



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 11th September 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

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

Stocks

- + S&P 500
- + EuroStoxx 50
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Long-term BULL	Medium-term BULL	Short-term BULL
Long-term BEAR	Medium-term BEAR	Short-term FLAT
Long-term BULL	Medium-term BEAR	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term FLAT

Bonds

- + Ten Year US TNote
- + Ten Year German Bund
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Long-term BEAR	Medium-term BEAR	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BEAR	Medium-term BEAR	Short-term FLAT

Commodities

- + Oil
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Long-term BULL	Medium-term BULL	Short-term BULL
Long-term BEAR	Medium-term BEAR	Short-term BEAR

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The Euro has failed to break Sterling so far: it has emphatically fallen back from the breakout of two weeks ago. The trading range of the last few months remains intact. The Euro's weakness remain clear in the cross with the Dollar too. Cable? The attempted rally early last week has flopped. The Sterling bulls needs a great deal more before they can grow their confidence.

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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



Currencies: Dollar Euro

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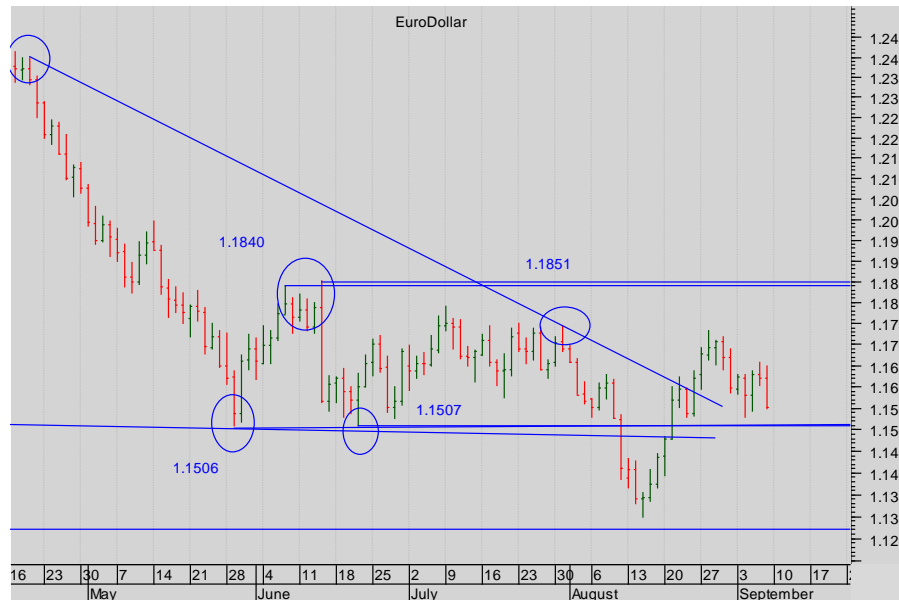
IMPLIED ASSET ALLOCATION



Dollar Euro weekly spot cash chart

We thought that this might be a H&S Top but the rally back through the possible Neckline has smashed that.

Stand back for clarity.



Dollar Euro spot cash chart daily chart...

The rally back has taken the market back into a trading range....

Stand back for clarity.



Currencies: Dollar Sterling

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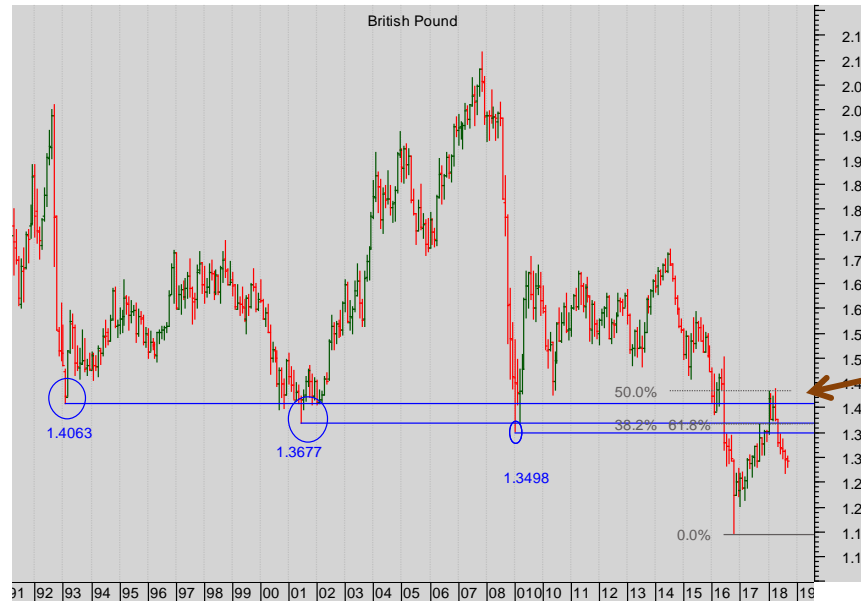
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IMPLIED ASSET ALLOCATION

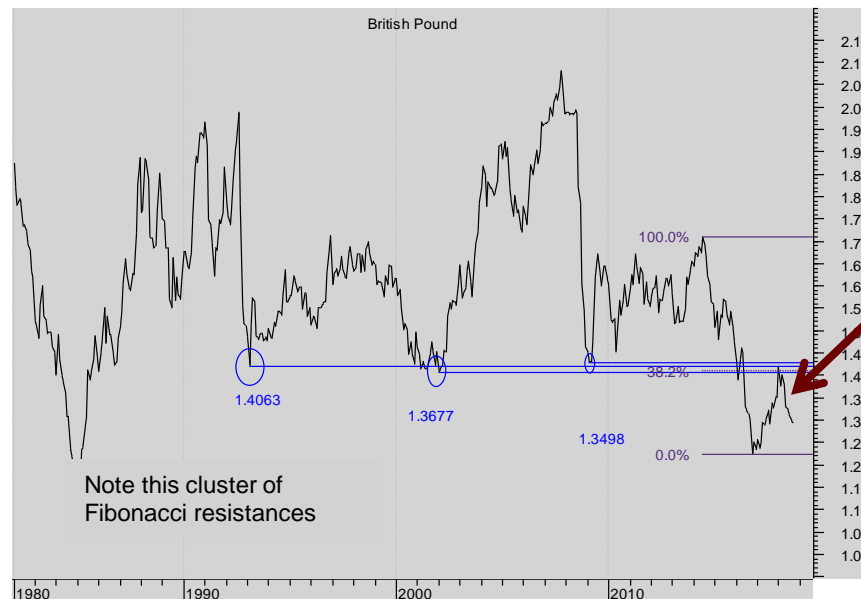


Dollar Sterling Monthly spot cash chart

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...

Note this cluster of Fibonacci resistances

More



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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.

Some support off the diagonal?



Dollar Sterling daily spot cash chart

Watch the resistance at the band beginning at 1.3048 - only if that breaks will the Sterling bulls get excited.



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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



Currencies: Dollar Yen



Dollar Yen daily spot cash chart

This is not at all clear.

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IMPLIED ASSET ALLOCATION



Currencies: Sterling Euro

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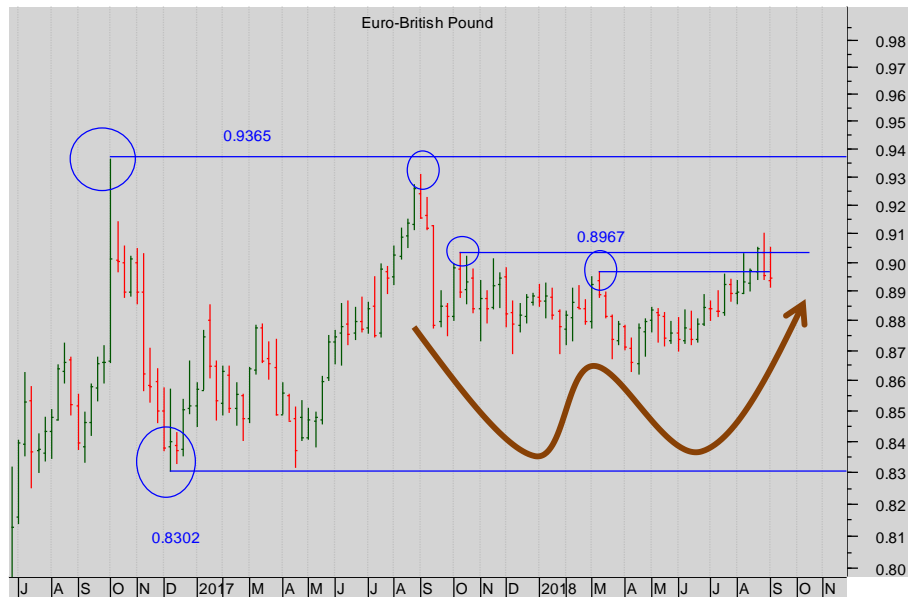
- + Oil
- + Gold

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Sterling Euro monthly spot cash chart

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



Sterling Euro weekly spot cash chart

This might yet be Double Bottom..

The target for a break up through 0.8967?

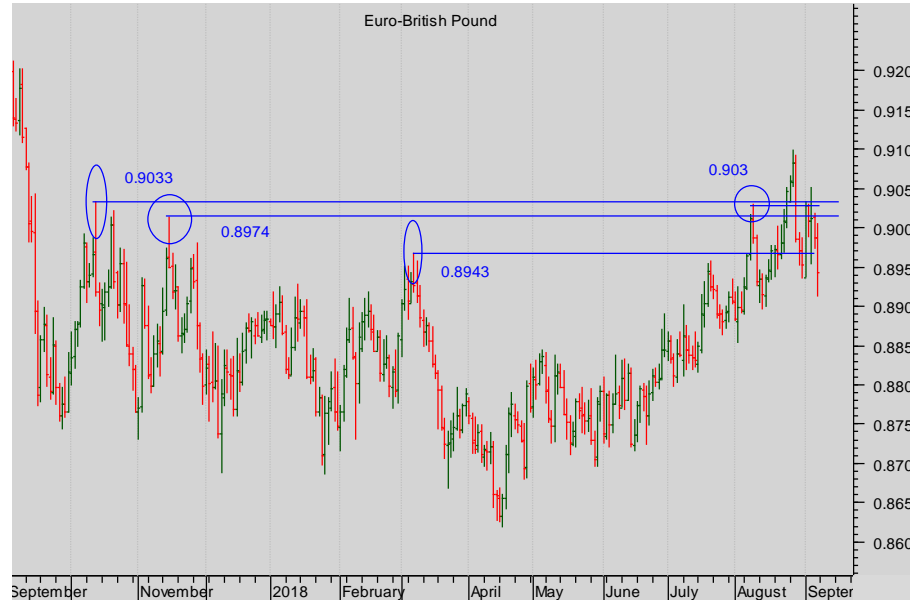
About 0.9365

But wait for the completion...





Currencies: Sterling Euro



Sterling Euro daily spot cash chart

The sharp retracement back through the horizontal supports has thrown the structure into confusion.

Stand back.

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- + **Sterling Euro**

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IMPLIED ASSET ALLOCATION



Stocks

STOCKS: The S&P 's weakness last week was translated into very much weaker moves elsewhere in the World. It too early to tell whether the there is more to come watch our levels each time frame - critical support are close. Short-term both the FTSE the EuroStoxx looks set to go lower still, but the former remains a good deal more solidly-structured in the medium-term.

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IMPLIED ASSET ALLOCATION

Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The bulls remain firmly in control.

Look closer.

More



Stocks: CME S&P 500

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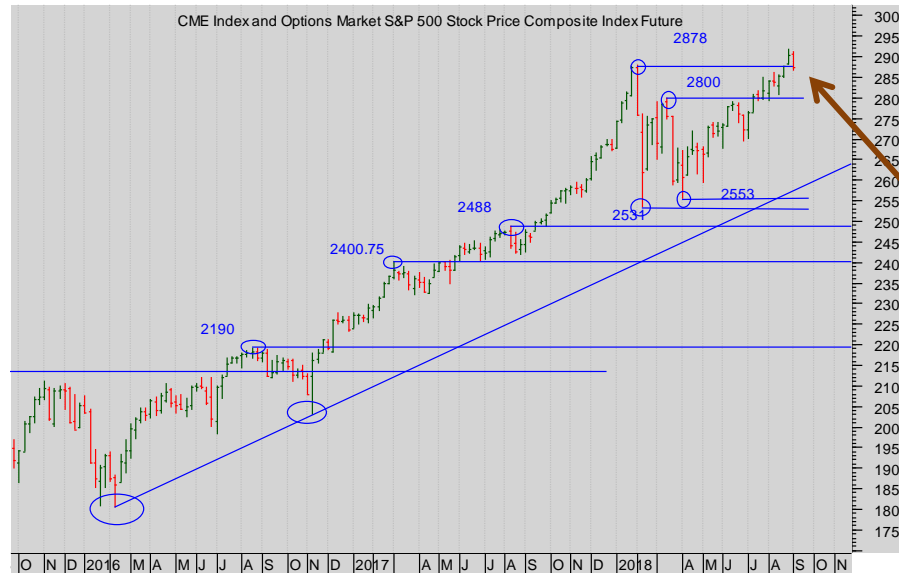
Bonds

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Commodities

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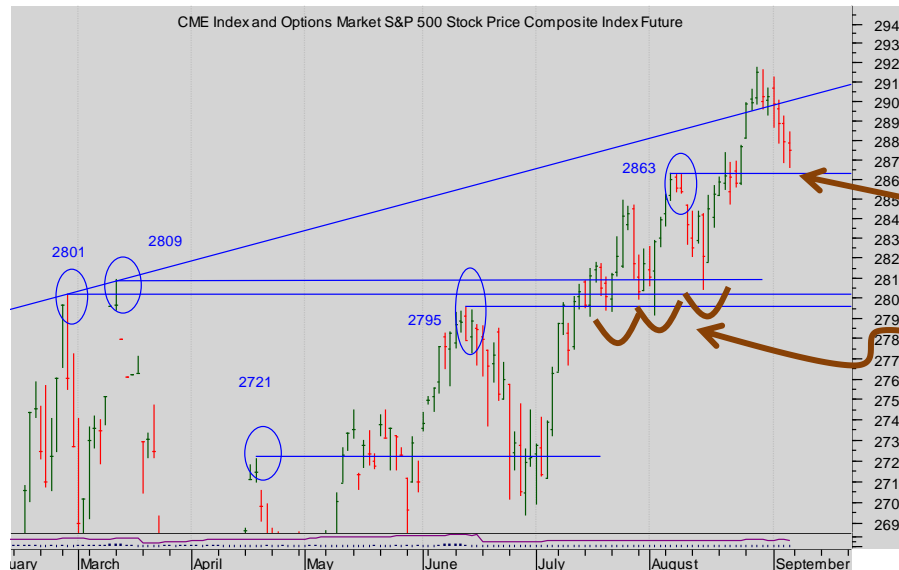
IMPLIED ASSET ALLOCATION



CME S&P 500 cont weekly cont. chart

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

May have failed there... watch carefully.



CME S&P 500 daily Sept 2018 chart

The smash through the short-term Prior High of 2863 was the catalyst for more buying still. **Now it is essential support.**

Anxious bulls were reassured by the solidity of the 2809 support in the Sept 2018 contract.

More



Stocks: Eurex EuroStoxx 50

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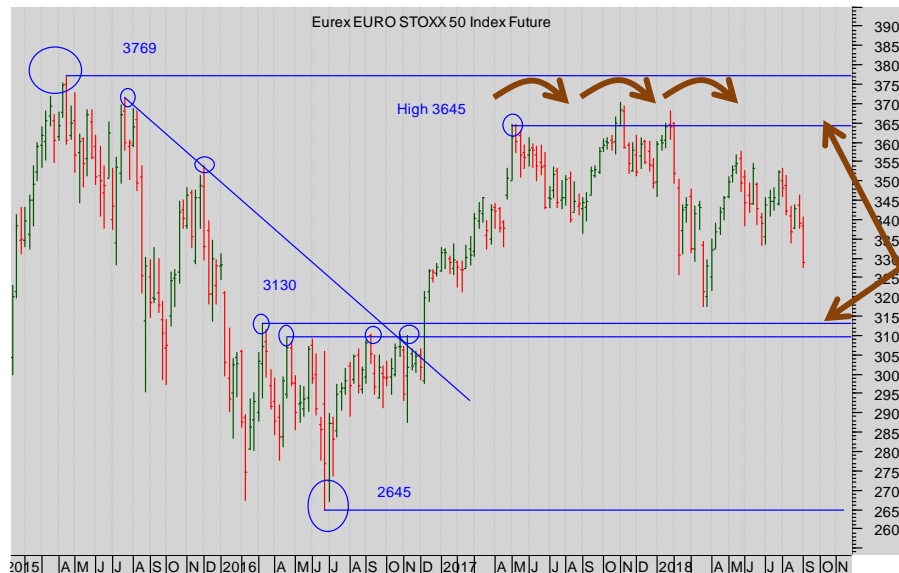
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Eurex EuroStoxx 50 monthly continuation futures chart

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



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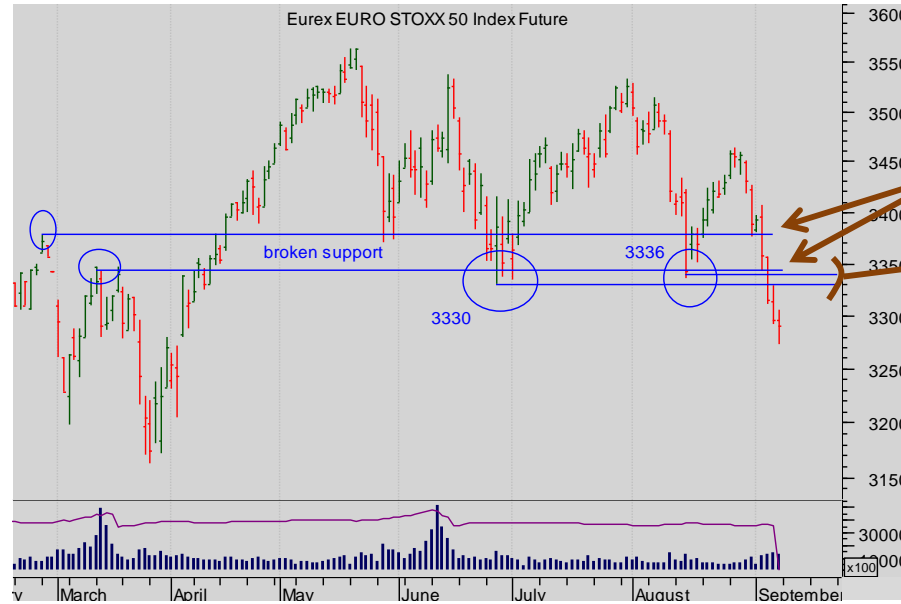
- + Ten Year US TNote
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Sep 18 futures chart

The band of support from the Prior Highs at 3350 has broken and so a multiple top has formed.

The bears are in charge now, there is powerful resistance above the market: 3330-3336



Stocks: Liffe FTSE 100

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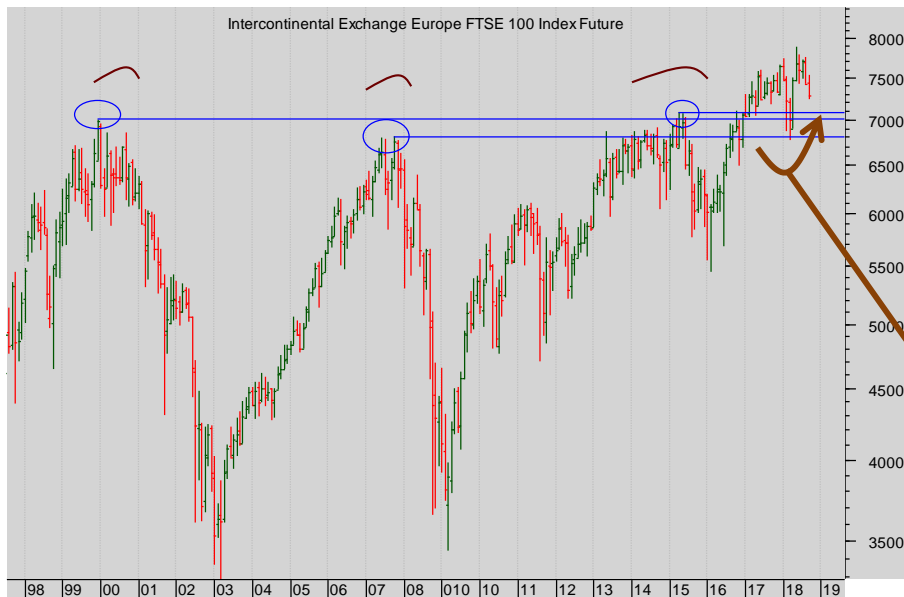
Bonds

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Commodities

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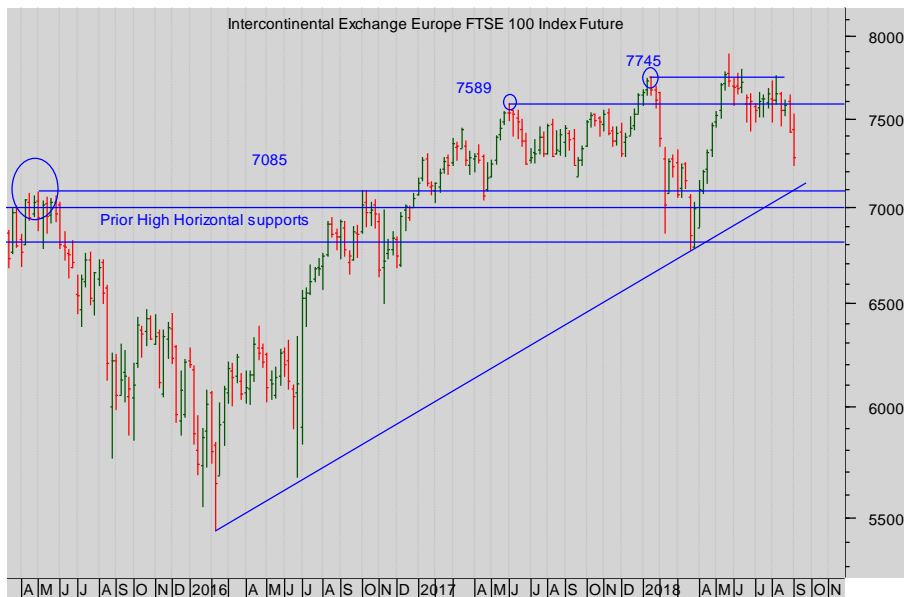
IMPLIED ASSET ALLOCATION



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?

We thought it looked vulnerable and so it proved.

A retest of the multiple support around 7000 is likely.

More



Stocks: Liffe FTSE 100



Liffe FTSE 100 jun18 daily futures chart

We thought that the third failure at the 7800 level looked anxious-making and so it has proved

The break beneath 7421 has completed a multiple top.

Expect powerful resistance at the Prior low 7421 if the market tries to rally!

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IMPLIED ASSET ALLOCATION



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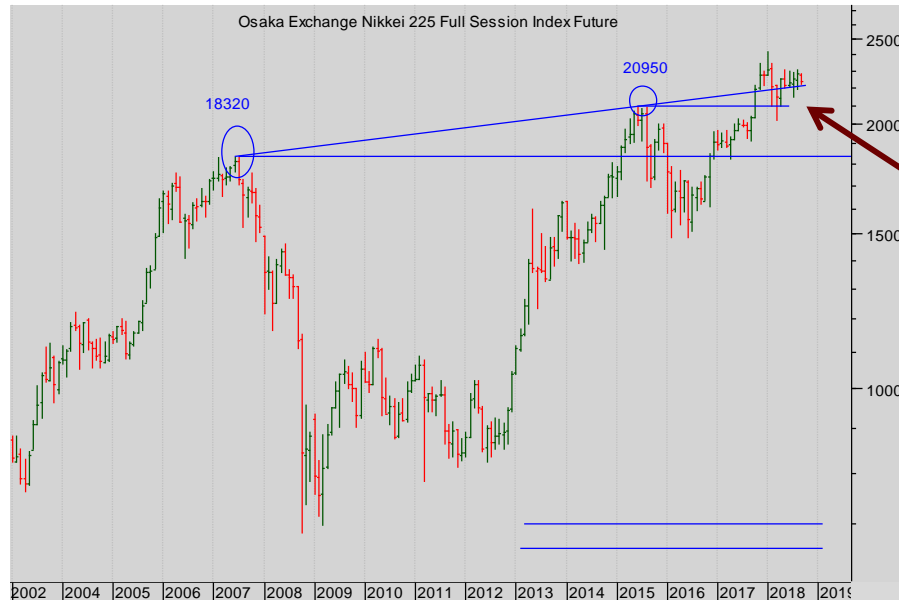
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Commodities

- + Oil
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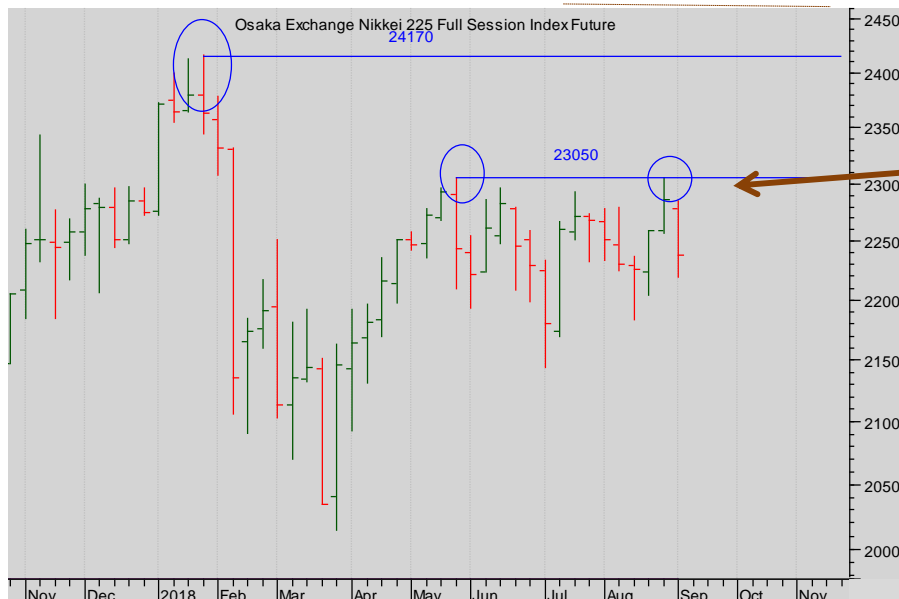
IMPLIED ASSET ALLOCATION

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)

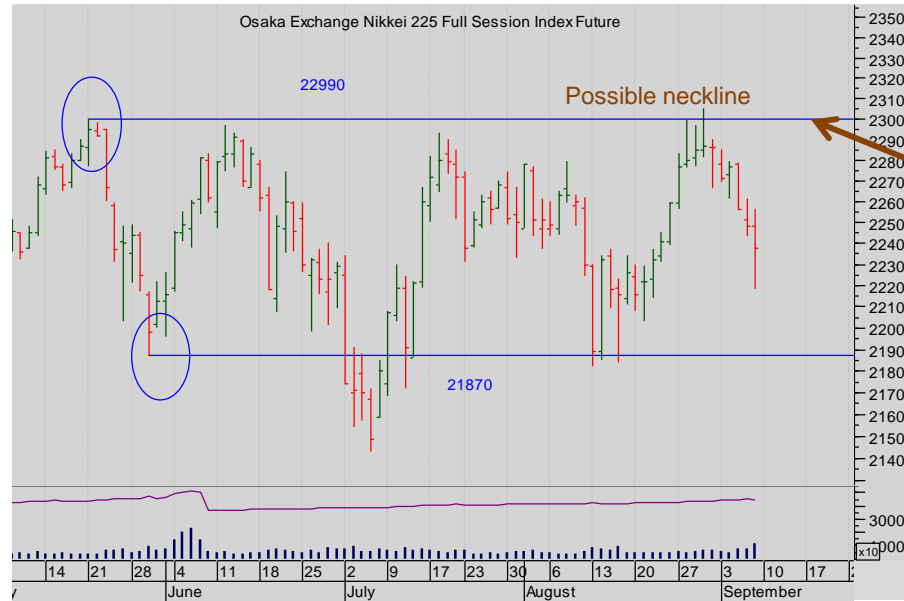
The bulls would be mightily further encouraged by a move up through 23050!

Wait for it...

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily Sep 18.

But this isn't clear.
Bulls need a break above 22990.

Those multiple tops look threatening; **watch for a break beneath the lows...**

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IMPLIED ASSET ALLOCATION



Bonds

BONDS: Triangles remain everywhere in the bond markets but still none of them have broken, though the short-term moves over the week suggest a test of the lower boundaries.

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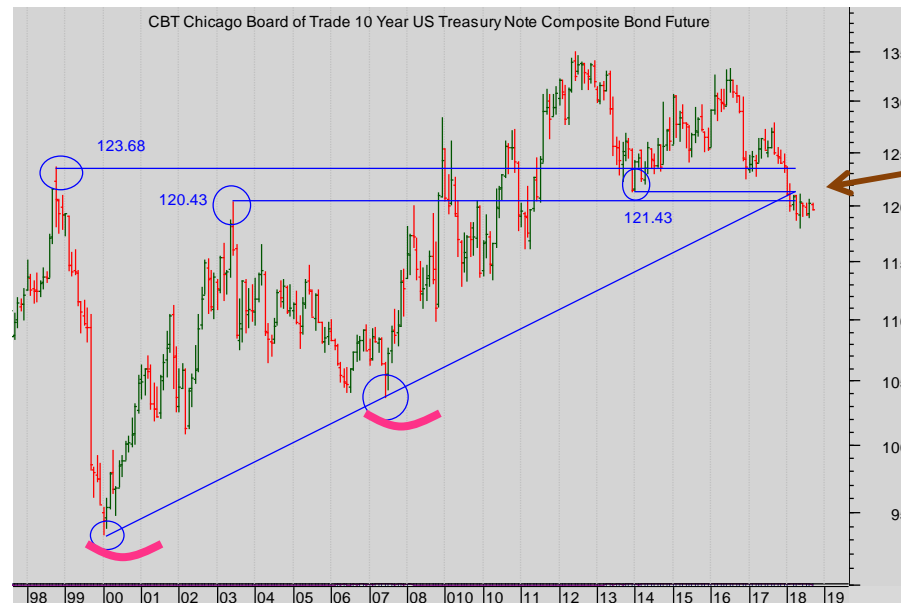
- + Ten Year US TNotes
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The long-standing diagonal
trendline support has surely
broken?

More



Bonds: CBOT Ten Year Notes

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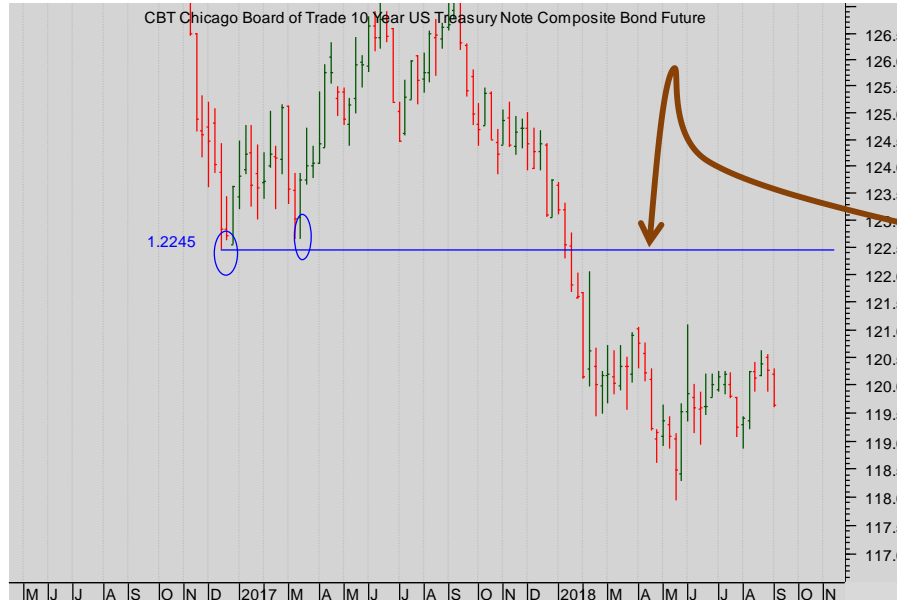
Bonds

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Commodities

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IMPLIED ASSET ALLOCATION



CBOT Ten Year Notes weekly futures continuation chart

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

A large triangle in the making?

Stand back.





Bonds: Eurex Ten Year Bund

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IMPLIED ASSET ALLOCATION



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.

There is also the suspicion of a **bull falling wedge** that is close to completion.



Eurex Ten Year Bund weekly cont. futures Chart

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

We watched and the market has fallen away.

Stand Back!





Bonds: Eurex Ten Year Bund

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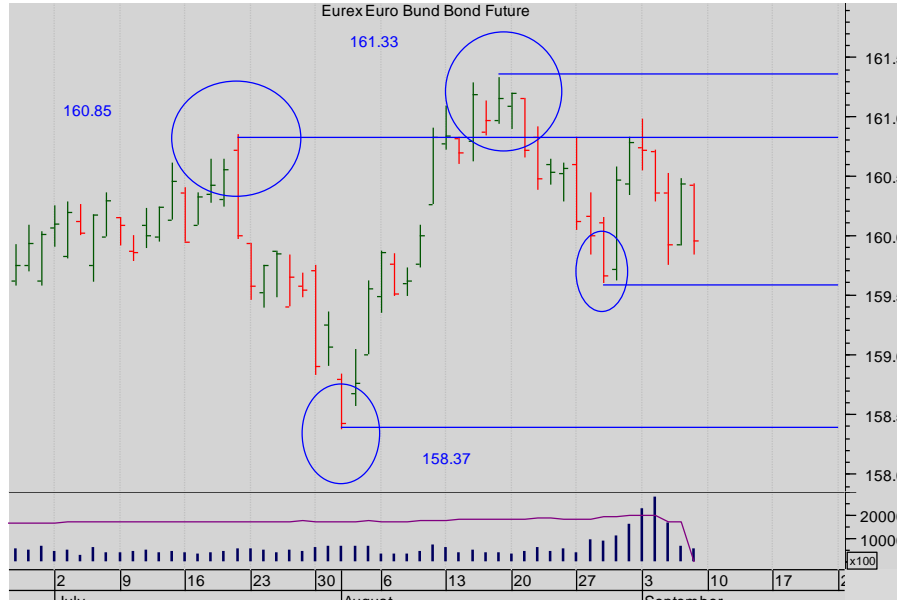
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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund Sep 18 Daily futures chart

This is not clear.

Stand back.



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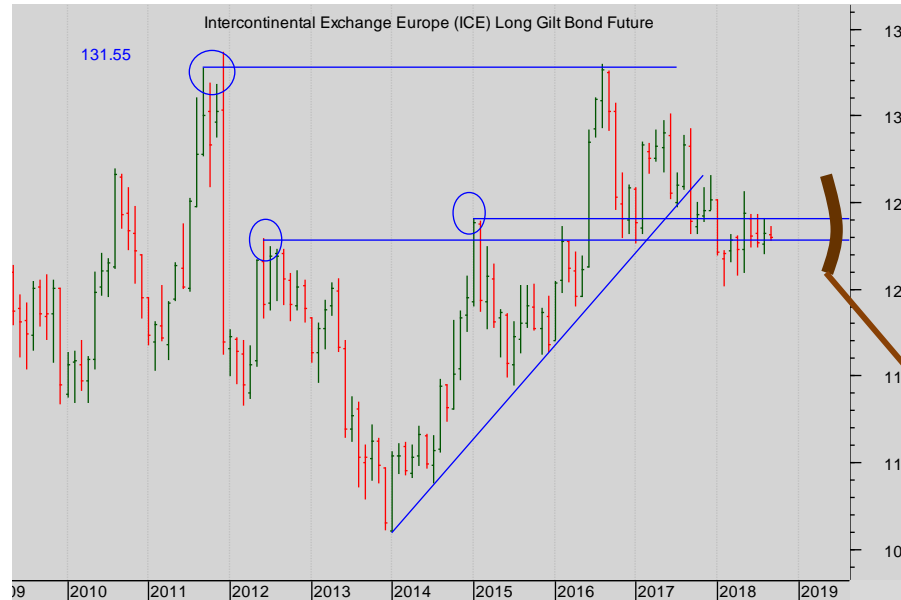
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IMPLIED ASSET ALLOCATION

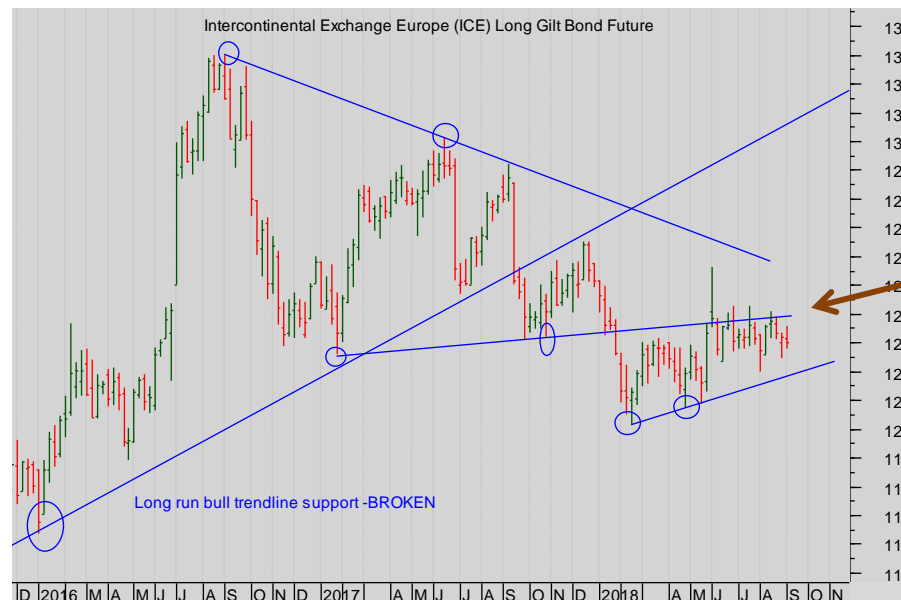
Bonds: Liffe UK Gilt futures



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

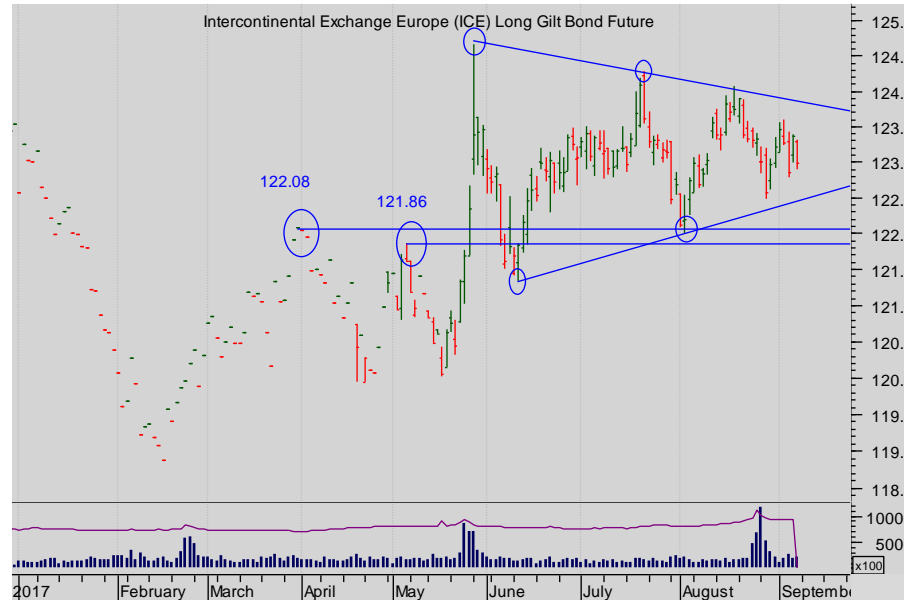
The market is dithering beneath the diagonal from the two prior Lows which seem to be acting as good resistance.

So we remain bears of the market for the moment ...

More



Bonds: Liffe UK Gilt futures



TSE Ten Year JGB daily June 18 chart

Note this triangle

Stand back – the conclusive
signal would be a break of the
triangle –either way.

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IMPLIED ASSET ALLOCATION



Commodity

COMMODITIES: Oil's medium and long-term bull market remains intact but the short-term picture shows a powerfully intact sideways trading range since May. Gold remains in a weak bear trend.

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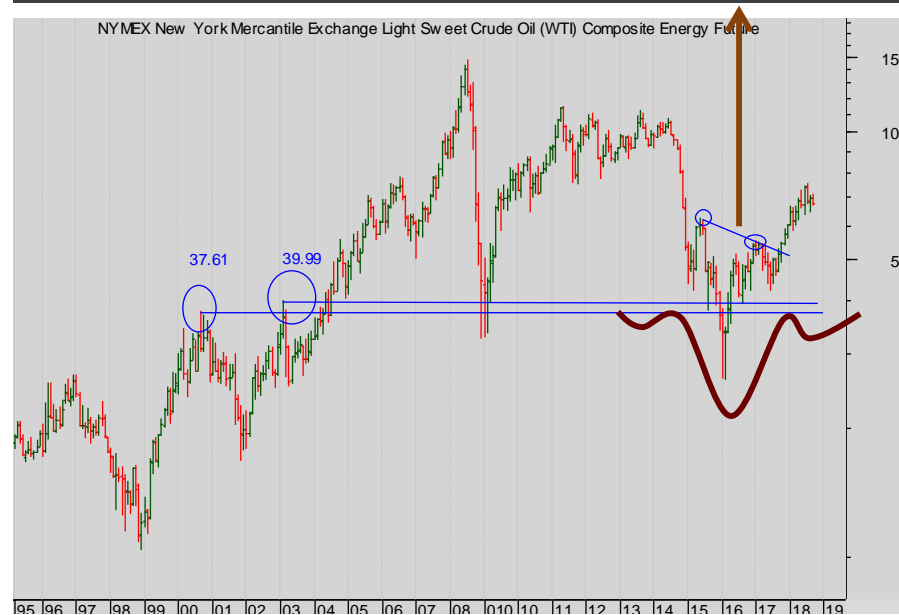
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Commodities

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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



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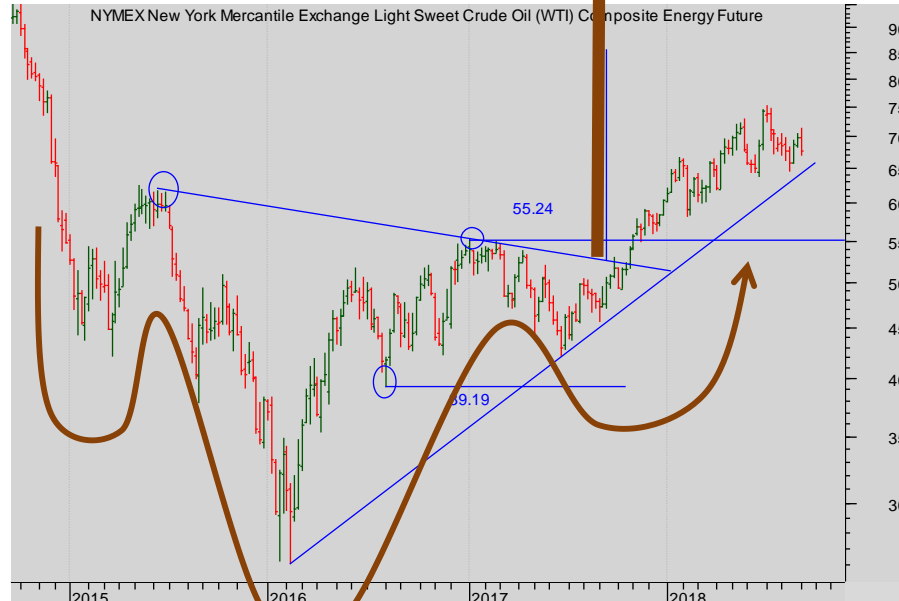
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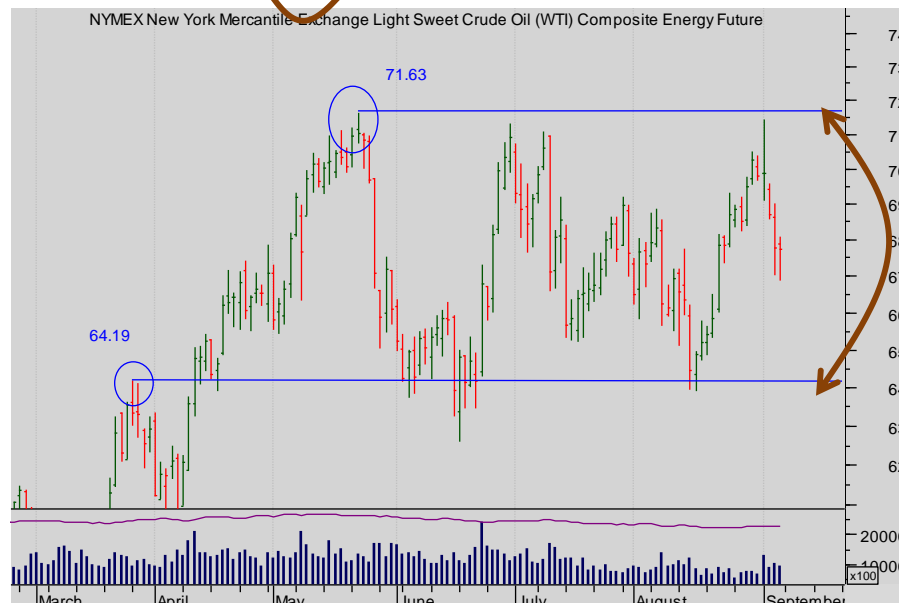
Commodities: Nymex WTI Oil



Nymex oil weekly continuation

The full splendour of the bull H&S pattern.

And the rising diagonal support....



Nymex oil daily Sep18 futures

That trading range looks solid short-term.



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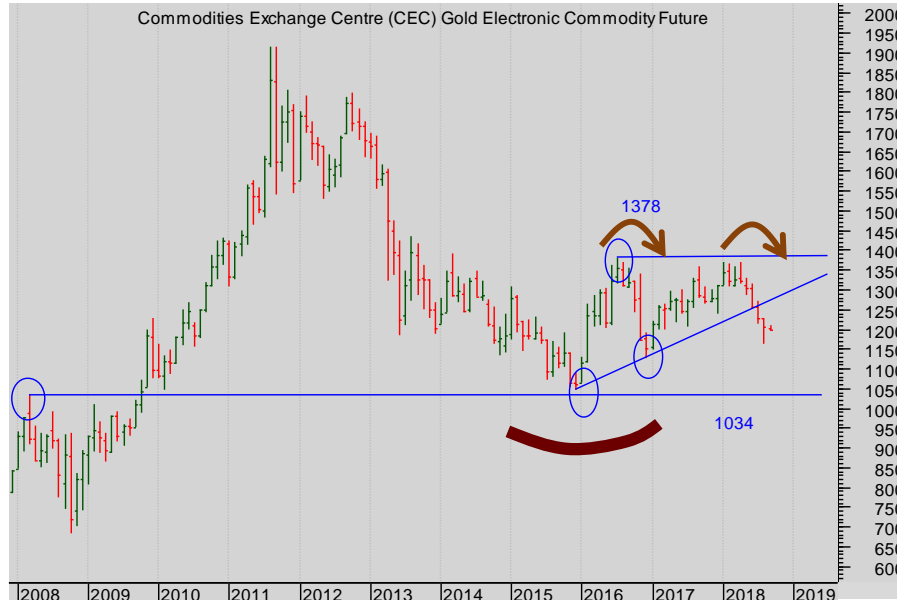
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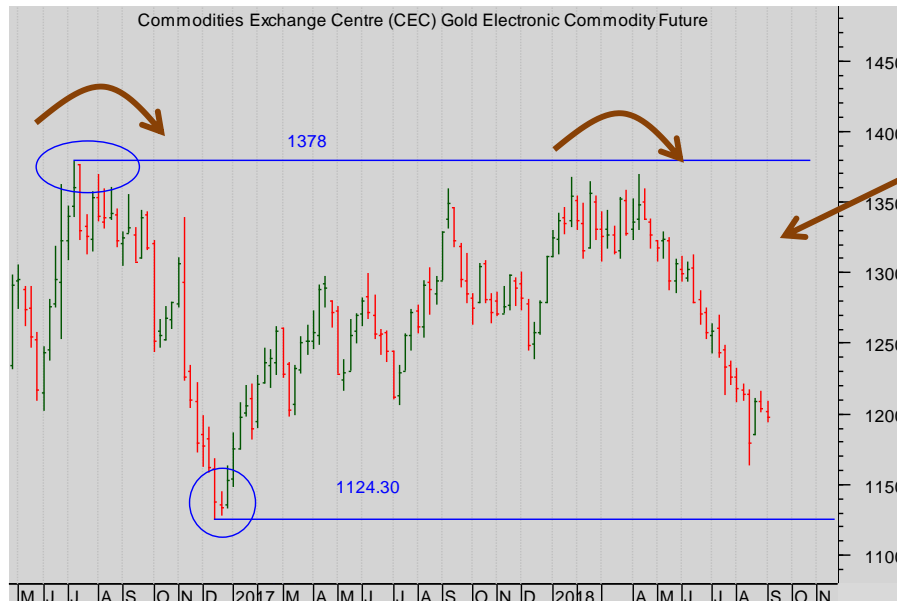
IMPLIED ASSET ALLOCATION

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.



Comex Gold Weekly futures chart

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

The bears remain in charge.



Commodities: Comex Gold

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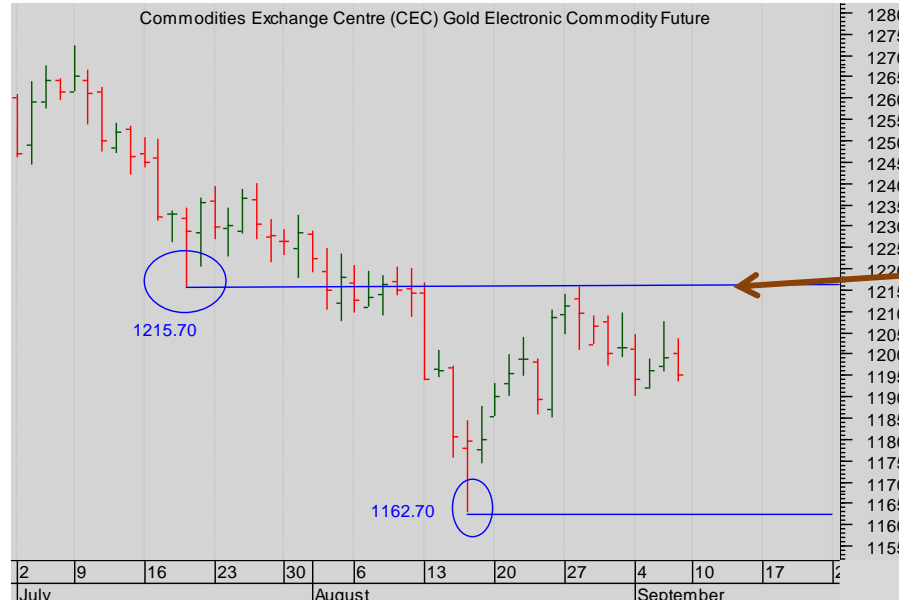
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Comex Gold daily Sep 2018 futures chart

The trend is well-set.

So we remain bears while the first resistance from that low 1215 remains intact.



Summary

Summary

Currencies

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

Stocks

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

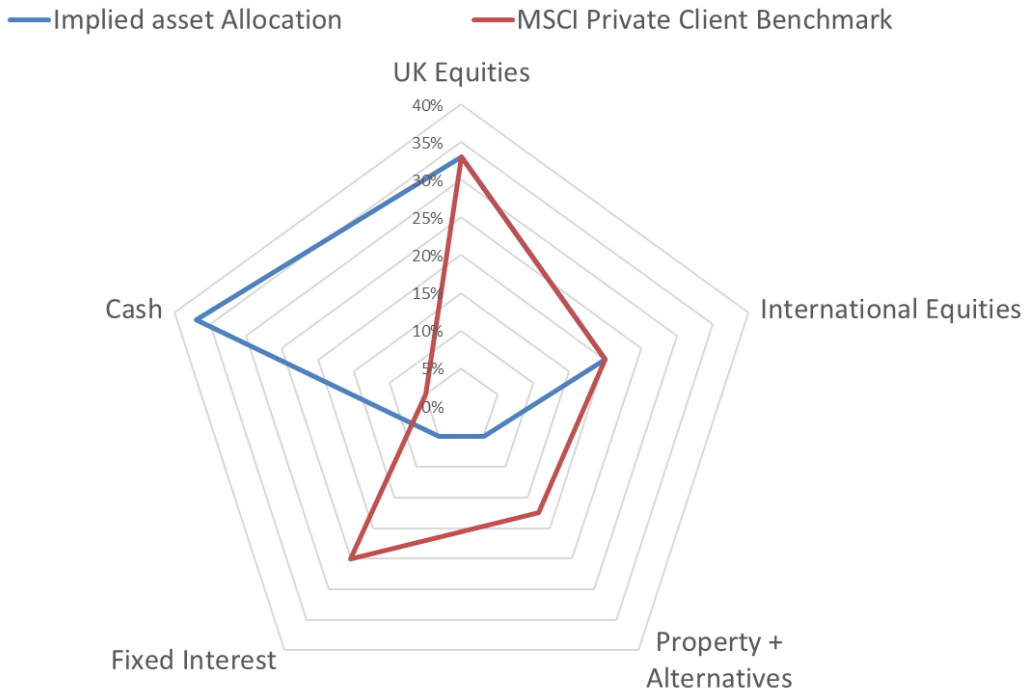
Bonds

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Commodities

- + Oil
- + Gold

Comparing SDA's implied tactical asset allocations
with the MSCI benchmark:



More



the technical analyst

AWARDS 2012

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