

FX Technicals

Special Q4/October Outlooks – 1 October 2015

Overview: With every cross still in trend mode for Q4, directional follow-thru is expected. The “cleanest” setups are in AUD and GBP, both with negative Q4 setups and bearish-leaning monthly trend (.7231 and 1.5460). Q4 targets are .6260 and 1.4700/1.4670 in GBP. USDCAD also has bullish trend and setup for Q4, but must first negotiate its 2015 Yearly extreme at 1.3532 to open the door to higher Q4 target at 1.4124. EUR is trend down, but starts Q4 neutral between 1.1100 and 1.1440. Getting under 1.1100 projects to 1.0540. USDJPY is the least directional, with wide, symmetrical Q4 setup from 124.70 to 115.98. Monthly trend leans bearish for Oct.



USDJPY

Sep 30 Close – 119.91

October	Q4	2015
Neutral	Bullish	Bullish
Projected Range 117.38 to 121.18/25	Projected Range 115.98 to 124.70	Target = 138.29 Neutral Below 98.81

Comments: NEUTRAL. Quarterly trend stayed officially trend up in USDJPY. But the wide range in Q3, along with a bearish lean in monthly trend under 121.18/25 for October, leaves an overall neutral setup for Q4. Quarterly support is 115.98 and 113.86. October supports lies at 117.38 ahead of there. Resistance for Q4 is 124.70 and 125.35, but again with the bearish leaning monthly trend at 121.18/25 the early focus above. The expected Q4 range is 115.98 to 124.70, with October likely to span 121.18/25 to 115.98. Will sell against 121.18/25 in October.

Position Strategy: Q4 looks to be a wide two-way trade – buying against 115.98 and 113.86; selling against 124.70 and 125.35. In between there, will set shorts against bearish-leaning monthly trend at 121.40/44 for October.



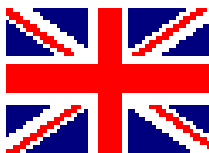
EURJPY

Sep 30 Close – 133.90

October	Q4	2015
Neutral	Bearish	Bullish
Projected Range 129.83 to 135.60/90	Target = 130.17 Neutral Above 134.44	Target = 154.72 Neutral Below 128.46

Comments: BEARISH TO NEUTRAL. Somewhat under the radar, Quarterly trend quietly turned bearish with the Sep 30 close under 137.04. Monthly trend for October now also leans bearish under 135.60/90. As a result, the setup for Q4 is neutral to bearish. In addition to monthly trend, Q4 resistance is staggered at 136.56/85 and 138.35, before jump to 141.18. The closest Q4 support is 129.83, along with deep October level at 129.45. Based on both the trend and the comparative lack of nearby support, the expected Q4 range is 136.56/85 to 129.83. Strategy is to sell strength to 135.60/90 in October and 136.56/85 and 138.35 for Q4.

Position Strategy: Set shorts on strength. For October, sell against bearish-leaning monthly trend at 135.60/90. For Q4, sell 136.56/85 and 138.35. The closest target zone is 129.83/45.



GBPUSD

Sep 30 Close - 1.5125

October	Q4	2015
Neutral	Bearish	Neutral
Projected Range 1.4875 to 1.5475	Target = 1.4700 Neutral Above 1.5260	Projected Range 1.4390 to 1.6160

Comments – BEARISH. Closing on the lows for both month and quarter projects lower moving forward, as the long-term trend in GBP remains bearish under 1.5260 to start Q4. Q4 resistance is 1.5415 and 1.5670/1.5710 – along with a developing Yearly zone at 1.5700/90 – before intraquarter jump to 1.6160. Monthly trend also leans bearish under 1.5455/1.5500 for October. The closest Q4 support is 1.4700, followed closely by a fixed developing Yearly at 1.4670. The expected Q4 range is 1.5710 to 1.4700/1.4670. Strategy is to sell against 1.5245/60 and 1.5455/1.5500 for October (separately) and 1.5710 for Q4. The eventual target is 1.4700.

Position Strategy: Given the Q4 downtrend and bearish-leaning monthly trend, strategy is to sell strength. For October, sell combined Q4/Oct zones at 1.5245/60 and 1.5455/1.5500 (separately). For Q4, sell against 1.5710. The target is 1.4700/1.4670.

**EURUSD**

Sep 30 Close – 1.1170

October	Q4	2015
Neutral	Bearish	Neutral
Projected Range 1.0875 to 1.1325	Target = 1.0540 Neutral Above 1.1130	Projected Range 1.0305 to 1.3035

Comments – BEARISH TO NEUTRAL. Despite a difficult and tricky trade, the bottom line for Q3 was the Quarterly downtrend stayed bearish. The initial setup for Q4 is neutral from 1.1100 to 1.1440 – but with potential to re-break lower. Getting under 1.1100 sees drop to 1.0540 for Q4 and 1.0225 Yearly (2016) level. Conversely, resistance above 1.1440 jumps to 1.1960. On the monthly chart, Sep's inside range leaves a breakout type setup for Oct outside a trio of monthly levels at 1.1165 to 1.1325. The expected Q4 range is 1.1440 to 1.0540. Strategy is to set shorts against 1.1440 on strength, or on close under 1.1100 on weakness.

Position Strategy: For Q4, will sell strength against 1.1440 with stop above. Will also sell weakness on break/close under 1.1100. In both cases, the eventual target is 1.0540 Q4 base support.

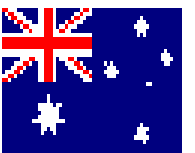
**USDCAD**

Sep 30 Close – 1.3355

October	Q4	2015
Bullish	Bullish	Neutral
Target = 1.3532 Neutral Below 1.3070	Target = 1.3532 Neutral Below 1.2618	Projected Range 1.1362 to 1.3532

Comments – BULLISH. The dual uptrends and bullish setups in USDCAD are as pure as they come. Both the Q4 and monthly setups point higher. Q4 supports are 1.3032 and 1.2776/1.2618 trend. October supports are 1.3176 and 1.3096/70 uptrend. For October, especially, the combined 1.3096/32 zone is a great buy zone. But the lone nearby resistance hurdle is a major one – the expiring 2015 Yearly extreme at 1.3532. An Oct hurdle is also at 1.3518. If that is cleared, the Q4 target jumps to 1.4124. The expected Q4 range is 1.3032 to 1.3532 – but with acceleration gap above there. Buy 1.3096/70/32; sell 1.3532; re-buy above 1.3532.

Position Strategy: Buy weakness to October and Q4 supports: 1.3176 and 1.3096/70 for October; and 1.3032 for Q4 (especially during October). Will exit and/or sell at 1.3532 Yearly extreme -- but reset longs on close above there.

**AUDUSD**

Sep 30 Close – 0.7710

October	Q4	2015
Bearish	Bearish	Neutral
Target = 0.6740 Neutral Above 0.7231	Target = 0.6260 Neutral Above 0.7610	Projected Range 0.6260 to 0.8410

Comments – BEARISH. Like CAD, AUD has an outright bearish bias in both trend and setup on each of the monthly and Q4 charts. For Q4, resistance is .7310 and .7490, with its Q4 downtrend at .7610. For October, resistance is .7119, 7182 and .7231 monthly trend. However, the big difference in AUD is there is no nearby Yearly support to break the fall. The closest Q4 support is .6260. There is an Oct level at .6740 ahead of there. The expected Q4 range is .7310 to .6260. Strategy is to sell .7119/.7230 during October and .7310 to .7490 for Q4.

Position Strategy: Strategy for Q4 is to sell strength. For October, sell .7119 and .7180 to .7230 monthly trend. For Q4, sell .7310 and .7490. Targets are .6740 for Oct and .6260 for Q4.

Stock/Bond Technicals

Special Q4/October Outlooks – 1 October 2015

Overview: Stocks reversed Quarterly trend bearish in Q3, and their setup points outright lower moving forward. Initial resistance is 1941.50 (Q4) and bearish-leaning monthly trend at 1990/2007. The closest Q4 support and Quarterly target is well below at 1685.99/64. Treasuries are less clear-cut. Q4 trend status varies from still bearish in 2s (>.61) to leaning bearish in bonds (>2.80) to neutral in 10s and 5s. More importantly, each of the long-term setups start the Quarter neutral: 3.028/063 to 2.807/783 in bonds; 2.31/435 to 1.993/933 in 10s; 1.645/67 to 1.238 in 5s; and a tight zone at .708/73 to .61 in 2s. Action outside turns more directional.

S&P 500 Cash Index

Sep 30 Close – 1920.03

October	Q4	2015
Neutral	Bearish	Bullish
Projected Range 1685.99/64 to 1941.50	Target = 1685.99 Neutral Above 2037.16	Target = 2337.66 Neutral Below 1685.99

Comments – BEARISH. Quarterly trend reversed bearish in Q3 with the Sep 30 close under 1951.44. The setup for Q4 points outright lower. In addition, monthly trend and setup both lean lower for October. Resistance for Q4 is 1941.50 and 2037.16, with no fixed long-term support until combined Yearly(2015)/Q4 zone at 1685.99/64. For October, resistance is 1929.06 and 1990.22, with bearish-leaning monthly trend at 2007.54. Supports for the month are an initial level at 1885.67, before drop off to 1640.02. The expected Q4 range is 1941.50 to 1685.99/64. Initial sell zone is 1929.06/1941.50; second sell zone is monthly trend (at 1990.22/2007.54 for October and dropping over time).

Strategy: Given the trend reversal and bearish setup, strategy is to sell strength. For October, will sell 1929.06 (Oct) to 1941.50 (Q4). Will sell monthly trend at 1990.22/2007.54, separately. The target is 1686/1685 (Yearly/Q4).

US 30yr Bonds

Sep 30 Close – 2.863

October	Q4	2015
Neutral	Neutral	Neutral
Projected Range 3.063 to 2.805/783	Projected Range 3.245 to 2.805/783	Projected Range 3.78 to 2.475

Comments – NEUTRAL TO BEARISH. Bonds start Q4 neutral, with a clear tension between time frames. Quarterly trend leans bearish behind 2.807/80 (with Oct resistance also at 2.783). At the same time, monthly trend leans bullish above 2.94, with additional supports at 3.028/063. Larger direction emerges outside either end. A push above 2.807/783 exposes upside gap to developing Yearly level at 2.53 and upper Q4 level at 2.348. Conversely, a break behind 3.028/063 sees initial drop to 3.245, then bigger gap to 3.83. The projected Q4 range is 2.807/783 to 3.245 – but with extension risk outside both sides. Initial strategy is to set shorts against the 2.807/783 zone.

Strategy: Given the bearish trend lean, will set shorts against 2.805/783 resistance (especially during October). The initial target is 3.245 Q4 level. Getting above 2.783 points to at least 2.53.

US 10yr Note

Sep 30 Close – 2.05

October	Q4	2015
Neutral	Neutral	Neutral
Projected Range 2.20 to 1.933	Projected Range 2.31/435 to 1.933	Projected Range 3.07 to 1.458

Comments – NEUTRAL. Quarterly trend is neutral, with no lean either way for Q4. But monthly trend and setup both lean bullish for October and a test of early Q4 resistance is expected. The initial focal points on the upside are 1.993 Q4 level and developing 2016 yearly at 1.933. Above there sees modest jump to second Q4 level at 1.733. Supports for Q4 are 2.31 and 2.435, before drop-off to 3.11. For October, monthly trend leans bullish above 2.185/20, with a positive bias above there. The expected Q4 range is 1.933 back to 2.31/435 – but with movement outside either end seeing extension. Will set shorts against 1.993/933 and 1.733 (separately) for 2.31/435 target.

Strategy: Looking for two-way trade in Q4. Will sell Q4/Yearly zone at 1.993/933 and Q4 level at 1.733, separately. On weakness, will cover shorts and buy against 2.31/435 (Q4) – but behind there turns negative.

US 5yr Notes

Sep 30 Close – 1.37

October	Q4	2015
Neutral	Neutral	Neutral
Projected Range 1.513/565 to 1.238	Projected Range 1.643/68 to 1.238	Projected Range 3.12 to 1.265

Comments – NEUTRAL. Quarterly trend and setup are both neutral for Q4, with two-way trade expected. But monthly trend leans bullish above 1.513 and the October setup is skewed asymmetrically higher, making an early test to key resistance likely. Main Q4 resistance is 1.34 to 1.238, before a more pronounced gap to developing Yearly level at +/-1.03. The Q4 support base is 1.643/68, with comparable drop to developing Yearly base at 1.945 under there. For October, monthly support is concentrated at the 1.513/565 trend zone. The expected Q4 range is early high to 1.238 (based on the monthly trend lean) and low back to 1.643/68. Action outside either end sees follow-thru. Will sell against 1.238; buy against 1.643/68.

Strategy: It should be a two-way trade for Q4. Strategy is to sell against 1.238 resistance; cover shorts/buy 1.643/68 support base. Above 1.238 points to 1.03. For October, the market is a better buy against 1.513/565 bullish-leaning monthly trend.

US 2yr Notes

Sep 30 Close – 0.64

October	Q4	2015
Neutral	Bearish	Neutral
Projected Range 0.73 to 0.61	Target = 0.883 Neutral Above 0.61	Projected Range 1.303 to 0.34

Comments – BEARISH TO NEUTRAL. Quarterly trend is still bearish in 2s behind .62/.61 for Q4. But monthly trend ended up turning neutral to end September, and the initial setup for Q4 (as well as October) is neutral. The early boundaries are the Q4 trend at .62/.61 versus combined Oct/Q4 supports at .708/.73. Getting behind there sees drop to .883 for Q4 and .96 Yearly level. At the same time, getting above .61 sees minimum jump to .545/.51 for the month and up to .405 for Q4. Based on the downtrend, the projected Q4 range is .61 to .883. But a break/close above .61 is clearly more positive. The two tactical approaches for Q4 are to sell against .61 trend, or wait to go-with action outside .708/.73 or .61.

Strategy: Given the downtrend, will set shorts against .62/.61 with tight stop. Providing it holds, the target is .883 for Q4. Otherwise, can go with action behind .73 (top .883/.96) or above .61 (to .405) for Q4.

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