



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 17th March 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

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Long-term **BEAR** Euro

Medium-term **BEAR** Euro

Short-term **BEAR** Euro

Long-term **BEAR** Sterling

Medium-term **BEAR** Sterling

Short-term **BEAR** Sterling

Long-term **BEAR** Yen

Medium-term FLAT Yen

Short-term FLAT Yen

Long-term **BULL** Euro

Medium-term FLAT Euro

Short-term FLAT Euro

Stocks

- + S&P 500
- + EuroStoxx 50
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Long-term **BEAR**

Medium-term FLAT

Short-term FLAT

Long-term **BEAR**

Medium-term FLAT

Short-term FLAT

Long-term **BEAR**

Medium-term **BEAR**

Short-term **BEAR**

Long-term FLAT

Medium-term FLAT

Short-term FLAT

Bonds

- + Ten Year US TNote
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Long-term FLAT

Medium-term **BULL**

Short-term **BULL**

Long-term FLAT

Medium-term **BEAR**

Short-term **BEAR**

Long-term **BULL**

Medium-term **BEAR**

Short-term **BEAR**

Commodities

- + Oil
- + Gold

Long-term FLAT

Medium-term FLAT

Short-term **BULL**

Long-term FLAT

Medium-term **BEAR**

Short-term **BEAR**

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The Dollar weakness was sharp but it looks to have failed in the weekly chart against the Euro. Against Sterling the brief dollar weakness has only served to create a bearish Triangle which if completed will add to Dollar strength there. The Yen remains in a range against the Dollar as does the Sterling against the Euro.

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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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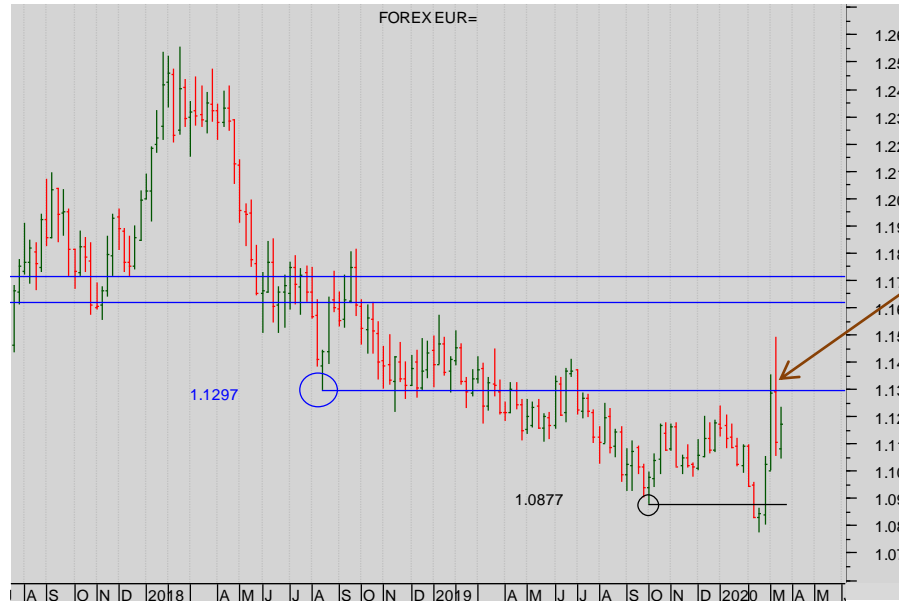
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IMPLIED ASSET ALLOCATION

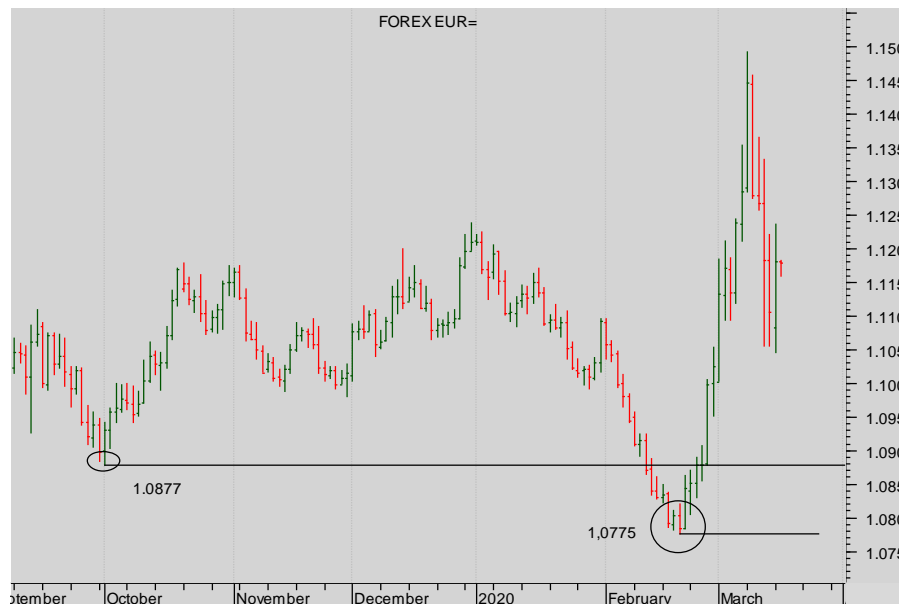
Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

The sudden weakness of the Dollar has pushed the market back up through the resistance 1.1297.

But it's running into resistance ... and the Euro rally looks to have failed.



Dollar Euro spot cash chart daily chart...

The detail of the failed Dollar weakness...



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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.**

The recent re-approach has failed - Sterling remains under pressure long-term



Dollar Sterling Monthly spot cash LINE CHART based on closes

Note here the bear continuation triangle - close to completion. A break beneath the lower diagonal would **accelerate the bear move implicit in the massive bear formation in the long-term chart....**

More



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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

Watch the range.



Dollar Sterling daily spot cash chart

The break of the short-term H&S top suggests lower still...



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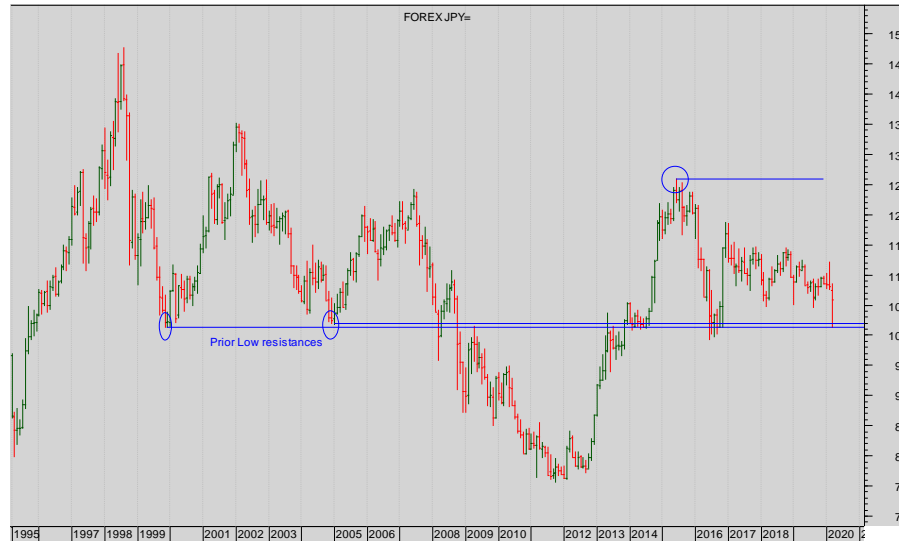
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IMPLIED ASSET ALLOCATION

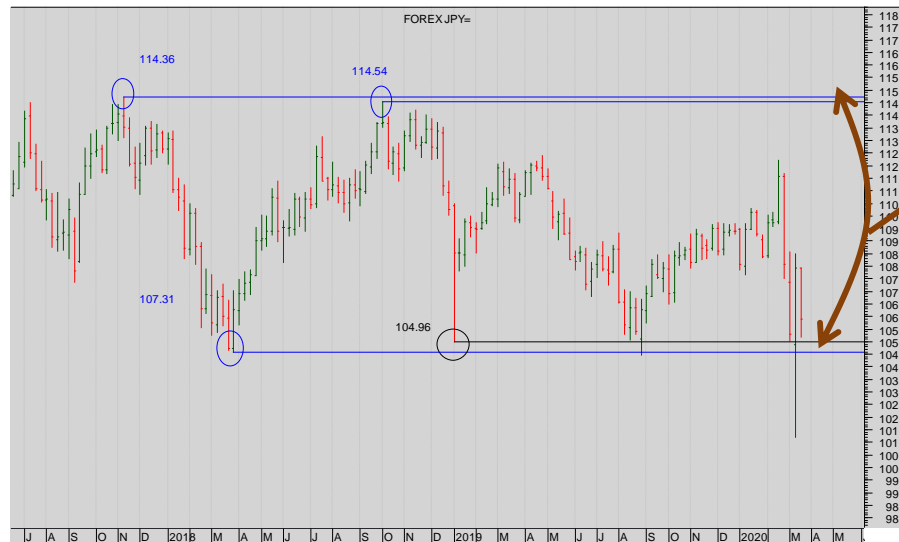
Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

Note the fall to 102 – where the market found support in 2016 ... and which was major resistance in years past.

That's the bottom of the trading range – the Yen may have difficulty strengthening from here whence it's bounced before.



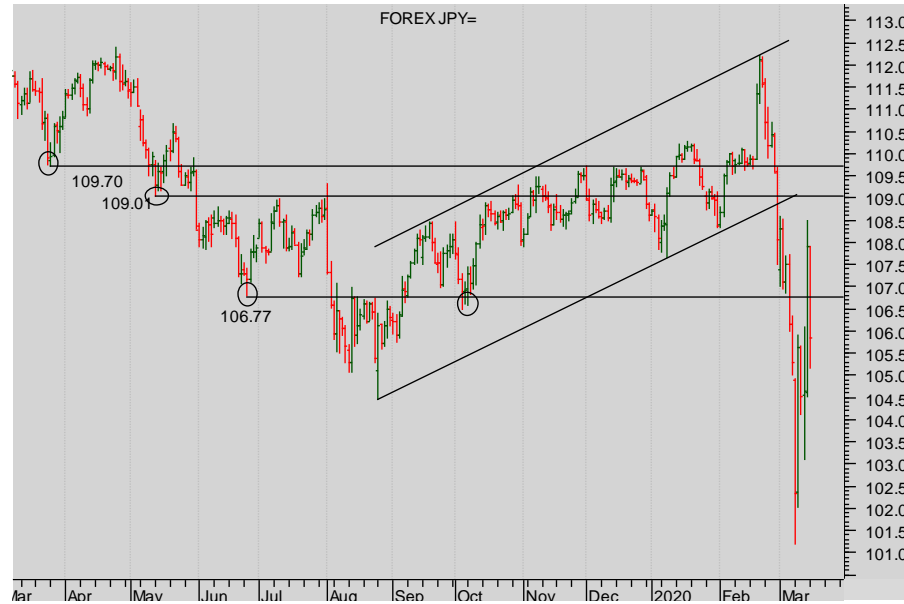
Dollar Yen weekly spot cash chart

Watch the range – this is a smaller range within the large and there looks to have been a false break out.

More



Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Short-term, the Dollar's decline has been halted...

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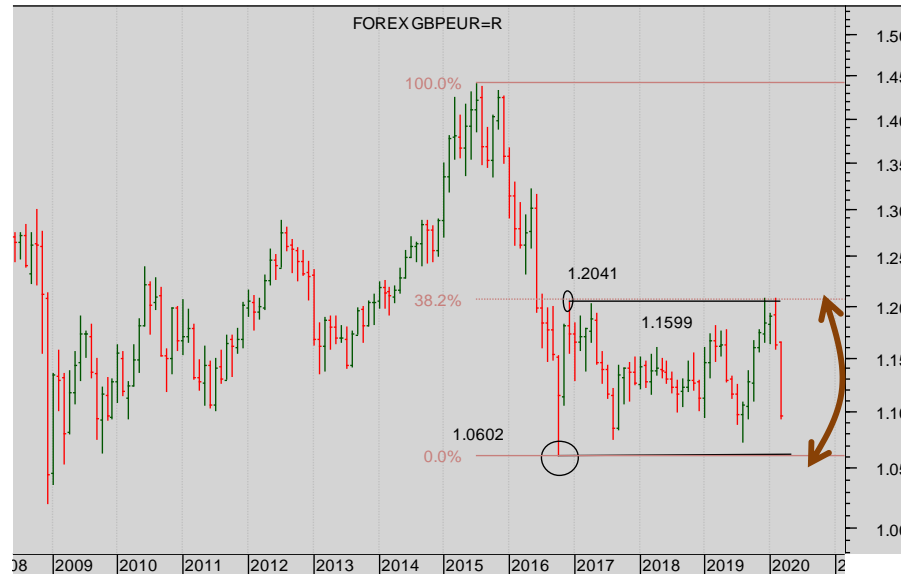
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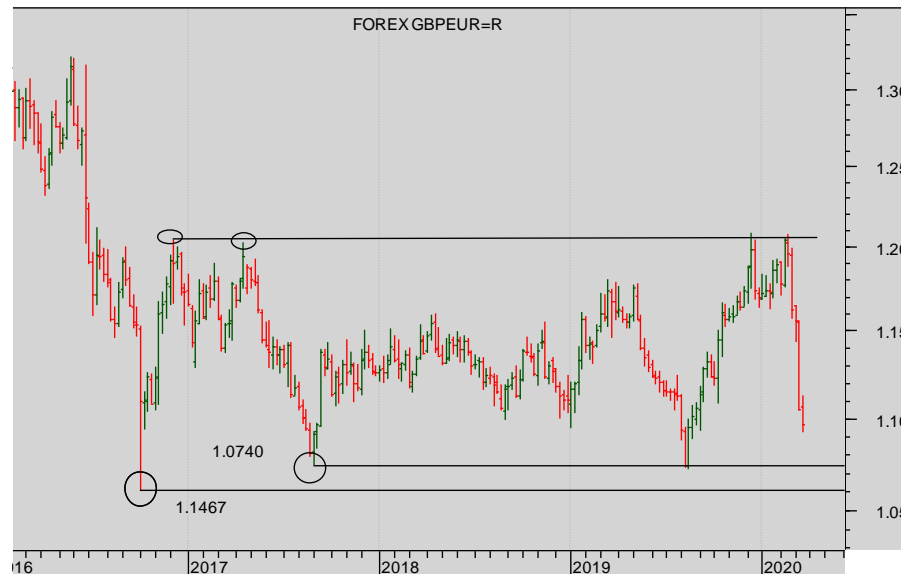
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Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

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



Sterling Euro weekly spot cash chart

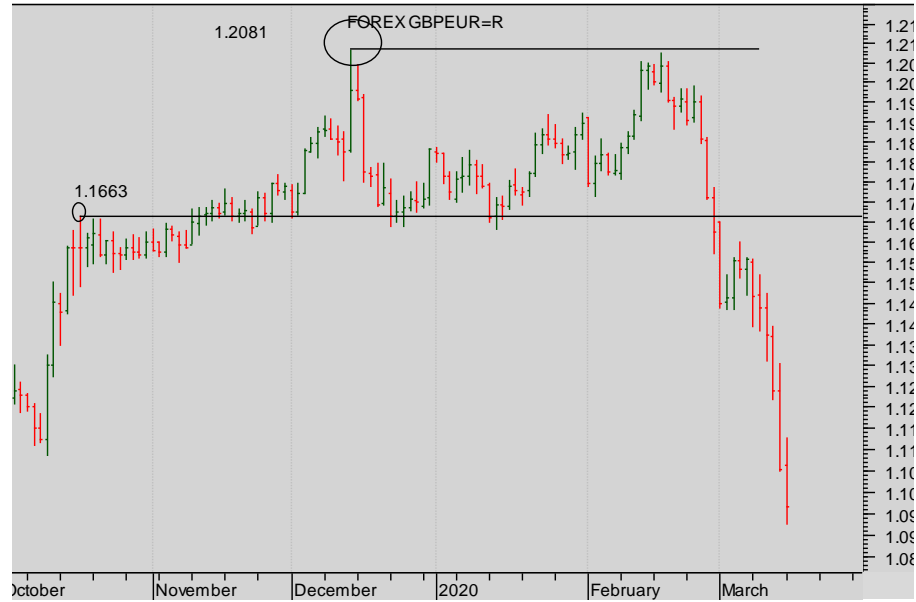
This detail is a bit clearer: the market remains in the trading range.

And now looks to be falling back within it suggesting a weakening Sterling. More to come at least as far as 1.06/7

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

This Sterling weakness from a completed Double Top – suggested about **1.13 or so** which we have achieved.

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IMPLIED ASSET ALLOCATION



Stocks

STOCKS:

The markets have lurched on down . But as we argued last week patience is required to wait for weekly and monthly closes to discover how much serious damage has been done to these former bull markets. Most worrying is the FTSE still. The long-term supports from 2000 have been unambiguously smashed. But the S&P has moved sideways for three days while Europe and UK and Japan weaken. Watch our levels in each case but especially the S&P for the broader picture.

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Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The bull market looks weakened

The pull back of this month has been accelerated by the MONTHLY Key reversal of last month.

The result has been a break beneath the long bull trendline support.

Note though the possible support from the concentration of Fibonacci lines at the Prior Low 2344 whence the market bounced in 2018.

Beneath that the support lies at 2123.

More



Stocks: CME S&P 500

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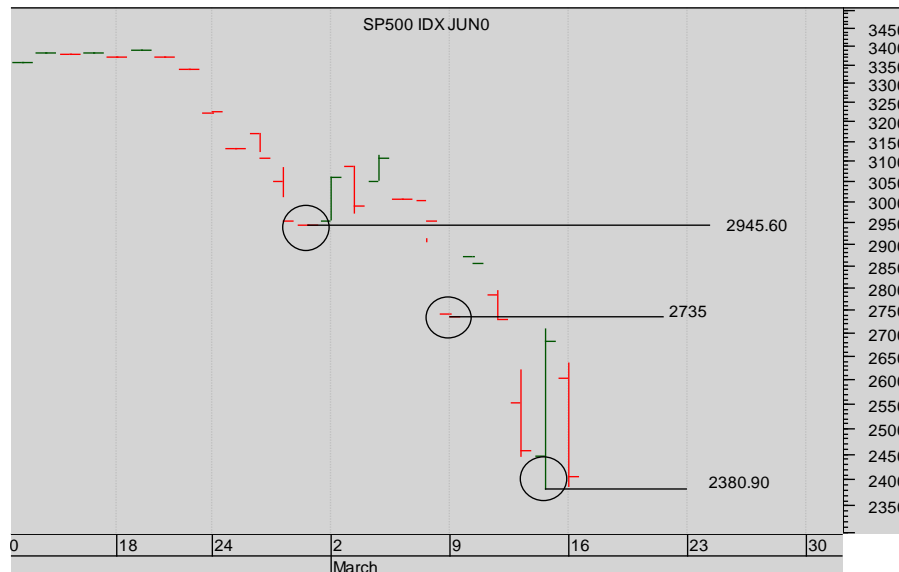
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CME S&P 500 cont. weekly cont. chart

Once the support from the Prior Highs at 2879 and 2954 was smashed there was a lack of support beneath.

Watch the Price action at the Prior low 2344.



CME S&P 500 daily Dec 2019 chart

The market has edged sideways for the last three day.

But the rejection of the bullishness implicit in the day Key Reversal of yesterday is bearish....

More



Stocks: Eurex EuroStoxx 50

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Eurex EuroStoxx 50 monthly continuation futures chart

1. The triple failure of the market at 3700 bodes ill
 2. The Monthly key reversal of the market bodes ill.
 3. The break beneath the 2855 3765 trading range bodes ill.
- Next stop 1827.



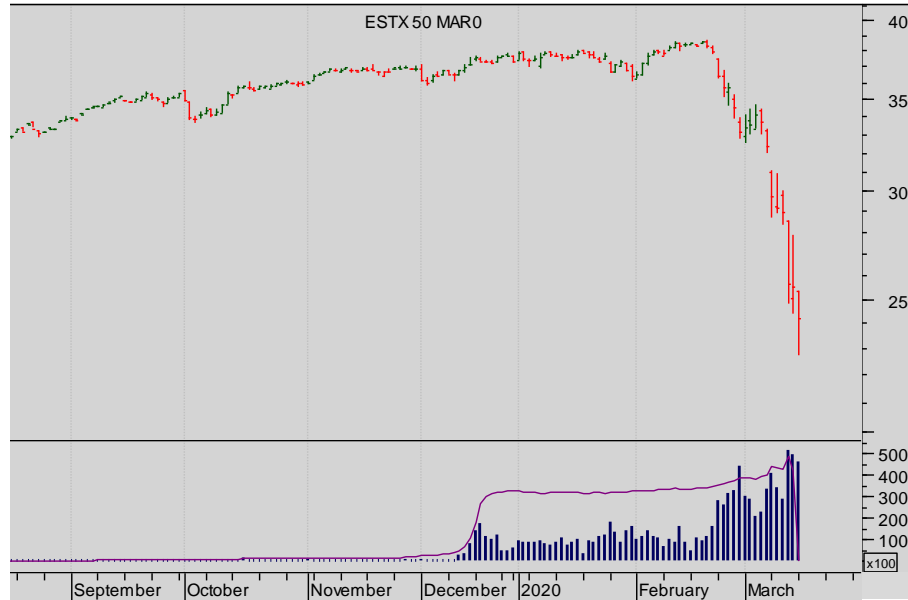
Eurex EuroStoxx 50 weekly continuation futures chart

The speed of the fall.

More



Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Dec 19 futures chart

The speed of the fall.

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Stocks: Liffe FTSE 100

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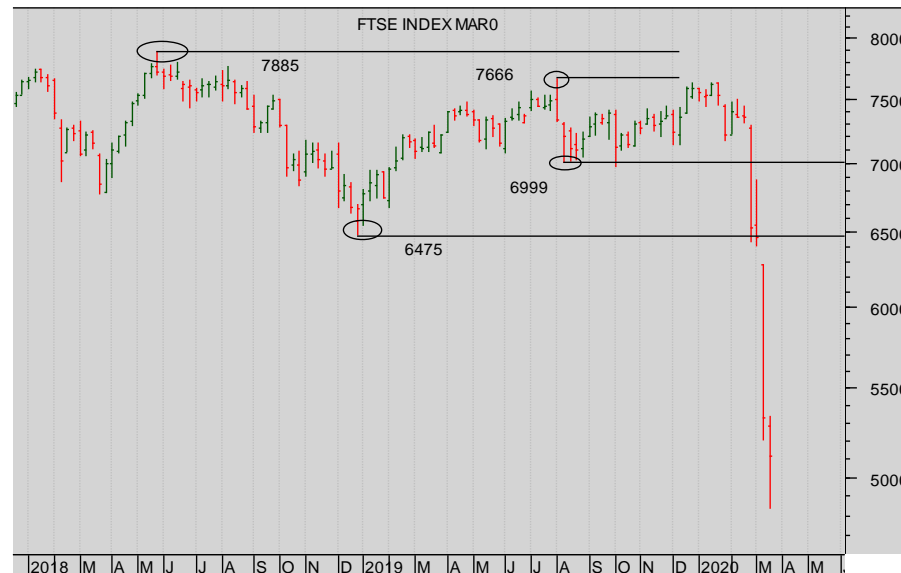
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Liffe FTSE 100 Monthly continuation futures chart

1. The rising diagonal support has been smashed
2. The horizontal support (the long-term support for the market dating back to 1999) has been smashed.
3. The recent low at 6475 has been smashed.

There is now massive resistance above the market and very little support.



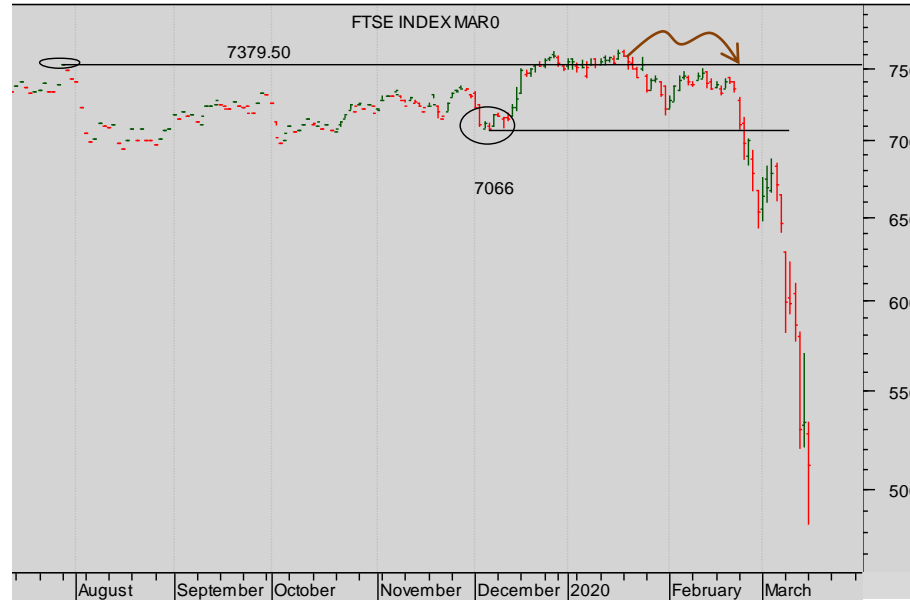
Liffe FTSE 100 Weekly cont. futures chart

The break beneath 6475 has established powerful resistance above the market that will be difficult to overcome on any bounce.

More



Stocks: Liffe FTSE 100



Liffe FTSE 100 Mar 20 daily futures chart

The bears are in control with no short-term bottom created yet...

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IMPLIED ASSET ALLOCATION



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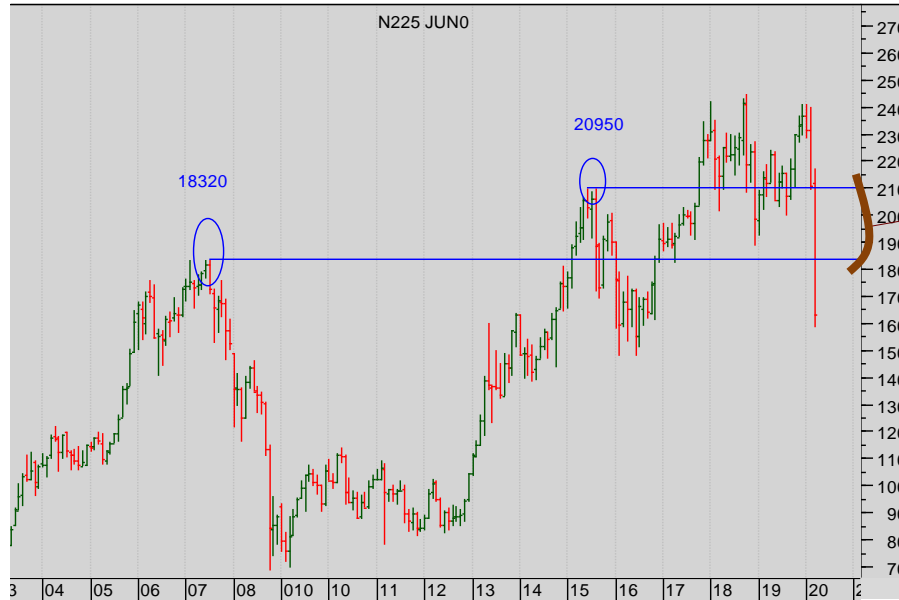
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

The market has broken the powerful band of support from the Prior Highs 18320 - 20950.



Nikkei 225 chart (WEEKLY)

But the triple failure of the market at the 24500 level was worrying.

Now the range is broken **the bottom of the range will be good resistance on any rally.**

More



Stocks: OSE Nikkei 225

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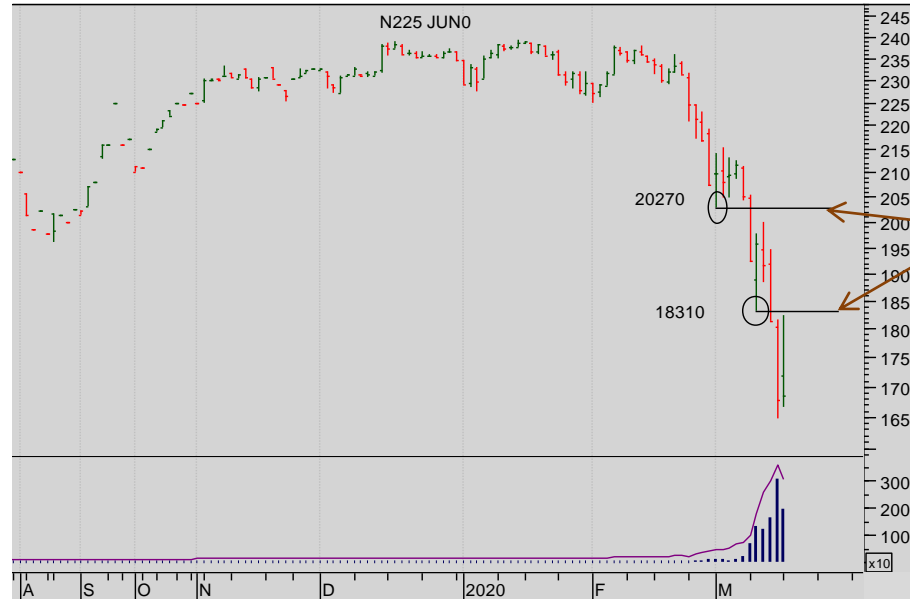
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Commodities

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IMPLIED ASSET ALLOCATION



Nikkei 225 chart Daily March 2020.

The bears are in charge on any rally watch the Prior Low resistances.



Bonds

BONDS:

The US bond market is now clearly the strongest market. But there are already bearish signals creeping in with the Bunds and possibly the Gilts. Watch our levels carefully.

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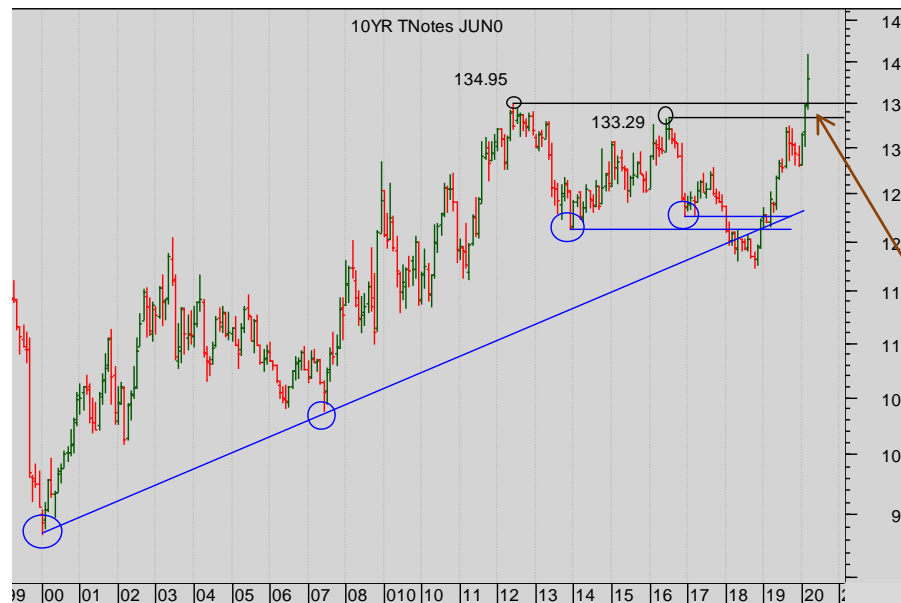
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Commodities

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IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The long-run rally:
the recent surge has driven the market through the Level achieved in 2012 – an all-time Prior High.

There is now powerful support beneath the market at 133/4.

More



Bonds: CBOT Ten Year Notes

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IMPLIED ASSET ALLOCATION



CBOT Ten Year Notes weekly futures continuation chart

The continuation triangle that drove the market up through the Prior Highs.



CBOT Ten Year Notes daily March 20 futures chart

The market looks overbought: it's pausing...





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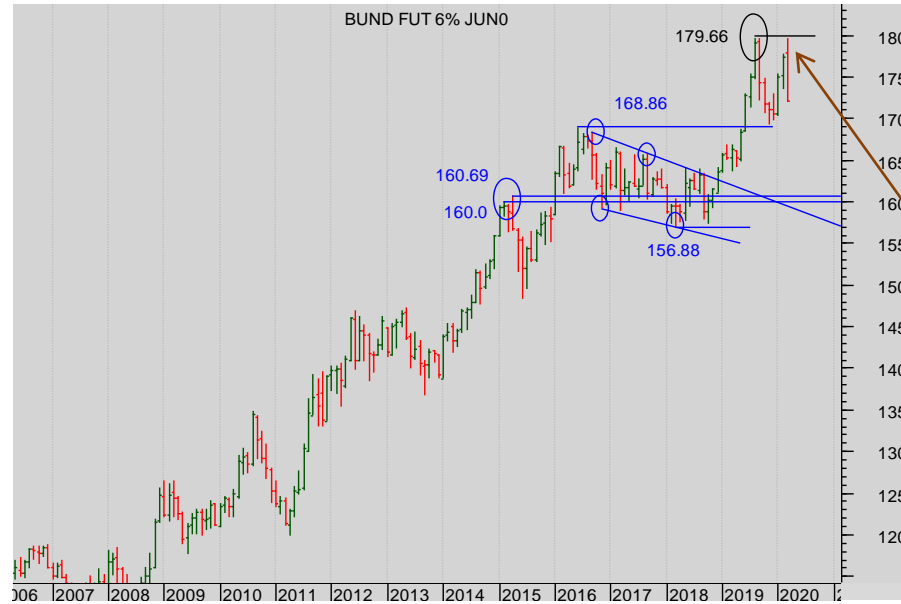
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IMPLIED ASSET ALLOCATION

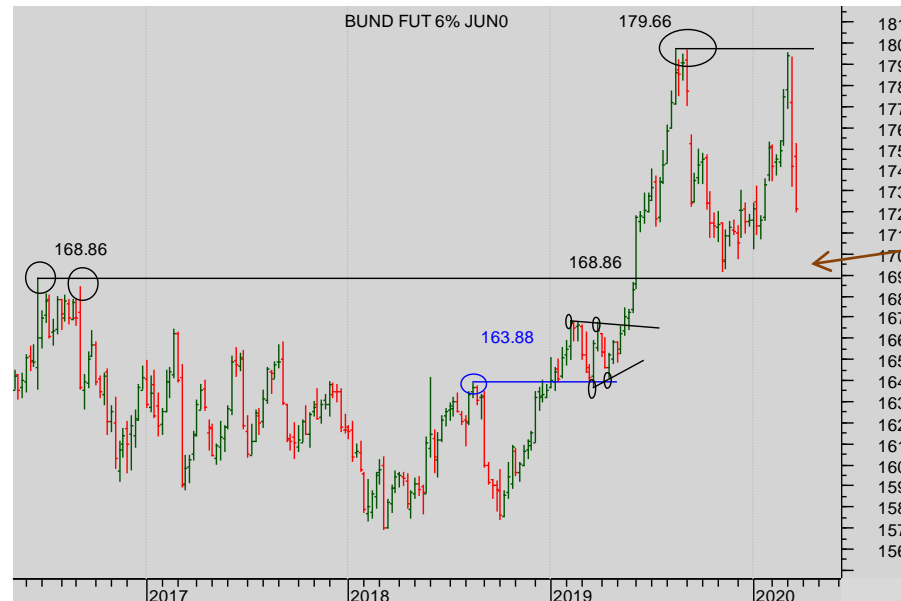
Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

The failure to break up through the Prior High has led to two monthly Key reversals (depending on the close this month)

Potentially Very Bearish!



Eurex Ten Year Bund weekly cont. futures Chart

That 168.86 remains good support on the pull-back.

More



Bonds: Eurex Ten Year Bund

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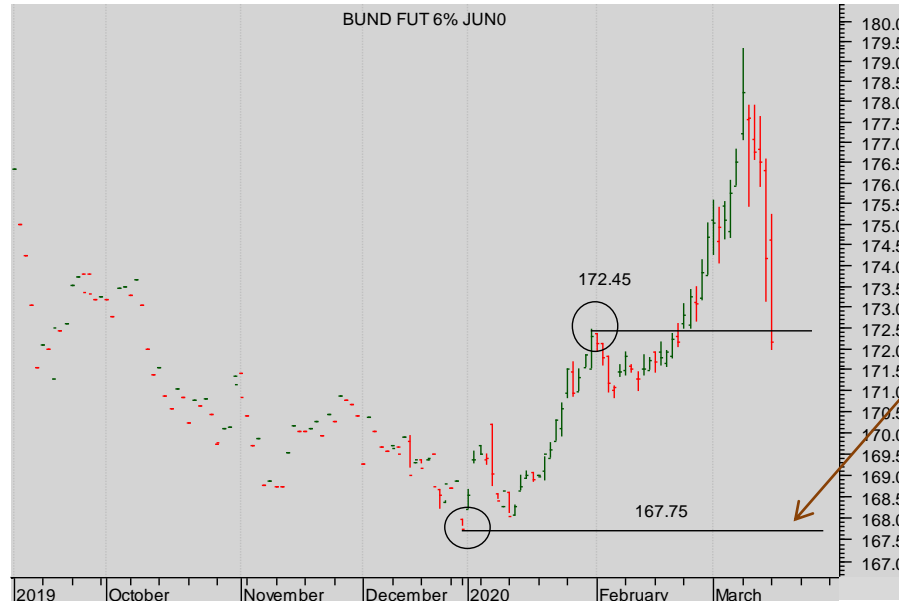
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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund Mar 2020 Daily futures chart

Short-term, note the important horizontal support beneath the market at 172.45.

Smashed – looks like the market will test the old low at 167.75.



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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 131.55/131.56 band – it is 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 131.56 and the nearer high at 129.74 .

The push through 136.52 is exciting and first support on any pull-back.

It looks to have broken...

More



Bonds: Liffe UK Gilt futures

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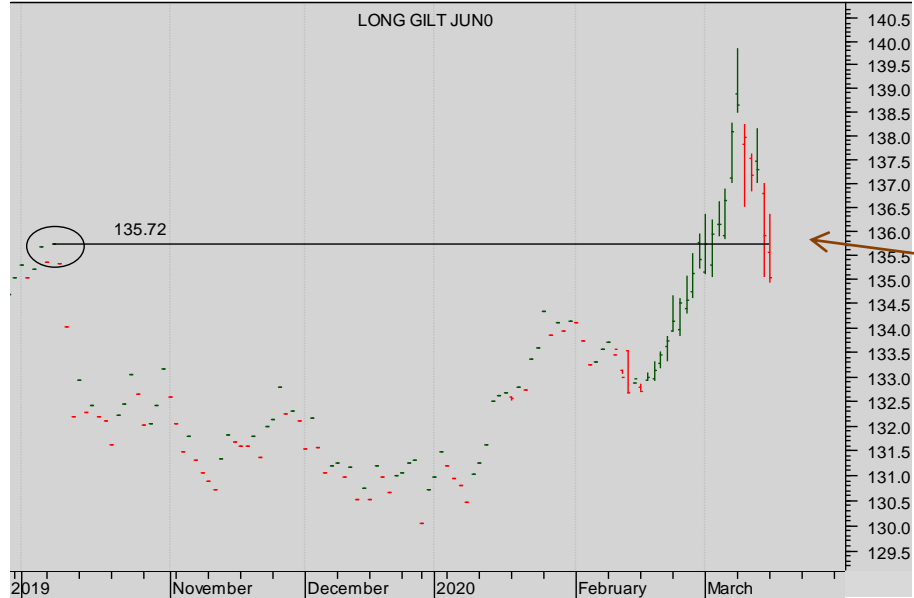
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Commodities

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IMPLIED ASSET ALLOCATION



Long Gilt daily Mar 20 chart

This is broken support beneath the market at 135.72.

Short-term the market is bearish.



Commodity

COMMODITIES:

Oil is still testing the area of support and Prior Lows that we talked about last week. A massive Gap (resistance) lies above the short-term market. Gold is weak and may be constructing a Monthly Key reversal having already completed a weekly one.... Watch for more selling to test out levels...

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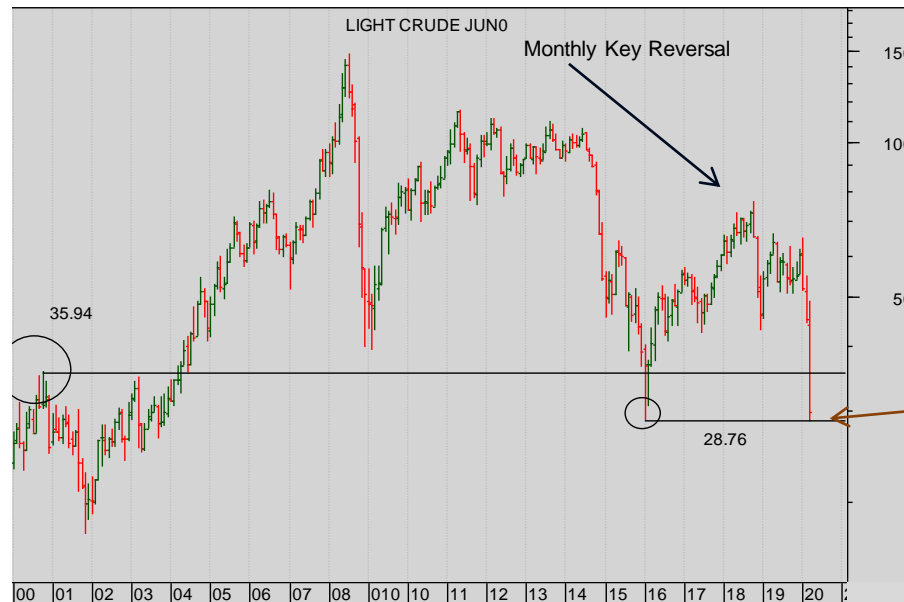
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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

The market is testing the support from the long-term support whence the market has bounced in 2000, 2008 and 2016...

That support looks vulnerable – only the Prior Low at 28.76 is yet to be breached.

But the critical level is the close at month end....

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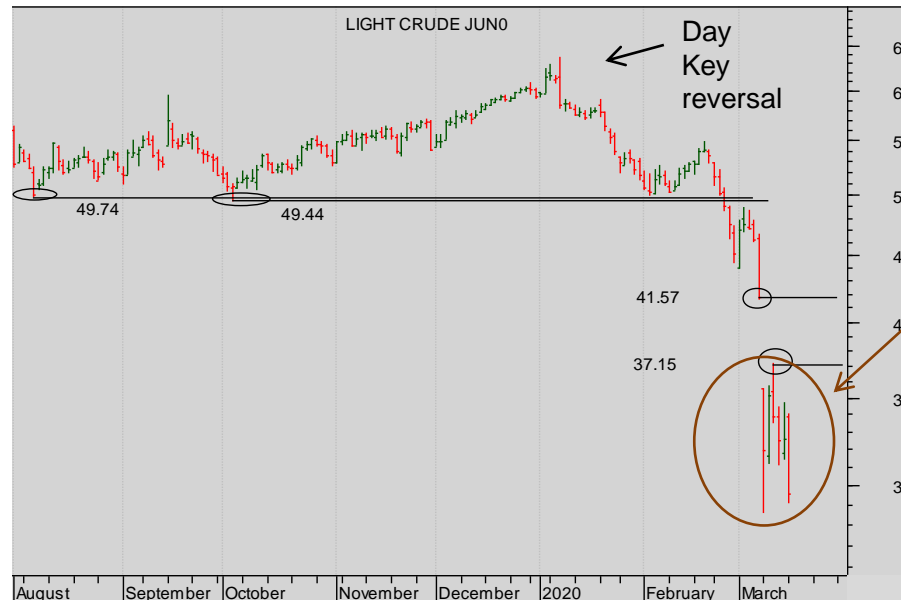


Nymex oil weekly continuation

Is that a badly drawn H&S TOP?

The minimum target of the top is nearly achieved.

A break beneath the Prior Low 28.76 would create yet more overhead resistance



Nymex oil daily Jun 2020 futures

The market has been stalling for the last six days.

Note the Gap above the market that will be good resistance on any rally.



Commodities: Comex Gold

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Nymex Gold Monthly

The bulls are in charge – but lacking dynamism and there is a possible Monthly Key Reversal in place depending on the close at the end of the month.



Nymex Gold weekly

There is already a weekly Key reversal in place...

A test of the support at 1365 looks likely.



Commodities: Comex Gold

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Nymex Gold March 2020 2020Daily

Watch the price action at the Prior
Low at 1458....



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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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