



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 30th April 2019

Mark Sturdy

Disclaimer

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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 **BEAR** Euro

Medium-term **BEAR** Euro

Medium-term FLAT Sterling

Medium-term FLAT Yen

Medium-term **BEAR** Euro

Short-term **BEAR** Euro

Short-term **BEAR** Sterling

Short-term **BEAR** Yen

Short-term FLAT Euro

Stocks

- + S&P 500
- + EuroStoxx 50
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Long-term **BULL**

Long-term **BULL**

Long-term **BULL**

Long-term **BULL**

Medium-term FLAT

Medium-term **BULL**

Medium-term **BULL**

Medium-term FLAT

Short-term **BULL**

Short-term **BULL**

Short-term FLAT

Short-term **BULL**

Bonds

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

Long-term **BULL**

Long-term **BULL**

Long-term **BULL**

Medium-term **BULL**

Medium-term **BULL**

Medium-term **BULL**

Short-term FLAT

Short-term FLAT

Short-term **BEAR**

Commodities

- + Oil
- + Gold

Long-term **BULL**

Long-term FLAT

Medium-term FLAT

Medium-term FLAT

Short-term **BEAR**

Short-term **BEAR**

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More



Currencies: Dollar Euro

CURRENCIES:

The Dollar is emphatically a buy at these levels against the Euro. Stay flat in Cable nad Yen although there is scope for a bull Dollar breakout closeby.

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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.**

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

More



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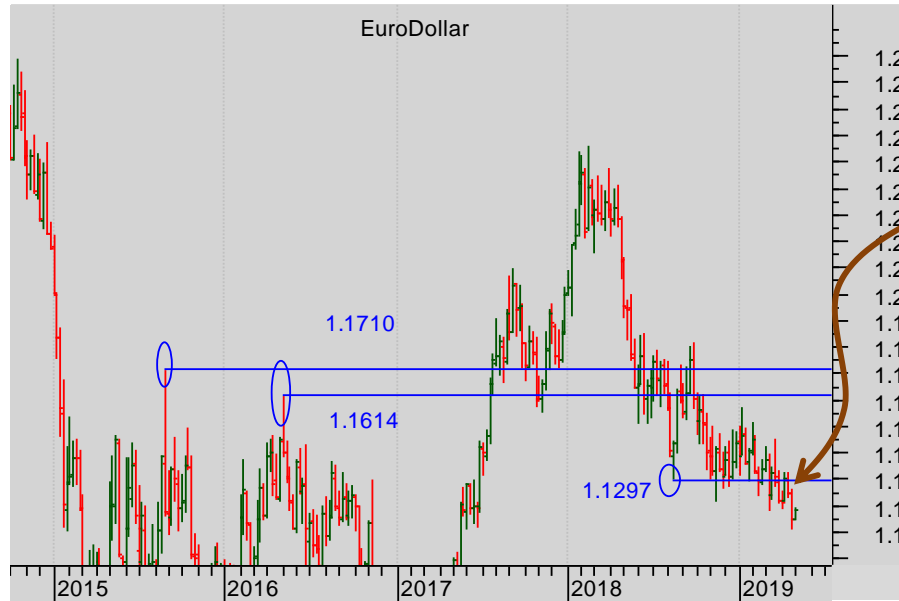
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Commodities

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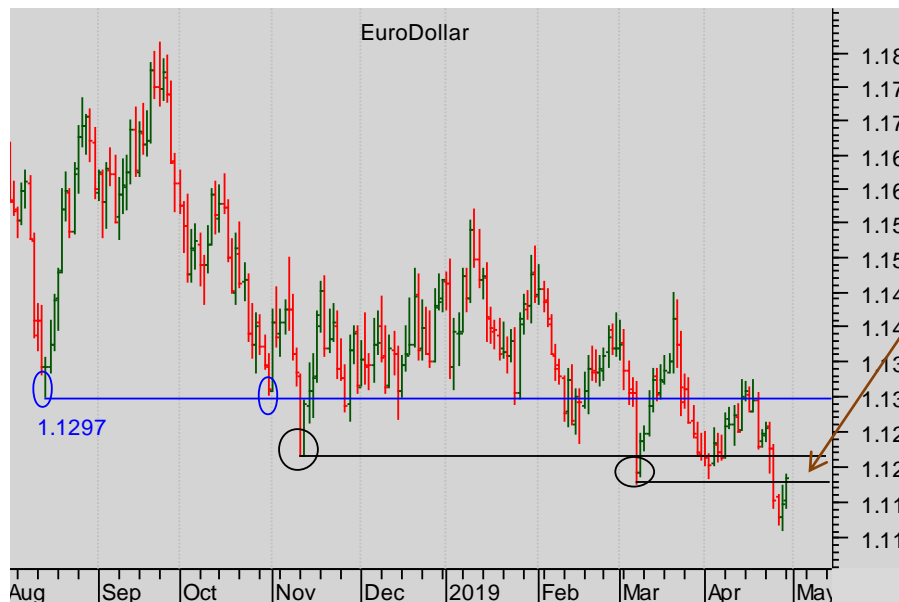
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Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

Note the push beneath 1.1297 trying to begin the next leg down (strengthening Dollar) the last weekly close **confirming the break.**



Dollar Euro spot cash chart daily chart...

There are a succession of Prior lows above the market that will be good resistance on any attempted bounce.



Currencies: Dollar Sterling

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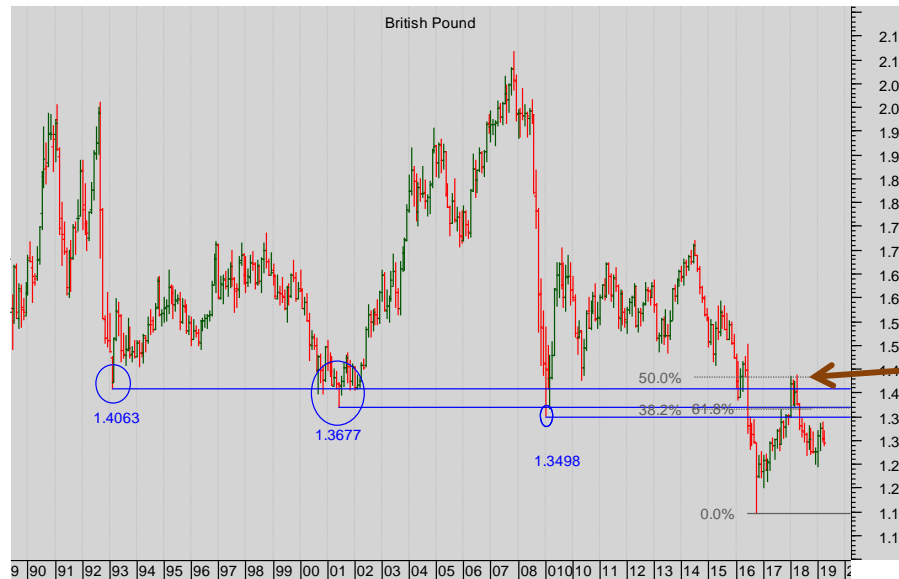
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- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Dollar Sterling Monthly spot cash chart

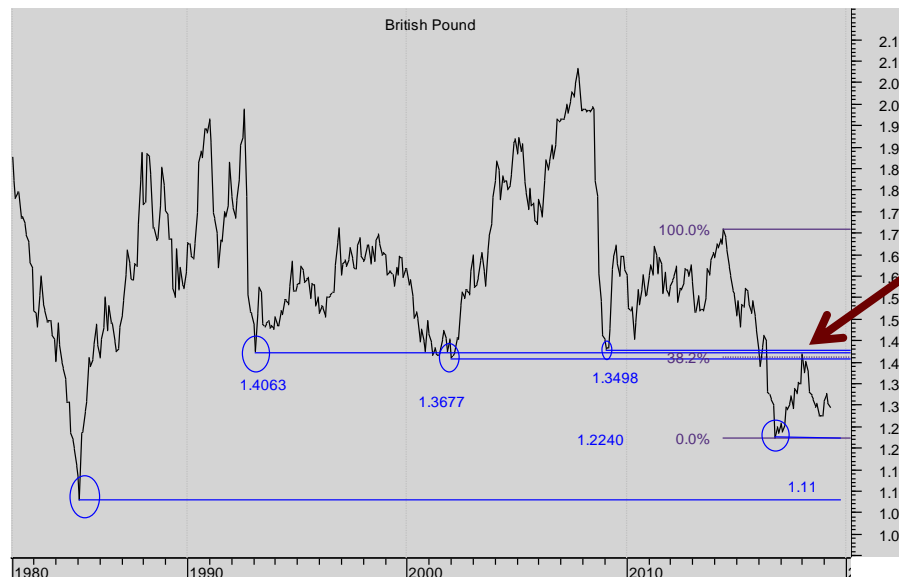


All the Prior Pivotal lows of 1993, 2001, 2008 and 2016 have acted as good resistance. A massive Multiple Top has formed.

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



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Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

The range since August 2018 is **intact**.



Dollar Sterling daily spot cash chart

Wait for a confirmed and convincing 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 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



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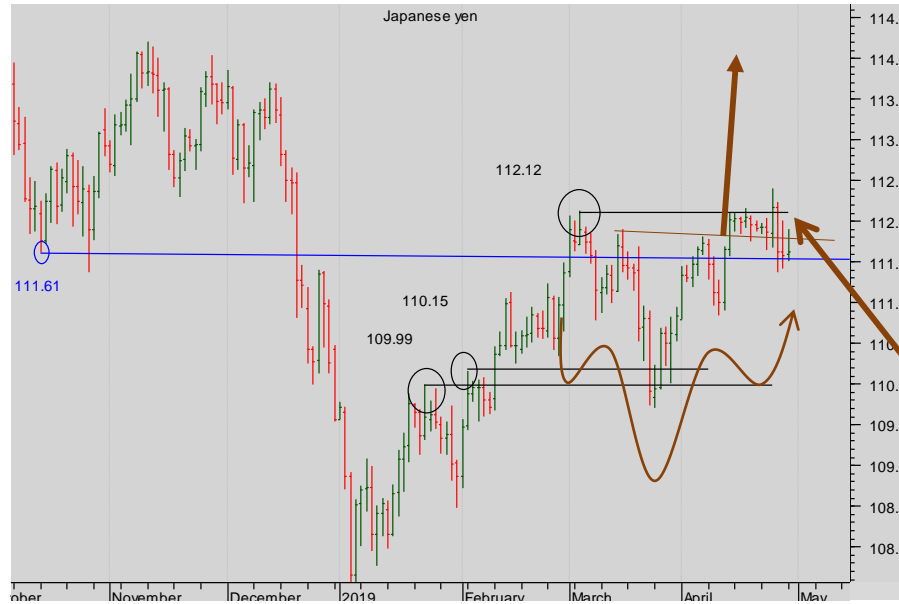
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Since the beginning of 2019, the Yen has been weaker than the Dollar, but the dollar is strengthening.

Is that a completed continuation H&S pattern?

Wait for a confirming breakup through the 112.12 Prior High.



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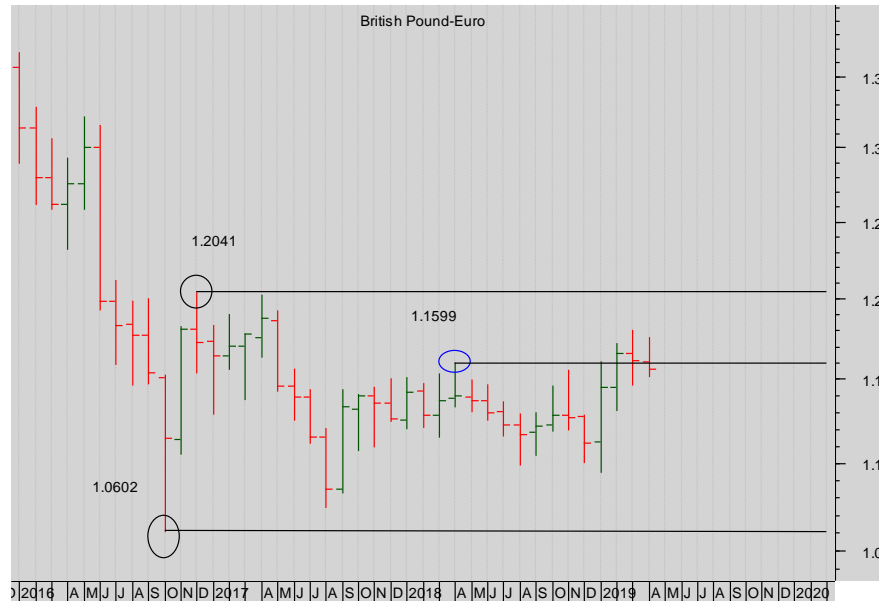
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Commodities

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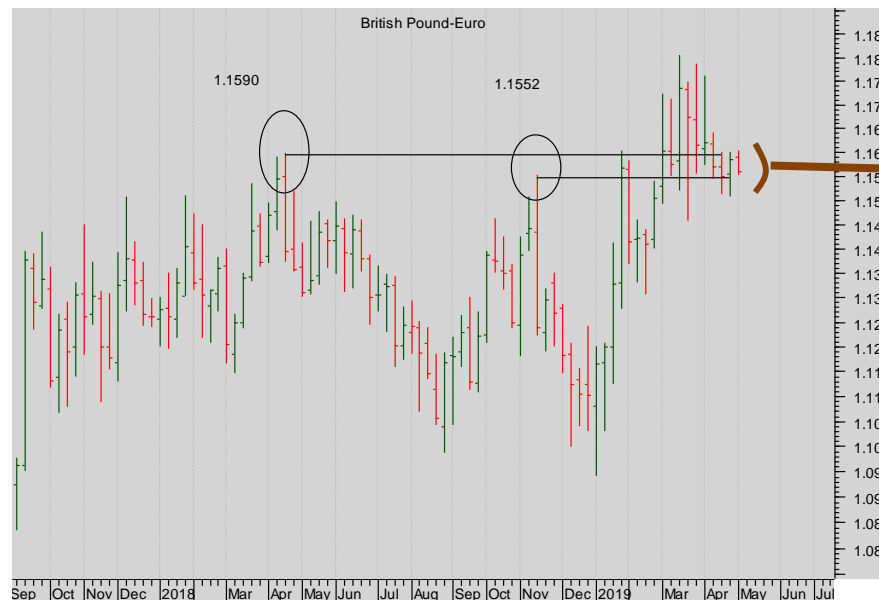
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Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

Is this a break up - will the Prior High at 1.1599 provide good support for another push higher?



Sterling Euro weekly spot cash chart

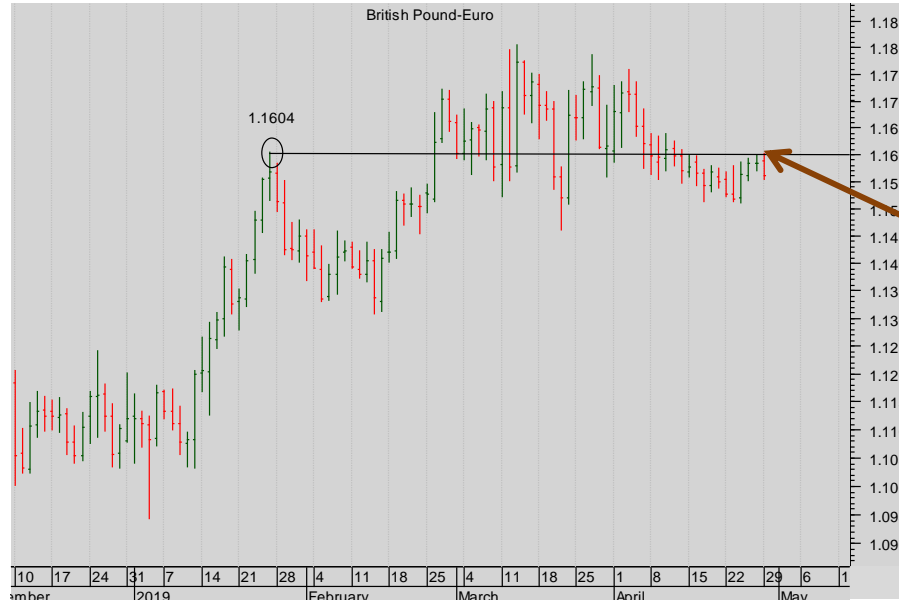
This detail is a bit clearer: the band 1.5552-1.1590 is the critical support.

And so far it's holding...

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

It's volatile and ranging....

Stand back short-term.
Sterling bull need a clear break
back above the 1.1604 level.

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Stocks

STOCKS:

We think the S&P is vulnerable at this level – the Prior High – and are flat despite the lack of short-term weakness. Note the weakness in the FTSE and the Nikkei. The Eurostoxx remains the one unambiguous bull market in all time periods.

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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 lay some way beneath the market at 2118 – a horizontal from a Prior High back in 2015

Look closer.

More



Stocks: CME S&P 500

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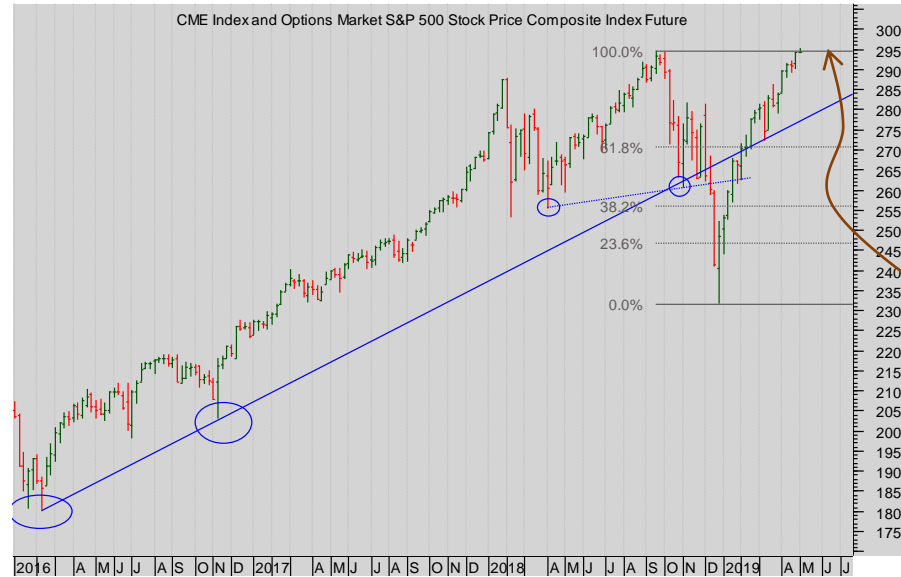
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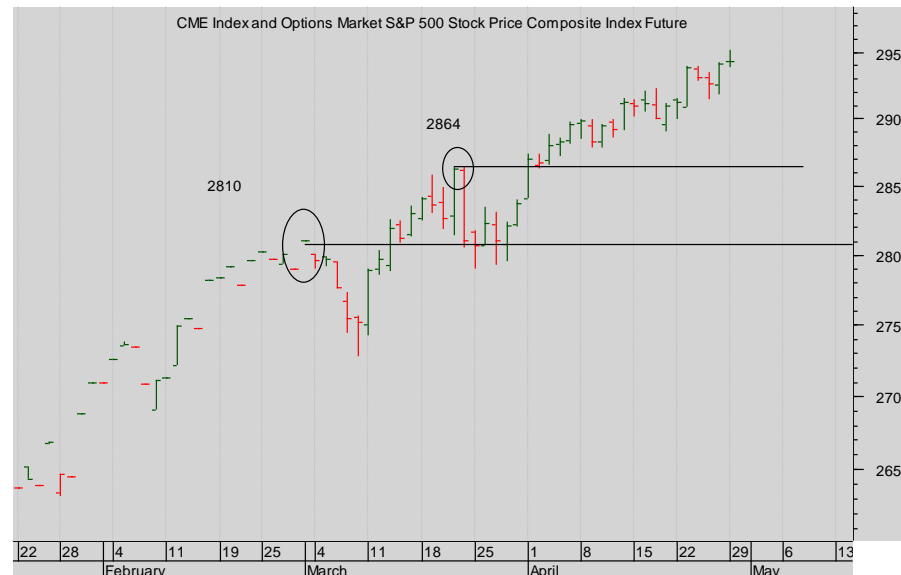
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CME S&P 500 cont. weekly cont. chart

We have long argued that this rally is not a retracement. Now the test of the bull intention of the market is its ability to break up through the Prior High.

Stand back and wait for a break



CME S&P 500 daily Jun 2019 chart

NO weakness yet apparent. The bulls remain in charge.

More



Stocks: Eurex EuroStoxx 50

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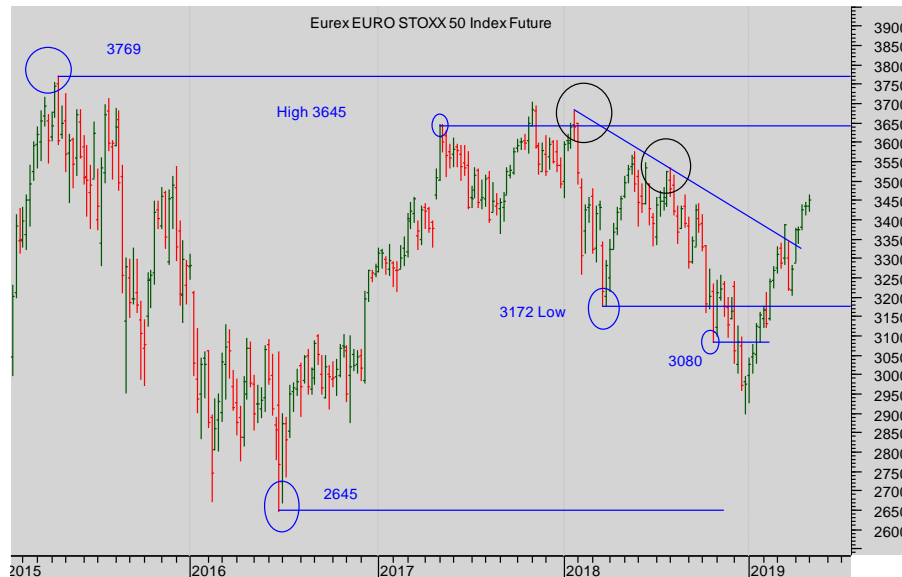
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Eurex EuroStoxx 50 monthly continuation futures chart

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

But the break up through the resistance at the Prior Low of 3172, was 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**.

But note: the break up through the falling diagonal – it was an emphatic break signalling strength..

More



Stocks: Eurex EuroStoxx 50

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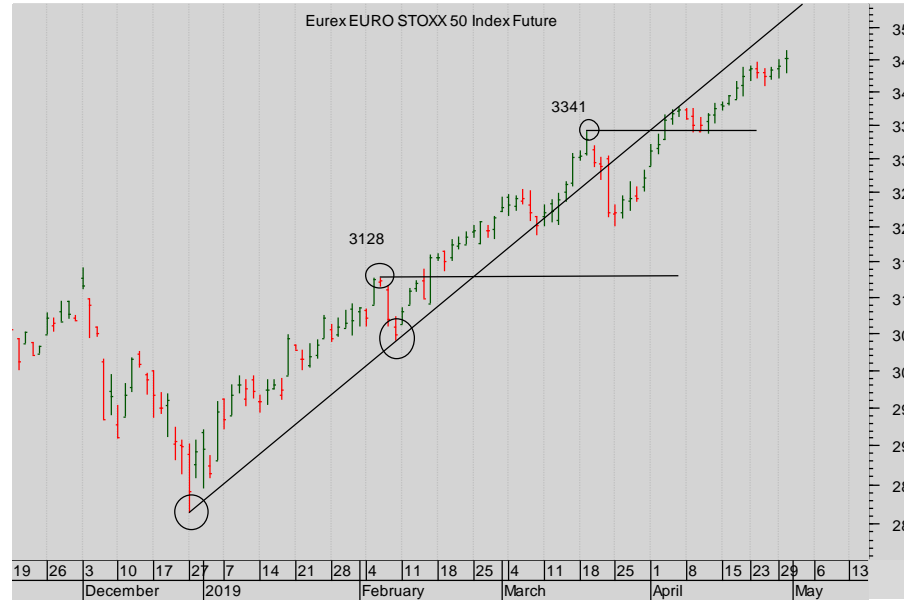
Bonds

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- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Jun 19 futures chart

Short-term, the market has bounced cheerfully and there is no weakness to be found at all.



Stocks: Liffe FTSE 100

Summary

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- + **FTSE 100**
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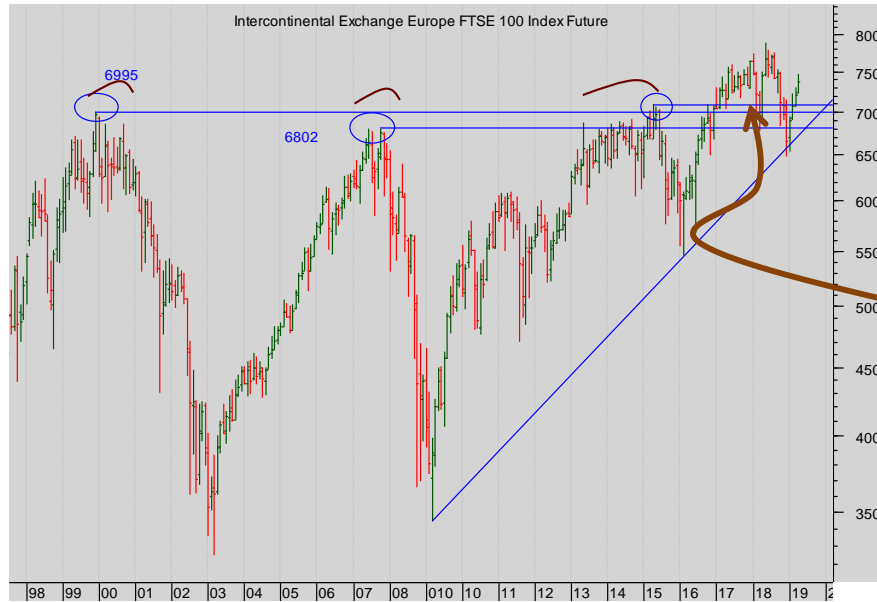
Bonds

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- + Ten Year German Bund
- + UK Gilt

Commodities

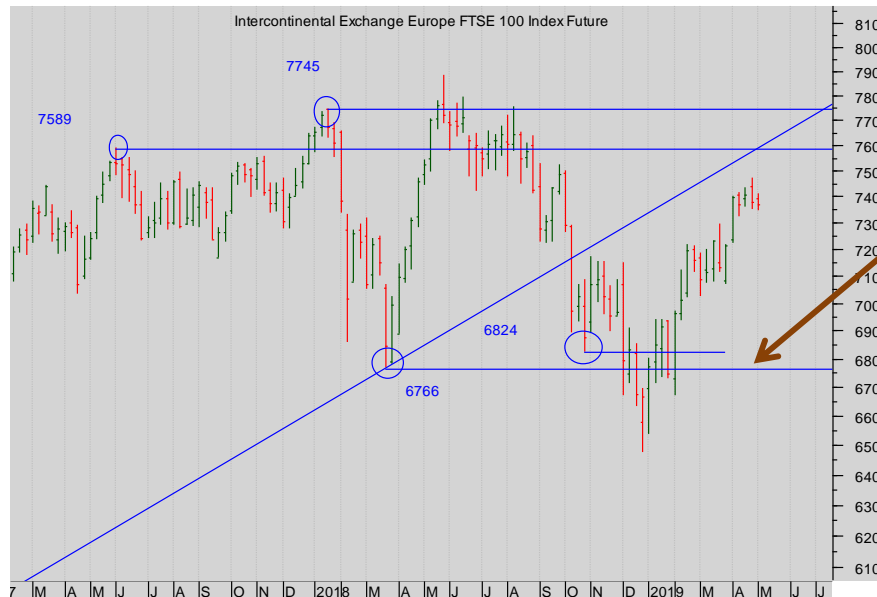
- + Oil
- + Gold

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.

More



Stocks: Liffe FTSE 100

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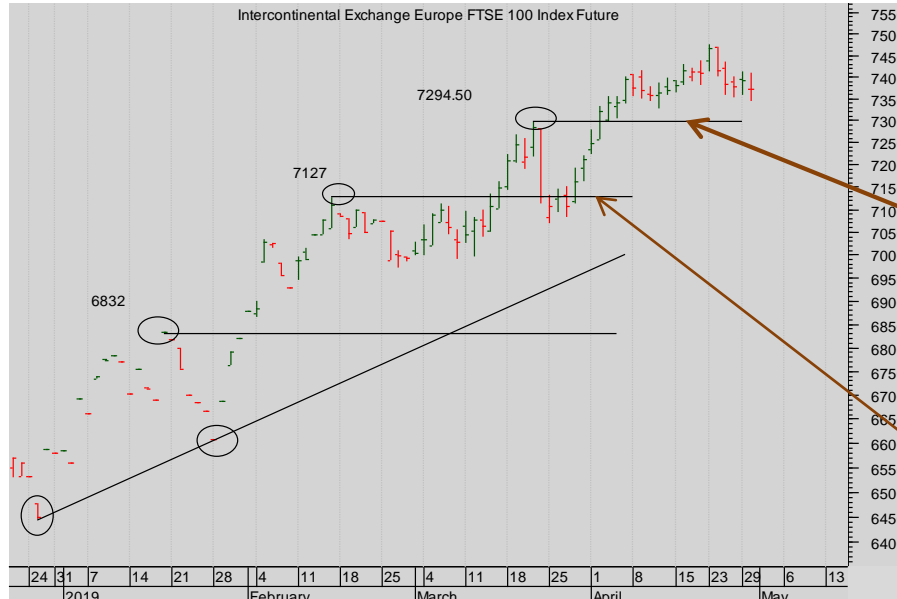
Bonds

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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Mar19 daily futures chart

The break up through the Prior High, if sustained, signals the next short-term bull leg. But note the pause of the last month.

Note the test of the short-term support and the alacrity with which the market has bounced.



Stocks: OSE Nikkei 225

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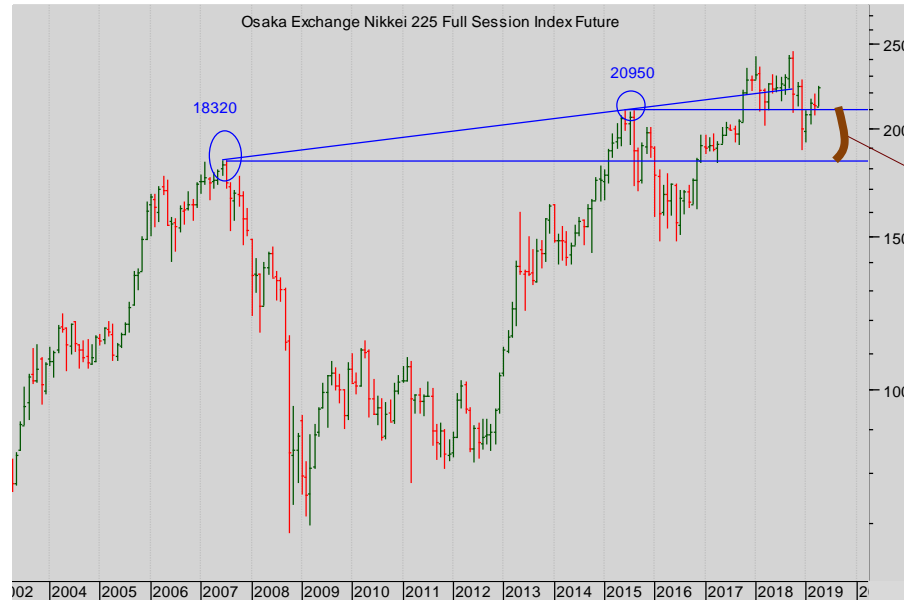
Bonds

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- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

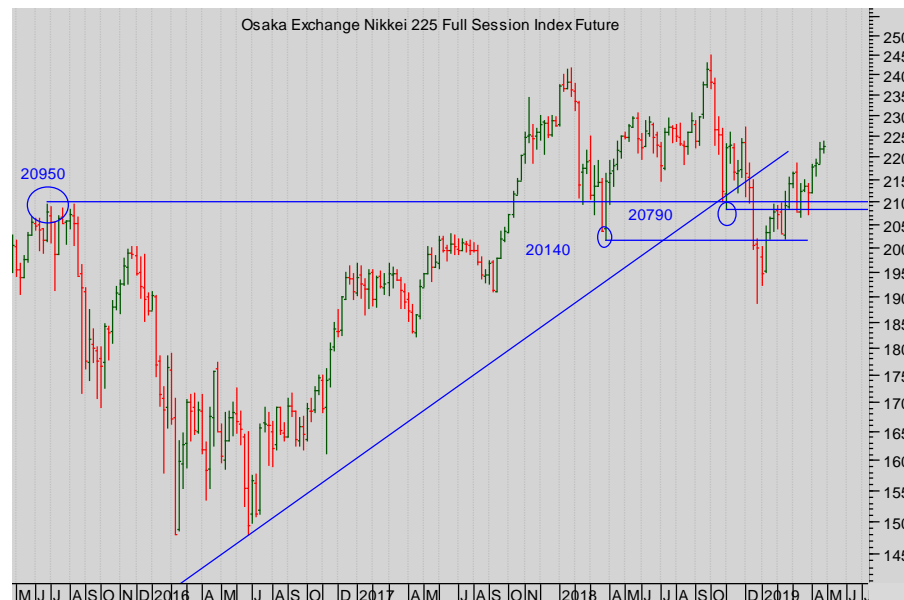
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Nikkei 225 chart (monthly)

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

There's a bounce in progress.



Nikkei 225 chart (WEEKLY)

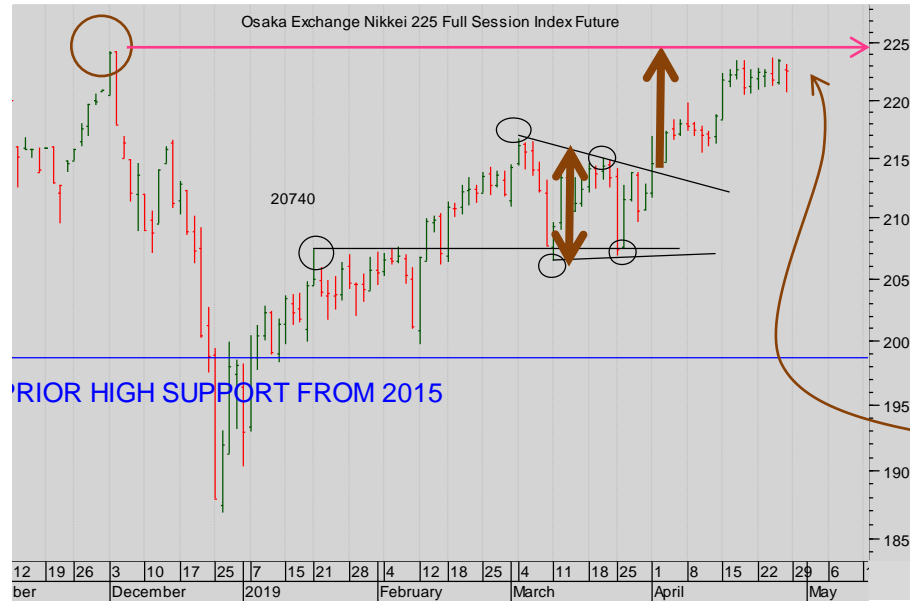
The market is holding above the 21000 level.

It looks like a third attempt at the 2400 Prior highs.

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily JUN 19.

And that looks like the completion of a bull continuation triangle.

Minimum move? 22500

Just about there where the market has paused – at the Prior High from November 2018

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IMPLIED ASSET ALLOCATION



Stocks: RELATIVE STRENGTH

Sterling-hedged US and EU

FTSE 100 relative strength v MSCI Europe ex-UK GBP Hedged UCITS ETF GBP (Brown) and Core S&P 500 UCITS ETF Hedged Dis GBP (purple) - NB the underperformance of FTSE relative to both.

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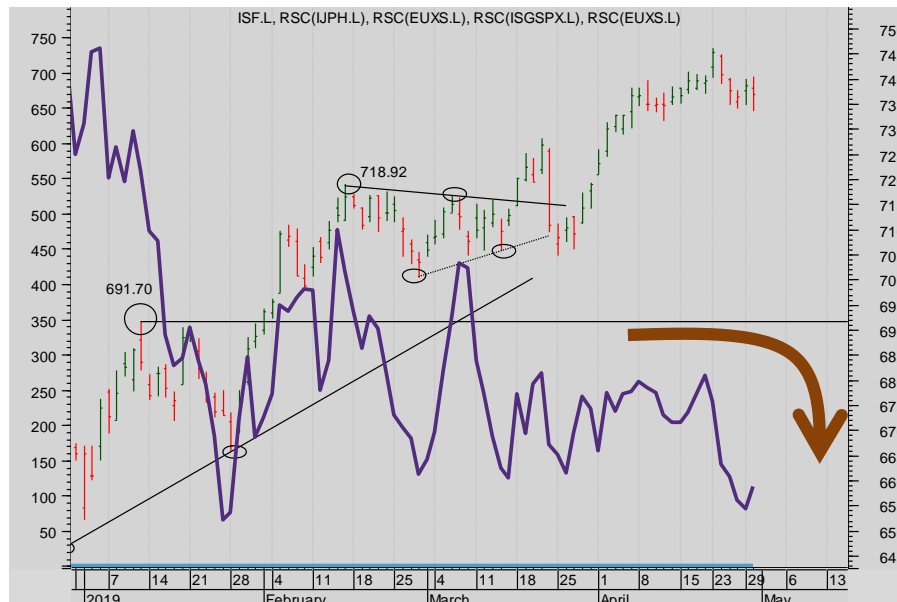
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iShares FTSE Etf. Daily chart.

The UK market has radically underperformed the US market in the last month.



Bonds

BONDS:

Bonds were strong across the board, and remain so in the medium and long term for the US and the German bund. UK Gilts look vulnerable and hit hardest - though even there the medium term may have some underpinning.

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Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The recent two-month rally has driven through the diagonal and the horizontal bands of resistance.

A massive statement of strength.

Look closer.

More



Bonds: CBOT Ten Year Notes

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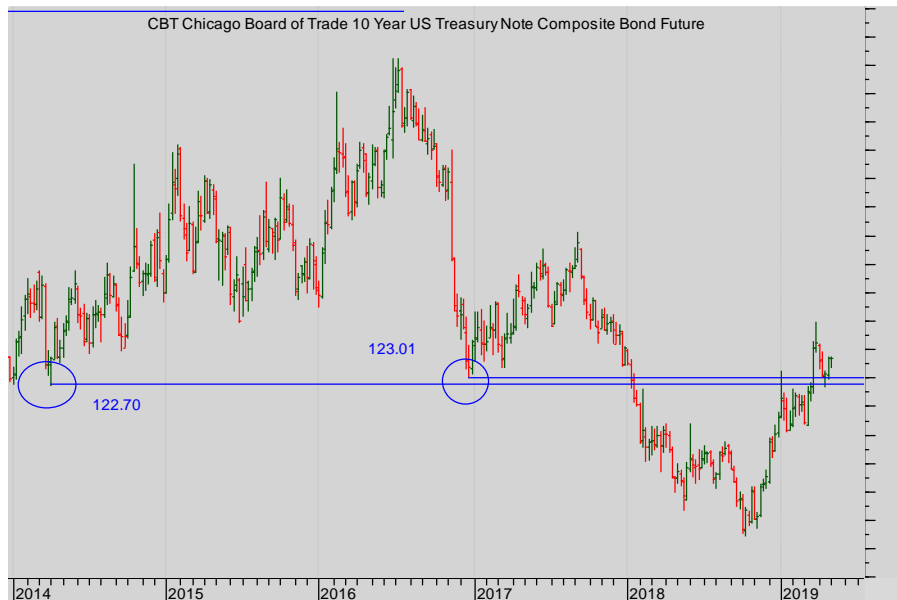
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IMPLIED ASSET ALLOCATION



CBOT Ten Year Notes weekly futures continuation chart

This looks even more impressive.

The break up through the band of resistance from the prior Lows is hugely impressive.

But there has been a pause and drift for several months...



CBOT Ten Year Notes daily Jun 19 futures chart

And close inspection of the detail of that 2019 price action suggests that a bull continuation Triangle has been completed.

Minimum target? About 124.50. ACHIEVED.

The subsequent sell-off breaking short-term supports, does not yet negate the breakouts in the medium and long-term charts.

More



Bonds: Eurex Ten Year Bund

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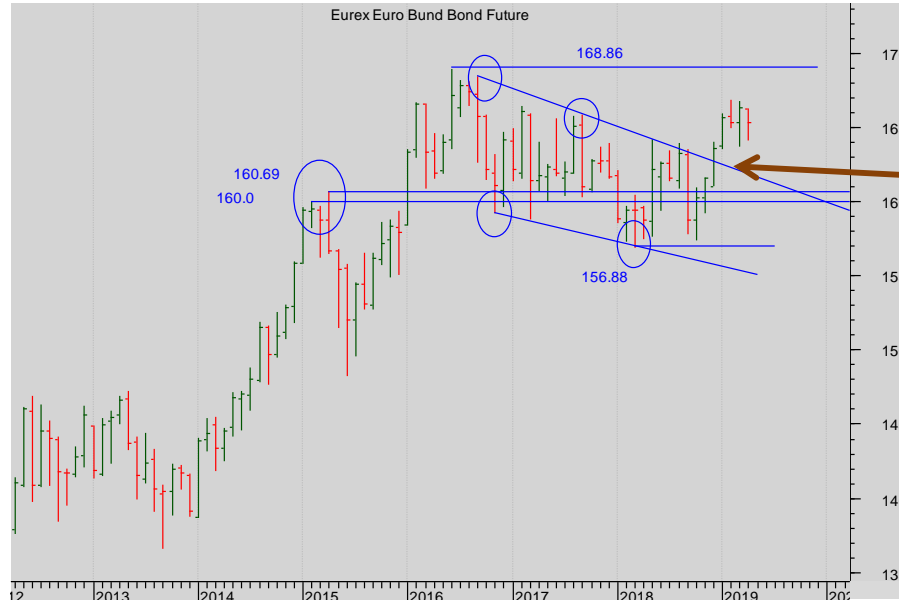
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IMPLIED ASSET ALLOCATION



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 is holding and strong.

Now a possible bull continuation Triangle is forming....

Watch carefully for a break through the upper diagonal.

More



Bonds: Eurex Ten Year Bund

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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund March 2019 Daily futures chart

Support from the 164.25 High is critical to maintain short-term bull momentum.

So it has proved.



Bonds: Liffe UK Gilt futures

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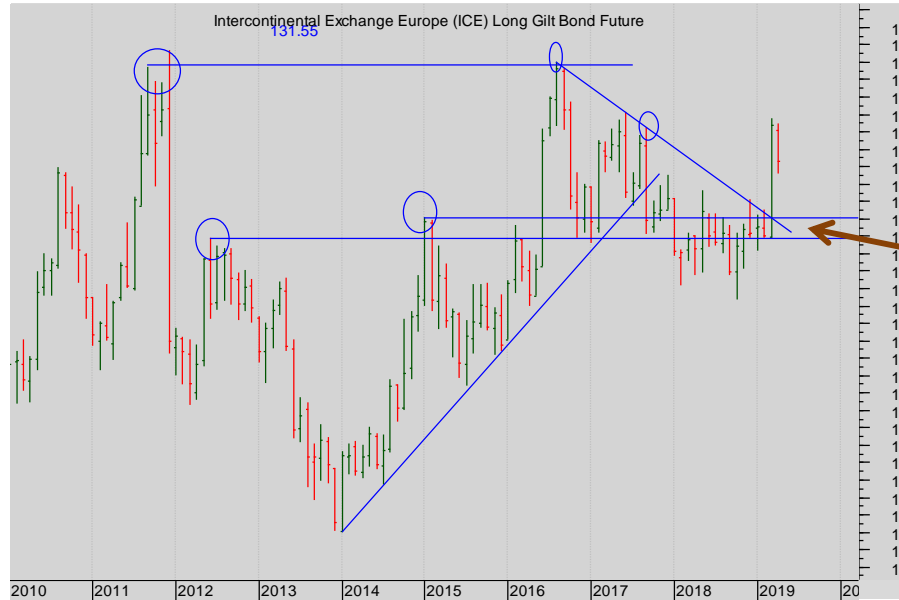
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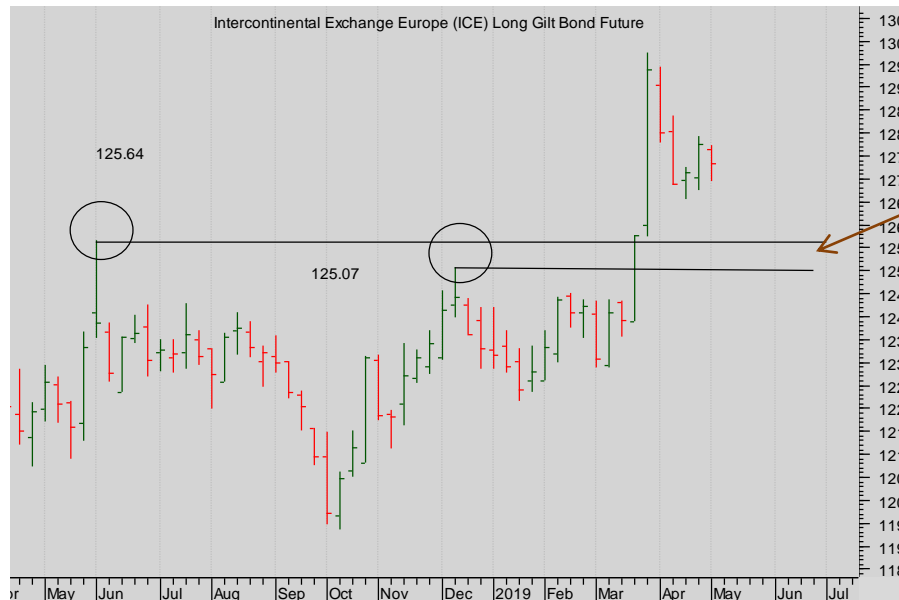
- + Oil
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Liffe UK Gilt monthly futures continuation chart

The break up through the falling diagonal and the horizontal resistances has been impressive.



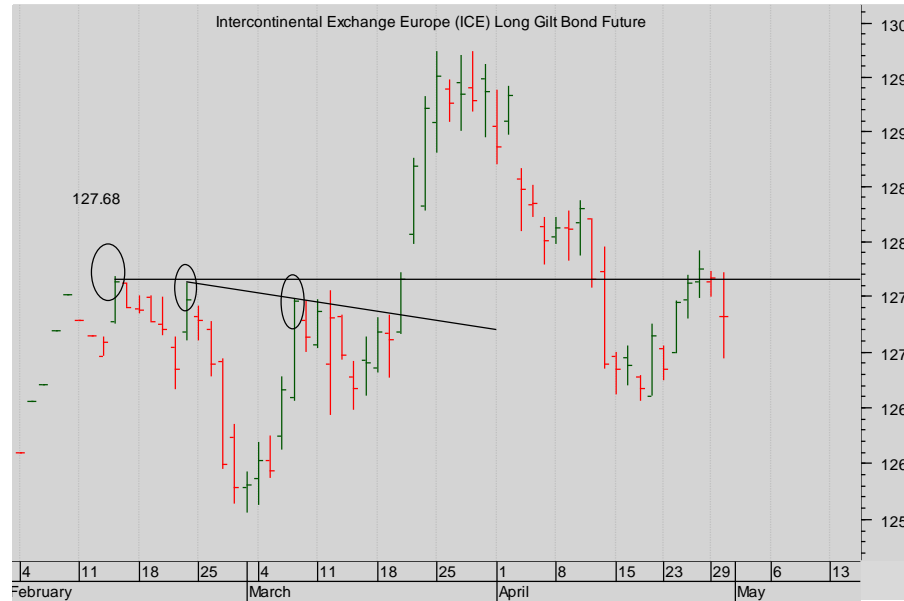
Liffe UK Gilt weekly continuation futures Chart

Watch for support from the Prior Highs on the drift.





Bonds: Liffe UK Gilt futures



Long Gilt daily Mar 19 chart

But this does look **rather weak**.

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IMPLIED ASSET ALLOCATION



Commodity

COMMODITIES:

Oil's rally has found Prior High resistance (and Fibonacci) resistance at current levels. Gold is featureless within a wide long-term range... but short-term looks vulnerable to selling beneath powerful resistance.

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Commodities: Nymex WTI Oil



Nymex oil monthly continuation

The rally from 35.94 support failed at the resistance from the low at 75.35.

Then a confusion arose ... look closer.

More



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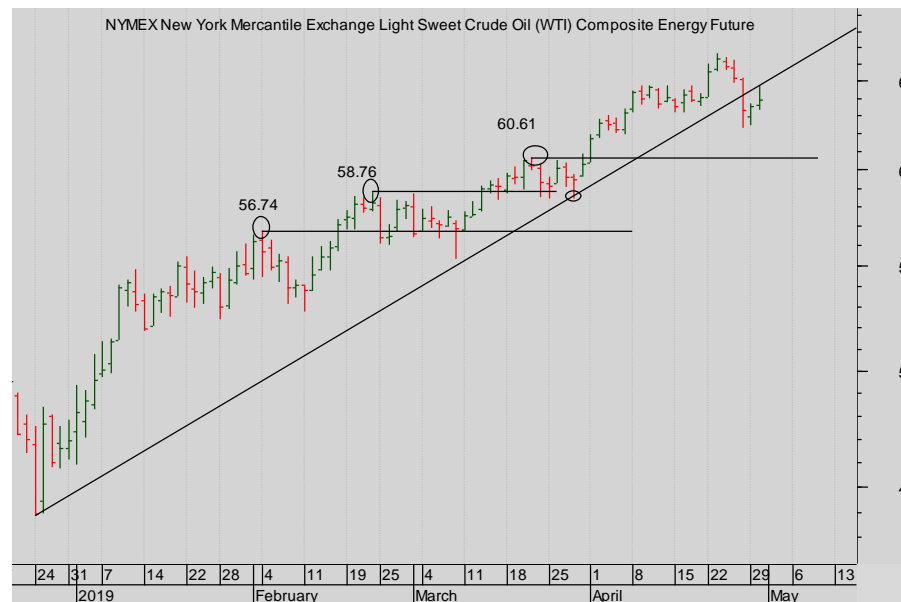
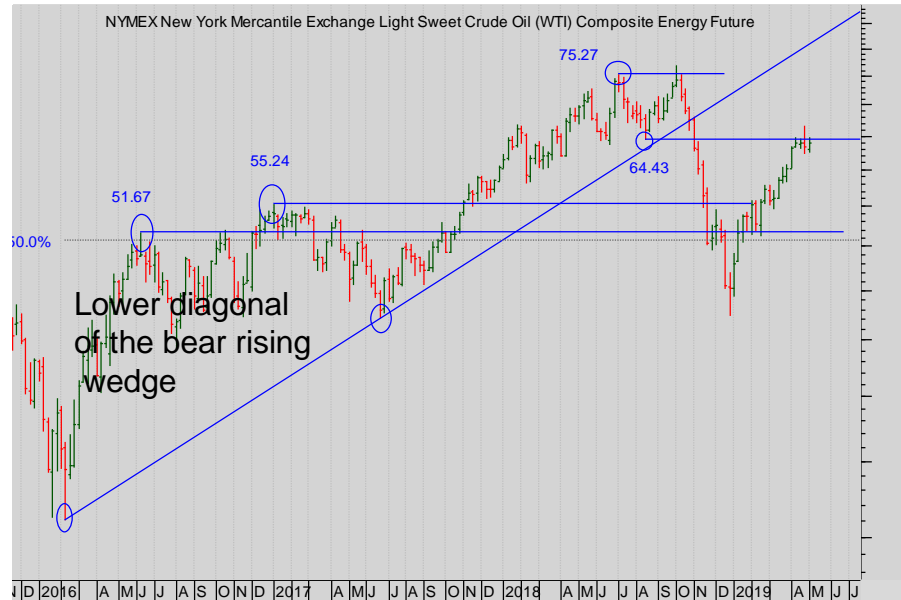
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Commodities

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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil weekly continuation

The breakdown and then bounce in 2019 has little structure.

Watch the Prior Low Resistance and the Fibonacci resistance at 64\$

Nymex oil daily Jun 19 futures

Some slight uncertainty has entered the short-term market with the break of the diagonal ...



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

Stocks

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

Bonds

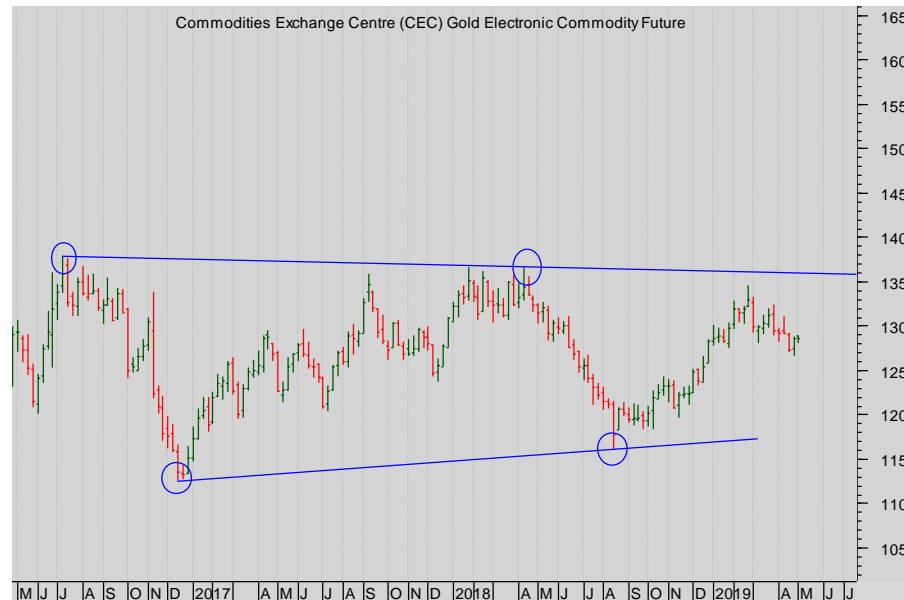
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

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 ...possible

Nymex Gold weekly

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



Commodities: Comex Gold

Summary

Currencies

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- + Dollar Yen
- + Sterling Euro

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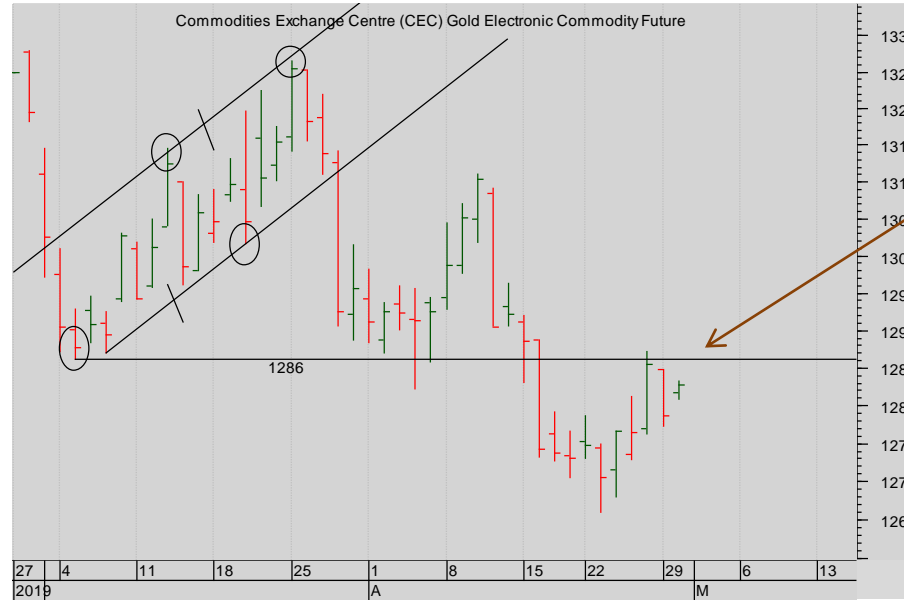
Bonds

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- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nymex Gold Daily

Watch for resistance from the Prior lows at 1286.....and a further breakdown...



Summary

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v

MSCI Balanced Risk Asset Allocation



More



the technical analyst

AWARDS 2012

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