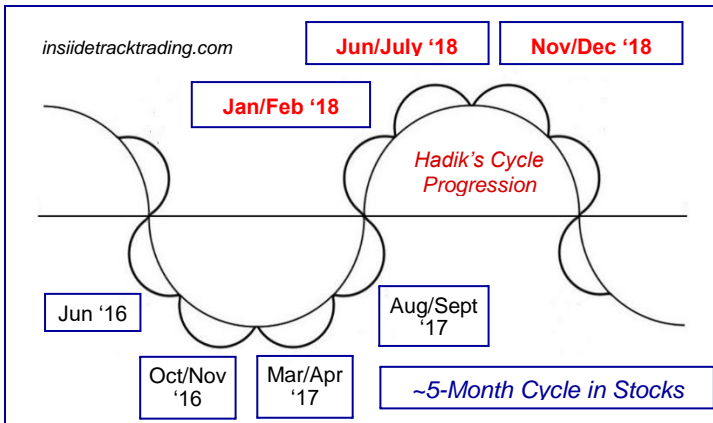


Intra-Week ALERT for Wednesday – June 20, 2018

“Buy the Rumor... ???” [Excerpt]



target (~June 14) - with the culminating surge coming on the heels of multiple inflationary news items.

Such could be the current case in the Dollar - with a spike high coinciding with multiple events of recent days (including escalating trade war rhetoric, although that could technically be viewed as 'rumor').

It has also been the case in Bonds & Notes, bottoming on some of the best economic news in years.

And such could soon be the case in equities as they approach a powerful convergence of daily, weekly & monthly cycles...

STOCK INDICES continue to forge ahead - rallying from multi-month cycle lows in late-March 2018 into a projected multi-month peak in **late-June/early-July**. *A peak at any time now would perpetuate the ~5-month low-low-low-low-high-(high) Cycle Progression that timed the late-Jan. high and projects another high in late-Nov./early-Dec. 2018.*

They are showing signs of vulnerability with the DJIA remaining the weakest index of late. Since its late-March cycle low, the DJIA was only able to recover .618 of its preceding decline - even though it rebounded for longer than it declined.

It was expected to peak near **25,309 - 25,335** - targets detailed in late-May and reiterated since then. Those upside targets were reinforced by monthly resistance for June and corroborated by the weekly 21 High MAC. The DJIA set its highest close at **25,322**.

The DJIA has continued to see its weekly 21 MAC roll over to the downside but needs a weekly close below ~2x,xxx/DJIA to close below it and give a bearish breakdown signal.

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A well-known trading adage advises 'Buy the Rumor, Sell the News' - summarizing the principle that markets are driven by *expectations* (as opposed to *realizations*). When an expectation takes hold, traders pile in to a specific market in anticipation of the bullish - or bearish - impact it will have.

However, when the actual event comes to fruition, there is no one left to buy the market. Anyone that waited for the confirming news (the so-called 'Johnny-come-latelys') might help create a final spike high but then the bulls are gone. They mostly bought days, weeks or months ago... and are now liquidating.

That doesn't always apply to a specific 'rumor' or expectation (I prefer 'Buy the Expectation, Sell the Realization' but it is not as concise and catchy). Instead, it sometimes refers to a general trend - which is a type of expectation in many cases. As a result, a culminating news item (realization) often caps an uptrend - signaling the peak of bullish sentiment.

On a small scale, that was the case last week as Silver rallied into its cycle high and wave-duration

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The daily price action has begun to corroborate. The DJIA turned its daily trend down and then turned its daily *21 MAC* down as it was closing below that channel and neutralizing its intra-month uptrend. Today's high spiked right back up to that newly-descending daily *21 Low MAC* and reversed lower.

So, the DJIA is generating multiple (negative) signals on a daily basis as the NQU is extending its advance and attacking the uppermost intermediate targets (**7330 - 7359/NQU**, where the April - June rally would equal the Feb. - March rally).

All of this sets the stage for a new intermediate decline to take hold...

The first sign of an intermediate top would be daily closes below **2x,xxx/DJIA**, **xxxx/ESU** & **xxxx/NQU**...

The **DOLLAR INDEX** fulfilled analysis for a correction into **June 14/15** followed by a rally to a subsequent high on **June 19 - 21** - the latest phase of a ~3-week cycle that timed the late-May peak.

The Dollar Index corroborated that with the action of its daily trend indicator. It sold off into **June 14** but failed to turn its daily trend down, while testing & holding its ascending daily *21 Low MAC*, reinforcing that a rally to new highs was imminent.

At the same time, it fulfilled its intra-month trend pattern and ~60-degree low-low-low *Cycle Progression* and then turned back up.

While fulfilling the potential for a quick rally (projecting a potential multi-week high on **June 19 - 21**), the Dollar surged to its weekly *LHR* and held - on June 15 - reinforcing that a spike high was likely during the current week.

The Dollar Index has now accomplished that, while nearly reaching monthly resistance. It would take a

daily close below **9x.xx/DXU** to give the first sign that a reversal lower is taking hold.

The **Euro** is the inverse and dropped back to its lows on bearish *ECB* news from last week (US rate rise and *ECB 'no rate rise until 2019'*) - setting the stage for a potential '*blow-off bottom*' - the culmination of a quick sharp news-triggered sell-off.

It retested, but has not closed below, the May 29 low (**1.1613/ECU**) - displaying an initial sign of resilience in the face of all that negative news.

It would take a daily close above **1.1xxx/ECU** to give the first sign that a reversal higher is taking hold.

The **Yen** sold off into mid-month as it tested monthly support and the previous low. That could also be setting the stage for a bottom if it can reverse higher without closing below **.9051/JYU**.

A daily close above **.9200/JYU** is needed to give the first sign of new strength.

GOLD & SILVER have dropped sharply since fulfilling cycle highs on June 11 - 15 as Silver matched its previous advance and peaked on the precise date of its *20-Week Cycle* - both of which converged on **June 14**.

Gold could set a multi-month low as early as **June 25 - 29**, the next phase of a 13 - 14 week high-high-high-low-low-low-(low) *Cycle Progression* - dating back to March 2017. That would also create an 11-week high-high-(low) *Cycle Progression* (including the two intermediate peaks in 2018) while fulfilling the intra-year downtrend that projects a mid-year low.

In Silver, the ideal time for a secondary low would be right as or just after the weekly *21 MAC* turns up. That has been declining for several months but is flattening.

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“Buy the Rumor... ???” [Excerpt]

The best chance for the weekly *21 MAC* to turn up remains in **early-July**, due to a plummeting weekly *21 MAC* on **June 25 - July 6**.

If Silver is able to get through the next two weeks without giving a weekly close below **16.305/SIN** (the signal that would turn the weekly trend down), it would be in the ideal position to mount another rally right after mid-year and into related cycles in **[reserved for subscribers only; see current publications for details]...**

The **XAU** has also dropped - but not nearly as sharply - since fulfilling multiple daily & weekly cycles converging on **June 14**.

As discussed in the June 2018 *INSIDE Track*, the XAU was expected to bounce into a lower high in mid-June and then drop into **3Q 2018** - when longer-term cycles bottom.

SOYBEANS, CORN & WHEAT have dropped sharply after reversing lower in line with multiple weekly cycles (and the weekly *LHR* indicator in Soybeans) that projected final rallies into late-May/early-June.

From a longer-term perspective, these grains fulfilled projections for substantial advances in the first half of 2018 - leading into **June 2018** when cycles would turn back down.

Soybeans led that reversal, turning their weekly trend down on May 11 and then projecting a quick, 1 - 2 week bounce before a more substantial decline into **late-July**.

That remains the case and the grains remain weak, with Soybeans & Corn plummeting as they powerfully reinforce this bearish period. Wheat is the only one to maintain some minor semblance of resilience and would not turn its intra-year trend neutral (from up) until a

weekly close below **460.0/WN**.

CRUDE OIL, UNLEADED GAS & HEATING OIL are showing signs of a near-term bottom after Crude turned its weekly trend down. That signal often triggers a 1 - 2 week bounce followed by a new wave down. Unleaded Gas is similar while Heating Oil remains stronger.

Natural Gas fulfilled its weekly trend, weekly *21 MAC*, and daily trend - rallying to new highs. That brings Natural Gas up against multi-quarter resistance, which could provide a near-term ceiling. It needs a weekly close above **3.050/NGQ** to signal a breakout higher.

COTTON has sold off after retesting its high - and major resistance near **98.00/CT** - but failing to break out higher. It is already back to its year-opening range and could neutralize the intra-year uptrend with a weekly close below **84.50/CTN**.

COFFEE remains negative and did see additional downside into **mid-June**. It would not show any signs of bottoming, however, until a daily close above **118.00/KCU**.

SUGAR is turning back down after rebounding but failing to turn its daily trend up. The daily *21 MAC* and intra-month trend are corroborating that. Until a weekly close above **13.18/SBV**, Sugar is in a position to drop back to its **11.23/SBV** low.

LIVE CATTLE rallied to the upper end of a ~3-month trading range but would not turn positive - on an intermediate basis - until a daily close above **107.00/LCQ**.

LEAN HOGS rallied into **June 18** - peaking exactly two months from their April 18 high - and are showing signs of reversing lower. A drop into **early-July** is expected.

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LUMBER has declined further after fulfilling multi-year upside targets and doubling its 2005 - 2016 range. It neutralized its weekly uptrend, elevating this decline to the next higher magnitude. It has just tested the level of its previous peak (Feb. 21 high of **512.60/LBN** & **497.30/LBU**) and could find some support there.

COCOA has seen a reactive bounce after turning its weekly trend down. It confirmed that reversal and could rally into **late-June** - with initial resistance at **2640 - 2685/CCU**.

The preceding is an excerpt of the June 20, 2018 **Weekly Re-Lay Alert** - elaborating on expectations for **Gold & Silver** to drop from June 14 into June 25 - 29, the **Dollar** to see a quick rally into June 19 - 21 (from a projected June 14/15 low) and **Stock Indices** to reverse lower in this 7 - 10-day period.

The **DJIA** has already triggered multiple, short-

term sell signals - after precisely fulfilling its rebound target - as the **Nasdaq 100** is expected to spike up to **7330 - 7359/NQU** before peaking. That could take place at any time.

The **Weekly Re-Lay** has already begun to discuss downside expectations for this next correction in equity markets, expected to take hold in the coming days... potentially as soon as **June 21** (due to the daily **21 MAC** pattern in the **DJIA** and the **NQ-100's** proximity to its 2 - 3 month upside objective)!

Out of loyalty to current subscribers, specific targets & trading strategies have been redacted from this excerpt.

Please refer to complete June 20, 2018 **Weekly Re-Lay Alert** and to corresponding **Weekly Re-Lay & INSIDE Track** publications for these and other specifics.



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