



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 12th March 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

Medium-term **BEAR** Euro

Medium-term FLAT Sterling

Medium-term FLAT Yen

Short-term **BEAR** Euro

Short-term FLAT Sterling

Short-term **BULL** Yen

Long-term **BEAR** Euro

Medium-term **BEAR** Euro

Short-term **BEAR** Euro

Stocks

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

Long-term **BULL**

Long-term **BULL**

Long-term **BULL**

Long-term **BULL**

Medium-term **BULL**

Medium-term **BULL**

Medium-term **BULL**

Medium-term **BULL**

Short-term FLAT

Short-term FLAT

Short-term **BEAR**

Short-term **BEAR**

Bonds

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

Long-term FLAT

Long-term **BULL**

Long-term FLAT

Medium-term FLAT

Medium-term **BULL**

Medium-term FLAT

Short-term **BULL**

Short-term **BULL**

Short-term FLAT

Commodities

- + Oil
- + Gold

Long-term **BEAR**

Long-term FLAT

Medium-term **BEAR**

Medium-term FLAT

Short-term **BEAR**

Short-term **BEAR**

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

Now the Dollar Euro has made an important move - the Dollar has strengthened away from a four-month trading range. This has dashed Sterling hopes of breaking out against the Dollar – it has been driven back within its 7-month trading range. The Yen has stayed passively through. One knock on consequence has been the continued strength of the Sterling against the Euro. That particular breakout looks solid.

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. That is, a continuance of the trend from the beginning of 2018.**

More



Summary

Currencies

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

Stocks

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

Bonds

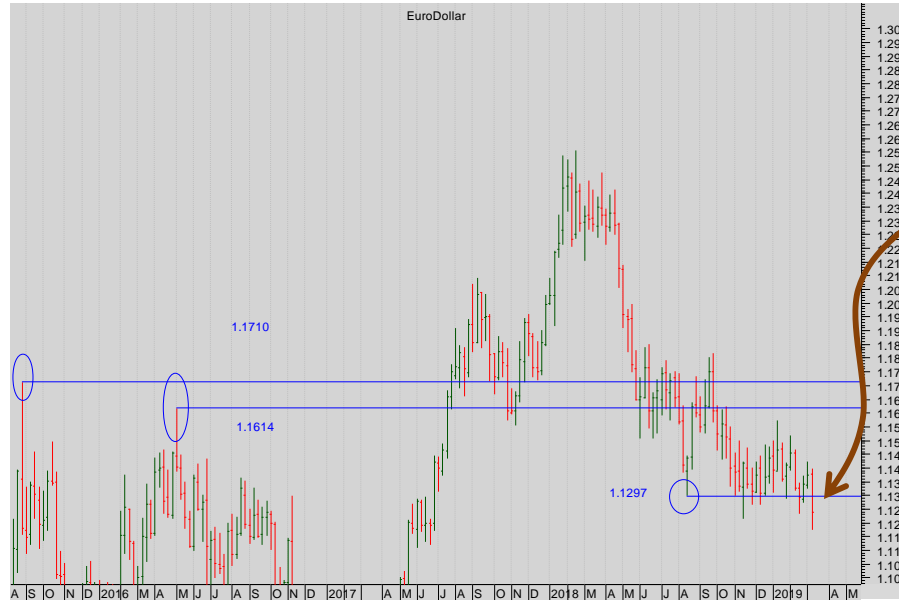
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

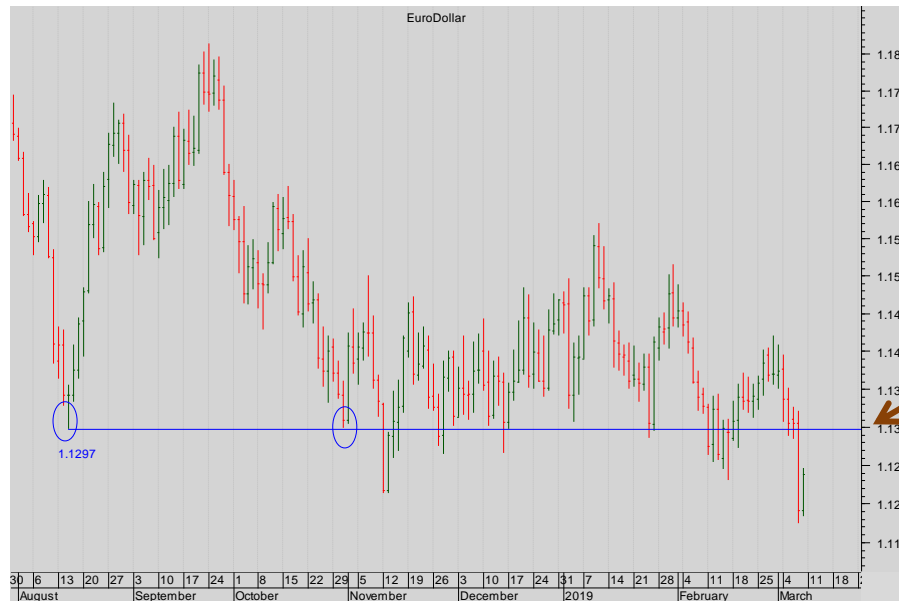
Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

Note the break beneath 1.1297 beginning the next leg down (strengthening Dollar) the weekly close confirming the break.

The Euro is under pressure.



Dollar Euro spot cash chart daily chart...

And sure enough, here's a bottom forming...

Bears of the Euro / Dollar bulls now have a confirmed break 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

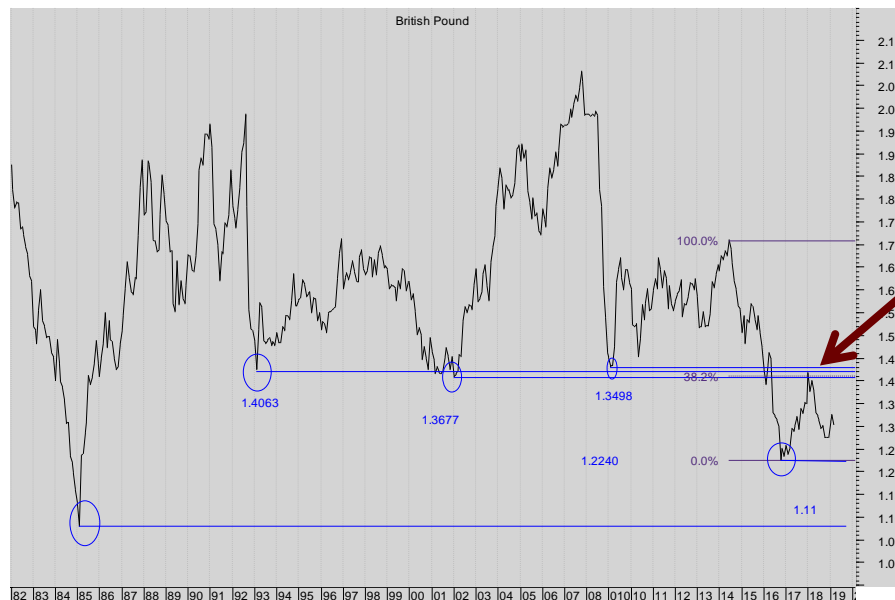


Dollar Sterling Monthly spot cash chart

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

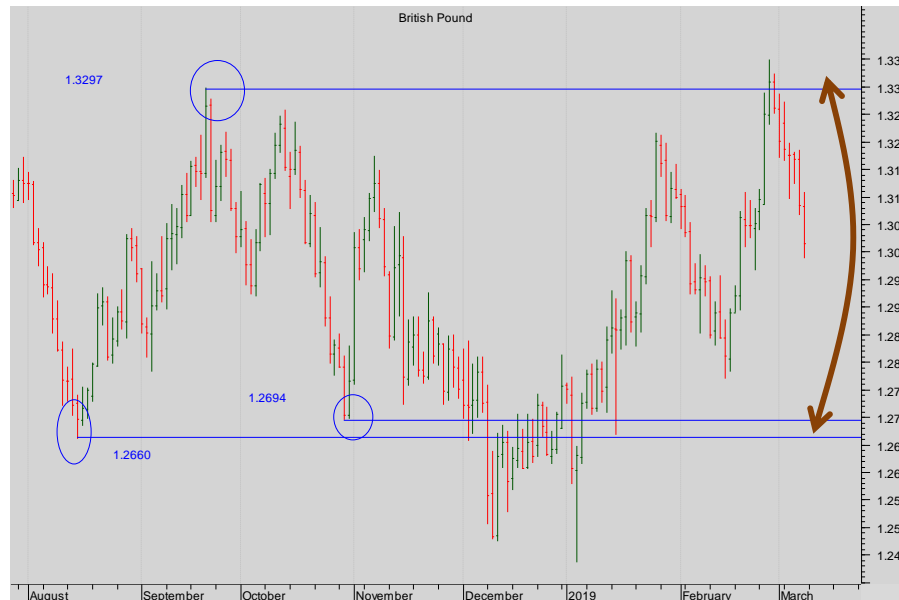
IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

The range since August 2018 remains **intact**



Dollar Sterling daily spot cash chart

Wait for a confirmed and convincing 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 by the rally in 2014, and then, later, acted as good support in 2016.

No clear structure since the beginning of 2017.

Stand back.



Dollar Yen weekly spot cash chart

Watch the range.

More



Currencies: Dollar Yen

Summary

Currencies

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

Stocks

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

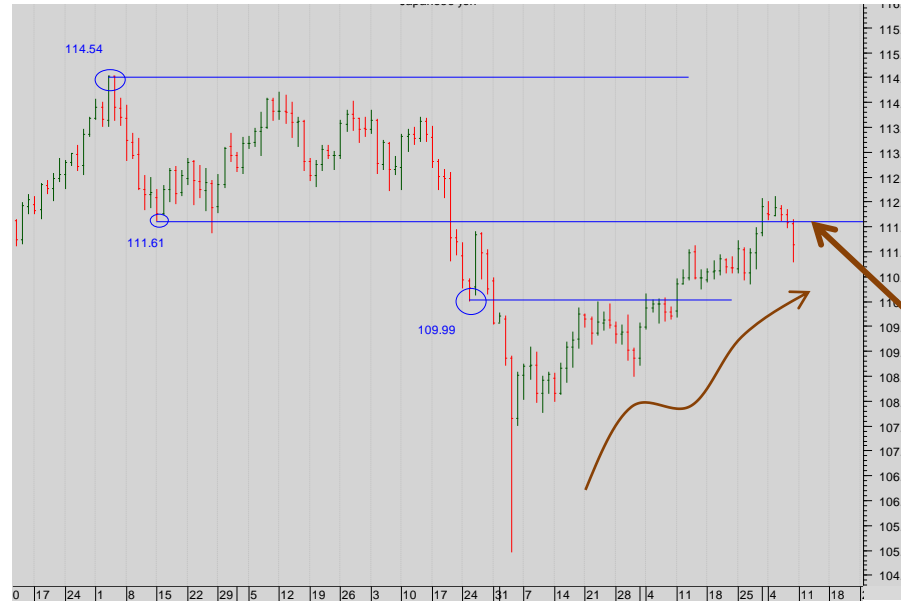
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Dollar Yen daily spot cash chart

Since the beginning of 2019, the Yen has been weaker than the Dollar, with successive resistances above the market at 109.99 and 111.61 smashed.

But the overhead resistance a 111.61 for the moment looks strong...



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

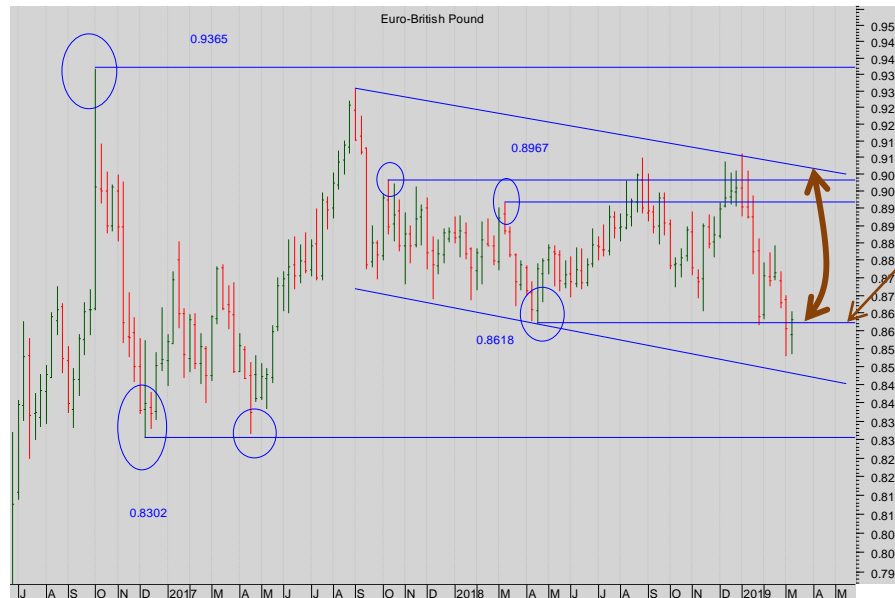
Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

The last two years' volatility has created a wide trading range of consolidation.

Stand back!



Sterling Euro weekly spot cash chart

Note the clear breakdown from the compact shorter-term range.

More



Currencies: Sterling Euro

Summary

Currencies

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

Stocks

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

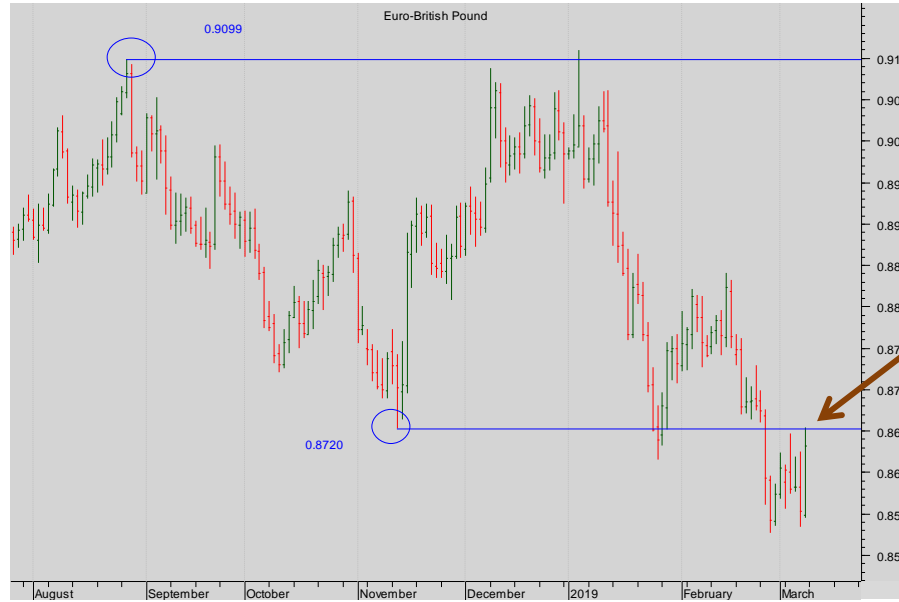
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Sterling Euro daily spot cash chart

It's volatile, but the very short-term range has been broken – and there's no short-term bounce that convinces...



Stocks

STOCKS:

We have argued for a few weeks that the ten-week rally in all these markets is a good one not a retracement. Now come the test with the weakness of the last few days. Watch carefully across the board to see how the supports beneath the market hold up. The Nikkei looks more vulnerable than most. The FTSE rather better supported than most.

Summary

Currencies

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

Stocks

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

Bonds

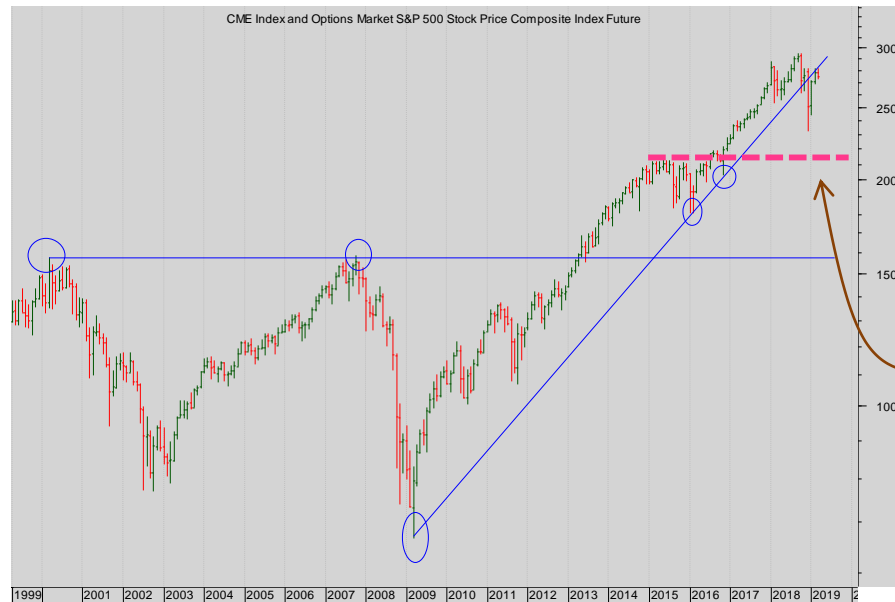
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The market broke the well-established long-term diagonal support, and then bounced.

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

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

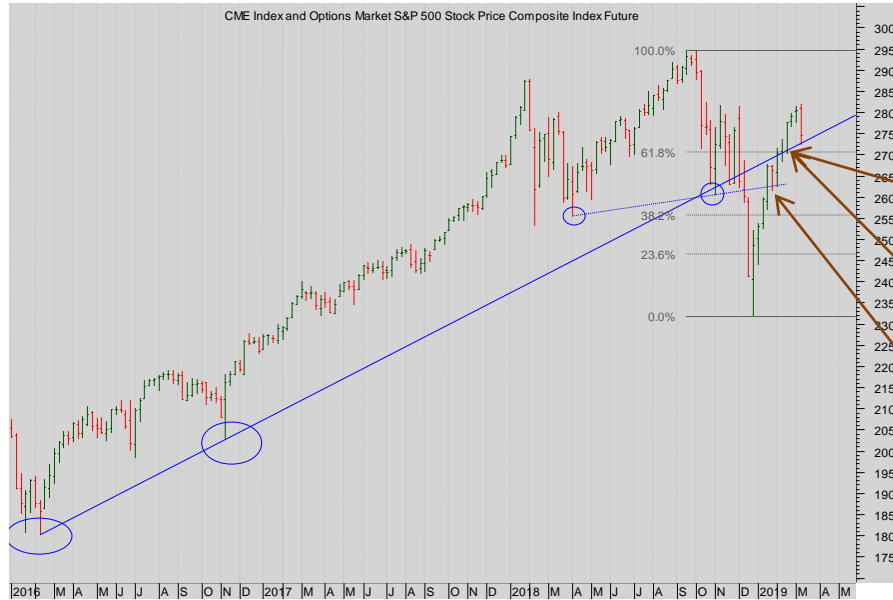
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

CME S&P 500 cont weekly cont. chart

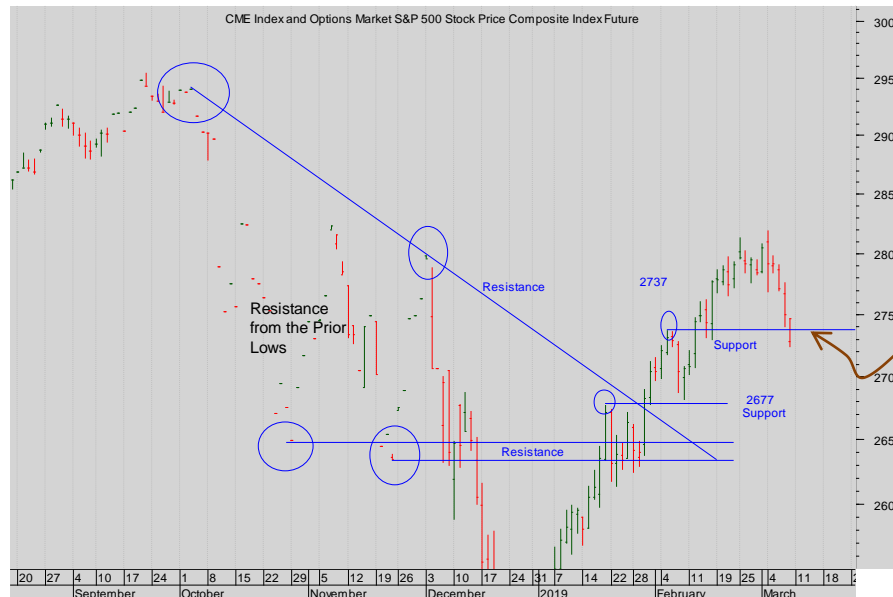


The market has

- smashed back through the important resistance from the broken diagonal.
- Broken above the Fibonacci resistance that was co-incident at that same level.
- Broken back through the Neckline resistance of the potential H&S Top – smashing it (and the hopes of the bears)

The rally is not a retracement.

CME S&P 500 daily Mar 2019 chart



That rally in greater detail: the break up through

1. The prior lows
2. The Prior highs

Both suggest that the market has strength.

Now on the pull-back watch the support from the Prior Highs – 2737.

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

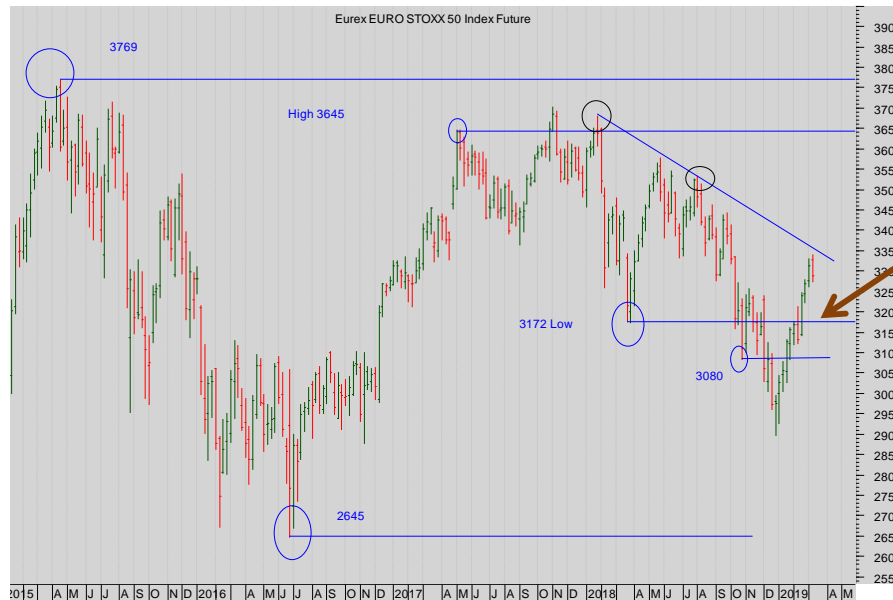
IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 monthly continuation futures chart

The long-term condition of the market is quite clear: the market failed twice at the old 3769 High and remains vulnerable.

But the break up through the Prior Low of 3172, is cause for celebration for the bulls.



Eurex EuroStoxx 50 weekly continuation futures chart

When the market pushed up through 3172 the possibility of a Double Top disappeared.

The rally is impressive.

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

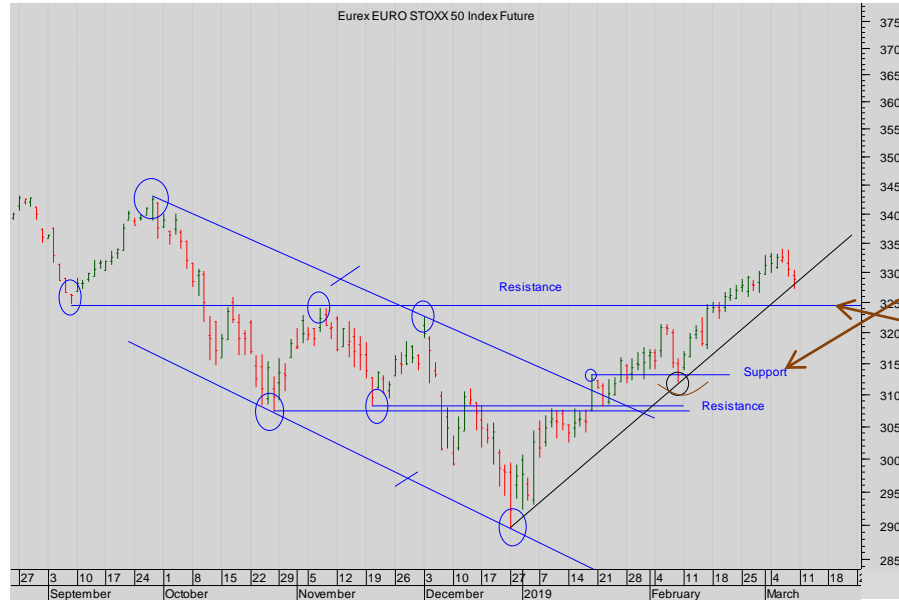
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Mar 19 futures chart

And this is an impressive short-term bull trend made strong by the simultaneous push up through the Prior low resistances.

Now watch for the resilience of the trend - will the diagonal hold?



Stocks: Liffe FTSE 100

Summary

Currencies

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

Stocks

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

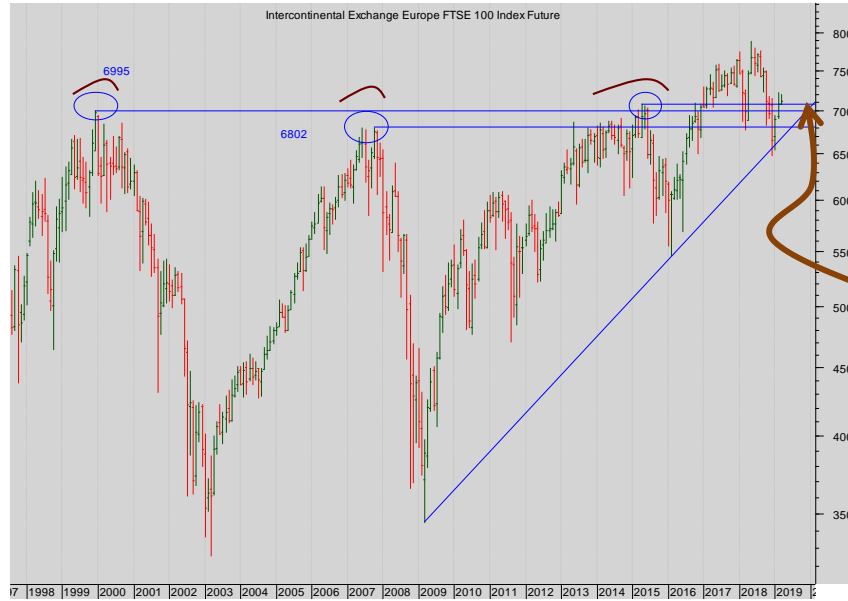
Bonds

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

Commodities

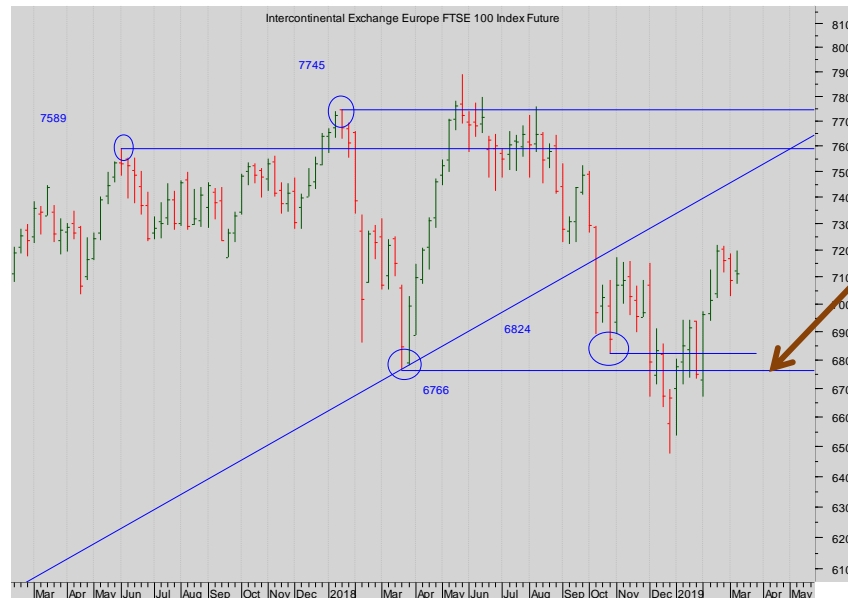
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Monthly continuation futures chart

So the support from the succession of Prior Highs (6796, 6995) was smashed, note the powerful bounce from the diagonal uptrend support drawn from 2009... and the consequent push back above the band of support from the Prior Highs.



Liffe FTSE 100 Weekly cont. futures chart

The bounce back up through the resistance from the Prior Lows was impressive and began the rally.

Is there evidence that the market is running out of steam?

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 Mar19 daily futures chart

The market has drifted around the support from the Prior High 7124



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

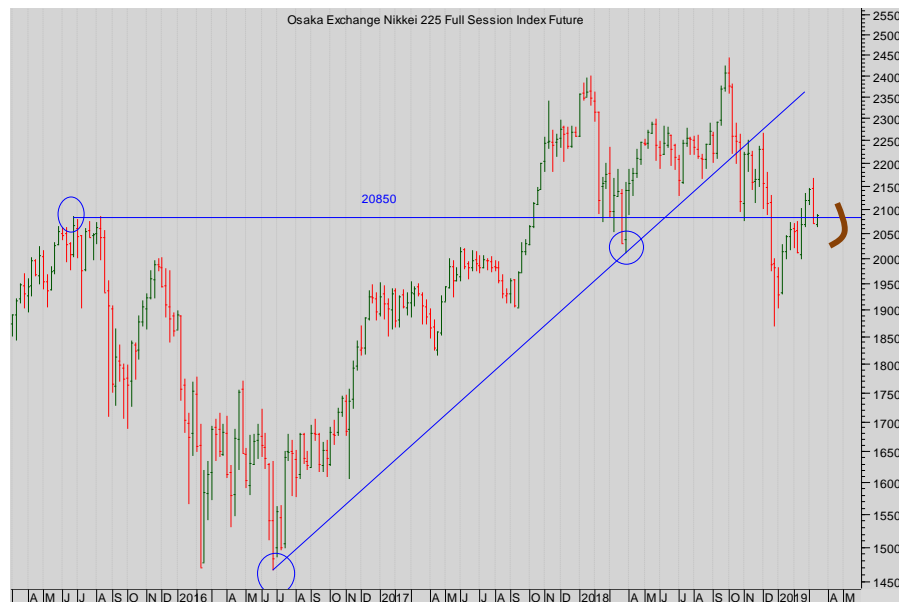
Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

The market has failed to break beneath the band of support 20850 – so far.

There's a bounce in progress.



Nikkei 225 chart (WEEKLY)

Is this a bear rising wedge?

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**

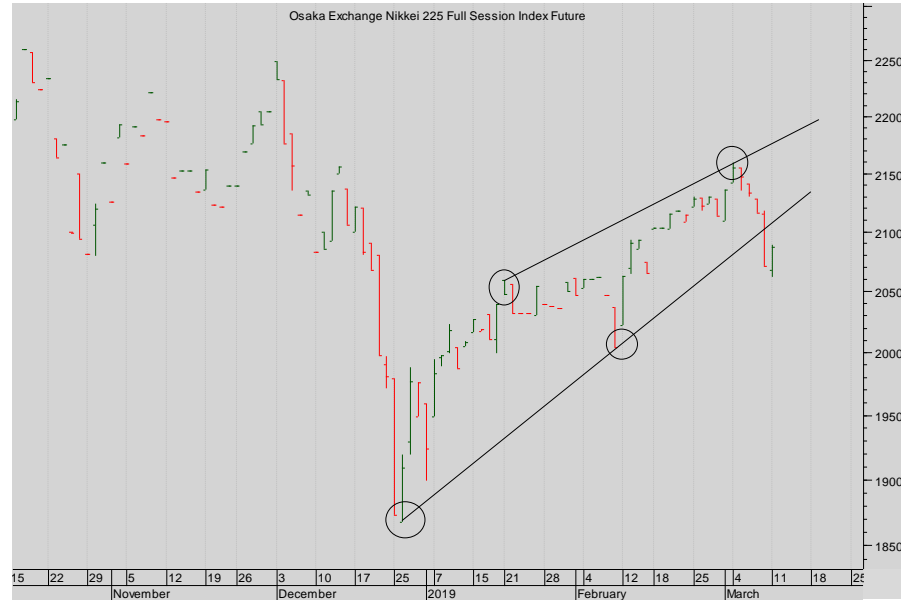
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nikkei 225 chart Daily JUN 19.

Yes it looks like it.

There may be more on the downside – short-term.



Bonds

BONDS:

These markets are beginning to convince on the upside. The German market is still powerfully set up having bounces healthily from the first support. The UK market looks set to break up out of a three month trading range. The hesitant US market may have completed a Continuation Triangle (short-term) which in turn may be the catalyst to smash a powerful medium term resistance....watch our levels carefully.

Summary

Currencies

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

Stocks

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

Bonds

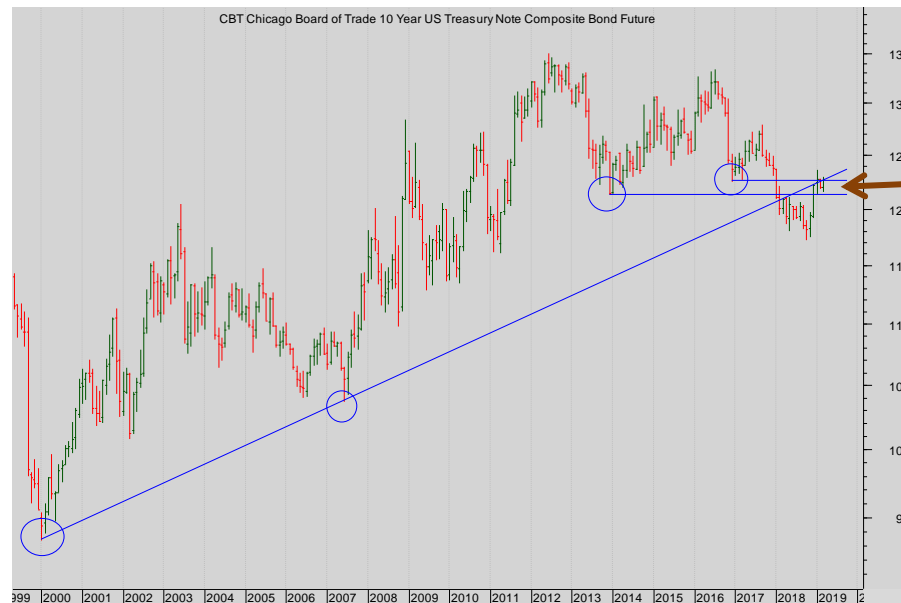
- + Ten Year US TNotes
- + Ten Year German Bund
- + UK Gilt

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 driven into the diagonal and the horizontal band of resistance.

And has not yet broken through – it's pausing.

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

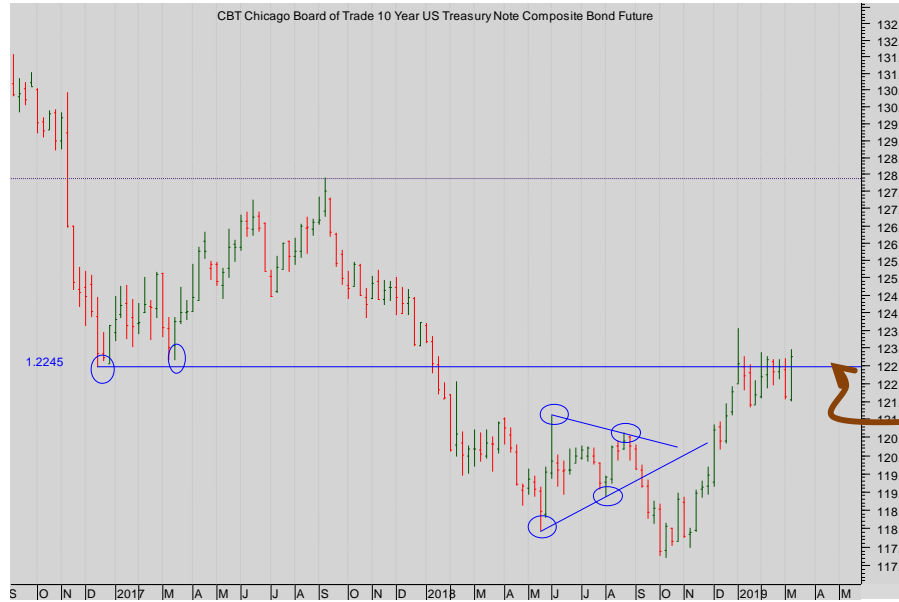
Bonds

- + 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 strength of the resistances above the market now.

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

So the bulls need to break above 122.70-123.01 to convince.



CBOT Ten Year Notes daily Mar 18 futures chart

Short-term the market may have completed a continuation Triangle...watch for a confirming close.

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

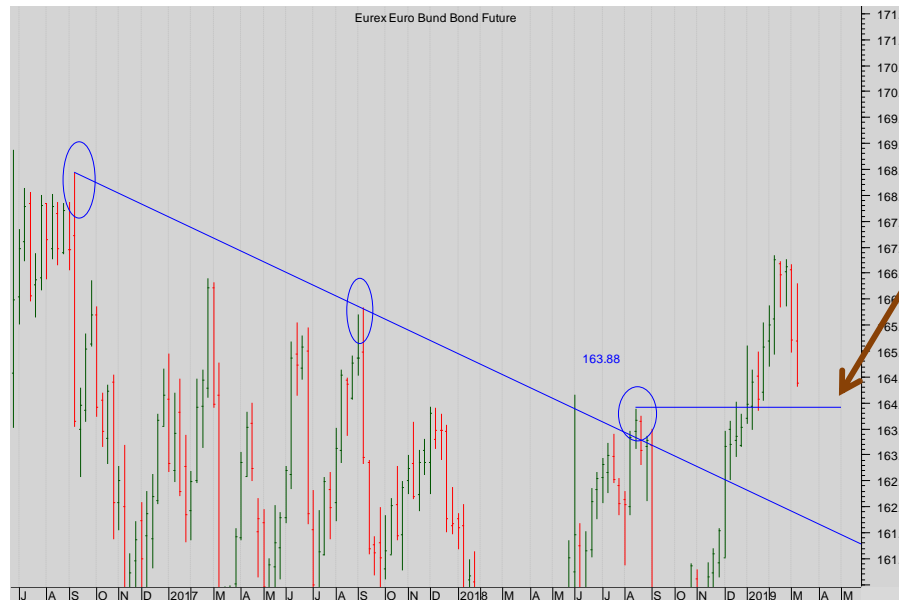
- + Oil
- + Gold

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 by completing a bull falling wedge formation.



Eurex Ten Year Bund weekly cont. futures Chart

The bulls are excited...first support on pull-back 163.88 Prior High.





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 pull-back bounced from the first support of consequence at the Prior High 162.46.

The enthusiastic bounce into new territory looks good – the bulls are in charge.



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

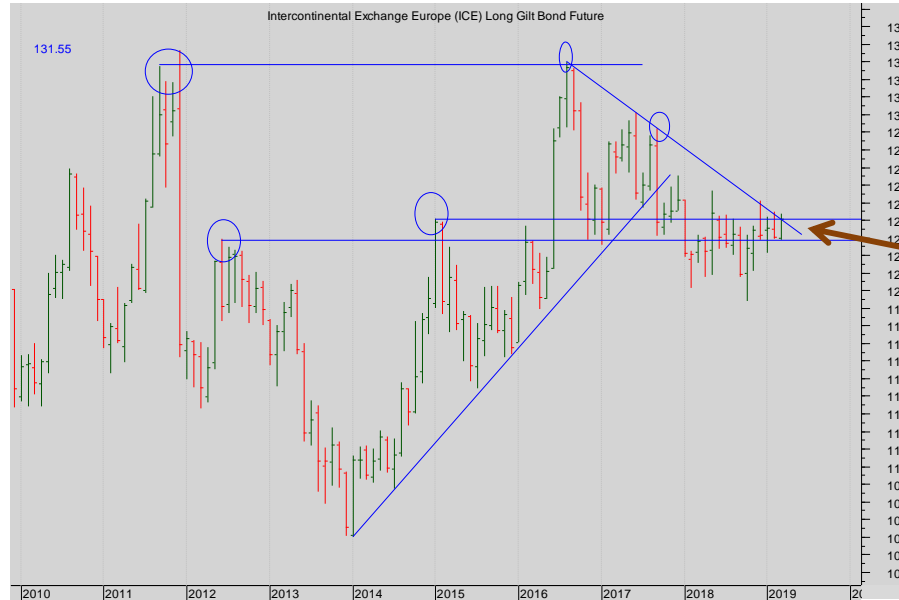
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

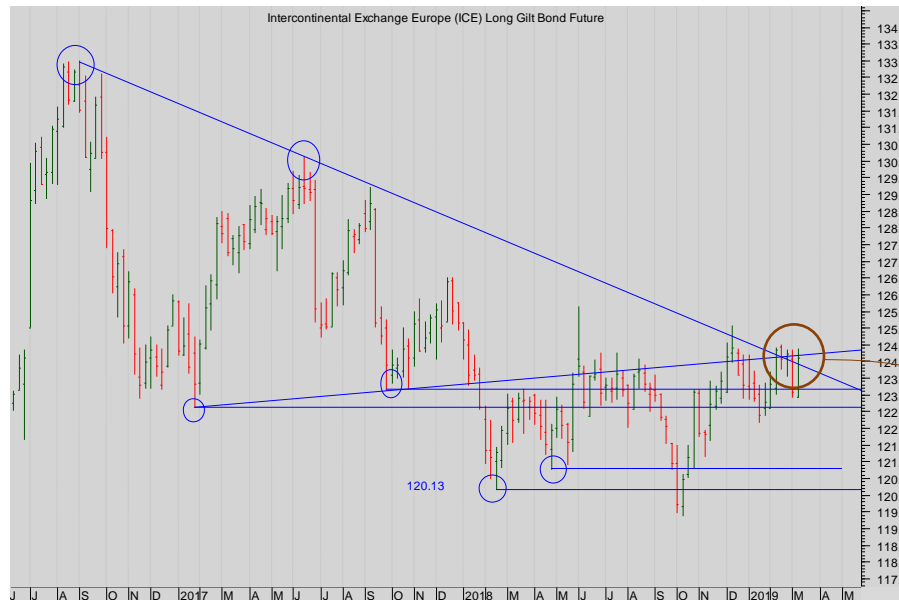


Liffe UK Gilt monthly futures continuation chart

The market is confused.

That falling diagonal has to be broken if the Gilt bulls are to make headway.

Look closer.



Liffe UK Gilt weekly continuation futures Chart

Here's the detail of the test of that resistance

The bulls need to push up through the combined resistance from the two diagonals.

No sign of a break.





Bonds: Liffe UK Gilt futures



Long Gilt daily Mar 19 chart

The Multiple failure at 124.45 have now set up a trading range and **watch for a break - watch 124.45 closely.**

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:

We are changing our stance – the short-term breakdown in the Oil looks set to be –reinforced in the medium and longer-term. We are bearish in all time frames. Gold is short-term bearish but otherwise ranging.

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...

But the market is in a very long-term range defined by 75 and 40 on the downside.

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

The completion of this bear rising wedge – may have created another.... Shorter-term one.

Look closer.



Nymex oil daily Jun 19 futures

And it has broken.

The market in bearish in the medium and short-term..



Summary

Currencies

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

Stocks

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

Bonds

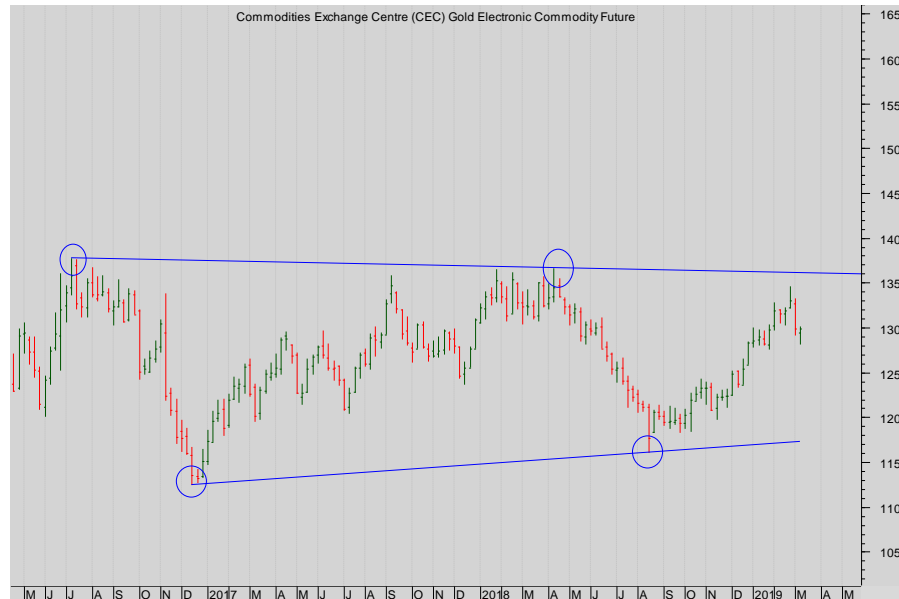
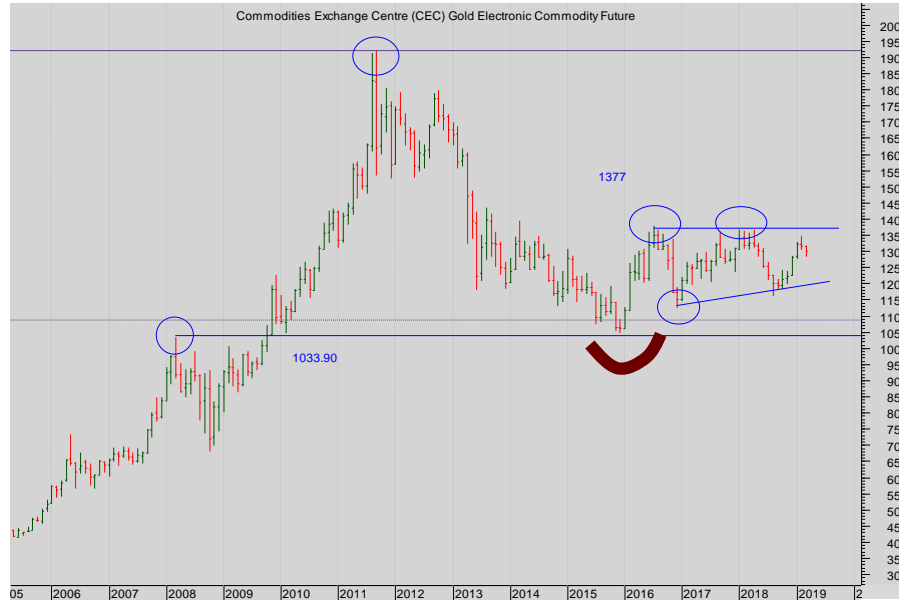
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold Monthly

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 is close to completion ...

Nymex Gold weekly

The detail of the price action within the trading range....



Summary

Currencies

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

Stocks

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

Bonds

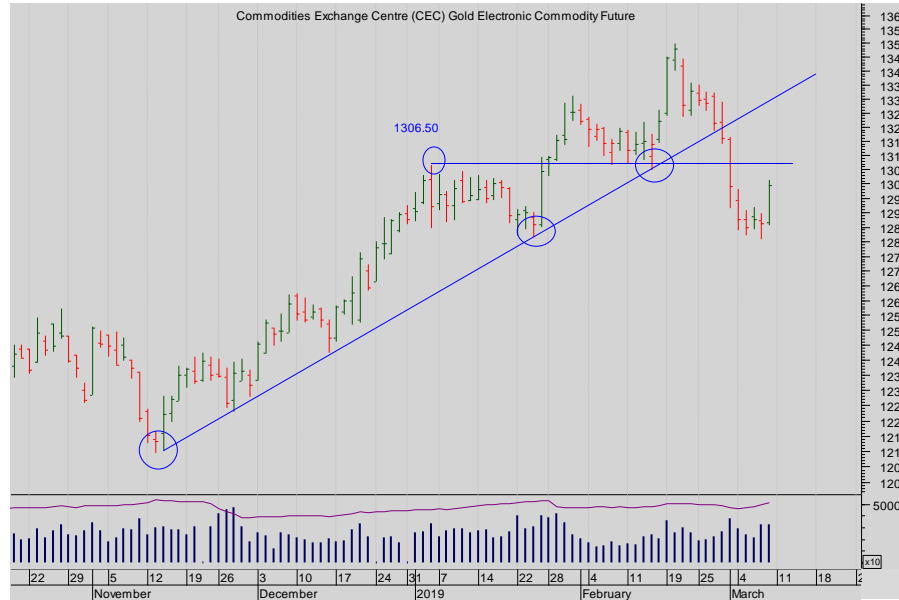
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



iShares physical Gold ETC Daily (in Sterling)

But note well this clear breakdown through both the horizontal and diagonal supports...

Short-term, **the bears are in charge.**



Summary

Summary

Currencies

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

Stocks

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

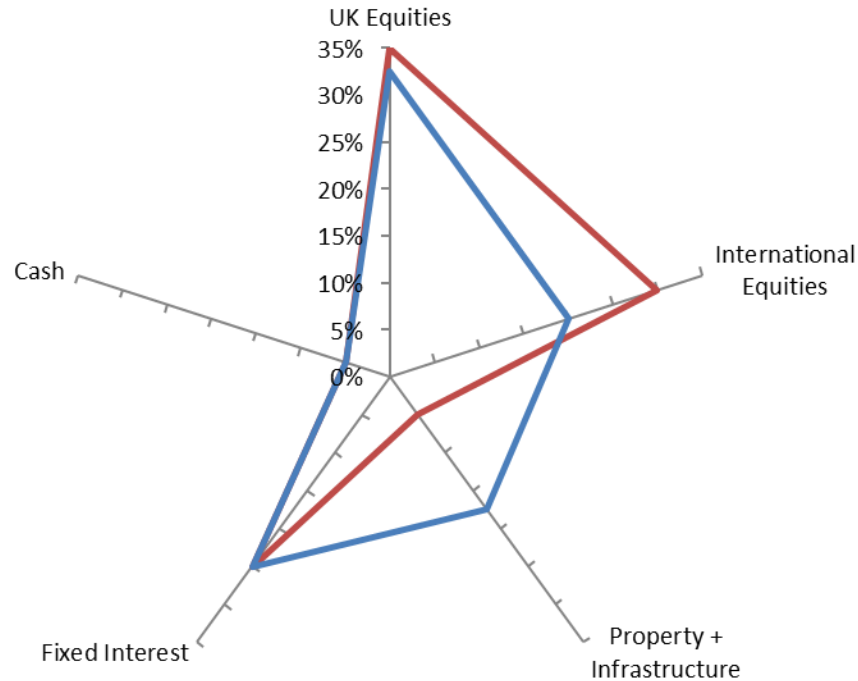
Bonds

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

Commodities

- + Oil
- + Gold

Seven Days Ahead Balanced Risk Asset Allocation MSCI Balance Risk Asset Allocation



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](#)