



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



Multi-asset technical strategies Week of 25th May 2021

Mark Sturdy

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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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Long-term BEAR Euro	Medium-term BULL Euro	Short-term BULL Euro
Long-term BULL Sterling	Medium-term BULL Sterling	Short-term BULL Sterling
Long-term BEAR Yen	Medium-term BEAR Yen	Short-term BULL Yen
Long-term FLAT Euro	Medium-term BEAR Euro	Short-term BEAR Euro

Stocks

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

Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term BULL
Long-term FLAT	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term BEAR

Bonds

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

Long-term BULL	Medium-term FLAT	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term FLAT

Commodities

- + Oil
- + Gold

Long-term FLAT	Medium-term FLAT	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term BULL

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More



Currencies: Dollar Euro

CURRENCIES:

Sterling remains the best buy against the Dollar though the Euro is in relatively good shape as well. One further result is that The Sterling Euro cross has stagnated.

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Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 have been deeply penetrated

1. So the market has broken the strengthening Dollar trend from 2008.
2. But there is no weakening Dollar trend in place **until a break up through 1.24.**

More



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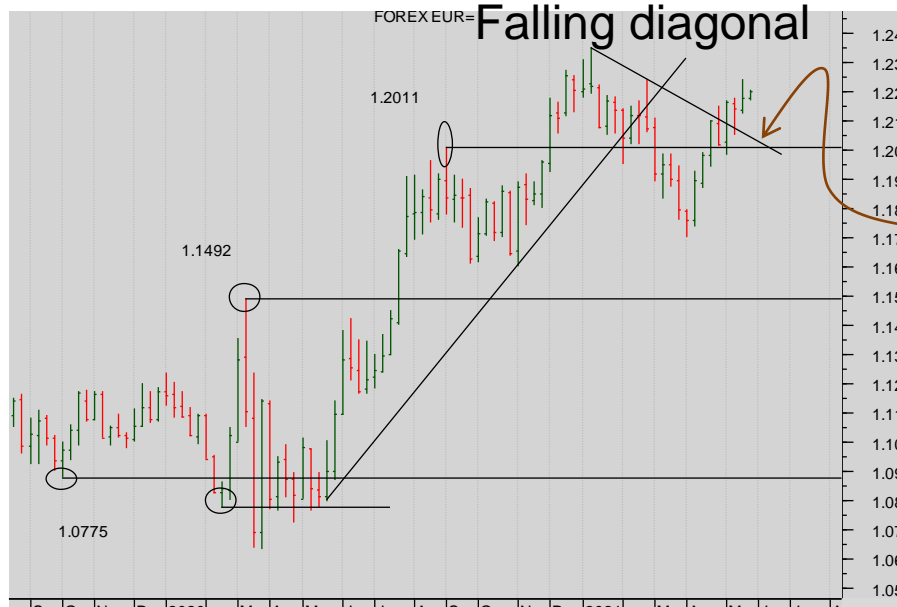
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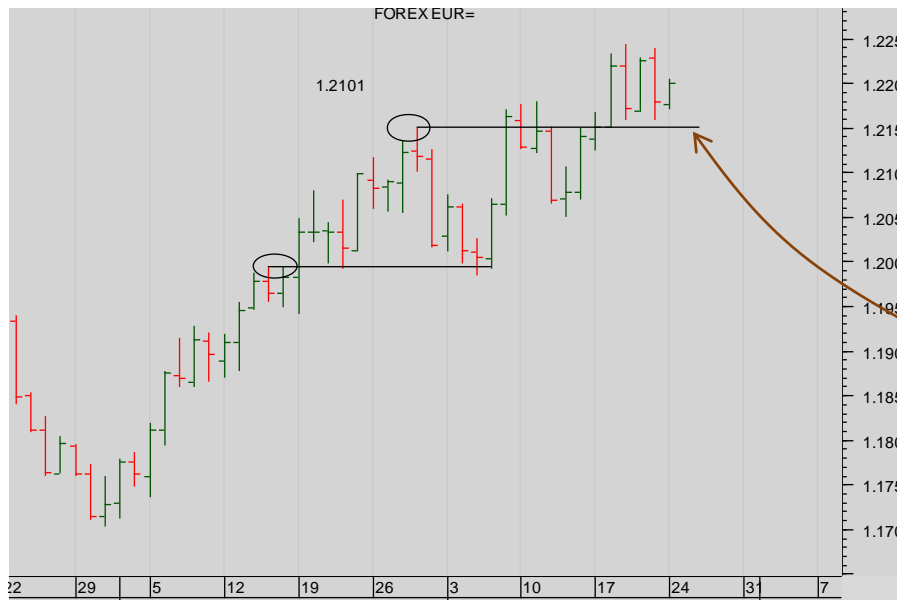
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Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

Medium-term, the Prior High support 1.2011 broke, but now note the break of the falling diagonal... a break of that has modestly revitalised the EURO bulls...



Dollar Euro spot cash chart daily chart...

The market's weakening Dollar rally in April has been impressive –obvs the falling diagonal was a marker of strength – and now it has broken

We have a confirmed break up through the Prior High at 1.2101 ratcheting the market higher still.



Currencies: Dollar Sterling

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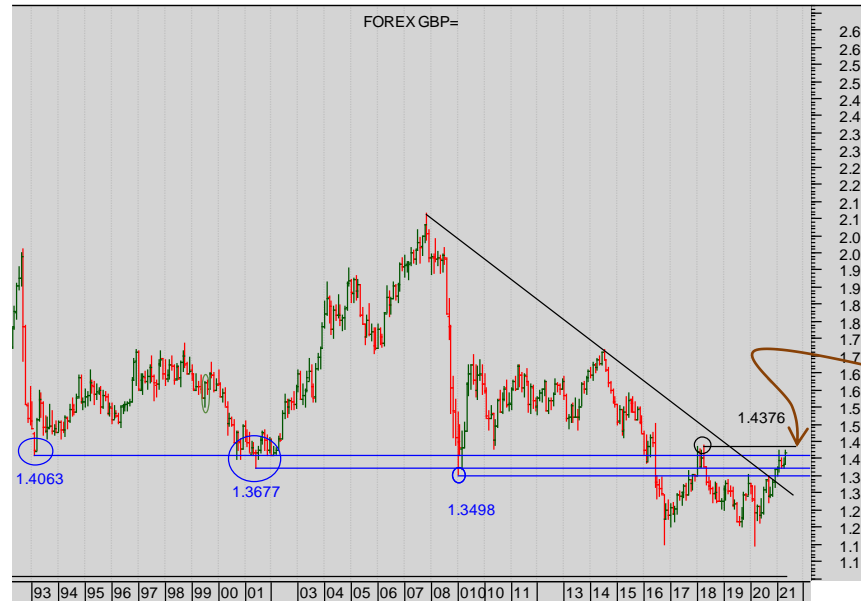
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Dollar Sterling Monthly spot cash chart

The sideways price action beneath 1.35 has now broken the diagonal Sterling downtrend resistance.

But note that the band of horizontal resistances penetrated by the market ... has not yet been breached.

The Sterling bulls need a break above the Prior High @1.4376.



Dollar Sterling Monthly spot cash LINE CHART based on closes

Note the simultaneous completion of a BULL H&S (double headed) reversal pattern and the breaking of the DIAGONAL downtrend resistance...

The minimum move suggested is up to the 1.43 Prior Low and Horizontal resistance .

Now achieved.

Note well that a break of 1.42 would complete a Double Bottom reversal and send the market higher still.

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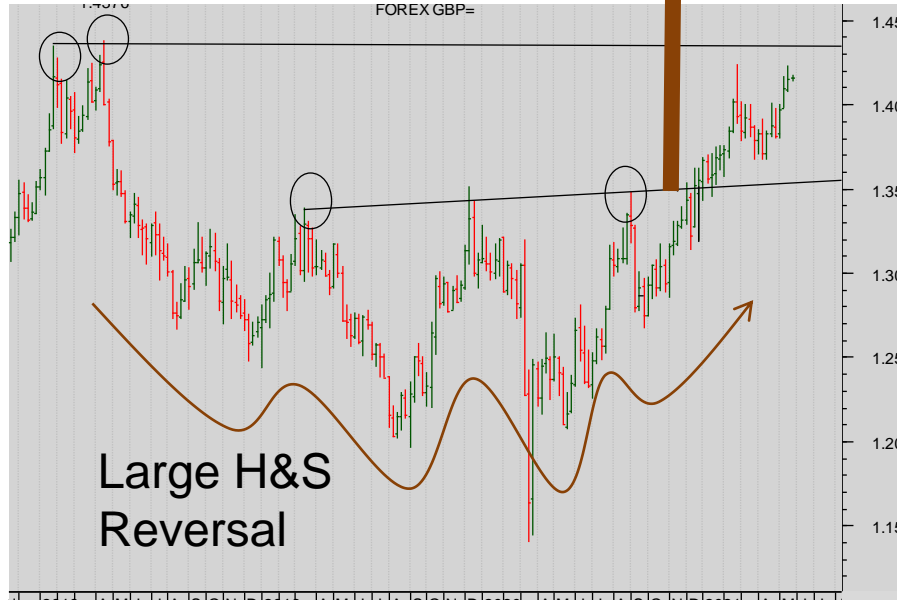
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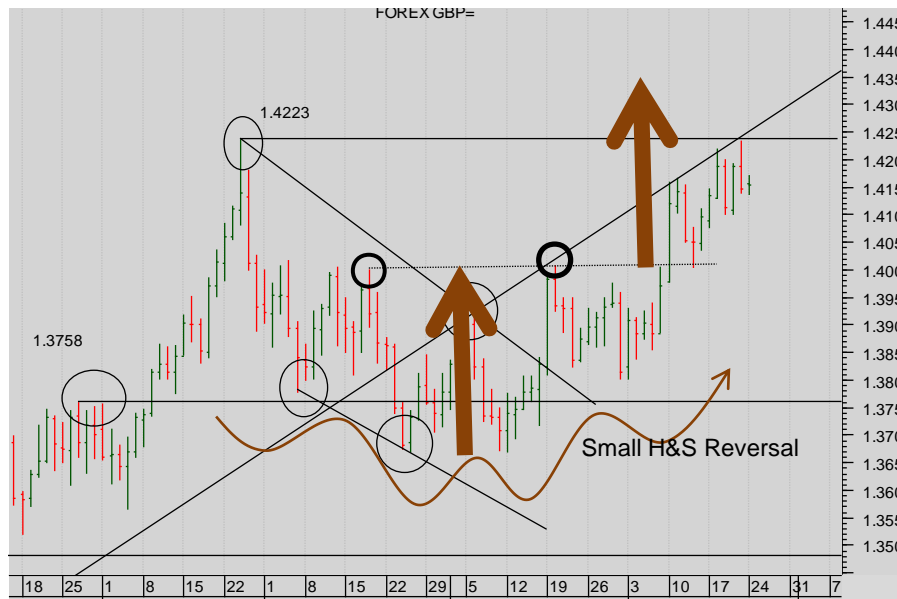
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Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

Here is the detail of the bull H&S reversal that is driving Sterling better. The Minimum move? About 1.50....



Dollar Sterling daily spot cash chart

The bull falling wedge completed ... and also a small complex H&S Reversal completed.

Watch the Neckline carefully. A second close above will confirm the completion of the reversal...

Minimum move? About 1.4350.



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Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

The bull falling wedge close to completion DIDN'T COMPLETE.

The Dollar bulls need a completion of the wedge to gain momentum.



Dollar Yen weekly spot cash chart

This shows the multiple diagonals at current levels.

The testing of the diagonals is far from over.

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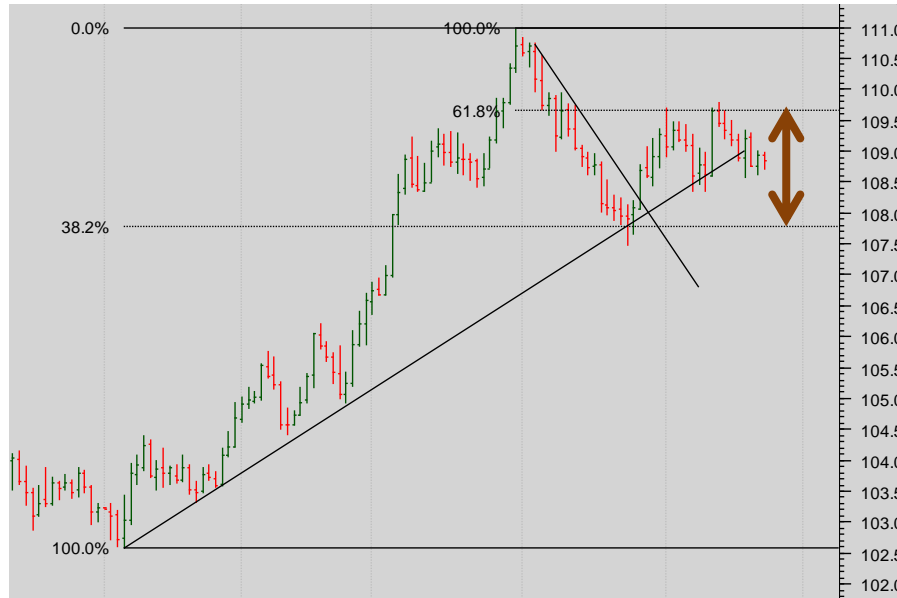
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Currencies: Dollar Yen



Dollar Yen daily spot cash chart

This lacks compelling structure except for the rising diagonal ... which supports the Dollar against a weakening Yen.



Currencies: Sterling Euro

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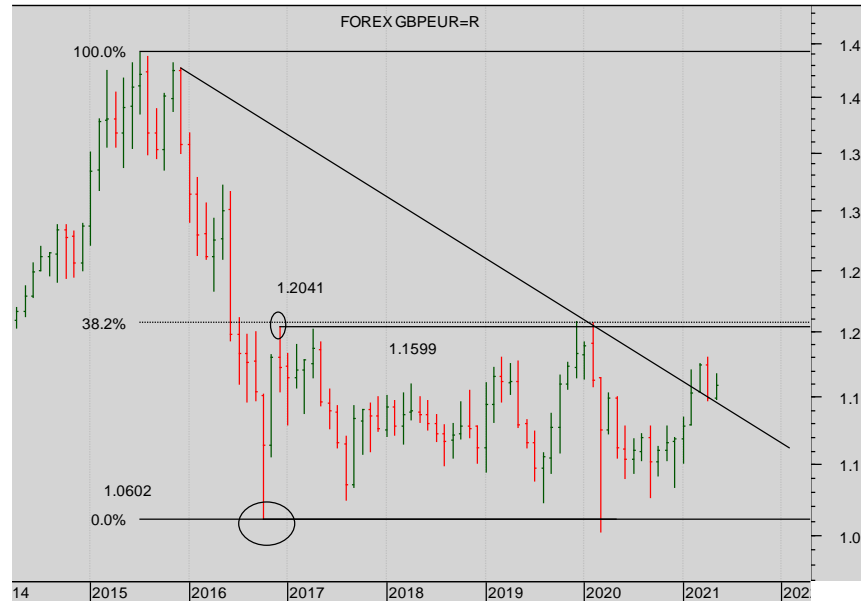
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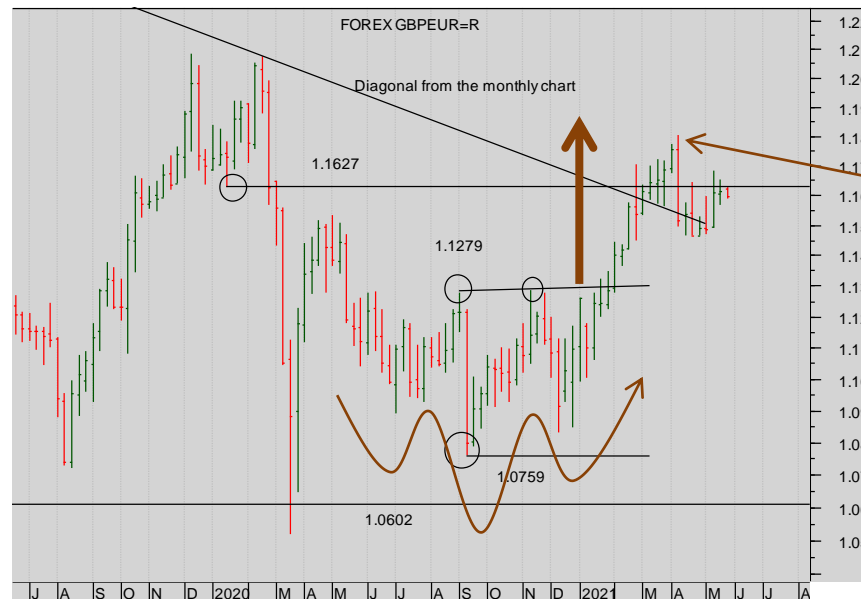
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Sterling Euro monthly spot cash chart

The market remains in the broad trading range.

Note though, the push up through the falling diagonal.



Sterling Euro weekly spot cash chart

We thought there was more to go for Sterling but the **Weekly Key reversal** is ominous.

Stand back.

More



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- + **Sterling Euro**

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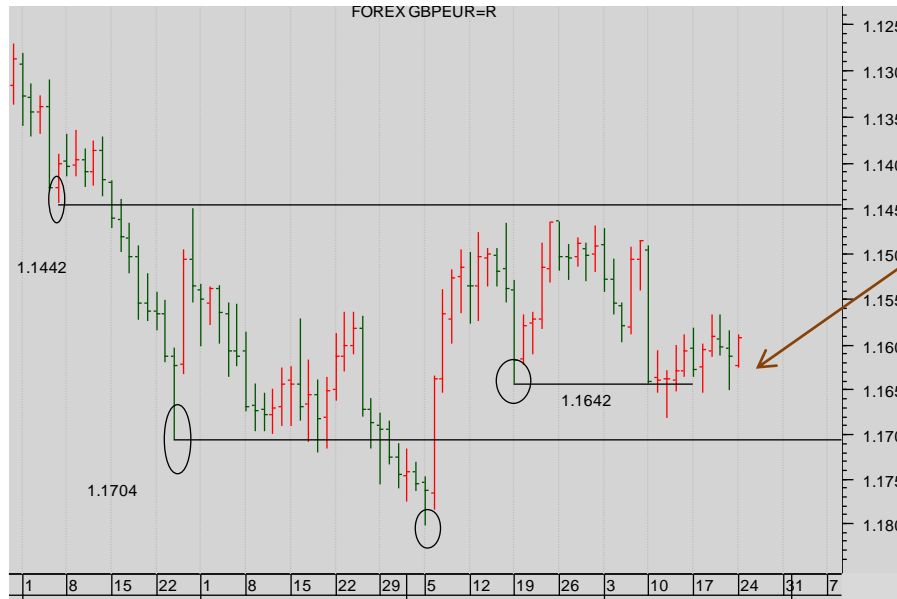
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Commodities

- + Oil
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Currencies: Sterling Euro



Sterling Euro daily spot cash chart

The opportunity to break the small range was spurned.

Stand back.



Stocks: CME S&P

STOCKS:

Stocks markets are diverging. Though all markets except the FTSE remain long-term bullish, the Nikkei and to a lesser extent the US look sclerotic and subject to short-term drift. The European market looks exciting in all time-frames, still.

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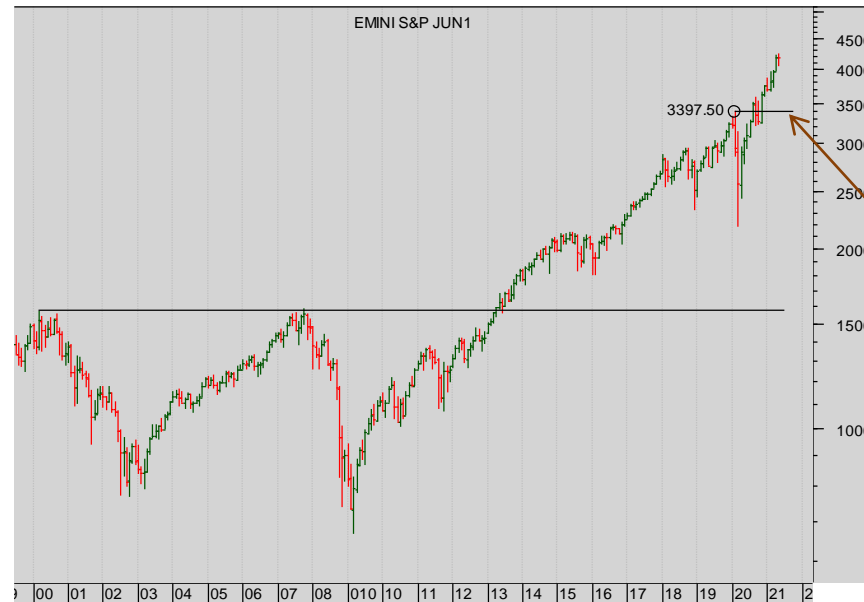
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CME S&P 500 monthly cont. futures chart

The market has driven above the Old high of 3397 – so the the next bull leg has begun.

First support now at 3397.50

More



Stocks: CME S&P 500

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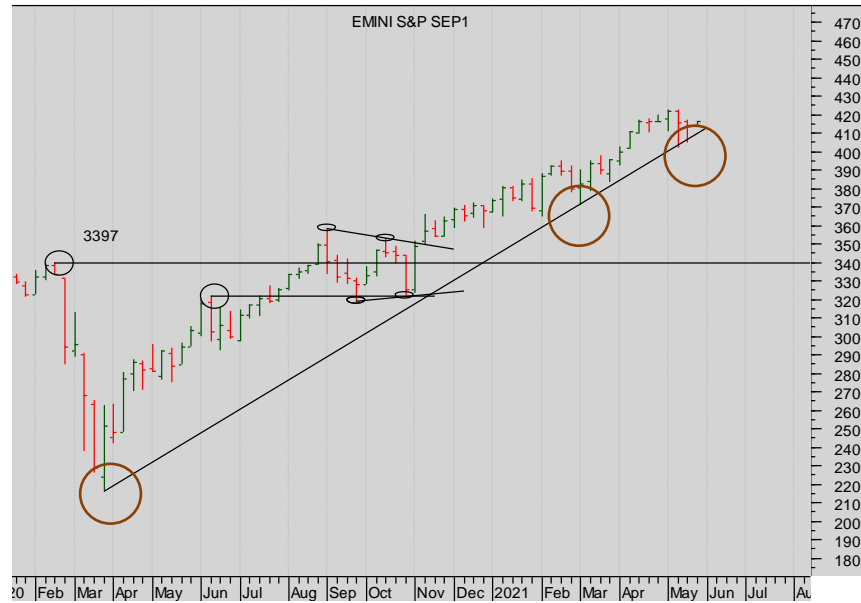
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CME S&P 500 cont. weekly cont. chart

We are bulls... the solidity of the diagonal trendline is impressive.



CME S&P 500 daily Jun 2021 chart

The market failed to establish new highs so now is poised between 4211 and 3947.

More



Stocks: Eurex EuroStoxx 50

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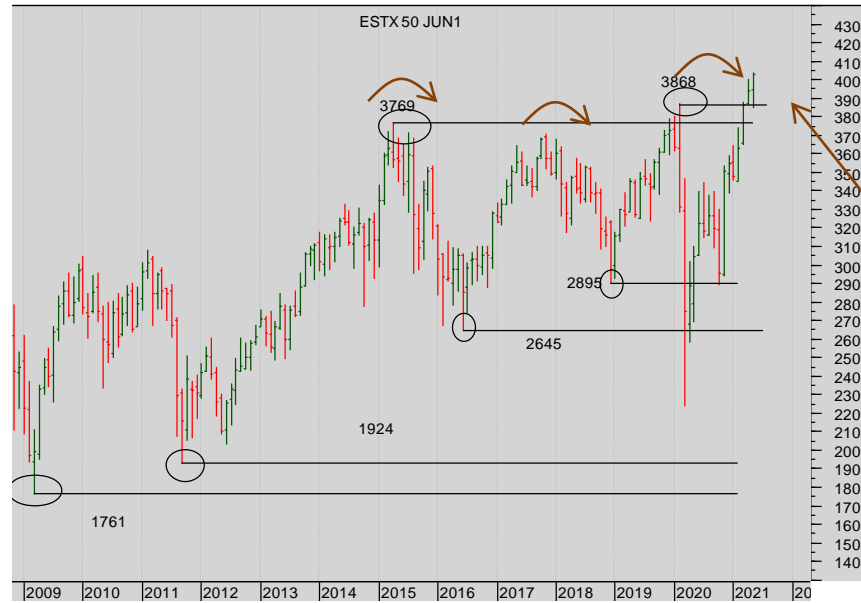
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Eurex EuroStoxx 50 monthly continuation futures chart

The market has now broken out
Note the monthly close above 3868.

The break of 3868 establishes very powerful support beneath the market and so sets up **the next bull leg.**

This is a very bullish pattern.



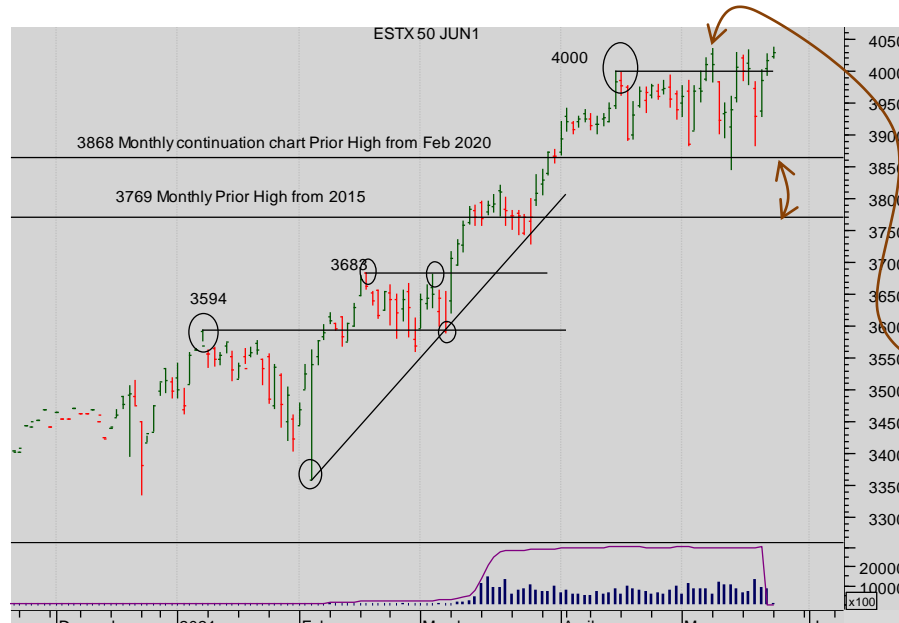
Eurex EuroStoxx 50 weekly continuation futures chart

The market has broken up through **the Prior High at 3868 that is now clearly very good support.**

More



Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Jun 21 futures chart

The market has bounced sharply off the support from the prior Highs in 2015 and 2020, so the market looks very well set.

Cautious bulls may want to wait for a daily break and close above the recent 4036 High.

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Stocks: Liffe FTSE 100

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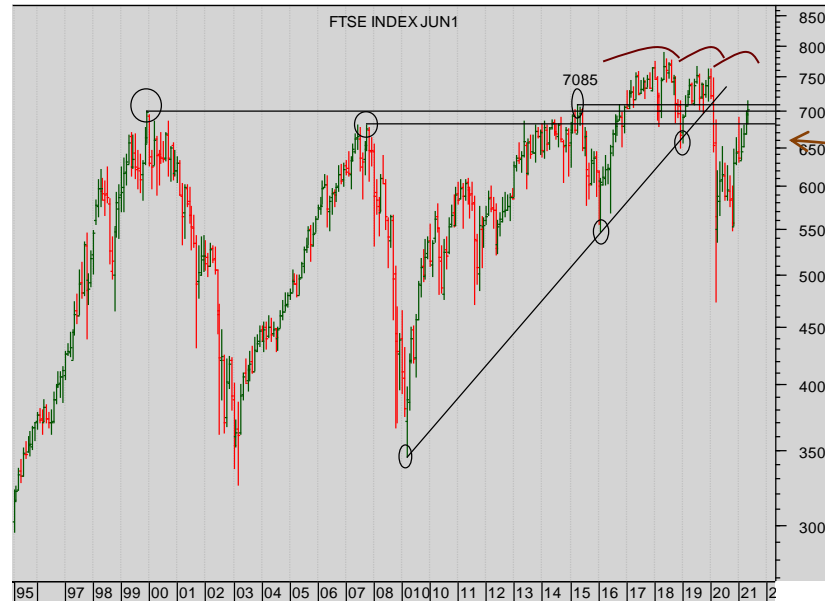
Bonds

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- + Ten Year German Bund
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Commodities

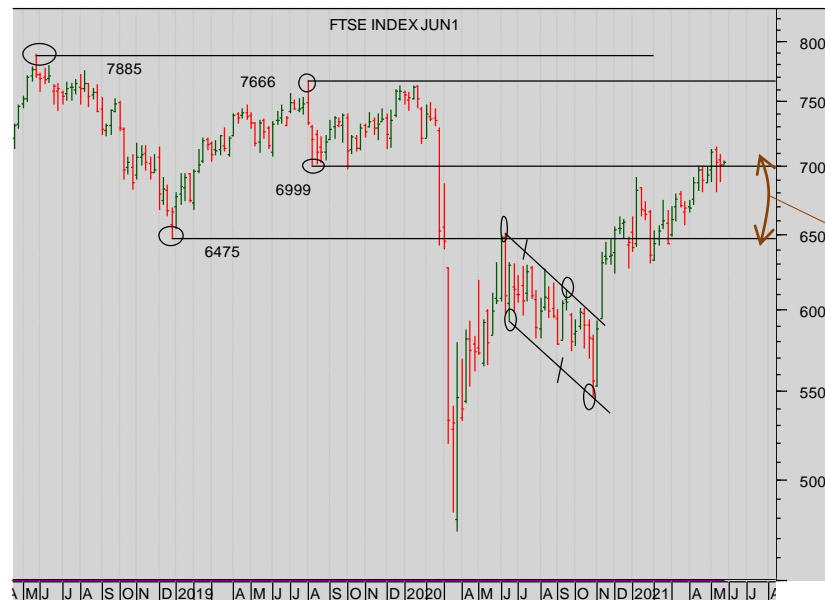
- + Oil
- + Gold

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Liffe FTSE 100 Monthly continuation futures chart

The market bounced into the massive overhead resistance above the market at 6475 but so far has been unable to break up through those levels.



Liffe FTSE 100 Weekly cont. futures chart

The market is pausing at the resistance provided by the low at 6999

It's not clear.

More



Stocks: Liffe FTSE 100

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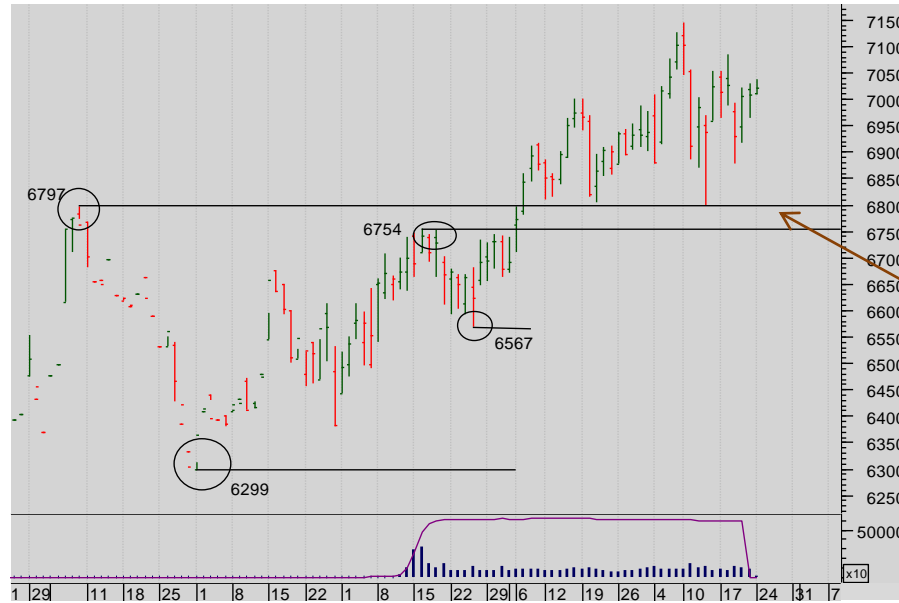
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Jun 21 daily futures chart

The break and close above the 6797 High was important.

Note, in particular, the multiple demonstrations that there is good support at 6797.

While that support holds, the market remains solid.



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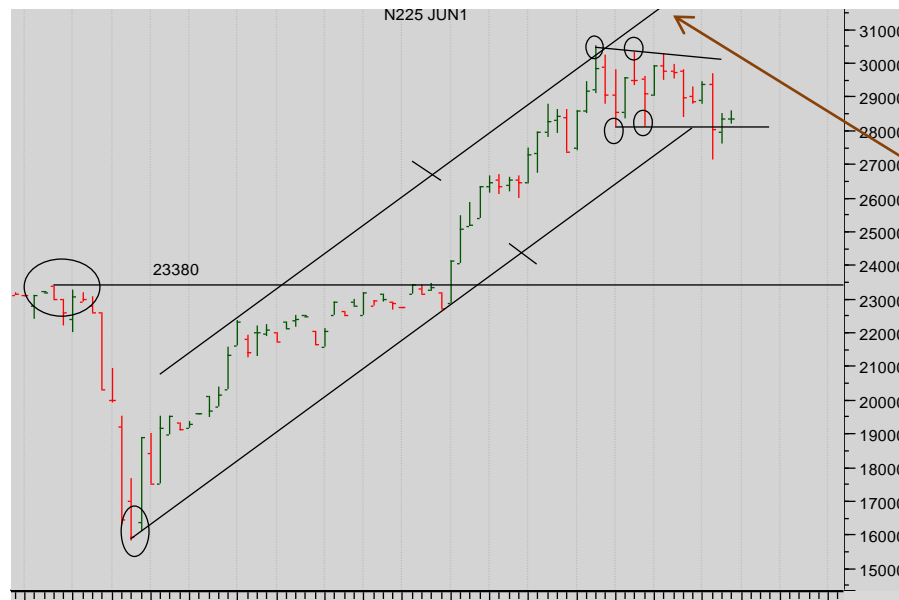
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Stocks: OSE Nikkei 225



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)

There is a rough bull channel which has now broken.

The failure of the Triangle now looks like a small top formation - that that has completed.

Expect more on the downside.

More



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Commodities

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Stocks: OSE Nikkei 225



Nikkei 225 chart Daily Jun 2021.

The breakdown through the lows at 28100 looks important. We expect more on the downside, **short-term**.



Bonds

BONDS:

German bunds look ready for higher yields in the short medium and long term. The US and UK look more uncertain in the short and medium term, tho' still very bullish for higher yields in the long-term.

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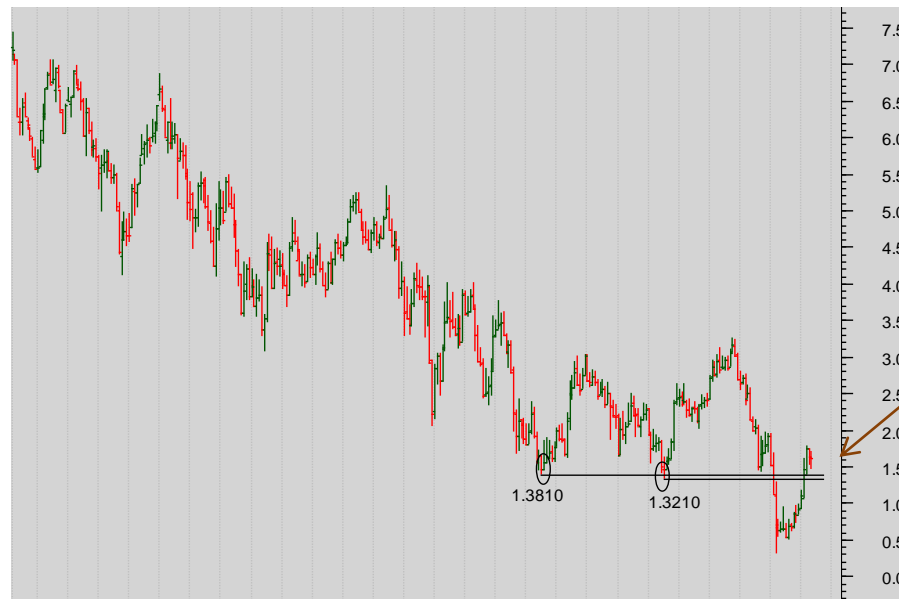
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Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) monthly chart

Now the market has bounced back THROUGH that powerful resistance above the market at 1.32/8.

The two monthly closes convince that the resistance has been breached.

Yields look bullish now in the long-term.

More



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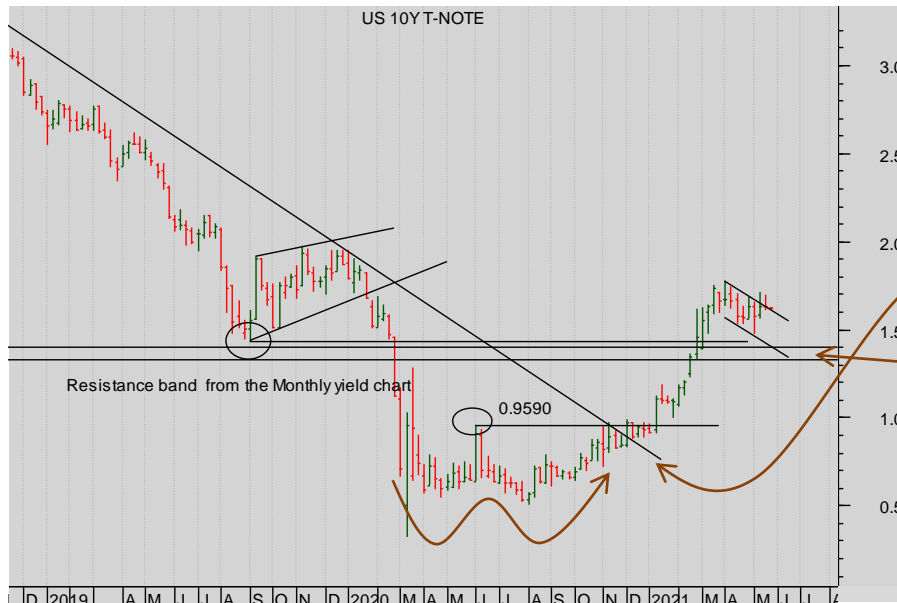
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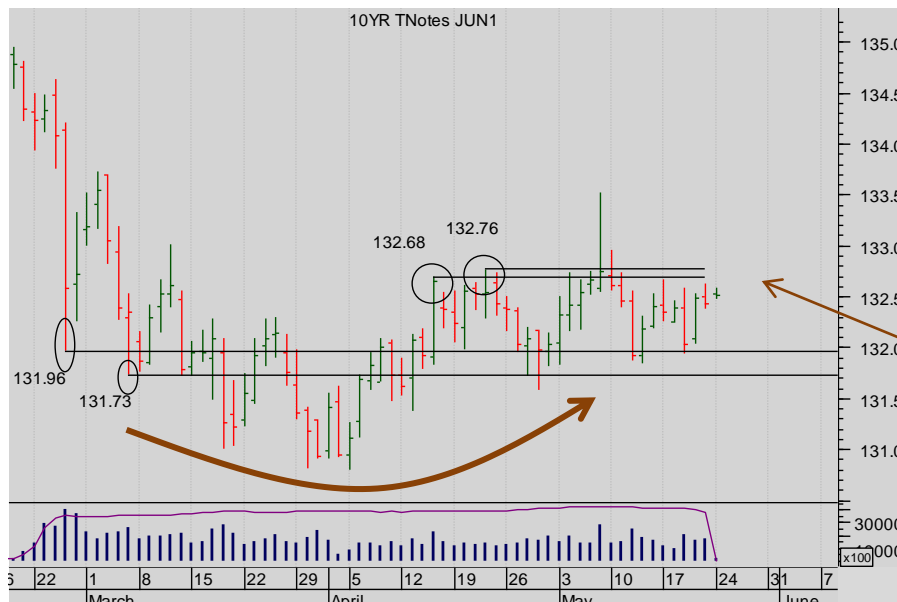
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Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) weekly chart

1. The sideways pause in 2020 - a sideways move broke the diagonal downtrend resistance
2. The completed Double Bottom has driven the bounce through the monthly horizontal resistance above the market
3. Notice the small bull Flag formation that may have formed in the weekly chart.



US Ten Year Notes June 2021 Futures price daily chart

The futures market is less clear than the yield chart.

The futures chart has created a short-term bottom but without a potent bull structure **there's only small reversal potential.**

The futures bears need a breakdown through the recent lows.

More



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Bonds: German Bund yield chart



Bund monthly yield chart

This is **a major breakthrough** – the penetration of the resistance at -0.204



Bund weekly yield chart

Now we have a confirmed **break of that resistance.**

Note too that a Triple Bottom has been completed.

We are yield bulls

More



Bonds: German Bund yield chart

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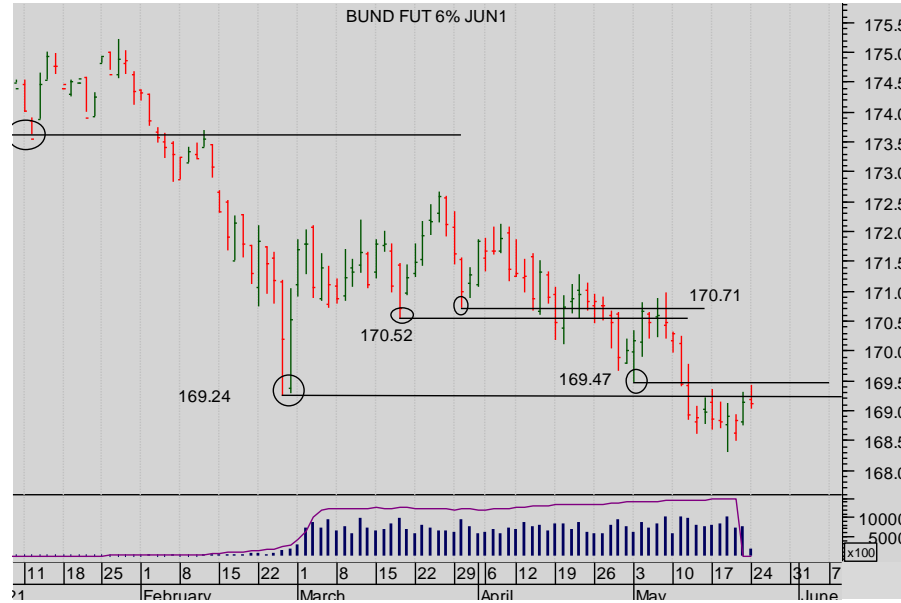
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Bund daily futures chart

Bears have the critical break of 169.24. The price bears are in charge.

The resistance from the Prior Lows is a band at 169.24 - 47



Bonds: UK Gilt yield chart



Gilt monthly yield chart

The market long-term bear trend.

We are attacking the diagonal downtrend resistance.

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Gilt weekly yield chart

Two short-term horizontal resistance have been broken.

(Note the underlying bullishness of the WEEKLY Key Reversal)

Watch the market's reaction to the next level of horizontal resistance at 0.92.

More



Bonds: UK Gilt yield chart



Gilt daily Futures Jun 21 chart

The small H&S continuation pattern has FAILED. Watch the range.

Cautious bears will wait for a break of the Prior Low at 126.79.

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Commodity

COMMODITIES:

Oil remains close to its recent highs, shrugging off recent failures. Stand back. Gold looks very bullish in all time frames.

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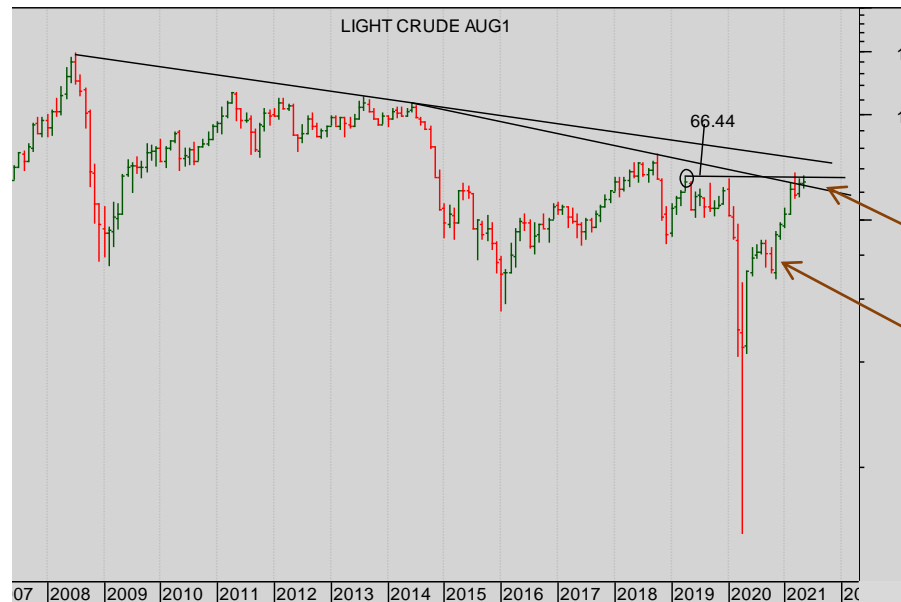
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Commodities: Nymex WTI Oil



Nymex oil monthly continuation

The rocketing rally is retesting the May 2021 contract Prior High at 66.44 and looks like pausing there.

Note the impetus imparted by the Key Reversal here.

Look closer.

More



Commodities: Nymex WTI Oil

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Nymex oil weekly continuation

The rally has failed to break up through the Prior High.

And pulled back.

But there is no top formation yet.



Nymex oil daily Jul 2021 futures

The push beneath 63.12 has not been sustained.

Note the rally up to test the bottom of the broken diagonal.



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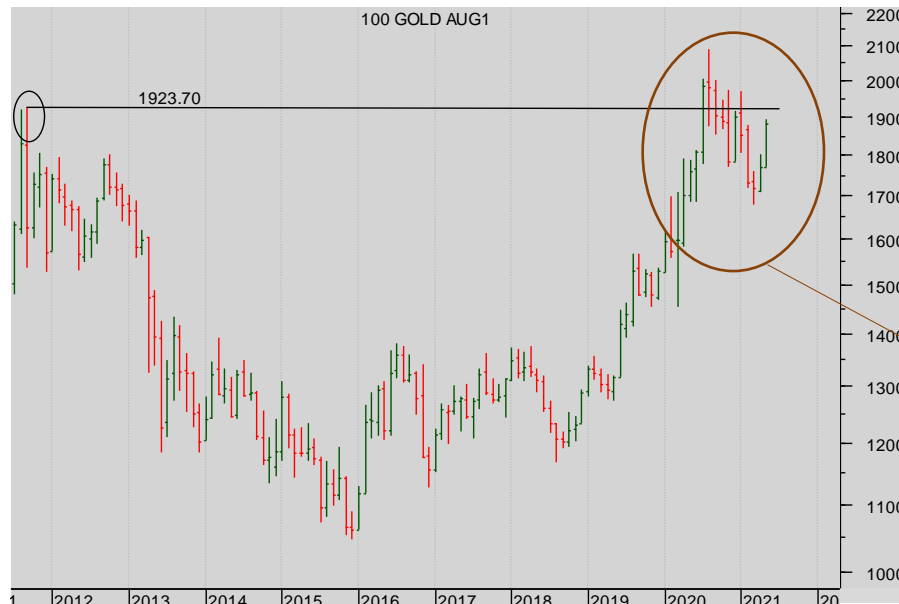
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Commodities: Comex Gold



Nymex Gold Monthly

Will the pause at the Prior High resolve itself into

- a reversal pattern or
- a continuation pattern?

It's not clear yet.

Nymex Gold weekly



A small bull Double Bottom has resulted which has helped drive the market back up

Additionally, the market has penetrated the falling diagonal resistance from the High in July 2020.

This completes a large bull Flag.

Look closer.



Commodities: Comex Gold

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Nymex Gold Aug 2021 Daily

The small Double Bottom was the catalyst for the rally up to and through the falling diagonal.

The break of the diagonal is **IMPORTANT**, at the parallel sides make the channel a bull Flag.

In greater detail we can see that the market has overcome the Prior High at 1848.



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- + Ten Year German Bund
- + UK Gilt

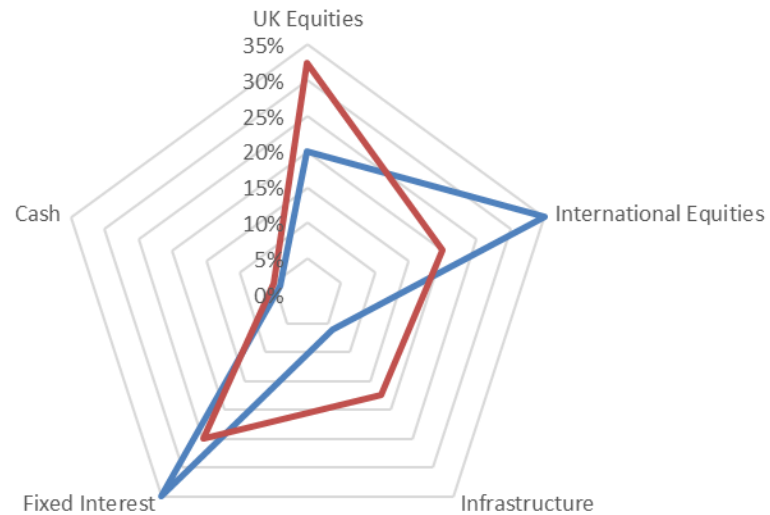
Commodities

- + Oil
- + Gold

Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

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