



the technical analyst

AWARDS 2011

F I N A L I S T

SUMMARY

POSITIONS

- + Oil
- + US TNote
- + Dollar Sterling FX
- +
- +



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

Multi-Asset Trade Recommendations 18th May 2018

Disclaimer

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Summary

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13th April 2018: LONG Jun 18 Oil @ \$66.79. Stop \$65.49.

26th April 2018 : SHORT Jun 18 TNote @ 119.26. Stop 123.11

1st May SHORT Sterling (v Dollar) At 1.3660. Stop **CHANGED** 1.3850..



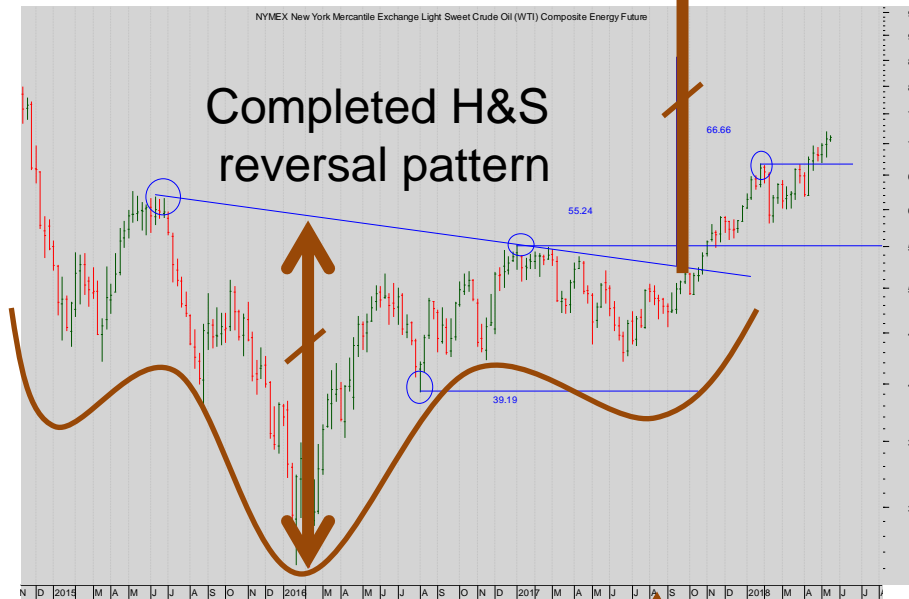
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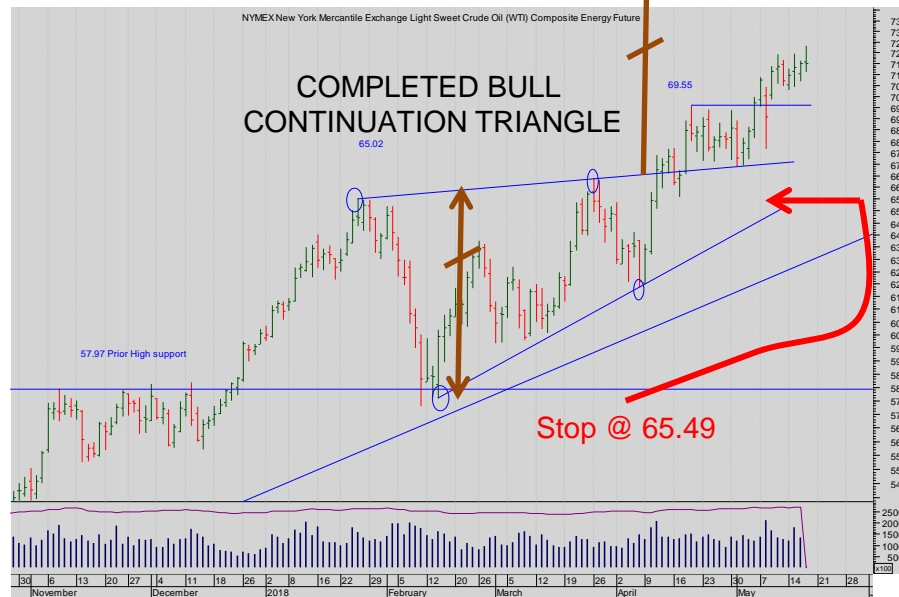
(1) TECHNICAL : 13th April 2018 LONG Jun 18 Oil @ \$66.79. Stop \$65.49.



Weekly continuation Chart :

The powerful bull Head and Shoulders reversal still looks set to drive the market higher.

The minimum move? About \$100.



Daily bar chart :

The market is driving ahead under the influence of the completed continuation Triangle pattern.

Minimum target?

About \$77.

More



(2) FUNDAMENTAL: 13th April 2018 LONG Jun 18 Oil @ \$66.79. Stop \$65.49.

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Last week's drama for oil was Trump went a head and withdrew the US from the deal with Iran designed to halt Iran's nuclear development program, and although the European powers that also signed the deal said they were still on board, without the US and with the threat of US sanctions the deal looks dead.

Looking ahead we judge the fall out from last week's news; Trump pulling the US out of the Iran deal, will continue to dominate as Iran threatens to restart Uranium enrichment and tensions between Iran and Israel escalate further.

Add in the near collapse of the Venezuela economy and oil production and oil supply has tightened further pushing the oil price higher.

In summary hold the trade.



(1) TECHNICAL : 26th April 2018 : SHORT JUN18 TNote @ 119.26. Stop 123.11.

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+

+



Monthly Chart – Continuation:

The market is testing and may have broken the long term (very) diagonal trendline support from the 1980s.

A Double Top has also surely completed.

The bears are in control.



Daily Chart Continuation:

Prior Lows re ratcheting the market lower and lower...

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+

+

Last week's focus was PPI, CPI and the budget deficit. In the event they were all better than expected, but the market traded lower as stocks continued to extend their own recovery.

The main events this week were retail sales and industrial production. Retail sales were broadly as expected, and industrial production was a little stronger, resulting in a further move lower in this market.

We remain bearish of this market, we judge the benign environment that Bonds have enjoyed over several decades no longer exists as a result of Trump's tax cuts and spending plans.

In summary hold the trade.



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Positions

+ Oil

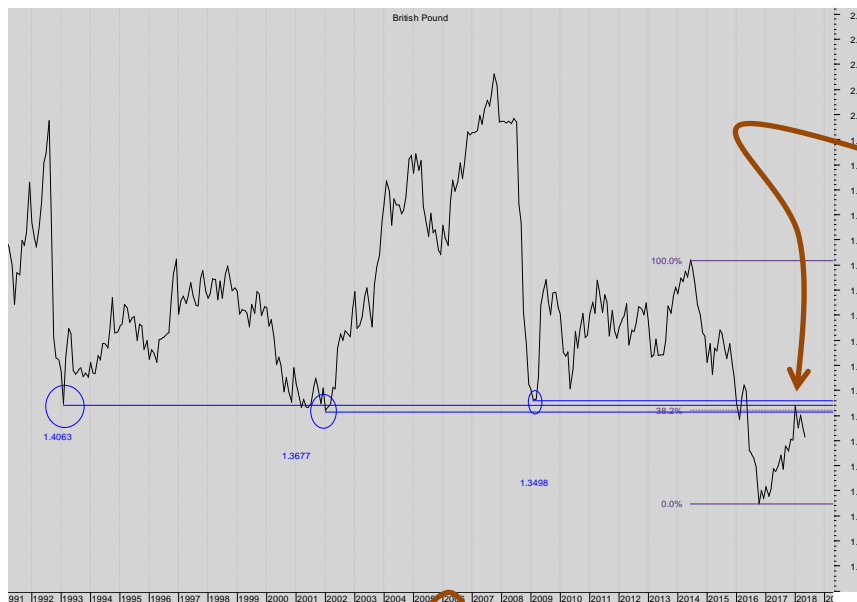
+ US TNote

+ Dollar Sterling FX

+

+

(1) TECHNICAL : 1st May SHORT Sterling (v Dollar) At 1.3660. Stop **CHANGED** 1.3850.



Weekly Chart Continuation:

The closing track of the market is clear: **there is massive very long-term resistance at 1.40 and in particular the Fibonacci resistance at 1.43.**



Daily Chart Continuation:

The market's close beneath 1.3656 has broken all support:

1. of the trading range,
2. of the diagonal support and
3. of the Prior High.

Now there is a completed Double Top set to drive the market down as far as 1.31 in the short term.

The bears are in charge.

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(2) FUNDAMENTAL : 1st May SHORT Sterling (v Dollar) At 1.3660. Stop **CHANGED** 1.3850.

The Bank of England took centre stage last week with its policy decision Thursday lunch time and the quarterly inflation report. No rate hike and weaker growth forecast was expected.

In the event no surprises sprung; rates on hold, growth forecast lowered and a wait and see attitude adopted amid ongoing muddle over “BREXIT”.

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The unemployment report and average earnings were due this week; we didn't expect them to alter the direction of travel in Sterling/Dollar and they didn't.

We remain bearish of Sterling v the Dollar amid continued economic weakness and “BREXIT” uncertainty.

In summary hold the trade.



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SEVEN DAYS AHEAD

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