



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE



SUMMARY

POSITIONS

- + S&P
- + Sterling Euro
- +
- +
- +

[Alpha
capture
Performance
to date
from 2006](#)

Multi-Asset Trade Recommendations

2nd June 2015

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Mark Sturdy

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Summary

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20th May 2015 LONG JUN S&P @ 2125. Stop 2089

28th May BUY Sterling SELL Euro @ 0.7135 . Stop @ 0.7351



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(1) TECHNICAL 20th May 2015 LONG JUN S&P @ 2125. Stop 2089.



WEEKLY continuation chart.

The market is driving higher, supported by both prior Highs and the band of diagonal support.



Daily Chart

This is particularly encouraging for the bulls.

The attempt to drive down beneath the 2108 Prior High has begun again and we are in danger of being stopped out.



(1) TECHNICAL 20th May 2015 LONG JUN S&P @ 2125. Stop 2089.

The S&P was constrained last week by the Q1 GDP report. Although marginally better than expected, a downward revision left Q1 GDP at a weak -0.7% on an annualised basis.

Add in the continuing uncertainty generated by Greece and equities were in a wait and see mood.

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This week sees the release of the ISM non-manufacturing survey tomorrow and non-farm payroll on Friday. Although Fed Chair Janet Yellen last week stated her intention to begin hiking rates this year, a weak pay roll number would certainly give reason to keep that intention under review.

However, we judge the payroll report will at least meet consensus, meaning the economy rate of new job creation would be consistent with a healthier pace of growth than seen in Q1, that being the case and assuming the Euro zone makes progress with Greece, this market should rally.

In summary hold the trade.



(1) TECHNICAL 28th May BUY Sterling SELL Euro @ 0.7135 . Stop @ 0.7351

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Weekly Chart continuation:

The Euro bears have go excited. Note the breakdown through the Prior Low at 0.78,

Then the break of the rising diagonal from the year 2000.

Then the smashing of the support from the High ion 2003.

Now look closer....

Daily Chart:

This looks less clear now:

We thought the parallel flag had completed

Cautious bears will wait for the break of the Prior low.

The retracement is unsettling.



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More



(1) TECHNICAL 28th May BUY Sterling SELL Euro @ 0.7135 . Stop @ 0.7351

Last week's Q1 GDP report suffered a surprise downward revision, but recent retail sales data points to growth having quickened during the 2nd quarter. Moreover a recent CBI survey found economic activity had significantly picked up and was indicating an accelerating growth rate rather than a prolonged period of cooling activity.

This week sees the release of the PMI Services survey, clearly an as expected or stronger report will be bullish for Sterling.

We advise holding the trade. The Greek question remains unresolved and although we think a deal will eventually be done, continued uncertainty is a negative for the Euro.

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SEVEN DAYS AHEAD

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