



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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IMPLIED ASSET ALLOCATION

Long-term BULL Euro	Medium-term FLAT Euro	Short-term BULL Euro
Long-term BEAR Sterling	Medium-term BEAR Sterling	Short-term FLAT Sterling
Long-term BULL Yen	Medium-term FLAT Yen	Short-term FLAT Yen
Long-term FLAT Euro	Medium-term FLAT Euro	Short-term BULL Euro
Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BEAR	Medium-term FLAT	Short-term FLAT
Long-term BEAR	Medium-term BEAR	Short-term FLAT
Long-term BULL	Medium-term FLAT	Short-term BULL
Long-term BULL	Medium-term FLAT	Short-term FLAT
Long-term FLAT	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term FLAT	Short-term BULL
Long-term BEAR	Medium-term BEAR	Short-term BEAR
Long-term BULL	Medium-term BULL	Short-term FLAT

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



Currencies: Dollar Euro

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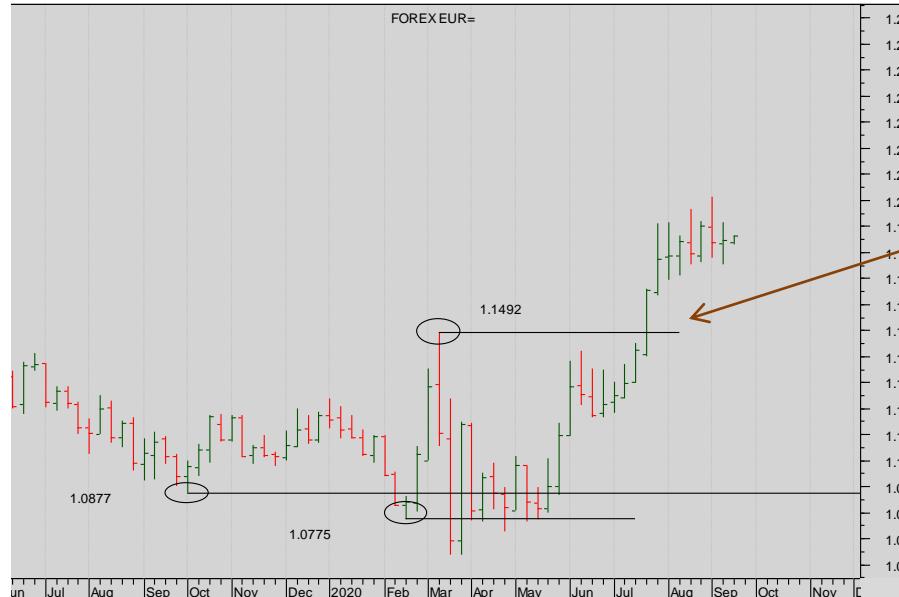
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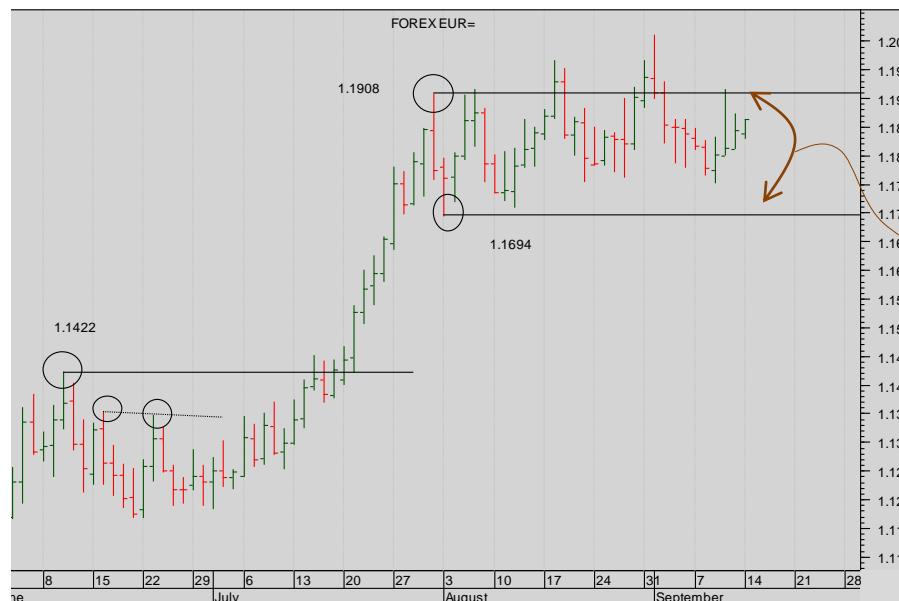
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Dollar Euro weekly spot cash chart

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.





Currencies: Dollar Sterling

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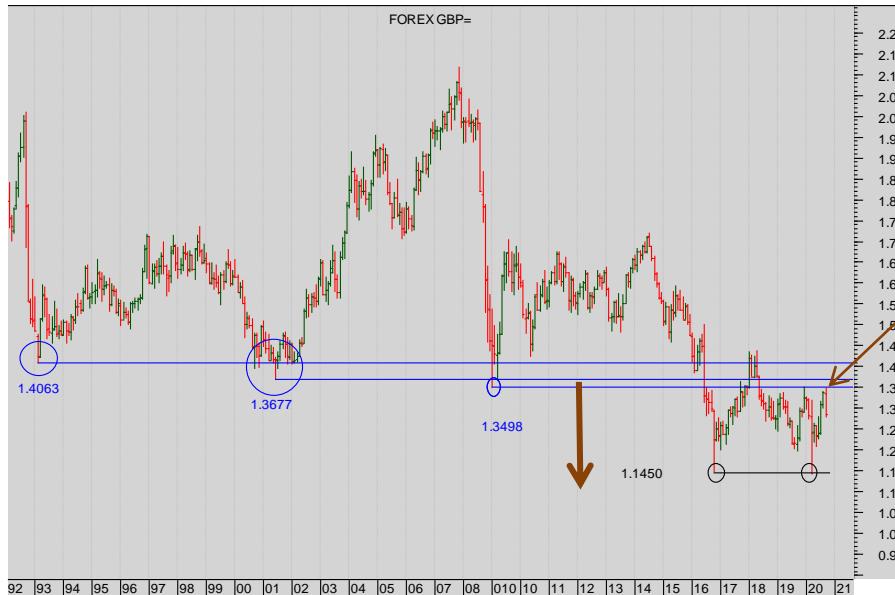
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Dollar Sterling Monthly spot cash chart

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



Currencies: Dollar Sterling

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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.



Currencies: Dollar Yen

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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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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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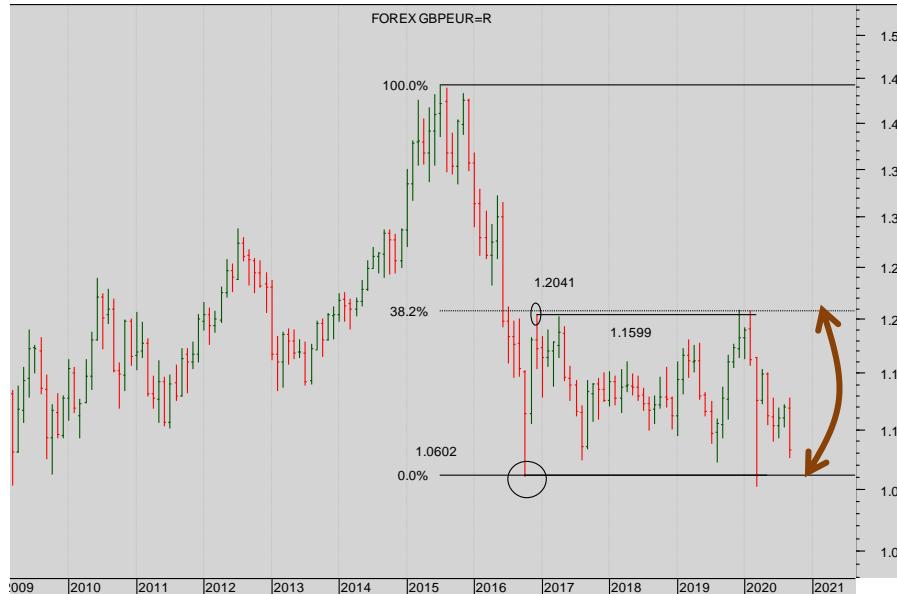
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Sterling Euro monthly spot cash chart

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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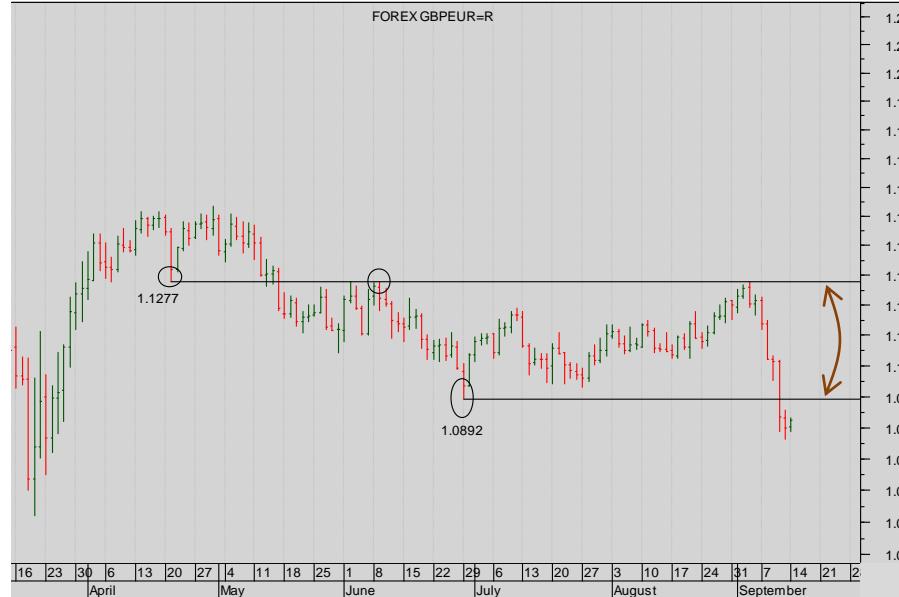
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Sterling Euro daily spot cash chart

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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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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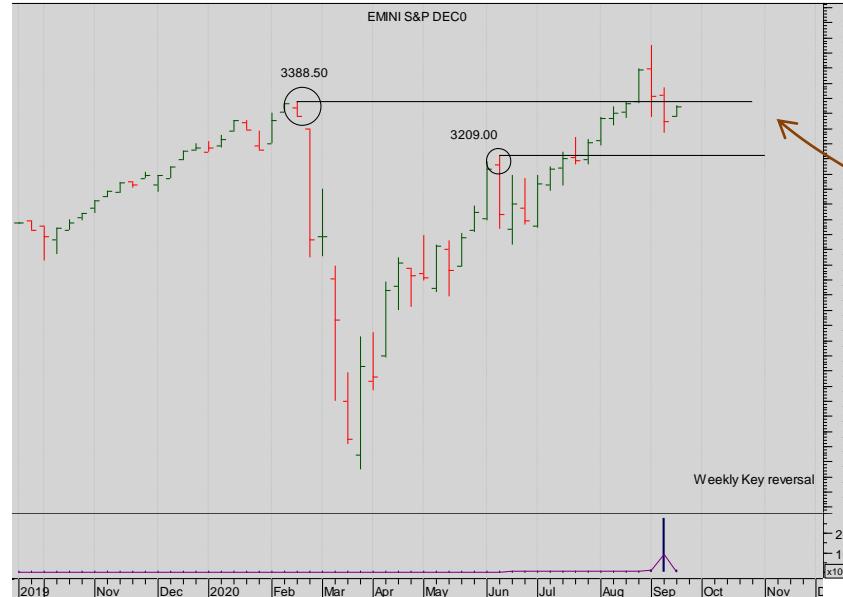
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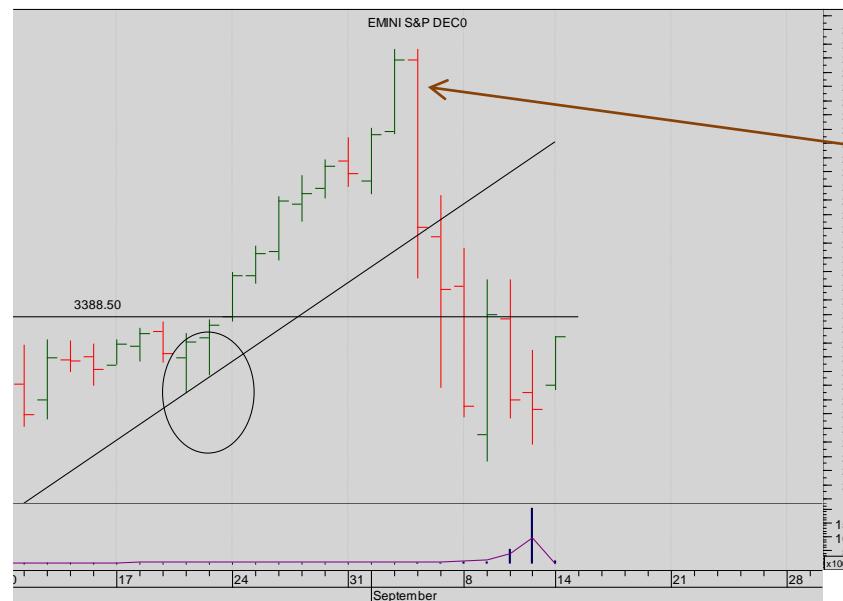
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CME S&P 500 cont. weekly chart

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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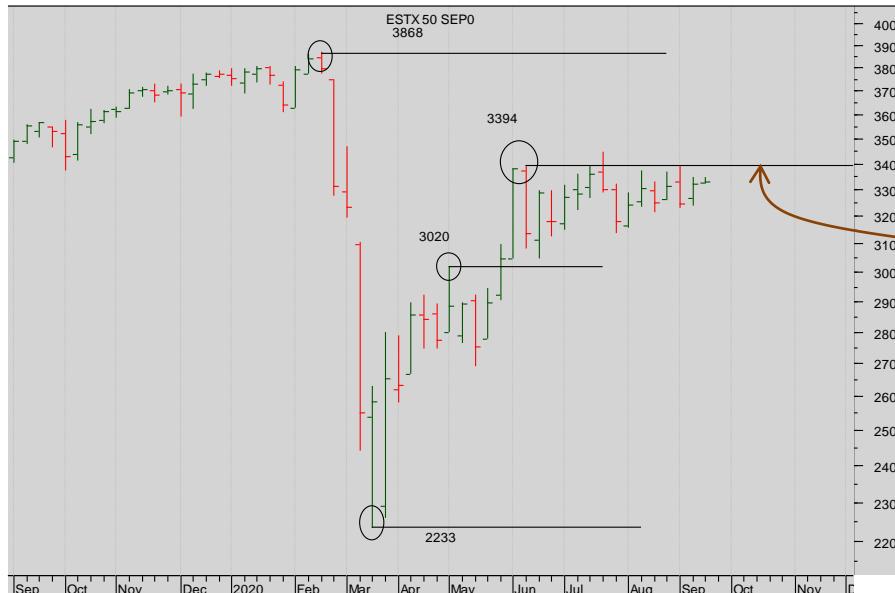
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Eurex EuroStoxx 50 monthly continuation futures chart

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

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

Nothing so far.

More



Stocks: Eurex EuroStoxx 50



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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Stocks: Liffe FTSE 100

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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 –has held and reversed the rally.

More



Stocks: Liffe FTSE 100

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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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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

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Nikkei 225 chart Daily
Sep 2020.

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



Bonds

BONDS:

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

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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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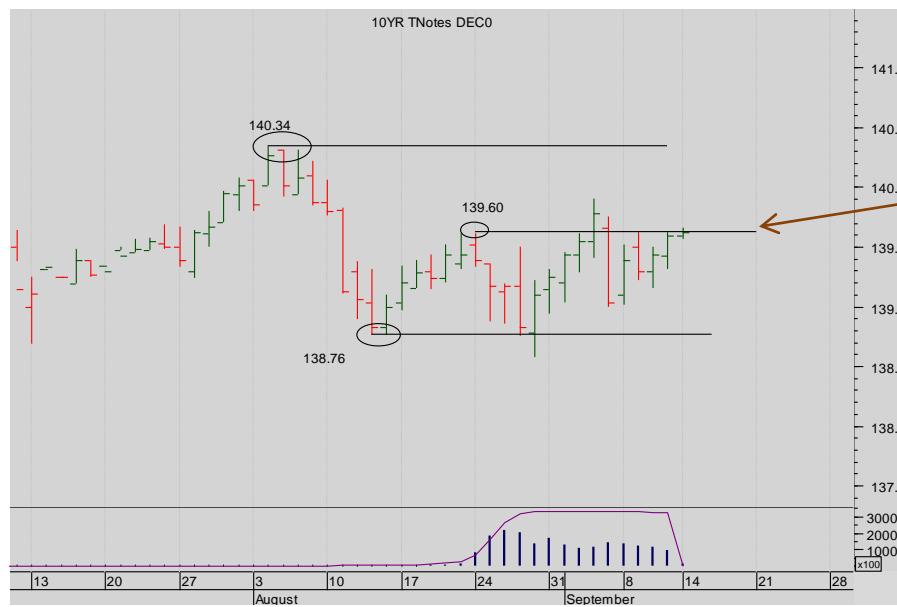
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CBOT Ten Year Notes weekly futures continuation chart

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.

More



Bonds: Eurex Ten Year Bund

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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.

More



Bonds: Eurex Ten Year Bund

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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.



Bonds: Liffe UK Gilt futures

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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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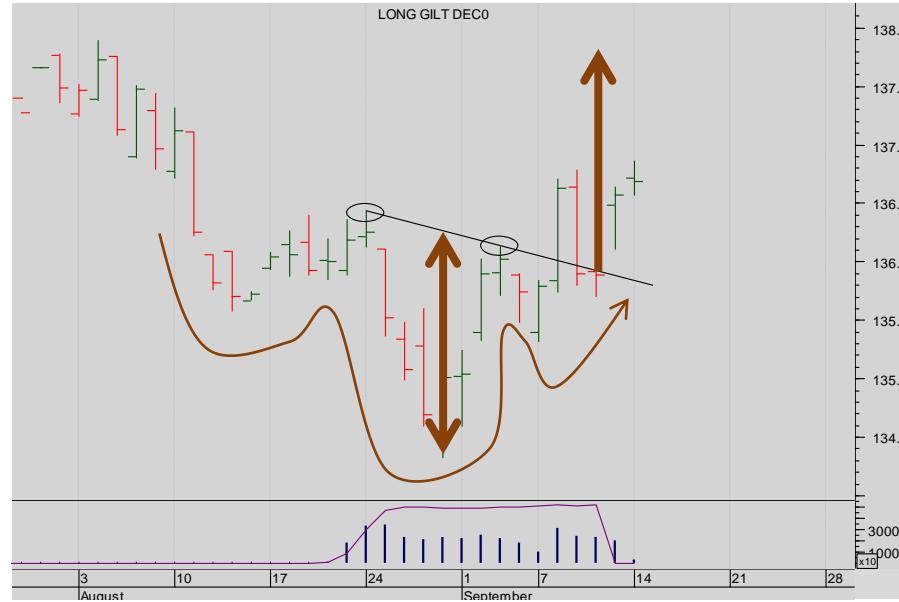
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Long Gilt daily Dec 20 chart

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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Commodities: Nymex WTI Oil



Nymex oil monthly continuation

More



Commodities: Nymex WTI Oil

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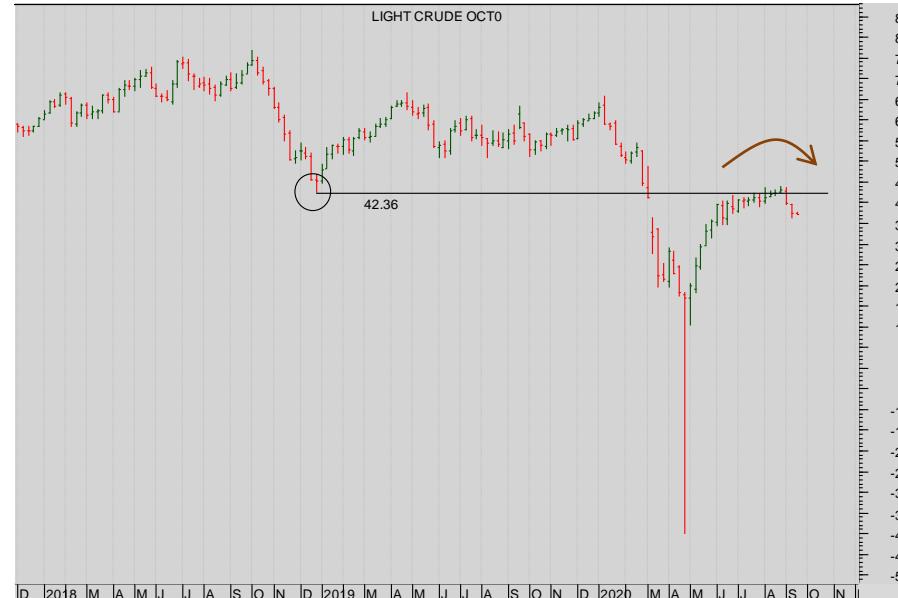
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Nymex oil weekly continuation

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...



Commodities: Comex Gold

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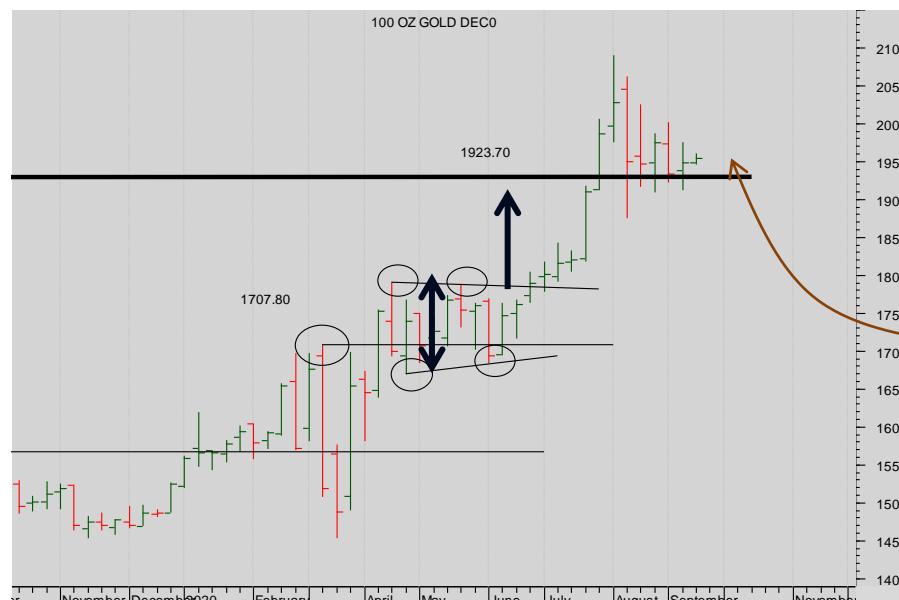
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Nymex Gold Monthly

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

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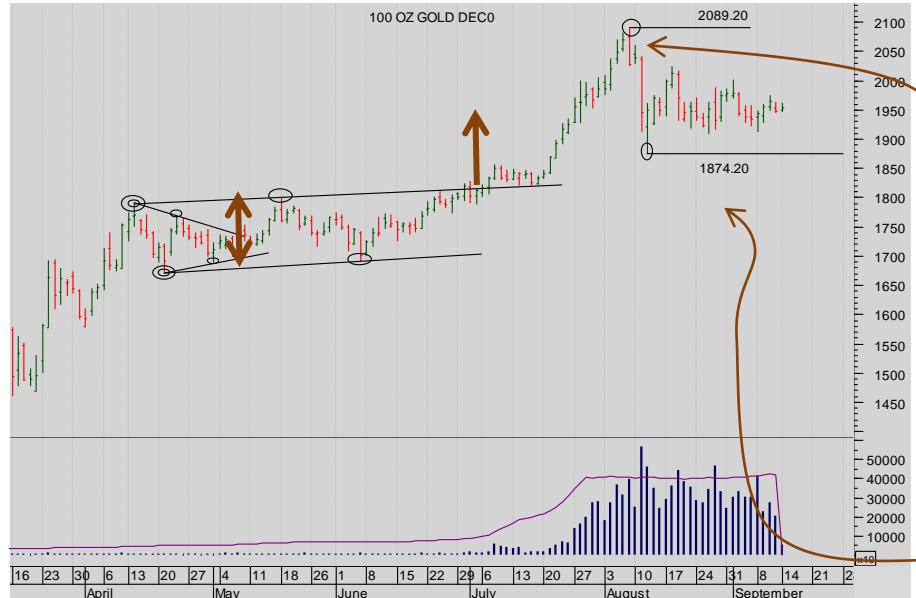
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Nymex Gold August 2020 2020 Daily

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.



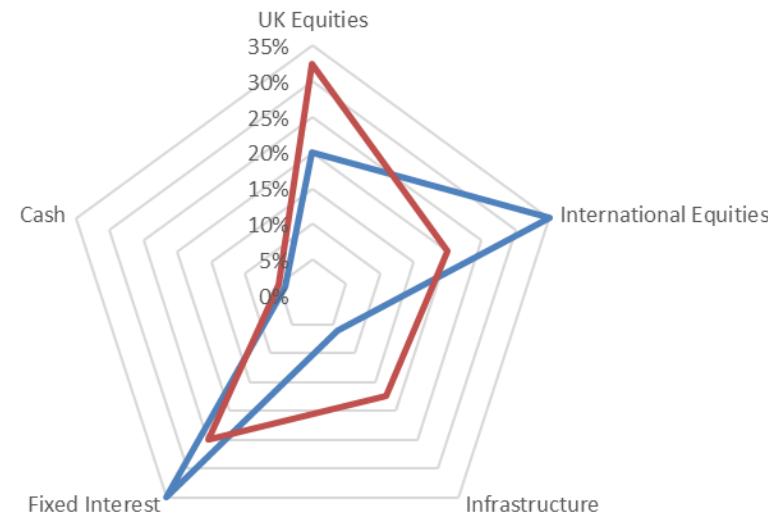
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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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MSCI Balanced Risk Asset Allocation



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AWARDS 2012

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