the technical analyst AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Disclaimer

Multi-asset technical strategies
Week of 21st August 2018

Mark Sturdy

Authorised and regulated by the FSA

summary

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

Summary

Currencies			
+ Dollar Euro	Long-term **BEAR** Euro	Medium-term **BEAR** Euro	Short-term **BEAR** Euro
+ Dollar Sterling	Long-term **BEAR** Sterling	Medium-term **BEAR** Sterling	Short-term **BEAR** Sterling
+ Dollar Yen	Long-term **BEAR** Yen	Medium-term **BEAR** Yen	Short-term FLAT Yen
+ Sterling Euro	Long-term FLAT Euro	Medium-term **BULL** Euro	Short-term FLAT Euro
Stocks			
+ S&P 500	Long-term **BULL**	Medium-term **BULL**	Short-term FLAT
+ EuroStoxx 50	Long-term **BEAR**	Medium-term **BEAR**	Short-term FLAT
+ FTSE 100	Long-term **BULL**	Medium-term **BEAR**	Short-term FLAT
+ Nikkei 225	Long-term **BULL**	Medium-term **BULL**	Short-term FLAT
Bonds			
+ Ten Year US TNote	Long-term **BEAR**	Medium-term **BEAR**	Short-term FLAT
+ Ten Year German Bund	Long-term **BULL**	Medium-term **BULL**	Short-term **BULL**
+ UK Gilt	Long-term **BEAR**	Medium-term **BEAR**	Short-term FLAT
Commodities			
+ Oil	Long-term **BULL**	Medium-term **BULL**	Short-term FLAT
+ Gold	Long-term **BEAR**	Medium-term **BEAR**	Short-term **BEAR**

IMPLIED ASSET ALLOCATION

More

CURRENCIES

Dollar strength is the stand-out feature. And, more than that, the completion of well-constructed patterns (very recently against the Euro) suggests a good deal more to come. The exception is the Dollar Yen. Sterling Euro has signs of possible further Sterling weakness, but watch our levels there.

Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 and above **looks to have been reversed or at least halted** the bear Dollar bull Euro market …

The pressure is on the Euro now.

More

SEVEN DAYS AHEAD

Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Currencies: Dollar Euro

Dollar Euro weekly spot cash chart

But this band has been smashed: the horizontal support 1.1710-1.1614 from the Prior Highs.

The break of that should really convince the Dollar bulls because in addition to the break a H&S Top has been completed.

Minimum move? 1.05

Dollar Euro spot cash chart daily chart...

Here is a broken range. The Dollar bulls are in charge.

Big resistance above the market at 1.1506.

Summary

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

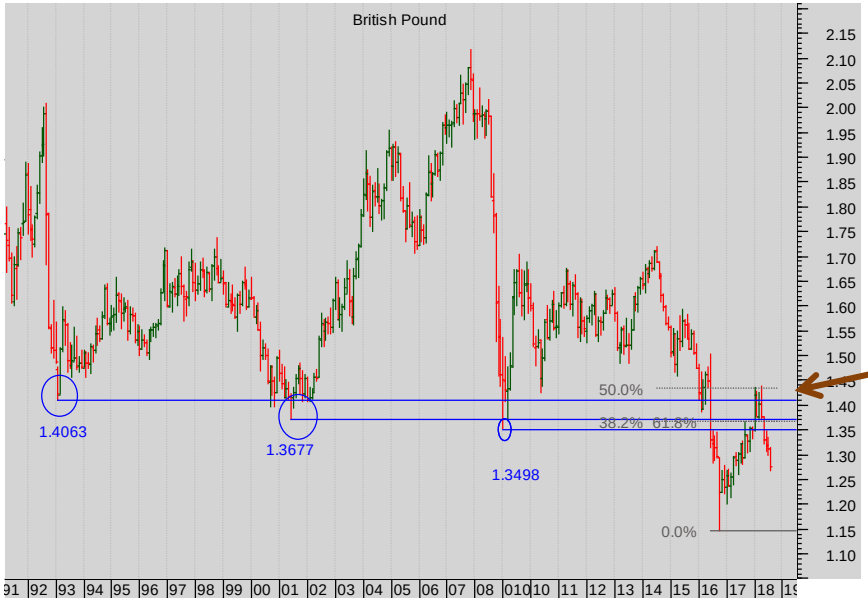
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

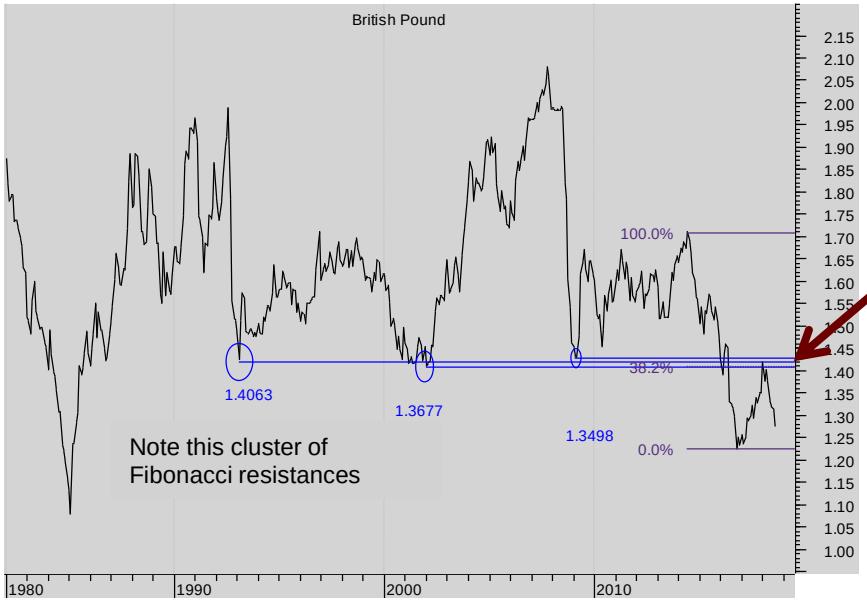


Dollar Sterling Monthly spot cash chart

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

The market rallied back deep into the band of resistance as far as the 50% Fibonacci resistance – but failed there.

Look more closely.



Dollar Sterling Monthly spot cash LINE CHART based on closes

Note here the repeated testing of the resistance band formed from low closes.

It's a clear failure…

Look more closely still…

More

SEVEN DAYS AHEAD

Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

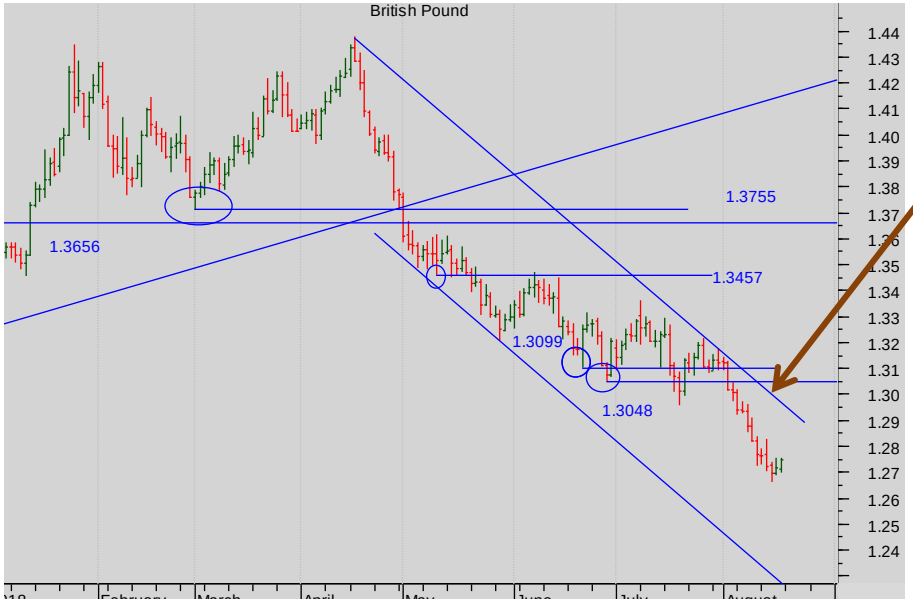
Currencies: Dollar Sterling

Dollar Sterling weekly spot cash chart

The Double Top at the recent high is interesting BUT:

the break of both the Prior High and diagonal support (and a coincident Fibonacci support) from 1.3656 was a clear sell signal for Sterling.

the bull trend of the last 19 months has broken down.



Dollar Sterling daily spot cash chart

So the downside momentum has been re-ignited by the renewed push down through 1.3048. There is no sign of a bottom formation.

SEVEN DAYS AHEAD

Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen

Dollar Yen monthly spot cash chart

Note the well-formed downtrend resistance that is being challenged right now.

No clear break yet.

Dollar Yen weekly spot cash chart

The market is dithering at the diagonal.

Stand back.

More

Summary

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

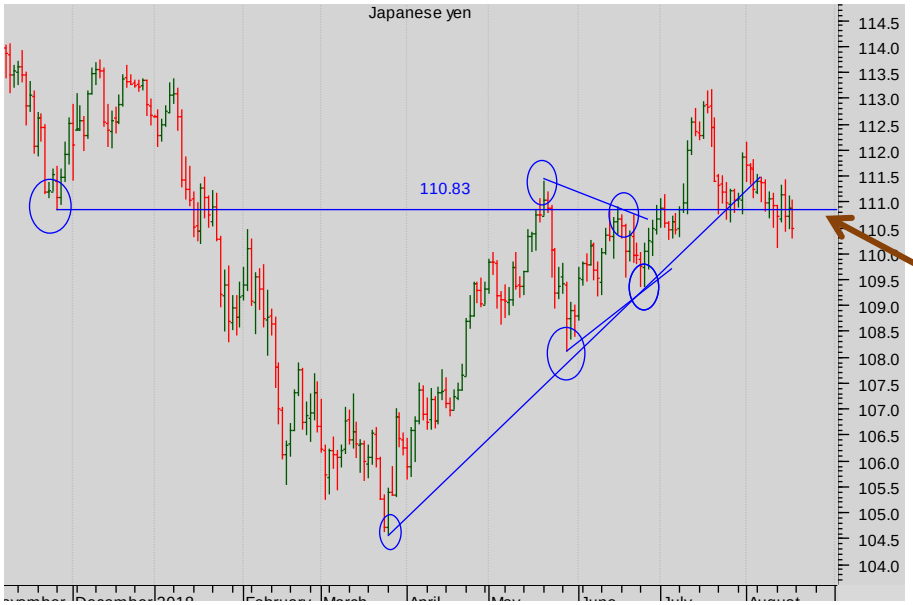
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

The market now sits on crucial support from the 110.83 horizontal.

A confirmed break beneath would be a hugely significant collapse of the market.

Watch and wait.

SEVEN DAYS AHEAD

Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

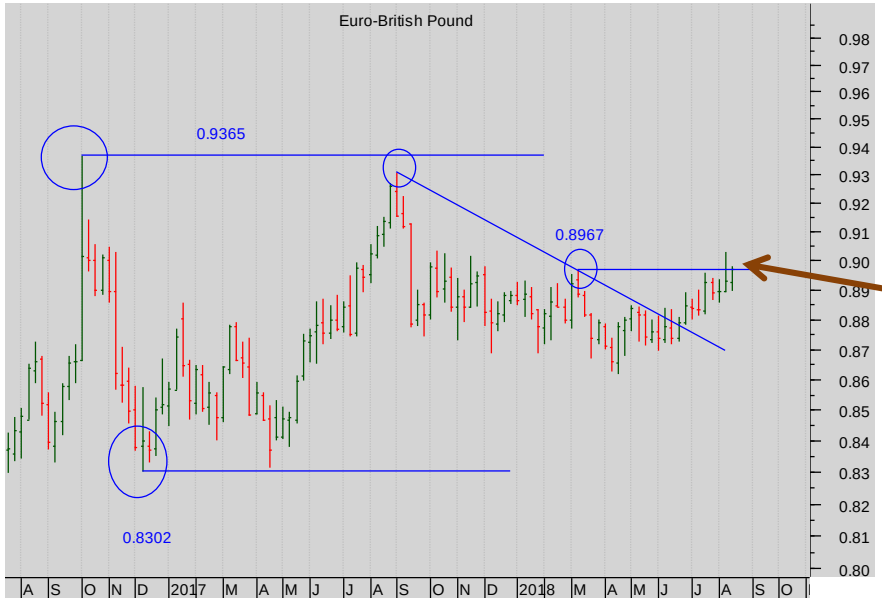
Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro

Sterling Euro monthly spot cash chart

The last four months' volatility has created a wide trading range.



Sterling Euro weekly spot cash chart

The narrower shorter-term trading range has not clearly broken.

Stand back for clarity.

Especially watch for a break up through 0.8967…

More

Summary

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

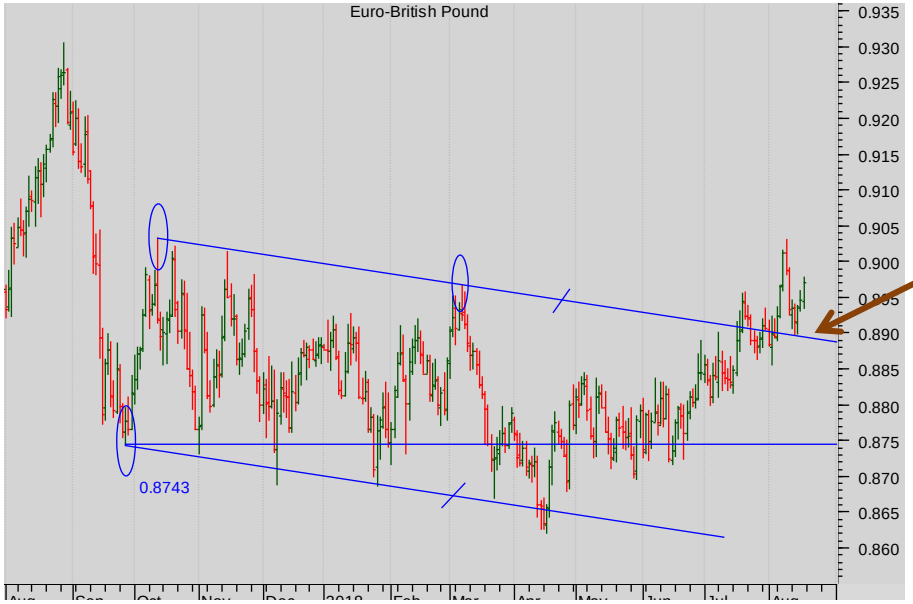
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro daily spot cash chart

But this is interesting:

The broken channel suggests further short-term sterling weakness.

Stocks

STOCKS: Stocks are interestingly poised: we note vulnerability in the FTSE and EuroStoxx (without breakdown yet) and the close re-approach of Prior All Time Highs in the S&P. The bulls need those S&P Prior Highs superseded for comfort; the bears need the FTSE and EuroStoxx to confirm a breakdown for clarity and their comfort…. so watch carefully how the various markets behave at these current levels.

Summary

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

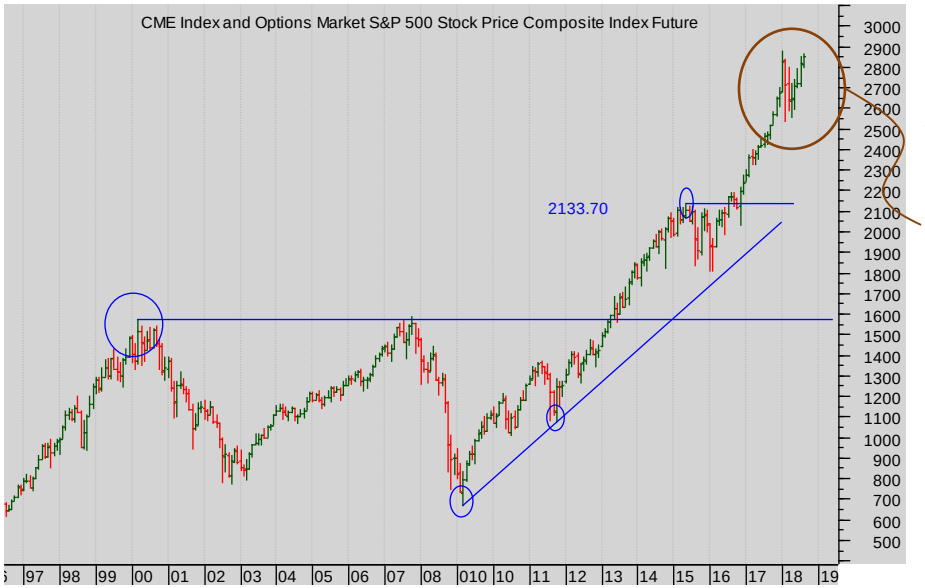
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The bulls remain firmly in control.

The approach to the recent high needs to break above it to reassure the bulls…

Look closer.

More

SEVEN DAYS AHEAD

Summary

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

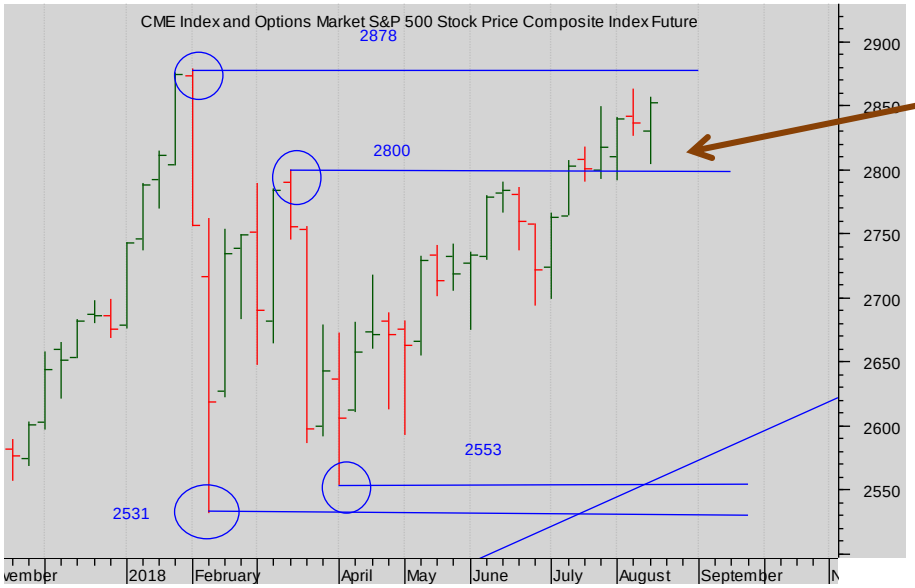
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

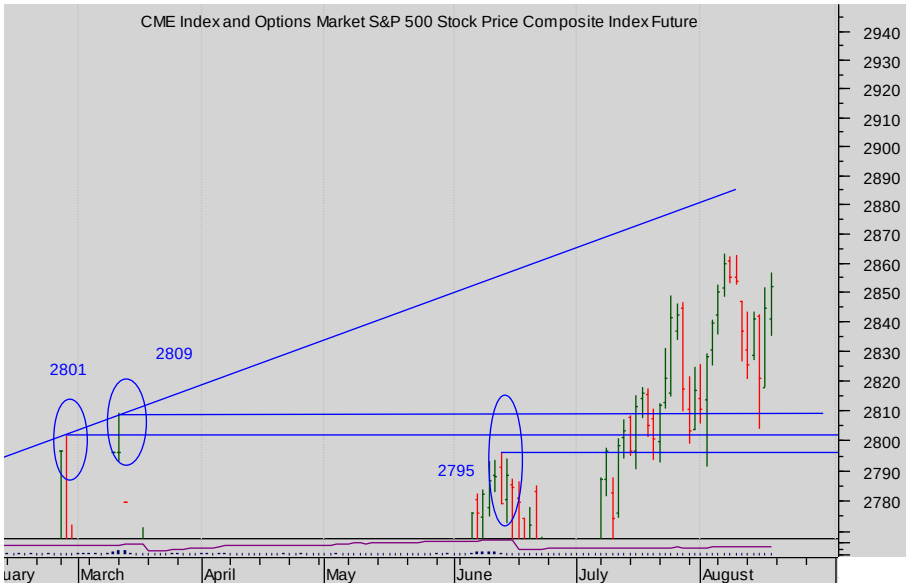
Stocks: CME S&P 500



CME S&P 500 cont weekly cont. chart

The close above 2800 is impressive and, if sustained, might generate sufficient momentum to test the top of the range 2878.

The bulls need the market to break above 2878b to reassure them that the market is in good fettle.



CME S&P 500 daily Sept 2018 chart

On the other hand this short-term chart is reassuring.

Anxious bulls will have been reassured by the solidity of the 2809 support in the Sept 2018 contract.

While that holds we remain buyers of the market.

More

SEVEN DAYS AHEAD

Summary

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

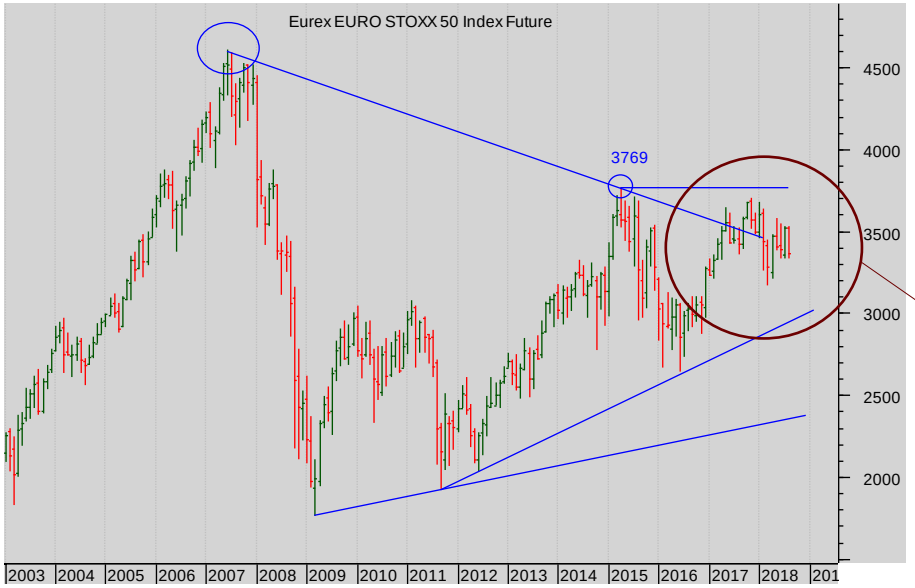
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

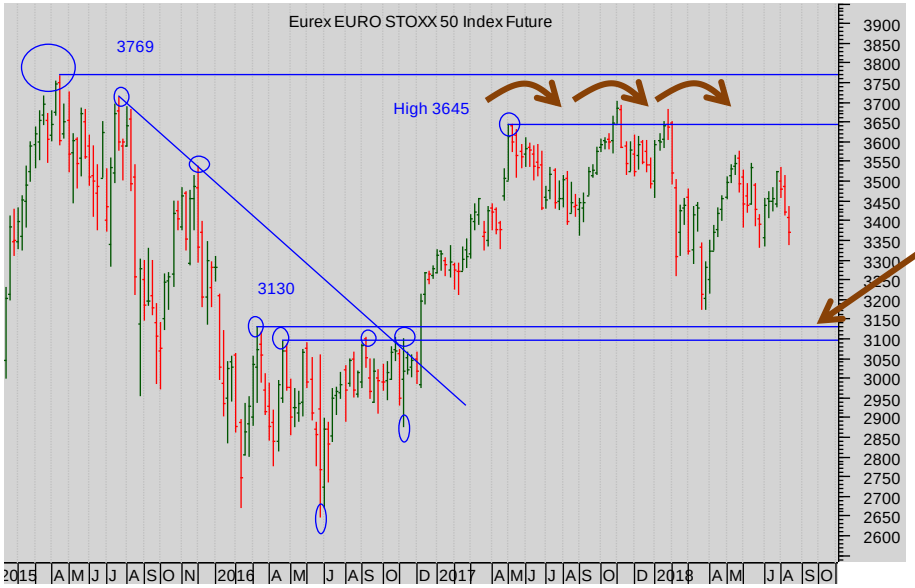
Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 monthly continuation futures chart

The long-term condition of the market is not clear:

The market has failed to push through the old 3769 High and remains looking vulnerable.



Eurex EuroStoxx 50 weekly continuation futures chart

Altogether this isn't clear.

The market needs to break beneath the support from the Prior Highs at 3100 to convince the bears that the market has failed and wants to go lower.

Equally, the failure to break above the successive prior highs 3645 looks vulnerable.

More

Summary

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

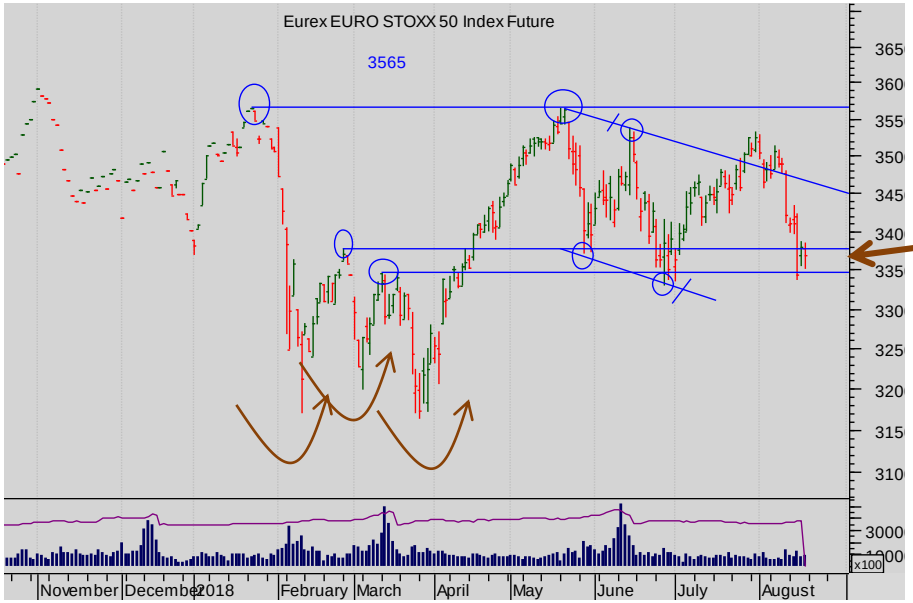
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Sep 18 futures chart

Note the failed development of a possible bull flag formation.

Focus has switched to the band of support from the Prior Highs at 3350.

Stand back for the market to resolve itself.

If the 3350 band breaks the bears will be in command….

Summary

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

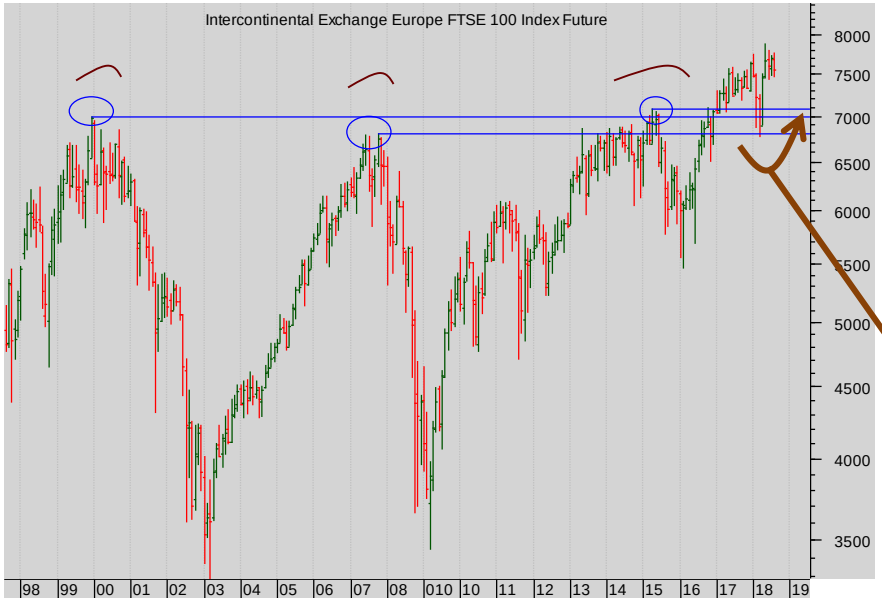
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

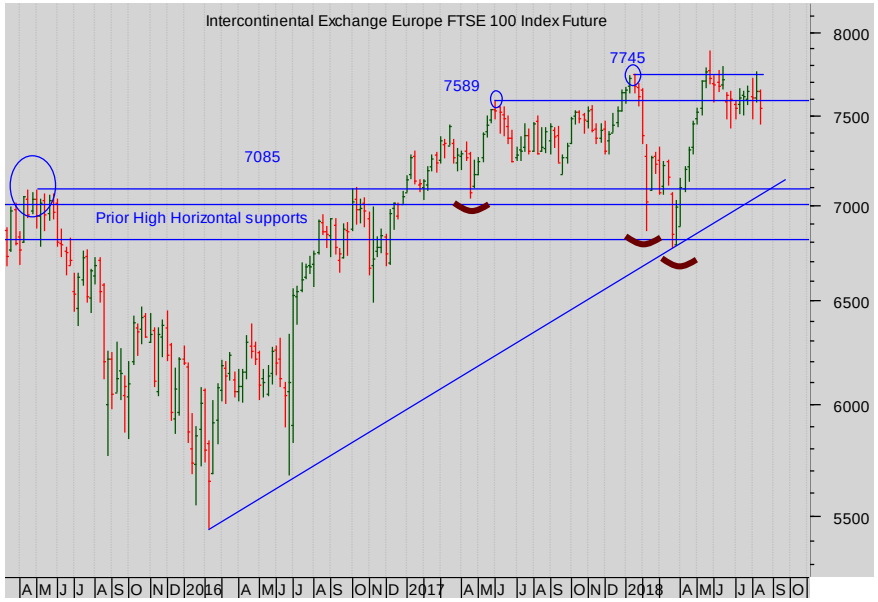
Stocks: Liffe FTSE 100



Liffe FTSE 100 Monthly continuation futures chart

The succession of Prior Highs (6796, 6995) has been overcome, so the market remains underpinned in a very powerfully bullish way.

Note that the one retest of that support led to a rapid bounce.



Liffe FTSE 100 Weekly cont. futures chart

The retest and bounce from the successive levels of support from 6800 to 7100 looks very spirited – can the market convincingly break 7745?

Not for the moment. It looks vulnerable.

The bulls need that to happen to reassure themselves that the market has further to go….

More

Stocks: Liffe FTSE 100

Liffe FTSE 100 jun18 daily futures chart

While we waited for a confirmed and convincing break of 7729 or so….

The third failure at the level looks anxious-making yet only a break beneath 7421 would threaten the bulls.

Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Summary

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

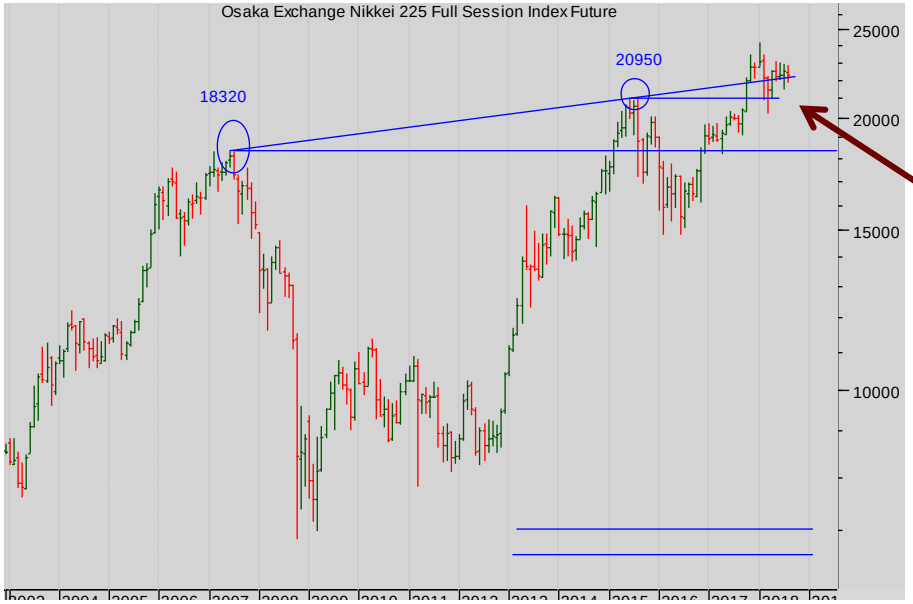
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

The market smashed up through the Prior High 20950 and then, on pulling back, has bounced, confirming the bull sentiment..

Nikkei 225 chart (WEEKLY)

The bulls would be mightily further encouraged by a move up through 22970!

More

Summary

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

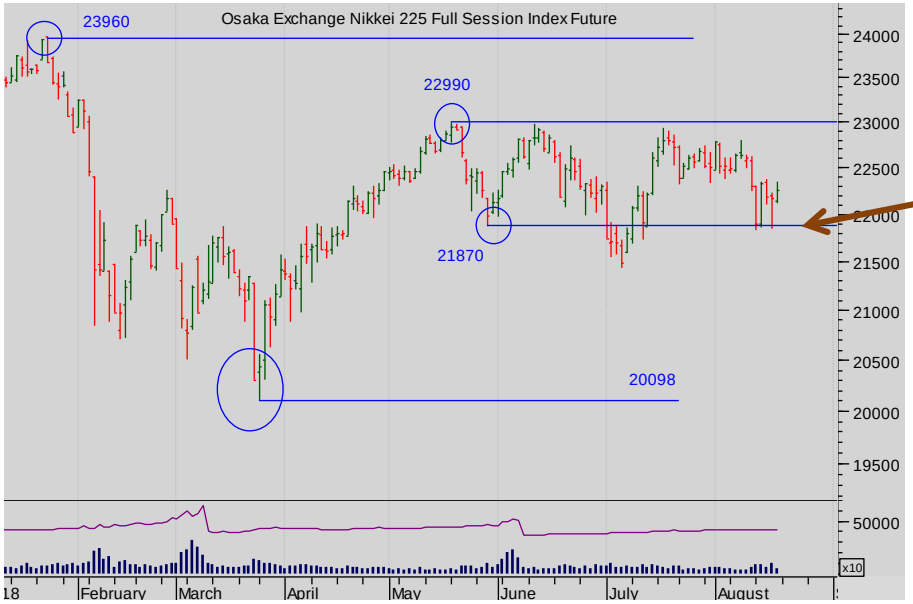
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart Daily Sep 18.

But this isn't clear. Bulls need a break above the twin highs at 22990.

Bears will watch for a confirmed break beneath 21870.

Bonds

BONDS Note the close approach of the Bunds to breakout and thereby completion of the bull continuation triangle there. So too, is there scope for the Gilt to complete a similar pattern. The TNote is sidelined for the moment.

Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNotes
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes

CBOT Ten Year Notes monthly futures continuation chart

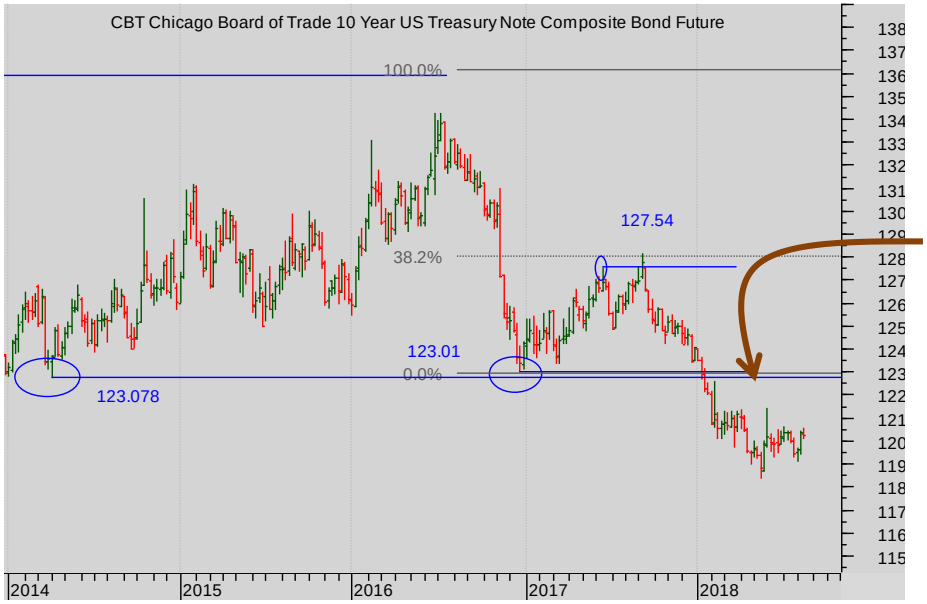
The long-standing diagonal trendline support is being tested….

More

SEVEN DAYS AHEAD

- Summary
- **Currencies**
  - + Dollar Euro
  - + Dollar Sterling
  - + Dollar Yen
  - + Sterling Euro
- **Stocks**
  - + S&P 500
  - + EuroStoxx 50
  - + FTSE 100
  - + Nikkei 225
- **Bonds**
  - **+ Ten Year US TNotes**
  - + Ten Year German Bund
  - + UK Gilt
- **Commodities**
  - + Oil
  - + Gold
- IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes weekly futures continuation chart

And note this breakdown through Prior Lows (the band 121.39/122.45) that will now act as good resistance on any rally.

CBOT Ten Year Notes daily Sep18 futures chart

This trading range from February will be broken (and completed) by a break above 121.

More

SEVEN DAYS AHEAD

Summary

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

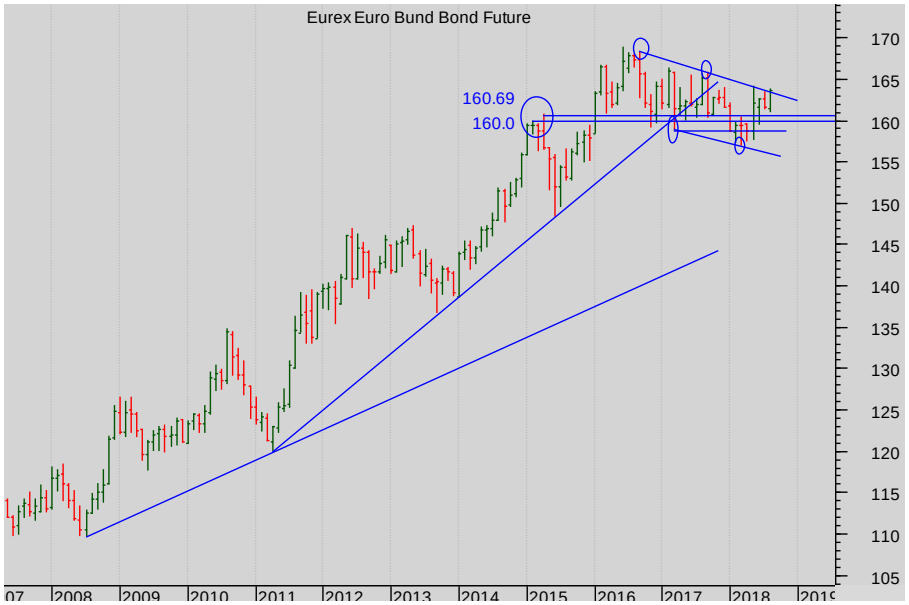
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

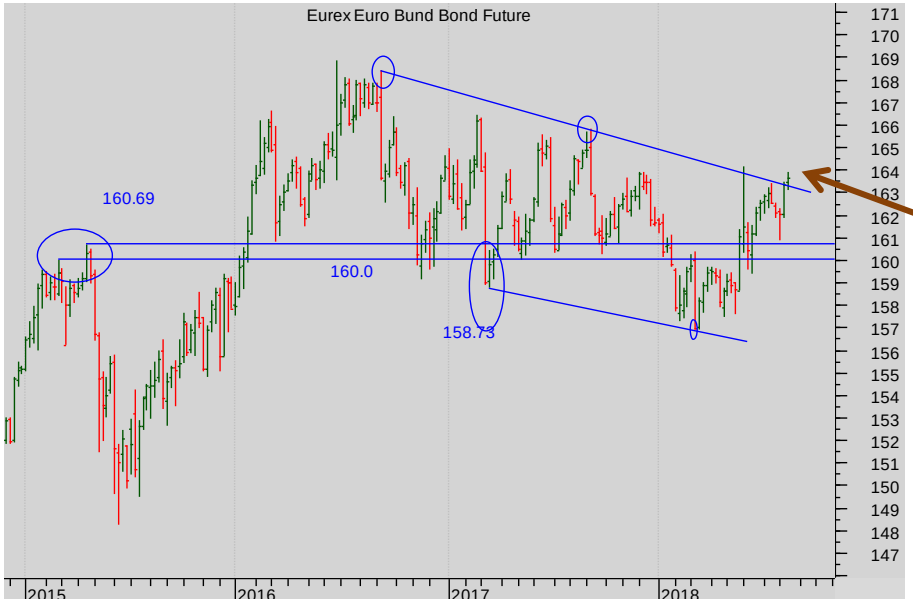
IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

The market has found support at the Prior Highs 160.69/160 and looks set to bounce.



Eurex Ten Year Bund weekly **cont.** futures Chart

Watch the falling diagonal (around 163.50) – that would get the bulls going.

Wait for a confirmed break.

More

Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund

Eurex Ten Year Bund Sep 18 Daily futures chart

This short-term picture emphasises the re-approach of the old highs.

Watch for a push through 163.39 to reignite the bulls.

SEVEN DAYS AHEAD

Summary

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

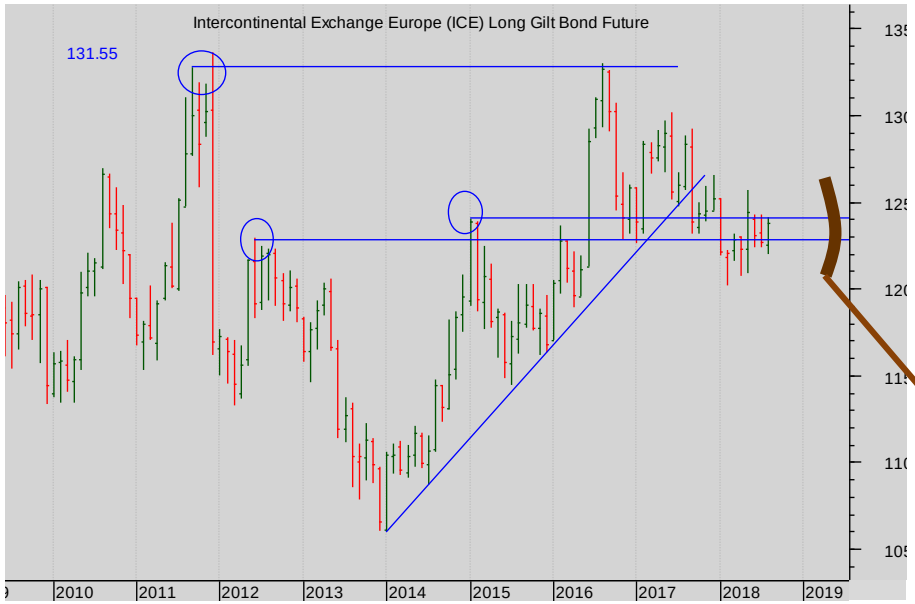
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



Liffe UK Gilt monthly futures continuation chart

1. The clear well-established long-term diagonal bull trend support that has been broken.
2. The market has fallen back to the band of support from the Prior Highs.

Look closer….

Liffe UK Gilt weekly continuation futures Chart

The market is dithering beneath the diagonal from the two prior Lows which seems to be acting as good resistance.

So we remain bears of the market for the moment …

More

SEVEN DAYS AHEAD

- Summary
- Currencies
  - + Dollar Euro
  - + Dollar Sterling
  - + Dollar Yen
  - + Sterling Euro
- Stocks
  - + S&P 500
  - + EuroStoxx 50
  - + FTSE 100
  - + Nikkei 225
- Bonds
  - + Ten Year US TNote
  - + Ten Year German Bund
  - **+ UK Gilt**
- Commodities
  - + Oil
  - + Gold

IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures

TSE Ten Year JGB daily June 18 chart

Note this test:
The bulls are emboldened at the second bounce off the support from the Prior Highs.

Stand back – the conclusive bull signal would be a break up through the 124 level completing a continuation triangle.

Commodity

COMMODITIES: Oil remains testing important short-term support notwithstanding the long-term bullishness. Gold continues on a well-set bear trend.

Summary

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

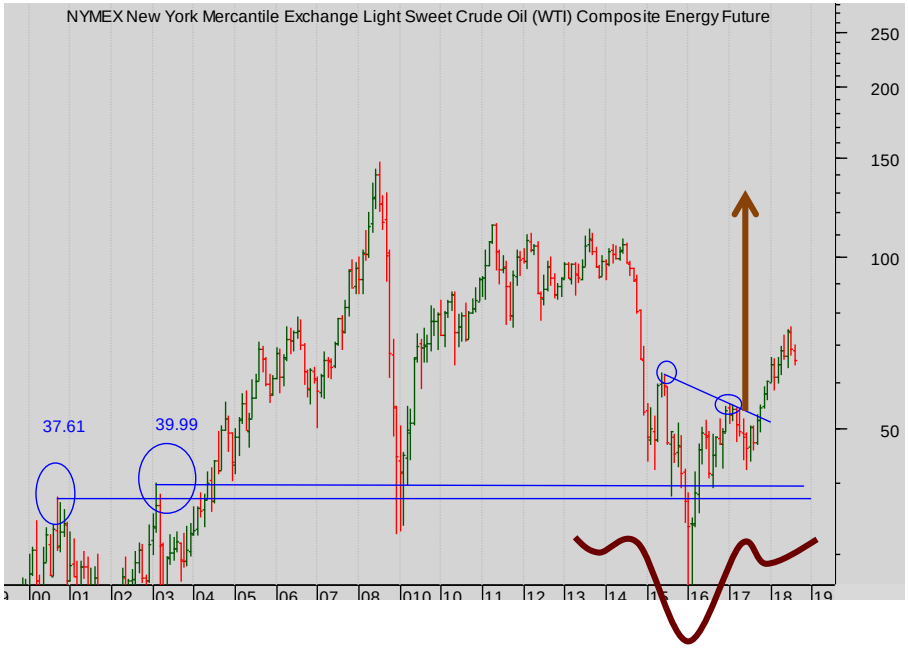
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

Massive support at $37.80

And note too the completed H&S bull reversal ....

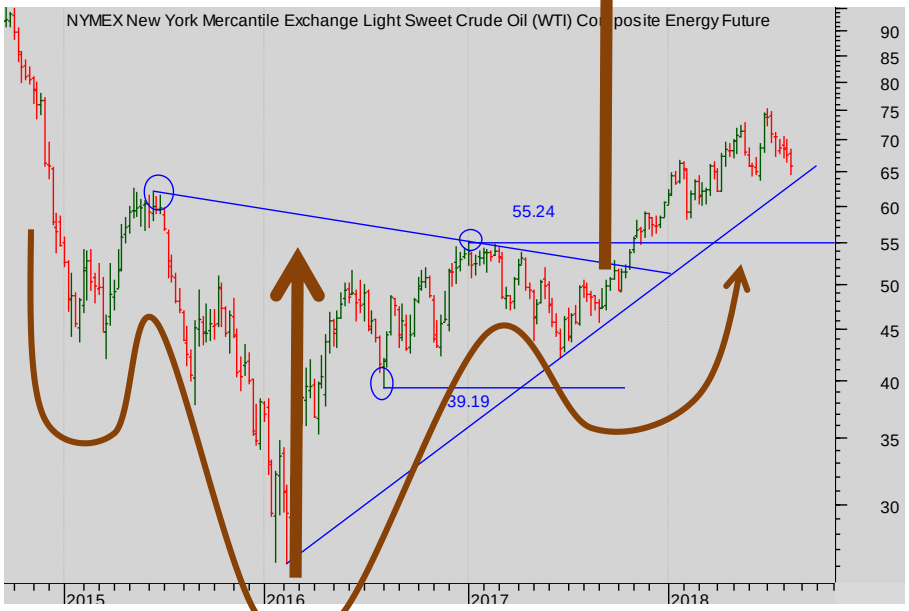
Minimum move? Over $100.

More

SEVEN DAYS AHEAD

- Summary
- Currencies
  - + Dollar Euro
  - + Dollar Sterling
  - + Dollar Yen
  - + Sterling Euro
- Stocks
  - + S&P 500
  - + EuroStoxx 50
  - + FTSE 100
  - + Nikkei 225
- Bonds
  - + Ten Year US TNote
  - + Ten Year German Bund
  - + UK Gilt
- Commodities
  - + Oil
  - + Gold
- IMPLIED ASSET ALLOCATION

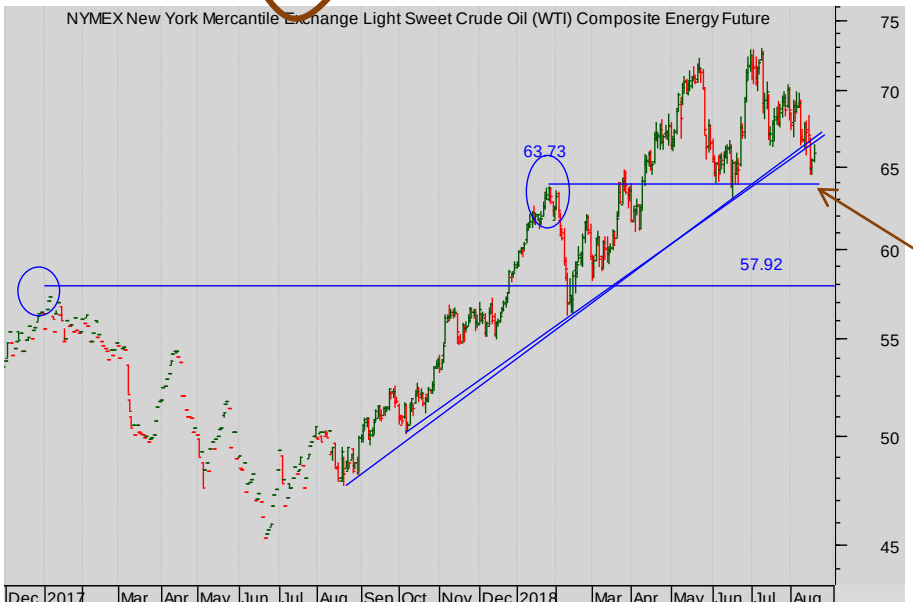
Commodities: Nymex WTI Oil



Nymex oil weekly continuation

But here's a pause and pull-back through the support from the Prior High at 66.02

And the rising diagonal support….



Nymex oil daily Sep18 futures

But the very well-established rising diagonal has been smashed.

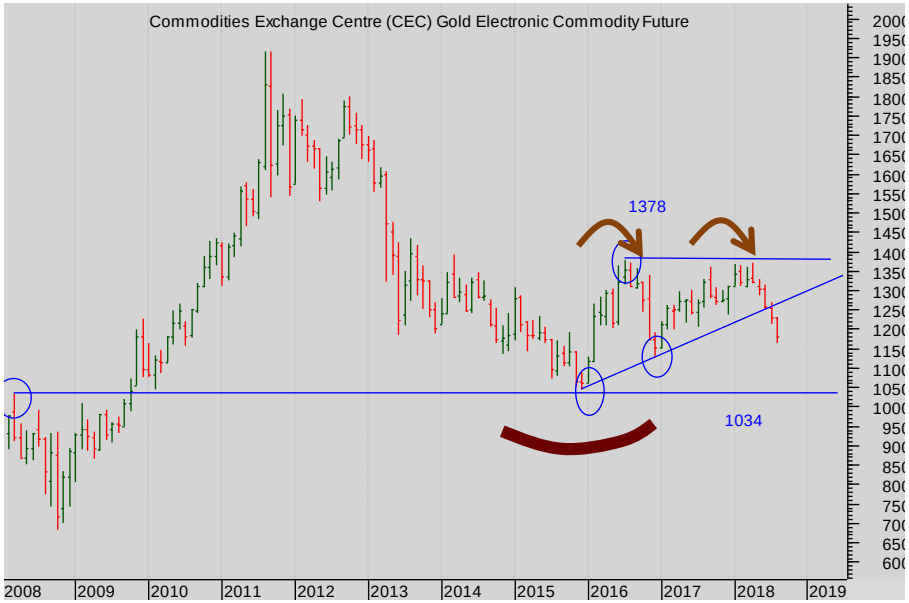
Now watch the support from the Prior High at 63.73.

Unless that breaks … we remain bulls

SEVEN DAYS AHEAD

- Summary
- **Currencies**
  - + Dollar Euro
  - + Dollar Sterling
  - + Dollar Yen
  - + Sterling Euro
- **Stocks**
  - + S&P 500
  - + EuroStoxx 50
  - + FTSE 100
  - + OSE Nikkei 225
- **Bonds**
  - + Ten Year US TNote
  - + Ten Year German Bund
  - + UK Gilt
- **Commodities**
  - + Oil
  - **+ Gold**
- IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



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.

(And repeated failures at the Fibonacci resistance at 1400 – not shown)

Comex Gold Weekly futures chart

NOTE the breaking of that support from the rising diagonal enthusing the bears.

The bears remain in charge.

Summary

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

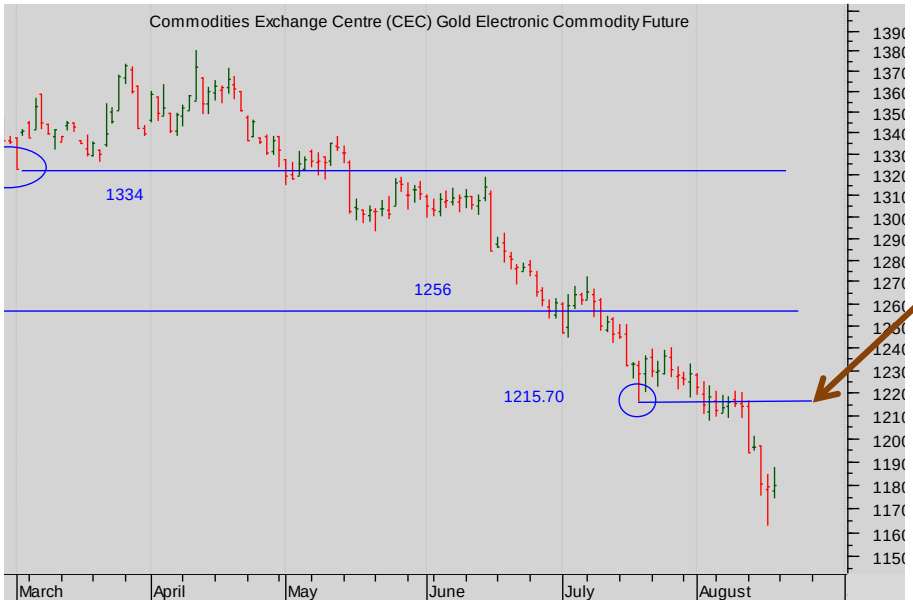
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Comex Gold daily Sep 2018 futures chart

But here the bears have the additional encouragement of a CONFIRMED break beneath 1215.

The trend is well-set.

So we remain bears.

Summary

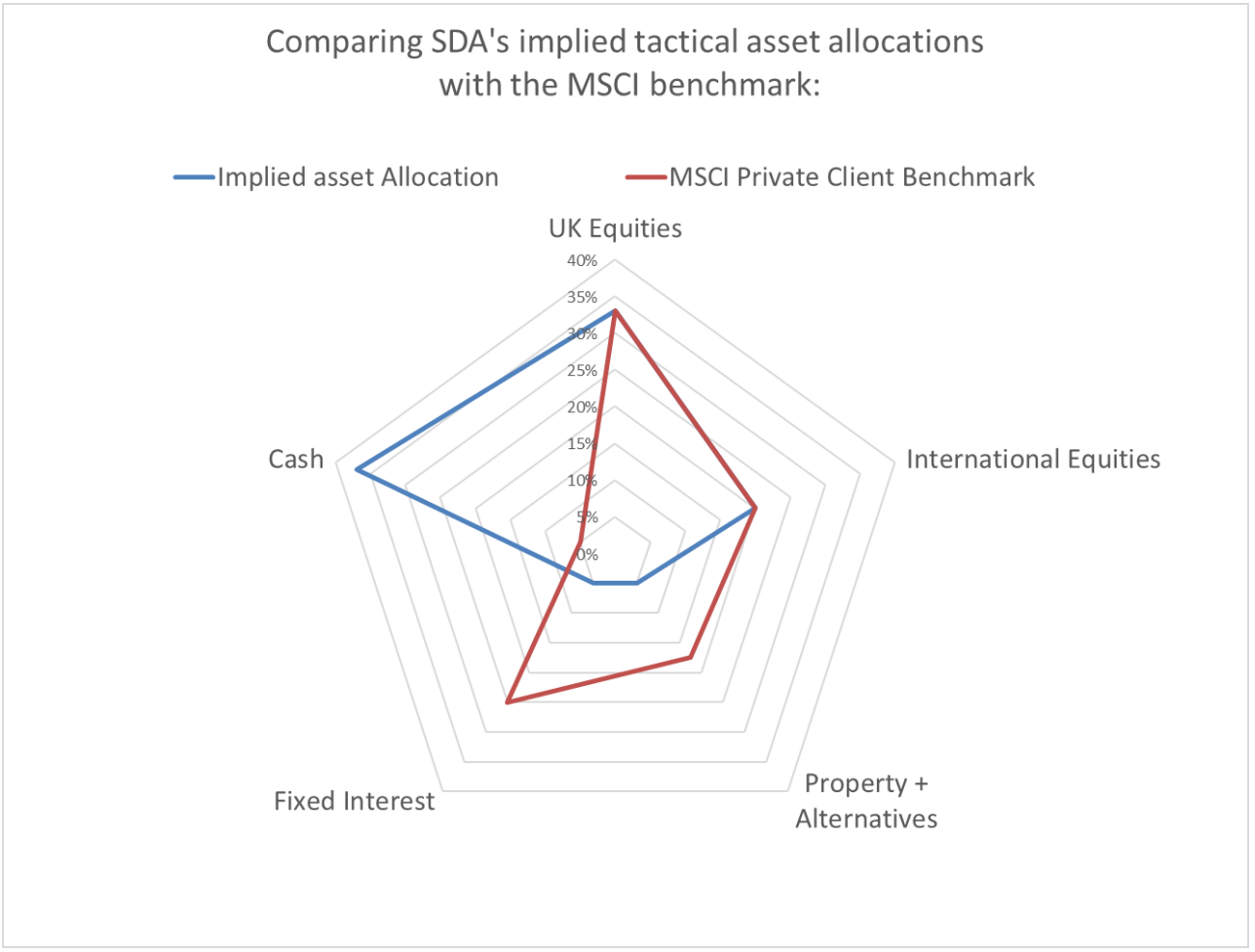
Summary

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

Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold



More

the technical analyst AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

The material and information set out in this research is not intended to be a quote of an offer to buy or sell any financial products. Any expression of opinion is based on sources believed to be reasonably reliable but is not guaranteed as to accuracy or completeness.

The material and information herein is general and for informational purposes only. Although Seven Days Ahead endeavours to provide useful information they make no guarantee as to the accuracy or reliability of the research.
The derivative market comprises volatility and considerable risks. To the maximum extent permitted by law no responsibility or liability can be accepted by Seven Days Ahead, any company or employee within its group for any action taken as a result of the information contained in this presentation. You are requested not to rely on any representation in this research and to seek specific advice from your accountant, legal adviser or financial services adviser when dealing with specific circumstances.

Seven Days Ahead is regulated by the UK Financial Services Authority.

Back to main menu