



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 16th July 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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Currencies

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

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

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

Stocks

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

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

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

Short-term **BULL**
Short-term **BULL**
Short-term **BULL**
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 **BEAR**
Medium-term **BULL**
Medium-term **BULL**

Short-term **BEAR**
Short-term **BEAR**
Short-term **BEAR**

Commodities

- + Oil
- + Gold

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

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

Short-term FLAT
Short-term FLAT

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The Dollar Euro is not clear. Cable is under serious pressure and on the verge of another sell off. Yen and Sterling Euro dull.

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IMPLIED ASSET ALLOCATION



Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 and above **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 in the longer term.**

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

More



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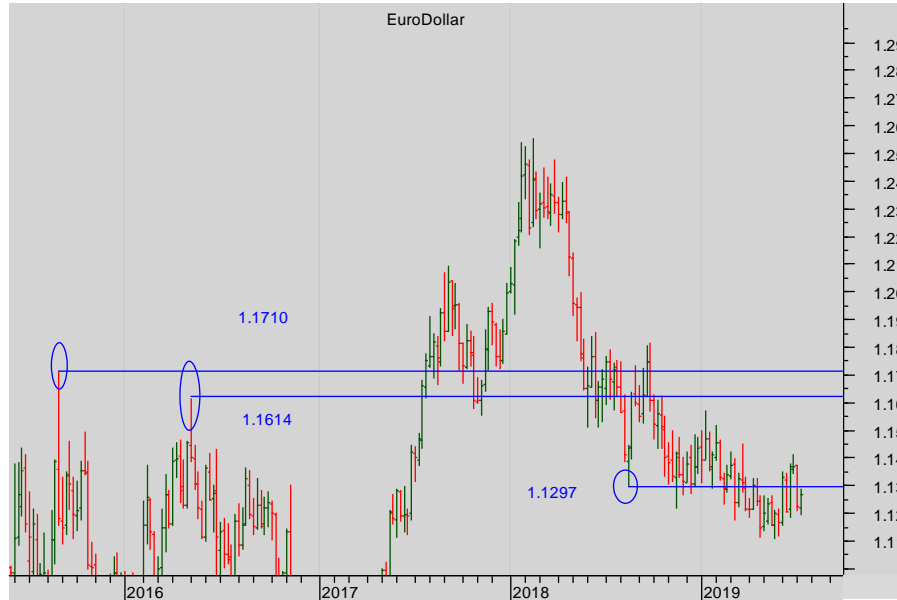
- + Ten Year US TNote
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

This is not clear.



Dollar Euro spot cash chart daily chart...

The rally has broken the falling diagonal...

It looks like there is a short-term bottom in place for a weakening Dollar - look now for the push up through the 1.14 High.



Currencies: Dollar Sterling

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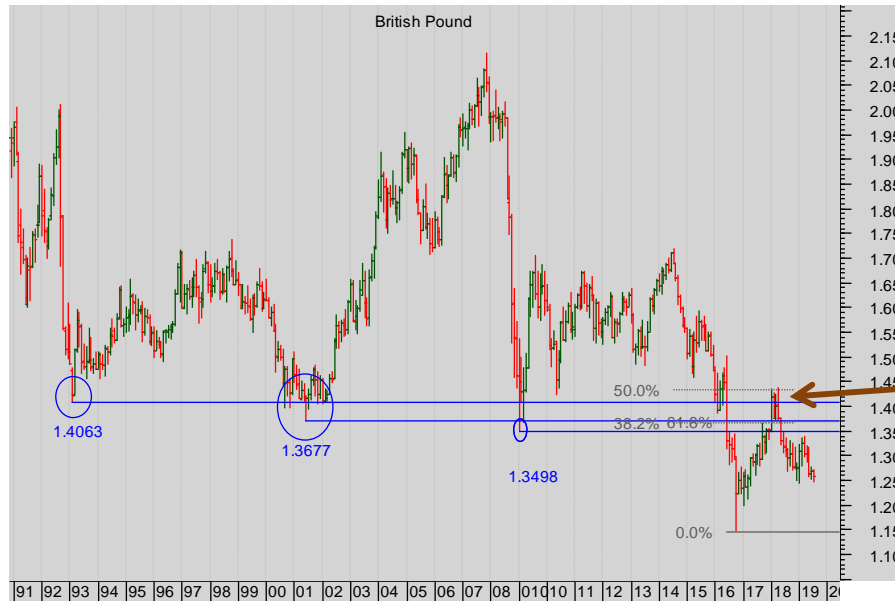
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IMPLIED ASSET ALLOCATION

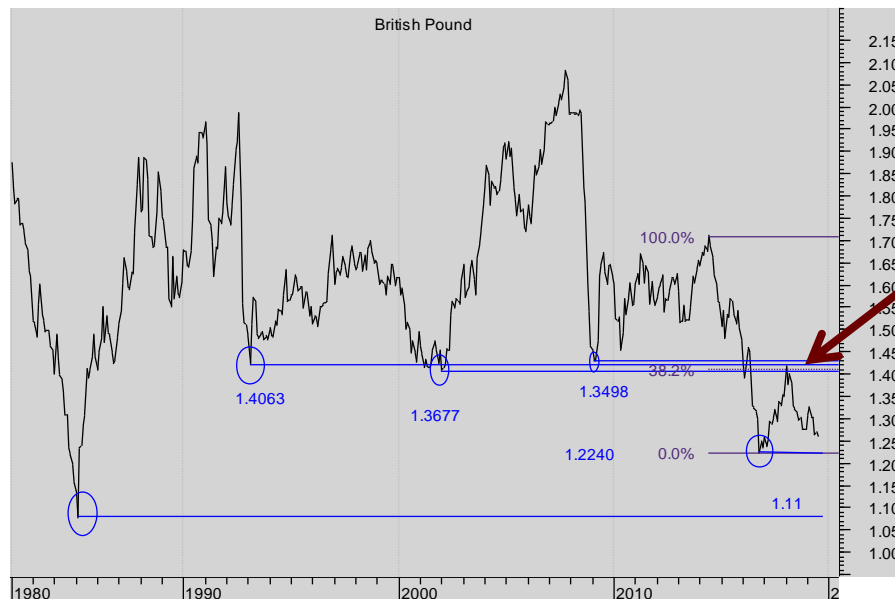


Dollar Sterling Monthly spot cash chart

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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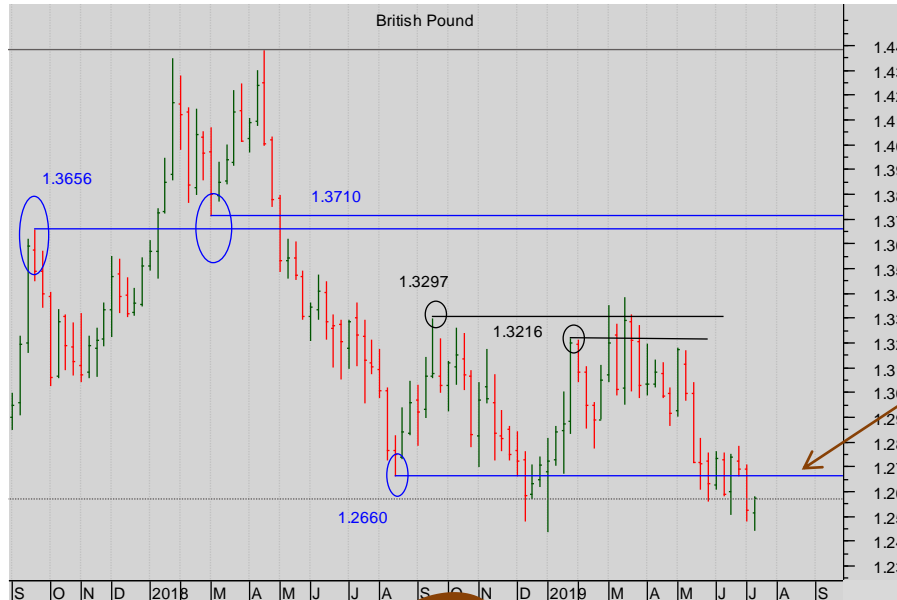
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IMPLIED ASSET ALLOCATION

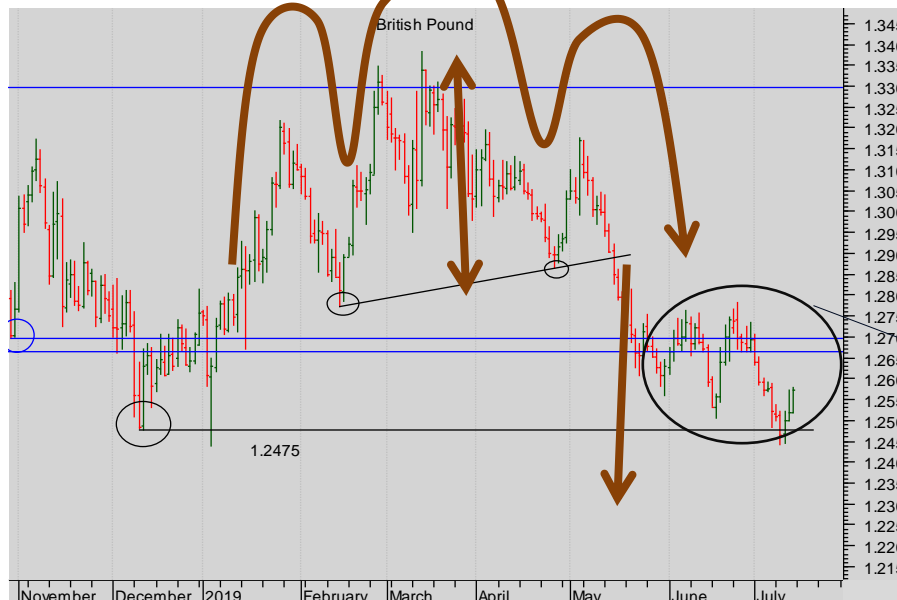
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

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

Watch and wait for the tentative breakdown through 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...

But this is not clear.

Stand back for clarity – that is a break down through 1.2475.



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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.



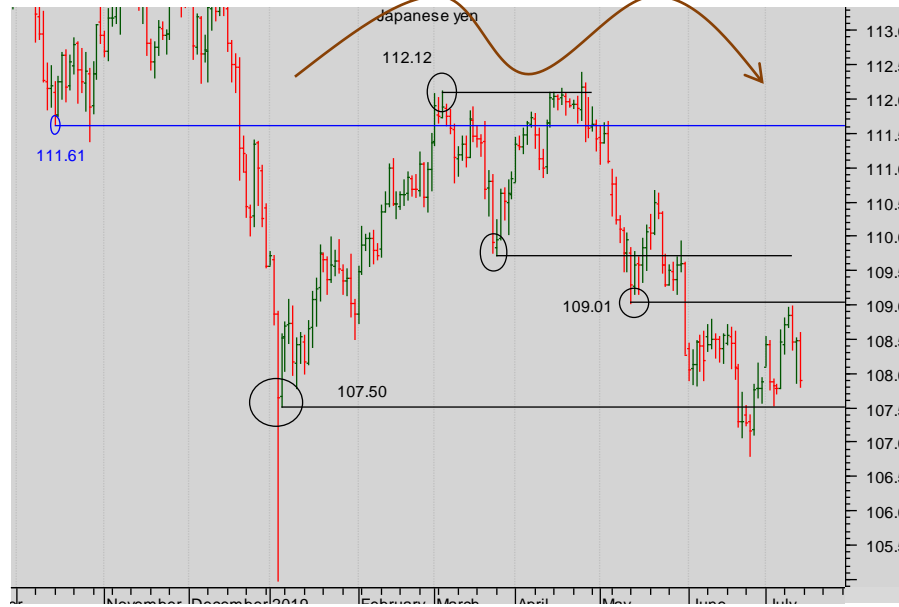
Dollar Yen weekly spot cash chart

Watch the range.

More



Currencies: Dollar Yen



Dollar Yen daily spot cash chart

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

So now we need a confirmed break beneath the Prior Low 107.50 of January this year.

Then the Yen bulls will clearly be in charge.

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IMPLIED ASSET ALLOCATION



Currencies: Sterling Euro

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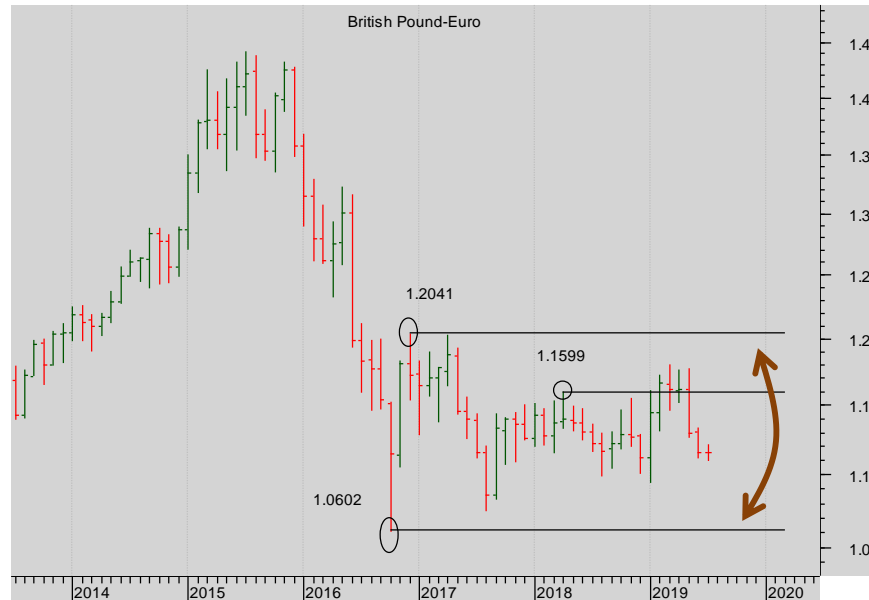
Bonds

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- + UK Gilt

Commodities

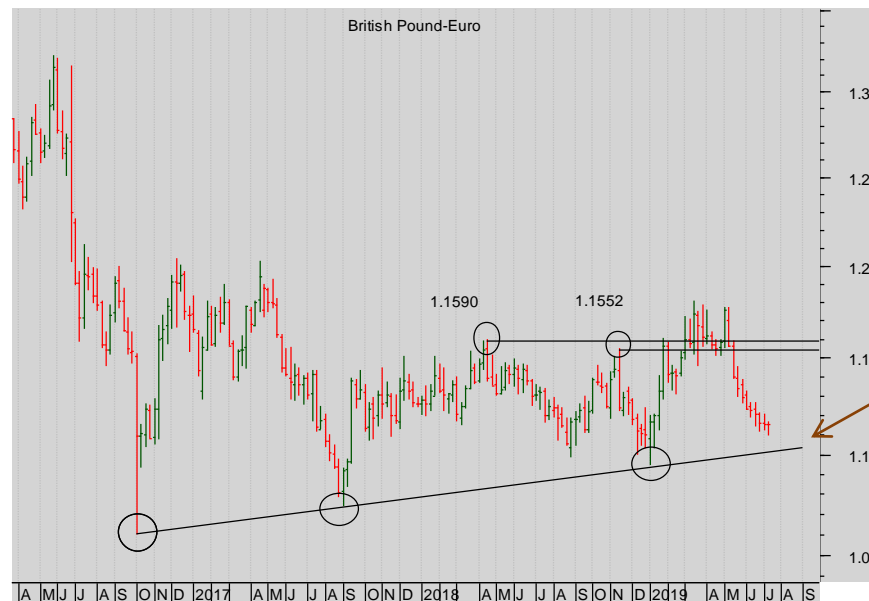
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Sterling Euro monthly spot cash chart

The market has fallen back in to the trading range.



Sterling Euro weekly spot cash chart

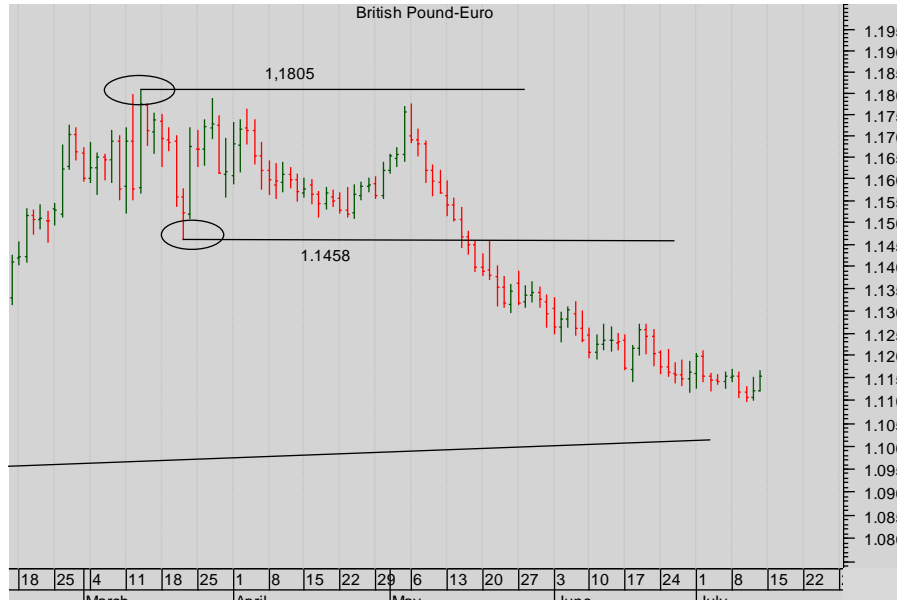
This detail is a bit clearer: **the market has fallen back into the trading range.**

Note the importance of the gently rising diagonal beneath the market...

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

Watch the approach to the diagonal beneath the market.

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IMPLIED ASSET ALLOCATION



Stocks

STOCKS:

All these markets look bullish, led by the US, there is good cause to buy both the EuroStoxx and Nikkei – and even the laggard FTSE.

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IMPLIED ASSET ALLOCATION

Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The break of the the Prior high 2946 is a powerful reassertion of the bull market.

More



Stocks: CME S&P 500

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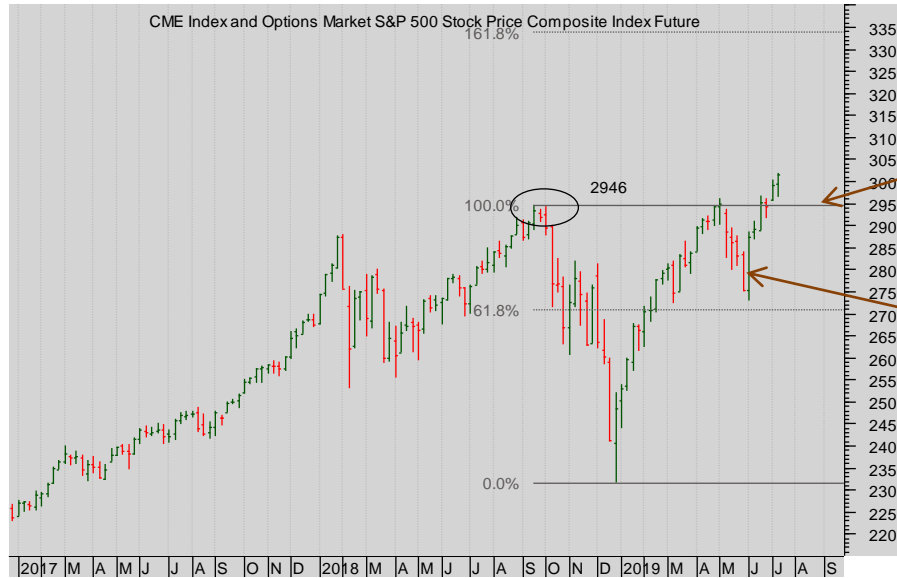
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IMPLIED ASSET ALLOCATION

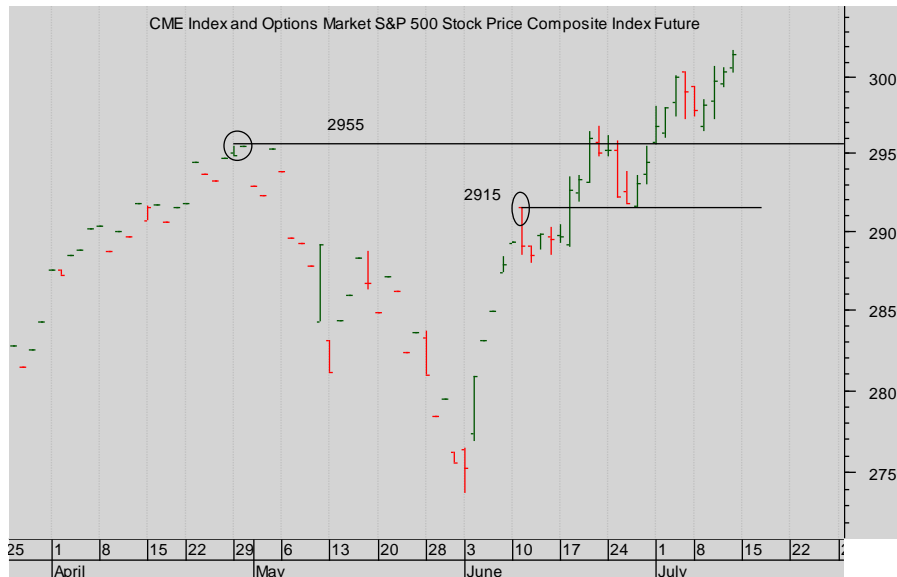
CME S&P 500 cont. weekly cont. chart



The repeated test and break of the old high is significant – the bulls are in control

NB the clear Bull Key Reversal here

CME S&P 500 daily Sep 2019 chart



It looks thrilling for the bulls long medium and short-term.

More



Stocks: Eurex EuroStoxx 50

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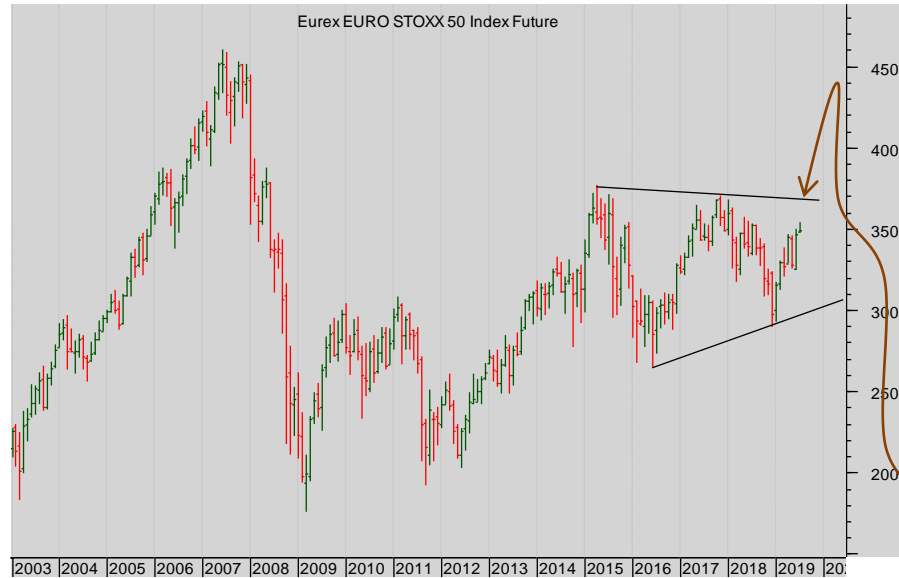
Bonds

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- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

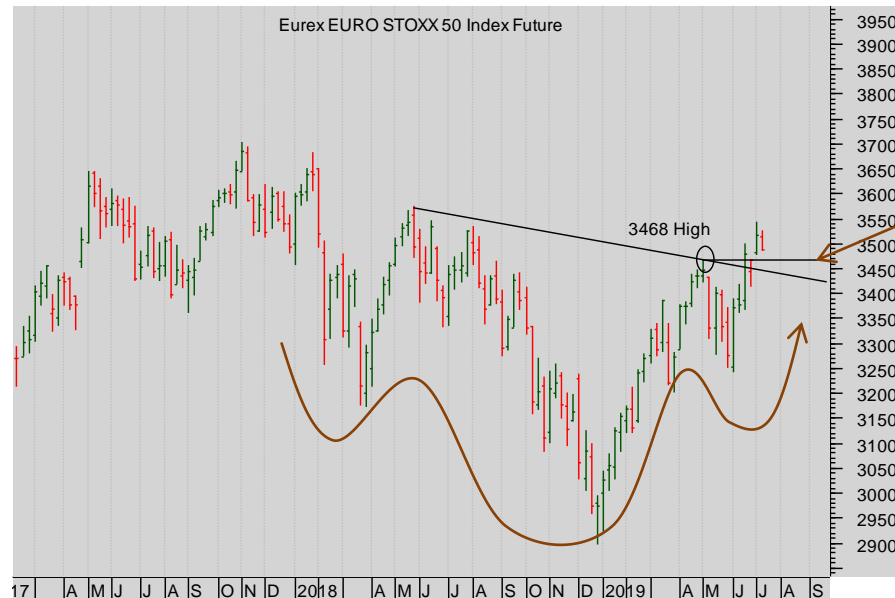
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Eurex EuroStoxx 50 monthly continuation futures chart

The long-term condition of the market is dominated by the large triangle – possibly a continuation Triangle...

The bulls need the market to break up through the upper diagonal at around 3670....



Eurex EuroStoxx 50 weekly continuation futures chart

That looks like a continuation H&S pattern that has completed ... with the added push up through the Prior Highs at 3468.

More



Stocks: Eurex EuroStoxx 50

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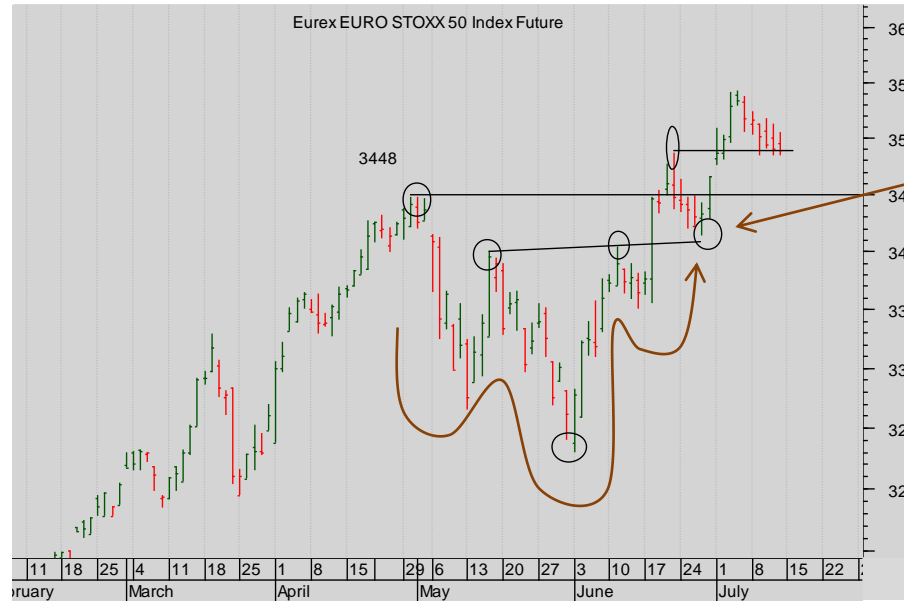
Bonds

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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Jun 19 futures chart

Short-term, there is another completed H&S pattern driving the market higher and higher ...



Stocks: Liffe FTSE 100

Summary

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- + Dollar Euro
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Stocks

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

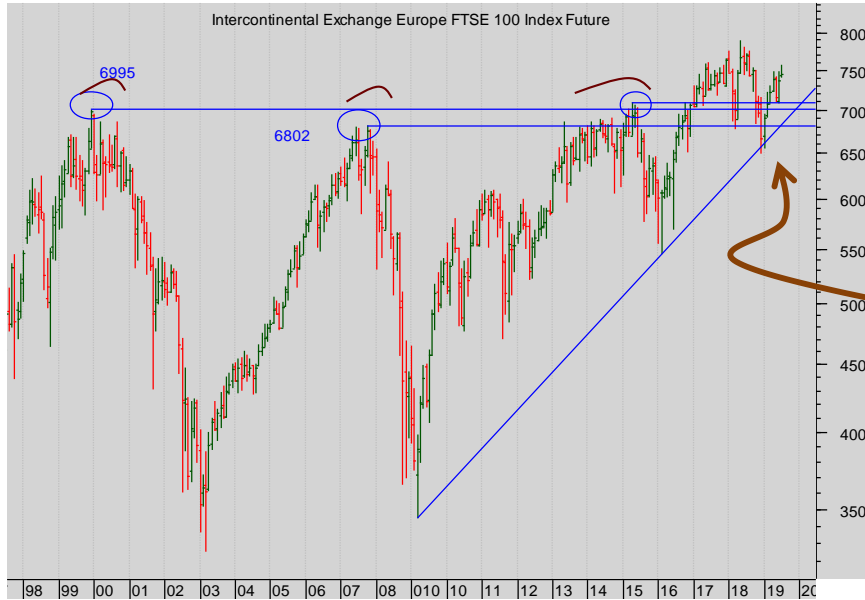
Bonds

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- + UK Gilt

Commodities

- + Oil
- + Gold

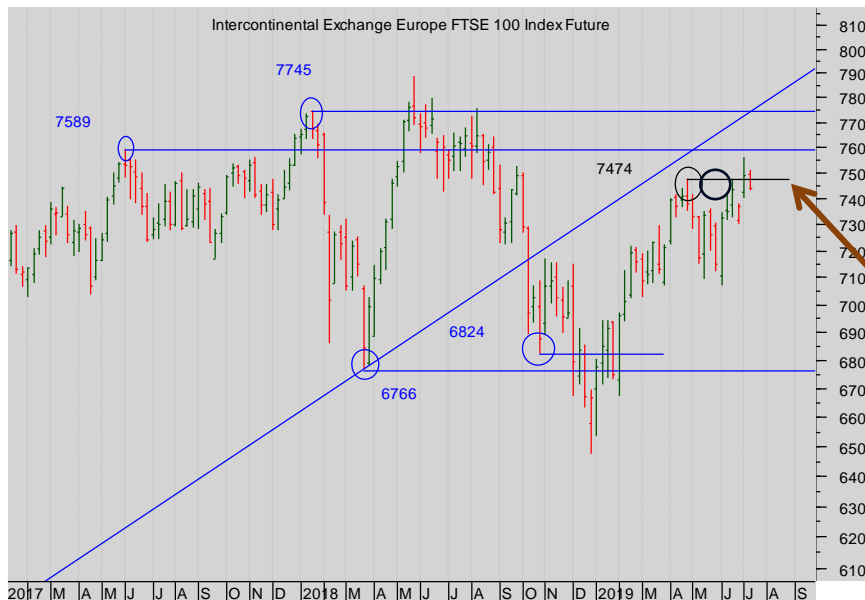
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Liffe FTSE 100 Monthly continuation futures chart

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.

Now watch and wait for a confirmed break up through the Prior High at 7474...

More



Stocks: Liffe FTSE 100

Summary

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- + **FTSE 100**
- + Nikkei 225

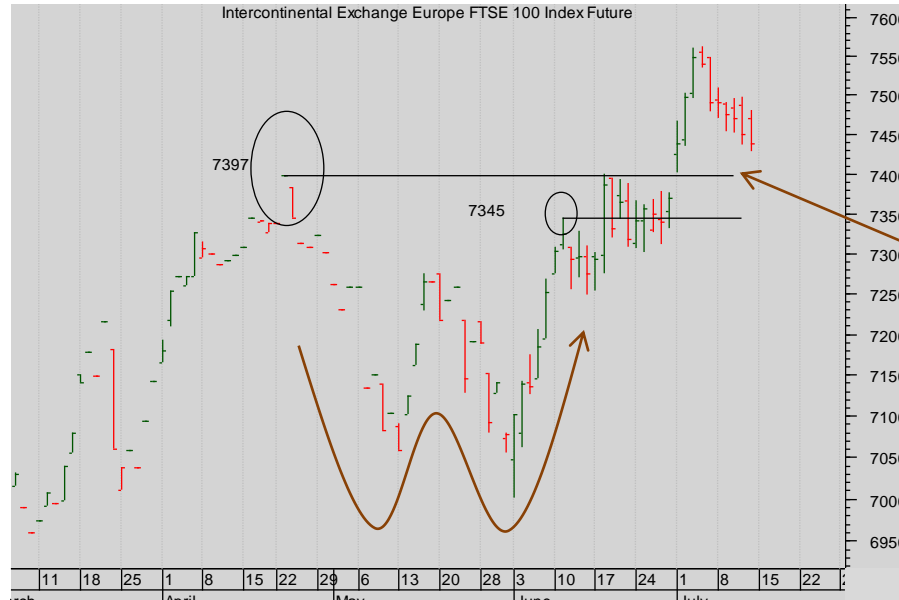
Bonds

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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 SEP 19 daily futures chart

Note the importance of the 7397 Prior High support.

And there a Double Bottom, completed? We are bulls.



Stocks: OSE Nikkei 225

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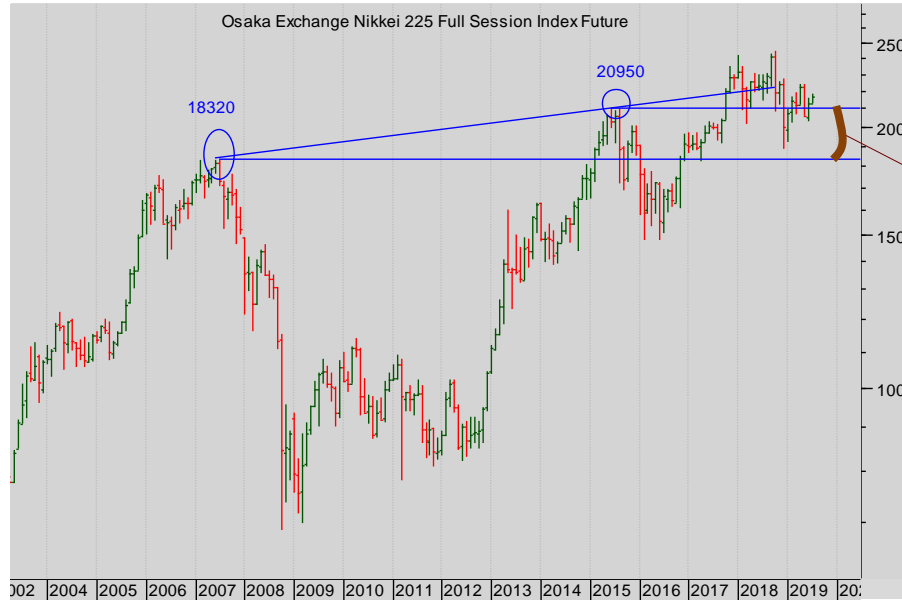
Bonds

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Commodities

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IMPLIED ASSET ALLOCATION



Nikkei 225 chart (monthly)

The market is retesting the support 20850.



Nikkei 225 chart (WEEKLY)

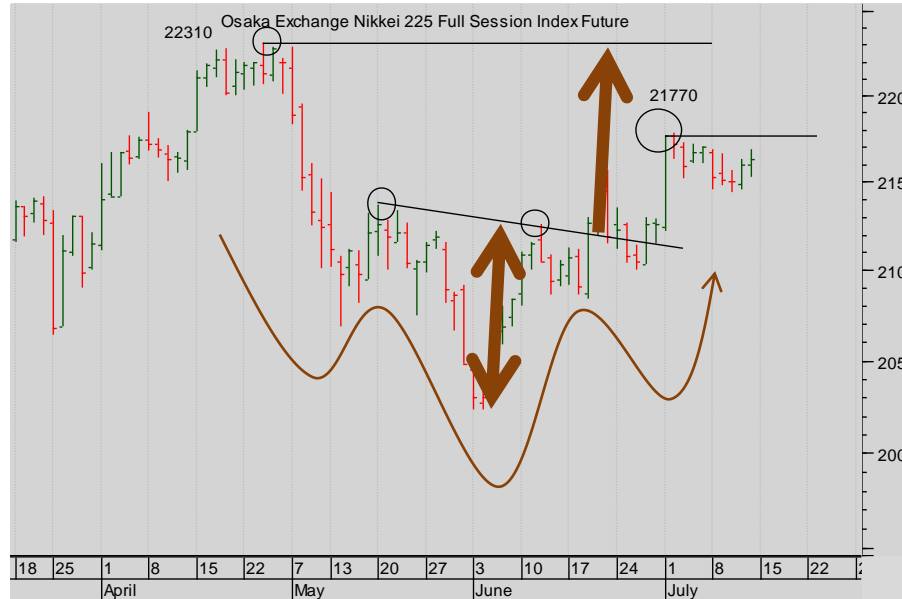
And that support seems to have held. Watch the test of the falling diagonal Once broken the bulls with get added impetus.

Might there be a H&S continuation pattern waiting to complete as well?

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily SEP 19.

The completed a H&S top is bullish – add on a break through the Prior High 21770 and then 22310.

The bulls are in charge.

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IMPLIED ASSET ALLOCATION



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 now the dramatic relative failure of the UK market, relative to the US IN BOTH THE BEAR MOVE AND the bull moves!!!!



Bonds: CBOT Ten Year Notes

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IMPLIED ASSET ALLOCATION



CBOT Ten Year Notes weekly futures continuation chart

Note the pause and reversal at the Prior High and the Fibonacci resistance....



CBOT Ten Year Notes daily Sep 19 futures chart

Not yet a convincing Top formation

More



Bonds: Eurex Ten Year Bund

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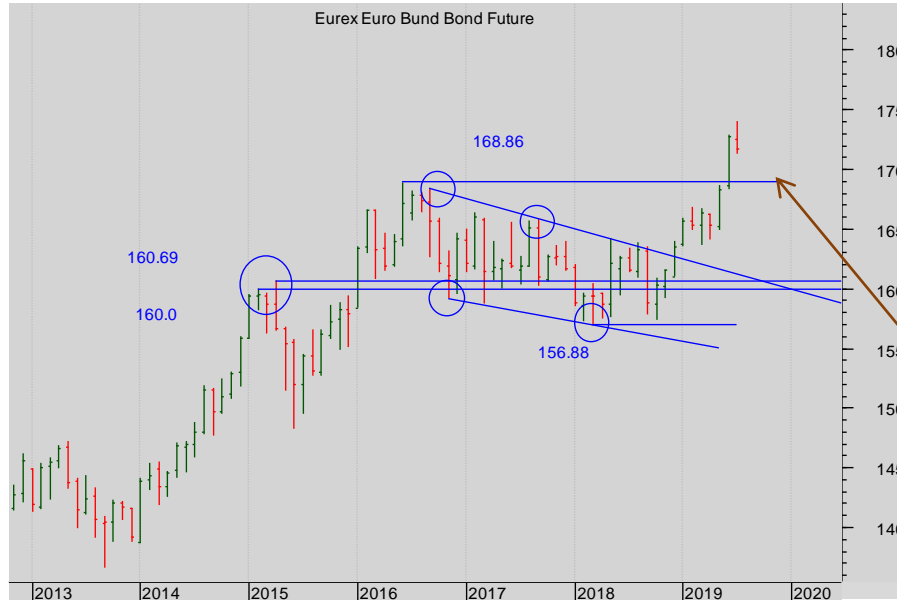
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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund monthly futures continuation chart

The break up through the falling diagonal 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 was strong.

Now a bull continuation Triangle has completed

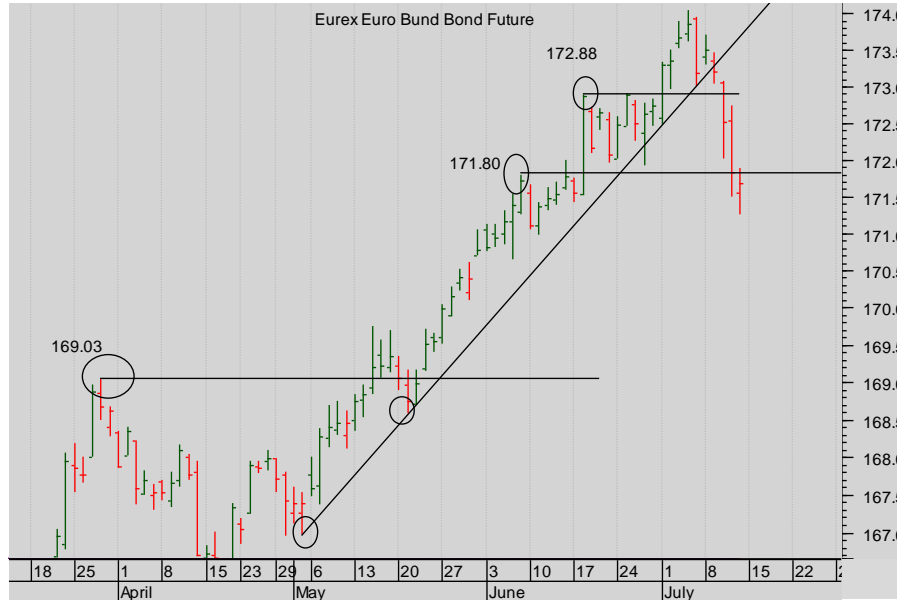
Minimum move? UP to 170...

More to come. The bulls are in charge





Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund Sep 2019 Daily futures chart

Short-term the pull back through Prior Highs so easily suggest that the bears may go further. ...

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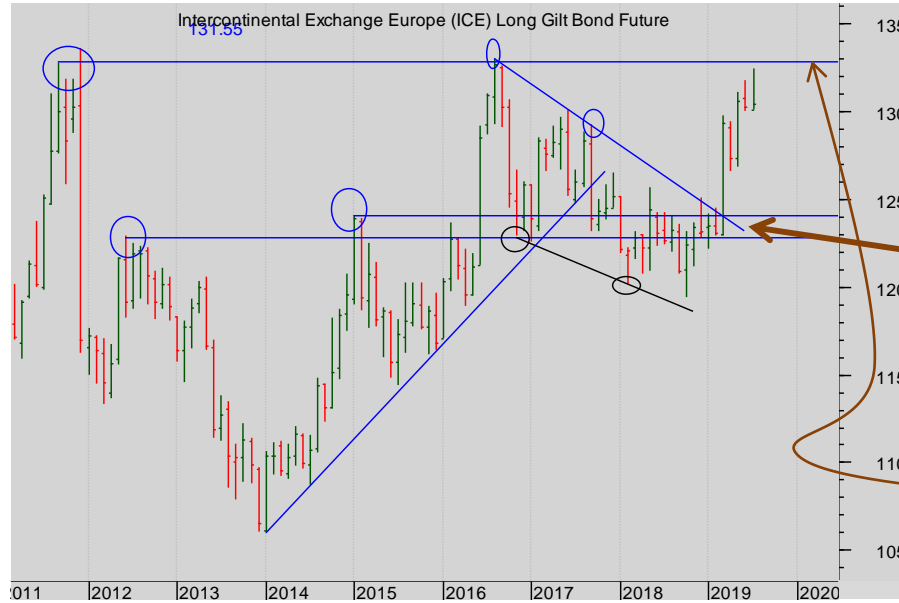
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IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures

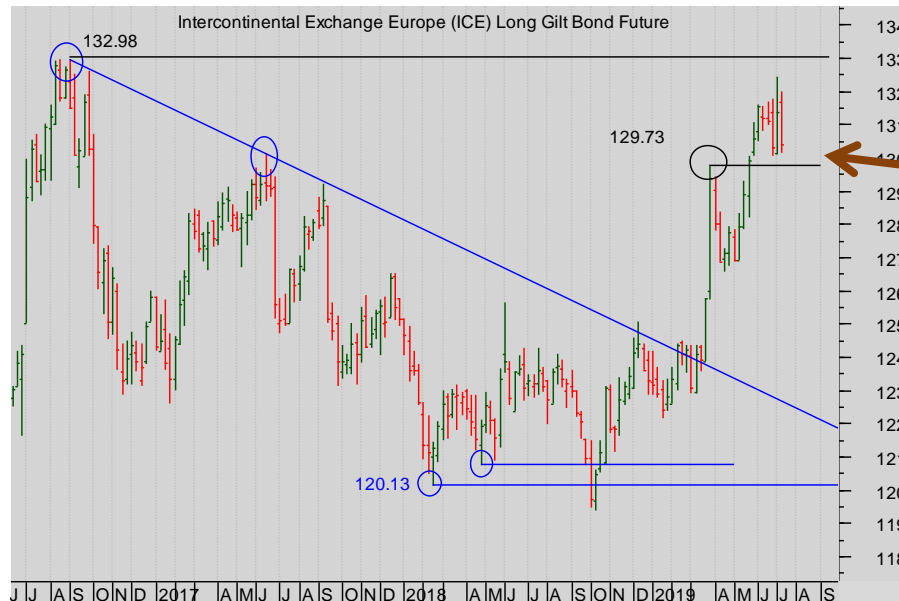


Liffe UK Gilt monthly futures continuation chart

The break up through the falling diagonal completed a bull falling wedge which allowed the market to bounce off the horizontal resistances.

But note the failure at the Prior High.

Bulls will want the market to overcome 131.55 before they get confident again.



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 pull back through the combined support from Prior High and diagonal suggests short-term weakness...

The prior high 128.57 is good support on any pull-back now.



Commodity

COMMODITIES:

Oil has no compelling structure for the trader right now. Gold is dominated by a long-term bull break, but lacks short-term clarity. Watch our levels carefully.

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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



Commodities: Nymex WTI Oil

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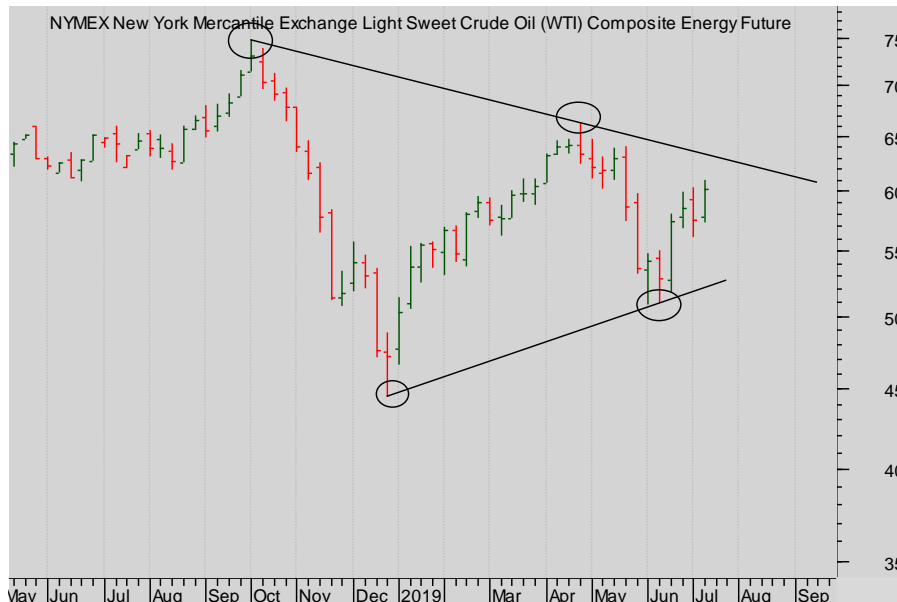
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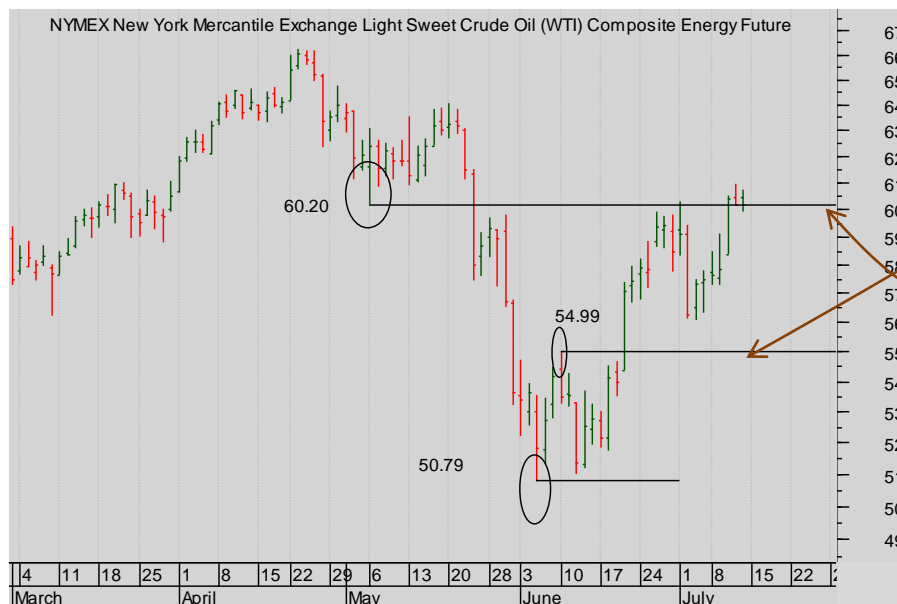
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nymex oil weekly continuation

There's a range...



Nymex oil daily Jun 19 futures

A small Double Bottom has completed, possibly, but also there's good resistance at the 60.20 low.



Commodities: Comex Gold

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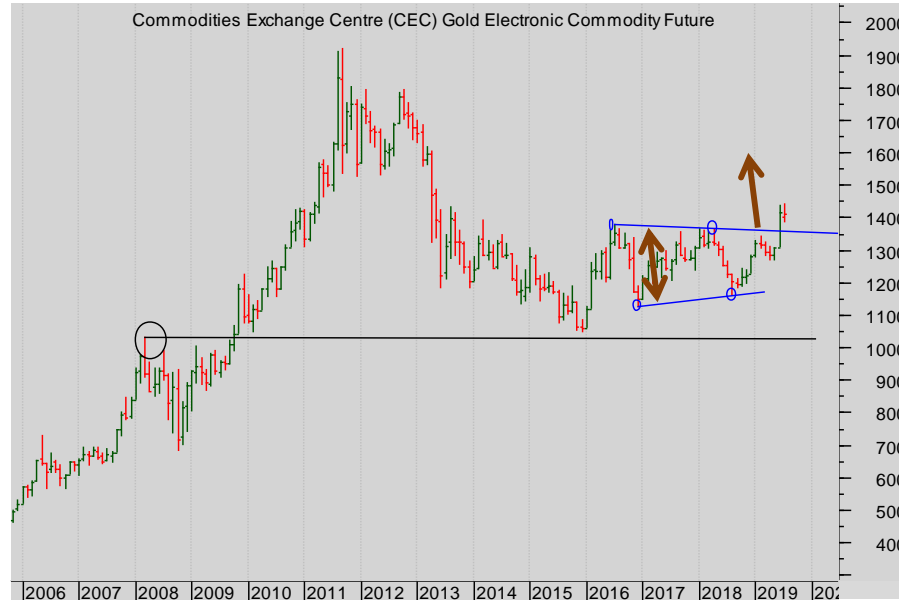
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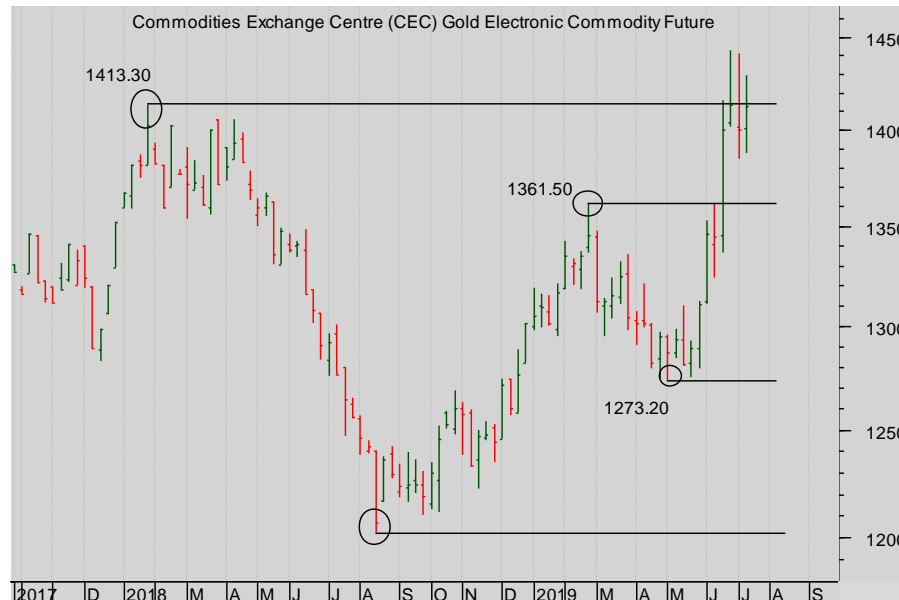
IMPLIED ASSET ALLOCATION



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 has **completed**.



Nymex Gold weekly

The detail of the price action at the upper boundary of the trading range....

Good support now beneath at 1360.



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- + Nikkei 225

Bonds

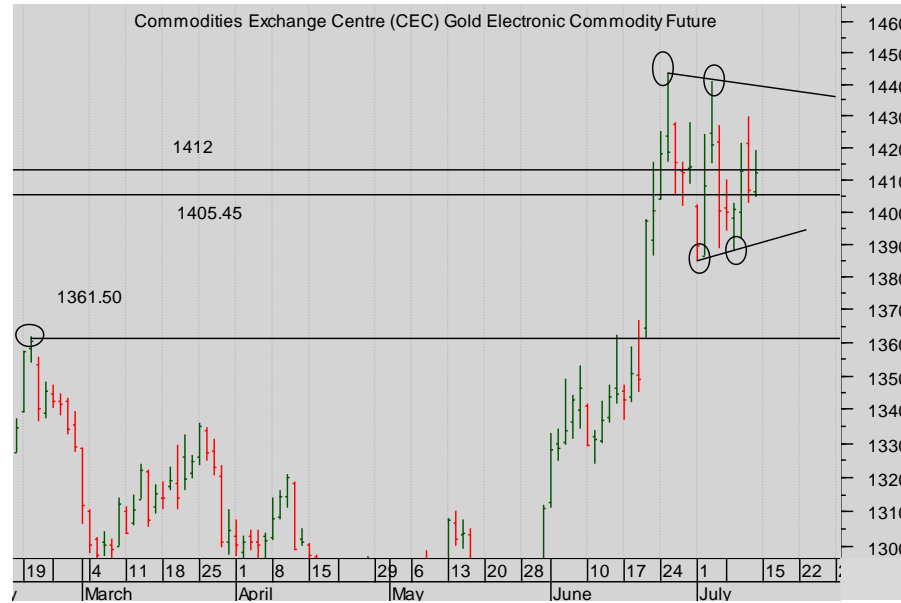
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold August 2019 Daily

Again, a congestion, possibly a continuation triangle at the upper boundary.

Wait for a break of the upper boundary – then buy!



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

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v

MSCI Balanced Risk Asset Allocation



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