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 12th January 2021

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 **BULL** Euro	Medium-term **BULL** Euro	Short-term **BULL** Euro
+ Dollar Sterling	Long-term **BULL** Sterling	Medium-term **BULL** Sterling	Short-term **BULL** Sterling
+ Dollar Yen	Long-term FLAT Yen	Medium-term **BULL** Yen	Short-term **BULL** Yen
+ Sterling Euro	Long-term FLAT Euro	Medium-term FLAT Euro	Short-term FLAT Euro
Stocks			
+ S&P 500	Long-term **BULL**	Medium-term **BULL**	Short-term **BULL**
+ EuroStoxx 50	Long-term FLAT	Medium-term **BULL**	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 **BULL**	Medium-term **BULL**	Short-term **BULL**
+ 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 FLAT
Commodities			
+ Oil	Long-term **BULL**	Medium-term **BULL**	Short-term FLAT
+ Gold	Long-term **BEAR**	Medium-term **BEAR**	Short-term **BEAR**

IMPLIED ASSET ALLOCATION

More

CURRENCIES:

The Dollar strengthened over the last week. But the wider picture remains one of Dollar weakness. Key indicators remain the Dollar Sterling rate and the price action around the bear dollar patten there and the Dollar Yen – can recent weakening of the Yen is now up against important resistance.

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Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 have been deeply penetrated. The market has nearly broken free of them….

The break of the 2007 downtrend began the weak Dollar trend …

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SEVEN DAYS AHEAD

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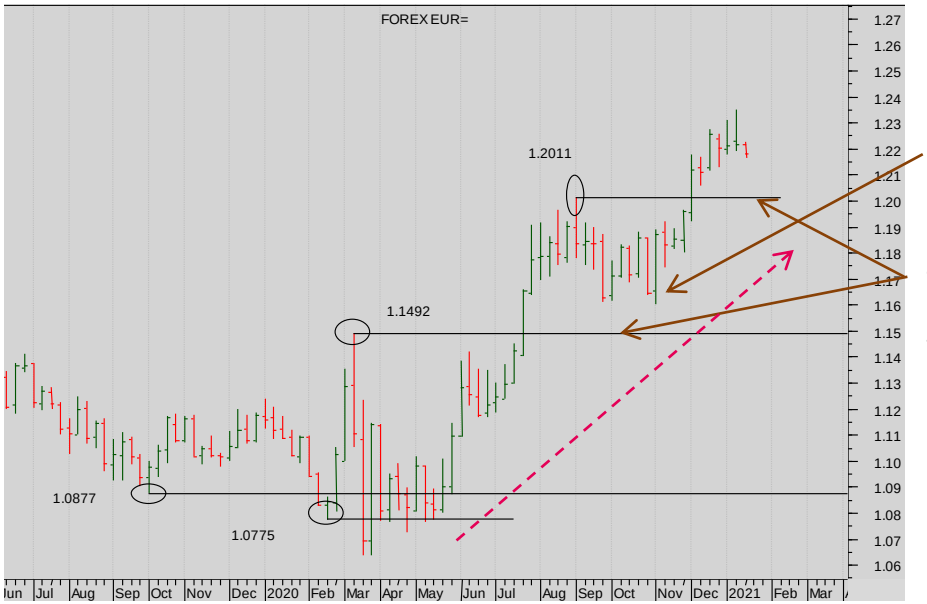
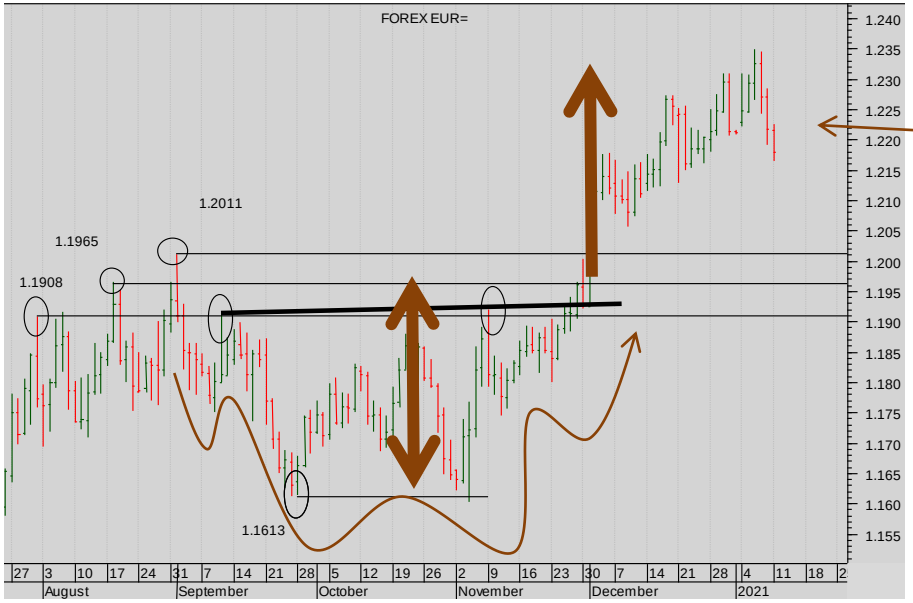
Currencies: Dollar Euro



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 Prior Highs 1.1492.and 1.2011 showing that 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 which has been reached….

So there may be a short-term pause before the trend continues.

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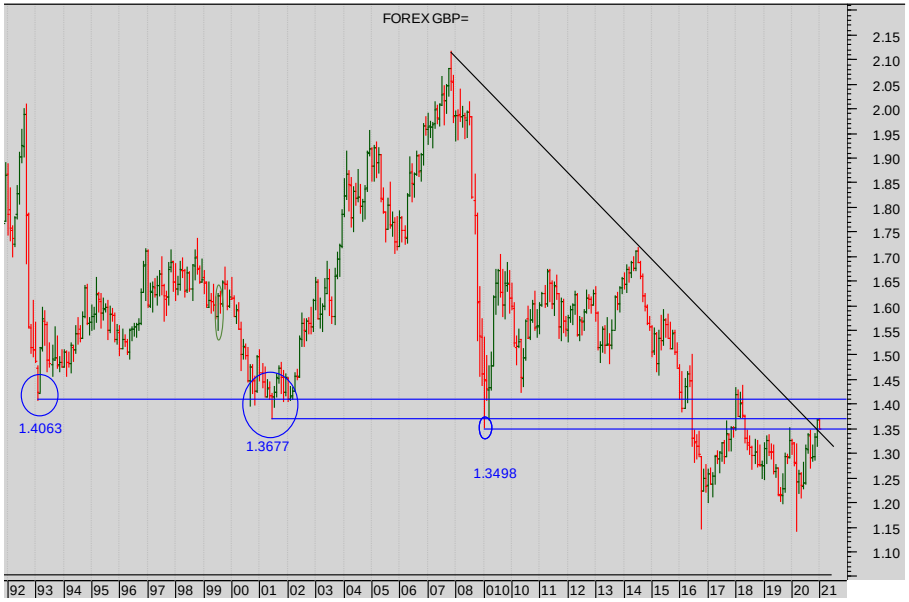
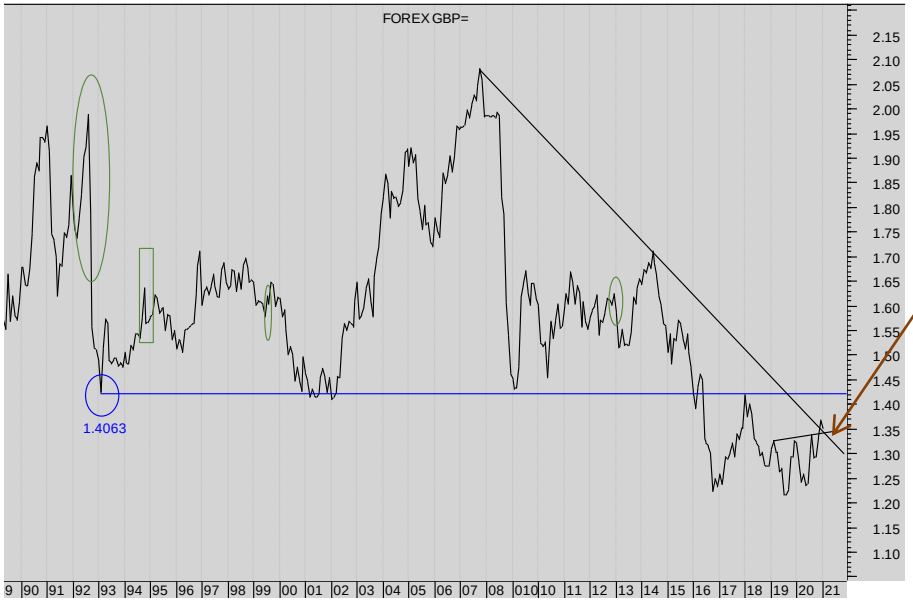
Currencies: Dollar Sterling



Dollar Sterling Monthly spot cash chart

All the Prior Pivotal lows of 1993, 2001, 2008 and 2016 have formed a bearish long term Multiple Top - but the sideways price action beneath 1.35 is now testing the diagonal downtrend resistance …. Indeed has broken it.

But the horizontal resistance remain largely intact above the market.



Dollar Sterling Monthly spot cash LINE CHART based on closes

Note the simultaneous breaking of the Neckline of the H&S reversal pattern and the downtrend resistance…

That is bullish

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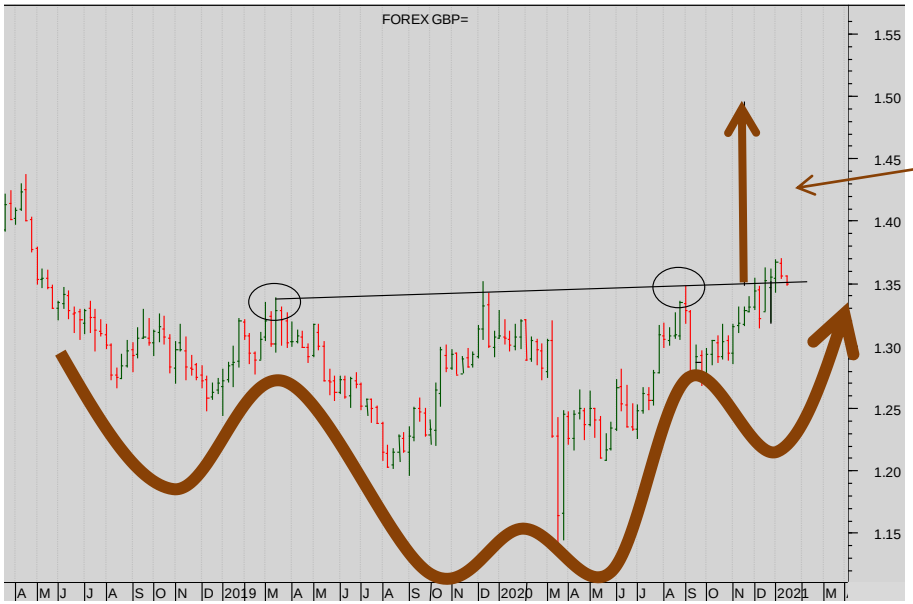
Currencies: Dollar Sterling

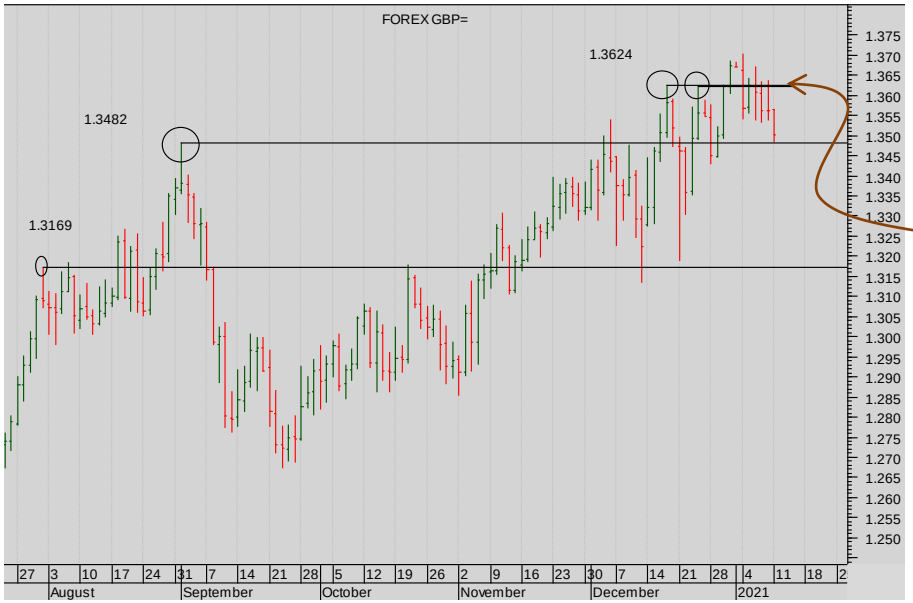


Dollar Sterling weekly spot cash chart

This has completed.

Note the push up through 1.3498 has completed a complex H&S reversal…..

Minimum move? About 1.50



Dollar Sterling daily spot cash chart

The bull trend looks well-constructed, despite the short-term dither, the break up through the Prior High of 1.3624 would drive the market on further.

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Currencies: Dollar Yen

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IMPLIED ASSET ALLOCATION

Dollar Yen monthly spot cash chart

It's not clear.

Dollar Yen weekly spot cash chart

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

And resistance above the market now sits at 104.50-105

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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. The resistance above the market at 104.17 should hold if the Yen bulls are to remain in charge.

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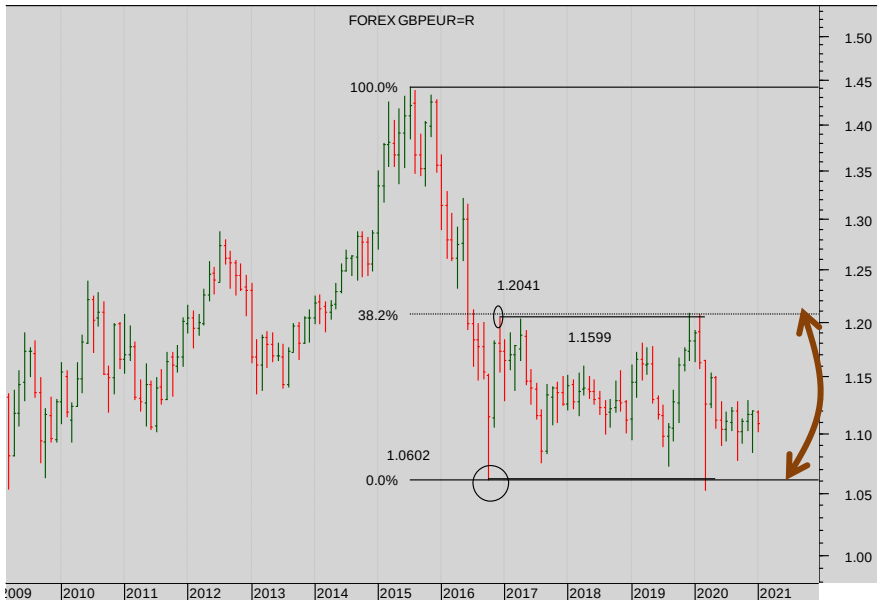
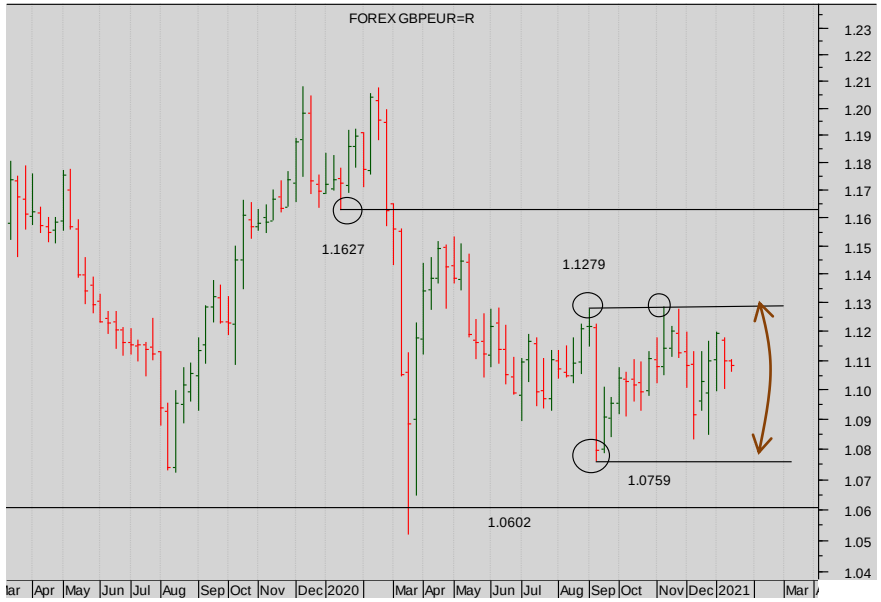
Currencies: Sterling Euro



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.

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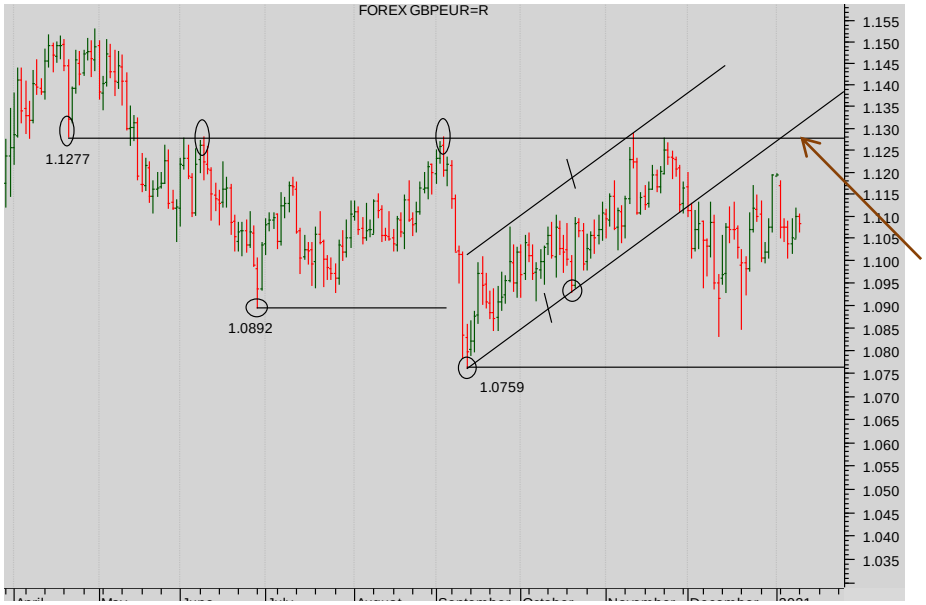
Currencies: Sterling Euro



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.

Stand back for clarity.

STOCKS:

Stock led by the S&P and the Nikkei look very good and bullish still in all time frames. The FTSE and the EuroStoxx have surged in the short-term too but lack convincing longer-term charts still.

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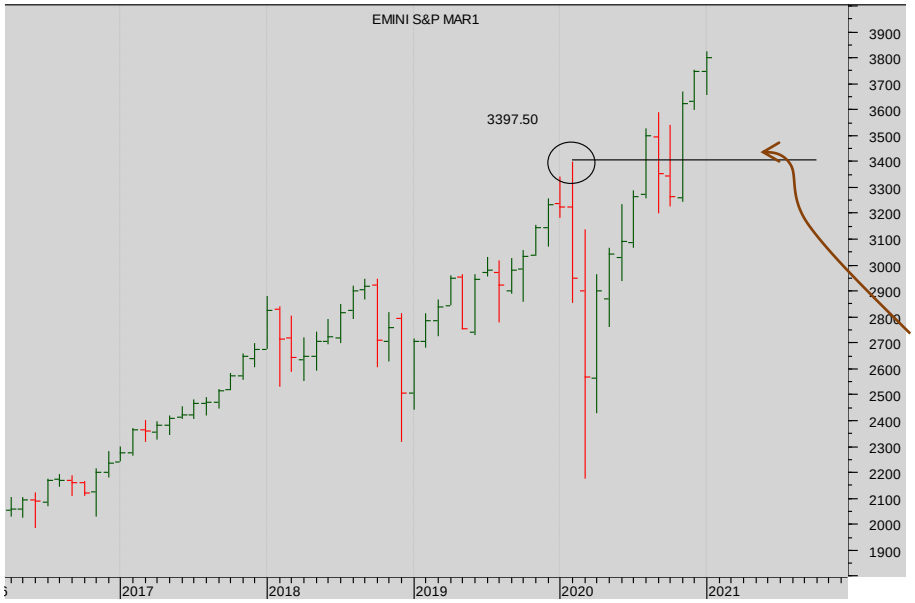

CME S&P 500 monthly cont. futures chart

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

The next bull leg is beginning.

Powerful support now established at 3397.50

More

SEVEN DAYS AHEAD

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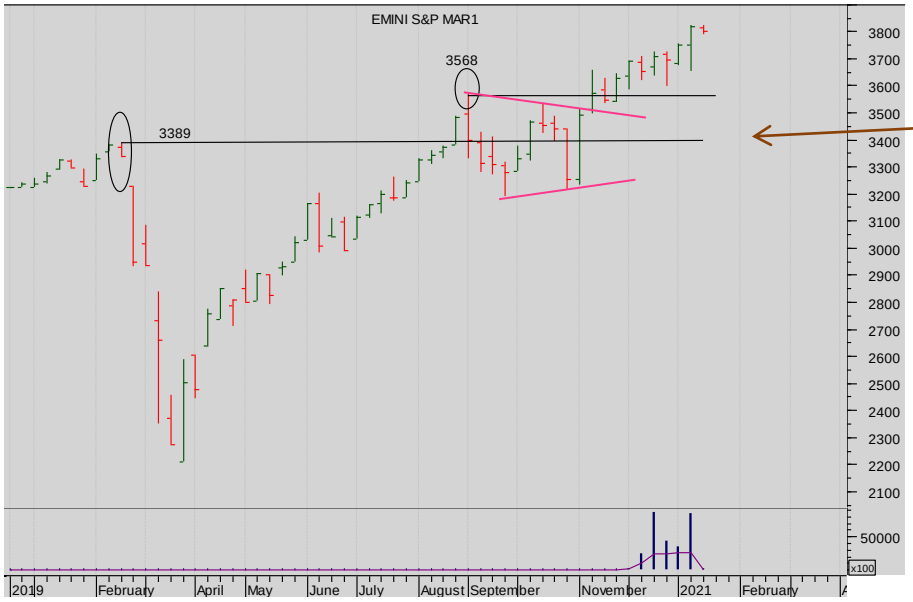
IMPLIED ASSET ALLOCATION

Stocks: CME S&P 500

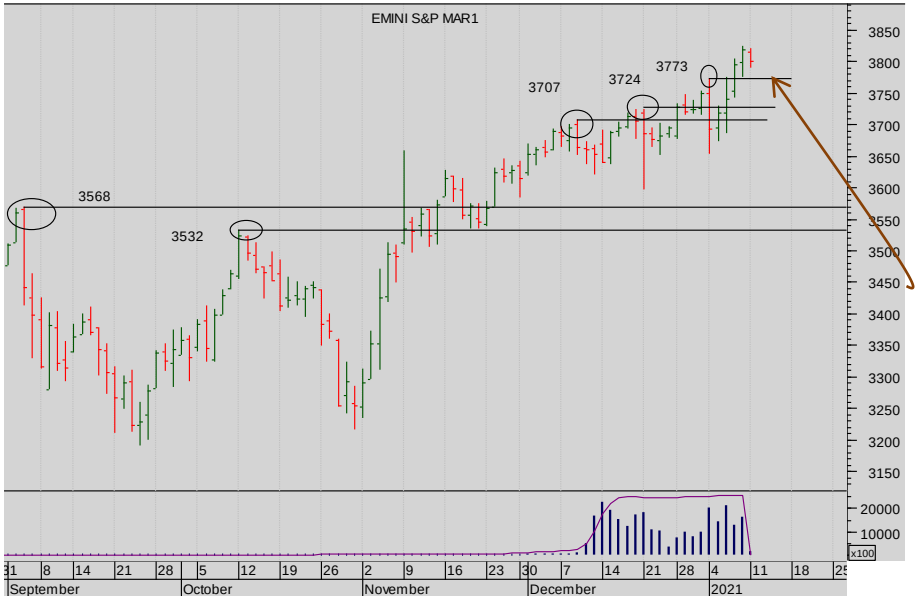


CME S&P 500 cont. weekly cont. chart

The catalyst for the break above 3388 was a bull continuation triangle that has completed…

Minimum move? 3900.

We are bulls.



CME S&P 500 daily Mar 2021 chart

It's a bull market.

Triangles have completed and are both driving the market higher.

First support on pull-backs from the near Highs beneath the market

.

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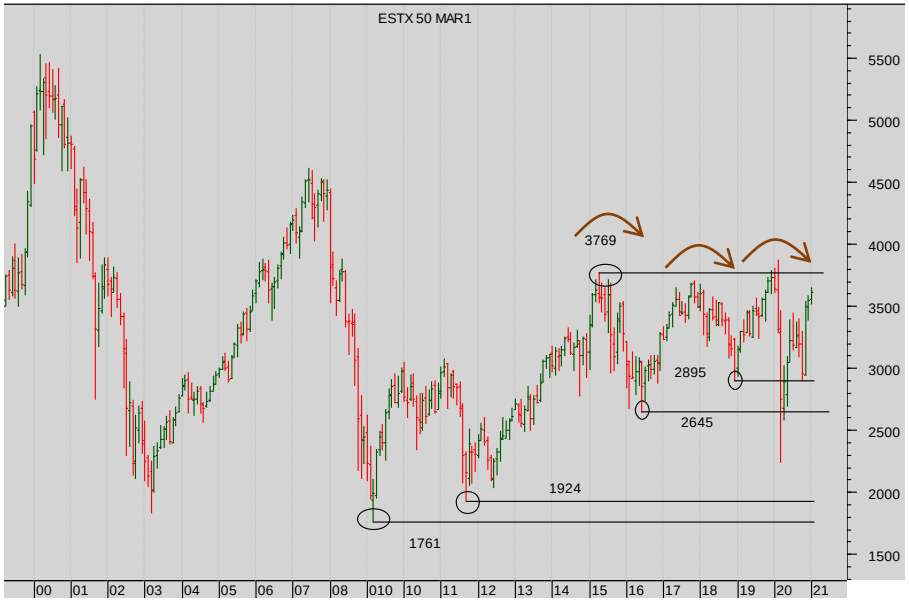
IMPLIED ASSET ALLOCATION

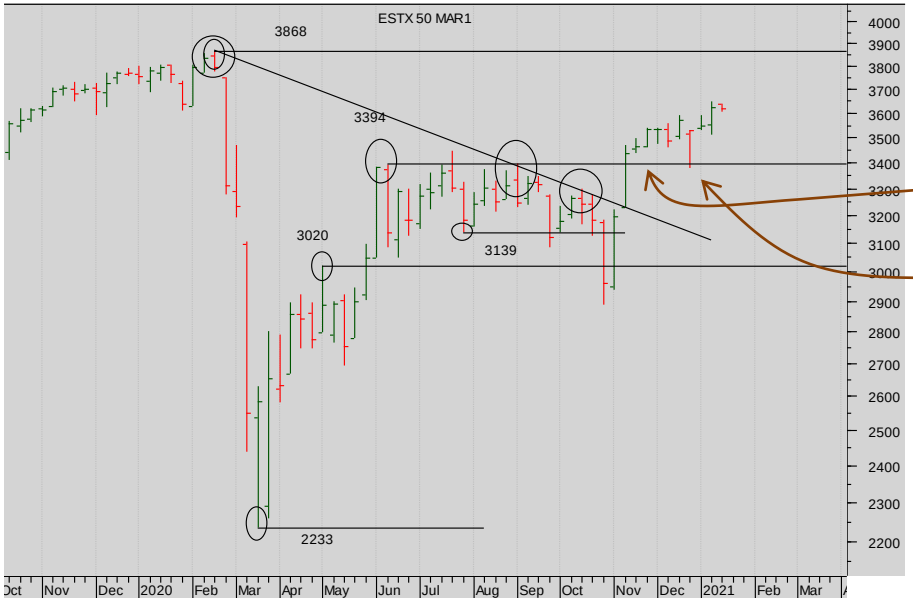
Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 monthly continuation futures chart

The triple failure of the market at 3700 is a critical level.

For the moment we remain within a trading range.



Eurex EuroStoxx 50 weekly continuation futures chart

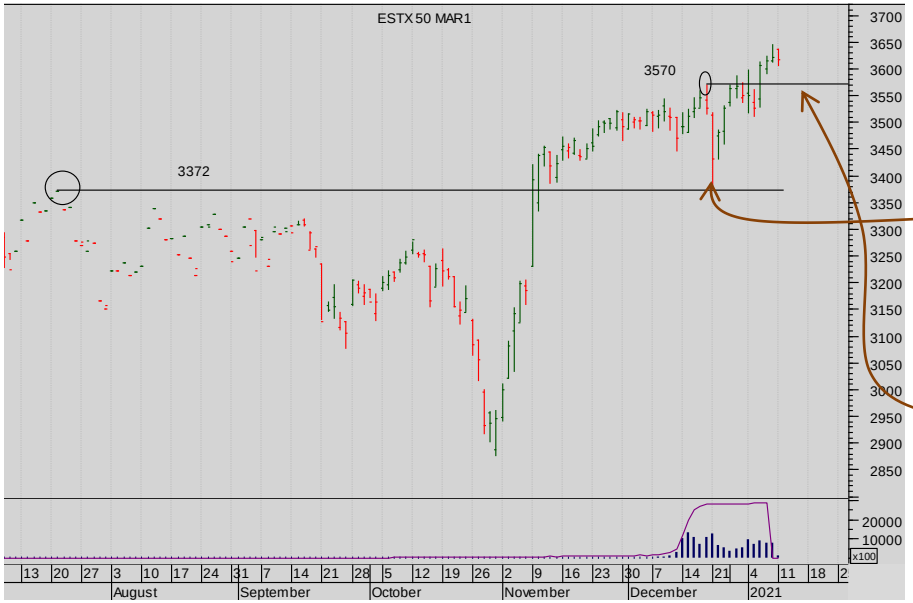
The push above the Prior High 3394 looks important.

Note the immediate retest of that level.

The market looks underpinned.

More

Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Dec 19 futures chart

The market has bounced off the Prior high.

And pushed into new territory by overcoming the recent Prior High which is now underpinning the market.

We are bulls.

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IMPLIED ASSET ALLOCATION

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Stocks: Liffe FTSE 100

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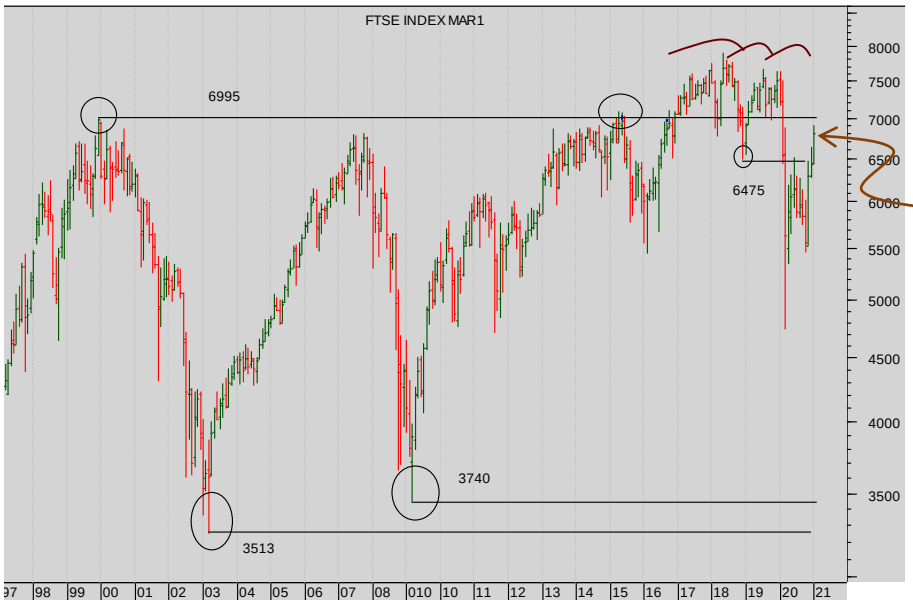
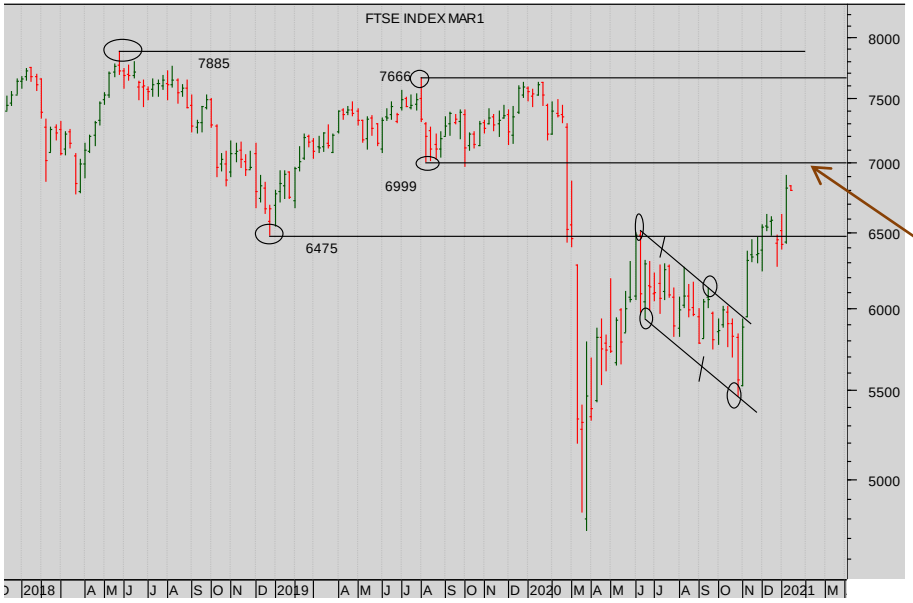


Liffe FTSE 100 Monthly continuation futures chart

The market has bounced better into the massive resistance above the market at 6475.



Liffe FTSE 100 Weekly cont. futures chart

A bull flag has propelled the market better .

But resistance has begun at the 6475 Prior Low – there is a band of resistance between here and 6999.

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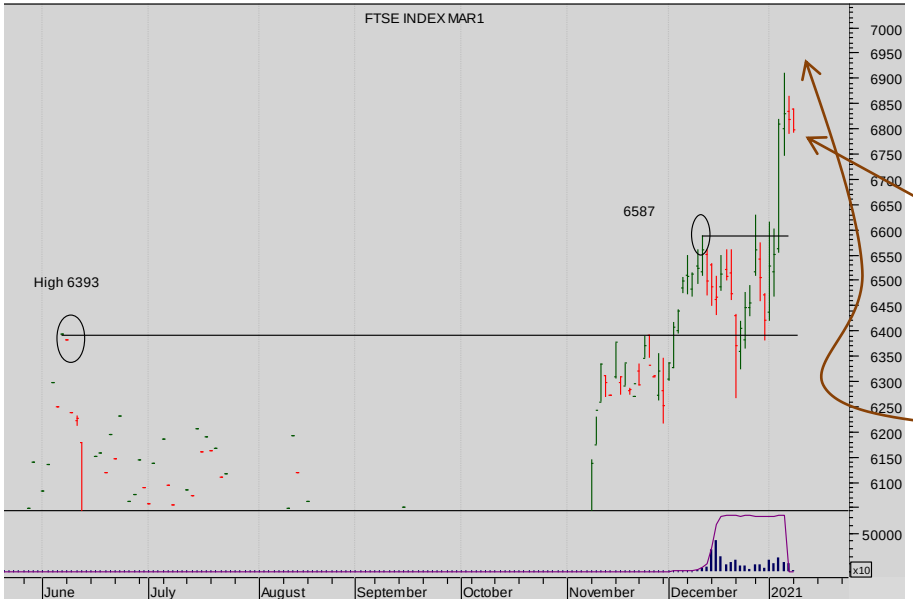
SEVEN DAYS AHEAD

Stocks: Liffe FTSE 100



Liffe FTSE 100 Mar 21 daily futures chart

Now we have a clear break above the Prior High 6393 (in June) and more recent Prior Highs 6587 too!

The market looks extended and prone to pull-backs.

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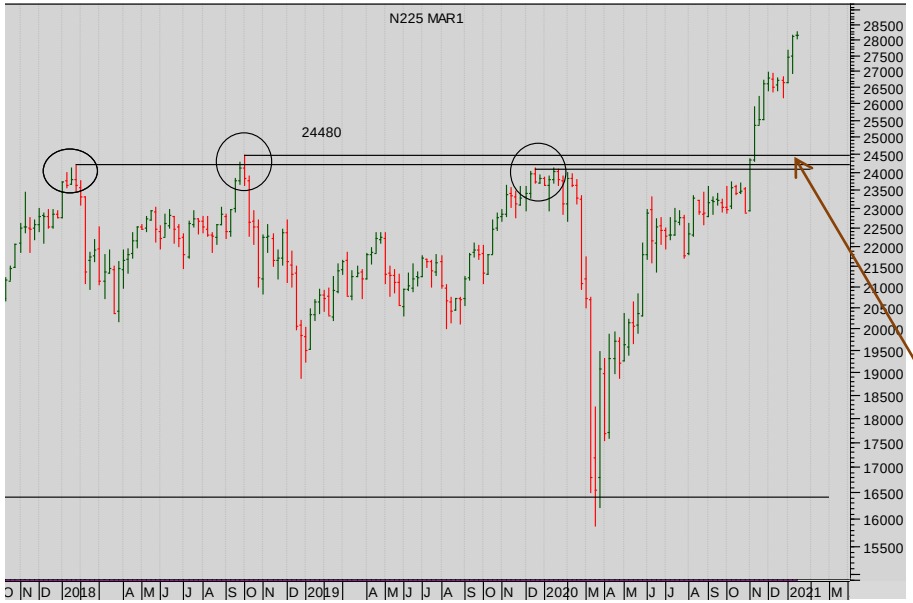
Stocks: OSE Nikkei 225

Nikkei 225 chart (monthly)

The close above here on the month is very bullish.

It completes a complex but identifiable Double Headed Head and Shoulders Reversal - a very large one - with a minimum move up to 40000 or so (measured on a linear chart.)



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

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IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225

Nikkei 225 chart Daily Dec 2020.

The push up through the recent high at 26900 creates another higher support on any pull-back…

So the market ratchets higher and higher…

Bonds

BONDS:
Now Bonds are looking interesting. The US market has done enough to convince that Yields are going higher in all time frames at least as far as the good resistance on the monthly chart - 1.32%. The futures chart supports a bearish price conclusion. The Bunds and Gilts are less compelling: only short term reversals are in place (Bund) or close to them (Gilts)

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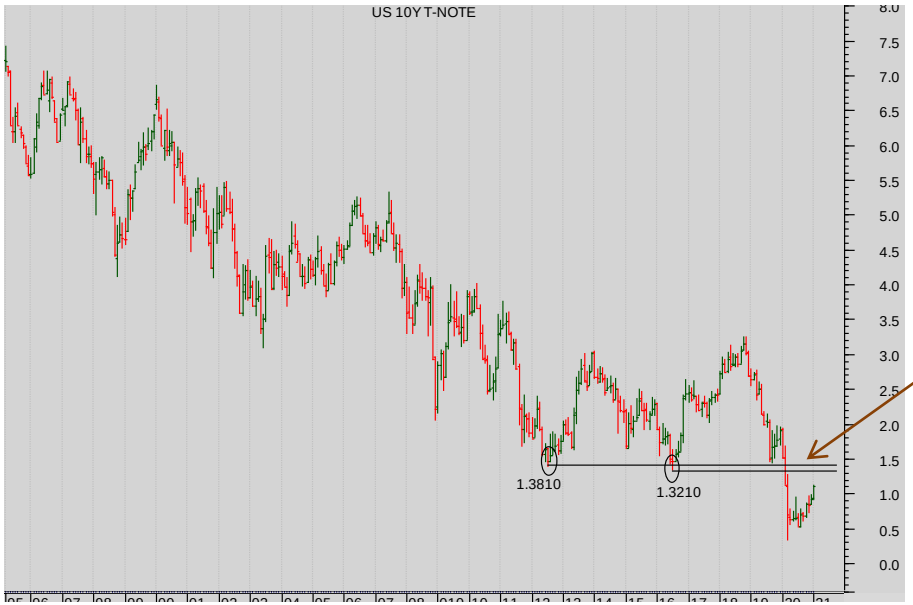
Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) monthly chart

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

There is now powerful resistance above the market at 1.32/8.

The market looks set for a retracement to test resistance at 1.32/8.

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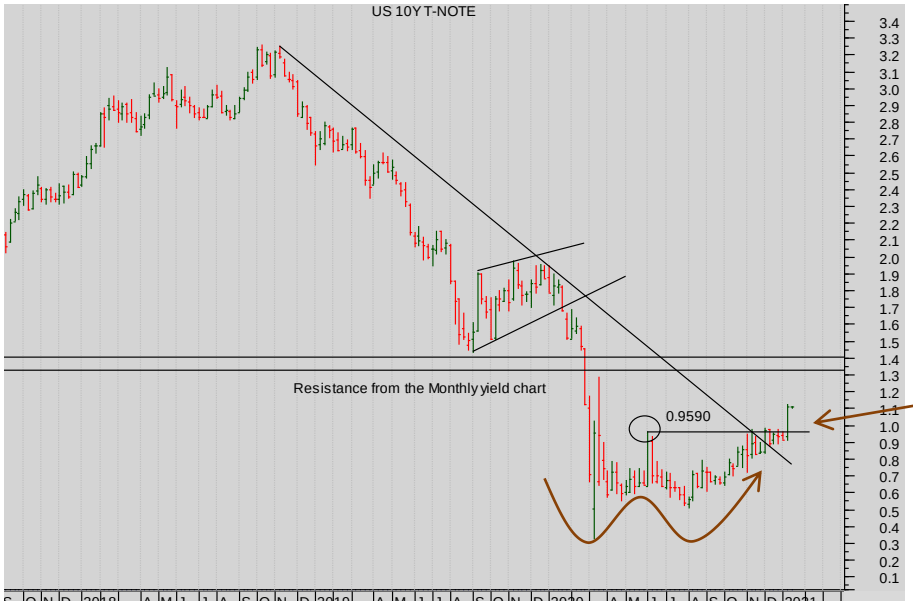
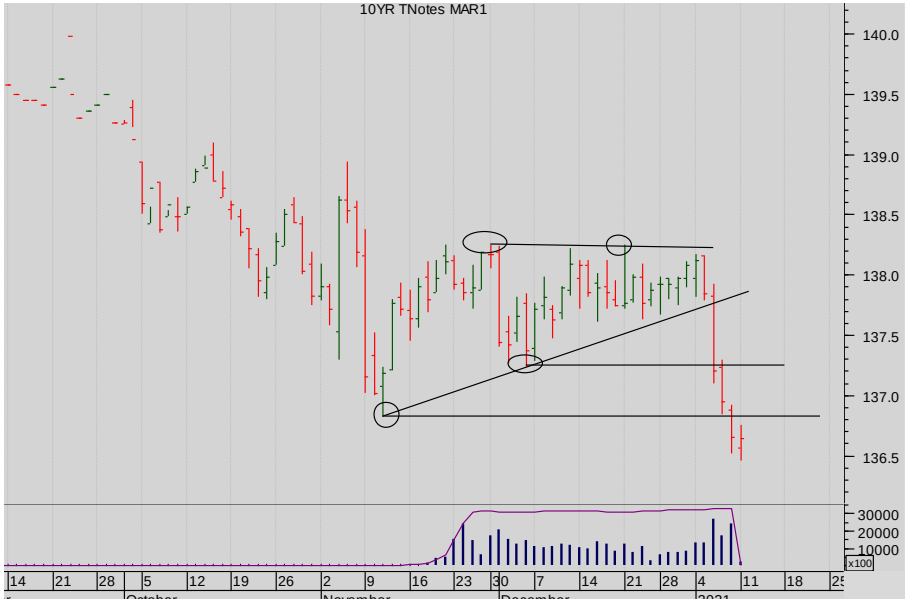
Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) weekly chart

1. The pause in 2020 - a sideways move has broken the diagonal downtrend resistance .
2. The break up through 0.9590 has completed a Double Bottom at the same time.



US Ten Year Notes Marjkc 2021 Futures price daily chart

In detail, the bear move beneath the Prior Lows is clear. Another bear leg is in prospect – there's good resistance to rallies above the market now.

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Bonds: German Bund yield chart

Bund monthly yield chart

The long-term bear trend from 2008 and the horizontal resistance from the Prior low at -0.204.

Bund weekly yield chart

Here is another bear trend from 2018 established at successive points.

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

The diagonal has been breached.

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Bonds: German Bund yield chart

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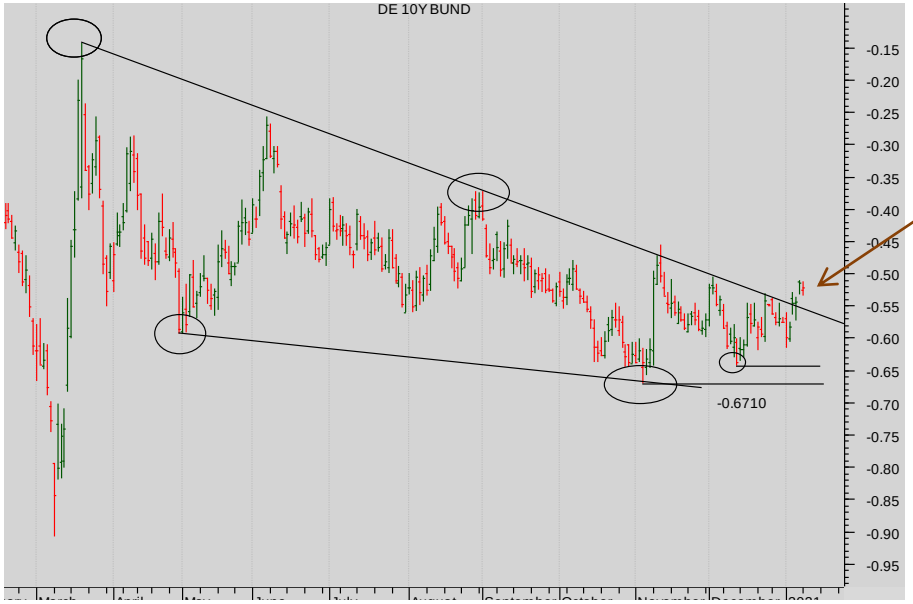

Bund daily yield chart

Is this a continuation bear wedge? There's now a clear break of the falling diagonal.

Note too the possible H&S Reversal that has completed.

It looks bullish.

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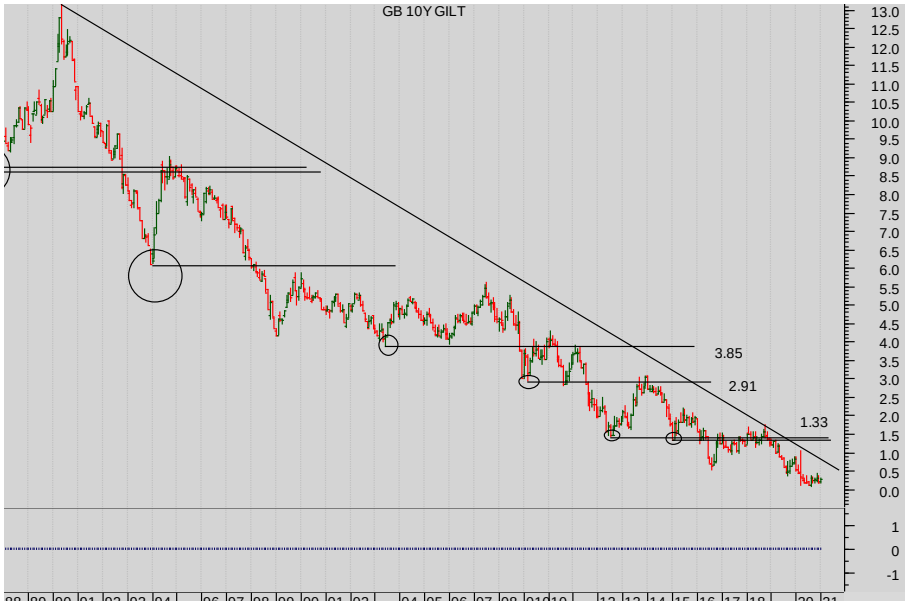
IMPLIED ASSET ALLOCATION

Bonds: UK Gilt yield chart



Gilt monthly yield chart

The market long-term bear trend.

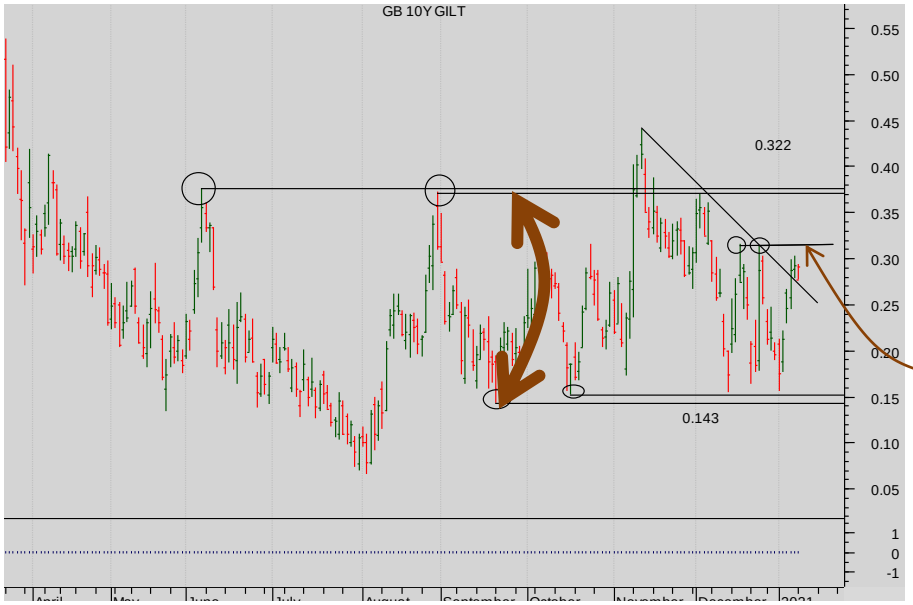
We are far from breaking the diagonal downtrend resistance.

Gilt weekly yield chart

The steep diagonal trendline resistance from 2018 was smashed, but without in addition breaking the horizontal resistance, so the yield bulls lack confidence

More

Bonds: UK Gilt yield chart



Gilt daily yield chart

The range is intact, for sure, but note that within it there is a possible bottom formation.

Watch for a break above 0.32.

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

Commodity

COMMODITIES:

Oil has surged in line with our bullish expectations. It still looks good but in the short-term may wish to mark-time. Gold established powerful reversals in both the daily and weekly charts. We think the evaporation of the bulls' hope may lead to more on the downside in line with the reversals. Support at 1789 looks like it is going to be tested.

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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil

Nymex oil monthly continuation

1. There was <u>powerful resistance</u> at Prior low band at $44.50-47.50. Now smashed.
2. Currently the market has, in addition, broken the downtrend from 2018
3. The monthly Key Reversal is still propelling the market higher.

The bulls are in charge.

More

SEVEN DAYS AHEAD

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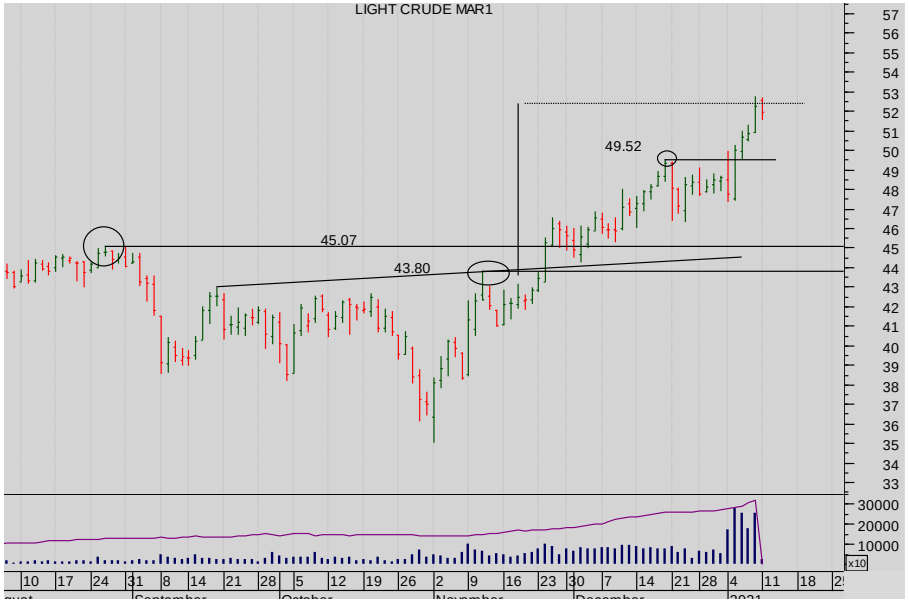
- IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil

Nymex oil weekly continuation

That break in greater detail.



Nymex oil daily Mar 2021 futures

In greater detail, the possible impetus from a complex (ie untidy) H&S Reversal pattern may have run its course.

SEVEN DAYS AHEAD

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IMPLIED ASSET ALLOCATION

Commodities: Comex Gold

Nymex Gold Monthly

Will the pause at the Prior High resolve itself into

- a reversal pattern or
- a continuation pattern?

Nymex Gold weekly

The answer to the monthly question looks to be resolving in favour of a **Reversal pattern** since the Key Reversal of last week.

1. Note the support at the Prior High at 1789.

2. And note too the small support from the Rising diagonal

(Note too the added disappointment of the failure of the possible bull wedge continuation pattern of last week)

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IMPLIED ASSET ALLOCATION

Commodities: Comex Gold

Nymex Gold Feb 2021 Daily

1. The large bull falling wedge has completed AND FAILED
2. There was both a daily and weekly Key Reversal.
3. And the completion of a bear wedge.

Summary

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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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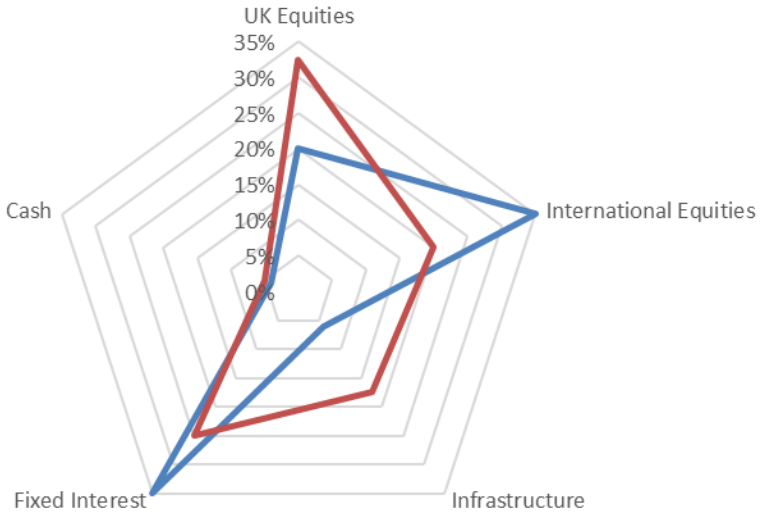
MSCI Balanced Risk Asset Allocation



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the technical analyst

AWARDS 2012

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