



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 1<sup>st</sup> December 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

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- + Dollar Euro
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Long-term **BULL** Euro

Long-term FLAT Sterling

Long-term FLAT Yen

Long-term FLAT Euro

Medium-term **BULL** Euro

Medium-term **BULL** Sterling

Medium-term **BULL** Yen

Medium-term FLAT Euro

Short-term **BULL** Euro

Short-term **BULL** Sterling

Short-term **BULL** Yen

Short-term FLAT Euro

### Stocks

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

Long-term **BULL**

Long-term FLAT

Long-term FLAT

Long-term **BULL**

Medium-term **BULL**

Medium-term FLAT

Medium-term **BULL**

Medium-term **BULL**

Short-term **BULL**

Short-term **BULL**

Short-term FLAT

Short-term **BULL**

### Bonds

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

Long-term FLAT

Long-term FLAT

Long-term FLAT

Medium-term FLAT

Medium-term FLAT

Medium-term FLAT

Short-term FLAT

Short-term FLAT

Short-term FLAT

### Commodities

- + Oil
- + Gold

Long-term **BULL**

Long-term **BEAR**

Medium-term **BULL**

Medium-term FLAT

Short-term **BULL**

Short-term **BEAR**

## IMPLIED ASSET ALLOCATION

More



## Currencies: Dollar Euro

### CURRENCIES:

The Dollar is looking to extend the bear trend from March 2020 in the Long medium and short term charts. This is especially clear against the Euro. The Sterling and Yen look perky too in the medium and short-term. Sterling Euro looks 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



## Currencies: Dollar Euro

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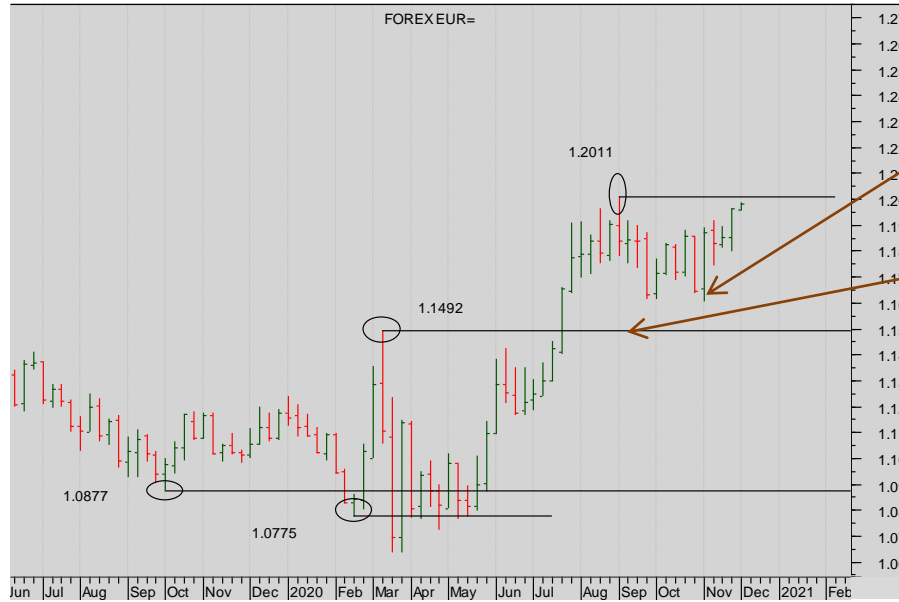
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### IMPLIED ASSET ALLOCATION

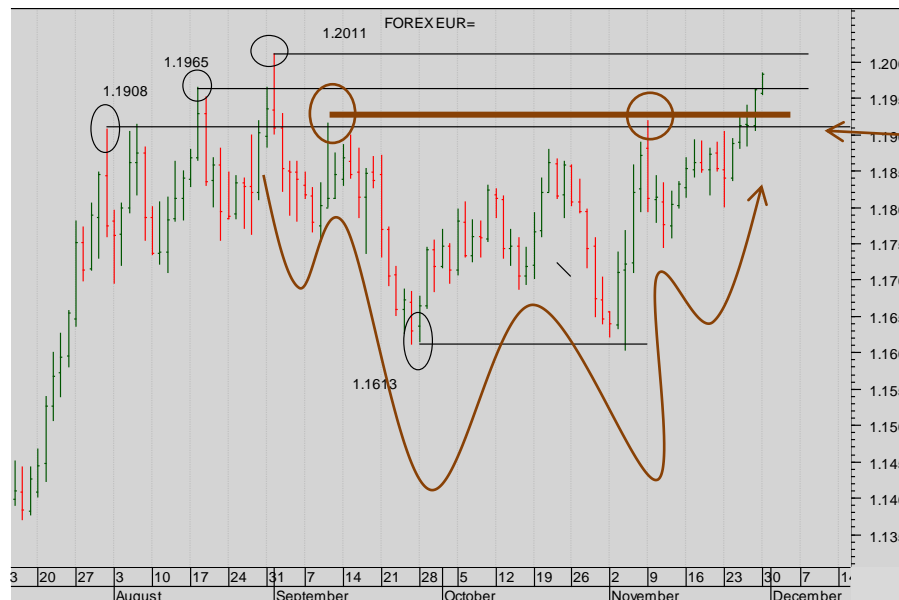


**Dollar Euro weekly spot cash chart**

Note the bullish weekly Key Reversal here.

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...**

This looks like a Continuation Double Bottom.

**Or a continuation Head and Shoulders.**

**Both patterns are complete. It is bullish for the Euro and bearish for the Dollar.**



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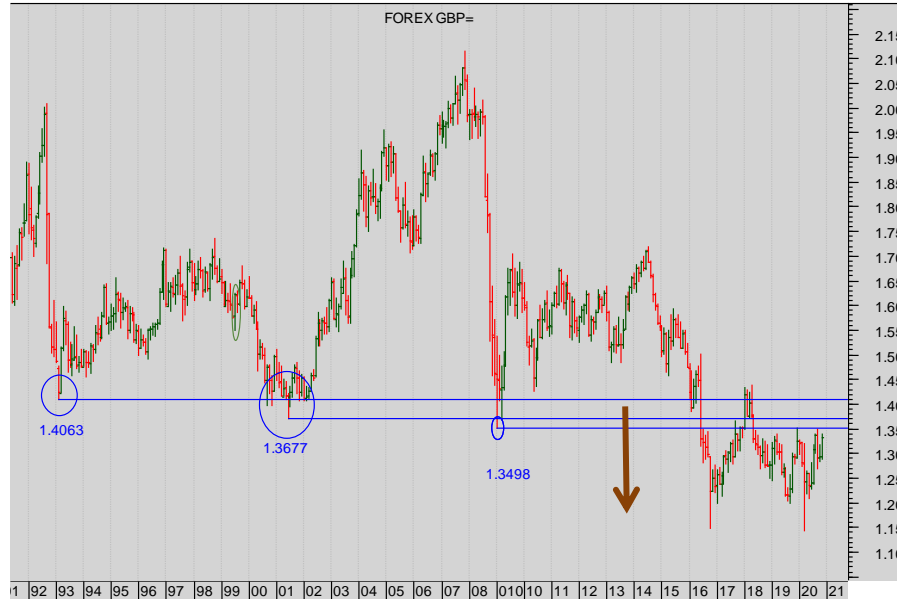
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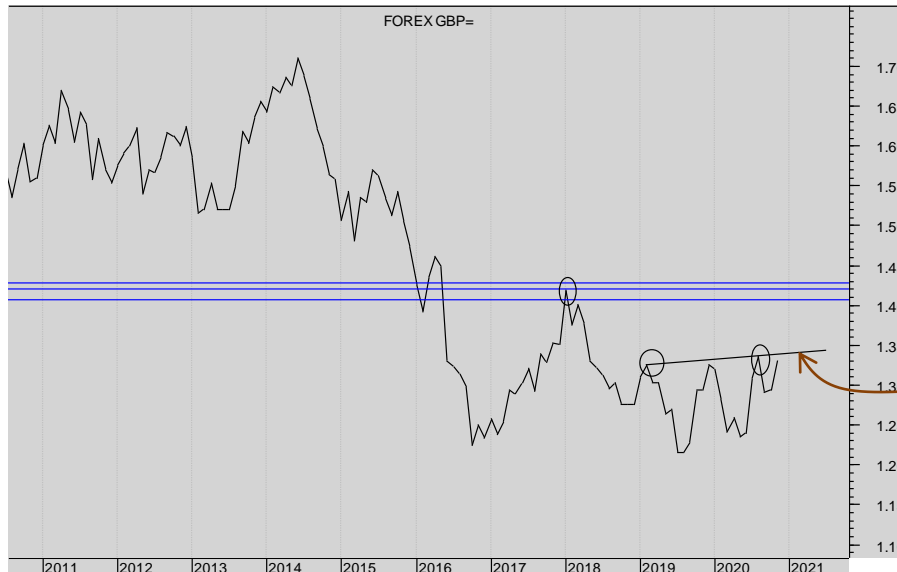
IMPLIED ASSET ALLOCATION

## 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.



### Dollar Sterling Monthly spot cash **LINE CHART** based on closes

The possible bear continuation triangle has failed.

Instead consider the possibility (not yet completed) of a H&S reversal...

Watch for a push above 1.35 to achieve that.

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## IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling



### Dollar Sterling weekly spot cash chart

Note the repeated failures of the market at the 1.3383 boundary.... As with the monthly chart, a **push up through 1.3498** would complete a complex H&S reversal....



### Dollar Sterling daily spot cash chart

The surge from last September

...



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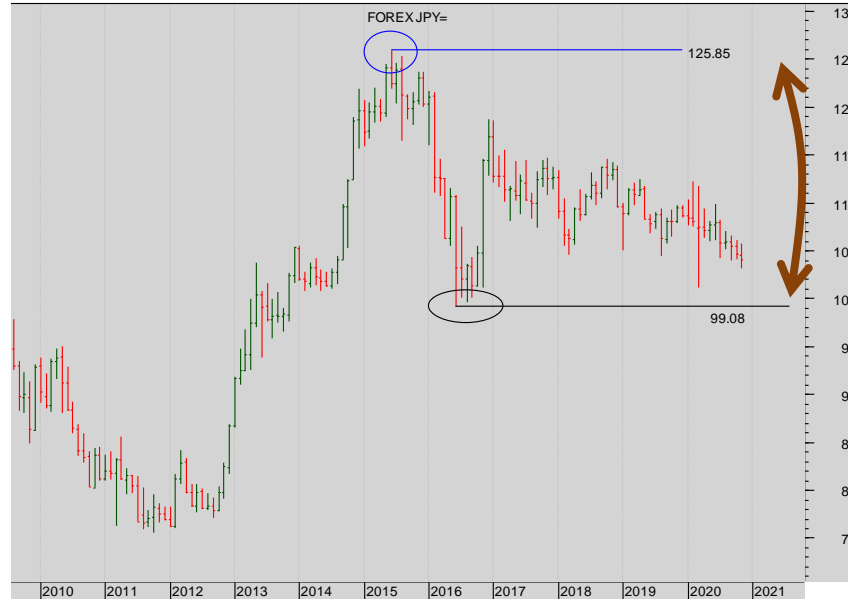
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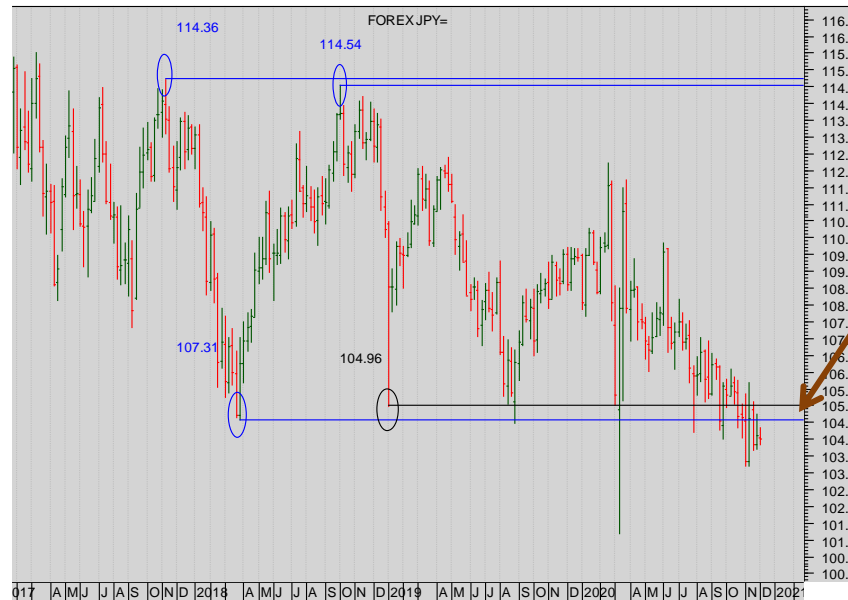
### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen



### Dollar Yen monthly spot cash chart

It's not clear.



### Dollar Yen weekly spot cash chart

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

More



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IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen



## Dollar Yen daily spot cash chart

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





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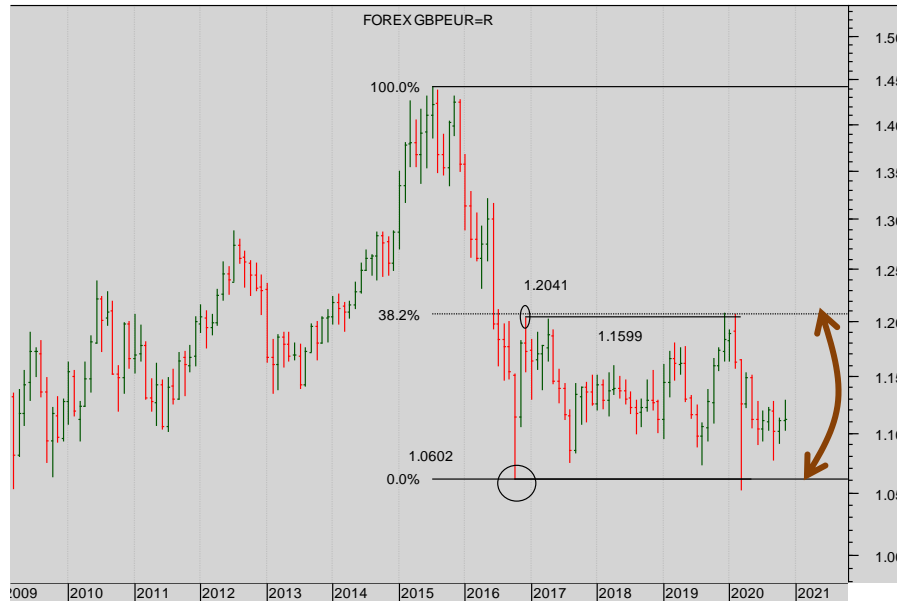
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### Commodities

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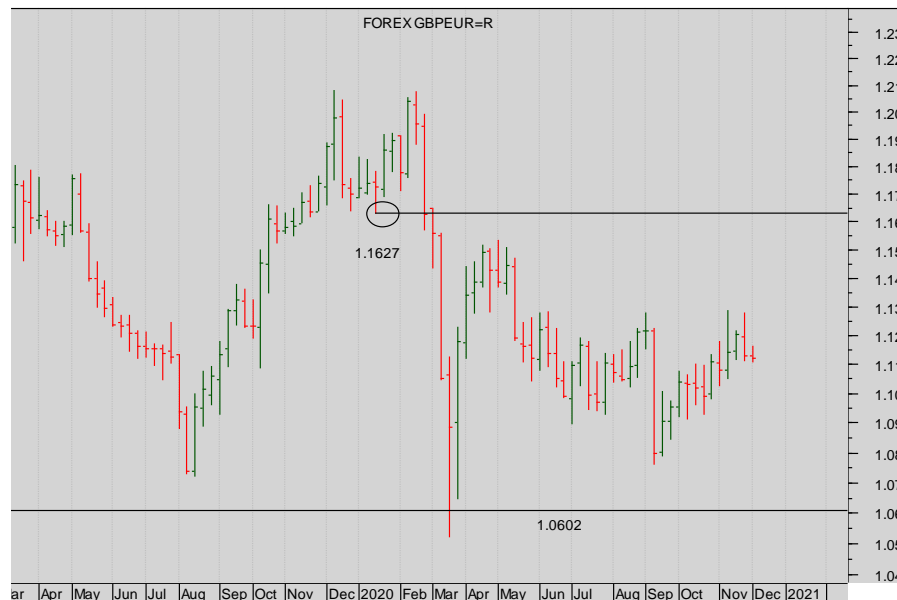
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## Currencies: Sterling Euro



## 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 no clarity.

More



## Currencies: Sterling Euro

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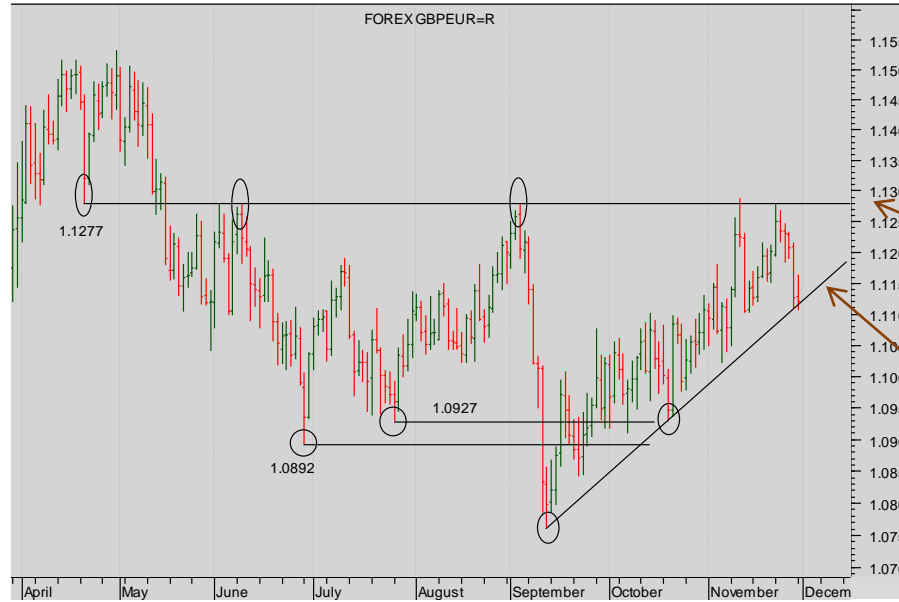
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### Commodities

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IMPLIED ASSET ALLOCATION



### 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.

Note too the steep diagonal trendline support that is being tested.



## Stocks: CME S&P

### STOCKS:

All stocks are bullish. The standout markets are the Nikkei ( which looks rather extended short-term ) and the US which are both driving up under the influence of good long medium and short-term patterns. FTSE and Eurostoxx both suffer from long-term resistances remaining in place that are still limiting, for the moment, the enthusiasm of the bulls in those markets.

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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!

More



## Stocks: CME S&P 500

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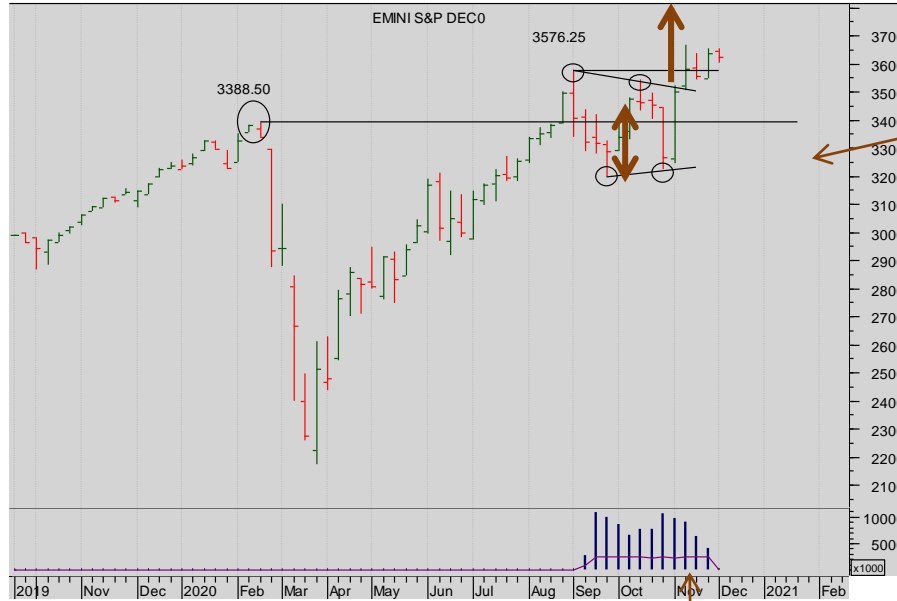
### Bonds

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### Commodities

- + Oil
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### IMPLIED ASSET ALLOCATION

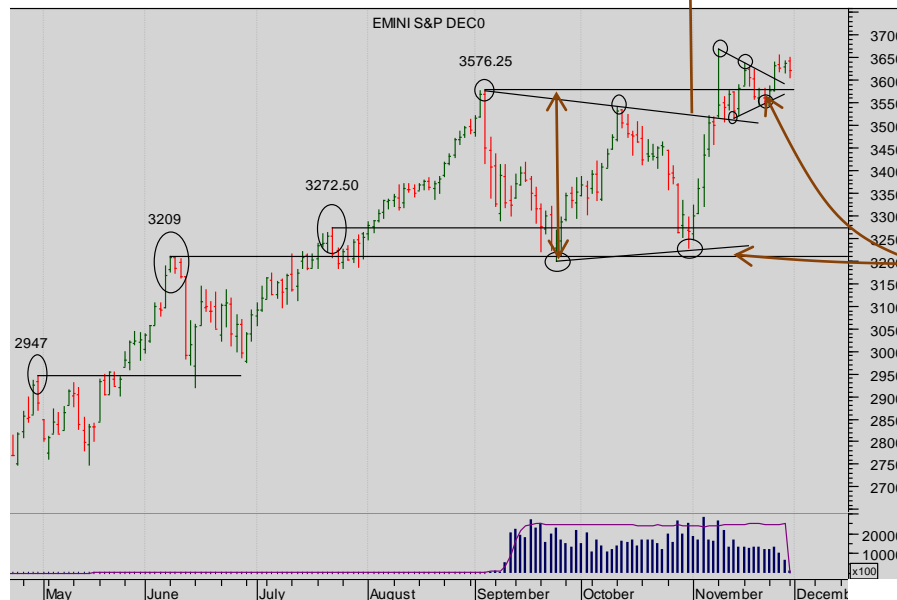


### CME S&P 500 cont. weekly cont. chart

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.

Two triangles have completed and are both driving the market higher.

More



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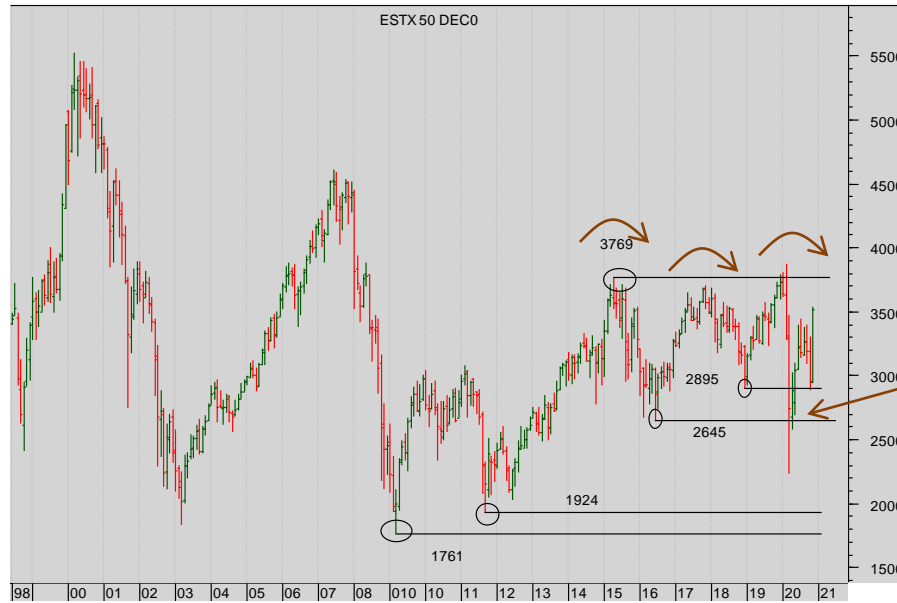
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## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

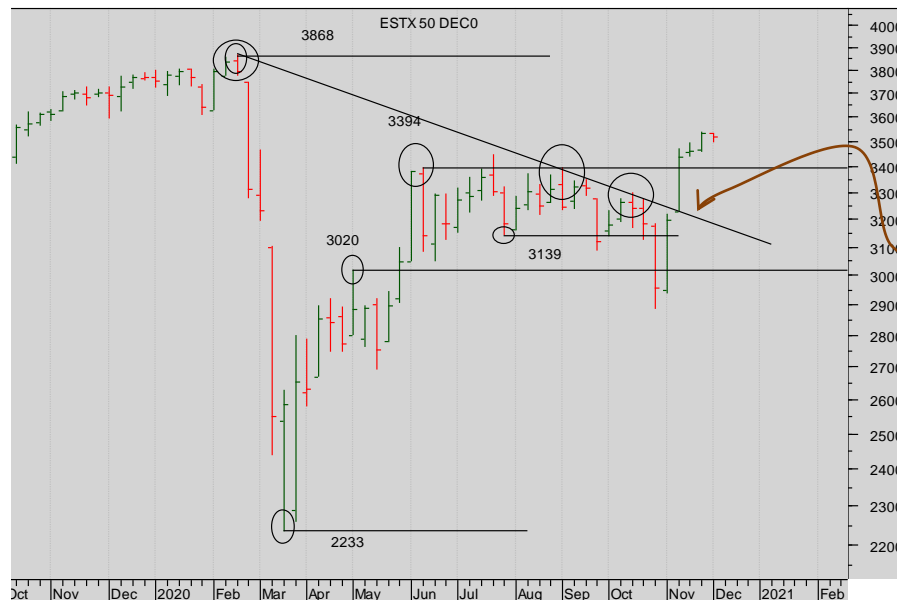
## Stocks: Eurex EuroStoxx 50



### 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

There is a breach of the well-established falling diagonal and a push above the Prior High 3394.

More



## Stocks: Eurex EuroStoxx 50

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### Commodities

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- + Gold

IMPLIED ASSET ALLOCATION



## Eurex EuroStoxx 50 daily Dec 19 futures chart

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

It looks strong.



## Stocks: Liffe FTSE 100

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### Stocks

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

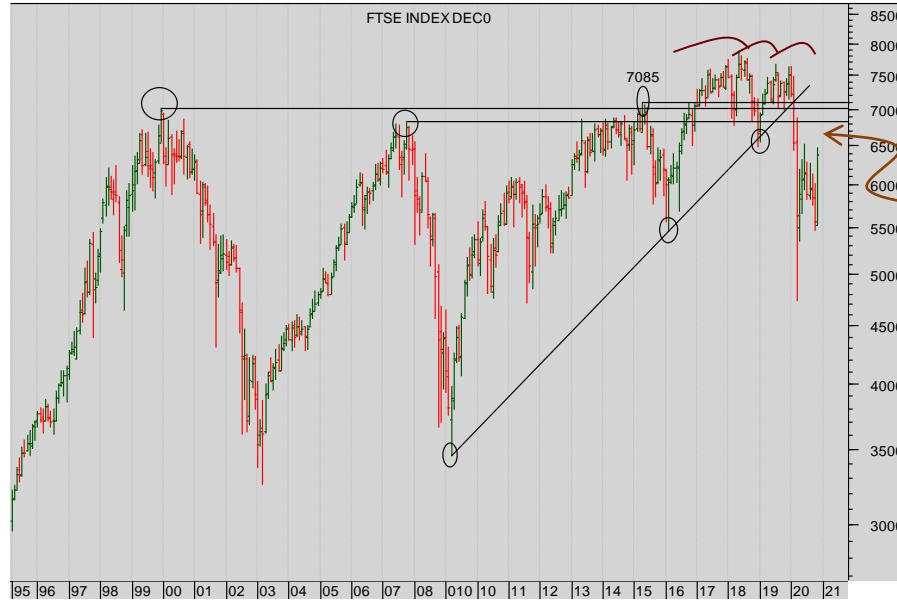
### Bonds

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

### Commodities

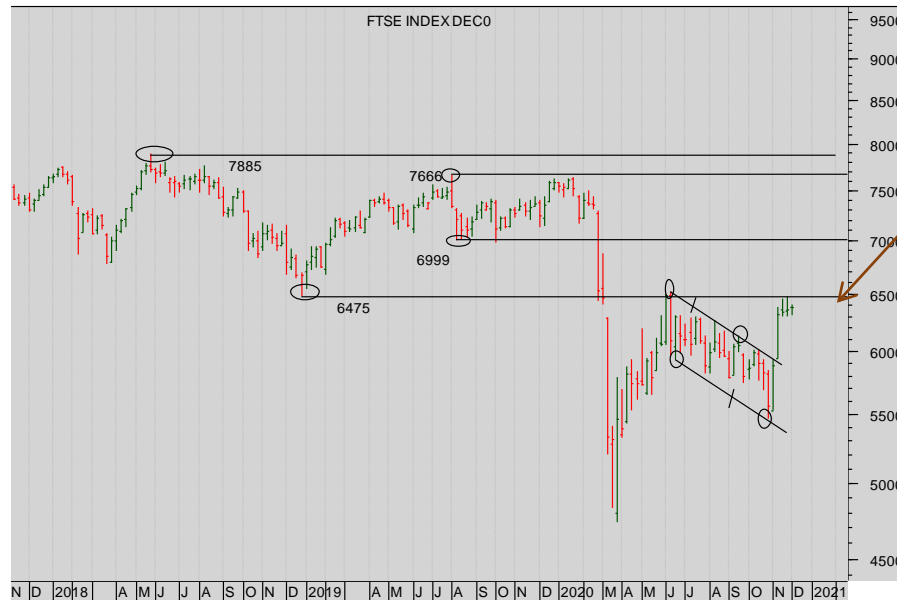
- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



**Liffe FTSE 100 Monthly continuation futures chart**

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 that has completed. But now there's resistance at the 6475 Prior Low.

More



## 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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### Commodities

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IMPLIED ASSET ALLOCATION





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- + Oil
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### IMPLIED ASSET ALLOCATION

## Stocks: OSE Nikkei 225

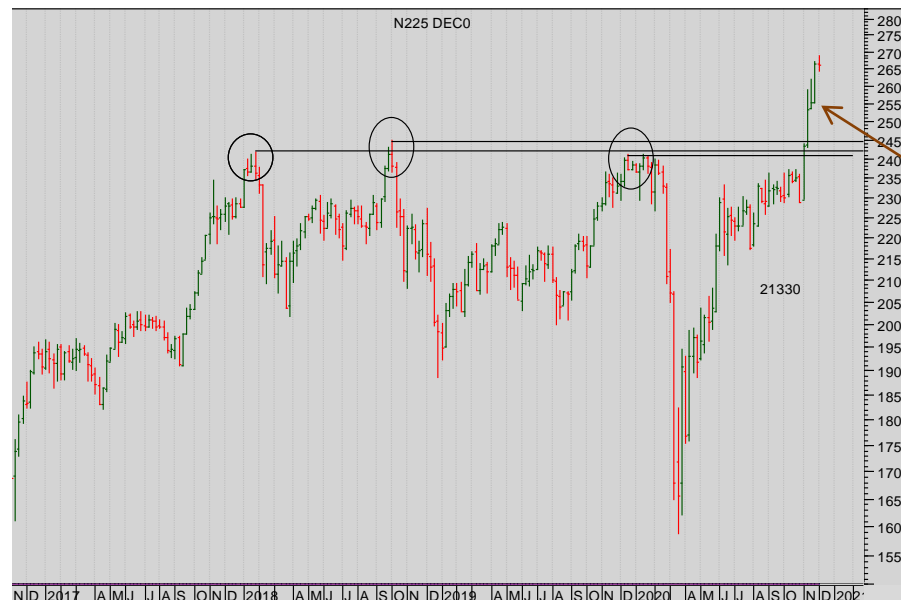


### Nikkei 225 chart (monthly)

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)

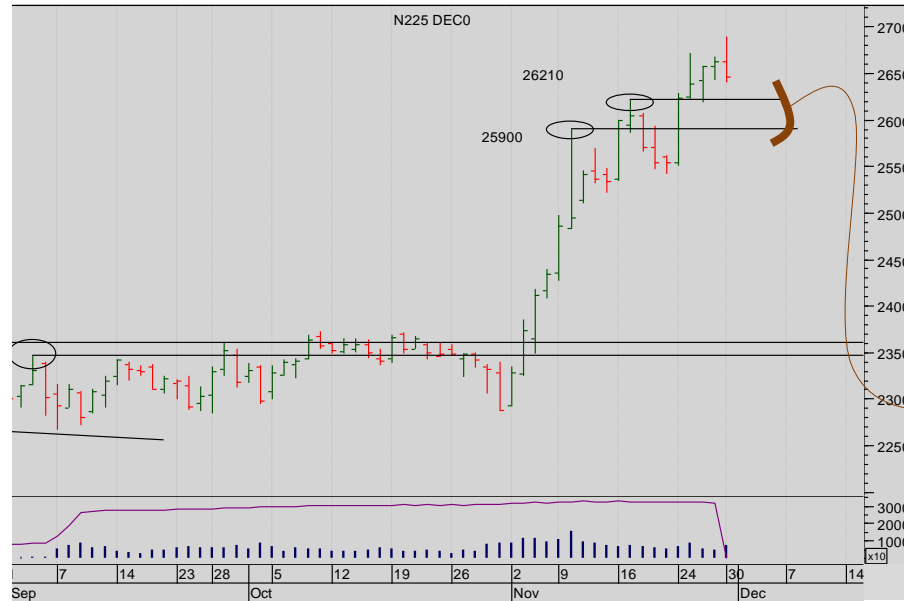
The market has surged through the longer-term highs at 24480.

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 the band of support at 2600.

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#### IMPLIED ASSET ALLOCATION



## Bonds

### BONDS:

There has been a pause in the relentless decline in yields for thirty years, but so far there are no long, medium or short-term reversal patterns in place yet – the nearest to completion is in the UK Gilt market.

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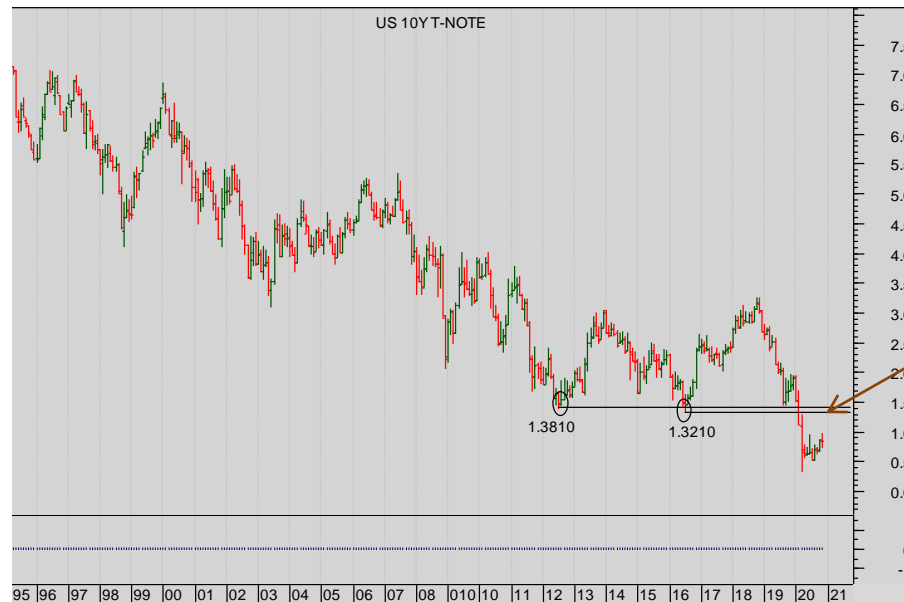
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IMPLIED ASSET ALLOCATION

### 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.

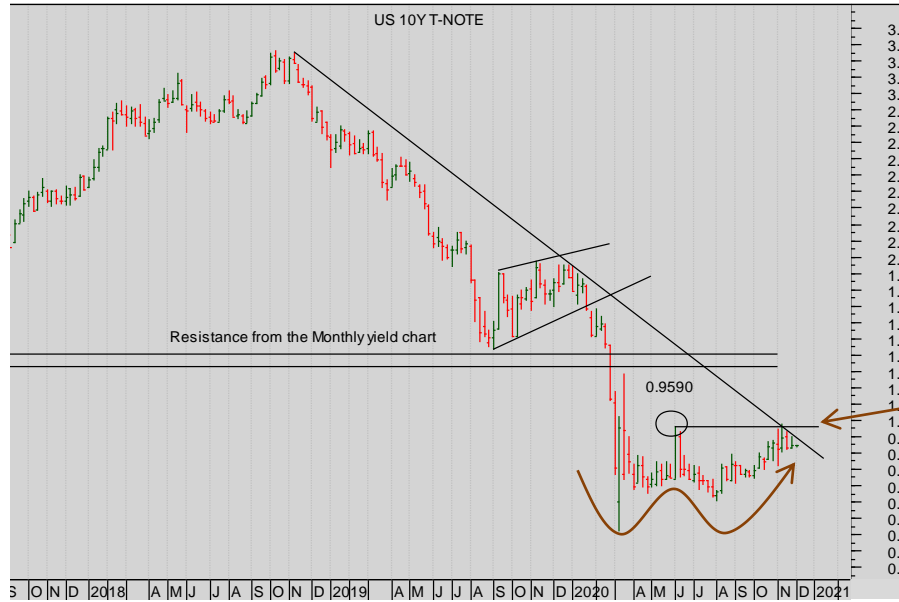
There is now powerful resistance above the market at 1.32.

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

More



## Bonds: US Ten Year Notes (Yield)



### 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 .

A break up through 0.9590 would complete both a Double Bottom and break the downtrend resistance from 2018...

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### US Ten Year Notes (Yield) daily chart

In detail, this is a confusing picture but watch and for clarity.

More



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### IMPLIED ASSET ALLOCATION

## Bonds: German Bund yield chart



### 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 horizontal resistance above the market at -0.2 dominates the chart.

Note too the well-established down trend resistance ...look closer.

More



## Bonds: German Bund yield chart



### Bund daily yield chart

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

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### IMPLIED ASSET ALLOCATION

## Bonds: UK Gilt yield chart



## Gilt monthly yield chart

The market long-term bear trend.

We are far from breaking the diagonal down trend resistance.

## Gilt weekly yield chart

1. The steep trendline resistance from 2018 has been smashed,
2. There is a small bottom formation that is close to completion – a Head and Shoulders Reversal possibly ...

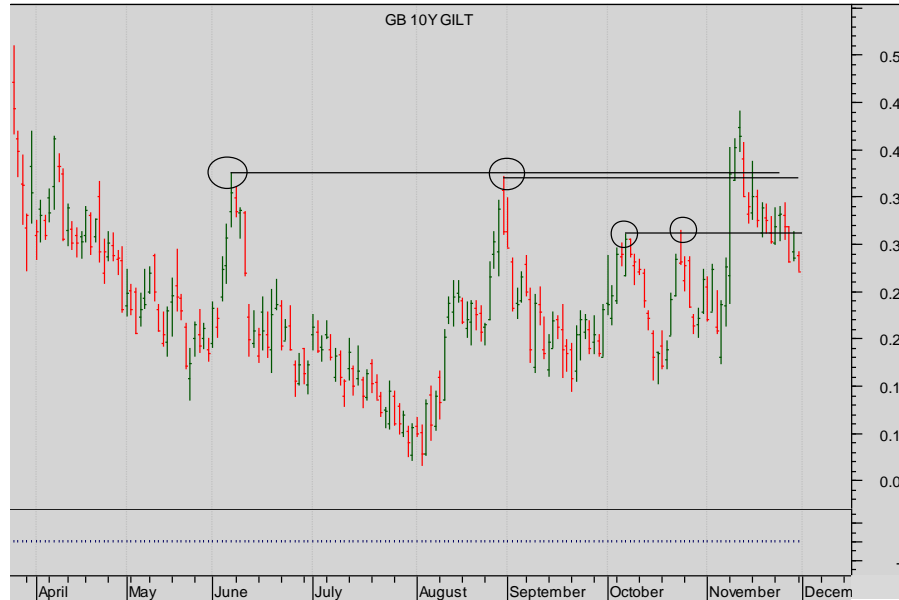
If the H&S pattern can complete then there will a test of the important resistance above the market at 0.5.

Not yet....

More



## Bonds: UK Gilt yield chart



### Gilt daily yield chart

But this is interesting: the market failed to complete the Possible H&S pattern then the market broke the support from the Prior Highs at 0.31...

Stand back for clarity.

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## Commodity

### COMMODITIES:

Oil is close to a major buy signal in the monthly chart – and the medium and short-term charts are not obstructive in any way. Watch the Gold, smashing support in the short-term and so with more short-term selling to come.

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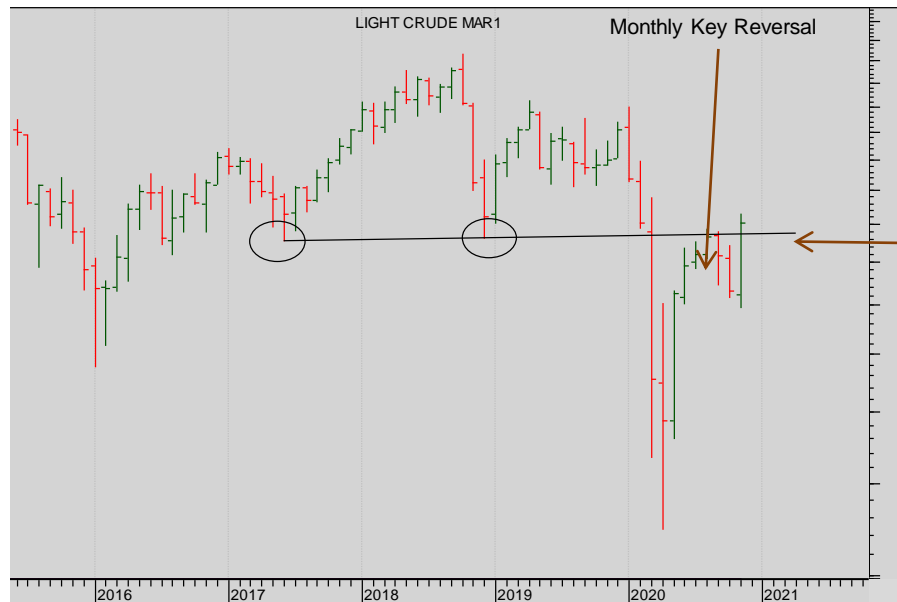
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#### Commodities

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IMPLIED ASSET ALLOCATION

### Commodities: Nymex WTI Oil



#### Nymex oil monthly continuation

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

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

One day to go before that Key Reversal can be confirmed!

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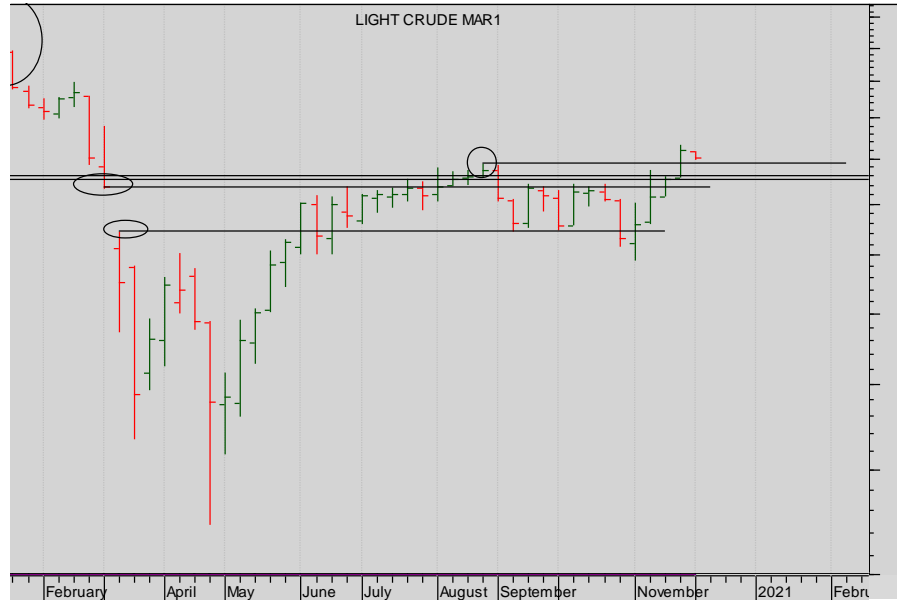
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IMPLIED ASSET ALLOCATION

## Commodities: Nymex WTI Oil



## Nymex oil weekly continuation

The market has driven up through the Gap, the Prior low, and the Prior High.

The market looks very bullish.

## Nymex oil daily Dec 2020 futures

The drift back through the Prior High (which should have been goo support) is disappointing short-term.



## Commodities: Comex Gold

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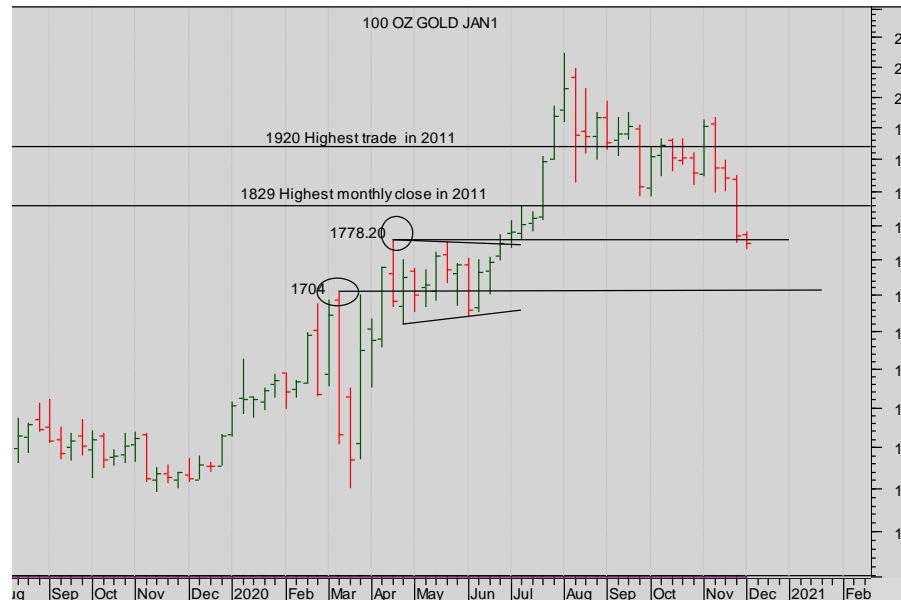
- + Oil
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### Nymex Gold Monthly

There's a growing likelihood that it is becoming a reversal pattern?



### Nymex Gold weekly

In the weekly chart the weekly supports at 1704 and 1778 are a band of support.



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IMPLIED ASSET ALLOCATION

## Commodities: Comex Gold



## Nymex Gold Dec 2020 Daily

The bears have a break down through 1850 and so are gaining confidence.

Short-term the bears remain in charge.



# Summary

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### 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

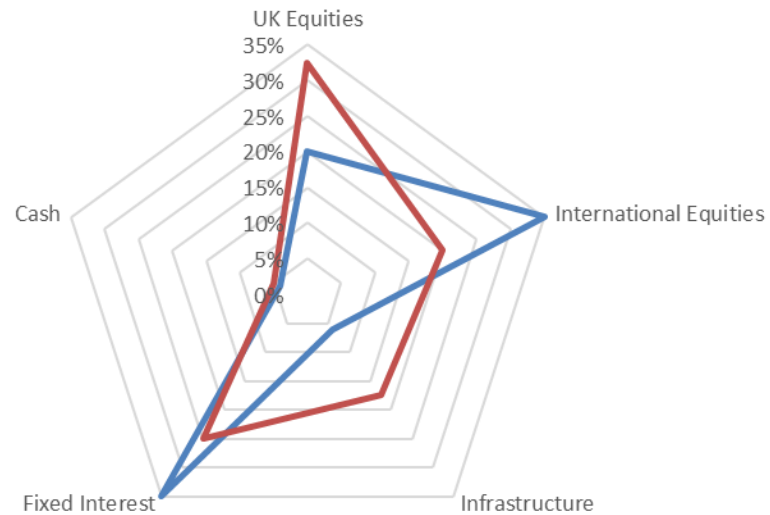
### Commodities

- + Oil
- + Gold

## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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### MSCI Balanced Risk Asset Allocation



More



*the technical analyst*

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