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Subject: Alpha Investment Newsletter - 11 June 2017

From: "Alpha Investment Newsletter" <info@alphainvestmentnewsletter.com>

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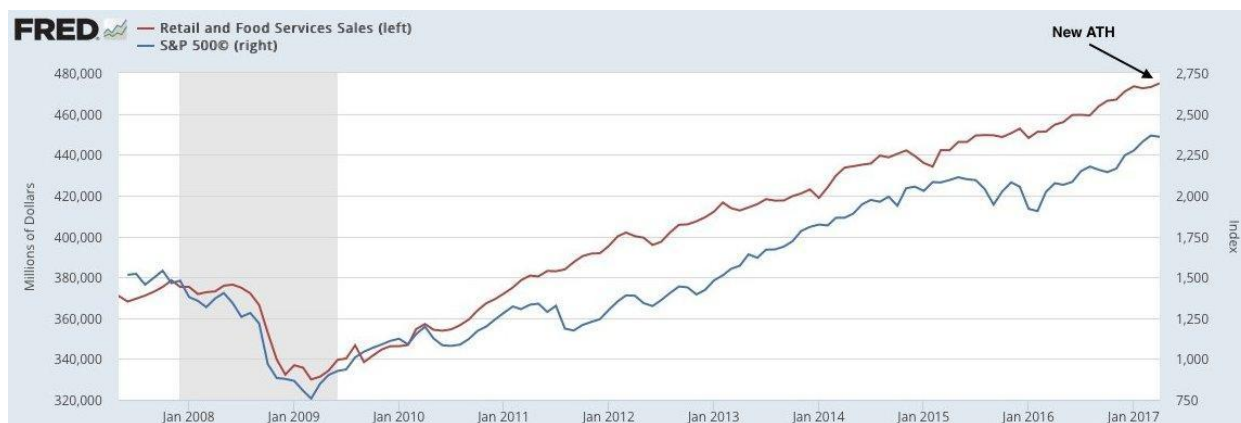
Hello Folks,

How are you doing? The S&P500 closed on Friday at 2421, after making a record high of 2446 on Friday, and then correcting by 30 points to 2415, and then recovering to close at 2431.

The coming week has US Fed policy meeting for deciding the interest rate direction in the US, and that is material information for the global markets. As of now, hawkish tone and rapid rate hikes are not expected. The next 2 weeks may be more volatile than normal.

The US economy is growing steadily and jobs data has been positive. 8 years of QE has created a strong job market and robust demand from retail side.

Here is a chart of US Retail sales vs S&P500 published by St Louis Fed.



<http://alphastocktrading.com/wp-content/uploads/2017/06/US-fred-retail-sales-sp500-chart-2008-2017.jpeg>

"Across the U.S., companies in sectors ranging from manufacturing and construction to healthcare and agriculture warn of a lack of qualified employees." - The Financial Times

Eurozone is showing good growth after a long time, and capital has been going from the US to Europe in recent months.

"The consensus view among economists until recently was that the US would outstrip its advanced economy rivals this year, driven by the economic stimulus from Donald Trump in the White House and the Republican party in Congress. But the 'Trump bump' has so far proved surprisingly feeble. Instead the economic story of 2017 has been the euphoric eurozone." - The Financial Times

Following are the market levels for June 2017:

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1. USA: S&P500 Index - We have been long from 2170. Cmp 2430.
We will remain long above 2350, and exit below it. Target 2500.
 2. Europe: iShares S&P Europe 350 Index ETF (NYSEARCA:IEV)
We will remain long above \$43. Cmp \$45. Investment Target \$64-80 by 2020.
 3. India: Nifty Index - We have been from 8720. Cmp 9660.
We will remain long above 9360, and exit below it. Target 9800.
 4. Hong Kong: Hang Seng Index - We have been from 23,630. Cmp 26,030.
We will remain long above 24,800, and exit below it. Target 28,000.
 5. Cash: Holding cash as Gold, with 10% portfolio in Gold.

Please Note: All the above levels are on daily closing basis.

Whenever we exit, we will aim to get back into the long side again, once we get a buy signal, because these are indexes and they are going up. Each major index has inbuilt hedge because capital moves rapidly from one sector to another to increase the defensive allocation.

There is a chance that S&P500 index will test 2250 once before year end. However 2500 is the main target currently. Investors with large equity portfolios may consider buying some cheap S&P500 index put options.

Best Wishes,

Shankar

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