



Week 1
6th January 2009

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold

Disclaimer



the technical trader's guide to major markets

Mark Sturdy

Authorised and regulated
by the FSA



summary

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Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Go SQUARE
Stay SQUARE; **SELL** Sterling beneath 1.4224
Go SQUARE
Go SQUARE ; **SELL** Euro s beneath 0.9230

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
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ADD to **LONG**s above 918.5 (Mar 09)
BUY the break above 2528 (Mar 09)
Stay **LONG** ; ADD above 4404 (March 09)
Stay **LONG** above 8800 (Mar 09)

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
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Go SQUARE
Stay SQUARE ; **BUY** a break above 124.60 (Mar 09)
Stay SQUARE; **BUY** a break above 141.32 (Mar 09)

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Go SQUARE
Go **LONG** above 97.7150 (Dec 09)
Go **LONG** above 97.9250 (Dec 09)

Commodities

- + Nymex WTI Oil
- + Comex Gold

Stay SQUARE
Stay **LONG** above \$829 (Feb 09)



Currencies: Dollar Euro

CURRENCIES: These currency markets now look undecided at current levels. Concentrate therefore, on the remaining big patterns that are close to completion: Cable is very vulnerable to a break down by Sterling beneath 1.4224; the Dollar is vulnerable to the Euro strengthening above 1.46; and if the Euro can weaken beneath 1.46 against Sterling there will be renewed pressure on it...

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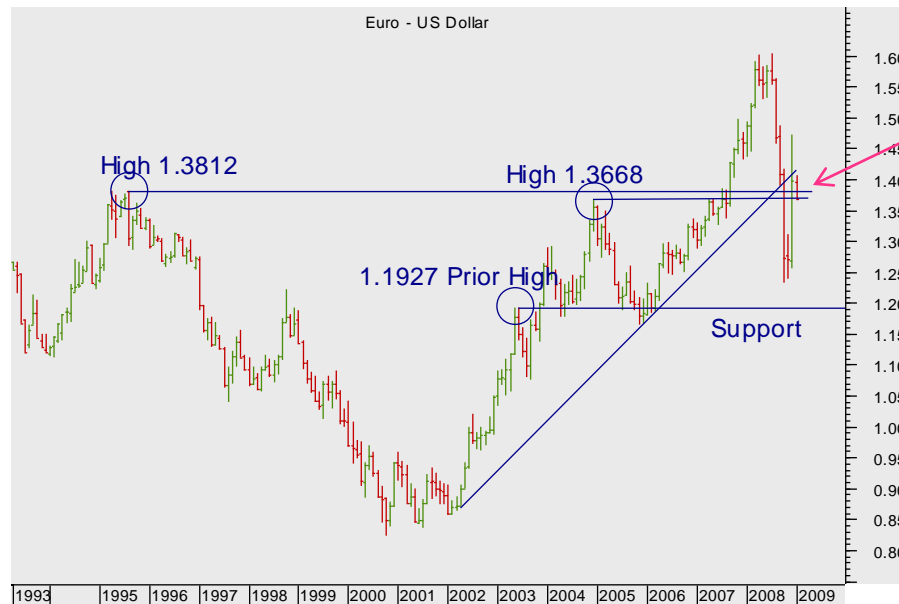
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Dollar Euro monthly spot cash chart

The violence of the price action is the result of trying to find fair value within a wide trading range 1.25- 1.60.

Look closer.

More



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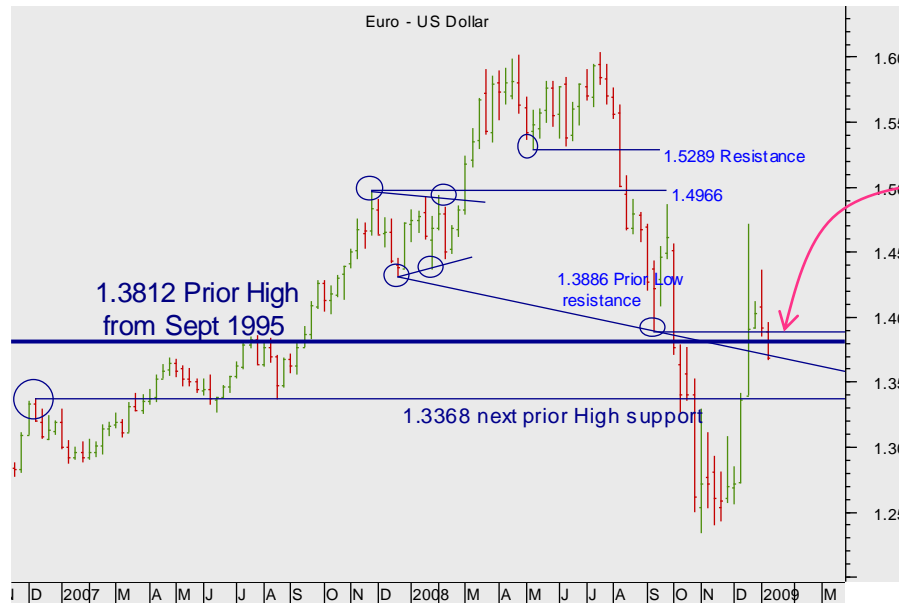
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Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

The drive back up through the 1.3886 resistance was extraordinarily bullish... but lacked staying power...



Dollar Euro daily spot chart

The market stuttered at 1.4632 and fell back – now it suggests the possibility of a massive Head and Shoulders Reversal if the market rallies from here... and break the possible Neckline at 1.48..

Watch and wait.

More



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Currencies: Dollar Euro



Dollar Euro daily spot cash chart

Look carefully at the pull back down beneath 1.3828 – that will be good resistance above the market now - **expect a push down to test the support at 1.3289.**



Currencies: Dollar Sterling

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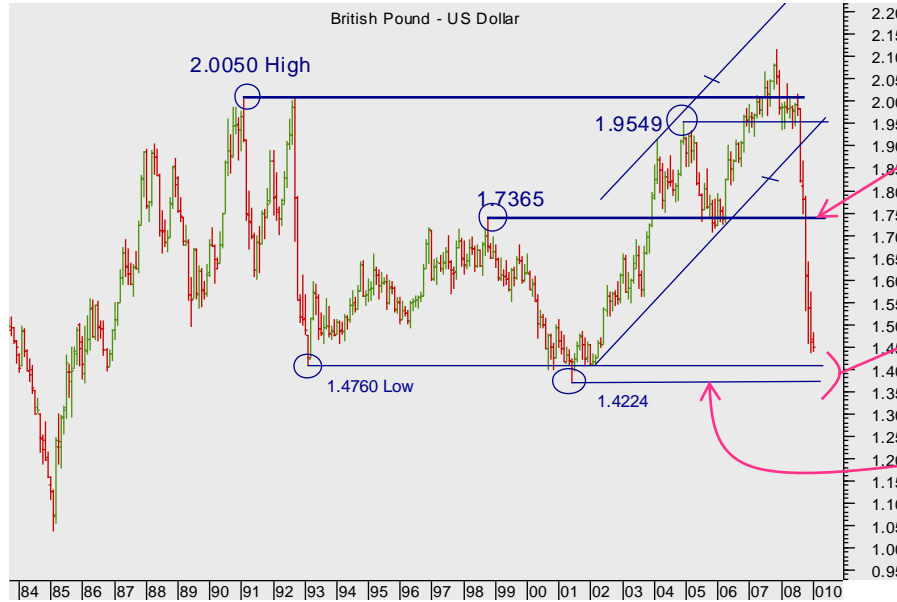
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Dollar Sterling monthly spot cash chart

The breakdown through the support at 1.7365 is clear.

The market is set to set the 1.4224-1.4760 lows.

A break of those would establish a huge double Top.....suggesting further fast falls in Sterling still.

Watch carefully for a break of 1.4224.



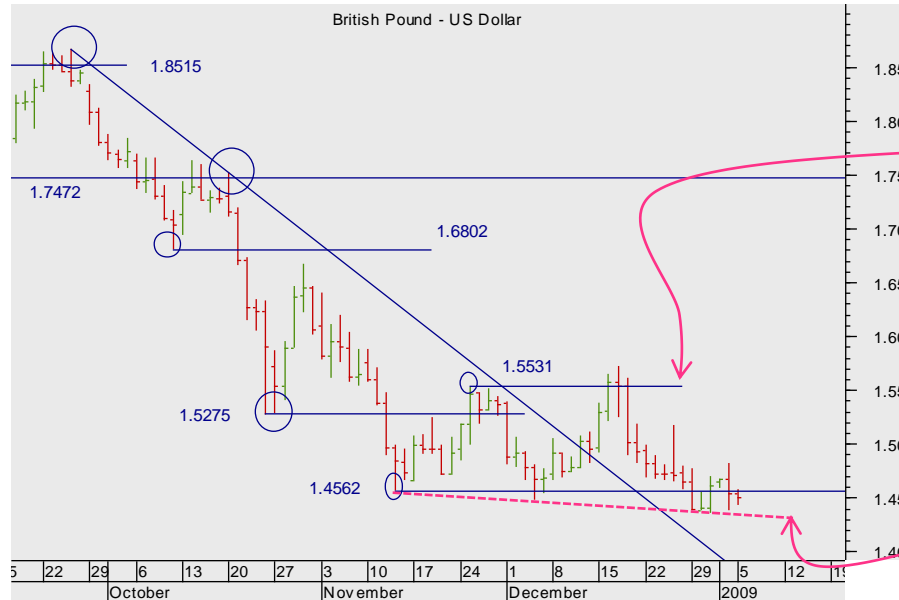
Dollar Sterling weekly spot cash chart

Look more closely at the price action at the lows.

More



Currencies: Dollar Sterling



Dollar Sterling daily spot cash chart

The resistances from the horizontals above the market are acting in a powerfully bearish way.

We have a break of the falling diagonal for BULL confirmation.

Bulls need a break up through the horizontal at 1.5531 before buying Euros.

Otherwise, **sell a clear confirmed break of the gently falling diagonal at 1.43**

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Currencies: Dollar Yen

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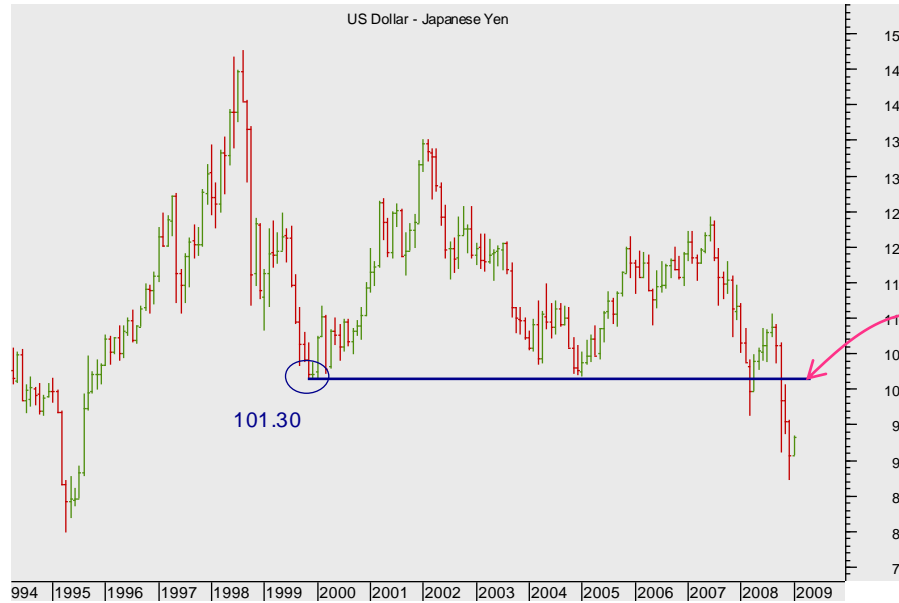
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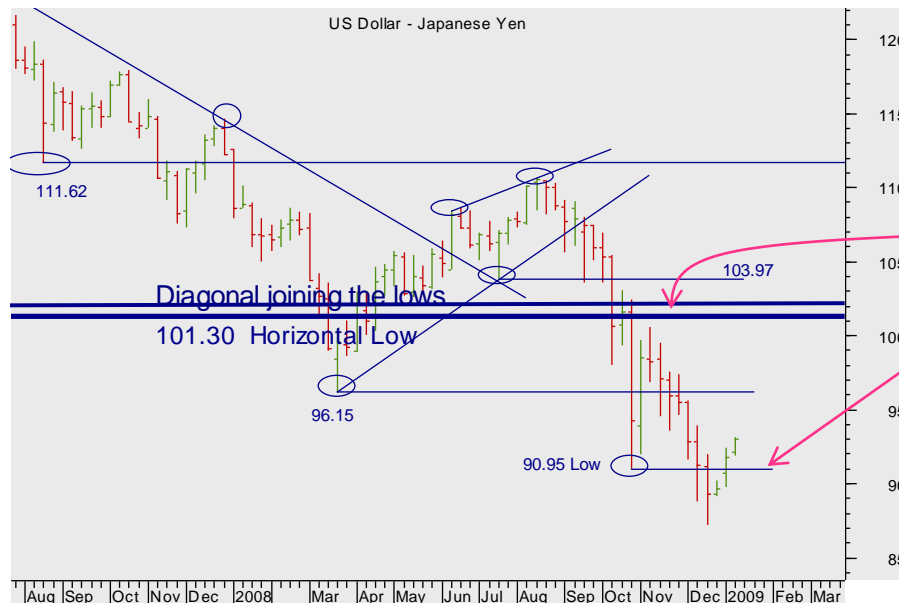
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Dollar Yen monthly spot cash chart

The large continuation triangle (which looked overextended) has completed.

And the market. Has confirmed the bearishness by failed to rally back through the lower diagonal of the Triangle .



Dollar Yen weekly spot cash chart

The market's rally back was a selling opportunity

We wanted to add on a confirmed break of 90.95.

But that wasn't a very clear signal.

Stand back.

More



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Currencies: Dollar Yen

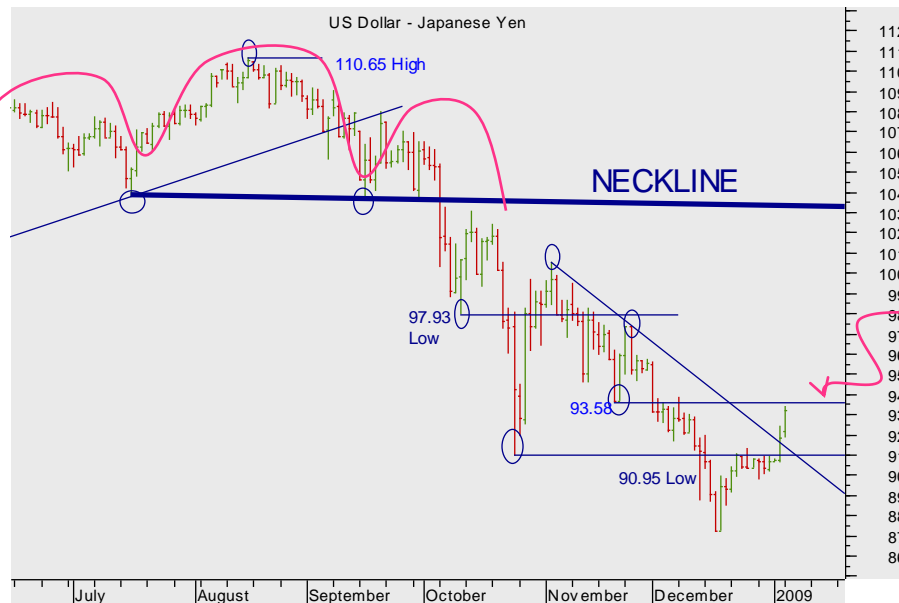


Dollar Yen daily spot cash chart

The driver for the bears was a bear rising wedge/ Head and Shoulders Top

The breakdowns through both the 96.15 and 90.95 were both very important.

But note well the speed and aggression of the short-covering rally through the 90.95 level which coincided with a break of the falling diagonal.



Dollar Yen Daily spot cash chart

We need an indication of the sustainability of the rally.

Watch for a push on through the resistance at 93.58 for a bull confirmation...

More



Currencies: Sterling Euro

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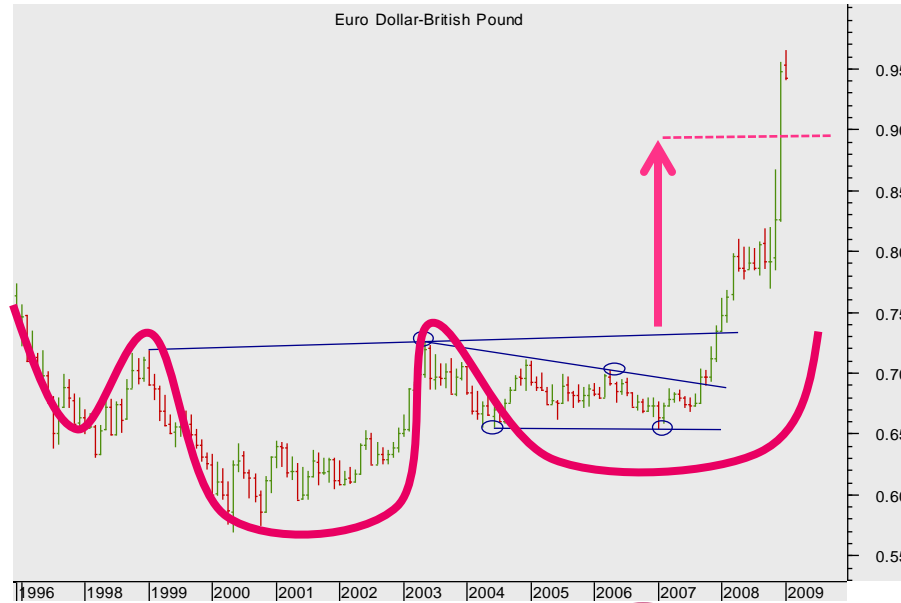
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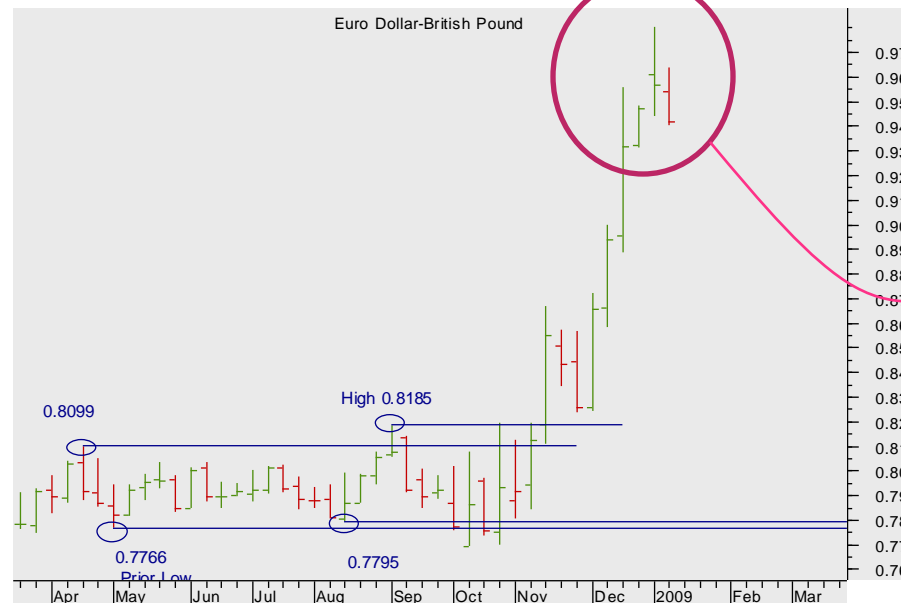
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Sterling Euro monthly spot cash chart

We have long been buyers of Euro because of this large and clear Head and Shoulders Bottom in place which suggests moves up as far as 0.90.

Which has now been achieved and dramatically exceeded.



Sterling Euro weekly spot cash chart

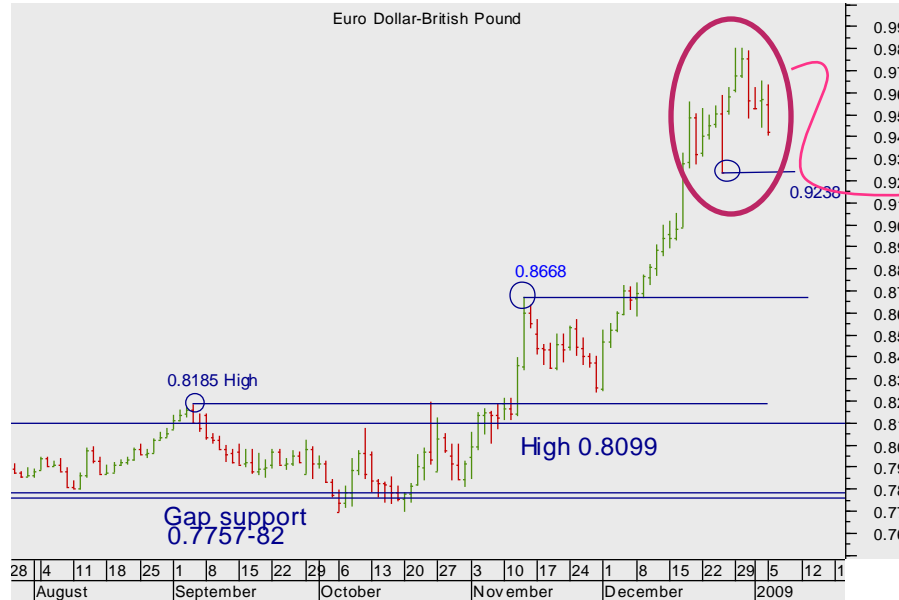
There are slight signs of a pause...

The market remains well-set.

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

Stay short Sterling at these levels, but with close trailing Stops beneath 0.9230

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Stocks

STOCKS: Stocks have done well. The long-term supports are now in place – which broadly are the lows from 2002 whence all the markets have bounced - sometimes twice. The medium-term structures are encouraging bull trends which have forced their way above prior highs which should act as good support. But in the short-term the markets may be extended. Watch carefully to see if they can overcome important levels just current levels before adding ...

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Stocks: CME S&P 500



CME S&P 500 monthly cash chart

The double failure at 1553 and 1555 has been **very negative for the market.**

And obviously the potential for a **Double Top (requiring a break of 768) is unmistakable.**

We have traded through that level but not yet closed below it

Look closer.

More



Stocks: CME S&P 500

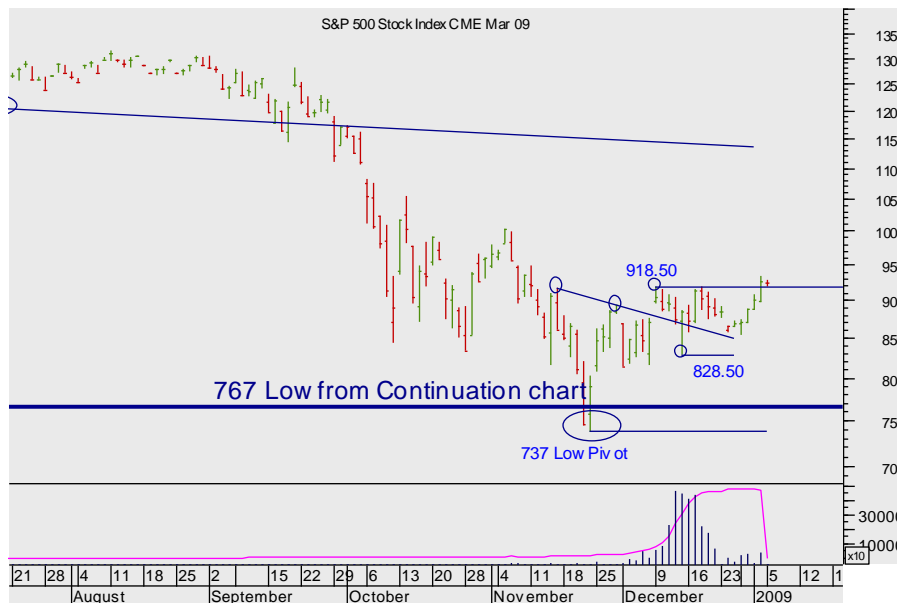


CME S&P 500 monthly continuation chart

The initial bear energy for the moves of late derived from the successive H&S patterns. (check out the Necklines)

But the full move of the market from 1250 to 750 is well beyond the measured move from the H&S patterns.

The market's test of the pivotal low 767.50 is clear but it has yet to close beneath.



CME S&P 500 weekly Dec 08 chart

Taken as a whole this is largely shapeless but within it there is good evidence of a Head and Shoulders Reversal at work.... Go closer...

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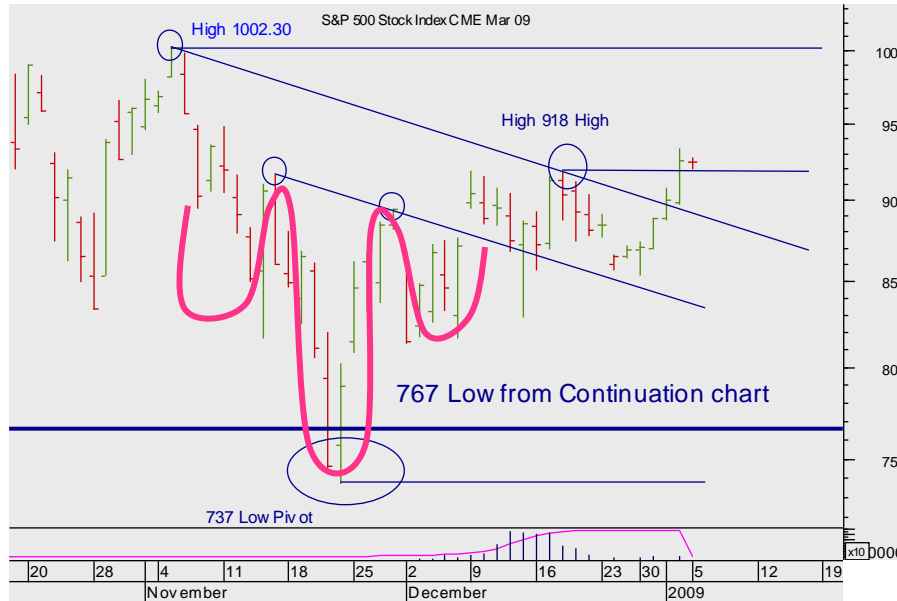
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More



Stocks: CME S&P 500



CME S&P 500 daily Mar 09 chart

Note the H&S, the repeated failure of the market to sustain a re-entry to the Neckline, and finally a break up through the prior High at 918.

It looks very good for a test of the 1002.30 High .

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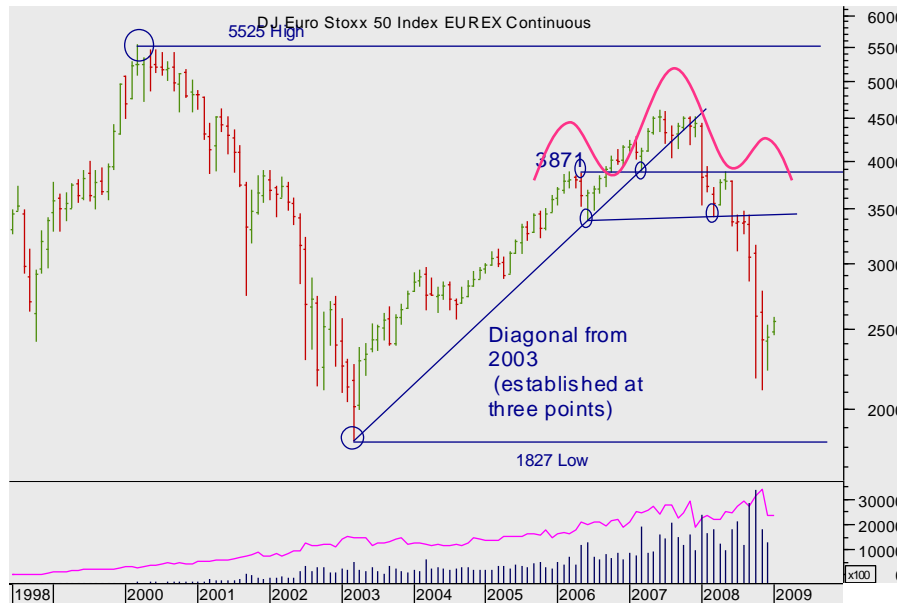
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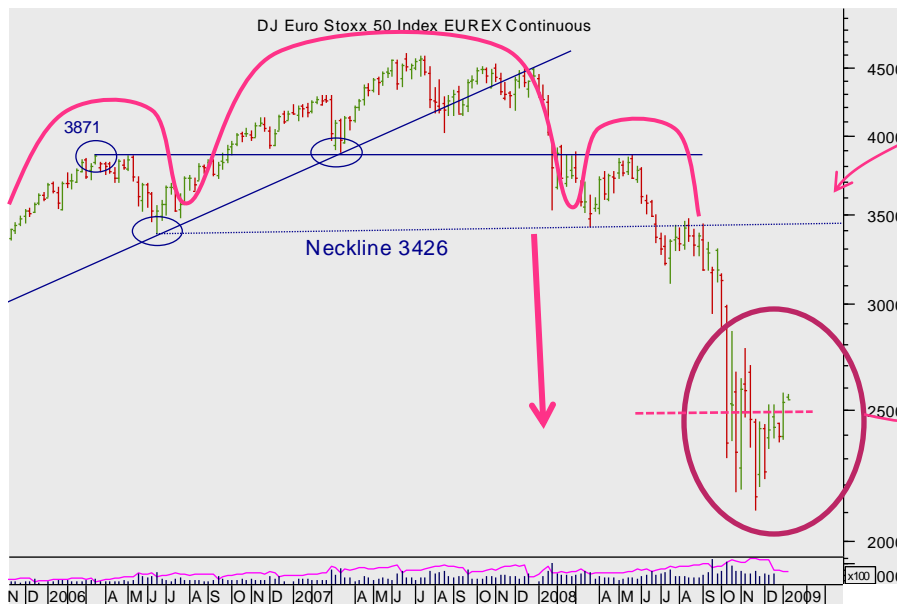
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Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 monthly continuation futures chart

The market formed a Head and Shoulders top which drove it on down...



Eurex EuroStoxx 50 weekly continuation futures chart

The collapse is very clear.

The minimum H&S target has been reached.

Since then the market has ranged.

Look closer.

More



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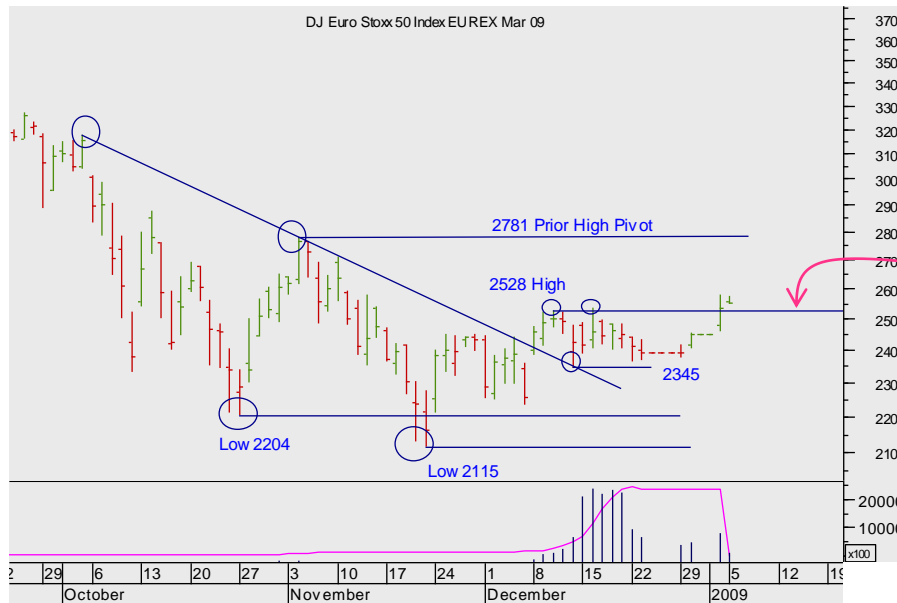
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Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Mar 09 futures chart

And the repeated attempt to get up through the 2528 horizontal looks finally to have been successful

It's a bull signal...

Eurex EuroStoxx 50 daily Mar 09 futures chart



The bull channel looks well established...buy here with Stops beneath 2528.



Stocks: Liffe FTSE 100

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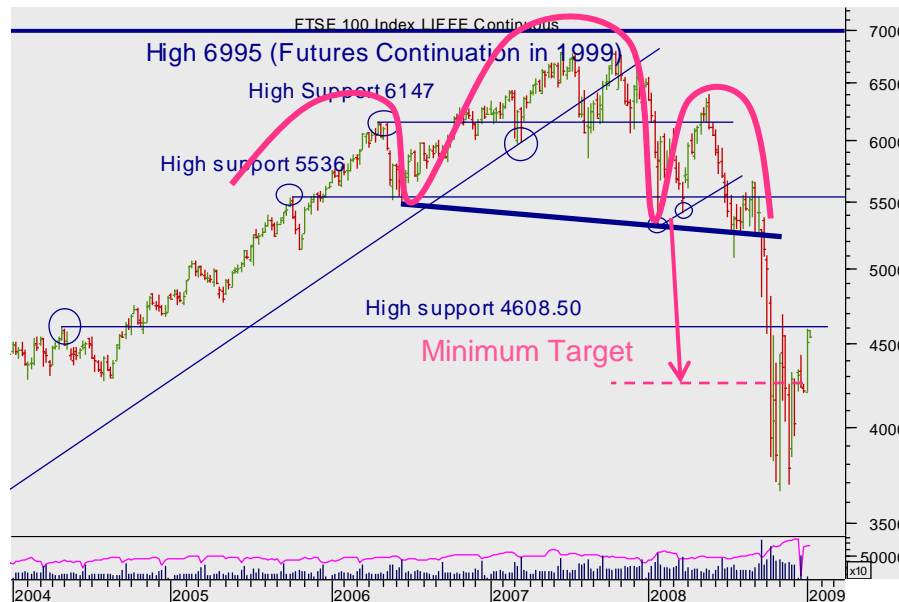
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Liffe FTSE 100 monthly continuation futures chart

The pull back, the second from the 6995 level, gives rise to interest at the 3250 low....

If that broke, a powerfully bearish Double Top would have been created.



Liffe FTSE 100 weekly continuation futures chart

There were Head and Shoulders Tops in place, whose lowest minimum target of about 4200 was achieved.

Now what?

More



Stocks: Liffe FTSE 100

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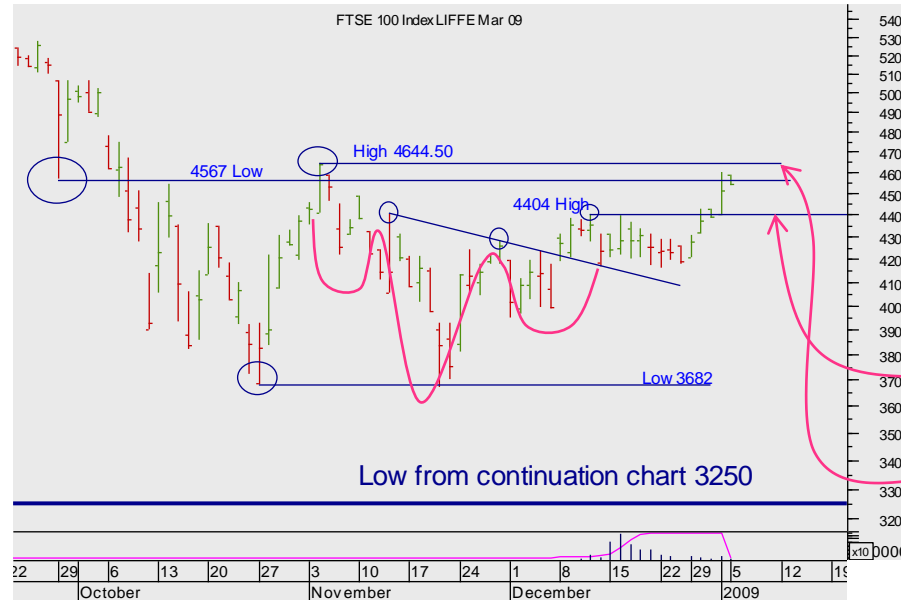
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Liffe FTSE 100 daily futures chart

We have the possibility of a multiple bottom.

And within that, a small completed Head and Shoulders reversal....

And a confirming bull push up through the 4404 High.

Buy on a break of 4644.50, or a retest of the 4404 level...



Stocks: OSE Nikkei 225

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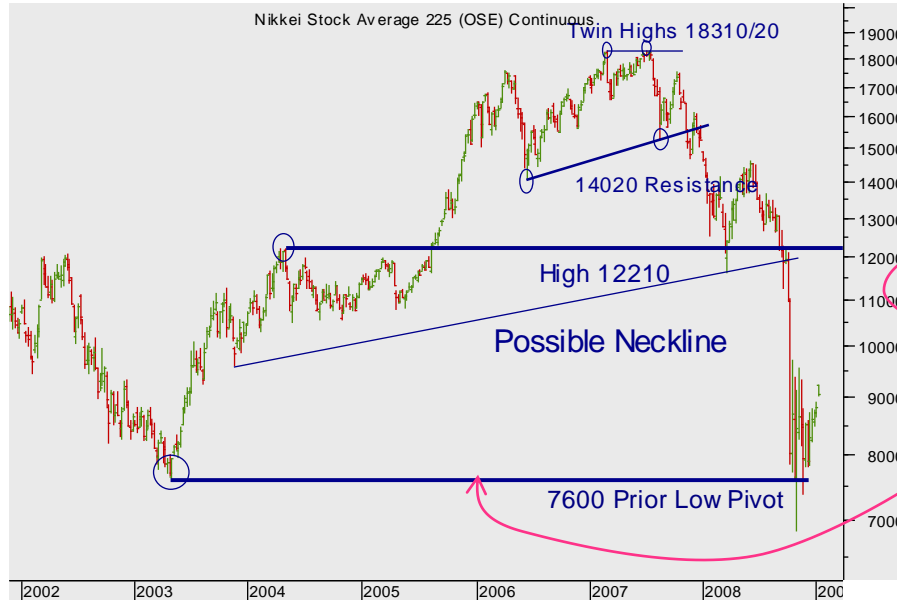
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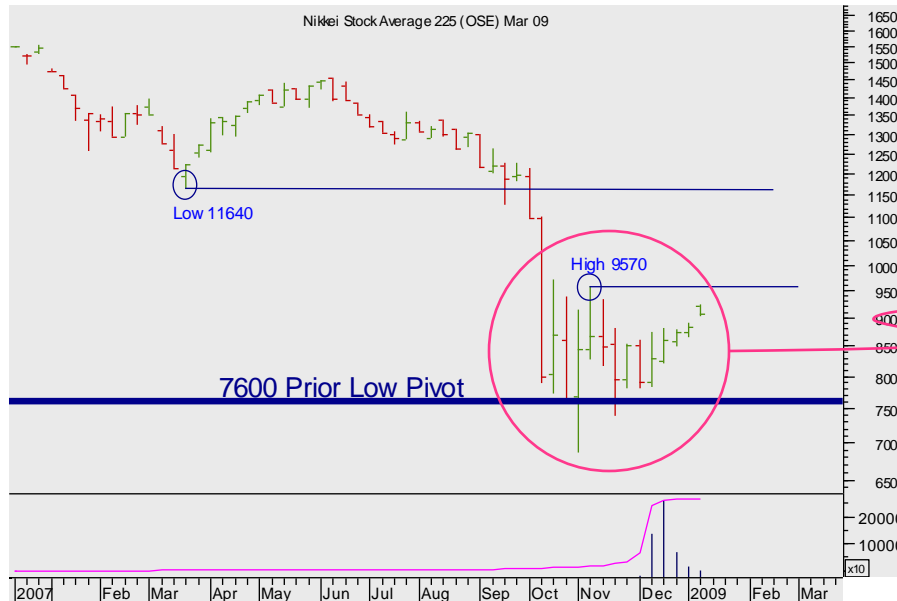
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OSE Nikkei 225 monthly continuation futures chart

The market has found support at the 7600 low.



OSE Nikkei 225 weekly continuation futures chart

There was (possibly) a Head and Shoulders Top at work.

But anyway, its measured influence is waning.

Now check the structure of the consolidation at the old lows.

More



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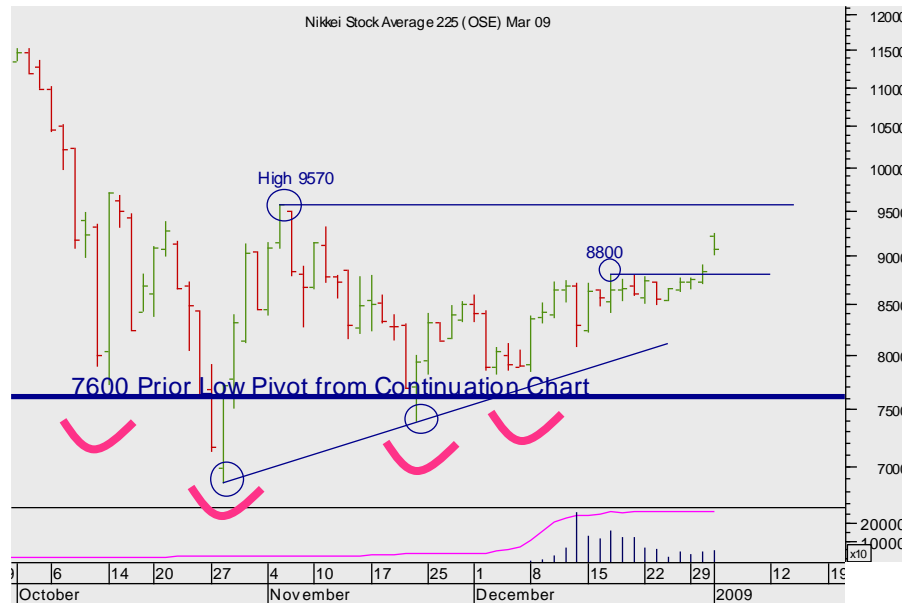
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Stocks: OSE Nikkei 225



OSE Nikkei 225 weekly Mar 09 futures chart

The multiple lows at the critical 7600 level are undeniably bullish.

In the short-term so too is the break up through the 8800 level.

We are cautious buyers here with Stops beneath 8800.



Bonds

BONDS: Bonds are driven up hard, but now look vulnerable.

The US has already fallen hard; the Bunds are faltering at an important level above the market. The Yen bonds have been moving sideways since the beginning of December. Stand aside.

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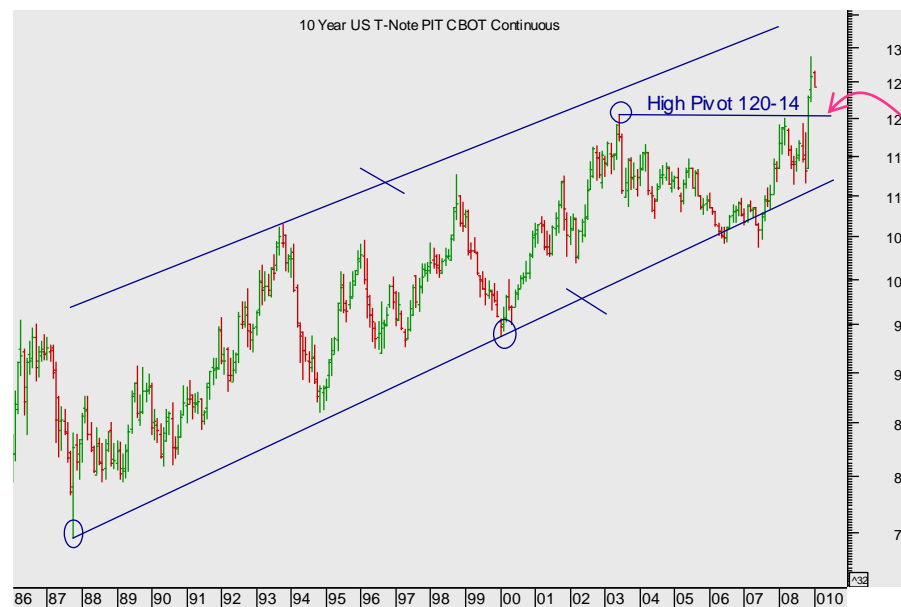
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Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The market has broken through
the all-time-Highs of 120-14.

Look closer.

More



Bonds: CBOT Ten Year Notes

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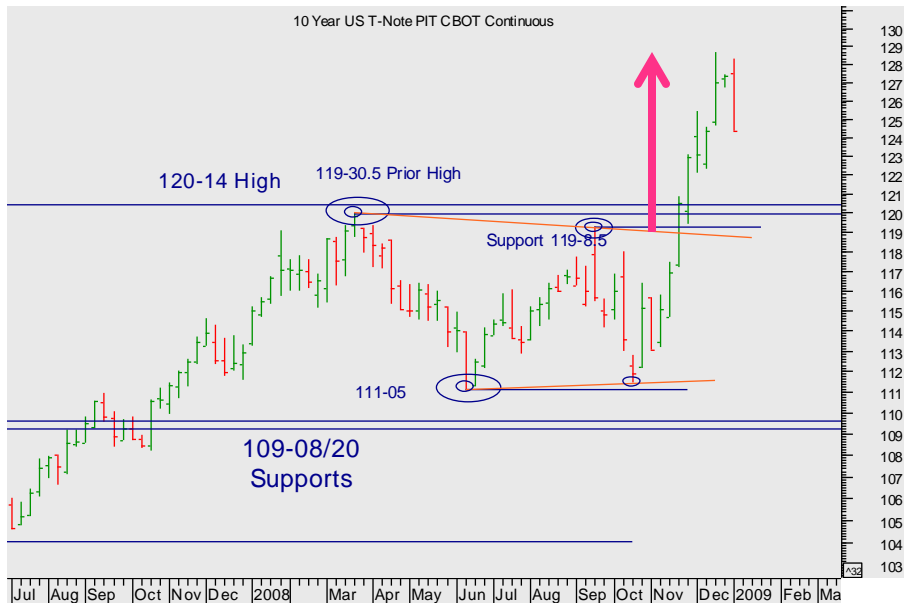
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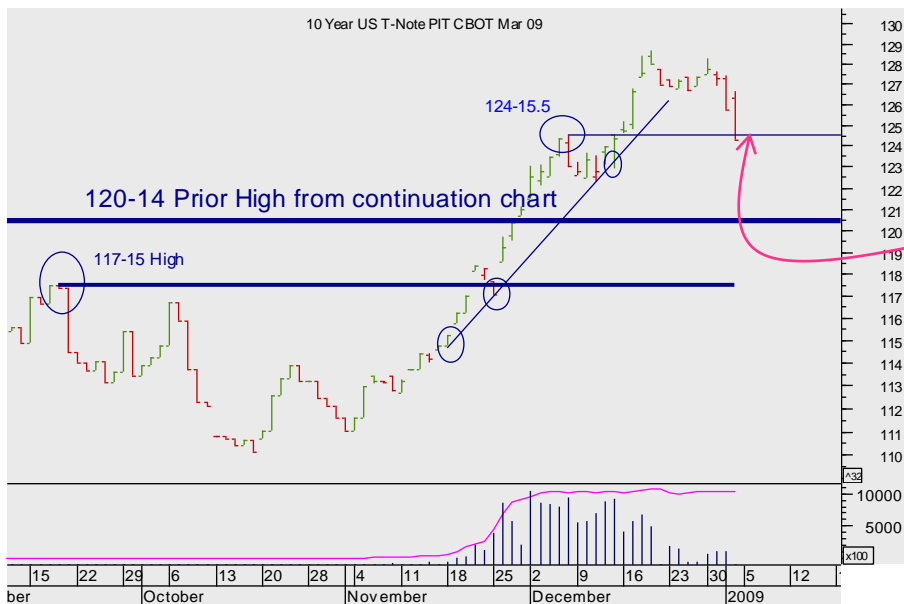


CBOT Ten Year Notes weekly futures continuation chart

The market has driven up through the vitally critical Prior High of 120-14.

And in so doing completed a triangle large continuation – whose measured move is up to 127 or so. Which we have achieved.

So the pause and pull-back are not surprising



CBOT Ten Year Notes daily Mar 08 futures chart

There is a steep uptrend support, but more importantly, there is a good horizontal support at 124-15.5.

That is the measure of how strong the bears are – can they break that level?

We would prefer to buy closer to 120-14, but may not get the chance.



Bonds: Eurex Ten Year Bund

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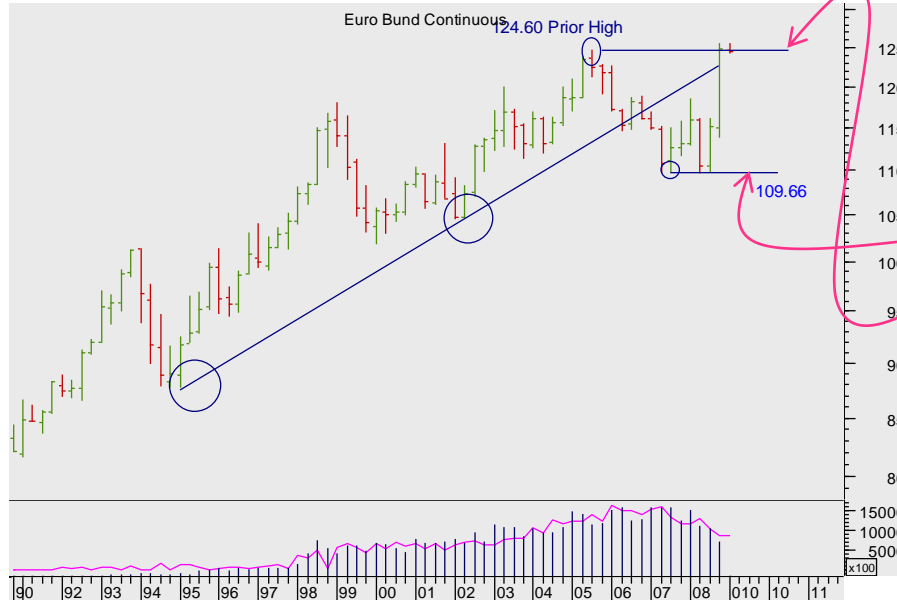
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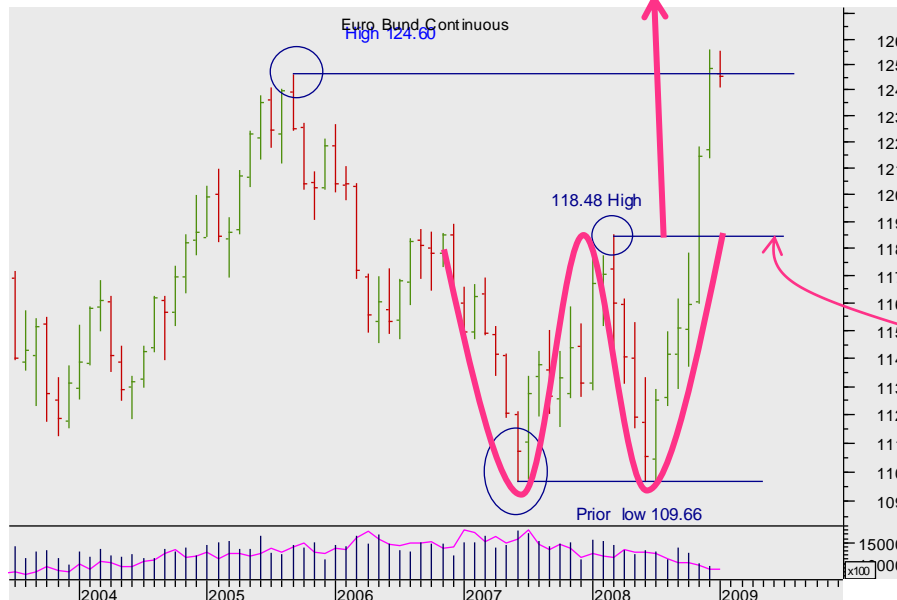


Eurex Ten Year Bund quarterly futures continuation chart

Yes, the Double Bounce at 109.66 was a powerful influence....

But equally, so is the , Double failure (so far) at the 124.60 High !

Look closer.



Eurex Ten Year Bund Monthly cont. futures Chart

The Double Bottom beneath the market is powerful and has **yet to achieve the minimum target** of around 128.

The market is pausing at the 118.48 High.

More



Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + **Eurex Ten Year Bund**
- + TSE Ten Year JGB

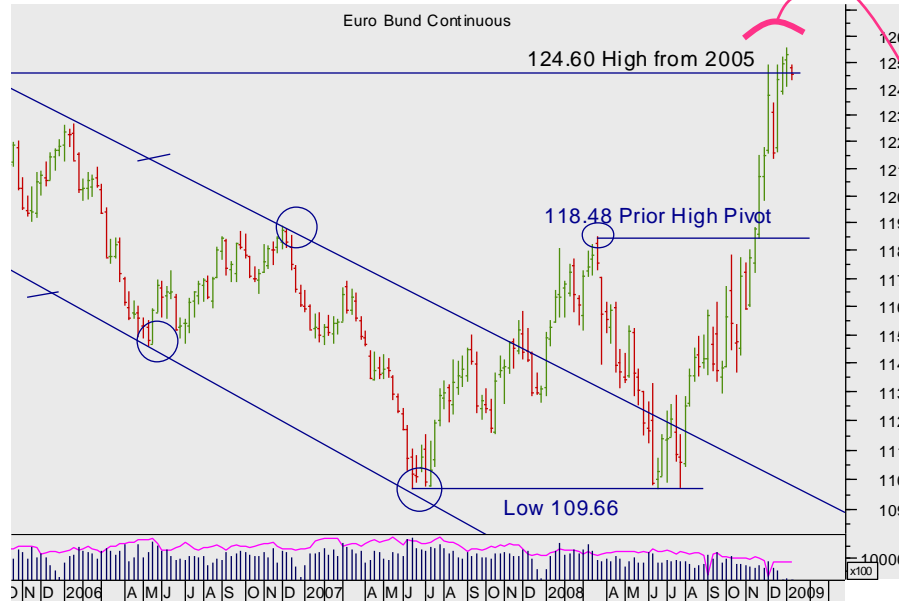
Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold

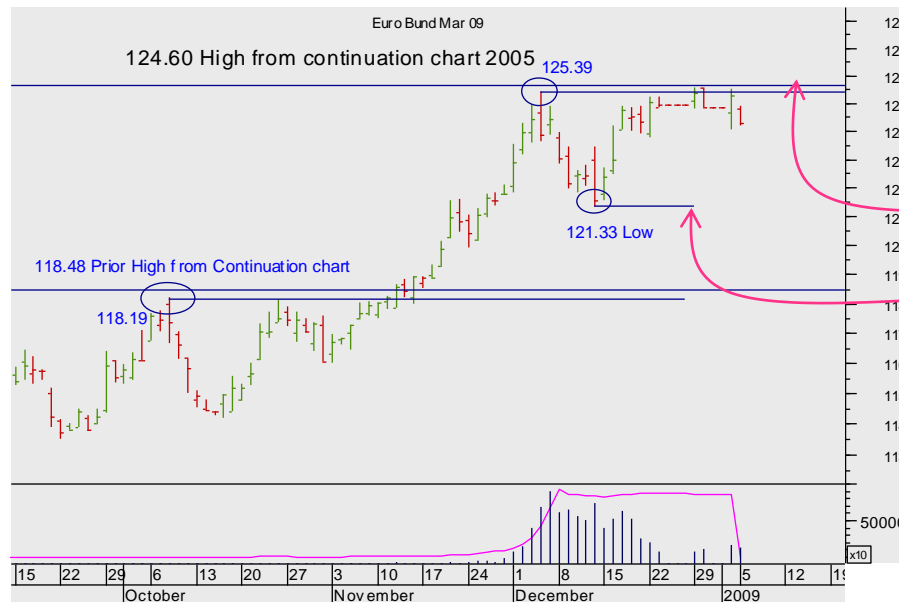
Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund weekly futures continuation chart

There's no question - the market is struggling to get through that level.

Look closer.



Eurex Ten Year Bund Mar 09 daily futures Chart

We are buyers of a break up through the 124.60 level.

AND buyers again on a pullback to the 121.33 level – with Stops close beneath.



Bonds: TSE Ten Year JGB

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

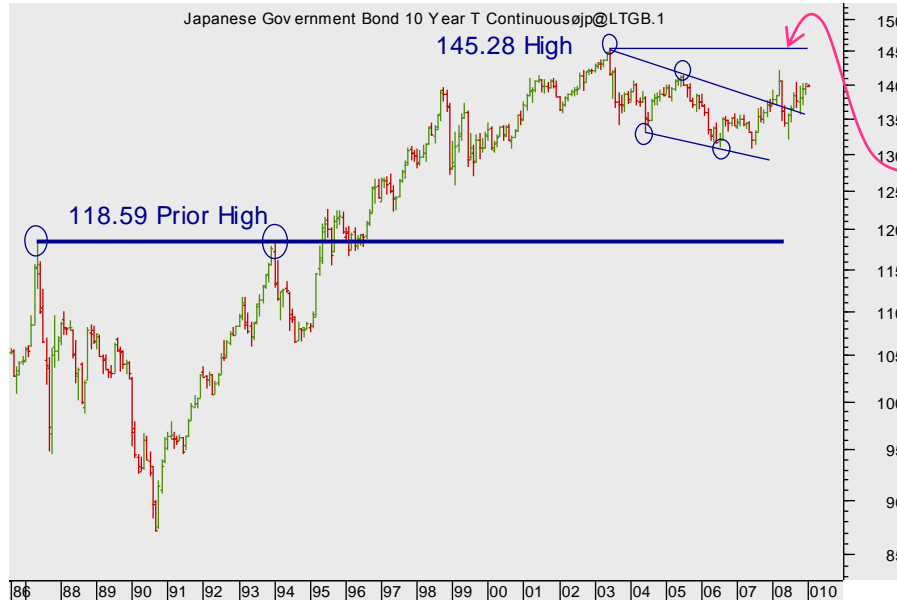
- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

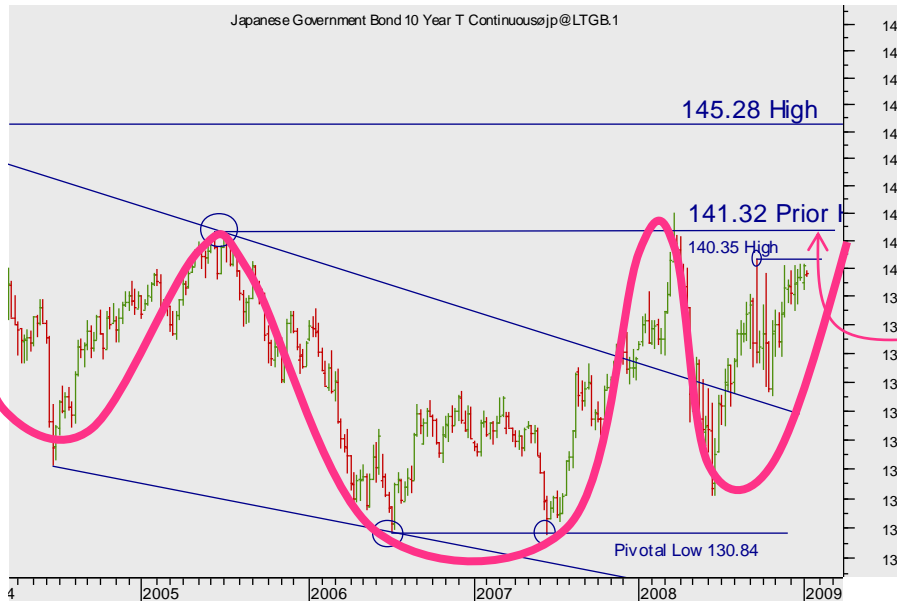
Commodities

- + Nymex WTI Oil
- + Comex Gold



TSE Ten Year JGB monthly futures continuation chart

The market has yet to break up through the prior Highs



TSE Ten Year JGB weekly futures continuation chart

The possibility of a complex Head and Shoulders Bottom is clear.

Watch for a break through the 141.32 High.





Bonds: TSE Ten Year JGB

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

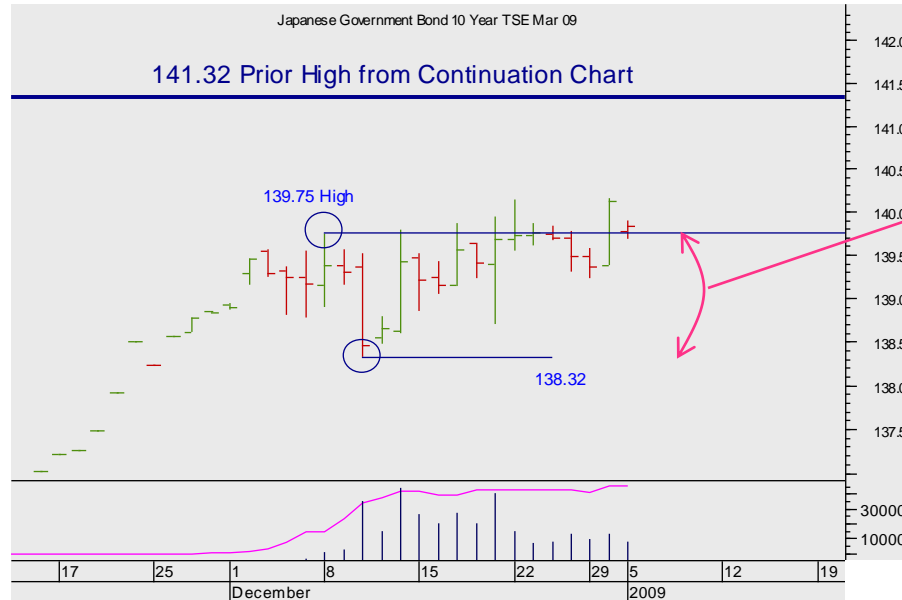
- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold



TSE Ten Year JGB daily Mar 09 futures chart

But before the critical breakout of the 141.32 level the market has to demonstrate an ability to get out of the short-term trading range



Interest rates

SHORT INTEREST RATE FUTURES: The European markets retain some bullish momentum, though that may be flagging. US rates have clearly stalled and look vulnerable to setbacks. Stand back.

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold

Interest rates: CME Eurodollar rates



CME Eurodollar rates Dec 09 monthly futures chart

The market has driven up through the all-time high having bounced off the 95.7450 support.

Look closer.

More



Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

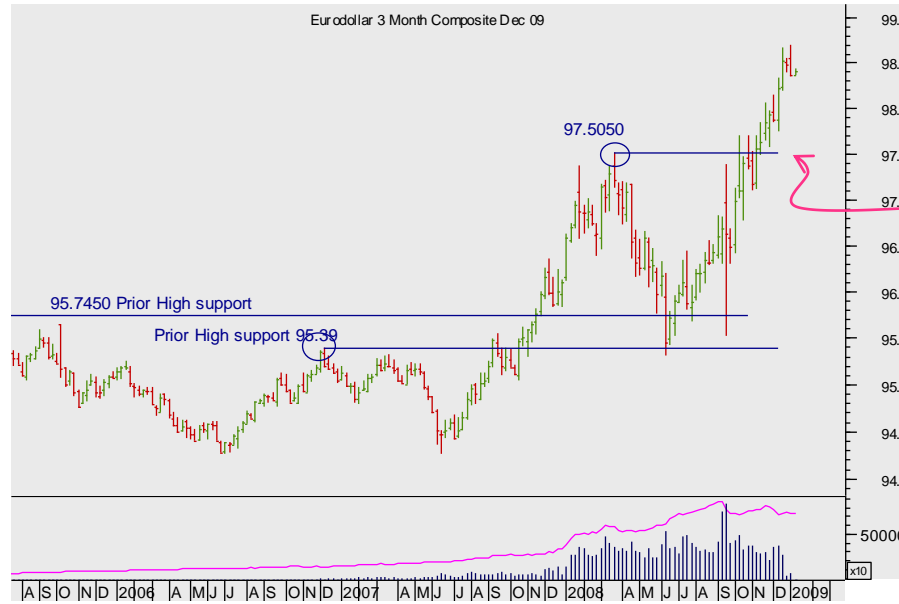
Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold

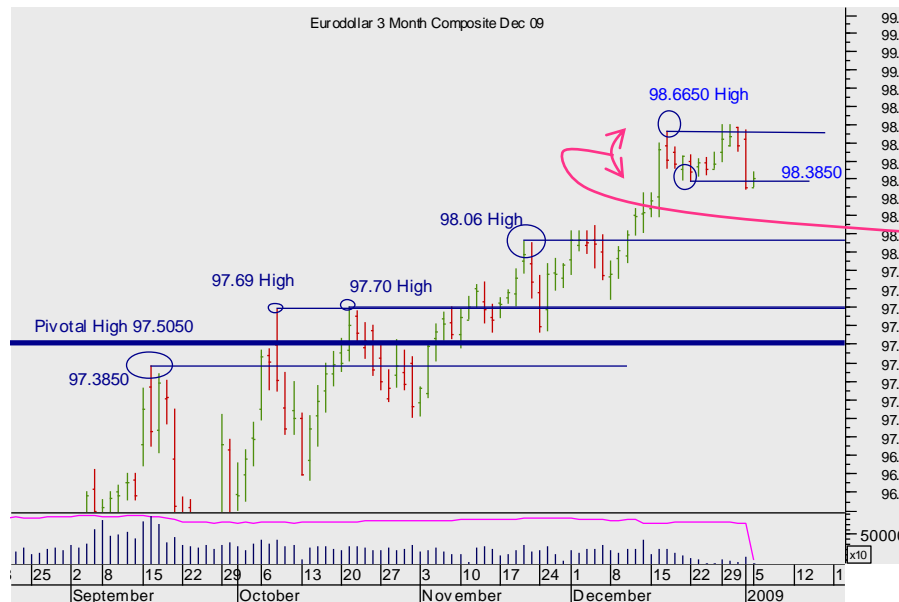
Interest rates: CME Eurodollar rates



CME Eurodollar rates weekly Dec 09 futures chart

We now have the break.

It looks unambiguously good.



CME Eurodollar rates daily Dec 09 futures chart

But in the very short-term the market looks slightly weary.

There's a clear range 98.3850-98.6650.

Watch how the market responds to it.

Stay square for the moment.

More



Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

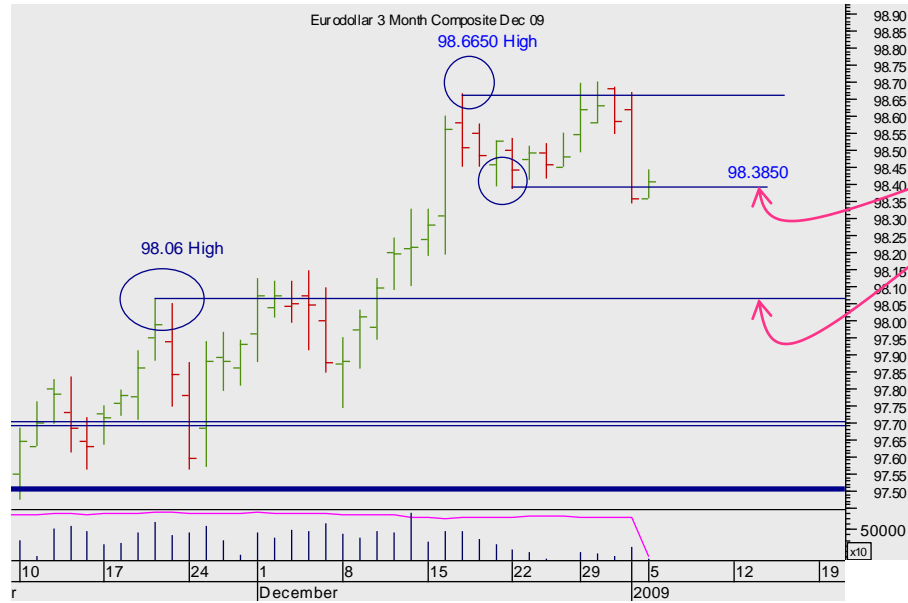
Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold

Interest rates: CME Eurodollar rates



CME Eurodollar rates daily Dec 09 futures chart

A breakdown through the 98.3850 would of course confirm a small Double Top, and suggests a test of the 98.06 support.

But we're not there yet.

Watch..



Interest rates: Liffe Euribor rates

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

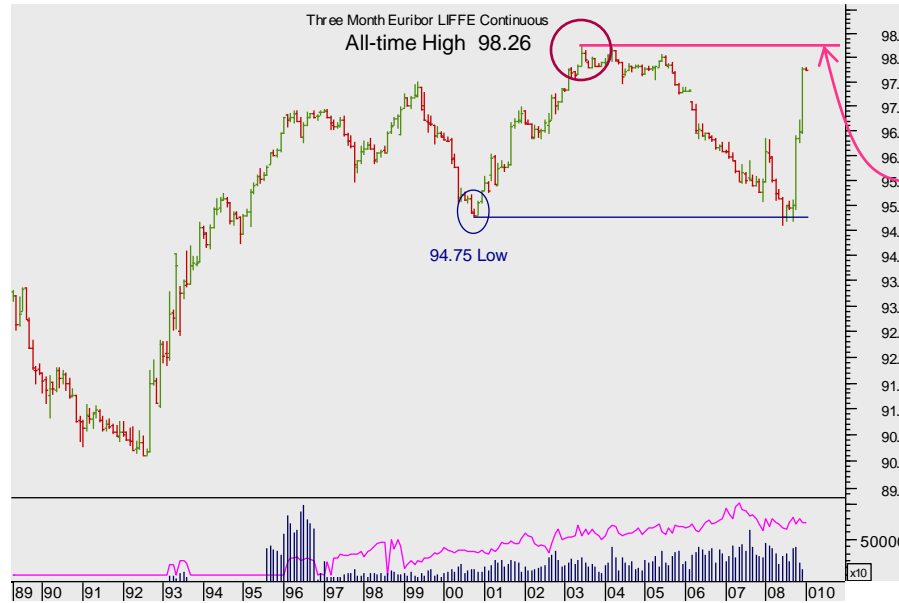
- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold



Liffe Euribor rates weekly futures chart

We are close to the all-time High



Liffe Euribor rates Dec 09 weekly futures chart

And these Highs beneath the market at 96.65 and 96.92 are powerfully solid support.

More



Interest rates: Liffe Euribor rates

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

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- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

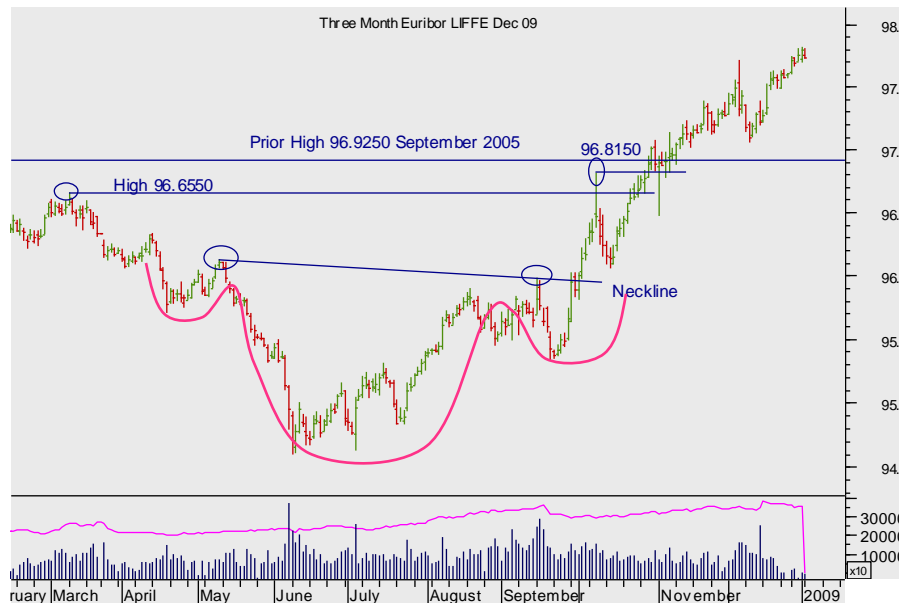
Commodities

- + Nymex WTI Oil
- + Comex Gold



Liffe Euribor rates weekly futures chart

But the market has already shown itself to be resilient to pull-backs.



Liffe Euribor rates Dec 09 daily futures chart

The rally has successfully driven up through the band of resistance from the Prior Highs.

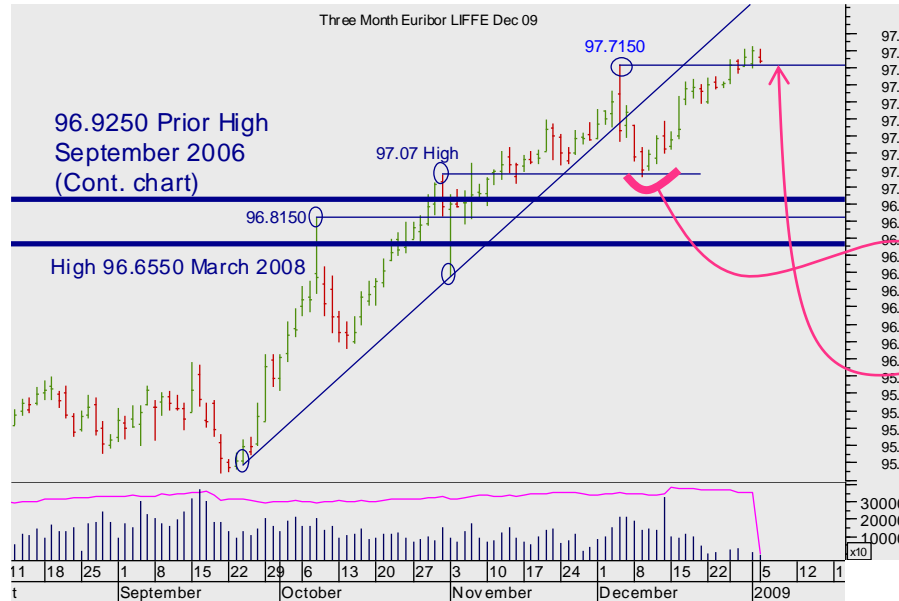
This is an unambiguously major break.

Propelled by a Head and Shoulders Reversal

More



Interest rates: Liffe Euribor rates



Liffe Euribor rates daily futures chart futures chart

There is hesitancy at these levels but the bullishness remains: note the prompt bounce off the first support at 97.07.

We are buyers on a breakthrough the 97.7150 level. With Stops beneath.

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

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- + Eurex EuroStoxx 50
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- + OSE Nikkei 225

Bonds

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- + TSE Ten Year JGB

Interest rates

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- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold



Summary

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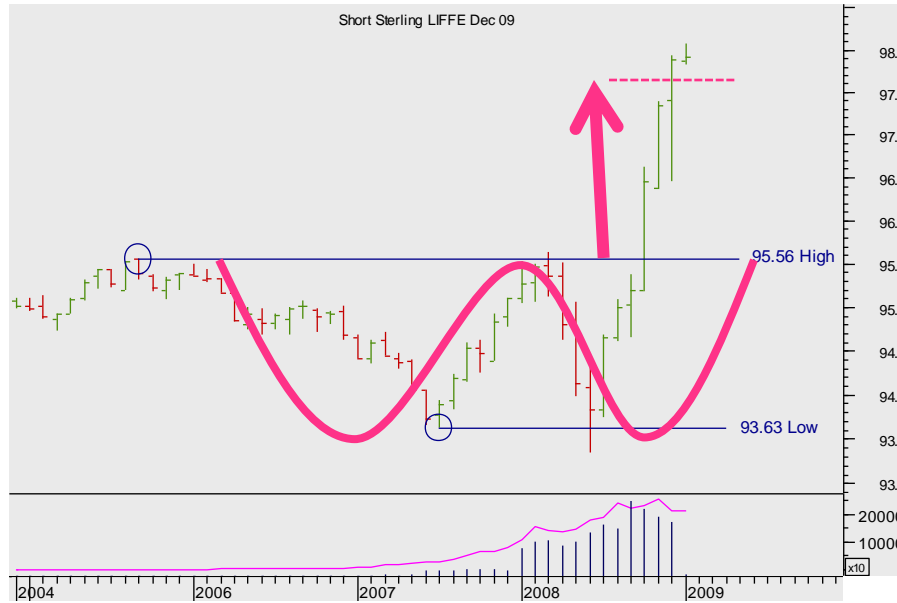
Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold

Interest rates: Liffe Sterling rates

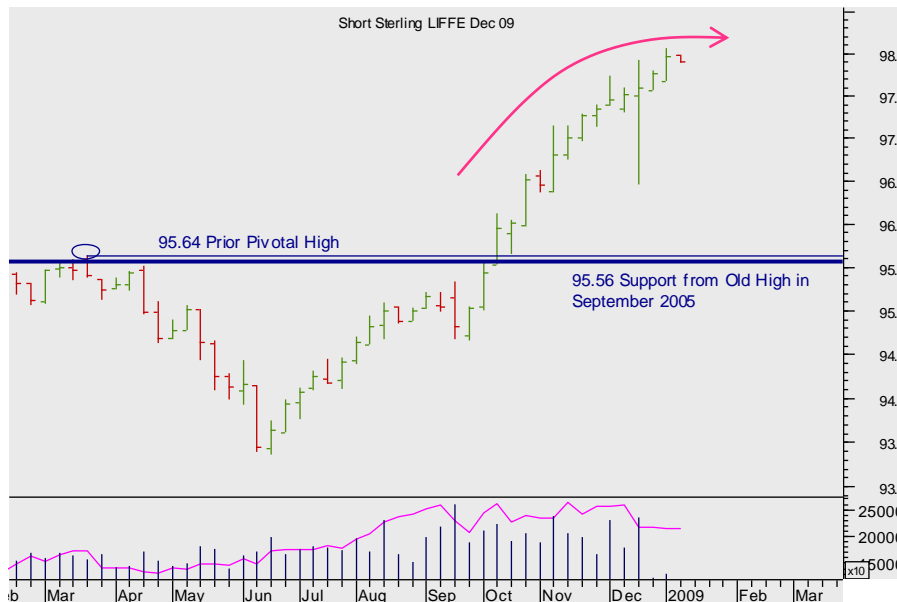


Liffe Sterling rates Dec 09 monthly futures chart

That is a large Double Bottom that suggested a final move to 97.50.

We're there.

Expect a loss of bull momentum and vulnerability to set-backs.



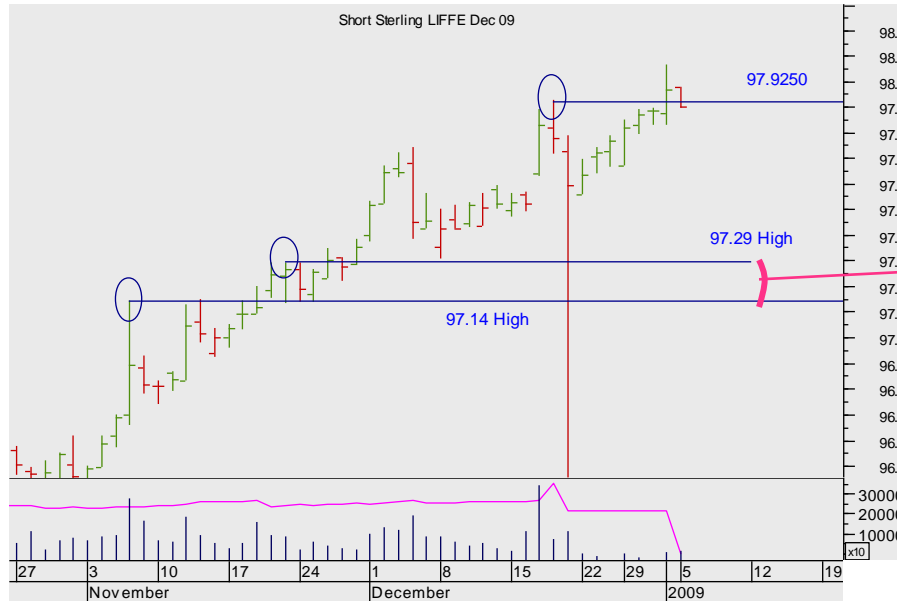
Liffe Sterling rates weekly Dec 09 futures chart

There is some indication of a slowing trend

More



Interest rates: Liffe Sterling rates



Liffe Sterling rates daily Dec 09 futures chart

And here is additional evidence.

We are bulls still though, and only sellers on a breakdown through the band of support at 97.14-29.

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
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- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold



Commodities

COMMODITIES: The bullish Oil bounce from the very powerful supports of \$40 continues. Gold too remains bullish. But though small trend are in place there is a lack of structural punch at work in the market. Stay long if long, otherwise stand aside.

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

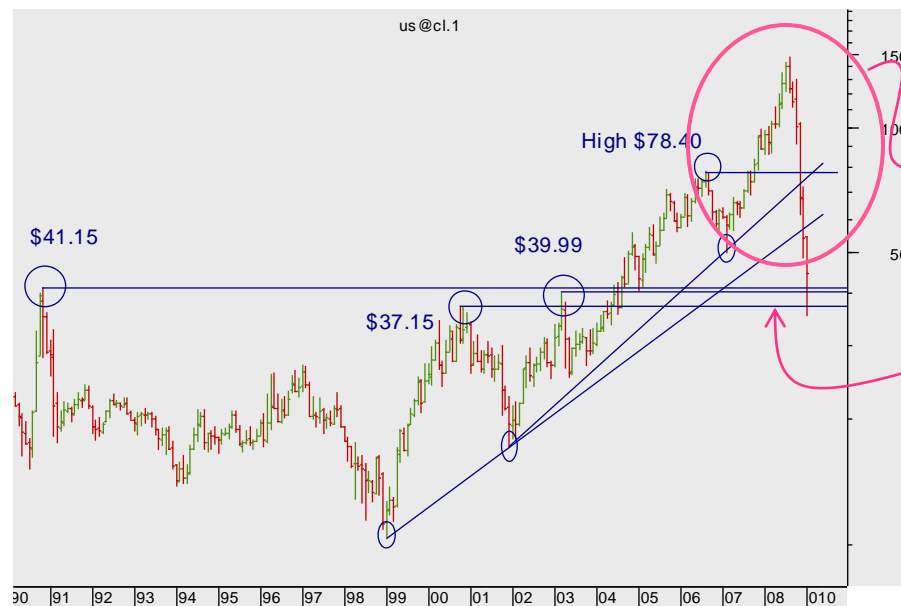
Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold

Commodities: Nymex WTI Oil



Nymex WTI Oil monthly futures continuation chart

The futures continuation chart has smashed the \$78.40 support and, critically, a succession of diagonal supports

The market has found support at the prior Lows.

More



Commodities: Nymex WTI Oil

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
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Bonds

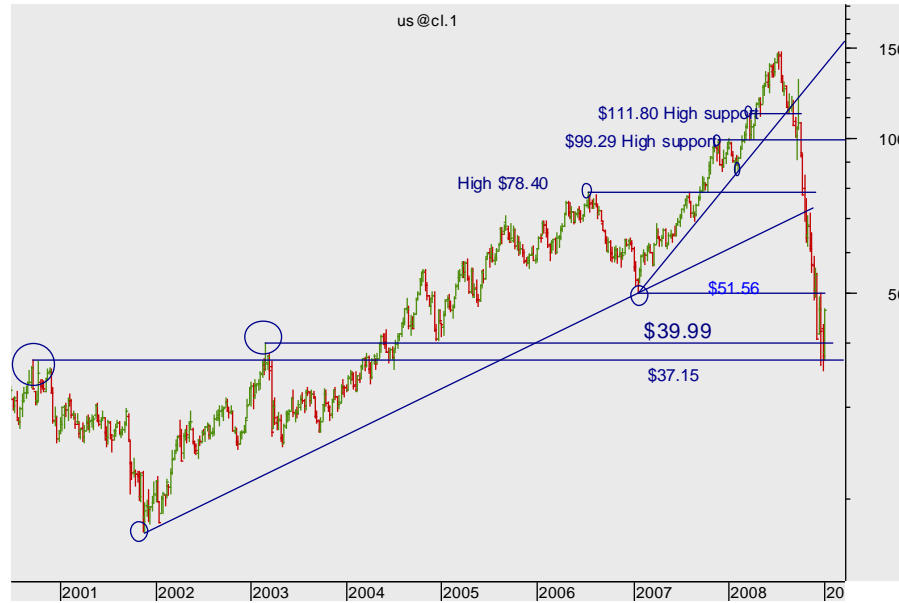
- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold

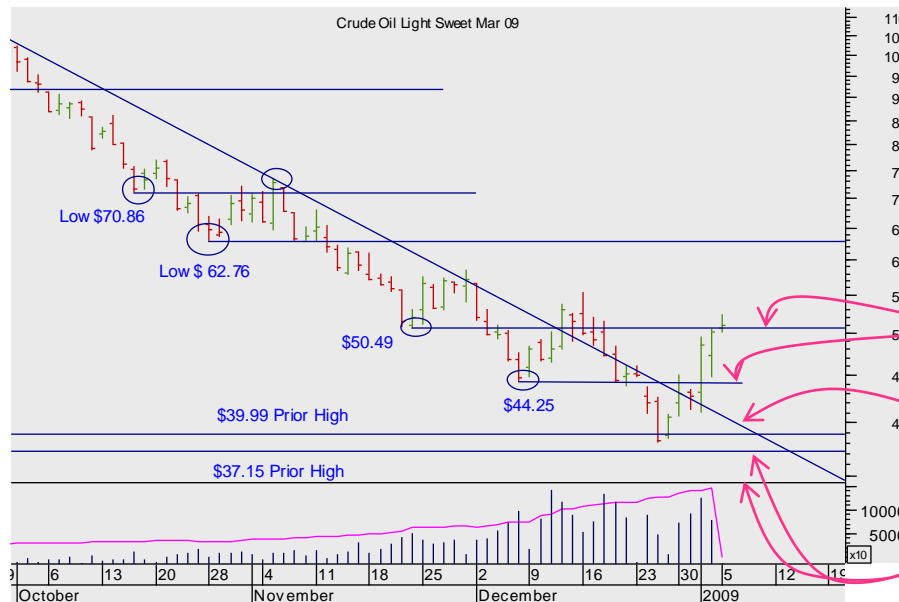


Nymex WTI Oil weekly continuation futures chart

This breakdown is spectacular. The diagonal support at \$71.93 and the Pivotal High \$78.40 were both broken ...

We have driven down to the \$40 supports in the continuation chart.... So the major move has happened.

Stay Square.



Nymex WTI Oil daily Mar 09 futures chart

The market has

- Bounced off the horizontal support
- smashed up through two prior lows
- Convincingly broken the diagonal downtrend.
- It looks well set. But wait for confirmation of the push up through \$50.49.



Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

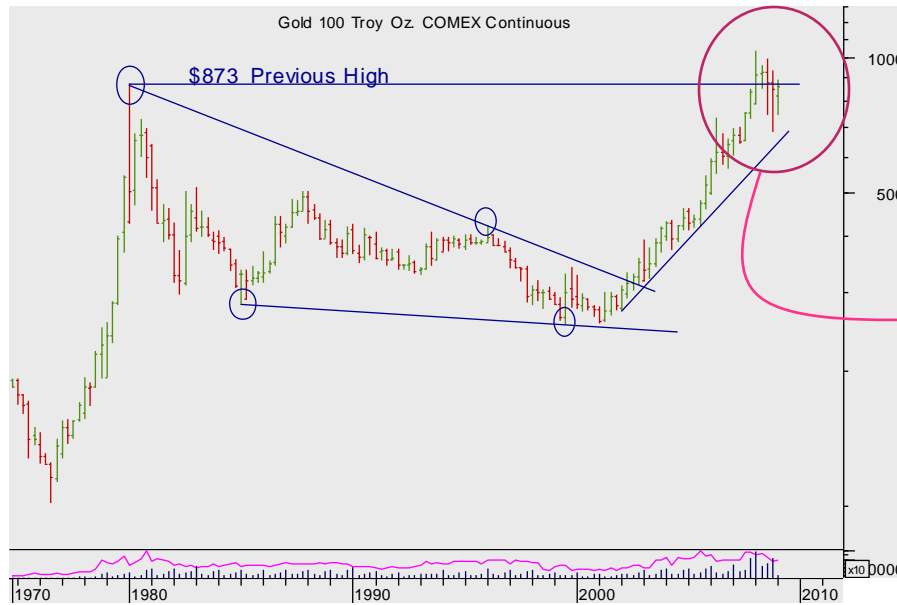
Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold

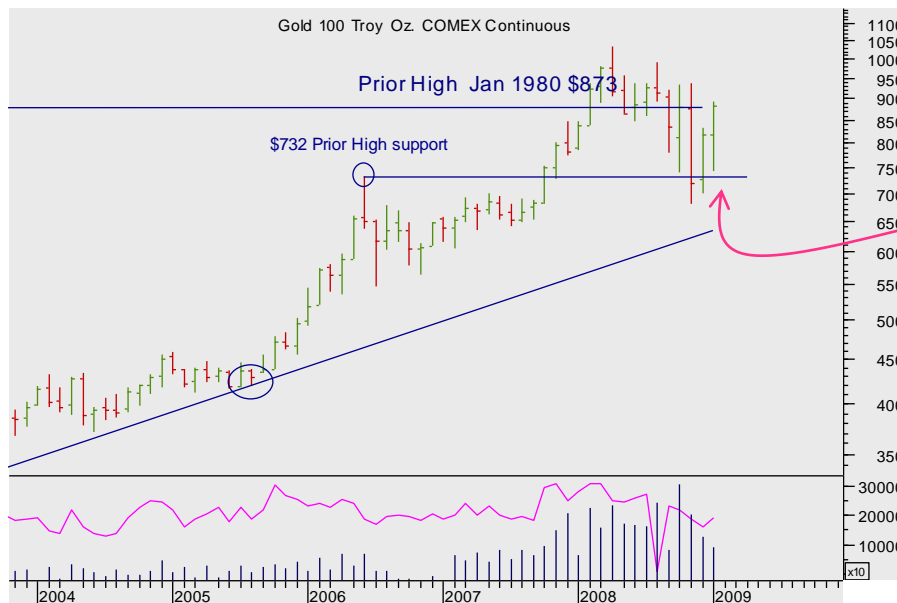
Commodities: Comex Gold



Comex Gold quarterly futures continuation chart

The massive Continuation Triangle drove the market up and through the all-time Highs.

Yet it has been unable to sustain those levels.



Comex Gold monthly continuation futures chart

Once back through that \$873 High first support, \$732 was the next support - but that has held so far...

Look closer.

More



Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

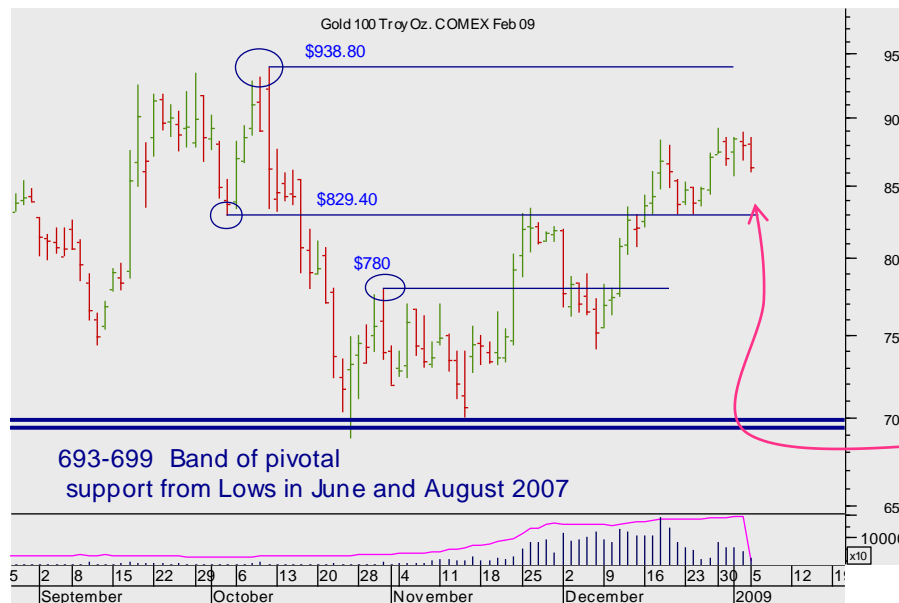
- + Nymex WTI Oil
- + Comex Gold

Commodities: Comex Gold



Comex Gold cont. futures chart

The \$732 support from the Prior High there has been powerful support providing support for a bounce.



Comex Gold daily Feb 09 futures chart

And this is encouraging too, for the bulls. The market's push up through the \$829.40 level has subsequently found support at that level.

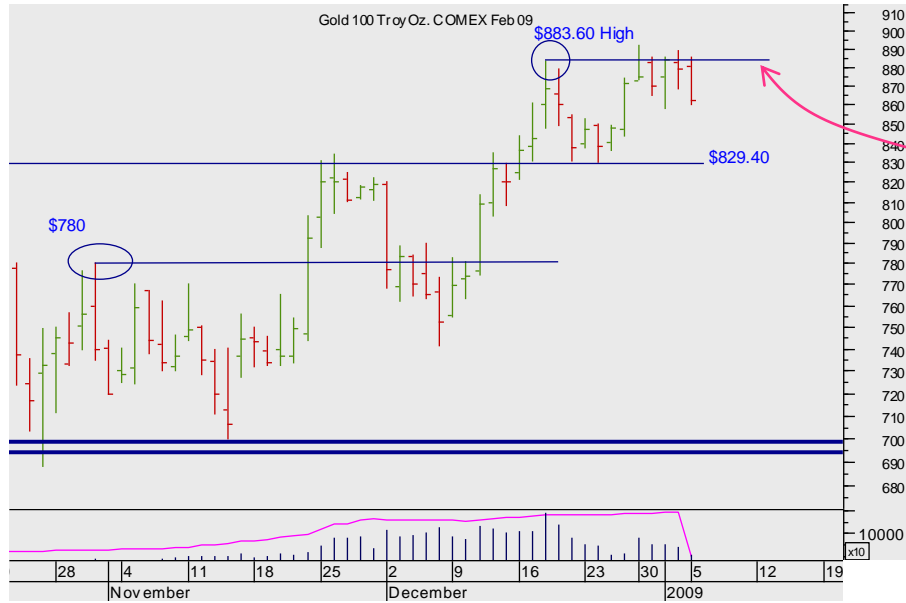
The market is ratcheting better.

So we are long with Stops beneath \$829.40

More



Commodities: Comex Gold



Comex Gold Feb09 . futures chart

And keen to add on a clear
breakup through the 883.60 High.

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + CME S&P 500
- + Eurex EuroStoxx 50
- + Liffe FTSE 100
- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

Interest rates

- + CME Eurodollar
- + Liffe Euribor
- + Liffe Short Sterling

Commodities

- + Nymex WTI Oil
- + Comex Gold



Summary

The material and information set out in this research is not intended to be a quote of an offer to buy or sell any financial products. Any expression of opinion is based on sources believed to be reasonably reliable but is not guaranteed as to accuracy or completeness.

Currencies

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Stocks

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Bonds

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Interest rates

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Commodities