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**From:** Nick Hilsden (sent by Nick Hilsden <info=hilsdentradng.com@mail144.atl171.mcdlv.net>)  
**To:** Nick Hilsden

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# HILSDEN TRADING

**Members Daily Email**  
**06 May 2015**



**Support 6915, 6898, 6884, 6873, 6870, 6855**  
**Resistance 7000, 7017, 7044, 7102, 7112**

Good morning. Well the volatility is certainly here this week, and on low volume as we go into the election. The bears dropped things off from the top of the 10 day Bianca at 7050 pretty well, though it did take 2 attempts and some help from a bearish US to drag things down to 6920 area, which was Friday's low. We have had a slow rise up from there, though the daily EMAs are just crossing over to bear today so we could be on for some more downside. That said, if yesterdays lows on the S&P at 2088 hold as support then there could be some decent upside on that over the next few sessions aim for 2140. Might need something special to enable that sort of rise though, as generally markets are slowing down a bit on below par news and despite stimulus. The 10 day Bianca levels to watch today are 7017 resistance and 6870 support.

## **US & Asia Overnight from Bloomberg**

Asian stocks outside of Japan dropped for a second day, with the regional gauge extending a two-week low, as banks and information technology shares declined following a slump in U.S. equities.

Woolworths Ltd. fell 3.8 percent after Australia's biggest supermarket chain announced job cuts as sales missed estimates. Commonwealth Bank of Australia slid 4.3 percent as the nation's top lender by market value posted third-quarter cash profit that was unchanged from a year earlier. HSBC Holdings Plc slipped 1 percent

in Hong Kong after first-quarter revenue fell short of expectations at Europe's largest bank.

The MSCI Asia Pacific excluding Japan Index fell 0.8 percent to 509.12 as of 9:34 a.m. in Hong Kong. The measure dropped on Tuesday to its lowest level since April 21 as Chinese equities tumbled amid concern gains have been excessive. The Standard & Poor's 500 Index slumped 1.2 percent on Tuesday as mixed data added to U.S. economic growth concerns. E-mini futures on the S&P 500 added 0.2 percent.

"Markets are a little tired," Wayne Wilbanks, who oversees about \$2.5 billion as chief investment officer at Norfolk, Virginia-based Wilbanks, Smith & Thomas Asset Management LLC, told Bloomberg Television. "Investors are starting to wake up to the reality that there's not a whole lot of growth currently in the market. China is slowing down. What we have there is huge monetary stimulus which is causing this stock market semi-bubble."

### **Regional Gauges**

China's Shanghai Composite Index rose 0.5 percent after slumping 4.1 percent on Tuesday, the most since Jan. 19. The Hang Seng China Enterprises Index of mainland shares traded in Hong Kong slipped 0.2 percent, while the city's benchmark Hang Seng Index declined 0.3 percent.

South Korea's Kospi index dropped 1.3 percent as it resumed trading following a holiday. Taiwan's Taiex index slipped 0.5 percent. Singapore's Straits Times Index declined 0.5 percent. New Zealand's NZX 50 Index fell 0.2 percent. Australia's S&P/ASX 200 Index slumped 1.8 percent. Japanese markets are closed for a third day of holidays.

Data on Tuesday showed the U.S. trade deficit widened in March to the highest level in more than six years, fueled by a record surge in imports as commercial activity resumed at West Coast ports following a resolution of labor disputes. A separate report showed service industries such as real-estate firms and restaurants unexpectedly grew at a faster pace in April as the biggest part of the U.S. economy picked up.

### **Stock Correction**

China's stocks will be hit by a 20 percent correction, Mark Mobius, who oversees about \$40 billion as the executive chairman of Templeton Emerging Markets Group, said on Bloomberg Television in Hong Kong on Tuesday. The upside for shares will be limited as initial public offerings draw out money, he said. The China Securities Regulatory Commission said last month it would increase the pace of new share sales.

Twenty-five Chinese companies are scheduled to sell initial public offering shares

from Tuesday through May 11, which may freeze 2.34 trillion yuan (\$377 billion), based on the median estimate of a Bloomberg survey.

Global equities are heading for their second week of losses amid heightened concern over whether Greece can meet its obligation to pay about \$1.1 billion due to the International Monetary Fund by May 12. The Stoxx Europe 600 Index fell 1.5 percent on Tuesday. [\[Ref\]](#)

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## FTSE Outlook

Today's pivot is 6973 so we have initial resistance there, with 7000 after that where we have the top of the declining 30minute PRT channel, but also, fairly crucially, the 2 daily EMAs converging here as well. The 10ema crossing down through the 25ema is fairly bearish, so I would be looking for the price to rise back to test the 25ema after that cross is locked in to confirm a bearish stance. There is the top of the 10 day Bianca at 7017, though not sure it will be bullish enough to reach that today. Never know this week as we jump about going into the election! There is some fairly decent looking support around the 6913 area, where we have the bottom of that 30min channel and I have plotted a rise from that but with a tight stop, as if it dips below that then 6898 and 6870 (the bottom levels of the 2 Bianca channels) are more than likely to be hit. As mentioned above I have one eye on the S&P as if that holds its lows from yesterday at 2088 then it could be on for a final push up to 2140 before more major declines (top of the 20 day Raff is 2140). If that starts to play out (and it's only a hunch currently) then the FTSE will be brought up with it, probably towards the 7100 area. Again!

I have plotted an initial dip down for today with support at 6915ish, however, I am half expecting it to go a bit further as the FTSE does look a bit weak currently. Worth trying along off the 2 Bianca channel bottoms at 6898 and 6870 for a bit of a high risk swing entry for some upside towards 7100, though a lot will depend on the S&P.



## Trade Plan

I usually set these up with orders in case the level hits when I am away from the computer

- **SHORT 7015, stop 7025, target 6875 or lower**
- **LONG 6915 stop 6905 target 7000**
- **LONG 6873, stop 6863, target 6900+**

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## Key Levels to Watch

I get the daily pivots from live charts [here](#), and also have them plotted on the IG charts. The live charts one use in hours data to calculate, while the IG ones use 24 hours worth.

### Support so entry levels for a possible long

- 6898
- 6884
- 6873
- 6870
- 6855

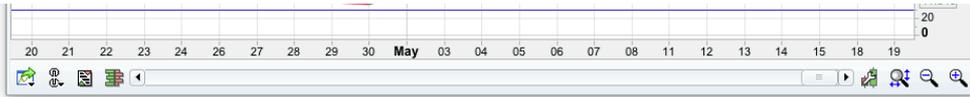
### Resistance so entry levels for a possible short

- 6952
- 6973 daily pivot
- 7000
- 7017
- 7044
- 7102
- 7112

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## Daily Raff Channels





## Bianca Trends



## Gold

Today's pivot, and initial support is 1193, with 1187 below that. With the recent weakness in equities gold has put in a little bit of a rise, and resistance is now showing from the Rafts at 1210 and 1213. The 30min chart has a pretty decent rising channel with support at 1194 and resistance at 1205 so I think going long at 1194ish with a stop 1192 looks a fairly decent play.





## S&P

As mentioned above, if yesterday's low holds then we "could" be on for a rise to 2140, and new record highs, though it's hard to see that materialising just at this moment! That's the bigger picture. For today, the pivot is 2099 and initial resistance and we also have the 30min coral line there (firmly trending down at the moment too). Bulls will have their work cut out. The 10min chart has been weak bull overnight, though it's just on the cusp of going bearish again as I write this. If so then support is yesterday's low 2088, 2084, 2080. 2080 looks a decent entry level as we also have the 20 day Raff here, and it's also S1. Worth a long from here with a stop at say 2077. If that breaks then the bottom of the 10 day Raff is 2067 and the next likely level of support. Dipping to that will also invalidate the potential rise to 2140.



## Dax

Greece still lingers in the background and affects the Dax. Today's pivot is 11460 so resistance there, 11627, 11690 top of the 10 day Raff, then 11720 for the 25ema on the daily. Support levels are 11347 (where we are as I write this), 11303, 11280, 11170. All looks pretty bearish on the Dax so will be interesting to see if it rises first thing to inject some bullishness into proceedings. I can kind of see a rise to the pivot to start things of.



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 Website: [www.hilsdentrading.com](http://www.hilsdentrading.com)  
 E-mail: [info@hilsdentrading.com](mailto:info@hilsdentrading.com)  
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 DocumentGenie Technopole, Kingston Crescent, Portsmouth, Hampshire, PO2 8FA  
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