



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 11th February 2020

### 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

## Summary

### Currencies

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

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 **BEAR** Euro

Short-term **FLAT** Sterling

Short-term **FLAT** Yen

Short-term **FLAT** Euro

### Stocks

- + S&P 500
- + EuroStoxx 50
- + FTSE 100
- + 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 **FLAT**

Short-term **FLAT**

Short-term **FLAT**

Short-term **FLAT**

### Bonds

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

Long-term **BULL**

Long-term **BULL**

Long-term **BULL**

Medium-term **BULL**

Medium-term **BULL**

Medium-term **BULL**

Short-term **FLAT**

Short-term **FLAT**

Short-term **BULL**

### Commodities

- + Oil
- + Gold

Long-term **BEAR**

Long-term **BULL**

Medium-term **BEAR**

Medium-term **BULL**

Short-term **BEAR**

Short-term **FLAT**

IMPLIED ASSET ALLOCATION

More



## Currencies: Dollar Euro

### CURRENCIES:

The short-term pattern completion in the Dollar Euro is favouring bull Dollar moves in all time frames there now, which has pressurised the Sterling lower too against the Dollar, but note that Sterling remains perky against the Euro, good Short-term support is still in place there – even tho' in the longer term the market looks to be at the top of a very large trading range-eek – so a break up through the Top of that range is to be fervently desired by the Sterling bulls...

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- + Dollar Yen
- + Sterling Euro

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- + S&P 500
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- + Nikkei 225

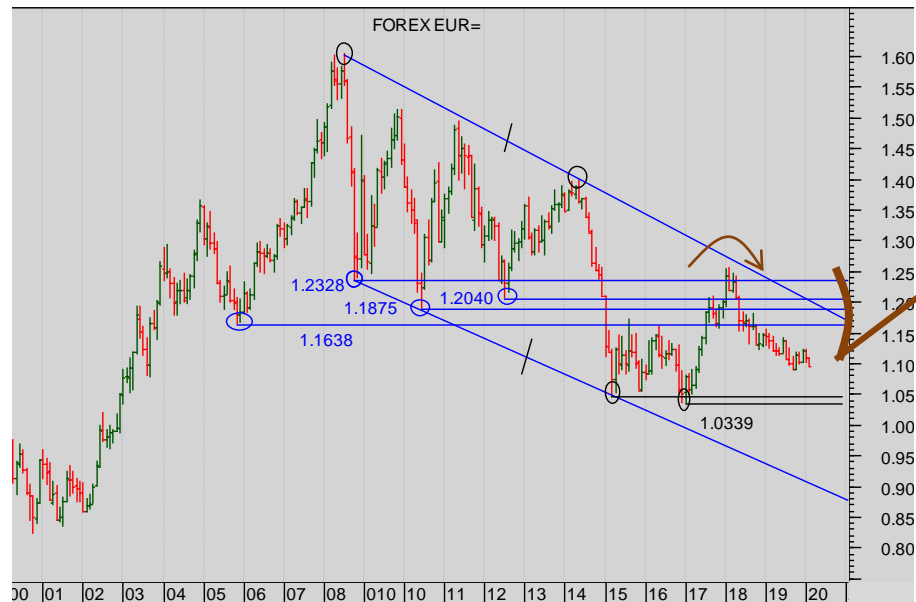
#### Bonds

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#### IMPLIED ASSET ALLOCATION



### Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 and above have **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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- + Nikkei 225

### Bonds

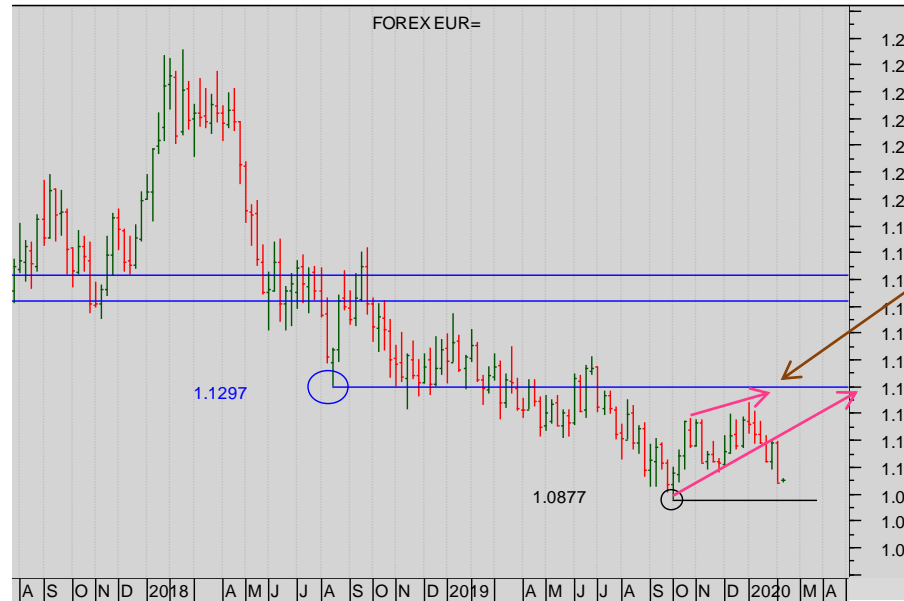
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Euro

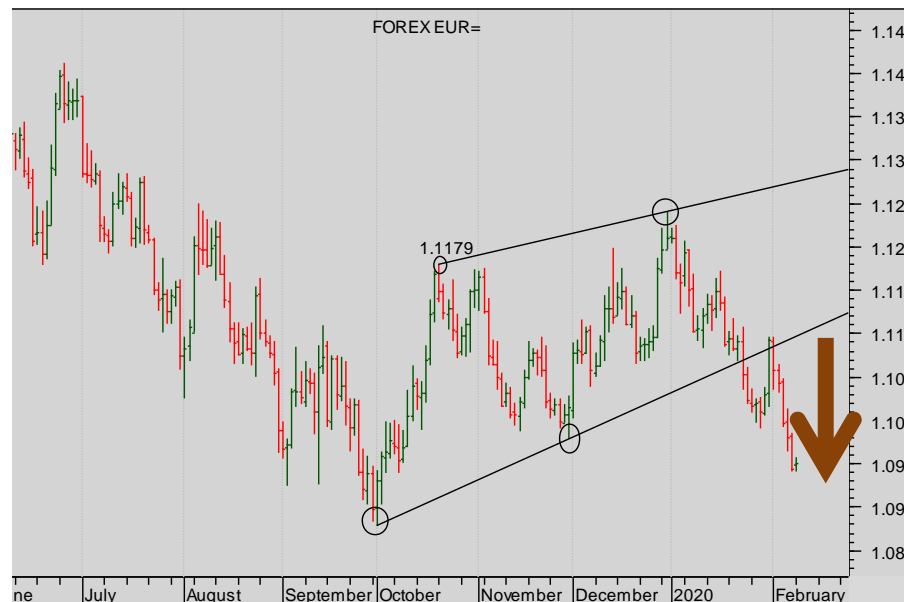


### Dollar Euro weekly spot cash chart

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

A small bear wedge has completed... and if in addition the Prior Low is broken beneath, the bears will really get the bit between their teeth.

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



### Dollar Euro spot cash chart daily chart...

That's a bear wedge that has completed. And the lower diagonal has proved to be good resistance on an attempted rally...

Minimum move? Down as far as 1.09.



## Currencies: Dollar Sterling

### Summary

### Currencies

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

### Stocks

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

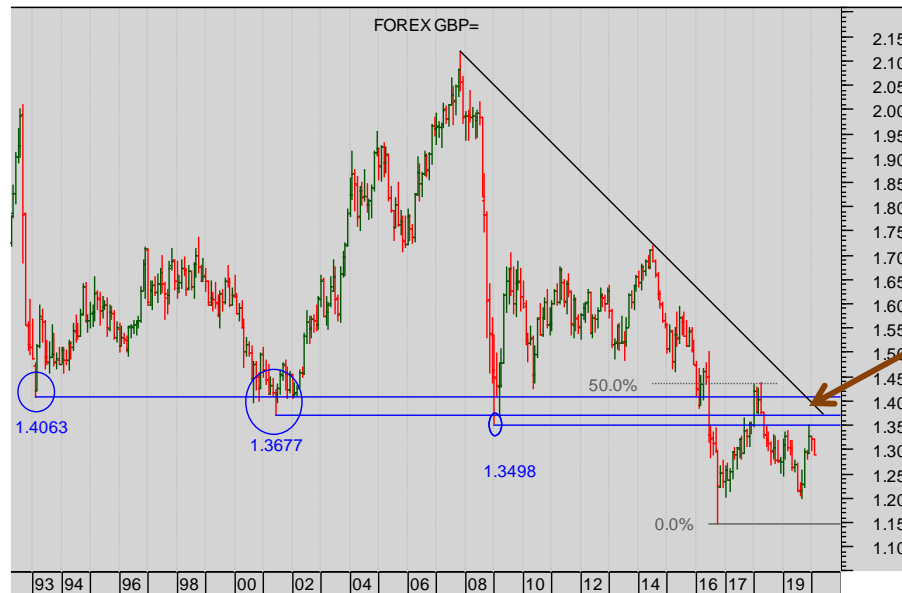
### Bonds

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

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

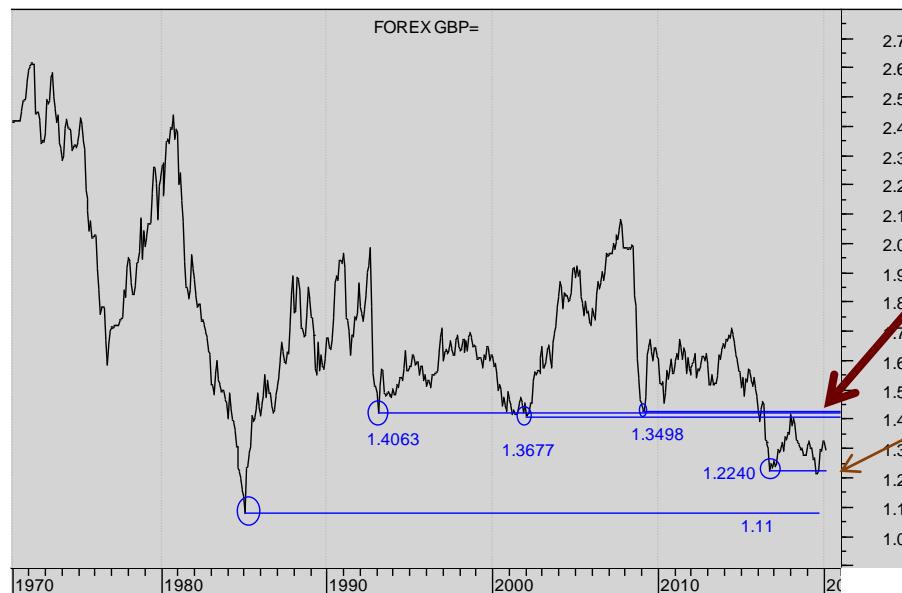


### Dollar Sterling Monthly spot cash chart

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 at the re-approach.



### 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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- + Sterling Euro

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- + EuroStoxx 50
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- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

## 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

Yet short-term, note the pause in the rally..

The prior high was acting as good support, but now that has broken...

Wait and watch.



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- + Nikkei 225

### Bonds

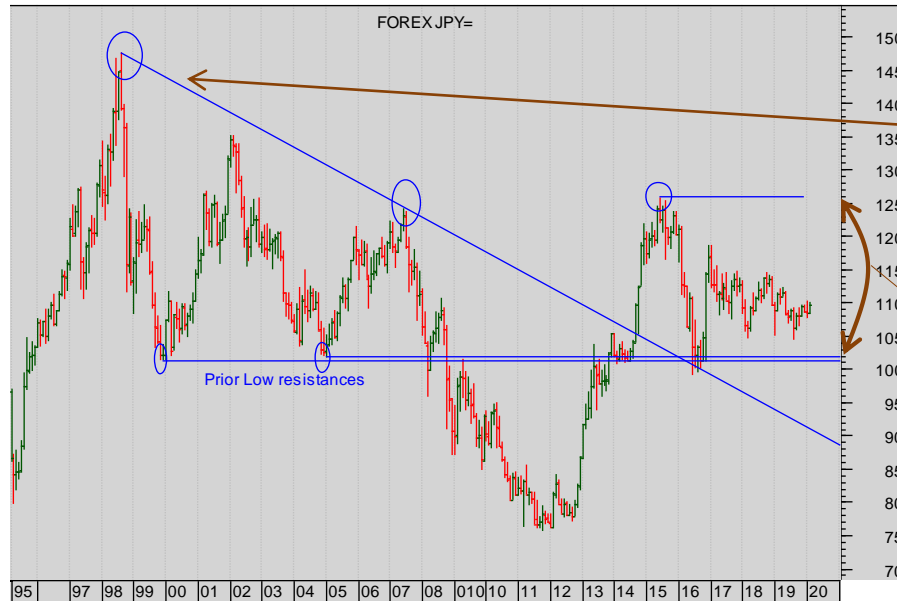
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen

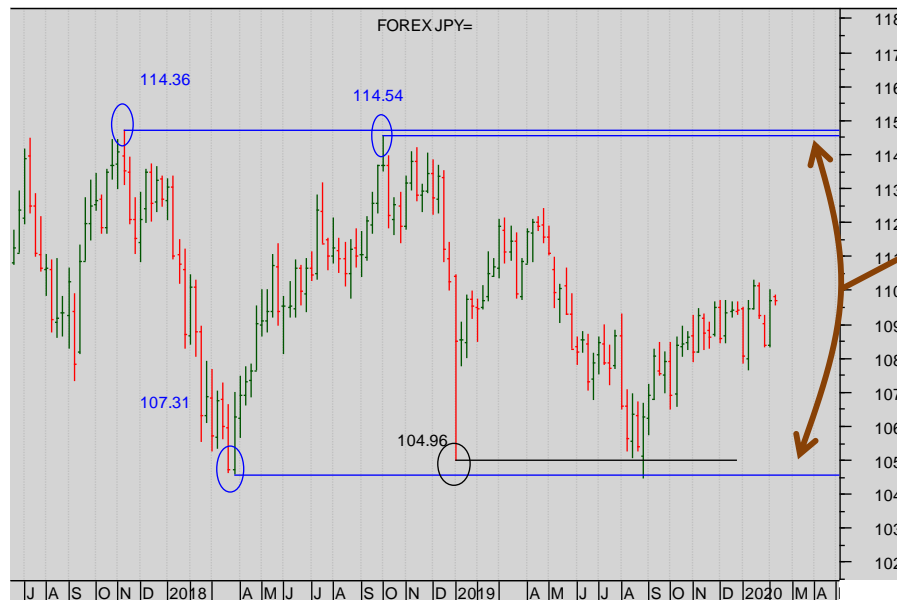


### Dollar Yen monthly spot cash chart

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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### Stocks

- + S&P 500
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- + Nikkei 225

### Bonds

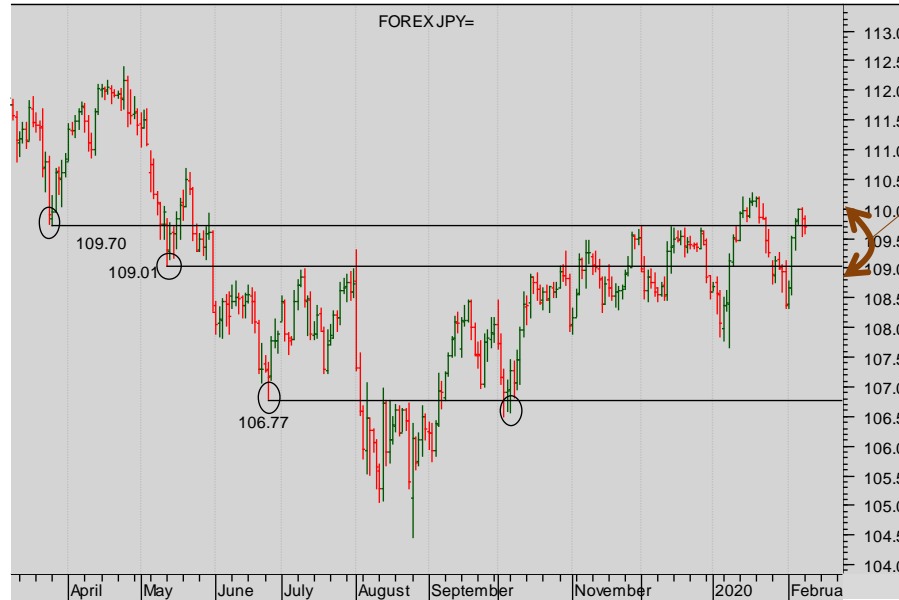
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen



### Dollar Yen daily spot cash chart

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

Nothing there yet!





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

### Stocks

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

### Bonds

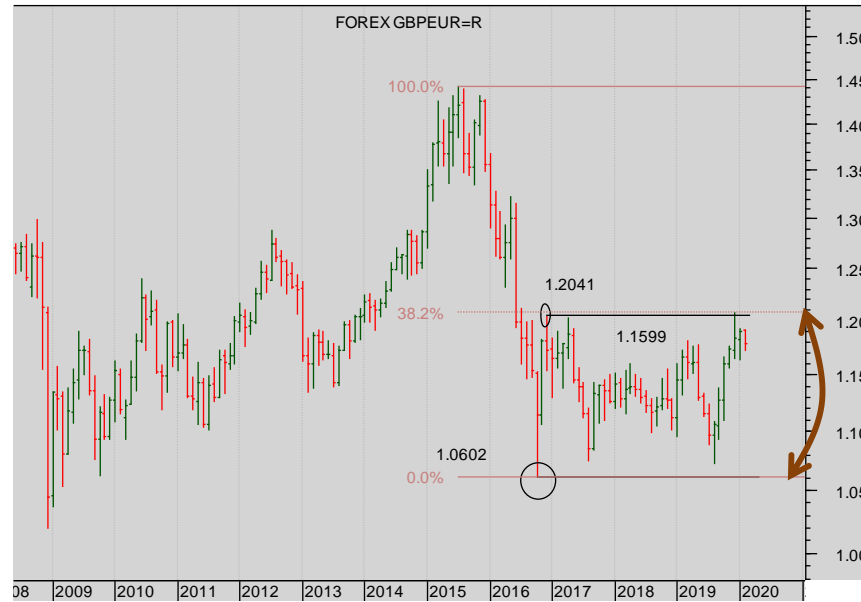
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

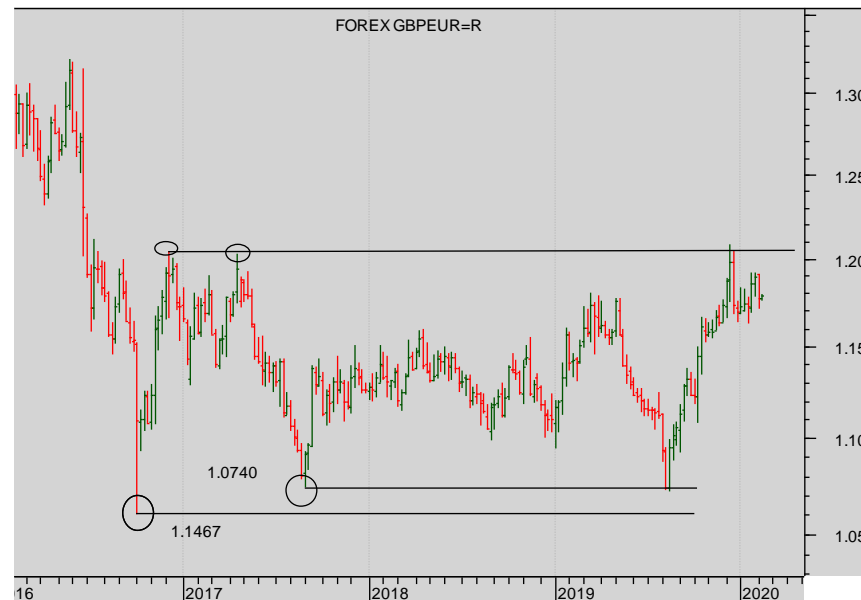
## IMPLIED ASSET ALLOCATION

## 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

### Summary

### Currencies

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

### Stocks

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

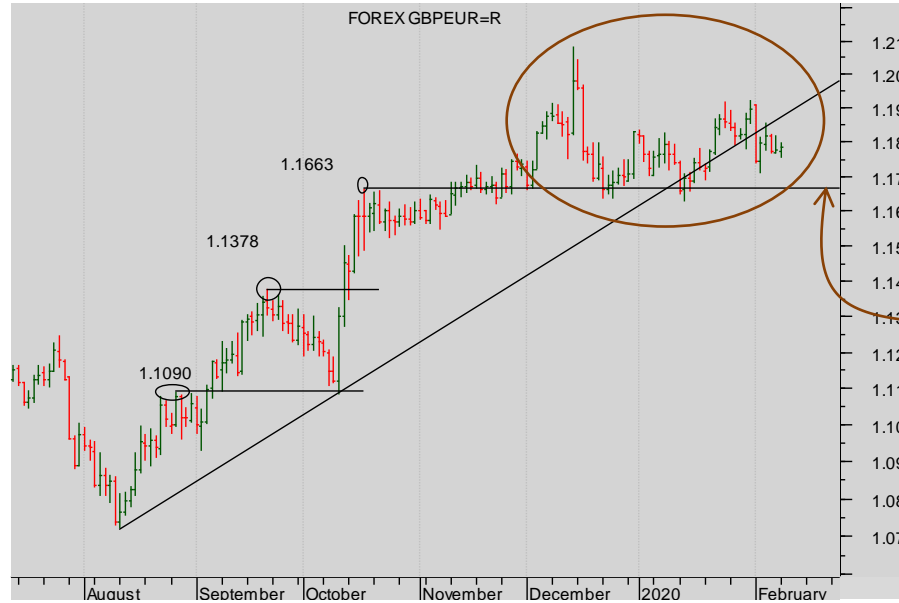
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



### 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:

Stocks have recovered from the sell in varying degrees: FTSE is the worst laggard, Nikkei's bounce soured by the fact that the market has failed three times around current levels, leaving the S&P and Eurostoxx right back at Prior Highs. What all these markets need is to push on from current levels and break into new ground to give the bulls confidence. To fail again from current levels would begin to look VERY DANGEROUS across the board.

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#### Stocks

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#### Bonds

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- + UK Gilt

#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

### Stocks: CME S&P



### CME S&P 500 monthly cont. futures chart

The bull market.

More



## Stocks: CME S&P 500

### Summary

### Currencies

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

### Stocks

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

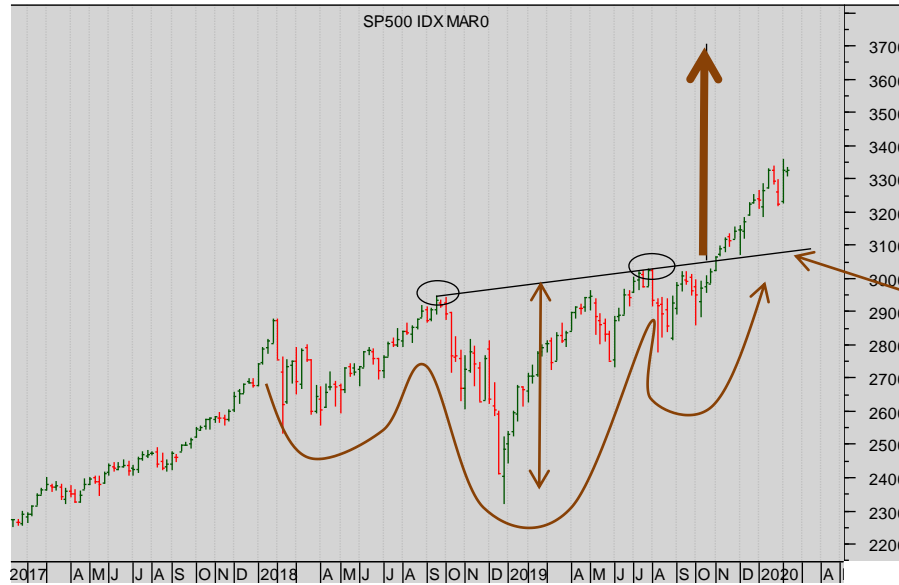
### Bonds

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

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

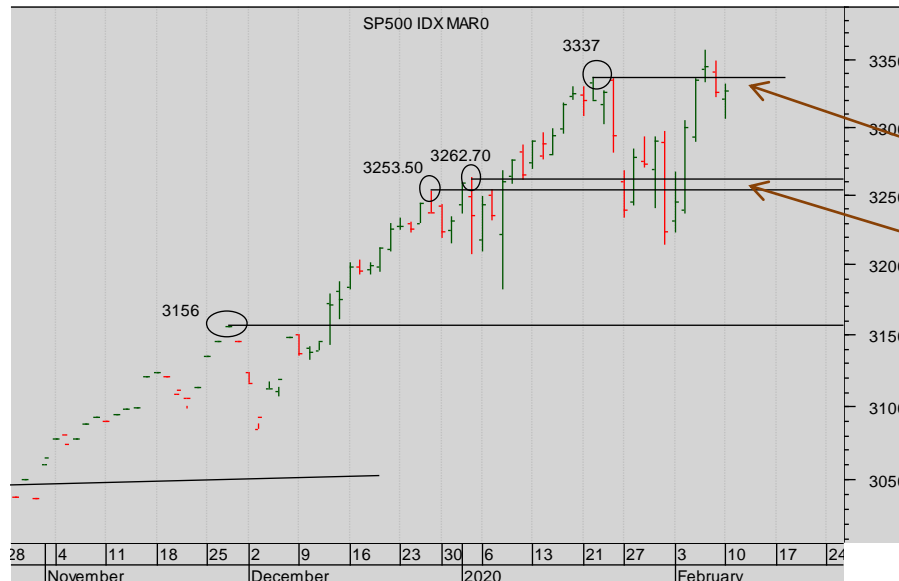


### CME S&P 500 cont. weekly cont. chart

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

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 bulls need a confirmed break above the 3337 Prior High to gain confidence.

A close beneath the Prior Highs will surely send the market further down still to 3156

More



## Stocks: Eurex EuroStoxx 50

### 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



### 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

Note the **rejected** breakdown through the Prior High at 3703.

If the market can stabilise above that level the bulls can buy again with confidence.

More



## Stocks: Eurex EuroStoxx 50

### Summary

### Currencies

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

### Stocks

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

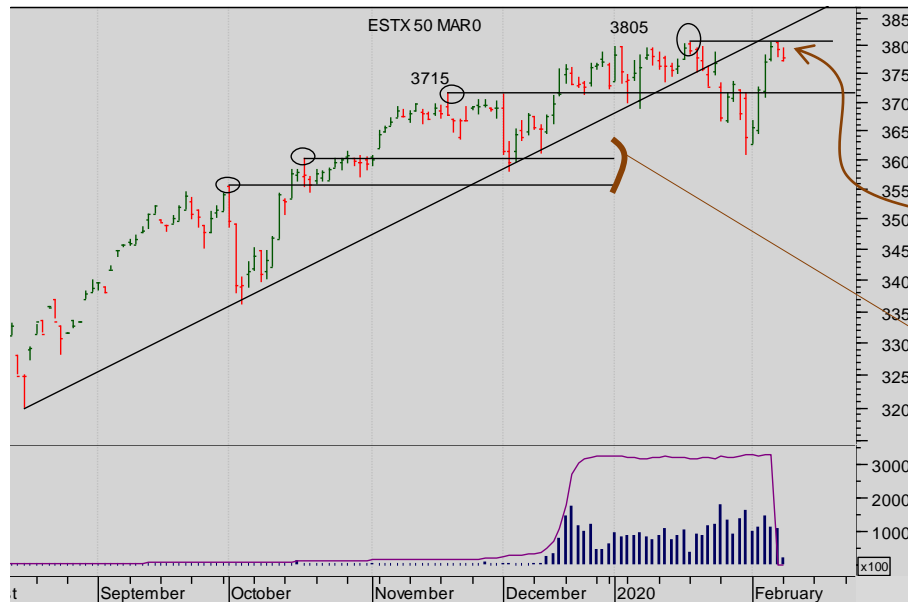
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



### Eurex EuroStoxx 50 daily Dec 19 futures chart

The needs the **bull catalyst** of a break above the Prior High at 3805..

Good support well-established remains beneath the market at the horizontals



## Stocks: Liffe FTSE 100

### Summary

### Currencies

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

### Stocks

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

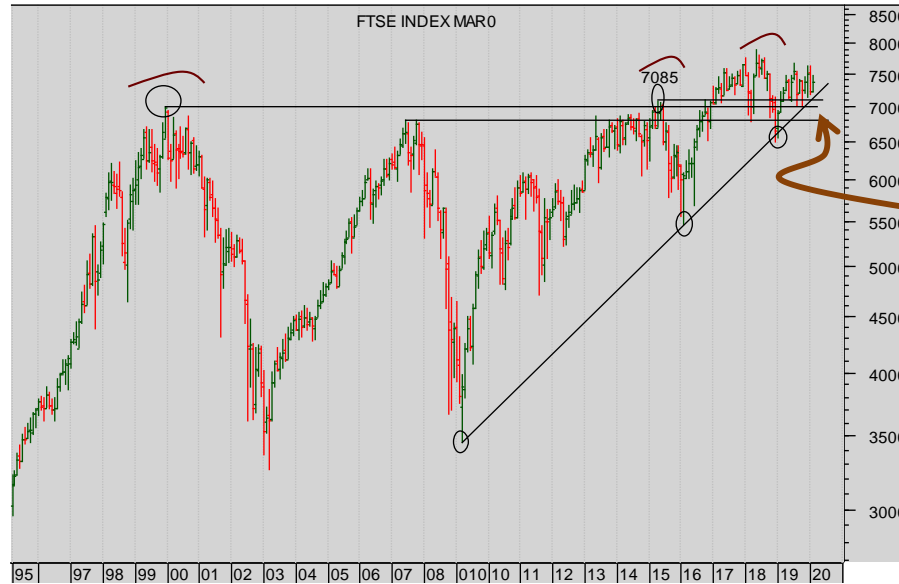
### Bonds

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

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

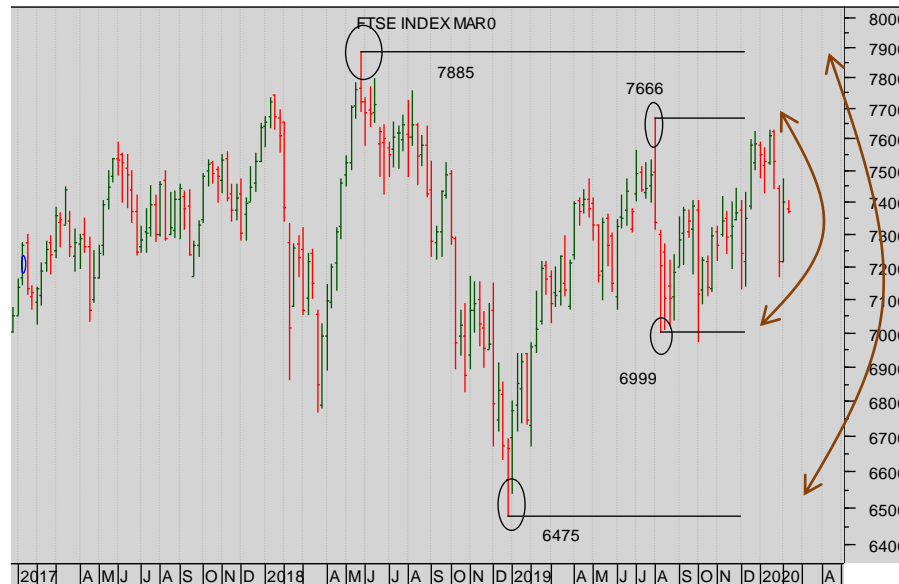


### Liffe FTSE 100 Monthly continuation futures chart

The rising diagonal support remains intact

And the horizontal support remains intact,

They are giving enormous confidence to UK investors.



### Liffe FTSE 100 Weekly cont. futures chart

Watch the ranges. Note the diagonals. **But the ranges are the things that matter.**

More



## Stocks: Liffe FTSE 100

### 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

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### Liffe FTSE 100 Dec 19 daily futures chart

This lacks clarity, but note the Double Top's failure at the Prior High at 7379, and the market's current pause at that completion level of the Double Top.

This market looks vulnerable.





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### Bonds

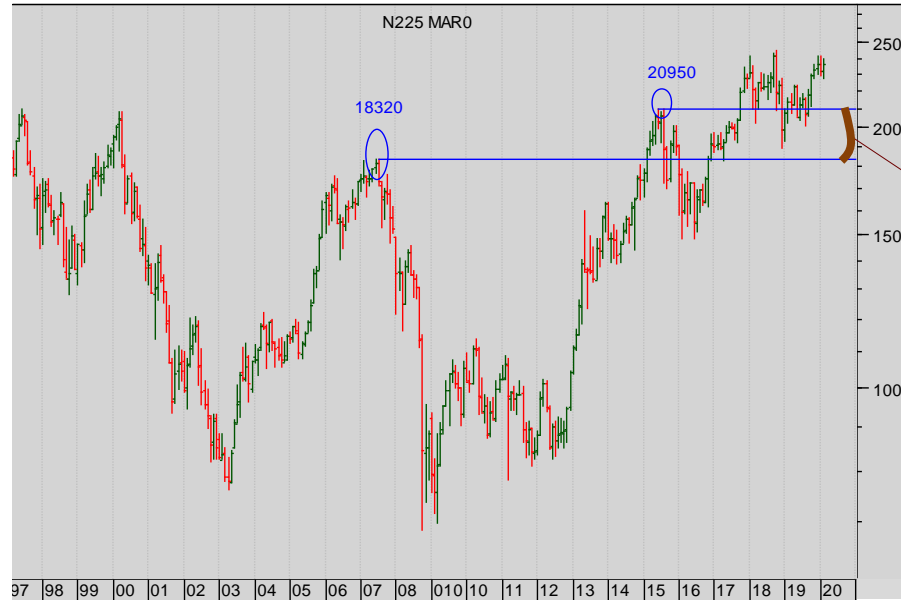
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

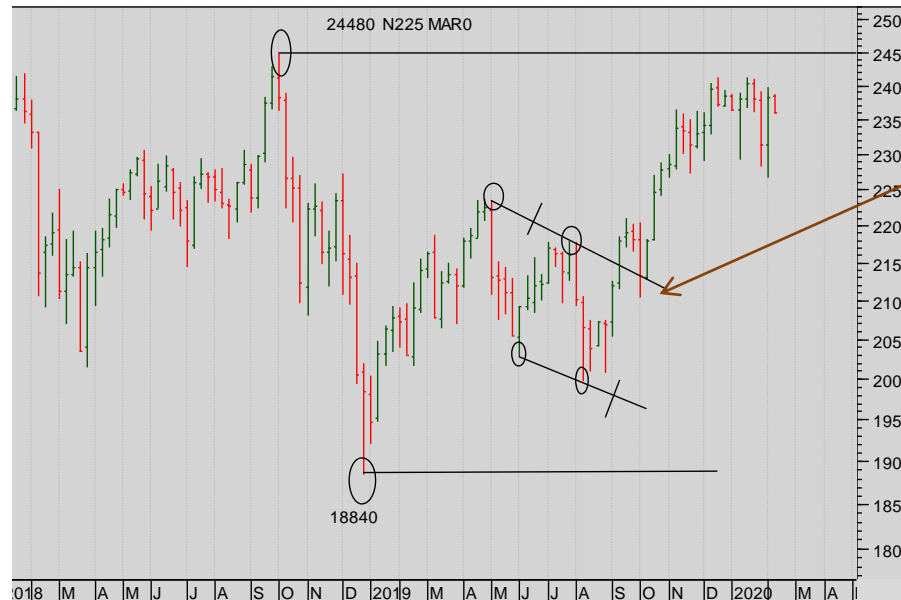
### IMPLIED ASSET ALLOCATION

## 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)**

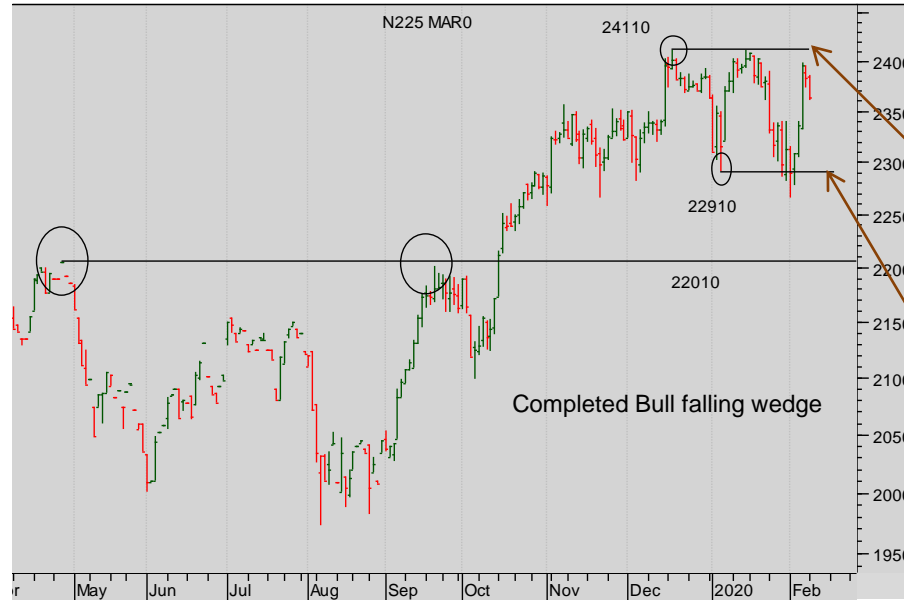
The completion of a bull falling wedge was bullish.

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

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## Stocks: OSE Nikkei 225



### Nikkei 225 chart Daily March 2020.

So far, the failure to breakup through the Prior High makes the market look vulnerable to sell-offs.

A clear break beneath the 22910 level would drive the market even further down.

For the moment the market is in a trading range.

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- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Bonds

### BONDS:

Bonds are strong, but for the moment remain well short of Prior Highs. For the moment ( with the exception of UK Gilts) they lack compelling structures beneath them to drive them higher.

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#### Bonds

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#### Commodities

- + Oil
- + Gold

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

## Summary

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## Bonds

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

## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

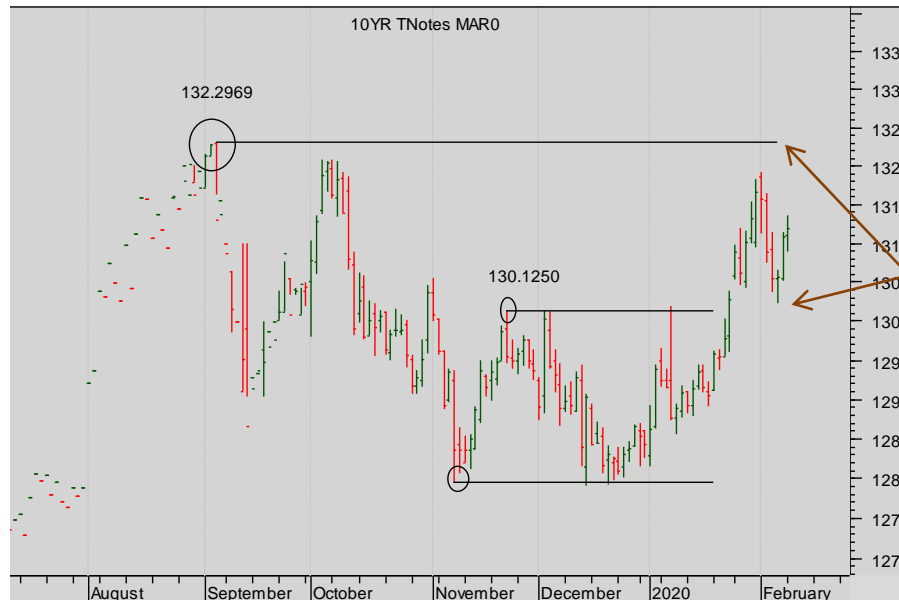


**CBOT Ten Year Notes weekly futures continuation chart**

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

The range is, for the moment, intact.

Bulls need a break of the 132.03 level.



**CBOT Ten Year Notes daily March 20 futures chart**

The range has been broken.

That old range is good support.

A test of the Prior High looks likely.





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### Bonds

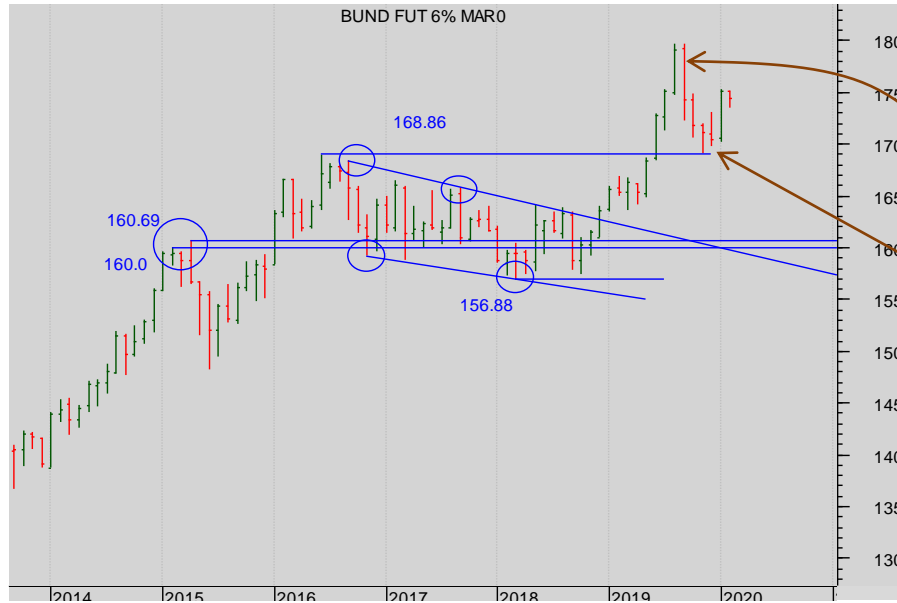
- + Ten Year US TNote
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- + UK Gilt

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

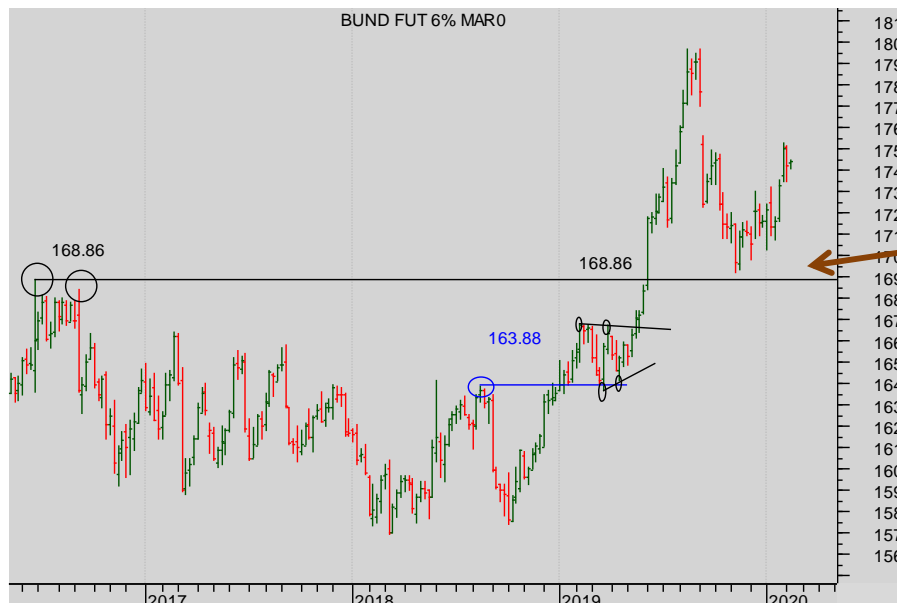
## Bonds: Eurex Ten Year Bund



### Eurex Ten Year Bund monthly futures continuation chart

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

The break up through the Prior High added another support beneath the market. **Note the bounce off that support.**



### Eurex Ten Year Bund weekly cont. futures Chart

That 168.86 remained good support on the pull-back.

More



## Bonds: Eurex Ten Year Bund

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- + Ten Year German Bund
- + UK Gilt

### Commodities

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- + Gold

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 whence the market has bounced four times.

The rally back is testing 174.21

The bulls remain in control.



## Bonds: Liffe UK Gilt futures

### Summary

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### Bonds

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- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



### Liffe UK Gilt monthly futures continuation chart

The drift from the Prior Highs has been reversed.

If the market sustains itself above that 131.55/132.98 band – it will be a HUGELY powerful endorsement of the bull trend.

Another leg will be in prospect.



### Liffe UK Gilt weekly continuation futures Chart

In detail: here is the weekly price action bouncing back from the support of the nearer high 129.73 and possibly the diagonal.

More



## Bonds: Liffe UK Gilt futures

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- + Sterling Euro

### Stocks

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### Bonds

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- + Ten Year German Bund
- + **UK Gilt**

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



### Long Gilt daily Mar 20 chart

This resurgence into new territory ( for the Mar Contract only) is exciting for the bulls, establishing good (band of) support beneath the market , from the Prior Highs at 133.90 and 133.59.





## Commodity

### COMMODITIES:

Oil looks set to break down in all time frames. Gold looks set to drive higher in the short-term.

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#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

### Commodities: Nymex WTI Oil



#### Nymex oil monthly continuation

The wider range is clear. The influence of the monthly Key Reversal is still there – and another may have been set in motion...

Use the diagonal as the critical trigger to sell.

More



# Commodities: Nymex WTI Oil

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## Stocks

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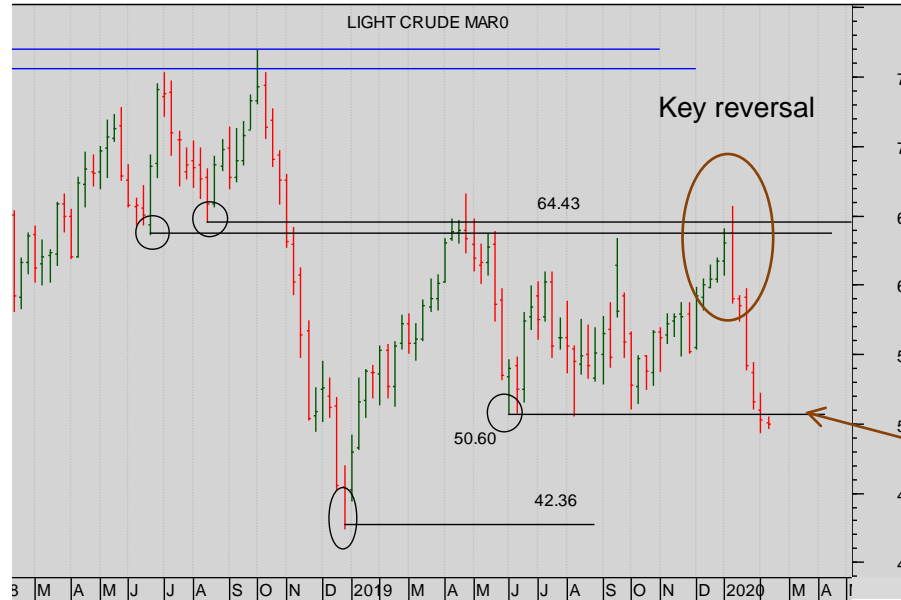
## Bonds

- + Ten Year US TNote
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## Commodities

- + Oil
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## IMPLIED ASSET ALLOCATION

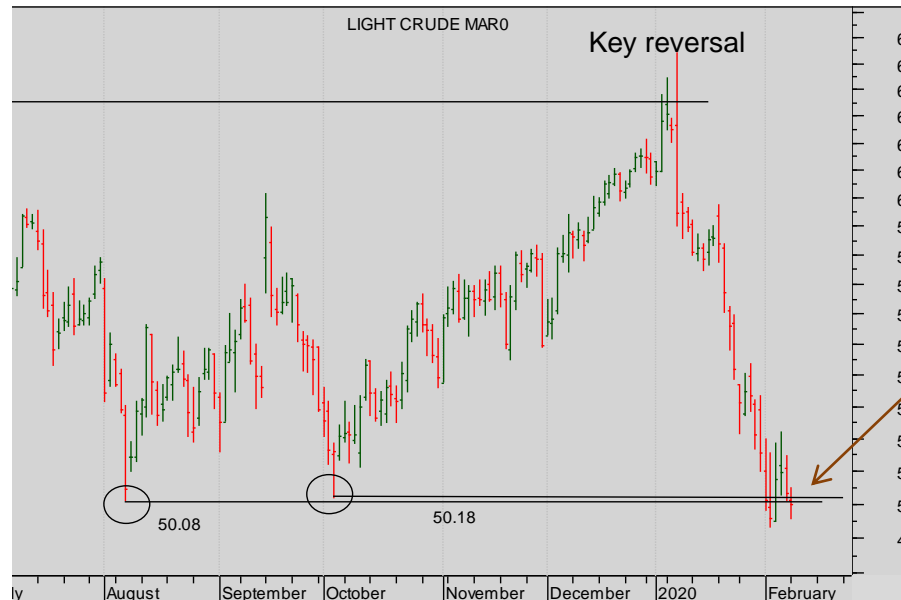


### Nymex oil weekly continuation

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

Nor is the possible completion of a Bear rising wedge. Or, better still, a Double Top

We have the completion BENEATH to confirm the Double (Triple, Quadruple?) Top.



### Nymex oil daily Feb 2020 futures

That's a Day Key Reversal too!  
The bears are in control.  
Watch the horizontal too from the low at 50.08...



## Commodities: Comex Gold

### Summary

### Currencies

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

### 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

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 emphatic smash up through the Prior High, using the catalyst of a bull falling wedge, has encouraged the bulls.



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IMPLIED ASSET ALLOCATION



## Nymex Gold Feb 2020 Daily

Watch this continuation Triangle - it's the catalyst of the next bull move...



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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*

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