



## LINVEST RESEARCH

MARKET NEWSLETTER

Lininvest Chart Chat (151) Nov 11, 2016 Weekly Update

*By Lin Yingjun*

The U.S. stock market rebounded after \$ES\_F (\$SPX future) reached lows of \$2020 in a Tuesday night futures trading session. The result of U.S. election was just like Brexit, surprising everyone. However, the U.S. market reaction was just as quick and rashly pushed SPY to its previous high of 218.5. IWM broke to a new high while QQQ remained in the same trading range and stayed slightly bearish because AAPL, AMZN, FB, GOOGL were sold off.

Bank stocks rallied on a 90% chance that the FOMC will likely hike interest rates in Dec 2016 and 2 or 3 other times in 2017. The value of the U.S. dollar shall increase against most other currencies while the Mexican peso was hurt the most. It is possible that the Bank of Canada will soon hike its interest rate to prevent further devaluation of the Canadian dollar after the FOMC raises its interest rate while the Euro is under pressure, as I have commented in the EUO chart (see: Chart 9-1). When interest rates rise, bond prices fall. TLT was sold off sharply while TBT rallied, which will continue to the uptrend. The breadth indicator at the top of SPY chart improved after the market rally of last few days. CBOE (Option Equity Put and Call Ratio, see: \$CPCE Chart) has ventured into overbought territory. \$VIX plugged, which is bullish the stock market. In summary, the U.S. equity market is short-term bullish. Whether it is short alive or not will depend on the price of SPY being able to break above \$218.5.

Gold was sold off sharply despite the high demand for gold bullion in Asian and European markets. \$1200/ounce acts as psychologically-sound support, with its next two supports being \$1168 and \$1145. As of now, the price Gold is in a bear market since its price dipped below its 200 dma in the longer term. I will be bullish on Gold again when the time comes.

The price of Crude Oil reached \$43 on election night, rebounded, and was then it was sold off back to \$43.41: its 200 dma. I mark \$42 and \$40 as support. In Lininvest Chart Chat 147, I shared that producers were shorting crude oil future towards to \$40. Seasonally-speaking, Crude Oil prices strengthen starting in January of each year and so, we will wait when the time comes to long crude oil.

The price of Natural Gas has been in a choppy mood, and the price is manipulated. It is possible that the price may dip to \$2.3 but I still expect the price of Natural Gas to get back into the \$2.9 to \$3.1 range in the next while as prices are usually strongest between the middle of November and the end of January.

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



Chart 1

**\$CPCE CBOE Options Equity Put/Call Ratio (EOD) INDX**

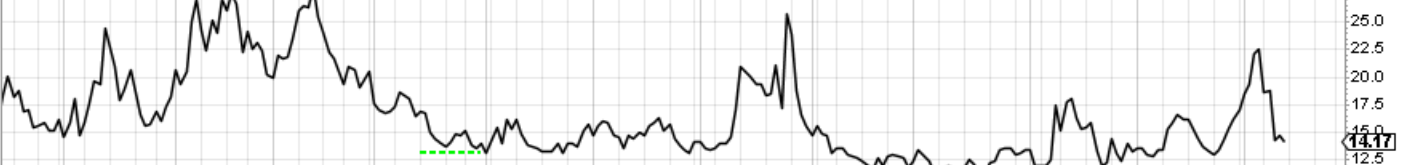
© StockCharts.com

Friday 11-Nov-2016

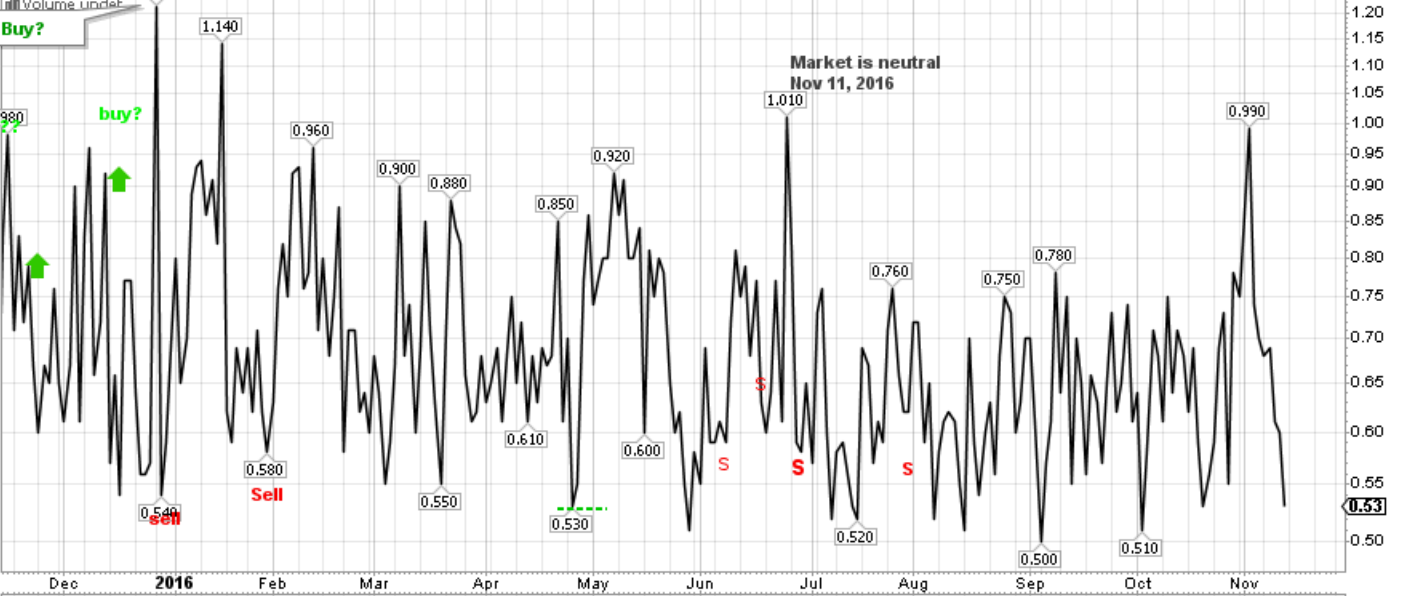
Open: **0.530** Ask: P/E: Options: **no**  
 High: **0.530** Ask Size: EPS: Annual Dividend: **N/A**  
 Low: **0.530** Bid: Last Size: Yield: **N/A**  
 Prev Close: **0.600** Bid Size: VWAP: SCTR:

▼ **-11.67%**  
 Chg: **-0.070**  
 Last: **0.530**  
 Volume: **0**

— \$VIX 14.17



— \$CPCE (Daily) 0.53



— \$SPX 2164.45



— UVXY 13.54

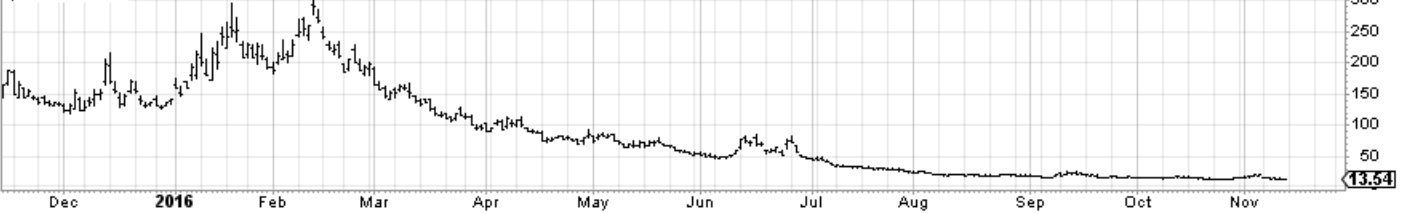


Chart 2



Chart 3

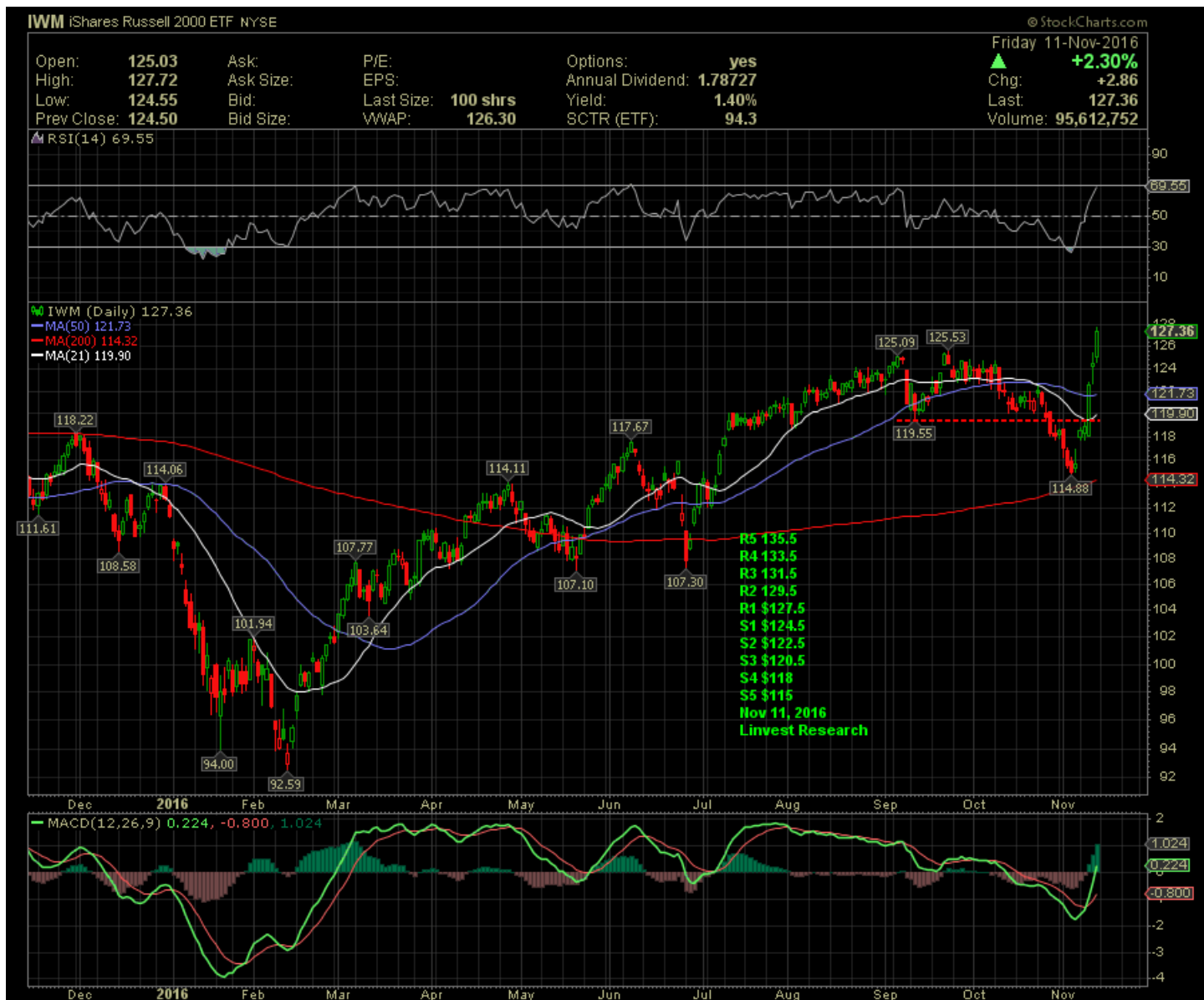


Chart 4

TLT iShares 20+ Year Treasury Bond ETF Nasdaq GM

© StockCharts.com

Open: **122.96** Ask: **122.99** P/E: Options: **yes**  
 High: **123.05** Ask Size: **2** EPS: Annual Dividend: **3.06224**  
 Low: **121.65** Bid: **122.20** Last Size: Yield: **2.51%**  
 Prev Close: **122.73** Bid Size: **10** VWAP: **122.38** SCTR (ETF): **4.5**

Friday 11-Nov-2016  
 Chg: **-0.56%**  
 Last: **122.04**  
 Volume: **10,040,165**

▲ RSI(14) 19.38

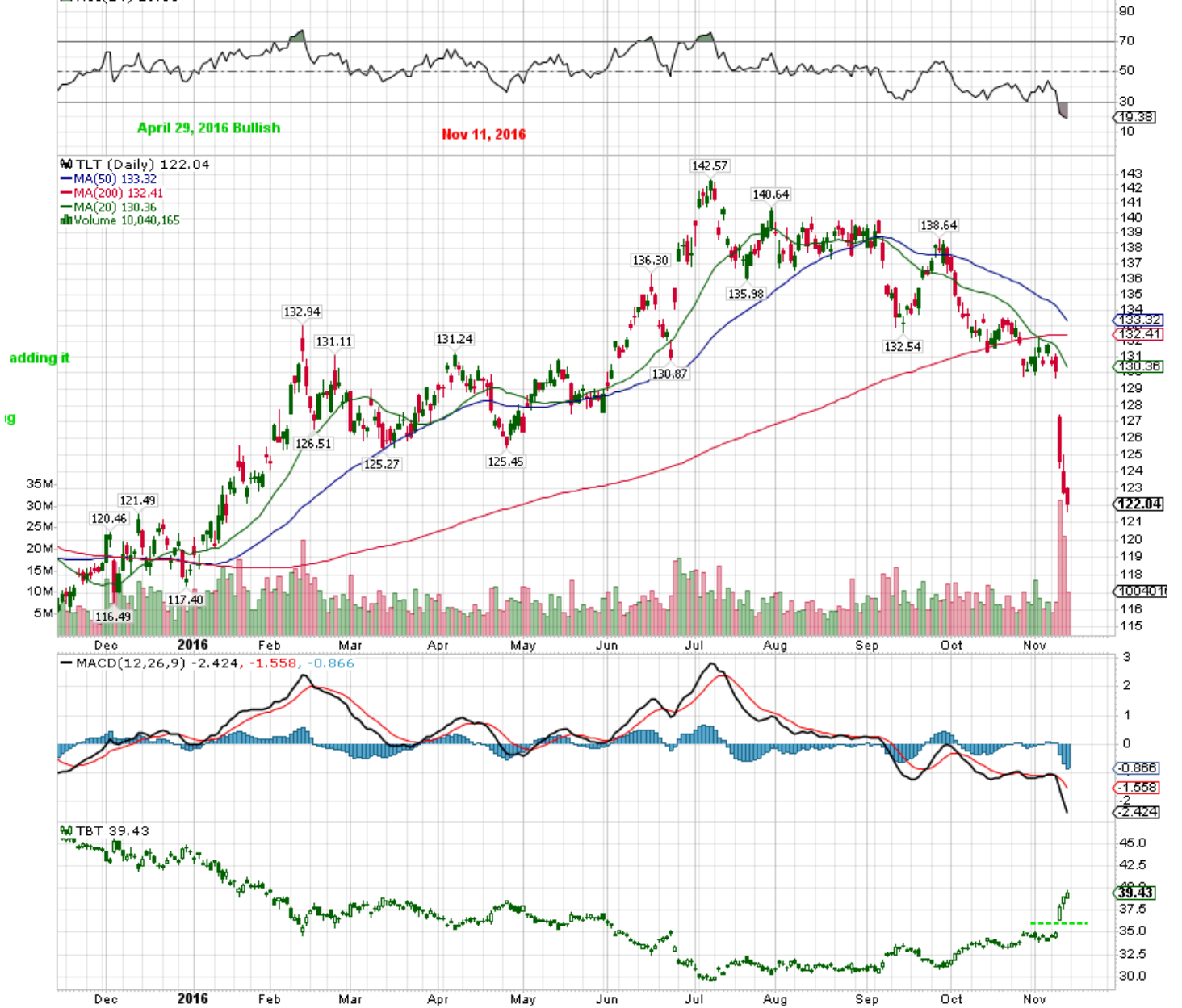


Chart 5

**\$GOLD** Gold - Continuous Contract (EOD) CME

© StockCharts.com

Open: **1258.70** Ask: P/E: Options: **no**  
 High: **1265.00** Ask Size: EPS: Annual Dividend: **N/A**  
 Low: **1218.70** Bid: Last Size: Yield: **N/A**  
 Prev Close: **1266.40** Bid Size: VWAP: SCTR:

Friday 11-Nov-2016  
 ▼ **-3.32%**  
 Chg: **-42.10**  
 Last: **1224.30**  
 Volume: **420,635**

▲ RSI(14) 29.15



Chart 6

GLD SPDR Gold Shares NYSE

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Open: **119.65** Ask: P/E: **-8.19** Options: **yes**  
 High: **119.69** Ask Size: EPS: **-14.30** Annual Dividend: **N/A**  
 Low: **116.23** Bid: Last Size: **↓200 shrs** Yield: **N/A**  
 Prev Close: **119.75** Bid Size: VWAP: **117.45** SCTR (ETF): **13.2**

Friday 11-Nov-2016  
 Chg: **-2.21%**  
 Last: **117.10**  
 Volume: **20,381,828**

▲ RSI(14) 28.71



Chart 7



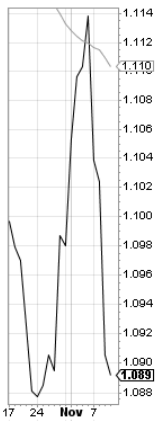
**\$USDCAD** US Dollar to Canadian Dollar (EOD) INDX

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|                           |           |            |                             |                     |
|---------------------------|-----------|------------|-----------------------------|---------------------|
| Open: <b>1.3474</b>       | Ask:      | P/E:       | Options: <b>no</b>          | Friday 11-Nov-2016  |
| High: <b>1.3548</b>       | Ask Size: | EPS:       | Annual Dividend: <b>N/A</b> | ▲ <b>+0.46%</b>     |
| Low: <b>1.3457</b>        | Bid:      | Last Size: | Yield: <b>N/A</b>           | Chg: <b>+0.0062</b> |
| Prev Close: <b>1.3471</b> | Bid Size: | VWAP:      | SCTR:                       | Last: <b>1.3533</b> |
| ▲ RSI(14) 67.32           |           |            |                             | Volume: <b>0</b>    |



Chart 8



### Chart 9

# EUO ProShares UltraShort Euro NYSE

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11-Nov-2016

Open 25.30 High 25.57 Low 25.30 Close 25.51 Volume 301.9K Chg +0.20 (+0.79%) ▲

▲ RSI(14) 66.22

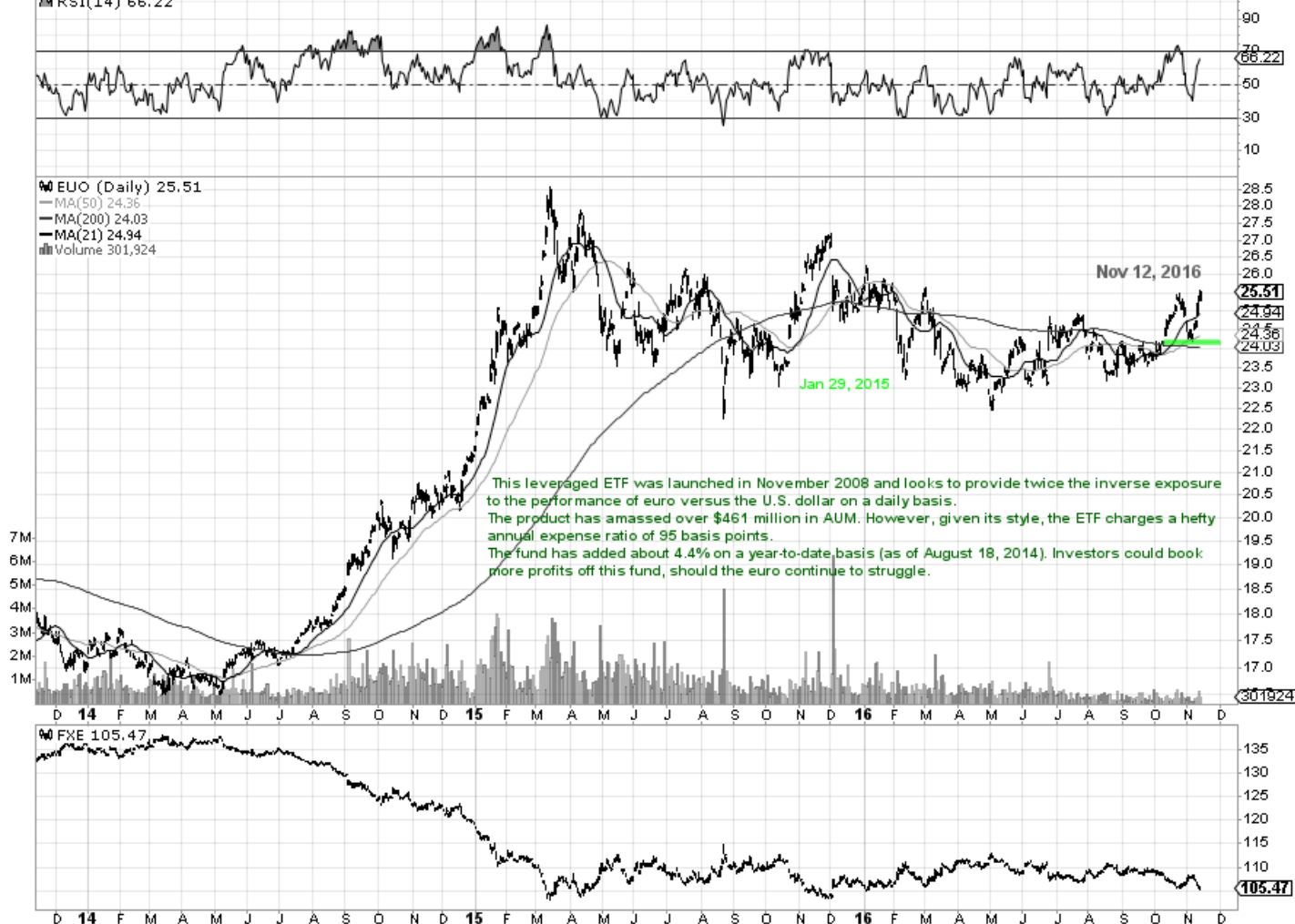


Chart 9-1

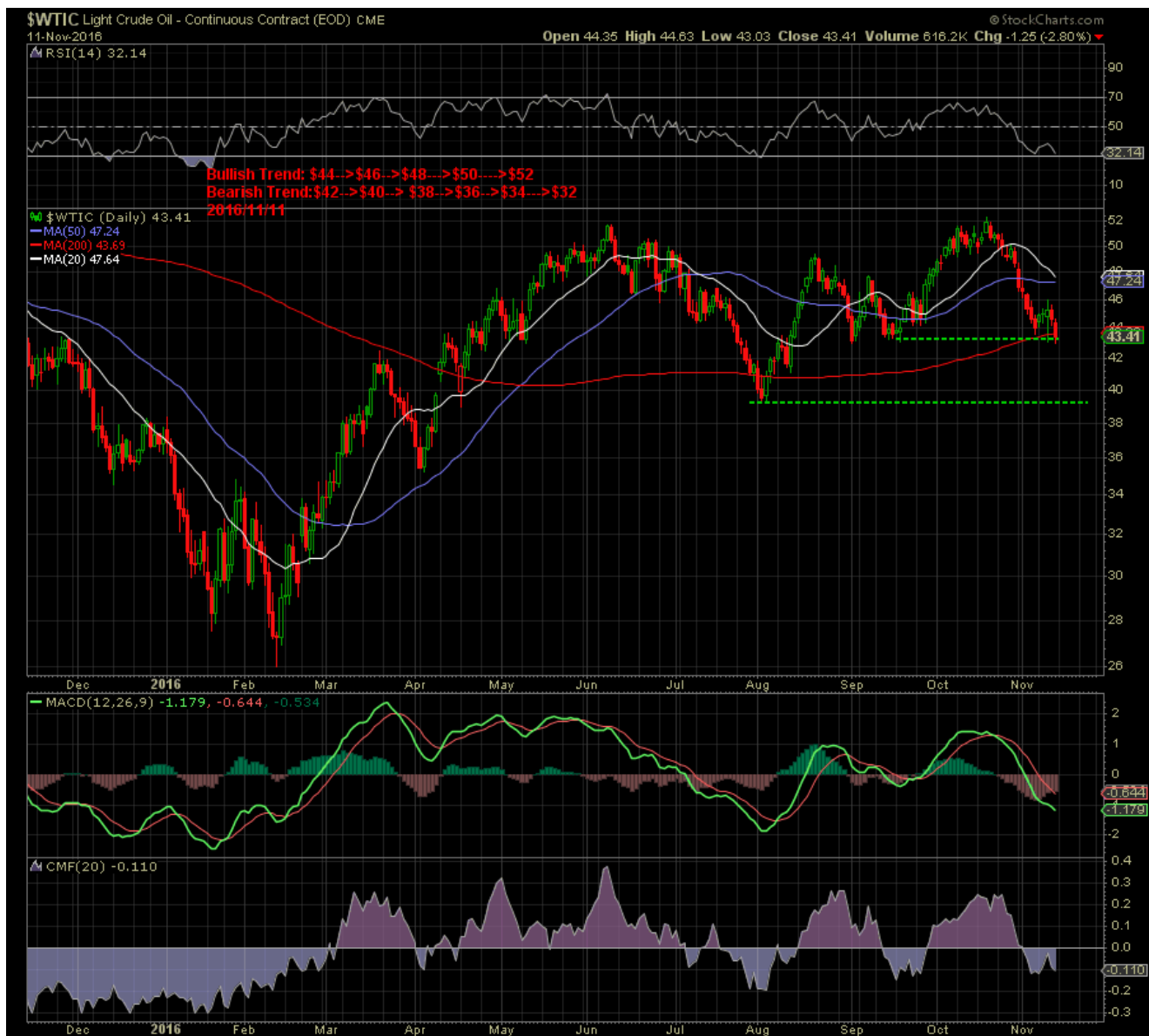


Chart 10



Chart 11

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

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

**Treasury bond ETF:** TLT vs TBT

**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, SINA, 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:** ABX, TCK, 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, CEA

**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: YRD am, TEVA am
- Wednesday
- Thursday: INTU pm
- Friday: ANF am

US Change in Crude Oil Inventories 10:30 AM ET

Weekly Natural gas storage 10:30 AM ET

\*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!

*"Never underestimate how wrong the consensus crowd can be."*

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