



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 25th 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

## Summary

### Currencies

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

Long-term <b>BEAR</b> Euro	Medium-term <b>BEAR</b> Euro	Short-term <b>BEAR</b> Euro
Long-term <b>BEAR</b> Sterling	Medium-term <b>BEAR</b> Sterling	Short-term <b>BEAR</b> Sterling
Long-term <b>BEAR</b> Yen	Medium-term <b>BEAR</b> Yen	Short-term <b>BEAR</b> Yen
Long-term <b>BULL</b> Euro	Medium-term <b>BULL</b> Euro	Short-term <b>BULL</b> Euro

### Stocks

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

Long-term <b>BULL</b>	Medium-term <b>BULL</b>	Short-term <b>BULL</b>
Long-term <b>BEAR</b>	Medium-term <b>BEAR</b>	Short-term FLAT
Long-term <b>BULL</b>	Medium-term <b>BEAR</b>	Short-term FLAT
Long-term <b>BULL</b>	Medium-term <b>BULL</b>	Short-term FLAT

### Bonds

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

Long-term <b>BEAR</b>	Medium-term <b>BEAR</b>	Short-term <b>BEAR</b>
Long-term <b>BULL</b>	Medium-term <b>BULL</b>	Short-term FLAT
Long-term <b>BEAR</b>	Medium-term <b>BEAR</b>	Short-term FLAT

### Commodities

- + Oil
- + Gold

Long-term <b>BULL</b>	Medium-term <b>BULL</b>	Short-term FLAT
Long-term <b>BEAR</b>	Medium-term <b>BEAR</b>	Short-term <b>BEAR</b>

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More



## Currencies: Dollar Euro

### CURRENCIES:

For the moment the long-term Dollar Euro chart remains Euro bearish as the multiple resistances to the Euro's further strengthening are still solidly in place despite short-term moves to the contrary. There is volatility in Sterling, but it's strength against the Dollar looks set to continue. The Yen is weakening sharply against the Dollar set to go further. Stand back from Sterling Euro.

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#### Currencies

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- + Dollar Yen
- + Sterling Euro

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- + EuroStoxx 50
- + FTSE 100
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#### Bonds

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- + 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



### Summary

### Currencies

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- + Dollar Yen
- + Sterling Euro

### Stocks

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

### Bonds

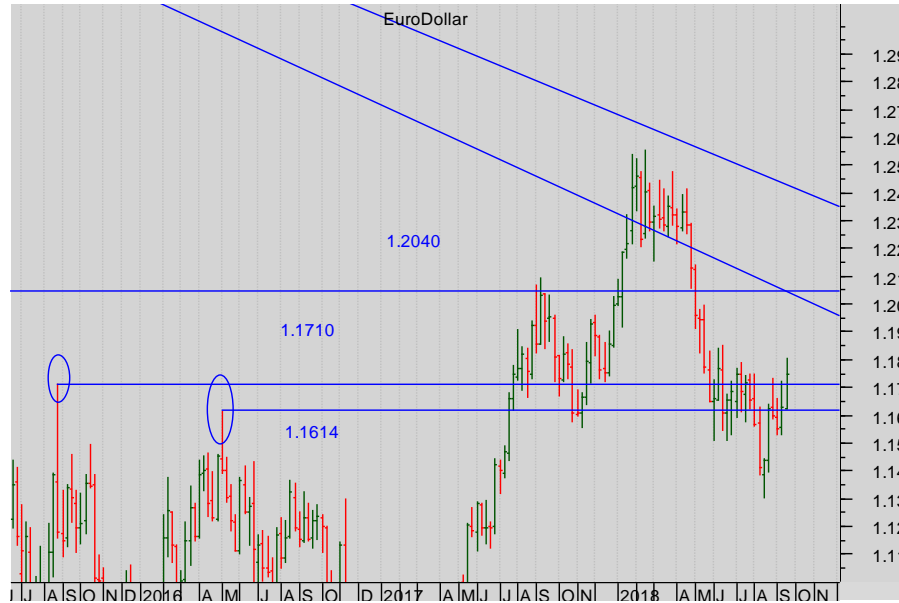
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

So has the support from the Prior Highs held?



Dollar Euro spot cash chart daily chart...

The rally has driven up through the Prior of 1.1733 and that now should be good support, enabling the next bull leg up.



## Summary

### Currencies

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

### Stocks

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

### Bonds

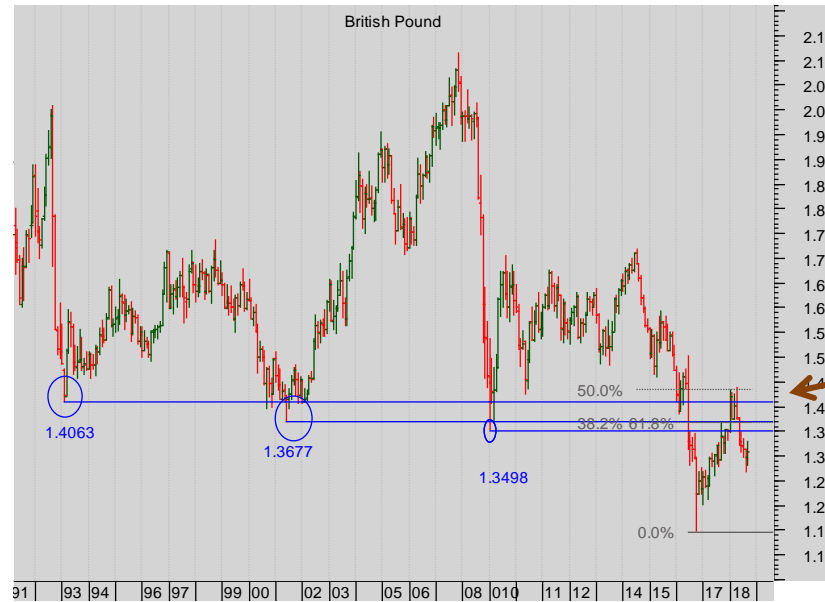
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling

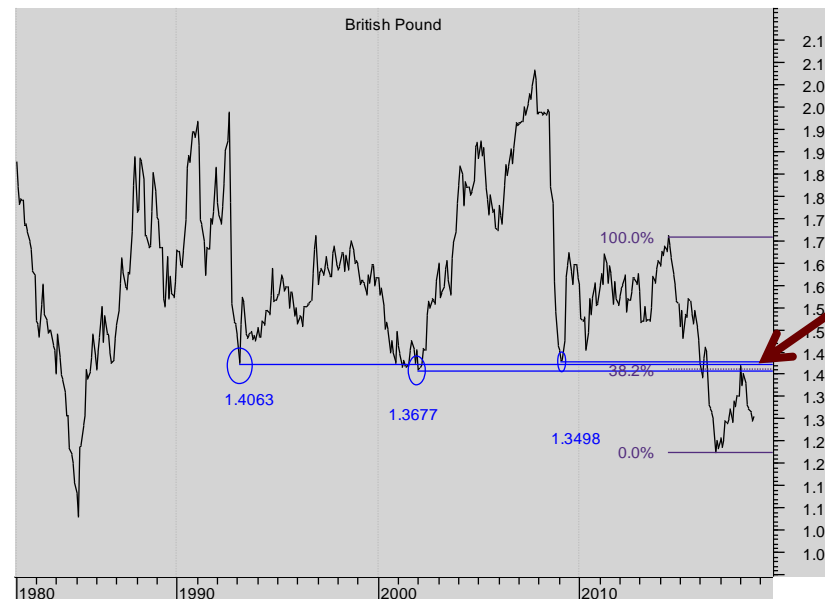


### Dollar Sterling Monthly spot cash chart

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



## Currencies: Dollar Sterling

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- + Dollar Yen
- + Sterling Euro

### Stocks

- + S&P 500
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- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



### 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

The resistance at the band beginning at 1.304 was smashed.

Notwithstanding the pull-back the market looks in good fettle while 1.3050 holds.



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- + Dollar Yen
- + Sterling Euro

### Stocks

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

### Bonds

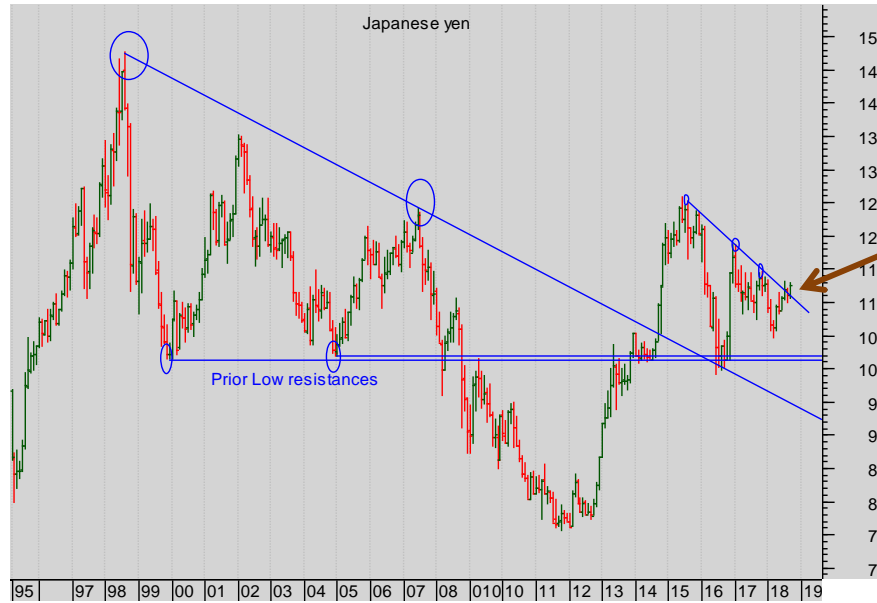
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen



### Dollar Yen monthly spot cash chart

Note the well-formed downtrend resistance that has been smashed.



### Dollar Yen weekly spot cash chart

The market has smashed the diagonal but needs to surpass the Prior High to convince.

**Stand back.**

More



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### Stocks

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

### Bonds

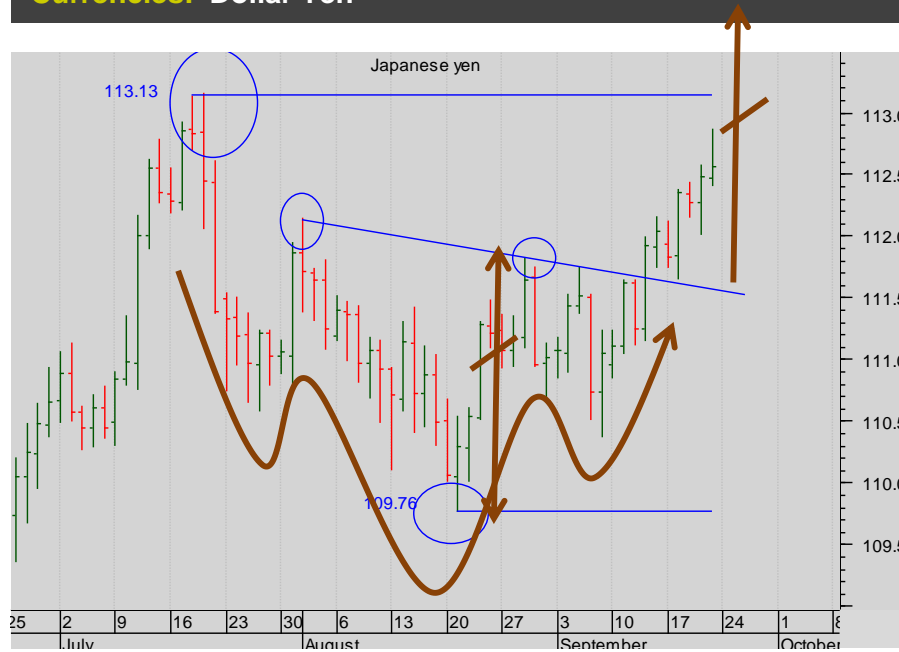
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen



## Dollar Yen daily spot cash chart

This is clearer. The H&S reversal pattern has completed.

Minimum move?  
Up as far as 113.50.





## Currencies: Sterling Euro

### 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

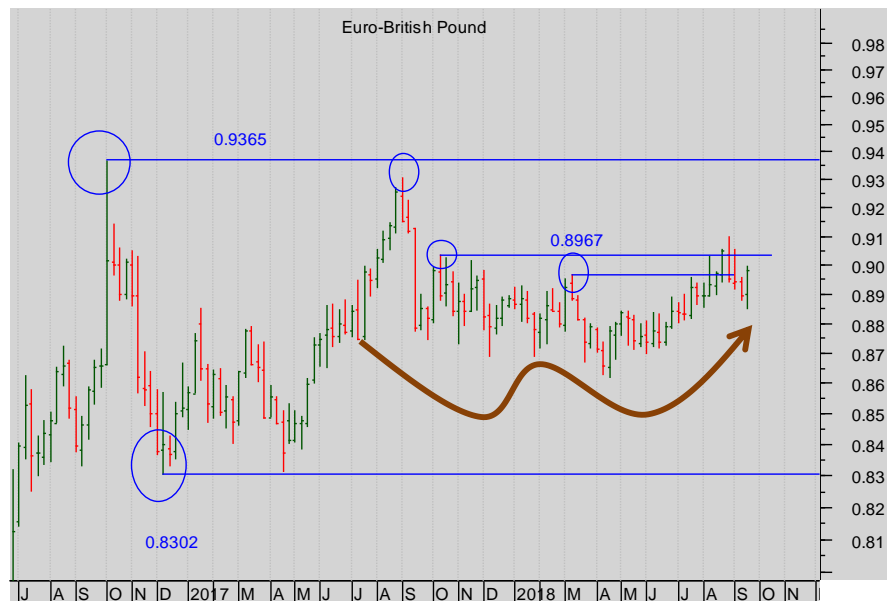
### IMPLIED ASSET ALLOCATION



### Sterling Euro monthly spot cash chart

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

But there is no breakout likely near-term.



### Sterling Euro weekly spot cash chart

This might yet be Double Bottom..

The target for a break up through 0.8967?

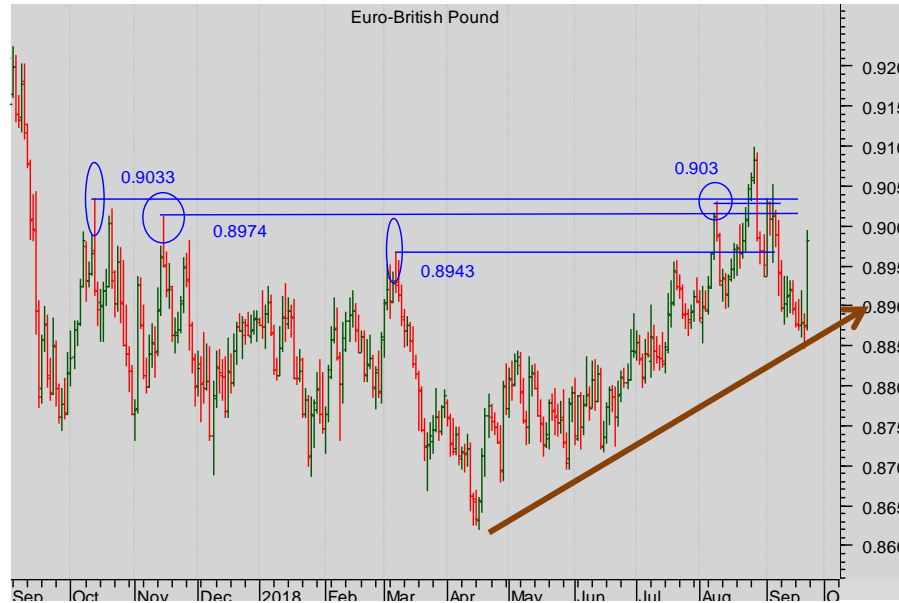
**About 0.9365**

**But wait for the completion...**

More



## 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.**

#### 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

**STOCKS:** The S&P looks set to make another bull leg. Others are less clear. The European market is solidly back in the middle of a range. So too is FTSE. On the other hand the Nikkei is poised to break into another bull leg like the S&P.

### Summary

#### Currencies

- + Dollar Euro
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- + Sterling Euro

#### Stocks

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

#### Bonds

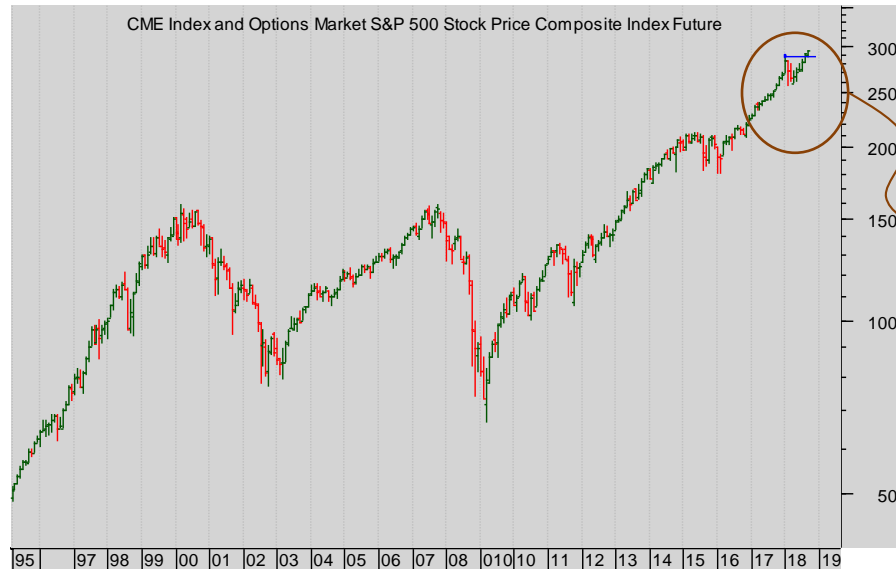
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

### Stocks: CME S&P



### CME S&P 500 monthly cont. futures chart

The bulls remain firmly in control.

Look closer.

More



## Stocks: CME S&P 500

### 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



### 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.

Looks to be beginning the next bull leg up...



### CME S&P 500 daily Sept 2018 chart

The smash through the short-term Prior High of 2920 was the catalyst for more buying still. **Now it is essential support.**

Anxious bulls were reassured by the solidity of the 2890 support in the Dec 2018 contract.

More



## Stocks: Eurex EuroStoxx 50

### Summary

### Currencies

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

### Stocks

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

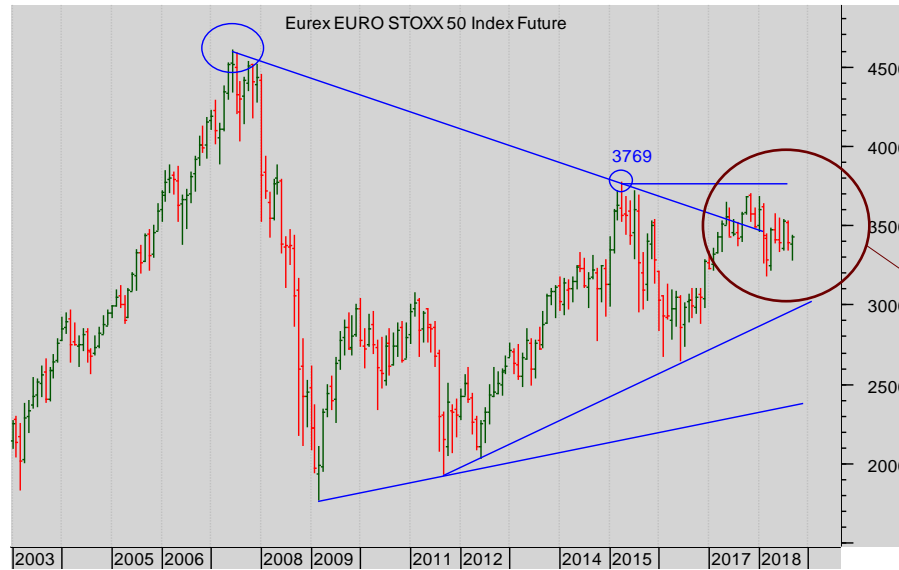
### Bonds

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

### Commodities

- + Oil
- + Gold

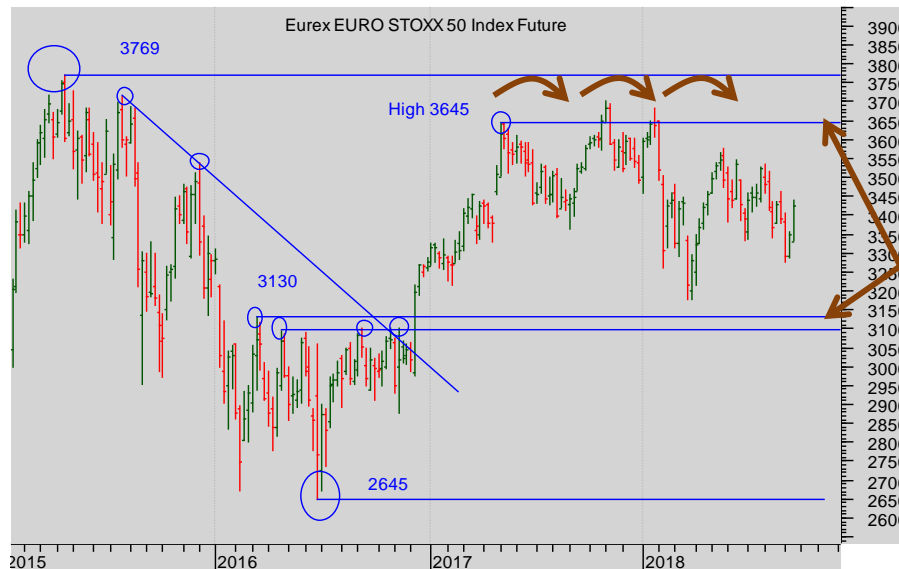
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### Eurex EuroStoxx 50 monthly continuation futures chart

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



## Stocks: Eurex EuroStoxx 50

### Summary

### Currencies

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

### Stocks

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

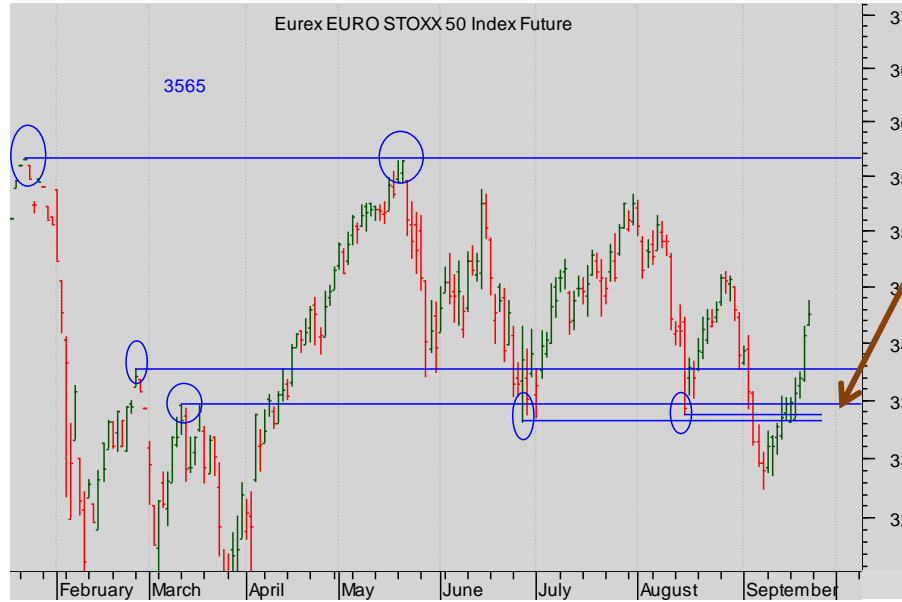
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



### Eurex EuroStoxx 50 daily Sep 18 futures chart

The rally back has been impressive, the market is now back in the old trading range..

(might it be a bull falling wedge?)



### Summary

### Currencies

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

### Stocks

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

### Bonds

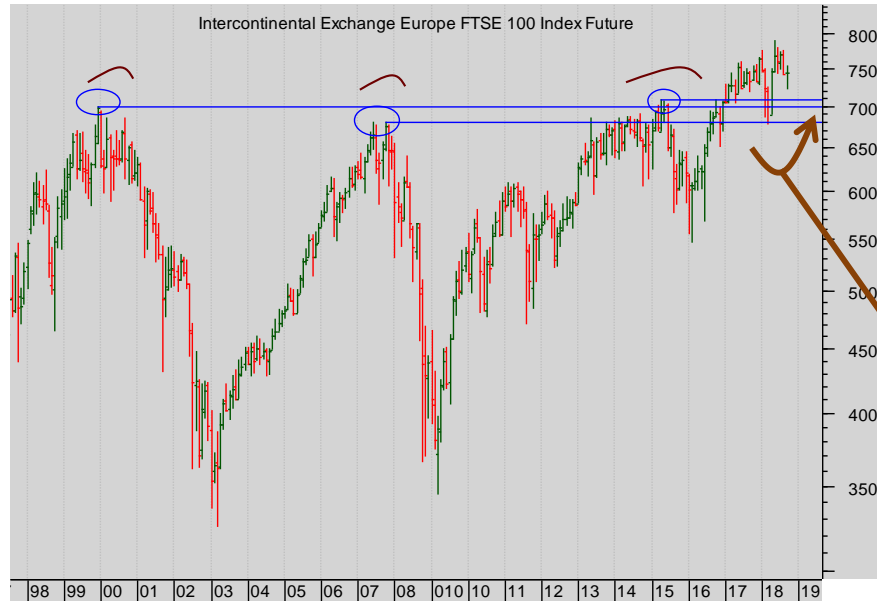
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

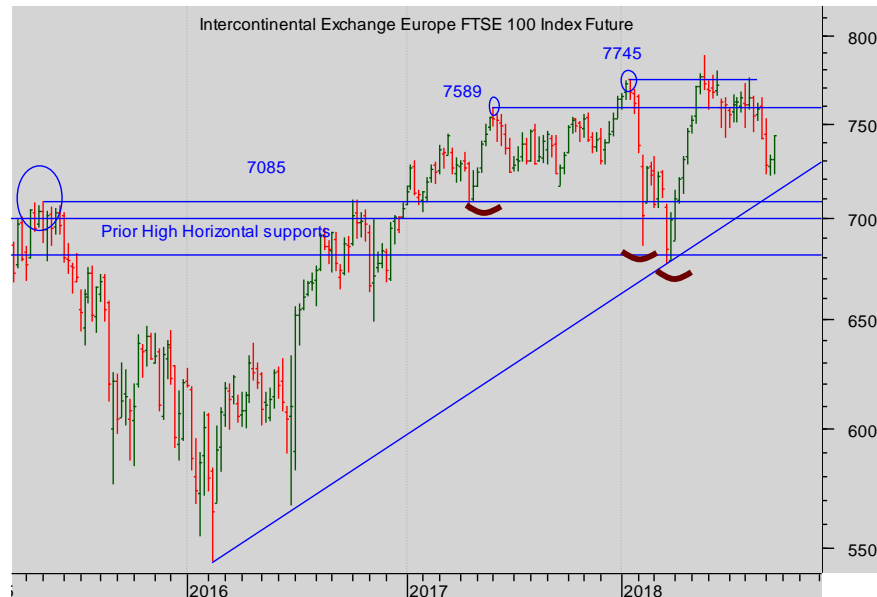
## Stocks: Liffe FTSE 100



### 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

Watch the range.

More



## Stocks: Liffe FTSE 100

### Summary

### Currencies

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

### Stocks

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

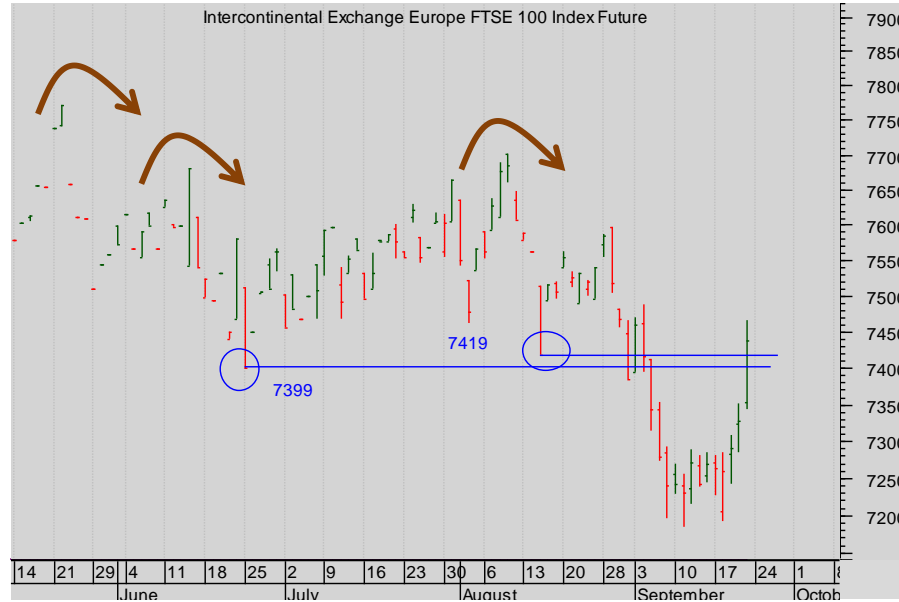
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 jun18 daily futures chart

This rally through the Prior Lows is **very impressive....**





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- + FTSE 100
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### Bonds

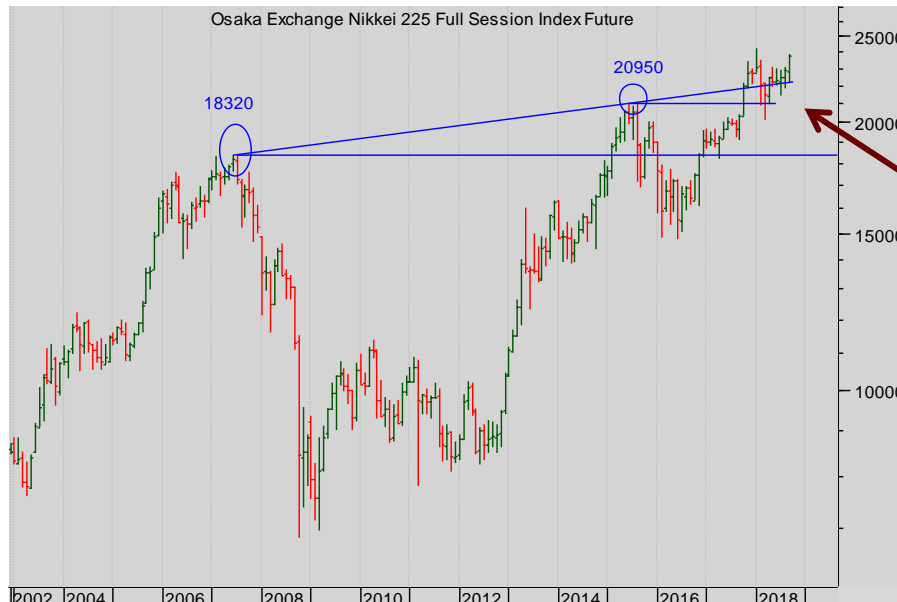
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

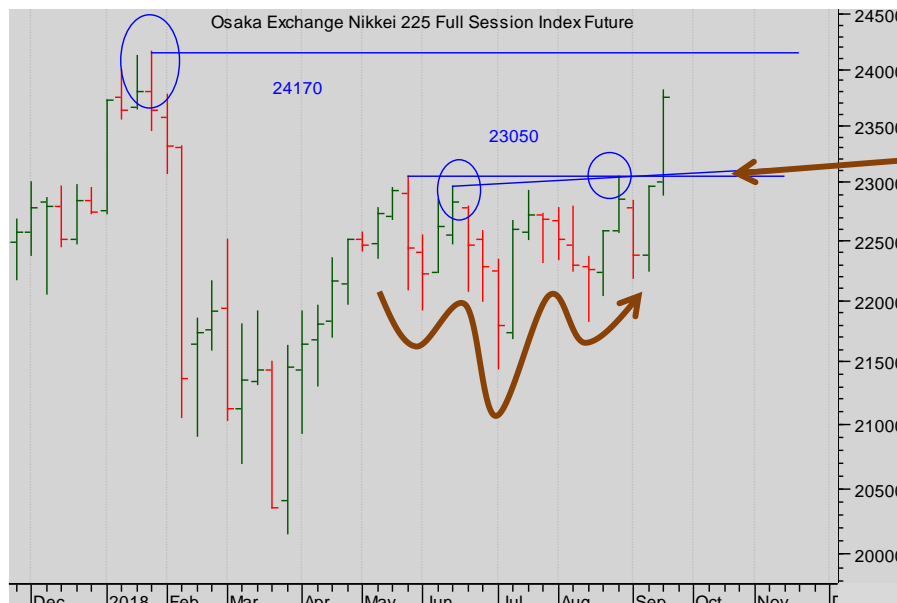
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## Stocks: OSE Nikkei 225



### 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)

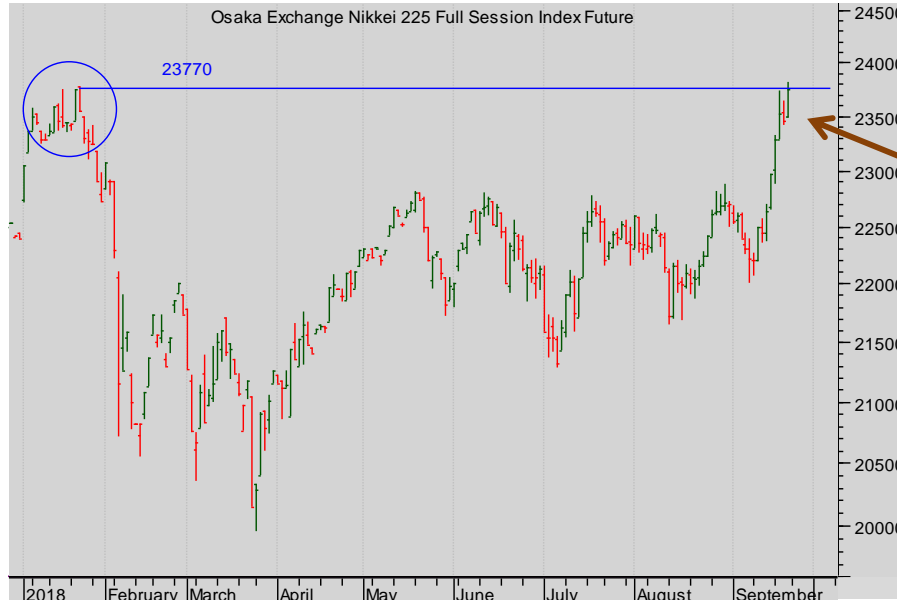
The bulls have been mightily further encouraged by a move up through 23050!

Watch for a test of 24170

More



## Stocks: OSE Nikkei 225



**Nikkei 225 chart Daily  
Sep 18.**

But is clear.  
Bulls need a break above  
23770.

Wait for it ...

### Summary

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### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Bonds

**BONDS:** The clear breakdown long, medium and short-term in the US market has set the tone: The UK gilt is closest to following, while there are clear levels to watch in the Bund.

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#### Bonds

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- + 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 has surely broken.

More



# Bonds: CBOT Ten Year Notes

## Summary

## Currencies

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

## Stocks

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

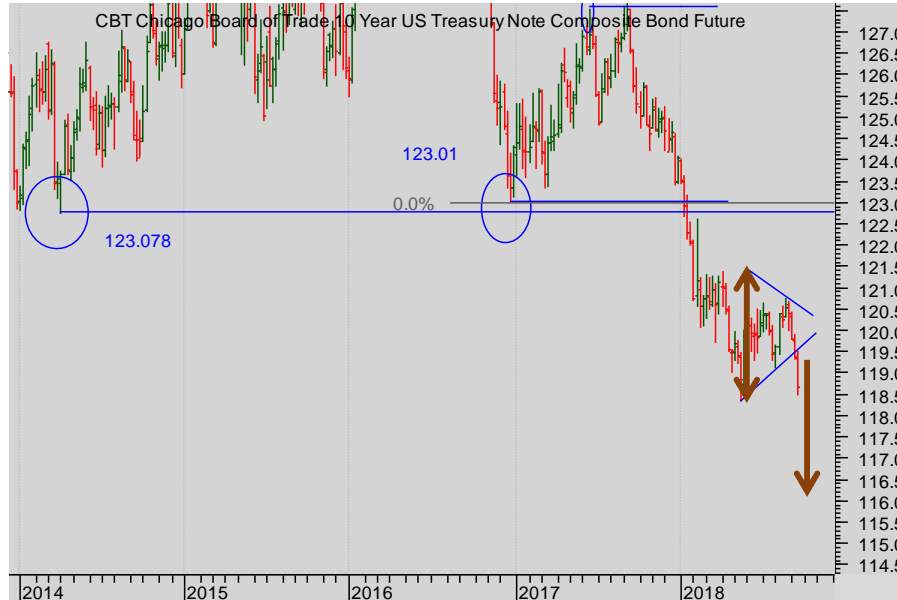
## Bonds

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

## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

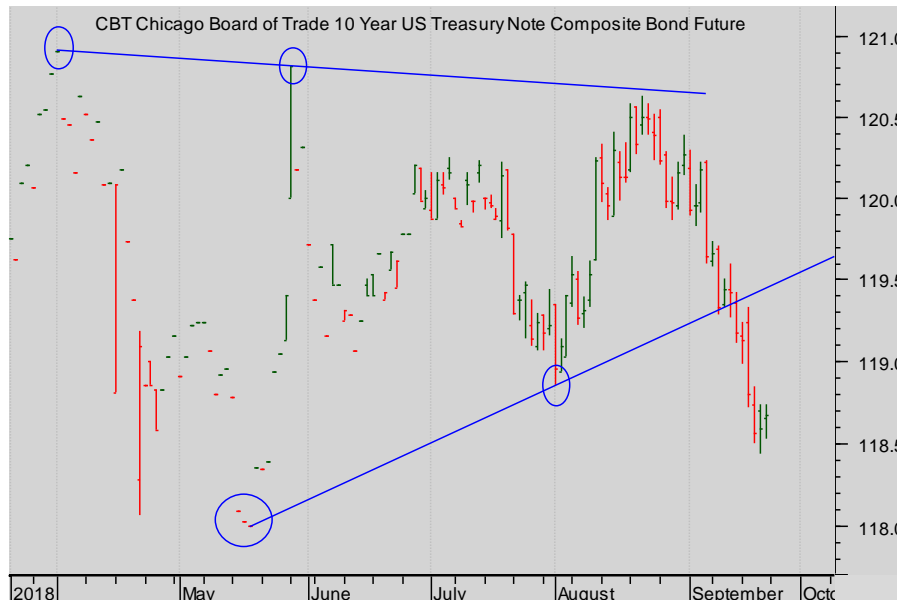


## CBOT Ten Year Notes weekly futures continuation chart

Note this breakdown through Prior Lows that will now act as good resistance on any rally.

Plus the completion of the bear continuation triangle.

Minimum move? Down as far as 116.50.



## CBOT Ten Year Notes daily Sep18 futures chart

A large triangle has broken.

This is bearish. Again, a bear move of four big figures is in the offing.





# Bonds: Eurex Ten Year Bund

## Summary

## Currencies

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

## Stocks

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

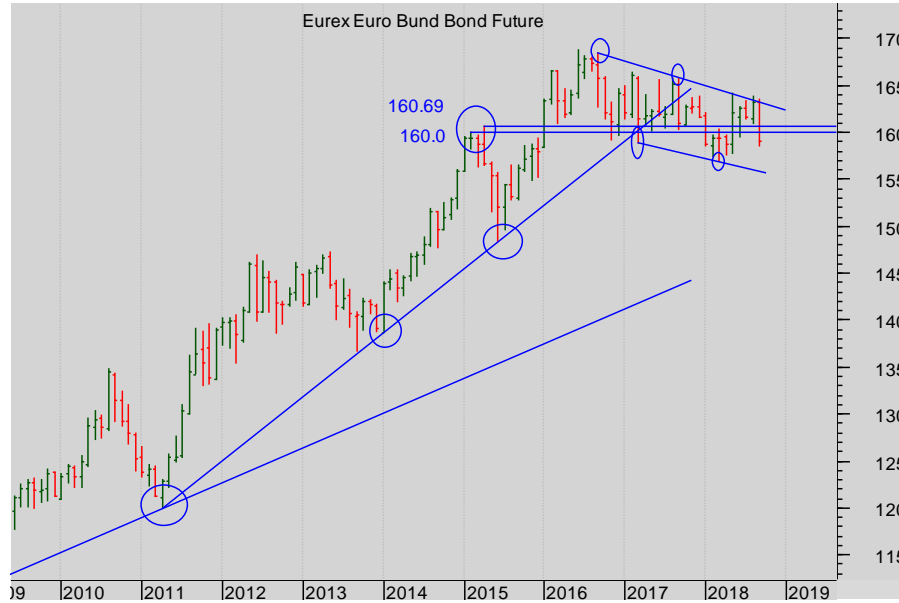
## Bonds

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

## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION



### 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

The market has fallen away from the diagonal

Stand Back!





# Bonds: Eurex Ten Year Bund

## Summary

## Currencies

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

## Stocks

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

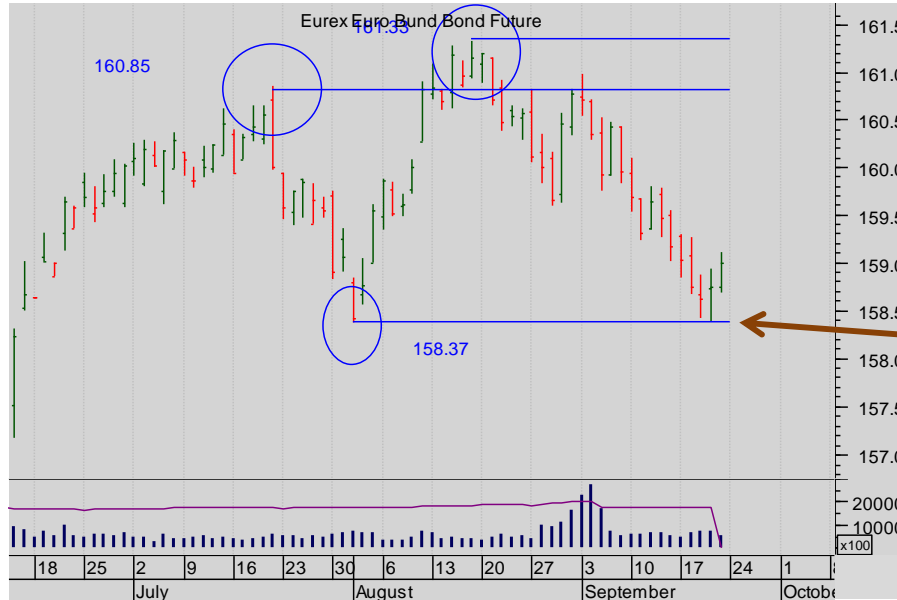
## Bonds

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

## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION



## Eurex Ten Year Bund Sep 18 Daily futures chart

Having had the move down to the recent low watch for a break of 158.37.

Then the Double Top will add fresh bearishness.

Stand back.



# Bonds: Liffe UK Gilt futures

## Summary

## Currencies

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

## Stocks

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

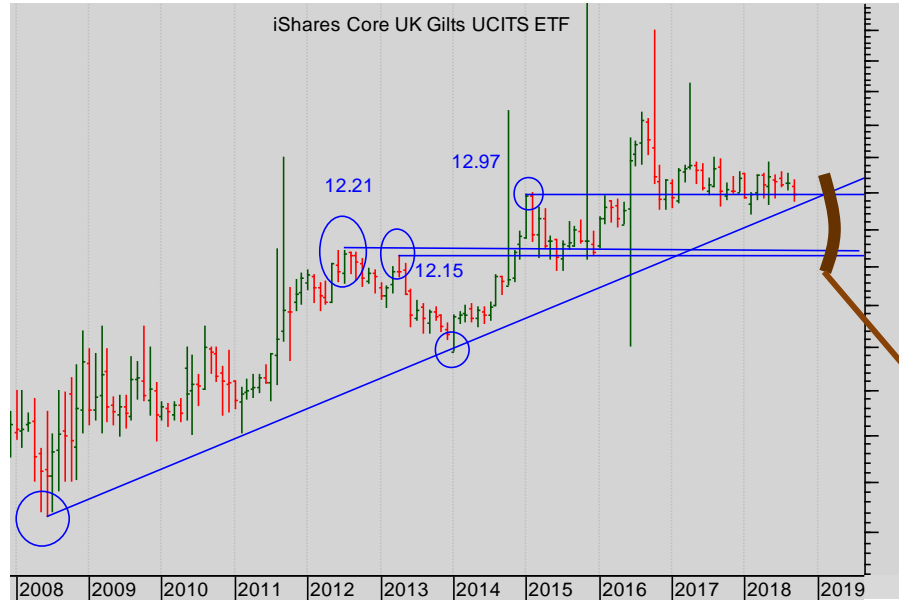
## Bonds

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

## Commodities

- + Oil
- + Gold

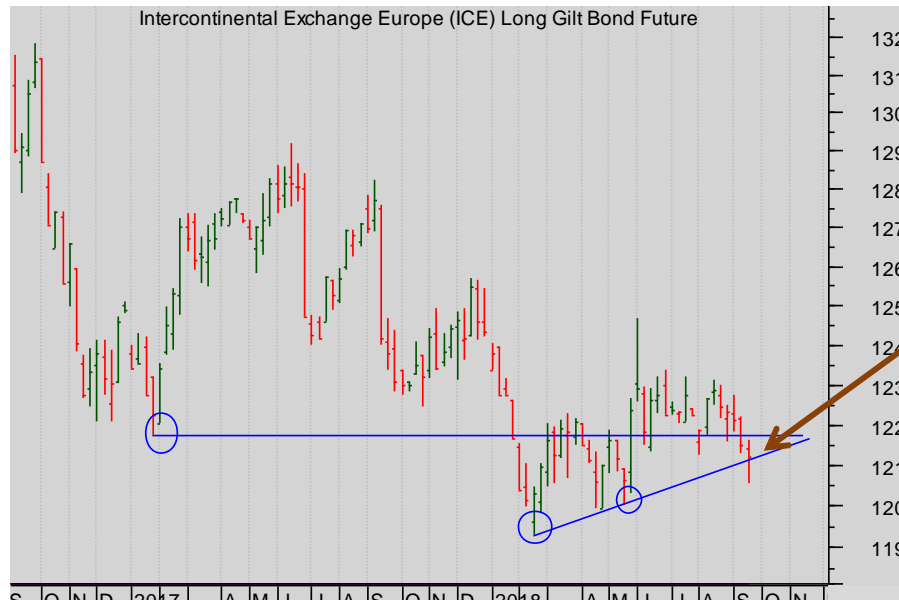
## IMPLIED ASSET ALLOCATION



### Liffe UK Gilt monthly futures continuation chart

1. The clear well-established long-term diagonal bull trend support has not yet been broken.
2. The market has fallen back to the support from Prior Highs.

Look closer....



### Liffe UK Gilt weekly continuation futures Chart

A trigger for the bears would be a clear breakdown of the small rising diagonal confirming a push beneath the 122 low from 2016.

Not yet....





## Bonds: Liffe UK Gilt futures

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- + Sterling Euro

### Stocks

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

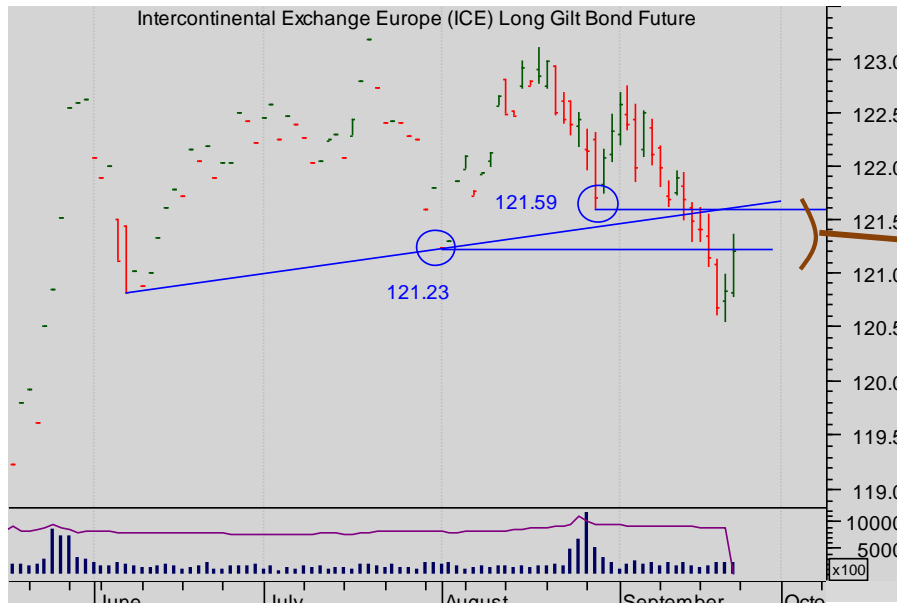
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



### TSE Ten Year JGB daily June 18 chart

Note the important Prior Lows.

Those have been broken: **the bears remain in charge.**





## Commodity

**COMMODITIES:** The well-established bull trend in the Oil looks set to resume – watch for the short-term trigger in the day chart. Gold remains range bound short term but still under bear trend pressure in the longer term without new compelling bear structures driving it lower.

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#### Stocks

- + S&P 500
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#### Bonds

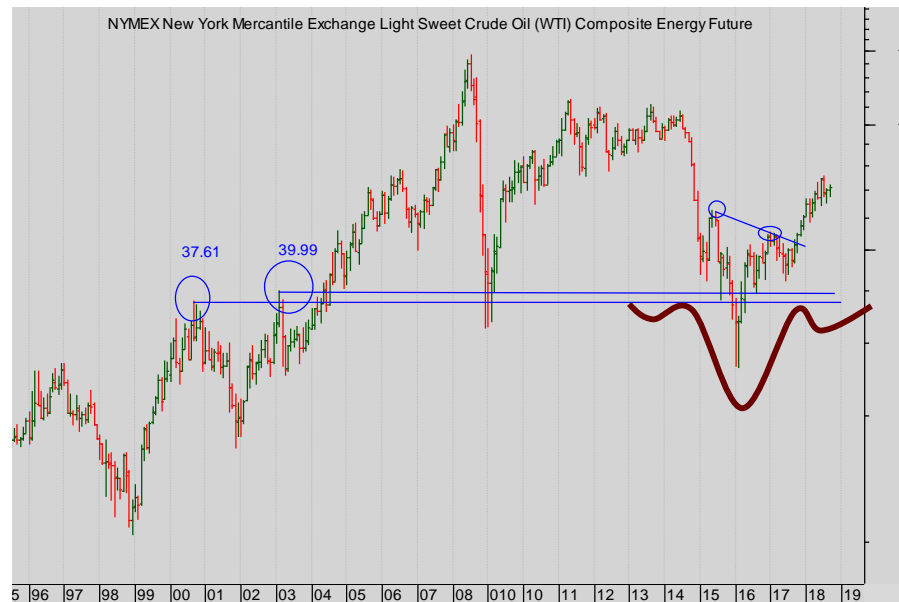
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

#### 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



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### Currencies

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### Stocks

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### Bonds

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### Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

## 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 Dec18 futures

That trading range looks solid short-term.

Wait for a break of the Trading range.



### Summary

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- + 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

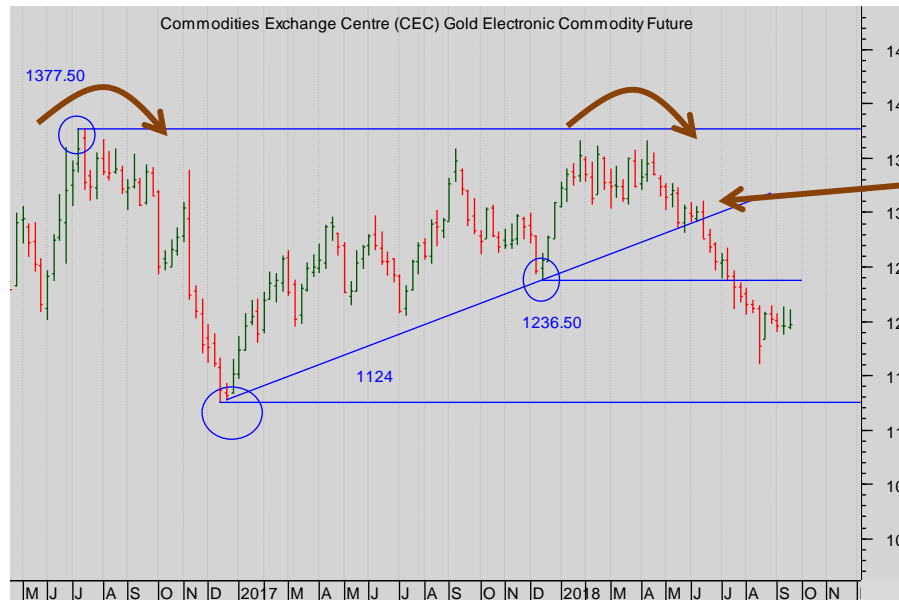
IMPLIED ASSET ALLOCATION

## 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.



### Comex Gold Weekly futures chart

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

The bears remain in charge.



## Commodities: Comex Gold

### Summary

### Currencies

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

### Stocks

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

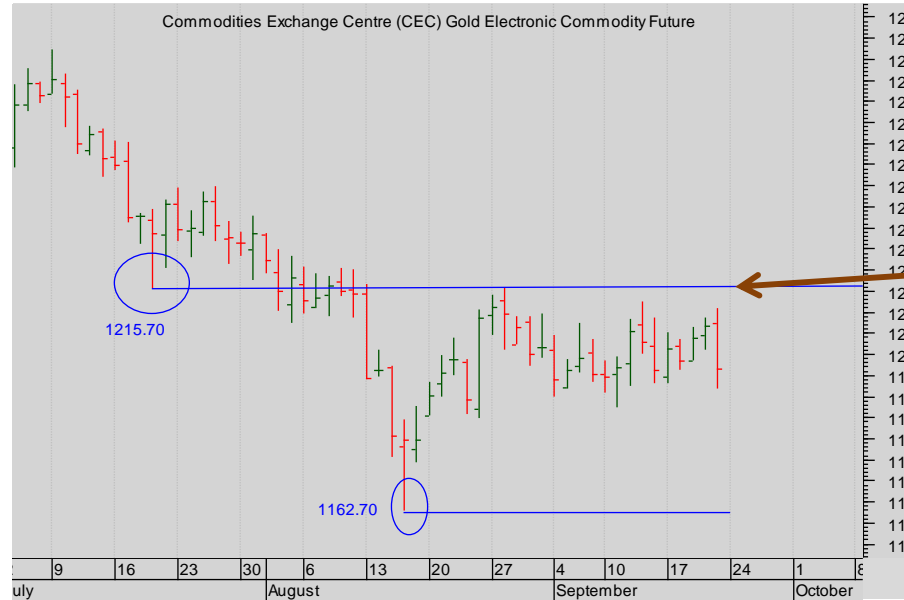
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## 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

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- + Ten Year US TNote
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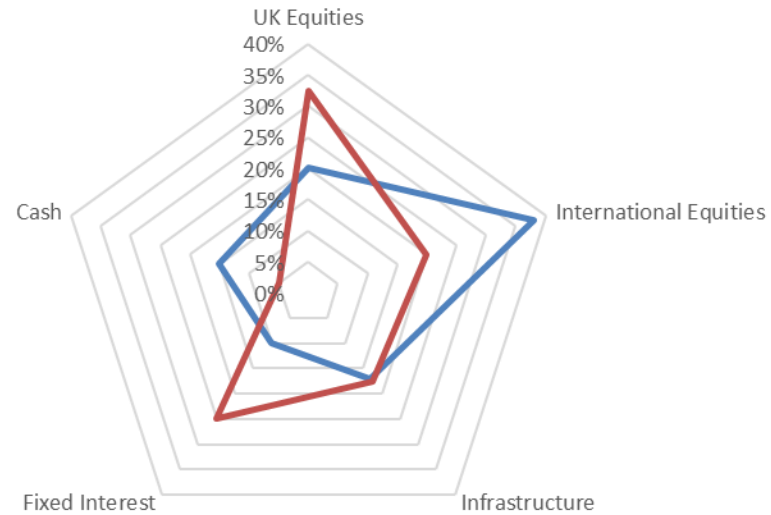
### Commodities

- + Oil
- + Gold

## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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## MSCI Balanced Risk Asset Allocation benchmark



More



*the technical analyst*

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