

How high will the stock market go to?

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By Hawk Namiki

Stock markets still remain on the center stage, and higher prices still bring buyers and continue to go to new highs. After the presidential election in Nov 2016, US stock market has been moving in one direction and bulls are dominating the market. Year to date S&P 500 is up 15.49%.

Will this bull trend ever end?

S&P 500 charts still shows the momentum to test as high as 2636~2684, but those levels are on the extrema area of distribution, and you may start to see a bearish sign when it hits those levels.

On the side of center stage, gold found the support level above 1260 in early October and short covering pushed gold prices above 1300, but it could not sustain above this level and faded to 1284 levels. Similar to the price actions, SPDR and CFTC charts show long positions have been adjusted from the end of September, but it still remains neutral to the long side.

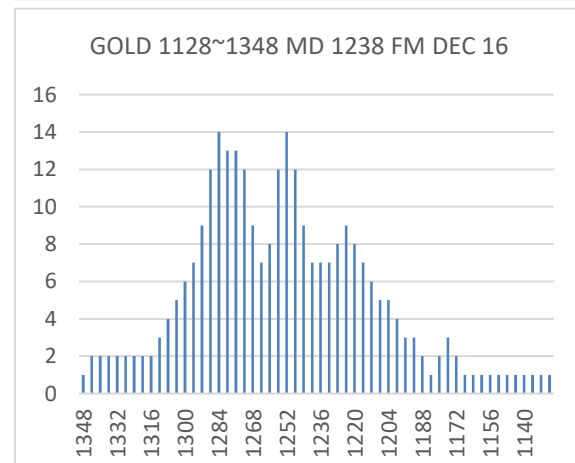
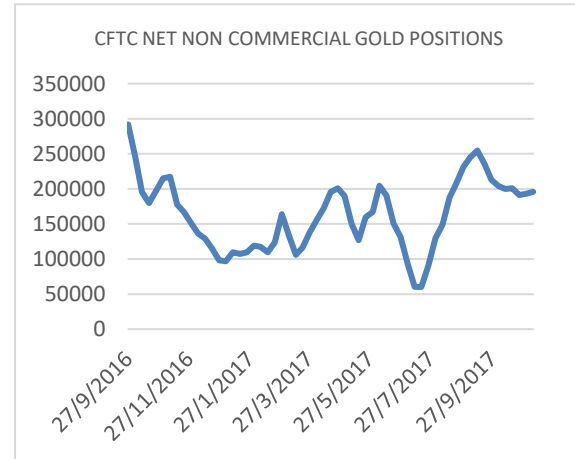
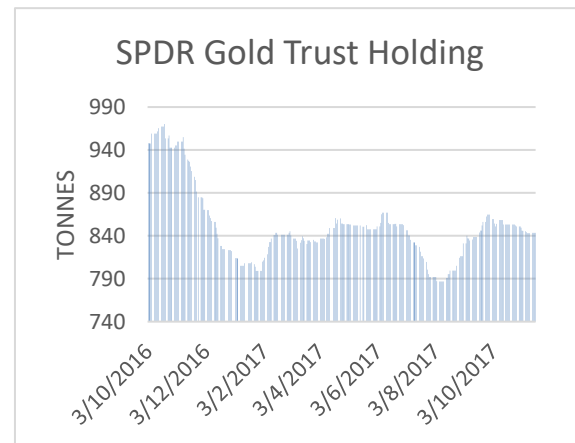
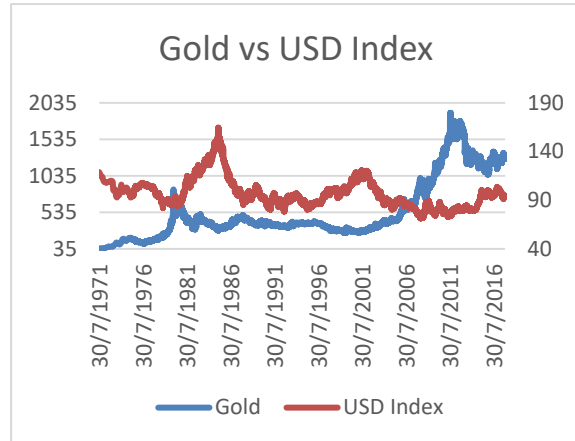
What's next?

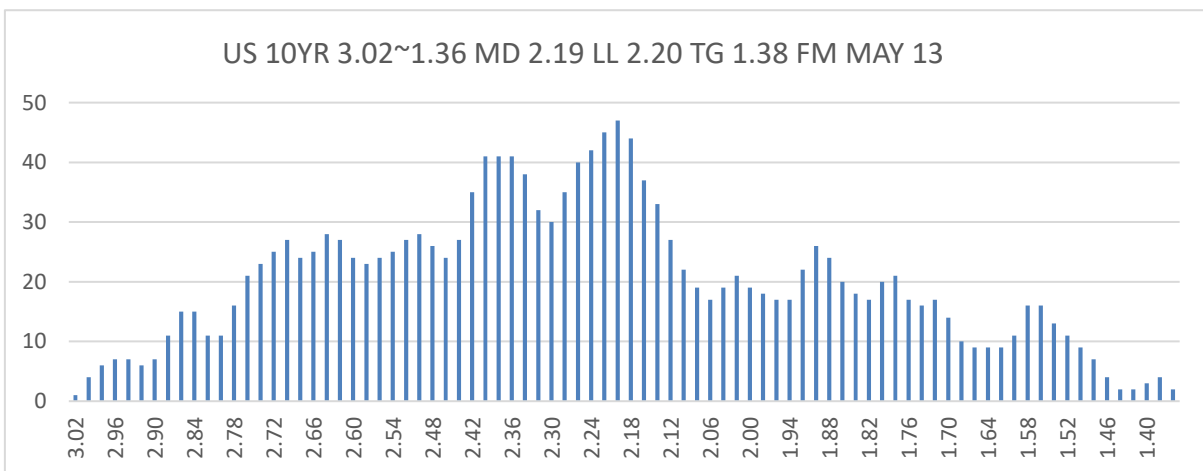
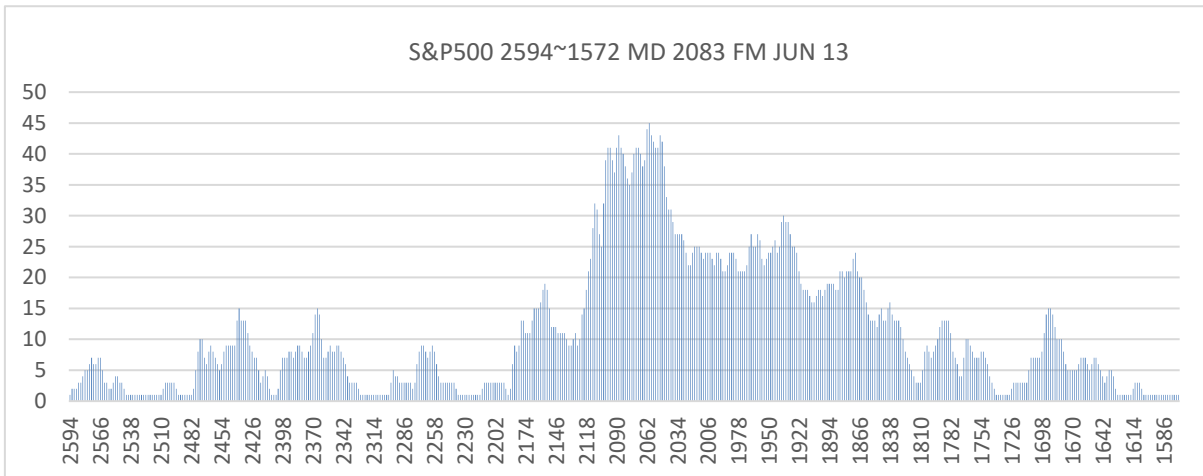
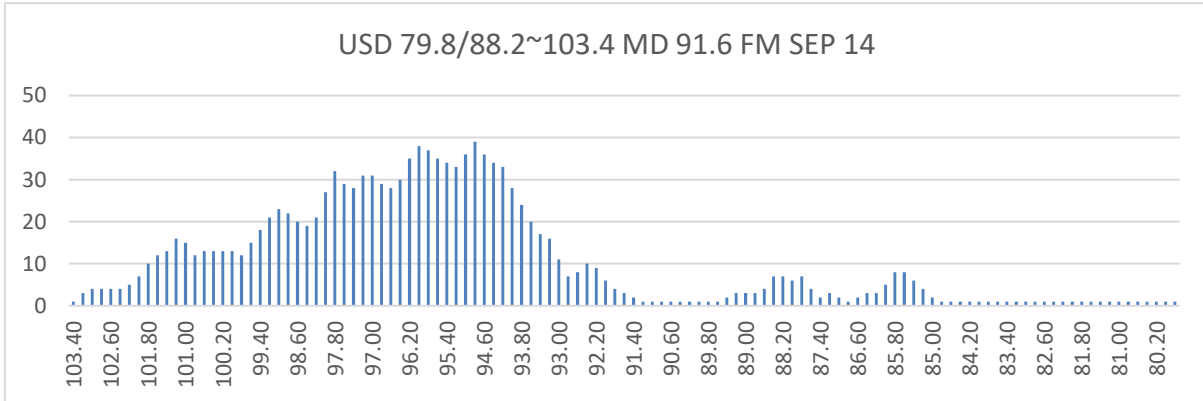
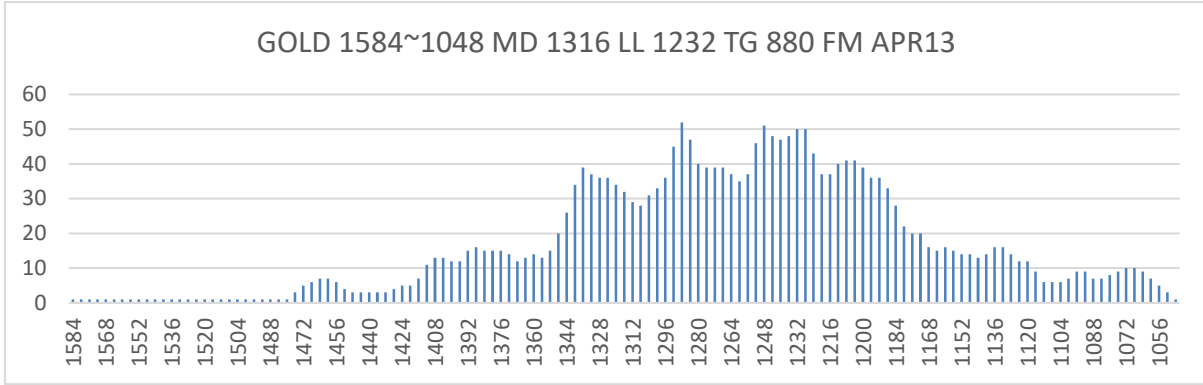
Gold will likely remain in the range between 1250~1310 for a while, but accepting the value around 1284 is positive and may build its momentum to push prices up to 1376, and even as high as 1440.

Key levels to watch will be 1250 and 1284. For those who are in the bull camp on gold will need to see the price actions sticking around 1284. On the other hand, bears need to see the gold price pushed down below 1250 and remain below 1250.

As a choice, it may be better to remain in the bull camp as long as the price actions remain around 1284 or above.

The following is a repeat from our last report, but looking at all the charts and guessing how positions are set with all market participants, it does not look like markets are not ready to make a big move yet with current market levels, except S&P market which has been making a big move and getting close to the extrema side. It might be better to have very close eyes on the price action of S&P to protect this year's profit.





Source of numbers and statistics from Bloomberg



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