



Twin Horn LLC

Market Forecast for US Equities – May 28 2019

I have recommended a short position in US equities since April 26, and remain bearish, anticipating a low around June 6.

Starting on June 10 we believe US equities will be poised to rise, although the market may consolidate until June 16/17 before it begins to move higher. Current expectations are to see higher prices, likely retesting the late April highs around July 24/25.

On the S&P 500, levels to watch above the market, which we see as opportunities to add to, or re-establish a short position, includes 2889, 2862 and 2835. There is also a gap in the daily chart at 2851.11.

I have drawn a horizontal line (pink) on the included chart at 2809, as this is an important level. While the market may bounce off this level a few more times, providing an opportunity to scalp profits on part of a position, it should give way to lower prices. Price levels on the down side include 2783, 2757, 2731, 2705. Retracement levels are also shown on the chart for both the time of President Trump's election and the low in December 2019.

China trade pressure, likely to be accompanied by lowered economic forecasts by analysts, will likely fuel the negative sentiment. Domestic political battles between Trump and the Democrats, including talk of impeachment, may also cause additional headwinds.

