



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 7th July 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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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:

Little change in the currency markets - though the Euro looks good for a little more short-term strengthening... and Sterling vulnerable to more weakness against the Dollar in Cable.

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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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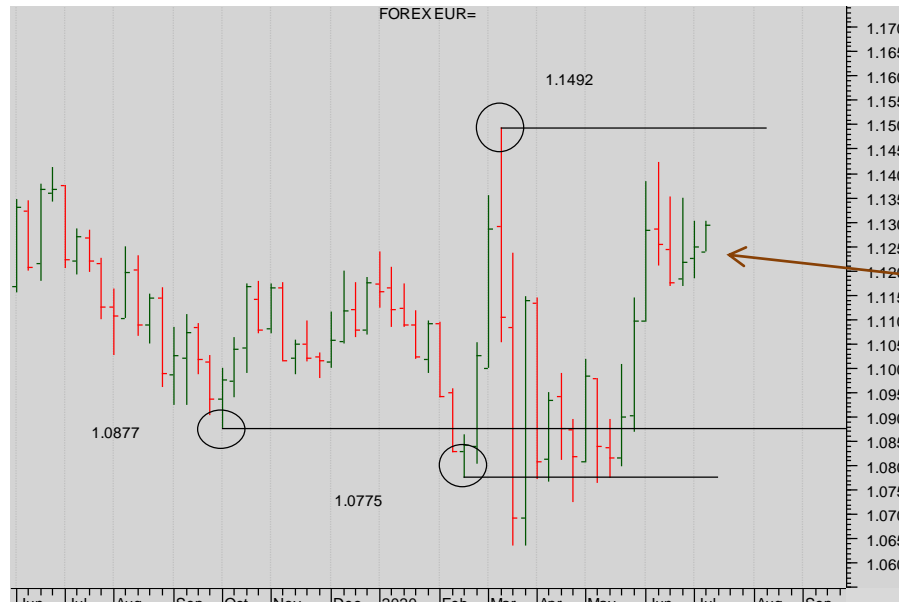
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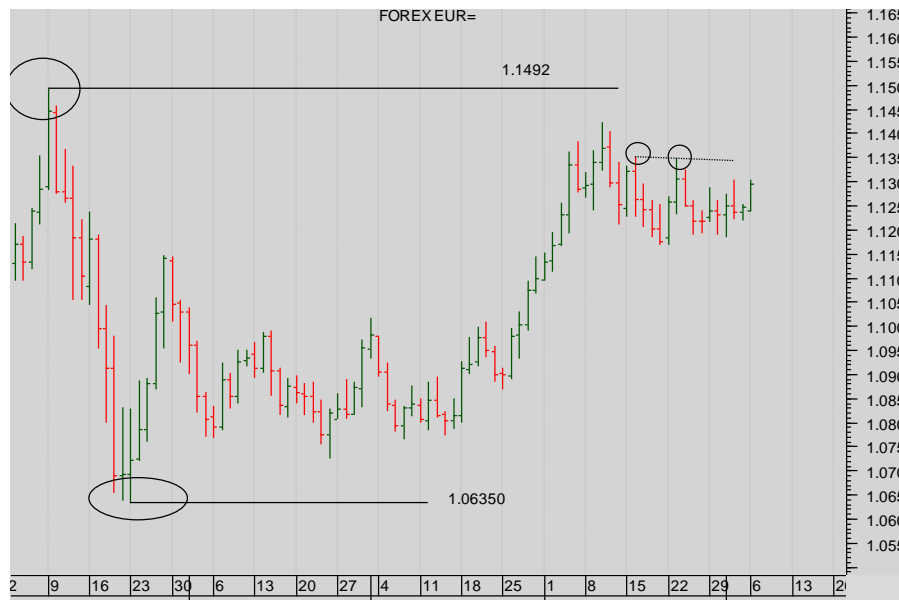
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## Currencies: Dollar Euro



### 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?

Watch the price action around the Neckline.



## Currencies: Dollar Sterling

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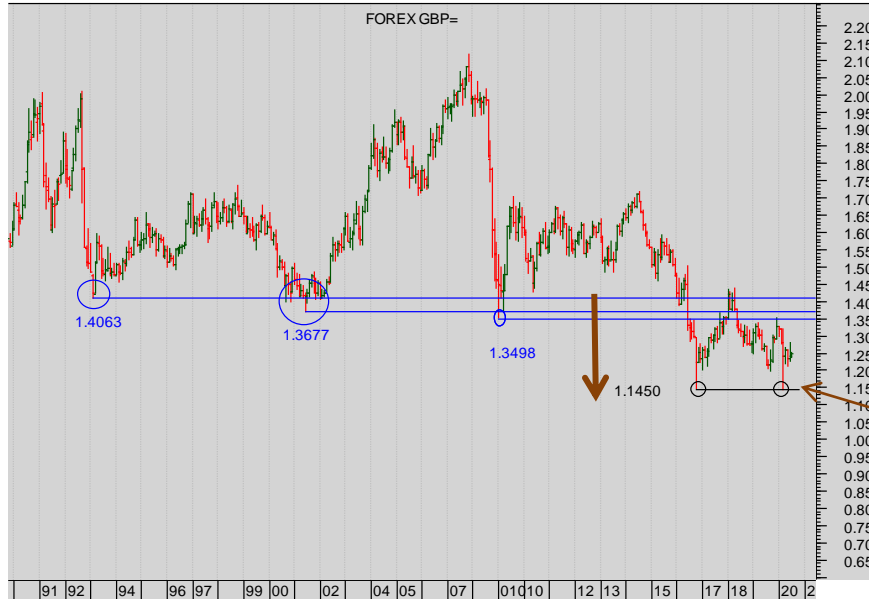
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### Commodities

- + Oil
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### IMPLIED ASSET ALLOCATION

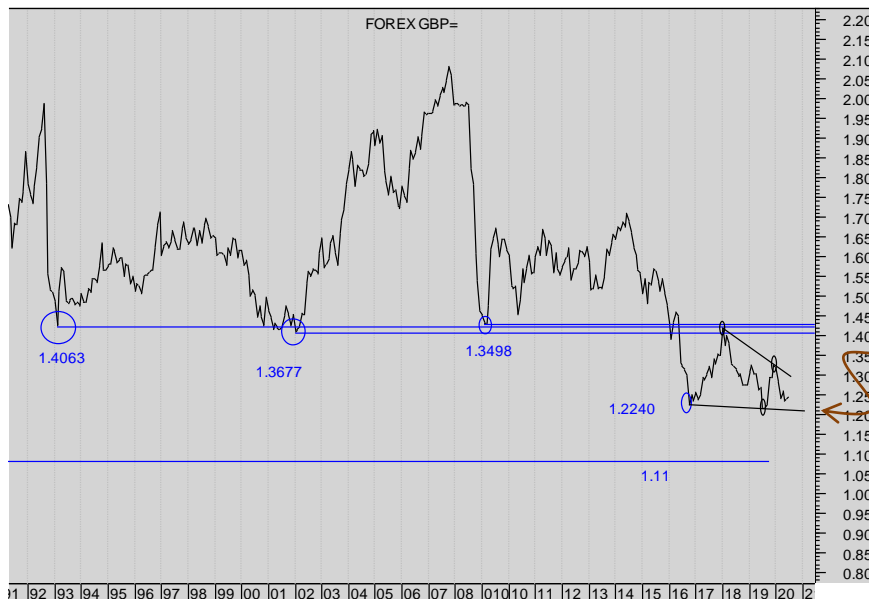


### Dollar Sterling Monthly spot cash chart

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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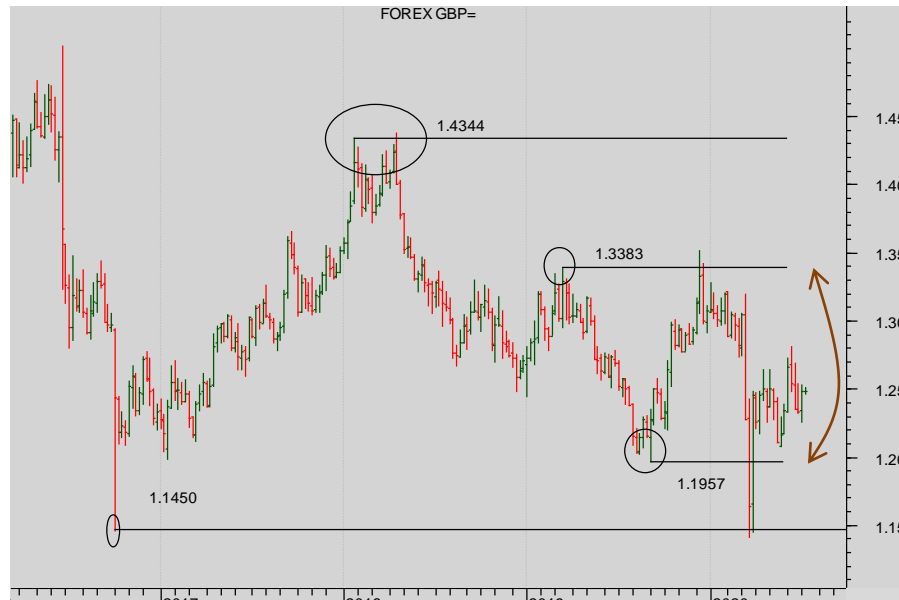
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### Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

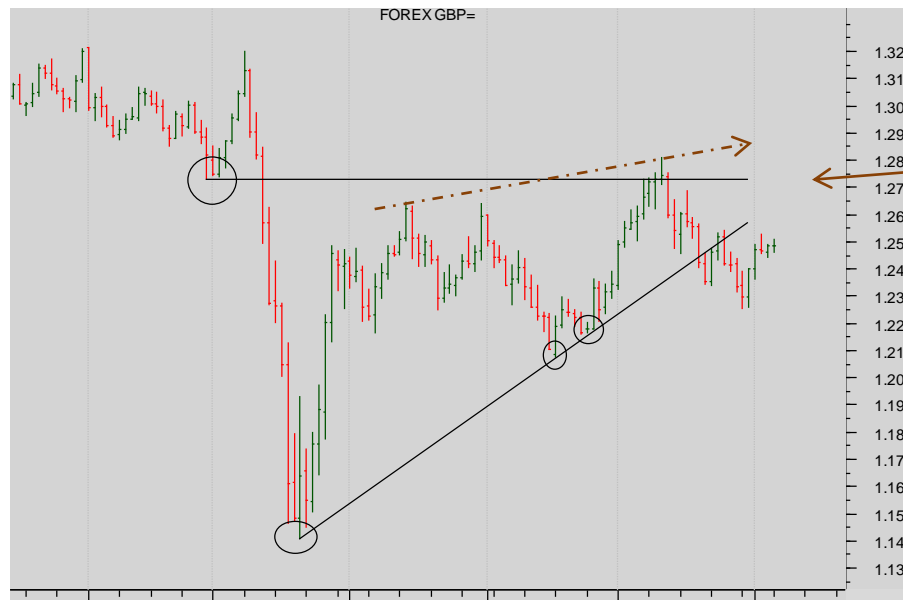
## Currencies: Dollar Sterling



### 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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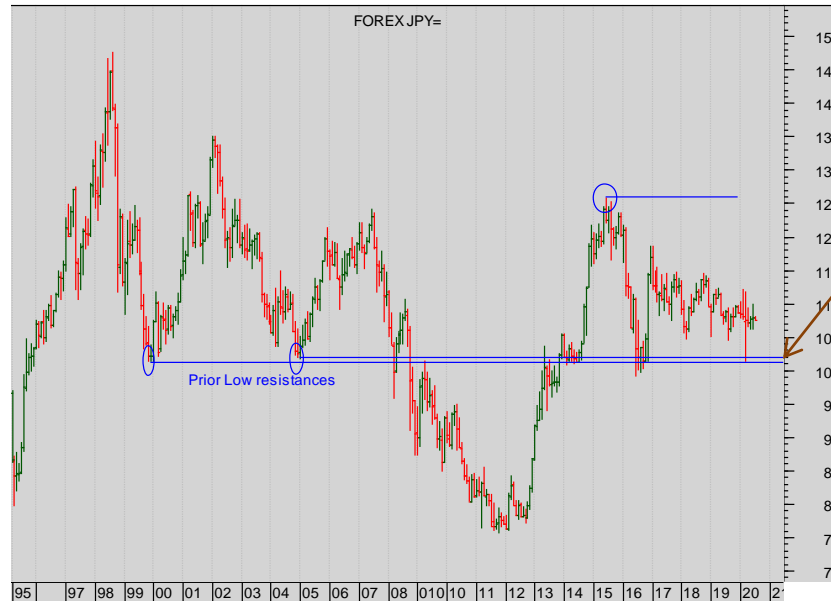
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IMPLIED ASSET ALLOCATION

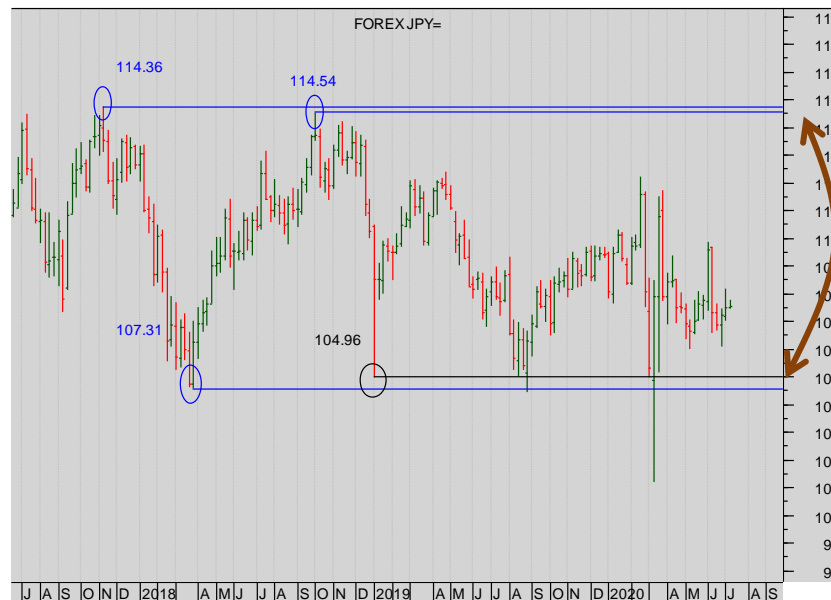
## Currencies: Dollar Yen



### 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



## 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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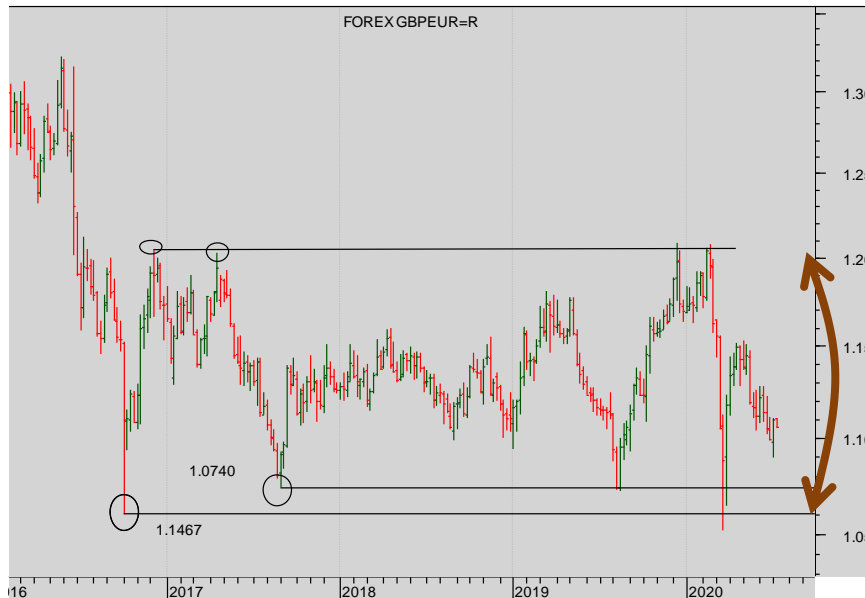
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## Currencies: Sterling Euro



### 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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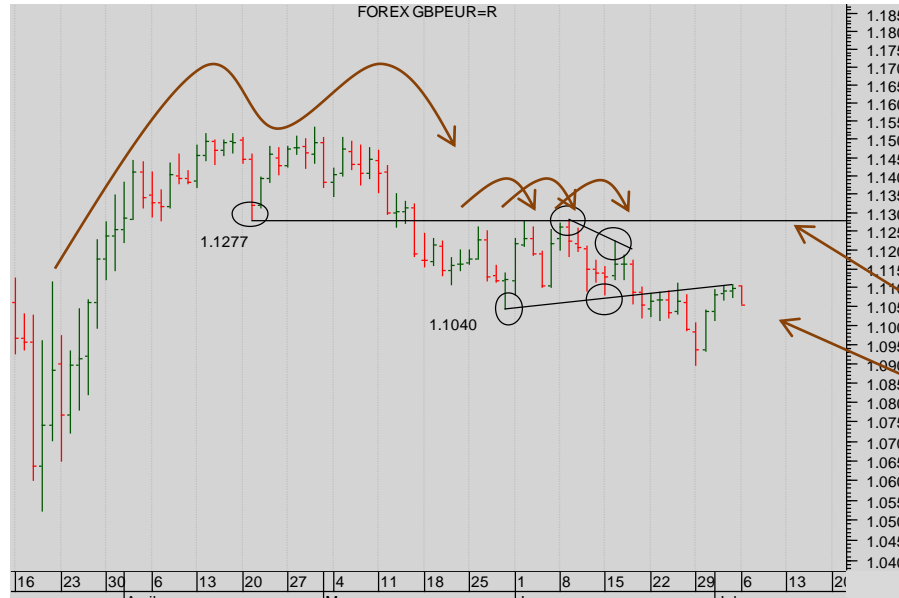
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### Commodities

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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:

As we remarked last week, the rallies in all but the FTSE look good to go further. In the medium and short-term. FTSE remains a lame duck – shuffling sideways - some distance from critical bull breakout levels.

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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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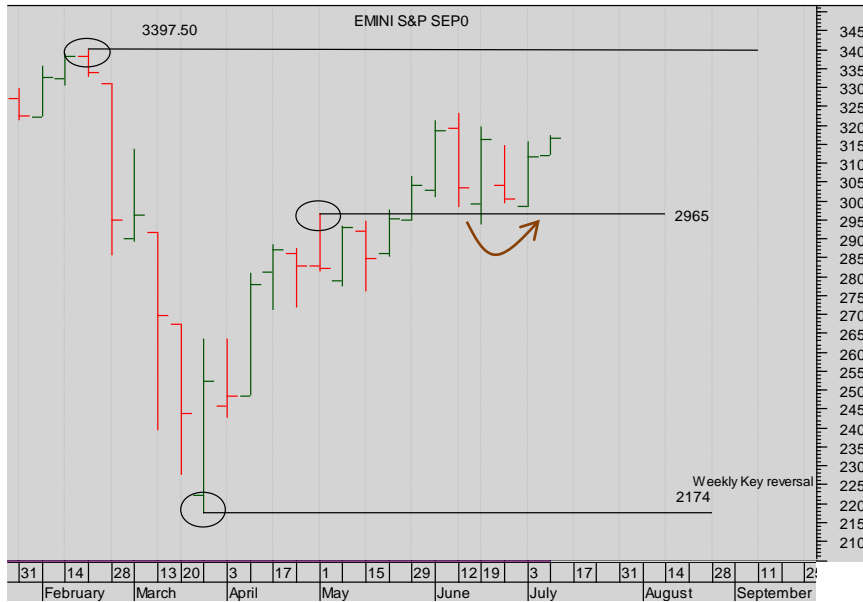
### Bonds

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### Commodities

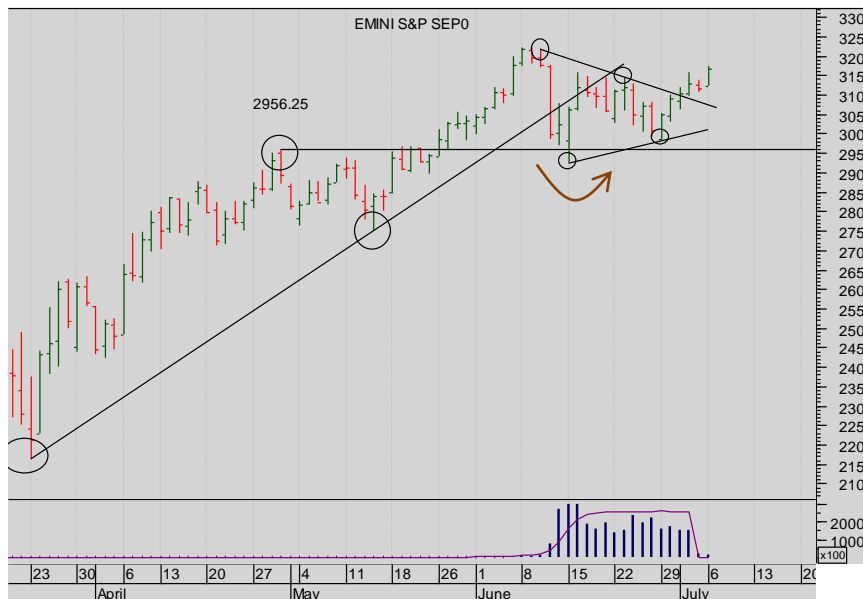
- + Oil
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### IMPLIED ASSET ALLOCATION



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

The bull rally – has found good 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



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## Bonds

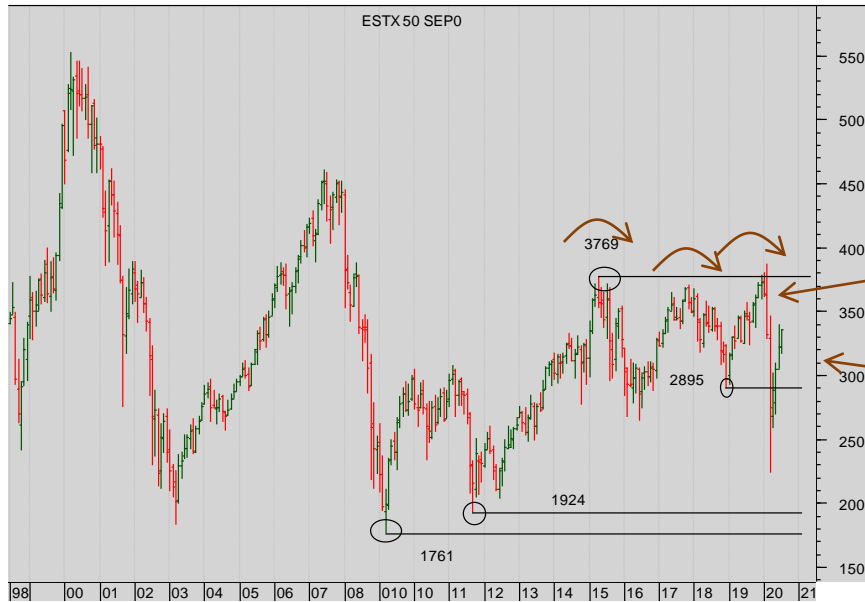
- + Ten Year US TNote
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## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

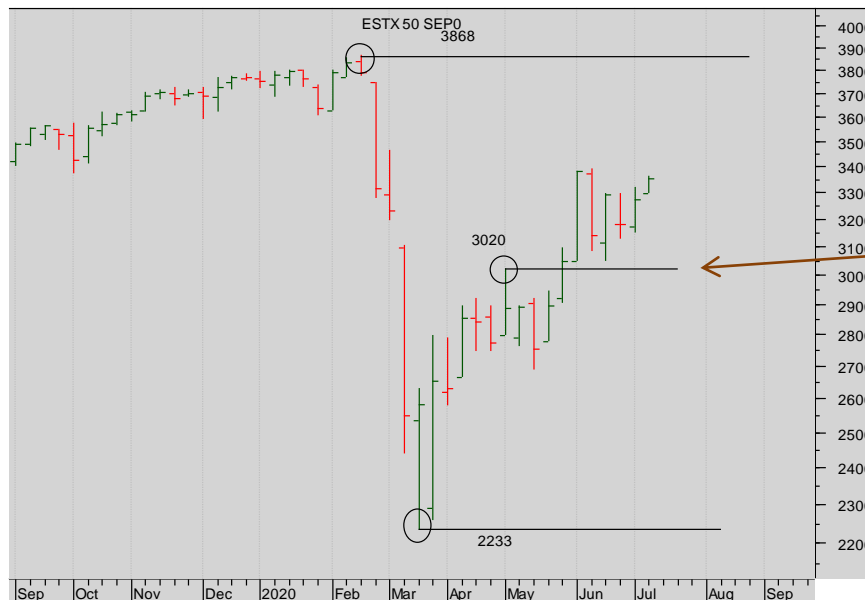
## Stocks: Eurex EuroStoxx 50



### 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

- + Oil
- + Gold

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.

Watch for a break above 3369 to begin the next bull leg.



## Stocks: Liffe FTSE 100

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### Stocks

- + S&P 500
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- + **FTSE 100**
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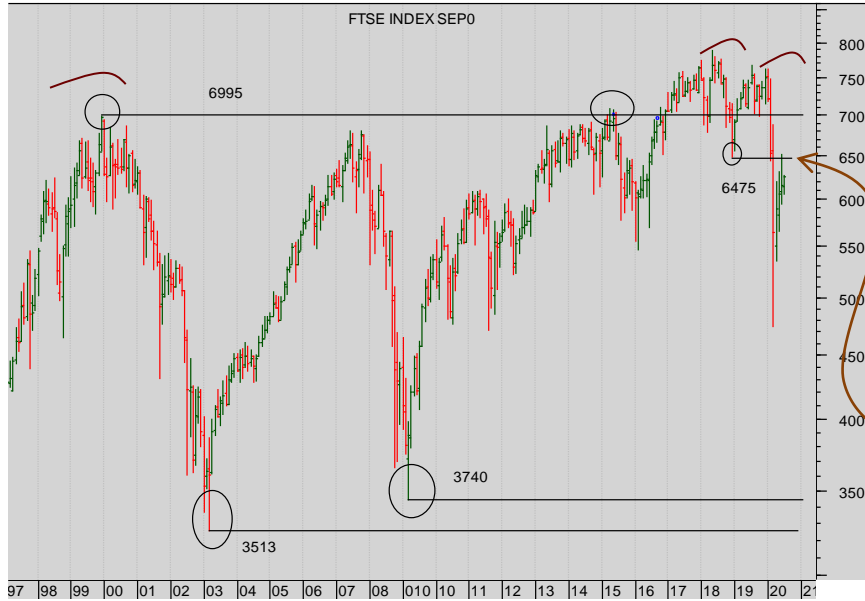
### Bonds

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

### Commodities

- + Oil
- + Gold

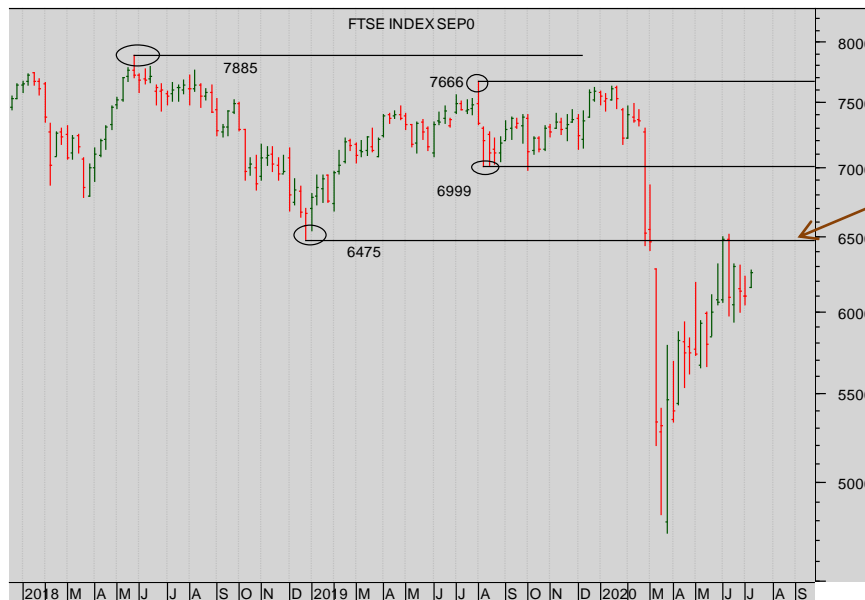
### IMPLIED ASSET ALLOCATION



### Liffe FTSE 100 Monthly continuation futures chart

1. The 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

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### Commodities

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- + Gold

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### 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

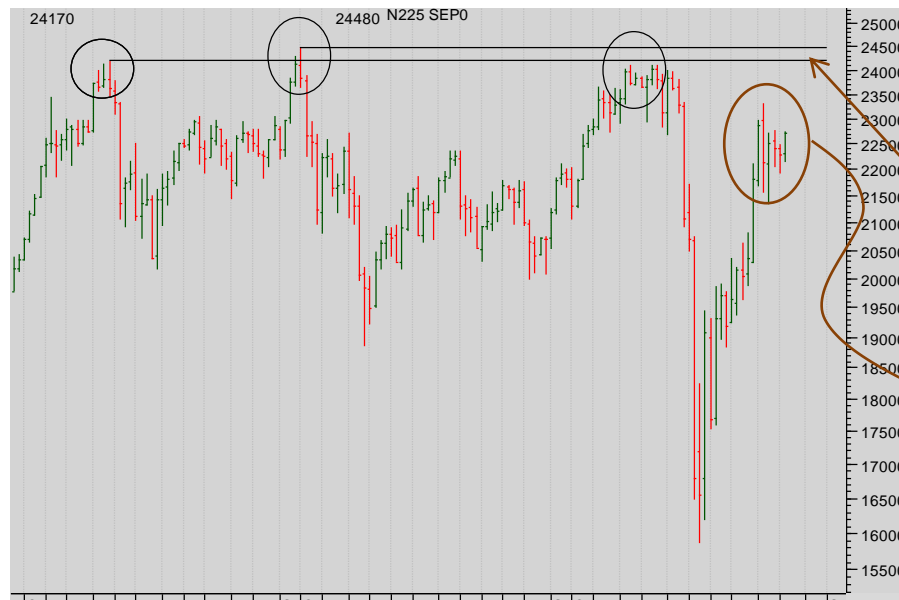
## Stocks: OSE Nikkei 225



**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)**

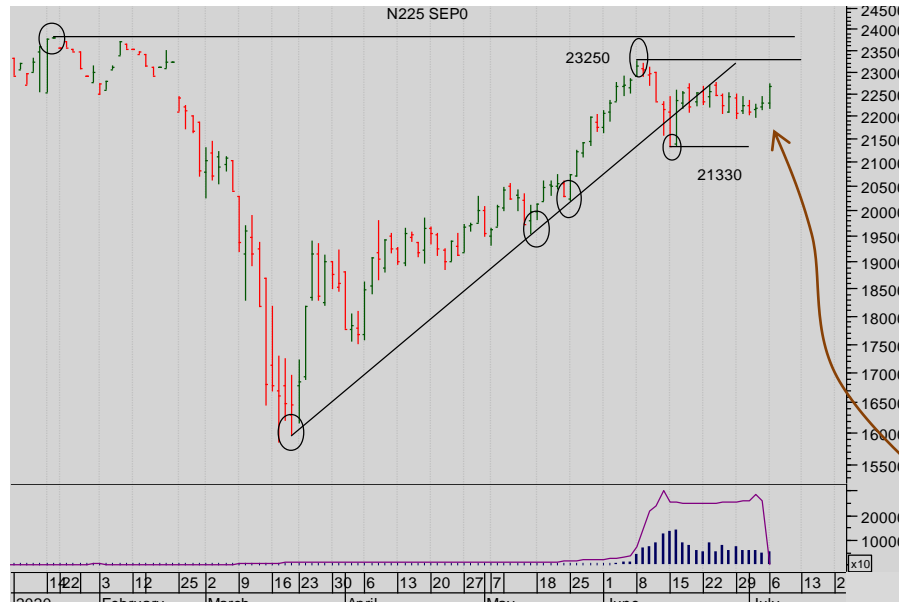
The triple failure of the market at the 24500 level was worrying.

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 Sep 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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## Bonds

### BONDS:

Though solid bond markets are lacking bull vigour and need to break important levels – Prior Highs – before the buyers will return.

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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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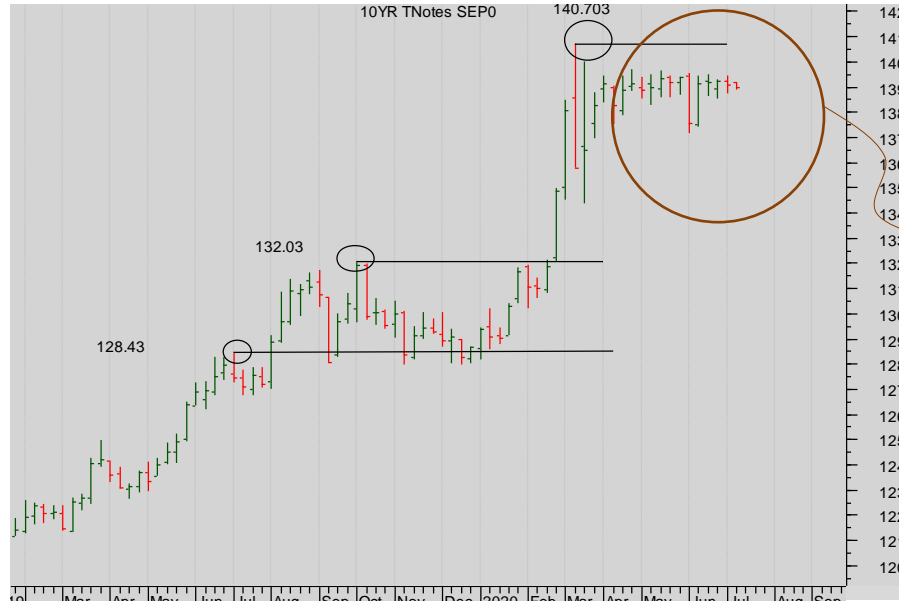
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CBOT Ten Year Notes weekly futures continuation chart

Note the consolidation



CBOT Ten Year Notes daily SEP 20 futures chart

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

**Watch and wait.**

More



# Bonds: Eurex Ten Year Bund

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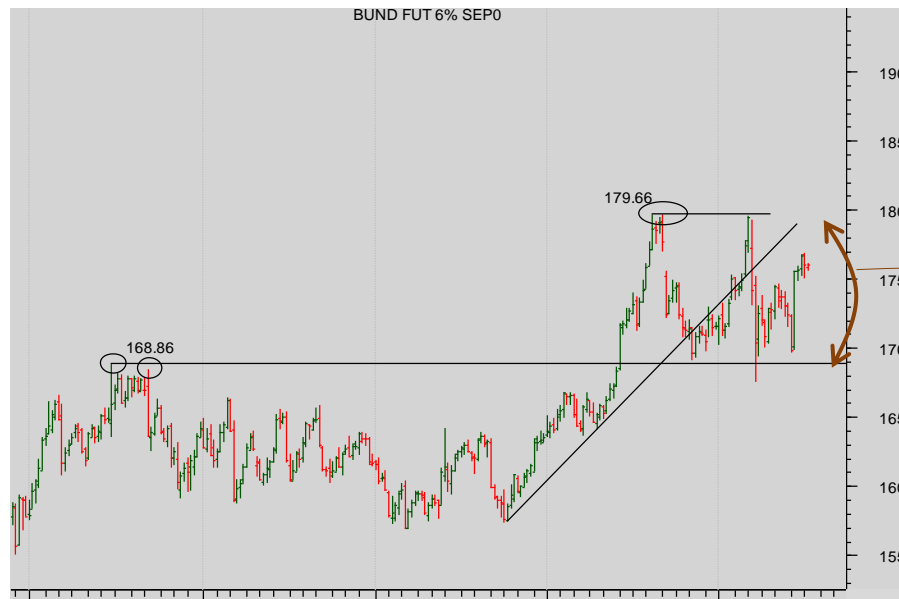
## IMPLIED ASSET ALLOCATION



## 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 the 179.66 High again.

A breakthrough would set the bulls going again.



## Eurex Ten Year Bund weekly cont. futures Chart

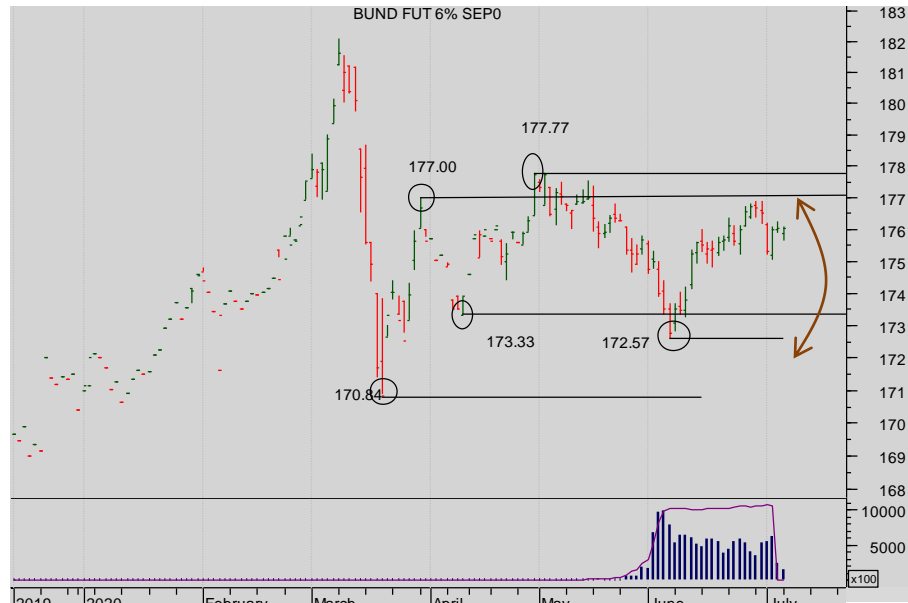
For the moment the range is intact

169.03 remains good support on the pull-back.





## Bonds: Eurex Ten Year Bund



## 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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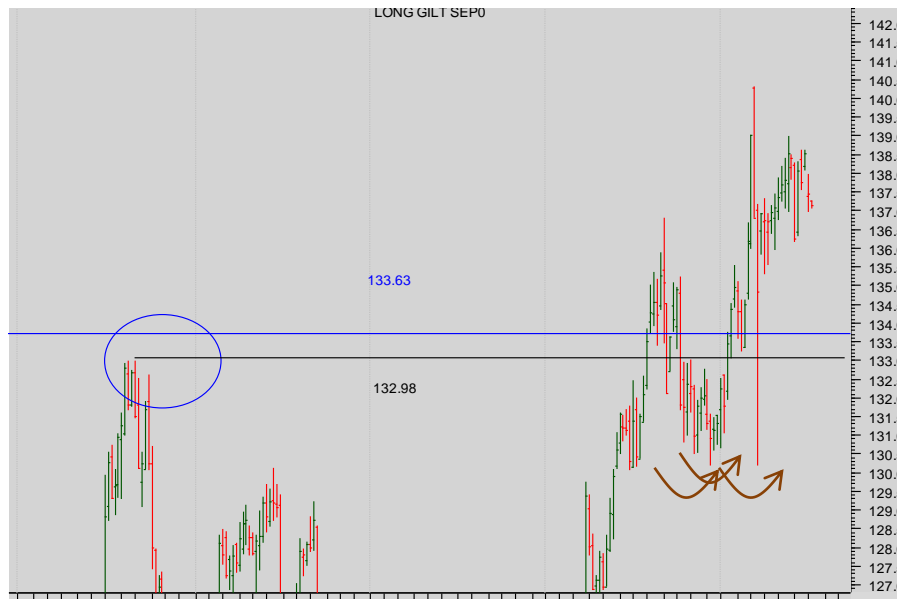
## Bonds: Liffe UK Gilt futures



### 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



### Long Gilt daily Sep 20 chart

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

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## Commodity

### COMMODITIES:

Oil remains poised - hard up against resistance in the monthly and weekly charts – tracking sideways in the day chart. Watch and wait! Gold is now looking good in the weekly chart, a completed bull Triangle at the end of last week has injected additional bull momentum. Watch the day chart for timing new purchases.

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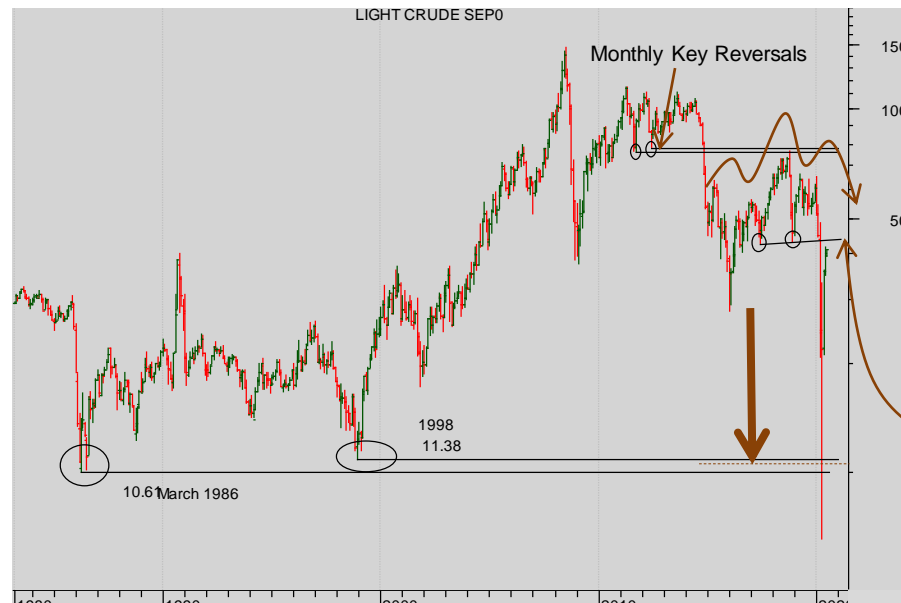
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### Commodities: Nymex WTI Oil



### Nymex oil monthly continuation

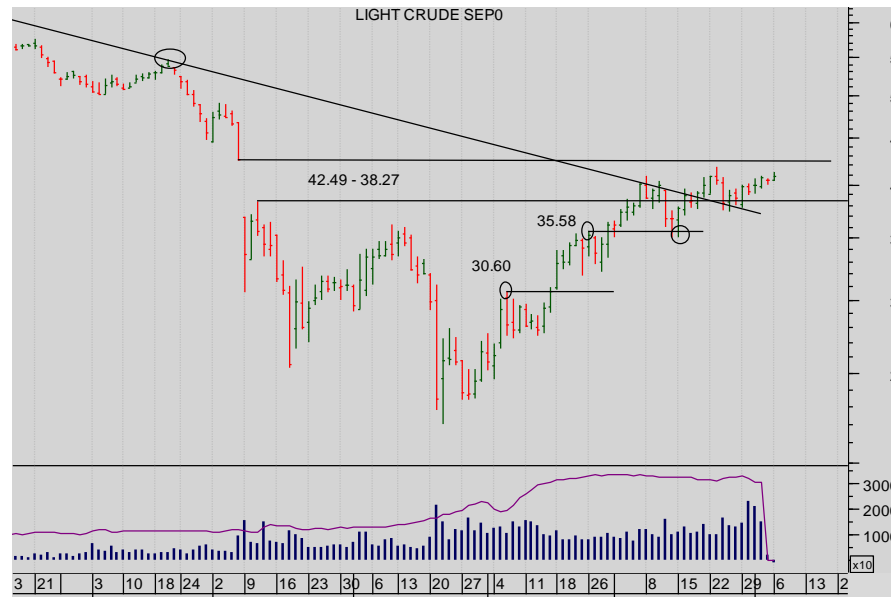
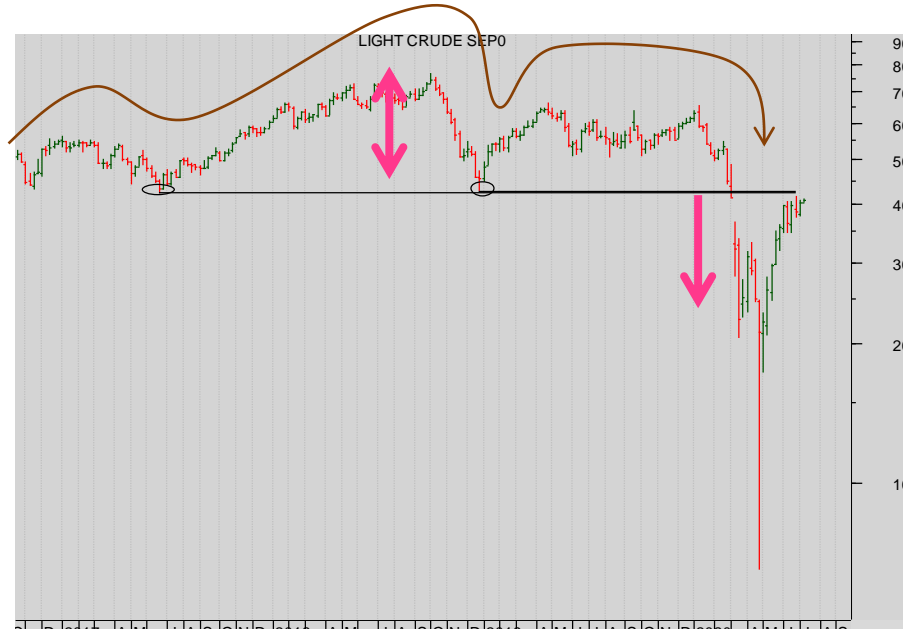
The completion of the H&S reversal achieved the minimum move at great speed.

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.

### Nymex oil daily SEP 2020 futures

The market is

- testing the Gap resistance still above the market.
- Has broken 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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- + EuroStoxx 50
- + FTSE 100
- + OSE Nikkei 225

### Bonds

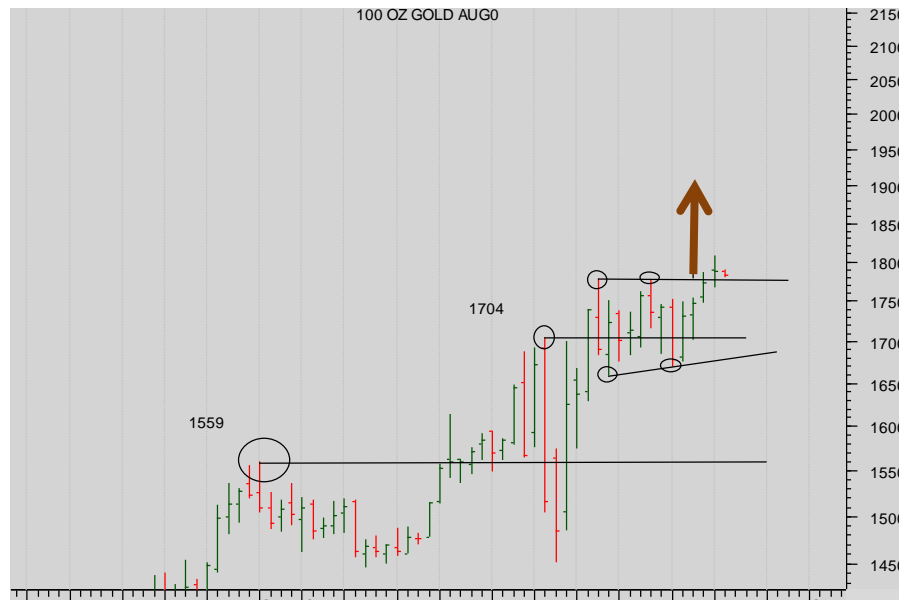
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### 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.

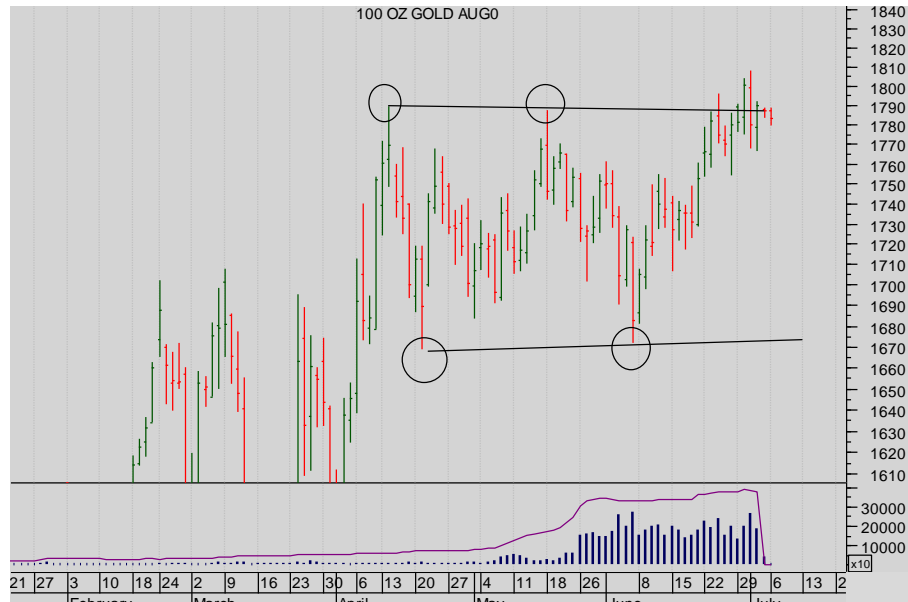
### Nymex Gold weekly

The completion at the end of last week of the continuation Traingle – is a fresh injection of Bull momentum.

Minimum move? 1900 or so.



## Commodities: Comex Gold



### Nymex Gold August 2020 2020 Daily

The H&S continuation pattern has not completed yet.

Wait for a clear break of the upper diagonal.

#### 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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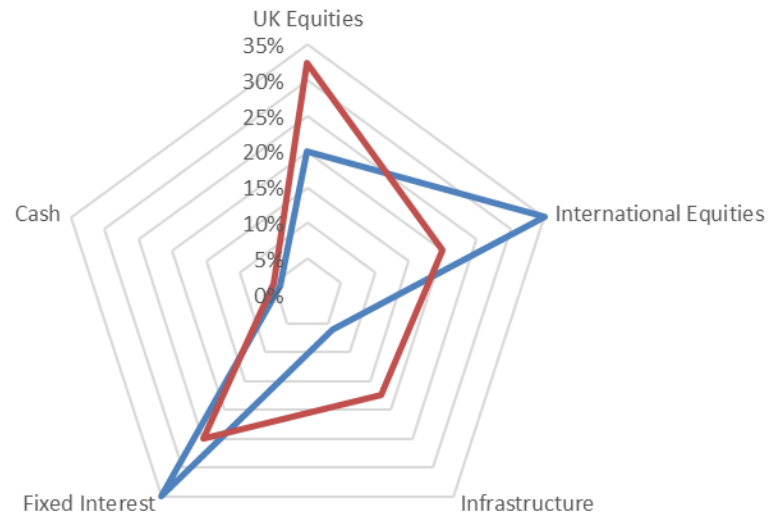
### Commodities

- + Oil
- + Gold

## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

### MSCI Balanced Risk Asset Allocation



More



*the technical analyst*

AWARDS 2012

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