



Weekly Outlook for Sept. 5 – Sept. 9, 2022

SP500 index (E-mini, and SPY)

LONG-TERM TREND is **Up**
 The INTERMEDIATE-TERM TREND: **Down.**
 Note: US equity markets closed Monday.



S&P 500 e-mini futures, Sept. 2, 2022. Weekly chart.

S&P 500 index had a continuation low week leading into the Labour Day holiday.

The index has lost 8% from the August high, and it is clear we are in a bear market.

The intermediate-term trend is down, and the short-term trend is down. In the last 12 days, 10 of 11 market sectors have declined.

On the weekly chart the index lost its support at the 50- and 20-wEMA lines; those broken support lines will form the major overhead resistance zone.

The underlying 200-dEMA line will be the first major support. If this support breaks the market will be in deep trouble.

The weekly PMO indicator turned down a little under the zero line, but still hasn't given an intermediate-term selling signal yet. The weekly slow STO indicator is overbought and started to move away from overbought area with a selling signal. Both indicate the index could go down first and then have a minor bounce.

ES - SHORT-TERM TREND DIRECTION: Down

Trade strategy: Short under 4025 area with protective stops



S&P500 e-mini futures Sept 2, 2022, Daily chart.

SP500 Index managed to bounce near its 50-SMA line early in the Friday sessions. That was the last gasp from the buyers. The market then sold off hard and closed under it, and confirmed that a short-term top is in. The June low may be the next downside target.

This is a short trading week. We may see a further decline toward the 3850 area or lower before the index has a minor bounce.

Alternatively we could see a brief bounce in overnight trading that stays under 4020 before heading toward last Friday's low again.

The sentiment is bearish, and every strong bounce will attract sellers.

The daily PMO speeds up on the downside with its selling signal. The daily slow STO indicator has an extremely oversold condition. Both suggest the index could have a minor bounce, but the bounce won't last very long.

2. Oil (\$WTIC, CL)

LONG-TERM TREND is **Up**

INTERMEDIATE-TERM TREND DIRECTION: **Down**



Crude oil futures, Sept. 2, 2022. weekly chart

Oil kept fighting to take control of the 50-wEMA line, (\$92.43) and kept failing. At the end of the week it closed under the low of the weekly trading range.

Now both the 50- and 20-wEMA lines could become solid intermediate-term resistance areas. As long as oil stays below that area, the selling pressure will continue to increase until the market breaks below its major support.

The weekly PMO indicator still hasn't turned up yet, the selling signal remains, and the weekly slow STO indicator has an extremely oversold condition and is still weak. Both hint that oil is near its critical level. The crucial make-or-break level is the \$85-\$83.50 area. Price behaviour in that area will set the direction for the next price movement.

OIL - SHORT-TERM TREND DIRECTION: Down

Trade strategy: aggressive scalping short under \$98 area or scalping buy around \$75 with protective stop



Oil futures on Sept. 2, 2022. Daily bars.

Oil attempted to bounce in early trading Friday, but by the end of the day the price declined. The sell-off in the equity markets pulled oil down too.

This week \$85 will be a key line to watch carefully. If the \$85-\$83.50 support zone is broken, it could trigger a long-term trend change.

The 20- 200- and 50- dEMA lines are above the current oil price. Those three lines will become major overhead resistance. Oil will attempt to bounce near them for testing. But as long as the price closes below the 20-dEMA line, sellers will not give up.

The daily PMO indicator turns down without giving a buy signal yet, but by staying in negative territory continues to show weak buying strength. The daily slow STO indicator also moved under the 45 line, and gave out a weakness signal. Both hint a breakdown could occur this week.

3. GOLD (GC, GLD)

LONG TERM: **neutral**

INTERMEDIATE-TERM TREND DIRECTION: **down with little oversold**



Gold futures, Sept. 2, 2022. Weekly chart.

Gold had a third continuation low week. It remains under momentum selling pressure. However the price is still holding above the 200-wEMA line.

The 200-wEMA line around \$1693.23-\$1675 has become a key inflection area. A failure to hold above it could trigger a sell-off and push gold lower toward the \$1600-\$1550 zone.

The weekly PMO indicator continued to go down with its selling signal. The weekly slow STO indicators moved back down near its oversold territory. Both indicate that gold could have a whipsaw move in both directions around the 200-wEMA line this week.

GOLD - SHORT-TERM TREND DIRECTION: Down

Trade strategy: scalping buy on dip around \$1675 area with protective stop



Gold futures, Sept. 2, 2022. Daily chart

Gold was one of two sectors to hold up on last Friday. But it still closed under the 20-dEMA line and has shown no sign of changing the trend direction yet.

This week \$1675 may be the low of a potential double bottom pattern. If this pattern holds, gold could have a minor bounce back up to/near the 20/50-dEMA lines area to wait for the FOMC announcement the week after next.

Daily PMO indicator stays under zero line with a selling signal. The daily slow STO indicator has a double bottom pattern in oversold territory.

Both indicate gold could manage to hold price around the \$1675 area this week.

WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
MONDAY, SEPT. 5					
	Labor Day holiday. None scheduled.				
TUESDAY, SEPT. 6					
9:45 am	S&P U.S. services PMI (final)	Aug.	--		44.1
10 am	ISM services index	Aug.		55.5%	56.7
WEDNESDAY, SEPT. 7					
8 am	Cleveland Fed President Loretta Mester speaks				
8:30 am	International trade balance	July		-\$70.1 billion	-\$79.6 billion
2 pm	Beige Book				
THURSDAY, SEPT. 8					
8:30 am	Initial jobless claims	Sept. 3		239,000	232,000
8:30 am	Continuing jobless claims	Aug. 27		--	1.44 million
10 am	Quarterly services	Q2		--	
3 pm	Consumer credit	July		--	\$40 billion
FRIDAY, SEPT. 2					
10 am	Wholesale inventories revision	July		--	0.8%

WEEKLY OPTION LEVELS**S&P500 (ES mini)****PREVIOUS WEEK (ESM22 and MESM22)**

Open	High	Low	Closing
4024	4072.75	3903.5	3924.5

	Weekly
2 nd Short area	4085.00
1 st Short area	4025.50
Key # (control line)	3965.00
1 st Buy area	3845.25
2 nd Buy area	3770.50

OPTION Trading (EW2 for ESU22 contract and EX2 for MESU22 contract)

	Strike price	Expiration Date
Resistance	4100	
Meanline	3965	9/9/2022
Support	3770	

OIL (CL, \$WTIC)

(time from 6pm globex market open to following day 2:30pm est.)

PREVIOUS WEEK (CLV22 and MCLV22)

Open	High		Low	Closing
92.96	97.66		85.98	86.8

	Weekly
2 nd Short area	98.50
1 st Short area	95.15
Key # (control line)	85.00
1 st Buy area	81.25
2 nd Buy area	75.50

OPTION Trading (LO2 for CLV22)

	Strike price	Expiration Date
Resistance	99.5	
Meanline	88.5	9/9/2022
Support	75	

GOLD (GC, MGC)**PREVIOUS WEEK (GCZ22, MGCZ22)**

Open	High	Low	Closing
1748.4	1757.9	1705.9	1722.6

	Weekly
2 nd Short area	1799.50
1 st Short area	1783.50
Key # (control line)	1755.00
1 st Buy area	1698.00
2 nd Buy area	1670.00

OPTION Trading (OG2 for GCV22 contract)

	Strike price	Expiration Date
Resistance	1810	
Meanline	1755	9/9/2022
Support	1670	