

Trading Room – 9th April, 2017

🕒 April 9, 2017 📁 Copper, GBPUSD, Natural Gas, Trading Room

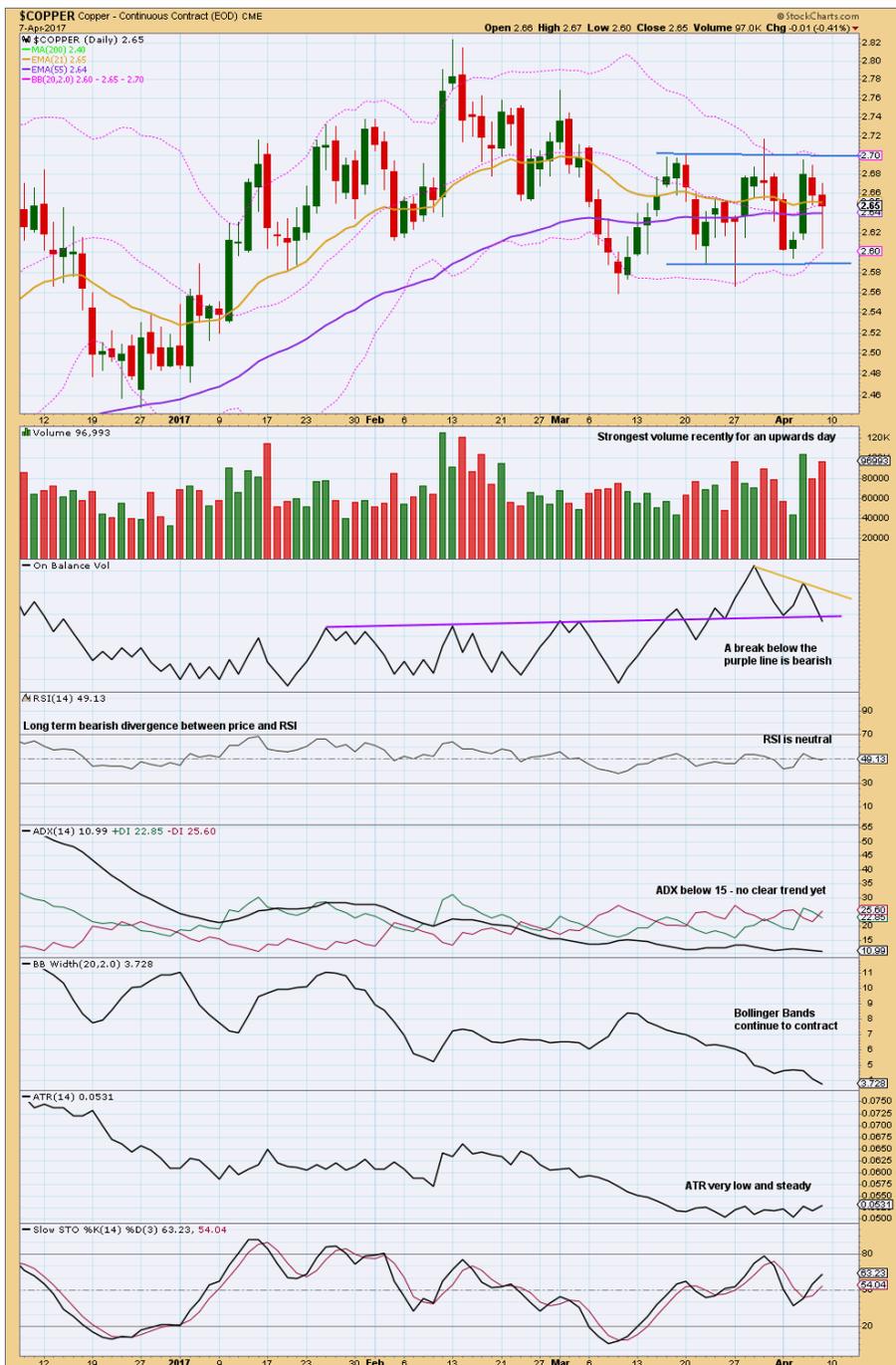
Today's Trading Room looks at Copper, Natural Gas and GBPUSD.

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.

Last Trading Room advice to Elliott Wave Gold members advised to enter short with a stop just above 2.717. Members were advised that short positions should become profitable within 24 hours, which is what happened, and that stops should have been then moved to breakeven. The whipsaw of the 5th of April should have closed short positions for no loss.

Copper is now range bound with resistance about 2.70 and support about 2.59 (with overshoots). Volatility declines as price moves sideways, ATR remains very low and flat, and ADX indicates a consolidating market.

In the short term, the very long lower wick for the candlestick of the 7th of April indicates upwards movement is likely to begin the new trading week.

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



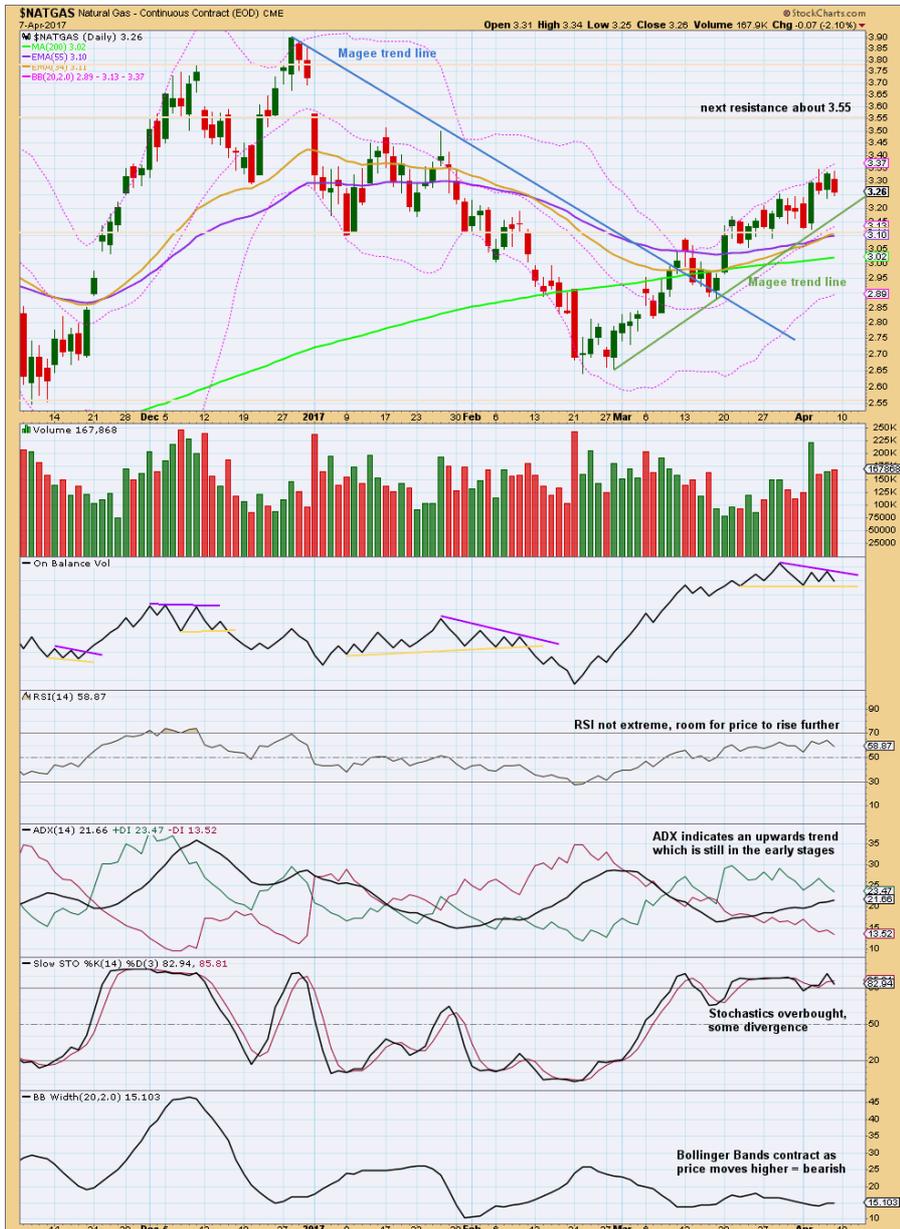
Click chart to enlarge.

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

Trading advice for members only: *[Content protected for Elliott Wave Gold members only. To subscribe click [here.](#)]*

Natural Gas

TECHNICAL ANALYSIS



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

Last trading advice for Natural Gas to Elliott Wave Gold members on the 31st of March was:

“A trade set up is not seen at this time. Look for price to pullback to touch the green Magee trend line on the TA chart. If that happens, then enter long with a stop just below the line. Allow for overshoots, but exit long positions if the line is breached.”

The Magee trend line was touched again on the 4th of April. This was the signal to enter long according to trading advice given. That best case entry point would have been at the low of the day at 3.122, but in reality members may not have entered exactly at the price point where price touched the line. However, any long positions should now be profitable and stops may be moved up to protect a little profit.

The Magee trend line may be used now as a trailing stop for long positions.

ADX indicates an upwards trend and RSI allows further room for price to rise. Stochastics is overbought and exhibits divergence with price, but this oscillator may remain extreme for long periods of time when this

market trends. The bottom line is any pullbacks may be expected to find support at the green Magee trend line.

On Balance Volume is now bound within a small range. Watch this carefully; if it breaks below the yellow support line, it would indicate a deeper pullback may be underway; if it breaks above the purple resistance line, it would indicate an increase in upwards momentum.

ELLIOTT WAVE ANALYSIS



Click chart to enlarge.

The last Elliott wave count was invalidated with a new high this week above 3.174. Cycle wave b may be continuing higher as a double zigzag.



Click chart to enlarge.

MACD indicates an increase in momentum to support this third wave up.

When minor wave 3 is complete, then minor wave 4 may not move into minor wave 1 price territory below 3.088.

The gold channel's lower edge is the same as the green Magee trend line on the daily technical analysis chart. Price should continue to find support at the lower edge while minor wave 3 continues.

Trading advice for members only: [Content protected for Elliott Wave Gold members only. To subscribe click [here.](#)]

GBPUSD

TECHNICAL ANALYSIS



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

Price looked like it was forming a Pennant pattern. What StockCharts data does not show today is the daily candlestick for the 7th of April that broke out of the pattern to the downside. The candlestick is shown today on FXCM data below.

VOLUME ANALYSIS



Click chart to enlarge.

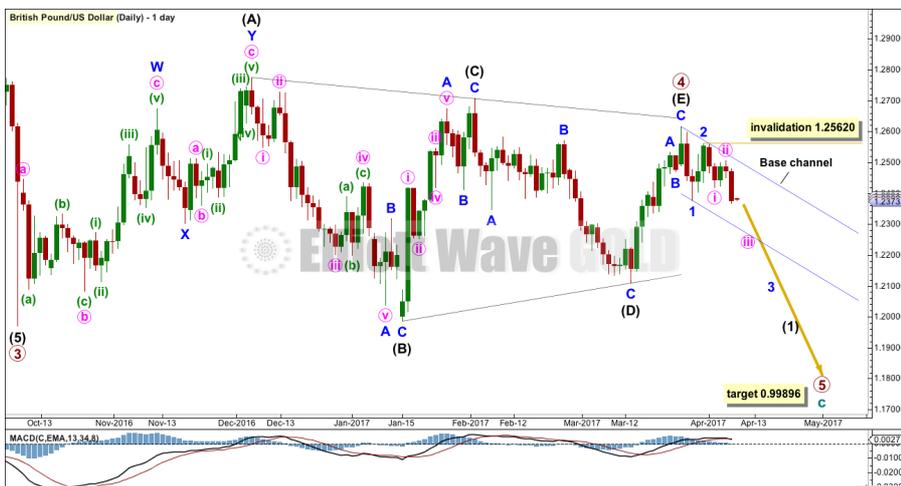
On Balance Volume gives a bearish signal with a break below the short term yellow support line. The downwards breakout from the pennant pattern has support from volume for a strong downwards day.

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.

Within minor wave 3, no second wave correction may move beyond the start of its first wave above 1.25620.

Trading advice for members only: *[Content protected for Elliott Wave Gold members only. To subscribe click [here.](#)]*

TRADING ROOM SUMMARY TABLES

OPEN POSITIONS

Open Positions							
Market	Data Source	Trade Direction	Open Date	Stop	Entry Point	Profit Target	Comments
Gold	BarChart	Long	31st March, 2017	1,248.85	1,248.85	1,333	Move stops to breakeven
Natural Gas	FXCM	Long	4th April, 2017	3.165	3.122	3.800	Move stops up to protect profit

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	

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

[Content protected for Elliott Wave Gold members only. To subscribe click [here.](#)]

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.

This analysis is published @ 06:48 p.m. EST.

Tags: copper, currency trading, Elliott wave analysis, find trending markets, forex, fx, GBPUSD, natural gas, technical analysis, the trading room, trading opportunities