investors CHRONICLE

THE TRADER'S STOCK MARKET OUTLOOK



http://www.investorschronicle.co.uk/comment/the-trader nicole.elliott@ft.com

USA strong again, says Fed

Fed Funds unchanged

At yesterday's FOMC meeting the US Federal Reserve kept their target rate at between 1.75 and 2.00 per cent, as widely expected. In the comments accompanying the decision they noted that the labour market 'continued to strengthen', 'economic activity has been rising at a strong rate', plus household spending and business fixed investment have 'grown strongly'. As the cynical Zero Hedge web site points out: if this is the case, why is homelessness and people sleeping in their cars soaring?

Endless drivel written and speculation about today's Bank of England Monetary Policy Committee meeting and whether they will raise rates – for the second time in a decade. If they do, and heed the pricing in the derivatives market as they said they would, then we'll get to a measly and largely irrelevant 0.75 per cent for Bank Rate. And the reason this would be the second 25 basis point hike is that the post-referendum cut, to a record low 0.25 per cent, was reversed quite quickly.

Nicole Elliott



DAX 30



IG Index chart

Momentum inched into the red along with prices as the Financial Times explains: 'How Germany became Trump's punchbag'.

SHORT TERM TRADER: New short at 12635; stop above 12900. Target 12200.

POSITION TAKER: Square.

SUPPORT	RESISTANCE
12600	12740
12535	12890
12450	12930
12390	13015



FTSE 100



IG Index chart

A fairly decisive bearish engulfing candle yesterday acted as a pincer movement to Tuesday's squeeze higher. The index is back inside the gently sloping downward trend channel and momentum has edged into bearish territory.

SHORT TERM TRADER: New short at 7610; stop above 7800. First target 7500.

POSITION TAKER: Small short at 7799; stop well above 7800. First target 7400, then 7100.

SUPPORT	RESISTANCE
7600	7655
7535	7700
7500	7760
7485	7800



S&P 500



IG Index chart

A potential tiny head & shoulders top in the making and momentum might turn bearish today.

SHORT TERM TRADER: Added to my short position this morning so now shorter at an average price of 2795; stop above 2880. Target 2600.

POSITION TAKER: Short at 2805; stop above 2900. Target 2555.

SUPPORT	*RESISTANCE*
2800	2827
2785	2848
2760	2860
2740	2877



BRITISH POUND/US DOLLAR



IG Index chart

Momentum is rubbish. Tomorrow PM Theresa May goes to President Macron's summer house at Fort Bregancon near Toulon for a working visit. This is the castle on the Riviera where he wants taxpayers to build him a swimming pool so they can avoid prying paparazzi.

SHORT TERM TRADER: Long at 1.3140; stop below 1.3000. Target 1.4000.

POSITION TAKER: Square.

SUPPORT	RESISTANCE
1.3070	1.3215
1.3000	1.3294
1.2960	1.3365
1.2900	1.3400



EURO/US DOLLAR



IG Index chart

Failing at the top of the triangle yet again.

SHORT TERM TRADER: Long at 1.1655; stop below 1.1600. First target 1.1850.

POSITION TAKER: Square.

SUPPORT	RESISTANCE
1.1620	1.1700
1.1600	1.1750
1.1575	1.1800
1.1500	1.1855



GOLD



IG Index chart

It doesn't look like much but yesterday was the lowest daily close this year.

SHORT TERM TRADER: Will sell again depending on Friday's close.

POSITION TAKER: Short at 1242; stop above 1250. Target 1140.

SUPPORT	RESISTANCE
1217	1229
1211	1235
1200	1255
1195	1268



Nicole Elliott is a long-standing member and Fellow of the Society of Technical Analysts and has taken over the IC's trading coverage. She is regularly interviewed and quoted by the financial media, is a conference speaker, and author of several books on charting.

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