



LINVEST RESEARCH

MARKET NEWSLETTER

Lininvest Chart Chat (159) Jan 6, 2017 Weekly Update

By Lin Yingjun

All of the bearish signals of the market indicators turned bullish when SPY and QQQ broke to new highs. Conversely, \$VIX plunged to new lows, which, if maintained, will lead to a continued rise in the U.S. stock market with \$NFLX, \$AMZN, and \$GOOGL posed to break to the upside. Bank stocks such as BAC and JPM are in consolidation mode while GS tends to be breaking towards the new highs, "Trail and trim" will be good strategy when market reaches an all-time high. I mark support for SPY at \$222 and \$217 if the U.S. market pulls back.

TLT reached \$122 which was at its 50 dma, closed at \$120.86 after selling off. TLT's support S1 is \$120, with S2 at \$118, and S3 at 116. The price pattern shape of TLT is a round bottom with target of \$124.

The price of Gold (GLD) rallied from oversold territory and reached towards \$1148, \$1168 and 1185: prices that have broken its resistance and created new support levels for Gold. The next resistance points for Gold will be \$1200 and \$1235. The long-term posture for Gold remains bearish as the U.S. dollar grows stronger in the wake of the recent interest rate hike. Thus, we can reasonably expect more volatility for Gold in 2017.

I marked the support and resistance for GLD. GLD gaped up last Thursday and subsequently pulled back to fill the price gap it created. Thus, I mark \$110 as its support. GLD remains short-term bullish when its price is above 20 dma, with a zone of \$108- \$107 offering great support. In Lininvest Chart Chat (156), I made a call on GDX (up 24%) and GDXJ (up 30%). GLD, GDX, and GDXJ are creditable ETFs, posing less risk than 3X ETFs (such as JNUG, NUGT, and JDST DUST.) I hope that investors are aware of this.

The price of Crude Oil closed at its resistance zone of \$54. Any decisive break above this level will have it aiming for the \$57 to \$60 range. It would be a good strategy for investors to accumulate USO and energy stocks from now on. \$XLE is another creditable ETF for conservative investors.

The price of Natural Gas closed at \$3.30, its support level. If the price bounces back from this level, we could see Natural Gas venturing into the \$3.50 to \$3.75 range. If the price breaks down from the \$3.30 level, we may see Natural Gas drop to the \$3.00-\$2.60 range. A double top will be generated when the price drops below the neckline of \$3.30 for the price of Natural gas which we shall watch closely. The strength of natural gas prices ends in January.

Both the Chinese (\$SSEC) and Hong Kong (HSI) stock markets rallied last week and pulled back under its 50 dma with their trends remaining neutral. Thus, I expect that both markets will be flat for the time being and build positive gains after the Chinese New Year.

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

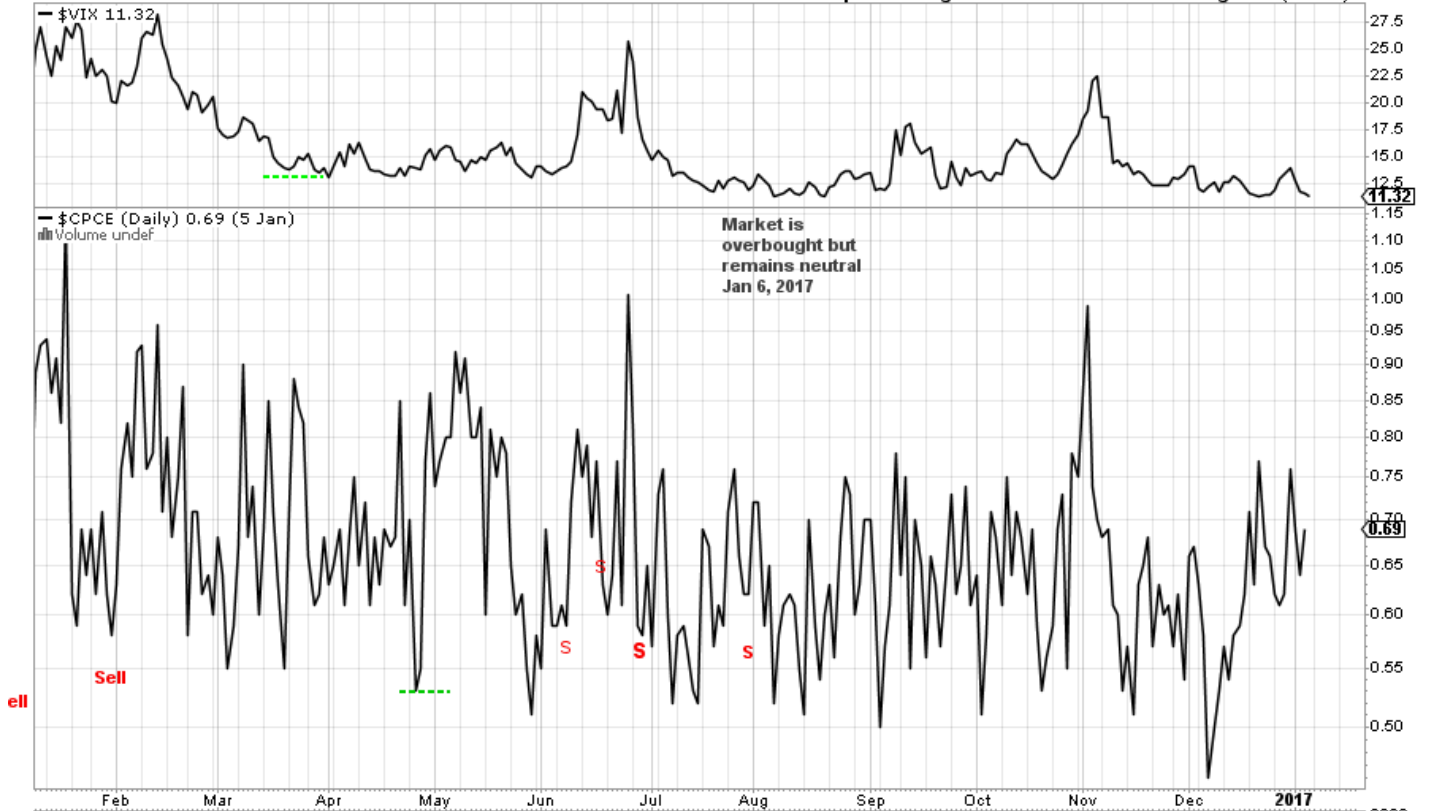


Chart 1

\$CPCE CBOE Options Equity Put/Call Ratio (EOD) INDEX
5-Jan-2017

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Open 0.69 High 0.69 Low 0.69 Close 0.69 Chg +0.05 (+7.81%) ▲



1/4 \$SPX 2276.98

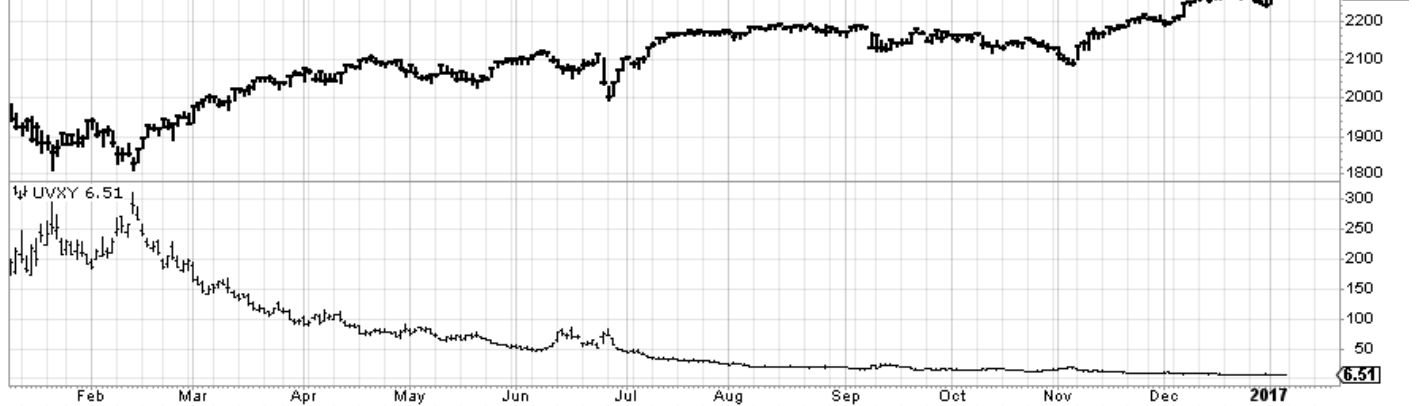


Chart 2

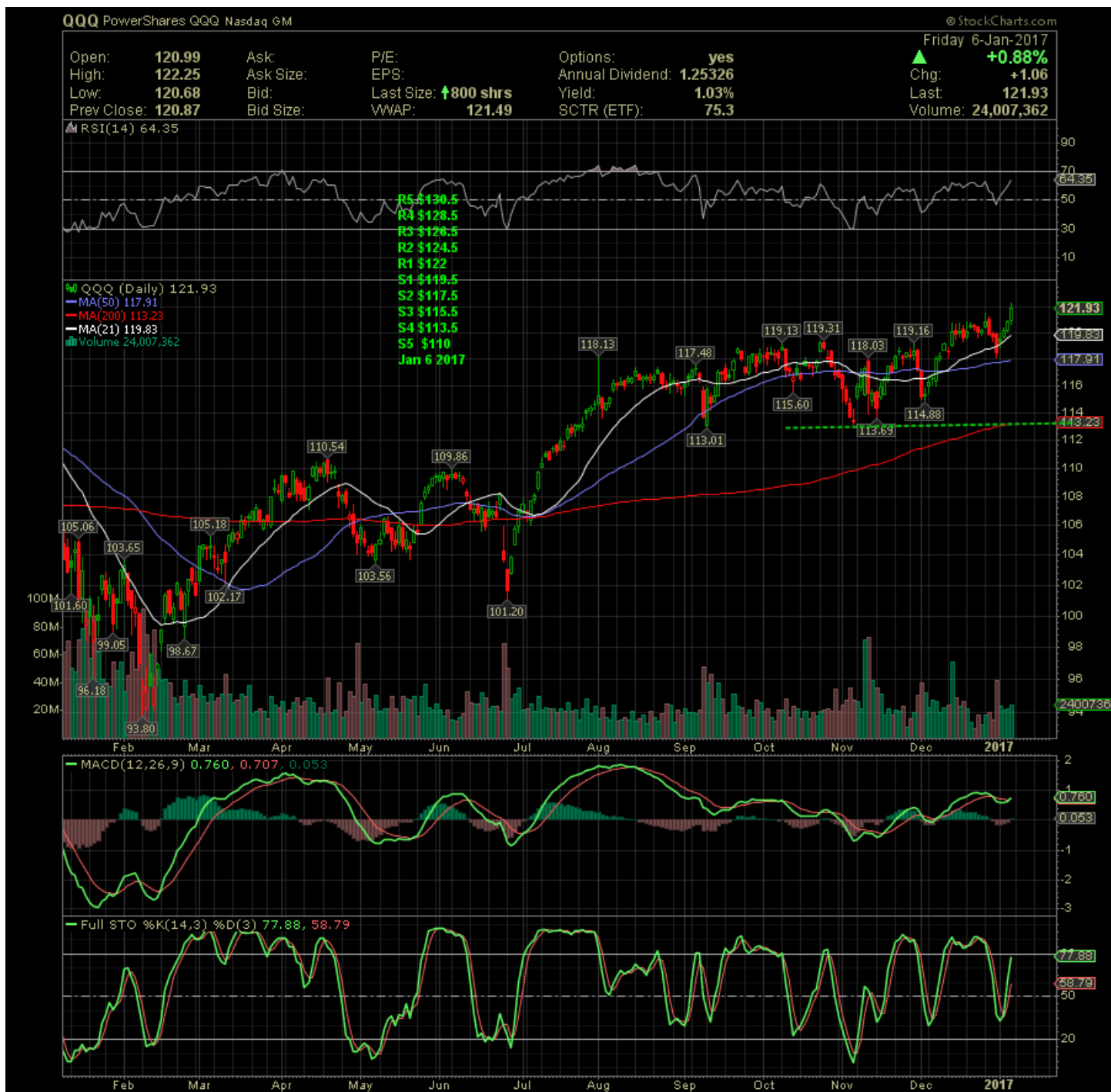


Chart 3

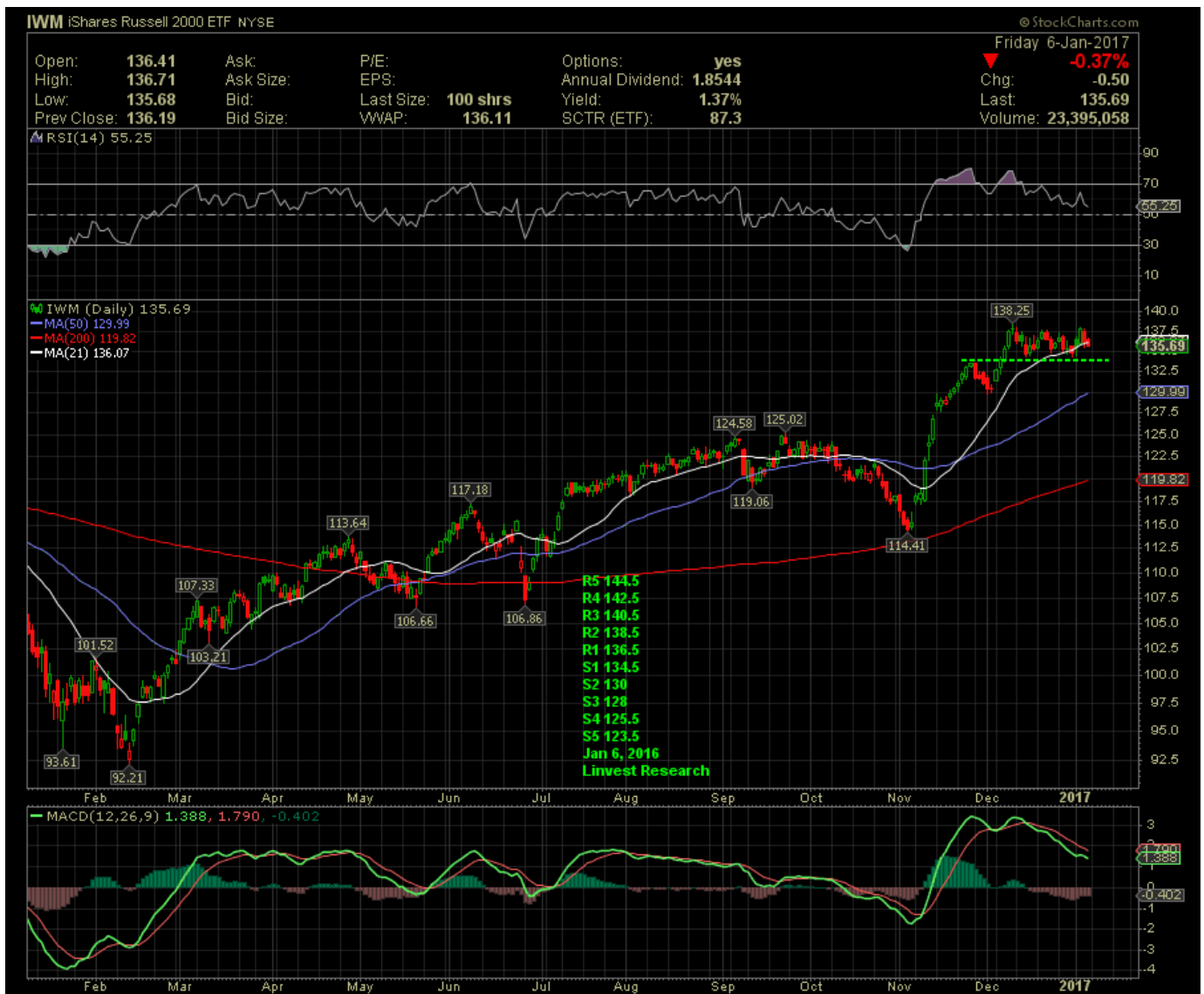


Chart 4

TLT iShares 20+ Year Treasury Bond ETF Nasdaq QM

© StockCharts.com

Open: **121.13** Ask: P/E: Options: **yes**
 High: **121.54** Ask Size: EPS: Annual Dividend: **3.10293**
 Low: **120.75** Bid: Last Size: **1200 shrs** Yield: **2.57%**
 Prev Close: **121.98** Bid Size: VWAP: **121.12** SCTR (ETF): **3.0**

Friday 6-Jan-2017
 Chg: **-0.92%**
 Last: **120.86**
 Volume: **8,369,304**



Chart 5



Chart 6

GLD SPDR Gold Shares NYSE

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Open: **112.87** Ask: P/E: **-7.94** Options: **yes**
 High: **114.19** Ask Size: EPS: **-14.30** Annual Dividend: **N/A**
 Low: **112.17** Bid: Last Size: Yield: **N/A**
 Prev Close: **113.15** Bid Size: VWAP: SCTR (ETF): **4.2**

Wednesday 11-Jan-2017

▲ **+0.31%**
 Chg: **+0.35**
 Last: **113.50**
 Volume: **9,918,689**

▲ RSI(14) 60.58

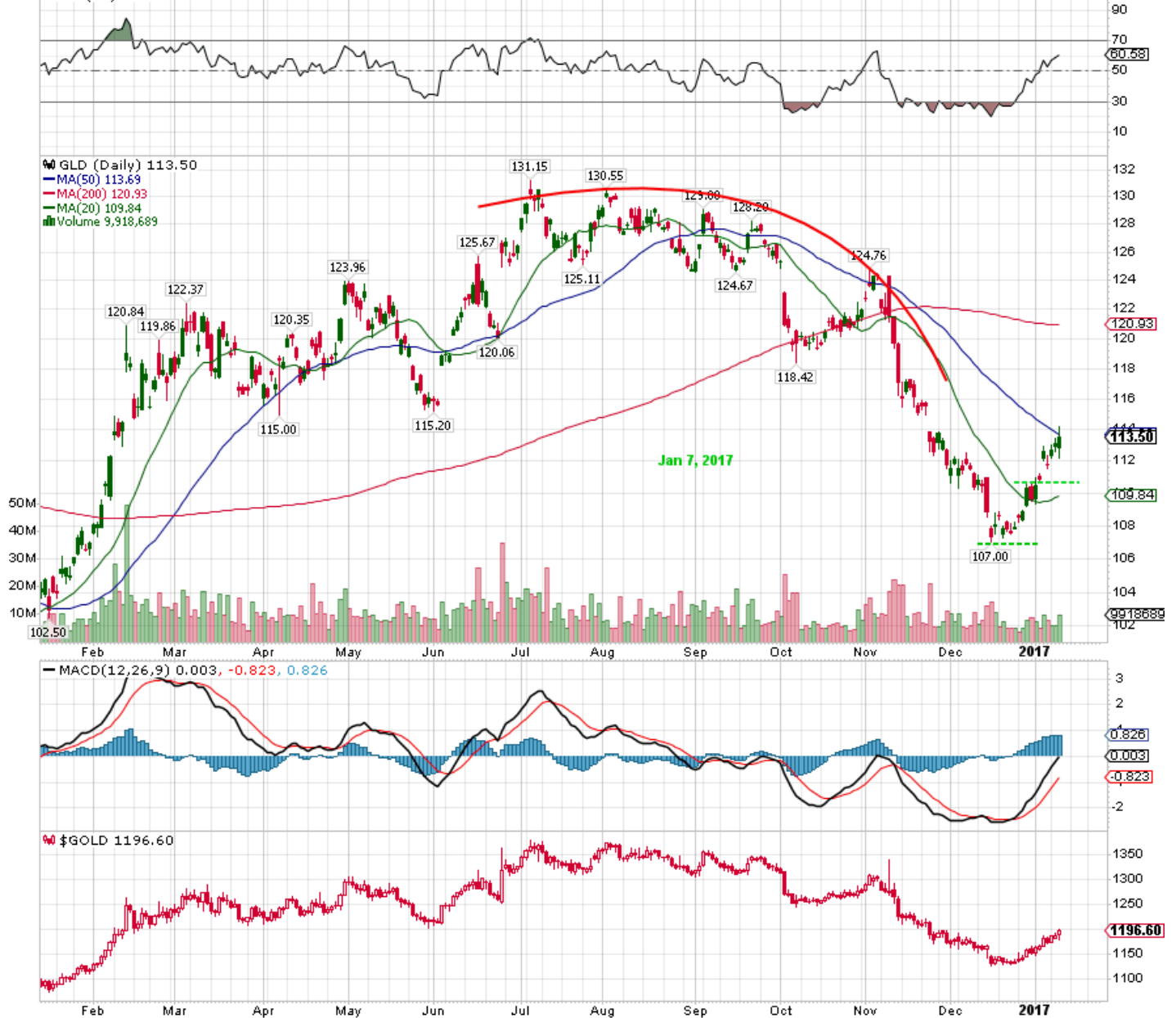


Chart 7

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

30-Dec-2016

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Open 1.348 High 1.350 Low 1.340 Close 1.344 Chg -0.006 (-0.47%)

RSI(14) 52.95



UUP 26.46



Chart 8

EUO ProShares UltraShort Euro NYSE

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Open: **27.000** Ask: **28.350** P/E:
 High: **27.110** Ask Size: **50** EPS:
 Low: **26.820** Bid: **26.370** Last Size: **↓5004 shrs**
 Prev Close: **27.280** Bid Size: **1** VWAP: **26.990**
 RSI(14) 53.22

Options: **yes**
 Annual Dividend: **N/A**
 Yield: **N/A**
 SCTR:

Friday 30-Dec-2016
 Chg: **-0.73%**
 Last: **27.080**
 Volume: **498,746**



Chart 9



Chart 10



Chart 11

\$SSEC Shanghai Stock Exchange Composite Index (EOD) INDX

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Open: **3163.78** Ask: P/E: Options: **no**
 High: **3172.03** Ask Size: EPS: Annual Dividend: **N/A**
 Low: **3153.02** Bid: Last Size: Yield: **N/A**
 Prev Close: **3165.41** Bid Size: VWAP: SCTR:

Friday 6-Jan-2017
 ▼ **-0.35%**
 Chg: **-11.09**
 Last: **3154.32**
 Volume: **0**

▲ RSI(14) 51.36

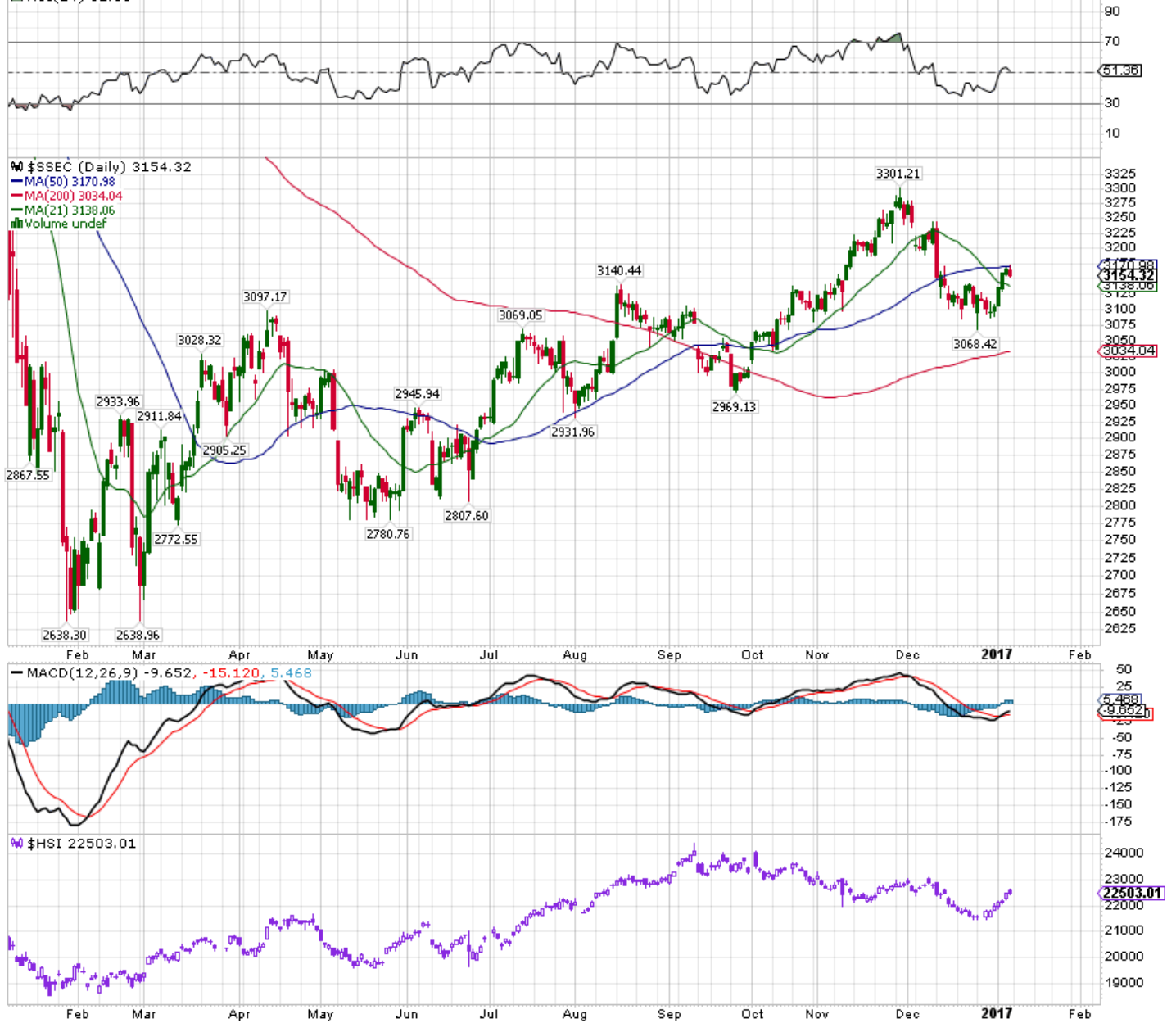


Chart 12

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, MGLN, 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.

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,

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 :
- Thursday : INFY am
- Friday:

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!

Optimism is the faith that leads to achievement. Nothing can be done without hope and confidence.
Helen Keller

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