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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 10th May 2022

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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+ Ten Year yield US TNote + Ten Year yield German Bund + Ten Year yield UK Gilt
Commodities
+ Oil + Gold
IMPLIED ASSET ALLOCATION

Long-term BEAR Euro	Medium-term FLAT Euro	Short-term BEAR Euro
Long-term BEAR Sterling	Medium-term FLAT Sterling	Short-term BEAR Sterling
Long-term BEAR Yen	Medium-term BEAR Yen	Short-term BEAR Yen
Long-term FLAT Euro	Medium-term BULL Euro	Short-term FLAT Euro
Long-term BULL	Medium-term FLAT	Short-term FLAT
Long-term FLAT	Medium-term BEAR	Short-term BEAR
Long-term FLAT	Medium-term BEAR	Short-term FLAT
Long-term BULL	Medium-term FLAT	Short-term FLAT
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Long-term BULL	Medium-term BULL	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term FLAT	Short-term FLAT





Currencies: Dollar Euro

CURRENCIES:

We remain cautious on the Dollar against the Euro - as we have entered the band 1.03-1.11 where the Dollar has topped out before, although the medium and short-term trends for more Dollar strength are still strongly in evidence. Note too, that the Sterling is at a similar important historical turning point. The Yen however, looks set for much greater weakness still, having smashed the old Dollar High from 2015. Note the failure of Sterling to break out of the trading range from 2015 – a pull back towards the centre of the trading range now looks likely.

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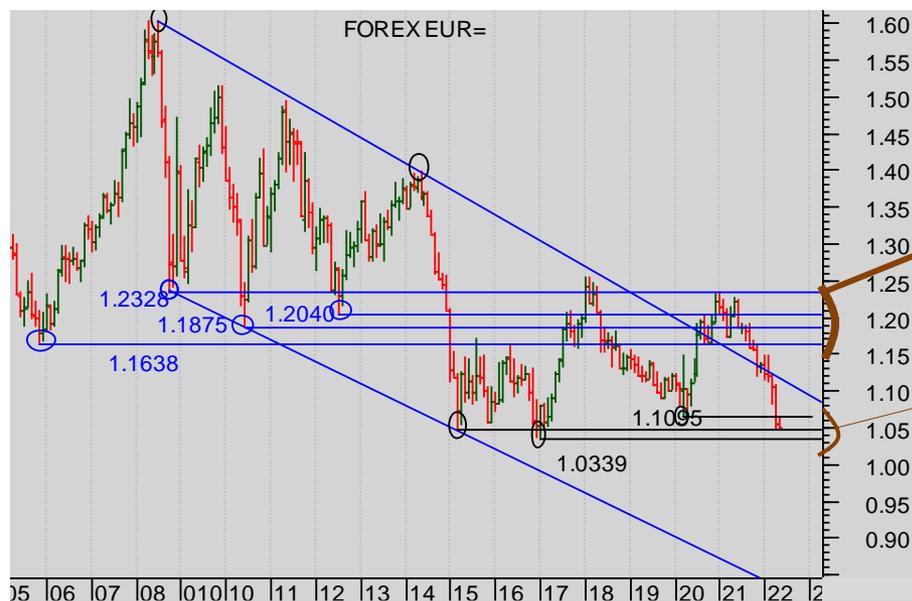
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Dollar Euro monthly spot cash chart

These powerful horizontal resistances have repelled the Euro bulls

Now the next critical level to sell is a break beneath the band 1.0339-1.1095

Stand back until that level is broken.

More



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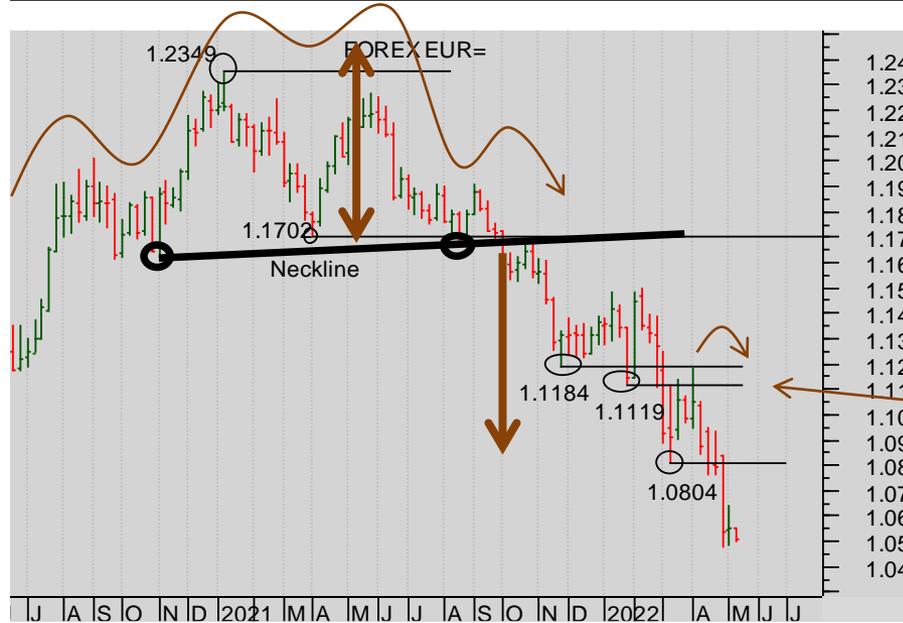
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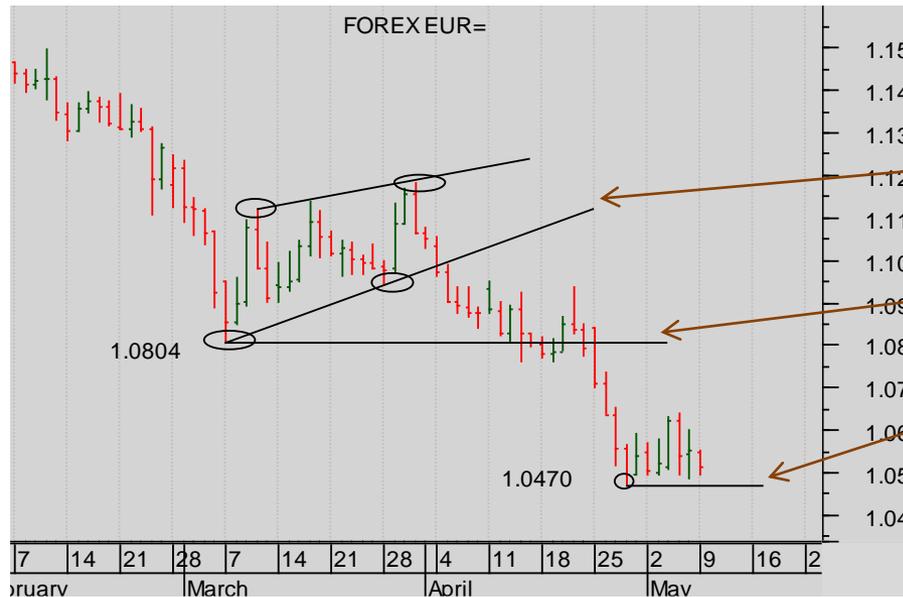
Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

This COMPLETED Bear Double Top (or a completed double headed H&S Top) began the bear trend.

This trend remains in place. Note how the market has failed to rally up through the Prior Lows - ratcheting the trend still lower...



Dollar Euro spot cash chart daily chart...

The bear trend continues with this completed bear rising wedge...

Now note the CONFIRMED break beneath the Prior Low at 1.080 drives the trend on.

Sell Sterling again on a break beneath 1.0470.



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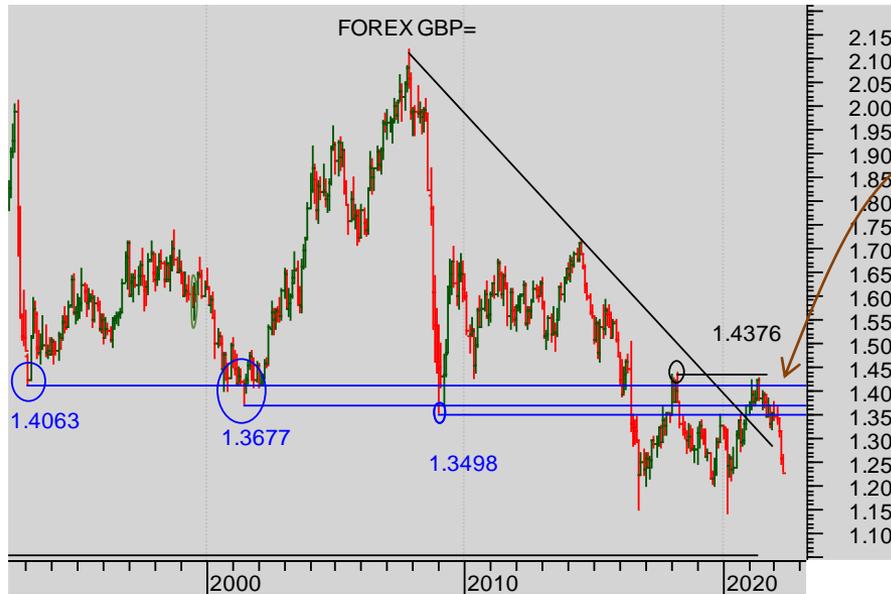
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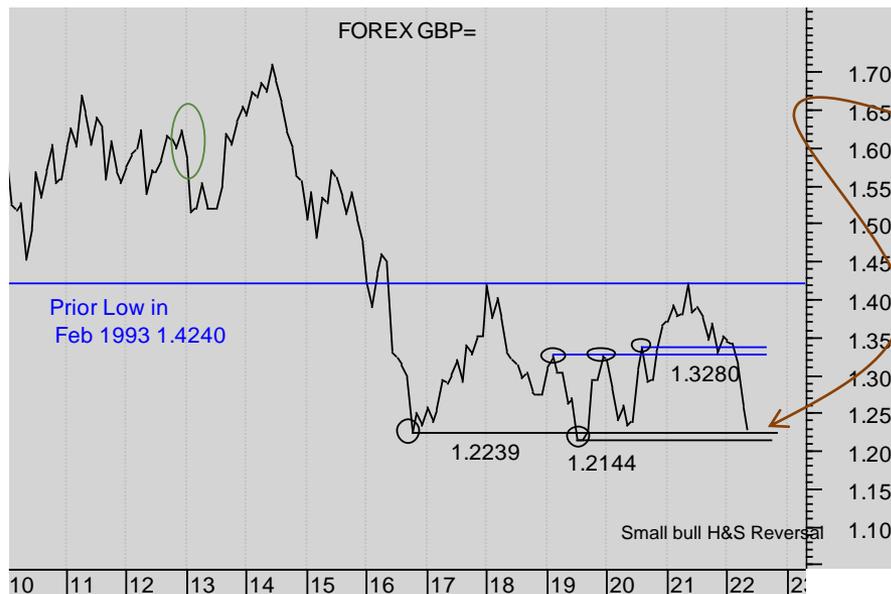
Currencies: Dollar Sterling



Dollar Sterling Monthly spot cash chart

The horizontal resistances from the Prior market lows repelled Sterling twice...

Look closer at the top in place



Dollar Sterling Monthly spot cash LINE CHART based on closes

The market is at the bottom of a trading range, wait for a break of the lows before selling Sterling again.

More



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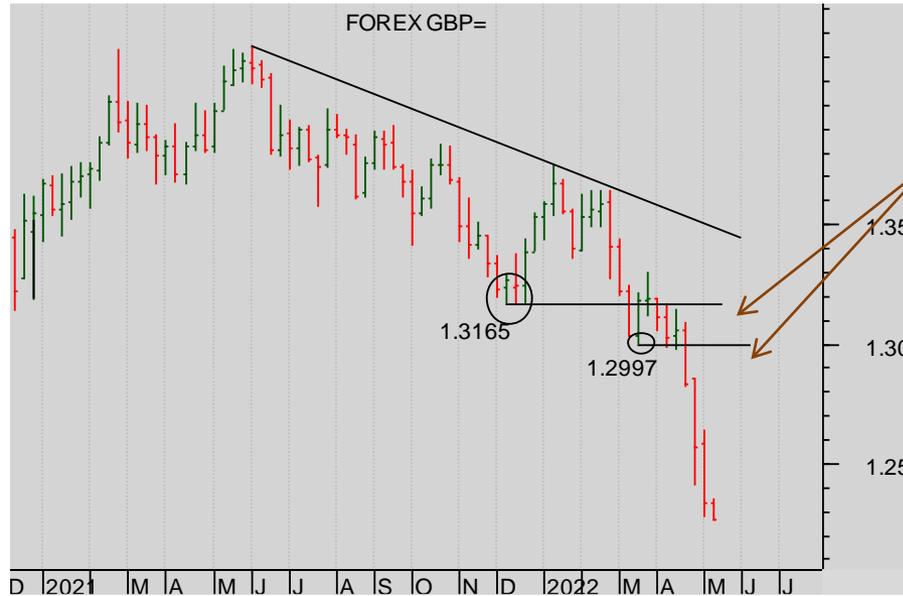
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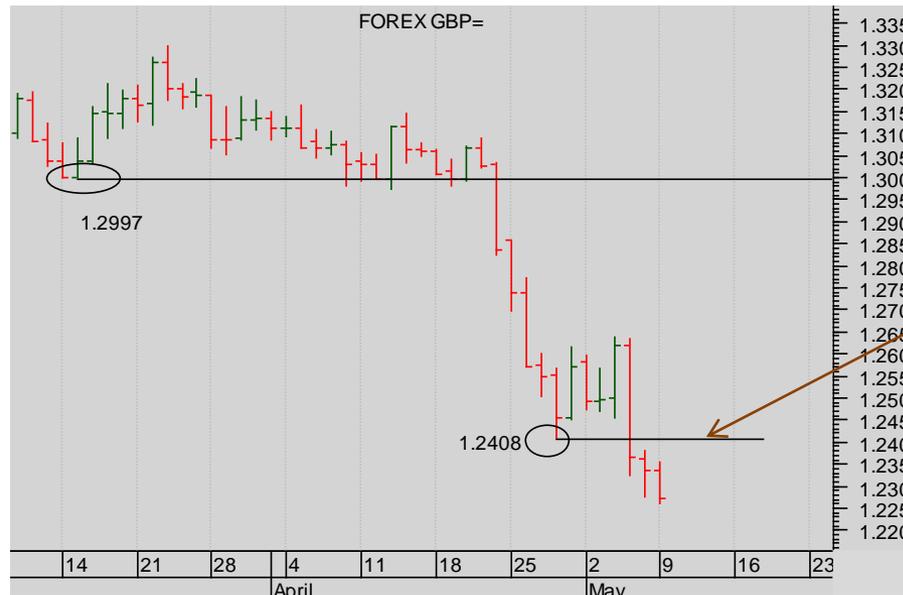
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

A closer look at the weekly chart of the June contract.

Note the breakdowns through 1.3165 and then 1.2997



Dollar Sterling daily spot cash chart

Short-term, the bear Sterling trend has accelerated on the confirmed break beneath 1.2408..



Currencies: Dollar Yen

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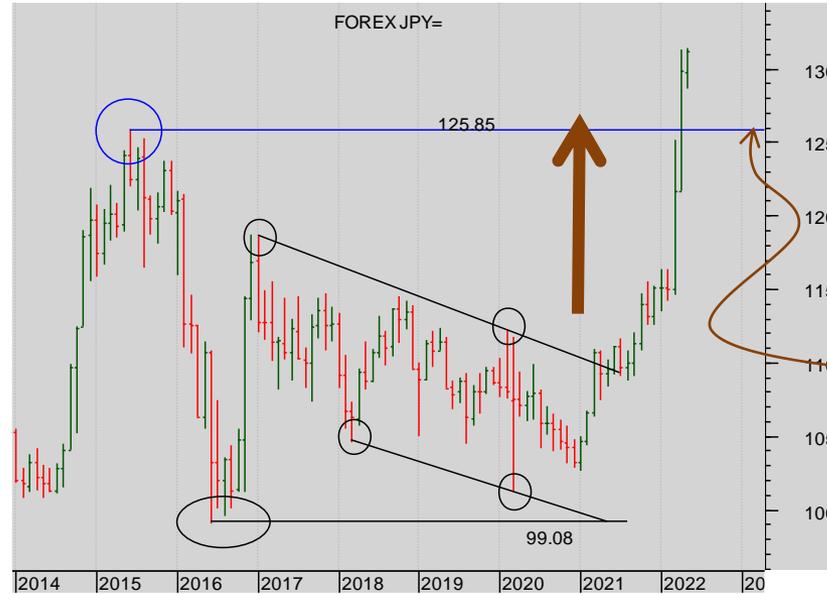
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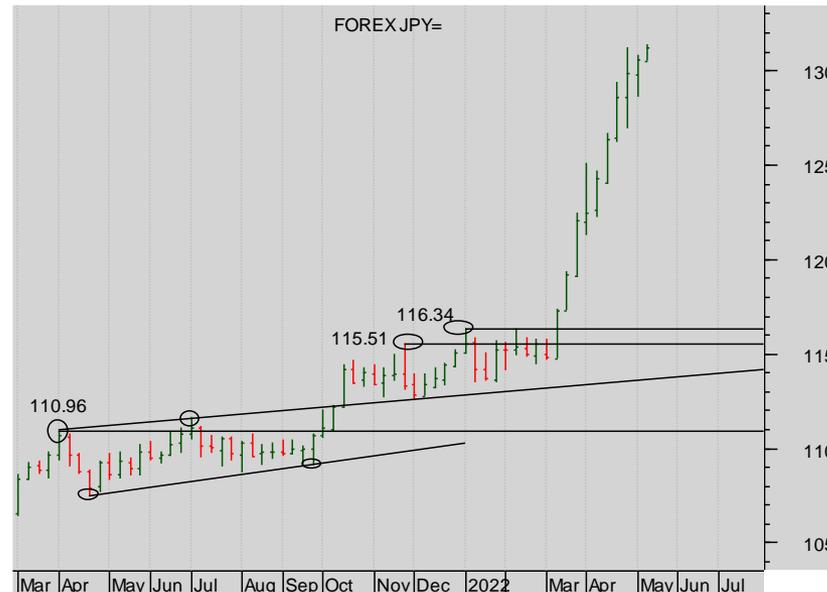
IMPLIED ASSET ALLOCATION



Dollar Yen monthly spot cash chart

The bull falling wedge continuation pattern COMPLETED in 2021 and encouraged the long-term Dollar bulls.

Now the Yen has weakened – through the old 2015 high accelerating the trend and establishing good support beneath the market at 125.85.



Dollar Yen weekly spot cash chart

That acceleration in detail.

More



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Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Note the very short-term pause followed by renewed Dollar bullishness bouncing off the Prior High supports.



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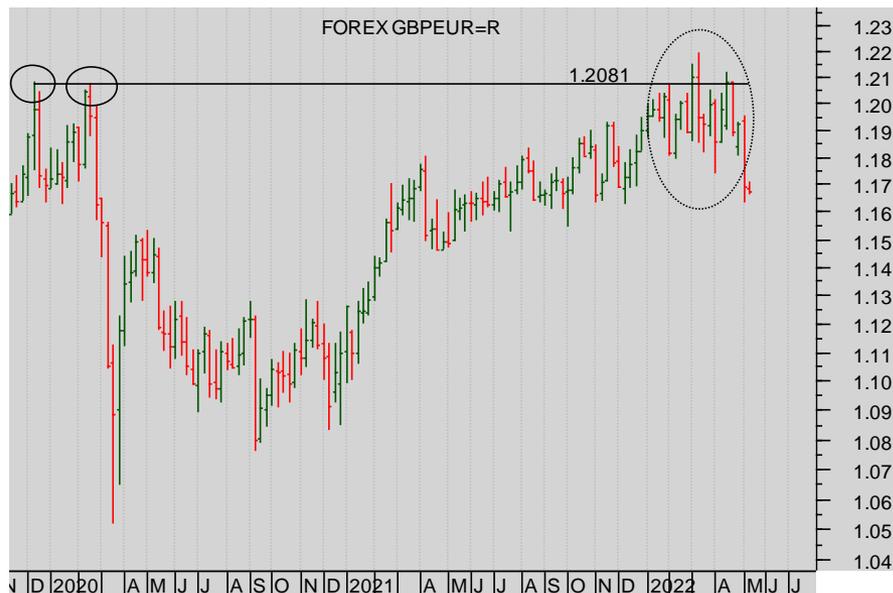
Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

The attempted breakup through the 1.2041 top of the range FAILED.

The Euro bulls are driving the market back to the middle of the trading range.



Sterling Euro weekly spot cash chart

Note the detail of the price action at the edge of the trading range.

A multiple Top.

More



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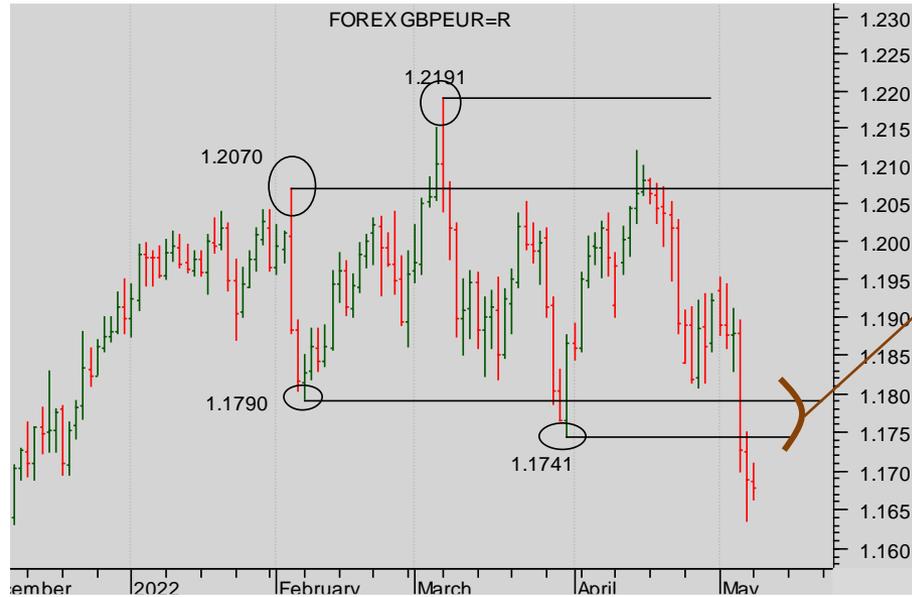
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IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro daily spot cash chart

Short-term the market has now completed a multiple top with the breakdown beneath 1.1790/41.

Stand back.



Stocks: CME S&P

STOCKS: as we argued last week there are no long-term Top formation yet in place. But we are close in most time frames – and the EuroStoxx has broken down in the day chart. The outlier is the Nikkei – confused price action within a wider very bullish framework.

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CME S&P 500 monthly cont. futures chart

Look closer at the recent pause.

First powerful support now at 3397.50.

More



Stocks: CME S&P 500

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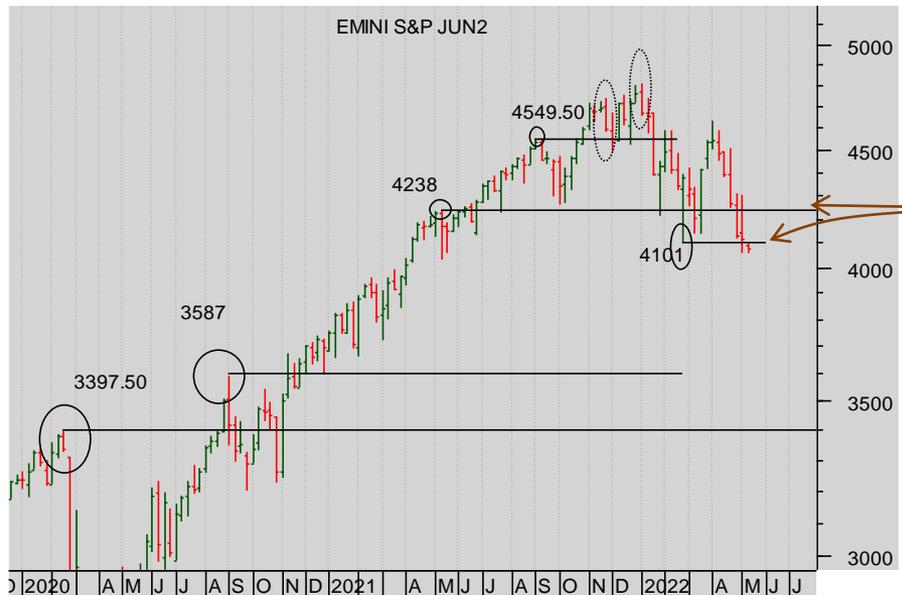
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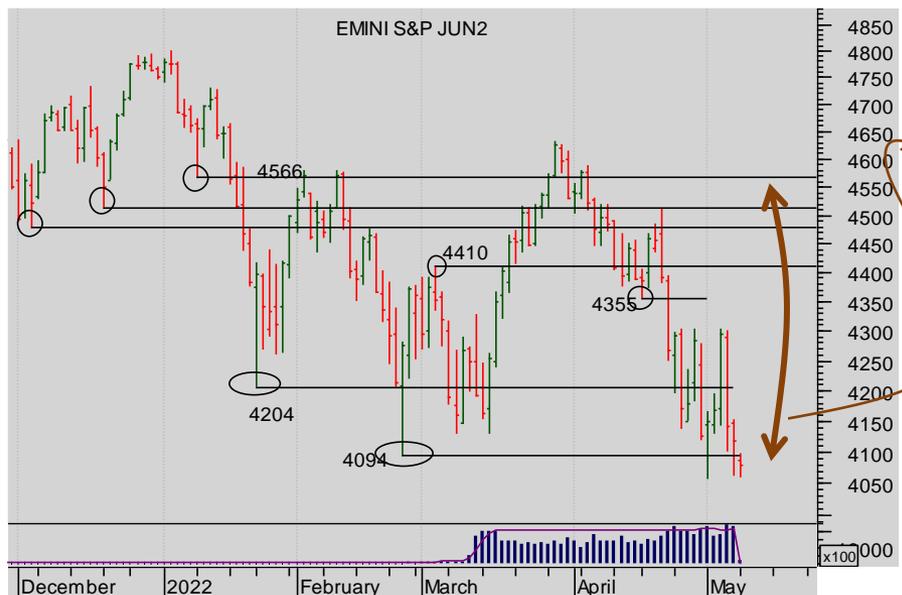
CME S&P 500 cont. weekly cont. chart

The market has refused to confirm a Top – yet.

Wait for a break beneath BOTH the 4238 horizontal AND the 4101 Prior Low.

Nearly there...
If that breaks then support around the horizontals near 3500.

That would be a 15% drop.



CME S&P 500 daily Jun 2022 chart

The market remains within a short-term trading range until it breaks beneath the band 4204-4094.

Nearly there....

More



Stocks: Eurex EuroStoxx 50

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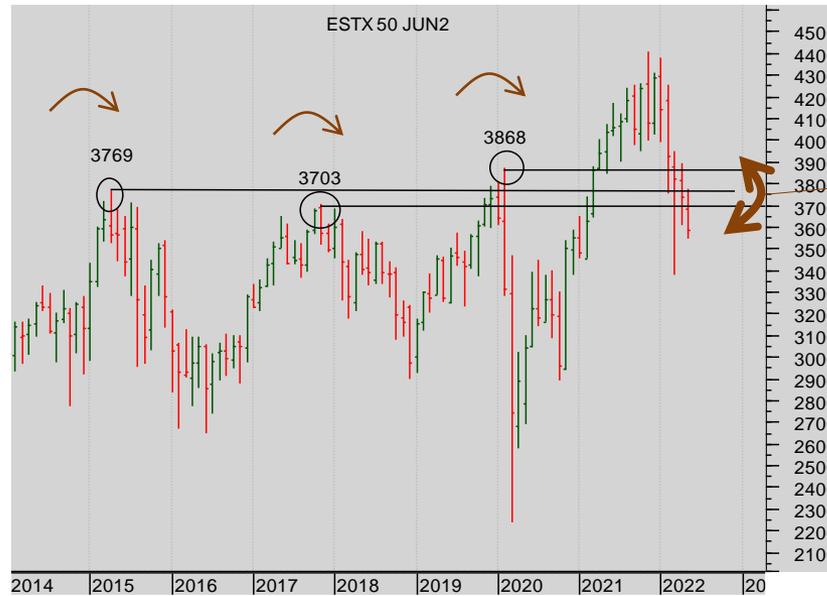
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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 monthly continuation futures chart

The market has found support from a succession of Prior Highs.

But is dangling beneath those levels... Wait for the close on the month.



Eurex EuroStoxx 50 weekly Jun 22 futures chart

But this is less encouraging for the bulls.

The bulls have failed to penetrate the resistance from the Prior Lows and for the moment **it looks to have failed ...**

The bears are getting more confident.

More



Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Jun 22 futures chart

And this is a clear short-term breakdown.

The market has failed to penetrate resistances and now has confirmed a breakdown beneath supports.

The bears are in charge.

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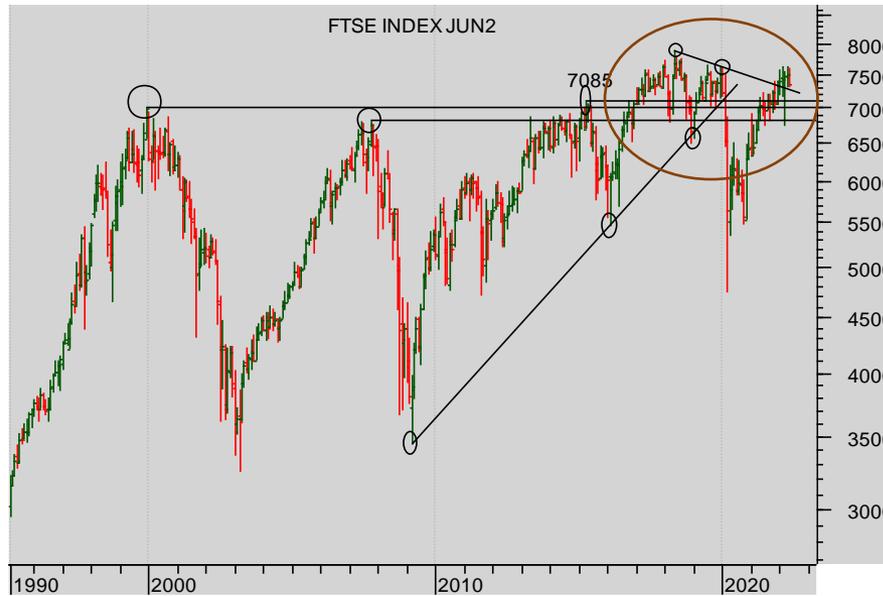
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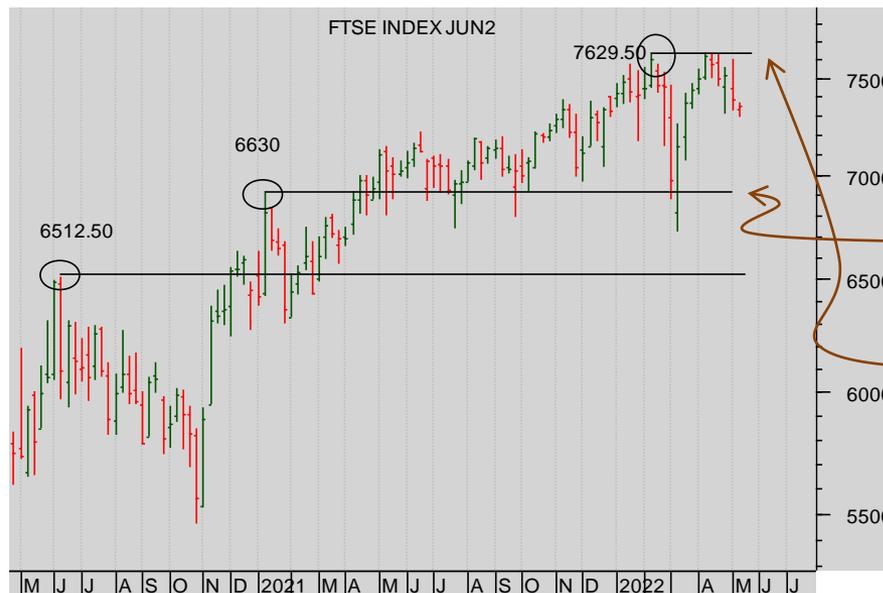
Stocks: Liffe FTSE 100



Liffe FTSE 100 Monthly continuation futures chart

The market has reentered back through the falling diagonal ...

Look closer.



Liffe FTSE 100 Weekly cont. futures chart

The market has repeatedly bounced off the first horizontal support of consequence 6630.

But cautious bulls will note the double failure at 7625.

The second failure at that level ...
OMINOUS

More



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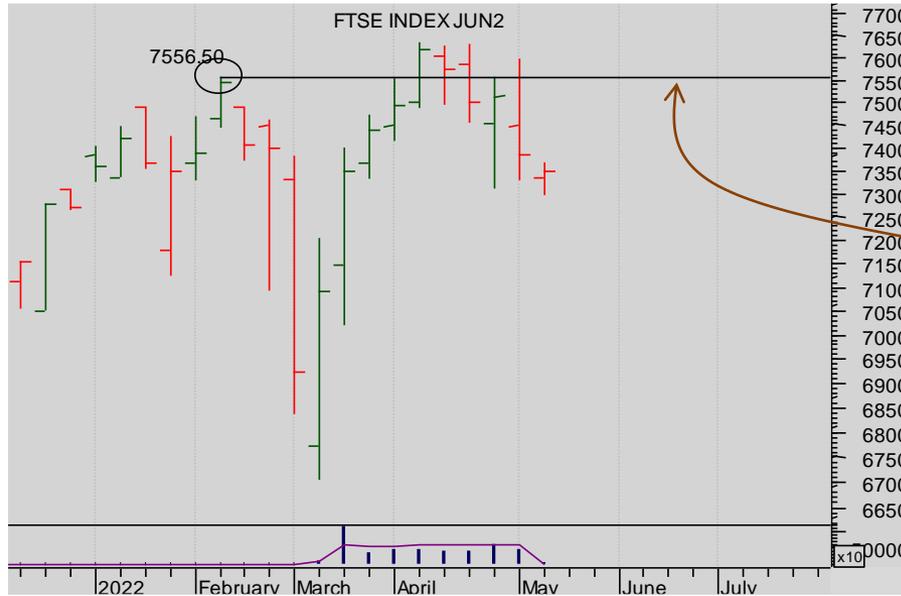
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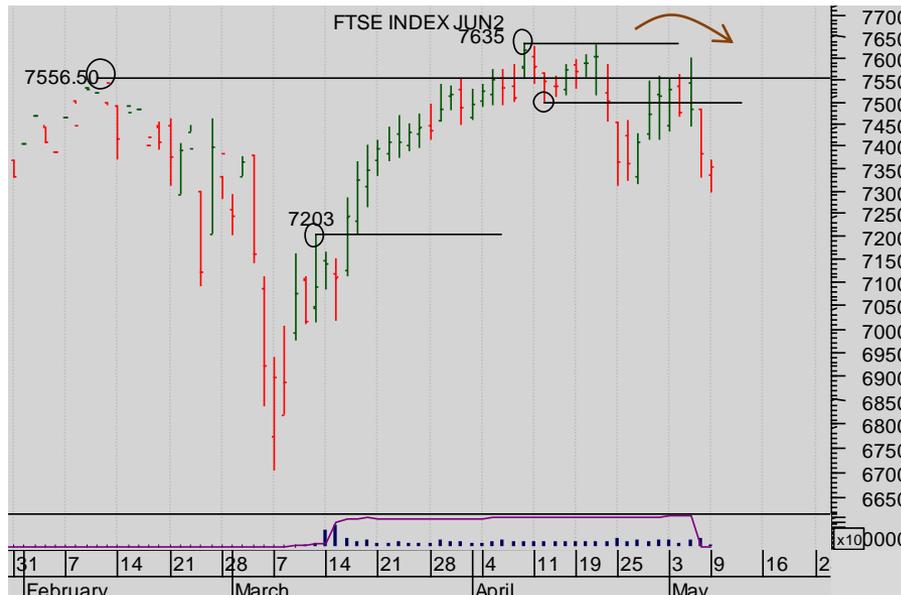
IMPLIED ASSET ALLOCATION

Stocks: Liffe FTSE 100



Liffe FTSE 100 Jun 22 weekly futures chart

In the Jun contract (rather than the weekly continuation) the Prior High was breached but the market has been unable to sustain itself above ...



Liffe FTSE 100 Jun 22 daily futures chart

This looks poor – the failure of the attempted rally back three days ago ...



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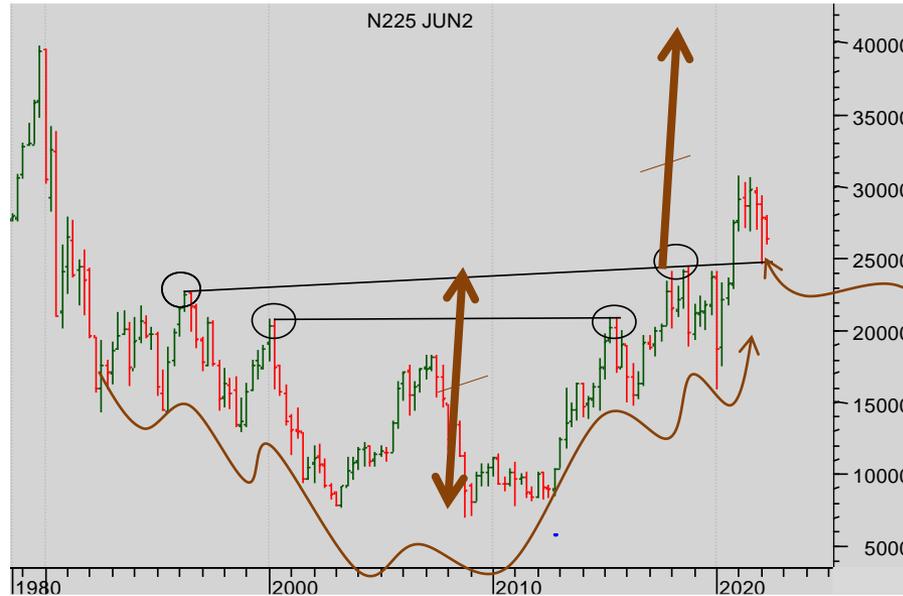
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IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart (Quarterly)

The market has completed a complex but identifiable bull reversal pattern driving the market up to 40000 or so (measured on a linear chart.)

The support lies beneath at the Neckline at around 25,000.

It looks strong



Nikkei 225 chart (WEEKLY continuation)

The retest of the Neckline and subsequent bounce are clear.

Now **stand back!**

More



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IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart weekly Jun 2022 Future.

The detail is confused.

Though the market clearly hadn't the bull momentum to break through the failing diagonal ...



Nikkei 225 chart Daily Jun 2022 future.

Sell on a push beneath the Prior Low at 26240



Bonds

BONDS: All markets in all time frames are driving for higher yields with no signs of pause or retracement.

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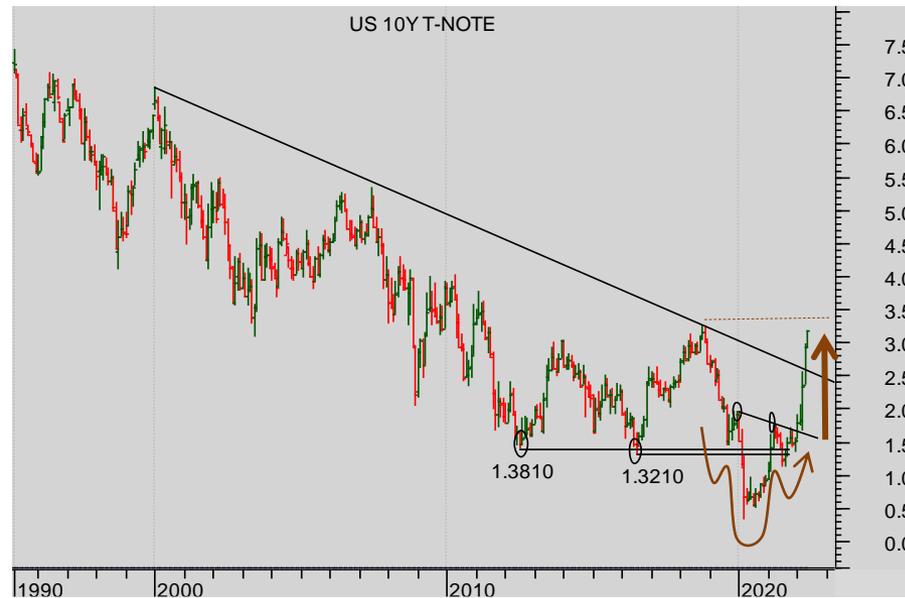
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IMPLIED ASSET ALLOCATION

Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) monthly chart

The H&S Reversal pattern suggests **most of the move has happened.**

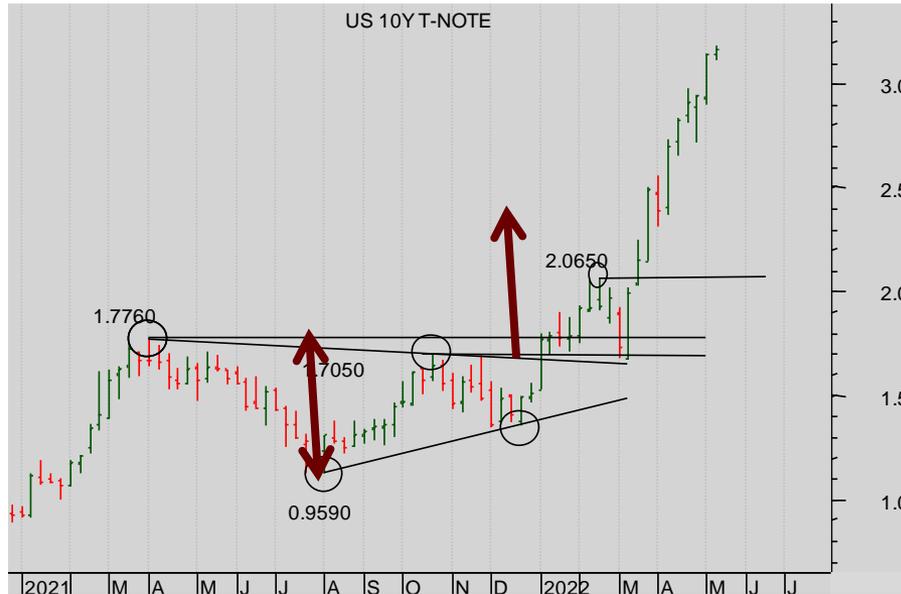
Note the spectacular break of the diagonal bear trend resistance at 2.6.

The next level that the market may pause at, is the Prior High at 3.3.

More



Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) weekly chart

This bull continuation triangle has been exhausted by the bull move – there BUT there was no **loss of momentum!**

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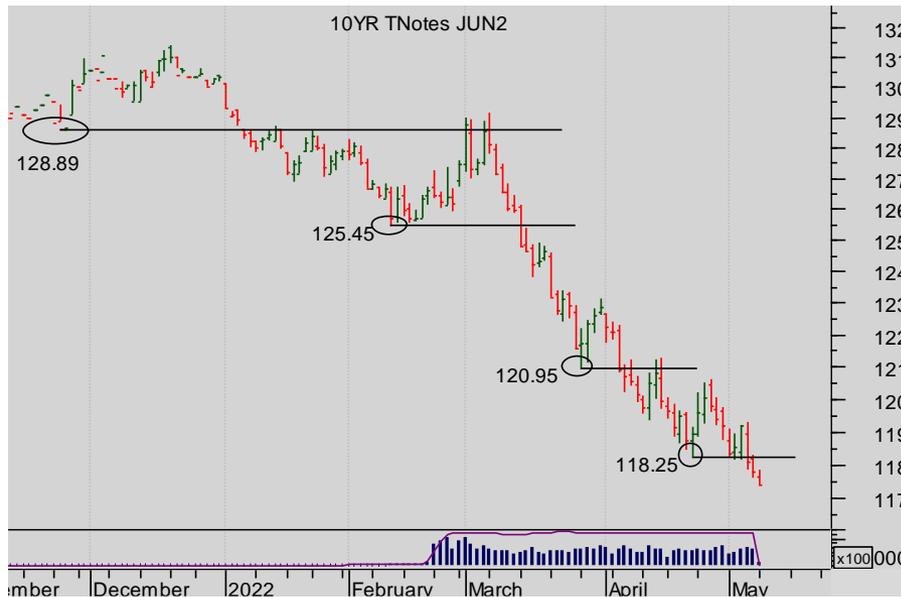
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IMPLIED ASSET ALLOCATION



US Ten Year Notes June 2022 Futures price daily chart

The price **bears remain in control.**

Watch the market's reaction to our Prior Lows level of resistance.

More



Bonds: German Bund yield chart

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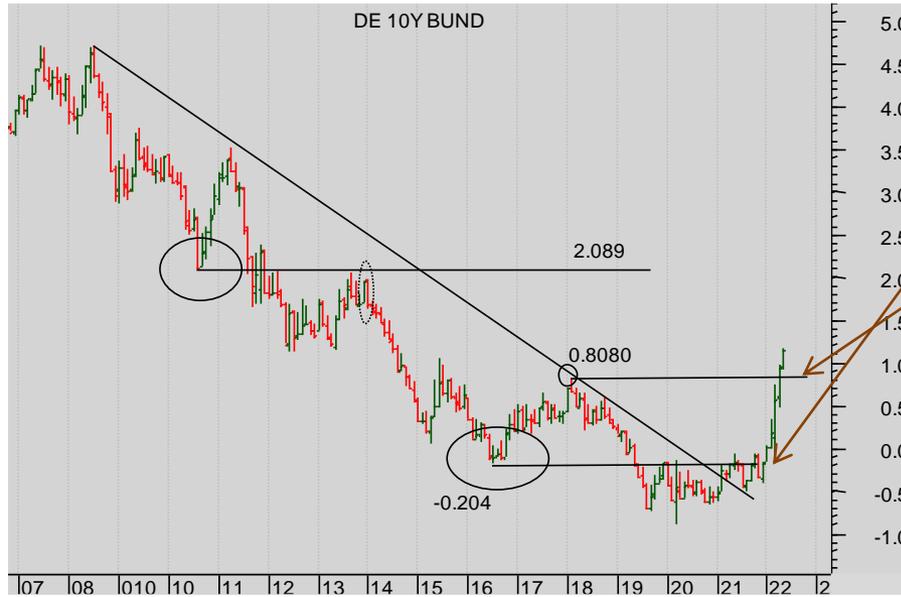
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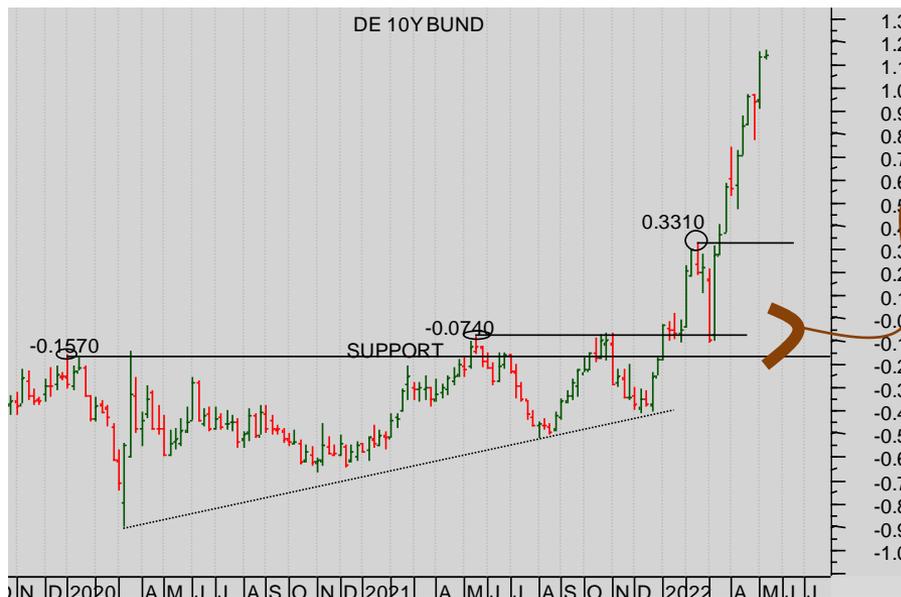
IMPLIED ASSET ALLOCATION



Bund monthly yield chart

The close above -0.204 cemented the break

Note too, the break of the old High 0.80.



Bund weekly yield chart

The market has bounced off support at the band from the two highs - it remains **bullish**.

Even though the market looks extended it has tremendous momentum.





Bonds: German Bund yield chart



Bund daily Jun 22 futures price chart

The bear trend – solidly intact.
Note that Prior Lows – create good opportunities to sell again beneath resistance...

The break of 153.05 has been a good opportunity to sell again.

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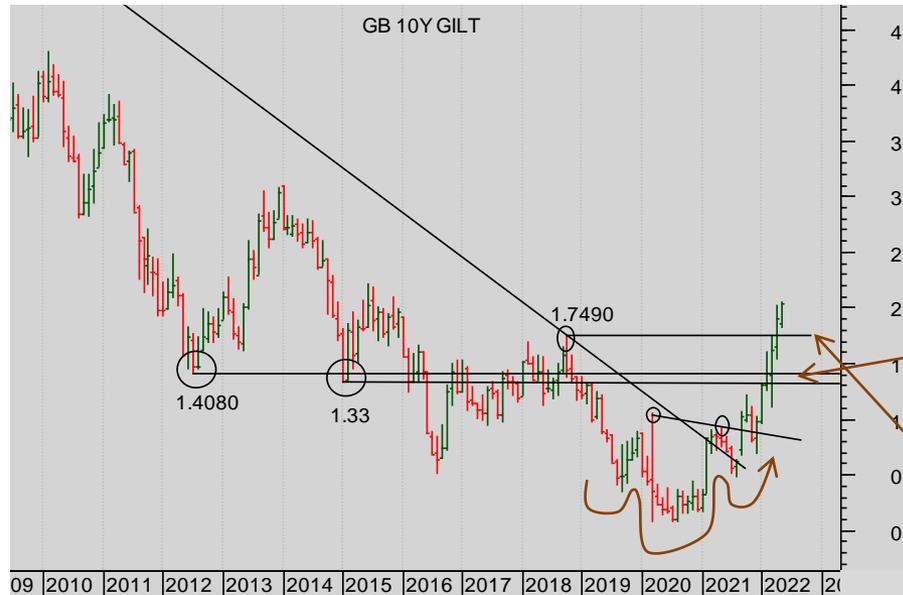
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IMPLIED ASSET ALLOCATION

Bonds: UK Gilt yield chart



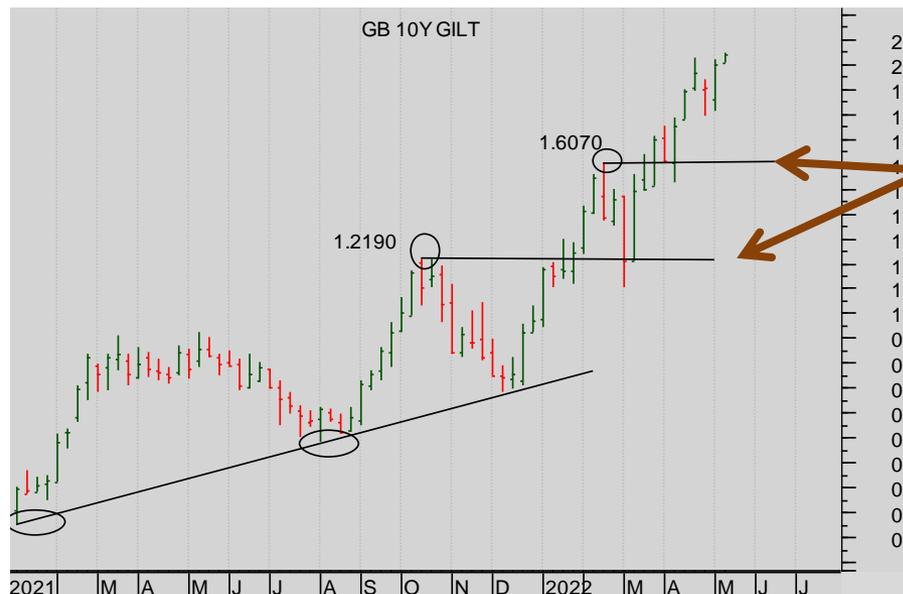
Gilt monthly yield chart

The market broke up through the diagonal downtrend resistance early in 2021.

Note the completed H&S Reversal. Minimum move?
1.9% ACHIEVED

the market has smashed the Prior Low resistance from the lows at 1.40 - 1.33 and the old High of 1.7490. The market has powered on through.

The next bull leg begins.



Gilt weekly yield chart

Note the repeated pull backs to the first Prior High supports ...

The bull trend is in good fettle.

More



Bonds: UK Gilt price chart



Gilt daily Futures Jun 22 chart

Look for good resistance at the Prior Lows – especially here at 119.86.

The price bears are in charge.

Sell again on a confirmed break of the Prior Low 117.22.

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Commodity

COMMODITIES:

The bull case for oil remains intact – tantalisingly. But there is a lack of clarity short-term which needs to be resolved before the bulls can gain confidence. Gold is looking weak and close to registering sell signals in the short-term and in the medium and long-term too, depending on the period closes....

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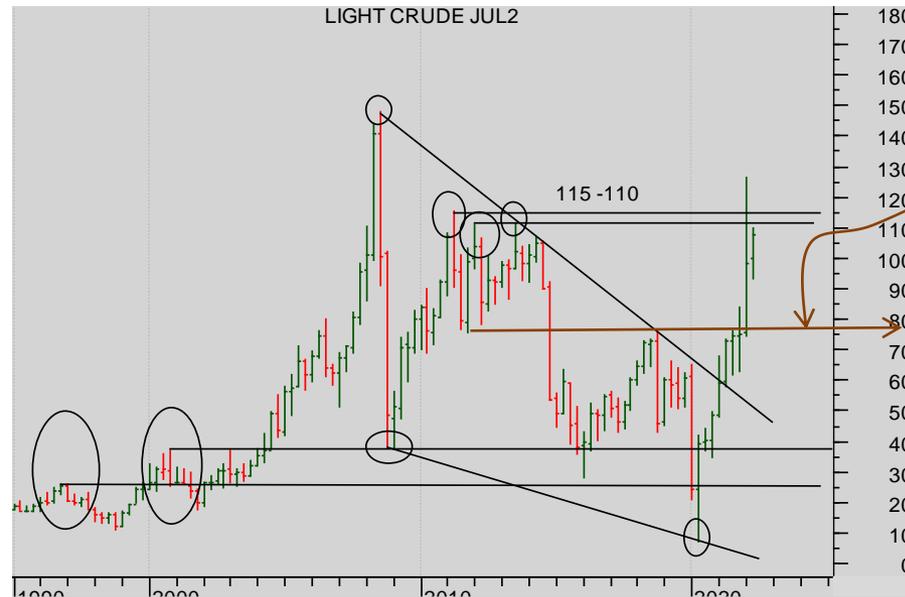
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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil Quarterly continuation

The market is forging ahead above the old resistance of \$77.

More



Commodities: Nymex WTI Oil

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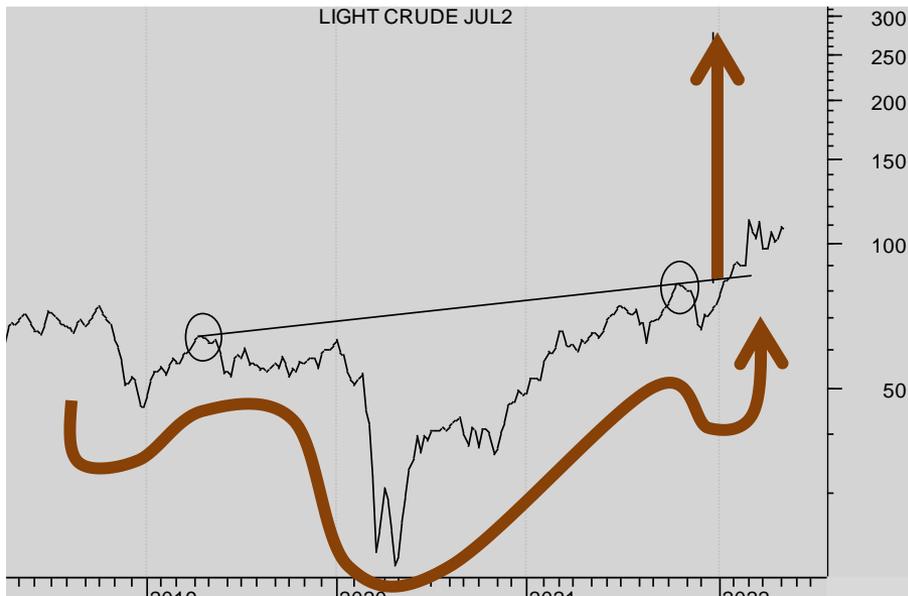
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IMPLIED ASSET ALLOCATION



Nymex oil weekly cont. 2021 future

This may be a H&S Reversal calling the market up to \$150 or so. In which case it has already completed and there is a lot **further to go**.

Look closer at the recent consolidation above the Neckline....



Nymex oil weekly Jun 2022 future

This is interesting too.

In the Jun contract the diagonal support from the succession of Prior Highs looks good to support the recent consolidation.

Note too the recent **BULLISH Weekly Key Reversal!**



Summary

Currencies

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

Stocks

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

Bonds

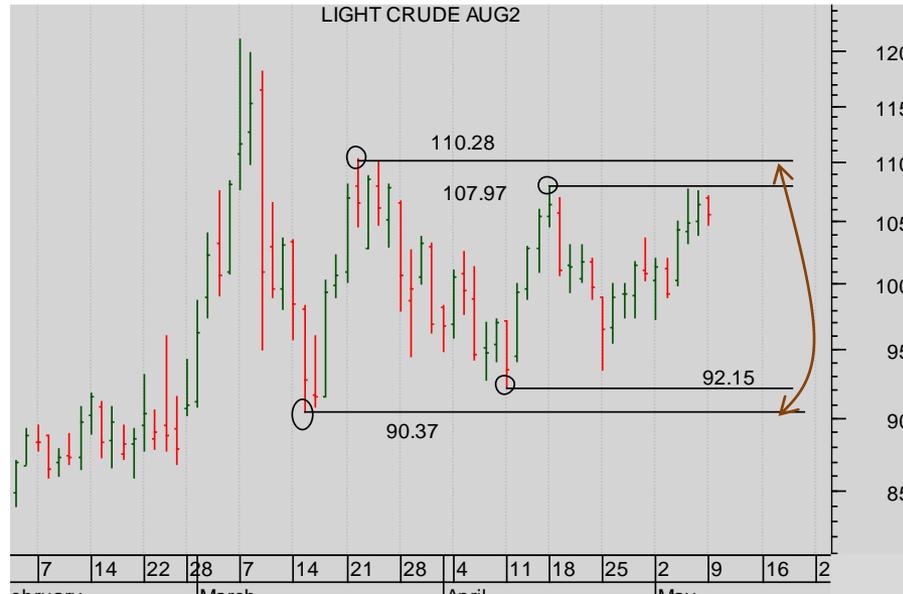
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil daily Jun 2022 futures

But for the moment, in the short-term, there is a trading range without a clear breakout.

Stand back.



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- + Ten Year German Bund
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold

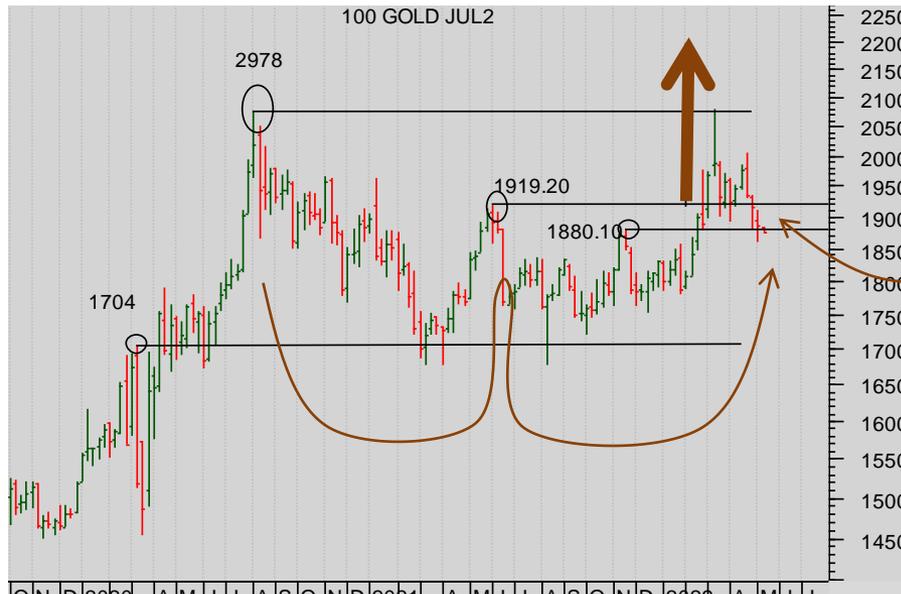


Nymex Gold Monthly

The dither at the 2011 Prior High 1915.50 is unsurprising.

The Bulls thought the market had completed a Double Bottom but the recent pull back throws doubt on that.

Look closer.



Nymex Gold Jun 22 weekly (continuation chart)

The completed Double Bottom has failed.

Support on any pull-back at the band 1880-1919 looks to have been smashed.

The bears look to be in charge.



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IMPLIED ASSET ALLOCATION

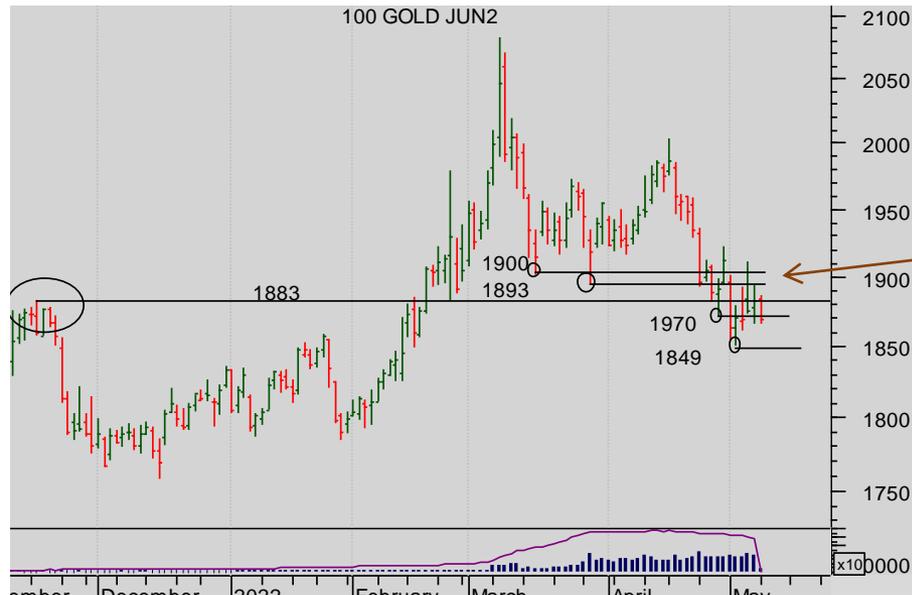
Commodities: Comex Gold



Nymex Gold Jun 2022 Weekly

The **failure** of the bull Double Bottom in the June 2022 contract – we need to wait for a confirming close beneath 1883 for bear confidence.

Watch carefully : it's not convincingly clear yet ...



Nymex Gold Jun 2022 Daily

The bears look to be in very short-term charge But wait for a daily break beneath 1849...



Summary

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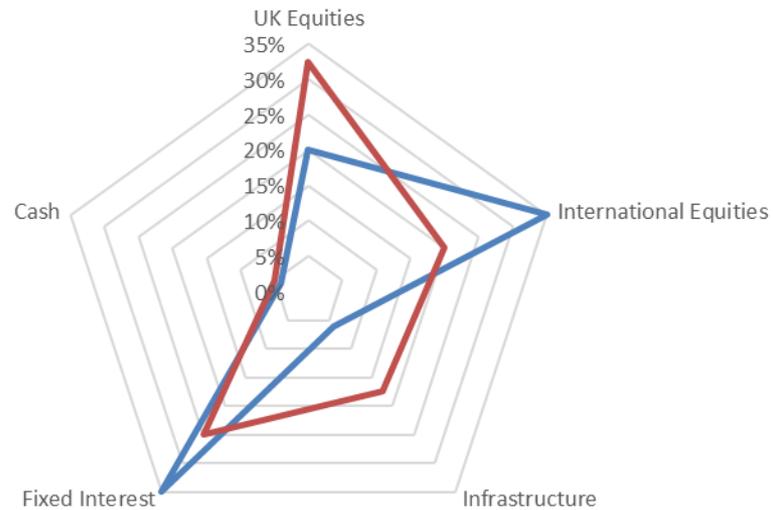
Commodities

- + Oil
- + Gold

Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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MSCI Balanced Risk Asset Allocation



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