



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



Multi-asset technical strategies

Week of 5th February 2019

Mark Sturdy

Disclaimer

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 **BULL** Euro
Medium-term FLAT Sterling
Medium-term FLAT Yen
Medium-term FLAT Euro

Short-term **BULL** Euro
Short-term FLAT Sterling
Short-term FLAT Yen
Short-term FLAT Euro

Stocks

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

Long-term FLAT
Long-term FLAT
Long-term FLAT
Long-term FLAT

Medium-term **BULL**
Medium-term **BEAR**
Medium-term FLAT
Medium-term **BEAR**

Short-term FLAT
Short-term **BULL**
Short-term **BULL**
Short-term FLAT

Bonds

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

Long-term **BEAR**
Long-term **BULL**
Long-term FLAT

Medium-term **BEAR**
Medium-term **BULL**
Medium-term FLAT

Short-term **BEAR**
Short-term **BULL**
Short-term FLAT

Commodities

- + Oil
- + Gold

Long-term FLAT
Long-term **BULL**

Medium-term **BULL**
Medium-term FLAT

Short-term **BULL**
Short-term **BULL**

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The medium and short-term evidence of incipient strength in the currencies against the Dollar is unmistakable. The sterling rise is the most exciting – watch our levels that need to be breached for the next strengthening leg to be started.

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



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 still favour a strengthening Dollar.**

More



Currencies: Dollar Euro

Summary

Currencies

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

Stocks

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

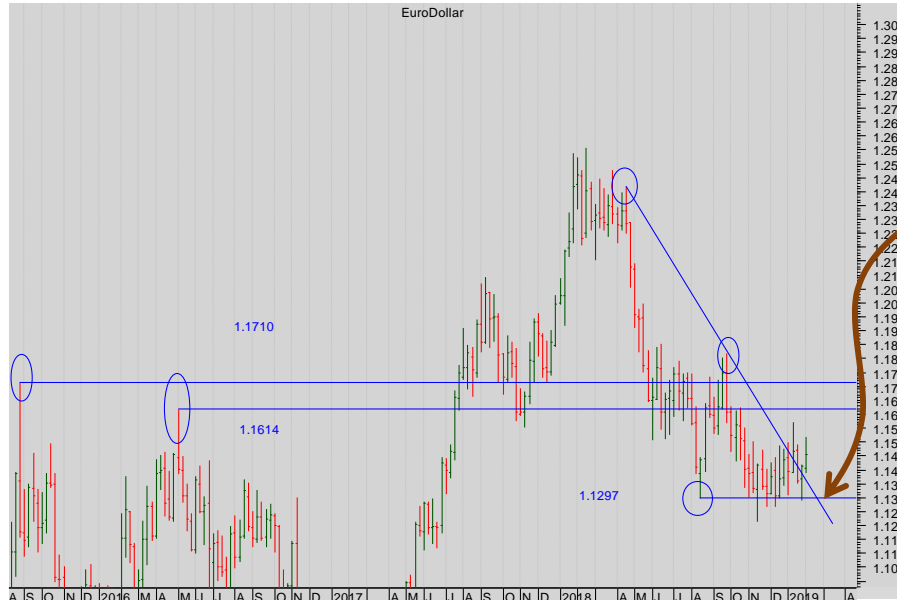
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

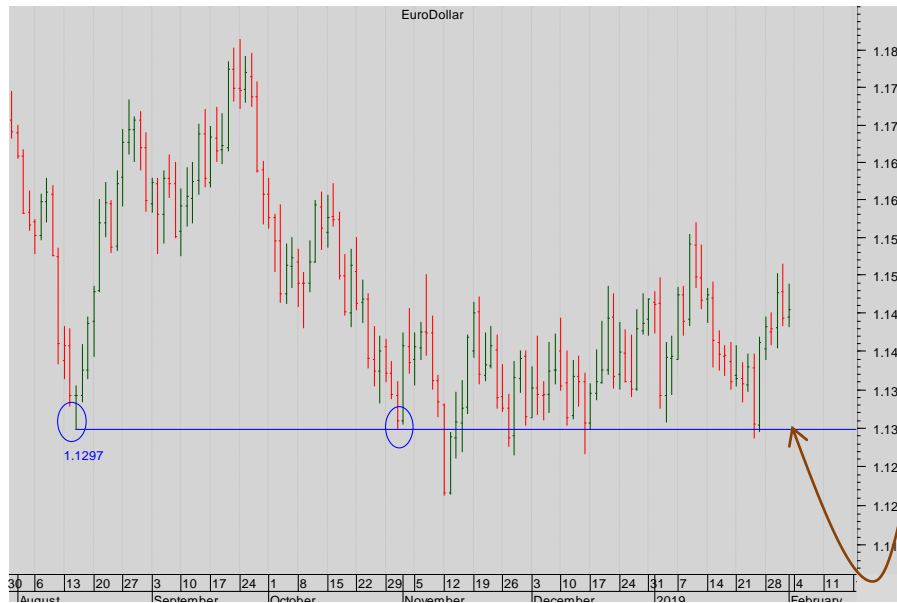


Dollar Euro weekly spot cash chart

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

Is a bounce in the Euro possible from here?

Not clear yet but increasingly likely.



Dollar Euro spot cash chart daily chart...

There's a bottom forming...

Bears of the Euro are relying on a brake beneath the 1.1297 Low.



Currencies: Dollar Sterling

Summary

Currencies

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

Stocks

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

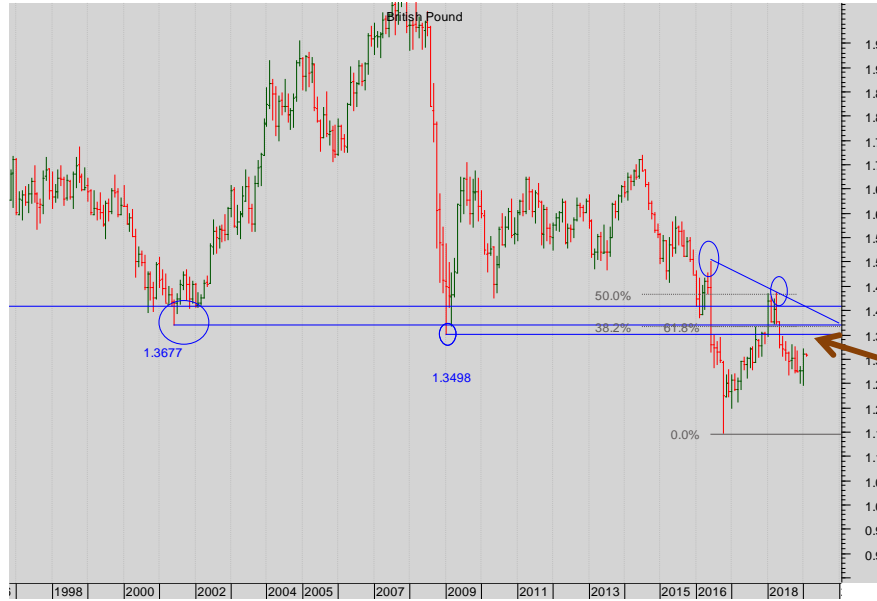
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

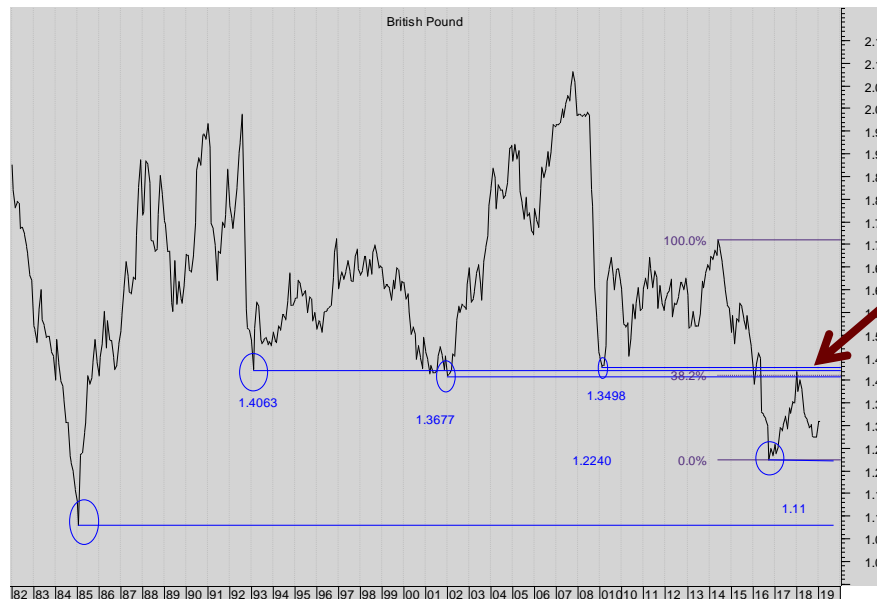


Dollar Sterling Monthly spot cash chart

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



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

Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

The range since August looked to have been broken. But then the market bounced...

It doesn't want to stay beneath 1.2660.

This is bullish for Sterling medium-term...especially if the market can get above the recent high at 1.3297.



Dollar Sterling daily spot cash chart

Having formed a Double Bottom which is supportive we are back in the trading range.

Wait for a break of the 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

Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

Note the very well-formed diagonal downtrend resistance, that was smashed, has failed as support.

The Yen has strengthened sharply.

Stand back.



Dollar Yen weekly spot cash chart

Watch the range.

More



Summary

Currencies

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

Stocks

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

Bonds

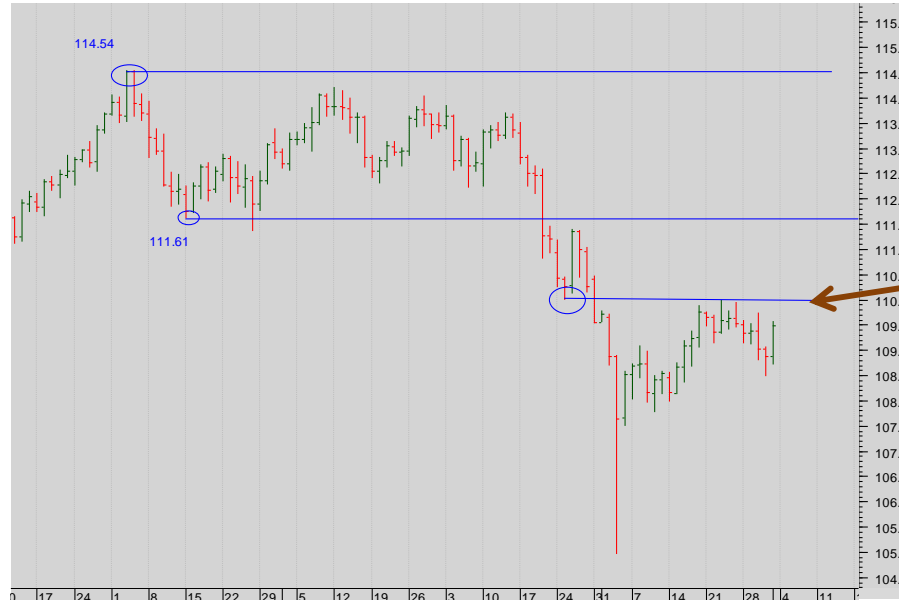
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Note the breakdown of the range. Watch for resistance at 110 on any bounce.

For the moment the market remains bearish.



Summary

Currencies

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

Stocks

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

Bonds

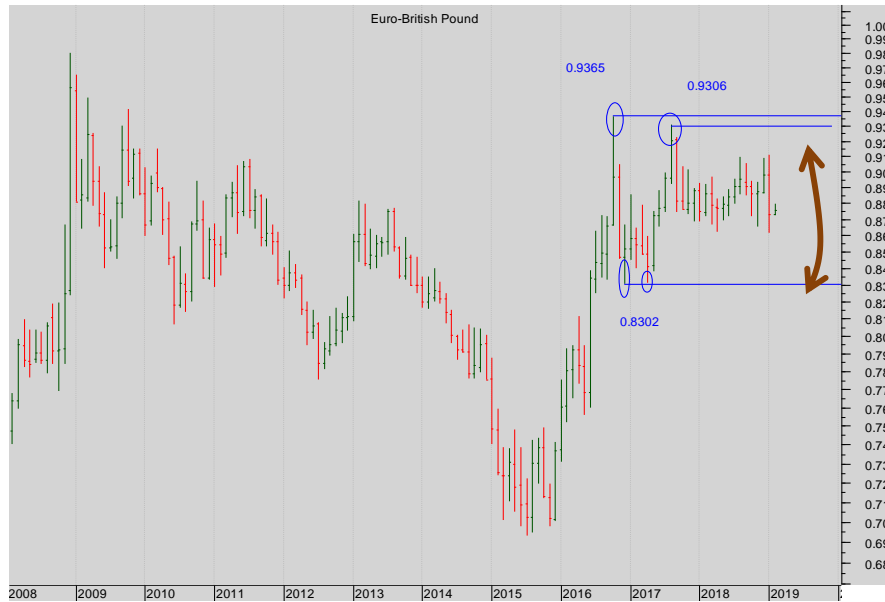
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

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

Stand back!



Sterling Euro weekly spot cash chart

There is a compact shorter-term range.

Still!

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

It's volatile, but the very short term range has been broken

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



Stocks

STOCKS:

Retracement or reversal? This remains the critical question. Watch the close and powerful resistances (Fibonacci and from Prior lows) in the S&P and the Eurostoxx. By contrast the FTSE looks in better shape.

Summary

Currencies

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

Stocks

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

Bonds

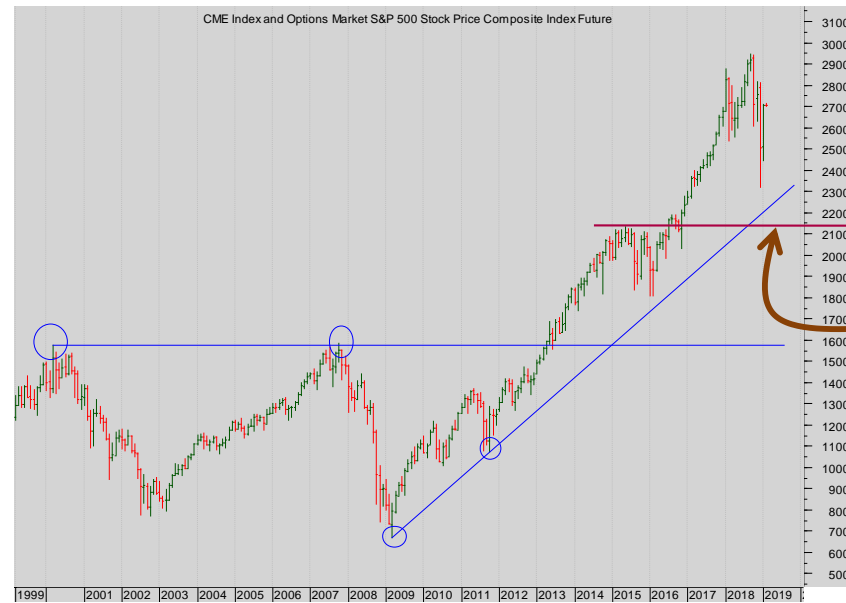
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The market has bounced back to the 2700 level

Look closer.

NB first long-term support lies some way beneath the market at 2118

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

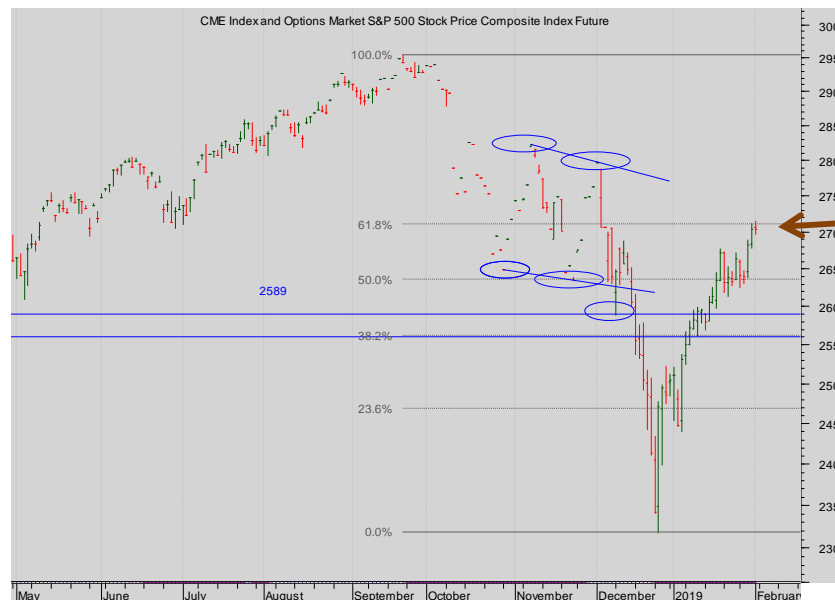


CME S&P 500 cont weekly cont. chart

We said : 'the rally may go further because of the lack of Prior closes around the 2550 level...'

And it did.

Now the market is testing the diagonal and the 61.8% Fibonacci.



CME S&P 500 daily Mar 2019 chart

Bounce has been phenomenally powerful.

Watch the market press up to the 61.8% Fibonacci.

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

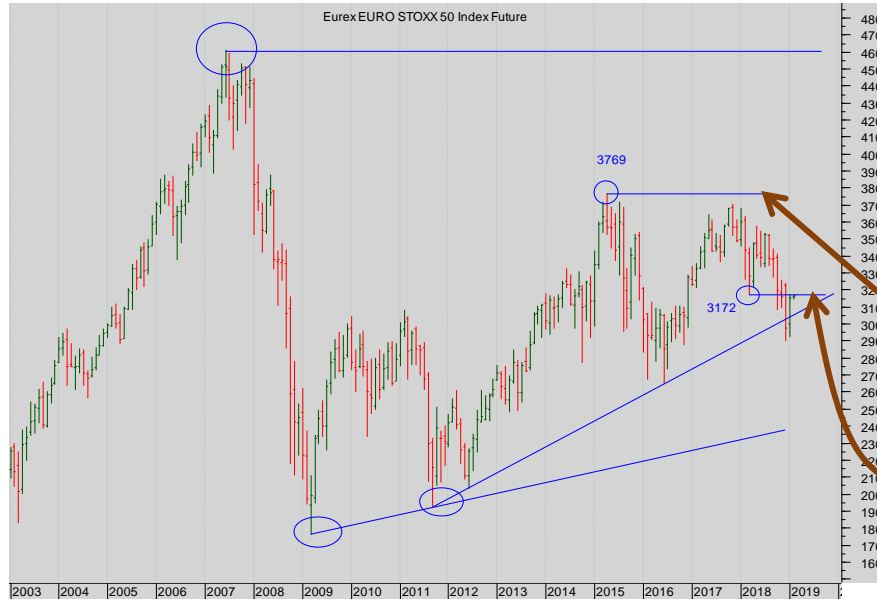
Bonds

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

Commodities

- + Oil
- + Gold

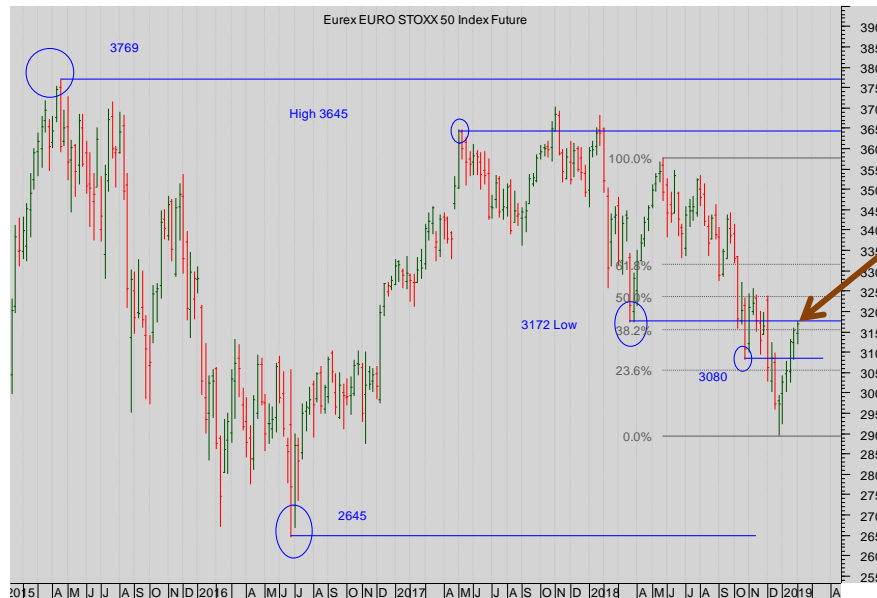
IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 monthly continuation futures chart

The long-term condition of the market is quite clear: no unambiguous top formations are in place

It's clear though, that the market failed twice at the old 3769 High and looks vulnerable because of the break beneath the Prior Low of 3172 while that remains intact above the market the bears remain in charge.



Eurex EuroStoxx 50 weekly continuation futures chart

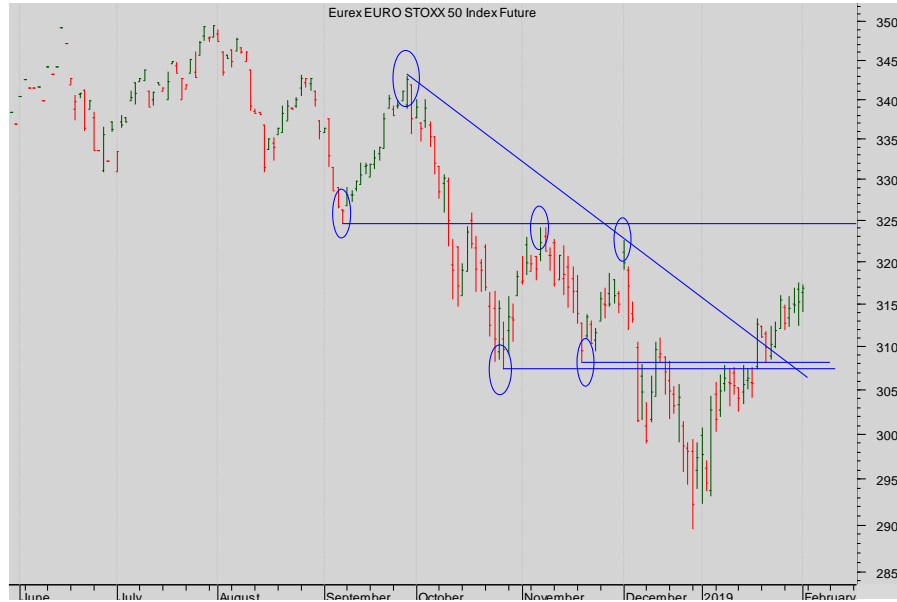
Good resistance remains intact above the market at 3172 – the completion level of a complex Double Top?

(No powerful resistance on a rally 'til 3172).

More



Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Dec 18 futures chart

But this is an impressive short-term bull signal: the simultaneous push up through :

- The Prior low
- The lower diagonal of the bear triangle
- The falling bear trend resistance.

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



Stocks: Liffe FTSE 100

Summary

Currencies

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

Stocks

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

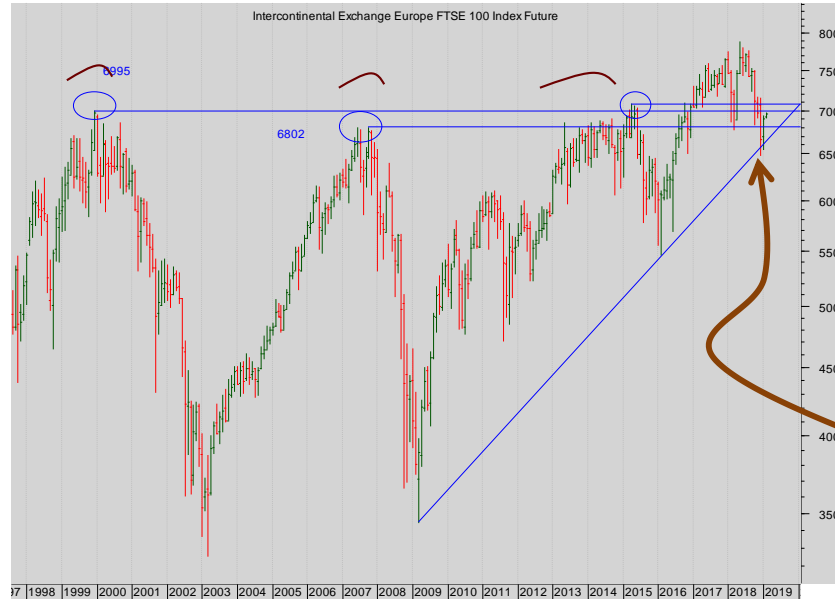
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

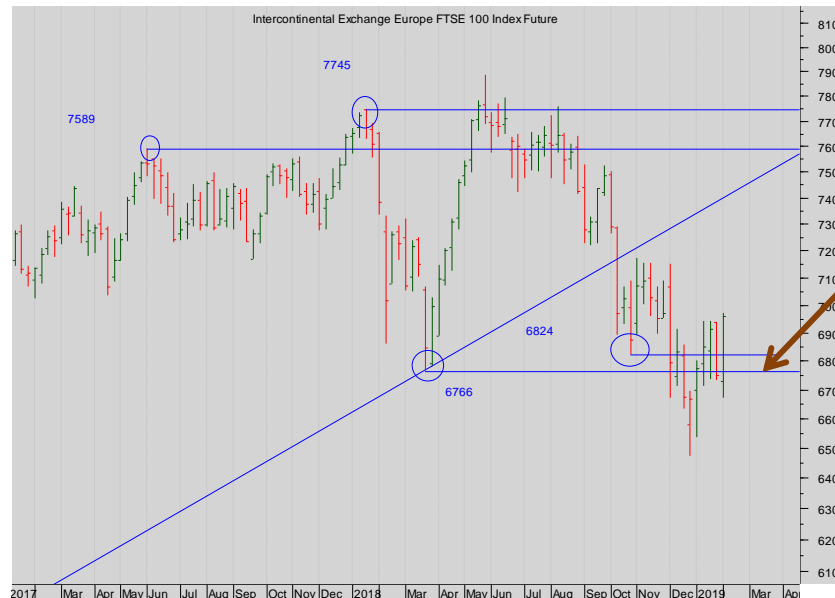


Liffe FTSE 100 Monthly continuation futures chart

The market closed at the end of December beneath 6802

so the support from the succession of Prior Highs (6796, 6995) was been smashed, so the market is no longer underpinned.

(despite all that, note the pause at the diagonal uptrend support from 2009...)



Liffe FTSE 100 Weekly cont. futures chart

The bounce back up through the resistance from the Prior Lows has been impressive....

If it lasts...

More



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 Dec18 daily futures chart

The rally has been impressive.

With the close above the 6909 High there's added support beneath the market.



Stocks: OSE Nikkei 225

Summary

Currencies

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

Stocks

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

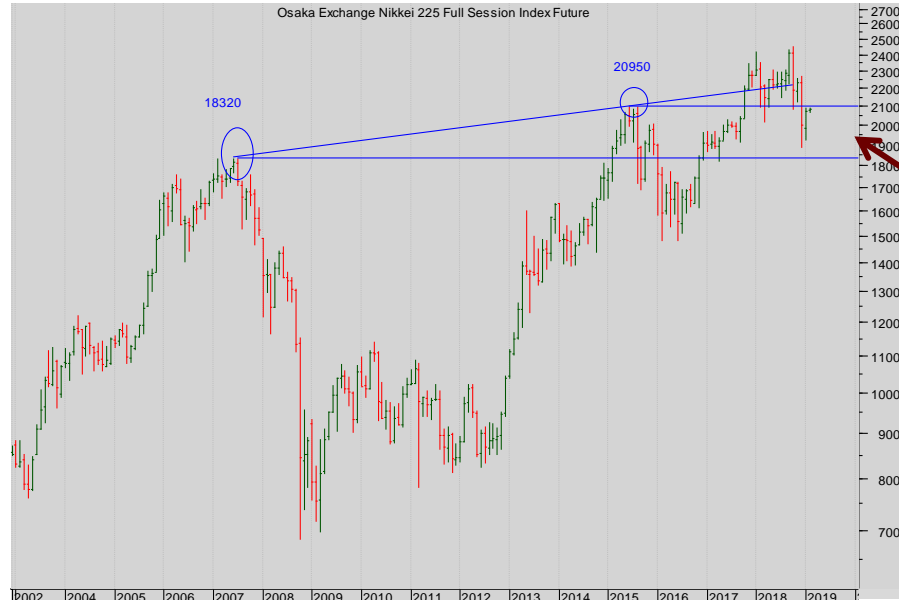
Bonds

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

Commodities

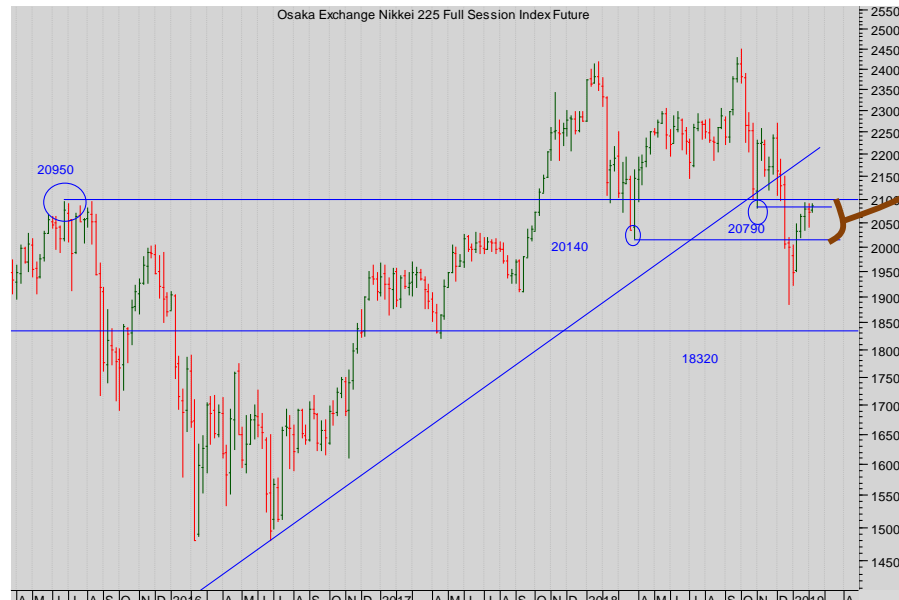
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nikkei 225 chart (monthly)

The market has failed to break beneath the band of support 20950 – 18320..



Nikkei 225 chart (WEEKLY)

look to resistance from the band 20140-20950.

Note that that resistance has yet to break.

More



Stocks: OSE Nikkei 225

Summary

Currencies

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

Stocks

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

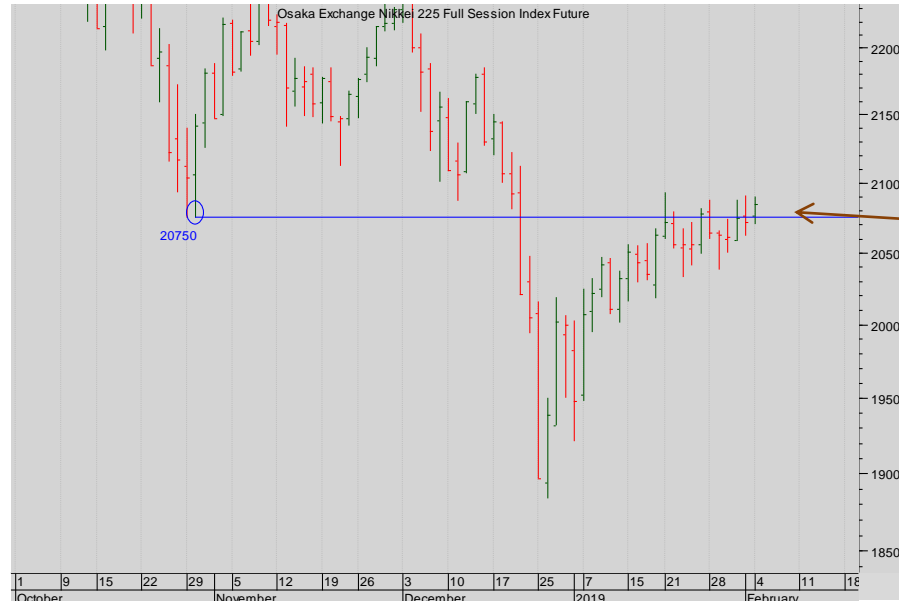
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



**Nikkei 225 chart Daily
Mar 19.**

And here's a short-term
resistance at 20750.

Watch the market's
response.



Bonds

BONDS:

The TNotes are struggling to overcome the major horizontal resistance from Prior Lows, and so look vulnerable to a set back. Not so the bunds. They still look bullish.

Summary

Currencies

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

Stocks

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

Bonds

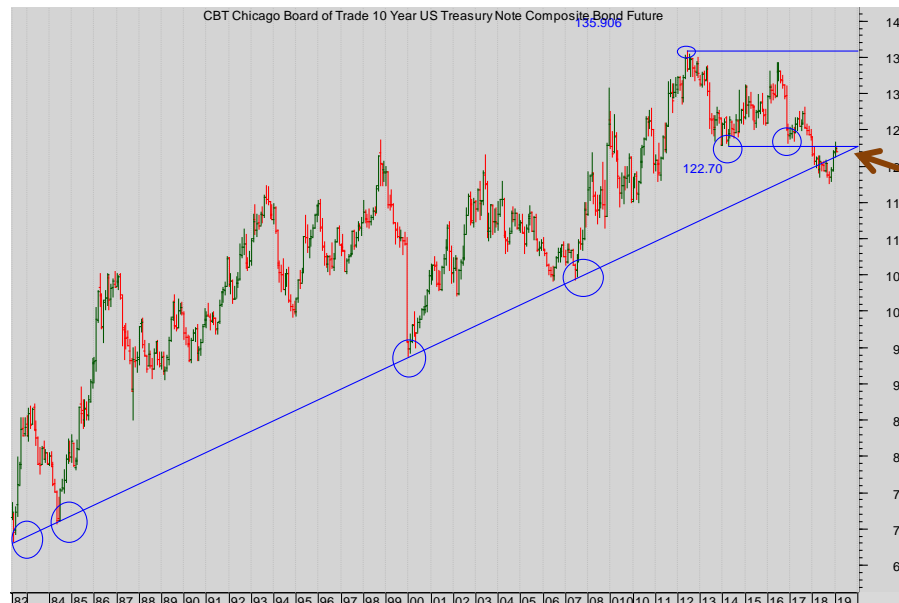
- + Ten Year US TNotes
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The recent two-month rally has smashed back through the diagonal but running into horizontal resistance at 122.70

Look closer.

More



Bonds: CBOT Ten Year Notes

Summary

Currencies

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

Stocks

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

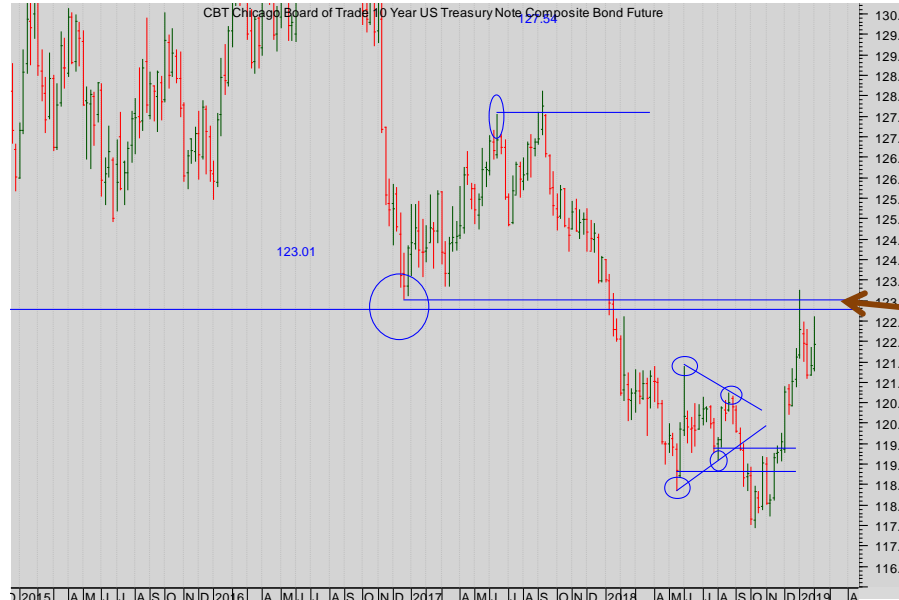
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

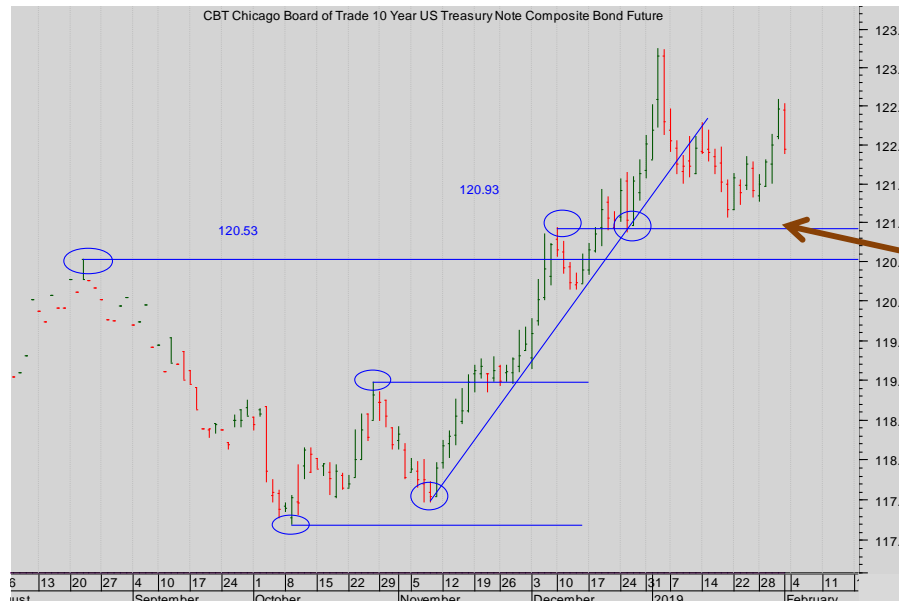


CBOT Ten Year Notes weekly futures continuation chart

Note the test of the resistances above the market now.

The band from the Prior Lows 123.07-123.01 has proved strong.

The market looks vulnerable here...



CBOT Ten Year Notes daily Mar 18 futures chart

This may be the top-out of the short-term bull rally.

not yet very convincing for the bears because they need a break back down through the support from 120.53.

More



Bonds: Eurex Ten Year Bund

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 Ten Year Bund monthly futures continuation chart

The break up through the falling diagonal is important and sets up a new bull leg.



Eurex Ten Year Bund weekly cont. futures Chart

This bull falling wedge continuation pattern looks to have completed.

The bulls are excited....

More



Bonds: Eurex Ten Year Bund

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 Ten Year Bund
March 2019 Daily futures
chart**

The bulls are in charge and encouraged by a small continuation Triangle that has just completed.



Bonds: Liffe UK Gilt futures

Summary

Currencies

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

Stocks

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

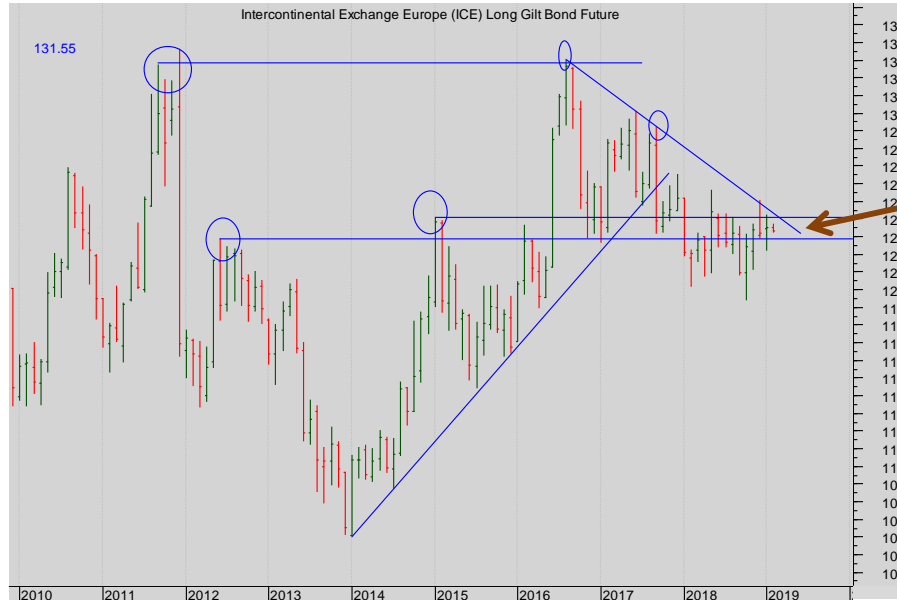
Bonds

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

Commodities

- + Oil
- + Gold

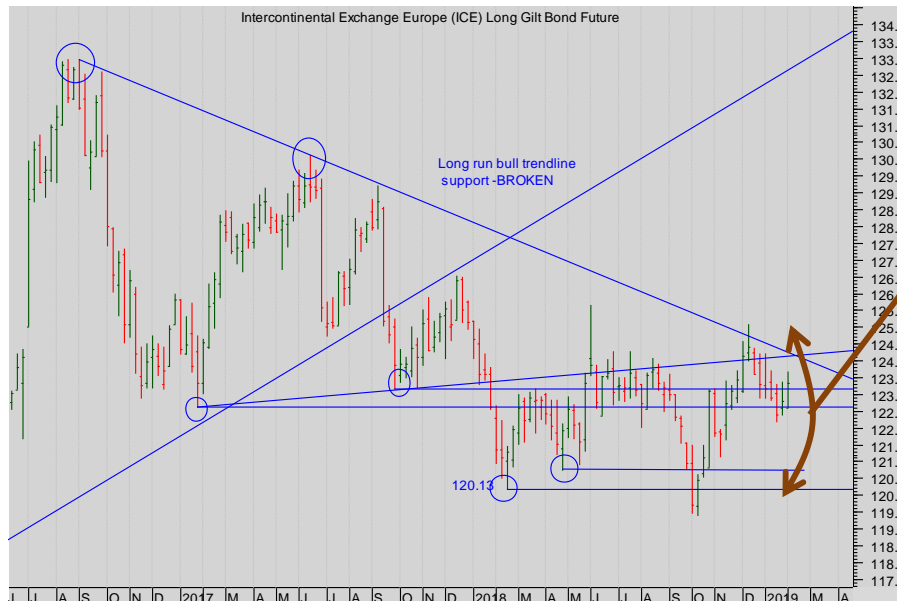
IMPLIED ASSET ALLOCATION



Liffe UK Gilt monthly futures continuation chart

The market is confused.

Look closer at the FAILED test of the diagonal downtrend resistance. That diagonal has to be broken if the Gilt bulls are to make headway.



Liffe UK Gilt weekly continuation futures Chart

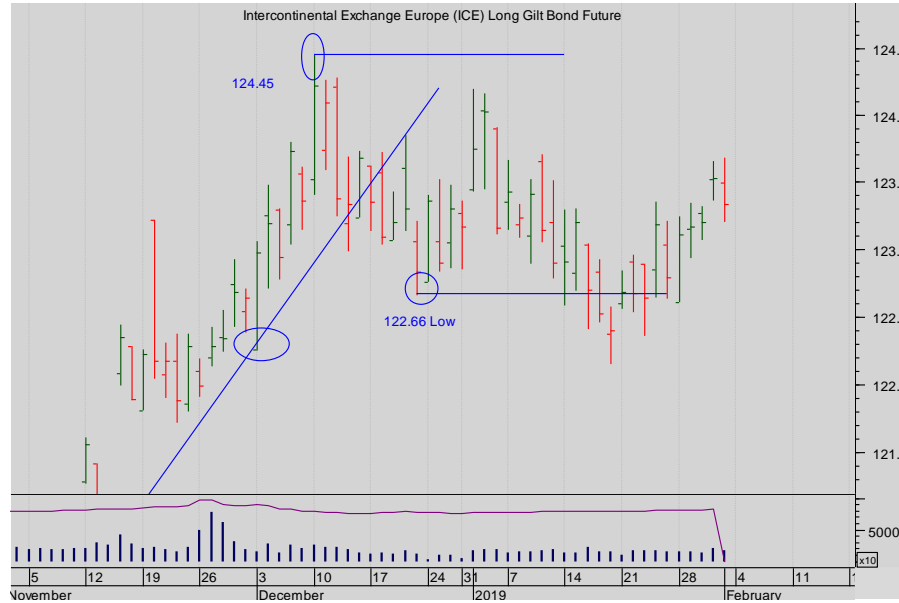
NOW THERE the reassertion of A RANGE.

Stand back





Bonds: Liffe UK Gilt futures



Long Gilt daily Mar 19 chart

The market lacks clarity. Watch the 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



Commodity

COMMODITIES:

Oil looks set for a short-term surge. Gold too, is in the grip of both good support in the short-term and the thrust of medium and long-term bull structures. We are bulls in both.

Summary

Currencies

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

Stocks

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

Bonds

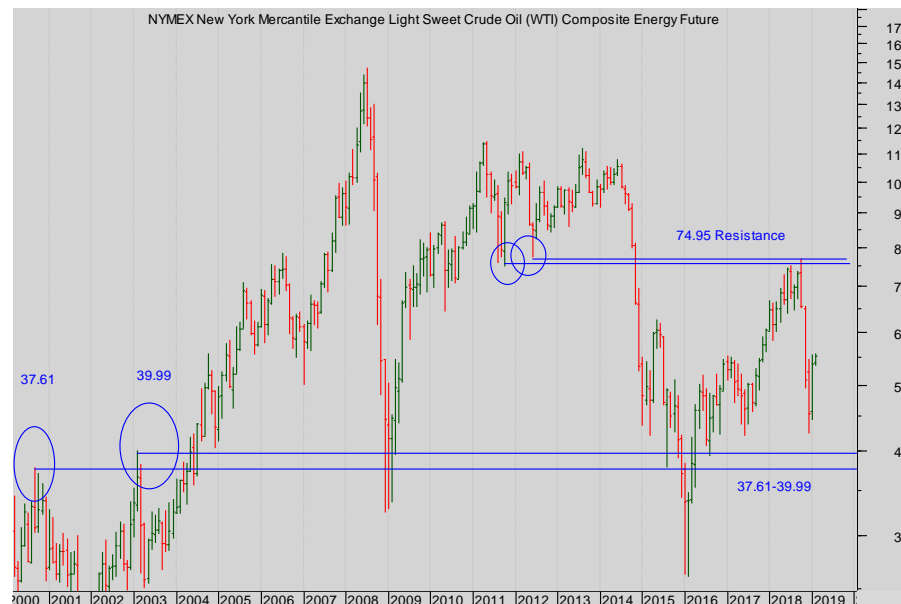
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

The Key reversal added a good deal of bear impetus... to the powerful resistance from the Prior Lows from back in 2011 and 2012.

But the market is in a range.

More



Commodities: Nymex WTI Oil

Summary

Currencies

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

Stocks

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

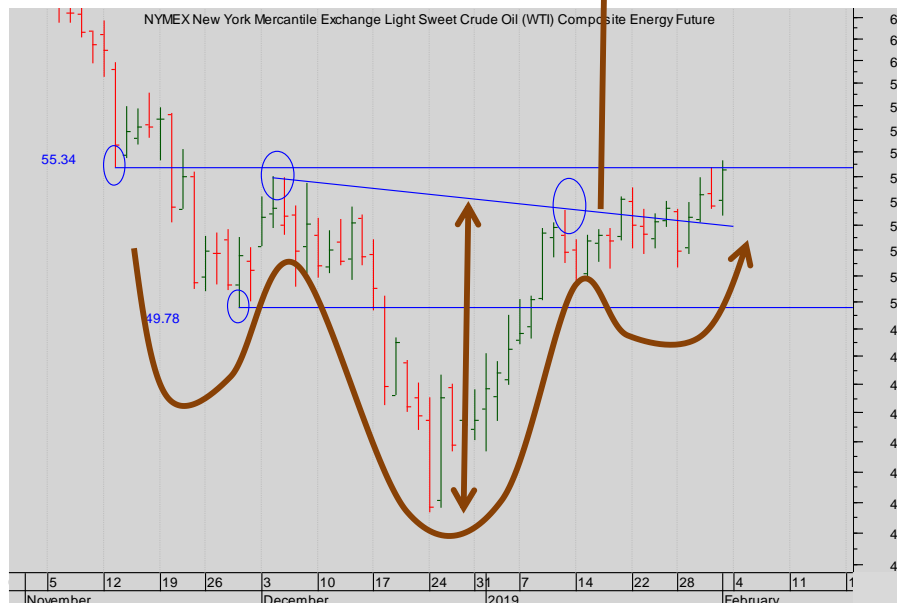
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nymex oil weekly continuation

Nymex oil daily Mar 19 futures



Summary

Currencies

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

Stocks

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

Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



iShares physical Gold ETC Monthly (in Sterling)

The long-term chart shows a clear bounce from the long-term support from the Prior High (and Fibonacci) at 1033.90.

A bull continuation Triangle (in particular a bull falling wedge) has been completed.



iShares physical Gold ETC Weekly (in Sterling)

The completed Bull triangle ...minimum move? Up as far as 2150 the Prior High.

But the drift back suggests that there is a lack of bull momentum...



Commodities: Comex Gold



iShares physical Gold ETC Daily (in Sterling)

And having pushed up through the Prior Highs and tested them on a pull-back the market looks well-set for another push higher.

The bulls are in charge.

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



Summary

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

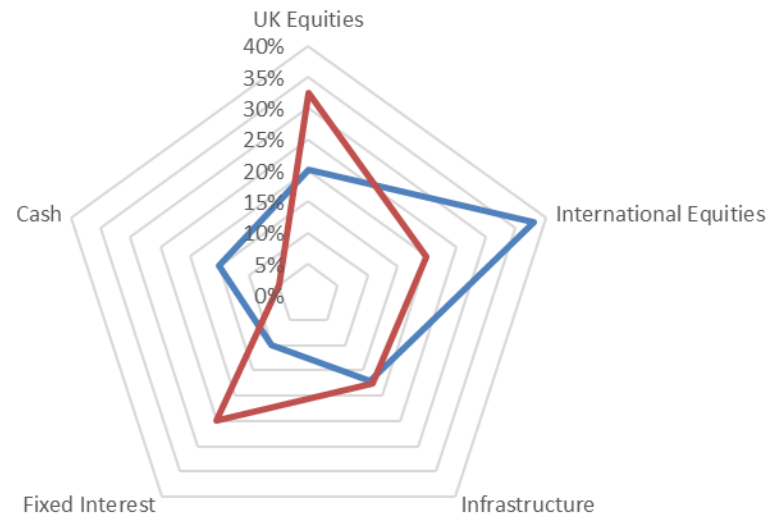
Commodities

- + Oil
- + Gold

Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

MSCI Balanced Risk Asset Allocation benchmark



More



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

The material and information set out in this research is not intended to be a quote of an offer to buy or sell any financial products. Any expression of opinion is based on sources believed to be reasonably reliable but is not guaranteed as to accuracy or completeness.

The material and information herein is general and for informational purposes only. Although Seven Days Ahead endeavours to provide useful information they make no guarantee as to the accuracy or reliability of the research.

The derivative market comprises volatility and considerable risks. To the maximum extent permitted by law no responsibility or liability can be accepted by Seven Days Ahead, any company or employee within its group for any action taken as a result of the information contained in this presentation. You are requested not to rely on any representation in this research and to seek specific advice from your accountant, legal adviser or financial services adviser when dealing with specific circumstances.

Seven Days Ahead is regulated by the UK Financial Services Authority.

[Back to main menu](#)