



Mad Day Trader

Medium Term View... Technical qtrly update Published 10/1/14

These are static levels that do not change! Once generated, they never go away. They become static technical levels.

The outlook is to be used as a tool to keep you executing trades from the right side of the market at key technical areas.

Equity Indices...

Spu's... This qtr we will be using 2012-22 as our macro closing pivot level. This is major resistance and the closing upside pivot.

1954 will act as the pivot near term. Closes below, Will have us look looking for 1875 ish to initiate new longs with a tight stop.

Closes below this area will be needed for a much deeper correction.

Nasd 100...4014-4120 is resistance.

The ideal longer-term buy zone will be 3800 where we'll look to re enter the market with a tight stop.

Mid cap...14,250 was the last qtrly pivot. 14,320 is this qtr's, which gives a definable resistance area. Closes over 14,320 will be needed to generate new upside targets.

DAX...10,000 was last qtr's closing pivot. This qtr the # set moves slightly lower to 9860, still making 10,000 the closing hurdle for any new upside targets.

Nikkei...remains bid over 16,000. A close under 15,800 is needed for a corrective phase.

ASX 200... (**APZ4**) put in an ORL qtr. 54200 will act as the pivot for the qtr. Only a couple of closes over this level will generate higher targets.

Bonds...

30 Yr. Bonds ... 137.00-05 is pivotal again this qtr.

Focus must be kept on the Spu/Bond spread.

When the Equity Indices go into profit taking mode, the Bonds are the only place to park money. (They'll rally.)

Investors worldwide are buying the Greenback and putting those dollars into U.S. treasuries adding to the bid tone to the market.

Long term, we will continue to favor the short side of the Bonds when market conditions allow.

Ten Yr. Bonds...(TYM)..125.00 +/- a few ticks has been the mean for the 10 yr. for the past 2 qtr's. I would need a couple of closes over 125.20 for further upside (lower 10 yr. Yields)

BUND...146.75 was our last qtrly pivot. Good above/negative below.

Pay attention to the Dax/Bund spread for market tone.

151 in the Bund is this qtr's pivot. I'm looking for a retest of this level to match up with an initial high in the 30 Yr. Bond Futures..

FX...

AUD/USD...91.00 is the qtrly pivot, the high of the last rally in late Sept.

USD/JPY.... 107.00 is this qtr's pivot and the low risk level to buy dollars.

Euro...139.50 was last qtr's closing pivot. Continue to sell rallies against this level with a tight stop until proven wrong.

Euro needs closes below 135.30 for lower. Only closes under 127.50 will lead to a test of the 120 area.

The 4th qtr # set has come down to 129.40, which is now resistance.

GBP/USD... 170.00 was last qtr's closing barometer. This qtr 162.20 will set market tone.

EUR/AUD...149.85 is the monthly **ORL**. Sell rallies against this level until proven wrong. It will act as a macro-closing pivot.

137 + - a few is macro support.

This qtr shows the cross-stuck between 147 and 137.

Commodities...

Gold & Silver...have lost their lustre.

Gold last qtr needed to maintain above 1328 for higher. Sustained price action under 1265-75 can lead to a bigger sell off.

1325-28 was the last qtr's resistance zone. We're still struggling at that level.

Closing under 1312 will be short term negative.

Closing over 1342 will be positive.

Silver... Last qtr we were focused on 20.50 for our pivot. This level will remain pivotal for this qtr as well.

Short-term, closes below 19.70 should be deemed negative.

18.60 Silver is macro resistance. Price recovery over 17.45 is needed to produce any short covering rally.

Gold will need closes over 1220 for a short covering rally. Macro sell stops are @ 1179.

The ORL qtr's in both have us looking to sell any good rally.

Platinum...we'll revisit Platinum on a close over 1520.

No Change

Copper...343-6 was last qtr's resistance and upside closing pivot, pretty much the same spot as the past couple of qtr's. 2.95 will act as support and the downside pivot for another sell off.

Short term Copper traders should use 3.19-22 for market tone.

No change...closes below 2.95 would see Copper moving to the 2.50 level.

Oil.... On a macro basis, there is no upside break out until we close over 104.70-105.30 (last qtr's high).

Oil elected the long-term buy stops over this level.

This qtr 96.00 will be our resistance level and upside closing pivot. Closes below 90 will lead to a much deeper correction.

Natgas... 3.72 is qtrly support and the closing downside pivot.

3.94-99 will set market tone in the near term.

In the Front month Future, 4.85-95 is still good resistance this qtr.

I'm just viewing this as a big trade, which many of the Funds are spreading against the Oil.

Not a game for amateurs.

Grains... we'll take another look in Mid November. In the meantime they have yet to bottom.

General Outlook

Equities Indices...

Spu's reached it's upside price tgt of 2020 cash.

I'm neutral Spu's. Looking at long-term charts we can correct.

Trade only @ levels where you can define the risk.

Spu's should continue with 80-100 point big standard deviation moves.

Nasd 4110-20 is this qtr's closing pivot.

Individual instruments need to be traded off their own technical 's, not that of the Indices.

Instruments should be re-evaluated one step "one macro level at time."

What goes up farther than people expected can go lower than people expect.

A prepared investor should have their Sector & Individual shopping list ready when markets swoon.

Pharma, Biotech, Tech, New Tech & Social enabling companies are at the top of my list as places to look for alpha. They are also the most vulnerable on weakness.

The High flyers of the past qtr can come under stress as they've rallied the most.

I expect the technicals in these names to continue to align with the broader indices.

As previously stated, we're long term Bearish Bonds, and we will maintain a sell the big rally bias for the foreseeable future when market conditions allow.

Presently they are not allowing it.

OIL...we look for an opportunistic 2-way trade favoring the selling of big rallies.

Currencies... We're very friendly to the U.S. Dollar over the intermediate term.

The Fundamental story follows the technical's.

Being a pragmatic technician, using the correct levels to manage risk, allows the prudent investor to be right market direction with limited downside.

We'll update our outlook and tgt's as market pricing dictate.