



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 18th August 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

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- + Dollar Yen
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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 FLAT 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**

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

There's been a pause in the weakening of the Dollar. But the facts remain stark: the Dollar is at an important chartist juncture against the Euro, attacking the bull Dollar trend for a strengthening Dollar from 2008. It's not quite that simple since there are a series of horizontal resistances at coincide with current levels. But look at the Dollar Yen as well... Sterling is side-lined against both the Dollar and the Euro.

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IMPLIED ASSET ALLOCATION



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 in 2017 – WILL THEY DO THE SAME IN 2020?

Note in particular the diagonal resistance from the parallel flag...**the market is testing the bull Dollar trend from 2008.**

More



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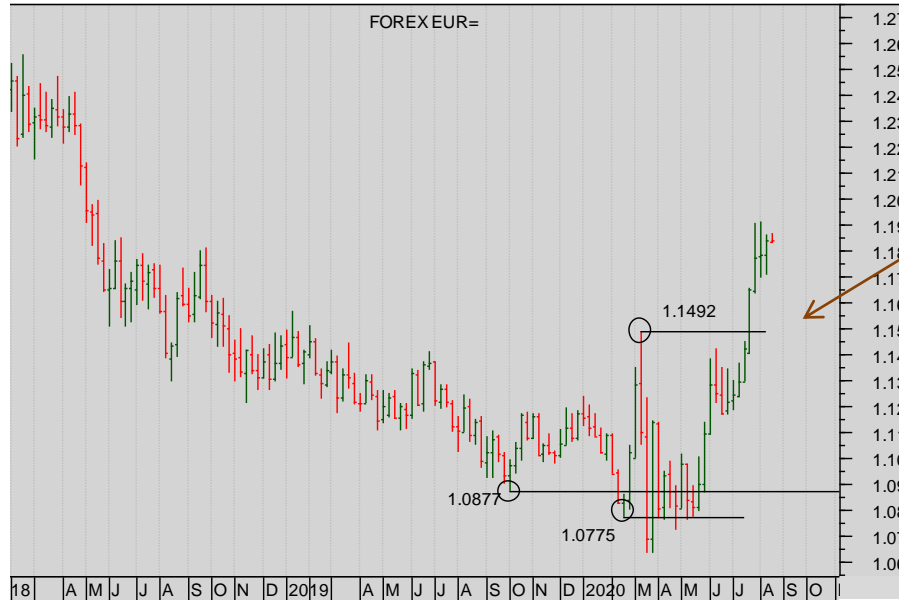
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IMPLIED ASSET ALLOCATION

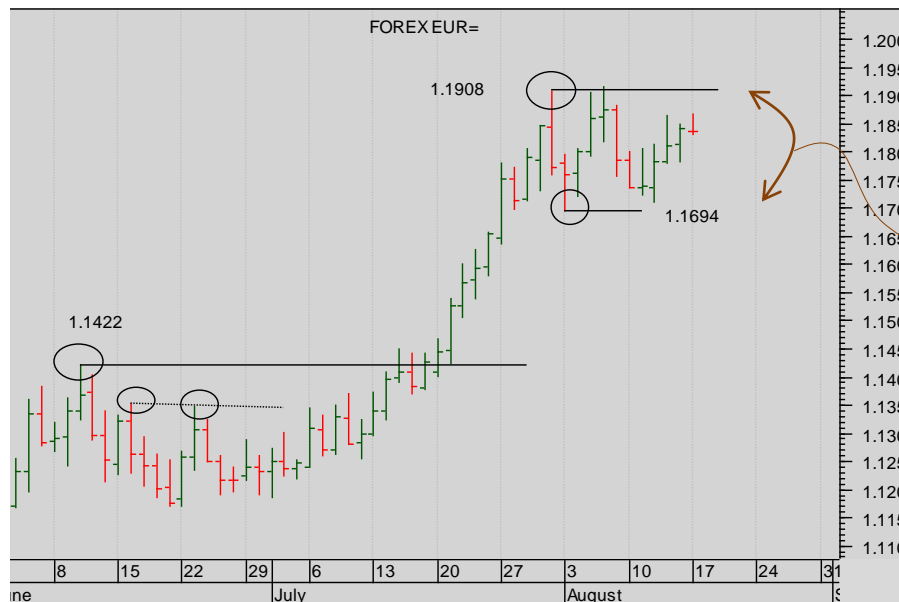
Currencies: Dollar Euro



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 it's not a compelling structure it is a Double Bottom,...the bear Dollar trend remains intact.



Dollar Euro spot cash chart daily chart...

The Dollar pause over the last few days should be closely watched from the next short-term breakout.

Nothing yet.



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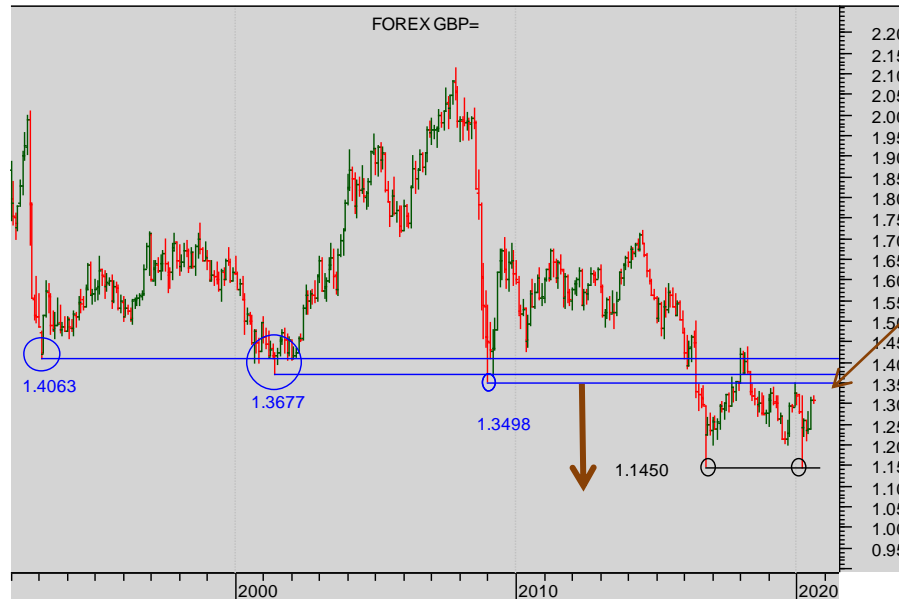
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IMPLIED ASSET ALLOCATION

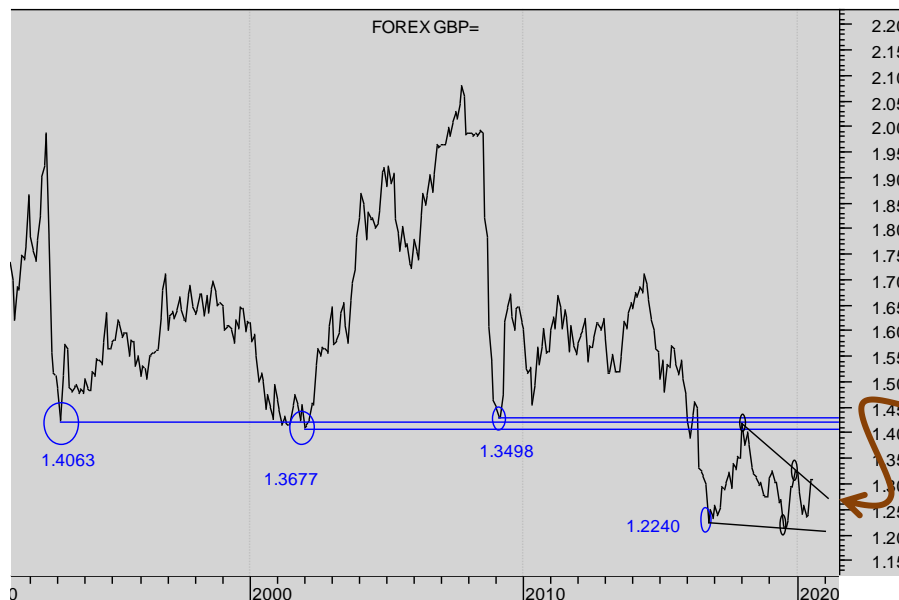
Currencies: Dollar Sterling



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 recent rally back into the band of resistance from those lows should be closely watched for failure as before...



Dollar Sterling Monthly spot cash LINE CHART based on closes

The possible bear continuation triangle looks rather unlikely at the moment.

Stand back and wait for a monthly close for greater clarity.

More



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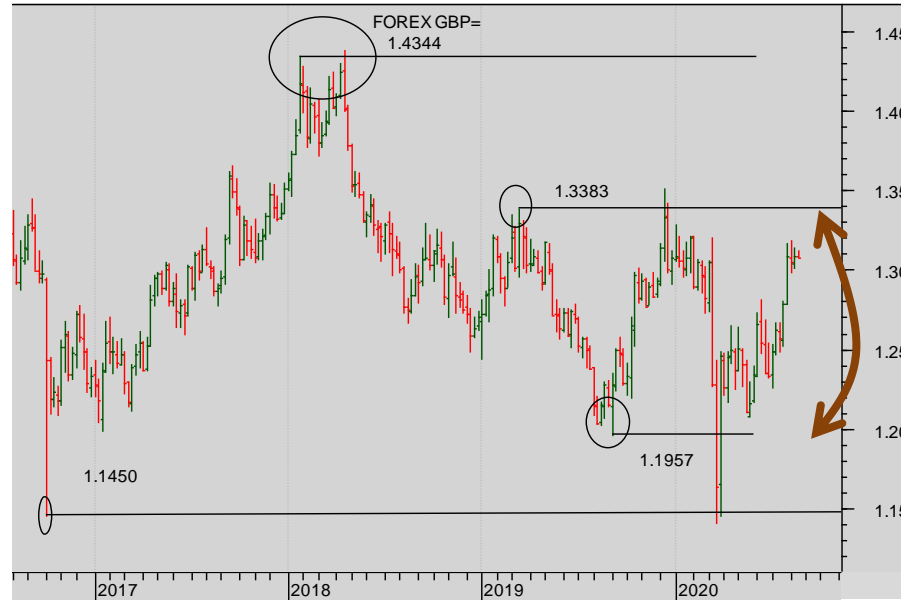
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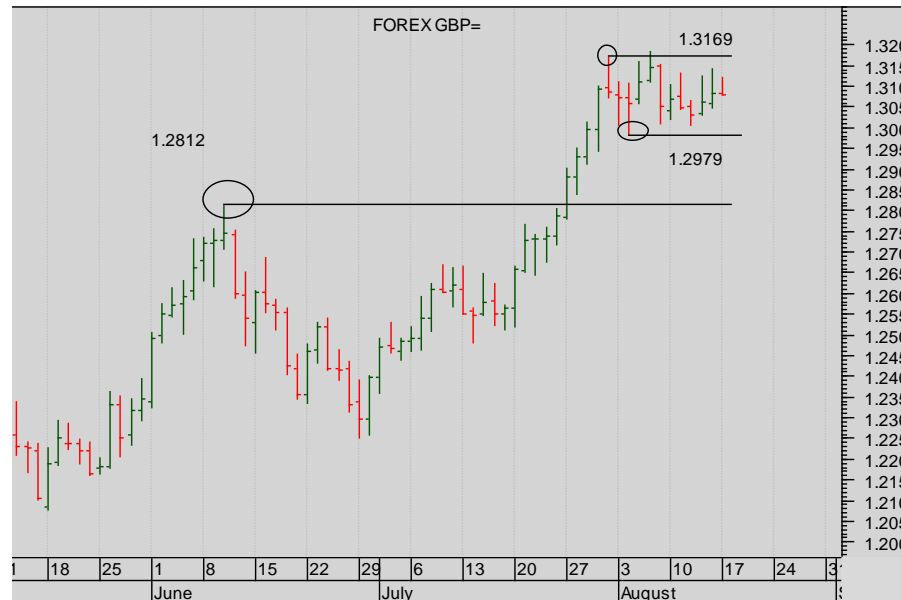
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

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

Note the market's approach of the upper boundary of the range.



Dollar Sterling daily spot cash chart

Note the small range over the last few days...stand back and watch.



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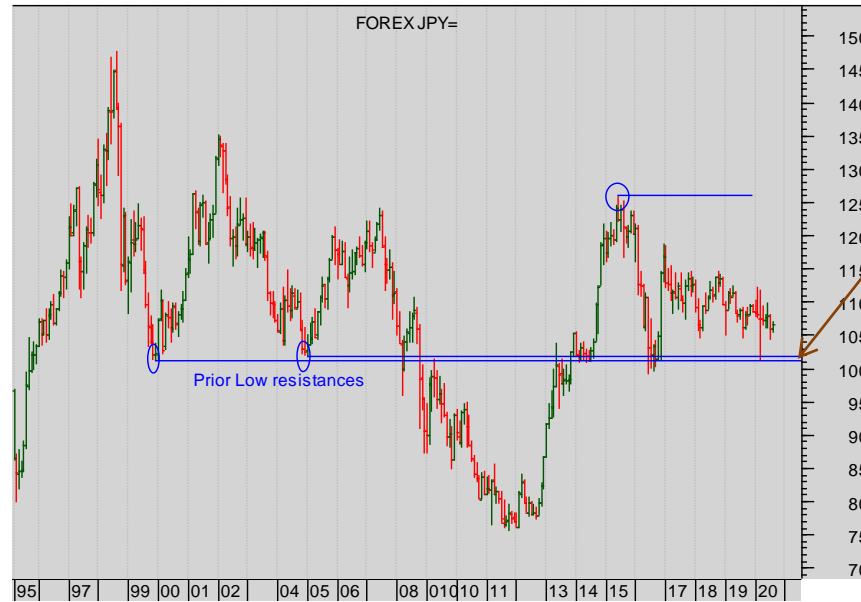
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IMPLIED ASSET ALLOCATION

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.

The range remains intact.

More



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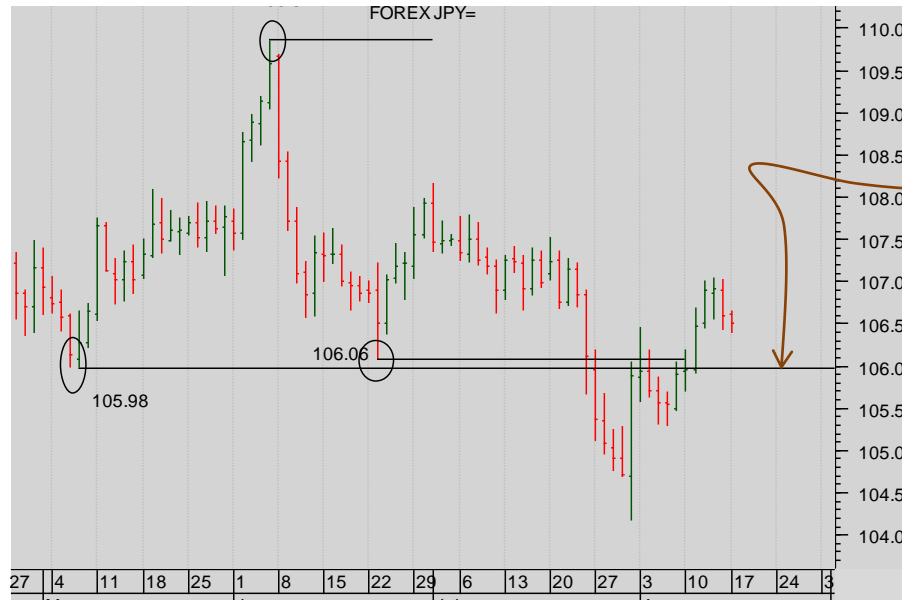
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Commodities

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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Short-term, the breakdown through the Prior Lows **has been reversed** – suggesting that there's a lack of impetus behind the bear Dollar ...



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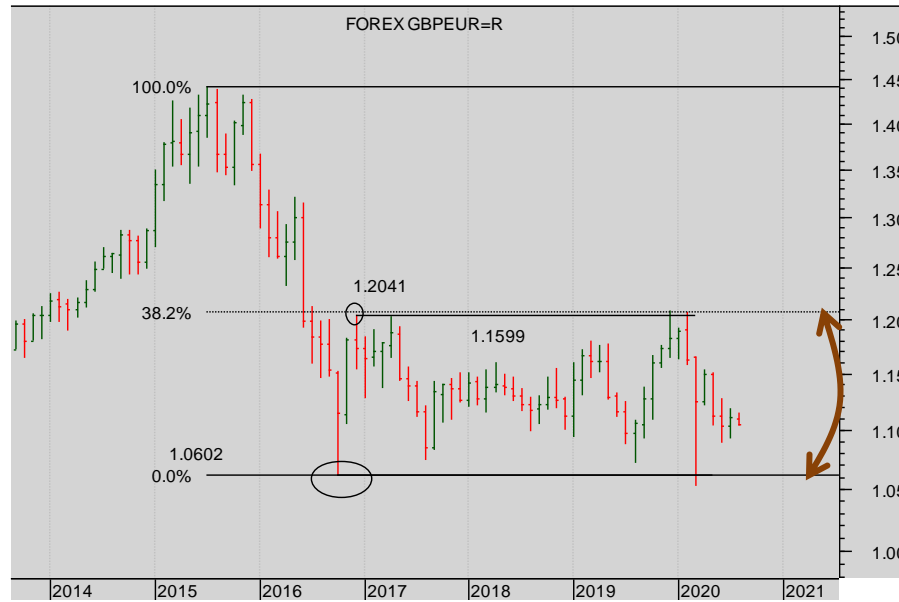
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Commodities

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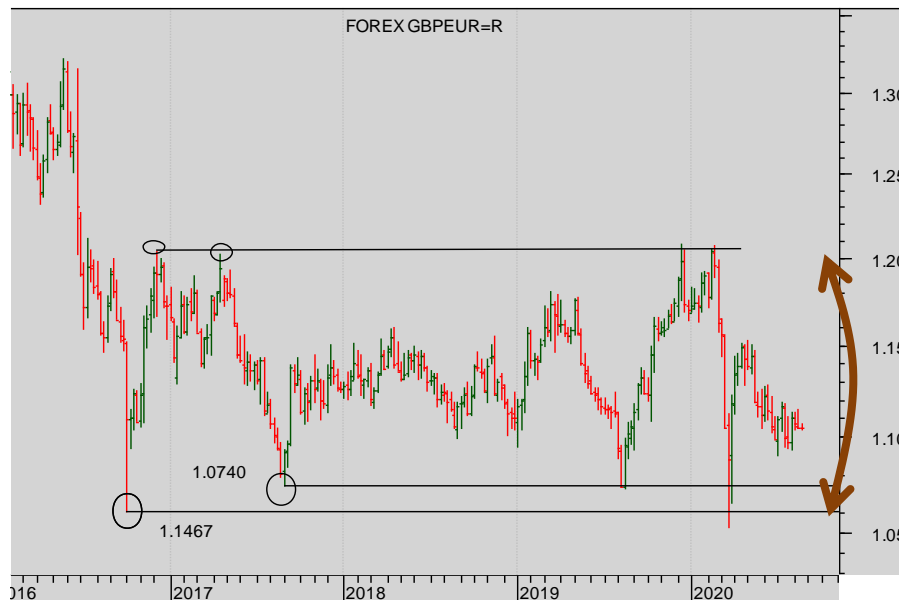
IMPLIED ASSET ALLOCATION

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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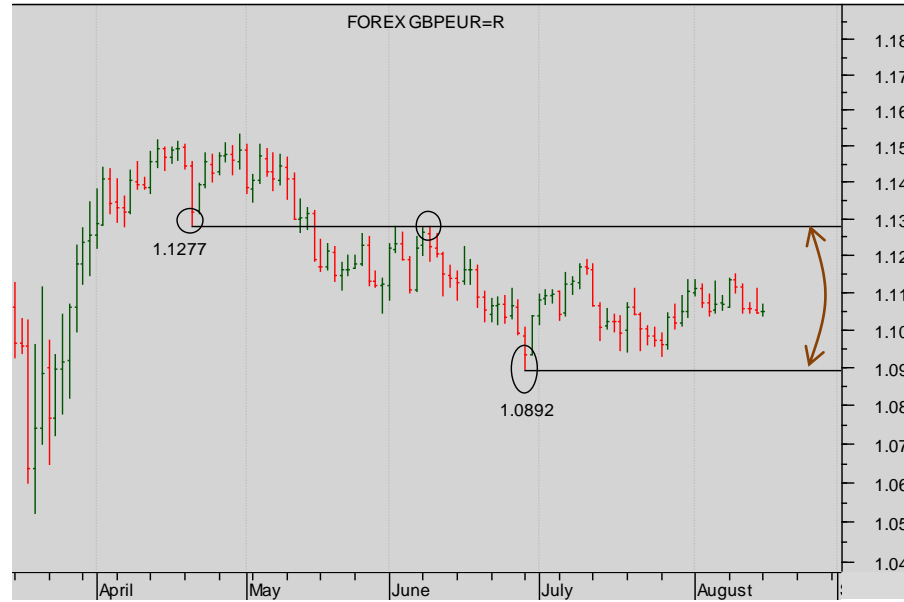
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IMPLIED ASSET ALLOCATION



Sterling Euro daily spot cash chart

Watch the range.

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



Stocks

STOCKS:

The rise of the S&P to challenge the Prior all time high is impressive. But note the lagging indices elsewhere: the EuroStoxx is struggling to break back through the highs of last June and the FTSE languishes similarly. The Nikkei allies itself with the S&P and sits right at the June High. All eyes are on the US – a clear break through there will revitalise the other markets. But their lack of vigour reveals vulnerability.

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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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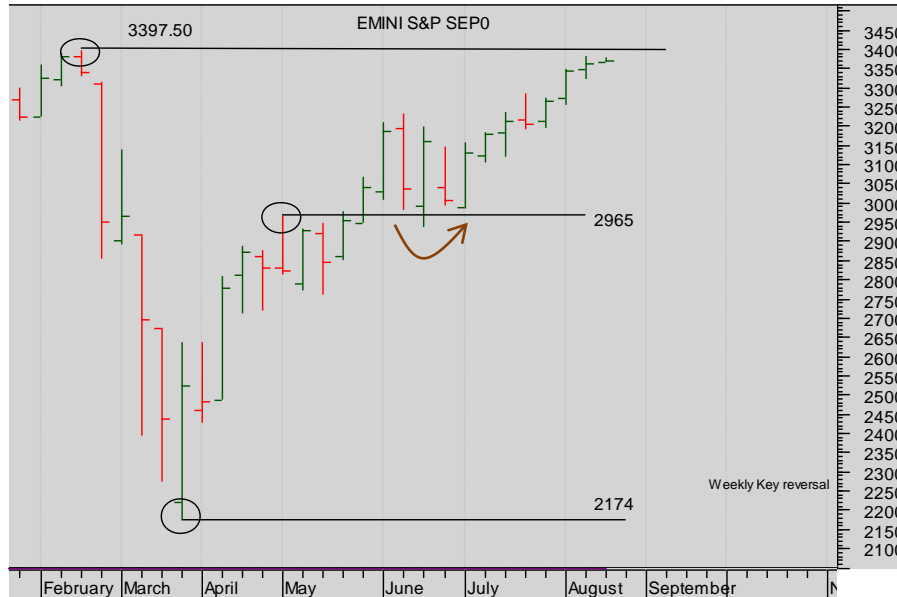
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CME S&P 500 cont. weekly cont. chart

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 created a bull trend.

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

But the bounce from the Prior High is encouraging

More



Stocks: Eurex EuroStoxx 50

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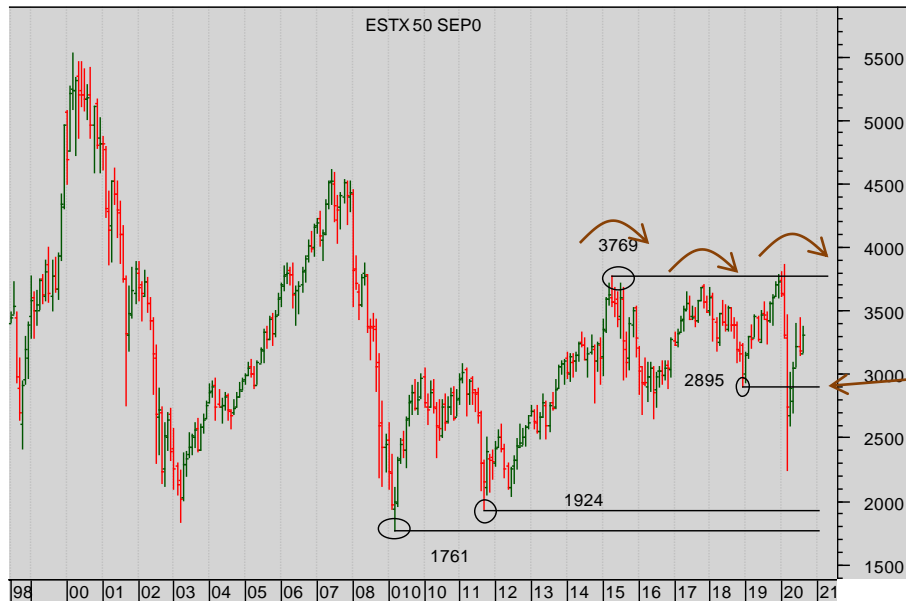
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Commodities

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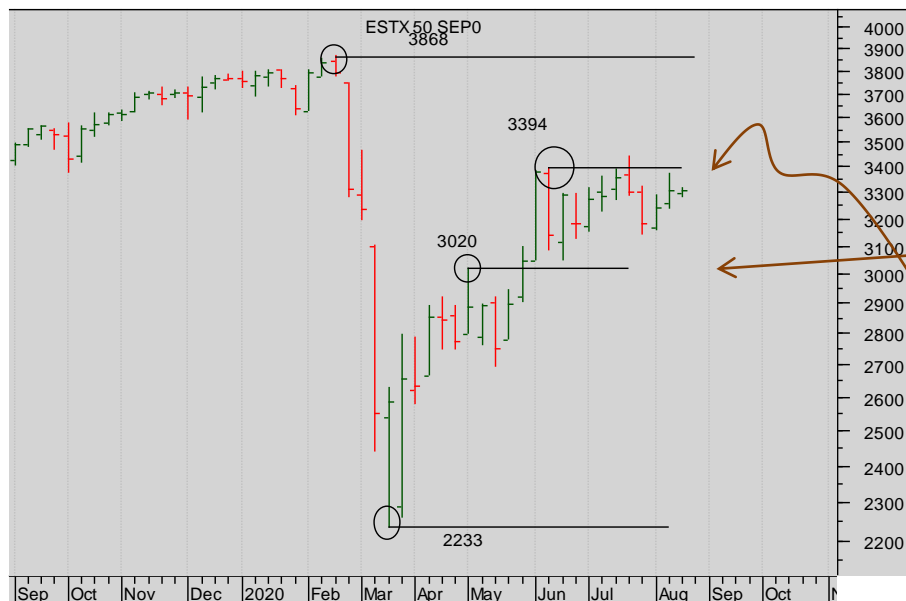
IMPLIED ASSET ALLOCATION



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 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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Commodities

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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Dec 19 futures chart

The market failed to establish itself above the Prior High THREE TIMES and so looks disappointing short-term.

Watch the range.



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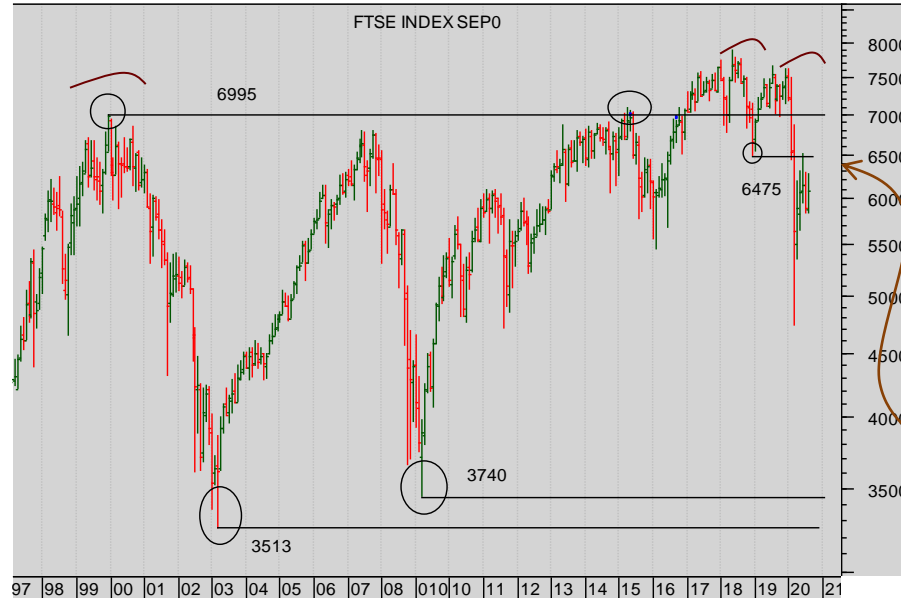
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Commodities

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IMPLIED ASSET ALLOCATION

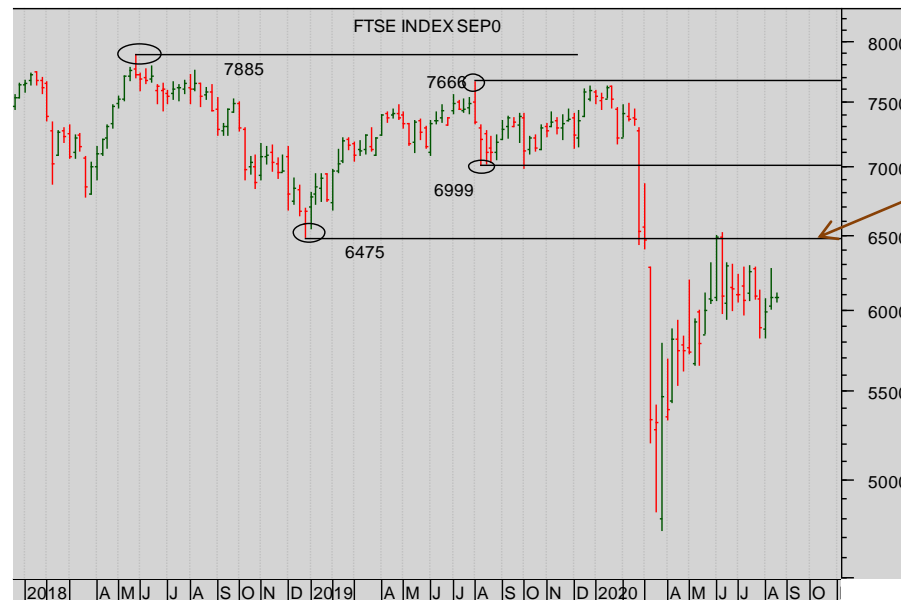
Stocks: Liffe FTSE 100



Liffe FTSE 100 Monthly continuation futures chart

1. The 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 Sep 20 daily futures chart

The market has failed at the 6475 resistance from the low in the long-term charts,

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

We were watching the 5894 low for signs of a confirming breakdown.

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IMPLIED ASSET ALLOCATION



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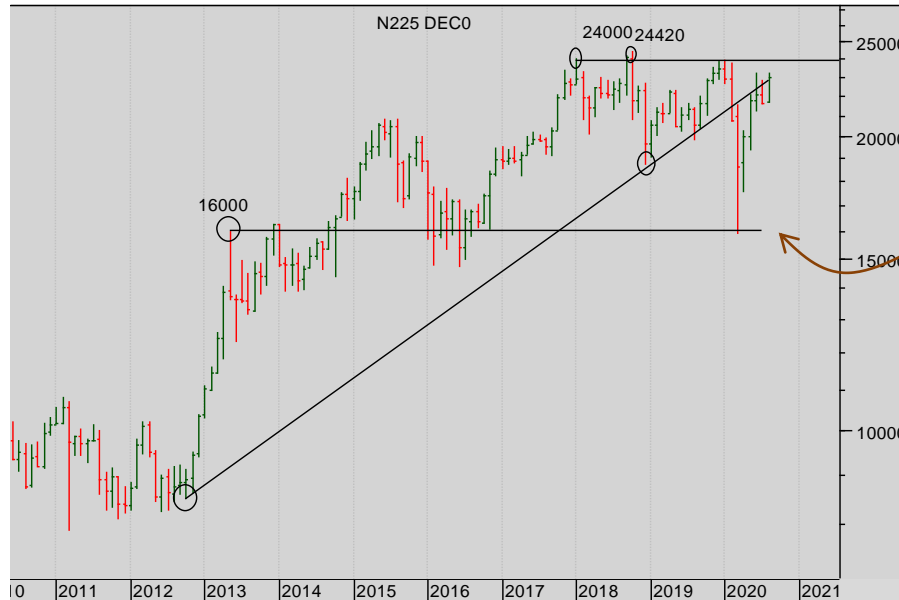
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

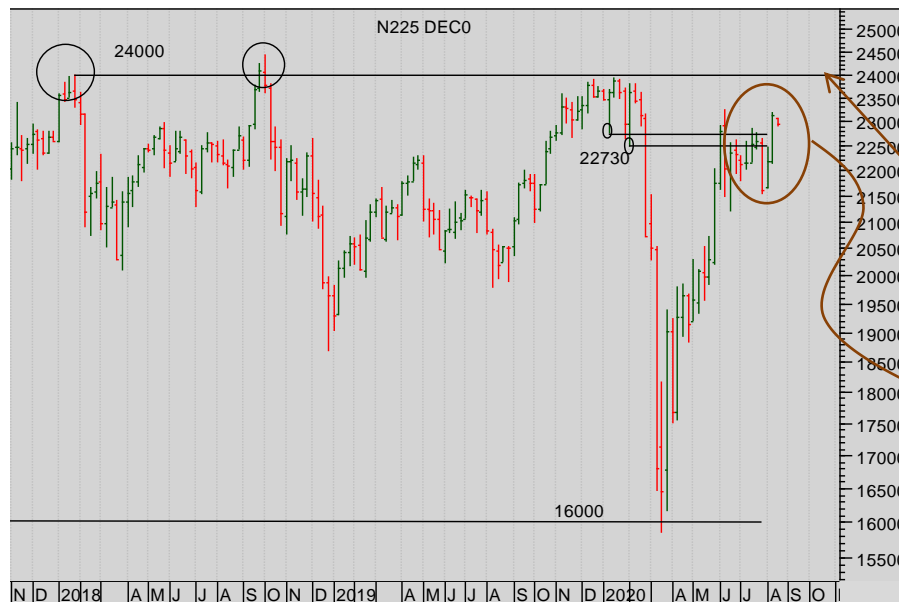
Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

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

Whence 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 **BREAKTHROUGH** the band of resistance beginning at 22730.

More



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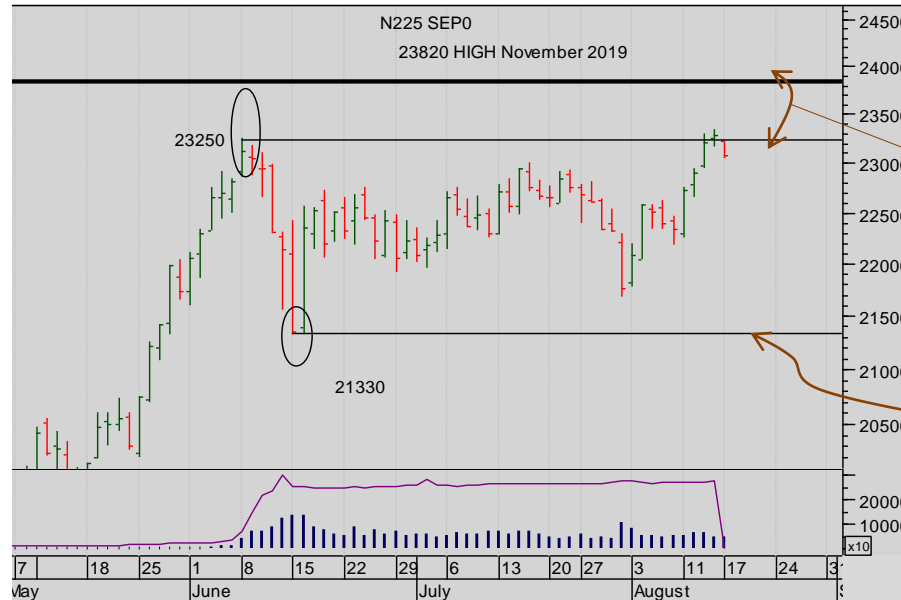
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart Daily
Sep 2020.

But this's **far less clear**.
The bulls need a break up
through the band from the
Prior Highs

Bears should watch for a
break of 21330

Stand back.



Bonds

BONDS:

Bonds are drifting sideways within ranges – the UK Gilt the notable exception of much greater weakness.

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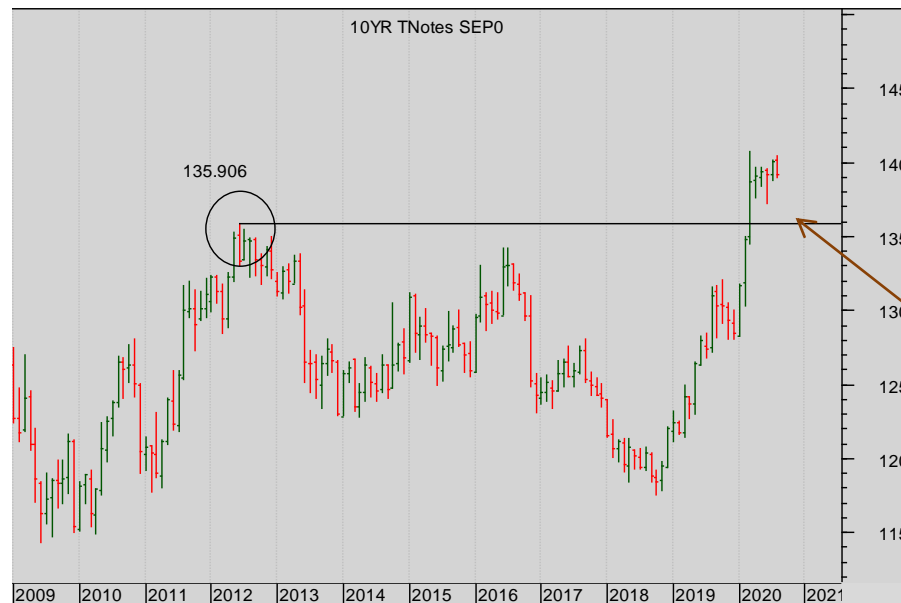
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Commodities

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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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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 must have been pleased – but the lack of impetus will have disappointed.

Now the market is testing the support from the Prior Highs





Bonds: Eurex Ten Year Bund

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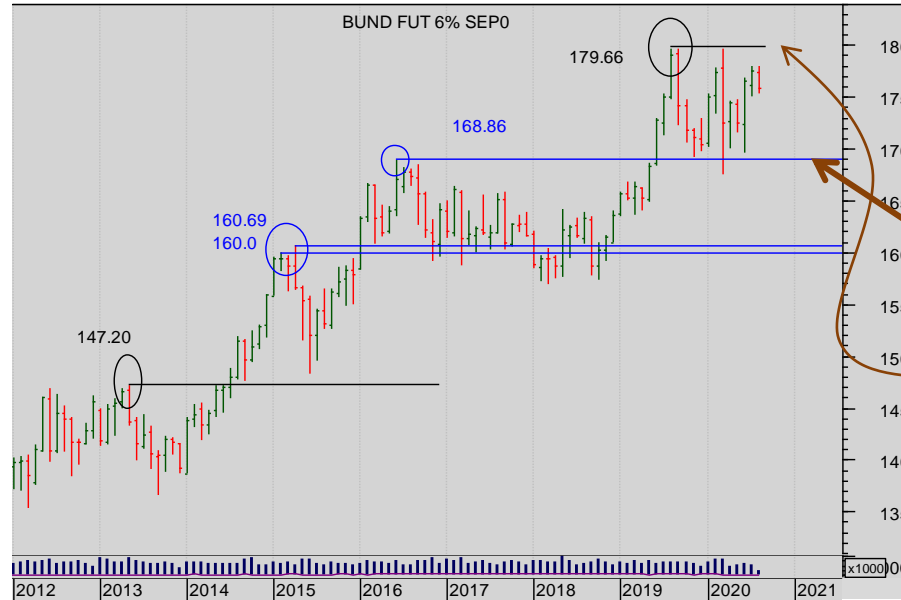
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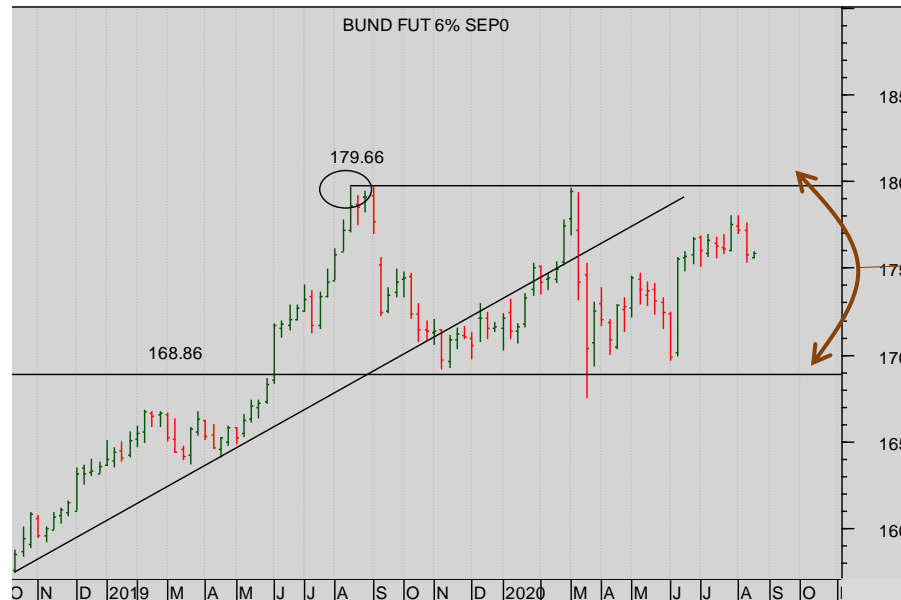
IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund monthly futures continuation chart

The support at 168.86 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.





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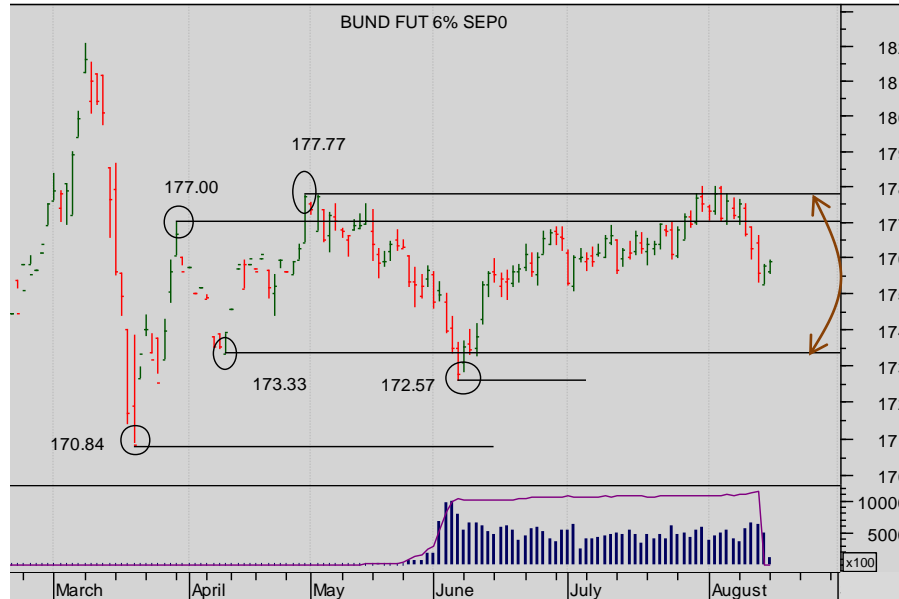
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IMPLIED ASSET ALLOCATION

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.



Bonds: Liffe UK Gilt futures

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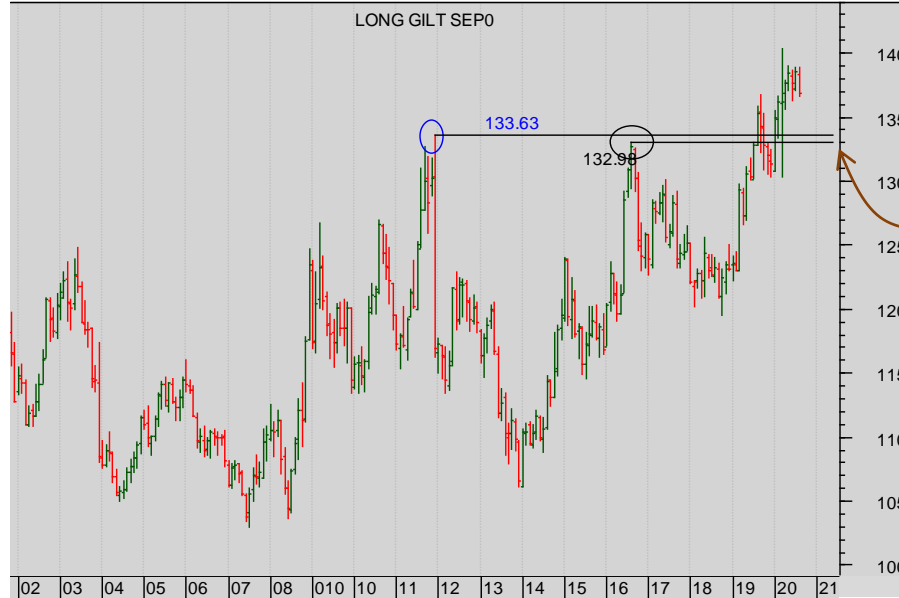
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IMPLIED ASSET ALLOCATION



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 market sits in a trading range...





Bonds: Liffe UK Gilt futures

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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. The bulls will want to see good support at these horizontals from the Prior High.



Commodity

COMMODITIES:

Oil is still unable to break up through the resistances above the market and surely remains vulnerable. Gold has fallen back to the support from the Prior High from 2011 and may be building a base for further advances.

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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

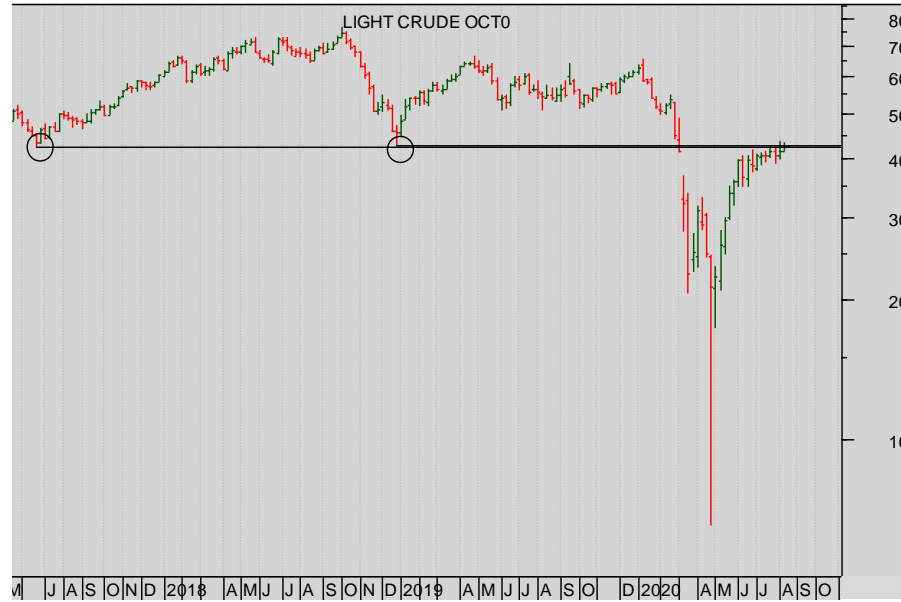
The completion of the H&S reversal achieved the minimum move at great speed.

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

More

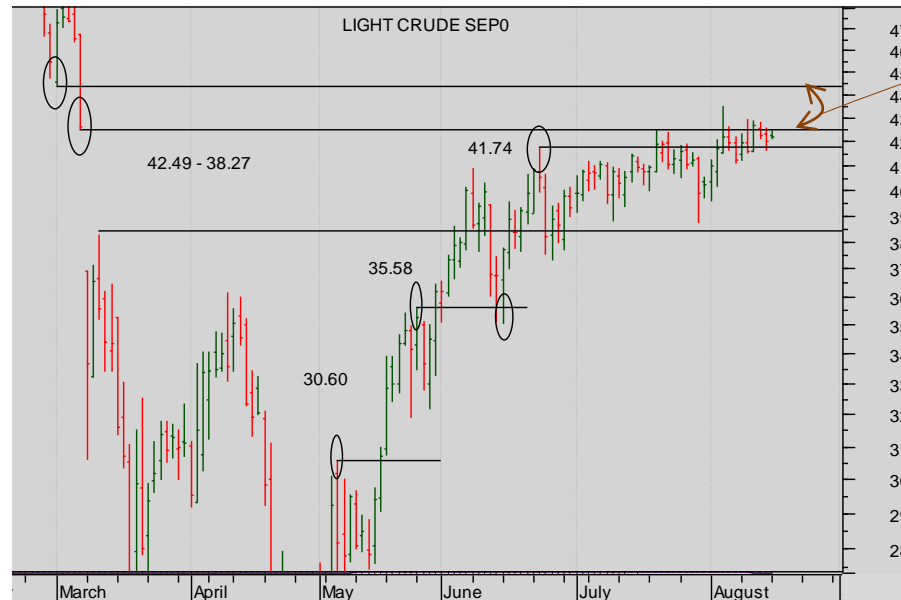


Commodities: Nymex WTI Oil



Nymex oil weekly continuation

The rally has closely approached the resistance from the Prior Lows at 43.00 – but hasn't broken through.



Nymex oil daily SEP 2020 futures

The market has closed the Gap resistance above the market.

Now watch carefully to see whether the price action can get above the Gap and force its way through the resistance of the band of lows 42.49- 44.50

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- + FTSE 100
- + OSE Nikkei 225

Bonds

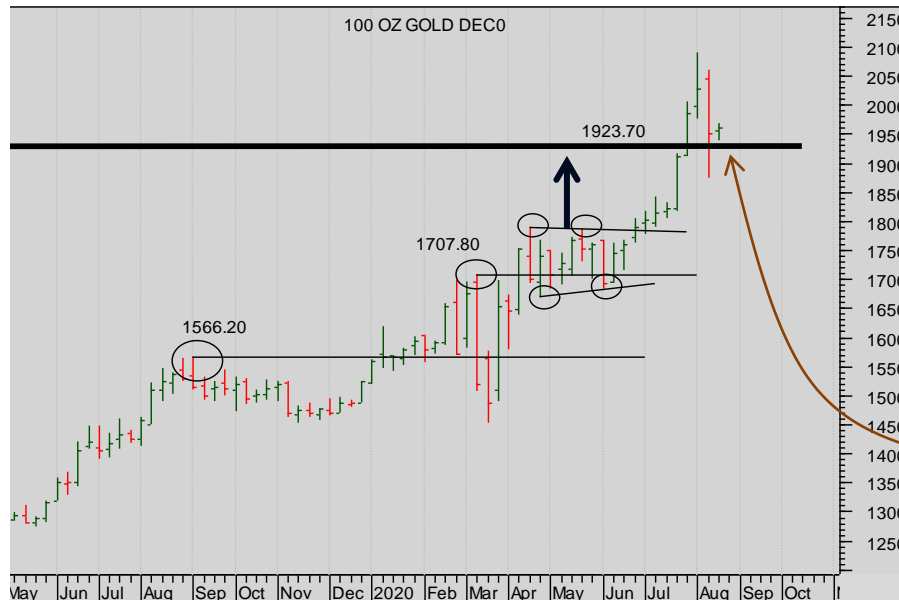
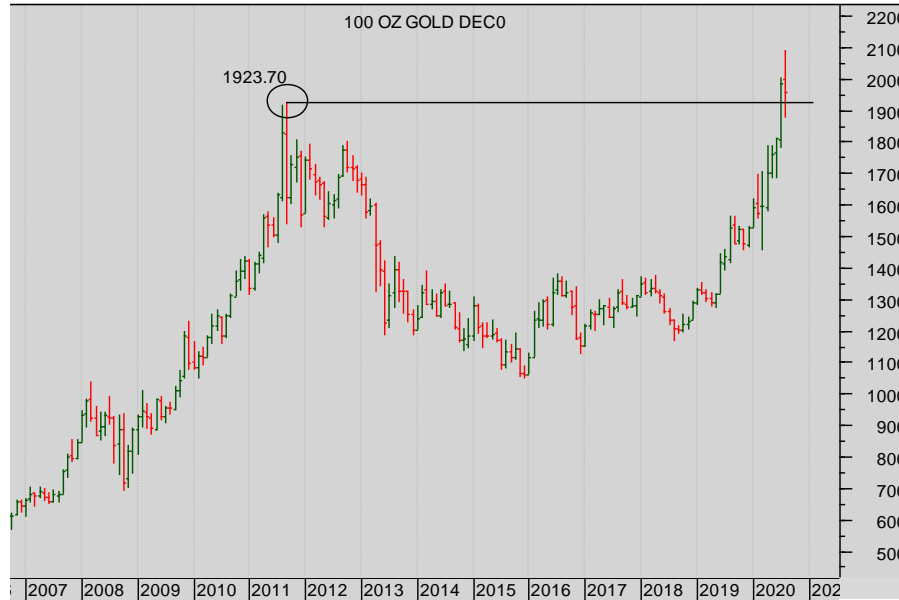
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

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? So far it looks like it – note the support there on the recent pull-back.



Commodities: Comex Gold



Nymex Gold August 2020 2020 Daily

The daily chart has a Key Reversal - then we had a retest of the 1923 level.

Is this a good buying level?

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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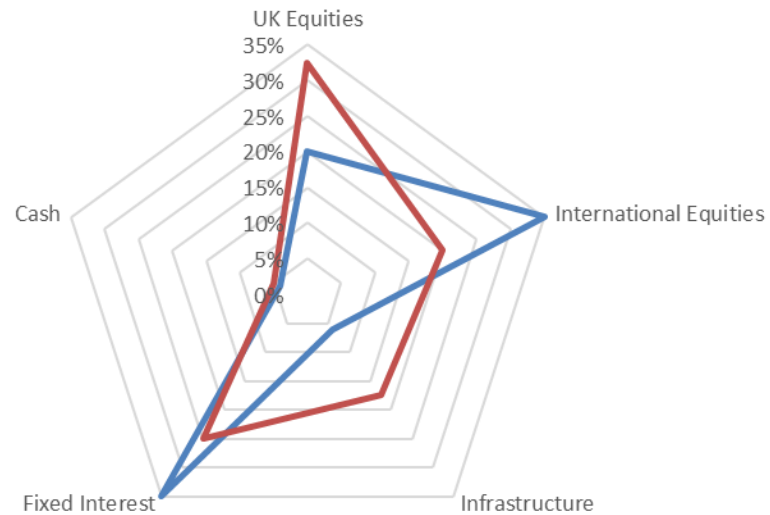
Commodities

- + 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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