



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 3rd March 2020

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

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

Stocks

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

Long-term **BEAR**
Long-term **BEAR**
Long-term **BEAR**
Long-term FLAT

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

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

Bonds

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

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

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

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

Commodities

- + Oil
- + Gold

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

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

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

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The Dollar has taken a pounding in the short term, and the Sterling has been bashed too - rather worse. So the resultant weakness of Sterling against the Euro is striking. There is more to come there.

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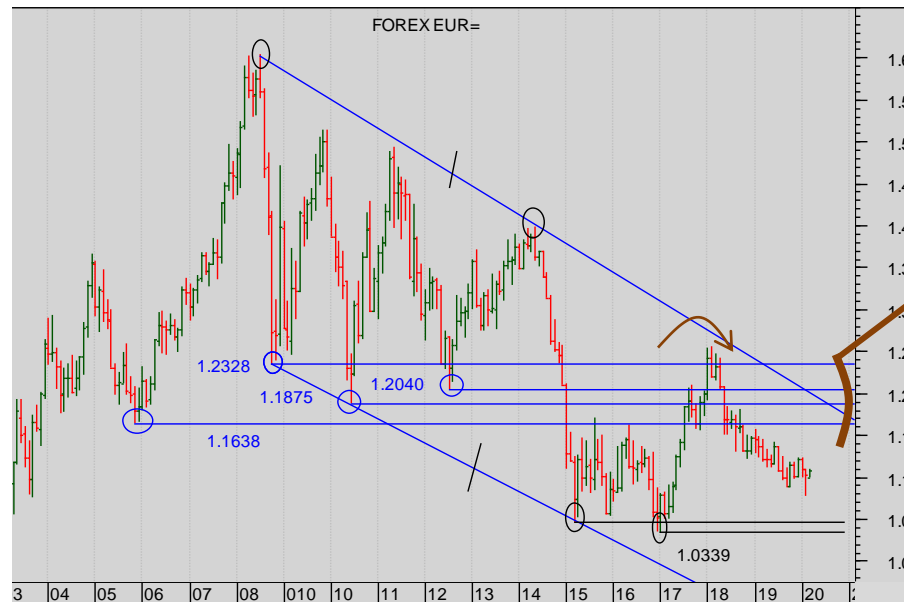
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IMPLIED ASSET ALLOCATION



Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 and above 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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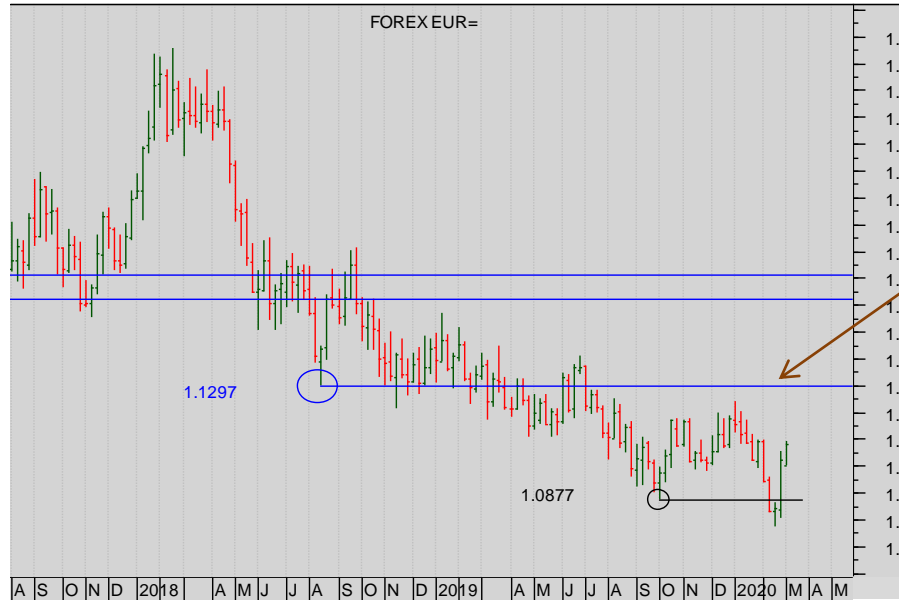
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IMPLIED ASSET ALLOCATION

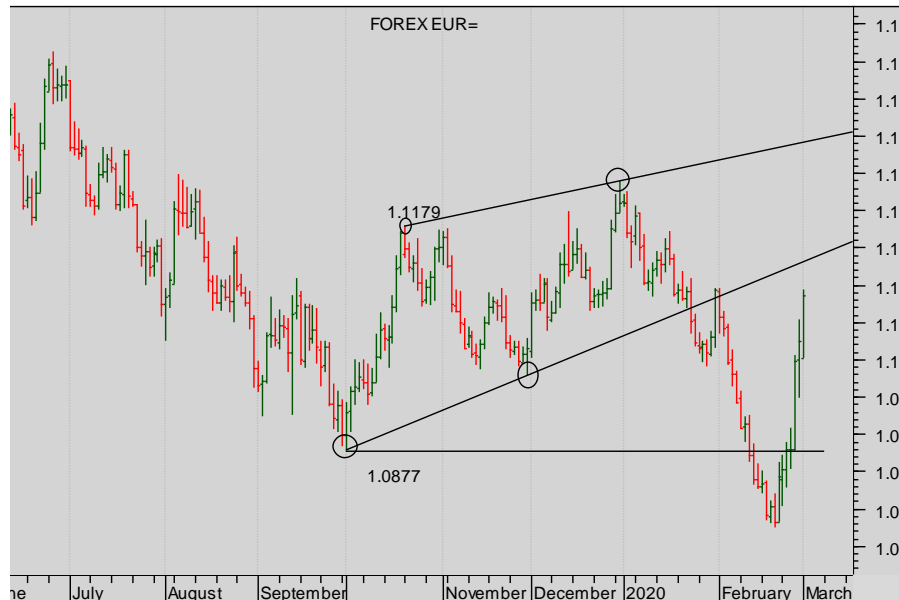
Currencies: Dollar Euro



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.

The sudden weakness of the Dollar has pushed the market back up through the resistance 1.0877



Dollar Euro spot cash chart daily chart...

The detail of the Dollar weakness...



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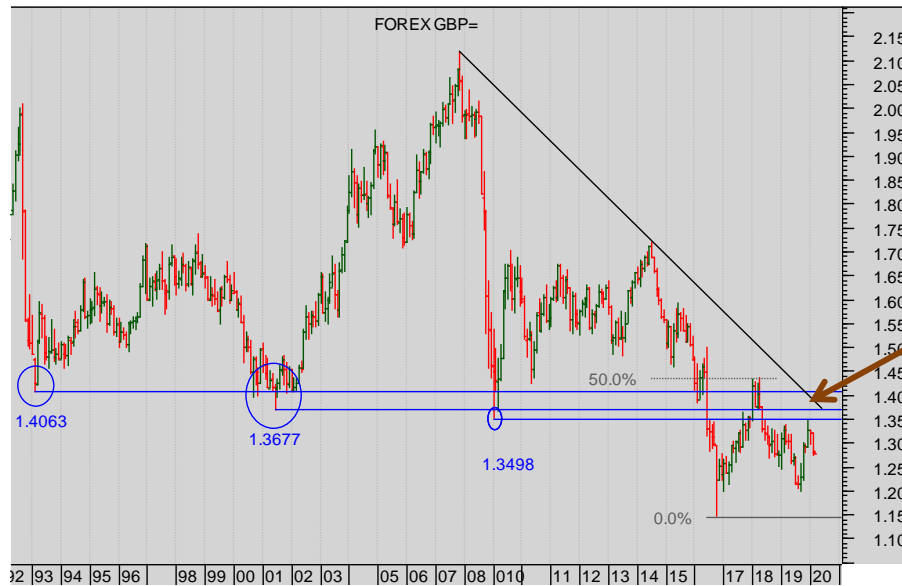
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Commodities

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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

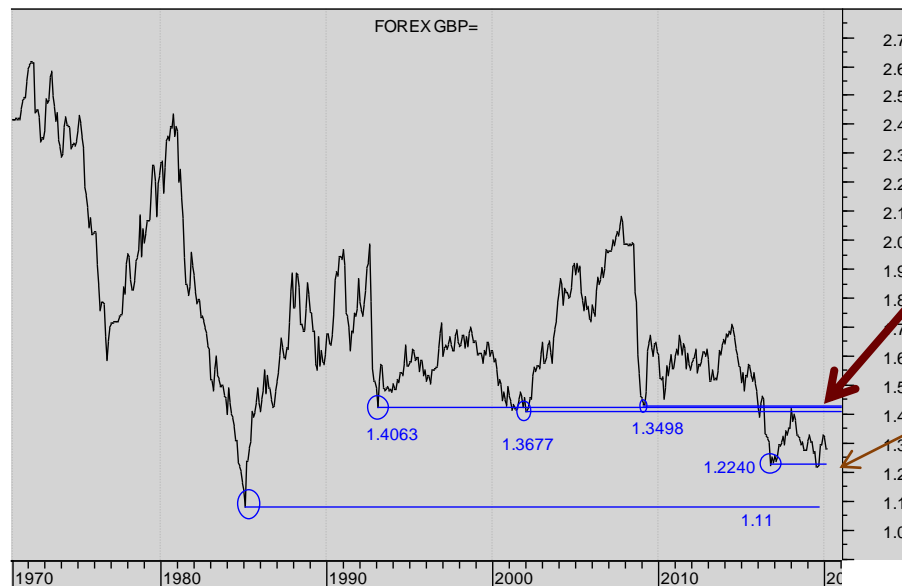


Dollar Sterling Monthly spot cash chart

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 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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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

THAT IS A BULL FALLING WEDGE that has completed.

The Pound has tried to go stronger still. But is dithering



Dollar Sterling daily spot cash chart

Yet short-term, note the lack of clear structure....stand back



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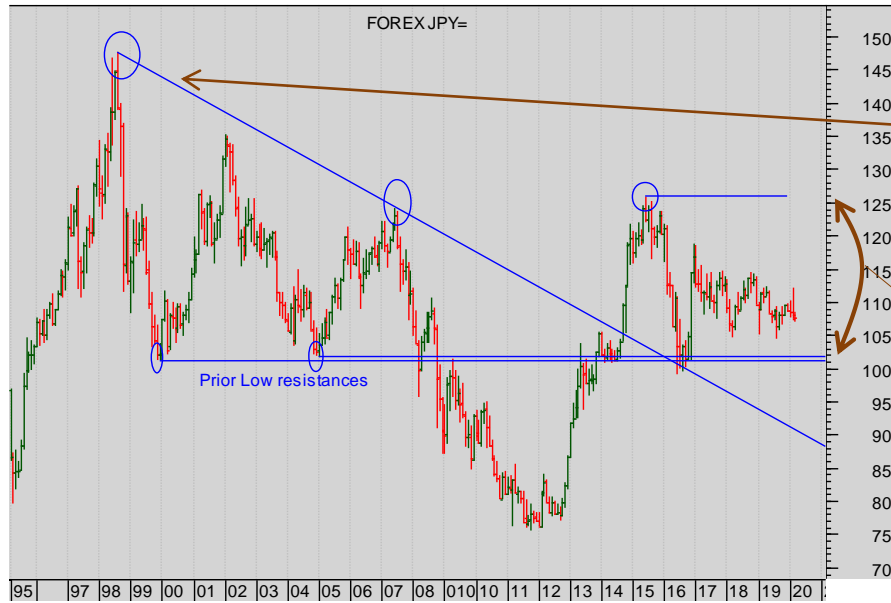
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen

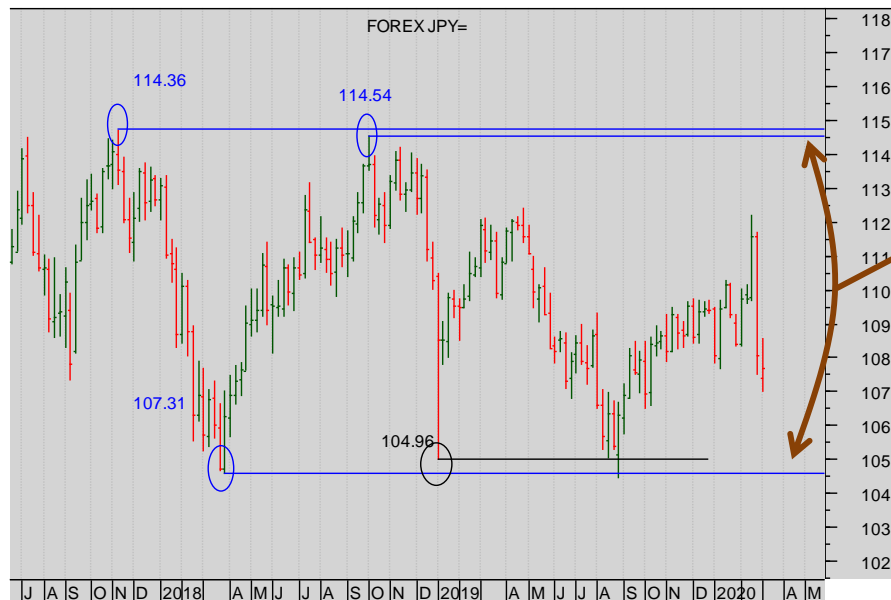


Dollar Yen monthly spot cash chart

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



Currencies: Dollar Yen

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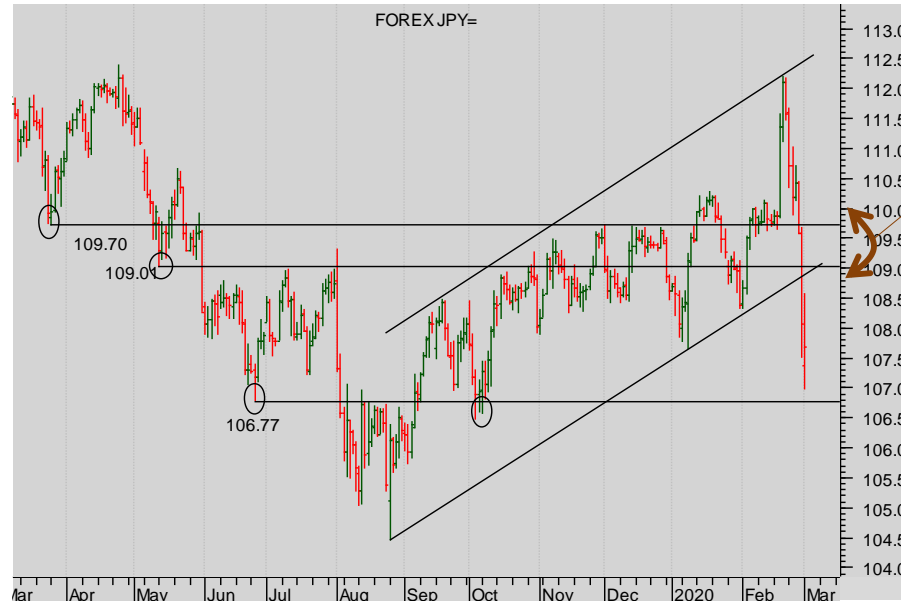
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IMPLIED ASSET ALLOCATION



Dollar Yen daily spot cash chart

Short-term there has been a sharp weakness in the Dollar.



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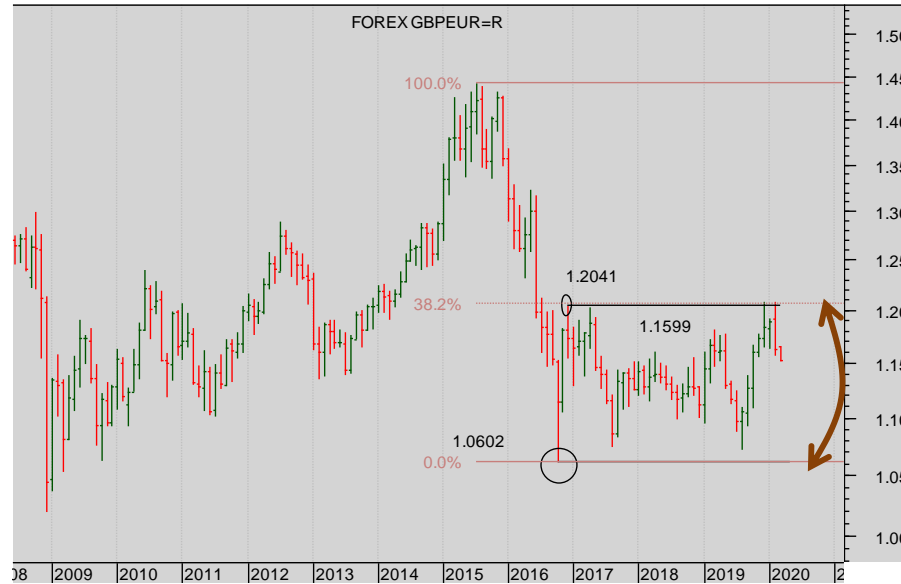
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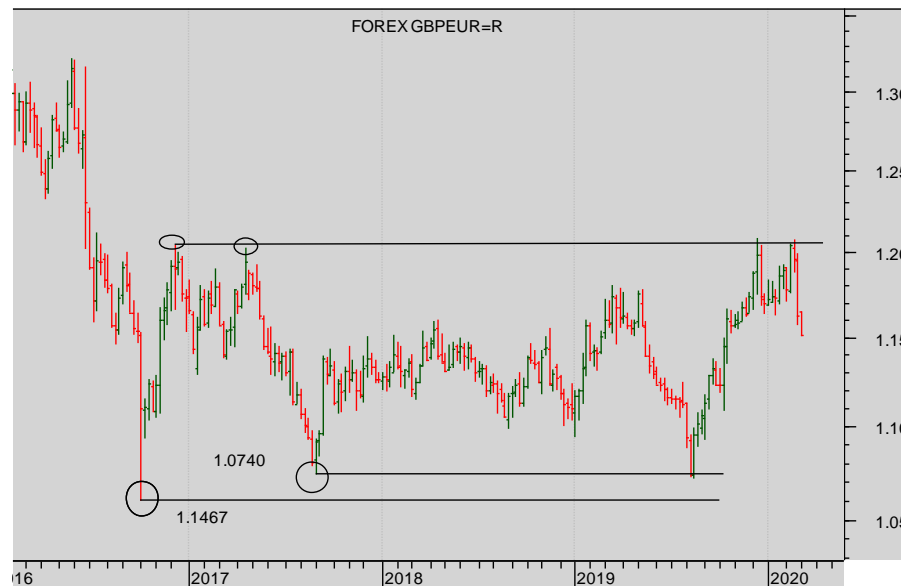
IMPLIED ASSET ALLOCATION

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.

And now looks to be falling back within it suggesting a weakening Sterling.

More



Currencies: Sterling Euro

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IMPLIED ASSET ALLOCATION



Sterling Euro daily spot cash chart

This Sterling weakness looks like a completed Double Top – suggesting still lower Sterling to come.



Stocks

STOCKS:

The succession of long and medium-run bear signals across all these markets but especially in the S&P is very convincing. The US market is currently on support. Were that to break (say beneath 2880) we would be sellers. If the market bounces? We would be sellers - across the board. First the UK, then Europe and then the US.

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IMPLIED ASSET ALLOCATION

Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The bull market.

The pull back of last month is a Key reversal .

That suggests lower still.

Note though, for the moment, that the market is sitting on the horizontal support from the Prior High 2946.

More



Stocks: CME S&P 500

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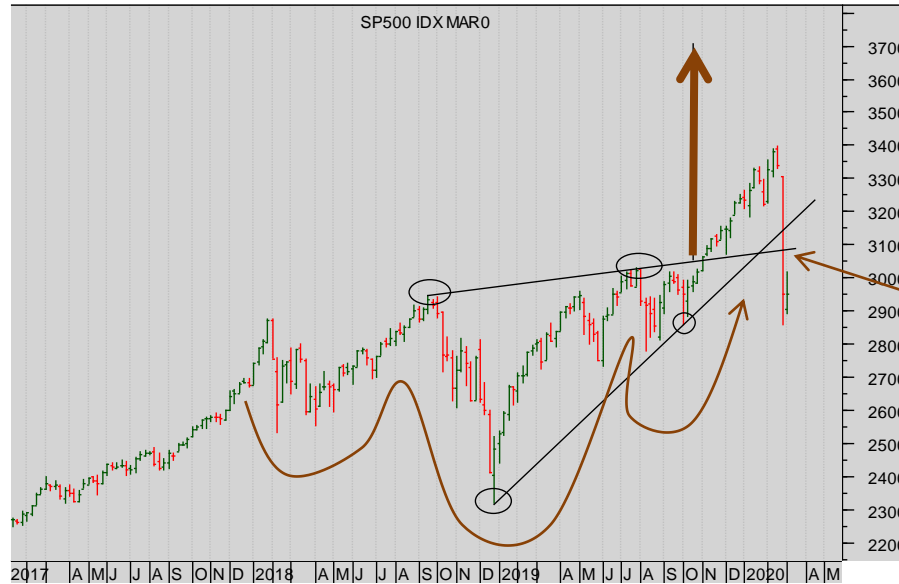
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IMPLIED ASSET ALLOCATION

CME S&P 500 cont. weekly cont. chart

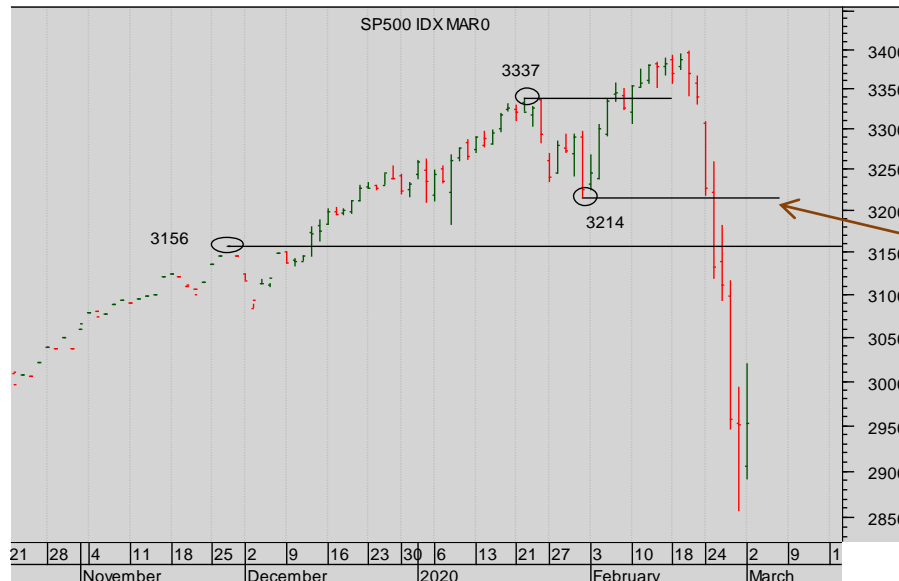


The bull continuation Head and Shoulders has been smashed beyond repair by the pull-back beneath the Neckline support.

The bull case for the market has been destroyed.

For the moment the market is sitting on the succession of horizontal support from the Prior Highs of 2017-2019.

CME S&P 500 daily Dec 2019 chart



The break beneath the Prior Low is dramatic, That is the critical resistance level on any bounce.

More



Stocks: Eurex EuroStoxx 50

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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 EMPHATIC failure of the upper diagonal of the Triangle bodes ill for the market
 The triple failure of the market at 3700 bodes ill
 The Monthly key reversal of the market bodes ill.



Eurex EuroStoxx 50 weekly continuation futures chart

The market failed to sustain itself above the Prior High at 3703.

The market needs to stabilise above that level before the bulls can buy again with confidence.

More



Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Dec 19 futures chart

NB the failure to break above the the broken (but once very well-established) Diagonal support **now resistance**

Good support well-established beneath the market at the horizontals **HAS BEEN SMASHED**

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IMPLIED ASSET ALLOCATION



Stocks: Liffe FTSE 100

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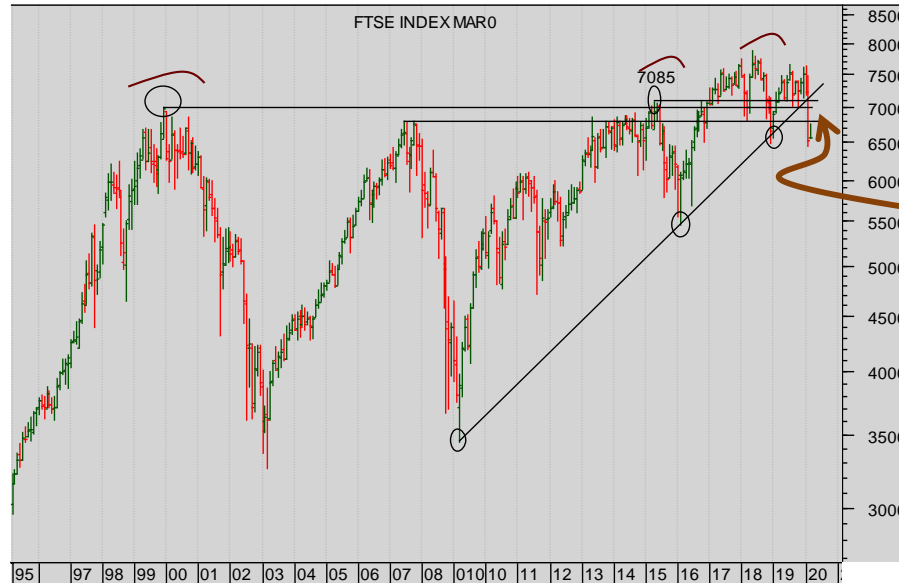
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IMPLIED ASSET ALLOCATION

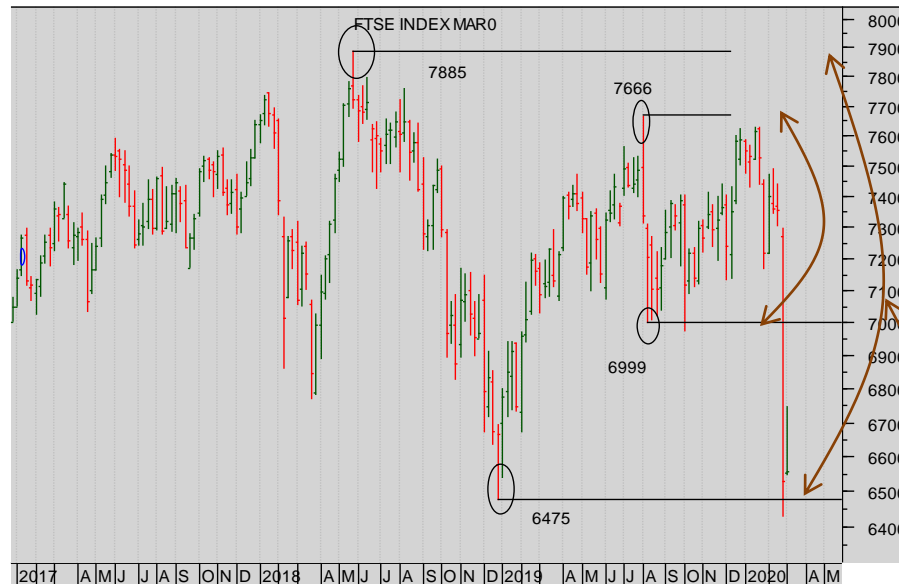


Liffe FTSE 100 Monthly continuation futures chart

The rising diagonal support has been smashed

And the horizontal support has been smashed

UK investors should lack confidence.



Liffe FTSE 100 Weekly cont. futures chart

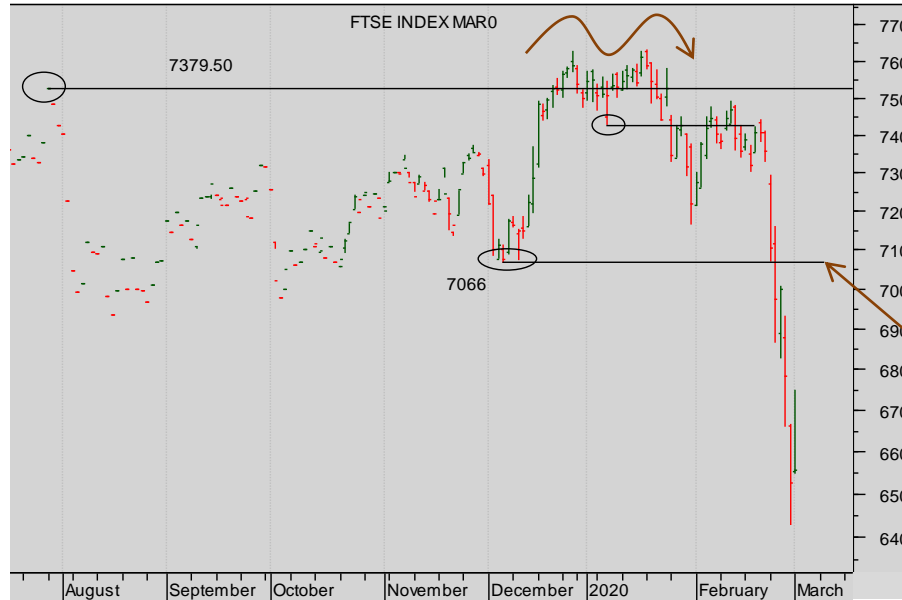
Watch the ranges. Note the diagonals. **But the ranges are the things that matter.**

And the widest one hasn't broken yet.

More



Stocks: Liffe FTSE 100



Liffe FTSE 100 Dec 19 daily futures chart

Note the Double Top's completion at the Prior High at 7379, This market looked vulnerable and has been vulnerable.

Additionally, the market has broken beneath 7066.

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IMPLIED ASSET ALLOCATION



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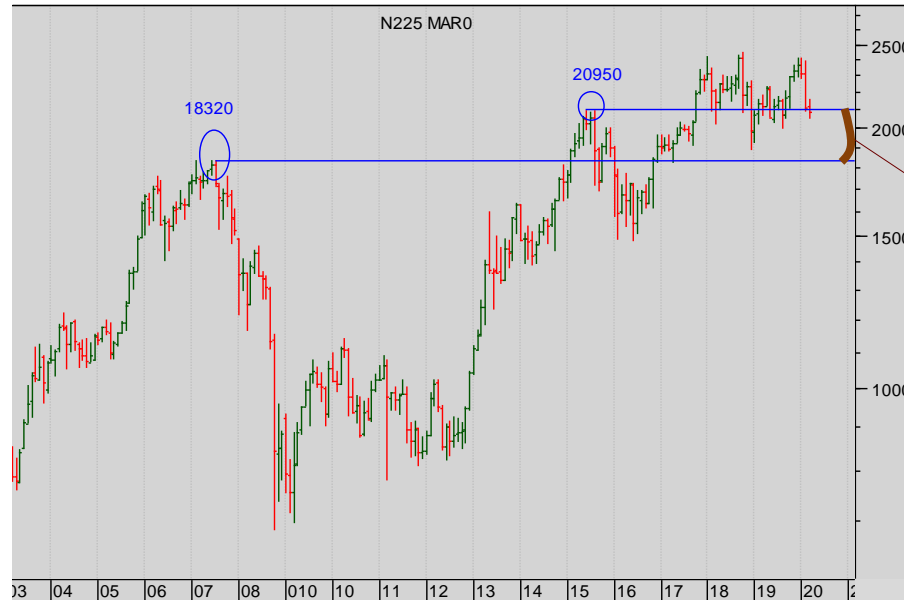
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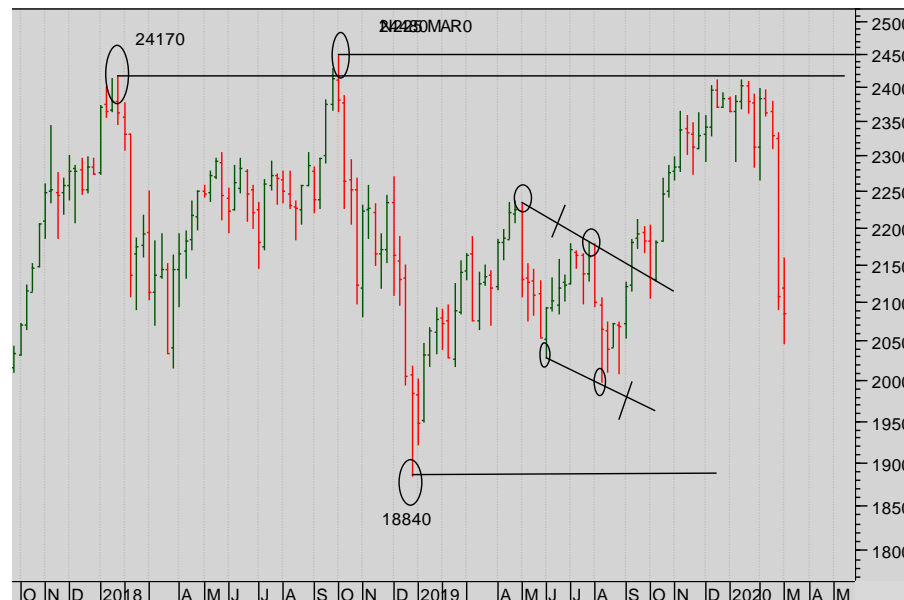
IMPLIED ASSET ALLOCATION

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 was bullish.

But the triple failure of the market at the 24500 level bodes ill.

Wait for a break of the trading range.

More



Stocks: OSE Nikkei 225

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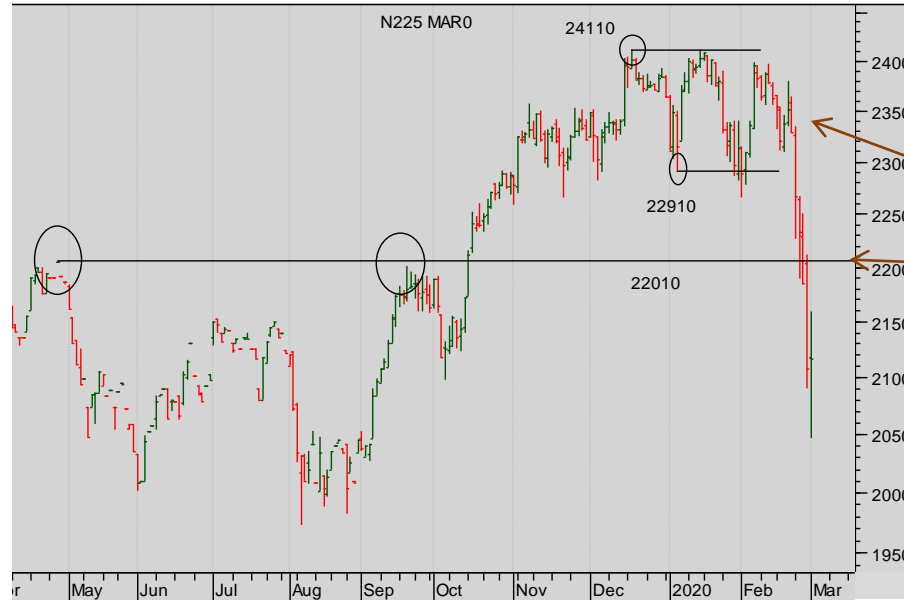
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- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nikkei 225 chart Daily March 2020.

Note the broken range.

And the failure of the Prior High support at 22000 to hold.

The bears are in charge.



Bonds

BONDS:

Bonds are strong, at All time Prior Highs in the US (2012 Highs) while close to them in the Bunds and UK so we are bullish, but watchful.

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Commodities

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IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The long-run rally.

And the recent surge has brought the market to exactly the Level achieved in 2012

More



Bonds: CBOT Ten Year Notes

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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 looks to have broken the range with a break of the Prior high 132.03 level.



CBOT Ten Year Notes daily March 20 futures chart

That old range is good support.

More



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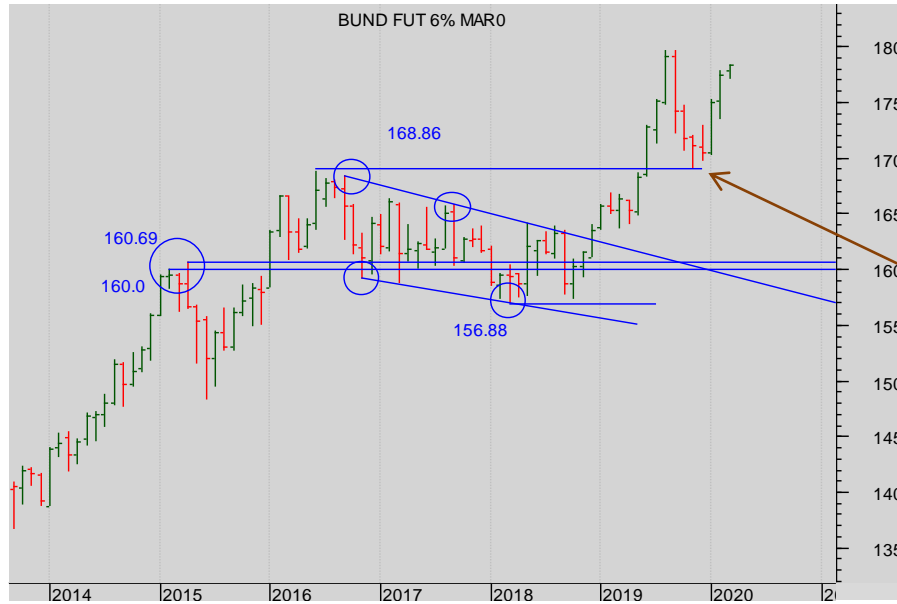
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Commodities

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IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

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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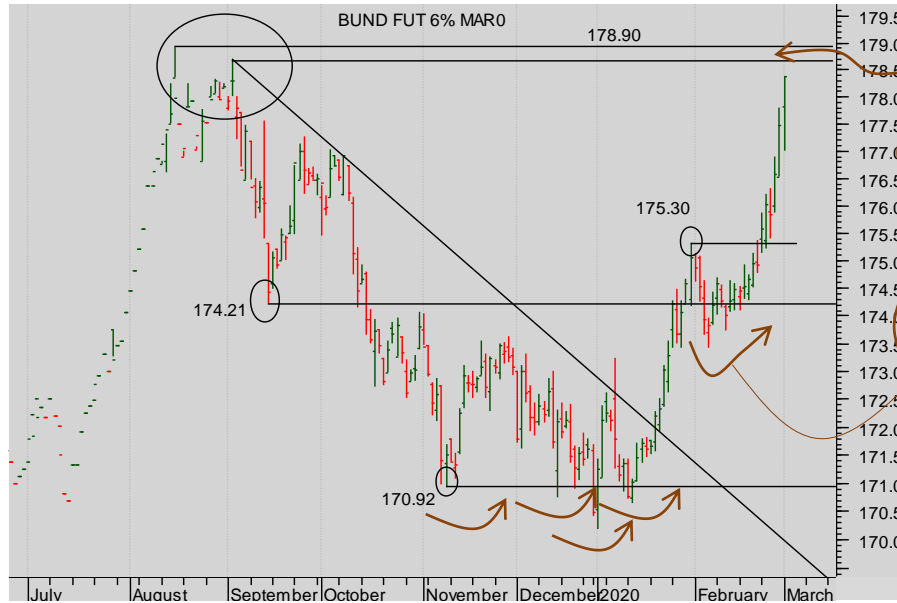
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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund Mar 2020 Daily futures chart

Short-term, note the important horizontal support beneath the market at 170.92 when the market has bounced four times.

The rally back has bounced off 174.21

The bulls remain in control.

Watch the approach to the Prior High closely.



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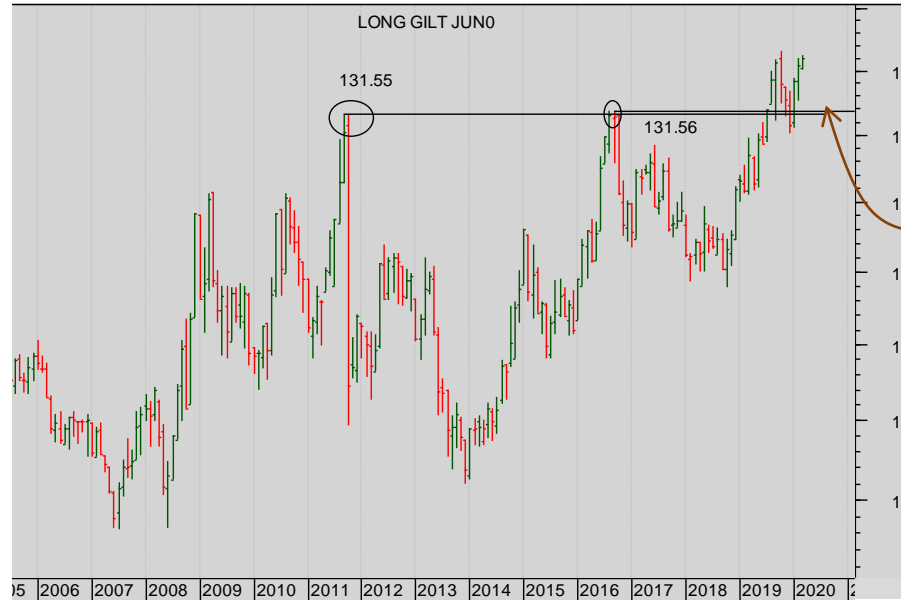
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IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



Liffe UK Gilt monthly futures continuation chart

The market has bounced off the Prior Highs 131.55/132.98 band – it is be a HUGELY powerful endorsement of the bull trend.

Another leg is 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 129.74 and possibly the diagonal.

More



Bonds: Liffe UK Gilt futures

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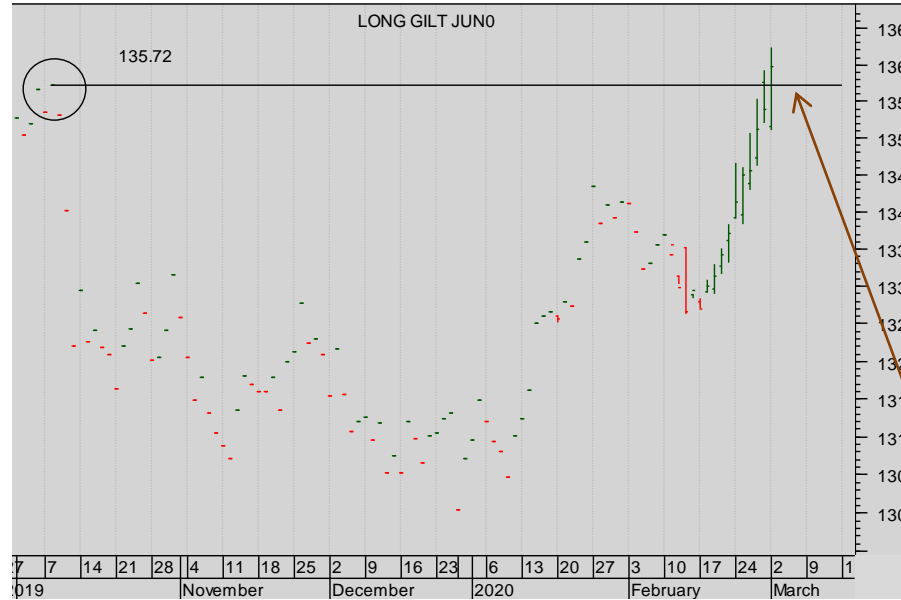
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IMPLIED ASSET ALLOCATION



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.

Bulls have their break of the Prior High 135.52.

The bulls are in charge.



Commodity

COMMODITIES:

Oil remains likely to test the lower boundary of a clear weekly trading range. Gold is very volatile with but while Prior High support (1575) remains in place – it remains bullish. .

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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...

More



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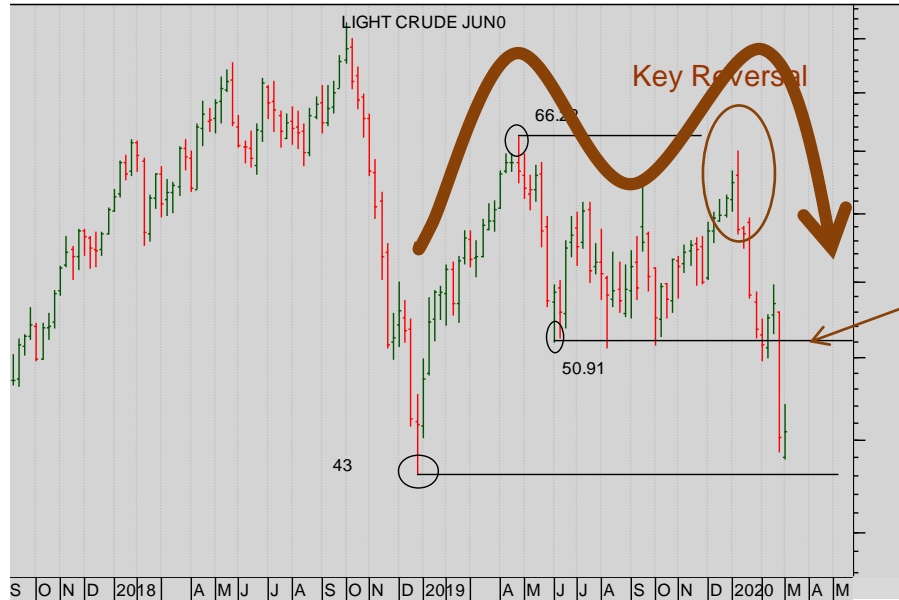
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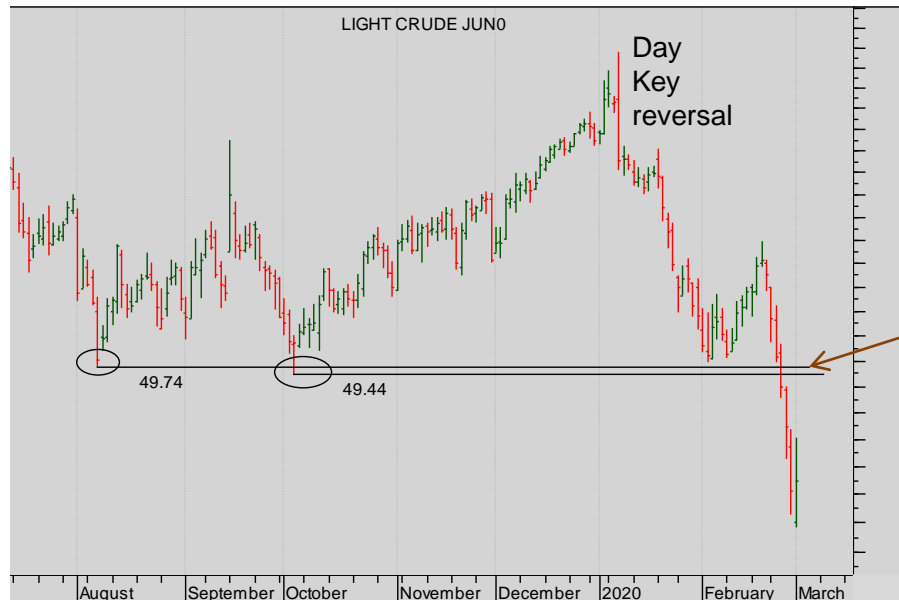
Commodities: Nymex WTI Oil



Nymex oil weekly continuation

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

We have a completion of a bear Double Top



Nymex oil daily Jun 2020 futures

Watch the horizontal band from the lows at 49.74/49.44.

That is first resistance on any rally.



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IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold Monthly

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

Yet note too that the minimum target has been reached.

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 1559, using the catalyst of a bull falling wedge, has encouraged the bulls.



Commodities: Comex Gold



Nymex Gold March 2020 2020Daily

The triangle triggered the rally for sure, but the subsequent fall has found support there too, from the Prior High.

Only a break beneath the 1575 horizontal will get the bears going.

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Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Summary

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

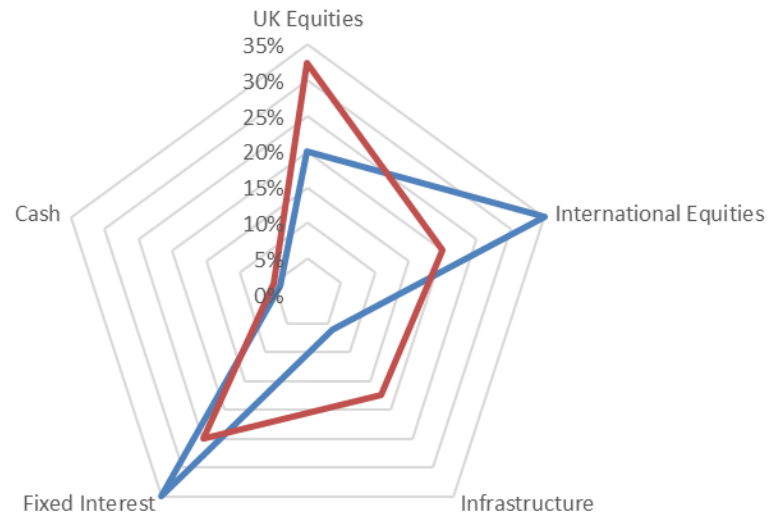
Commodities

- + Oil
- + Gold

Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

MSCI Balanced Risk Asset Allocation



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