



## LINVEST RESEARCH

MARKET NEWSLETTER

Lininvest Chart Chat (141) Sept 2, 2016 Weekly Update

*By Lin Yingjun*

The price of SPY managed to close at its key support, which I have, in the meantime, marked at \$126. I also marked \$VIX's resistance at \$13.5, a decisive break from this level will indicate a bearish signal to the U.S. equity market.

The other bearish signal is visible when the breadth at top of the SPY charts turns downward and the line in CBOE Options Equity Put/Call Ratio chart (see: Chart 2, \$CPCE ) turns upwards. In short, the market needs a decent correction to digest this overbought condition. Currently, I don't see major selling pressure yet.

The price of Gold bounced from its support towards its resistance of \$1340. I have measured the support for the price of GLD at \$124 and its resistance is at \$127. Once the price of Gold reaches above \$1340, it will reverse its short-term downward trend and enter into a mid-term bullish phase.

The price of Crude Oil remains bullish in the short term and is looking at tentative price of \$51.5, which is the key resistance.

The price of Natural gas broke \$2.71 (which was its resistance and now is support point) with \$3.00 being its current key resistance. Its next resistance points will be \$3.30 and \$3.50. Seasonally-speaking, the price of natural gas tends to vary between flat and choppy until November.

The Bank of Canada is poised to lower its interest rate in order to boost Canadian exports, which will put downward pressure on the Canadian dollar (CAD). If the U.S. hikes its interest rate, the Canadian dollars (CAD) will likely experience 5% depreciation against the U.S. dollar (USD).

The Shanghai composite (\$SSEC) has been on an uptrend from its low of \$2650-ish and is currently meeting its resistance of \$3102 where its 200 dma is. A decisive move above this level will indicate that China's equity is moving into a long-term bullish period and is on its way to targeting a range of \$3300 to \$3680. If the price falls below its 200 dma, it would suggest there is more work to be done for a leg-up, with supports at \$2900, \$2800 and \$2650.

That's it for this week. Thanks for reading and good trading with your plan!



Chart 1



Chart 2

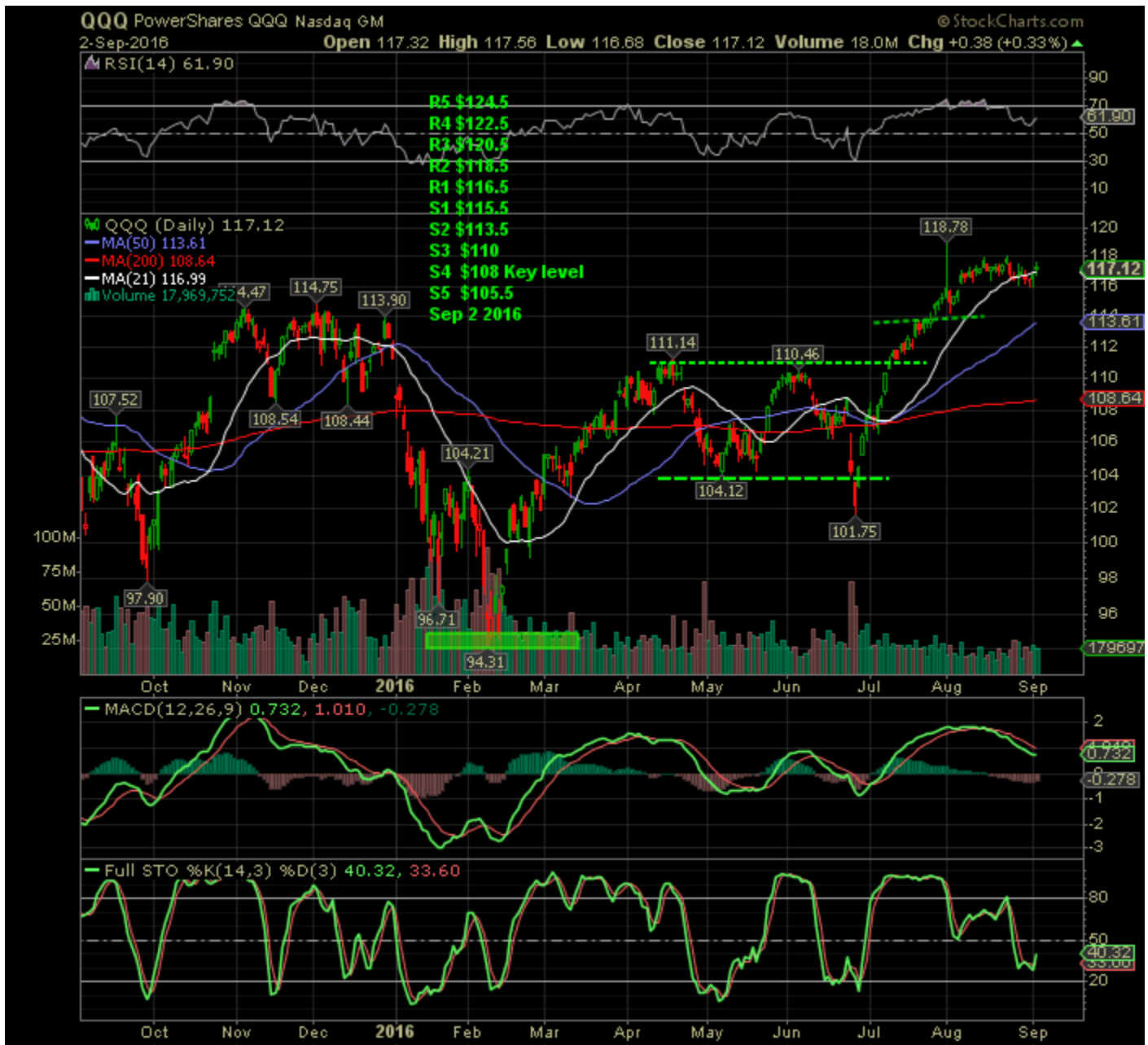


Chart 3



Chart 4

**\$VIX** Volatility Index - New Methodology INDX

© StockCharts.com

Friday 2-Sep-2016

Open:	<b>13.47</b>	Ask:	P/E:	Options:	<b>no</b>		<b>▼ -11.13%</b>
High:	<b>13.90</b>	Ask Size:	EPS:	Annual Dividend:	<b>N/A</b>		Chg: <b>-1.50</b>
Low:	<b>11.90</b>	Bid:	Last Size:	Yield:	<b>N/A</b>		Last: <b>11.98</b>
Prev Close:	<b>13.48</b>	Bid Size:	WWAP:	SCTR:			Volume: <b>0</b>



Chart 5

2-Sep-2016

Open 138.96 High 139.05 Low 138.17 Close 138.63 Volume 8.4M Chg -1.14 (-0.82%)

RSI(14) 48.27



Chart 6

GLD SPDR Gold Shares NYSE

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2-Sep-2016

Open 126.29 High 126.57 Low 125.58 Close 126.57 Volume 11.3M Chg +1.28 (+1.02%)

RSI(14) 48.35

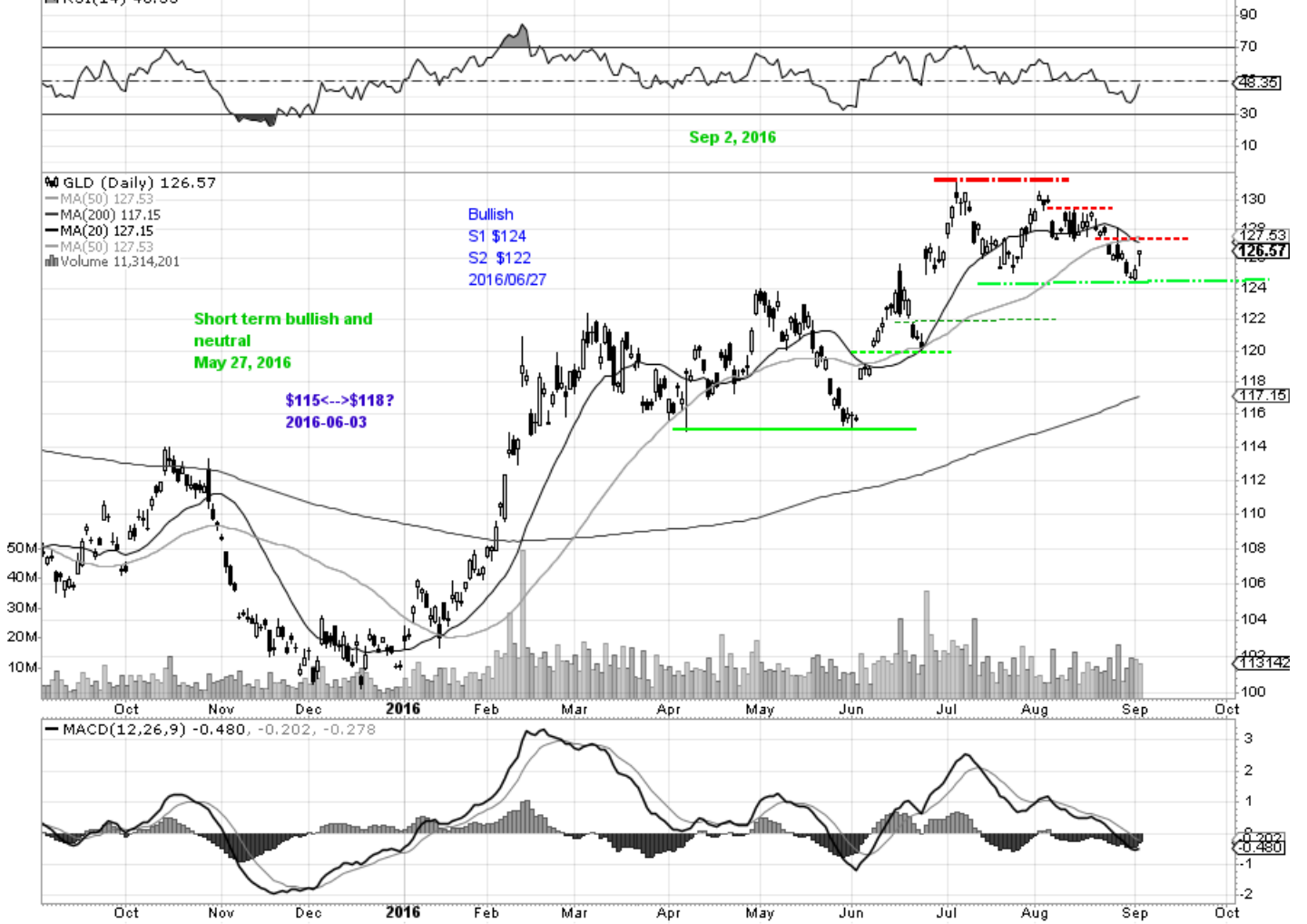


Chart 7



**\$USDCAD** US Dollar to Canadian Dollar (EOD) INDX

© StockCharts.com

2-Sep-2016

Open 1.309 High 1.311 Low 1.298 Close 1.299 Chg -0.011 (-0.85%)



Chart 8



Chart 9



Chart 9-1

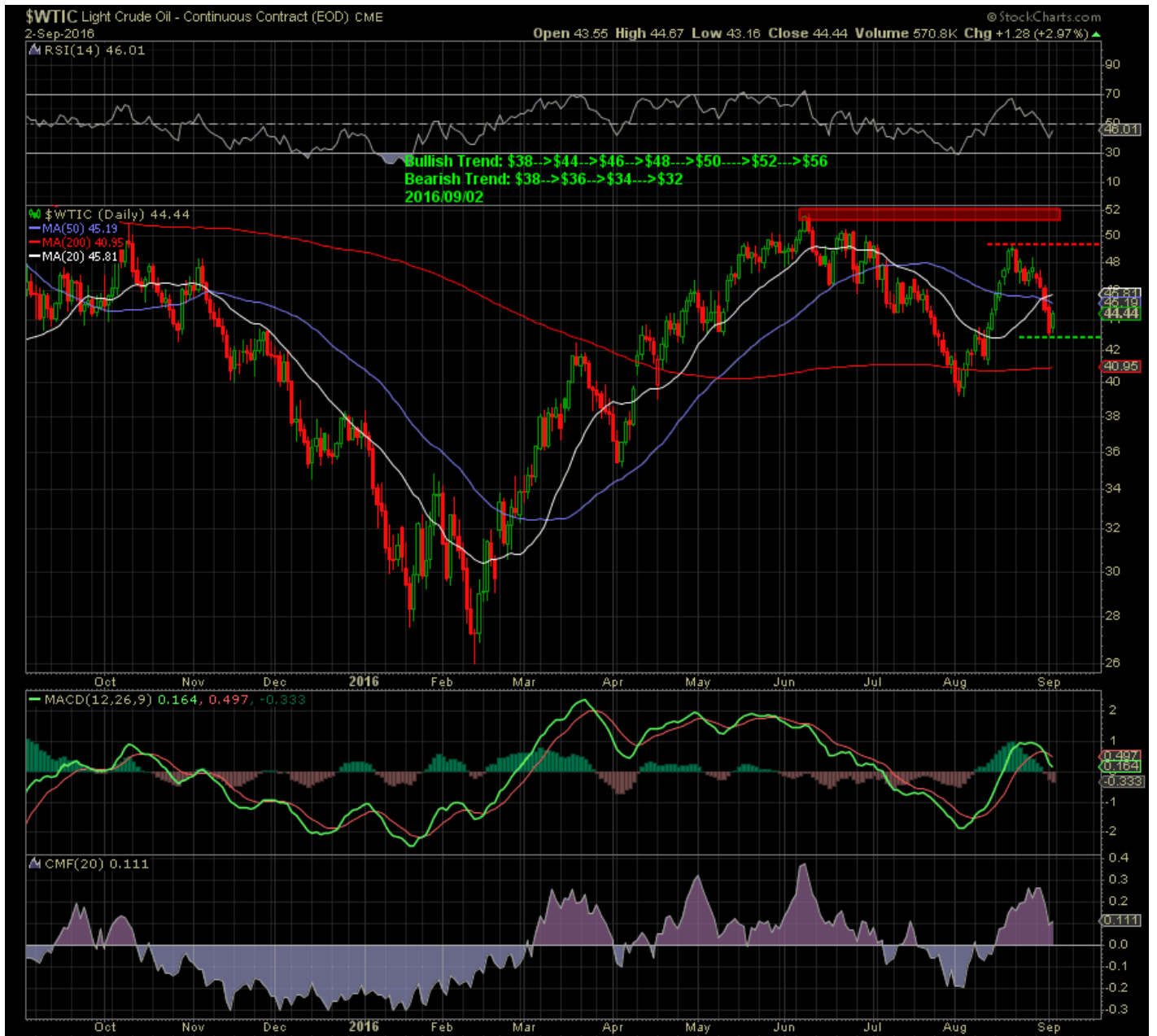


Chart 10



Chart 11

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

**Leader stocks:** AAPL ,GOOG, CMG, AMZN, ISRG, **NFLX**, PCLN, CF, FB, **TWTR**, **TSLA**,  
**Bio, health and Pharmaceutical:** ACAD, AMPE, ADXS, ACHN, BIIB, ONVO, CRIS, CERS, INSM, TROV , PRTA, RMTI, RTPT, RGLS, NVTA  
**China Stock:** **BABA**, VIPS, DL, EJ, FENG, JRJC , KNDI, WB, BIDU, XRS, DANG, XNET, YINN, YANG  
**Commodities:** UNG, NGS, **JO**, **SGG**, USO, GDX, GDXJ, SLV, CORN, JNUG , JDST  
**Energy and service sector:** XLE, PDS, CLF, PBR, SWN, ALA.TO, SU, **ECA**, **BTE**, DO, UCO, XLE, SCO, DWTI  
**Solar Stocks:** TAN, CSIQ, CSUN, TSL , SCTY, FSLR, JASO, SPWR  
**Precious metal, and mining companies:** X, SMF.TO, GLD, EGO , **CG.TO**, IMG.TO, EDR.TO, SLW, NEM, SA ,  
**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  
**Currency pair:** EUR/USD: EUO, 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: MRVL
- Wednesday: MBUU VRNT (Thur) *US Change in Crude Oil Inventories 11:00 AM ET*
- Thursday: RH *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!

*“A little thought and a little kindness are often worth more than a great deal of money.” John Ruskin*

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