



## S&P 500, April 16th

### Next few days

Trend	Up
Action	Buy
Risk of trend reversal	Low

#### Stop loss

S&P 500 cash	below 2048.5
S&P 500 June	below 2042

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

**Target: 2125** (Future **2118**)

**Best risk/reward trade:**

Buy in the range 2048.5-2080 for a move to 2125

**Why?**

Indicators are mostly bullish and the Elliott wave is wave c (circle) up. The index completed wave b (circle) of an upward zigzag and is now rallying to complete wave c (circle). The bottom of wave b (circle) is 2083, but this is not certain the pattern can be more complex which means it's possible wave b (circle) could end lower but above the previous low. In any case downside is limited, it looks like the rally has resumed. The trend is up and too many indicators are bullish, the next move should be up.

Strong support between 2048.5 (previous low) and 2068 (support line).

### Next few weeks

Trend	Down
Action	Sell
Risk of trend reversal	High

#### Stop loss

S&P 500 cash	above 2161
S&P 500 June	above 2154.5

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 (daily chart)

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

**Target: 2070** (Future **2063**)

**Best risk/reward trade:**

Sell in the range 2120-2161 for a move to 2070

**Why?**

Indicators are mostly bullish and the Elliott wave is wave i (circle) down. The index is near a major top, the next move will be the first wave of a long term decline. But right now the trend is up and wave 5 is not yet complete. This means the decline will start from higher levels near 2130. Wave 4 ended at 2048.5. But too many indicators are bullish so the risk of a trend reversal is high.

Strong resistance between 2161 (resistance line) and 2115 (previous high).

## Trade Alert

**Contract:** S&P 500 June

**Trade:** We buy at 2071, target 2115, stop loss 2041

## Key levels & Events

Key levels	Cash	Future	Main events (UK time):		
Resistance line (1)	2197	2190.3			
Resistance line	2161	2154.3			
Pivot R2	2119.5	2112.8	Today	13:30	US building permits
Previous high	2115	2108.3	Today	13:30	US housing starts
Pivot R1	2113	2106.3	Today	13:30	US jobless claims
Resistance line	2109	2102.3	Today	15:00	Philadelphia fed survey
Pivot point	2105.5	2098.8	Tomorrow	09:30	UK claimant count
Pivot S1	2099	2092.3	Tomorrow	10:00	EU CPI
Pivot S2	2091.5	2084.8			
Support line (2)	2068	2061.25			
Previous low	2048.5	2041.8			
200-day MA	2018	2011.3			
Support line	1996	1989.3			
Elliott wave support	1981	1974.3			
(1) Drawn from the highs in December 2013 and July 2014					
(2) Drawn from the lows in October 2014 and April 2015					

## Events that could change the forecast

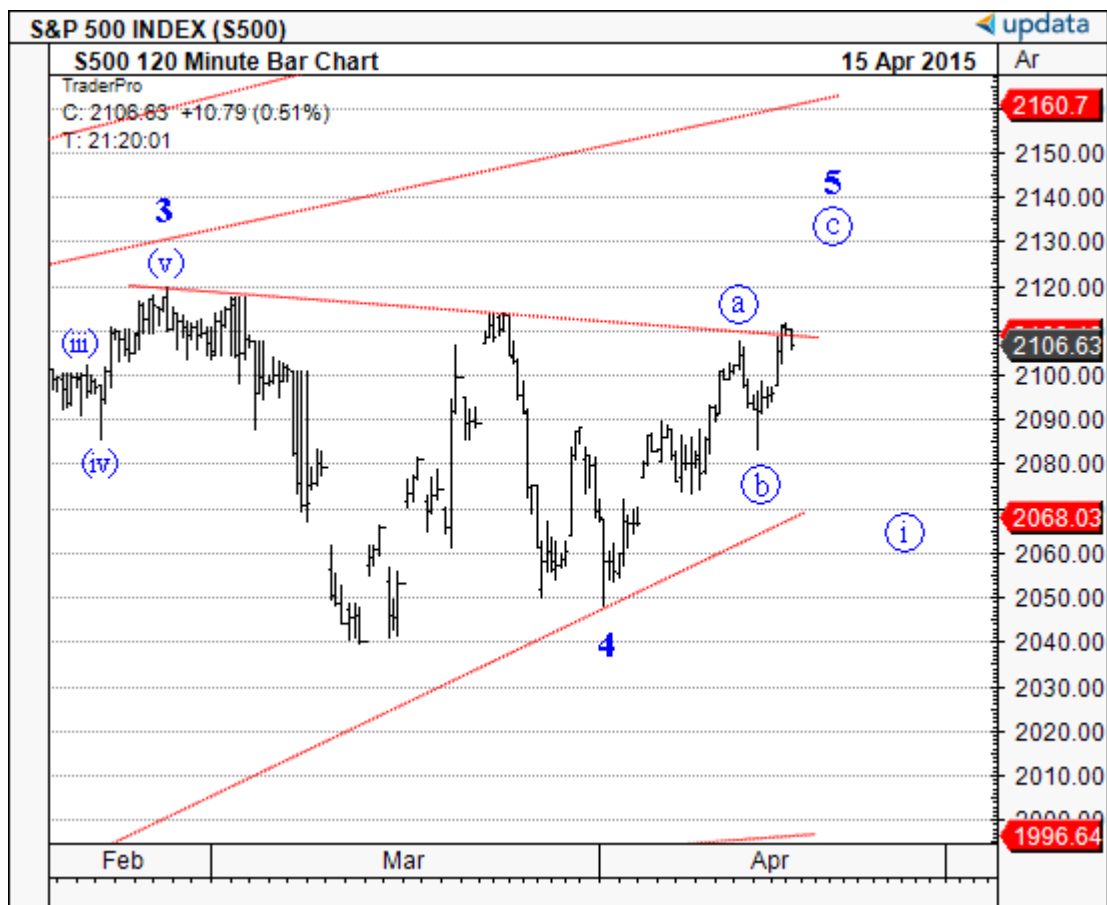
If US building permits higher than expected – **Bullish**, lower than expected – **Bearish**

If US housing starts higher than expected – **Bullish**, lower than expected – **Bearish**

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

If Philadelphia fed survey higher than expected – **Bullish**, lower than expected – **Bearish**

2-hour chart



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