



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 30th 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

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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 **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 FLAT
Short-term FLAT
Short-term FLAT

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 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**

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

Well, there's been a three week pause in the Euro's attempt to get stronger – but it may be gathering strength. Sterling, on the other hand, has been unambiguously weaker against the Dollar – so the Euro wins the short-term cross rate battle with Sterling and the chart there suggests there's more to come.

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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.

But the long-term trigger for that is now a break beneath 1.0339.

More



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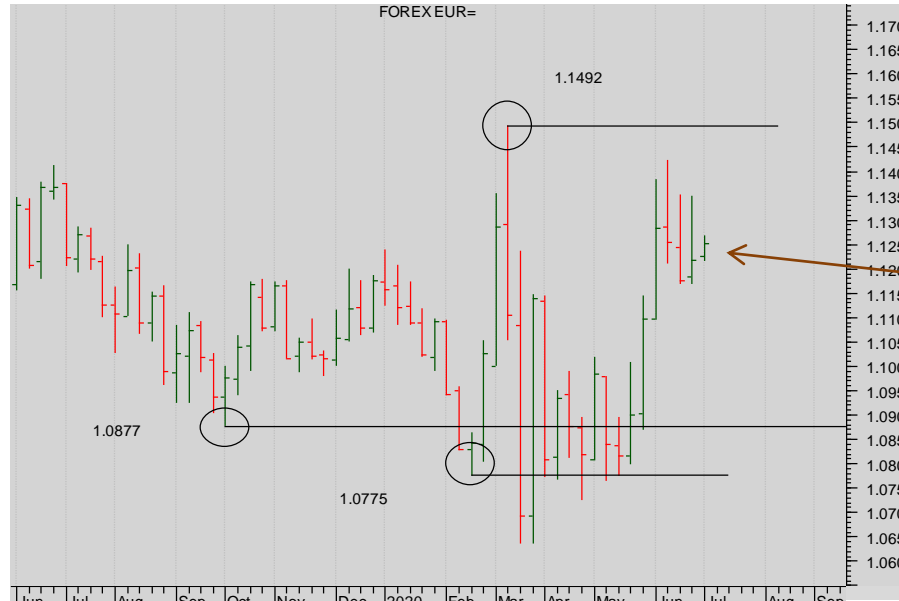
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Commodities

- + Oil
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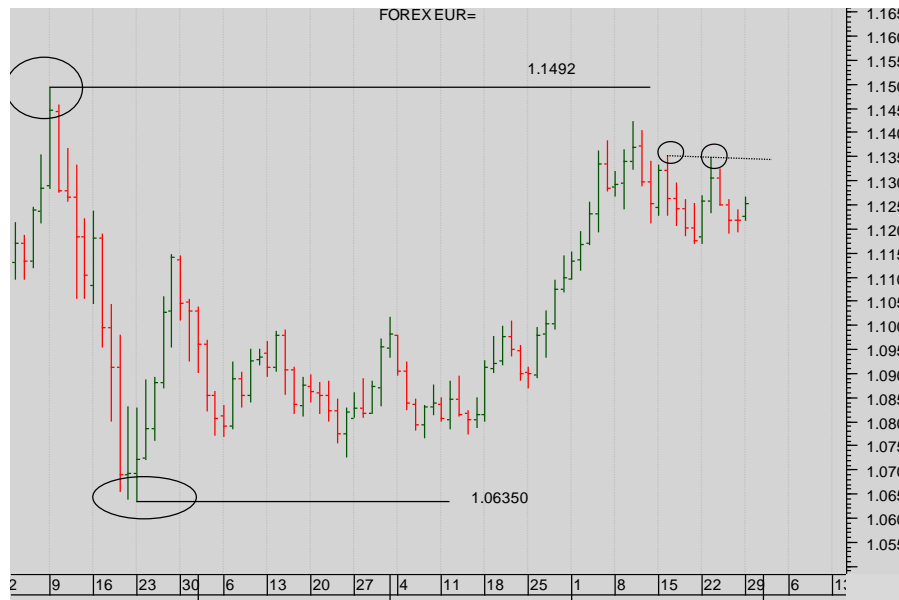
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Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

The sudden weakness of the Dollar that pushed the market back up towards the prior high - is pausing here.



Dollar Euro spot cash chart daily chart...

The Dollar has strengthened over the last week or so - and is that a continuation H&S in the making?



Currencies: Dollar Sterling

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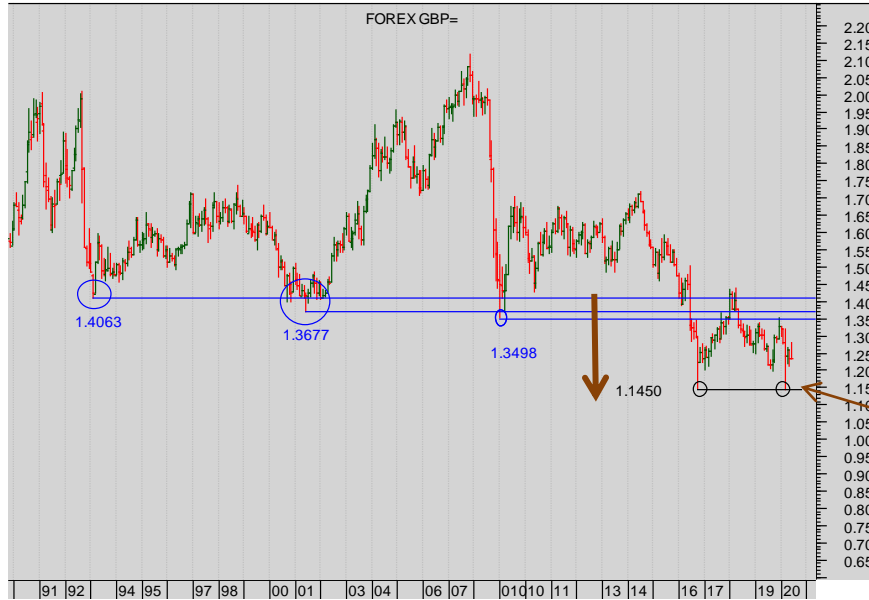
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IMPLIED ASSET ALLOCATION



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.

A break beneath the lower diagonal (around 1.20) 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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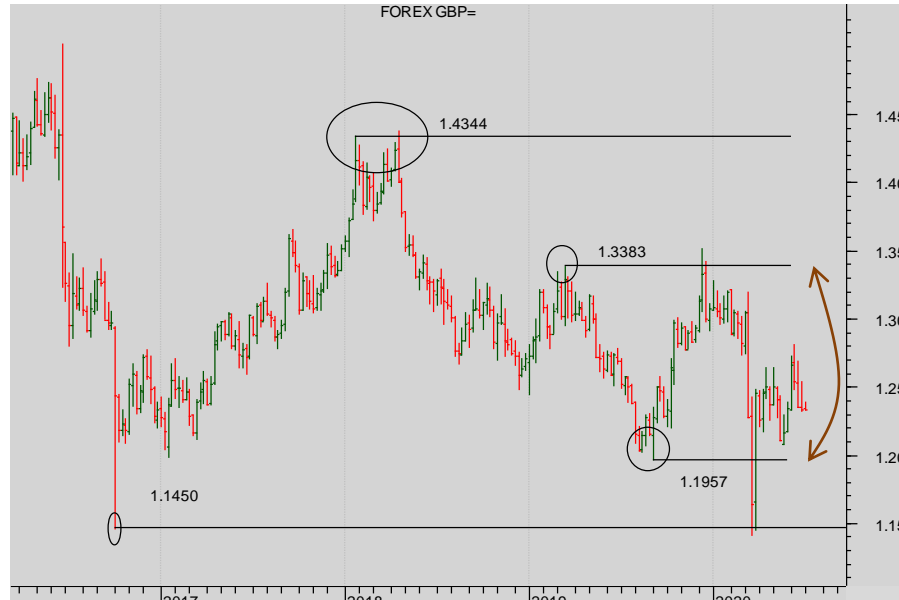
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IMPLIED ASSET ALLOCATION

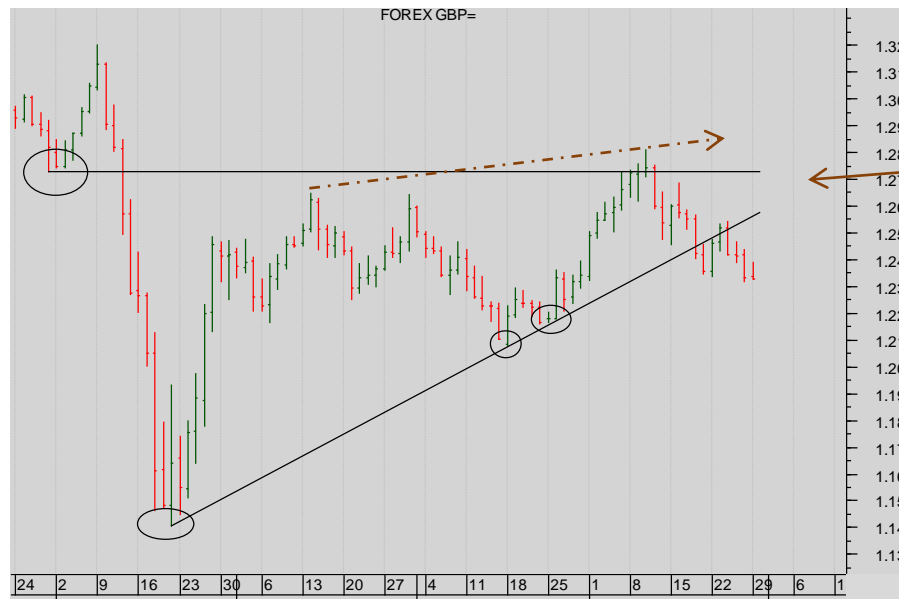
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

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

Note well that the market is in the middle of a wide range.



Dollar Sterling daily spot cash chart

The market's failure at the resistance from the Prior Low at 1.2750 is interesting, as is the breakdown through the rising diagonal... all rather bearish for Sterling.

IS that a bear rising wedge that has just completed?



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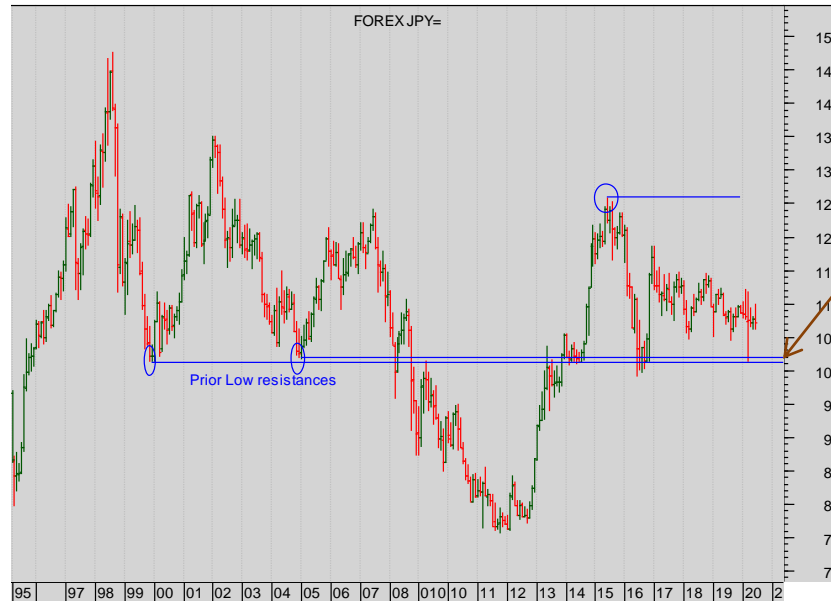
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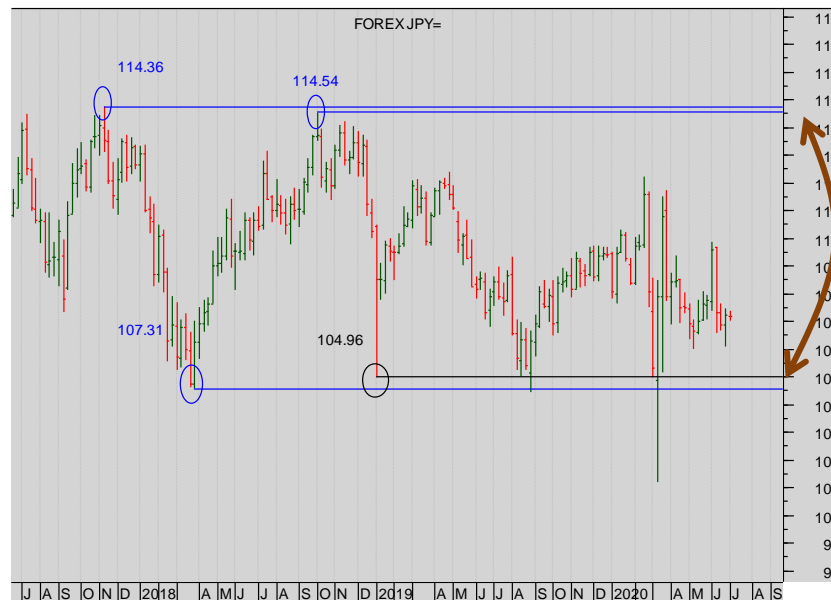
Currencies: Dollar Yen



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

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Dollar Yen daily spot cash chart

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



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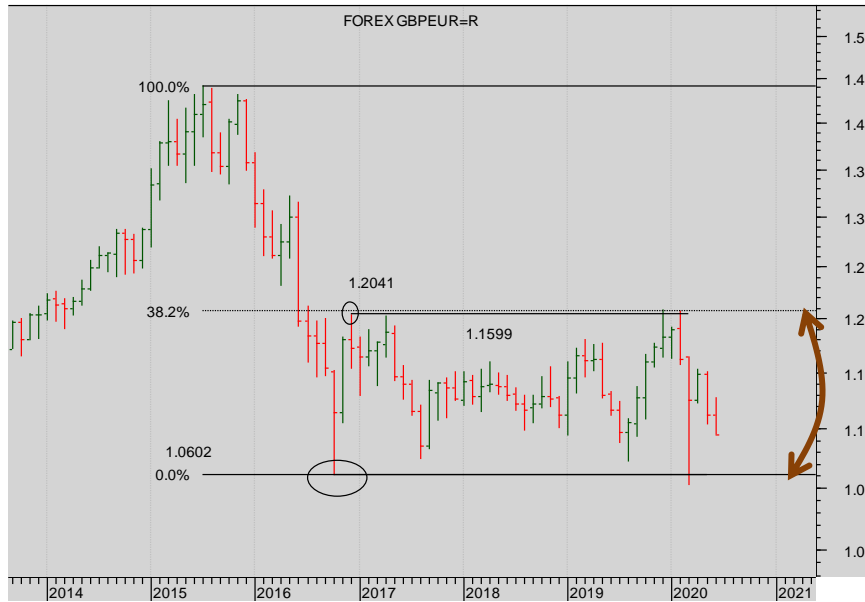
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Commodities

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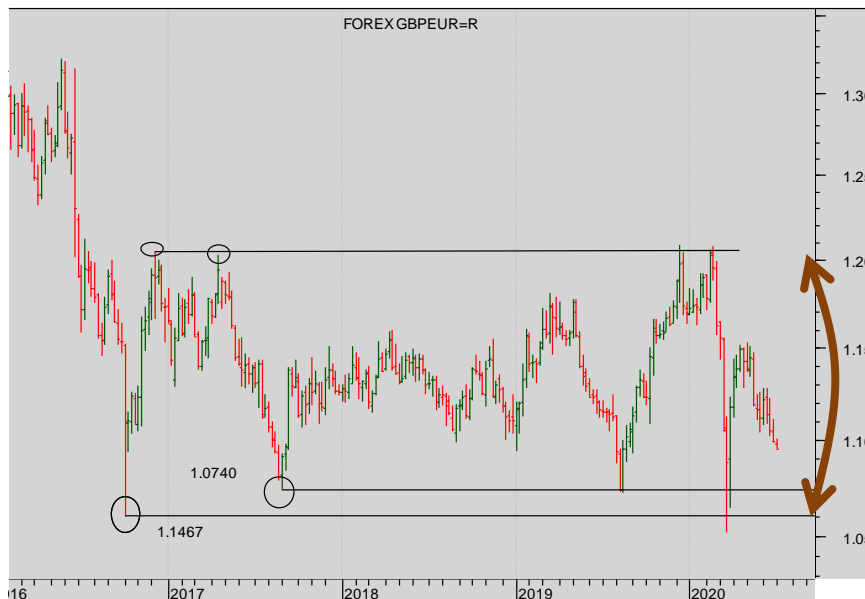
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Currencies: Sterling Euro



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

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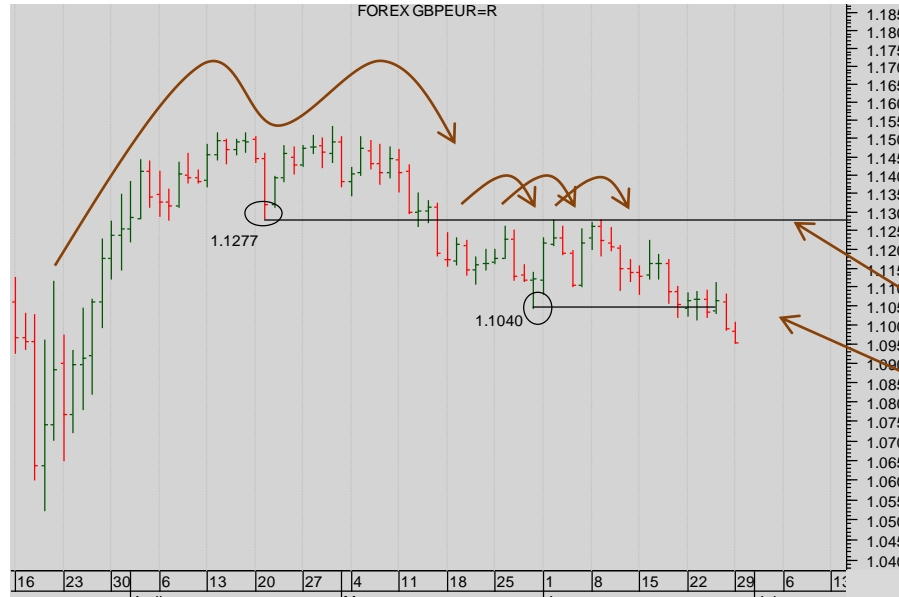
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IMPLIED ASSET ALLOCATION



Sterling Euro daily spot cash chart

The detail: a break of the low at 1.1277 has added to bearish Sterling excitement by completing a small Double Top.

Note that the completion level is now good resistance .

On balance - some pressure on the Sterling to continue : note the break of 1.1040 which is accelerating the bear move of the weakness of Sterling .



Stocks

STOCKS:

The hugely energetic pullbacks in all these markets show no signs yet of topping out – with the exception of FTSE. That market has huge overhead resistance which is casting a shadow and trying to drive it back down. Watch our short-term levels there beneath the market which will trigger more selling if broken. Note above all perhaps, the absolute solidity of the Nikkei.

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Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The bull points are that:

- There is an 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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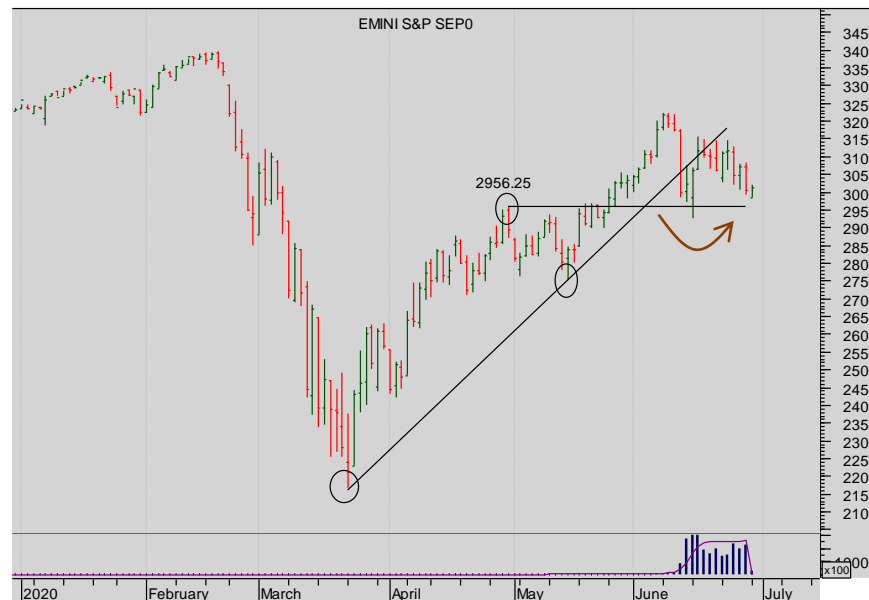
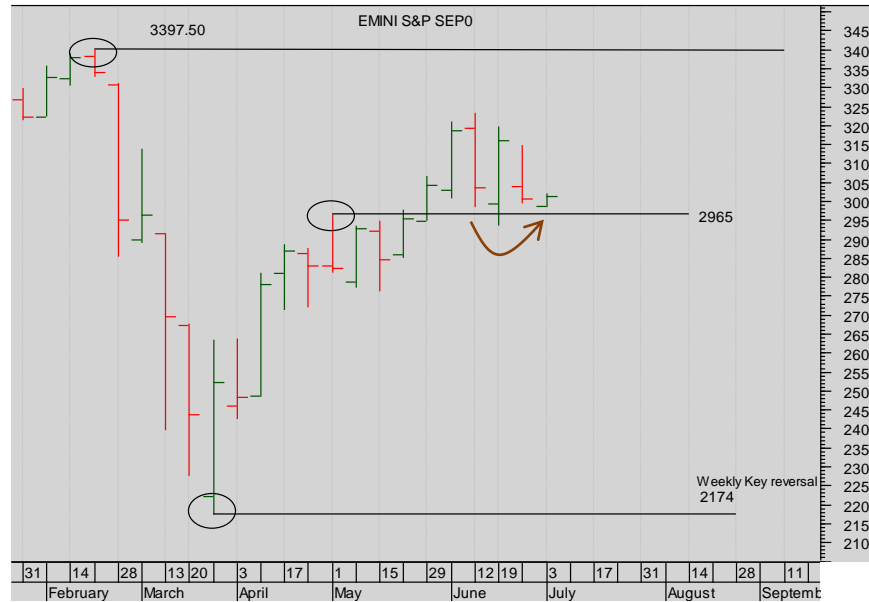
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CME S&P 500 cont. weekly cont. chart

The bull rally – has found brief support at the horizontal from the Prior High at 2965.

CME S&P 500 daily SEP 2020 chart

The support at 2965 looks good though the market has lost the bull moment from Mid March...

More



Stocks: Eurex EuroStoxx 50

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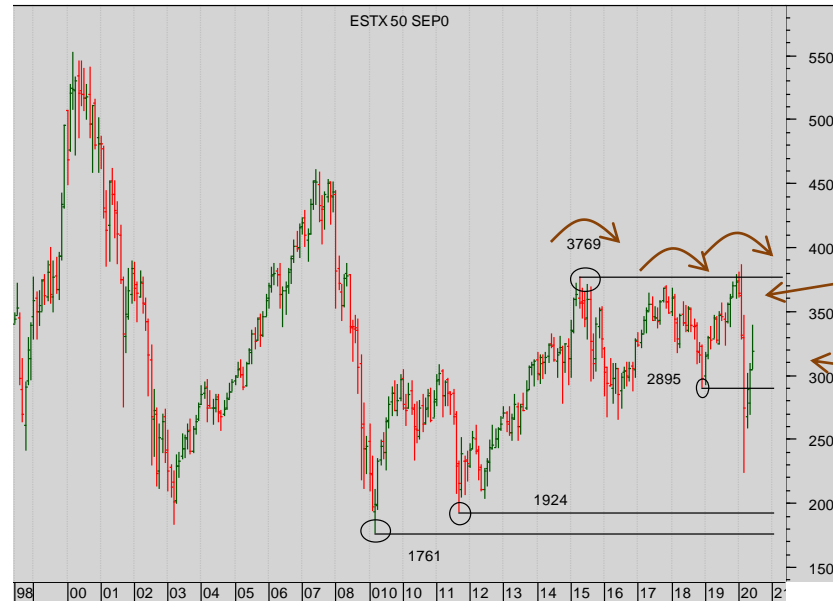
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Commodities

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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 monthly continuation futures chart

1. The triple failure of the market at 3700 bode ill
2. The Monthly Key Reversal of the market boded ill.
3. Yet there was no clear monthly close beneath the Prior Low range of 2645-2895

Are we simply back in a trading range?



Eurex EuroStoxx 50 weekly continuation futures chart

The bounce has been sharp and for the moment there is good support at the Prior High at 3020.

More



Stocks: Eurex EuroStoxx 50

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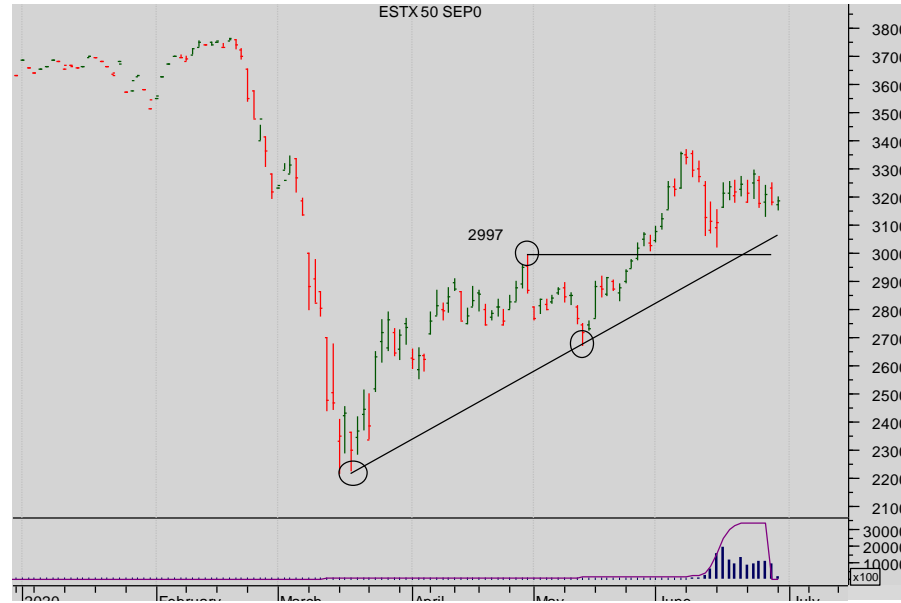
Bonds

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Commodities

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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Dec 19 futures chart

The market looks set to go higher if the support from the Prior High at 2997 (and the rising diagonal) remain intact.



Stocks: Liffe FTSE 100

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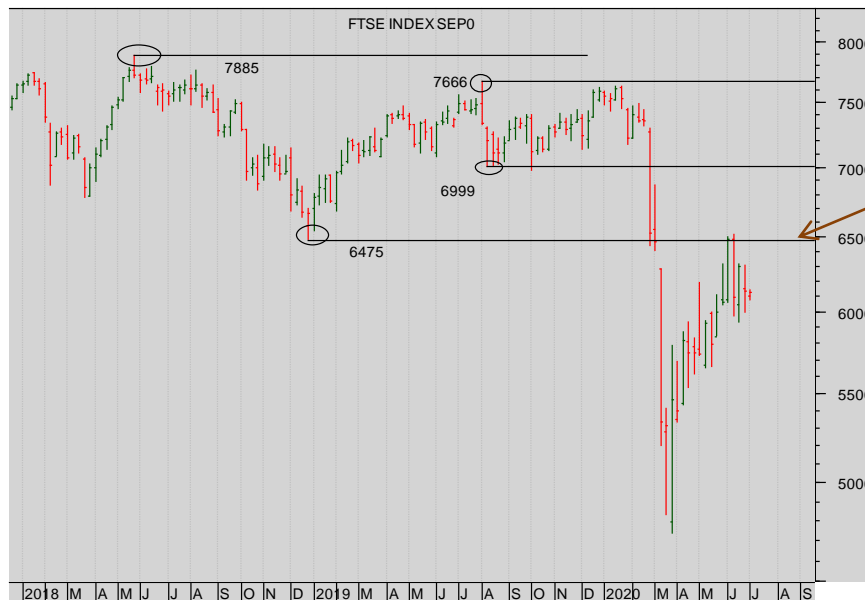
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Liffe FTSE 100 Monthly continuation futures chart

1. 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 at 6475 and very little support.



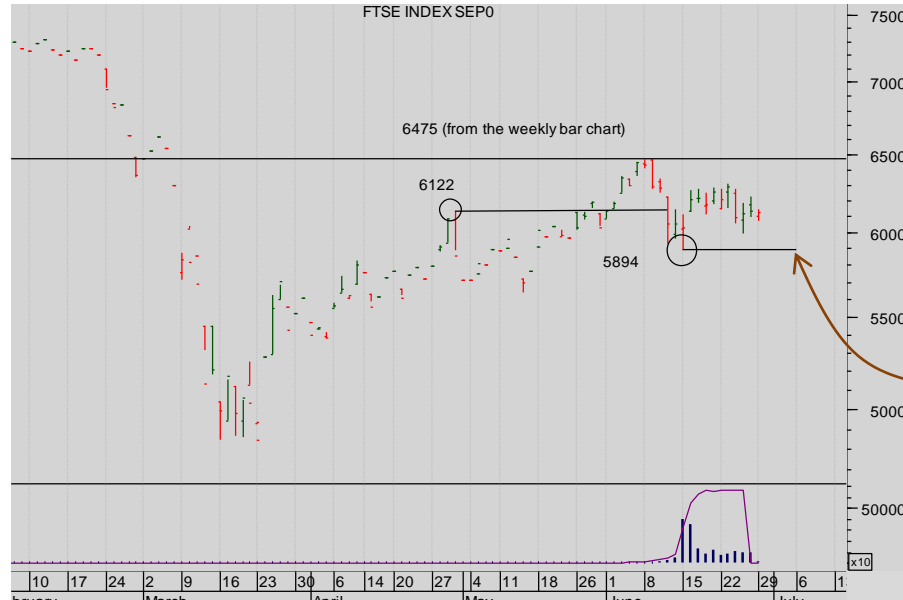
Liffe FTSE 100 Weekly cont. futures chart

The powerful resistance above the market – which so far has held ...

More



Stocks: Liffe FTSE 100



Liffe FTSE 100 Mar 20 daily futures chart

The market has failed at the resistance from the low in the long-term charts, but shows no sign yet of wanting to fall

Watch the 5894 low for signs of breakdown.

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IMPLIED ASSET ALLOCATION



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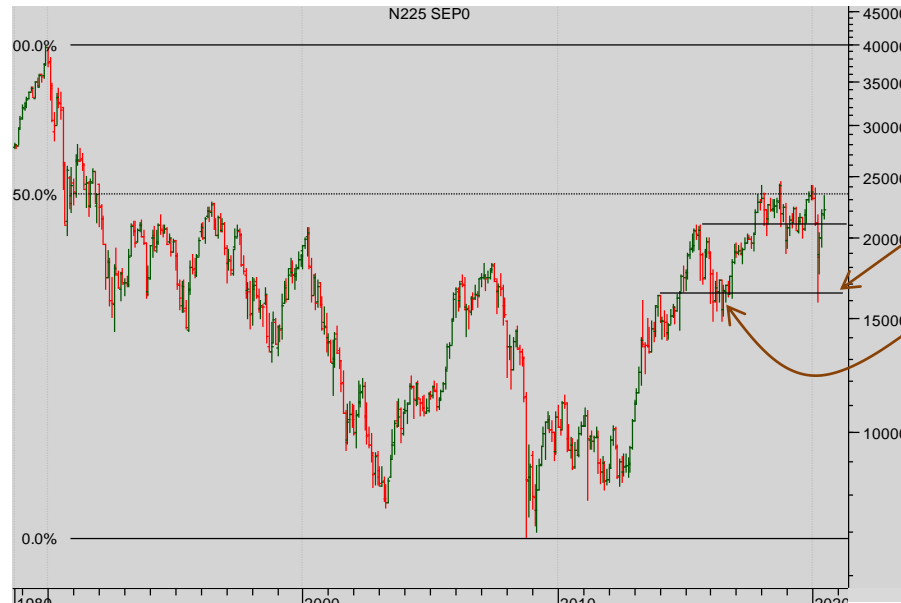
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Commodities

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IMPLIED ASSET ALLOCATION

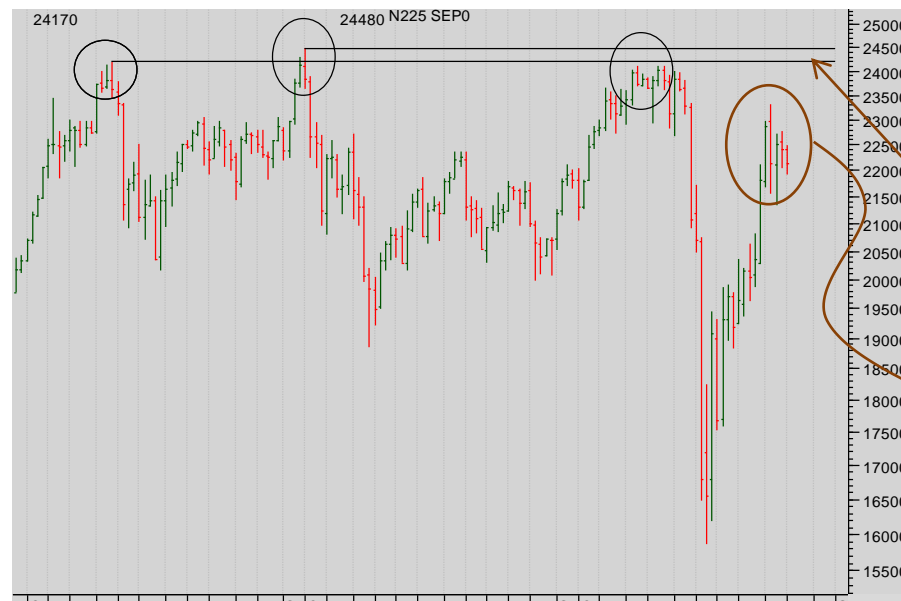
Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

Note the bounce off the major Prior high Support at 16000.

Where the market had bounced before.



Nikkei 225 chart (WEEKLY)

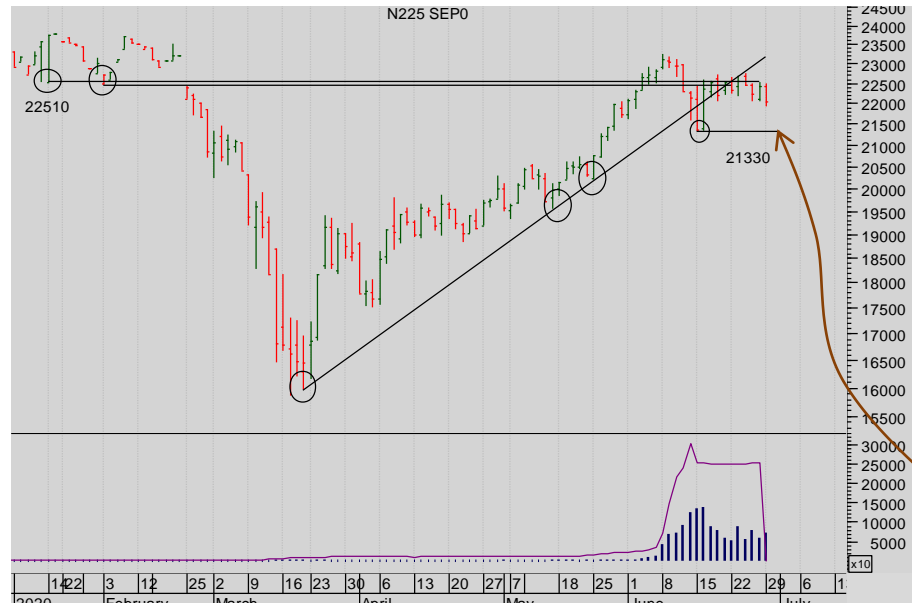
The triple failure of the market at the 24500 level was worrying.

On the bounce from the 16000 support, note the pause at the band of resistance beginning at 22730.

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily March 2020.

This isn't clear. As yet there is no Top formation and the break of the diagonal support (well-established) was not critical.

Stand back.

Bears should watch for a break of 21330

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

Bonds remains perky without, at the moment, being subject to bull influences from completed patterns. So that is bullish. And if the recent highs (the top of the short-term trading range) can be breached another bull leg is in prospect – all around.

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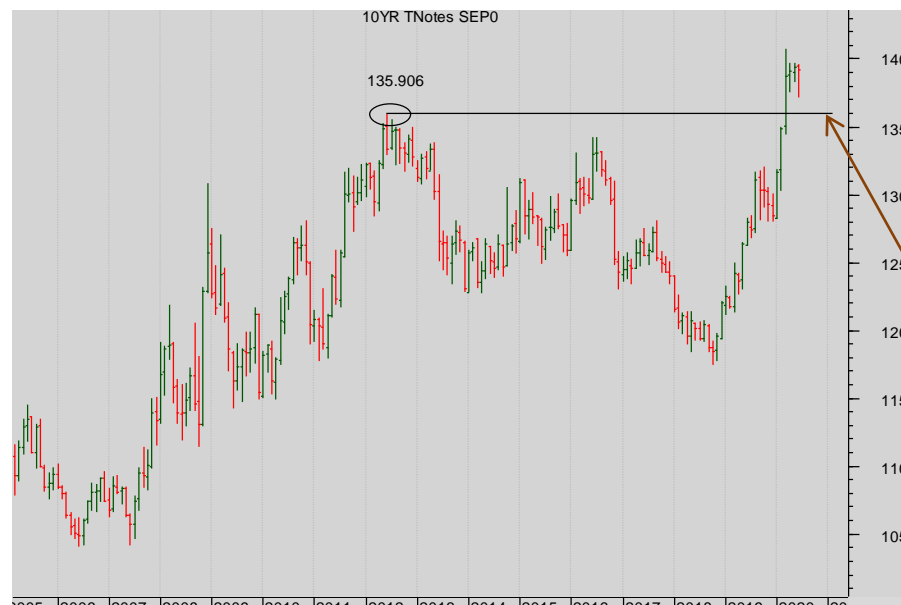
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Commodities

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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 135.90.

The market looks set for the next bull leg.

More



Bonds: CBOT Ten Year Notes

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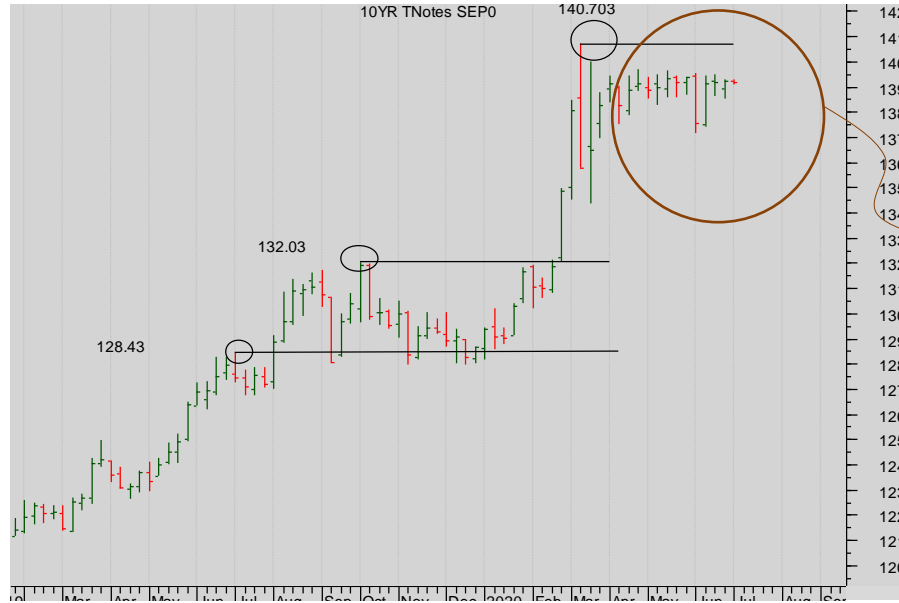
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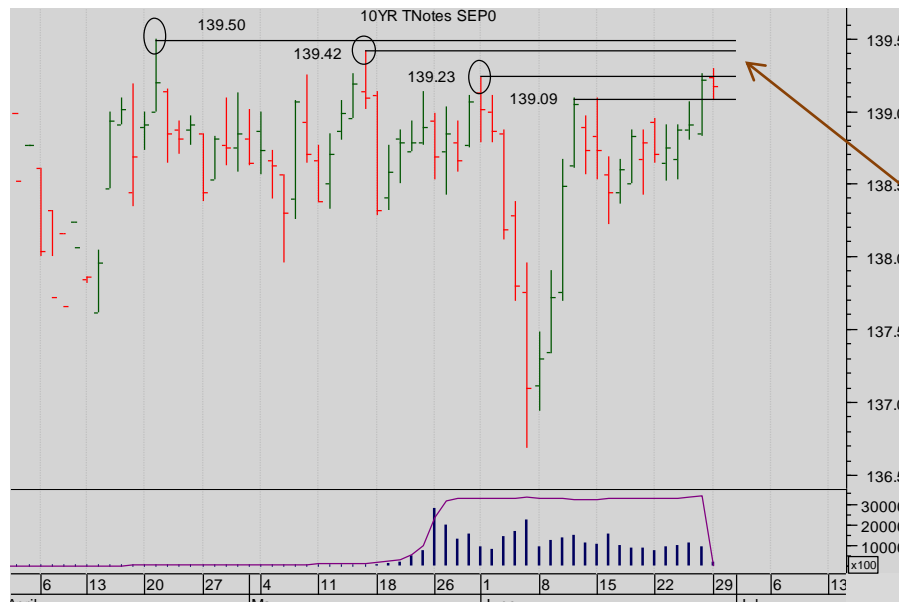
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CBOT Ten Year Notes weekly futures continuation chart

Note the consolidation



CBOT Ten Year Notes daily JUN 20 futures chart

In detail, if the market, can overcome the successive Highs, will be well set.

Watch and wait.





Bonds: Eurex Ten Year Bund

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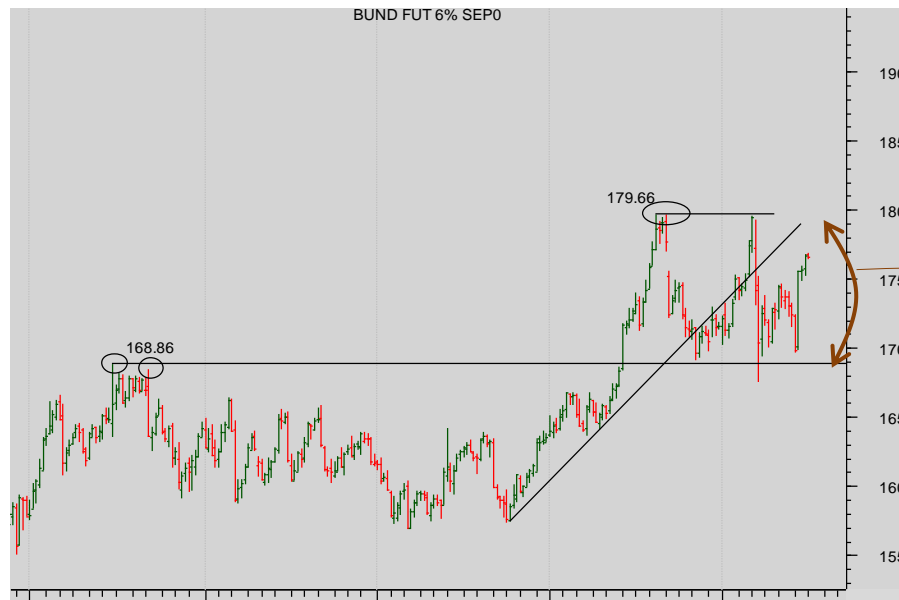
- + Oil
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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund monthly futures continuation chart

The support at 169.03 is important (and so far has held) as the market re-approaches...



Eurex Ten Year Bund weekly cont. futures Chart

For the moment the range is intact

169.03 remains good support on the pull-back.





Bonds: Eurex Ten Year Bund

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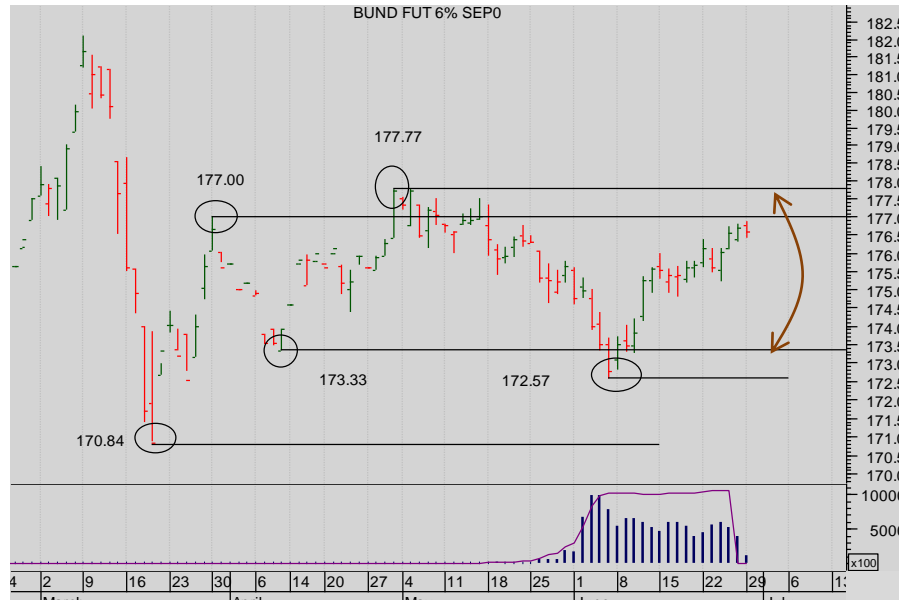
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Eurex Ten Year Bund JUN 2020 Daily futures chart

Short-term, the bulls and bears will have been disappointed.

Stand back.



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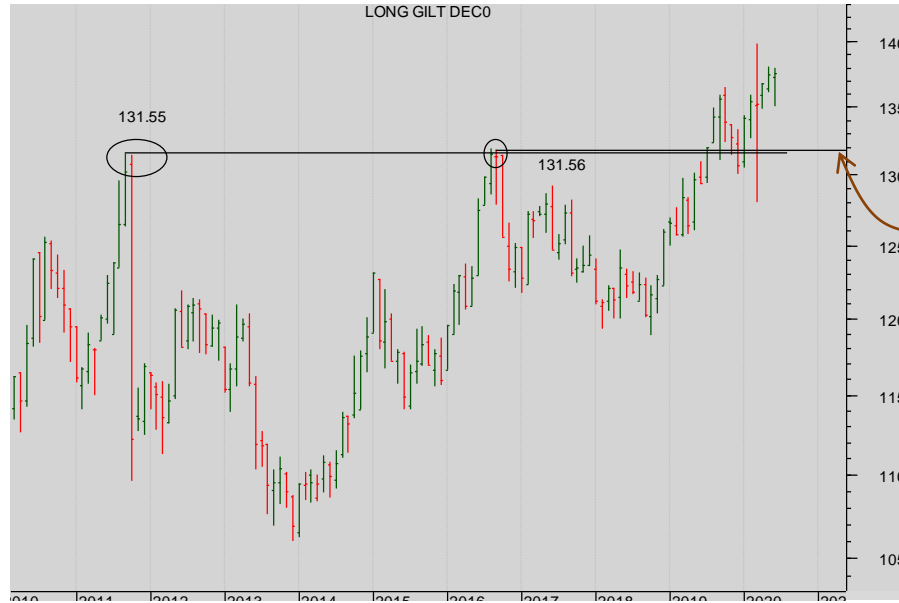
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IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



Liffe UK Gilt monthly futures continuation chart

The market has bounced off the Prior Highs 131.55/131.56 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 136.52 looks more sustainable this time...

More



Bonds: Liffe UK Gilt futures

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Long Gilt daily Sep 20 chart

Watch for signs of a third failure or indeed a break up above 138.02.



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IMPLIED ASSET ALLOCATION

Commodity

COMMODITIES:

Oil is fascinatingly poised. The rally back to the long-term chart's Bear H&S neckline should be a level of great resistance – but the pattern was surely exhausted when it more than reached the minimum target. Nonetheless the market does look exhausted and vulnerable to set-backs...

Gold looks good – subject to the support of a continuation H&S in the day chart, and possibly, potentially, a weekly continuation Triangle. Watch Friday's close carefully!

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.

More



Commodities: Nymex WTI Oil

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IMPLIED ASSET ALLOCATION



Nymex oil weekly continuation

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

There's no bottom formation in place yet.

Nymex oil daily SEP 2020 futures

The market is

- testing the Gap resistance still above the market.
- Is testing the falling diagonal from the recent high.
- Watch carefully whether the price action can get above the Gap and sustained the break of the well-constructed trendline.



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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 new support from the Prior high 1704.30 looks set to hold.



Commodities: Comex Gold



Nymex Gold July 2020 2020 Daily

The small H&S continuation pattern has completed and is set to drive the market higher still.

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



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- + Oil
- + Gold

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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