



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 27th May 2020

**Mark Sturdy**

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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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### Currencies

- + Dollar Euro
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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 **BEAR** Sterling

Short-term FLAT Yen

Short-term **BULL** Euro

### Stocks

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

Long-term FLAT

Long-term **BEAR**

Long-term **BEAR**

Long-term FLAT

Medium-term FLAT

Medium-term FLAT

Medium-term **BEAR**

Medium-term FLAT

Short-term **BULL**

Short-term **BEAR**

Short-term FLAT

Short-term **BEAR**

### 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 **BULL**

Medium-term **BULL**

Short-term FLAT

Short-term **BULL**

Short-term **BULL**

### Commodities

- + Oil
- + Gold

Long-term **BEAR**

Long-term **BULL**

Medium-term FLAT

Medium-term **BULL**

Short-term FLAT

Short-term **BULL**

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## Currencies: Dollar Euro

### CURRENCIES:

The short-term price action of the Dollar is tending to prevent further strengthening – but the long-term trends remain clear. Sterling has strengthened slightly more than the Euro, short-term, influencing the cross rate accordingly,

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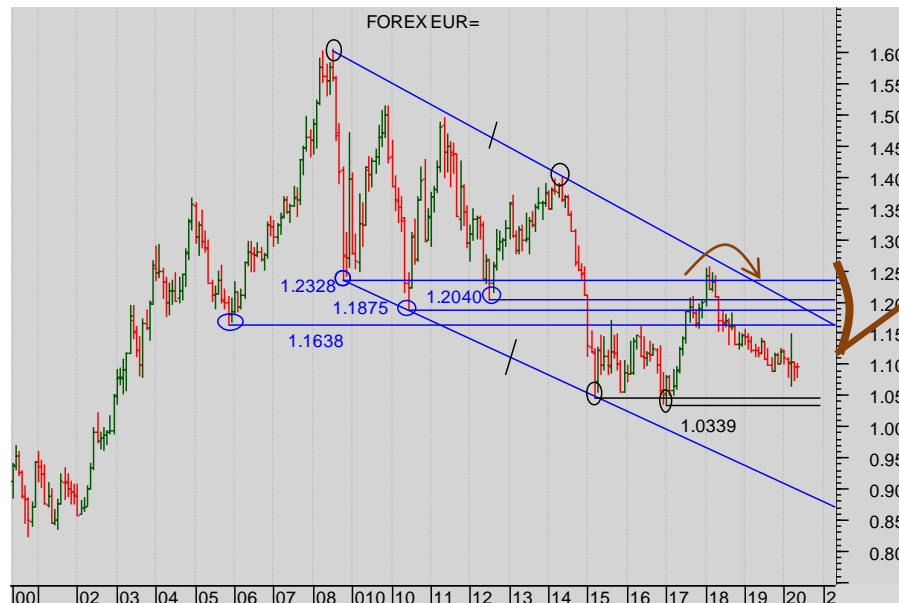
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### Dollar Euro monthly spot cash chart

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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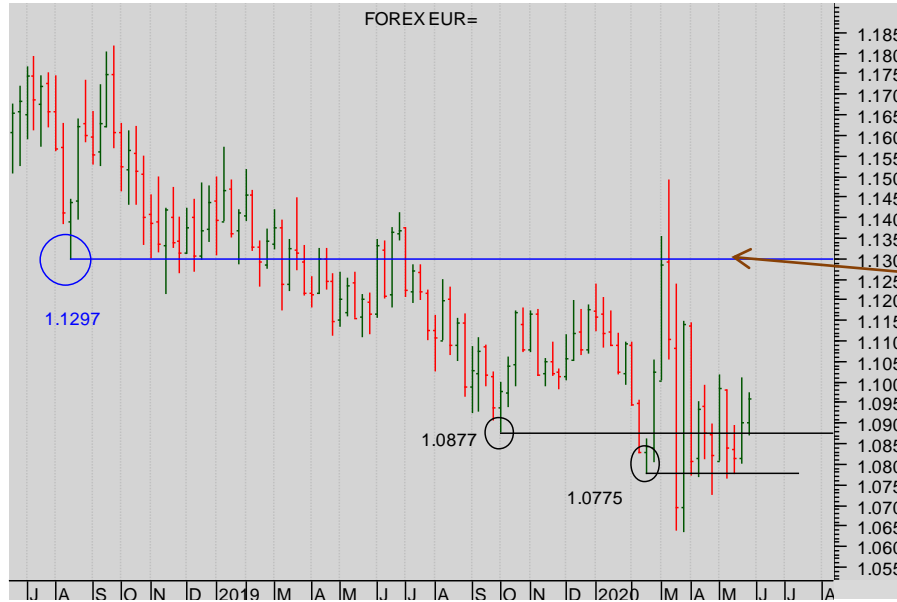
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### Commodities

- + Oil
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## IMPLIED ASSET ALLOCATION

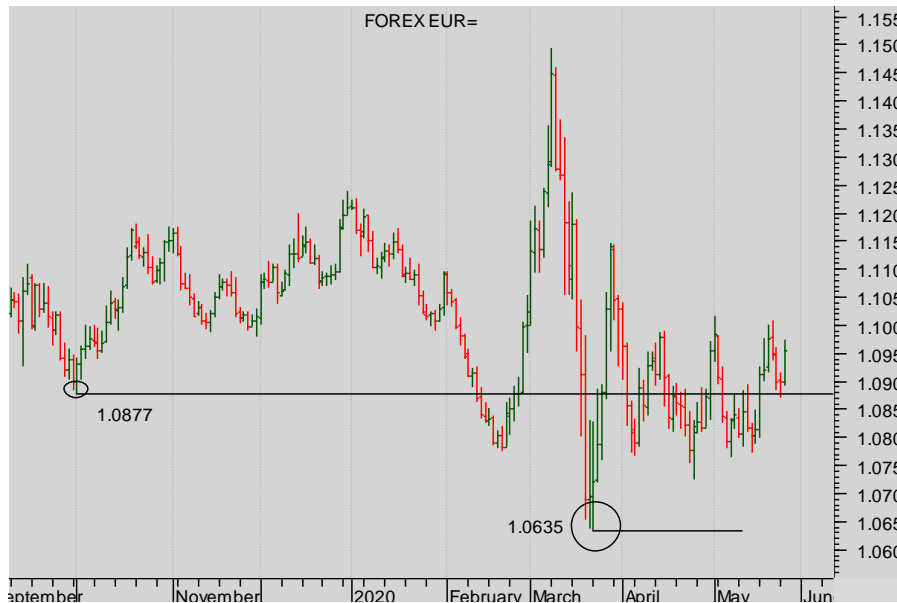
## Currencies: Dollar Euro



### Dollar Euro weekly spot cash chart

The sudden weakness of the Dollar that pushed the market back up through the resistance 1.1297 - failed.

Dollar strength remains the default position. AND DESPITE THE great volatility ...



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

Stand back in the short-term these wild gyrations suggest a good support beneath the market at 1.08...



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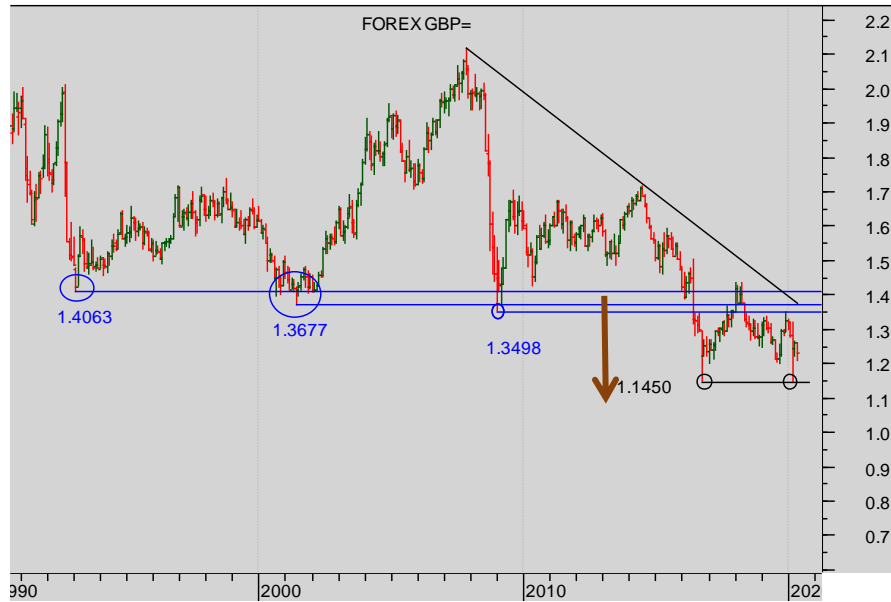
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### Commodities

- + Oil
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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 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.

A 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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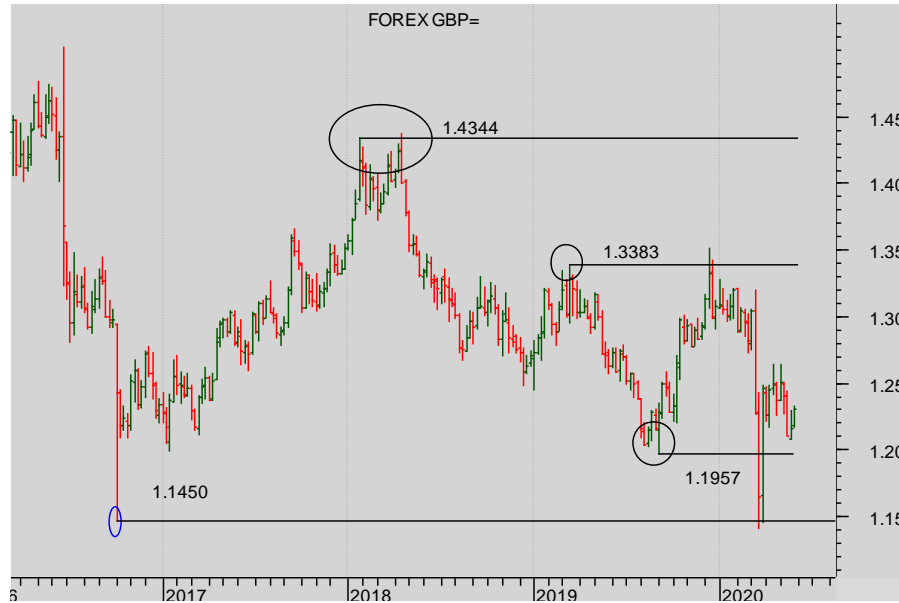
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### Commodities

- + Oil
- + Gold

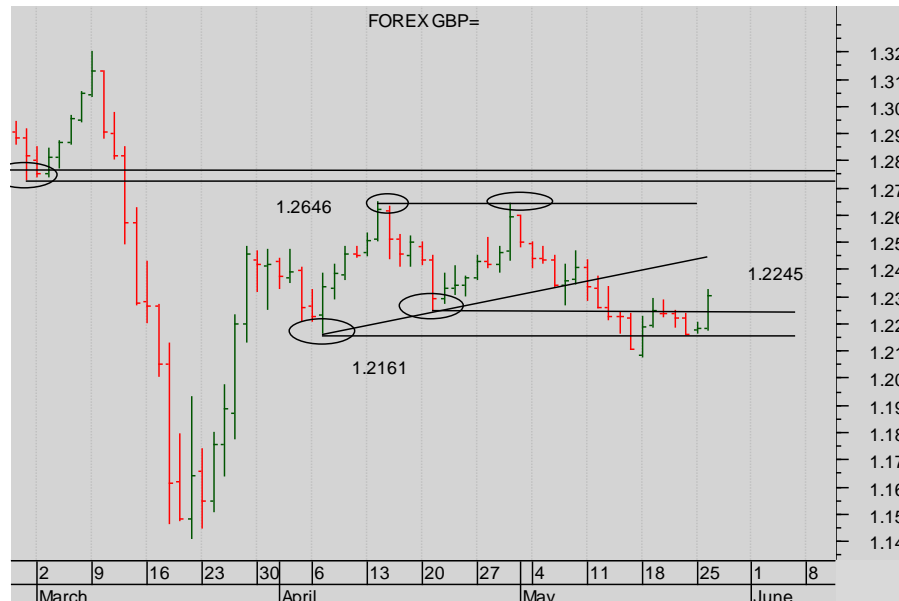
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## Currencies: Dollar Sterling



### Dollar Sterling weekly spot cash chart

The volatility is chaotic. **Stand aside.**



### Dollar Sterling daily spot cash chart

There is the resistance at 1.28.

And beneath there is short-term support evident at 1.2161...



## Currencies: Dollar Yen

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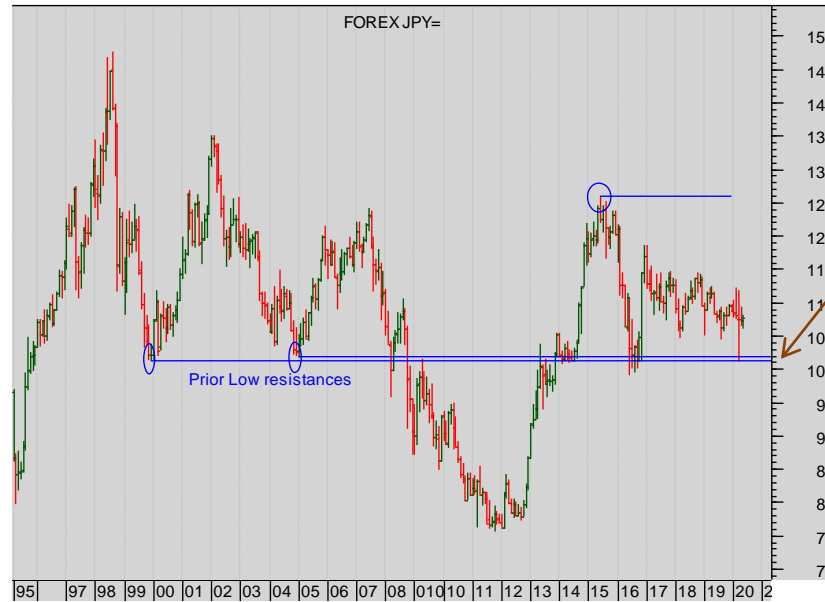
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### Commodities

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### IMPLIED ASSET ALLOCATION



### 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

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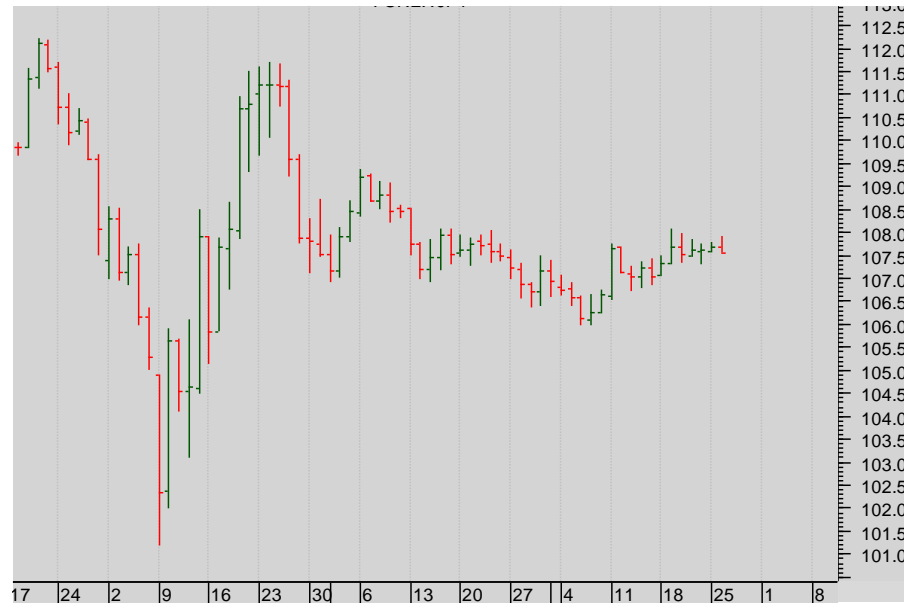
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### Dollar Yen daily spot cash chart

Short-term, great volatility and an unclear structure...





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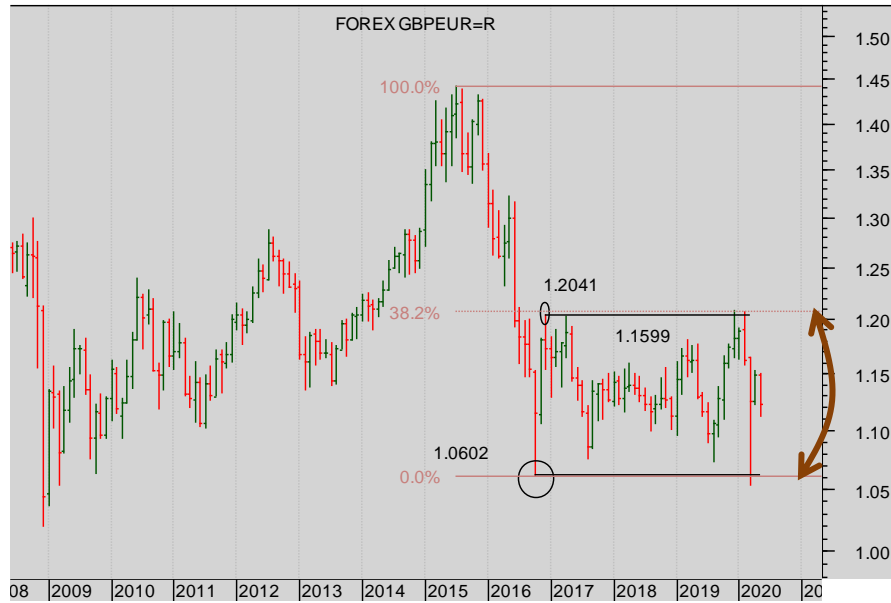
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### Commodities

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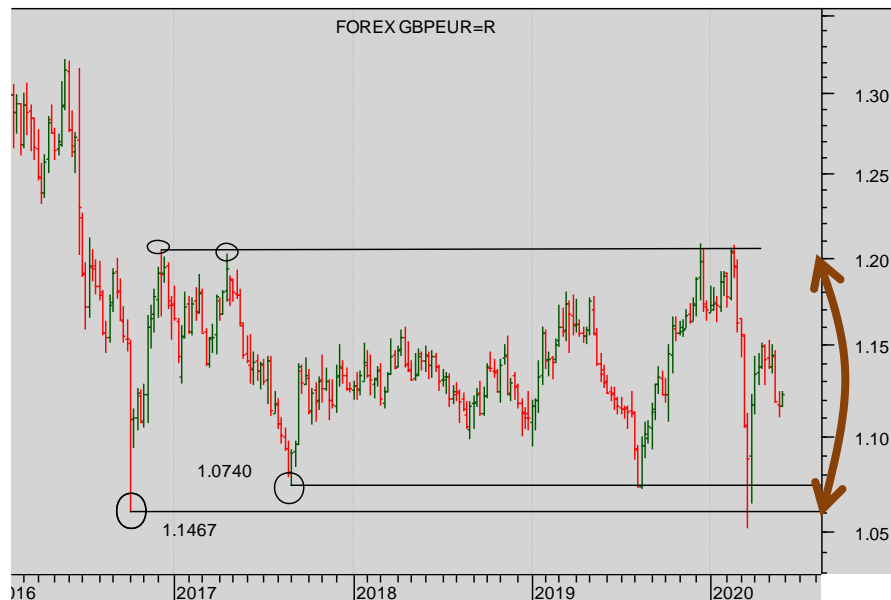
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## Currencies: Sterling Euro



### Sterling Euro monthly spot cash chart

The market remains in the broad trading range\_



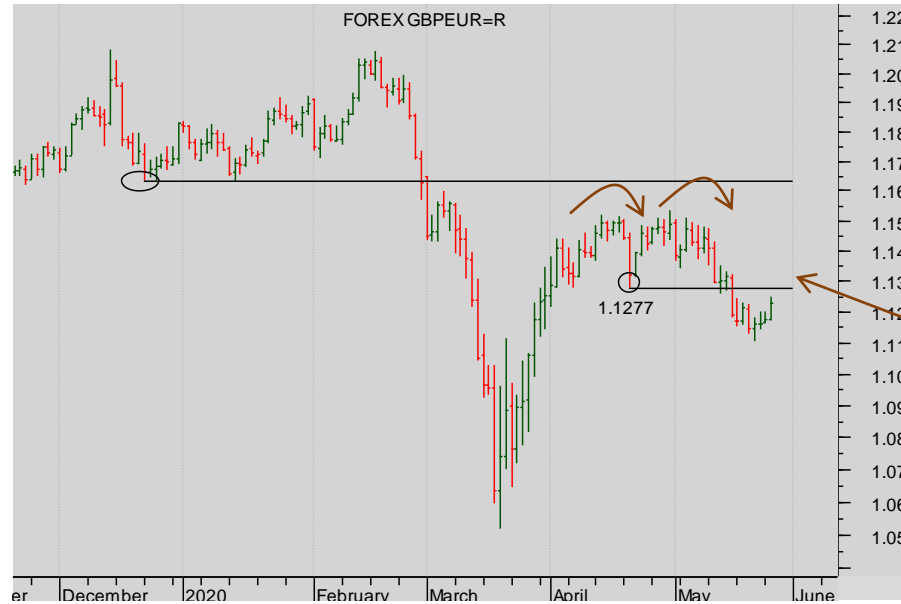
### Sterling Euro weekly spot cash chart

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: note the double failure at the Fibonacci resistance at 1.15, so a break of the low at 1.177 has added to bearish Sterling excitement by completing a small Double Top.

the overall pattern suggest continuing pressure on Sterling.

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## Stocks

### STOCKS:

The strength of the US is undeniable. So too is the Nikkei strong. FTSE and Eurostoxx clearly share the optimism – yet. There is more strength to come from the US.

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### 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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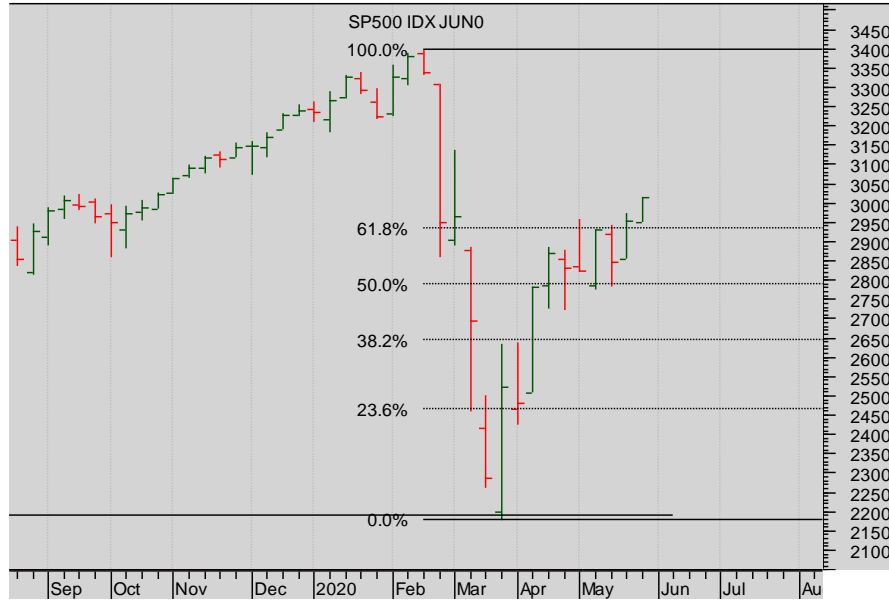
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### Commodities

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### IMPLIED ASSET ALLOCATION



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

The bull rally – driven by a Weekly key reversal – smashing the Fibonacci resistance...



### CME S&P 500 daily Jun 2020 chart

Note the resistance at 2945.60.

The market has smashed **the coincident Fibonacci and Prior Low resistance-completing a bull triangle with a minimum target of 3150...**

More



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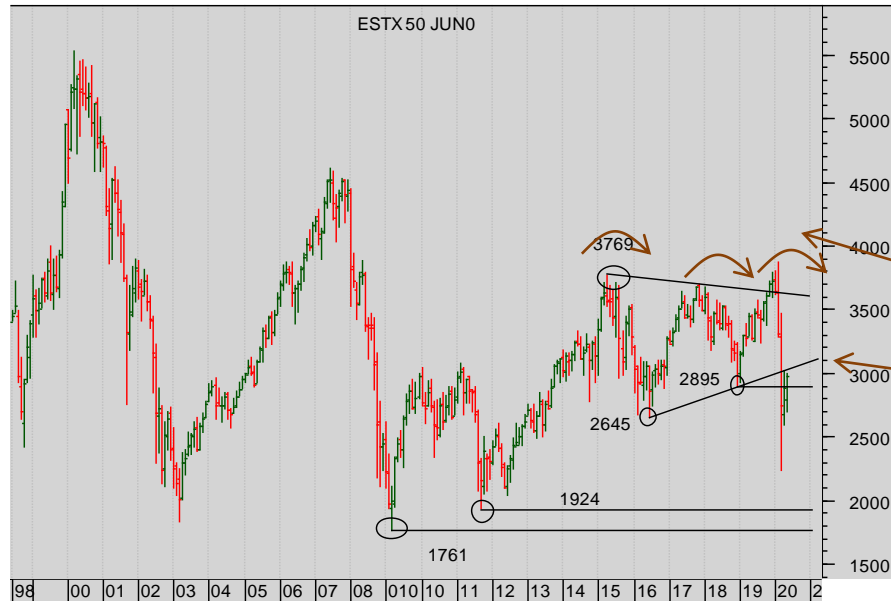
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### Commodities

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### IMPLIED ASSET ALLOCATION

## Stocks: Eurex EuroStoxx 50



### 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 bounce has found resistance at the **Prior Lows of 2895/2974 ...**

**It looks as if the market will struggle to get above that level and instead, looks set to revisit the downside.**

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 has broken up through the 38.3%) – and there was almost a day Key Reversal ..... Note the re-testing of that level...

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IMPLIED ASSET ALLOCATION



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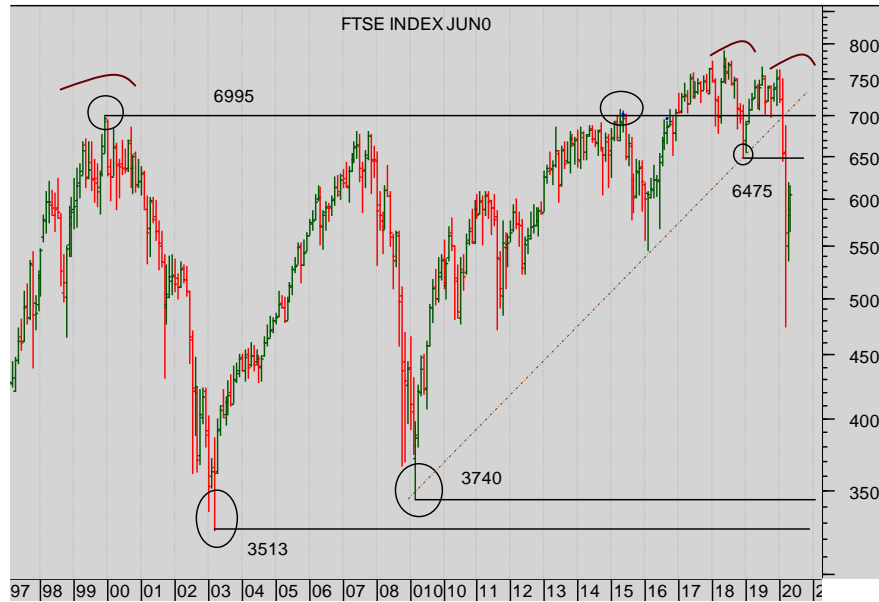
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### Commodities

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### IMPLIED ASSET ALLOCATION

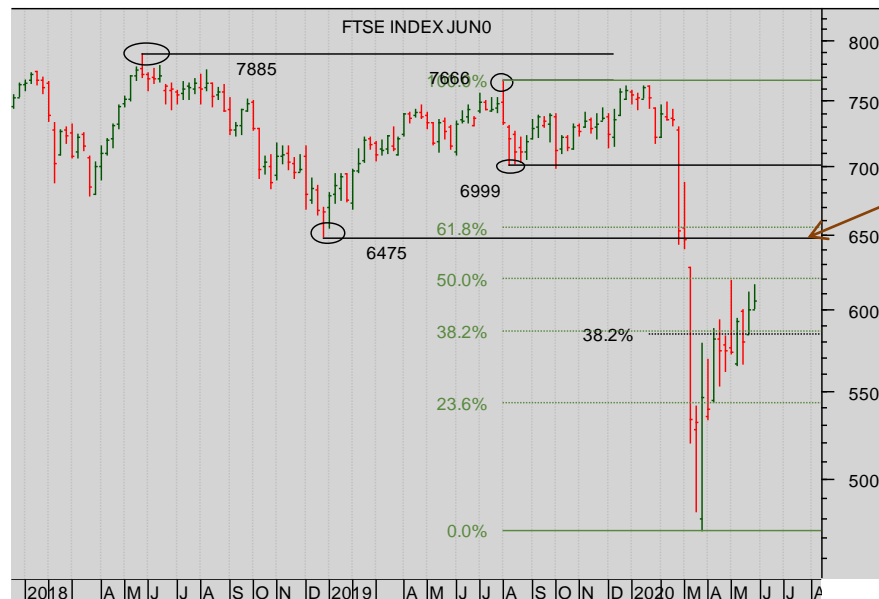
## Stocks: Liffe FTSE 100



### 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

And on the bounce note the failure to break the 50% retracement resistance...

More



## Stocks: Liffe FTSE 100

### Summary

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### Stocks

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### Bonds

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### Commodities

- + Oil
- + Gold

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### Liffe FTSE 100 Mar 20 daily futures chart

That is a bearish day Key reversal in the FTSE... but there is no clear breakdown from the sideways consolidation.

The re-test of the bottom of the Gap resistance/ 50% fib resistance needs closely watching.





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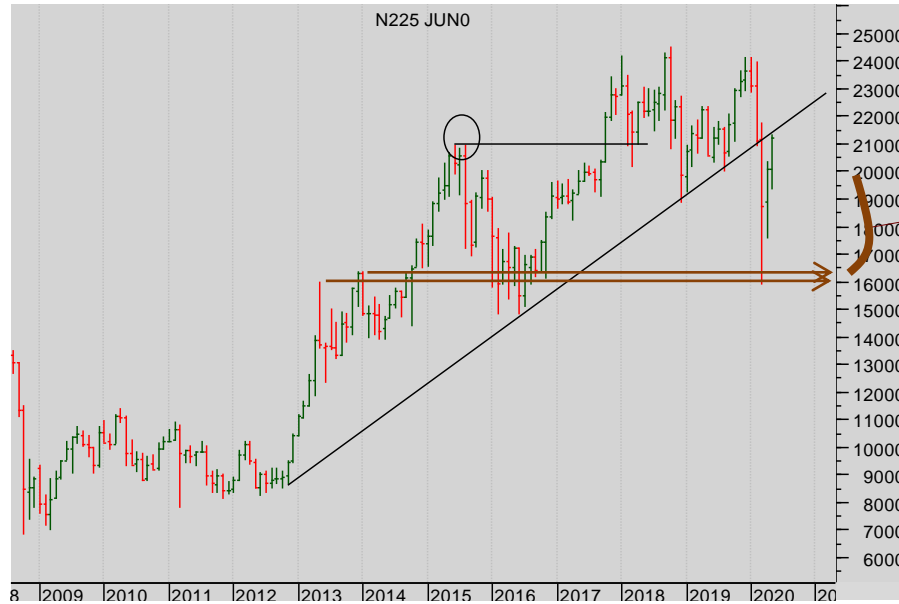
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### Commodities

- + Oil
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### IMPLIED ASSET ALLOCATION

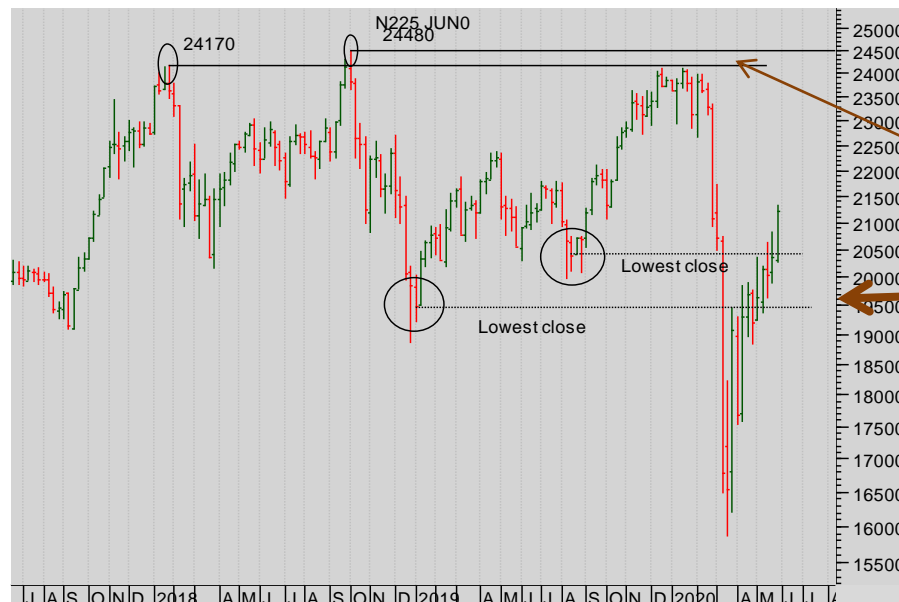
## Stocks: OSE Nikkei 225



### Nikkei 225 chart (monthly)

Note that the monthly close was not beneath the powerful band of support from the Prior Highs 16000-16500. **That band of powerful support is still intact...**

The bears are hesitant and the bulls hopeful...



### Nikkei 225 chart (WEEKLY)

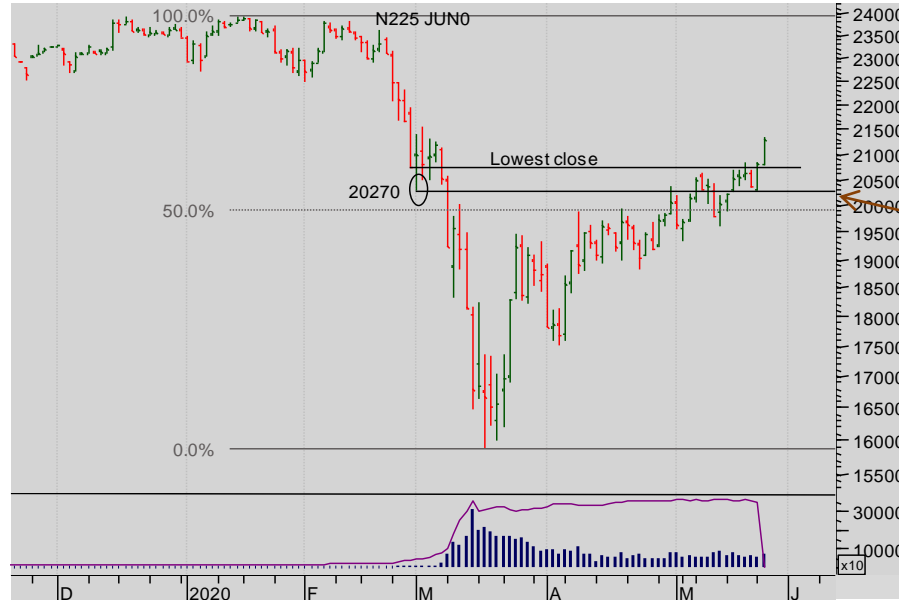
The triple failure of the market at the 24500 level was worrying.

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

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## Stocks: OSE Nikkei 225



Nikkei 225 chart Daily  
March 2020.

Note the resistance at the low at 20270... The bulls have overcome that resistance.

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### Commodities

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## Bonds

### BONDS:

The stagnation of bonds has now turned into small top formations in the Bunds and the Tnote. Gilts remains doggedly bullish.

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### 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.

The market looks set for the  
next bull leg.

More



## Bonds: CBOT Ten Year Notes

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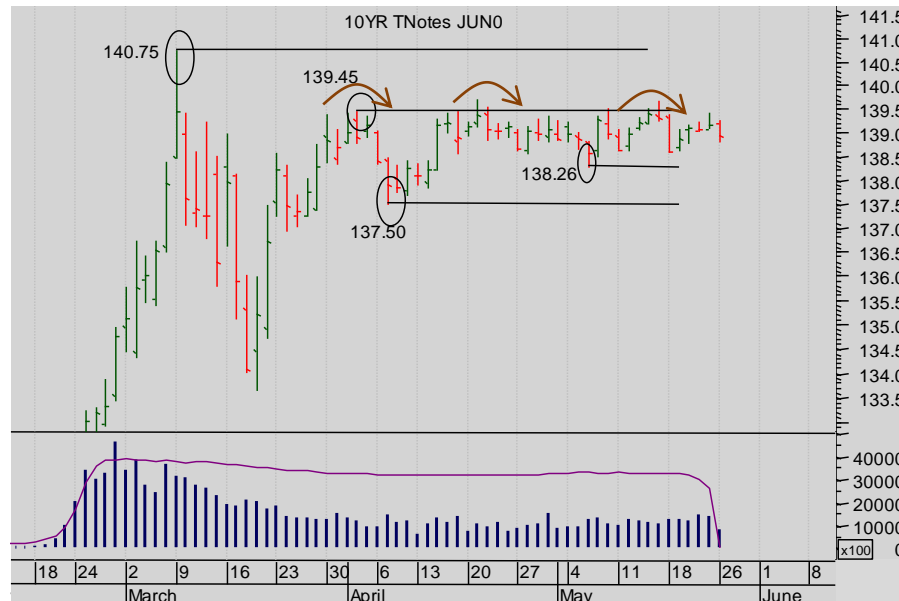
- + Oil
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**CBOT Ten Year Notes weekly futures continuation chart**

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



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

The triple testing of 139.45 ...

More



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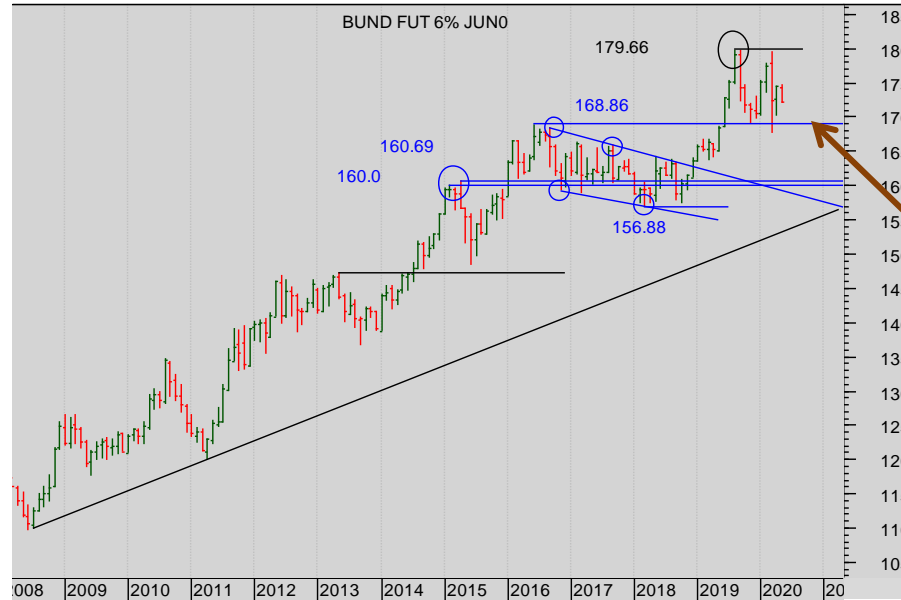
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### Commodities

- + Oil
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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 so far has held.



### 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

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

## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION



## Eurex Ten Year Bund JUN 2020 Daily futures chart

Short-term, the bulls will have been disappointed at the market's failure to get above and stay above the Prior Highs.

Note the broken well-established diagonal support now broken.



# Bonds: Liffe UK Gilt futures

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## Commodities

- + Oil
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## IMPLIED ASSET ALLOCATION



**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 high at 129.73 .

The push through 136.80 failed first time, but looks good this time?





# Bonds: Liffe UK Gilt futures

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## IMPLIED ASSET ALLOCATION



## Long Gilt daily Jun 20 chart

The slow progress of the bulls pushing above the Prior High and finding support there.





## Commodity

### COMMODITIES:

Oil's rally can go further before running into resistance. Gold is drifting but with good underlying support...

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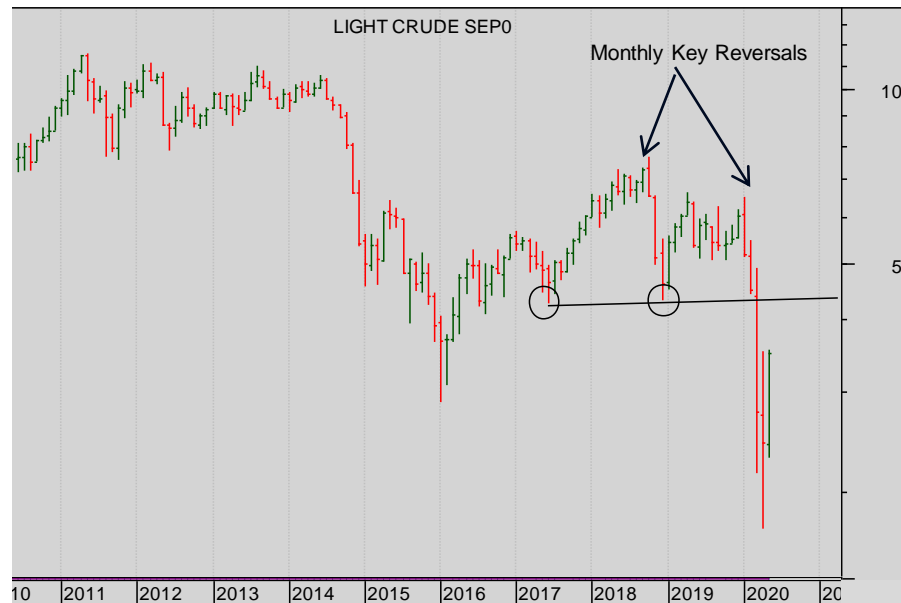
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### Commodities: Nymex WTI Oil



### Nymex oil monthly continuation

The market has smashed the support from the long-term support at 35.64.

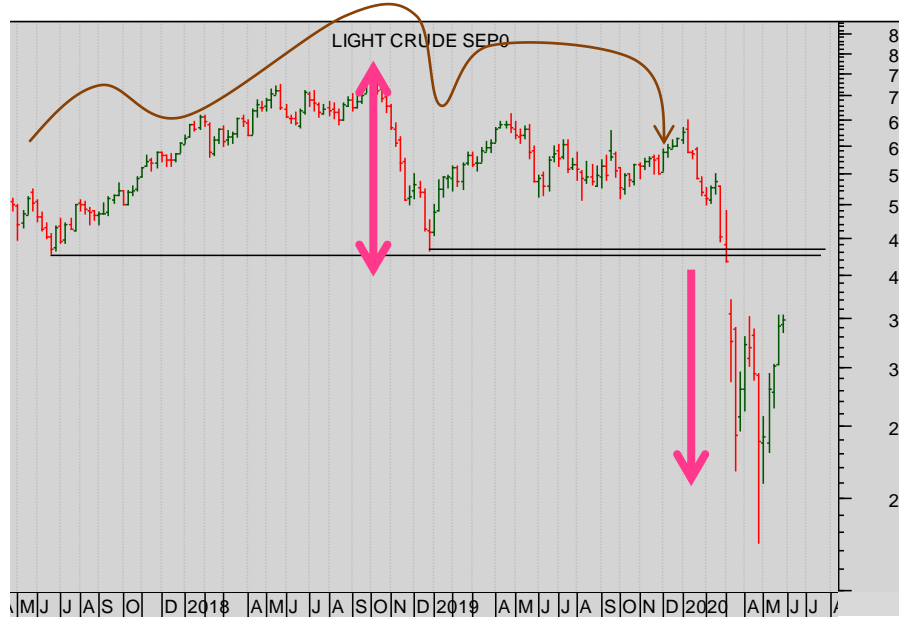
And, in addition, pushed beneath the 29.85 overhead resistance from the Prior Low at 29.85.

Both breaks suggest that the market will remain under pressure.

More



## Commodities: Nymex WTI Oil



### Nymex oil weekly continuation

The **minimum** target of the H&S top has been achieved

There's no bottom formation in place yet.

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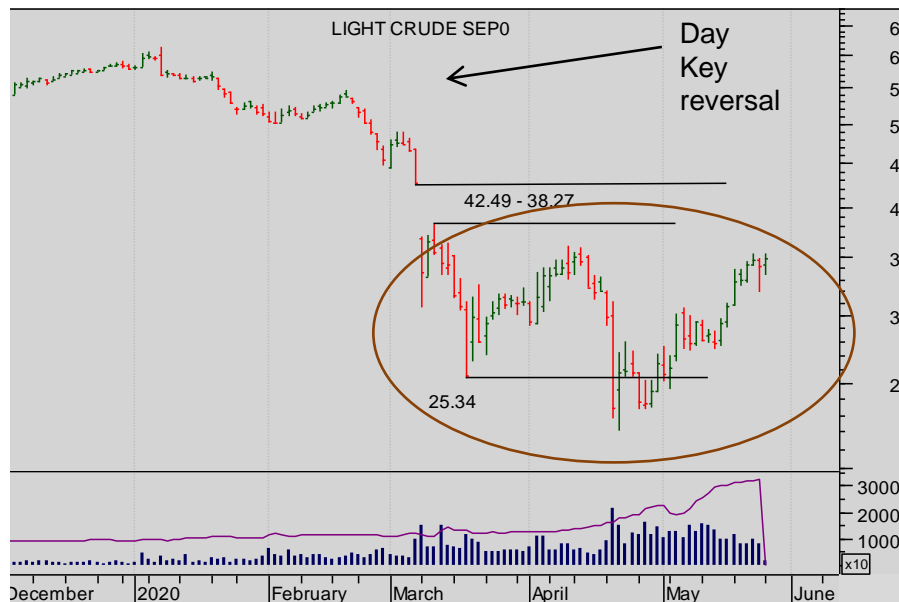
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#### Commodities

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#### IMPLIED ASSET ALLOCATION



### Nymex oil daily SEP 2020 futures

The market has entered a wide-ranging sideways consolidation... with the Gap resistance still above the market.



## Commodities: Comex Gold

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### Commodities

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IMPLIED ASSET ALLOCATION



### Nymex Gold Monthly

The bulls are in charge.

Watch for a retest of the Prior Highs.

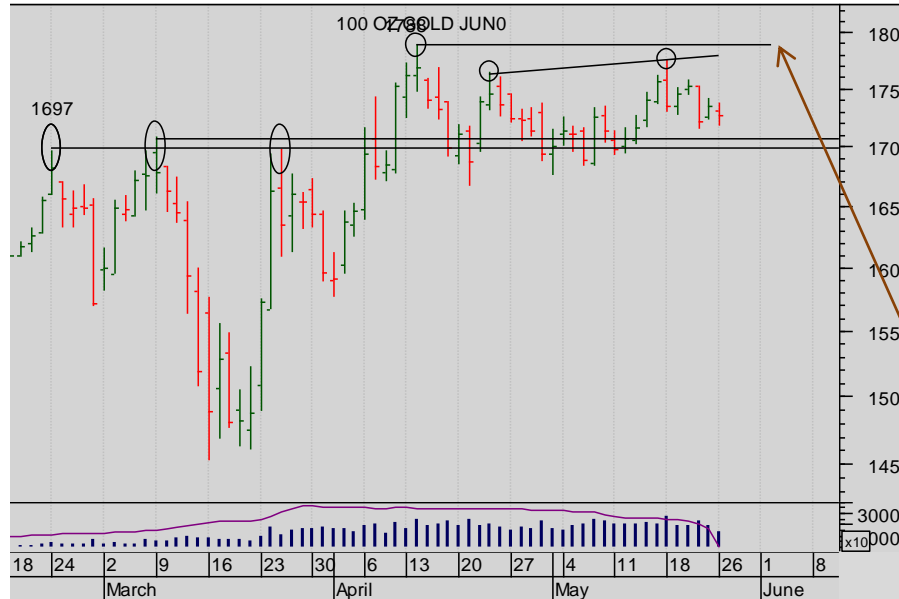


### Nymex Gold weekly

The market is edging up, helped now by the support from the Prior high 1704.30.



## Commodities: Comex Gold



### Nymex Gold Jun 2020 2020 Daily

NB: A break above 1697 established good support for a fresh bull leg.

The Triangle is helping the push higher.

Watch for a break above the 1788 to trigger the next bull leg.

#### 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



# Summary

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### Stocks

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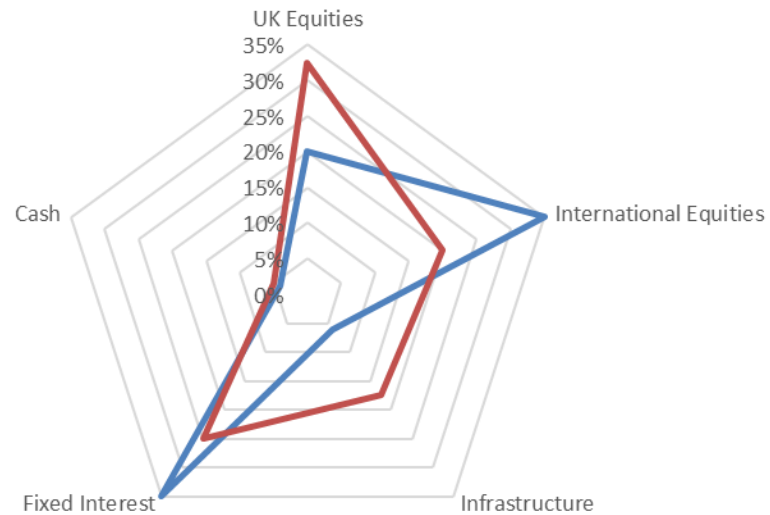
### Commodities

- + Oil
- + Gold

## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

### MSCI Balanced Risk Asset Allocation



More



*the technical analyst*

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