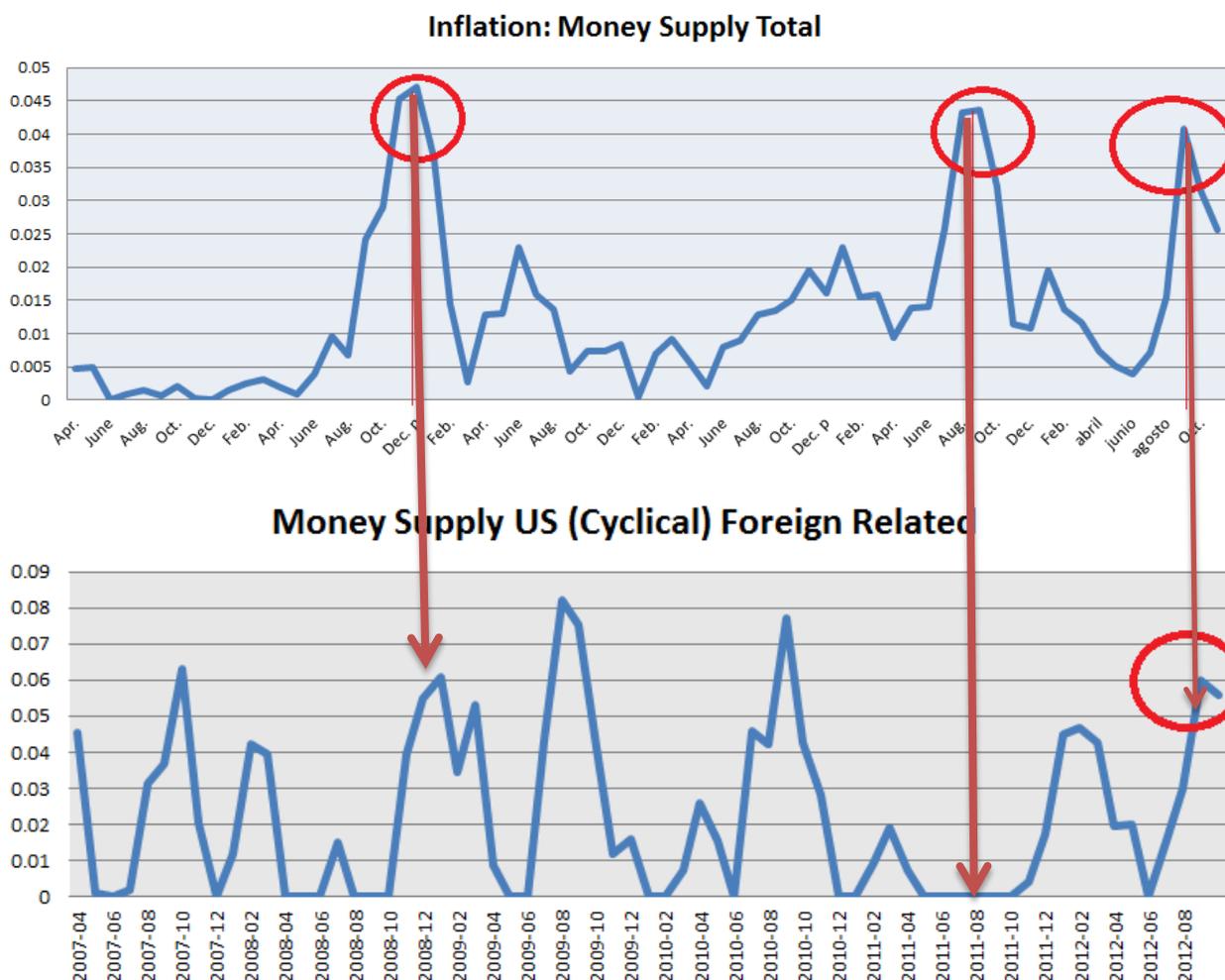


**Quick Review of Key Cyclical Macroeconomic indicators:**



- ❖ Inflation doing what it was expected to. Cyclical peak showing validation. This means US money supply is going lower. Now at this extreme peak euro suffered a major depreciation on December 2008 (First Circle), August, 2011 (2<sup>nd</sup> circle) and now October, 2012. Remember this data is lagged (FED released October Data on November) but this does not matter because we know before which is the upper extreme level, so we can expect the cycle to turn. What this basically is saying, USD should appreciate taking in consideration all other factors mentioned below. Second graph showing same behavior. This is other money supply indicator. On October price was on zero level. This is also bearish. Is just saying inflation went into downtrend and could not go up.

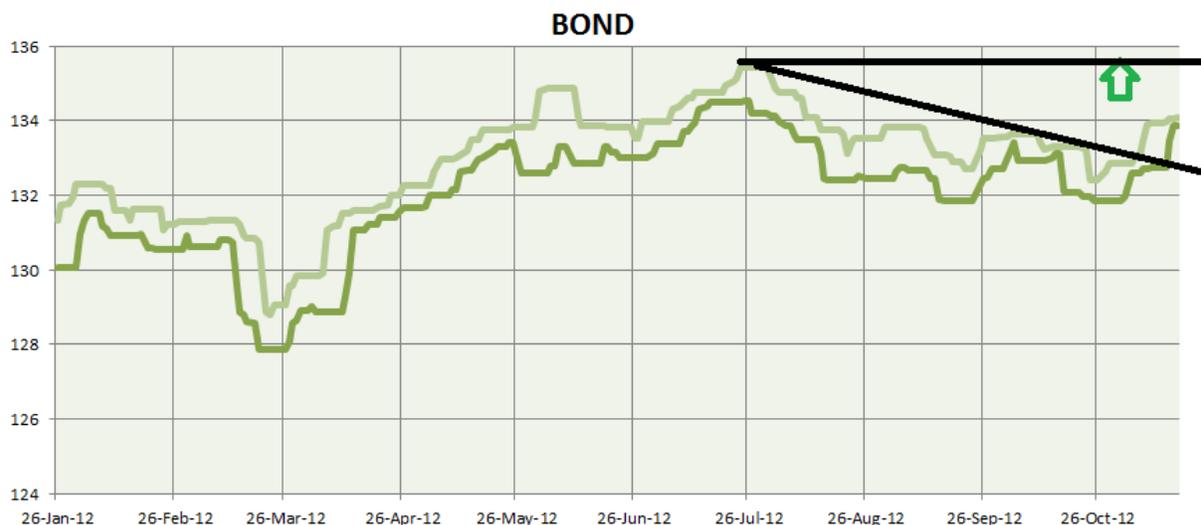
**On Macro side I will continue bearish on EURO. This peak is so important. We must take it in consideration.**

**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)**

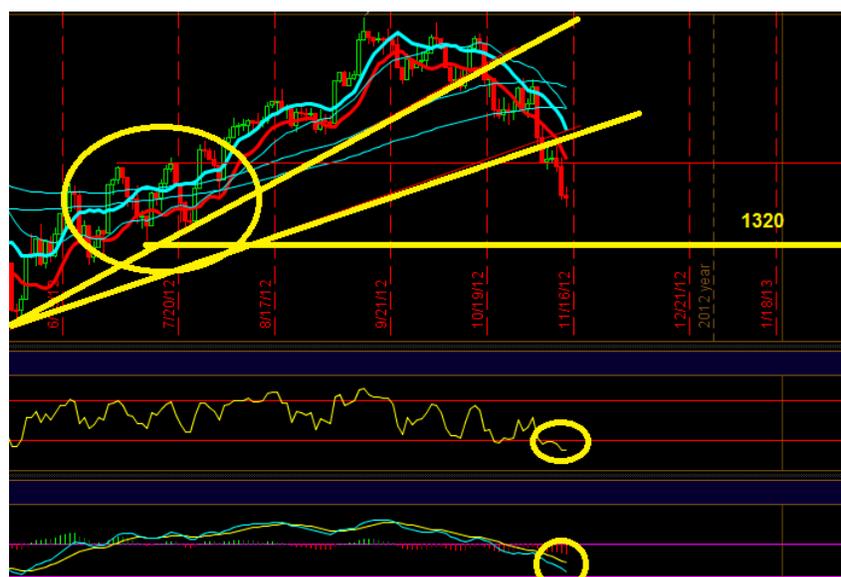


❖ **Now, getting together the macro view with the bonds view.** If macro view is right we could see how dollar will appreciate (euro down) and now we are seeing bonds broke trend and continue going up. Bond behavior is doing what it should do, aligned with macro. This is a powerful signal. At second chart (TNX YIELD) we saw how peaks went lower and price is at zero level. **NOW SUM UP MACRO AND BONDS(VALUE) BEHAVIOR.**



- ❖ We are waiting TNX confirmation on technical level with RSI breaching the 20 level and MACD support. Let see what happen tomorrow. We have bonds(value), yield cycle and MACRO on the bearish side. HUGE PRESSURE.

**EQUITIES**

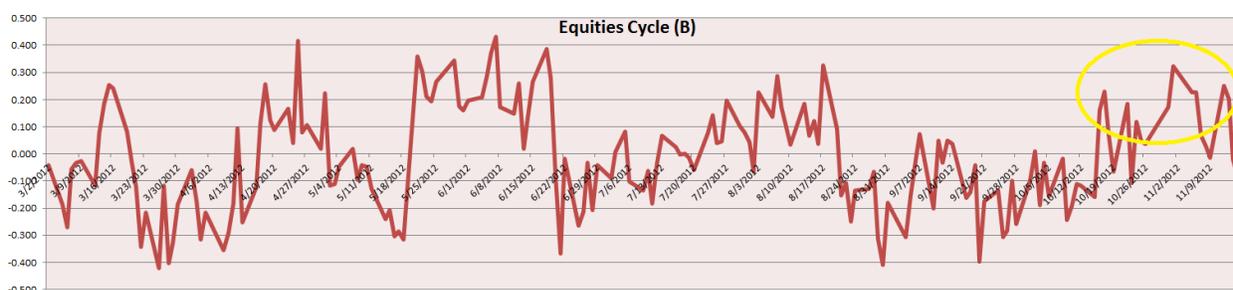


- ❖ I called “SP 500 structure was damaged” on technical view yesterday. Today we went down as expected because of the major pressure by bonds value, yield, macro fundamentals and FOREX. RSI 20 level was breached yesterday. Technical view is

bearish and we are near a cluster of stop losses. We are with the smart money. Price could reach 1320 level.

**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.

### Equities Cycle (Put/Call):



- ❖ Triple top playing. Just another confirmation of the bearish bias we were talking about all the time. Index should go to a lower level.

### Bonds (H-L Statistical)

- ❖ Equilibrium price broken.

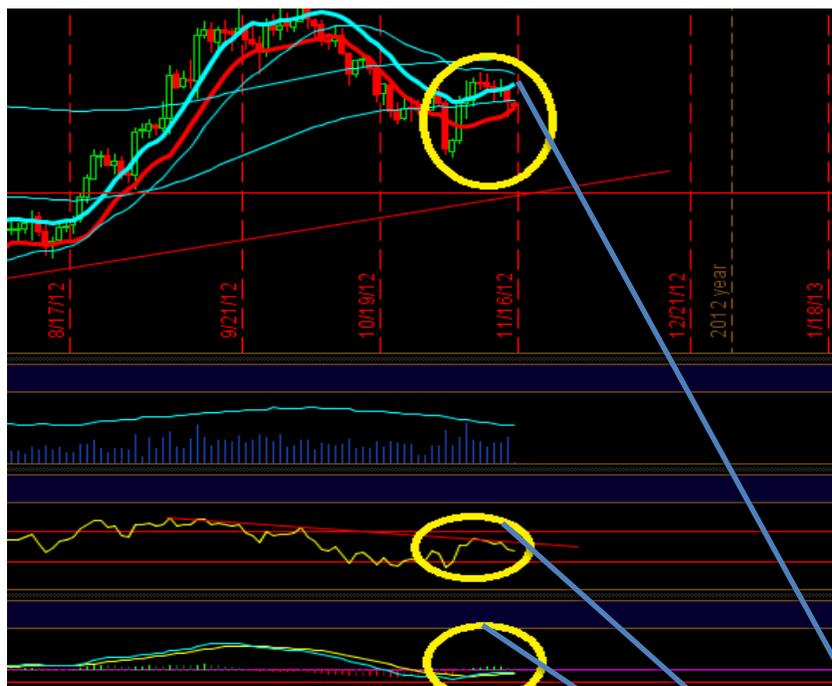
### Equities (H-L Statistical)

- ❖ Price at equilibrium not yet broken.

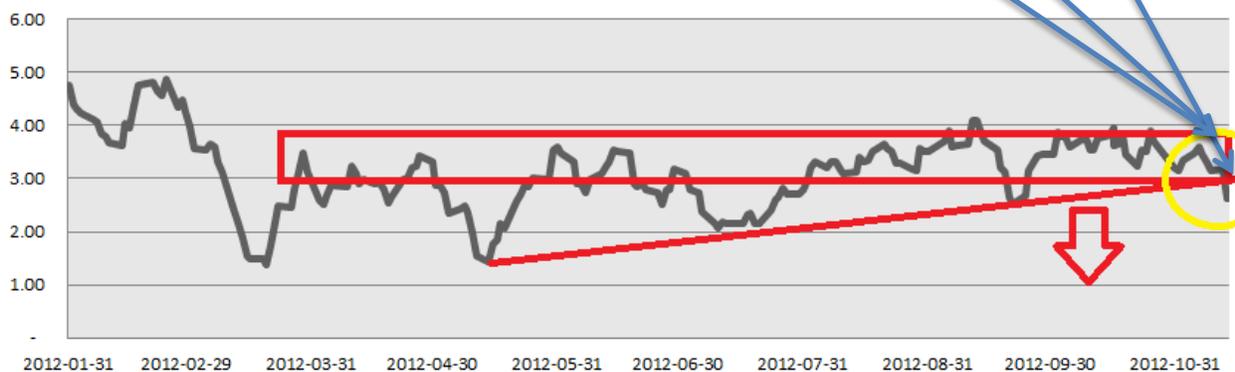
**Note:** Remember when Equities are down or there is a bias to the downside this could imply a bearish bias on EURO but not always. This is on Daily time frame.

**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



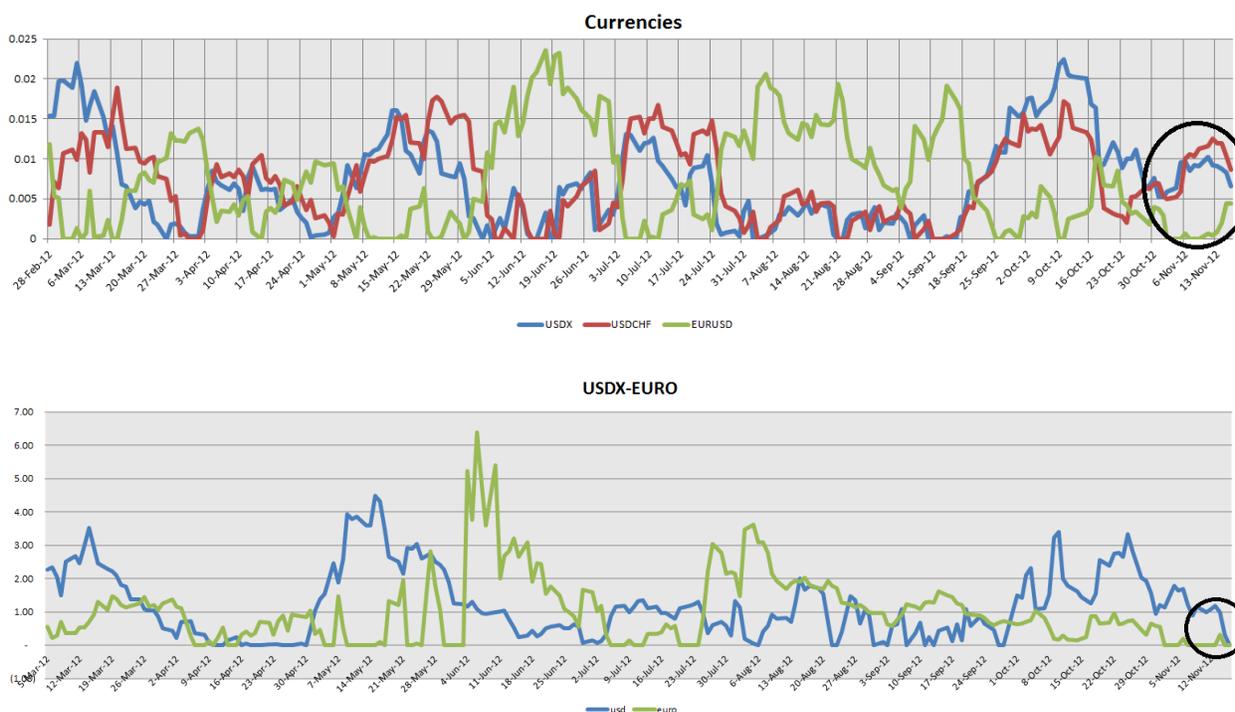
NUGT



❖ **Gold, just getting the huge pressure of 3 major markets to the downside.** In the first graph, we have gold with lot of bearish PA over major resistance. At second graph, we have NUGT (GOLD ETF BULLISH), price just broke major support and getting supported by /GC technical. (RSI is going with technical downtrend and MACD looking for rebound on zero level). **I will continue bearish on commodities.**

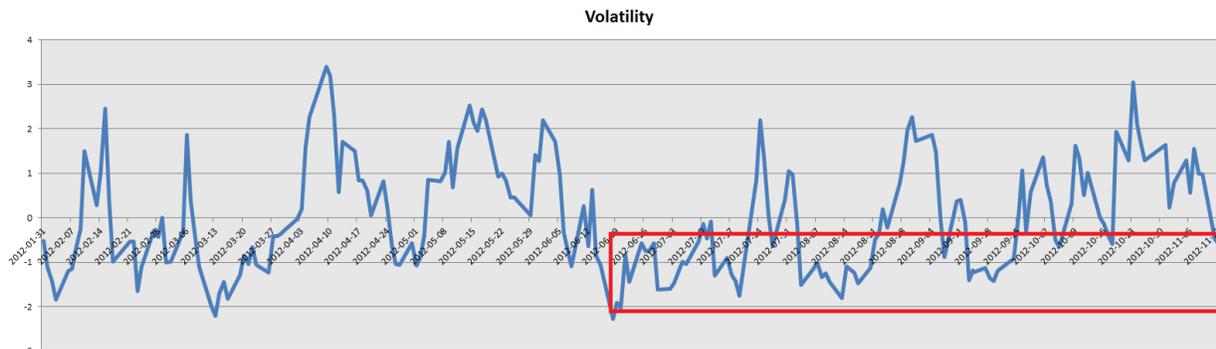
**Note:** As on Equities, Commodities relationship is not an iron law. If there is a bearish bias on commodities this could also imply a bearish bias con EURO. I do not post H-L statistical on commodities because we have same information as in equities and bonds. (Major equilibrium and possible trend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

**FOREX (USD, USDCHF and EURO)**



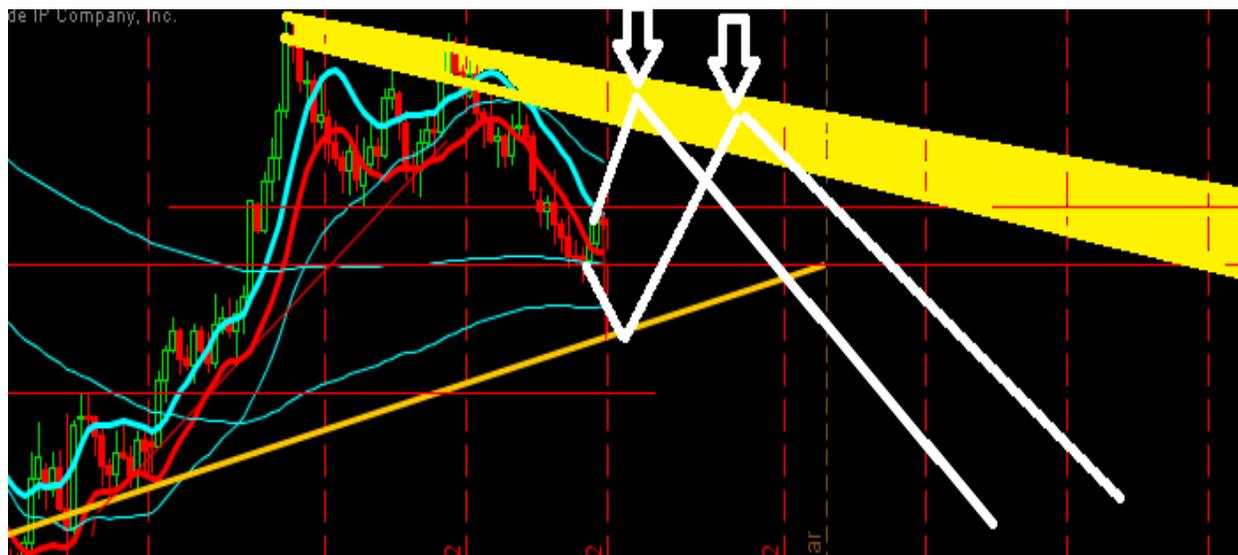
- ❖ USDX and USDCHF going down but still bullish (Over the green line). Euro rising. **This is not a bullish signal but an early signal to figure out where is the next resistance we should consider to reload shorts.**
- ❖ **Currency Meter 2:** Same behavior as on first meter. Remember these two indicators are weighted on different assets.
- ❖ **ON FOREX, I WILL REMAIN BEARISH. WAITING AND FIGURING OUT WHERE TO RELOAD SHORTS.**

Volatility (VIX)



- ❖ Volatility still going to the extreme lower level. We need VIX cycle to go into lower extreme level to get more push.

EURO/USD: WHAT IS GOING ON? WHERE SHOULD I TAKE AN ENTRY?



- ❖ This is the scenario I'm looking for to reload shorts (at 1.30-1.29). I will not buy any rebound.

Summary:

ASSETS	BIAS
Bonds (US)	Bullish
Equities	<b>Bearish: "Structural Damaged"</b>
Commodities	<b>Bearish : Getting heavy pressure</b>
Forex (Euro)	<b>Bearish (All indicators) Waiting to reload</b>

VIX	Near extreme level
CYCLICAL MACRO	BEARISH (MAJOR)
Trend Indicator (Fundies)	Bearish on EURUSD
Cyclical Fundies (US)	Bullish USD
<b>NET SENTIMENT</b>	<b>TOTALLY BEARISH. I will reload on 1.30-1.29. I will not buy the pullback and we should ask ourselves Who is buying the pullback? I will always play the safest bet and at this time is to reload shorts not buying.</b>

Note: Sentiment is based on Daily Time Frame.

Link to previous report:

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

**TO ALL SUSCRIBERS:**

Have a nice weekend. Friday review will be ready on Saturday same hour. Also if you think I'm missing something relevant please tell me, I really like to learn new things to trade better. Any book suggestions will be appreciated. Sorry for the delay (+30min), I was so busy.

Green Pips to you!

**-Gino**