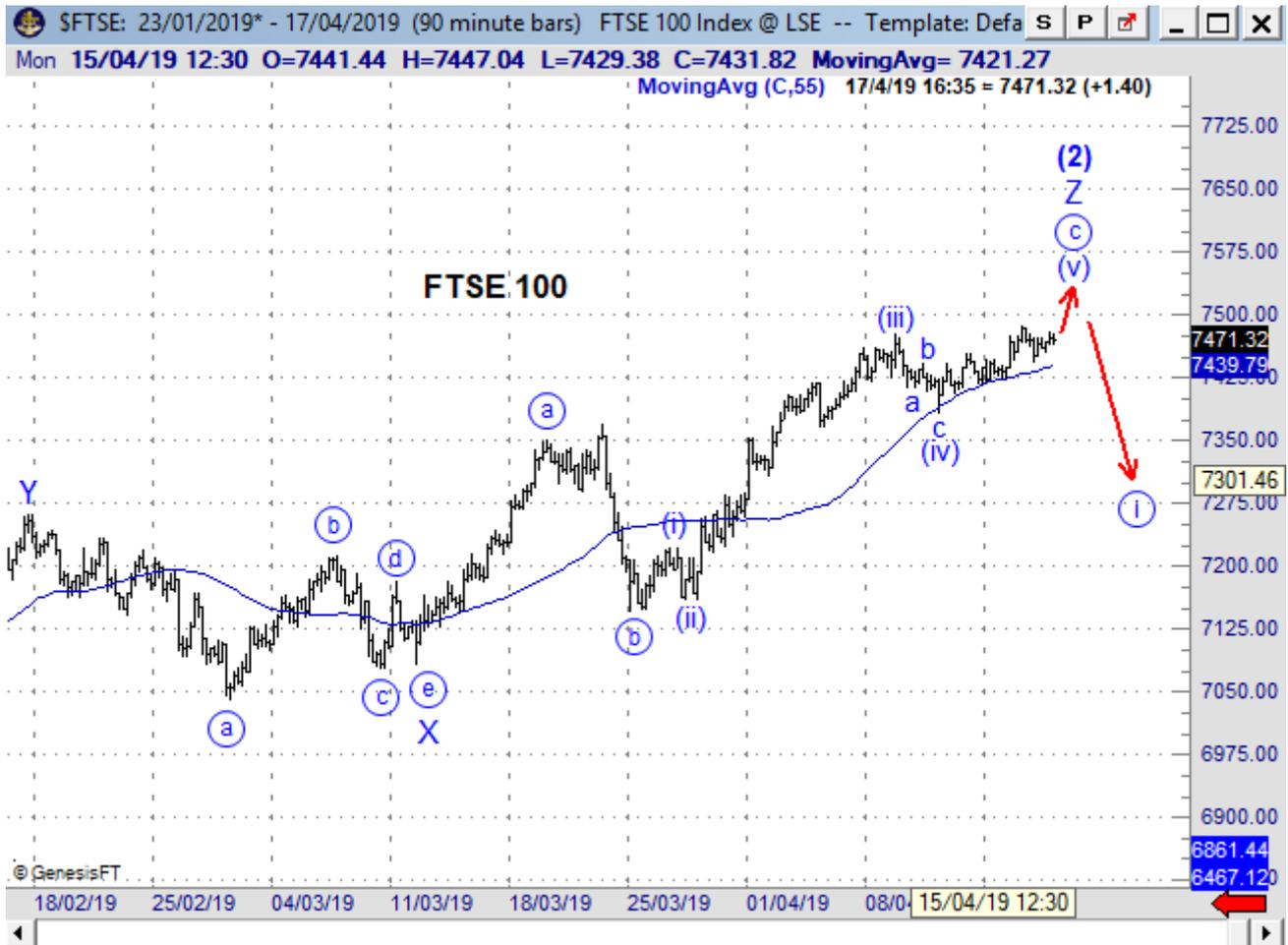




FTSE Short Term Forecast

Thursday 18 April 2019



FTSE short term forecast: **Down**

First a rally to 7540 then a decline to 7300

Selling area: **7530 or higher**

Model portfolio exposure: **0%**

All levels are on the FTSE 100 cash

BTI: **Bullish**

34-day BTI: **Bearish**

13-day BTI: **Neutral**

Top 20 Differential: **Neutral**

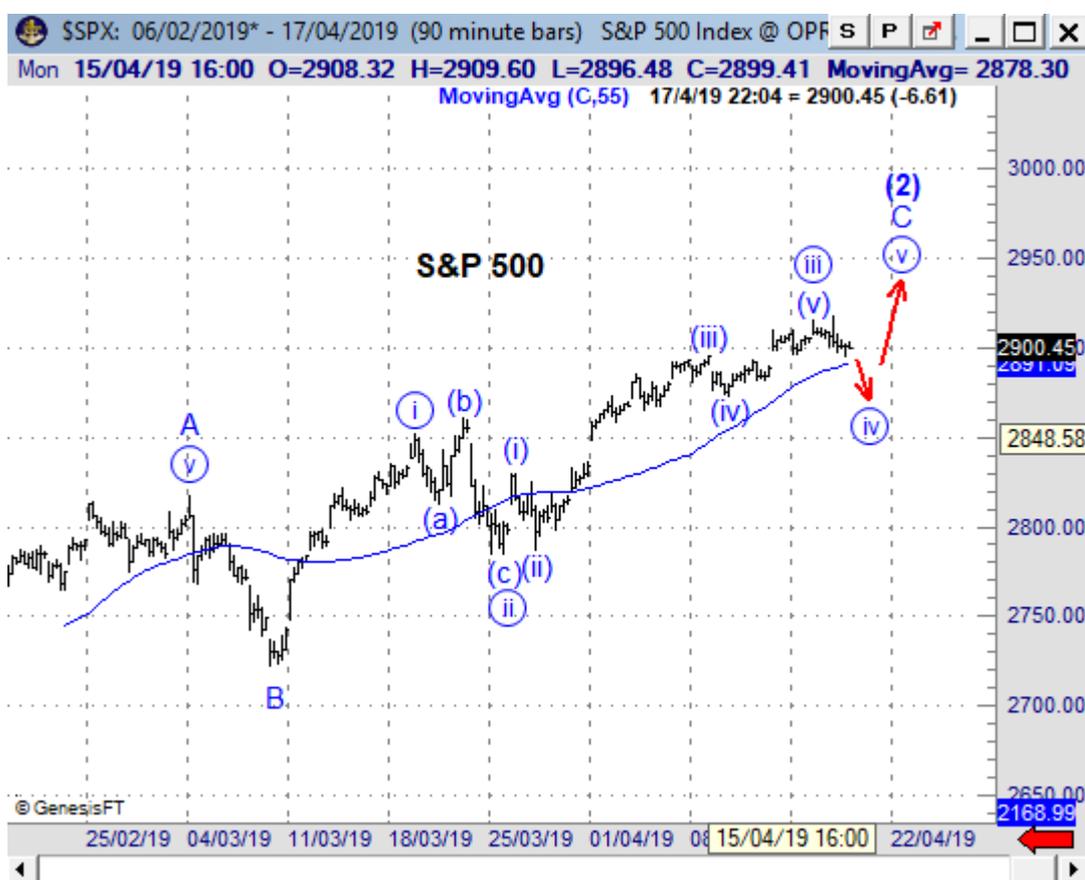
Wave count: **Bullish**

U.S. markets: **Bullish**

The BTI turned up on 26 March and is still rising. The 34-day BTI is overbought (above 400) this is a trend reversal indicator, it signals a change of trend from up to down. The FTSE does not always turn down immediately after a signal is given, we must be prepared for a turn, a multi-week decline is expected and chances are it will start from higher levels. As I was saying yesterday, markets are tired to go up, the overbought 34-day BTI confirms we are near the top. Even positive economic data from China failed to push the S&P higher. You will recall that investors were concerned by the slowdown in China, if the economy is doing better investors should be bullish. They are not, they look at the size of the rally since December and they probably take profits.

Of course when a market rises massively in a short period of time, there is also a risk that the market will turn down early, it's happened before. It is not the best time to go long, if you go long I recommend to trade small in case the market reverses early. Today's pullback is a subwave inside wave (v), wave (iv) inside wave c (circle) ended at 7383. I am not sure how to interpret the pattern inside wave (v). It is not a clear impulse wave, may be it is an ending diagonal because this morning the FTSE is back below 7450. If it is an ending diagonal, the pullback will go to 7430 which is the second wave inside wave (v). This should be followed by a rally to 7500 for the third wave. The fifth wave inside wave (v) is expected to end near 7540. The stock market will be closed tomorrow and Monday, the next report will be published on Tuesday.

S&P 500



Wave iii (circle) in the S&P ended at 2916 in five waves [(i),(ii),(iii),(iv),(v)] and yesterday the index opened higher, the index touched 2918 then declined. I am not sure how to interpret the spike to 2918, may be it is wave (b) inside wave iv (circle). If so we are now in wave (c) down, this move will end soon near 2880. However, there is a wide range where wave iv (circle) could end, the 38% retracement of wave iii (circle) is at 2867, this is another target. After wave iv (circle) the next move is wave v (circle) up and the target is 2940.

What is the BTI (Bullish Trend Indicator)?

The BTI is a sentiment indicator used to assess the mood of investors. When the daily change in the BTI is down sentiment is bearish. When the daily change in the BTI is up sentiment is bullish. The BTI is used to assess the near term direction of the market and confirms the Elliott wave count.

Top 20 Differential

The Differential moved down from -0.2% to -0.7%. The Differential is still going down, too many stocks are in the red which is a sign of weakness in a rising market. May be UK stocks are telling us the rally is running out of steam.

Epic	Name	Sector	Wave	Differential	Status
AZN	Astrazeneca	Pharmaceuticals	down	-10.9%	Oversold
BARC	Barclays	Banks	up	7.1%	Trending
BHPB	BHP Billiton	Mining	down	-4.9%	Trending
BP	BP	Oil & Gas	down	-1.3%	Trending
BATS	Br American Tobacco	Tobacco	down	-5.6%	Trending
BT	BT Group	Telecoms	up	0.1%	Trending
DGE	Diageo	Beverages	up	1.2%	Trending
GSK	Glaxosmithkline	Pharmaceuticals	down	-4.8%	Trending
GLEN	Glencore	Mining	up	4.7%	Trending
HSBA	HSBC	Banks	up	4.8%	Trending
IMB	Imperial Brands	Tobacco	down	-5.6%	Trending
LLOY	Lloyds Banking	Banks	up	6.7%	Trending
NG	National Grid	Utilities	down	-11.6%	Oversold
PRU	Prudential	Insurance	up	13.2%	Overbought
RB	Reckitt Benckiser	Household Goods	down	-11.4%	Oversold
RIO	Rio Tinto	Mining	up	5.2%	Trending
RBS	Royal Bank of Scotland	Banks	up	4.0%	Trending
RDSB	Royal Dutch Shell	Oil & Gas	down	-1.1%	Trending
ULVR	Unilever	Household products	down	-1.5%	Trending
VOD	Vodafone	Telecoms	down	-1.5%	Trending
Average				-0.7%	

Disclaimer

I understand that these pages are copyright-protected products of e-yield. It is illegal to forward or re-transmit these pages or allow an unauthorised person to view part or all of these pages without written authorisation. I agree that if I break these restrictions I will accept full financial liability to pay the annual subscription price for all additional readers or recipients.

e-yield does not make any personal recommendations. The information in the FTSE short term forecast is provided solely to enable investors to make their own investment decisions and does not constitute a recommendation to buy, sell or otherwise deal in investments. If you have any doubts, you should seek advice from an independent financial adviser.

All opinions and content in this report constitute general market commentary and does not constitute investment advice. Content and research is subject to change without notice. e-yield and the author of e-yield does not accept responsibility for any investment decision made by a user on the basis of our research.

The price and value of investments and the income derived from them can go down as well as up, and you may not get back the amount you invest. Changes in the rate of exchange may have an adverse effect on the value, price and income of investments in a currency other than your own. Past performance is not necessarily a guide to future performance.

Quotes and research data provided on the e-yield website are obtained from sources which we believe to be reliable, but we cannot guarantee the accuracy, timeliness or completeness of such information for any particular purpose and shall not under

any circumstances be held liable for any consequent loss or damage whatsoever arising from the use of the information provided on the site.

Copyright © 2019 e-yield