



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 13th August 2019

Mark Sturdy

Disclaimer

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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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IMPLIED ASSET ALLOCATION

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





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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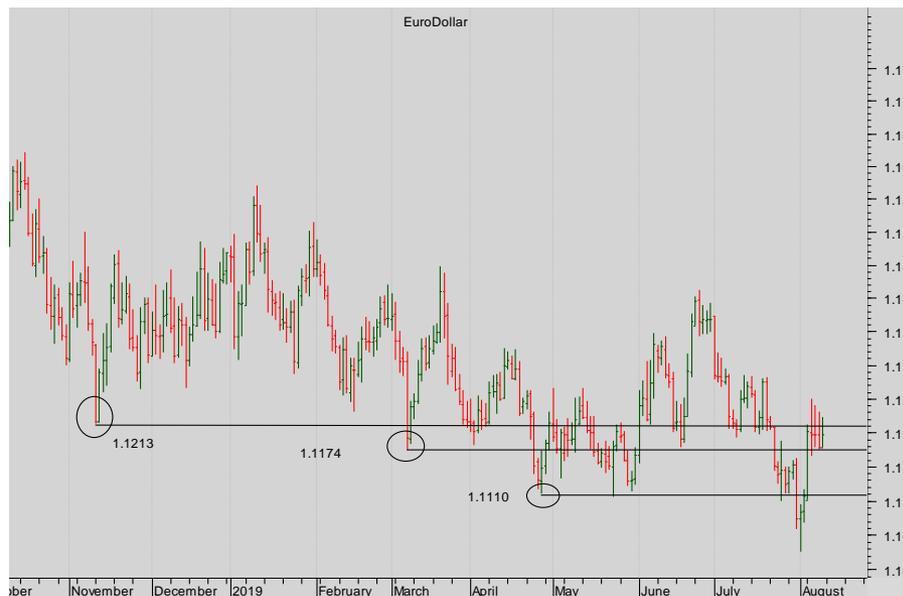
IMPLIED ASSET ALLOCATION

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...

Yet this short-term chart is a reversal against the medium and long-term trends.

Stand Back!



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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...

And now the market has smashed down through the Prior low...

More



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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

The range since August 2018 has broken down through that lower boundary ... **the bears are in charge.**



Dollar Sterling daily spot cash chart

But here's the internal dynamic within the range: a completed H&S top – whose minimum move has driven the market beneath the Prior Lows.

Massive resistance now above the market .



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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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IMPLIED ASSET ALLOCATION



Dollar Yen daily spot cash chart

The Yen bulls are in charge – short-term **the trend is well established.**



Currencies: Sterling Euro

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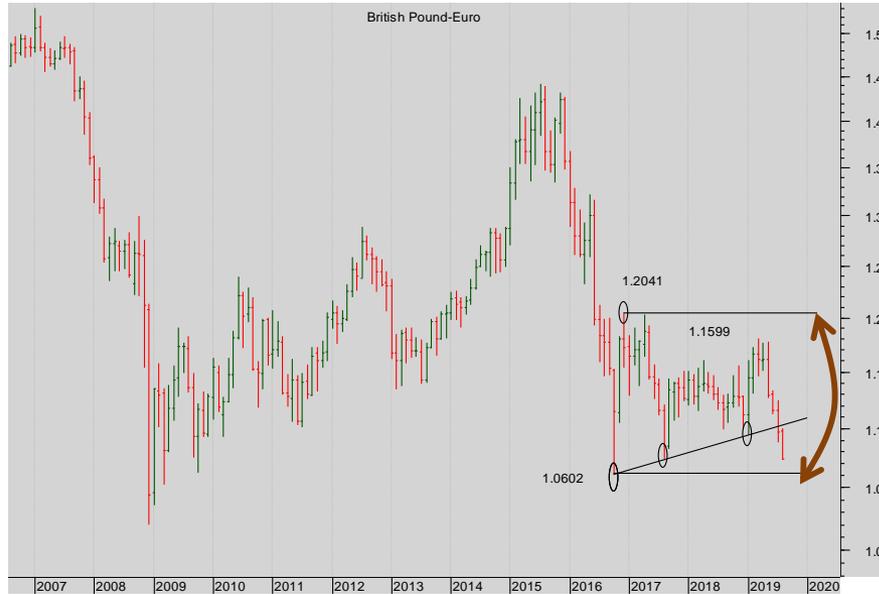
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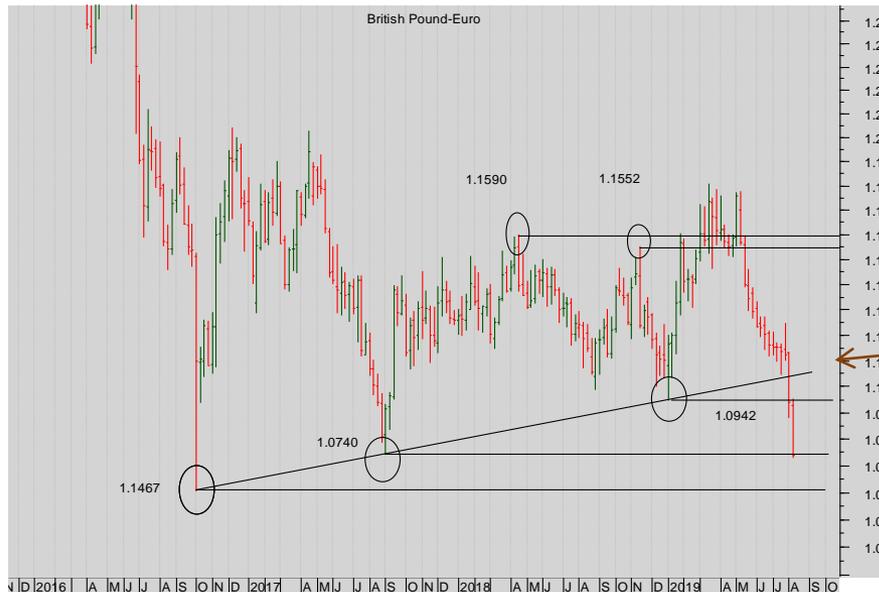
- + Oil
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IMPLIED ASSET ALLOCATION



Sterling Euro monthly spot cash chart

The market remains in the broad trading range.



Sterling Euro weekly spot cash chart

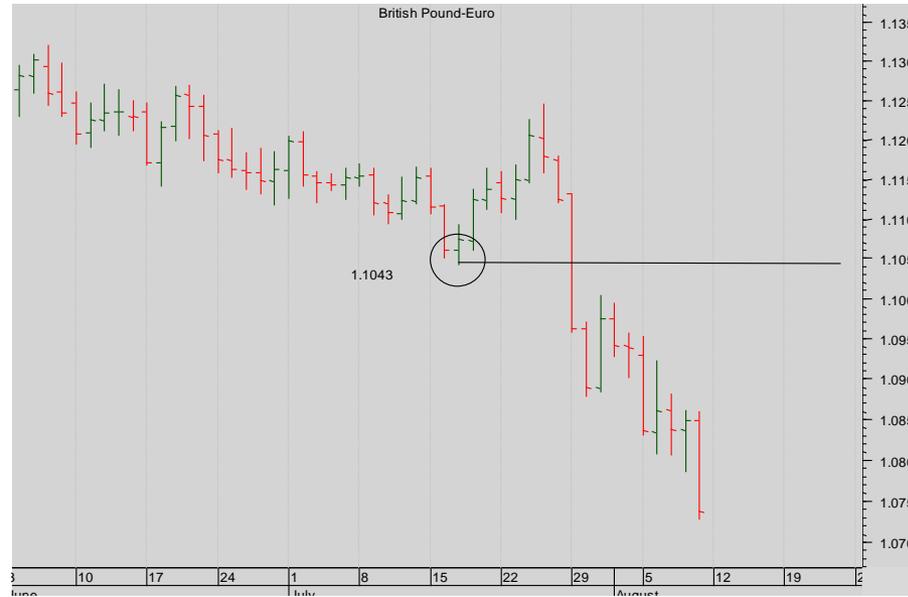
This detail is a bit clearer: **the market has fallen back into the trading range.**

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

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

Short-term the trend is for a weaker Sterling.

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IMPLIED ASSET ALLOCATION



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 Prior high 2946 was a powerful reassertion of the bull market.

The failure of the market to sustain that break is **ominous**.

More



Stocks: CME S&P 500

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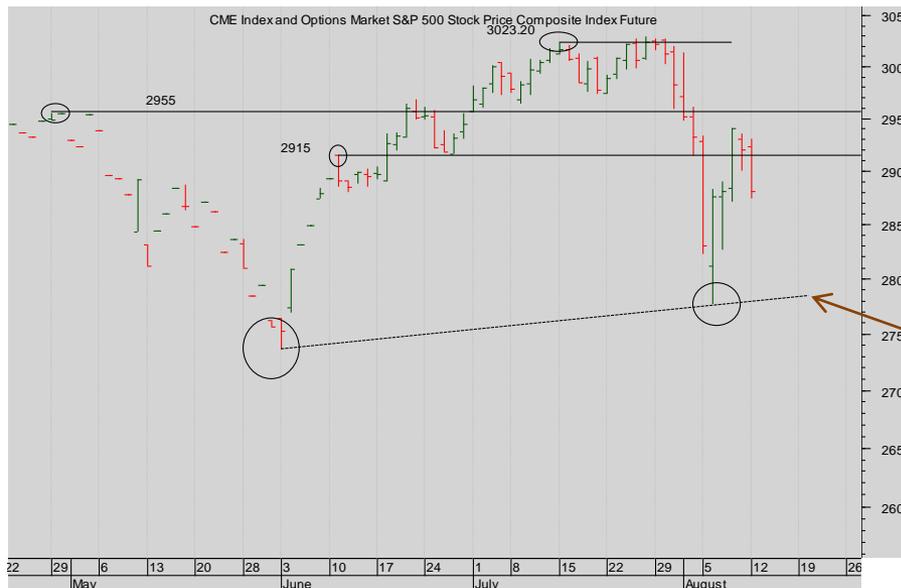
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CME S&P 500 cont. weekly cont. chart

The repeated test and break of the old high was significant – the bulls were in control and have **failed**.

The support from the Prior highs 2946/2960 wasn't there.



CME S&P 500 daily Sep 2019 chart

The 61.8% Fibonacci rally after the sell-off (that broke the support from the Prior Highs 2955/2915) looks like a possible selling opportunity.

Note the possible Neckline of a bear H&S top)

More



Stocks: Eurex EuroStoxx 50

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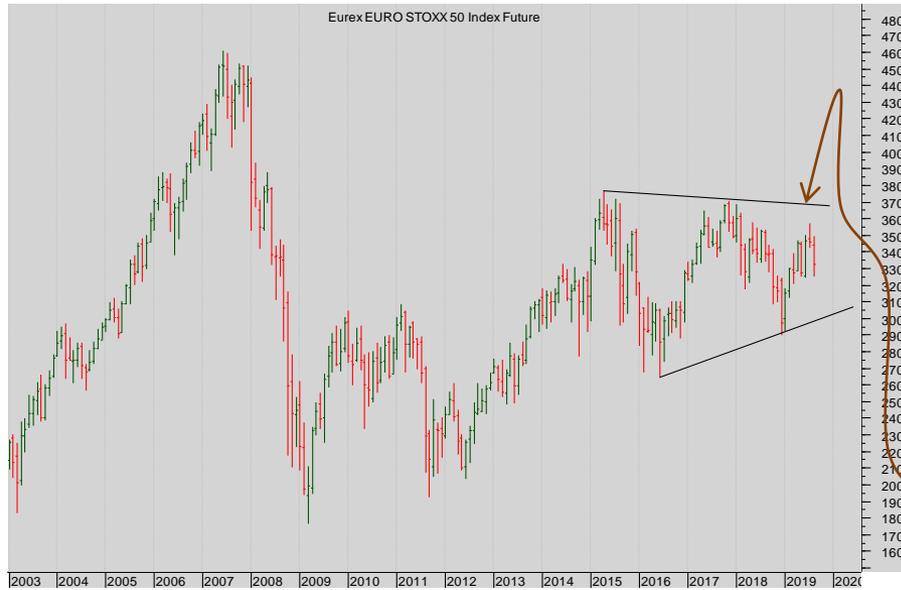
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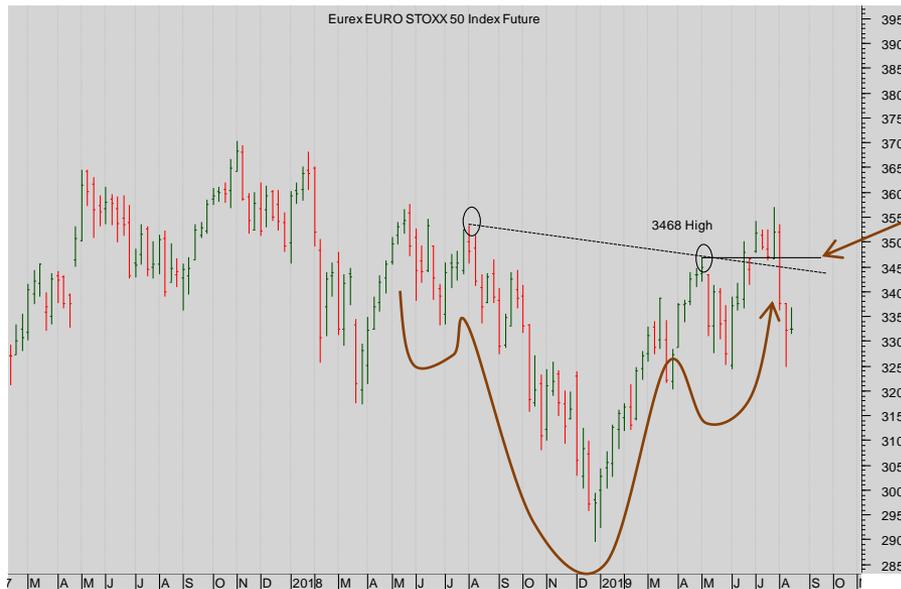
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Eurex EuroStoxx 50 monthly continuation futures chart

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 failed continuation H&S pattern.

The support at 3468 and beneath at the neckline failed.

More



Stocks: Eurex EuroStoxx 50

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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Jun 19 futures chart

Support 3448/3487 clearly failed.

Note the possible Neckline beneath the market. A break of that would be very bearish indeed.



Stocks: Liffe FTSE 100

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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 fifth failure above 7600 – ending in a weekly Key reversal doesn't look good.

Wait though, for a break beneath 6766 before the bears should get ahead of themselves.

More



Stocks: Liffe FTSE 100

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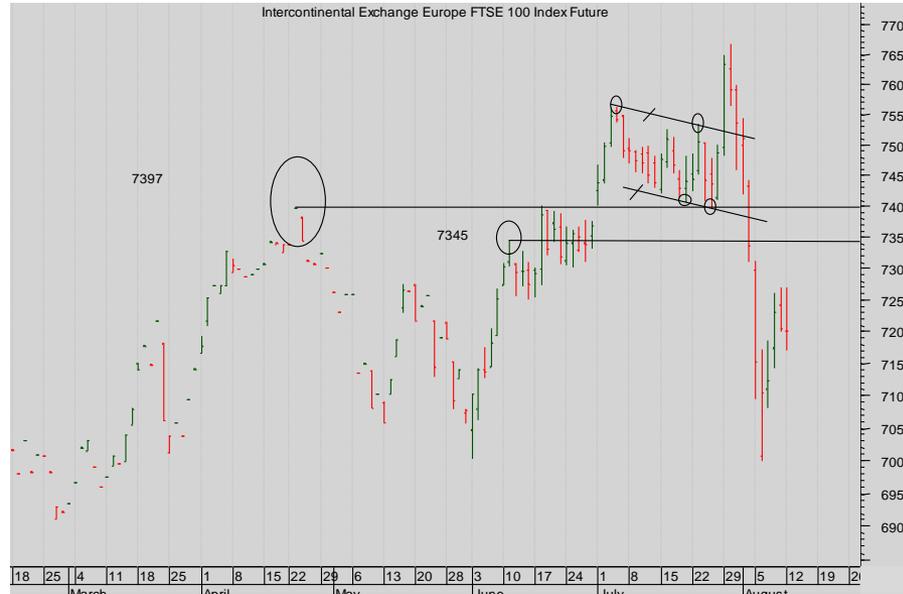
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Commodities

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IMPLIED ASSET ALLOCATION



Liffe FTSE 100 SEP 19 daily futures chart

The failure of the small bull flag above the Prior Highs is very poor price action.



Stocks: OSE Nikkei 225

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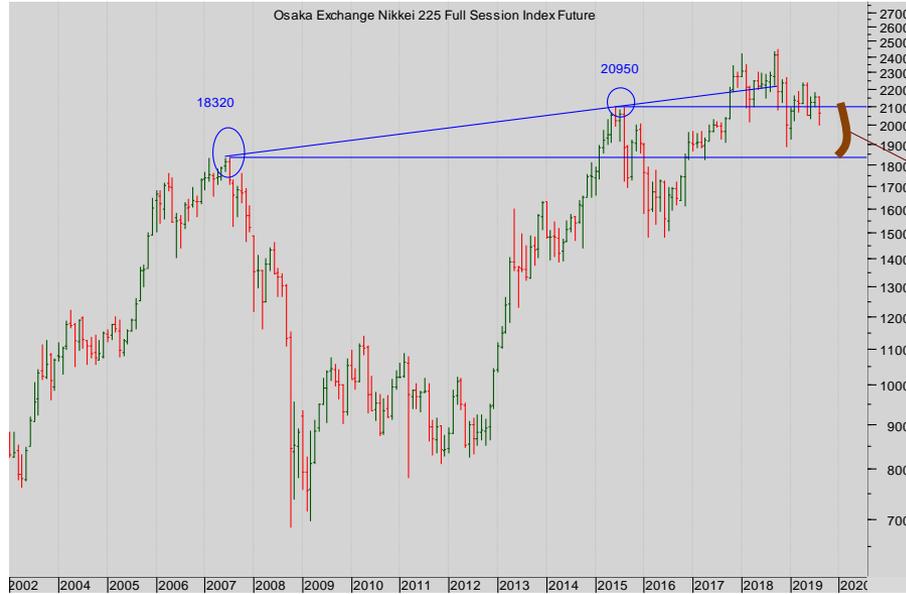
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Commodities

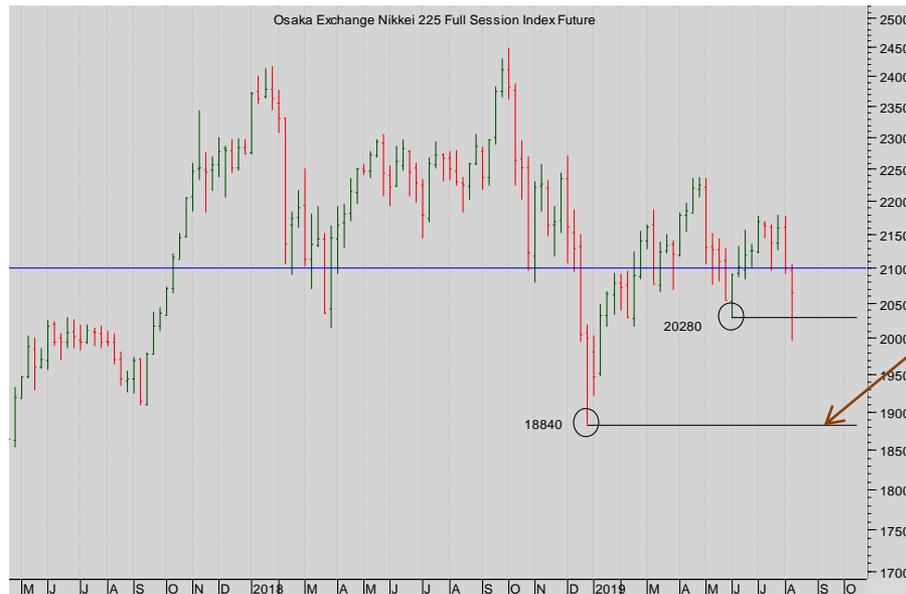
- + Oil
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Nikkei 225 chart (monthly)

The market is retesting the band of support 20850.



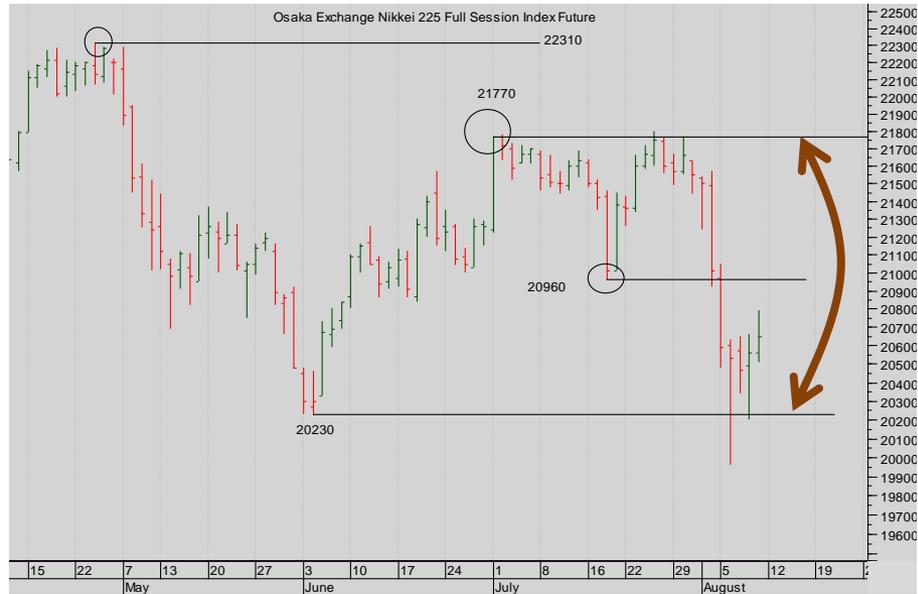
Nikkei 225 chart (WEEKLY)

The repeated failures are discouraging but wait for a break beneath 18840 to complete a top.

More



Stocks: OSE Nikkei 225



**Nikkei 225 chart Daily
SEP 19.**

Wait for a break of the
range.

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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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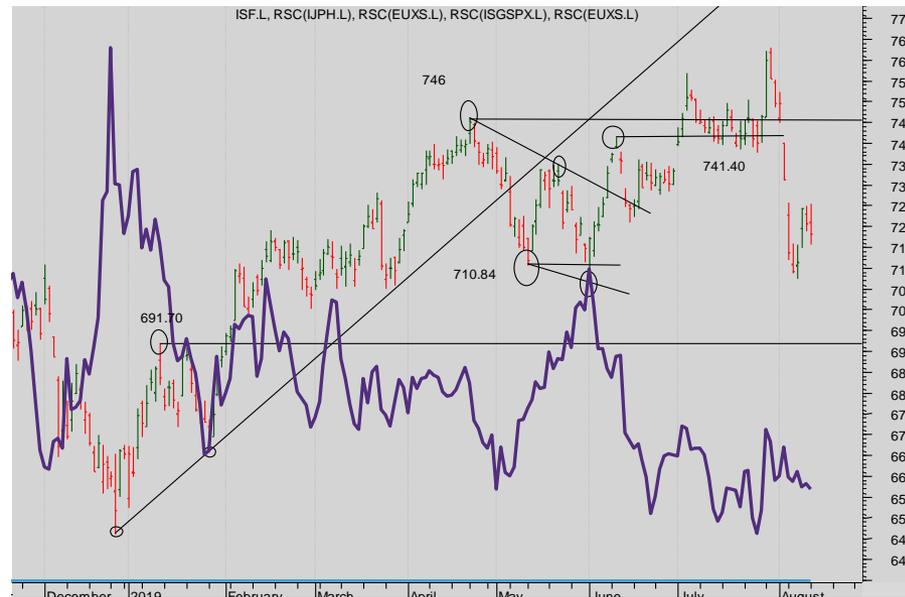
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iShares FTSE Etf. Daily chart.

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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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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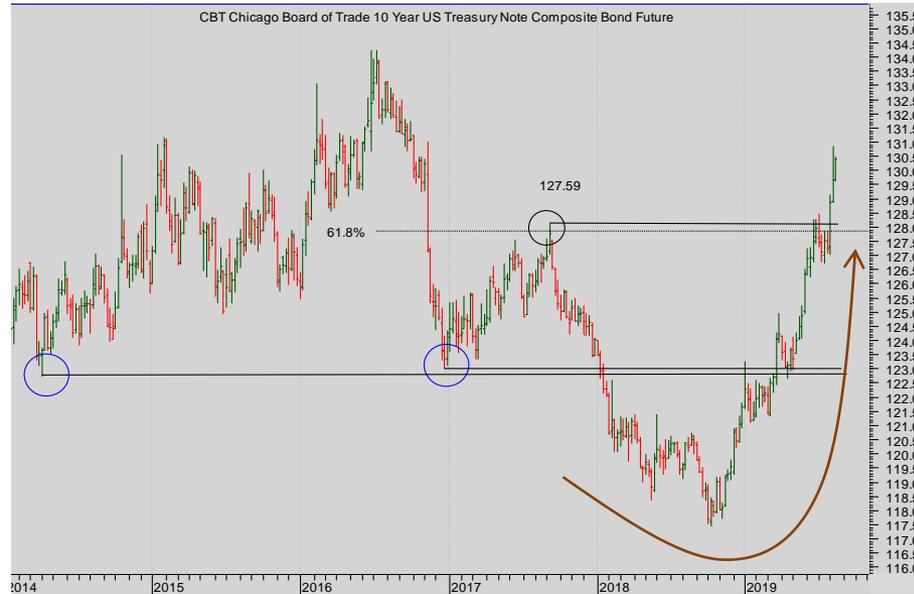
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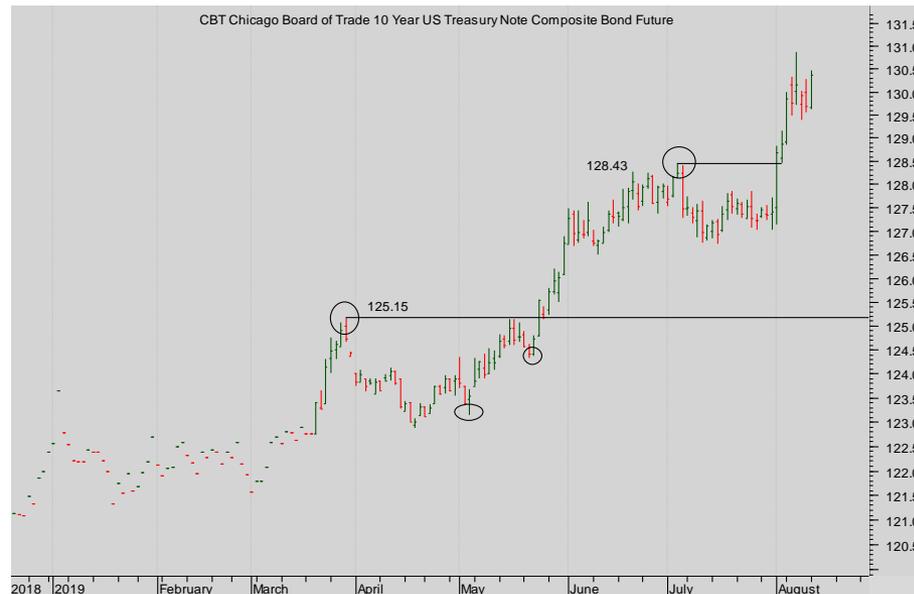
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CBOT Ten Year Notes weekly futures continuation chart

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

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



CBOT Ten Year Notes daily Sep 19 futures chart

The bull rally is set.

More



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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

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IMPLIED ASSET ALLOCATION



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 the break of the 174.05 Prior High.



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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 buy the market having overcome 131.55



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 bulls are in charge, band of support beneath at 132.45/98.



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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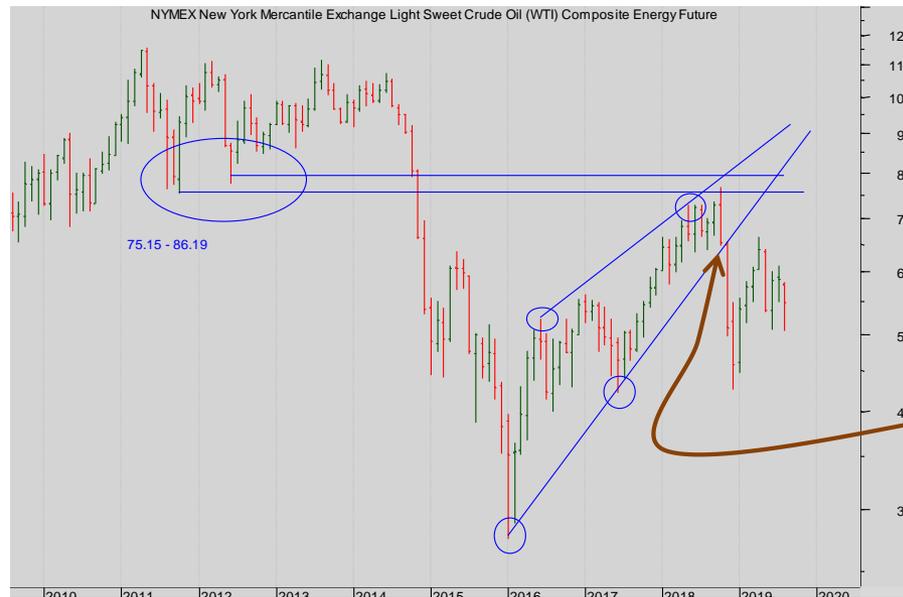
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Commodities

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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.

With a bear rising wedge that completed.

More



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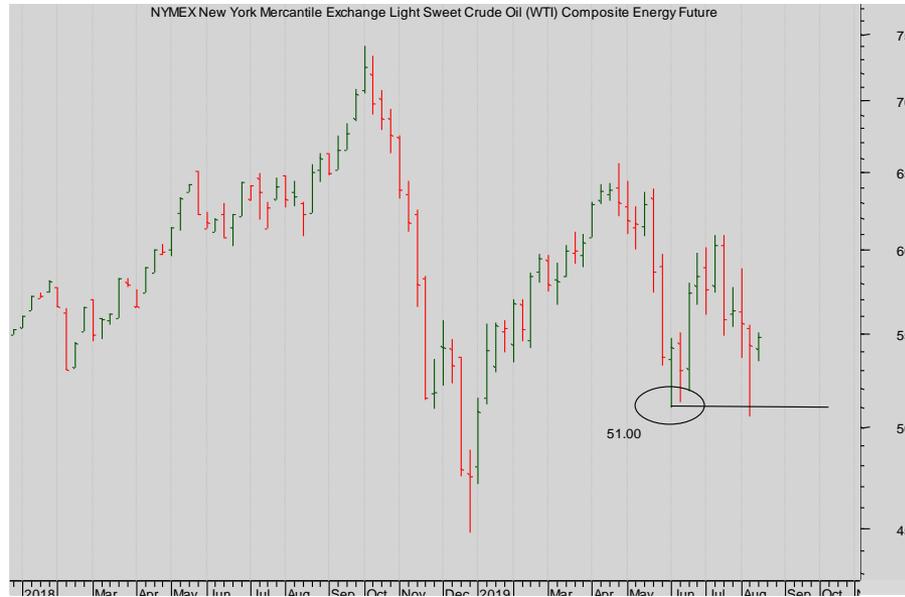
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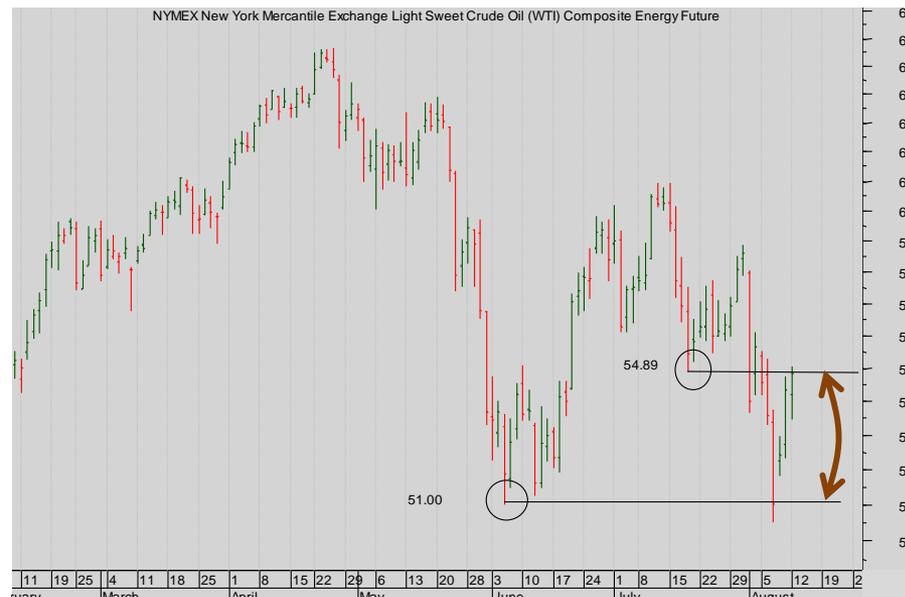
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Commodities: Nymex WTI Oil



Nymex oil weekly continuation

It's not clear.



Nymex oil daily Jun 19 futures

Watch the range.



Commodities: Comex Gold

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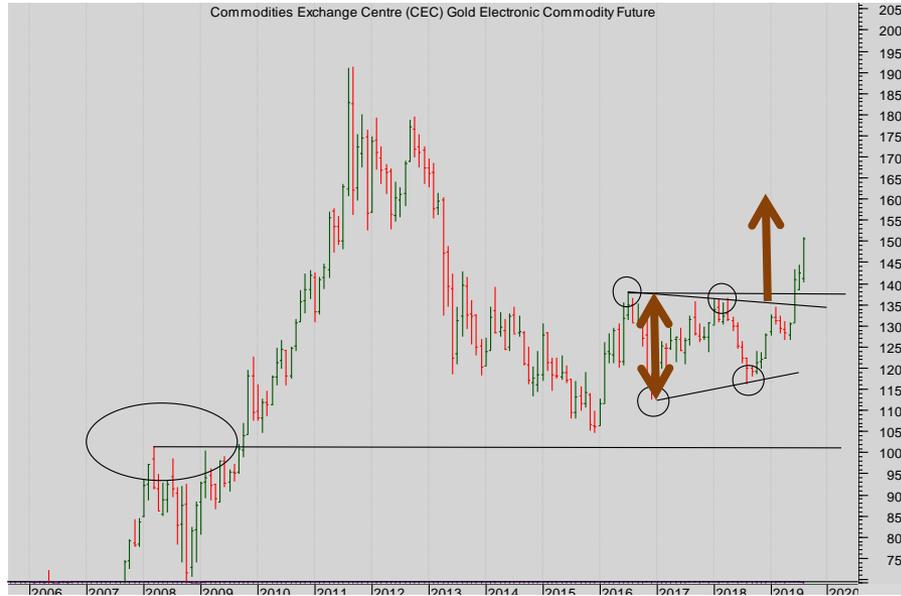
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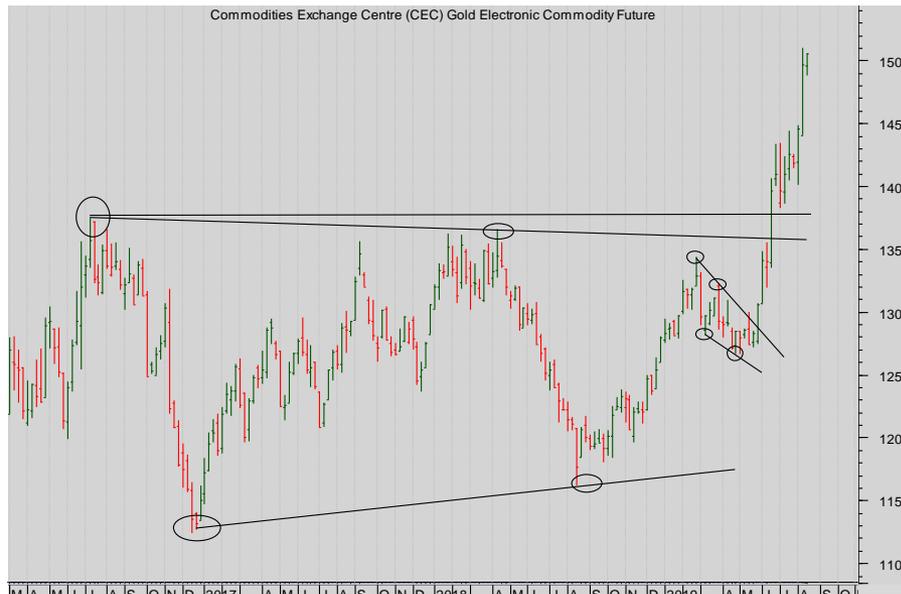


Nymex Gold Monthly

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**.

The minimum move looks as high as 1600.



Nymex Gold weekly

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



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Commodities: Comex Gold



Nymex Gold August 2019 Daily

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

Short-term though, the minimum move has been achieved, however....



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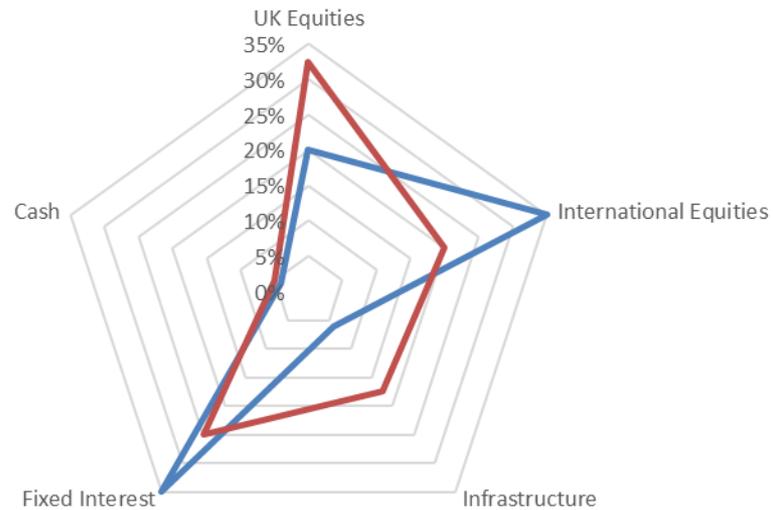
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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

MSCI Balanced Risk Asset Allocation



More



the technical analyst

AWARDS 2012

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[Back to main menu](#)