



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 12th November 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

Summary

Currencies

- + Dollar Euro
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- + Sterling Euro

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

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

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

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

Bonds

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

Long-term **BEAR**
Long-term **BULL**
Long-term **BEAR**

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

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

Commodities

- + Oil
- + Gold

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

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

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

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The Euro is under real pressure in all time frames against the Dollar. This translates into a good short-term bull trend for the Sterling against the Euro. There are contrary forces at work in the Cable so stand aside there and the Dollar Yen remains in a trading range.

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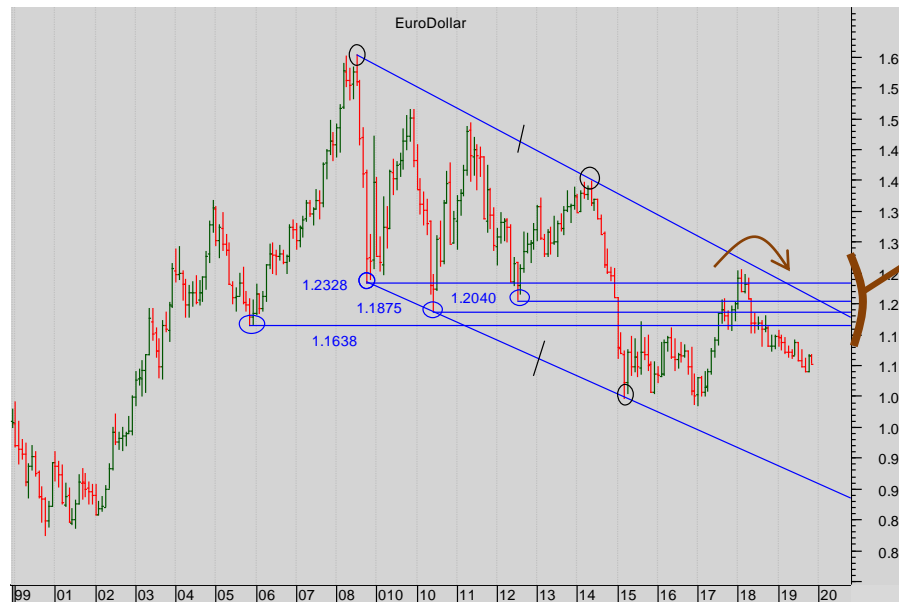
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IMPLIED ASSET ALLOCATION



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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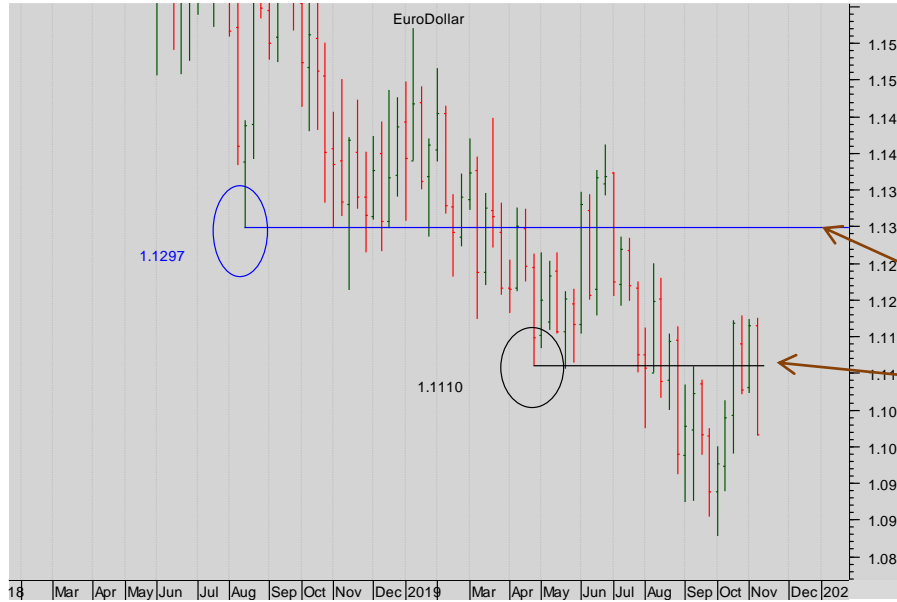
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Euro

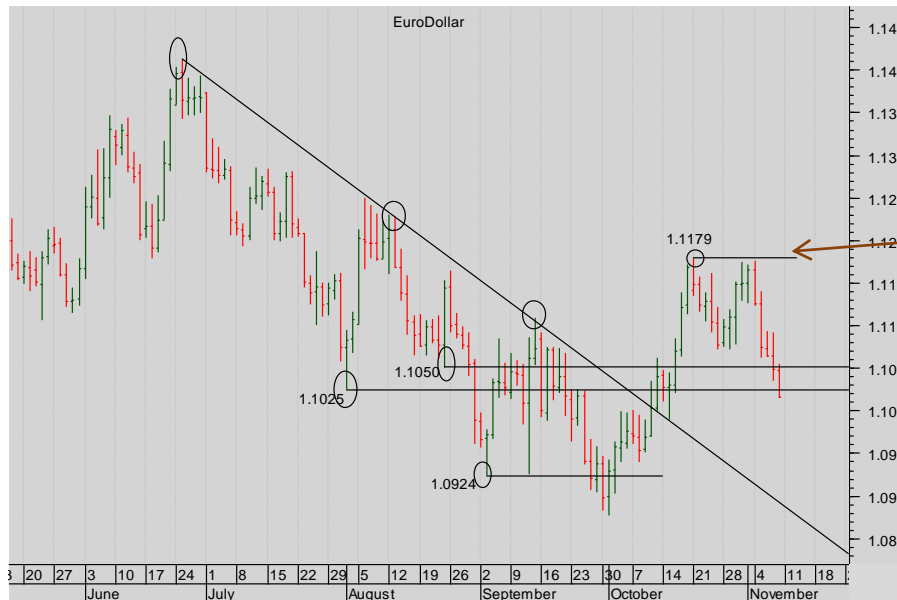


Dollar Euro weekly spot cash chart

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

Note the FAILED rally back to test the resistance from the Prior Low at 1.1110

So the Dollar bears remain in charge.



Dollar Euro spot cash chart daily chart...

The small Double Top has thrown doubt on the bull case too...

THE BEARS ARE IN CHARGE



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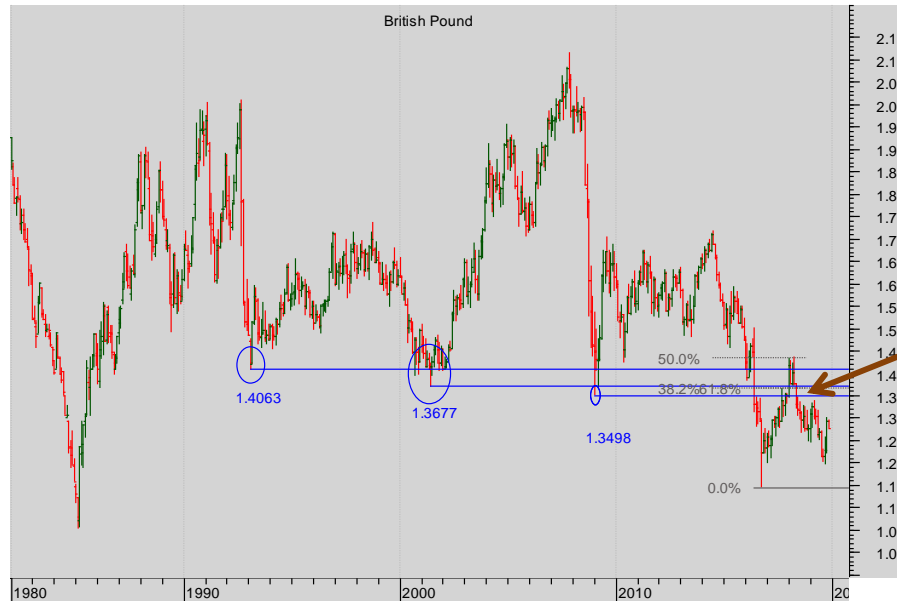
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IMPLIED ASSET ALLOCATION

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...

But the market is now testing the Prior low and, for the moment, bouncing ...

More



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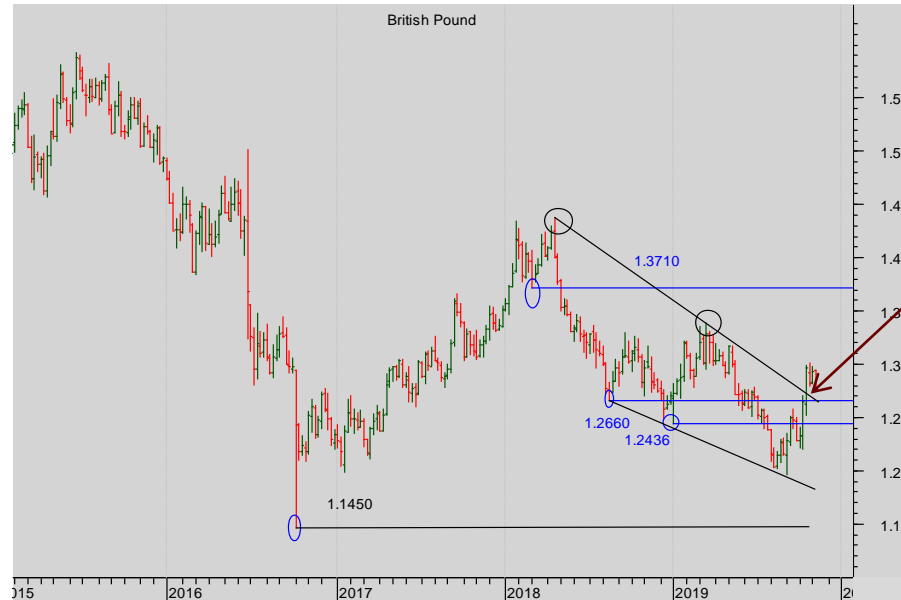
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

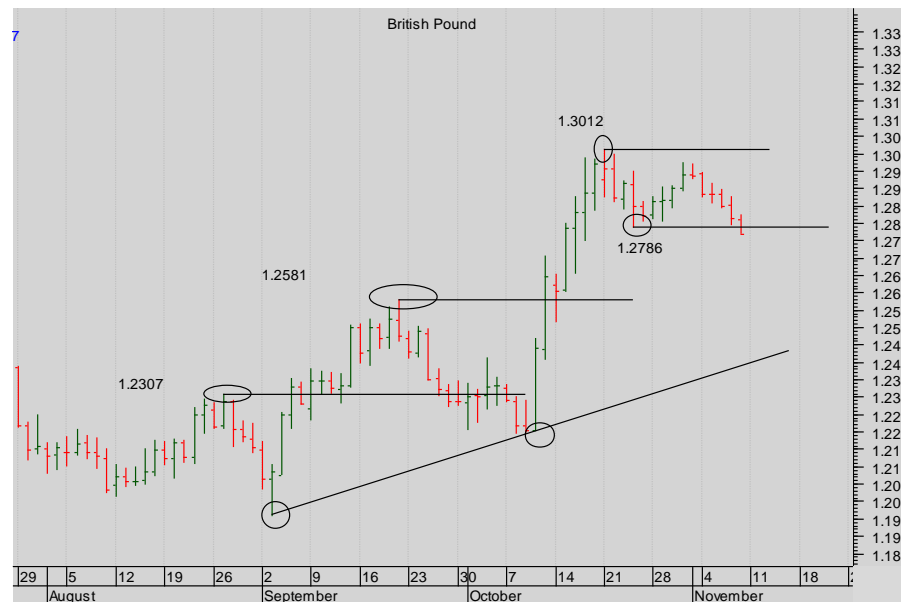
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

Note the medium-term resistance from the horizontal band and the diagonal resistance that the market has penetrated

The Sterling bears have been routed **short-term, THAT IS A BULL FALLING WEDGE that has completed.**



Dollar Sterling daily spot cash chart

The new bull trend in place – a bit hesitant...



Currencies: Dollar Yen

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IMPLIED ASSET ALLOCATION



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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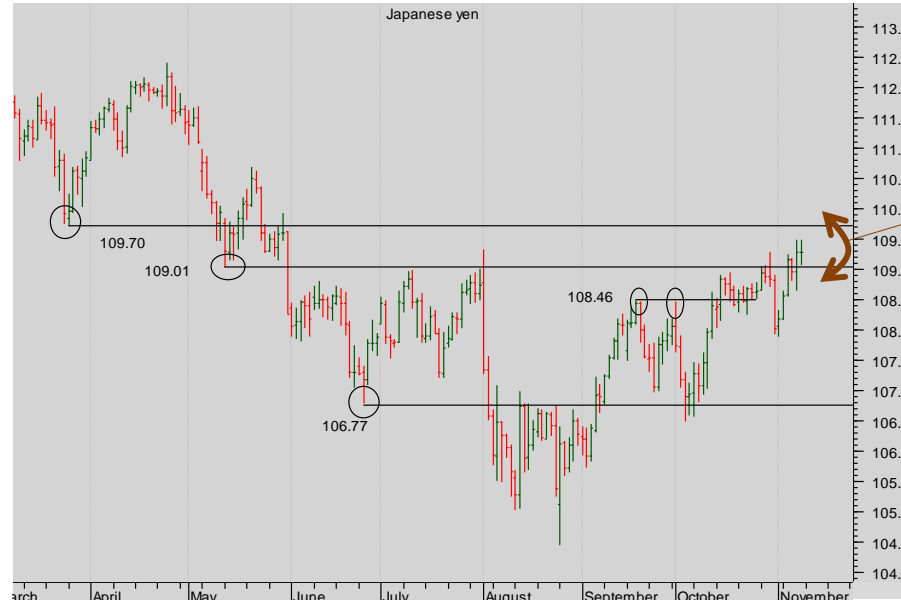
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IMPLIED ASSET ALLOCATION



Dollar Yen daily spot cash chart

We need a break up through the band 109.01/109.70 to convince.



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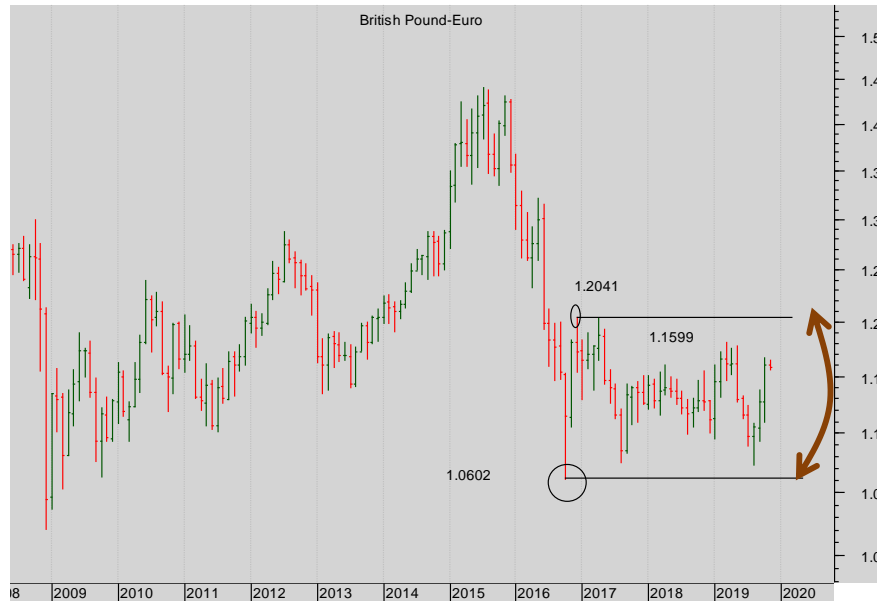
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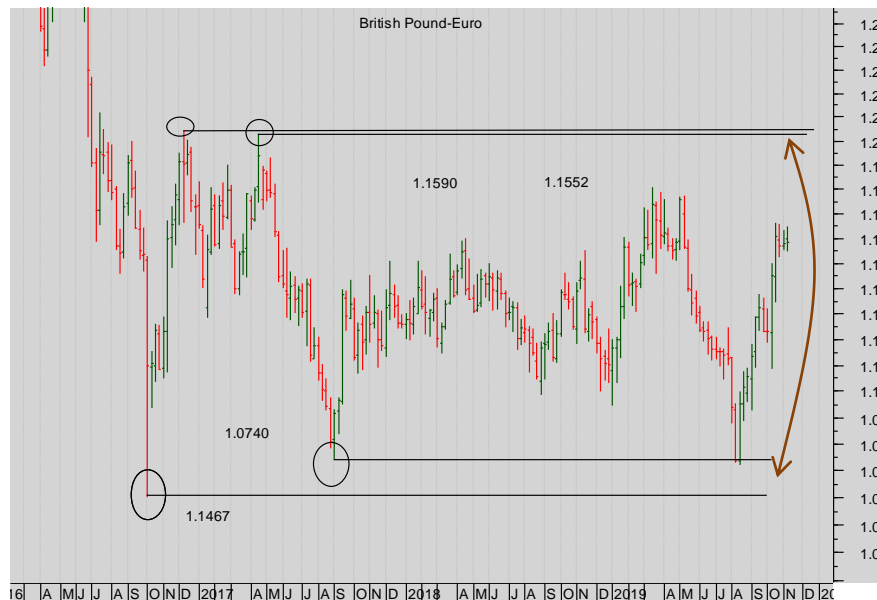
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Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

The market remains in the broad trading range.



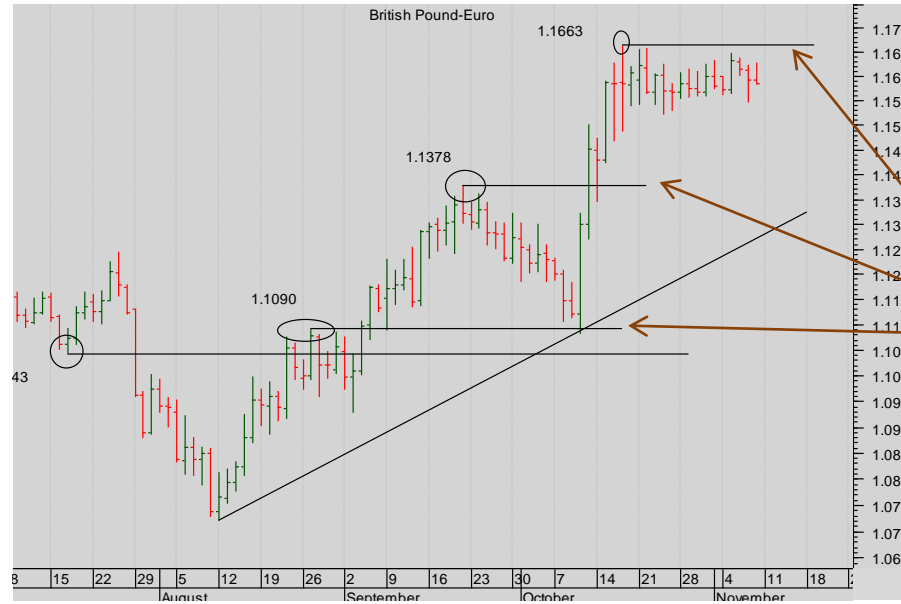
Sterling Euro weekly spot cash chart

This detail is a bit clearer: the market has bounced back into the trading range. The strengthening Sterling move, has been strong.

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

In more detail: the fierce Sterling rally has re-established the bull trend by breaking up through successive Prior Highs.

Now watch 1.1663

Summary

Currencies

- + Dollar Euro
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- + **Sterling Euro**

Stocks

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Bonds

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Commodities

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IMPLIED ASSET ALLOCATION



Stocks

STOCKS:

We remain very bullish of the S&P. Note too the exciting possibility, shortly to be realised, of a bull breakout in the EuroStoxx. The FTSE flounders. The Nikkei is steadily appreciating and approaching its All Time Highs in October 2018.

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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.

And despite a brief subsequent dip back beneath making traders anxious, the market looks set to sustain the break up...

More



Stocks: CME S&P 500

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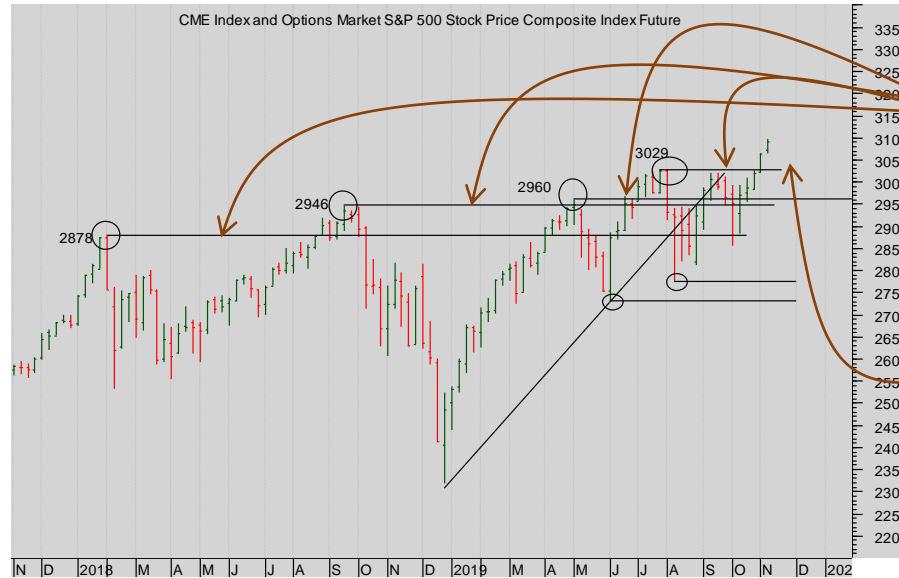
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Commodities

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IMPLIED ASSET ALLOCATION

CME S&P 500 cont. weekly cont. chart



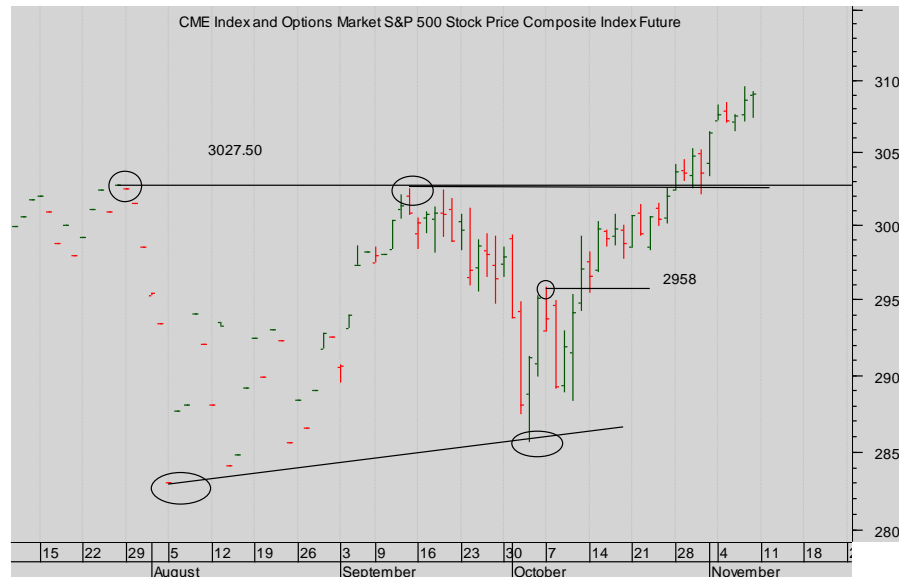
The succession of highs look as if they are all about to be overcome.

The succession of rising lows is equally impressive.

It's not clear yet.

Now there's to be a break above 3029....!

CME S&P 500 daily Dec 2019 chart



We have a clear break .

The bulls are in charge.

More



Stocks: Eurex EuroStoxx 50

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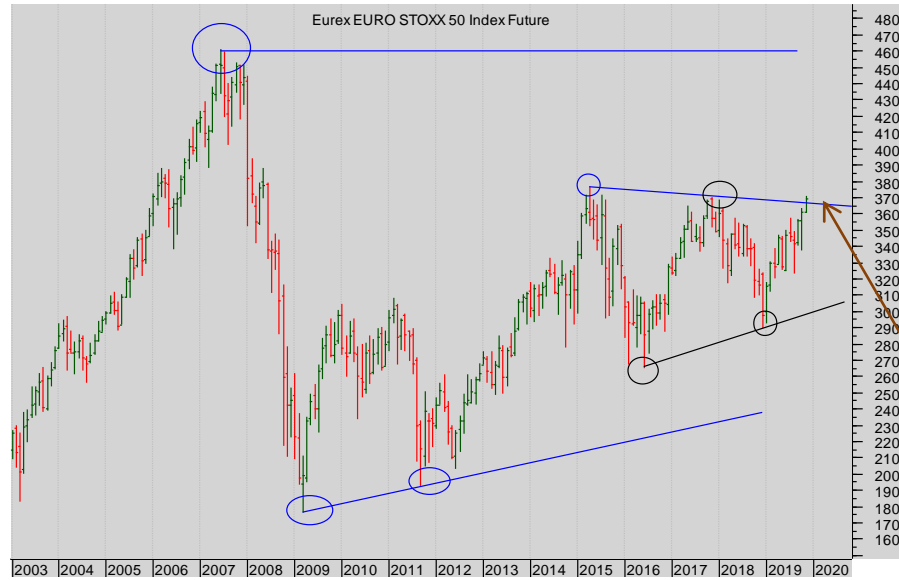
Bonds

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- + Ten Year German Bund
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Commodities

- + Oil
- + Gold

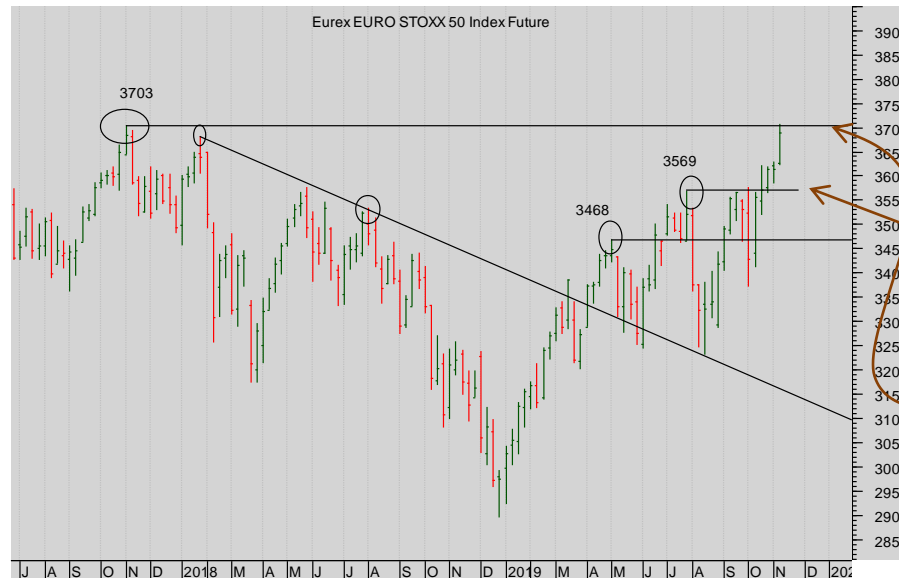
IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 monthly continuation futures chart

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

The bulls need the market to hold above the upper diagonal at around 3670 at month (Nov) end...



Eurex EuroStoxx 50 weekly continuation futures chart

Note the break above 3569.

It looks good because there is now support beneath the market at 3569...

Watch for a break above 3703.

More



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Bonds

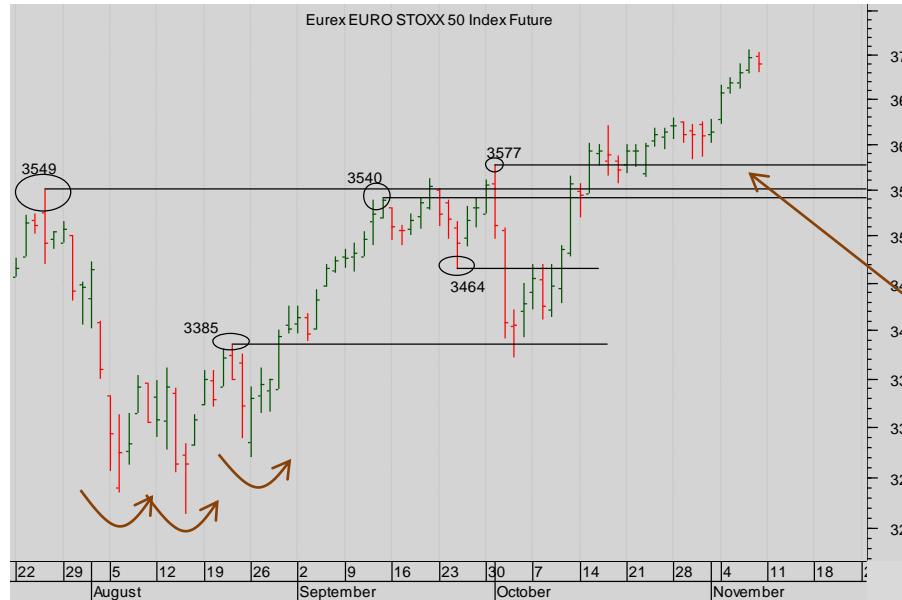
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Dec 19 futures chart

Like the weekly chart this too, looks good.

With good support beneath the market at 3577 and 3550.



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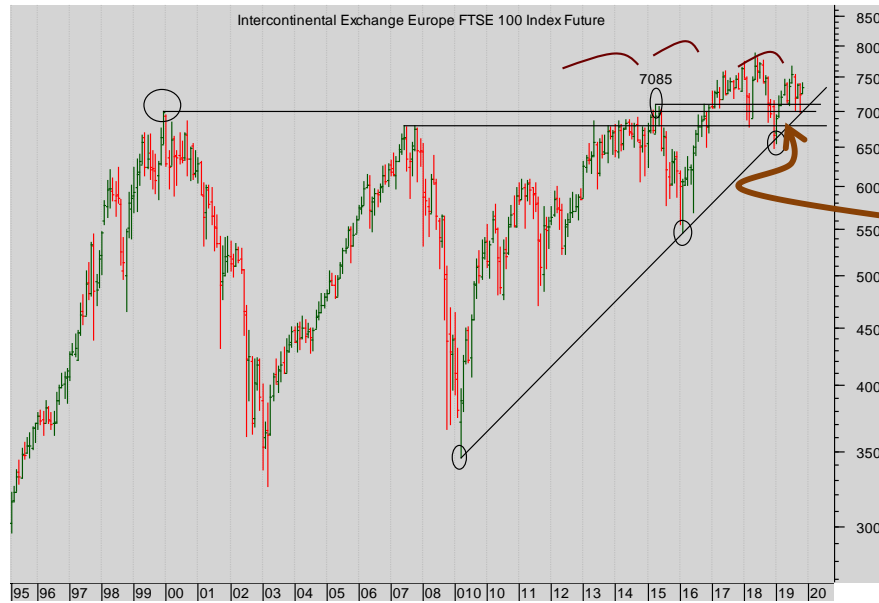
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

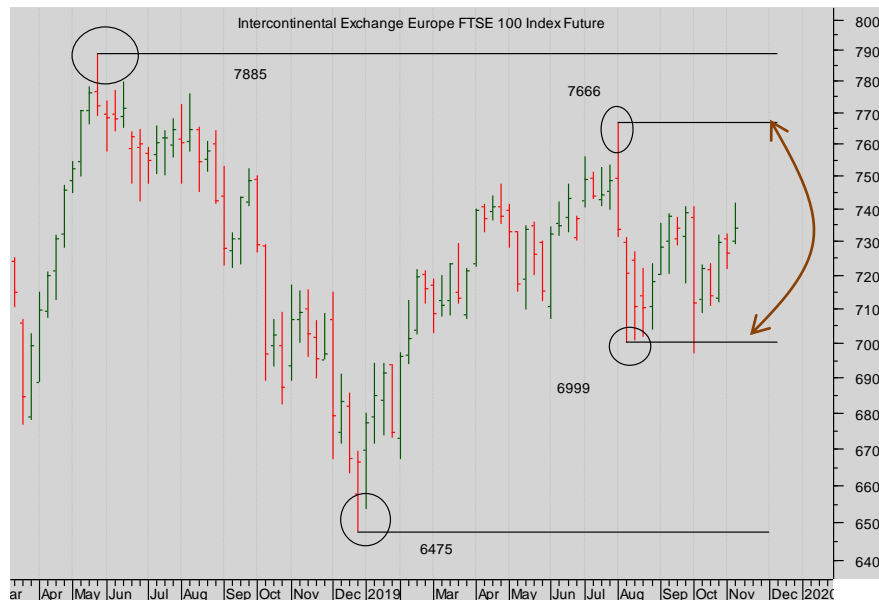
Stocks: Liffe FTSE 100



Liffe FTSE 100 Monthly continuation futures chart

While the rising diagonal support remains intact it is giving enormous confidence to UK investors.

If the triple highs can be overcome the bulls will be buying again.



Liffe FTSE 100 Weekly cont. futures chart

Watch the ranges.

More



Stocks: Liffe FTSE 100

Summary

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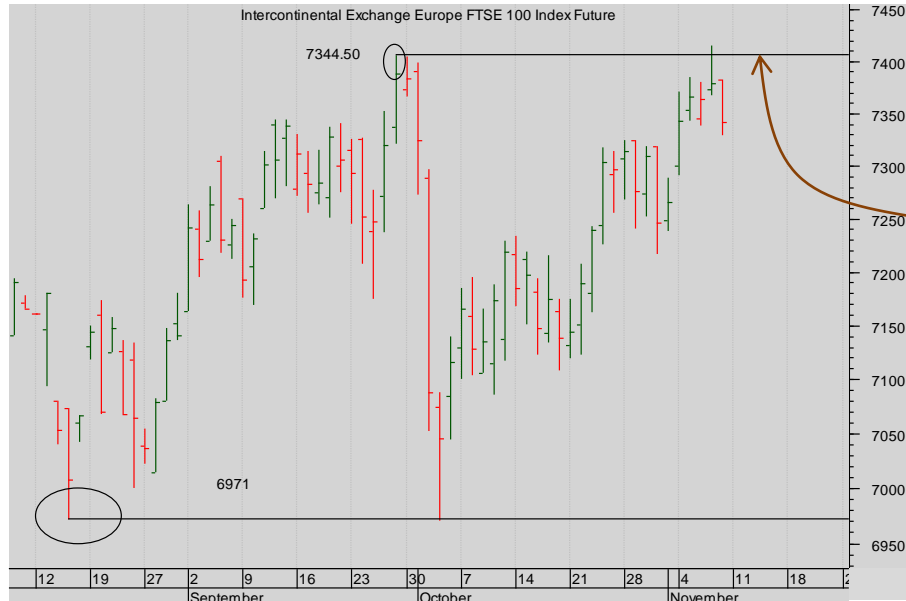
Bonds

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- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 SEP 19
daily futures chart



Stocks: OSE Nikkei 225

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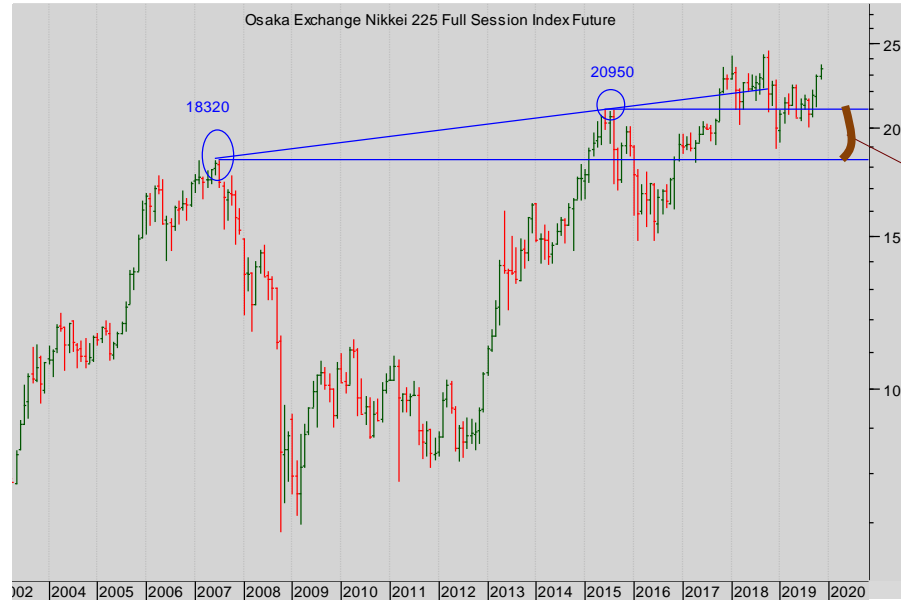
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Commodities

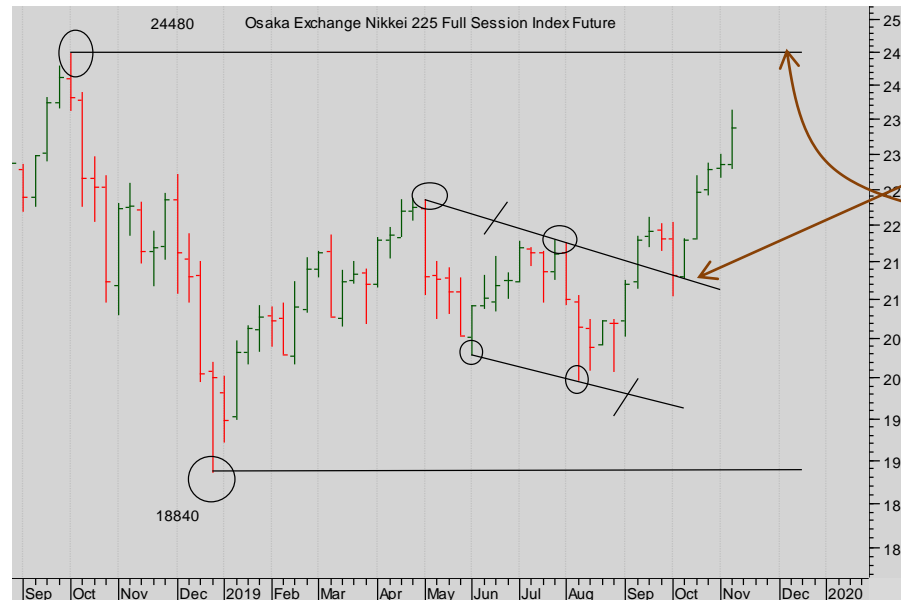
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nikkei 225 chart (monthly)

The market is retesting the powerful band of support from the Prior Highs 18320 - 20950.



Nikkei 225 chart (WEEKLY)

The completion of a bull falling wedge is bullish.

The bulls look to be in charge : expect a test of the recent high.

More



Stocks: OSE Nikkei 225

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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nikkei 225 chart Daily Dec 19.

Short-term, the push above the Prior High of 22135 is exciting.

That is now good support.



Stocks: RELATIVE STRENGTH

Sterling-hedged US and EU

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

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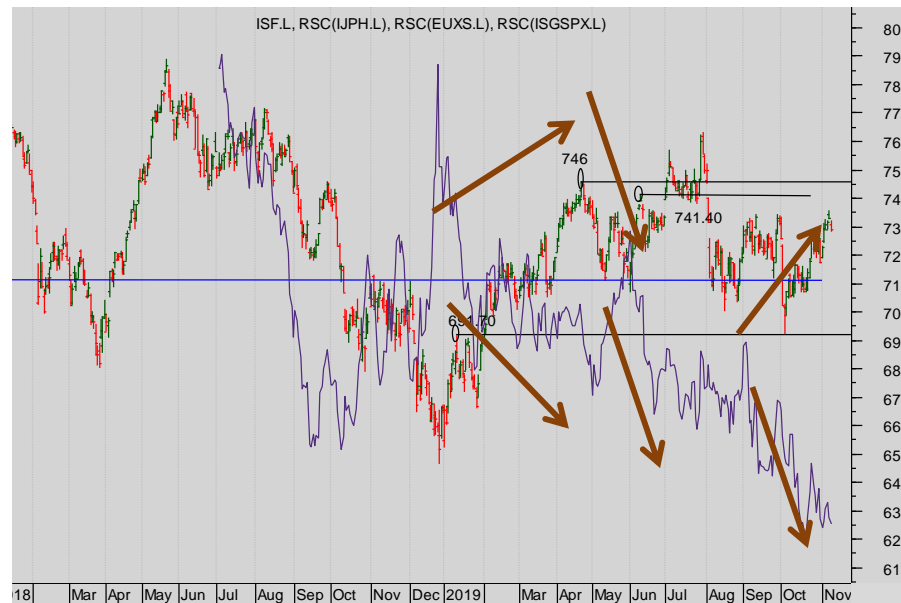
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Commodities

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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 under real pressure. The US looks a good sell in the medium and short-term. The UK looks a good sell in ALL time frames. Europe sits on long and medium-term important support (having already broken down in the short-term). Watch our levels there carefully.

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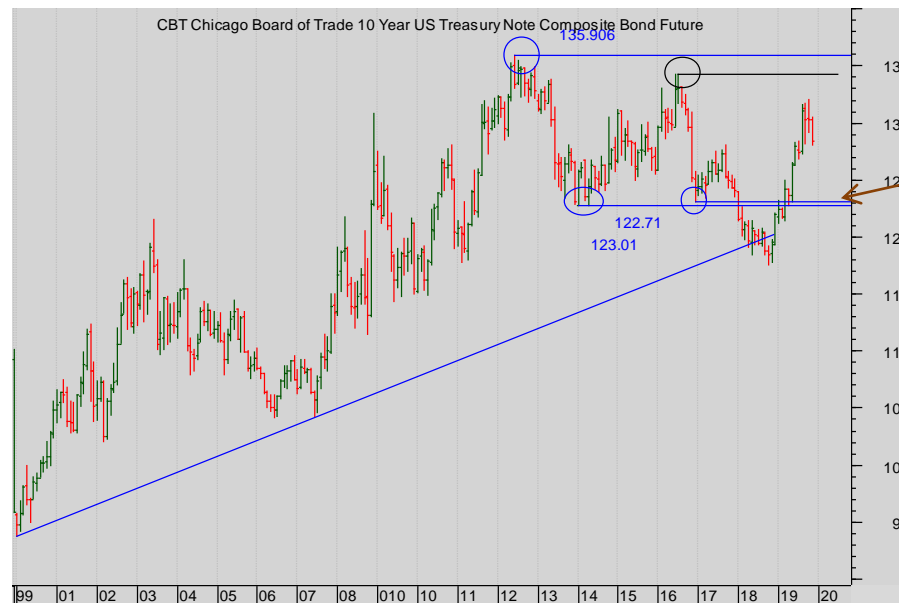
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The recent two-month rally has driven up 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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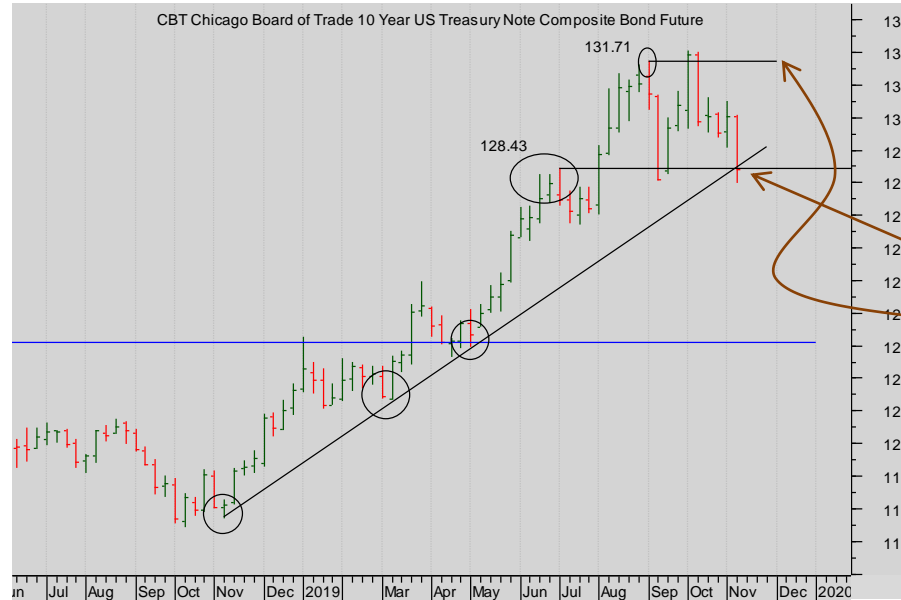
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IMPLIED ASSET ALLOCATION

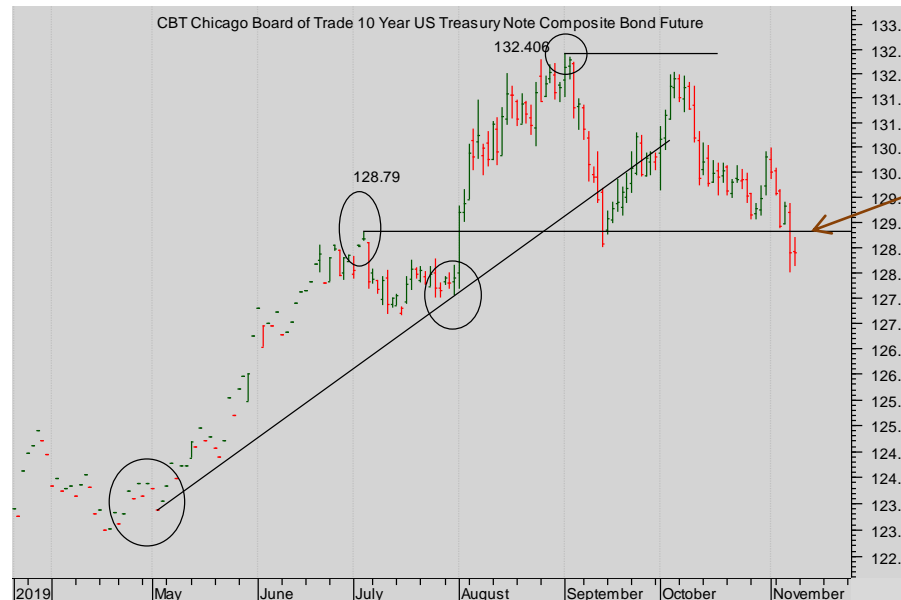


CBOT Ten Year Notes weekly futures continuation chart

Note the break of the combined support at the diagonal and Prior High at 128.43

And the failed break up through the Prior High at 131.71

The range is breaking.



CBOT Ten Year Notes daily Dec 19 futures chart

Though this is a completion of a Double Top,

and a breakdown through the horizontal support.

More



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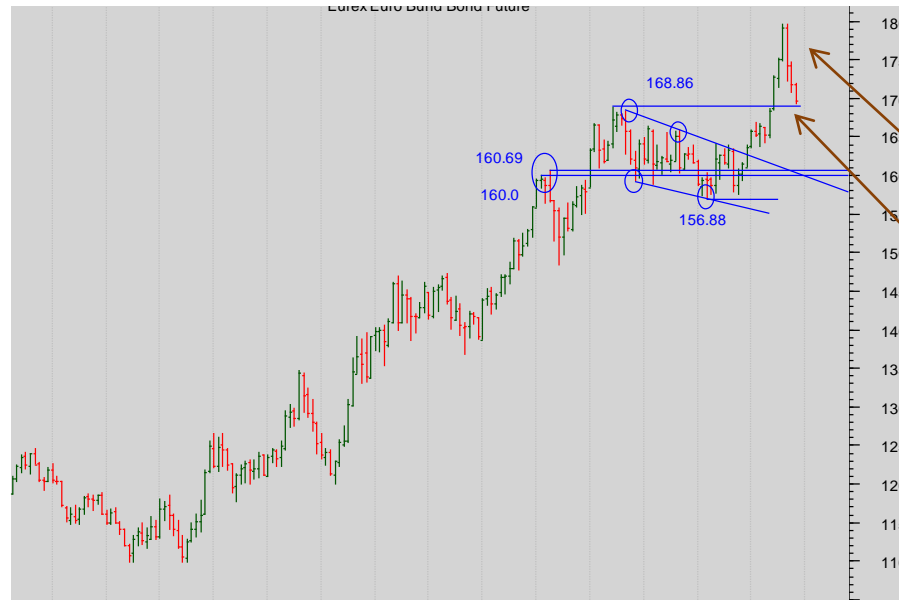
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Commodities

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IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

That is a **Monthly bear Key Reversal** ...

The break up through the Prior High added another support beneath the market. **Now watch that support.**



Eurex Ten Year Bund weekly cont. futures Chart

That 168.86 remains good support on any pull-back. **So expect good support there...**

More



Bonds: Eurex Ten Year Bund

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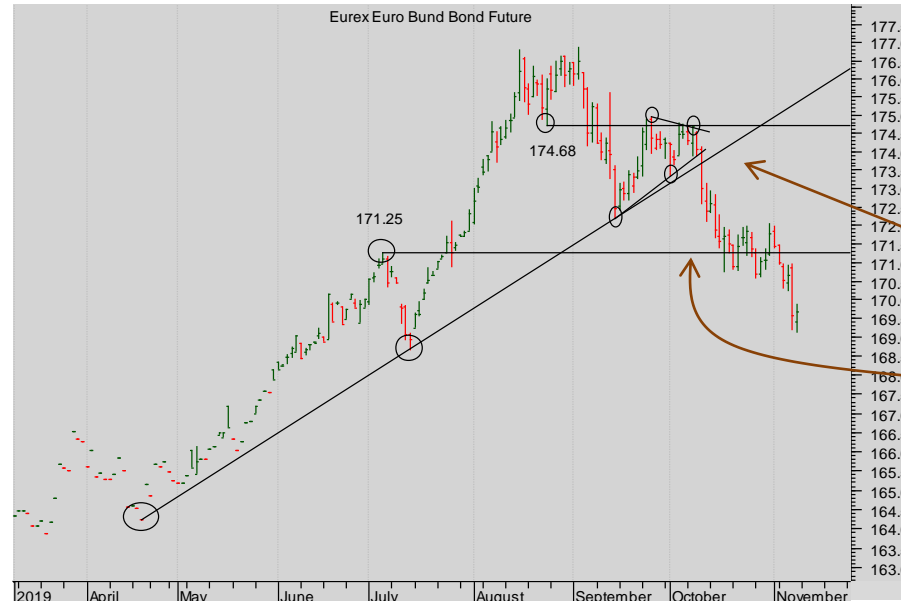
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Commodities

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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund Dec 2019 Daily futures chart

Short-term the bull market has broken the first diagonal trendline support.

Note the smashing of the current horizontal support beneath the market at 171.25



Bonds: Liffe UK Gilt futures

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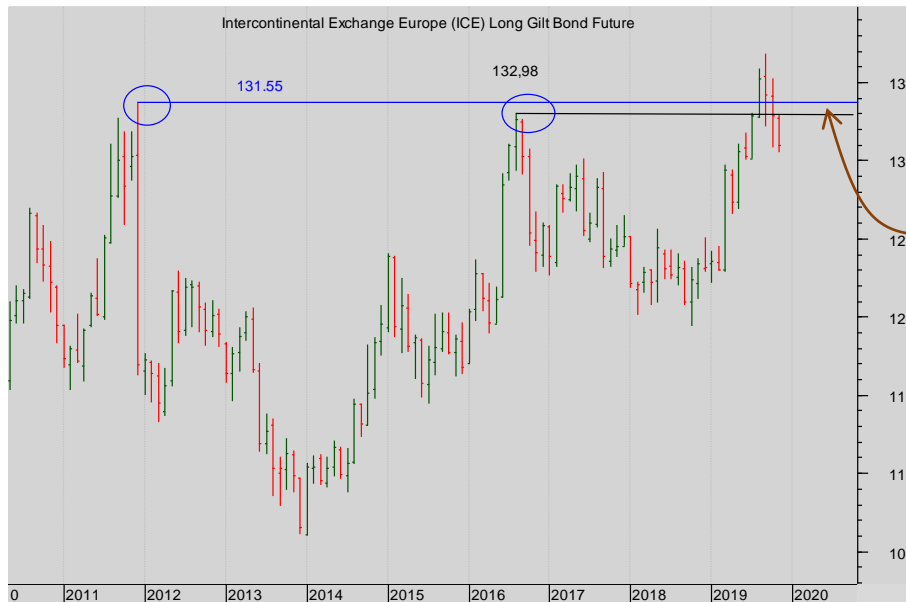
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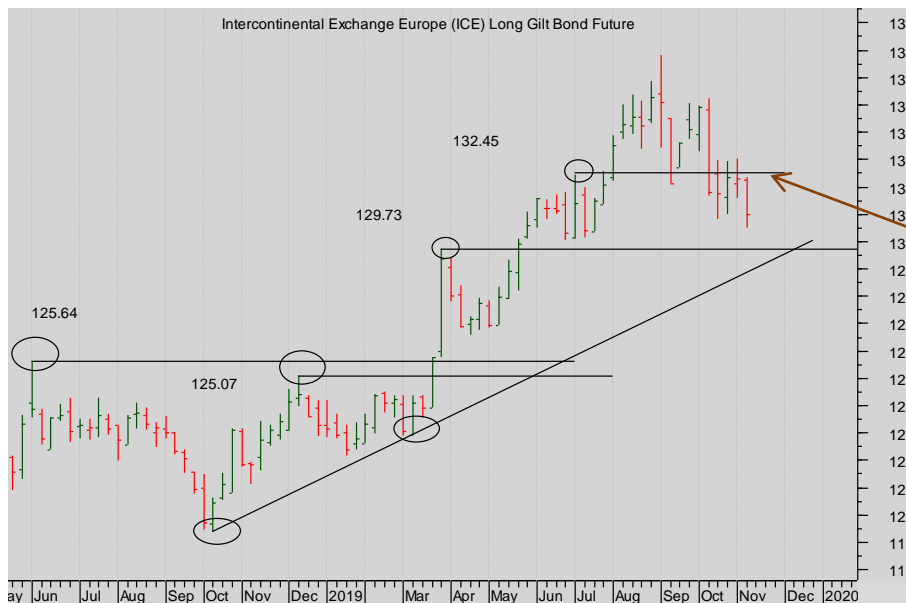
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe UK Gilt monthly futures continuation chart

Note the break down through the Prior High – it's broken.



Liffe UK Gilt weekly continuation futures Chart

In detail: here is the weekly price action pulling back through the support from the nearer high.

It looks convincing.... In the short-term.

More



Bonds: Liffe UK Gilt futures

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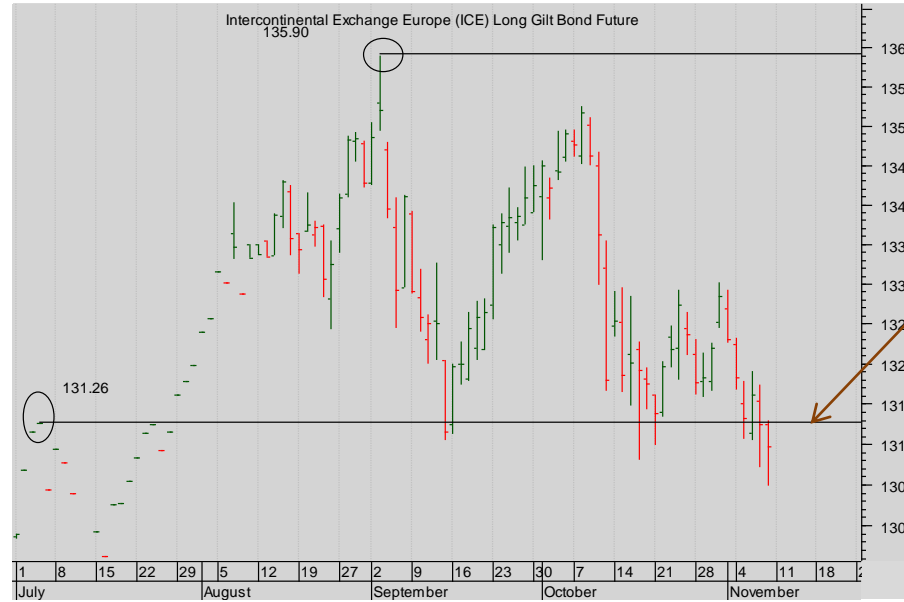
Bonds

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- + **UK Gilt**

Commodities

- + Oil
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IMPLIED ASSET ALLOCATION



Long Gilt daily Dec 19 chart

A break beneath 131.26 completes a short-term Triple Top.

The bears are in charge.



Commodity

COMMODITIES:

Oil remains in a trading range. Gold now looks bearish in the medium and short-term....

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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

The rally failed at the resistance from the low at 75.35.

Stand Back.

More



Commodities: Nymex WTI Oil

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- + FTSE 100
- + Nikkei 225

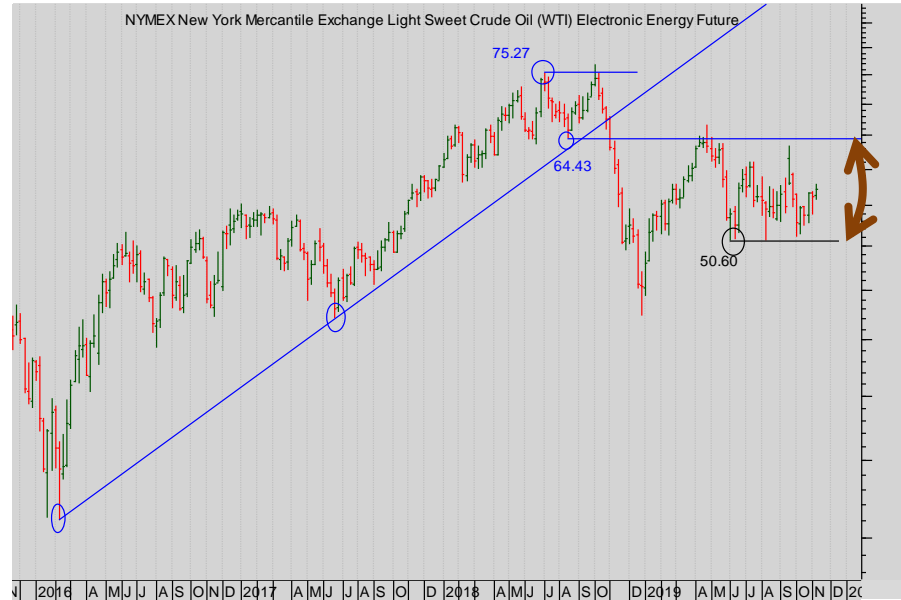
Bonds

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

Commodities

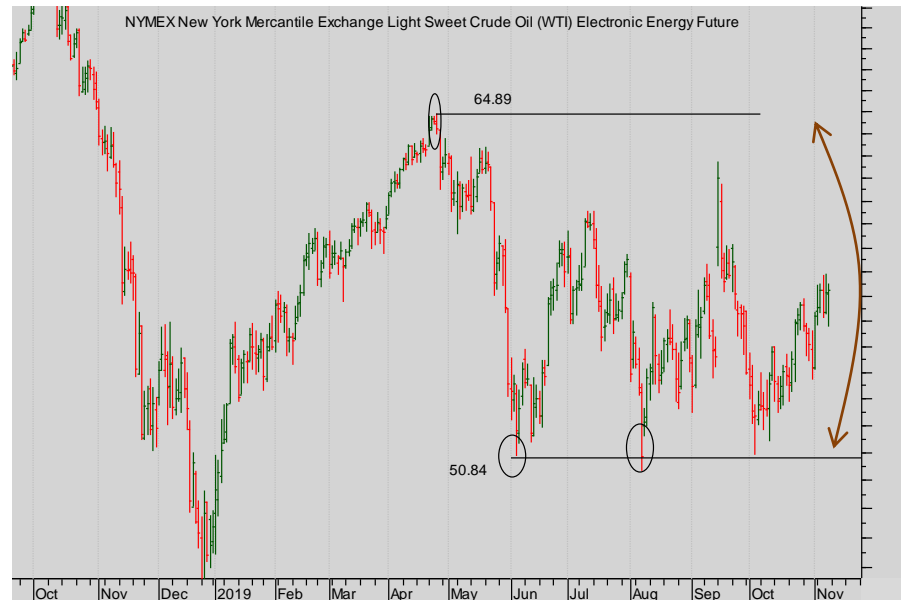
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nymex oil weekly continuation

It's not clear: watch the range.

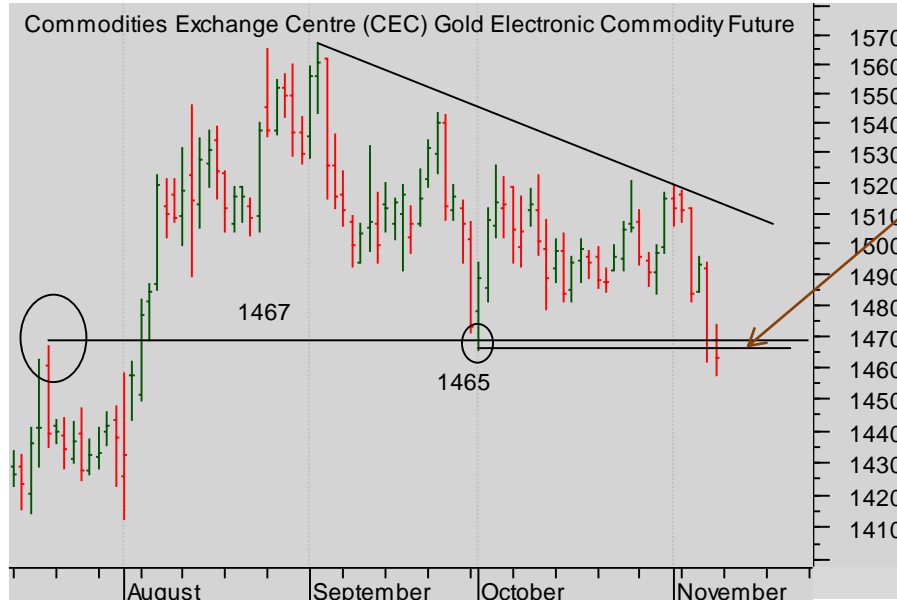


Nymex oil daily Dec 19 futures

There's a range.



Commodities: Comex Gold



Nymex Gold Oct 2019 Daily

A bull flag?

Not clear – the breakdown through 1467-1465 looks rather bearish...

Summary

Currencies

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

Stocks

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

Bonds

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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION



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v

MSCI Balanced Risk Asset Allocation



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the technical analyst

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