



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

Disclaimer



Multi-asset technical strategies

Week of 15th September 2020

Mark Sturdy

Authorised and regulated
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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- + Sterling Euro

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

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 **BULL**

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:

The big move was the Sterling Euro.

But there was no compelling breakout. Sterling weakness has driven the market through levels in the weekly and daily charts, establishing a robust four month bear trend that may yet go further – but the monthly chart remains intact for the moment.

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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 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



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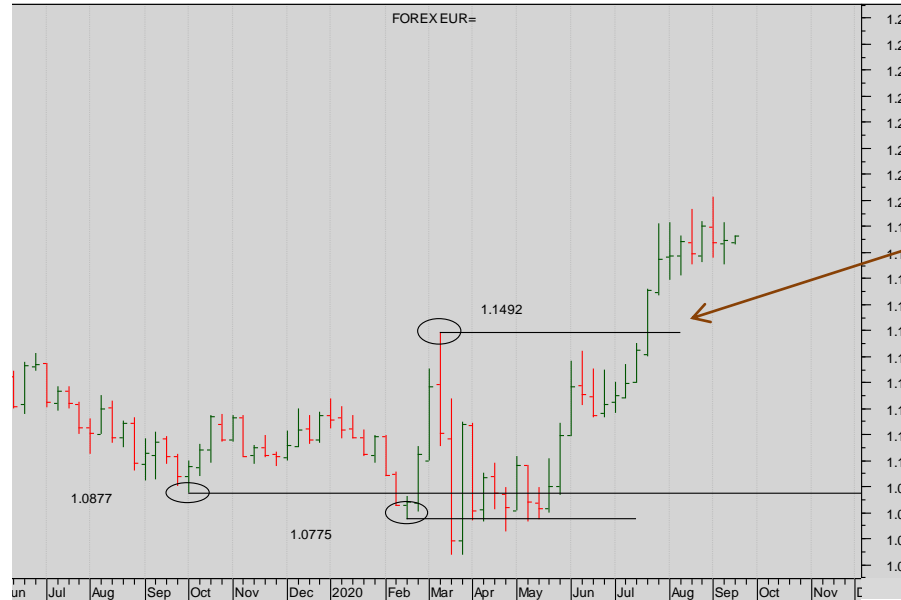
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Commodities

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IMPLIED ASSET ALLOCATION

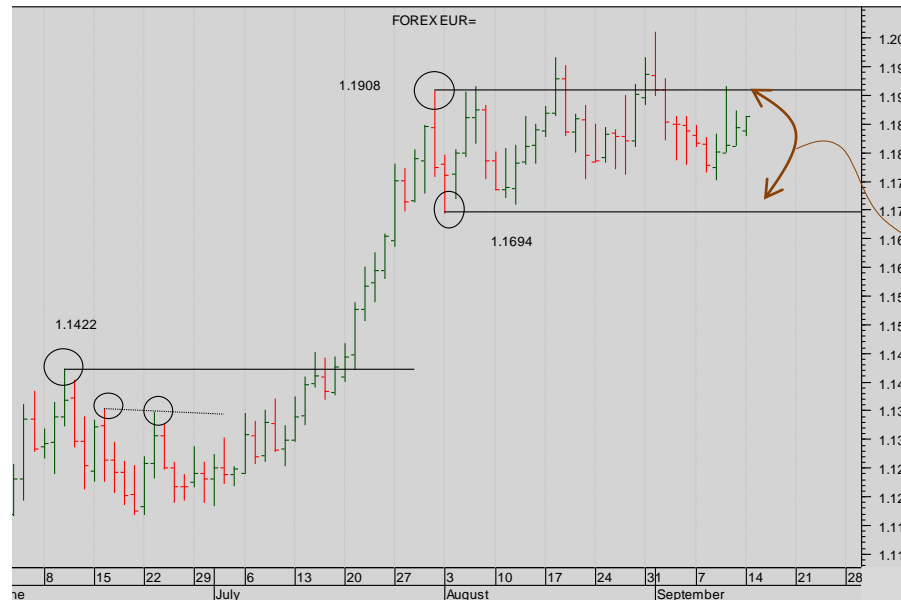
Currencies: Dollar Euro



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 - 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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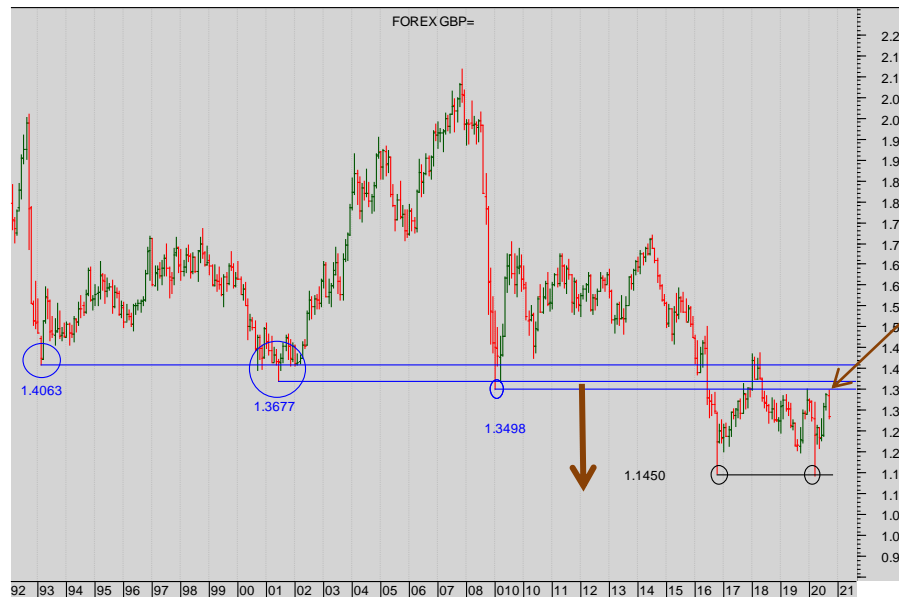
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Commodities

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IMPLIED ASSET ALLOCATION

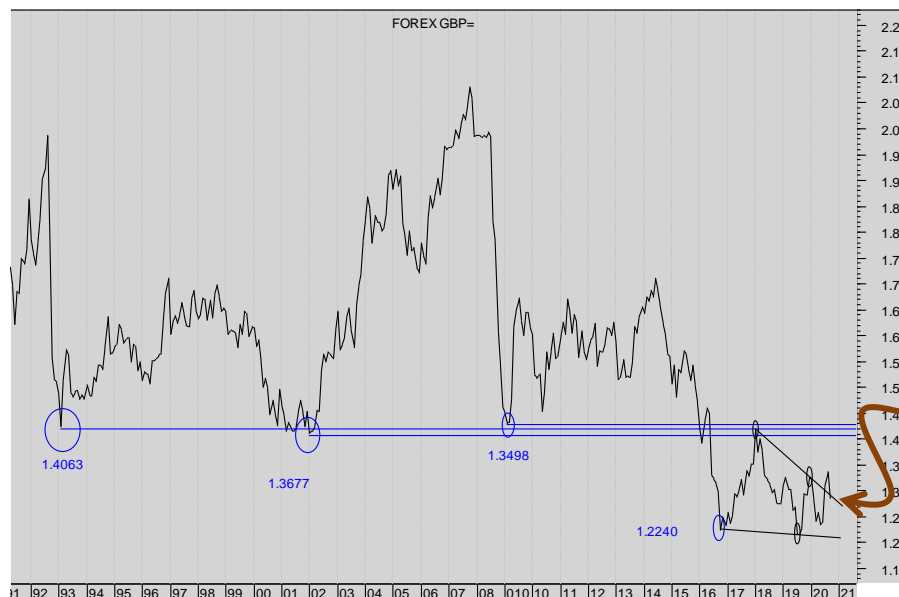
Currencies: Dollar Sterling



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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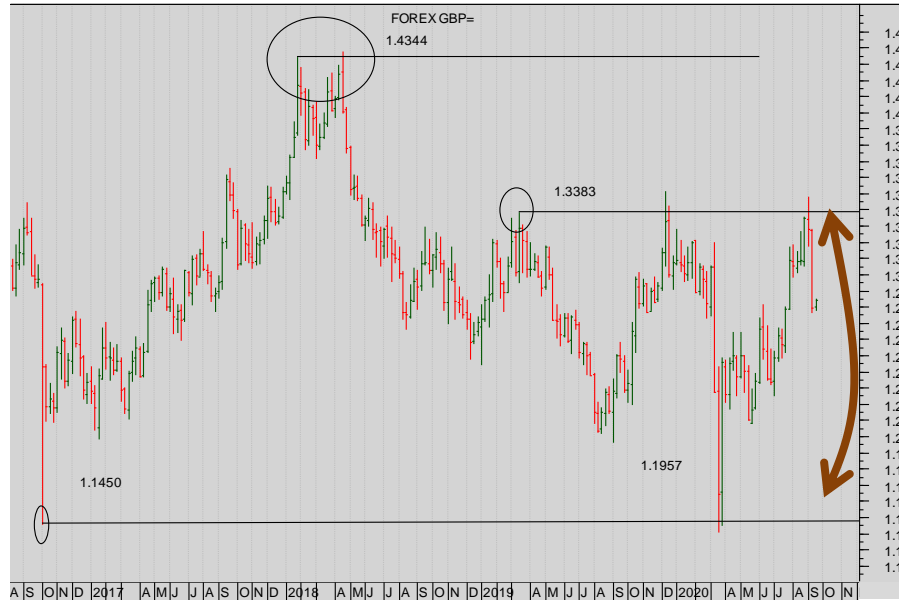
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Commodities

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IMPLIED ASSET ALLOCATION

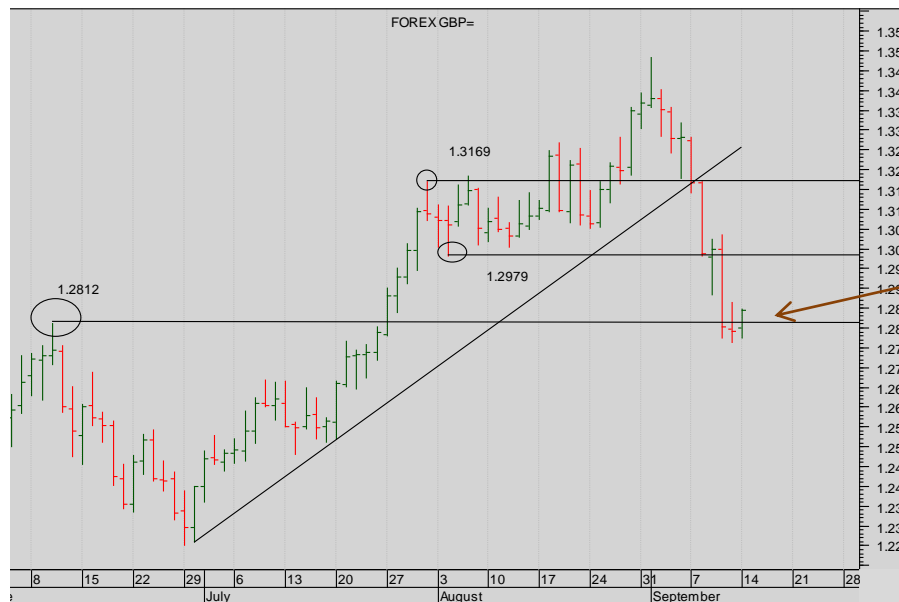
Currencies: Dollar Sterling



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 brisk sell-off of the last two weeks.

Watch for possible support at the Prior High at 1.2812.



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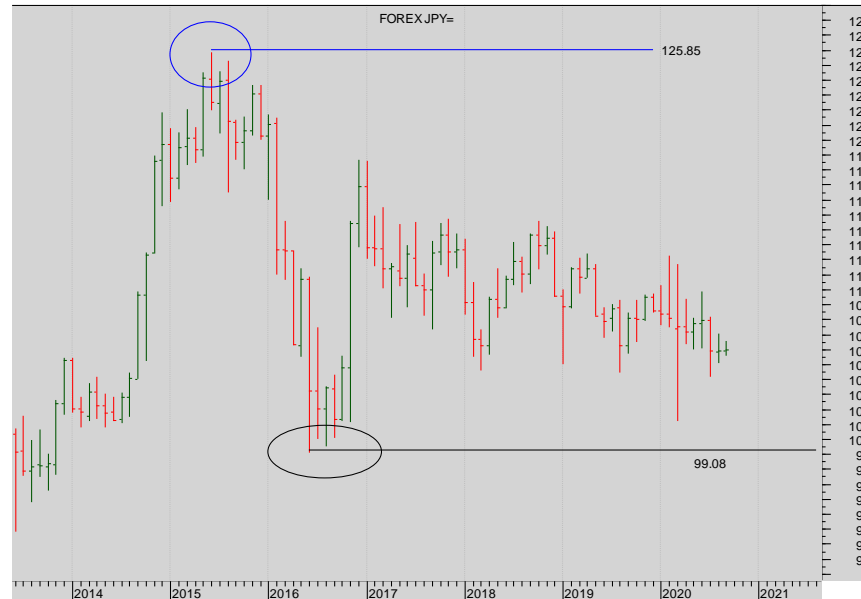
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Commodities

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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

It's a range.



Dollar Yen weekly spot cash chart

Watch the range :

The range remains intact – but a test of the bottom of the range is being made...

More



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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

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



Currencies: Sterling Euro

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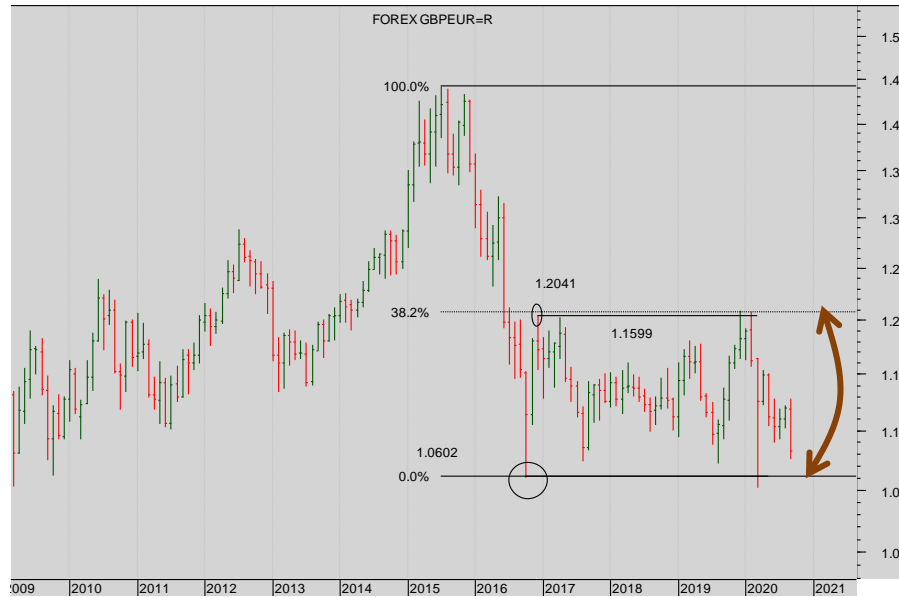
Bonds

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Commodities

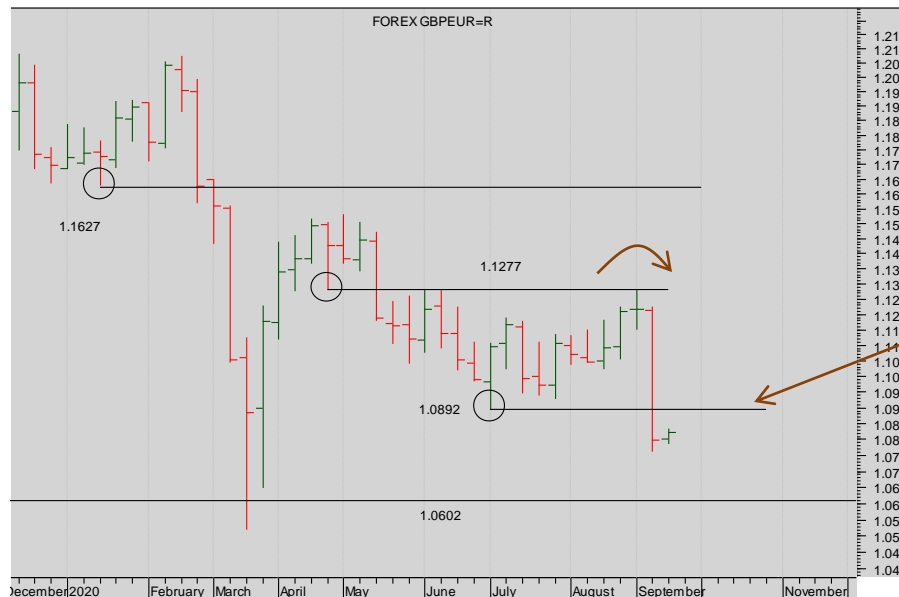
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Sterling Euro monthly spot cash chart

The market remains in the broad trading range_



Sterling Euro weekly spot cash chart

Inside the range: there is some small pressure to drive the market lower beneath the resistance at 1.1277.

Note the break of the low at 1.892.

More



Currencies: Sterling Euro

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- + **Sterling Euro**

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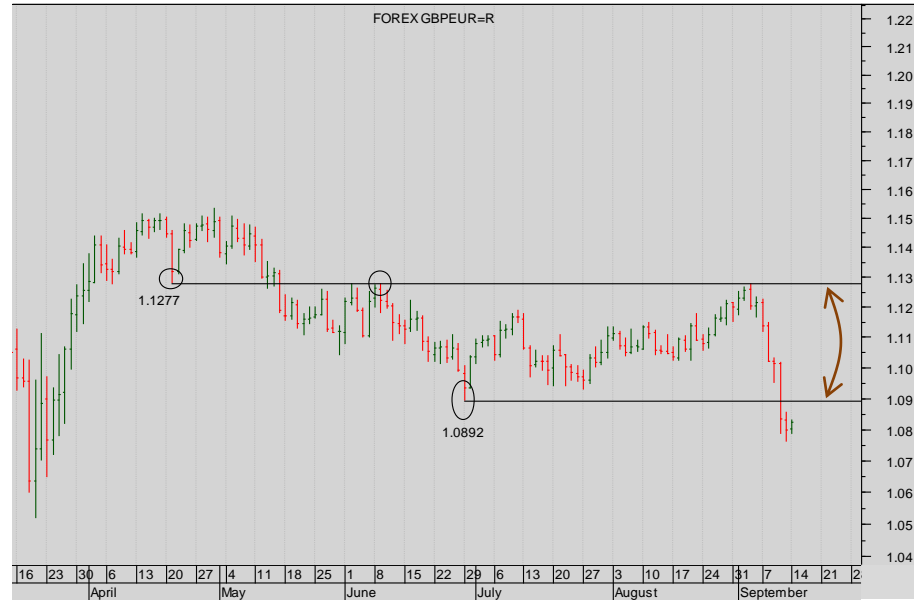
Bonds

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Commodities

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IMPLIED ASSET ALLOCATION



Sterling Euro daily spot cash chart

Watch the range.

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



Stocks: CME S&P

STOCKS:

The US market is testing lower but there has been no corresponding weakness in the other markets. FTSE of course buoyed by Sterling weakness, but both the EuroStoxx and the Nikkei look robust or strong. Note well the completed bull triangle in the Nikkei.

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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 horizontal support and bounce from the 3397.75 Prior high support.

Watch carefully for the level of the close at the end of the month.

More



Stocks: CME S&P 500

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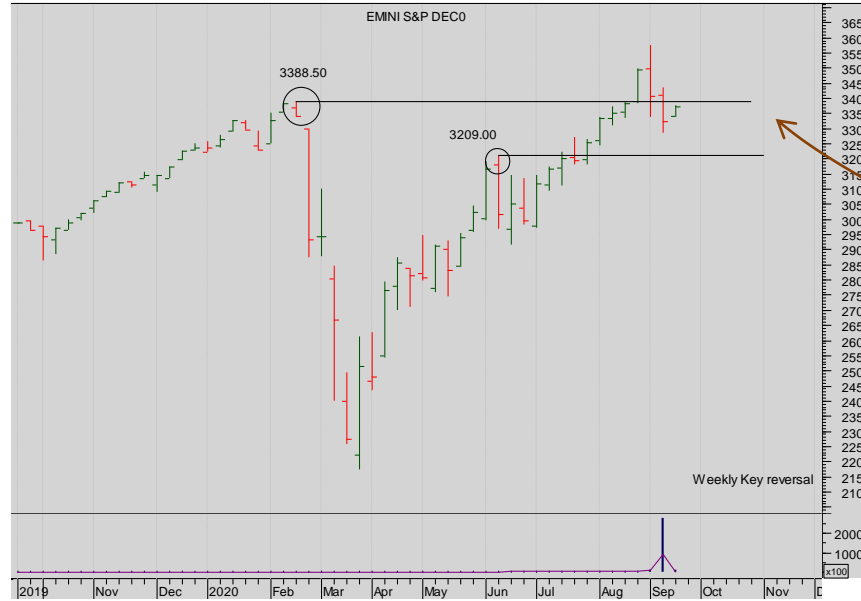
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Commodities

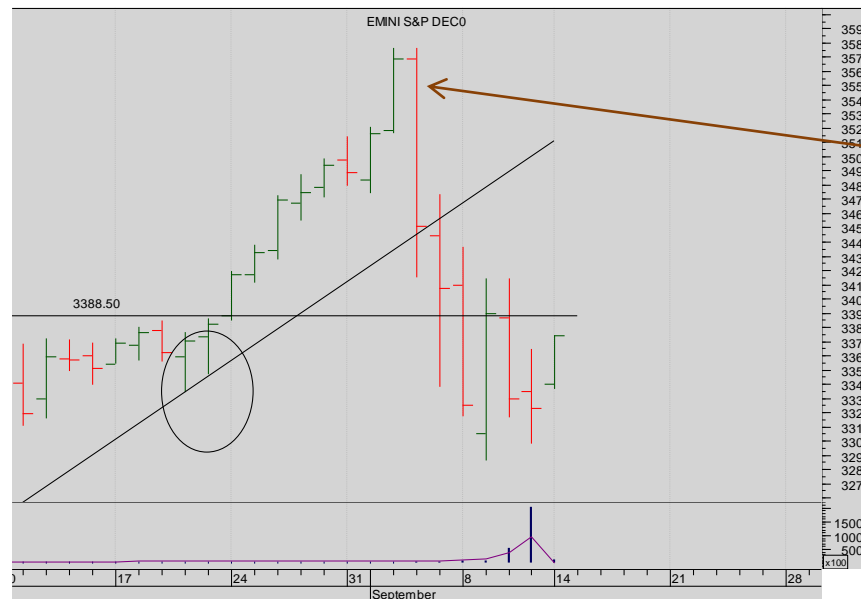
- + Oil
- + Gold

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 band 3209- 3397 is good support for a new bull leg....



CME S&P 500 daily DEC 2020 chart

Note the Day Key Reversal.

Note too the consolidation beneath

More



Stocks: Eurex EuroStoxx 50

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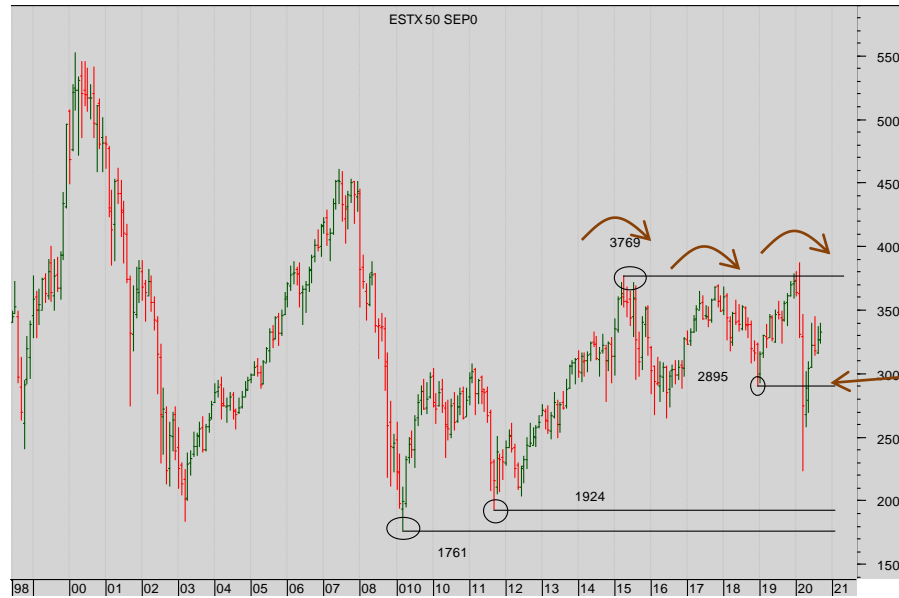
Bonds

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Commodities

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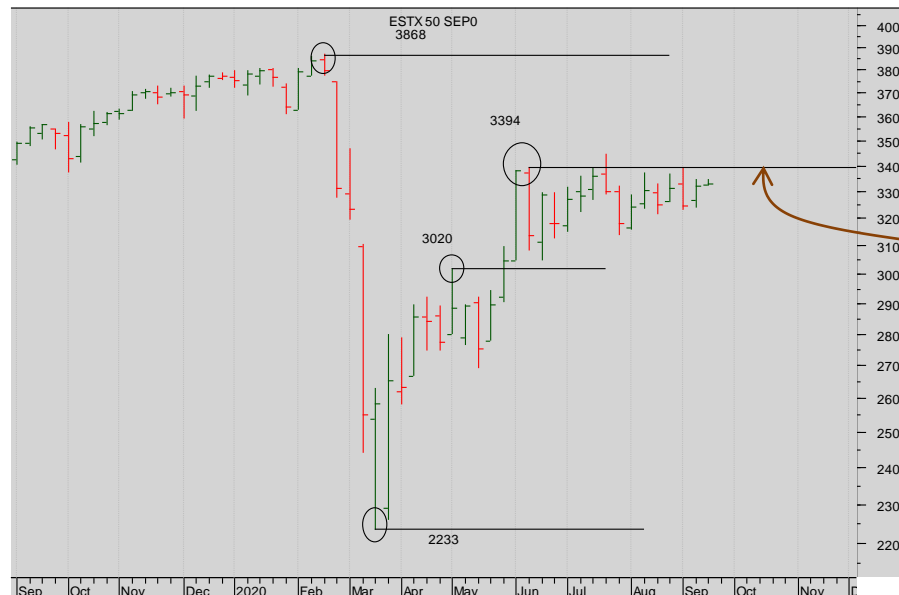
IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 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.

Nothing so far.

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 3369 Prior High FOUR TIMES and yet does not want to sell off.

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



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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 –has held and reversed the rally.

More



Stocks: Liffe FTSE 100

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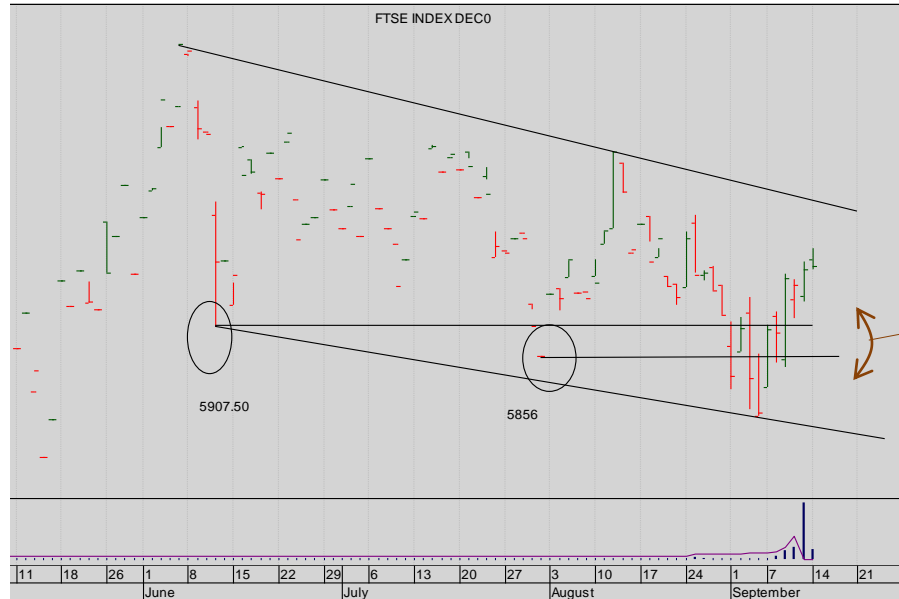
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Dec 20 daily futures chart

We were watching the band from the lows for signs of a confirming breakdown. **Now we have it.**

The bears are in control.



Stocks: OSE Nikkei 225

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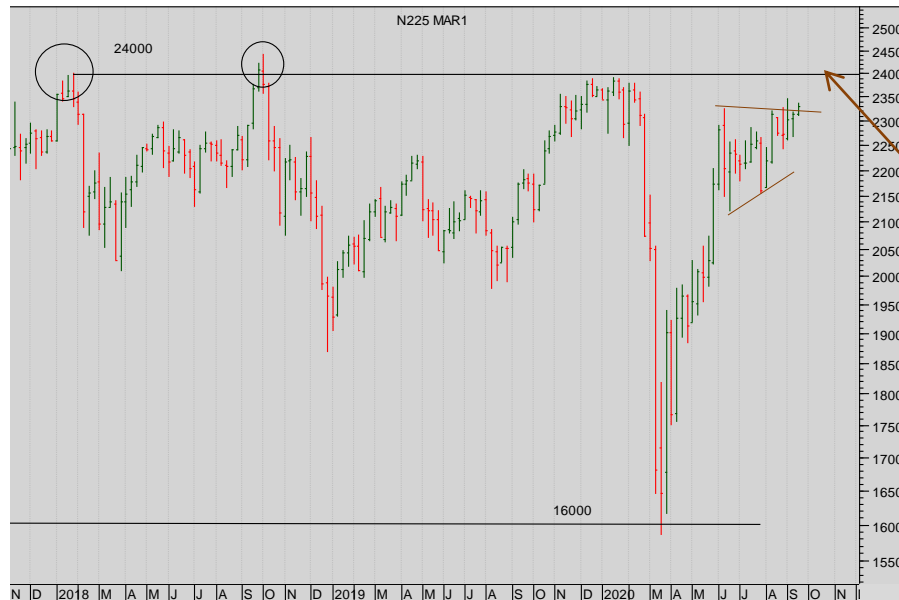
IMPLIED ASSET ALLOCATION



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 – in the day chart especially – with a minimum move above the 24000 Prior High.

IS that the catalyst for the bull breakout?

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily Sep 2020.

The bull continuation triangle is working well – minimum move up as far as 24500.

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

The bond markets remain side lined, tho the short-term bullishness of the UK Gilts is notable.

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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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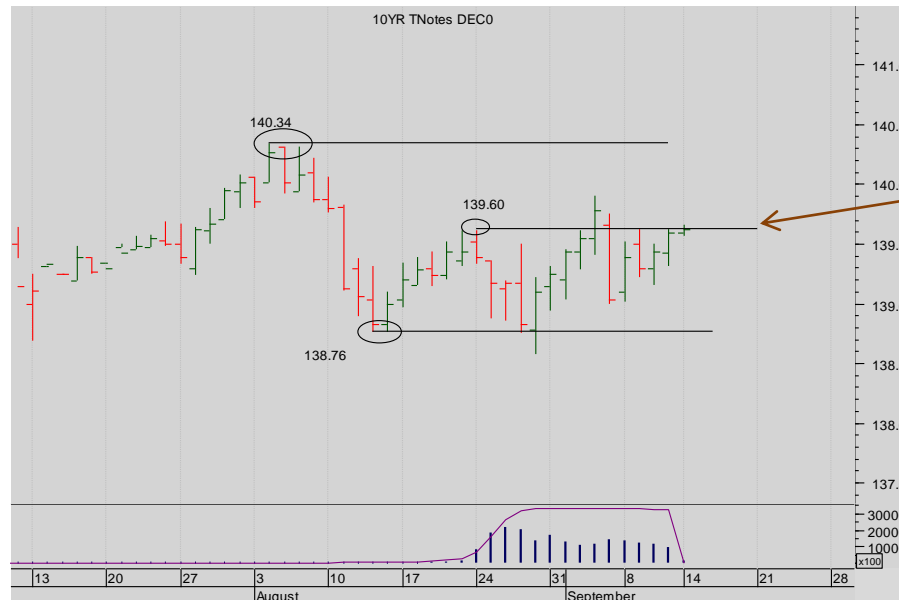
IMPLIED ASSET ALLOCATION



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 Dec 20 futures chart

In detail, the market looks set to break up above 139.60.





Bonds: Eurex Ten Year Bund

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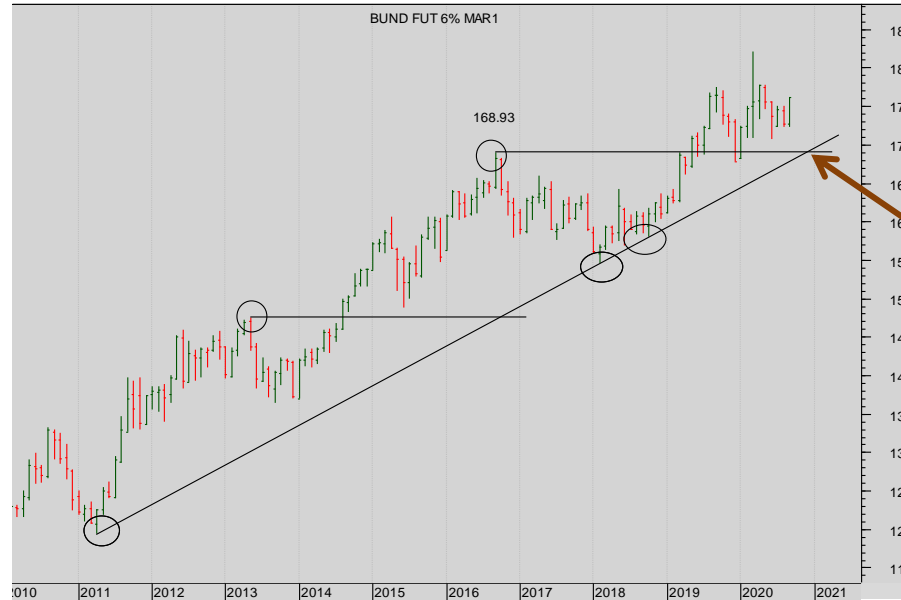
Bonds

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Commodities

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IMPLIED ASSET ALLOCATION



Eurex Ten Year Bund monthly futures continuation chart

The support at 168.93 is proving important (and so far has held) as the market re-approaches the 179.66 High again.

For the moment the bull trend remains intact.



Eurex Ten Year Bund weekly cont. futures Chart

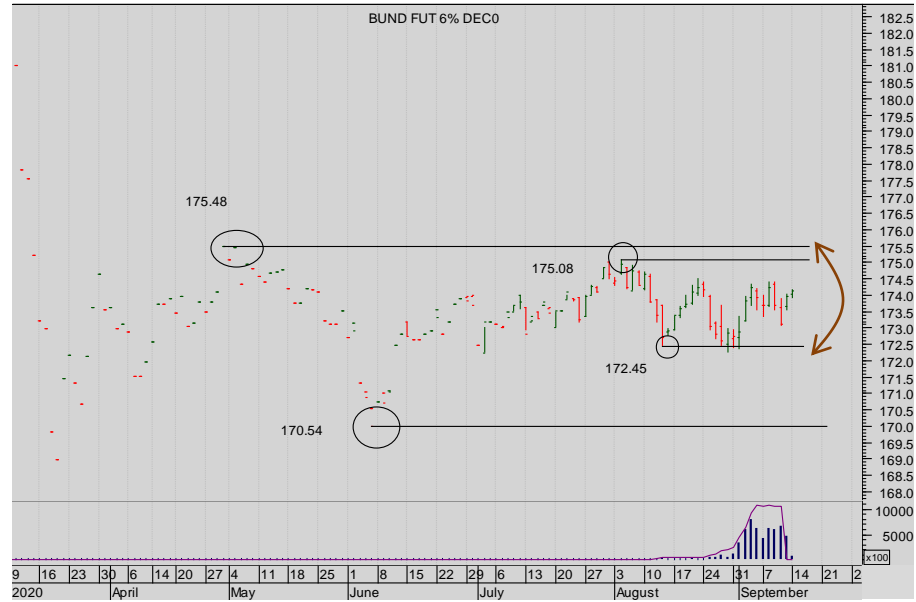
For the moment the range is intact

168.86 remains good support on the pull-back.





Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund JUN 2020 Daily futures chart

This is clearer: Short-term, both the bulls and bears have been disappointed.

Stand back and watch the short-term range.

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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 lacks clarity.

The four failures above 138 suggest a test lower.

More



Bonds: Liffe UK Gilt futures

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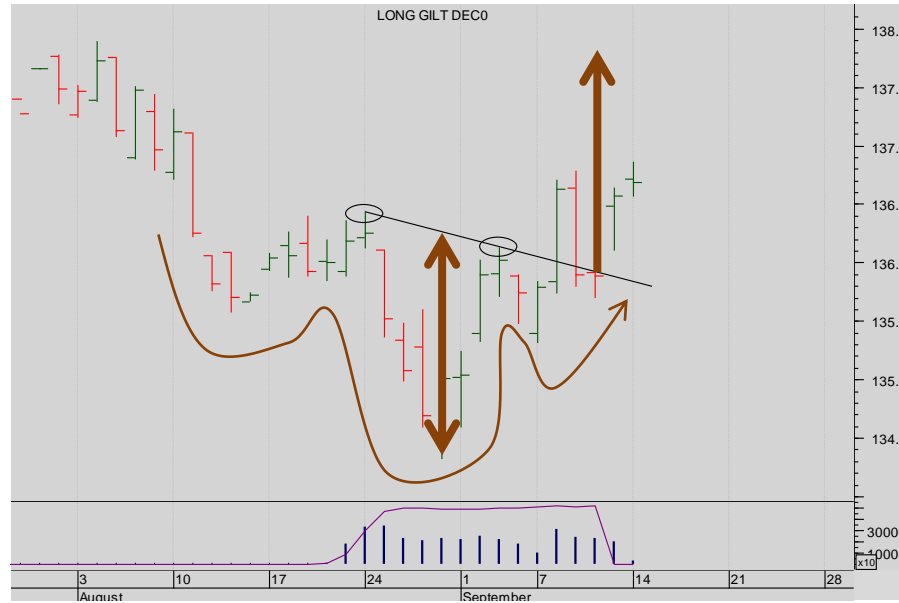
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IMPLIED ASSET ALLOCATION



Long Gilt daily Dec 20 chart

But this is bullish: that's a small bull H&S pattern. The short bear trend has been reversed.

Minimum move? Somewhere near 137.75.



Commodity

COMMODITIES:

Oil remains bearish in all time-frames. Gold feels well supported, but without a compelling trigger to catalyse a bull move.

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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



Commodities: Nymex WTI Oil

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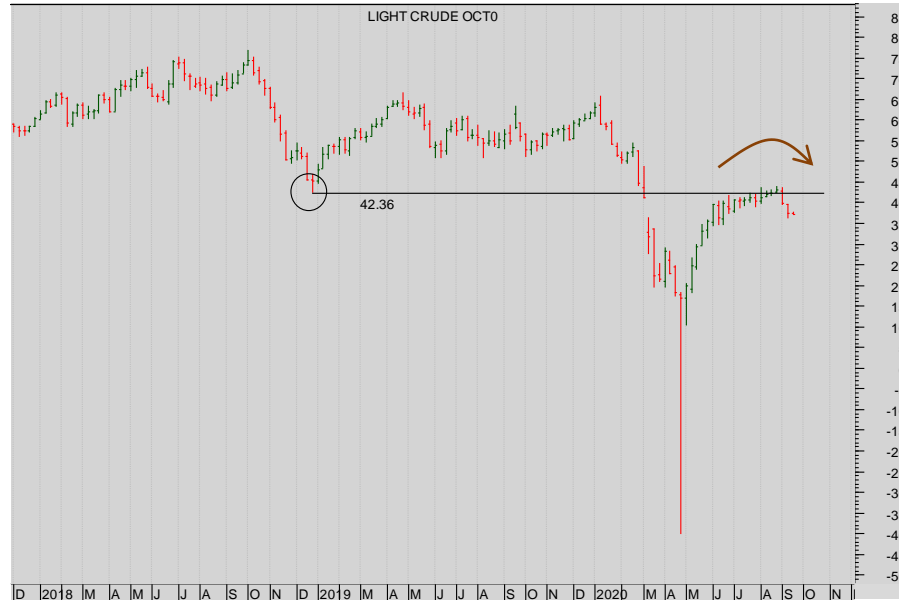
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IMPLIED ASSET ALLOCATION



Nymex oil weekly continuation

Sure enough, the market has failed there.

It now looks like formidable resistance above the market.



Nymex oil daily Oct 2020 futures

The market has closed the resistance Gap above the market, but found itself unable to close above it – note how the sell-off has smashed through the bottom of the Gap.

Looks close to a continuation triangle has formed...



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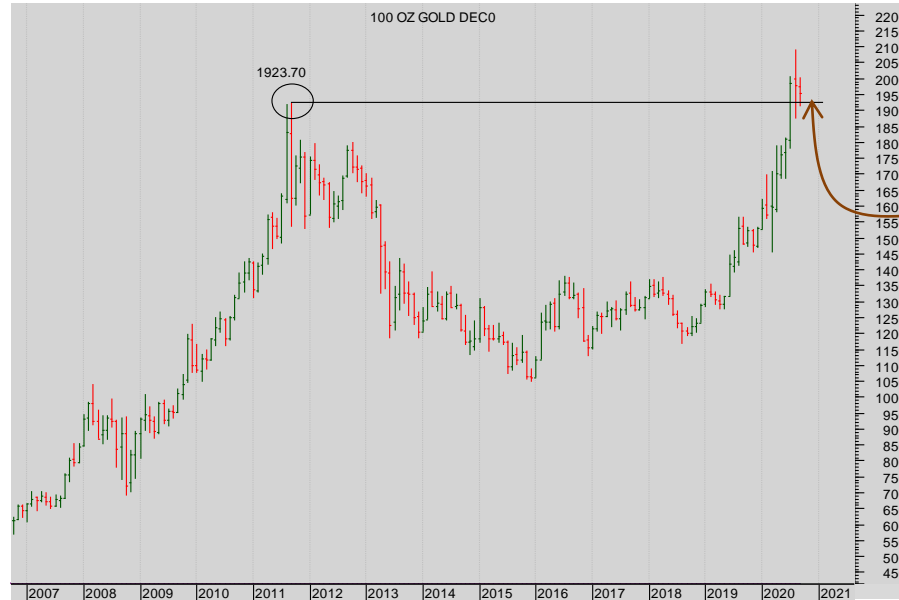
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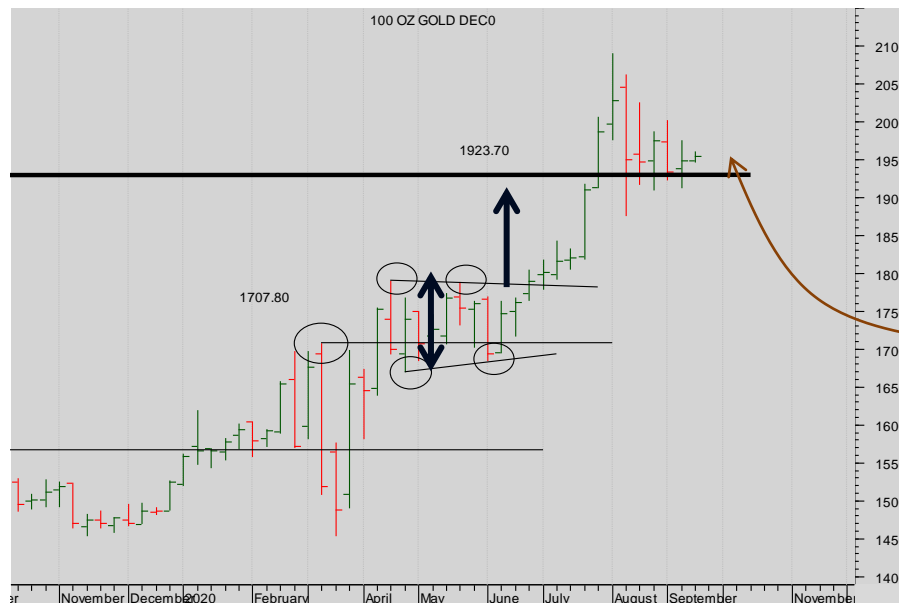
Commodities: Comex Gold



Nymex Gold Monthly

The bulls are in charge.

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



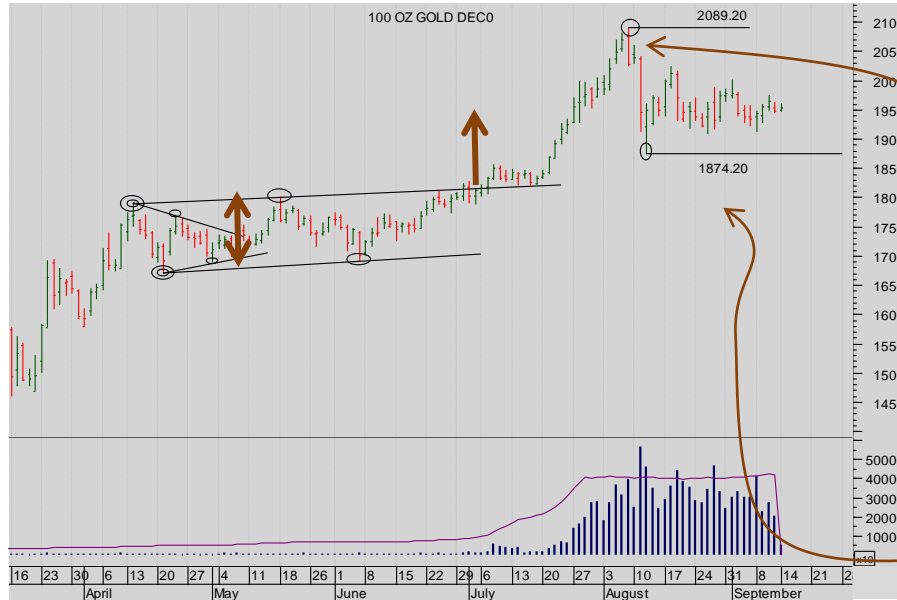
Nymex Gold weekly

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 horizontal support (weekly chart) , and in so doing it has created a possible bear continuation triangle.

It's not clear.

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

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IMPLIED ASSET ALLOCATION



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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

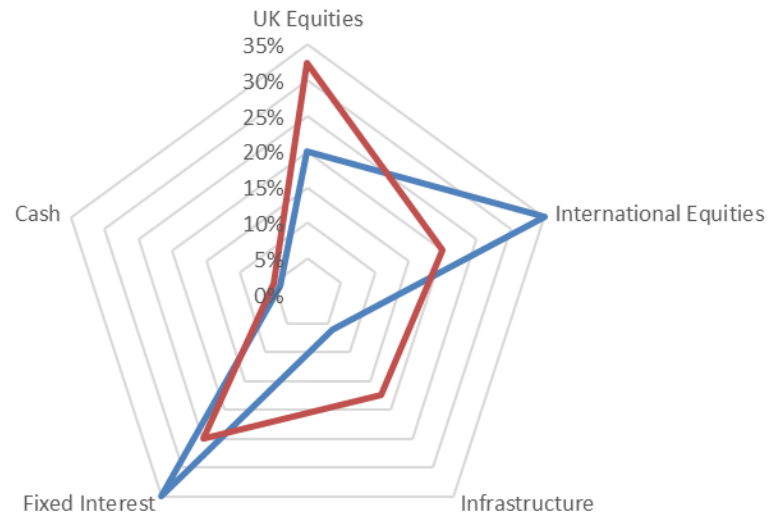
Commodities

- + Oil
- + Gold

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