S&P 500, November 13th

	Next few days
Trend	Up
Action	Buy
Risk of trend reversal	High
Stop loss	
S&P 500 cash	below 1993.5
S&P 500 December	below 1989

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	Bullish
Sentiment	Bearish
MACD	Bearish
DMI	Bearish
RSI	Bullish
M/A crossover	Bearish

Target: **2065** (Future **2060**)

Best risk/reward trade:

Buy in the range 1993.5-2025 for a move to 2065

Why?

Indicators are mostly bearish and the Elliott wave is wave v (circle) up. Wave iii (circle) ended at 2116.5, wave iv (circle) is the current decline, this move is nearing as it is approaching the 38.2% retracement. The RSI has dropped to oversold (below 30), an indication that the decline is ending. The decline is in three waves which is another indication that the move is corrective and the uptrend remains intact. The next move is wave v (circle) up, but too many indicators are bearish, the risk of a trend reversal is high.
Strong support between 1993.5 (Elliott wave support) and 2028 (pivot S2).

	Next few weeks
Trend	Up
Action	Buy
Risk of trend reversal	Medium
Stop loss	
S&P 500 cash	below 1993.5
S&P 500 December	below 1989

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 (daily chart)

Elliott wave	Bullish
Sentiment	Bearish
MACD	Bearish
DMI	Bearish
RSI	Neutral
M/A crossover	Bullish

Target: **2170** (Future **2165**)

Best risk/reward trade:

Buy in the range 1993.5-2060 for a move to 2170

Why?

Indicators are mixed and the Elliott wave is wave 5 up. The rally above the 200-day MA is a third wave, the structure of the rally is impulsive and the current decline is wave iv (circle). After yesterday's decline wave iv (circle) is probably over. If not downside is limited, a normal retracement for a fourth wave is 38.2%, the index is near that level. In any case wave iv (circle) cannot overlap the top of wave i (circle) [1993.5].
Strong support between 1993.5 (Elliott wave support) and 2028 (pivot S2).

Trade Alert

Contract: S&P 500 December

Trade: We buy at 2025, target 2100, stop loss 1988

Key levels & Events

Key levels	Cash	Future
Resistance line (1)	2292	2287.3
Resistance line (2)	2171	2166.3
Elliott wave resistance	2134.5	2129.8
Previous high	2116.5	2111.8
Pivot R2	2081.5	2076.8
200-day MA	2064	2059.3
Pivot R1	2063.5	2058.8
Pivot point	2054.5	2049.8
Pivot S1	2037	2032.3
Pivot S2	2028	2023.3
Elliott wave support	1993.5	1988.8
Support line	1878	1873.3
Previous low	1872	1867.3
Elliott wave support	1867	1862.3
Support line (3)	1650	1645.3

(1) Drawn from the highs in July 2014 and December 2014
(2) Drawn from the highs in February 2015 and May 2015
(3) Drawn from the lows on 9 June and 24 August

Main events (UK time):

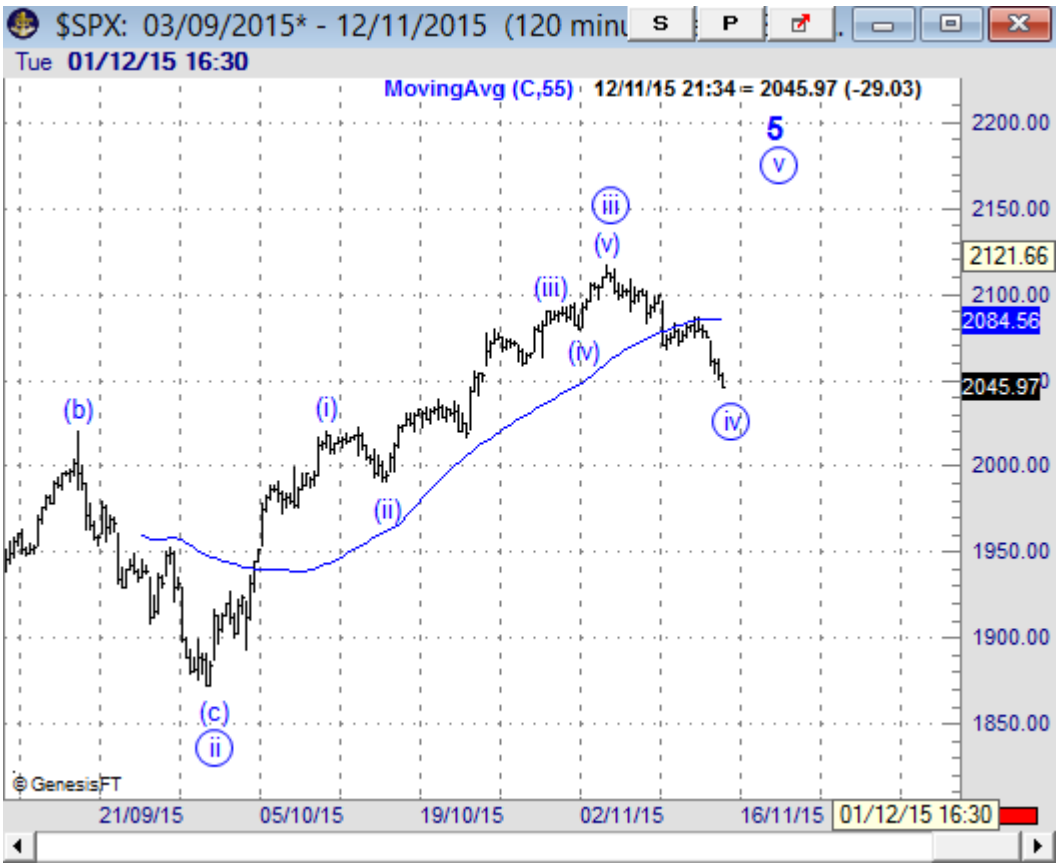
Today	13:30	US PPI
Today	13:30	US retail sales
Today	15:00	Michigan consumer sentiment

Events that could change the forecast

If US retail sales higher than expected - Bullish, lower than expected - Bearish

If Michigan consumer sentiment higher than expected - Bullish, lower than expected - Bearish

2-hour chart



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