



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 10th 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
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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 **BULL** 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 **BULL**  
Medium-term **BULL**

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

## IMPLIED ASSET ALLOCATION

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## Currencies: Dollar Euro

### CURRENCIES:

We threw doubt on the post-March Dollar weakness continuing last week – which looks wrong. We said the Yen was different and sure enough it has led the way in strengthening against the Dollar. There's no compelling break out against the euro yet, for sure, nor against the Sterling. So the Sterling Euro cross is dull.

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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 resistance from the parallel flag...**the market is testing the bull Dollar trend from 2008.**

More



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### Bonds

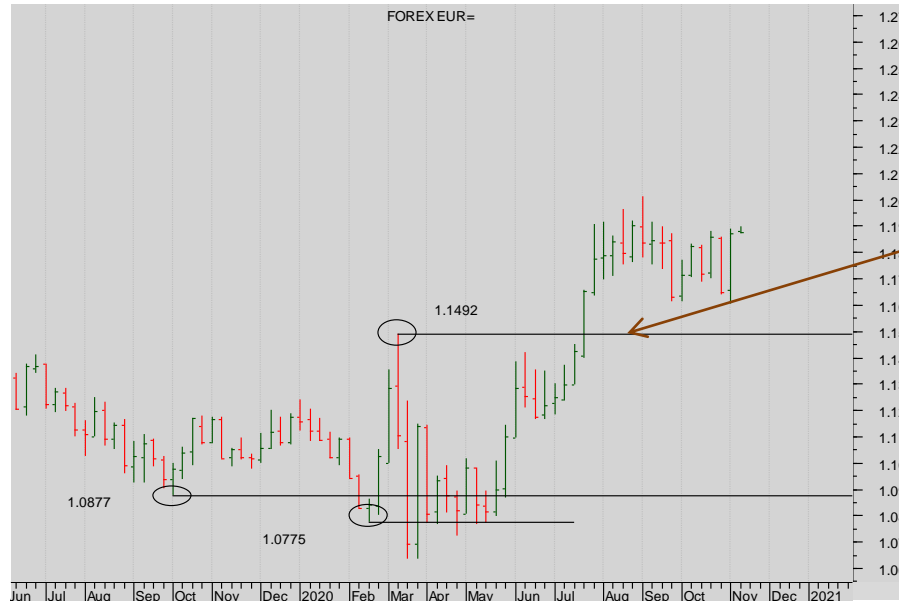
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

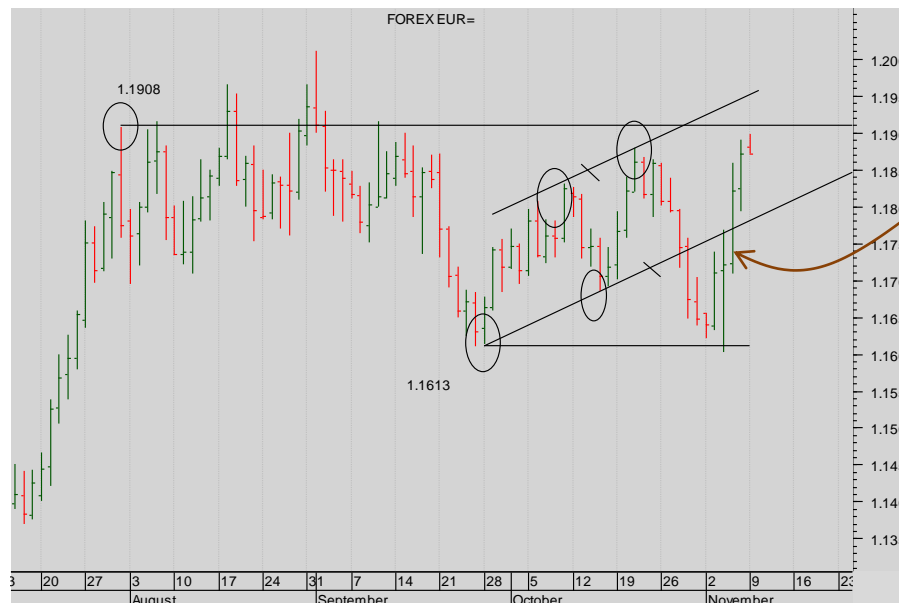
## Currencies: Dollar Euro



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...

Wait for a break of the range.



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### Bonds

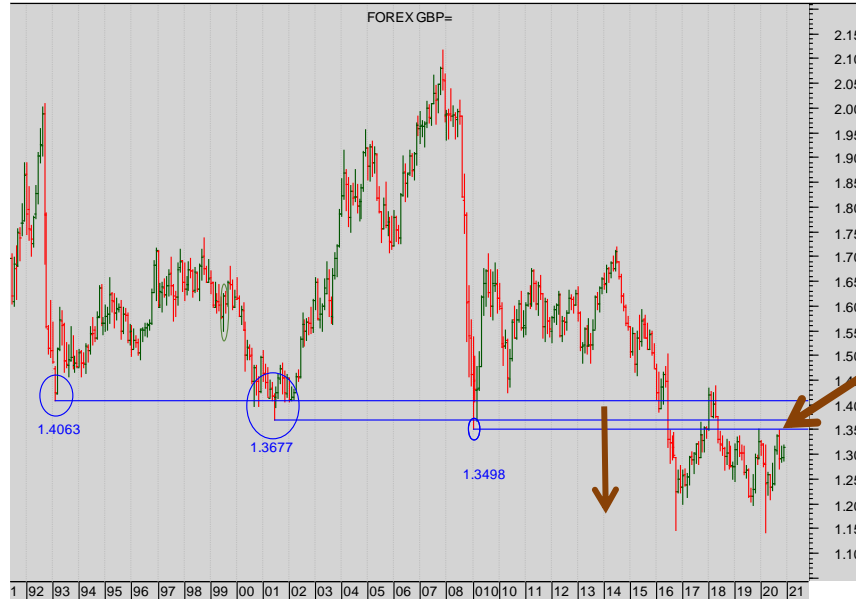
- + Ten Year US TNote
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- + UK Gilt

### Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

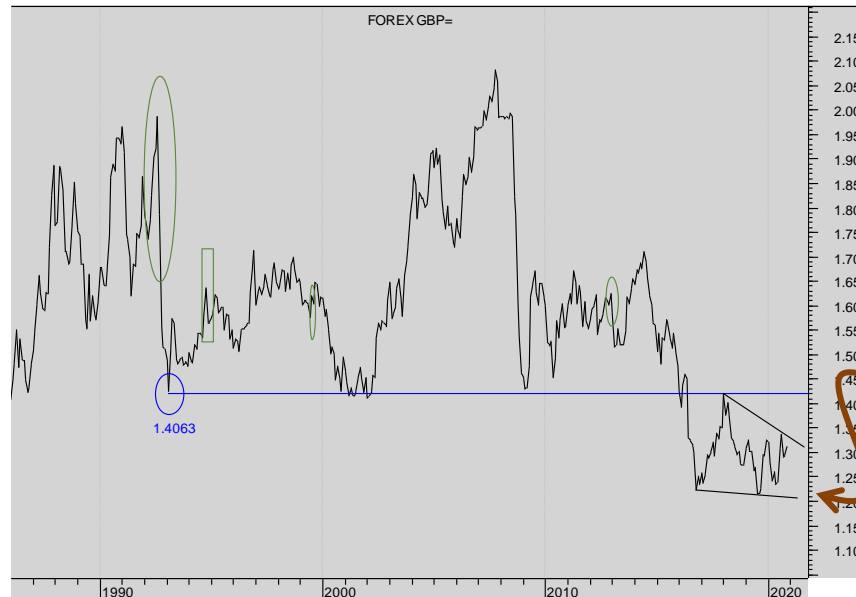
## Currencies: Dollar Sterling



### 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.

There was a Key Reversal created two months ago – it still 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 small trading range.



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### Commodities

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## 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: note the breakdown through this level (say 104.50) it suggests a much stronger Yen.

More



## Currencies: Dollar Yen

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### Bonds

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### Commodities

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### Dollar Yen daily spot cash chart

Short-term, it's not clear.

Note well the bear move down through the low at 104.17...that should ratchet the market lower still.





## Currencies: Sterling Euro

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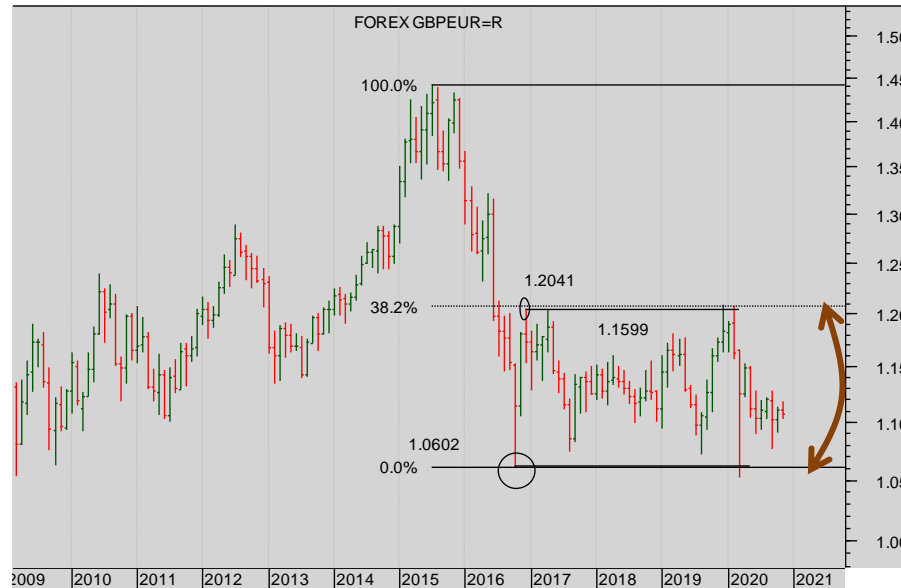
### Bonds

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- + Ten Year German Bund
- + UK Gilt

### Commodities

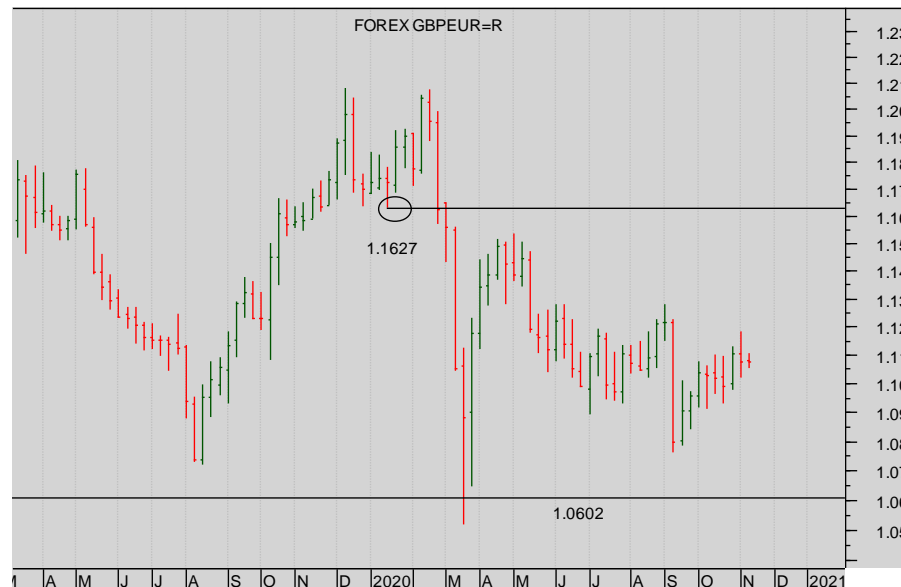
- + Oil
- + Gold

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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 no clarity.

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- + FTSE 100
- + Nikkei 225

### Bonds

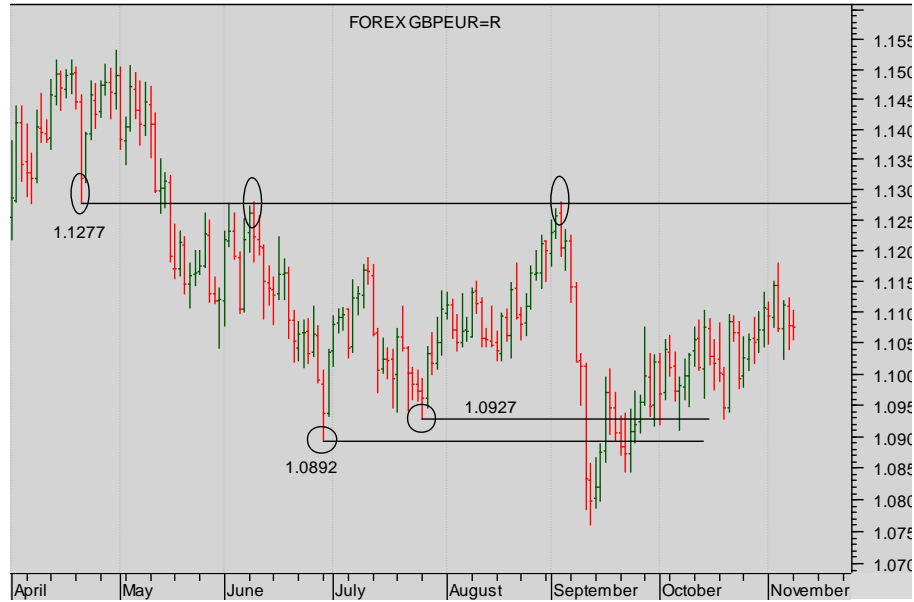
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

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## Currencies: Sterling Euro



## Sterling Euro daily spot cash chart

Note the failed breakdown beneath the Prior Lows and now the market has rallied back to stay within the range.

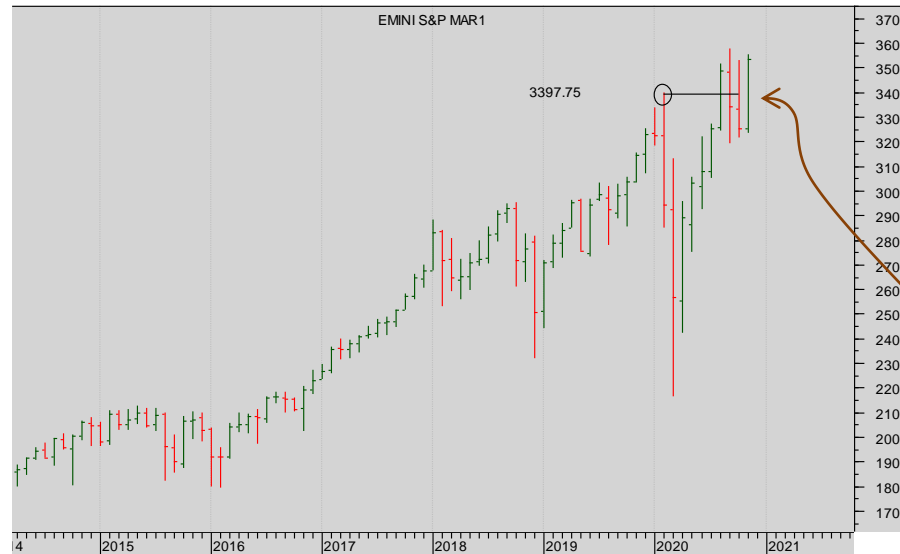
There's no real weakness in Sterling yet.



## Stocks: CME S&P

### STOCKS:

Our optimism of last week has been borne out in the dramatic breakouts across the board this morning. Note in particular the S&P weekly continuation triangle that is set to complete on Friday... The European market has broken a diagonal but is rather less compelling. The FTSE on the other hand looks extremely well-set to complete a weekly ( and daily) bull flag. The Nikkei has broken into virgin territory in all time frames, creating massive support beneath.



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

The market is dithering around  
the Old high of 3397.

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#### Bonds

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- + UK Gilt

#### Commodities

- + Oil
- + Gold

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## Stocks: CME S&P 500

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- + Dollar Euro
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- + Sterling Euro

### Stocks

- + S&P 500
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- + Nikkei 225

### Bonds

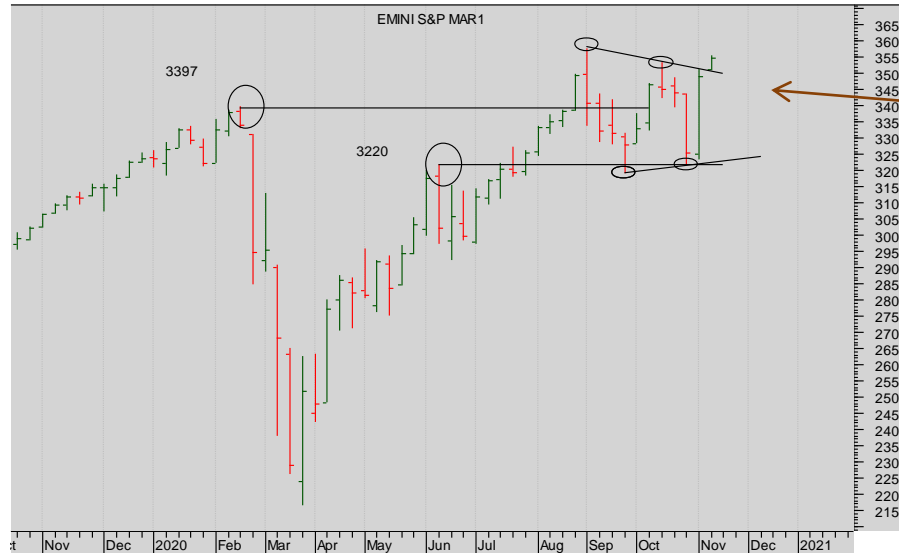
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

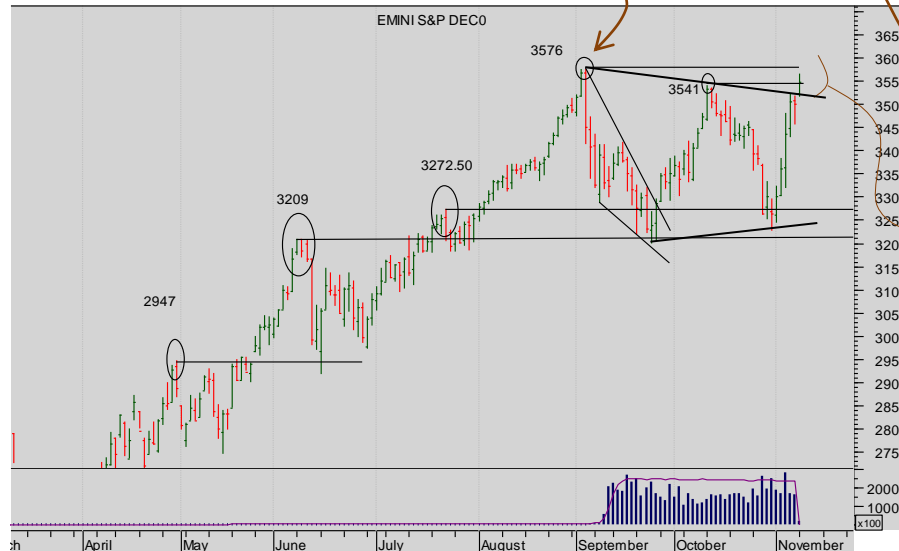
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## CME S&P 500 cont. weekly cont. chart



And at this level of analysis it looks like a bull continuation triangle if the market can close above the upper diagonal at month end....

## 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. The range has not been broken yet... even though the triangle looks to have completed ( if the market closes above the upper diagonal of the triangle today 9<sup>th</sup> Nov)

More



## Stocks: Eurex EuroStoxx 50

### Summary

### Currencies

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

### Stocks

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

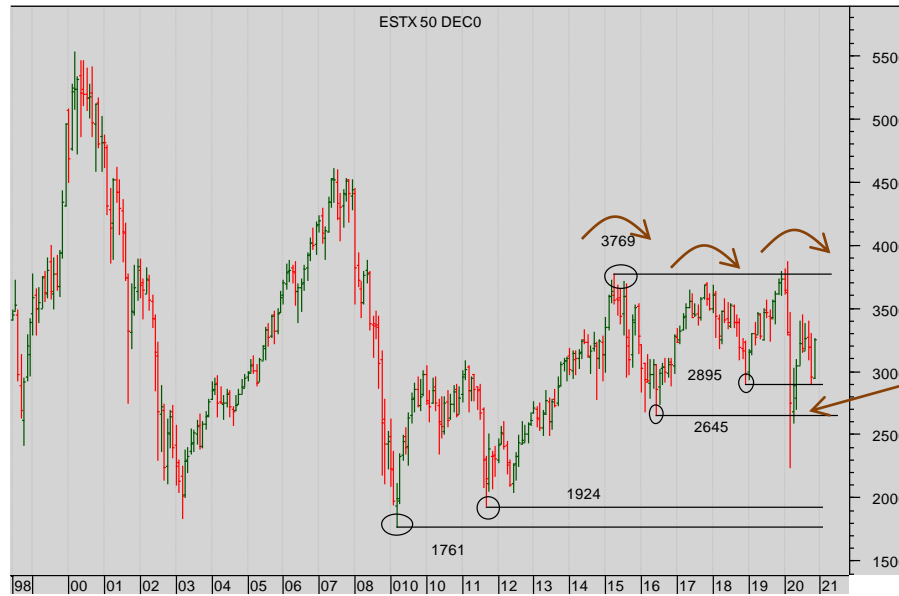
### Bonds

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

### Commodities

- + Oil
- + Gold

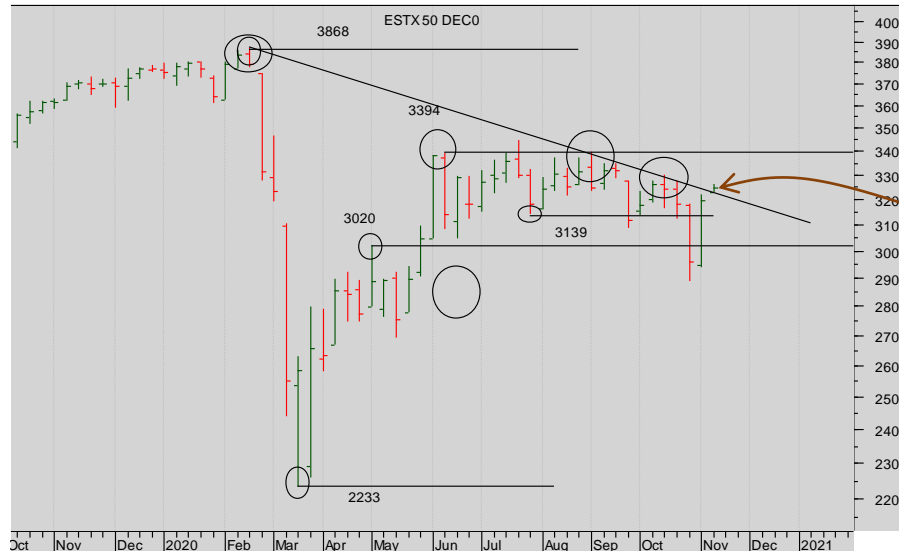
### IMPLIED ASSET ALLOCATION



### 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 may be a breach of the well-established falling diagonal

More



## Stocks: Eurex EuroStoxx 50

### Summary

### Currencies

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

### Stocks

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

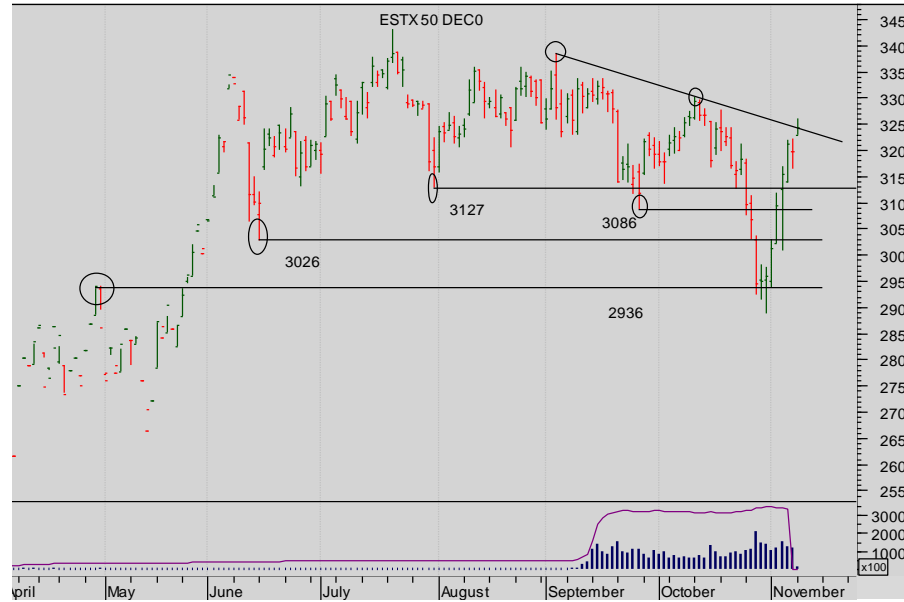
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Eurex EuroStoxx 50 daily Dec 19 futures chart

Again, there is a tentative breach of the falling diagonal...



## Stocks: Liffe FTSE 100

### Summary

### Currencies

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

### Stocks

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

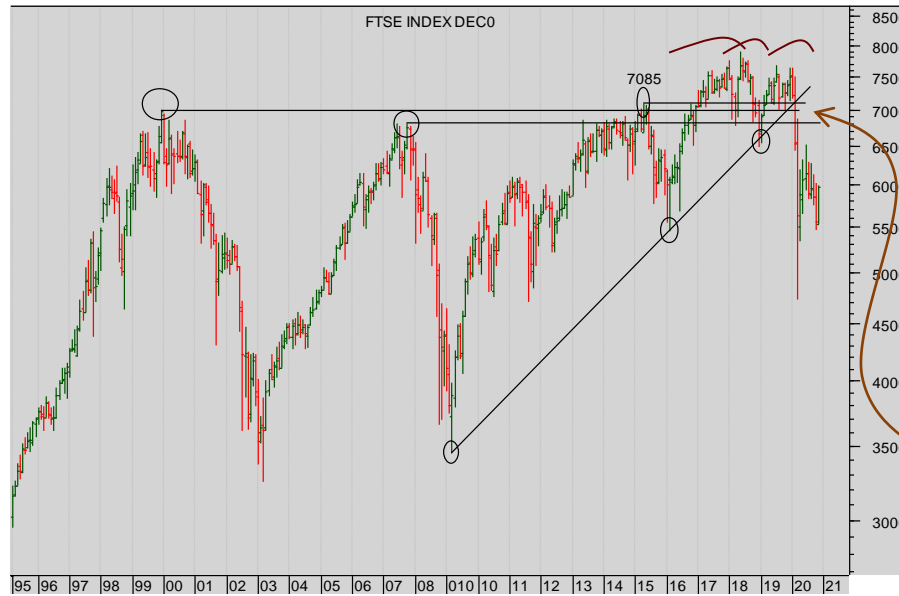
### Bonds

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

### Commodities

- + Oil
- + Gold

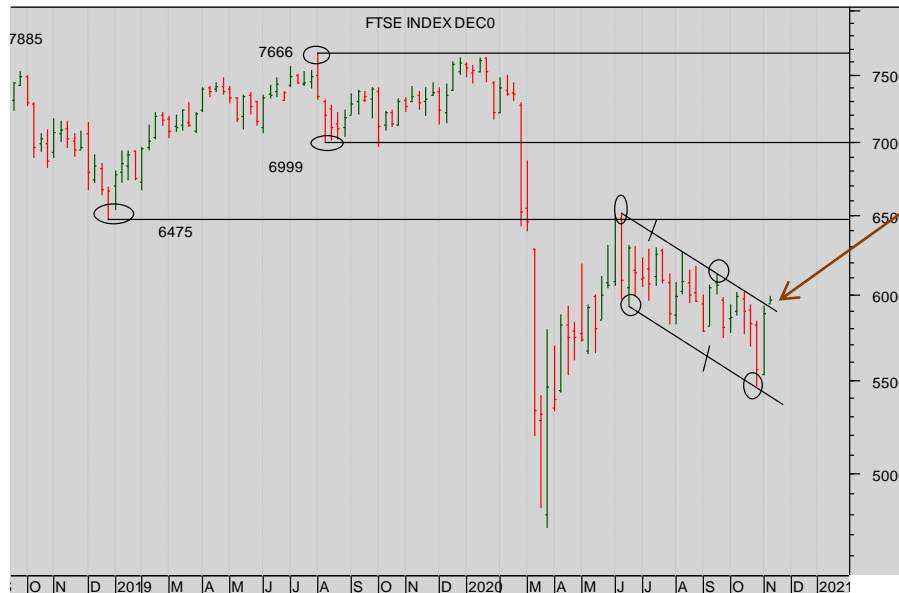
### IMPLIED ASSET ALLOCATION



### 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? Watch for completion on the week.

More



## Stocks: Liffe FTSE 100

### Summary

### Currencies

- + Dollar Euro
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- + Sterling Euro

### Stocks

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

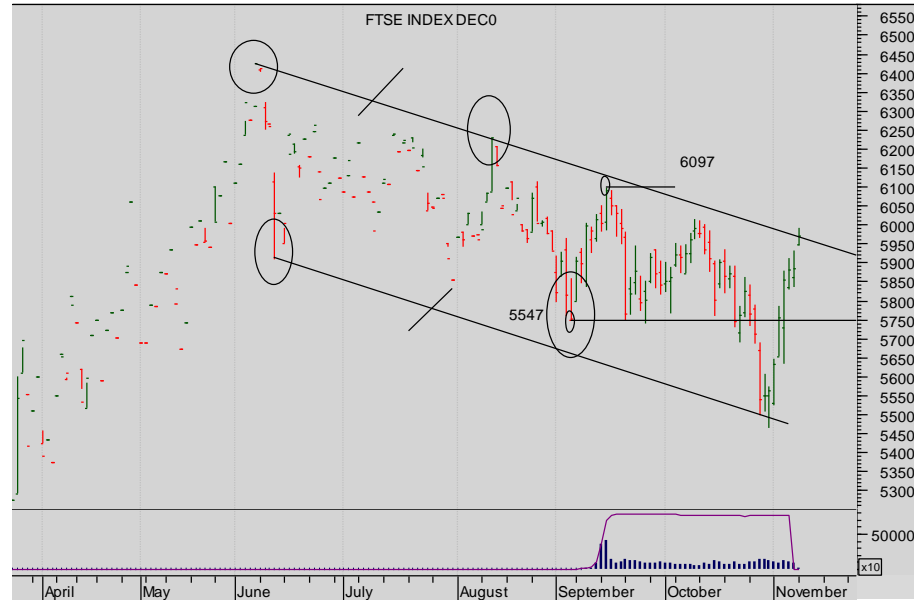
### Bonds

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

### Commodities

- + Oil
- + Gold

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## Liffe FTSE 100 Dec 20 daily futures chart

The diagonal is being tested in the day chart too.

Wait for the close.





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### Bonds

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### Commodities

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IMPLIED ASSET ALLOCATION

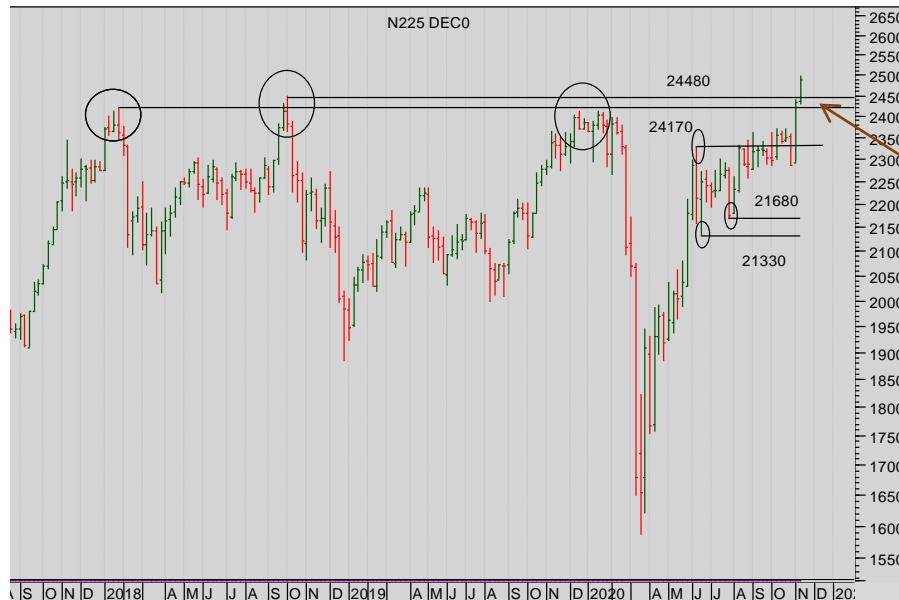
## Stocks: OSE Nikkei 225



### Nikkei 225 chart (monthly)

The triple failure of the market at the 24500 level was worrying – but the indefatigable bounce off 16330 has led to a push through the Highs.

A close above here on the month...



### Nikkei 225 chart (WEEKLY)

The market has surged through the longer-term highs at 24480.

A break ( and close ) above those is massively bullish.

More



## Stocks: OSE Nikkei 225



### Nikkei 225 chart Daily Sep 2020.

The bull continuation triangle is working well – and the minimum target has been reached.

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#### Bonds

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#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Bonds

### BONDS:

Bonds are dully drifting; note though the weekly bull trendline support that is fast being approached in the UK Gilt.

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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.

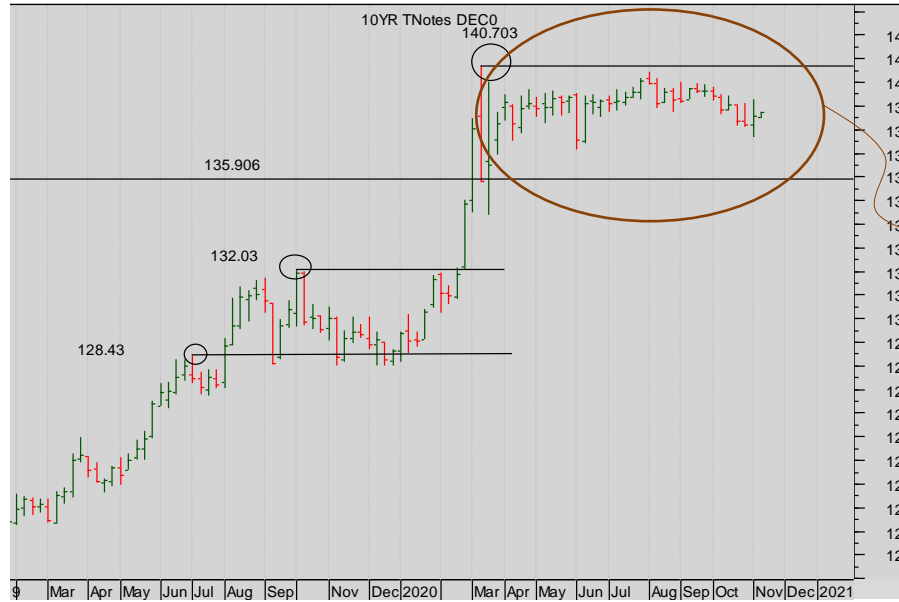
There is now powerful support  
beneath the market at 135.9.

The market looks set for the  
next bull leg.

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

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### Bonds

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### IMPLIED ASSET ALLOCATION

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# Bonds: Eurex Ten Year Bund

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## Stocks

- + S&P 500
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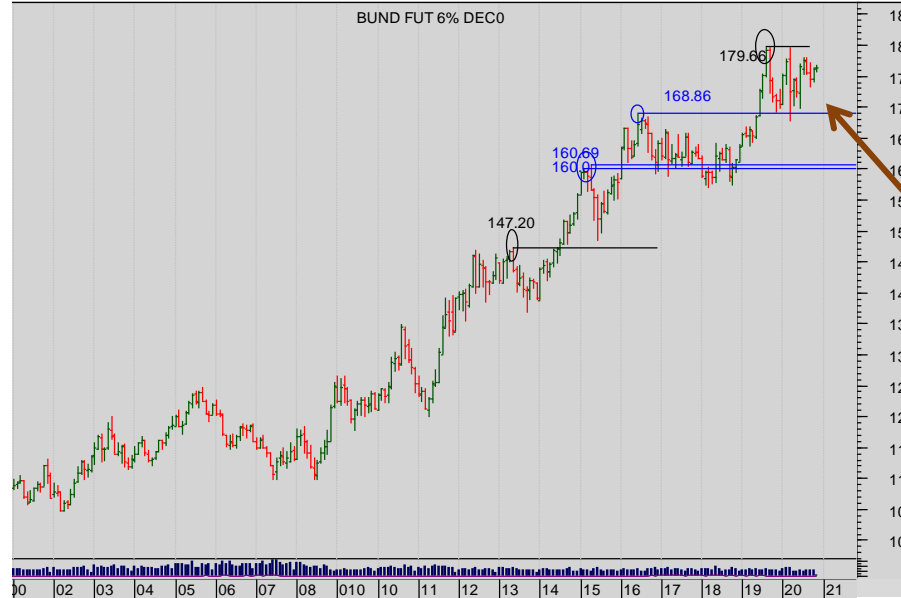
## Bonds

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## Commodities

- + Oil
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## IMPLIED ASSET ALLOCATION



**Eurex Ten Year Bund monthly futures continuation chart**

The support at 168.86 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

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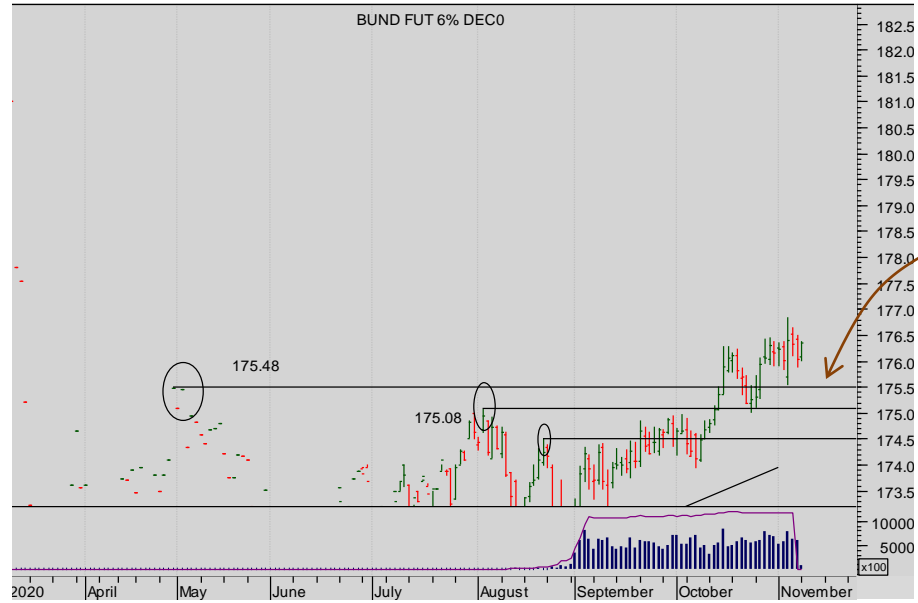
### Bonds

- + Ten Year US TNote
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### Commodities

- + Oil
- + Gold

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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 short-term support.



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### IMPLIED ASSET ALLOCATION

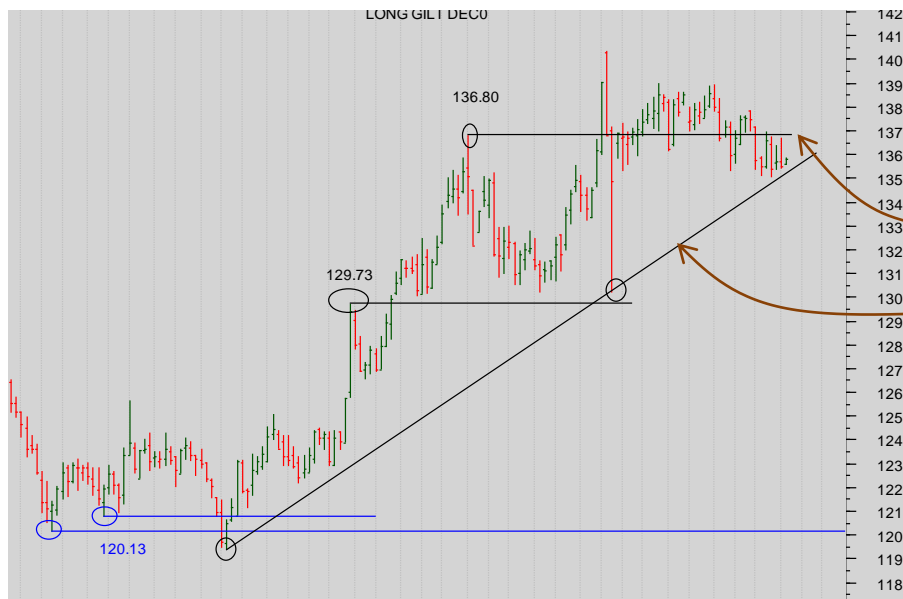
## Bonds: Liffe UK Gilt futures



### 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

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

Will the diagonal hold to confirm at bull trend?

More



## Bonds: Liffe UK Gilt futures

### Summary

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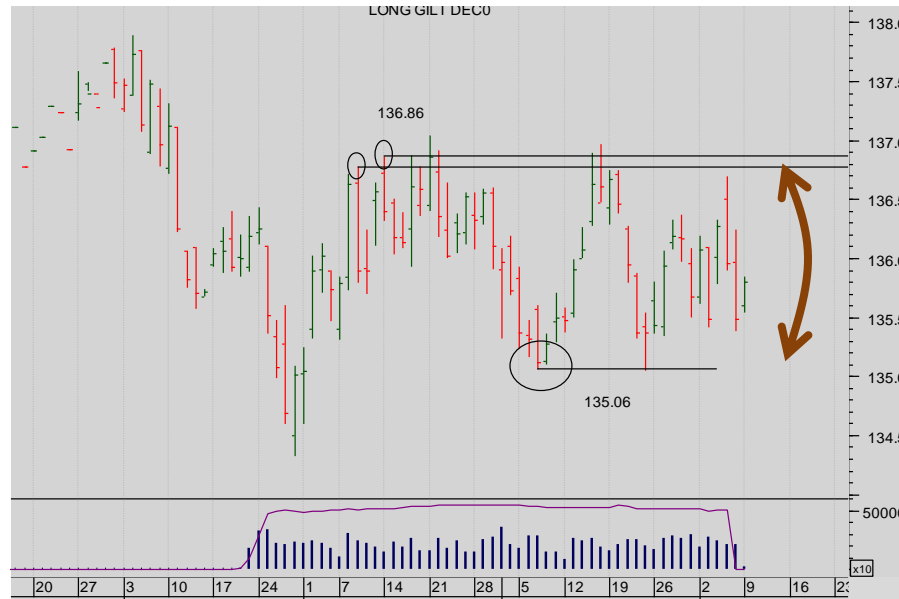
### Bonds

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### Commodities

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### Long Gilt daily Dec 20 chart

But this is interesting: a tight trading range





## Commodity

### COMMODITIES:

Oil's rally has confounded the bears in the short-term, but the overall picture remains bearish. Gold looks to have created a small short-term bottom, without yet the means to go substantially higher.

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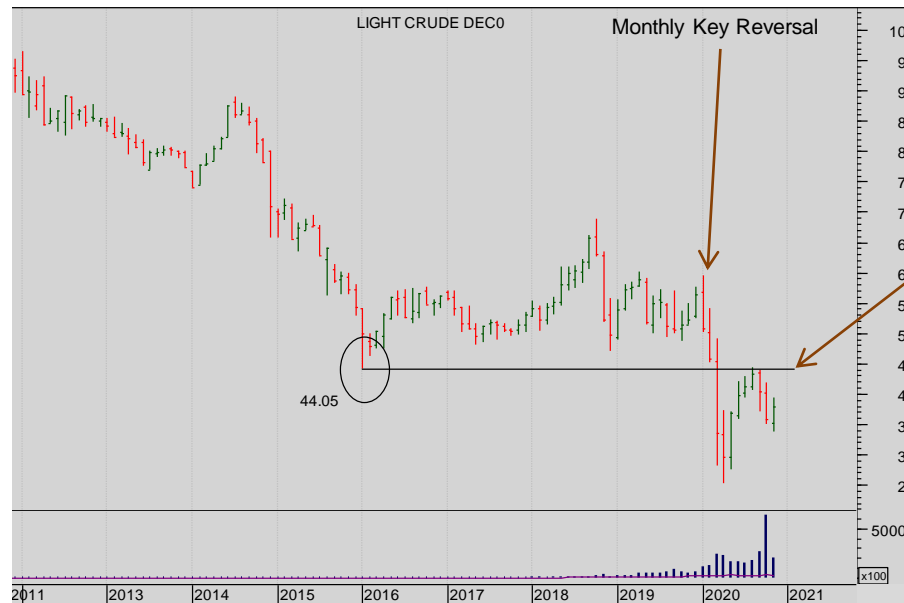
- + Ten Year US TNote
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#### Commodities

- + Oil
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### Commodities: Nymex WTI Oil



**Nymex oil monthly continuation**

On the bounce, there is powerful resistance at Prior low at \$44.

More



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### Bonds

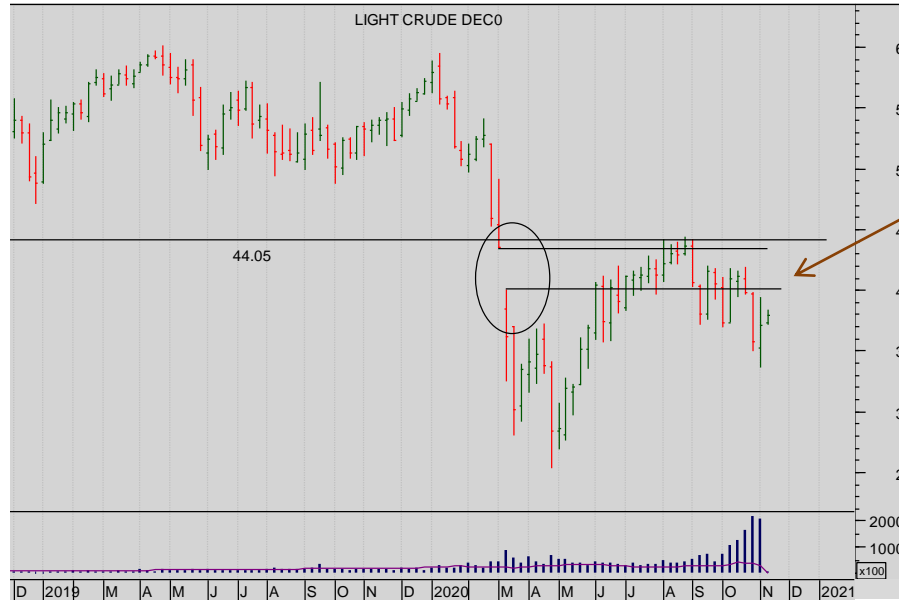
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### Commodities

- + Oil
- + Gold

### 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 looked like the completion of a bear continuation pattern... but the bears will have been disappointed by the ease of the rally back through the lower diagonal which should have been good resistance.



## Commodities: Comex Gold

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### Stocks

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### Bonds

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### Commodities

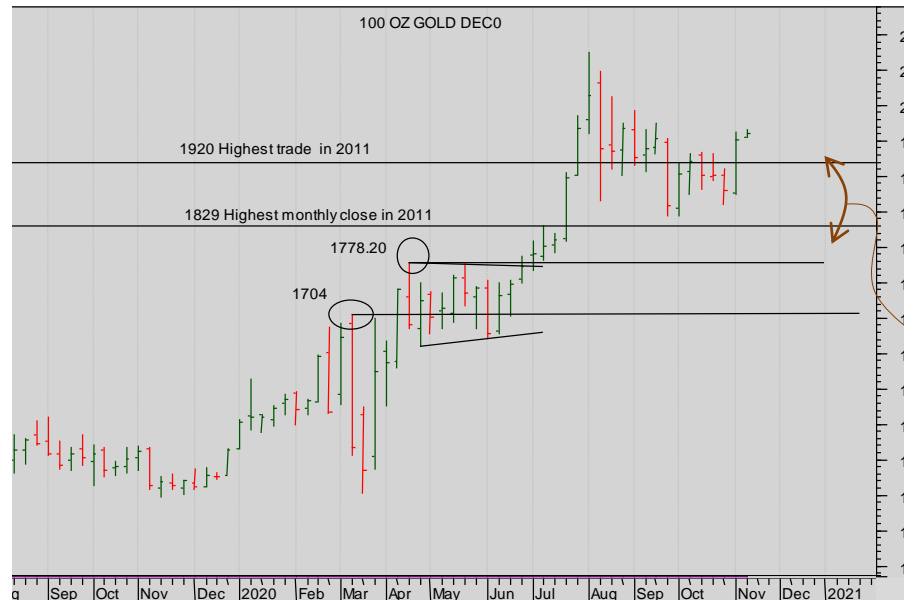
- + Oil
- + Gold

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### 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...

And the evident support from the band from the Prior Highs 1829-1920.



## Commodities: Comex Gold



## Nymex Gold August 2020 2020 Daily

A small bottom has formed  
now the market has broken  
up through 1939.

### 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



# Summary

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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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