



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 28th July 2020

Mark Sturdy

Disclaimer

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by the FSA



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

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

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

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

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More



Currencies: Dollar Euro

CURRENCIES:

The Dollar weakness has gained short-term momentum now the currencies having burst up through Prior Highs that may ratchet them higher still – but there's no real thrust coming from the long and medium term charts. On the contrary, if not neutral they remain negative for currencies.

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Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 and above **reversed** the attempted bear Dollar/bull Euro market ...

But the Dollar is again weakening and the strengthening Euro is testing the resistance where it failed last time...

More



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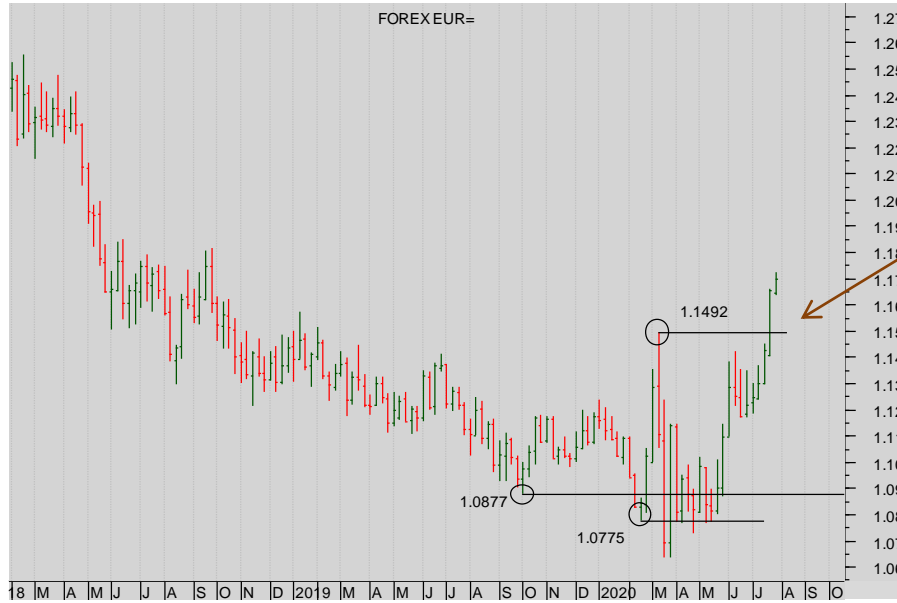
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

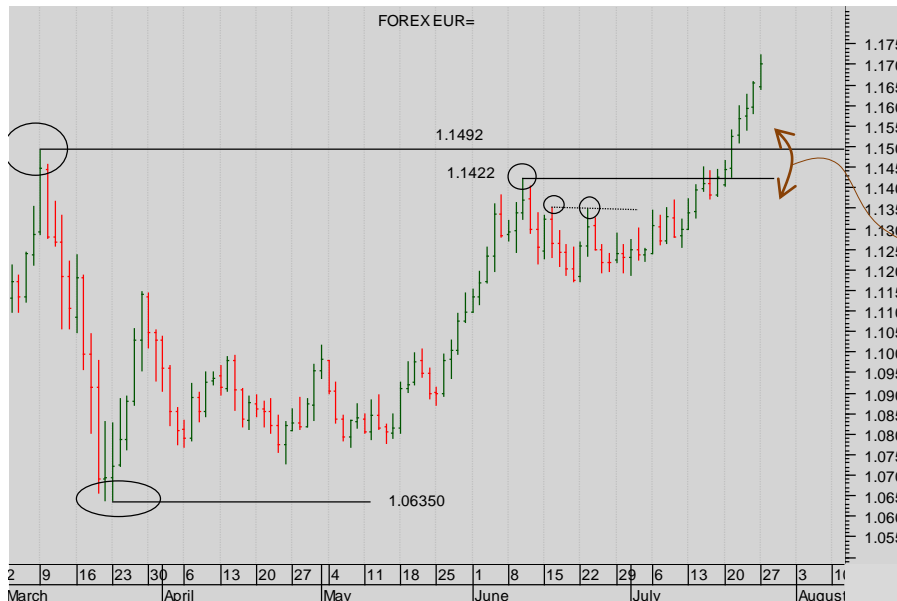
Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

The sudden weakness of the Dollar has pushed the market back up through 1.1492.

A base has been completed – though not a compelling structure it is a Double Bottom,...



Dollar Euro spot cash chart daily chart...

The Dollar weakness pushed through the critical band from the Prior Highs – these will be support for the Euro and help ratchet it higher in the short-term



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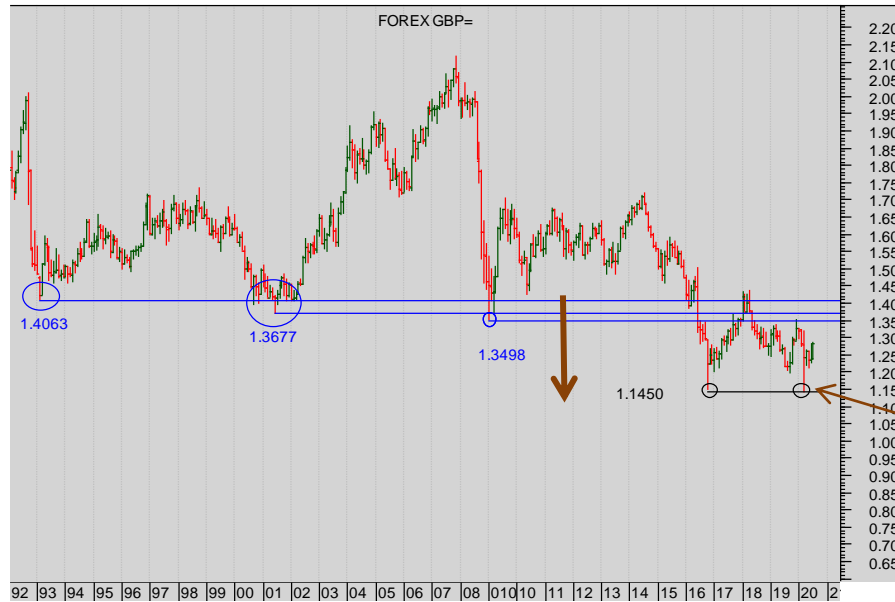
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- + UK Gilt

Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling

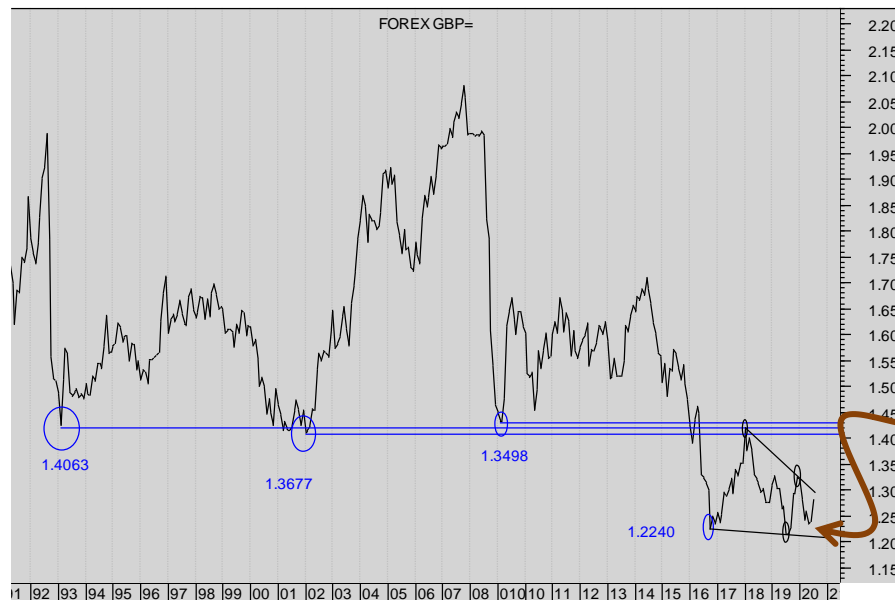


Dollar Sterling Monthly spot cash chart

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 (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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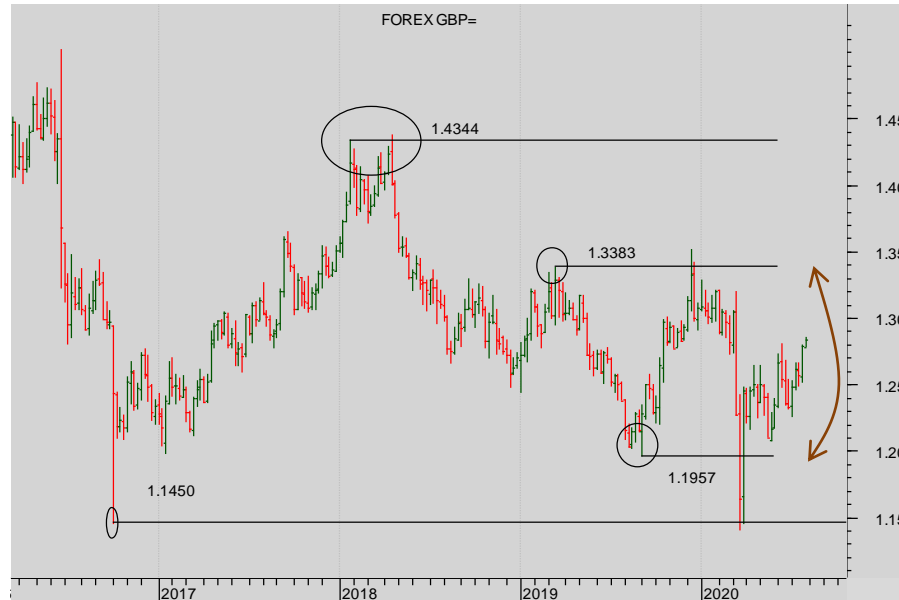
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Commodities

- + 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 push through the resistance from the Prior low and the Prior High is short-term exciting....



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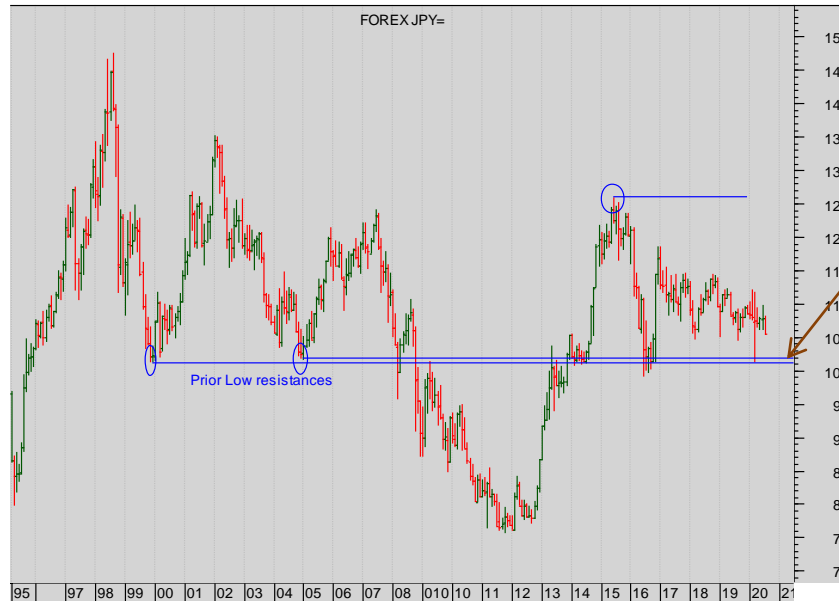
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Commodities

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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



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Commodities

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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Short-term, there's a breakdown through the Prior Lows which may add some bear impetus to the Dollar short-term.



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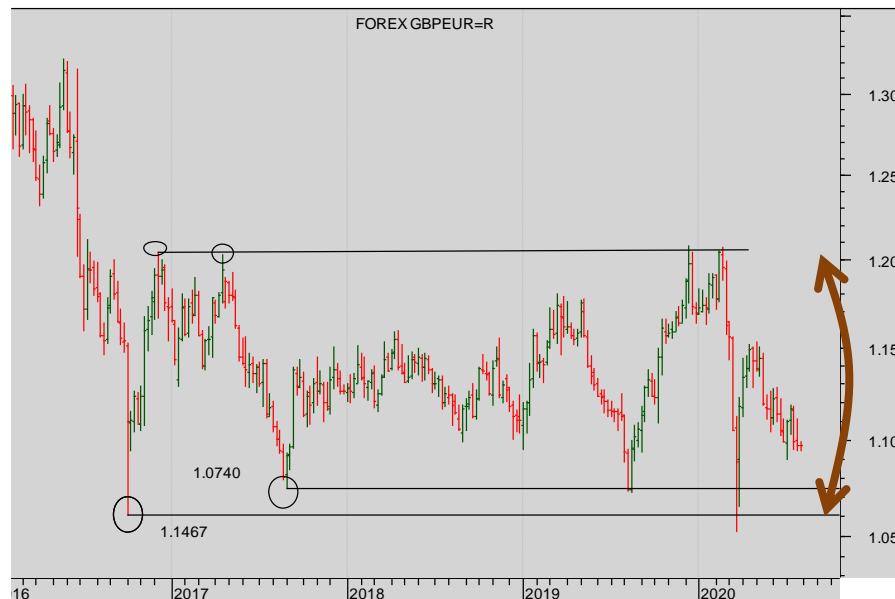
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Currencies: Sterling Euro



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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- + **Sterling Euro**

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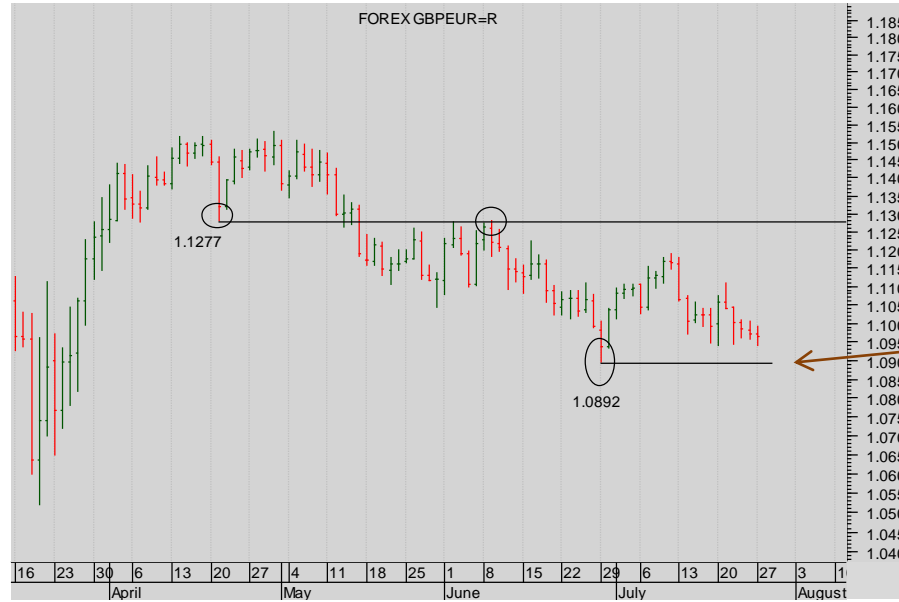
Bonds

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Commodities

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- + Gold

IMPLIED ASSET ALLOCATION



Sterling Euro daily spot cash chart

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

On balance – Sterling needs to break 1.0892 for the bulls to really get excited. .



Stocks

STOCKS:

Well both the S&P and the EuroStoxx looked for follow-through when they broke the near highs in the day charts – but there wasn't any. Their pauses of the last week was more bearishly expressed in the FTSE – watch the bearish structures emerging in the day chart there.

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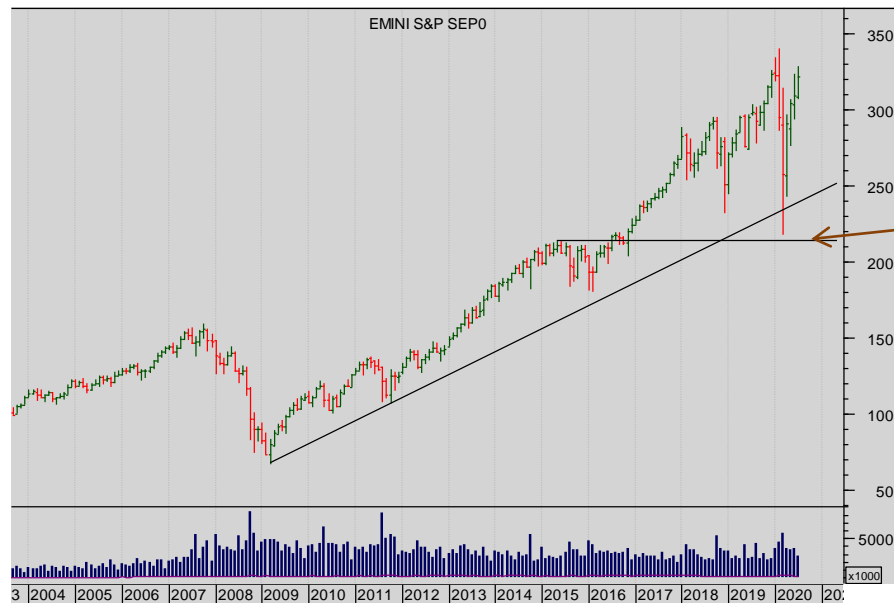
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The long-run 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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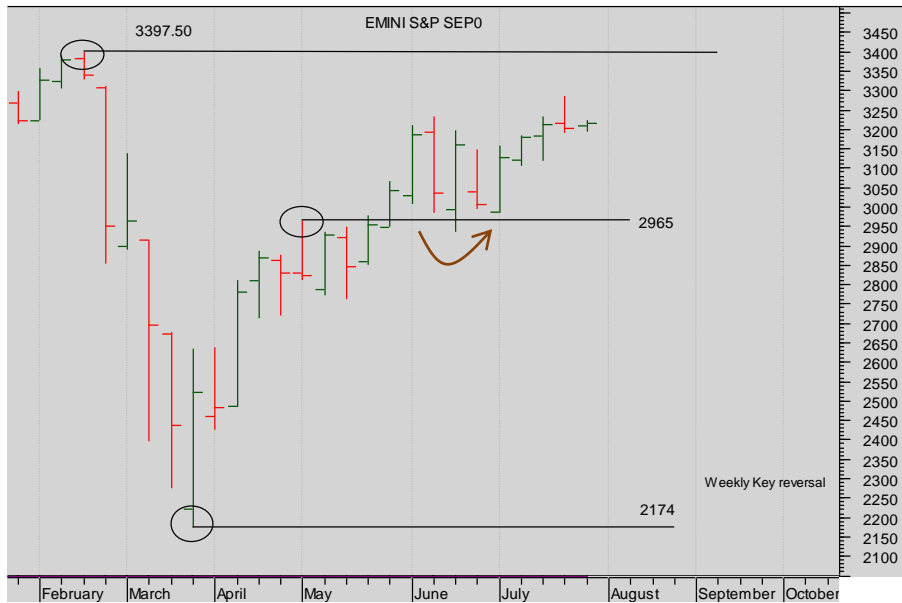
Bonds

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Commodities

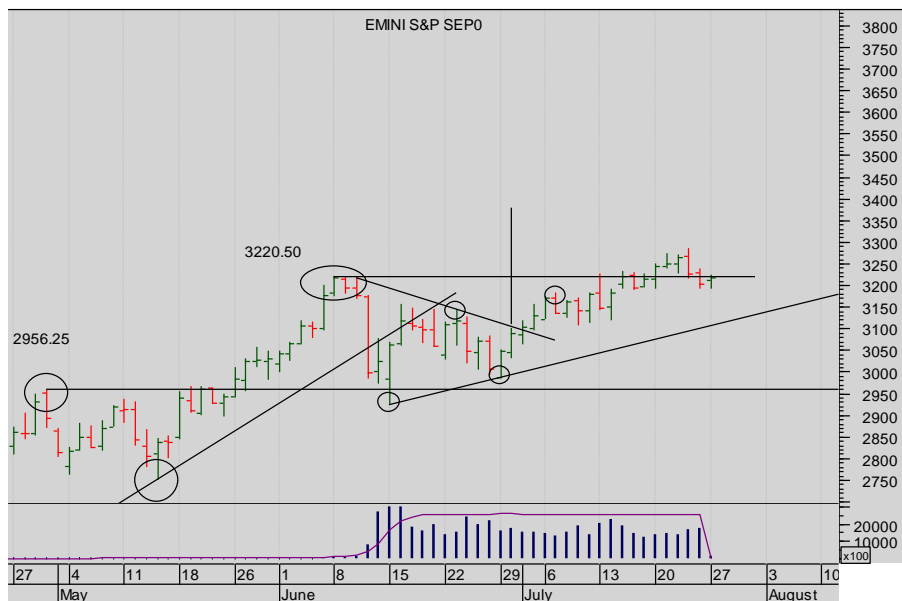
- + Oil
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CME S&P 500 cont. weekly cont. chart

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



CME S&P 500 daily SEP 2020 chart

This is interesting – the completion of a clear continuation Triangle, and the break up through the Prior High **have faltered**.

It's still short-term bullish and the minimum move is up as far as 3400.

But the pull back through the Prior High is disappointing short-term.

More



Stocks: Eurex EuroStoxx 50

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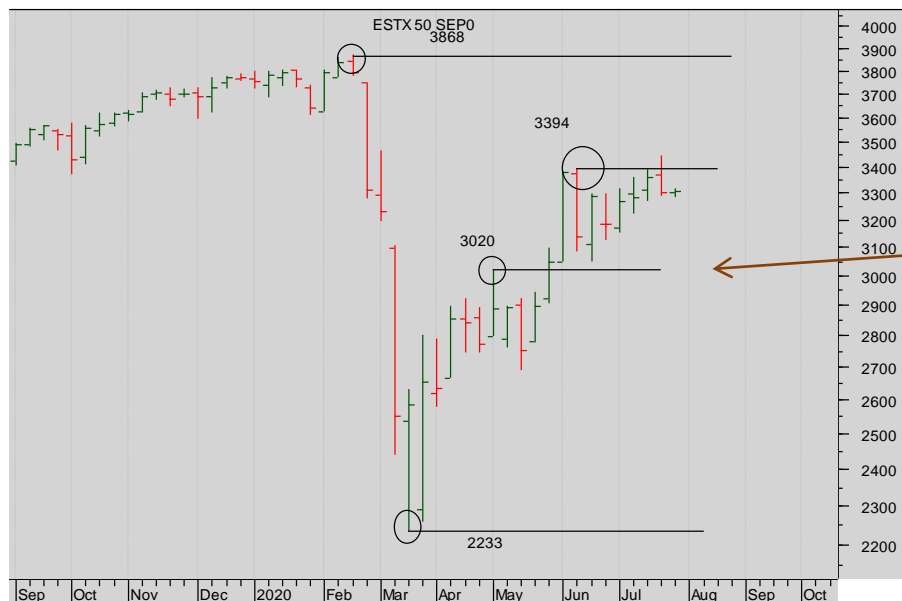
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Eurex EuroStoxx 50 monthly continuation futures chart

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 confirmed 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.

Bulls now need the break up through the Prior High at 3394.

More



Stocks: Eurex EuroStoxx 50

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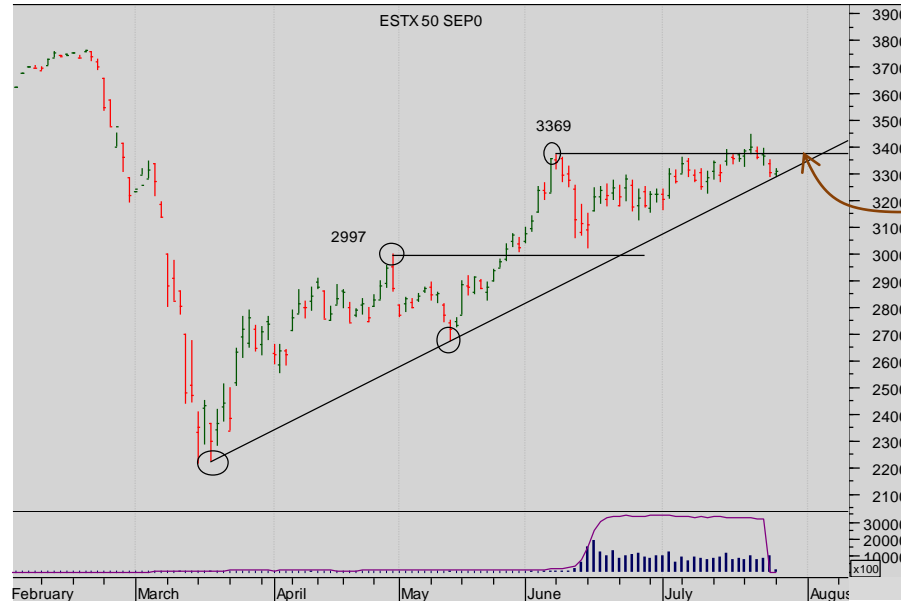
Bonds

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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Dec 19 futures chart

The market looks disappointing short-term.
Watch the slight support from the diagonal - after the failure to stay above the Prior High.



Stocks: Liffe FTSE 100

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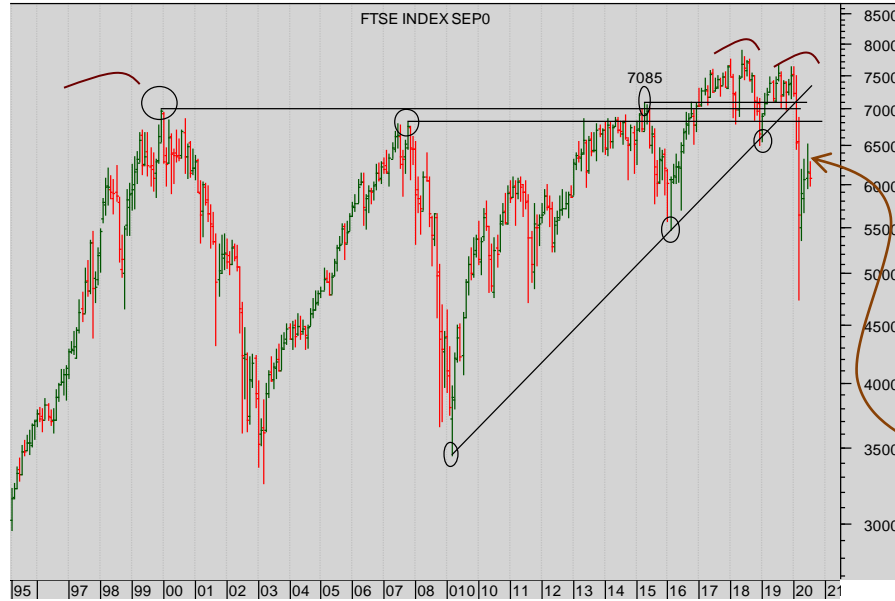
Bonds

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Commodities

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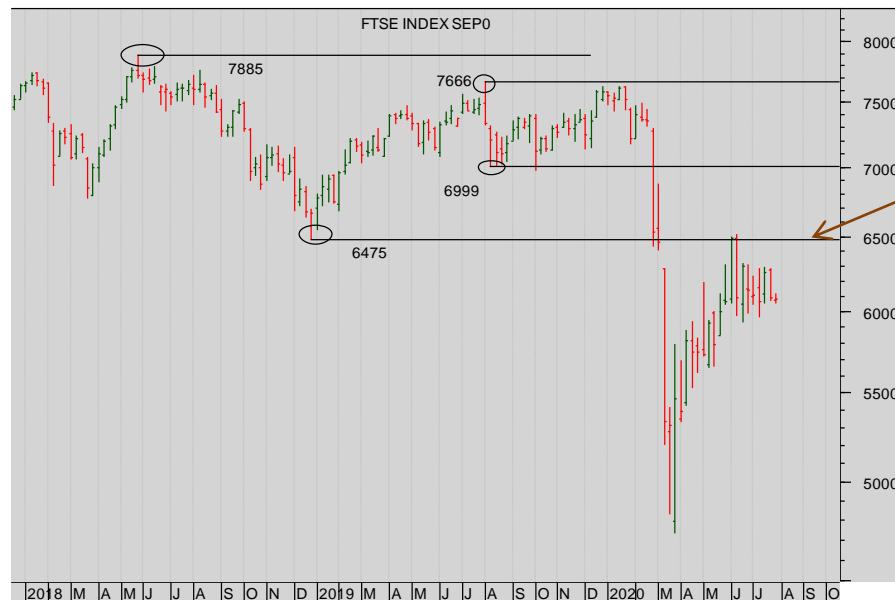
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Liffe FTSE 100 Monthly continuation futures chart

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

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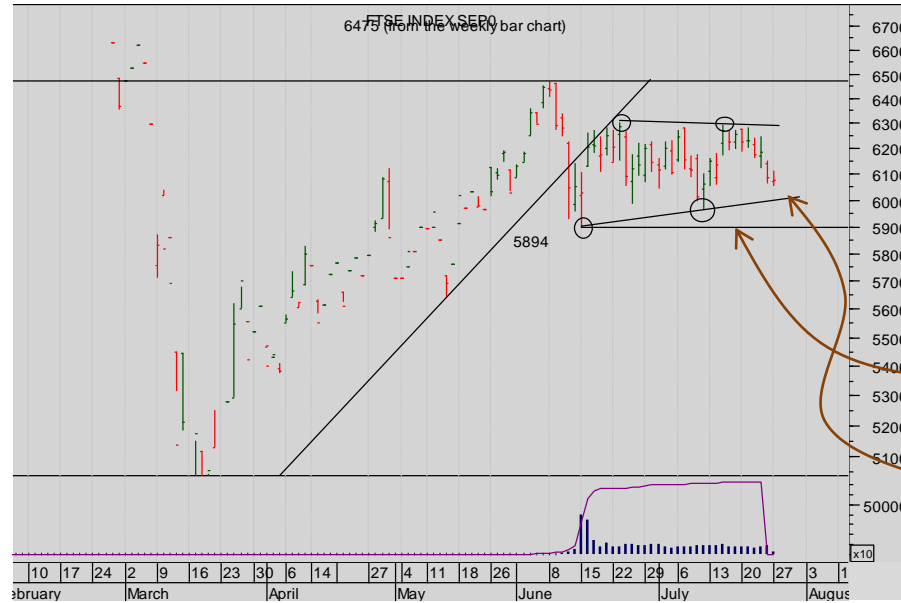
Bonds

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Commodities

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IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Mar 20 daily futures chart

The market has failed at the 6475 resistance from the low in the long-term charts, but shows no sign yet of wanting to fall

We were watching the 5894 low for signs of breakdown.

But now the possible bear continuation Triangle **is focussing our attention**



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IMPLIED ASSET ALLOCATION

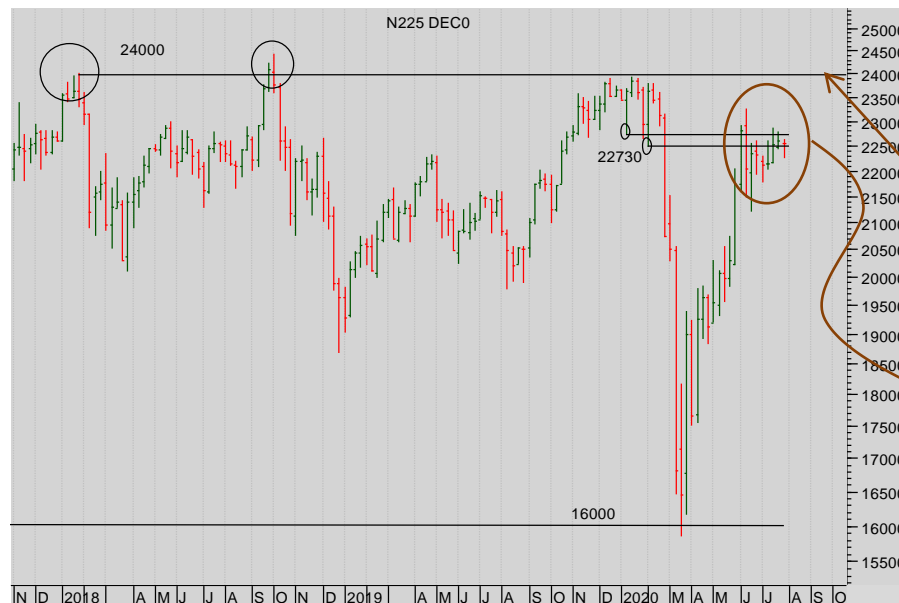
Stocks: OSE Nikkei 225



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)

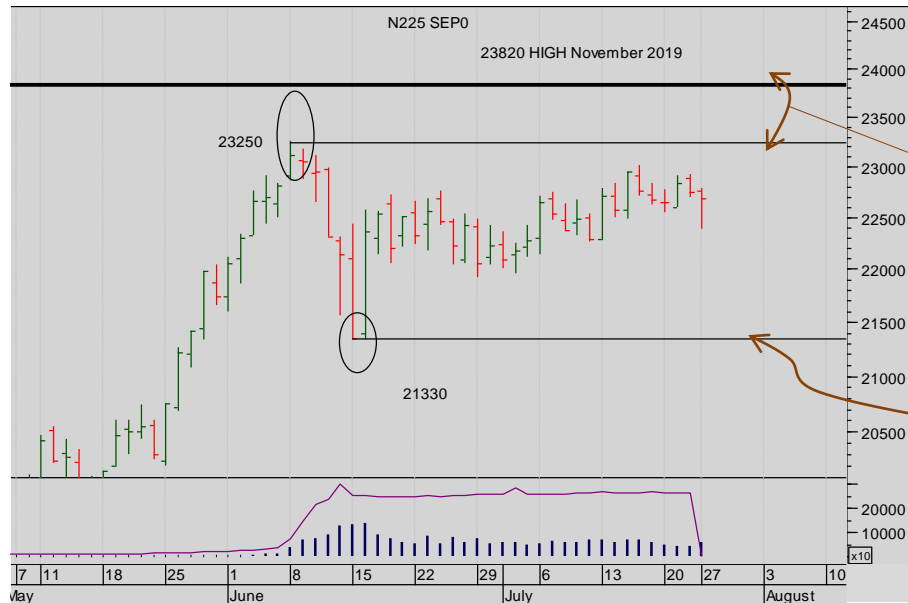
The triple failure of the market at the 24500 level was AND REMAINS worrying.

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. The bulls need a break up through the band from the Prior Highs

Bears should watch for a break of 21330

Stand back.

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

The US and UK did break those important levels - a series of Prior highs – but there has been no follow-through. Watch their day charts for clarity. The bund is stagnant to bearish – since there was no attempt to break near levels.

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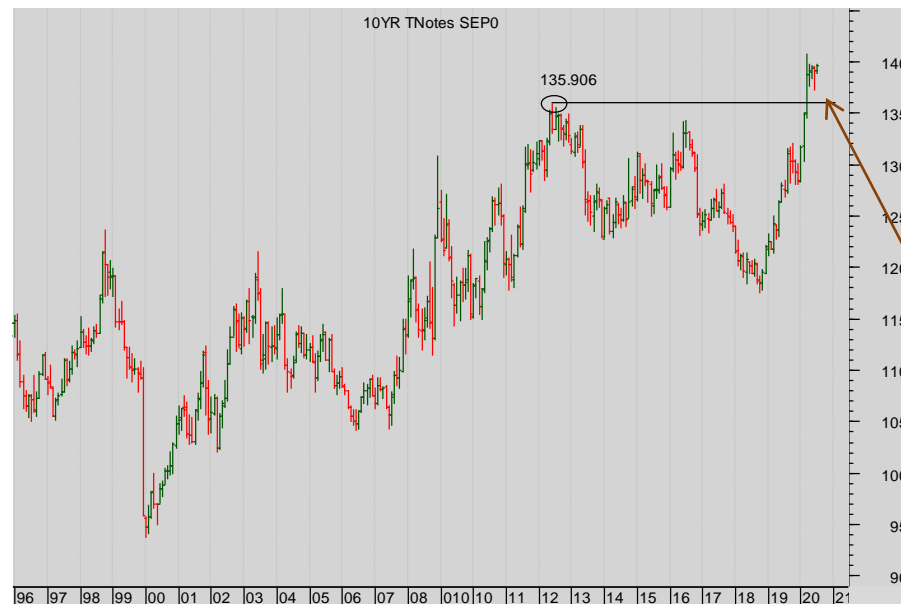
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Commodities

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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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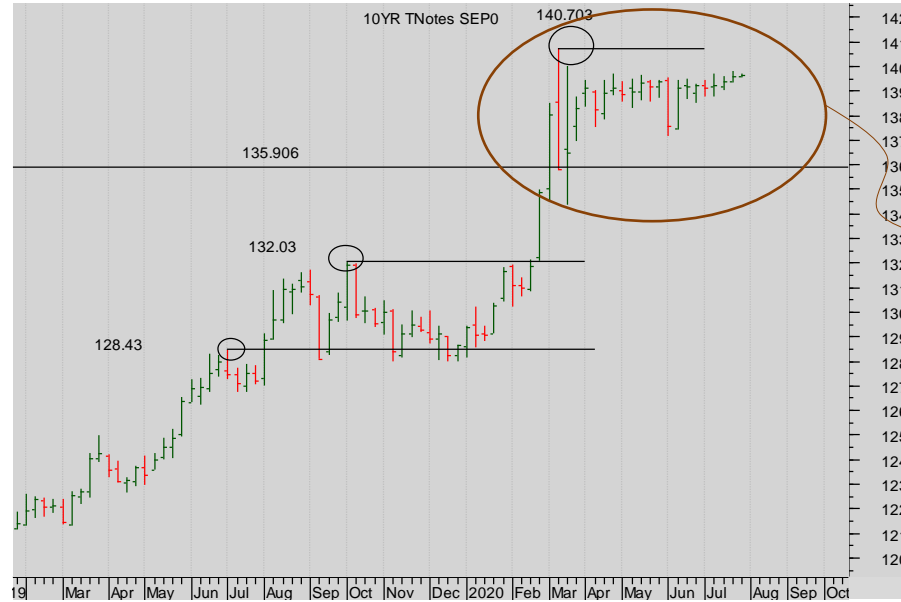
Bonds

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IMPLIED ASSET ALLOCATION



CBOT Ten Year Notes weekly futures continuation chart

But this is a rather different picture.

Note the consolidation – rather shapeless – and lacking consolidation characteristics.



CBOT Ten Year Notes daily SEP 20 futures chart

In detail, though the market has overcome the successive Highs (now support) so it is well-set.

The bulls should be pleased – but the lack of impetus will have disappointed.

More



Bonds: Eurex Ten Year Bund

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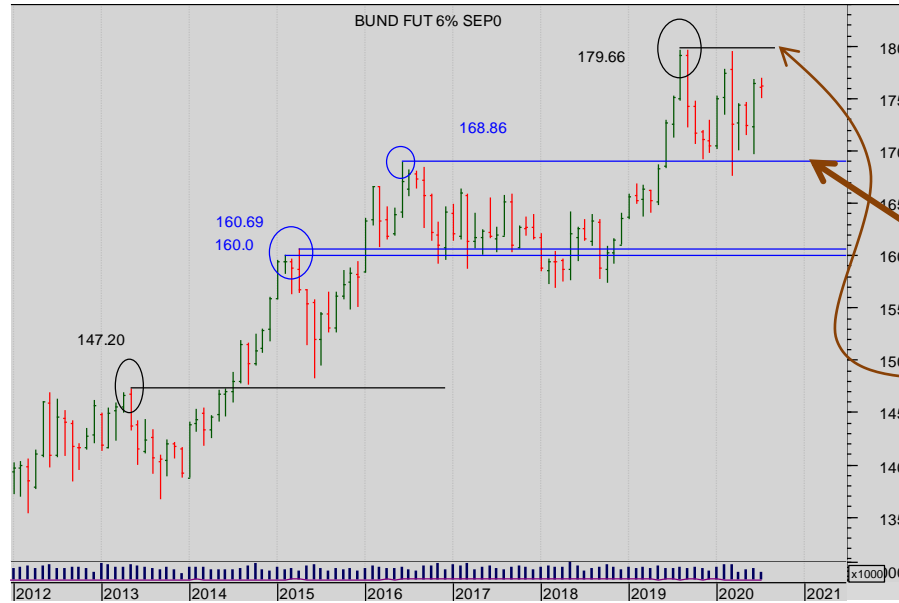
Bonds

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

Commodities

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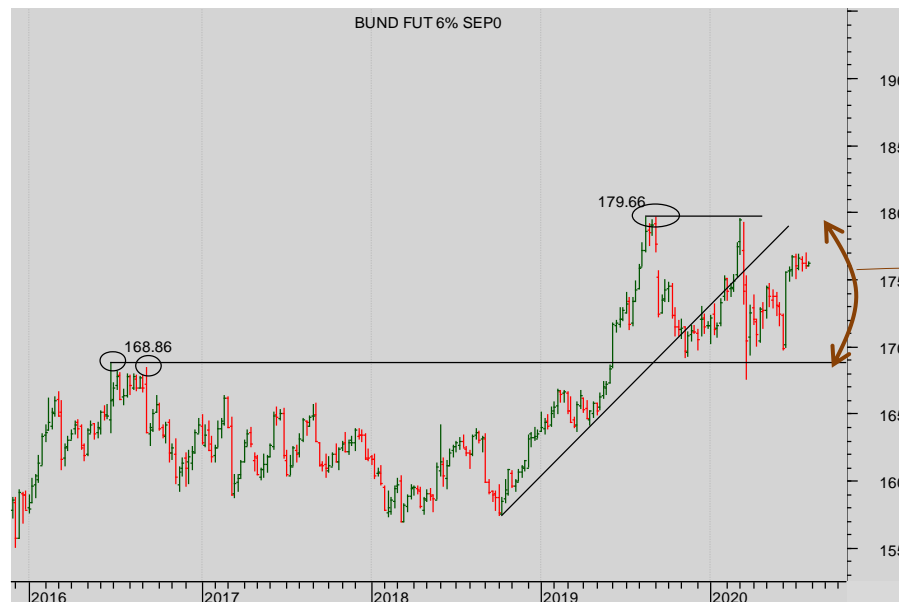
IMPLIED ASSET ALLOCATION



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

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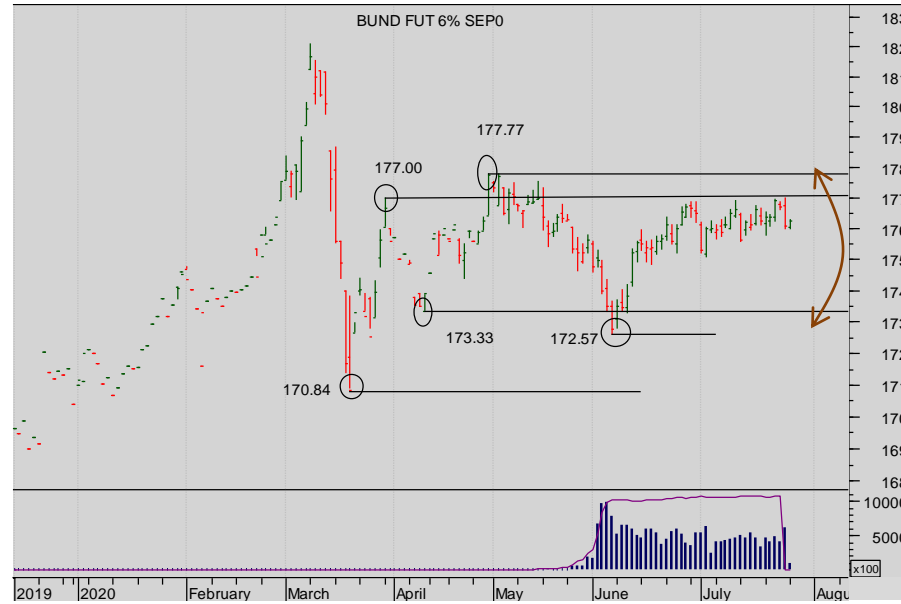
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IMPLIED ASSET ALLOCATION



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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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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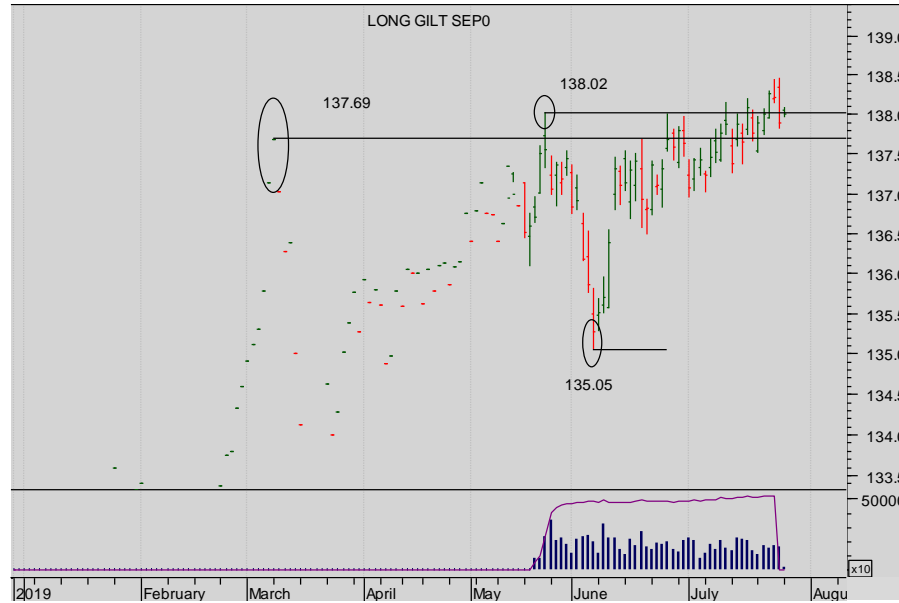
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IMPLIED ASSET ALLOCATION



Long Gilt daily Sep 20 chart

But there's a clear lack of bull momentum. The market for the moment has broken above the band from Prior Highs – which should be good support now.

Watch the price action closely.



Commodity

COMMODITIES:

Oil is poised – having rallied and closed the Gap above the market – it looks vulnerable. In the absence of a good bull move we remain bearish. Gold is still powerfully bullish in all time frames – except the very short-term....

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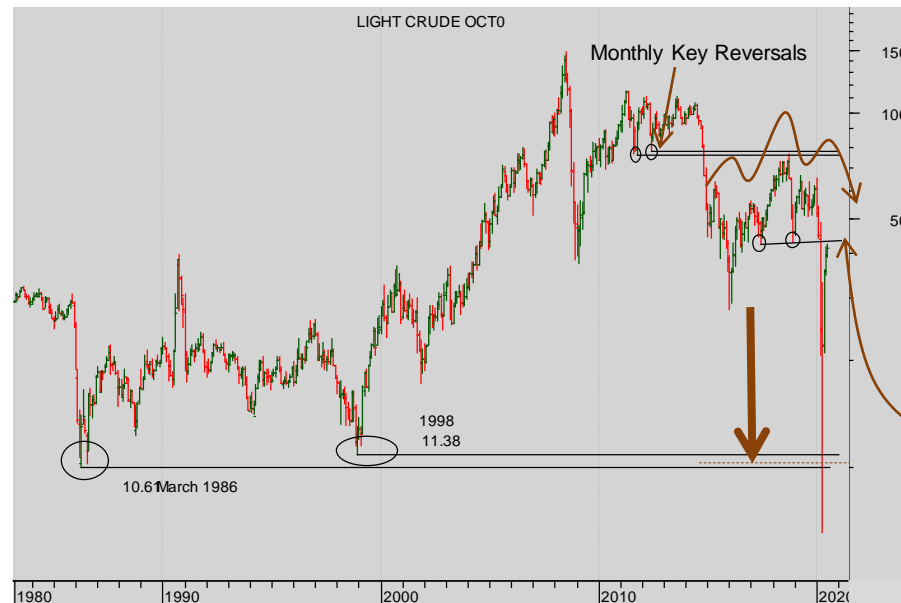
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IMPLIED ASSET ALLOCATION

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.

More



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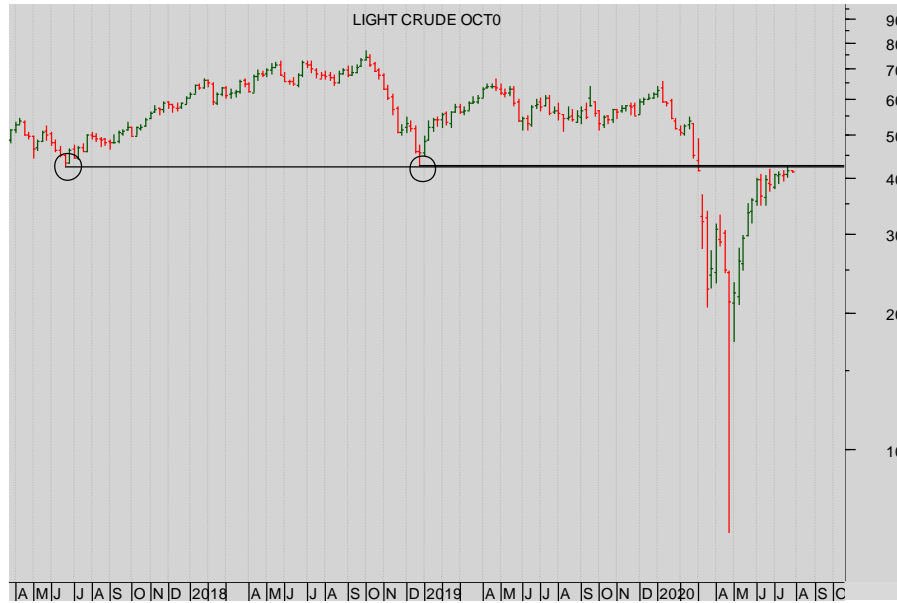
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Commodities

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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil weekly continuation

The rally has closely approached the resistance from the Prior Lows at 43.00 – but hasn't really tested it yet.



Nymex oil daily SEP 2020 futures

The market has closed the Gap resistance above the market.

Watch carefully whether the price action can get above the Gap and sustain the break.



Summary

Currencies

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

Stocks

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

Bonds

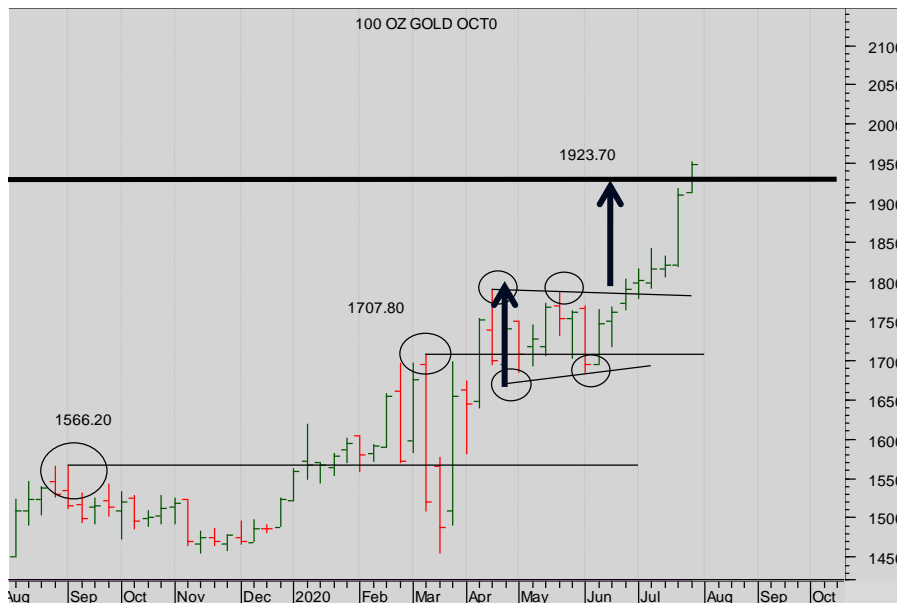
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold Monthly

The bulls are in charge.

Watch the Prior Highs of 2011 and 2012 have been tested and new High closes have been established...

Nymex Gold weekly

The completion of the continuation Triangle – provided the momentum to break the Long Term Prior High.

Can the market sustain itself above the Prior High?



Commodities: Comex Gold



Nymex Gold August 2020 2020 Daily

The daily chart impetus
arose from the break of the
channel..

Whose influence is probably
exhausted.

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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

MSCI Balanced Risk Asset Allocation



More



the technical analyst

AWARDS 2012

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