



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 12th February 2019

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
 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 FLAT Euro
 Short-term FLAT Sterling
 Short-term FLAT Yen
 Short-term FLAT Euro

Stocks

- + S&P 500
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Long-term FLAT
 Long-term FLAT
 Long-term FLAT
 Long-term **BEAR**

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

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

Bonds

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

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

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

Commodities

- + Oil
- + Gold

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

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

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

IMPLIED ASSET ALLOCATION





Currencies: Dollar Euro

CURRENCIES:

The Dollar looks perkier against the currencies but still we need a decisive signal. Trading ranges in the short and medium-term remain intact.

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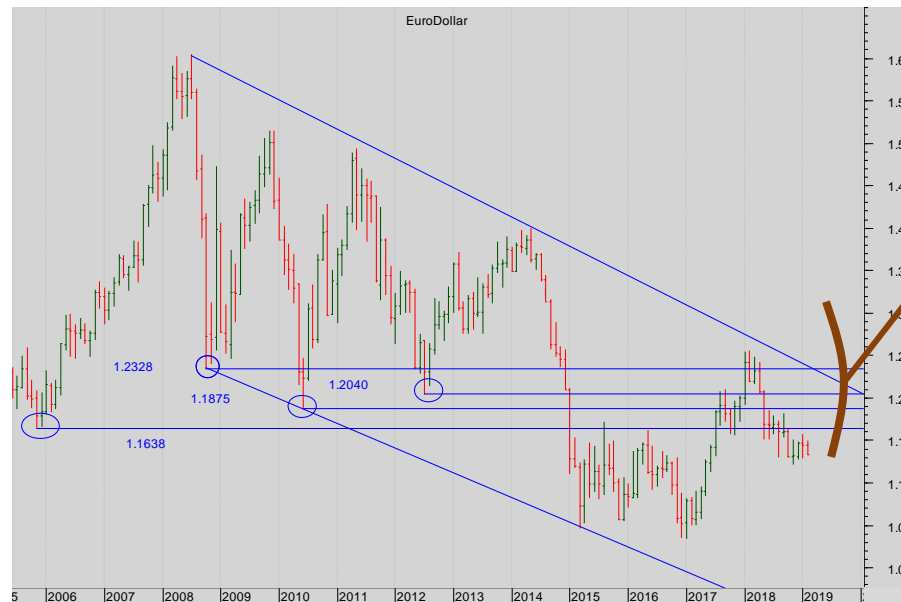
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Dollar Euro monthly spot cash chart

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 still favour a strengthening Dollar.**

More



Currencies: Dollar Euro

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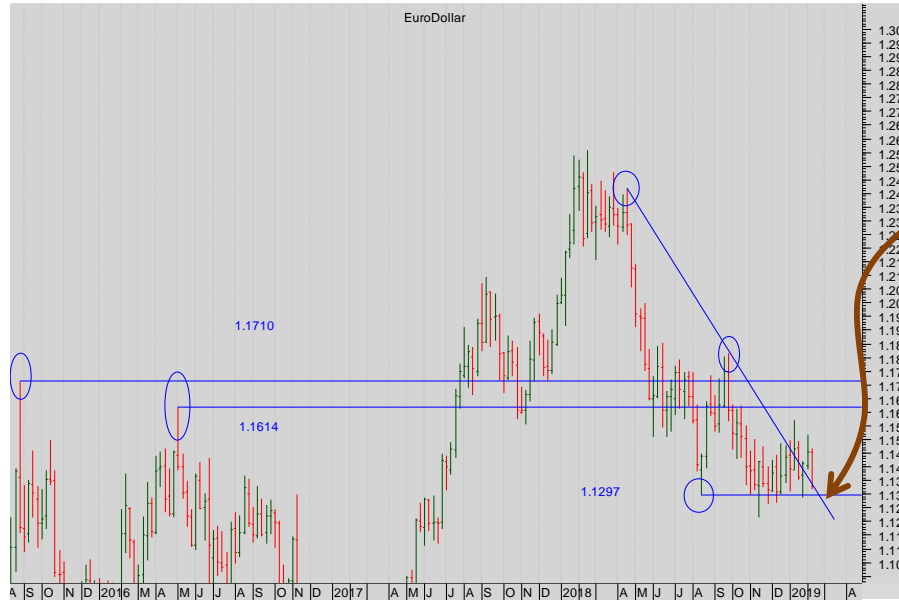
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IMPLIED ASSET ALLOCATION

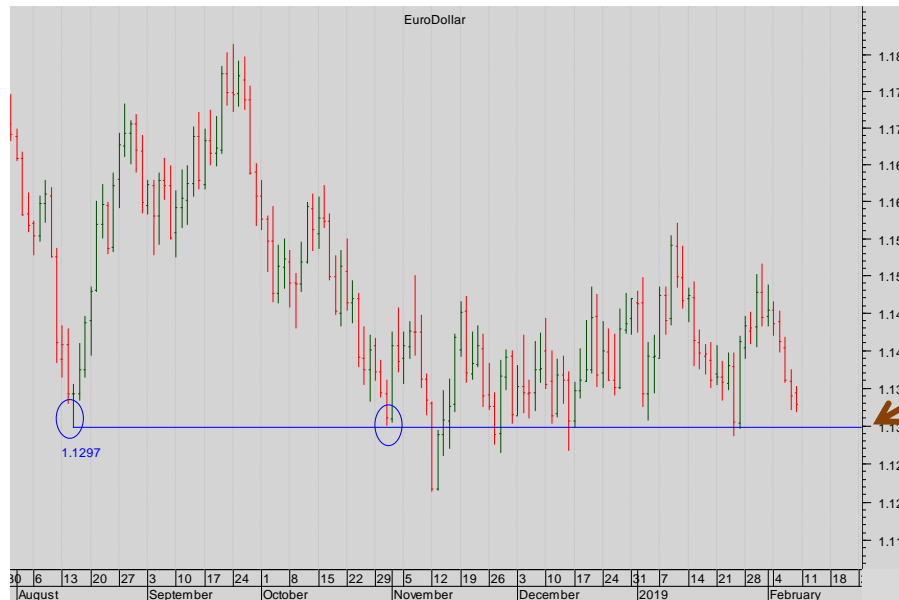


Dollar Euro weekly spot cash chart

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 break beneath the 1.1297 Low.

Wait for it....



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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

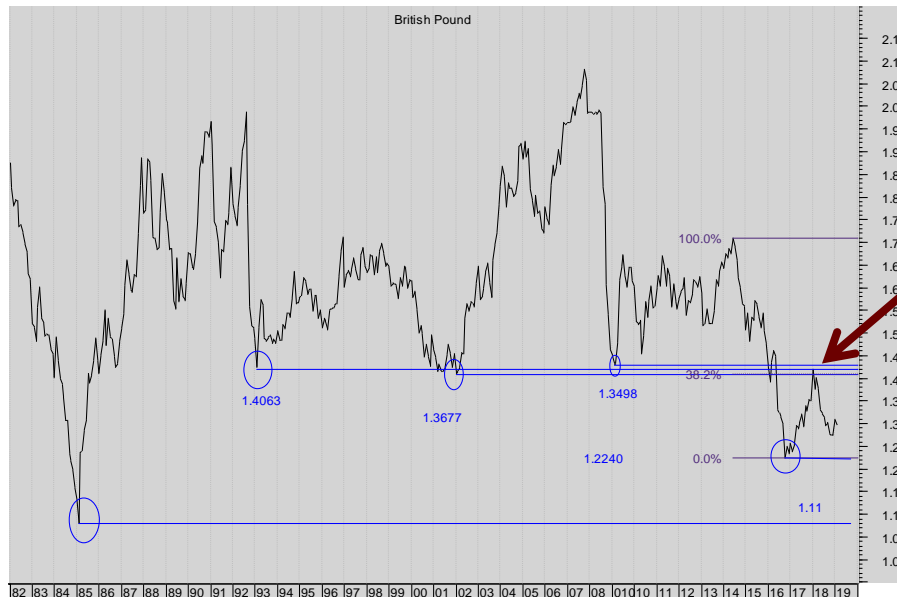


Dollar Sterling Monthly spot cash chart

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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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

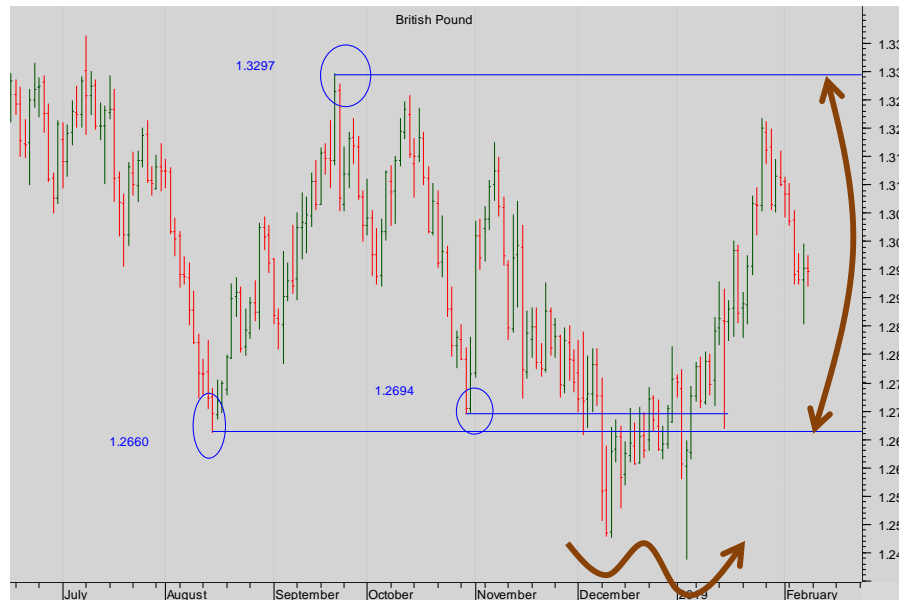


Dollar Sterling weekly spot cash chart

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.



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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 was smashed, has acted as good support too.

The Yen has strengthened sharply.

Stand back.



Dollar Yen weekly spot cash chart

Watch the range.

More



Currencies: Dollar Yen

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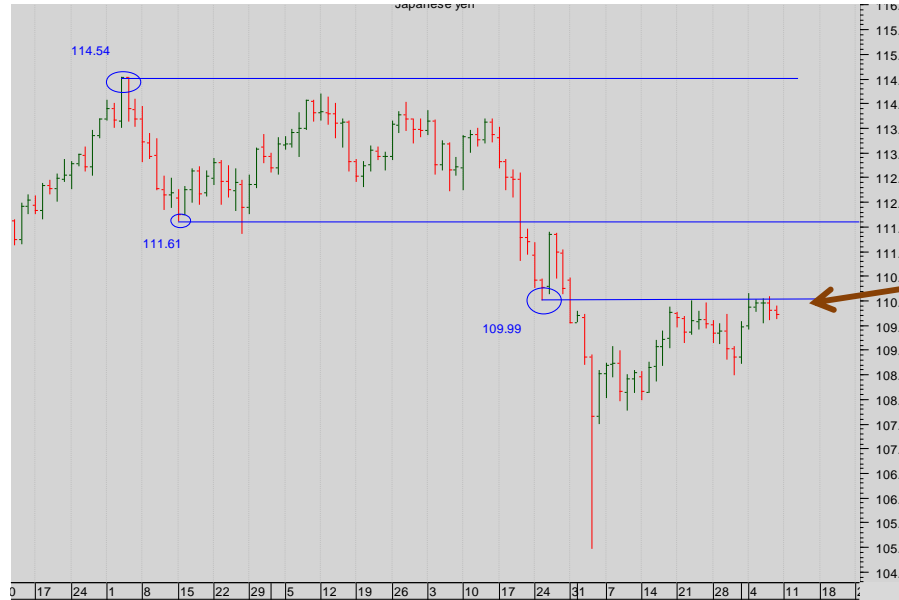
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Dollar Yen daily spot cash chart

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

For the moment the market remains bearish of the dollar, but that is being tested....



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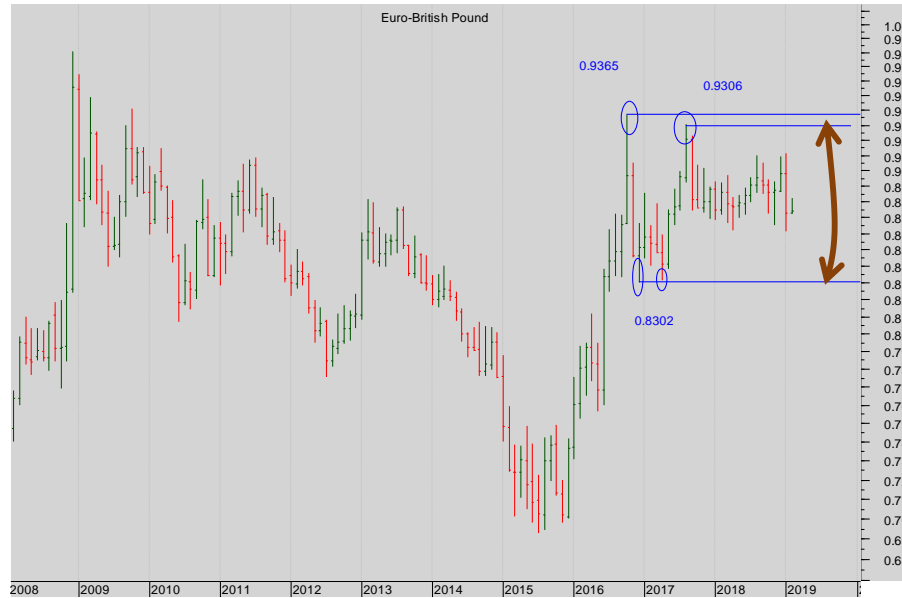
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IMPLIED ASSET ALLOCATION

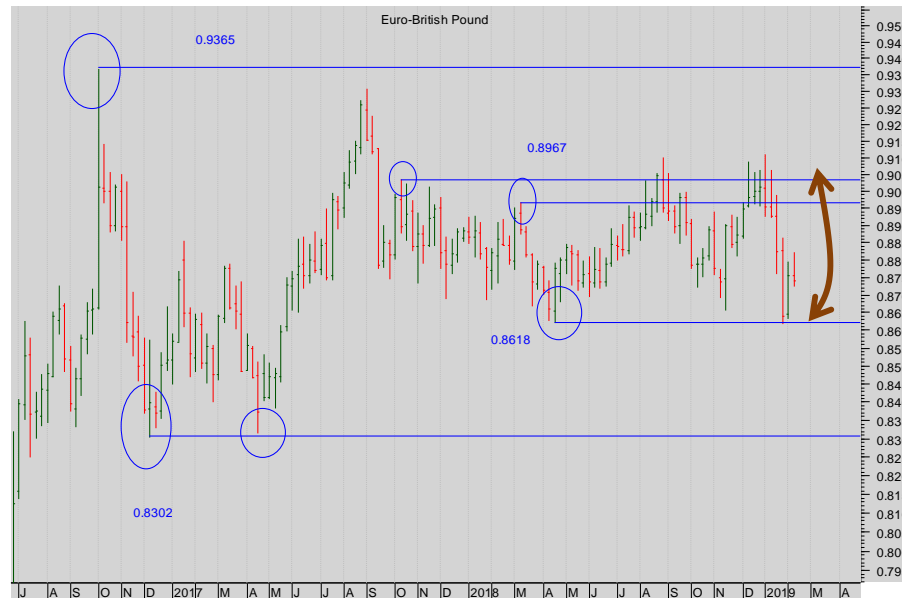
Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

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

Stand back!



Sterling Euro weekly spot cash chart

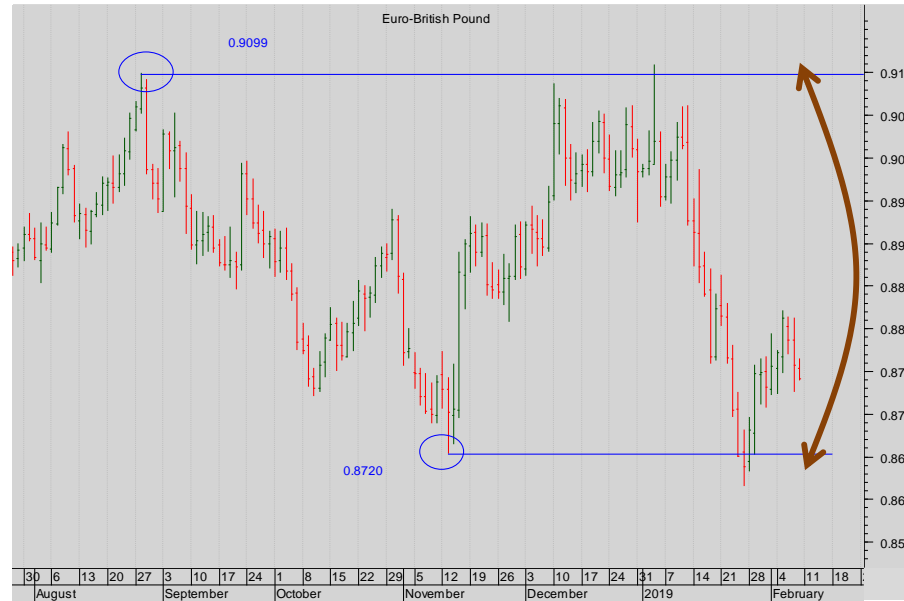
There is a compact shorter-term range.

Still!

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

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

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Stocks

STOCKS:

Retracement or reversal? Still teases the analyst. There are differences: The S&P and FTSE both look relatively strong. The Nikkei looks very vulnerable in all time frames and the Eurostoxx too in the long and medium term.

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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

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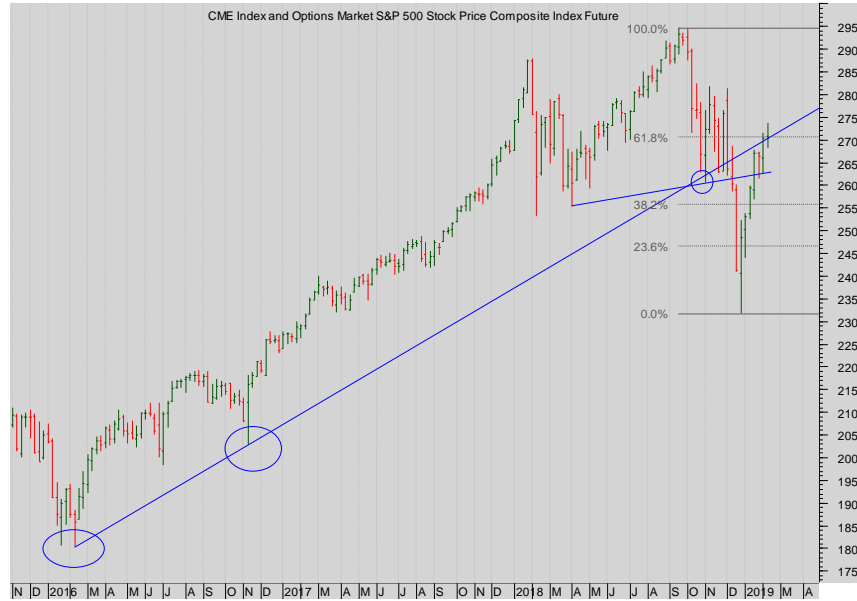
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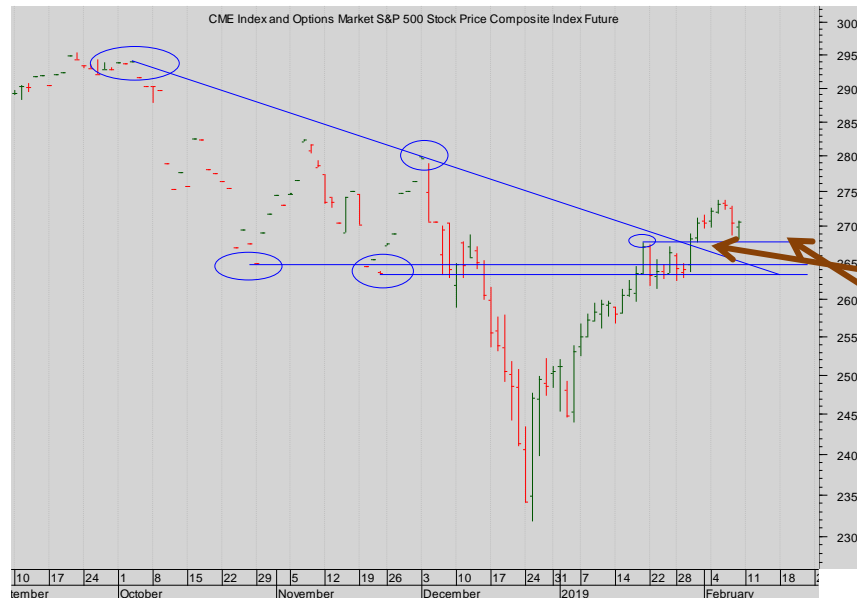
CME S&P 500 cont weekly cont. chart

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.

But of course the potential H&S Top has long since been smashed.



CME S&P 500 daily Mar 2019 chart

Bounce has been phenomenally powerful.

There is now some modest support beneath the market from

- the old falling diagonal and
- the Horizontal from the Prior High.

More



Stocks: Eurex EuroStoxx 50

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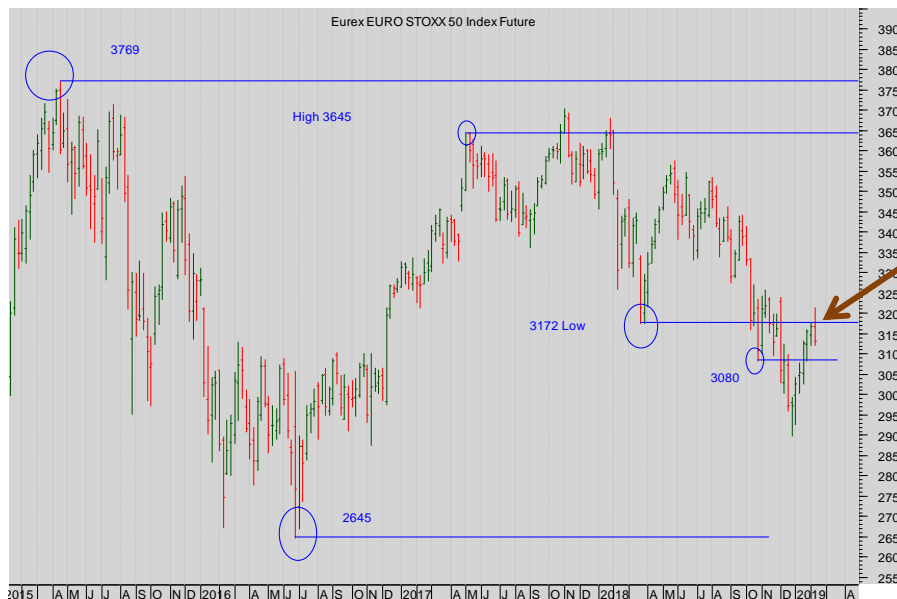
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Eurex EuroStoxx 50 monthly continuation futures chart

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?

More



Stocks: Eurex EuroStoxx 50

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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Mar 19 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.



Stocks: Liffe FTSE 100

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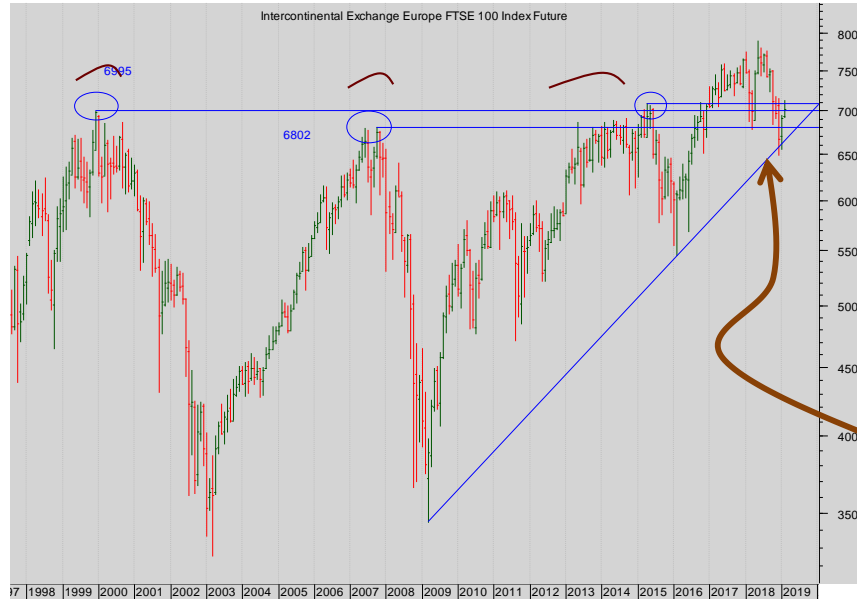
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IMPLIED ASSET ALLOCATION



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... and the powerful bounce.



Liffe FTSE 100 Weekly cont. futures chart

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

Is there any evidence that it is running out of steam?

More



Stocks: Liffe FTSE 100

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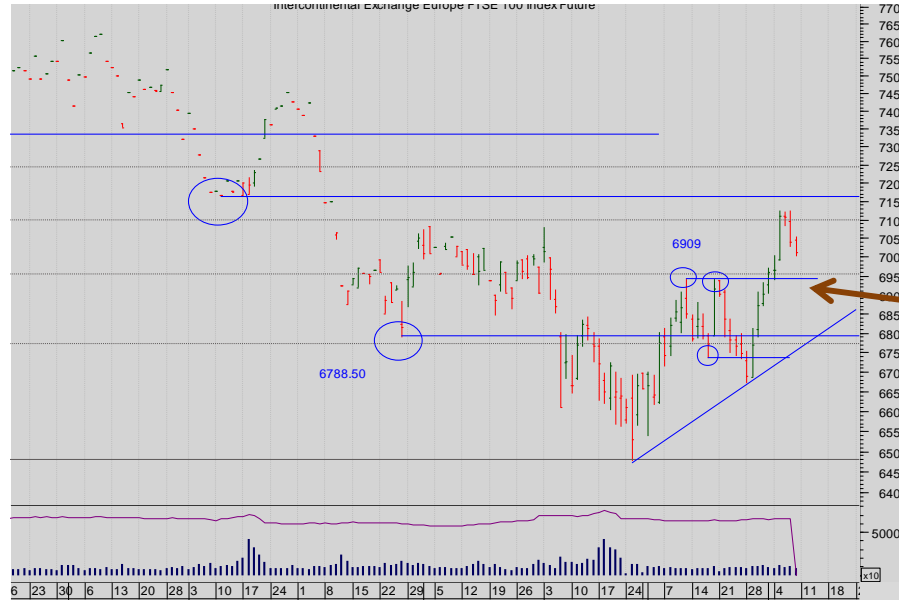
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Commodities

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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.



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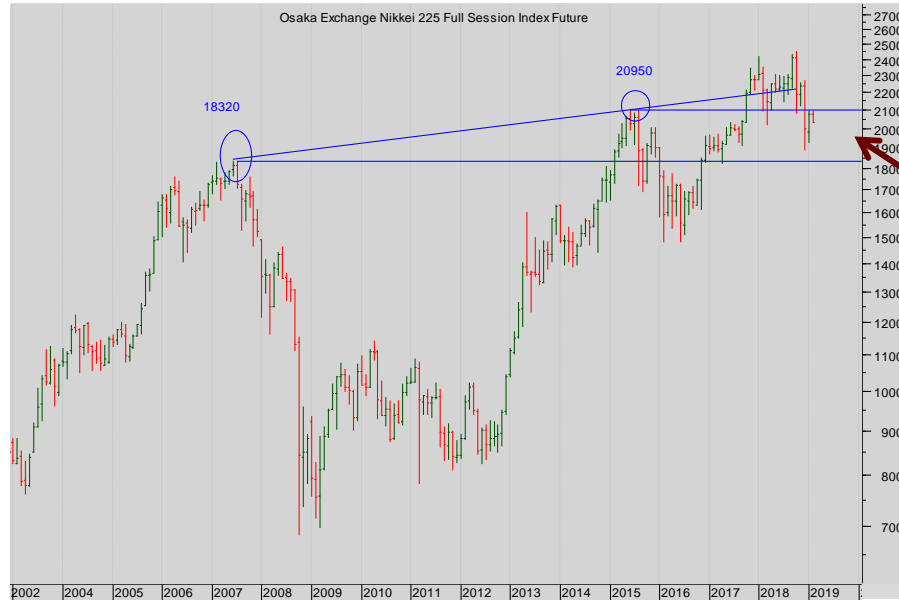
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Commodities

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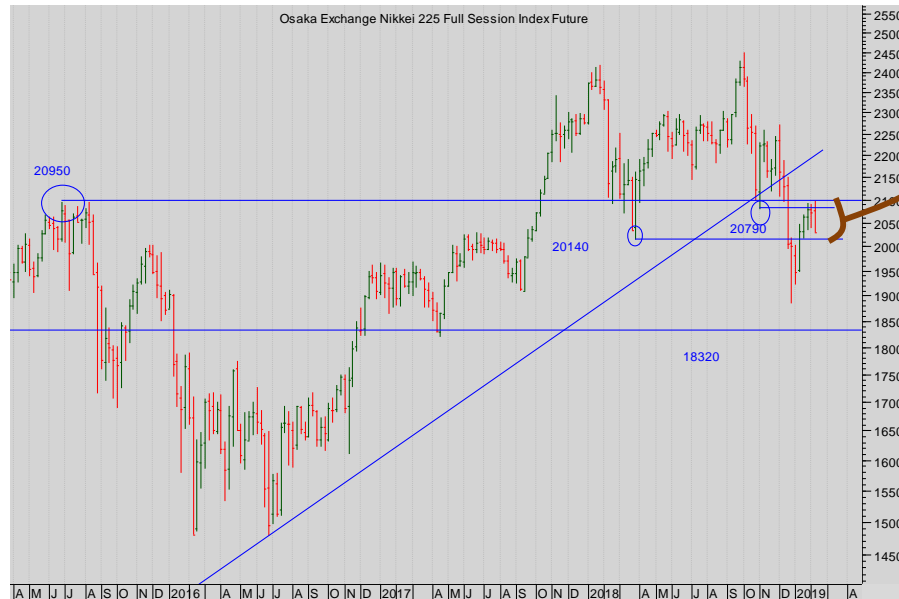
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Stocks: OSE Nikkei 225



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 20140-20790.

Note that that resistance has yet to break.

More



Stocks: OSE Nikkei 225

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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 still vulnerable, medium and long term though perky in the short term. The star bull market is the Bunds. UK Gilts look to be on the point of breaking up for a new bull leg.

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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

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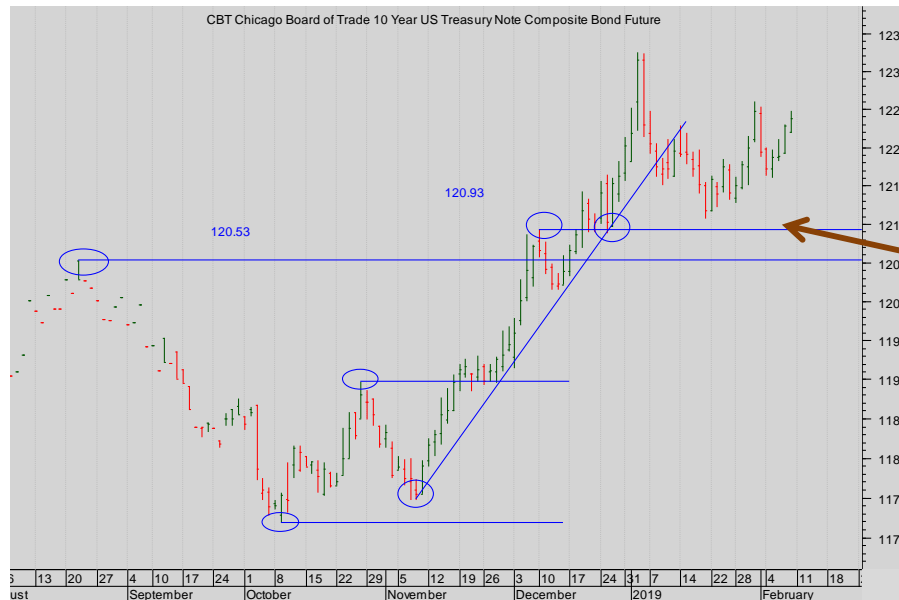


CBOT Ten Year Notes weekly futures continuation chart

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

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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

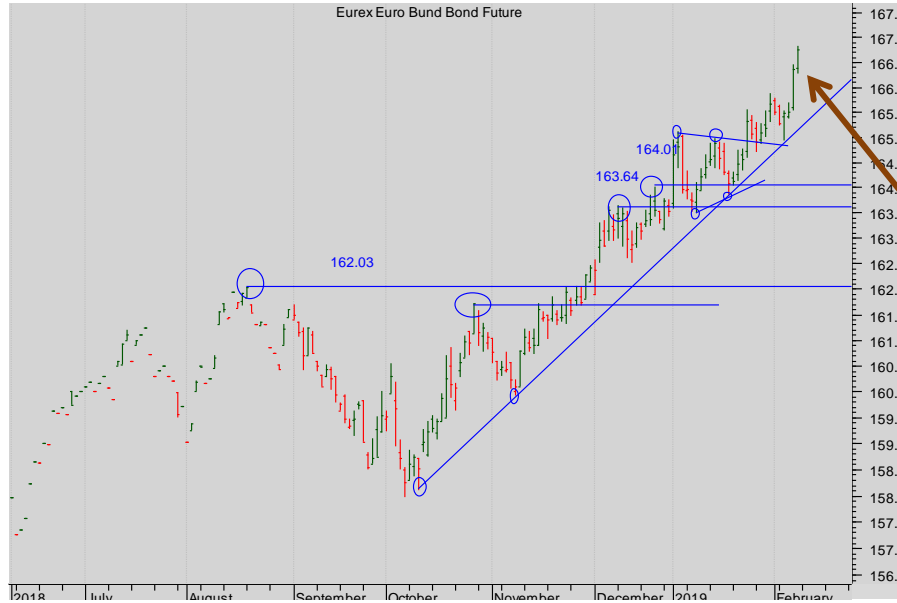
This bull falling wedge continuation pattern looks to have completed.

The bulls are excited....





Bonds: Eurex Ten Year Bund



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.

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IMPLIED ASSET ALLOCATION



Bonds: Liffe UK Gilt futures

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IMPLIED ASSET ALLOCATION



Long Gilt daily Mar 19 chart

The bounce off the horizontal support is impressive.

Watch for a break up through the Prior High 124.45.



Commodity

COMMODITIES:

Oil has stalled. But Gold remain bullish - still is in the grip of good medium and long-term bull structures. We are bulls in both, but especially Gold.

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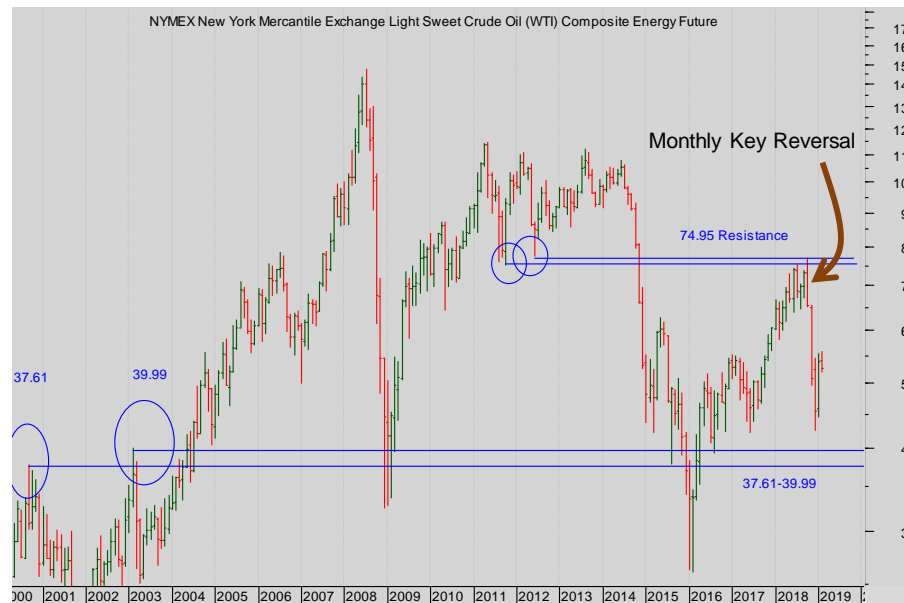
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Commodities

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Commodities: Nymex WTI Oil



Nymex oil monthly continuation

The Key reversal added a good deal of bear impetus...

But the market is in a very long-term range.

More



Commodities: Nymex WTI Oil

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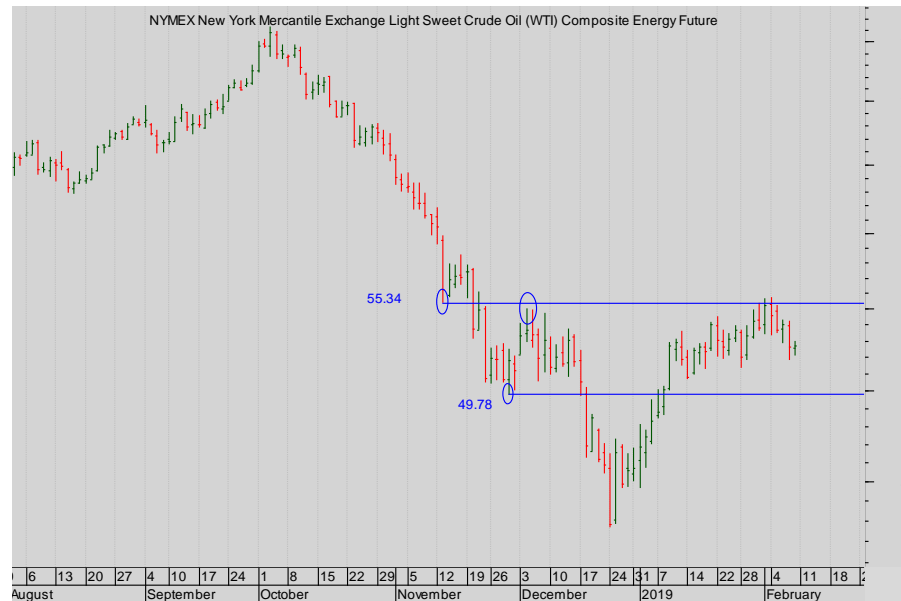
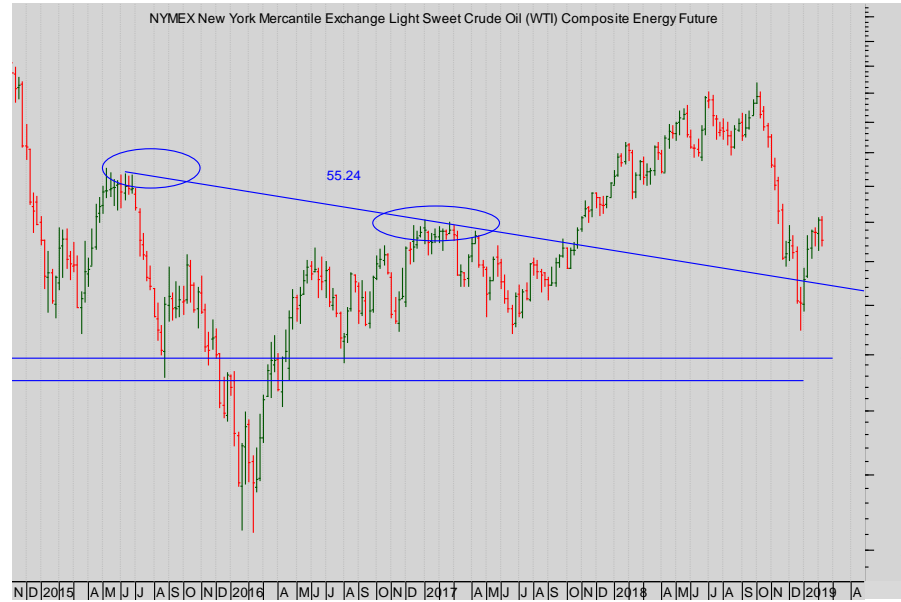
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Nymex oil weekly continuation

Has the old neckline given critical support?

Nymex oil daily Mar 19 futures

Is the short-term price action going to become a H&S reversal?

Wait and see.



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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.

The bulls are in charge.



iShares physical Gold ETC Weekly (in Sterling)

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



Commodities: Comex Gold

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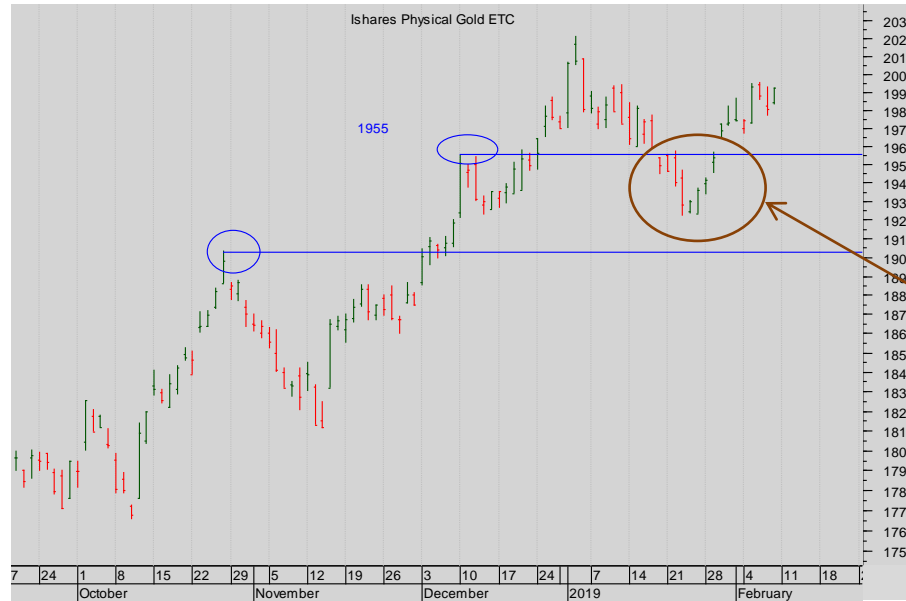
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IMPLIED ASSET ALLOCATION



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.

Note the island reversal.

The bulls are in charge.



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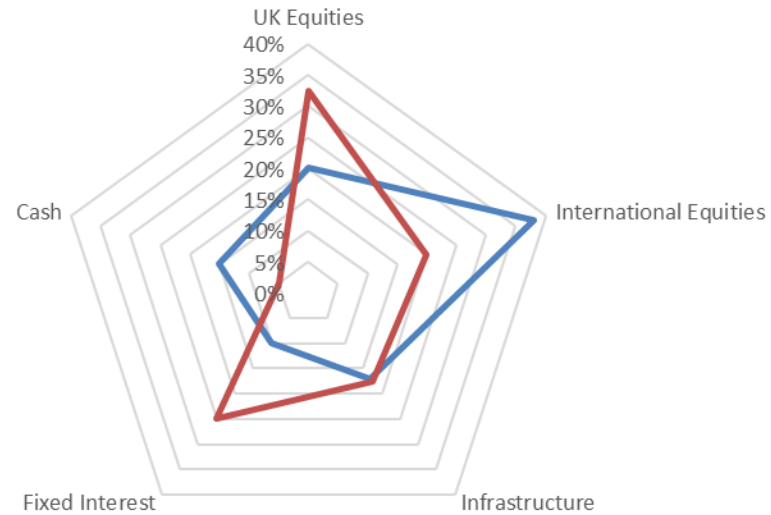
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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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MSCI Balanced Risk Asset Allocation benchmark



More



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

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