



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE



SUMMARY

POSITIONS

+ Bund (NEW)

+ Oil (NEW)

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Key Trade Bulletin 6th January 2015

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Summary

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6th January 2015 LONG Bund @ 156.94. Stop 153.10. Take profit @ 179

6th January 2015 SHORT Oil @ 49.65. Stop \$59. Take profit @ 40.75



(1) TECHNICAL LONG Bund @ 156.94. Stop 153.10. Take profit 179.

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WEEKLY continuation chart.

The market accelerating away.
We want to buy it with a long stop
beneath the nearest support.



Daily Chart

The market should find good
support at and beneath 155.44.

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More



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(1) TECHNICAL LONG Bund @ 156.94. Stop 153.10. Take profit 179.

The Bund remains a strong Bull market driven by both domestic and foreign dynamics.

In the Euro zone growth remains weak and inflation all to close to morphing into deflation, with a Central Bank that has been far too slow and hesitant in taking action.

Abroad weak growth in countries such as China and Japan serves only to compound fears that global growth generally is weak, meaning investors are driven to assets such as the Bund.

And even if the ECB starts a QE program in the very near future it will offer the Bund additional support.

In summary until the Euro zone economy can be brought out of its torpor we judge the Bund is a short/medium and long term bull market and advise going long.



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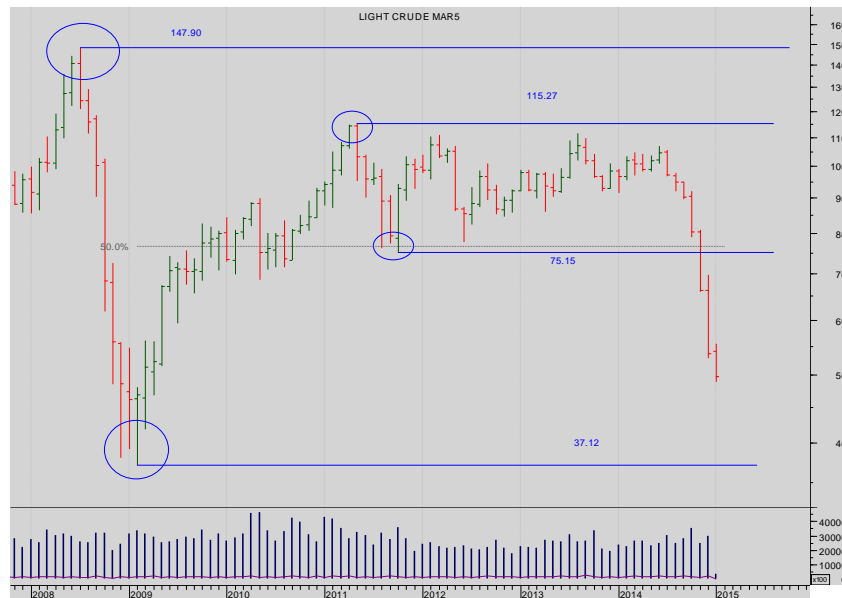
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Weekly Chart continuation:

The collapse will go further. The question is how close to establish a stop.



Daily Chart Mar15:

The prior low of 54.33 is should be good resistance on a rally.

More



(1) TECHNICAL SHORT Oil @ 49.65. Stop \$59. Take profit @ 40.75

The story in oil is simple too much oil chasing too little demand.

Within that statement the detail is more interesting. The shale oil revolution has transformed the oil market. Only a few short years ago the conversation was one of peak oil; no more. Shale oil has been discovered in many, many countries around the world and in large quantity.

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OPEC believes by maintaining excess production and driving the oil price down it will keep shale in the ground and retain its control over the oil market; wrong. Whether in the ground or in production shale has caused a paradigm shift and the oil price is set to go lower yet.

In summary go short oil.



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