



SUMMARY

POSITIONS

- + DJ EuroStoxx
- + Bund **(NEW)**
- + S&P

[Alpha capture Performance to date from 2006](#)

Multi-asset trade and investment recommendation

26th July 2019

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19th June 2019 BUY Sept 19 EuroStoxx @ 3442. Stop @3389

26th July 2019 BUY Sep Bund @ 174.08. Stop @171.24

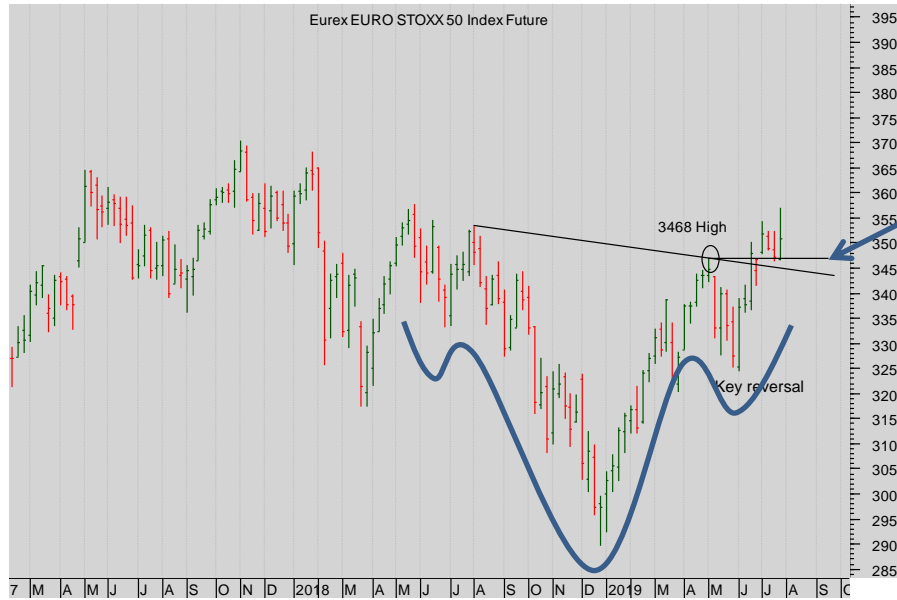
3rd July 2019 BUY Sep S&P @ 2989.50. Stop @ 2949.



(1) TECHNICAL : 19th June 2019 BUY Sept 19 EuroStoxx@ 3442. Stop @3389

SUMMARY

- Positions**
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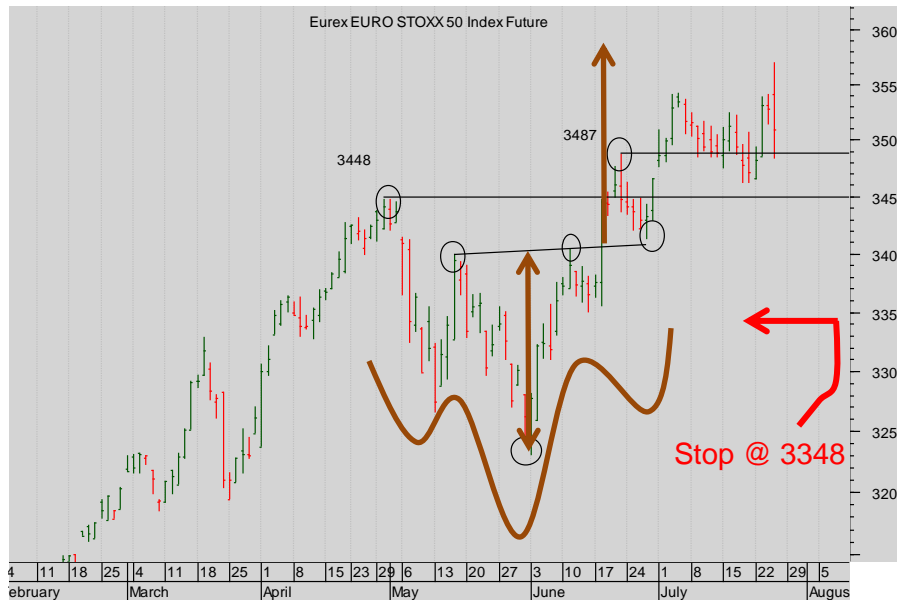


Weekly continuation Chart :

The weekly chart is thrilling for the bulls – the Key Reversal has given momentum to the recent rally that has now topped the Prior High at 3468.

And at the same time there is a completed H&S continuation pattern.

The next leg begins!



Daily bar chart :

The market has completed a small H&S continuation pattern, topped the Prior High (having paused there) and achieved the H&S target.

Now there is a breakaway Gap and Prior high to give support.



(2) FUNDAMENTAL: 19th June 2019 BUY Sept 19 EuroStoxx@ 3442. Stop @3389

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The market remains bullish despite obvious economic weakness, due to the ECB clearly communicating its intention to renew policy easing. The method will be as before, negative deposit rates and the restart of asset purchases.

However, the global trade tensions generated by Trump continue and although currently mainly bilateral between the US and China, Trump does have the EU in his sights.

Our judgement is the ECB will ease policy and so too the Fed which we expect to maintain the bullish tone in this market.

In summary please hold the trade.

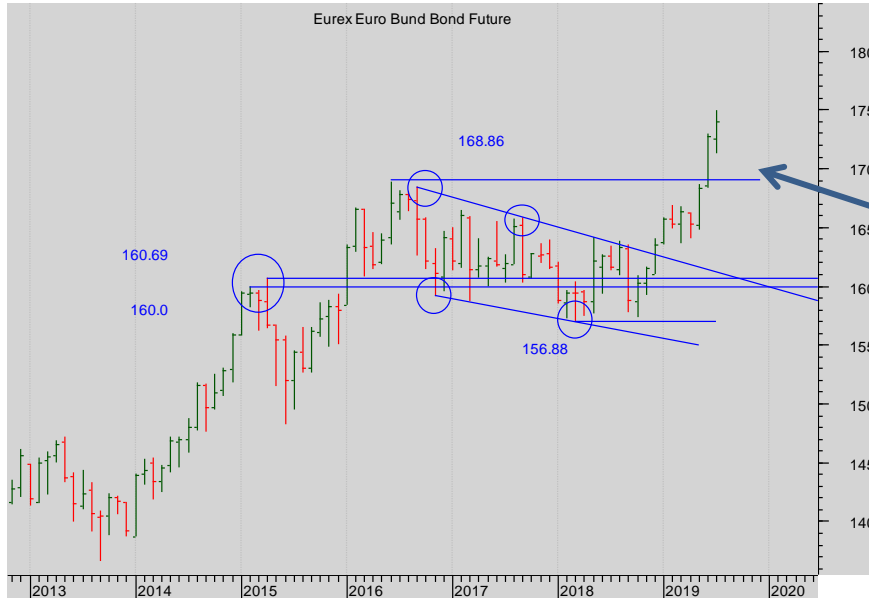


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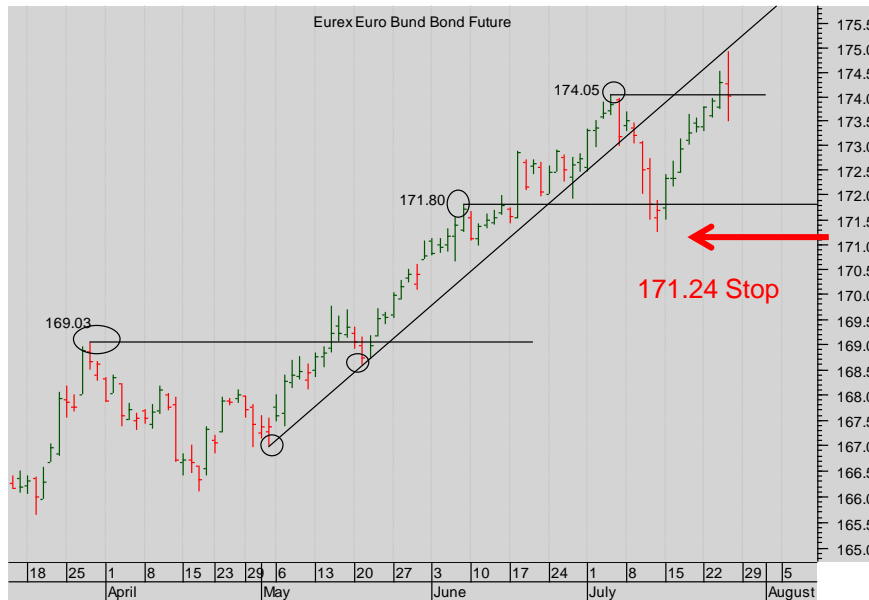


Weekly Chart – Continuation:

The market completed a bull falling wedge.

Now it has topped the Prior High 168.86.

The new bull leg begins.



Daily Chart Continuation:

The bull trend is well-established, Prior Highs acting as good support

Disclaimer





(2) FUNDAMENTAL: 26th July 2019 BUY Sep Bund @ 174.08. Stop 171.24.

The Bund remains a strong bull market and has made a solid recovery from the previous brief correction that stopped out our earlier trade dated 19th June.

However the Euro zones fundamentals have weakened further. The ECB is very worried about Euro zone manufacturing which is getting “worse and worse”, policy makers are also concerned about inflation consistently undershooting the ECB’s 2.0% target.

Their response is to prepare the markets for lower interest rates and a resumption of their QE program.

The reasons for weakening activity are mainly the global trade tensions which still lack resolution.

We are very bullish of the Bund and expect it to rally much further, and advise going long.

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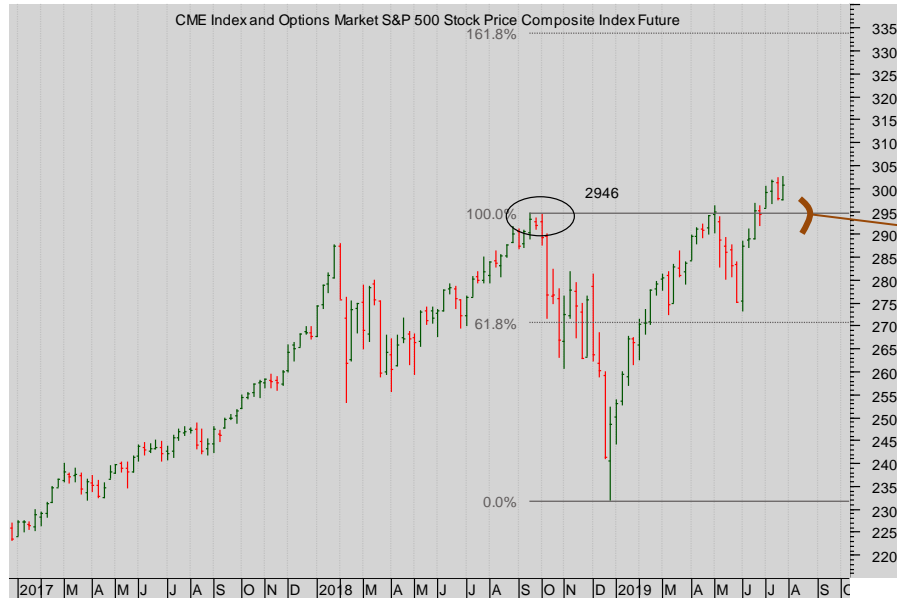


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Weekly Chart Continuation:

The market has broken through the Prior High from Sep 2018 @ 2946 and the May 2019 @2960.

This creates massive support beneath the market.



Daily Chart Continuation:

The market has Pushed through the recent highs from April and June this year.

Again creating massive support.

The bulls are in charge.

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(2) FUNDAMENTAL : 3rd July 2019 BUY Sep S&P @ 2989.50. Stop @ 2949.

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The S&P remains a solid Bull market and despite the release of data showing the economy suffering from the stresses caused by global trade tensions, inflicted by US President Trump and other geopolitical tensions, the Fed has made it clear it intends to respond.

Today sees the first release of US Q2 GDP. The number is expected to have weakened from the pace shown in the Q1 report.

Resolving the trade tensions isn't in the Fed's gift, that's a matter for Trump and Xi, and although talks continue there seems a long way to go before an agreement is reached.

But Trump also has issues with EU trade practices towards the US and has on several occasions threaten to impose tariffs on the EU Automotive sector and others.

Clearly a trade war benefits no one and the US is experiencing difficulties too as a result of their own Presidents ill conceived policies.

We judge the Fed will ease and soon and recommend holding the trade.



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