



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 2nd November 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 FLAT 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 BULL	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term BULL
Long-term FLAT	Medium-term BULL	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term FLAT

Bonds

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

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

Commodities

- + Oil
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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 has emphatically confirmed its strength against the Euro and is set to go further. So too is the Dollar crushing the Yen weak, but more modestly so. Sterling looks weak too, but there's less clarity in the surrounding structures, so the effect of the Dollar 's strength looks unlikely to be maintained.

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Dollar Euro monthly spot cash chart

These powerful horizontal 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 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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Currencies: Dollar Euro



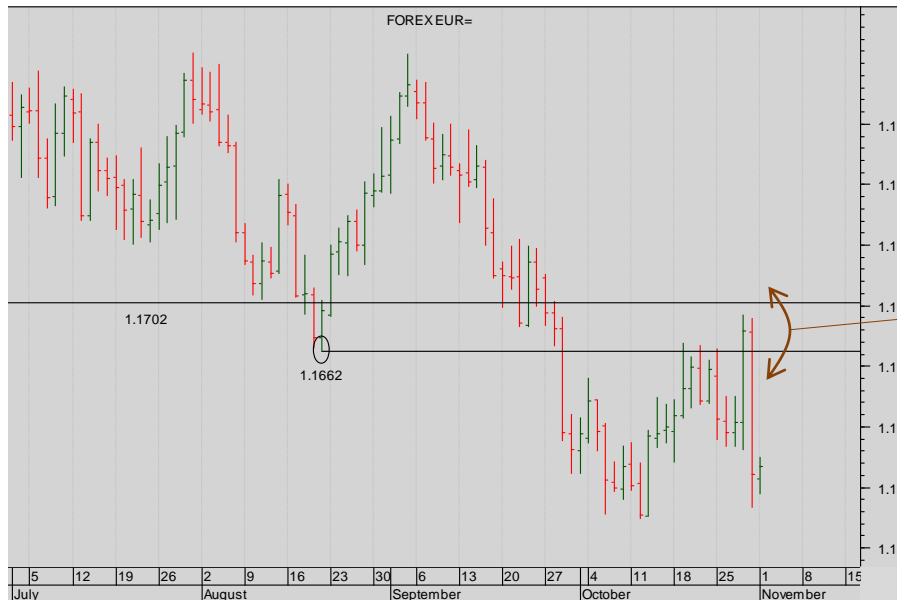
Dollar Euro weekly spot cash chart

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.**

The Dollar bulls are in charge.



Dollar Euro spot cash chart daily chart...

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

The Euro bears are in charge.



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 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.

The market bounced off the support from the Neckline of the Double Headed H&S Reversal pattern beneath the market...

Look closer.

More



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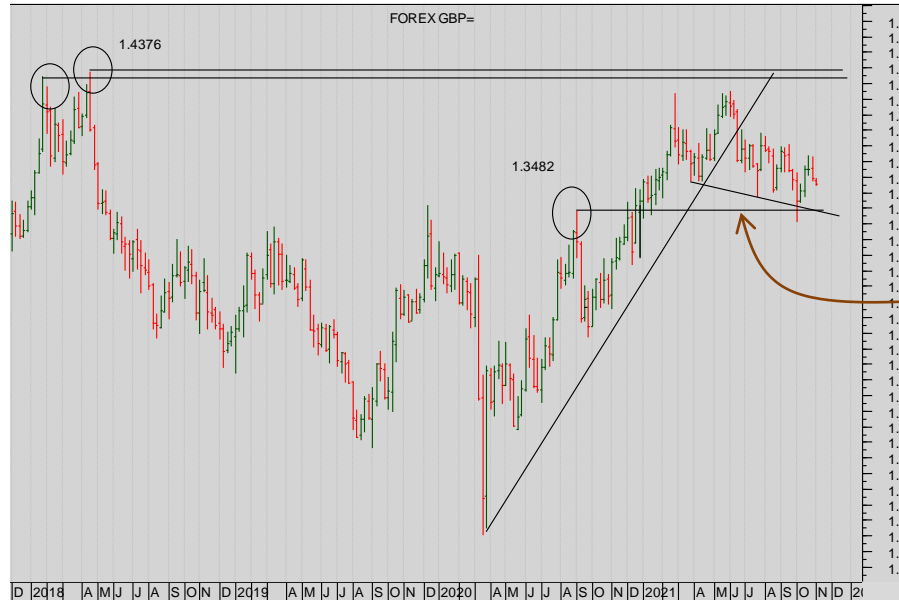
- + Ten Year US TNote
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- + UK Gilt

Commodities

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Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

A closer look:

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

Only a break of that 1.3482 will send sterling down more sharply still. Wait for the break.



Dollar Sterling daily spot cash chart

The short-term bears were wrong : the rally back through the resistance from Prior Lows has been impressive.

Stand back short-term.



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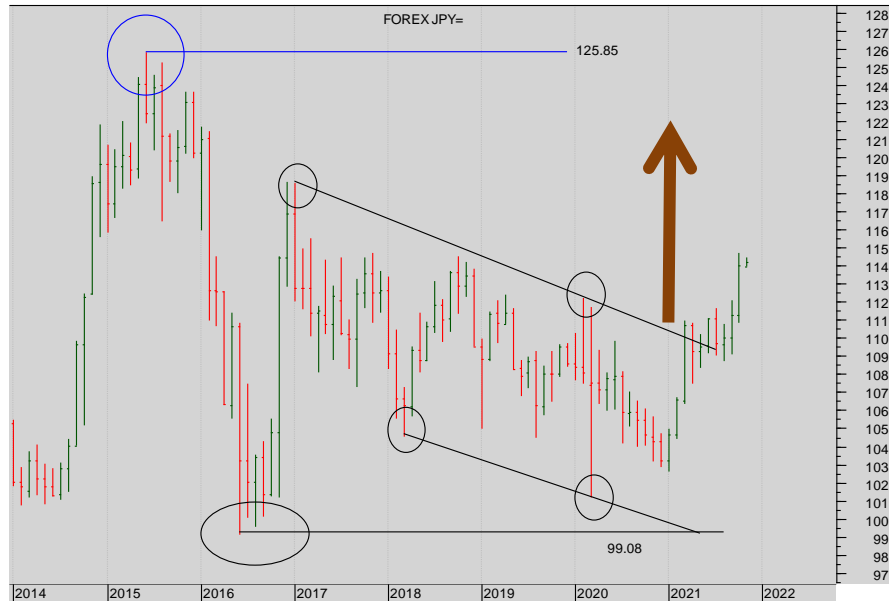
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Commodities

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Currencies: Dollar Yen

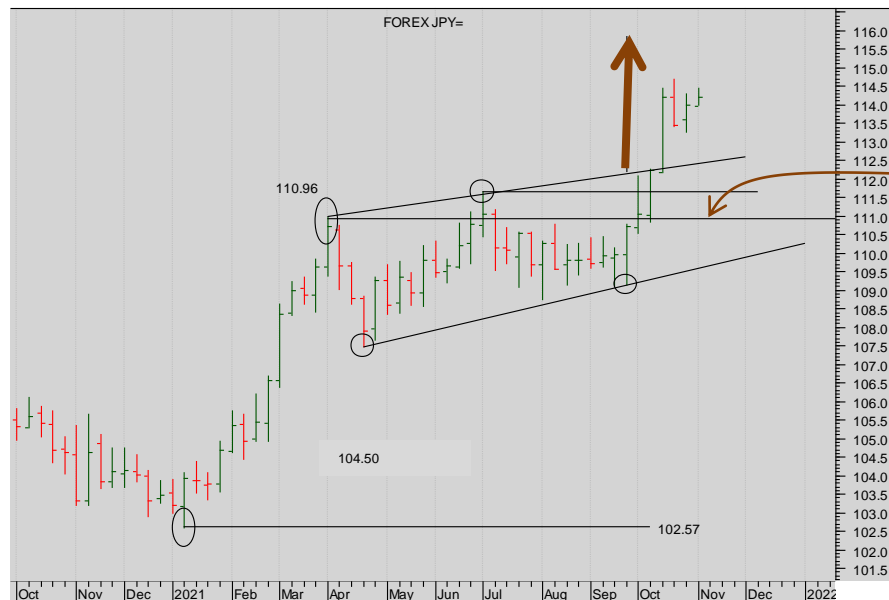


Dollar Yen monthly spot cash chart

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 (and additionally the completion of a bull rising wedge) is what has unambiguously confirmed the completed bull wedge above.

It's clear now.

More



Currencies: Dollar Yen

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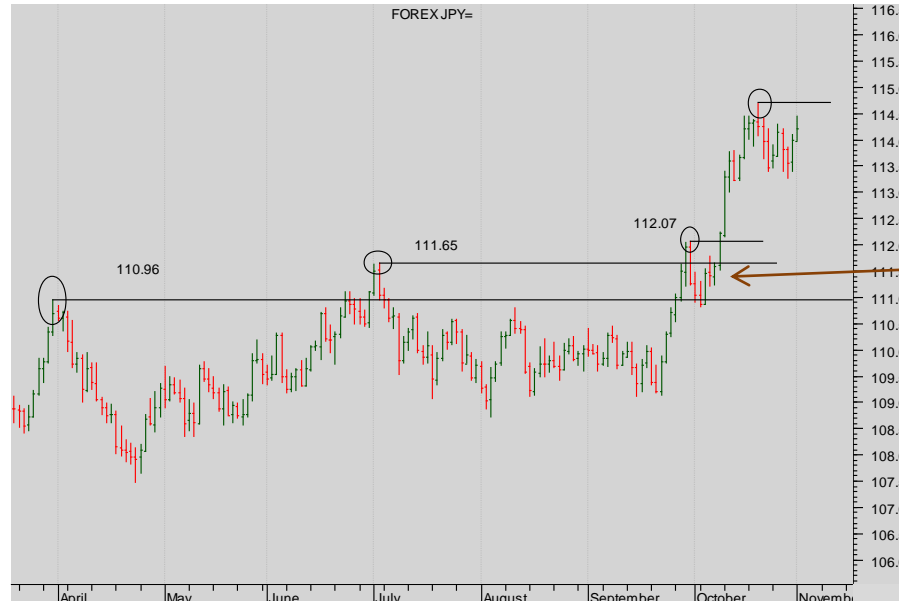
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Dollar Yen daily spot cash chart

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!

First support on a pull-back 112 and below.



Currencies: Sterling Euro

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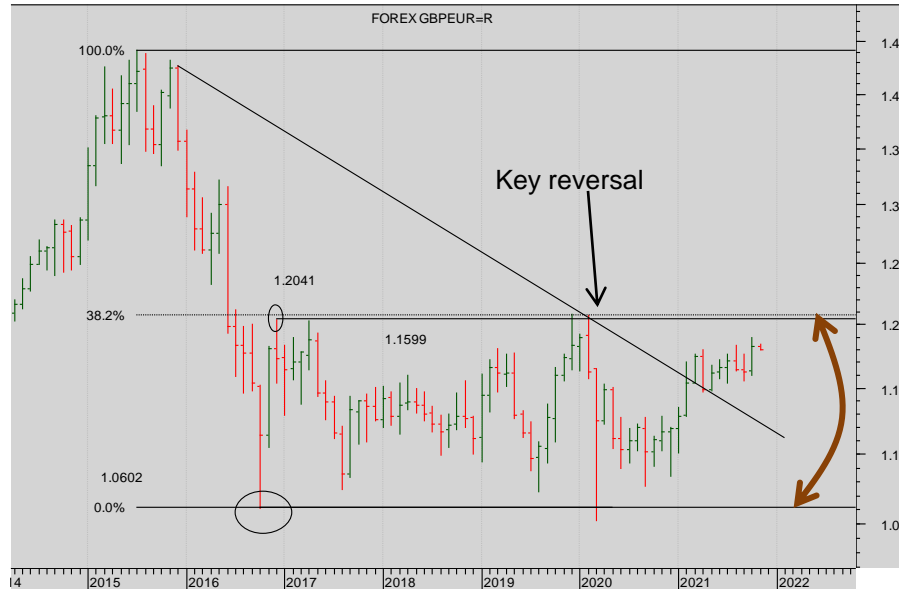
Bonds

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Commodities

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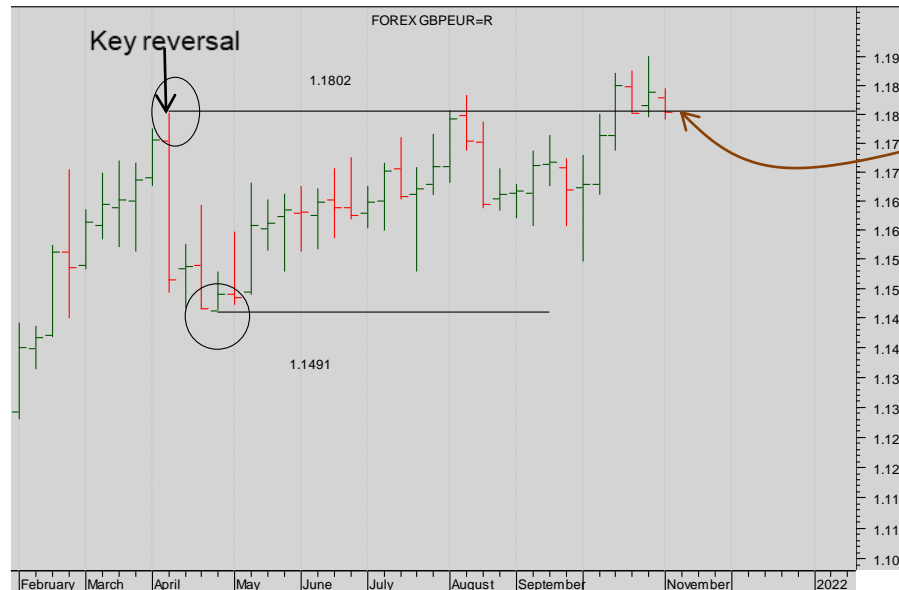
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Sterling Euro monthly spot cash chart

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.**

Not yet....

More



Currencies: Sterling Euro

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- + **Sterling Euro**

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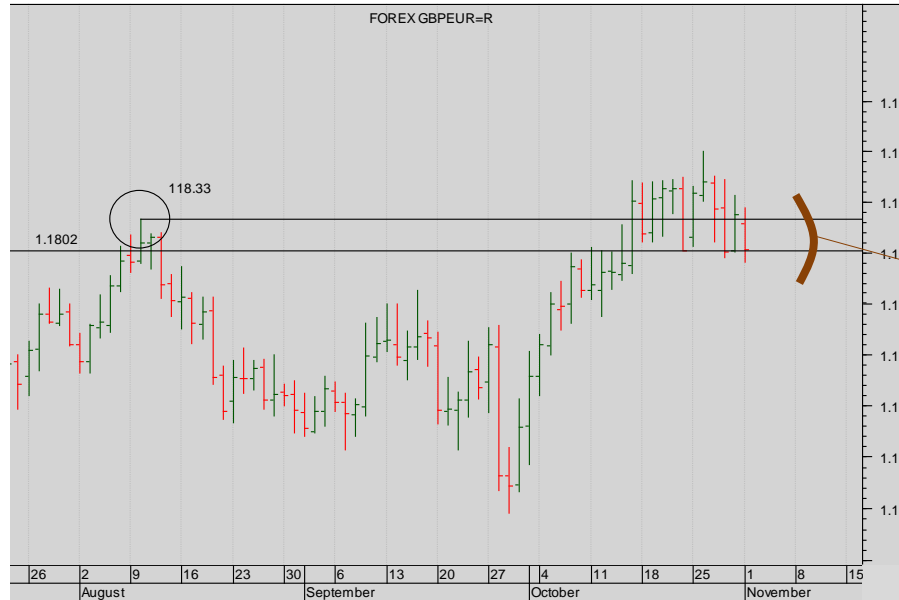
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Commodities

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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 if Sterling's strength has any legs.



Stocks: CME S&P

STOCKS: These markets want to go further: They are now through All Time Prior Highs in the S&P and Euro Stoxx. And there is no equivalent short-term triggers hit, we have been long-standing bulls of the Nikkei and remain so. FTSE is interesting: a powerful short-term break of a bull triangle suggests more to come very soon, but the medium and longer-term contexts are not encouraging at all.

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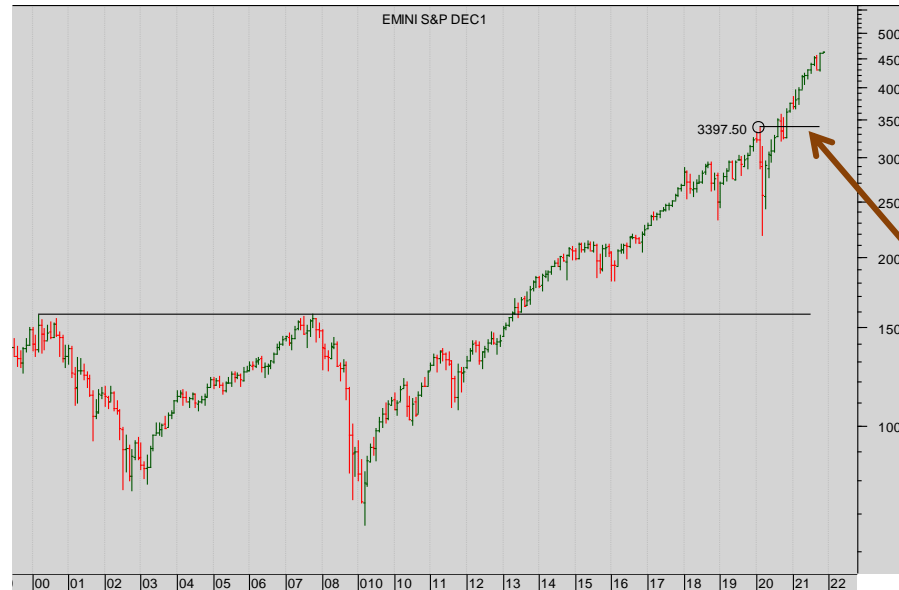
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Commodities

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IMPLIED ASSET ALLOCATION



CME S&P 500 monthly cont. futures chart

The market drove 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.

Now the Prior High pivot at 4538 has been surpassed.

The bulls are on the march!



CME S&P 500 daily Dec 2021 chart

The market bounced after the bull falling wedge completed.

Stand back and note the surge above the Prior High.

More



Stocks: Eurex EuroStoxx 50

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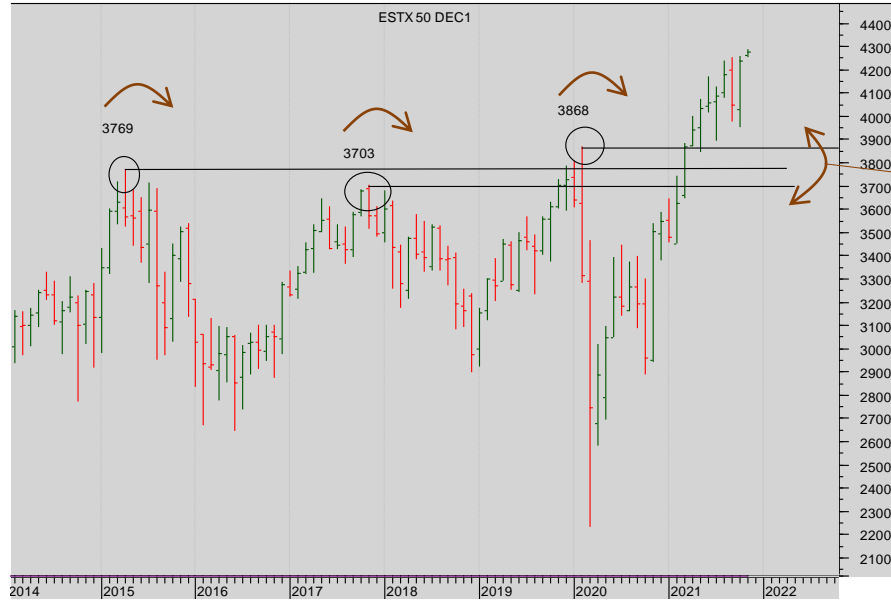
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Commodities

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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 raised questions....

But there was no appetite for selling.

Now note the break above the Prior High at 4223. A new bull leg is in prospect.

More



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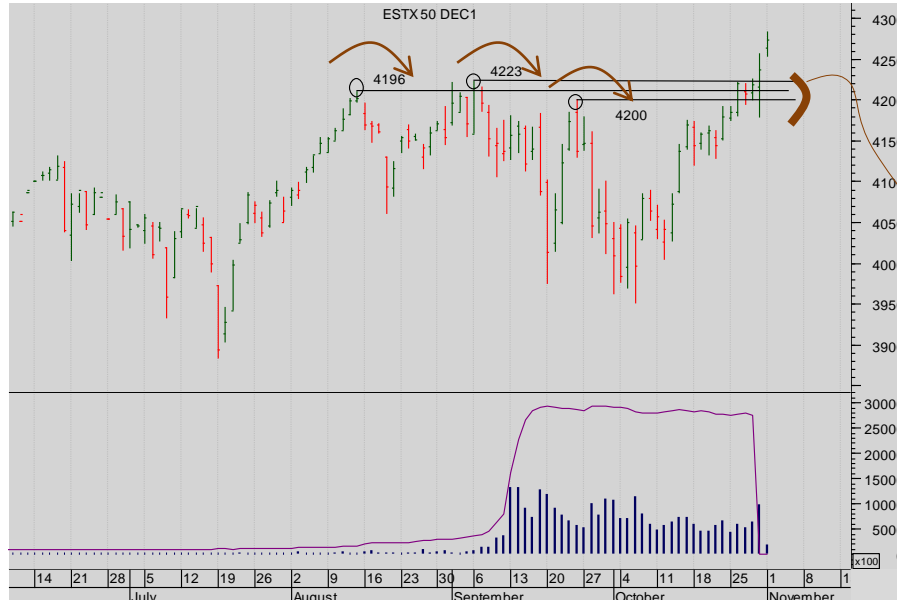
- + Ten Year US TNote
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Commodities

- + Oil
- + Gold

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Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Dec 21 futures chart

What is this? It's a good bull break out.

The band 4200-4223 is massively strong support now.



Stocks: Liffe FTSE 100

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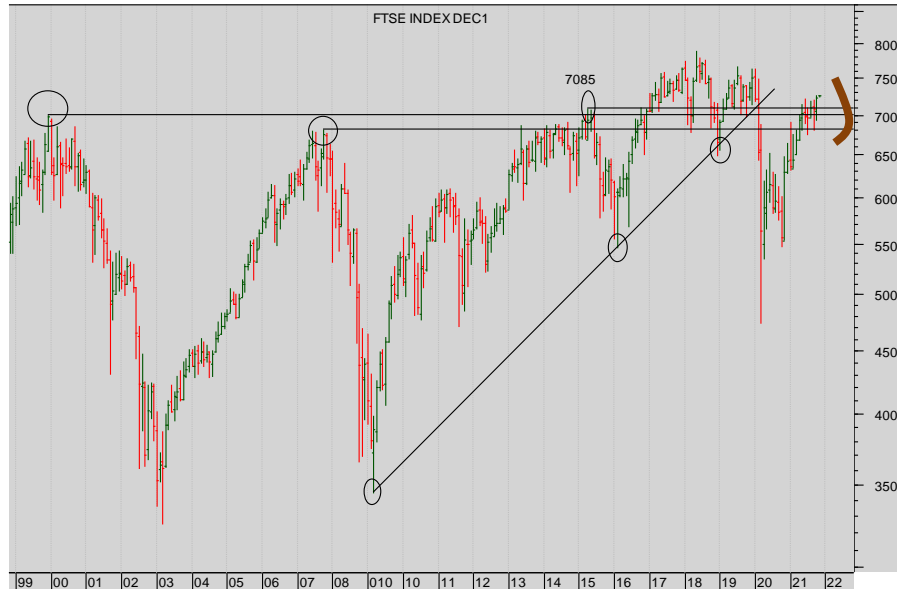
Bonds

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Commodities

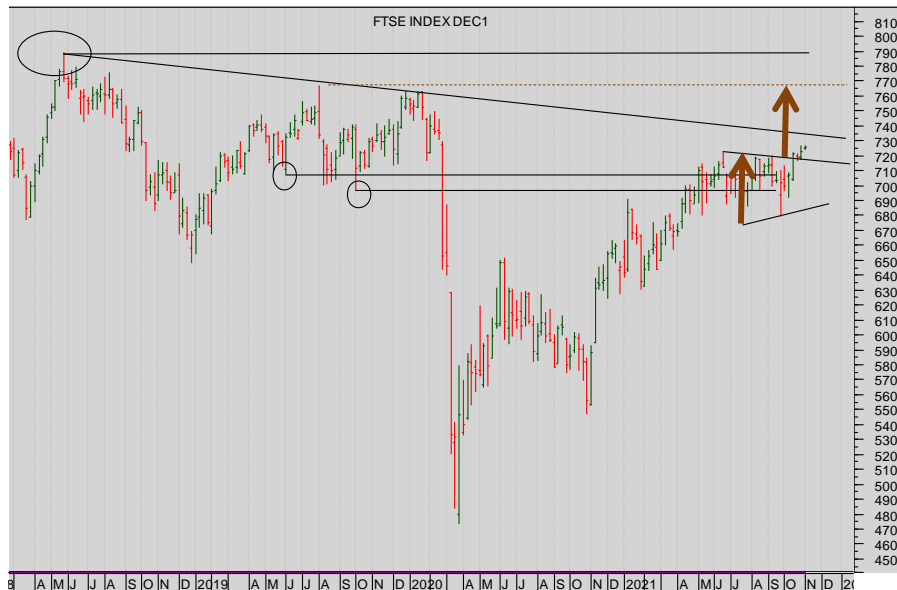
- + Oil
- + Gold

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Liffe FTSE 100 Monthly continuation futures chart

The market bounced into the massive overhead resistance above the market at 6475 ...



Liffe FTSE 100 Weekly cont. futures chart

That's a bull triangle that has completed.

Minimum move 7650!
Which is the high from 2019....

Look closer.

More



Stocks: Liffe FTSE 100

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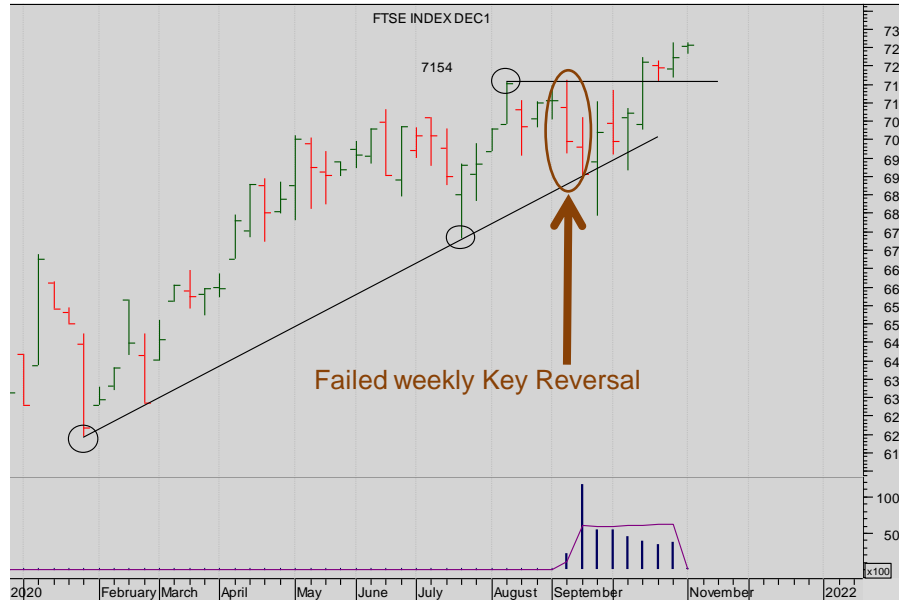
Bonds

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Commodities

- + Oil
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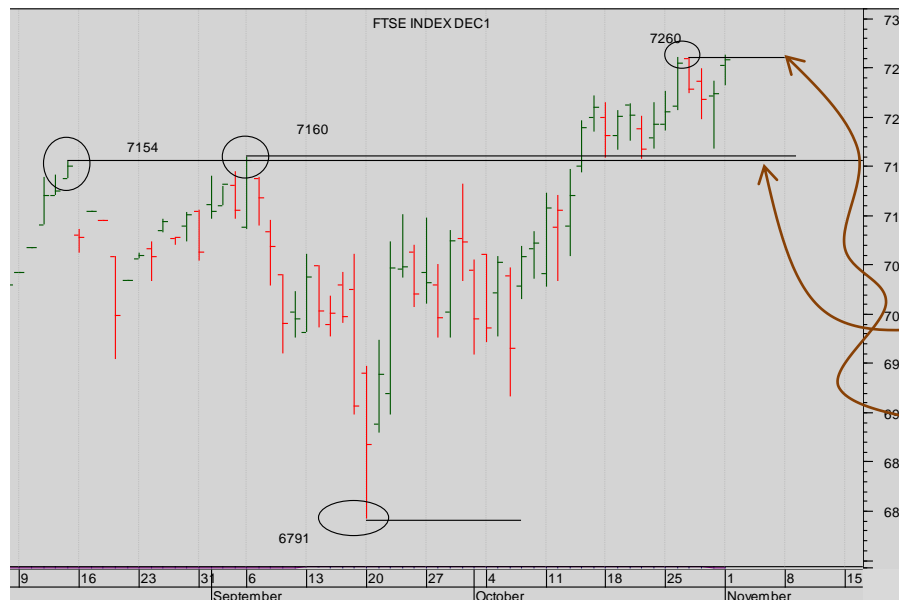
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Liffe FTSE 100 DEC 21 weekly futures chart

An important bull break.

Support on any pull-back 7154.



Liffe FTSE 100 Dec 21 daily futures chart

The market has smashed up through the Prior Highs.

It looks well set.

Look for support at the band 7154-60.

And the final catalyst will be a break of 7260.



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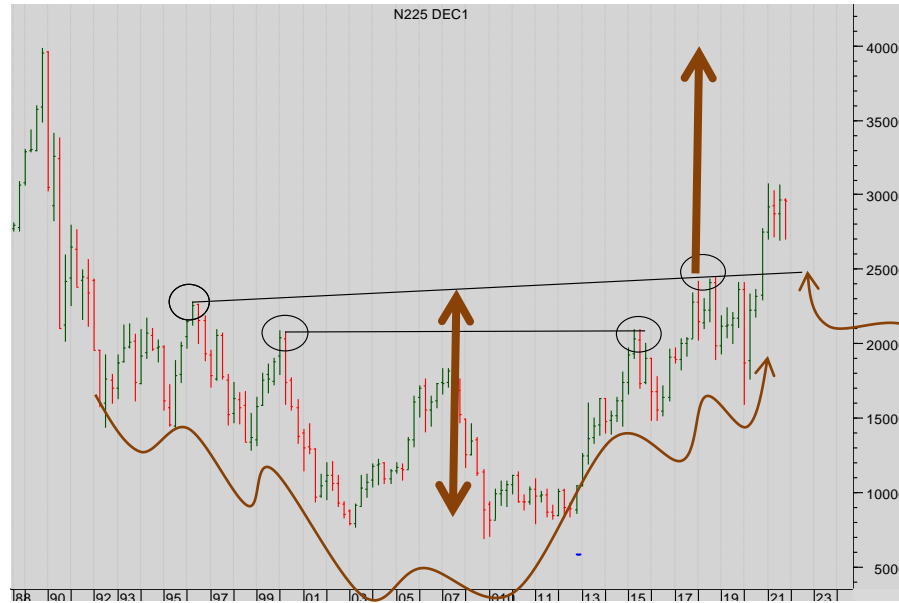
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IMPLIED ASSET ALLOCATION

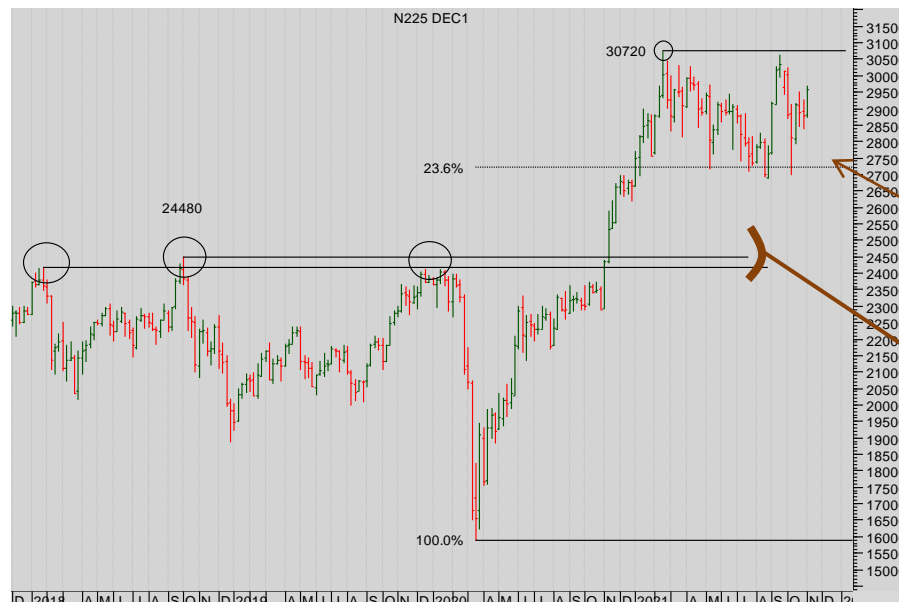
Stocks: OSE Nikkei 225



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 was disappointing for the bulls but **didn't break the range.**

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 US bond market is close to a powerful weekly reversal signal for higher yields. The German bunds, ditto. The Gilts are there already and leading the pack for higher rates short-term, medium term and long-term.

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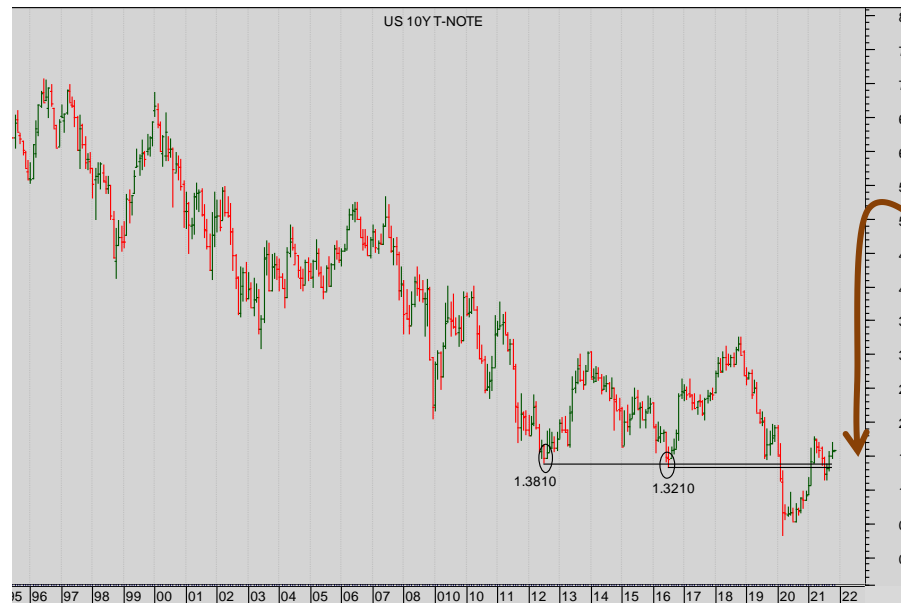
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IMPLIED ASSET ALLOCATION

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.

More



Bonds: US Ten Year Notes (Yield)

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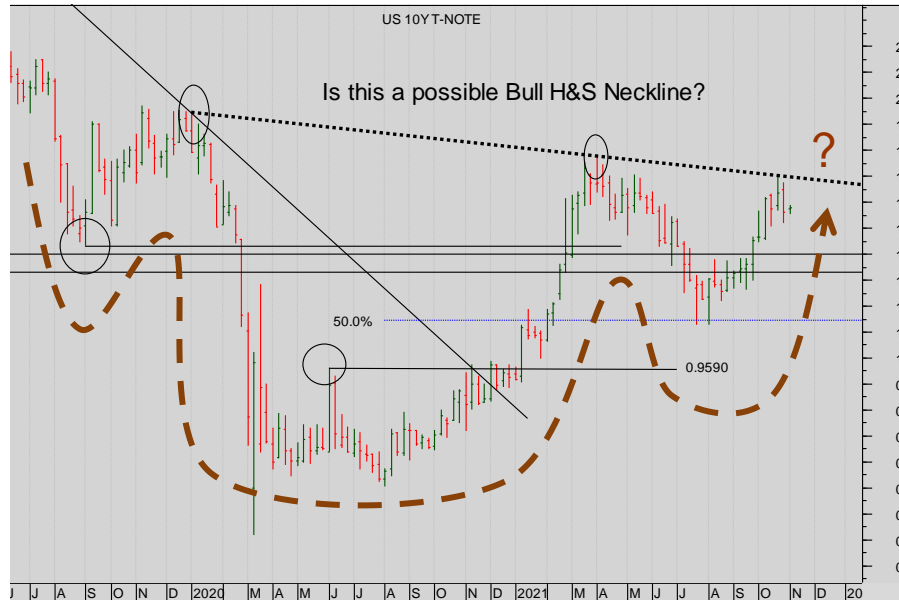
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US Ten Year Notes (Yield) weekly chart

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. ...

Wait for a break of the Neckline?



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 remain in charge.





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Bonds: German Bund yield chart

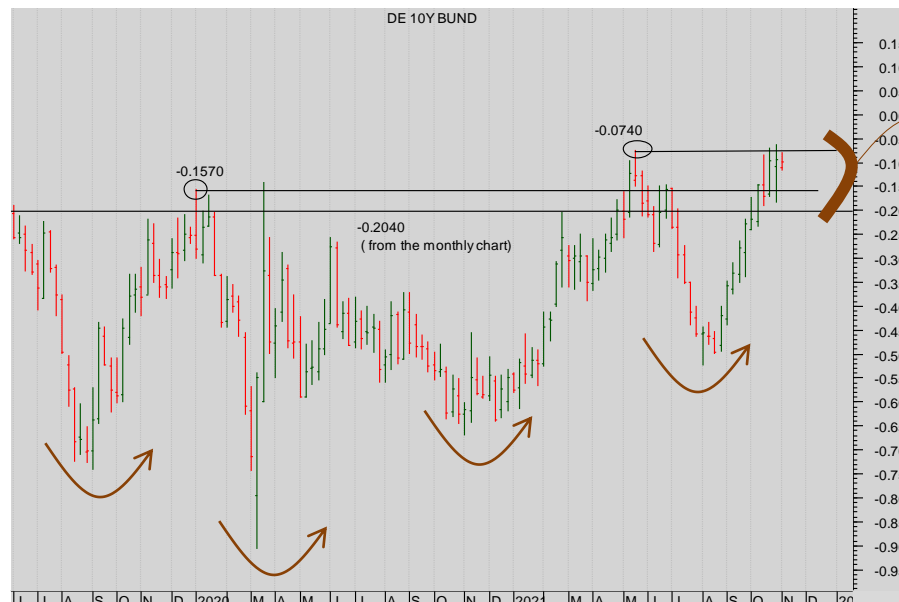


Bund monthly yield chart

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!



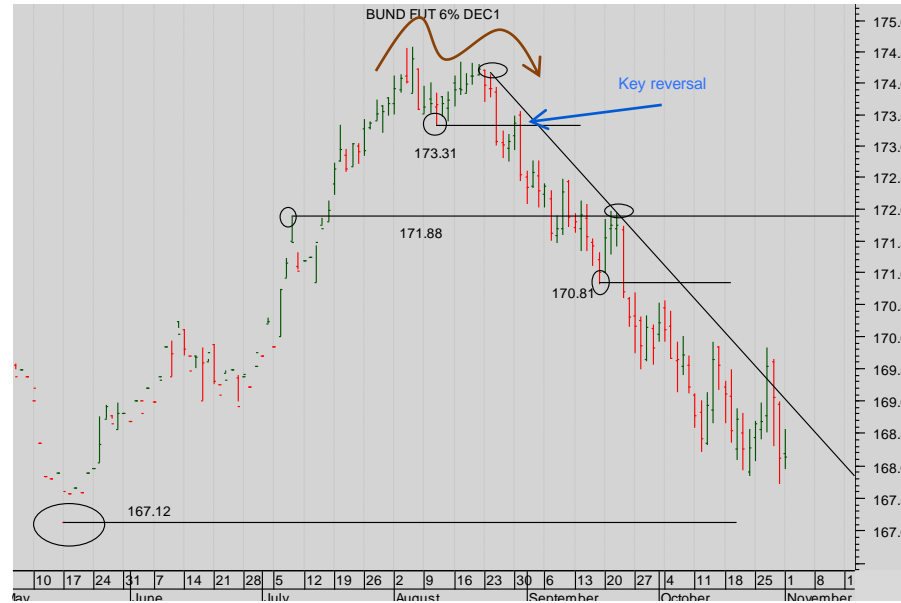
Bund weekly yield chart

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 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 clearly broken the diagonal downtrend resistance.



Gilt weekly yield chart

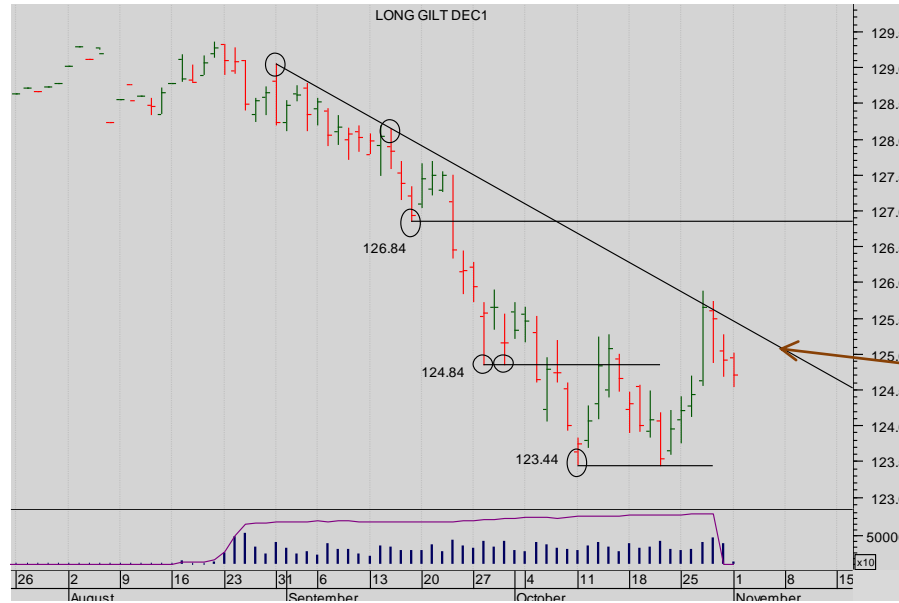
This is very exciting: the market has completed a **bull H&S Reversal** coincidentally **breaking the downtrend resistance**.

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.

The diagonal downtrend resistance held on the recent bounce.

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Commodity

COMMODITIES:

Oil remains powerfully set up for higher prices. Gold is best left alone.

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Commodities: Nymex WTI Oil



Nymex oil monthly continuation

Note the break through the falling diagonal above the market.

And then the break above the horizontal resistance from the Prior Lows that reversed the last big rally in 2018.

More



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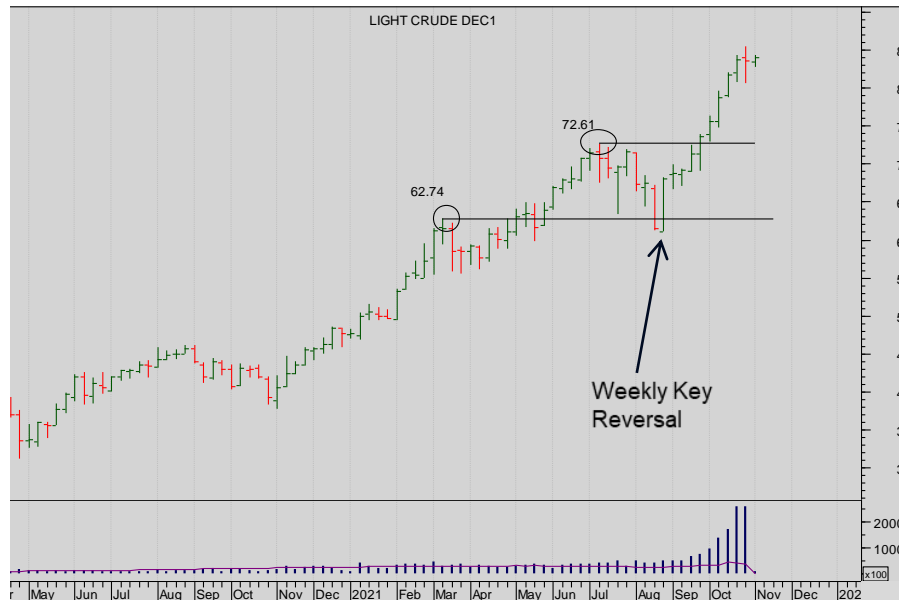
Commodities: Nymex WTI Oil



Nymex oil monthly Dec (continuation) 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 second shoulder was helped by a **Monthly Key Reversal**.



Nymex oil weekly Dec 2021 futures

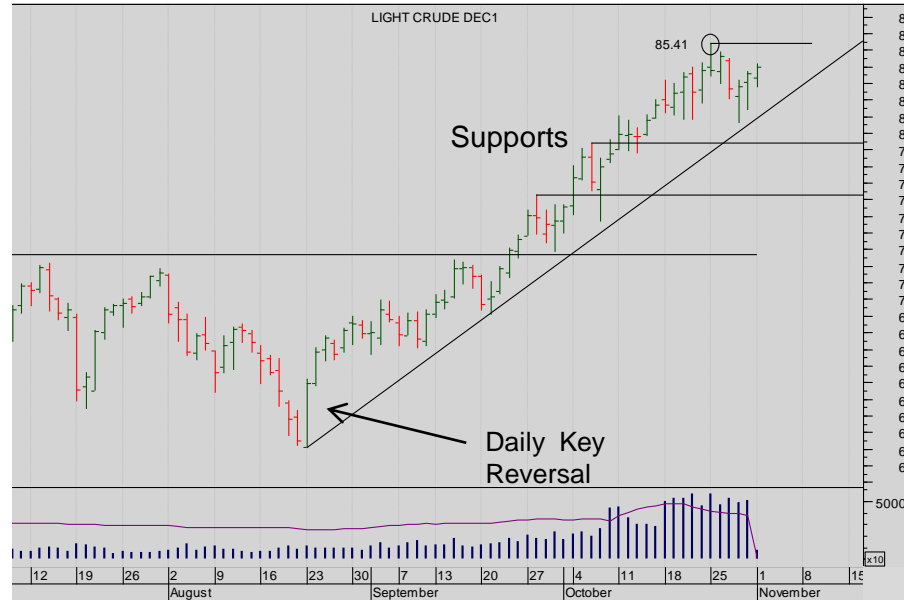
The last bit of the bounce fuelled by another Key Reversal has pushed through the Prior High at 76.90.

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

Bullish!



Commodities: Nymex WTI Oil



Nymex oil daily Dec 2021 futures

That bounce in greater detail shows

1. The catalysing day Key Reversal that began the rally.
2. The successive prior Highs have ratcheted the market higher.

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IMPLIED ASSET ALLOCATION



Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

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

Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



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 (or bull falling wedge)



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Nymex Gold Dec 2021 Daily

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

Stand back unless the market can break 1836/9.



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MSCI Balanced Risk Asset Allocation



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the technical analyst

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