



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 3rd December 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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IMPLIED ASSET ALLOCATION

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

More



Currencies: Dollar Euro

CURRENCIES:

We remain bullish of the Dollar against the Euro, but the short-term trigger has yet to be pulled. Watch and wait for the market to break the critical levels before buying the Dollar again. Sterling remains weak but, crucially, still within the important long and medium-term ranges. The Yen has critical level it has to break before further weakening can be anticipated. Sterling Euro is in a range.

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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. **We favour the Dollar.**

More



Currencies: Dollar Euro

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IMPLIED ASSET ALLOCATION



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.

Note though, the FAILED break beneath 1.1297 beginning the next leg down (strengthening Dollar).

Dollar Euro spot cash chart daily chart...



Currencies: Dollar Sterling

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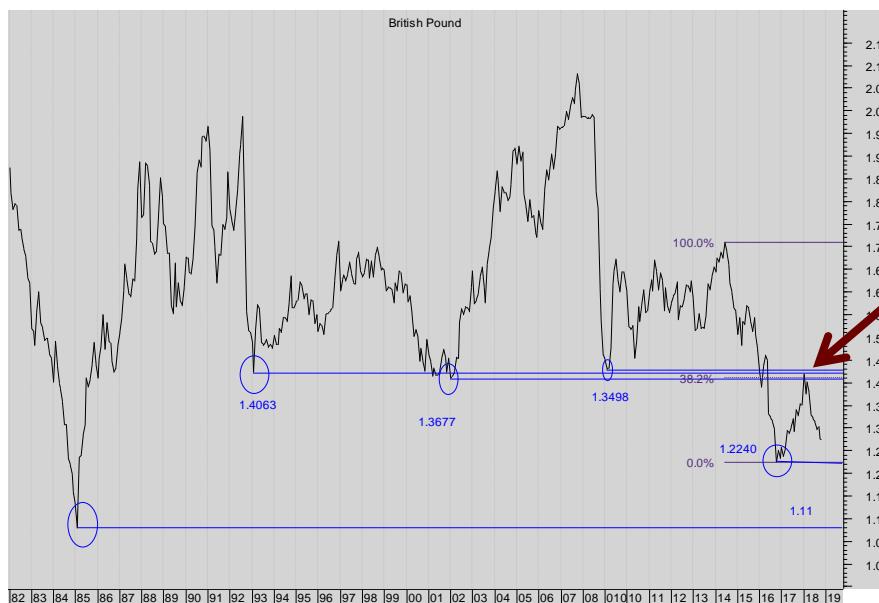
Commodities

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IMPLIED ASSET ALLOCATION



Look more closely.



More



Currencies: Dollar Sterling

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Currencies: Dollar Yen

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IMPLIED ASSET ALLOCATION



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

Watch the close approach to the Prior Highs at 114.36

Very encouraging for the Dollar Bulls and Yen bears.

Add to the Dollar (sell the Yen) on a break up through the 114.54 level.

Wait for the break.

More



Currencies: Dollar Yen

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Dollar Yen daily spot cash chart

Stand back, watch the range.



Currencies: Sterling Euro

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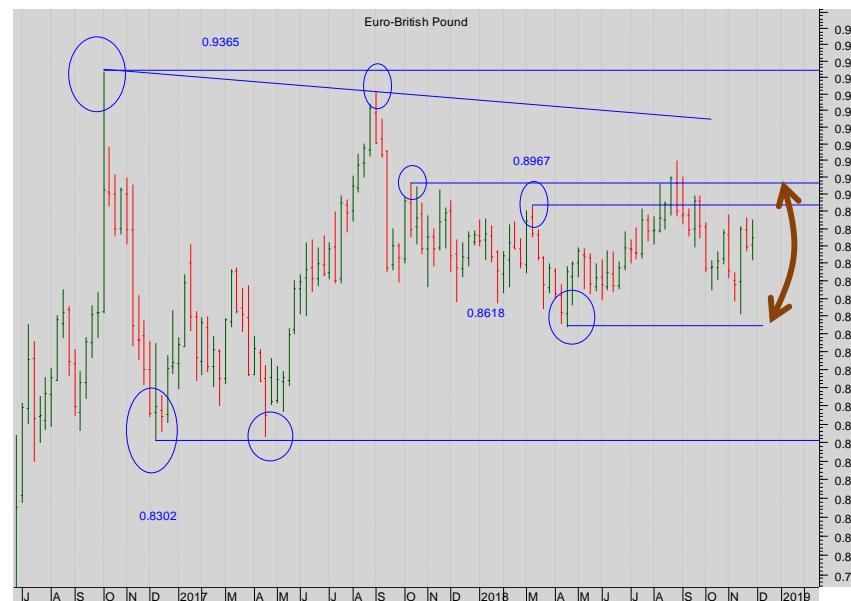
- + Oil
- + Gold

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Sterling Euro monthly spot cash chart

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



Sterling Euro weekly spot cash chart

It's a range.
Add on a break.

More



Currencies: Sterling Euro

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IMPLIED ASSET ALLOCATION



Sterling Euro daily spot cash chart

It's volatile and shapeless.

Stand back and watch the range.



Stocks

STOCKS:

The S&P is now in the middle of a wide range which is sitting on the long-term uptrend support from 2016. The Eurostoxx remains looking very vulnerable, tantalisingly ranging around the critical breakdown level of 3150. FTSE looks long-term solid, but ranging tightly since early October. The Nikkei is similar to the S&P: wide-ranging but remaining in the long-term bull trend.

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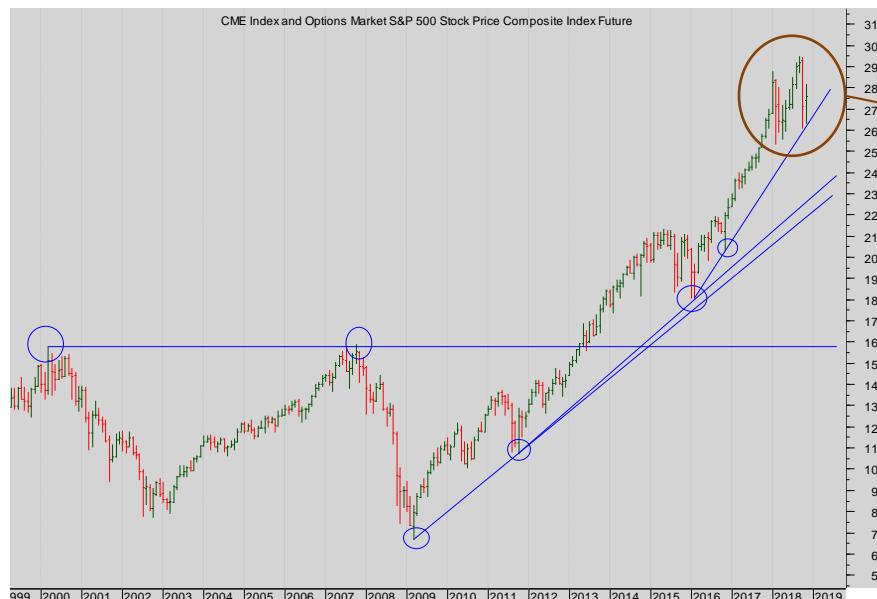
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IMPLIED ASSET ALLOCATION

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

More



Stocks: Eurex EuroStoxx 50

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IMPLIED ASSET ALLOCATION

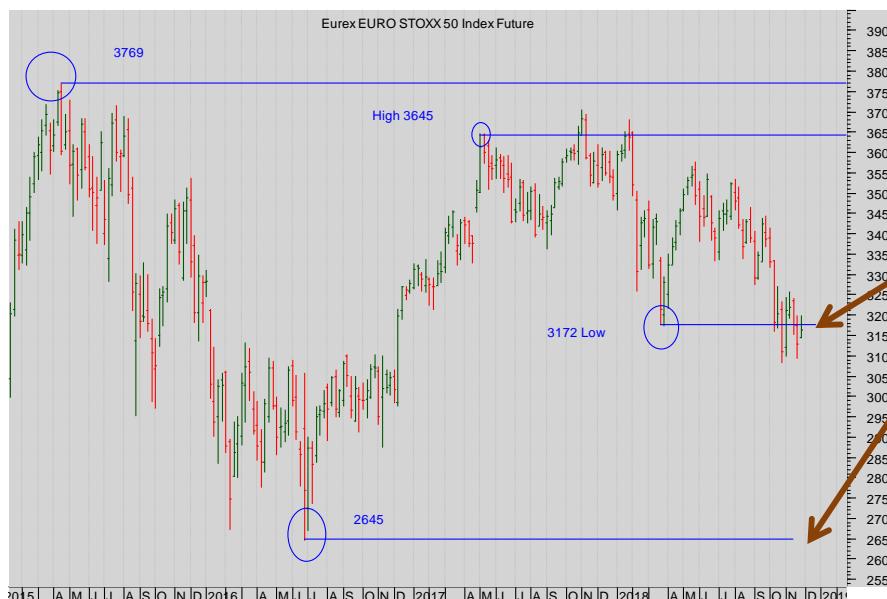


Eurex EuroStoxx 50 monthly continuation futures chart

The long-term condition of the market is not clear:

The market has failed to push through the old 3769 High and is looking vulnerable.

Will the break beneath the Prior Low of 3172 be confirmed?



Eurex EuroStoxx 50 weekly continuation futures chart

Is this a Double Top ?

If so, then look for a minimum move down to the lows of 2018 at 2645.

Watch and wait for a clear break beneath the 3172 low.

More



Stocks: Eurex EuroStoxx 50

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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Dec 18 futures chart

The market is teetering at the bottom 3150 (Dec contract) of the old trading range.

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

Or wait for the breakdown... for certainty beneath 3100...



Stocks: Liffe FTSE 100

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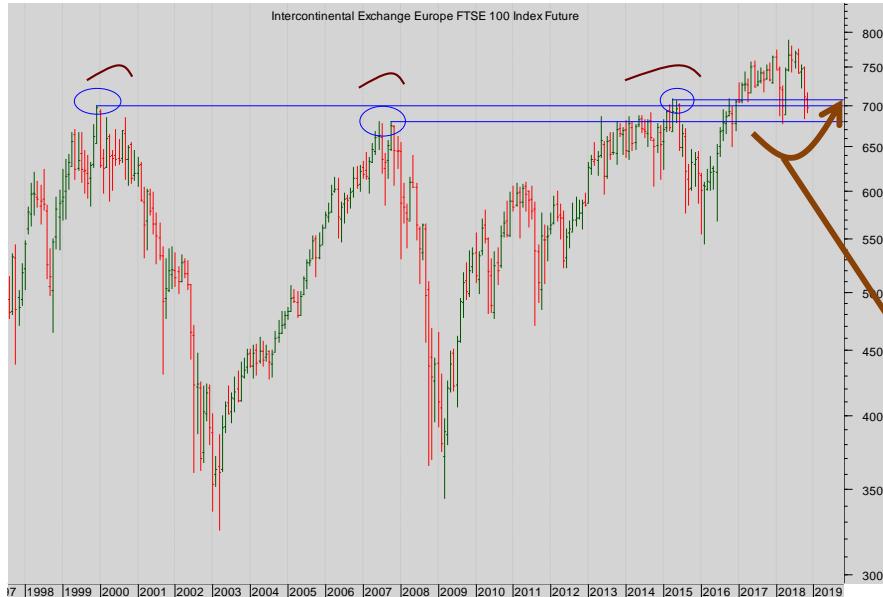
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IMPLIED ASSET ALLOCATION



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

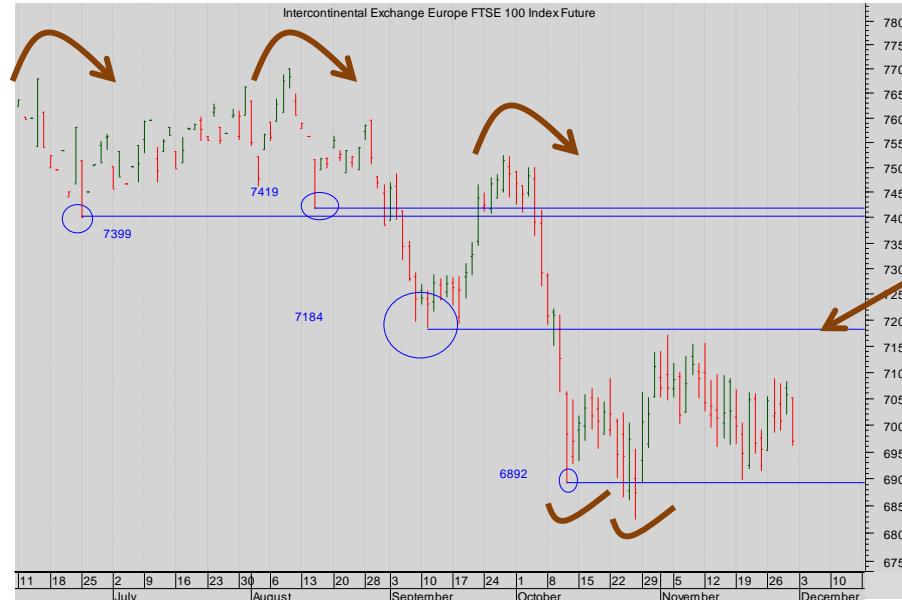
Watch the Prior Low.

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

More



Stocks: Liffe FTSE 100



Liffe FTSE 100 Dec18 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.

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IMPLIED ASSET ALLOCATION



Stocks: OSE Nikkei 225

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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

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IMPLIED ASSET ALLOCATION



Nikkei 225 chart Daily Mar 19.

The short-term break up through the horizontal Pivot from the Prior High at 22510 needs confirmation.

Stand back.



Bonds

BONDS:

We believe there is a long-term breakdown in the US bonds but the short-term rally in the 10 year bonds is set to go somewhat further. Gilt and bunds are teetering at Prior Highs, and if the breakouts can be achieved and sustained will drive higher still.

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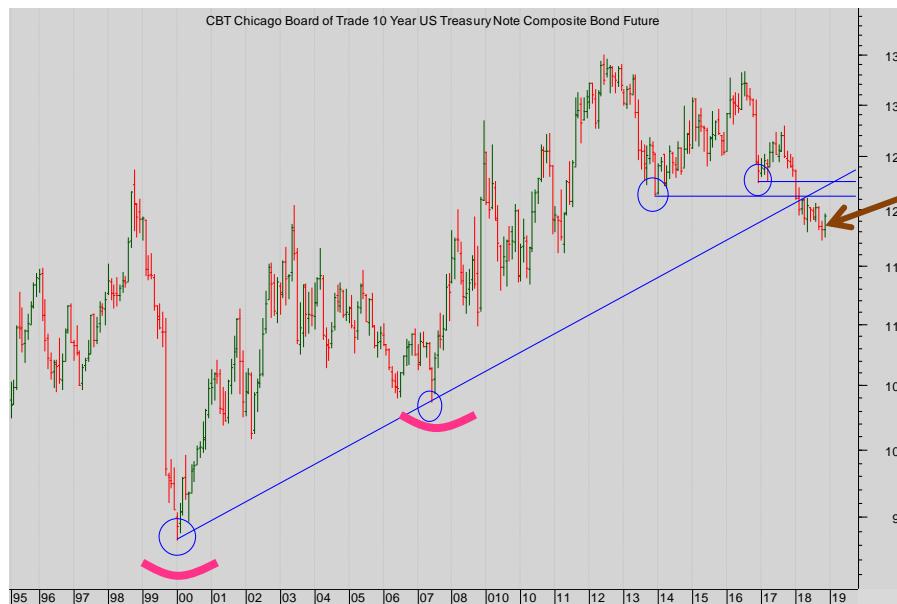
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Commodities

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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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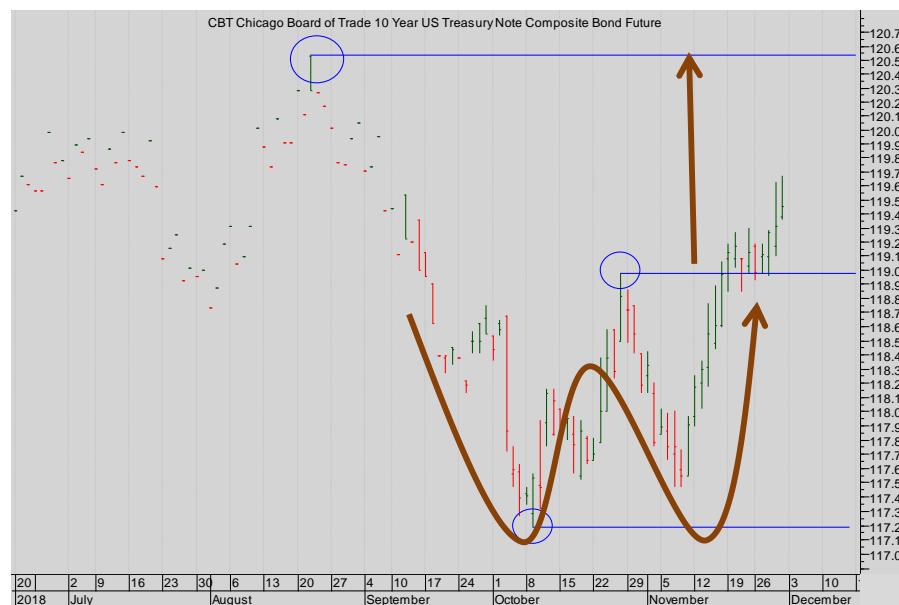
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CBOT Ten Year Notes weekly futures continuation chart

Note the push beneath the Prior Low which will be good resistance above the market now..

But the market is dithering and rallying...



CBOT Ten Year Notes daily Mar 18 futures chart

This is surely a completed Double bottom.

Minimum move? Up as far as the Prior High.

More



Bonds: Eurex Ten Year Bund

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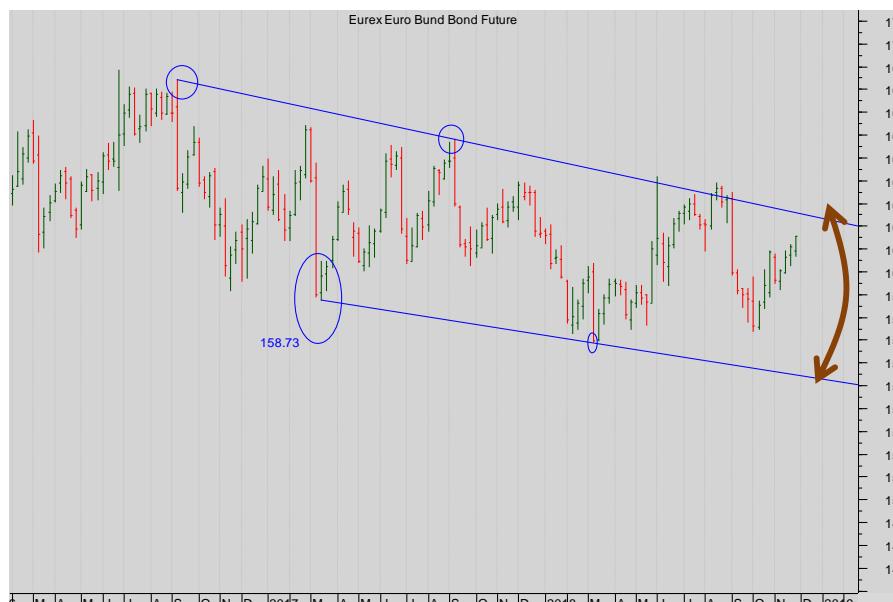
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



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

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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund Sep 18 Daily futures chart

A top has surely been formed – but there is a lack of clarity, note a CONFIRMED break of 161.33 would be very bullish.



Bonds: Liffe UK Gilt futures

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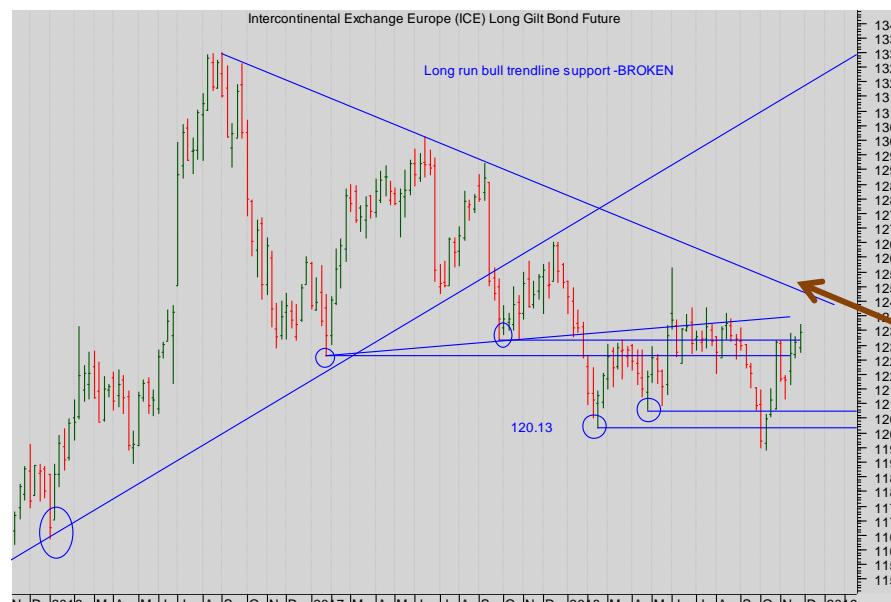
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Liffe UK Gilt monthly futures continuation chart

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

Look closer.



Liffe UK Gilt weekly continuation futures Chart

But the medium-term price action, still within a clear downtrend, is confused.

A sideways trading range.

A break up through 125 or so would be **very bullish**.

More



Bonds: Liffe UK Gilt futures

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IMPLIED ASSET ALLOCATION



Long Gilt daily Dec 18 chart

Note the rally up to the important Prior Highs 123.11 if the market can confirm the break of those **then the bulls will be in charge.**



Commodity

COMMODITIES:

Oil is surely ready to bounce from very long-term support. Gold remains within a clear trading range.

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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

Massive support at the Neckline. Until that breaks the bull pattern remains in play.

But the Key reversal added a good deal of bear impetus...

More



Commodities: Nymex WTI Oil

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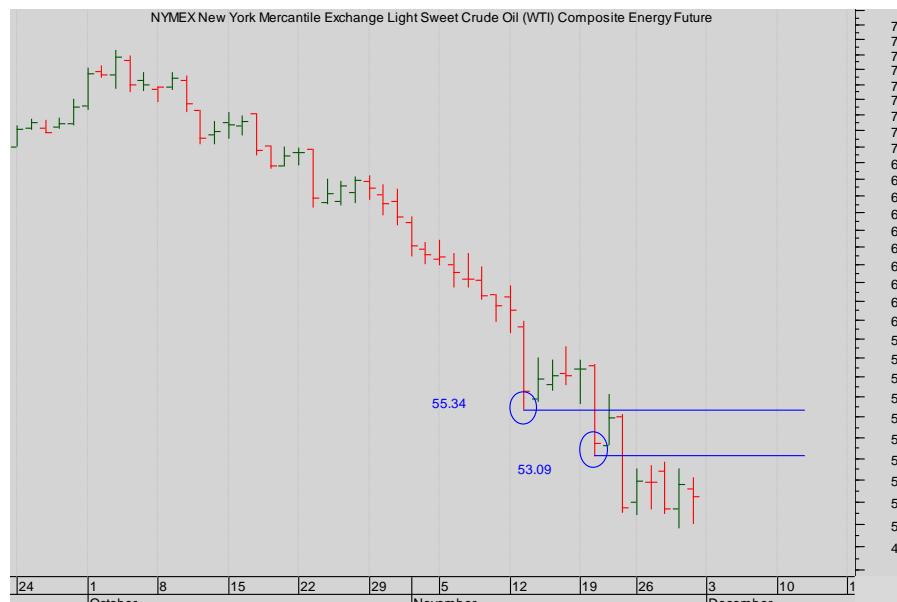
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IMPLIED ASSET ALLOCATION



Nymex oil weekly continuation

The collapse in value of the market has such impetus that the supports from the Prior Highs have been smashed.

Note though that the Neckline has yet to be breached.

We think that this area around 50\$ is important support.

Nymex oil daily Mar 19 futures

The drama of the sell-off is clear.

Note that the market has tracked sideways for five days....



Commodities: Comex Gold

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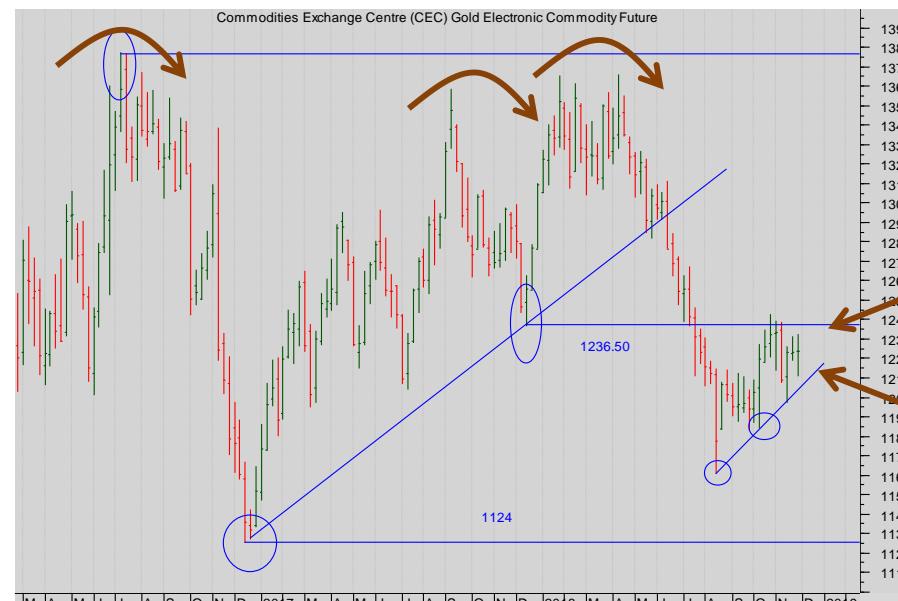
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IMPLIED ASSET ALLOCATION



Physical Gold ETF Monthly



Physical Gold ETF Weekly



Commodities: Comex Gold

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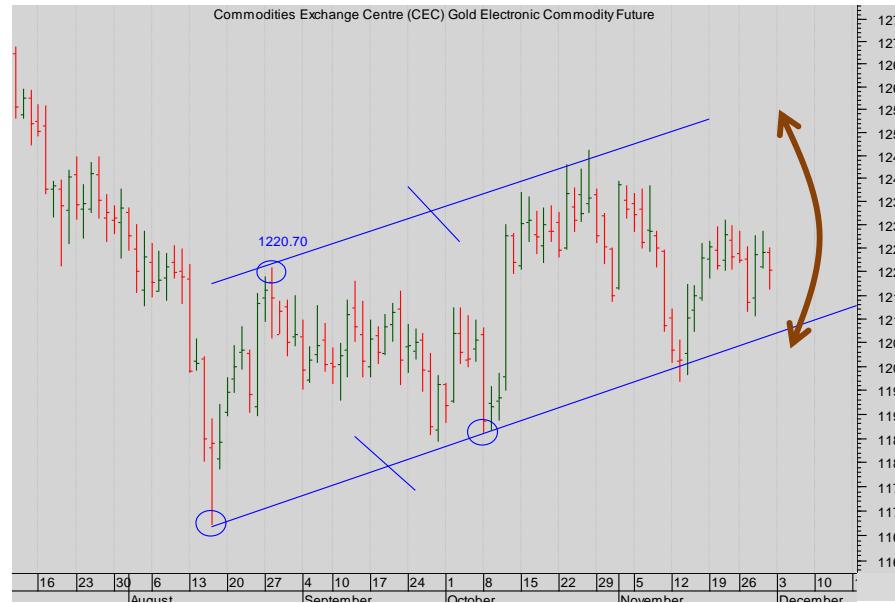
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Physical Gold ETF Daily

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The bull channel remains intact.

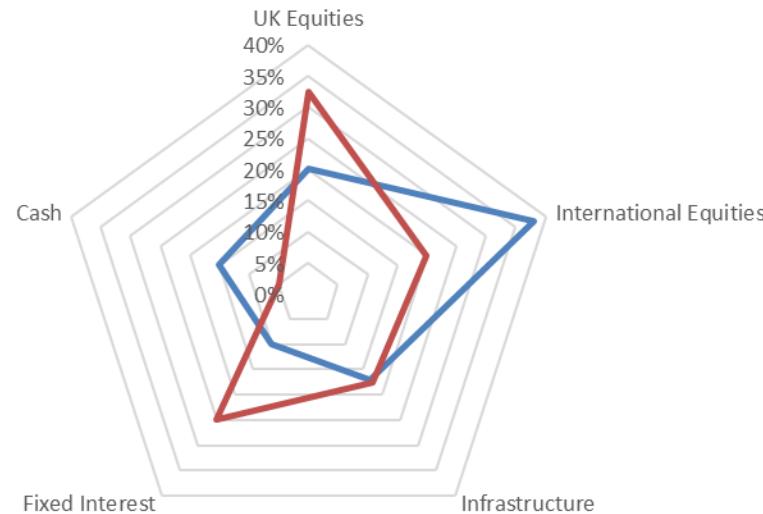


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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v MSCI Balanced Risk Asset Allocation benchmark



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AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

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