



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 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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Long-term BEAR Euro	Medium-term BEAR Euro	Short-term FLAT Euro
Long-term BEAR Sterling	Medium-term BEAR Sterling	Short-term BEAR Sterling
Long-term BEAR Yen	Medium-term FLAT Yen	Short-term BULL Yen
Long-term FLAT Euro	Medium-term FLAT Euro	Short-term BULL Euro

Stocks

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

Long-term BULL	Medium-term BULL	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term BULL
Long-term FLAT	Medium-term FLAT	Short-term BULL

Bonds

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

Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term FLAT

Commodities

- + Oil
- + Gold

Long-term FLAT	Medium-term BEAR	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term FLAT

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The Dollar is looking very strong against the Euro (watch our levels closely for a possible new short-term breakdown and Sterling (the breakdown has happened short, medium and long-term).

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IMPLIED ASSET ALLOCATION



Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 and above **reversed** the attempted bear Dollar/bull Euro market ...

The pressure is on the Euro now. **We 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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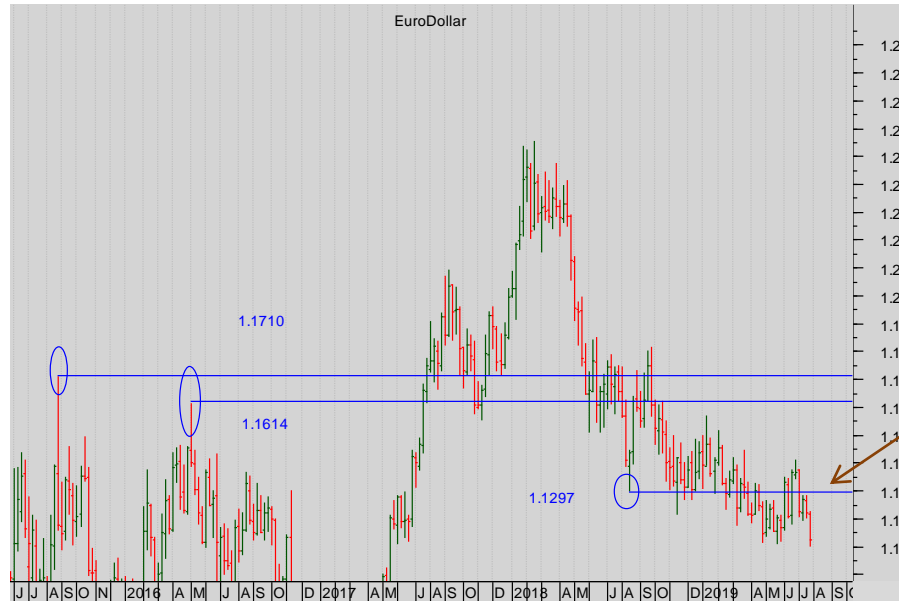
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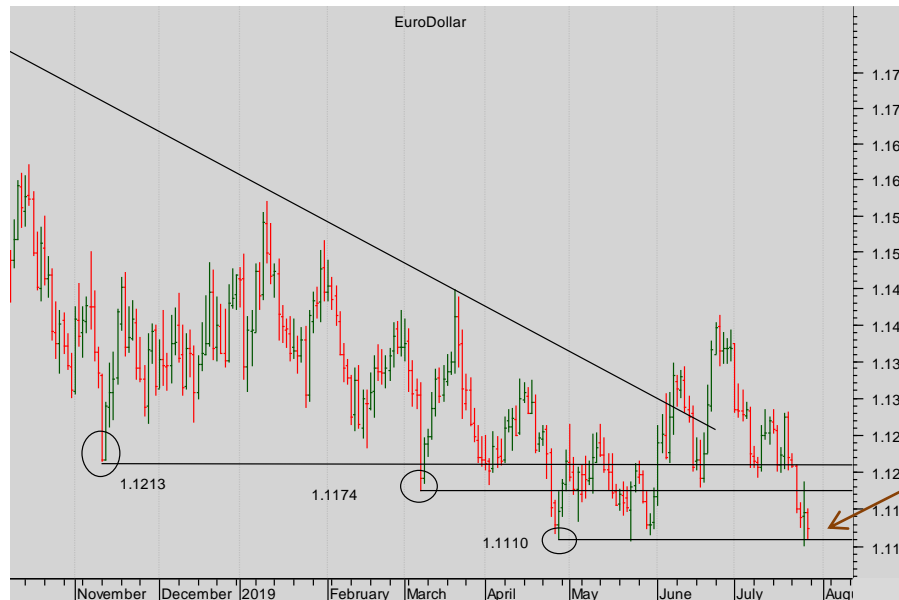
IMPLIED ASSET ALLOCATION

Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

This is a clear failure by the market to get back above the prior low resistance at 1.1297.



Dollar Euro spot cash chart daily chart...

The market has failed to convince on the upside.

Watch closely for a break beneath 1.1110 to signal the next down leg.



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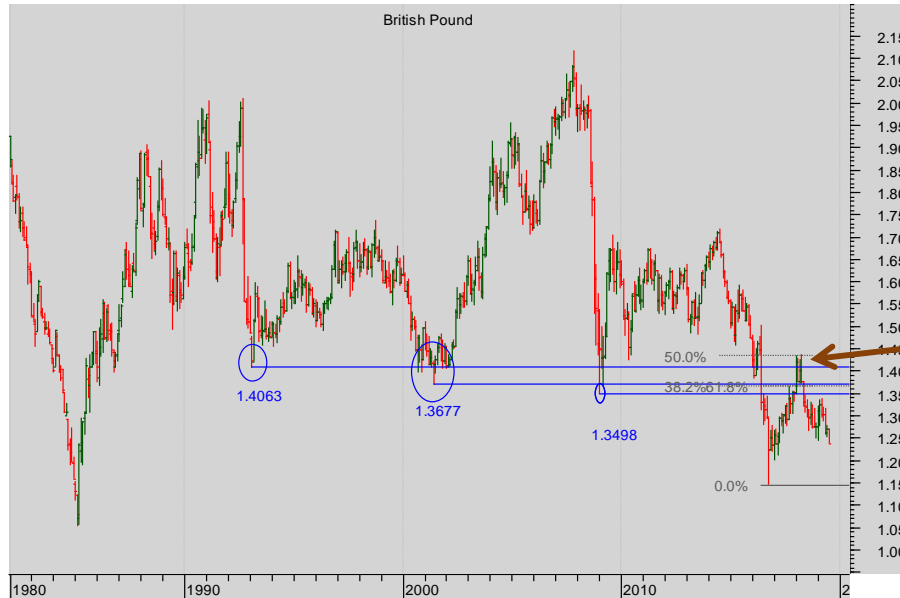
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

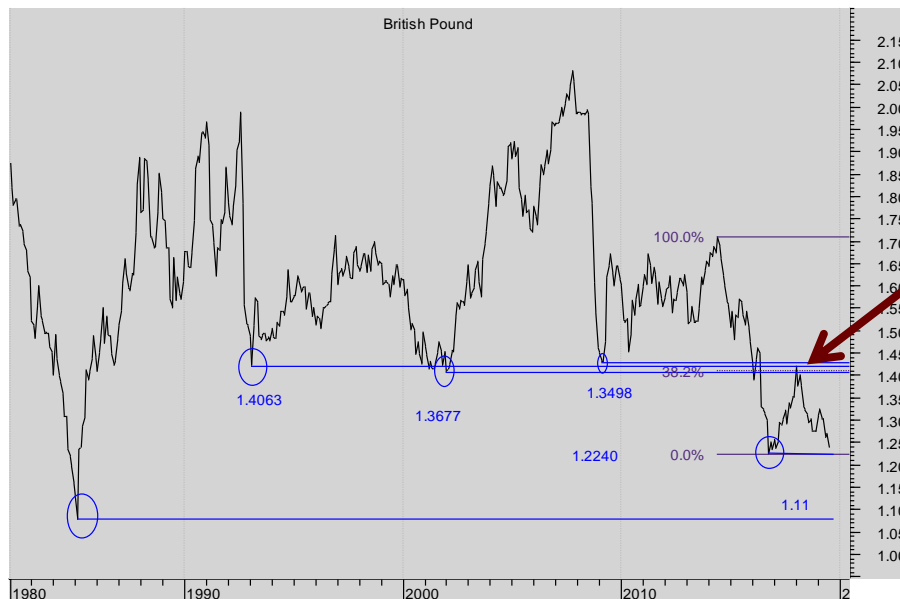


Dollar Sterling Monthly spot cash chart

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



Currencies: Dollar Sterling

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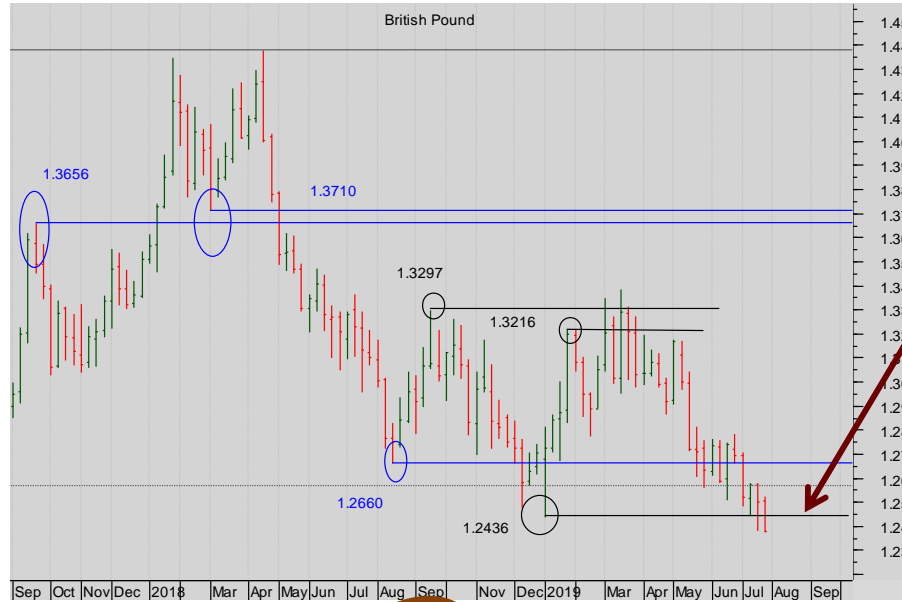
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- + Ten Year German Bund
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Commodities

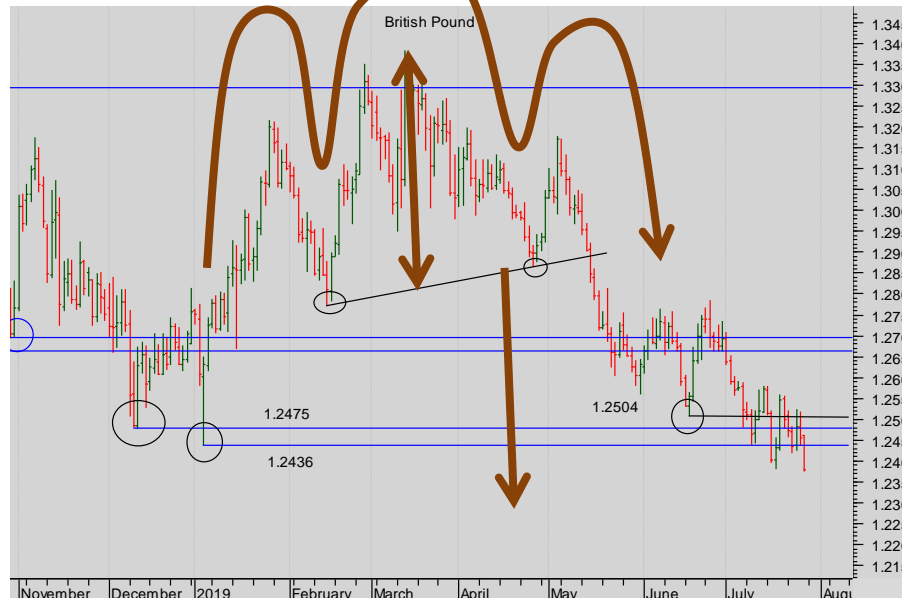
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Dollar Sterling weekly spot cash chart

The range since August 2018 is on the point of breaking down through that lower boundary ... wait for the weekly close.



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 1.2475/1.2436



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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

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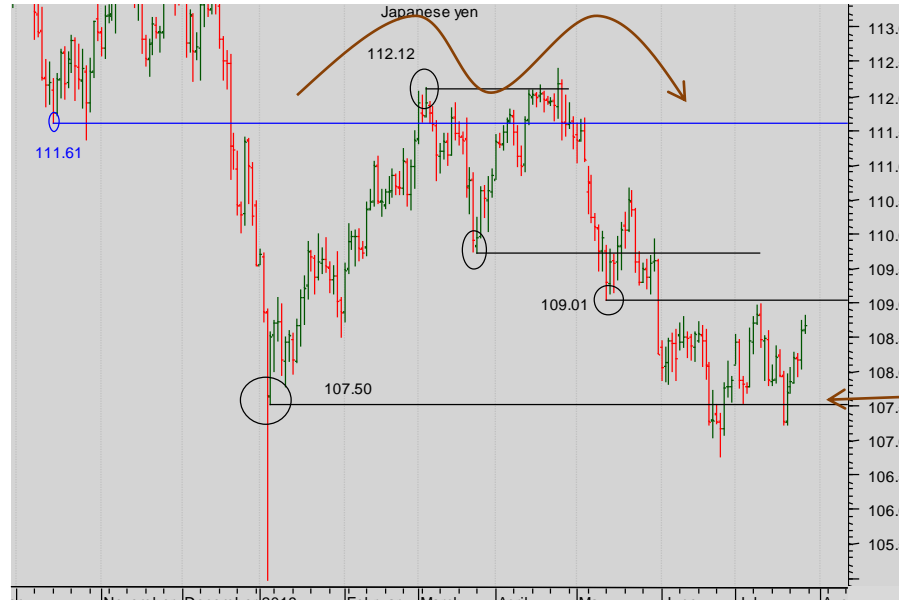
Bonds

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Commodities

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IMPLIED ASSET ALLOCATION



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 (and only then) the Yen bulls will clearly be in charge.



Currencies: Sterling Euro

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Stocks

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Bonds

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Commodities

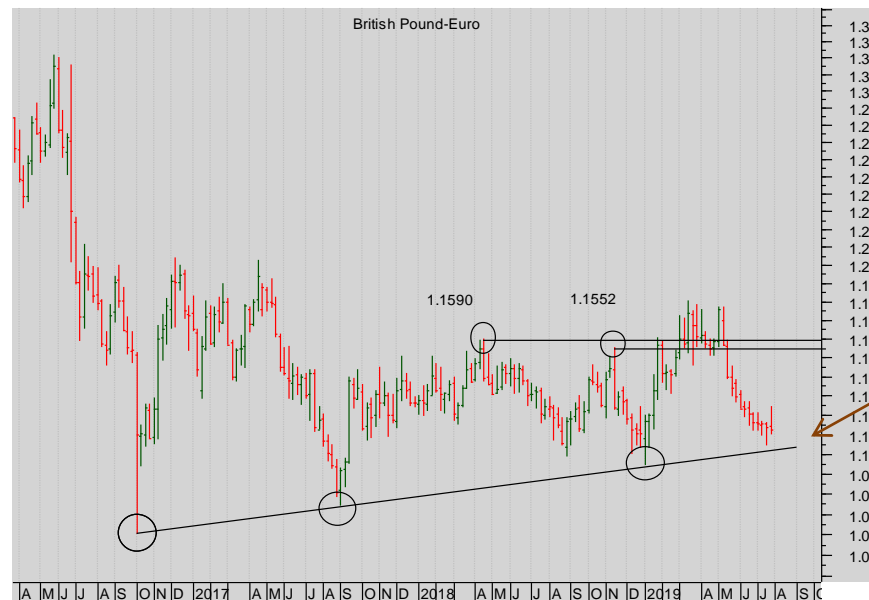
- + Oil
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IMPLIED ASSET ALLOCATION



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



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- + **Sterling Euro**

Stocks

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- + EuroStoxx 50
- + FTSE 100
- + Nikkei 225

Bonds

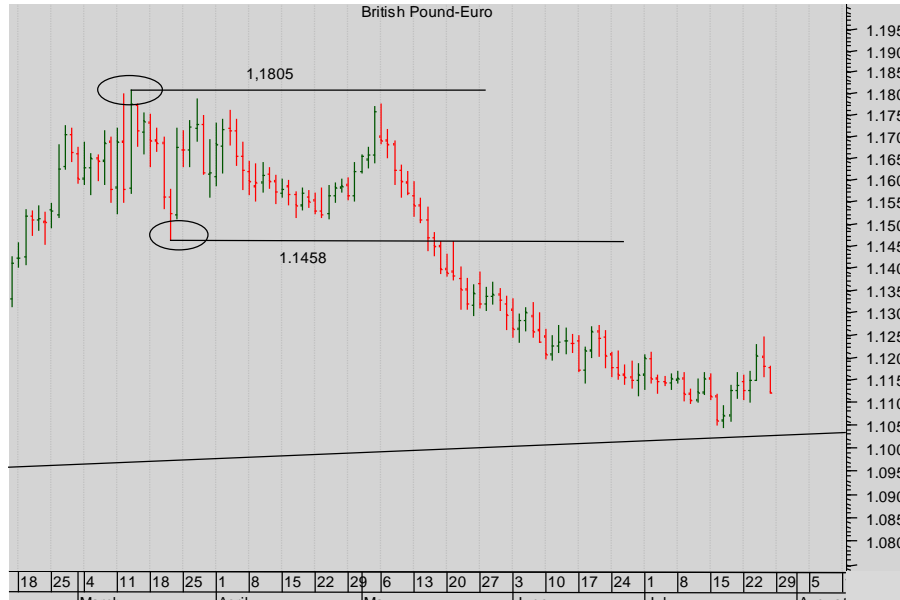
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Commodities

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- + Gold

IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro daily spot cash chart

Watch the approach to the diagonal beneath the market.



Stocks

STOCKS:

The picture remains bullish across the board. Led by the long-term chart of the S&P, we are excited short and medium-term by the Eurostoxx, and the long and short-term in the 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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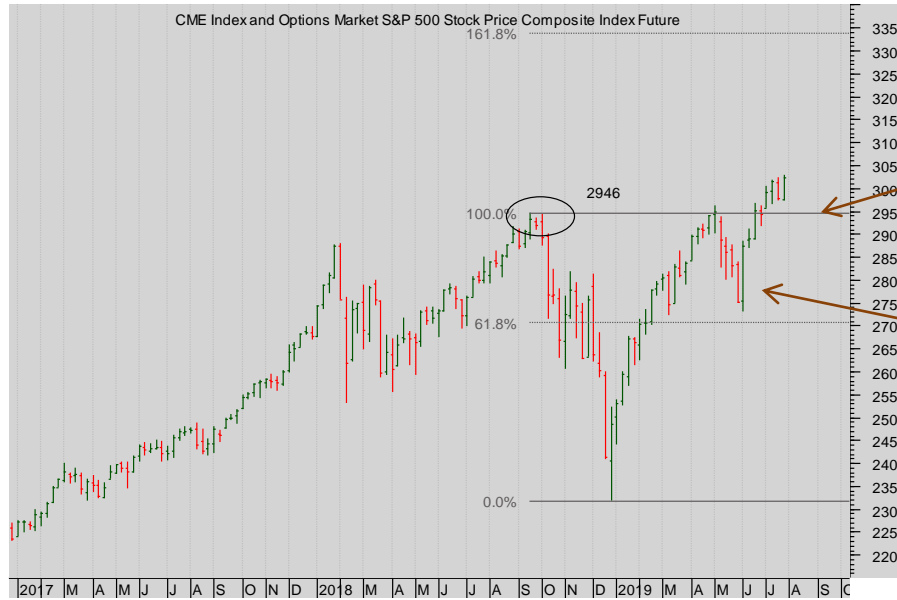
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Commodities

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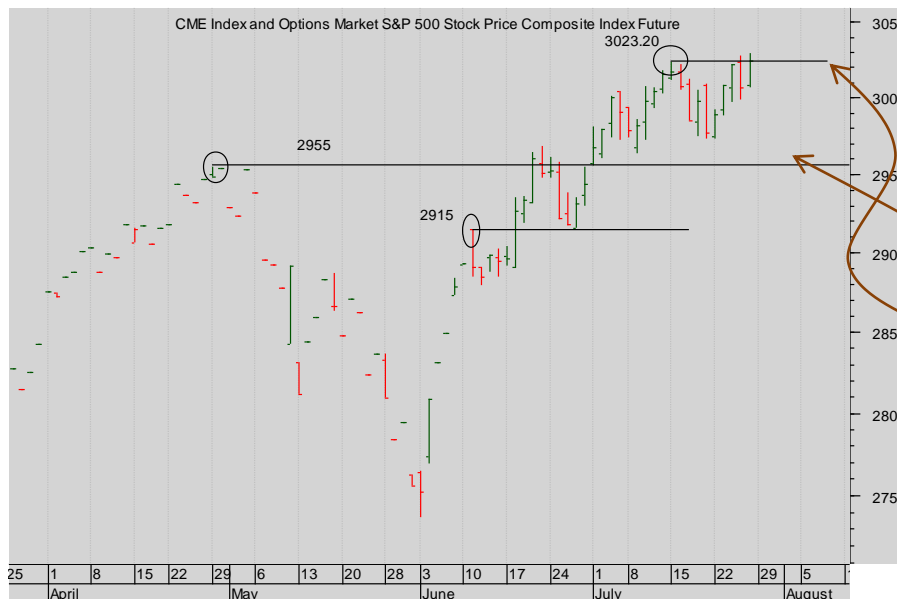
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CME S&P 500 cont. weekly cont. chart

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. Short-term support very clear at 2955.

Add on a break up through the High 3023.20

More



Stocks: Eurex EuroStoxx 50

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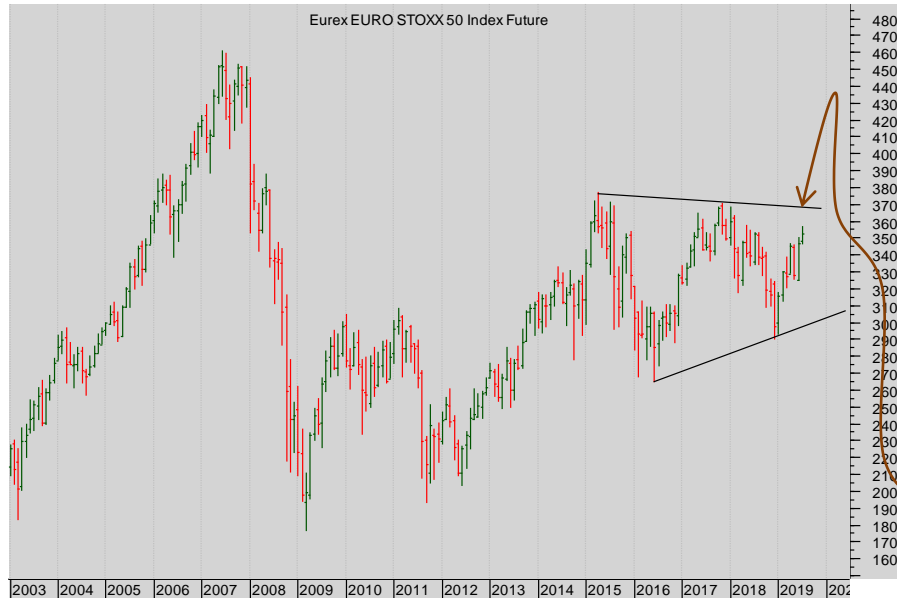
Bonds

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Commodities

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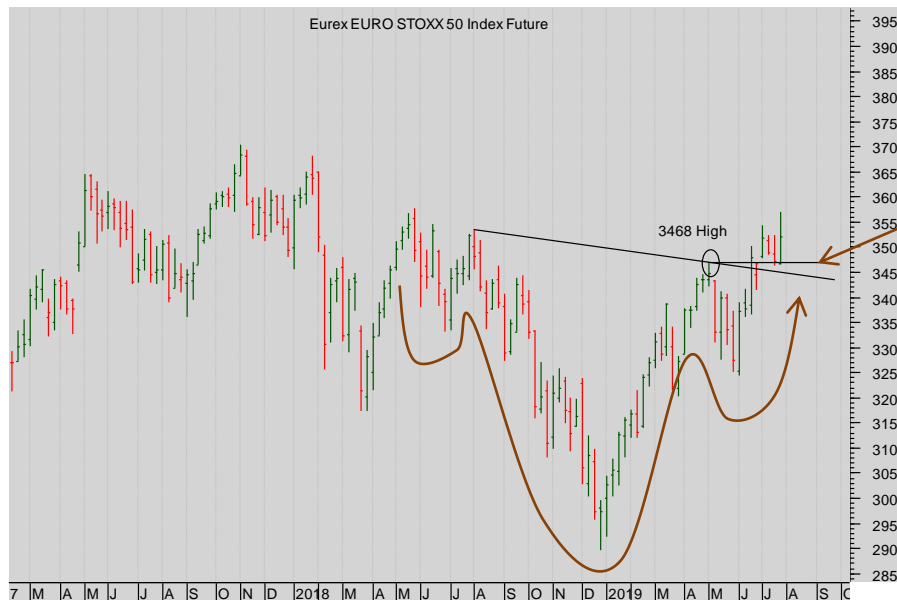
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Eurex EuroStoxx 50 monthly continuation futures chart

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.

Support at 3468 and beneath at the neckline.

More



Stocks: Eurex EuroStoxx 50

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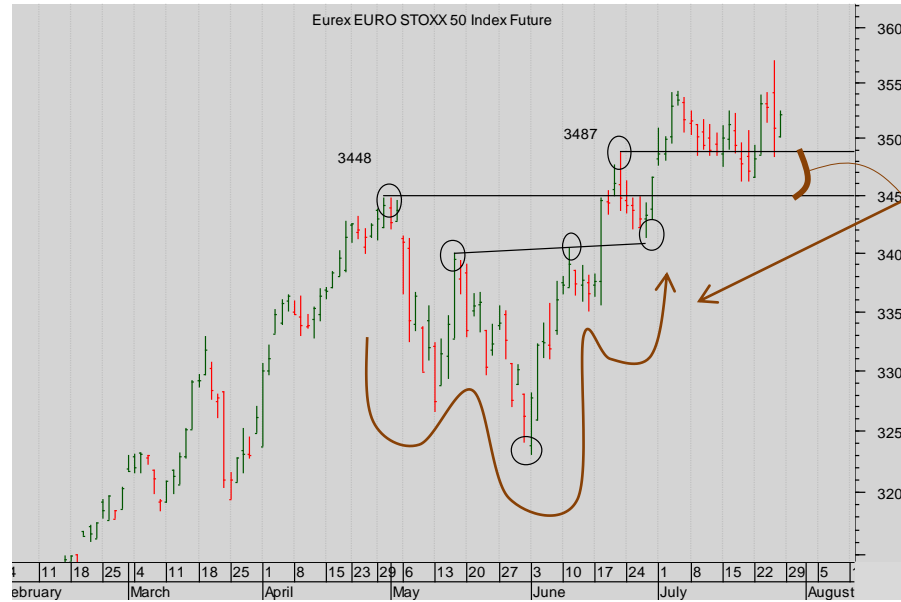
Bonds

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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 ...

Support 3448/3487



Stocks: Liffe FTSE 100

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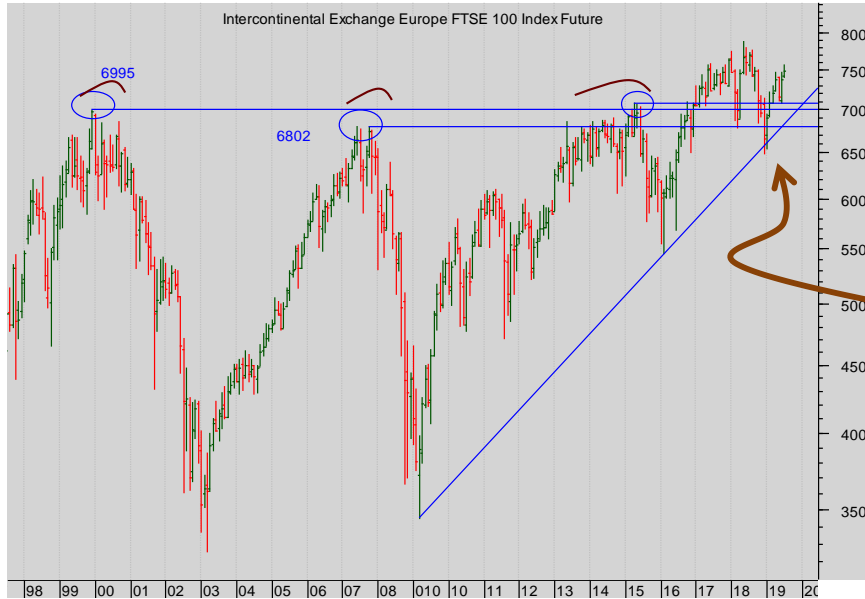
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Commodities

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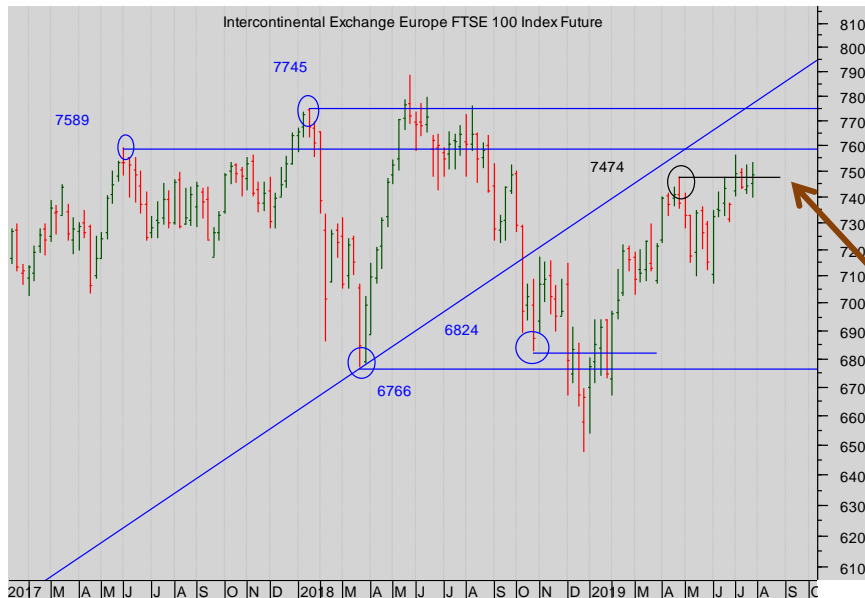
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Liffe FTSE 100 Monthly continuation futures chart

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

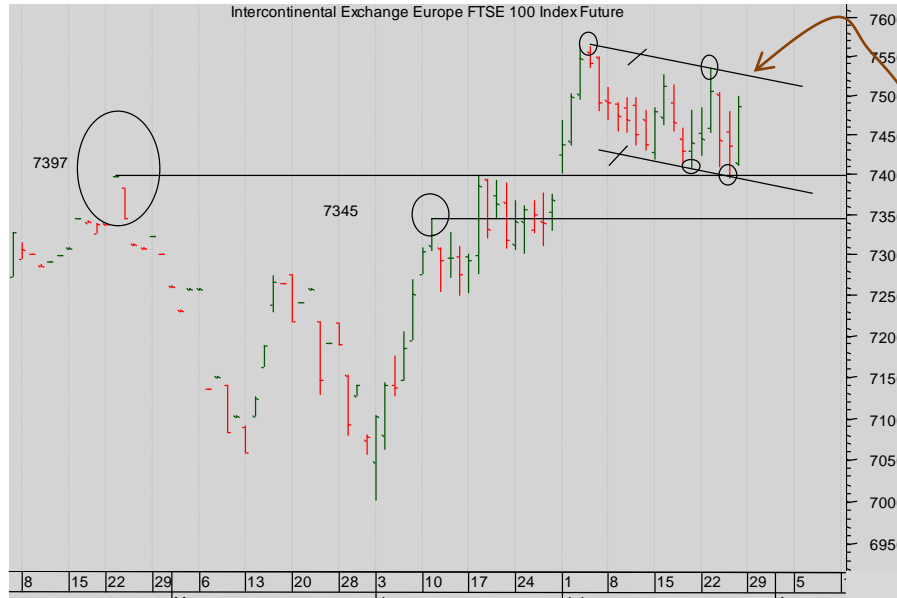
The bounce back up through the resistance from the Prior Lows was impressive and began the rally.

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

More



Stocks: Liffe FTSE 100



Liffe FTSE 100 SEP 19 daily futures chart

This is a small bull flag in the making – wait for completion.

Note the importance of the 7397 Prior High support.

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IMPLIED ASSET ALLOCATION



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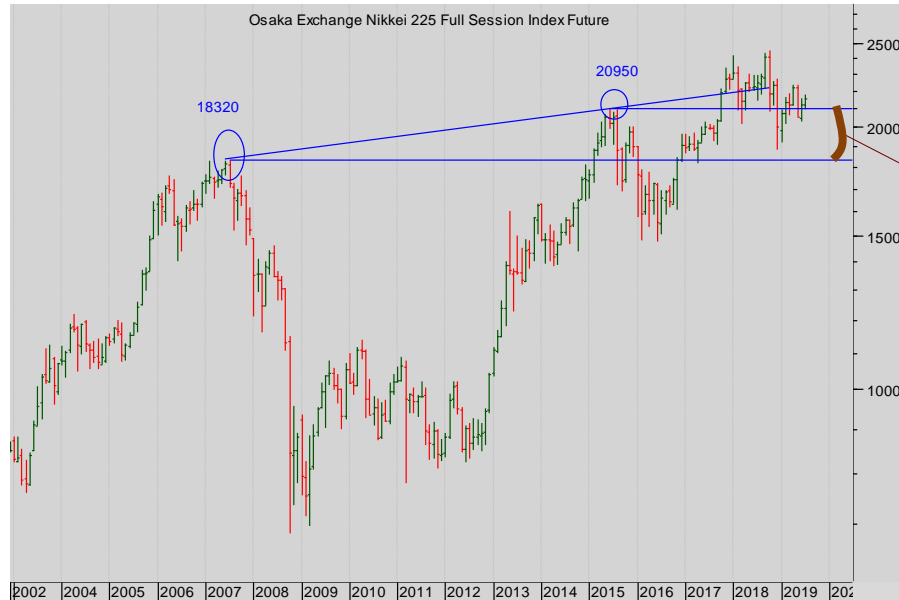
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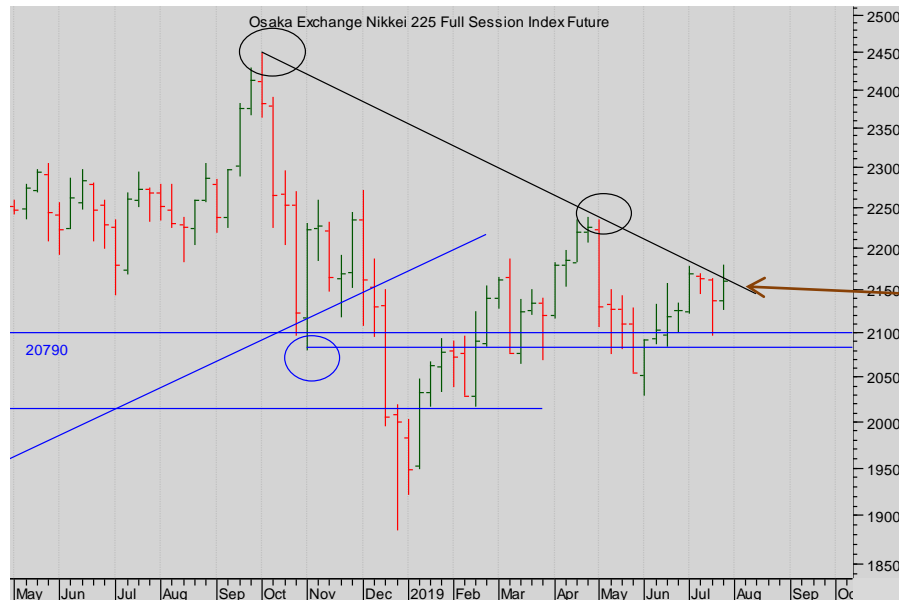
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Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

The market is retesting the band of support 20850.



Nikkei 225 chart (WEEKLY)

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

More



Stocks: OSE Nikkei 225

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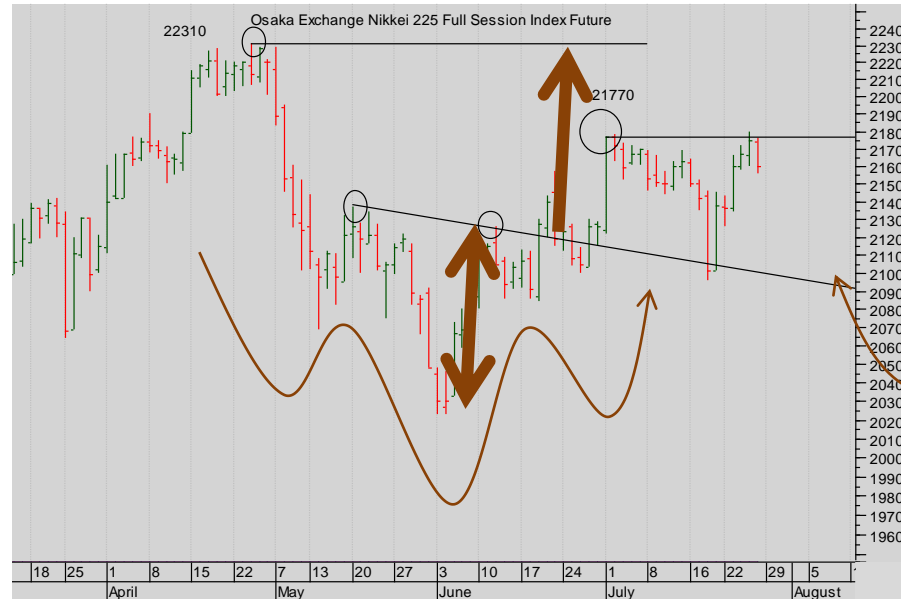
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IMPLIED ASSET ALLOCATION



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 while support holds at the Neckline



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

BONDS:

These markets are bullish. Note the long, medium and short-term trend of the Bund, watch the overhead resistance in both the US and the UK Gilt markets in both cases the market is testing them closely.

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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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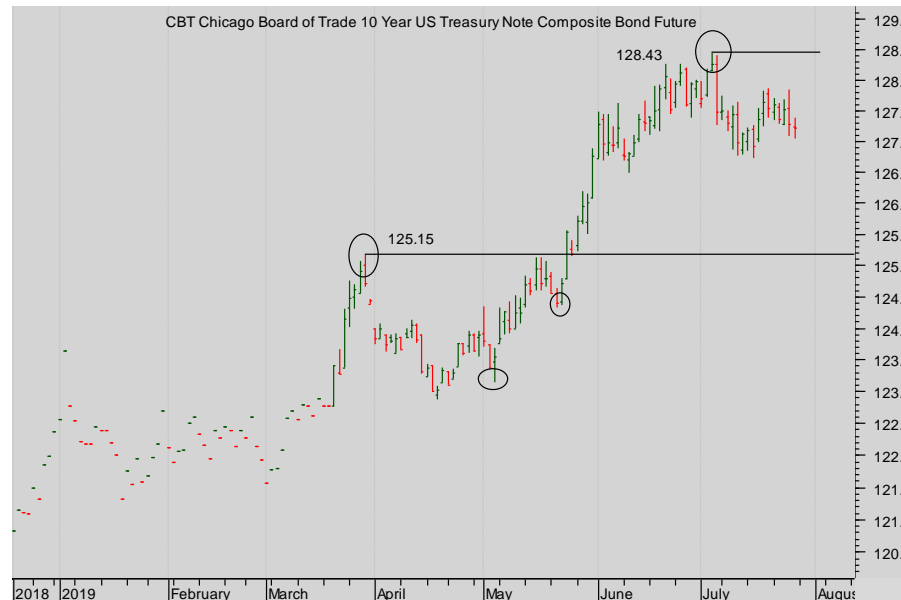
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CBOT Ten Year Notes weekly futures continuation chart

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

[Buy again on a clear break of 127.59](#)



CBOT Ten Year Notes daily Sep 19 futures chart

Not yet a convincing Top formation

More



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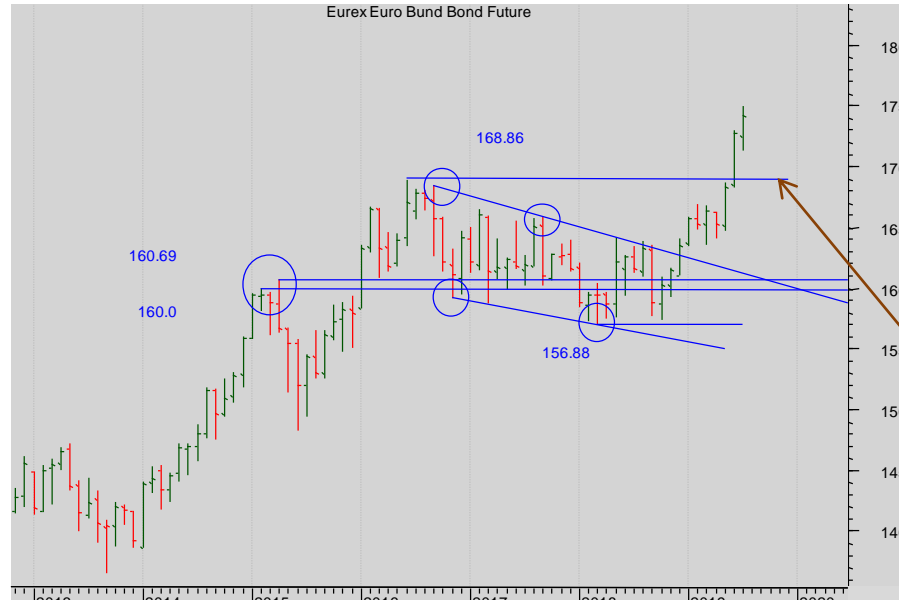
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Commodities

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IMPLIED ASSET ALLOCATION

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 was strong.

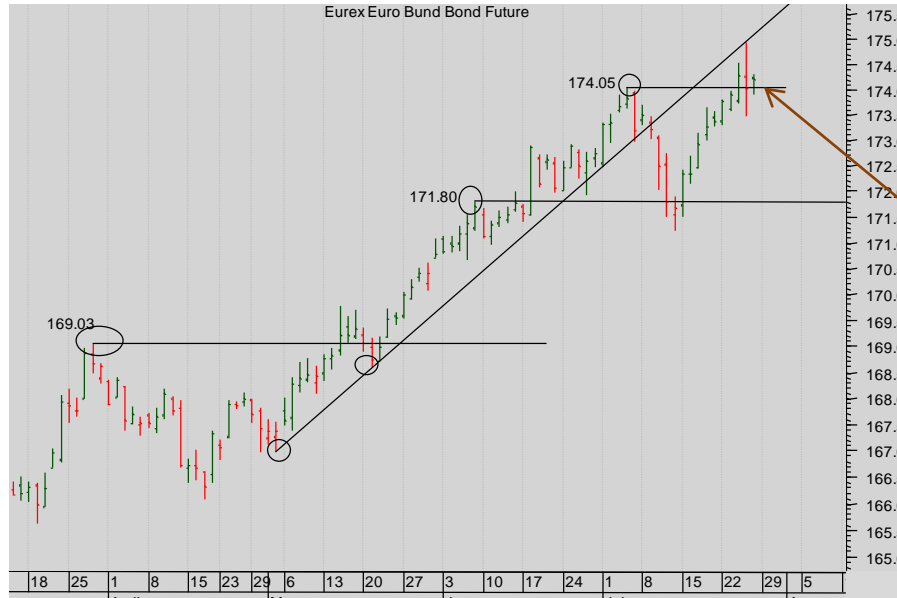
A bull continuation Triangle has completed and acted as the catalyst to break the Prior High

And that 168.86 is now good support on any pull-back. **The bulls are in charge**

More



Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund Sep 2019 Daily futures chart

Short-term the pull back was reversed - the bull market remains intact for the moment.

Add on a break of the 174.05 Prior High.

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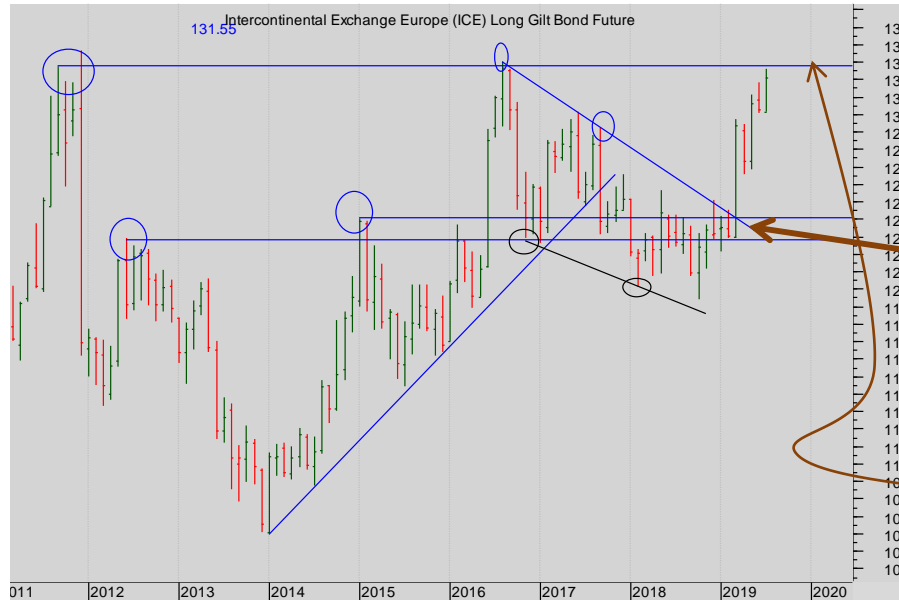
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IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures

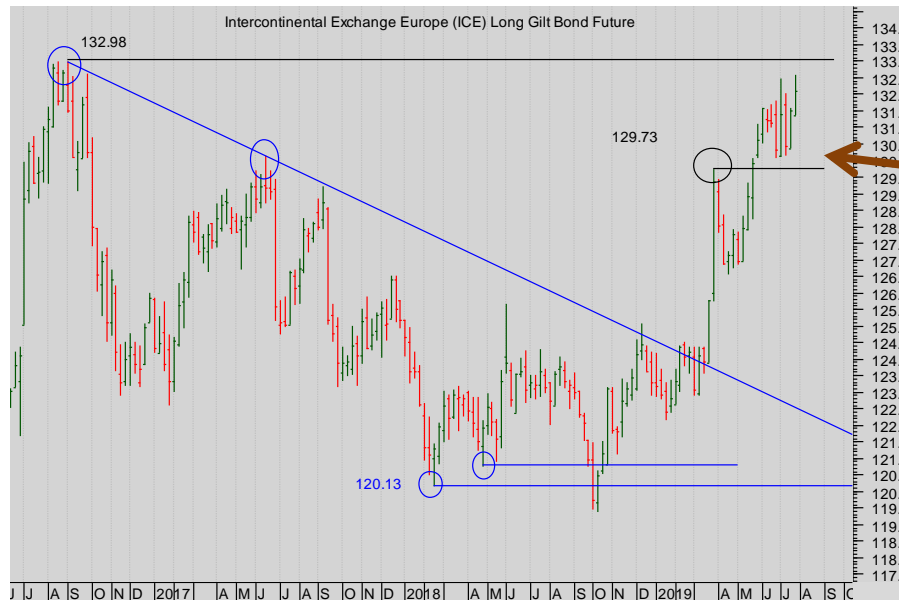


Liffe UK Gilt monthly futures continuation chart

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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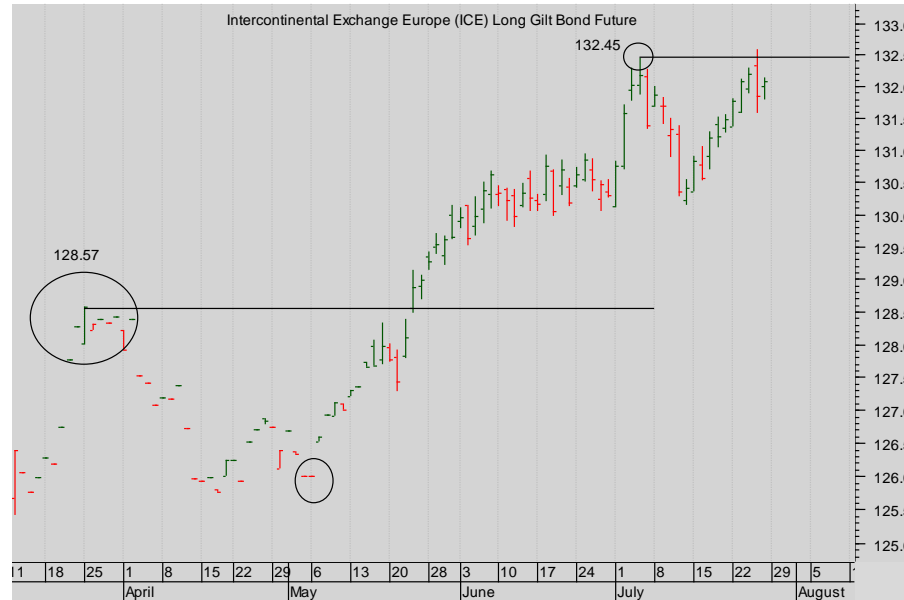
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IMPLIED ASSET ALLOCATION



Long Gilt daily Jun 19 chart

The short-term weakness has ended without clarity.

Wait of a break of the Prior High 132.45..



Commodity

COMMODITIES:

Oil is dull. Note though the long and medium-term break in the Gold – we need the short-term chart to clarify in order to compel the doubters to buy!

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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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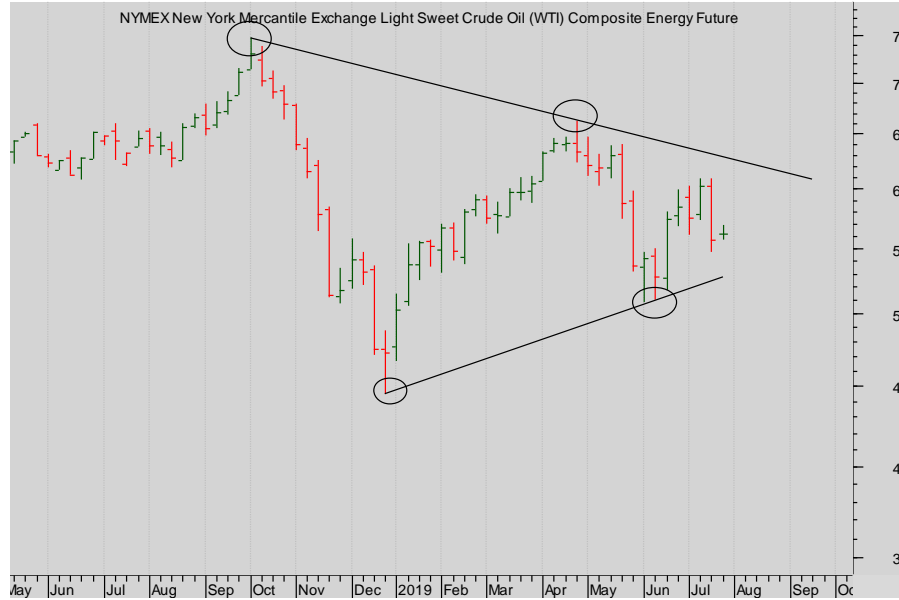
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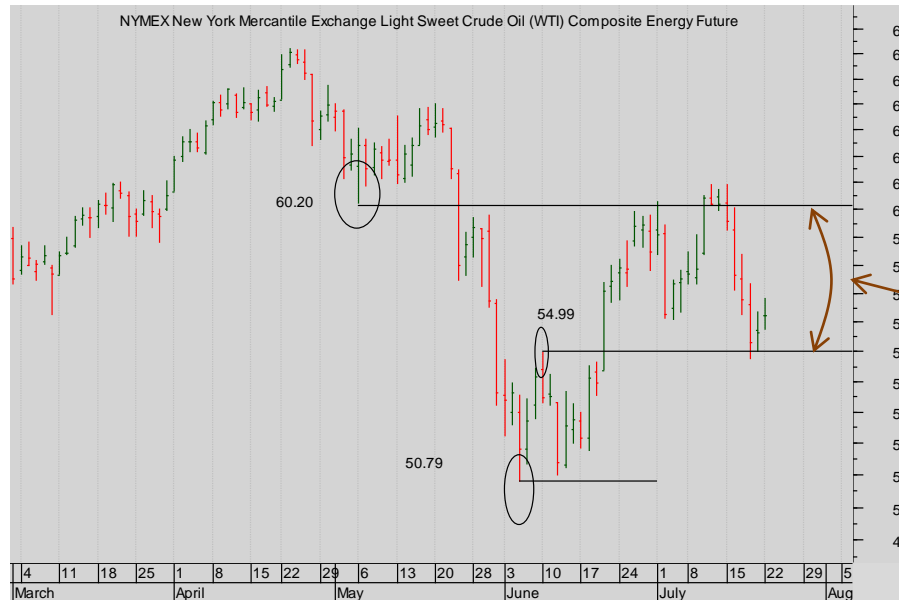
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nymex oil weekly continuation

There's a range...



Nymex oil daily Jun 19 futures

Not the current range.



Commodities: Comex Gold

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Stocks

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

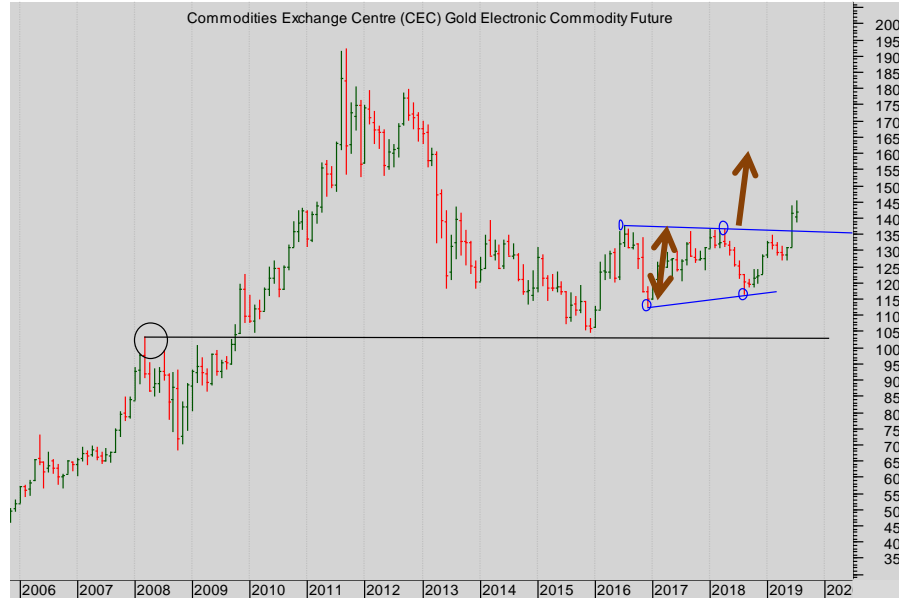
Bonds

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

Commodities

- + Oil
- + Gold

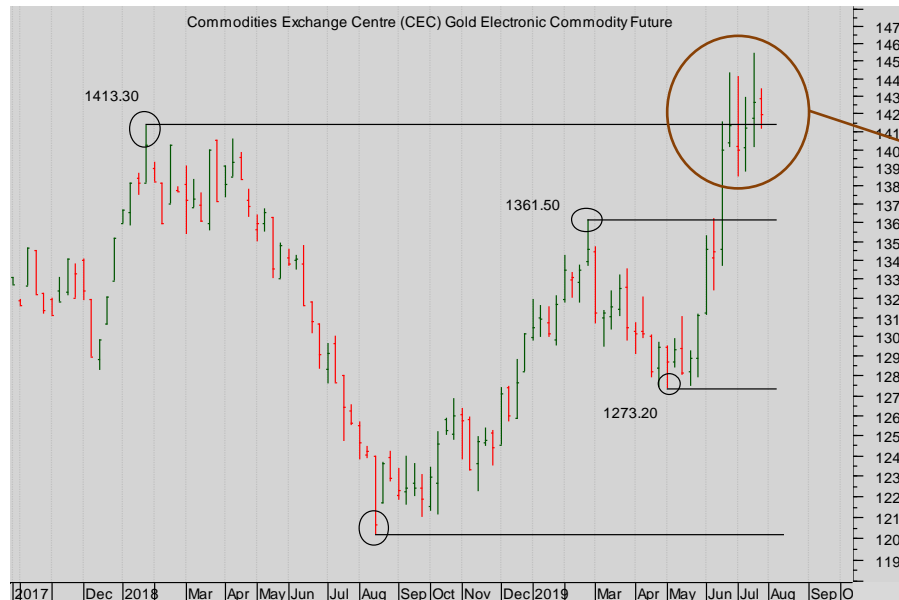
IMPLIED ASSET ALLOCATION



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....



Commodities: Comex Gold

Summary

Currencies

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

Stocks

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

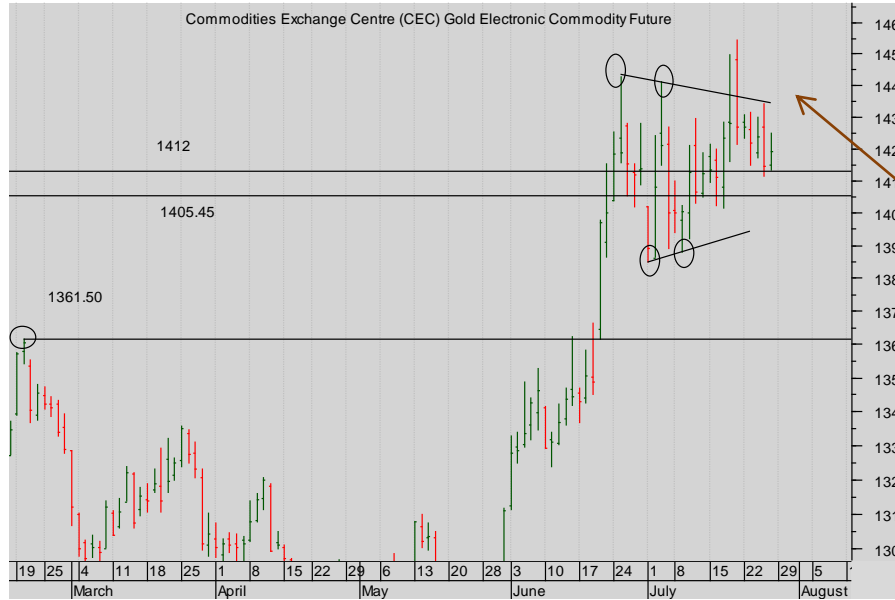
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nymex Gold August 2019 Daily

The market has established itself above the band of medium-term support 1412-1405.

But the bull triangle has not cleanly completed.



Summary

Summary

Currencies

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

Stocks

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- + EuroStoxx 50
- + FTSE 100
- + Nikkei 225

Bonds

- + Ten Year US TNote
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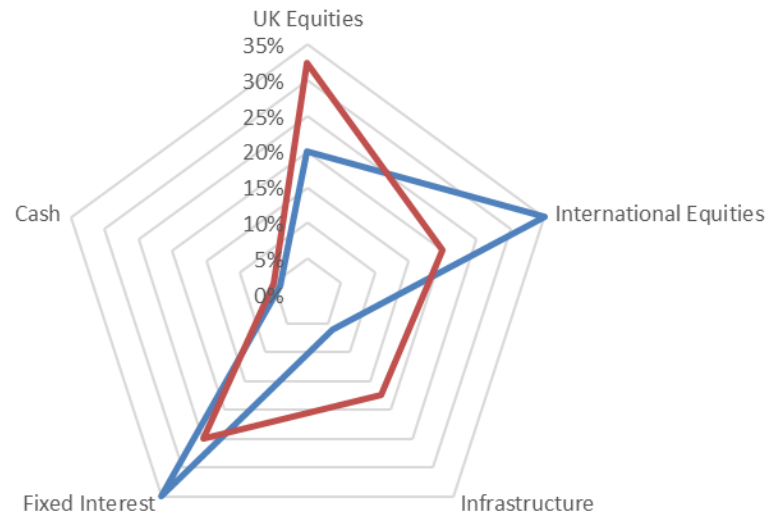
Commodities

- + Oil
- + Gold

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v

MSCI Balanced Risk Asset Allocation



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the technical analyst

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