



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 6th November 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 BEAR Yen
Long-term FLAT Euro	Medium-term FLAT Euro	Short-term FLAT Euro

Stocks

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

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

Commodities

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

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The case for the Dollar bulls grows stronger and stronger: all the recent currency rallies are fading fast. Long, medium and short-term the Dollar looks well-set. Sterling Euro is best avoided.

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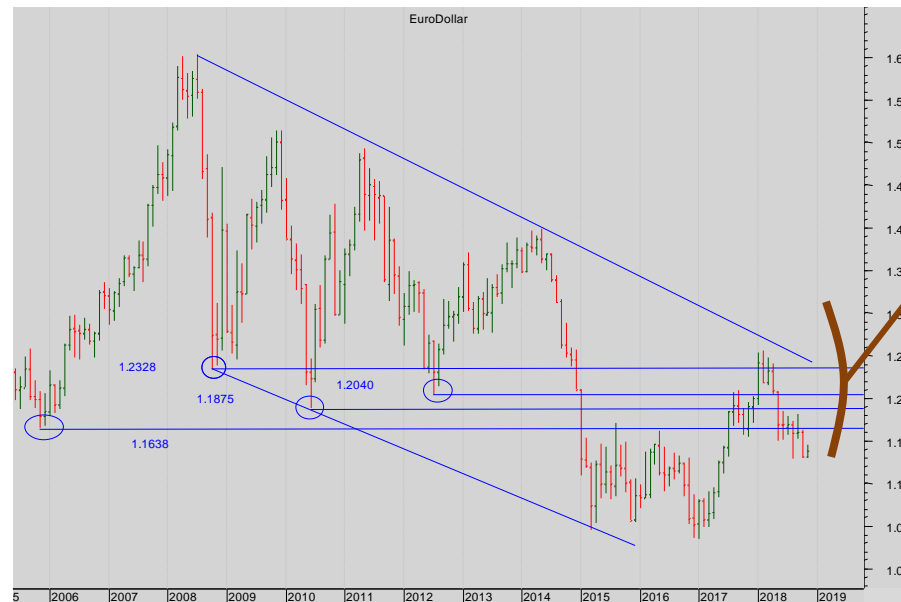
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Dollar Euro monthly spot cash chart

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. We favour the Dollar.

More



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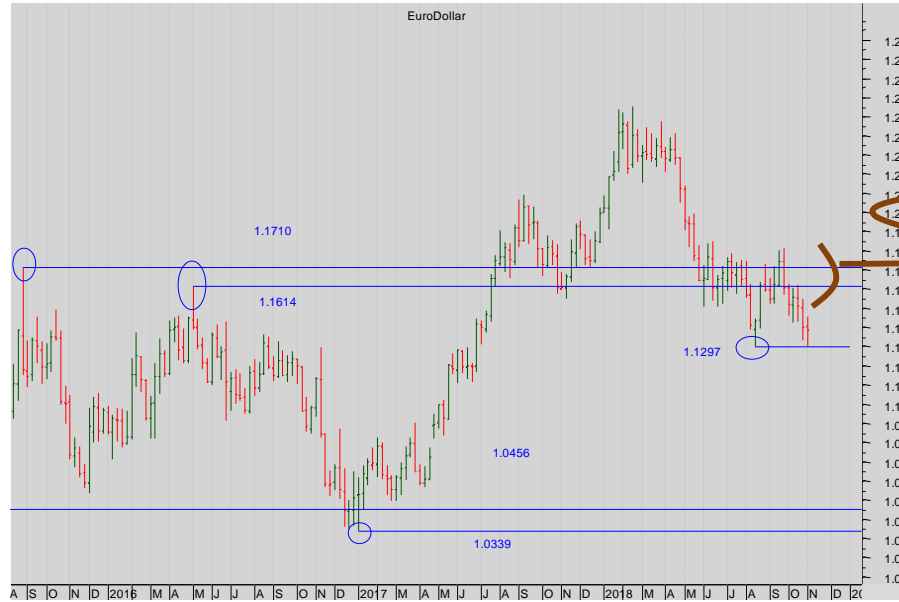
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

So the support from the Prior Highs looks as if it has failed.

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

Watch closely for a break beneath 1.1297 for the next leg down (strengthening Dollar)



Dollar Euro spot cash chart daily chart...

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

Note how the Prior low at 1.1429 and the diagonal downtrend resistance have both held firm.



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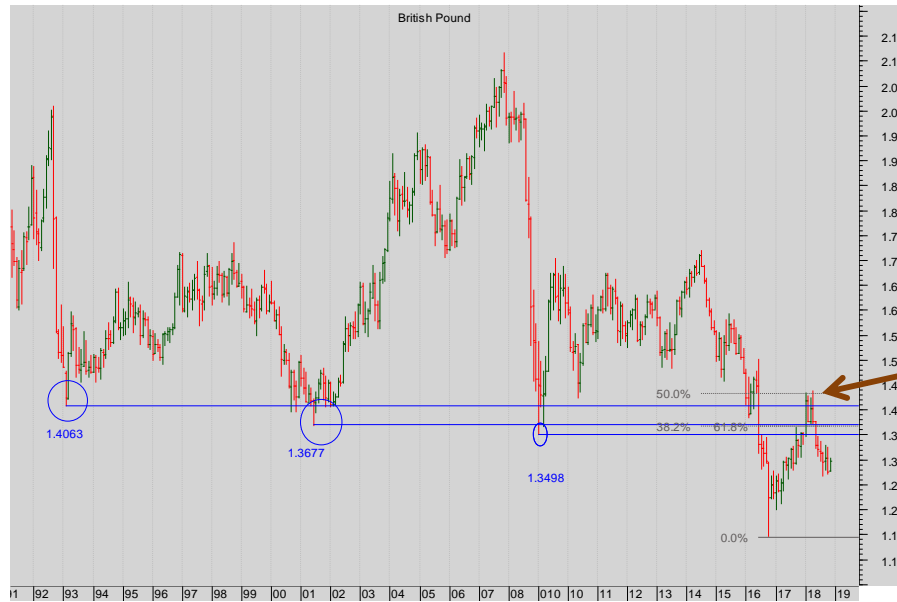
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

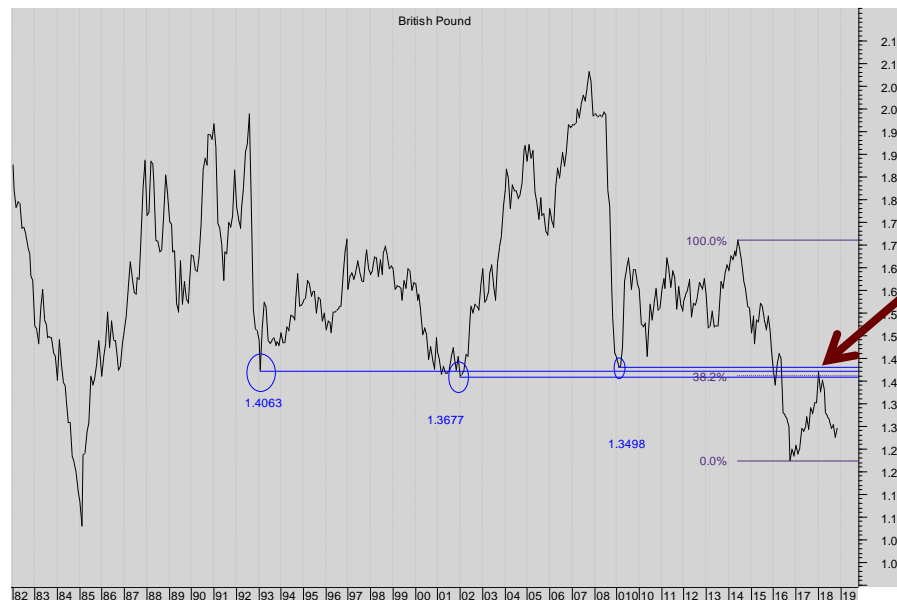


Dollar Sterling Monthly spot cash chart

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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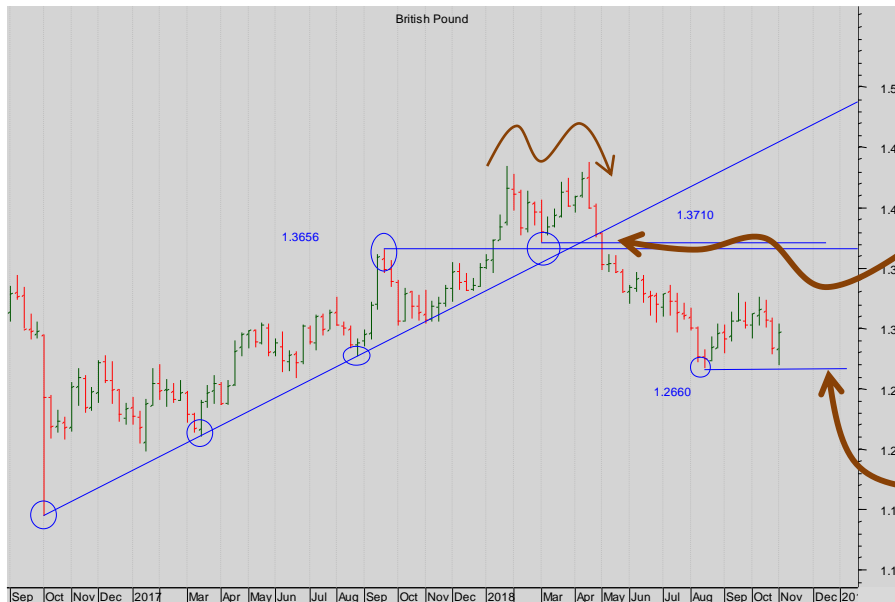
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IMPLIED ASSET ALLOCATION

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.

Watch closely for a breakdown through the Prior Low 1.2669 for the next trigger for Sterling sellers.



Dollar Sterling daily spot cash chart

We thought that Sterling had completed a Double Top.

But the rally has smashed that - now watch the range



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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.

The bull Dollar is set to go further.



Dollar Yen weekly spot cash chart

The breakout from the bull falling wedge is clear.

And very encouraging for the Dollar Bulls and Yen bears.

More



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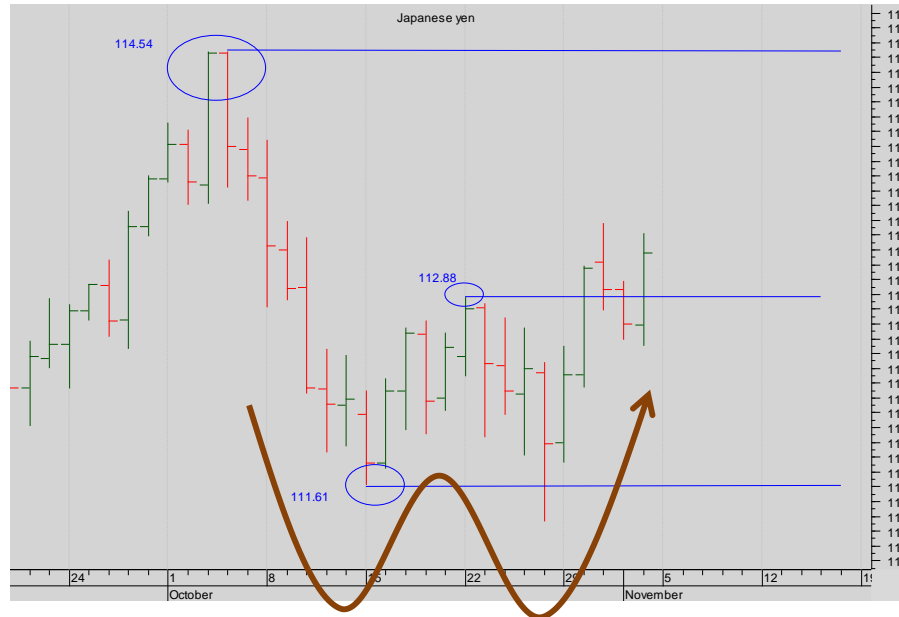
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Note the Bull dollar has completed a Double Bottom and is set to test the Highs.



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IMPLIED ASSET ALLOCATION

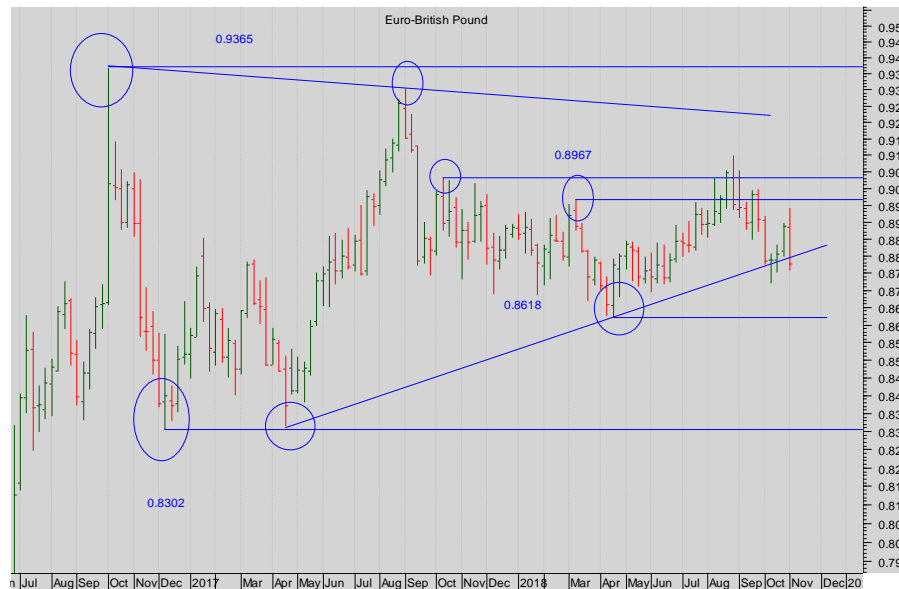
Currencies: Sterling Euro



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

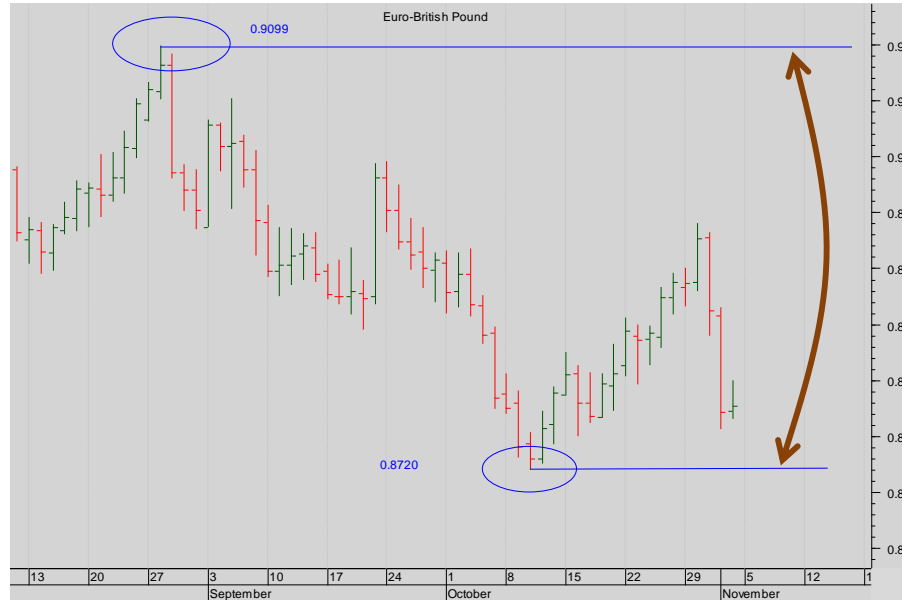
Still the lower diagonal has been tested...

Wait for the break.

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

It's volatile and shapeless.

Stand back.

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IMPLIED ASSET ALLOCATION



Stocks

STOCKS:

The S&P looks range-bound. So too does the FTSE. And the Nikkei. Not so the European market. It is teetering on the verge of completing a very bearish medium-term pattern. Watch carefully.

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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 in the sense that there is no clear long-term breakdown.

Look closer.

More



Stocks: CME S&P 500

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IMPLIED ASSET ALLOCATION



CME S&P 500 cont weekly cont. chart

The pull-back to test the Prior High at 2879 smashed it.

Now the test of the 2016 trend line support is nigh.

If that breaks **it would be very bearish**, though a confirming close beneath that diagonal would be more convincing.



CME S&P 500 daily Dec 2018 chart

There is a wide trading range in play.

More



Stocks: Eurex EuroStoxx 50

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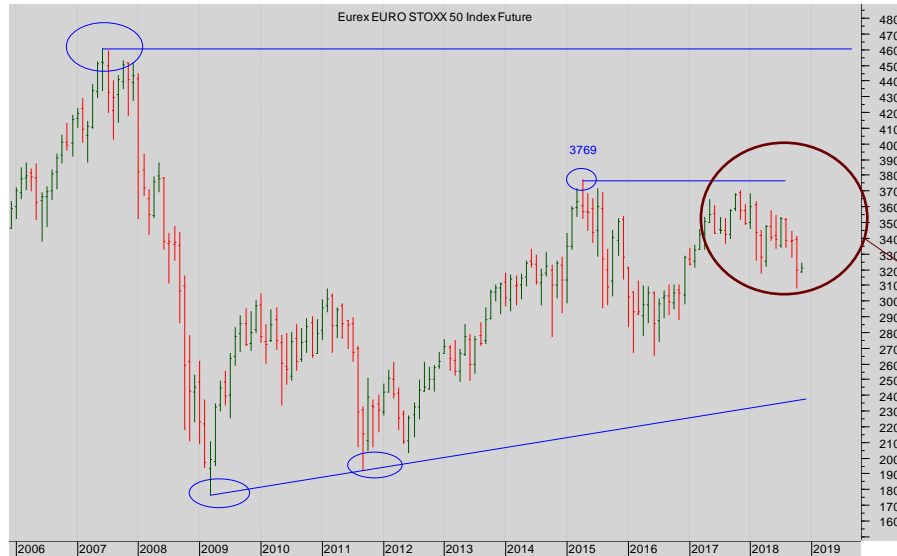
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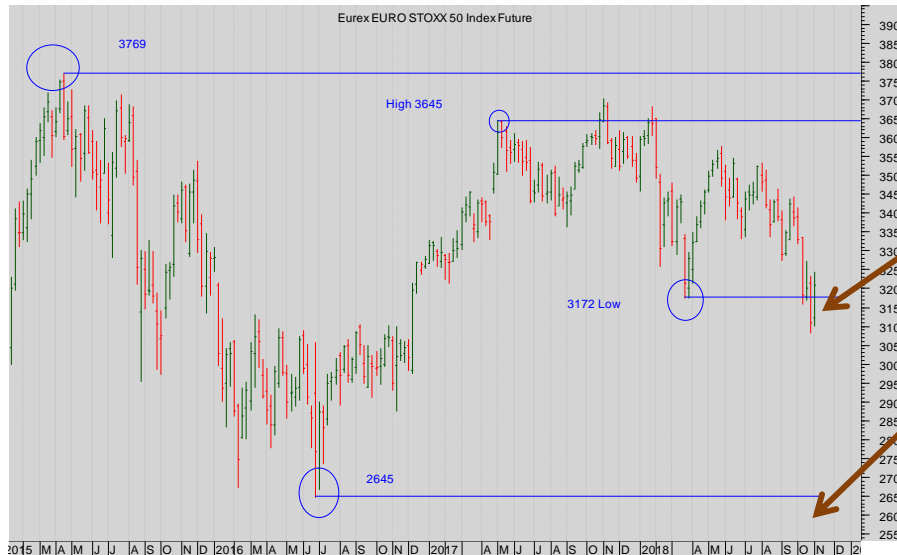
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Eurex EuroStoxx 50 monthly continuation futures chart

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

Is this a Double Top - no completion yet.

If it does convincingly get beneath 3172 then look for a minimum move down to the lows of 2018 at 2645.

More



Stocks: Eurex EuroStoxx 50

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Commodities

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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Dec 18 futures chart

The market is teetering at the bottom of the old trading range.

Wait for the break.

Or watch for a break up through the 3274 resistance to re-establish the wide trading range.



Stocks: Liffe FTSE 100

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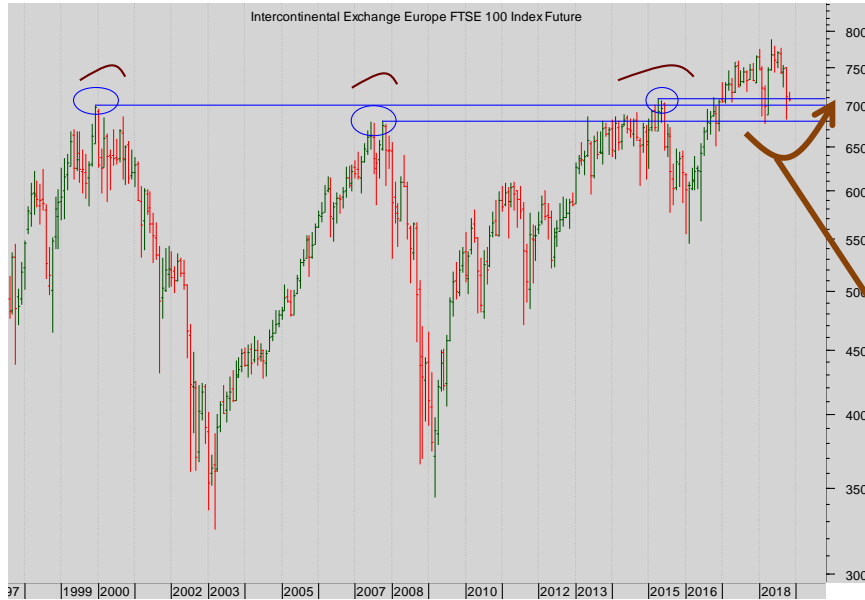
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IMPLIED ASSET ALLOCATION



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.

Will the market bounce from the same level?



Liffe FTSE 100 Weekly cont. futures chart

Watch the Prior Low.

A break of 6766 would suggest a break of the very long-term chart...

More



Stocks: Liffe FTSE 100

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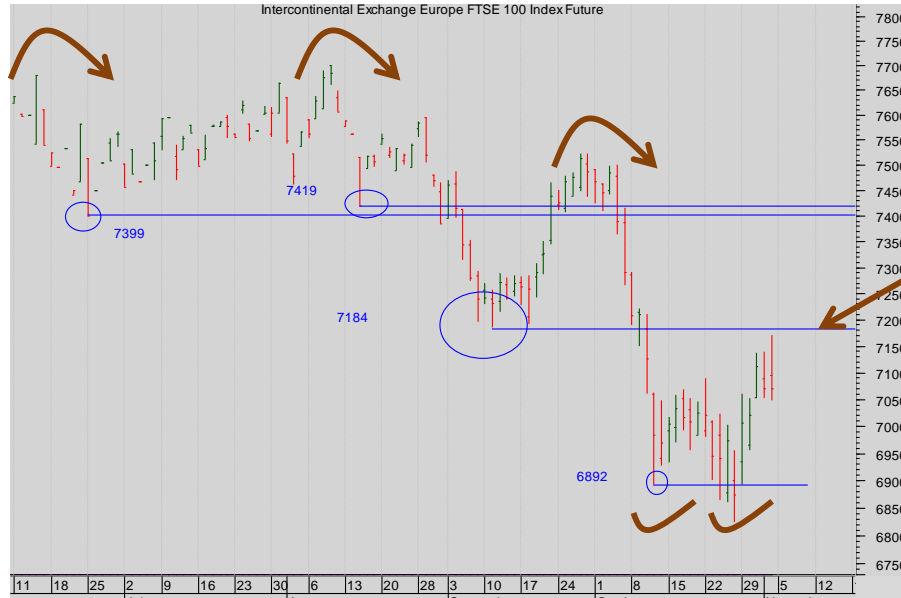
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Commodities

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IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Jun18 daily futures chart

The double bounce off 6892 has allowed the market to test the resistance from the low at 7184. That needs to be broken for the bulls to get confident.

Watch closely.



Stocks: OSE Nikkei 225

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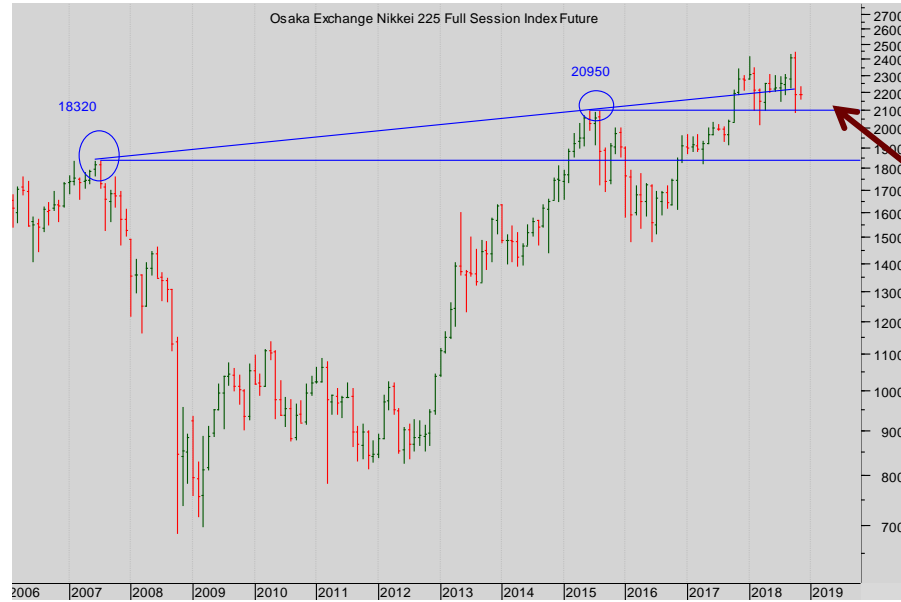
Bonds

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IMPLIED ASSET ALLOCATION



Nikkei 225 chart (monthly)

The market smashed up through the Prior High 20950 and then, on pulling back, is testing that long-term support.

(it was tested once before and bounced)



Nikkei 225 chart (WEEKLY)

The market's retreat from the Prior High at 24170 has been sharp and smashing the support from the 23050 suggested weakness that proved right when the diagonal was smashed.

But the major support at 20950 is still intact and should be good support.

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily Sep 18.

The short-term momentum is obviously bearish, and the market's short-term bear trend is resilient at least, so far....

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

The US and UK bond rally has fizzled out, and the long and medium-term patterns look very grave. Europe is range-bound by contrast.

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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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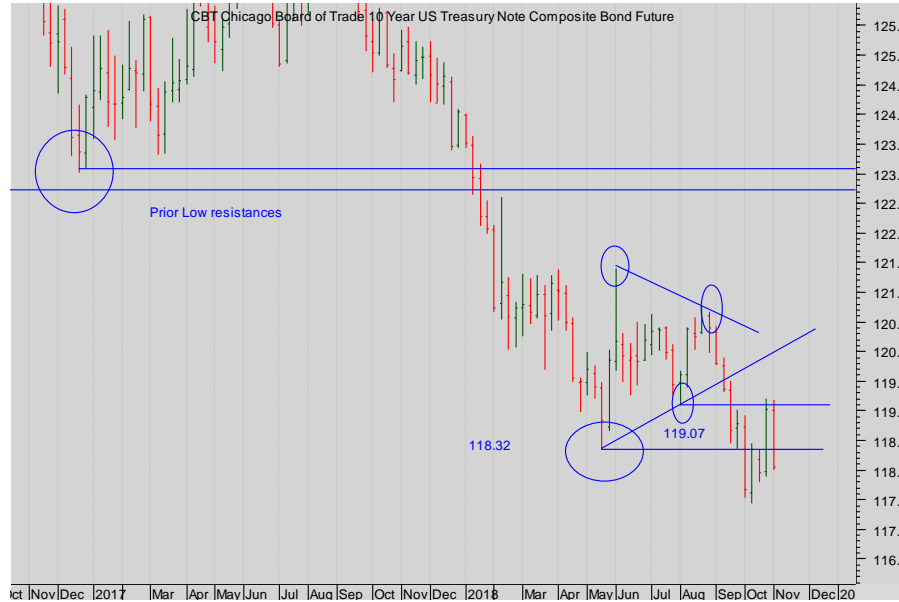
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IMPLIED ASSET ALLOCATION

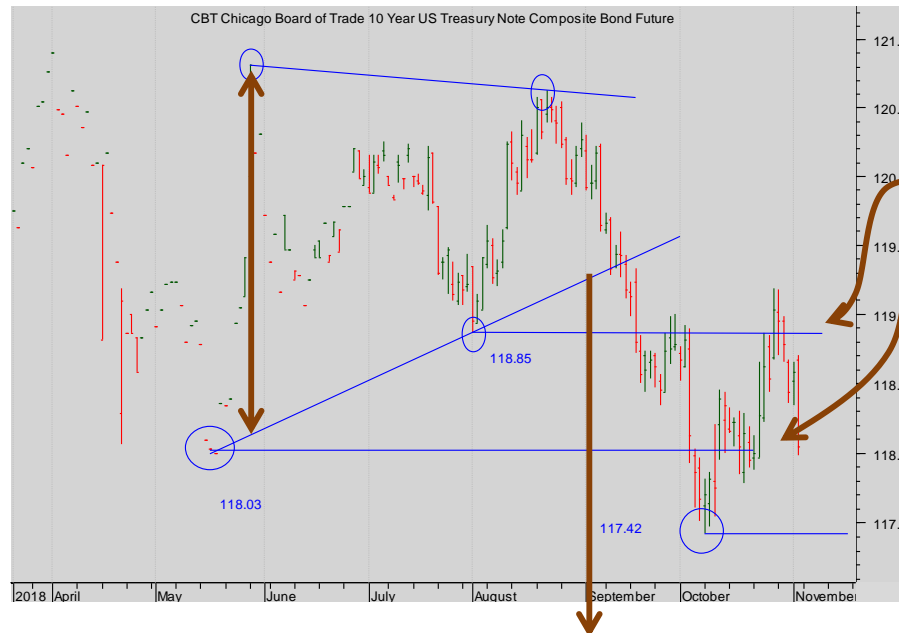


CBOT Ten Year Notes weekly futures continuation chart

Note the completion of the bear continuation triangle.

Minimum move? Down as far as 116.50.

And last week's rally looks to have failed... the bears remain in charge.



CBOT Ten Year Notes daily Sep18 futures chart

That large triangle:

But the sharp rally through successive resistances has failed

The bears remain in charge

More



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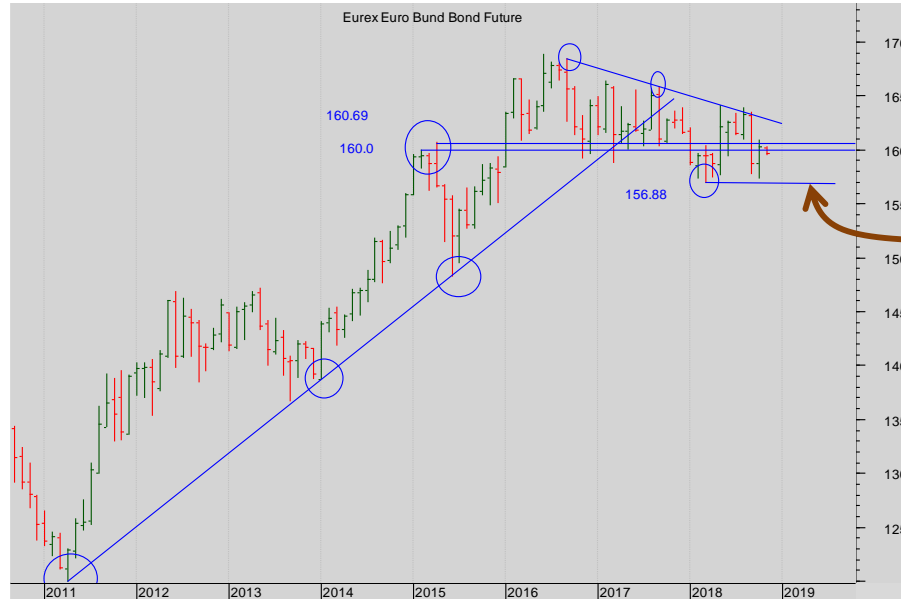
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IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

The market lacks clarity. Only a clear break of the Prior Low of 156.88 will get the bears going.



Eurex Ten Year Bund weekly cont. futures Chart

The market is solidly within the drifting trading range.

More



Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund Sep 18 Daily futures chart

A top has surely been formed – but there is a lack of clarity, note the fourth failure at 161

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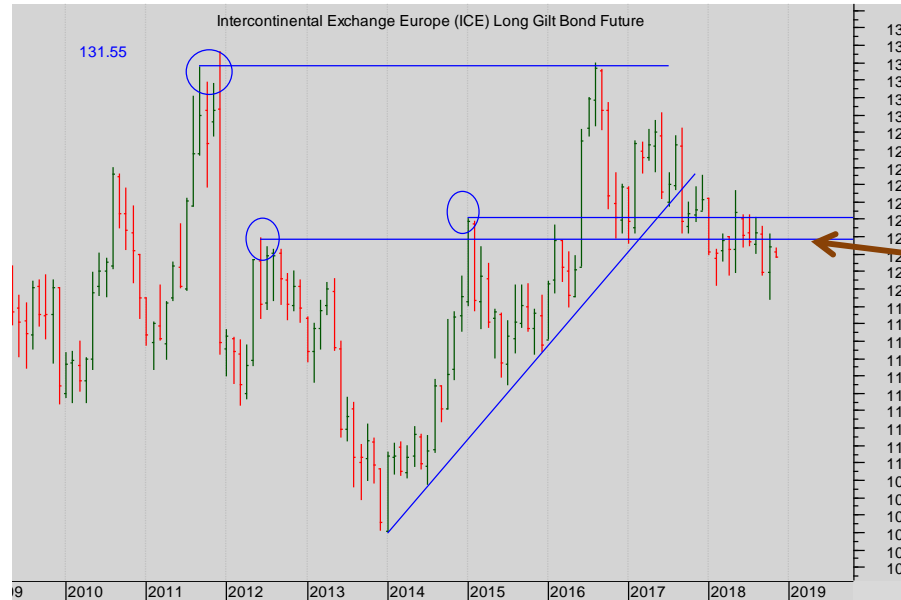
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IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



Liffe UK Gilt monthly futures continuation chart

It looks as though the market has broken two supports horizontal and diagonal.

Look closer.



Liffe UK Gilt weekly continuation futures Chart

That recent rally to resistance has been dramatic.

A continues rally through 124 would set up a Double Bottom.

But the resistance from Prior Lows (around 123), for the moment, **is still in place.**

More



Bonds: Liffe UK Gilt futures

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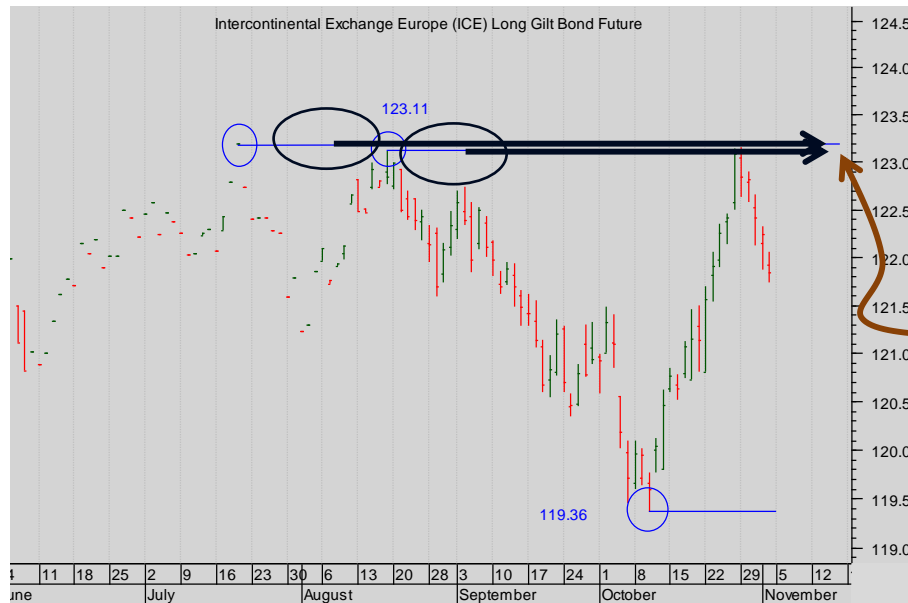
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IMPLIED ASSET ALLOCATION



TSE Ten Year JGB daily June 18 chart

Note the rally up to the important Prior Highs and the market is failing there again.

Otherwise, the market remains in a trading range.



Commodity

COMMODITIES:

The long-term chart's bull trend is ripe for a pull-back fuelled by a Monthly Key Reversal. Placed together with the bearish structure of the medium and short-term charts suggests a sharp bear move. Gold looks perky in the short-term but requires adding evidence from the medium-term chart before the bulls can take heart.

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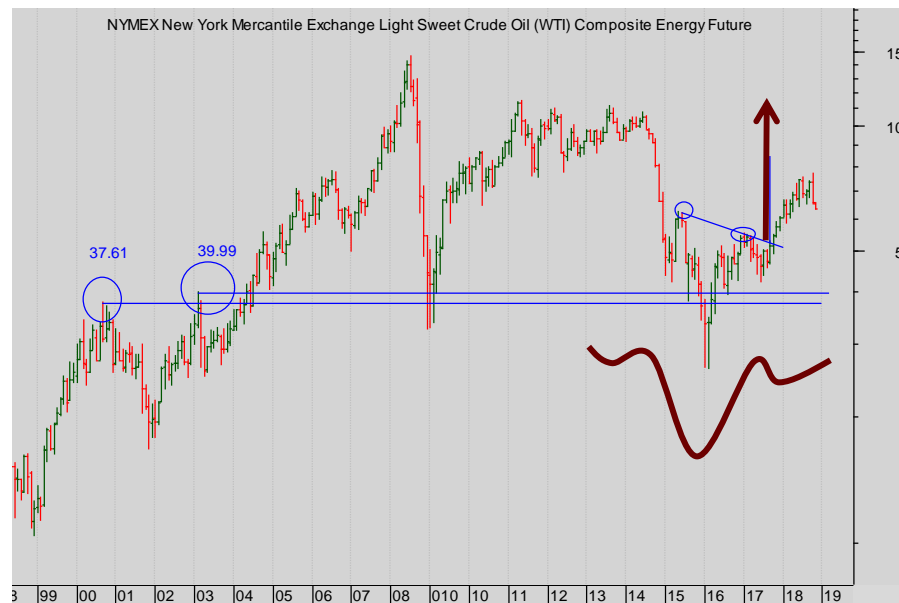
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IMPLIED ASSET ALLOCATION

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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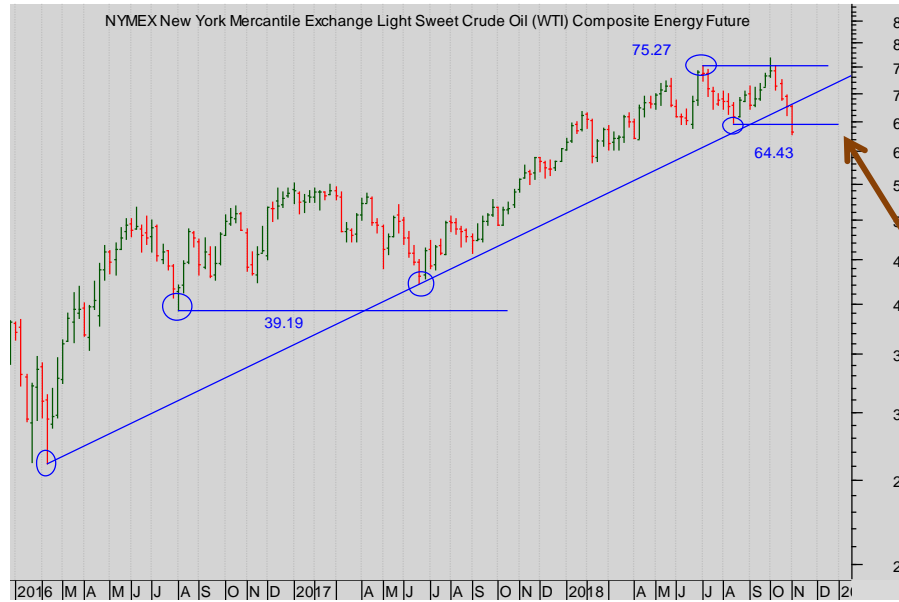
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Commodities: Nymex WTI Oil



Nymex oil weekly continuation

The rising diagonal support has been broken and the low at 64.43

The bears are in charge.



Nymex oil daily Dec 18 futures

The test of the critical support at 62.30 is of major importance.



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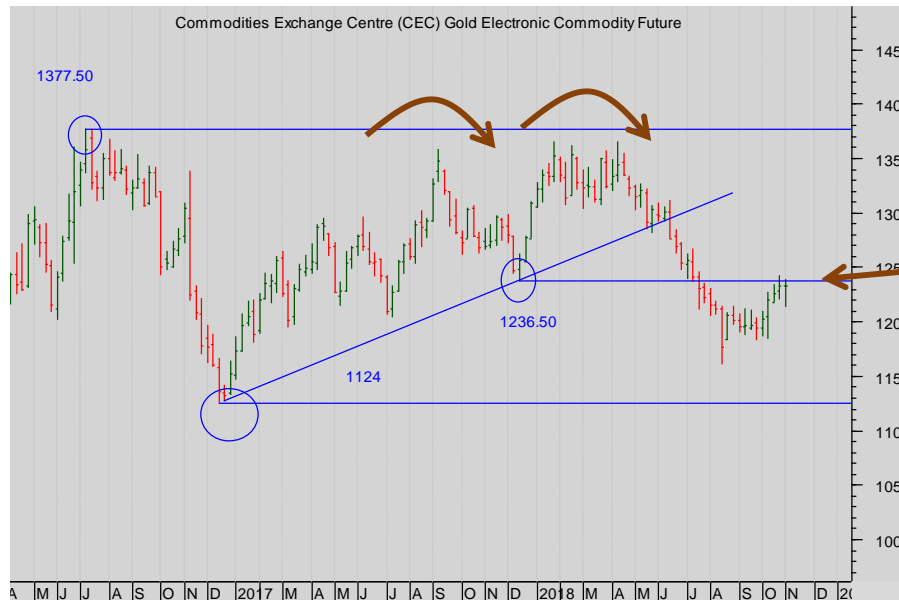
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Commodities: Comex Gold



Physical Gold ETF Monthly

The long-term chart shows a clear bounce from the long-term support from the Prior High (and Fibonacci) at 1774.



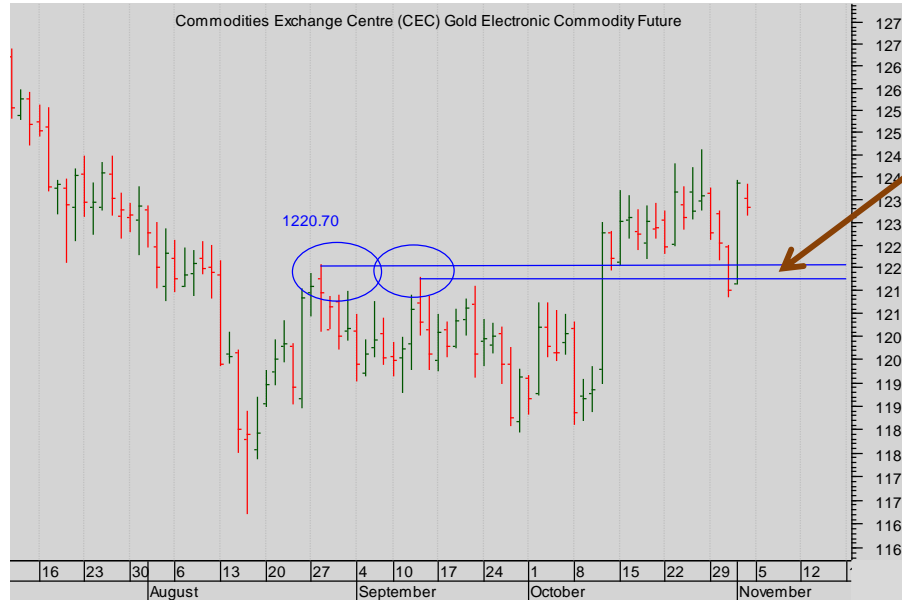
Physical Gold ETF Weekly

Watch how the market deals with the resistance form the Prior Low.

The bears remain in charge.



Commodities: Comex Gold



Physical Gold ETF Daily

The bulls are pleased with the rally – note the powerful support at the Prior High on any pull-back..

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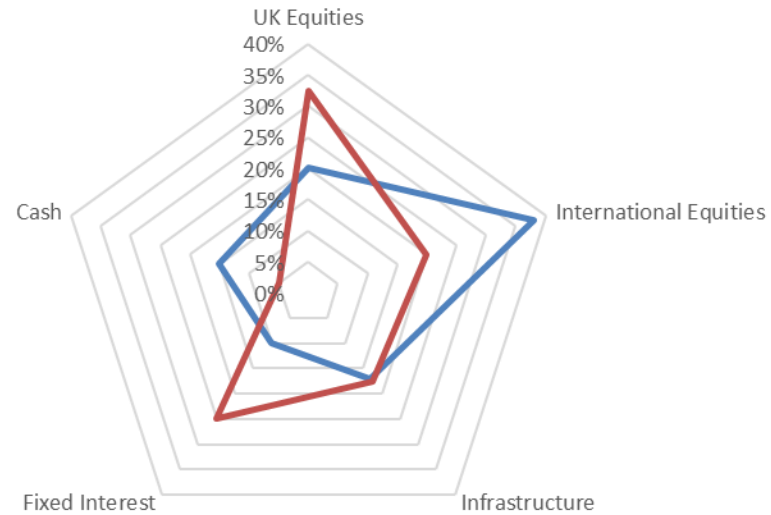
Commodities

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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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