



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

SUMMARY

POSITIONS

+ S&P (21st February)

+ FTSE (19th April)

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Multi-asset trade and investment recommendation

25th April 2017

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21st February 2017 LONG Jun17 S&P @ 2345.53. Stop 2310.

19th April 2017 BUY FTSE June 2017 @ 7067.00 Stop @ 6939



(1) TECHNICAL: 21st February 2017 LONG Jun17 S&P @ 2345.53. Stop 2310.

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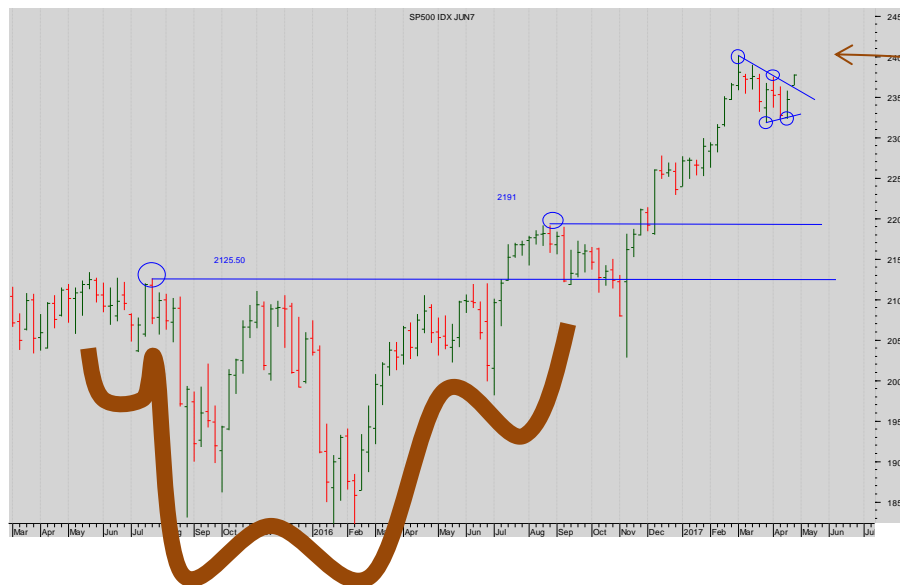
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Monthly continuation chart.

The bull trend since the break of the Prior Highs in 2013 has been dramatic. The pause of 2015 and 2016 long over and the next leg is underway.

Weekly Jun 17 Chart



The week chart is compelling too.

The minimum measured move of the H&S pattern is 2400 hence the pause, but there doesn't appear to be a top formation in place.

Look closer still.

That's a continuation Triangle isn't it?

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Daily Chart Jun 17 chart

But this cannot be a continuation Triangle.

Nor, really, can it be a continuation H&S pattern...

Might it develop into a multiple H&S Bottom?

Certainly a Multiple Bottom is in place with a close today above 2375.



(2) **FUNDAMENTAL** : 21st February 2017 LONG Jun17 S&P @ 2345.53. Stop 2310.

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Last week's focus was Industrial production, but we sense traders would likely be more interested in geopolitical tension.

In the event industrial production met consensus and geopolitical tensions remained, leaving the market in a trading range.

Looking ahead Q1 GDP is due, but after a run of soft data over recent months a weak report is due, but traders are still looking towards Trump and his as yet to be implemented economic policies.

But equity markets globally breathed a sigh of relief after the result of the first round of voting in the French election indicated Macron will be the next French President meaning no more "BREXIT" style political upheavals and the economic dislocation that would accompany a Le Pen win.

In summary we remain bullish of this market and advice holding the trade.



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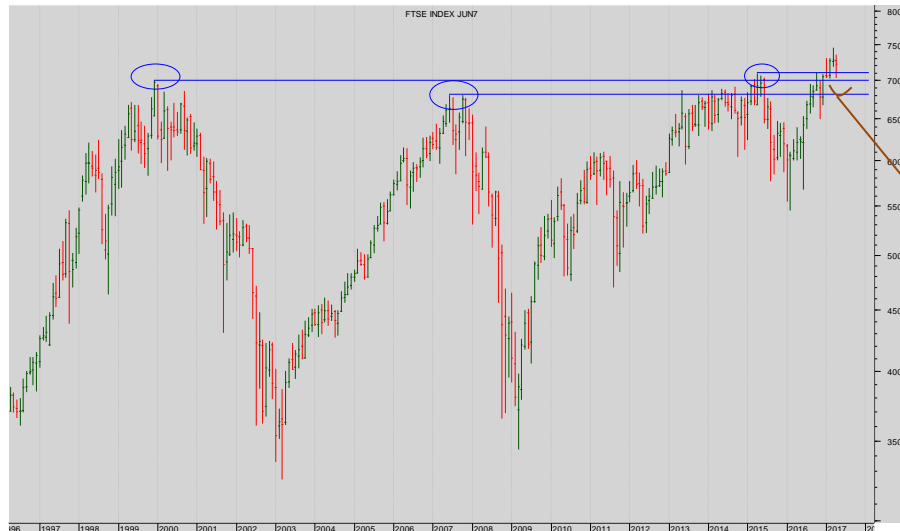
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(1) TECHNICAL 19th April 2017 BUY FTSE June 2017 @ 7067.00 Stop @ 6939



Monthly Chart :

The market has pulled back to good every long-term support from the Prior Highs at 7085.

The market has already bounced off that support once in Feb 2017.



Daily June 2017 Futures Chart :

The breakdown has been dramatic, and could spike further hence the long stop at 6939.

But, unclear though' the short-term chart is, the clarity of the long and medium-term charts remain encouraging.

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(1) FUNDAMENTAL: 19th April 2017 BUY FTSE June 2017 @ 7067.00 Stop @ 6939

Last week's key release was retail sales, but we judged geopolitics would continue to weigh on this and other equity markets.

In the event a weak retail sales report and geopolitical tensions were all eclipsed by domestic politics, as the UK Prime minister called a surprise snap General election which strengthened the Pound and weighed heavily on the FTSE.

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But, the ruling Conservative party hold a commanding lead in opinion polls, which if repeated on election day will give PM May a very large majority. This would mean she would not be held hostage by the small group of Conservative MP's that want a hard "BREXIT" and neither would she be held hostage by opposition parties trying to tie her hands, allowing her room to compromise in the national interest as she tries to get a good deal for the UK as it leaves the EU.

Looking ahead the key release this week is Q1 GDP, but the dominant factor in UK markets is the General election campaign. And for equity markets generally the sense of relief unleashed by the result from the first round of voting in the French Presidential election, sentiment from which helped this market erase the previous week's sell off.

In summary we remain bullish of this market and advise holding the trade.



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