



Week 45  
11<sup>th</sup> – 17<sup>th</sup> November 2014

#### Summary

#### Global Calendar

#### US Markets

- + EURODOLLARS
- + 10 YEAR NOTE
- + US DOLLAR
- + S&P 500

#### UK Markets

- + SHORT STERLING
- + GILT
- + STERLING
- + FTSE

#### Euro Zone Markets

- + EURIBOR
- + BUND
- + EURO
- + DJ EURO STOXX 50

#### Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

#### Commodities

- + GOLD
- + OIL

#### Disclaimer



# the macro trader's guide to major markets

John Lewis

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by the FSA



## SUMMARY

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### Global Calendar

### US Markets

+ EUROSHELLS  
+ 10 YEAR NOTE  
+ US DOLLAR  
+ S&P 500

- SQUARE
- SQUARE
- BULLISH v the Euro and Yen
- BULLISH

### UK Markets

+ SHORT STERLING  
+ GILT  
+ STERLING  
+ FTSE

- SQUARE
- SQUARE
- SQUARE
- SQUARE

### Euro Zone Markets

+ EURIBOR  
+ BUND  
+ EURO  
+ DJ EURO STOXX 50

- SQUARE
- BULLISH
- BEARISH v the Dollar
- SQUARE

### Japanese Markets

+ JAPANESE BONDS  
+ YEN  
+ NIKKEI

- SQUARE
- BEARISH v the Dollar
- SQUARE

### Commodities

+ GOLD  
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- BEARISH
- BEARISH

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|           | Week of 10 <sup>th</sup> November  |
|-----------|--|
| Monday    | JP C/A Y536.1B<br>JP Trade Bal –Y782.5B<br>JP BK Lndg n/f  |
| Tuesday   | JP Bankruptcies n/f<br>JP Consumer conf 40.5<br>JP Eco watchers survey 47.2<br>JP Machine tool orders n/f<br>JP Tertiary index 0.8%  |
| Wednesday | US MBA Mrtge apps n/f<br>US Wholesale invntry 0.2%<br>UK Unemploy'm't rate 2.7%<br>UK Unemploy'm't chge -20.0k<br>UK Avrge wkly earngs 0.8%<br>UK AE Ex-Bonus 1.1%<br>UK ILO Rate 5.9%<br>UK BOE Quarterly inflation report<br>DM WPI n/f<br>EZ Ind production 0.7m, -0.2y<br>JP Dmstic corp gds prces -0.4m, 3.3y<br>JP Machine orders -1.2m, -0.1y<br>JP Loans discount corp n/f |

|          | Week of 10 <sup>th</sup> November  |
|----------|--|
| Thursday | US Jobless claims 280k<br>US Mnthly bdget statm't -\$111.7B<br>UK RICS Hse prices 25%<br>DM CPI -0.2m, 0.8y<br>JP Ind production n/f<br>JP Capacity utilisation n/f  |
| Friday   | US Retail sales 0.3%<br>US RS Ex- Autos 0.2%<br>US Import prices -1.6m, -1.7y<br>US U. of Michigan conf 87.5<br>US Bus invntry 0.2%<br>UK Construct'n output 4.0m, 4.3y<br>FR Q3 GDP 0.2q, 0.4y<br>DM Q3 GDP 0.1q, 1.0y<br>IT Q3 GDP -0.1q, -0.4y<br>EZ CPI 0.0m, 0.4y<br>EZ Q3 GDP 0.1q, 0.7y |



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# Last week's releases – macro trader

|           | Week of 3 <sup>rd</sup> November   |
|-----------|--|
| Monday    | US ISM Mfg survey 59.0 <b>STRONGER</b><br>US ISM Prices paid 53.5 <b>WEAKER</b><br>US Construct'n spndg -0.4% <b>WEAKER</b><br>UK PMI Mfg survey 53.2 <b>STRONGER</b><br>IT PMI Mfg 49.0 <b>WEAKER</b><br>FR PMI Mfg 48.5 <b>STRONGER</b><br>DM PMI Mfg 51.4 <b>WEAKER</b><br>EZ PMI Mfg 50.6 <b>LESS</b><br>JP PMI Mfg 52.4 <b>LESS</b><br>JP Vehicle sales -9.1% <b>WORSE THAN EXPECTED</b>  |
| Tuesday   | US Trade bal -\$43.2B <b>WORSE</b><br>US Factory orders -0.6% <b>WEAKER</b><br>UK PMI Construction 61.4 <b>WEAKER</b><br>UK BRC Shop prices -1.9% <b>LESS</b><br>EZ PPI 0.2m, -1.4y <b>STRONGER</b><br>JP Labour cash earnings 0.8% <b>AS THAN EXPECTED</b>  |
| Wednesday | US MBA Mrtge apps -2.6% <b>BETTER</b><br>US ADP Employ'm't chge 230k <b>STRONGER</b><br>US ISM Non-mfg survey 57.1 <b>LESS</b><br>UK PMI Services survey 56.2 <b>WEAKER</b><br>IT PMI Services 50.8 <b>STRONGER</b><br>FR PMI Services 48.3 <b>BETTER</b><br>DM PMI Services 54.4 <b>WEAKER</b><br>EZ PMI Services 52.3 <b>LESS</b><br>EZ Retail sales -1.3m, 0.6y <b>WEAKER</b><br>JP BOJ Minutes Oct 6-7 meeting<br>JP PMI Services 48.7 <b>WEAKER THAN EXPECTED</b> |

|          | Week of 3 <sup>rd</sup> November   |
|----------|--|
| Thursday | US Jobless claims 278k <b>LESS</b><br>US Q3 Unit labour costs 0.3% <b>BETTER</b><br>US Non-farm productivity 2.0% <b>STRONGER</b><br>UK Mfg output 0.4m, 2.9y <b>STRONGER</b><br>UK ind production 0.6m, 1.5y <b>BETTER</b><br>UK BOE/MPC Rate decision 0.50% <b>AS</b><br>UK BOE/MPC AP Target £375B <b>AS</b><br>UK NIESR GDP Estimate 0.7% <b>AS</b><br>DM Factory orders 0.8m, -1.0y <b>WEAKER</b><br>EZ ECB Rate decision 0.05% <b>AS THAN EXPECTED</b> |
| Friday   | US Non-farm payroll 214k <b>WEAKER</b><br>US Unemploy'm't rate 5.8% <b>LESS</b><br>US Average hourly earnings 0.1m, 2.0y <b>WEAKER</b><br>US Average work week 34.6 <b>MORE</b><br>UK Trade bal -£9.821B <b>WORSE</b><br>UK Trade non-EU -£4.048B <b>WORSE</b><br>DM Ind production 1.4m, -0.1y <b>WEAKER</b><br>DM Trade bal 21.9B <b>STRONGER</b><br>DM C/A 22.3B <b>STRONGER THAN EXPECTED</b>  |

More



## US MARKETS: economic background

### Summary

Last week's focus was split between the two ISM surveys and non-farm payroll.

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In the event the manufacturing version came out stronger while the non-manufacturing survey fell just short of consensus, but the main event was non-farm payroll.

The head line payroll report was a little weaker than expected, but that was off set by a decent upward revision to the previous month's data.

Moreover, the unemployment rate was lower than expected at 5.8%.

Looking ahead there are several reports due this week, as detailed on the global calendar, but we judge these are the week's **key** releases:

- On Wednesday; **Wholesale inventories,**
- On Thursday; **Jobless claims and monthly budget statement, and**
- On Friday; **Retail sales, import prices, university of Michigan confidence and business inventories.**

The key release this week is retail sales.

The ISM non-manufacturing survey may have narrowly missed consensus, but the economy appears on the right track; retail sales reveal the strength of demand.



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## Commodities

### + GOLD

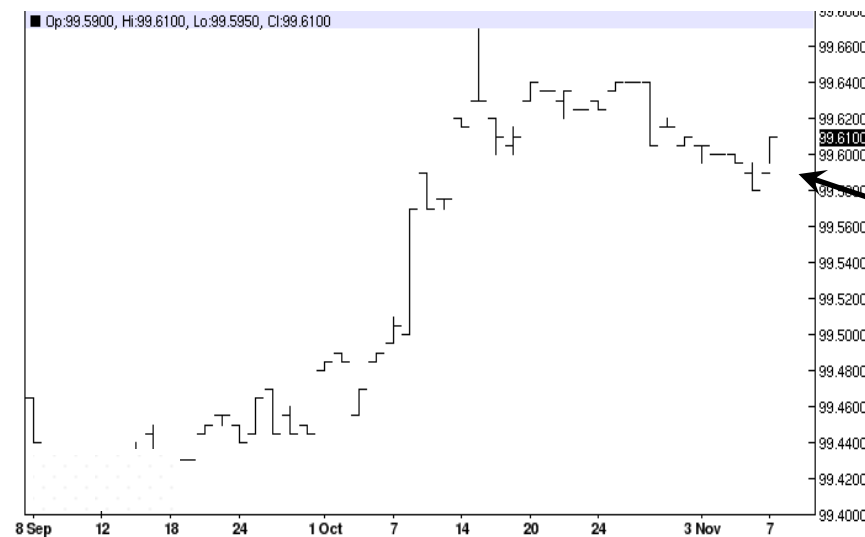
### + OIL

## Disclaimer

## US MARKETS: Eurodollars

### OUR TRADING STANCE: SQUARE.

Last week we were Square of Eurodollars.



Note how Eurodollars looks increasingly like a directionless market.

**The Macro Trader's view of Eurodollars is;** last week we said...

...“Looking ahead this week's data has the potential to either sooth nerves or set pulses racing depending on whether or not data is stronger than expected”...

In the event data was strong enough to support the view that the economy is firmly on the right road to recovery, but not so strong as to nudge policy makers closer to moving rates.

Looking ahead retail sales are due at the end of the week. We judge they will deliver a similar message as last week's data; “steady as she goes”!

The market is increasingly looking directionless but retains enough Fed support.

So for now stay square.



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## US MARKETS: 10 Year Note

### OUR TRADING STANCE: SQUARE.

Last week we were Square of the 10 year note.



The 10 year note remains under pressure as investors prefer stocks.

**The Macro Trader's view of the 10 year note is:** last week's price action saw the 10 year note remain under pressure as traders/investors continued to buy into equity markets.

With US data pointing to a solid recovery and the ECB insisting it can do more with oil prices in the US cut by Saudi Arabia, equity markets were the asset class of choice.

Looking ahead retail sales are due on Friday and an in

line or stronger report will favour equity markets over Bonds where traders are continuing to assess the timing of the Fed's first rate hike.

We judge this market will continue to drift lower, barring any new geopolitical crisis, but the downward pull isn't strong enough for us to go short.

For now stay square.



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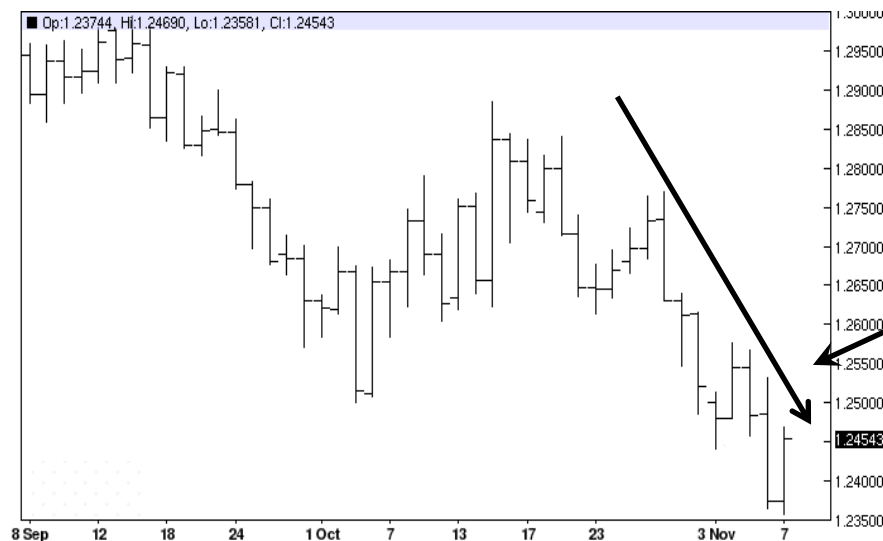
- + GOLD
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## Disclaimer

## US MARKETS: US Dollar

### OUR TRADING STANCE: BULLISH v the EURO & YEN.

Last week we were Bullish v the Euro & Yen.



The Dollar rallied further last week on more up beat data.

**The Macro Trader's view of the Dollar is;** last week we said...

...“Looking ahead, several key releases due but we judge the main event is Friday's non-farm payroll, the Fed still sees the recovery in the labour market as the potential trigger for higher rates”...

Although the headline report fell just short of consensus that was more than off set by the decline in the unemployment rate and the upward revision to the previous month's data.

Looking ahead the key release this week is retail sales, a strong report will further advance the Dollars rally.

We judge the Dollar has begun what is likely to become a serious rally over the coming months as traders eagerly await the Fed's first rate hike.

Traders should be long the Dollar, short the Euro and Yen.

Against the Euro our suggested target remains 1.2225, and our suggested stop continues at 1.2855 for protection.

Against the Yen our suggested target is 116.00 and our suggested stop is set at 109.90 for protection.

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## US MARKETS: S&P500

### OUR TRADING STANCE: BULLISH.

Last week we were **Bullish** of the S&P 500.



The S&P continues to make new highs on data and lower oil prices..

**The Macro Trader's view of the S&P 500 is:** last week's price action remained bullish as traders continue to react to the pace of the US recovery.

Moreover the ECB's comment that it can still do more and the BOJ's recent ease continue to add fuel to the rally.

Looking ahead the key release this week is retail sales.

But events in Ukraine have taken a worrying turn, however news that China has eased access to its equity markets has for now more than off set that.

Traders should remain long this market.

Our suggested target remains 2080.00 and our suggested stop continues at 1940.00 for protection.



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## Disclaimer

## UK MARKETS: economic background

Last week's key data was the PMI surveys and Bank of England policy decision.

In the event the PMI's delivered mixed news. The manufacturing version was stronger than expected and stronger than expected industrial production/manufacturing out put data released later in the week confirmed that message.

But the construction survey and Services survey fell short of expectations adding weight to the growing consensus view that the UK economy will cool as the year draws to a close.

Looking ahead there are several reports due this

week, as detailed on the global calendar, but we judge these are the week's **key** releases :

- On Wednesday; **Unemployment report and Bank of England quarterly inflation report,**
- On Thursday; **RICS house prices, and**
- On Friday; **Construction out put.**

The key release this week is the Bank of England quarterly inflation report.

Now speculation of higher rates has been replaced by concerns about a cooling recovery, traders will be eager to learn of the Banks current stance.



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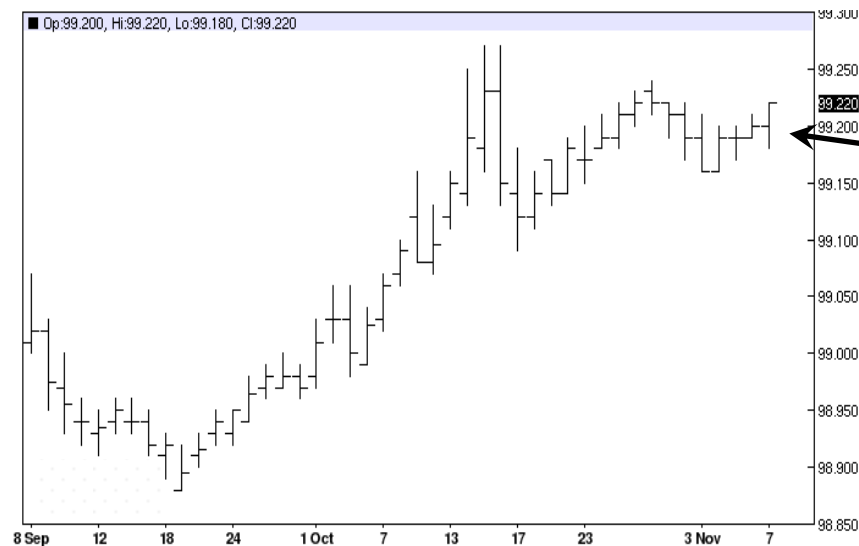
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## Disclaimer

## UK MARKETS: Short Sterling

### OUR TRADING STANCE; SQUARE.

Last week we were Square of Short Sterling.



Short Sterling looks in limbo ahead of this week's BOE inflation report.

**The Macro Trader's view of Short Sterling is:** last week we said...

...“Looking ahead a busy week data wise in the UK and abroad which we judge will result in this market drifting lower”...

In the event the drift lower didn't materialise, but a sideways drift did as UK data sent mixed signals.

Looking ahead the key event this week is the Bank of England quarterly inflation report.

Speculation about higher interest rates has given way to concerns about a period of economic cooling, driven by the continued weakness of the Euro zone economy. Traders will be eager to hear the Bank's take on current conditions.

There are already signals coming from the housing market especially in London, but is the cooling housing market driven by fears of Labour's threat to introduce a “mansion” tax?

For now stay square.



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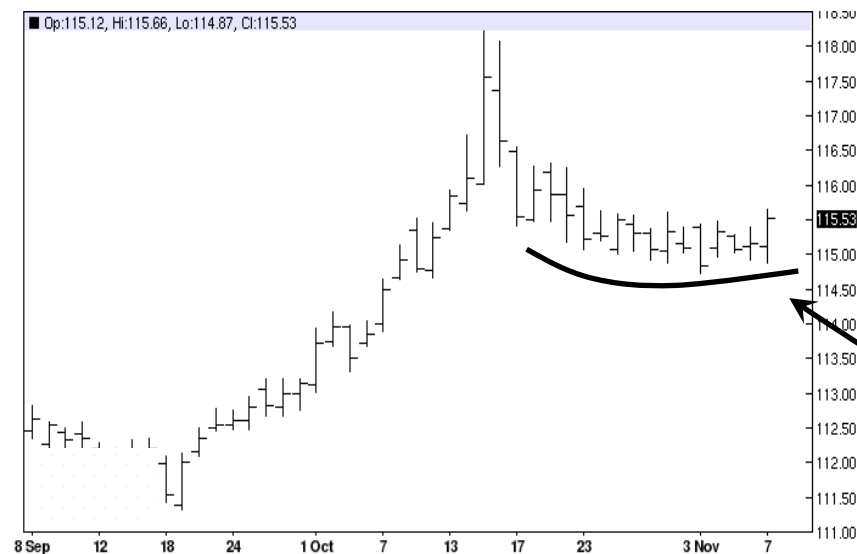
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## UK MARKETS: Gilt

### OUR TRADING STANCE: SQUARE.

Last week we were Square of the Gilt.



See how the Gilt remains supported by low inflation and fears of a period of slower growth.

**The Macro Trader's view of the Gilt is;** last week we said...

...“Looking ahead the key data this week is the UK PMI Services survey, a strong report will weigh on this market”...

...“However subdued UK inflation and concerns about the economic weakness in the Euro zone hurting UK growth should limit the downside, but then there is UK political risk associated with the UK's EU membership”...

We judge this market remains squeezed between those forces, but all that could change after the Bank delivers it's quarterly inflation report on Wednesday.

Much depends on the Bank's outlook for both inflation and growth. Clearly a period where the forecast for both is soft will mean rates unchanged well into next year; we will know on Wednesday!

For now stay square, stocks currently look more interesting.



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- + **STERLING**
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## UK MARKETS: Sterling

### OUR TRADING STANCE; SQUARE

Last week we were Square



See how Sterling remains under pressure against the Dollar, but steady against the Euro.

**The Macro Trader's view of the Pound is:** last week we said...

...“Looking ahead a whole raft of data expected from the UK, US and Euro zone this week”...

...“A strong UK PMI Services report would help support the Pound, but we judge political risk will start to have a growing impact on the Pound as the UK's membership of the EU is becoming the central political debate in the UK”...

In the event the PMI Services survey was weaker than

expected, but manufacturing was stronger and the debate about the UK's EU membership continues to dominate political debate.

Looking ahead the key event this week is the BOE quarterly inflation report. The Bank's forecasts for inflation and growth are likely to be a key factor moving forward in the Pounds price action, certainly against the Dollar.

For now stay square. The Pound looks vulnerable against the Dollar, but fundamentals still support it against the Euro.



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## UK MARKETS: FTSE

### OUR TRADING STANCE: SQUARE.

Last week we were Square.



See how the FTSE continues to recover, but cannot match the pace of the S&P.

**The Macro Trader's view of the FTSE is;** last week's price action was again positive in equity markets as risk aversion withered further.

In the US the S&P made new highs on mainly solid data, but the same cannot be said for the FTSE which still lags.

Looking the key release this week is the Bank of England's quarterly inflation report. If the message is

rates on hold for longer, it will be something of a double edged sword as it will mean a further period of lower inflation, but more important, a period of softer growth.

We judge this market will continue to under perform the US S&P, which is where we prefer to be long.

For now remain square here.



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## EURO ZONE MARKETS: economic background

Last week's focus was the various PMI surveys, with the ECB rate decision/policy statement expected to play a supporting role.

In the event the PMI's continued to deliver their familiar down beat message. And the ECB tried to lift spirits by claiming it can and if needed will still do more to support the Euro zone economy.

Looking ahead there are several key reports due which are detailed on the global calendar, but we

judge these are the week's **key** releases:

- On Wednesday; **Euro zone industrial production,**
- On Thursday; **German CPI, and**
- On Friday; **German, French, Italian and pan-Euro zone Q3 GDP and Euro zone CPI.**

The main event this week is Friday's Q3 GDP reports.

Nothing special is expected.



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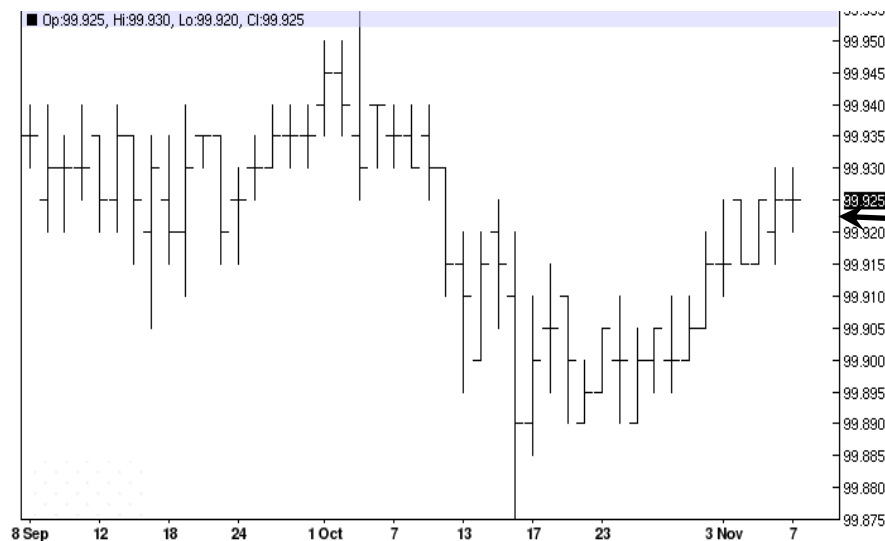
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## EURO ZONE MARKETS: Euribor

### OUR TRADING STANCE: SQUARE.

Last week we were Square of Euribor.



Euribor seems to be settling into a trading range?

**The Macro Trader's view of Euribor is;** last week we said...

...“Looking ahead the PMI surveys are due this week. Unless they unexpectedly flag improvement we judge this market will remain within the current trading range”...

And that was the outcome.

Looking ahead a clutch of Q3 GDP reports are due,

but we doubt they will alter the perception of a weak under performing economy.

We are remaining square, range trading looks most likely.

The market is supported by weak economic activity and a Central Bank that might still need to do more, even though rates are already almost at zero.





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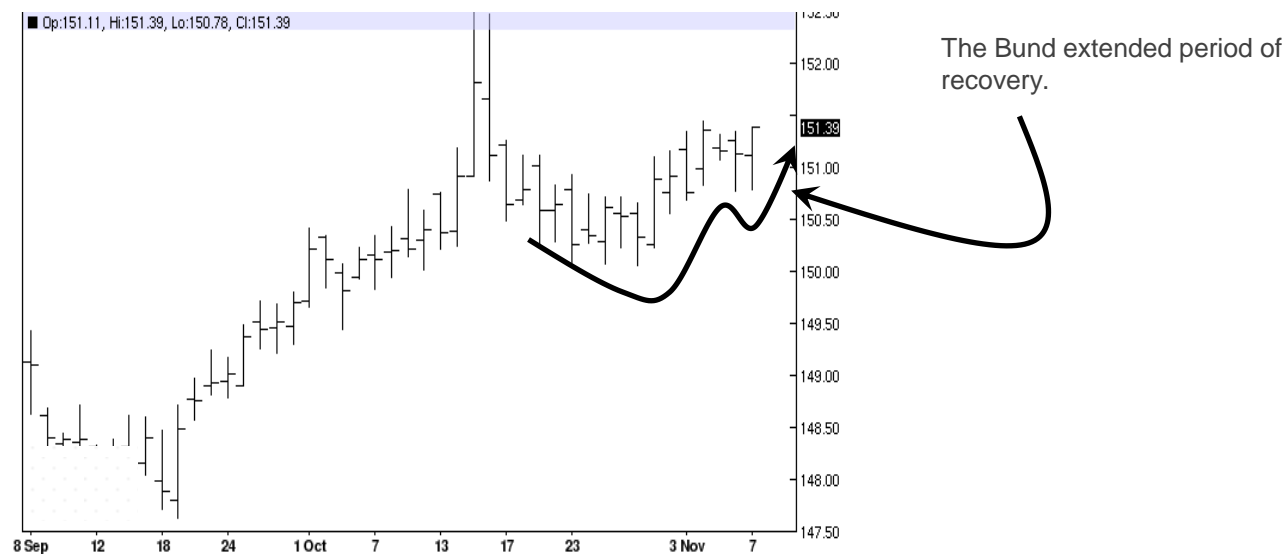
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## EURO ZONE MARKETS: The Bund

### OUR TRADING STANCE: BULLISH.

Last week we were **Bullish** of The Bund.



**The Macro Trader's view of the Bund is:** last week we said...

...“Looking ahead the key releases this week are the PMI surveys, but unless unexpectedly stronger than expected, we judge this market will make further gains”...

And broadly speaking that was the outcome.

Looking ahead the various Euro zone Q3 GDP reports

are due, but will they tell us anything we don't already know? Probably not.

We expect the Bund to continue its upward recovery, which has continued even as equity markets rallied throughout last week.

Traders should be long of this market.

Our suggested target is 152.10 and our suggested stop is set at 149.85 for close protection.



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- + DJ EURO STOXX 50

## Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

## Commodities

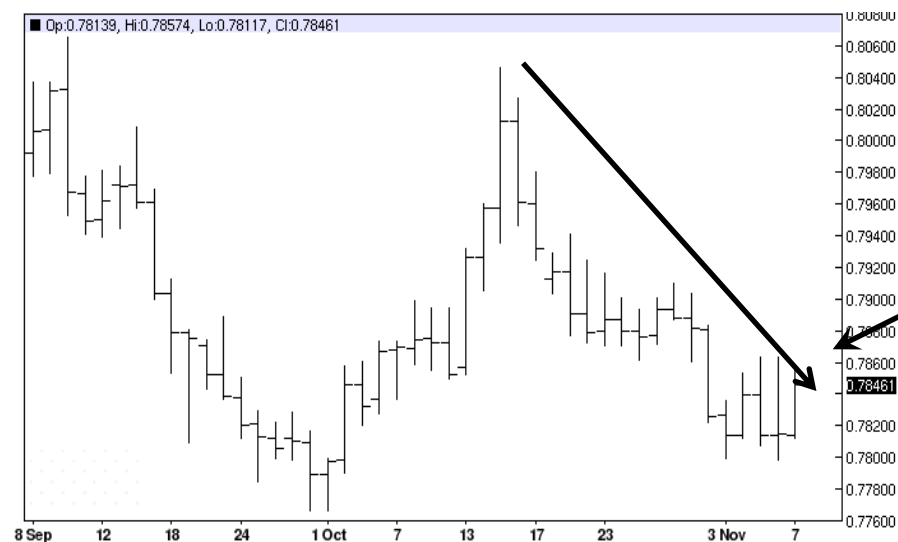
- + GOLD
- + OIL

## Disclaimer

## EURO ZONE MARKETS: The Euro

### OUR TRADING STANCE: **BEARISH v the DOLLAR**

Last week we were **Bearish v the Dollar**



See how the Euro under pressure against Sterling.

**The Macro Trader's view of the Euro;** last week we said...

...“Looking ahead there are heavy weight data releases due in the US, UK and Euro zone this week, which we judge will see the Dollar rally further against the other majors, but especially against the Euro”...

In the event that was the outcome as the Dollar continued to ride a wave of bullish sentiment driven by US growth and speculation about when the Fed will

begin to tighten.

Looking ahead the key releases this week are Euro zone Q3 GDP reports, but we doubt they will offer the Euro any support.

Traders should remain long the Dollar/short the Euro.

Our suggested target continues at 1.2225, and our suggested stop remains 1.2895 for protection.



## Summary

## Global Calendar

## US Markets

- + EURODOLLARS
- + 10 YEAR NOTE
- + US DOLLAR
- + S&P 500

## UK Markets

- + SHORT STERLING
- + GILT
- + STERLING
- + FTSE

## Euro Zone Markets

- + EURIBOR
- + BUND
- + EURO
- + DJ EURO STOXX 50

## Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

## Commodities

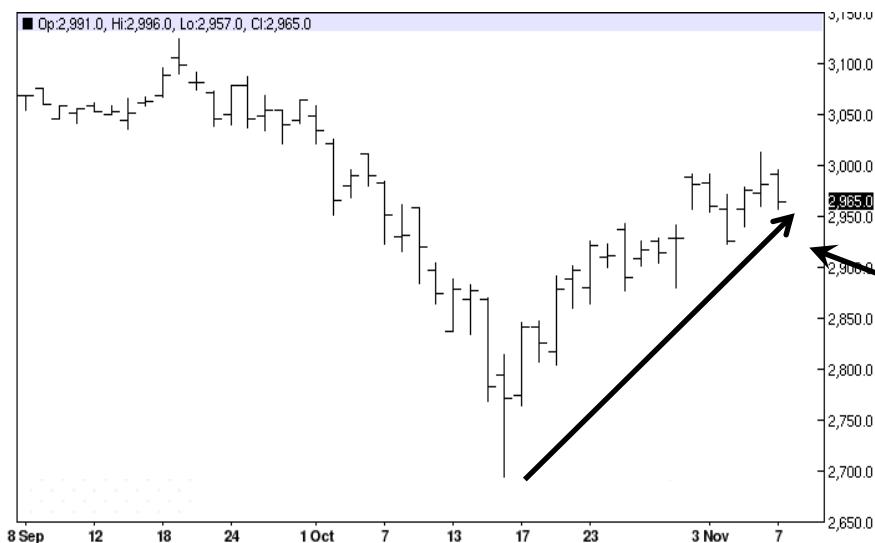
- + GOLD
- + OIL

## Disclaimer

## EURO ZONE MARKETS: DJ Euro Stoxx 50

### OUR TRADING STANCE: SQUARE.

Last week we were Square of DJ EUROSTOXX50.



See how the market extended the rally but like the FTSE cannot match the pace of the S&P.

### The Macro Trader's view of DJ Euro Stoxx 50 is:

Last week we said...

...“Looking ahead a week of heavy weight data releases from the US, UK and Euro zone, but we judge equity markets will again take their lead from the US where a strong non-farm payroll report on Friday would be very bullish”...

In the event that was the outcome and although headline non farm payroll fell just short of consensus, upward revisions counter balanced this with the drop

in the US unemployment rate adding a positive.

Looking ahead the key domestic releases are the various Euro zone PMI surveys. But we judge this and other markets will remain supported by overseas sentiment with today's announcement from China of easier access to its equity market helping stocks higher.

But since we expect this market to continue to underperform the S&P we advise investing there and remaining square here.



## Summary

## Global Calendar

## US Markets

+ EURODOLLARS  
+ 10 YEAR NOTE  
+ US DOLLAR  
+ S&P 500

## UK Markets

+ SHORT STERLING  
+ GILT  
+ STERLING  
+ FTSE

## Euro Zone Markets

+ EURIBOR  
+ BUND  
+ EURO  
+ DJ EURO STOXX 50

## Japanese Markets

+ JAPANESE BONDS  
+ YEN  
+ NIKKEI

## Commodities

+ GOLD  
+ OIL

## Disclaimer

## JAPANESE MARKETS: economic background

Last week's key releases were the PMI Surveys.

Coming hot on the heels of the recent ease by the Bank of Japan, traders were eager to see these surveys and what the outlook for the economy is over the next period.

In the event both came in weaker than expected.

Looking ahead there are several key reports due which are detailed on the global calendar, but we judge these are the week's **key** releases:

- On Monday; **the trade balance and C/A data,**

- On Tuesday; **Bankruptcies, consumer confidence, Eco watchers survey, machine tool orders and tertiary index,**
- On Wednesday; **Machine orders, and**
- On Thursday; **industrial production and capacity utilisation.**

The key releases this week are industrial production and capacity utilisation.

After a period of Yen weakness has the manufacturing economy benefitted?



## Summary

## Global Calendar

## US Markets

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+ GILT  
+ STERLING  
+ FTSE

## Euro Zone Markets

+ EURIBOR  
+ BUND  
+ EURO  
+ DJ EURO STOXX 50

## Japanese Markets

+ JAPANESE BONDS  
+ YEN  
+ NIKKEI

## Commodities

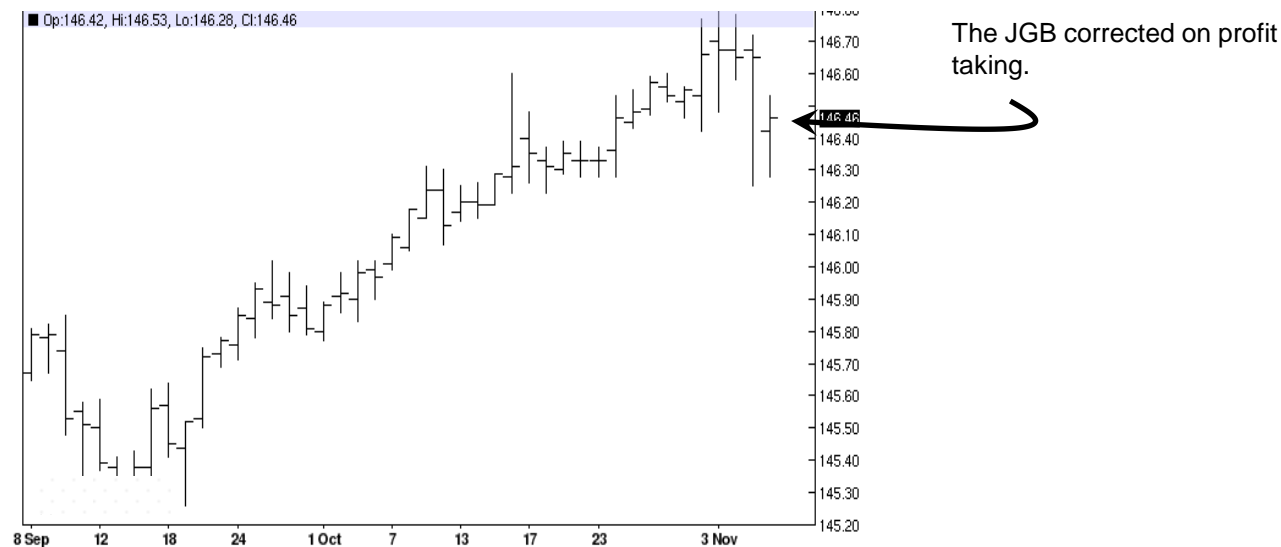
+ GOLD  
+ OIL

## Disclaimer

## JAPANESE MARKETS: Japanese Bonds

### OUR TRADING STANCE: SQUARE.

Last week we were Square of Japanese Bonds.



**The Macro Trader's view of the JGB is:** last week we said...

...“Looking ahead this week sees the release of the two PMI surveys; manufacturing and services. Will these two reports reveal greater weakness?”...

In the event both PMI surveys fell short of consensus, with the service sector report below 50.

Looking ahead the key release this week is the

industrial production report. Japan still relies on manufacturing and industrial production is the best measure, but will it exhibit yet more weakness?

The JGB has been a bull market for many, many years and given the current state of Japan's economy could yet make new highs, despite last week's correction.

We prefer to remain square here and focus our attention on Dollar/Yen.



## Summary

## Global Calendar

## US Markets

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## UK Markets

- + SHORT STERLING
- + GILT
- + STERLING
- + FTSE

## Euro Zone Markets

- + EURIBOR
- + BUND
- + EURO
- + DJ EURO STOXX 50

## Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

## Commodities

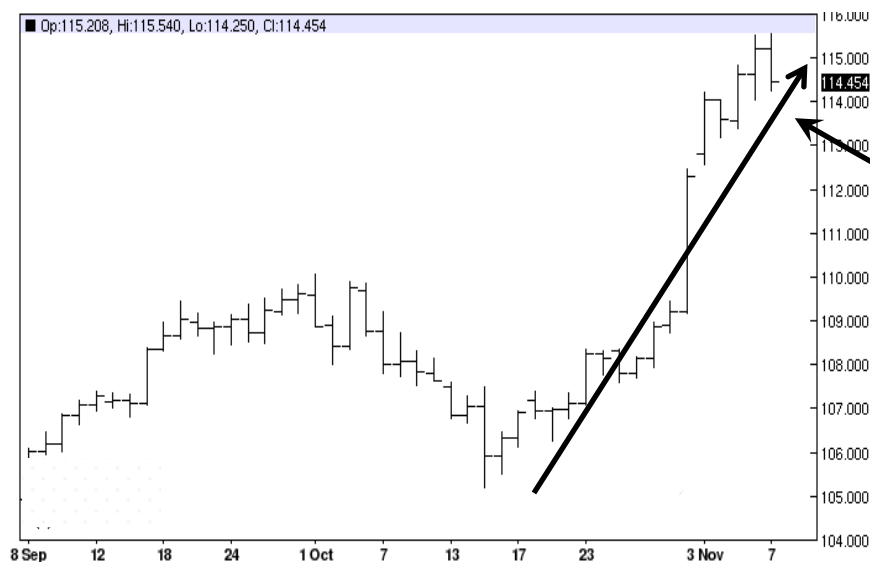
- + GOLD
- + OIL

## Disclaimer

## JAPANESE MARKETS: Yen

### OUR TRADING STANCE: **BEARISH** v the Dollar

Last week we were **Bearish** v the Dollar



The Yen weakened further against a Dollar supported by data and the Fed.

**The Macro Trader's view of the Yen is;** last week we said...

...“Looking ahead a busy week data wise with all the leading economies publishing heavy weight data. We judge the Dollar will receive yet more fuel to propel what we believe will be a long Bull run”...

In the even data favoured the Dollar and although the headline non-farm payroll report fell just short of consensus, upward revisions made up for it together

with the decline in the unemployment rate.

Looking ahead the key release is industrial production but we judge the Dollar will continue to dominate and be driven by US data and speculation about when the Fed will begin to hike rates.

Traders should be short of the Yen/Long the Dollar.

Our suggested target is 116.00 and our suggested stop is set at 109.90 for protection.



## Summary

## Global Calendar

## US Markets

- + EURO DOLLARS
- + 10 YEAR NOTE
- + US DOLLAR
- + S&P 500

## UK Markets

- + SHORT STERLING
- + GILT
- + STERLING
- + FTSE

## Euro Zone Markets

- + EURIBOR
- + BUND
- + EURO
- + DJ EURO STOXX 50

## Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

## Commodities

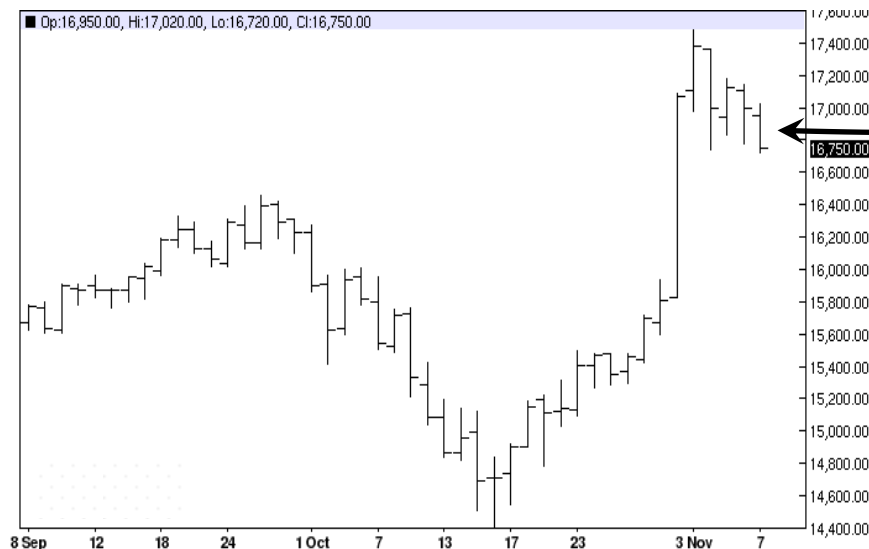
- + GOLD
- + OIL

## Disclaimer

## JAPANESE MARKETS: Nikkei

### OUR TRADING STANCE: SQUARE.

Last week we were Square of the Nikkei.



See how the Nikkei corrected last week.

**The Macro Trader's view of the Nikkei is;** the Nikkei bucked the trend in equity markets last week and suffered a correction, fuelled by profit taking.

Following the strong rally the previous week driven by the Bank of Japan ease, a pause was to be expected. Add in some disappointing domestic data and the stage was set for a minor correction.

Looking ahead the key release this week is industrial production, but equity markets are looking bullish after

China eased access to its Shanghai stock market by linking it to Hong Kong.

We judge this market can make further gains if the Yen continues to weaken, but traders may take out more profit first.

Our focus remains the S&P so for now stay square.



## Summary

## Global Calendar

## US Markets

- + EURODOLLARS
- + 10 YEAR NOTE
- + US DOLLAR
- + S&P 500

## UK Markets

- + SHORT STERLING
- + GILT
- + STERLING
- + FTSE

## Euro Zone Markets

- + EURIBOR
- + BUND
- + EURO
- + DJ EURO STOXX 50

## Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

## Commodities

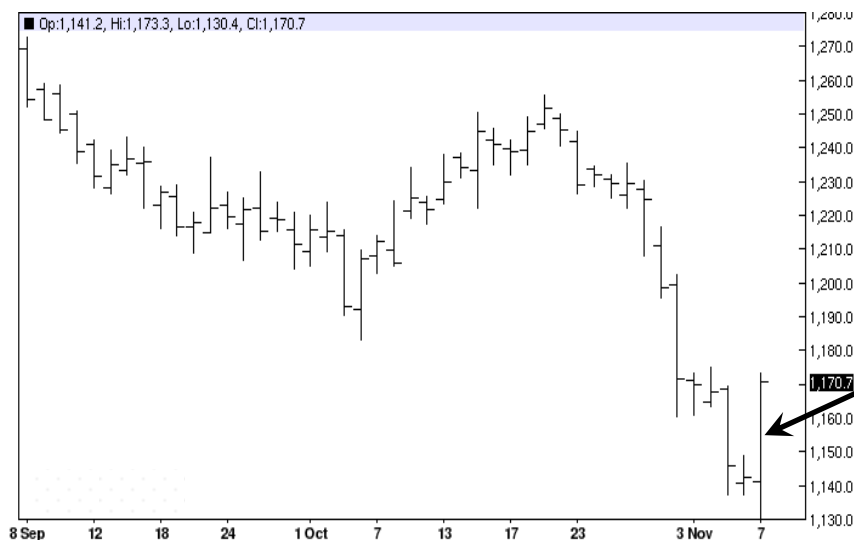
- + GOLD
- + OIL

## Disclaimer

## COMMODITIES: Gold

### OUR TRADING STANCE: **BEARISH.**

Last week we were **Bearish** of Gold.



See how gold bounced on rising tensions with Russia.

**The Macro Trader's view of the Gold is:** gold staged a recovery last week helped primarily by rising tension with Russia.

The break away region of Ukraine held leadership votes, the rest of the world condemned then; Russia recognised them, together with worrying military muscle flexing by Russia around N.A.T.O air space, the stage is set for a confrontation arising out of miscalculation.

We judge Gold remains a sell, but it may correct a little further on current tensions first.

Traders should remain short of this market.

Our suggested target is longer term at 1040.00. Our suggested stop is reduced to 1200.00 for closer protection.





## Summary

## Global Calendar

## US Markets

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## UK Markets

- + SHORT STERLING
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- + STERLING
- + FTSE

## Euro Zone Markets

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- + BUND
- + EURO
- + DJ EURO STOXX 50

## Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

## Commodities

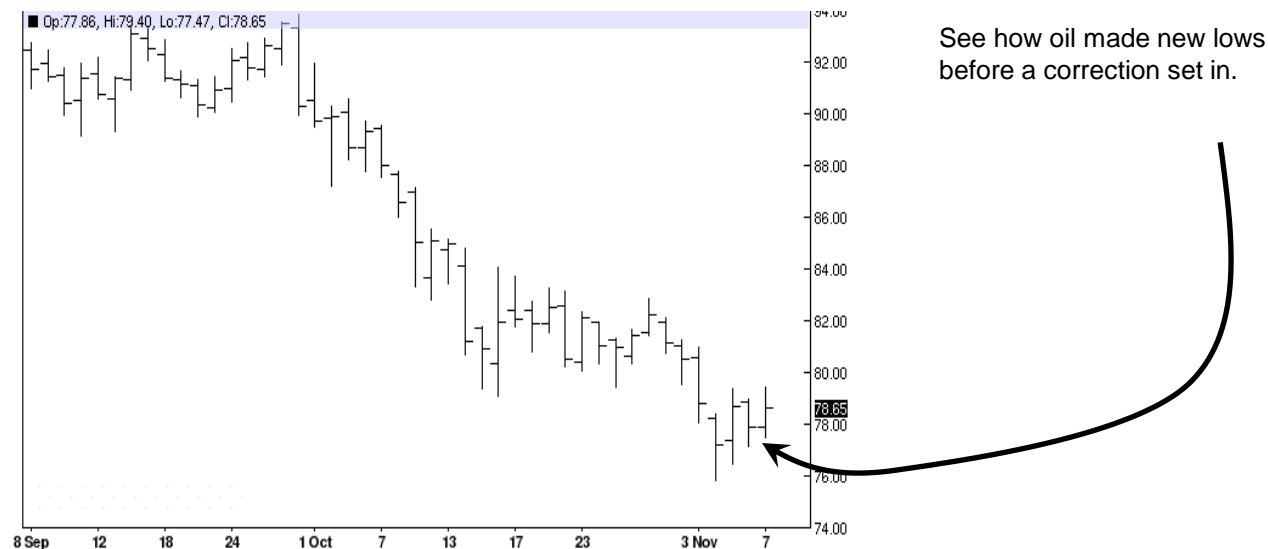
- + GOLD
- + OIL

## Disclaimer

## COMMODITIES: Oil

### OUR TRADING STANCE: **BEARISH.**

Last week we were **Bearish** of Oil.



**The Macro Trader's view of oil is:** Oil made new lows last week, driven by Saudi price cuts in North America designed to render shale production uneconomic.

But as the week drew to a close the market staged a tepid recovery fuelled by rising tension between the west and Russia centred on Ukraine.

Reports a column of Russian Tanks and Artillery were seen crossing the Russian/Ukraine boarder un-nerved some markets with Gold and Oil the main beneficiaries.

But with the supply/demand balance currently out of equilibrium, resulting in over supply, short of major regional hostilities breaking out, we judge Oil should resume its slide.

Traders should be short of this market.

Our suggested target remains 65.50 and our suggested stop is lowered to 83.75 for closer protection.



## Summary

## Global Calendar

## US Markets

- + EURODOLLARS
- + 10 YEAR NOTE
- + US DOLLAR
- + S&P 500

## UK Markets

- + SHORT STERLING
- + GILT
- + STERLING
- + FTSE

## Euro Zone Markets

- + EURIBOR
- + BUND
- + EURO
- + DJ EURO STOXX 50

## Japanese Markets

- + JAPANESE BONDS
- + YEN
- + NIKKEI

## Commodities

- + GOLD
- + OIL

## Disclaimer

### SEVEN DAYS AHEAD

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MAIN MENU