



## Weekly Outlook for June 20 – June 24, 2022

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

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



S&P 500 e-mini futures, June 17, 2022. Weekly chart.

The S&P 500 index broke down below its long-term uptrend line and officially declared that the SP500 has moved into a bear market.

But the 200-week moving average line (currently 3638) is not broken yet and will become a key support for this week.

Overhead, 3900 will be an important resistance area. As long as ES stays under it, the Bears will continue fighting to move below the 200-wEMA to a lower level.

The 20 and 50-wEMA lines around 4260 and 4190 will be major intermediate-term resistance lines.

Both line should be expected to chase the index on the downside. If they don't, the index is likely to bounce near that area and then resume its move down again.

The weekly PMO indicator maintained a selling signal and kept declining. But it is getting very oversold in the intermediate-term. The slow STO indicator still is bearish and near oversold territory. Both indicate the index will not be too far away from its second short-term bottom soon.

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

Trade strategy: buy on dip above 3550 with stops



S&P500 e-mini futures June 17, 2022, Daily chart.

The SP500 Index had a rough week, with a big gap down selling day on Monday and continued declines until Friday.

Even though FOMC day had a relief bounce, the following day continued a gap down selling day.

At the end of week, the index closed below its key long-term support and confirmed the bear market.

3623.25 was an unfilled gap on Nov. 30, 2020 and also overlapped our predicted measurement downside target. WE should see a short-term bottom somewhere around that price. Whatever low is made this week may be the short-term low. At that point a bounce should be expected for a while.

The daily PMO remains in oversold territory with a selling signal, but a possible higher low needs to be watched carefully. If we see

that, the index could have a decent bounce. The daily slow STO indicator has an extremely oversold condition. Both hint a short-term bounce should be seen soon.

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

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



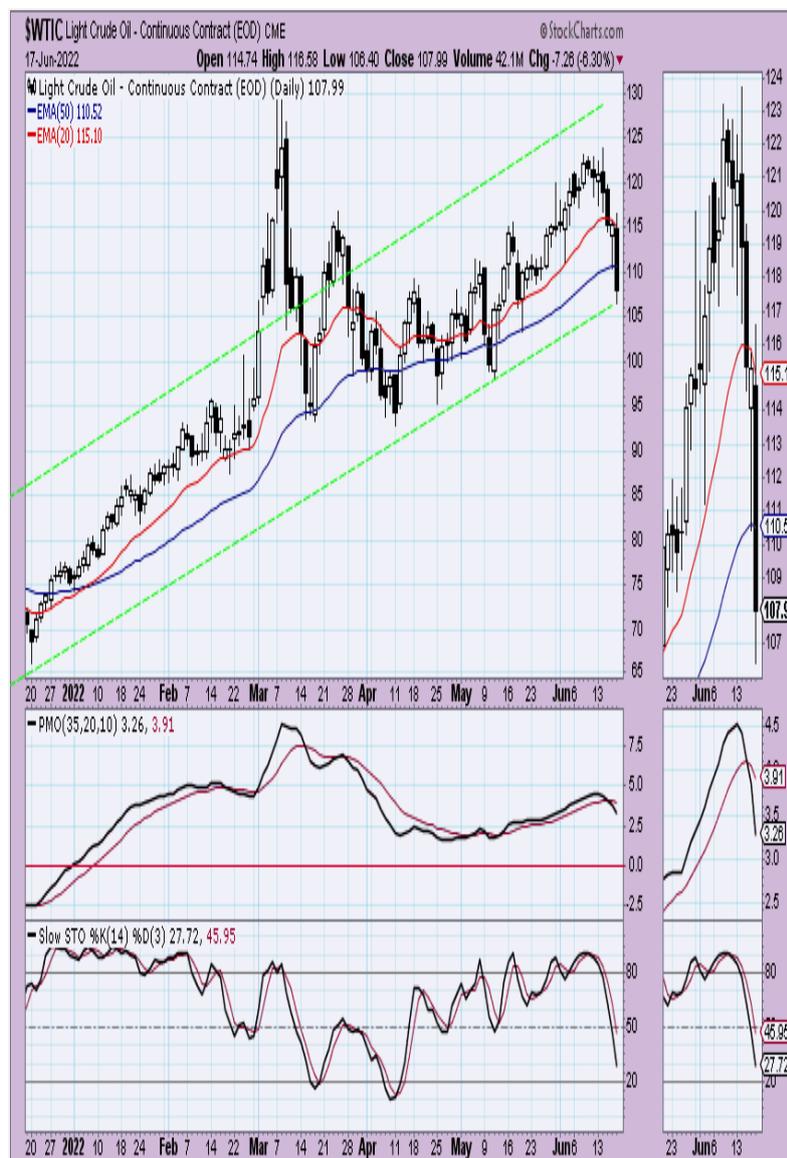
Crude oil futures, June 17, 2022. Weekly chart

Oil saw some profit-taking last week after it formed a doji pattern in the prior week. Now \$123.68 could be an intermediate-term top and oil could continue moving lower, especially if it breaks the \$105 line. That could lead oil down towards the area of the 50-wEMA line (current around \$90).

The weekly PMO indicator stopped rising, but remains in an extremely overbought territory. The weekly slow STO indicator gave out a minor selling signal. Both hint oil may go lower than the \$105 level.

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

Trade strategy: aggressive scalping short under \$118.25 area with protective stop.



Light crude futures, June 17, 2022. Daily chart.

Oil was rejected by the \$123 area three days again this week, and sold off from form that level. It not only broke through the 20-dEMA line at \$115.10, but also 50-dEMA line at \$110.50. It closed the week at \$107.99.

Friday's price action was bearish. It could trigger short-term selling if oil breaks the \$105 line and closes under it.

On the upside the \$123 area will be a major resistance. The broken support \$115 and \$110.50 could be retested, but as long as oil stays under \$110.50, the short-term direction of the market may be changing..

The daily PMO indicator gave a selling signal last week. The daily slow STO indicator accelerates on the downside to approach oversold territory. Both indicators hint that oil could continue moving down first before it bounces again this week.

### 3. GOLD (GC, GLD)

LONG TERM: **neutral**

INTERMEDIATE-TERM TREND DIRECTION: **Neutral**



Gold still didn't change its intermediate-term outlook much last week. It continued to chop around the 20- and 50-wEMA lines last week despite the FOMC interest rate policy announcement.

\$1850 will be a key level for this week. Holding below it leads gold to move down to/near the \$1775 area.

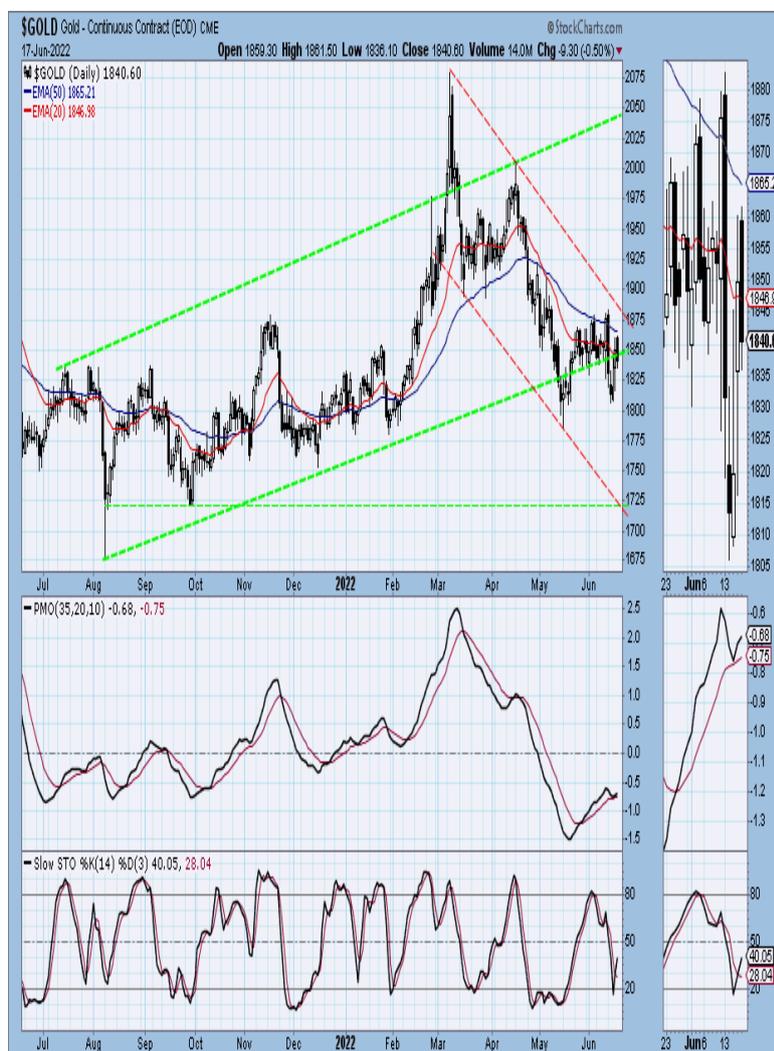
A move above \$1850 could lead gold to move up to retest last week's high area.

The weekly PMO indicator holds down and remains in a selling signal. The weekly slow STO indicator is weak. Both suggest that gold could stay under \$1875 line for this week.

Gold futures, June 17, 2022. Weekly chart.

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

**Trade strategy: buy on dip above \$1750 area with protective stop or short on bounce under \$1915 area with protective stop**



Gold had a big swing move last week. It pulled back down from the high made on Monday and made low above \$1800 level on Tuesday, then bounced after FOMC rate announcement.

The choppy behavior kept gold inside a broad consolidation range from \$1875 to \$1775.

The daily PMO indicator dropped first and rose later, showing the price choppiness, but didn't give out any signal. The value remains negative. The daily slow STO indicator moves away from oversold area, and struggles to move up. Both suggest that gold will pop first and pull back down again later this week.

Gold futures, June 17, 2022. Daily chart

## WEEKLY ECONOMIC REPORT

### TUESDAY, JUNE 21

8:30 am	Chicago Fed national activity index	May	--	0.47
10 am	Existing home sales (SAAR)	May	5.41 million	5.61 million
12 noon	Cleveland Fed President Loretta Mester speaks			
3:30 pm	Richmond Fed President Tom Barkin speaks			

### WEDNESDAY, JUNE 22

9:30 am	Fed Chair Jerome Powell testifies on monetary policy at Senate Banking Committee			
12:50 pm	Chicago Fed President James Bullard speaks			

### THURSDAY, JUNE 23

8:30 am	Initial jobless claims	June 18	225,000	229,000
8:30 am	Continuing jobless claims	June 11	--	1.31 million
8:30 am	Current account deficit	Q1	-\$274 billion	-\$218 billion
9:45 am	S&P Global U.S. manufacturing PMI (flash)	June	56.1	57.0
9:45 am	S&P Global U.S. services PMI (flash)	June	53.5	53.4
10 am	Fed Chair Jerome Powell testifies on monetary policy at House Financial Services Committee			

### FRIDAY, JUNE 24

7:30 am	St. Louis Fed President James Bullard speaks			
10 am	UMich consumer sentiment index (final)	June	50.2	50.2
10 am	5-year inflation expectations (final)	June	--	3.3%
10 am	New home sales (SAAR)	May	600,000	591,000
4 pm	San Francisco Fed President Mary Daly speaks			

## WEEKLY OPTION OUTLOOK

### S&P500 ( ES mini)

#### PREVIOUS WEEK (ESM22 and MESM22)

Open	High	Low	Closing
3877.25	3878.5	3639	3675.75

	Weekly
2 <sup>nd</sup> Short area	4078.50
1 <sup>st</sup> Short area	3900.00
Key # (control line)	3635.50
1 <sup>st</sup> Buy area	3558.00
2 <sup>nd</sup> Buy area	3478.50

#### OPTION Trading (EW4 for ESU22 contract and EX4 for MESU22 contract)

	Strike price	Expiration Date
Resistance	4050	
Meanline	3625	6/24/2022
Support	3450	

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

**PREVIOUS WEEK (CLQ22 and MCLQ22)**

Open	High	Low	Closing
120.19	123.68	106.4	107.99

	Weekly
2 <sup>nd</sup> Short area	123.00
1 <sup>st</sup> Short area	117.25
Key # (control line)	110.50
1 <sup>st</sup> Buy area	101.95
2 <sup>nd</sup> Buy area	95.25

**OPTION Trading (LO4 for CLQ22)**

	Strike price	Expiration Date
Resistance	123.50	
Meanline	110.50	6/24/2022
Support	93.50	

**GOLD (GC, MGC)****PREVIOUS WEEK (GCQ22, MGCQ22)**

Open	High	Low	Closing
1879	1882.5	1806.1	1840.6

	Weekly
2 <sup>nd</sup> Short area	1930.20
1 <sup>st</sup> Short area	1885.00
Key # (control line)	1850.00
1 <sup>st</sup> Buy area	1790.00
2 <sup>nd</sup> Buy area	1775.00

**OPTION Trading (OG4 for GCQ22 contract)**

	Strike price	Expiration Date
Resistance	1935	
Meanline	1840	6/24/2022
Support	1775	