



LINVEST RESEARCH

MARKET NEWSLETTER

Lininvest Chart Chat (165) Feb 17, 2017 Weekly Update

By Lin Yingjun

The term “overbought” doesn’t necessarily mean that we have to “sell off.” Indeed, stocks can stay in overbought territory for long periods of time. This often happens to the U.S. equity market, whose 1st support zone I mark at **\$230-\$220**. Overall, the U.S. market remains bullish and on a “buy” signal. Even \$VIX is bullish, but as long as it remains below \$14, the stock market will continue to rise.

TLT peaked at \$123.5 and was sold off last week. However, the primary trend of TLT is downwards. I mark its supports as follows: S1 120, S2 118 and S3 116 with \$123.5 as its short-term resistance. Just remember this: when inflation rises, so do interest rates and bond yields, while bond prices fall. Overall, TLT is bearish in the long term, and so, we can long TBT to short TLT in contrast we can consider going long on TMF instead of going long on TLT if the price of TLT goes up.

The price of Gold peaked at **\$1247** and I mark its various supports as follows: S1 \$1220, S2 1200, and S3 1180. That said, I rate the price of Gold as remaining neutral until the FOMC meeting regarding interest rate hikes occurs March 14-15. Gold will remain bullish as long as prices hold above \$1180, with \$1240, \$1260 and \$1280 as its resistances. I will update the status of Gold when the time comes.

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 remains bearish we may see Natural Gas prices drop to the **\$3.00-\$2.60** range. A triple-top will be generated when the price of Natural Gas drops below its neckline of \$3.30, however if the price bounces back from this level of \$3.3, we could see Natural Gas venturing into the \$3.50 to \$3.75 range. Seasonally-speaking, the strength of natural gas is venturing into another favorable period, specifically, early March. Thus, I am curious to see if the price of natural gas price bounces from \$2.60.

The Chinese (\$SSEC) and Hong Kong (HSI) stock markets are in consolidation phase and will continue on an uptrend.

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
17-Feb-2017

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Chart 2

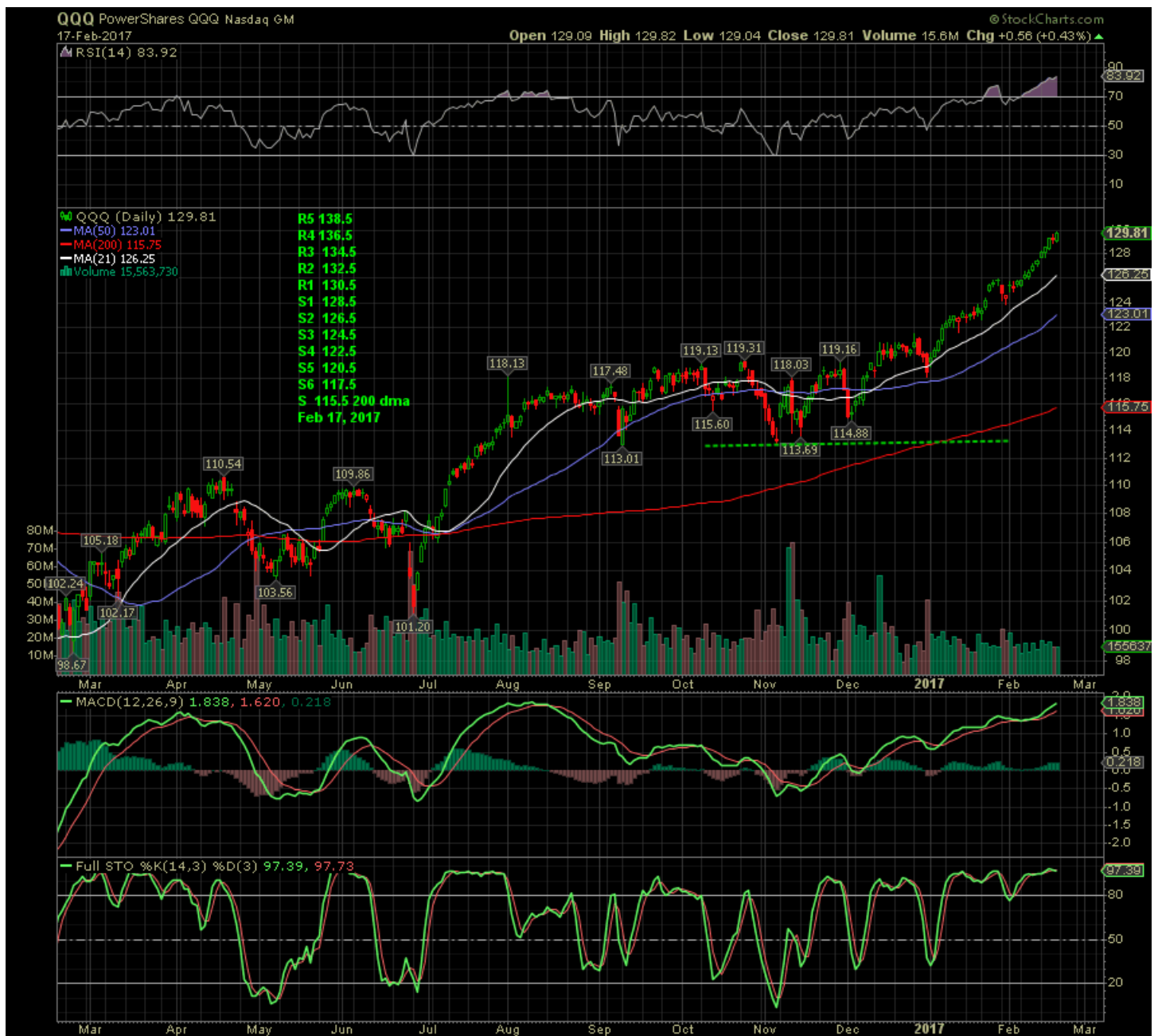


Chart 3



Chart 4



Chart 5

TLT iShares 20+ Year Treasury Bond ETF Nasdaq GM

17-Feb-2017

RSI(14) 51.76

Open 120.61 High 120.70 Low 120.13 Close 120.32 Volume 7.9M Chg +0.71 (+0.59%) ▲



Chart 6

GLD SPDR Gold Shares NYSE

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Open: **118.19** Ask: P/E: **-8.23** Options: **yes**
 High: **118.40** Ask Size: EPS: **-14.30** Annual Dividend: **N/A**
 Low: **117.62** Bid: Last Size: **1000 shrs** Yield: **N/A**
 Prev Close: **118.08** Bid Size: VWAP: **118.03** SCTR (ETF): **6.1**
 RSI(14) 61.61

Friday 17-Feb-2017
 Chg: **-0.34%**
 Last: **117.68**
 Volume: **7,338,065**



Chart 7

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

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Open: **1.3077** Ask: P/E: Options: **no**
 High: **1.3127** Ask Size: EPS: Annual Dividend: **N/A**
 Low: **1.3060** Bid: Last Size: Yield: **N/A**
 Prev Close: **1.3070** Bid Size: VWAP: SCTR:
 RSI(14) 45.84

Friday 17-Feb-2017
 ▲ **+0.19%**
 Chg: **+0.0025**
 Last: **1.3095**
 Volume: **0**



Chart 8

EUO ProShares UltraShort Euro NYSE

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Open: **26.400** Ask: P/E: Options: **yes**
 High: **26.700** Ask Size: EPS: Annual Dividend: **N/A**
 Low: **26.400** Bid: Last Size: **↓444 shrs** Yield: **N/A**
 Prev Close: **26.360** Bid Size: VWAP: **26.605** SCTR:

Friday 17-Feb-2017
 ▲ **+1.21%**
 Chg: **+0.320**
 Last: **26.680**
 Volume: **254,587**

▲ RSI(14) 54.67



Chart 9



Chart 10



Chart 11

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

© StockCharts.com

Friday 17-Feb-2017

Open: **3227.71** Ask: P/E: Options: **no**
 High: **3238.40** Ask Size: EPS: Annual Dividend: **N/A**
 Low: **3199.43** Bid: Last Size: Yield: **N/A**
 Prev Close: **3229.62** Bid Size: VWAP: SCTR:

Chg: **-0.85%**
 Last: **3202.07**
 Volume: **0**

▲ RSI(14) 59.18



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, 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, 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, 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 : TSLA pm
- Thursday: BIDU am
- Friday: JCP 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!

*Most of the important things have been accomplished by people who have kept on trying when there seemed to be no hope at all.
~Dale Carnegie*

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