

From: Nick Hilsden | Hilsden Trading info@hilsdentrading.com
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To: Nick Hilsden info@hilsdentrading.com



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HILSDEN TRADING

Members Daily Email
28 June 2021



On Friday, the wider market continued Thursday's momentum on the back of the Bank of England maintaining low interest rates, though daily gains were muted as investors continued to dwell on inflationary concerns. The FTSE 100 gained 26.1 points at 7,136.1 to end its best week in over a month while the FTSE 250 added 135.9 points at 22,646.

The S&P 500 was trading towards all-time highs, boosted in part by banking stocks including Goldman Sachs and JP Morgan. They rose ahead of bumper dividend payouts after passing stress tests that showed the largest 23 were "well above" minimum capital requirements and could continue lending in a severe recession, the Fed said.

In London, travel-related stocks were firmly in the red after industry figures were left disappointed following the Government's latest relaxation of travel rules. Blue-chip British Airways' owner IAG fell 4.7p to 187.5p.

Countering Beijing

India has redirected at least 50,000 additional troops to its border with China in a historic shift toward an offensive military posture against the world's second-biggest economy. Although the two countries battled in the Himalayas in 1962, India's strategic focus has primarily been Pakistan since the British left the subcontinent, with the long-time rivals fighting three wars over the disputed region of Kashmir. Yet since the deadliest India-China fighting in decades last year, Prime Minister Narendra Modi's administration has sought to ease tensions with Islamabad and

concentrate primarily on countering Beijing.

Binance Ban

Crypto exchange Binance has been banned from operating in the U.K. as a regulatory crackdown spreads over concerns about money laundering and fraud. Binance said it hasn't yet launched its U.K. business and services on its website won't see a direct impact from the Financial Conduct Authority's notice. The cryptocurrency exchange is being probed by several agencies in the U.S., and Japan has warned that Binance isn't properly registered there. The FCA says crypto firms are withdrawing registration applications because they can't meet anti-money laundering standards. Crypto bulls often interpret tough regulatory action as a sign that the market is maturing. Bitcoin traded below \$33,000.

US & Asia Overnight from Bloomberg

Asia stocks and U.S. futures were steady Monday with investors weighing the pace of economic recovery against more potent Covid-19 strains and central banks mulling stimulus reductions. The dollar edged higher. Southeast Asian markets underperformed, led by Malaysia, where a nationwide lockdown was extended.

Australia saw a modest dip despite a lockdown in Sydney to contain outbreaks of the highly contagious Delta strain. Japan and China fluctuated. Hong Kong will open for trading in the afternoon after the morning session was canceled because of a rain storm warning. European futures were little changed. The S&P 500 had its best week since February. Treasuries held losses.

Cryptocurrencies will be closely watched after the U.K. restricted an affiliate of crypto exchange Binance from doing business in the country. Bitcoin rose for a second day, trading in the mid-\$30,000s range in Asia on Monday.

Global stocks are trading near a record high as anxiety about the Federal Reserve's hawkish tilt eased, with investors dialing back concerns that U.S. policy makers will rush to boost interest rates despite mounting inflation pressures. Volatility receded, with the Cboe Volatility Index, or the VIX, sinking to pre-pandemic levels. Still, markets remain sensitive to more central banks debating the withdrawal of emergency stimulus.

"The risk of higher bond yields – and potentially a pull back in equities – due to ongoing strong U.S. economic data remains," David Bassanese, chief economist at BetaShares, said in a note. "So far at least, long-term bond yields remain contained and equities more focused on the V-shaped rebound in economic growth and

corporate earnings.”

Here are some events to watch in the markets this week:

- OECD meets in Paris to finalize a proposal to overhaul global minimum corporate taxation Wednesday
- China’s President Xi Jinping will deliver a speech as the nation marks the 100th anniversary of the founding of the Chinese Communist Party Thursday
- OPEC+ ministerial meeting Thursday
- ECB President Christine Lagarde speaks Friday
- The U.S. jobs report is forecast to show an acceleration in payrolls growth in June Friday

These are some of the main moves in markets:

Stocks

- S&P 500 futures were little changed as of 1:35 p.m. in Tokyo. The S&P 500 rose 0.3% Friday
- Nasdaq 100 futures rose 0.1%. The Nasdaq 100 fell less than 0.1%
- Topix index was little changed
- Australia’s S&P/ASX 200 Index fell 0.1%
- KOSPI index fell 0.1%
- Shanghai Composite Index dropped 0.1%
- Euro Stoxx 50 futures were flat

Currencies

- The yen was little changed at 110.64 per dollar
- The offshore yuan was at 6.4656 per dollar
- The Bloomberg Dollar Spot Index inched up 0.1%
- The euro declined 0.1% to \$1.1925

Bonds

- The yield on 10-year Treasuries was at 1.53%
- Australia’s 10-year bond yield added about two basis points to 1.59%

Commodities

- West Texas Intermediate crude was steady at \$74.04 a barrel
- Gold was at \$1,781.49 an ounce

[*Bloomberg*](#)

Key FTSE 100 Levels to Watch

You can get in hours pivot levels from live charts [here](#), The live charts pivots use in hours data to calculate, while the IG ones use 24 hours worth. I quote the IG 24 hours ones below if relevant to the day ahead. Key levels are in bold.

Support so entry levels for a possible long

- 7136 daily pivot
- **7122 100 Hull MA 2h**
- 7121 S1
- 7120 cam break out
- 7111 200ema 30m
- 7095 S2
- **7094 2h coral**
- 7079 fib level
- **7070 daily**
- 7027 daily
- **6961 20d Raff**

Resistance so entry levels for a possible short

- 7152 cam break out
- 7163 R1
- **7167 daily**
- 7170 fib level
- 7178 R2
- **7204 R3**
- 7228 daily
- **7250 10d Raff**

Key Trends at time of writing

(based on some specific moving averages)

| Instrument / Timeframe | 10 min | 30 min | 2 hour | Daily |
|------------------------|----------------|----------------|---------|----------------|
| FTSE100 | BEARISH | BULLISH | BULLISH | BULLISH |
| Gold | BULLISH | BEARISH | BULLISH | BEARISH |
| SP500 | BULLISH | BULLISH | BULLISH | BULLISH |
| Dax | BULLISH | BULLISH | BULLISH | BULLISH |

Trade Plan for today 28 June 2021

I set these up with orders in case the level hits when I am away from the computer. I tend to remove my orders after the UK close around 16:45 (you can set them to

automatically expire at this time).

In terms of stake size please do what you are comfortable with. I do my larger stake on the SP500 and FTSE 100.

| Instrument | Long/Short | Entry | Stop Level | Target Price | Confidence |
|------------|------------|-------|------------|----------------|------------|
| FTSE100 | LONG | 7105 | 7090 | 7150+ | 55% |
| FTSE100 | SHORT | 7165 | 7180 | 7115 or lower | 55% |
| Gold | SHORT | 7194 | 7199 | 1781 or lower | 55% |
| SP500 | LONG | 4261 | 4253 | 4300+ | 55% |
| Dax | SHORT | 15672 | 15693 | 15595 or lower | 55% |

FTSE 100 Outlook and Prediction

Will we get a bull Monday again today? There is a case for an initial kick up towards the 7170 resistance level to start with and the bulls will be keen to defend the daily pivot to start with at 7136, and S1 at 7120.

The S&P500 has pushed up to 4285 overnight but the RSI's are getting a little bit ahead of themselves currently so we could well see a dip and rise play out today across the board. 4293 is initial resistance with R1 here and as its just shy of the round number we could well see a reaction here. If not then the key fib and R2 are both at 4301 and I would expect this to generate a reaction if seen. The bears will need to break 4269 where we have S1 and also this area may well tally with the rising 2h coral support line - its currently at 4255 and rising steadily, so we could see decent support at the 4260 level.

Back to the FTSE and as mentioned 7170 is the line in the sand to start with - key fib and R1 in this area. Above this then the bulls will be looking to push up towards the 7200 level and in fact R3 is at 7204 for today, with the top of the 10 day Raff channel at 7250 above that. If the S&P were to pull back a bit then I dont think the UK bulls will be able to push that high though.

The bears will be looking to defend the 7120 level initially where we have the S1 level and also the 100 Hull MA on the 2h, with the 7094 2 hour coral below that. That would be the first test of that line since it changed to green so I would like to see this 7100 area hold any test today.

Below 7100 (and S2 at 7094) we may well see the bears get a bit stronger and a dip down to 7070 should play out. Below that then the round number of 7000 and possibly even as low as the 20 day Raff channel which sits at 6961 for today - if that were to be tested today or tomorrow we could well see that hold.

So, generally looking at a dip and rise pattern for today and keep a close eye on the supports across the board today. The bulls have certainly recovered well from the initial seasonal June dip on the 18th after testing the 7220 level, and we could just be witnessing one last pump here till some more downside imminently. Good luck today

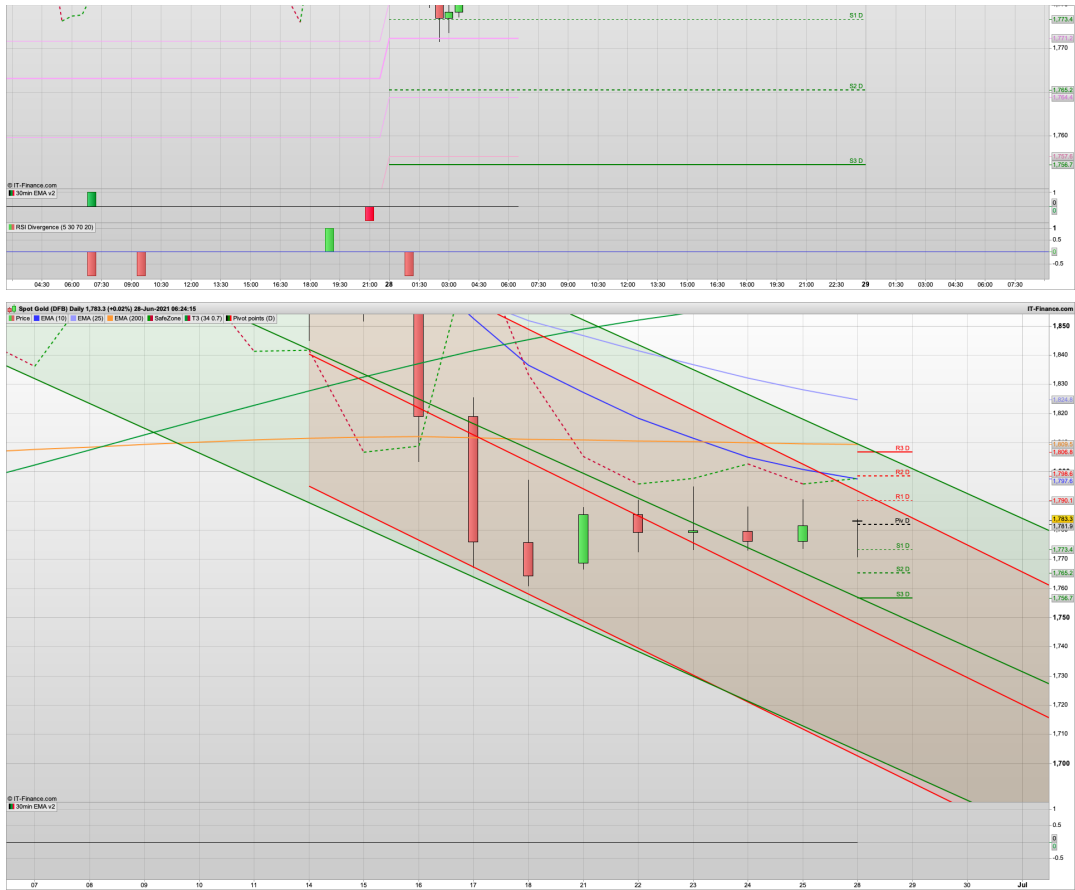


Daily Raff Channels



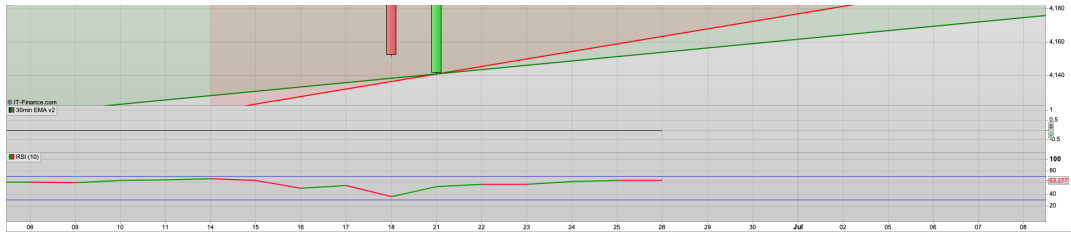
Gold





S&P





Dax



Live Trading Room Details

Telegram Groups

There is a web interface at <https://web.telegram.org>

The two rooms are available at the links below (please click on the link on the device with Telegram installed):

General Chat - [Click here](#)

Trade Updates Only - [Click here](#)

More information is at <https://www.telegram.org>

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Hilsden Trading Limited

Website: www.hilsdentrading.com

E-mail: info@hilsdentrading.com

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