



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 2nd June 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
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- + Dollar Yen
- + Sterling Euro

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 **BULL** 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**

## IMPLIED ASSET ALLOCATION

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## Currencies: Dollar Euro

### CURRENCIES:

The short-term price action of the Dollar is one of weakness even sharp falls in value – but the long-term trends remain clear especially against the Euro. Sterling has weakened slightly against the Euro and looks set to drift lower still.

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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.

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- + Nikkei 225

### Bonds

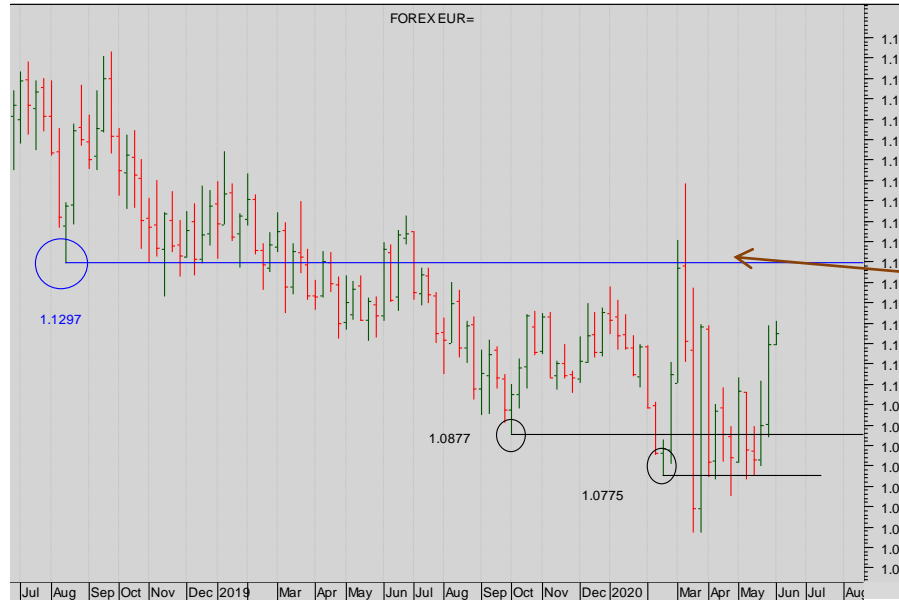
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

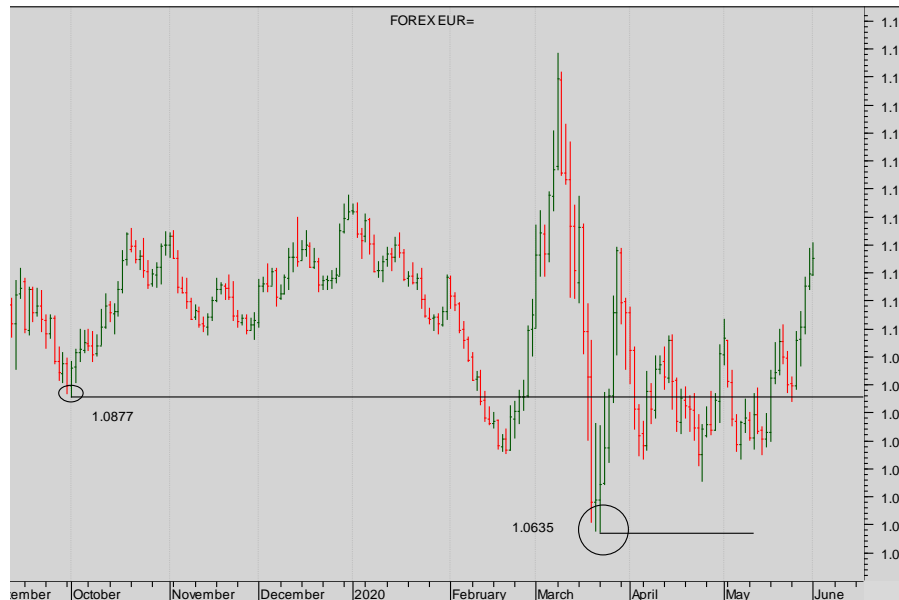
## Currencies: Dollar Euro



### Dollar Euro weekly spot cash chart

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...

The Dollar has weakened over the last few days.

these wild gyrations suggest a good support beneath the market at 1.08...



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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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### Bonds

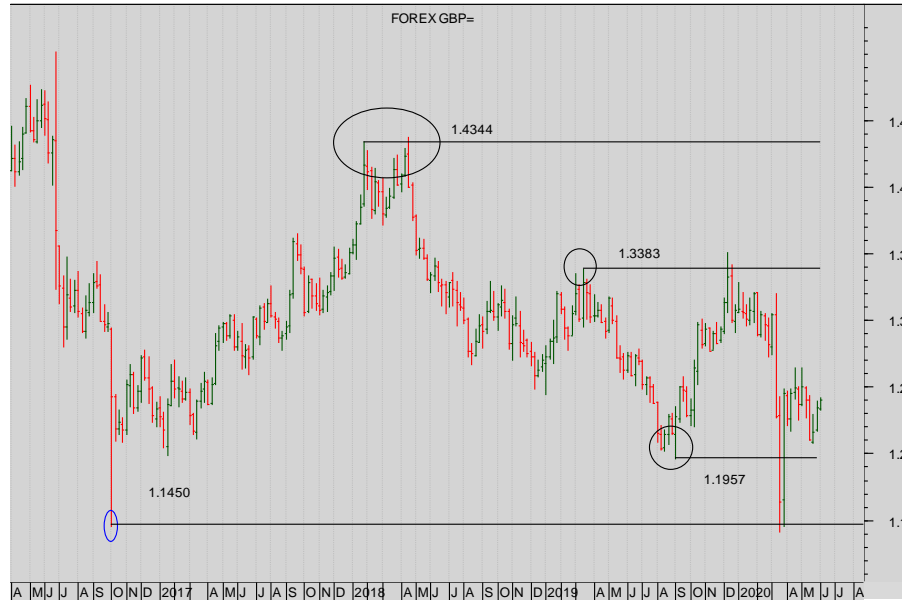
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

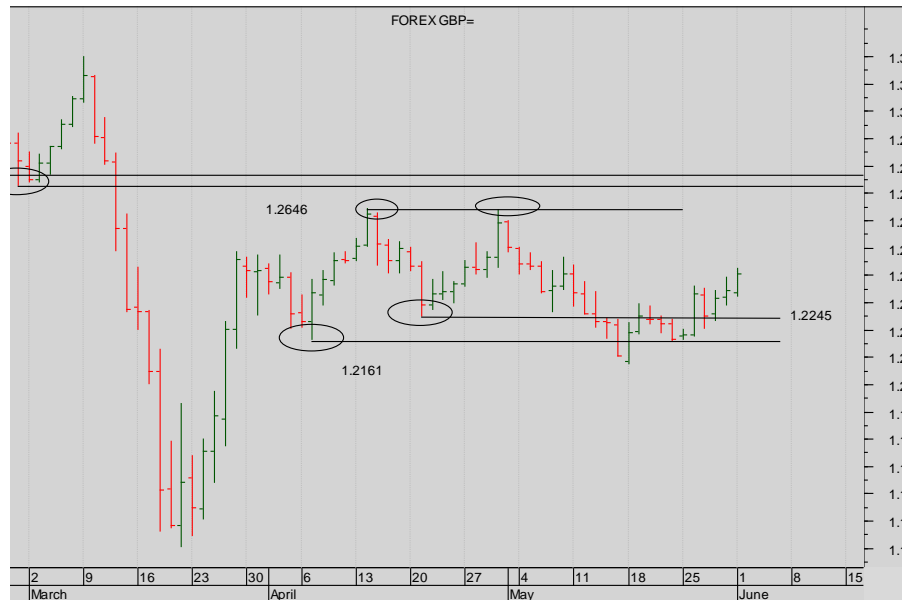
## IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling



## Dollar Sterling weekly spot cash chart

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



## Dollar Sterling daily spot cash chart

There is short-term support evident at the band from Prior Lows 1.2161- 1.2245



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- + Nikkei 225

### Bonds

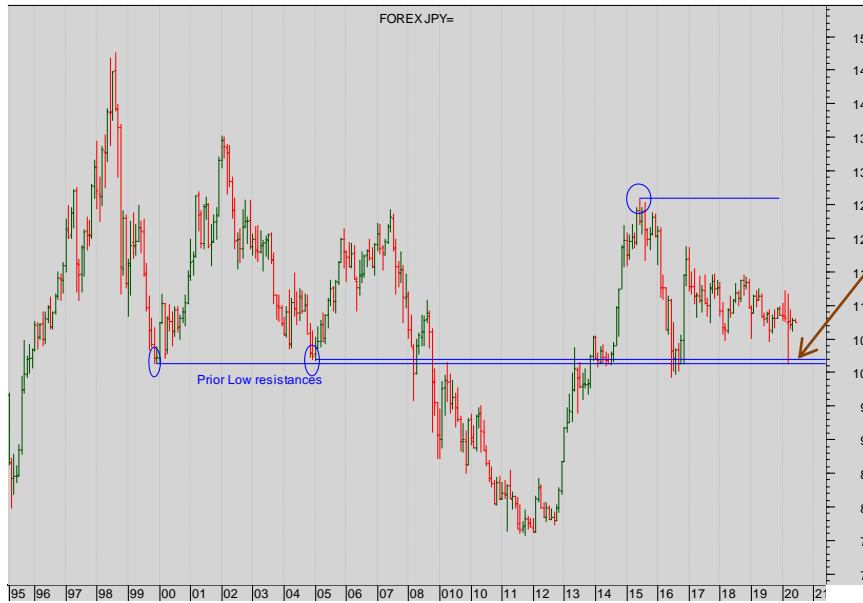
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

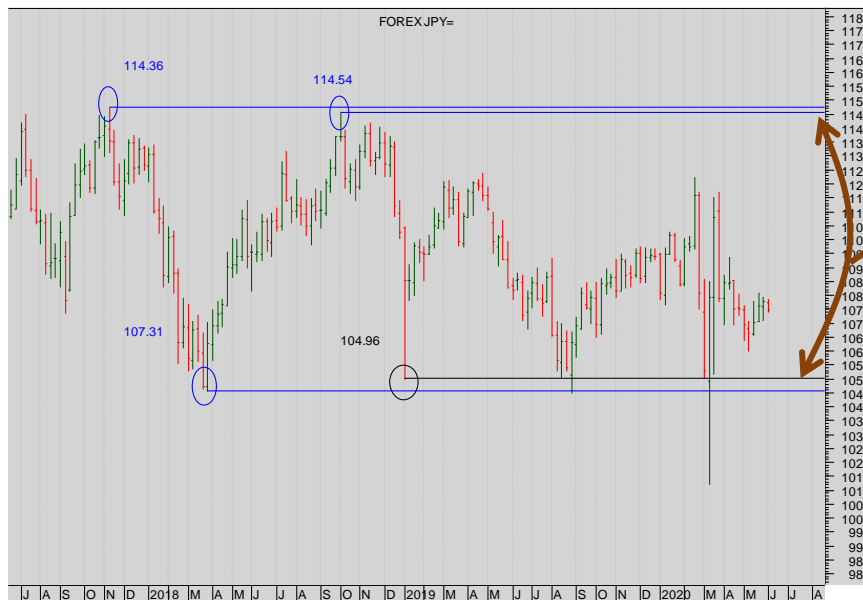
## Currencies: Dollar Yen



### Dollar Yen monthly spot cash chart

Note the 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



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### Bonds

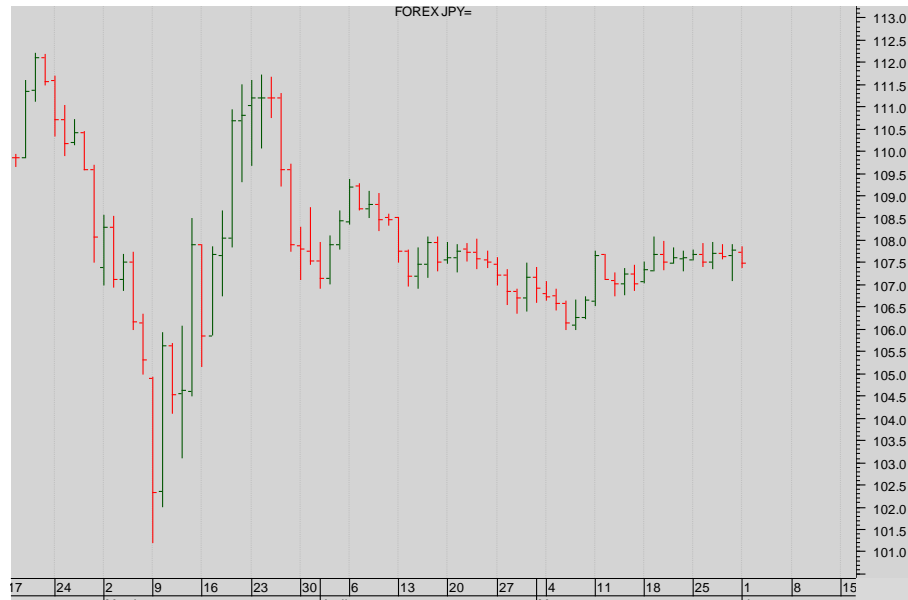
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

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## Currencies: Dollar Yen



## Dollar Yen daily spot cash chart

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





## Currencies: Sterling Euro

### Summary

### Currencies

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

### Stocks

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

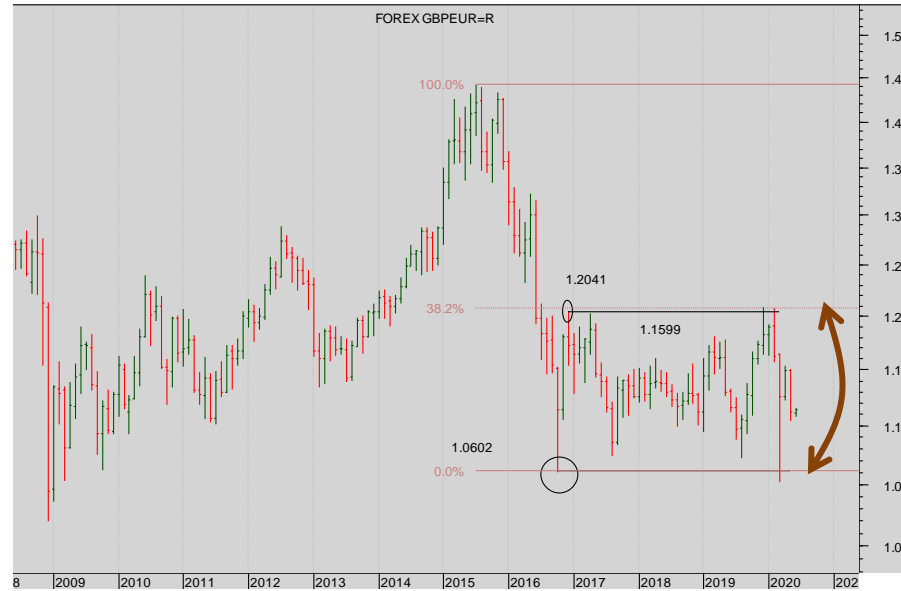
### Bonds

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

### Commodities

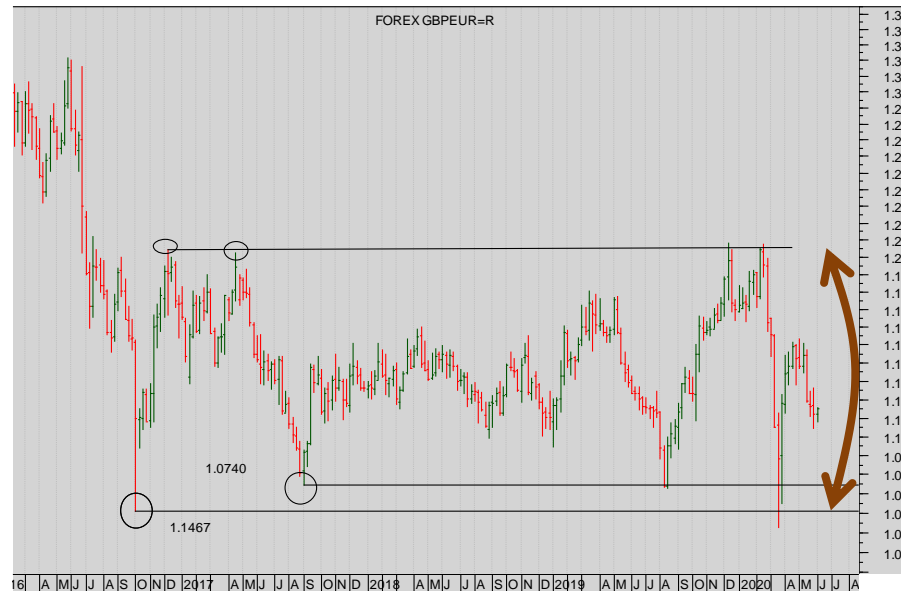
- + Oil
- + Gold

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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

### Summary

### Currencies

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

### Stocks

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

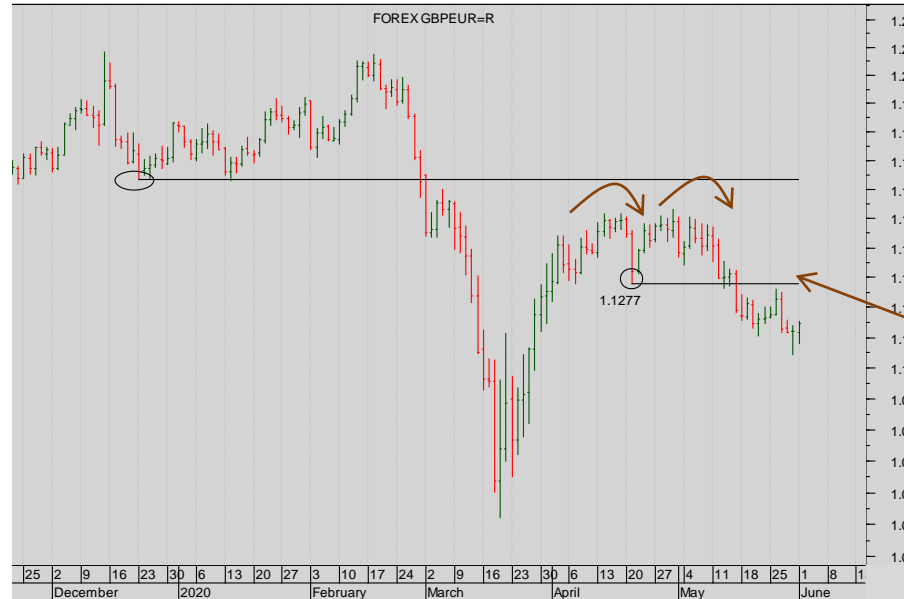
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



### Sterling Euro daily spot cash chart

The 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.



## Stocks

### STOCKS:

The US could still go higher under the influence of a clear bull pattern. But the other markets are clearly being dragged better- the Eurostoxx is amongst a succession of resistances, the FTSE running up against good overhead resistance .... As is the Nikkei.

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#### Commodities

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- + Gold

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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

### Summary

### Currencies

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- + Sterling Euro

### Stocks

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

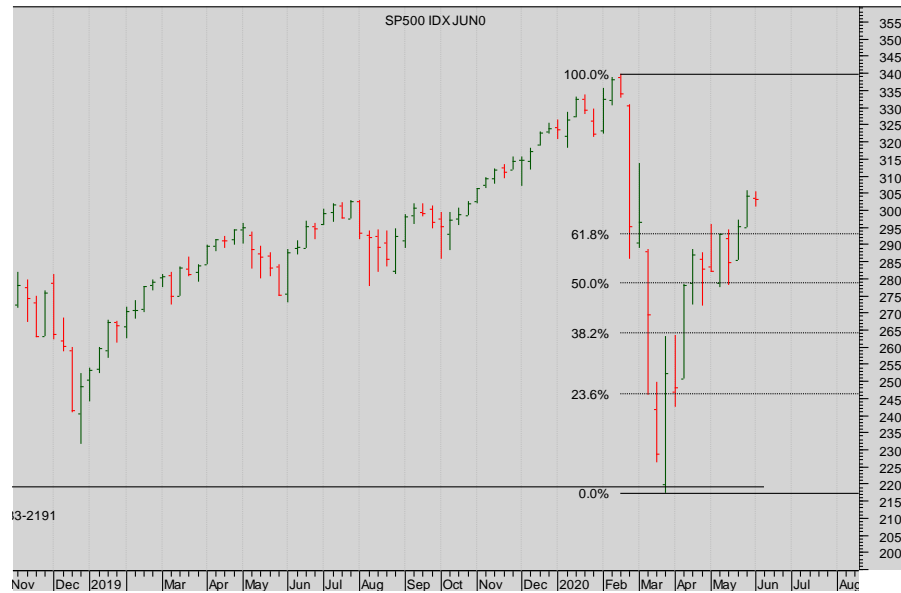
### Bonds

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

### Commodities

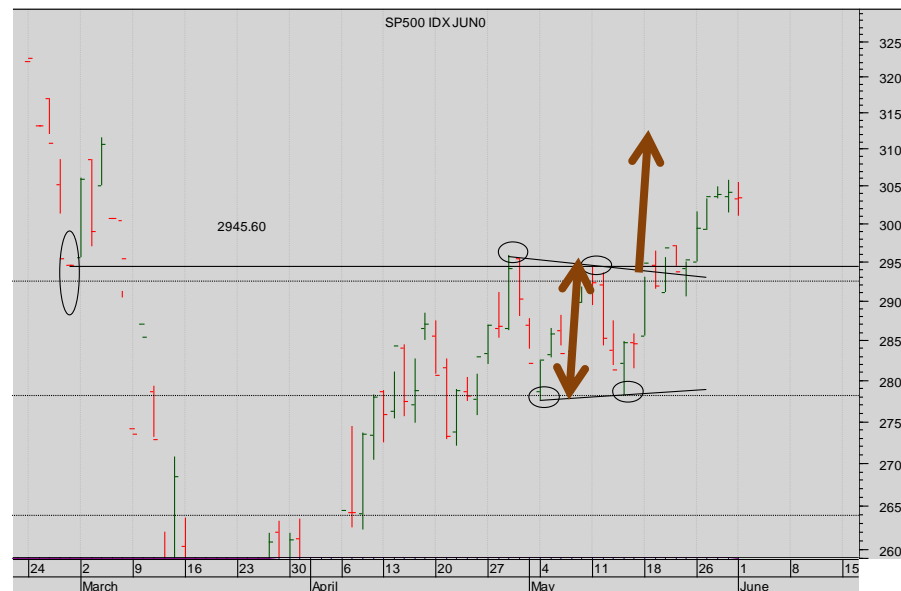
- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



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

The 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 3125...**

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

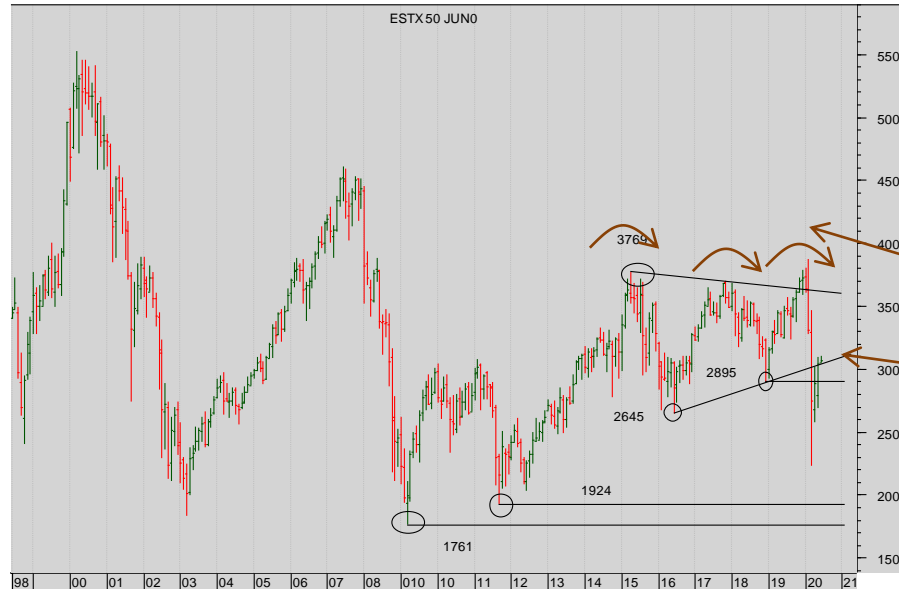
### Bonds

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

### Commodities

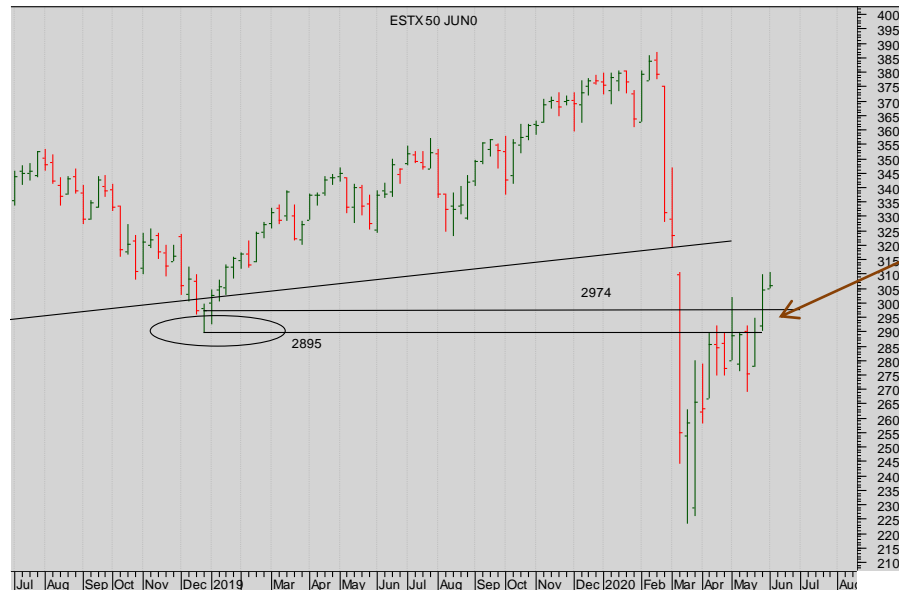
- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



### Eurex EuroStoxx 50 monthly continuation futures chart

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 smashed resistance at the **Prior Lows of 2895/2974 ...**

**The market looks set to go higher, look for resistance at the Gap and the underside of the rising diagonal around 3250...**

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## Stocks: Eurex EuroStoxx 50

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- + Dollar Euro
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- + Sterling Euro

### Stocks

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

### Bonds

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- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Eurex EuroStoxx 50 daily Dec 19 futures chart

Note the broken Fibonacci retracement resistance (the market has broken up through the 38.3%) – and there was almost a day Key Reversal .....

The market looks set to go higher.



## Stocks: Liffe FTSE 100

### Summary

### Currencies

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

### Stocks

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

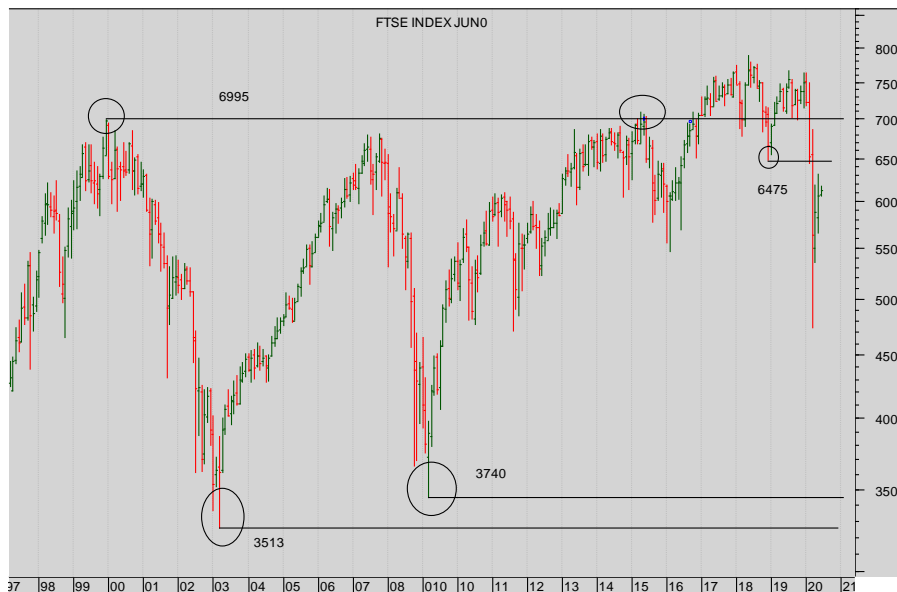
### Bonds

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

### Commodities

- + Oil
- + Gold

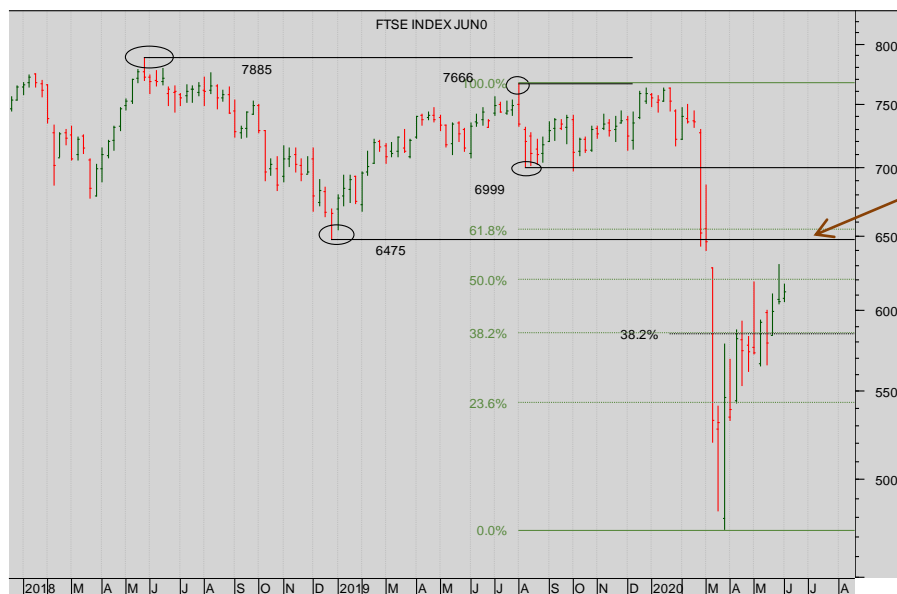
### IMPLIED ASSET ALLOCATION



### Liffe FTSE 100 Monthly continuation futures chart

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 reluctance to break the 50% retracement resistance...

More



## Stocks: Liffe FTSE 100

### Summary

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- + Dollar Euro
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### Stocks

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

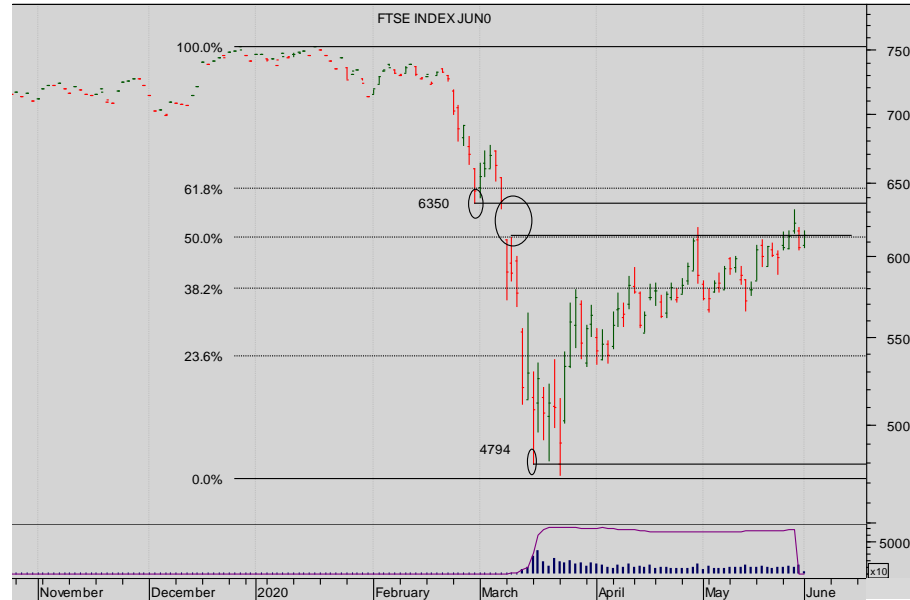
### Bonds

- + Ten Year US TNote
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### Commodities

- + Oil
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IMPLIED ASSET ALLOCATION



## Liffe FTSE 100 Mar 20 daily futures chart

The re-test of

1. the Gap resistance and
2. 50% fib resistance
3. Prior High resistance

needs closely watching.





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### Commodities

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- + Gold

### IMPLIED ASSET ALLOCATION

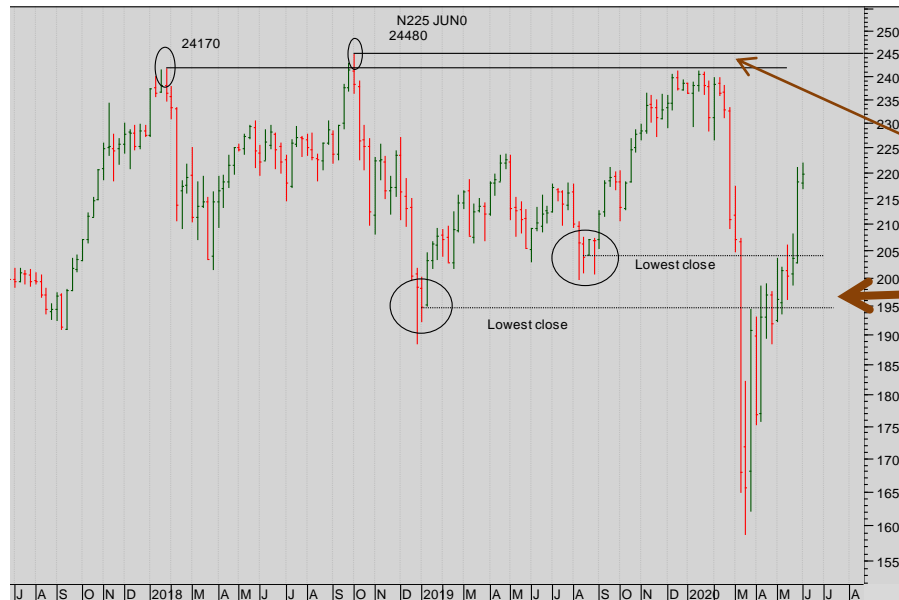
## Stocks: OSE Nikkei 225



### 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)

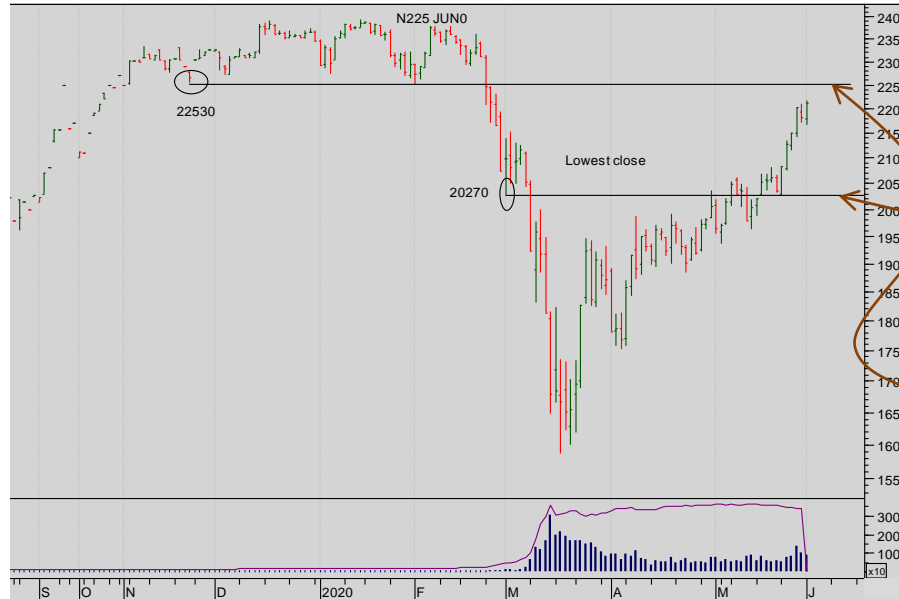
The triple failure of the market at the 24500 level was worrying.

Note the positive price action pushing up through the band of resistance.

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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.

Next resistance up at 22530

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## Bonds

### BONDS:

The long-term bullishness of the bond markets is not in doubt. But the three month stagnation of these markets has led to some drifting and incoherence in the US TNotes and Bunds. The UK Gilt remains well-set and bullish.

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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.

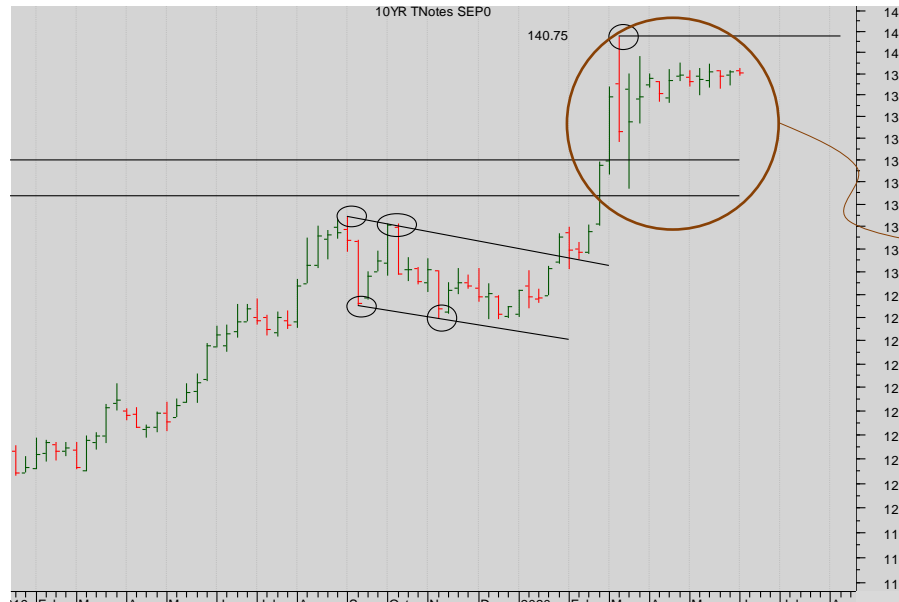
There is now powerful support beneath the market at 133/4.

The market looks set for the next bull leg.

More

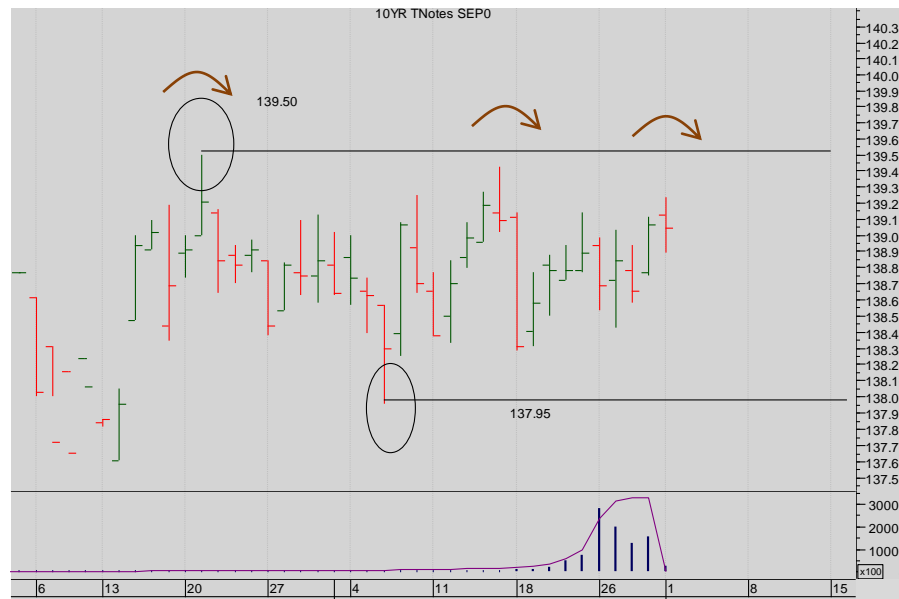


## Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes weekly futures continuation chart

Note the consolidation



CBOT Ten Year Notes daily JUN 20 futures chart

The triple testing of 139.50 ...

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### IMPLIED ASSET ALLOCATION

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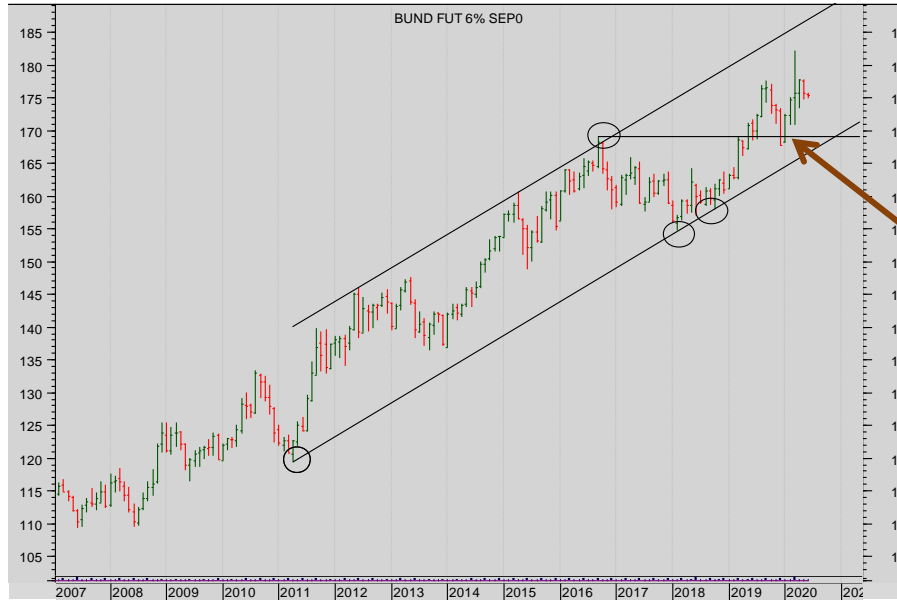
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### IMPLIED ASSET ALLOCATION

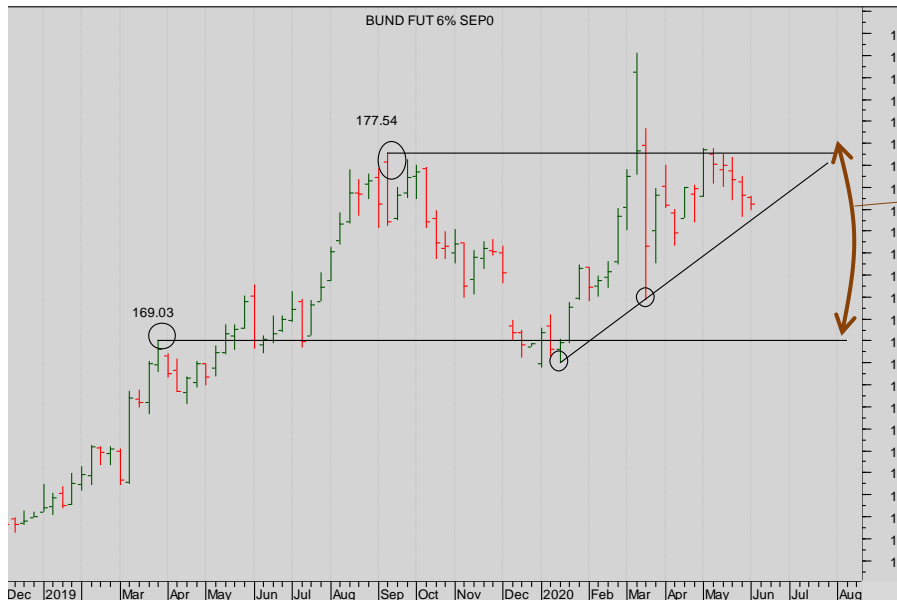
## Bonds: Eurex Ten Year Bund



### Eurex Ten Year Bund monthly futures continuation chart

The closes have not yet established a convincing reversal case.

The support at 169.03 is important and so far has held.



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

For the moment the range is intact

169.03 remains good support on the pull-back.

More



## Bonds: Eurex Ten Year Bund

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### 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 177 Prior Highs.

Note the broken well-established diagonal support.



# Bonds: Liffe UK Gilt futures

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## Bonds

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- + Ten Year German Bund
- + UK Gilt

## Commodities

- + Oil
- + Gold

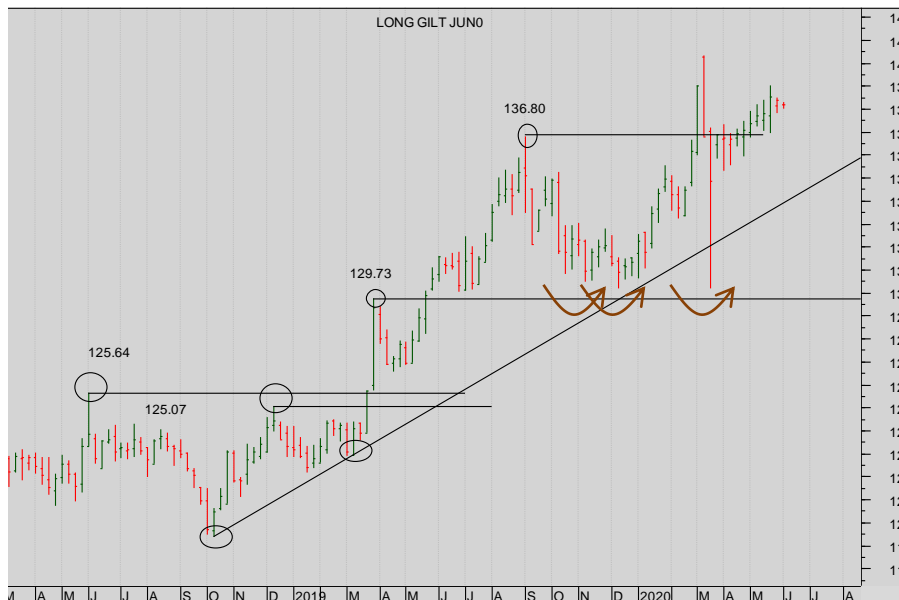
## IMPLIED ASSET ALLOCATION



## Liffe UK Gilt monthly futures continuation chart

The 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 looks sustainable this time...





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IMPLIED ASSET ALLOCATION

## Bonds: Liffe UK Gilt futures



## Long Gilt daily Jun 20 chart

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

The bulls are in charge.





## Commodity

### COMMODITIES:

Oil is approaching resistance around \$40. Gold remains well-supported but consolidating sideways.

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#### Bonds

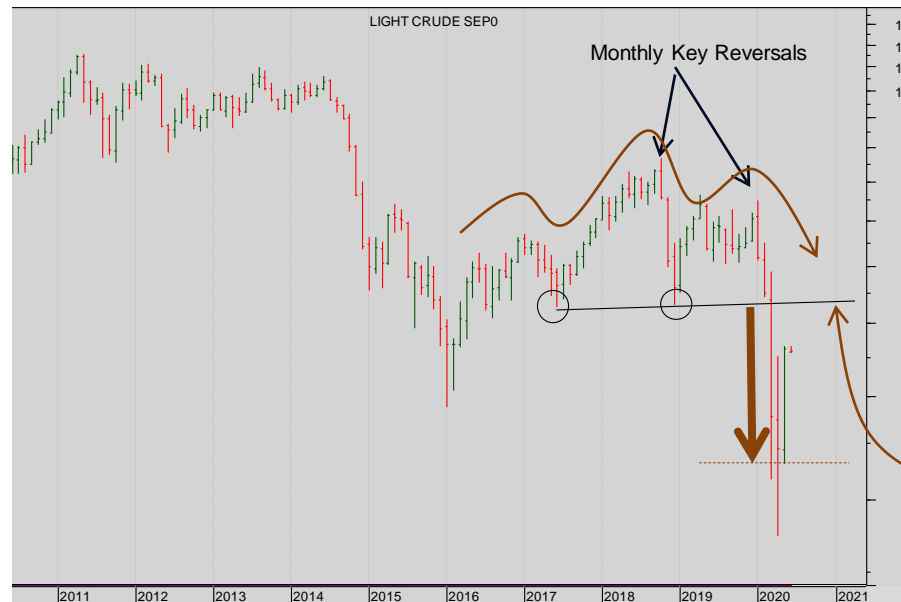
- + Ten Year US TNote
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#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

### Commodities: Nymex WTI Oil



### Nymex oil monthly continuation

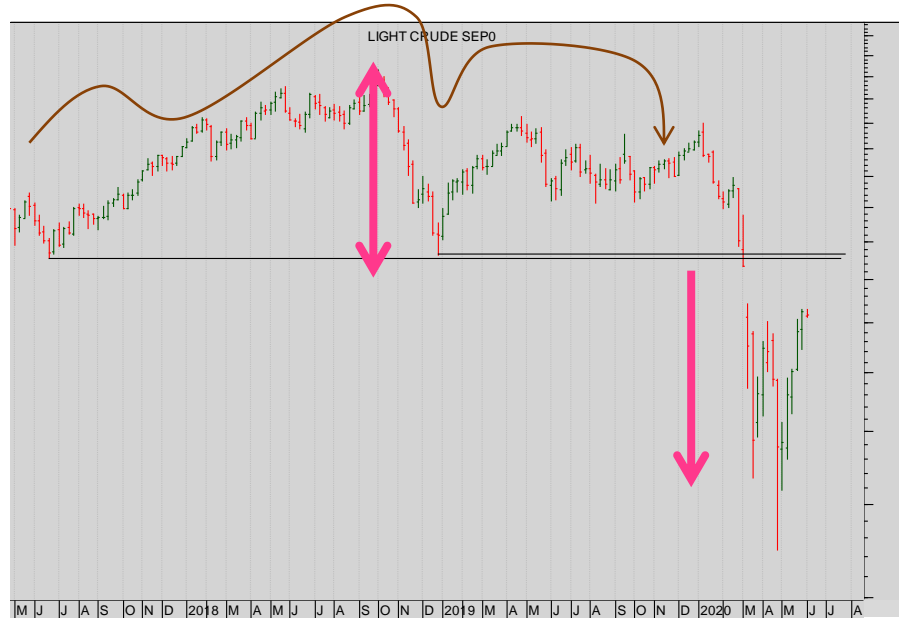
The completion of the H&S reversal achieved the minimum move at great speed.

On the bounce, there will be powerful resistance at the Neckline at \$44 or so.

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## 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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- + FTSE 100
- + Nikkei 225

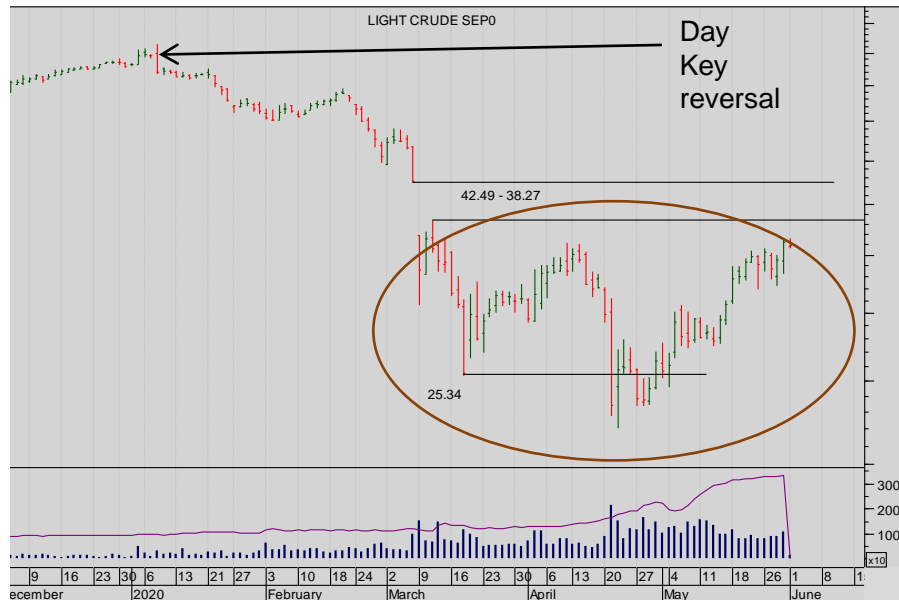
#### Bonds

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

#### Commodities

- + Oil
- + Gold

#### 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.



### 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

## Commodities: Comex Gold



### Nymex Gold Monthly

The bulls are in charge.

Watch for a retest of the Prior Highs.

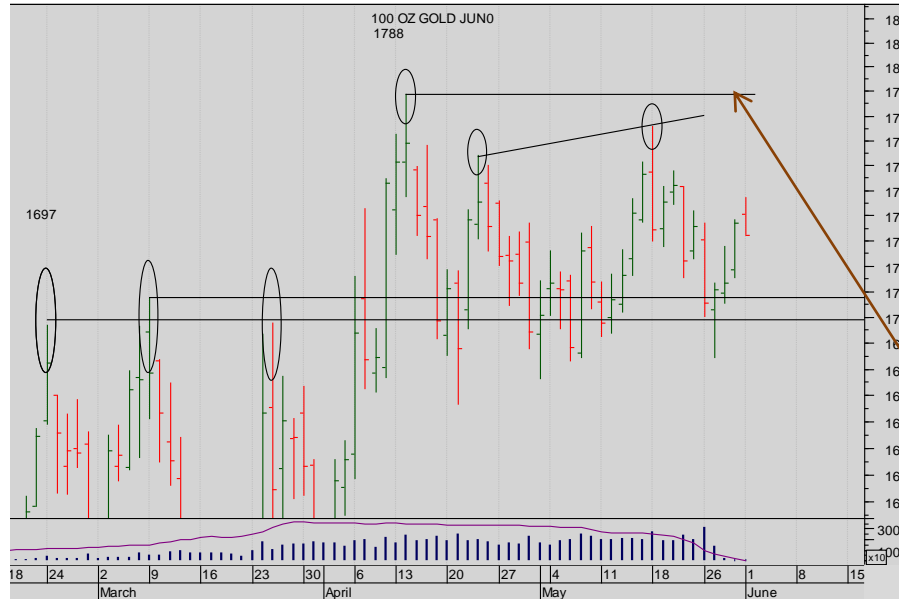


### Nymex Gold weekly

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

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- + Sterling Euro

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IMPLIED ASSET ALLOCATION



# Summary

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## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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### MSCI Balanced Risk Asset Allocation



More



*the technical analyst*

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