



# The Araujo Report

## Institutional Position Analysis and Forecast

**April 13, 2019 => You can be taught, but you must be able to learn!**

Based on the Commitments of Traders data reported on: [April 9, 2019](#)



At the very core of how we apply ourselves to the learning process here at the University is the journal. When beginning your learning at the school your first order of business is to invest in a leather bound journal. Does it have to be leather? No, but it helps to make it something nice that you will look at and appreciate. Once you have your journal, spend some time reviewing the lessons in level one and write what it is that is being taught within these lessons into your journal. Afterwards, review the classroom sessions that we performed based on the lessons in level one and focus on journaling what we discuss, what we observe, the nuances that we take into consideration when analyzing the charts. Make titles for your observation so you can quickly reference them when you need it in the future. Once you have observed a few classroom sessions on your own and have taken your notes, watch the sessions again and see what it is that you learn on your second viewing. There are so many nuggets of good information in these sessions that you are sure to get more out of a second viewing.



After a couple viewings of each classroom session you should be ready to go out on your own and start applying what you've been taught in the classroom sessions to the charts. **It is in this process, when you are alone with the charts, your journal is open to reference the material you have absorbed into your mind through the process of writing them in your journal with your own hand, it is this process where you will begin to learn** how to draw the institutional zones, how to draw the trend lines and how price moves along the charts in response to the drawings you are making on your charts.

The main thing you have to understand here is that for you to learn how to do the proper analysis you have to routinely participate in the act of doing analysis on your charts, journaling what you are doing and keeping track of what you are discovering. In the forum there is an [Analysis section](#) where you can create a New Post and title it for example: \$eurusd daily chart analysis and start with a clean daily chart of the \$eurusd and begin your analysis of the zones and trend lines. Post your charts within the forum and we will take a look at it in a future classroom session. When we review it we will provide you feedback on the analysis and you can then review the sessions afterwards and take note of the feedback in your journal. Describe what you did right, what you did wrong, why you got it wrong, was there something specific you saw on the charts that threw you off the correct analysis, what was it and how can you avoid it next time. There might even be new questions you have, write everything you can down because at the end of the day what you write down you remember! You are now on your way to learning!

**M In the Markets:** The latest set of data from the [#cftc](#) is upon us and what have we gathered from it!? Well it seems there haven't been any massive shifts in positions lately. Everything still remains in line with the overall analysis that we've provided thus far. We can see the [#oil](#) longs continue to be added which is



what we expected for some time now. The institutions positions position in [#oil](#) suggest a couple things which we've detailed in our analysis but the main takeaway is that they are much better positioned now for a move lower than they were the last time price was at these highs.

Some of the pair's current positions show some extremes in exposure of positions but upon closer examination we can see that there is still room for additional positions to be added. The question now becomes how much steam there is in the engines? As for the [#dollar](#) we can see there is definitely room for the institutions to add to their longs and push price higher.

As for the [\\$eurusd](#), we did some deep analysis of the institutional positions and the moves that took place on the charts as we were very confident in determining what they have been up to. We detailed our finding in our journal at <https://www.whiteoakfx.com/journal/march-31st-2019-institutional-market-observations-eurusd> and now this latest set of data shows us just how accurate we are in our findings. We expect this momentum to continue into this coming week and bigger moves sure to come in the near future.

Read the full report to get all the details of what the other pairs are likely to do in the coming weeks. [#gold](#) and [#oil](#) are setting up for massive moves as well so let's get ready!

**Portfolio:**

The portfolio is beginning to accumulate a very strong group of positions that are in the positive and it is expected to grow even more positive as time passes. Our goal moving forward will be to continue to determine the moves of the institutions and add to our core positions as we see strong evidence that momentum is building in our direction. As new supply/demand zones are formed by the institutions, I will be adjusting the current stop losses to minimize our risk as we accumulate more positions.

- The theme trades on [\\$eurusd](#) are still open. The [\\$eurusd](#) longs have targets at the daily momentum shift supply zone. If they are triggered, I will be only interested in opening short theme trades. In the meantime, I have started a hedge on the [\\$eurusd](#) by opening some short positions which I plan to leave open for some time. Profiting with positive swaps and on the eventual move lower in price.
- Started in long on a theme trade on [the \\$usdchf](#). I have added to this theme long when price reacted off the ascending weekly trend line.
- Took some profits on the long theme [\\$usdjpy](#) trade which resulted in a **+3.31% return on the portfolio**.
- Started in short on the [#gold theme](#) short idea. Have added with confirmation from CoT data.
- Started in long on the [\\$usdcad](#) theme long position. Have added as price played out in my favour.
- The new short signal has been triggered on the [#gold](#) chart.
- The trade signal on the [\\$cadjpy](#) as a momentum shift has been **closed for profits**.

**Commitment of Traders Report for the Major Currency Pairs**

April 2, 2019

Currency Pairs	Non- Commercial (Hedge Funds, Banks & Institutions)						Commercial (Corporations Hedging)						Total	Compared to Prev. Week		
	Long	Short	Total	% Long	% Short	Net Positions	Long	Short	Total	% Long	% Short	Net Positions		Difference	Diff. Prev. Week	Change
USD	44,774	15,926	60,700	74%	26%	28,848	546	31,496	32,042	2%	98%	-30,950	59,798	53,103	6,695	11%
AUDUSD	26,551	82,294	108,845	24%	76%	-55,743	95,264	25,653	120,917	79%	21%	69,611	-125,354	-123,890	-1,464	1%
USDCAD	68,942	24,619	93,561	74%	26%	44,323	45,321	96,434	141,755	32%	68%	-51,113	95,436	88,830	6,606	7%
USDCHF	33,546	7,280	40,826	82%	18%	26,266	15,995	57,995	73,990	22%	78%	-42,000	68,266	68,557	-291	0%
EURUSD	144,973	244,157	389,130	37%	63%	-99,184	258,809	183,599	442,408	59%	41%	75,210	-174,394	-141,077	-33,317	19%
GBPUSD	39,426	49,354	88,780	44%	56%	-9,928	78,574	64,457	143,031	55%	45%	14,117	-24,045	-18,800	-5,245	22%
USDJPY	83,203	20,462	103,665	80%	20%	62,741	36,315	109,231	145,546	25%	75%	-72,916	135,657	131,913	3,744	3%
NZDUSD	20,854	21,259	42,113	50%	50%	-405	14,752	12,678	27,430	54%	46%	2,074	-2,479	-267	-2,212	89%

CAD, CHF, JPY Long & Short figures have been reversed from original futures numbers for ease of use

Are you ready for Level 2? For those who have been a member for at least 3 months and are currently in Level 1 of education. If you feel you have studied the Level 1 content and have done the work required to understand the concepts and you feel ready to advance to Level 2, please email at [whiteoakcapital@outlook.com](mailto:whiteoakcapital@outlook.com) for a discussion and we can set up a one-on-one session to determine your readiness.

**Volatility Alert:** nothing of importance to mention!



**GOLD:** Institutional traders have a **BEARISH SENTIMENT**.

**Force of Price:** The monthly Supply has been hit and therefore a moderate force is now pushing price downwards. On the weekly chart the opposing supply has been hit and is pushing price lower and downward momentum has resumed and the upward trend is still holding, for now.

<b>FORCES</b>	<b>Mn</b>	<b>Moderate Force down /Momentum down paused</b>	<b>Wk</b>	<b>Trend up / temp force down / momentum down paused</b>
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**Overview:** Price consolidated after dropping and before a rally back upwards to hit the h4 supply and the institutions added to their longs to cause price to move upwards and we can also see that they closed some the shorts that had previously opened. This recent closure of shorts is not in line with what we are expecting so will be keeping an eye on this as a learning experience. Net positions are at +105k which is down from the +119k we saw after contract expirations. Still early to look for substantial short positions but the chart is definitely showing strong signs of the momentum shifting to the downside.

The key theme in play here based on all the evidence is that institutions accumulated the long positions since last summer in order to push price up to the monthly supply so they could accumulate a large short position for a move much lower.



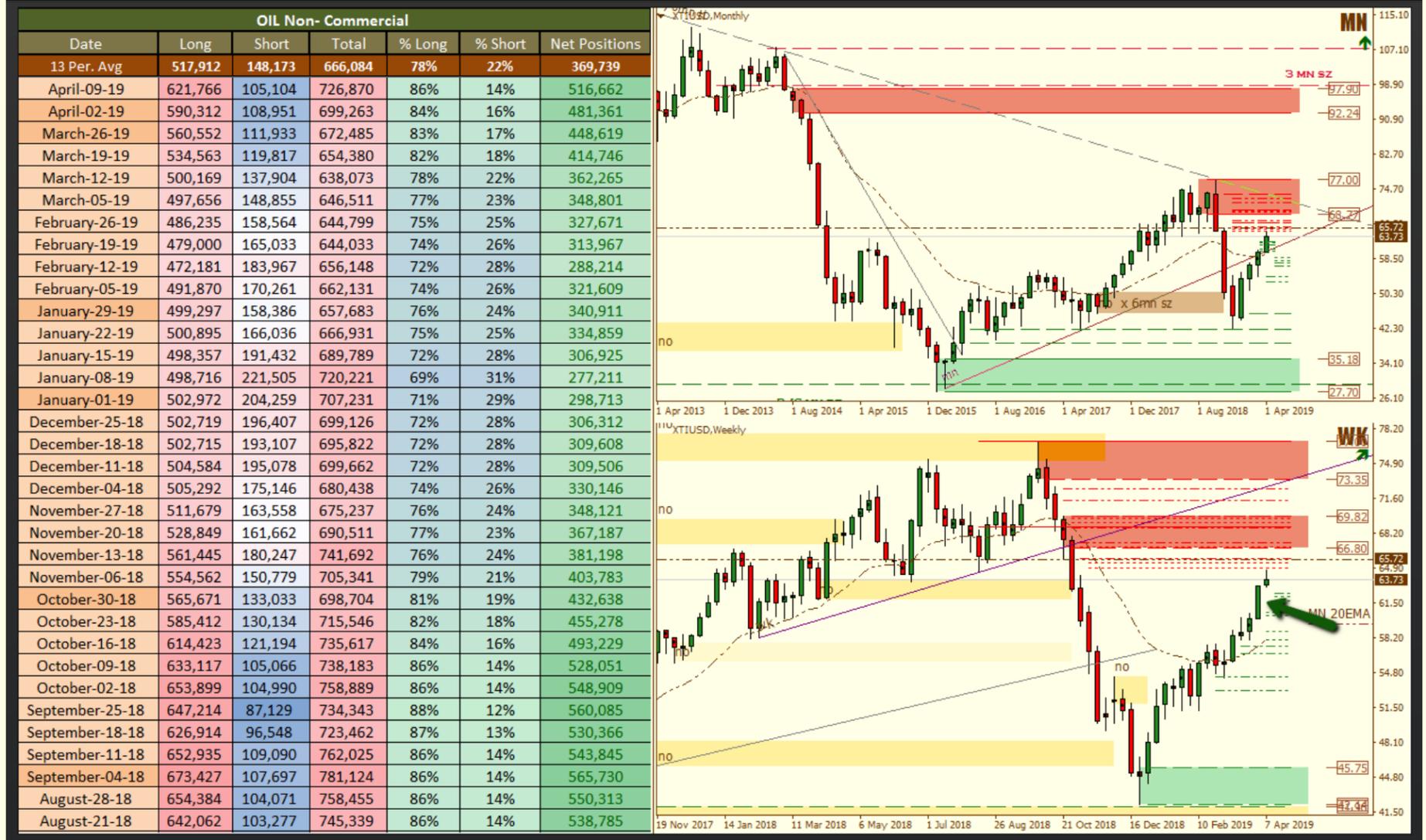
**OIL:** Institutional traders have a **VERY STRONG BULLISH SENTIMENT**.

**Force of Price:** Monthly momentum is upwards after removing a monthly demand and the weekly momentum is now up.

**FORCES** Mn Momentum is up Wk Momentum up paused

**Overview:** Price rallied upwards, just as we have been expecting and we can see that the institutions once again added more to their longs from 590k to 621k. Long exposure jumps up to 86% which is what the exposure was at last summer before we experienced the massive drop in price. The only major difference is that last summer there was a larger long position and much smaller short position than what is currently being held. What we can take away from this is that we are approaching a time where some profits will need to be taken and price will reverse and it will likely be long positions as the short positions continue to be added. Moving forward this is what we will be watching out for.

⚠️ The key theme in play here based on the evidence is that the institutions accumulated a massive long position which they have been since taking profits on in preparation for a move lower.



**US DOLLAR:** Institutional traders have a **STRONG BULLISH SENTIMENT**.

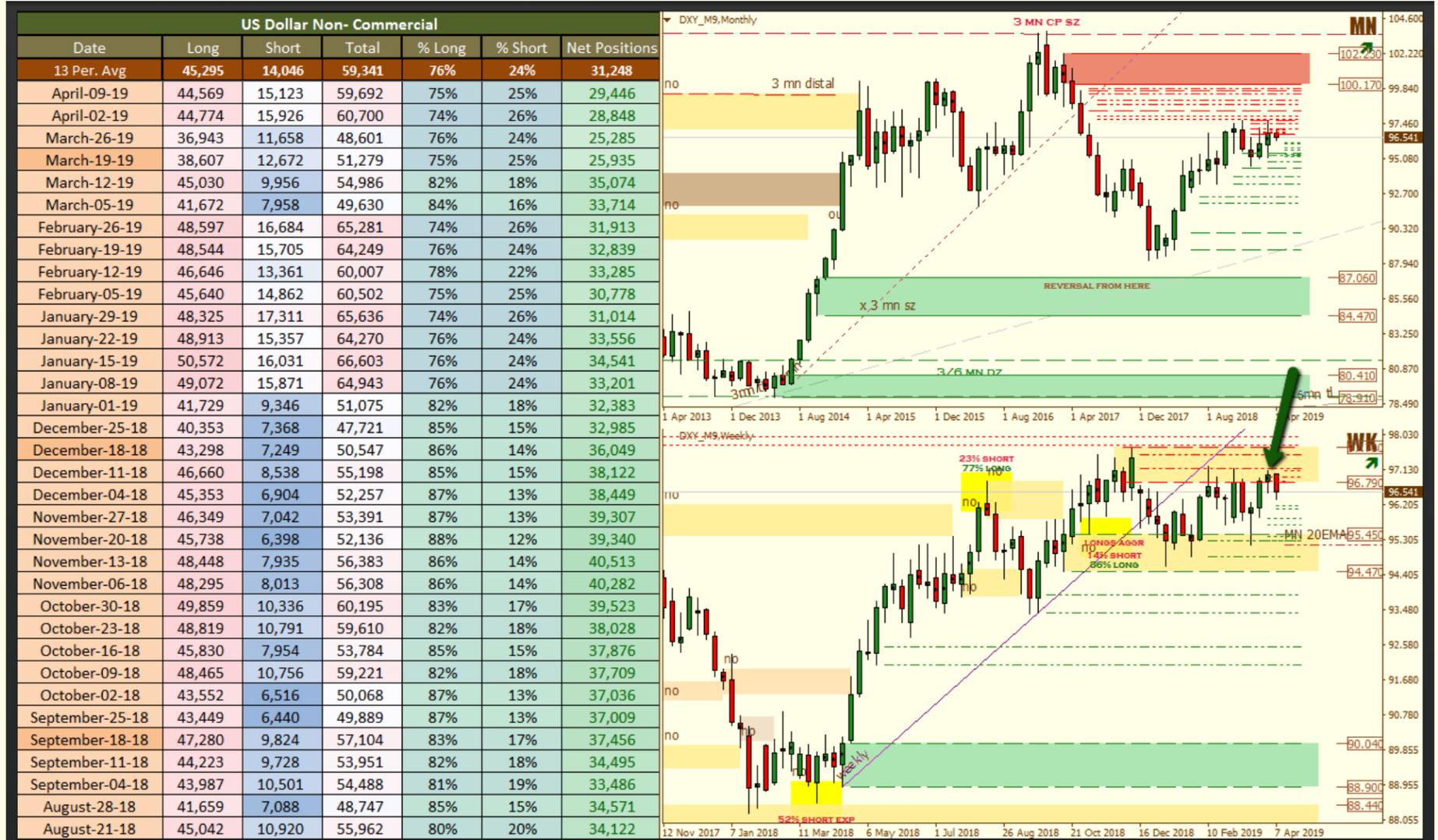
**Interest Rate:** 2.50% (last change – December 19, 2018)

**Force of Price:** Monthly candle is consolidating for now. The weekly supply that has been tested multiple times has been hit again.

**FORCES** Mn Momentum is paused Wk Very Weak Moderate force is down

**Overview:** Price consolidated at the very weak weekly supply zone and a small portion of longs were closed and a greater portion of shorts. This resulted in long exposure jumping up one point to 75%. Net positions are also up from +28.8k to +29.4k. There is certainly a lot of room for the institutions to build a stronger long position as we can see that current long are a bit aggressive but with room to become a lot more so.

⚠️ The weekly supply is the weaker of the two zones that price has been bouncing from so it is the zone expected to eventually break. We also have higher time frame force pushing upwards which should eventually causing supply on lower time frames to be removed.



**AUDUSD:** Institutional traders have a **STRONG BEARISH SENTIMENT**.

**Interest Rate:** 1.50% (last change - August 2, 2016)

**Force of Price:** The monthly momentum was paused but is shifting upwards. The weekly momentum is up and trend line under attack.

**FORCES** Monthly Momentum is shifting upwards Weekly Moderate force is down / momentum is up

**Overview:** Price consolidated at the descending weekly trend line once again but this time it came right before a move to the upside and we can see the institutions add some to their longs from 26k to 28k and they also added to their shorts which resulted in long exposure jumping up two points to 26%. Shorts are still aggressive even though the weekly trend line looks to be under attack. Will be watching and learning from this one.

⚠️ The main thing remember here is that price responded from a 3 month demand imbalance and upon a second tested went deeper into the area which shows up weakness as opposed to strength.



**USDCAD:** Institutional traders have a **STRONG BULLISH SENTIMENT**.

**Interest Rate:** 1.75% (last change – October 24, 2018)

**Force of Price:** The monthly momentum is shifting upwards from the reaction off the monthly momentum shift demand zone. The weekly momentum has shifted downwards once again and the weekly force is upwards from the weekly demand and trend line.

**FORCES** Monthly Moderate force is up / momentum up paused Weekly Trend up / force is up / momentum is down

**Overview:** Price consolidated again and the banks closed some longs and left shorts roughly unchanged. Long exposure dropped a point to 73% and net positions dropped as well from +44k to +43k. Not a significant change at this point. Looks more like the institutions are waiting for something to take place before they really make their moves.

⚠️ The main theme in play here is that a 3 month demand zone has been hit and the forces will push price upwards through lower time frame supply.



**USDCHF:** Institutional traders have a **VERY STRONG BULLISH SENTIMENT**

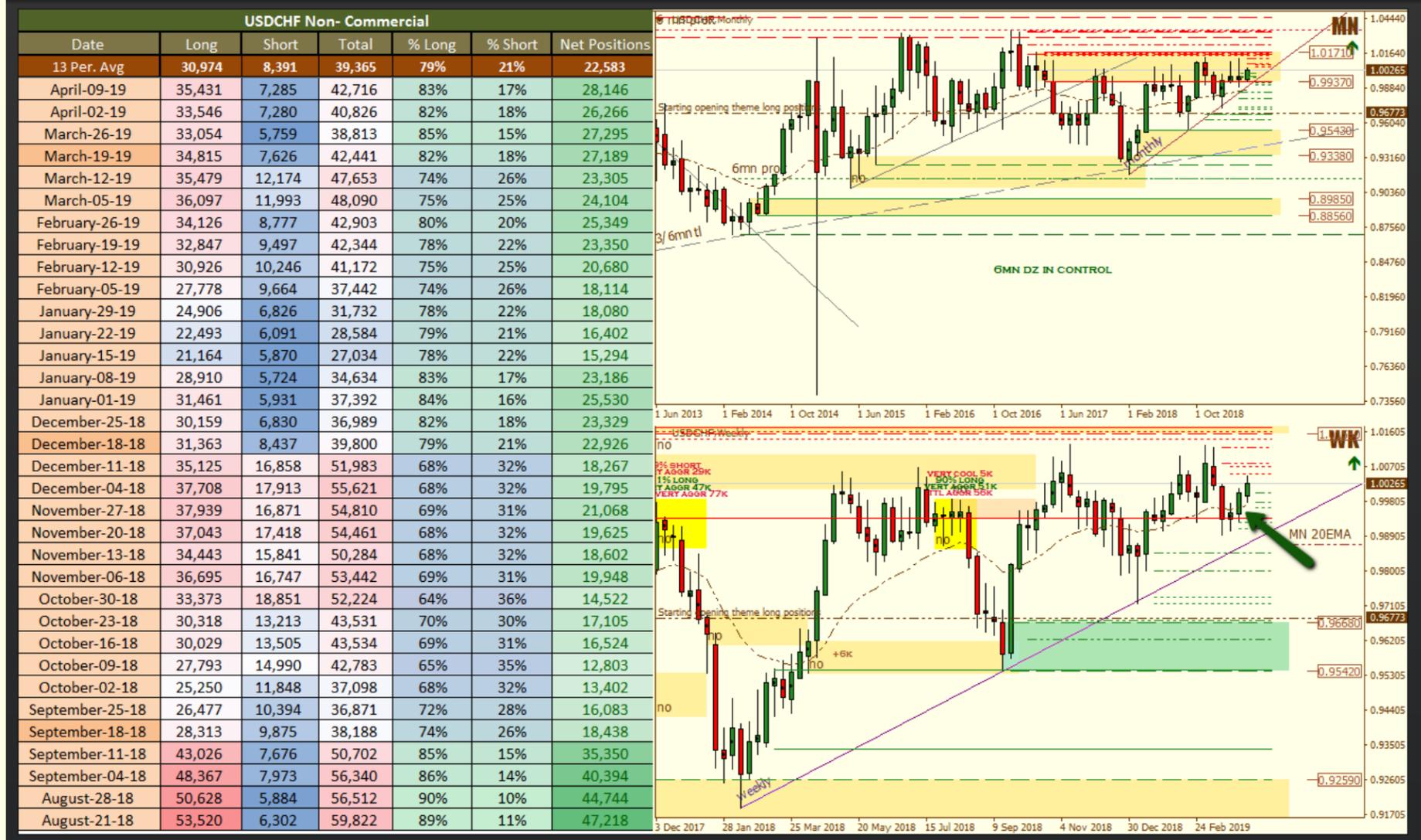
**Interest Rate:** -0.750% (last change - January 15, 2015)

**Force of Price:** Monthly trend is up and the ascending trend line has been hit. Weekly trend is up as well and the ascending trend line has also been hit.

**FORCES** Monthly Trend up / moderate force up Weekly Trend up / moderate force up / momentum up

**Overview:** Price rallied upwards and they increased their longs to facilitate this move. Long exposure now at 83% and net positions are also up from +26k to +28k. Although long exposure is high, there is still room to be added. Comparing this current set of data with what took place back in November, we can see that long positions are roughly at the same level but shorts have been drastically reduced. This would leave the current situation at a very good place for a move higher from these current levels.

⚠️ The main theme in play here is a 3 month ascending structure that is holding with a 6 month demand zone that fell short of being hit.



**EURUSD:** Institutional traders have a **NEUTRAL SENTIMENT**.

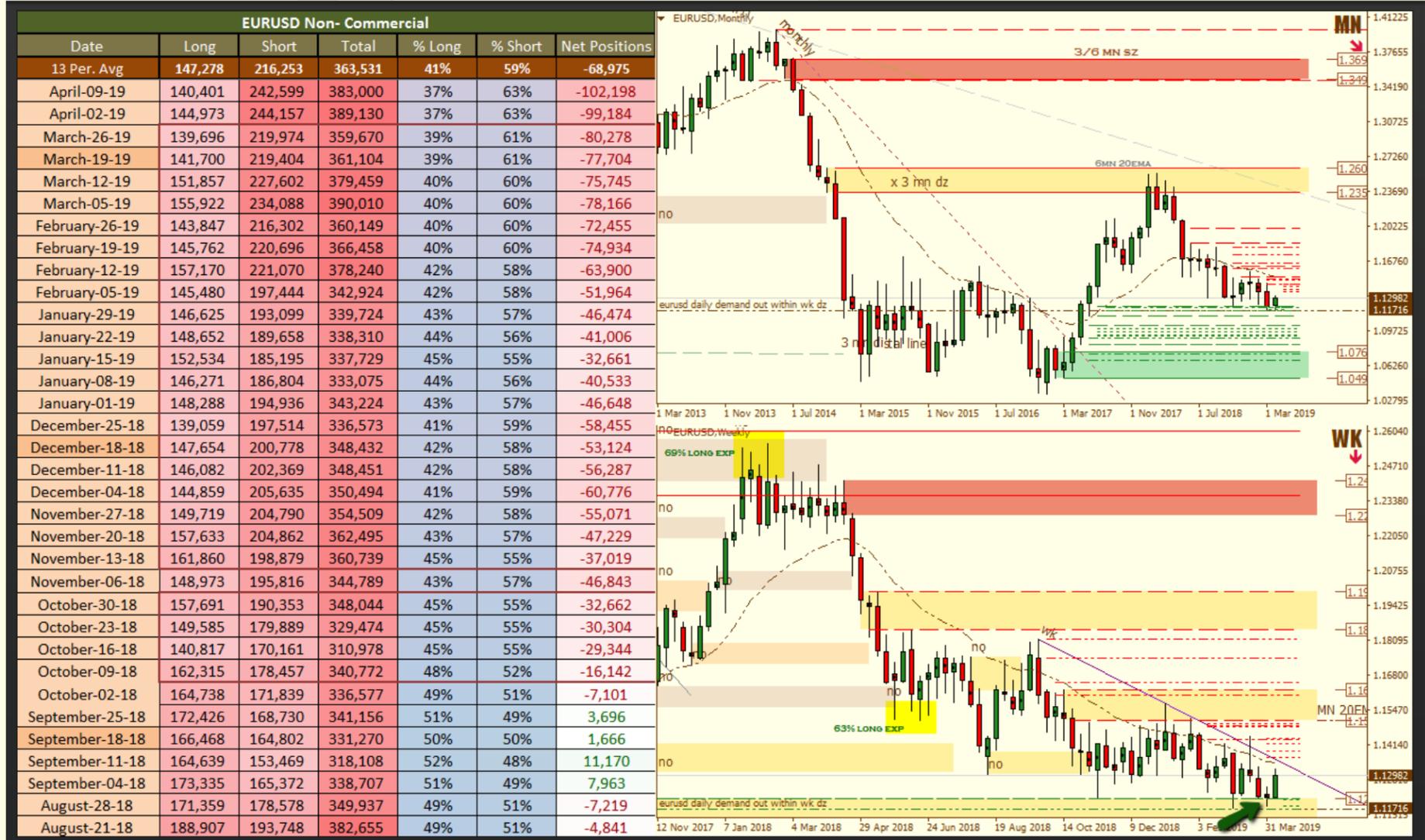
**Interest Rate:** 0.00% (last change - March 10, 2016)

**Force of Price:** A monthly supply zone is in control backed by higher time frame forces so the monthly force is moderately downwards. The weekly chart has a weekly demand that was hit and then the descending trend line afterwards. The weekly demand is now being hit a second time.

**FORCES** Monthly Momentum is shifting down Weekly Moderate force is down / momentum is down

**Overview:** Price consolidated at the tested weekly demand and we can see some longs were closed again but also some shorts. Short exposure remains at 63% but when we look at net positions we can see a dramatic move up from -99k to -102k. All in line with our expectations. This increase in shorts is exactly what we were expecting from the analysis we have done and some of which [outlined here](#).

⚠️ Remember the key thing to note here is since price has been ranging on the weekly chart from November 13<sup>th</sup> to March 26<sup>th</sup> we can see that long positions have declined from 161k to 139k and short positions have increased from 198k to now 244k.



**GBPUSD:** Institutional traders have a **NEUTRAL SENTIMENT**.

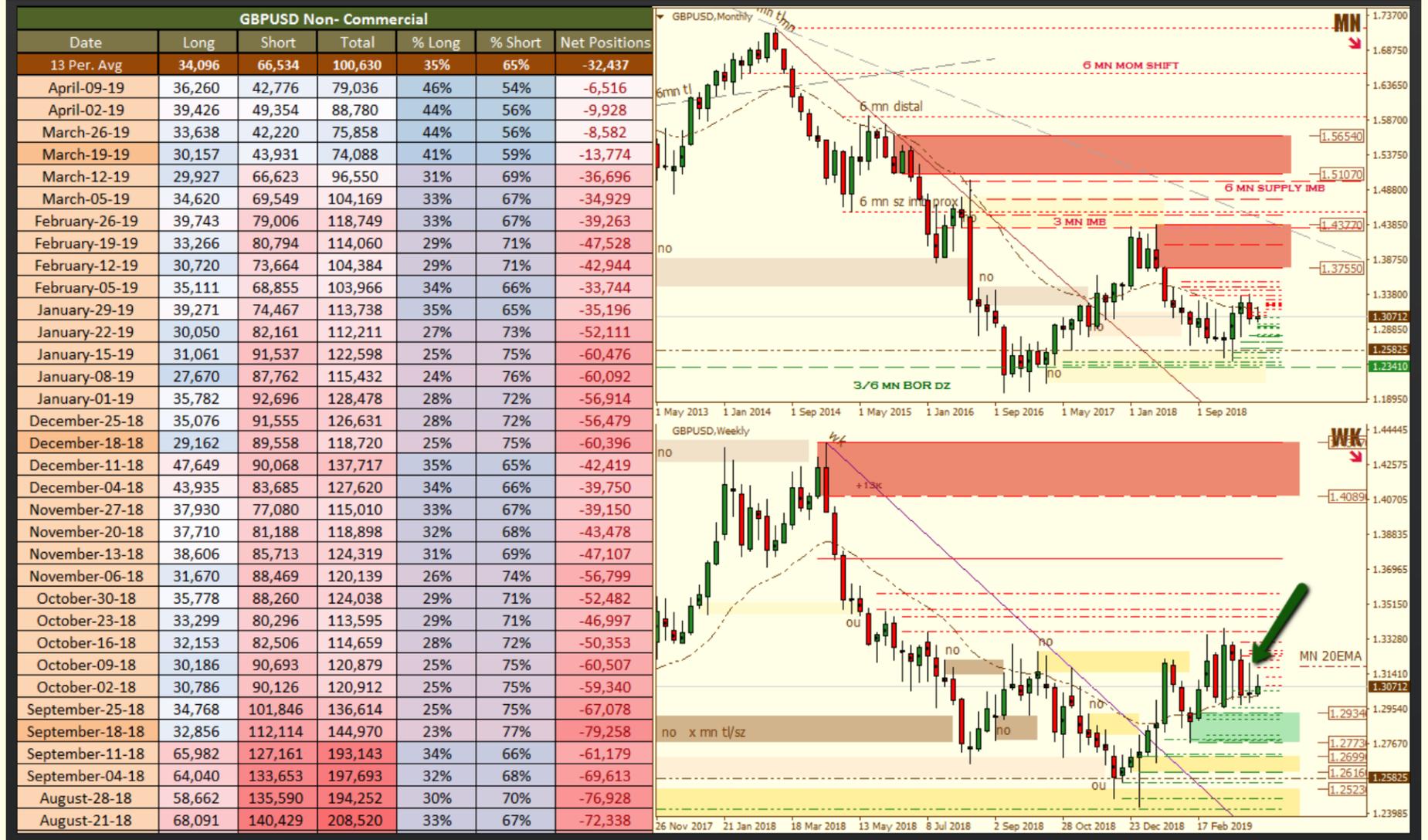
**Interest Rate:** 0.75% (last change - August 2, 2018)

**Force of Price:** A monthly demand imbalance has been hit and the force from that is pushing price upwards. A weekly demand zone has fallen short of being hit.

**FORCES** Monthly Moderate force up / momentum shifting down Weekly Moderate force is up / momentum is down

**Overview:** Price consolidated after dropping and the banks closed some longs and returned short positions back to the 42k level as previously held. A lot of unpredictable behaviour here which is a good sign to keep out. When looking at the sentiment we can clearly see it is neutral which is another indication to stay on the sidelines.

⚠️ The really important thing to note here is this, when we had contracts expiring and we saw that short positions were dramatically reduced from 66k to 43k. Now we can see that the institutions used the contract expirations as a time to reduce their short exposure but a significant amount.



**USDJPY:** Institutional traders have a **VERY STRONG BULLISH SENTIMENT**.

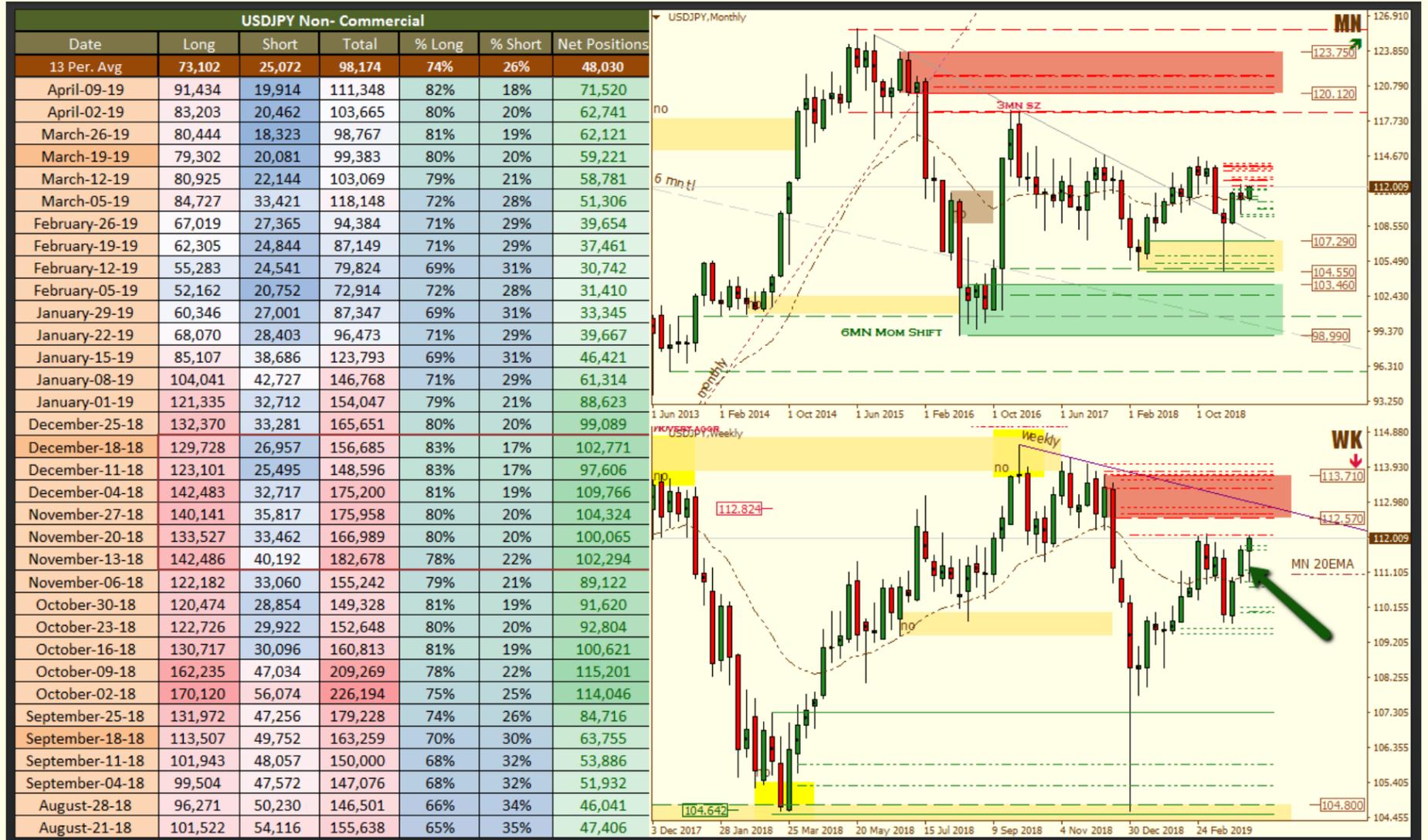
**Interest Rate:** -0.10% (last change - January 29, 2016)

**Force of Price:** Monthly momentum is shifting upwards on the grand picture and a monthly momentum shift demand is in play and as for the weekly chart the trend is down but momentum is upwards.

**FORCES** Monthly Moderate force is up / momentum up Weekly Momentum is up

**Overview:** Price rallied again and the institutions added to their longs from 83k to 91k thus causing the move upwards this past week as well. Net positions have also gained substantially on the bullish side with an increase from +62k to +71k. Sentiment remains bullish and shorts remain cooled off. We can see this past week we have a further push upwards which is what we've been expecting.

⚠️ One key thing to point out is although long exposure is in the 80's which is considered to be very bullish, net positions suggest there is a lot more room for longs to be added.



**NZDUSD:** Institutional traders have a **NEUTRAL SENTIMENT**.

**Interest Rate:** 1.75% (last change - November 9, 2016)

**Force of Price:** A monthly 20ema has been hit and so the momentum is shifting downwards and on the weekly a supply zone was hit and the supply force is now pushing price lower.

**FORCES** Monthly Moderate force is down / momentum up paused Weekly Weak moderate force down

**Overview:** Price dropped from the highs and the banks closed some longs and also a small portion of their shorts. Short exposure increased from 50% to 52% and net positions went up from -405 to -1,4k. Sentiment remains neutral at this point.

⚠️ During this phase of uncertainty we must remember that in the grand scheme of things higher time frame forces are pushing down on price so we should start seeing more bearish pressure come into play as they build a more aggressive short position.

