

## Summary for week of 29 February 2016

- Stocks with bearish bias this week especially in second half
- Dollar could see upside follow through this week, especially late
- Crude oil likely moving lower although another test of resistance is possible
- Gold may test support this week although some gains likely esp. midweek

## US Stocks

Stocks extended their rebound last week on hopes of coordinated stimulus measures coming out of the G-20. The Dow rose by 1.5% to 16,639 while the S&P 500 finished the week at 1948. This bullish outcome was somewhat unexpected as I thought we might have seen more downside in the second half of the week. As it happened, Wednesday's intraday low of 1891 brought in buyers and stocks recovered.

Investors appear to be cautiously optimistic at the moment as they await the outcome of several potentially important events in March. The large slate of primaries on Super Tuesday (March 1) kicks off what could be a decisive month in this year's US election. If front-runners Trump and Clinton do as well as expected, then that would likely be neutral for stocks. If one of them stumbles badly and creates uncertainty in the race, then that could spark some selling. The US jobs report is upcoming on Friday and is another potential market mover. The ECB is expected to announce new stimulus on March 10<sup>th</sup> while the Fed will also update its policy position on the 16<sup>th</sup> at the FOMC meeting. But the wall of worry may have got a bit steeper for bulls following the announcement of a June referendum in the UK on EU membership. Current odds are 7/4 for a Brexit, although my expectation is that the UK will in fact vote to leave on June 23<sup>rd</sup>. Any developments in that referendum campaign could raise anxiety as the market does not want to see the UK leave the EU.



More immediately, I think March should have a bearish bias after February's choppy and neutral performance. The Saturn retrograde station on March 25 should therefore correlate with some downside in the coming weeks. And with Saturn also closely squaring Jupiter at that time, there is a decent astrological set up for a significant retracement in March. I'm less certain how big this decline may be, however. A bearish scenario would see stocks fall this week and retest the low at 1810 by March 25<sup>th</sup> and possibly even make lower lows to 1770. But while the Saturn-Jupiter aspect is bad, I'm not sure it's *that* bad. The other possible scenario to consider is a pullback to a higher low – perhaps in the 1850 area which could then set the stage for a decent rebound. As always, predicting levels is more difficult using astrology alone so it's best to focus on questions of timing. I do think some downside is becoming more likely this week. And the closer we get to March 25<sup>th</sup>, the more likely we are to see an interim bottom.

The technicals are now at a key inflection point. Thursday's rally pushed above that key 1947 resistance from the previous high. This was a bullish development that increased the possibility of pushing towards the double bottom target of 2080. Friday's retest of support at 1947 also gave bulls some confidence that further gains are now in the cards. Nonetheless, since the break above 1947 was quite small it is still possible that the whole pattern could not play out as some bulls are expecting. We need to see some upside follow through first. There remains a lot of overhead resistance at the 2000-2020 level so that could be the next stop if the rebound lasts for another week.

A quick reversal back below 1947 would be bearish, although it may take a pullback to 1900 or even Wednesday's low of 1891 to really stack the deck in favour of the bears and an eventual retest of 1810 and possible lower low. A lower low on the SPX would confirm the medium term down trend following the series of lower highs in late 2015. That is why bulls have to prevent another retest of 1810 which would likely fail. By extension, that is why they also need to defend 1900 and 1947 in order to preclude the possibility of a showdown at 1810 once again. The weekly Dow shows an apparent topping formation quite well. Stochastics are no longer oversold and may be primed for more upside. And bulls hope that MACD is embarking on another bullish crossover. The tagging on the long term 200 WMA highlights how important the next few months may be for the bull market. After 7 years, one would think the bears are overdue to take the reins. And yet it is not technically inconceivable that we could see a range bound market for several more months. The market breadth is becoming more positive as the Russell 2000 also rose last week. But it is still on the wrong side of its 200 DMA at 1060. This also corresponds with the October 2014 low. Treasury yields moved higher following Friday's stronger than expected GDP number. That said, the 10-year yield is still below resistance at 1.85%. The bond market is still signaling caution and slowdown.

This week offers bears some better chances than last week. While I would not be shocked if stocks finished higher, my bearish bias is growing as we move into March. But given the likelihood of some midweek upside, I'm not certain if we will finish lower overall. Monday's Moon-Mars conjunction looks bearish although perhaps



only moderately so, both in terms of magnitude and probability. Tuesday and Wednesday look more bullish as Venus aligns with Pluto and then Uranus. Thursday and especially Friday look more bearish, however, as Mars squares Mercury. Friday's square is closest and arguably stronger. This corresponds with the jobs report release so perhaps there will be a disappointment or even an upside surprise there which could force the Fed's hand to hike rates. If I'm correct about Monday and we see some selling, then it may only fall back to 1920 or 1930. The planets don't seem negative enough to jeopardize the current rebound. The midweek looks strong enough to push the SPX back over 1947 in any event, and likely to retest last week's high at 1962. If I'm wrong and Monday's isn't lower, then we could be looking at a move above 1962 and perhaps even a run up to 1990 and 2000. This would set up Thursday and especially Friday's likely decline which would be a technically appropriate retracement after testing resistance at 2000. The late week could see a fairly large move down, probably more than 1% and possibly more in the 2-3% range.



Next week (Mar 7 – 11) looks more bearish as Tuesday's solar eclipse occurs in a close square with pessimistic Saturn. Monday leans bearish as the Moon squares Mars so I would think the week should begin negatively. Tuesday looks bearish although the size of the decline is unclear. Wednesday could see some upside, especially if Monday and Tuesday have been negative. Thursday's Sun-Node conjunction looks bearish again with Friday also leaning bearish. I think the chances are good that we will see the SPX fall significantly. Depending on where the previous week finishes, we could see a move back below 1900 or perhaps 1850. The following week (Mar 14-18) also looks negative as Mars squares Venus and Mercury conjoins the Node. This is a possible time window for an interim low, although I think it is a little more likely it will occur the following week when Saturn stations on Friday, March 25<sup>th</sup>.

The chances rise for a strong rebound starting in late March and early April. It is tempting to think this rebound could last until mid-May. But the problem is that Mars is due to turn retrograde also on April 17<sup>th</sup> so we should expect some turbulence around that time at least. Whether or not it will be technically significant is much less clear. It may only be a minor 5% pullback within a longer rally higher that lasts into May. In other words, I would lean towards a mid-April higher low relative to the forecast low in late March. That is my preference right now although circumstances could change. The putative May high doesn't look strong enough to be a higher high. Therefore, the next move



lower should follow a bearish scenario of selling off lower highs. June and July look quite bearish. The UK referendum on June 23<sup>rd</sup> occurs on the same day as the entry of Uranus into Aries. As I have noted previously, I had circled late June as a time of a possible crash in part due to this Uranus influence. Uranus is often destabilizing and its sign changes can sometimes correlate with large declines. The October 1987 crash occurred two days after such a Uranus sign change. The fact that the referendum could be decided on this day definitively raises the odds of that outcome. Based on my interpretation of the relative horoscopes as posted on my website, I think it is highly likely that the UK will leave the EU. This would be bearish for stocks although it may be

discounted a bit ahead of time depending on polling trends. Anyway, I think the SPX could well be headed for that 1600 target by the summer. After a likely rebound in August and September, there is a decent chance for lower lows in Q4 and Q1 2017.

Technical Trends	Astrological Indicators	Target Range
Short term trend is UP (1 week ending March 4)	bearish (disconfirming)	SPX 1920-1950
Medium term trend is DOWN (1 month ending April 4)	bearish (confirming)	SPX 1800-1850
Long term trend is UP (1 year ending March 2017)	bearish (disconfirming)	SPX 1400-1700

### Indian Stocks

Stocks retreated last week on weak oil prices and otherwise lackluster global cues. The Sensex lost more than 2% to 23,154 while the Nifty finished the week at 7029. This bearish outcome was not surprising given the midweek Mercury-Saturn aspect which I had cautioned would likely pull down sentiment. I thought we might have got more early week upside, however, but Monday only posted a very small gain and remained below the key technical resistance level of 7250.

All eyes now are on FM Jaitley and Monday's Union Budget. It seems that few analysts are expecting any big news so the odds of a major market reaction may be reduced. Typically, the bias is bullish around the Budget although it remains to be seen if that can happen this time. With stocks already beaten down this year, one might think that a positive surprise from Mr. Jaitley is a bit more likely all other things being equal. However, the planets do not seem particularly favourable here and indeed there is the likelihood of additional declines in March. That said, we could see some gains immediately following the Budget announcement but I would think that the Saturn influence here is likely to prevail. Saturn is very much front and center as it approaches its square aspect with Jupiter in



March. Moreover, Saturn is due to station retrograde on 25 March which suggests that lower lows are the more likely outcome in the weeks ahead. Saturn stations (i.e. when a planet reverses its direction from forwards to backwards in the sky) are somewhat correlated with declines. They may also indicate times when interim market bottoms become more likely. This may not be date specific, however, as the reversal may occur several days before or after the station on the 25<sup>th</sup>. With stocks already in bear market territory now, the outlook for the year as a whole is no less bearish. I think the pattern of lower lows is likely to continue throughout 2016 and likely into 2017. Just when and where the bottom may be is harder to say. I think it is quite likely that the old high of 6400 on the Nifty will be broken by mid-2016 and we should see something well below there by year's end.

The technical picture worsened last week after the inability of bulls to push above 7250 early in the week. The rejection of that resistance level was a sign of just how fragile the market is here given all the headwinds. Thursday's low of 6960 matched the previous low close and set up a possible bullish double bottom pattern. But it is hard to know how reliable this pattern is since the piercing low of 6869 still looms. If the Budget is warmly received, then we could see a bounce from current levels which would again retest that all-important 7250 level. Assuming we see current levels hold, one would think the technicals favour the bulls for a move above 7250 in that scenario. More downside is nonetheless possible as stochastics are not yet oversold on a daily basis and RSI is still well above the 30 line. Therefore a proper double bottom at 6869 is still a more reasonable expectation for more cautious bulls, the Budget notwithstanding.

If this closing basis double bottom plays out it would have an upside target of about 7500-7550. This would still be below the February high and would not significantly change the bearish technical outlook. A breakdown of 6869 would be bearish obviously although a marginally lower low may simply test declining channel support which is now approaching 6800-6850. The weekly BSE chart is now testing that election breakout from 2014 at 23,000. A close below this level would likely mean a retest of the pre-election high at 21,500. But stochastics have fallen below the 20 line which suggests that a rebound is possible sooner rather than later although bulls may be waiting for a bullish crossover here first. The possibility of a bounce soon is also hinted at by the recent tags of the 200 WMA. This line has acted as approximate support on four different occasions from 2012 to 2014. Meanwhile, Infosys bucked the downtrend last week as it tested resistance at the convergence of its three key moving averages. While the stock is outperforming the rest of the market, there is formidable resistance here. The bulls need to recapture the February highs at least in order to make this chart more bullish again. As it is now, the multiple retests of support over the past four months may be pointing towards an eventual breakdown of that support via a descending triangle pattern. HDFC Bank (HDB) suffered along with the broader market last week as it fell below its January low. Although this is one of the stronger banks, the chart is not looking as good here. Bulls need to push it back into its January range or else risk more downside.



This week looks mixed with an uncertain outcome. Monday leans bearish, however, as Venus is aspected by Saturn. This suggests that Budget reaction may be negative, although I would note that there may also be negative global cues to start the week which may override any specific Budget reaction. Tuesday could begin negatively but there may be some improvement through the day. Certainly, the outlook into midweek looks better than Monday although I am uncertain when this optimism may take hold. If Tuesday turns out to be bearish, then that would boost the chances for gains on Wednesday and Thursday as Venus aligns with Jupiter and Uranus.

Friday looks bearish as Mars squares Mercury and Saturn squares the Sun. There could be significant downside here at the end of the week although I'm unsure if it will offset any preceding midweek gains. If Monday is lower, we could see a hard retest of the previous low at 6900 or below. This would then set up the alternate double bottom pattern from which a rebound could begin. In any event, it seems fairly unlikely that any rally could move above 7250 this week. And with the late week looking quite bearish, I think the Nifty could be hard pressed to finish above current levels.

Next week (Mar 7-11) looks bearish again as Wednesday's solar eclipse aligns with Saturn. Monday's Moon-Venus conjunction could coincide with some early week upside but it may not last through the week. Tuesday's Sun-Jupiter opposition also offers some bullish potential but I would think the risk of some selling will rise throughout the week, especially after Wednesday. Friday's Sun-Ketu conjunction looks particularly bearish. While we will likely get some upside during this week, I would be fairly skeptical about the prospect of moving above the previous week's high. We could well see another retest of 6869 by this time. The following week (Mar 14-18) also

looks bearish as Mercury is square Saturn on Monday just as Mars squares Venus. This is the kind of pattern that could coincide with a breakdown of support, possibly including 6850. We could see an interim bottom in late March, probably fairly close to the Saturn station on the 25<sup>th</sup>. We should see a decent rebound in the first two weeks of April. Mars then turns retrograde on April 17<sup>th</sup> and this could indicate a significant pullback. May should be more bullish although the rebound will likely fail once again to change the bearish pattern of lower highs. Stocks should fall from about 15<sup>th</sup> of May into early July. As previously noted, I am concerned about the late June time period because of the entry of Uranus into the sign of Aries. This is a destabilizing influence which has been linked to sudden declines in stocks. The 1987 stock market crash occurred just two days after Uranus changed signs. Interestingly, the UK will hold its referendum on the very day that Uranus enters Aries on 23<sup>rd</sup> June. As I outline on my website, I am expecting the UK to leave the EU. This could well be the catalyst for a significant decline in global stocks at that time. We could easily see the Nifty reach 6400 by that time although it could well fall further. Lower lows are likely by Q4 and Q1 2017.



**Technical Trends**

**Astrological Indicators**

**Target Range**

Short term trend is UP (1 week ending 4 March)	bearish (disconfirming)	6900-7100
Medium term trend is DOWN (1 month ending 4 April)	bearish (confirming)	6700-7200
Long term trend is UP (1 year ending March 2017)	bearish (disconfirming)	5000-6400

## Currencies

The Dollar rallied last week fueled by stronger than expected GDP data which renewed the likelihood of further rate hikes. The USDX closed above 98 while the Euro slipped below 1.10 and the Rupee weakened further as the Index approached the 69 level. The Dollar-Yen Index ended the week near 114. While I thought the Dollar might have been more neutral, this bullish outcome was not too surprising given my bullish forecast for March. As expected, Monday and Friday posted significant gains with some midweek consolidation. Well, so much for the double bottom. The Dollar bulls are raging again here as this rebound is pushing up against possible short term resistance at 98.5. The next level of resistance is likely near 99.5. While weak US data could sink the greenback in the days ahead, the financial winds are very much at its back as the ECB prepares another round of stimulus and China's devaluation remains a going concern. Now the prospect of a Brexit from the EU will be another source of relative strength for the Dollar. Not only is the UK Pound likely to fall as we move closer to the referendum on 23 June, but the Euro will also come under pressure as fresh doubts will be raised about the viability of the common currency. As I outline on my website, the chances for the UK leaving the EU are very high according to the key planetary influences. The Brexit will likely be another reason why the Dollar will spike higher in the summer.

This week will likely see some follow through to the upside for the Dollar. That said, some of last week's gains may have been siphoned off the influences I had forecast for early March. I would therefore expect a few days of consolidation also. Monday and Tuesday nonetheless lean bullish on the Moon-Mars conjunction and Venus-Saturn aspect. While I think the Dollar could be net bullish across both days, I would not expect gains on both days. Wednesday looks more bearish but Thursday and Friday offer some chances for further upside around the Mars-Mercury square.



Overall, I think we should see the Dollar higher on the week, and possibly matching its previous penultimate high. Next week could see some early retracement but the second half of the week looks bullish in the wake of the solar eclipse. It seems probable that the Dollar will test resistance at 100.5 by mid-March. It is possible we could see a breakout move higher, although I am not prepared to say that is probable. Nonetheless, the influences throughout March favour the Dollar so it may depend on when the Dollar reaches resistance. If it tests 100.5 by mid-March, for example, then there would still be ample time left for it to punch higher. Some retracement is likely to begin in earnest sometime in April and continue into early May. However, I am not expecting any significant retracements to take place. They may be garden variety bull market pullbacks not unlike what we saw in early February. Again, another rally is likely to begin in May and then intensify in June, possibly around the EU membership referendum in the UK. It seems likely that the Dollar Index to rise well above 100 here and perhaps to 105 or higher. A correction in the Dollar is more likely to occur in August and September. Higher highs look very possible by Q1 2017, however,

Technical Trends (Dollar)	Astrological Indicators	Target Range
Short term trend is UP (1 week ending March 4)	bullish (confirming)	99-100
Medium term trend is UP (1 month ending April 4)	Bullish (confirming)	102-105
Long term trend is UP (1 year ending March 2017)	bullish (confirming)	105-110

## Crude oil

Crude oil moved higher last week on more talk of possible production cuts. WTI rose 3% on the week settling just under \$33 while Brent enjoyed a 6% gain to \$35. As expected, we did get a retest of resistance at \$34/36 and it occurred Monday amid some bullish alignments. I was mistaken in my call for weakness on Wednesday and Thursday, however, as profit taking arrived on Tuesday. There was a retest of resistance on Friday but bulls threw in the towel by the close. Last week's test of horizontal resistance was mildly bullish, especially since it was following a lower low. Could this be a bullish inverted head and shoulders in the making with a neckline at \$34? Another dip down to \$28-30 is all that is required. The upside target of such a pattern would be \$42. But for now, support is near Wednesday's low at \$30.50 and the 20 DMA. If buyers move in to defend that level, we could see crude push above \$34 fairly soon. A break down below the 20 DMA would likely mean a decline to \$28-29 at least. Another retest of the low at \$26 would likely mean lower lows. These lower lows may only be



marginally lower, however, as crude appears to be following a declining channel here as the bear market grinds on.

This week could see some consolidation under resistance. The late week looks more bearish with the first half of the week more mixed. Monday could go either way as the Moon-Mars conjunction suggests volatility. I would nonetheless lean slightly bullish here given the other placements. Tuesday may be more negative as Venus aligns with Saturn. Wednesday looks bullish as Venus aligns with Jupiter and Uranus. Thursday and Friday see the Sun square Saturn and Mars square Mercury. While a brief move above \$34/\$36 is possible this week, especially in the first half, it seems unlikely that the week will finish above \$34. More likely it will retest last week's low near the 20 DMA. The late week has significant bearish potential so it is possible we could close below that level. Next week should start off negatively on the Moon-Mars square, although some midweek gains are also possible on the Mercury-Neptune conjunction. A retest of resistance is conceivable. The rest of March leans bearish, however, with lower lows likely by the end of the month. We should see a rebound in early April which should at least retest \$34. The second half of April looks bearish although perhaps not bearish enough to produce a lower low. After another short rebound into early May, crude should see another steep decline through June and July. We could easily see WTI below \$20 by the summer. Some gains are probable in August and September, but another move down should occur in Q4.



Technical Trends	Astrological Indicators	Target Range (WTI)
Short term trend is UP (1 week ending March 4)	bearish (disconfirming)	\$29-32
Medium term trend is DOWN (1 month ending April 4)	bearish (confirming)	\$20-25
Long term trend is DOWN (1 year ending March 2017)	bearish (confirming)	\$20-30

## Gold

Gold moved slightly lower last week as investors awaited fresh announcements from central banks which might muddy the currency waters anew. After testing 1200 early in the week gold finished at 1222. While I thought we might have seen more downside, this outcome was not surprising as I thought gold was unlikely to move too far in either direction. The current technical situation is fairly open to interpretation. Bulls may see this as a normal consolidation after a big move up which precedes further gains while bears can regard the current sideways move as a topping process. With a possible pennant or ascending triangle forming here, the chart still leans bullish in my view. The chart is no longer overbought as stochastics have fallen below the 80 line. However, MACD is now on the verge of a bearish crossover which could signal danger ahead. Key support is still near 1200 so any close below that level would indicate at very least a longer period of consolidation and deeper retracement. More likely, a close below 1200 would trigger many stop losses and we could see gold fall sharply. Indeed, a close below 1190-1200 may even signal and end to this bear market rally and return to the doldrums. Resistance on a closing basis is 1247 so any move higher would likely indicate more upside was likely, at least to 1300. Even if such a move higher produced a bullish crossover of the 20 and 50 DMA that would only match a similar crossover last summer which proved to be a false buy signal.



This week also looks mixed with both bullish and bearish aspects in play. I would lean bearish overall in any event. Monday leans bearish on the Moon-Mars conjunction so we could possibly see 1200 tested again. Tuesday also seems a bit bearish on the Moon-Saturn conjunction. Neither of these potentially bearish aspects is necessarily reliable, however. But taken together, they should produce at least some downside on either of those days. Wednesday seems more bullish as Venus aligns with Uranus and Jupiter. I think that bulls should have at least one solid up day this week, and Wednesday is perhaps the best candidate, although it could occur any day between Tuesday and Thursday. Friday's Mars-Mercury square looks bearish, however. It is possible we could test resistance at 1260 at some point but I would have a bearish bias here as we move into March. Next week could see some larger moves as Tuesday's eclipse could see gold fall sharply. A sharp gain is possible on Monday and possibly Tuesday as the Sun opposes Jupiter but there is significant downside risk there also. One possible scenario would be a gain Monday and then a steep decline Tuesday which then produces a down week overall. I suspect we could see support at 1200 broken to the downside here, perhaps significantly.

The following week also looks bearish as Mars squares Venus on Monday March 14<sup>th</sup>. We could see gold back at 1100 by the time Saturn turns retrograde on March 25<sup>th</sup>. We should see a rebound begin at the end of March which carries into April. This looks unlikely to be very strong, however. Mars turns retrograde on April 17<sup>th</sup> so

that also could correlate with some downside. I am uncertain what happens to gold through April and May. Perhaps it will be range bound, say between 1050 and 1200 although that is very much a guess. Gold should decline starting in mid-May with the correction lasting into July. I still expecting at least a retest of 1050, although I think the chances are good that we see 1000 if not lower in the summer. After a late summer rebound, another move lower is likely in Q4. This could well be to lower lows.

<b>Technical Trends</b>	<b>Astrological Indicators</b>	<b>Target Range</b>
Short term trend is UP (1 week ending March 4)	bearish (confirming)	1190-1230
Medium term trend is UP (1 month ending April 4)	bearish (confirming)	1050-1150
Long term trend is DOWN (1 year ending March 2017)	bearish (confirming)	800-1000

Disclaimer: For educational and entertainment purposes only. The MVA Investor Newsletter does not make recommendations for buying or selling any securities. Any losses that may result from trading are therefore the result of your own decisions. Financial astrology is best used in conjunction with other investment approaches. Before investing, please consult with a professional financial advisor.

©2016 Christopher Kevill