



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 19th 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 FLAT Euro	Short-term BEAR Euro

Stocks

- + S&P 500
- + EuroStoxx 50
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Long-term BULL	Medium-term FLAT	Short-term FLAT
Long-term BULL	Medium-term FLAT	Short-term FLAT
Long-term FLAT	Medium-term FLAT	Short-term BULL
Long-term BULL	Medium-term FLAT	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

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More



Currencies: Dollar Euro

CURRENCIES:

The Dollar continues to strengthen in all time frames especially against the Euro and the Yen. And with the Dollar, Sterling is strengthening too. There is more to come from both.

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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. 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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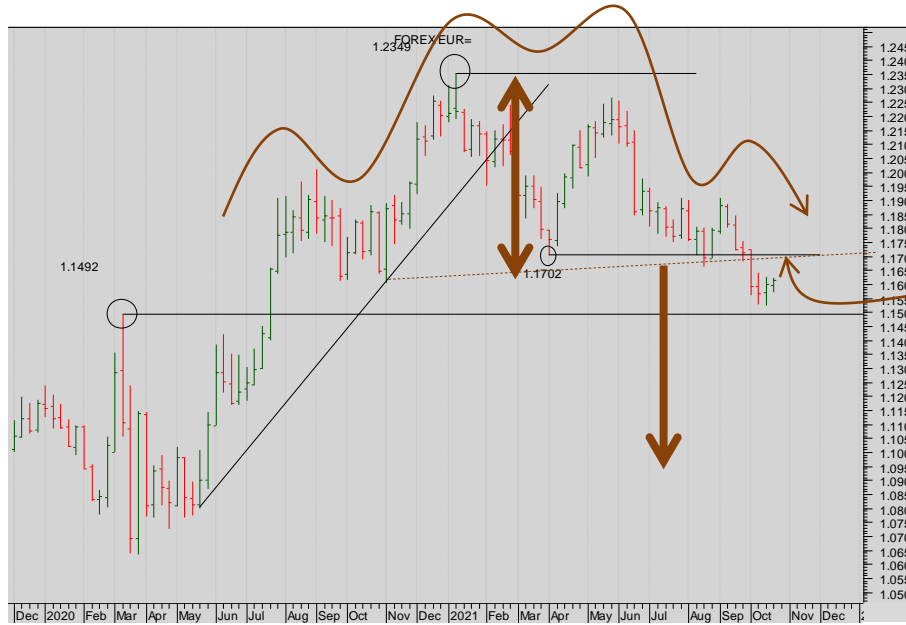
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Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

Medium-term, this looks like a **COMPLETED Bear 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.

That band 1.1702-1.1662 is crucial resistance on any bounce. .



Currencies: Dollar Sterling

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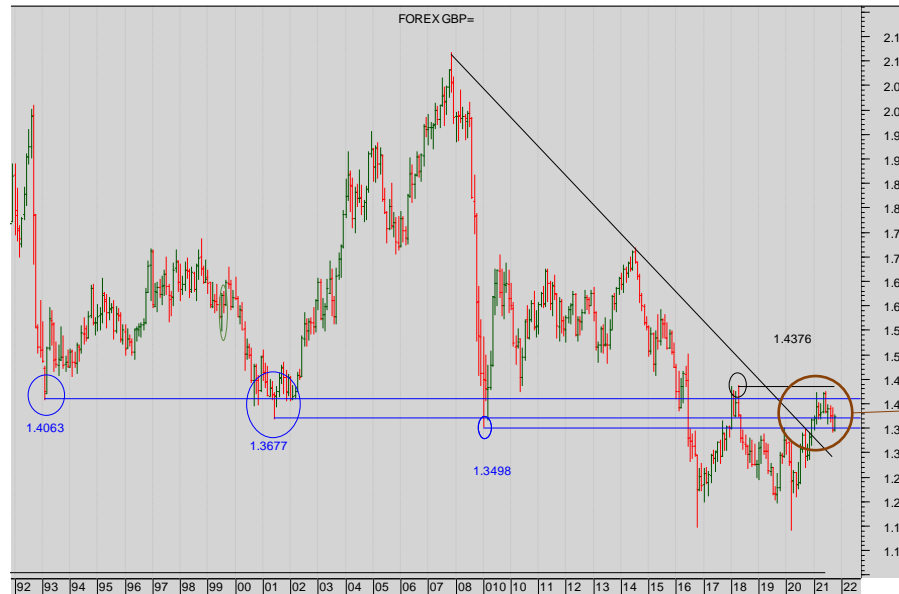
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Dollar Sterling Monthly spot cash chart

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

But note that the horizontal resistances the marketremain 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.

Note too, that the market has bounced off the support from the Neckline of the Double Headed H&S Reversal pattern beneath the market...

More



Currencies: Dollar Sterling

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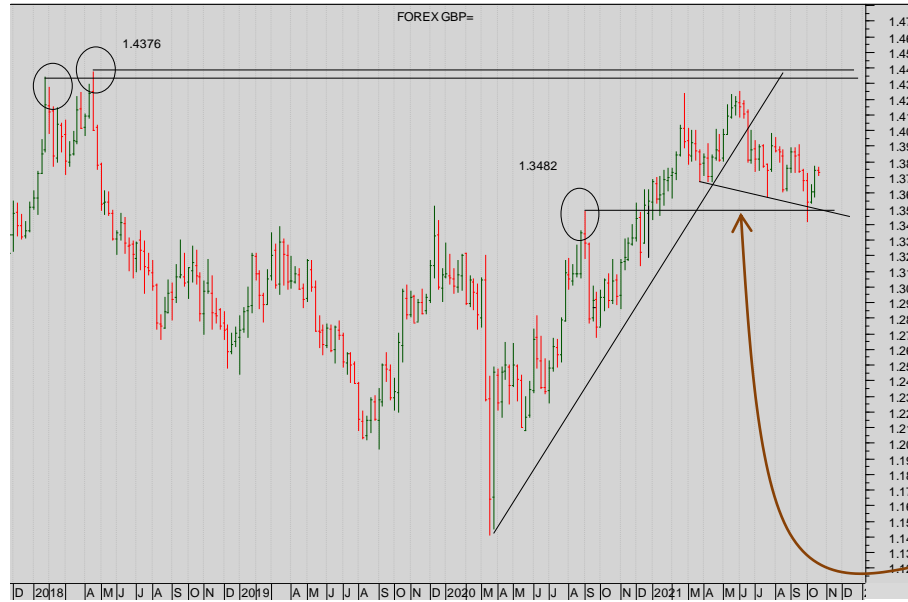
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Dollar Sterling weekly spot cash chart

A closer look:

The pull-back 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 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

The completed bear triangle we spotted in the day chart has been smashed.

The short-term bears were wrong.



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Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

The bull falling wedge continuation pattern 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

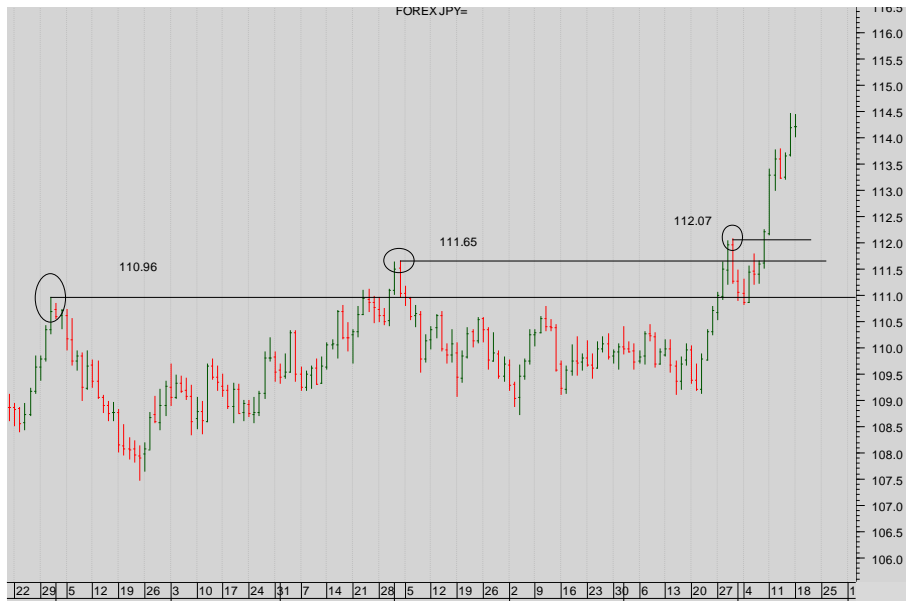
This push above the range is what has unambiguously confirmed the completed bull wedge above.

It's clear now.

More



Currencies: Dollar Yen



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!

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IMPLIED ASSET ALLOCATION



Currencies: Sterling Euro

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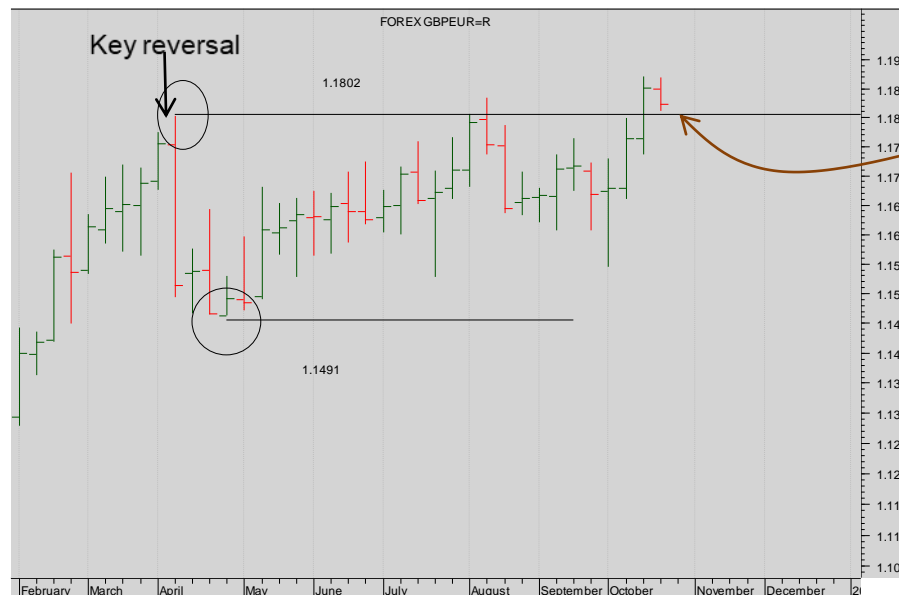
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Sterling Euro monthly spot cash chart

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 to the other side of the range.)



Sterling Euro weekly spot cash chart

The near term range has now been broken. **Expect more Sterling strength if the break is confirmed.**

More



Currencies: Sterling Euro

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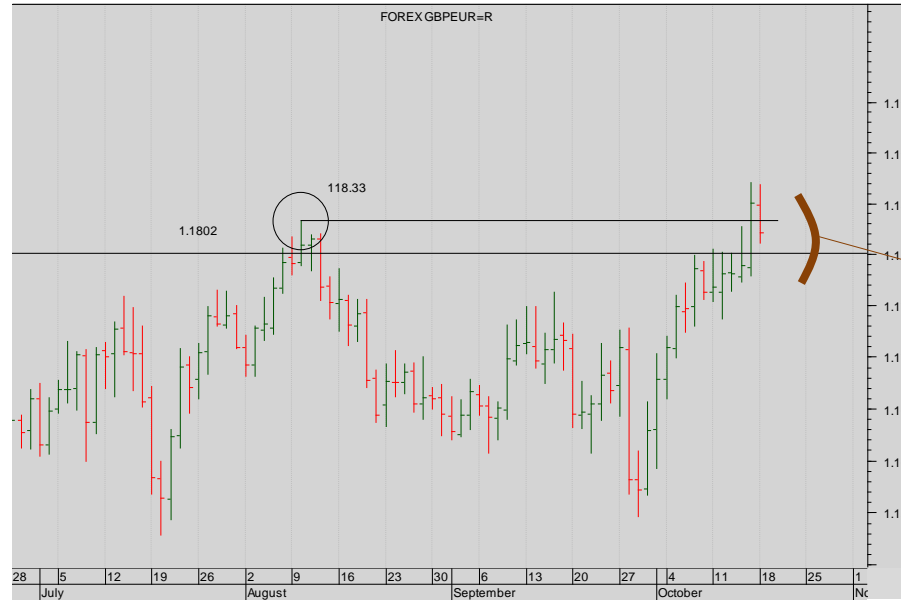
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Sterling Euro daily spot cash chart

The opportunity to break the small range was taken - the band from the Prior Highs should be good support now....



Stocks: CME S&P

STOCKS: There has been no decisive breakdown in the short term chart that we spoke about last week. On the contrary these markets look resilient. The FTSE has indeed broken up to its highest level since the pandemic. Watch for similar short-term signals in the others ...

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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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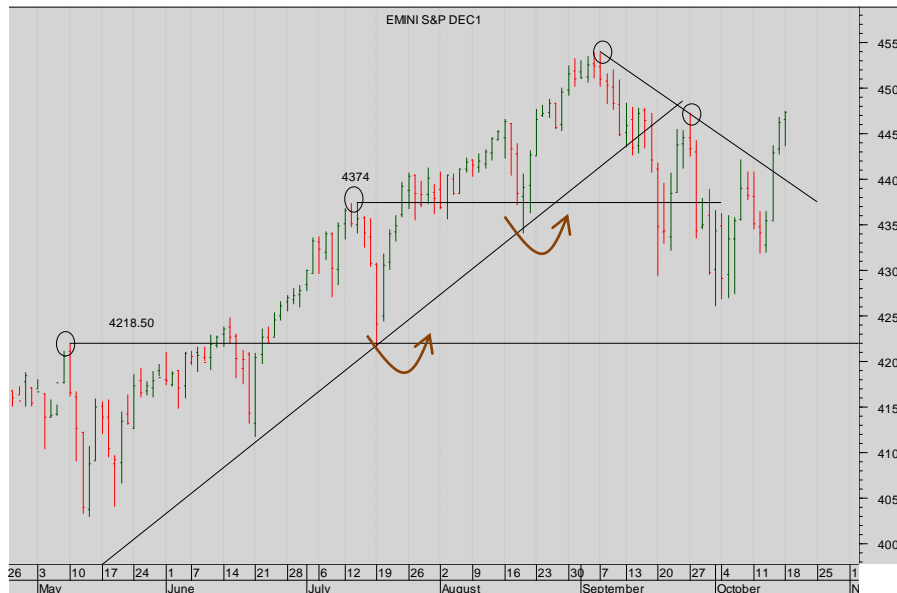
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CME S&P 500 cont. weekly cont. chart

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 lost the short-term bear trend.

Stand back.

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 powerful platform of support has been built from which the market is trying to go higher.



Eurex EuroStoxx 50 weekly Dec 21 futures chart

The pause since July.

The push beneath the weekly established rising diagonal raises questions.

Watch for a break beneath the Prior Low 3882.

More



Stocks: Eurex EuroStoxx 50

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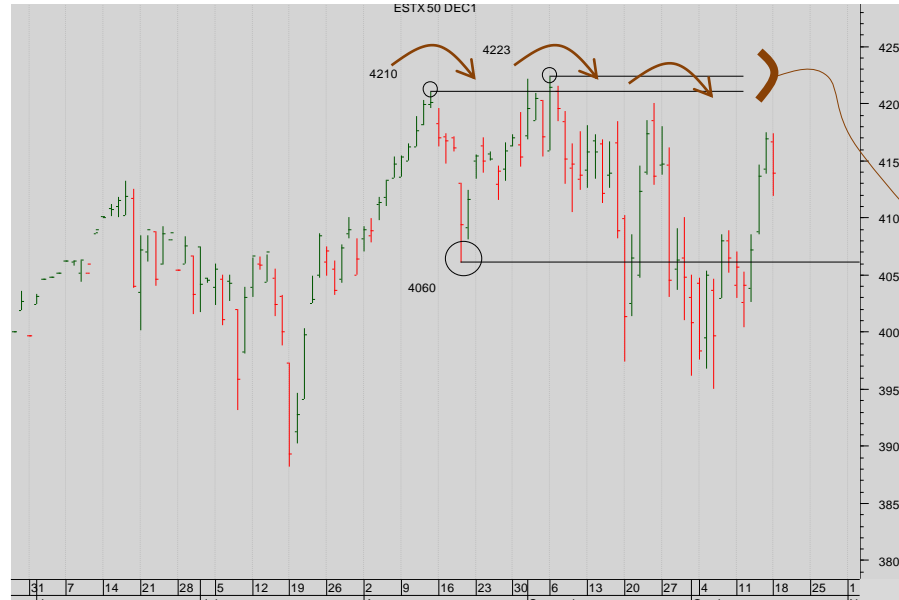
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Commodities

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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.

Unless the market can get back above the band 4210-4220.



Stocks: Liffe FTSE 100

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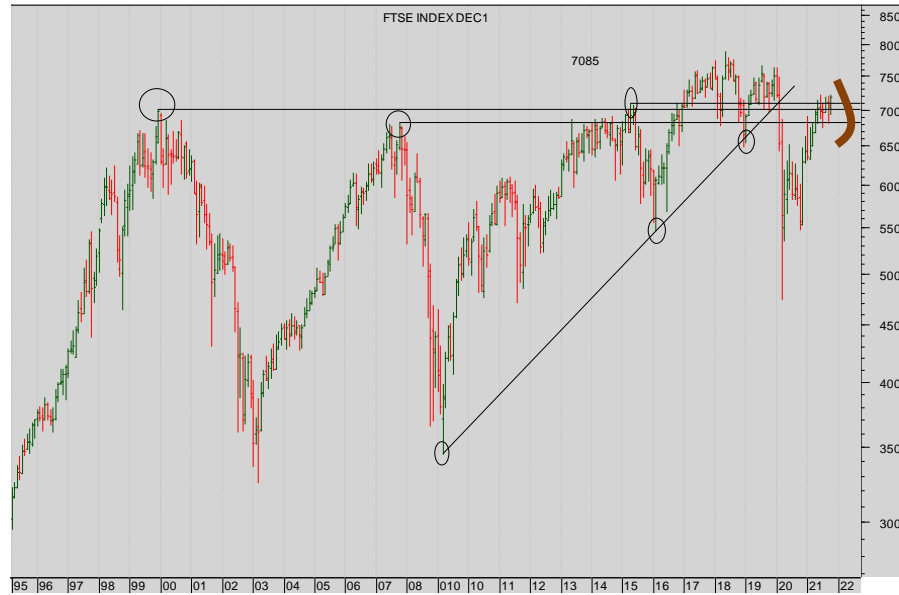
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Commodities

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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 **and is attempting to drive up**

...

Look closer.

More



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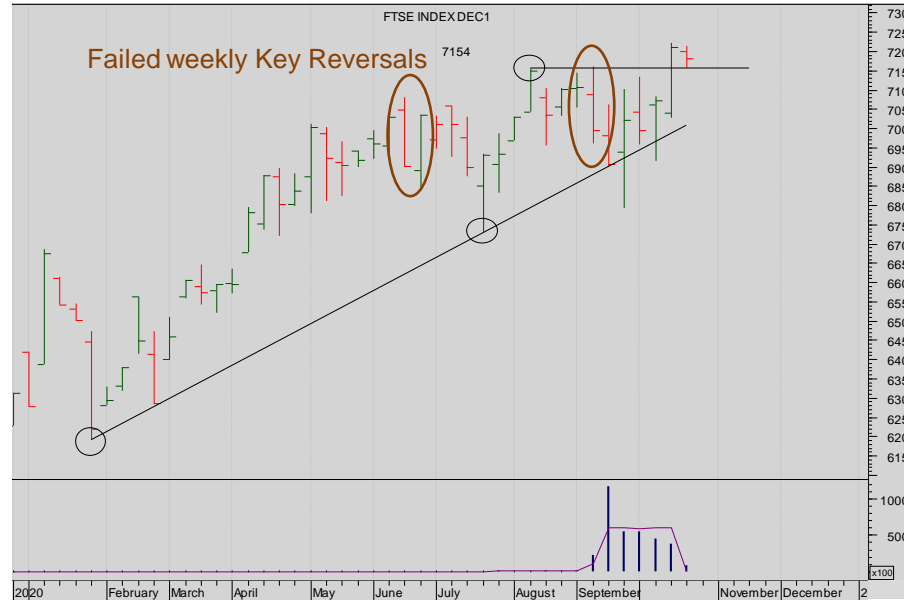
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Commodities

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IMPLIED ASSET ALLOCATION

Stocks: Liffe FTSE 100

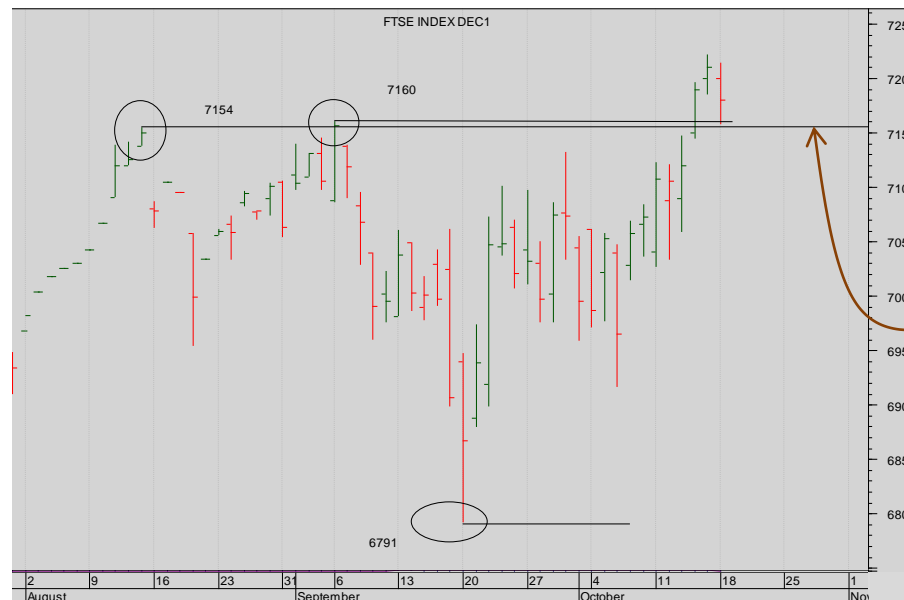


Liffe FTSE 100 DEC 21 weekly futures chart

Note the **failed** weekly Key Reversals - the market is **resisting any sell-off**

Now it has broken up through the 7154 High.

If it is sustained it is an important break.



Liffe FTSE 100 Dec 21 daily futures chart

The market has smashed up through the Prior Highs.

It looks well set.

Look for a bounce of the support band 7154-60.



Stocks: OSE Nikkei 225

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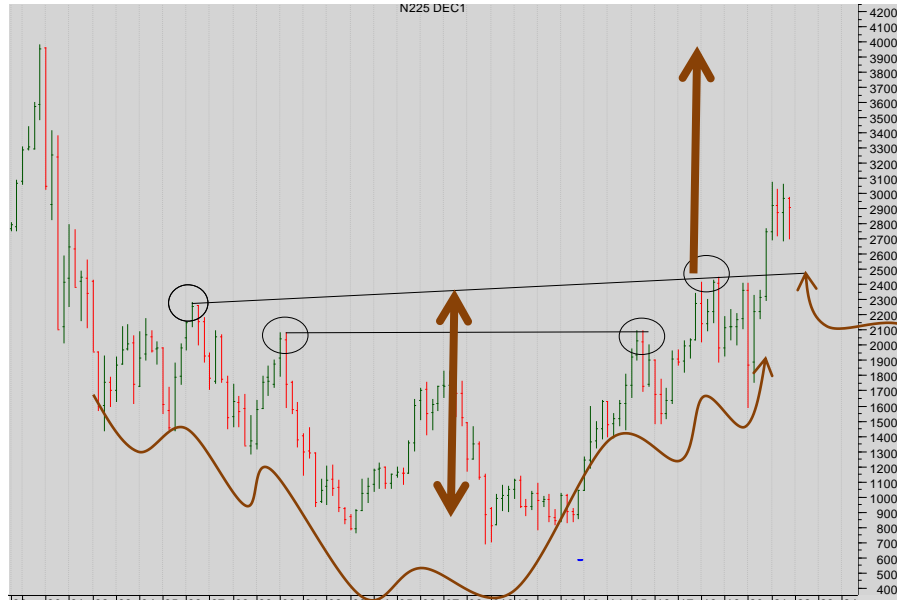
Bonds

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Commodities

- + Oil
- + Gold

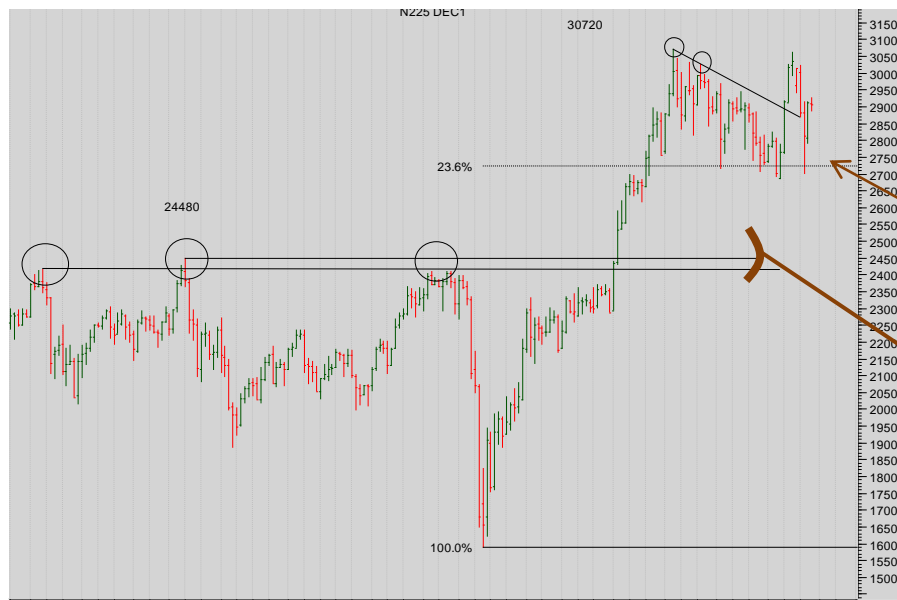
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Nikkei 225 chart (Quarterly)

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.)

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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Commodities

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IMPLIED ASSET ALLOCATION



Bonds

BONDS:

The UK Gilt remains the hot bear bond market in price terms. All of these markets have well-defined short-term bear trends, but both the Bund and the Tnote need clearer structure before they can follow the Gilt and encourage new bear positions.

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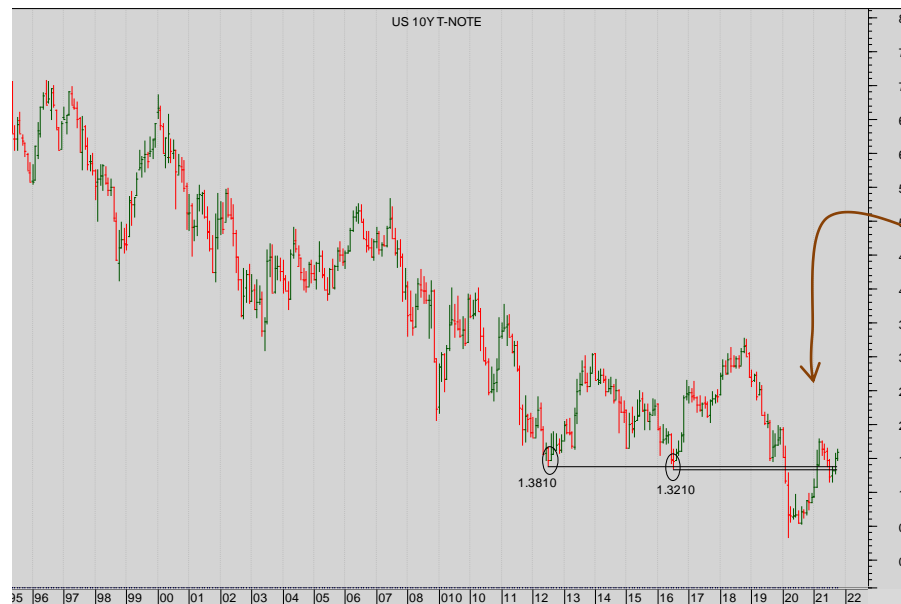
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Commodities

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Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) monthly chart

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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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 in charge.

More



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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 yield 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 second Key Reversal that confirmed the final completion of the Double Top.

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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

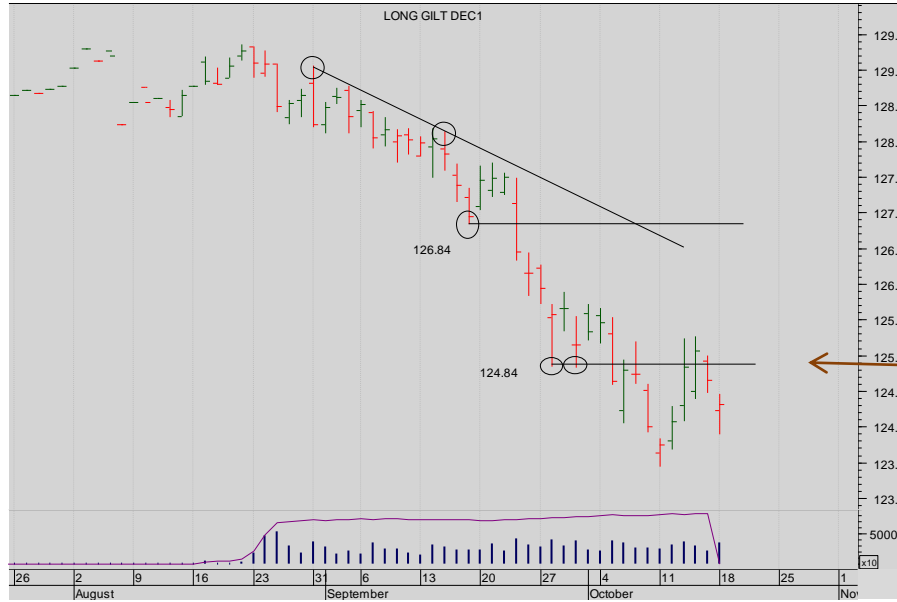
This is very exciting: the market has completed a **bull H&S Reversal** coincidentally **breaking the downtrend resistance**.

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:

We remain very bullish of Oil, noting successive new breakouts for instance, in the weekly continuation chart. Gold is supported but without bull vigour so far.

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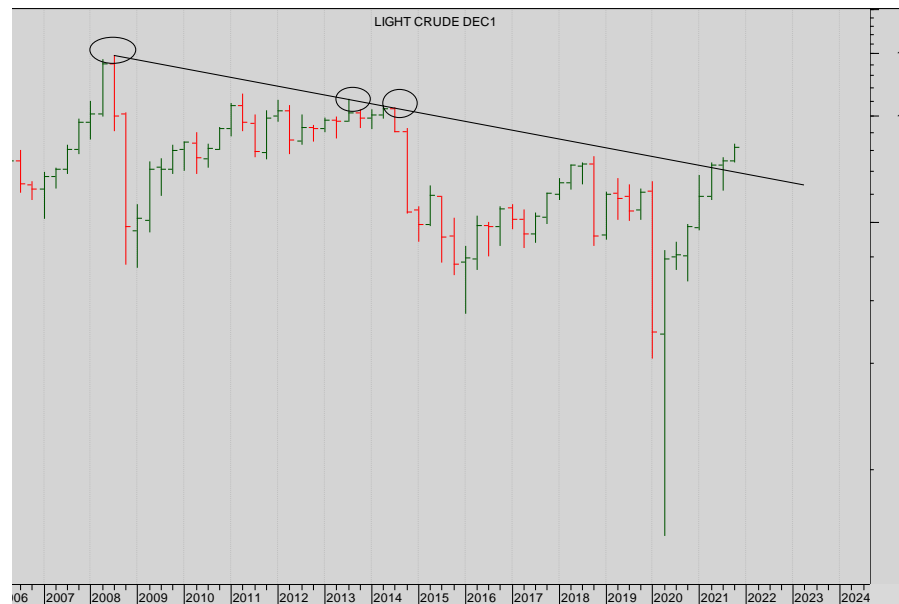
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Commodities

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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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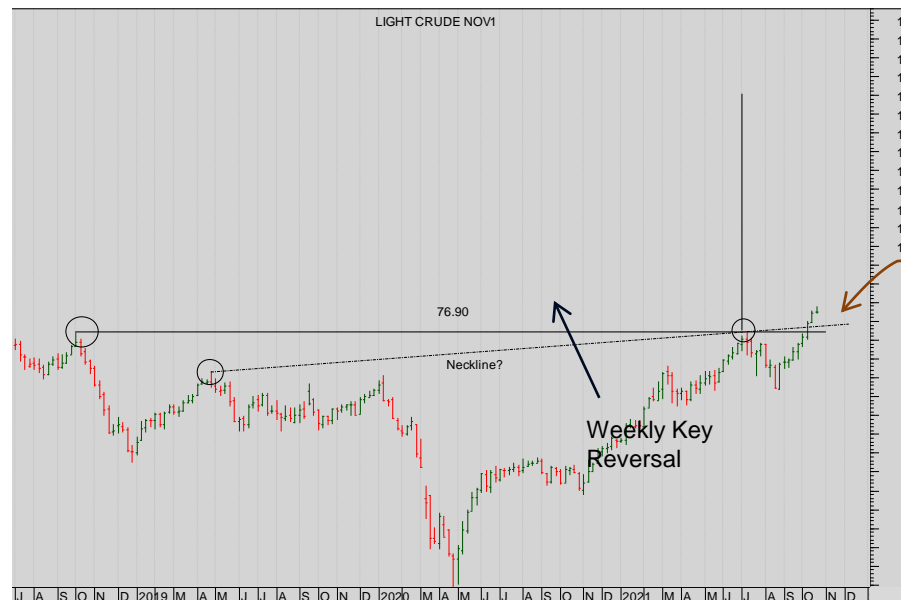
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Nymex oil monthly Nov 2021

The market has retraced to and smashed through the band of resistance from the Prior Lows where the market failed before in 2018. (the break needs confirmation of a close above 77.28 at the end of October.)

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 76.90.

Might that also be the completion of a H&S Reversal? If so minimum target of \$140.

Bullish!



Commodities: Nymex WTI Oil

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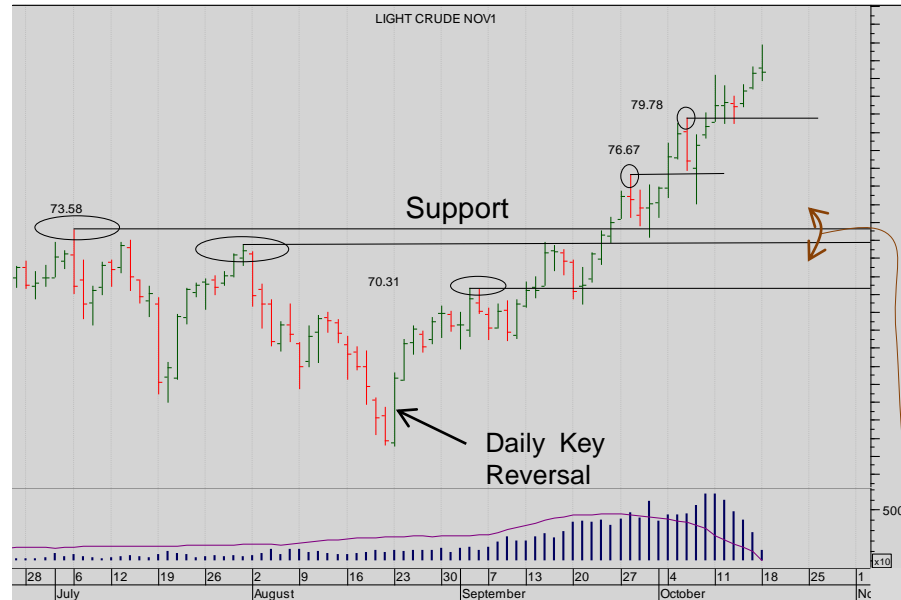
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IMPLIED ASSET ALLOCATION



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 73.58-70.31 and then the push through and then the clear demonstration of that as good support.
3. The market looks reluctant to break back through subsequent Prior Highs.



Commodities: Comex Gold

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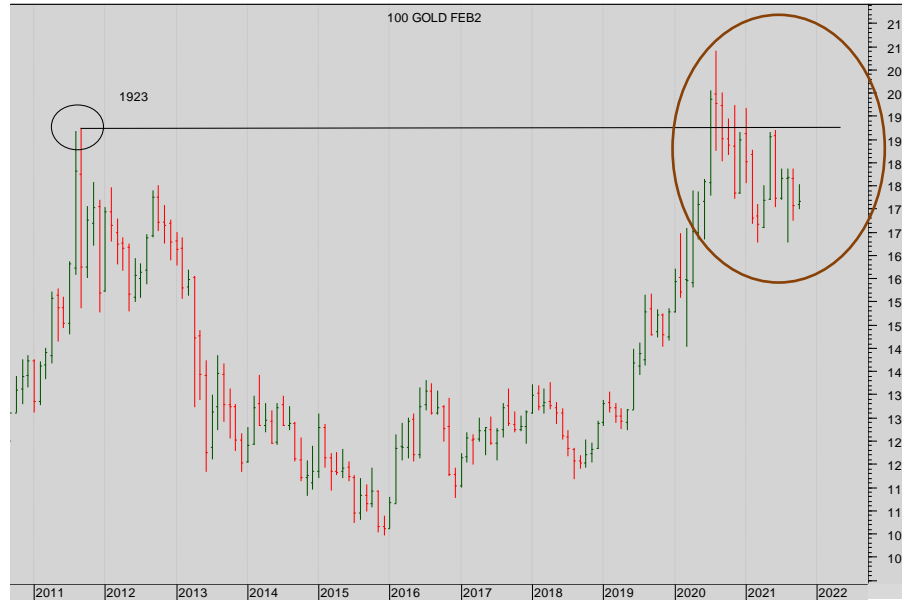
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IMPLIED ASSET ALLOCATION



Nymex Gold Monthly

The dither at the Prior High was entirely predictable.



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



Nymex Gold Dec 2021 Daily

In the short-term bulls and bears are struggling for clarity.

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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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