



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 17th 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
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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 FLAT

Short-term FLAT  
Short-term FLAT

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## Currencies: Dollar Euro

### CURRENCIES:

It's interesting how solid the Dollar has been with the crosses – but note the quiet weakening of the Dollar over the last week to critical short-term levels. Watch carefully for a break of 1.19. The Dollar Yen needs especially close watching – in case it can establish itself below 104.50. Sterling Euro, interestingly enough, remains dull.

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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 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

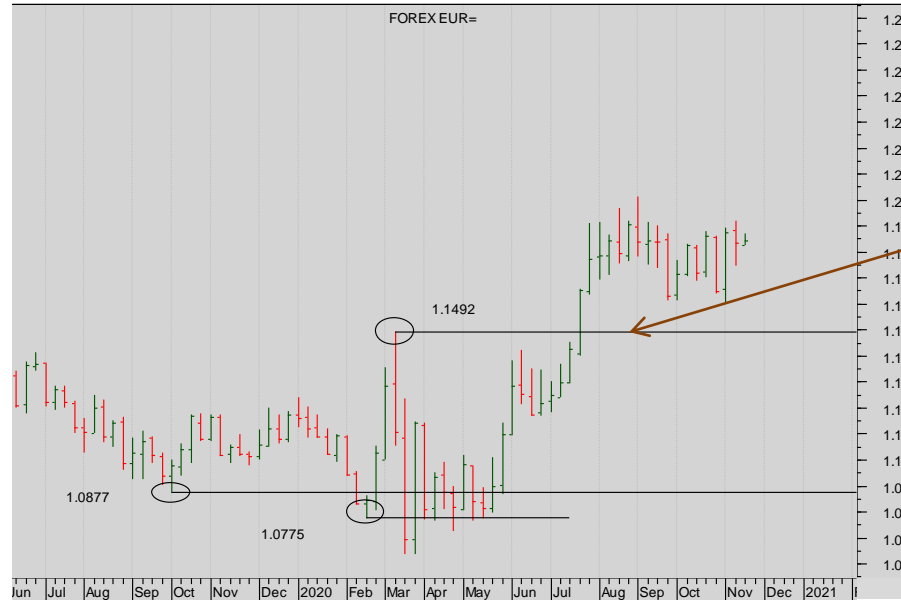
- + Ten Year US TNote
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### Commodities

- + Oil
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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.**



Dollar Euro spot cash chart daily chart...

Wait for a break of the range – especially a break above 1.1908 would set the Dollar weakening again.



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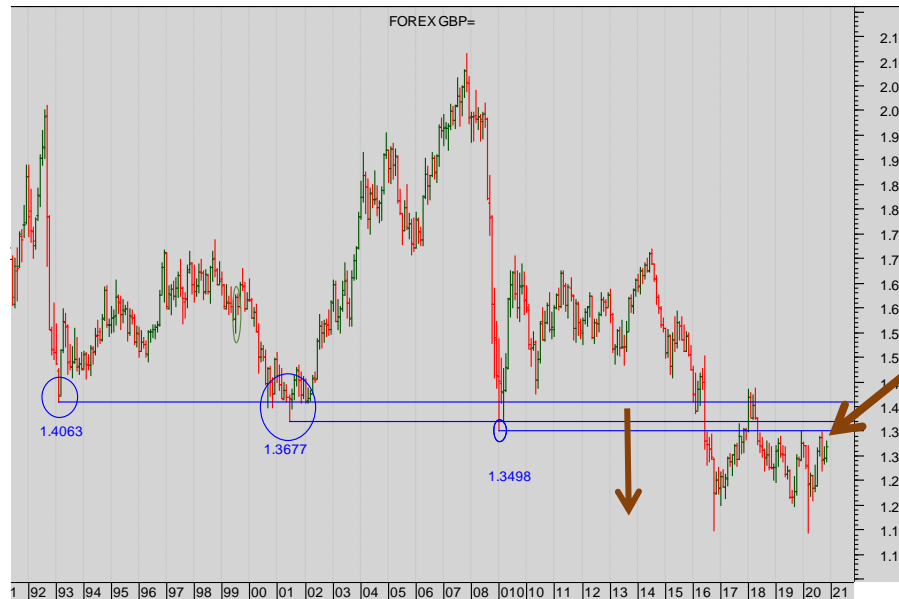
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### Commodities

- + Oil
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### IMPLIED ASSET ALLOCATION

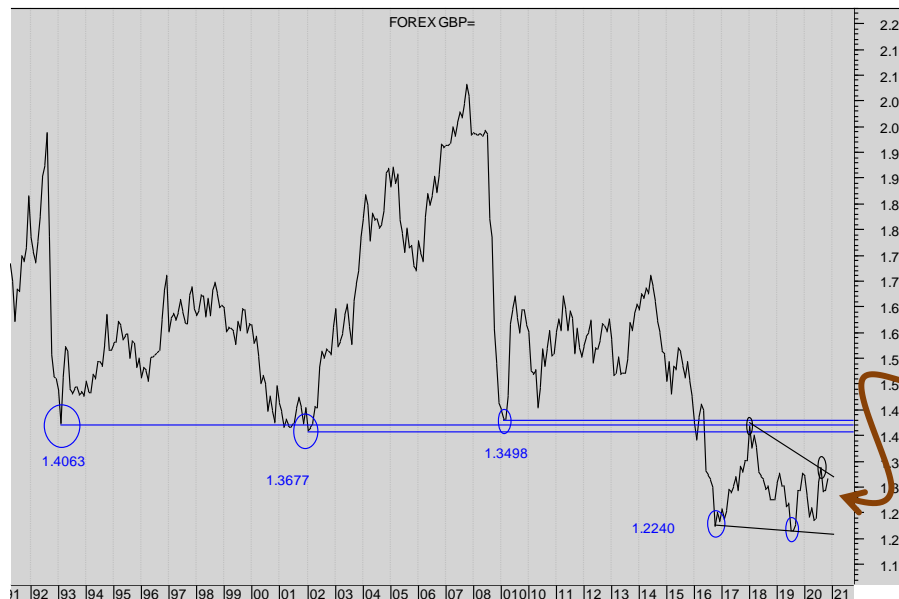
## Currencies: Dollar Sterling



### 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. A close beneath 1.20 would be very, very bearish.

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. Nope! Stand back.



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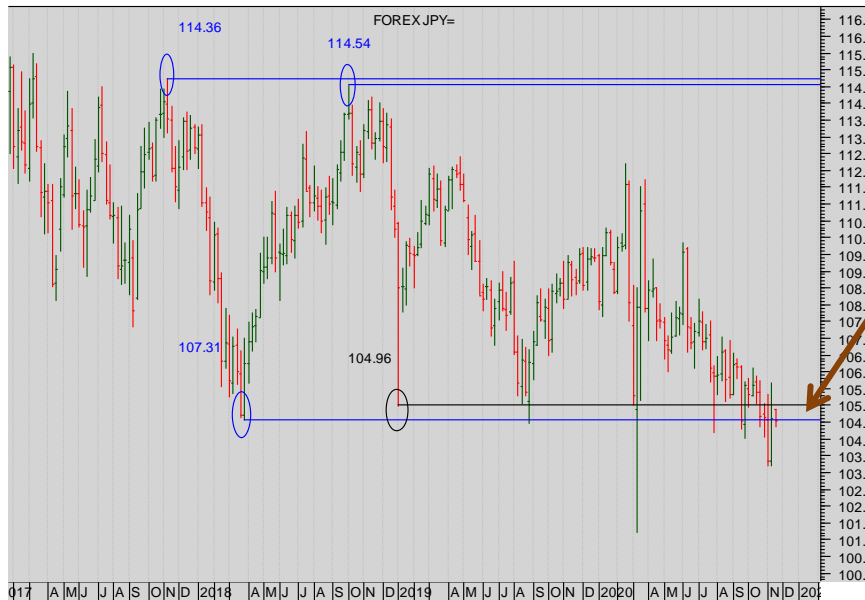
## IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen



## Dollar Yen monthly spot cash chart

It's not clear.



## Dollar Yen weekly spot cash chart

But this may be clearer: note the temporary breakdown through this level ( say 104.50)if sustained it suggests a much stronger Yen.

Watch for another weekly close.

More



## Currencies: Dollar Yen

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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...it hasn't been sustained.**





## Currencies: Sterling Euro

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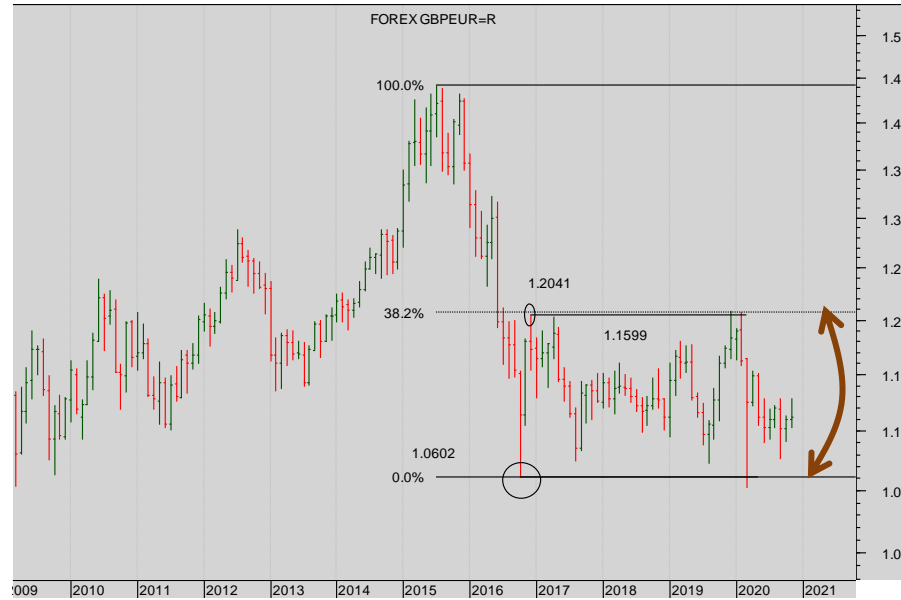
### Bonds

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### Commodities

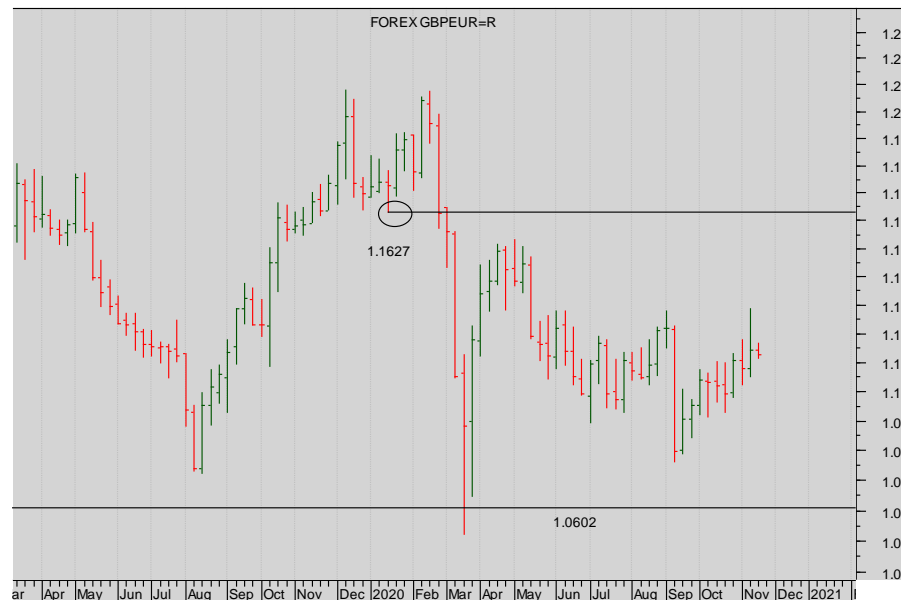
- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



### Sterling Euro monthly spot cash chart

The market remains in the broad trading range\_



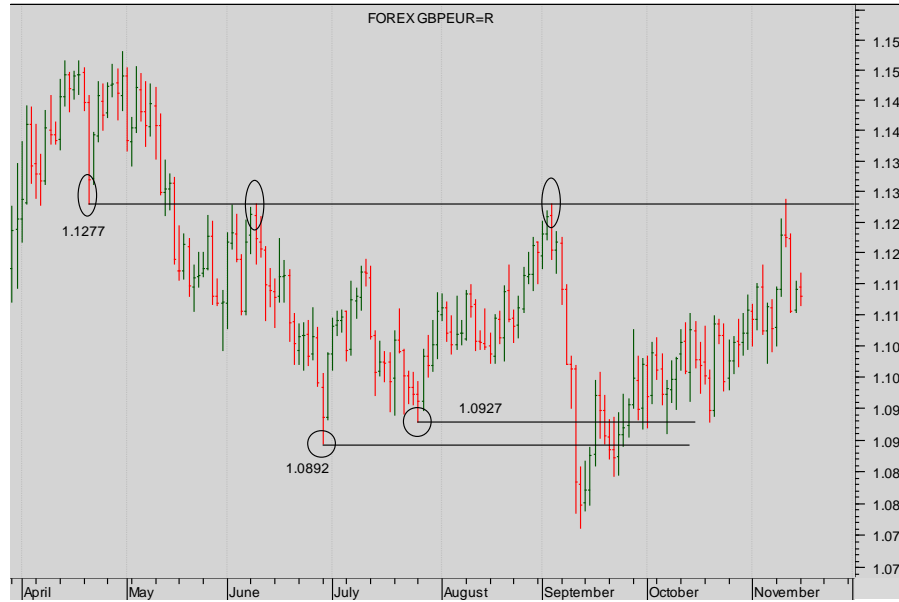
### Sterling Euro weekly spot cash chart

Inside the range: there is no clarity.

More



## Currencies: Sterling Euro



### Sterling Euro daily spot cash chart

Note the clear resistance at the 1.1277 level...

There's no real weakness in Sterling yet. Only a break up through that will get the Sterling bulls going.

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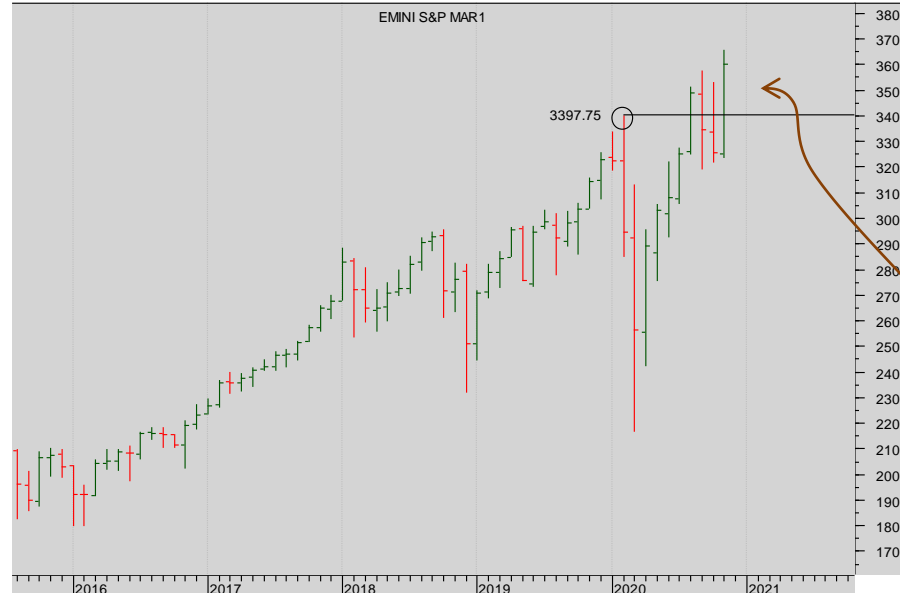
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## Stocks: CME S&P

### STOCKS:

It looks good in the US: short, medium and (probably) long term charts are all bullish. Less clear elsewhere: though the EuroStoxx is perky in the short and medium term, it's still ranging in the long term. The FTSE has already run into important resistance which can only get more powerful on any penetration. The best though remains the splendid Nikkei, which showed the bull break before the S&P and has huge support beneath current levels should there be any pause or retracement.



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

The market is trying to get above the Old high of 3397 – wait for the monthly close!

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#### Bonds

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## Stocks: CME S&P 500

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### Stocks

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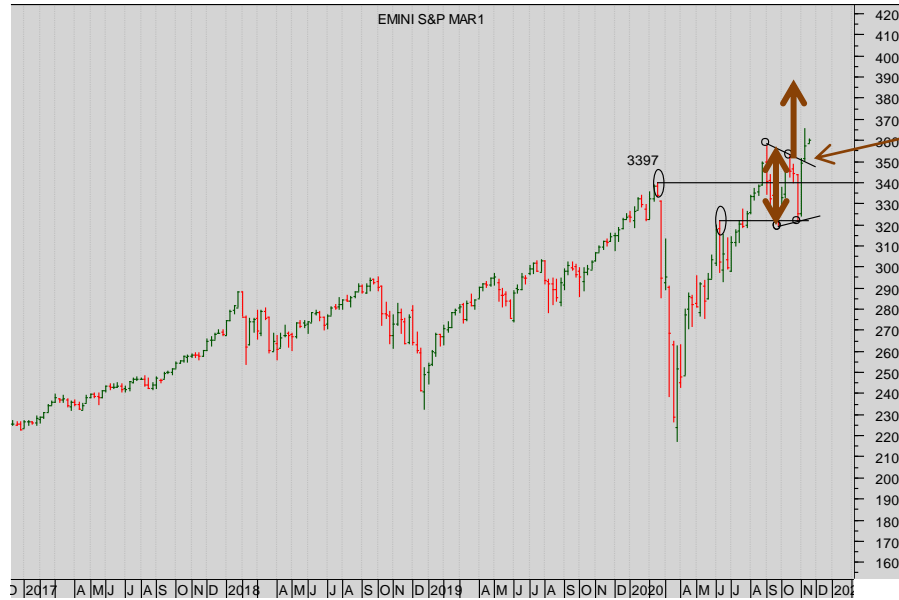
### Bonds

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### Commodities

- + Oil
- + Gold

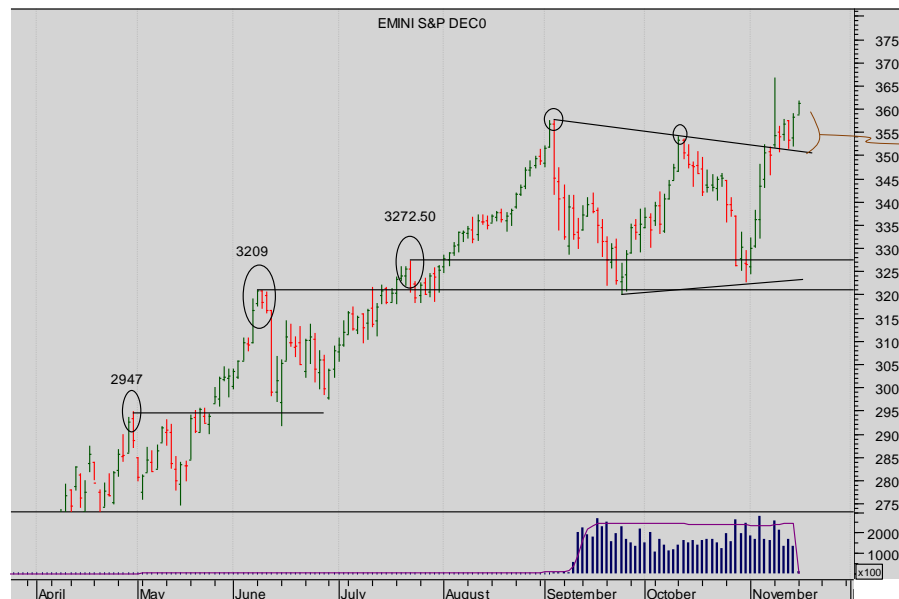
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### CME S&P 500 cont. weekly cont. chart

And at this level of analysis it is a bull continuation triangle that has **completed...**

Minimum move? 3900.



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

It's a bull market. The triangle has completed and is set to drive the market a lot higher.

Note how well the market found there to be good support at the top of the Triangle.

More



## Stocks: Eurex EuroStoxx 50

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### Currencies

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- + 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

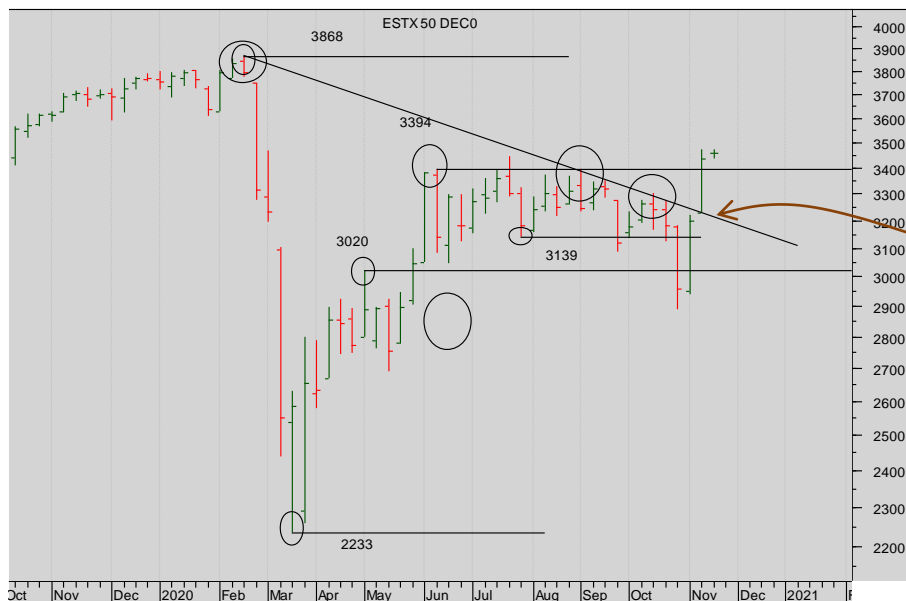
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### Eurex EuroStoxx 50 monthly continuation futures chart

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 a breach of the well-established falling diagonal and a push above the trading range that suggests a move to test the Prior High 3868.

More



## Stocks: Eurex EuroStoxx 50

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### Stocks

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

### Bonds

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- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Eurex EuroStoxx 50 daily Dec 19 futures chart

The market has pushed to the old high, paused, and then held above.

It looks strong.



## Stocks: Liffe FTSE 100

### Summary

### Currencies

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

### Stocks

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

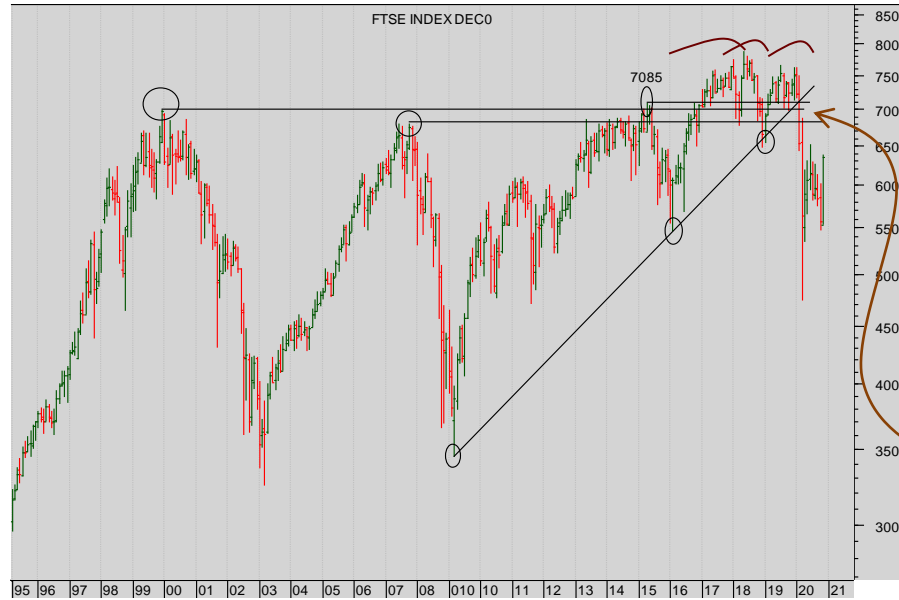
### Bonds

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

### Commodities

- + Oil
- + Gold

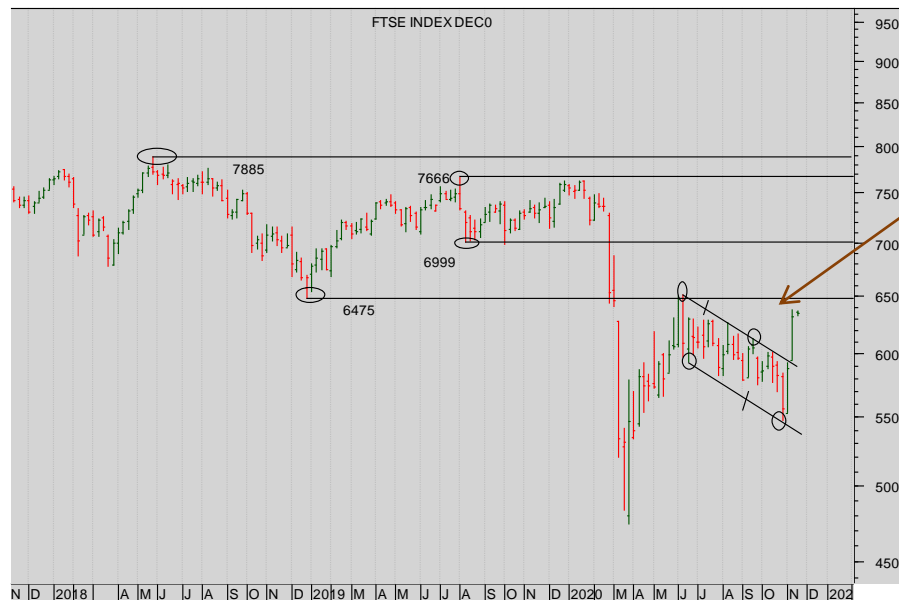
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### Liffe FTSE 100 Monthly continuation futures chart

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 a bull flag. But now there's resistance at the 6475 Prior Low.

More



## Stocks: Liffe FTSE 100

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- + Dollar Euro
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### Stocks

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- + **FTSE 100**
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### Bonds

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- + UK Gilt

### Commodities

- + Oil
- + Gold

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### Liffe FTSE 100 Dec 20 daily futures chart

The Flag looks set to drive the market higher, but wait for a clear break above the Prior High.





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### Bonds

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### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

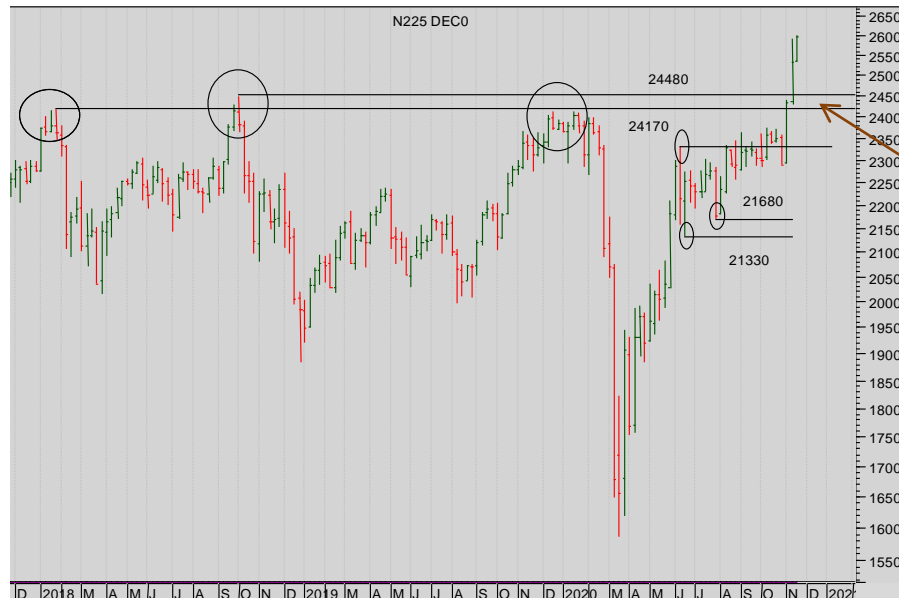
## Stocks: OSE Nikkei 225



### 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 would be very bullish.



### Nikkei 225 chart (WEEKLY)

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

The break (and weekly close ) above those supports (now) is massively bullish.

More



## Stocks: OSE Nikkei 225

### Summary

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### Stocks

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- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Nikkei 225 chart Daily Dec 2020.

The market has outstripped the implications of the bull continuation triangle - the target has been hit.



## Bonds

### BONDS:

There's more bite in the selling of Bonds now. But because of the support in place beneath the markets in both the US and Europe, it's difficult for the bears to feel very encouraged. The UK market on the other hand, look vulnerable: good bear pattern have completed in the short and medium-term and the long-term support is being tested right now. Watch closely.

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#### Commodities

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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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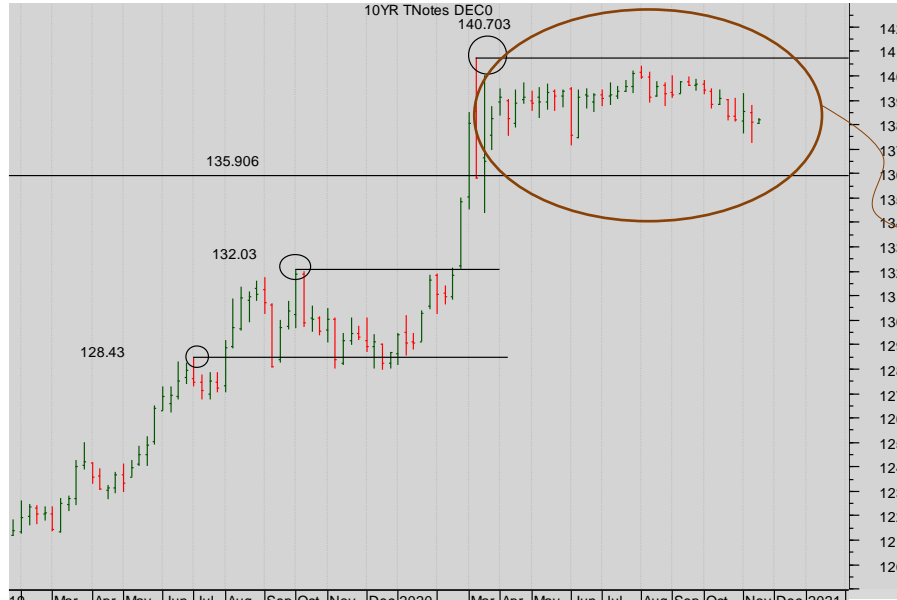
## Bonds

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## Commodities

- + Oil
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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, this is a confusing picture.





# Bonds: Eurex Ten Year Bund

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## Bonds

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## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION



## Eurex Ten Year Bund monthly futures continuation chart

The support at 168.86 is 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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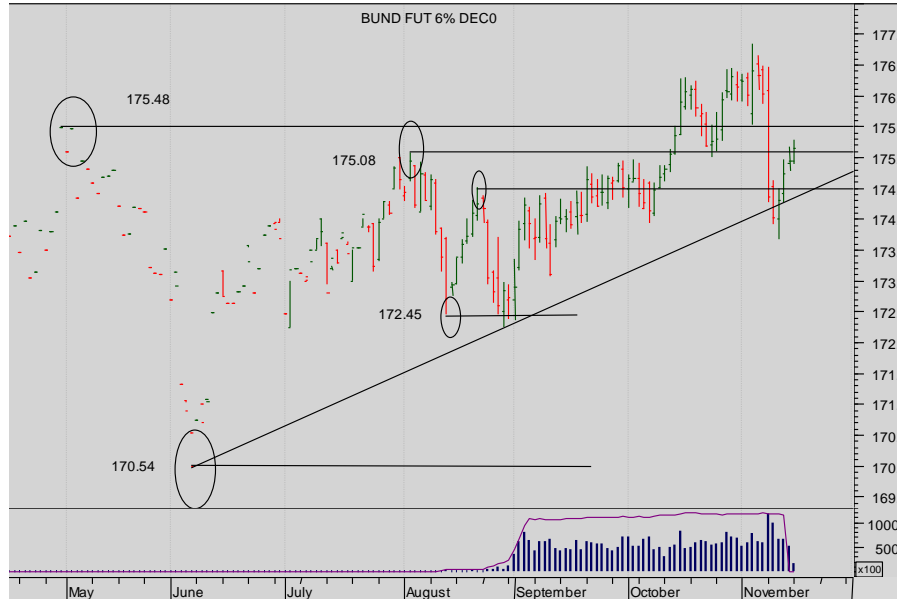
## Bonds

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## Commodities

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## IMPLIED ASSET ALLOCATION



## Eurex Ten Year Bund JUN 2020 Daily futures chart

This is not clear.

Stand back.



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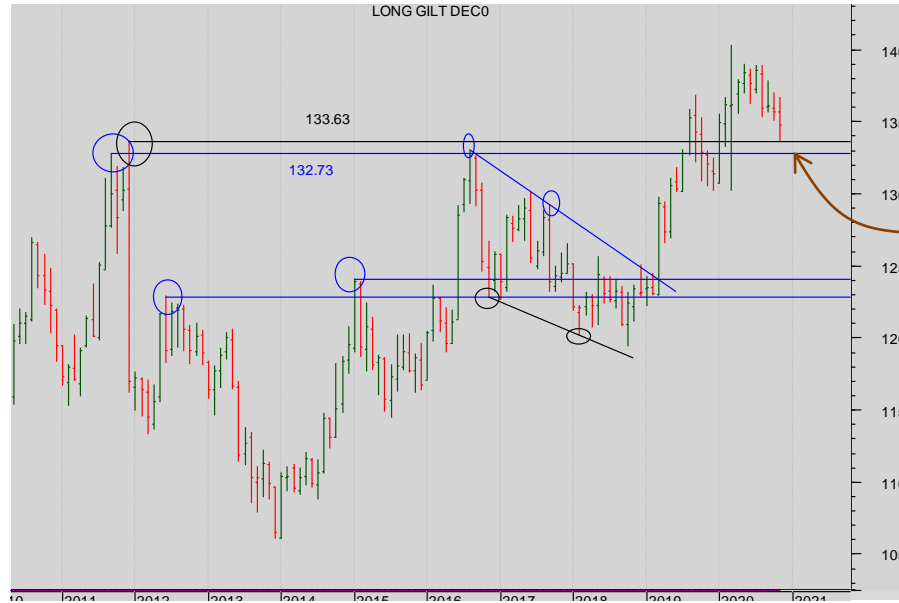
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### Commodities

- + Oil
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### IMPLIED ASSET ALLOCATION

## Bonds: Liffe UK Gilt futures



### Liffe UK Gilt monthly futures continuation chart

The market is retesting the support from the Prior Highs 133.63-132.73 band – it is a **HUGELY** powerful long-term support for the bull trend.



### Liffe UK Gilt weekly continuation futures Chart

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

More



## Bonds: Liffe UK Gilt futures

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### Long Gilt daily Dec 20 chart

But this is interesting: a tight trading range has been smashed- best understood as a Triple Top reversal.

Minimum move? To 133.20.





## Commodity

### COMMODITIES:

We are still overall bears of Oil, long and medium term, but the short-term picture has lost coherence. Gold now sits within a short-term range on good medium-term support both of which have to break before the bears can get excited.

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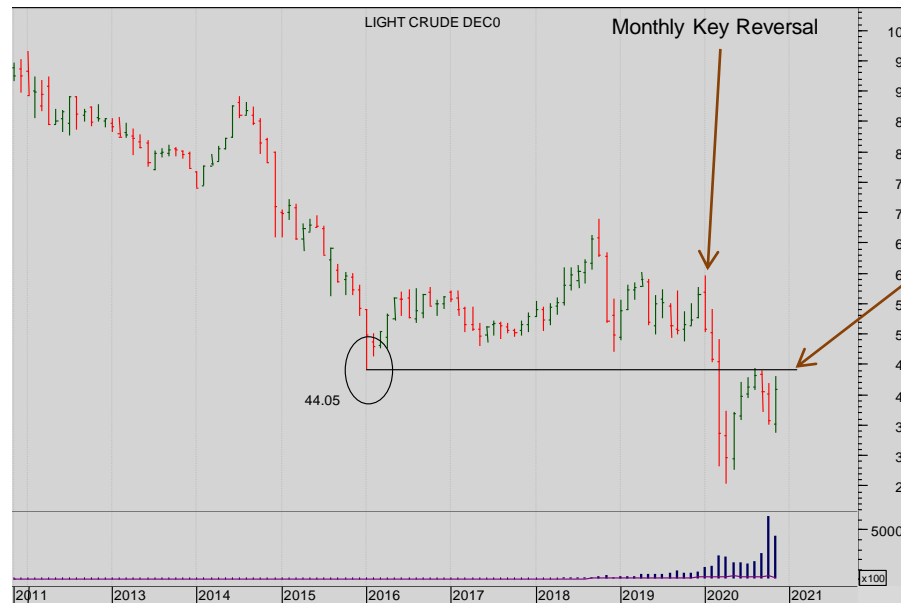
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#### Commodities

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### Commodities: Nymex WTI Oil



**Nymex oil monthly continuation**

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

More



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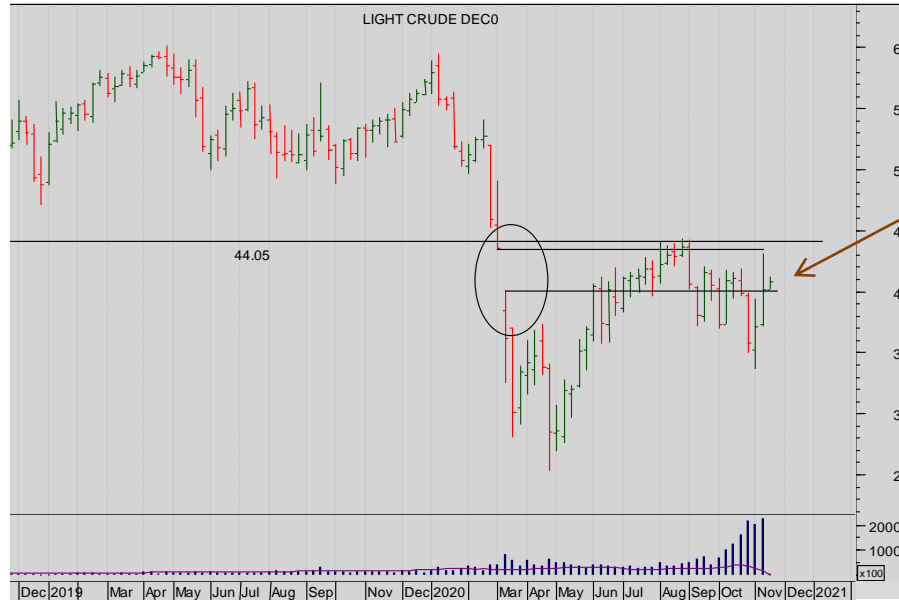
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## Commodities: Nymex WTI Oil

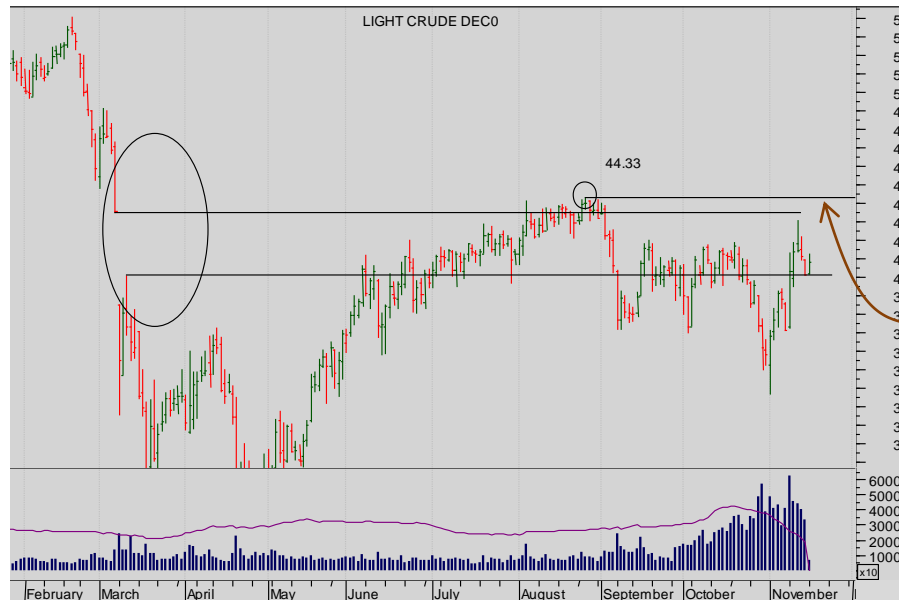


### Nymex oil weekly continuation

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



The bears will have been disappointed by the ease of the rally back.

Nonetheless there is formidable resistance at 44.



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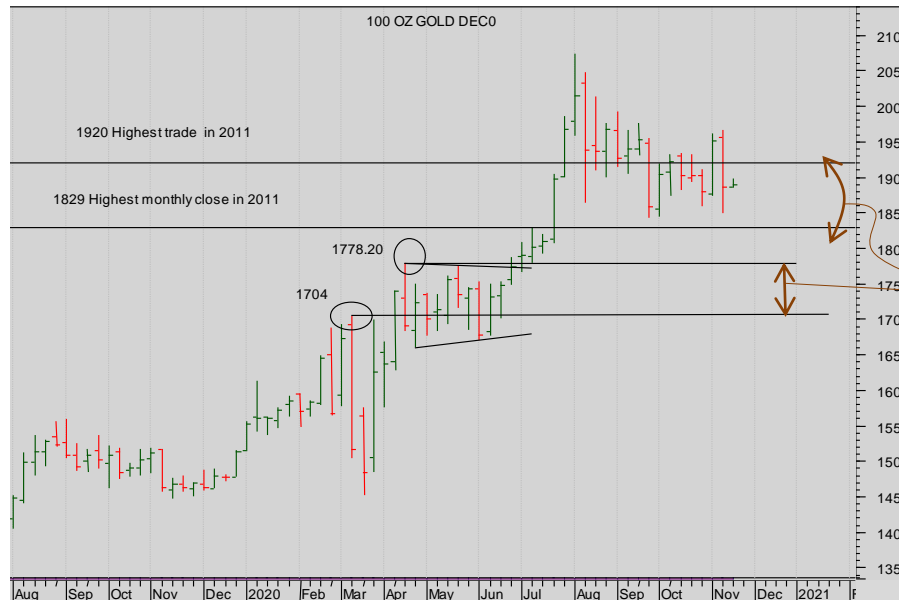
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## Commodities: Comex Gold



### 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 first 1829-1920 and then 1788 and 1704...



## Commodities: Comex Gold

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## Nymex Gold Dec 2020 Daily

The bears need a break down through 1850 to gain confidence.



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- + Ten Year German Bund
- + UK Gilt

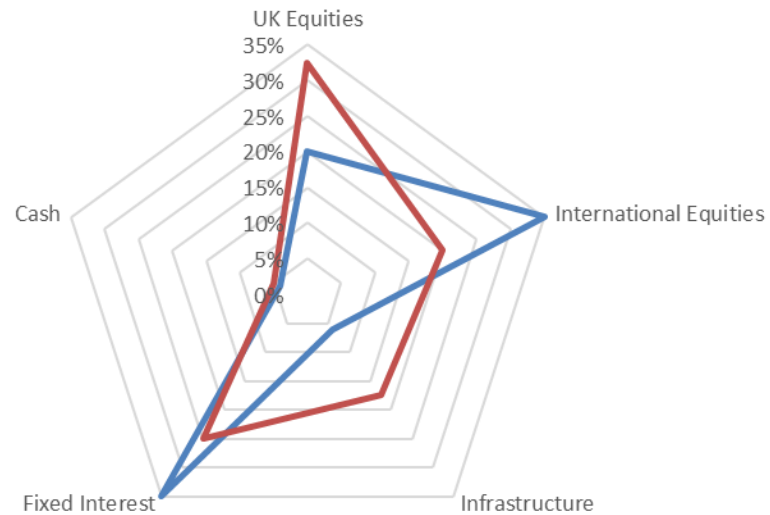
### Commodities

- + Oil
- + Gold

## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

### MSCI Balanced Risk Asset Allocation



More



*the technical analyst*

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