



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

SUMMARY

POSITIONS

- + Bund
- + US TNote
- +
- +
- +



Multi-asset trade and investment recommendation

15th May 2019

John Lewis

Mark Sturdy 07849922573

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12th March 2019 Long Jun Bunds @ 164.53. Stop @ 162.99

22nd March BUY US TNotes @ 123-30 STOP @ 121.49 .



(1) TECHNICAL: 12th March 2019 Long Jun Bunds @ 164.53. Stop @ 162.99

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Monthly continuation chart.

This bull flag remains terrifically exciting.

Cautious bulls need the break up to close through the All Time High of 168.86 to give them confidence.

Incidentally, classically, Flag continuation patterns appear halfway in a bull move.

That suggests very much higher.

Weekly Dec16 Chart



This medium-term chart shows the thrilling bull momentum unleashed by a break and close above the upper diagonal of the Triangle at 166.60.

Today the market is trading at 167.08.

A close on Friday at current levels would confirm the break....

If so the minimum move implied is up as far as 169.50 or so....





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Daily Chart Dec 16 chart

The day chart is compelling too, note the H&S continuation Triangle set to drive the market up through the Prior High at 166.75.

Minimum move for that pattern? 167.70

The bulls are in charge.



(2) FUNDAMENTAL : 12th March 2019 Long Jun Bunds @ 164.53. Stop @ 162.99

The fading optimism of a US/China trade deal last week, has seen both Trump and China increase trade tariffs and Trump threaten to go further, additionally he threatens to hit EU/German car exports to the US.

Looking ahead the key data releases are German and Euro zone Q1 GDP reports, but we judge the deteriorating international trading environment will prove the main dynamic here, meaning this market can rally further.

In summary we remain bullish, so hold the trade.

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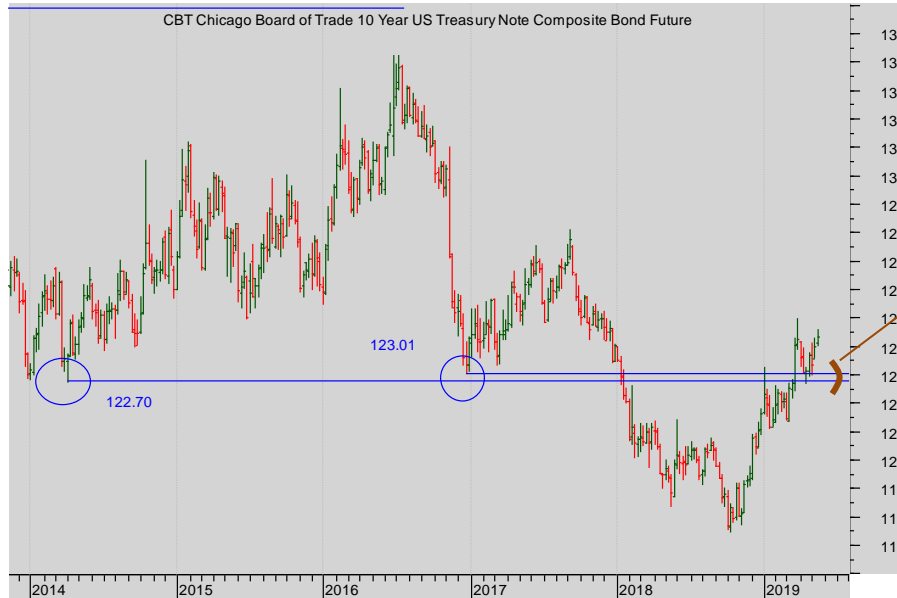


(1) TECHNICAL 22nd March BUY US TNotes @ 123-30 STOP @ 121.49 .

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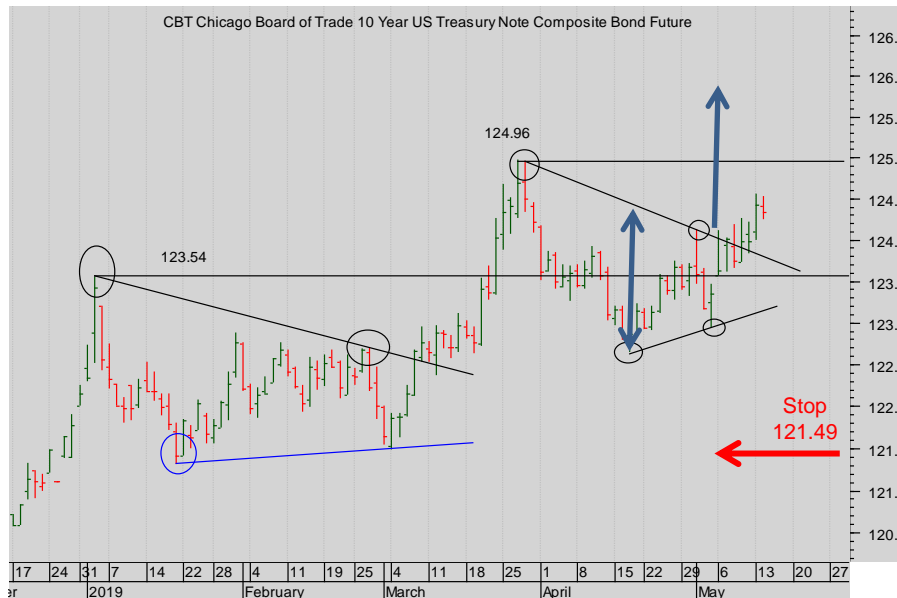
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Monthly Chart :

The market has overcome the massive resistance from the Prior Lows at 123, and bounced sharply from the recent sell-off...



Daily Chart :

The market has completed a bull continuation Triangle – set to drive it higher **as far as 126 or so....**

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(1) FUNDAMENTAL: 22nd March BUY US TNotes @ 123-30 STOP @ 121.49 .

Last week's key releases; PPI and CPI, fell short of consensus, backing up the Fed's recent decision to keep policy on hold. Additionally Trump hiked tariffs on Chinese imports from 10% to 25% as talks are yet to produce a trade deal ad he threatens to go further.

Looking ahead retail sales and industrial production are due, but we judge the souring tone of the US/China trade talks will continue dominate. The Chinese economy is feeling the pain, but there is also a downside risk to US economic growth.

We remain bullish of this market and advise holding the trade.

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+ TNote

+

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Authorised and Regulated by the FCA
124 REGENTS PARK ROAD LONDON NW18XL
TEL +44 (0) 7849 922573 E-MAIL msturdy@sevendaysahead.com,
jlouis@sevendaysahead.com
WEB SITE SEVENDAYS Ahead.COM

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