



29th November 2011

the technical analyst

AWARDS 2011

FINALIST



# the technical trader's guide to major markets

Mark Sturdy

## 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

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# summary

## Summary

### Currencies

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

Stay SQUARE; **SELL** a break of 1.3149.  
Stay SQUARE; **SELL** a break of 1.5278.  
Stay SQUARE  
Stay SQUARE; **SELL** a break of 0.8526.

### Stocks

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

Stay **SHORT** with Stops above 1208 (Dec 11);  
Stay **SHORT** (Dec 11) ; Stops above 2213  
Stay **SHORT** with Stops above 5327 (Dec 11);  
Go SQUARE (Dec 11) ;

### Bonds

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

Stay SQUARE (Dec 11);  
Stay SQUARE (Dec11); **SELL** a break of 132.89.  
Go **SHORT** with Stops above 142.16 (Dec 11);

### Interest rates

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

Stay SQUARE (Dec12.)  
Stay **LONG** above 98.7050 (Dec12); **ADD** on a break of 99.0450.  
Go SQUARE (Dec12)

### Commodities

- + Nymex WTI Oil
- + Comex Gold

Stay **LONG** above 93.98 (Mar 12);  
Stay SQUARE (Dec11). **SELL** a break of 1698.40.



## Currencies: Dollar Euro

**CURRENCIES:** Over the last month the weakening Euro against the Dollar has still been tricky for technicians to trade – though the 1.3149 level looks to be another bear trigger. Sterling looks to be better-structured with clearer selling levels beneath the market.

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- + Comex Gold



### Dollar Euro quarterly spot cash chart

The long-term chart lacks clarity.

The market looks unable to close beneath the Prior High of 1.3812.

NB a possible H&S bottom if the market can push up through 1.4

...

That is conjecture at this stage.

So await clarity.

More



## Currencies: Dollar Euro

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### Dollar Euro weekly spot cash chart

The breakdown through the rising diagonal support ( and the falling diagonal at the top of the wedge) was poor for the market.

Yet it recovered.

Note the resistance from the broken trendline...

Stand back.



### Dollar Euro daily spot chart

The failure of the market at the diagonal from Jun 2010 has led to a re-approach of the low at 1.3149.

A break of that would see the bear Euro traders adding to shorts.

Stand back.

**More**



## Currencies: Dollar Euro

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#### Stocks

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#### Bonds

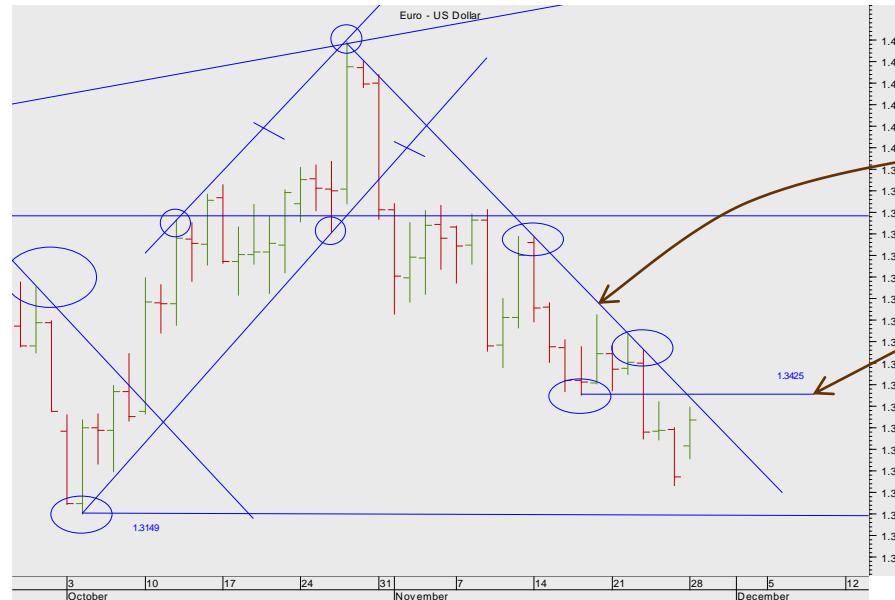
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#### Interest rates

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#### Commodities

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- + Comex Gold



### Dollar Euro daily spot cash chart

The November trend of a weakening Euro looks well-set, if not compelling.

Bears will watch for a break back through 1.4325 short-term ...



## Currencies: Dollar Sterling

### 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

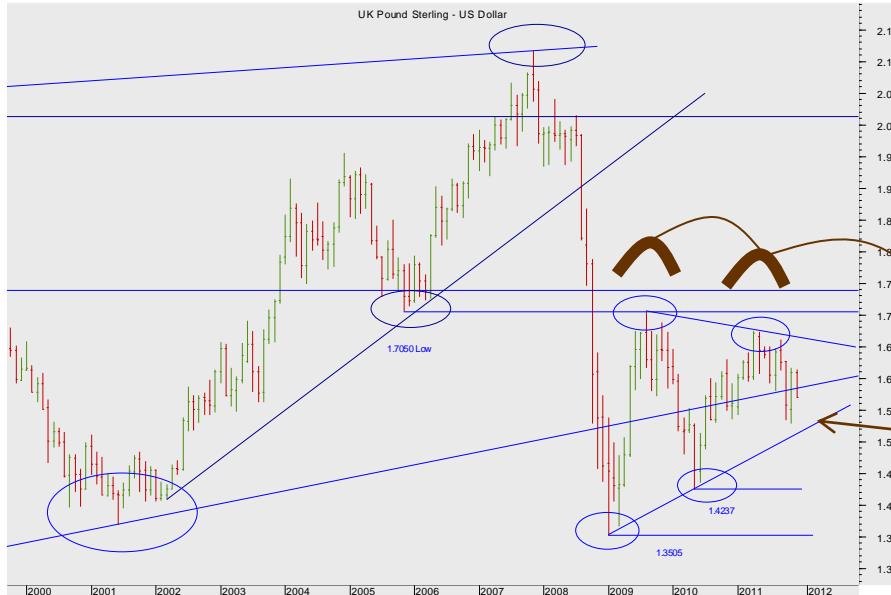
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- + TSE Ten Year JGB

#### Interest rates

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- + Liffe Euribor
- + Liffe Short Sterling

#### Commodities

- + Nymex WTI Oil
- + Comex Gold



### Dollar Sterling monthly spot cash chart

Cable has been dithering for several years around the lower diagonal of a large bear rising wedge....

Note that the market has failed twice at the 1.7050 resistance.

And note well the possible bear continuation triangle in the making ...



### Dollar Sterling weekly spot cash chart

That possible triangle in greater detail.

Note the bear rising wedge within it...which has completed - and moreover the near completion of a H&S reversal....on a break of 1.5278.

Look closer.

More



## Currencies: Dollar Sterling

### Summary

#### Currencies

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- + **Dollar Sterling**
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#### Stocks

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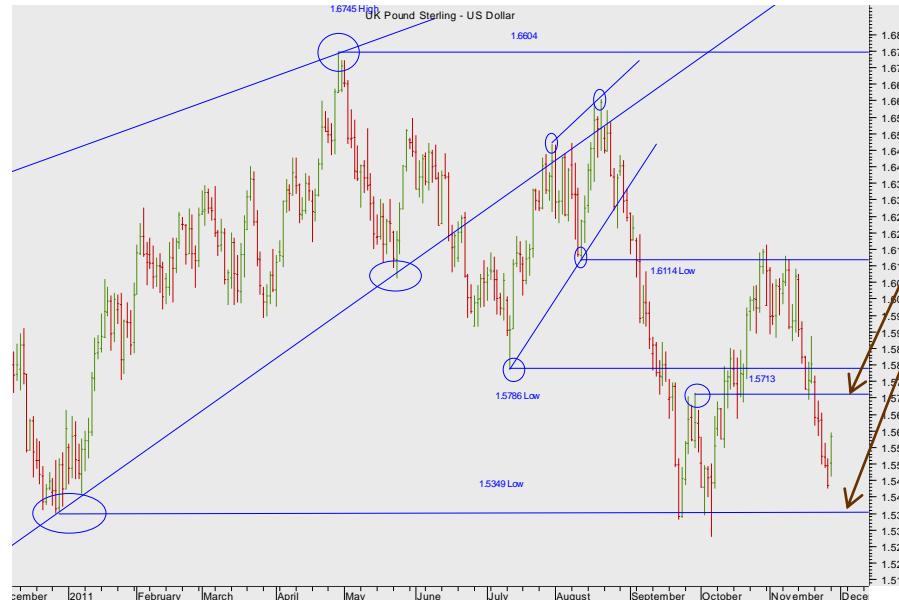
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#### Interest rates

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**Dollar Sterling daily spot cash chart**

In greater detail still: The break of the Prior High 1.5713, suggests short-term weakness certainly .. The approach to the 1.5349 level needs careful watching ...



**Dollar Sterling daily spot cash chart**

The small Double Top at the 1.6114 level was the catalyst for the sell-off.

Watch the diagonal bear trend resistance (short-term)

Look closer.



## Currencies: Dollar Yen

### 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
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#### Interest rates

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- + Liffe Short Sterling

#### Commodities

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### Dollar Yen monthly spot cash chart

The Prior Lows are pressing down on the market.

And forced a move to the **MAJOR** Pivotal Prior Low 79.78 and below.



### Dollar Yen weekly spot cash chart

The Prior Lows are powerful resistance above the market at the band from at 84.92/88.73.

Note that the market had broken both 79.78 (medium-term pivot) and 77.07 (short-term pivot)

But has rallied fiercely

**Look closer still.**

**More**



## Currencies: Dollar Yen

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### Dollar Yen daily spot cash chart

The October rally was dramatic but the sellers have stepped in again where the August rally failed.

The critical band of resistance where the market failed before...

**Stay square. Watch the developing trading range.**



## Currencies: Sterling Euro

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#### Interest rates

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### Sterling Euro monthly spot cash chart

Look closer:



More



## Currencies: Sterling Euro

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### Sterling Euro daily spot cash chart

In short there is a lack of clarity.

The set-back is still within the short-term range.

**Watch and wait for a break of the range.**



## Stocks

**STOCKS:** The breakdown of last week was widespread and quite sharp. All relief rallies are running into well-established resistances. The bears are still in charge.

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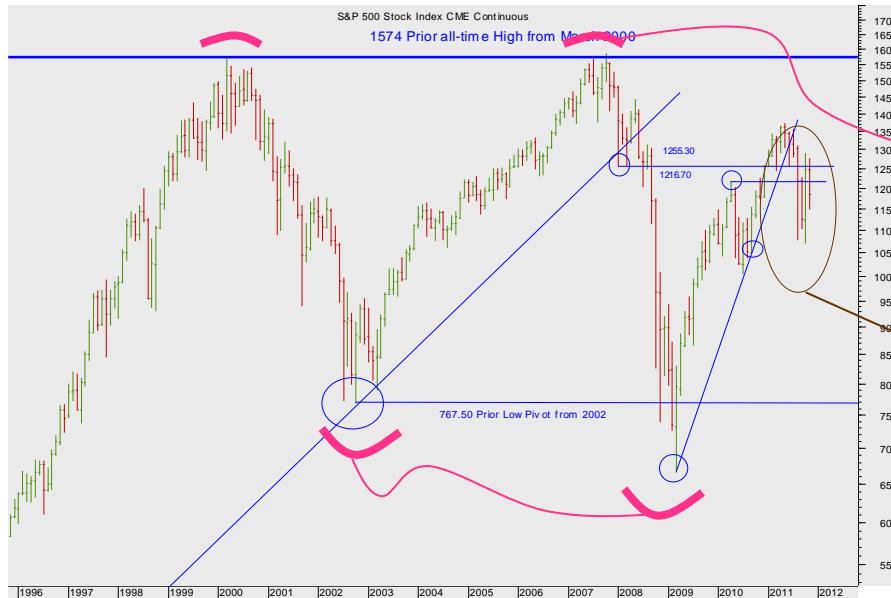
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### Stocks: CME S&P 500



#### CME S&P 500 monthly cont. futures chart

The double failure at 1553 and 1555 - right at the 1574 High from 2003 has been **very negative** for the market long-term..

But the violent price action of the last three months requires closer attention...

Look closer.

More



## Stocks: CME S&P 500

### Summary

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- + Sterling Euro

### Stocks

- + CME S&P 500
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## CME S&P 500 cont weekly cont. chart

The bull market trend from 2009 **failed**:

1. A Head and Shoulders Top was completed.
2. The Prior high support at 1216.70 is smashed.
3. The Fibonacci support at 1216 too is smashed.

**Yet a rally was strong – testing the horizontal resistance 1241-1252 and the neckline... Where it failed.**

## CME S&P 500 DEC 11 Day chart

In the Dec 11 chart a substantial double Bottom had been completed but that is now under threat...with the breakdown through 1223/1214.

The substantial resistance from the old Neckline has proved too powerful for the bulls.

More



## Stocks: CME S&P 500

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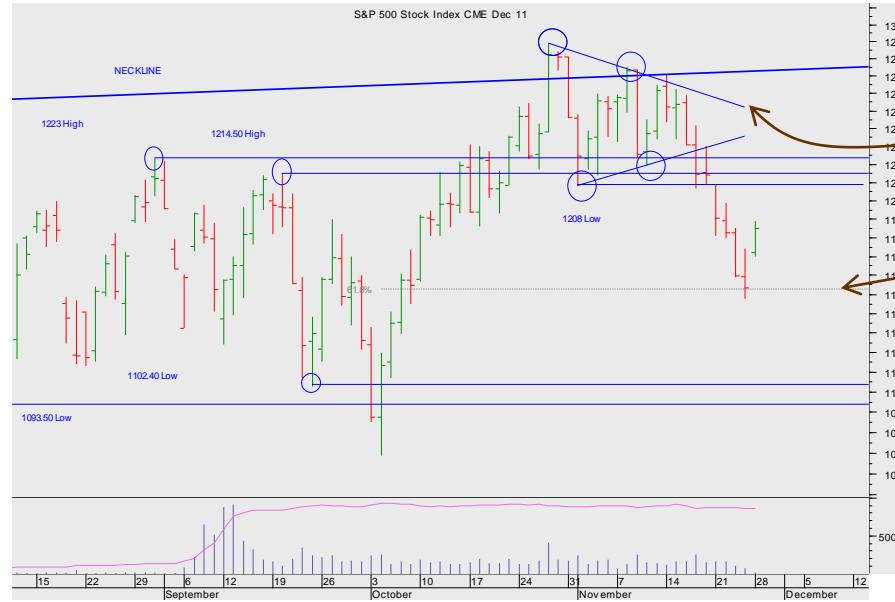
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### Commodities

- + Nymex WTI Oil
- + Comex Gold



### CME S&P 500 cont daily Dec 11 chart

The triangle looks to have been a Reversal signal...we are sellers.

Note the bounce at the Fib support....



## Stocks: Eurex EuroStoxx 50

### 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

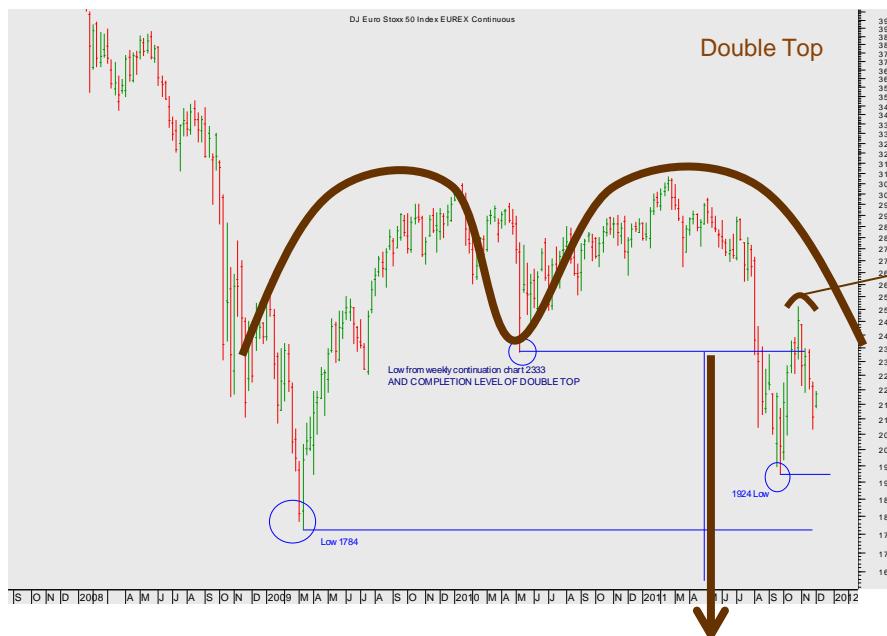
- + Nymex WTI Oil
- + Comex Gold



### Eurex EuroStoxx 50 monthly continuation futures chart

Note the stalled rally of 2009/2010 at 3050. From which the recent fall **created a Double Top that completed a break down through 2333....**

**But watch the rally back.. Already the resistance at 2333 has been tested...**



### Eurex EuroStoxx 50 weekly continuation futures chart

That 2333 level that created a Double Top has been penetrated.

**But looks looks to have failed.**

**More**



## Stocks: Eurex EuroStoxx 50

### 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
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### Interest rates

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- + Liffe Short Sterling

### Commodities

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- + Comex Gold



### Eurex EuroStoxx 50 Dec 11 futures chart

The bears had the initial signal of the breakdown through the 2183-223 supports.

Now watch the rally to the first resistance at 2189-2213.

If the bears are right that band should be good resistance.



## Stocks: Liffe FTSE 100

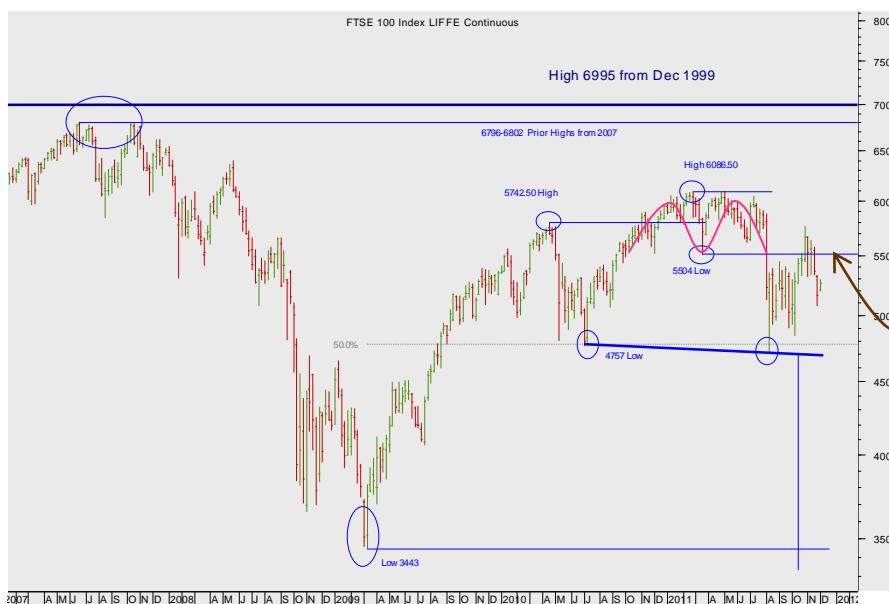


### Liffe FTSE 100 monthly continuation futures chart

The market is in a massive trading range (or a possible large bull Continuation Triangle)

And within that range the market completed a small Double Top by falling through 5504 and dipped as far as the 4757 low.

Look closer at the rally back to 5504...



### Liffe FTSE 100 weekly cont. futures chart

In greater detail, we can see the completed Double Top...

Yet the bounce has failed to break back through the Double Top completion level (now resistance) at 5504.

**More**



## Stocks: Liffe FTSE 100

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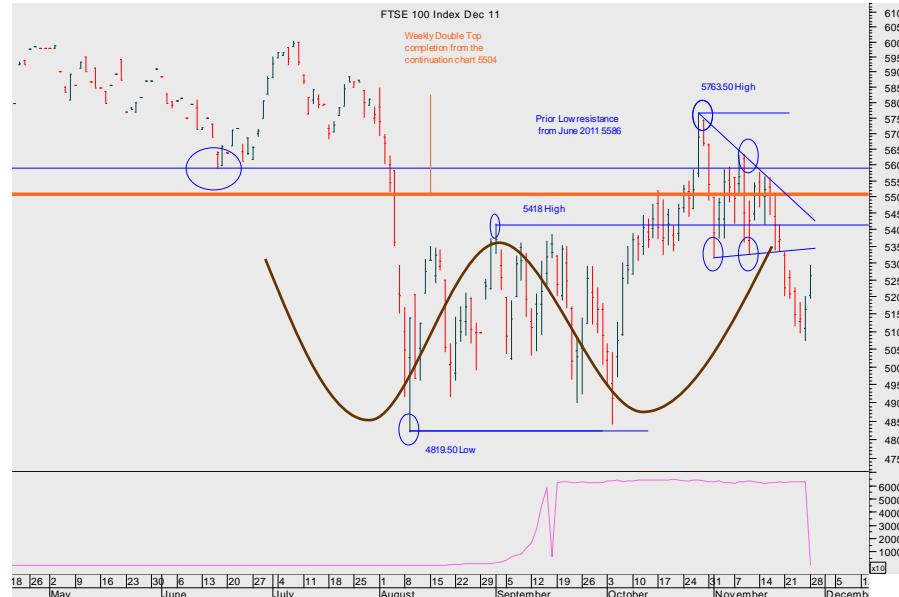
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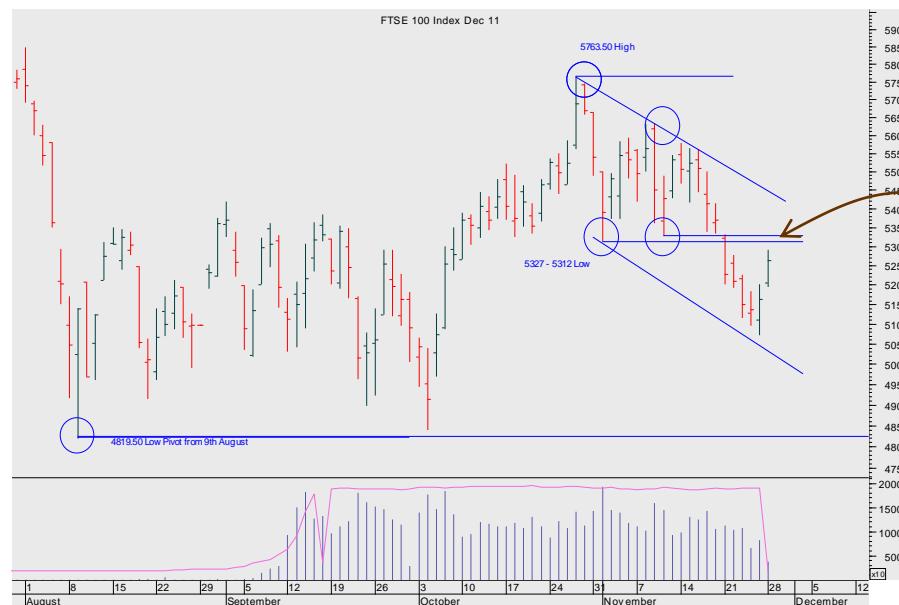
### Commodities

- + Nymex WTI Oil
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## Liffe FTSE 100 DEC11 futures chart

The market has smashed the completion level of the Double Top (5418) and completed a triangle REVERSAL which is unusual.



## Liffe FTSE 100 daily cont. futures chart

In greater detail, watch the resistance from the Prior Lows 5327-5312.



## Stocks: OSE Nikkei 225

### Summary

### Currencies

- + Dollar Euro
- + Dollar Sterling
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### Stocks

- + CME S&P 500
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### Bonds

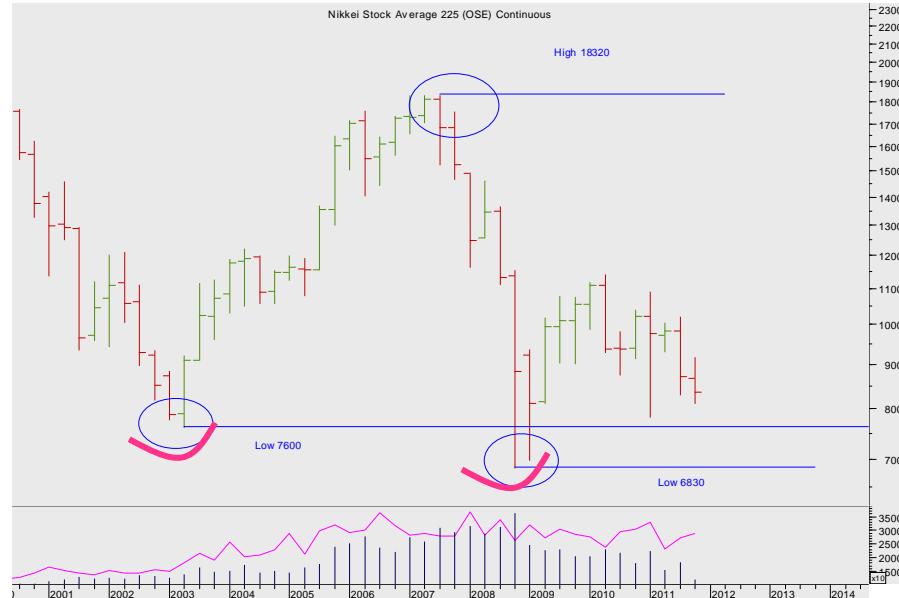
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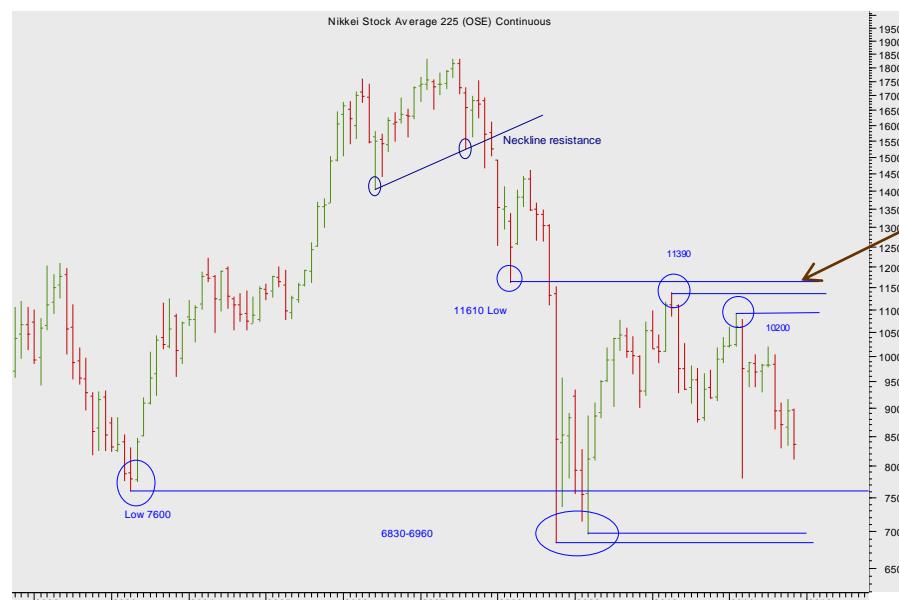
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## OSE Nikkei 225 quarterly continuation futures chart

In 2008 the market traded down to the Pivotal level of the 7600 low and bounced hard.

A trading range has resulted.



## OSE Nikkei 225 monthly cont. futures chart

This added detail adds little except the clear multiple failure at the 11610 resistance level.

More



## Stocks: OSE Nikkei 225

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### Commodities

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- + Comex Gold



## OSE Nikkei 225 weekly cont. futures chart

A horizontal trading range has resulted from the beginning of April.

## OSE Nikkei 225 daily Dec 11 futures chart

In the very short-term the band of resistance 8640-8600 - has driven the market down to the Prior Low Pivot - but there is a lack of clear structure.

**Stay square.**



## Bonds

**BONDS:** The underpinning of the powerful sovereign bond markets here looks to be eroding. Note especially the Yen Bond market's retreat and the completion therein of a small but very clear bear Double Top. Equally the Bund is threatened by the accumulation of small bear breaks through short-term supports.

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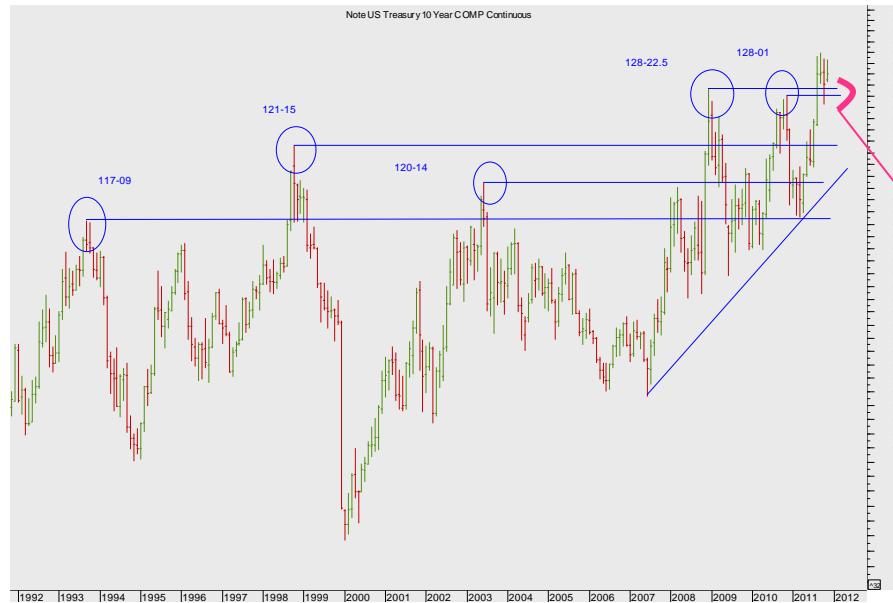
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#### Commodities

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- + Comex Gold

### Bonds: CBOT Ten Year Notes



**CBOT Ten Year Notes monthly futures continuation chart**

The market has broken through its all-time-highs.

The band 128-01/22.5 is now enormously powerful support beneath the market.

Now look closer.

More



## Bonds: CBOT Ten Year Notes

### Summary

#### Currencies

- + Dollar Euro
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#### Stocks

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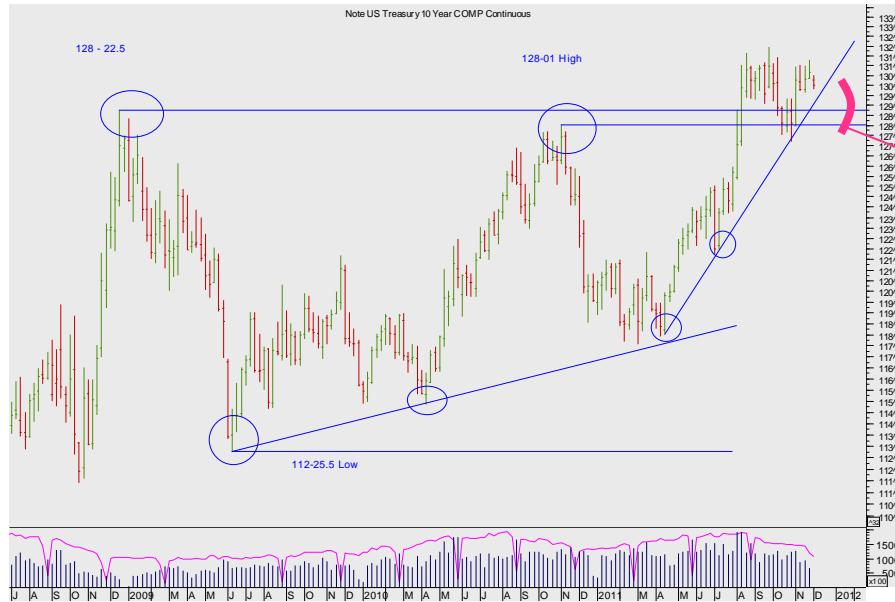
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### CBOT Ten Year Notes weekly futures continuation chart

The market has off that support band 128-01/22.5.

**Adding to the bullishness of the situation.**



### CBOT Ten Year Notes DAILY DEC11 futures chart

The market clearly has bounced twice off the support.

So it looks underpinned... But bulls need a break of the 131-30 recent High to be reassured.



## Bonds: Eurex Ten Year Bund

### 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

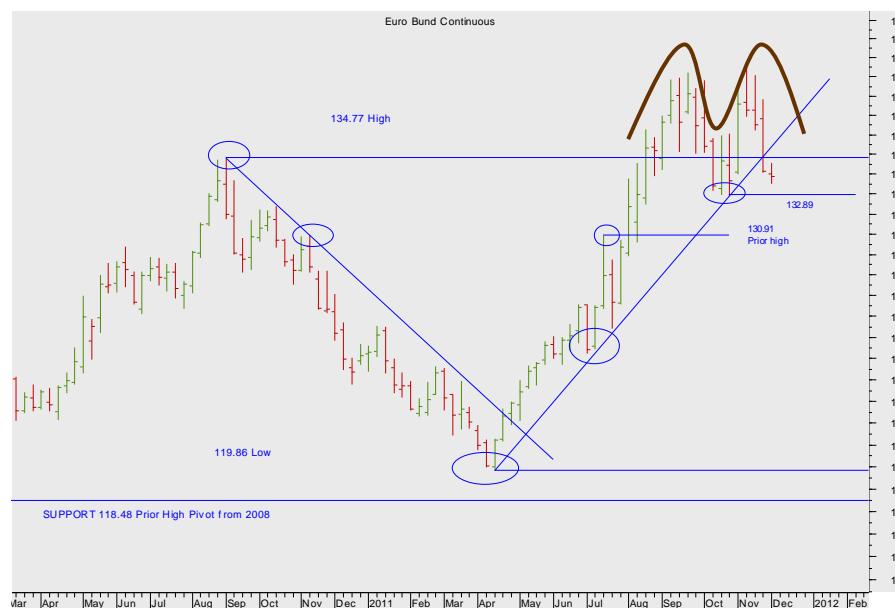
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#### Interest rates

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#### Commodities

- + Nymex WTI Oil
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### Eurex Ten Year Bund quarterly futures continuation chart

The market's rally has finally broken the All Time Highs.

### Eurex Ten Year Bund weekly cont. futures Chart

But the Prior High support from the 134.77 looks under threat ... Watch for a breakdown through the combined supports – signalled by a break back through the 132.89 level – implying that the 134.77, 132.89 and the diagonal support would all have been broken.

Moreover a bear Double Top created.

More



## Bonds: Eurex Ten Year Bund

### Summary

#### Currencies

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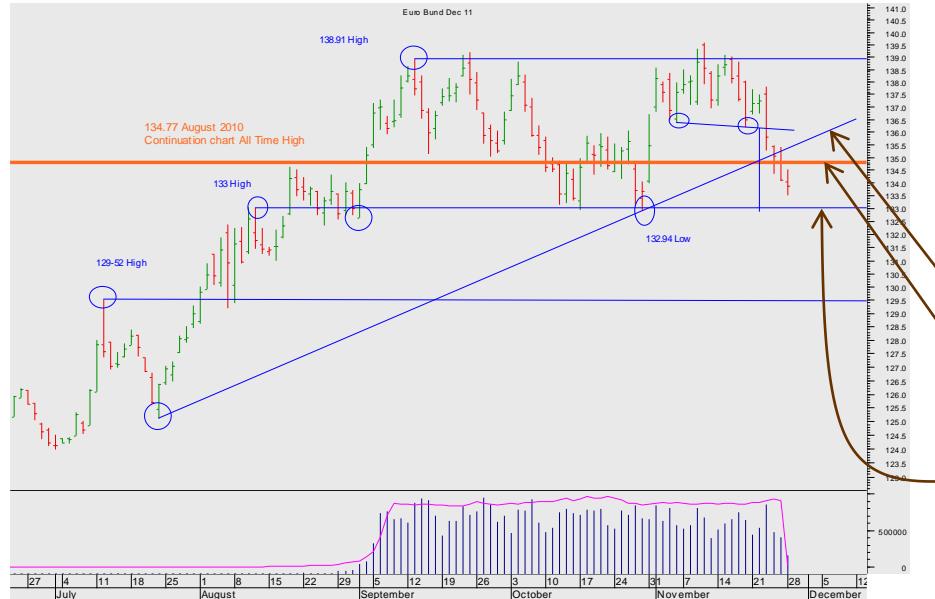
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### Eurex Ten Year Bund DEC11 daily futures chart

The market is in a fascinating sideways channel.

The break of the diagonal is important, as is the penetration of the 134.77 medium-term support.

The trigger for the bears will surely be the break of the 132.94 level.

Completing a double Top.

Until then stay square.



## Bonds: TSE Ten Year JGB

### Summary

#### Currencies

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

#### Stocks

- + CME S&P 500
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- + Liffe FTSE 100
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#### Bonds

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#### Interest rates

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#### Commodities

- + Nymex WTI Oil
- + Comex Gold



### TSE Ten Year JGB monthly futures continuation chart

There is a lack of structure – bulls need the market to break the band of Prior Highs 144.31-145.28....

Look closer.



### TSE Ten Year JGB weekly continuation futures Chart

The Double failure at the 143.07 level does not bode well.

Look closer.

More



## Bonds: TSE Ten Year JGB

### Summary

#### Currencies

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

#### Stocks

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

#### Interest rates

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

#### Commodities

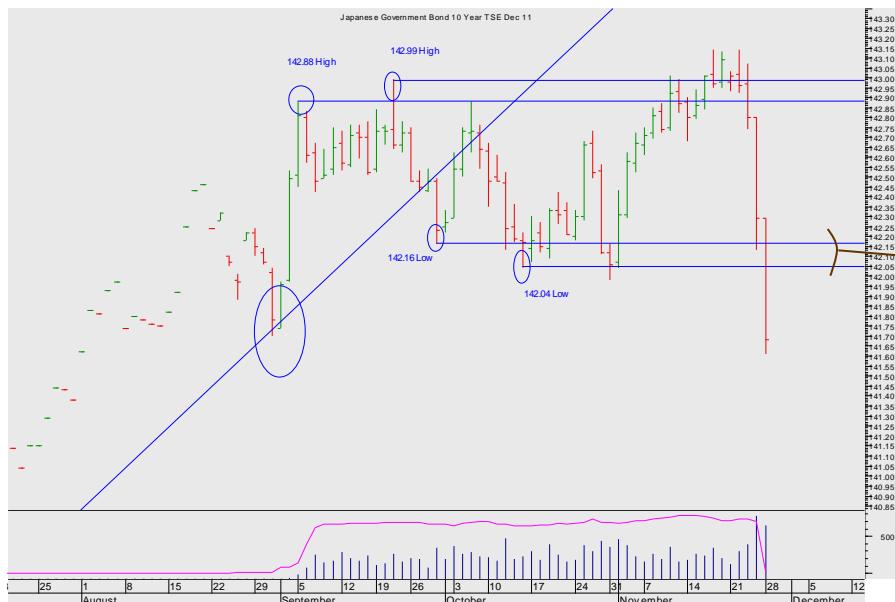
- + Nymex WTI Oil
- + Comex Gold



### TSE Ten Year JGB Dec 11 futures chart

Surely this is a clear Double Top?

Look closer.



### TSE Ten Year JGB DEC 11 daily futures Chart

The bears are in charge.

A small Double Top is in place.

All rallies to the band of resistance at 142.02-142.16 should be sold.

**Minimum target for the bears?  
141.00**



## Interest rates

**SHORT INTEREST RATE FUTURES:** Short Sterling's rally is impressive and underlines the importance of the medium-term structures. The Eurodollar remains weak. Euribor is sidelined.

### 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 monthly Jun 12 futures chart

The long march of the Eurodollars – the market has been ratcheting better and looks set to do so again on the support from the recent Prior High 99.12.



## Interest rates: CME Eurodollar 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

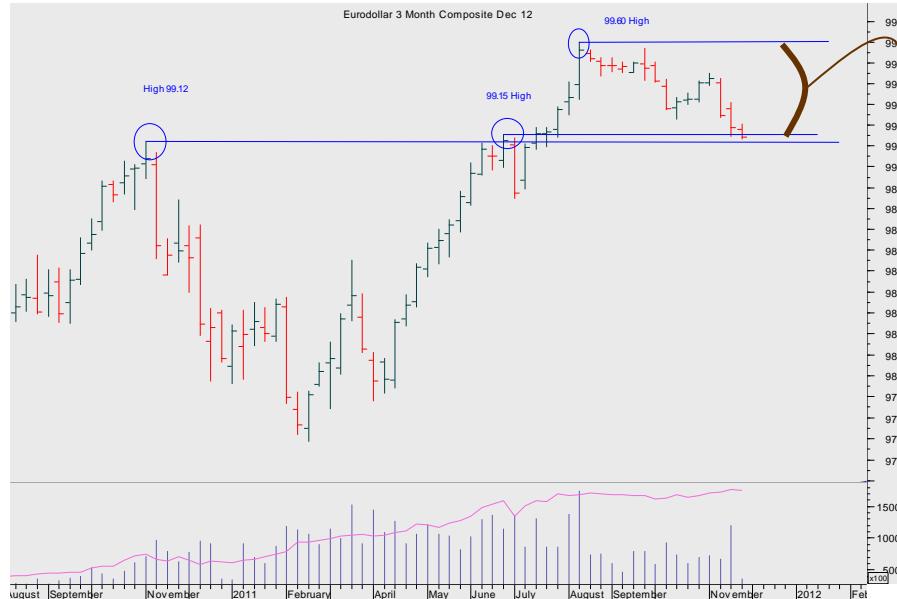
- + CBOT US Ten Year Notes
- + Eurex Ten Year Bund
- + TSE Ten Year JGB

### Interest rates

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

### Commodities

- + Nymex WTI Oil
- + Comex Gold



### CME Eurodollar rates weekly Jun 12 futures chart

The drive up through the 99.12/15 Prior Higns has not been sustained watch the retracement to that support from the Prior High at 99.12.



### CME Eurodollar rates daily Jun 12 futures chart

This suggests some determined bearishness in the short-term.

The failure of the rally to get back through this band of resistance has enthused the bears....

So too has the failure of the Pivot at 99.2250.

But the support at 99.12 is powerful.

**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

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

### Interest rates

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

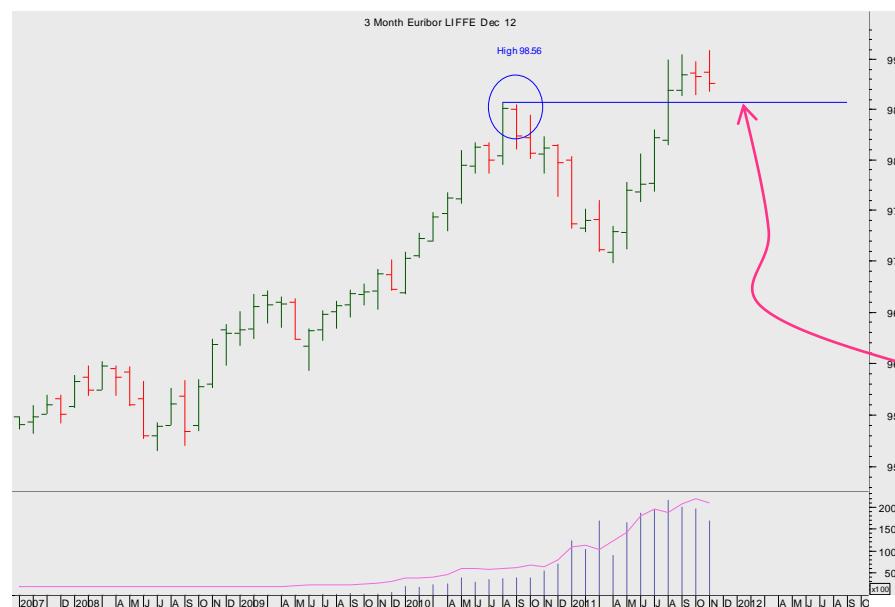
### Commodities

- + Nymex WTI Oil
- + Comex Gold



### Liffe Euribor rates Monthly continuation futures chart

The pull-back to the 98.26 Prior high support revealed important support;



### Liffe Euribor rates monthly Dec 12 futures chart

At the same time, in the Dec 12 contract, the market has broken the All Time Highs yet is finding it difficult to sustain the bull momentum.

The main support is clearly 98.56 - medium-term.



## 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

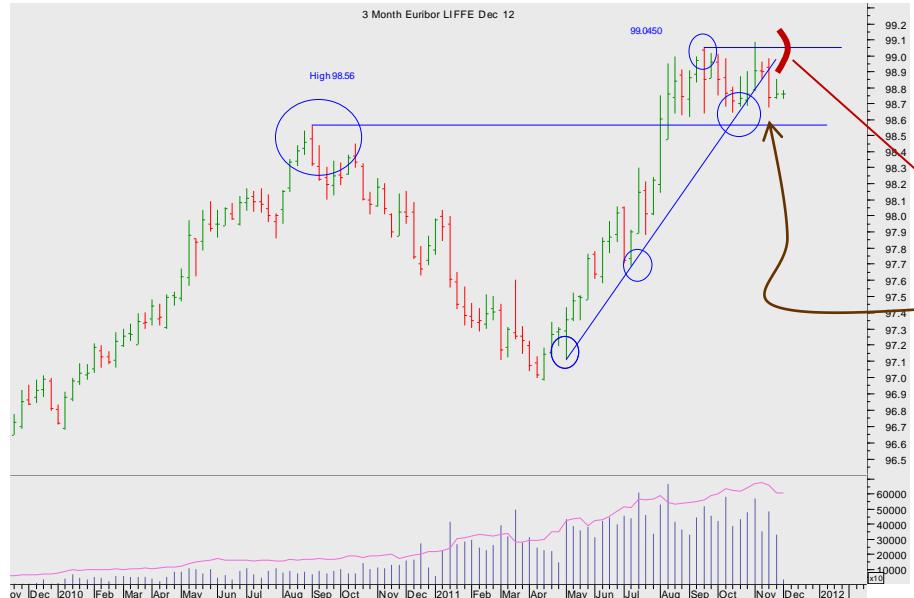
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#### Interest rates

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

#### Commodities

- + Nymex WTI Oil
- + Comex Gold



### Liffe Euribor rates Weekly Dec 12 futures chart

We are ADDITIONAL buyers above 99.045.

We are long at current levels with Stops beneath 98.56.

The diagonal support has been broken – but that is of minor significance.



### Liffe Euribor rates daily Dec 12 futures chart

Yet this trading range is dominating everything...nor is there a compelling structure within in.

Wait for a break of the range.



## Interest rates: Liffe Sterling 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 Sterling

#### Commodities

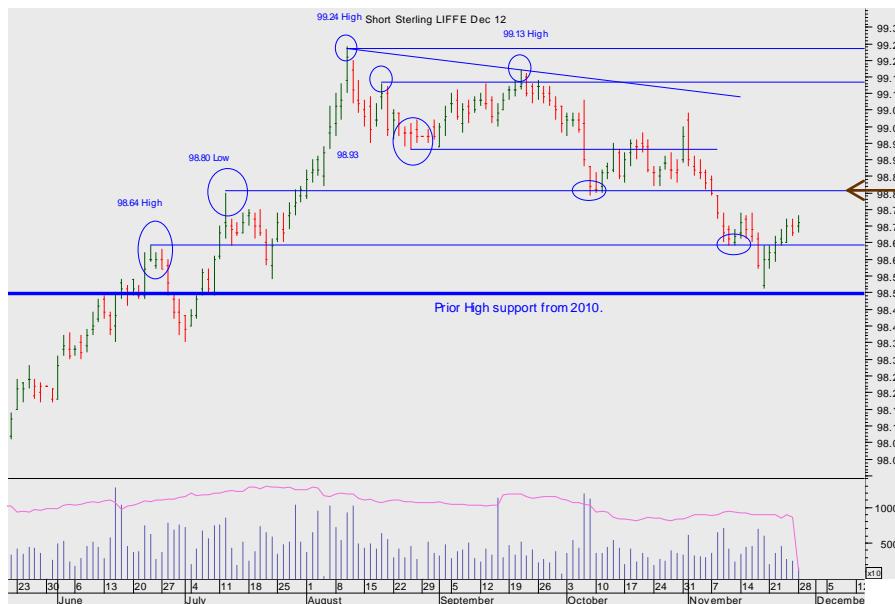
- + Nymex WTI Oil
- + Comex Gold



## Liffe Sterling rates weekly Dec 12 futures chart

The market's long-term rally is intact - the trend far from being clearly tested...

Note well the break through the Prior Higns.



## Liffe Sterling rates daily Dec 12 futures chart

And those Prior Higns have been good support – next resistance looks to be 98.80.

**More**



## Commodities

**COMMODITIES** Oil's medium-term resilience is intact, but short-term the market lacks coherence. Gold is poised to complete a bear flag with considerable bear potential.

### 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



### Oil monthly cont. chart futures

The long perspective emphasises the bounce off the \$40 level. And the creation of a large bear rising wedge... Which has completed....

More



## Commodities: Nymex WTI Oil

### 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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#### Interest rates

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

#### Commodities

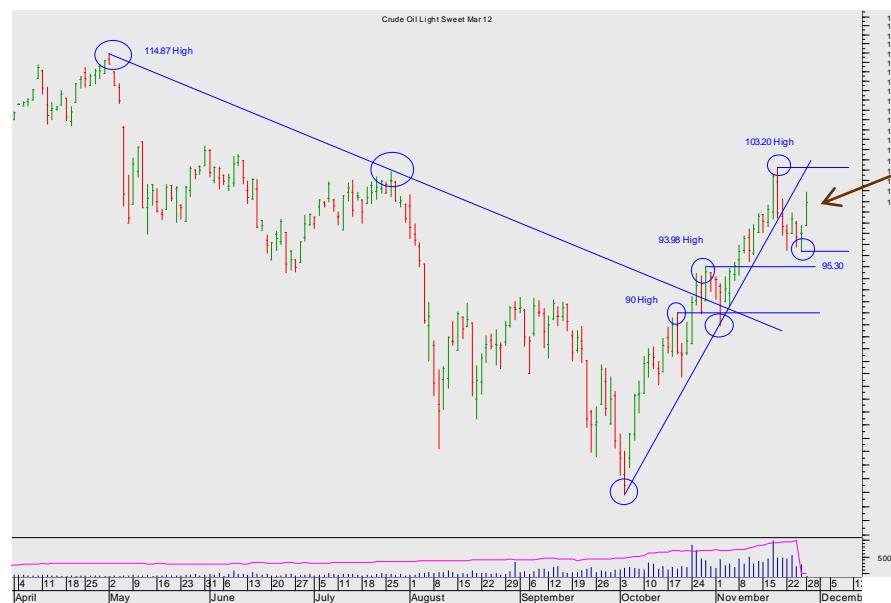
- + Nymex WTI Oil
- + Comex Gold



### Oil weekly cont chart futures

The rally back has been sharp (aided by a Double Bottom) and because breaking good resistances ... **impressive.**

**Study the detail.**



### Oil daily chart MAR 12 futures

No Double Bottom discernable in the March chart interestingly, but the steep trend was impressive.

**But the lack of structure suggests standing back unless already long.**



## Commodities: Comex Gold

### 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

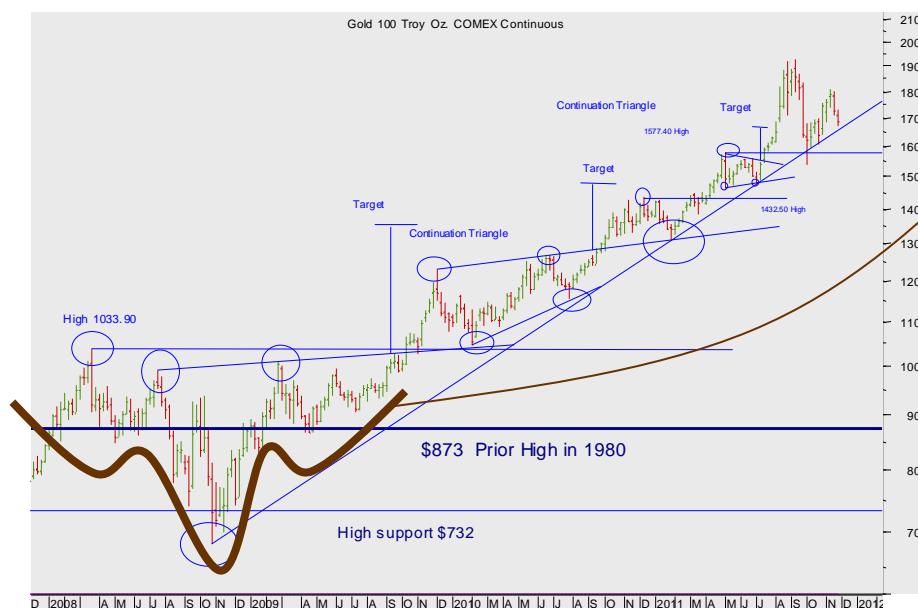
#### Commodities

- + Nymex WTI Oil
- + Comex Gold



### Comex Gold futures monthly cont. chart

The long-term chart is well-known wherein the 1980 Prior High of \$873 levered the market better thanks to the momentum from the completed Continuation Triangle



### Comex Gold Dec 11 cont. chart

The medium-term driving patterns of the market:

The catalyst for the break of 1980's 873 High was the completion of a continuation Head and Shoulders pattern....



## Commodities: Comex Gold

### 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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- + TSE Ten Year JGB

### Interest rates

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

### Commodities

- + Nymex WTI Oil
- + Comex Gold



### Comex Gold Dec 11. Weekly chart

The rally has been clear and powerfully supported by the trendline support .

Look at the recent pull-back... To the diagonal and horizontal supports.

Note well the bounce,



### Comex Dec 11 futures daily chart

The trouble is that bounce looks like a bear flag in the making.

Watch the 1698.40 level, where the market is pausing now.

A clear break of that will lead to a test of the 2008 trendline support beneath on the weekly chart.



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