

FORTUCAST FINANCIAL TIMER

PRECISE TIMING and MOVEMENT ANALYSIS by BARRY ROSEN

UPDATED SEPT 30 for MARKETS of OCT 1ST

"Serving Futures Traders since 1987".

Buy Sept. T-notes at 129.27 with a 129.14 stop
Sell Dec. dollars at 9920 with a 9955 stop.
Buy Dec. gold at 1467.10 with a 1459 stop.

LONG-TERM OVERVIEW. (updated 9/29)

S & P : Cycles and patterns and seasons are not bearish enough for us to get too beared up but the background noise with Trump impeachment and Brexit is enough to create jitters for a fall to 2850 . Starting to think that 2700 is possible into November

Dollar: Short-term top at 9920 or max 9950 but maybe only a pullback to 9850 thereafter. We will stay open to 9991 coming in or 100.60 coming in later into early winter and with gold cycles bottoming into early October, , we have to assume the dollar will come go to 9740 or 9700 first which may set up a buy. May not get it now but still will stay open.

Gold : Gold close to 1466-7 support. Weekly charts show additional support at 1457 and 1425. While a bounce is likely from Monday night or Tuesday, we cannot confirm a major weekly chart bottom. Long-term patterns into the winter project 1825 but will we get sickly congestion first during seasonal fall weakness?

Silver: Silver patterns hit first target of 1732 and a move to 1669 or 1652 would be more complete but may not happen right away. The 1680 area may be short-term buy. At best eventually projecting 2155 into 1st quarter of 2020 but not looking great at the moment.

Crude Oil: So much has changed in a few weeks.. Still we are skeptical that the powers that be will prevent crude from taking out the 48.50-50.00 region and will depend it with their life. Saber-rattling will keep this market bid but probably in a range between 5000-60000 for a while. Upper target of 7000-7400 has a chance with the 12 year cycle but we will need someone to bomb again and it does not take much in our crazy world. That may be a target into next spring.

T-Notes: Daily stochastics turning up and a larger retracement is happening and a close above 130.25 would negate the downtrend to 126.25. Key turn due into Oct. 14th or as late as Oct 25th. . Weekly charts were projecting 126.20 and 126.00 but those may be cycle lows for January cycle low.

DEC. S & P

TRADING STRATEGY: wait for morning comments.

(9/30) While we are bearish after Tuesday, the question will be how far they run the market up

on Tuesday? Stocks were stronger than expected today. With Oct 1st coming and seasonal buying and a failure to print 2930, we have to assume we will see 2993 and then 3013 on Tuesday unless there is some blow out bad news. Floor support is at 2978 overnight and cash closed at 2976.74 and at least projects 2993. We never like to fight 1st of the month buying after a strong close and going into 4th quarter seasonal buying so chances are this market will take off. Parabolic support overnight is at 2976 and so taking out 2974 will have to happen to turn bearish and more likely you need to buy 2978 overnight to get in for a push to 3010.

The real concern about the stock market is not the Trump impeachment which has no chance in the Senate but the fact that Biden could be torn down and Elizabeth Warren stronger and no one on Wall Street wants a socialist in office. This scenario could take until 1st quarter next year to manifest.

Cycles are positive on Tuesday for stocks and usually you have to buy in the night session to get in. Most of our clients do day-trading so we will see where we are in the morning. The 2nd day of the Jewish New Year is not as big an off day for stocks but we do have the celebration of China this week.

Market rallied too much to think that 2940 can come in early in the week but if stocks fail on Tuesday a break that deep is possible later in the week.

Oct 1st is the start of the 4th quarter and a seasonal place where funds step in. We looked closely at cycles and they are not as bearish as we first had thought. More inclined to see congestion with a bias toward lower prices into Thursday but we could get a big thrust up on Tuesday and that would be everything. We will need a strong push below 2930 to confirm that 2850 will come in. We still will give it a 70% chance given cycle lows due Oct. 7-14th.

We looked at cycles into mid-October closely and they seem lower into Oct. 14th which means the Oct. 10-11th China talks will not go well and will be sold-off.

For now we are giving the odds of 2850 greater than 3040 very short-term the first few weeks of October. And that could even open a move to 2700 into mid-November.

CYCLES: higher on Tuesday; lower into Thursday; volatile on Friday; generally lower Oct 7-14th.

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FORTUCAST METALS/ENERGY

DEC. GOLD

TRADING STRATEGY : Buy Dec. gold at 1467.10 with a 1459 stop.

TODAY'S COMMENTS: (9/30) Gold is not far away from major pattern fall to 1467. Lower weekly chart support could get to 1457 or 1425 but probably not the rest of the week. Usually the week of employment is congestive so skeptical it will come in by last cycle low this week on Tuesday but possible. Dollar should complete major topping today/tonight and set up a buy for gold but unless we can do it from 1467, it will be an employment week congestion special.

Seasonals are against gold after the first week of October and in looking at cycles in October we are not seeing it running away to the upside so still digging for some major reason to buy. At best it looks congestive at the moment and we will have to stay open to downside surprise. You have to buy key numbers if they come in so a buy at 1467 is in order but will have to see where it goes.

OVERALL: .. Weekly chart patterns had been projecting 1684 and 1700 later and 1800-25 into next year probably by March 2020. We are starting to see congestion for a month into Nov. and seasonals are against this market. If US stocks do a larger correction, the trade may buy gold but peace cycles are strong in October and only Hong Kong is still a hot spot. OVERALL: Monthly charts into January or March point toward 1800-1825

FUNDAMENTALS: The signing of Basel 3 which has been ignored puts a number of countries on the gold standard and will automatically push up the price of gold toward 1800 over the next few years. Next pullback buy will be important. Ideally more toward 1450-60. Need to complete and confirm fall research.

CYCLES; bottoming by early Tuesday; higher into Wednesday and Thursday; volatile and probably lower on Friday into Sunday; higher into Oct. 7th and lower into Oct. 12th and higher into Oct. 14th

DEC. SILVER

TRADING STRATEGY: wait for morning comments.

TODAY'S COMMENTS: (9/30) Silver is projecting 1681 shortly but weekly chart pattern completion is down to 1660 or even 1655. Falling crude is not helping matters. If there is a countertrend buy, it is more likely going to be on Tuesday and it may not be the final low but sometimes you have to buy key numbers and pattern completions. Seasonals do not support silver in the fall and at best we may get a lot of congestion and seasonall metals take off first quarter. We will get higher prices but all markets take a rest at some point

OVERALL: Larger metals cycles are strong into March 2020 with gold projecting 1825. Fifth wave target is minimum 2084 and extended to 2269 on the weekly. We are sorting out the 4 week picture and will report soon.

CYCLES OVERVIEW;; bottoming by early Tuesday; higher into Wednesday and Thursday; volatile and probably lower on Friday into Sunday; higher into Oct. 7th and lower into Oct. 12th and higher into Oct. 14th

NOVEMBER MINI CRUDE (\$5 crude)

SWING TRADING STRATEGY: stand aside.

TODAY'S COMMENTS: (9/30) Market got close to major support at 5400. Computer models showing lower support to 5311. Three waves down from the April high projects 5000. We do see the market recovering into next week but not going to bottom-pick this bear until it reverses and there is strong news. Peace cycles dominate in October so there is hope for Yemen/Saudi Arabia and Iran to be resolved but we know that the powers that be are not going to let that last. We do sense that the market is oversold and due for a bounce into Oct. 7th but we will wait a day if we want to do a trade. This market has been such a bear for a few weeks that its hard to get too excited but fall cycles look like it will recover into early November. We will give it a day to confirm.

OVERALL: Our longer-term work had suggested a trading range between 5400 and 6500. Hard to see more than 5000 coming in but not impossible as US stock market cycles suggest a deeper pullback and there seems no major reason to get really bullish.

FUNDAMENTALS : Crude futures are lower, but well within recent ranges, as the market mostly shrugs off recent news flow; Russian oil output for the month of September is lower than in August, according to sources, at 11.24mln BDP (vs 11.29mln BDP). Additionally, following last Friday's reports of Saudi Arabia agreeing to a partial ceasefire in Yemen, the Iran backed Yemeni Houthis reportedly offered to release 350 prisoners, 3 of whom are Saudis. Separately, an Iranian Government Spokesman said that they are prepared for a dialogue with Saudi Arabia if they alter their behaviour and stop the war in Yemen, following reports that Iranian President Rouhani had received a letter from Saudi Arabia. \

WEEKLY CHARTS researching.

CYCLES: bottoming on Monday; generally recovering into Oct 7th.

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BITCOIN/T-NOTES/ CURRENCIES

OCTOBER BITCOIN FUTURES:

(9/30) Lower support at 7539 almost hit overnight. Resistance for a bounce is up to 8571 max. but skeptical. Chance for a recovery next week if stocks head south but world tensions are easing except in Hong Kong. Peace cycles are strong in October for the world so this trend may continue. Still the sky keeps falling for Bitcoin with support at 7577 and then down to 6855. . We have been bearish and continue to stay bearish until at least Nov. 2019 so this market can still unravel and it is still not cheaply enough priced to jump in. We are going to have to roll to the Oct. contract within a day or so.

WEEKLY CHART: The end of 2019 should start a key run higher. If the current recovery fails, it may start in November of this year. We are inclined to, as it completes with their worthless paper.

DEC T-NOTES

TRADING STRATEGY: Buy Sept. T-notes at 129.27 with a 129.14 stop. .

TODAY'S COMMENTS (9/30) We looked at cycles and patterns and we are still inclined to see at least 130.21-130.29 as the weak bounce continues after the recent massacre. Ideal buy target may not come in at 129.26 but something to keep an eye on. We should be long the rest of the week. Some thin conditions with the Jewish New Year. We should be long this week and then we can sell the following week

OVERALL: For now, daily stochastics have hinged higher and we could see 130.25-29 and may be too much to expect 131.26. There are signs that this market may be done early but we are skeptical.

LONGER-TERM: Weekly charts starting to project 127.21 and now are were projecting 126.20 at Friday's close and weekly charts 126.27. For now the market is too oversold to chase and need a bounce this week. Larger monthly chart cycles suggesting want to be short into Jan. 2020 but unclear where the best secondary high to be short will come from. Its also hard to imagine such a protacted long-term trend.

CYCLES: higher into Wednesday; lower into Thursday; higher into Friday and Sunday and higher into Monday; lower into Oct. 11-12th

FOMC MEETINGS 2019: October. 29-30. December. 10-11*. The Chair's quarterly news conferences will take place following the June, September, and December meetings.

DEC. DOLLAR INDEX (electronic)

TRADING STRATEGY: Sell Dec. dollars at 9920 with a 9955 stop.

(9/30) The majority of cycles point lower this week into next Monday and our pattern completion has come in at 9904. Market looks like we will see 9924 or max. 9949 before we start a 1 week pullback that does not have to go far and may be congestively lower and only hit 9836. We can wait for tonight to get short for a week but watch 9924 and 9949 as ideal sell targets.

EVENTUALLY: Weekly chart patterns suggest fives wave up still could go to 100.30-60 so the 9738-9710 area should be a key buying area but will we get it now? . We need to confirm in

our longer-term cycle work but the Euro and GB are a mess so where else do you go? Really unlikely that long-term prospects for the UK or the EU are good even if they pull off a Brexit miracle.

OVERALL: The chances for new highs in October to 9991 are there and the dollar needs a break and close below 9700 to trigger a weekly chart reversal. Does not seem like it will happen. Still the chances of Europe and Britain getting their act together seems small.

WEEKLY CHART CYCLES: Monthly chart patterns project 100.60. The longer-term cycle highs for the dollar dominate into spring 2020 so we will have to buy the dips on a 1 month correction into early October and we do not know what kind of secondary low we will get.
CYCLES: topping today;

DEC. MINI EURO and EURO CASH (electronic)

(9/30) With the break we have to starting thinking 10853 or 10845 on cash and we are almost there. Seeing a bounce this week once it comes in but cash may only get up to 109.60 or 110.60. Futures are about 60 over. Last day for shorts.

MONTHLY CHARTS: Weekly chart target eventually projects 10530 on cash and on futures with cycle lows into Spring 2020 we are favoring a break to 102.36 on cash into 2020 and we think politics and economics will great rather bearish for Europe.

CYCLES OVERVIEW: See opposite of the dollar.

TRADING INSTRUCTIONS

POLICY CHANGE (5/11/2012)

- 1) We assume that all orders are cancelled by you by the regular closing electronic session unless we specify to keep orders into the night session. With the weird trading that occurs after 3:15 pm on the S & P we'll assume the 3:15 pm close is the cancellation period unless otherwise stated to hold an order through the secondary close. (We had mentioned that in an intraday update when that extended session started at 3:35 pm.)
- 2) Night session currencies entry orders expire at the completion of the electronic session at 3:15 p.m. and should be pulled until the next order comes out.
- 3) Currency and electronic stops from the previous day should continue until the new stop is available. Given market liquidity in the night session for currencies and the S & P and the ease of electronic trading and placing stops, we'll assume stops are being executed for you. Plus we do have foreign traders and people who stay up all night.
- 4) If we want to exclude night session entries, we'll indicate "day session only" in the trading strategy. If an order says to exit market on close, it means the electronic session. To accommodate this new policy, we'll do our best to publish as early as possible or send out new intraday updates so that you can get night session entries and stops in place.
- 5) If an exit target is hit within 1-2 ticks, we would cancel the entry order, as the pattern is complete and the trade should be nullified.
- 6) Breakout and breakdown orders on stops should only be entered during the day session and should not be used at the open of a market unless they are accompanied by a limit order.
- 7) Note: (early only) means first 1-1 1/2 hours of trade.
- 8) Exit targets even if they originate from intraday updates should be executed in day or night session.
- 9) Market-on-open orders with limits are only executable during the opening range and should be pulled after five minutes if not filled. If the market gaps under or over our stop at the open or if the opening call indicates that it will, the order is negated and should not be entered later in the day.
- 10) Fortucast assumes that if a limit order entry or exit's hit within 1 or 2 ticks, that you will issue a "cancel and replace" market order to complete the trade five minutes after the number was hit.

11) NEW: If on entries you only miss a trade within 2 ticks, then after five minutes, cancel and replace the trade to the market.

12) Exiting or entering market on close in the electronic session refers to the last trade there and not to settlement. The electronic markets settle to the pit closes based on exchange rules and regulations. For simplicity for open profit and loss we do show the settlement, which often skews where the market was trading when it closed before settlement.

13) We often trade in 1-lots but you have to adjust the number of contracts to your trading account size. When we really like a trade, we specify a 2nd position.

CUSTOMER SERVICE HOURS (UPDATED 5/14/2019)

1) E-mail us at support@fortucast.com regarding delivery problems and not receiving the service. Responses to your requests will happen as we get them but allow up to 4 hours for a response. International clients will have to wait at least until 7:00-8:30 am Central time.

2) Live customer service is available 8:30 am-5:00 pm Central time at 800-788-2796 ext 5983 or from outside the US at 928-284-5740 ext 5983 . E-mails are answered most of the day.

3) If no one responds to a voice mail within 24 hours, please recontact us.

4) Problems understanding or clarifying intraday updates can be sent to support@fortucast.com. Barry Rosen will attempt to get these answered ASAP but he is often intensely involved in trading and response time can vary but he will do his best to get your questions answered as soon as possible.

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