



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 15th April 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
Long-term **BEAR** Sterling
Long-term **BEAR** Yen
Long-term FLAT Euro

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

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

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

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

Bonds

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

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

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

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

Commodities

- + Oil
- + Gold

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

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

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

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Currencies: Dollar Euro

CURRENCIES:

The volatility of the short-term charts has made no impact on the longer-term charts for the Dollar – it looks set to strengthen. Note the move back into the centre of long-term trading ranges in both the Sterling Euro and the Dollar Yen.

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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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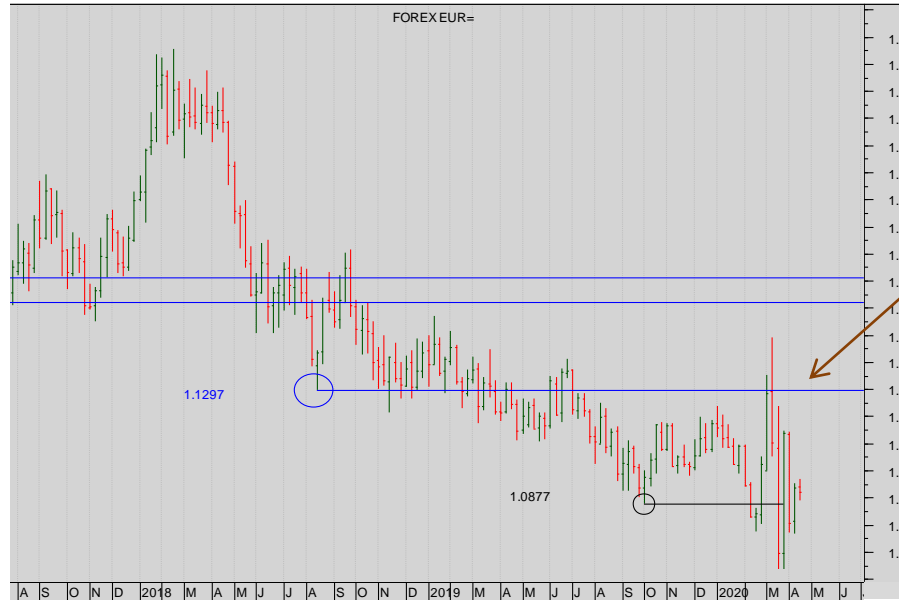
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IMPLIED ASSET ALLOCATION

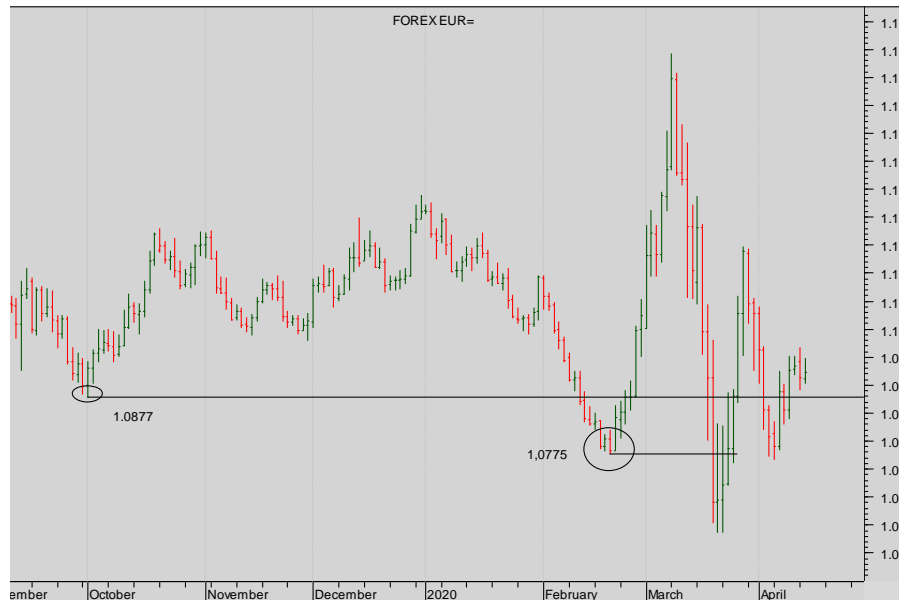
Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

The sudden weakness of the Dollar that pushed the market back up through the resistance 1.1297 has failed. Dollar strength remains the default position.

But there is great volatility still ...



Dollar Euro spot cash chart daily chart...

Stand aback in the short-term these wild gyrations have no structure...



Currencies: Dollar Sterling

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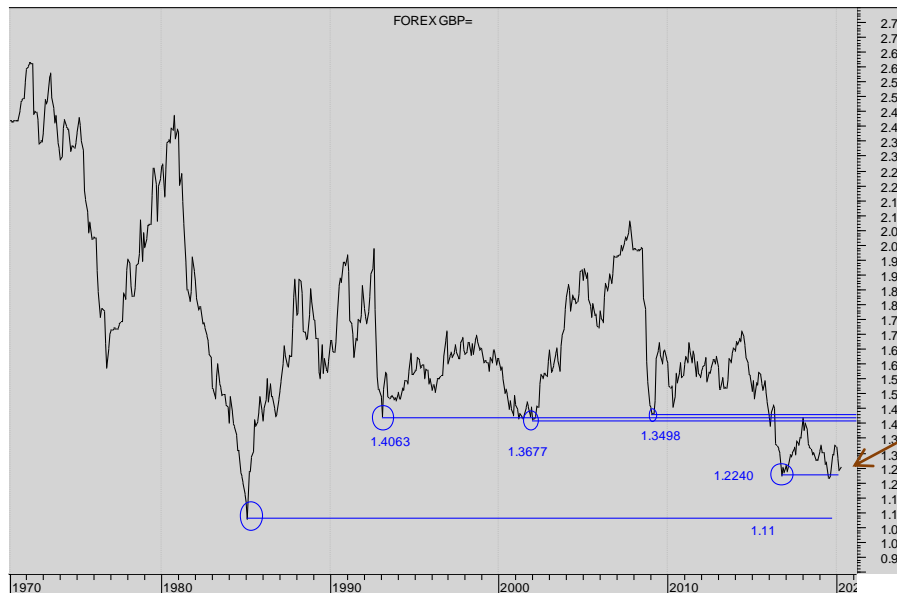
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Commodities

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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 latest rally back into the band of resistance from those lows has failed...

Watch and wait now for a break back beneath the Prior Low 1.1450 to set off the bears.

Dollar Sterling Monthly spot cash LINE CHART based on closes

Note here the possible bear continuation triangle. The break beneath the lower diagonal would **accelerate the bear move implicit in the massive bear formation in the long-term chart....wait for the monthly close.**

More



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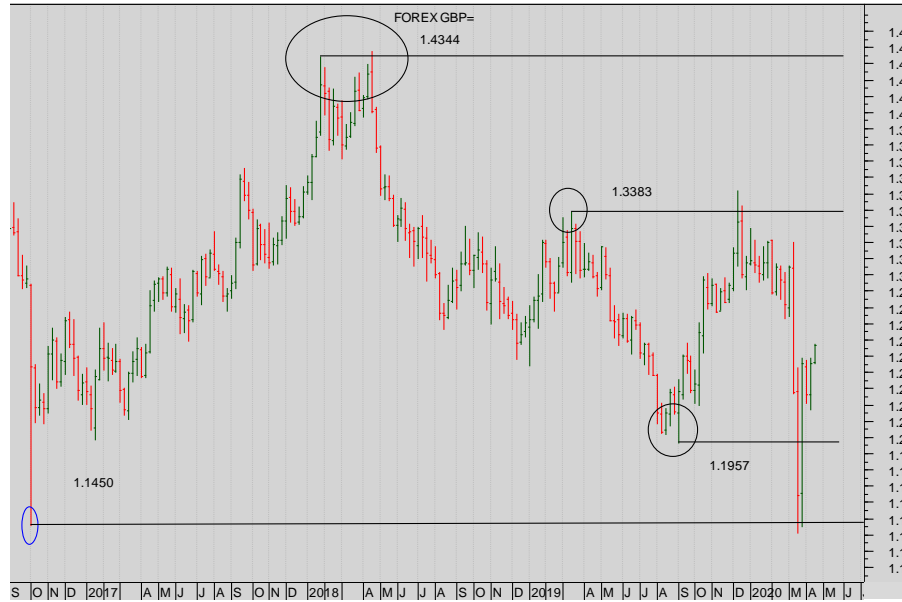
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Commodities

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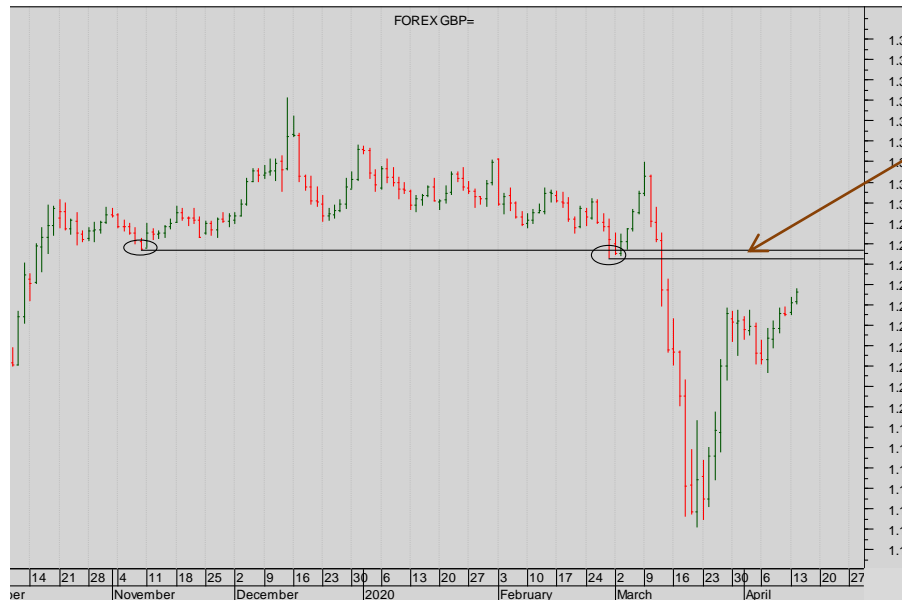
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Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

The volatility is chaotic. Stand aside.



Dollar Sterling daily spot cash chart

The only clear structure is the resistance at 1.28...



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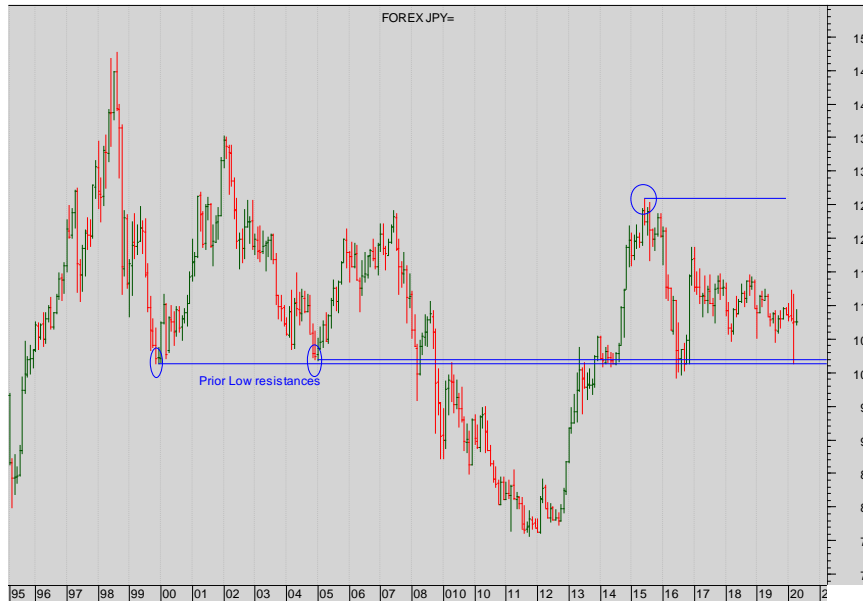
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Currencies: Dollar Yen



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 note that it's bounced (weakened) from here 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, great volatility and an unclear structure.

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Currencies: Sterling Euro

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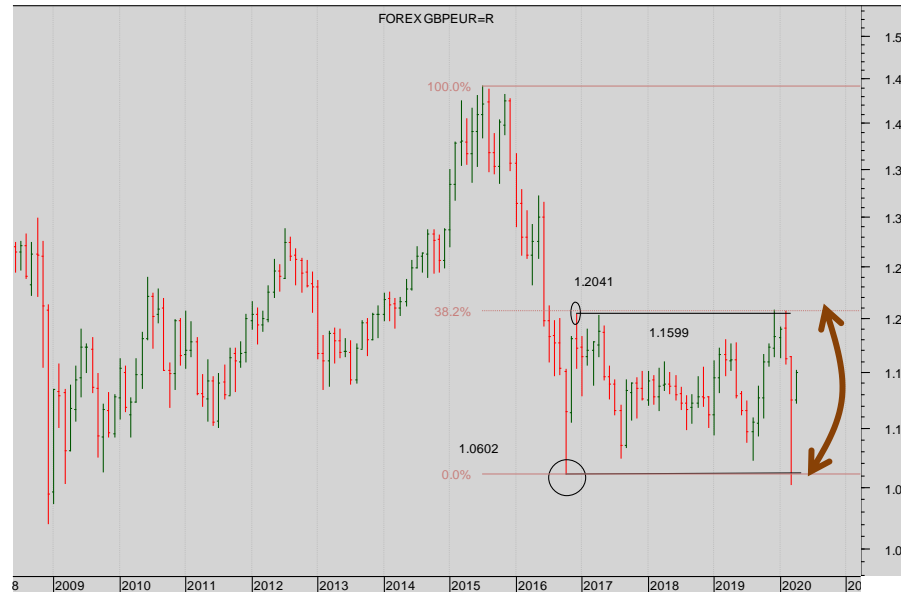
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Sterling Euro monthly spot cash chart

The market remains in the broad trading range_



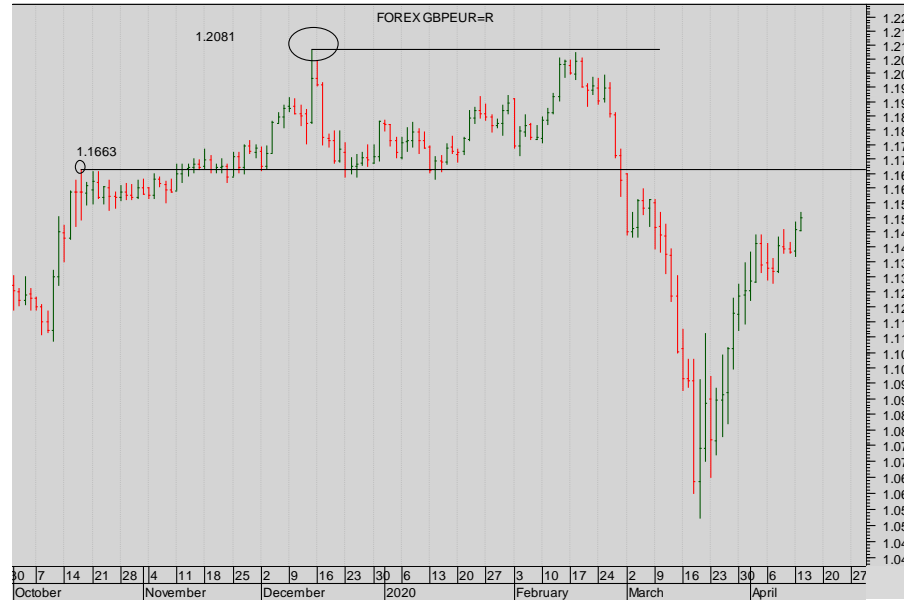
Sterling Euro weekly spot cash chart

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

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

The detail of the Sterling weakness: no short-term bottom yet. Resistance on the rally at 1.16.

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IMPLIED ASSET ALLOCATION



Stocks

STOCKS:

Stocks look set to go still higher. Note the strength of the S&P bounce (a 50% retracement) relative to that of the European and UK stocks (just 38.2%). The Nikkei has overcome important resistance.

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IMPLIED ASSET ALLOCATION

Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

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

Note the intact horizontal support and bounce from the 2133 Prior high support.

And the close on the month above the diagonal bull trendline support from 2010.

More



Stocks: CME S&P 500

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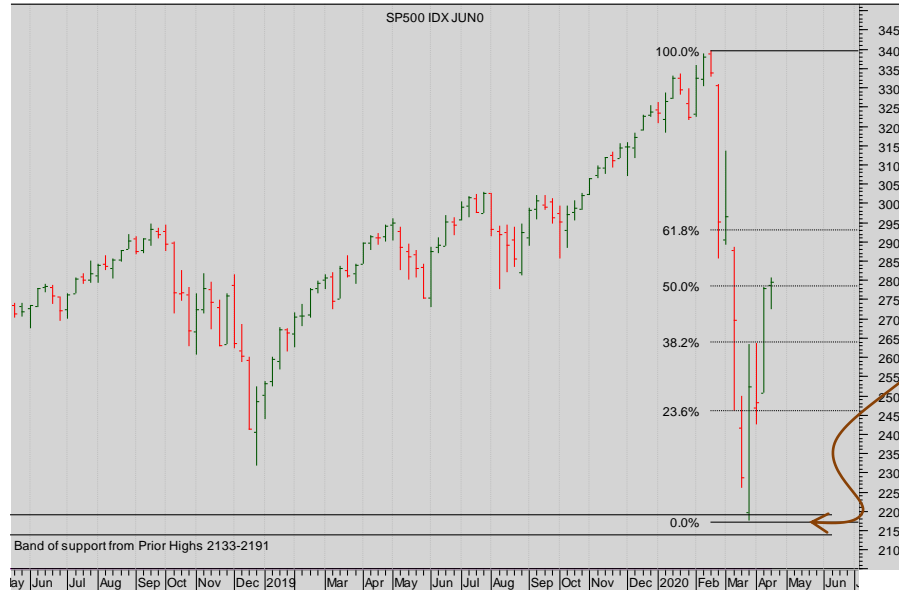
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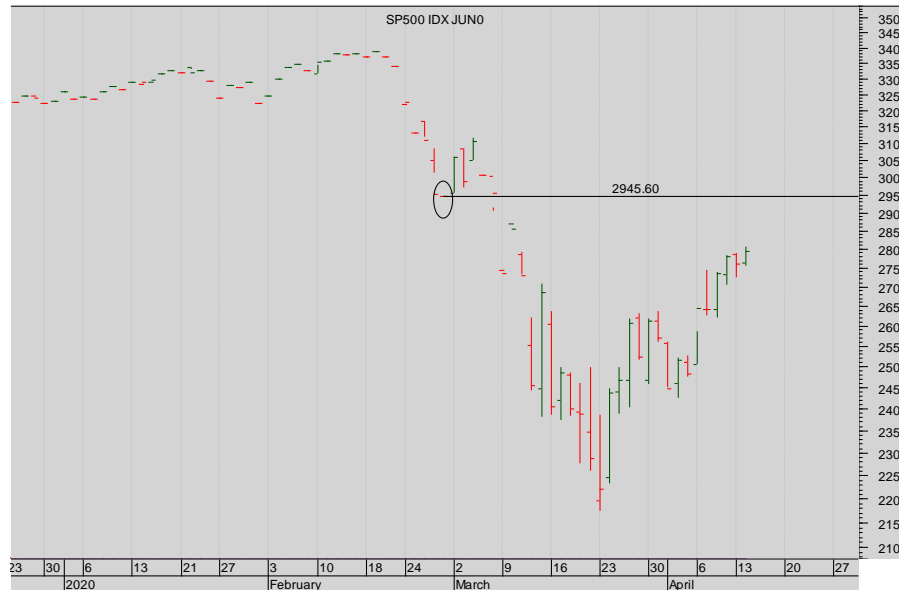
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CME S&P 500 cont. weekly cont. chart

The intact band of support from the Prior Highs looks important.



CME S&P 500 daily Dec 2019 chart

No bottom formation yet... might there be a v shaped recovery as in 2018/19?

More



Stocks: Eurex EuroStoxx 50

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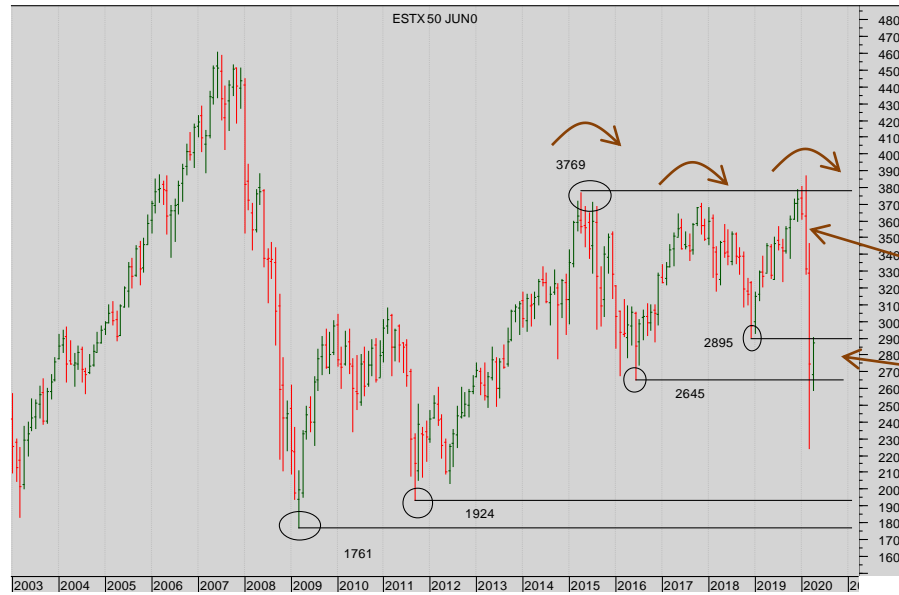
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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 monthly continuation futures chart

1. The triple failure of the market at 3700 boded ill
2. The Monthly key reversal of the market boded ill.
3. There was no clear monthly close beneath the Prior Low range of 2645-2895 – the bears will be hesitant and the bulls watching closely for a bottom formation ...



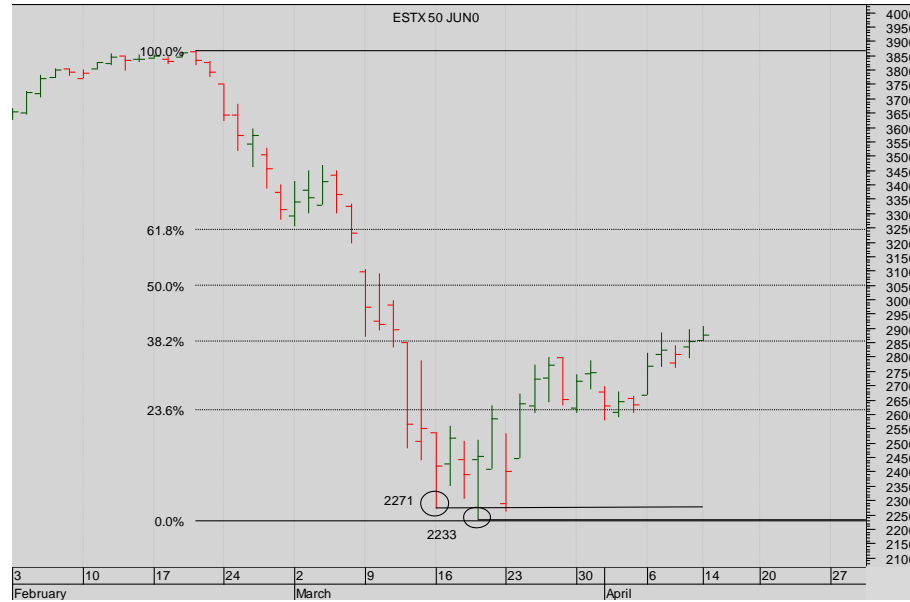
Eurex EuroStoxx 50 weekly continuation futures chart

The speed of the fall and the speed of the bounce. Use the resistance at the Prior Low of 2900 as a test of the bulls' resolve.

More



Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Dec 19 futures chart

The pause of the last few days ... note the Fibonacci retracement resistance – the market is breaking up through the 38.3%...

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IMPLIED ASSET ALLOCATION



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IMPLIED ASSET ALLOCATION

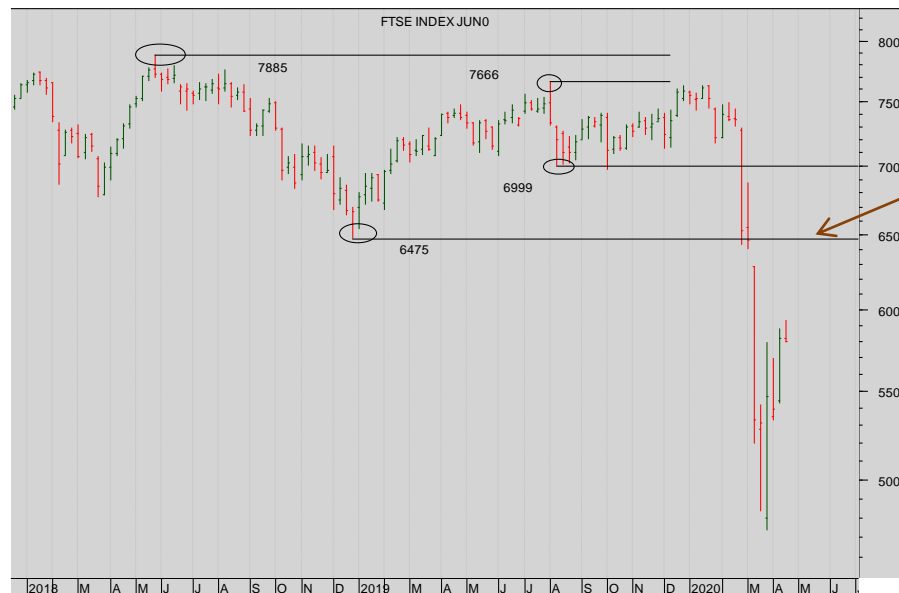
Stocks: Liffe FTSE 100



Liffe FTSE 100 Monthly continuation futures chart

1. The rising diagonal support has been smashed
2. The 6995 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 completing a Double Top (whose minimum target has been achieved).

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



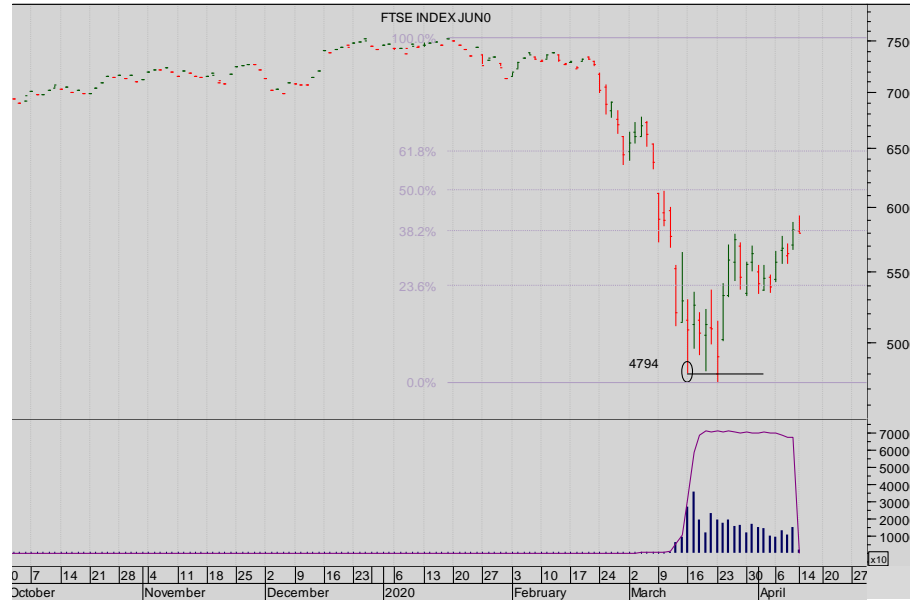
Liffe FTSE 100 Weekly cont. futures chart

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

Is that a short-term bottom?

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IMPLIED ASSET ALLOCATION



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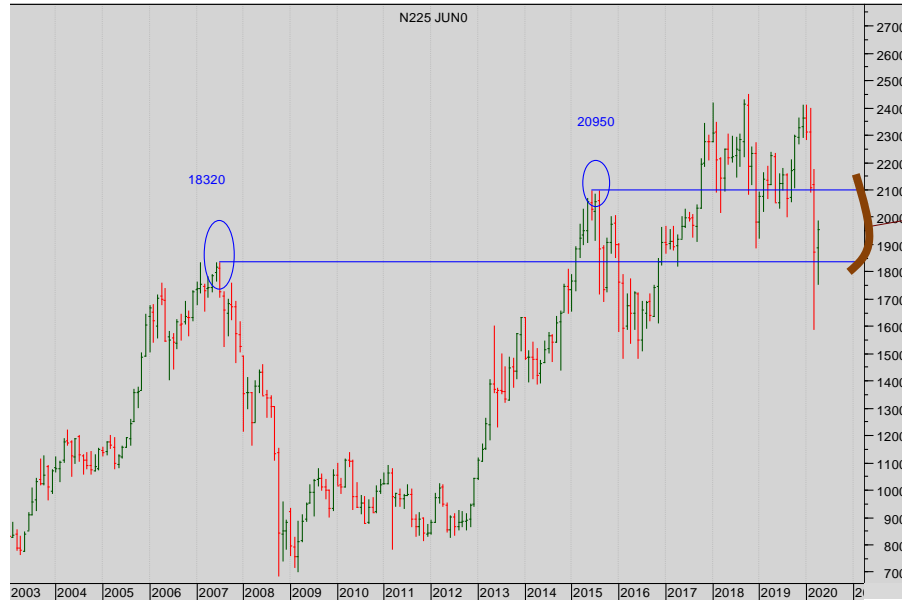
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IMPLIED ASSET ALLOCATION

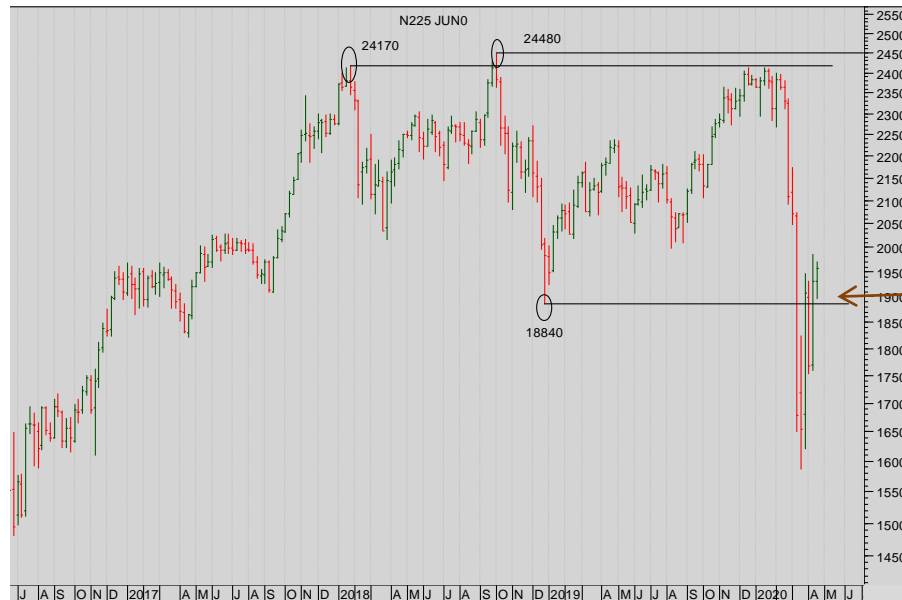
Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

Note that the monthly close was not beneath the powerful band of support from the Prior Highs 18320 – 20950.

The bears are hesitant and the bulls hopeful...



Nikkei 225 chart (WEEKLY)

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

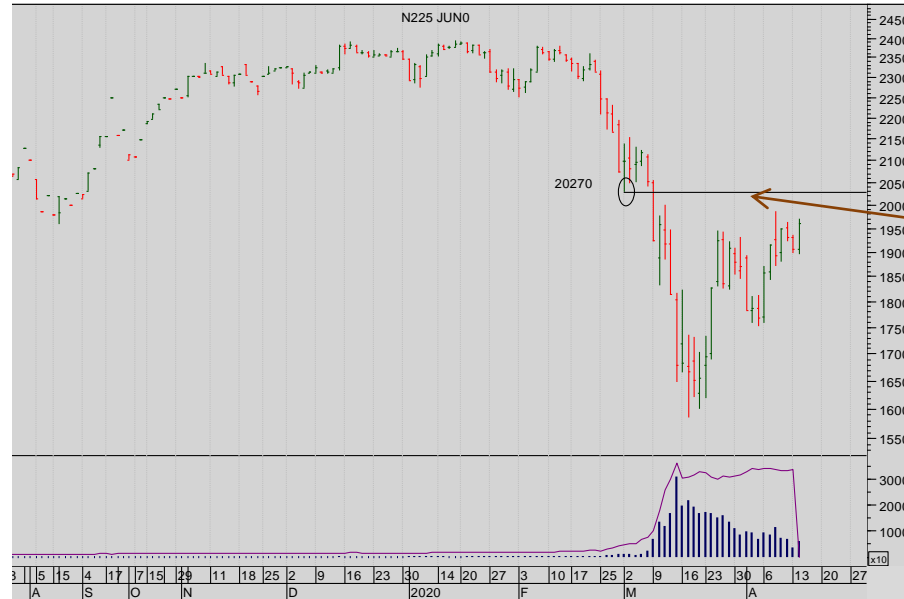
Note the positive price action pushing up through the resistance at 18840 at the bottom of the range.

The bears will be disappointed.

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily March 2020.

A pause: on any rally watch the short-term Prior Low resistance.

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Commodities

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

The long-term picture of bonds is divergent: the US and UK remain very well-set. The Bund is sitting and testing important support. Watch our levels there closely.

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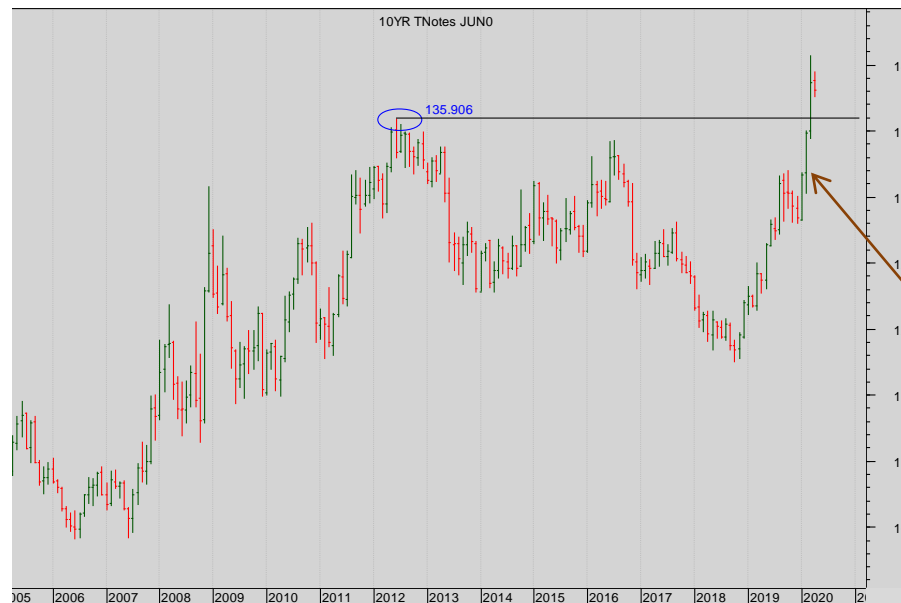
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Commodities

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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 133³/₄.

More



Bonds: CBOT Ten Year Notes

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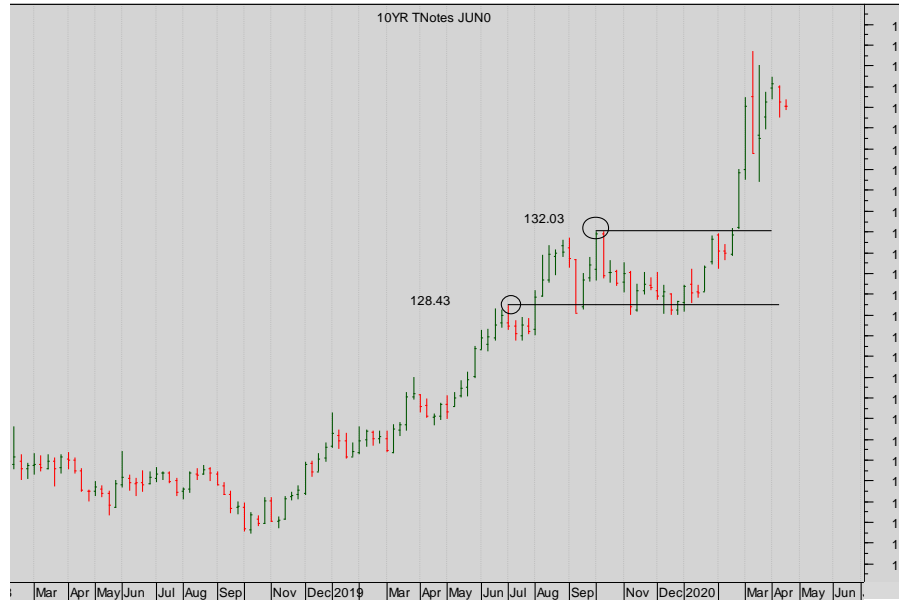
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CBOT Ten Year Notes weekly futures continuation chart

Note the continuation triangle that may be forming....



CBOT Ten Year Notes daily JUN 20 futures chart

This lacks clarity.

...





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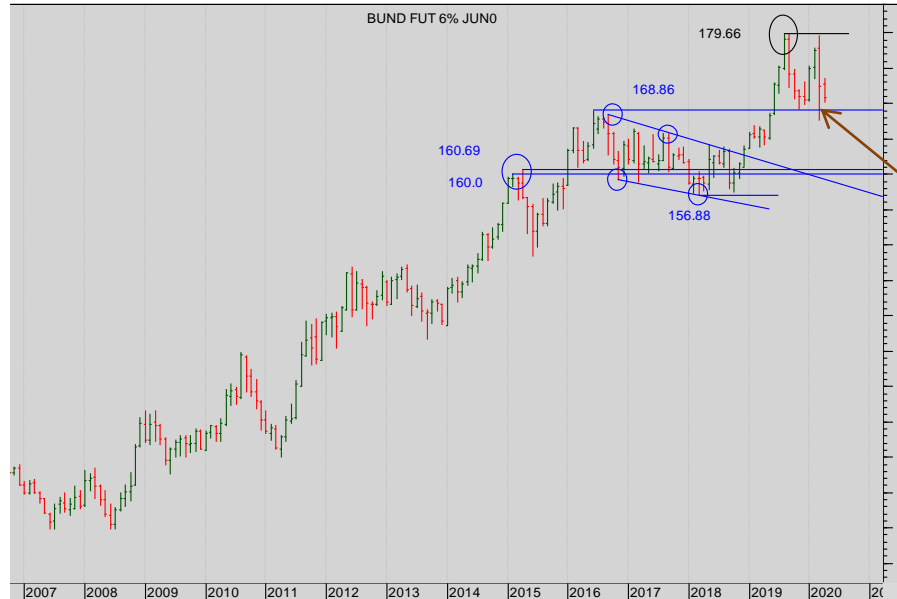
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IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

The closes have not yet established a convincing reversal case. The support at 168.86 is important and looks likely to be tested.



Eurex Ten Year Bund weekly cont. futures Chart

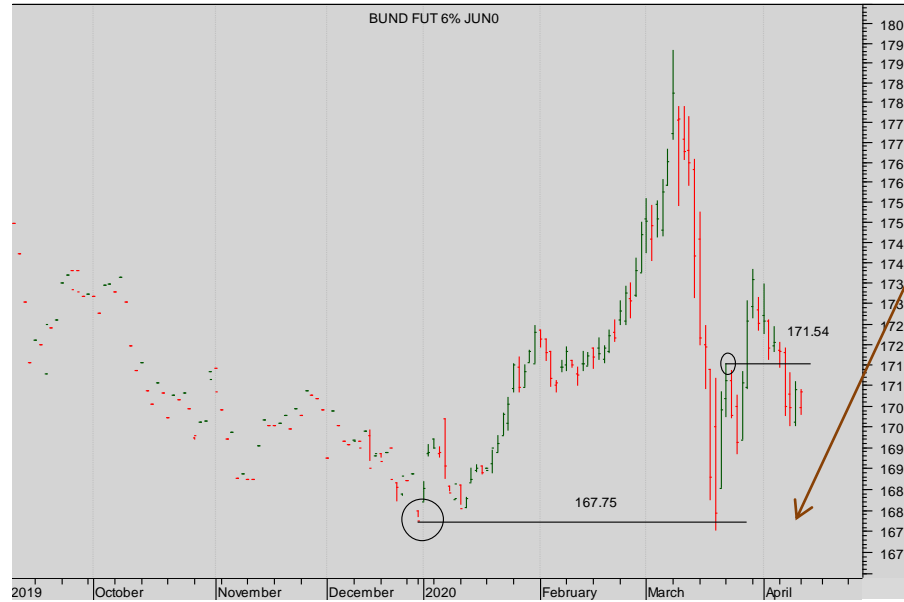
That 168.86 remains good support on the pull-back.

For the moment the range is intact.

More



Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund Mar 2020 Daily futures chart

Short-term, note the bounce from old low at 167.75. Otherwise it is unclear.

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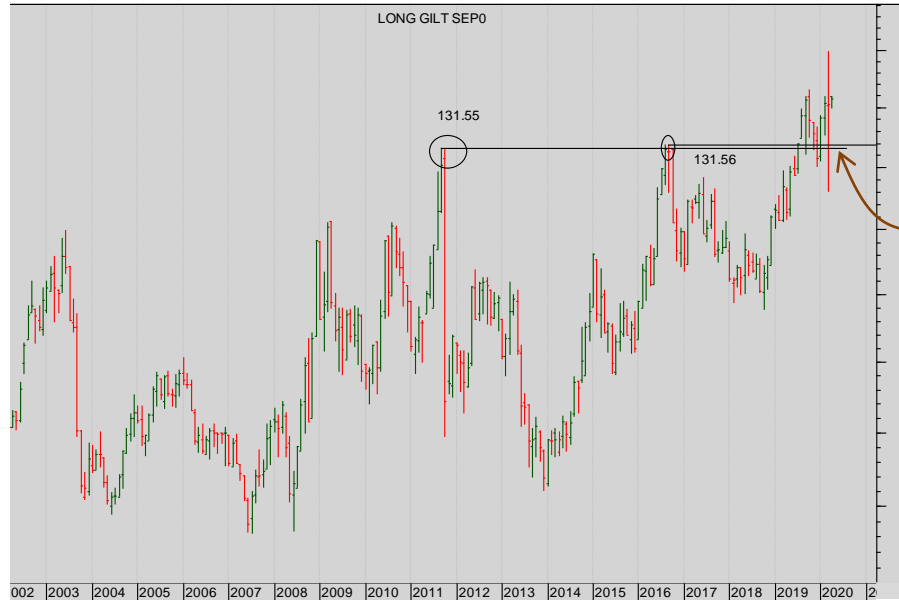
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Bonds: Liffe UK Gilt futures



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 bull leg is in prospect.



Liffe UK Gilt weekly continuation futures Chart

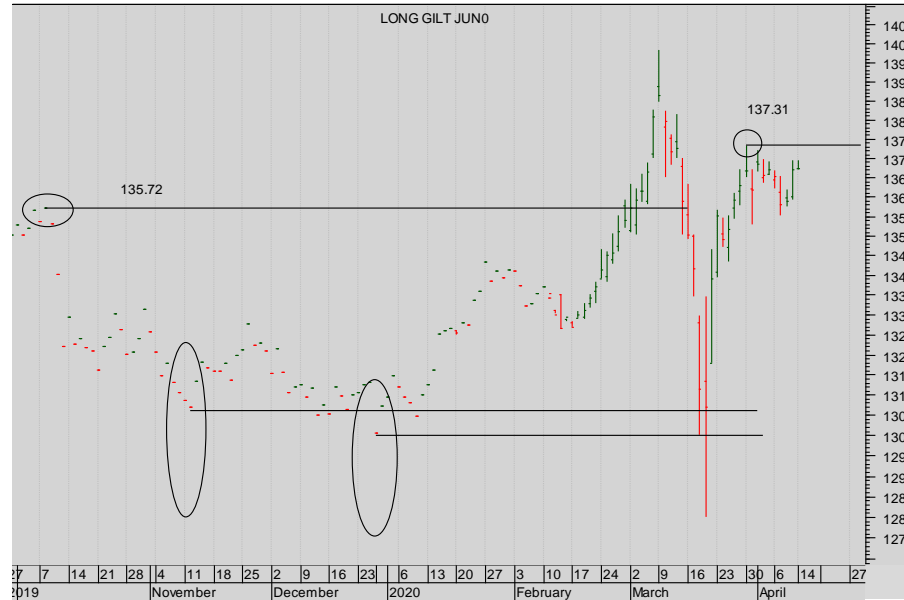
In detail: the bounce back from the supports of 131.56 and the nearer high at 129.74 .

The push through 136.52 failed first time, but can it get above this time?

More



Bonds: Liffe UK Gilt futures



Long Gilt daily Jun 20 chart

This is unstructured chaotic price action.

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IMPLIED ASSET ALLOCATION



Commodity

COMMODITIES:

The wide-ranging bear channel in the oil is still intriguing (it won't go away in a hurry). Gold is bullish headed up surely to the Prior High around 1920 with good short-term support at 1700.

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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...**the close was inconclusive.**

Note the bear channel, within which wide fluctuations are possible.

More



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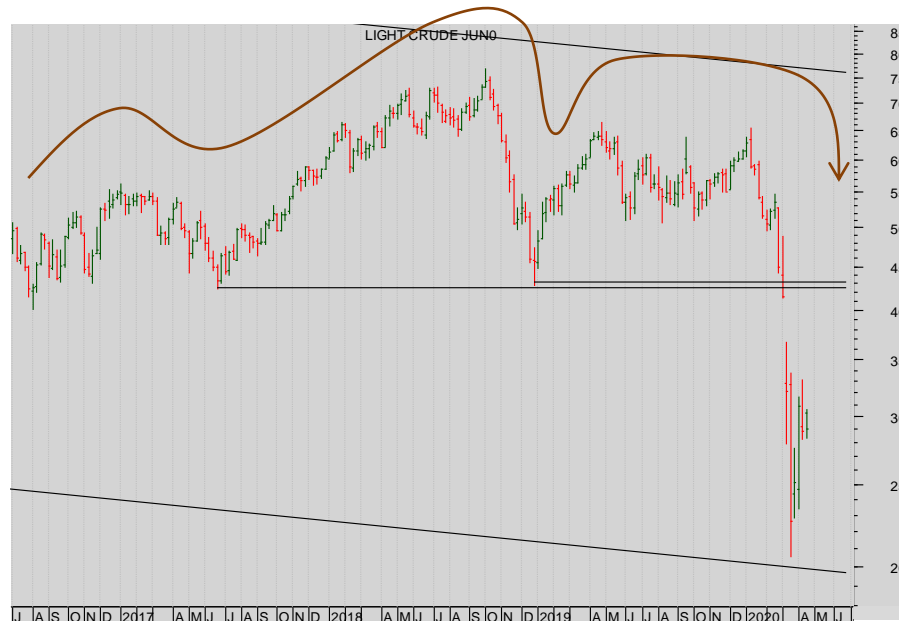
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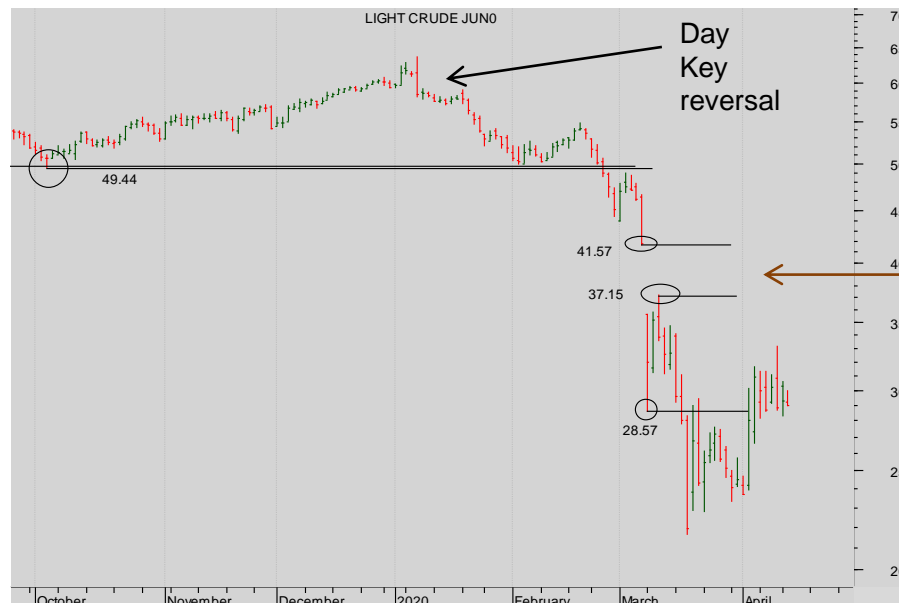
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Commodities: Nymex WTI Oil



Nymex oil weekly continuation

Is that a badly drawn H&S TOP? (But the minimum target of the top has been achieved.)



Nymex oil daily Jun 2020 futures

The market working higher.

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



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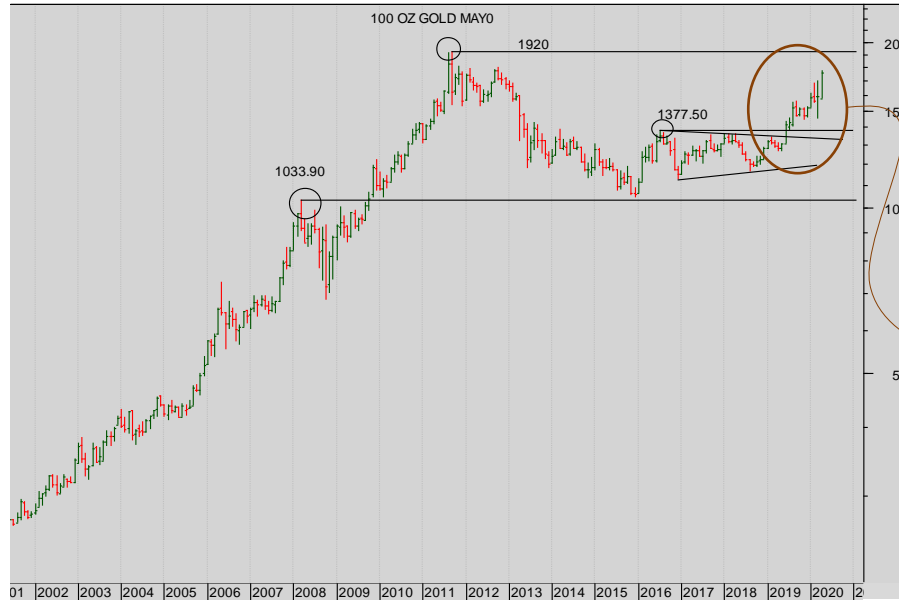
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IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold Monthly

The bulls are in charge – but lacking dynamism.

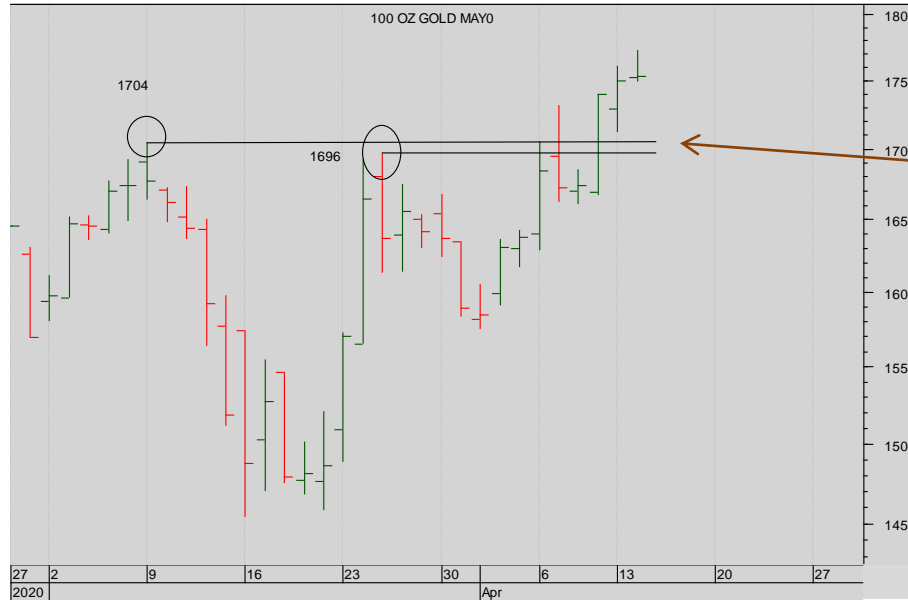


Nymex Gold weekly

The bear weekly Key reversal in place looks to have failed.



Commodities: Comex Gold



Nymex Gold March 2020 2020 Daily

NB: A break above 1704
establishes good support for
a fresh bull leg.

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- + Oil
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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

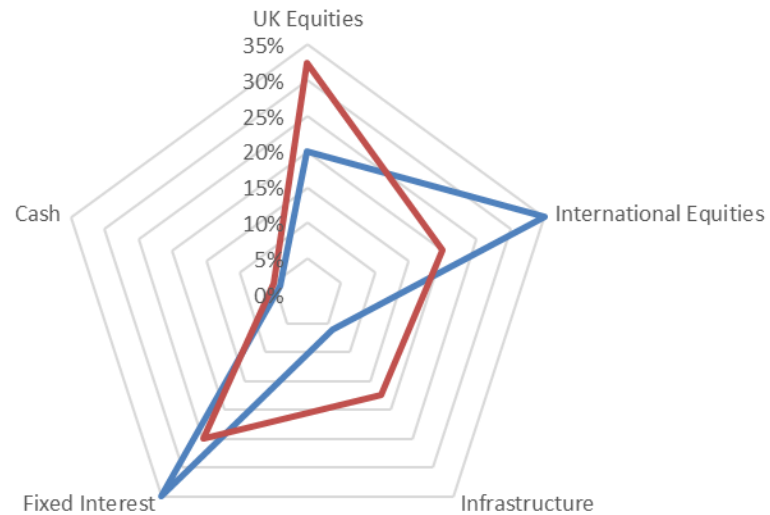
Commodities

- + Oil
- + Gold

Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

MSCI Balanced Risk Asset Allocation



More



the technical analyst

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