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

Disclaimer

Multi-asset technical strategies
Week of 3rd December 2019

Mark Sturdy

Authorised and regulated 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	Long-term **BEAR** Euro	Medium-term **BEAR** Euro	Short-term **BEAR** Euro
+ Dollar Sterling	Long-term **BULL** Sterling	Medium-term **BULL** Sterling	Short-term **BULL** Sterling
+ Dollar Yen	Long-term **BEAR** Yen	Medium-term FLAT Yen	Short-term FLAT Yen
+ Sterling Euro	Long-term **BEAR** Euro	Medium-term **BEAR** Euro	Short-term **BEAR** Euro
Stocks			
+ S&P 500	Long-term **BULL**	Medium-term **BULL**	Short-term **BULL**
+ EuroStoxx 50	Long-term **BULL**	Medium-term **BULL**	Short-term **BULL**
+ FTSE 100	Long-term **BULL**	Medium-term FLAT	Short-term FLAT
+ Nikkei 225	Long-term **BULL**	Medium-term **BULL**	Short-term **BULL**
Bonds			
+ Ten Year US TNote	Long-term **BEAR**	Medium-term FLAT	Short-term **BEAR**
+ Ten Year German Bund	Long-term **BULL**	Medium-term FLAT	Short-term **BEAR**
+ UK Gilt	Long-term **BEAR**	Medium-term **BEAR**	Short-term FLAT
Commodities			
+ Oil	Long-term FLAT	Medium-term FLAT	Short-term FLAT
+ Gold	Long-term FLAT	Medium-term **BULL**	Short-term **BULL**

IMPLIED ASSET ALLOCATION

More

CURRENCIES:

We are bulls of the Dollar against the Euro long medium and short-term. The seeds of a bull Sterling against the Dollar are in place … the Dollar is working better against the Yen too. Sterling has moved fast to strengthen against the Euro and may go a lot further still.

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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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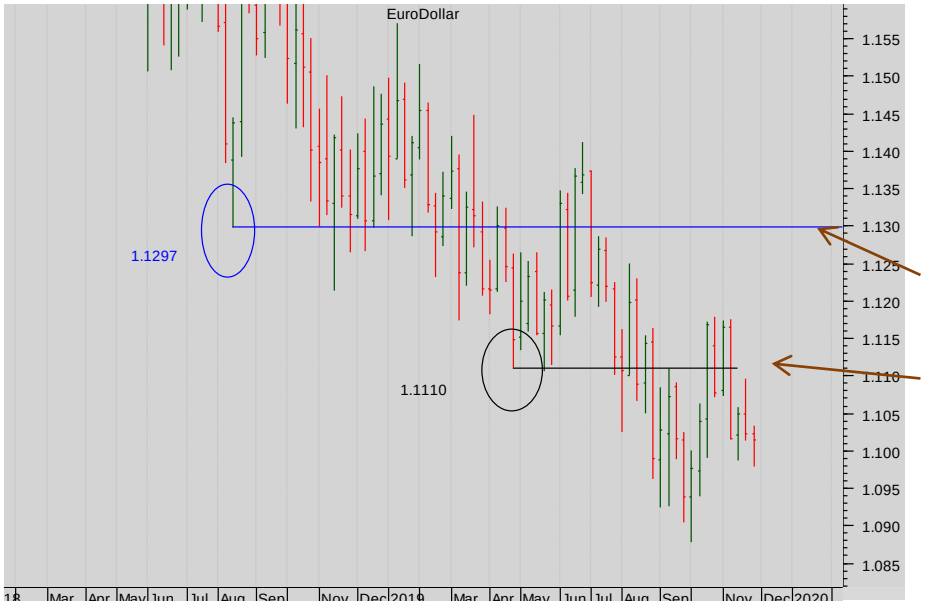
Currencies: Dollar Euro

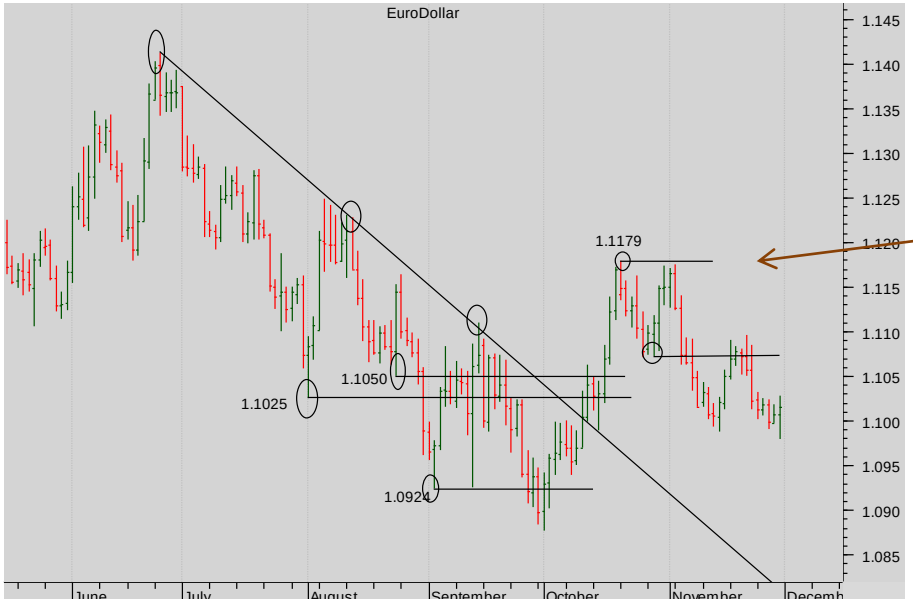


Dollar Euro weekly spot cash chart

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 trend is intact and 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 Double Top completed and the resistance from the completion level has stymied the rally.

The bears remain in charge!

SEVEN DAYS AHEAD

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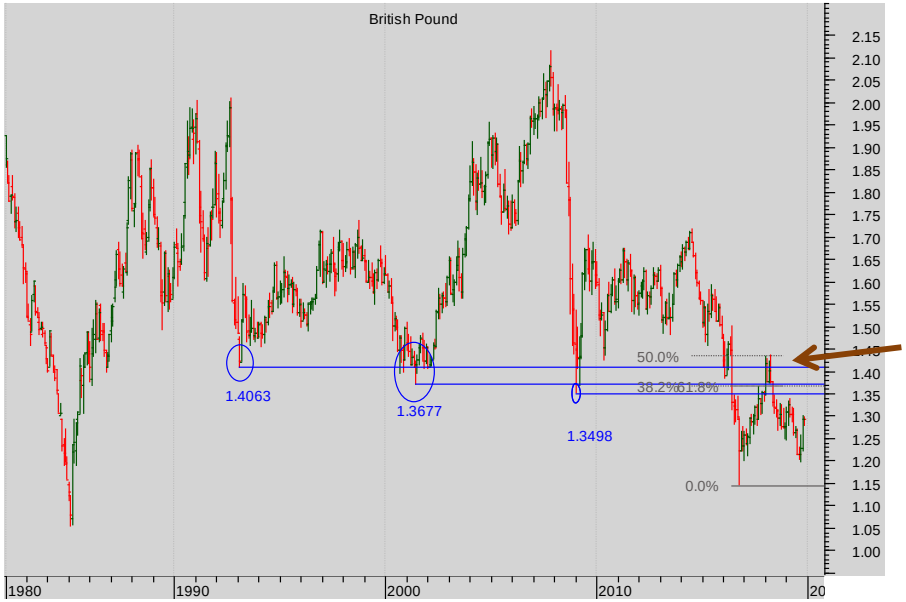
IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

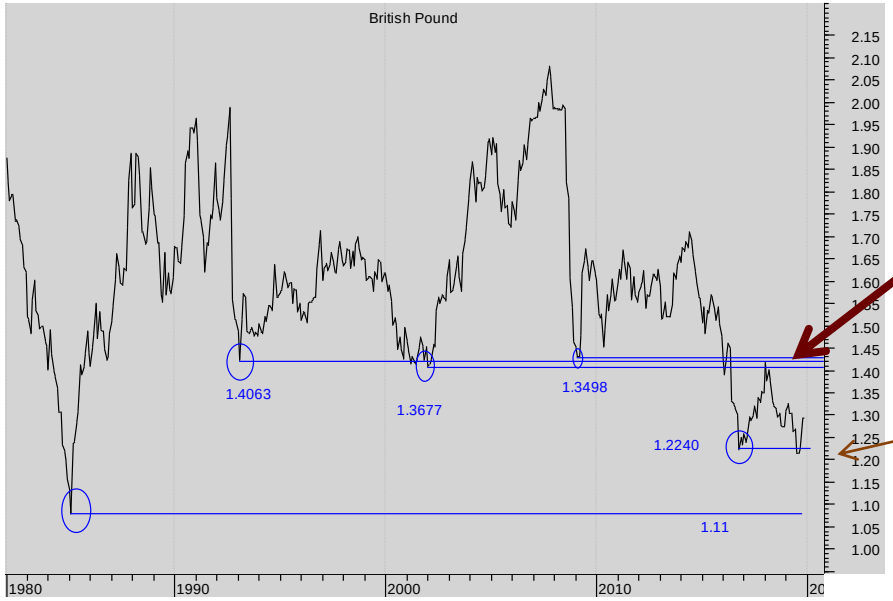


Dollar Sterling Monthly spot cash chart

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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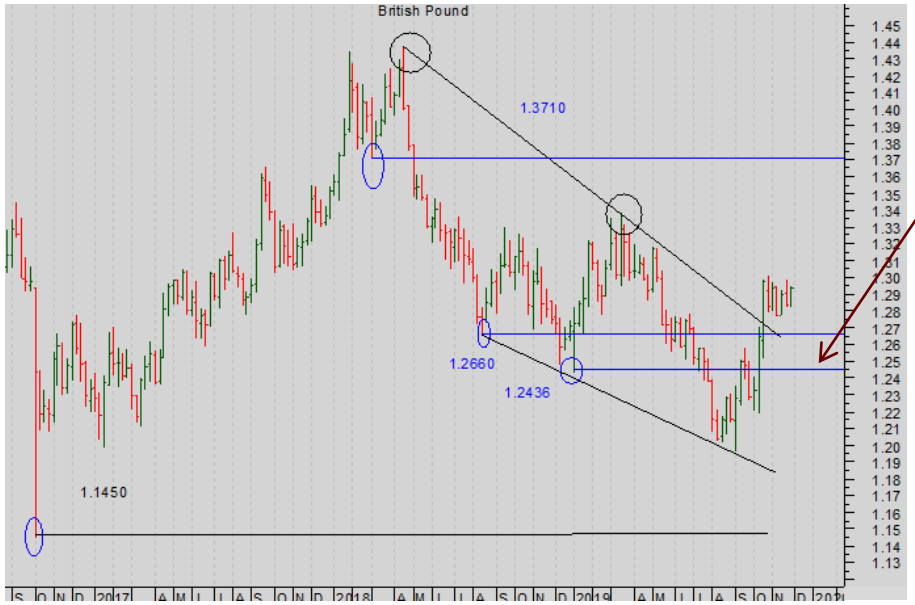
IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

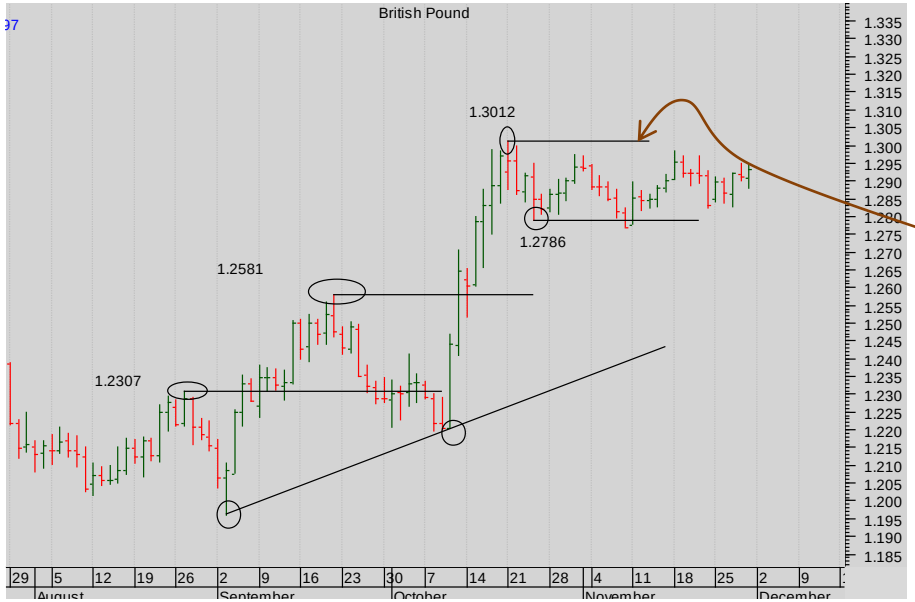


Dollar Sterling weekly spot cash chart

The detail of the Sterling bounce: Note the smash up through resistance

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

The Pound is set to go stronger.



Dollar Sterling daily spot cash chart

Here' the short-term bull trend.

This suggests short-term hesitancy bulls should wait for a break up through 1.3012.

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IMPLIED ASSET ALLOCATION

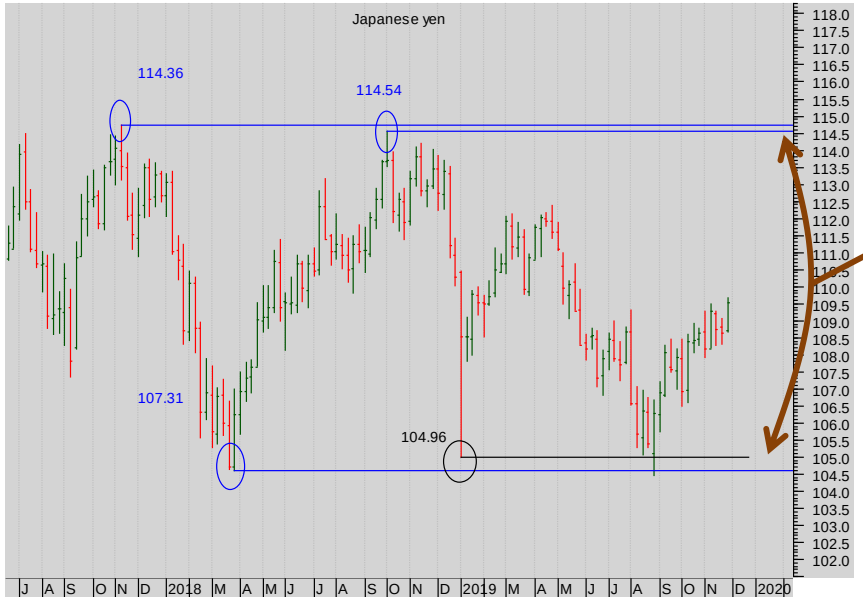
Currencies: Dollar Yen

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

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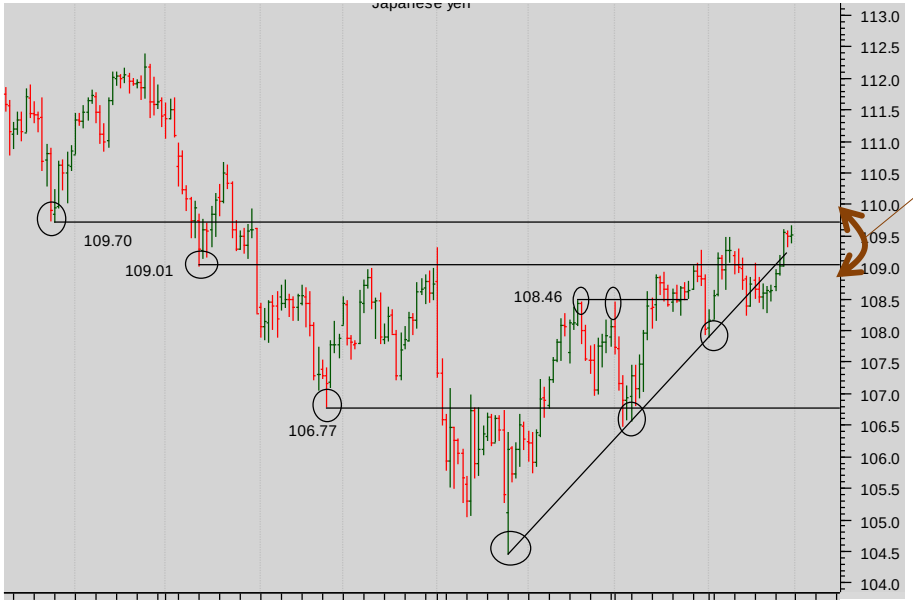
IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Short-term we need a break up through the band 109.01/109.70 to convince the Yen bears (and Dollar bulls)

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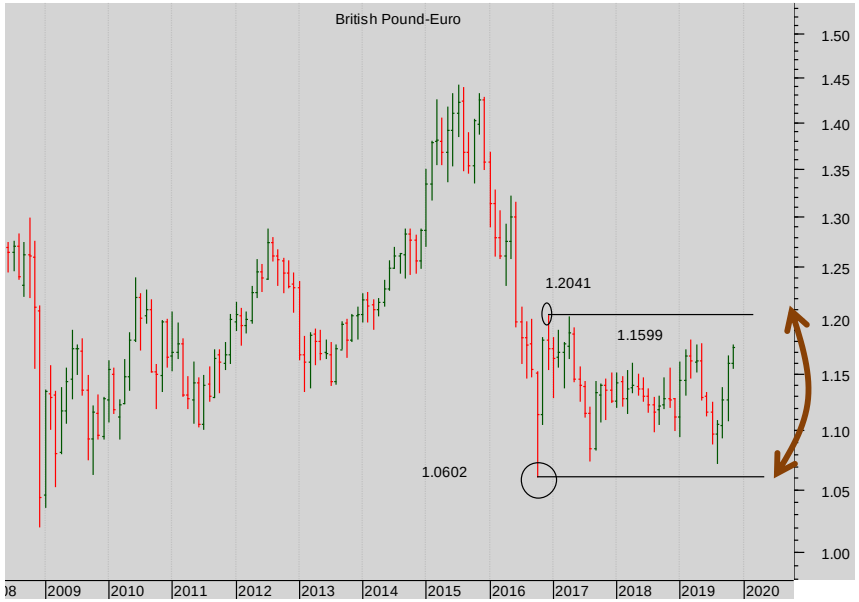
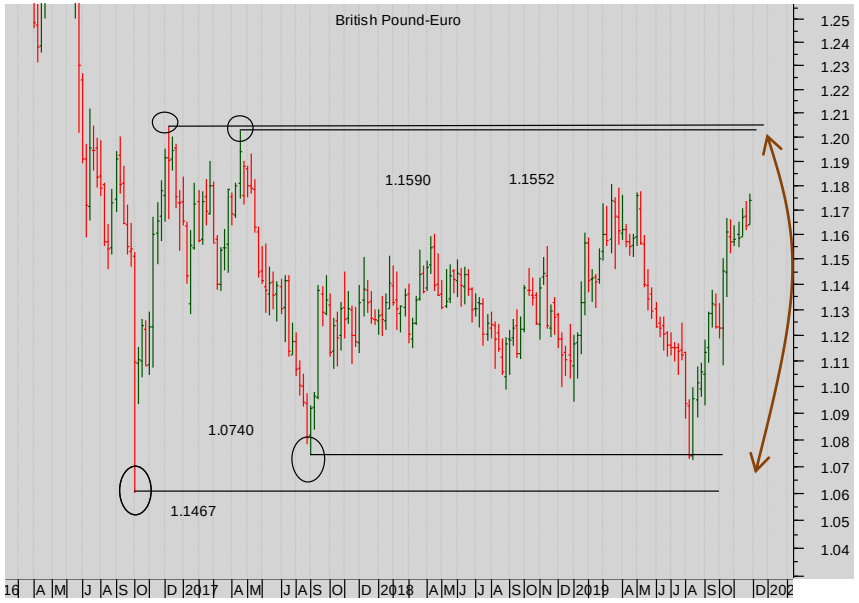
IMPLIED ASSET ALLOCATION

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

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IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro

Sterling Euro daily spot cash chart

The short-term rally CONTINUES

STOCKS:

The lead bull market remains the S&P. The EuroStoxx is driving better too thanks to the completion of a very important long-term bull triangle. FTSE for the moment is stymied. The Nikkei is solidly bullish.

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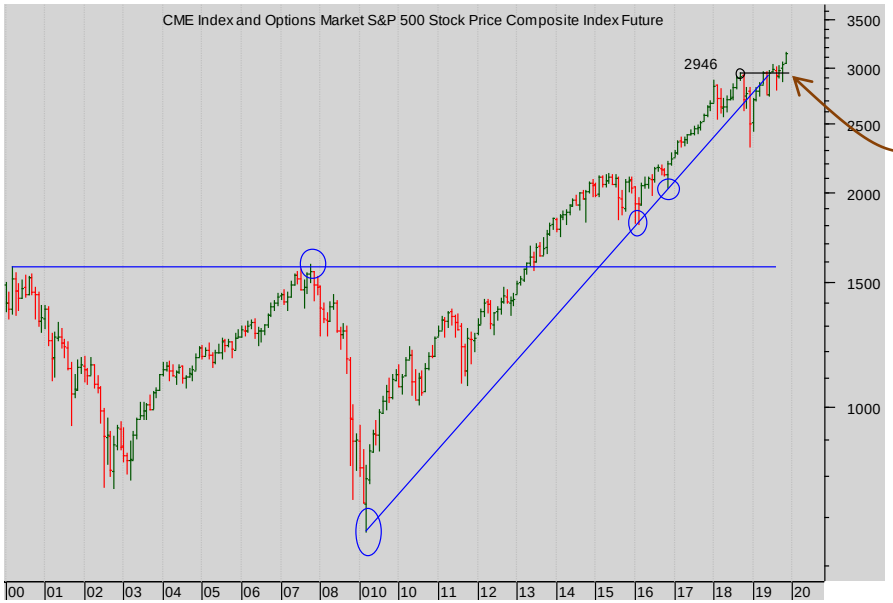
IMPLIED ASSET ALLOCATION

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 the brief subsequent dip back beneath, in 2018, making traders anxious, the market looks set to sustain the break up…

More

SEVEN DAYS AHEAD

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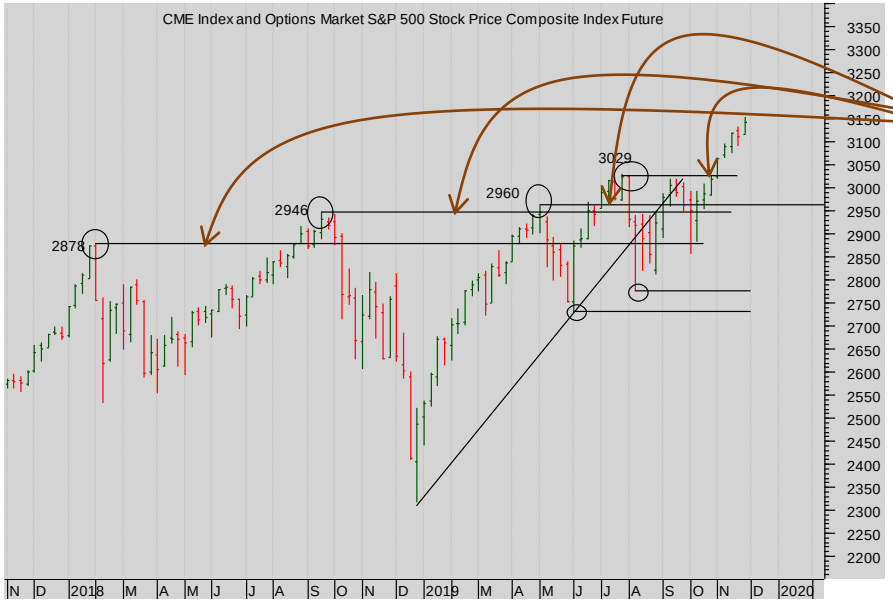
IMPLIED ASSET ALLOCATION

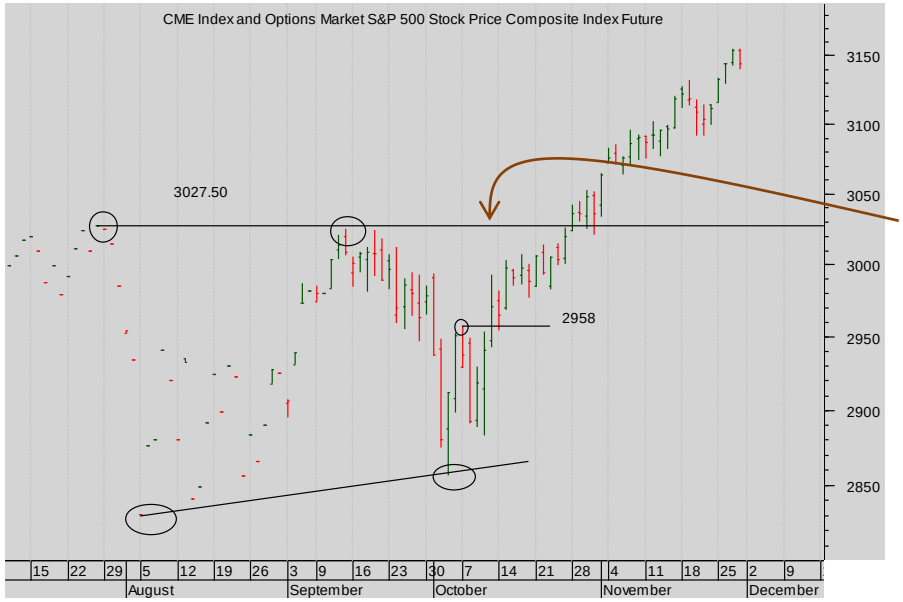
Stocks: CME S&P 500



CME S&P 500 cont. weekly cont. chart

The succession of highs have all been overcome.

Thus there is now massive support beneath the market.



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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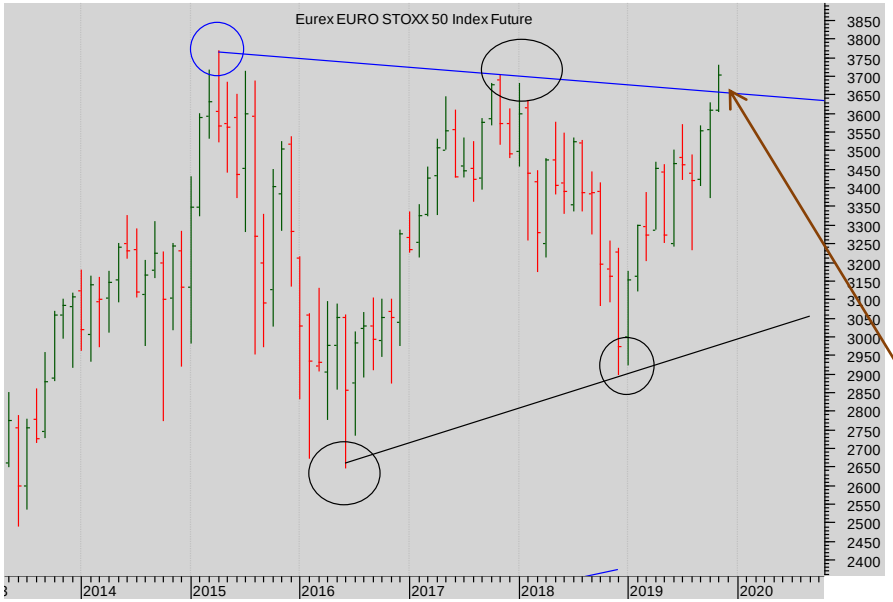
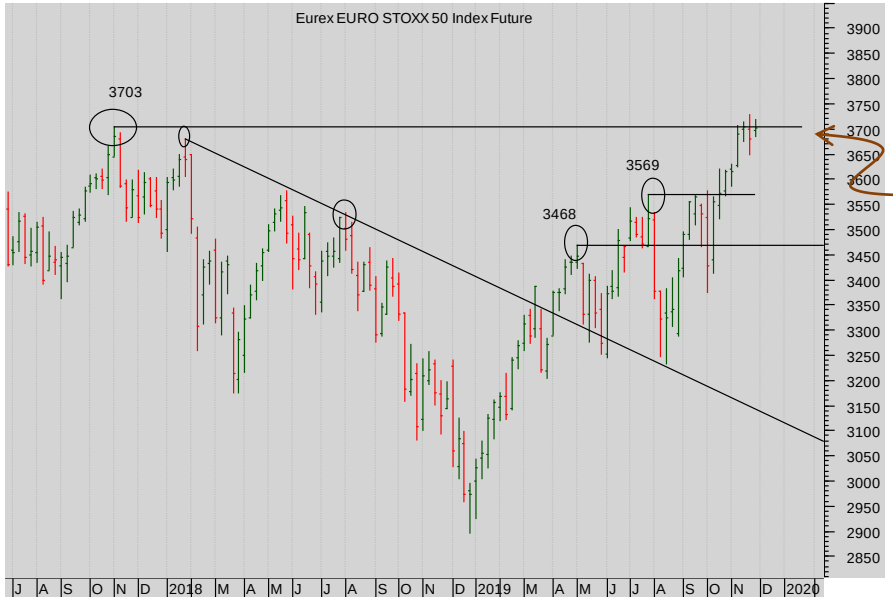


Eurex EuroStoxx 50 monthly continuation futures chart

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

The market held above the upper diagonal at around 3670 at the end of November.

The triangle is complete.

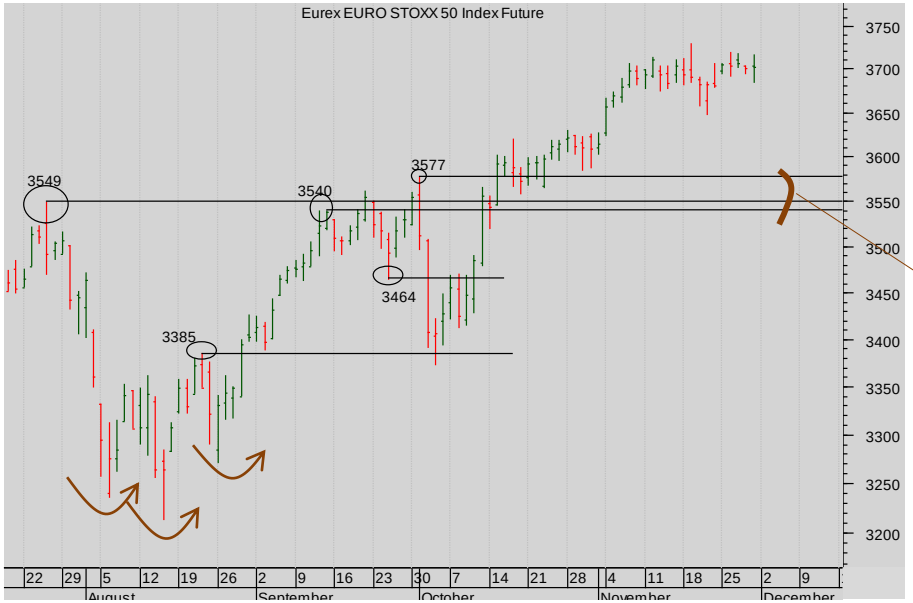


Eurex EuroStoxx 50 weekly continuation futures chart

Bulls need a break above 3703 to sustain the bull momentum.

More

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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IMPLIED ASSET ALLOCATION

SEVEN DAYS AHEAD

Stocks: Liffe FTSE 100

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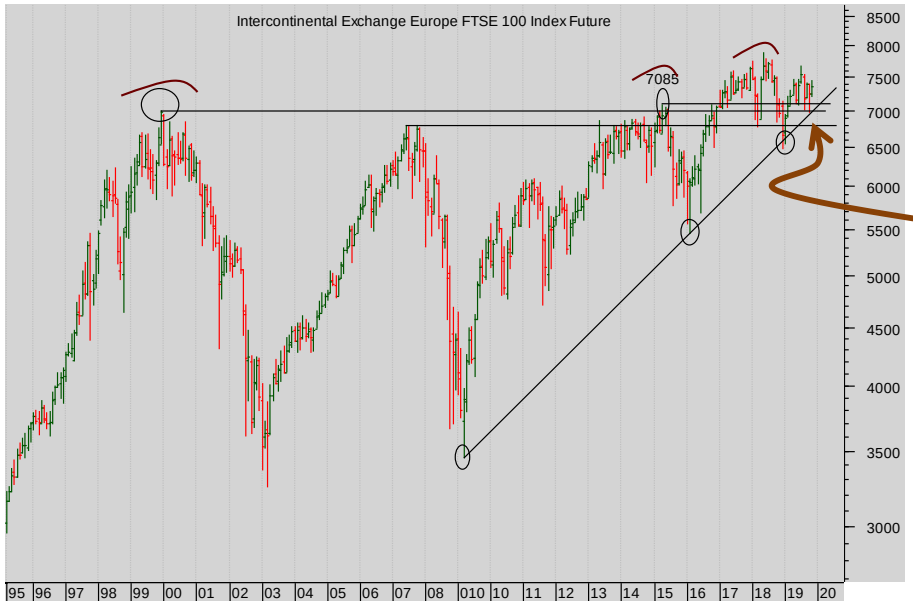
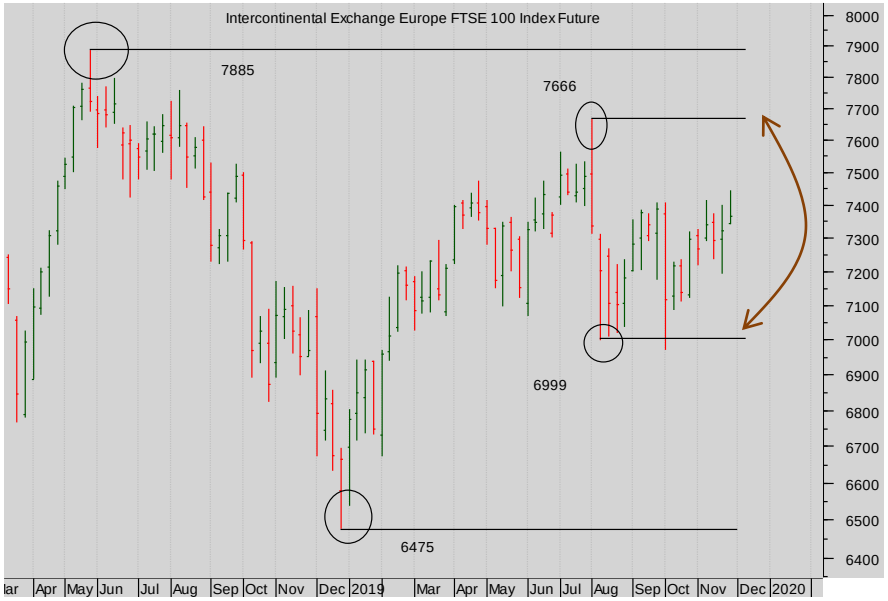


Liffe FTSE 100 Monthly continuation futures chart

While the rising diagonal support remains intact

And while the horizontal support remains intact,

They are giving <u>enormous confidence</u> to UK investors.

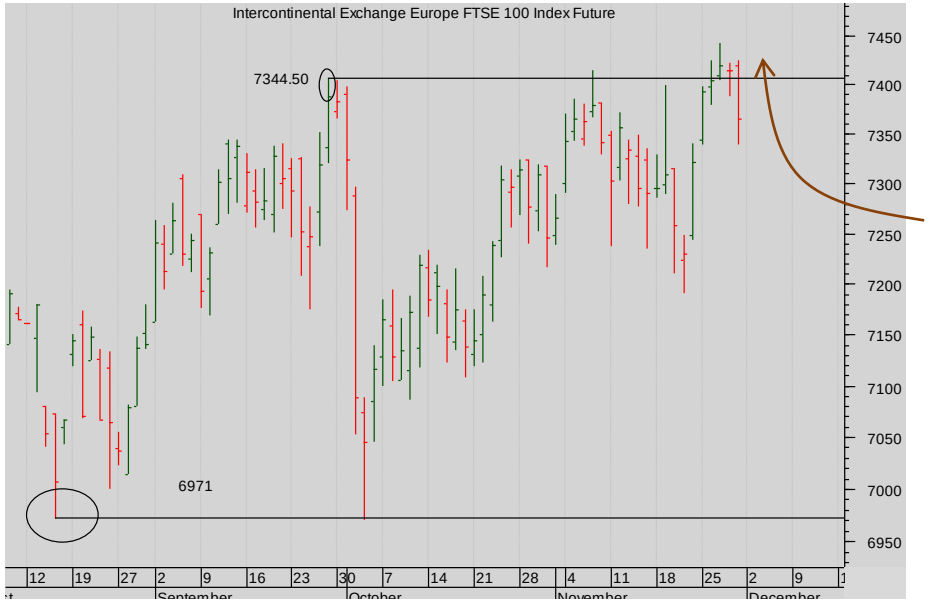


Liffe FTSE 100 Weekly cont. futures chart

<u>Watch the ranges.</u>

More

Stocks: Liffe FTSE 100



Liffe FTSE 100 Dec 19 daily futures chart

Watch the Prior High!

A break up through would encourage.

The failure so far discourages.

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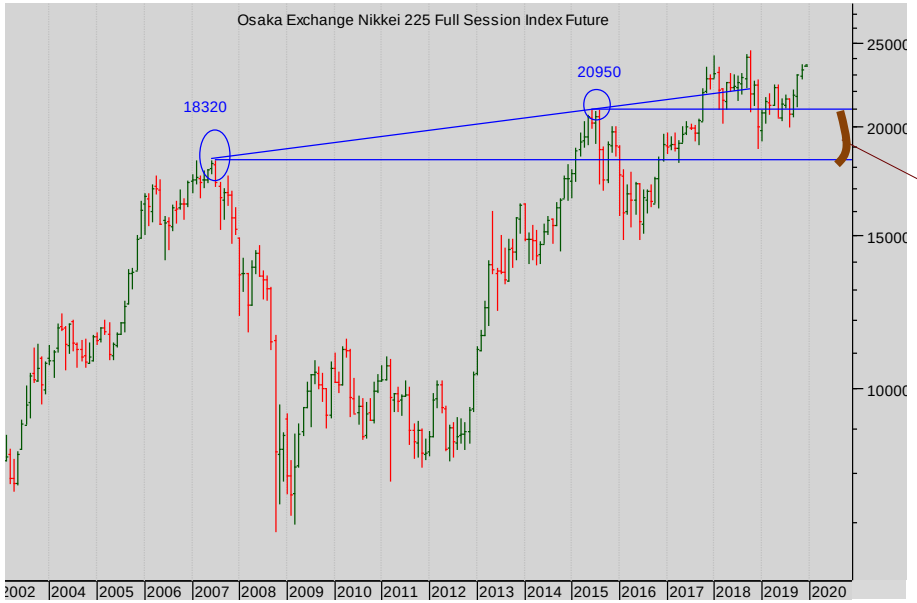
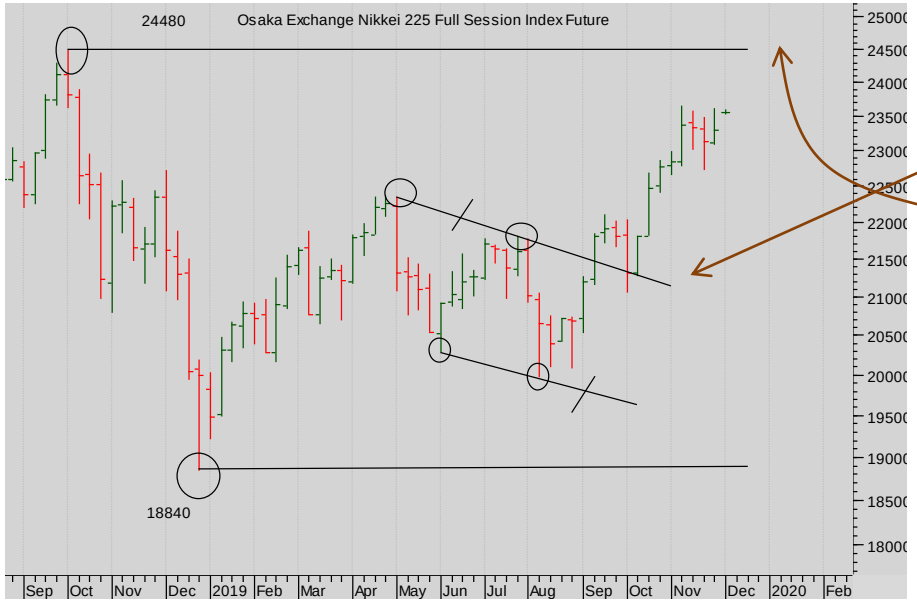
IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

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



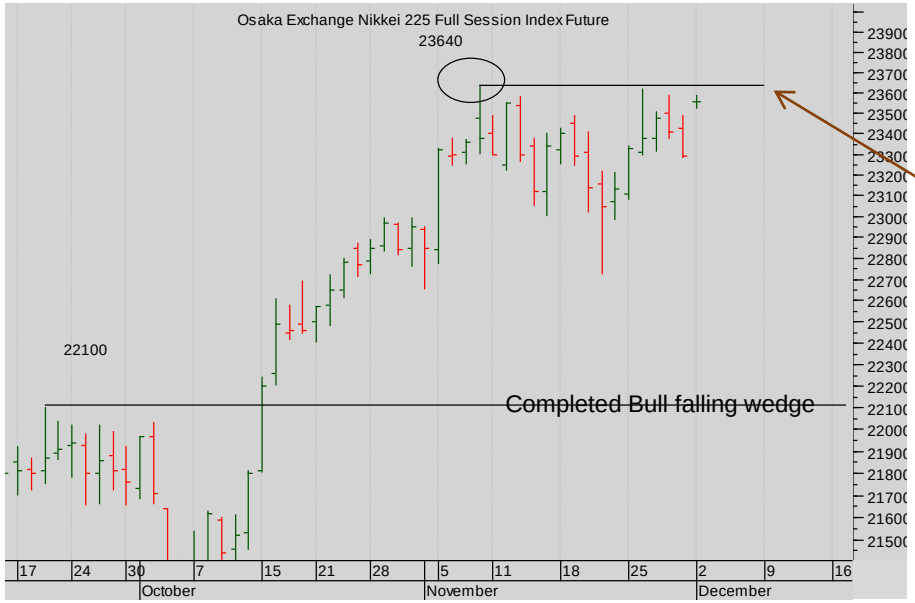
Nikkei 225 chart (WEEKLY)

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



Nikkei 225 chart Daily Dec 19.

Short-term, the push above the Prior High of 23640 is critical.

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IMPLIED ASSET ALLOCATION

Sterling-hedged US and EU

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

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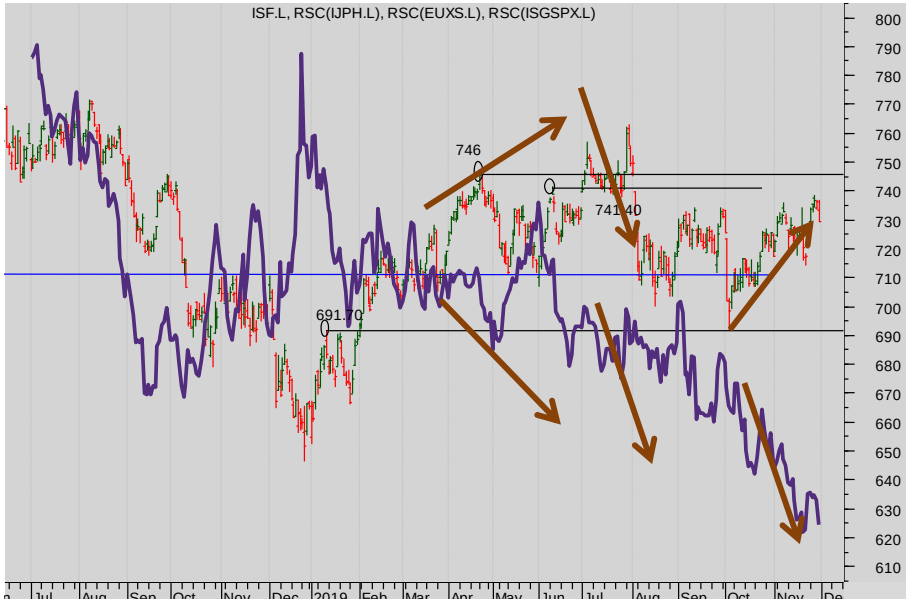

iShares FTSE Etf. Daily chart.

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 remain vulnerable – watch our medium and short-term levels of support in all the markets. While these hold holders of bonds will be comforted. But when they begin to break…

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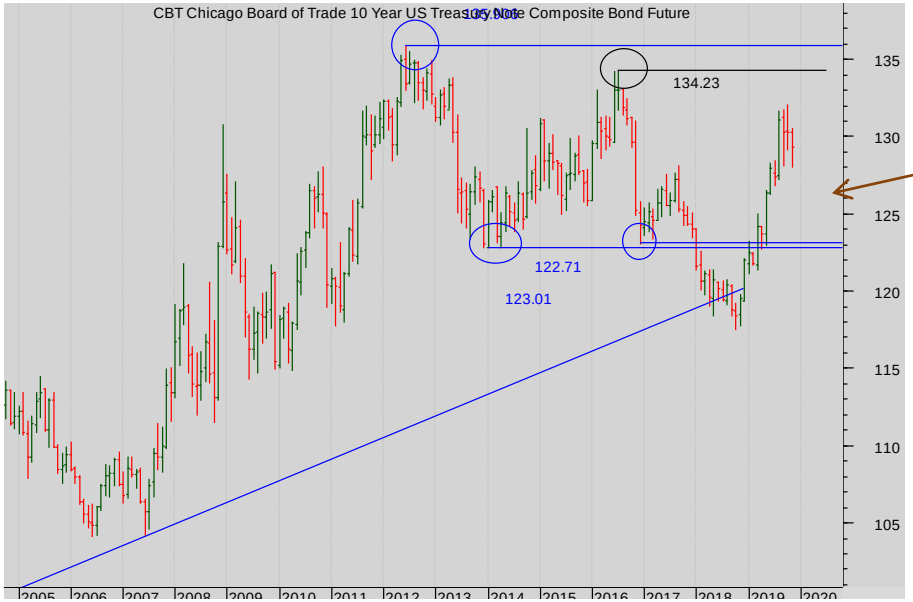
IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The recent two-month rally has driven up through the diagonal and the horizontal bands of resistance.

A massive statement of strength.

Look closer.

More

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+ Ten Year US TNotes
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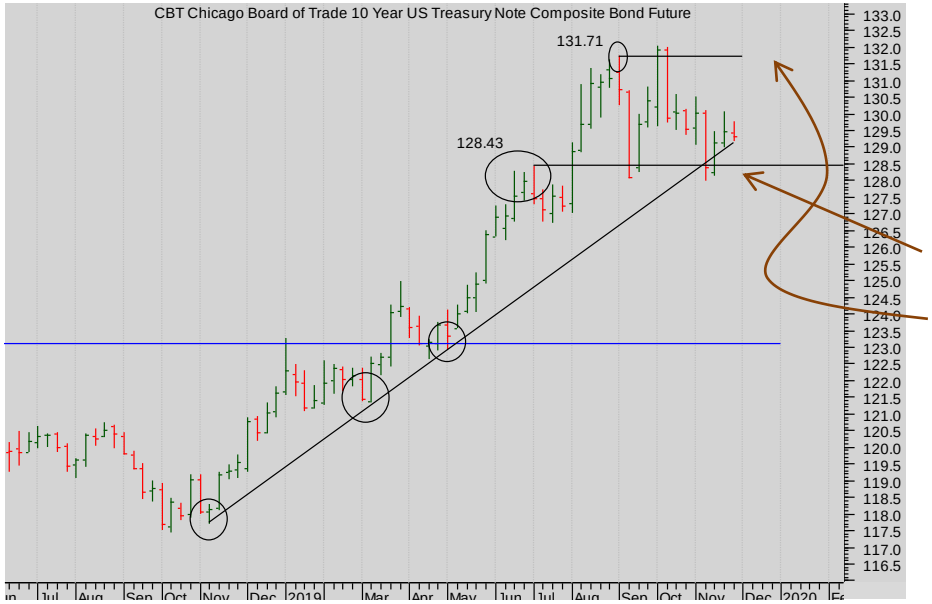
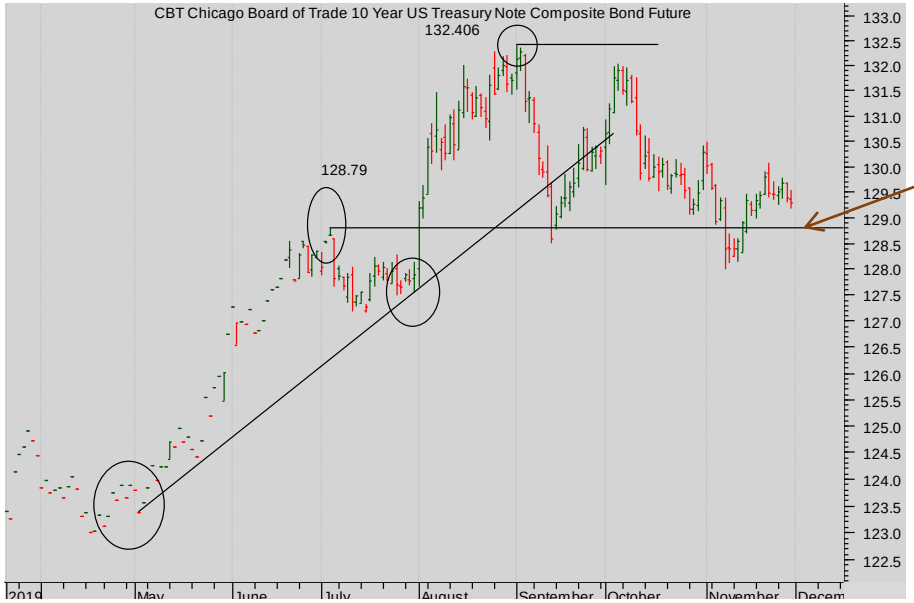
Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes weekly futures continuation chart

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

The range is intact.



CBOT Ten Year Notes daily Dec 19 futures chart

The market has refused to break back down through the Prior High.

It looks solid.

More

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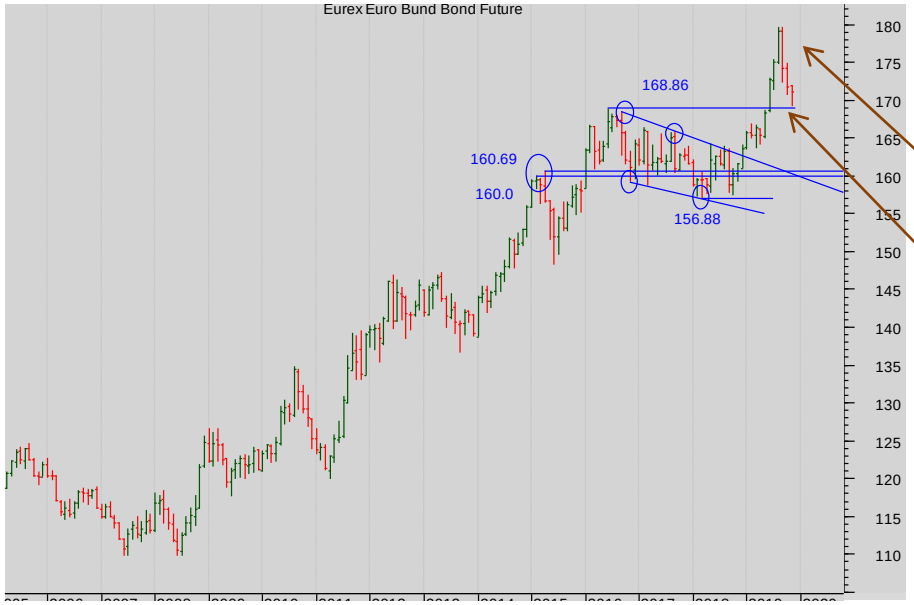
IMPLIED ASSET ALLOCATION

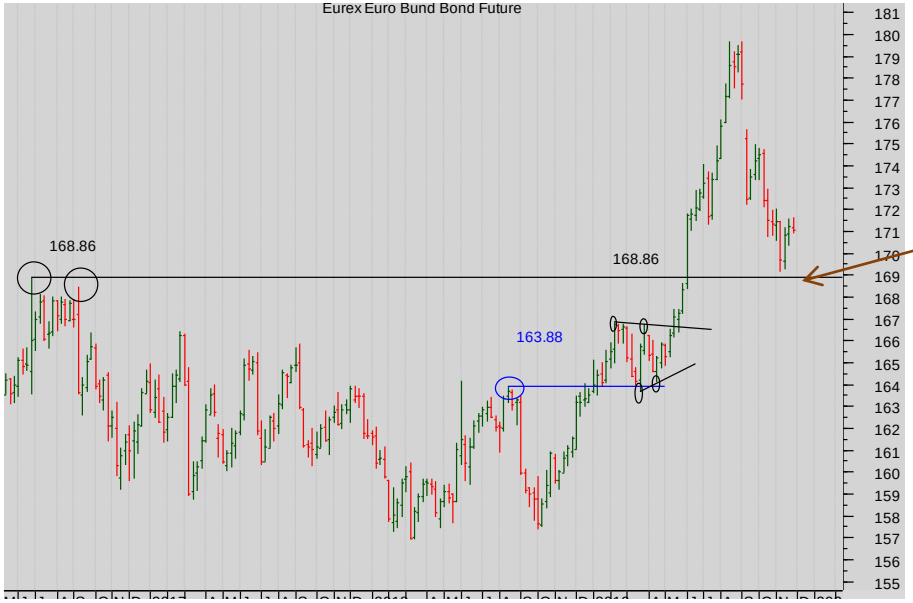
Bonds: Eurex Ten Year Bund



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 retest of 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

Summary

Currencies

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

Stocks

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

Bonds

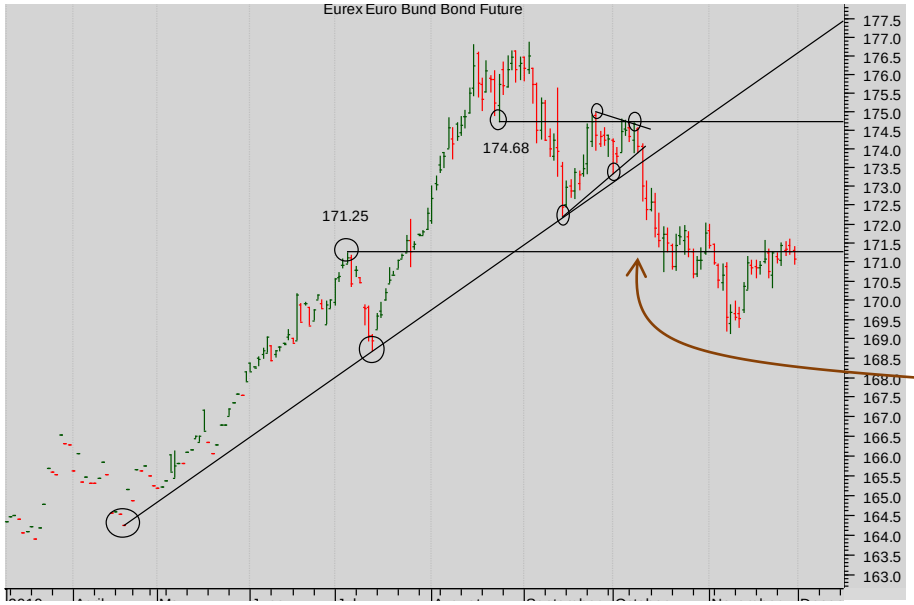
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

Commodities

+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund Dec 2019 Daily futures chart

Short-term note the important smashing of the current horizontal support beneath the market at 171.25.

The rally back should find resistance there too…

This is a vulnerable market to further selling unless the market can get back up through 171.25.

SEVEN DAYS AHEAD

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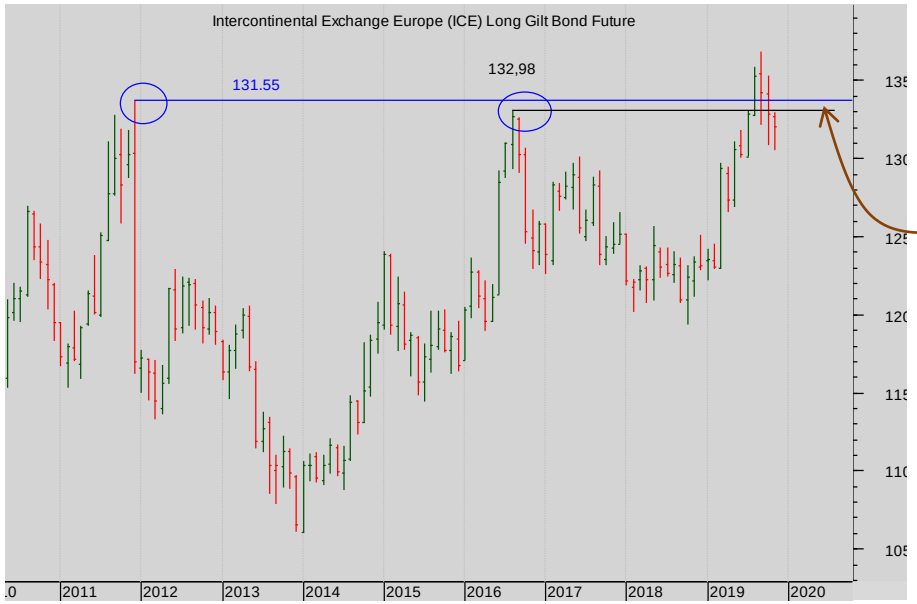
IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



Liffe UK Gilt monthly futures continuation chart

Note the break down through the band from the Prior Highs – the market's broken down and vulnerable to further selling.

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 bearish …. In the very medium-term.

More

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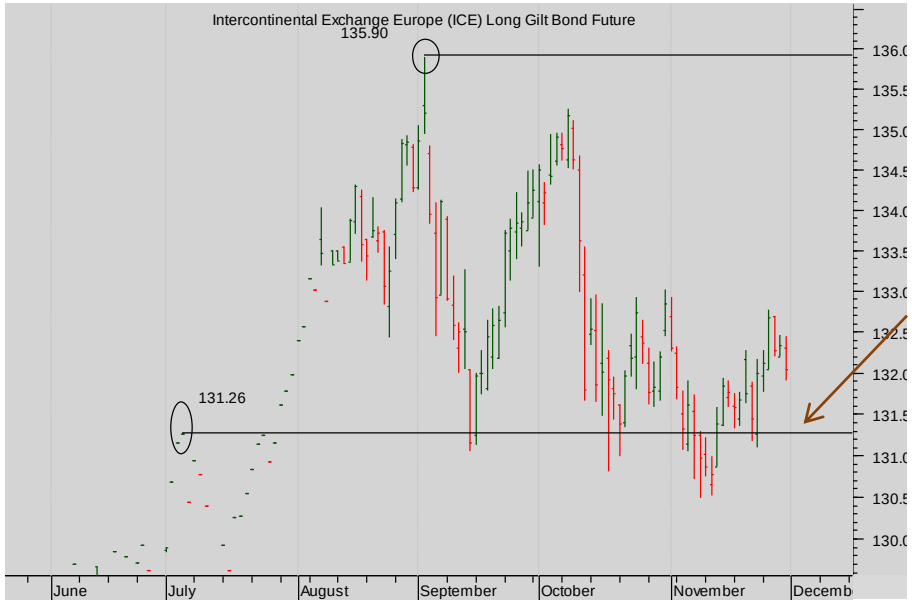
Bonds: Liffe UK Gilt futures



Long Gilt daily Dec 19 chart

We thought a break beneath 131.26 would complete a short-term Triple Top.

But the rally back has thrown the bears into disarray.

The support looks to have held in the short-term.

COMMODITIES:

Stand aside from oil; watch Gold's support in the short and medium-term.

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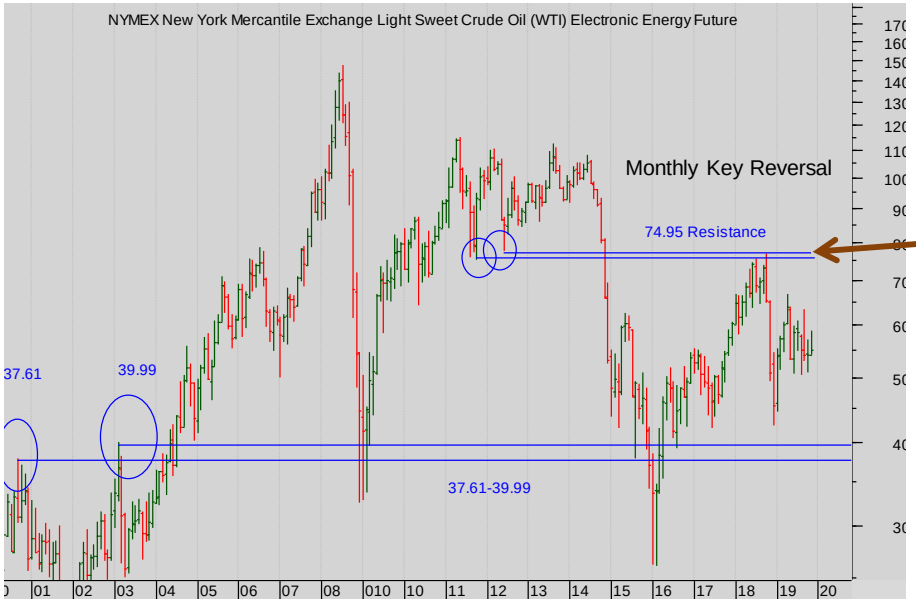
IMPLIED ASSET ALLOCATION

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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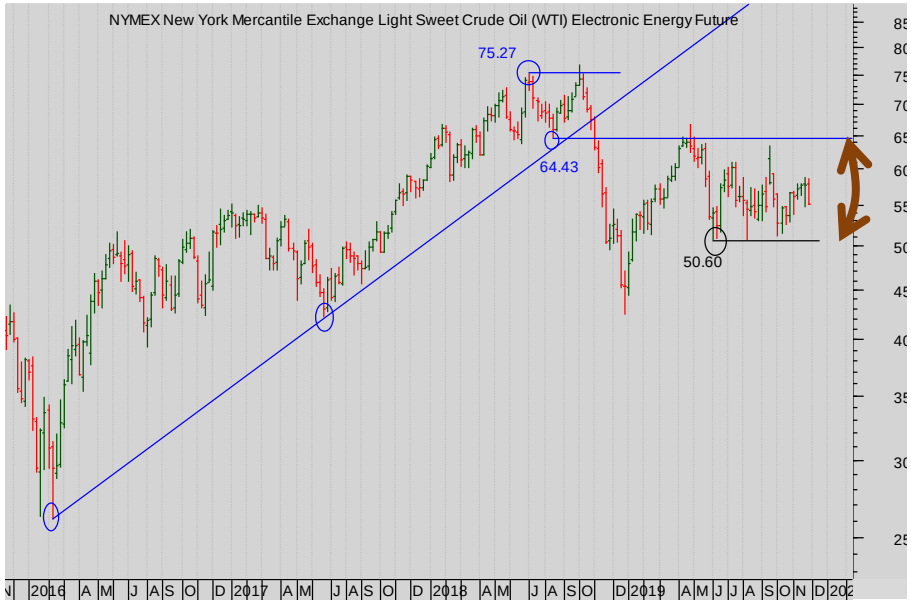
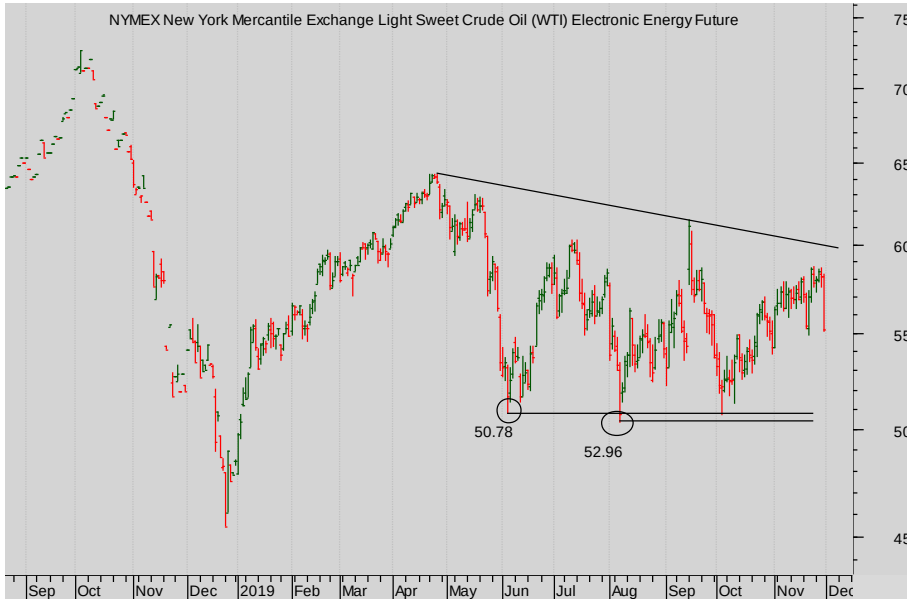


Nymex oil weekly continuation

It's not clear: watch the range.



Nymex oil daily Jan 19 futures

There's a range.

Stand back.

SEVEN DAYS AHEAD

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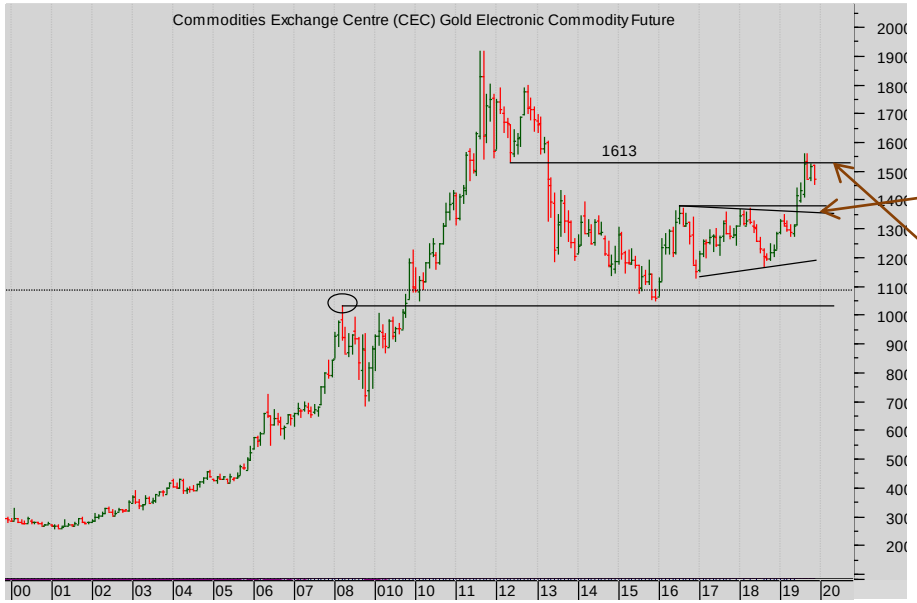
- IMPLIED ASSET ALLOCATION

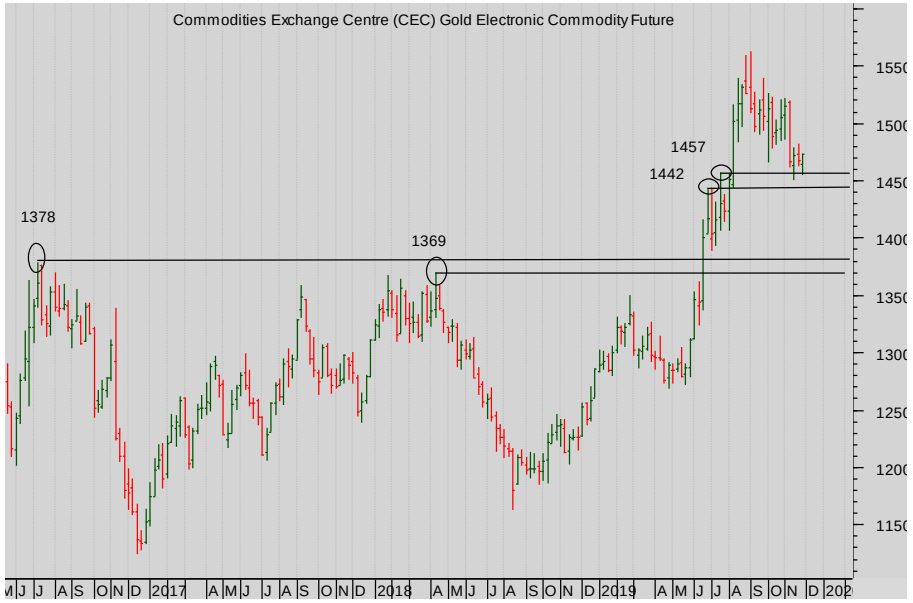
Commodities: Comex Gold



Nymex Gold Monthly

We see the long-term propulsion due to the continuation Triangle.

We see the long-term resistance at the Prior Low at 1613.



Nymex Gold weekly

The pull-back has found support at the horizontal from the Prior Highs.

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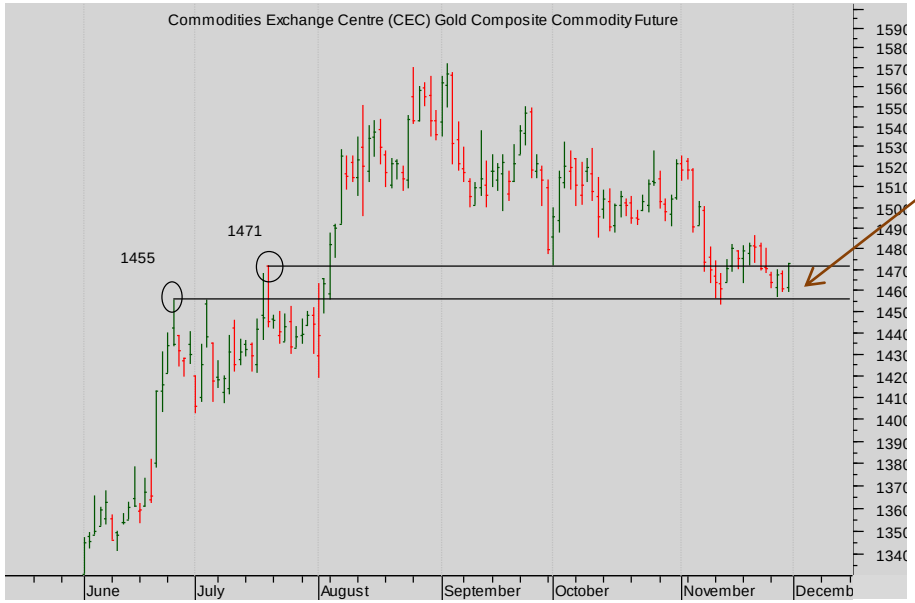
IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold Oct 2019 Daily

Here's the detail of that support from Prior Highs.

Summary

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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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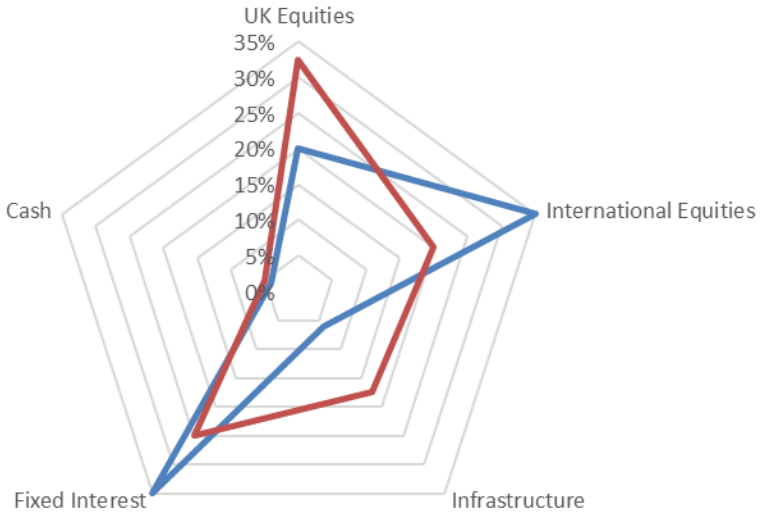
MSCI Balanced Risk Asset Allocation



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the technical analyst

AWARDS 2012

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Back to main menu