

Trading Forecast – WC 31st December

Naturally, oil is a key factor in global growth and is acutely sensitive to oversupply given the homogeneity of crude. When global risk markets topped in early October, few saw what was on the horizon before 2018's end. October brought 2018's second risk of heart-attack (with first one in February that aggressively brought down risky assets). On October 3, crude traded at a 4-year high of \$76.81/bbl, but near the end of December, the market had fallen to the mid-\$40/bbl level.



The chart above begins in H1 2014 before the last oil crash with Ichimoku and Andrew's Pitchfork applied. Ichimoku is a wonderful trend following indicator that is known for the cloud that acts as support in an uptrend and resistance in a downtrend. Naturally, we're currently focusing on the latter.

I will be looking to BUY @ 43.11 with an option to sell-out at anything above 48.50, depending on if I can hold my nerve for higher. (52.00 on 18th December)

Exceptionally volatile market. Trade with caution.

Gold, XAU/USD has done from strength to strength over the last six months, albeit slowly. Its at the highest point for over six months, and whilst the bubble will burst at some point, I don't believe this will happen for the first month of the year. That said, there are short term gains to be had. Im going SHORT @1280.83 with an option to sell out at 1273.95.

Fluctuations this violent will occur for the next couple of weeks, or until and detrimental news hits in relation to XAU/USD.



Trade Well

Simon Lambert

FOREX and Commodities Trader

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