



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 2<sup>nd</sup> November 2020

**Mark Sturdy**

Authorised and regulated  
by the FCA



# 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
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

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

Short-term FLAT  
Short-term **BEAR**  
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 FLAT  
Medium-term FLAT

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

### Commodities

- + Oil
- + Gold

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

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

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

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## Currencies: Dollar Euro

### CURRENCIES:

The Dollar has weakened since March – so much so that it is now testing the bull run from 2008. There is short and possibly growing mid-term evidence that this weakness is coming to an end against the Euro and the Sterling. The Yen is different – it may weaken from here – but now that there are very important levels – a break of would see the Yen appreciate far and fast. Sterling appreciation against the euro is clear since September.

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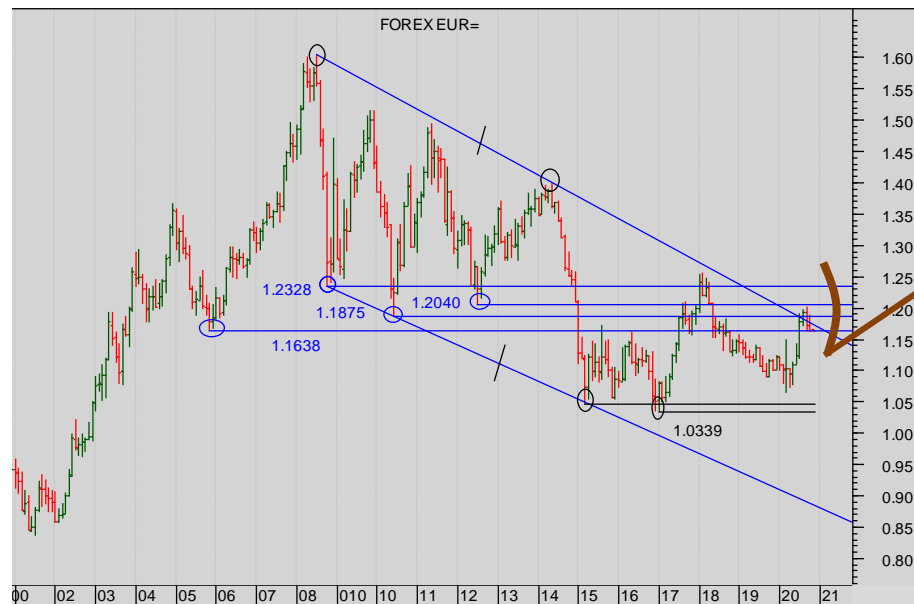
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### Dollar Euro monthly spot cash chart

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 test of the diagonal flag...**the market is testing the bull Dollar trend from 2008.**

More



## Currencies: Dollar Euro

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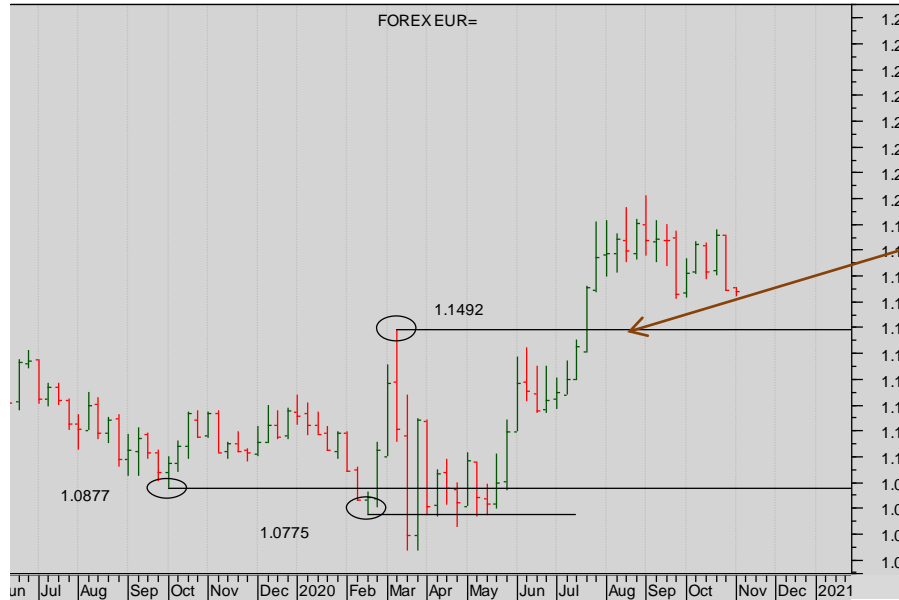
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### IMPLIED ASSET ALLOCATION



**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 looks good, now for a break beneath 1.1613 to cement the strength of the Dollar reversing the weakness since March



## Currencies: Dollar Sterling

### Summary

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### Stocks

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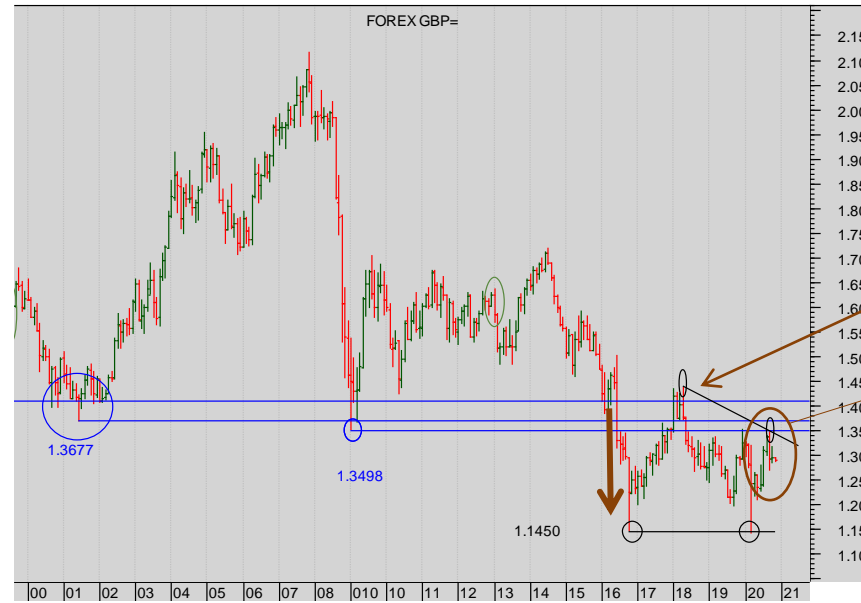
### Bonds

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### Commodities

- + Oil
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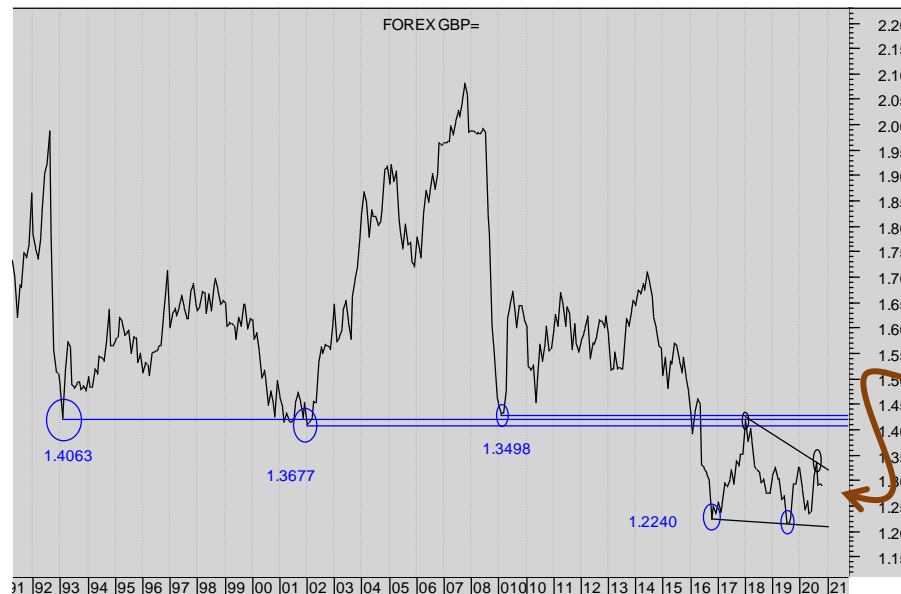
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### Dollar Sterling Monthly spot cash chart

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 looks like failing for the fourth time – there's a Key Reversal created last month too – it all looks bearish.



### 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...but the wedge is having very little effect...



### Dollar Sterling daily spot cash chart

This looks like a re-approach of the 1.2812 support.



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### Bonds

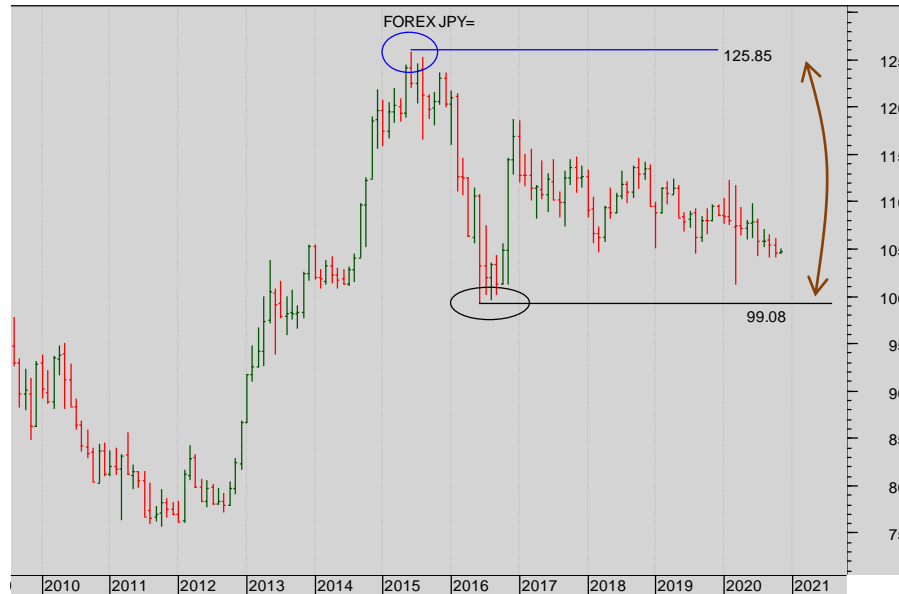
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- + Ten Year German Bund
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### Commodities

- + Oil
- + Gold

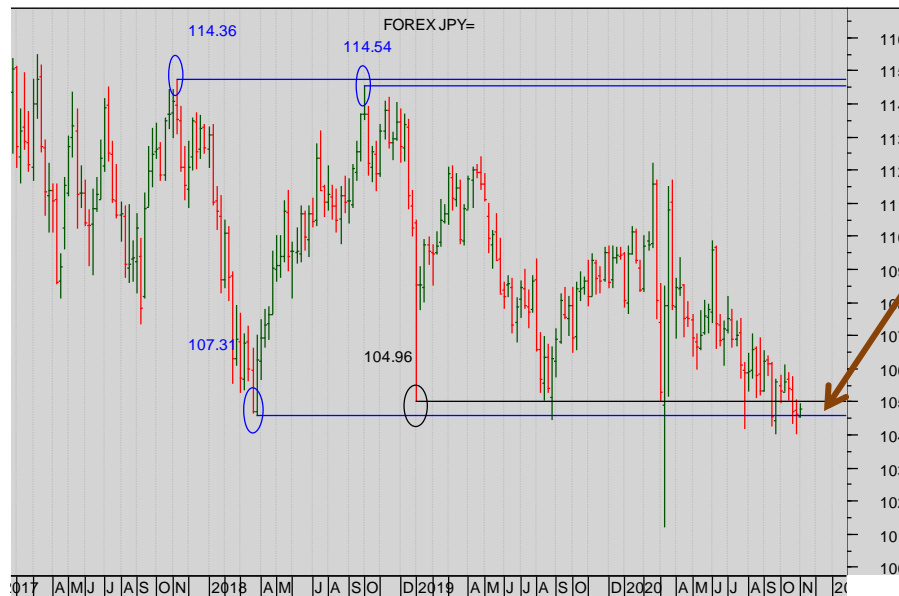
## IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen



## Dollar Yen monthly spot cash chart

It's not clear.



## Dollar Yen weekly spot cash chart

But this is clear: watch the test of the bottom of the medium-term range ... a breakdown through this level ( say 104.50) would suggest a much stronger Yen.

More



## Currencies: Dollar Yen

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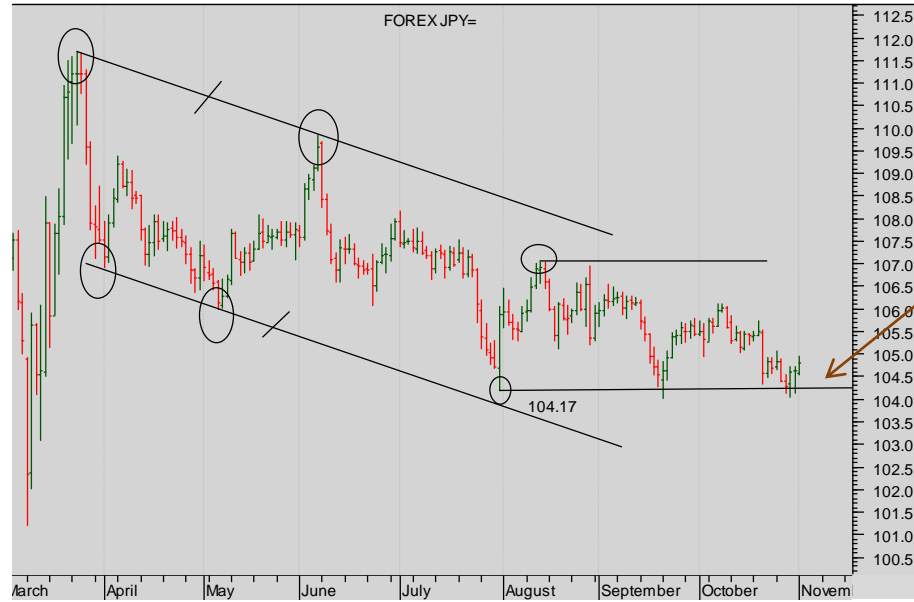
### Bonds

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### Commodities

- + Oil
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### Dollar Yen daily spot cash chart

Short-term, it's not clear.

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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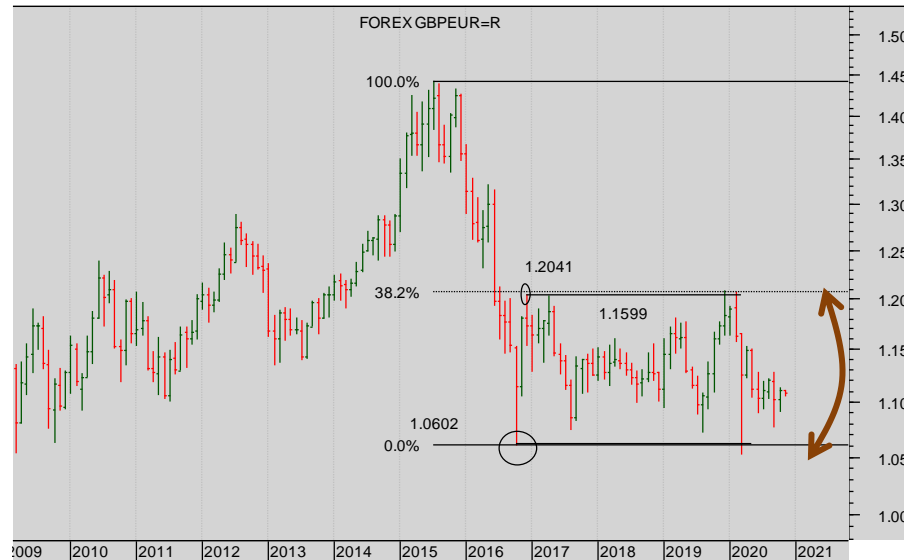
### Bonds

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### Commodities

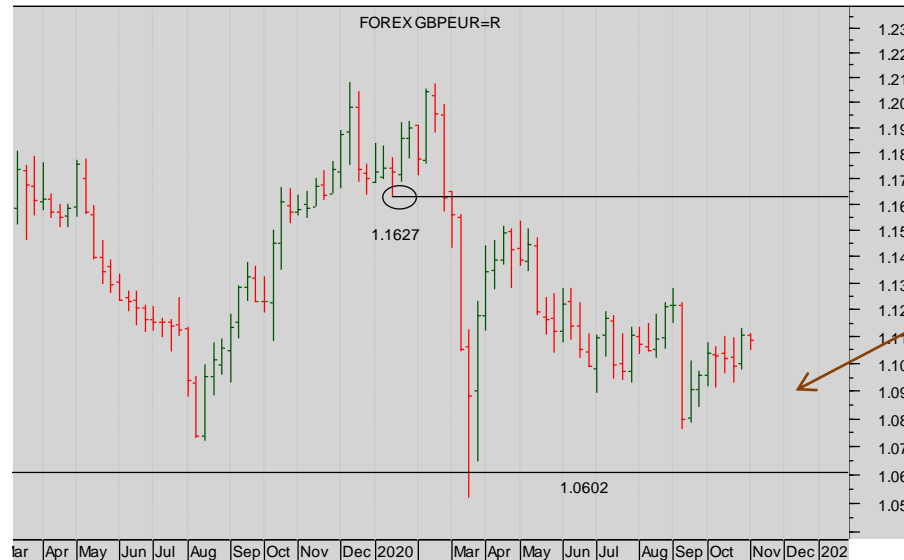
- + Oil
- + Gold

### 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 failed break of the low at 1.892.

More



## Currencies: Sterling Euro

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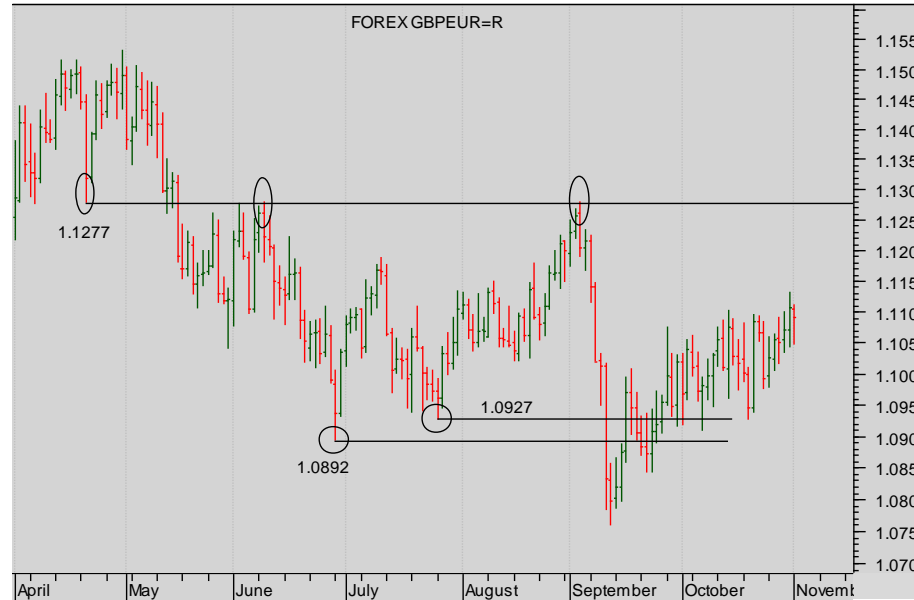
### Bonds

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### Commodities

- + Oil
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### Sterling Euro daily spot cash chart

Note the failed breakout and now the market has rallied back to stay within the range.

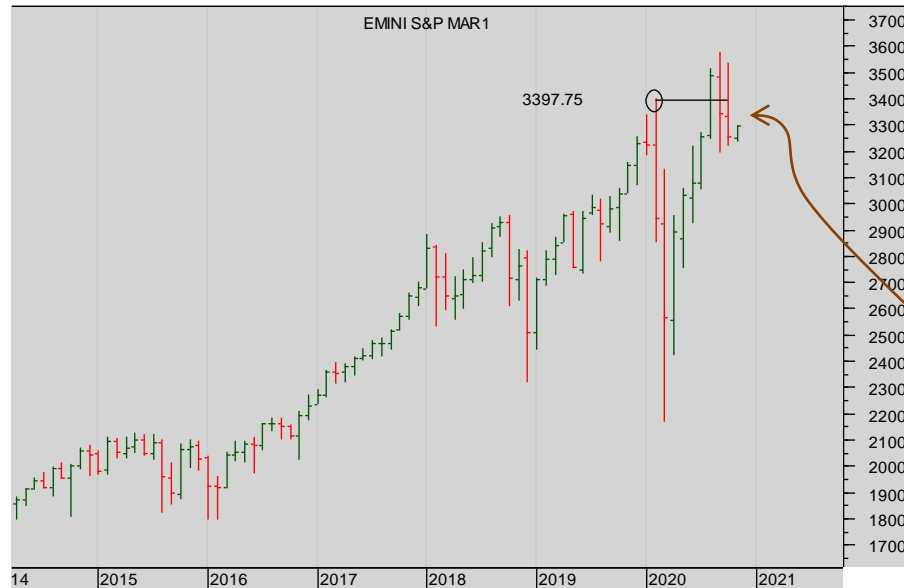
There's no real weakness in Sterling yet.



## Stocks: CME S&P

### STOCKS:

Watch the 3200 level beneath the S&P – a break of that will accelerate the weakness already present in Europe and the UK. Note well that the Nikkei is a clear outperformer against all other markets. But it too has failed for the third time to break into new highs.



### CME S&P 500 monthly cont. futures chart

The market didn't complete a Monthly Key Reversal **and** the a break back through the support from the Prior High looks temporary.

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#### Bonds

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#### Commodities

- + Oil
- + Gold

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## Stocks: CME S&P 500

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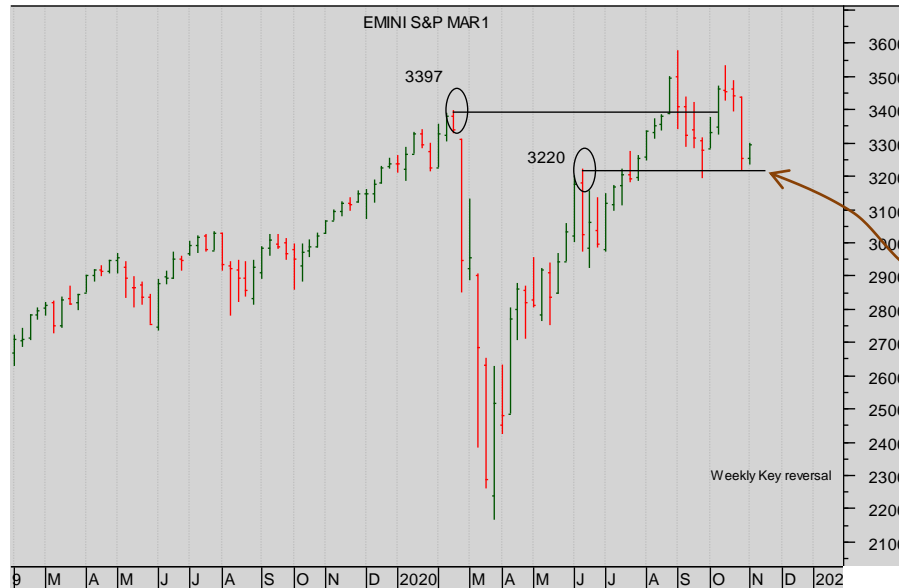
### Bonds

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### Commodities

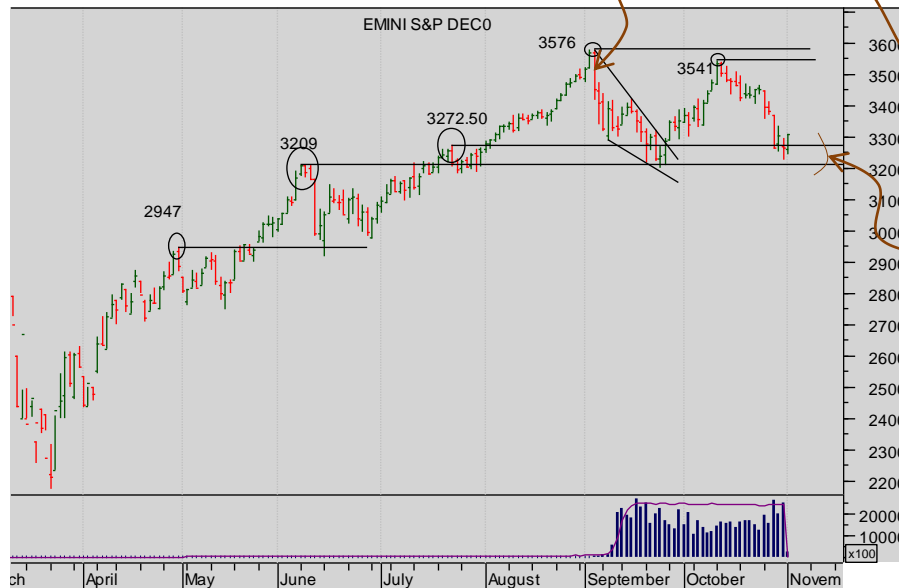
- + Oil
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### CME S&P 500 cont. weekly cont. chart

The market is retesting the band of support 3220- 3397 .... A breakdown through 3220 looks grave. Watch and wait.



### CME S&P 500 daily DEC 2020 chart

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

But now watch the test of the band 3209-3272....

More



## Stocks: Eurex EuroStoxx 50

### Summary

### Currencies

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- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

### Stocks

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

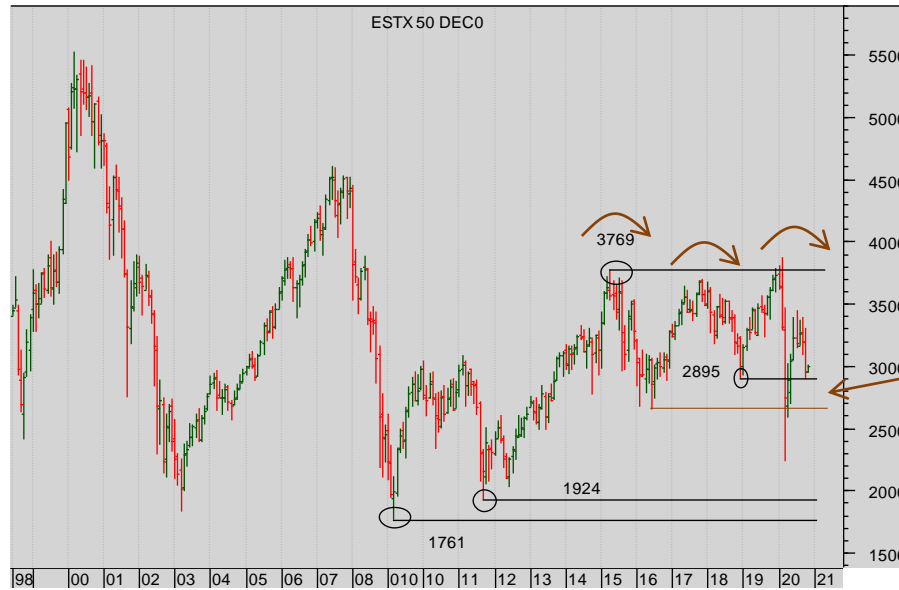
### Bonds

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

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



### 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

There is now a confirmed breach of the low 3139 completing a small top...

More



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## Bonds

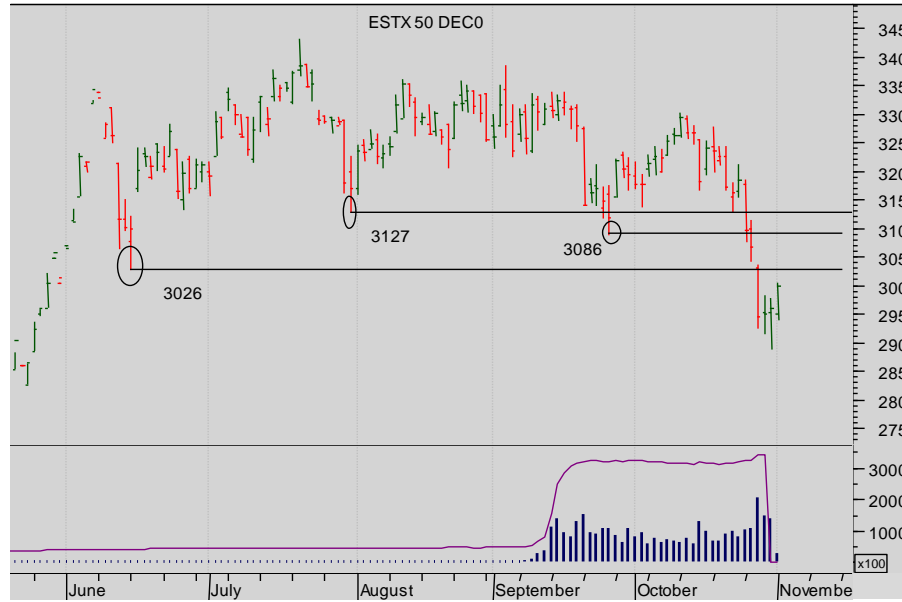
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

## Commodities

- + Oil
- + Gold

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## Stocks: Eurex EuroStoxx 50



## Eurex EuroStoxx 50 daily Dec 19 futures chart

The small Triple Top or Head & Shoulders Top looks in place – watch the broken band from the lows – that has clearly broken.

It's clearly bearish.



## Stocks: Liffe FTSE 100

### Summary

### Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

### Stocks

- + S&P 500
- + EuroStoxx 50
- + **FTSE 100**
- + Nikkei 225

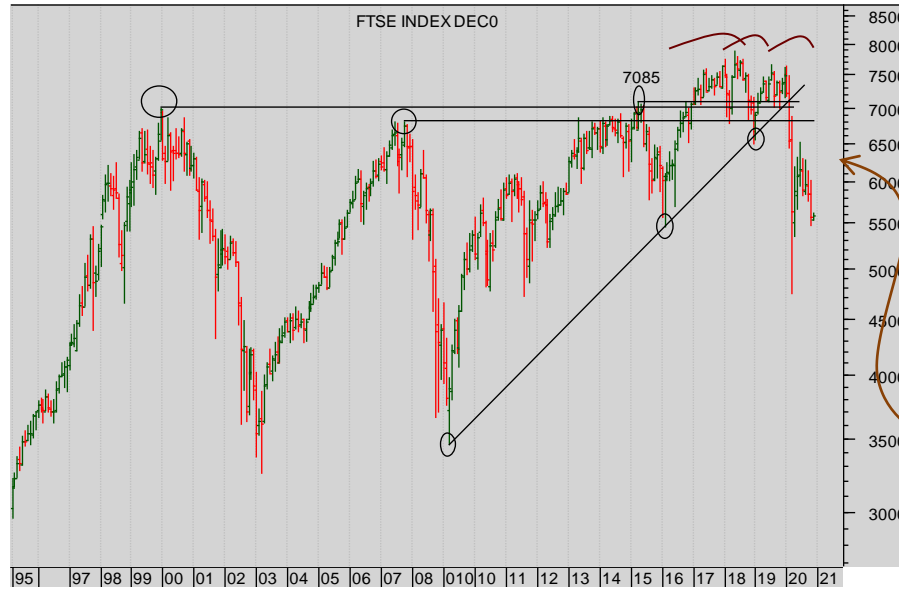
### Bonds

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

### Commodities

- + Oil
- + Gold

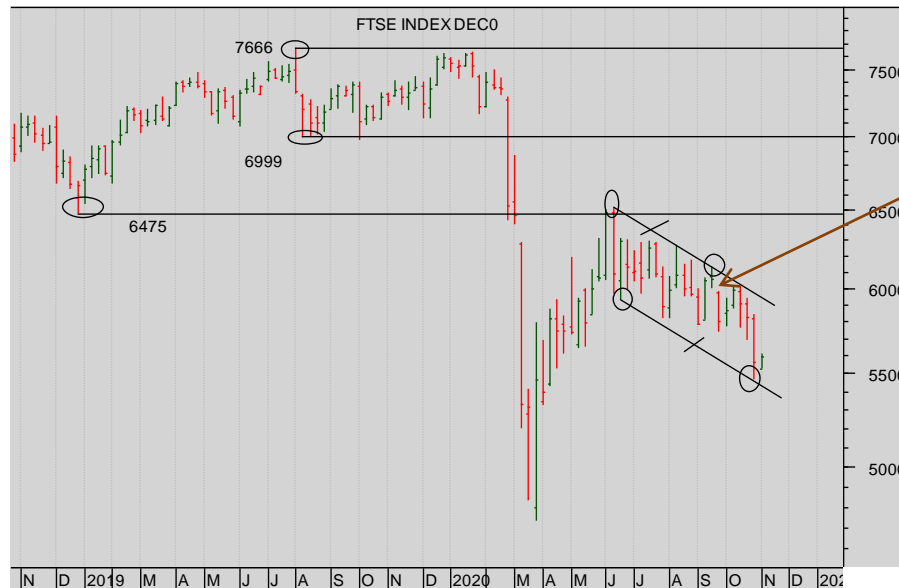
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### Liffe FTSE 100 Monthly continuation futures chart

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 (but 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 a bull flag?

More



## Stocks: Liffe FTSE 100

### Summary

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- + S&P 500
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- + **FTSE 100**
- + Nikkei 225

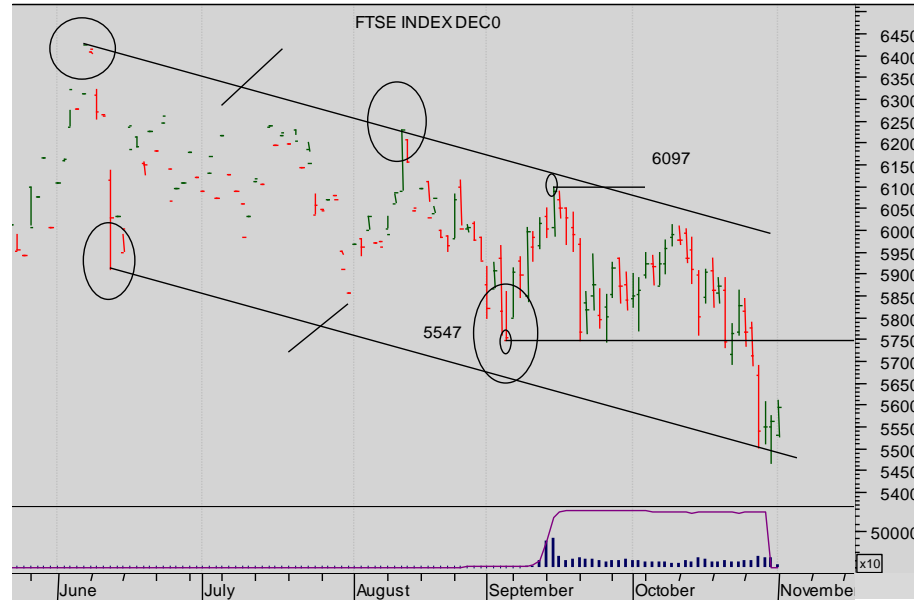
### Bonds

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### Commodities

- + Oil
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## Liffe FTSE 100 Dec 20 daily futures chart

Within the Flag it's bearish though: the push down through the Prior lows at 5547 has created important resistance above the market....





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## Bonds

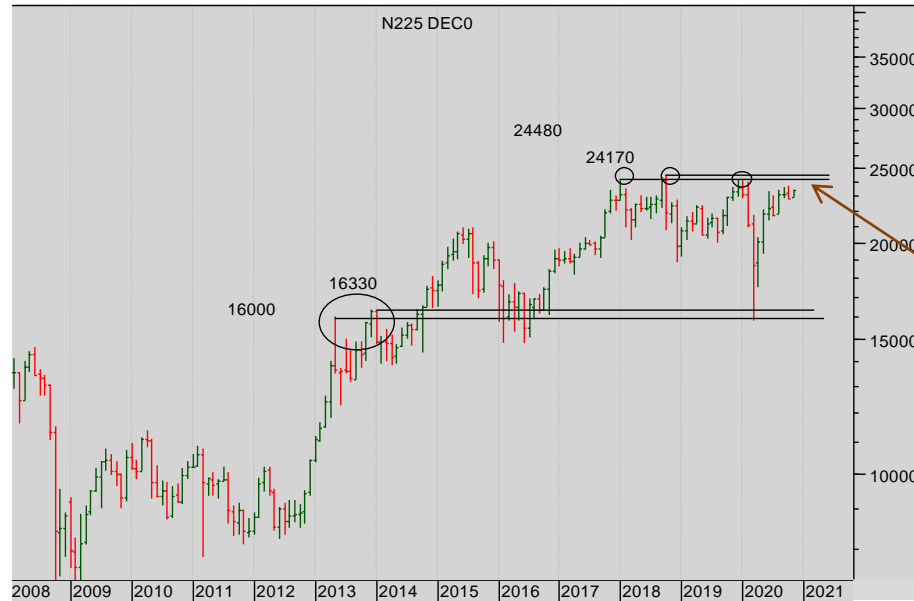
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## Commodities

- + Oil
- + Gold

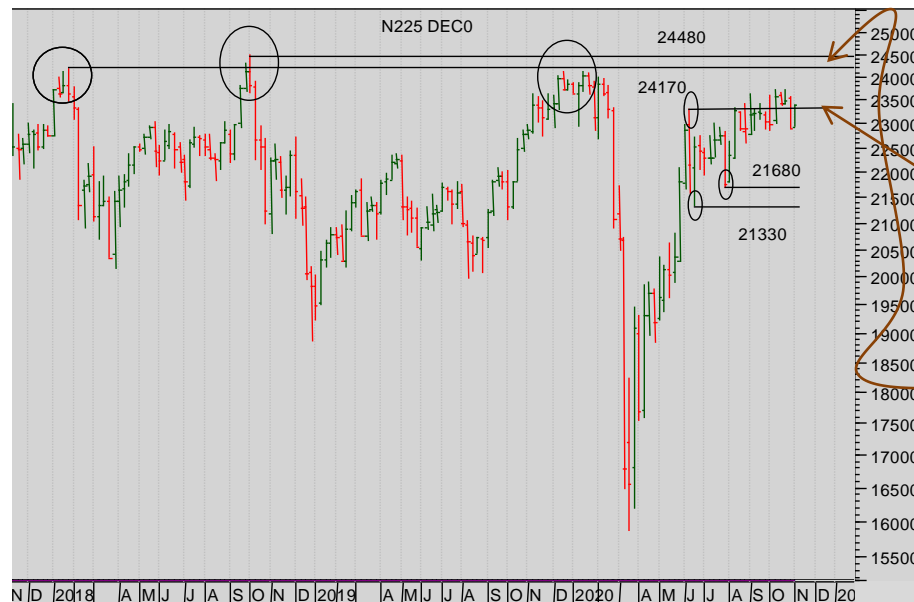
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## Stocks: OSE Nikkei 225



### 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 has surged ahead of the 24170 High and is approaching the longer-term highs at 24480.

A break of those would be massively bullish.

More



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## Bonds

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## Commodities

- + Oil
- + Gold

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## 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, note the failure to sustain a break above 23600.



## Bonds

### BONDS:

German bunds look strong against the US and UK.

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#### Bonds

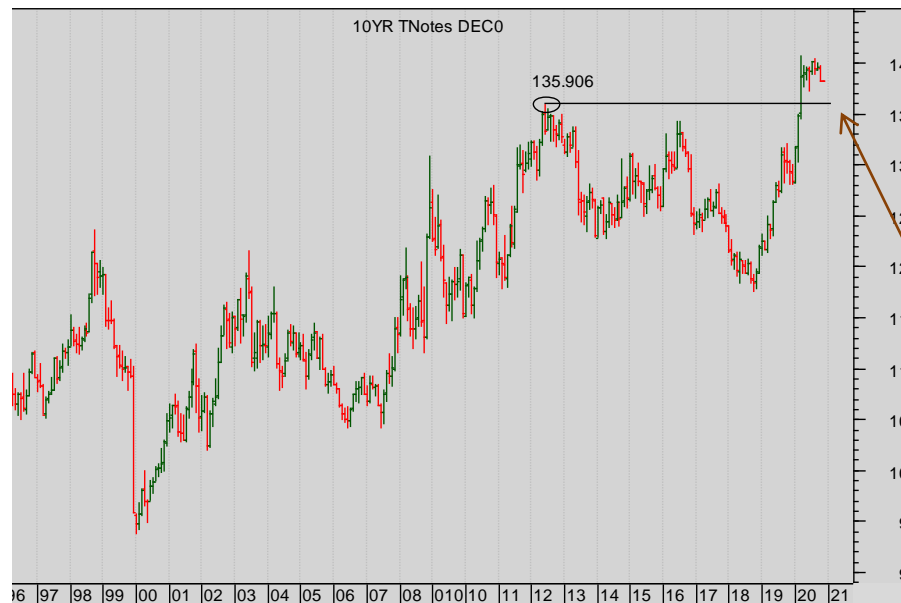
- + Ten Year US TNotes
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#### Commodities

- + Oil
- + Gold

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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 135.9.

The market looks set for the  
next bull leg.

More



# Bonds: CBOT Ten Year Notes

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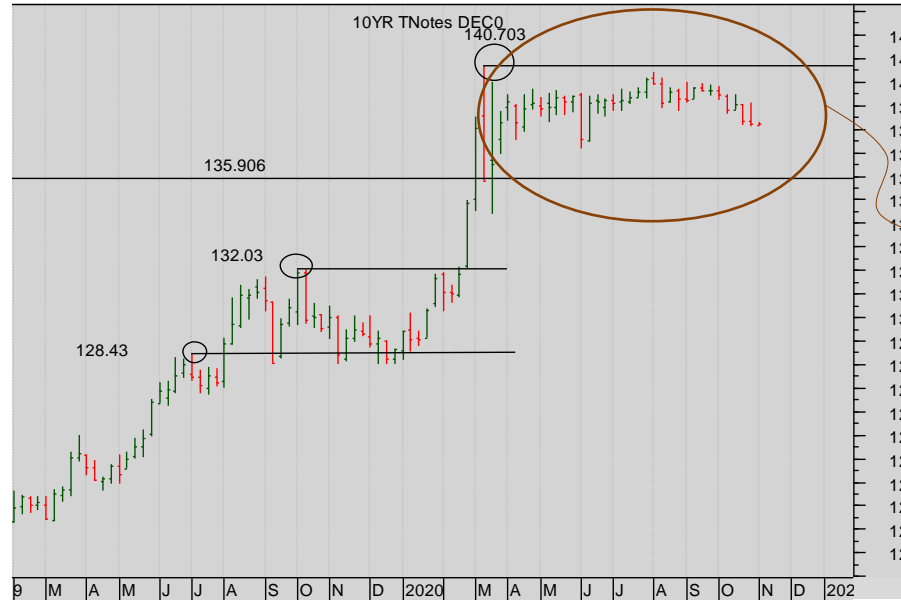
## Bonds

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## Commodities

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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, though this is a confusing picture: that has resulted in a weakening market...





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### Bonds

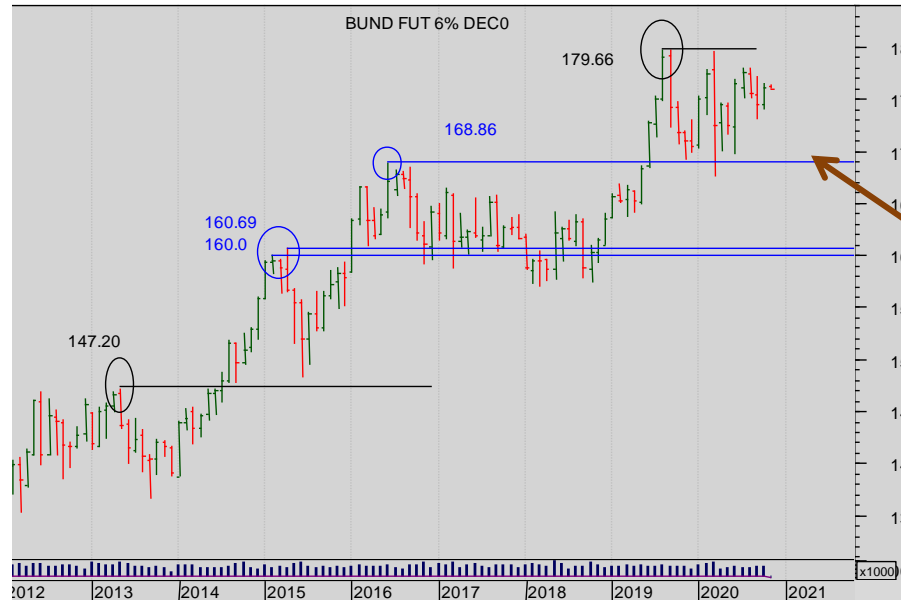
- + Ten Year US TNote
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### Commodities

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### IMPLIED ASSET ALLOCATION

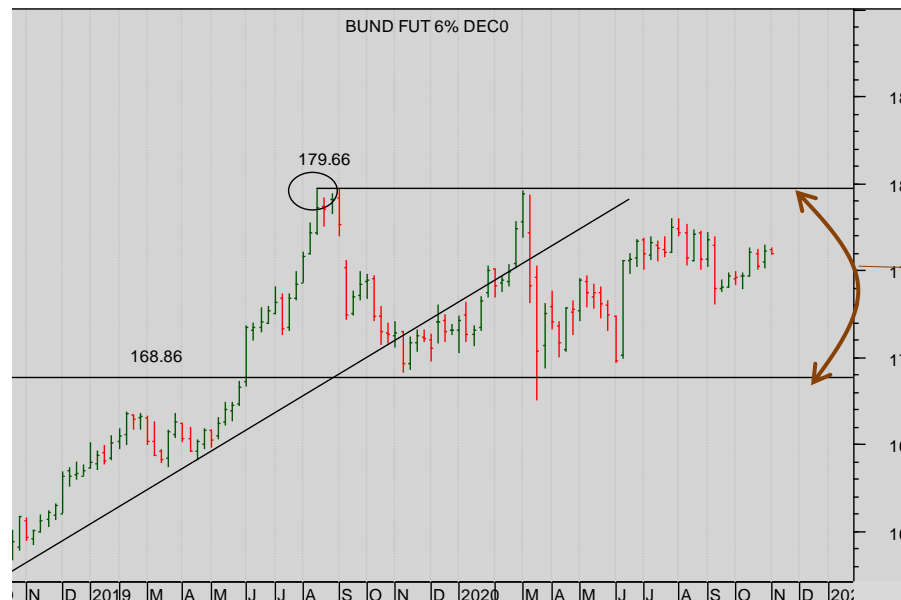
## Bonds: Eurex Ten Year Bund



### 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



## Bonds: Eurex Ten Year Bund

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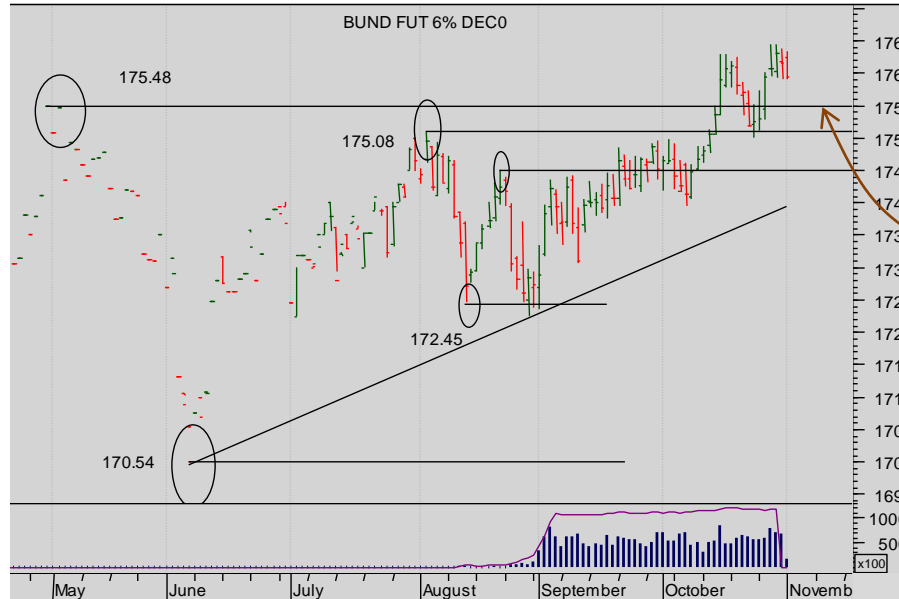
### Bonds

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### Commodities

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### Eurex Ten Year Bund JUN 2020 Daily futures chart

This is clearer: Short-term, the bulls have a **break above 175.48/08**.

Which looks to be good support.



## Bonds: Liffe UK Gilt futures

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### Commodities

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### IMPLIED ASSET ALLOCATION



### 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.

Will the diagonal hold to confirm at bull trend?

More



# Bonds: Liffe UK Gilt futures

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## Long Gilt daily Dec 20 chart

But this is interesting: a tight trading range





## Commodity

### COMMODITIES:

Oil looks very bearish in all time frames. Gold by contract looks very undecided.

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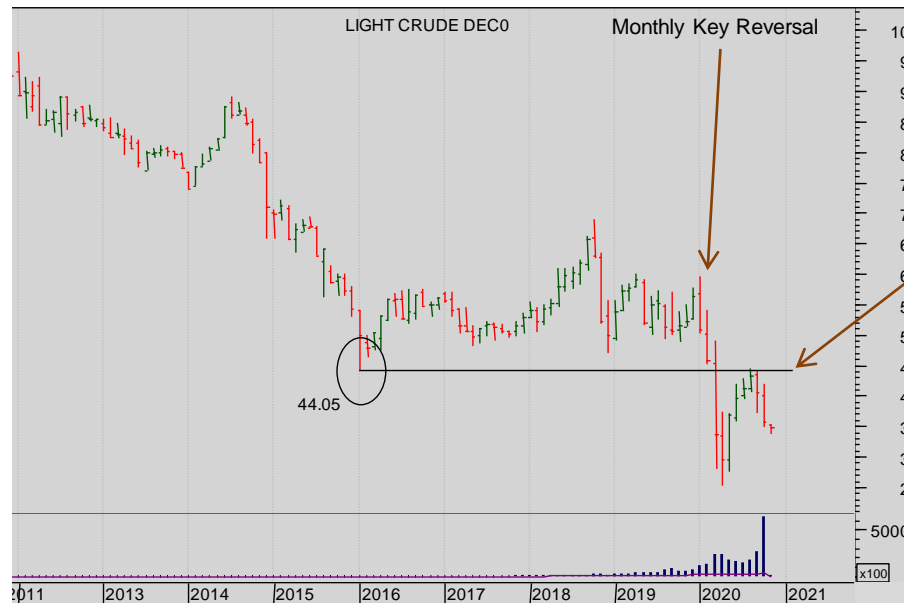
- + Ten Year US TNote
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#### Commodities

- + Oil
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### Commodities: Nymex WTI Oil



**Nymex oil monthly continuation**

On the bounce, there is powerful resistance at Prior low at \$45.

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### Bonds

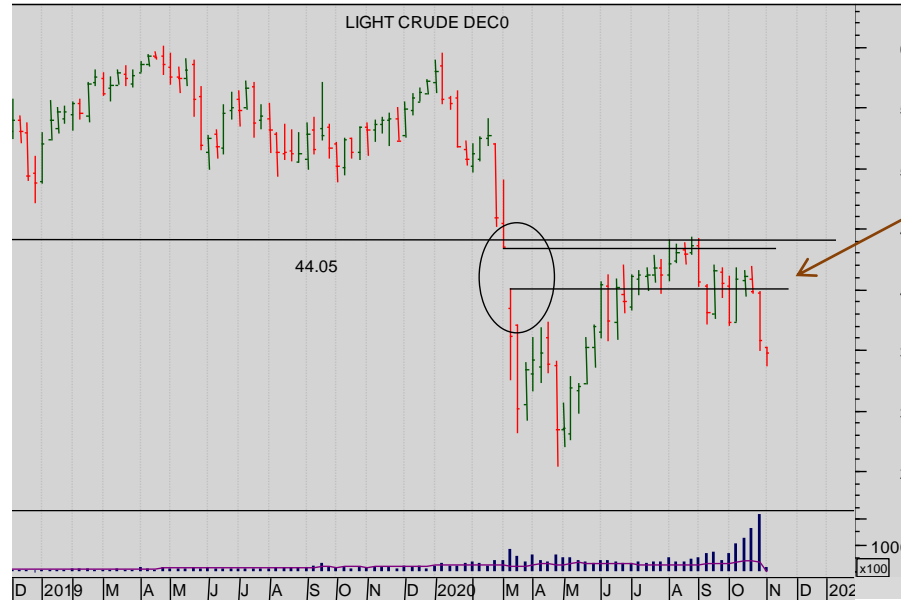
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### Commodities

- + Oil
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### IMPLIED ASSET ALLOCATION

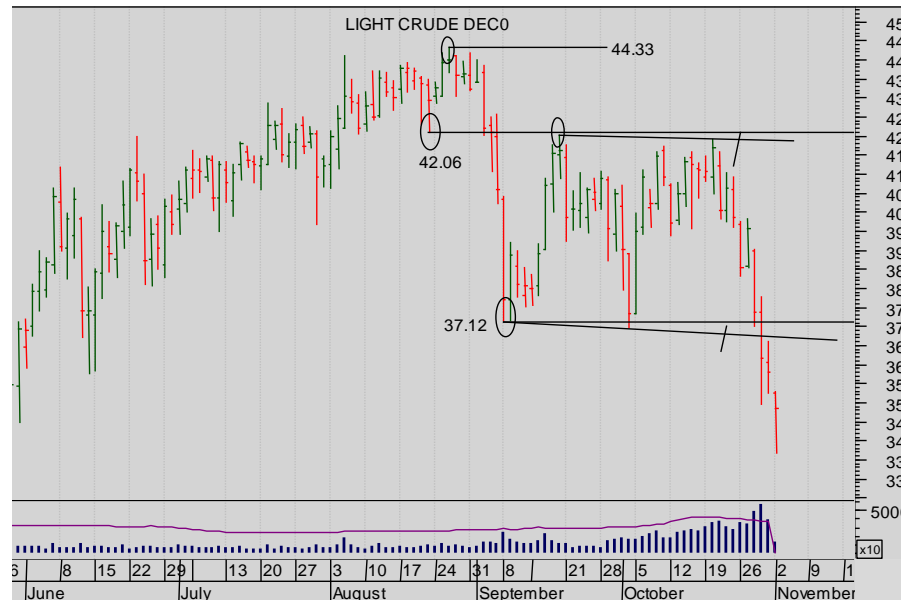
## Commodities: Nymex WTI Oil



### Nymex oil weekly continuation

Sure enough, the market has failed at the Gap which is coincident with the Prior low resistance.

It now looks like formidable resistance above the market.



### Nymex oil daily Dec 2020 futures

This looks like the completion of a bear continuation pattern... the bears are in charge.



## Commodities: Comex Gold

### Summary

### Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

### Stocks

- + S&P 500
- + EuroStoxx 50
- + 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

There's a growing consolidation at the Prior High. Will it become a continuation pattern or a reversal pattern?

## Nymex Gold weekly

In the weekly chart the bull trend shows no sign of failing.

Watch the supports at 1788 and 1704...



## Commodities: Comex Gold



### Nymex Gold August 2020 2020 Daily

The short-term daily chart is not clear

Wait for a break of 1789 or 1939.

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## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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### MSCI Balanced Risk Asset Allocation



More



*the technical analyst*

AWARDS 2012

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