

### The Day So Far

WTI crude briefly broke below \$30 a barrel last night before rallying sharply back above \$31 into the US close on rumours that the Iranian Navy had captured two US naval vessels after the transgressed into Iranian waters. The focus on crude is such that this late rally lifted the S&P higher by over 10 points and this morning has broken above solid resistance at 1930 overnight after a strong Asian session. If crude can continue to bounce, equities look set for a relief rally in the days ahead and last night's API inventory release showed further encouragement from crude oil bulls, showing a 2<sup>nd</sup> consecutive week of drawdowns in US inventories of 3.9 million barrels. The sentiment for crude, and commodities in general, remains firmly bearish, and 'short crude' has become a very crowded trade among investors and fund managers. Therefore, a counter-trend rally here from \$30 handle could rapidly gather momentum as shorts are forced to cover. The Department of Energy's inventory release later this afternoon could prove the catalyst for more upside in crude so investors should watch the crude market in particular when trading equities given their positive correlation.

### The Afternoon View

Investors tip-toeing back into risk assets this morning, helped by the crude bounce and a robust Asian session which passed by without any major drama in Chinese markets. As discussed above, much depends on crude and for now we're prepared to give this bounce from \$30 the benefit of the doubt and go long from pivot. However, for equities our strategy is to stay short for now, noting key levels at 1929.33, which acted as good support then resistance this year, and R2 which is another solid resistance point from the opening week of the year.

### Key Headlines

#### Market Sentiment: Neutral

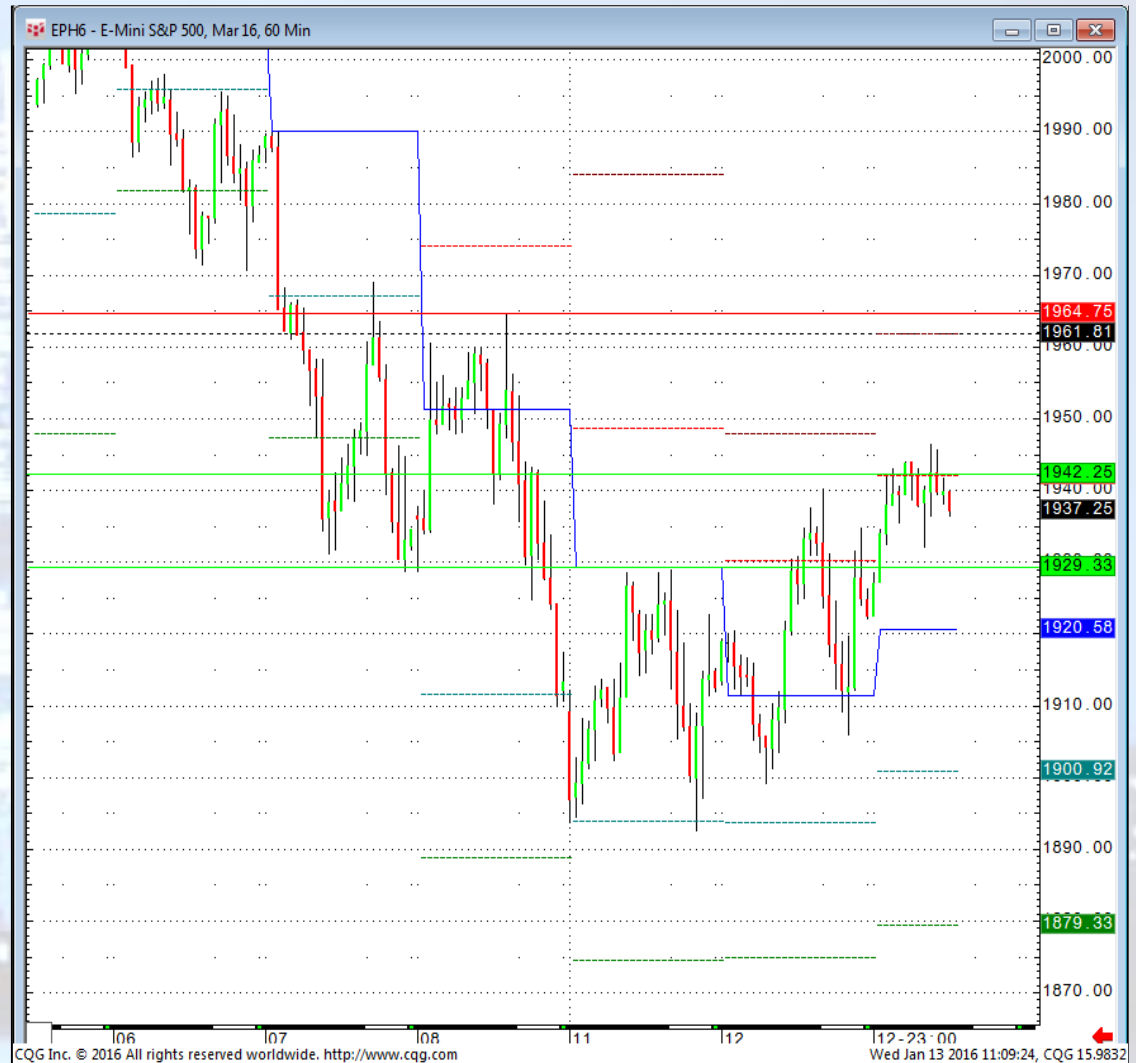
- WTI crude bounces from \$30
- API inventory shows drawdown of 3.9 million barrels

### Major Data Releases

Data	Expected	Previous
DOE US Crude Oil Inventories	2000k	-5085k
DOE Refinery Utilization	-1.00%	-0.10%
DOE Cushing OK Crude Inventory	800k	917k

Strategy	Short
Entry	1961.81
1 <sup>st</sup> Target	1929.00
2 <sup>nd</sup> Target	1892.50
Stop	1964.75

Key Levels	Comments
1964.75	High of 8 <sup>th</sup>
1961.81	R2
1942.25	R1
1929.33	Multiple resistance
1920.58	Pivot
1900.92	S1

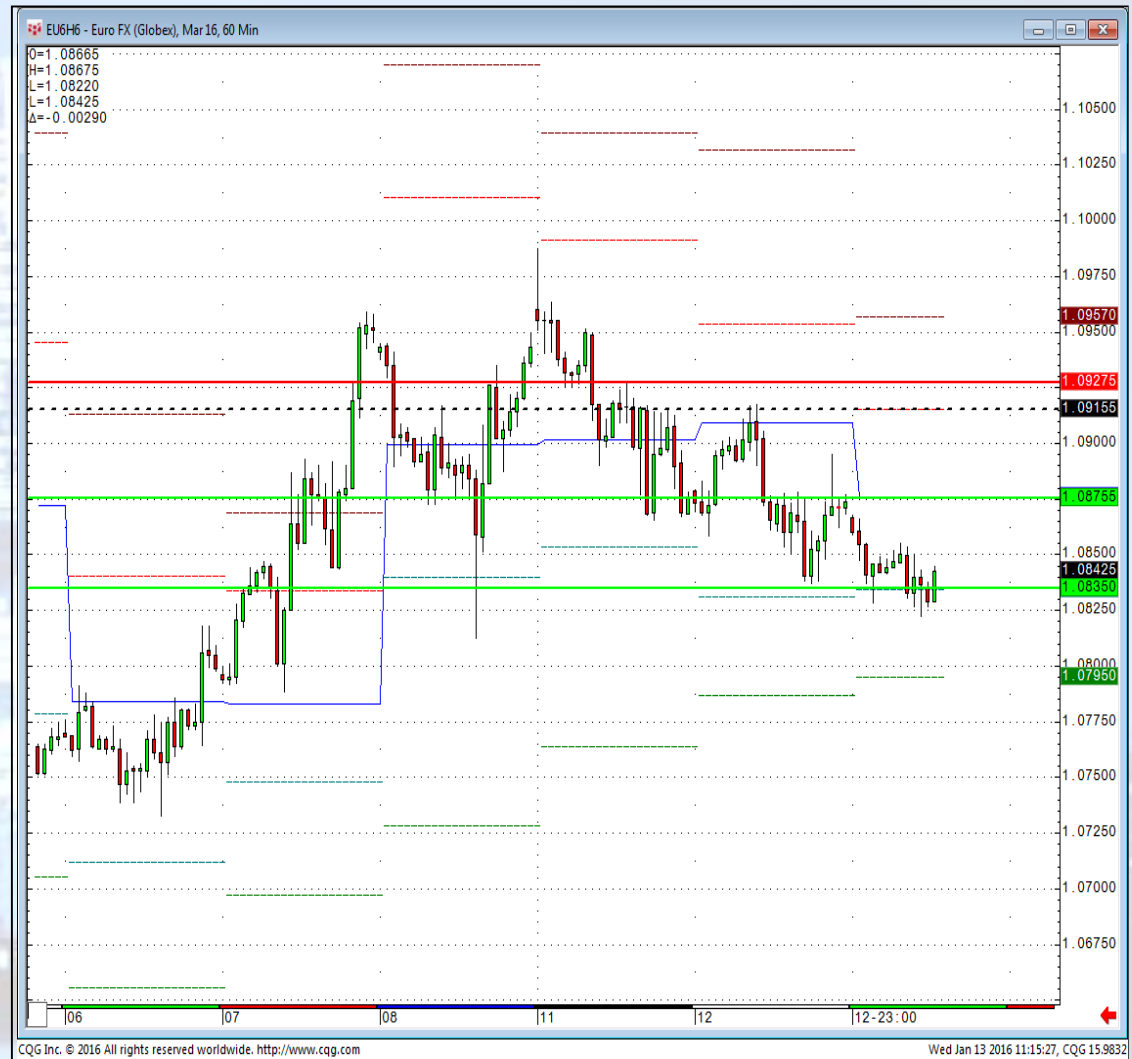


THERE IS SUBSTANTIAL RISK IN TRADING. A LOSS INCURRED IN CONNECTION WITH FUTURES TRADING CAN BE SIGNIFICANT. AMPLIFY TRADING MAKES NO CLAIMS WHATSOEVER REGARDING PAST OR FUTURE PERFORMANCE. ANY STRATEGY IS FOR EDUCATIONAL PURPOSES ONLY

*Please see page 5 for more information*

Strategy	Short
Entry	1.09155
1 <sup>st</sup> Target	1.08755
2 <sup>nd</sup> Target	1.08350
Stop	1.09275

Key Levels	Comments
1.09570	R2
1.09275	High of the 11 <sup>th</sup>
1.09155	R1
1.08755	Pivot
1.08350	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

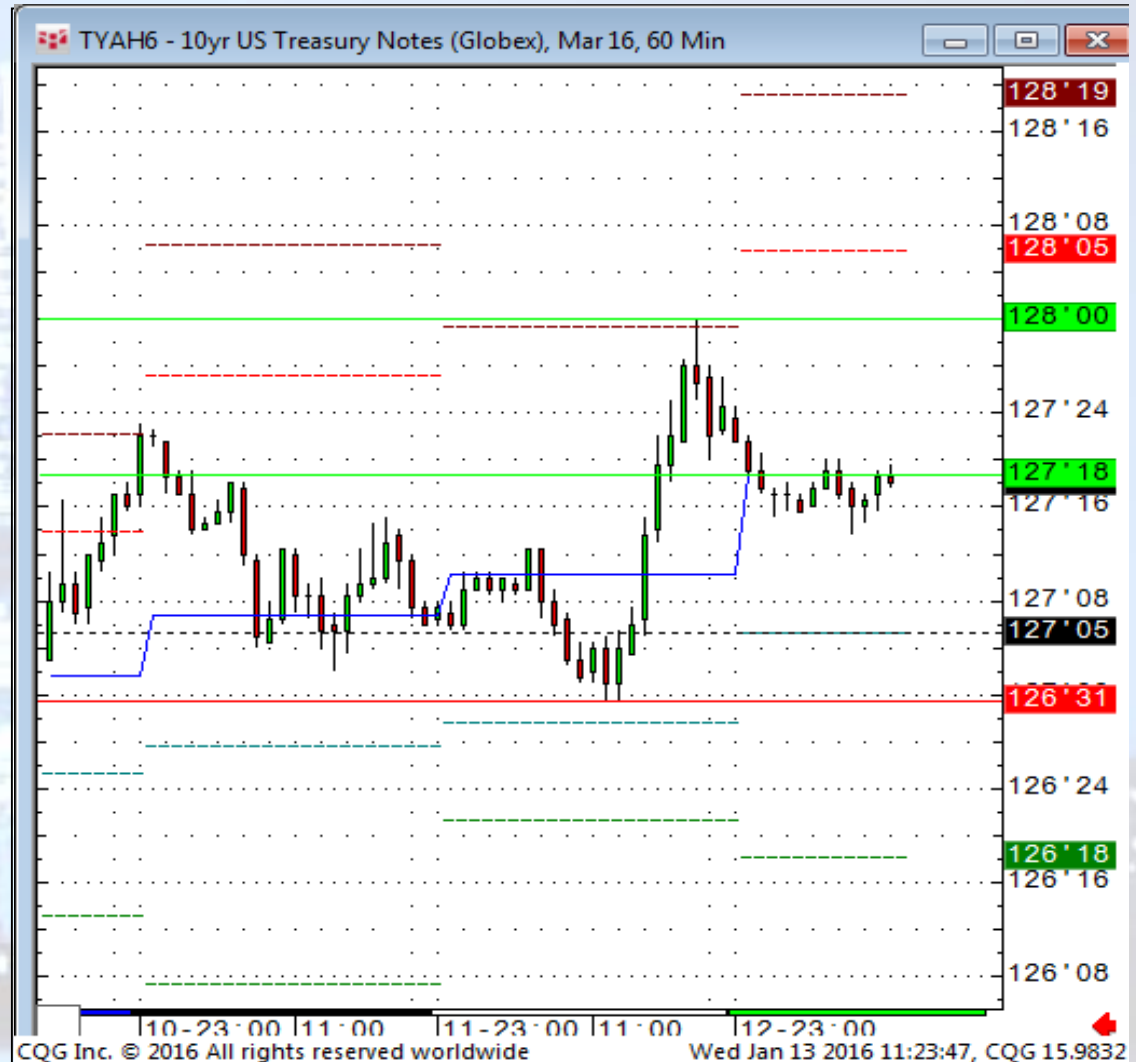
Please see page 5 for more information

Strategy	Long
Entry	127.053
1 <sup>st</sup> Target	127.187
2 <sup>nd</sup> Target	128.000
Stop	126.315

Key Levels	Comments
128.058	R1
128.000	Yesterday's high
127.187	Pivot
127.053	S1
126.315	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	Long
Entry	30.90
1 <sup>st</sup> Target	31.40
2 <sup>nd</sup> Target	31.875
Stop	30.60

Key Levels	Comments
32.20	Yesterday's high
32.00	Handle Resistance
31.875	R1
31.40	High of the day
30.90	Pivot
30.60	Low of the day



CQG Inc. © 2016 All rights reserved worldwide. <http://www.cqg.com>

Wed Jan 13 2016 11:32:10, CQG 15.9832

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

**Bill Norman**

Senior Analyst

Email: [bill.norman@amplifytrading.com](mailto:bill.norman@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.