

Quick Review of Key Cyclical Macroeconomic indicators:

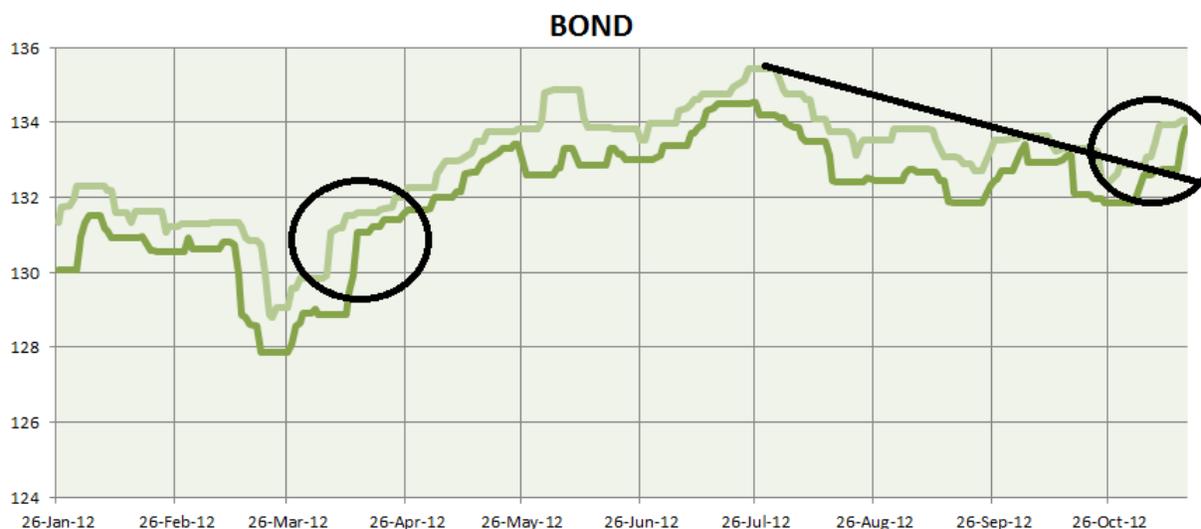
Trend indicator: Released yesterday. If you missed it, check previous report. **(Link at the final page)**

Quick Review on Order Flow Analysis:

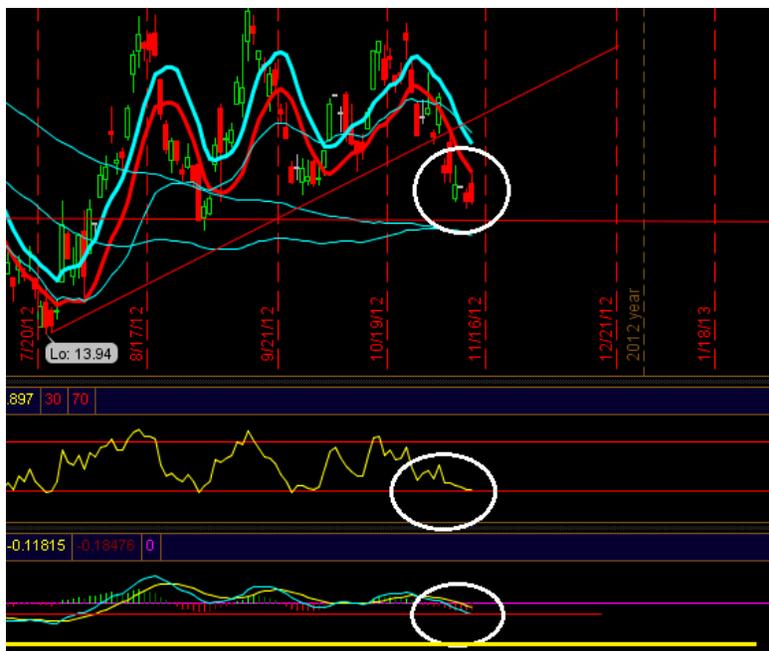
Data is updated every Tuesday. Next Release is due Tuesday, November 20. If you missed it, check previous report. **(Link at the final page)**

Quick review on Inter market Analysis-Technical:

Bonds (US 10 YEAR) (TNX)

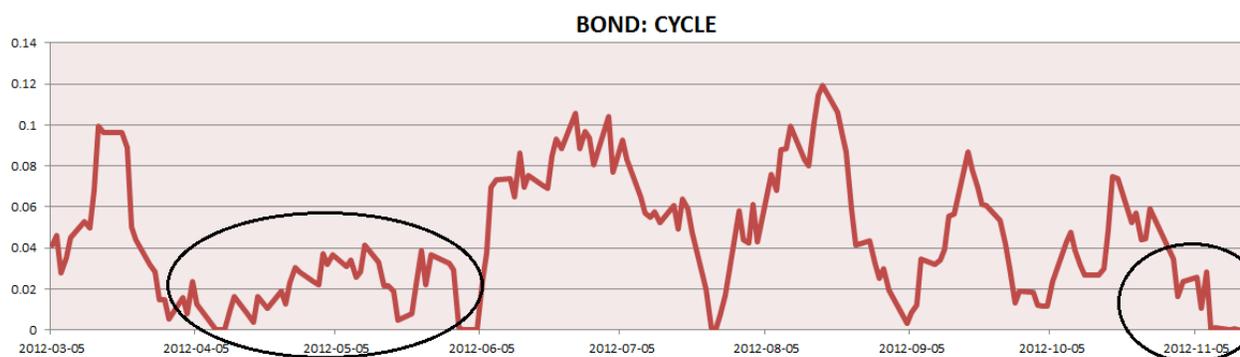


- ❖ **Bonds bias not changed.** So what I want to show you, is how bonds rally up (March 20ish to April 30ish). **(First black circle)** then on May we went down heavy on EUROUSD. Today, we are looking for **almost** the same scenario, bonds broke trend line and if you look how they did **(Slopping up)** you might think there is heavy pressure to the upside. **Could we expect a similar scenario like May?** On May, this rally was backed up by the 4 major markets. At this time we got 3 bearish 1 undefined. We need Gold to come to the bear side. **This is one of the MAJOR reasons I will not buy EURO.** Bond Relationship is pretty strong. Because of “the tradeoff” that exists between Risk and Yield. We are seeing that people are buying USD as a safe haven measure, even when different media sites are saying “Fiscal Cliff”. So why are they buying USD? Why not Aussie? Why not Pound? Why not Swiss F? The only truth is that **money talks** and today people is buying USD even if that’s not the highest yielding currency but is the safest. **At that’s our bias.** We must remember trends are “behavior”.



- ❖ This is the TNX chart. We are seeing price going bearish at Major support; major because it coincides with EMA 365 (yearly) and 200 (Common used by institutions) and PA S/R.
- ❖ RSI sliding, looking to break 20 level. If this level is breached we could expect more bearish and a major confirmation on Bonds Behavior.
- ❖ Also for MACD if this level is breached, we could expected the same movement as on RSI. Also index should find the yellow line support on MACD.
- ❖ **This is the Second Reason why I'm not buying EURO.**

BOND CYCLE (YIELD):



- ❖ If we look at the bond cycle we are seeing **Weakness**. On April-May price when to 0 level then went up but could not reach previous peak. On September price could not reach previous peak and then on October the same thing and the **(BOOM!)** down.

EQUITIES



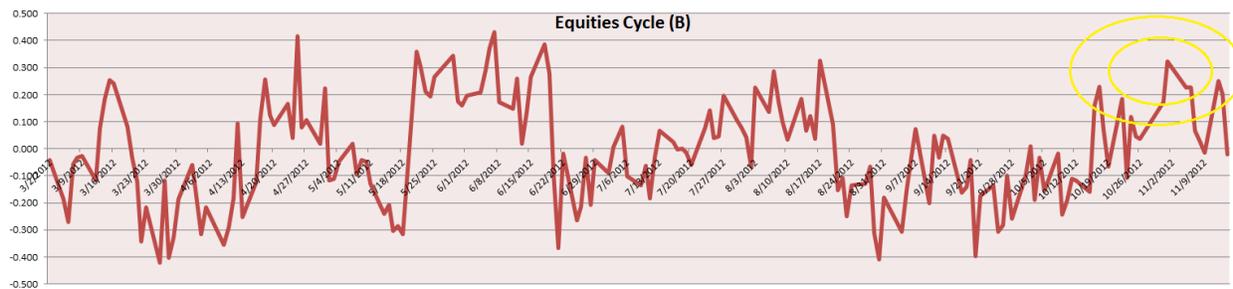
- ❖ **SP 500, “Structural damage”**: First on mid-October price breached secondary trend line. Now at mid-November price breached major trend line and first support.
- ❖ **RSI** breached 20 level.
- ❖ **MACD** breached support.
- ❖ **PA**: People bought this support; they put S-L near the purple circle. In this area, a cluster of Stop Losses might be. If we hit that level we will get “MAJOR SPEED”.
- ❖ **Third major reason I’m not buying EURO. Equities are showing bearish bias.**

Note: Remember there is an inverse relationship between value and yield. More yield will imply a major risk premium and less value on the asset. Less Yield -- More value (USD) Less -- EURUSD value. This is on Daily TF.

Bonds (H-L Statistical)

- ❖ Equilibrium price broken.

Bonds Cycle (Put/Call):



- ❖ **Bonds Cycle (Put/Call)** showing a triple top and now going to lower extreme level. This is bearish for the EURO.

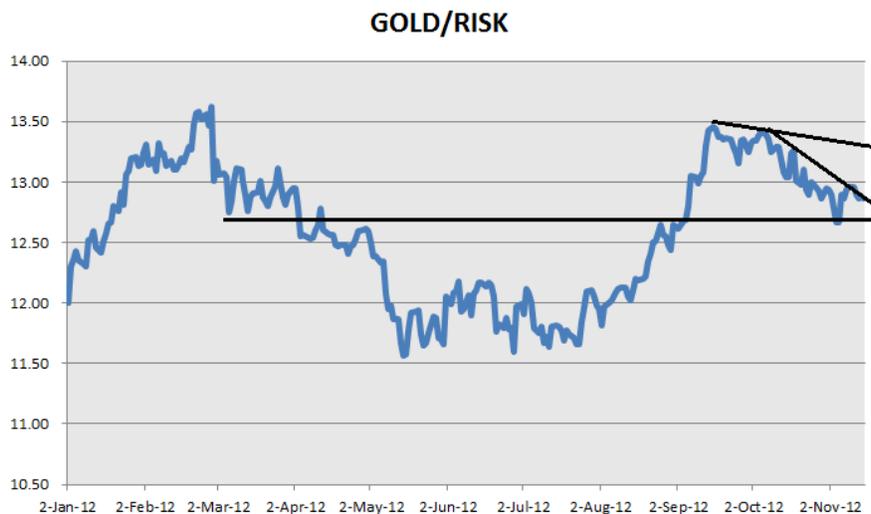
Equities (H-L Statistical)

- ❖ Price at equilibrium not yet broken.

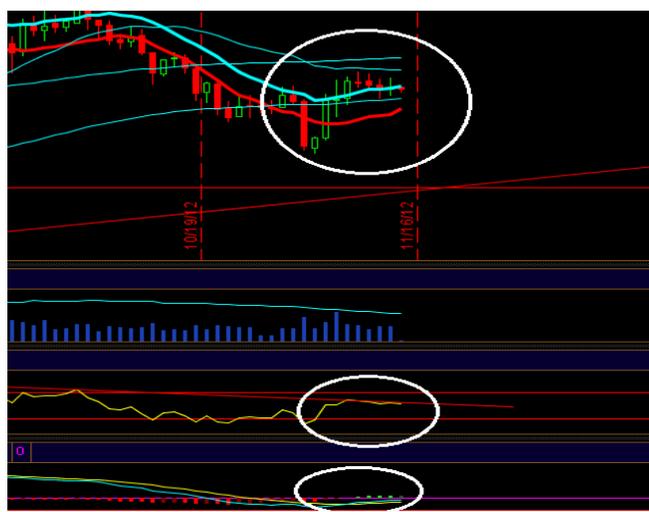
Note: Remember when Equities are down or there is a bias to the downside this could imply a bearish bias on EURO but not always. This is on Daily time frame.

SORRY FOR THIS I WILL FIX THE WASTED SPACE SOON I JUST NEED TO FIGURE IT OUT HOW TO SHOW EVERYTHING I WANT IN ONE PAGE. I REALLY HATE TO SHOW CHARTS AND THEN EXPLANATION AT NEXT PAGE. ANY IDEAS OR SUGGESTIONS ARE WELCOME

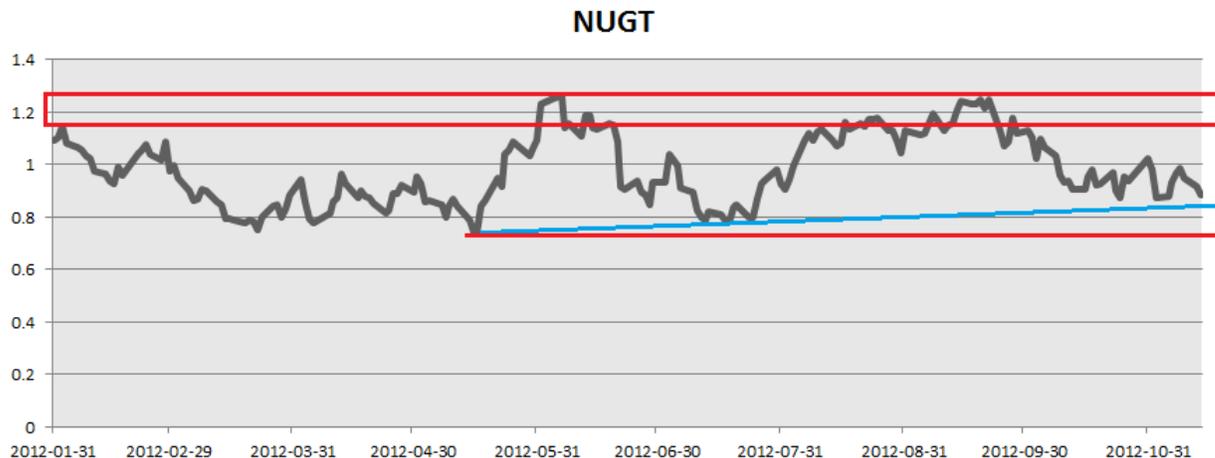
Commodities GOLD, NUGT, DUST



- ❖ **Will Gold, join the Bear Market?** : Price is COULD be on a secondary trend. But we just cannot tell with certainty. But we can tell if the horizontal black line (Support) is breached and the 3 markets remain bearish this could give major downside pressure on EURO.



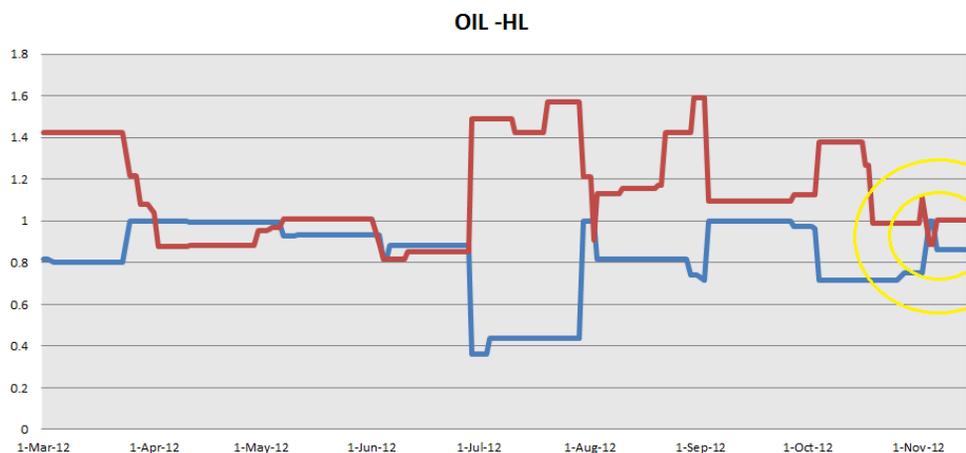
- ❖ Gold chart: PA is screaming “No direction”. RSI playing on downtrend and MACD could rebound on level. Now, let’s think 3 major markets bearish and 1 market undecided, if august, 2011 taught us something is **“If you dare to ride alone, I will pull you down harder”**



- ❖ **NUGT:** Price went down hard today. We need price to breach that lower support (Red line) or go up one more time and reload shorts on Top. This etf could show gold direction later. At this time we could see more bearish movement.
- ❖ **Commodities telling “I just don’t know what to do” “If I dare to ride alone I could fall harder later”.** Fourth reason I will not buy euro. Gold just does not know where to go. Also Price is at MAJOR resistance level. (This is not shown).

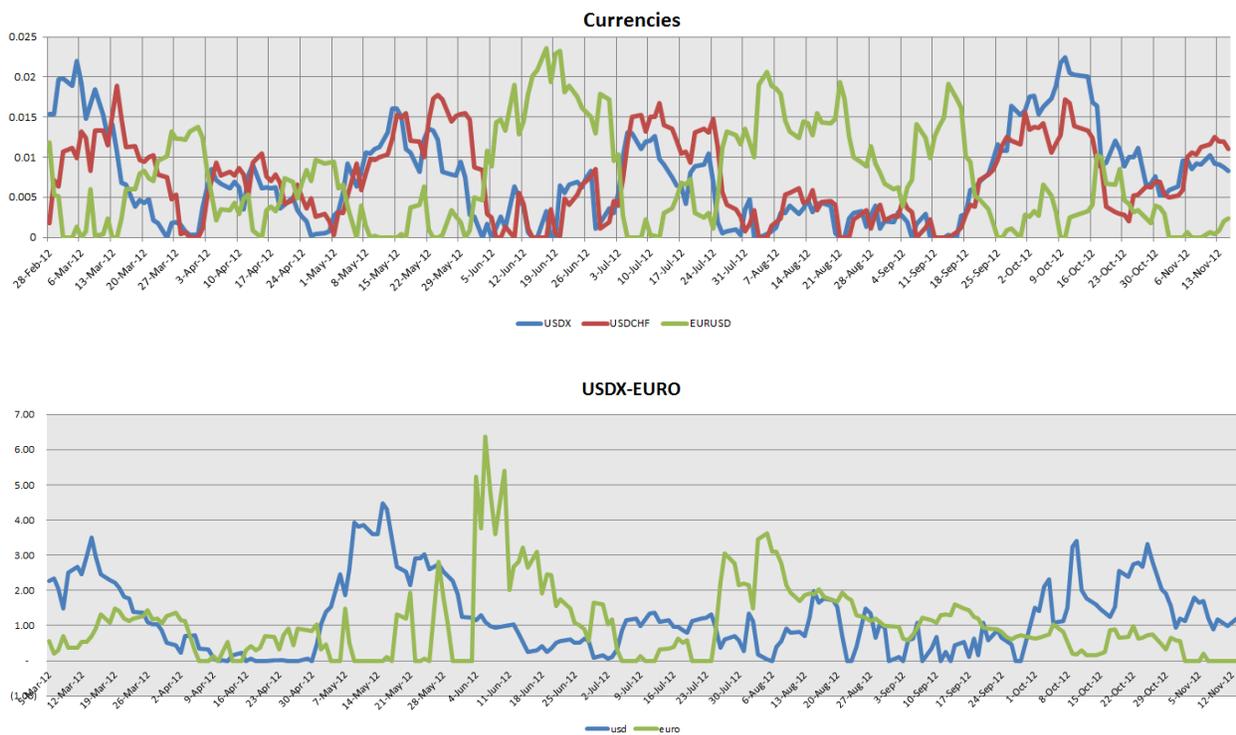
Note: As on Equities, Commodities relationship is not an iron law. If there is a bearish bias on commodities this could also imply a bearish bias con EURO. I do not post H-L statistical on commodities because we have same information as in equities and bonds. (Major equilibrium and possible trend bias)

OIL H-L Statistical:



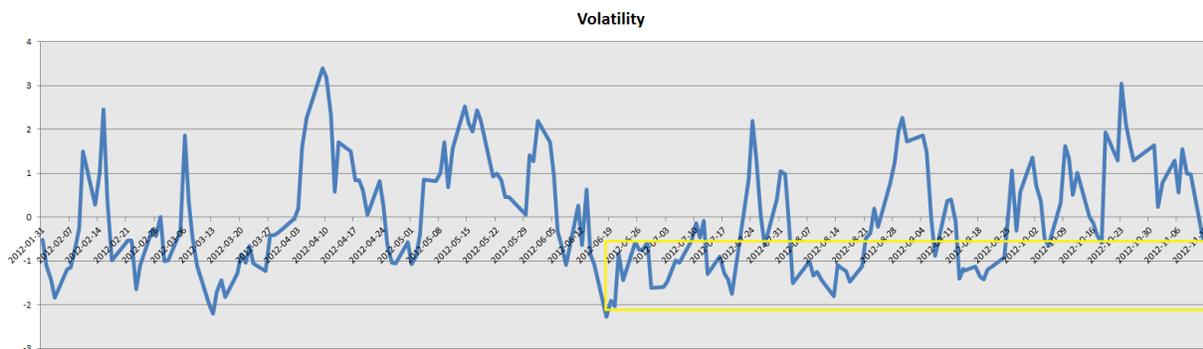
- ❖ Oil H-L equilibrium is broken. Same as yesterday. But we must consider this. Oil is a major force. 3 BEAR markets 1 undecided market. Oil is ready.

FOREX (USD, USDCHF and EURO)



- ❖ USDX and USDCHF are **still bullish** on currency meter. EURO rising very slowly. **(Chart 1) Currency Meter**
- ❖ **Currency Meter 2:** Gap between USD-EURO is tightening. We might see a new entry soon.
- ❖ **ON FX EURO AND USD. I REMAIN BULLISH ON USD AND BEARISH ON EURO.**

Volatility (VIX)



- ❖ Volatility still going to the extreme lower level. We saw an up move today but nothing relevant. Still waiting for the extreme lower level to get an entry.

Summary:

| ASSETS | BIAS |
|----------------------------------|--|
| Bonds (US) | Bullish |
| Equities | Bearish: "Structural Damage" |
| Commodities | Bearish : "Market is undecided with 3 major markets pressuring down" |
| Forex (Euro) | Bearish (All indicators) |
| VIX | Near extreme level |
| Trend Indicator (Fundies) | Bearish on EURUSD |
| Cyclical Fundies (US) | Bullish (We will get more Fundies Tomorrow) |
| NET SENTIMENT | Same as yesterday. Bearish. Wait for resistance to reload shorts. I will not change the "NOT BUY SUPPORT" recommendation. Let's see what gold does. |

Note: Sentiment is based on Daily Time Frame.

Link to previous report:

<http://www.forexfactory.com/showthread.php?p=6192115#post6192115>

TO ALL SUSCRIBERS:

Is very nice to hear, you liked the report. One of the major reasons I'm doing this is because, I'm sick of those media sites talking BS and confusing people all the way to failure. Also, I'm pleased to show you there is something more than classic trading styles. Don't be afraid to do your own indicators, in trading there is one simple truth: Money talks.

And finally, I'm surprised for the reaction this report made. One of my goals is to program all my indicators into a webpage for free, so you could use it with ease. Let's see where this journey takes us.

-Gino