



25th October 2016

the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

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

Commodities

- + Nymex Oil
- + Comex Gold

PERFORMANCE 2006 to date

Disclaimer



Multi-asset technical strategies

Mark Sturdy

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summary

Very powerful signals arise when the charts are aligned in all three time frames - see highlights

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Long-term BEAR Euro	Medium-term BEAR Euro	Short-term BEAR Euro
Long-term BEAR Sterling	Medium-term BEAR Sterling	Short-term FLAT Sterling
Long-term BEAR Yen	Medium-term BEAR Yen	Short-term FLAT Yen
Long-term BULL	Medium-term BULL Euro	Short-term BEAR
Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BEAR	Medium-term FLAT	Short-term BULL
Long-term FLAT	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term FLAT	Short-term FLAT
Long-term BEAR	Medium-term BEAR	Short-term BEAR
Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term FLAT	Short-term FLAT
Long-term BEAR	Medium-term BEAR	Short-term BEAR
Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BEAR	Medium-term BEAR	Short-term BEAR



Currencies: Dollar Euro

CURRENCIES

The Euro has started weakening sharply – important levels have been broken against the Dollar, and there has been a persistent drift against Sterling too, although that is a retracement within a good trend.

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Dollar Euro monthly spot cash chart

This very long term chart, describes a bear parallel channel

The market broke the 1.20 level (which was also Fibonacci support) and now is POWERFUL RESISTANCE

We note the possible creation of a bear continuation Triangle... Watch for a completion move down through the lower boundary about 1.06

More



Currencies: Dollar Euro

Summary

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Stocks

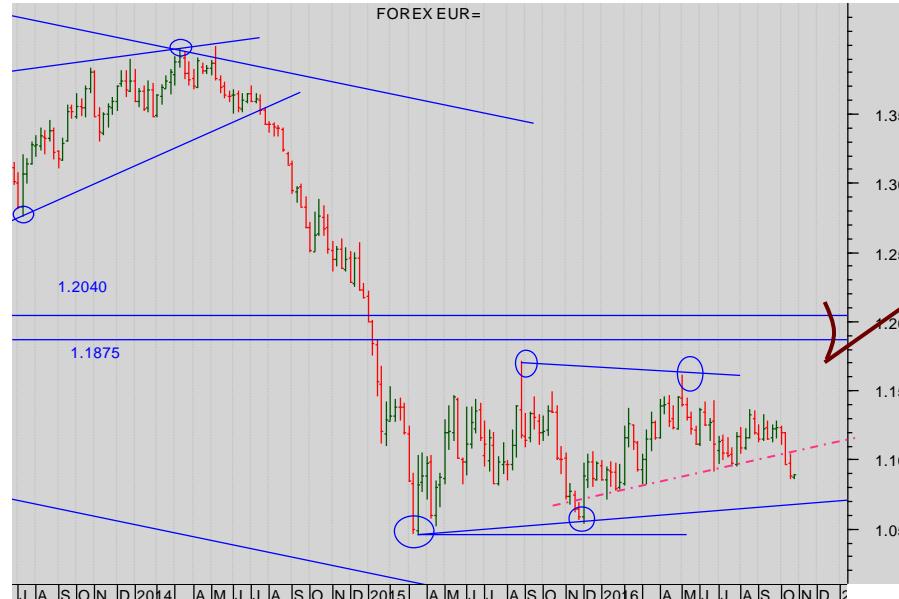
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Dollar Euro weekly spot cash chart

That evolving triangle in more detail.

That band of 1.1875/1.2040 is massive resistance on any retracement.

But essentially we are in the middle of a range within the large triangle.

Yet yet, is that a small completed H&S Continuation pattern? Not clear...

Dollar Euro spot cash chart daily chart...



The market is breaking beneath the Prior lows – which will help ratchet it lower by creating resistance above the market.

Watch for a sustained break beneath 1.0909.

Currencies: Dollar Sterling



Summary

Currencies

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

Stocks

- + Standard & Poors 500
- + European DJ Stoxx 50
- + FTSE 100
- + Nikkei 225

Bonds

- + Ten year US Treasury Note
- + Ten year Euro Bond
- + Ten year Japanese Bond

Commodities

- + Dollar rates
- + Euribor rates



Dollar Sterling Monthly spot cash chart

Cable has broken down through the Prior Pivotal lows of 1993, 2001, 2008 and 2016 - all of whom should now act as good resistance. A massive Multiple Top has formed.

The triangle forming the second shoulder of the H&S pattern has achieved its minimum move target.



Dollar Sterling weekly spot cash chart

This is another bear continuation Triangle.

But the market has also achieved the measured Target of the small continuation Triangle, about 1.23

Now look closer.

More



Currencies: Dollar Sterling

Summary

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

Stocks

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- + OSE Nikkei 225

Bonds

- + CBOT US Ten Year Notes
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Commodities

- + Nymex WTI Oil
- + Comex Gold
- + Liffe Short Sterling



Dollar Sterling daily spot cash chart

In greater detail...

The targets of both the small short-term and the medium-term triangle have been achieved.

The bear trend remains in place – but expect a loss of momentum (as we have already seen)



Currencies: Dollar Yen

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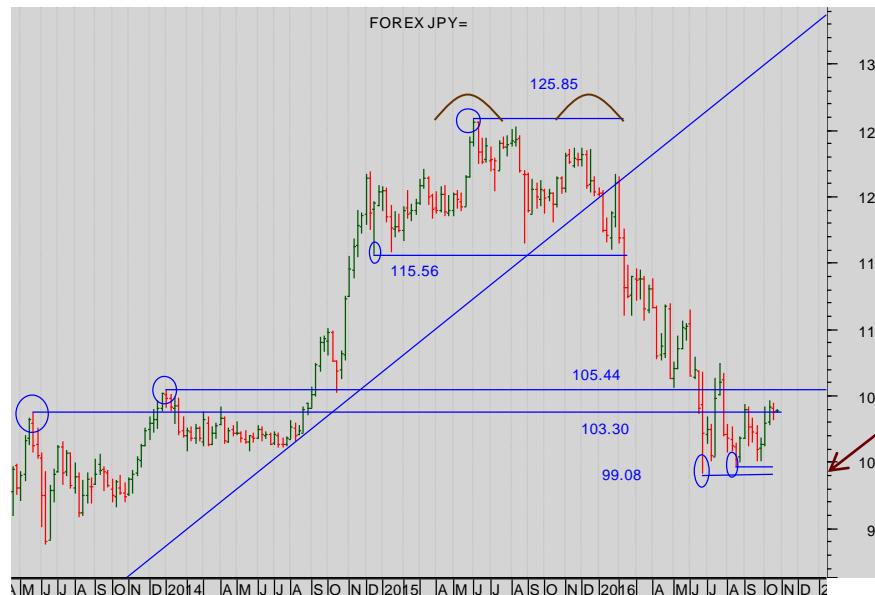
Dollar Yen monthly spot cash chart

But the market looks to have topped out around 125...

And has returned towards good support at 102.

Watch carefully for a break of 102.

Yet there is good support here from both the horizontal and the diagonal.



Dollar Yen weekly spot cash chart

The break of the horizontal supports at 105.44/103.30 has created powerful resistance.

The market is vulnerable to more medium-term selling.

Watch for a break down through 99.08.

More



Currencies: Dollar Yen

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Commodities

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Dollar Yen daily spot cash chart

There's a possible triangle beneath the 106.14 resistance.

Watch for a breakdown through 100.



Currencies: Sterling Euro

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Stocks

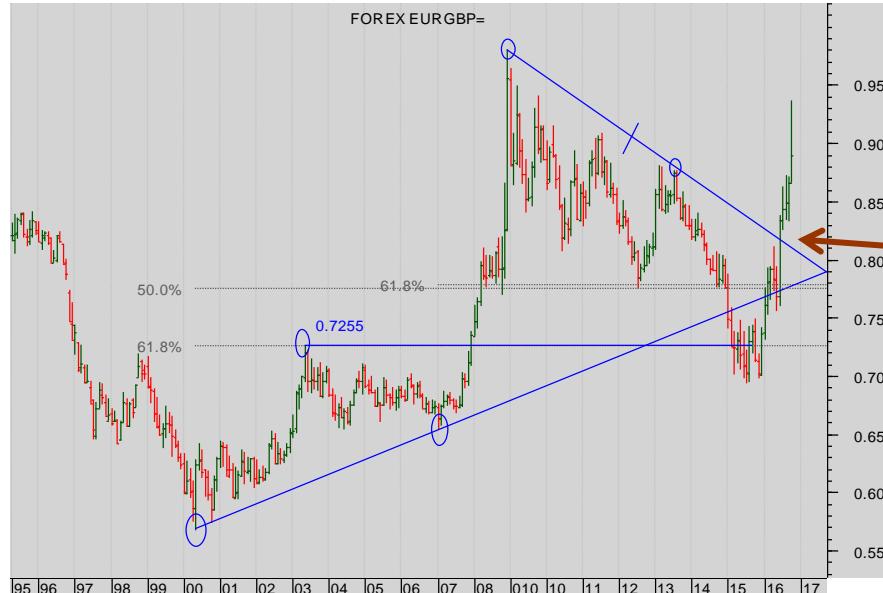
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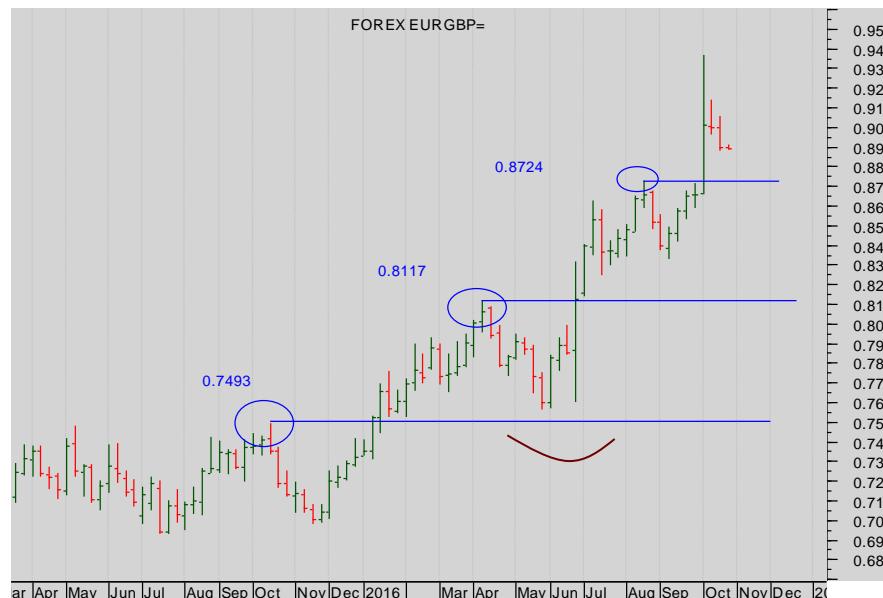
Commodities

- + Nymex WTI Oil
- + Comex Gold



Sterling Euro monthly spot cash chart

What matters here is the break up through the falling diagonal (at 0.81) that has been endorsed by successive monthly closes....



Sterling Euro weekly spot cash chart

In greater detail.

The trend above the diagonal is clear.

This suggests more Sterling weakness to come....

More



Currencies: Sterling Euro

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Stocks

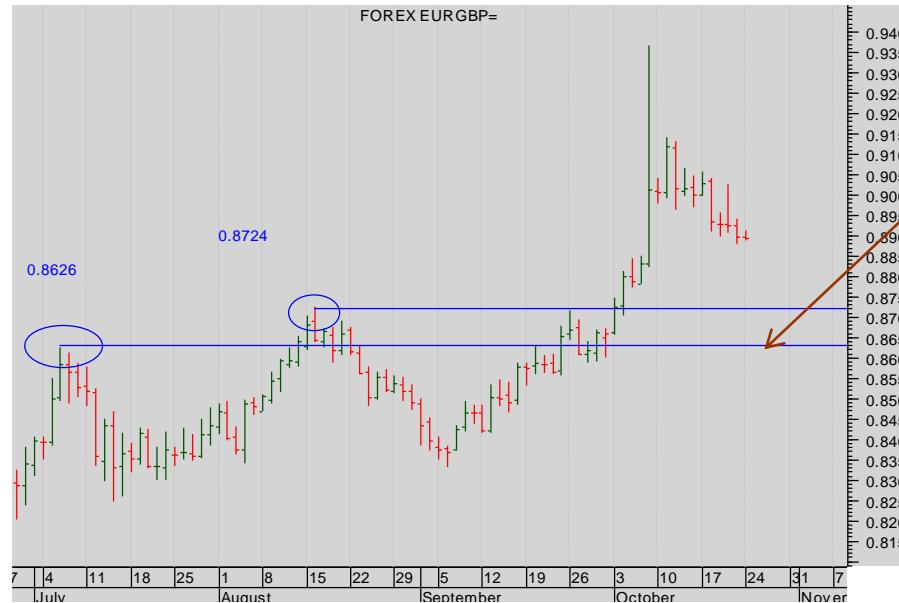
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Sterling Euro daily spot cash chart

Note the confirmed break above the recent highs setting the next bull leg going.

Nearest support 0.8724.



Stocks

STOCKS: The long and medium-term chart solidity of the S&P remains a dominating feature of the markets. But it is not in a thrilling short-term structure. Contrast that with the dull long and medium-term consolidations of the EuroStoxx and Nikkei. But note the short-term bull break in the Eurostoxx. FTSE is poised at critical levels in all time periods! Further bull price action should precipitate significant buying. Watch our levels there closely.

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Stocks: CME S&P 500



CME S&P 500 monthly cont. futures chart

The bulls are in control because of a completed Flag pattern and the close above the recent high 2134.

More



Stocks: CME S&P 500

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Stocks

+ CME S&P 500

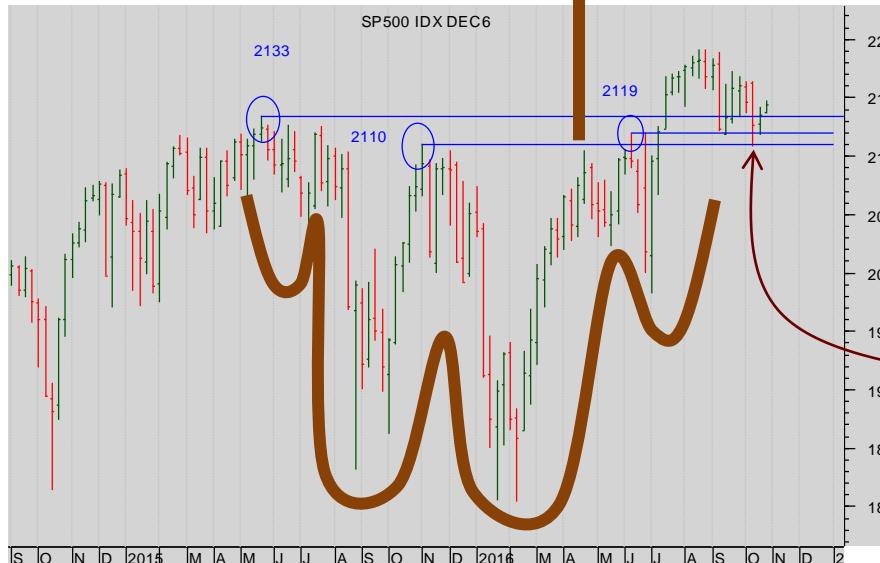
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CME S&P 500 cont weekly cont. chart

This is too, is unambiguous

The break up through 2133 is a major breakout creating massive support beneath the market from the Double Bottom and the continuation Head and Shoulders.

But the pull-back is interesting and testing the supports - but they have held....



CME S&P 500 daily chart

The rally paused at the Prior Highs. And has fallen back sharply to support.

The support band 2089/2101 needs to hold for the bulls to remain confident.

Bulls need a break up through the Prior Highs 2164,2182.

More



Stocks: Eurex EuroStoxx 50

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Commodities

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Eurex EuroStoxx 50 monthly continuation futures chart

Anatomy of the breakdown since the beginning of 2015:

1. the broken Prior High support (3327/3044)
2. The broken rising diagonal support

The bears remain in control but the market may be forming a small bottom...



Eurex EuroStoxx 50 weekly continuation futures chart

Yet the market may be forming a base.

But the bulls need a push up above these highs to really get going...

The bears were waiting for a close beneath 2771. It never came – so the case for a medium-term base continues to build.

More



Stocks: Eurex EuroStoxx 50

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Commodities

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- + Comex Gold



Eurex EuroStoxx 50 daily Dec 16 futures chart

This is exciting in the short-term - bulls need a sustained break up through 3060.

(afterall, the break in September failed)



Stocks: Liffe FTSE 100

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Stocks

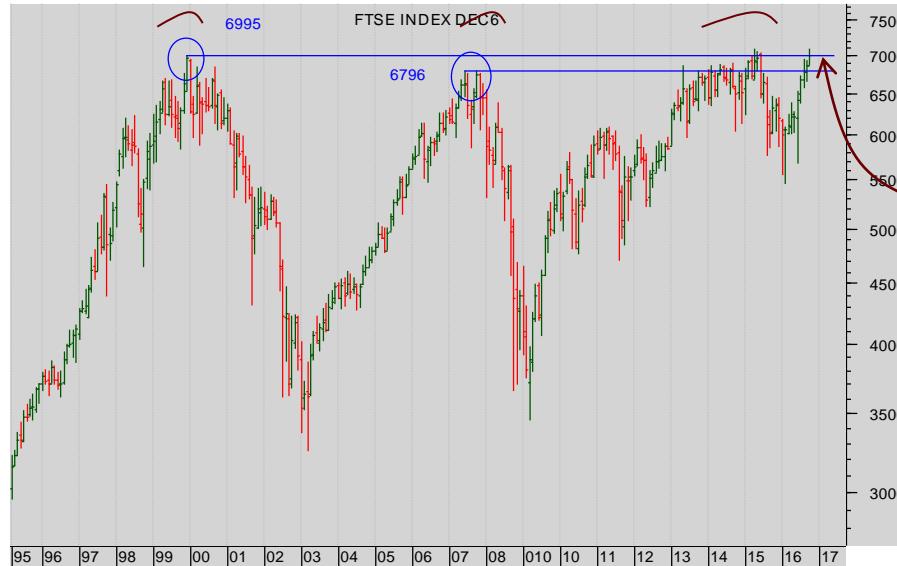
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Liffe FTSE 100 Monthly continuation futures chart

But the market has achieved very little in the long-term chart until the succession of Prior Highs (6796, 6995) is overcome. Is that likely?

Look closer.



Liffe FTSE 100 Weekly cont. futures chart

There is a clear completed H&S reversal in place – this may be the catalyst for the long-term bull break.

Minimum move? Up to about 7500.

This may be the catalyst that smashes the band of monthly resistance – and certainly overcomes the 2015 Prior High of 7085.

More



Stocks: Liffe FTSE 100

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Stocks

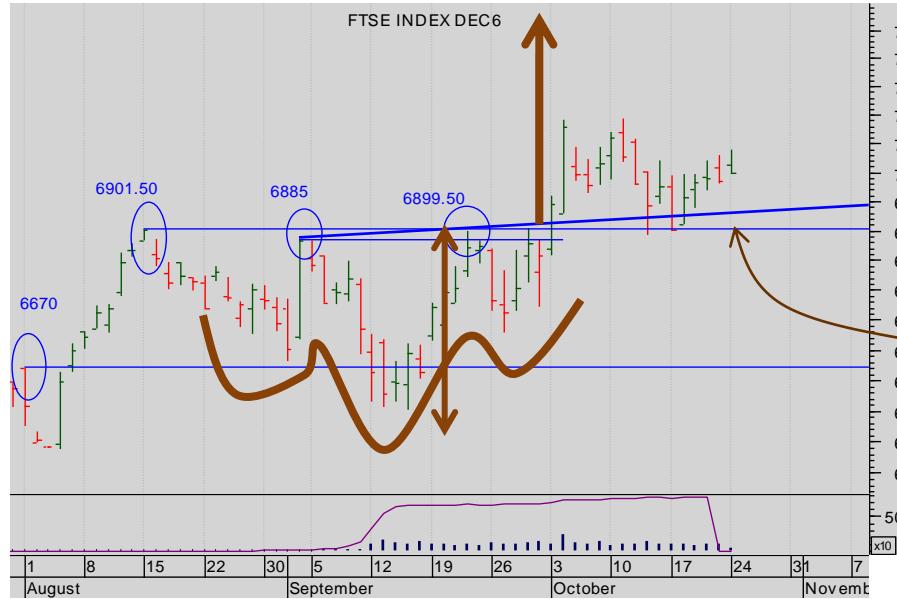
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Commodities

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Liffe FTSE 100 Dec 16 daily futures chart

In detail, the short-term bull H&S has good support at the Neckline (Prior High) and ratcheting the market better....

Stay long above 6900.



Stocks: OSE Nikkei 225

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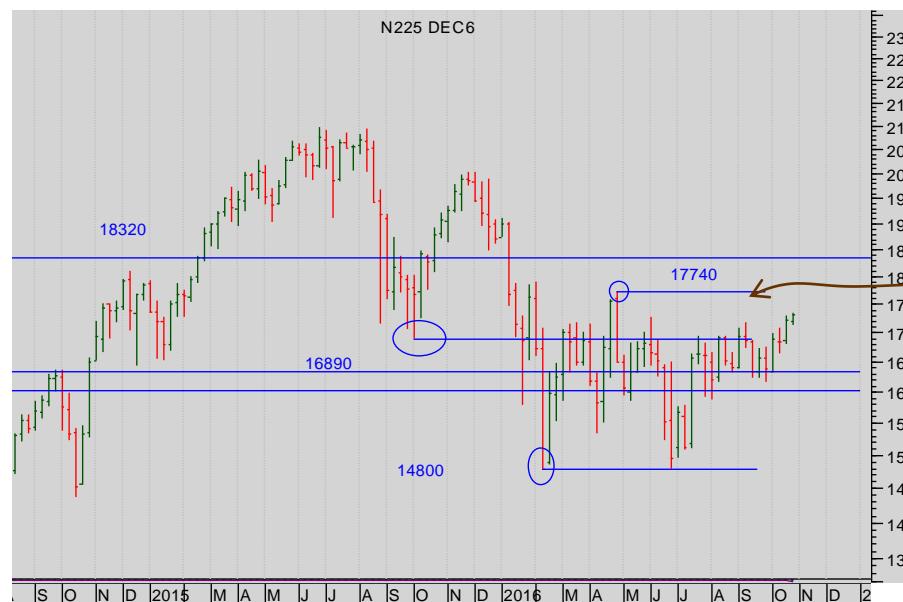
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Nikkei 225 chart (monthly)

The support from the Prior Highs (16000 and 16340) seems to have held.

But watch the bounce closely.



Nikkei 225 chart (WEEKLY)

The bounce from 14800 level.

Only a break up through the 17740 resistance would really get the bulls going.

Wait for a break of the trading range, for clarity.

More



Stocks: OSE Nikkei 225

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- + Comex Gold



Nikkei 225 chart Daily Dec 16.

The third failure at the 16800 level will have disappointed the bulls...

But the re-approach will be encouraging...

Stand back and wait for a clear break of the ascending triangle around 17300.

And then, additionally, a break of 17550?



Bonds

BONDS: The European and Japanese bond markets, despite significant falls in the last weeks, have yet to break significant short-term levels. The TNotes have broken short-term levels, but look to be retracing determinedly. They in particular remain both vulnerable and, of course, the Worldwide bellwether.

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Bonds: CBOT Ten Year Notes



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

The long-term chart is featureless, unless the market can get above 135.906 or break beneath the rising diagonal...

More



Bonds: CBOT Ten Year Notes

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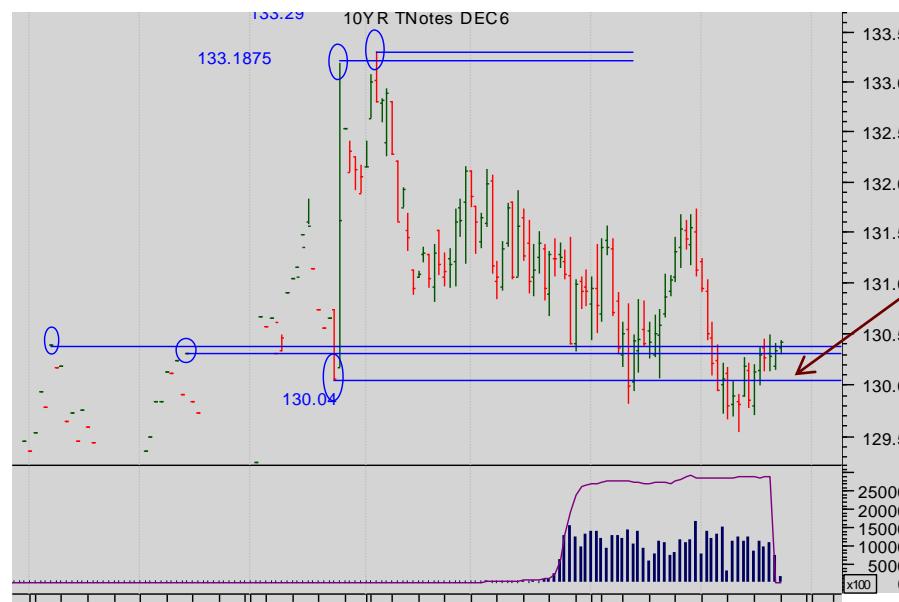
Commodities

- + Nymex WTI Oil
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CBOT Ten Year Notes weekly futures continuation chart

The market has broken the horizontal support from this Prior High.



CBOT Ten Year Notes daily Dec16 futures chart

But this is not quite so clear.....

A clear sustained break of 130.04 will lead to fresh selling.

More



Bonds: Eurex Ten Year Bund

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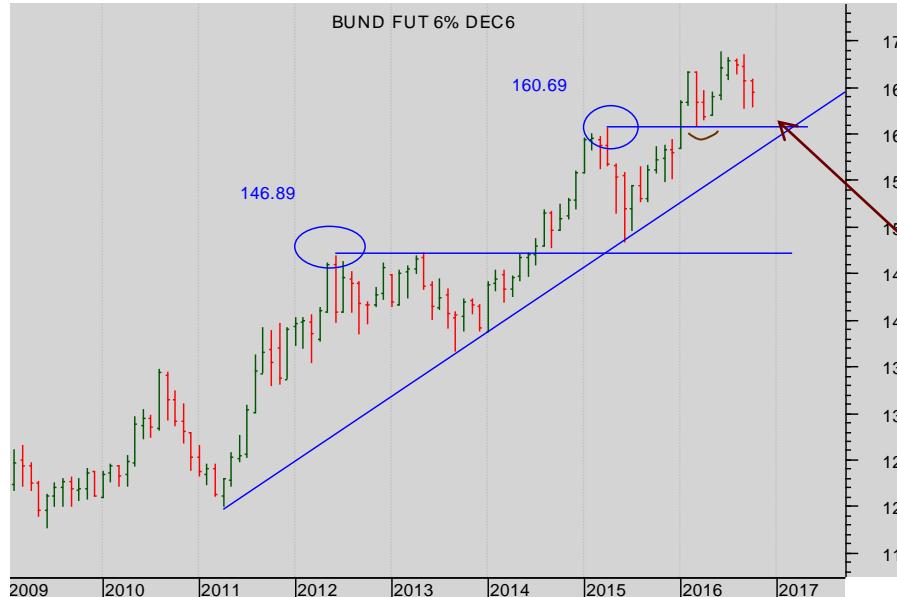
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Commodities

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Eurex Ten Year Bund monthly futures continuation chart

The market remains through the All-Time-Highs, the bull trend very much intact.

Note the bounce off the supports at 146.89 and 160.69.

Bears need a break of 160.69/ and the diagonal.



Eurex Ten Year Bund weekly cont. futures Chart

This is interesting - there is the possibility of a H&S top which may drive the market down and may be the catalyst for breaking 160.69.

Watch 163 where the possible neckline is.

Bulls will also concentrate on 160.69 which needs to hold.

Remember, though, the wider context remains the bull channel.

More



Bonds: Eurex Ten Year Bund

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Commodities

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Eurex Ten Year Bund
Sep16 Daily futures chart

So much for the bull trend! Watch for a break beneath 163 ...



Bonds: TSE Ten Year JGB

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Commodities

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- + Comex Gold



TSE Ten Year JGB monthly futures continuation chart

The market's rally has confirmed the importance of the break of the prior Highs since 2003.



TSE Ten Year JGB weekly continuation futures Chart

The long-term bull trend has been challenged by the break back through 152.48. Note the possible H&S top...

These Prior Highs are a good band of support.

More



Bonds: TSE Ten Year JGB

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Commodities

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TSE Ten Year JGB daily
Dec 16 chart

Watch the support from the old
short-term trading range.



Commodity

COMMODITIES: Oil is still poised, close to completing a powerful Bull Head and Shoulders Reversal pattern. Gold looks vulnerable, with solid overhead resistance in place to meet any medium-term rallies, and short-term price action that looks more likely to continue the trend than to set up any trend reversals.

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Interest rates

- + Nymex WTI Oil
- + Comex Gold

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

Massive support at \$35.94

The bulls remain in charge.

More



Commodities: Nymex WTI Oil

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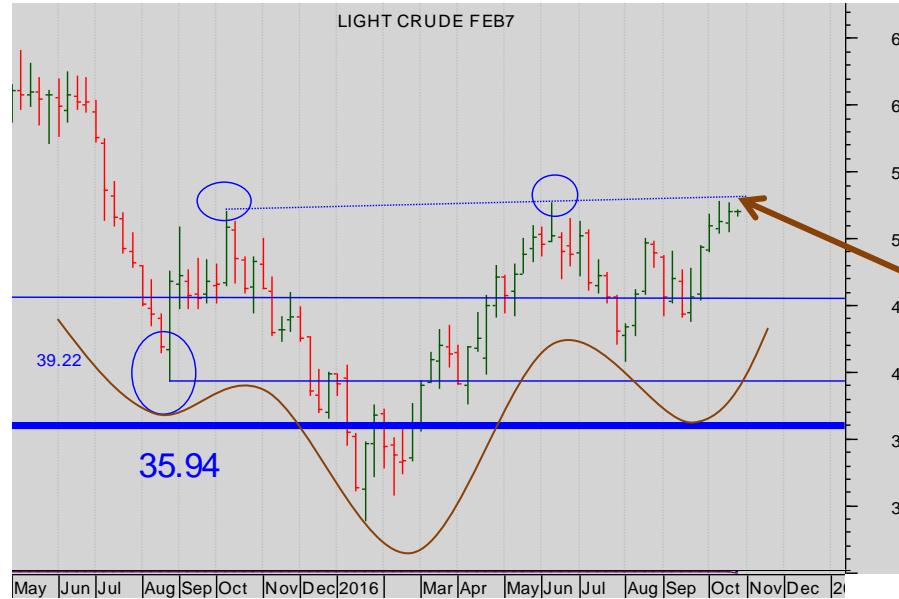
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Nymex oil weekly continuation

A possible H&S bottom? So far that is conjecture, but watch closely for a break of the possible H&S Neckline around 53.



Nymex oil daily Dec 16 futures

NO clarity within the wide range. Watch the testing of the short-term range..

Stand back.



Commodities: Comex Gold

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Comex gold Monthly Cont futures chart

The long-term chart shows a clear bounce from the long-term support from the Prior High (and Fibonacci) at 1034.



Comex gold Weekly futures chart

1. Note the broken support from the Prior Highs 1308
2. And the broken diagonal bull trendline support..
3. It's a bad collapse...



Commodities: Comex Gold

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Comex gold daily Dec 16 futures chart

This is more helpful:
There is now good resistance
above the market at 1311.50
which may ratchet the market
lower...

In any case there is a small
multiple top in place.



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

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