



# MARKET OUTLOOK

STOCK INDICES & GOLD



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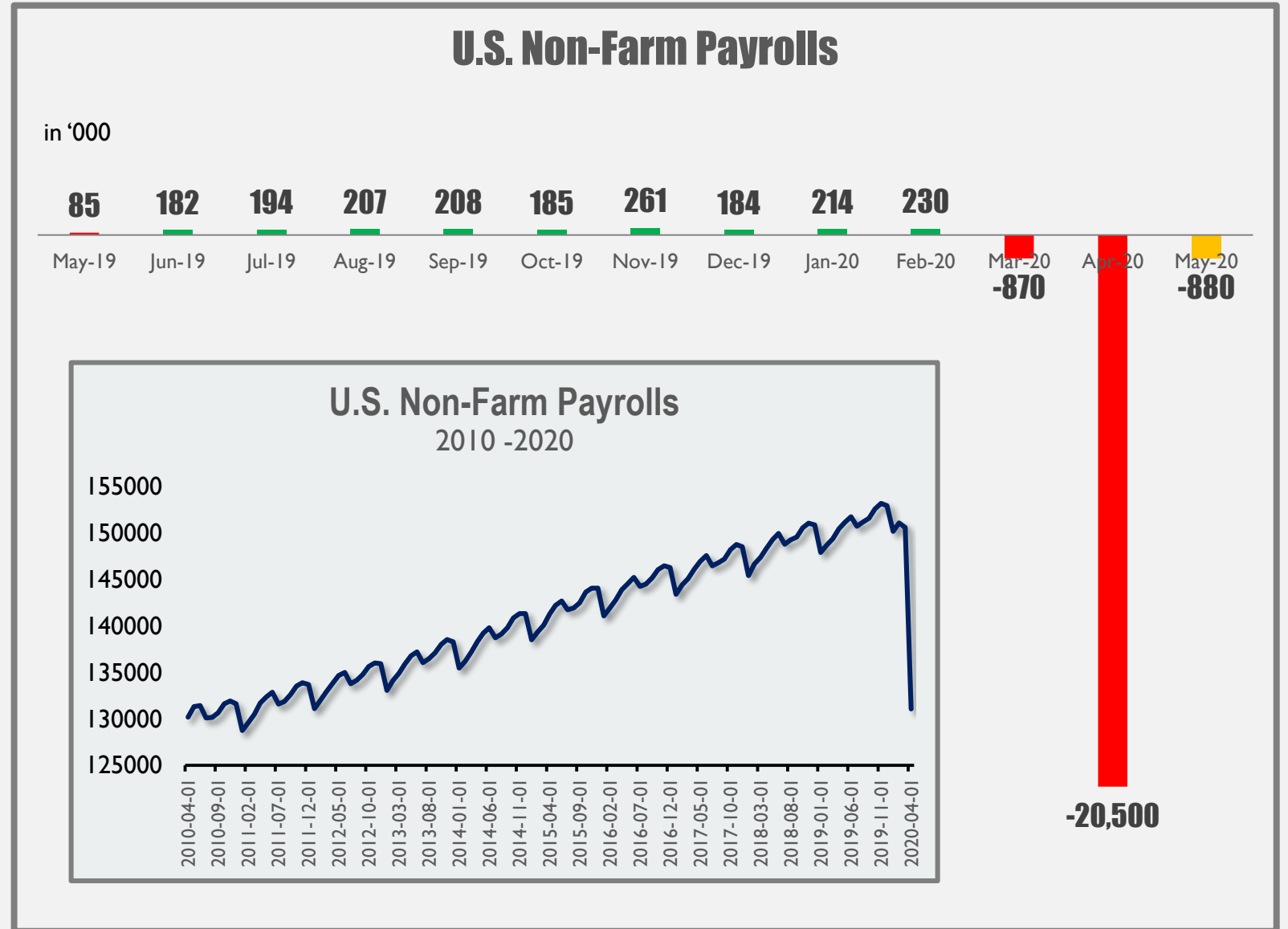
# SCOPE

- Economic impacts of Covid-19
- The numbers do not support a recovery, but ...
- US stock indices outlook
- Gold outlook
- CME micro e-mini futures
- Q & A

# Direct Impact On Employment

The US economy lost 20.5 million jobs in April after declining by 870K in March.

It is the largest drop ever, bringing the employment to 131 million, its lowest level since February 2011, due to the coronavirus pandemic and consequent restrictive lockdown restrictions imposed such as business closures.



Source: St Louis Federal Reserve

# Direct Impact On Employment

The US unemployment rate jumped to 14.7% in April 2020, the highest in the history of the series, as the Covid-19 crisis threw millions out of work.

The number of unemployed persons rose by 15.9% to 23.1 million, while the number of employed declined by 22.4 million to 133.4 million.

## U.S. Unemployment Rate

UNEMPLOYMENT RATE AS OF APRIL 2020

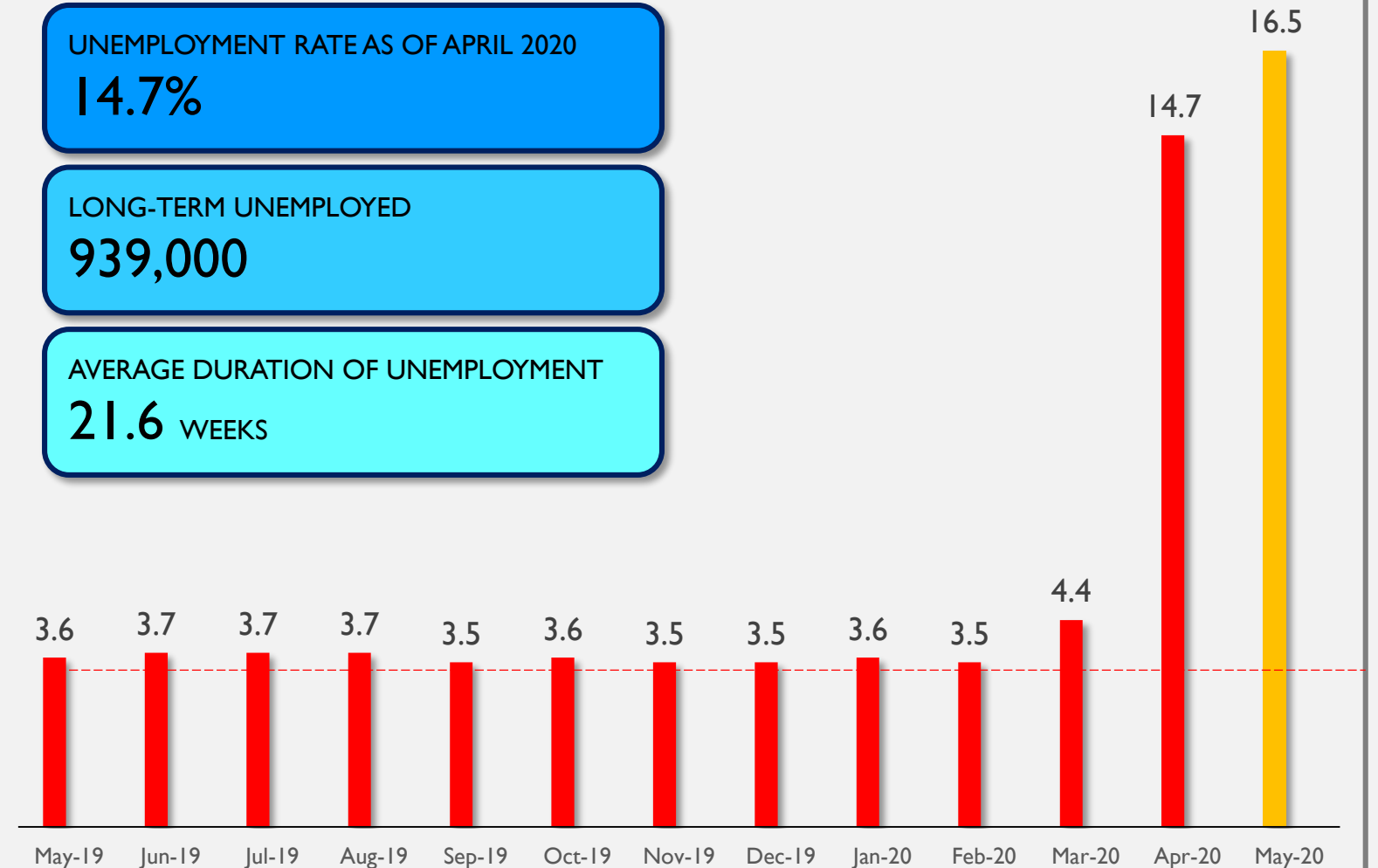
**14.7%**

LONG-TERM UNEMPLOYED

**939,000**

AVERAGE DURATION OF UNEMPLOYMENT

**21.6** WEEKS



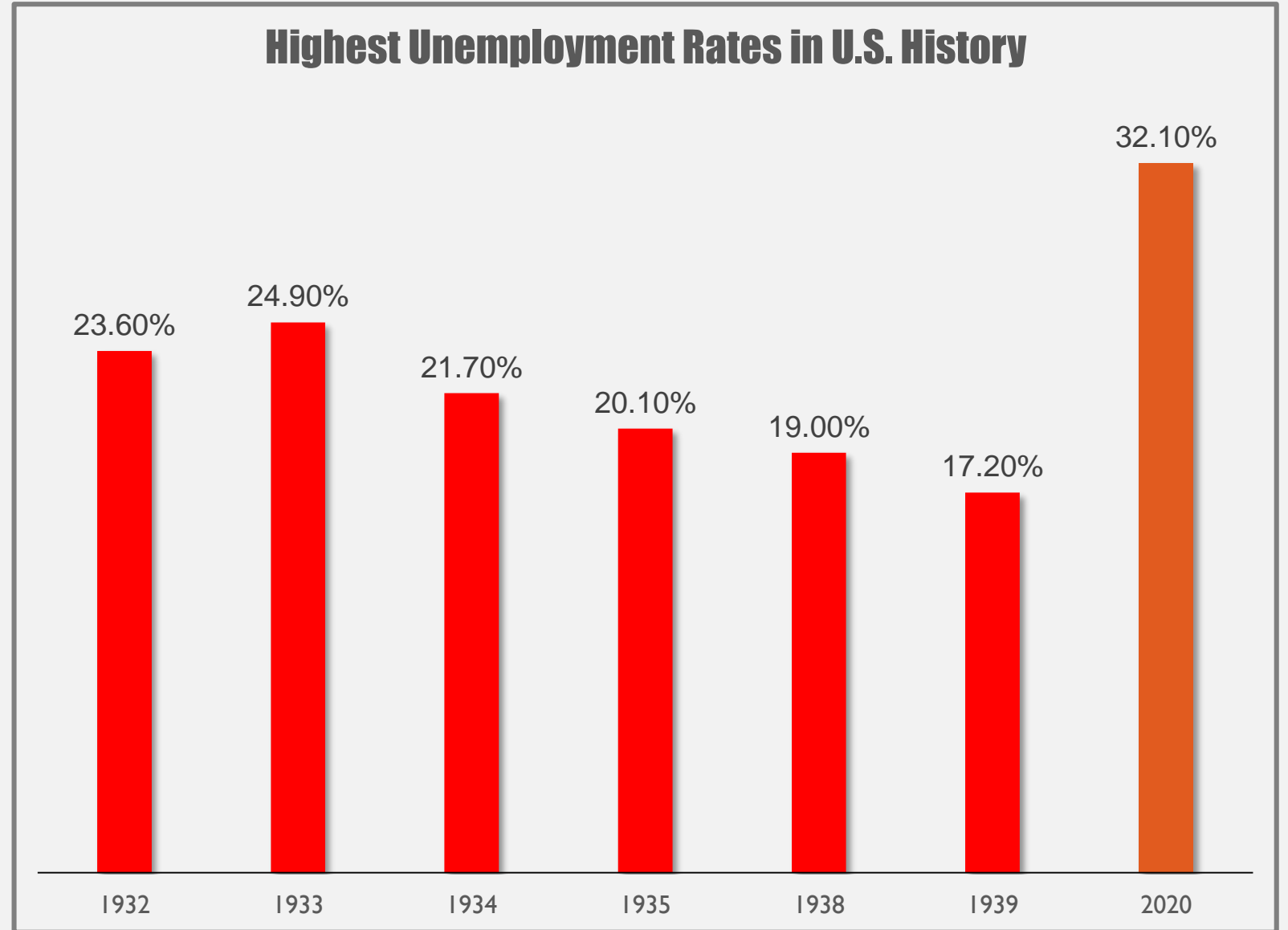
Source: St Louis Federal Reserve

# Unemployment Forecast

The COVID-19 crisis has prompted economists at the St. Louis Fed to predict the U.S. will see employment reductions of over 46 million jobs for 2020.

That translates to a 32.1% unemployment rate, the highest ever recorded.

2020 would be nearly 8% higher, with a total of over 52 million unemployed at one time.



Source: St Louis Federal Reserve

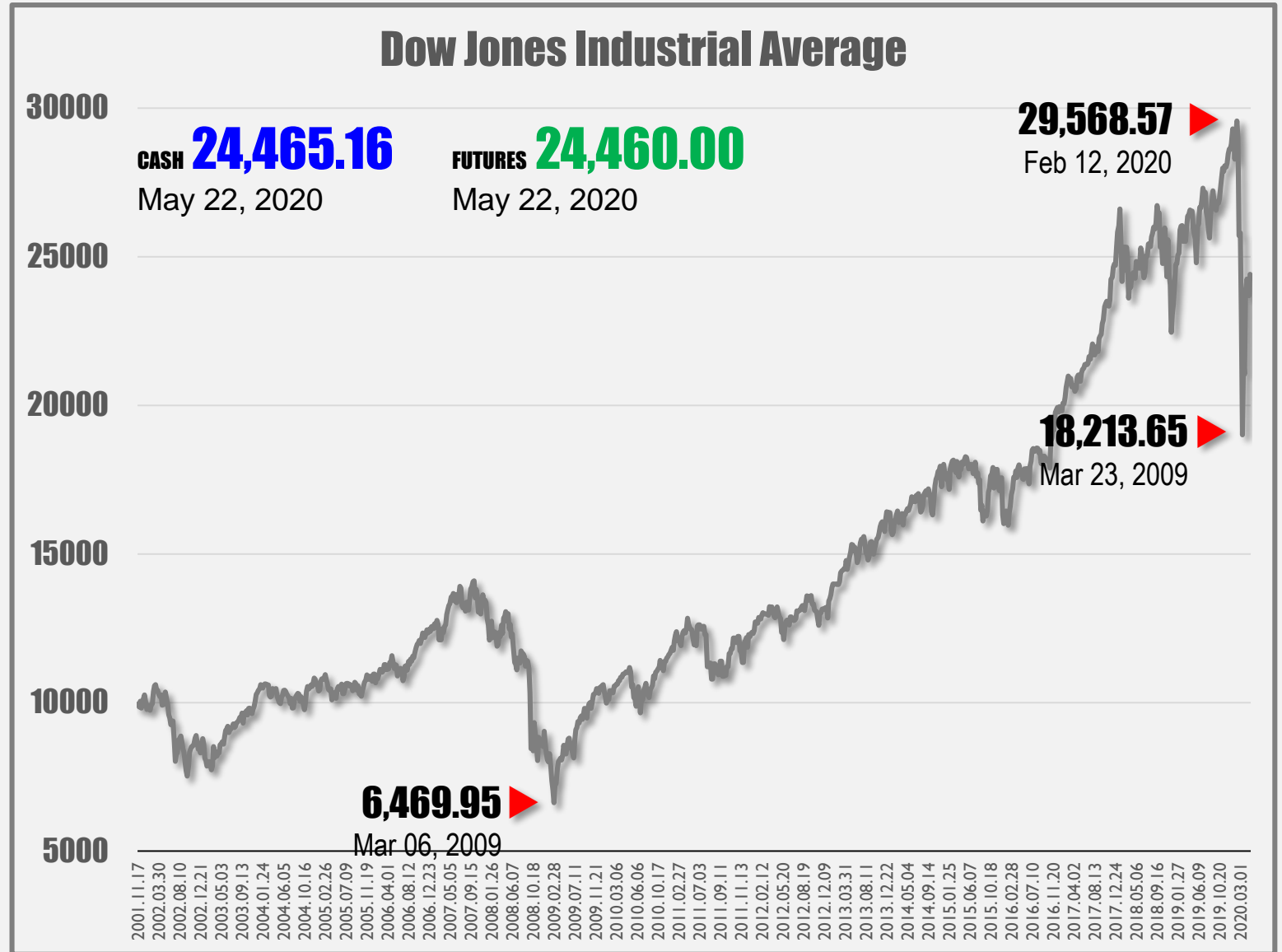
# End of Bull Run?

From the ashes of the 2008/9 global financial crisis, the DJIA staged an amazing 11-years bull market.

The DJIA rose an incredible 357%. This was the most sustained bull market on record.

But within 5 weeks from mid-Feb, the DJIA registered the 2<sup>nd</sup> most severe sell-off since 1987.

Is the worst over?



Source: Yahoo Finance

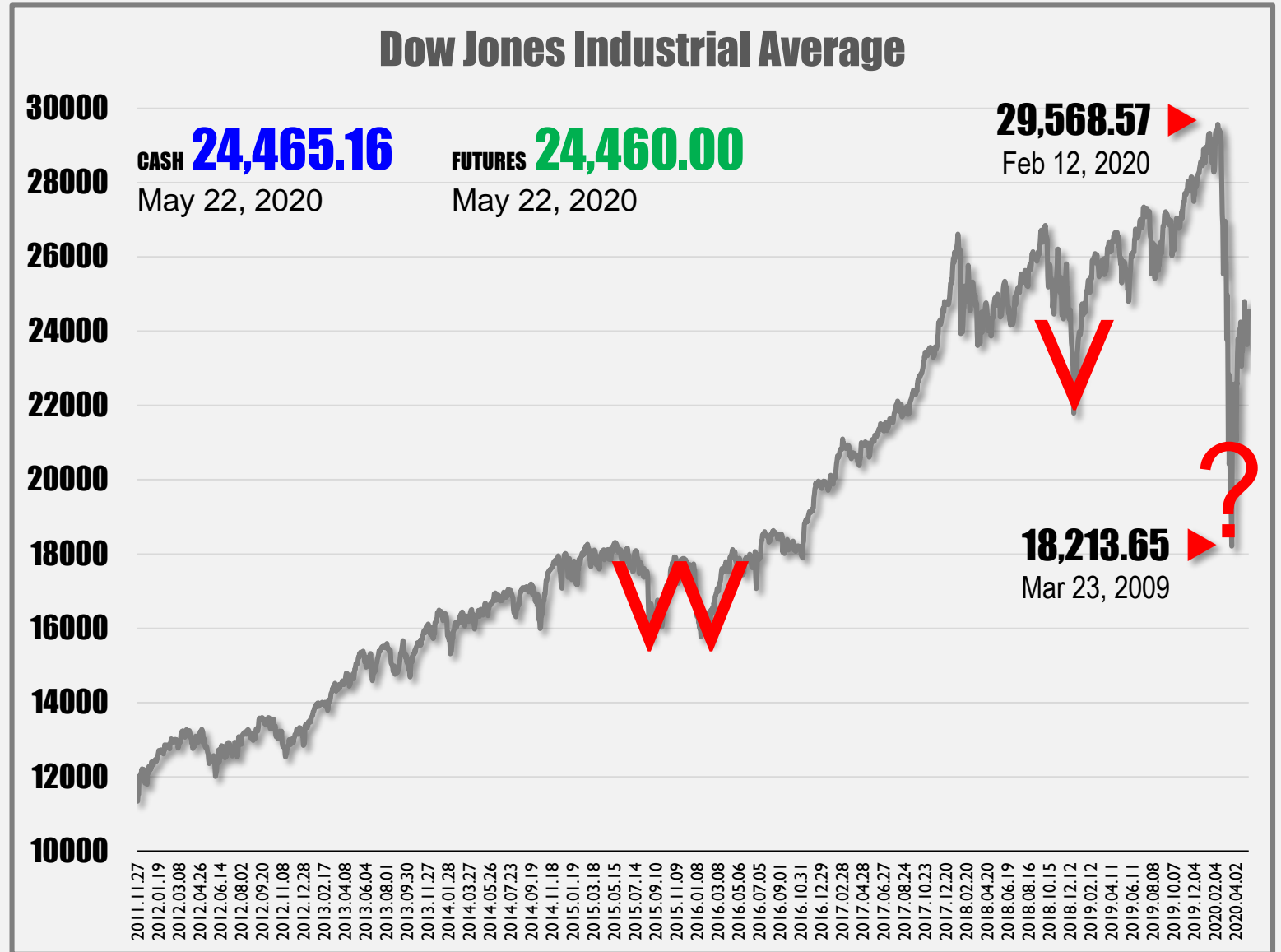
# Recovery ?

Investors are beginning to ponder the shape of a possible recovery in equities markets since the DJIA rebounded some 50% from the Mar low.

Will be a W as in 2016 when the Fed started to 'normalize interest rates' at the end of 2015.

Or will it be a V like in 2012?

Or will it be more like a  $\sqrt{\quad}$  ?



Source: Yahoo Finance



April 29, 2020

## *The Bad News Won't Stop, but Markets Keep Rising*

Trillions in stimulus dollars have convinced Wall Street that the government has its back, and investors are seizing on even glimmers of good news about the pandemic.



Since March 23, when the Federal Reserve announced plans to go all out to prop up Wall Street, the S&P 500 has soared by more than 31 percent. Mark Abramson for The New York Times

The government said on Wednesday that the U.S. economy had suffered its worst contraction since the last recession. The head of the Federal Reserve later said he didn't know how bad this downturn would be, or how long it would last. Yet by the end of the day, the S&P 500 stock index had risen 2.7 percent.

That's been the pattern lately. The drumbeat of grim news — one million known coronavirus cases in the United States, businesses are collapsing, the unemployment rate could reach 16 percent — has done little to deter stocks' upward march.

Since March 23, when the Federal Reserve announced plans to make unlimited purchases of financial assets to prop up Wall Street, the S&P 500 has soared by more than 31 percent. The unlikely rally created more than \$5 trillion of stock market wealth, allowing investors to reclaim more than half of their losses from a steep sell-off earlier this year, in the early days of the pandemic.

Why are stocks climbing when news about the economy isn't getting much better, and the severity of the public health crisis has barely abated? There are two main reasons: First, **trillions of dollars of stimulus money** from the Fed and Congress come with an implicit guarantee that the government will limit investors' risk no matter how bad it gets. Second, the periodic glimmer of positive news fuels investors' **optimism that things can only get better**.

THE STOCK MARKET

**IS NOT**

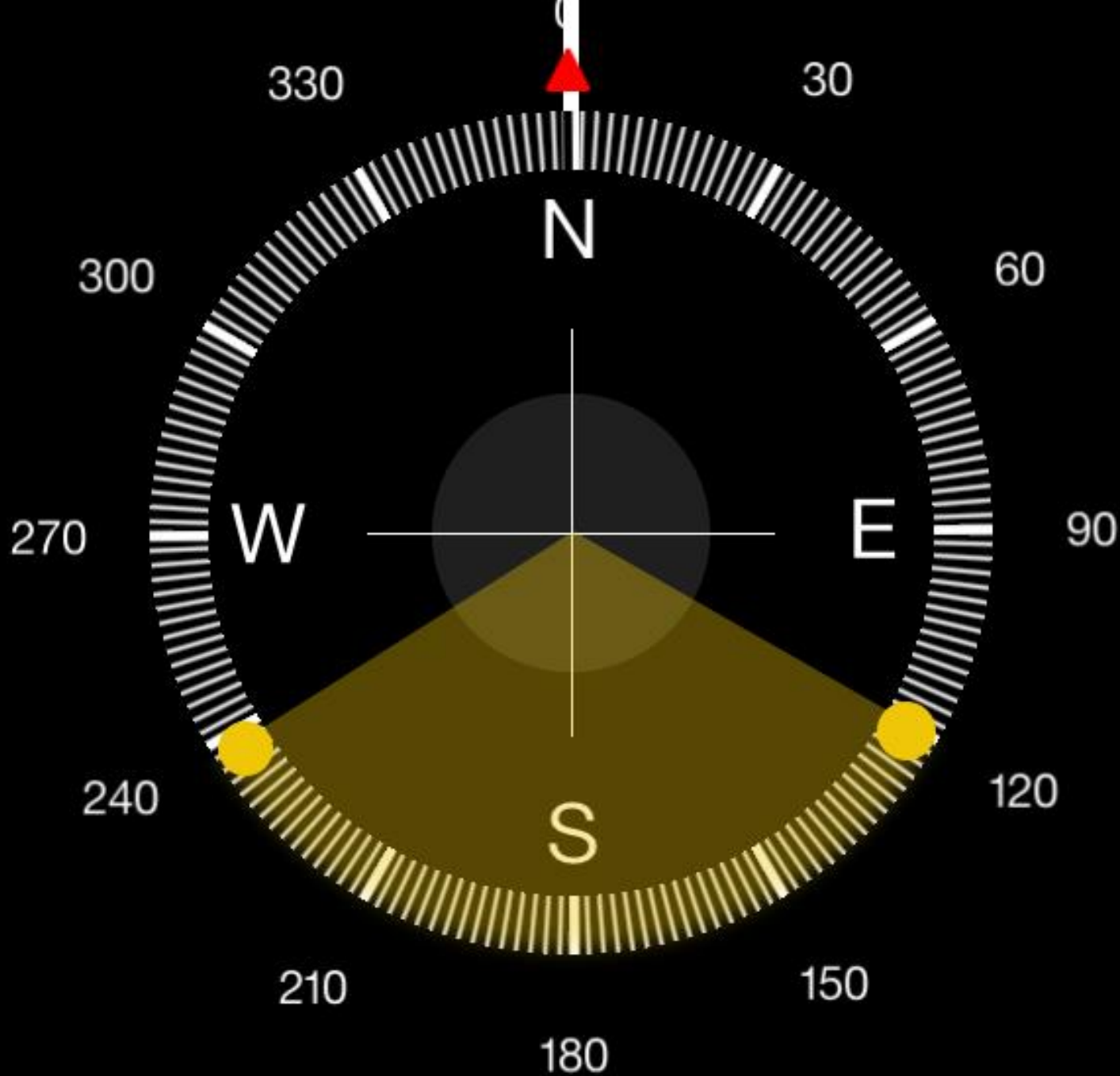
THE ECONOMY



# MARKET OUTLOOK

A magnifying glass with a red handle is positioned over a document. The lens is focused on a blue line graph showing a peak and a subsequent decline. The background is a blurred document with various text and lines.

**MARKETS WILL DO  
WHAT IT WANTS TO DO**



# DIRECTIONAL BIAS

HIGHER TIME FRAMES

**CONTROL**

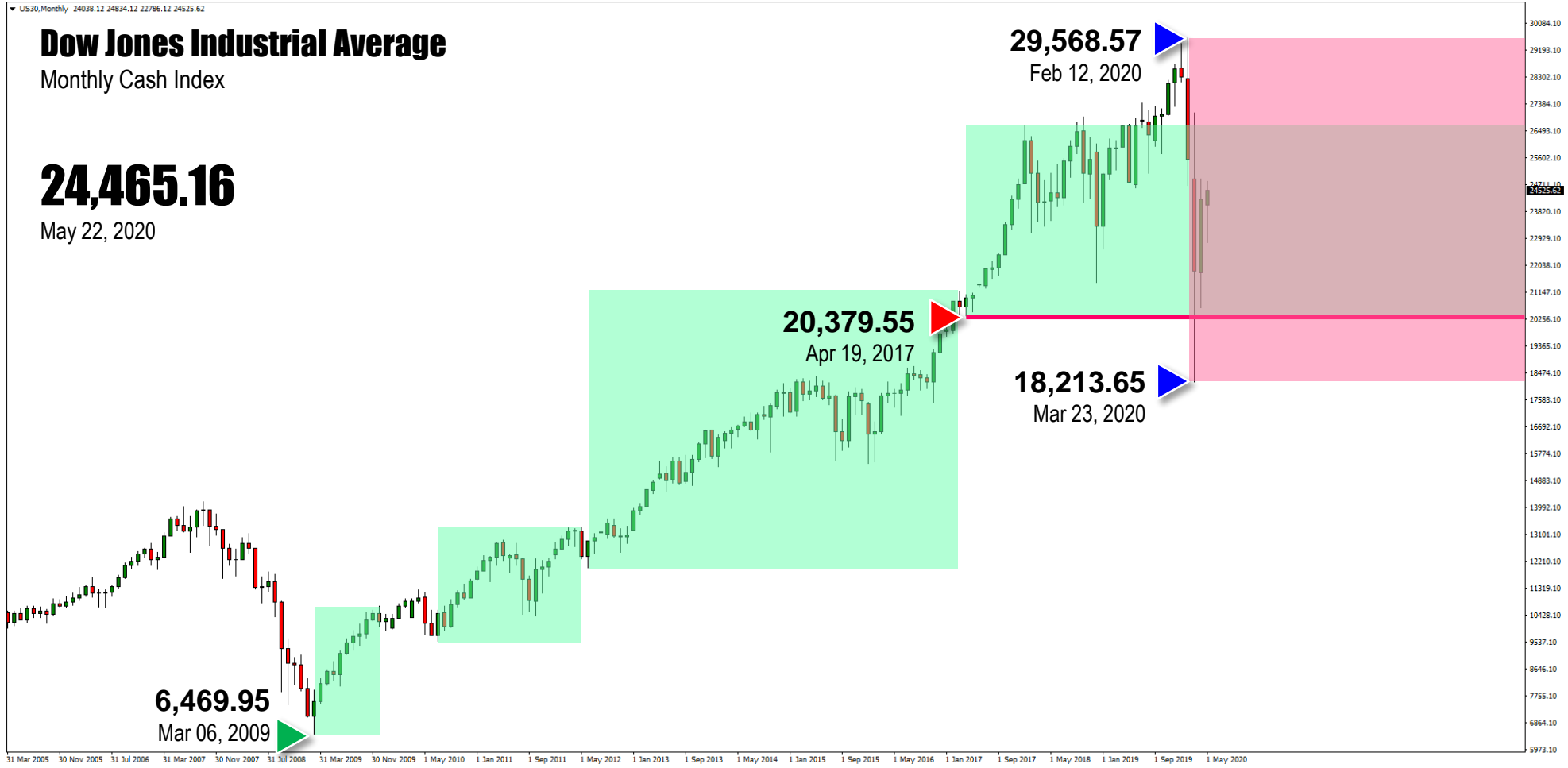
LOWER TIME FRAMES

US30:Monthly 24038.12 24834.12 22786.12 24525.62

# Dow Jones Industrial Average

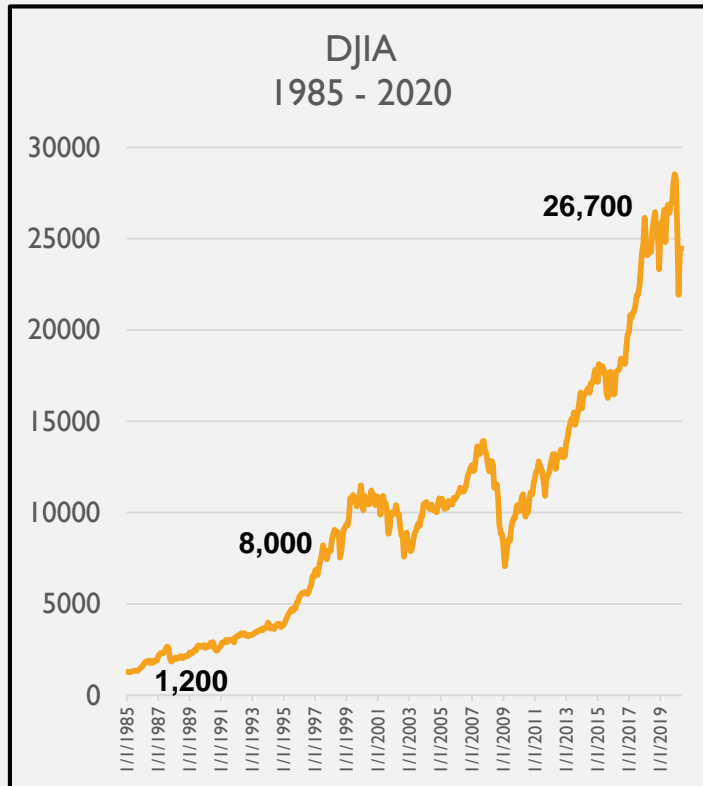
Monthly Cash Index

**24,465.16**  
May 22, 2020



# HISTORY

## Equity Index Futures



**1982**

Equity index futures and options.

**1997**

E-mini stock index futures contracts.

E refers to electronically traded.

Mini means the contract has a smaller multiplier, typically 1/5 the original index.

**May 2019**

Micro E-mini futures, with multipliers 1/10 the size of the E-mini contracts.



# CONTRACT SPECIFICATIONS

## **Dow Jones Futures**

Contract Name	Symbol	Months	Trading Units	Minimum Fluctuation & Tick Value	Initial Margin	Maintenance Margin
<b>E-mini Dow Jones</b>	YM	H, M, U, Z	\$5.00 x index	1 point = \$5.00	\$13,200	\$12,000
<b>Micro E-mini Dow Jones</b>	MYM	H, M, U, Z	\$0.50 x index	1 point = \$0.50	\$1,320	\$1,200

### MONTHLY SYMBOLS

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
F	G	H	J	K	M	N	Q	U	V	X	Z

# DOW JONES INDUSTRIAL AVERAGE MONTHLY



# DOW JONES INDUSTRIAL AVERAGE WEEKLY



# DOW JONES INDUSTRIAL AVERAGE DAILY



# OUTLOOK SUMMARY

## DOW JONES E-MINI FUTURES

**MONTHLY**

Date	Open	High	Low	Close	Momentum	Trend	Long-Term	Cycle Strength	Monthly Trend
01 Jan 2020	28,553	29,362	28,084	28,196	Bullish	Bullish	Bullish	Bullish	Temporary High
01 Feb 2020	28,159	29,543	24,675	25,364	Bearish	Neutral	Neutral	Neutral	Temporary High Panic Down
01 Mar 2020	25,047	26,926	18,086	21,751	Bearish	Bearish	Bearish	Bearish	Turning BACK DOWN
01 Apr 2020	21,702	24,792	20,500	24,230	Bearish	Bearish	Neutral	Neutral	Still Under Pressure
01 May 2020	24,052	25,765	22,704	24,424	Bearish	Bearish	Bearish	Neutral	Short Covering

**WEEKLY**

Date	Open	High	Low	Close	Momentum	Trend	Long-Term	Cycle Strength	Monthly Trend
20 Apr 2020	24,088	24,203	22,814	23,658	Bullish	Bearish	Bearish	Bearish	Knee Jerk Low
27 Apr 2020	23,647	24,792	23,530	23,619	Bullish	Bearish	Bearish	Bearish	New Pattern Forming
04 May 2020	23,364	24,327	23,208	24,286	Bullish	Neutral	Bearish	Bearish	Knee Jerk Low
11 May 2020	24,228	24,471	22,704	23,517	Neutral	Bullish	Bearish	Bearish	Reaction High
18 May 2020	23,600	24,765	23,538	24,424	Bullish	Bullish	Bearish	Bearish	New Pattern Forming

**DAILY**

Date	Open	High	Low	Close	Momentum	Trend	Long-Term	Cycle Strength	Monthly Trend
18 May 2020	23,600	24,640	23,538	24,507	Bullish	Bullish	Bullish	Bullish	Pushing Higher
19 May 2020	24,479	24,765	24,120	24,158	Bullish	Bullish	Bullish	Bullish	Temporary High
20 May 2020	24,125	24,583	24,076	24,519	Bullish	Bullish	Bullish	Bullish	Knee Jerk Low
21 May 2020	24,545	24,660	24,300	24,376	Bullish	Neutral	Neutral	Bullish	Knee Jerk High
22 May 2020	24,377	24,506	24,101	24,424	Neutral	Bullish	Neutral	Bullish	Knee Jerk Low 5/29/2020

# CONTRACT SPECIFICATIONS

## S&P 500 Futures

Contract Name	Symbol	Months	Trading Units	Minimum Fluctuation & Tick value	Initial Margin	Maintenance Margin
E-mini S&P 500	ES	H, M, U, Z	\$50 x index	0.25 point = \$12.50	\$13,200	\$12,000
Micro E-mini S&P 500	MES	H, M, U, Z	\$5 x index	1 point = \$1.25	\$1,320	\$1,200

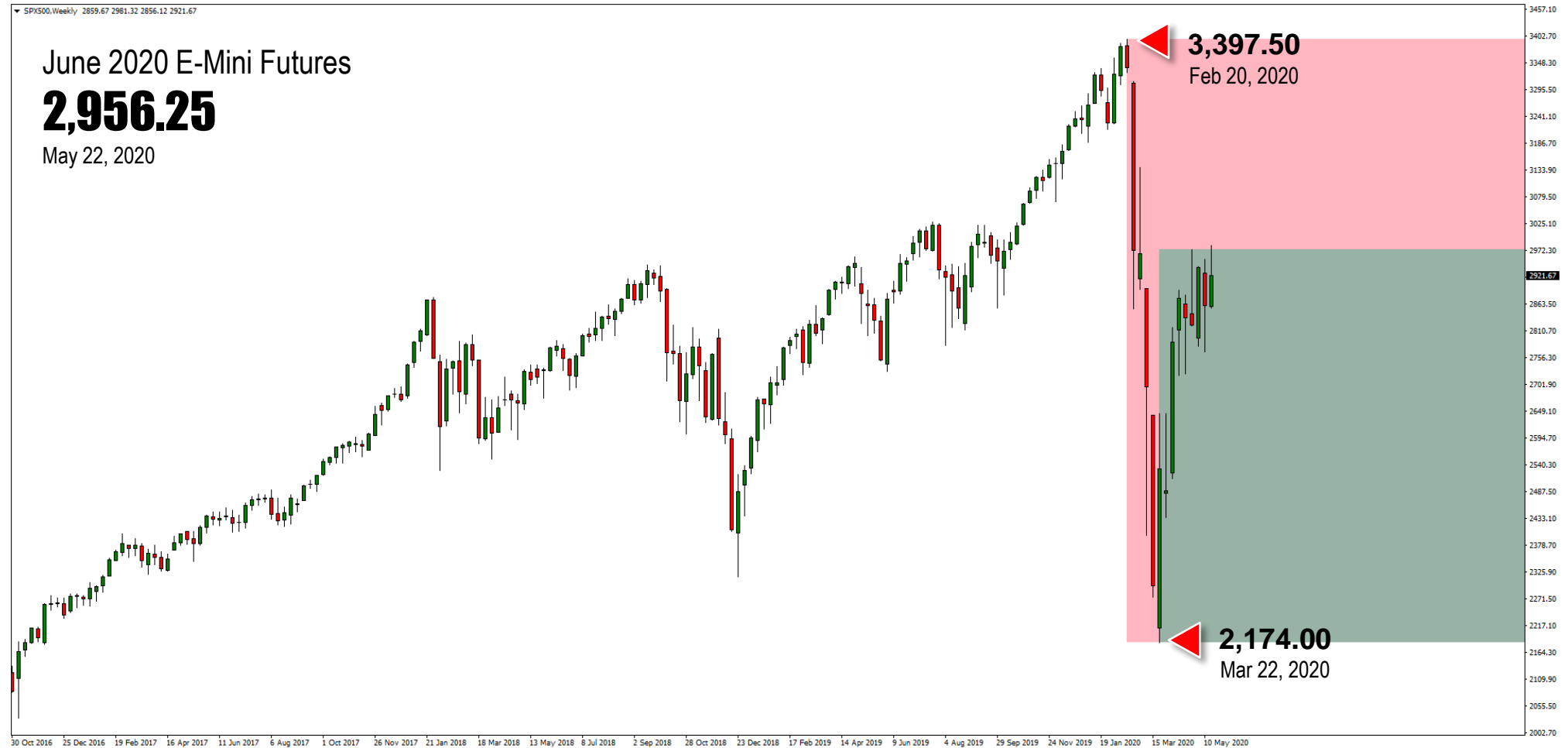
### MONTHLY SYMBOLS

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
F	G	H	J	K	M	N	Q	U	V	X	Z

# S&P 500 MONTHLY

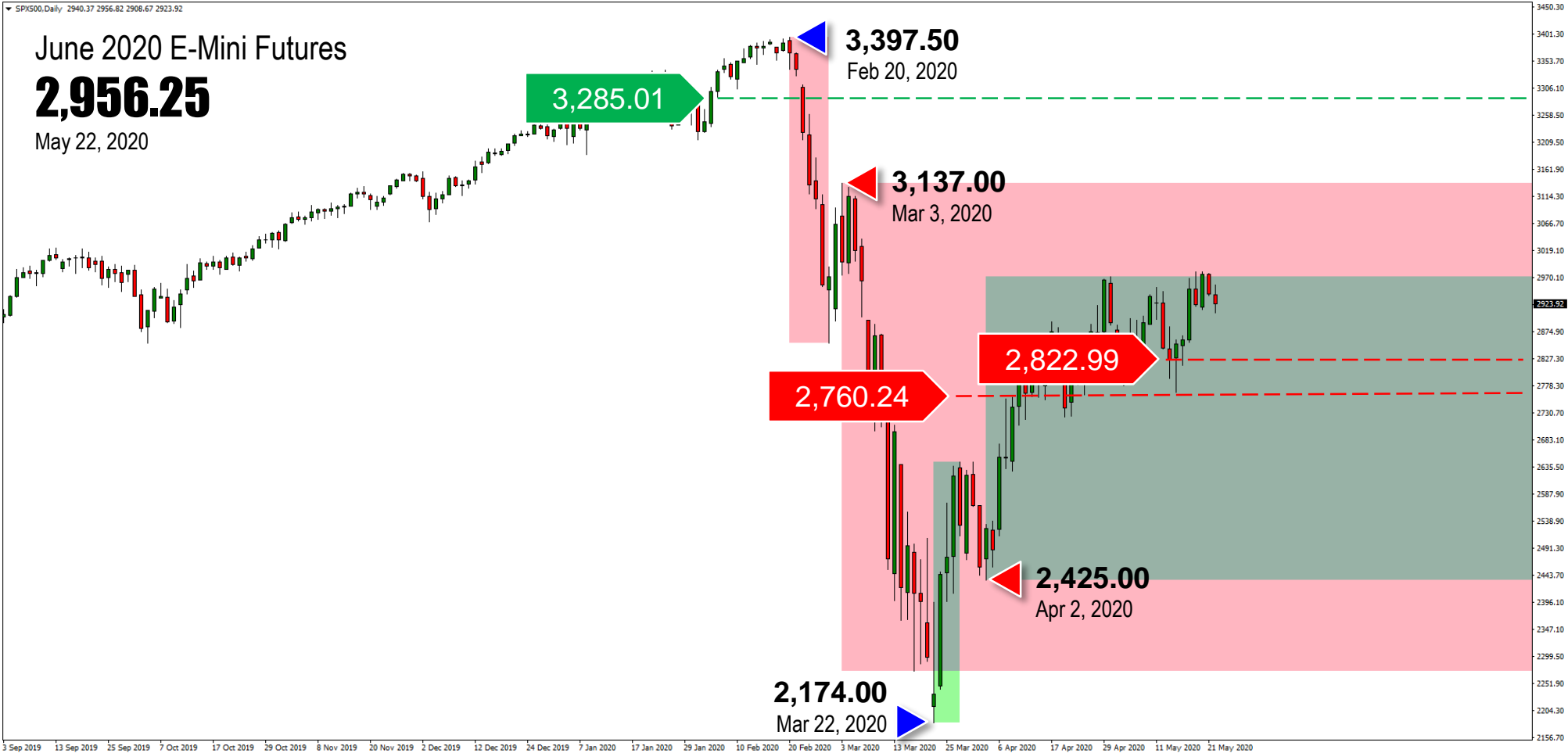


# S&P 500 WEEKLY





# S&P 500 DAILY



# OUTLOOK SUMMARY

## S&P 500 E-MINI FUTURES

**MONTHLY**

Date	Open	High	Low	Close	Momentum	Trend	Long-Term	Cycle Strength	Monthly Trend
01 Jan 2020	3237.00	3397.50	2853.25	2951.00	Bullish	Bullish	Bullish	Bullish	Topping Out Process
01 Feb 2020	3222.75	3397.50	2174.00	2569.75	Neutral	Neutral	Neutral	Bullish	Temporary High Panic Down
01 Mar 2020	2562.00	2965.00	2424.75	2902.50	Bearish	Bearish	Bearish	Bearish	Turning BACK DOWN
01 Apr 2020	2562.00	2965.00	2424.75	2902.50	Bearish	Neutral	Bullish	Bullish	Turning Back UP
01 May 2020	2871.50	2976.25	2760.25	2953.00	Neutral	Bearish	Neutral	Bullish	Moving Higher

**WEEKLY**

Date	Open	High	Low	Close	Momentum	Trend	Long-Term	Cycle Strength	Monthly Trend
20 Apr 2020	2861.50	2875.50	2717.25	2829.50	Bullish	Bearish	Bearish	Bearish	Temporary High
27 Apr 2020	2829.00	2965.00	2811.75	2821.75	Bullish	Bearish	Bearish	Bearish	New Pattern Forming
04 May 2020	2789.00	2933.00	2771.00	2928.50	Bullish	Bullish	Bearish	Bearish	Knee Jerk Low
11 May 2020	2920.75	2947.00	2780.25	2846.50	Neutral	Bullish	Bearish	Bearish	Preparing to Breakout
18 May 2020	2859.75	2976.25	2850.00	2953.00	Bullish	Bullish	Bearish	Bearish	Turning Back UP

**DAILY**

Date	Open	High	Low	Close	Momentum	Trend	Long-Term	Cycle Strength	Monthly Trend
18 May 2020	2859.75	2964.75	2850.00	2948.00	Bullish	Bullish	Bullish	Bullish	Reaction High Close
19 May 2020	2945.00	2976.25	2944.25	2918.75	Bullish	Bullish	Bullish	Bullish	Temporary High
20 May 2020	2913.50	2975.75	2908.50	2968.50	Bullish	Bullish	Bullish	Bullish	Moving Higher
21 May 2020	2972.25	2973.50	2933.00	2937.00	Bullish	Neutral	Neutral	Bullish	Turning Back UP
22 May 2020	2936.75	2957.50	2903.75	2953.00	Neutral	Bullish	Neutral	Bullish	Still Above Support

# CONTRACT SPECIFICATIONS

## Gold Futures

Contract Name	Symbol	Months	Trading Units	Minimum Fluctuation & Tick value	Initial Margin	Maintenance Margin
E-mini Gold	QO	G, J, M, Q, V, Z	\$0.25c per 50 troy oz	\$0.25c = \$12.50	\$5,033	\$4,575
Micro E-mini Gold	MGC	G, J, M, Q, V, Z	\$0.10c per 10 troy oz	1 point = \$1.00	\$1,007	\$915

### MONTHLY SYMBOLS

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
F	G	H	J	K	M	N	Q	U	V	X	Z

# GOLD MONTHLY



# WEEKLY DAILY



# GOLD DAILY



# OUTLOOK SUMMARY

## GOLD E-MINI FUTURES

**MONTHLY**

Date	Open	High	Low	Close	Momentum	Trend	Long-Term	Cycle Strength	Monthly Trend
01 Jan 2020	1521.00	1613.30	1519.70	1587.90	Bullish	Bullish	Bullish	Bullish	Still Moving Higher
01 Feb 2020	1597.80	1691.70	1551.10	1566.70	Bullish	Bullish	Bullish	Bullish	Temporary High. New Pattern Forming
01 Mar 2020	1592.80	1704.30	1450.90	1596.60	Bullish	Bullish	Bullish	Bullish	BULLISH
01 Apr 2020	1589.40	1788.80	1576.60	1694.20	Bullish	Bullish	Bullish	Bullish	Breaking Out
01 May 2020	1693.50	1775.80	1676.00	1735.50	Bullish	Bullish	Bullish	Bullish	New Pattern Forming

**WEEKLY**

Date	Open	High	Low	Close	Momentum	Trend	Long-Term	Cycle Strength	Monthly Trend
20 Apr 2020	1693.00	1764.20	1666.20	1735.60	Bullish	Bullish	Bullish	Bullish	Temporary Low in Place. Reaction Possible
27 Apr 2020	1745.00	1745.80	1676.00	1700.90	Neutral	Bullish	Bullish	Bullish	Turning back Up
04 May 2020	1711.20	1735.50	1683.00	1713.90	Neutral	Bullish	Bullish	Bullish	Still Under Pressure
11 May 2020	1706.00	1761.20	1692.10	1756.30	Neutral	Bullish	Bullish	Bullish	Entering Breakout Mode
18 May 2020	1757.50	1775.80	1715.30	1735.50	Neutral	Neutral	Bullish	Bullish	Preparing For Rally

**DAILY**

Date	Open	High	Low	Close	Momentum	Trend	Long-Term	Cycle Strength	Monthly Trend
18 May 2020	1757.50	1775.80	1729.30	1734.40	Bullish	Bullish	Bullish	Neutral	Dramatic High Low
19 May 2020	1734.80	1751.60	1727.20	1745.60	Neutral	Bullish	Bullish	Neutral	SPIKE LOW
20 May 2020	1749.20	1757.60	1744.00	1752.10	Neutral	Bullish	Bullish	Neutral	New Pattern Forming
21 May 2020	1751.70	1751.70	1715.30	1721.90	Bearish	Neutral	Neutral	Bearish	Turning BACK DOWN
22 May 2020	1726.00	1742.00	1722.50	1735.50	Neutral	Bearish	Bullish	Neutral	New Pattern Forming

5/29/2020

# ADVANTAGES

## MICRO E-MINI EQUITY INDEX FUTURES

- Lower barrier to entry
- Allowance for larger price movements
- Greater flexibility for risk & money managements
- Try out different trading strategies like scaling, swing or position trading
- Absence of counter-party risk.
- Practice vs live account



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OUR SOLUTIONS

## See how we can help you

ACCESS NEW MARKETS

MANAGE RISK

ANALYZE MARKET DATA

OPTIMIZE TRADING

GET STARTED

### Trade all major asset classes from one marketplace

Explore products across six major asset classes to find opportunities, diversify your portfolio and capture efficiencies with leading-edge technology as a core part of your strategy. Respond instantly to global, market-moving events with trading access nearly 24 hours a day, six days a week.

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- [Daily volume and open interest](#)
- [CME Liquidity Tool](#)

[cmegroup.com/microemini](https://cmegroup.com/microemini)

Average Daily National Value, April 2020 (USD)\*

AGRICULTURE	35.7 billion
ENERGY	81.9 billion
EQUITY INDEX	486.6 billion
FX	50.6 billion
INTEREST RATES	4.9 trillion
METALS	56.1 billion
BROKERTEC	642.8 billion
EBS	60.9 billion
OTC CLEARING	152.0 billion

\*Approximate measure of the underlying value of derivatives

5/29/2020



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# Q&A