



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 9th 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

## Summary

### Currencies

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

Long-term **BEAR** Euro

Long-term **BEAR** Sterling

Long-term **BEAR** Yen

Long-term FLAT Euro

Medium-term **BEAR** Euro

Medium-term **BEAR** Sterling

Medium-term FLAT Yen

Medium-term **BEAR** Euro

Short-term **BEAR** Euro

Short-term **BULL** Sterling

Short-term **BEAR** Yen

Short-term **BEAR** Euro

### Stocks

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

Long-term **BULL**

Long-term FLAT

Long-term **BULL**

Long-term **BULL**

Medium-term **BULL**

Medium-term FLAT

Medium-term FLAT

Medium-term FLAT

Short-term FLAT

Short-term FLAT

Short-term **BEAR**

Short-term **BULL**

### Bonds

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

Long-term **BEAR**

Long-term FLAT

Long-term **BEAR**

Medium-term **BEAR**

Medium-term FLAT

Medium-term **BEAR**

Short-term **BEAR**

Short-term **BEAR**

Short-term **BEAR**

### Commodities

- + Oil
- + Gold

Long-term **BULL**

Long-term **BEAR**

Medium-term FLAT

Medium-term **BEAR**

Short-term **BULL**

Short-term FLAT

IMPLIED ASSET ALLOCATION

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## Currencies: Dollar Euro

### CURRENCIES:

The Dollar is now clearly strengthening against the Euro in all times frames. The general context against Sterling suggests the same, but there's a spirited short-term Sterling rally under way which could go further. The Sterling strength is clear too, against the Euro, short and medium-term, leaving only the long-term chart to clarify which it may well very soon. The Yen looks set to weaken long and short-term but watch the medium-term chart for a break out level to add to the bearishness.

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#### IMPLIED ASSET ALLOCATION



### 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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### Bonds

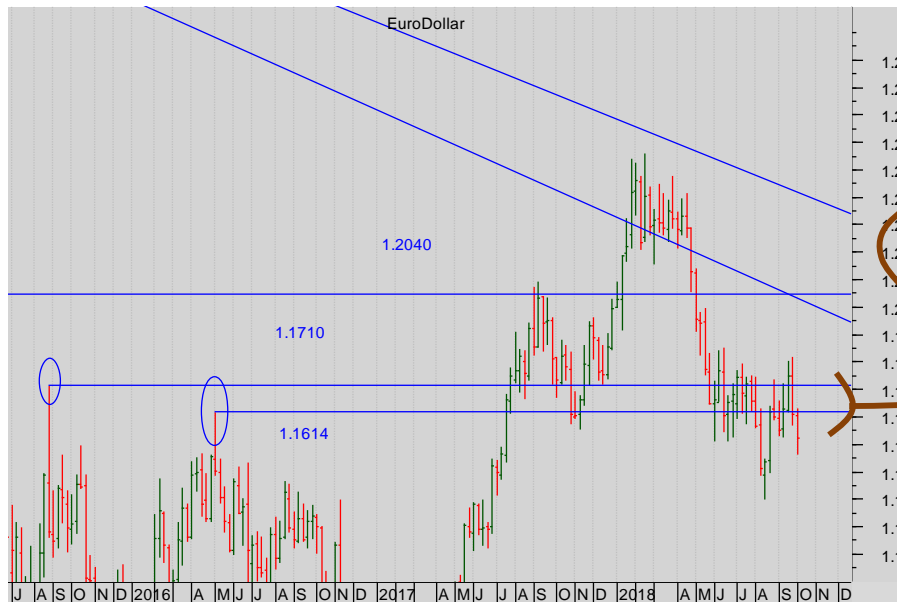
- + Ten Year US TNote
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- + UK Gilt

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

So has the support from the Prior Highs held?

There are wild swings, but Dollar looks set to gain strength.



Dollar Euro spot cash chart daily chart...

The rally drove up through the Prior High of 1.1733 but failed there....

Then the rising diagonal support broke.

Short-term, the momentum is with a stronger Dollar.



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### Bonds

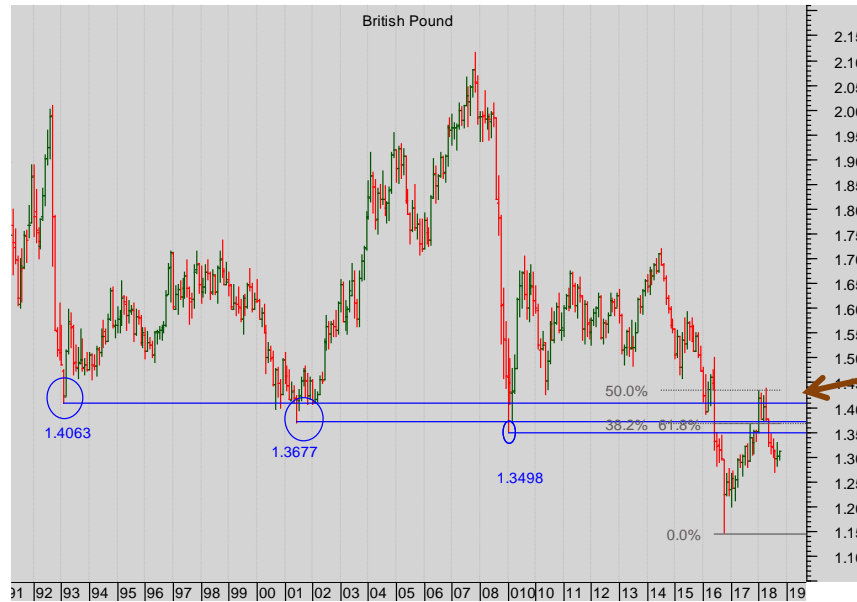
- + Ten Year US TNote
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### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling

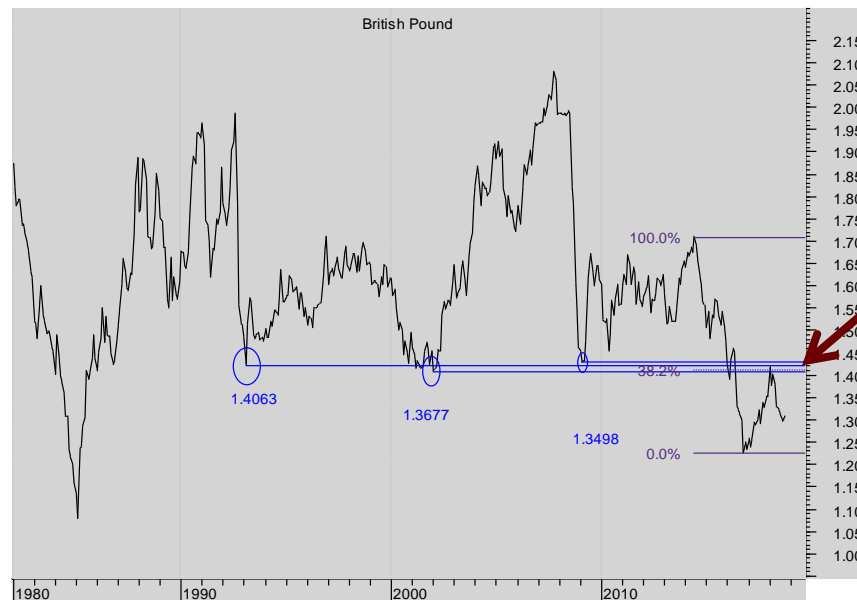


### Dollar Sterling Monthly spot cash chart

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



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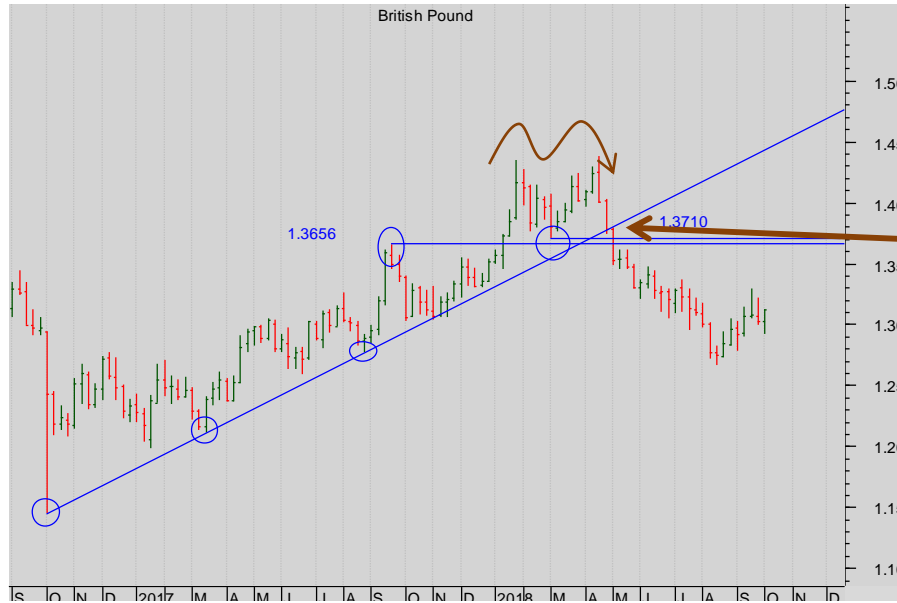
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### Commodities

- + Oil
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## IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling

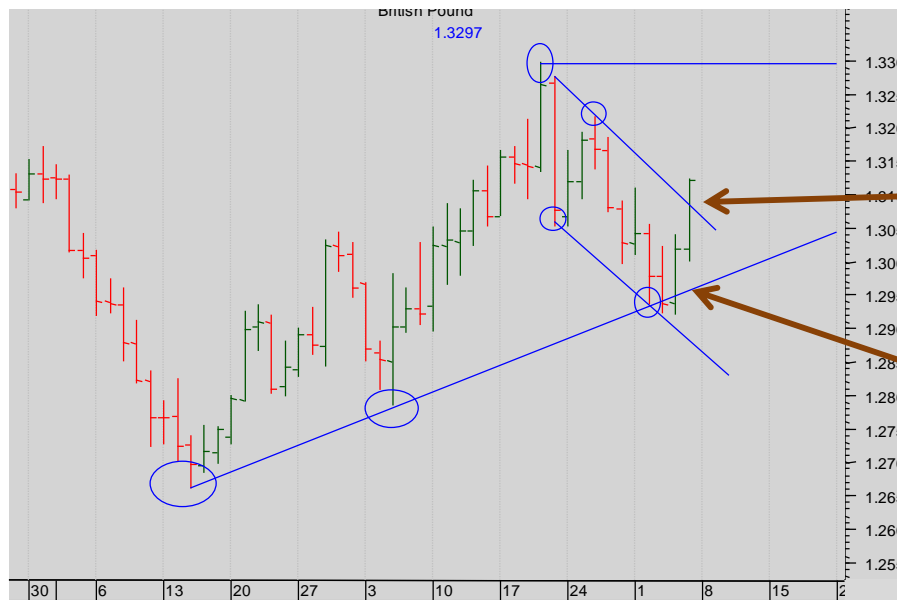


### Dollar Sterling weekly spot cash chart

The **Double Top** at the recent high was 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

Yet, very short-term, there's a completed parallel flag – **bullish for Sterling...**

(note too, that the rising diagonal support held)



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### Bonds

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- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
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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.

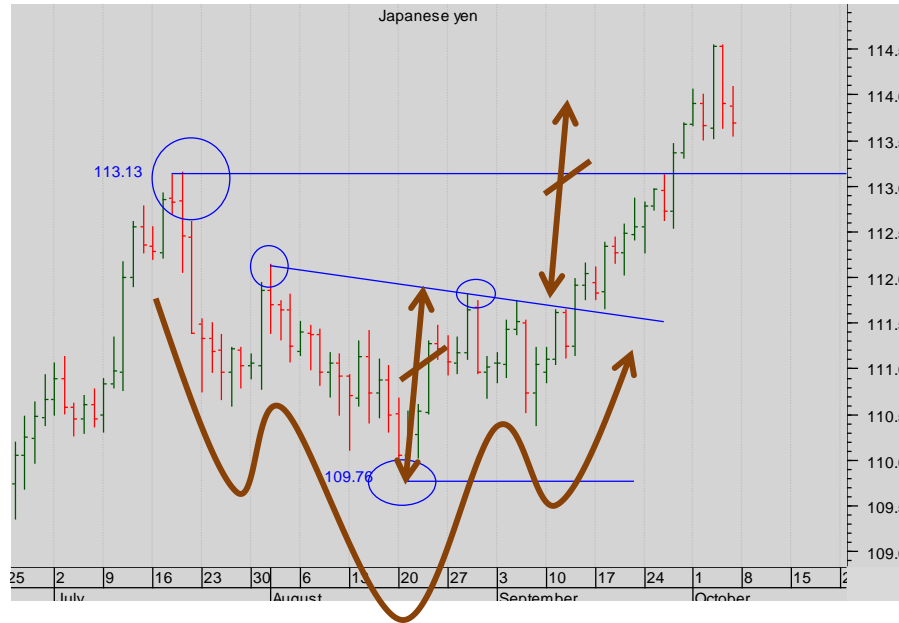
Watch for added Yen selling energy if the highs at 114.36 can be taken out.

Stand back.

More



## 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 114.

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

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#### Stocks

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- + Nikkei 225

#### Bonds

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

#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION





## 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

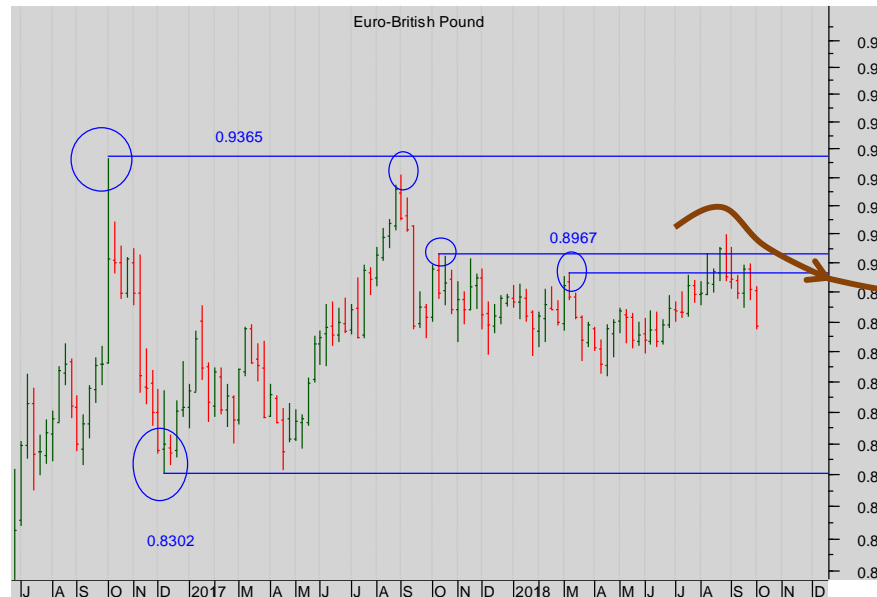
## Currencies: Sterling Euro



### Sterling Euro monthly spot cash chart

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

Watch the test of the lower diagonal.



### Sterling Euro weekly spot cash chart

No Double Bottom completion. The failure to sustain a break above 0.8967 is a big disappointment.

More



## Summary

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- + **Sterling Euro**

### Stocks

- + S&P 500
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- + Nikkei 225

### Bonds

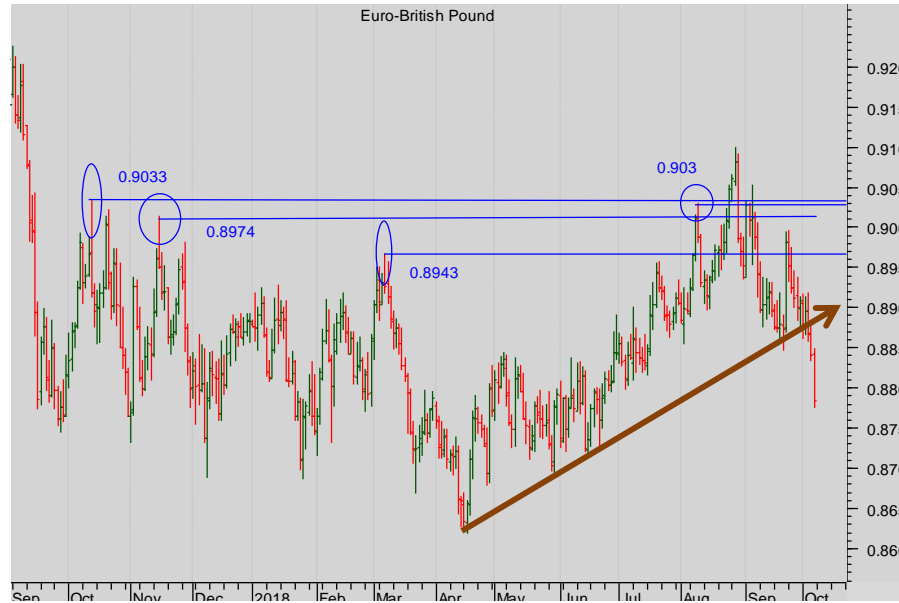
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Currencies: Sterling Euro



## Sterling Euro daily spot cash chart

The sharp retracement back through the horizontal supports and then the smashing of the diagonal support for the Euro from the rising diagonal.

Is powerful bull evidence for sterling.



## Stocks

### STOCKS:

The long and medium term bullishness of the S&P remains solidly in place; but watch the short-term chart for early signs of a pull back if supports, which are being tested, break. EuroStoxx looks range-bound. FTSE, though long-run underpinned, looks very vulnerable short-term. Nikkei's relative strength looks to be ebbing. Again, watch the short term chart there.

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- + Dollar Yen
- + Sterling Euro

#### Stocks

- + S&P 500
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#### Bonds

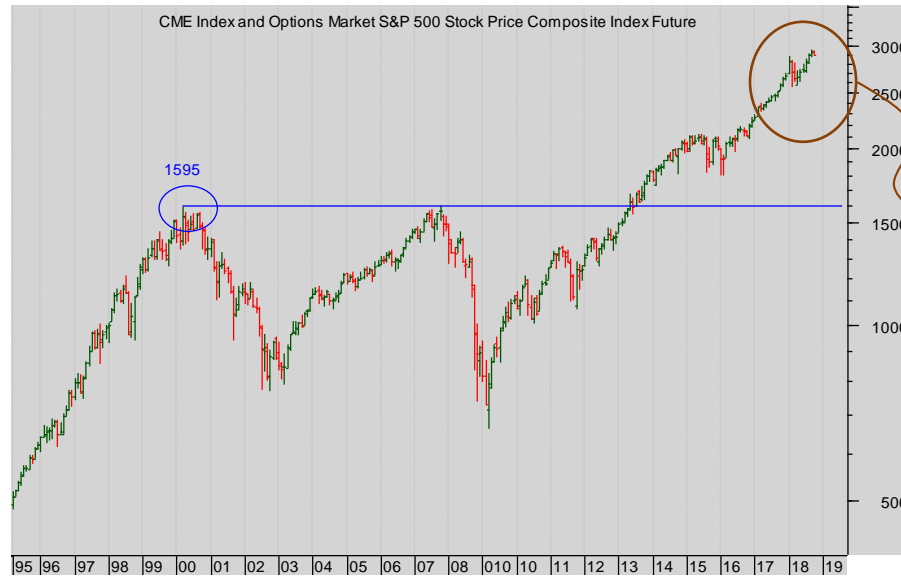
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- + UK Gilt

#### 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

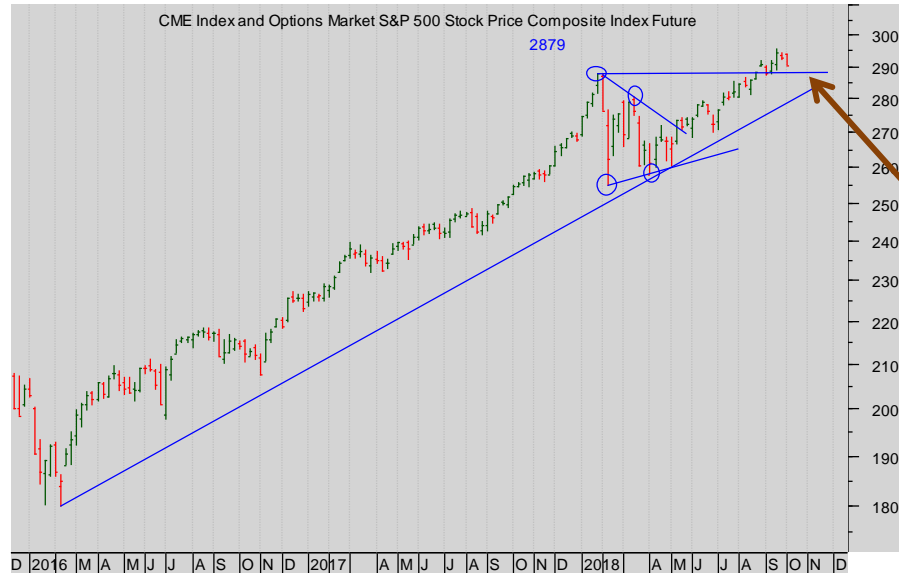
### Bonds

- + 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 2879 to reassure them that the market is in good fettle.

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

Watch the pull-back to test the Prior High at 2879.



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

The pull-back through the Prior Highs is disappointing

A small double top has completed.

Now watch the market's reaction now to the support from the Old High at 2890.

If that breaks the bears will gain confidence.

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

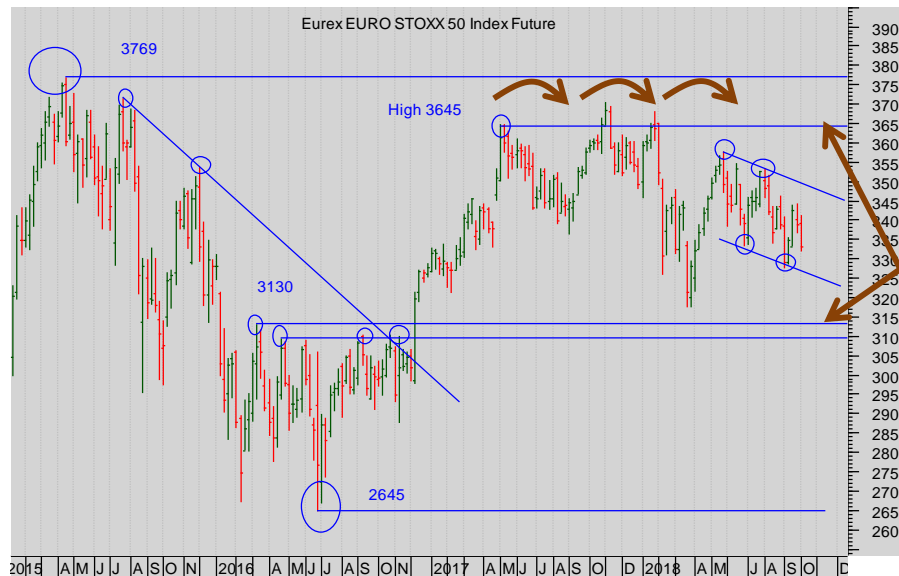
### IMPLIED ASSET ALLOCATION



### Eurex EuroStoxx 50 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.

Stand back.

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
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### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Eurex EuroStoxx 50 daily Dec 18 futures chart

The market is now central in the old trading range..

Stand back





## Stocks: Liffe FTSE 100

### Summary

### Currencies

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

### Stocks

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

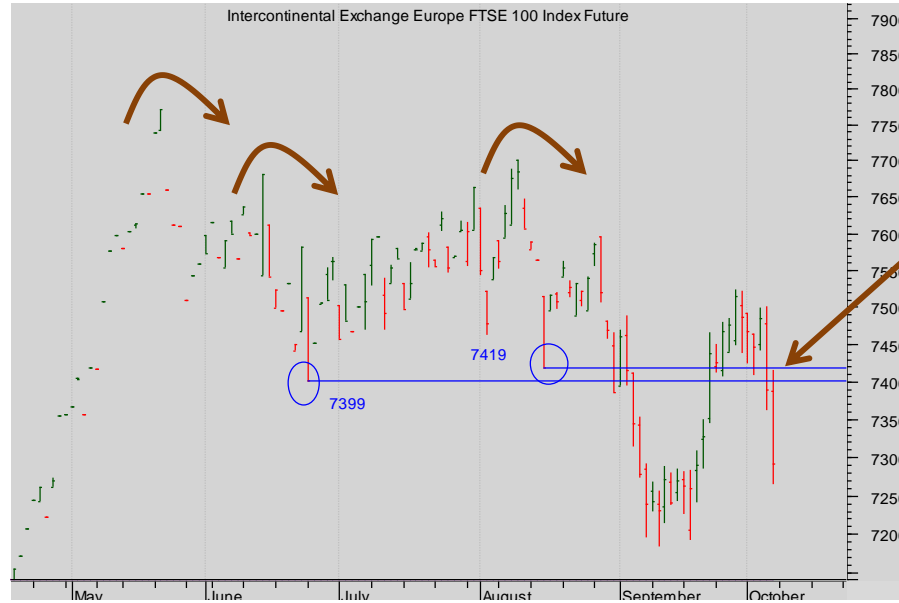
### Bonds

- + 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 failed badly.

The bears are in shock.

There's more short-term selling to come.





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### Bonds

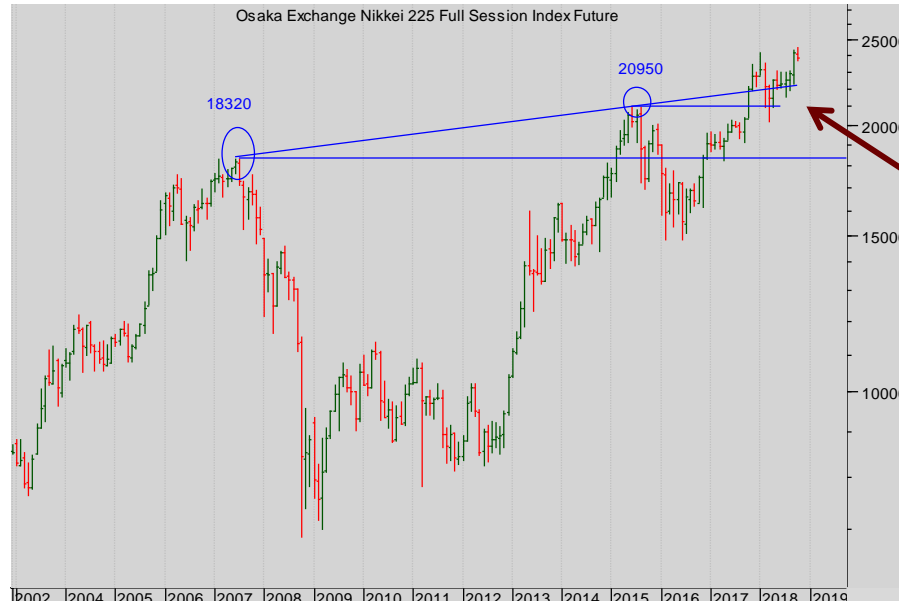
- + Ten Year US TNote
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- + UK Gilt

### Commodities

- + Oil
- + Gold

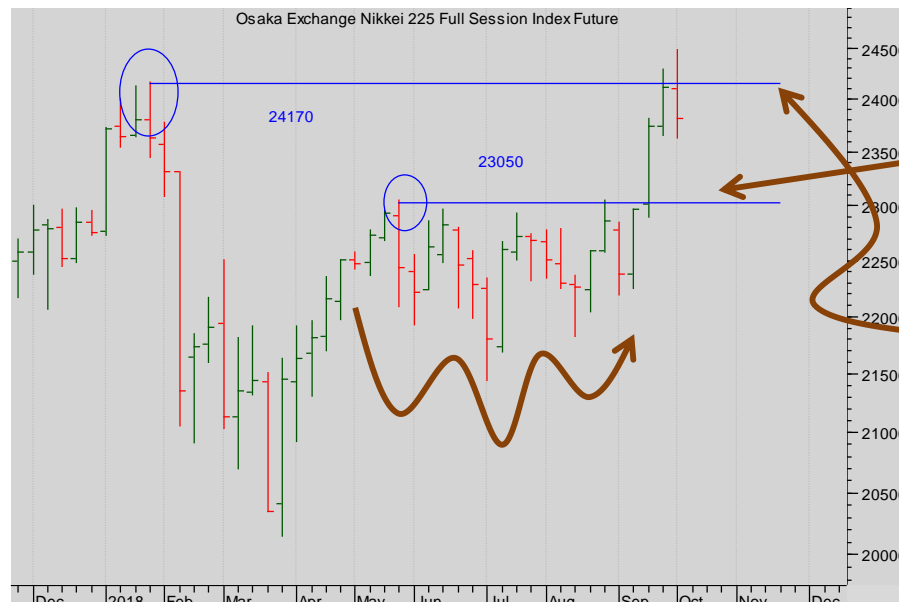
### IMPLIED ASSET ALLOCATION

## Stocks: OSE Nikkei 225



### Nikkei 225 chart (monthly)

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



### Nikkei 225 chart (WEEKLY)

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

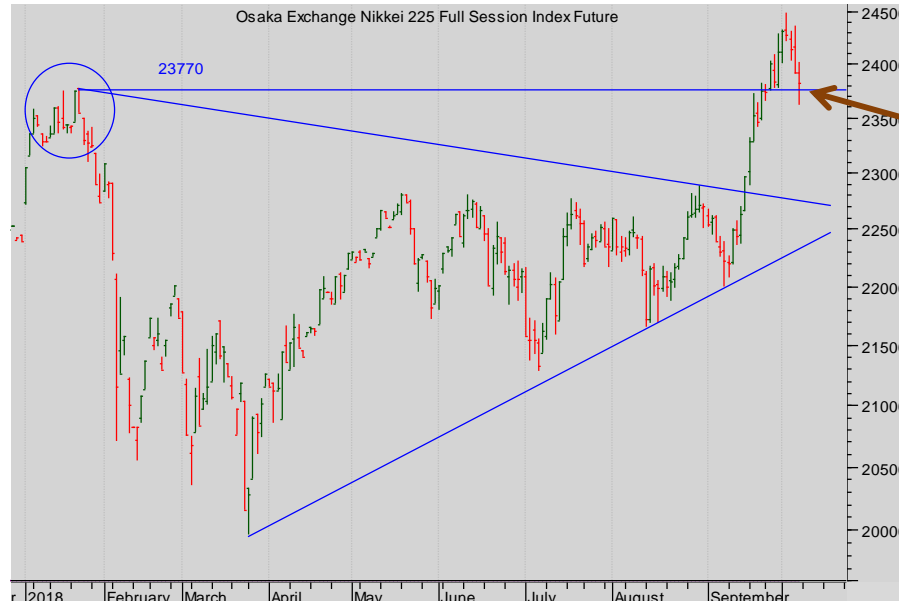
Driven by a small H&S pattern.

Watch for a break of 24170...not yet.

More



## Stocks: OSE Nikkei 225



**Nikkei 225 chart Daily  
Sep 18.**

But this is clear.

Bulls had the critical  
short-term break above  
23770.

Then the pull-back to test  
the support.

**Wait for a break beneath  
before selling.**

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- + **Nikkei 225**

### Bonds

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- + Ten Year German Bund
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### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Bonds

### BONDS:

The breakdown of the very long-term chart of the TNotes feels very significant, because the market is now bearish in all time frames. The UK Gilts are similarly bearish in all time frames. The bunds have yet to top out long and medium-term, but clearly has done so in the short-term.

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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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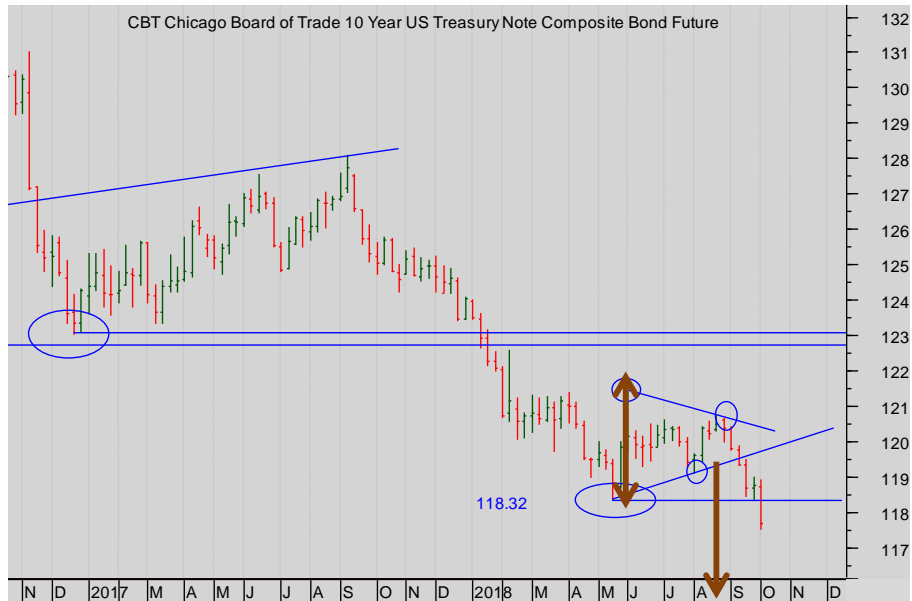
## Bonds

- + 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.

The 1118.85 Prior Low was good short-term resistance...

Because of the failed bounce of the last few days, **this remains bearish.**





## Bonds: Eurex Ten Year Bund

### Summary

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- + Sterling Euro

### Stocks

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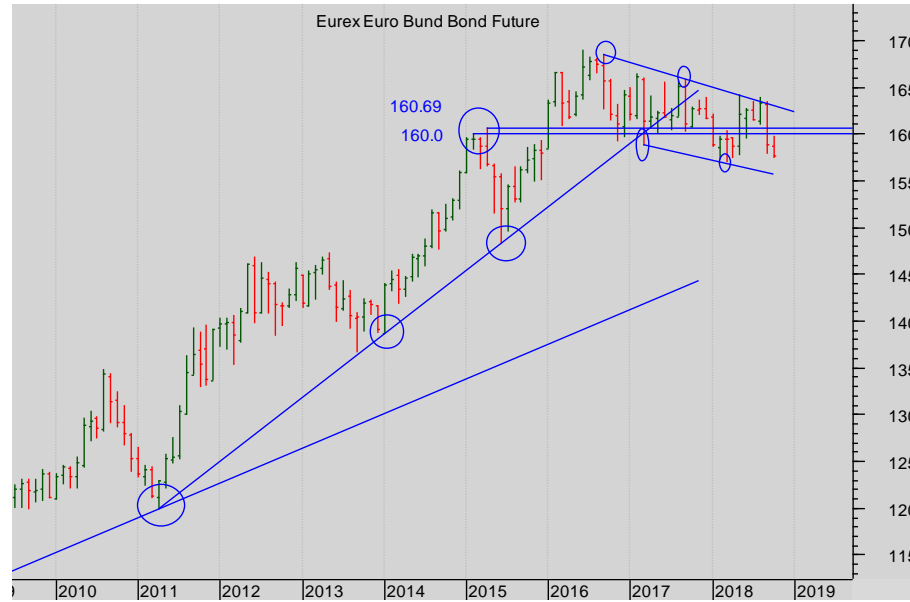
### Bonds

- + 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 lacks clarity the trading range is drifting down.



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

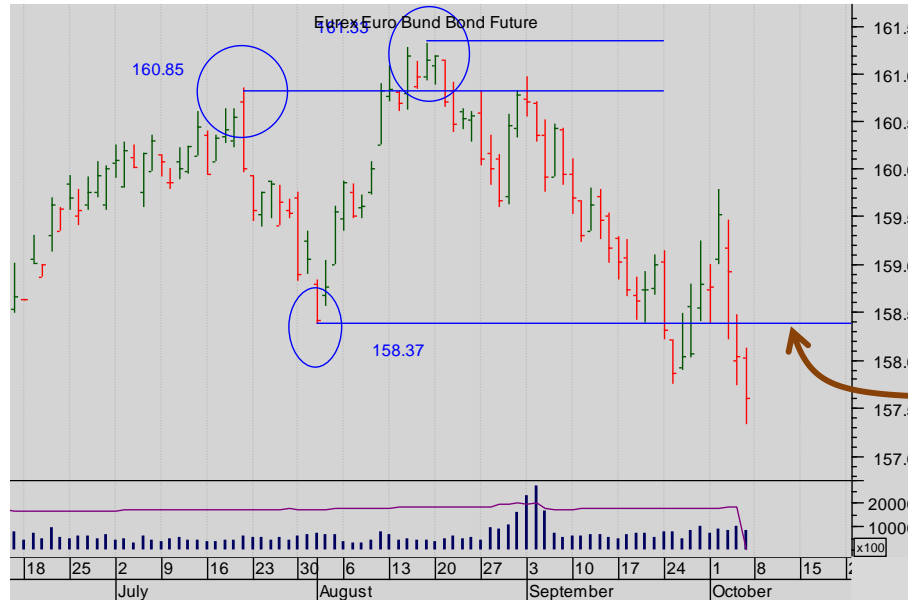
The market has fallen away from the diagonal back within the trading range.

Stand Back!

More



## Bonds: Eurex Ten Year Bund



### Eurex Ten Year Bund Sep 18 Daily futures chart

But the push down at the end of last week is an emphatic resolution of the situation – bearishly.

A top has surely been formed – resistance on any bounce is above the market at 158.37.

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IMPLIED ASSET ALLOCATION



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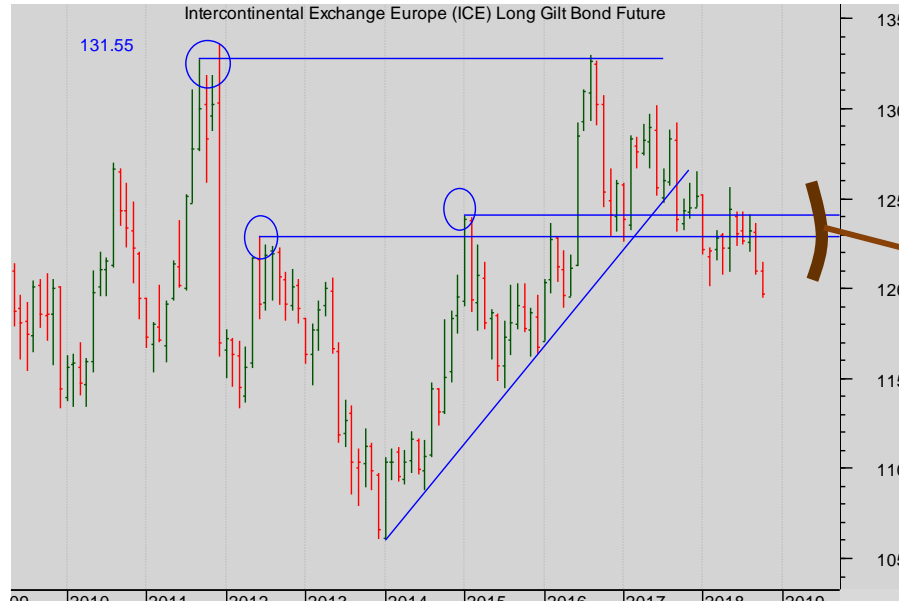
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### IMPLIED ASSET ALLOCATION

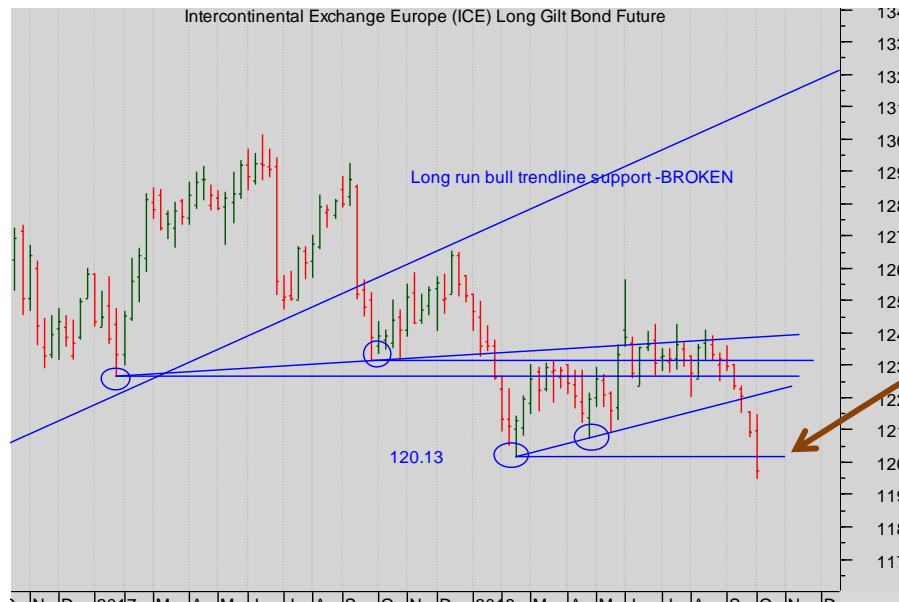
## Bonds: Liffe UK Gilt futures



### Liffe UK Gilt monthly futures continuation chart

The break down through the Prior High support in 2012 and 2014 is emphatic.

Look closer....



### Liffe UK Gilt weekly continuation futures Chart

Like the bund, the market has been difficult to read: the rally through the resistance failed.

The close beneath 120.13 will create another level of resistance on a rally **adds a good deal of impetus to the bear trend.**

More



# Bonds: Liffe UK Gilt futures

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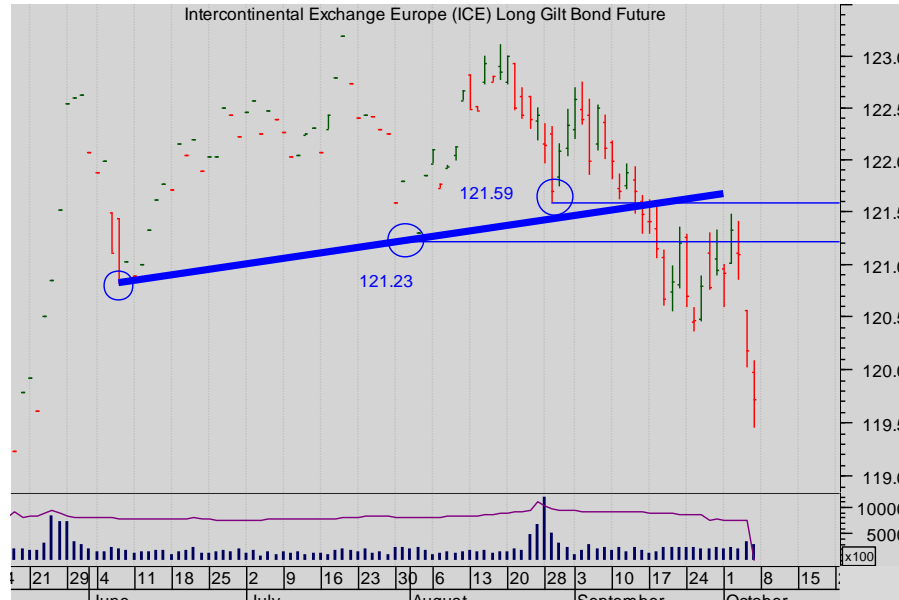
## Bonds

- + 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: a top formation has completed.

The bears ARE TOTALLY in charge.





## Commodity

### COMMODITIES:

Oil remains thrillingly bullish; watch the medium-term chart for our level to trigger the next bull leg. Gold is trending lower and use the short-term chart to time entry into the market.

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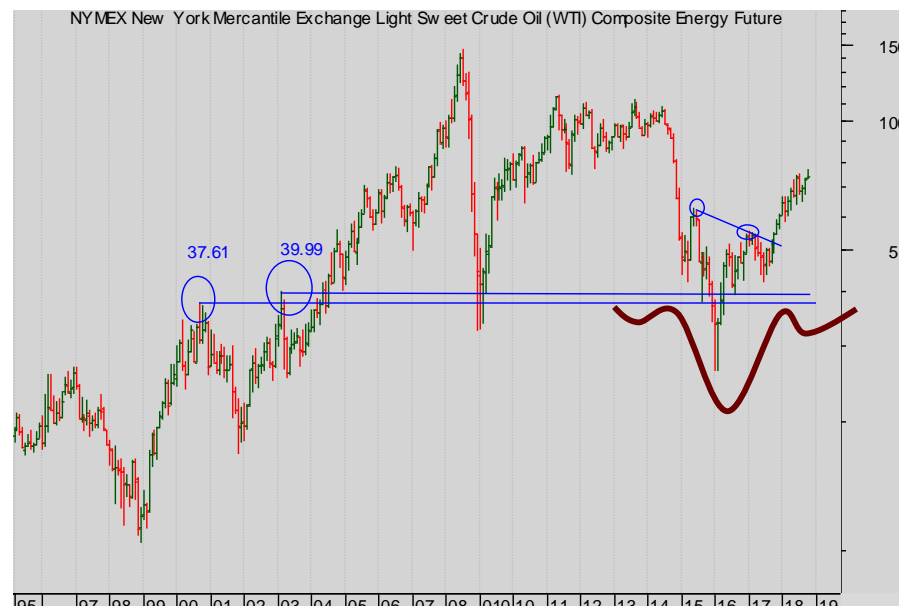
- + Ten Year US TNote
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#### Commodities

- + Oil
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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? Up to and beyond \$100.

More



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IMPLIED ASSET ALLOCATION

## Commodities: Nymex WTI Oil

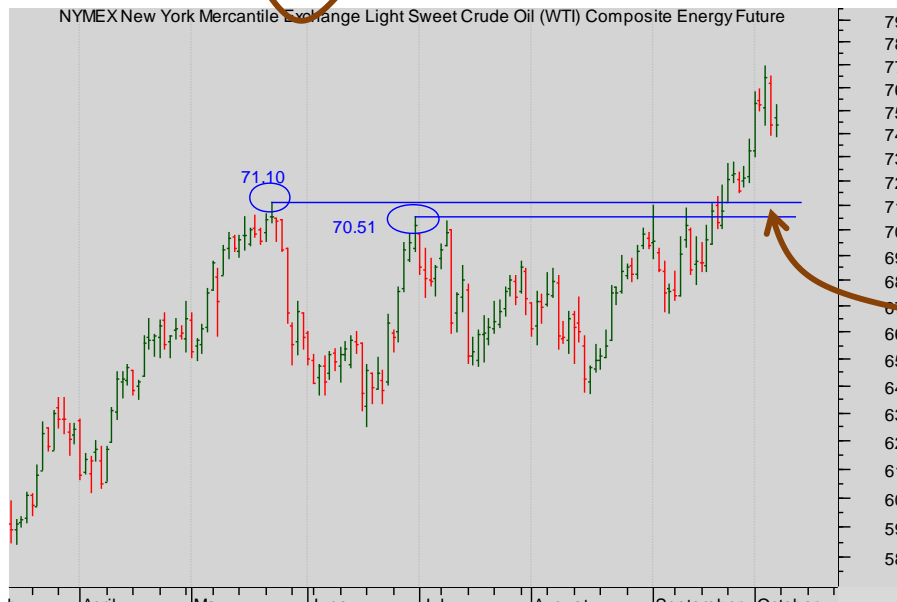


### Nymex oil weekly continuation

The full splendour of the bull H&S pattern.

And the rising diagonal support....

Watch for a close above the Prior High to signal the next bull leg.



### Nymex oil daily Nov 18 futures

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

The market is now underpinned by the old highs.



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## Stocks

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## Bonds

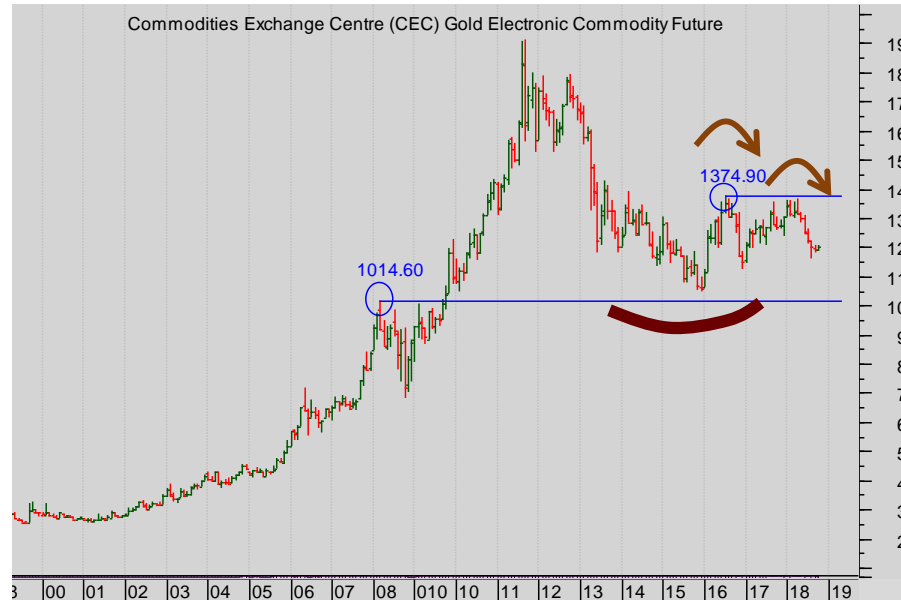
- + Ten Year US TNote
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## Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

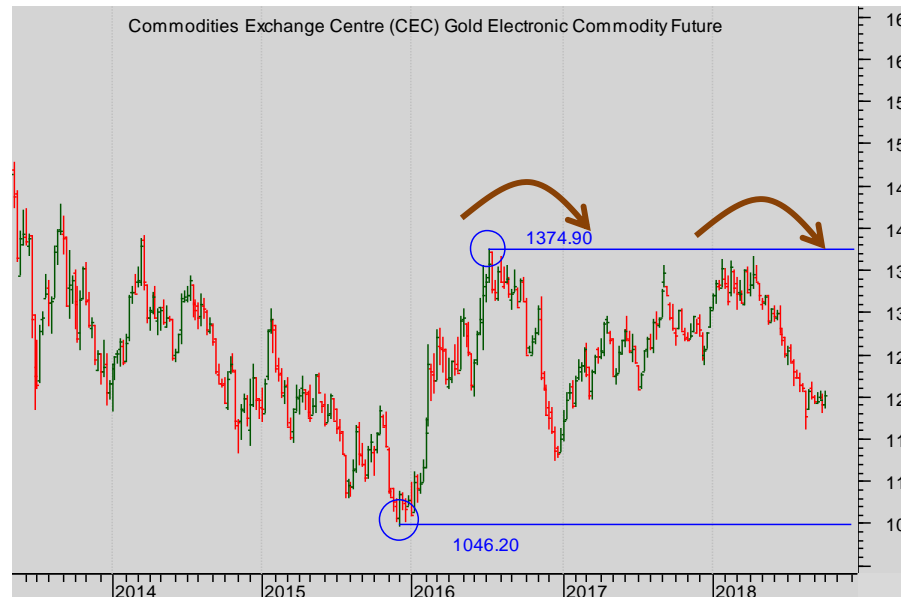
## Commodities: Comex Gold



## 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.

But bear interest has arisen because of the Double failure at 1374.



## Comex Gold Weekly futures chart

Short-term, the market remains within a wide range.



## Summary

## Currencies

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

## Stocks

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

## Bonds

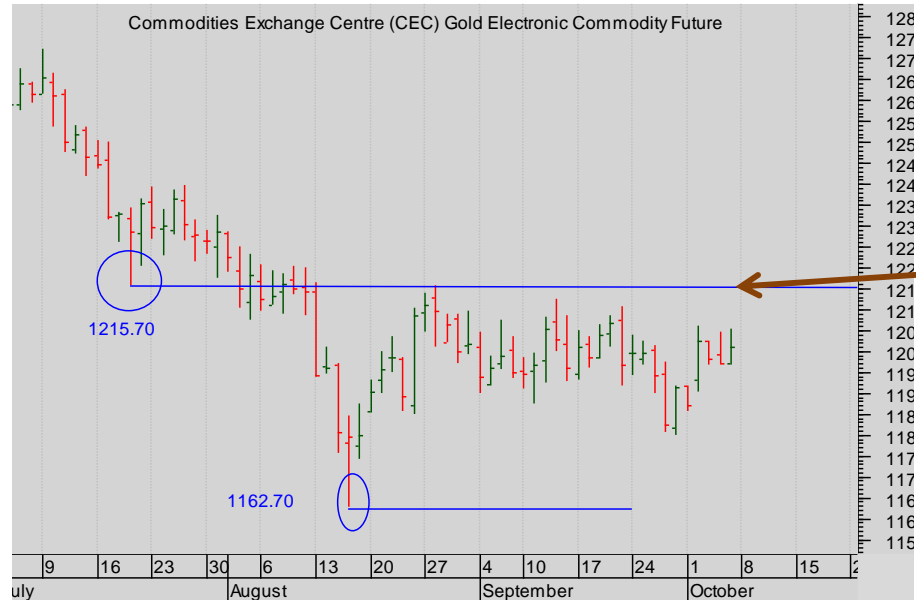
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

## Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Commodities: Comex Gold



## Comex Gold daily Sep 2018 futures chart

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



# Summary

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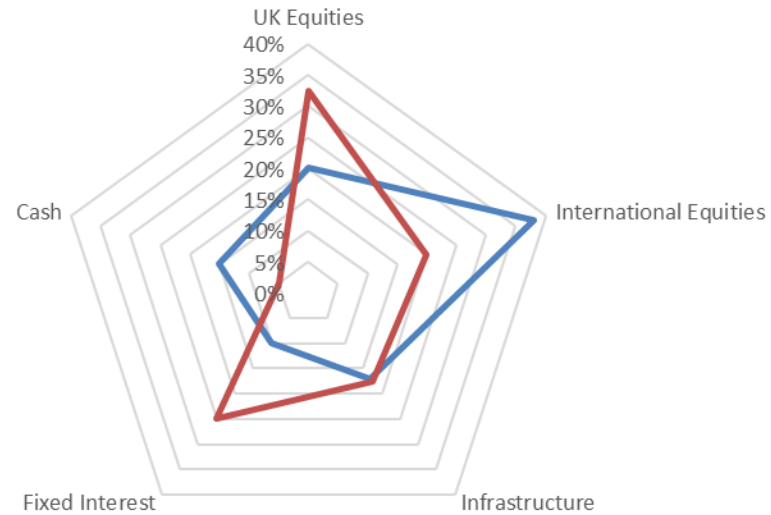
### Commodities

- + Oil
- + Gold

## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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## MSCI Balanced Risk Asset Allocation benchmark



More



*the technical analyst*

AWARDS 2012

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