



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 18th June 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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Currencies

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Long-term **BEAR** Euro
Long-term **BEAR** Sterling
Long-term **BEAR** Yen
Long-term FLAT Euro

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

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

Stocks

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

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

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

Bonds

- + Ten Year US TNote
- + Ten Year German Bund
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Long-term **BULL**
Long-term **BULL**
Long-term **BULL**

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

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

Commodities

- + Oil
- + Gold

Long-term FLAT
Long-term FLAT

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

Short-term FLAT
Short-term FLAT

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The weakening Dollar didn't last long - the move has been reversed sharply. But the critical level of Sterling is of especial note: a clear and confirmed break beneath 1.26 suggests a new bear leg. The Dollar Yen is dull with the slow appreciation of the Yen. Sterling Euro is stuck till within a clear trading range.

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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



Currencies: Dollar Euro

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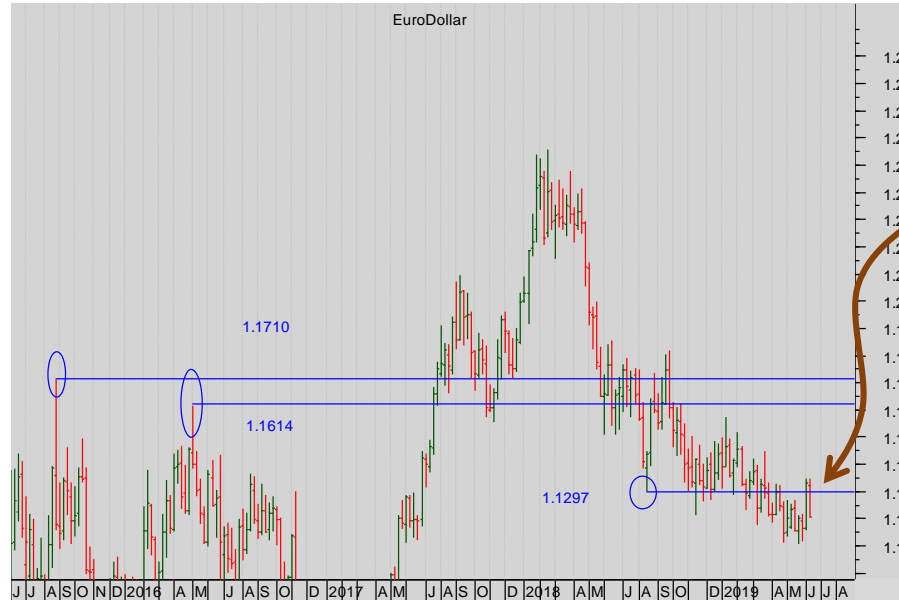
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IMPLIED ASSET ALLOCATION

Dollar Euro weekly spot cash chart



Note the attempted break back above 1.1297 – not sustained which emboldens the Dollar bulls.

Dollar Euro spot cash chart daily chart...



The rally attempted to break the falling diagonal

There was no follow-through for the bulls...



Currencies: Dollar Sterling

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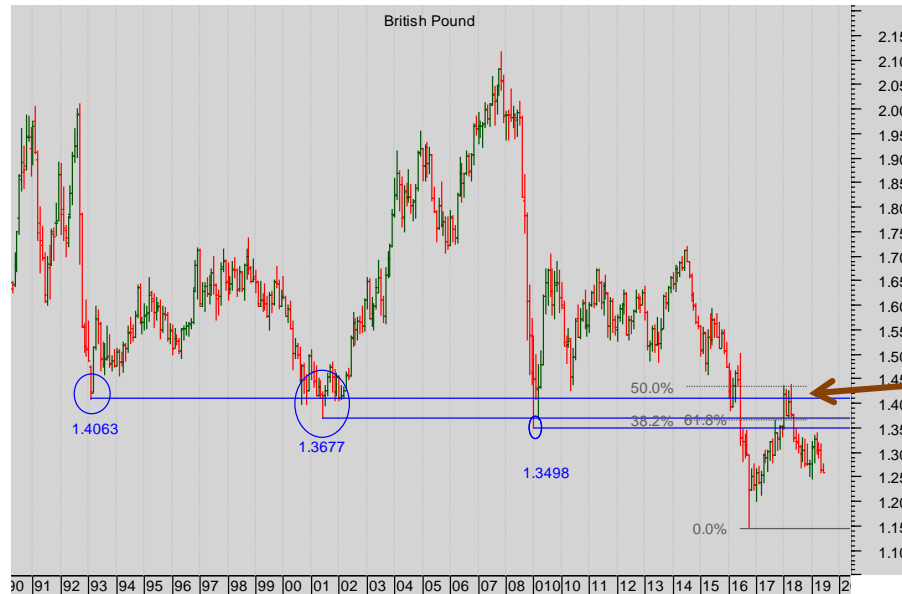
Bonds

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IMPLIED ASSET ALLOCATION

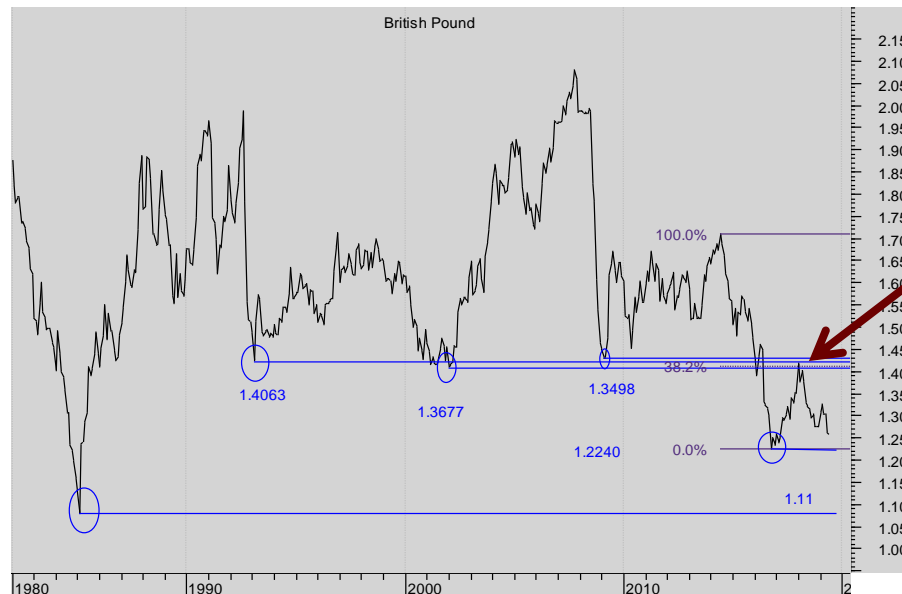


Dollar Sterling Monthly spot cash chart

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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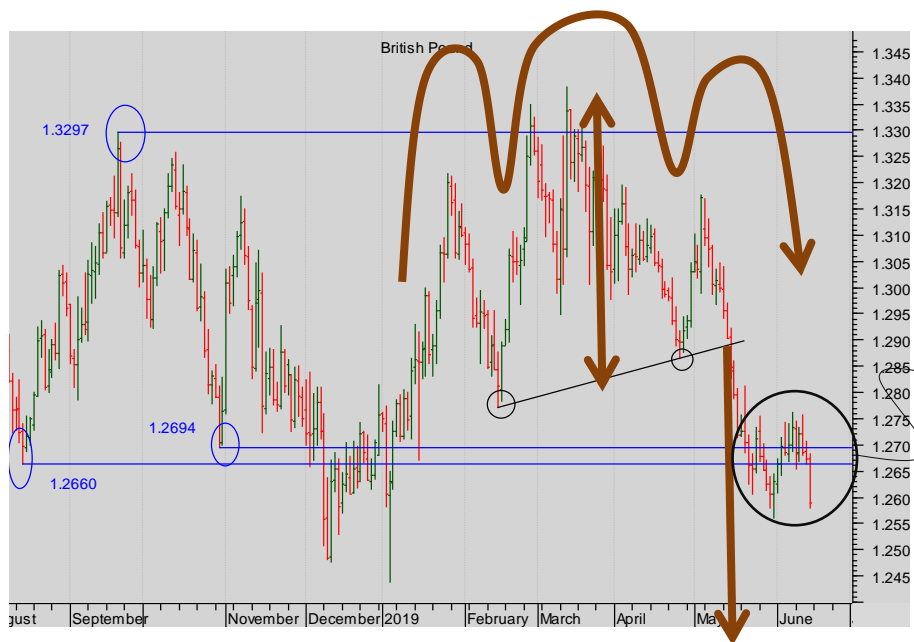
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

The range since August 2018 is intact.

Watch and wait for any breakthrough that lower boundary ...



Dollar Sterling daily spot cash chart

But here's the internal dynamic within the range: a completed H&S top – whose minimum move is yet lower than current levels...

Note the failed rally of last week....



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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.



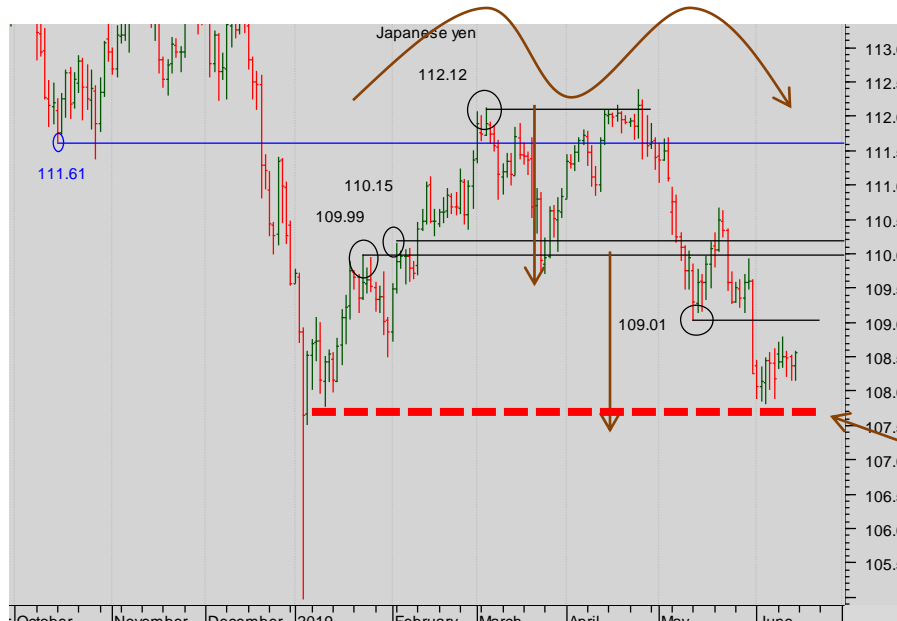
Dollar Yen weekly spot cash chart

Watch the range.

More



Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Surely a completed Double Top? But note that the move of a day ago has found the initial target of the Double Top!

We are no longer so bullish of the Yen.

Watch and wait for a break beneath the Prior Low of January this year.

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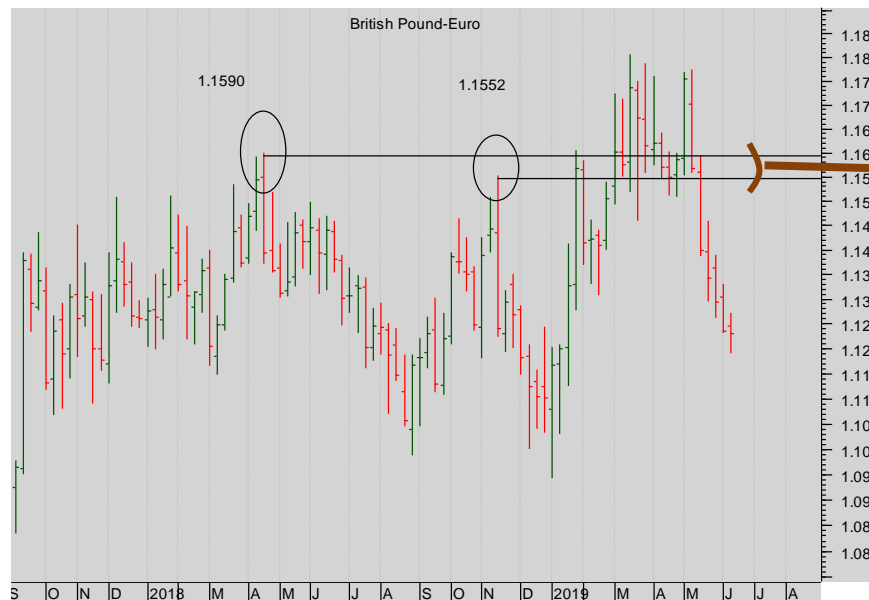
IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

The failed breakout of the Sterling is clear: now the market has fallen back in to the trading range.



Sterling Euro weekly spot cash chart

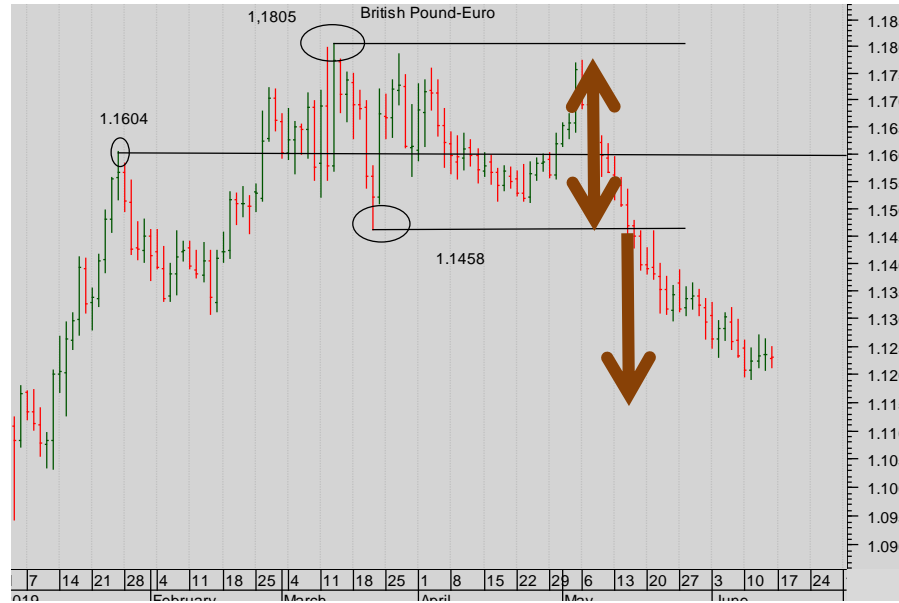
This detail is a bit clearer: the band 1.552-1.1590 is the critical support.

The market has fallen back into the trading range.

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

This short-term top suggests that there may still be some residual bear Sterling momentum.

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IMPLIED ASSET ALLOCATION



Stocks

STOCKS:

The overriding importance of the Double failure of the S&P at 2950 dominates. There has been a strong retracement in all markets but especially the S&P, and that may continue. But everything has to be seen in the context of that double failure. The FTSE is underpinned and like the US- re-approaching the old highs of April. But the outperformance of the UK market has all but disappeared. The Nikkei is rather less spritely.

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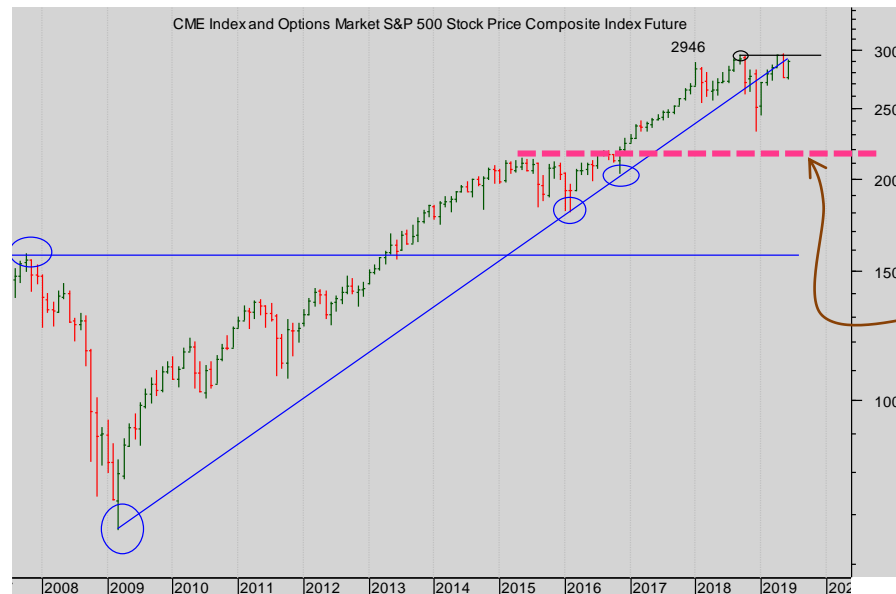
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Commodities

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

Look closer.

More



Stocks: CME S&P 500

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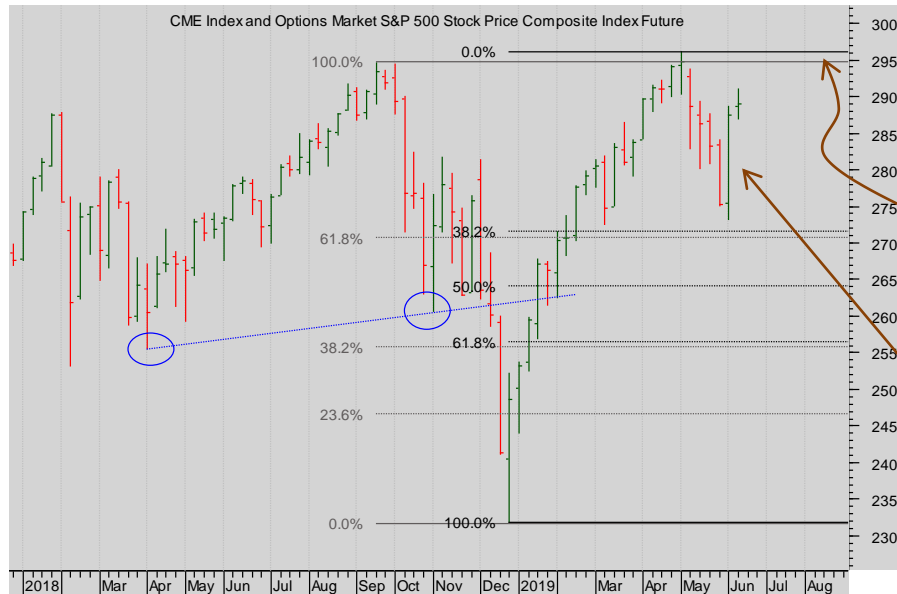
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Commodities

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IMPLIED ASSET ALLOCATION



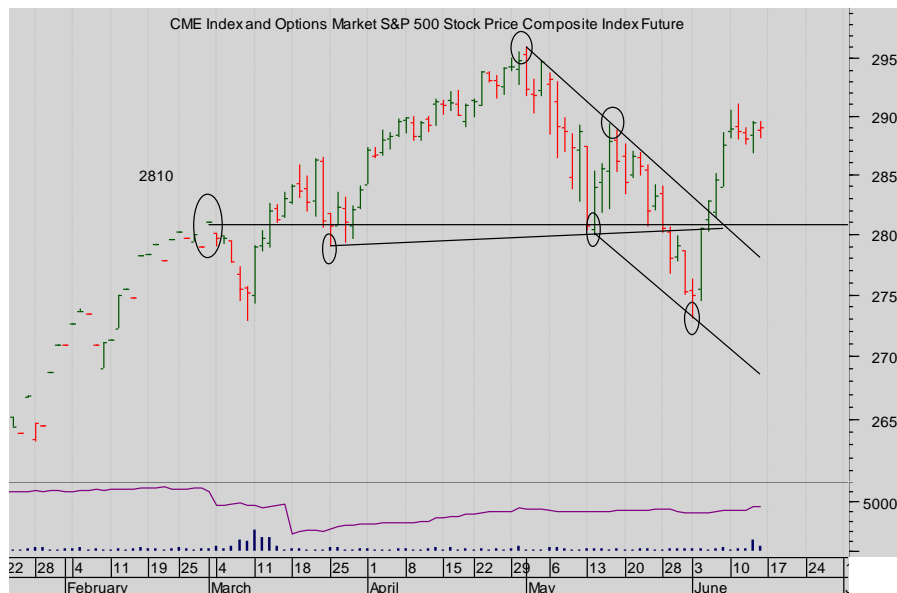
CME S&P 500 cont. weekly cont. chart

The failure exactly at the old high is significant - the test of the bull intention of the market is it's ability to break up through the Prior High.

Stand back.

While the old high remains unbreached, the market is increasingly vulnerable...

Yet... there is now a clear **Bull Key Reversal** in place



CME S&P 500 daily Jun 2019 chart

The H&S top completed and then failed in short-order.

The rally (doubtless short-covering) has completed a bull flag...

More



Stocks: Eurex EuroStoxx 50

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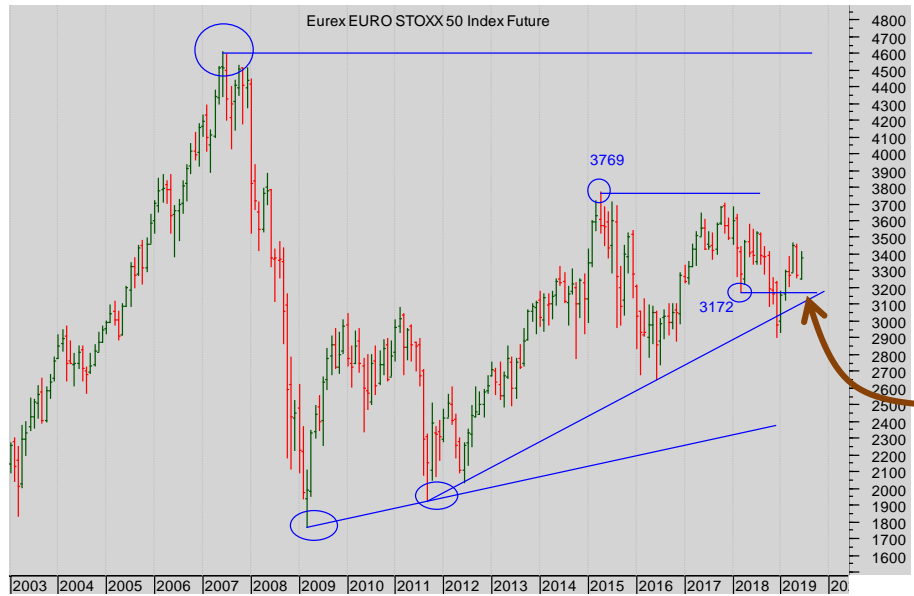
Bonds

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Commodities

- + Oil
- + Gold

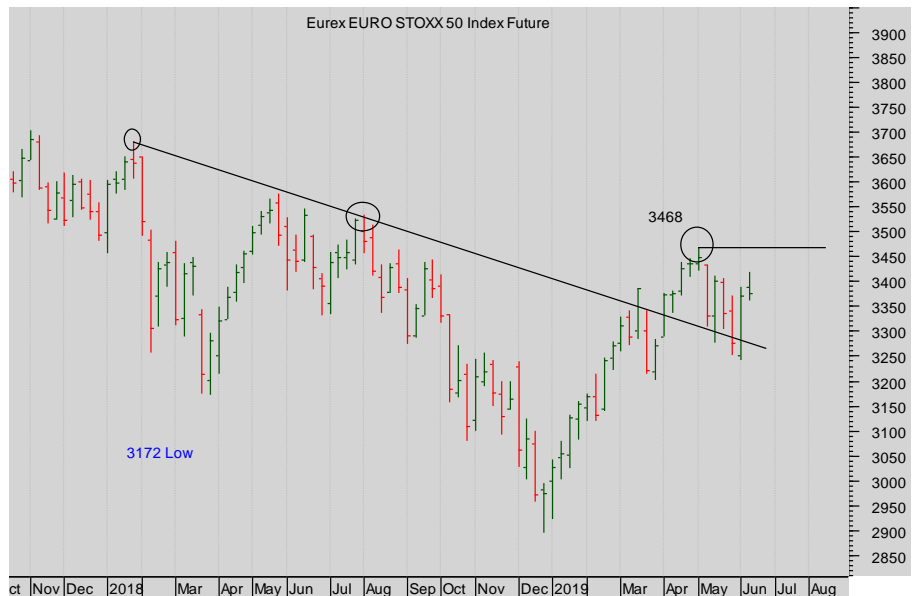
IMPLIED ASSET ALLOCATION



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 resistance at the Prior Low of 3172, was cause for celebration for the bulls.



Eurex EuroStoxx 50 weekly continuation futures chart

The push up through the falling diagonal has found support from it as well...**which looks to have held...**

More



Stocks: Eurex EuroStoxx 50

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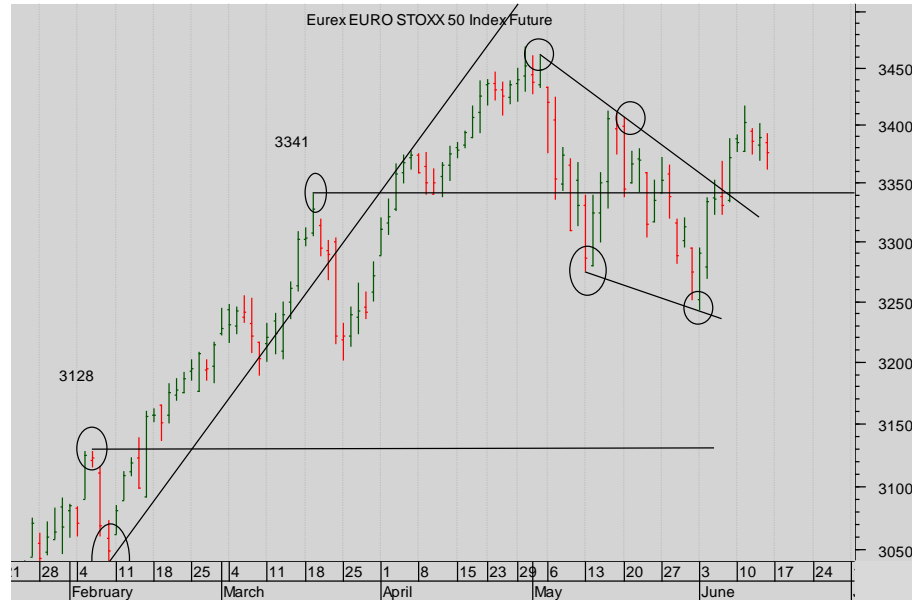
Bonds

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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Jun 19 futures chart

Short-term, the market has completed a bull falling wedge. There's more to come on the upside.



Stocks: Liffe FTSE 100

Summary

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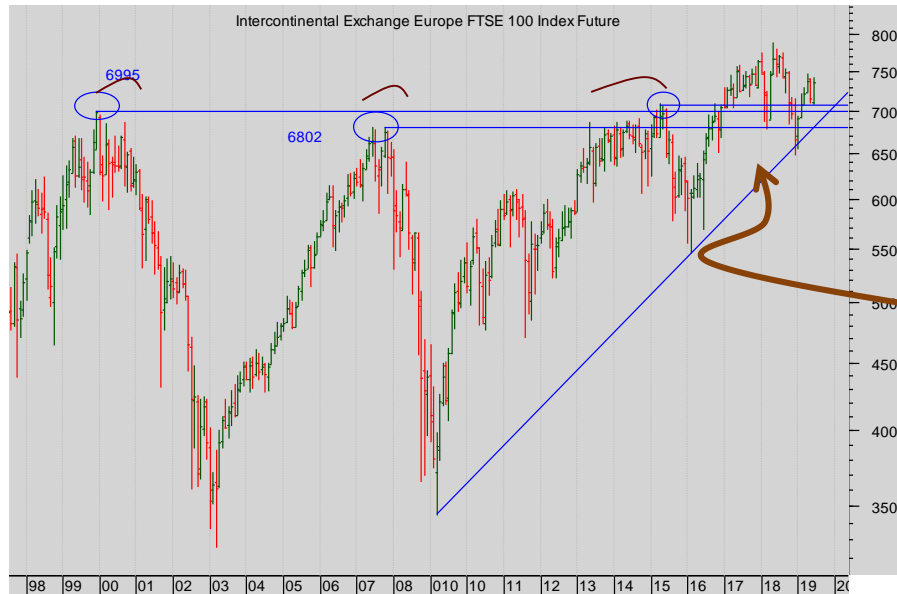
Bonds

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Commodities

- + Oil
- + Gold

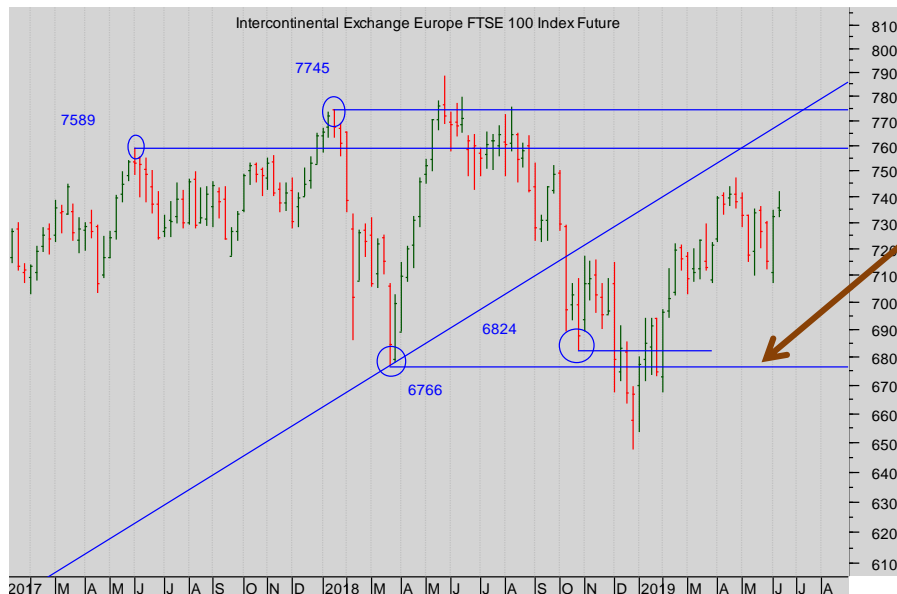
IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Monthly continuation futures chart

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

This should still give enormous confidence to UK investors because of the very long-standing and powerful support still beneath the market.



Liffe FTSE 100 Weekly cont. futures chart

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

Note well the relative solidity of the FTSE while the US has been selling off.

More



Stocks: Liffe FTSE 100

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- + **FTSE 100**
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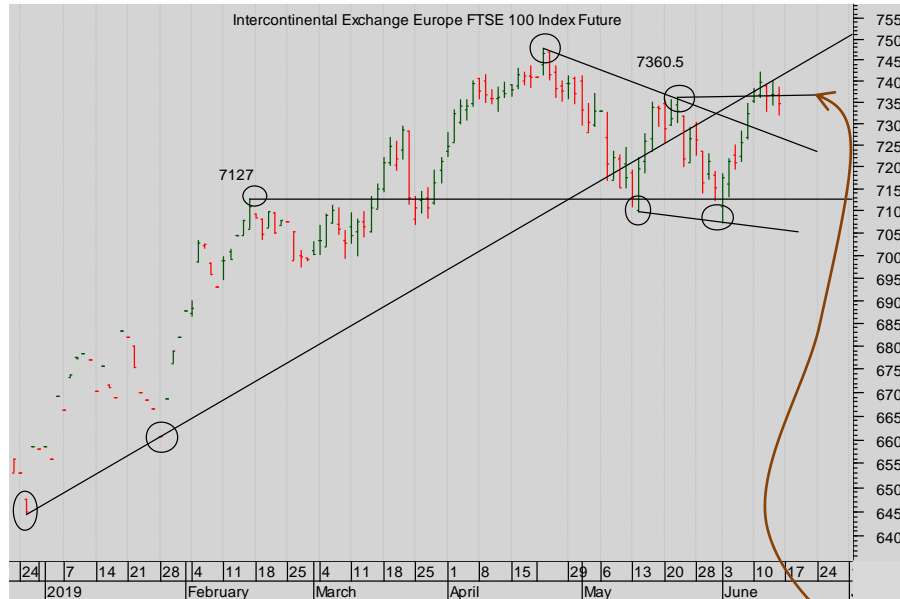
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 JUNE 19 daily futures chart

Note how the 7127 support held.

So too how the market has completed a bull falling wedge to the upside.

But there's a pause at the Prior High of 7360.

Would a push up through there constitute a completed Double Bottom?

Possibly.



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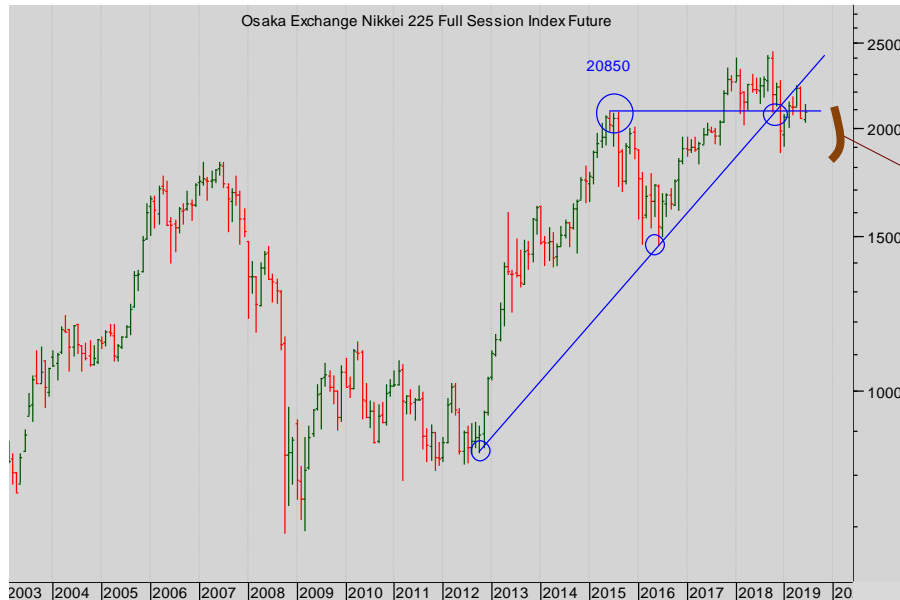
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Commodities

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IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

The market is retesting the support 20850.

And in so doing is that a monthly Key Reversal in the making?

Note too that the rally was ending by the resistance from the long-term diagonal that held firm and reversed the market.



Nikkei 225 chart (WEEKLY)

The detail of that failure beneath the diagonal.

The rally up against has paused.

Stand back.

More



Stocks: OSE Nikkei 225

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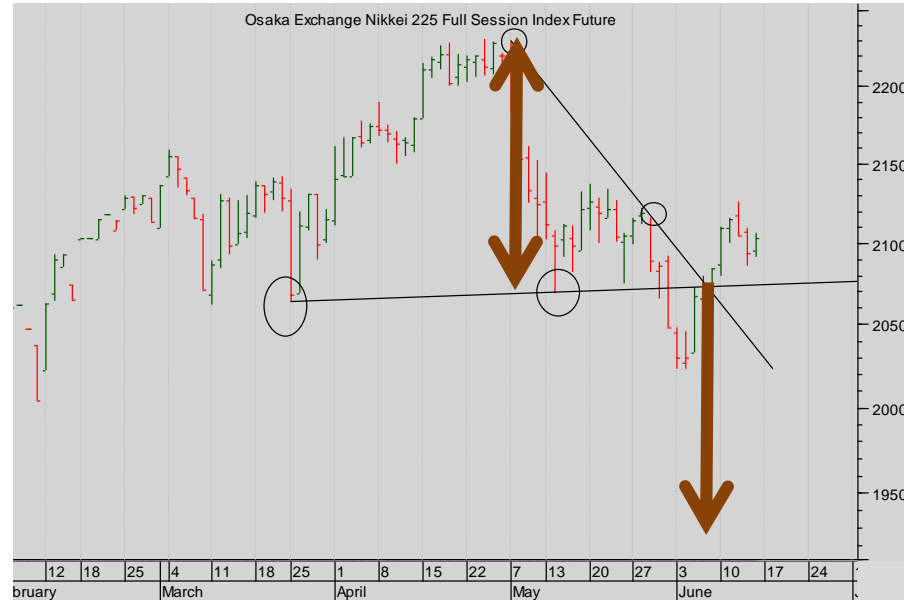
Bonds

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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nikkei 225 chart Daily JUN 19.

The completed a H&S top but the retest of the Neckline has also broken a diagonal – watch closely for follow through, or failure.

It's not clear.



Stocks: RELATIVE STRENGTH

Sterling-hedged US and EU

The relative strength of the FTSE has had a dramatic move.

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iShares FTSE Etf. Daily chart.

Note the dramatic improvement of the UK market, relative to the US in both bear and bull moves has abruptly ended.

Note too the completed bull falling wedge is under threat.



Bonds

BONDS:

These strong US and UK bull bond markets have paused in the very short-term. The Bunds have edged better and remain the market leaders.

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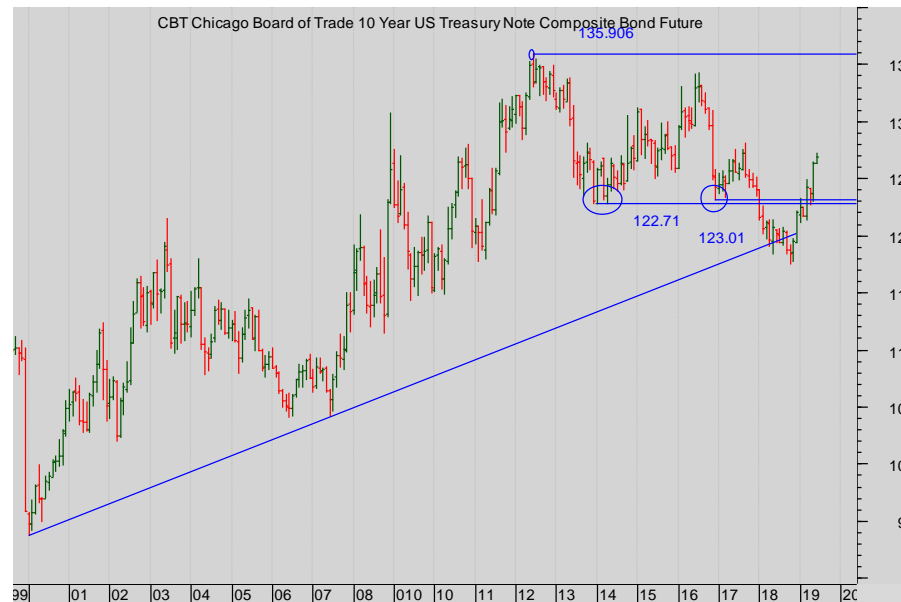
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Commodities

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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 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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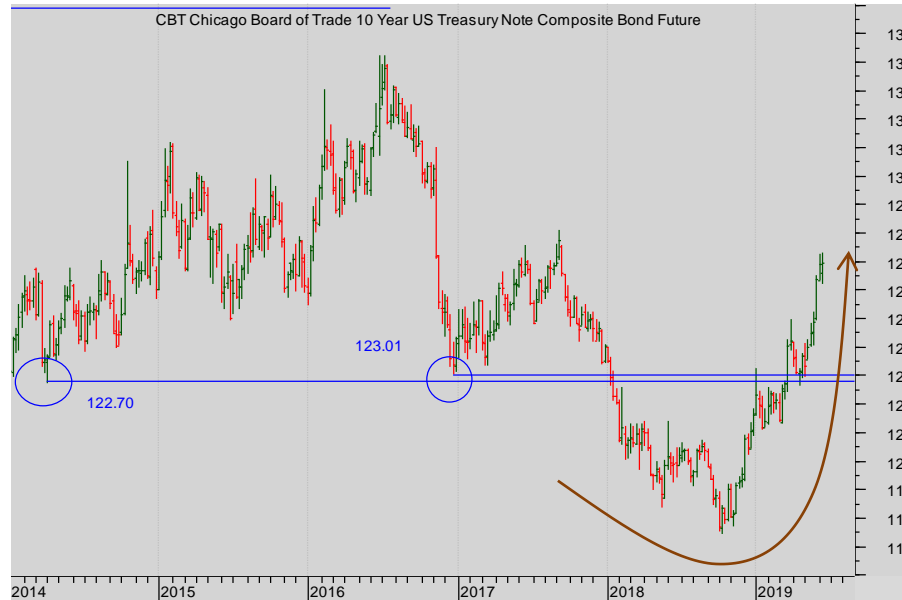
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IMPLIED ASSET ALLOCATION



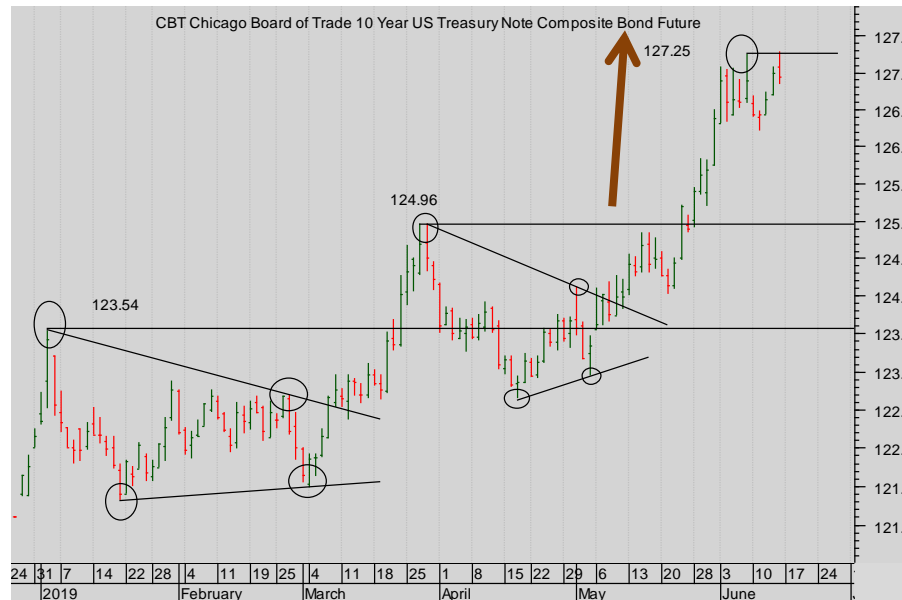
CBOT Ten Year Notes weekly futures continuation chart

This looks even more impressive.

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

And now having bounced off that same level,

the bulls look to have got going again...



CBOT Ten Year Notes daily Sep 19 futures chart

A succession of bull continuation Triangle have been completed.

Minimum target? About 126..

But the break up through the Prior High at 124.96 has created additional support beneath the market and thus ratcheted the whole market higher still...

More



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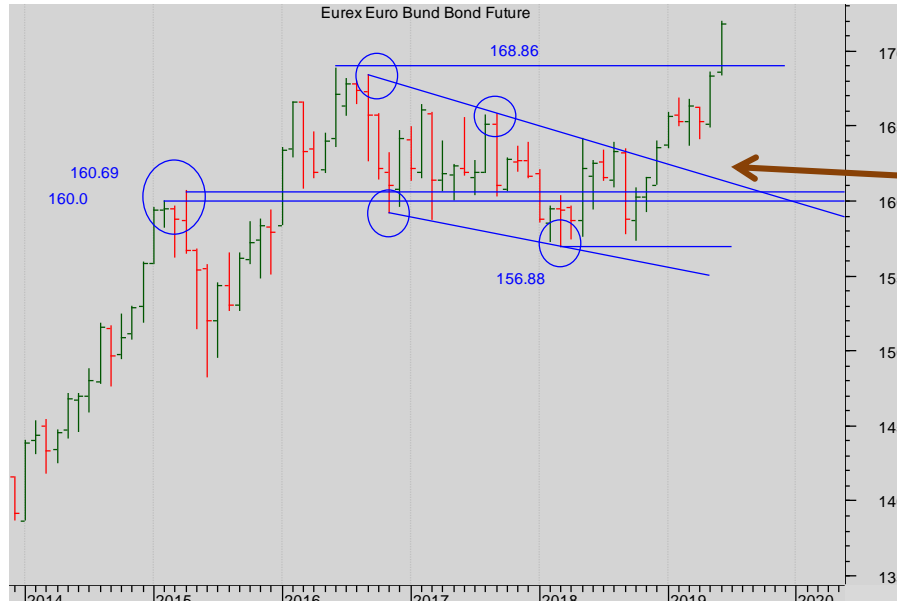
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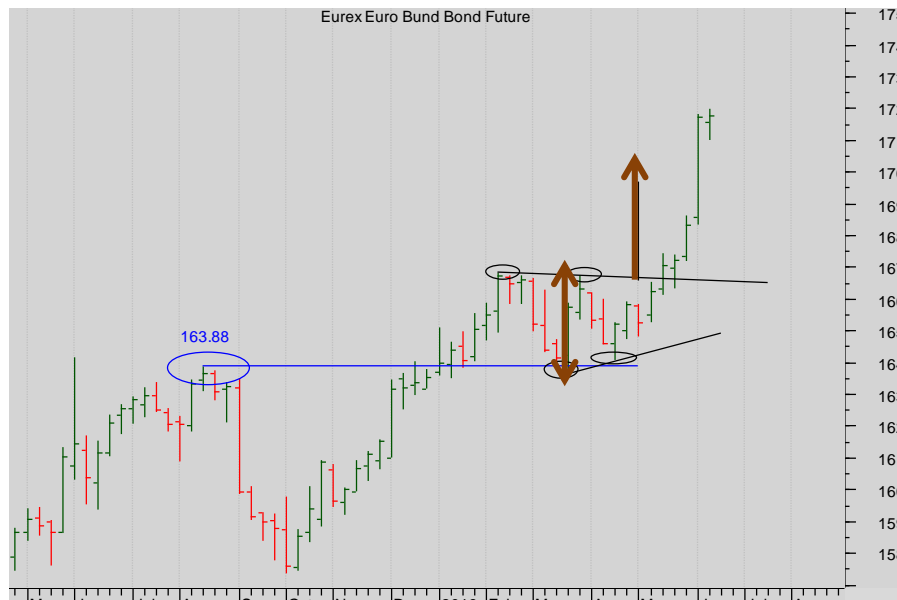
Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

The break up through the falling diagonal was important and set up a new bull leg by **completing a bull falling wedge formation**.

The break up through the Prior High adds another support beneath the market. Ratcheting it higher.



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 bull continuation Triangle has completed

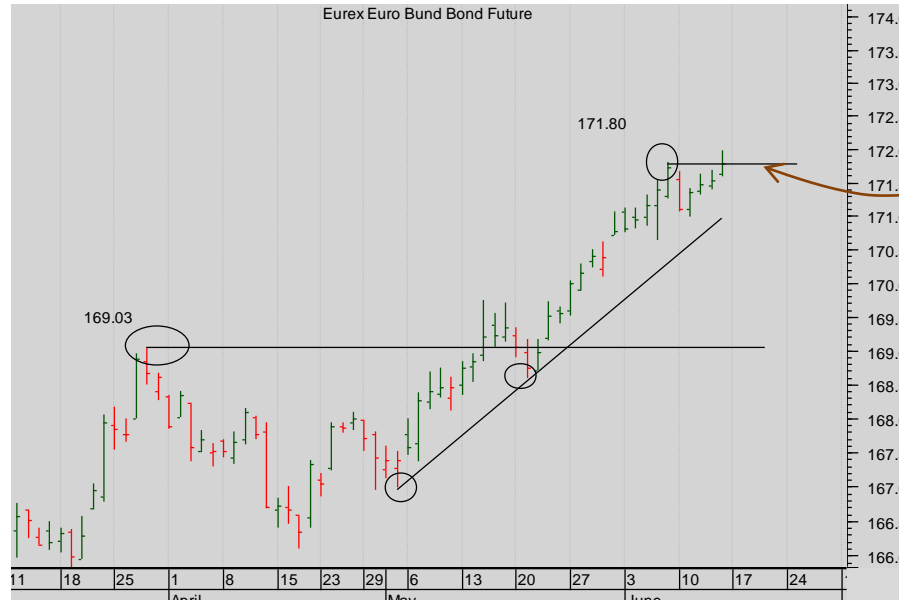
Minimum move? UP to 170...

More to come

More



Bonds: Eurex Ten Year Bund



**Eurex Ten Year Bund
March 2019 Daily futures
chart**

The bulls are in charge still.

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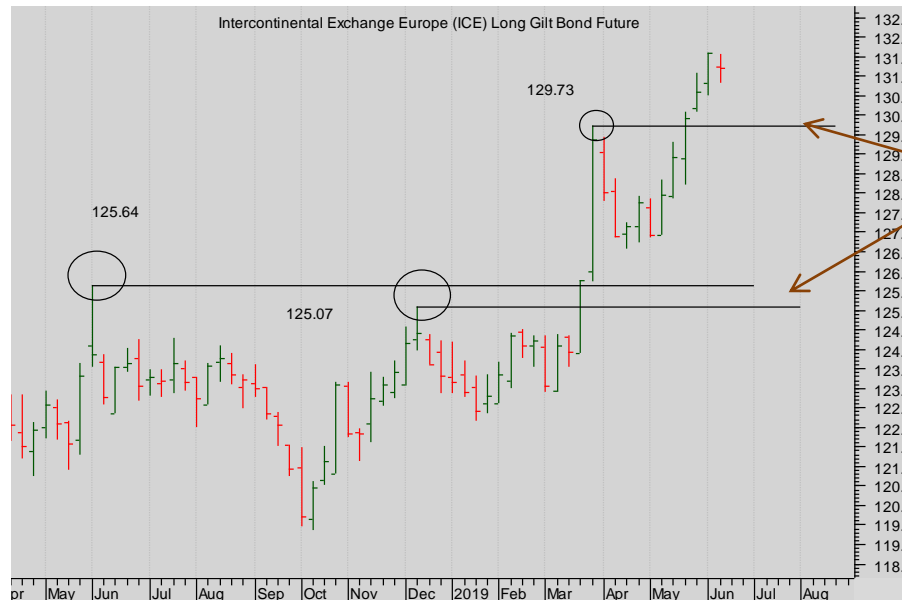
IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



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.

More



Bonds: Liffe UK Gilt futures

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IMPLIED ASSET ALLOCATION



Long Gilt daily Jun 19 chart

The market looks set for another bull run..

The prior high 129.74 is good support on any pull-back now.



Commodity

COMMODITIES:

Oil is attempting to establish a base in the very short-term, but the market remains vulnerable. Gold is close to completing a large bull triangle in the long-term charts but that looks like a vulnerable position at the top of a trading range in the medium and short-term charts....

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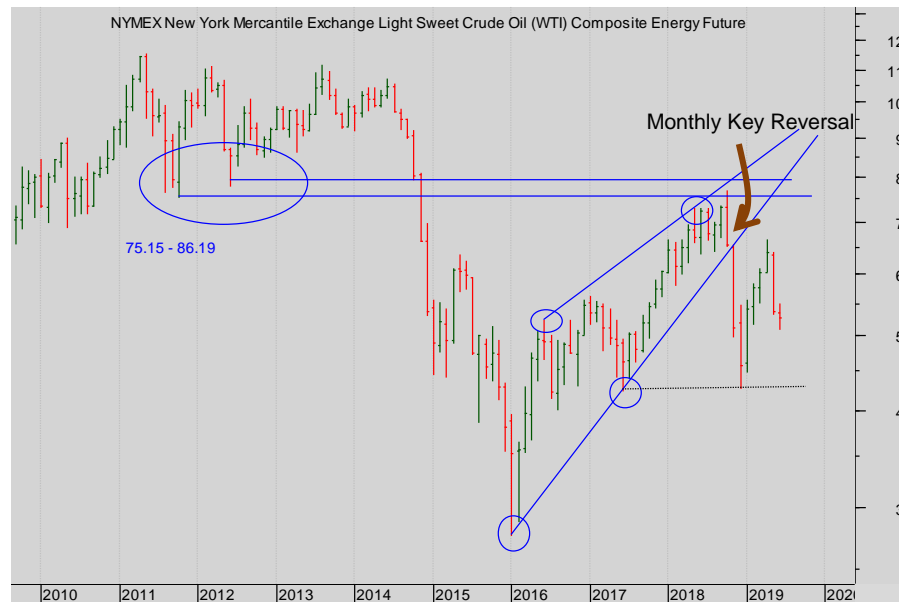
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Commodities

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IMPLIED ASSET ALLOCATION

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



Commodities: Nymex WTI Oil

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- + Sterling Euro

Stocks

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

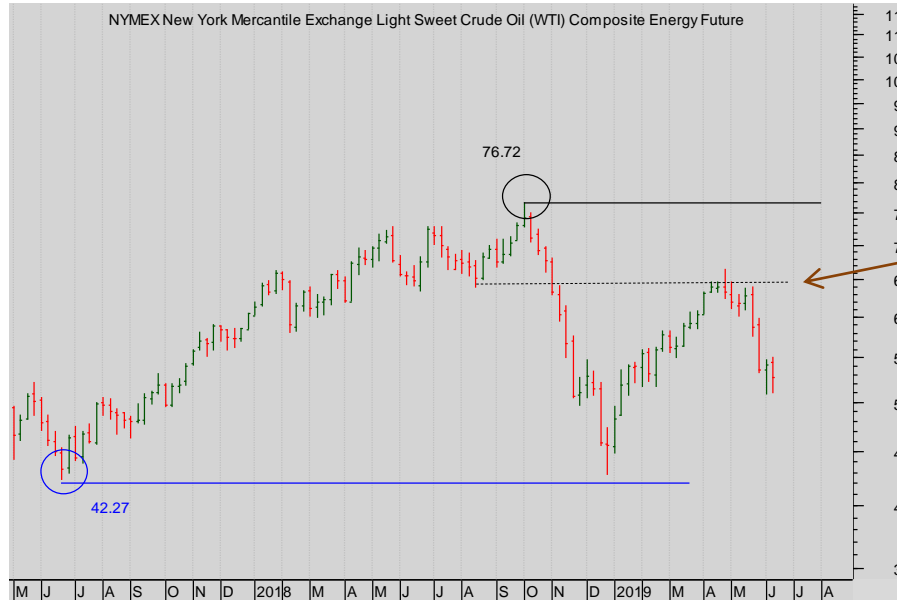
Bonds

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

Commodities

- + Oil
- + Gold

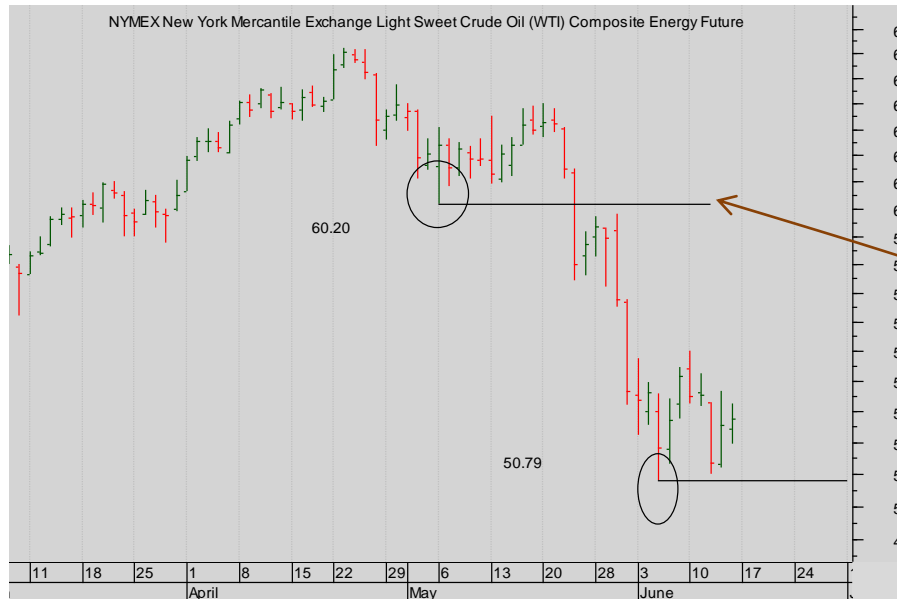
IMPLIED ASSET ALLOCATION



Nymex oil weekly continuation

The 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 note the market's failure at the horizontal resistance.



Commodities: Comex Gold

Summary

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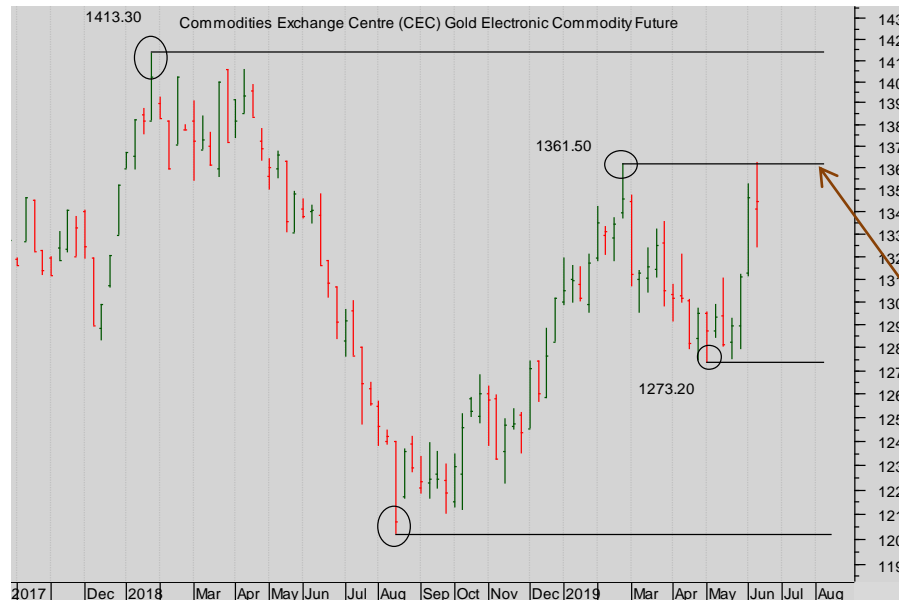
IMPLIED ASSET ALLOCATION



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 **but uncompleted**.



Nymex Gold weekly

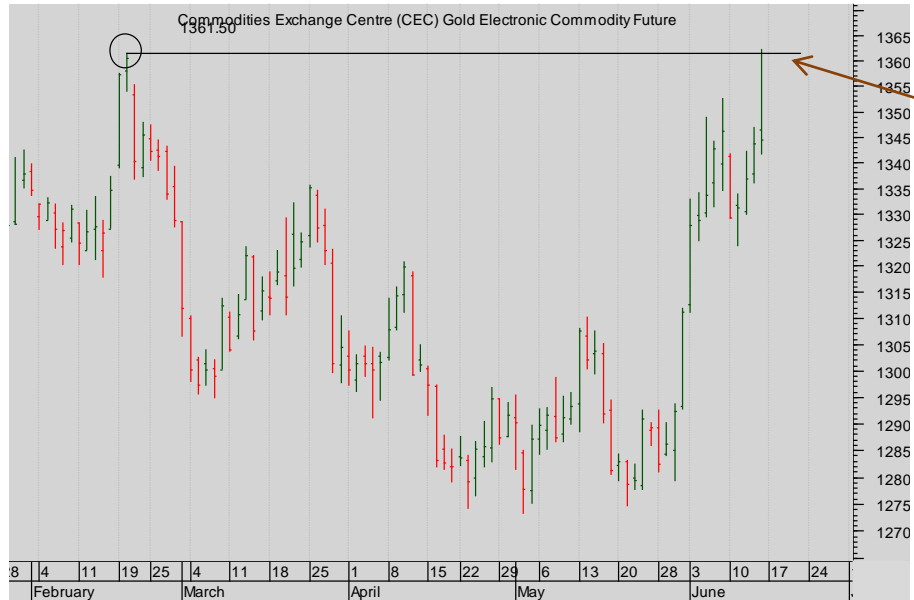
The detail of the price action within the trading range....

Is that a bull falling wedge close to completion?

Watch for a break above 1360



Commodities: Comex Gold



Nymex Gold Daily

Gold needs to break 1360 to excite the bulls.

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IMPLIED ASSET ALLOCATION



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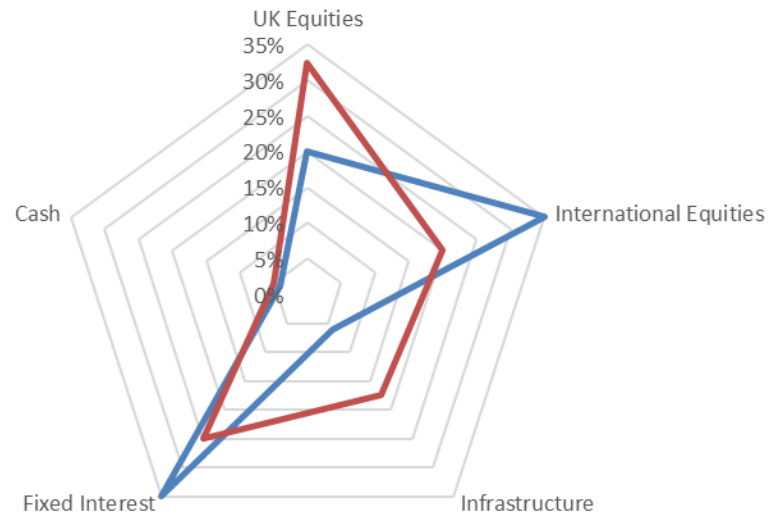
Commodities

- + Oil
- + Gold

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MSCI Balanced Risk Asset Allocation



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the technical analyst

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