



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 6<sup>th</sup> July 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

## Summary

### Currencies

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

Long-term **BEAR** Euro  
Long-term **BULL** Sterling  
**Long-term BEAR** Yen  
Long-term FLAT Euro

Medium-term **BULL** Euro  
Medium-term **BULL** Sterling  
**Medium-term BEAR** Yen  
Medium-term **BEAR** Euro

Short-term **BULL** Euro  
Short-term FLAT Sterling  
**Short-term BEAR** Yen  
Short-term FLAT Euro

### Stocks

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

**Long-term BULL**  
Long-term **BULL**  
Long-term FLAT  
Long-term **BULL**

**Medium-term BULL**  
Medium-term **BULL**  
Medium-term FLAT  
Medium-term FLAT

**Short-term BULL**  
Short-term FLAT  
Short-term FLAT  
Short-term FLAT

### Bonds

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

Long-term **BULL**  
Long-term **BULL**  
Long-term **BULL**

Medium-term FLAT  
Medium-term **BULL**  
Medium-term **BULL**

Short-term FLAT  
Short-term FLAT  
Short-term FLAT

### Commodities

- + Oil
- + Gold

Long-term **BULL**  
Long-term **BULL**

Medium-term **BULL**  
Medium-term **BULL**

Short-term FLAT  
Short-term FLAT

## IMPLIED ASSET ALLOCATION

More



## Currencies: Dollar Euro

### CURRENCIES:

The strengthening of the Dollar is continuing. The Euro is close to completed a powerfully bearish pattern to drive it on down further still.

Sterling looks unhappy too, watch the range there.

The Yen looks weakest of all – a massive bear pattern has completed there.

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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

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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### Bonds

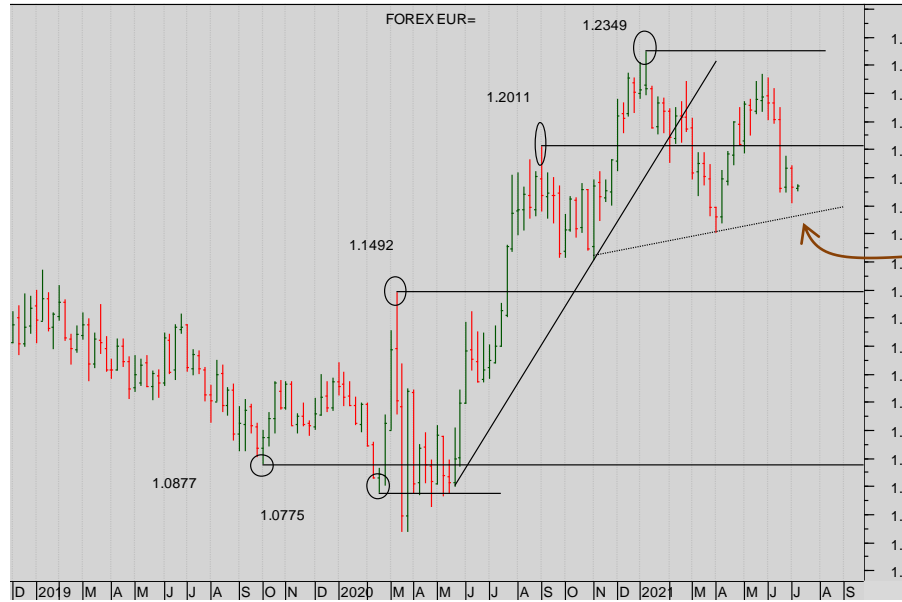
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

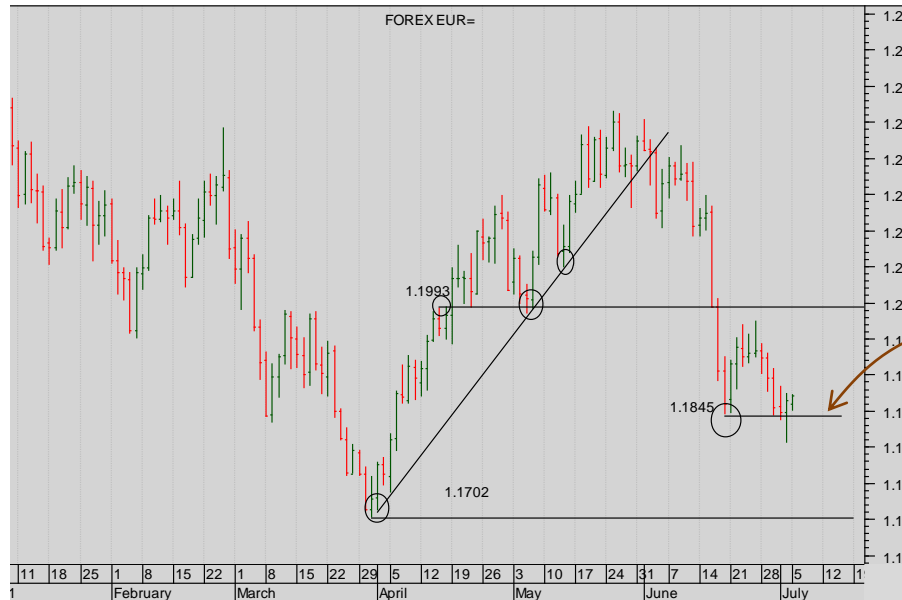
### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Euro



### Dollar Euro weekly spot cash chart

Medium-term, there is a **lack of clarity** about the price action....unless the market can drive down through this POSSIBLE neckline ...



### Dollar Euro spot cash chart daily chart...

No clear structure: Stand aside unless the low of 1.1845 is taken out.



## Currencies: Dollar Sterling

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- + Sterling Euro

### Stocks

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- + Nikkei 225

### Bonds

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

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

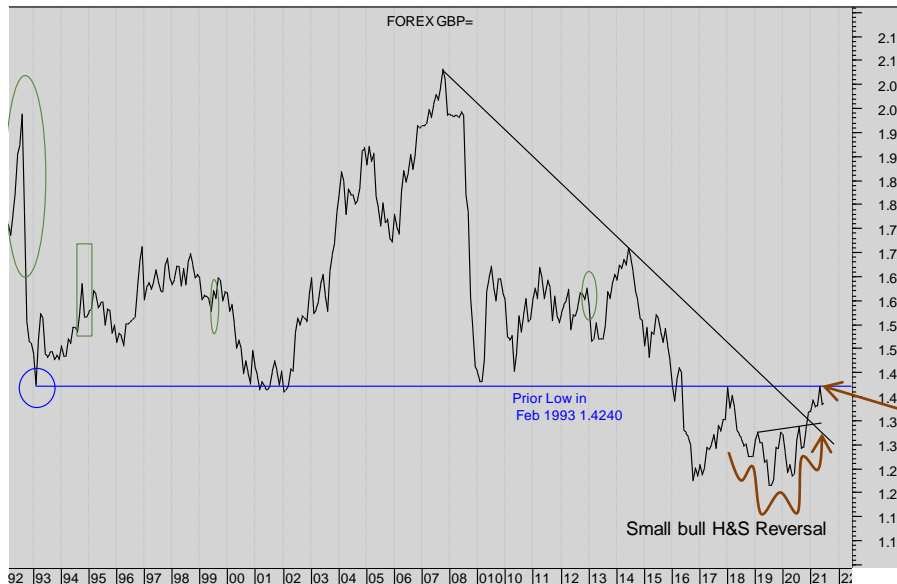


### Dollar Sterling Monthly spot cash chart

The sideways price action beneath 1.35 broke the diagonal Sterling downtrend resistance and forged ahead.

But note that the horizontal resistances the market ... have been penetrated but 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 1.4240 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**.

More



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### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling



### Dollar Sterling weekly spot cash chart

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

In the meantime the support is the Neckline at 1.36 or so...



### Dollar Sterling daily spot cash chart

Watch the range.



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### Stocks

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### Bonds

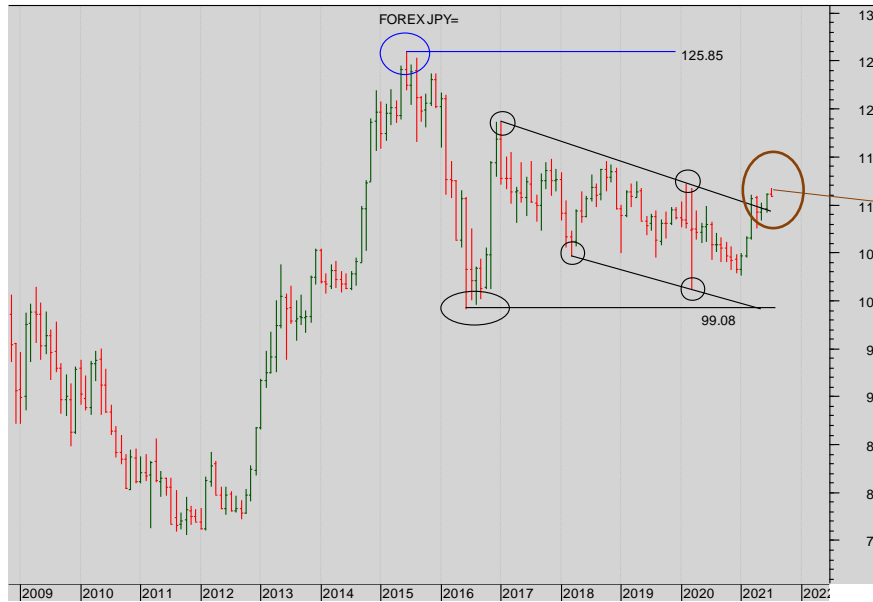
- + Ten Year US TNote
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- + UK Gilt

### Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

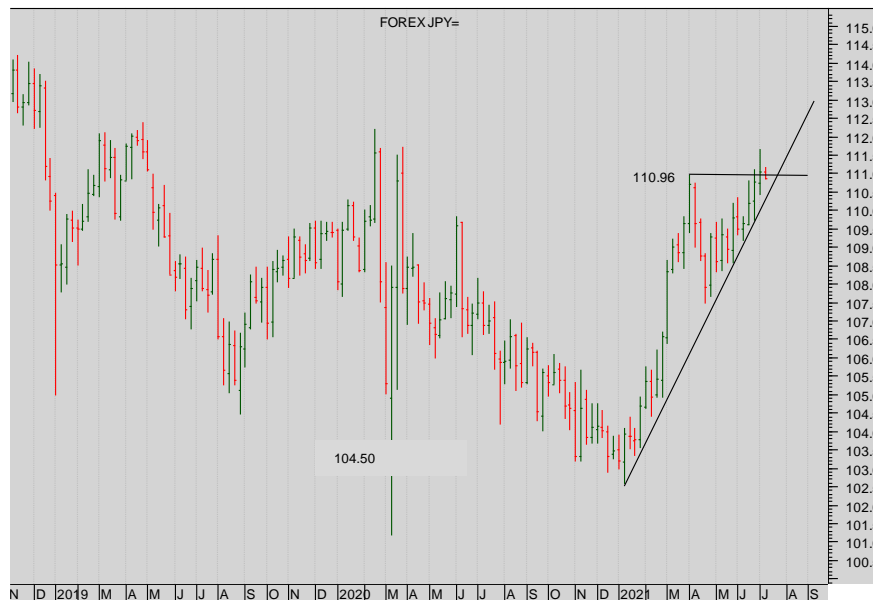
## Currencies: Dollar Yen



## Dollar Yen monthly spot cash chart

The bull falling wedge COMPLETED.

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



## Dollar Yen weekly spot cash chart

Not clear, stand back!

More



## Currencies: Dollar Yen

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- + Sterling Euro

### Stocks

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

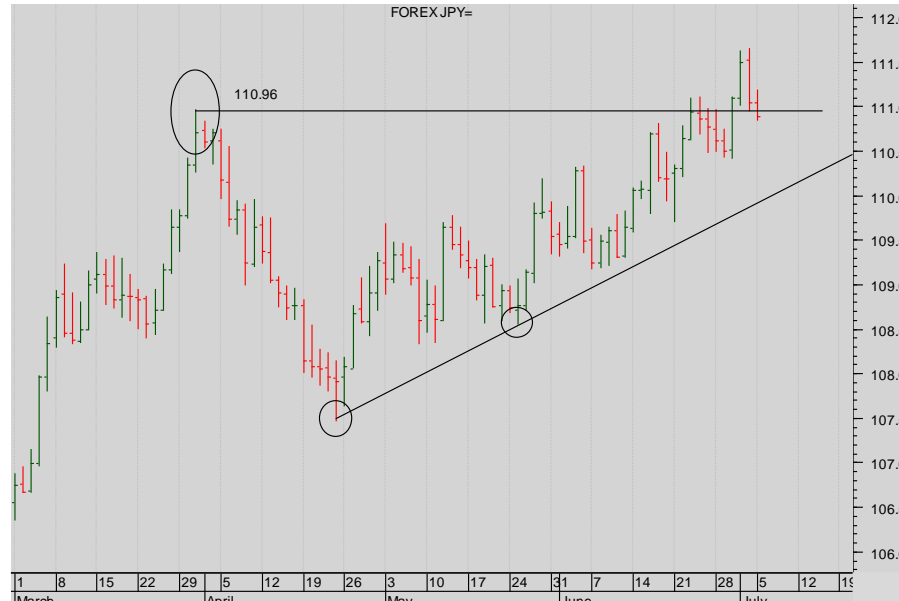
### Bonds

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- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
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### Dollar Yen daily spot cash chart

The Dollar looks set to drive the Yen further still.





## Summary

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- + FTSE 100
- + Nikkei 225

### Bonds

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

### Commodities

- + Oil
- + Gold

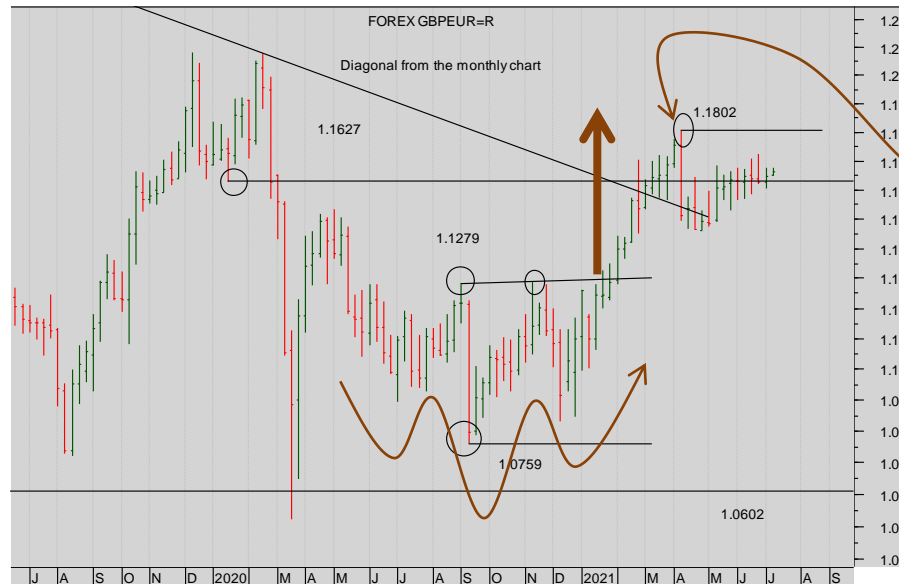
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## Currencies: Sterling Euro



### Sterling Euro monthly spot cash chart

The market remains in the broad trading range.



### Sterling Euro weekly spot cash chart

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

Stand aside.

More



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- + **Sterling Euro**

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

### Bonds

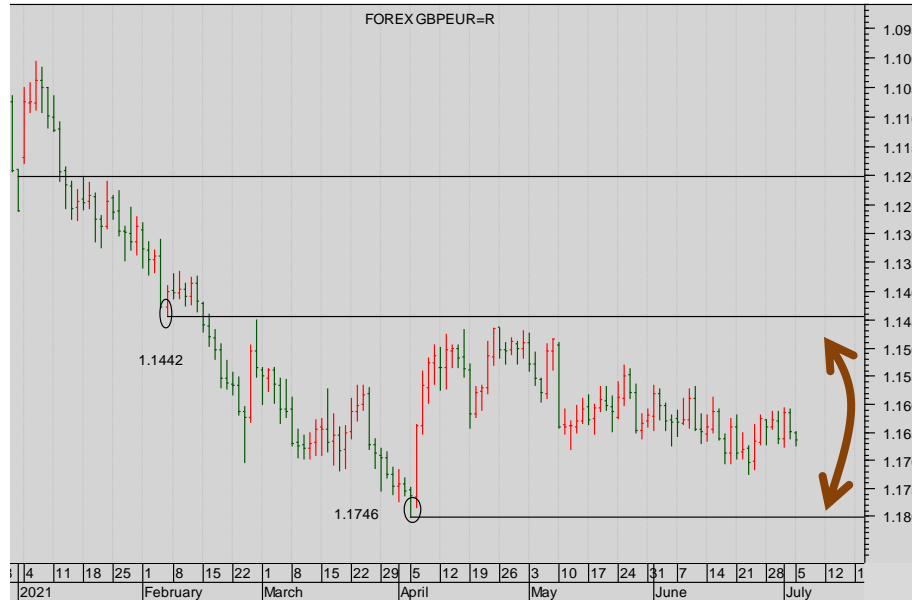
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Currencies: Sterling Euro



### Sterling Euro daily spot cash chart

The opportunity to break the small range was spurned.

Stand back and watch the range.



## Stocks: CME S&P

### STOCKS:

Stock remain well-set across the board led by the US. Note the weakening of the EuroStoxx and the downright sideways price action of the FTSE and the Nikkei.

#### Summary

#### Currencies

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- + Dollar Yen
- + Sterling Euro

#### Stocks

- + S&P 500
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#### Bonds

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- + UK Gilt

#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



### 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

### Summary

### Currencies

- + Dollar Euro
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- + Sterling Euro

### Stocks

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

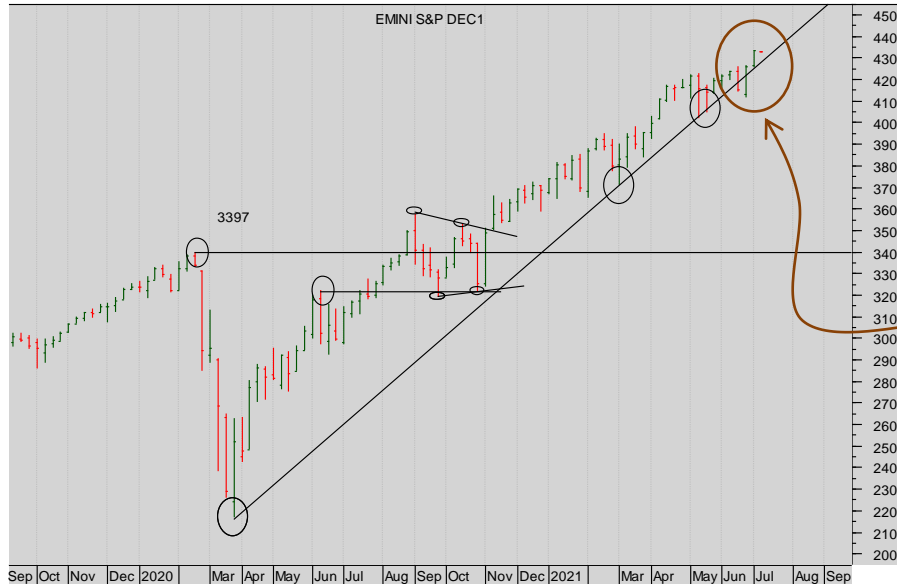
### Bonds

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

### Commodities

- + Oil
- + Gold

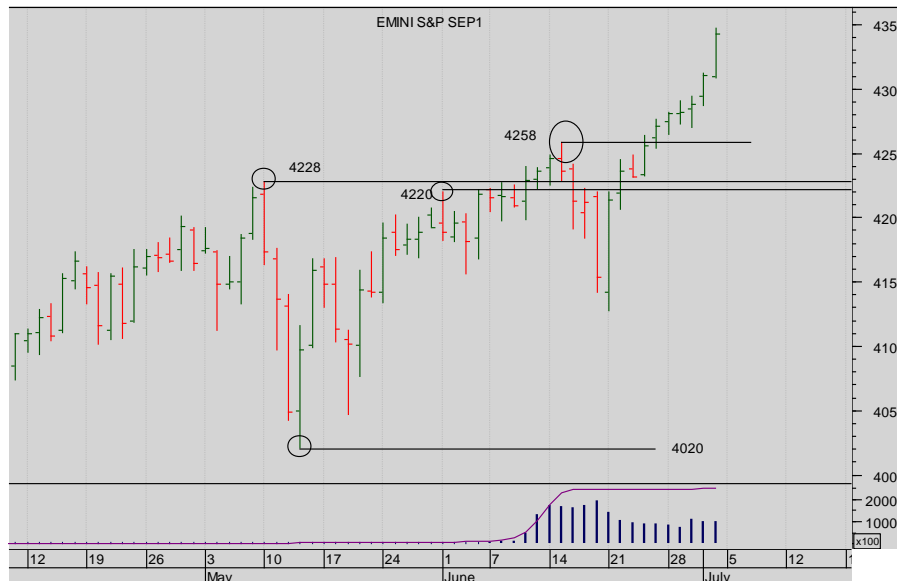
### IMPLIED ASSET ALLOCATION



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

The medium-term rising diagonal has been broken and at the same time a weekly Key Reversal has been established.

But it was a **false signal**.



### CME S&P 500 daily Sep 2021 chart

Note the breakup through the Prior Highs.

The market is **bullish and underpinned**.

More



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## Bonds

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- + Ten Year German Bund
- + UK Gilt

## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

## Stocks: Eurex EuroStoxx 50

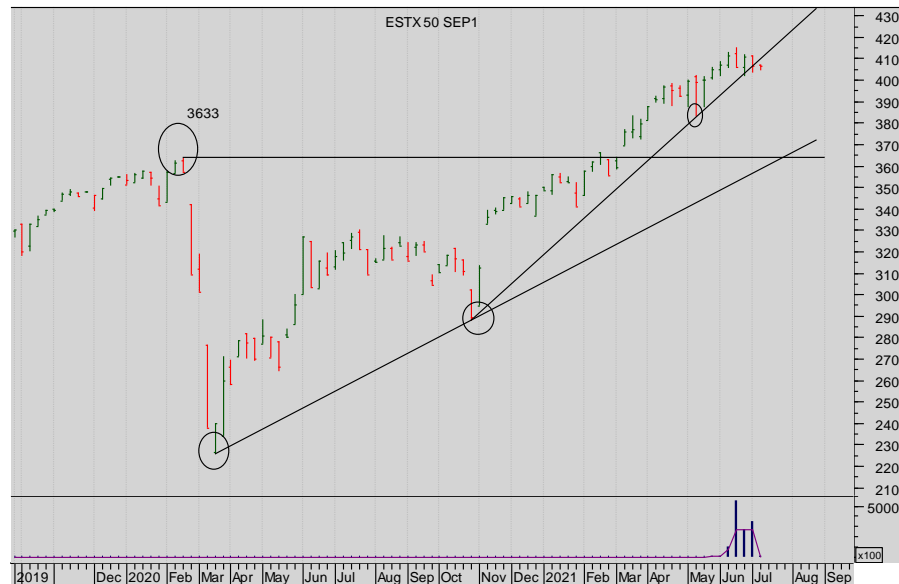


## Eurex EuroStoxx 50 monthly continuation futures chart

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 Sep 21 futures chart

The market had the support of a steep diagonal.

No longer.

Is the pace of the bulls slackening?

More



## Stocks: Eurex EuroStoxx 50



### Eurex EuroStoxx 50 daily Sep 21 futures chart

The market has bounced sharply off the support from the prior High at 4020.

Note the proximity of the support from the rising diagonal.

Wait for both to break before selling.

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#### Bonds

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

#### 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 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 had a weekly Key Reversal in place, but that failed.

Yet the market is drifting sideways....

The bears will only sell on a break of 6750.

More



## Stocks: Liffe FTSE 100

### Summary

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### Stocks

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

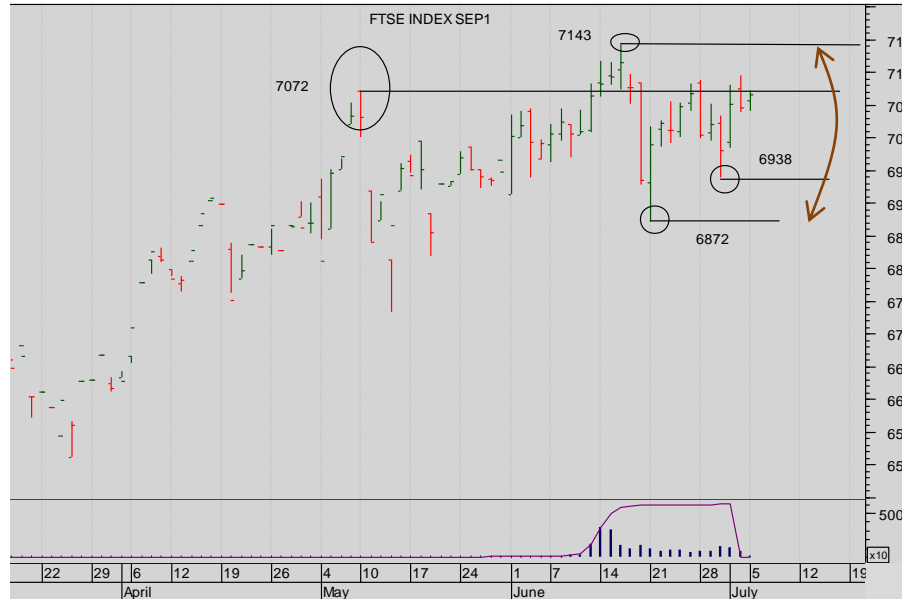
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Sep 21 daily futures chart

Watch the range.





# Stocks: OSE Nikkei 225

## Summary

## Currencies

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

## Stocks

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

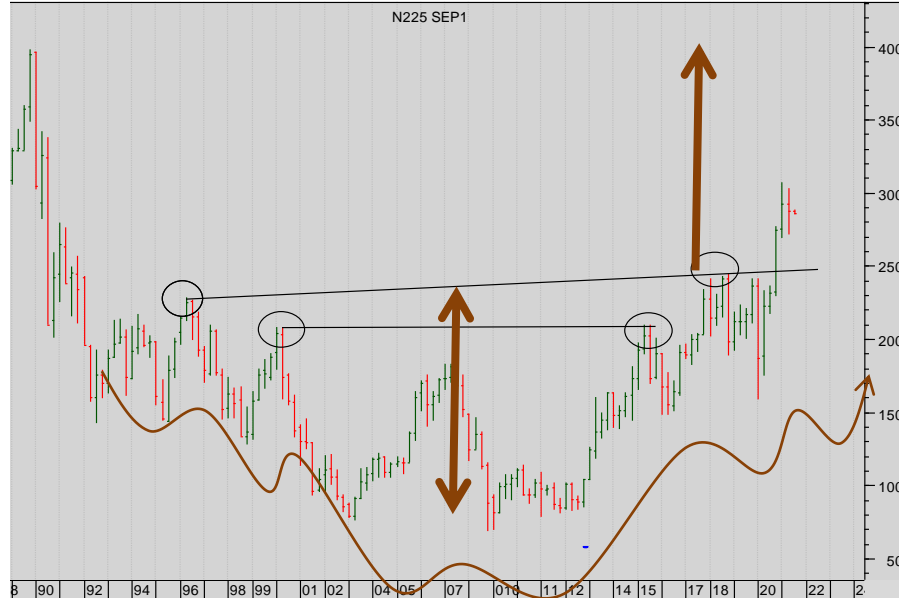
## Bonds

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

## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION



**Nikkei 225 chart (Quarterly)**

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



**Nikkei 225 chart (WEEKLY)**

The pause since the beginning of the year is marked.

Look closer.





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## Bonds

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- + UK Gilt

## Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Stocks: OSE Nikkei 225



Nikkei 225 chart Daily  
Jun 2021.

It's not clear.

Wait for a break of the  
range.



## Bonds

### BONDS:

These market continue to retrace – that is yields are continuing to drift lower as they have over the last three months in the US , two months in Europe and four month in the UK.

But in the longer-term charts there are indications stirring of larger patterns that might drive yields higher again. Watch our levels closely.

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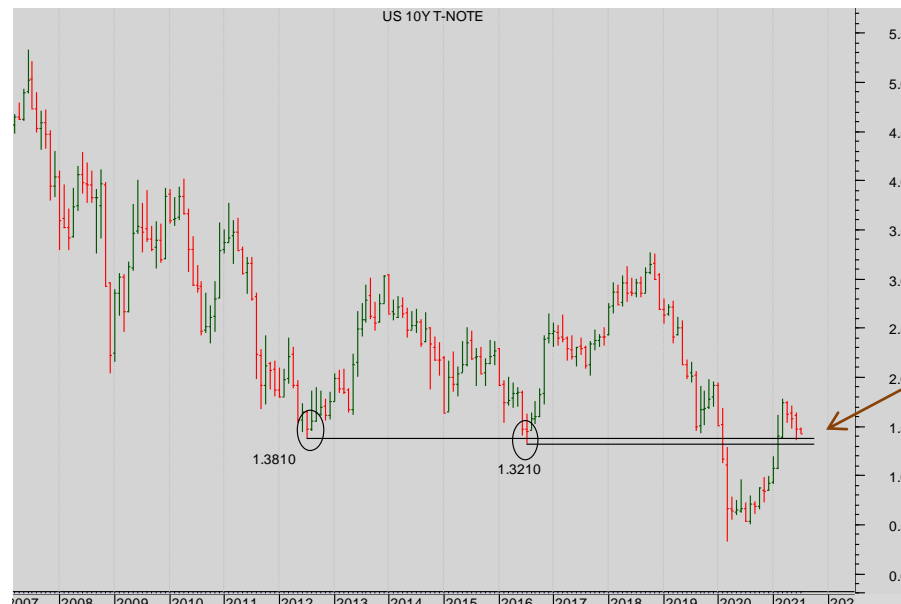
- + Ten Year US TNotes
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- + UK Gilt

#### Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

### 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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## Bonds

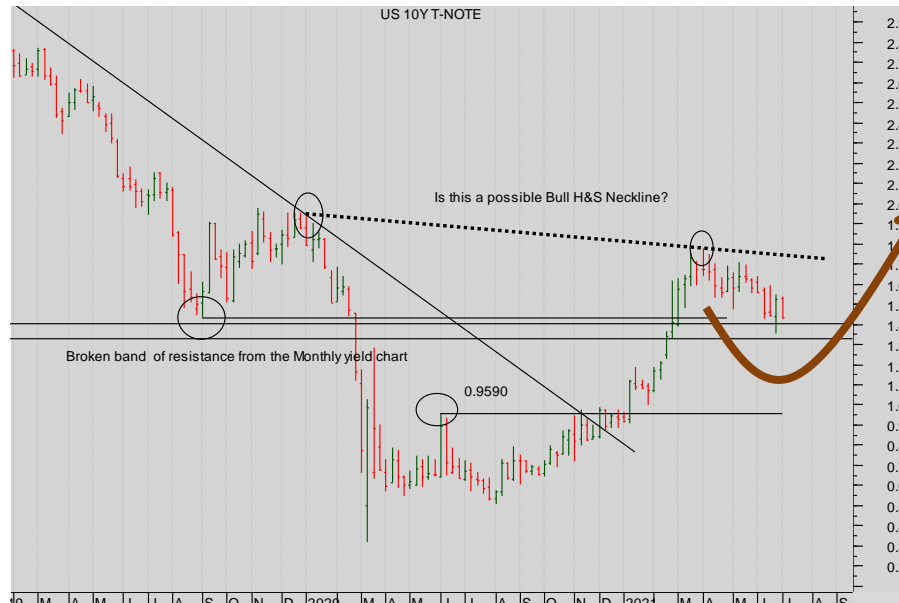
- + Ten Year US TNotes
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## Commodities

- + Oil
- + Gold

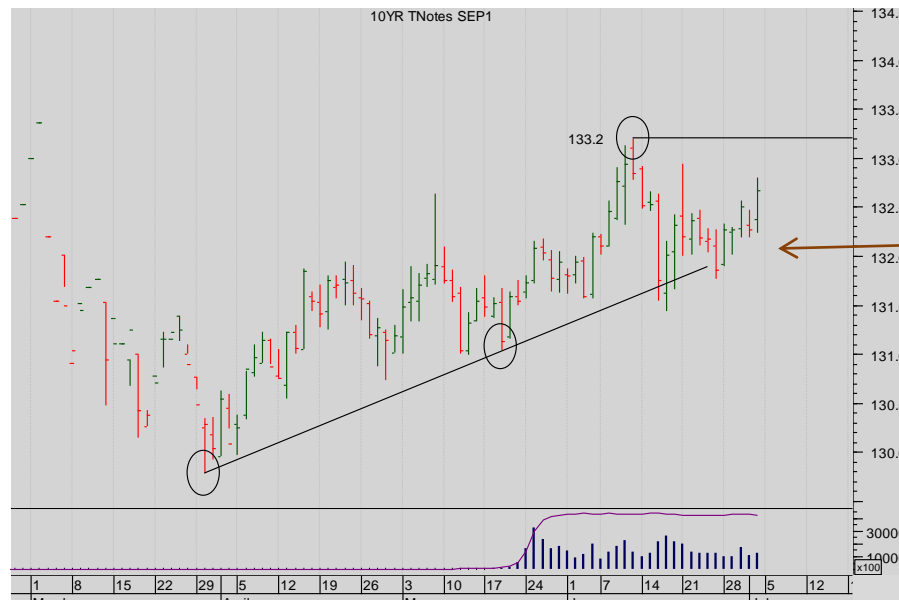
## IMPLIED ASSET ALLOCATION

## Bonds: US Ten Year Notes (Yield)



## US Ten Year Notes (Yield) weekly chart

Notice the small consolidation over the last four months. **Might that be the second shoulder of a H&S bull pattern? We'll see.**



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

The bull trend of three months remains in place while the diagonal support beneath remains intact.

More



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## IMPLIED ASSET ALLOCATION

## 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.

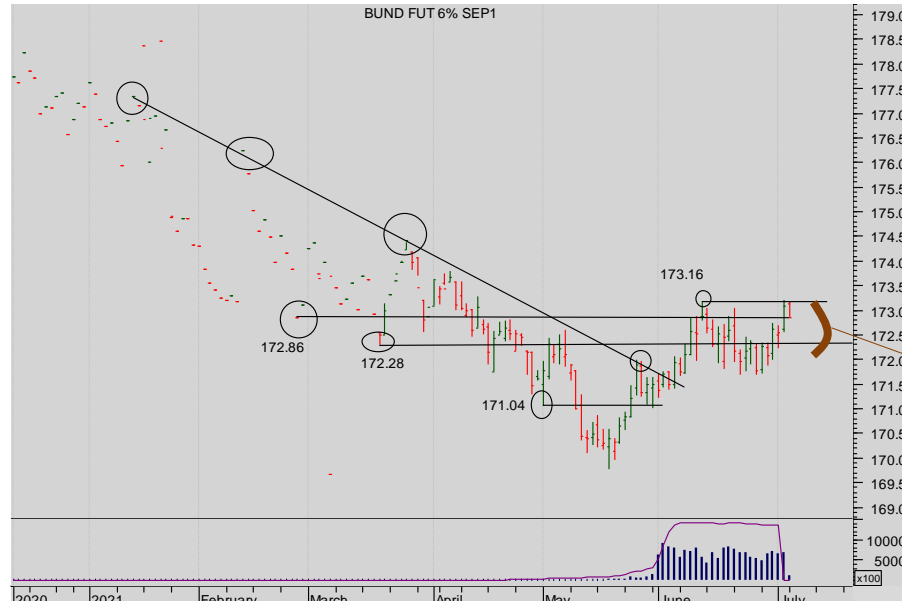
We are yield bulls.

But now looks closely at the pull back – **through Prior High support.**

More



## Bonds: German Bund yield chart



### Bund daily Sep 21 **futures** chart

The rally ( drift down in yields) has broken the resistance from Prior Lows that is clear: but on the other hand there is no clear bottom formation in place to encourage the price bulls...

Stand aside.

Watch for a push up through 173.16.

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IMPLIED ASSET ALLOCATION



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## Commodities

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## IMPLIED ASSET ALLOCATION

## Bonds: UK Gilt yield chart



## Gilt monthly yield chart

The market long-term bear trend.

We are attacking the diagonal downtrend resistance.



## Gilt weekly yield chart

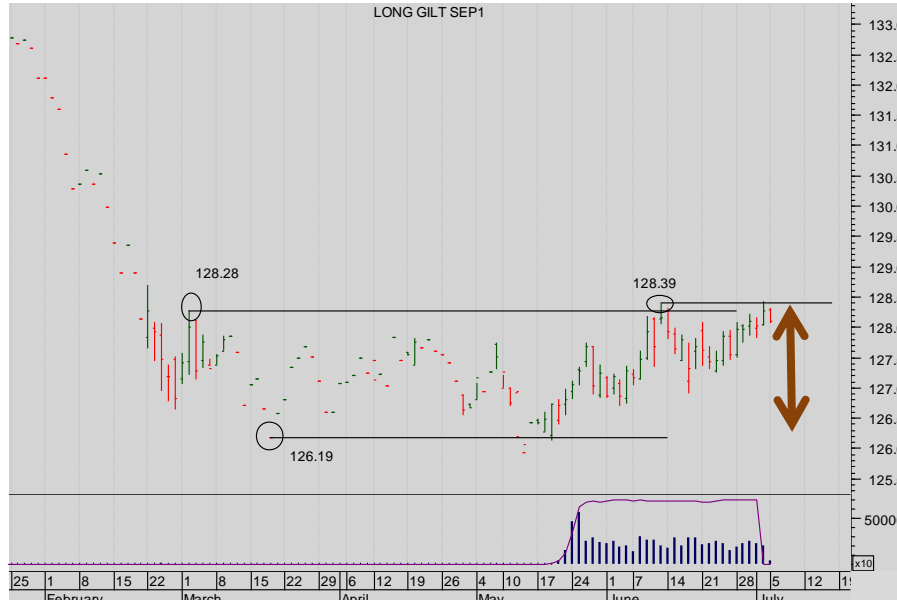
The recent sideways drift and retracement opens the possibility of the creation of a second shoulder in a large bull H&S pattern....

But there's nothing there at the moment.

More



## Bonds: UK Gilt yield chart



## Gilt daily Futures Sep 21 chart

Watch the range.

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IMPLIED ASSET ALLOCATION





## Commodity

### COMMODITIES:

Oil remains well-bid, tho close to the minimum target in the short-term chart. Stand aside from Gold.

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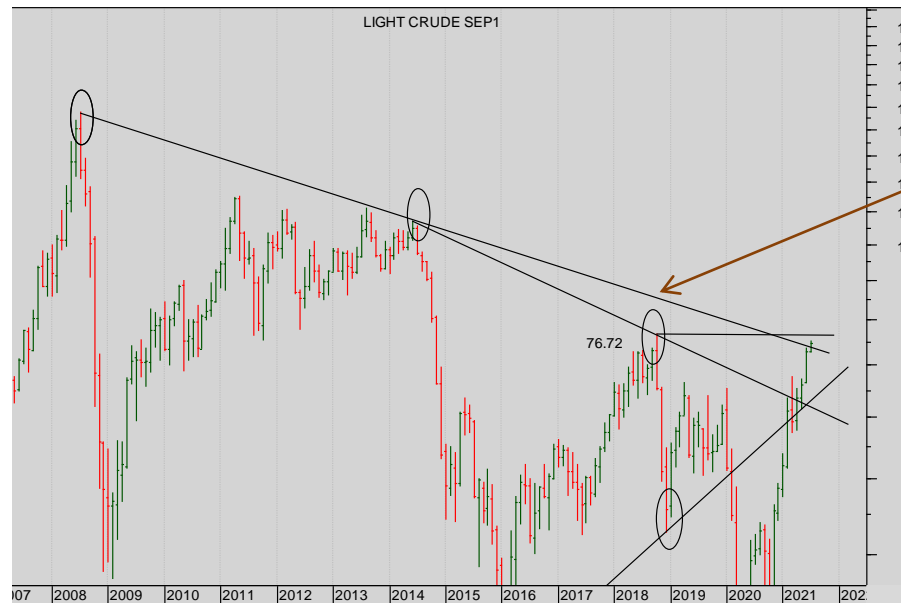
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#### Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

### Commodities: Nymex WTI Oil



#### Nymex oil quarterly continuation

Watch the approach to the falling diagonal above the market closely.

It's likely the market will pause there.

More



## Commodities: Nymex WTI Oil

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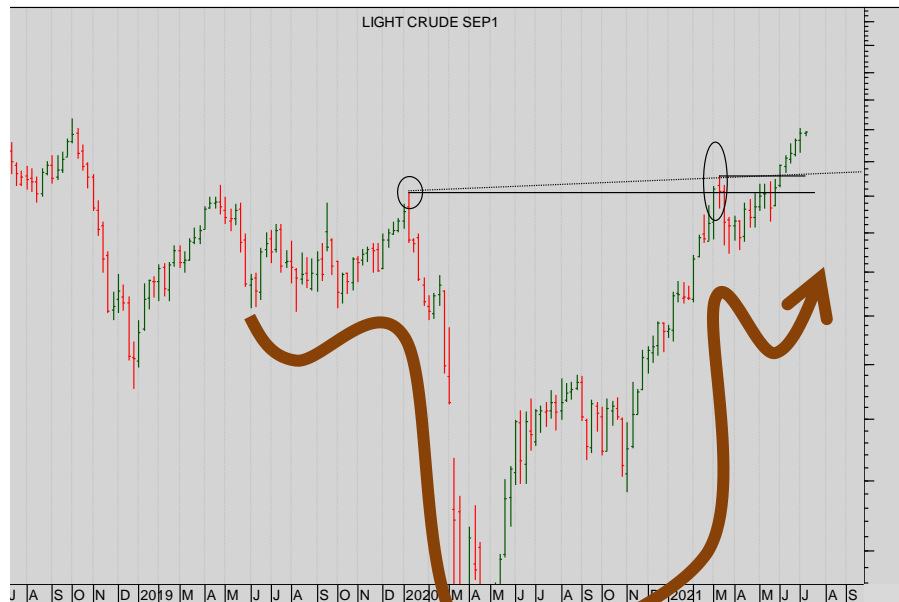
### Bonds

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### IMPLIED ASSET ALLOCATION



### Nymex oil weekly continuation

Is this a major bull H&S pattern that has just completed?



### Nymex oil daily Sep 2021 futures

This bull continuation triangle has completed and suggests moves up as far as **76 minimum**.

More or less achieved.



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## Bonds

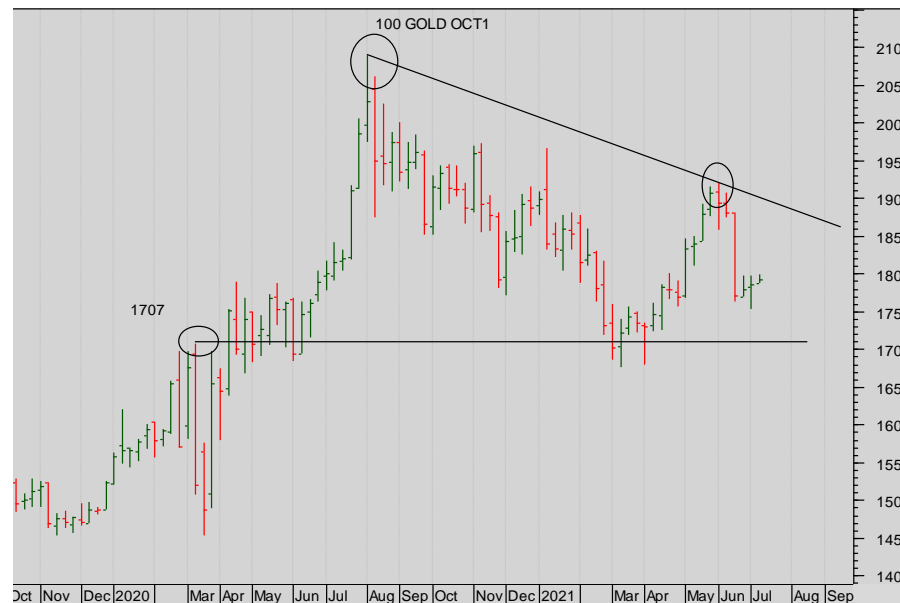
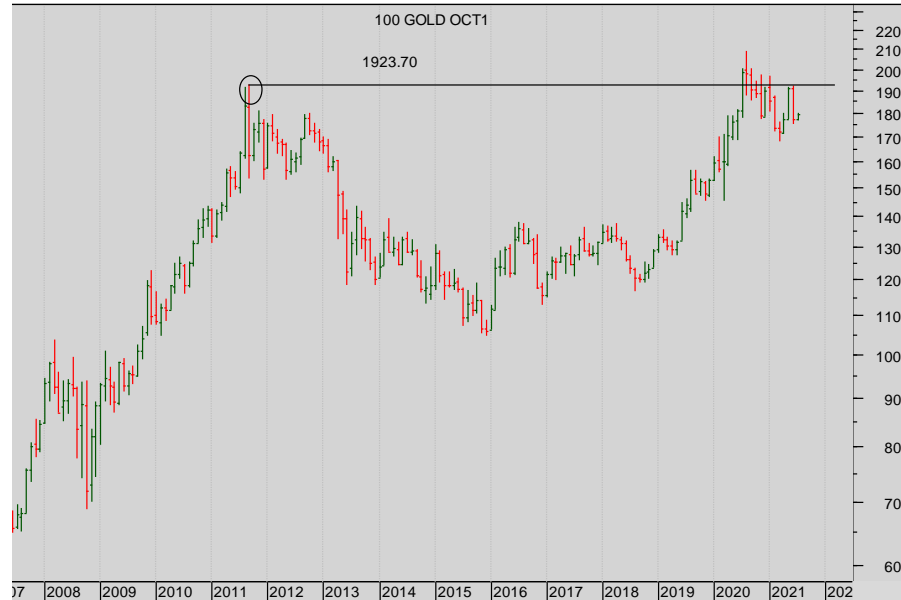
- + Ten Year US TNote
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- + UK Gilt

## Commodities

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IMPLIED ASSET ALLOCATION

## Commodities: Comex Gold



## Nymex Gold Monthly

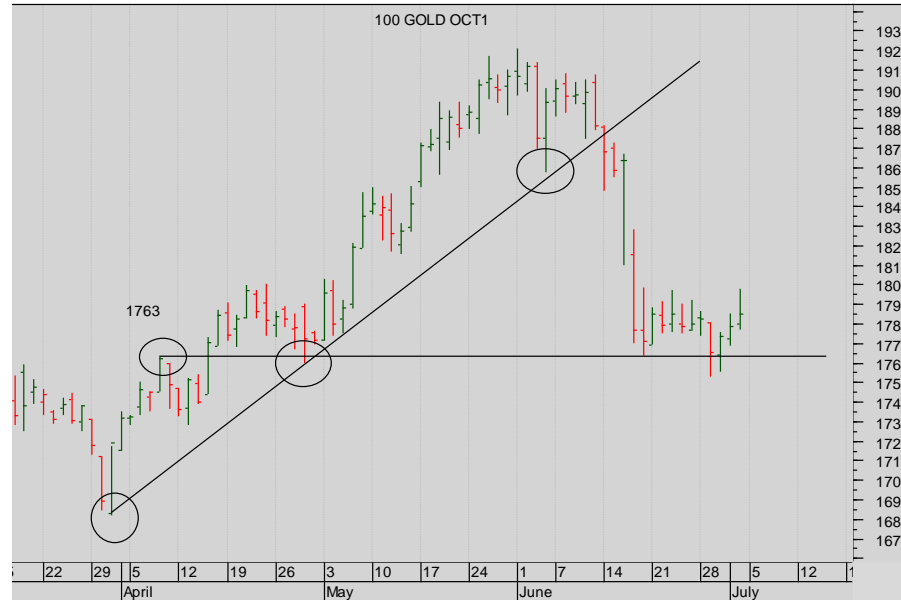
The dither at the Prior High was entirely predicatable.

## Nymex Gold Oct 21 weekly

At least the support at 1707 is clear.



## Commodities: Comex Gold



## Nymex Gold Aug 2021 Daily

The drift should have found support from the Prior High at 1763.

**Stand back.**

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- + Ten Year German Bund
- + UK Gilt

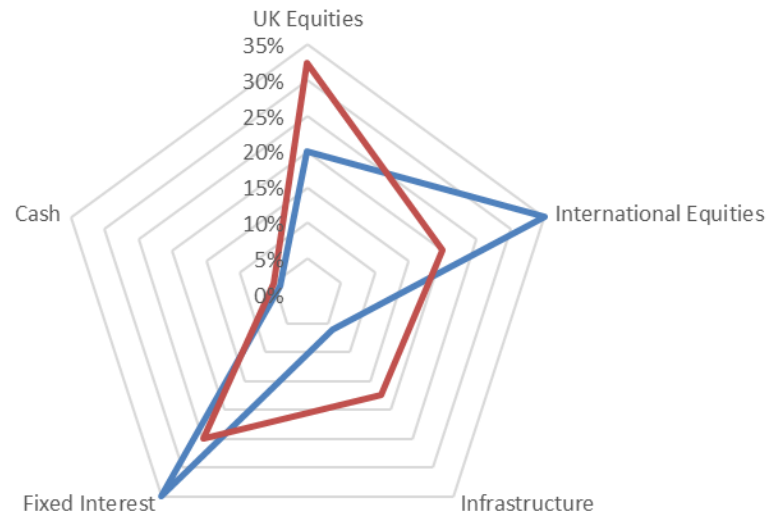
### Commodities

- + Oil
- + Gold

## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

### MSCI Balanced Risk Asset Allocation



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