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 6th October 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	Long-term **BULL** Euro	Medium-term FLAT Euro	Short-term **BULL** Euro
+ Dollar Sterling	Long-term **BEAR** Sterling	Medium-term **BEAR** Sterling	Short-term **BEAR** Sterling
+ Dollar Yen	Long-term FLAT Yen	Medium-term **BULL** Yen	Short-term FLAT Yen
+ Sterling Euro	Long-term FLAT Euro	Medium-term FLAT Euro	Short-term **BULL** Euro
Stocks			
+ S&P 500	Long-term **BULL**	Medium-term FLAT	Short-term FLAT
+ EuroStoxx 50	Long-term **BEAR**	Medium-term FLAT	Short-term FLAT
+ FTSE 100	Long-term **BEAR**	Medium-term **BEAR**	Short-term FLAT
+ Nikkei 225	Long-term FLAT	Medium-term **BULL**	Short-term **BULL**
Bonds			
+ Ten Year US TNote	Long-term **BULL**	Medium-term FLAT	Short-term FLAT
+ Ten Year German Bund	Long-term FLAT	Medium-term **BULL**	Short-term FLAT
+ UK Gilt	Long-term **BULL**	Medium-term FLAT	Short-term **BEAR**
Commodities			
+ Oil	Long-term **BEAR**	Medium-term **BEAR**	Short-term FLAT
+ Gold	Long-term **BULL**	Medium-term **BULL**	Short-term FLAT

IMPLIED ASSET ALLOCATION

More

CURRENCIES:

Now the Euro is beginning to weaken as well as Sterling. Sterling Euro is dull as a result. The Yen remains a stalwart, but the market needs to break out of the range to strengthen further still.

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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

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+ Oil
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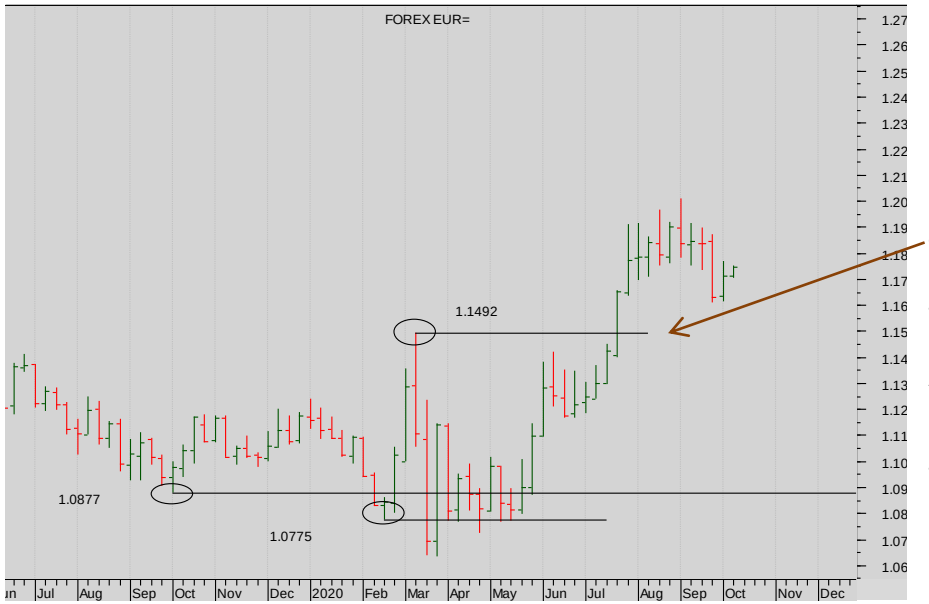
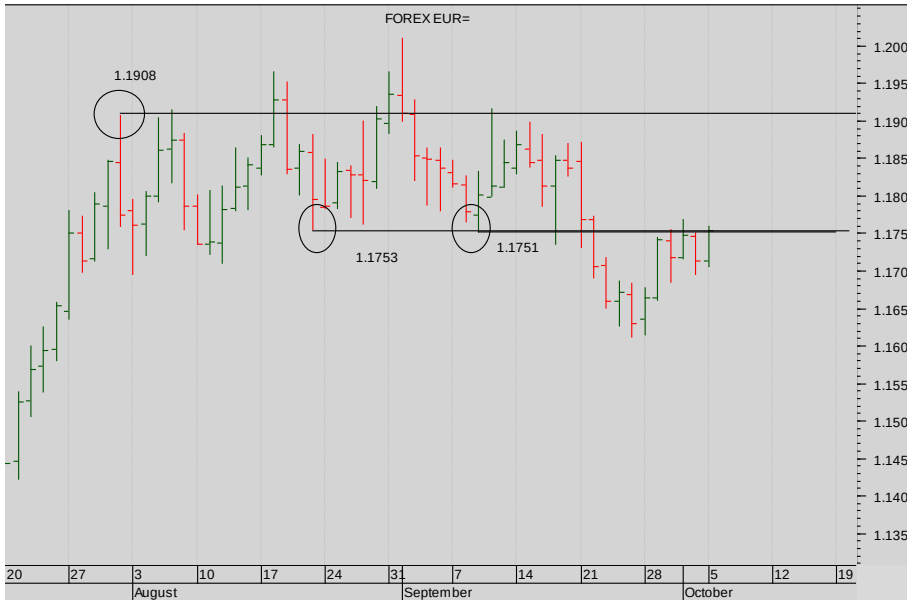
Currencies: Dollar Euro



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 drive the Euro further down

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+ Ten Year US TNote
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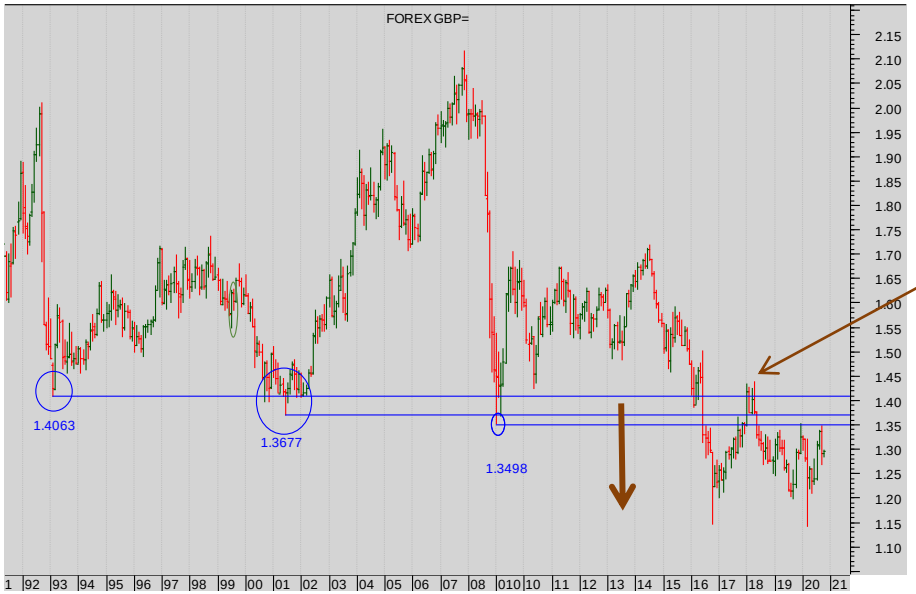
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

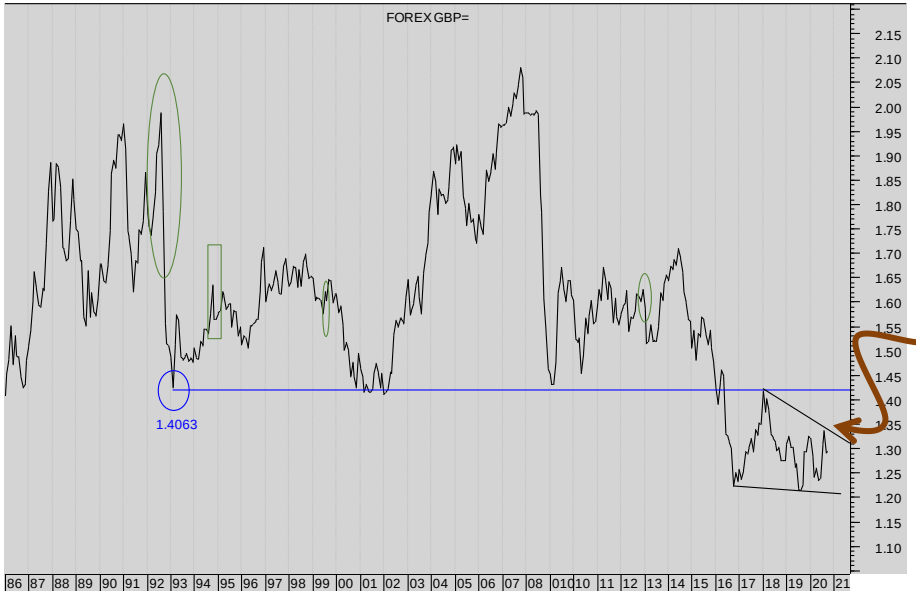
Currencies: Dollar Sterling



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 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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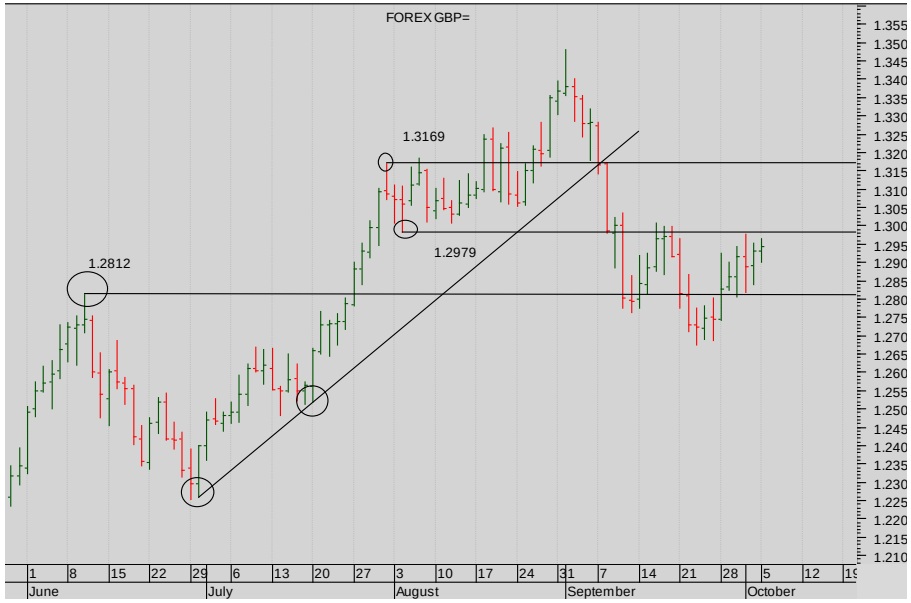
Currencies: Dollar Sterling

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 paused …

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+ Oil
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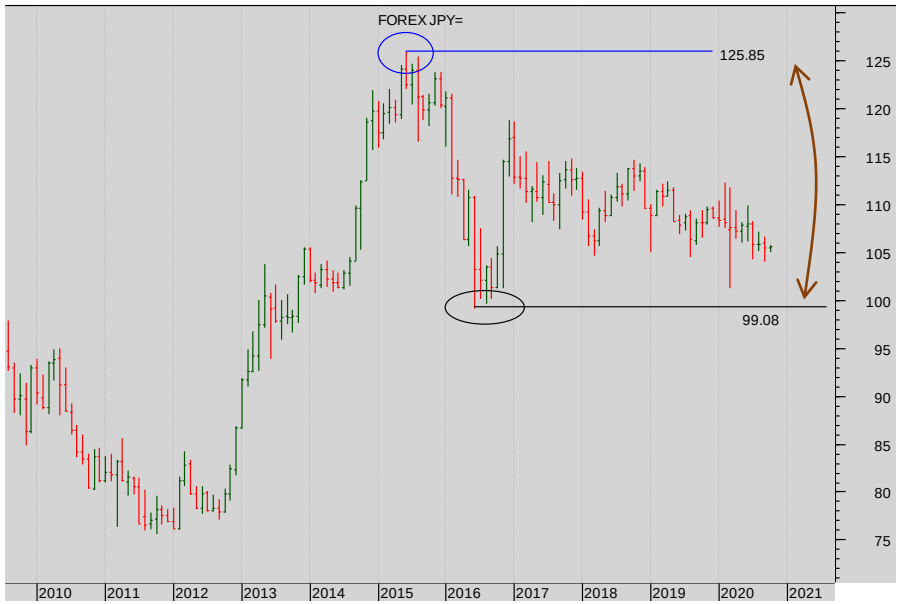
IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

It's a range.

Dollar Yen weekly spot cash chart

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

More

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+ EuroStoxx 50
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen

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.

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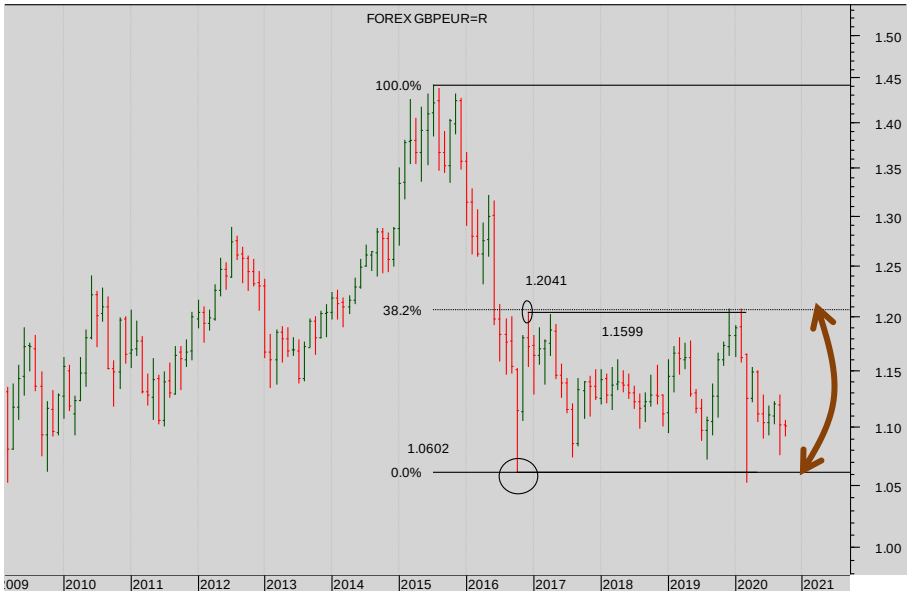
IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

The market remains in the broad trading range.

Sterling Euro weekly spot cash chart

Inside the range: there is some pressure to weaken sterling further.

Note the failed break of the low at 1.892.

More

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+ Ten Year US TNote
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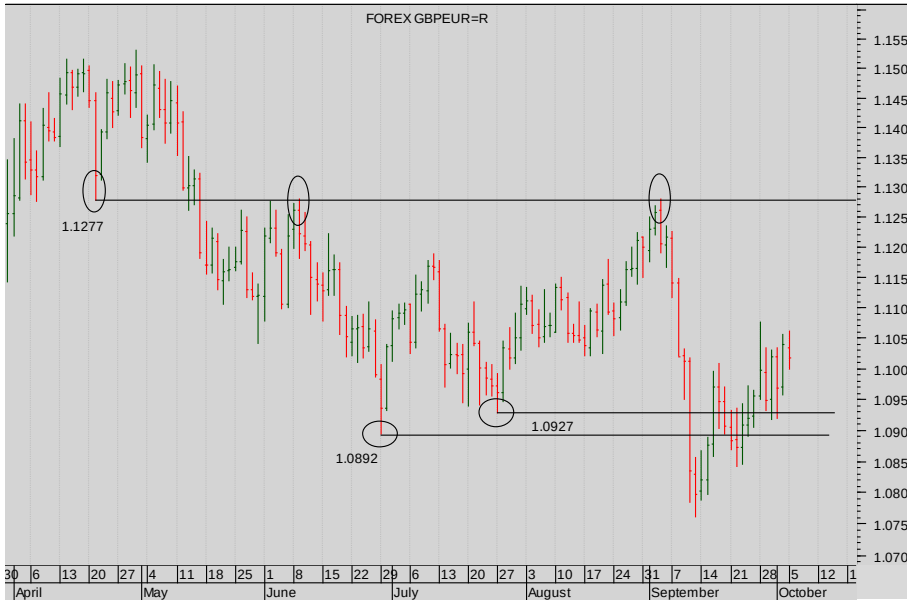
IMPLIED ASSET ALLOCATION

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:

Stocks are getting a infusion of confidence – levels of support have been tested and the markets have bounced, Watch the Nikkei closely – it is close to a major bull breakout.

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IMPLIED ASSET ALLOCATION

CME S&P 500 monthly cont. futures chart

The market didn't really complete a Monthly Key Reversal but there is a break back through the support from the Prior High.

More

SEVEN DAYS AHEAD

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Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNote
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Commodities
+ Oil
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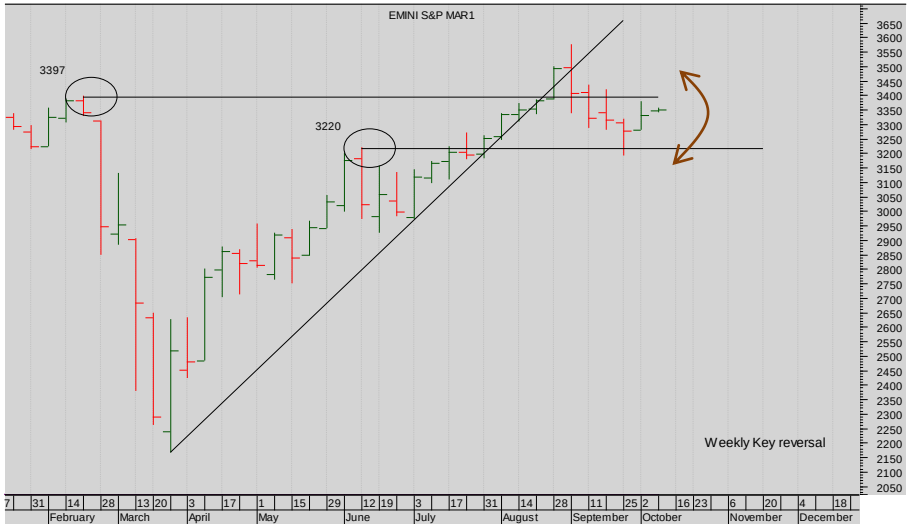
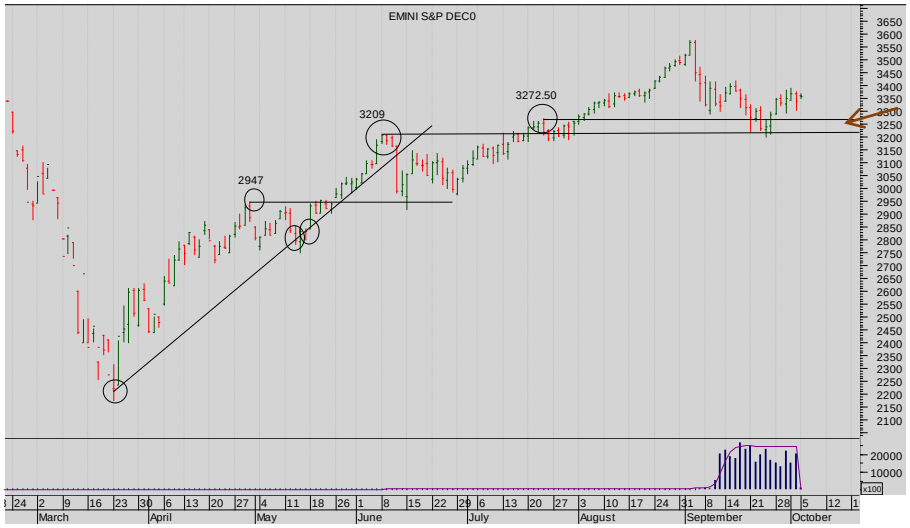
IMPLIED ASSET ALLOCATION

Stocks: CME S&P 500



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, bouncing off the band of support…

More

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+ FTSE 100
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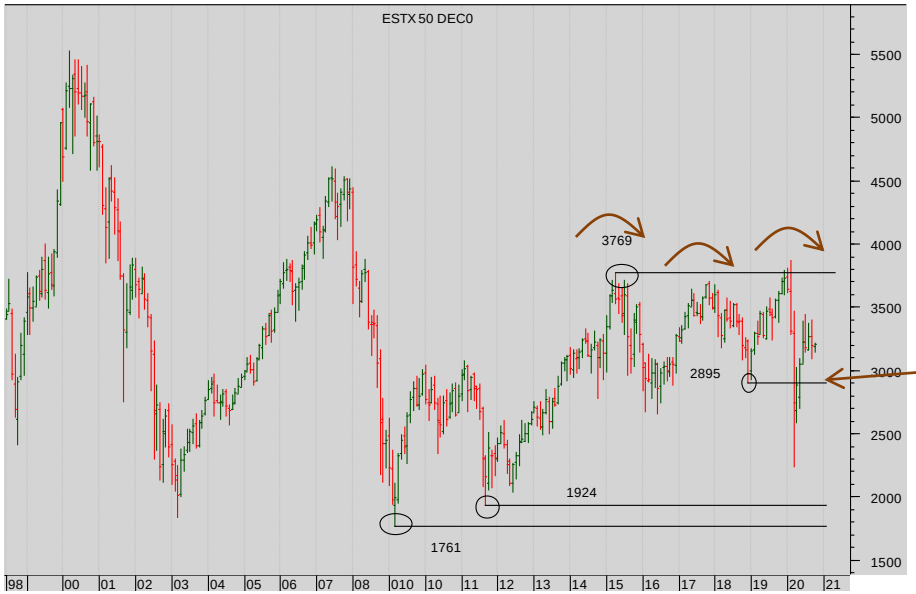
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

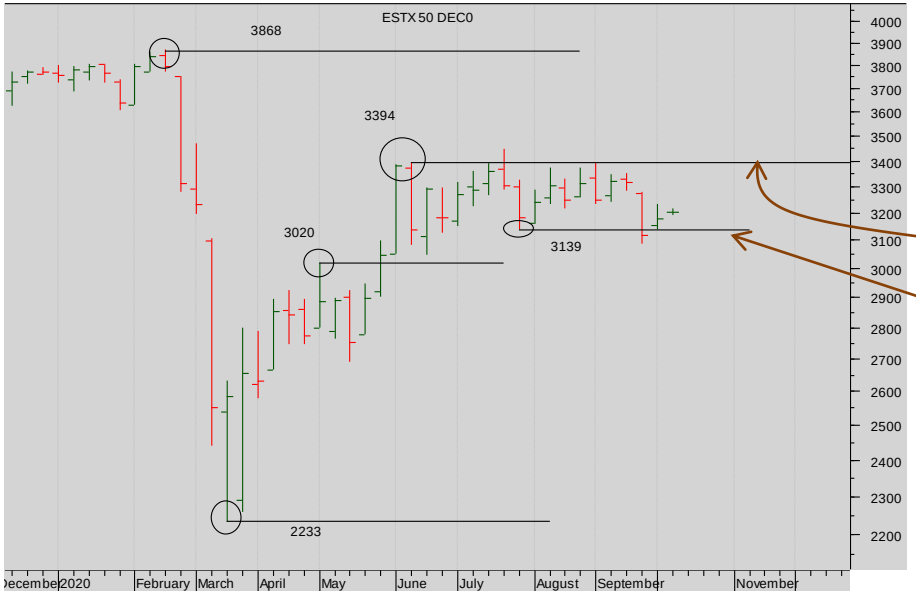
Stocks: Eurex EuroStoxx 50



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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+ FTSE 100
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Bonds
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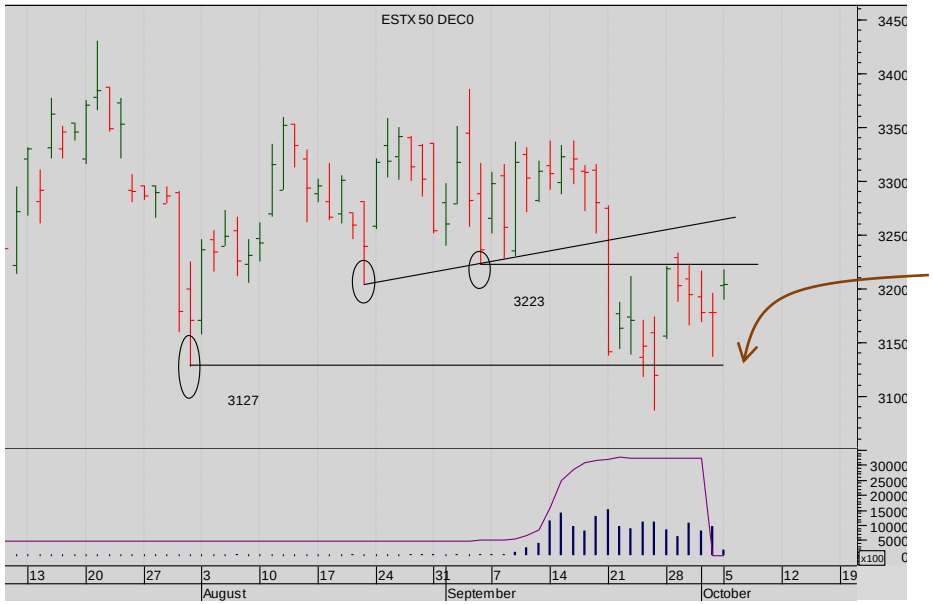
+ Oil
+ Gold

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 down through the 3127, to cement the power of the bears.

SEVEN DAYS AHEAD

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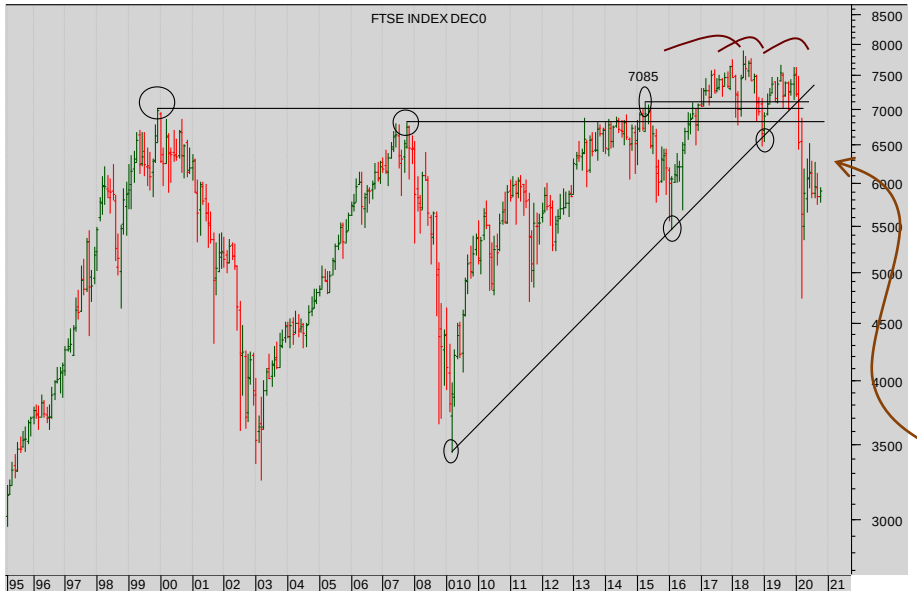
+ Gold

IMPLIED ASSET ALLOCATION

Stocks: Liffe FTSE 100

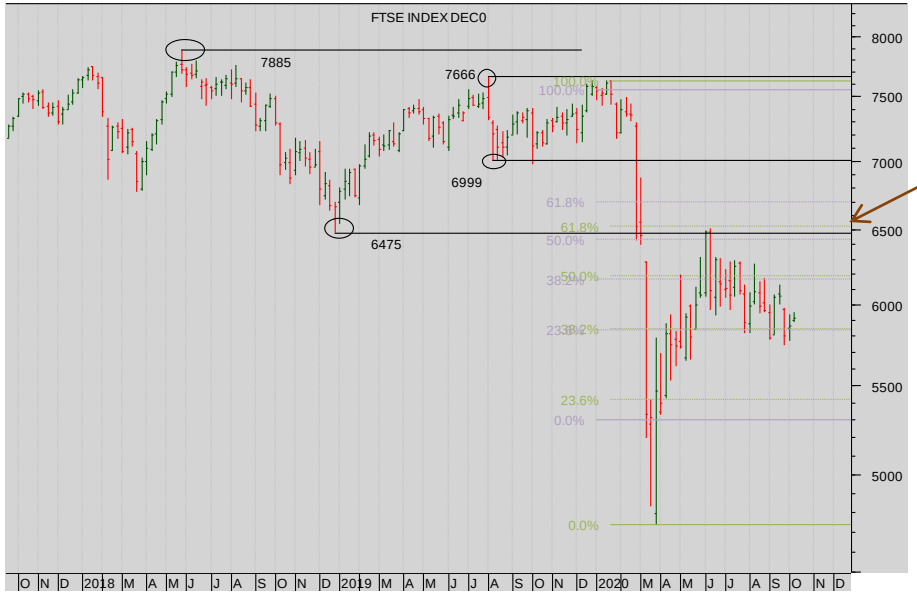


Liffe FTSE 100 Monthly continuation futures chart

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

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IMPLIED ASSET ALLOCATION

Stocks: Liffe FTSE 100

Liffe FTSE 100 Dec 20 daily futures chart

If the market can break beneath the Prior Low at 5547 they will be in control.

SEVEN DAYS AHEAD

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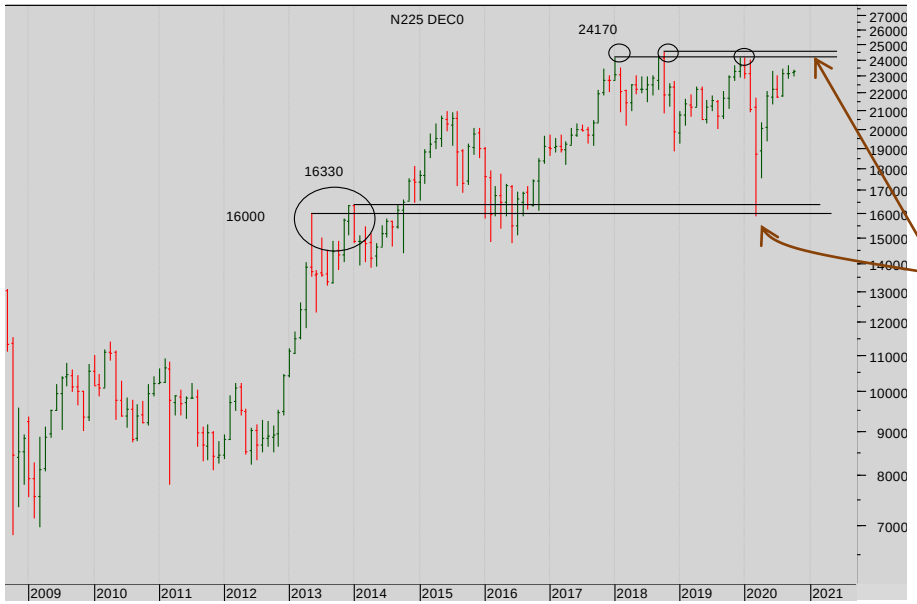
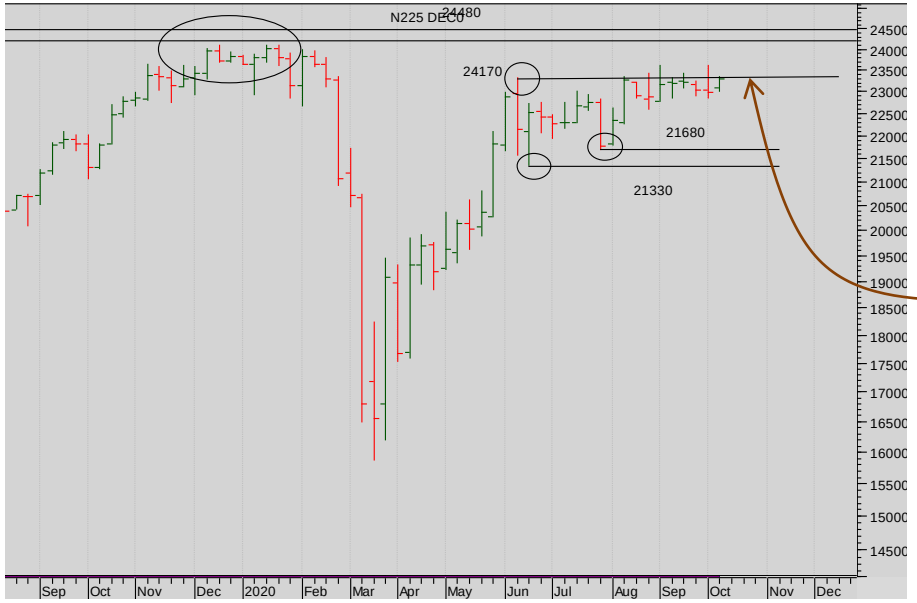
IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

The triple failure of the market at the 24500 level was worrying – but the indefatigable bounce off 16330 suggests a re-approach to the Highs.



Nikkei 225 chart (WEEKLY)

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

More

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+ Dollar Yen
+ Sterling Euro

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+ Gold

IMPLIED ASSET ALLOCATION

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 a break through 23460.

Bonds

BONDS:
Bonds are still dull in general, but note the short-term weakness of the UK market, suggesting a test of the very long-term support close by…

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+ S&P 500
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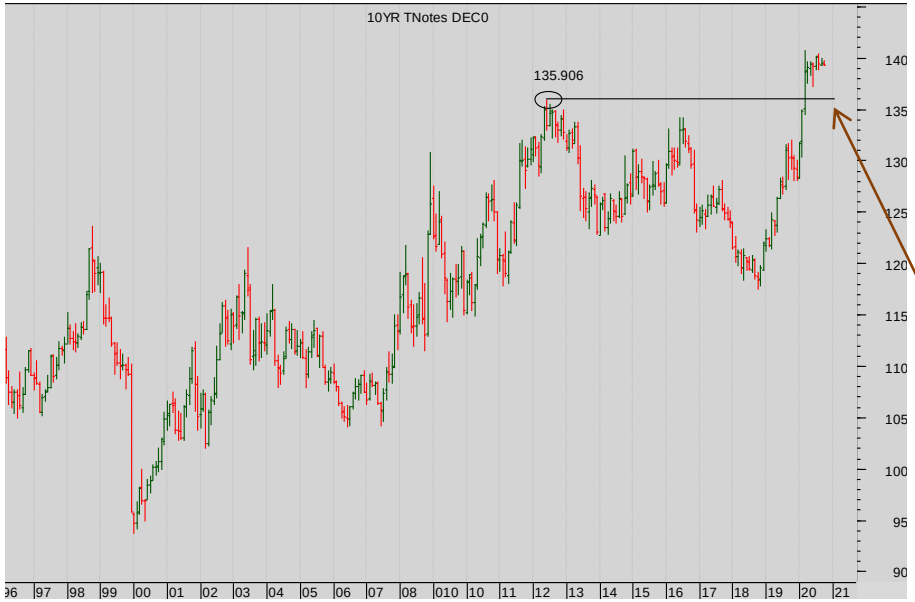
+ FTSE 100
+ Nikkei 225

Bonds
+ Ten Year US TNotes
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

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

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- Summary
- Currencies
  - + Dollar Euro
  - + Dollar Sterling
  - + Dollar Yen
  - + Sterling Euro
- Stocks
  - + S&P 500
  - + EuroStoxx 50
  - + FTSE 100
  - + Nikkei 225
- Bonds
  - **+ Ten Year US TNotes**
  - + Ten Year German Bund
  - + UK Gilt
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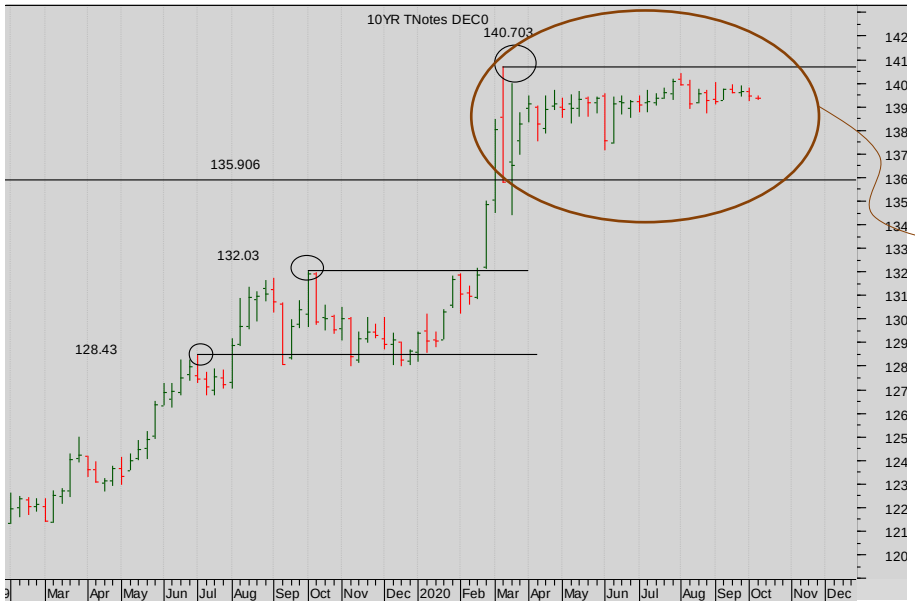
  - + Gold

IMPLIED ASSET ALLOCATION

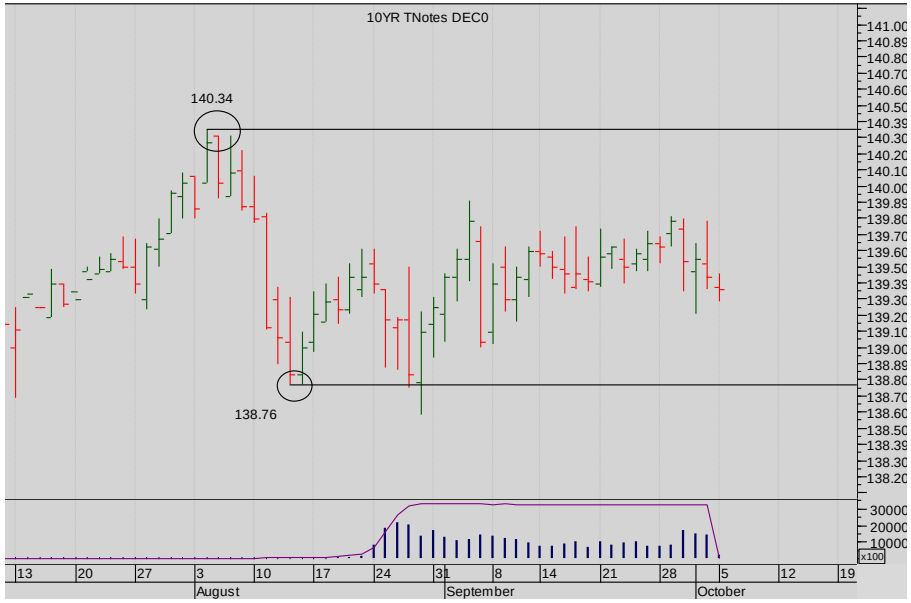
Bonds: CBOT Ten Year Notes



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 Dec 20 futures chart

In detail, it lacks clarity. Stand back.

More

SEVEN DAYS AHEAD

- Summary
- Currencies
  - + Dollar Euro
  - + Dollar Sterling
  - + Dollar Yen
  - + Sterling Euro
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  - + S&P 500
  - + EuroStoxx 50
  - + FTSE 100
  - + Nikkei 225
- Bonds
  - + Ten Year US TNote
  - **+ Ten Year German Bund**
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- Commodities
  - + Oil
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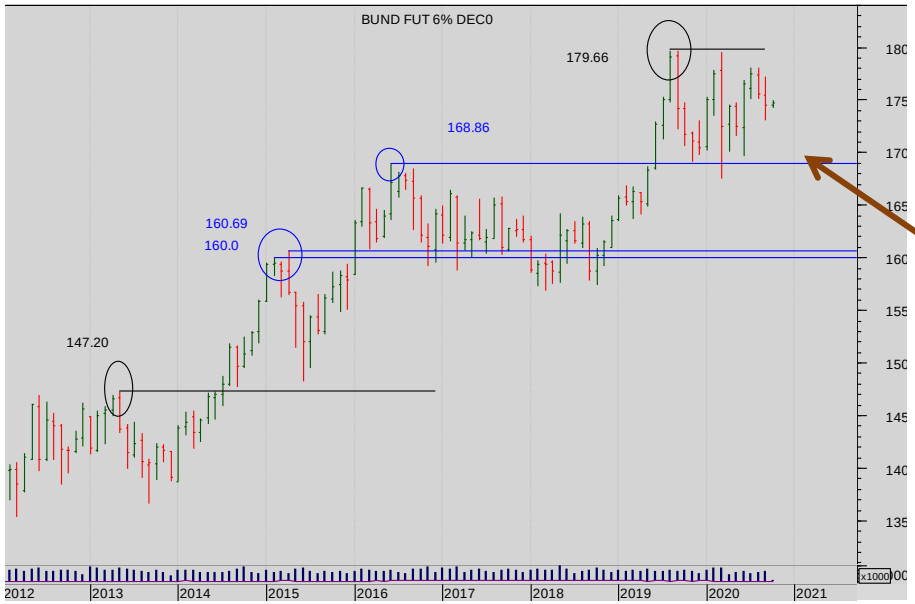
IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



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

More

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Currencies
+ Dollar Euro
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+ S&P 500
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Bonds
+ Ten Year US TNote
+ Ten Year German Bund
+ UK Gilt

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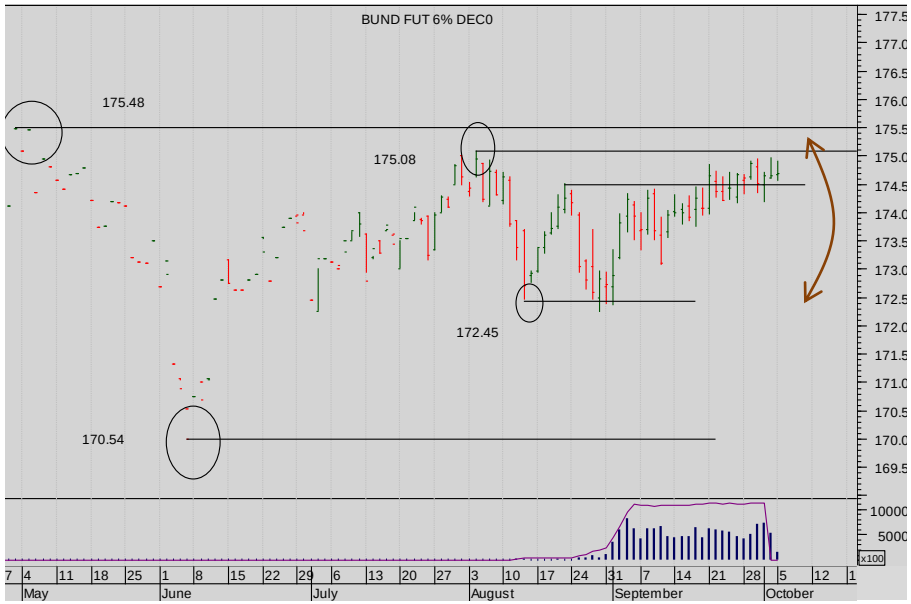
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

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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+ FTSE 100
+ Nikkei 225

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

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+ Oil
+ Gold

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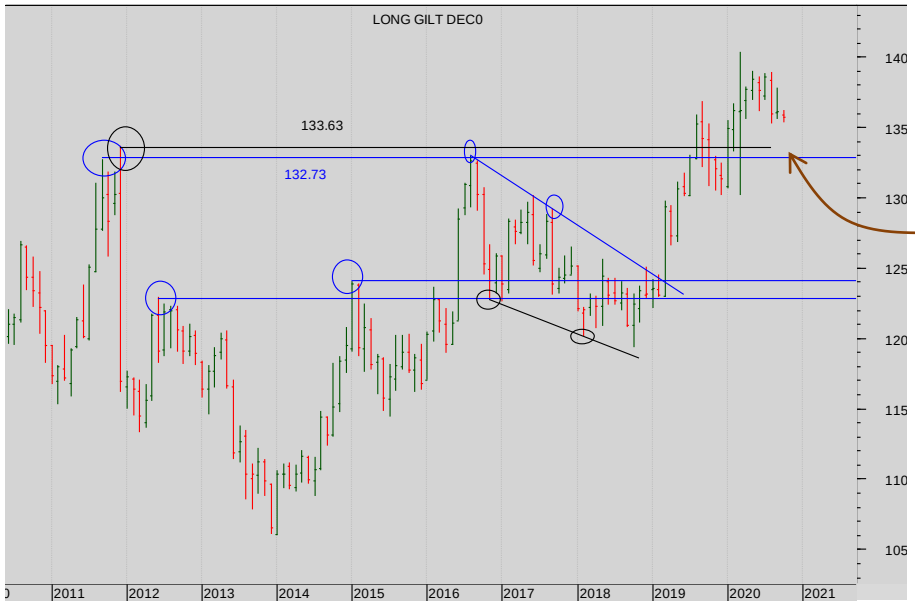
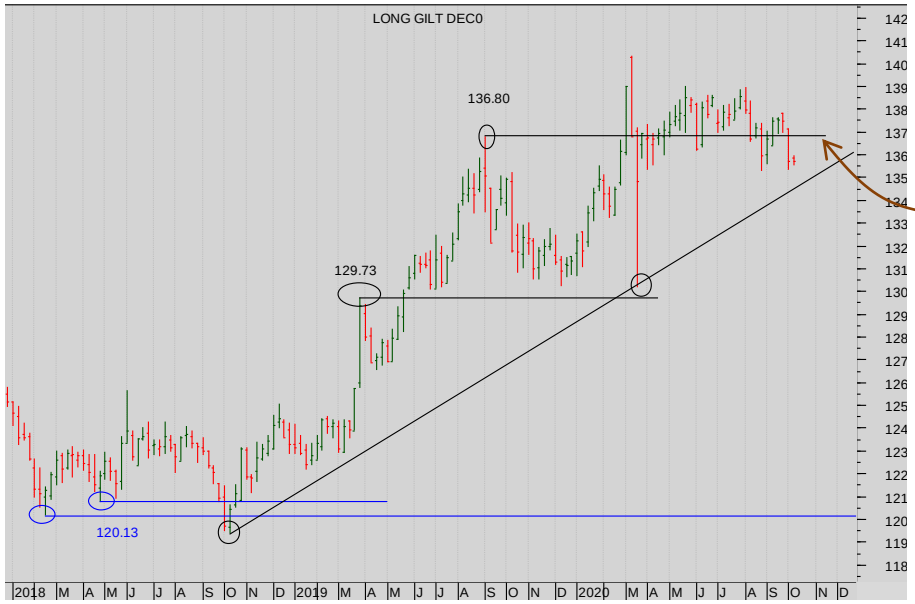
Bonds: Liffe UK Gilt futures



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

But this price action is disappointing – drifting back down through 136.80.

More

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+ FTSE 100
+ Nikkei 225

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

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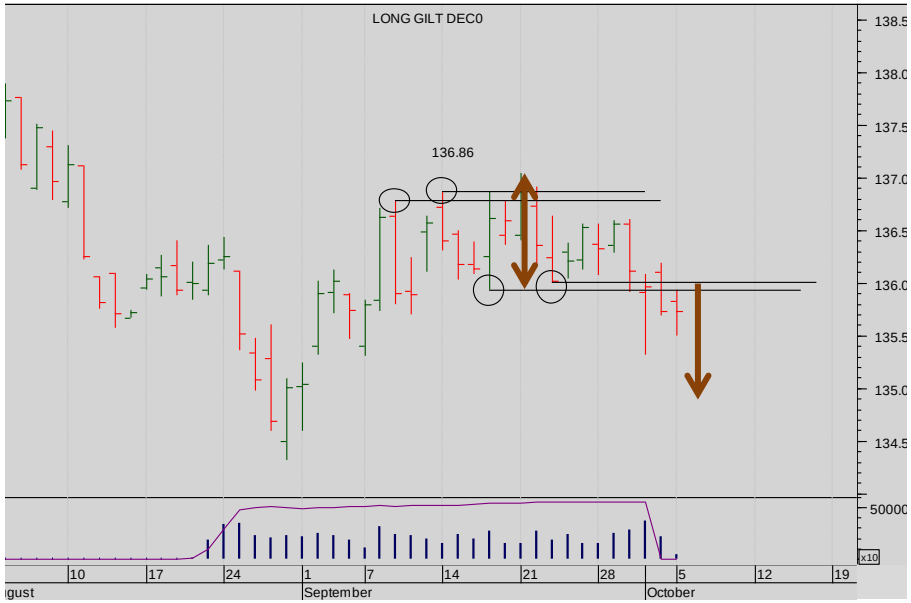
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



Long Gilt daily Dec 20 chart

But this is interesting: a tight trading range has broken and thus formed a small top…

Commodity

COMMODITIES:

The oil market is showing signs of strain and weakness. Watch our levels closely to add to shorts. Gold is under pressure still from medium-term patterns but lacking energy.

Summary

Currencies
+ Dollar Euro
+ Dollar Sterling
+ Dollar Yen
+ Sterling Euro

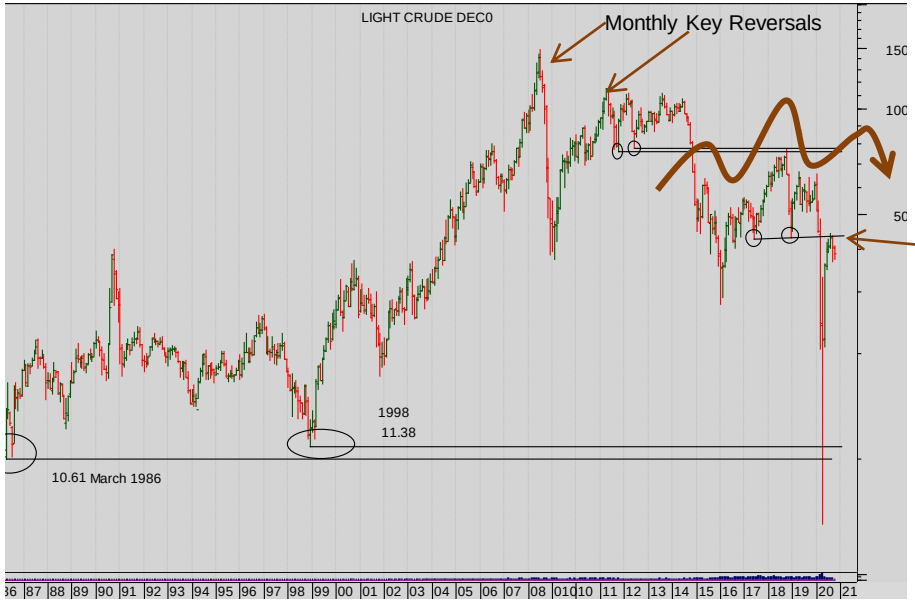
Stocks
+ S&P 500
+ EuroStoxx 50
+ FTSE 100
+ Nikkei 225

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

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

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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+ Gold

IMPLIED ASSET ALLOCATION

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 Dec 2020 futures

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

SEVEN DAYS AHEAD

- Summary
- Currencies
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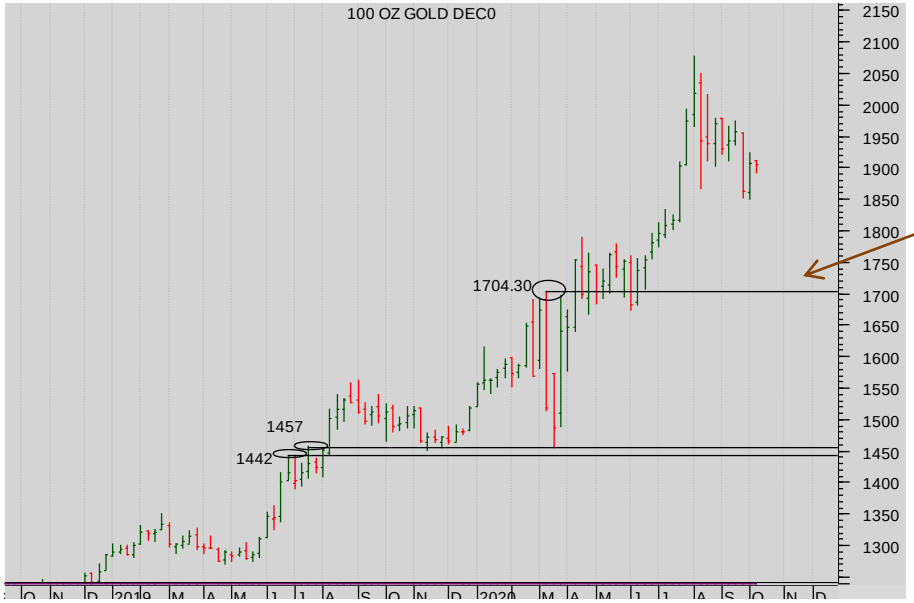
  - + Oil
  - + Gold
- IMPLIED ASSET ALLOCATION

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

SEVEN DAYS AHEAD

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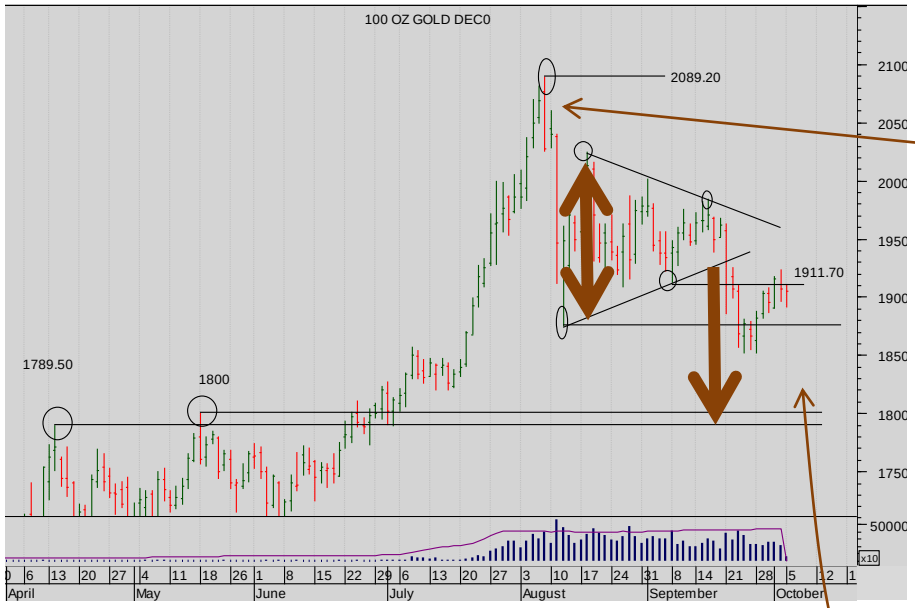
IMPLIED ASSET ALLOCATION

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 bear continuation triangle.

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

Summary

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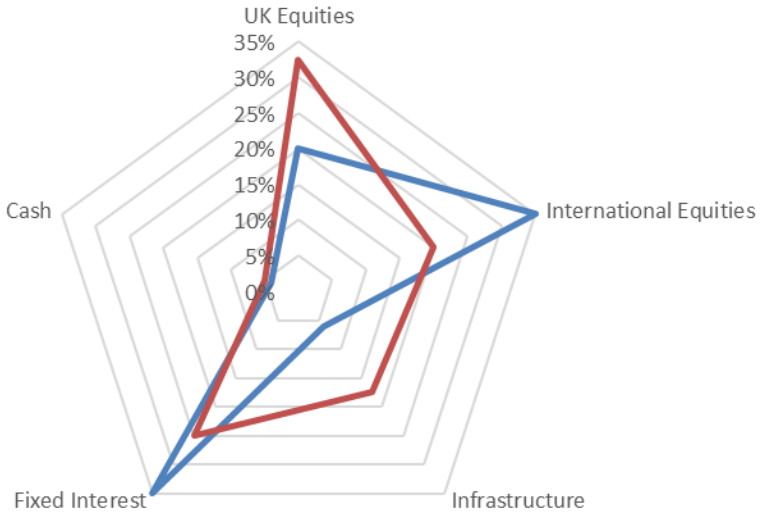
Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

MSCI Balanced Risk Asset Allocation



More

the technical analyst

AWARDS 2012

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Back to main menu