



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

SUMMARY

POSITIONS

- + S&P
- + US TNote
- +
- +
- +



Multi-asset trade and investment recommendation

3rd October 2018

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3rd October 2018 Buy S&P DEC18 @ 2934.80. Stop @ 2864.0.

3rd October 2018 Sell US TNote DEC18 @ 118.23. Stop @ 120.20.

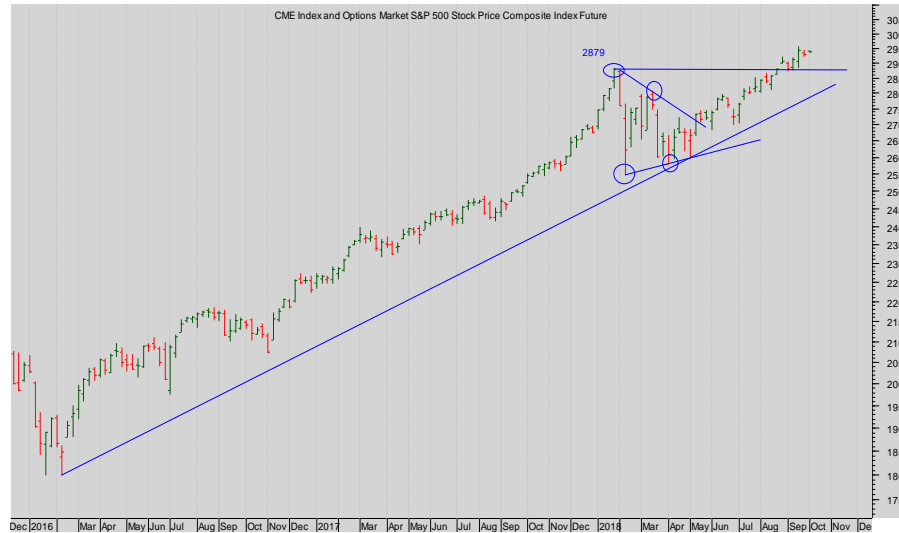


(1) TECHNICAL: 3RD October BUY S&P Dec 18 @ 2934.80. Stop @ 2864

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Monthly continuation chart.

The trendline support from 2016 is intact and some way beneath the market.

Note the creation of a continuation Triangle than has accelerated the market through the Prior High at 2879 that should now underpin the next bull leg.



Daily Dec18 Chart

In the daily chart there is a smaller coincident bull triangle that has completed at the moment of breaking up through the Prior High from Jan 2018.

The drift back to the top of that triangle showed it to be good support.

We are buyers with stops beneath 2890



Last week's key events were the FOMC meeting and the US/Canada trade talks.

In the event the Fed delivered the expected rate hike and stiffened the tone of its policy statement, while the trade talks delivered a new agreement between the US and Canada that fitted with the trade agreement between the US and Mexico struck several weeks earlier preserving a key free trade area.

Looking ahead both ISM surveys and non-farm payroll are due, but the new US/Canada trade deal has added to market confidence and traders are unfazed by the Fed's latest deliberations.

In summary we are bullish the S&P and advise going long.

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(1) TECHNICAL 3rd October 2018 Sell US TNote Dec 18 @ 118.23 Stop @ 120.20

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Monthly Chart :

The drama of the current situation of the market is unmistakable.



Daily Dec 18 Chart :

The market has completed a bear continuation Triangle suggesting short-term moves down as far as 116.50 at least.

But this will in itself serve to complete the breakdown of the very long term trendline support – suggesting the whole bull market is over.



(1) FUNDAMENTAL: 3rd October 2018 Sell US TNote Dec 18 @ 118.23. Stop @ 120.20

Last week's focus was the FOMC policy decision and the mix of another rate hike, the promise of more to come this year, in 2019 and in 2020 together with dropping reference to policy being accommodative, saw this market test the lows, but weaker spending and income data offered the market a brief chance to correct.

Looking ahead the key releases this week are the two ISM surveys and Friday's non-farm payroll. Strong data will focus minds on the Feds intention to deliver further rate hikes as growth is very strong, inflation edging higher and the labour market continuing to tighten.

In summary we are Bearish the T Note and advise going short.

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+ S&P

+ TNote

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