



LINVEST RESEARCH

MARKET NEWSLETTER

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By Lin Yingjun

Markets

- The price of SPY bounced back after it reached \$270.4 and closed at \$275.9. 200-day MA is at \$274. The resistant points are at **\$280**, \$284 and \$286. It is bearish if \$274 level can't hold, and then \$270, \$268 and \$265 would be targets. It will be bullish if the price above \$280 and then it may be back to the previous resistance point \$293. The trend will be reversed when the price sustains below \$274 which is its 200-day MA and then **\$240-\$230** certainly comprises a tentative target. QQQ made a short-term top at \$178 closed at 173.02 which is still under its 20/50-day MA, the resistance points are \$178, \$182, and \$183, QQQ's support points are at \$167.8, \$165.2 and \$160. IWM remains below its 200-day (\$161), we may see the price reaches \$150, \$146 and \$141, unless the price bounces from \$160.
- \$VIX turned to the upside and closed at \$19.89 which indicates the U.S stock market is bearish unless \$VIX closed below \$15.
- The CBOE Options Equity Put/Call Ratio is on *a Sell* signal and in an oversold zone.

In summary, the U.S. stock market is bearish in an intermediate term, it is very possible this correction would be last until the middle of Nov 2018.

Bonds

TLT bounced back from \$112. The resistance points will be \$115, \$116 and \$118. \$112, \$110 and \$109 are the supports. TLT is bearish in long term.

Commodities

Gold made a short-term bottom at \$1167; there is a possible rally towards \$1220(met) and \$1250. However due to the strength of the U.S dollar, gold is still under pressure. \$1312 is the significant resistance. \$1167 and \$1124 are the supports for gold. Gold would be bullish when the price is above \$1220. *Gold is bullish for now.*

Crude made three years high at \$76.96 and closed at \$68.72. Its support points are at \$68 (met), \$66 and \$64, and the resistant points would be \$71, \$72.5 and \$75. Crude oil is bullish when the price breaks above \$71.5 level towards \$75. *We will sell-short crude oil when there is a rally.*

Natural Gas peaked at \$3.20, at which point, it was sold off toward \$2.53, with \$3.10-\$3.29 as a major resistance level and other possible resistance points of \$3.35, \$3.43, and \$3.38. Natural Gas supports currently sit at \$2.90, \$2.80, \$2.70, and \$2.65. We will long Natural Gas when it dips unless the price breaks below \pm \$2.55 (Met as good support). It bounced from \$2.55 on 26 Dec 2017, trending towards \$3.2 to \$3.5, where it met major resistance. *If the price breaks and holds above this level, \$3.7 and \$3.95 will be its targets.* (Nothing has changed since Dec. 2017!)

Currencies

USD/CAD is bullish as it closed above \$1.30, and we may see \$1.31 (met), \$1.32 and \$1.33. USD/CAD will be bearish when its price closes below \$1.29 with targets of \$1.24, 1.22, and 1.20. *USD/CAD trend is bullish.*

EUR/ USD is bearish and \$1.15 is a significant support level, once this support level broke, 1.05 is likely a target. The previous support points were \$1.17, \$1.18 and \$1.19 which are now the resistances.

Inter-market analyses

Shanghai Composite Index (\$SSEC) gapped down and closed below 2653 which is at 4 years low. \$SSEC has down 30% YTD. If SSEC bounces, the resistant levels are **2653**, 2710 and 2844. The support levels are 2500, 2400 and 2300. The Chinese stock market may be up in the coming months, but bearish remains unless the points hold above 3060 level.

Hong Kong Hang Seng Index (\$HSI) Gapped down with support levels of \$25.1K, \$24.3K, and \$22K as its floors. If it bounces, it could be rebound back towards \$26K, \$27.3K and \$38K. Hong Kong market may be up in the coming months, but bearish remains unless the point closed above \$29.9K.

Singapore Straits Times Index (\$STI) gaped down. Its price might drop below \$3035 and could plummet to between \$2900 and \$2700. If it bounces, it could climb back towards \$3100, \$3210 and \$3250. Singapore market bearish remains unless the points close above \$3250.

More intermediate-term trading ideas watch list (Long and short):

The U.S market Indexes ETF: SPY, QQQ, IWM

Treasury bond ETF: TLT TMF vs TBT

Leader stocks: AAPL ,GOOG, CMG, AMZN, ISRG,NFLX, PCLN, CF, FB,**TWTR,TSLA, SNAP**

Bio, health and Pharmaceutical: ACAD, MGLN, MZOR, ADXS, ACHN, BIIB, ONVO, CRIS, CERS, INSM, TROV , PRTA, RMTI, RGLS, NVTA

Chinese Stock: BABA, BZUN ,VIPS, DL, FENG, JRJC , KNDI, WB, BIDU,SINA,MOMO ,**TWLO**,YRD, XRS,DANG, XNET, IQ, HUYA, BILI, YINN, YANG

Canadian Stocks: **GOOS, ACB.TO (ACBFF)**, WEED.TO (CGC), APH.TO (APHQF), **CRON.V (CRON)**, **INSY**, EMH.V

Commodities: UNG, NGS, JO, SGG, , JIG, JJC,USO, SLV, CORN, JNUG ,JDST

Energy and service sector: XLE,BTE, PDS, CLF, PBR. SWN, ALA.TO, SU, ECA, BTE, DO, LEU, UCO, XLE, SCO.

Solar Stocks: TAN, CSIQ, CSUN, TSL, FSLR, JASO, SPWR

Precious metal, and mining companies: ABX , TECK, X, SMF.TO, GLD, EGO , CG.TO, IMG.TO, EDR.TO, SLW, NEM, SA ,GDX,GDXJ

Prime : AKAM, BA, BX, CVU, MOS, LVS, KEM, HLF,WAG,WDAY, WHR,HSY, ED,

Airline, Cruise , hotel, restaurant: UAL, DAL, ALK, WJA.TO, AC.TO CCL, NCLH, RCL, EAT, MGM, LVS, CEA

Currency pair: EUR/USD: EUO, UUP, FXE; USD/CAD, CAD/USD, FXC

Green: stocks with long position.

Orange: stocks with long positions (small).

Red: stocks with short position.

Black: candidate stocks.

(**Note:** Some positions are not in the above list.)

Notable companies to report earnings and report this week include:

- Monday :
- Tuesday :
- Wednesday: *US Change in Crude Oil Inventories 10:30 AM ET*
- Thursday: *Weekly Natural gas storage 10:30 AM ET*
- Friday:

*Report date unconfirmed

Members, please feel free to send me a note or call if you would like to discuss any of the above (or other) stocks you are interested in. Please pre-order Earning

Trades at least 2 days prior to stock earning report being issued. Thanks and good trading!

Stock market corrections, although painful at the time, are actually a very healthy part of the whole mechanism, because there are always speculative excesses that develop, particularly during the long bull market. Ron Chernow

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