



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 14th January 2020

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

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

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

Short-term FLAT Euro
Short-term FLAT Sterling
Short-term FLAT Yen
Short-term FLAT Euro

Stocks

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

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

Medium-term **BULL**
Medium-term **BULL**
Medium-term FLAT
Medium-term **BULL**

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

Bonds

- + Ten Year US TNote
- + Ten Year German Bund
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Long-term FLAT
Long-term **BULL**
Long-term **BEAR**

Medium-term FLAT
Medium-term FLAT
Medium-term FLAT

Short-term FLAT
Short-term FLAT
Short-term FLAT

Commodities

- + Oil
- + Gold

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

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

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

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

There's no new news in the currencies, except perhaps the short-term failure of the Sterling to sustain itself above the support against the Euro. And too, the Yen sharp weakness against the Dollar at the end of the week. Watch to see if that can be sustained.

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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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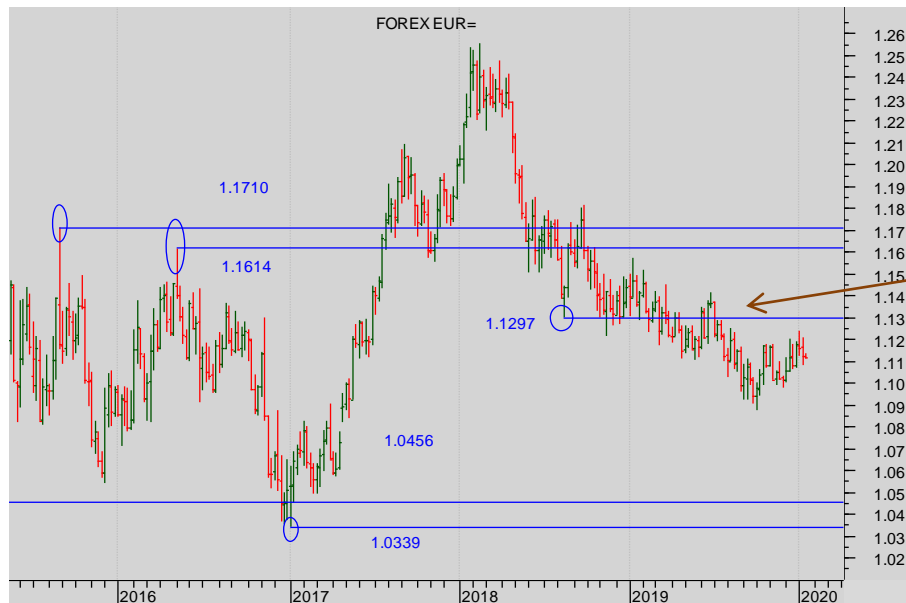
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Commodities

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IMPLIED ASSET ALLOCATION

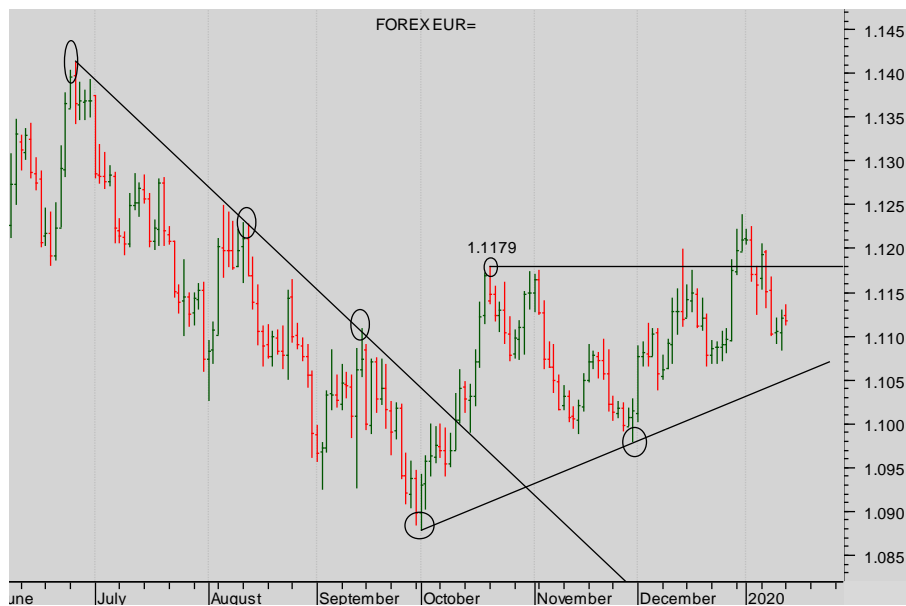
Currencies: Dollar Euro



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.

So the bear Euro trend remains intact and the Dollar bulls remain in charge.



Dollar Euro spot cash chart daily chart...

There's a lack of clarity. Stand back.



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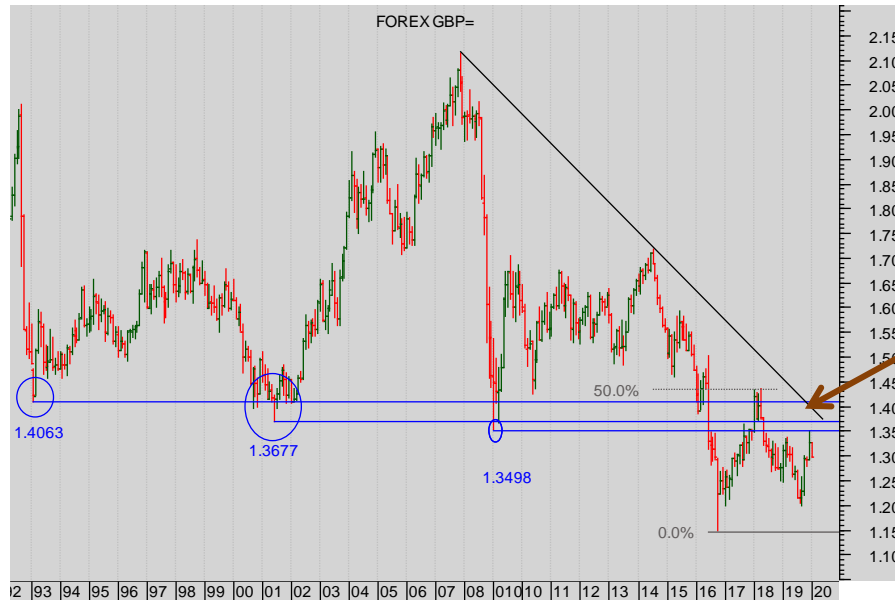
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Commodities

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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

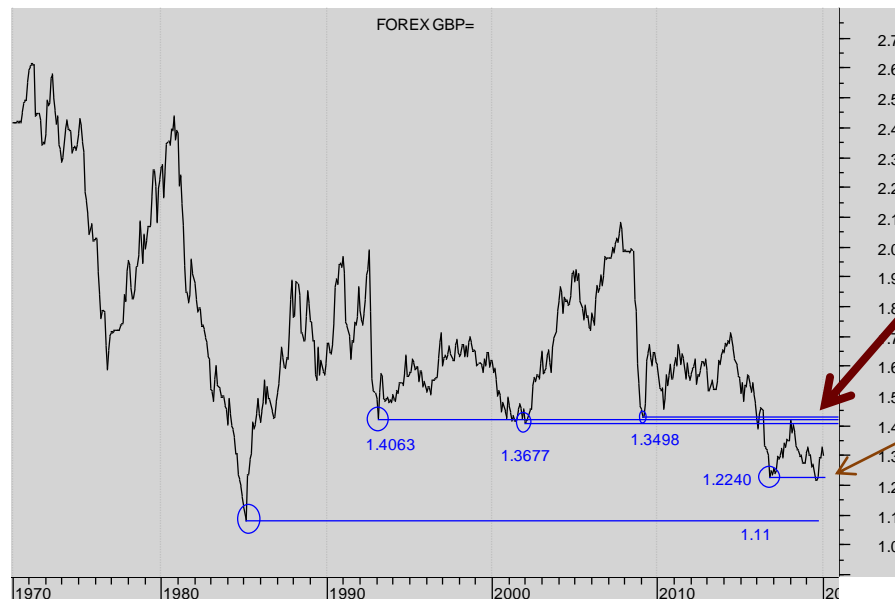


Dollar Sterling Monthly spot cash chart

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

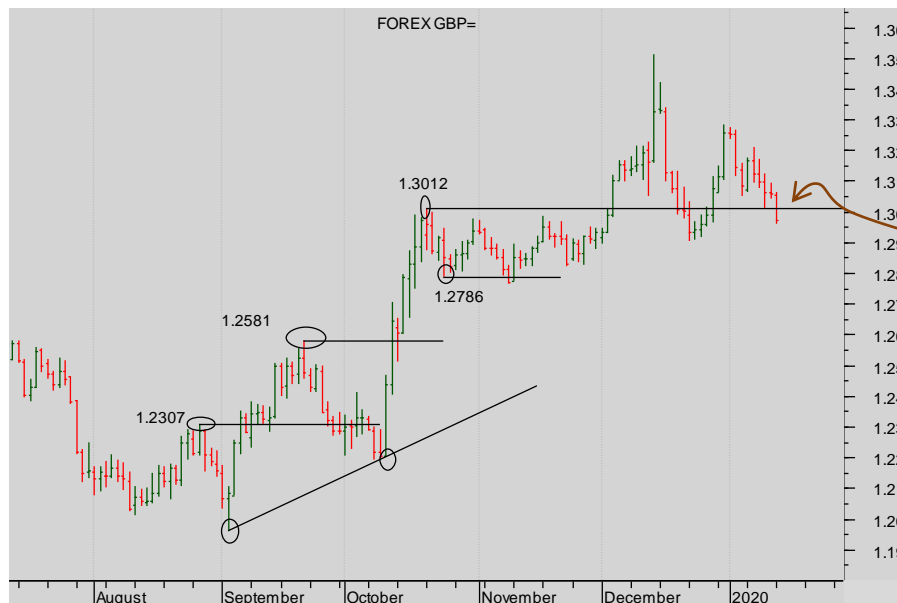
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

THAT IS A BULL FALLING WEDGE that has completed.

The Pound is set to go stronger still.



Dollar Sterling daily spot cash chart

But note the pause in the rally..

The prior high should act as good support and ratchet the trend higher still

Unless it breaks...

Wait and watch.



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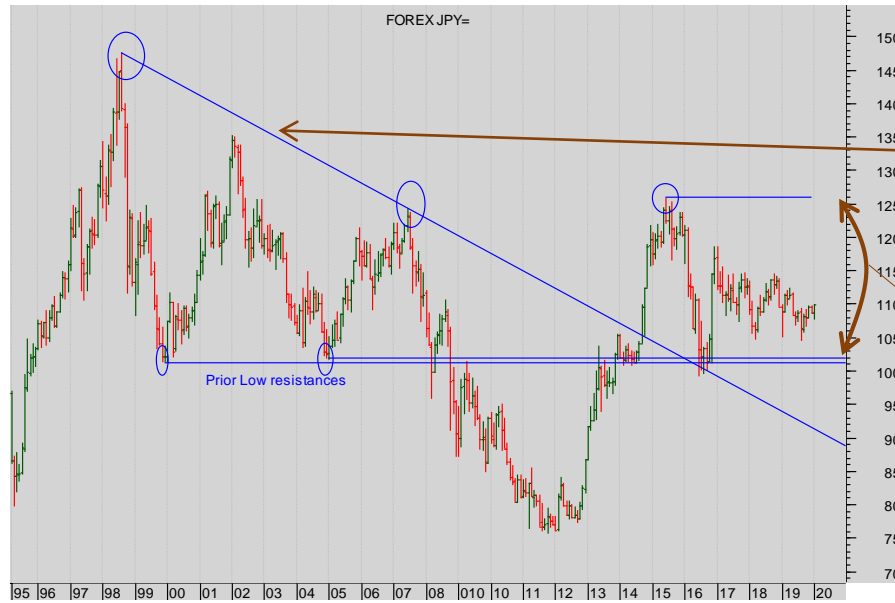
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen

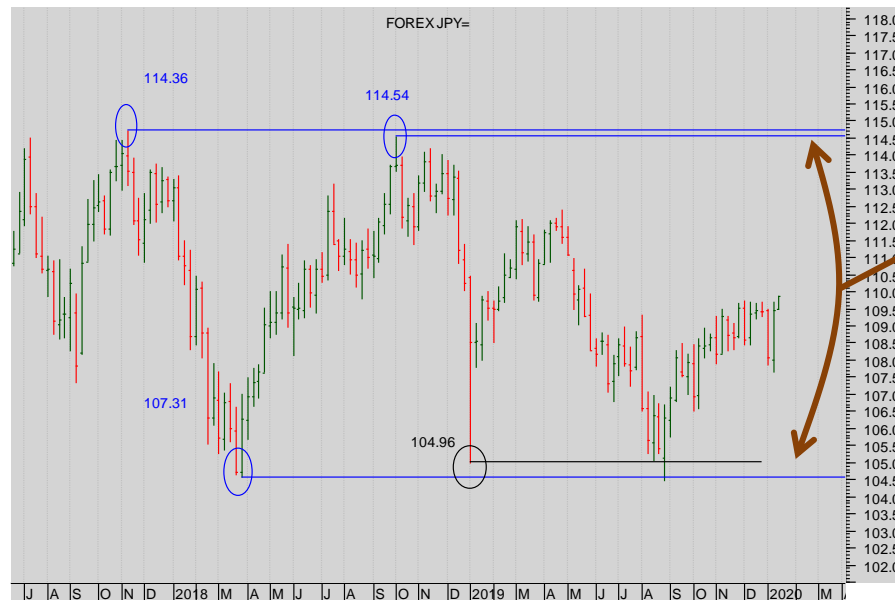


Dollar Yen monthly spot cash chart

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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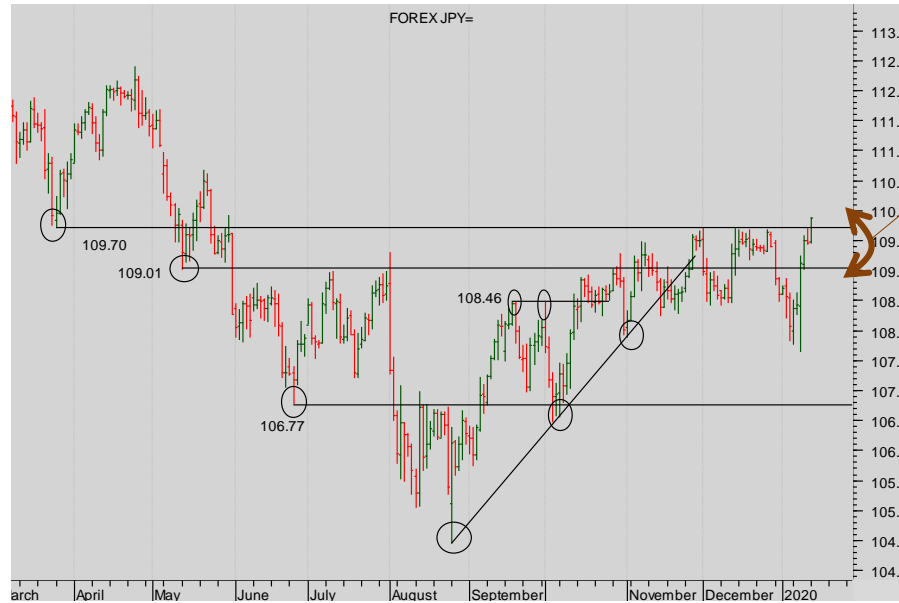
- + Ten Year US TNote
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Commodities

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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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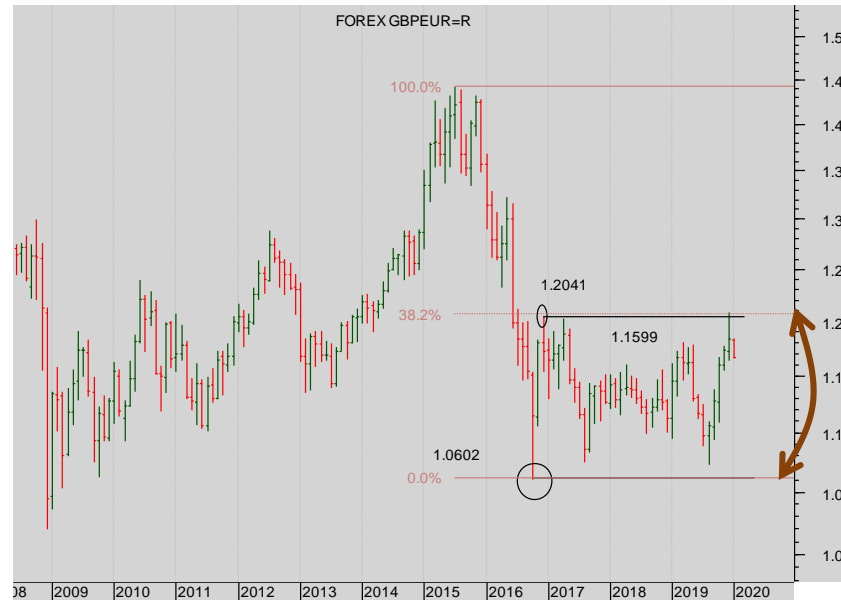
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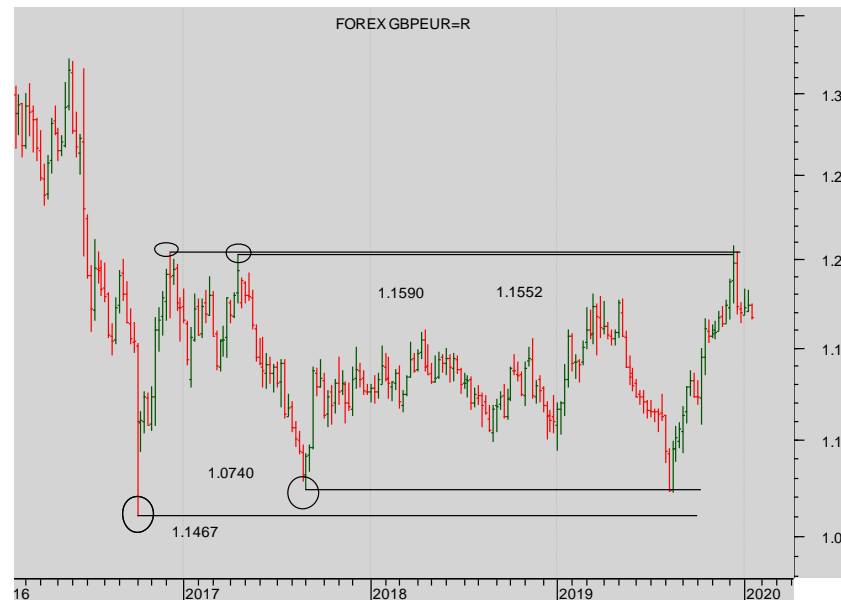
IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

The market remains in the broad trading range, but very close to the top of the range.



Sterling Euro weekly spot cash chart

This detail is a bit clearer: the market remains in the trading range. But there's no breakout yet!

More



Currencies: Sterling Euro

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Commodities

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IMPLIED ASSET ALLOCATION



Sterling Euro daily spot cash chart

The short-term rally CONTINUES – the bulls will only worry if the support at 1.1663 breaks.



Stocks

STOCKS:

We are hot for the stocks – especially the S&P the EuroStoxx and the Nikkei. They all have completed powerful bull continuation patterns, or Prior High in the long medium and short-term charts. And the long and short-term FTSE charts look pretty hot – only the medium term is stuck in a dull range. But that could change quickly.

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Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The bull market.

More



Stocks: CME S&P 500

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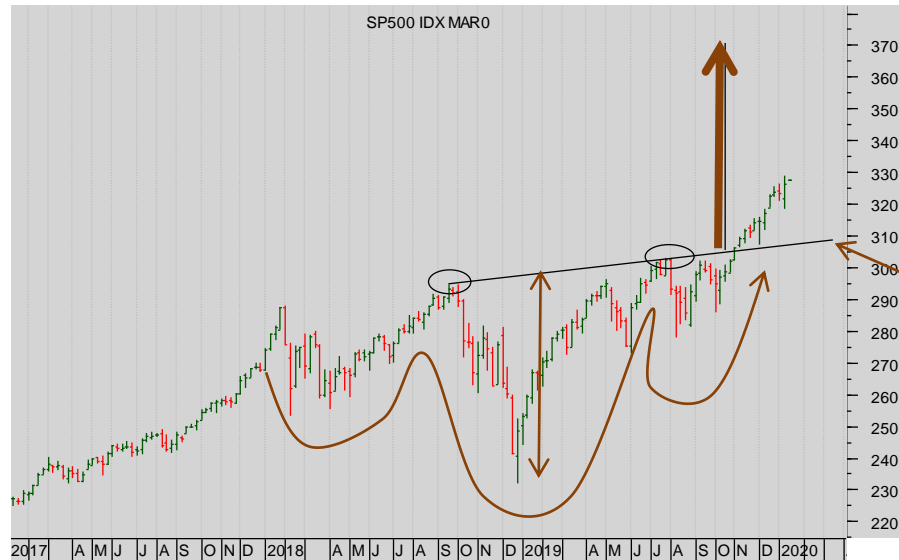
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IMPLIED ASSET ALLOCATION

CME S&P 500 cont. weekly cont. chart



The succession of highs have all been overcome. This is surely a bull continuation Triangle!

Minimum move? 3700!

Thus there is now massive support beneath the market at the rising neckline.

CME S&P 500 daily Dec 2019 chart



The pushes through the Prior Highs has energised the market and are first support on any pull-back.

More



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IMPLIED ASSET ALLOCATION

Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 monthly continuation futures chart

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

If the market can hold above the upper diagonal at around 3670 at the end of November and again in December to confirm the completion – the bulls will be ecstatic.



Eurex EuroStoxx 50 weekly continuation futures chart

This is encouraging: note the completion of the Continuation Head and Shoulders.

Note too the push up through the Prior High at 3703.

Bull need that to be overcome before they can buy again.

More



Stocks: Eurex EuroStoxx 50

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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Dec 19 futures chart

The pull-back to support was clear as was the bounce...

Good support remains beneath the market at the horizontals

And at the diagonal – less powerful though...



Stocks: Liffe FTSE 100

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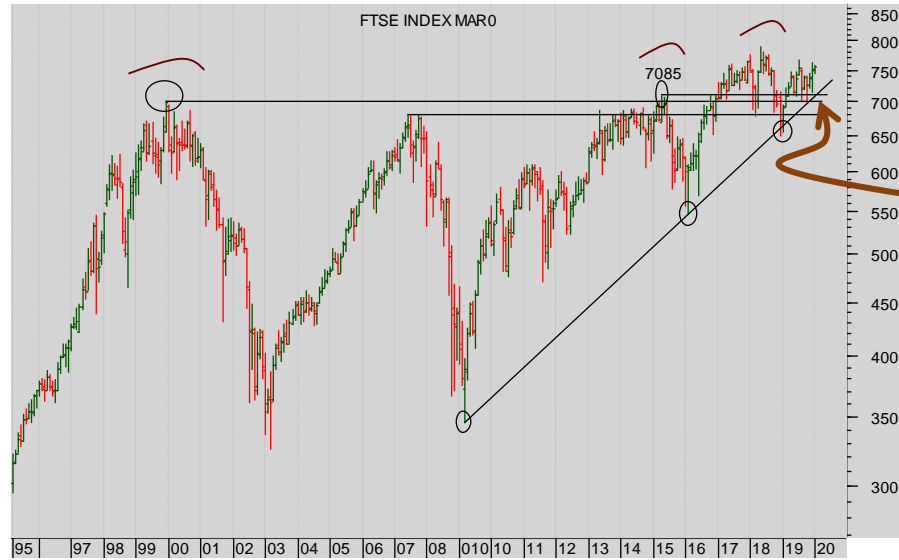
Bonds

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Commodities

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IMPLIED ASSET ALLOCATION

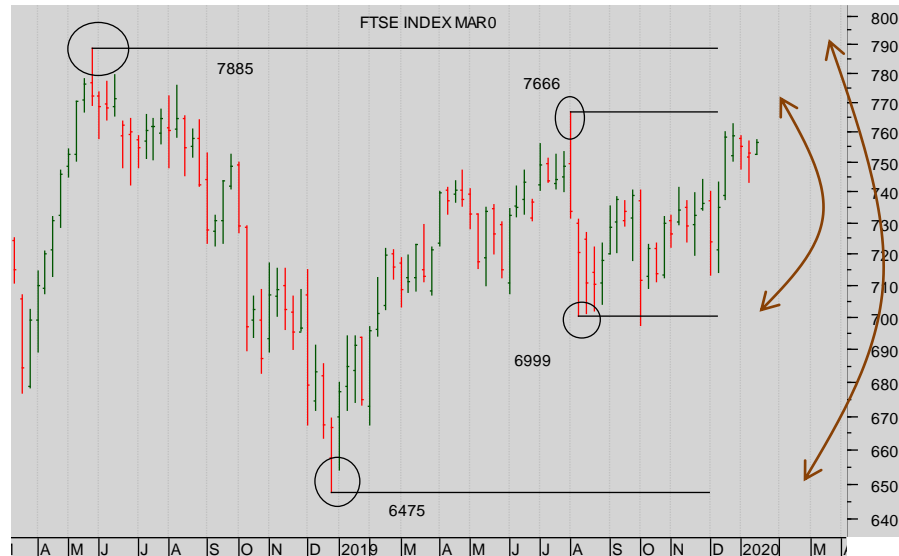


Liffe FTSE 100 Monthly continuation futures chart

While the rising diagonal support remains intact

And while the horizontal support remains intact,

They are giving enormous confidence to UK investors.



Liffe FTSE 100 Weekly cont. futures chart

Watch the ranges.

More



Stocks: Liffe FTSE 100

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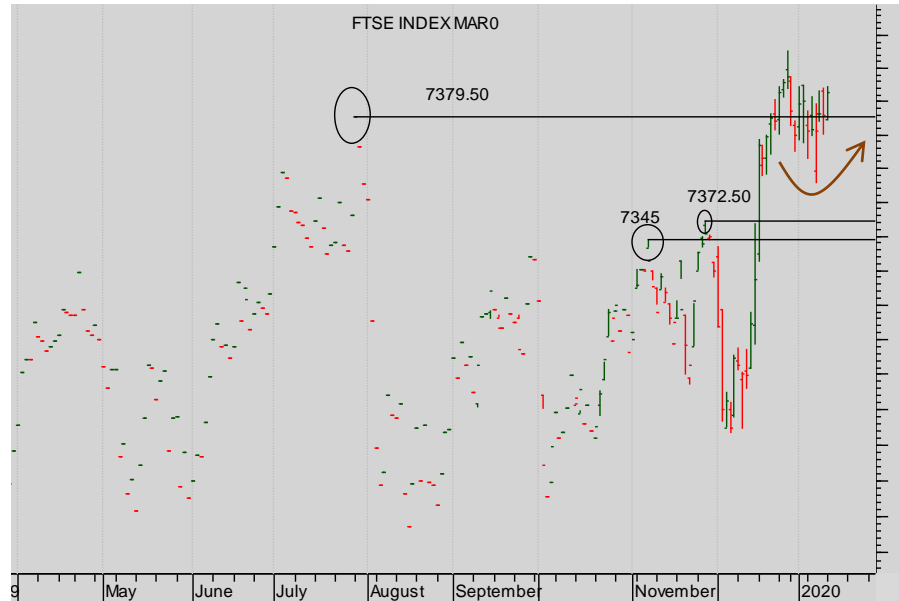
Bonds

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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Dec 19 daily futures chart

Note the push up through the Prior High at 7379.50 which looks to have established good support beneath the market

The bulls are in charge!



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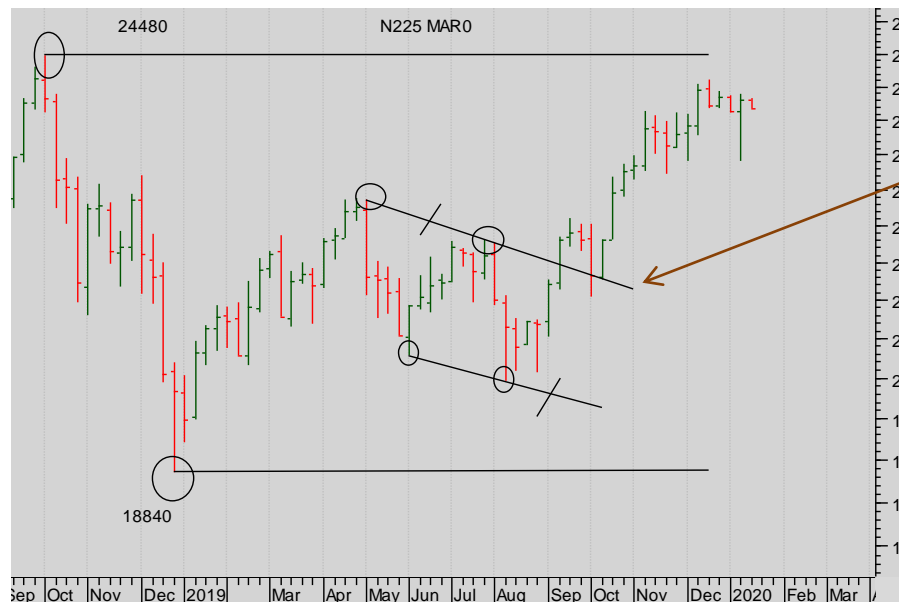
IMPLIED ASSET ALLOCATION

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)

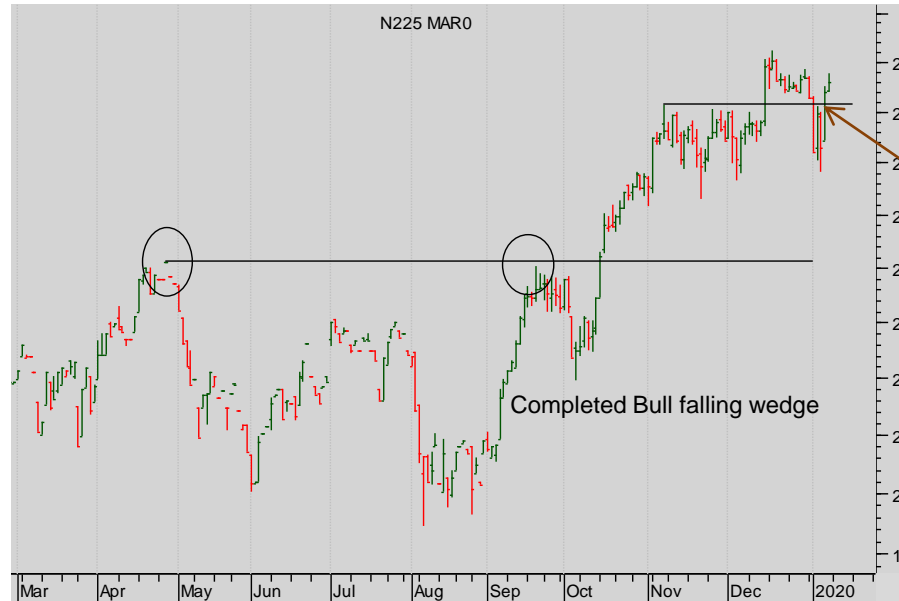
The completion of a bull falling wedge is bullish.

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

More



Stocks: OSE Nikkei 225



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Commodities

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

We are not bearish right now in the US and Europe, but rather watchful of the supports that are being tested. Note that the UK market looks rather vulnerable though in the long-term even if, for the moment, the medium and short-term markets are dully range-trading.

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IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The long-run rally.

Look closer.

More



Bonds: CBOT Ten Year Notes

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IMPLIED ASSET ALLOCATION



CBOT Ten Year Notes weekly futures continuation chart

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

The range is, for the moment, intact.



CBOT Ten Year Notes daily March 20 futures chart

Watch the range.

More



Bonds: Eurex Ten Year Bund

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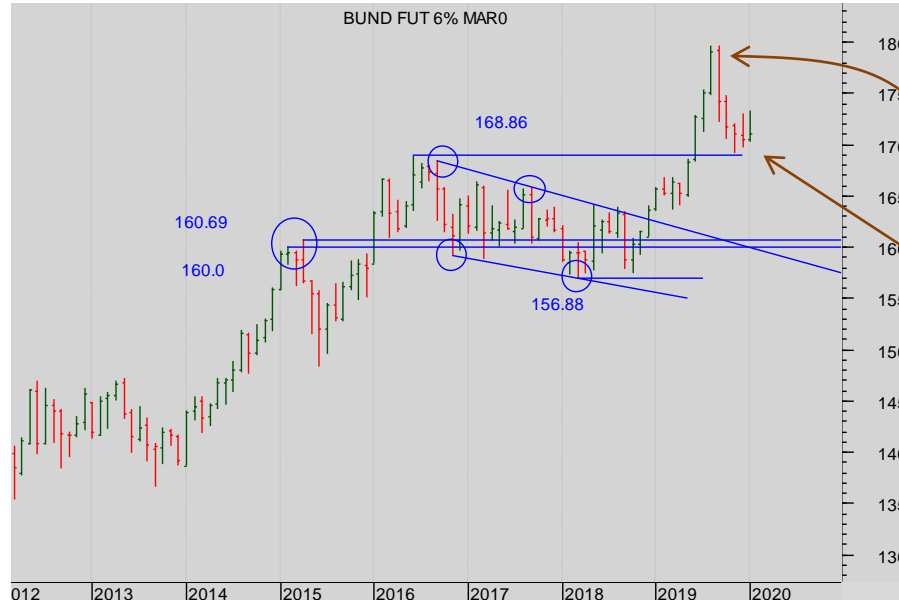
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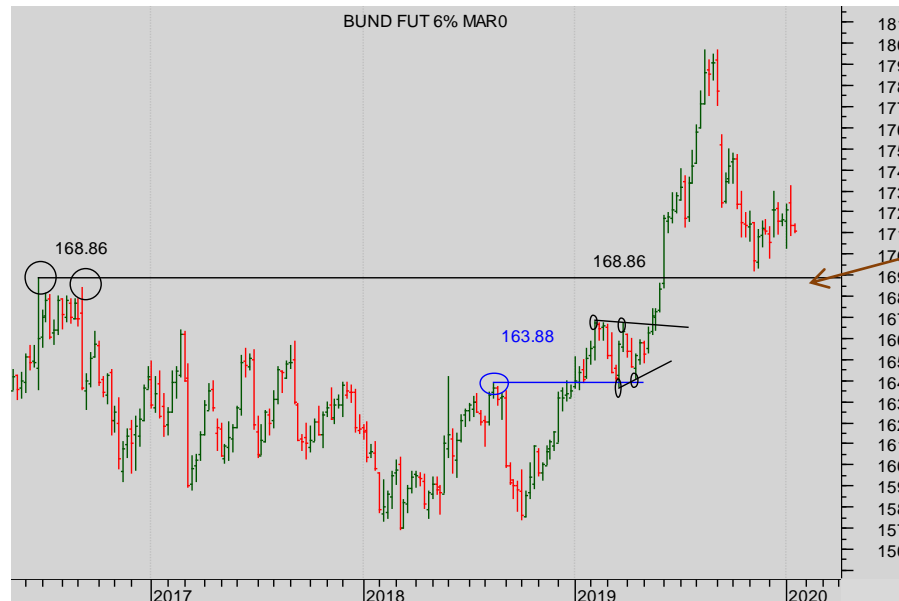
IMPLIED ASSET ALLOCATION



**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



Bonds: Eurex Ten Year Bund

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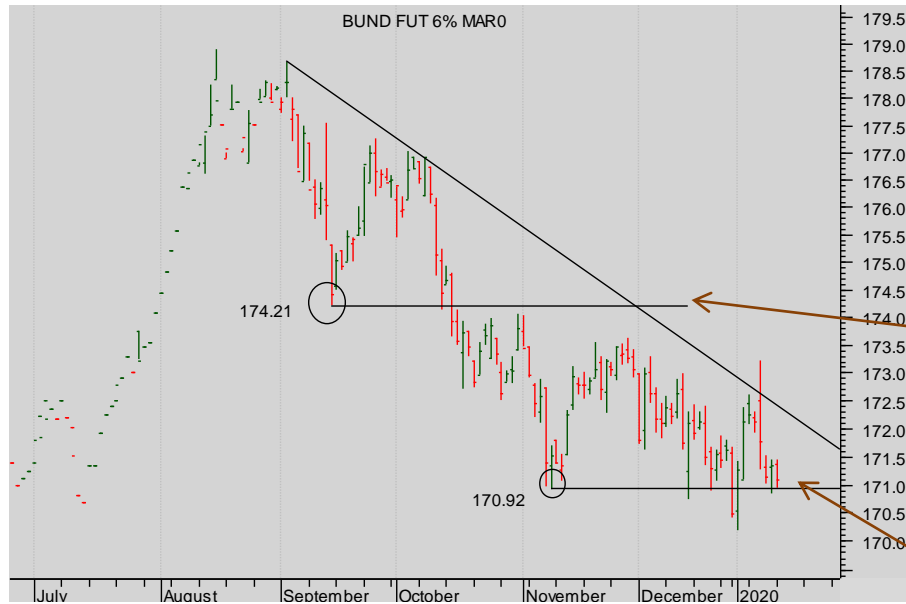
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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund Mar 2020 Daily futures chart

Short-term, note the important horizontal support beneath the market at 170.92.

Any rally back should find resistance above too at 174.20 or so but before that at the falling diagonal.

This is a vulnerable market already in a bear trend but suggest further selling unless the market can get beneath and stay beneath 170.92.



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IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



Liffe UK Gilt monthly futures continuation chart

Note the drift from the Prior Highs there's not much support....



Liffe UK Gilt weekly continuation futures Chart

In detail: here is the weekly price action pulling back to the support from the nearer high and possibly the diagonal.

Both must break before the bear can take confidence.

More



Bonds: Liffe UK Gilt futures

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IMPLIED ASSET ALLOCATION



Long Gilt daily Dec 19 chart

This is not clear.



Commodity

COMMODITIES:

Oil looks vulnerable still, despite the speed with which the market has fallen and that is because of the weekly Key reversal and the smashing of the support from Prior Highs in the day chart.

Gold is teetering at Prior Highs, looking prone to drift - the bull impetus from the completed bull falling wedge having petered out, perhaps.

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Commodities: Nymex WTI Oil



Nymex oil monthly continuation

Stand Back - and watch the range.

More



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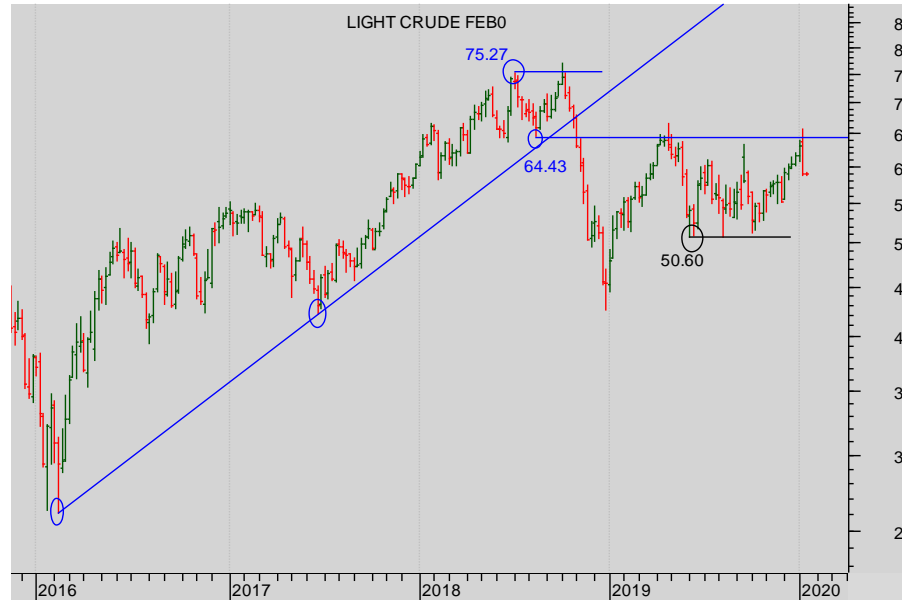
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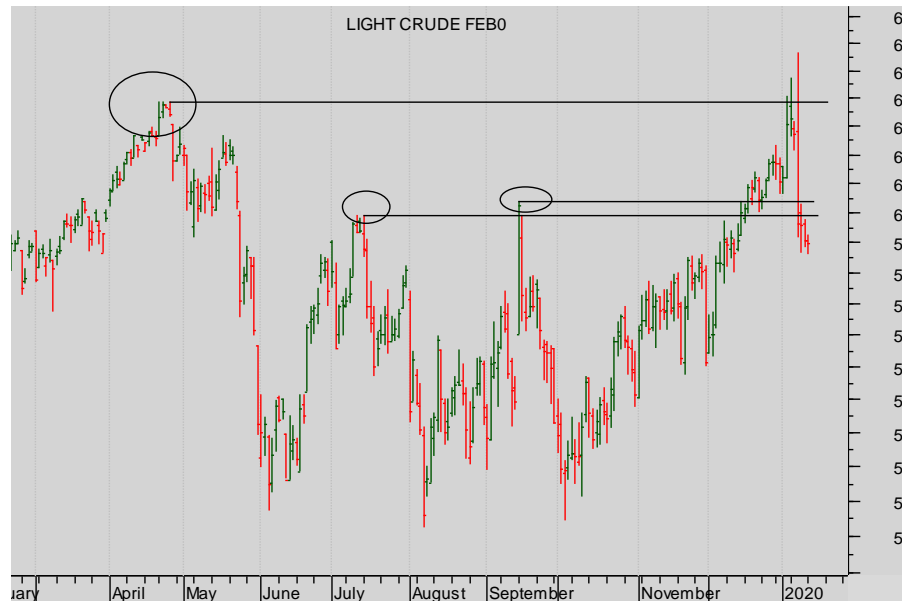
IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil weekly continuation

It's failed twice at the 64 level.... Not good.



Nymex oil daily Feb 2020 futures

That's a key reversal!
AND the Prior High support has been smashed.

The bears are in control.



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IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold Monthly

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

Yet note too that the minimum target has been reached.

But we also see the long-term resistance at the Prior Low at 1523. SMASHED!

The bulls are in charge.



Nymex Gold weekly

The nervous failure to smash up through the Prior High needs watching carefully.

Stand back and watch.



Commodities: Comex Gold



Nymex Gold Feb 2020 Daily

Here's the detail of the completed bull wedge and the attempted break up through the Prior High at 1565.

And the failure to sustain the break.

Disappointing.

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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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