

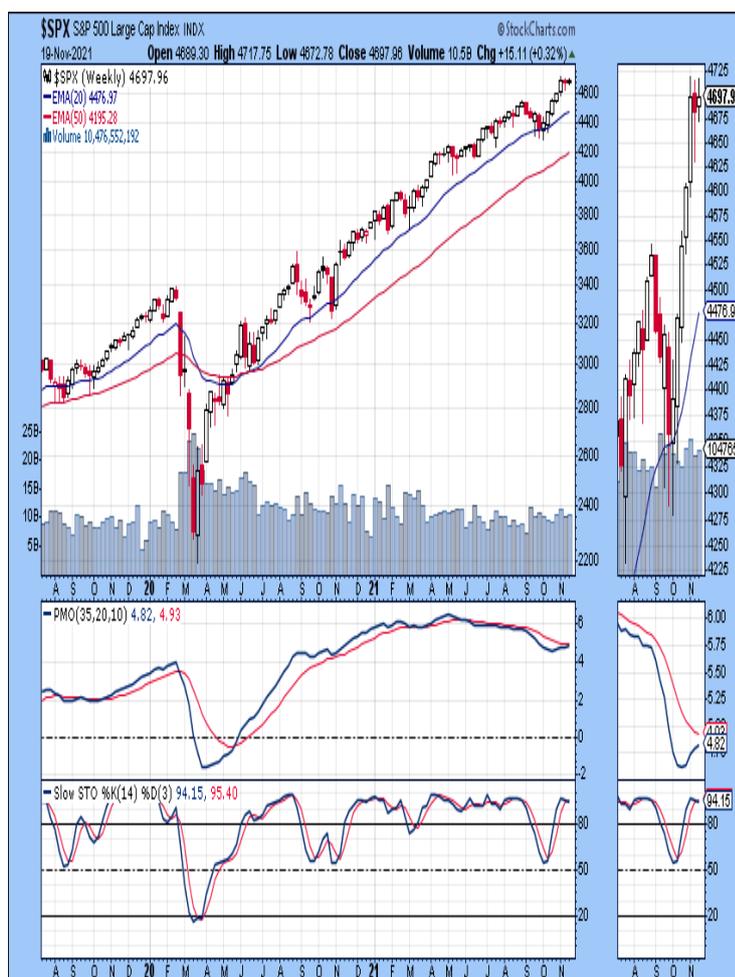


## Weekly Outlook for Nov. 22 – Nov. 26, 2021

Note that US markets will be closed for the Thanksgiving holiday on Thursday, and many traders will also skip work on Friday. The result could be wider price swings in both directions for all the products we trade.

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

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



S&P 500 e-mini futures, Nov. 19, 2021. Weekly bars.

For the intermediate and long time frames, no serious warnings are being given. The trend remains up and strong.

For the short term, eight sectors declined during Friday trading, while only three gained. The majority are losing ground. The SP500 index could be at or near a short-term top. The market is ripe for a pull back.

The weekly PMO indicator never crossed above its signal line to give a buying signal in the intermediate term. There is a negative divergence between the PMO and price.

The weekly slow STO indicator is extremely overbought. We should expect some kind of short-term correction is on the way.

**Es - SHORT-TERM TREND DIRECTION: up**

**Trade strategy: short on strong bounce in early days with protective stoploss.**



S&P500 e-mini futures Nov. 19, 2021, Daily bars.

SP500 Index (SPX and ES) has a ascending triangle pattern on the daily chart, which is not a bullish pattern. All the recent new highs were made during overnight trading, not in regular trading hour.

It suggests the SP500 index lacks participation from major institutions. A short-term pullback should be expected.

The 20-dEMA line is the first support at the 4640 level. A move below it could lead the index to toward its major short-term support level at the 50-dEMA line, the 4555 area.

These two support lines could be retested before the end of November. As long as the price does not fall below 4555, the index could return back up next month.

The daily PMO indicator is flat and weak. The daily slow STO indicator has a lower high in the overbought area. Both indicates a short-term pullback may be on the way soon.

**Weekly Option Trading (ES option)**

	Strike price	Expiration Date
	4765	
<b>Meanline</b>	<b>4695</b>	11/22/2021
	4550	

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

**LONG-TERM TREND is neutral**

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



Oil started to have a short-term correction, but so far the intermediate-term uptrend remains intact.

But \$73, the rising uptrend line (green) from the November 2020 low could be retested this time.

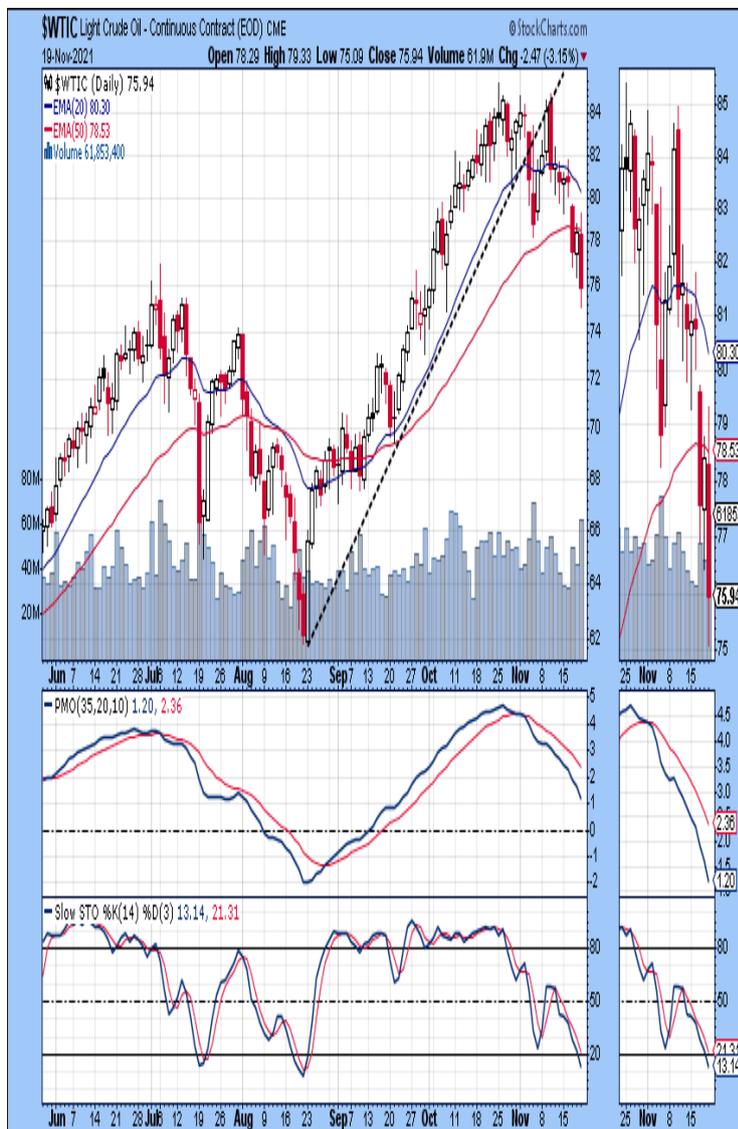
The weekly PMO indicator gave a selling signal last week and the weekly slow STO indicator starts to move away from overbought territory, but is still far from oversold.

Both shows oil could go lower toward the \$73 level even if it has a short-term bounce this week.

Crude oil futures, Nov. 19, 2021. weekly bars

**OIL - SHORT-TERM TREND DIRECTION: down**

**Trade strategy: aggressively buy on pullback above \$73 with protective stops or aggressively short on strong bounce under \$81.30 with protective stops**



Light crude futures, Nov.19, 2021. Daily bars.

Oil continued its short-term correction after making a double top pattern in the previous week. It not only broke down 20-dEMA line, but also closed below the 50-dEMA line on Friday.

The price action was bearish. But the price is now very close to its short-term oversold area.

This week, oil could bounce toward the 20-dEMA line at \$80.30 for testing. However, at lost as the price closes below the 50-dEMA line (currently at \$78.50) the short-term downtrend is continuing.

The daily PMO indicator kept declining with a selling signal, and the daily slow STO indicator approaches the oversold territory. Depending on how oil reacts \$73 level, acceptance could lead oil down further or rejection could lead oil bounce in short-term.

### 3. GOLD (GC, GLD)

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



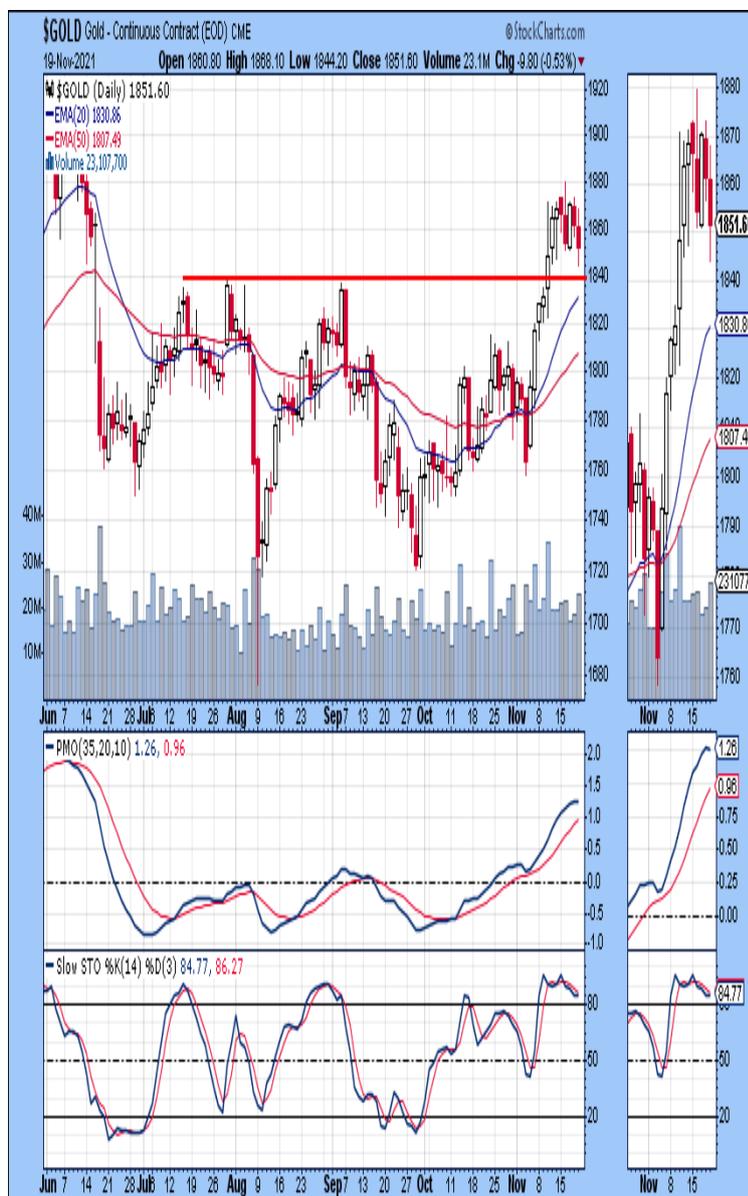
Gold had a minor pullback week, mainly doing its back-fill and intends to test its broken resistance line beneath at \$1828. now both \$1828 and \$1797 lines need to hold gold through the end of year for next rally. The weekly 50-EMA momentum line remains as a major support line at current stage. Any short-term pullback near it is likely held up by shorts covering. The upside target \$1900 level will remain upside target for intermediate-term as long as gold manages to hold price above \$1850 level.

The weekly PMO indicator moves up slowly with a buying signal. Now the only problem is the weekly slow STO indicator, which has an overbought condition. The conflict between two indicators should bring some concerns for the buyers.

Gold futures, Nov. 19, 2021. One day bars.

**Gold - SHORT-TERM TREND DIRECTION: up**

**Trade strategy: range trading possible with proper stoploss**



Gold futures, Nov. 19, 2021. One day bars.

Gold pulled back last week, but it hasn't tested its broken resistance at \$1837.50 yet.

This week this broken resistance line area will become a key area for the longer term. We want to see if the broken resistance prevents gold from declining. Future price action will depend on the reaction of buyers at this level.

Gold could form a sideways range from \$1880 to \$1840 and moves inside it for this week.

But it also could move down a little further near its 20-dEMA line at the \$1830 area first before it bounces above \$1850 for weekly closing.

Daily PMO indicator has stopped rising with a buying signal. The daily slow STO indicator remains in overbought territory. Both suggest gold could go in both directions this week.

## WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
<b>MONDAY, NOV. 22</b>					
8:30 am	Chicago Fed national activity index	Oct.	--		-0.13
10 am	Existing home sales (SAAR)	Oct.	6.20 million		6.29 million
<b>TUESDAY, NOV. 23</b>					
9:45 am	Markit manufacturing PMI (flash)	Nov.	58.6		58.4
9:45 am	Markit services PMI (flash)	Nov.	58.7		58.7
<b>WEDNESDAY, NOV. 24</b>					
8:30 am	Initial jobless claims (regular state program)	Nov. 20	262,000		268,000
8:30 am	Continuing jobless claims (regular state program)	Nov. 13	--		2.08 million
8:30 am	GDP revision (SAAR)	Q3	2.1%		2.0%
8:30 am	Gross domestic income (SAAR)	Q3	--		2.3%
8:30 am	Durable goods orders	Oct.	0.4%		-0.3%
8:30 am	Core capital goods orders	Oct.	--		0.8%
8:30 am	Trade in goods (advance)	Oct.	--		-\$96.3 billion
10 am	Personal income (nominal)	Oct.	0.2%		-1.0%
10 am	Real disposable income	Oct.	--		-1.6%
10 am	Consumer spending (nominal)	Oct.	1.0%		0.6%
10 am	Real consumer spending	Oct.	--		0.3%
10 am	Core inflation	Oct.	0.4%		0.2%
10 am	Core inflation (year-over-year)	Oct.	4.1%		3.6%
10 am	New home sales (SAAR)	Oct.	797,000		800,000
10 am	UMich consumer sentiment index (final)	Nov.	66.8		66.8
10 am	5-year inflation expectations	Nov.	--		2.9%
2 pm	FOMC minutes				