

The Day So Far

A substantial turnaround in sentiment has been witnessed since the European open as oil has recovered from its brief flirt with the \$30/bbl level (low \$30.41). The move this morning came amid a flurry of negative bank calls with Barclays, Macquarie, BofAML, and SocGen cutting their 2016 Brent forecasts in the last 24hrs. Analysts at Standard Chartered have gone as far as calling for \$10 given that no fundamental relationship is currently driving the oil market towards any equilibrium, and that prices are being moved almost entirely by financial flows caused by fluctuations in other asset prices.

A large degree of this renewed optimism on the intra-day perspective has emanated from the stabilisation that was seen in China overnight where by the Shanghai Composite closed up 0.2% amid further talk of state bank intervention in the offshore currency which saw the CNH/CNY rate hit parity for the first time since October last year. Although this move appears to have countered near term fears of large outflows in the region due to the depreciation of the Yuan, HIBOR (Hong Kong Interbank Offered Rate) jumped an unprecedented 53% overnight as liquidity gets sapped out of the H.K. market. As such although this latest measure from China has steadied nerves for the time being long term implications on the Chinese market could be severe should credit conditions deteriorate further. Finally, weaker than expected manufacturing and industrial production data from the UK has been the latest catalyst for the already weakening GBP as cable has touched fresh 5.5yr lows. The next big level is seen down at 1.4227 which was the low print in May 2010, and with Brexit fears lingering and investment bank community pushing back BoE rate hike calls further, weakness cannot be discounted in the near-term.

The Afternoon View

Market focus is still dominated by oil and although prices have bounced through the European morning we remain bearish on prices. If a firm break of the Asia session high (\$31.39) is seen then we are looking to short at the daily pivot level (\$31.74). We see a similar theme in the S&P 500 and should we add to current gains we are looking at a conservative short at the Jan 7th high (1969.00).

Key Headlines

Market Sentiment: Bearish

- Shanghai Comp closes marginally higher overnight
- Oil flirts with \$30/bbl before seeing a bounce but bearish calls continue to grow in the investment bank community

Major Data Releases

Data	Expected	Previous
JOLTS Job Openings (Nov) M/M	5425	5383
IBD/TIPP Economic Optimism (Jan) M/M	47.5	47.2

Strategy	Short
Entry	1969.00
1 st Target	1929.00
2 nd Target	1892.50
Stop	1975.50

Key Levels	Comments
1969.00	High of 7 th
1947.75	R2
1929.00	Yesterday's High
1911.25	Pivot
1892.50	S1 & Yesterday's Low

THERE IS SUBSTANTIAL RISK IN TRADING. A LOSS INCURRED IN CONNECTION WITH FUTURES TRADING CAN BE SIGNIFICANT. AMPLIFY TRADING MAKES NO CLAIMS WHATSOEVER REGARDING PAST OR FUTURE PERFORMANCE. ANY STRATEGY IS FOR EDUCATIONAL PURPOSES ONLY

Please see page 5 for more information



Strategy	Short
Entry	1.09175
1 st Target	1.08580
2 nd Target	1.08310
Stop	1.09355

Key Levels	Comments
1.09535	R1
1.09175	Today's High
1.09095	Pivot
1.08580	Overnight Low
1.08310	S1



THERE IS SUBSTANTIAL RISK IN TRADING. A LOSS INCURRED IN CONNECTION WITH FUTURES TRADING CAN BE SIGNIFICANT. AMPLIFY TRADING MAKES NO CLAIMS WHATSOEVER REGARDING PAST OR FUTURE PERFORMANCE. ANY STRATEGY IS FOR EDUCATIONAL PURPOSES ONLY

Please see page 5 for more information

Strategy	Long
Entry	126.295
1st Target	127.100
2nd Target	127.230
Stop	126.215

Key Levels	Comments
127.230	Yesterday's High
127.185	R1
127.100	Pivot
126.295	S1
126.215	S2

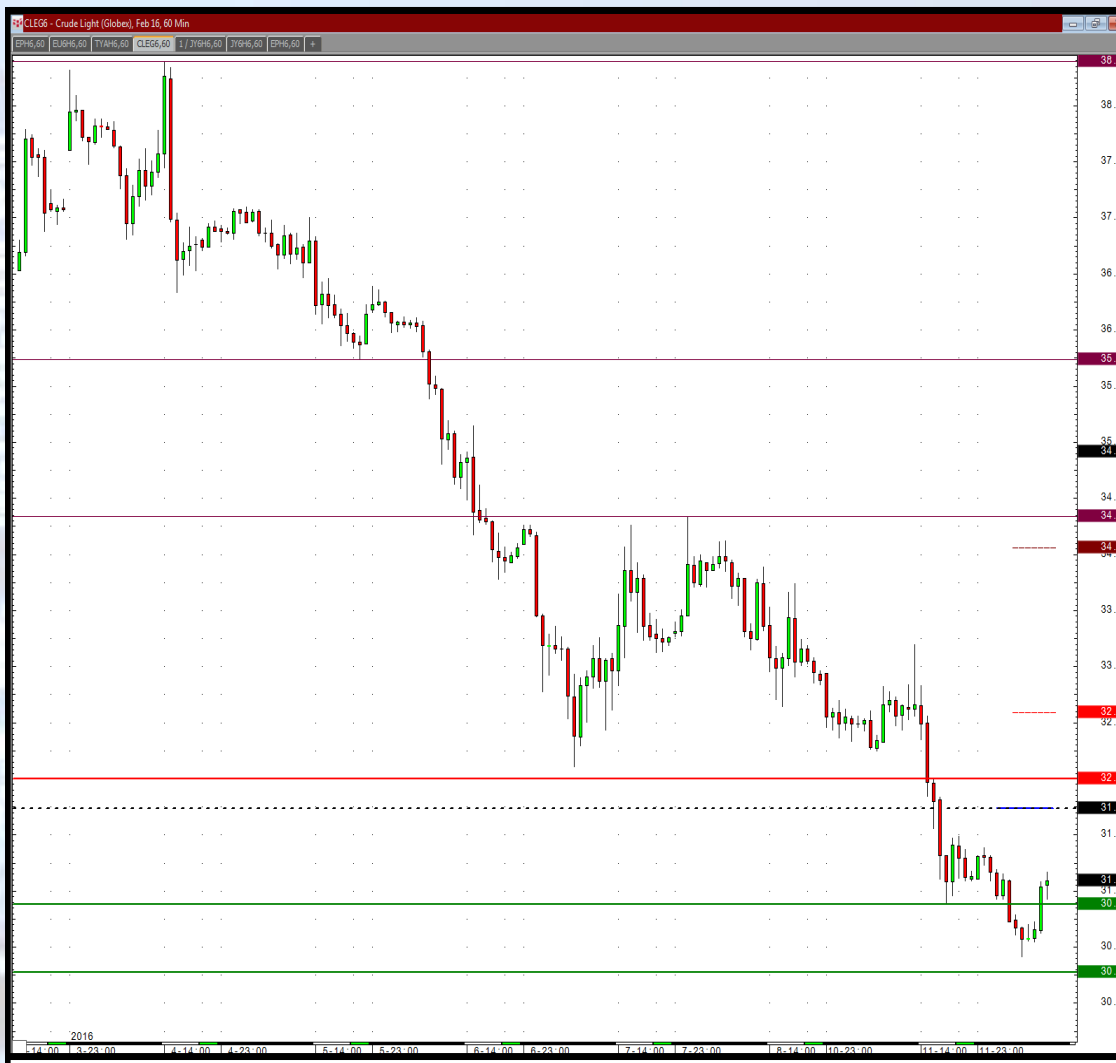


THERE IS SUBSTANTIAL RISK IN TRADING. A LOSS INCURRED IN CONNECTION WITH FUTURES TRADING CAN BE SIGNIFICANT. AMPLIFY TRADING MAKES NO CLAIMS WHATSOEVER REGARDING PAST OR FUTURE PERFORMANCE. ANY STRATEGY IS FOR EDUCATIONAL PURPOSES ONLY

Please see page 5 for more information

Strategy	Short
Entry	31.74
1 st Target	30.88
2 nd Target	30.27
Stop	32.00

Key Levels	Comments
32.59	R1
32.00	Handle Resistance
31.74	Pivot
30.88	Yesterday's Low
30.27	S1
30.00	Handle Support



THERE IS SUBSTANTIAL RISK IN TRADING. A LOSS INCURRED IN CONNECTION WITH FUTURES TRADING CAN BE SIGNIFICANT. AMPLIFY TRADING MAKES NO CLAIMS WHATSOEVER REGARDING PAST OR FUTURE PERFORMANCE. ANY STRATEGY IS FOR EDUCATIONAL PURPOSES ONLY

Please see page 5 for more information

Anthony Cheung

Senior Associate

Email: a.cheung@amplifytrading.com

Vasilis Ntiskos

Senior Analyst

Email: vasilis.ntiskos@amplifytrading.com

Amplify Trading is a Limited company registered in England and Wales. Registered number:6798566. Registered address: 18 St. Swithin's Lane, Ground Floor, City of London, EC4N 8AD. Information or opinions provided by Amplify Trading or the individuals listed above should not be used for investment advice and do not constitute an offer to sell or solicitation of an offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. This research does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Supporting documentation will be supplied upon request.

No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without the prior written consent of Amplify Trading Ltd.