



## FTSE 100, May 28th

FTSE 100	Next few days
Trend	Down
Action	Sell
Risk of trend reversal	Medium
Stop loss	
FTSE 100 cash	above 7122.5
FTSE 100 June	above 7113.5

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.

Forecast Indicators (120-min chart)

Elliott wave	Bearish
Sentiment	Bearish
MACD	Bearish
<a href="#">DMI</a>	Bullish
RSI	Neutral
M/A crossover	Bullish

Target: 6900 (Future 6891)

Best risk/reward trade:

Sell in the range 7000-7122.5 for a move to 6900

Why?

Indicators are mixed and the Elliott wave is the start of wave iii (circle) down. The rally today appears to be wave (e) of ii (circle). The index is tracing out a triangle [(a),(b),(c),(d),(e)] that will form wave ii (circle). This triangle appears to be over which means the index will decline tomorrow. The MACD has crossed below the signal line (bearish), the next move will be the start of wave iii (circle) down.

Strong resistance between 7122.5 (Elliott wave resistance) and 7117.5 (pivot R2).

FTSE 100	Next few weeks	Target: 6700 (Future 6691)
Trend	Down	
Action	Sell	Best risk/reward trade:
Risk of trend reversal	Medium	Sell in the range 7000-7219 for a move to 6700
Stop loss		Why?
FTSE 100 cash	above 7219	Indicators are mixed and the Elliott wave is wave iii (circle) down of a new long term decline. Wave i (circle) ended at 6810, wave ii (circle) is currently underway, this wave may have ended today at 7054 after taking the shape of a triangle [(a),(b),(c),(d),(e)]. The DMI's +DI line has crossed below the -DI line (bearish), the next move should be wave iii (circle) down.
FTSE 100 June	above 7210	Strong resistance between 7122.5 (Elliott wave resistance high) and 7219 (resistance line).

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.

Forecast Indicators (120-min chart)

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## Trade Alert

**Contract:** FTSE 100 June

**Trade:** We sell at 7035, target 6780, stop loss 7135

## Key levels & Events

Key levels	Cash	Future	Main events (UK time):		
Resistance line (1)	7219	7210.0			
Elliott wave resistance	7122.5	7113.5			
Pivot R2	7117.5	7108.5			
Previous high	7083.5	7074.5	Today	07:20	FOMC member Williams speaks
Pivot R1	7075.5	7066.5	Today	09:30	UK GDP
Pivot point	7012	7003.0	Today	13:30	US jobless claims
Pivot S1	6970	6961.0	Today	15:00	US pending home sales
Previous low	6930.5	6921.5			
Pivot S2	6906.5	6897.5			
Support line (4)	6903	6894.0			
Support line (3)	6851	6842.0			
200-day MA	6739	6730.0			
Elliott wave support	6694	6685.0			
Support line (2)	6331	6322.0			
Elliott wave support	6144.5	6135.5			
(1) Drawn from the highs on 21 November 2014 and 24 March 2015					
(2) Drawn from the lows on 16 October and 16 December 2014					
(3) Drawn from the lows on 11 March and 7 May					
(4) Drawn from the lows on 16 December 2014 and 7 May					

## Events that could change the forecast

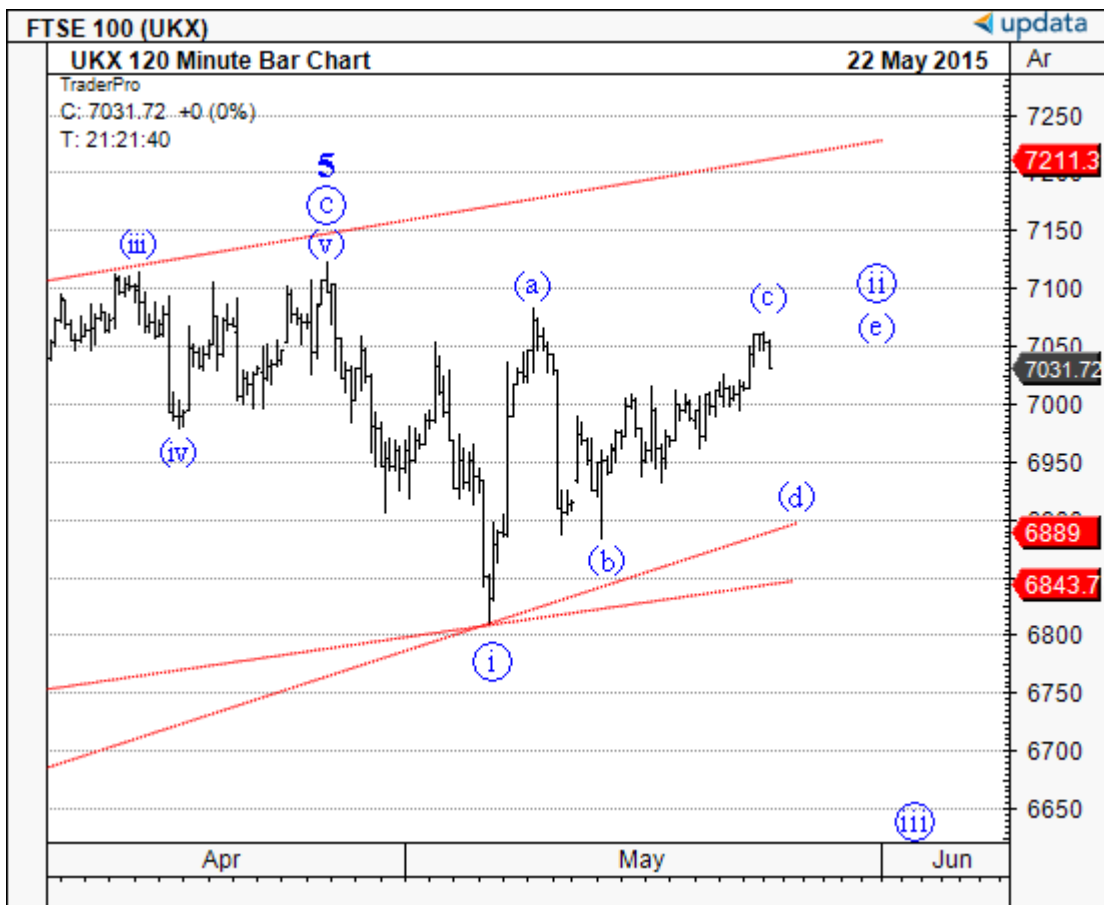
FOMC member Williams speaks at 07:20

If UK GDP higher than expected – **Bullish**, lower than expected – **Bearish**

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

If US pending home sales higher than expected – **Bullish**, lower than expected – **Bearish**

2-hour chart



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