



a weekly newsreport issued in advance of trading week

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"You gotta lose 'em sometime. When you do, lose 'em right".

Casey Stengel.

COT Index

The COT index remains negative this week at [-2.0%]. Last week the COT number didn't predict the market. This does occasionally happen. What then happens is a short period of adjustment while the two get back into lockstep. At this time confirmation via other indicators avoids making tragic mistakes.

The conservative entry kept us out of the trade so no harm was inflicted on the capital.

Technicals

The technical picture is bullish. The 5 day trend is higher and the current price is mid-range. With an improving trend in the COT numbers, [-21%], [-18%], +0.6%, [-8.3%], and [-2.0%], the technicals shed some light on the trend in the COT number.

Trade

Entered Trade

Price

Cost

Buy 1 SPY JanWk4 146 Call \$0.38 \$38.00

Sell -1 SPY JanWk4 147 Call \$0.00 \$0.00

Current Price:

\$147.07

Entry Price: \$146.00 or less.

	Price Profit /Loss	ROI %
109.78	(\$38.00)	-100.00%
123.77	(\$38.00)	-100.00%
138.78	(\$38.00)	-100.00%
146.00	(\$38.00)	-100.00%
146.38	\$0.00	0.00%
147.00	\$62.00	163.16%
154.61	\$62.00	163.16%
169.80	\$62.00	163.16%
185.00	\$62.00	163.16%

Should price drop to, or below the \$146.00 area, the cost of the trade drops to a spread of circa \$0.38, providing an excellent r/r entry point.

duCati Wealth System

I sold some EWP [Spain] this week and entered a sell order for some EWI [Italy] and Europe continues to trend higher, on the yield spread on Sovereign debt narrowing. EWG [Germany] is also trending higher, even though their Sovereign yields are mostly unchanged and should Europe implode, Germany is on the hook.

Markets worldwide are currently bullish, save for possibly Russia which although improving, is somewhat lagging.

The SPY obviously traded higher, although still a long way from that \$153.00 sell order. Therefore, I continue to do nothing, I'm content to let it fluctuate where it will for the moment.

Until next week, jog on
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