



## Weekly Outlook for March 13 – March 17, 2023

### SP500 index (E-mini)

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



SPX, March 10, 2023. Weekly chart.

S&P 500 index closed below the 20/50-wEMA support lines for a second time on Friday. This movement confirms that we are still in a bear market. Every rally is being seen as an opportunity for for the sellers. Now as long as the index stays under 3975, the underlying 200-wEMA line will be the downside target for intermediate-term. If the banking sector continues to deteriorate then the 3525 area could be revisited again at some point.

The weekly PMO indicator turns down without giving a selling signal yet. The weekly slow STO indicator already moved near the neutral area. Both suggest the index could move down further. Any strong bounce will not last long. Intermediate-term traders should focus on the selling side.

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

**Trade strategy: aggressive short on bounce under 4020 with protective stops**



SPX, March 10, 2023, Daily chart.

The daily slow STO indicator also returned to the downside. Both hint that the index could go down further early in the week.

SP500 Index only regained control of the 50/200-dEMA lines for one week, and dropped below that support in the following week after the failure of the SVB bank, the 18<sup>th</sup> largest bank in the U.S.

Investors are disturbed by the parallels to the 2009 financial crisis caused by the failure of Lehman Brothers, which triggered a wide-spread financial crisis.

In the last two days the SP500 index sold off hard, and directly pushed the price back into the downtrend channel and closed under the broken resistance line at 3900.

This movement was bearish. If SP500 index is not able to move back above 4000, it could trigger further selling and lead the price further down back 3750 or lower to the 3525-3575 area again.

The daily PMO declined again and maintains a selling signal.

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

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



Crude oil futures, March 10, 2023 weekly chart

Oil is stuck. It can't go up while the 20-wEMA line prevents the price from popping, and it can't go down while the intermediate-term uptrend line (green) acts as a support to hold the price up.

The result is a narrowing three-month consolidation range which simply bores traders.

When a range breakout occurs intermediate- and long-term traders can follow the breakout direction. Until then they can only trade the range and wait patiently for a new direction to announce itself.

The weekly PMO indicator is flat at -2.53, which suggests buyers remains weak. The weekly slow STO indicator moved up to neutral area. Both hint oil needs more buying strength before any rally. Otherwise any bounce won't hold up very long.

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

**Trade strategy: aggressive buy on dip above \$70.50 line with protective stop.**



Light crude futures, March 10, 2023. Daily chart.

Oil is reacting to fluctuations in the U.S. dollar. It went down as the U.S. dollar went strongly up, and it goes up while the U.S. dollar declines.

Oil is stuck inside a three-month consolidation range, and a strong U.S. dollar will not help oil to move up.

For short-term traders the price is chopping around the daily 20/50-dEMA lines. Until oil breaks this three-month range, we can only use range trading methods for short-term trades, until the market decides on a new trend.

The daily PMO indicator gave a small selling signal last week, which is unlikely to encourage the sellers very much. The daily slow STO indicator went under 50, which hints buyers are not strong either. Both hint oil is not getting much interest from either side.

### 3. GOLD (GC, GLD)

LONG TERM: **up**

INTERMEDIATE-TERM TREND DIRECTION: **Neutral**



Gold futures, March 10, 2023. Weekly chart.

Gold successfully tested its 20/50-wEMA lines and regained control of them again last week. Now those two momentum lines will become current short-term support. As long as gold stays above that level (~\$1812-\$1832) gold is likely to avoid any major decline before the Fed rate announcement day on March 21-22.

Given the current turmoil in the US banking sector, many investors will seek a safe place to park their money. Gold will be one of the vehicles they choose.

The weekly PMO indicator moves up again, and still holds its buying signal for the intermediate term. But the weekly slow STO indicator didn't return back up, which gives some doubt about the current rally. However, external events control financial market movements. We only can anticipate one at a time. The best course now is to just follow the price movement step by step.

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

**Trade strategy: buy on dip above \$1845 level with protective stop.**



Gold futures, March 10, 2023. Daily chart

Gold broke out from a double bottom pattern with a sharp rally in the last three days. The neckline of that pattern is lying around the \$1864.50 area and gold closed above on Friday. The price action was bullish.

The market could continue moving up if the US banking sector remains weak for the coming week.

The 20/50-dEMA lines are the current key support level around \$1850. As long as this key level prevents gold from falling, the market can move up again and challenge the overhead resistance at \$1880, or higher up to the \$1905 area.

The daily PMO indicator turns up a little, but didn't give a buying signal. The daily slow STO indicator returns to its neutral area and shows little buying strength. Both hint gold could keep bouncing further up from last week's high.

## WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
<b>MONDAY, MARCH 13</b>					
	None scheduled				
<b>TUESDAY, MARCH 14</b>					
6:00 am	NFIB Optimism index	Feb.	--		90.3
8:30 am	Consumer price index	Feb.	0.5%	0.5%	0.5%
8:30 am	Core CPI	Feb.	0.4%	0.4%	0.4%
8:30 am	CPI (year over year)	Feb.	6.1%	6.4%	6.4%
8:30 am	Core CPI ((year over year)	Feb.	5.5%		5.6%
<b>WEDNESDAY, MARCH 15</b>					
8:30 am	Retail sales	Feb.	-0.4%		3.0%
8:30 am	Retail sales ex autos	Feb.	-0.1%		2.3%
8:30 am	Producer price index	Feb.	0.3%		0.7%
8:30 am	Core PPI	Feb.	0.4%		0.6%
8:30 am	PPI (year over year)	Feb.	--		6%
8:30 am	Core PPI (year over year)	Feb.	--		4.5%
8:30 am	Empire State manufacturing	March	-7.7		-5.8
10:00 am	Business inventories	Jan.	0.0%		0.3%
10:00 am	Homebuilders survey	March	40		42
<b>THURSDAY, MARCH 16</b>					
8:30 am	Initial jobless claims	Mar 11	--		211,000
8:30 am	Import price index	Feb.	-0.2%		-0.2%
8:30 am	Housing starts	Feb.	1.31 million		1.31 million
8:30 am	Building permits	Feb.	--		1.34 million
8:30 am	Philadelphia Fed manufacturing	March	--		-24.3
<b>FRIDAY, MARCH 17</b>					
9:15 am	Industrial production	Feb.	0.5%	0.0%	0.0%
9:15 am	Capacity utilization	Feb.	78.5%	78.3%	78.3%
10:00 am	U.S. leading economic index	Feb.	0.2%	-0.3%	-0.3%
10:00 am	Consumer sentiment	March	66.7		67

## WEEKLY OPTION TRADING LEVELS

### S&P500 ( ES mini)

PREVIOUS WEEK (ESH23 and MESH23)

Open	High	Low	Closing
4049.25	4082.5	3846.25	3862.75

	Weekly
2 <sup>nd</sup> Short area	4035.50
1 <sup>st</sup> Short area	4015.50
Key # (control line)	3950.00
1 <sup>st</sup> Buy area	3825.00
2 <sup>nd</sup> Buy area	3700.00

OPTION Trading (ES for ESH23 contract and ES for MESH23 contract)

	Strike price	Expiration Date
Resistance	4015	
Meanline	3950	3/17/2023
Support	3700	



## OIL (CL, \$WTIC)

### PREVIOUS WEEK (CLJ23 and MCLJ23)

Open	High	Low	Closing
79.92	80.94	74.77	76.68

	Weekly
2 <sup>nd</sup> Short area	86.00
1 <sup>st</sup> Short area	84.50
Key # (control line)	79.00
1 <sup>st</sup> Buy area	75.25
2 <sup>nd</sup> Buy area	74.00

### OPTION Trading (LO3 for CLK23)

	Strike price	Expiration Date
Resistance	83.5	
Meanline	78	1/17/2023
Support	71.2	

## GOLD (GC, MGC)

### PREVIOUS WEEK (GCJ23, MGCJ23)

Open	High	Low	Closing
1861	1874.3	1813.4	1867.2

	Weekly
2 <sup>nd</sup> Short area	1920
1 <sup>st</sup> Short area	1895
Key # (control line)	1865
1 <sup>st</sup> Buy area	1825
2 <sup>nd</sup> Buy area	1810

### OPTION Trading (OG3 for GCJ23 contract)

	Strike price	Expiration Date
Resistance	1920	
Meanline	1865	1/17/2023
Support	1815	