



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE



SUMMARY

POSITIONS

- + BUND
- + OIL (NEW)
- +
- +
- +

Key Trade Round Up 8th October 2014

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Summary

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POSITIONS

+ BUND

+ OIL (NEW)

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2nd October 2014 LONG Dec Bund@ 150.12. **RAISE** Stop 148.50.

8th October 2014 Go SHORT Oil DEC 2014 @ 87.02. Stop @ 94.50



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(1) TECHNICAL 2nd October 2014 LONG Dec Bund@ 150.12. **RAISE** Stop 148.50.



WEEKLY continuation chart.

The market is above powerful support at the Prior Highs of 146.89



Daily Chart

The break up through the recent Prior High of 149.91 is a catalyst for further bull price action...

Disclaimer

More



(1) **TECHNICAL** 2nd October 2014 LONG Dec Bund@ 150.12. **RAISE** Stop 148.50

Last week's focus was the various Euro zone PMI surveys, which were expected to confirm the economy remains fragile with the ECB under pressure to do more.

In the event the PMI's disappointed and the ECB announced it will begin buying Bonds.

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This week the focus was two key German data releases:

1. factory orders, and
2. industrial production.

Both are already known and were much weaker than expected, raising fresh concerns about the direction of the German economy which increasingly looks set for recession.

The ECB has announced a bond buying program to kick start a recovery in the Euro zone economy, but without much needed structural reform a Japan style lost decade or two looms large.

We judge current fundamentals and the ECB policy stance supports the Bund which remains a Bull market and in summary advise holding the trade.



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+

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(1) TECHNICAL 8th October 2014 Go SHORT Oil DEC 2014 @ 87.02. Stop @ 94.50



Monthly Chart continuation:

The market is pushing down within a trading range ...



Daily Chart Nov 14:

The breakdown through the Prior low at 91.77 as well as the rising diagonal suggests lower levels still.



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(1) **TECHNICAL** 8th October 2014 Go SHORT Oil DEC 2014 @ 87.02. Stop @ 94.50

The oil price continues to trade lower despite tensions in the Middle East.

But the truth is, as the US continues to develop its oil producing capacity to the extent where it is now the largest global producer, two dynamics are unleashed:

1. The world's most powerful nation, the US, has been freed from relying on energy supplies from the world's most volatile region, the Middle East, and
2. The supply of oil/petroleum hitting the market is outstripping demand and will drive the price lower yet.

Add in a weaker Chinese economy and oil prices look vulnerable to further weakness.

Traders should go short oil.



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SEVEN DAYS AHEAD

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