



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 6th July 2021

Mark Sturdy

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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 BEAR Euro | Medium-term BULL Euro | Short-term BULL Euro |
| + Dollar Sterling | Long-term BULL Sterling | Medium-term BULL Sterling | Short-term FLAT Sterling |
| + Dollar Yen | Long-term BEAR Yen | Medium-term BEAR Yen | Short-term BEAR Yen |
| + Sterling Euro | Long-term FLAT Euro | Medium-term BEAR Euro | Short-term FLAT Euro |
| Stocks | | | |
| + S&P 500 | Long-term BULL | Medium-term BULL | Short-term BULL |
| + EuroStoxx 50 | Long-term BULL | Medium-term BULL | Short-term FLAT |
| + FTSE 100 | Long-term FLAT | Medium-term FLAT | Short-term FLAT |
| + Nikkei 225 | Long-term BULL | Medium-term FLAT | Short-term FLAT |
| Bonds | | | |
| + Ten Year yield US TNote | Long-term BULL | Medium-term FLAT | Short-term FLAT |
| + Ten Year yield German Bund | Long-term BULL | Medium-term BULL | Short-term FLAT |
| + Ten Year yield UK Gilt | Long-term BULL | Medium-term BULL | Short-term FLAT |
| Commodities | | | |
| + Oil | Long-term BULL | Medium-term BULL | Short-term FLAT |
| + Gold | Long-term BULL | Medium-term BULL | Short-term FLAT |
| IMPLIED ASSET ALLOCATION | | | |

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

| 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 |



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



Currencies: Dollar Euro

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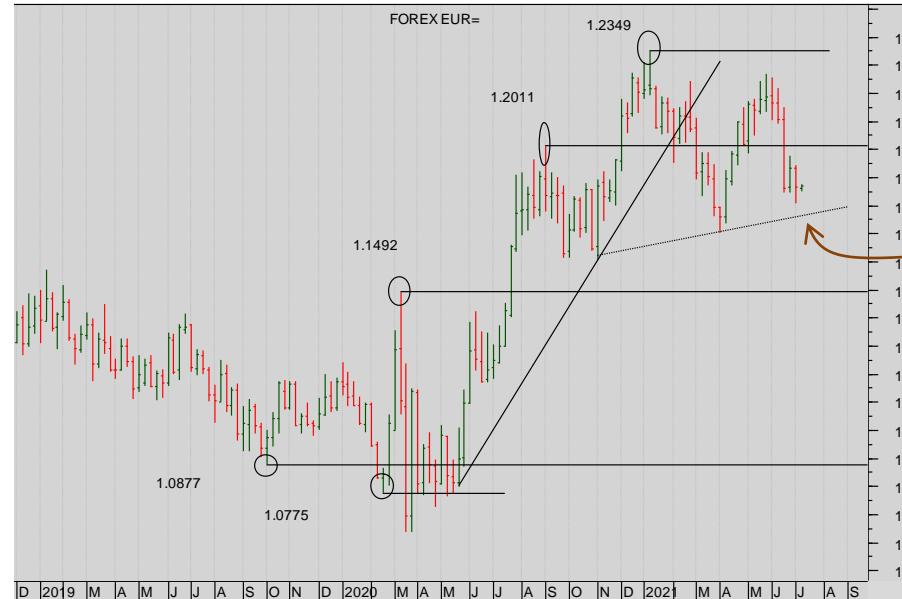
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Dollar Euro weekly spot cash chart

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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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



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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Currencies: Dollar Yen

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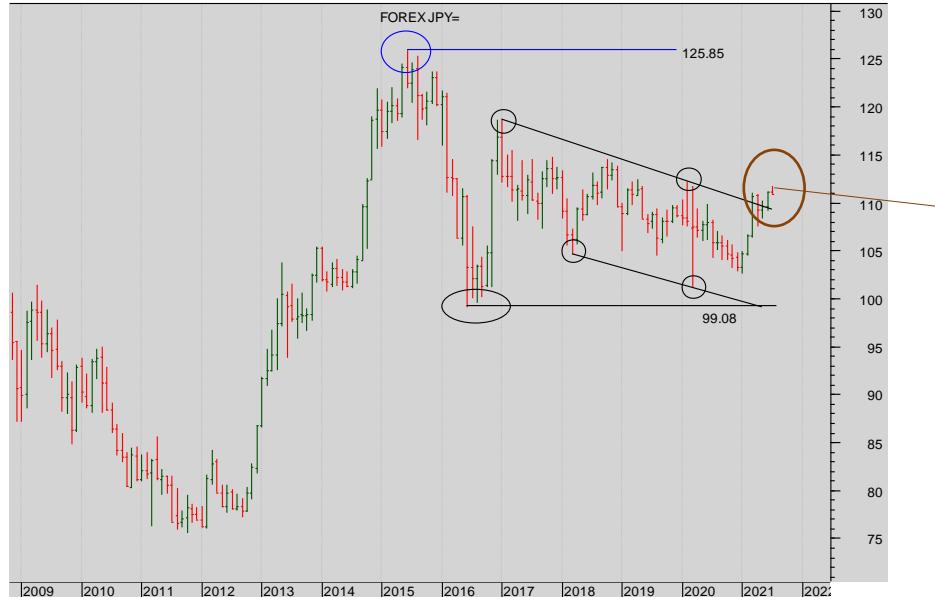
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Dollar Yen monthly spot cash chart

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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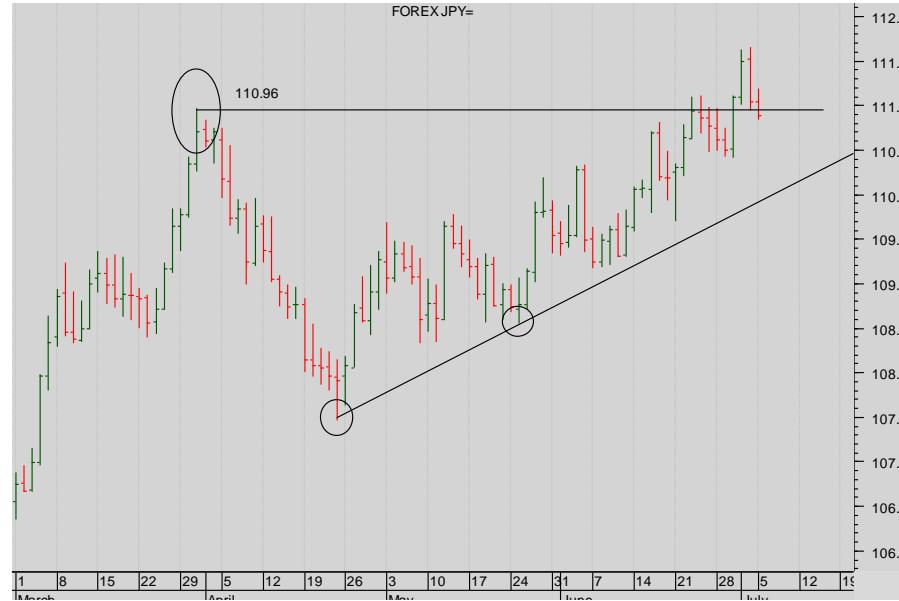
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Dollar Yen daily spot cash chart

The Dollar looks set to drive the Yen further still.



Currencies: Sterling Euro

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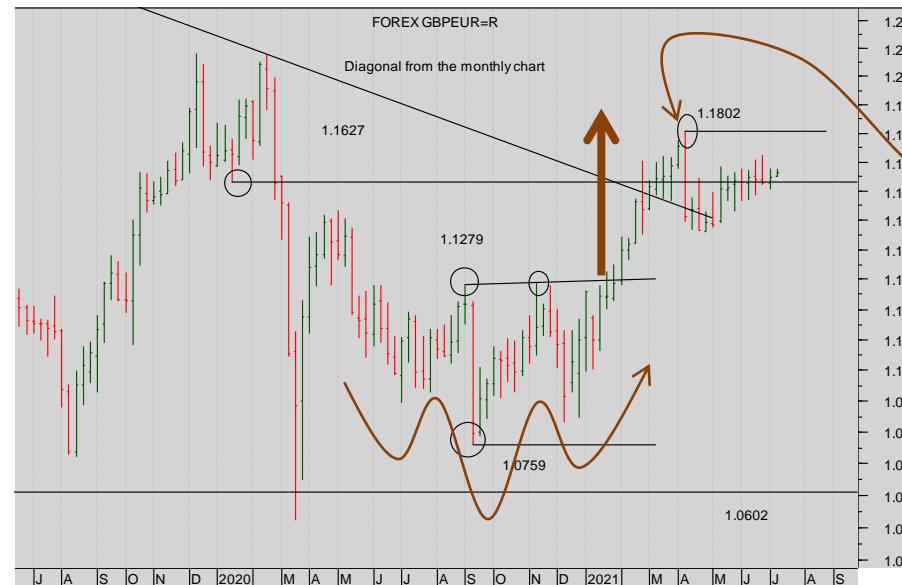
- + Oil
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Sterling Euro monthly spot cash chart

The market remains in the broad trading range.



Sterling Euro weekly spot cash chart

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

Stand aside.

More



Currencies: Sterling Euro

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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:

Stocks 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.

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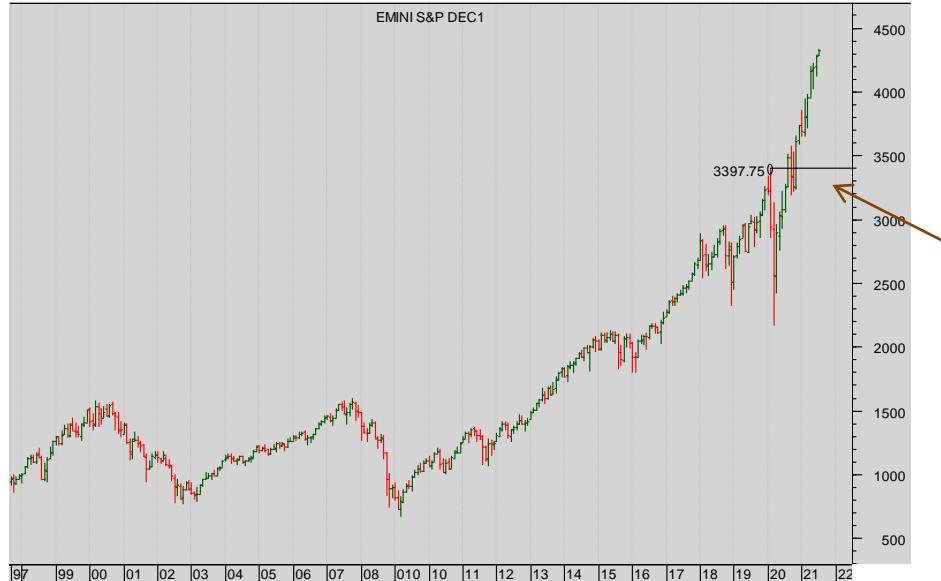
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CME S&P 500 monthly cont. futures chart

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

First support now at 3397.50

More



Stocks: CME S&P 500

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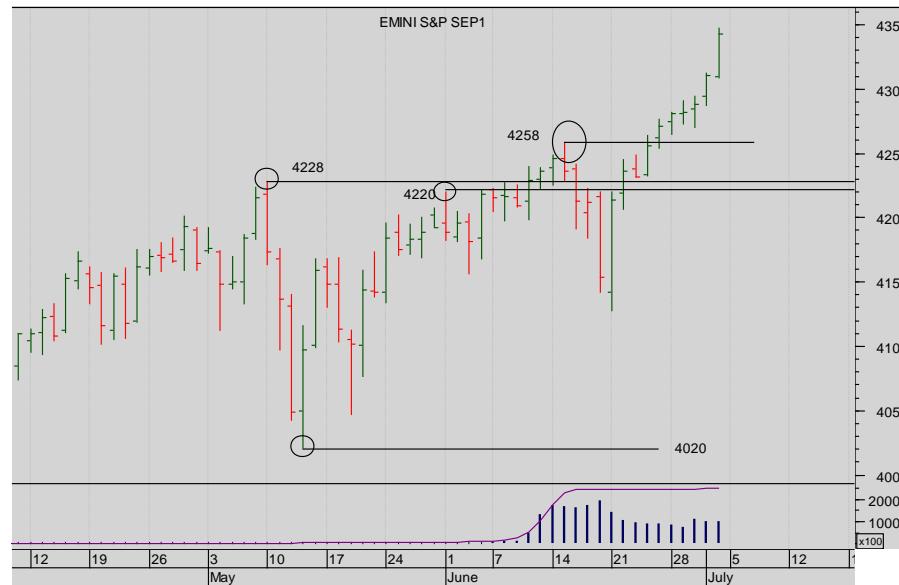
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CME S&P 500 cont. weekly cont. chart

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



Stocks: Eurex EuroStoxx 50

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Commodities

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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 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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Stocks: Liffe FTSE 100

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Commodities

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- + 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 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

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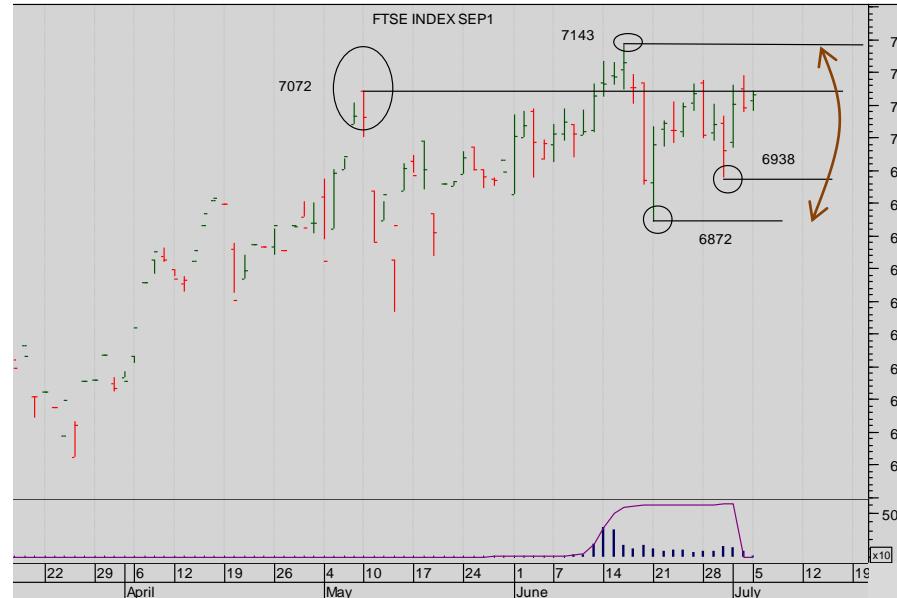
Bonds

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- + Ten Year German Bund
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Sep 21 daily futures chart

Watch the range.



Stocks: OSE Nikkei 225

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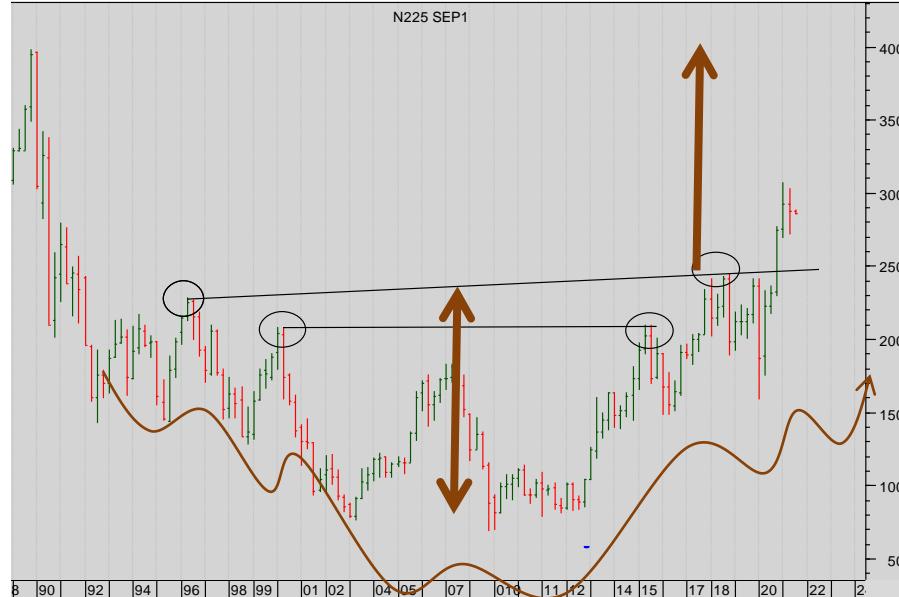
Bonds

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- + Ten Year German Bund
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Commodities

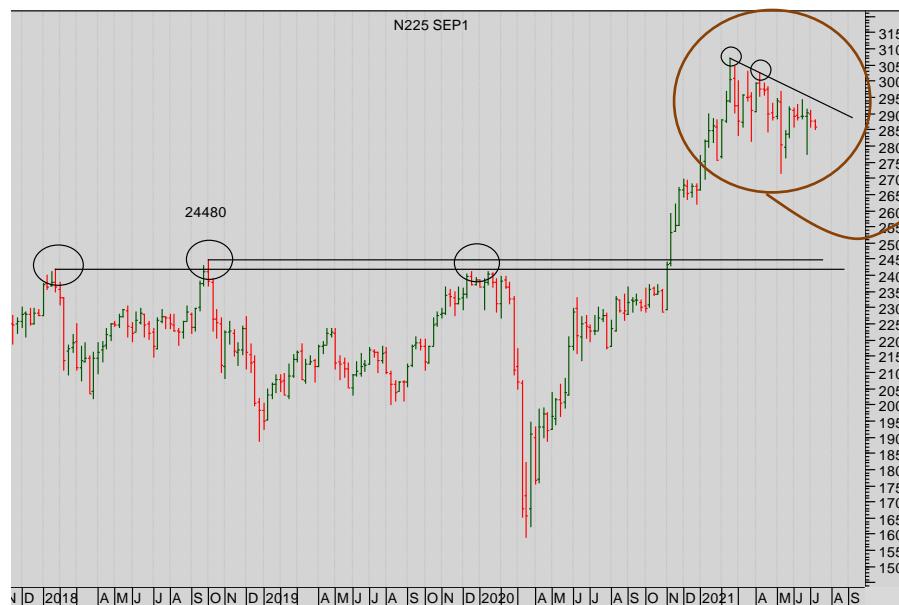
- + Oil
- + Gold

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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 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.

More



Stocks: OSE Nikkei 225

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Commodities

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+ Gold

IMPLIED ASSET ALLOCATION



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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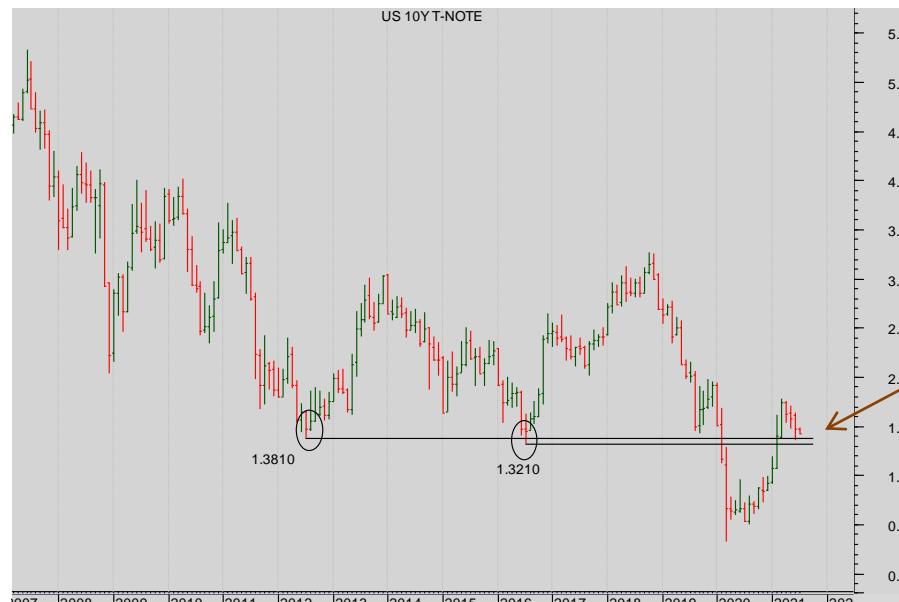
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Commodities

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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.

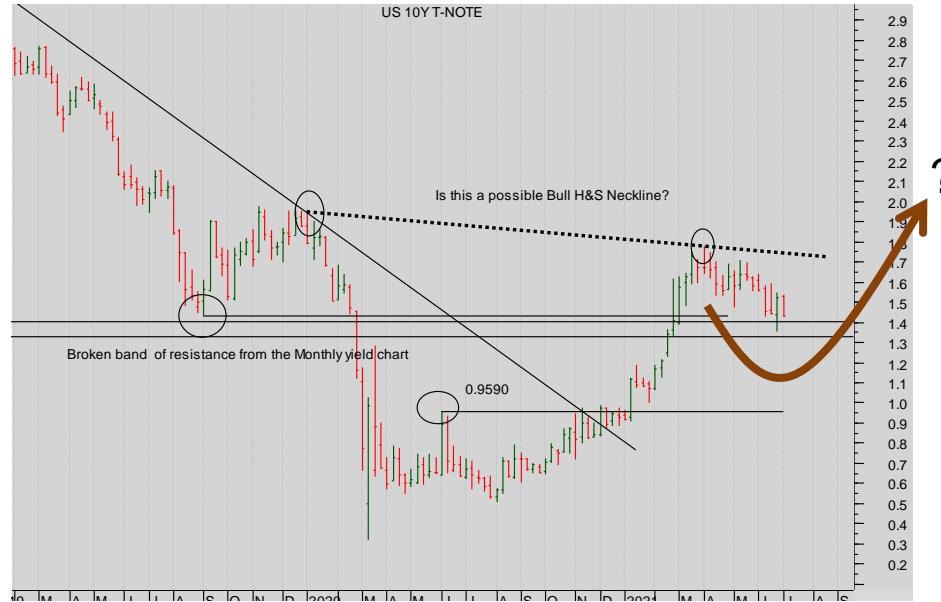
The two monthly closes convince that the resistance has been breached.

Yields look bullish now in the long-term.

More



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.

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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



Bonds: German Bund yield chart

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Commodities

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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.

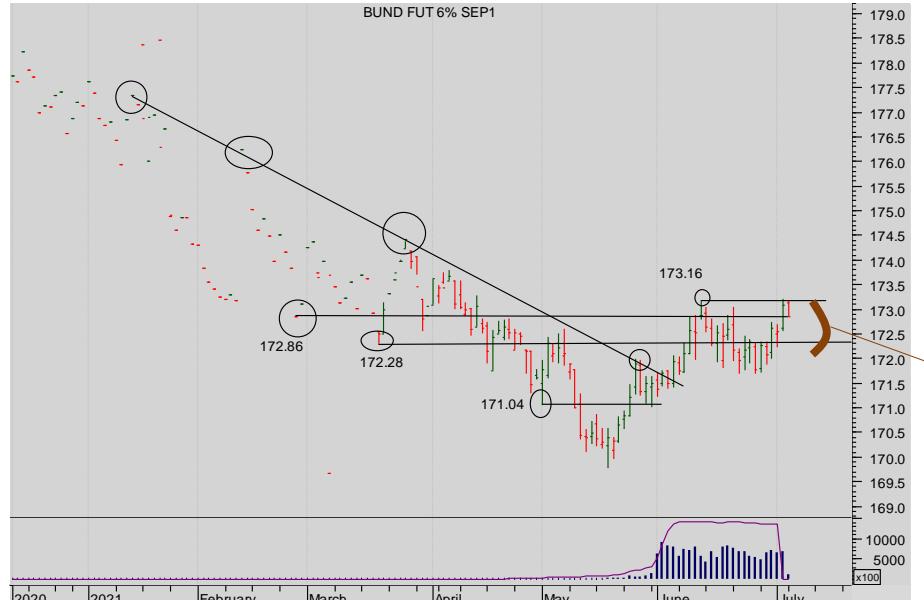
We are yield bulls.

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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Bonds: UK Gilt yield chart



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IMPLIED ASSET ALLOCATION

Gilt monthly yield chart

The market long-term bear trend.

We are attacking the diagonal downturn 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

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Commodities

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Gilt daily Futures Sep 21 chart

Watch the range.



Commodity

COMMODITIES:

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

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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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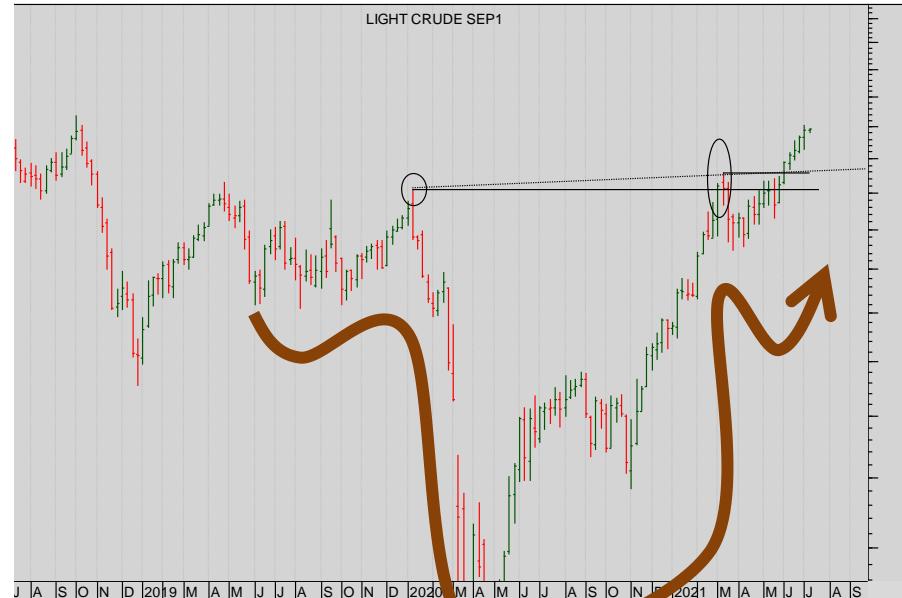
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Nymex oil weekly continuation

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.



Commodities: Comex Gold

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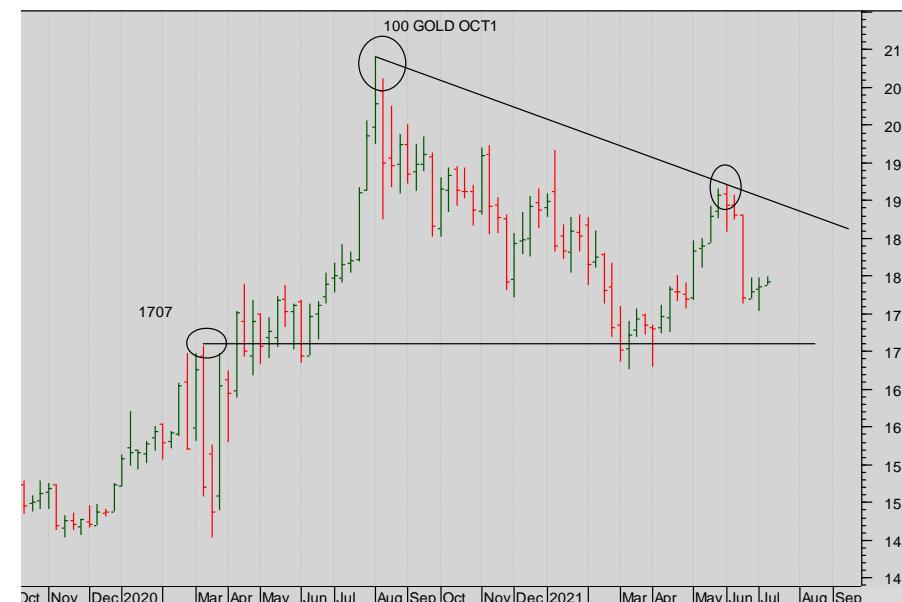
- + Oil
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Nymex Gold Monthly

The dither at the Prior High was entirely predictable.



Nymex Gold Oct 21 weekly

At least the support at 1707 is clear.



Commodities: Comex Gold

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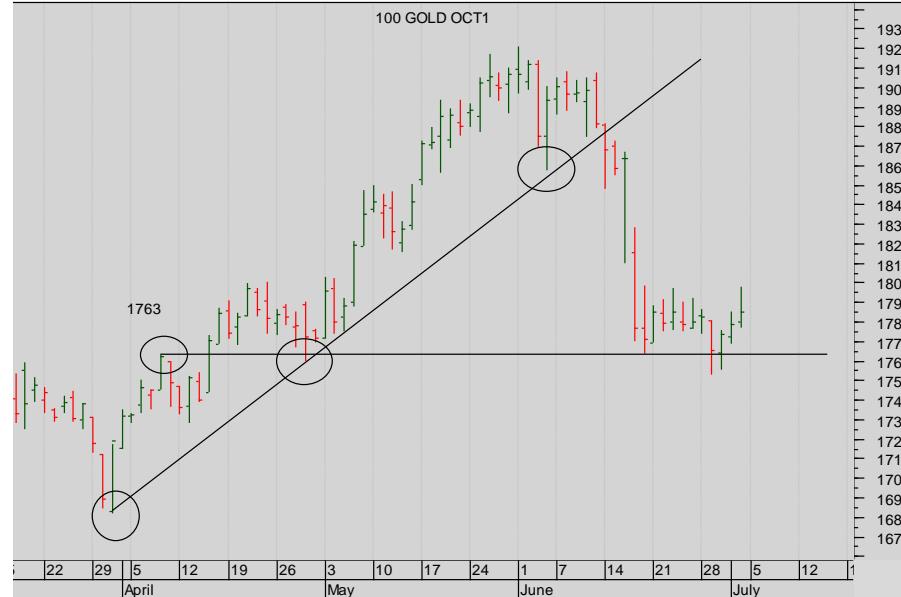
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Nymex Gold Aug 2021 Daily

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

Stand back.



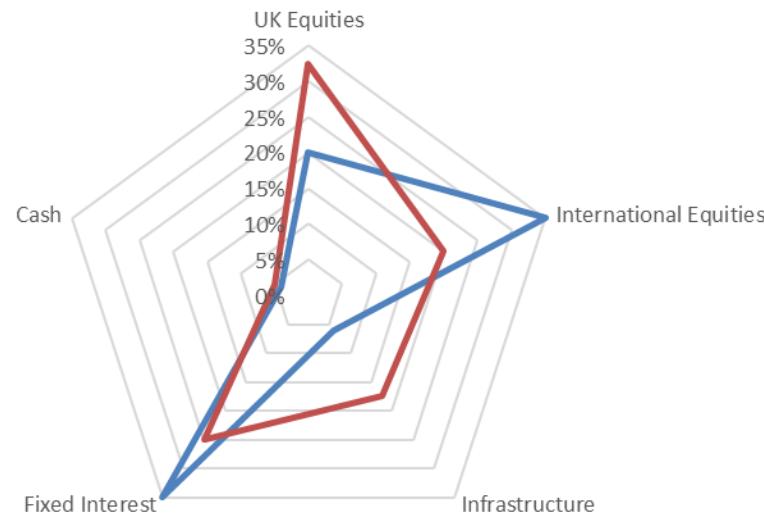
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Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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MSCI Balanced Risk Asset Allocation



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