



## FTSE 100, April 8th

FTSE 100	<b>Next few days</b>	<b>Target: 7050</b> (Future <b>6997</b> )												
Trend	Up													
Action	Buy	<b>Best risk/reward trade:</b>  Buy in the range 6856.5-6920 for a move to 7050												
Risk of trend reversal	Low													
<b>Stop loss</b>		<b>Why?</b>  Indicators are mostly bullish and the Elliott wave is wave (iii) up. Today's strong rally is the type of move associated with the fifth wave of an ending diagonal. The late buyers are chasing in the final move up. Sentiment has turned bullish and the DMI's +DI line has crossed above the -DI line (bullish). The low at 6765 is the bottom of wave b (circle), prices should not return to that level. A second support is the top of wave (i) at 6856.5, wave (iv) cannot overlap this level (impulse wave). Wave (ii) is over and the current rally is wave (iii). There will be an opportunity to go long after wave (iv). Strong support between 6856.5 (Elliott wave support) and 6874 (pivot S1).												
FTSE 100 cash	below 6856.5													
FTSE 100 June	below 6804													
<p>The trend is likely to reverse when the risk of a trend reversal is high. A breach of a key reversal level implies a neutral position.</p> <p><b>Forecast Indicators (120-min chart)</b></p> <table border="1"> <tr> <td>Elliott wave</td> <td>Bullish</td> </tr> <tr> <td>Sentiment</td> <td>Bullish</td> </tr> <tr> <td>MACD</td> <td>Bullish</td> </tr> <tr> <td><a href="#">DMI</a></td> <td>Bullish</td> </tr> <tr> <td>RSI</td> <td>Neutral</td> </tr> <tr> <td>M/A crossover</td> <td>Bearish</td> </tr> </table>			Elliott wave	Bullish	Sentiment	Bullish	MACD	Bullish	<a href="#">DMI</a>	Bullish	RSI	Neutral	M/A crossover	Bearish
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FTSE 100	<b>Next few weeks</b>	<b>Target: 7100</b> (Future <b>7047</b> )												
Trend	Up													
Action	Buy	<b>Best risk/reward trade:</b>  Buy in the range 6765-6900 for a move to 7100												
Risk of trend reversal	Low													
<b>Stop loss</b>		<b>Why?</b>  Indicators are mostly bullish and the Elliott wave is wave 5 up. The long term pattern is an ending diagonal which is a terminal pattern, wave 5 is the final wave in the sequence. But before the trend turns down we should see a rally to 7100 to complete wave c (circle) inside wave 5. That's because the fifth wave is likely to be in three waves [a,b,c (circle)]. The DMI's +DI line has crossed above the -DI line (bullish) and sentiment has turned bullish. Wave c (circle) up is underway. Strong support between 6765 (previous low) and 6778 (support line).												
FTSE 100 cash	below 6765													
FTSE 100 June	below 6712													
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## Trade Alert

**Contract:** FTSE 100 June

**Trade:** We buy at 6845, target 7010, stop loss 6745

## Key levels & Events

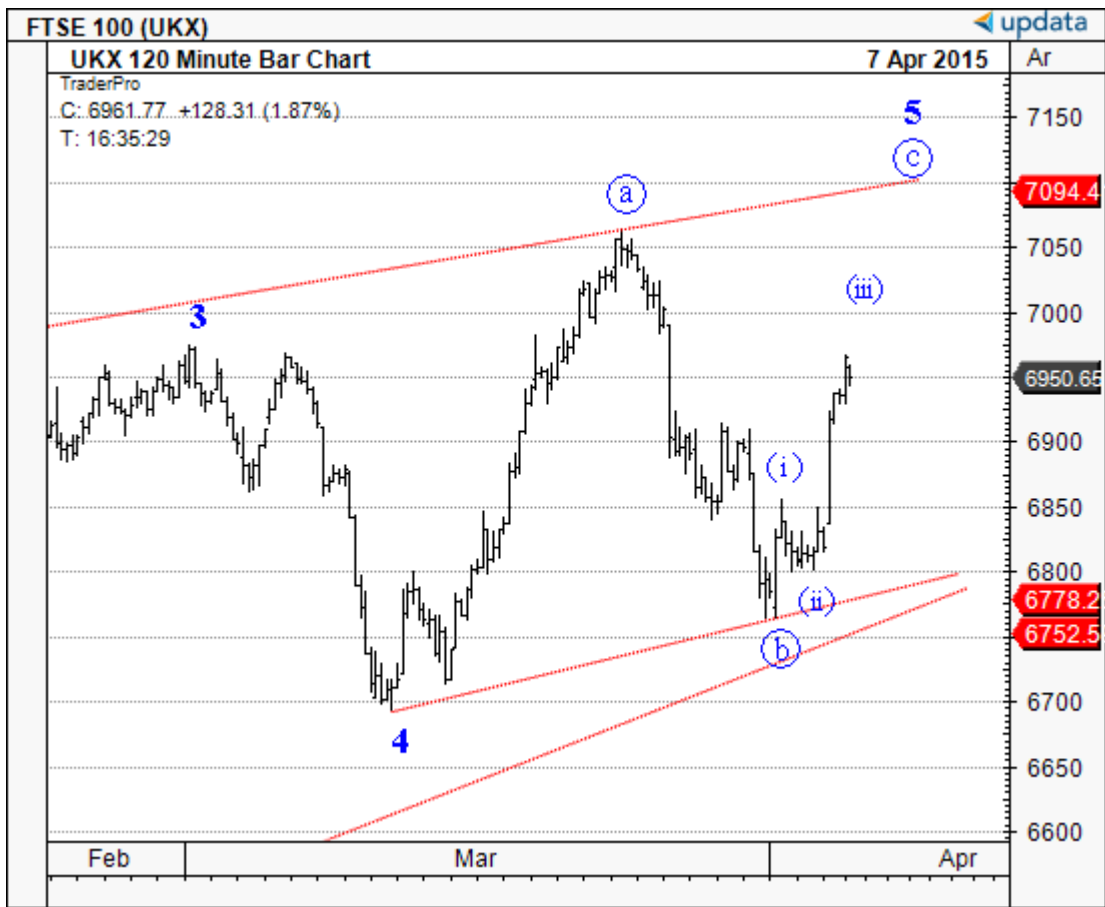
Key levels	Cash	Future	Main events (UK time):		
Resistance line (1)	7095	7042.0			
Previous high	7065	7012.0			
Pivot R2	7055	7002.0			
Pivot R1	7008.5	6955.5	Today	07:00	German factory orders
Pivot point	6921	6868.0	Today	10:00	EU retail sales
Previous resistance line (3)	6920	6867.0	Today	14:30	FOMC member Dudley speaks
Pivot S1	6874	6821.0			
Pivot S2	6787	6734.0			
Support line	6778	6725.0			
Previous low	6765	6712.0			
Support line (4)	6752	6699.0			
200-day MA	6694	6641.0			
Elliott wave support	6694	6641.0			
Support line (2)	6274	6221.0			
Elliott wave support	6144.5	6091.5			

(1) Drawn from the highs on 21 November 2014 and 24 March 2015  
(2) Drawn from the lows on 16 October and 16 December 2014  
(3) Drawn from the highs on 22 May 2013 and 4 September 2014  
(4) Drawn from the lows on 16 December 2014 and 15 January

## Events that could change the forecast

FOMC member Dudley speaks at 14:30

2-hour chart



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