



Weekly Outlook for April 25 – April 29, 2022

SP500 index (E-mini, and SPY)

LONG-TERM TREND is **up**
 The INTERMEDIATE-TERM TREND: **down**



S&P 500 index broke through the 50-wEMA support line and triggered strong selling on Friday. Remarks from the Fed chairman on Thursday added a fuel to the sell-off.

Last week a selloff could lead to more painful outcomes in the second quarter. A failure to regain control of the 50-wEMA line will open the path to 4000-3800 on the downside.

An A-B-C correction pattern is a potential movement for the coming weeks.

The weekly PMO indicator keeps declining with a strong selling signal. The slow STO indicator resumed declining last week. Both hint there is a great chance for index to go down further.

S&P 500 e-mini futures, April 22, 2022. Weekly chart.

ES - SHORT-TERM TREND DIRECTION: Down**Trade strategy: aggressive short under 4415 with protective stops.**

S&P500 e-mini futures April 22, 2022, Daily chart.

SP500 Index (SPX and ES) broke its key support and triggered heavy selling on Thursday and Friday. It closed at the low of the day and gave a very bearish outlook for the short term.

Continuing inflationary pressures and the expectation of higher interest rates are fueling a downside movement.

The index moved into the 4300-4250 zone for closing, which was what we expected to happen this week (see last week's Market Preview).

Now 4325 will be a key line for index. As long as the market moves (and stays) below that level it could continue toward 4050-4000 zone.

Any early bounce this week will not hold if the index has not tested that level.

The daily PMO indicator resumes its decline with a selling signal. The daily slow STO indicator moved into oversold area again.

Both suggest the index could bounce early in the week and return to the downside into the end of the week.

2. Oil (\$WTIC, CL)

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



Oil retraced 50% of the range from last Monday's high at \$109.80 to its prior week's low at \$92.93. But it still managed to hold above the 20-wEMA support line.

\$100-\$101 was a strong support last week and becomes a key zone for this week.

As long as oil can hold the \$100 level, it will attempt to move back up near last week's high at the \$110 area or higher.

Only a break below \$99.80 could lead oil towards \$95, the next support level.

The weekly PMO indicator is holding up with its buy signal. The weekly slow STO indicator is in neutral area. Both indicate oil could go in either direction, depending on whether or not the support around \$100 holds up.

Crude oil futures, April 22, 2022. weekly chart

OIL - SHORT-TERM TREND DIRECTION: Neutral

Trade strategy: aggressive short on bounce under \$115.00 with protective stop



Light crude futures, April 22, 2022. Daily chart.

Oil struggled between the 20- and 50-dEMA lines in last three days of the week, and tried to prevent price from falling below its key support at \$100.

This kind of neutral move balanced out the oversold and overbought conditions and could lead oil to continue to make a strong movement next – in either direction.

A break under the 50-dEMA line (\$100.13) could lead oil down further towards \$95.

A move above \$103 could push the price back near last week's high near \$110 area or higher.

The daily PMO indicator was down, but it is going to build a double bottom pattern.

The daily slow STO indicator tried to turn up or hold above the neutral area.

Both indicators suggest that oil may hold its \$100 support for this week.

3. GOLD (GC, GLD)

LONG TERM: **neutral**

INTERMEDIATE-TERM TREND DIRECTION: **up**



Gold futures, April 22, 2022. Weekly chart.

Gold just did a back-fill movement last week. It continues to chop around the \$1975 level to shake out aggressive sellers first, and is then going to squeeze buyers.

This week \$1925 will be a key level for gold. A failure to hold the price above it could lead the market further down toward the \$1900-\$1890 zone to search for support.

\$2000 will be a key overhead resistance area.

The weekly PMO indicator is overbought and stopped rising. The weekly slow STO indicator is above the neutral area.

Both indicate that gold will attempt to hold up above the key support zone at \$1900-\$1890 this week.

GOLD - SHORT-TERM TREND DIRECTION: up

Trade strategy: buy on dip above \$1880 area with protective stops.



Gold futures, April 22, 2022. Daily chart

Gold sold off in the last four days, mainly in reaction to comments from the Fed chairman about possible large interest rate increases in May.

A higher interest rate is definitely was not good for gold. The market lost control of the 20-dEMA line and closed slightly above the 50-dEMA line.

This week the 50-dEMA (\$1925) will be a key line for gold. A break below it will open a path to \$1900-\$1890 zone and possibly to \$1850, the maximum downside target of an ABC correction pattern.

The daily PMO indicator gave a selling signal last Thursday, and the daily slow STO indicator moves away from overbought territory and below neutral level.

Both indicate that gold could break below its 50-dEMA line this week.

WEEKLY ECONOMIC REPORT

MONDAY, APRIL 25

None scheduled

TUESDAY, APRIL 26

8:30 am	Durable goods orders	March	--	-2.1%
8:30 am	Core capital equipment orders	March	--	-0.2%
9 am	S&P Case-Shiller U.S. home price index (year-over-year)	Feb.	--	19.2%
9 am	FHFA U.S. home price index (year-over-year)	Feb.	--	18.2%
10 am	Consumer confidence index	April	--	107.2
10 am	New home sales (SAAR)	March	--	772,000

WEDNESDAY, APRIL 27

8:30 am	Advance report on international trade in goods	March	--	-\$106.6 billion
10 am	Pending home sales index	March	--	-4.1%
10 am	Home ownership rate (NSA)	Q1	--	65.5%

THURSDAY, APRIL 28

8:30 am	Initial jobless claims	April 23	--	N/A
8:30 am	Continuing jobless claims	April 16	--	N/A
8:30 am	Real gross domestic product (SAAR) (first estimate)	Q1	--	6.9%

FRIDAY, APRIL 29

8:30 am	Employment cost index	Q1	--	1.0%
8:30 am	PCE price index	March	--	0.6%
8:30 am	Core PCE price index	March	--	0.4%
8:30 am	PCE price index (year-over-year)	March	--	6.4%
8:30 am	Core PCE price index (year-over-year)	March	--	5.4%
8:30 am	Nominal personal income	March	--	0.5%
8:30 am	Nominal consumer spending	March	--	0.2%
8:30 am	Real disposable incomes	March	--	-0.2%
8:30 am	Real consumer spending	March	--	-0.4%
9:45 am	Chicago PMI	April	--	62.9
10 am	UMich consumer sentiment index (final)	April	--	65.7
10 am	UMich 5-year inflation expectations	April	--	3.0%

WEEKLY OPTION LEVELS

S&P500 (ES mini)

PREVIOUS WEEK (ESM22 and MESM22)

Open	High	Low	Closing
4390	4509	4251.25	4267.25

	Weekly
2 nd Short area	4411.00
1 st Short area	4385.00
Key # (control line)	4280.50
1 st Buy area	4200.00
2 nd Buy area	4150.00

OPTION Trading (EW for ESM22 contract and EX for MESM22 contract)

	Strike price	Expiration Date
Resistance	4425	
Meanline	4280	4/29/2022
Support	4100	

2. OIL (CL, \$WTIC) (time from 6pm globex market open to following day 2:30pm est.)

PREVIOUS WEEK (CLK22 and MCLK22)

Open	High	Low	Closing
106.46	109.20	99.88	102.07

	Weekly
2 nd Short area	114.50
1 st Short area	112.00
Key # (control line)	100.00
1 st Buy area	97.00
2 nd Buy area	90.25

OPTION Trading (LO4 for CLM22)

	Strike price	Expiration Date
Resistance	116	
Meanline	100	4/29/2022
Support	90	

3. GOLD (GC, MGC)

PREVIOUS WEEK (GCM22, MGCM22)

Open	High	Low	Closing
1978.5	2003	1928	1934.3

	Weekly
2 nd Short area	2000.40
1 st Short area	1985.50
Key # (control line)	1950.50-1925.00
1 st Buy area	1895.00
2 nd Buy area	1850.00

OPTION Trading (OG4 for GCM22 contract)

	Strike price	Expiration Date
Resistance	2005	
Meanline	1950	4/29/2022
Support	1850	