



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 12th October 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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Long-term BEAR Euro	Medium-term BEAR Euro	Short-term BEAR Euro
Long-term BEAR Sterling	Medium-term BEAR Sterling	Short-term BEAR 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

Stocks

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

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

Bonds

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

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

Commodities

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

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

The Dollar is getting stronger and stronger - note especially the Yen weakness. Interesting the relative solidity of the Sterling (tho still vulnerable against the Dollar)

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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.**
3. On the contrary there is a small completed Top formation forming over 2020 and 2021? Look closer...

More



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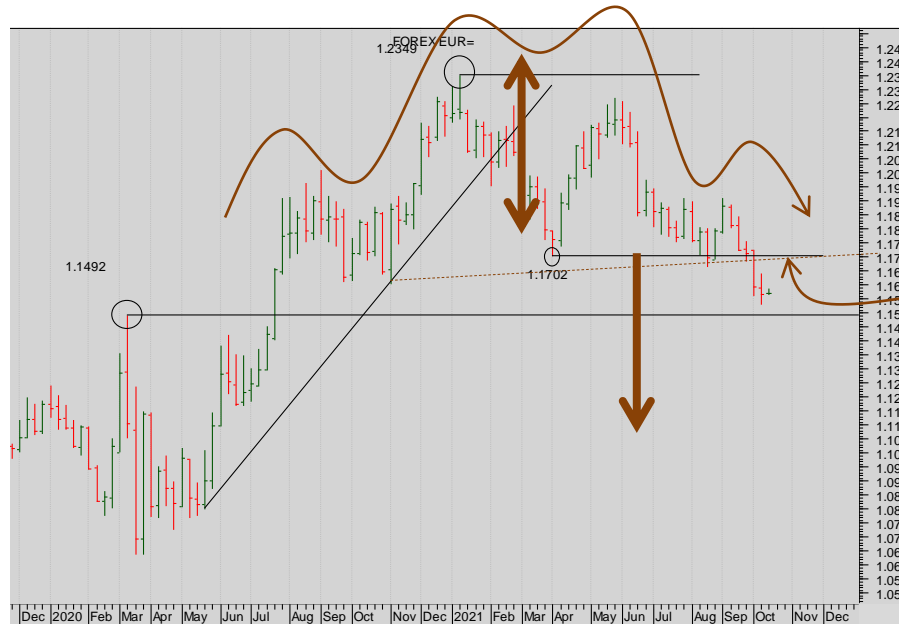
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Euro

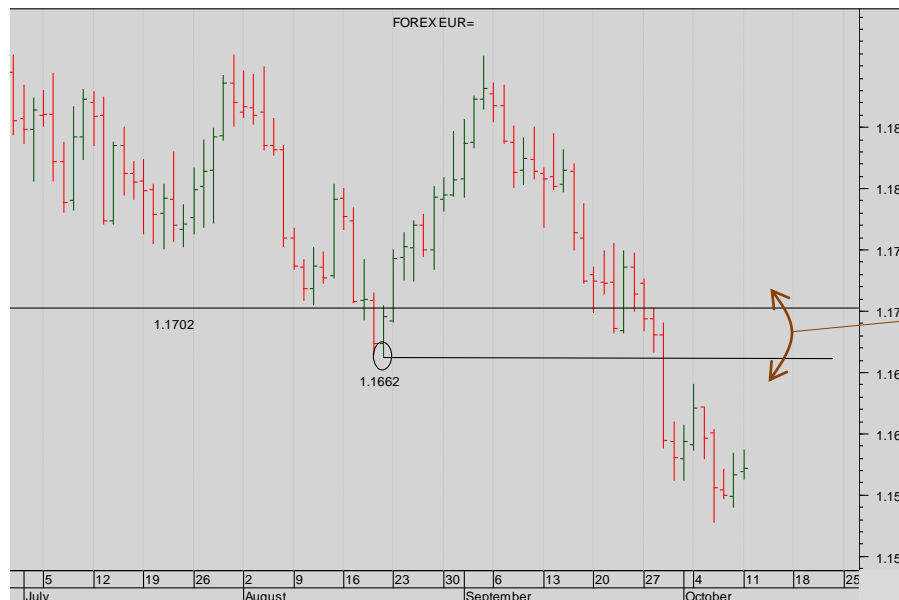


Dollar Euro weekly spot cash chart

Medium-term, this looks like a **COMPLETED Double Top** (or a completed H&S Top)

A confirmed push down beneath 1.1702 is required for the bears to be confident.

Minimum move? Down to 1.10 or so.



Dollar Euro spot cash chart daily chart...

The short-term trigger was the breakdown through the Prior Low of 1.1702 in the day chart.

Now that band 1.1702-1.1662 is crucial resistance on any bounce. .



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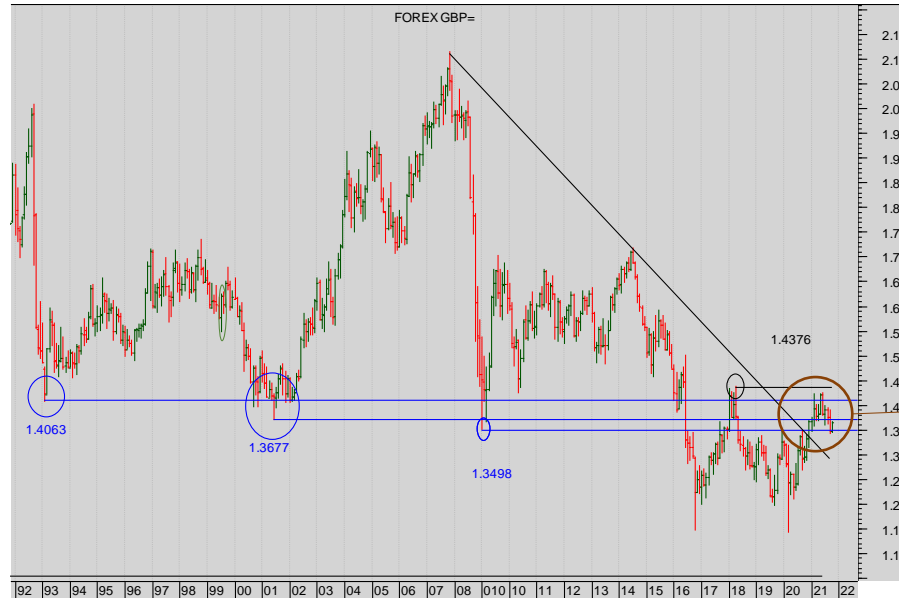
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Currencies: Dollar Sterling



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 marketare intact

Look closer at the small top in place



Dollar Sterling Monthly spot cash LINE CHART based on closes

This shows even more clearly that the overhead resistance is clearly intact and the market is recoiling from it.

More



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Currencies: Dollar Sterling



H&S Reversal

Dollar Sterling weekly spot cash chart

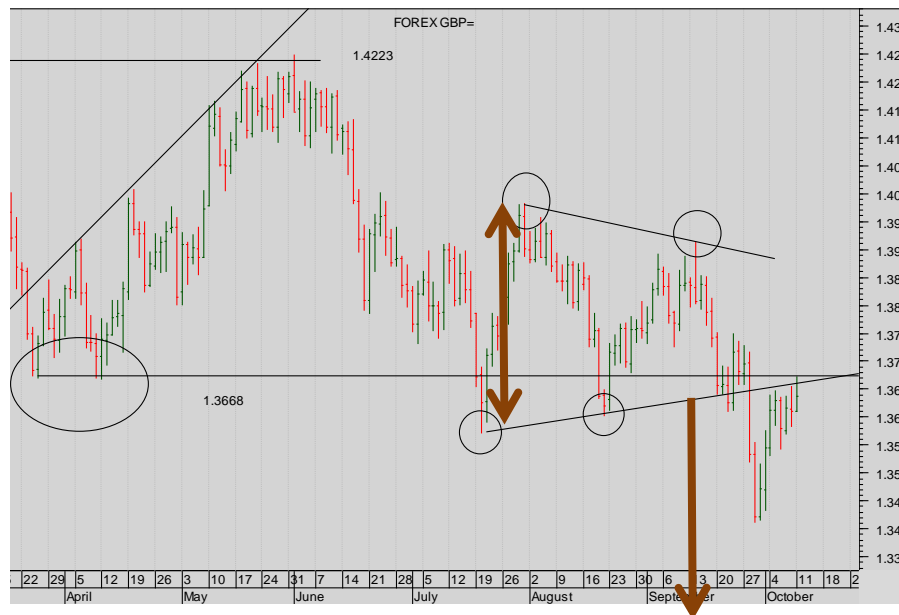
A closer look:

The recoil of the market beneath the overhead resistance is clear.

Now note well the importance of the horizontal support at 1.3482 .

Is there a H&S top that is close to completion? It's not a very well-constructed one.

A break of that 1.3482 will send sterling down more sharply still.



Dollar Sterling daily spot cash chart

But this looks unambiguously bearish –the completed bear triangle - there should be resistance on the bounce at the bottom of the triangle/ Prior Low horizontal 1.3668. .

Minimum move? Down to 1.32 or so.



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Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

The bull falling wedge COMPLETED?

The Dollar bulls have a completion of the wedge to gain momentum – and now its clarified.

The Yen is going weaker.



Dollar Yen weekly spot cash chart

This push above the range is what has unambiguously confirmed a completed bull wedge above.

It's clear now.

More



Currencies: Dollar Yen

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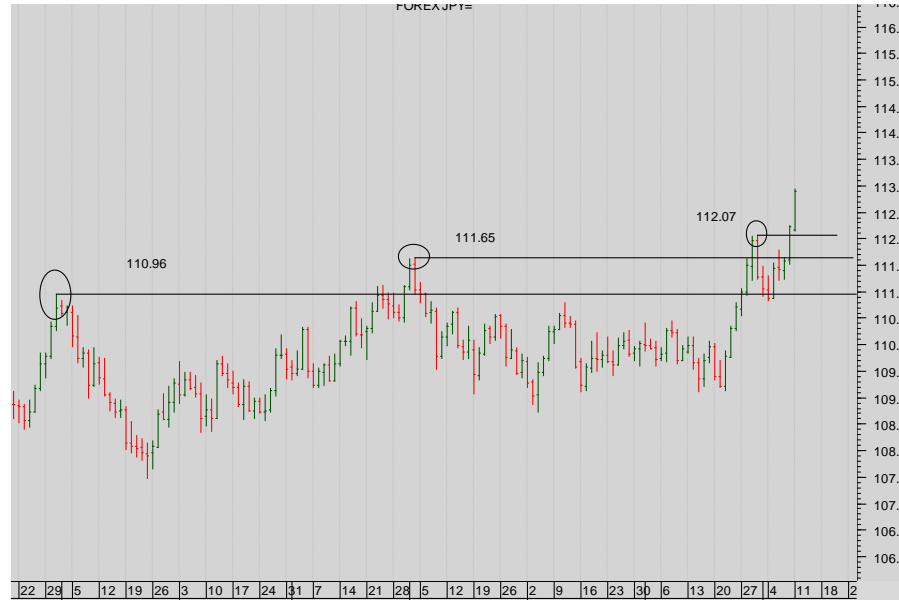
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Dollar Yen daily spot cash chart

The Dollar broke up through the pivotal band of 110.96-111.65 and then bounced hard after retesting that level and finding it good support now.

Buy the Dollar sell the Yen!



Currencies: Sterling Euro

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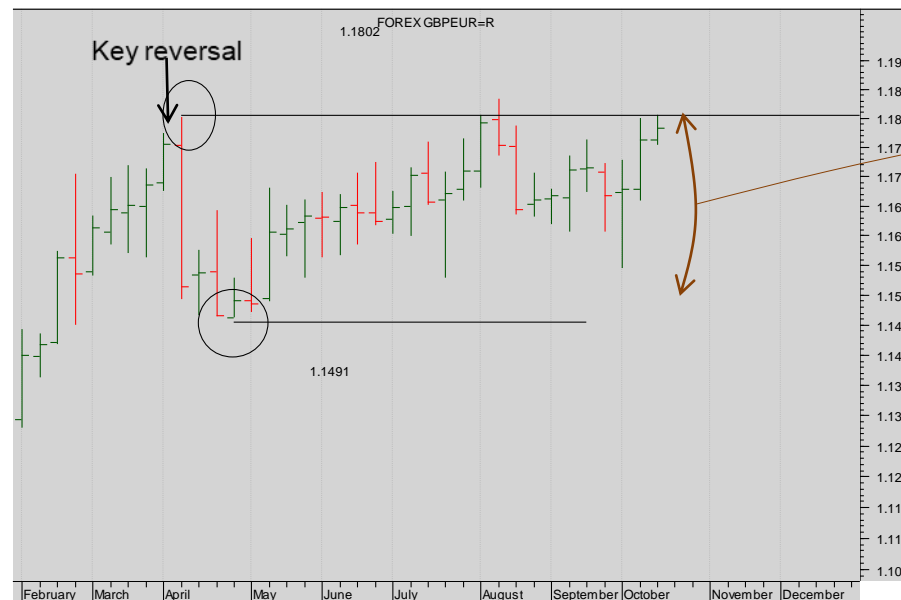
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Sterling Euro monthly spot cash chart

The market remains in the broad trading range.

Note the Key Reversal at the beginning of 2020 was unable to break the trading range (tho' it did drive the market of the other side of the range.)



Sterling Euro weekly spot cash chart

The near term range.

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

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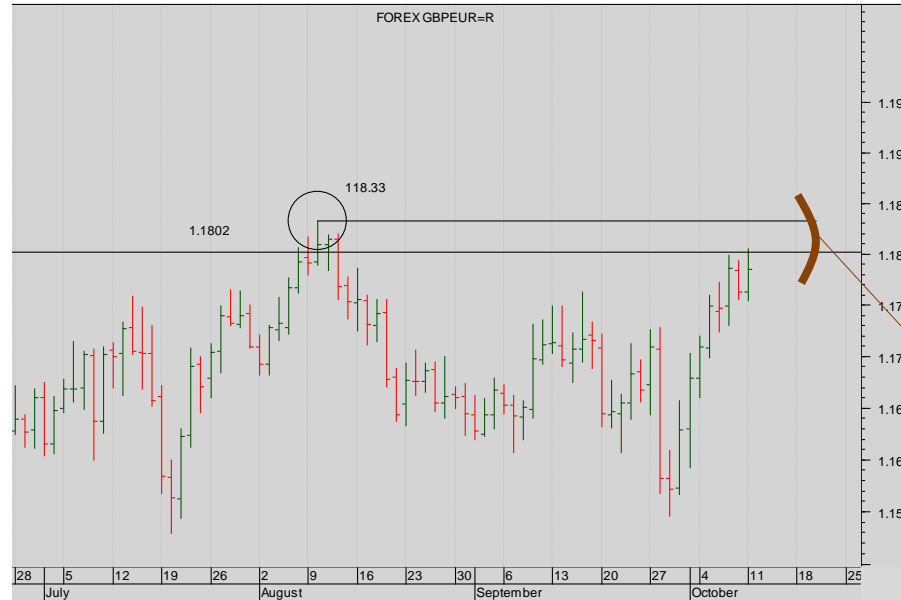
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Sterling Euro daily spot cash chart

The opportunity to break the small range was spurned.

Stand back and watch the range.

We are only sellers of Sterling on a break up through the band from the Prior Highs.



Stocks: CME S&P

STOCKS: We are waiting for a decisive break in the short-term charts – the S&P is weak but unbowed as yet. The European index is rather weaker still, they both have short-term bear trends.... Note though the relative strength of the FTSE and the solidity of the Nikkei – within a trading range but with such a reassuringly bullish big picture.

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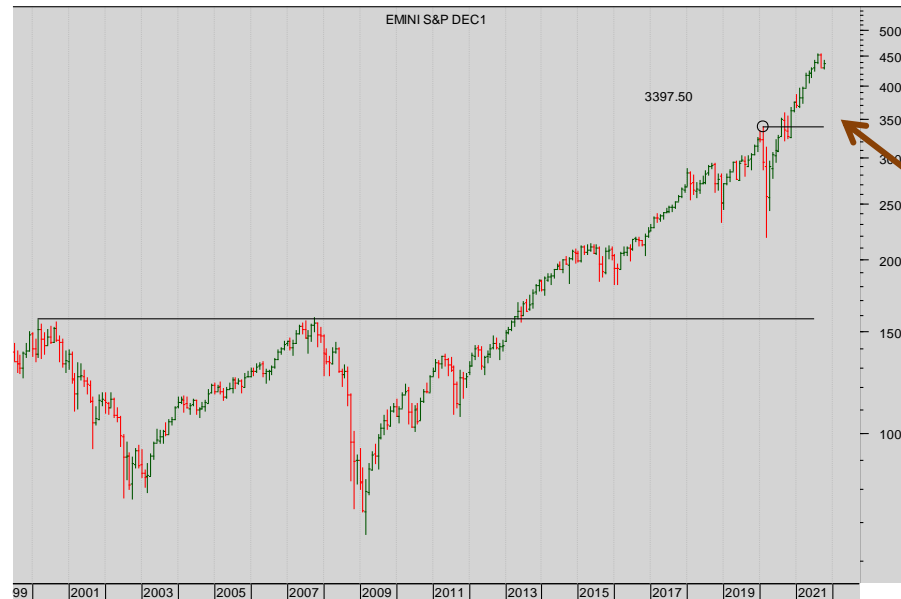
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CME S&P 500 monthly cont. futures chart

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

First powerful support now at 3397.50

More



Stocks: CME S&P 500

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CME S&P 500 cont. weekly cont. chart

Note the recent bounce off the Prior High of 4228.

Will the market do that again?



CME S&P 500 daily Sep 2021 chart

The market has established a short-term bear trend.

Unless the bear trend resistance is broken watch for a retest of the 4218 support.

More



Stocks: Eurex EuroStoxx 50

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Eurex EuroStoxx 50 monthly continuation futures chart

The market is establishing itself above the succession of Prior Highs, so a platform of support has been built from which the market is supported.



Eurex EuroStoxx 50 weekly Dec 21 futures chart

The pause since August. And the push beneath the weekly established rising diagonal raises questions.

Looks like the market is vulnerable.

Watch for a break beneath the Prior Low 3882.

More



Stocks: Eurex EuroStoxx 50

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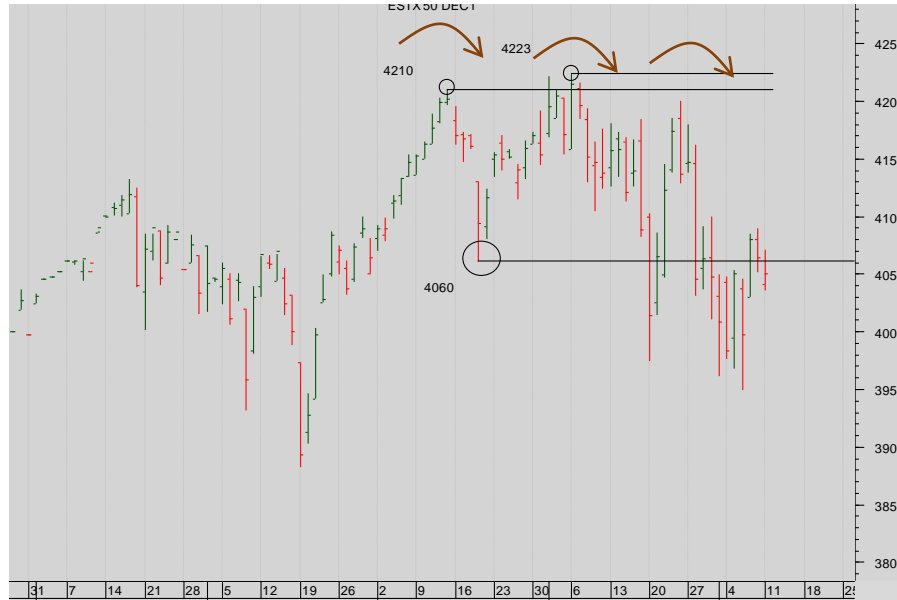
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Commodities

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Eurex EuroStoxx 50 daily Dec 21 futures chart

What is this? It's not clear.

The triple failure at 4200 is not encouraging.



Stocks: Liffe FTSE 100

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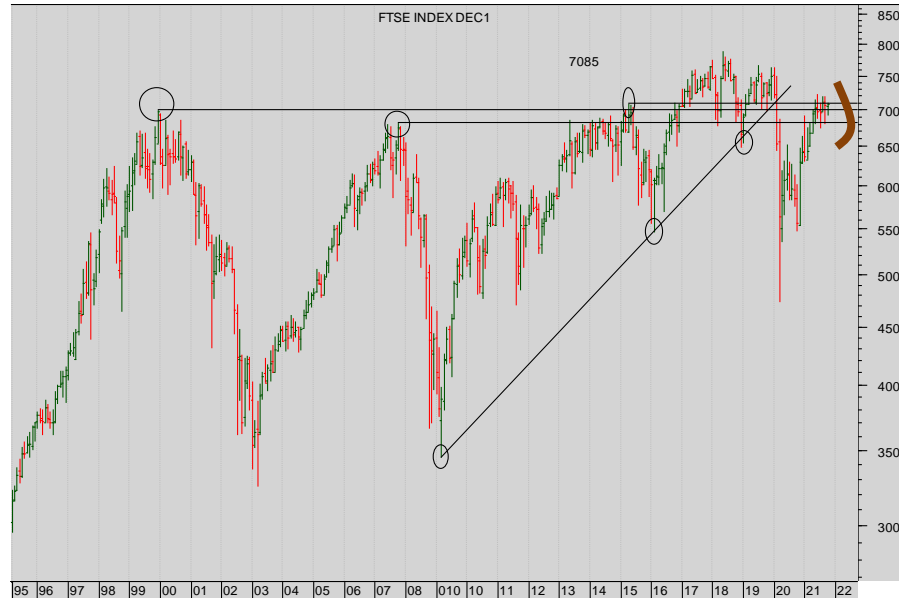
Bonds

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Commodities

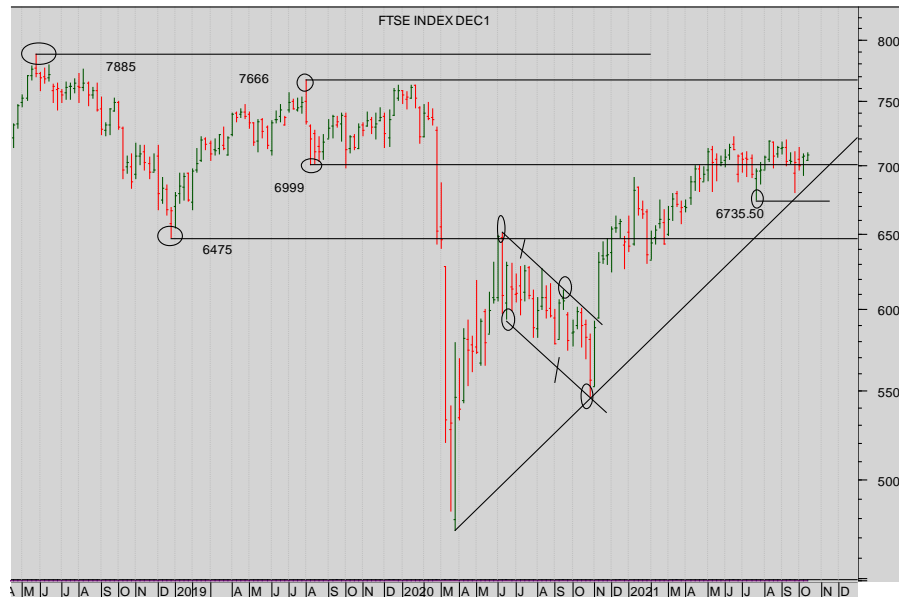
- + Oil
- + Gold

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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 CONVINCINGLY** through those levels.



Liffe FTSE 100 Weekly cont. futures chart

The market has re-penetrated the band of resistance from the Prior **Lows** but **been unable to sustain a close above 6999**.

A push down beneath 6735 would create a multiple Top.

Wait for the breakdown. .

More



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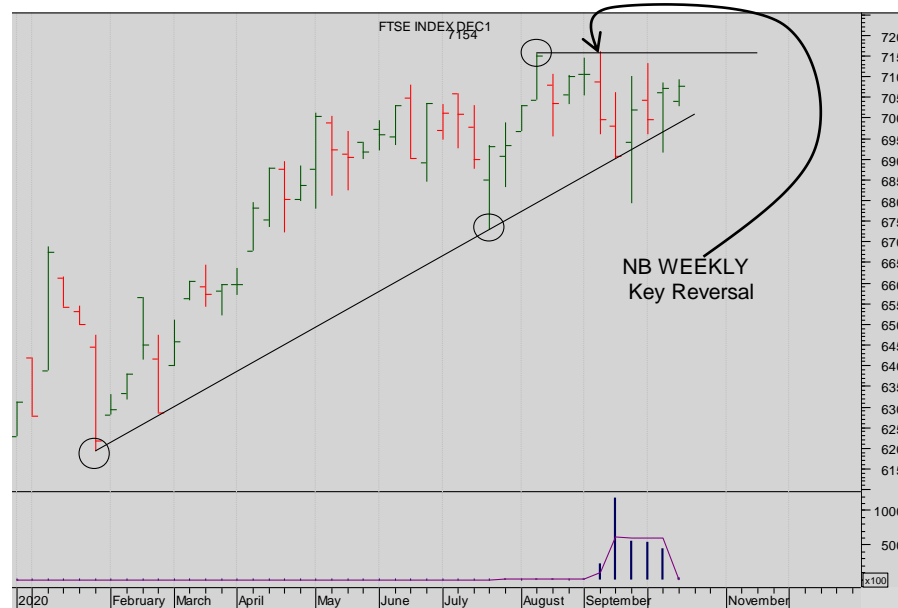
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Commodities

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IMPLIED ASSET ALLOCATION

Stocks: Liffe FTSE 100

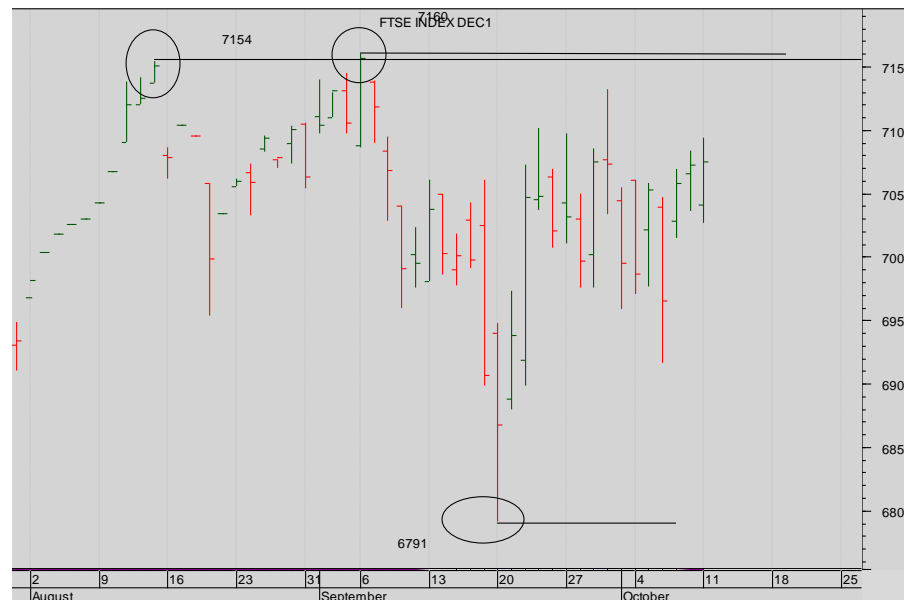


Liffe FTSE 100 **DEC 21** weekly futures chart

Note the weekly Key Reversal - watch the pushing beneath the rising Diagonal....

The Key Reversal (weekly) suggests more of a breakdown

But the market is resisting any sell off so far.



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

The market has achieved a possible multiple top and so looks vulnerable.

But for the moment looks happy withing the trading range.



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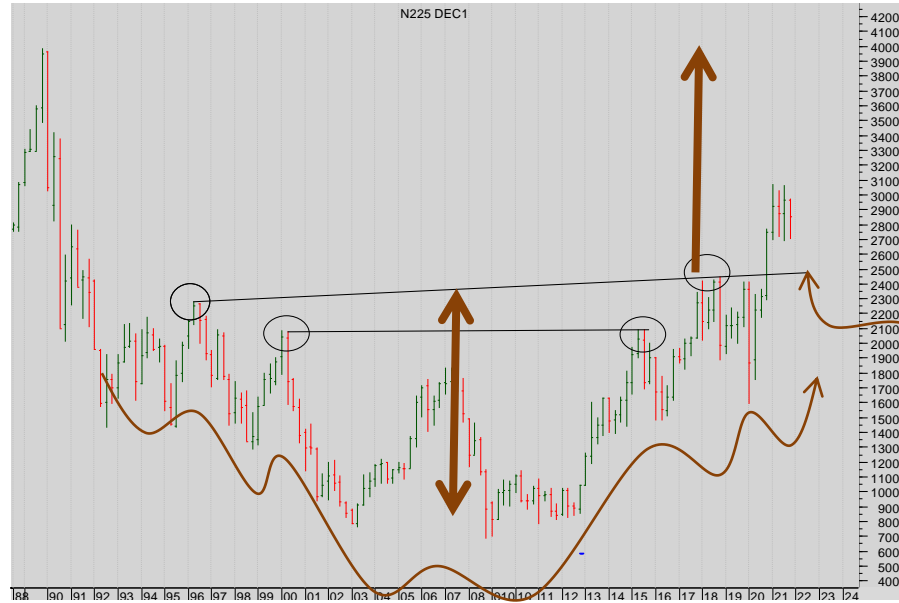
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Commodities

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IMPLIED ASSET ALLOCATION

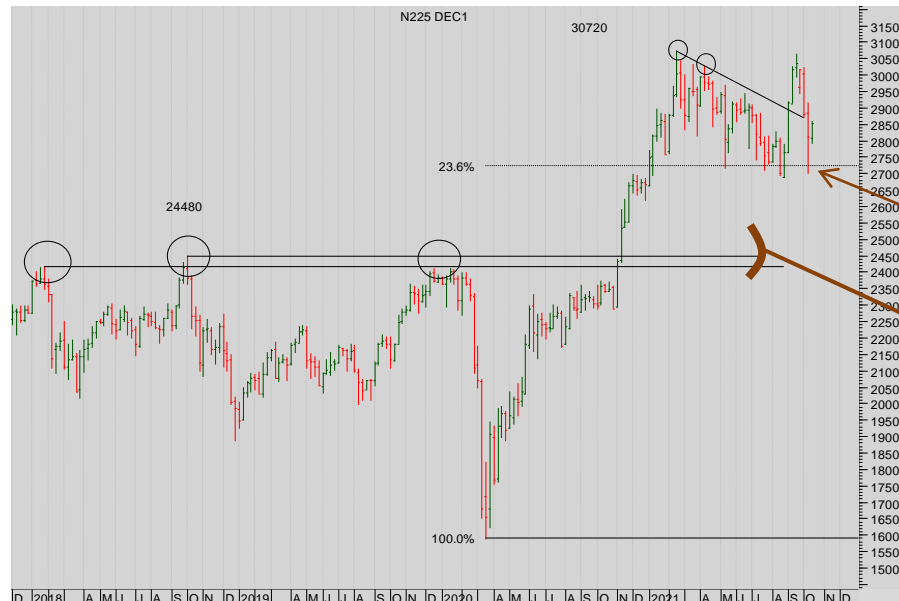
Stocks: OSE Nikkei 225



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 continuation)

The fierce retracement is disappointing for the bulls.

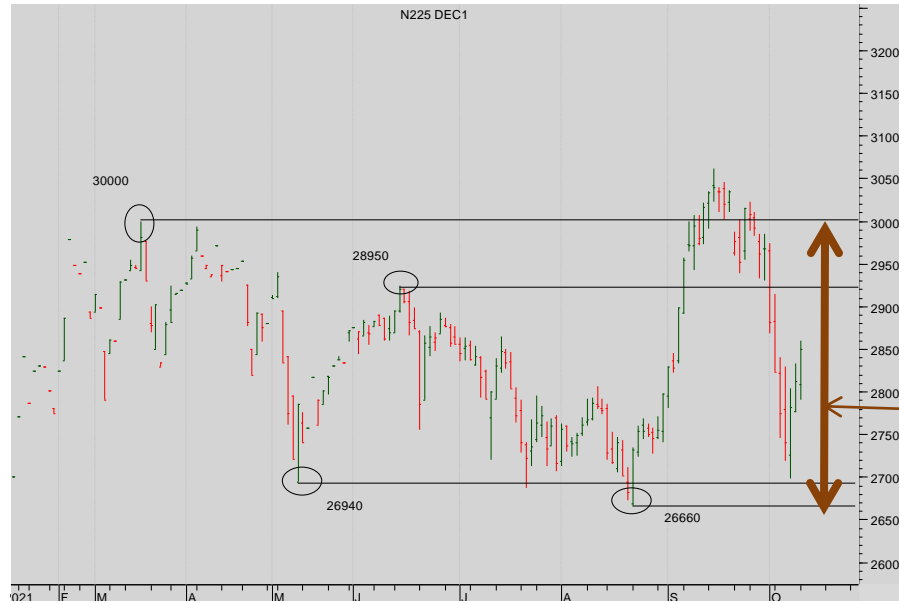
Watch to see if the market finds support just above 27000 whence it bounced before.

First important support at 24480

More



Stocks: OSE Nikkei 225



Nikkei 225 chart Daily Dec 2021.

That push through 30000 was not confirmed.

The sharp pull-back into the year's trading range

....

Watch the range.

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

The UK Gilt is a hot market set to go a clear measured distance higher in yields. The others are set up in the same higher yield direction but have yet to complete similarly impressive structures underpinning them – though they are close.

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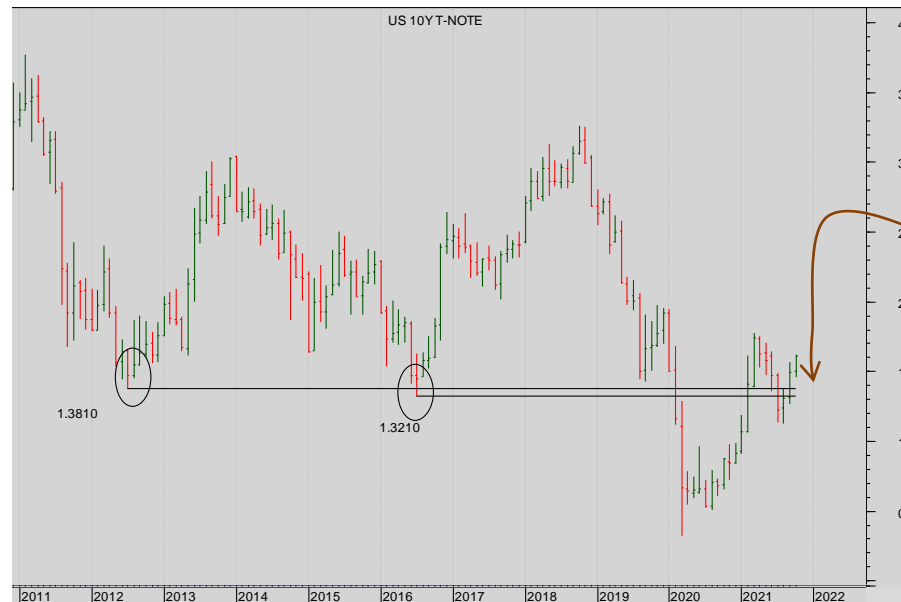
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IMPLIED ASSET ALLOCATION

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.

And the recent retracement looks to have bottomed out...

More



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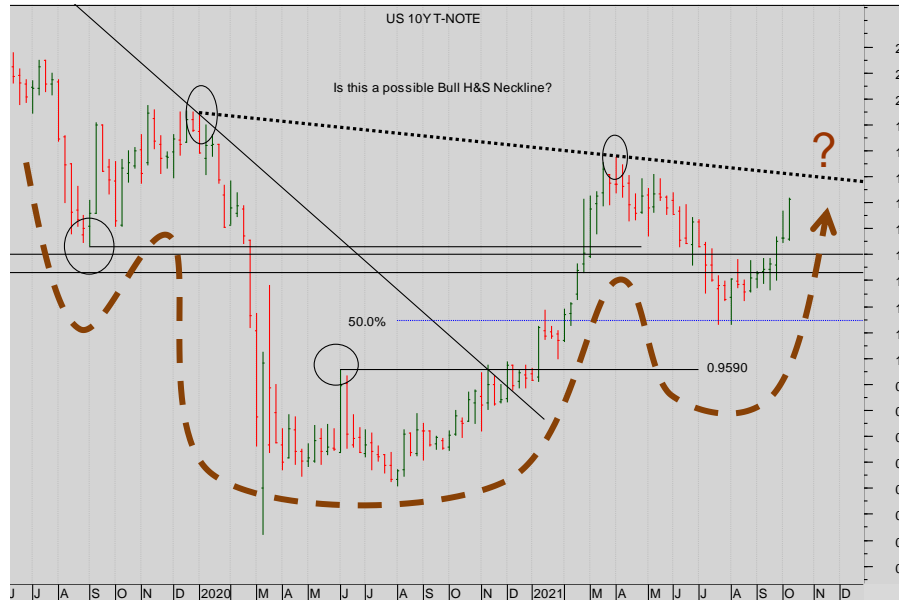
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IMPLIED ASSET ALLOCATION

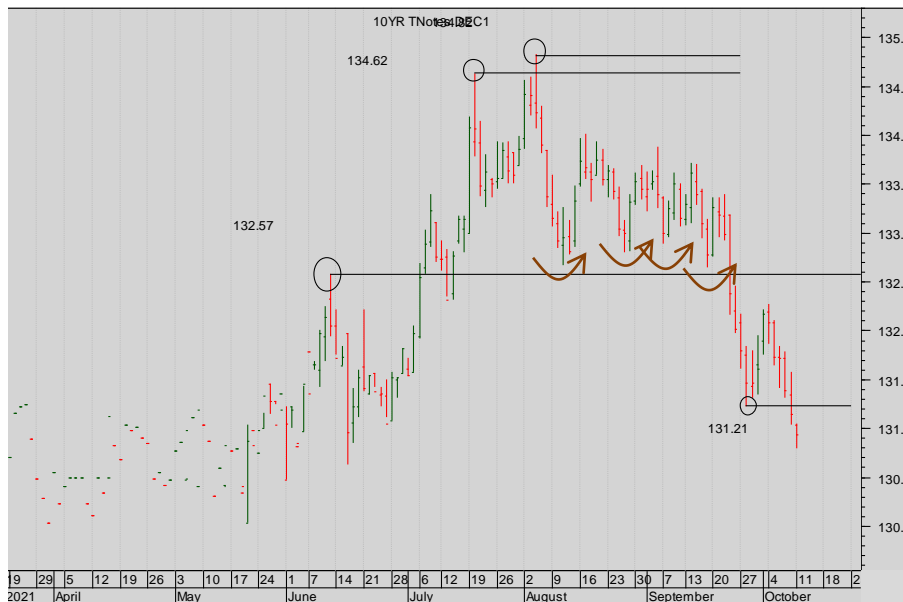
Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) weekly chart

Note the retracement was to a Fibonacci 50% support from which the market has bounced.

Might that be the support that builds a second shoulder of a H&S bull pattern? We'll see. ...



US Ten Year Notes Dec 2021 Futures price daily chart

Short term, there is clear bear market in bonds, the 132.57 Prior High **NOW SMASHED** looked to be important support ...now it is resistance/

The bears are licking their lips.

More



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IMPLIED ASSET ALLOCATION

Bonds: German Bund yield chart



Bund monthly yield chart

There has yet to be a **break of resistance** at 0.204.

Now watch to see if that level can be broken and closed above this month.

It looks likely.



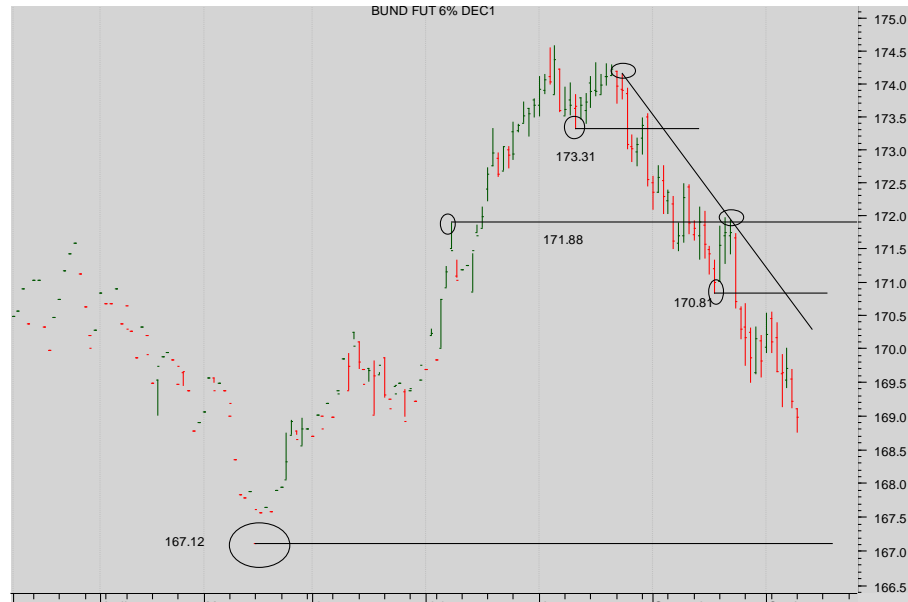
Bund weekly yield chart

Watch the pivotal band of Highs - only a break up through -0.074 will get the bulls going.

More



Bonds: German Bund yield chart



Bund daily Sep 21 **futures** price chart

The Bund price has developed a strong daily bear trend.

Note the Key Reversal that confirmed the final completion of the Double Top.

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IMPLIED ASSET ALLOCATION

Bonds: UK Gilt yield chart



Gilt monthly yield chart

The market long-term bear trend.

The market has broken the diagonal downtrend resistance.



Gilt weekly yield chart

This is very exciting: the market has completed a **bull H&S Reversal** coincidentally **breaking the downtrend resistance**.

Minimum target 1.8% yield

More



Bonds: UK Gilt yield chart



Gilt daily Futures Dec 21 chart

A clear bear price trend is established.

The bears are in control.

First resistance on a bounce 124.84.

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Commodity

COMMODITIES:

Oil is a ever more powerful bull trend in all time frames now. Much more to go it seems.

Gold is underpinned but currently lacking the resolve to go higher.

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Commodities: Nymex WTI Oil



Nymex oil quarterly continuation

Note the break through the falling diagonal above the market.

Confirmed by the close at the end of the September and June Quarters

More



Commodities: Nymex WTI Oil

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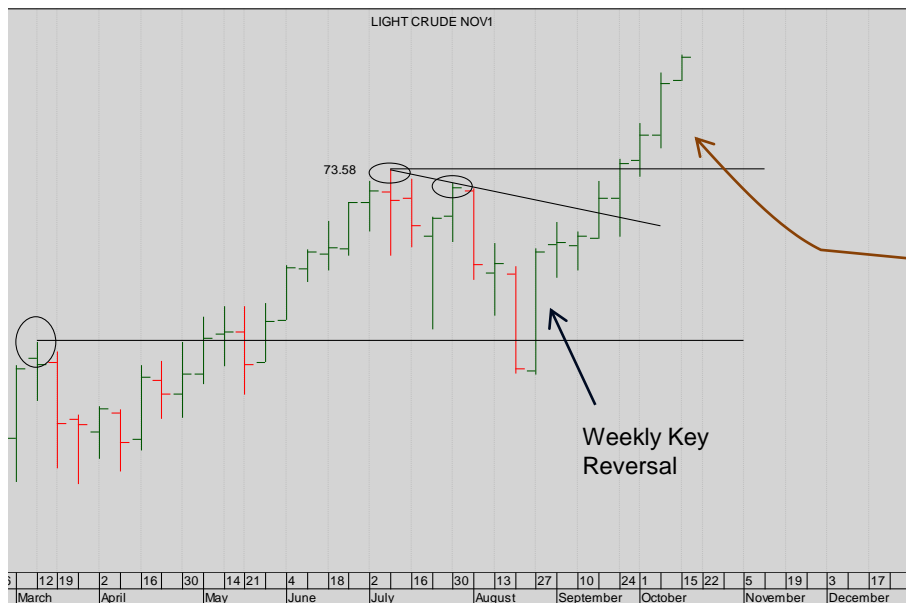
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Nymex oil monthly Nov 2021

The market has retraced to the band of resistance from the Prior Lows where the market failed before in 2018.

But the bounce has been helped by a **Monthly Key Reversal**.



Nymex oil weekly Nov 2021 futures

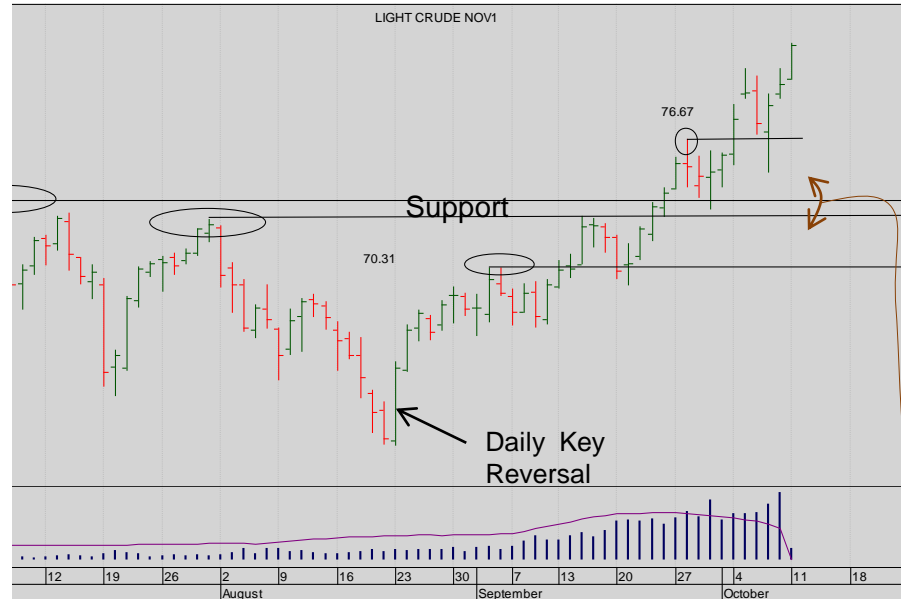
The last bit of the bounce fuelled by another Key Reversal has pushed through the Prior High at 73.58.

If that push is sustained, the market may be ratcheted better again.

Bullish!



Commodities: Nymex WTI Oil



Nymex oil daily Nov 2021 futures

That bounce in greater detail shows

1. that there is a day key reversal in place too though the influence of that may have been exhausted.
2. The initial pause at the Prior highs and then the push through.
3. That band 70.31- 73.58 looks to be good support for the market now. If needed!

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- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold Monthly

The dither at the Prior High was entirely predicatable.



Nymex Gold DEC 21 weekly

The support from the Prior High is impressive AND LOOKS TO HAVE UNDERPINNED THE MARKET

This is bullish.

Watch for a break of the falling diagonal that would complete a bull Triangle.



Commodities: Comex Gold

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



Nymex Gold Dec 2021 Daily

Bulls need a first signal –
breaking up through 1783?



Summary

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- + Oil
- + Gold

Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

MSCI Balanced Risk Asset Allocation



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the technical analyst

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