

Trading Room – 17th April, 2017

🕒 April 17, 2017 📁 Copper, GBPUSD, Public Analysis, Trading Room, US Oil

Today's Trading Room looks at Copper, US Oil and GBPUSD.

To learn what the Trading Room is about see first Trading Room analysis [here](#).

Trading Room will focus on classic technical analysis. Elliott wave analysis will be for support and for targets / invalidation points.

Copper (Spot)

TECHNICAL ANALYSIS



Click chart to enlarge. Chart courtesy of StockCharts.com.

Members were advised to enter short on the 10th of April. Stops were initially set just above 2.700 and are now moved down to breakeven to eliminate risk.

On the 12th of April Copper had a classic downwards breakout from a consolidation zone, supported by volume. Now price is turning up to test resistance at prior support, about 2.590. The downwards session for the 12th of April has strong volume. The last upwards session for the 13th of April has lighter volume. Volume is bearish.

The long upper wick on the candlestick for the 13th of April is bearish.

On Balance Volume is bearish. RSI is not extreme, so there is plenty of room for price to fall. ADX is still below 15 and does not yet indicate a new trend. Bollinger Band expansion indicates volatility returning after the

consolidation; with price moving lower as Bollinger Bands expand, this is bearish.

ATR may be expected to begin to increase after a period of a small range.

Stochastics is not yet oversold. This may remain extreme for long periods of time during a trending market. Only when it has been extreme for some time and then exhibits divergence with price while extreme should it be read as a strong warning sign of an impending trend change. That is not the case yet.

TREND LINE



Click chart to enlarge.

Copper has found very strong resistance at the green trend line, which goes back to at least August 2011. The doji candlestick for February puts the trend from up to neutral.

ELLIOTT WAVE ANALYSIS



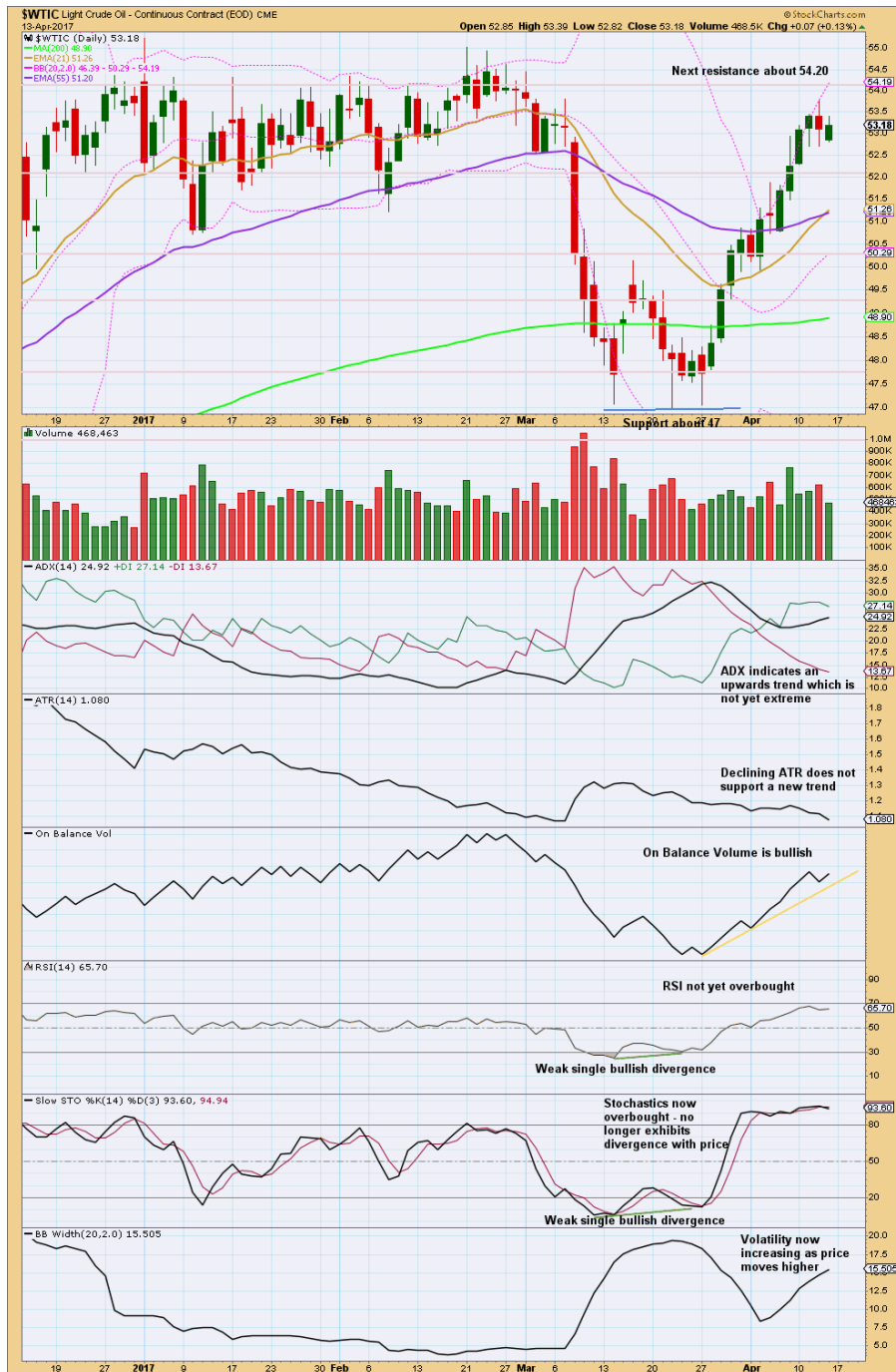
Click chart to enlarge.

The upper edge of the blue channel has still provided resistance, with a strong overshoot for the 30th of March. Copper may in the early stages of a third wave at three degrees now and this should see an increase in downwards momentum.

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US Oil (WTI Crude – Spot)

TECHNICAL ANALYSIS



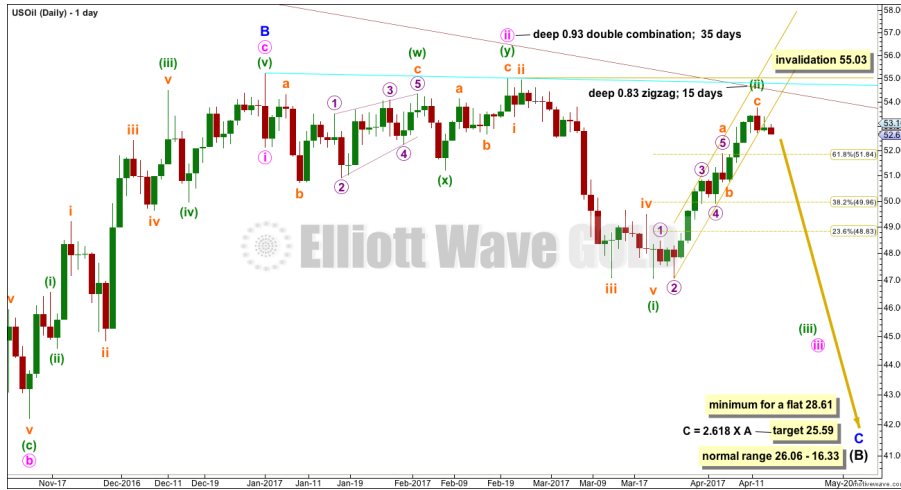
Click chart to enlarge. Chart courtesy of [StockCharts.com](#).

The red daily candlestick of the 12th of April completes a Bearish Engulfing Candlestick pattern. This is the most reliable of candlestick reversal patterns when it comes after an upwards trend. It doesn't always work (it didn't work on the 3rd of April), but it works more often than not. It is supported by volume. The last upwards day for the 13th of April did not have support from volume. This is also bearish.

Overall, this chart is more bullish than bearish.

Members were advised that I entered short Oil on the 12th of April. At this stage, this position is now positive.

ELLIOTT WAVE ANALYSIS



Click chart to enlarge.

The basis for entering short was price breaking below the lower edge of the small gold channel that contains the upwards wave labelled minuette wave (ii).

Now price may be beginning to move down and away.

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GBPUSD

TECHNICAL ANALYSIS



Click chart to enlarge. Chart courtesy of StockCharts.com.

The prior pennant pattern is no longer correct.

The last daily candlestick for the 13th of April is bearish and has support from volume.

ATR and Bollinger Bands show there is something wrong with this upwards trend due to a lack of range and volatility. This trend is relatively weak at this stage.

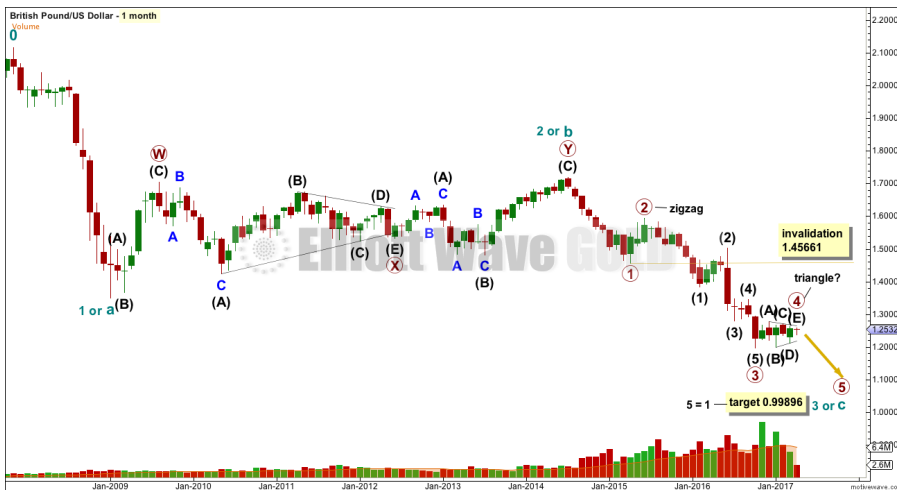
VOLUME ANALYSIS



Click chart to enlarge.

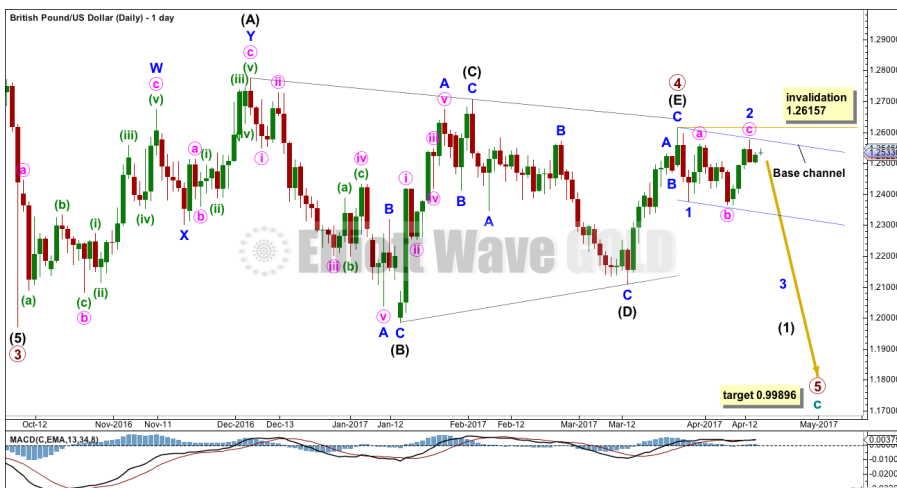
The bearish signal given in last analysis for On Balance Volume was negated. The support line is redrawn. On Balance Volume is constrained, giving no signal today.

ELLIOTT WAVE ANALYSIS



Click chart to enlarge.

Cycle wave c needs to complete as a five wave structure. The final fifth wave is incomplete and may only have just begun. The target expects to see the most likely Fibonacci ratio between primary waves 5 and 1.



Click chart to enlarge.

Primary wave 4 fits perfectly as a regular contracting triangle, offering perfect alternation with the zigzag of primary wave 2. Primary wave 2 lasted 2 months and primary wave 4 lasted 6 months. Triangles are usually longer lasting structures than zigzags, so this disproportion is not only acceptable but should be expected. This wave count has the right look.

The breakout from the triangle should be down.

Minor wave 2 moved higher and fits perfectly as an expanded flat correction. These are very common structures. The choice to try another short position here is based heavily on the three wave structure of minute wave b; with a three down following minor wave 1, only an expanded flat following an impulse will fit. The trend should therefore be down if this Elliott wave analysis is correct.

Minor wave 2 may not move beyond the start of minor wave 1 above 1.26157.

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TRADING ROOM SUMMARY TABLES

OPEN POSITIONS

Open Positions							
Market	Data Source	Trade Direction	Open Date	Stop	Entry Point	Profit Target	Comments
Copper	FXCM	Short	10th April, 2017	2.604	2.604	1.937	Stops now at breakeven
US Oil	FXCM	Short	12th April, 2017	53.76	53.11	28.61	
Gold	BarChart	Long	10th April, 2017	1,269.72	1,253.90	1,333	15.82 profit protected

Click table to enlarge.

Trading advice for gold given to Elliott Wave Gold members will be included in Trading Room summary tables. However, so that it remains private for Elliott Wave Gold members only, it will not be included in Trading Room posts.

CLOSED POSITIONS

Closed Positions							
Market	Data Source	Trade Direction	Open Date	Entry Point	Close Date	Exit Point	Profit (Loss)
Gold	BarChart	Short	28th March, 2017	1,248.17	31st March, 2017	1,248.17	0.00
Copper	FXCM	Short	31st March, 2017	2.666	5th April, 2017	2.666	0.00
Gold	BarChart	Long	31st March, 2017	1,248.85	10th April, 2017	1,248.85	0.00
Natural Gas	FXCM	Long	4th April, 2017	3.122	11th April, 2017	3.165	0.043
GBPUSD	FXCM	Short	12th April, 2017	1.24884	12th April, 2017	1.25001	(0.00117)

Click table to enlarge.

Each month a new “closed positions” table will begin. To see all closed positions for March 2017 see the last Trading Room post for March [here](#).

RECOMMENDATIONS

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DISCLAIMER

As always, it is essential that anyone using this analysis for trading advice manages risk carefully. Follow my two Golden Rules:

1. Always use a stop.
2. Never invest more than 1-5% of equity on any one trade.

Trading is about probabilities, not certainties. Failure to follow my two Golden Rules of trading indicates failure to manage risk.

Accept that this analysis may be wrong. It is impossible for any analyst to predict with certainty what a market will do next.

Members will be updated with trading advice over the next week here in comments for Trading Room. Comments are therefore private, for members only.

This analysis is published @ 03:39 a.m. EST.

[Note: Member comments and discussion will remain private.]

Tags: copper, currency trading, elliott wave analysis, find trending markets, forex, fx, gbpusd, technical analysis, the trading room, trading opportunities, US Oil