

# BULL vs. BEAR ANALYSIS

S&P 500 Index  
10th October 2019

## Bull Case

a) The bull case is predicated on the assumption that the **bull trend** which commenced in **March 2009** (reaching a **Midpoint** as labelled) still has **further to run** before final completion.

b) For the case to have merit, we need to start closing above the breakout level of the top of the summer range at 2935 (and certainly hold the **2830 level** which is **critical** for the bull to remain intact). A new all-time high should follow soon with possible upside acceleration.

c) The **given projection** shows an example as to how the bull might unfold in an acceleration scenario, with a commensurate target in the region of 3600 being achieved as soon as year-end (but more likely sometime in H1 2020).



## Bear Case

a) The bear case suggests that a second of two very similar **bull phases** since the 1987 Crash low ('**Start**') has just finished at the upper end of the given **trend channel**.

b) For this case to have merit, we need to drop back through the summer range of 2830-2935 and then post a few closes below 2830 to give credence to the idea that the market has finally changed trend.

c) If this materializes, it would seem likely that we have entered a sustained bear move which would evolve in a similar form to one of the two **example bearish** patterns shown, with a commensurate target sub-1800 likely to be achieved by year-end 2021.

**REFERENCE LEVELS (Close 9<sup>th</sup> Oct):**

Spot: 2919.40  
Dec Future 2919.00

*N.B. Levels referred to in the text and chart are basis Dec Futures prices.*

