13th March 2018

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

Authorised and regulated by the FSA

summary

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

Summary			
Currencies			
+ Dollar Euro	Long-term **BEAR** Euro	Medium-term FLAT Euro	Short-term FLAT Euro
+ Dollar Sterling	Long-term **BEAR** Sterling	Medium-term **BEAR** Sterling	Short-term FLAT Sterling
+ Dollar Yen	Long-term FLAT Yen	Medium-term FLAT Yen	Short-term **BULL** Yen
+ Euro Sterling	Long-term FLAT EURO	Medium-term FLAT Euro	Short-term FLAT Sterling
Stocks			
+ CME S&P 500	Long-term **BULL**	Medium-term FLAT	Short-term FLAT
+ Eurex EuroStoxx 50	Long-term FLAT	Medium-term FLAT	Short-term **BEAR**
+ Liffe FTSE 100	Long-term **BULL**	Medium-term **BULL**	Short-term FLAT
+ OSE Nikkei 225	Long-term **BULL**	Medium-term **BULL**	Short-term FLAT
Bonds			
+ CBOT US Ten Year Notes	Long-term FLAT	Medium-term **BEAR**	Short-term **BEAR**
+ Eurex Ten Year Bund	Long-term **BEAR**	Medium-term **BEAR**	Short-term **BEAR**
+ TSE Ten Year JGB	Long-term FLAT	Medium-term FLAT	Short-term **BEAR**
Commodities			
+ Nymex WTI Oil	Long-term **BULL**	Medium-term **BULL**	Short-term FLAT
+ Comex Gold	Long-term FLAT	Medium-term FLAT	Short-term FLAT

CURRENCIES

The Dollar has gone nowhere against the Euro for two months.That feels likely to continue. Over the same period it has strengthened against the Sterling. That too we think will continue. By and large the Dollar has weakened against the Yen. Again, a move we think is set to go further. Sterling Euro has been stuck in a range for perhaps six months.

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+ Comex Gold

Dollar Euro monthly spot cash chart

Those were powerful resistances above the market at 1.15 and above**.**

Now all of them have been smashed.

If the Euro is going to fail from here against the Dollar.

It will have to demonstrate weakness very, very soon, and for the moment <u>that doesn't look likely.</u>

More

SEVEN DAYS AHEAD

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Commodities
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Currencies: Dollar Euro

Dollar Euro weekly spot cash chart

The market bounced from the support at 1.1710-1.1614.

In addition, the close above the Prior High (and horizontal resistance from a Prior low) routed the bulls.

But is it possible that the two downtrend diagonals will be a band of resistance?

Or is that clutching at straws for the Dollar bulls?

Dollar Euro spot cash chart daily chart...

The double failure at the Prior High at 1.2536 has encouraged the bears, but note the support beneath the market…

Until that breaks the Euro bulls will still feel in charge.

SEVEN DAYS AHEAD

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+ Dollar Euro
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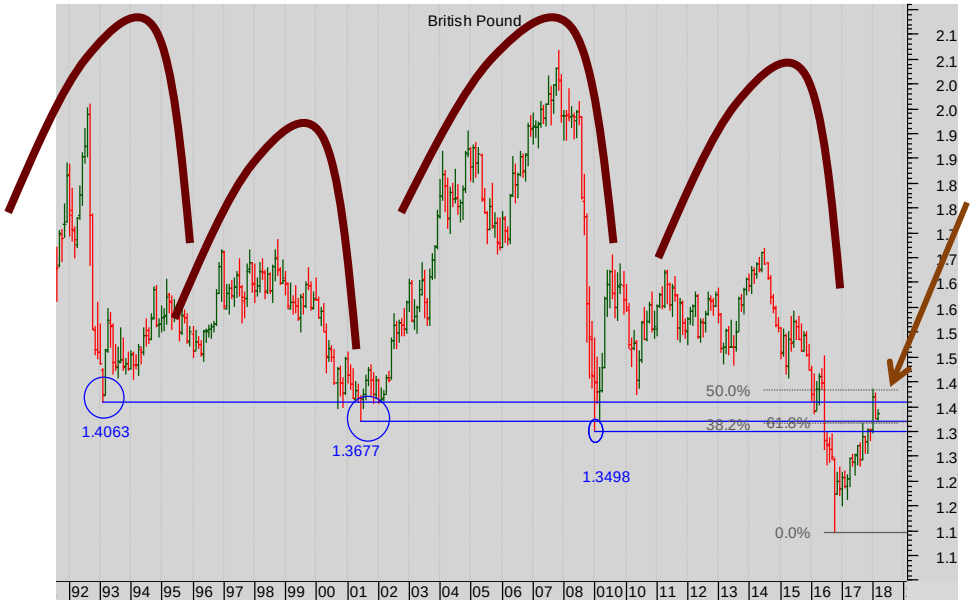
Stocks
+ Standard & Poors 500
+ European DJ Stoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten year US Treasury Note
+ Ten year Euro Bund
+ Ten year Japanese Bond

Commodities
+ Dollar rates
+ Euribor rates

Currencies: Dollar Sterling

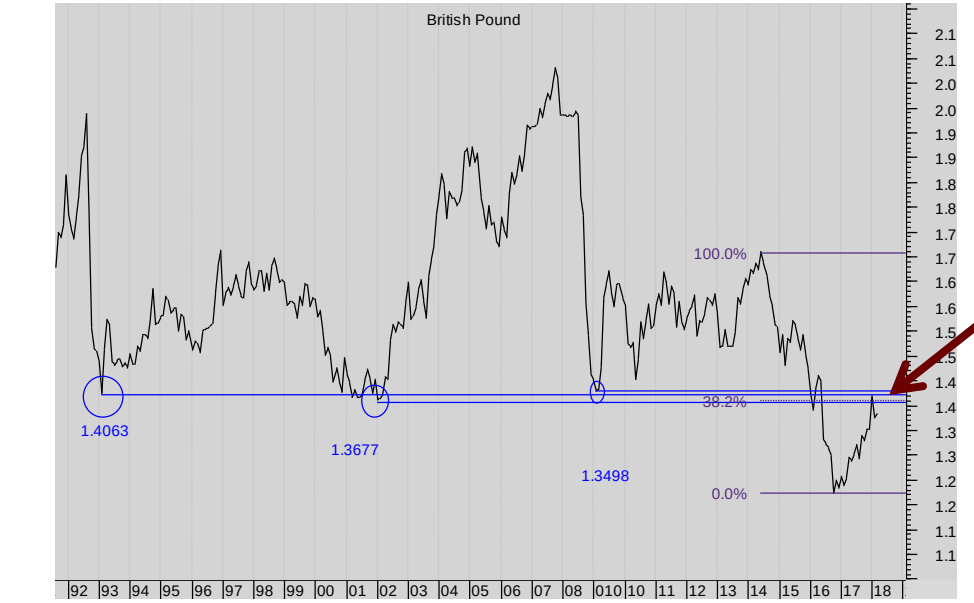


Dollar Sterling Monthly spot cash chart

All the Prior Pivotal lows of 1993, 2001, 2008 and 2016 should act as good resistance. A massive Multiple Top has formed.

The market is running into increasing resistance.

Note the failure at the 50% retracement.



Dollar Sterling monthly spot cash chart (using Closes)

The break up through the band of Prior Lows was bullish and impressive.

But note the band of Fibonacci resistance 1.43...

(the powerful argument that the close chart above is the more important arises from the distance of the traded lows from the low closes).

We expect the market to fail.

More

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

Currencies: Dollar Sterling

Dollar Sterling weekly spot cash chart

The bull run of Sterling remains in place.

Sterling bears need (1) the prior high at 1.3656 to be smashed and then (2) the rising diagonal support to be smashed

Dollar Sterling daily spot cash chart

In the detail we still think a retest of the Prior High support at 1.3656 is likely…

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+ Comex Gold

Currencies: Dollar Yen

Dollar Yen monthly spot cash chart

Not clear where the market is poised to go.

Dollar Yen weekly spot cash chart

But the break of this range strengthening the Yen and weakening the Dollar is clear and important.

More Yen strengthening coming…

More

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Currencies: Dollar Yen

Dollar Yen daily spot cash chart

This clear push beneath the Prior Low at 110.83 completes a Complex multiple Top, with massive overhead resistance on any attempted retracement.

So more Yen strengthening and DOLLAR WEAKNESS in prospect.

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Currencies: Sterling Euro

Sterling Euro monthly spot cash chart

The last two years' volatility has created a wide trading range.

Sterling Euro weekly spot cash chart

There's a range created over two years.

Stand back.

More

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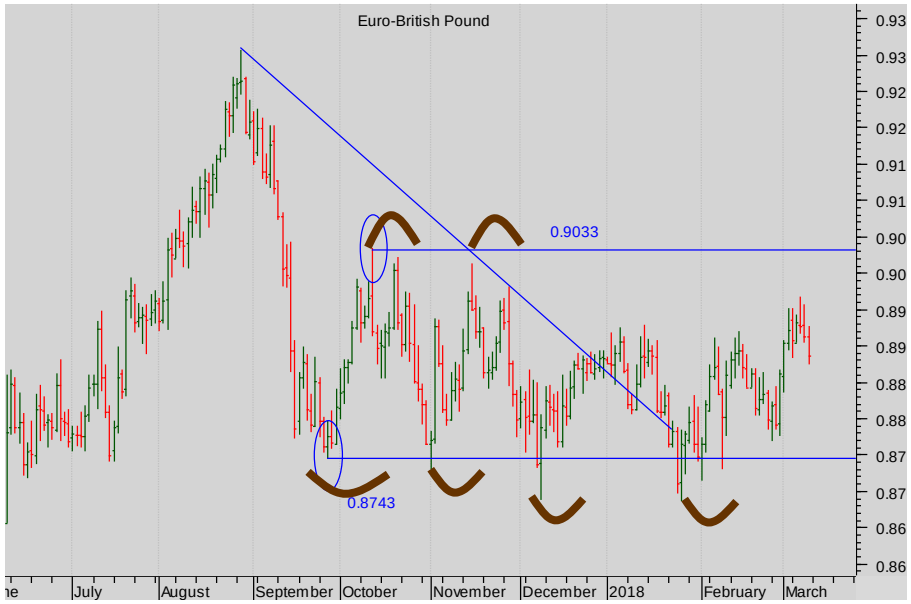
Currencies: Sterling Euro



Sterling Euro daily spot cash chart

And within that another range. Which is still intact.

Stand back and wait for a break.

STOCKS

These market have stabilised somewhat, but still lack clarity in the short term. In the longer terms the FTSE and Nikkei remain powerfully underpinned, the S&P leads the bounces, and the EuroStoxx is a clear laggard.

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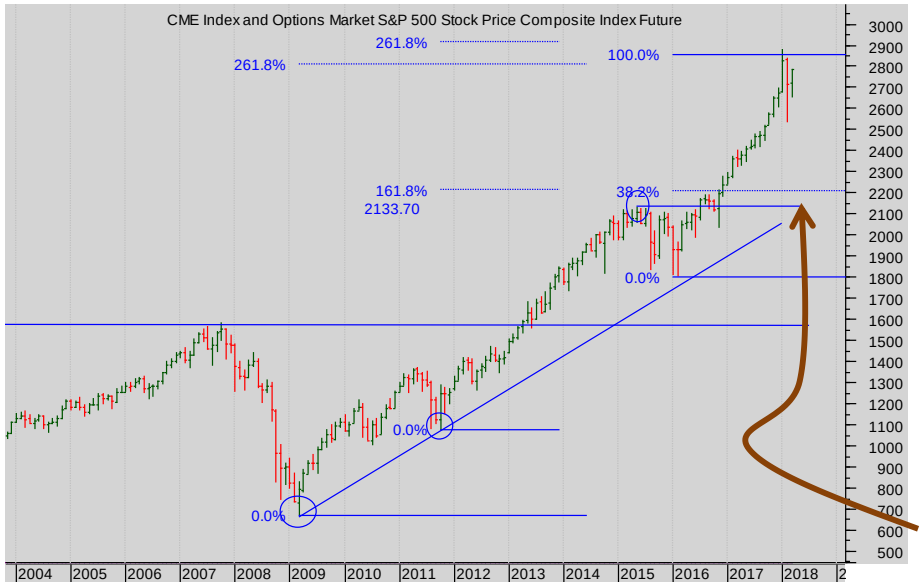
Stocks: CME S&P.



CME S&P 500 monthly cont. futures chart

The market was (as we remarked) very over-extended.

And note that the market ran into a cluster of Fibonacci resistances around 2900.

We said: 'We can expect a pause or even a retracement'

But precisely how far? Remains an open question.

The first support of consequence is the horizontal from the Prior High at 2133…

A long way beneath.

More

SEVEN DAYS AHEAD

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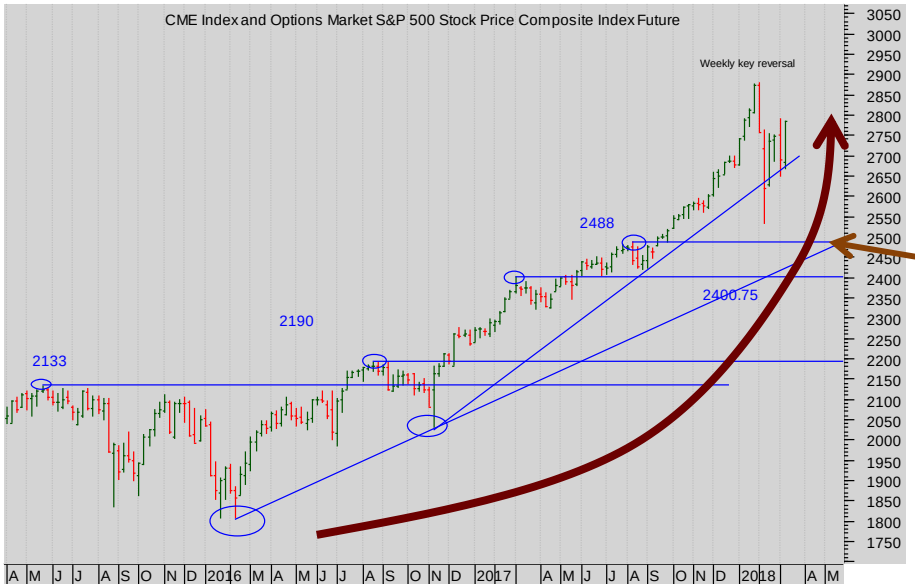
Stocks: CME S&P 500



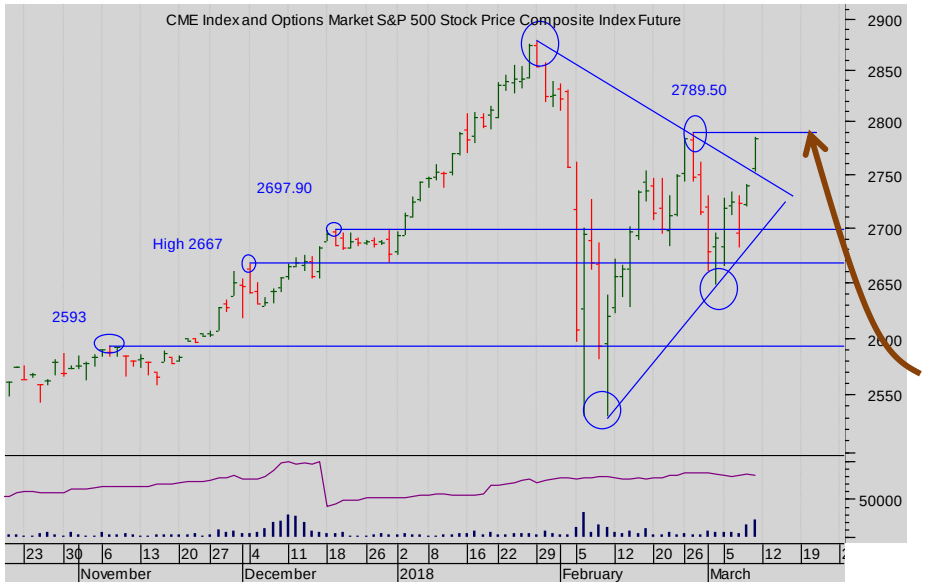
CME S&P 500 cont weekly cont. chart

The accelerating bull trend has retraced.

Note the weekly Key Reversal.

No test yet of the first medium-term support at 2448.

(One of the problems of an accelerating bull market is the lack of important Prior High supports with which to judge the strength of any pull-back.)



CME S&P 500 daily Mar 2018 chart

1. No top formations were in place prior to the sell-off
2. Only the steep trend line support from late 2016 has been broken…
3. Two minor prior High supports have been broken but the market has twice bounced off 2593.

Short-term, the market looks as if it may be forming a bottom at the support from 2593.

Otherwise, there will be a lack of short-term clarity until the Prior High 2789.50 is overcome.

More

SEVEN DAYS AHEAD

Stocks: Eurex EuroStoxx 50

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+ Dollar Euro
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Commodities
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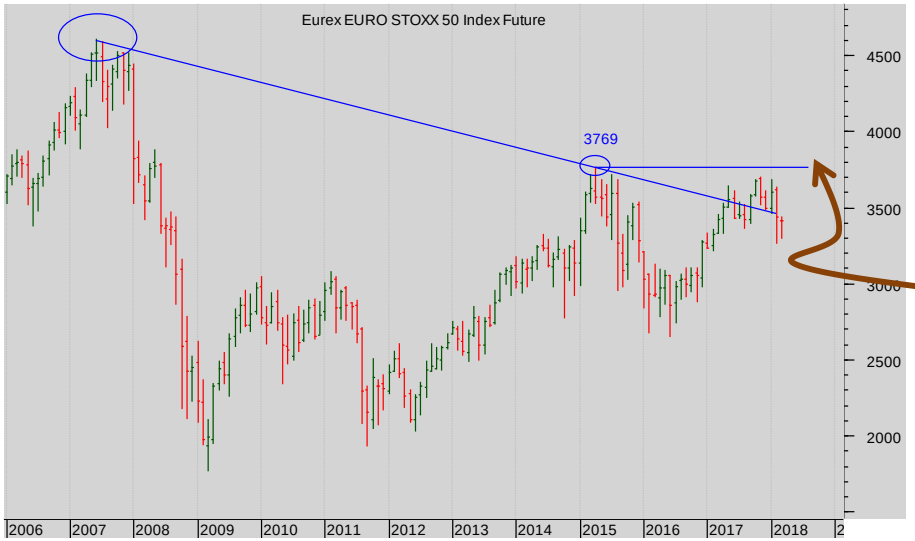
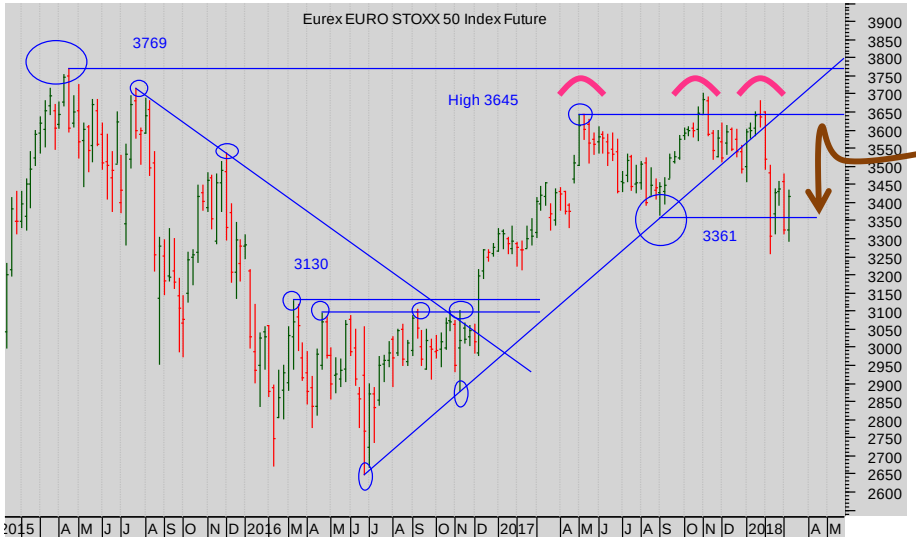
+ Comex Gold



Eurex EuroStoxx 50 monthly continuation futures chart

The long-term condition of the market is not clear

BUT the second failure at 2015's High at 3769 has sapped the confidence of the bulls.



Eurex EuroStoxx 50 weekly continuation futures chart

The triple failure at 3645 and the close beneath 3361 suggests a Top (double or triple)…

We are bears.

More

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Commodities
+ Nymex WTI Oil
+ Comex Gold

Stocks: Eurex EuroStoxx 50

Eurex EuroStoxx 50 daily March 18 futures chart

This second failure at the 3700 suggested a retest of the 3500 level ...

A sort of trading range has been created : look to buy a break of 3455 or sell a break of the lows 3390.

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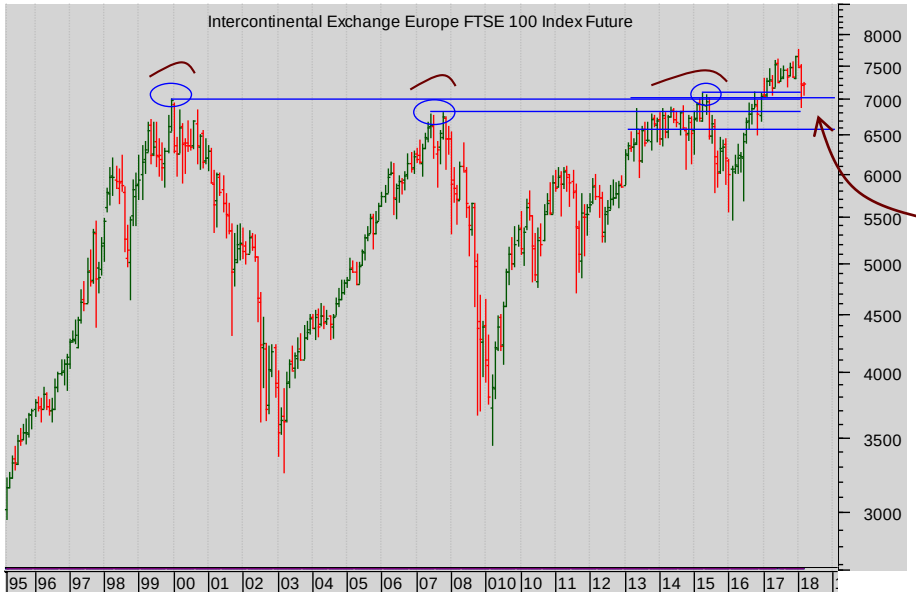
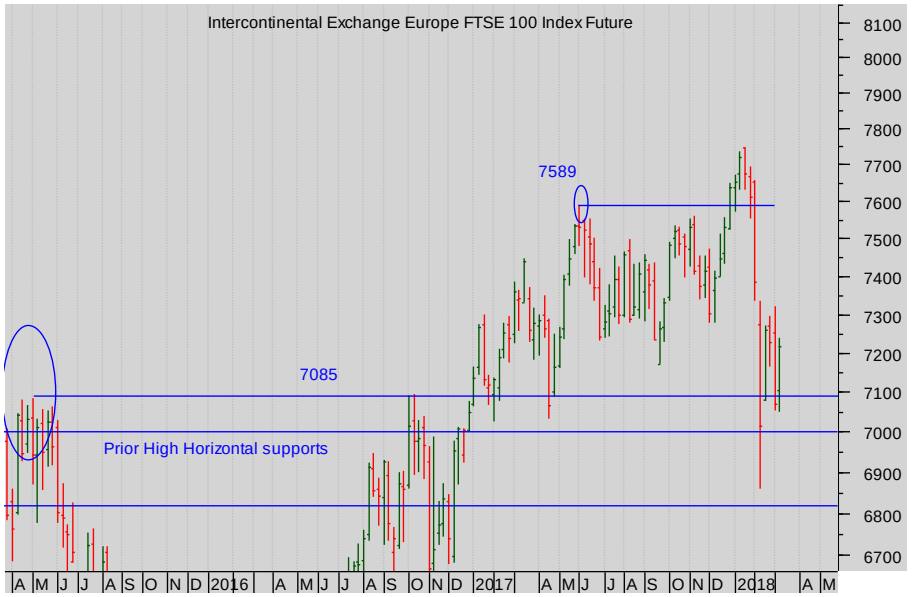
Stocks: Liffe FTSE 100



Liffe FTSE 100 Monthly continuation futures chart

The succession of Prior Highs (6796, 6995) has been overcome, so the market is underpinned in a powerful way.

The pull-back to the band of support from those Prior Highs should see the market underpinned.



Liffe FTSE 100 Weekly cont. futures chart

That pull-back in greater detail.

Expect a bounce from these levels.

More

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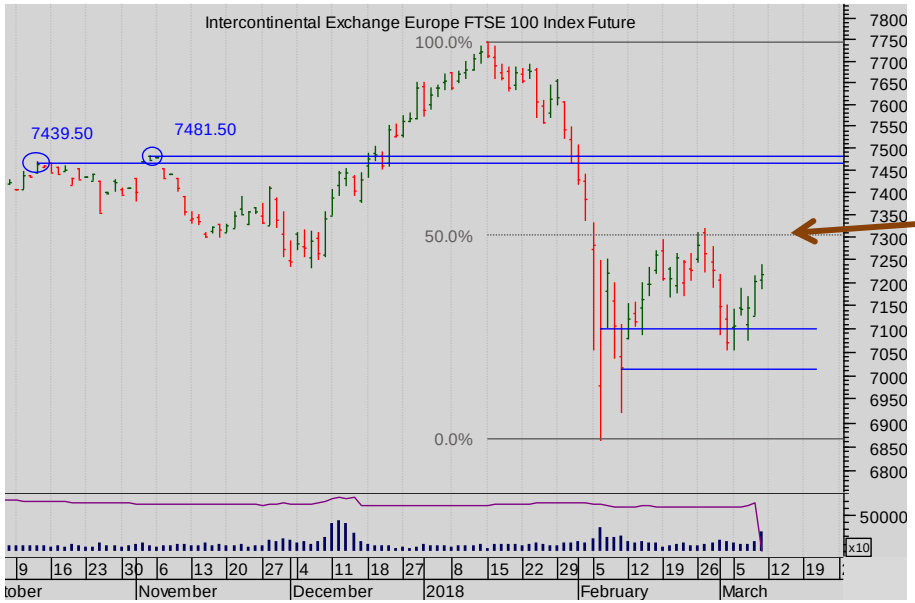

Liffe FTSE 100 Daily Mar 2018 futures chart

The market seems to have short-term support too: but the short-term bulls need a push up through 7300 to really get going.

SEVEN DAYS AHEAD

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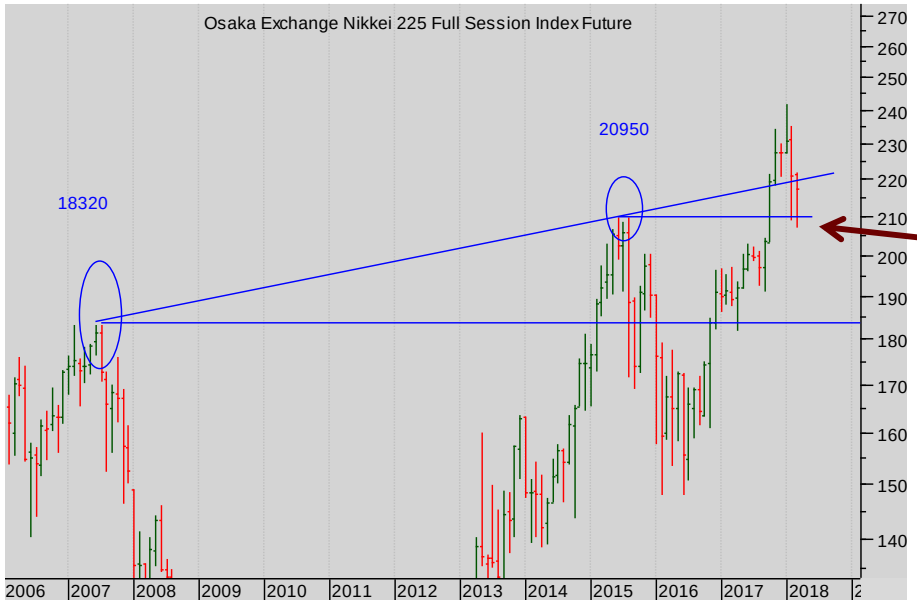
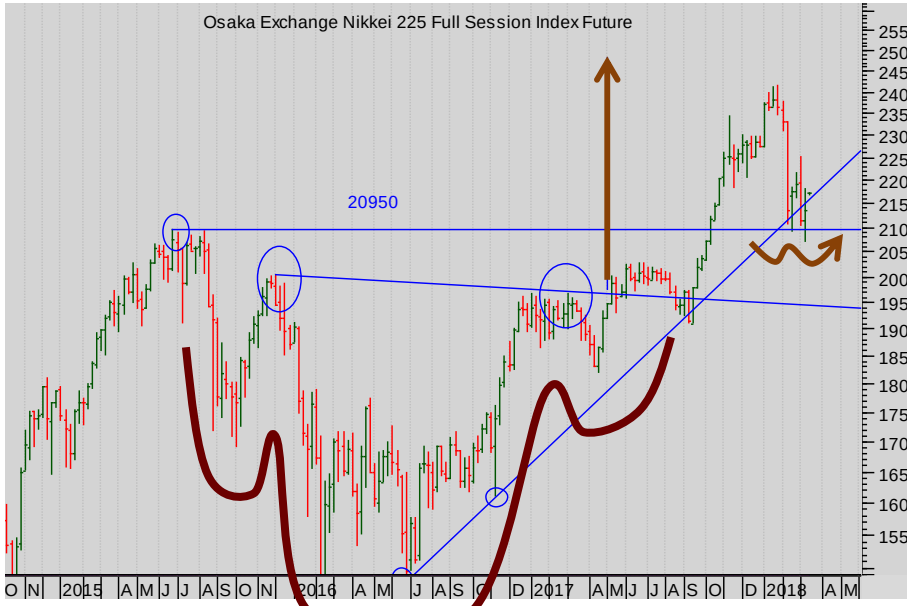
Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

The pull-back is testing the support at the Prior High from 2015 at 20950.

The bulls remain in control and the market looks unpinned.



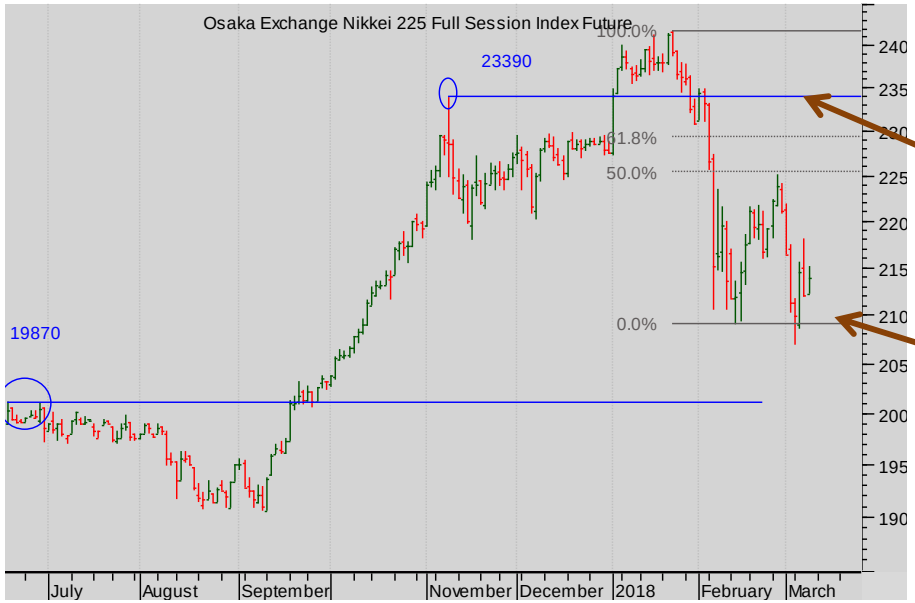
Nikkei 225 chart (WEEKLY)

The H&S continuation pattern was under threat but

the combination of the rising diagonal support and the horizontal support from the Prior High means that the **bulls remain in charge.**

More

Stocks: OSE Nikkei 225



Nikkei 225 Daily Mar 18.

Note the break of the support at the old high at the top of the range, and the market is now in a featureless area

yet there's some short-term support at the 210 level

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BONDS

Because the very clear and well-established long-term diagonal support for the market in the US SINCE 1980 has been closely approached but not yet breached, there is a hesitancy about the bears. The scope for a bounce is all these markets looks limited though, close above each one (except the Nikkei) there is good horizontal resistance.

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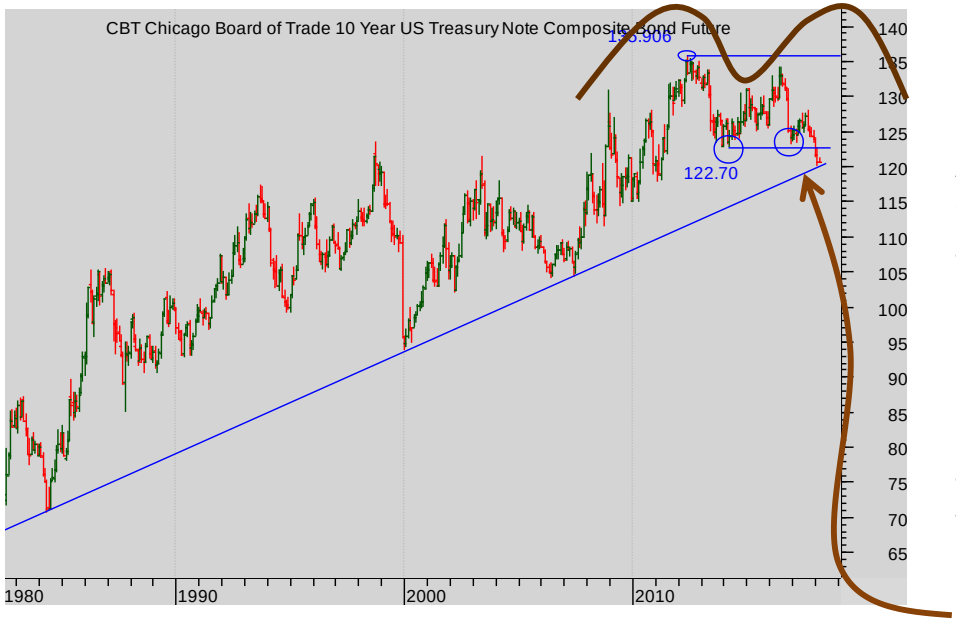
Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

A completed Double Top is surely in place...

The bears are in charge with massive resistance above the market at 122.70.

Driven by a huge, long-term double top.

The close proximity of the long term and very well-established diagonal trend line support is interesting and adds another piece of bear evidence.

Should it break (and we think it will but maybe not immediately) the very long bull market will surely be over.

More

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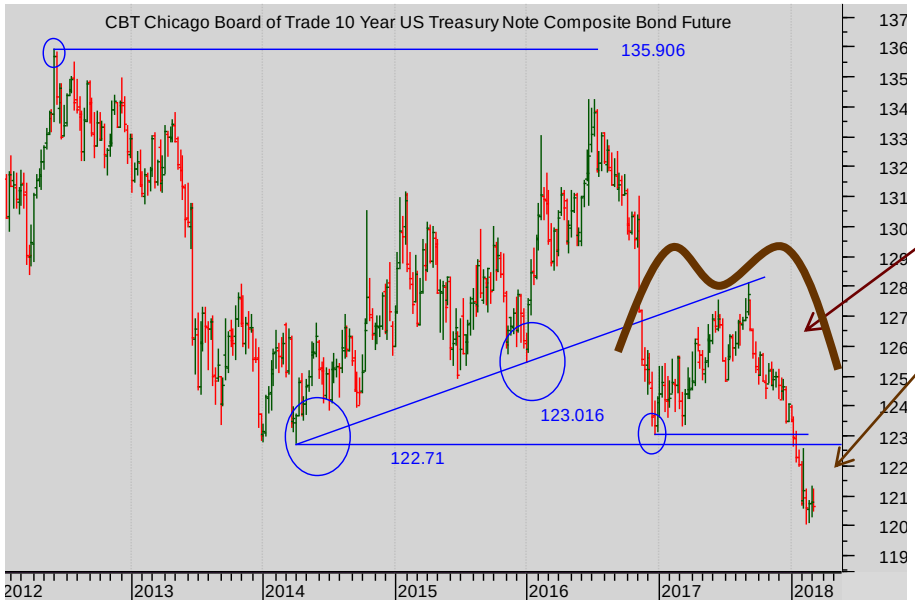
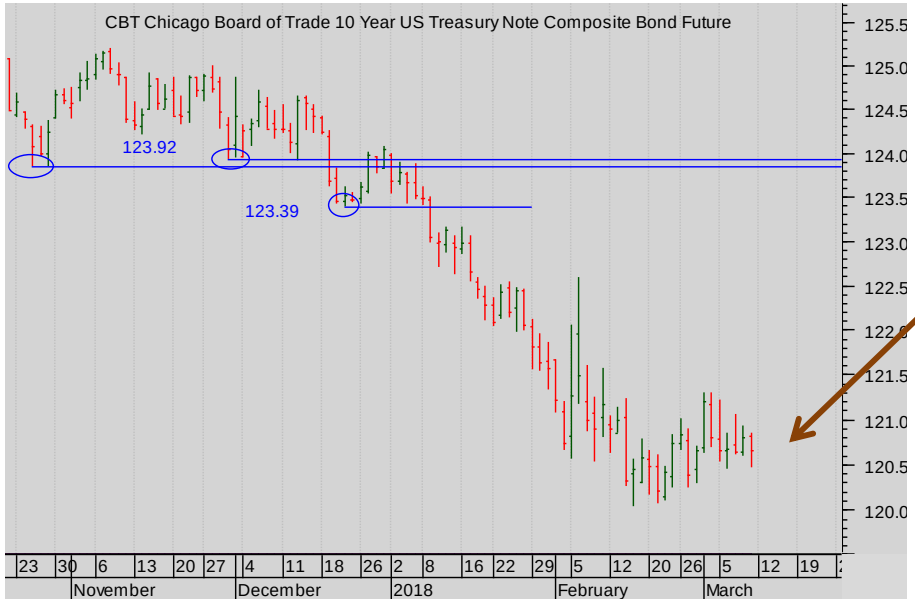


CBOT Ten Year Notes weekly futures continuation chart

The double failure worried the bulls

And now in addition there is a weekly close beneath the prior lows at 123.01/122.71.

That looks like a emphatic breakdown – more selling to come



CBOT Ten Year Notes daily Dec17 futures chart

The bear trend remains solidly in place… though, short-term, there is a lack of clarity.

More

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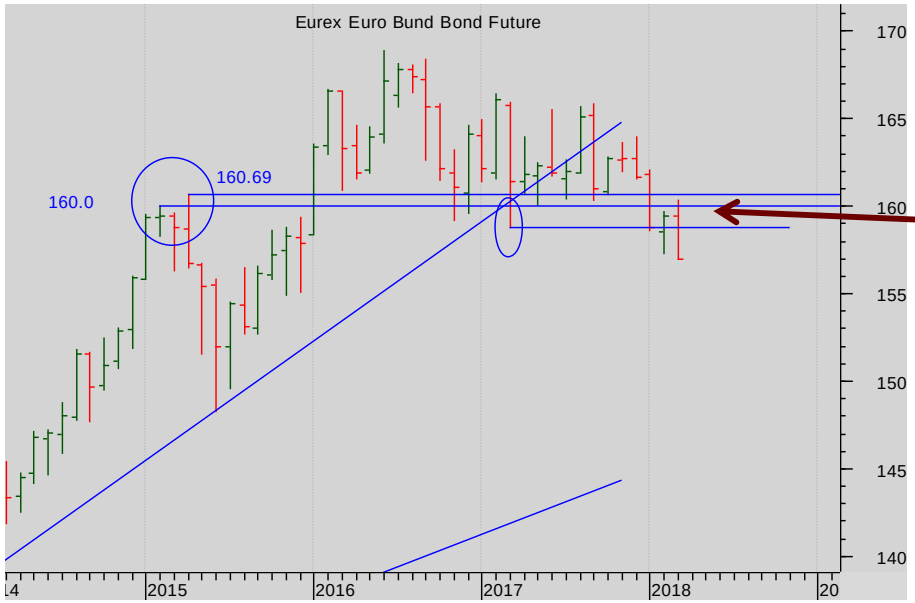
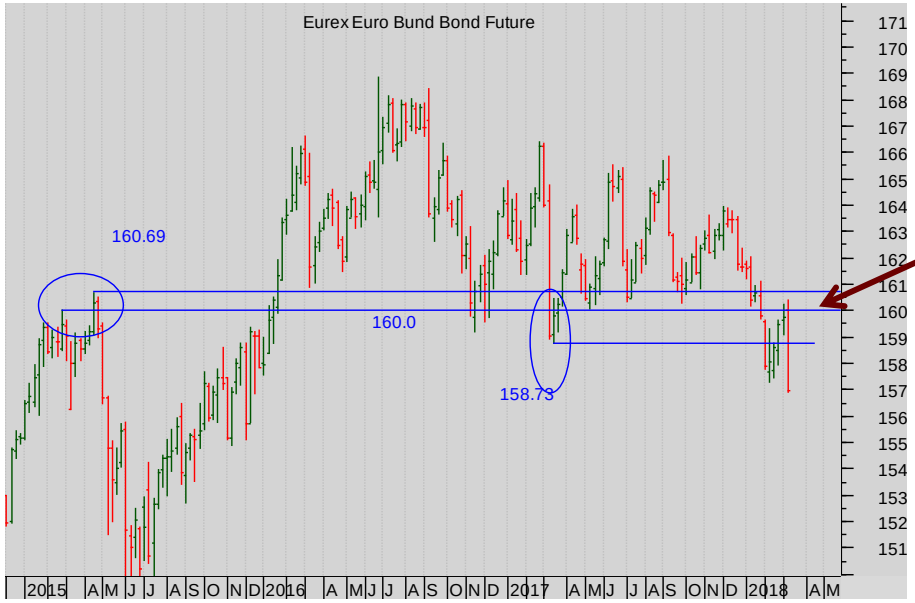
Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

Note the unambiguous smash of the horizontal support at 160.60.

An important top is in place...



Eurex Ten Year Bund weekly cont. futures Chart

The detail of the breaking of the multiple supports at 160.6.

Despite the rally expect the bulls to fade above 160.

More

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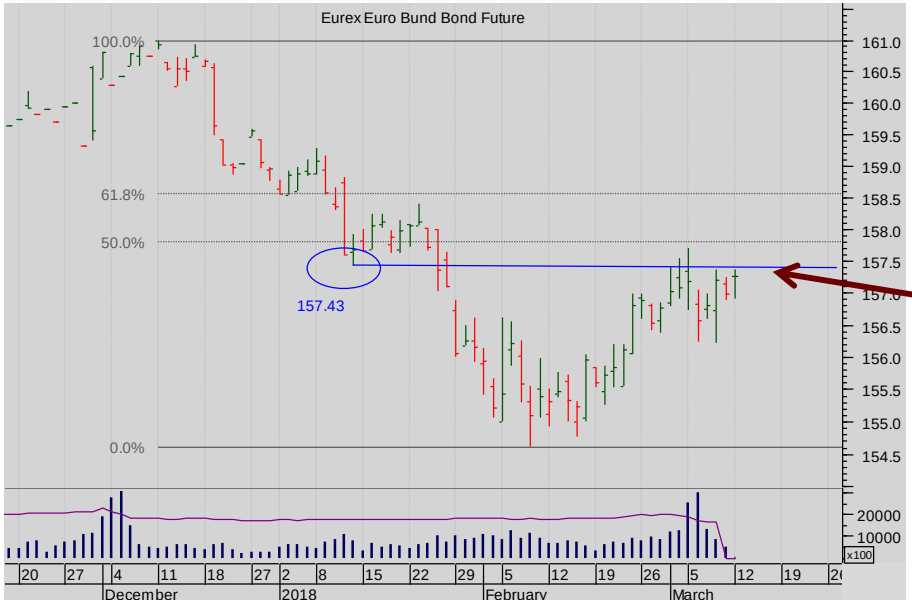

Eurex Ten Year Bund Jun 17 Daily futures chart

The break above the two prior highs was not sustained.

This rally is struggling to drive through the resistance at 157.43 from the Prior Low.

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Bonds: TSE Ten Year JGB

TSE Ten Year JGB monthly futures continuation chart

For the moment the bull trend remains in place and is only threatened if there is a break of the coincidence of the long term diagonal support and the horizontal support from the prior High at 148.68...

Look closer.

TSE Ten Year JGB weekly continuation futures Chart

A <u>potential</u> bear flag?

For the moment stand aside.

The medium-term bears will only be interested on a break beneath the lower diagonal of the flag currently at 150.20 or so.....

More

Summary

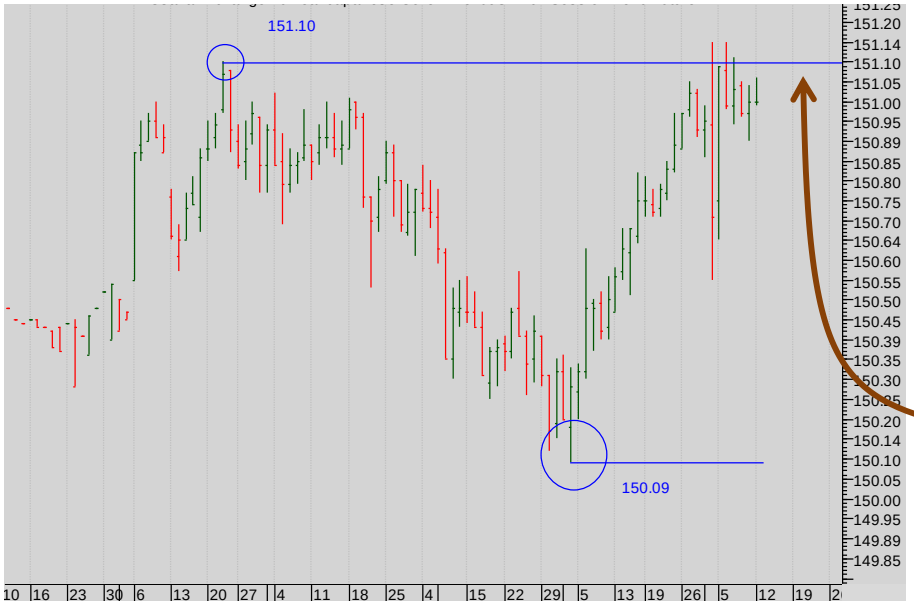
Currencies
+ Dollar Euro
+ Dollar Sterling
+ Dollar Yen
+ Sterling Euro

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 WTI Oil
+ Comex Gold

Bonds: TSE Ten Year JGB



TSE Ten Year JGB daily Mar 18 chart

The bear small-sized H&S pattern has been reversed.

The rally has been spirited and remains set to retest the recent top…

Commodity

COMMODITIES

Oil remains bullish short, medium and long term. . Gold is marooned within a clearly-defined trading range.

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Interest rates
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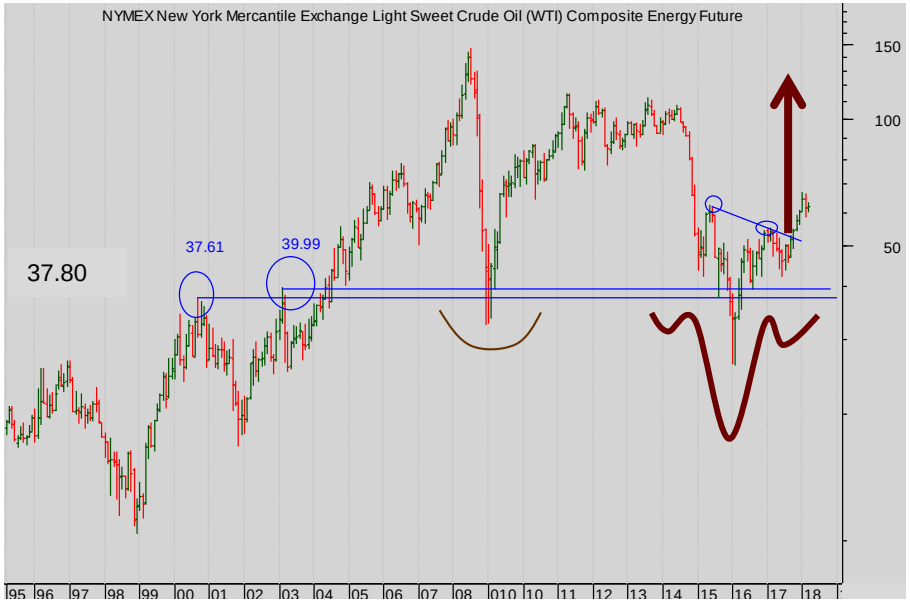
+ Comex Gold

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

Massive support at $37.80

Note too the completed H&S bull reversal ....

The bulls are in charge.

Minimum target?

100$!

More

SEVEN DAYS AHEAD

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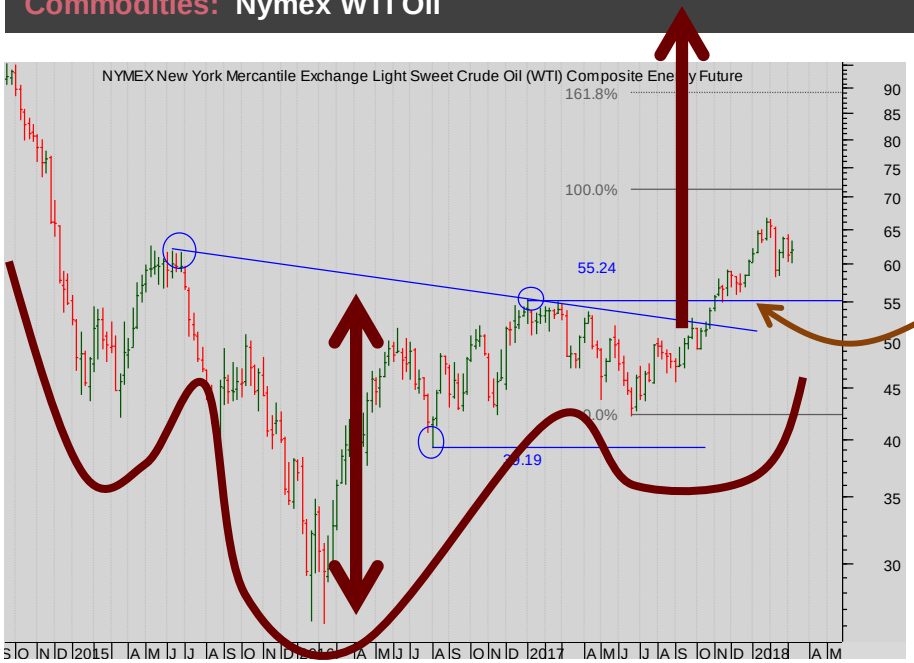
Commodities: Nymex WTI Oil

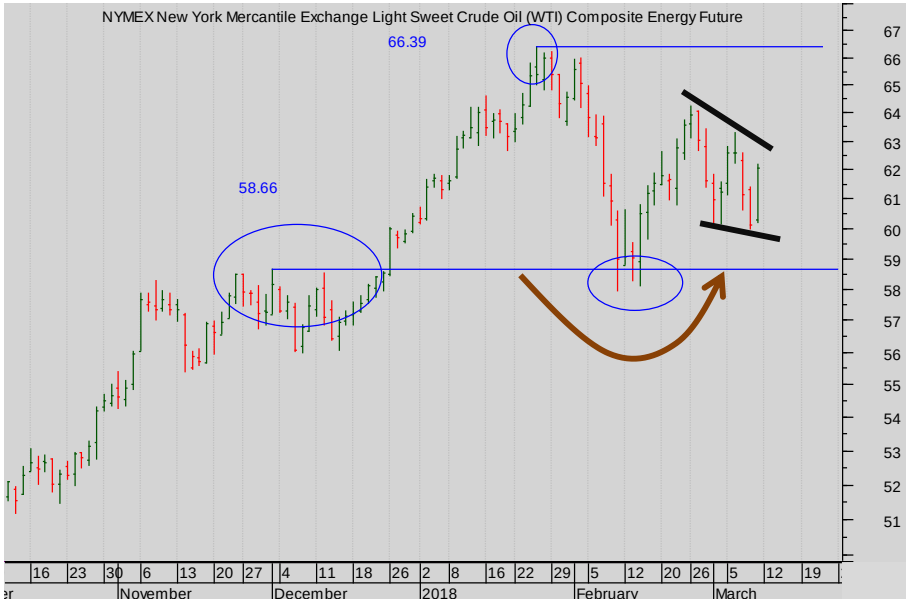


Nymex oil weekly continuation

The break and close above

1. the neckline and
2. then above the Prior High at 55.24

confirmed a fresh bull leg....



Nymex oil daily Mar 18 futures

The pull back has been sharp but there is good support at the Prior Highs 5797-58.81.

The bounce looks solid and is that possibly, a bull falling wedge?

SEVEN DAYS AHEAD

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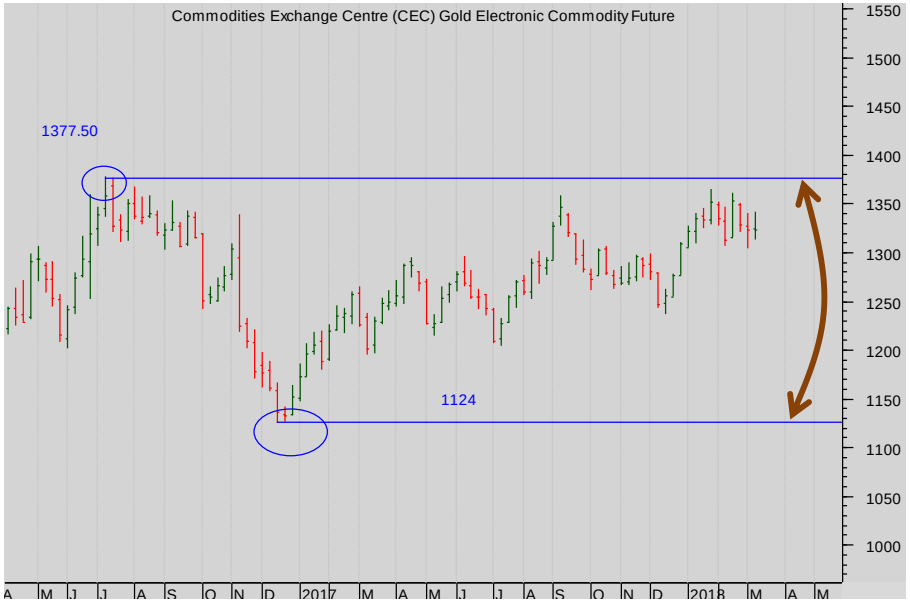
+ Comex Gold

Commodities: Comex Gold

Comex Gold Monthly Cont futures chart

A very wide trading range.



Comex Gold Weekly futures chart

Stand back; there are no clear structures in place.

Wait for a break above 1377.50 before enthusing on the bull tack.

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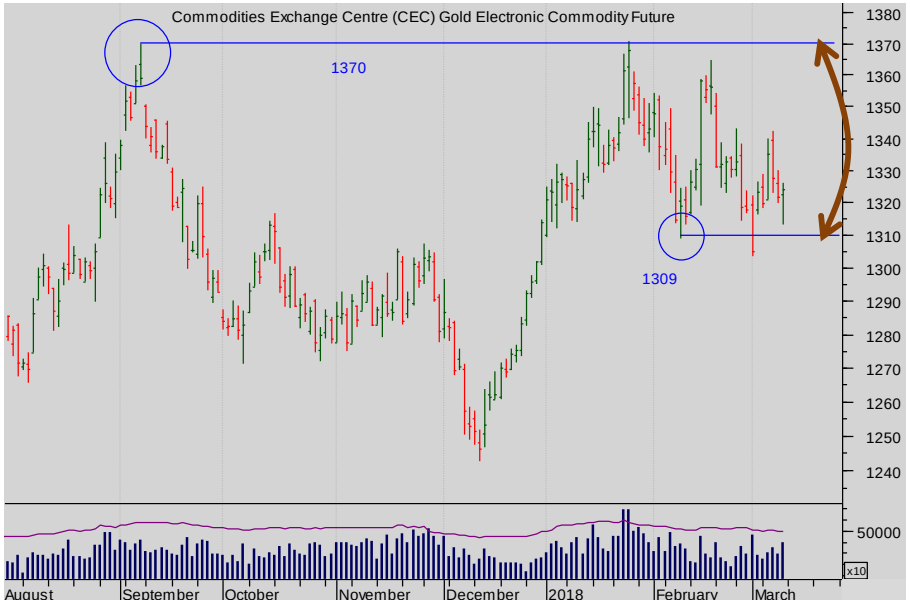
Commodities: Comex Gold



Comex Gold daily Mar 18 futures chart

The short-term chart is rather featureless.

Stand back.

Buy on a break up through 1367.50 or a break beneath 1307.10.

the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

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