

## Summary for week of 12 March 2018

- Stocks could move higher early but late week looks more negative
- Dollar mixed with bearish bias
- Crude oil could rise early but prone to selling later in the week
- Gold still choppy declines more likely later

## US Stocks

Stocks rebounded strongly last week as the trade war threat eased and the jobs report did not show significant wage growth despite adding 300,000 new jobs. The Dow gained more than 3% on the week to 25,335 while the S&P 500 finished at 2786 and the Nasdaq hit a new all-time high at 7560. This bullish outcome was in line with expectations as I thought the Jupiter retrograde station would likely reflect more optimism. However, I was mistaken in suggesting that Friday carried additional risk as the jobs report proved to be the most bullish day of the week.

It would seem that happy days are here again as February's gloom and doom talk fades into memory. Not even the hasty departure from the White House of the steady hand of Gary Cohn did much to undermine confidence last week. Trump quickly backtracked on his tariff talk as the market soon realized the bluster was more about politics than economics. And now the proposed meeting between Trump and Kim Jong-un has given another reason for buyers to come into the market as hope springs anew for some kind of enduring denuclearization deal. Many analysts do not expect much to come out of the meeting which may only give both leaders something to brag about to their respective constituencies. But for now the geopolitical risk on the Korean peninsula has declined. Interest rates and inflation concerns remain the biggest headwinds for stocks as the Fed is due to meet on March 21<sup>st</sup>. A hike is widely expected but forward guidance will be closely watched. A more hawkish tone and indications of a rapid return to normal rates would be unwelcome.



The astrological outlook still argues for caution over the coming weeks at least. The size and speed of the rebound was not unexpected as the Jupiter station more or less delivered the bullish goods. The SPX is on the verge of a plausible rebound target of 2800. But the focus now is on the chances for a hard retest of the Feb 9<sup>th</sup> low of 2532? From a technical perspective, they may be less than 50% over the next month. However, the planets do look more difficult and so I would still think chances are somewhat higher for another significant decline, if not all the way down to exactly 2532 then to 2600 or below. As always, calling levels is very speculative. I think the planets look sufficiently bullish for next week that we could see stocks rise a bit further. 2800 is definitely looking more likely, and I would not rule out a run back up to 2840 which would be a gap fill dating back to Jan 30. I suspect stocks will begin to pullback as we get closer to the FOMC day Mar 21<sup>st</sup>. Some sharp declines are quite possible in late March and early April.

The technical outlook is bullish in the short term. The strength of the rebound is the best piece of the evidence for the bullish case for a resumption of the Trump rally and the push to new all-time highs. The Nasdaq is already at new all-time highs and may well carry the rest of the market along with it. The cup-and-handle formation in the Nasdaq suggests an upside target of 8300 in the coming weeks. While the planets don't seem that bullish in the short term, we cannot rule out the possibility that this target could be reached in the coming months.

The SPX formed a short term double top pattern with Friday's gain and is clearly biased towards the upside. We could see some resistance at 2800 and 2810 although the gap fill to 2840 would also be a possible place where bulls get tired and take profits. Immediate support is at Friday's gap open at 2740 near the 50 DMA. If we get a pullback to 2740, then buyers would likely re-enter the market in force. Below that, 2700 could be a line in the sand as there is a confluence of horizontal support and wedge support. A close below 2700 could open up the possibility of a fast move back down to 2600 or below. On the Nasdaq chart, the comparable critical level of support to watch is 7200 near the 50 DMA. The weekly Dow chart shows how stocks have basically moved sideways since the initial sharp sell-off. The 20 WMA is providing support for now but bulls will have to form a higher weekly close soon in order to minimize the risk of a retest of the Feb 9 low of 23,360. While MACD is still in a bearish crossover, stochastics has at least managed a bullish crossover and is one piece of evidence on the bulls' side of the ledger. But if the rebound runs out of gas soon as we get a lower high of, say, 26,000 on the Dow, then the measured move downside target would be a lower low, probably close to the 50 WMA at 22,824. Whether or not the rebound can push to higher highs may now depend on inflation expectations. The 10-year remains at a lofty 2.89% despite the return of the Goldilocks scenario of job growth without inflation. A move above 3% could spark a sudden self-fulfilling prophecy out of stocks. Support may be at 2.8% so any move below that could prove bullish for stocks as long as it has not resulted from a flight to safety.



This week leans bullish again, especially in the first half. The Sun aligns with Jupiter on Tuesday so that could be a possible high water mark. By Wednesday, the Sun moves into Pisces so that could change the prevailing mood of the market. There is rising risk of some down days on Thursday and particularly on Friday as Mars aligns with the Lunar Nodes and Mercury. Mercury is slowing down ahead of its retrograde cycle which begins on March 22. In itself, this isn't bearish but its alignment with the Lunar Node makes it more of a wild card. And the fact that it turns retrograde one day after the FOMC meeting is one reason to 'expect the unexpected'.

The planets overall favor more upside but it is unclear if they will hold by Friday's close. I would keep an open mind about final weekly outcomes as both gains and declines are possible. I am leaning a bit more bearish here but the gains could well offset any declines. We could easily see 2800 and then some profit taking.

Next week (Mar 19-23) all eyes will be focused on Wednesday's FOMC meeting. The period before the meeting leans bullish as Venus conjoins Mercury on Monday and Tuesday. It is possible we could see higher highs at this time. I am uncertain about the immediate market reaction to the FOMC announcement on Wednesday but the late week looks more bearish as Mars squares the Sun. The week as whole leans bearish. The following week (Mar 26-30) looks more bearish as Mars approaches its conjunction with Saturn and Mercury aligns with the Lunar Nodes. Some significant downside is possible but I am uncertain about how much we may reasonably expect. The first week of April also looks bearish as Mercury aligns with both Mars and Saturn. Steep declines are more likely here. A test of some level of support is possible in early April (2700?) (2650?)(2532?). After an interim low, we should see a rebound begin in mid- to late-April and extend into mid-May. Higher highs are possible but not probable. Late May looks bearish again and could see a significant retracement that lasts into early June. At this point, I am assuming this will be a higher low (2600? 2700?). Another strong rally is likely from mid-June through to mid-July. Higher highs are not impossible here although a lot will depend on what moves precede it. I would note that Mars turns retrograde on June 26<sup>th</sup> so that could also be significant in terms of indicating the start of another move lower. This is unlikely to exactly mark a top but it is worth watching as a potential change of sentiment. In that respect, the Mars-Node-Saturn alignment in the second half of July looks very bearish and should coincide with some steep declines. The correction is likely to gather steam in August. Lower lows are definitely possible in Q3. Q4 should be more bullish although I would not expect a sustained rally in short term as Q1 2019 looks more bearish again with cathartic lower lows possible in Q2 2019. The second half of 2019 looks more bullish.



### Technical Trends

Short term trend is UP

### Astrological Indicators

bearish (disconfirming)

### Target Range

SPX 2720-2800

(1 week ending Mar 16)

Medium term trend is UP  
(1 month ending Apr 16)

bearish (disconfirming)

SPX 2500-2600

Long term trend is UP  
(1 year ending Mar 2019)

bearish (disconfirming)

SPX 2200-2500

## Indian Stocks

Stocks fell further last week as investors took a wait-and-see approach ahead of the GST meeting and key macro data this week. The Sensex lost 2% to 33,307 while the Nifty finished at 10,226. This bearish outcome was somewhat unexpected as I thought we might have seen more upside, especially on Tuesday and Friday around the Jupiter station. Friday saw gains intraday but they failed to hold by the close. Monday was lower as expected and then the entry of Mars into Sagittarius did produce the predictable down day near midweek.

The outlook seems mixed here for Indian equities. As has been the pattern recently, stocks were weak relative to other global markets. The rising rate environment is likely one reason for the underperformance which makes emerging markets less attractive as capital can derive some yield while in safer markets. The prospect of inflation is perhaps more worrying now as crude oil prices appear to be making a comeback. This could force the RBI to hike rates fairly soon and thus constrain domestic credit and rein in growth. The Fed looks certain to raise rates in its next meeting on 21 March and a more hawkish outlook for the rest of 2018 looks quite possible. Friday's US



jobs report was strong but did not show rapid wage growth. This has created some breathing room for global markets perhaps as inflation does not look immediately threatening. Nonetheless, US yields remain elevated just below that critical 3% threshold and thus create a built-in vulnerability for the stock market.

The planetary picture hints at more financial turbulence in the weeks ahead. The central obstacle in this respect is the Mars-Saturn conjunction on 2 April and then the Saturn retrograde station on 17 April. Both are bearish and will likely prevent much of a rebound from taking place in the near term. Late March also looks difficult as Mercury turns retrograde on 22 March while in aspect with unpredictable Rahu. So there is a gauntlet of challenging alignments that would tend to favour more downside pressure rather than a return to the rally. I would still lean towards lower lows in April. The Jupiter-Pluto alignment in mid-April could mark the beginning of a rebound although it may only last until the Jupiter-Neptune alignment in late May. This looks unlikely to deliver higher highs above 11,171, assuming we see further declines in March and April below 10,000 as I expect.

The technical outlook is bearish. The bulls are very weak here following the rejection of the 50 DMA and the 20 DMA as resistance. Not only did horizontal resistance at 10,600 hold firm, but horizontal support at 10,300 broke down. The rectangle had a downside target is 10,100 and Nifty has basically reached that last week. The test of the 200 DMA gave bulls some hope that a bounce was on the cards. Friday's trade was unimpressive, however, as the Nifty did not break above resistance at 10,300 and finished lower.

Despite Friday's poor session, bulls can point to the falling wedge which often can resolve into a bullish bounce. This may first require further probing of support at or just under 10,100. While the 200 DMA often can provide an attractive level from which to launch rallies, it is not always reliable. We could therefore see brief moves below this line in the coming days. If bulls can defend 10,000-10,100, then resistance will again be 10,300 and then 10,600. However, if there is a breakdown of 10,000, then that could open up a larger decline. 10,050 resembles a neckline of sorts in a head and shoulders pattern and if it breaks then a possible downside target would be around 9000. The weekly Sensex chart is still showing a sell signal on stochastics and it is not quite oversold. Bears may therefore reasonably expect another week or two of declines before the odds shift in favour of the bulls on that particular indicator. After the break of support at 34,000, a move down to the measured move target of 32,000 is looking more likely. Meanwhile, HDFC Bank (HDB) struggled to stay above the 200 DMA last week. It has now fallen back into its previous trading range from Q4 and risks further downside in the near term. However, a falling wedge is taking shape at support so that could increase the likelihood of a significant bounce in the coming days. Infosys (INFY) continues its rally as it climbs up the 50 DMA. It is quickly approaching its previous high so some consolidation is likely soon.



This week leans bullish, especially in the first half. Whether the week as a whole can finish in the green is an open question, however. The Sun aligns with Jupiter on Tuesday so this may enough in itself to offset any other short term negative influences. Mercury aligns with Saturn on Monday so that diminishes the chances for gains somewhat but it may not be enough to lean bearish. If Monday is negative though, I would think the chances are fairly good for a bounce on Tuesday. Wednesday is more uncertain as the Sun will move past its angle with Jupiter while Venus is exactly 90 degrees from Saturn. Some selling is more likely on Wednesday, especially if we have seen gains earlier in the week. Perhaps that means another test of resistance at 10,300 by Tuesday, followed by more profit taking. Thursday and particularly Friday also lean bearish as Mercury aligns with unpredictable Rahu. It is possible that we could see the Nifty below its current level if the late week proves to be quite negative. But some upside also looks likely here so perhaps bulls can prevail, at least for this week. Medium term I would retain a bearish bias, however.



Next week (Mar 19-23) looks bullish to start but early gains may not hold. Mercury conjoins Venus on Monday and Tuesday and this may be a fairly reliable indication of some upside. But Mars squares the Sun from Wednesday to Friday so this may well determine the weekly outcome. The Fed meets Wednesday so a negative market reaction is perhaps more likely towards the end of the week. The following week (Mar 26-30) looks more bearish as Mercury Rx aligns with Rahu at the beginning of the week. Wednesday's Venus-Uranus alignment may bring some upside before the four-day holiday weekend. April looks very bearish to start as Mercury aligns with the Mars-Saturn conjunction so I would think lower lows are more likely then. April as a whole looks mixed with some upside likely in the second half, although the rebound looks choppy. May looks more bullish as Jupiter aligns with Neptune although I would be surprised if we saw a major new rally take place. Late May and June look more bearish as Saturn aligns with Rahu and Mars. Mars turns retrograde at the end of June so that could well signal more downside for July. It is possible we could see another lower low in July (9000?). August should be more bullish as Jupiter returns to forward motion and aligns with Neptune once again. Q4 looks more bullish with more upside likely in the first half of 2019. It is possible we could see the Nifty move to higher highs sometime in 2019.



**Technical Trends**

Short term trend is DOWN  
(1 week ending 16 March)

**Astrological Indicators**

bearish (confirming)

**Target Range**

10,000-10,300

Medium term trend is UP  
(1 month ending 16 April)

bearish (disconfirming)

9500-10,100

Long term trend is UP  
(1 year ending March 2019)

bearish (disconfirming)

9700-10,500

## Currencies

The US Dollar edged higher last week as traders breathed a sigh of relief over Trump's watered-down tariff policy. The DX finished the week just over 90 while the Euro settled a little over 1.23. The Yen weakened towards 107 with the return of the risk off trade while Bitcoin fell to 9100. This slightly bullish outcome was not unexpected as I thought we would get some selling early followed by late week gains. Also in the mix was the ECB's announcement that it would finally end QE asset purchases. However, Draghi allowed for a lot of wiggle room so as to not appear too hawkish. The last thing he wants is a stronger Euro. Further improvement in the Eurozone is another source of strength for the Dollar. Technically speaking, the Dollar is still weak as it rejected the 50 DMA on Friday following the jobs report. Current support is 89.5 with critical support at 88.5. A close above the previous high of 91 would be bullish and should at least open the door to further gains. After the long decline, the Dollar bulls may be able to attempt a bear market rally back up to the 200 DMA at 93 before possibly resuming its down trend. The weekly Euro chart shows a narrowing range of closing prices which often precedes a breakout. This could first evolve into another bull flag with after a little more downside. However, the bias is still up for the Euro so a pullback to say, the 20 DMA at 1.20 would not fundamentally change the outlook.

This week looks more bearish for the Dollar. The Sun aligns with Jupiter on Tuesday which should produce some pullbacks in the first half of the week. There may be somewhat better chances for gains at the end of the week on the Mars-Node alignment. This usually coincides with tensions and anxieties which often produce a safe haven rise for the greenback. Next week (Mar 19-23) features the FOMC meeting on the 21<sup>st</sup>. Mercury turns retrograde on the day following the meeting and hints at surprises. I am generally bearish on the Dollar for the next several weeks and the planets here do lean bearish. However, there is a mix of influences that makes me somewhat



uncertain about outcomes. Late March and early April could see some large moves in both directions. Late March looks more bearish in this respect and early April is harder to call due to the Mars-Saturn conjunction. This should normally be a safe haven play that benefits the Dollar but the current environment is in a state of flux where the Dollar is gradually losing its reserve currency appeal. Nonetheless, I would lean bearish for the first half of April at least. We could see the Dollar fall to 86, for example. The chances for a strong rebound will rise during April. The Jupiter-Neptune alignment in May looks particularly bullish. I would expect the rebound to extend to much of Q3 and it could be strong enough to reverse the bearish technicals (e.g. down sloping 50 and 200 DMA). A return to the previous high of 95 looks quite doable and it could well move higher than that. Some retracement is likely in Q4 but possibly to a higher low. 2019 looks mixed although I would lean bearish for the long term outlook as 2020-2022 looks fairly negative.

Technical Trends (Dollar)	Astrological Indicators	Target Range
Short term trend is UP (1 week ending Mar 16)	bearish (disconfirming)	88-89
Medium term trend is DOWN (1 month ending Apr 16)	bearish (confirming)	86-88
Long term trend is DOWN (1 year ending Mar 2019)	bullish (disconfirming)	85-95

## Crude oil

Crude oil moved modestly higher last week as Friday's US jobs report suggested stronger demand. WTI gained more than 1% on the week to \$62 while Brent settled above \$65. This bullish outcome was in line with expectations although we saw gains early and late in the week contrary to my forecast. The technical outlook is mixed here as the chart appears to be forming a neutral pennant pattern of lower highs and higher lows. This can occur during a period of consolidation but still retains the bullish bias of the medium term up trend. Key support is now \$60 for WTI with pennant resistance at Friday's high just above \$62. More recently, we can

discern a descending triangle over the past two weeks with horizontal support at \$60. This is more bearish and has a downside target of \$56 if \$60 is broken. The \$54 area may also exert an added pull since it represents a 50% retracement as measured from the June 2017 low. And we should note that this is just a bit above the 200



DMA and so it presents a very plausible area that bulls could better defend in the event of more downside. The short term looks difficult due to the bearish crossover of the 20 and 50 DMA. This is the first such crossover since the early part of 2017. The weekly Brent chart is finding support at the 20 WMA (100 DMA). While this pullback has been deeper than most, the longer term up trend is still intact. A pullback down to the rising trend line from the Jan 2016 low would indicate support at \$54. Therefore, the bull market would only be in jeopardy on a weekly close below that level.

This week looks choppy with some added downside risk. The early week Sun-Jupiter alignment could coincide with some buying. I would think the chances are good that crude moves out of its pennant pattern in that respect. The bias is to the upside on Monday and Tuesday. However, the Mars-Lunar Node alignment appears to dominate the second half of the week and looks bearish. My bias is bearish for crude for the next couple of weeks and this week could see more downside pressure. A weekly gain isn't out of the question here but the planets are not strongly supportive of it.



Next week (Mar 19-23) is the FOMC meeting and the reaction may be immediately bullish. Some early week upside is also possible leading into the Wednesday announcement. However, Thursday and Friday may see a shift towards a bearish bias. The following week looks more bearish in that respect, however, especially early in the week. The first week of April features the Mars-Saturn conjunction and that should bring some retracement. It is a possible interim low, although I am reluctant to speculate on levels. April may prove to be bullish as Jupiter aligns with Neptune. This alignment is exact in the month of May and suggests that prices should rebound after any April low. Late May looks more bearish and we could see another significant pullback take place in June. A test of the 200 DMA and the rising trend line support is a real possibility in June or perhaps July. August looks more bullish and could see a reversal higher after the summer correction. Q4 may be more bullish again.

Technical Trends	Astrological Indicators	Target Range (WTI)
Short term trend is DOWN (1 week ending Mar 16)	bearish (confirming)	\$58-63
Medium term trend is UP (1 month ending Apr 16)	bearish (disconfirming)	\$56-65
Long term trend is UP (1 year ending Mar 2019)	bullish (confirming)	\$60-75

## Gold

Gold finished the week unchanged as Friday's jobs report maintained current interest rate expectations. Gold had climbed up to 1340 intraday on Wednesday but could not hold onto gains. Gold finished at 1324. Gold bulls may be forgiven for becoming impatient for the upside breakout that never seems to happen. Nervousness over Trump's tariff talk appeared to give gold a boost midweek right around the time of the Mercury-Venus and Moon-Jupiter alignments. As expected, the week was choppy. The failure to at least match the previous high of 1360 is potentially worrying for bulls who now must prevent a break down of support at 1310. The one-day violation of support on March 1<sup>st</sup> now creates a situation where another sudden move below 1310 could establish a more bearish pattern of lower highs and lower lows. And now there is a potential bearish crossover of the 20 and 50 DMA with price now just underneath it. I would think that one more daily close below 1310 could spark a rush to the exits as weak bulls get shaken out. If that were to happen, one downside target would be 1260. A more bullish scenario would be a gradually declining channel with support now at 1290-1300. To be sure, the long term technical outlook is bullish given the multi-year bottoming pattern and ascending triangle. But it is unclear just how long it will take for the neckline at 1360-1375 to be broken and for the upside target of 1700 to be fulfilled. Another pullback to the 200 DMA at 1234 is still entirely compatible with the longer term bullish view.

Gold looks choppy again this week but with a bearish bias. The early week has a decent chance for some upside, however, as the Sun aligns with Jupiter on Tuesday. This would seem to create the possibility of another test of last week's high of 1340 at least, if not higher. But the planets look less favourable from Wednesday on as Mars aligns with Neptune and the Lunar Nodes on Thursday and Friday. My best guess is that the downside risk outweighs any early upside potential so I would lean bearish for the week. Another test of 1310 is very possible here.

Next week (Mar 19-23) is all about the FOMC meeting on Wednesday. The early week leans bullish as Mercury conjoins Venus. Wednesday also leans bullish but any upside looks fragile and perhaps short-lived. I do not see any clear indications of major upside for the rest of that week. It's possible, of course, but the evidence is mixed. The late week Sun-Mars alignment actually looks bearish so even if there is a positive reaction to the Fed, it could reverse lower by the end of the week. The following week could see large moves as Mars approaches its alignment with Saturn. I would lean bearish here. That said, the Wednesday-Thursday (Mar 28-29) alignment of Venus and Uranus may coincide with sudden moves in either direction. I would retain a bearish bias for the first week of April also due to the Mercury-Mars-Saturn alignment. This is likely to coincide with some turbulence in



financial markets and gold is likely to make big moves also. Gold is likely to rebound starting in April and continuing into late May as Jupiter aligns with Neptune. Higher highs are possible but seem less likely. We shall see. Another decline is likely to begin in late May or early June as Saturn aligns with the Lunar Nodes. Lower lows are possible here, including 1230 or 1200. Late July or August could see the start of another move higher with an up trend more likely to extend into Q4. The longer term outlook for gold is mostly bullish for 2019.

<b>Technical Trends</b>	<b>Astrological Indicators</b>	<b>Target Range</b>
Short term trend is DOWN (1 week ending Mar 16)	bearish (confirming)	1300-1340
Medium term trend is UP (1 month ending Apr 16)	bearish (disconfirming)	1270-1350
Long term trend is DOWN (1 year ending Apr 2019)	bullish (disconfirming)	1250-1450

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.

©2018 Christopher Kevill