

WEEKLY GLOBAL OUTLOOK

September 23, 2012 (Friday's Close)

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HANG SENG INDEX - Daily

Near Term Trend: Positive

Monday's Close (ASIA): 20,734.94 (+ 144)

UPDATE: **Once all of the downside gaps were filled and the market posted a price low in the beginning of September**

Subsequently, those gaps were filled, and once they were we reminded readers of key resistance at 20,650.

This past week even the 20,650 region could barely put the lid on the rally.

At this juncture, no technical sell signal exists however, **a daily settlement below 20,576 could allow for the Index to retrace to 20,150.**

USD vs. CANADIAN DOLLAR – (Cash) Daily

Near Term Trend: Negative

Friday's Close: .9772

UPDATE: A couple of weeks back we went long USD at .9840, with a stop at .9740 – daily close only.

We were stopped out at .9731 a few days after initiating the position.

At this juncture, the U.S. Dollar is struggling just to get back to the red resistance line @ .9810. A close above .9810 may ensure the Canadian Dollar has seen its intermediate term high.



**DJ EURO STOXX 50 – (Sept) Daily****Near Term Trend: Positive****Friday's Close: 2564 (+ 14)**

UPDATE: Six weeks ago we wrote, "Unless price action trades above 2235, at minimum, this Index remains in critical condition".

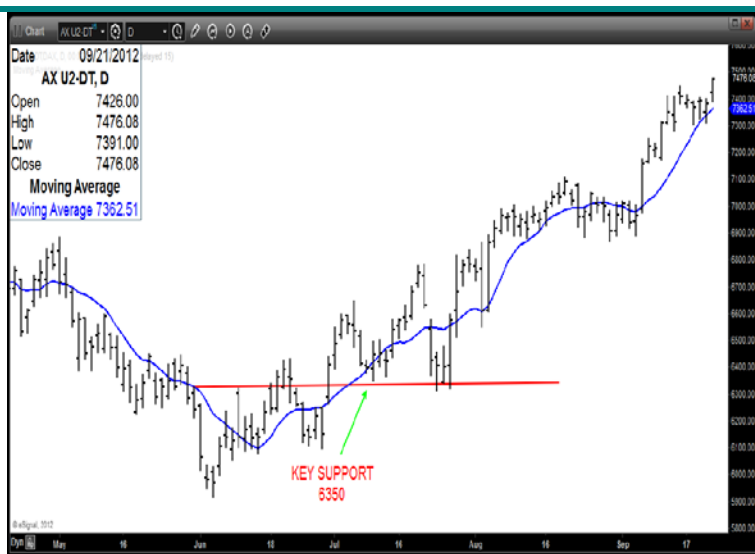
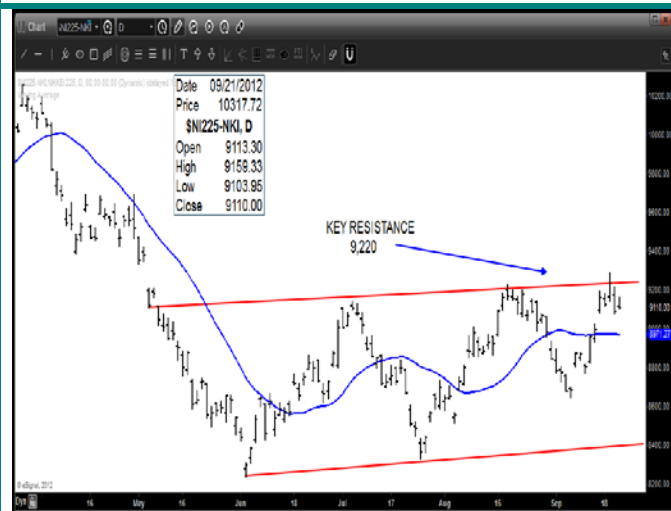
Two days following that opinion, on July 26, the market settled at 2243, and never looked back.

At this juncture a daily settlement below 2510 would act to seriously interrupt the bull trend and be an outright violation of support of the Bull Wedge (due to slope of the support line-current level is up from our previous level of 2455).

CME- NIKKEI 225 – (Cash): Daily**Near Term Trend: Positive****Friday's Close (Asia): 9,110.00 (+ 30)**

UPDATE: In our last report we stated, "The defining moment in this Index for the next month could very well be if price action can muster enough of a rally to settle above the 21- Day Moving Average Line, at 8,970".

Subsequently price action rallied above that point, and now resistance at the top of the channel at 9220 is critical.

**DAX – (Sept) Daily****Near Term Trend: Positive****Friday's Close: 7,476.08 (+ 92)**

UPDATE: Over six weeks ago, the DAX was trading 6409, and at that time we stated, "A trade could be to buy (not a full position) within this region with a tight stop at 6340- daily close only".

To date this market has barely looked back.

At this juncture, only liquidate longs on the basis of a daily settlement below 7,305, up from the level weeks ago of 7,040.

EURO / U.S. DOLLAR - Daily

Near Term Trend: Positive

Friday's Close: 1.2971 (+ 6)

UPDATE: Weeks ago based on the inverted Head and Shoulder, and the settlement above 1.2380 we stated we were scalping from the long side.

Since the time of that writing the Euro has done nothing but accelerate to the upside.

Two weeks ago, we stated, it appears to be over-extended, and I would not chase the long side of this trade at this juncture (we said that when it was trading at the 1.2900 region as well).

Last week we recommended booking partial profits.



EURO BUND 10- Year (Sept) – Daily

Near Term Trend (3 months): Negative to Neutral

Friday's Close: 140.00 (- 21)

UPDATE: **Nine** weeks ago, we questioned whether the market was forming a double top, and stated, **“For the bold – one could sell the market in this region 145.03 (partial position only), and place a stop at 145.96- daily close only”**. We subsequently lowered the stop in our last report to **142.82**, and **booked large profits at that level. Two weeks ago we were looking for the market to erode further, toward 140.00. It not only tested 140.00 but traded as low as 138.50- but quickly rebounded to 140.00 once again. Odds favor lower – key resistance stands at 141.15.**



LONG GILT (Sept) - Daily

Near Term Trend: Neutral

Friday's Close: 119.67 (- 52)

UPDATE: Eight weeks ago I stated, **“A close below 121.16 (September contract adjusted), I will sell outright”**.

As of July 30, the market settled at 121.10, and subsequently, the market traded all the way down to 119.29.

The market rallied following that move, but the one constant is; each rally ultimately met resistance at the well defined 122.20 region.

I am still a big believer in the short side of this trade, as the slope of the M.A. line remains negative.

