



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 2nd October 2018

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

Stocks

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

Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term FLAT	Medium-term FLAT	Short-term FLAT
Long-term BULL	Medium-term FLAT	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term BULL

Bonds

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

Long-term BEAR	Medium-term BEAR	Short-term BEAR
Long-term FLAT	Medium-term FLAT	Short-term FLAT
Long-term FLAT	Medium-term BEAR	Short-term BEAR

Commodities

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

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More



Currencies: Dollar Euro

CURRENCIES:

The Dollar remains bullish in the long-term against the Euro but there is no clarity medium or short-term. There is greater clarity against Sterling: the Dollar looks strong in all time-frames. And so too against the Yen, though use the potential breakout level in the medium-term chart to cement confirmation of that. Stand clear in Sterling Euro until the picture solidifies.

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Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 and above **look to have reversed or at least halted** the bear Dollar/bull Euro market ...

The pressure is on the Euro now.

More



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IMPLIED ASSET ALLOCATION

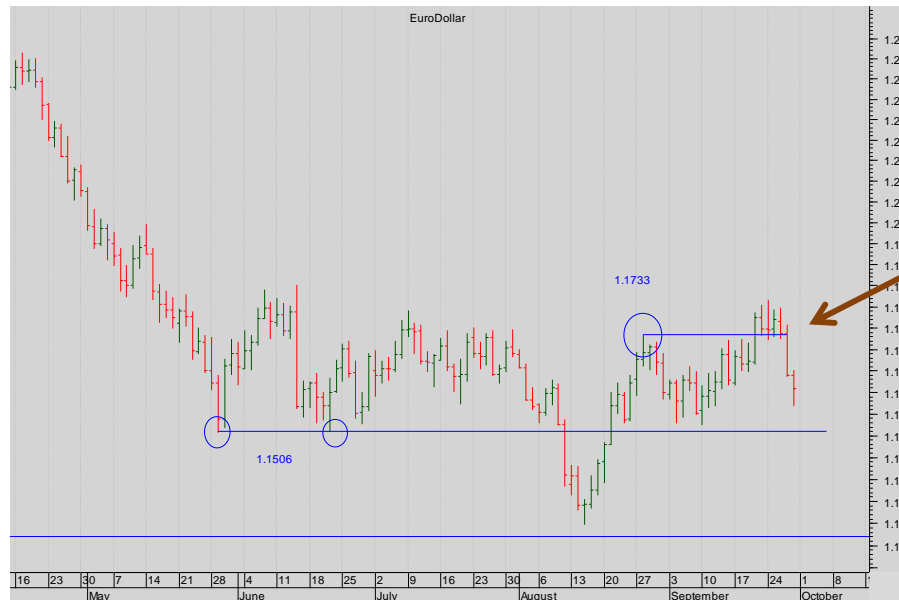
Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

So has the support from the Prior Highs held?

It's not yet clear....



Dollar Euro spot cash chart daily chart...

The rally drove up through the Prior High of 1.1733 but failed there....
Is a Reverse H&S bottom formation forming? It's not clear.

Stand back!



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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



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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling



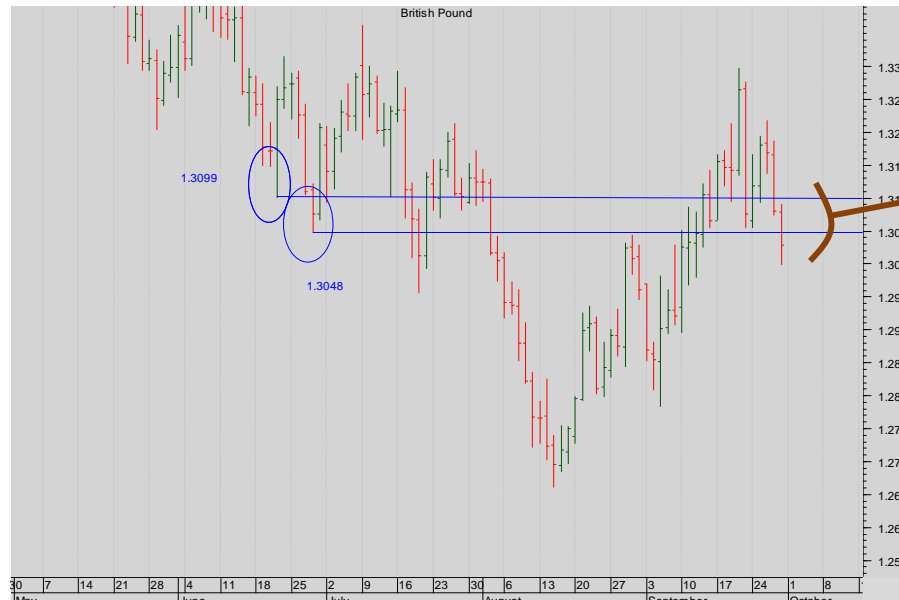
Dollar Sterling weekly spot cash chart

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

The ease with which the market re-penetrated the resistance above at the Prior Highs suggests that the market lacks structure, is highly volatile....

Stand back in the short-term.



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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

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



Dollar Yen weekly spot cash chart

The breakout from the channel is clear.

And very encouraging for the Dollar Bulls and Yen bears.

Watch for added Yen selling energy if the highs at 114.36 can be taken out.

More



Currencies: Dollar Yen

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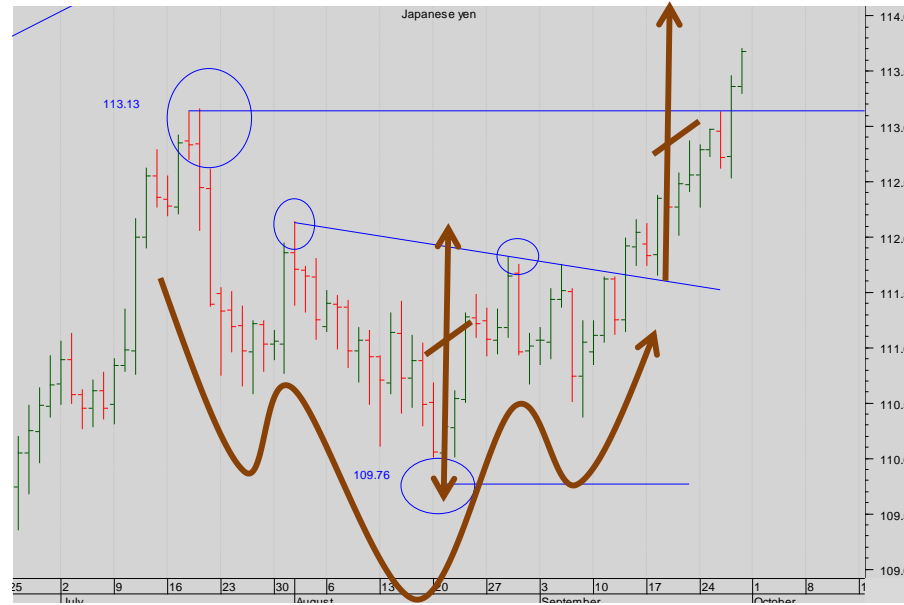
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IMPLIED ASSET ALLOCATION



Dollar Yen daily spot cash chart

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

Minimum move?
Up as far as 114.

But the fact that the Prior High at 113.13 has been taken out should further underpin the buyers (Sellers of Yen).



Currencies: Sterling Euro

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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 a Double Bottom..

The target for a break up through 0.8967?

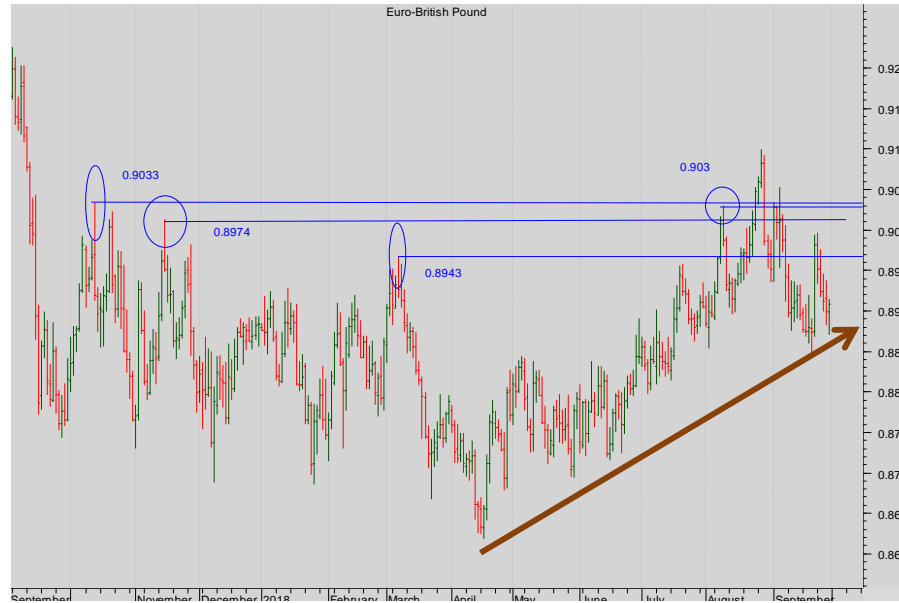
About 0.9365

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.

NB there may be some support for the Euro from the rising diagonal.

Stand back.

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Stocks

STOCKS:

The S&P needs short-term confirmation to re-ignite the bull trend. The EuroStoxx looks very dull. As does the FTSE though it is still very strongly underpinned in the long-term and has some very impressive price action in the short-term. The Nikkei is the stand-out bull market in all time frames.

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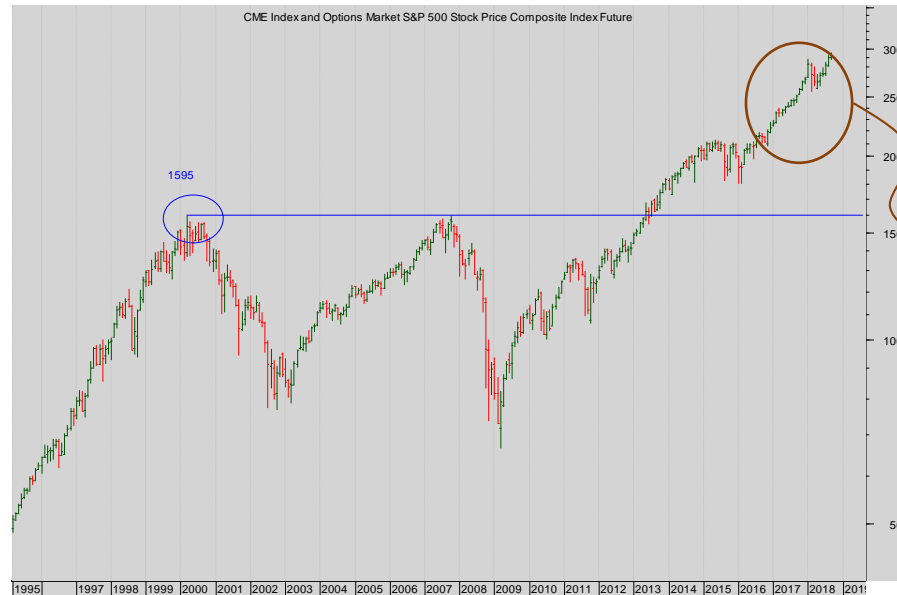
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Commodities

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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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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 Dec 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

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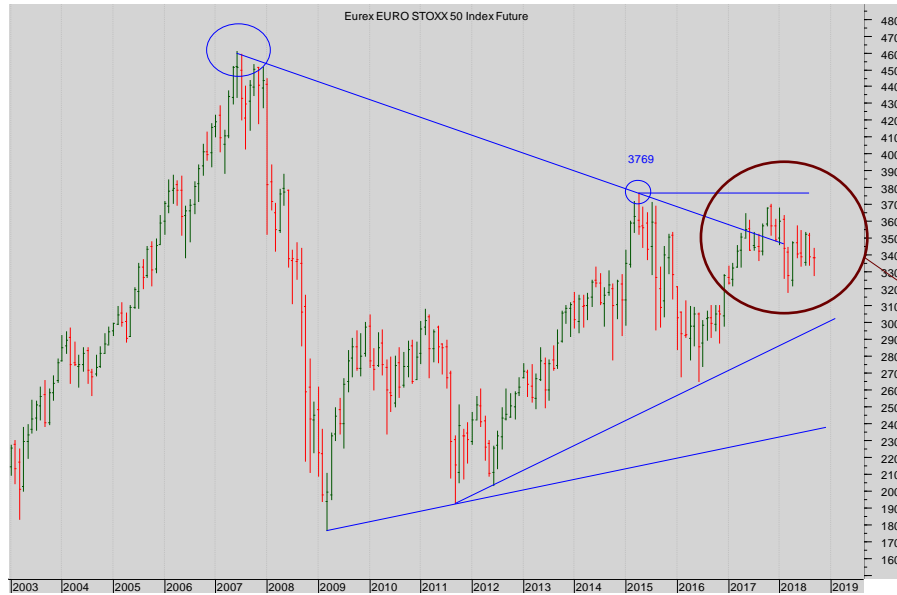
Bonds

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Commodities

- + Oil
- + Gold

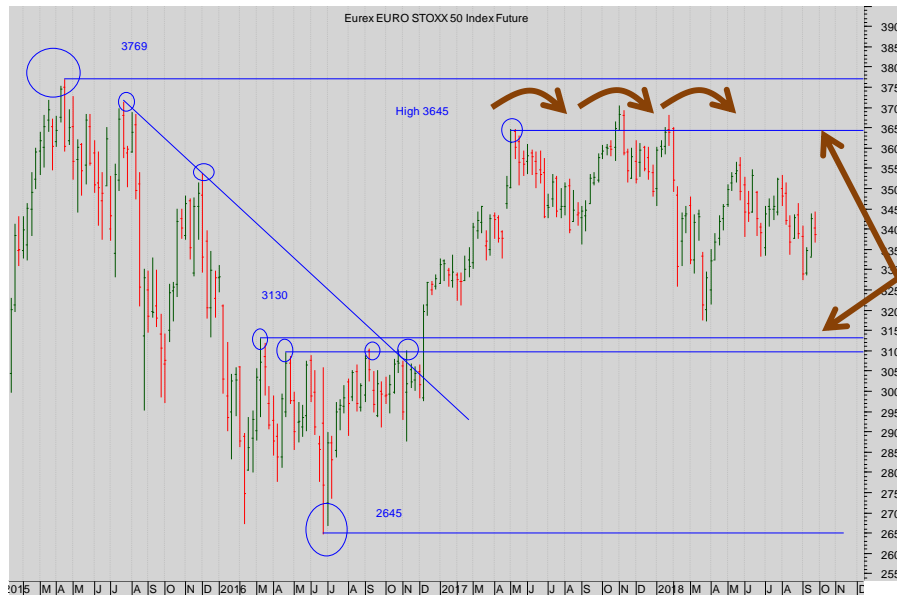
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Eurex EuroStoxx 50 monthly continuation futures chart

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 3130 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

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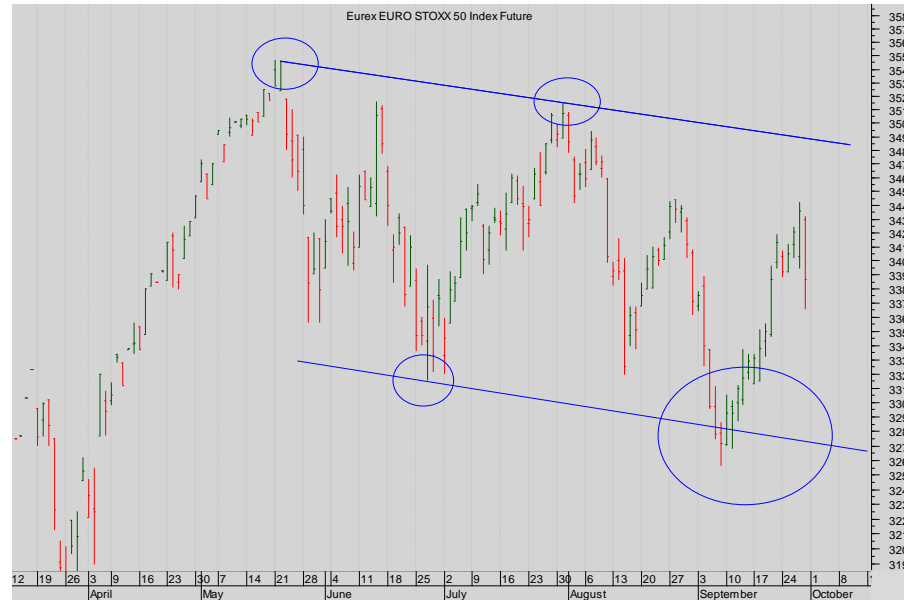
Bonds

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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Dec 18 futures chart

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

Stand back



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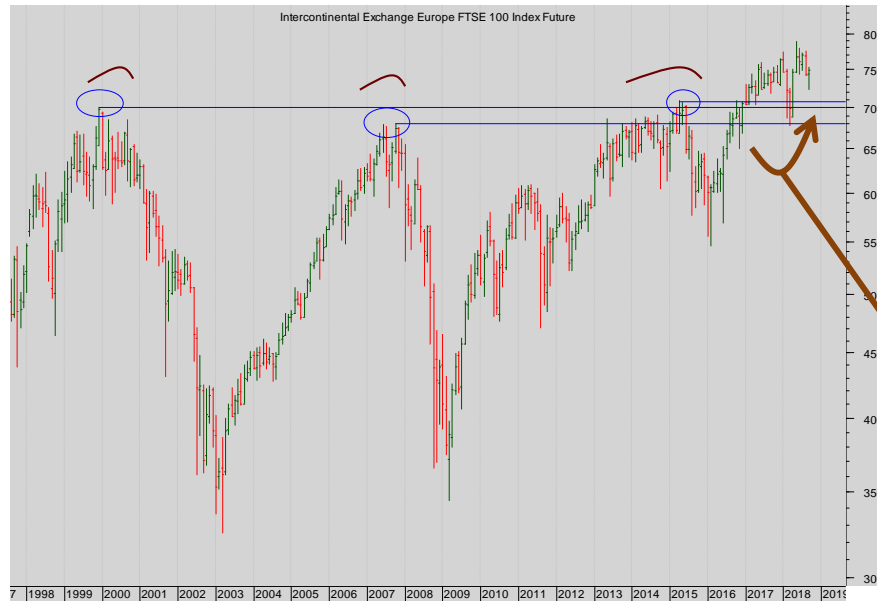
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Commodities

- + Oil
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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

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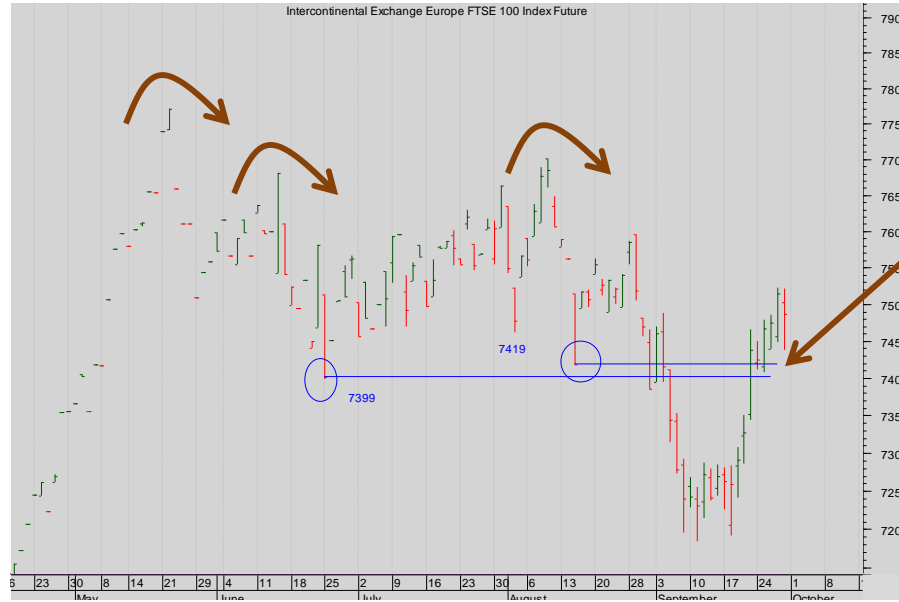
Bonds

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Commodities

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IMPLIED ASSET ALLOCATION



Liffe FTSE 100 jun18 daily futures chart

This rally through the Prior Lows back into the old trading range is **very impressive....**



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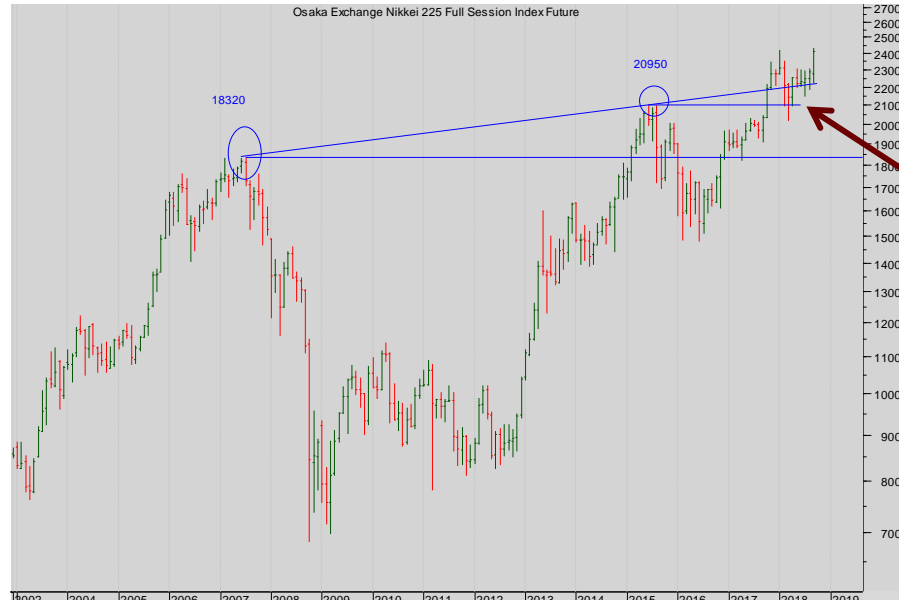
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Commodities

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

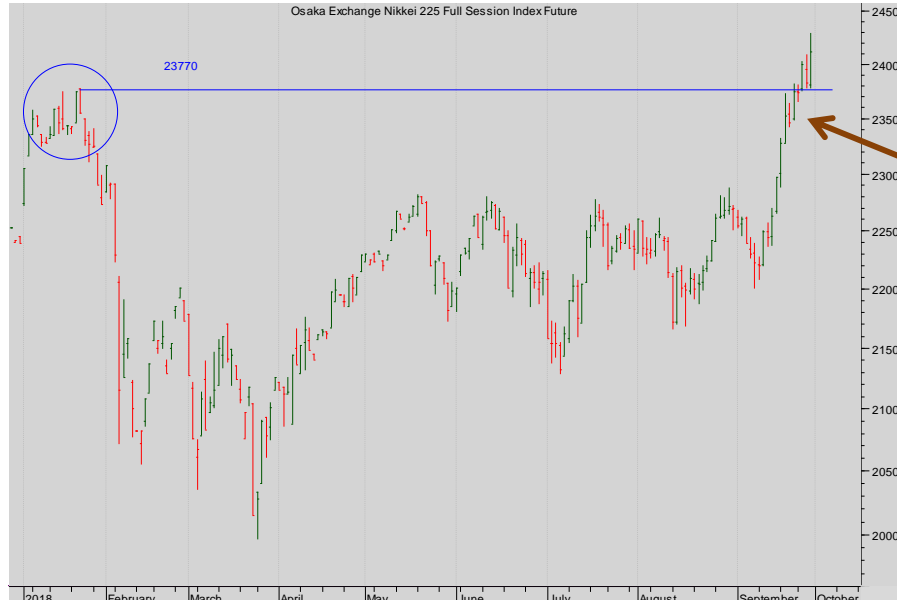
Driven by a small H&S pattern.

Watch for a break of 24170

More



Stocks: OSE Nikkei 225



**Nikkei 225 chart Daily
Sep 18.**

But this is clear.
Bulls have the critical
short-term break above
23770.

The bulls are in charge.

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

The short-term bounce in the TNotes may go further, but the wider picture remains very bearish. The Bund lacks powerful influencing structures. The key to the Gilt in the long-term chart which is poised to breakdown. The short and medium-term charts are ahead and clearly bearish already.

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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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IMPLIED ASSET ALLOCATION

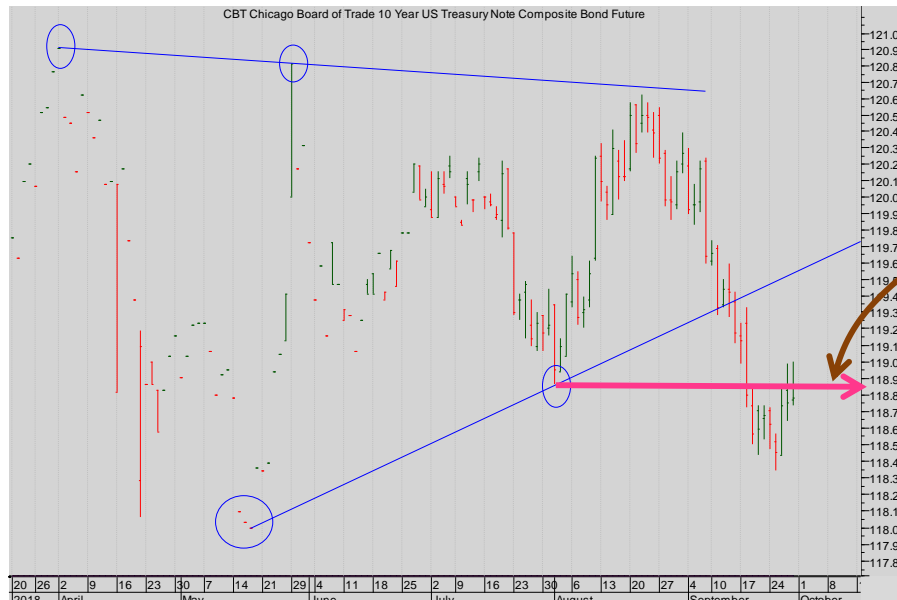


CBOT Ten Year Notes weekly futures continuation chart

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.

The 1118.85 Prior Low may be short-term resistance...

Despite the bounce of the last few days, this remains bearish. Again, a bear move of four big figures is in the offing.

More



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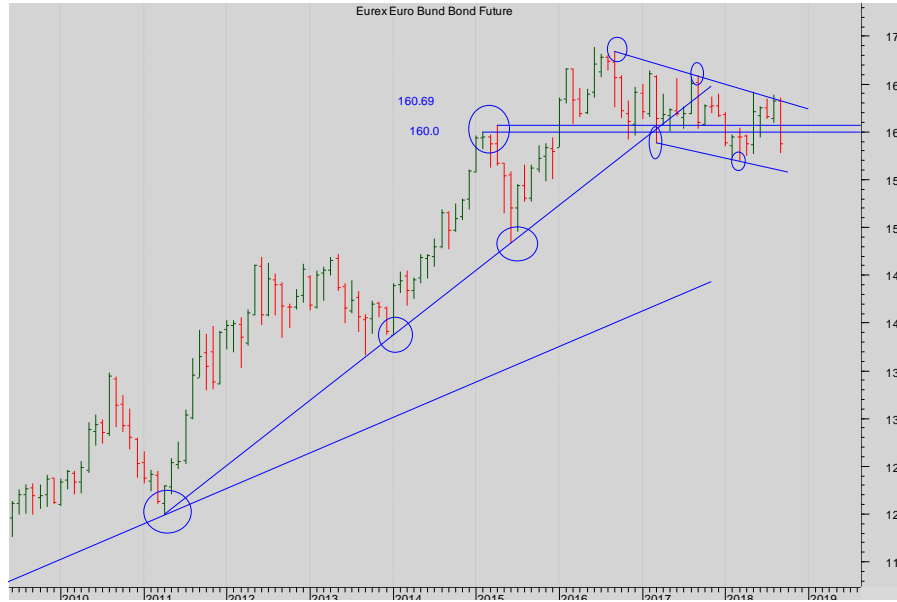
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Commodities

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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.

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



Eurex Ten Year Bund weekly cont. futures Chart

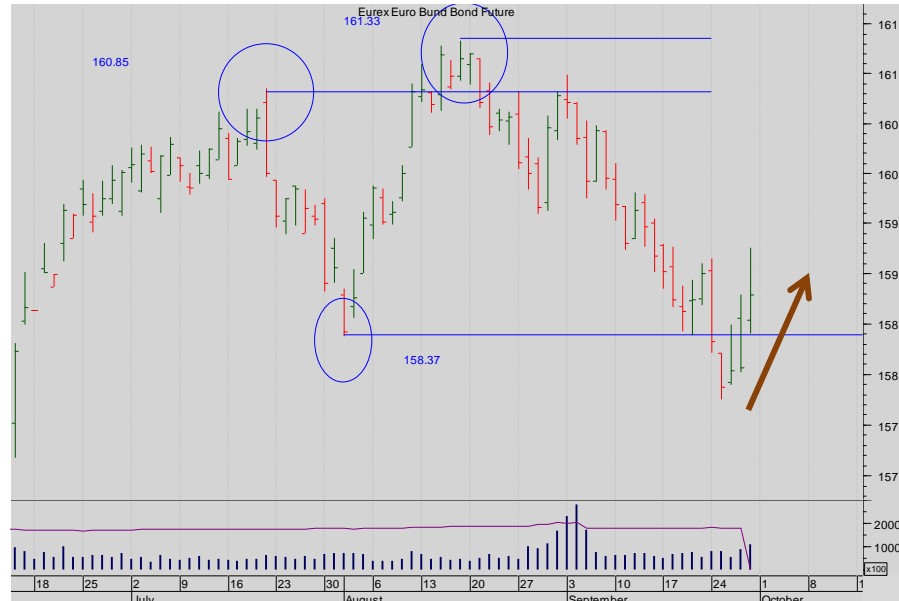
The market has fallen away from the diagonal back within the trading range.

Stand Back!

More



Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund Sep 18 Daily futures chart

Having had the move down to the recent low **there was a false break beneath 158.37**

The bounce back within the trading range has routed the bears.

Stand back.

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IMPLIED ASSET ALLOCATION



Bonds: Liffe UK Gilt futures

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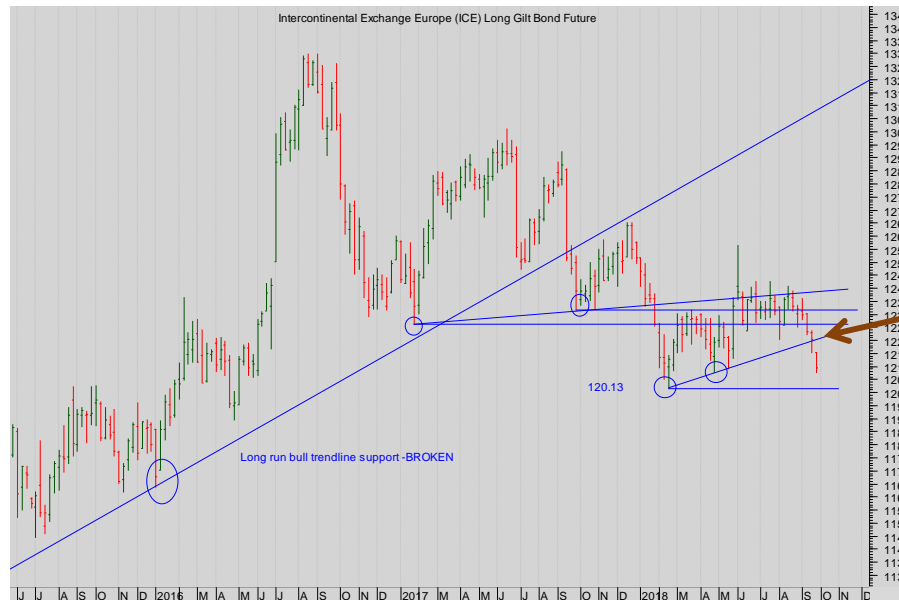
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Liffe UK Gilt monthly futures continuation chart

1. The clear well-established long-term diagonal bull trend support is being tested **but 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

The bears have the clear breakdown of the small rising diagonal trendline support confirming a push beneath the 122 low from 2016.

The bears are in charge medium-term.





Bonds: Liffe UK Gilt futures

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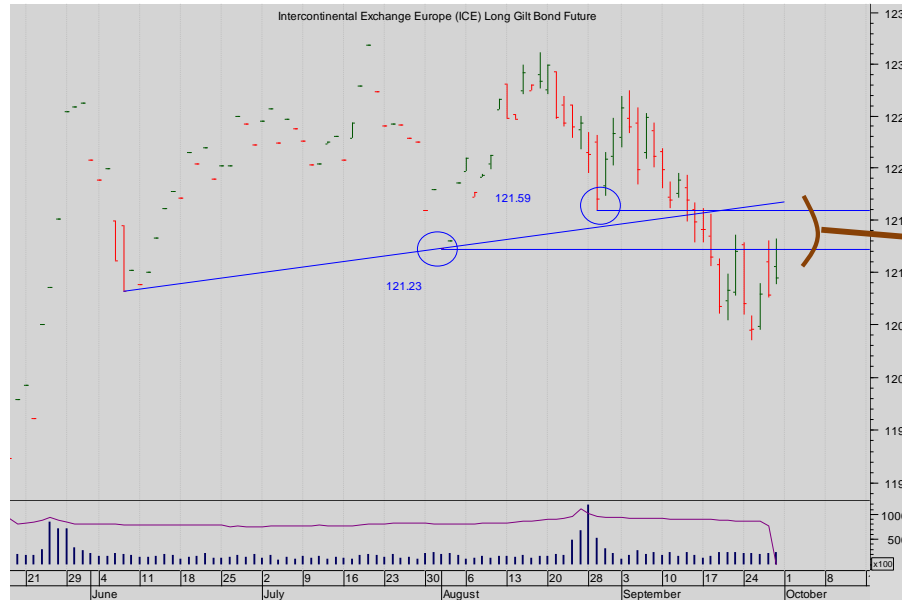
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Commodities

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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 short-term.**



Commodity

COMMODITIES:

Oil is still powerfully bullish in all time frames. Gold remains in the grip of medium and long-term bears trends, but lack a clear short-term structural catalyst.

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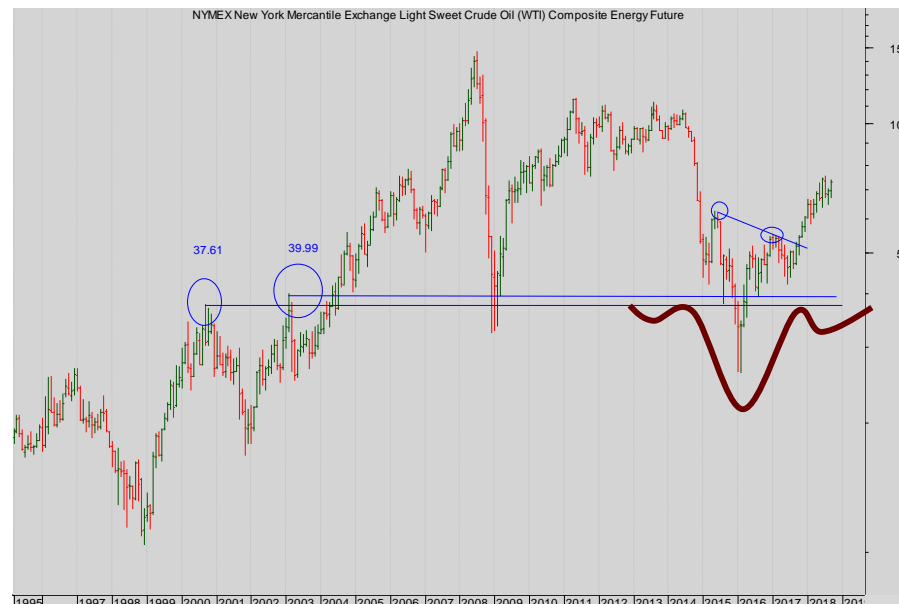
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Commodities

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Commodities: Nymex WTI Oil



Nymex oil monthly continuation

Massive support at \$37.80

And note too the completed H&S bull reversal

Minimum move? Up to and beyond \$100.

More



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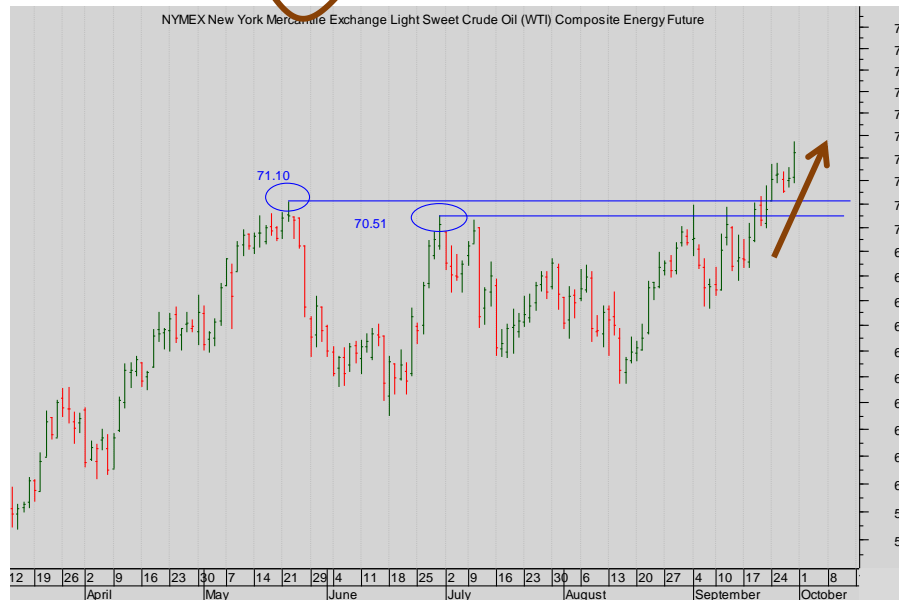
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Commodities

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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

The break above the successive Prior Highs reveals the bulls to be in charge.

The market is now underpinned by the old highs.



Commodities: Comex Gold

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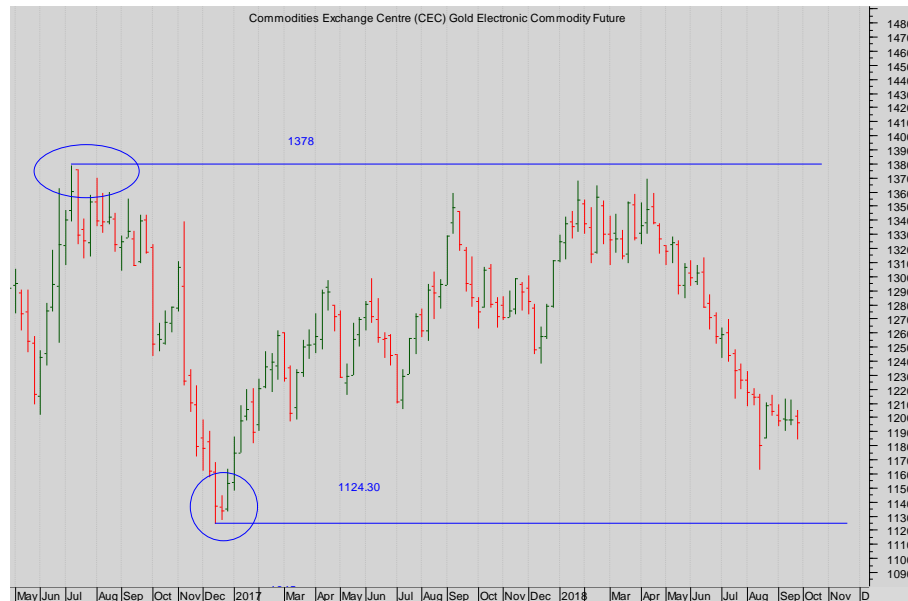
- + Oil
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IMPLIED ASSET ALLOCATION



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

Short-term, the market remains within a range.



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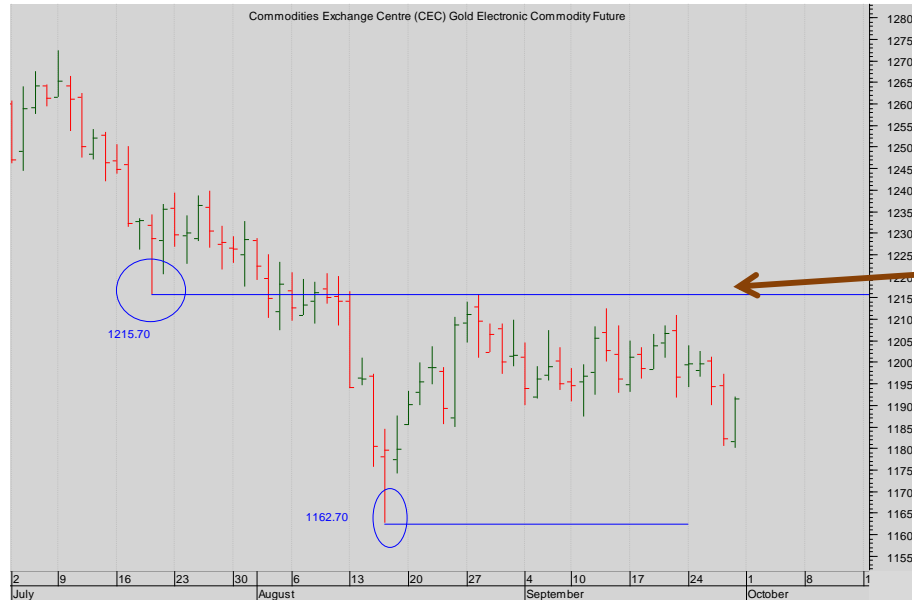
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IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Comex Gold daily Sep 2018 futures chart

We remain **bears** while the first resistance from that low 1215 remains intact.



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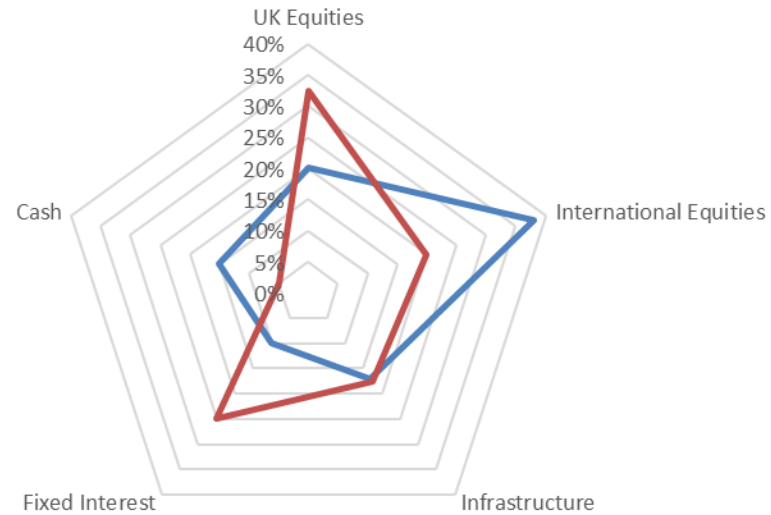
Commodities

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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

MSCI Balanced Risk Asset Allocation benchmark



More



the technical analyst

AWARDS 2012

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[Back to main menu](#)