nov. 6	--		N/A
8:30 am	Continuing jobless claims (regular state program)	Oct. 30	--		N/A
8:30 am	Consumer price index	Oct.	--		0.4%
8:30 am	Core CPI	Oct.	--		0.2%
10 am	Wholesale inventories (revision)	Sept.	--		1.1%
2 pm	Federal budget	Oct.	--		-\$284 billion
THURSDAY, NOV. 11					
	Veterans Day holiday: None scheduled				
FRIDAY, NOV. 12					
10 am	Job openings	Sept.	--		10.4 million
10 am	UMich consumer sentiment index (preliminary)	Nov.	--		71.7
10 am	Five-year inflation expectations (preliminary)	Nov.	--		2.9%