



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 3rd September 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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Long-term **BULL** Euro
Long-term **BEAR** Sterling
Long-term **BULL** Yen
Long-term FLAT Euro

Medium-term FLAT Euro
Medium-term **BEAR** Sterling
Medium-term FLAT Yen
Medium-term FLAT Euro

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

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

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

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

What are we seeing? A determined attempt to break long-term resistance to any further weakening of the Dollar against the Euro especially. There are echoes against the Sterling and Yen but not convincing yet (watch the weekly charts there in each case) Sterling Euro reveals the Euro to be relatively strong – but nothing convincing beyond a short-term move.

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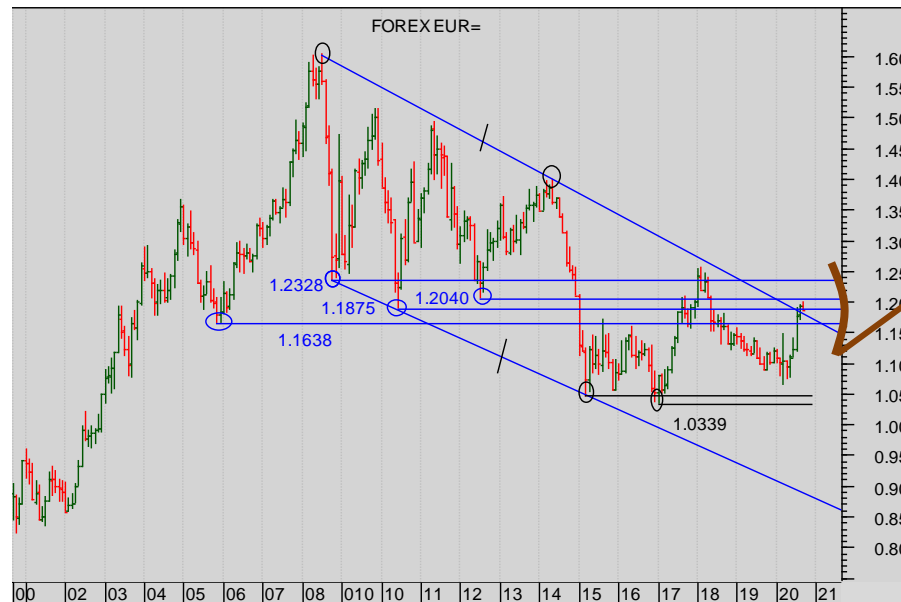
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IMPLIED ASSET ALLOCATION



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

More



Currencies: Dollar Euro

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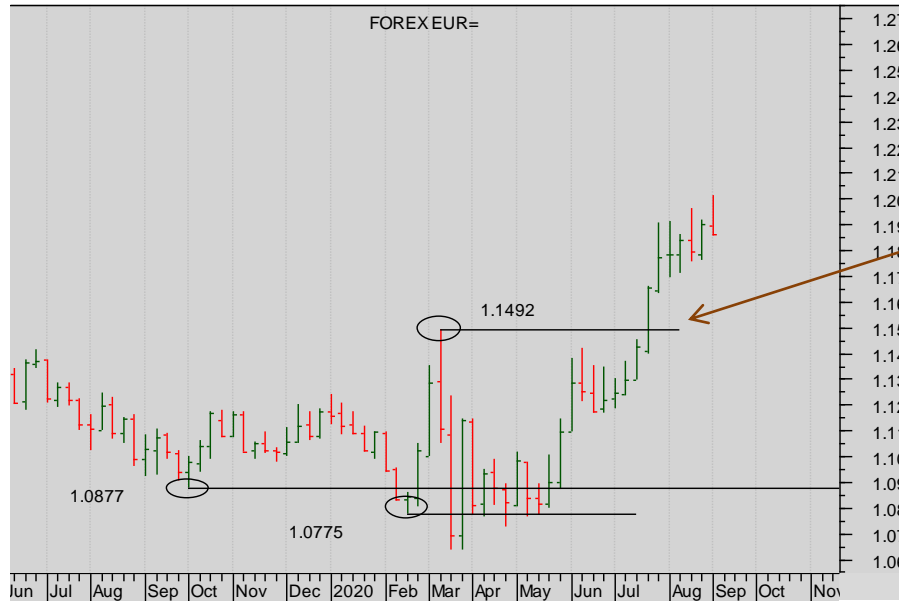
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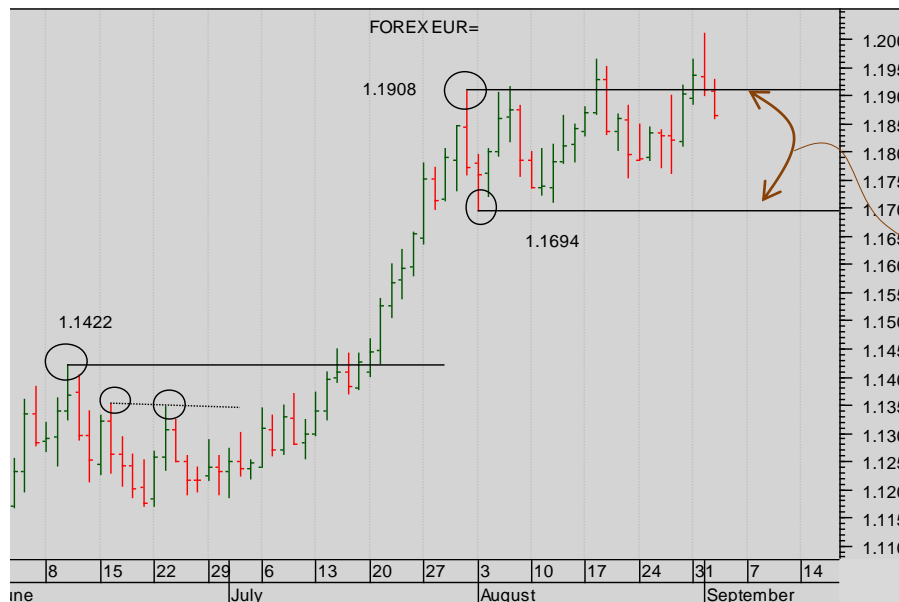
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Dollar Euro weekly spot cash chart

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, 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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IMPLIED ASSET ALLOCATION

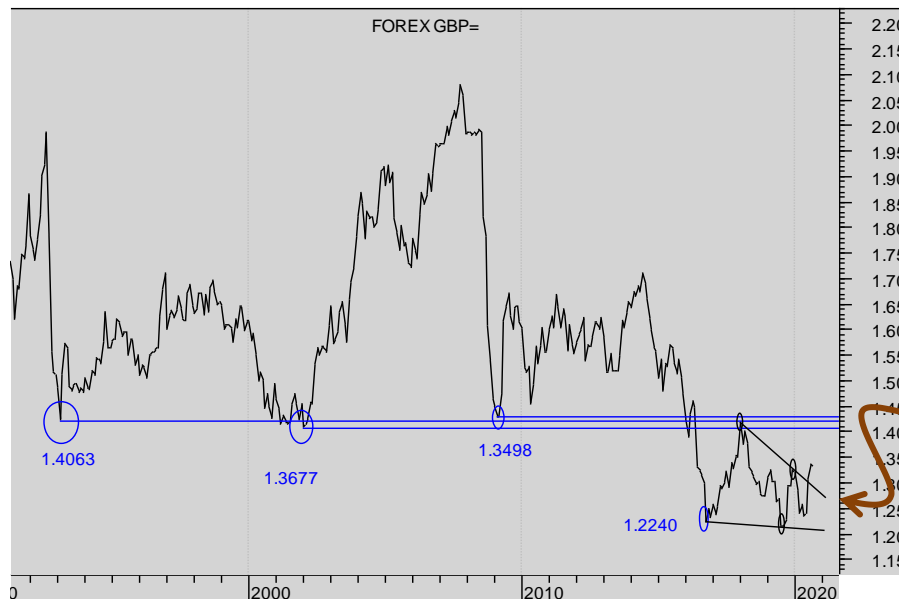
Currencies: Dollar Sterling



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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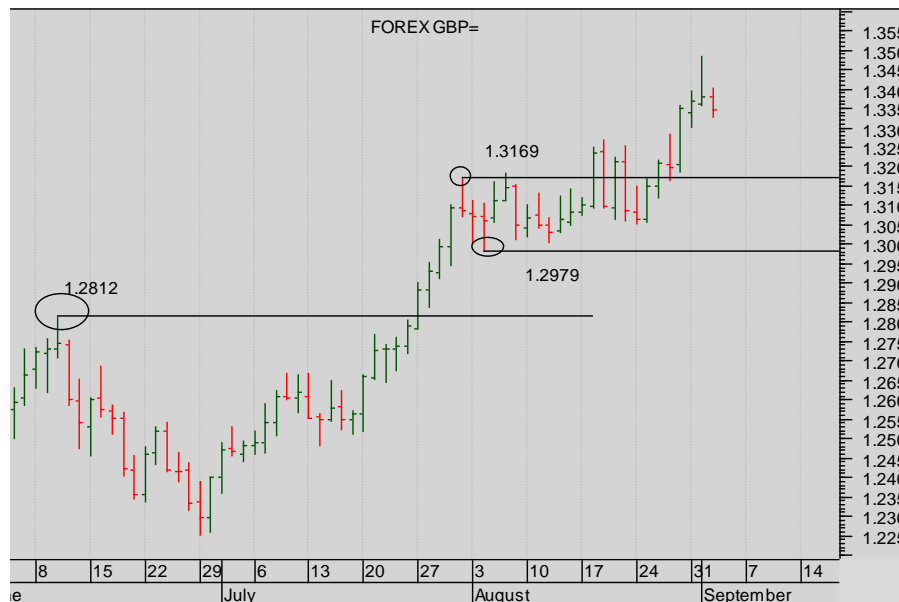
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

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

Note the market's approach of the upper boundary of the range. Wait for a break.



Dollar Sterling daily spot cash chart

Note the small range over the last few days has been breached ...

Is this the short-term catalyst the Dollar bears need to break the Weekly highs?



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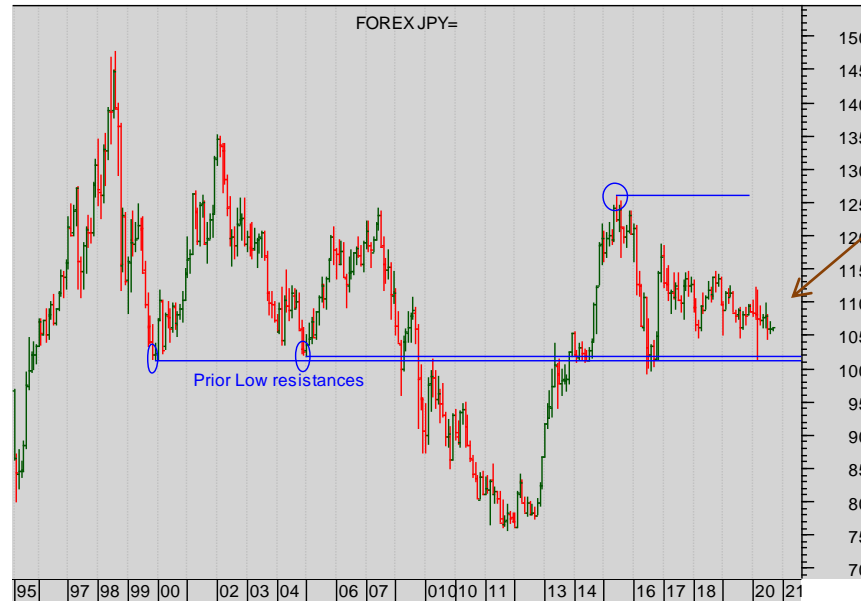
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Commodities

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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

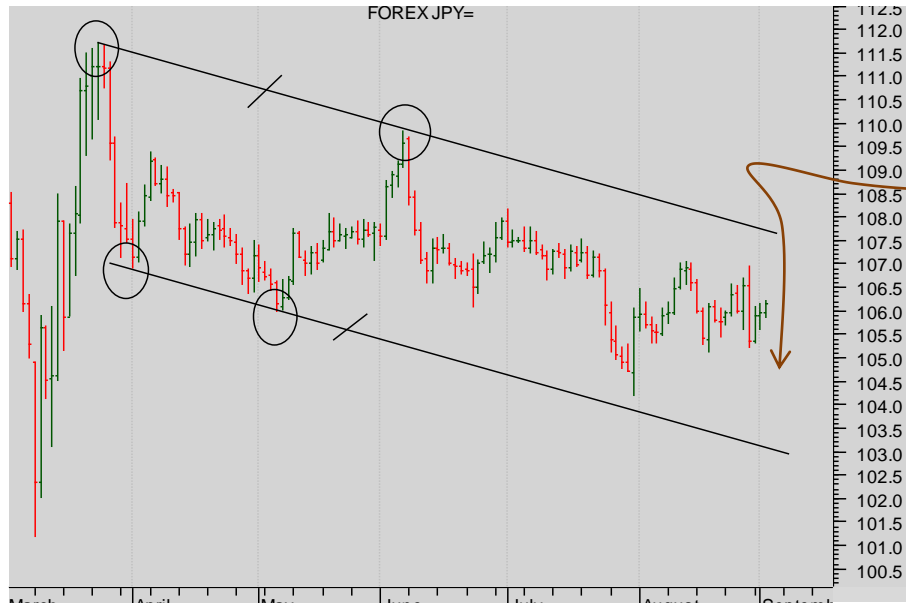
Watch the range – this is a smaller range within the large and there looks to have been a false break out.

The range remains intact.

More



Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Short-term, this lacks clarity.
Stand back and watch the bear channel...

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IMPLIED ASSET ALLOCATION



Currencies: Sterling Euro

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Commodities

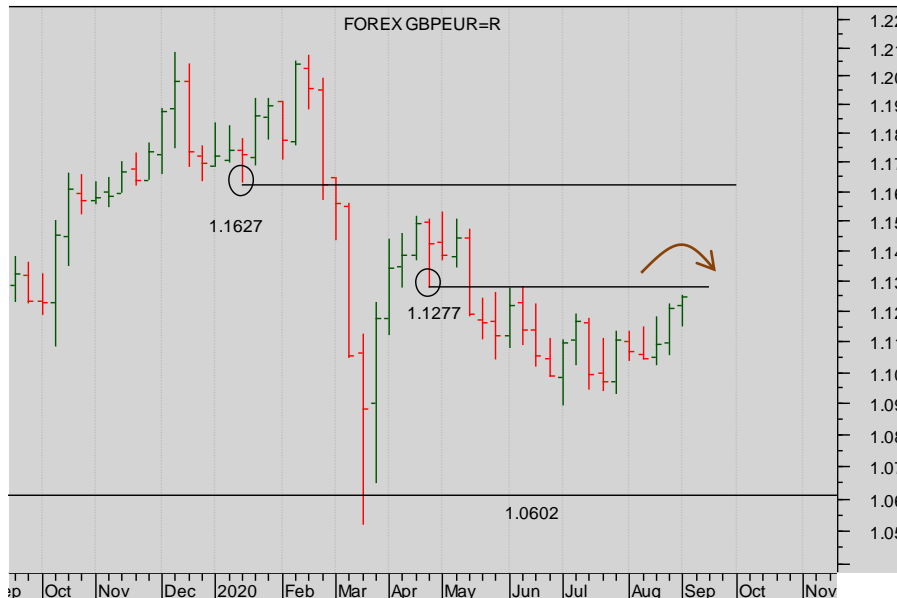
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



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: some small pressure to drive the market lower beneath the resistance at 1.1277.





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- + **Sterling Euro**

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Bonds

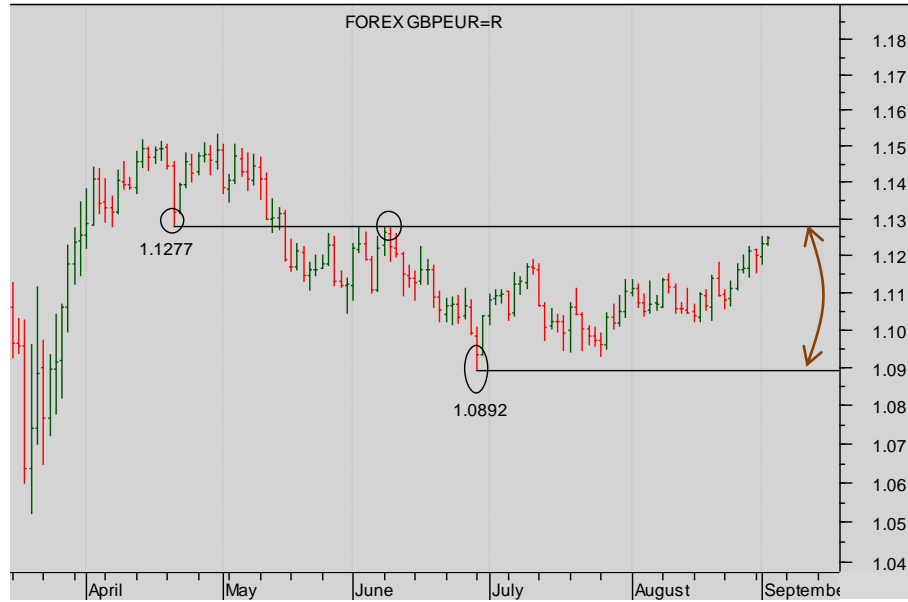
- + Ten Year US TNote
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- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro daily spot cash chart

Watch the range.

Sterling needs to break 1.1277 - 1.0892 for the bulls to really get excited. .



Stocks: CME S&P

STOCKS:

The S&P is thrillingly bullish while all other markets are foundering in its wake. The worst performer is the FTSE – poised to break down though not yet QUITE a sell in the daily time frame...The Nikkei is a poised mirror of the FTSE– close to a bull break out in all times frames.

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IMPLIED ASSET ALLOCATION



CME S&P 500 monthly cont. futures chart

The long-run bull points are these:

- 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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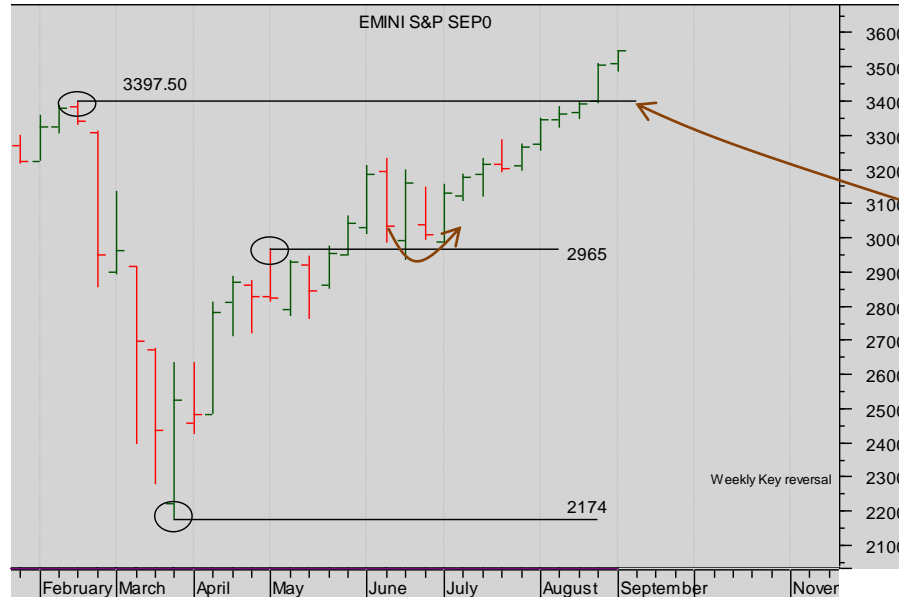
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Commodities

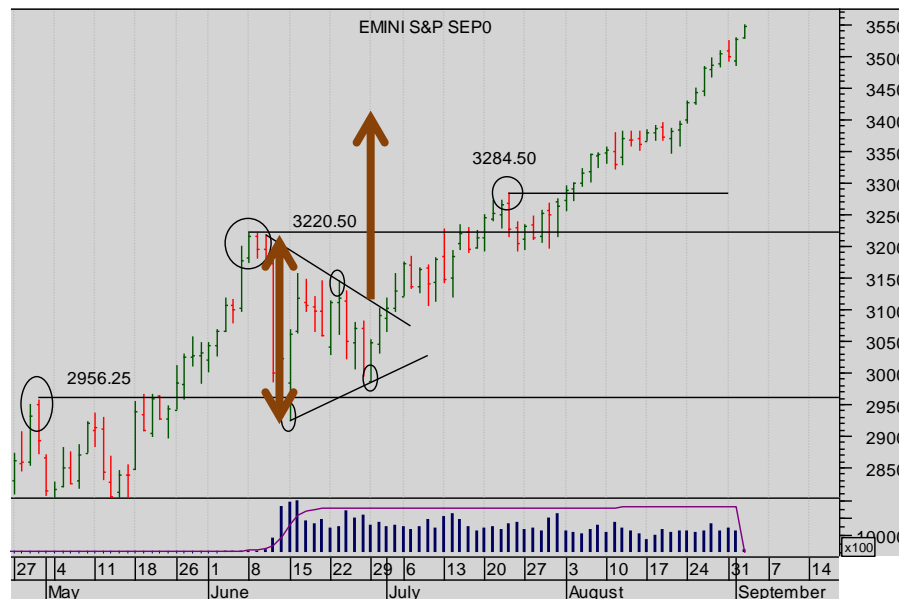
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



CME S&P 500 cont. weekly cont. chart

The bull rally – has found additional impetus from the break up through the Prior High. *The 3397 level is good support for a new bull leg....*



CME S&P 500 daily SEP 2020 chart

The completion of a clear continuation Triangle, (minimum move as far at 3400) continued the bull trend.

Now the minimum move red up as far as 3400 has been exceeded – so the market looks over-extended in the very short-term

More



Stocks: Eurex EuroStoxx 50

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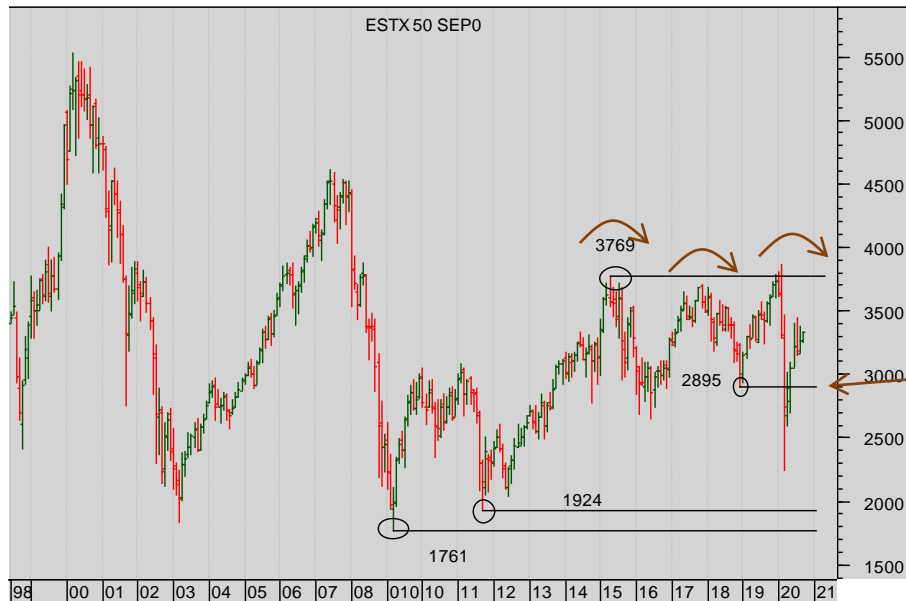
Bonds

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Commodities

- + Oil
- + Gold

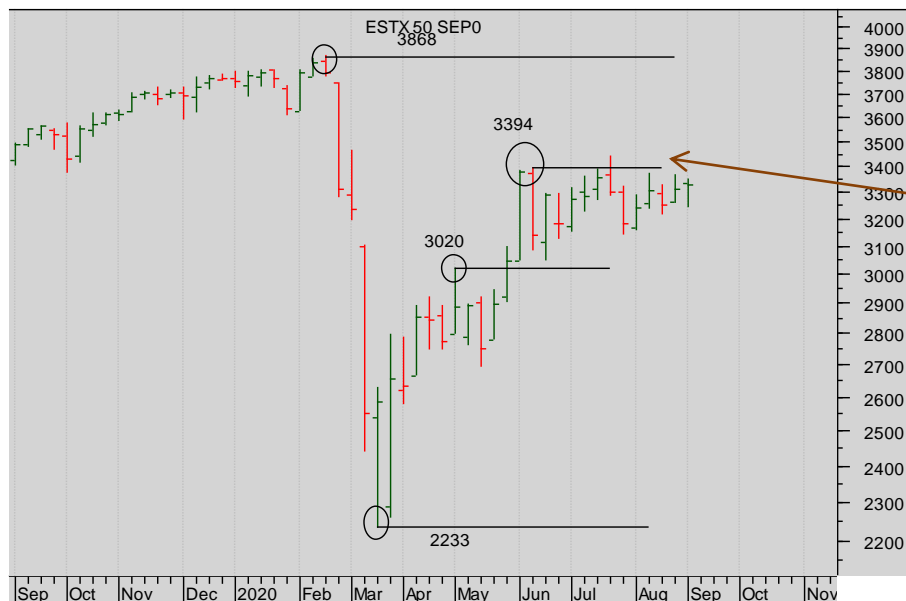
IMPLIED ASSET ALLOCATION



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

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

More



Stocks: Eurex EuroStoxx 50

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Commodities

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- + Gold

IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 daily Dec 19 futures chart

The market failed to establish itself above the 3369 Prior High FOUR TIMES and yet does not want to sell off.

The bears are having to short-cover constantly. The bulls look in command.



Stocks: Liffe FTSE 100

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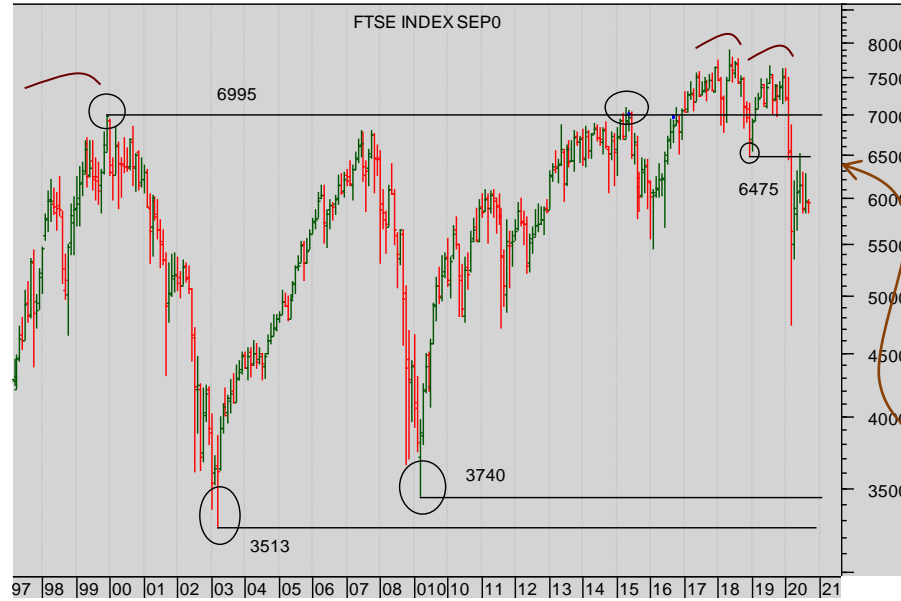
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Commodities

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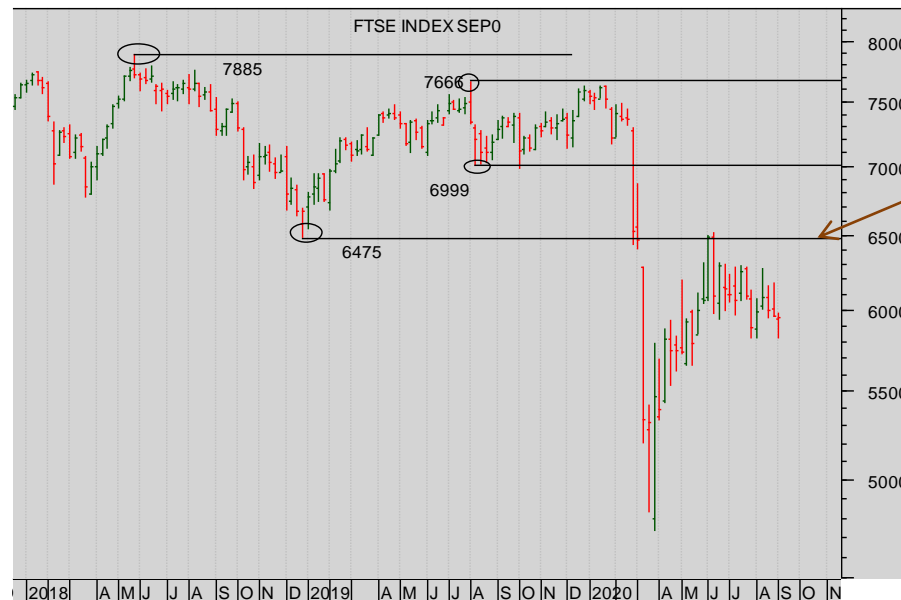
IMPLIED ASSET ALLOCATION



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



Liffe FTSE 100 Sep 20 daily futures chart

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

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

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IMPLIED ASSET ALLOCATION



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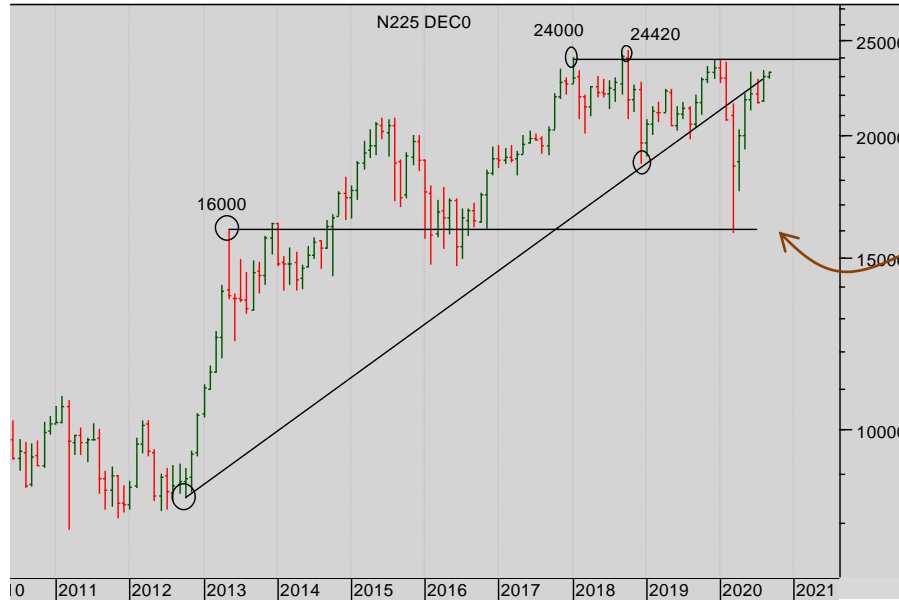
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

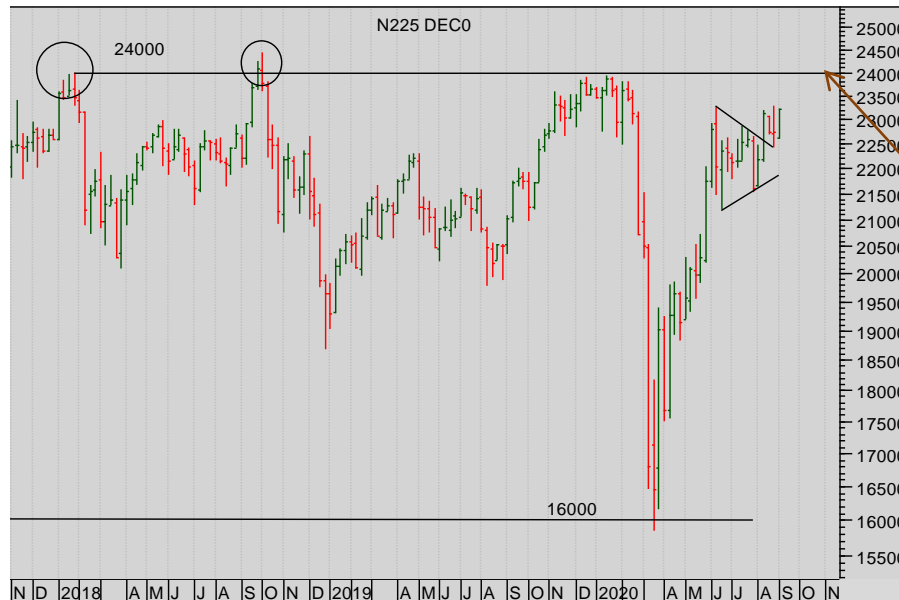
Stocks: OSE Nikkei 225



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.

But medium-term note the completed bull triangle – minimum move above the 24000 Prior High.

IS that the catalyst for the bull breakout?

More



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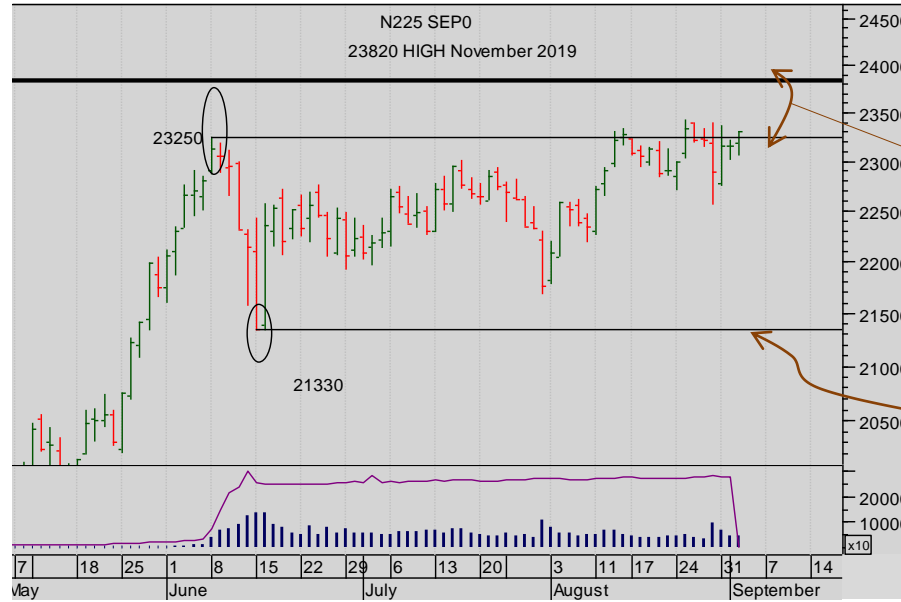
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Commodities

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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:

Most bond markets look well-set if not yet a compelling buy. The exception is the FTSE the short-term bear trend is in place, the medium term picture close to a sell and the long term picture, still bullish, has no close support....

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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



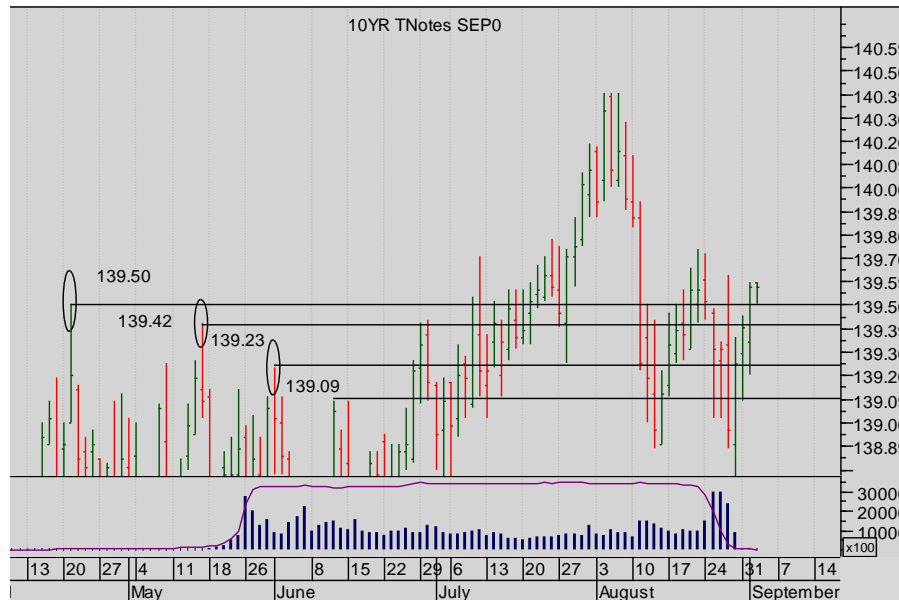
Bonds: CBOT Ten Year Notes



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, because the market has overcome the successive Highs (now support) it is **well-set**.

Now the market is testing and bouncing from the support from the Prior Highs and they look to be solid and supportive.

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IMPLIED ASSET ALLOCATION

More



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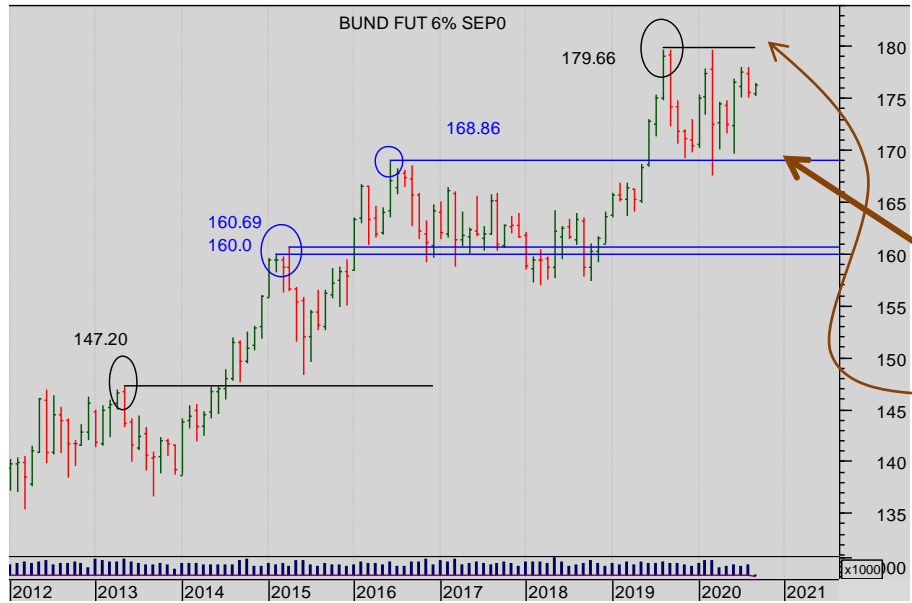
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IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

The support at 168.86 is proving 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

168.86 remains good support on the pull-back.

More



Bonds: Eurex Ten Year Bund

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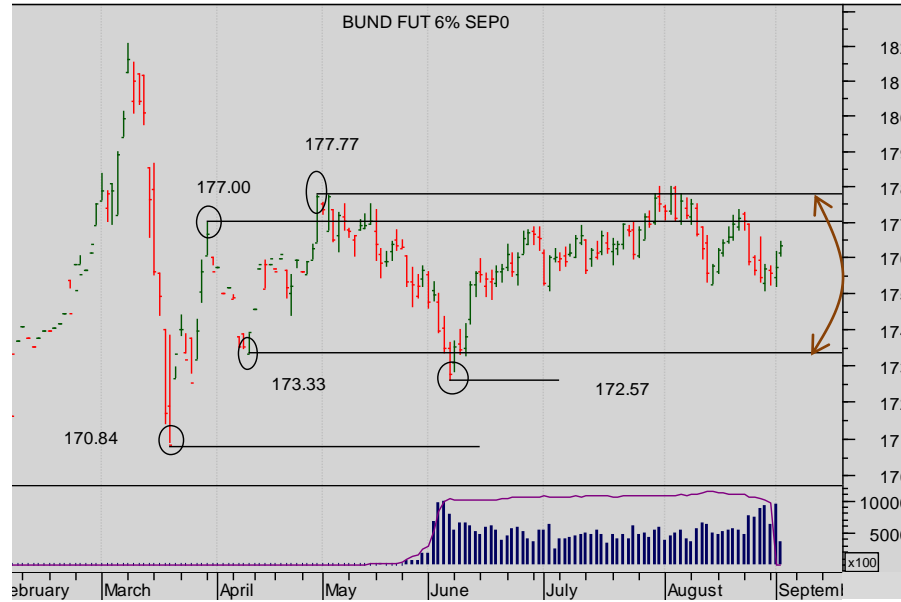
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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund JUN 2020 Daily futures chart

Short-term, both 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 long-term endorsement of the bull trend.

Another bull leg is in prospect.



Liffe UK Gilt weekly continuation futures Chart

In detail: the market is testing the bottom of the small trading range...

More



Bonds: Liffe UK Gilt futures

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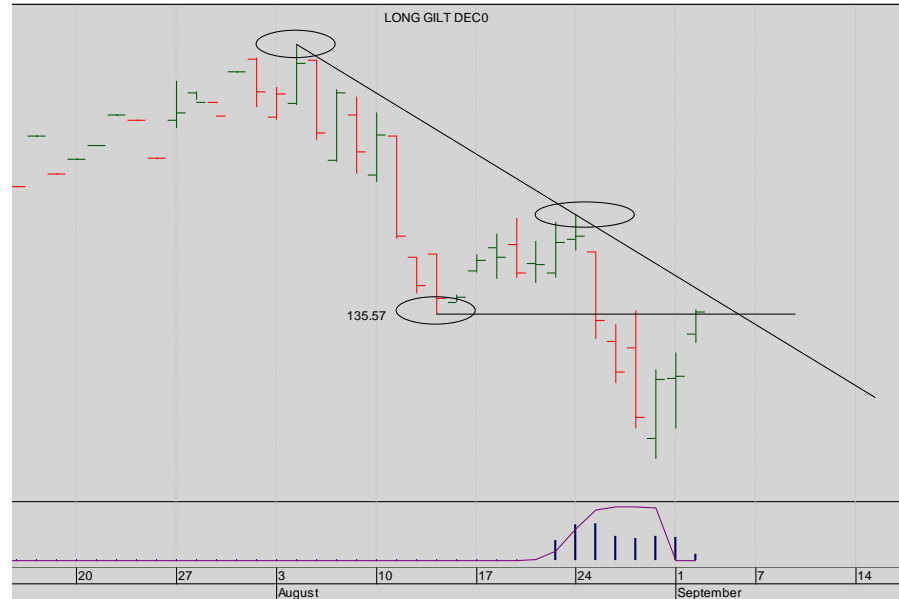
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- + **UK Gilt**

Commodities

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IMPLIED ASSET ALLOCATION



Long Gilt daily Dec 20 chart

Watch the retest of the resistance at 135.57, if it fails then the short trend is confirmed.



Commodity

COMMODITIES:

Oil looks to have paused long enough and may have given up on the upside. Watch for a convincing weakness in the short-term chart to compound the bear set-ups in the long and medium-term pictures. Gold is still good and bullish in the long and medium term – very well supported. But note that doubt has crept in in the short-term...

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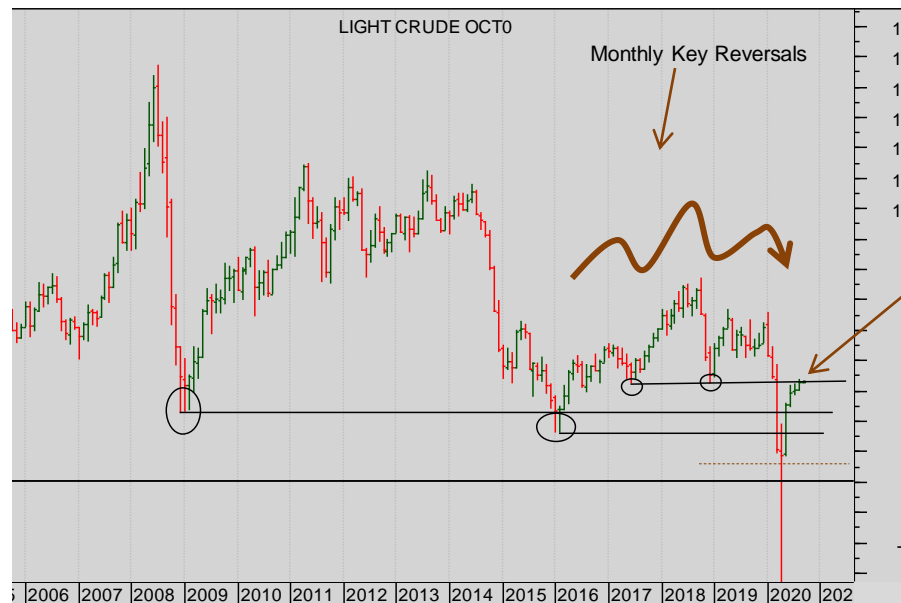
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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

On the bounce, there is powerful resistance at the Neckline at \$43 or so.

More



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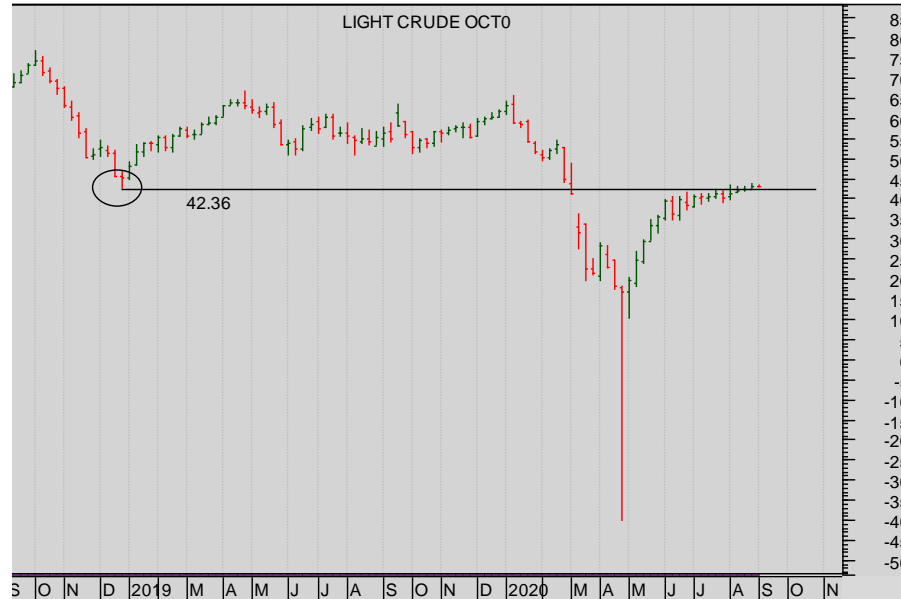
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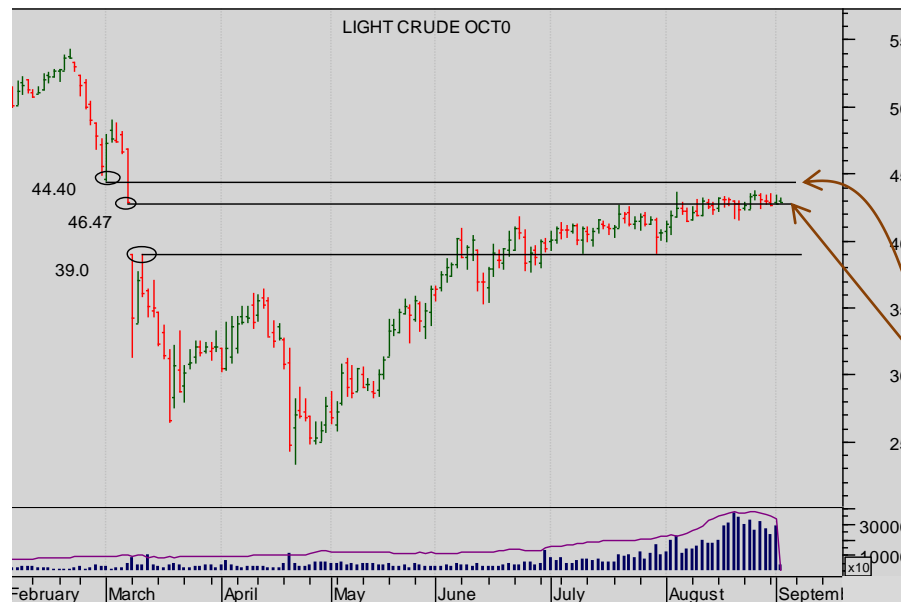
IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil weekly continuation

The rally has closely approached the resistance from the Prior Lows at 42.36 – but hasn't convincingly broken through.



Nymex oil daily SEP 2020 futures

The market has closed the Gap resistance above the market, but found itself unable to close above it.

Now watch carefully to see whether the price action can get above the Gap and force its way through the resistance of the low at 44.50



Commodities: Comex Gold

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- + FTSE 100
- + OSE Nikkei 225

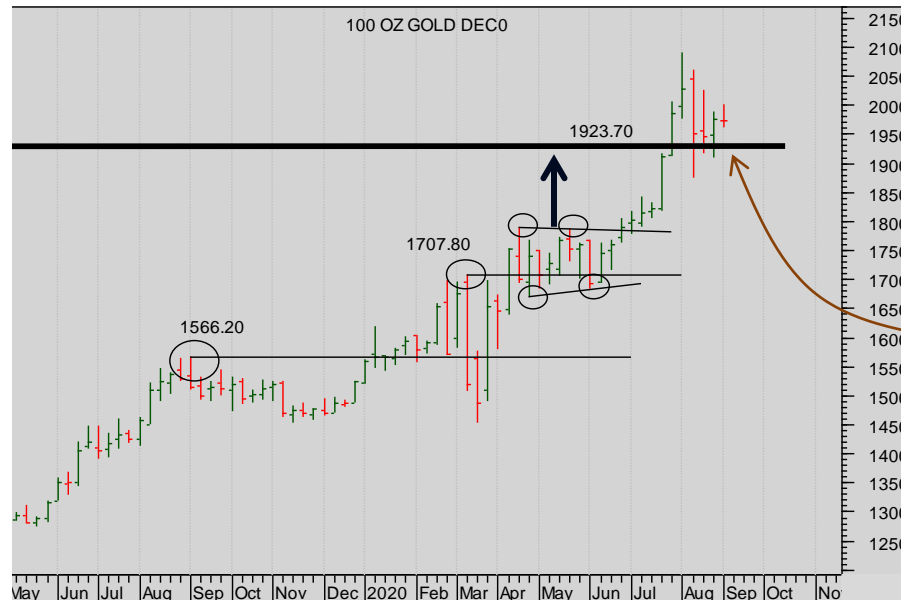
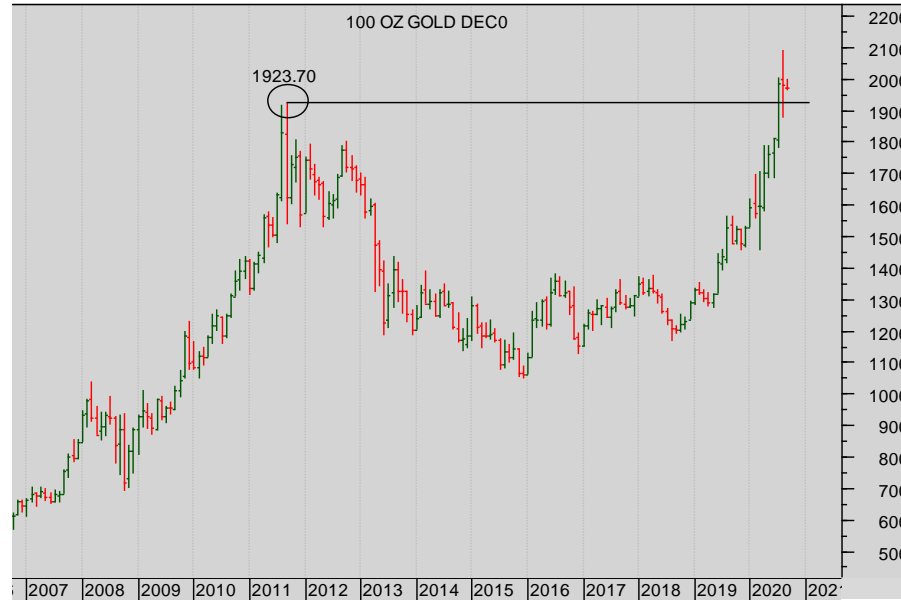
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nymex Gold Monthly

The bulls are in charge.

Watch the Prior High of 2011 that has been overcome and should now act as good support.

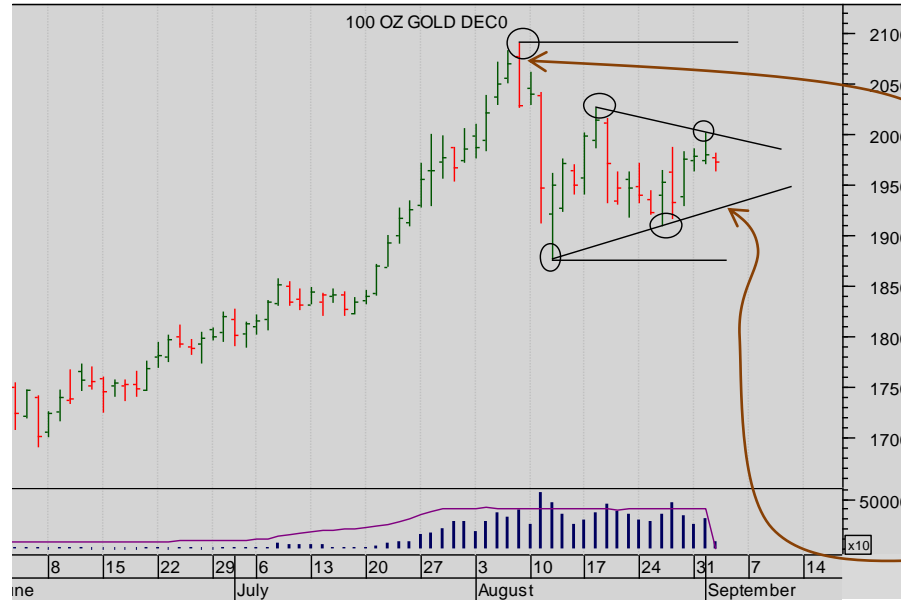
Nymex Gold weekly

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

The market is sustaining itself above the Prior High - note the support there on the recent pull-back.



Commodities: Comex Gold



Nymex Gold August 2020 2020 Daily

The short-term daily chart had a Key Reversal – which impacted the market in a sharp pull-back

Since then the market has stabilised above the 1923, and in so doing it has created a possible bear continuation triangle.

Watch for signs of a bear completion of the possible Triangle.

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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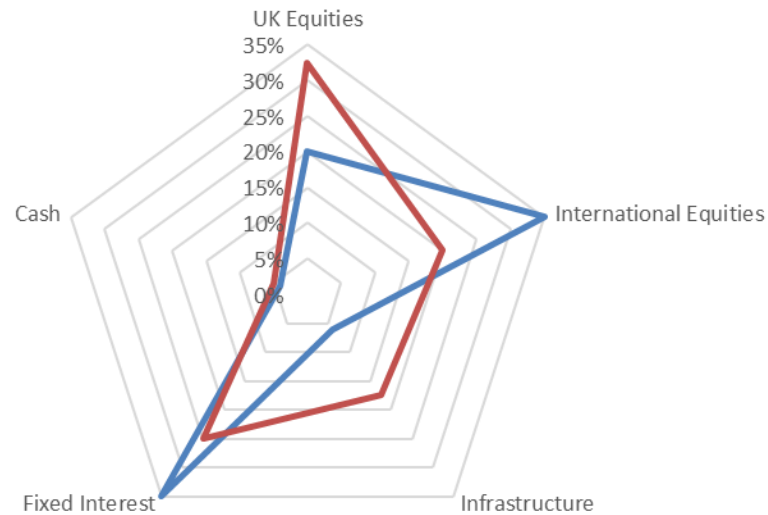
Commodities

- + 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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