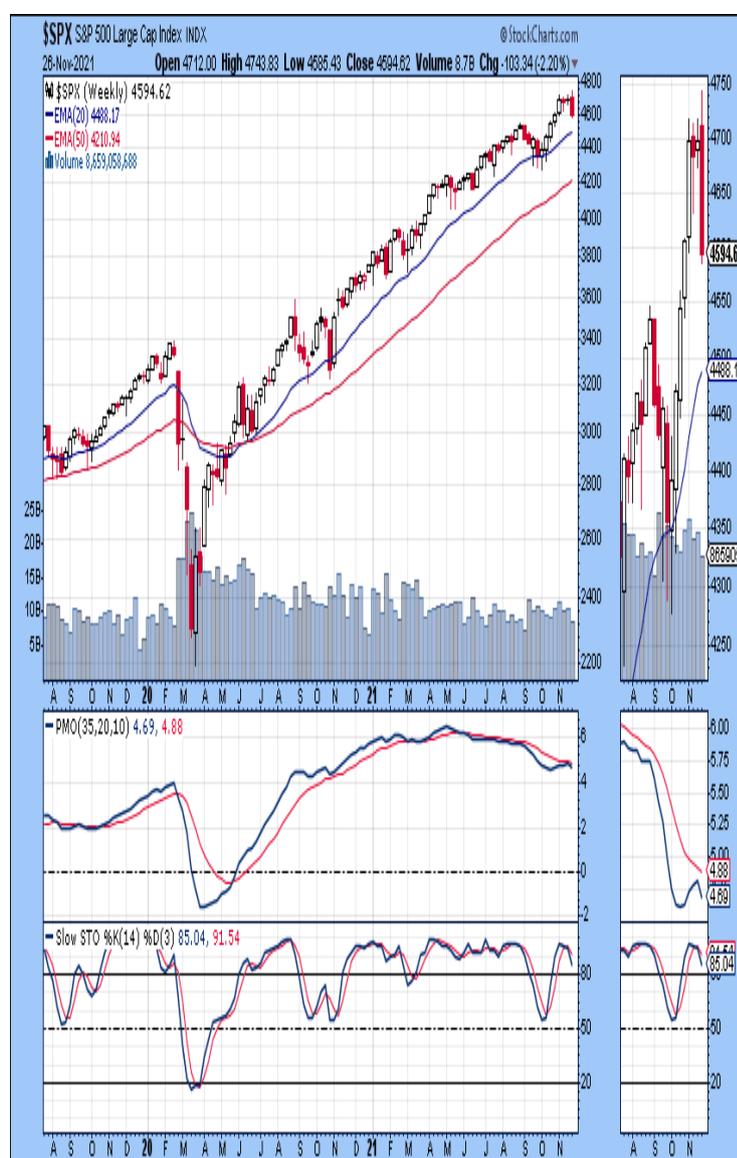


## Weekly Outlook for Nov. 29 – Dec.3, 2021

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

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



S&P 500 e-mini futures, Nov. 26, 2021. Weekly bars.

The news of a mutant Covid virus strain (published during thin trading for the U.S. Thanksgiving holiday) ‘caused’ a panic selloff in global equity markets last Friday. It could be an overreaction or the beginning of a larger correction. Monday’s trading will offer the first clue.

So far there is little information about the new virus. If we start seeing ‘good news’ it could lead to a major rally; conversely ‘bad news’ may renew the sell-off.

So far only the short-term trend has suffered any significant damage. For the intermediate time frame the major first support is lying around 4488, the 20-wEMA. This support has held the market up since April 2020.

The weekly PMO indicator still moves down with a selling signal. The sell-off may dissolve a negative divergence that has persisted for a long time. The weekly slow STO indicator remains in extremely overbought area. Both suggest the index could go down a little further this week.

**ES - SHORT-TERM TREND DIRECTION: Down**

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



The SP500 Index (SPX and ES) broke the 20-day moving average on Friday in response to reports of a new covid variant in South Africa. The selloff and the close under the 20-dEMA did technical damage to the short-term outlook. Now the 50-dEMA line at 4545 becomes a key support line for this week. The 20-dEMA lines at 4650 could turn into potential resistance.

The daily PMO indicator crossed below its signal line and gave a short-term sell signal. The daily slow STO indicator landed near its neutral level, and still has more room for a down move if the SP500 index fails to hold the price above its 50-dEMA line.

Both indicators show the index could go down further.

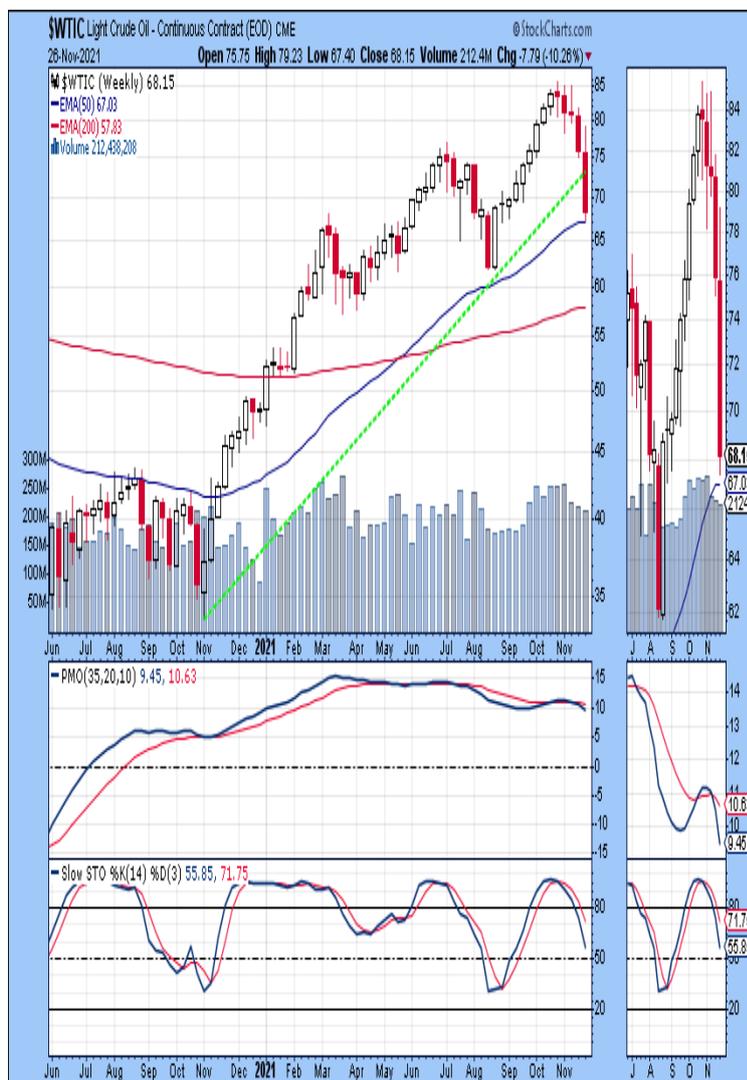
S&P500 e-mini futures Nov. 26, 2021, Daily bars.

**Weekly Option Trading (ES option)**

	Strike price	Expiration Date
	4685	
<b>Meanline</b>	<b>4600</b>	11/29/2021
	4420	

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

**LONG-TERM TREND is Up**  
**INTERMEDIATE-TERM TREND DIRECTION: Neutral**



Crude oil futures, Nov. 26, 2021. Weekly bars

On Friday oil broke below the intermediate-term uptrend line that has supported the market since November 2020. The sell-off was damaging for the short-term outlook, but less damaging for the intermediate term.

The price action was very bearish, but the market managed to close above its 50-week EMA, which now become a potential support and a key line for the coming weeks.

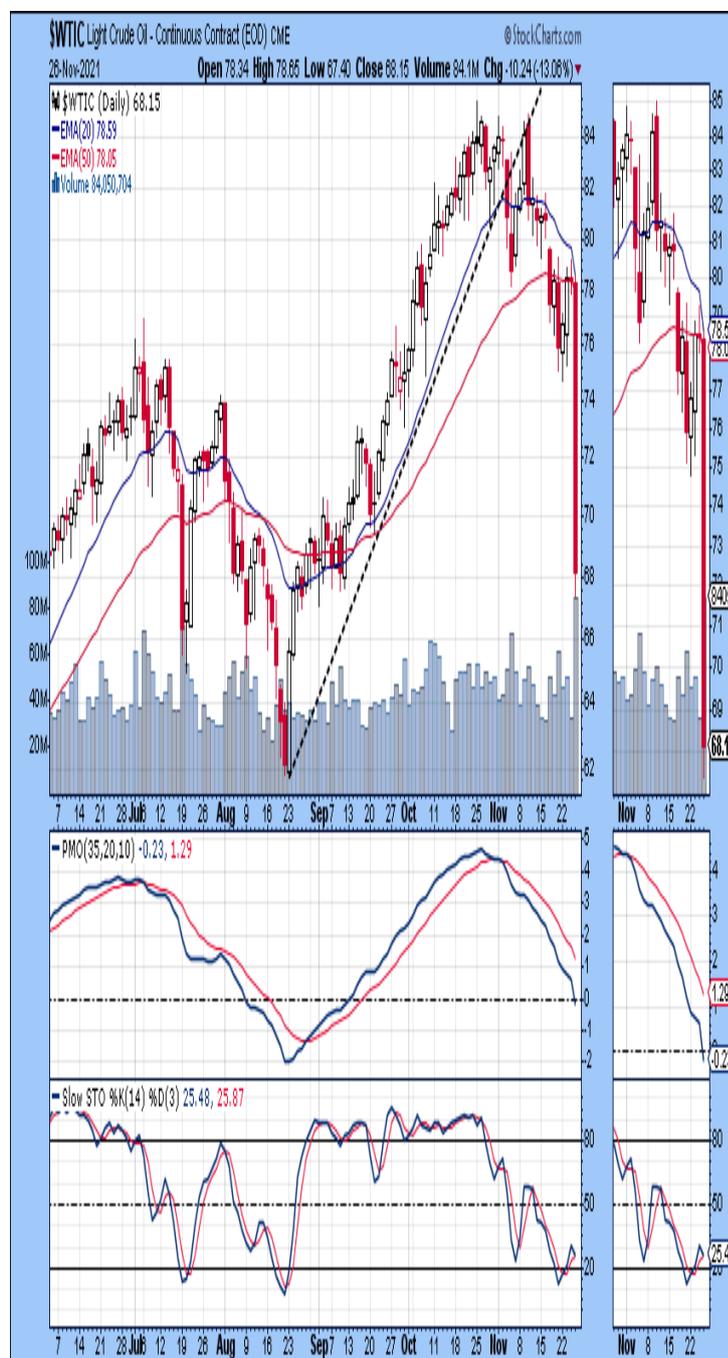
As long as it holds, oil could bounce under the broken uptrend line (green) for testing.

The weekly PMO indicator continued declining last week with its selling signal and the weekly slow STO indicator moved away from overbought territory. But both still have a long way to go to reach the oversold area.

Both show that oil could go lower after it has a brief bounce.

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

**Trade strategy: aggressively buy on pullback above \$73 with protective stops or aggressively short on strong bounce under \$78.50 with protective stops**



Light crude futures, Nov.26, 2021. Daily bars.

Oil continued its short-term correction with a dramatic sell-off Friday that sent the price down below the August high for closing. It did lots of damage to the short-term outlook, and confirmed that this year's high is in.

At some point in the rest of the year, oil may go back up to test the \$78 area, but this will become a major resistance zone.

This week, \$67-\$66.50 becomes a key zone for the longer time-frame. As long as it can hold up, the price could have a brief bounce. How far that bounce can go depends on how global markets do in the next few days.

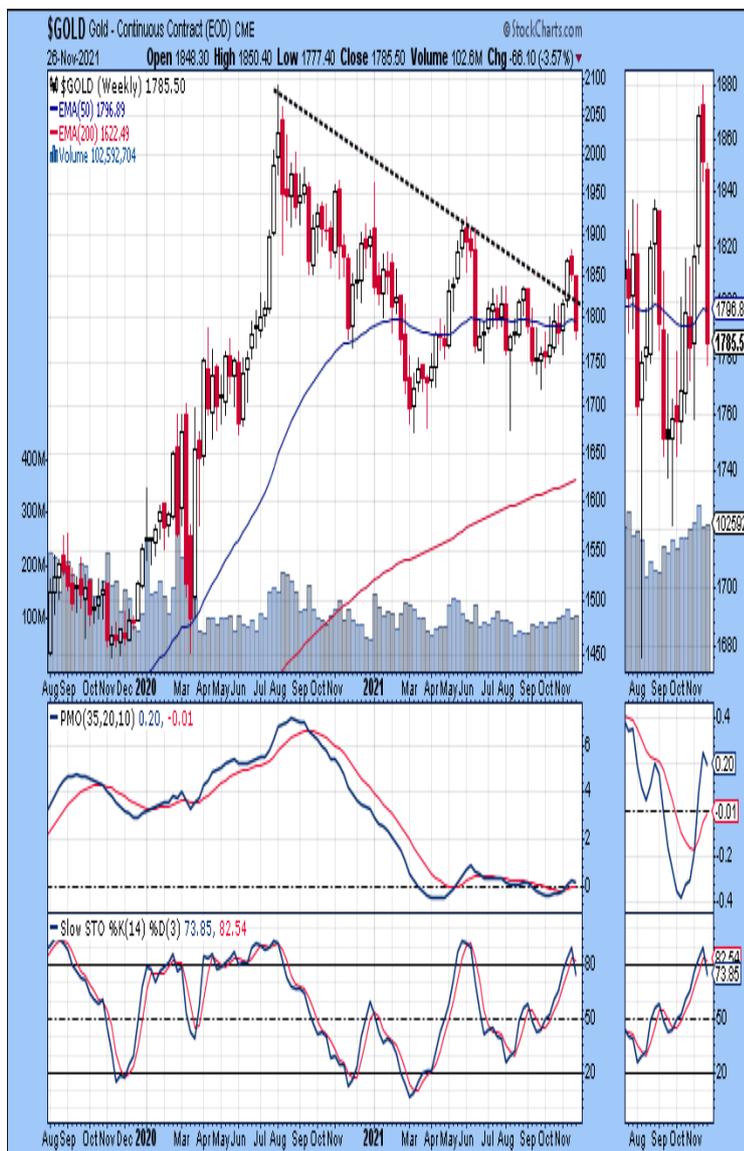
The 20-EMA line hasn't crossed below the 50-dEMA line yet. This may give buyers some hope they can exit if oil bounces to/below \$78 line once. However oil can also go back down again if it has a strong bounce early this week.

The daily PMO indicator declined near the zero line with a selling signal, and the daily slow STO indicator was above oversold territory.

We are watching to see how the market reacts at the \$73.30 level Monday. If that resistance rejects oil, the price could go back down to retest last Friday's low area again.

### 3. GOLD (GC, GLD)

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



Gold pulled the price back under its long-term downtrend (black dotted line) again last week. It also broke below its 50-wEMA line and closed under it, which reinforced the bearish outlook for the intermediate term.

Now the long-term downtrend line will continue as resistance at \$1832.

The 50-week EMA line \$1797 will also be very important this week. Gold needs to regain control of \$1797 to push back up to test the long-term downtrend line.

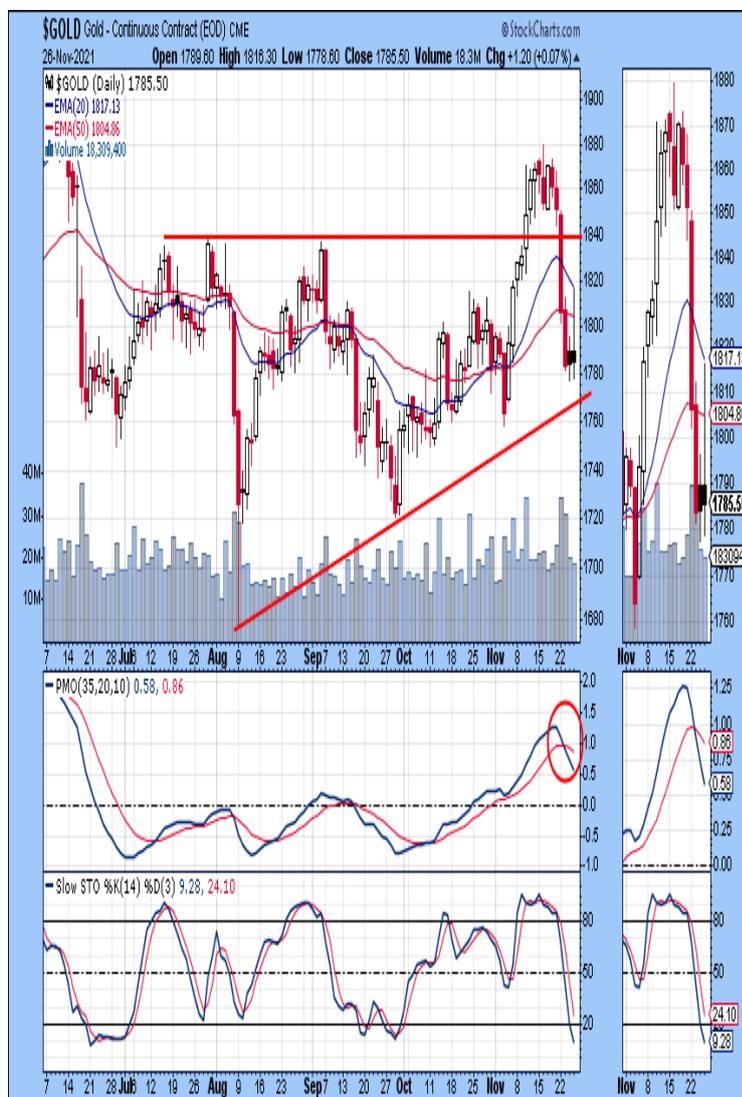
Holding below the weekly 50-EMA will be bearish, and in that case a further decline should be expected.

The weekly PMO indicator declined last Friday, but no selling signal was given; the weekly slow STO indicator has a selling signal and an overbought condition. The conflict between the two indicators suggests gold may go in either or both directions.

Gold futures, Nov. 26, 2021. One day bars.

**GOLD - SHORT-TERM TREND DIRECTION: Down**

**Trade strategy: short on early bounce under \$1840 with protective stoploss**



Gold futures, Nov. 26, 2021. One-day bars.

Gold failed to hold the price above its short-term broken resistance breakout level (horizontal red line) at \$1837.50. Instead it sold off once that line was broken to the downside.

On Friday, it initially rallied on news of the new Covid variant, but by the close it gave back all the early gain and closed at the low of the trading range. The price action was bearish.

The market held above the short-term uptrend line, and this now becomes a key line for this week. As long as it holds up, gold could bounce back toward the 20- and 50-dEMA line (currently \$1805-\$1817) area for testing.

The daily PMO indicator crossed below its signal line and gave out a selling signal.

The daily slow STO indicator moves into oversold territory.

Both suggest that gold could bounce from its short-term uptrend line.

## WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
<b>MONDAY, NOV. 29</b>					
10 am	Pending home sales	Oct.	0.7%		-2.3%
<b>TUESDAY, NOV. 30</b>					
9 am	S&P Case-Shiller home price index (year-over-year change)	Sept.	--		19.8%
9:45 am	Chicago PMI	Nov.	69.0		68.4
10 am	Consumer confidence index	Nov.	110.0		113.8
<b>WEDNESDAY, DEC. 1</b>					
8:15 am	ADP employment report	Nov.	480,000		571,000
9:45 am	Markit manufacturing PMI (final)	Nov.	59.3		59.1
10 am	ISM manufacturing index	Nov.	61.0%		60.8%
10 am	Construction spending	Oct.	0.5%		-0.5%
2 pm	Beige Book				
<b>THURSDAY, DEC. 2</b>					
8:30 am	Initial jobless claims (regular state program)	Nov. 27	245,000		199,000
8:30 am	Continuing jobless claims (regular state program)	Nov. 20	--		2.05 million
<b>FRIDAY, DEC. 3</b>					
8:30 am	Nonfarm payrolls	Nov.	581,000		531,000
8:30 am	Unemployment rate	Nov.	4.5%		4.6%
8:30 am	Average hourly earnings	Nov.	0.4%		0.4%
9:45 am	Markit services PMI (final)	Nov.	57.2		57.0
10 am	ISM services index	Nov.	65.0%		66.7%
10 am	Factory orders	Oct.	0.4%		0.2%
10 am	Core capital goods orders (revision)	Oct.	--		0.6%