



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 8th 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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### Currencies

- + 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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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 FLAT

Medium-term **BULL**

Medium-term **BULL**

Short-term **BULL**

Short-term **BEAR**

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## Currencies: Dollar Euro

### CURRENCIES:

The Dollar's weakness is clear. The euro is the clearest beneficiary. Sterling is stymied by overhead resistance. The Yen is slowly gaining strength, but remains volatile. The sudden weakening of Sterling against the Euro is only a very short-term signal, easily reversed.

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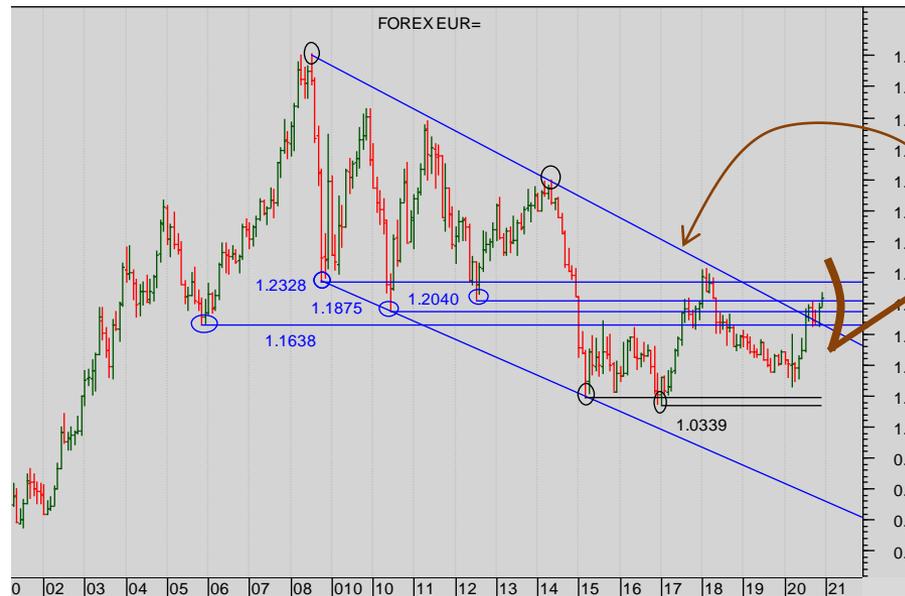
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### Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15  
But The deep penetration of recent months + the break of the 2007 downtrend suggests a weakening Dollar is likely to continue ...

More



# Currencies: Dollar Euro

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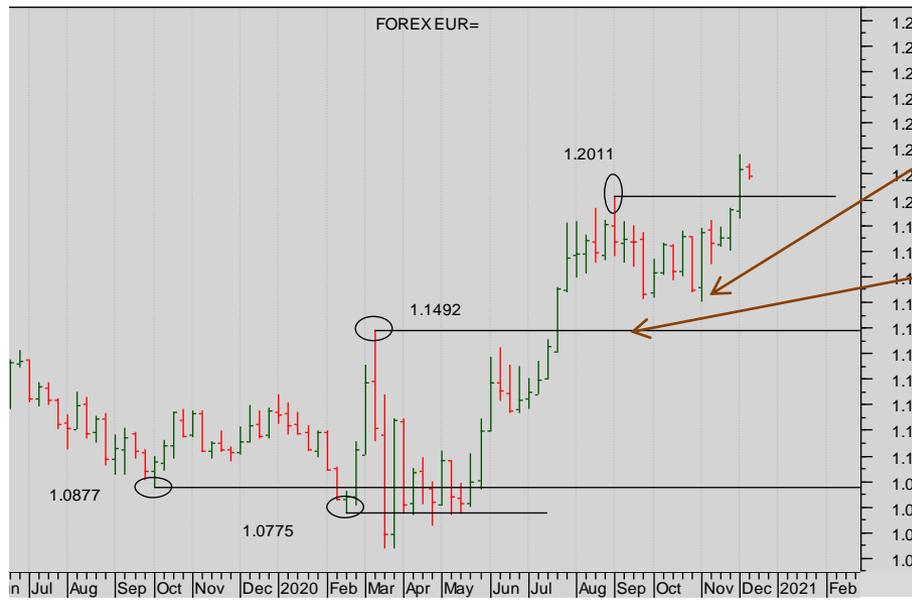
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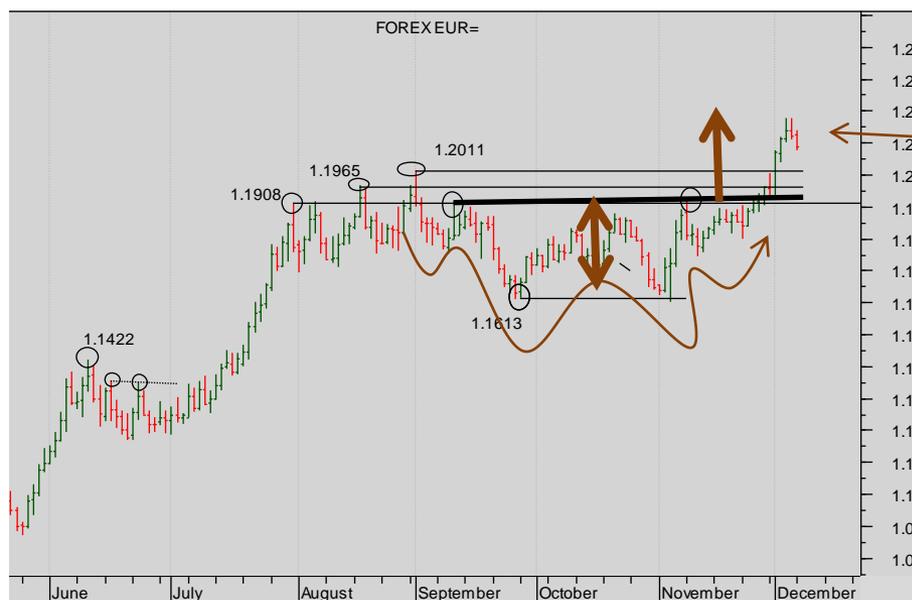


Dollar Euro weekly spot cash chart

Note the bullish weekly Key Reversal here.

The sudden weakness of the Dollar has pushed the market back up through 1.1492.

The trend from March is clear and solidly constructed.



Dollar Euro spot cash chart daily chart...

The completed Continuation Double Bottom/ H&S reversal has a minimum target of 1.2250.



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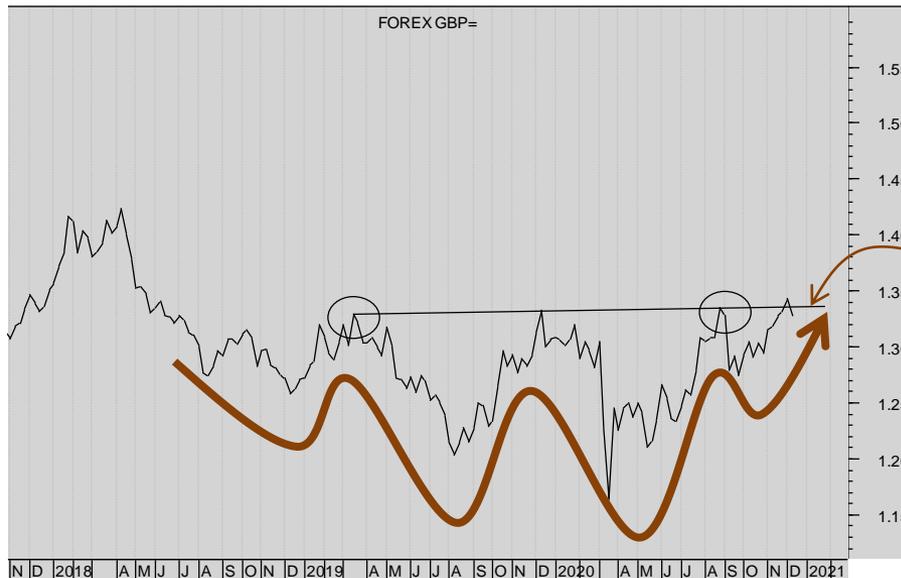
### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling



### Dollar Sterling Monthly spot cash chart

All the Prior Pivotal lows of 1993, 2001, 2008 and 2016 formed a Multiple Top - but the sideways price action beneath 1.35 is now pressing against the diagonal downtrend resistance .... Yet still below powerful resistance from the horizontals...



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

Note this bottom formation – Double Headed H&S pattern very close to completing....

Watch for a push above 1.35 to achieve that.

More



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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....  
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 paused at the Prior High ...



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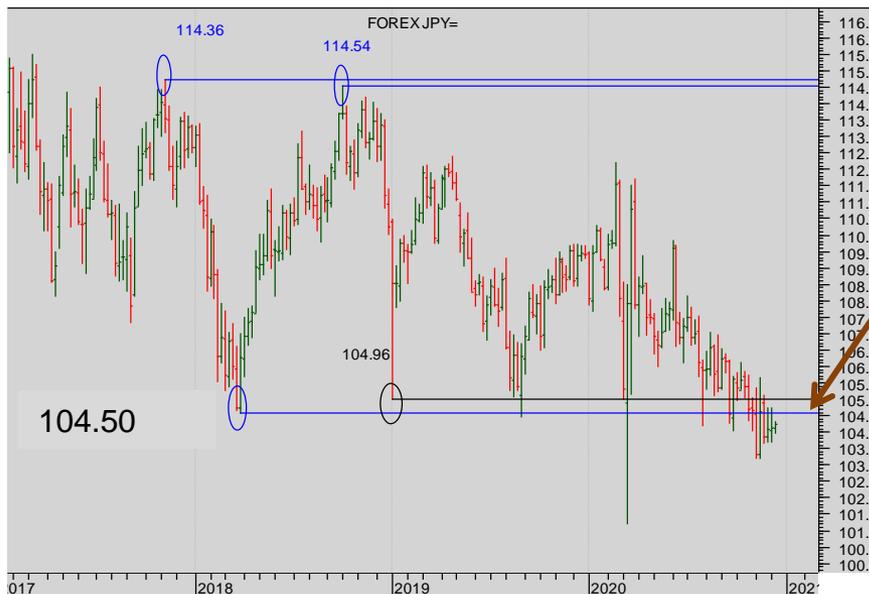
## IMPLIED ASSET ALLOCATION

## 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.

And resistance above the market now sits at 104.50-105

More



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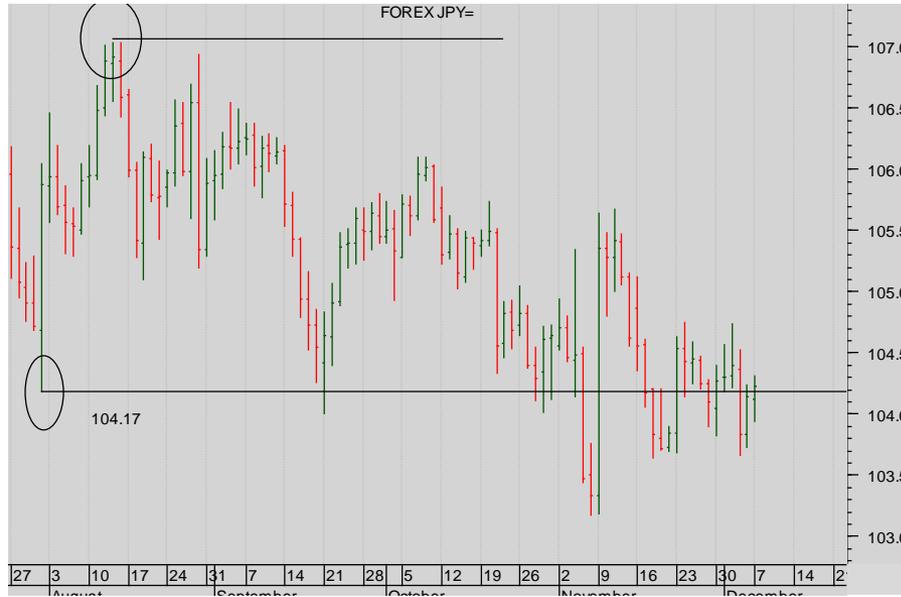
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### Commodities

- + Oil
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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.



## Currencies: Sterling Euro

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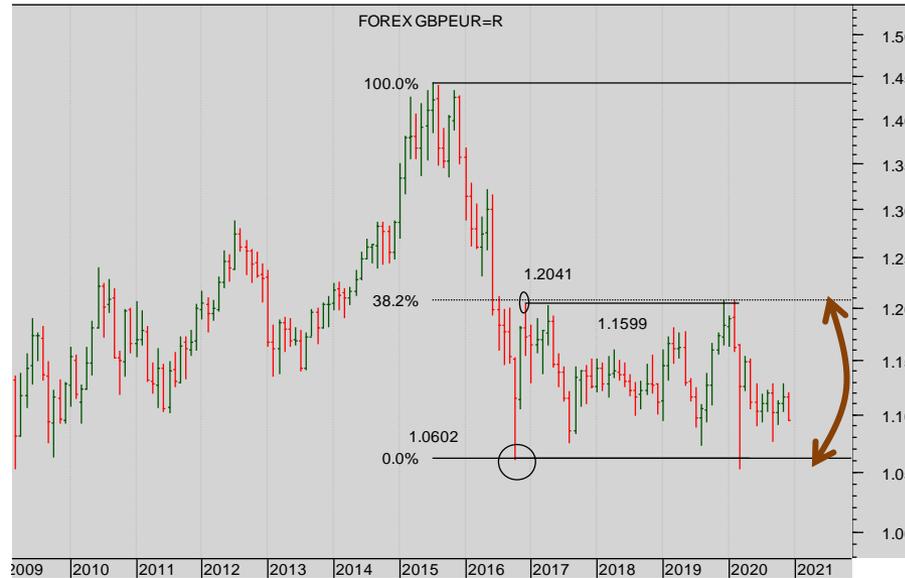
### Bonds

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### Commodities

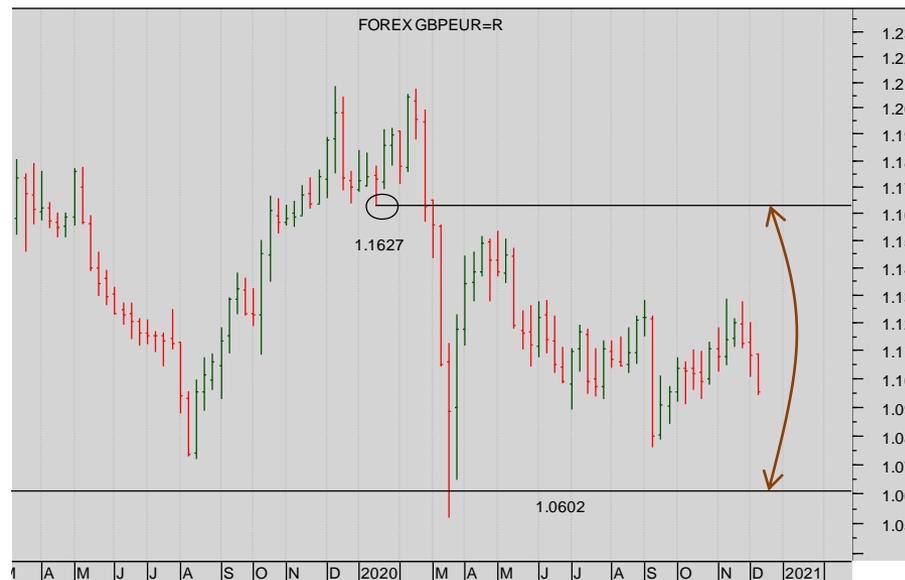
- + Oil
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### Sterling Euro monthly spot cash chart

The market remains in the broad trading range.



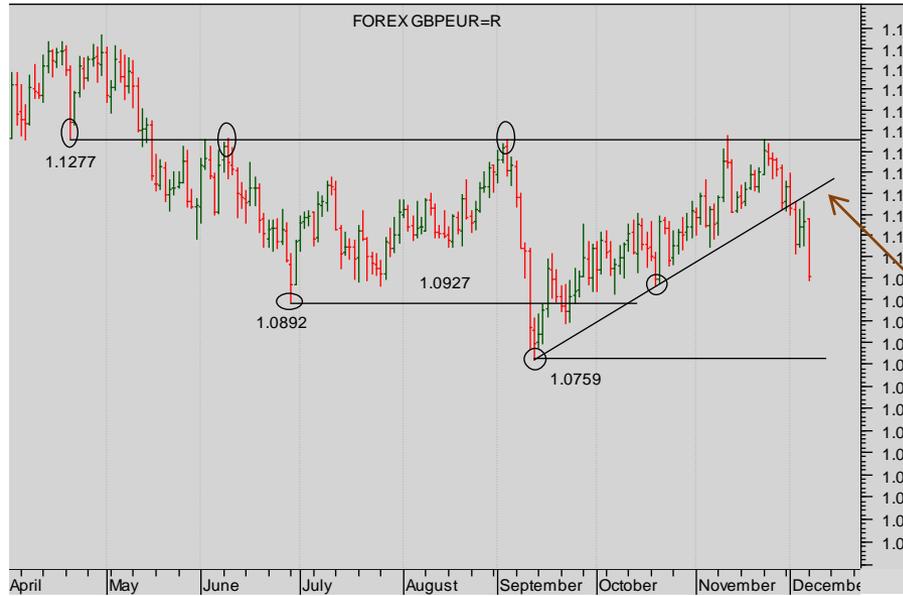
### Sterling Euro weekly spot cash chart

Inside the range: there is no clarity.

More



## Currencies: Sterling Euro



### Sterling Euro daily spot cash chart

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

Note too the steep diagonal trendline support smashed ...

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## Stocks: CME S&P

### STOCKS:

The bullish move across the board in all markets have varying significance: the US and Japan look to be beginning exciting new bull legs with very solid underpinnings. FTSE is struggling with overhead resistance. The EuroStoxx has yet to break out of important medium and long-term ranges – despite the short-term moves.

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

The market has driven above the Old high of 3397 – **and closed on the month above that level.**

**The next bull leg is beginning.**

**Powerful support now established at 3397.50**

More



## Stocks: CME S&P 500

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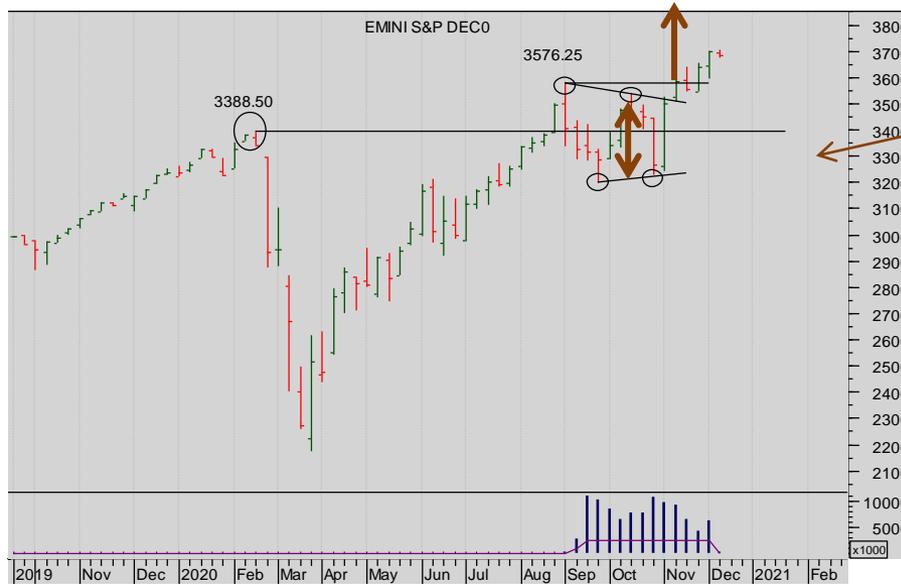
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### IMPLIED ASSET ALLOCATION

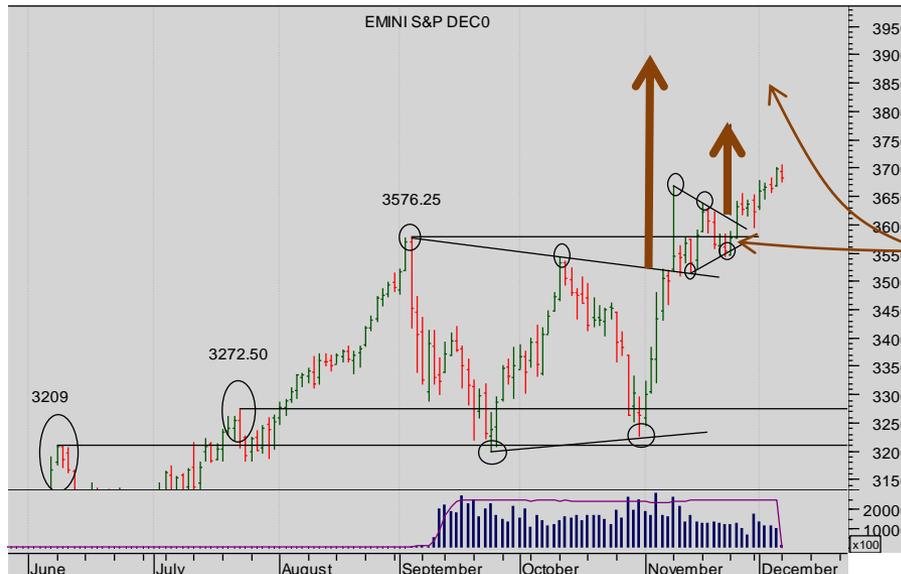


### CME S&P 500 cont. weekly cont. chart

The catalyst for the break was 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



## Stocks: Eurex EuroStoxx 50

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### Bonds

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### Commodities

- + Oil
- + Gold

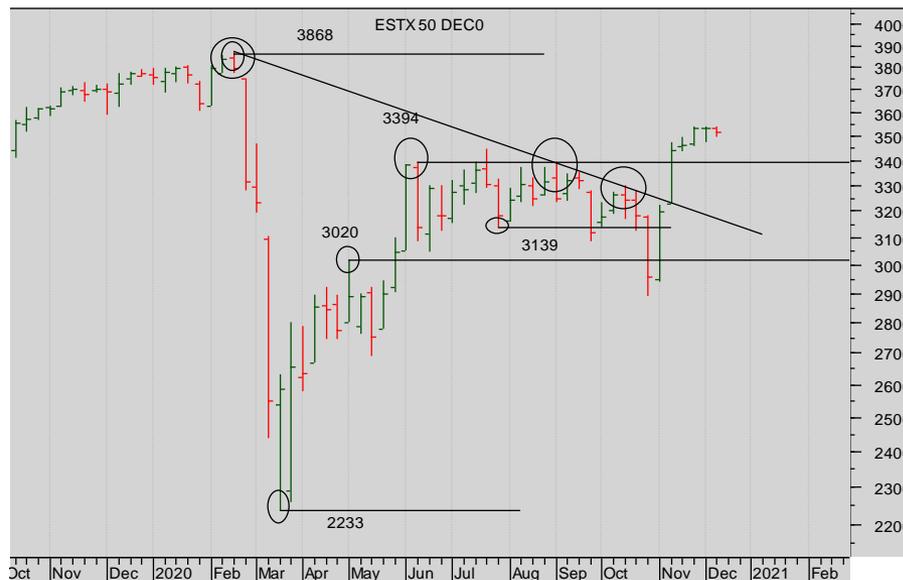
### IMPLIED ASSET ALLOCATION



### Eurex EuroStoxx 50 monthly continuation futures chart

1. The triple failure of the market at 3700 forced the sell off.
2. The Monthly Key Reversal of the market was the immediate catalyst
3. Yet there was no confirmed clear monthly close beneath the Prior Low range of 2645-2895

So back within a trading range.



### Eurex EuroStoxx 50 weekly continuation futures chart

This suggests there is more to come on the upside because:

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

More



## Stocks: Eurex EuroStoxx 50

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### Bonds

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### Commodities

- + Oil
- + 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

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- + **FTSE 100**
- + Nikkei 225

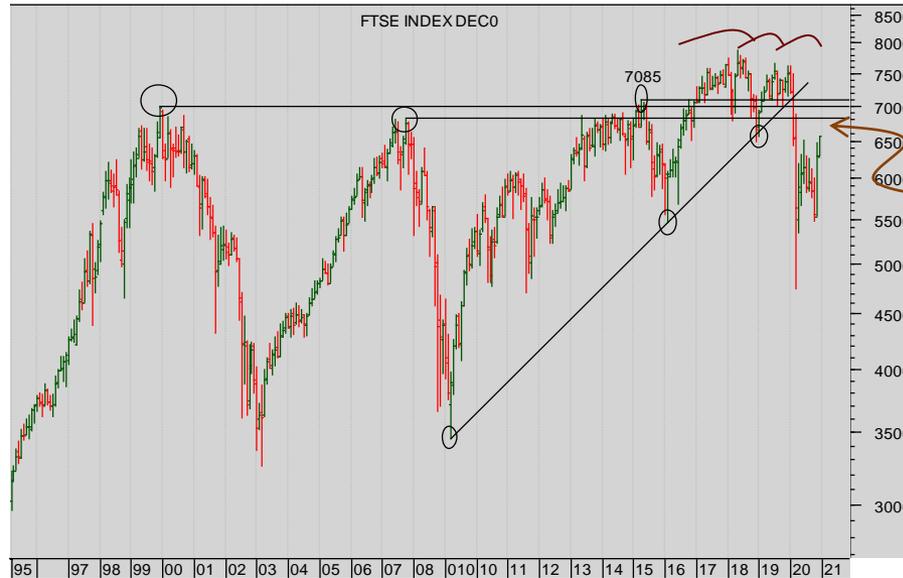
### Bonds

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- + Ten Year German Bund
- + UK Gilt

### Commodities

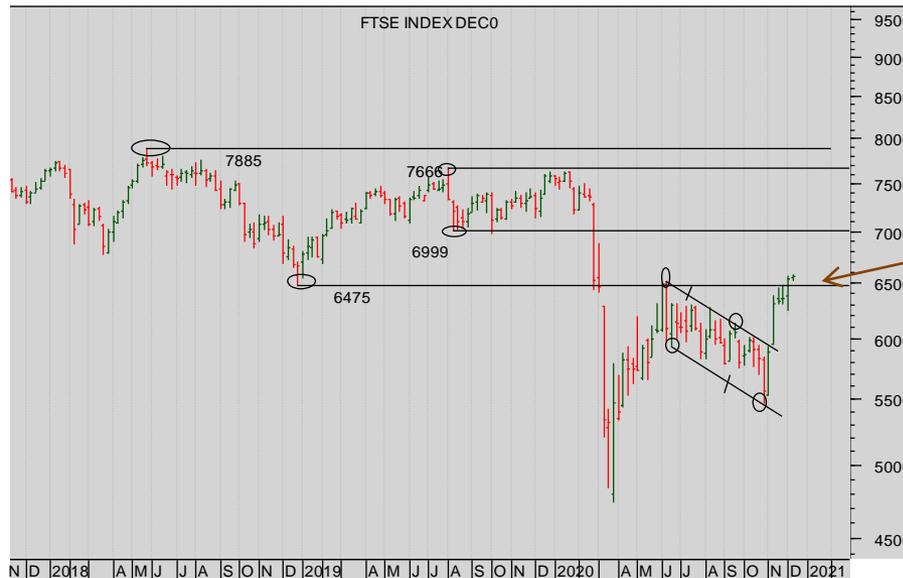
- + Oil
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### IMPLIED ASSET ALLOCATION



**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**

A bull flag that completed.

But now resistance begins at the 6475 Prior Low.

More



## Stocks: Liffe FTSE 100

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### Bonds

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- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



### Liffe FTSE 100 Dec 20 daily futures chart

The Flag looks set to drive the market higher, now we have a clear break above the Prior High (in June) and more recent Prior Highs too!



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## IMPLIED ASSET ALLOCATION

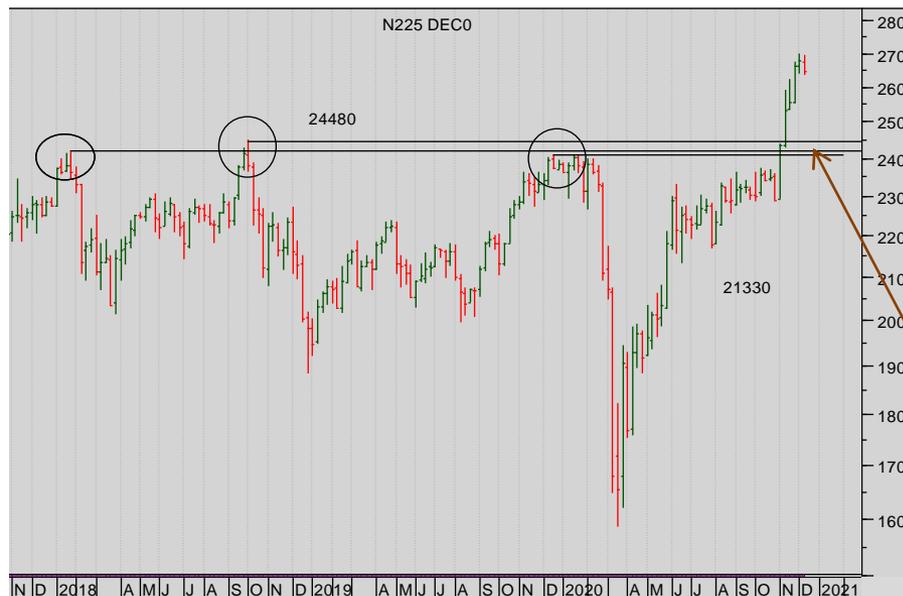
## Stocks: OSE Nikkei 225



### Nikkei 225 chart (monthly)

The close above here **on the month** would be very bullish.

It completes a complex but identifiable Double Headed Head and Shoulders Reversal - a very large one - **with a minimum move up to 8000 or so.**



### 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.**

**Support on any pull-back lies beneath t 24500**

More



## Stocks: OSE Nikkei 225

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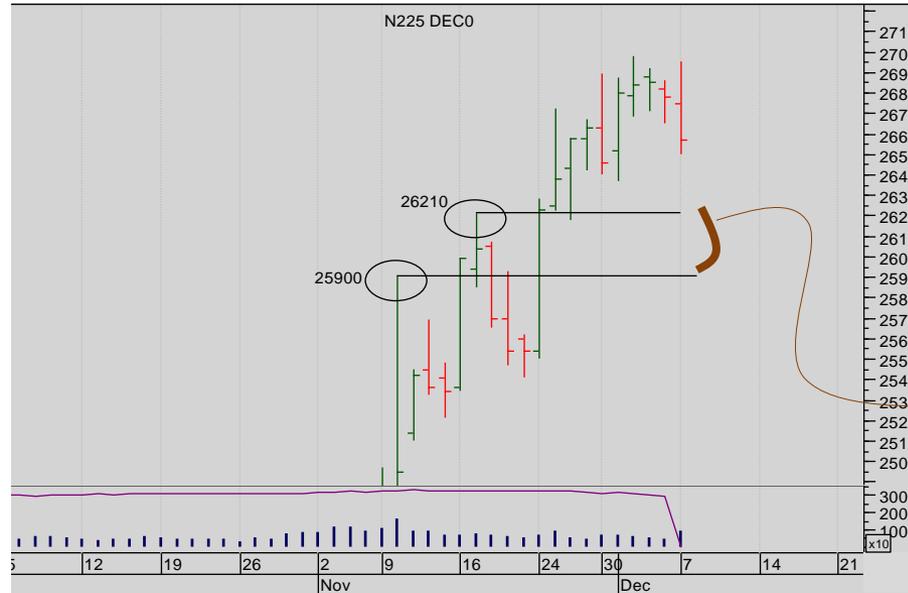
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### Commodities

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IMPLIED ASSET ALLOCATION



**Nikkei 225 chart Daily  
Dec 2020.**

Watch the price action  
around the first short-term  
support band of support  
at 2600.



## Bonds

### BONDS:

Chart-wise the Sterling bond market is closest to a turn towards higher yields. Watch the emerging reversal pattern there closely. Other markets have paused their falling yields trends – without clarity yet.

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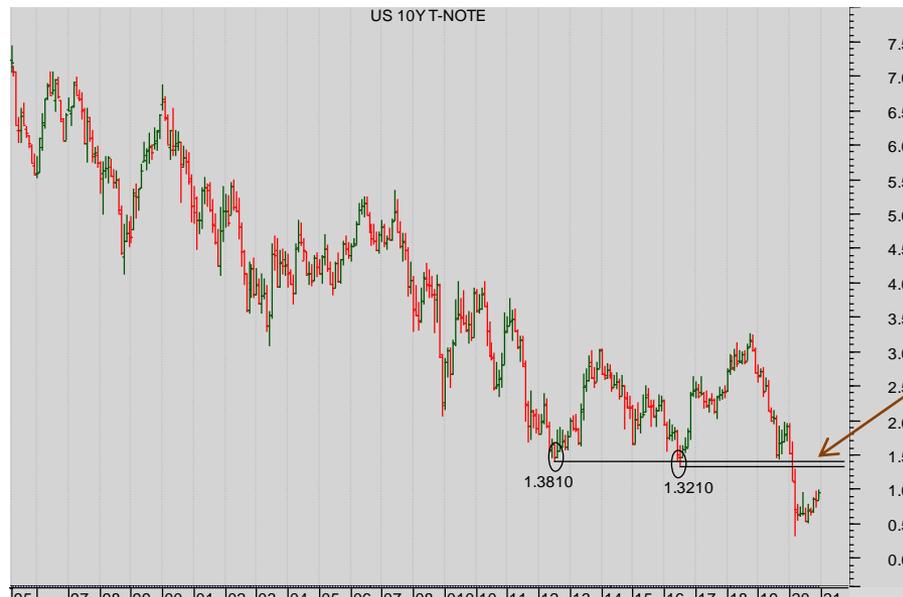
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IMPLIED ASSET ALLOCATION

### 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



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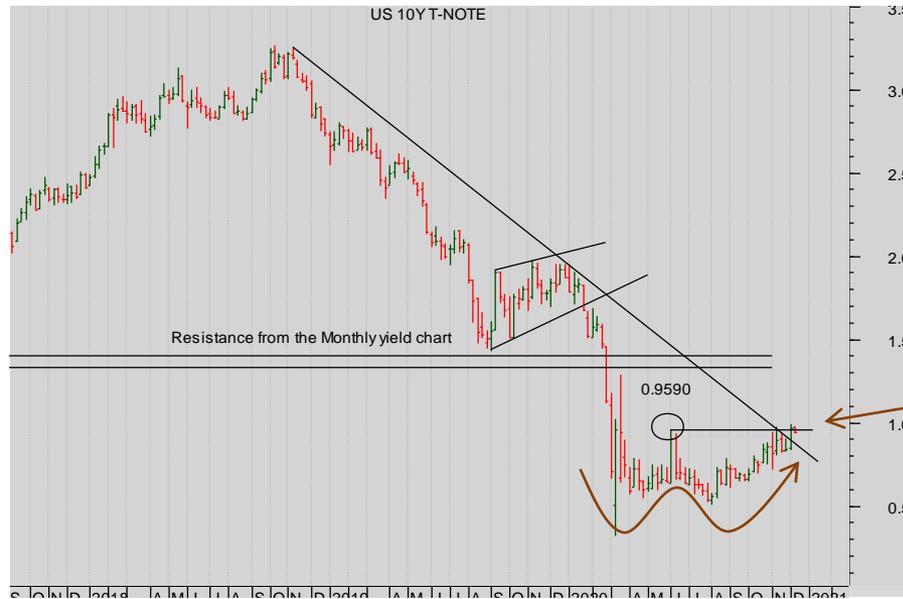
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### IMPLIED ASSET ALLOCATION

## Bonds: US Ten Year Notes (Yield)

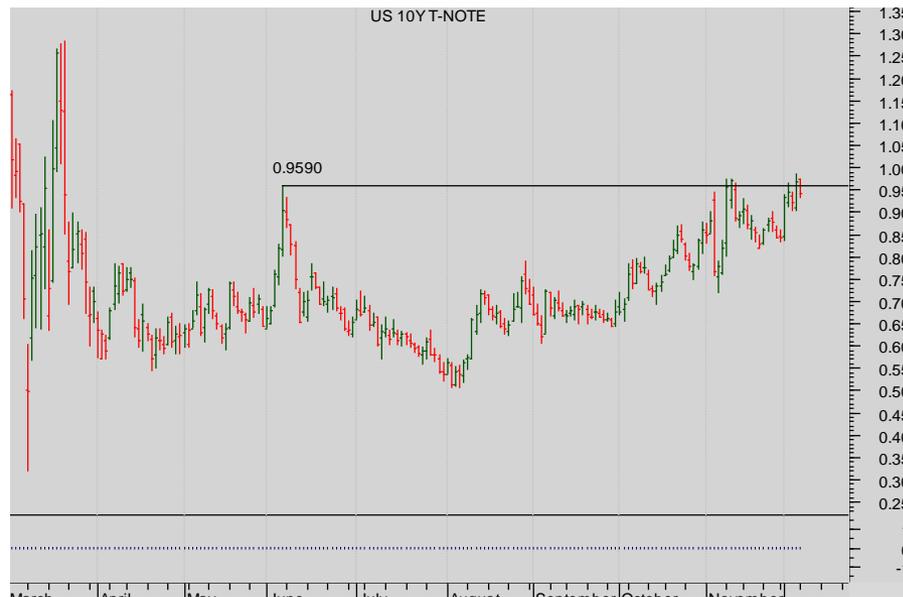


### US Ten Year Notes (Yield) weekly chart

The accelerating bear trend ( falling rates) 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...

**Watch and wait.**



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

In detail, the important of the Prior Highs is clear. Wait for a break above before buying.

More



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## IMPLIED ASSET ALLOCATION

## Bonds: German Bund yield chart



## Bund monthly yield chart

The long-term bear trend from 1980 and the nearer term bear trend from 2008.

Note how close we are to the shorter steeper trend from 2008.



## Bund weekly yield chart

Here is another bear trend established at successive points.

The horizontal resistance above the market at -0.2 dominates the chart as well.

...look closer.

More



# Bonds: German Bund yield chart



**Bund daily yield chart**

Is this a continuation bear wedge?  
Wait for a clear 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 downtrend resistance.

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#### IMPLIED ASSET ALLOCATION



### Gilt weekly yield chart

1. The steeper 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

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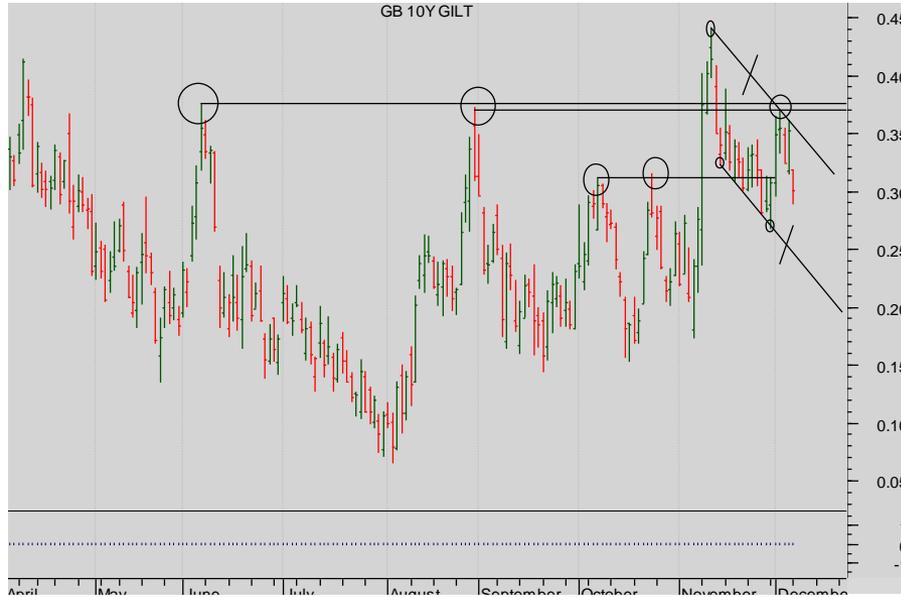
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### IMPLIED ASSET ALLOCATION



### Gilt daily yield chart

But this is interesting: the market failed to complete the Possible H&S pattern

But in so doing a bull flag **may** have been completed.

Stand back and await clarity.



## Commodity

### COMMODITIES:

Oil's bullish monthly reversal signal dominates that market. Gold is caught between support and resistance.

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### Commodities: Nymex WTI Oil



#### Nymex oil monthly continuation

On the bounce, there is powerful resistance at Prior low at \$44.50-47.50.

Note the completion of a monthly Key Reversal that surely would send the market up through the resistance.

More



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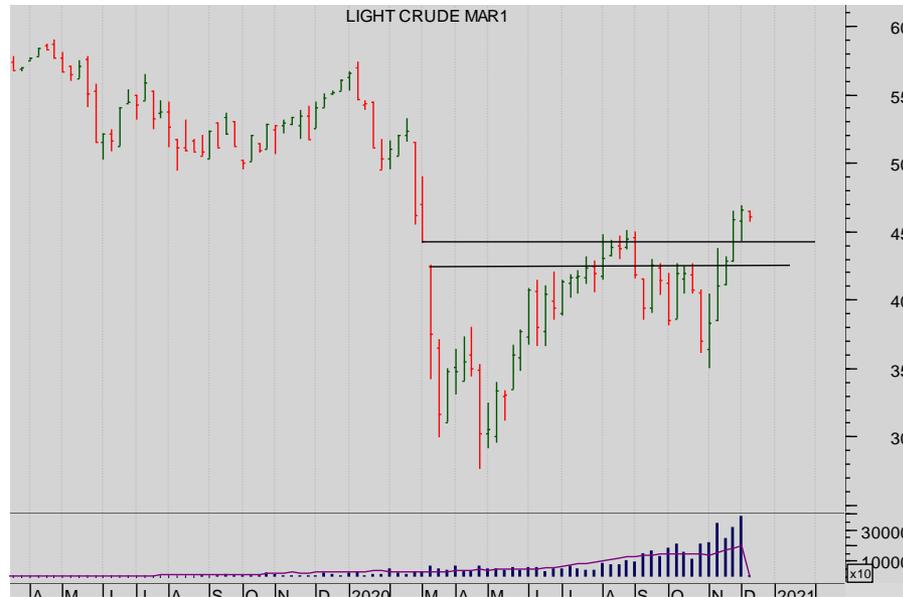
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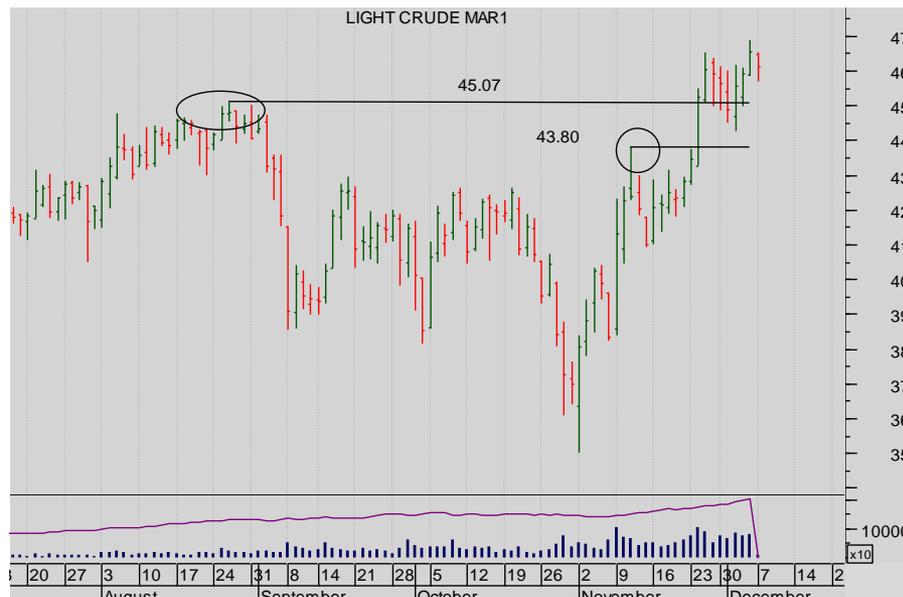
## Commodities: Nymex WTI Oil



### 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 Prior Highs 45.07 – 43.80 are a band of good support and **powerfully endorsing the bull trend.**



## Commodities: Comex Gold

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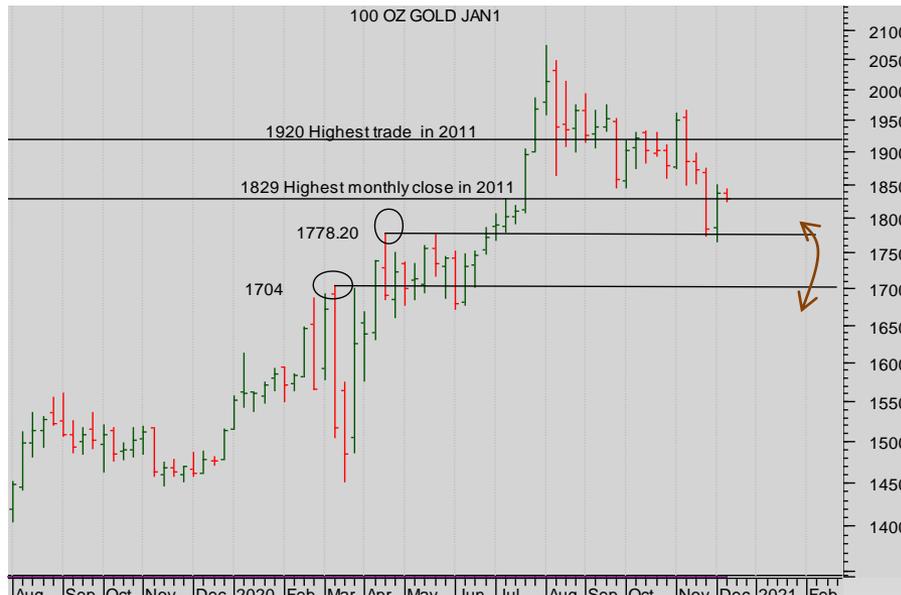
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IMPLIED ASSET ALLOCATION



### Nymex Gold Monthly

Will the pause at the Prior High resolves itself into a reversal pattern or a continuation pattern?

### Nymex Gold weekly

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



## Commodities: Comex Gold

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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

IMPLIED ASSET ALLOCATION



### Nymex Gold Dec 2020 Daily

The band of support from Piror Highs has held.

But short-term resistance lies above the market at the Prior lows.

How will the market resolve this?

Stand back.



# Summary

## 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
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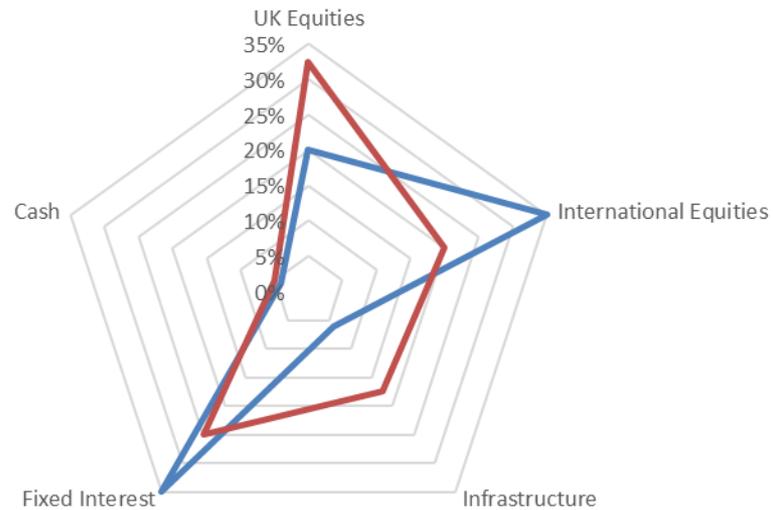
### Commodities

- + 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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