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 24th 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	Long-term FLAT Euro	Medium-term FLAT Euro	Short-term **BULL** Euro
+ Dollar Sterling	Long-term FLAT Sterling	Medium-term FLAT Sterling	Short-term **BULL** Sterling
+ Dollar Yen	Long-term FLAT Yen	Medium-term FLAT Yen	Short-term **BULL** Yen
+ Sterling Euro	Long-term FLAT Euro	Medium-term FLAT Euro	Short-term **BULL** Euro
Stocks			
+ S&P 500	Long-term **BULL**	Medium-term **BULL**	Short-term **BULL**
+ EuroStoxx 50	Long-term FLAT	Medium-term FLAT	Short-term **BULL**
+ FTSE 100	Long-term FLAT	Medium-term **BULL**	Short-term FLAT
+ Nikkei 225	Long-term **BULL**	Medium-term **BULL**	Short-term **BULL**
Bonds			
+ Ten Year yield US TNote	Long-term FLAT	Medium-term FLAT	Short-term FLAT
+ Ten Year yield German Bund	Long-term FLAT	Medium-term FLAT	Short-term FLAT
+ Ten Year yield UK Gilt	Long-term FLAT	Medium-term FLAT	Short-term **BULL**
Commodities			
+ Oil	Long-term FLAT	Medium-term FLAT	Short-term **BULL**
+ Gold	Long-term **BULL**	Medium-term FLAT	Short-term FLAT

IMPLIED ASSET ALLOCATION

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CURRENCIES:

Now there is growing evidence of the Dollar's weakening trend continuing. Watch our levels for the completion of patterns to confirm that against the Euro – and Sterling and the Yen. And overall the Sterling looks to be the main beneficiary – note well in particular the progress of Sterling against the Euro.

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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.

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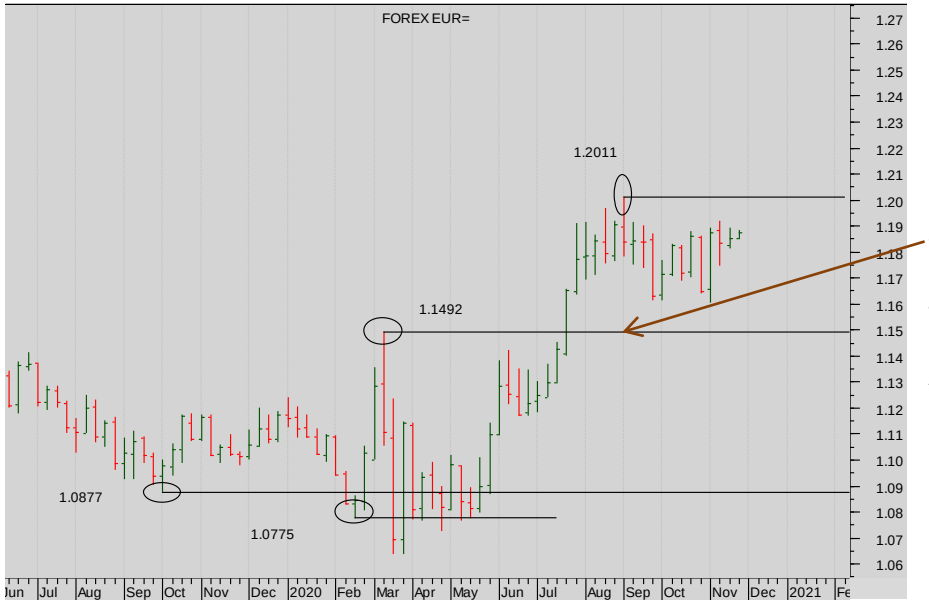
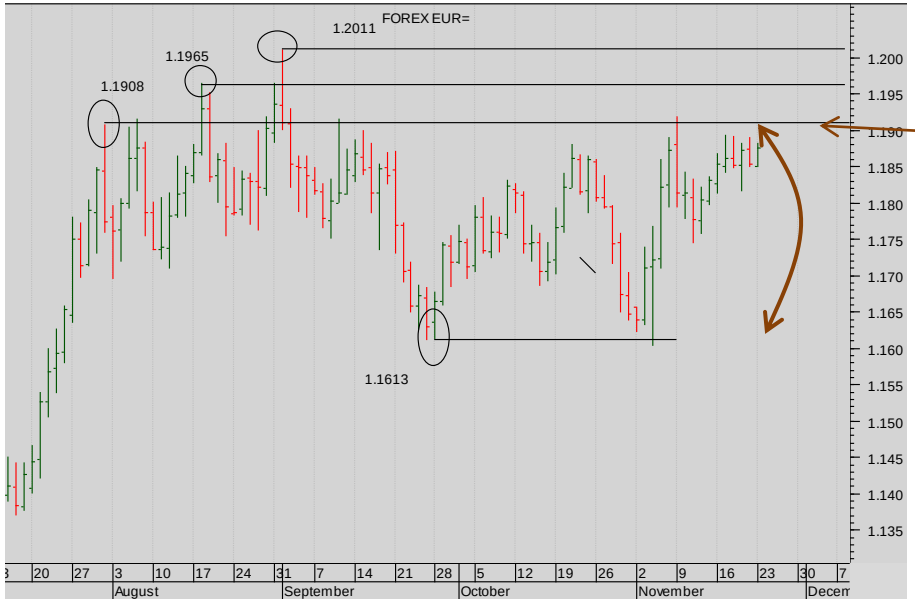
Currencies: Dollar Euro



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 medium-term 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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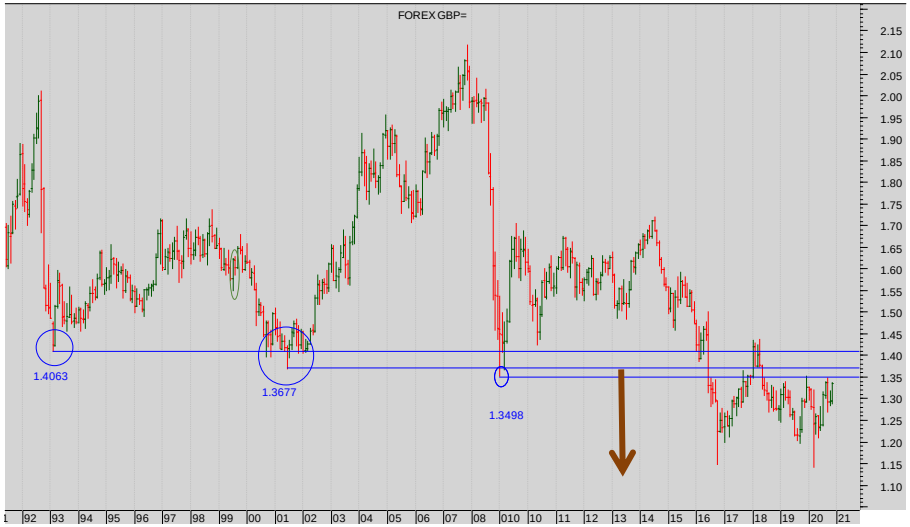
Currencies: Dollar Sterling



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.

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.

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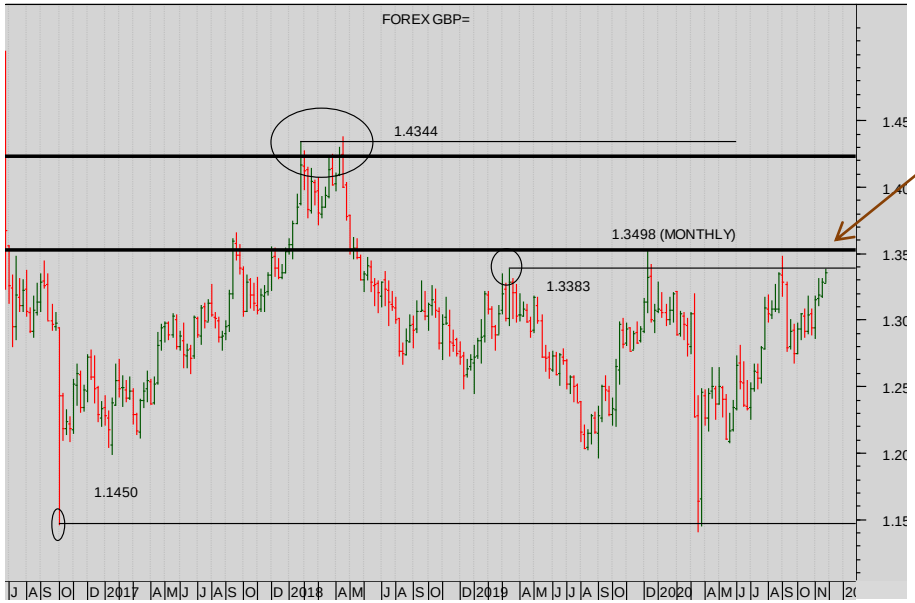
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

Note the repeated failures of the market at the 1.3383 boundary….and now the market is reapproaching a push up through 1.3498 would complete a complex H&S reversal…..

Dollar Sterling daily spot cash chart

The surge from last September …

Currencies: Dollar Yen

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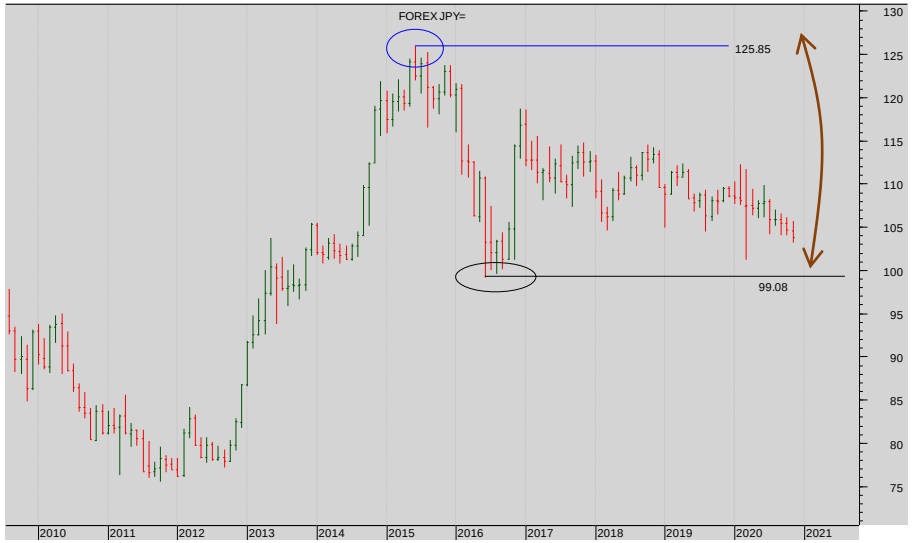

Dollar Yen monthly spot cash chart

It's not clear.

Dollar Yen weekly spot cash chart

This is now clearer: note the breakdown through this now sustained it suggests a much stronger Yen.

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Currencies: Dollar Yen

Dollar Yen daily spot cash chart

Short-term, it's not clear.
The volatility is disturbing.

Currencies: Sterling Euro

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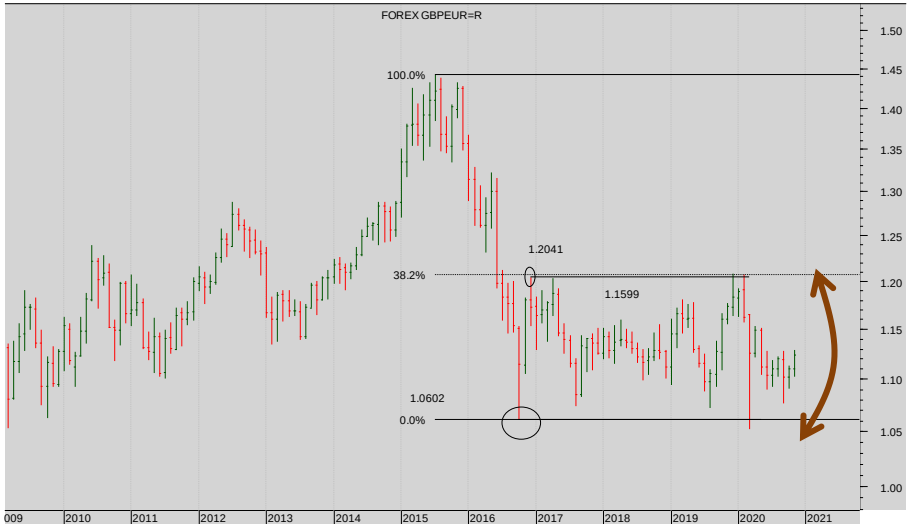
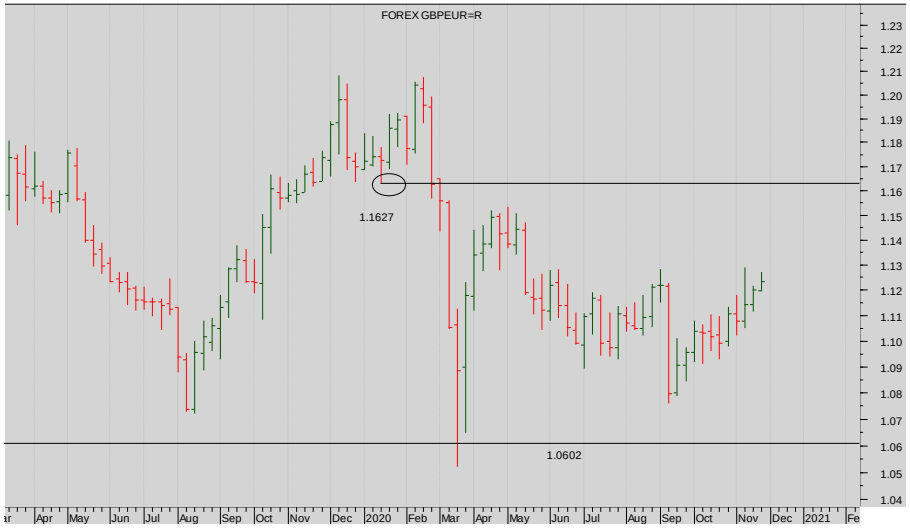


Sterling Euro monthly spot cash chart

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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+ **Sterling Euro**

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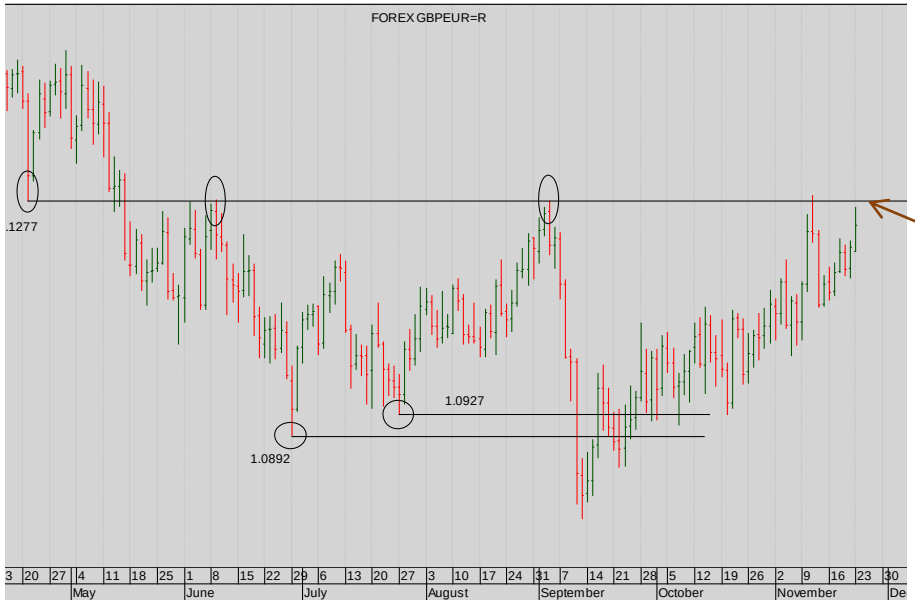
IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro daily spot cash chart

Note the clear resistance at the 1.1277 level… a break up through that will get the Sterling bulls going.

STOCKS:

The US market and Japan look very strong. Completed patterns are driving the markets higher there in the longer term charts. Less dynamically because there are fewer patterns we can see the break of trading ranges in the EuroStoxx. FTSE is striving too – but freighted with awareness of massive over hanging resistance.

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IMPLIED ASSET ALLOCATION

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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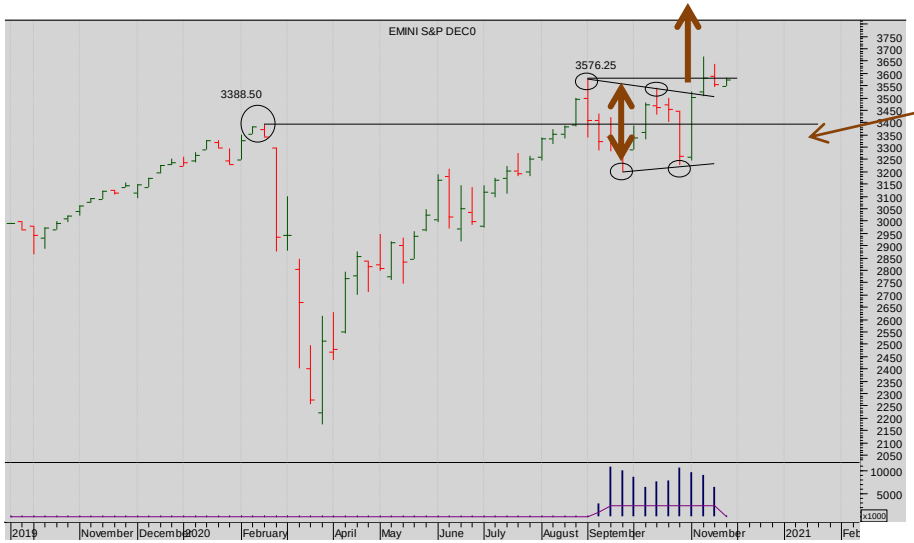
IMPLIED ASSET ALLOCATION

Stocks: CME S&P 500

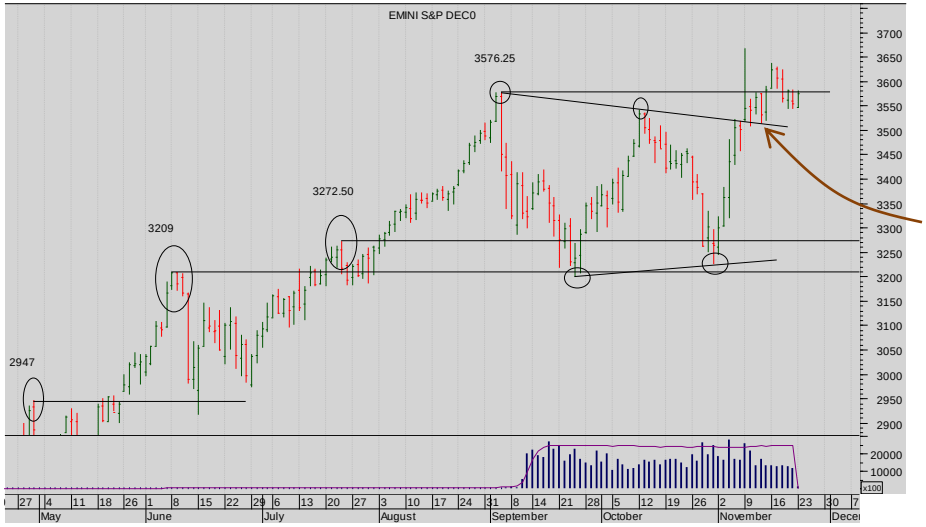


CME S&P 500 cont. weekly cont. chart

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

Minimum move? 3900.

We are bulls.



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.

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SEVEN DAYS AHEAD

Stocks: Eurex EuroStoxx 50

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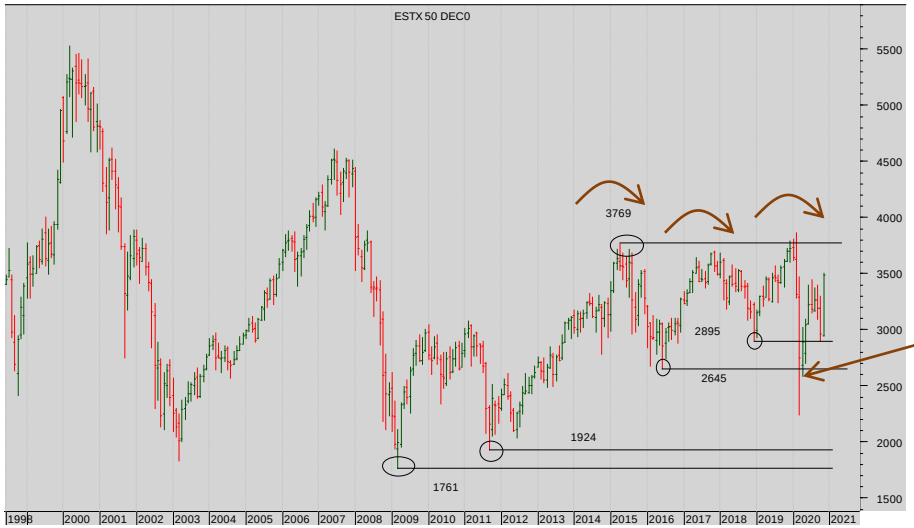
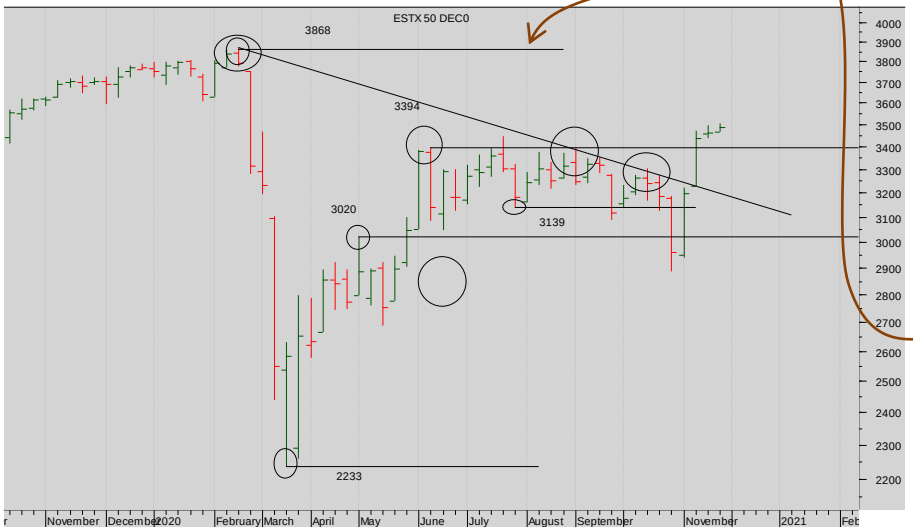
IMPLIED ASSET ALLOCATION



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 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

Eurex EuroStoxx 50 daily Dec 19 futures chart

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

It looks strong.

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IMPLIED ASSET ALLOCATION

Stocks: Liffe FTSE 100

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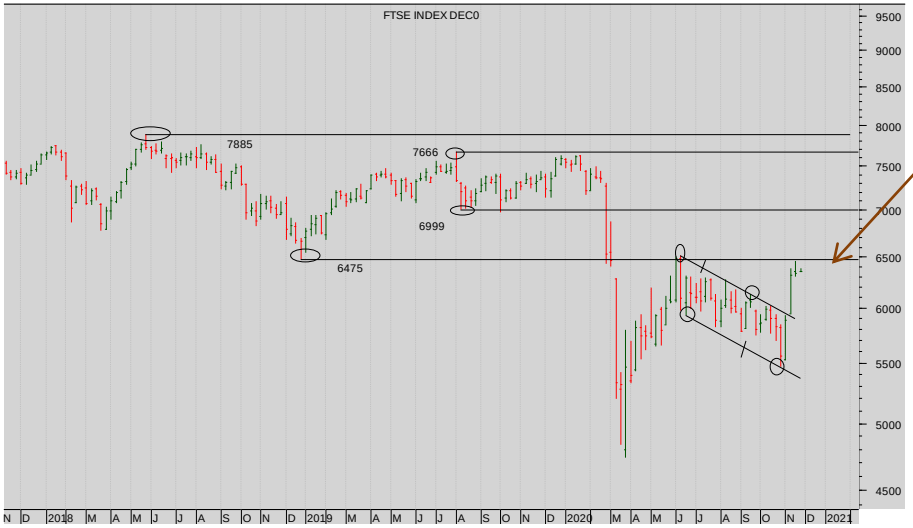
IMPLIED ASSET ALLOCATION

Liffe FTSE 100 Monthly continuation futures chart

There is now massive resistance above the market at 6475 and very little support.

Liffe FTSE 100 Weekly cont. futures chart



It's a <u>bull</u> flag that has completed. <u>But now there's resistance at the 6475 Prior Low.</u>

More

SEVEN DAYS AHEAD

Stocks: Liffe FTSE 100

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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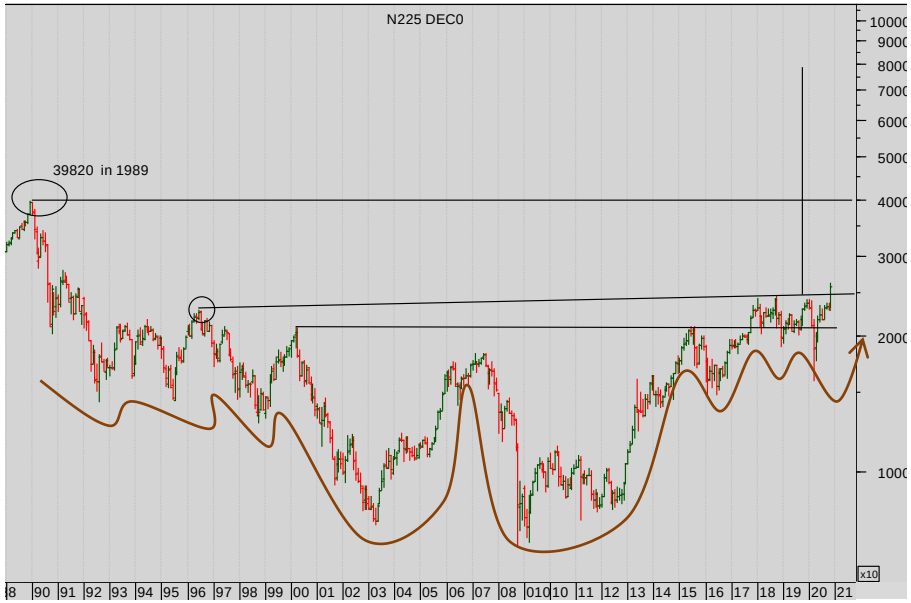
IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225

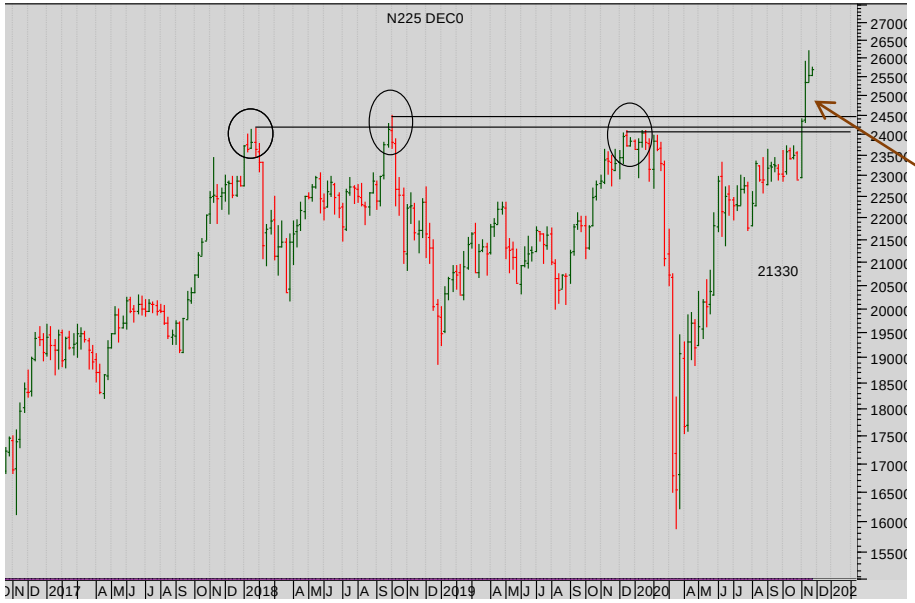


Nikkei 225 chart (monthly)

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.

Wait for the close.



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

Nikkei 225 chart Daily Dec 2020.

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

Watch the price action around 2600.

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IMPLIED ASSET ALLOCATION

BONDS:
No clear bottom formations have been achieved in the US or Europe – but there's the close possibility of one in the UK watch the daily yield chart there closely.

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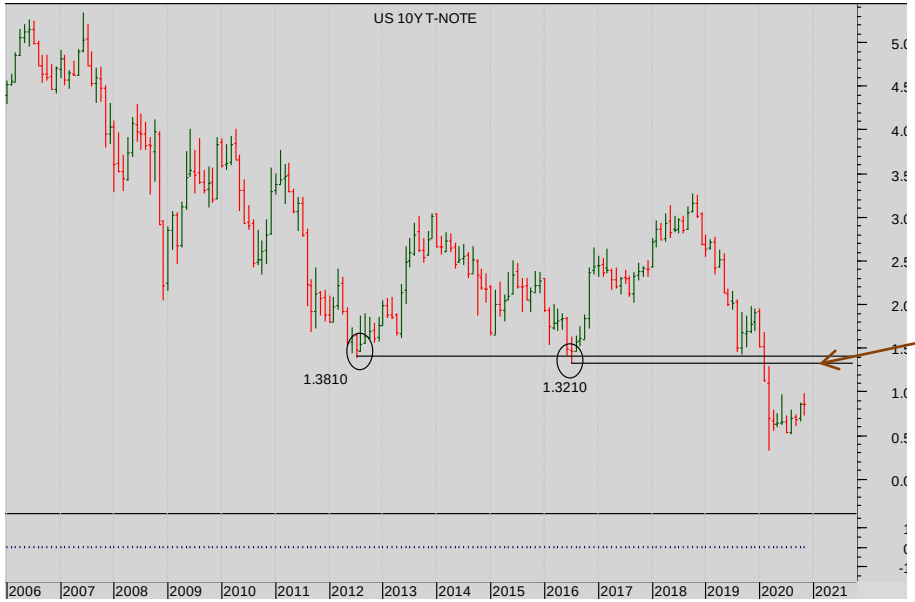
IMPLIED ASSET ALLOCATION

Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) monthly chart

The long-run bear trend :
the recent surge has driven the market through the Level achieved in 2012 and 2016 –all-time Prior LOWs.

There is now powerful resistance above the market at 1.32.

The market looks set for a retracement to resistance at 1.32.

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Bonds: US Ten Year Notes (Yield)

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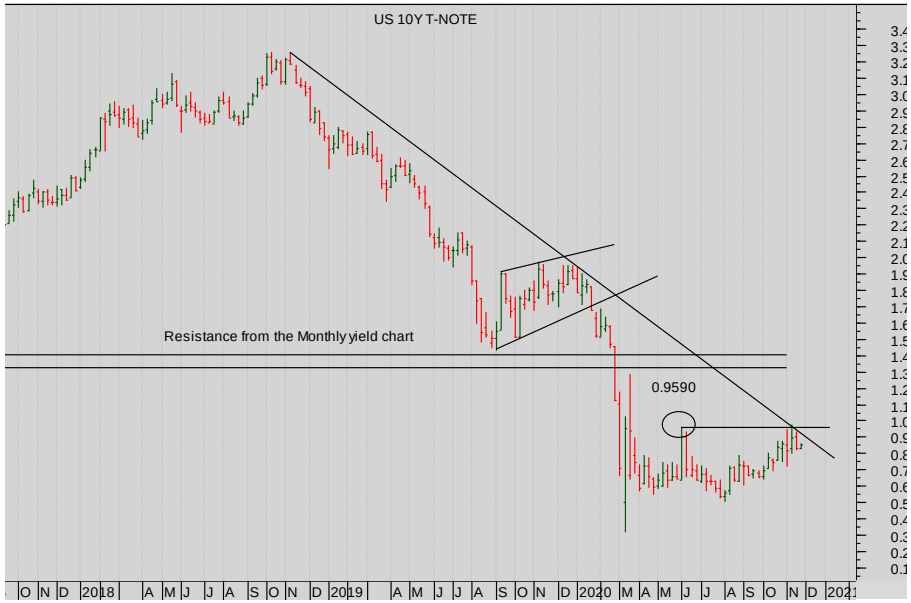
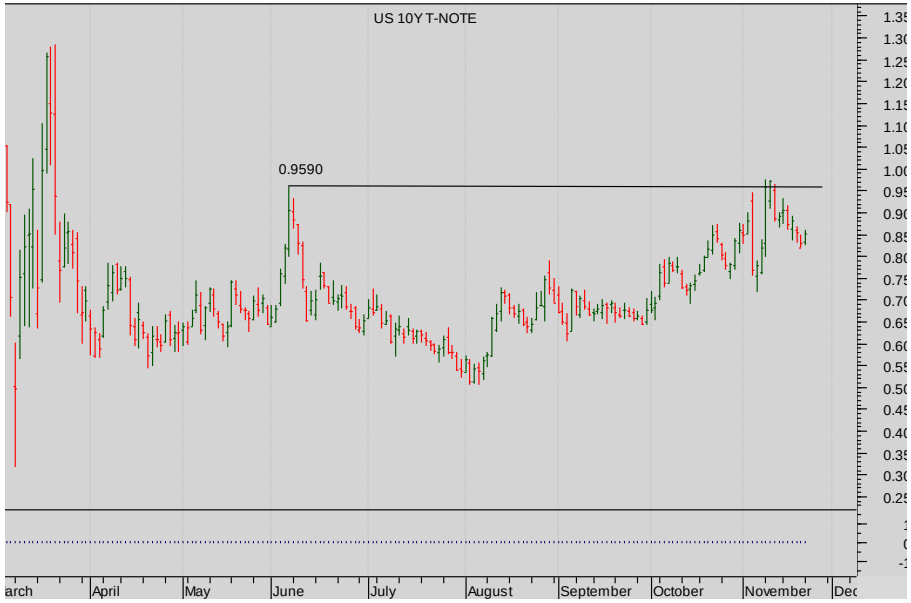


US Ten Year Notes (Yield)
weekly chart

The accelerating bear trend from 2018 has paused this year - note the intersection of the Prior High at 0.9590 and the downtrend resistance .



US Ten Year Notes (Yield)
daily chart

In detail, this is a confusing picture but watch and wait from a break above the Prior High at 0.9590.

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Bonds: German Bund yield chart

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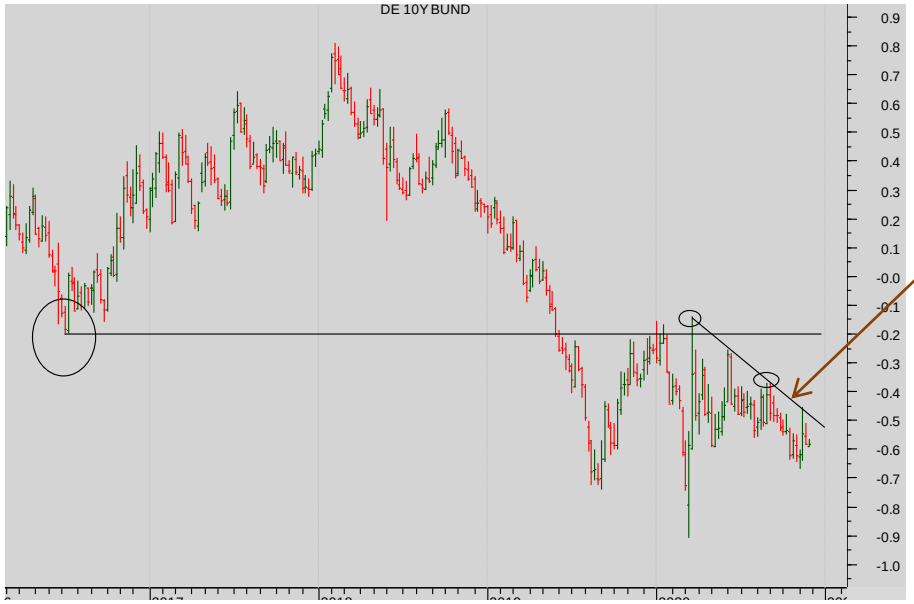
IMPLIED ASSET ALLOCATION

Bund monthly yield chart

The long-term bear trend

Note how close we are to the shorter steeper trend since 2018.



Bund weekly yield chart

The resistance above the market at -0.2 dominated the chart.

<u>Note too the well-established down trend resistance ….look closer.</u>

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IMPLIED ASSET ALLOCATION

Bonds: German Bund yield chart

Bund daily yield chart

Is this a continuation bear wedge?
Wait for a break of the falling diagonal.

Bonds: UK Gilt yield chart

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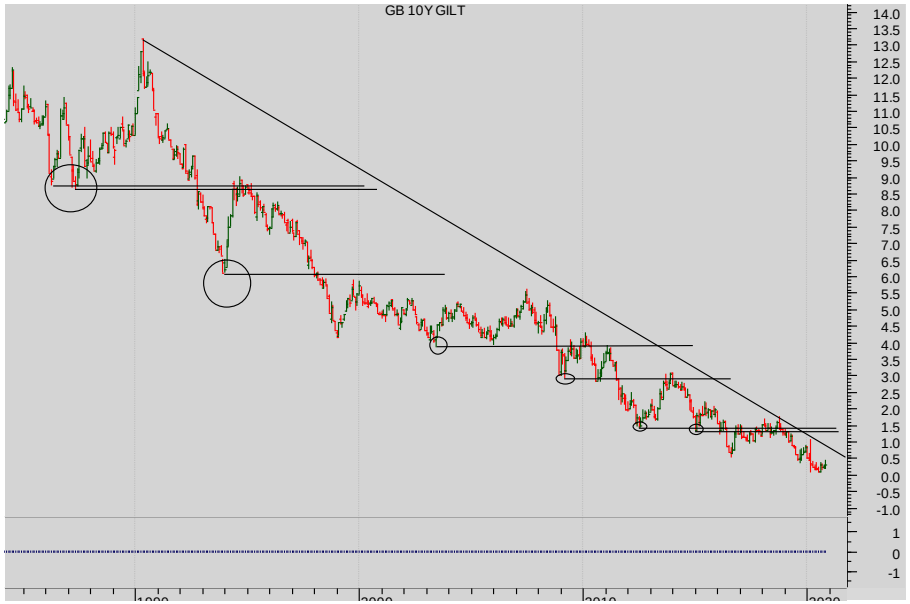

Gilt monthly yield chart

The market long-term bear trend.

Gilt weekly yield chart

The steep trendline resistance from 2018 has been smashed,

There is a small bottom formation that is close to completion – a Head and Shoulders Reversal possibly …

If the H&S pattern can complete then there will a test of the important resistance above the market at 0.5.

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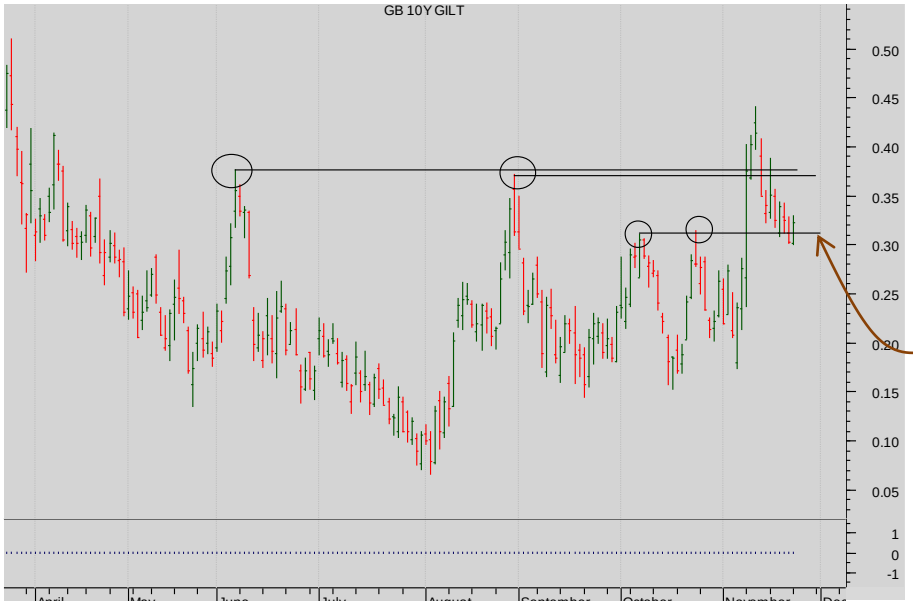
Bonds: UK Gilt yield chart



Gilt daily yield chart

But this is interesting: After the market failed to complete the Possible H&S pattern the market tested the support from the Prior Highs at 0.31…watch for evidence of support there.

COMMODITIES:

There's growing evidence that the Oil market is turning bullish in multiple time-frames. Watch our levels there closely. Gold is dull.

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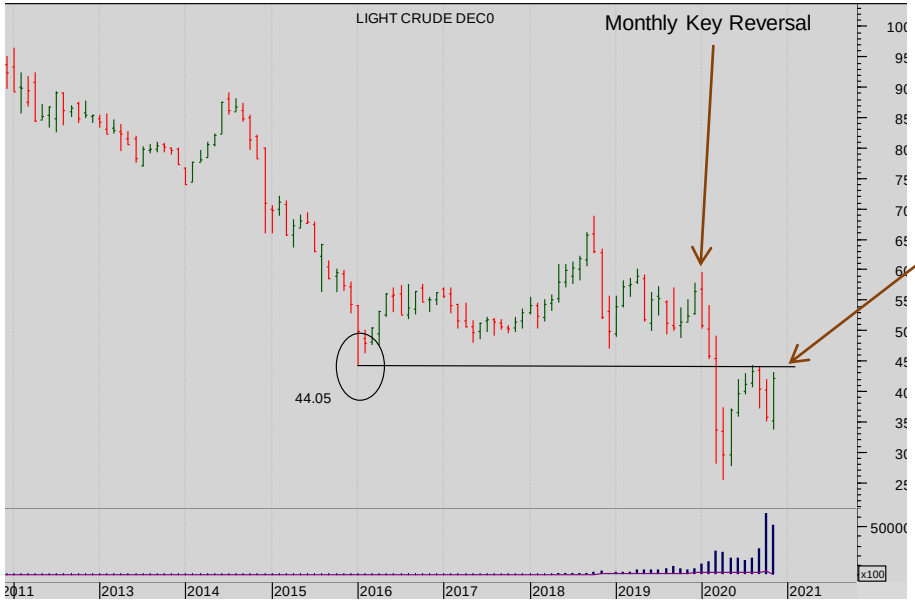
Commodities: Nymex WTI Oil



Nymex oil monthly continuation

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

Note too the possibility of a monthly Key Reversal that surely would send the market up through the important resistance at 44.05.

Seven days to go before that Key Reversal can be confirmed!

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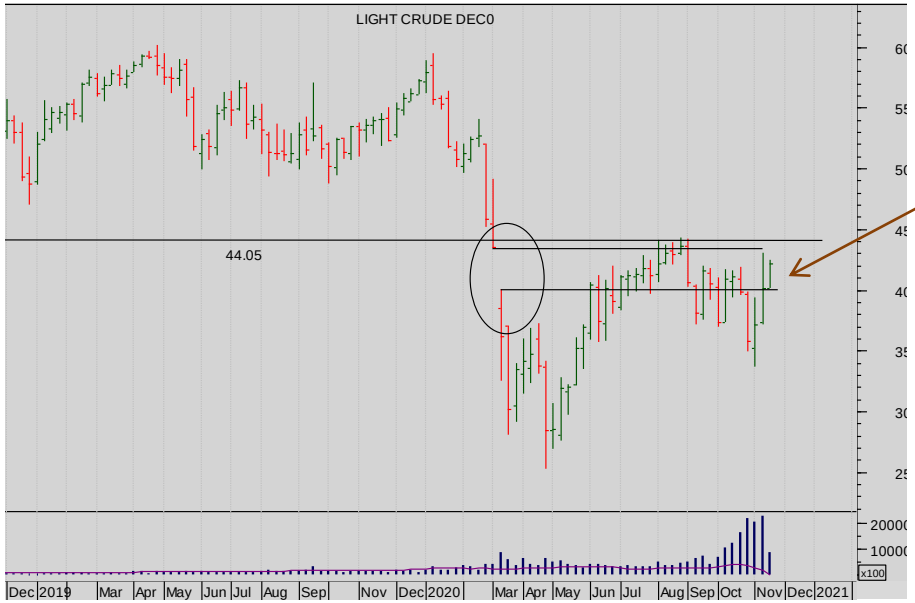
+ Ten Year German Bund
+ UK Gilt

Commodities
+ Oil
+ Gold

IMPLIED ASSET ALLOCATION

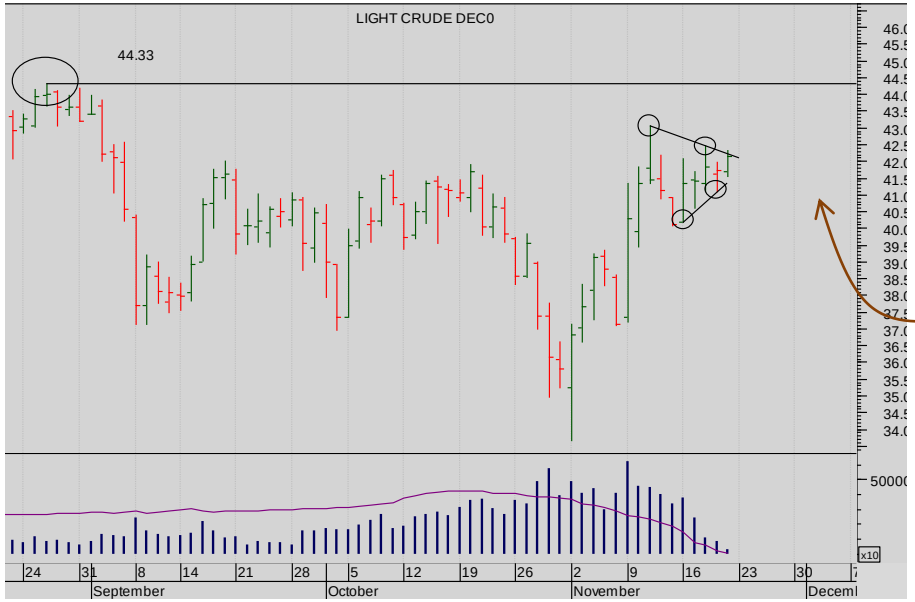
Commodities: Nymex WTI Oil



Nymex oil weekly continuation

The market has failed at the Gap which is coincident with the Prior low resistance.

It remains formidable resistance above the market.



Nymex oil daily Dec 2020 futures

Note the possible creation of a small continuation Triangle.

Wait for a clear close – to complete the pattern.

Commodities: Comex Gold

Summary

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

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

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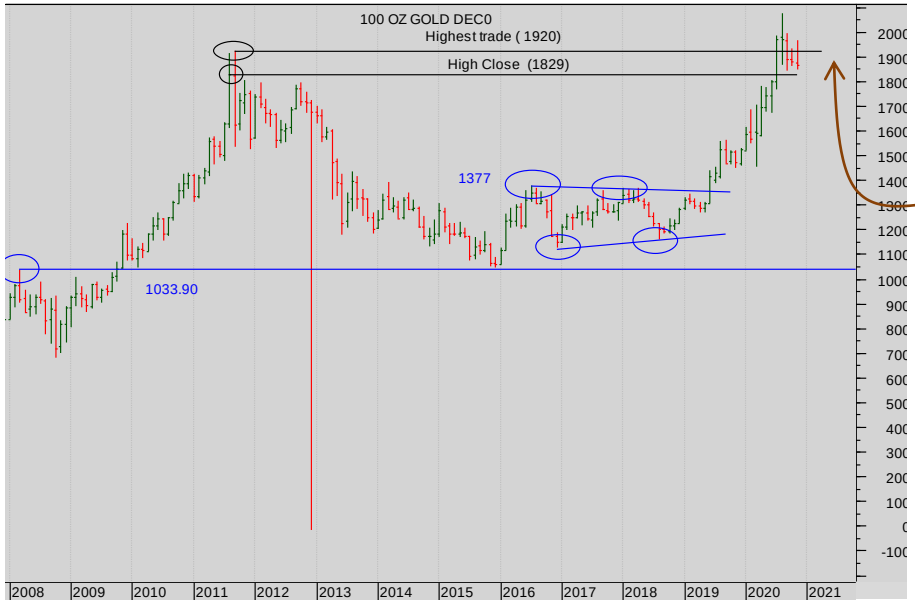
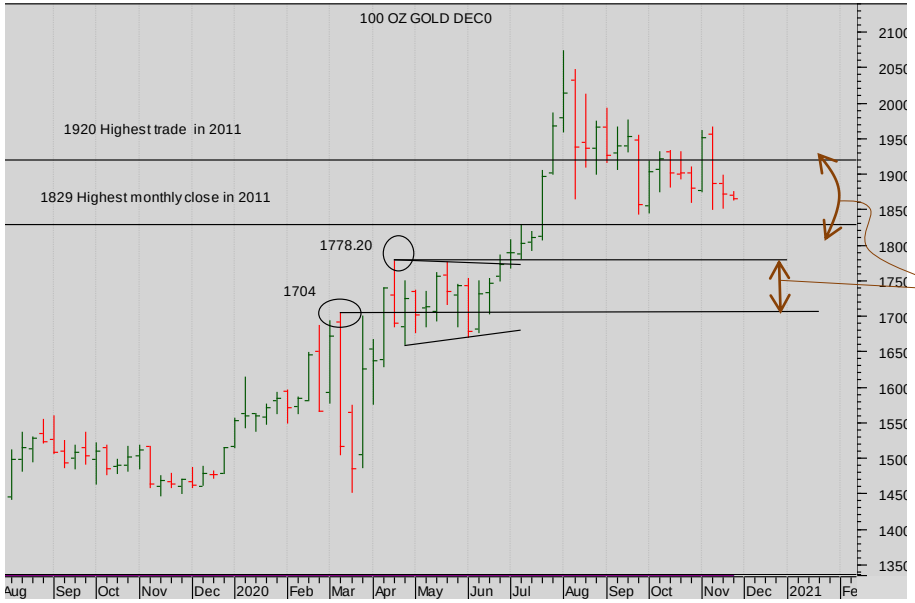


Nymex Gold Monthly

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 first 1829-1920 and then 1788 and 1704…

Commodities: Comex Gold

Nymex Gold Dec 2020 Daily

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

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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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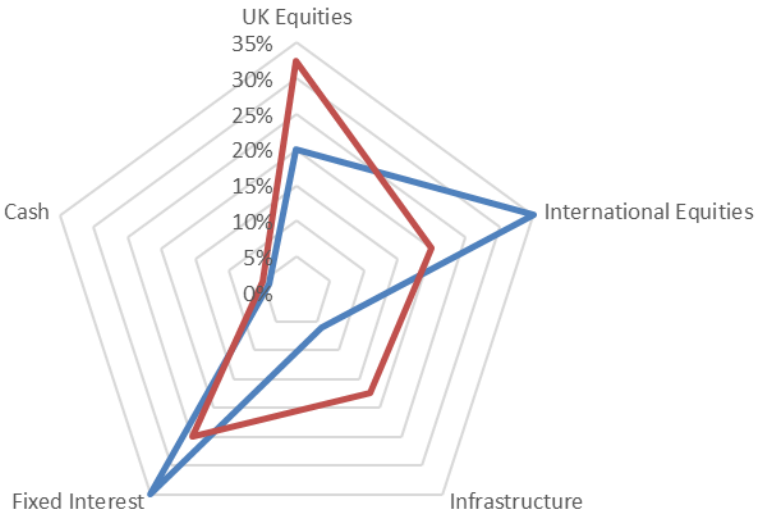
MSCI Balanced Risk Asset Allocation



More

the technical analyst

AWARDS 2012

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