



FTSE 100, February 4th

FTSE 100	Next few days	Target: 5750 (Future 5699)												
Trend	Down	Best risk/reward trade: Sell in the range 5940-6115 for a move to 5750												
Action	Sell													
Risk of trend reversal	Low													
Stop loss		Why? Indicators are mostly bearish and the Elliott wave is wave (iii) down. Wave iii (circle) down is unfolding in five waves [(i),(ii),(iii),(iv),(v)] and wave i (circle) may have ended at today's low [5791]. If so the index should rally to complete wave (ii) near 5950, then the next move is wave (iii) down. Wave (i) should be complete because the pattern inside it is in five waves on the 15-min chart. Because wave (ii) has yet to come, the decline will start from higher levels. Strong resistance between 6115 (previous high) and 6110 (resistance line).												
FTSE 100 cash	above 6115													
FTSE 100 March	above 6064													
<p>The trend is likely to reverse when the risk of a trend reversal is high. A breach of a key reversal level implies a neutral position.</p> <p>Forecast Indicators (120-min chart)</p> <table border="1"> <tr> <td>Elliott wave</td> <td>Bearish</td> </tr> <tr> <td>Sentiment</td> <td>Bearish</td> </tr> <tr> <td>MACD</td> <td>Bearish</td> </tr> <tr> <td>DMI</td> <td>Bearish</td> </tr> <tr> <td>RSI</td> <td>Neutral</td> </tr> <tr> <td>M/A crossover</td> <td>Bullish</td> </tr> </table>			Elliott wave	Bearish	Sentiment	Bearish	MACD	Bearish	DMI	Bearish	RSI	Neutral	M/A crossover	Bullish
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FTSE 100	Next few weeks	Target: 5500 (Future 5449)												
Trend	Down	Best risk/reward trade: Sell in the range 6000-6314.5 for a move to 5500												
Action	Sell													
Risk of trend reversal	Low													
Stop loss		Why? Indicators are mostly bearish and the Elliott wave is wave iii (circle) down. Wave ii (circle) appears to have ended at 6115 after completing a complex pattern [(w),(x),(y)]. The wave of larger degree is wave 3 in five waves [i,ii,iii,iv,v (circle)]. This move started at 6314.5, the index cannot return to that level. Today's decline is the start of wave iii (circle) down, this move is wave (i). The index should bounce back to complete wave (ii) before declining further. Strong resistance between 6314.5 (previous high) and 6258 (resistance line).												
FTSE 100 cash	above 6314.5													
FTSE 100 March	above 6263.5													
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Trade Alert

Contract: FTSE 100 March

Trade: We sell at 5890, target 5690, stop loss 6000

Key levels & Events

Key levels	Cash	Future	Main events (UK time):		
Elliott wave resistance	7122.5	7071.5	Today	08:00	ECB president Draghi speaks
Previous support line (1)	6605	6554.0	Today	12:00	UK interest rate decision
Elliott wave resistance	6488	6437.0	Today	12:00	BoE MPC meeting minutes
Elliott wave resistance	6447.5	6396.5	Today	12:45	BoE gov Carney speaks
200-day MA	6423	6372.0	Today	13:30	US jobless claims
Elliott wave resistance	6314.5	6263.5	Today	15:00	US factory orders
Resistance line (2)	6258	6207.0			
Previous high	6115	6064.0			
Resistance line	6110	6059.0			
Pivot R2	5984.5	5933.5			
Pivot R1	5911	5860.0			
Pivot point	5851	5800.0			
Pivot S1	5777	5726.0			
Pivot S2	5717.5	5666.5			
Elliott wave support	5640	5589.0			
Support line (3)	5624	5573.0			
Support line	5540	5489.0			

(1) Drawn from the lows on 9 August 2011 and 16 October 2014
(2) Drawn from the highs on 29 May and 2 December
(3) Drawn from the lows on 24 August and 20 January

Events that could change the forecast

ECB president Draghi speaks at 08:00

If UK interest rates go down - **Bullish**, go up - **Bearish**

If BoE MPC meeting minutes hint at lower rates - **Bullish**, higher rates - **Bearish**

BoE gov Carney speaks at 12:45

If US jobless claims higher than expected - **Bearish**, lower than expected - **Bullish**

If US factory orders higher than expected - **Bullish**, lower than expected - **Bearish**

2-hour chart



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