



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE



SUMMARY

POSITIONS

- + FTSE (NEW)
- + Dollar Sterling
- +
- +
- +

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

Multi-Asset Trade and Investment Recommendations

20th January 2016

John Lewis
Mark Sturdy

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20th Jan 2016 Sell FTSE March 16 @ 5636 STOP @ 5791. Target 5250.

12TH January 2016 SELL Sterling BUY Dollars @ 1.4425. Stop 1.4341. Target 1.35.



SUMMARY

Positions

+ FTSE (NEW)

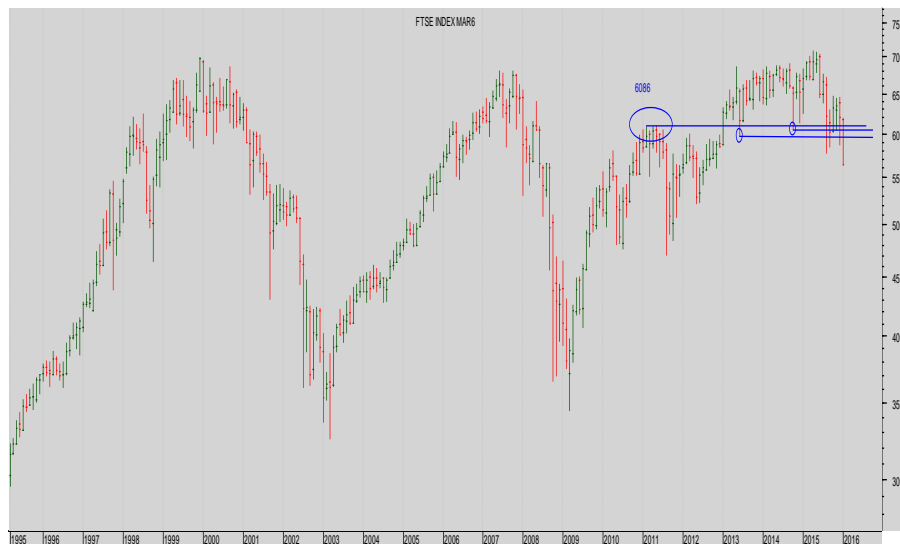
+ Dollar Sterling

+

+

+

(1) TECHNICAL 20th Jan 2016 Sell FTSE March 16 @ 5636 STOP @ 5791



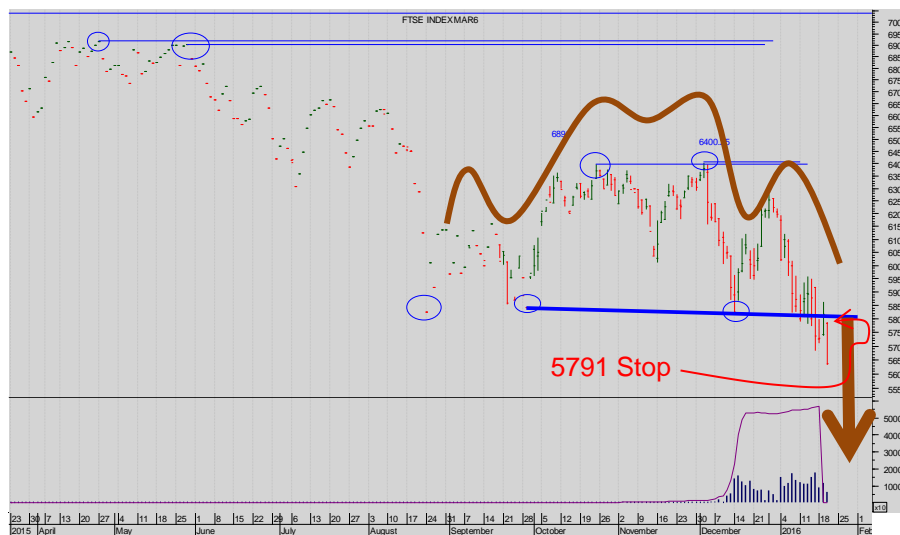
MONTHLY continuation chart.

The market the market has failed three times at the 6000 level.

The market has broken down through the Prior High Support at 6086.

The market has completed a multiple TOP over the last three years. The measured move for the top is around 5250.

That is a drop of about 7%



Daily Chart

This is a H&S continuation pattern.

The measured move is down to 5250.

That is a drop from current levels of about 7%

Sell at current levels (5636)
Stops 5791

Disclaimer

More



(1) **FUNDAMENTAL:** 20th Jan 2016 Sell FTSE March 16 @ 5636 STOP @ 5791

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The FTSE continues to suffer under the weight of anxiety concerning the strength of the Global economy.

The Chinese economy has clearly weakened and although the US Federal reserve hiked rates in December, recent economic data asks several questions about the timing of the move.

In the UK the Bank of England governor let it be known yesterday that the chances of a rate hike this year are virtually non existent, he has concerns about global economic weakness affecting the UK economy.

Add in the collapse of the oil price that has hit capital values of many FTSE listed oil firms together with related stocks such as miners and the FTSE looks very vulnerable to the downside as global equity markets continue to sell off.

In summary the equity markets look weak and the FTSE particularly so and we recommend going short.



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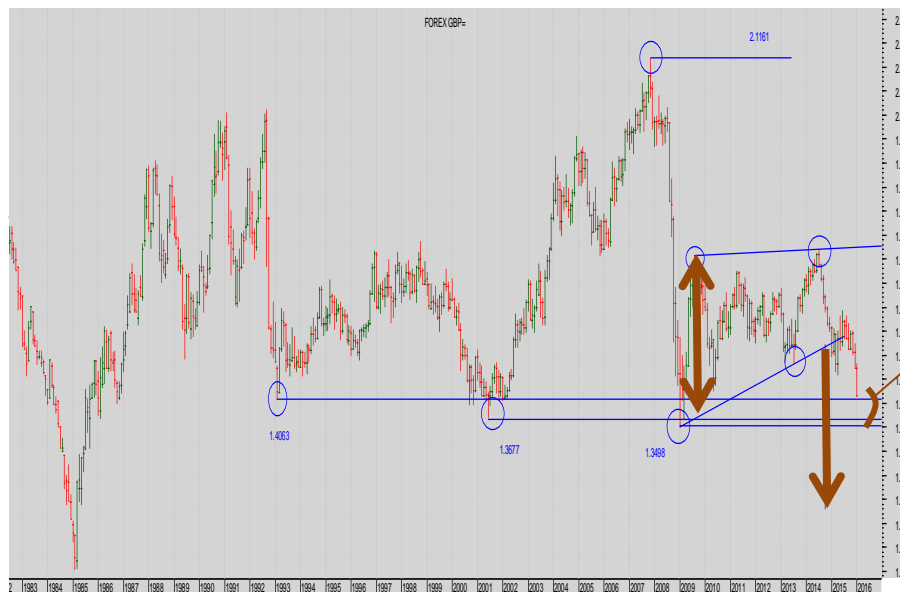
+ Dollar Sterling

+

+

+

(2) TECHNICAL: 12TH January 2016 SELL Sterling BUY Dollars @ 1.4425. Stop 1.4341. Target 1.35.



Weekly Chart continuation:

The continuation triangle looks as though it is driving the market.

The minimum move is as far as 1.20.

But note the importance of the band 1.35-1.40.

A break of that would complete an even larger bear pattern set to drive the market still further.



Daily Chart :

The market has driven down through the Prior Low of 1.4563.

We are lowering our stop 1.4341.

Stay short with tight stops!



(2) TECHNICAL: 12TH January 2016 SELL Sterling BUY Dollars @ 1.4425. Stop 1.4341. Target 1.35.

Last week's Industrial production report was weak, likely due in part to the collapsing oil price and the fall out on that industry generally. However the NIESR GDP estimate still reported solid growth.

But the Pound is under pressure due to two factors:

1. The uncertainty generated by "Brexit", and
2. The Governor of the Bank of England's comments yesterday that revealed policy makers are no where near hiking rates due to global growth concerns.

Indeed one MPC member raised the possibility of easing if the economy cooled of further.

In summary we advise holding the trade but note the lowered stop loss.

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SEVEN DAYS AHEAD

Authorised and Regulated by the FSA

124 REGENTS PARK ROAD LONDON NW18XL

TEL +44 (0) 7849 922573 E-MAIL msturdy@sevendaysahead.com,

jlewis@sevendaysahead.com

WEB SITE SEVENDAYS Ahead.COM

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