



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 17th August 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 **BEAR** Euro
Long-term **BEAR** Sterling
Long-term **BEAR** Yen
Long-term FLAT Euro

Medium-term **BEAR** Euro
Medium-term **BEAR** Sterling
Medium-term **BEAR** 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
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- + Nikkei 225

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

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

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

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 **BULL**
Long-term FLAT

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

Short-term FLAT
Short-term FLAT

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More



Currencies: Dollar Euro

CURRENCIES:

The Dollar Sterling is dull. But elsewhere there is genuine excitement – the Dollar Euro remains poised for more Dollar strength as does the Dollar Yen – neither are clear yet though. Note that the Sterling has risen against the Euro towards the top side of the longstanding trading range from 2016....

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Dollar Euro monthly spot cash chart

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

1. As a result, the market has broken the DIAGONAL strengthening Dollar trend from 2008.
2. But there is no weakening Dollar trend in place **until a break up through THE HORIZONTAL RESISTANCES UP TO 1.24.**

More



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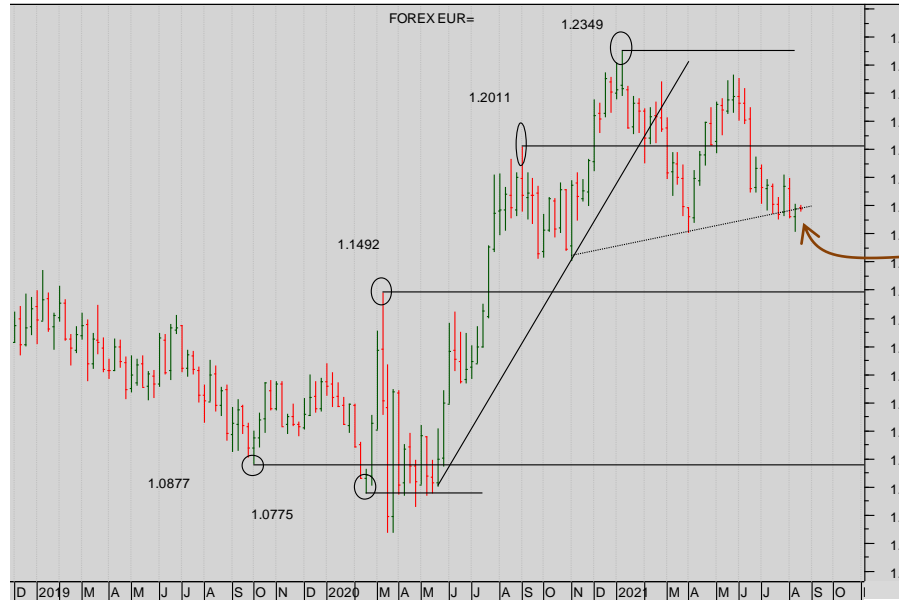
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Commodities

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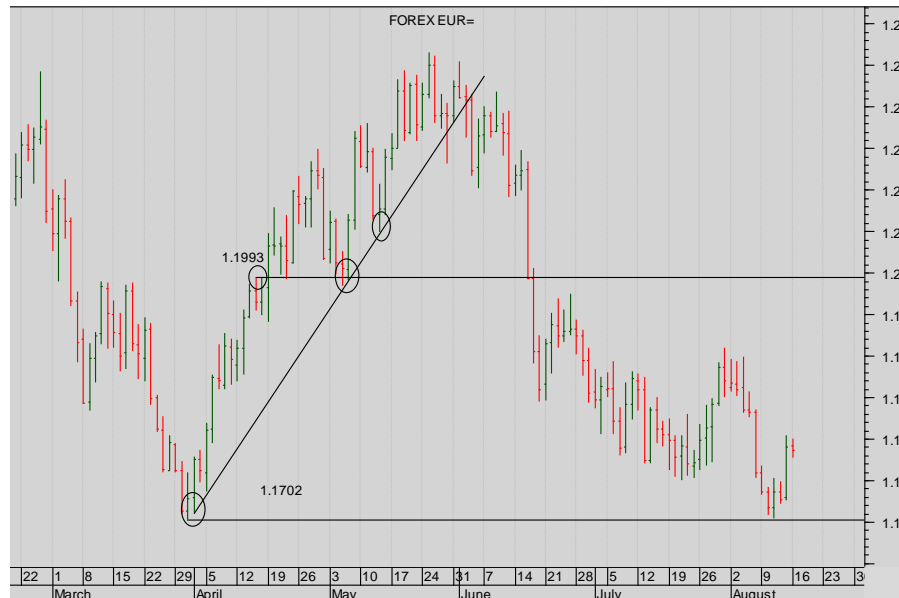
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Currencies: Dollar Euro



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 convincing weekly close below 1.18



Dollar Euro spot cash chart daily chart...

No clear structure: Stand aside.



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 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

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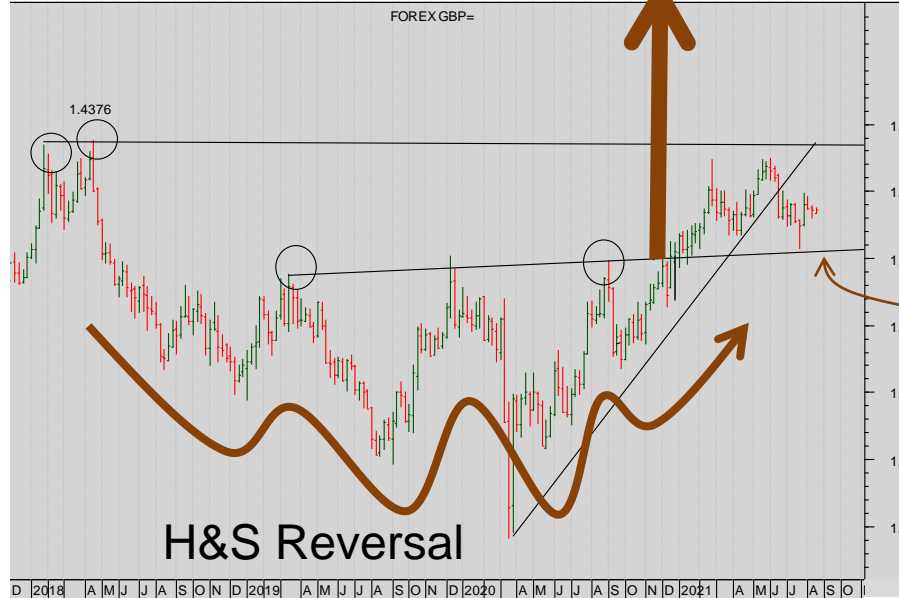
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Dollar Sterling weekly spot cash chart

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 - IT'S STILL INTACT.



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Currencies: Dollar Yen



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.**



Dollar Yen weekly spot cash chart

Not clear, stand back!
A successful push beyond the 110.96 High is a prerequisite for the monthly chart to get going and confirm a completed bull wedge.

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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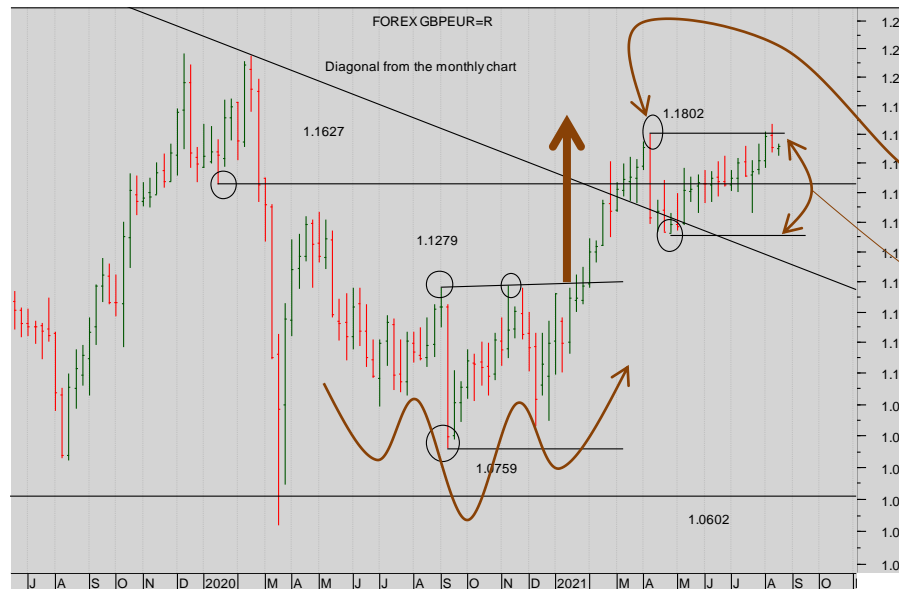
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Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

The market remains in the broad trading range.



Sterling Euro weekly spot cash chart

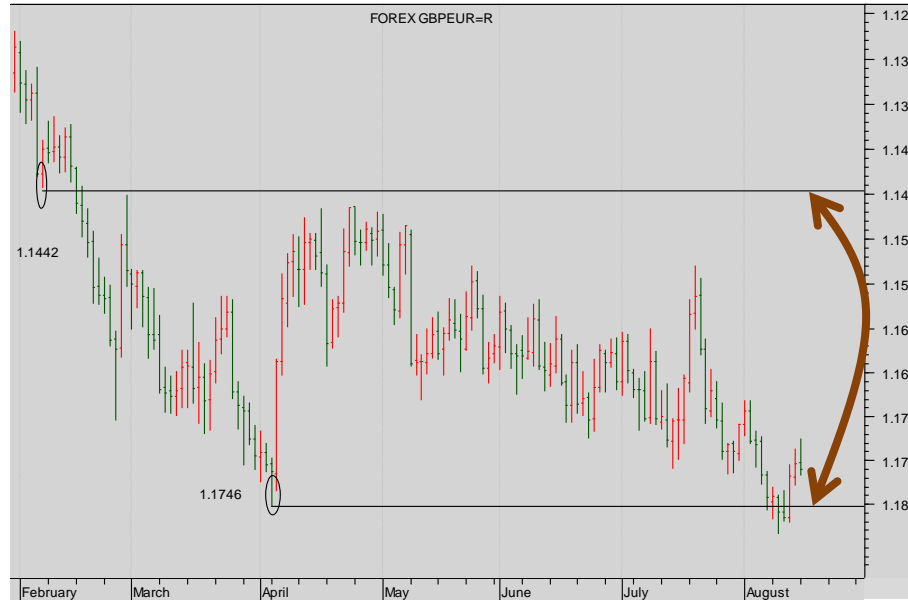
We thought there was more to go for Sterling but the recent **Weekly Key reversal** should be worrying for the bulls.

Stand aside. Wait for a break of the small range.

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

The opportunity to break the small range was spurned.

Stand back and watch the range.

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Stocks: CME S&P

STOCKS:

S&P and DJ EuroStoxx look very well set up for more on the upside the dips in mid July produced bounces that have surpassed the pre dip highs. FTSE was an exception, but even FTSE bounced of solid support from Prior highs. The Nikkei too has been lacklustre. There has been a drift since February, despite our very bullish long term reading of that market.

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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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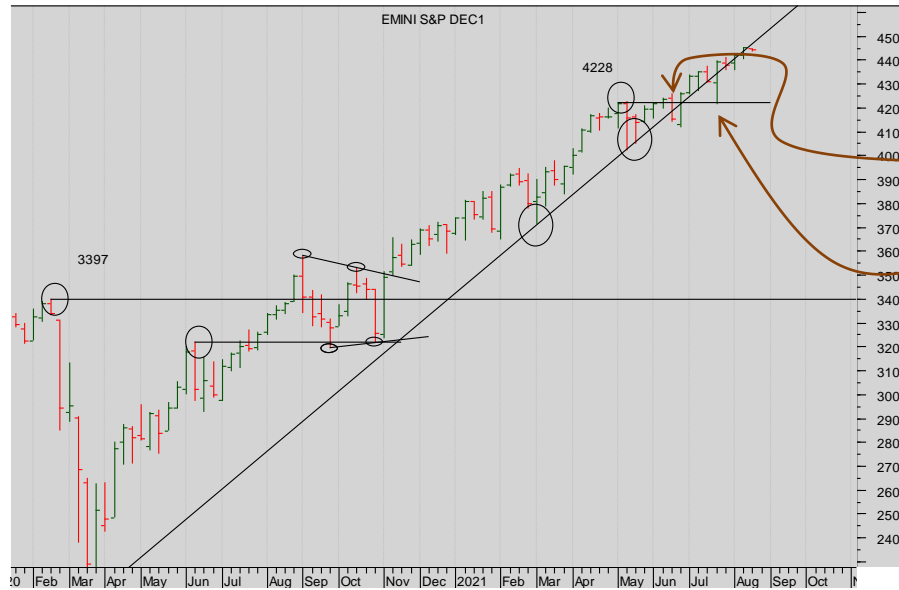
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IMPLIED ASSET ALLOCATION

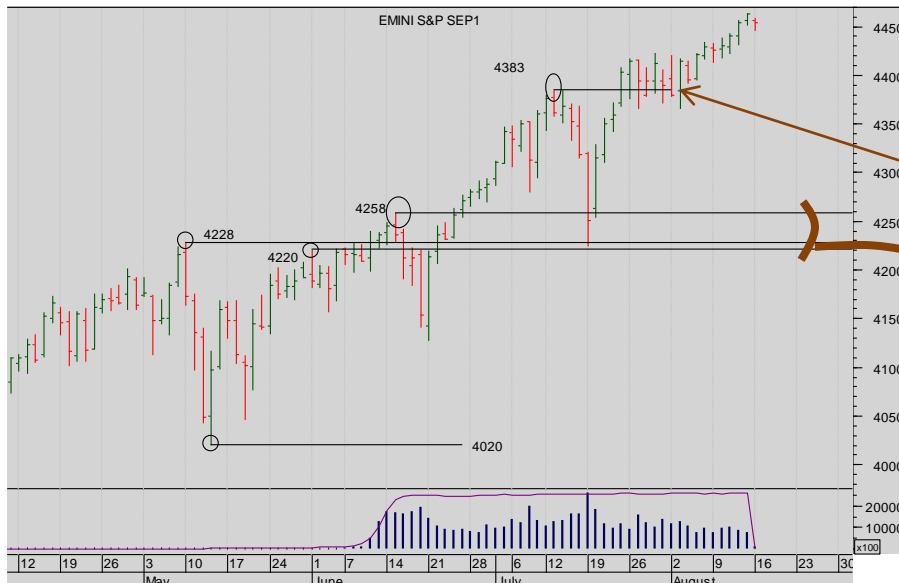


CME S&P 500 cont. weekly cont. chart

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

And note the recent bounce off the Prior High of 4228.

The market looks well set-up.



CME S&P 500 daily Sep 2021 chart

Note the very recent breakup through the Prior Highs which now **underpins the market**.

This bounce was very **bullish**.

More



Stocks: Eurex EuroStoxx 50

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IMPLIED ASSET ALLOCATION

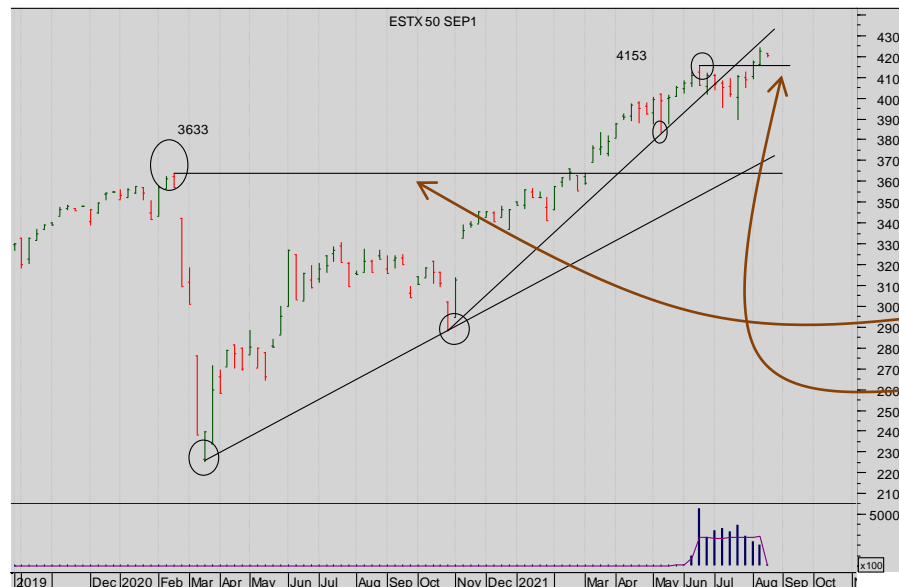


Eurex EuroStoxx 50 monthly continuation futures chart

The market has now broken out
Note the most recent 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.

But there's a fresh bull signal bull with the break of 4153

More



Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Sep 21 futures chart

The market didn't want to stay beneath the band of support from the Prior Highs 3982-4020.

And the drive above the 4153 High is a **major bull break**.

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Stocks: Liffe FTSE 100

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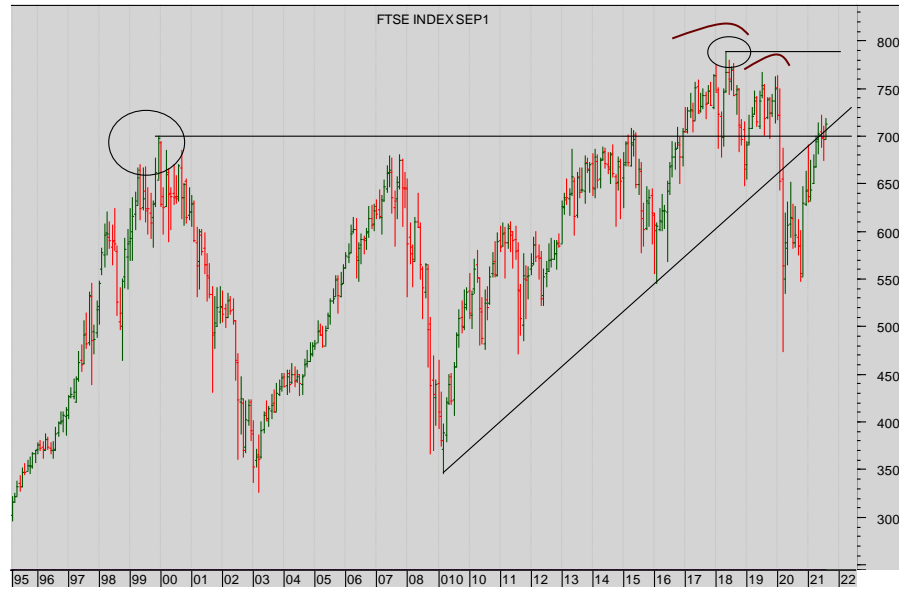
Bonds

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Commodities

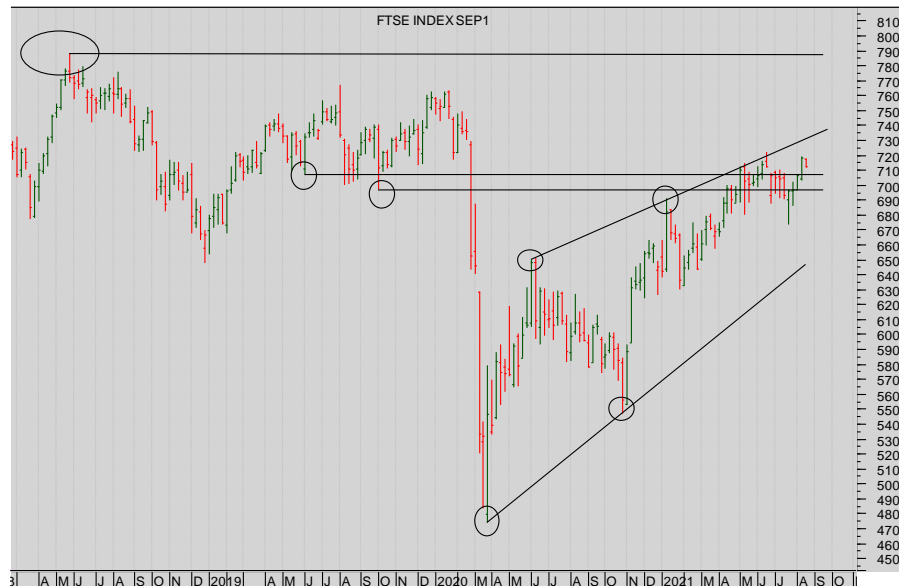
- + Oil
- + Gold

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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 looks well set: re-penetrating the band of resistance from the Prior Lows.

The bulls are poised to break through the recent Prior High at about 7200.

Look more closely.

More



Stocks: Liffe FTSE 100

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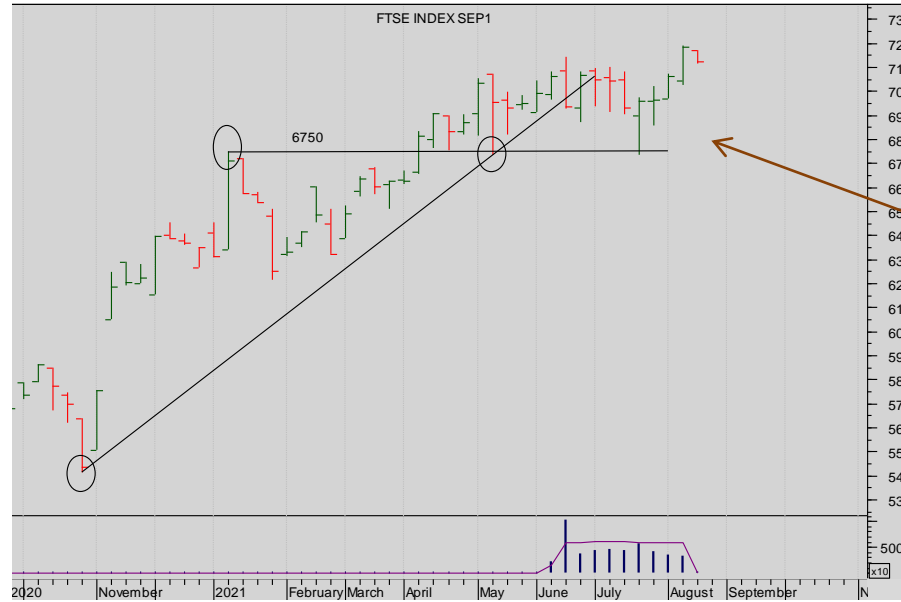
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Commodities

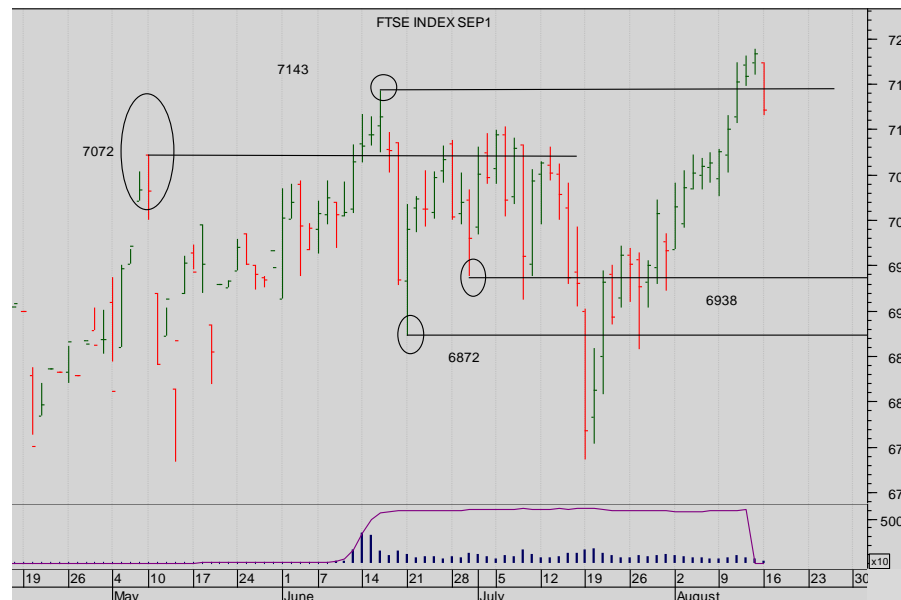
- + Oil
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Liffe FTSE 100 Sep 21 weekly futures chart

This looks good - the successive bounces off the 6750 Prior High are very impressive.



Liffe FTSE 100 Sep 21 daily futures chart

Note that in this short-term day chart, the push beneath the Prior Lows was not sustained.

The bounce up through the band of resistance from those lows was impressive!

Wait for a confirmed break of the 7143 High.



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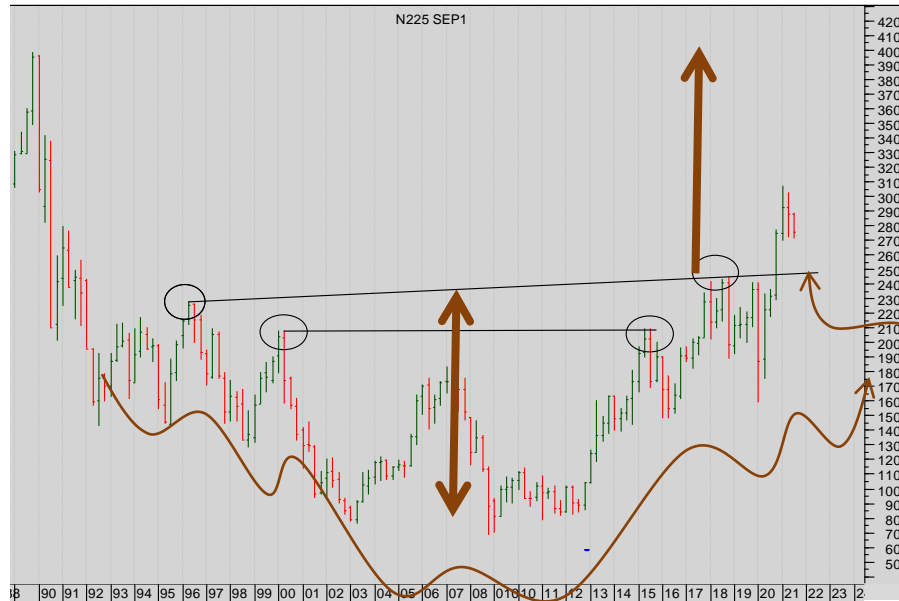
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

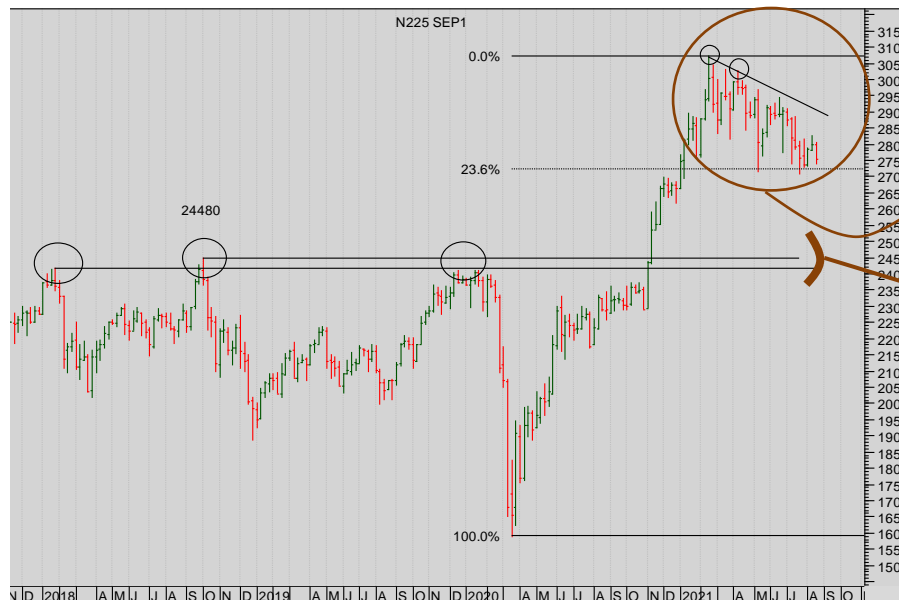
Stocks: OSE Nikkei 225



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 and pull-back since the beginning of the year is marked but does not reveal a clear reversal. Note the support at the Fibonacci support.

First important support at 24500

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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Bonds

BONDS:

Bonds remain strong. Slight questions have surfaced in the Gilts that may well reveal cracks in the Price chart to come but they are only intimations as yet.

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Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) monthly chart

The market drove back up THROUGH that powerful resistance above the market at 1.32/8.

But the retracement back through that same level robs the chart of clarity

More



Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) weekly chart

? Note the retracement is to a Fibonacci 50%

Might that be the support that builds a 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

But short term, there is still a bull market in bonds, Prior Highs are acting as good support ...

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Bonds: German Bund yield chart



Bund monthly yield chart

This was a major penetration but there was 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.

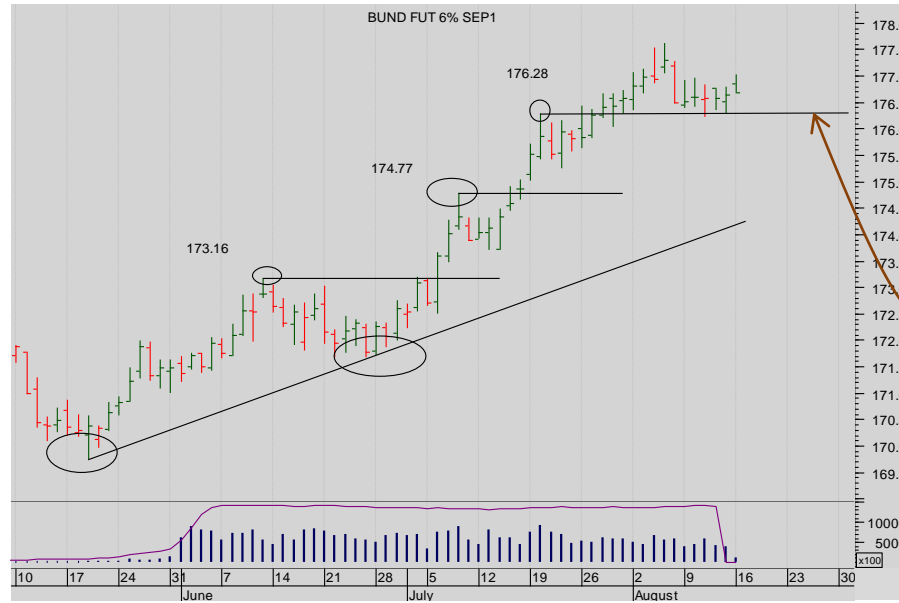
But now looks closely at the pull back – through Prior High support, back into a parallel trading range.

Stand back.

More



Bonds: German Bund yield chart



Bund daily Sep 21 **futures** price chart

The price has developed a strong rally.

No weakness discernible there!

Watch the support at 176.28

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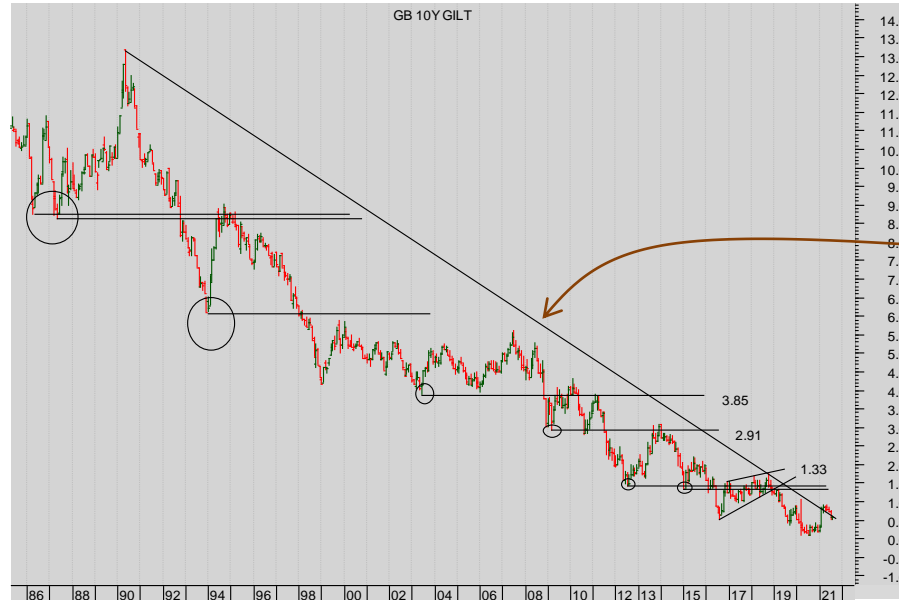
Commodities

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Bonds: UK Gilt yield chart



Gilt monthly yield chart

The market long-term bear trend.

We attacked the diagonal downtrend resistance but so far without convincing success.

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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 for the Yield bulls or Price bears to get hold of. (yet note the slight pause at the gap support)

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Bonds: UK Gilt yield chart



Gilt daily Futures Sep 21 chart

A short-term rally has developed, but be sure - rather less convincing than the TNote and the Bund.

It's not clear.



Commodity

COMMODITIES:

For the moment, the oil market is solidly underpinned having bounced twice off good support. But the path for the bulls lacks clarity. Gold too looks underpinned by the 1700 level but lacks bull structures too.

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Commodities: Nymex WTI Oil



Nymex oil quarterly continuation

Watch the approach to:

- (1) the falling diagonal above the market.
- (2) The Prior High at 76.72

The market has paused there.

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Commodities: Nymex WTI Oil

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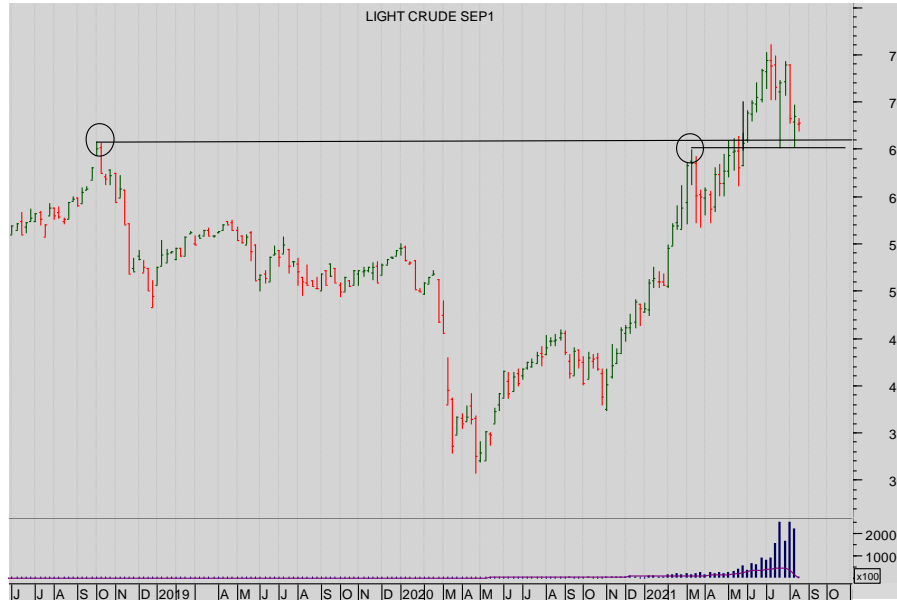
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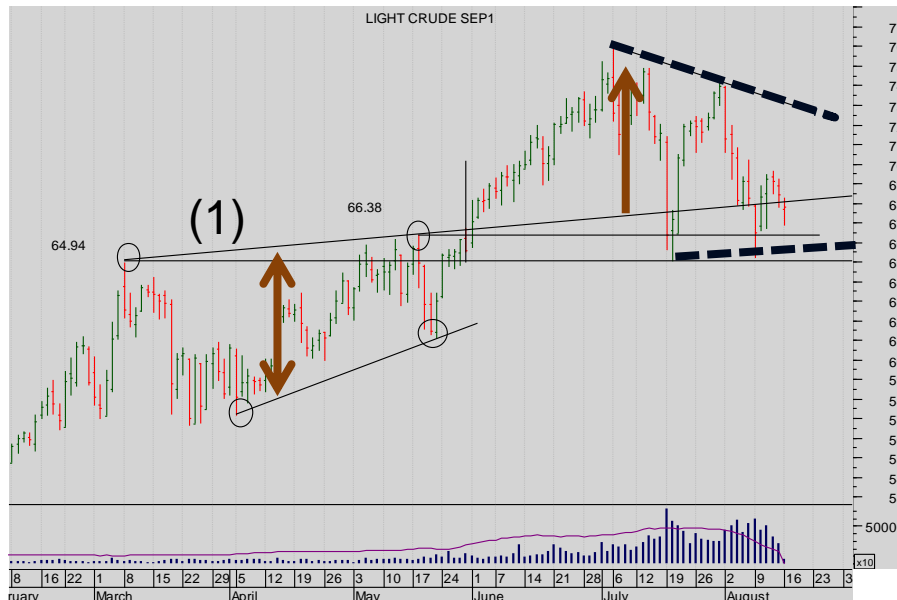
- + Oil
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Nymex oil weekly continuation

The market's retracement has found substantial support at the two Prior Highs at 65.



Nymex oil daily Sep 2021 futures

The bull continuation triangle (1) completed and met its minimum target.

Note that the horizontal supports from 64.94 and 66.38 have supported the market very well.

Now watch the price action closely - might that be another continuation triangle in the making?

Wait and watch.



Commodities: Comex Gold

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Nymex Gold Monthly

The dither at the Prior High was entirely predicatable.



Nymex Gold Oct 21 weekly

The support from the Prior High is impressive.



Commodities: Comex Gold

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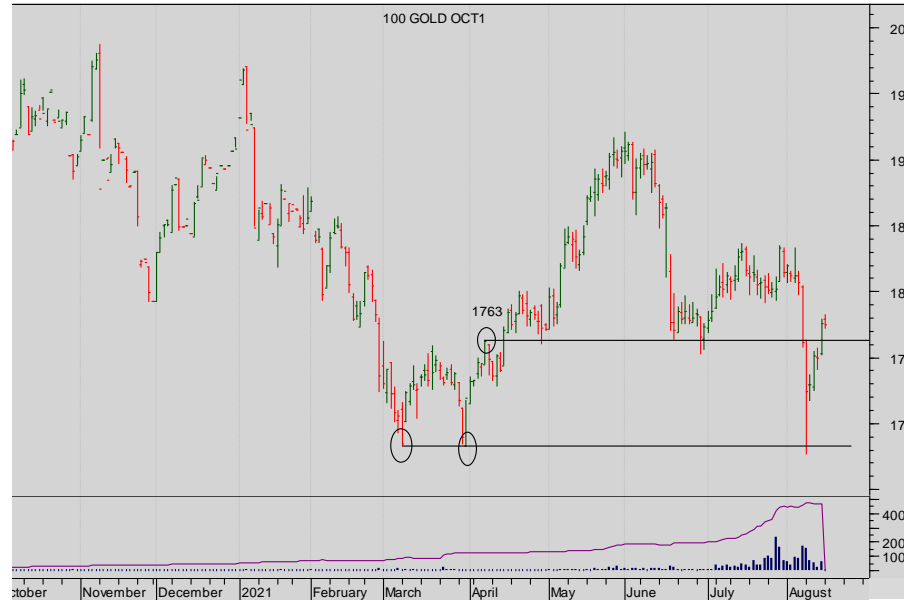
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Nymex Gold Aug 2021
Daily

It's not clear.

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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the technical analyst

AWARDS 2012

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