



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 26th 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
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Long-term <b>BULL</b> Euro	Medium-term <b>BULL</b> Euro	Short-term FLAT Euro
Long-term <b>BULL</b> Sterling	Medium-term <b>BULL</b> Sterling	Short-term <b>BULL</b> Sterling
Long-term FLAT Yen	Medium-term <b>BULL</b> Yen	Short-term <b>BULL</b> Yen
Long-term FLAT Euro	Medium-term FLAT Euro	Short-term FLAT Euro

### Stocks

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

Long-term <b>BULL</b>	Medium-term <b>BULL</b>	Short-term <b>BULL</b>
Long-term FLAT	Medium-term <b>BULL</b>	Short-term <b>BULL</b>
Long-term FLAT	Medium-term <b>BULL</b>	Short-term FLAT
Long-term <b>BULL</b>	Medium-term <b>BULL</b>	Short-term <b>BULL</b>

### Bonds

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

Long-term <b>BULL</b>	Medium-term <b>BULL</b>	Short-term <b>BULL</b>
Long-term FLAT	Medium-term FLAT	Short-term <b>BULL</b>
Long-term FLAT	Medium-term FLAT	Short-term FLAT

### Commodities

- + Oil
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Long-term <b>BULL</b>	Medium-term <b>BULL</b>	Short-term FLAT
Long-term <b>BEAR</b>	Medium-term <b>BEAR</b>	Short-term <b>BEAR</b>

## IMPLIED ASSET ALLOCATION

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## Currencies: Dollar Euro

### CURRENCIES:

We still think that the Dollar looks set for further weakening. Sterling looks strong, and the Euro remains solidly trending. The Yen too, in the short and medium-term is set for strength. Sterling is teasingly set up against the euro – close to completing a powerfully bullish pattern but no quite yet....

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#### IMPLIED ASSET ALLOCATION



### 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** confirmed the weak Dollar trend ...

More



## Currencies: Dollar Euro

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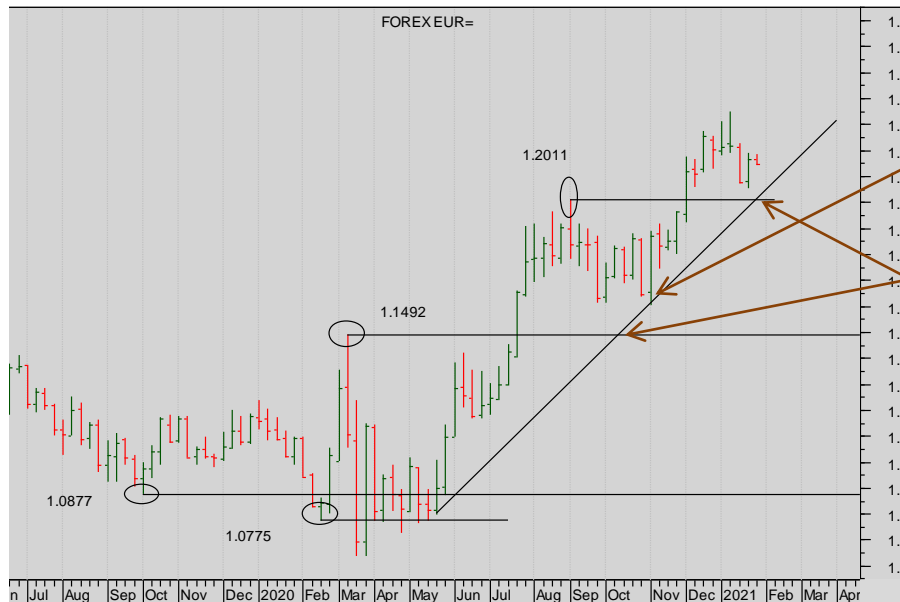
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- + Ten Year German Bund
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### Commodities

- + Oil
- + Gold

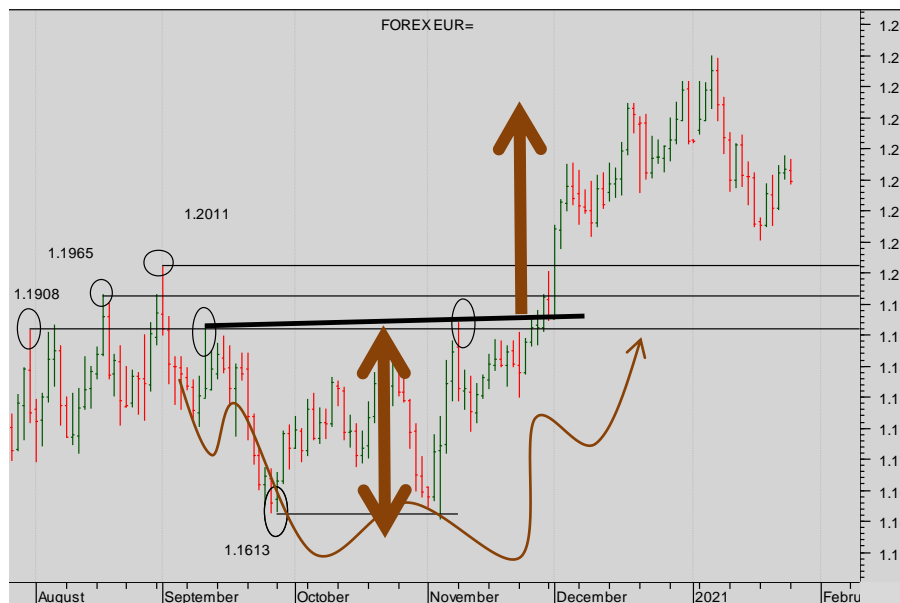
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### Dollar Euro weekly spot cash chart

Note the **bullish weekly Key Reversal** here.

The sudden weakness of the Dollar has pushed the market back up through 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 the **short-term pause and drift is not surprising**.



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### Bonds

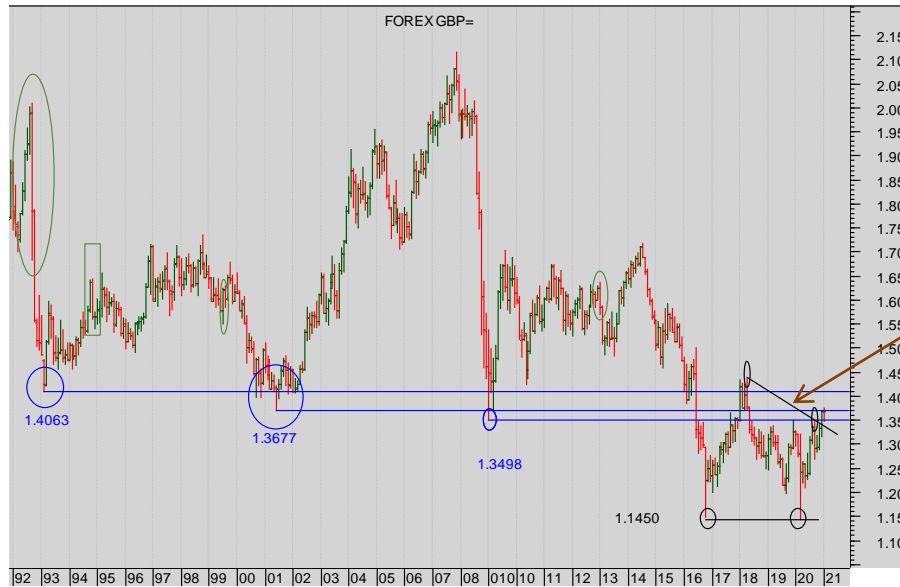
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

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- + Gold

### IMPLIED ASSET ALLOCATION

## 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 has now broken the diagonal downtrend resistance .... Indeed has broken it.

But the horizontal resistances 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 for Sterling.

More



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## IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling



### Dollar Sterling weekly spot cash chart

This shows the H&S pattern in the line chart more clearly.

The push up through 1.3498 has completed a complex H&S reversal ( or Multiple Bottom) with a Minimum move implied up to about **1.50**



### Dollar Sterling daily spot cash chart

The bull trend looks well-constructed, despite the short-term dither, the support from the Prior High of 1.3482 looks solid.



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### Bonds

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### Commodities

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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: the slow motion breakdown through this boundary of the trading range now confirmed **it suggests a stronger Yen.**

**And resistance above the market now sits at 104.50-105**

More



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### Bonds

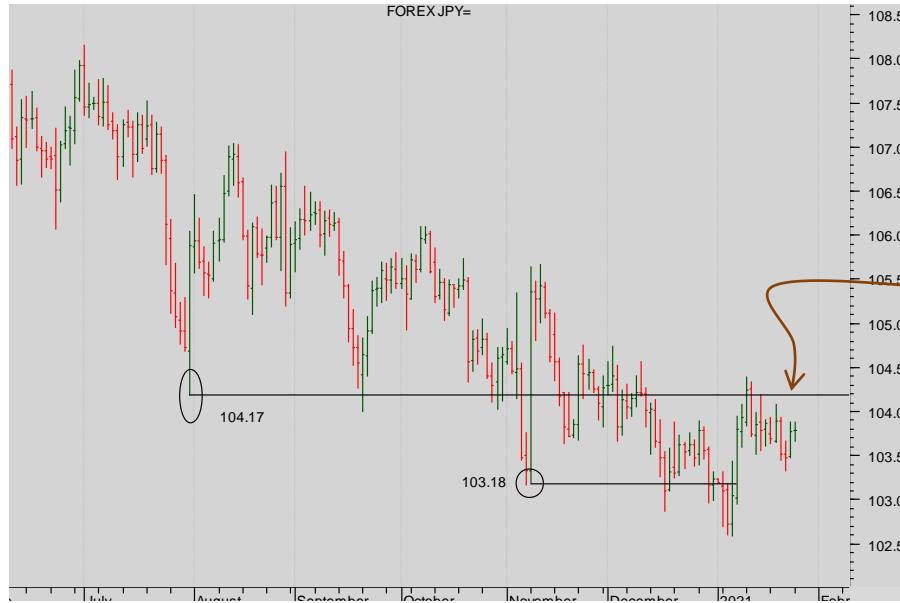
- + Ten Year US TNote
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- + UK Gilt

### Commodities

- + Oil
- + Gold

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.





## Currencies: Sterling Euro

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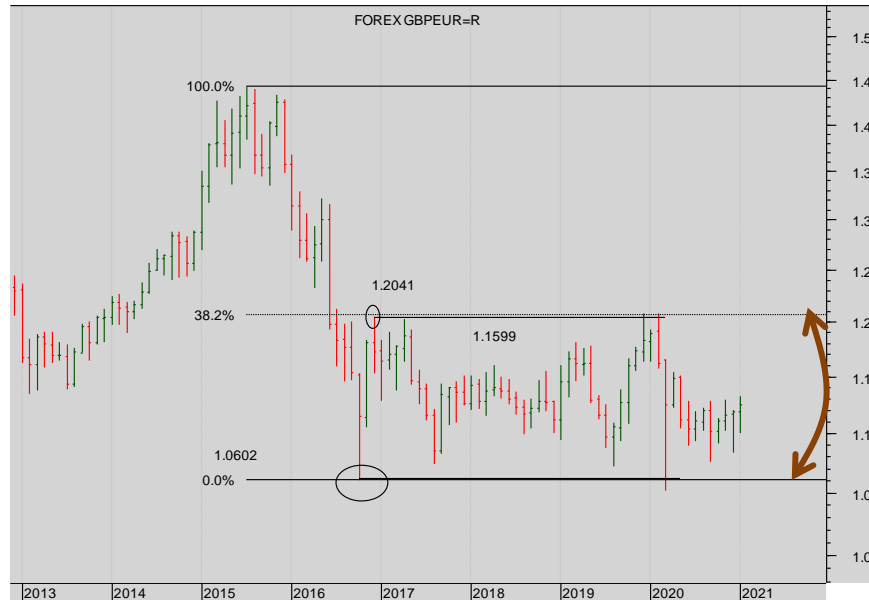
#### Bonds

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

#### Commodities

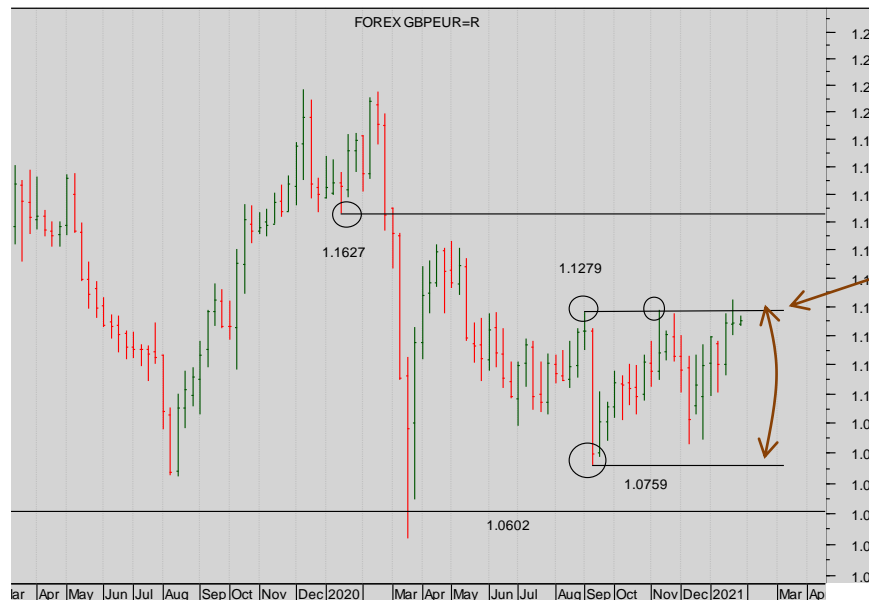
- + Oil
- + Gold

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### Sterling Euro monthly spot cash chart

The market remains in the broad trading range.



### Sterling Euro weekly spot cash chart

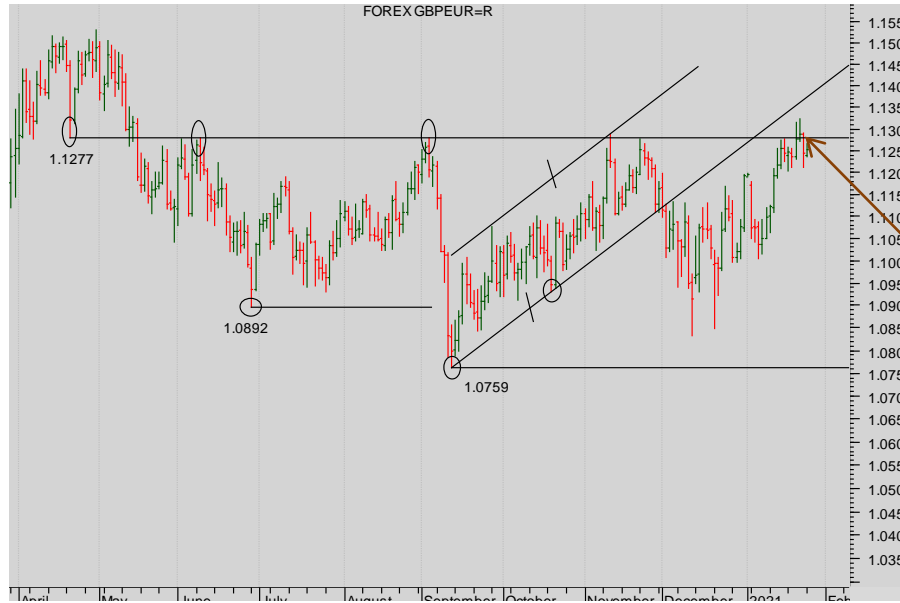
The market is still inside the smaller range, but note the proximity of the Prior Highs of 1.1279.

A break of those 1.1279 highs would break the trading range.

More



## Currencies: Sterling Euro



### Sterling Euro daily spot cash chart

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

Stand back for clarity.

### Summary

#### Currencies

- + Dollar Euro
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- + **Sterling Euro**

#### Stocks

- + S&P 500
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#### Bonds

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#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Stocks: CME S&P

### STOCKS:

The S&P's ( and the Nikkei's) strength cannot support the EuroStoxx and FTSE. EuroStoxx is stagnant, drifting sideways above support, the FTSE sliding back down to test support right now. Any pause in the progress of the bull markets will surely lead to more aggressive selling in the laggards.

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#### Stocks

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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



## Stocks: CME S&P 500

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- + Oil
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### IMPLIED ASSET ALLOCATION

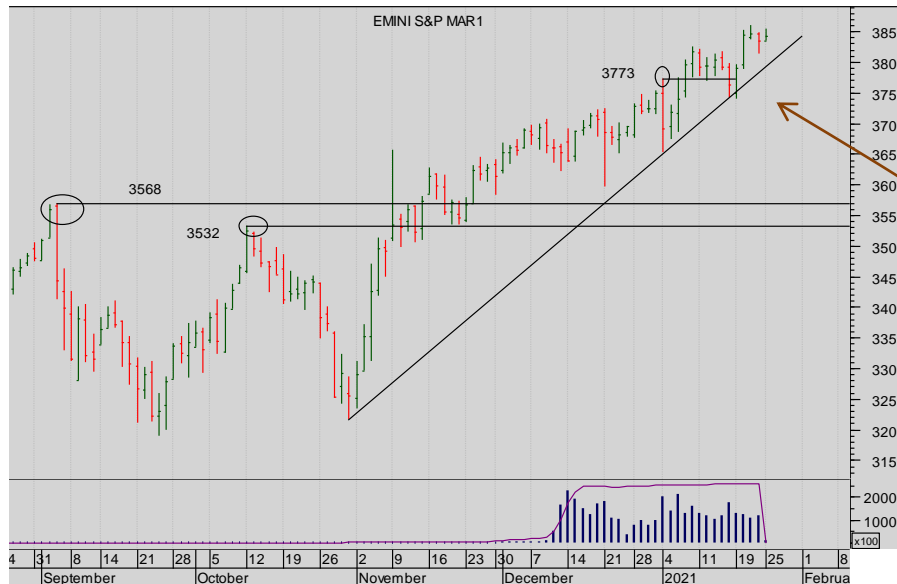


### CME S&P 500 cont. weekly cont. chart

The catalyst for the break above 3389 was a small 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.

The first horizontal support has been breached - now watch the diagonal.

More



## Stocks: Eurex EuroStoxx 50

### Summary

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- + Sterling Euro

### 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

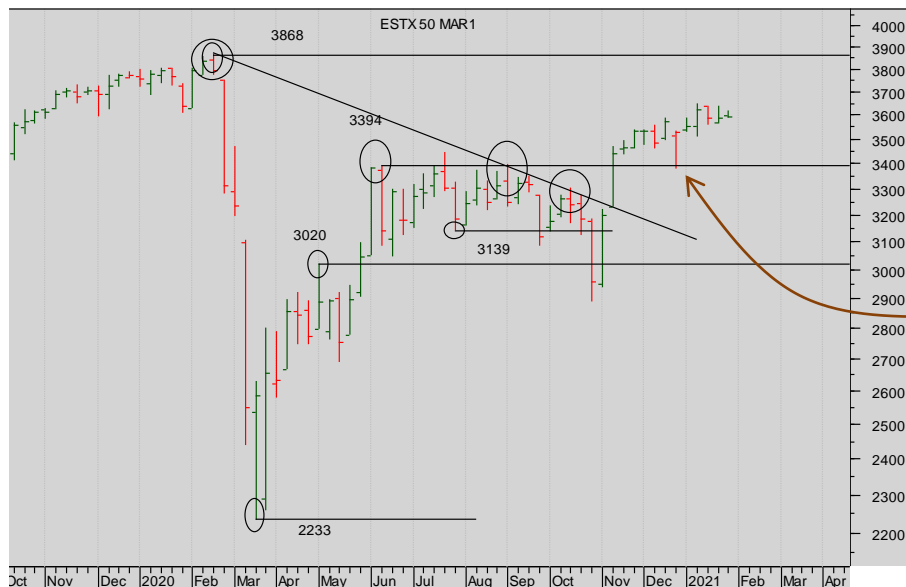
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### Eurex EuroStoxx 50 monthly continuation futures chart

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. Its now good support.

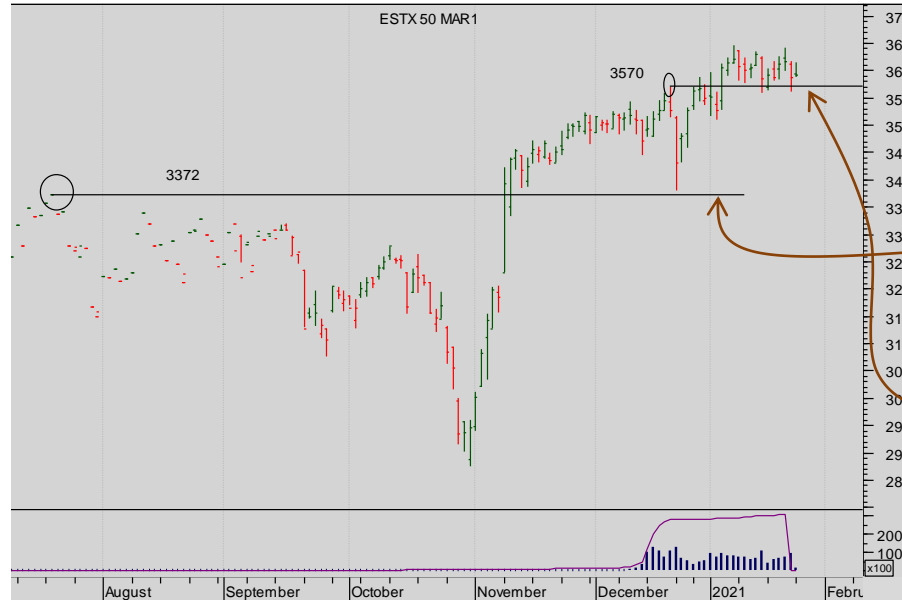
Note the bounce from that level.

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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#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Stocks: Liffe FTSE 100

### Summary

### Currencies

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

### Stocks

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

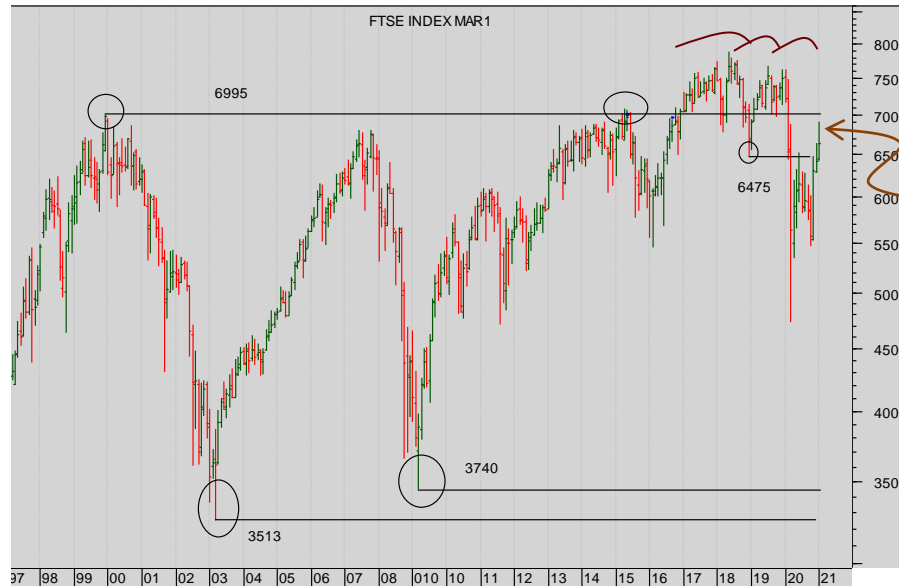
### Bonds

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

### Commodities

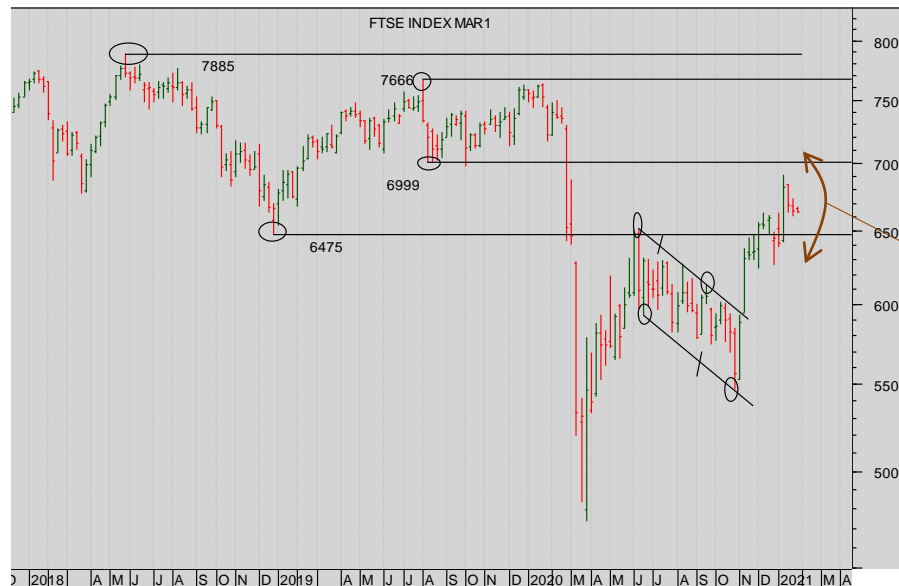
- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



### Liffe FTSE 100 Monthly continuation futures chart

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



### Liffe FTSE 100 Weekly cont. futures chart

A bull flag has propelled the market better .

But there is a band of resistance between here and 6999.

Expect the market to struggle.

More



## Stocks: Liffe FTSE 100

### Summary

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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

IMPLIED ASSET ALLOCATION



### Liffe FTSE 100 Mar 21 daily futures chart

The short-term price action – the drift – is within the parameters of the bull trend.

Watch for support from the Prior Highs – a band.





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## Bonds

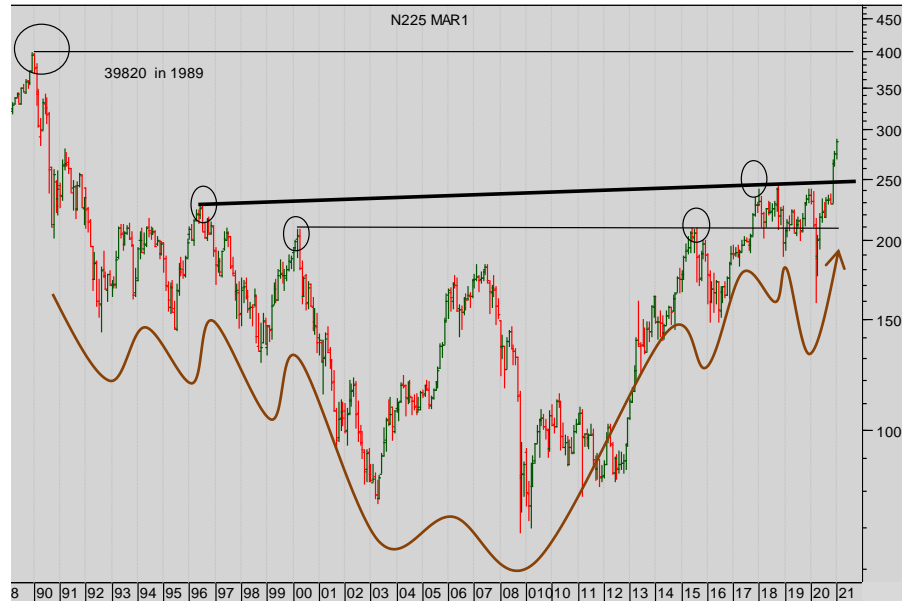
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## Commodities

- + Oil
- + Gold

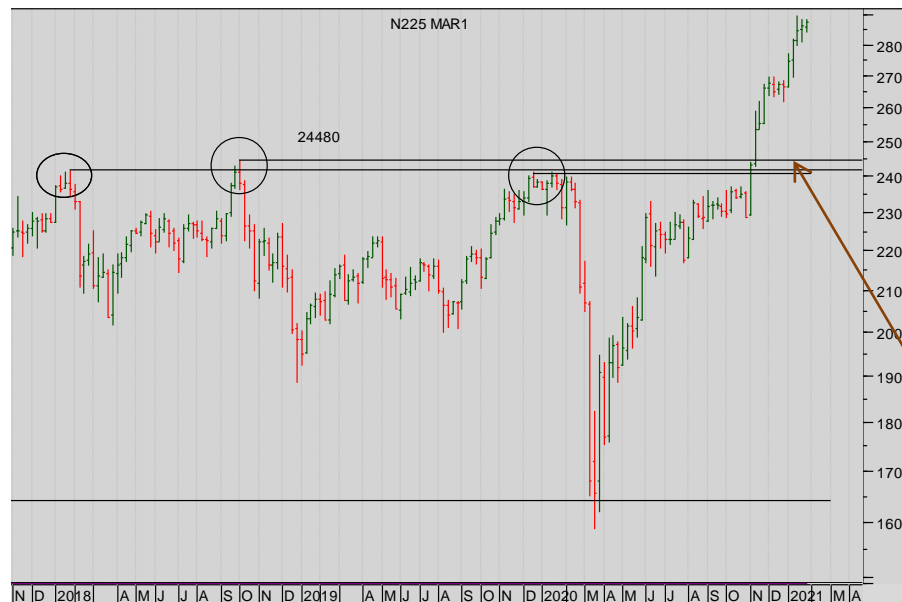
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## Stocks: OSE Nikkei 225



## Nikkei 225 chart (monthly)

The market has completed 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 at 24480

More



## Stocks: OSE Nikkei 225

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- + **Nikkei 225**

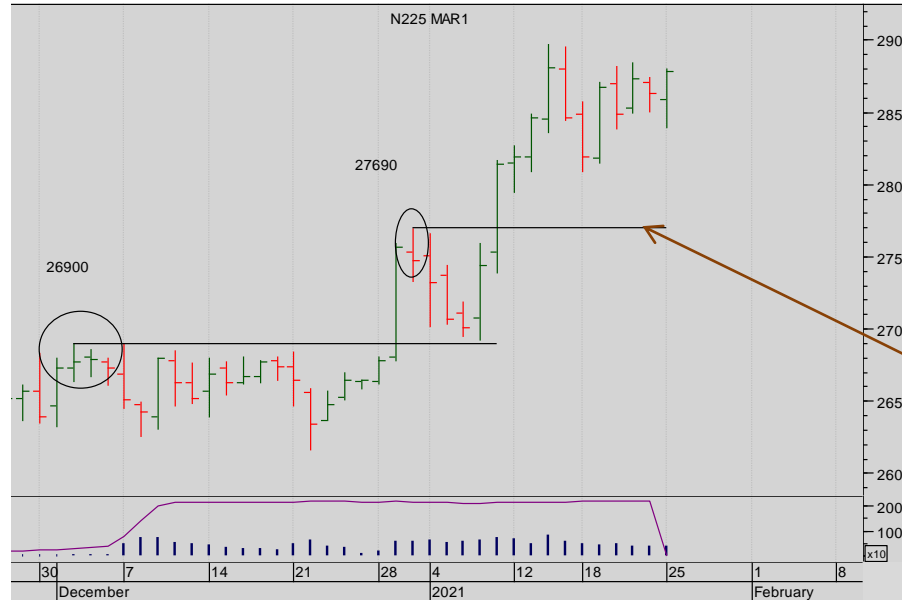
### Bonds

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### Commodities

- + Oil
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IMPLIED ASSET ALLOCATION



**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:

US Yields short-term rising trend has paused but remains well-set. The slight retracement in the very short term in the bearishness of Futures prices is now up against resistance which may signal a renewed surge in yields. Watch the evolving price action in the Bunds and Gilts especially closely for corroborating patterns setting them up for higher yields.

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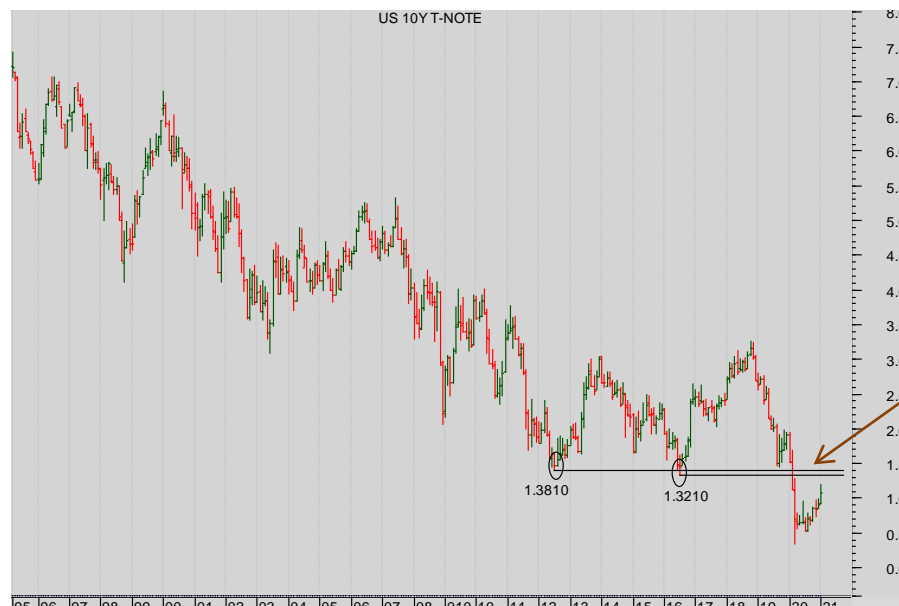
- + Ten Year US TNotes
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#### Commodities

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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 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 bounce to test resistance at 1.32/8.

More



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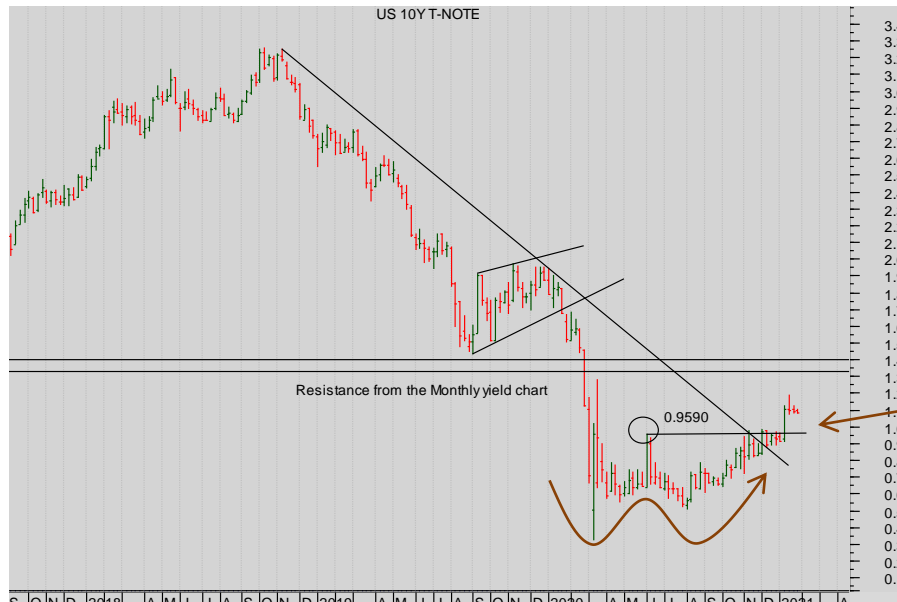
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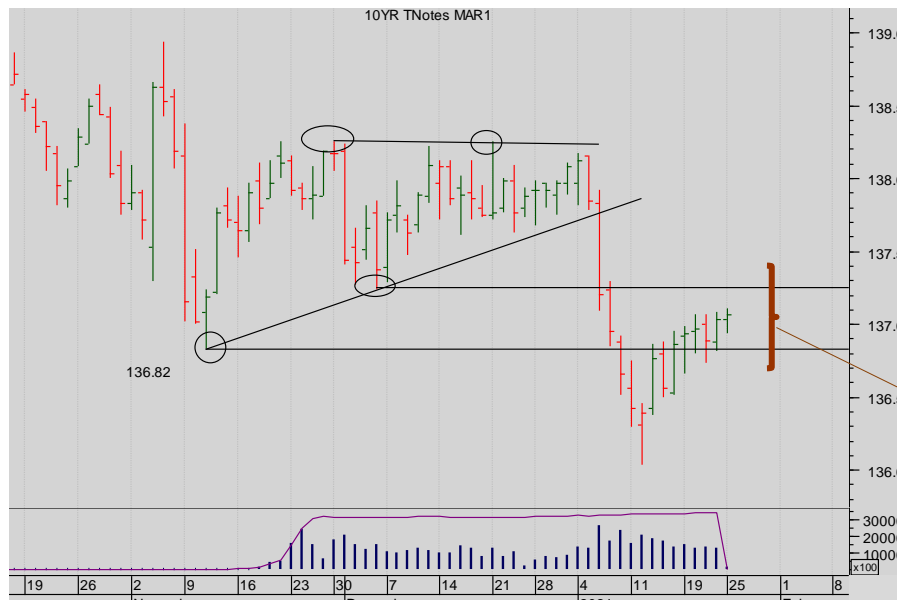
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## Bonds: US Ten Year Notes (Yield)



### 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 whose structure suggests a test of the monthly resistance above the market.



### US Ten Year Notes March 2021 Futures price daily chart

In the futures market, the bear move beneath the Prior Lows is clear. And in response to the drift there's good resistance to rallies above the market now.

More



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### IMPLIED ASSET ALLOCATION

## 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. **But that diagonal trendline resistance has been broken now**

The horizontal resistance above the market at -0.2 is the first clear resistance on any rally.

More



## Bonds: German Bund yield chart



### Bund daily yield chart

There's now a clear break of the falling diagonal that was clear on the weekly chart we can see that the catalyst for that break was a H&S Reversal.

In which case the recent drift back to the neckline should find support there.

It looks bullish.

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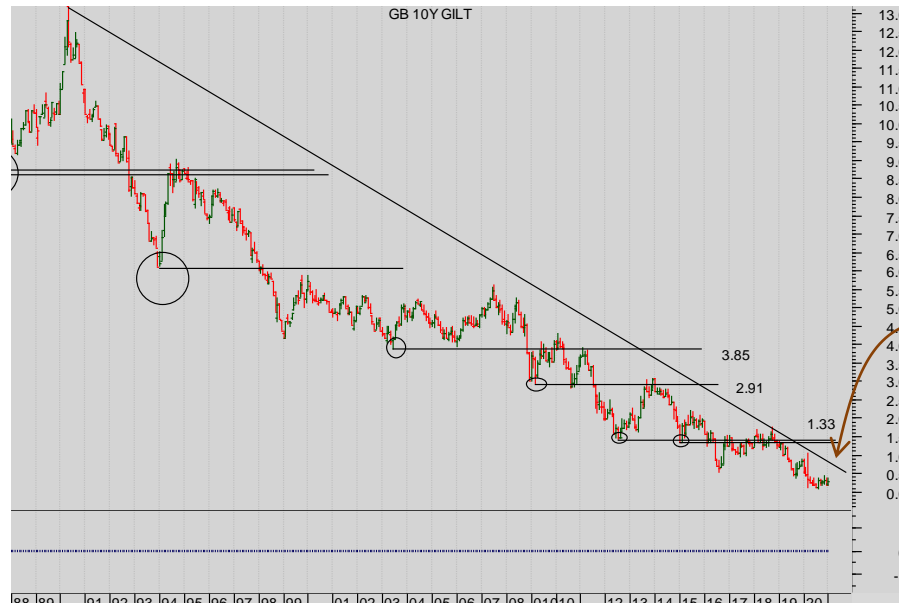
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## IMPLIED ASSET ALLOCATION

## 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

This shorter term steep diagonal trendline resistance from 2018 has been smashed, but without yet breaking the horizontal resistance, so, at the moment, the yield bulls lack confidence.

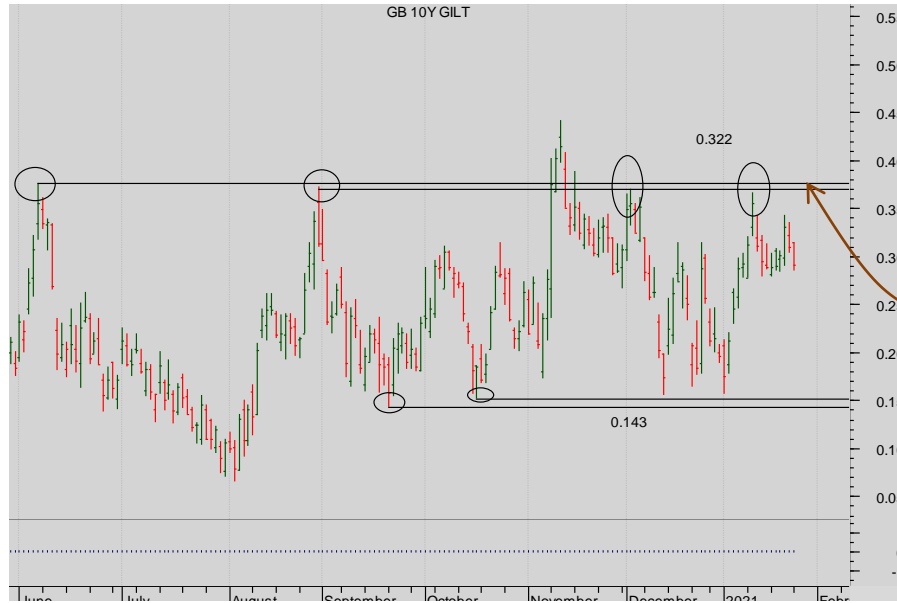
Wait for a break of the horizontal resistance.

Note the underlying bullishness of the WEEKLY Key Reversal ...

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## Bonds: UK Gilt yield chart



### Gilt daily yield chart

The range is intact, for sure.

Watch for a break above 0.32.

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## Commodity

### COMMODITIES:

Oil is still bullish in all time frames. Gold is more complex. We still believe the influence of the bearish Weekly Key reversal has yet to play out properly, but note the proximity of support. We remain bearish – but cautiously – subject to our levels of resistance holding.

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### Commodities: Nymex WTI Oil



### Nymex oil monthly continuation

1. There was powerful resistance at this Prior low band at \$44.50-47.50. **Now smashed.**
2. The market, in addition, broke the downtrend from 2018
3. The recent bull monthly Key Reversal is still propelling the market higher.

The bulls are in charge.

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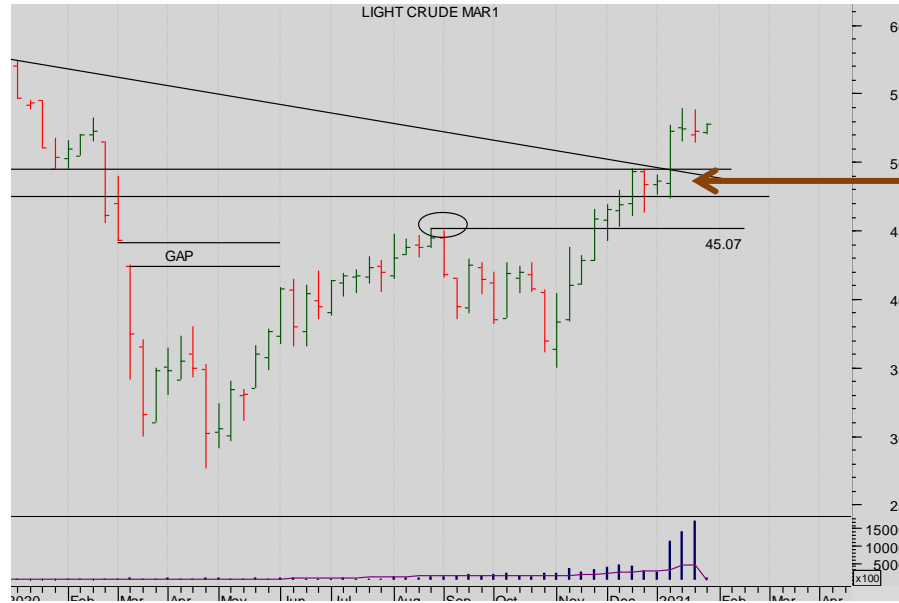
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### Commodities

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### IMPLIED ASSET ALLOCATION

## Commodities: Nymex WTI Oil



Nymex oil weekly continuation



Nymex oil daily Mar 2021 futures



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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 monthly question is resolving itself in favour of a **Reversal pattern** since

1. the Key Reversal of last week.

( And the added disappointment of the failure of the possible bull wedge continuation pattern)

First support at 1789.



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- + Nikkei 225

### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Commodities: Comex Gold



## Nymex Gold Feb 2021 Daily

1. The large bull falling wedge completed AND FAILED
2. A daily reversal in addition to a weekly Key Reversal.
3. And the completion of a smaller bear wedge.



# 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
- + Ten Year German Bund
- + UK Gilt

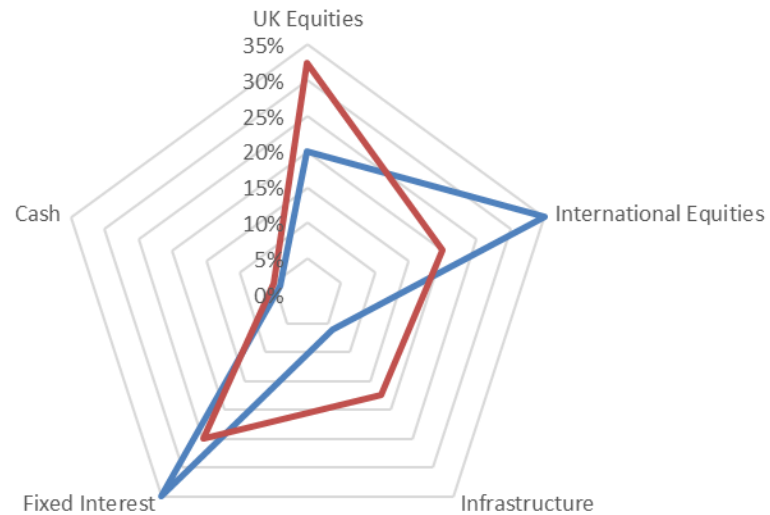
### Commodities

- + Oil
- + Gold

## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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### MSCI Balanced Risk Asset Allocation



More



*the technical analyst*

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

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