



FTSE 100, April 3rd

FTSE 100	Next few days	Target: 7450 (Future 7378)
Trend	Up	Best risk/reward trade:
Action	Buy	Buy in the range 7221-7300 for a move to 7450
Risk of trend reversal	Low	Why?
Stop loss		Indicators are mostly bullish and the Elliott wave is wave (v) up. The decline to 7146 was wave b (circle) inside wave Z. This means the rally is not yet complete. The current rally is wave c (circle) inside wave Z, this move will be in five waves [(i),(ii),(iii),(iv),(v)]. It would appear wave (iii) extended at 7403.5 it's not clear if this move is complete. The RSI is overbought (above 70) which means the index should pullback to the 7340 area to complete wave (iv). The next move is wave (v) up. Wave (iv) cannot overlap the top of wave (i) at 7221 (impulse wave).
FTSE 100 cash	below 7221	Strong support between 7221 (Elliott wave support) and 7222 (200-day MA)
FTSE 100 June	below 7149	
The trend is likely to reverse when the risk of a trend reversal is high.		
Forecast Indicators (120-min chart)		
Elliott wave	Bullish	
Sentiment	Bullish	
MACD	Bullish	
DMI	Bullish	
RSI	Bearish	
M/A crossover	Bullish	

FTSE 100	Next few weeks	Target: 7000 (Future 6928)
Trend	Down	Best risk/reward trade:
Action	Sell	Sell in the range 7300-7517 for a move to 7000
Risk of trend reversal	High	Why?
Stop loss		Indicators are mostly bullish and the Elliott wave is wave i (circle) down. This is the scenario where wave (2) is not yet complete. Sentiment is bullish and the MACD has crossed above the signal line (bullish). The rally from the December low is a triple zigzag [W,X,Y,X,Z] and wave b (circle) of Z was the pullback to 7146. The index is rallying to the 7450 area to complete wave (2). The next move is wave i (circle) of the next five-wave decline, this move will start from higher levels. But too many indicators are bullish, the risk of a trend reversal is high.
FTSE 100 cash	above 7517	Strong resistance between 7517 (previous support line) and 7460 (resistance line)
FTSE 100 June	above 7445	
The trend is likely to reverse when the risk of a trend reversal is high.		
Forecast Indicators (daily chart)		
Elliott wave	Bearish	
Sentiment	Bullish	
MACD	Bullish	
DMI	Bullish	
RSI	Neutral	
M/A crossover	Bullish	

Trade Alert

Contract: FTSE 100 June

Trade: none

Key levels & Events

Key levels	Cash	Future	Main events (UK time):
Elliott wave resistance	7903.5	7831.5	
Previous support line (2)	7517	7445.0	
Resistance line (1)	7460	7388.0	Today 02:45 Chinese caixin services PMI
Pivot R2	7457	7385.0	Today 08:55 German services PMI
Pivot R1	7424	7352.0	Today 09:00 EU services PMI
Resistance line (3)	7407	7335.0	Today 09:30 UK services PMI
Pivot point	7370.5	7298.5	Today 10:00 EU retail sales
Pivot S1	7337.5	7265.5	Today 13:15 ADP employment report
Pivot S2	7283.5	7211.5	Today 15:00 ISM non-manufacturing PMI
200-day MA	7222	7150.0	
Elliott wave support	7221	7149.0	
Support line	7167	7095.0	
Previous low	7146.8	7074.8	
Elliott wave support	6536.5	6464.5	

(1) Drawn from the highs on 22 May and 8 August
(2) Drawn from the lows on 11 February 2016 and 26 March 2018
(3) Drawn from the highs on 15 February and 21 March

Events that could change the forecast

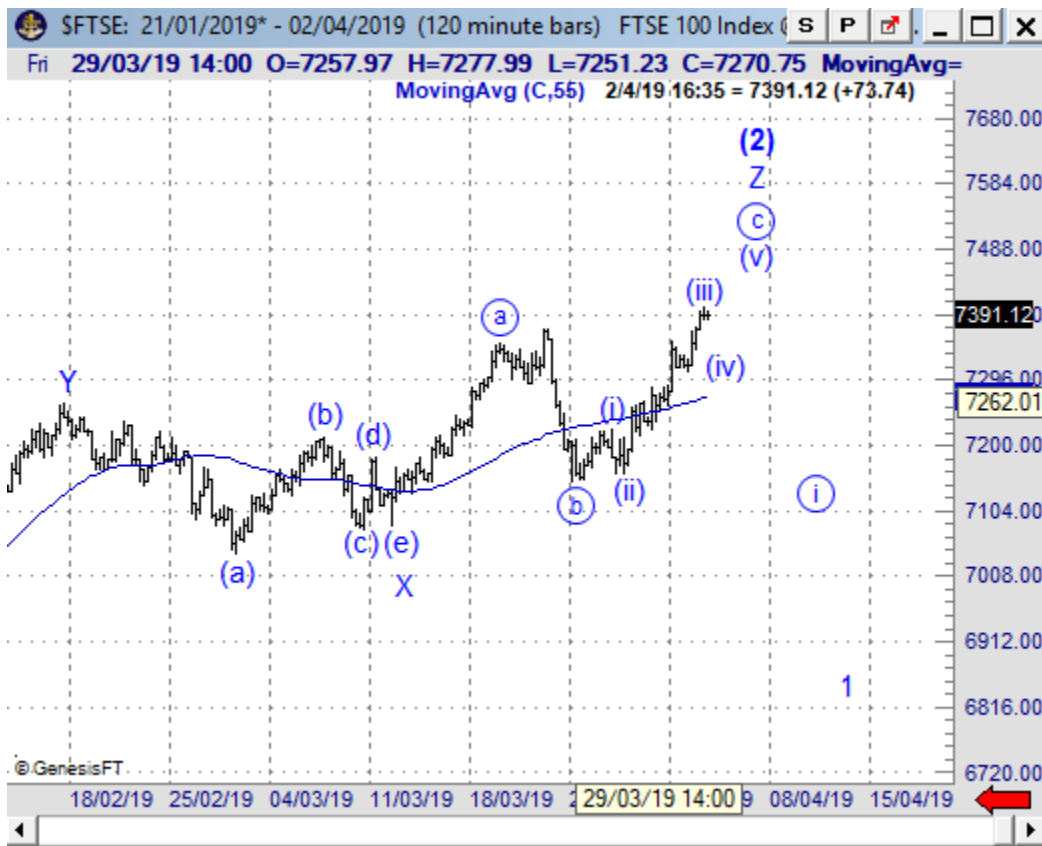
If Chinese Caixin services PMI higher than expected – **Bullish**, lower than expected – **Bearish**

If UK services PMI higher than expected – **Bearish**, lower than expected – **Bullish**

If ADP employment report higher than expected – **Bullish**, lower than expected – **Bearish**

If ISM non-manufacturing PMI higher than expected – **Bullish**, lower than expected – **Bearish**

2-hour chart



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