



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 29th 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

Summary

Currencies

- + Dollar Euro
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- + Dollar Yen
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Long-term **BULL** Euro

Long-term **BEAR** Sterling

Long-term FLAT Yen

Long-term FLAT Euro

Medium-term FLAT Euro

Medium-term **BEAR** Sterling

Medium-term **BULL** Yen

Medium-term FLAT Euro

Short-term **BULL** Euro

Short-term **BEAR** 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 FLAT

Medium-term FLAT

Medium-term **BEAR**

Medium-term **BULL**

Short-term **BEAR**

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 FLAT

Short-term FLAT

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

There are unmistakable signs that the Dollar wants to strengthen against Sterling. Sterling is an emphatic sell in all time frames. On the other hand, watch the Yen carefully too – it's near a big level – a break down through 104 would see it strengthening sharply. Interesting how dull Sterling Euro is!

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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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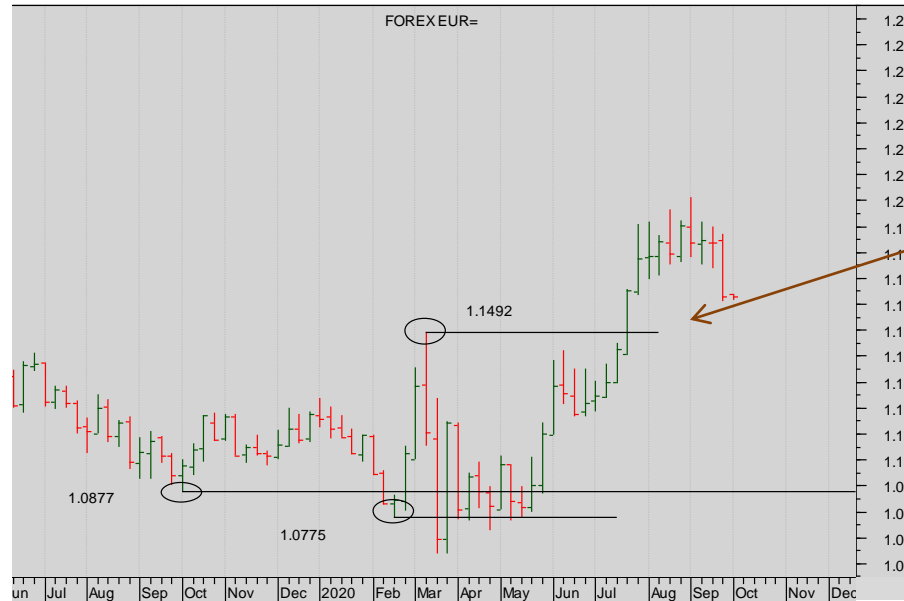
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IMPLIED ASSET ALLOCATION

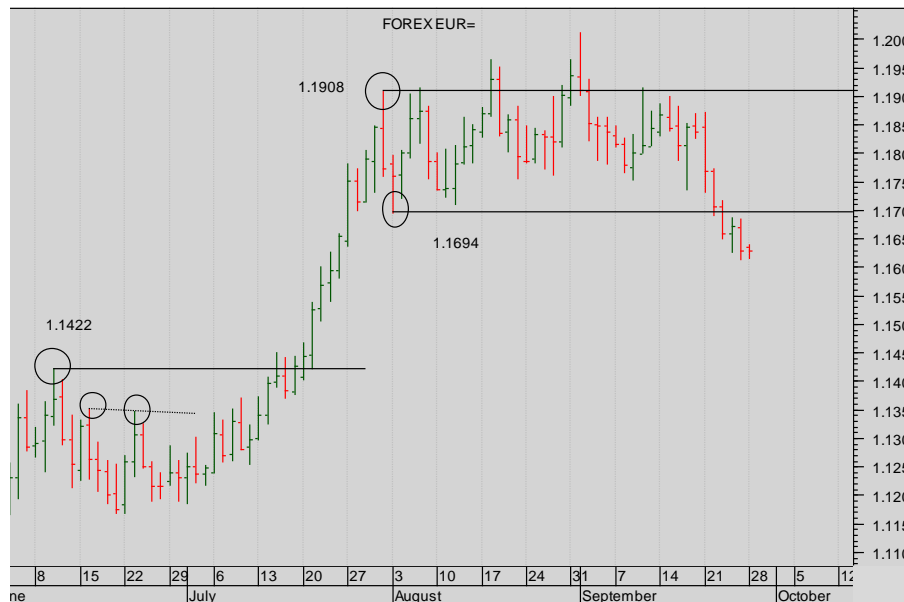
Currencies: Dollar Euro



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 unless that breaks.



Dollar Euro spot cash chart daily chart...

The Dollar short-term breakout should help strengthen it further...towards 1.1492.



Currencies: Dollar Sterling

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IMPLIED ASSET ALLOCATION



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 looks like failing for the fourth time – there's a possible Key Reversal in the process of being created this month. Wait for the close....



Dollar Sterling Monthly spot cash LINE CHART based on closes

The possible bear continuation triangle looks to be threatening the market still.

More



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IMPLIED ASSET ALLOCATION

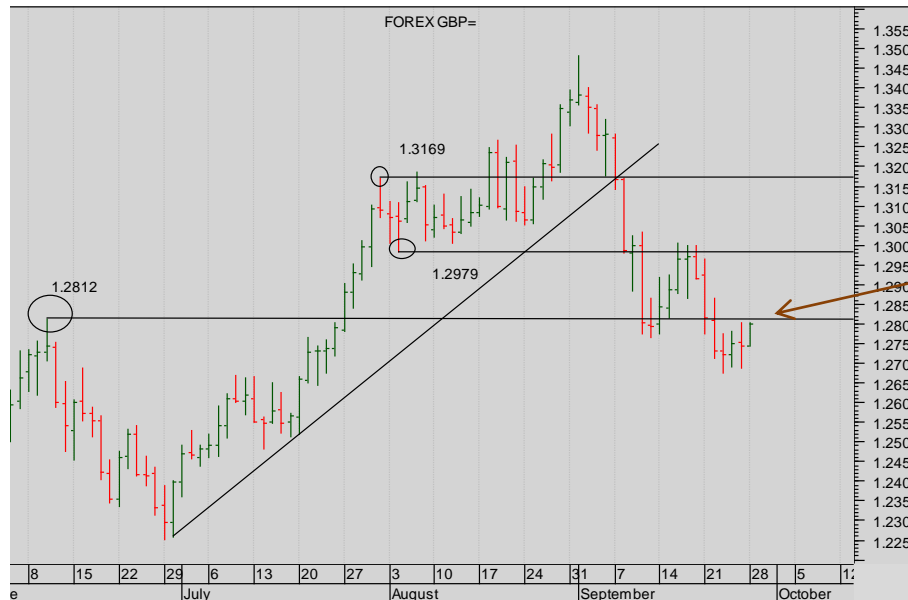
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

Note the third failure of the market at the 1.3383 boundary....and the completed bear wedge.

Taken together they should send the market down to the bottom of the trading range...



Dollar Sterling daily spot cash chart

The brisk sell-off of the last two weeks has smashed possible support and looks like continuing...



Currencies: Dollar Yen

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Commodities

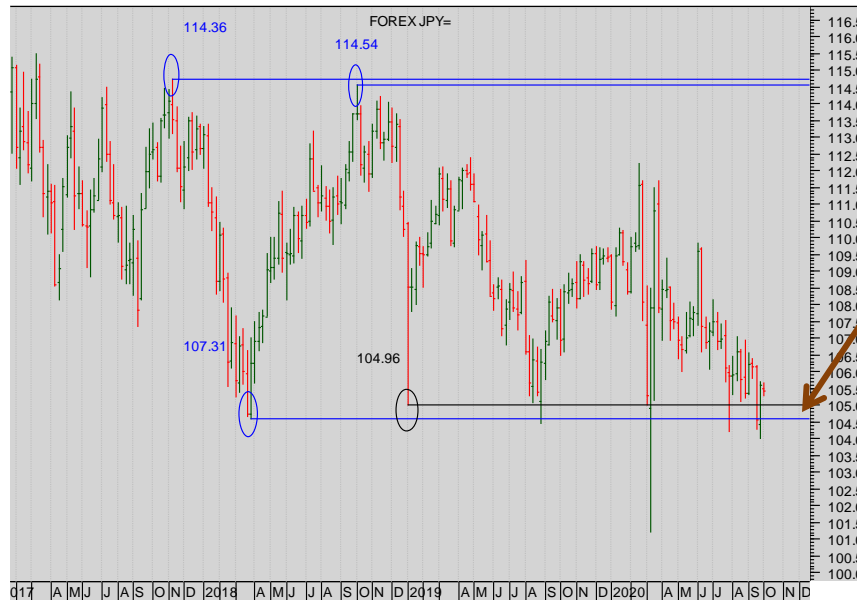
- + Oil
- + Gold

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Dollar Yen monthly spot cash chart

It's a range.



Dollar Yen weekly spot cash chart

Watch the test of the bottom of the range ... a breakdown through this level suggests a much stronger Yen.

More



Currencies: Dollar Yen

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IMPLIED ASSET ALLOCATION



Dollar Yen daily spot cash chart

Short-term, though there's a bounce.

Watch for a bear move down through the low at 104.17...that would ratchet the market lower still.



Currencies: Sterling Euro

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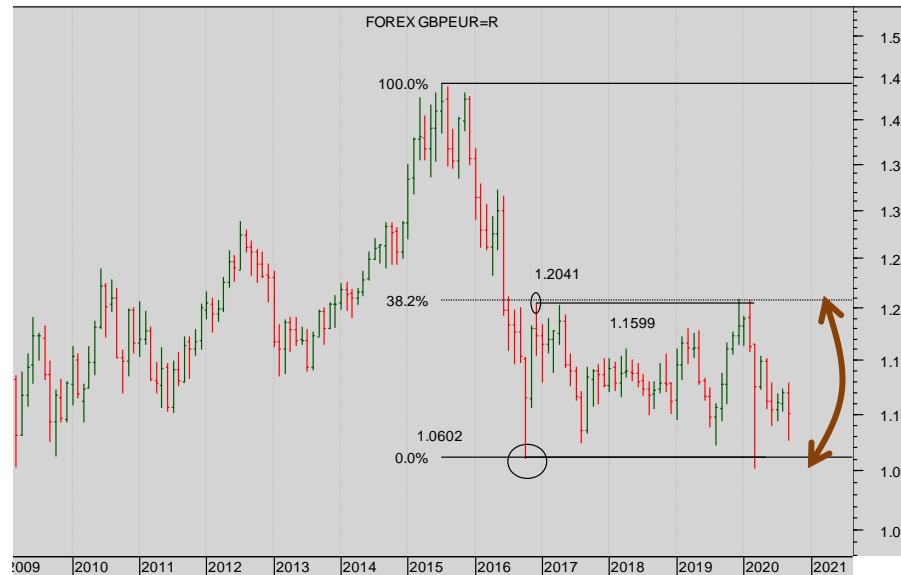
Bonds

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Commodities

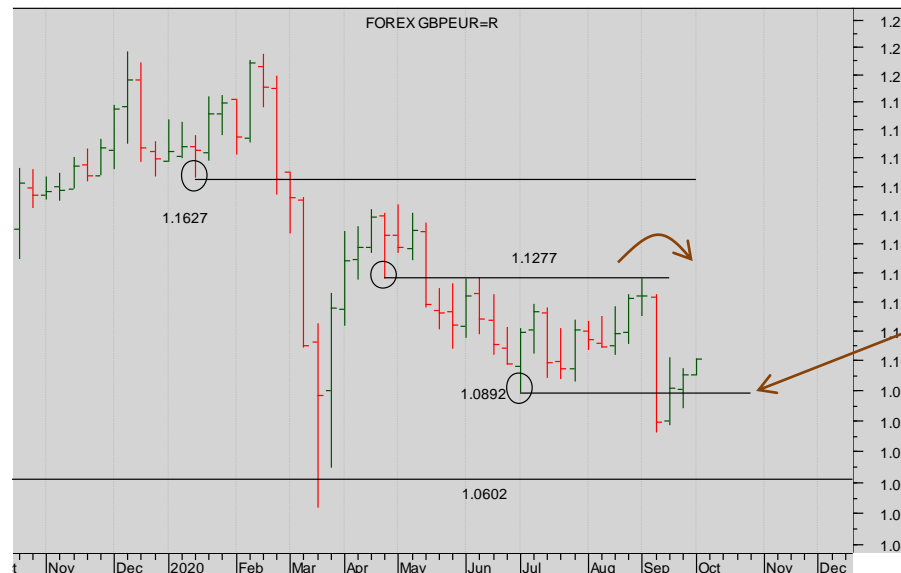
- + Oil
- + Gold

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 pressure to weaken sterling further.

Note the break of the low at 1.892.

More



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- + **Sterling Euro**

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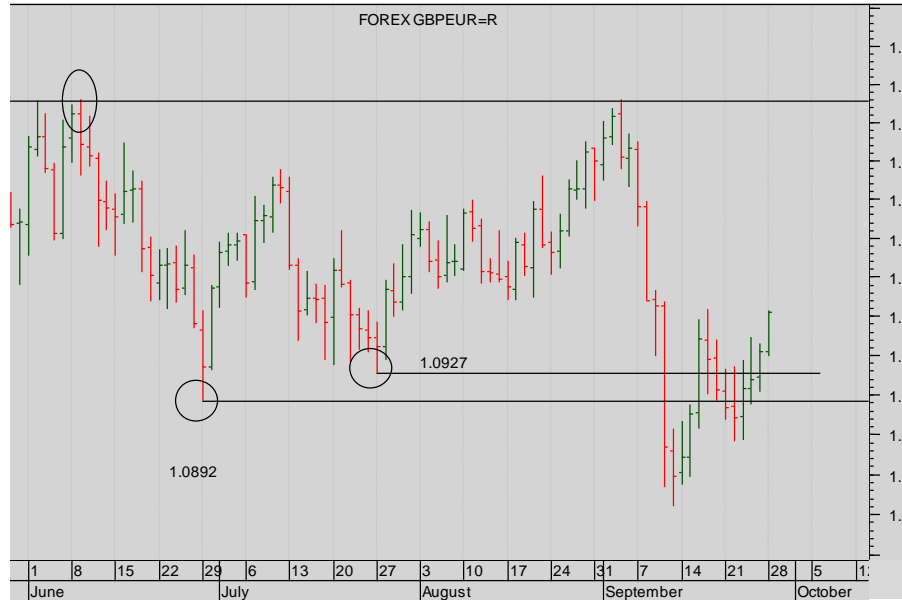
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro daily spot cash chart

Note the failed breakout and now the market wants to try and stay within the range.

There's no real weakness in Sterling yet.



Stocks: CME S&P

STOCKS:

Stocks are pregnant with possibility – we are watching the S&P like a hawk in case there's a monthly Key Reversal...but important levels sit close beneath all these markets that might get the bears going if they were breached. Strange then how bullish the Nikkei remains!

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IMPLIED ASSET ALLOCATION



CME S&P 500 monthly cont. futures chart

The drama of the market is the possibility of a **Monthly Key Reversal simultaneous with the break back through the support from the Prior High.**

We are close to the end of the month...

More



Stocks: CME S&P 500

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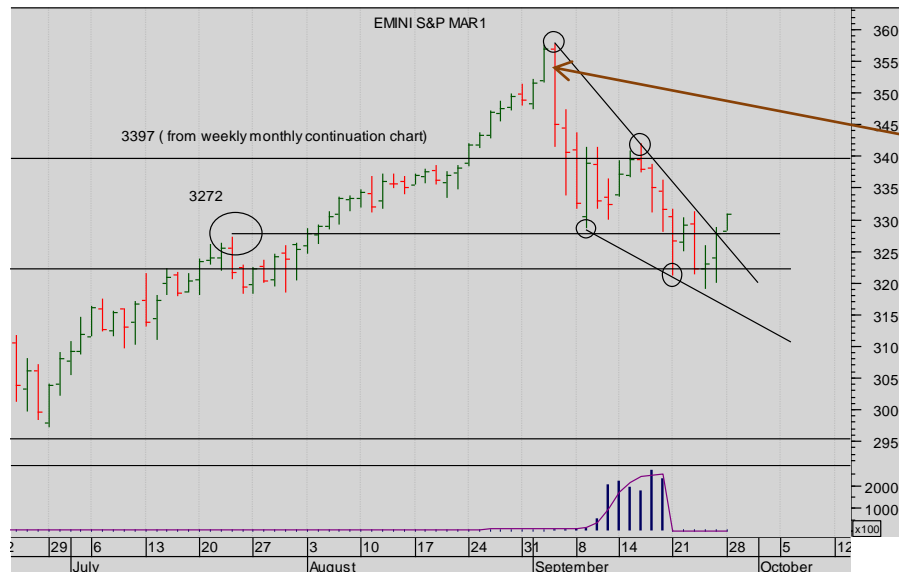
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



CME S&P 500 cont. weekly cont. chart

The market is still testing the support 3220- 3397 Watch for a close beneath.



CME S&P 500 daily DEC 2020 chart

Note the Day Key Reversal that began the sell-off.

But now the market is making a spirited rally, completing a bull falling wedge for example...

More



Stocks: Eurex EuroStoxx 50

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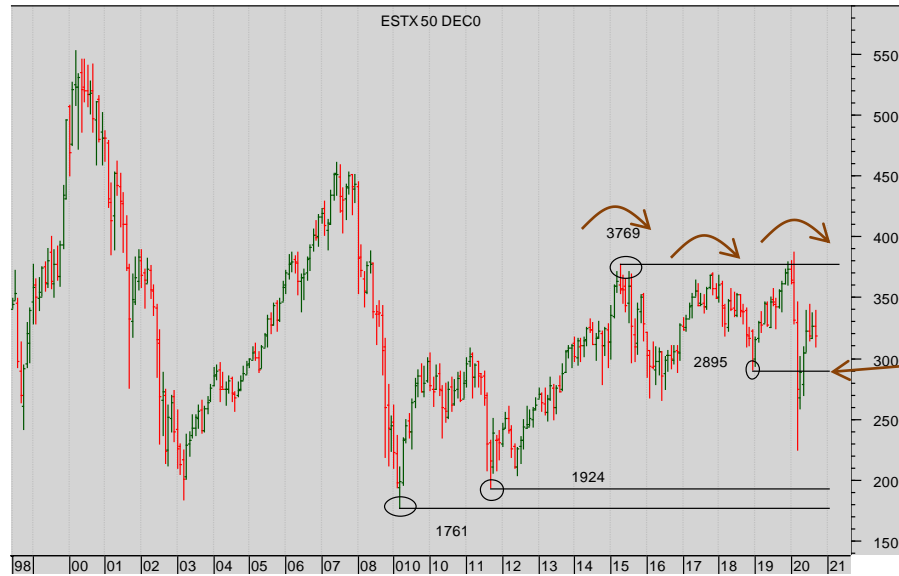
Bonds

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Commodities

- + Oil
- + Gold

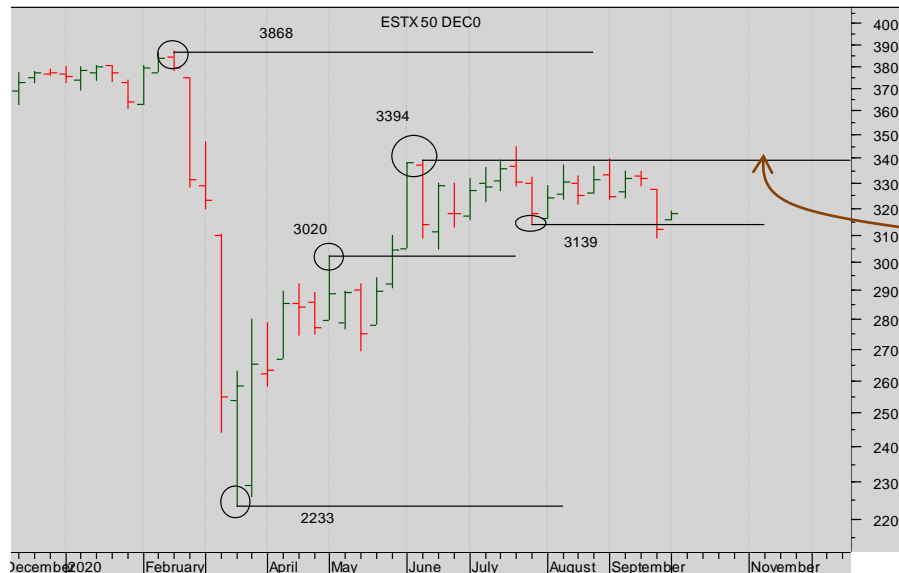
IMPLIED ASSET ALLOCATION



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.

Nothing so far. A breach of the low 3139 would surely complete a small top? But there's nothing there yet...

More



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Commodities

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IMPLIED ASSET ALLOCATION

Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Dec 19 futures chart

The market has completed a small Triple Top or Head & Shoulders Top.

Watch now for a break of 3127, to cement the power of the bears.



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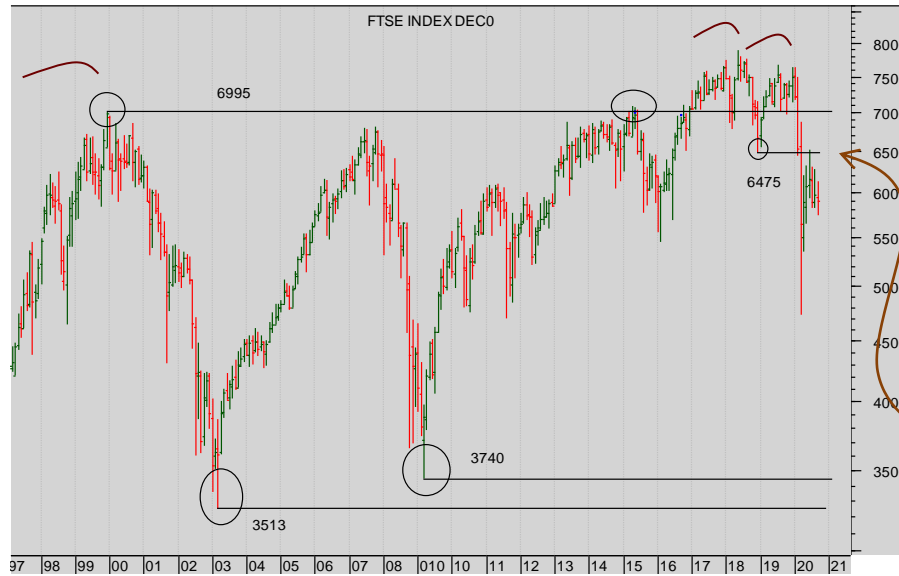
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Commodities

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IMPLIED ASSET ALLOCATION

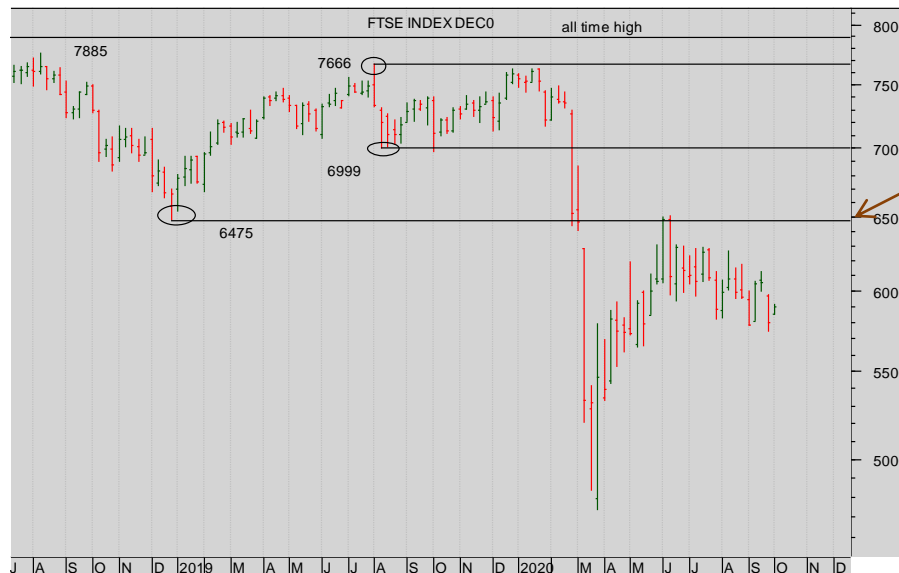
Stocks: Liffe FTSE 100



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

It's not clear what is going on save the clear important resistance above the market at 6475.

More



Stocks: Liffe FTSE 100

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IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Dec 20 daily futures chart

If the market can break beneath the Prior Low at 5544 they will be in control.



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Commodities

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IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225

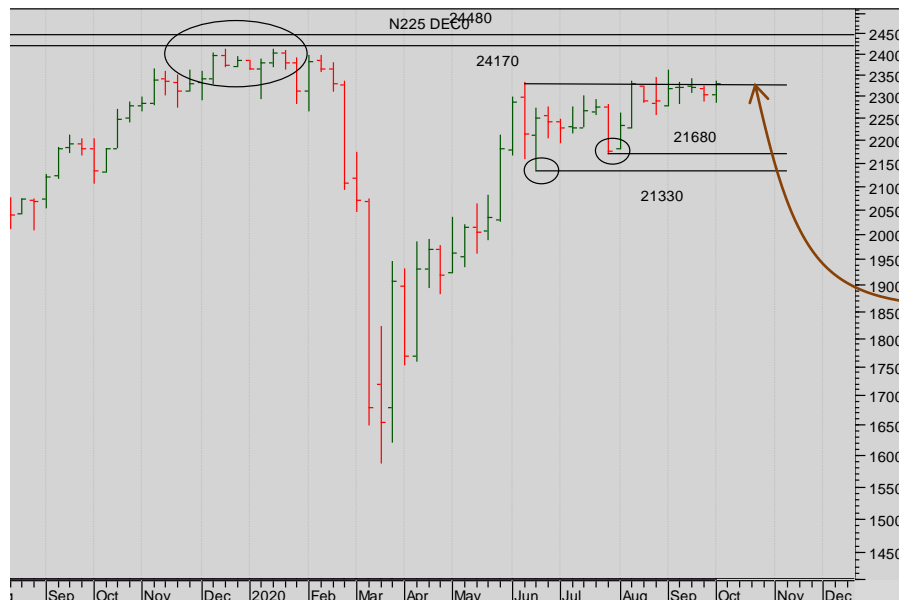


Nikkei 225 chart (monthly)

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

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

Whence the market has bounced before.



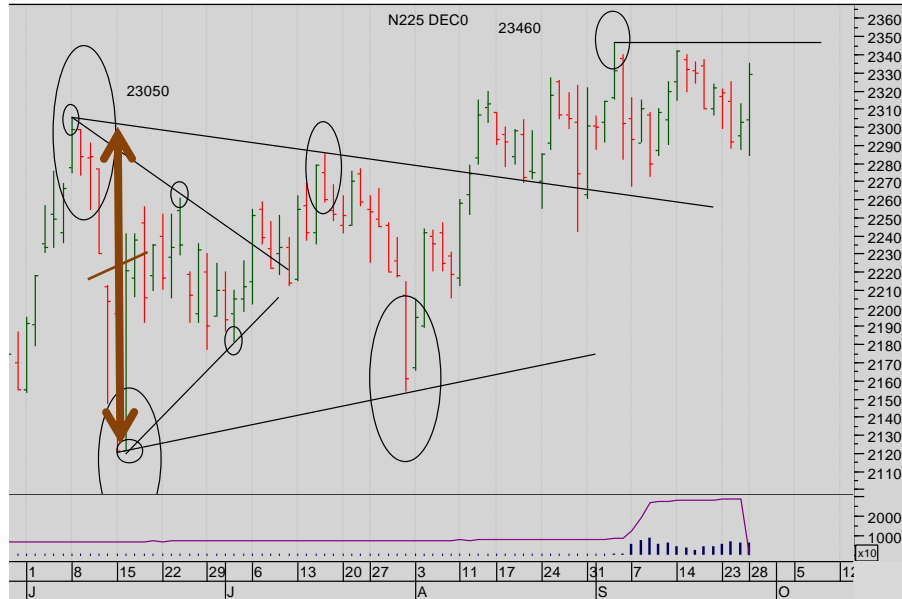
Nikkei 225 chart (WEEKLY)

The market is attempting to drive up through the recent highs.

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily Sep 2020.

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

But short-term watch for q break through 23400.

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

Bonds are still dull – stand aside.

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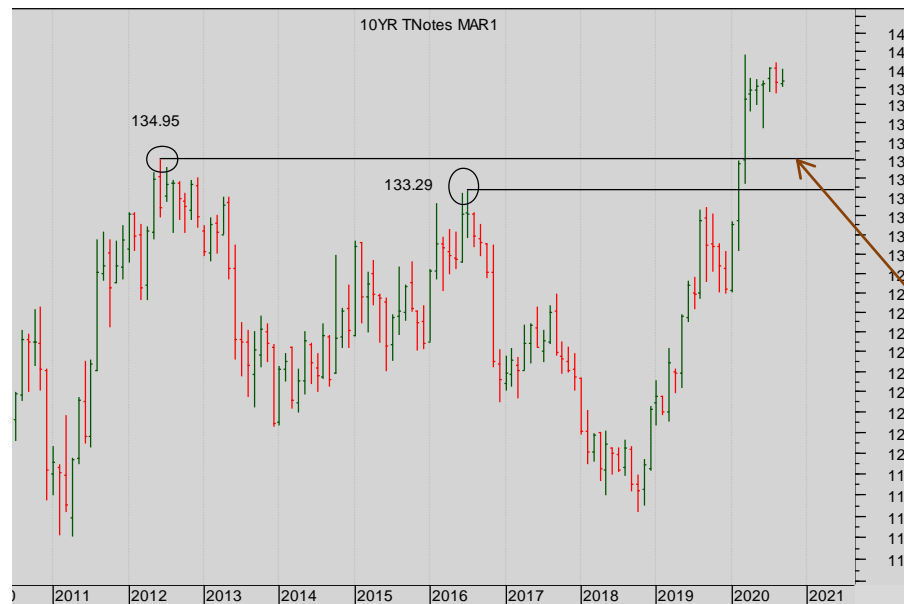
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Commodities

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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 135.95.

The market looks set for the
next bull leg.

More



Bonds: CBOT Ten Year Notes

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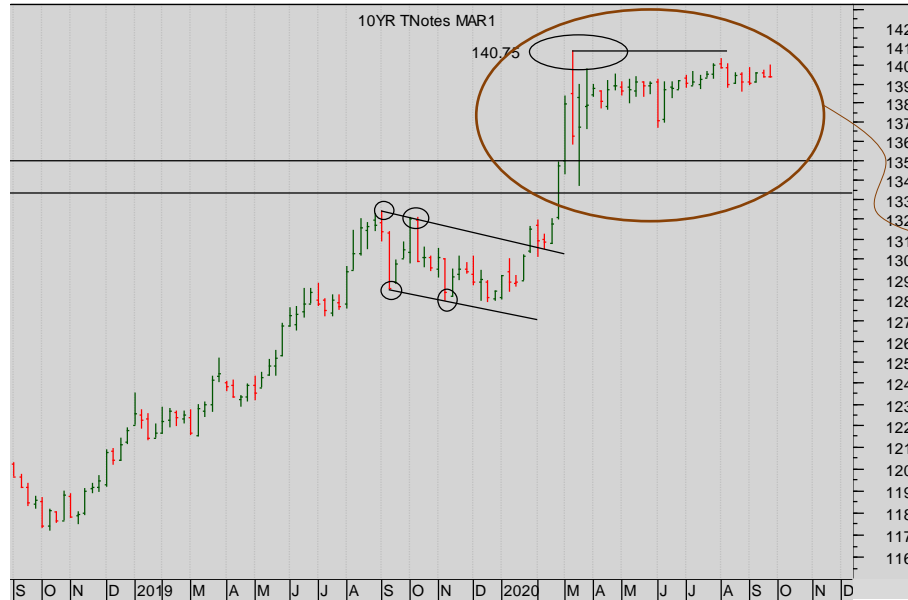
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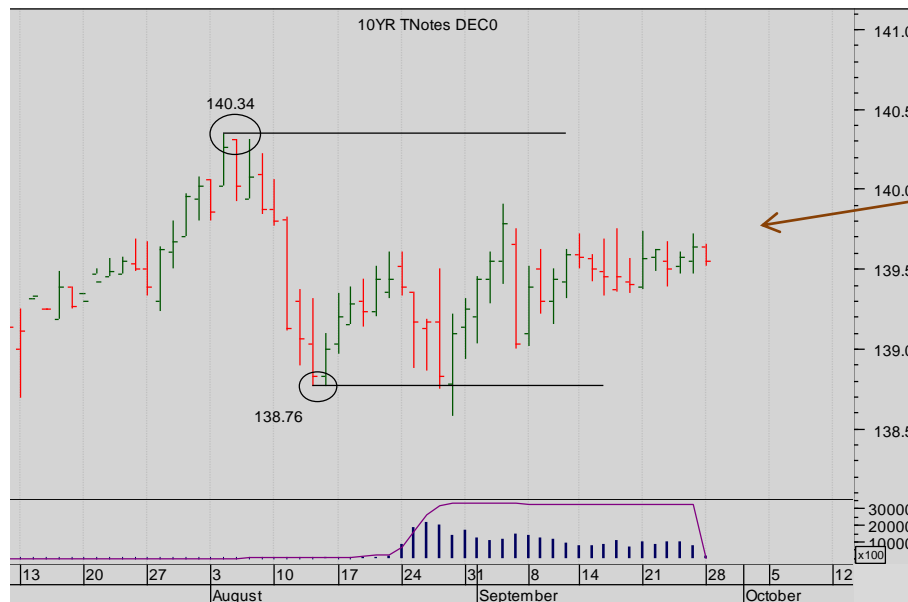
IMPLIED ASSET ALLOCATION



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, it lacks clarity. Stand back.

More



Bonds: Eurex Ten Year Bund

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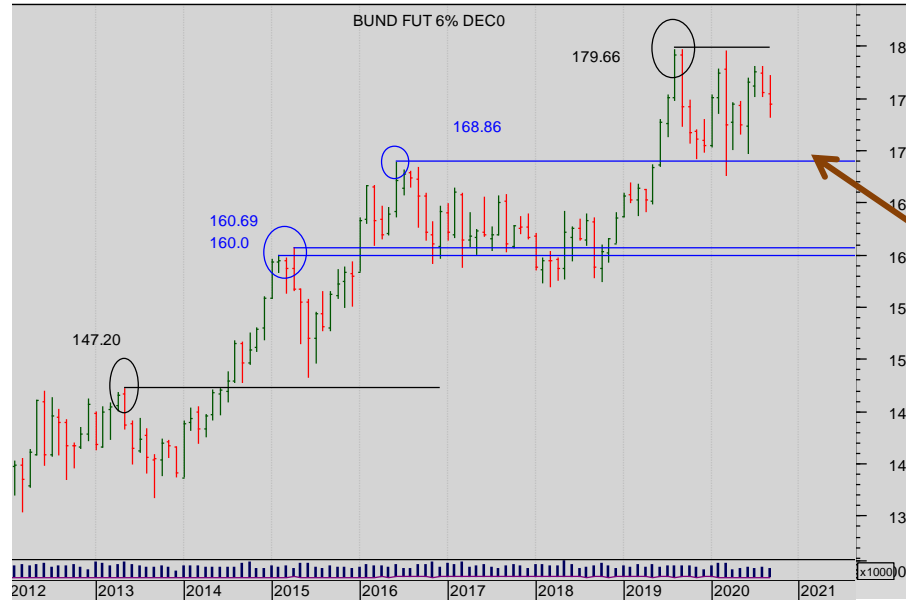
Bonds

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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 remains within a clear trading range..

For the moment the bull trend remains intact.



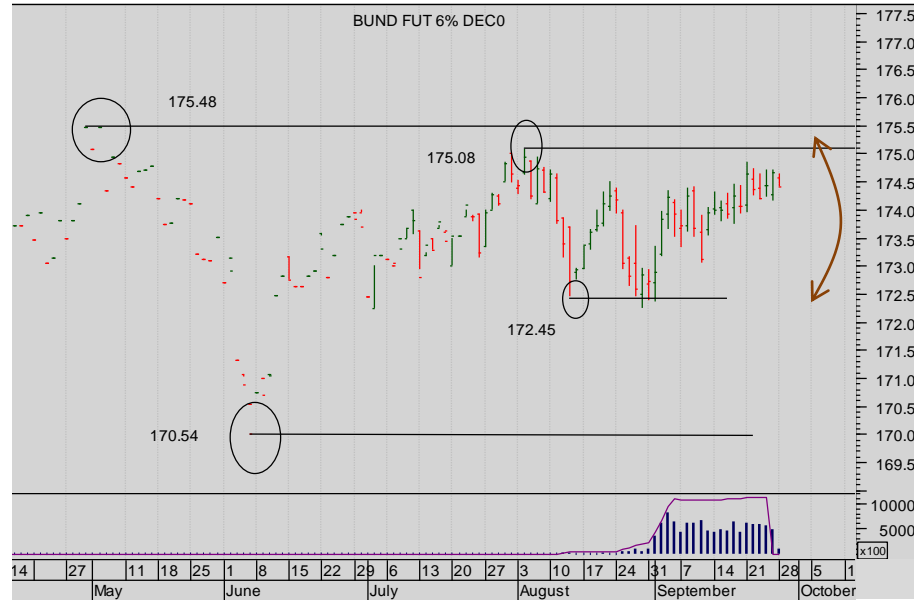
Eurex Ten Year Bund weekly cont. futures Chart

For the moment the range is intact





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.

More



Bonds: Liffe UK Gilt futures

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IMPLIED ASSET ALLOCATION



Long Gilt daily Dec 20 chart

But this is interesting: a tight trading range has arisen.



Commodity

COMMODITIES:

Oil is consolidating – is that a short-term continuation Triangle in the making in the day chart? It still looks bearish. Gold has room to retrace further without the bulls losing all heart.

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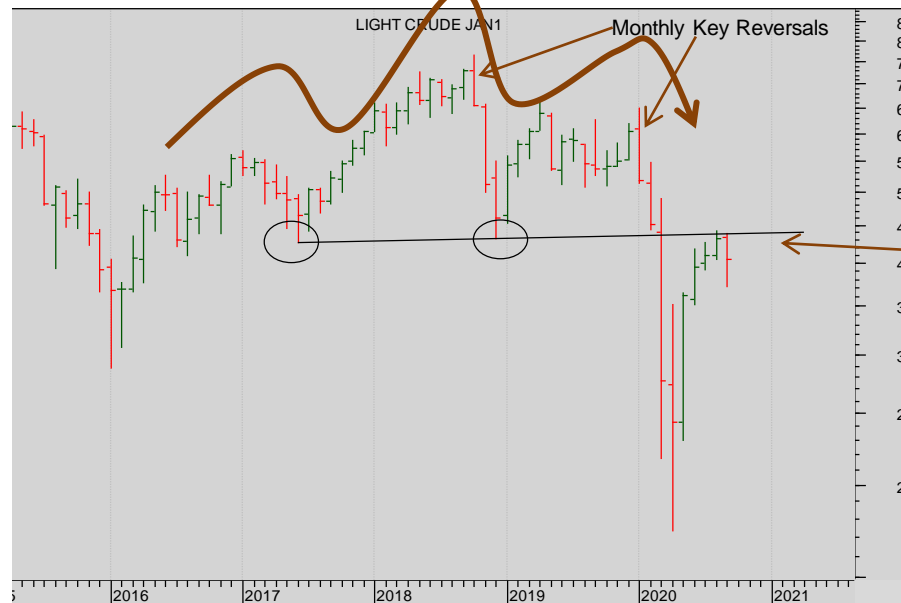
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Commodities

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Commodities: Nymex WTI Oil



Nymex oil monthly continuation

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

More



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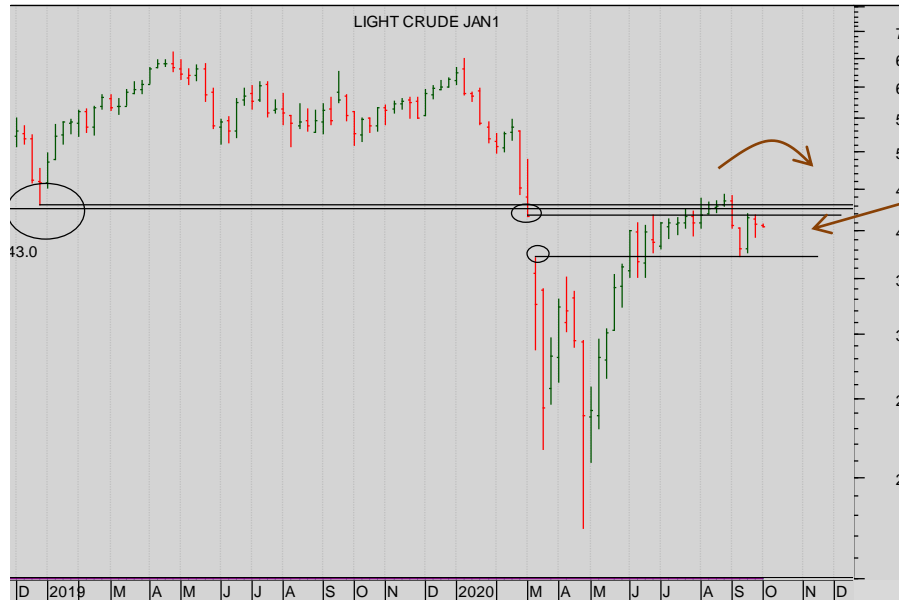
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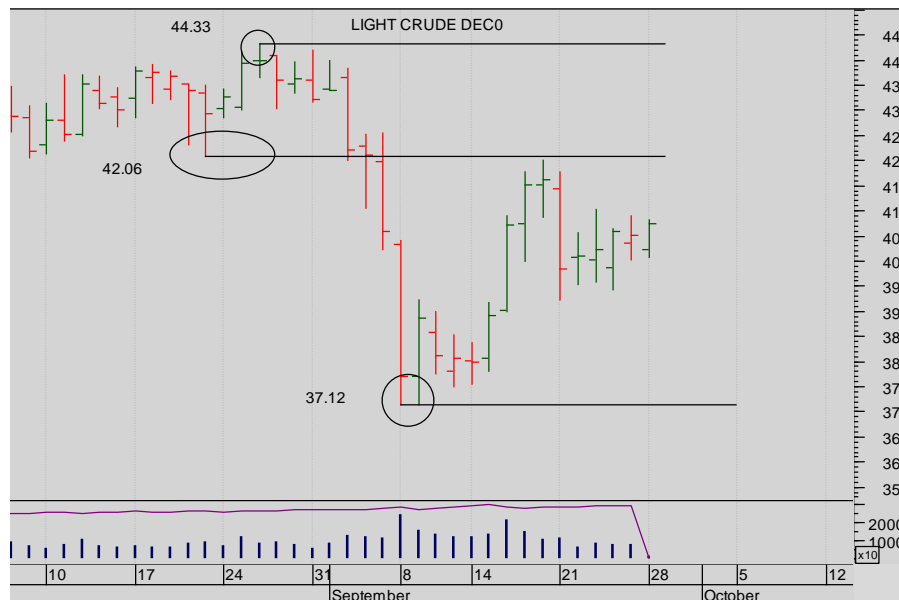
Commodities: Nymex WTI Oil



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

Note the failure at the Prior Low at 42.06. The bears look still to be in charge.



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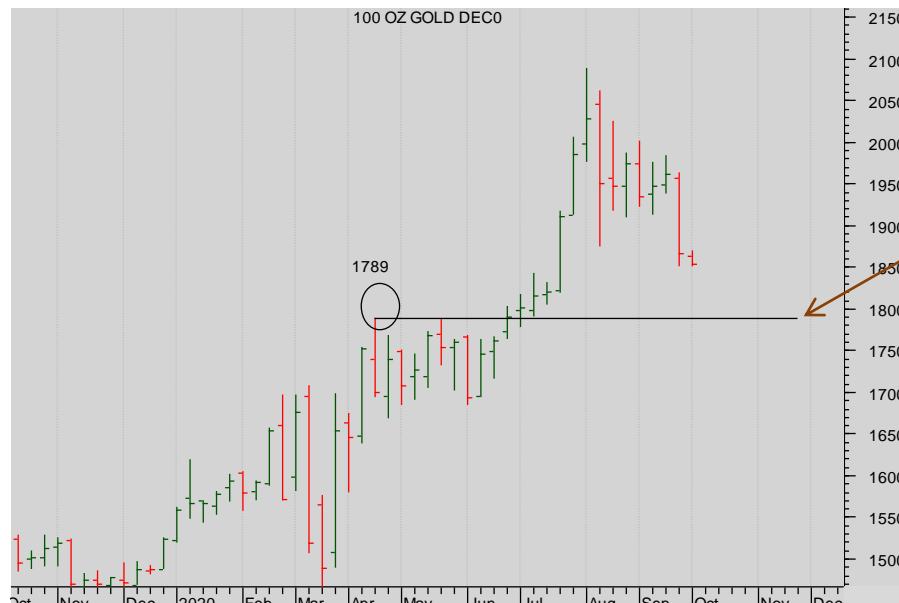
Commodities: Comex Gold



Nymex Gold Monthly

The bulls are in charge.

Note that the Prior High of 2011 is being severely tested ...but watch the band of support from the Prior Highs.



Nymex Gold weekly

The market is sustaining itself above the near term Prior High



Commodities: Comex Gold

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IMPLIED ASSET ALLOCATION



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 **bear continuation triangle**.

Minimum move? **Down as far as the support from the neat Highs 1789-1800.**



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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

MSCI Balanced Risk Asset Allocation



More



the technical analyst

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