



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 20th July 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

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Currencies

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Long-term FLAT Euro
Long-term FLAT Sterling
Long-term FLAT Yen
Long-term FLAT Euro

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

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

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

Bonds

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

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

Medium-term FLAT
Medium-term FLAT
Medium-term FLAT

Short-term **BEAR**
Short-term **BEAR**
Short-term **BEAR**

Commodities

- + Oil
- + Gold

Long-term FLAT
Long-term FLAT

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

Short-term FLAT
Short-term FLAT

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Currencies: Dollar Euro

CURRENCIES:

Watch the weekly chart in the Euro – it's potentially very powerful sufficiently so to drive the market substantially. Elsewhere there seems very little to go on in the FX markets.

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Dollar Euro monthly 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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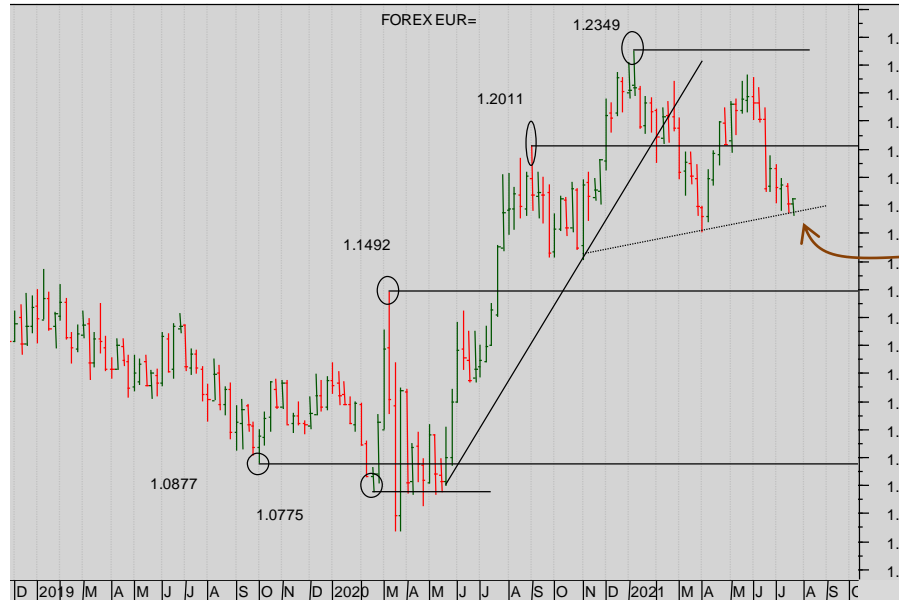
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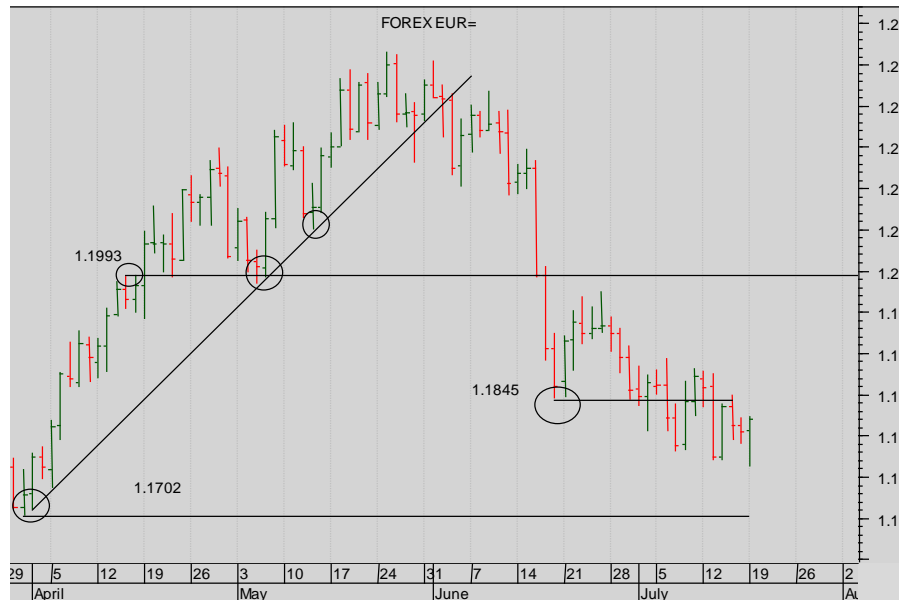
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Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

Medium-term, the market can drive down through this POSSIBLE neckline ... **THEN THERE WILL BE A PUSH FURTHER DOWN** look for a weekly close below 1.18



Dollar Euro spot cash chart daily chart...

No clear structure: Stand aside.



Currencies: Dollar Sterling

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IMPLIED ASSET ALLOCATION

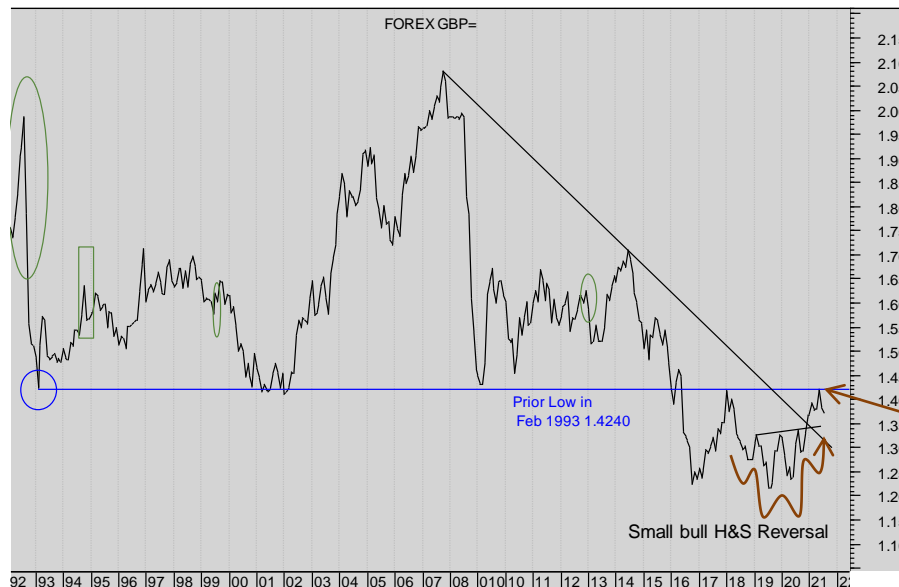


Dollar Sterling Monthly spot cash chart

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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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.



Currencies: Dollar Yen

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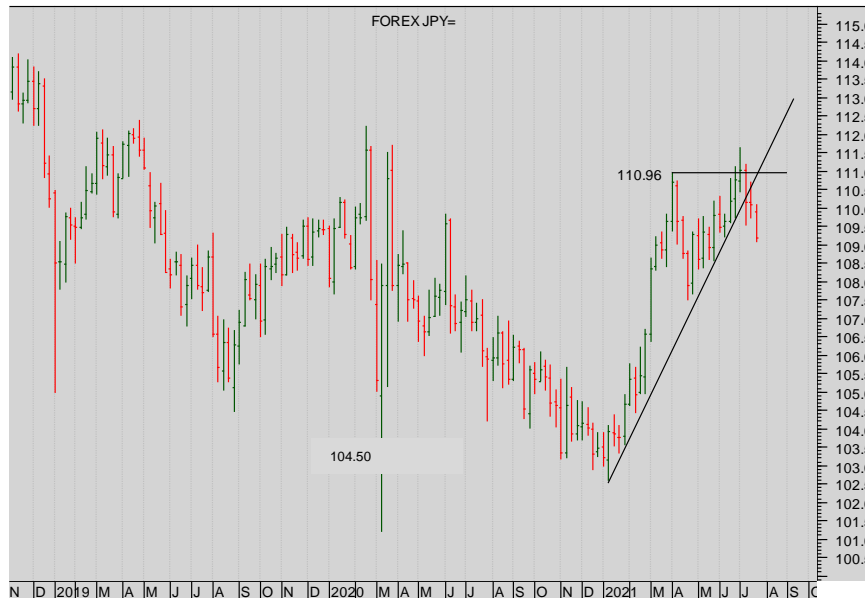
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Dollar Yen monthly spot cash chart

The bull falling wedge COMPLETED.

The Dollar bulls had a completion of the wedge to gain momentum **but the market is dithering still. Might this month be a monthly Key Reversal?**



Dollar Yen weekly spot cash chart

Not clear, stand back!

More



Currencies: Dollar Yen



Dollar Yen daily spot cash chart

The Dollar failed to get and stay above 110.96....

Stand aside.

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Currencies: Sterling Euro

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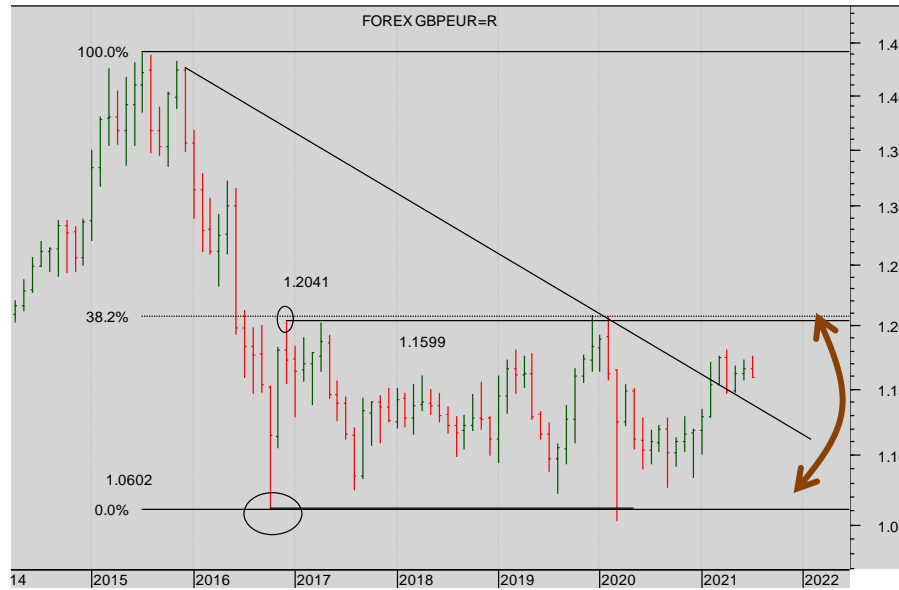
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Commodities

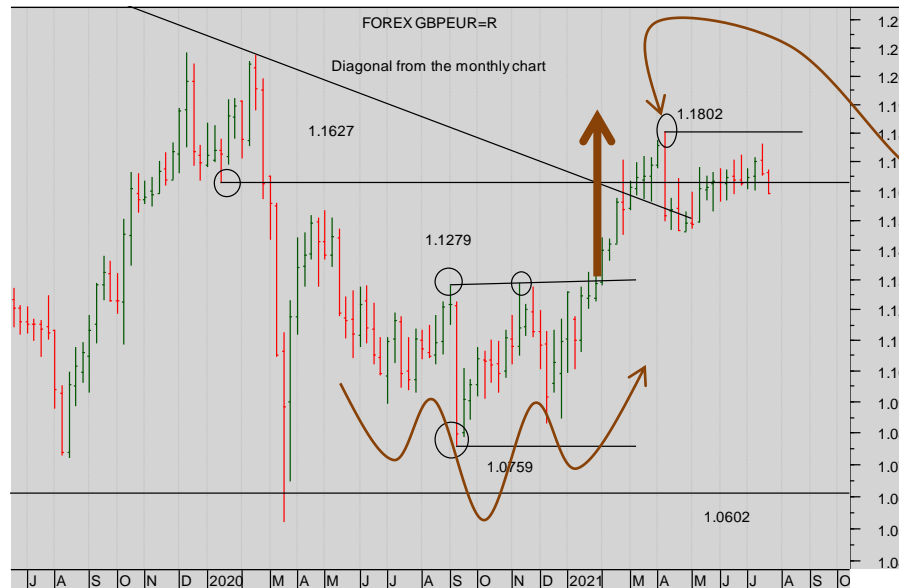
- + Oil
- + Gold

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Sterling Euro monthly spot cash chart

The market remains in the broad trading range.



Sterling Euro weekly spot cash chart

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

Stand aside.

More



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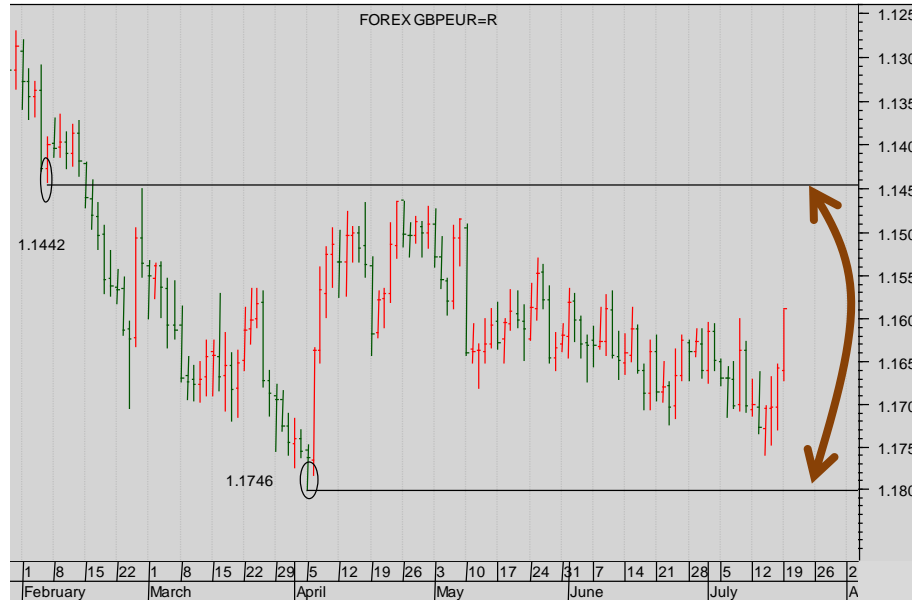
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Commodities

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IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro daily spot cash chart

The opportunity to break the small range was spurned.

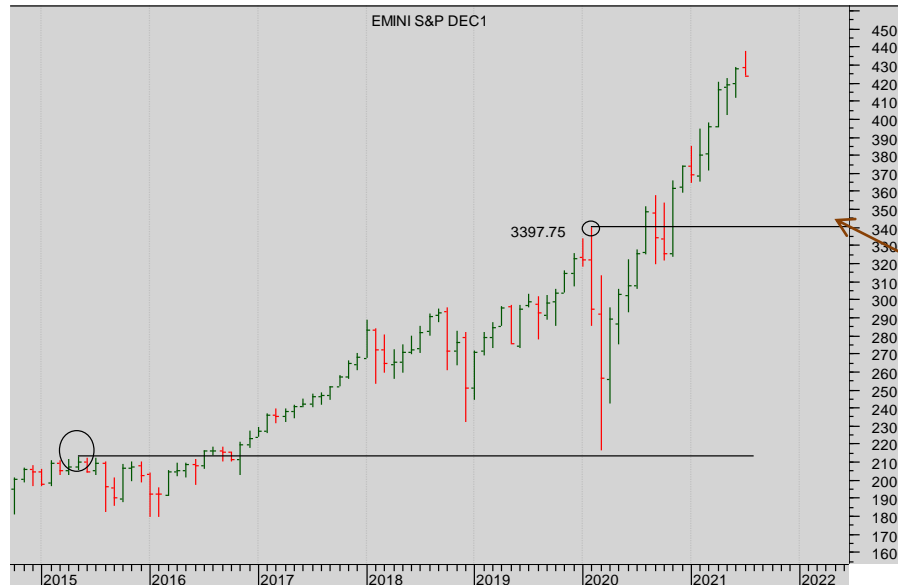
Stand back and watch the range.



Stocks: CME S&P

STOCKS:

Are the bull markets weakening? The sharp reverses of recent days have caused short-term breakdowns, but no medium-term break - yet. Watch the medium term support (S&P and FTSE) and the long-term support (Eurostoxx) both of which are close to being tested. Note well the relative solidity of the Nikkei.



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

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IMPLIED ASSET ALLOCATION

More



Stocks: CME S&P 500

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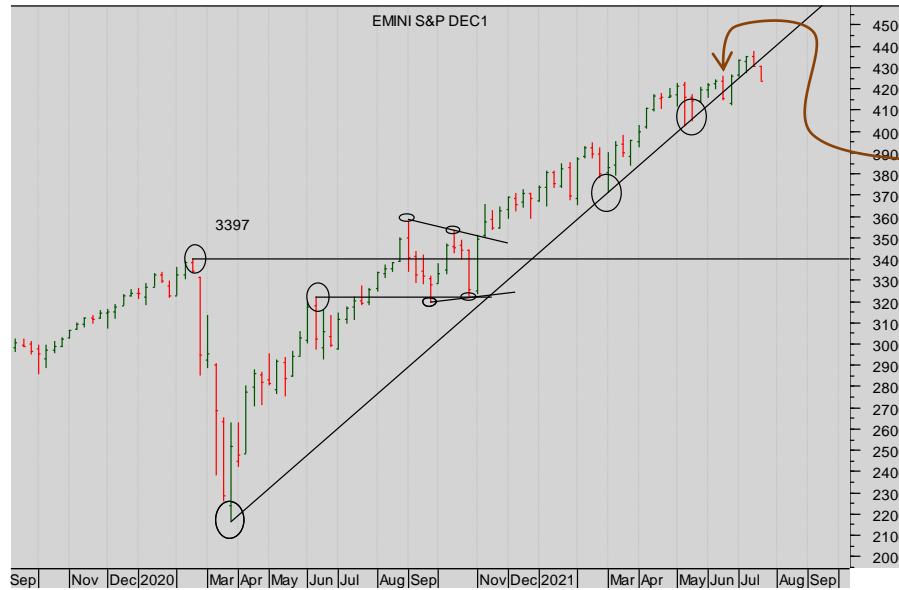
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Commodities

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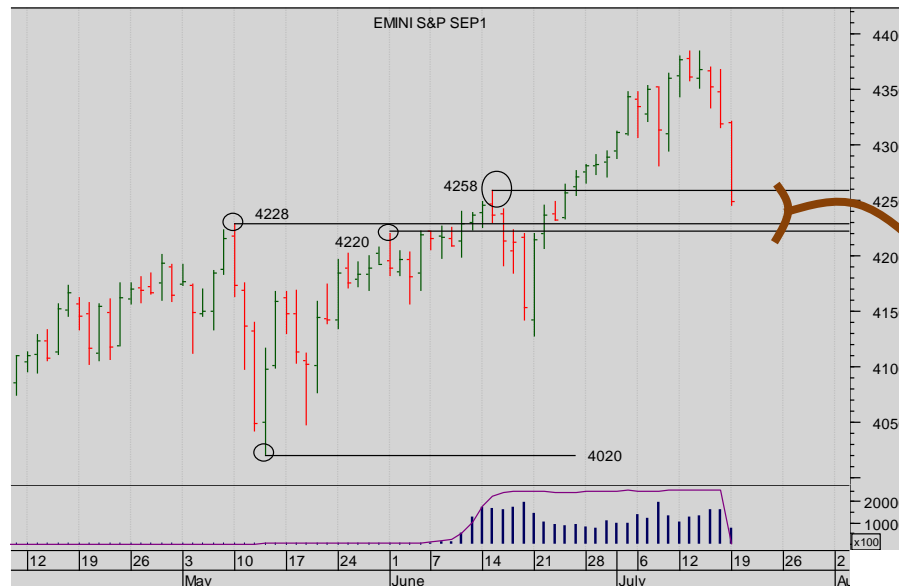
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CME S&P 500 cont. weekly cont. chart

The weekly Key Reversal was a **false signal**.

But there is a weakening tone to the market...



CME S&P 500 daily Sep 2021 chart

Note the breakup through the Prior Highs which now **underpin the market**.

Only a break of 4220-4258 will get the bears going....

Watch closely.

More



Stocks: Eurex EuroStoxx 50

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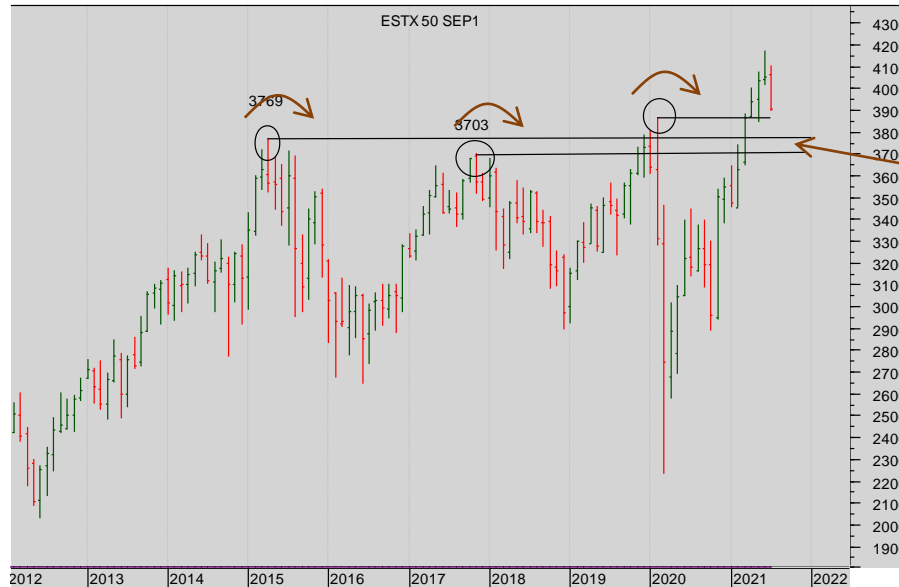
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

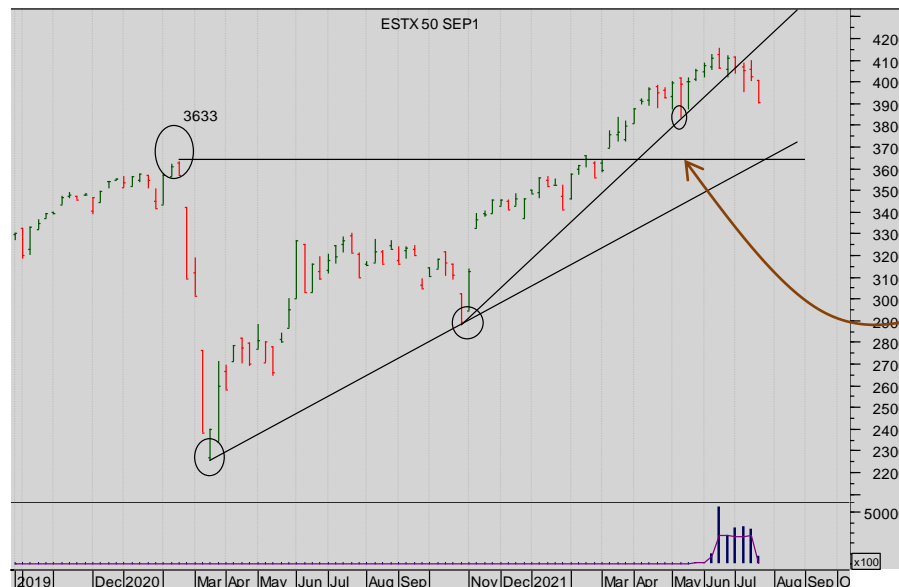


Eurex EuroStoxx 50 monthly continuation futures chart

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

Prior Highs establish 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?

First obvious support at 3633.

More



Stocks: Eurex EuroStoxx 50

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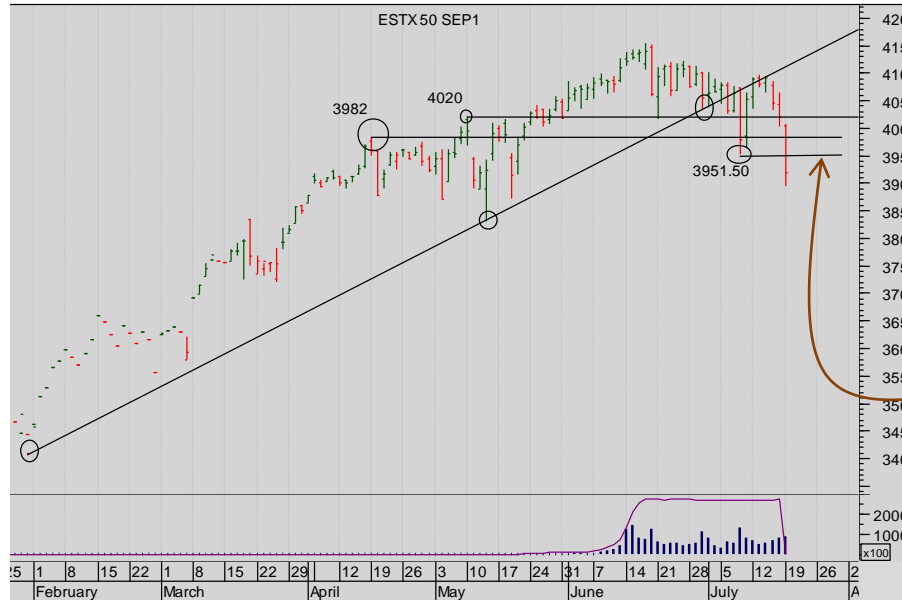
Bonds

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Commodities

- + Oil
- + Gold

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Eurex EuroStoxx 50 daily Sep 21 futures chart

The market broken both the diagonal support and the horizontal support from Prior Highs.

So a daily top looks to have formed.

On retracement watch for emergent resistance at the recent low at 3851.50.



Stocks: Liffe FTSE 100

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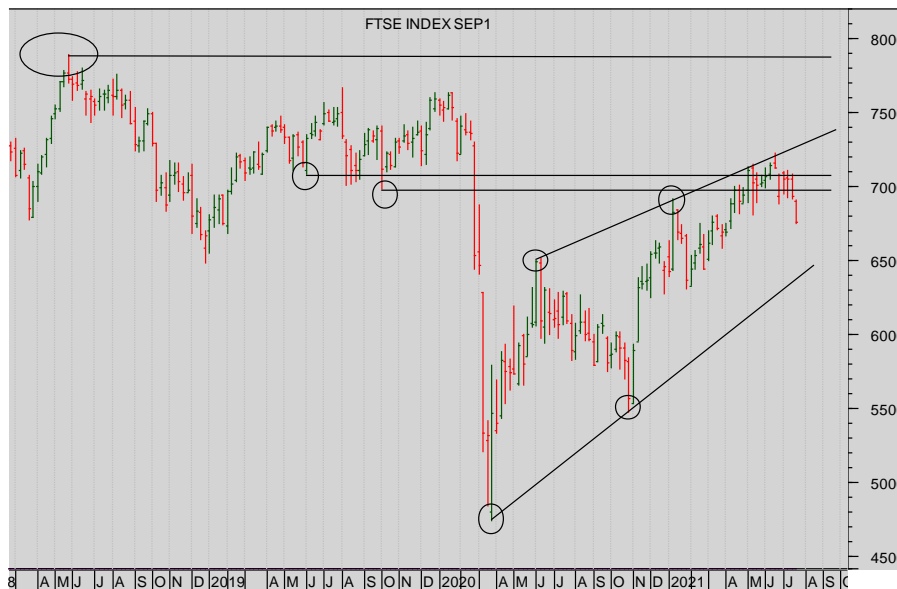
- + Oil
- + Gold

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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 looks to be constrained by the wedge and the horizontal resistances.

Look closer at the breakdown.

More



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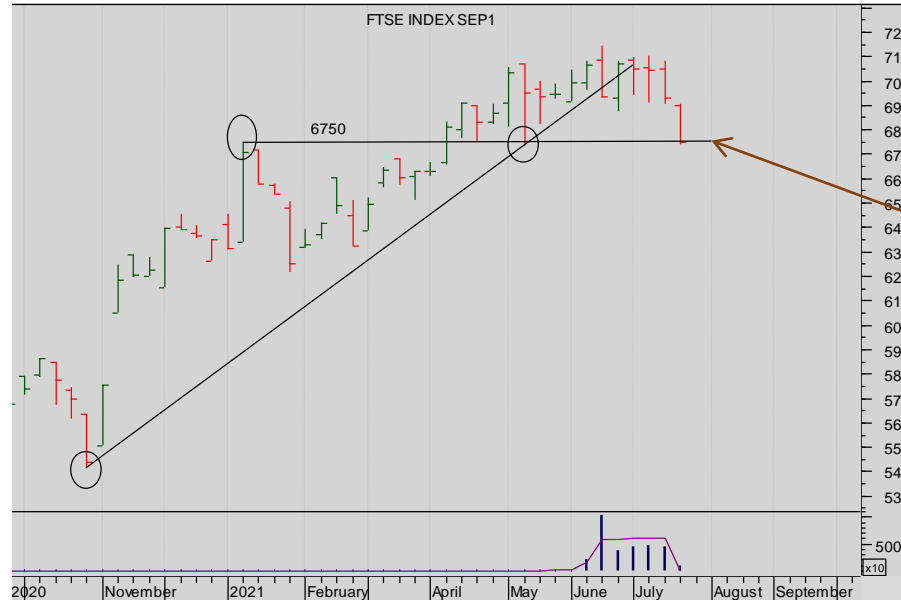
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Commodities

- + Oil
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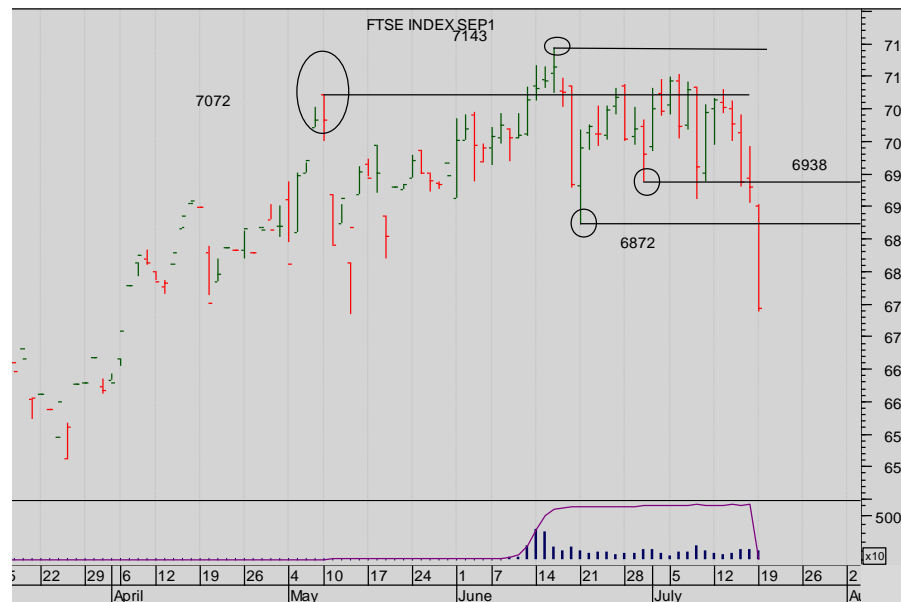
IMPLIED ASSET ALLOCATION

Stocks: Liffe FTSE 100



Liffe FTSE 100 **Sep 21** weekly futures chart

Watch the first important support at 6750.



Liffe FTSE 100 **Sep 21** daily futures chart

Note the push beneath the Prior Lows both of which should act as good resistance on any rebound.



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IMPLIED ASSET ALLOCATION

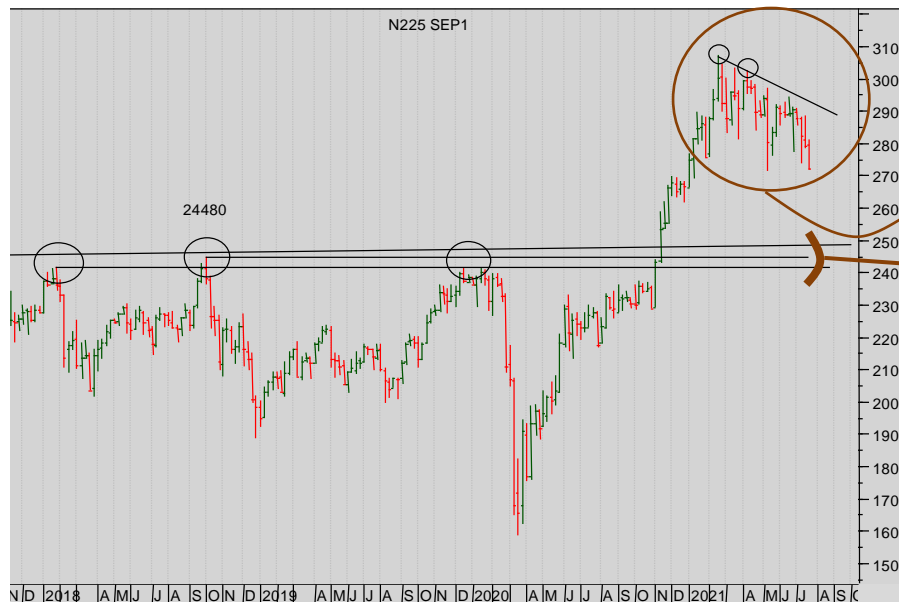
Stocks: OSE Nikkei 225



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.)

On any pull back the support lies beneath at the Neckline.



Nikkei 225 chart (WEEKLY)

The pause since the beginning of the year is marked not a clear reversal though ...

First important support at 25000

Look closer.

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily Sep 2021.

It's not clear.

Wait for a break of the range.

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

These market are vigorously price bullish in the short-term retracing much of the sell off (price wise) of 2020 and the first quarter of 2021. BUT while we don't doubt the power and likely continuation of that short-term trend, we are unconvinced medium and longer term. Some yield charts show a clear smashing of the lower yield trend from the 1990s other not so clear.

Stand aside.

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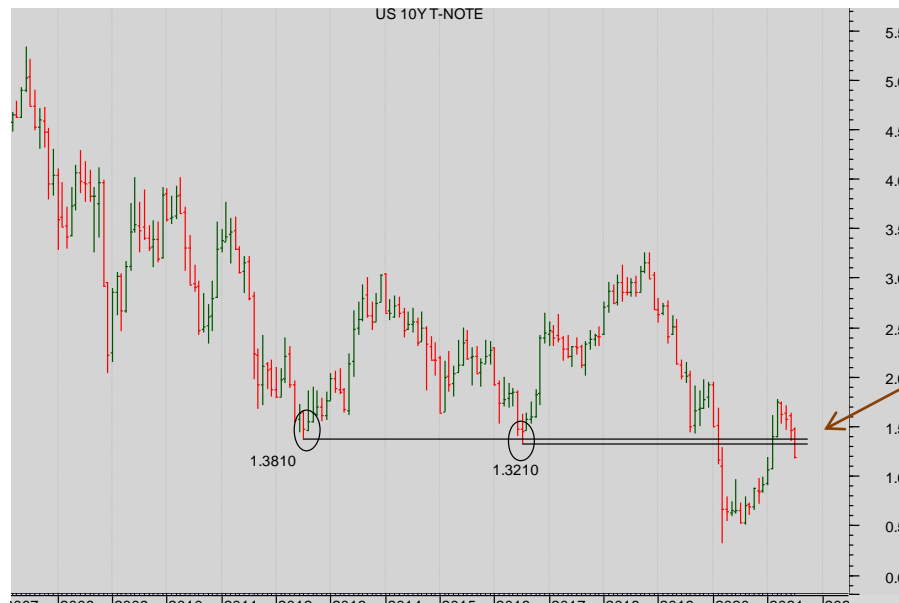
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Bonds: US Ten Year Notes (Yield)



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.

But the retracement back through the breakout level robs the chart of clarity

More



Bonds: US Ten Year Notes (Yield)

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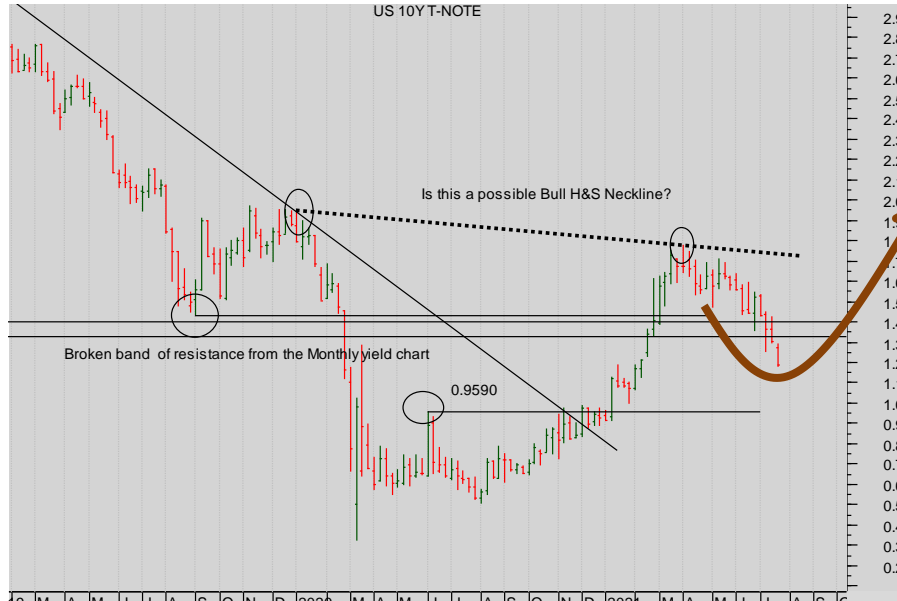
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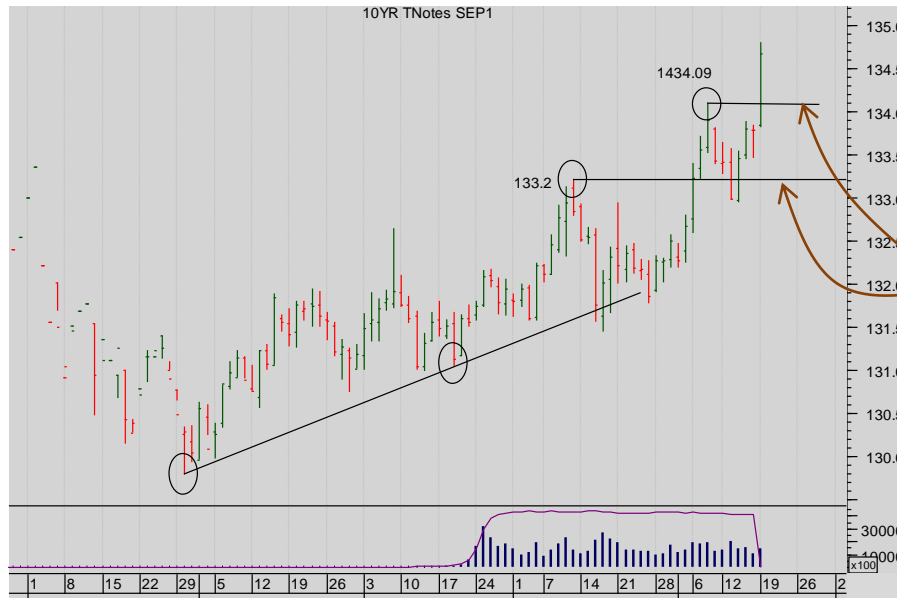
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US Ten Year Notes (Yield) weekly chart

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 and, subsequent to that, the horizontal supports from Prior Highs remain intact.

Short term, there is a bull market in bonds.





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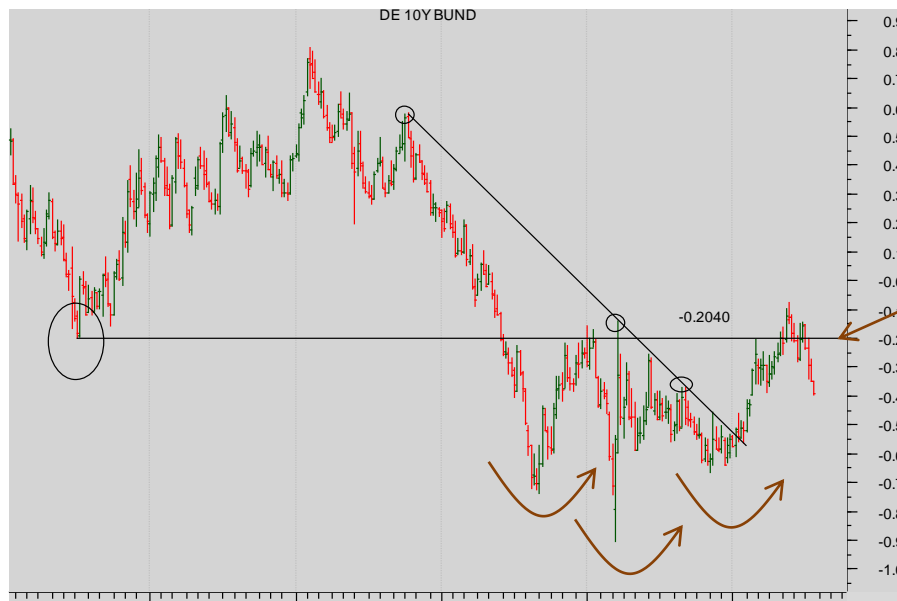
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Bonds: German Bund yield chart



Bund monthly yield chart

This is a major penetration but no monthly close to establish a break of resistance at 0.204



Bund weekly yield chart

We had a confirmed weekly break of that resistance.

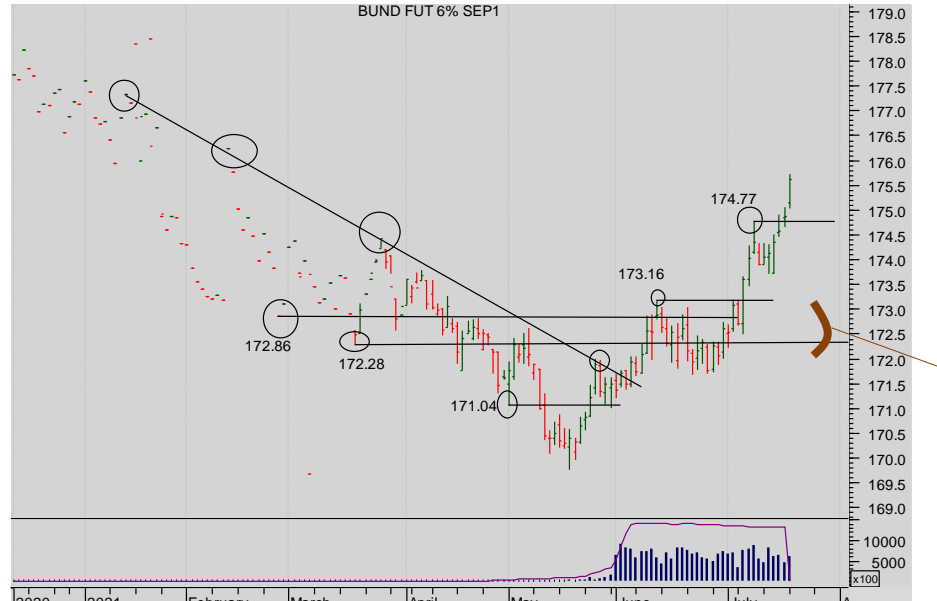
Note too that a Triple Bottom was completed. So we were yield bulls.

But now looks closely at the pull back – through Prior High support, back into a trading range.

More



Bonds: German Bund yield chart



Bund daily Sep 21 **futures** chart

The price rally has broken the resistance from Prior Lows, that is clear, and has developed a strong rally.

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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

A strong short-term rally has developed.

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Commodity

COMMODITIES:

Oil looks vulnerable having failed at the pivot at the Prior High at 76.72. Watch to see if either that turns into a Monthly Key Reversal or the clear supports in the medium and short-term charts is broken. Gold lacks structure, so stand aside.

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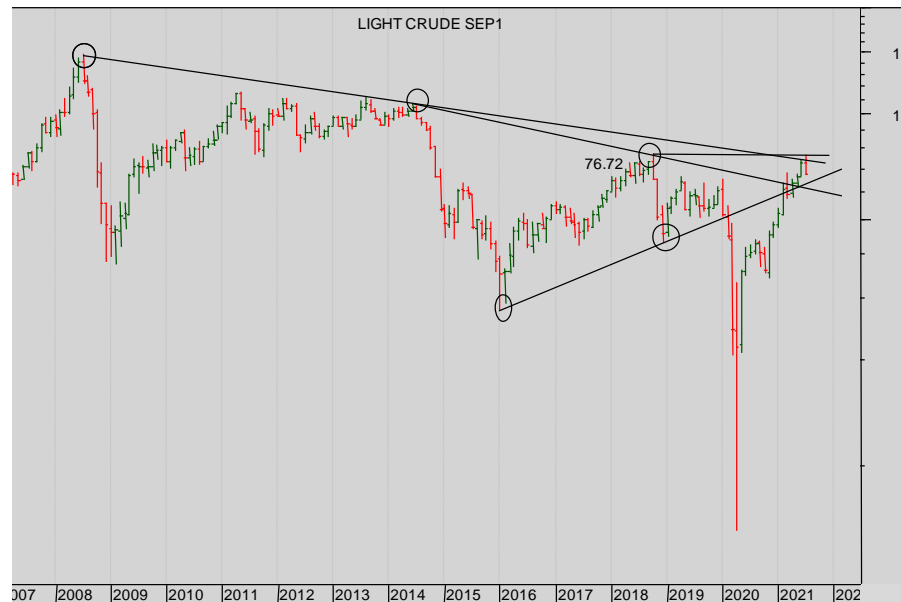
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Commodities: Nymex WTI Oil



Nymex oil quarterly continuation

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

The market has paused there.

More



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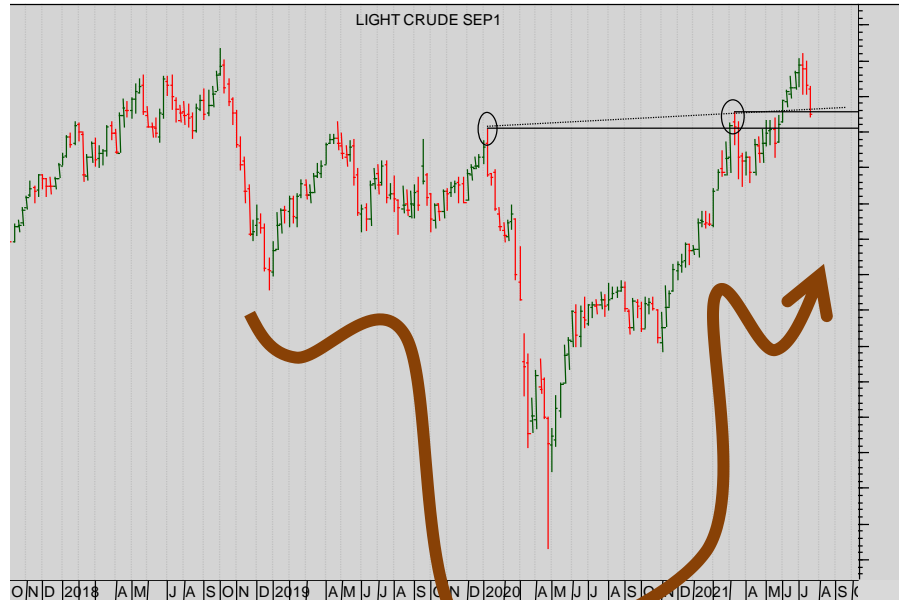
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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil weekly continuation

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

And is the recent retracement a pull back to important Neckline resistance?

Or a band of horizontal support?



Nymex oil daily Sep 2021 futures

This bull continuation triangle completed

Watch the diagonal support carefully....



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IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold Monthly

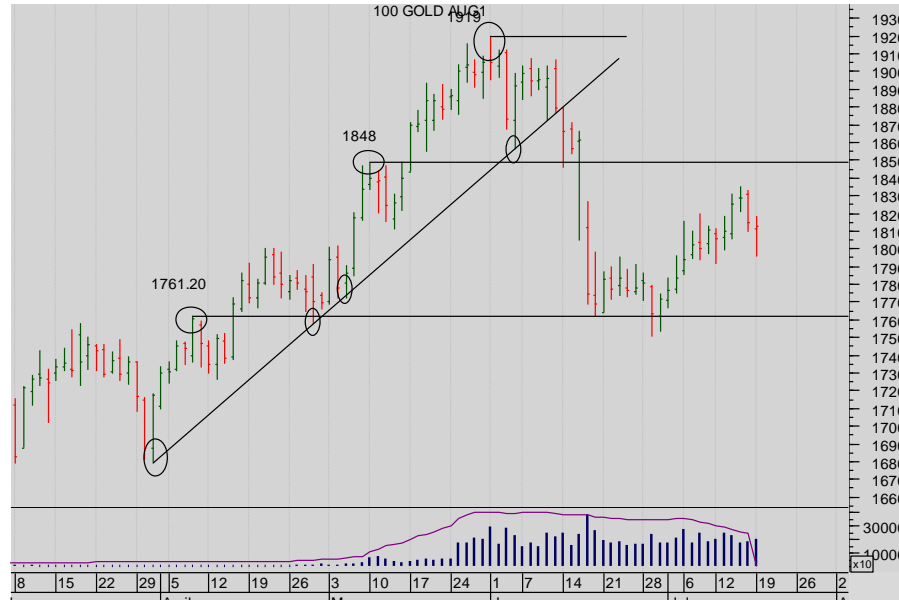
The dither at the Prior High was entirely predicatable.

Nymex Gold Oct 21 weekly

It's not clear.



Commodities: Comex Gold



Nymex Gold Aug 2021 Daily

It's not clear.

Stand back.

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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



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

v

MSCI Balanced Risk Asset Allocation



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