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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



Multi-asset technical strategies

Week of 7th June 2022

Mark Sturdy

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

More



Currencies: Dollar Euro

CURRENCIES:

It's not clear whether the pause in the strengthening Dollar that has kept the Dollar within a range against both the Pound and the Euro will continue. Other things being equal (which they rarely are) a drift back to the centre of both trading ranges is likely. The strengthening Dollar against the weak Yen looks set to continue. Sterling Euro looks side lined.

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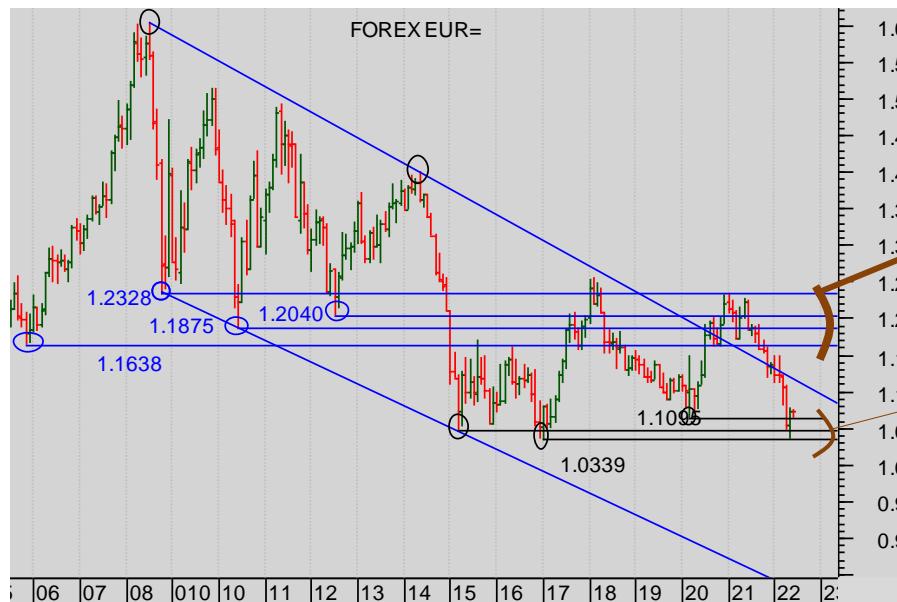
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Dollar Euro monthly spot cash chart

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 band is broken.

More



Currencies: Dollar Euro

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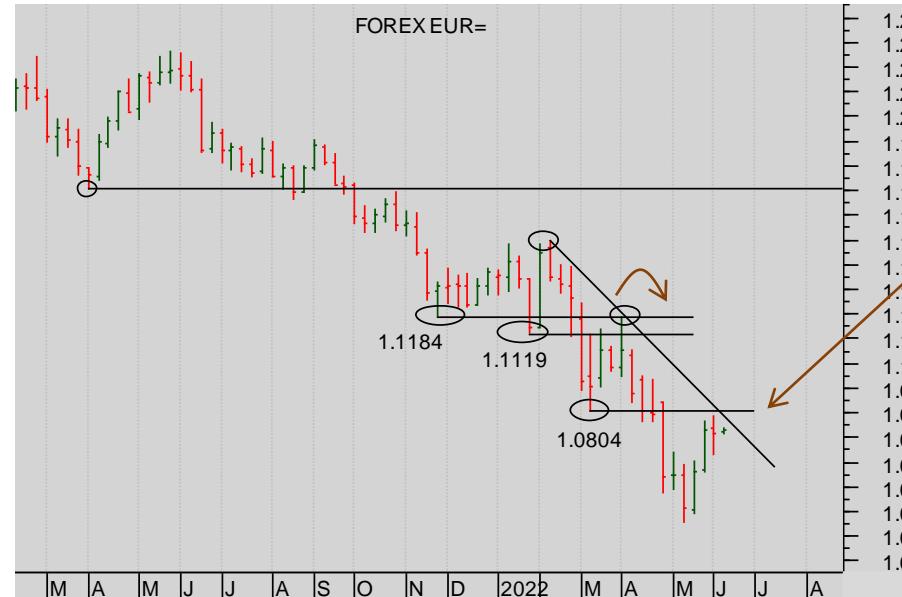
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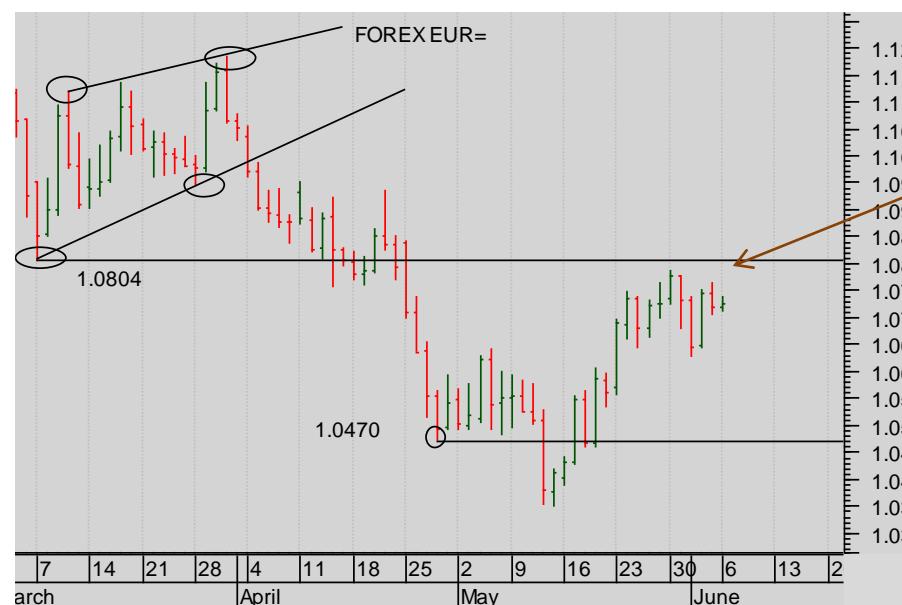
- + Oil
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Dollar Euro weekly spot cash chart

This well-established bear trend remains in place. Note how the market has failed to rally up through the Prior Lows - ratcheting the trend still lower...watch the approach to 1.0804.



Dollar Euro spot cash chart daily chart...

That retracement – approaching the resistance at 1.0804.



Currencies: Dollar Sterling

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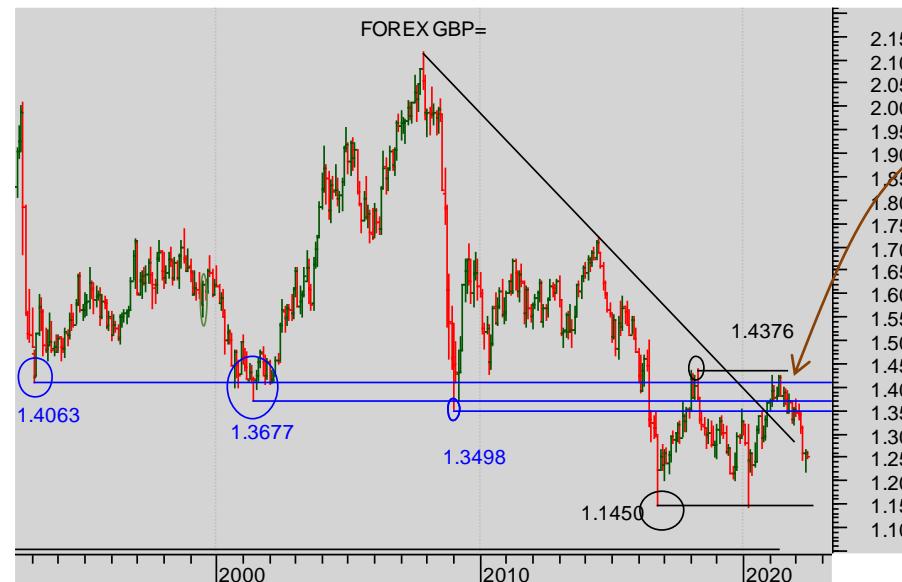
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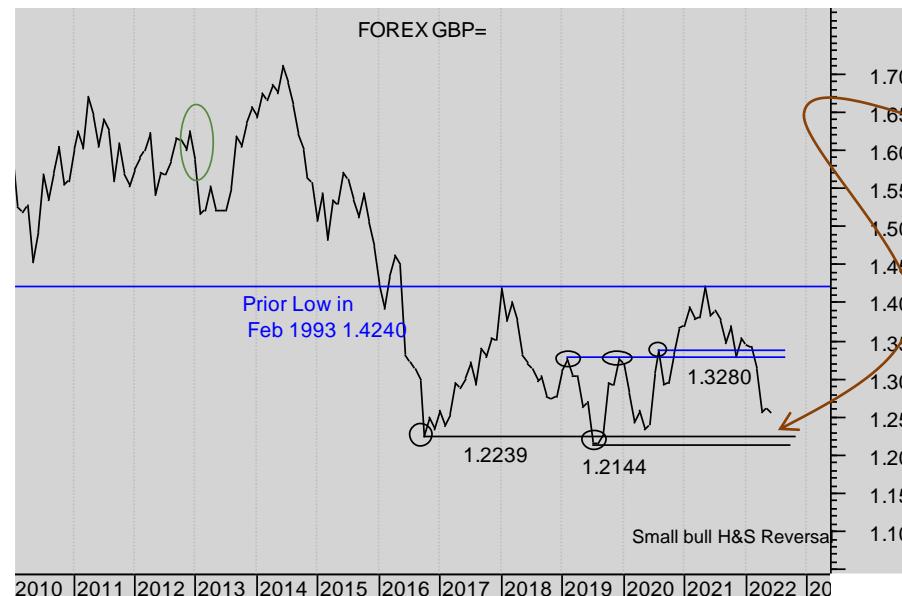
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Dollar Sterling Monthly spot cash chart

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

Look closer at the top in place



Dollar Sterling Monthly spot cash LINE CHART based on closes

The market is within a trading range: wait for a break of the lows before selling Sterling again.

More



Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

Note the breakdowns through 1.3165

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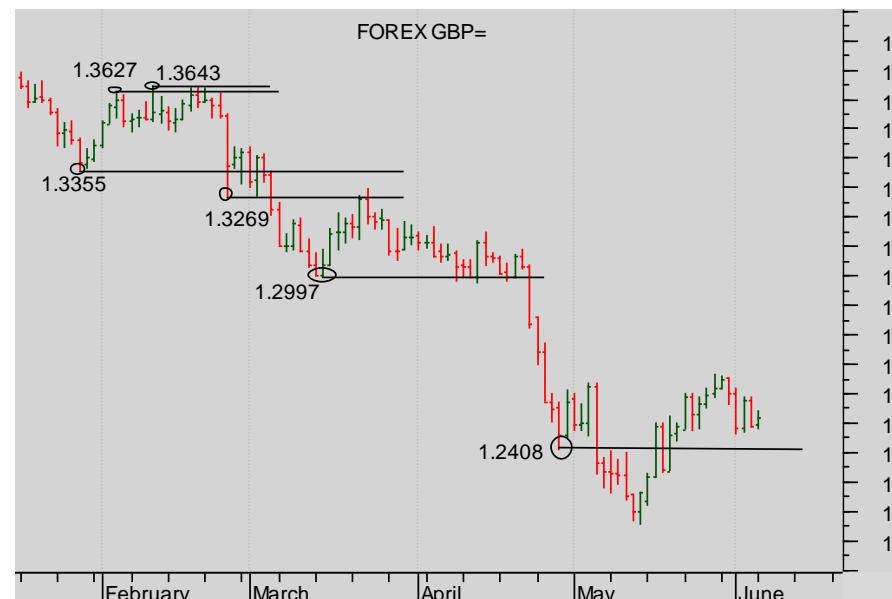
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Dollar Sterling daily spot cash chart

Short-term, note the retracement back up through the initial resistance at 1.2408 fuelled by a Key Reversal.



Currencies: Dollar Yen

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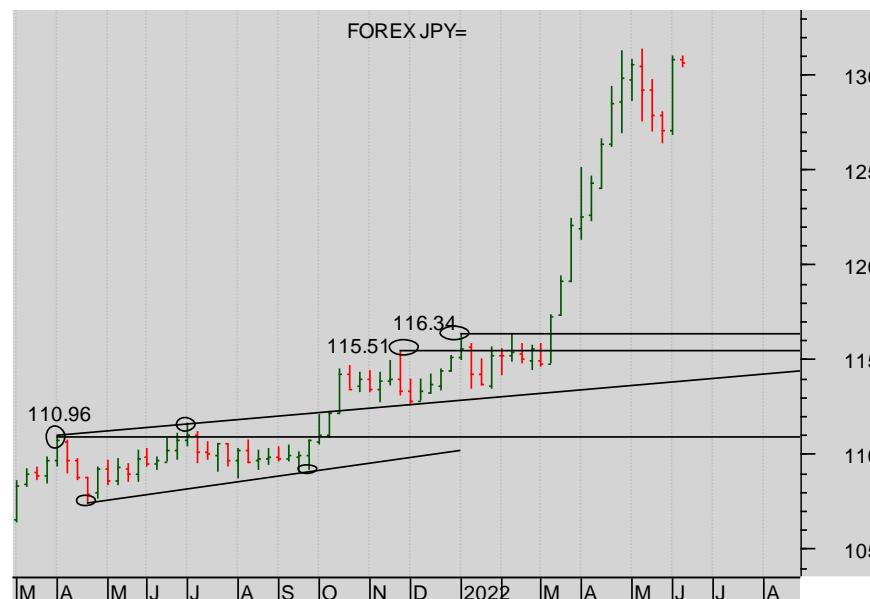
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Dollar Yen monthly spot cash chart

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

The recent pause

More



Currencies: Dollar Yen

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Dollar Yen daily spot cash chart

Wait for a break up through the Prior Highs before selling the Yen again.



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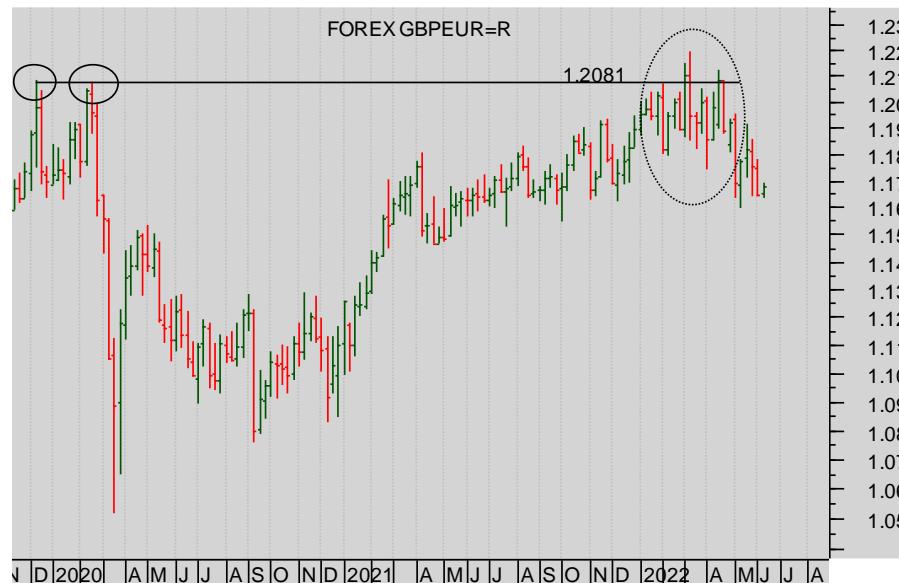
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Sterling Euro monthly spot cash chart

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?

Not clear.

More



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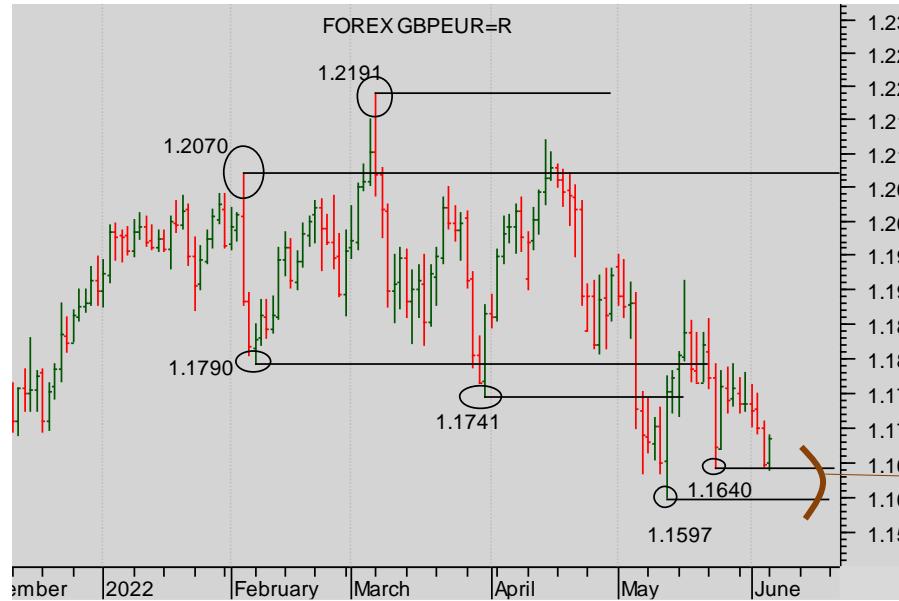
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Sterling Euro daily spot cash chart

BUT this is unclear. A retracement back into the trading range failed.

Stand back.

Wait for a break beneath the band from the Prior Lows.

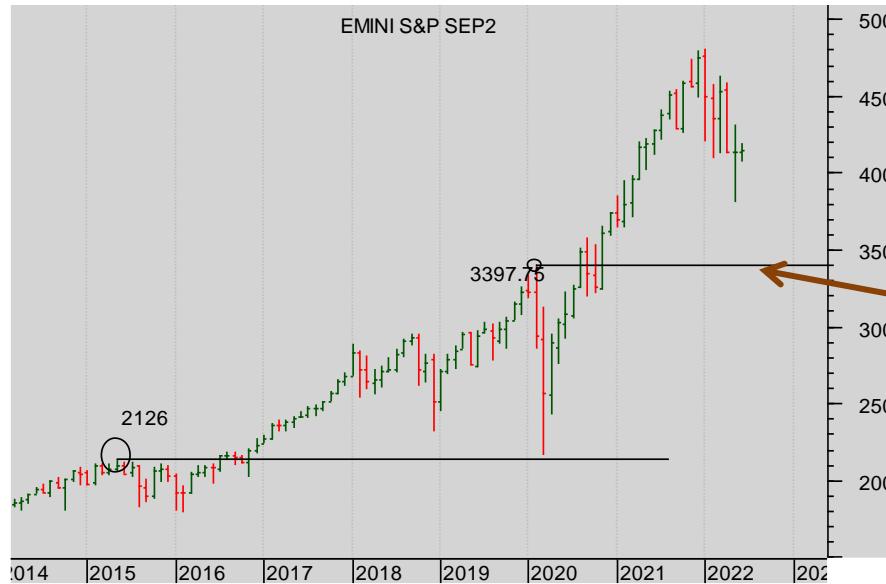




Stocks: CME S&P

STOCKS: There's been an impressive rally in the US that is testing significant resistance. Others have been dragged better as a result, but the Eurostoxx looks to be a long way from overcoming resistance to its bull retracement. It remains vulnerable. Note the strength and poise of the FTSE and Nikkei both are close to important medium-term break outs.

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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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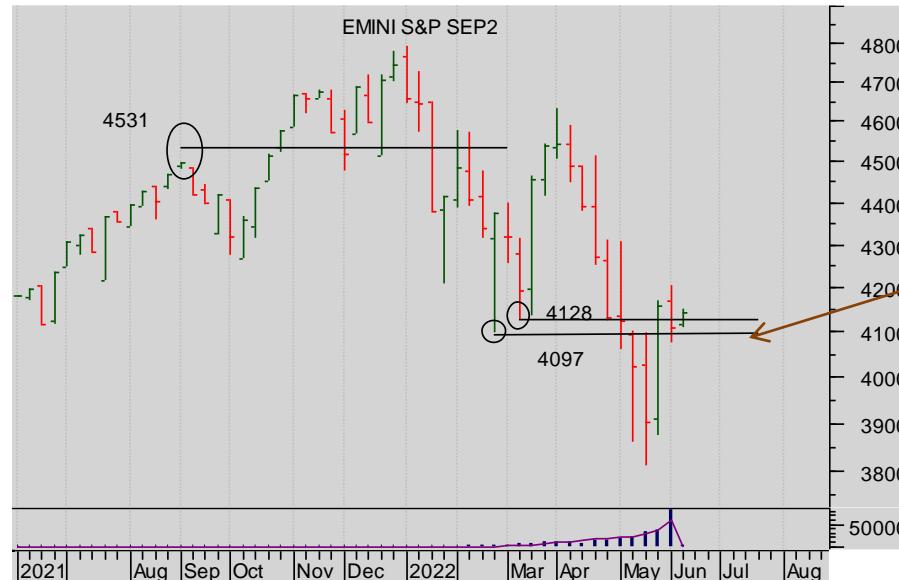
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CME S&P 500 cont. weekly cont. chart

The market has surely confirmed a small Triple Top now there is a break beneath BOTH the 4238 horizontal AND the 4101 Prior Low.

- But the retracement up through the resistance from the Prior Lows is impressive if it can be sustained.



CME S&P 500 daily Sep 2022 chart

This is a fierce rally into and though resistance

More



Stocks: Eurex EuroStoxx 50

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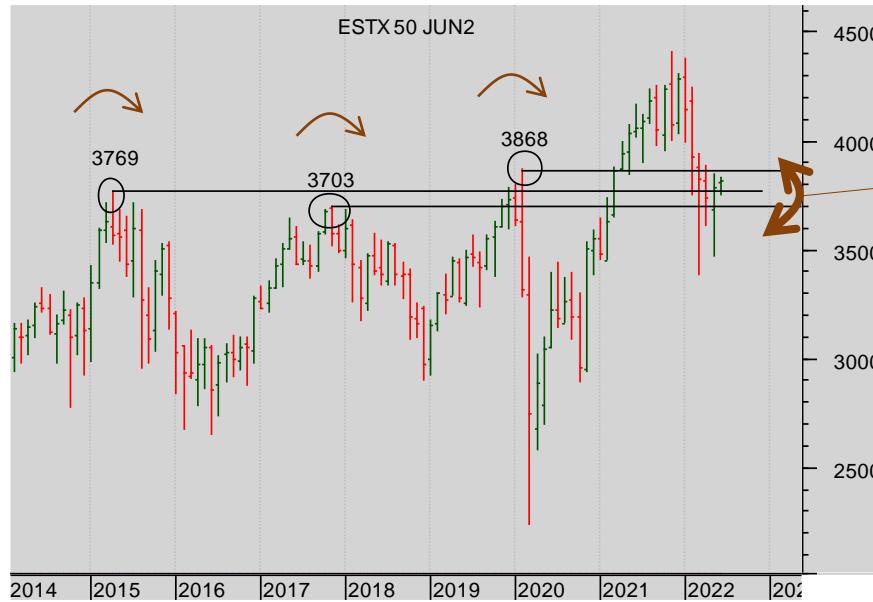
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Eurex EuroStoxx 50 monthly continuation futures chart

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

But wait for the close on the month: the rally back into those Prior Highs is impressive



Eurex EuroStoxx 50 weekly Jun 22 futures chart

Yet this remains medium-term bearish.

The retracing bulls need to penetrate the resistances at 3990 from the Prior Lows to convince.

The bears are getting more confident.

More



Stocks: Eurex EuroStoxx 50

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Eurex EuroStoxx 50 daily Jun 22 futures chart

The push up through the diagonal was short-term encouraging but the test of the bulls' enthusiasm is the horizontal resistance at 3919 – where the market has notably failed before.



Stocks: Liffe FTSE 100

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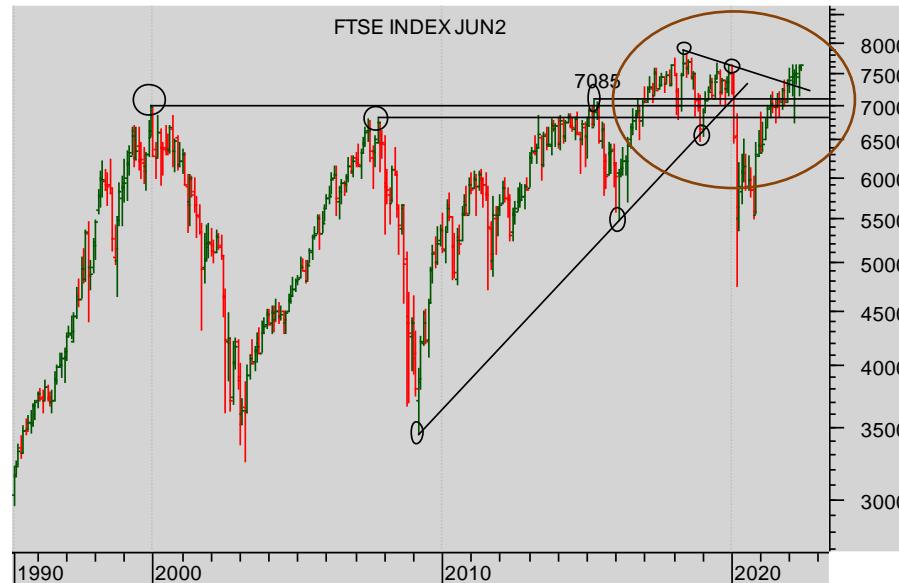
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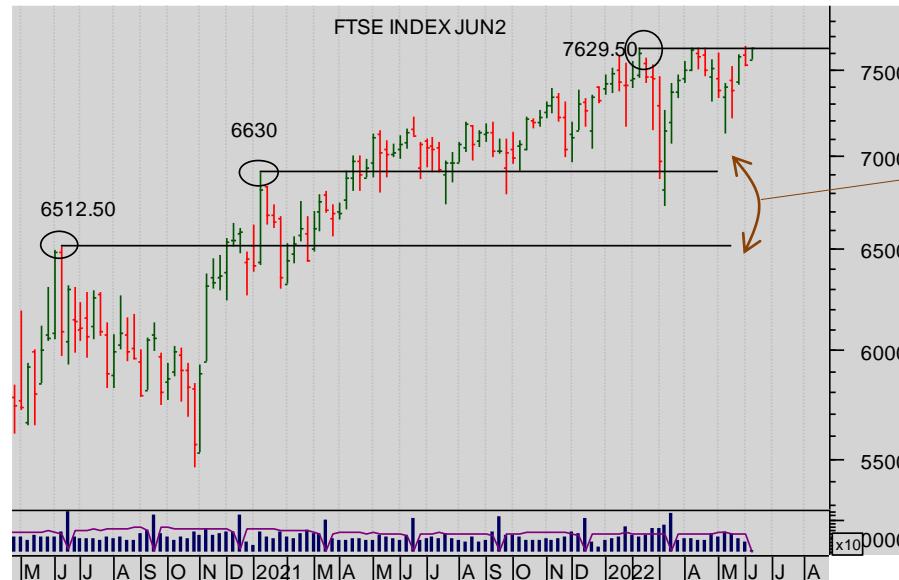
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Liffe FTSE 100 Monthly continuation futures chart

The market has repenetrated 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.

The re-approach to the Prior Highs having failed twice is impressive..

Buy a break and close above 7629.50!

More



Stocks: Liffe FTSE 100

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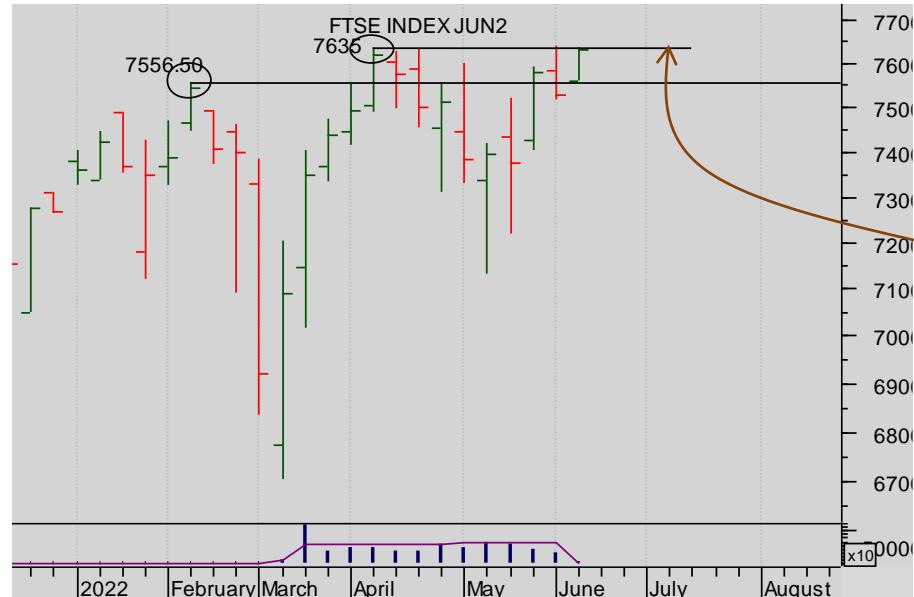
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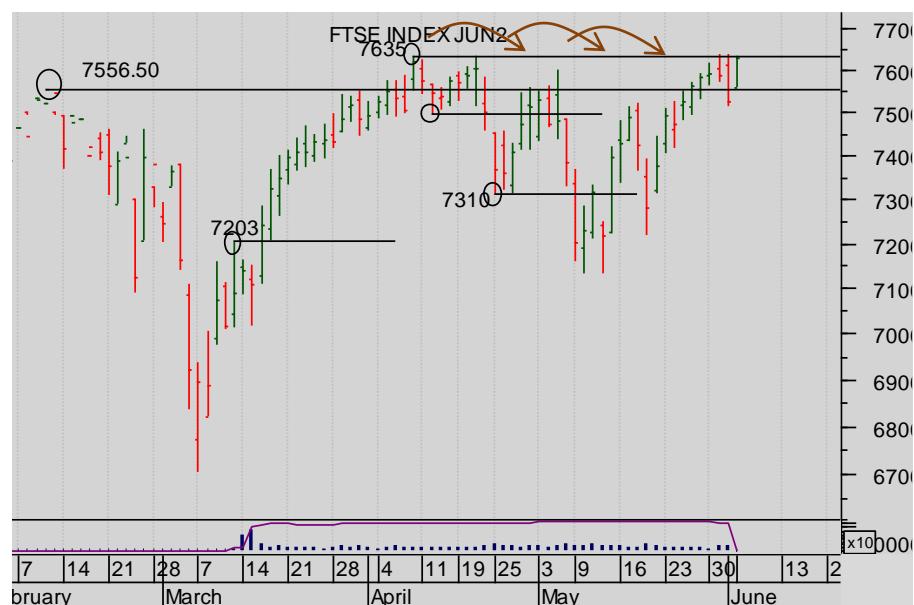
- + Oil
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Liffe FTSE 100 Jun 22 weekly futures chart

In the Jun contract (rather than the weekly continuation) the market's re-approach to the Prior High should be closely watched- a break up through would be a massive endorsement of the bulls.



Liffe FTSE 100 Jun 22 daily futures chart

The detail of the market's re-approach.



Stocks: OSE Nikkei 225

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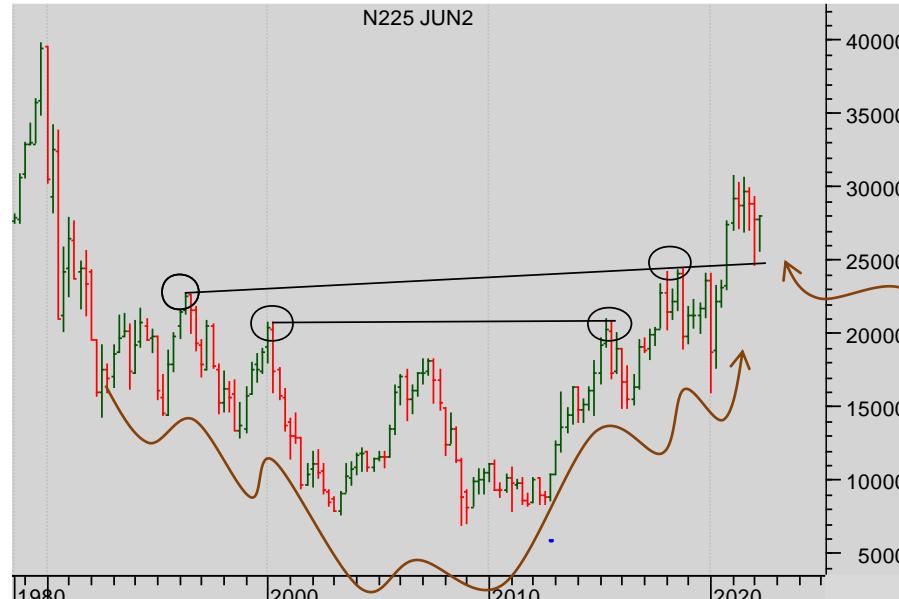
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Nikkei 225 chart (Quarterly)

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.

More



Stocks: OSE Nikkei 225

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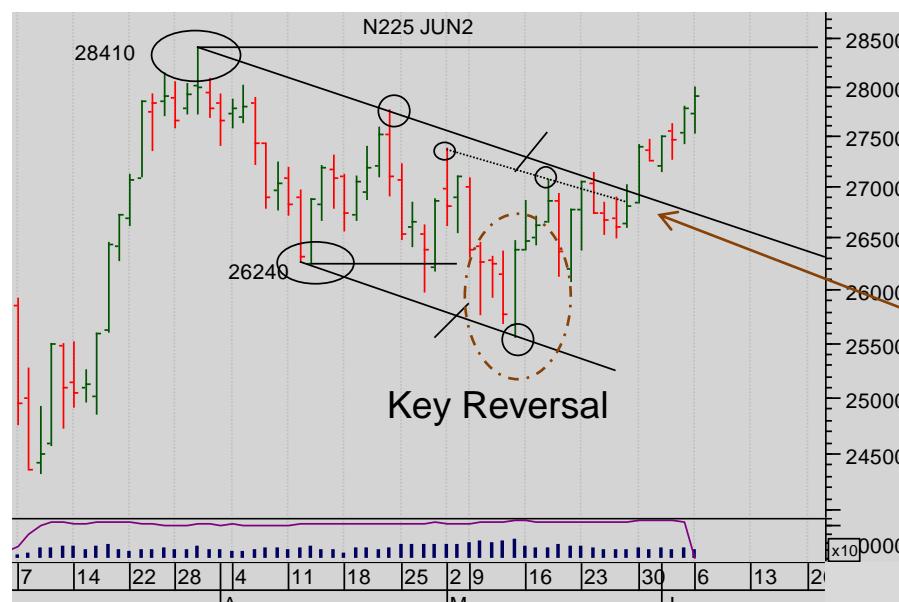
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Bonds

BONDS: As we anticipated, bond markets have proved resistant to either pausing, or, much less retracing their trends to higher yields. Gilts and Bunds are moving to higher yields still at speed.

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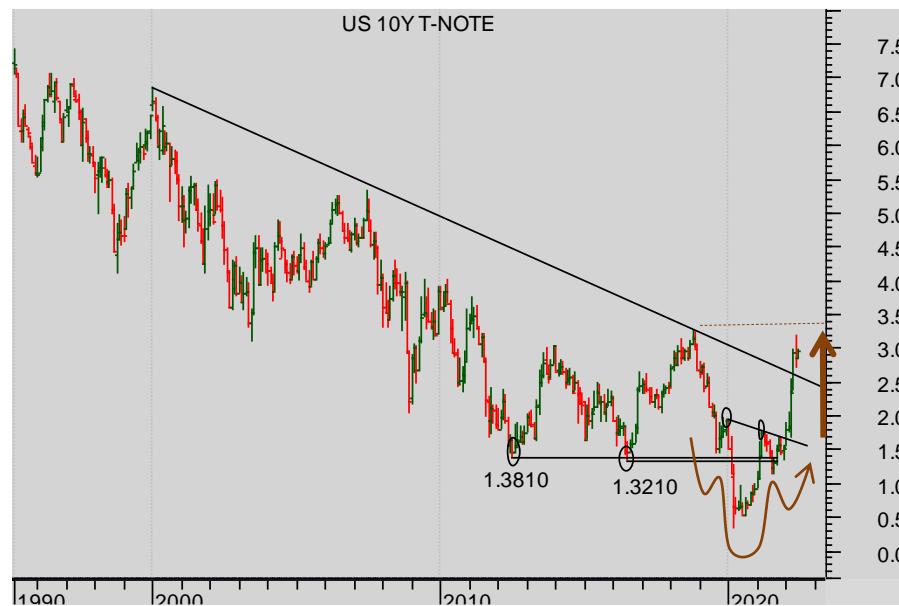
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Bonds: US Ten Year Notes (Yield)



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)

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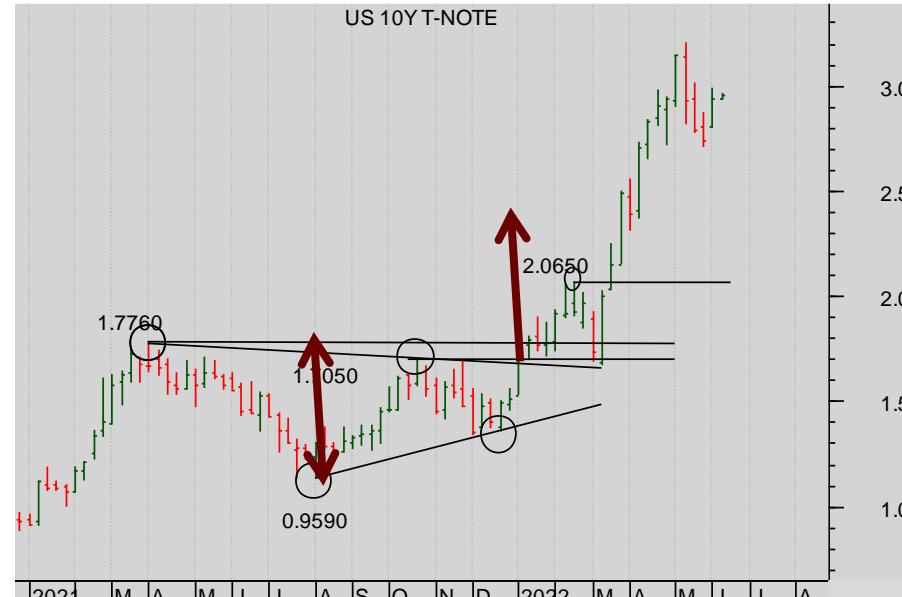
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US Ten Year Notes (Yield) weekly chart

This bull continuation triangle has been exhausted by the bull move – and now there is a **loss of momentum!**



US Ten Year Notes June 2022 **Futures price** daily chart

The bear trend has been short-term reversed by an H&S bottom formation?

Watch to see if it can break the Prior Low resistance at 120.95.

More



Bonds: German Bund yield chart

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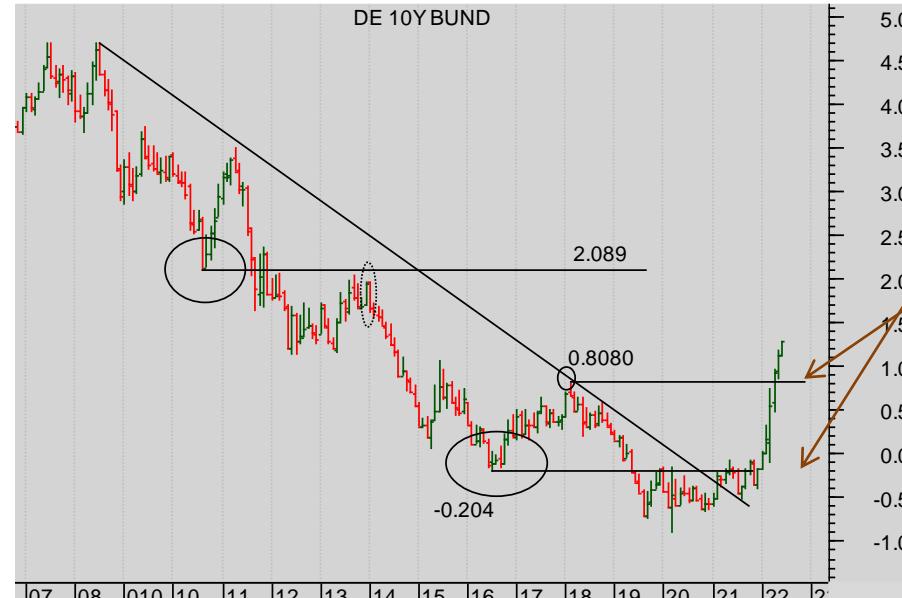
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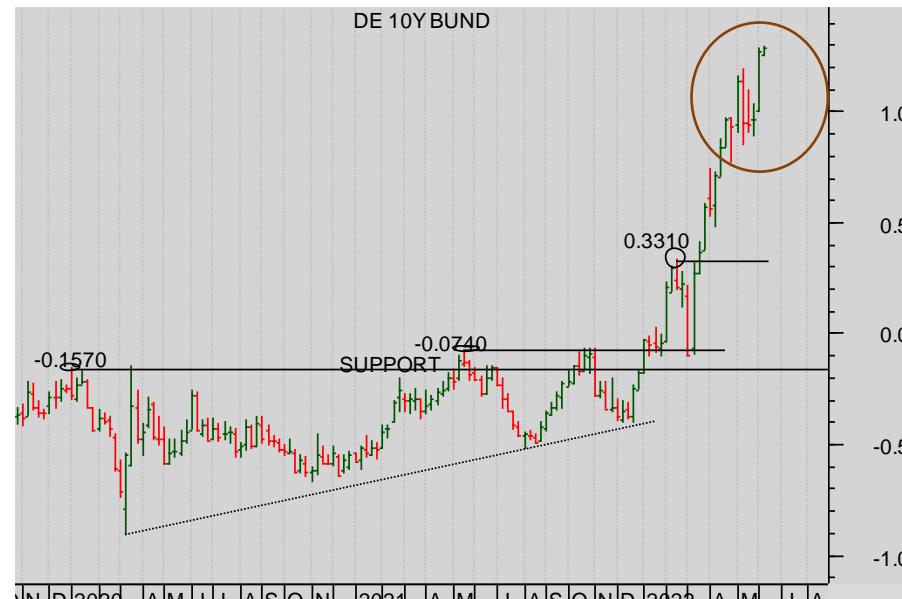
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Bund monthly yield chart

The close above -0.204 cemented the break

Note too, the break of the old High 0.80.



Bund weekly yield chart

Note the pause and then acceleration ...

More



Bonds: German Bund yield chart



Bund daily Jun 22 futures price chart

The bear price trend is still very much in place.

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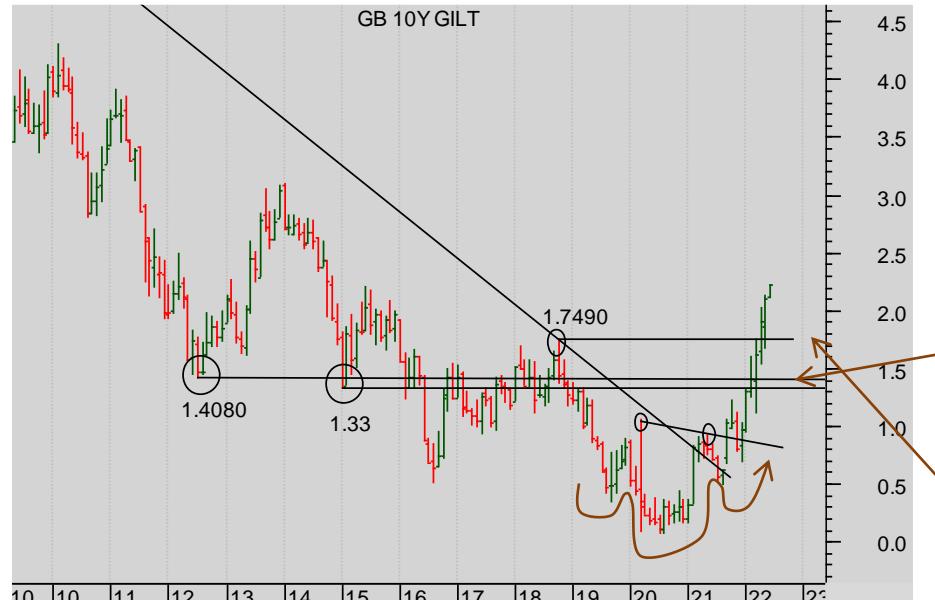
Commodities

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Bonds: UK Gilt yield chart



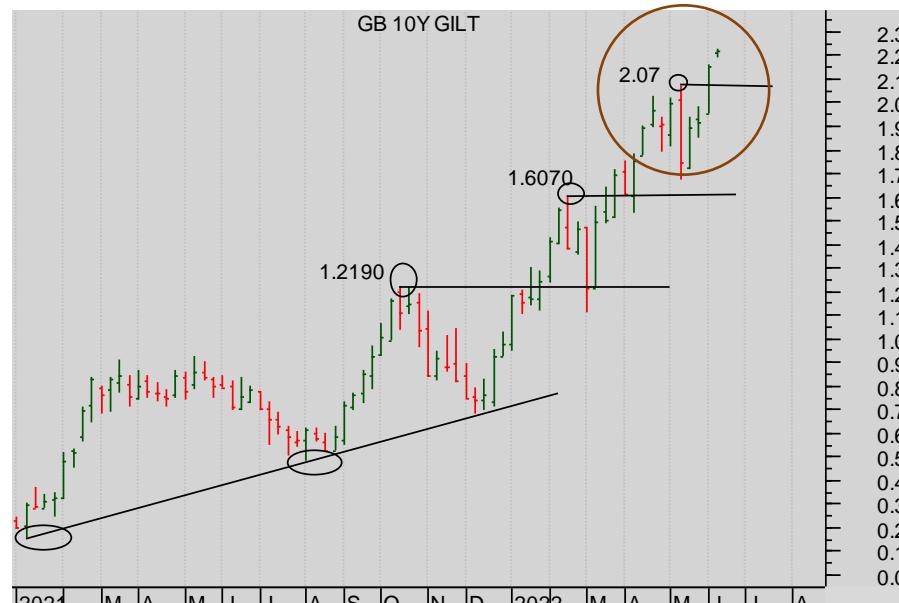
Gilt monthly yield chart

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.



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Bonds: UK Gilt yield chart



Gilt daily price chart

The attempt to form a small Bottom formation failed.

The bear price trend of bonds is intact.

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Commodity

COMMODITIES:

The Oil looks set to go higher – there is a move above important prior highs emboldening the bulls who have spotted a possible H&S pattern set to send the market above \$160. Watch our levels carefully. Gold is sidelined above importance Prior Lows and beneath critical resistances.

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Commodities: Nymex WTI Oil



Nymex oil Quarterly continuation

The market has paused at the old Highs.

More



Commodities: Nymex WTI Oil

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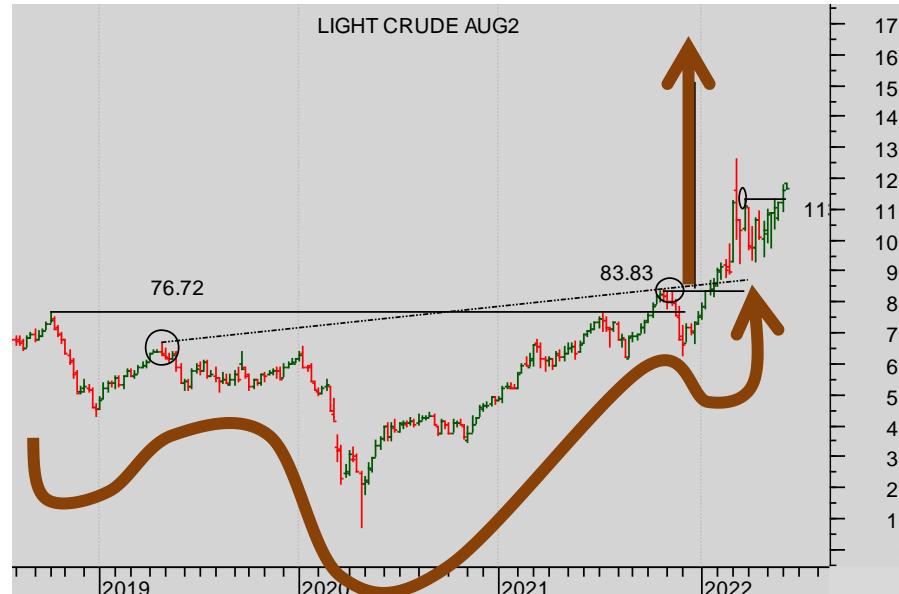
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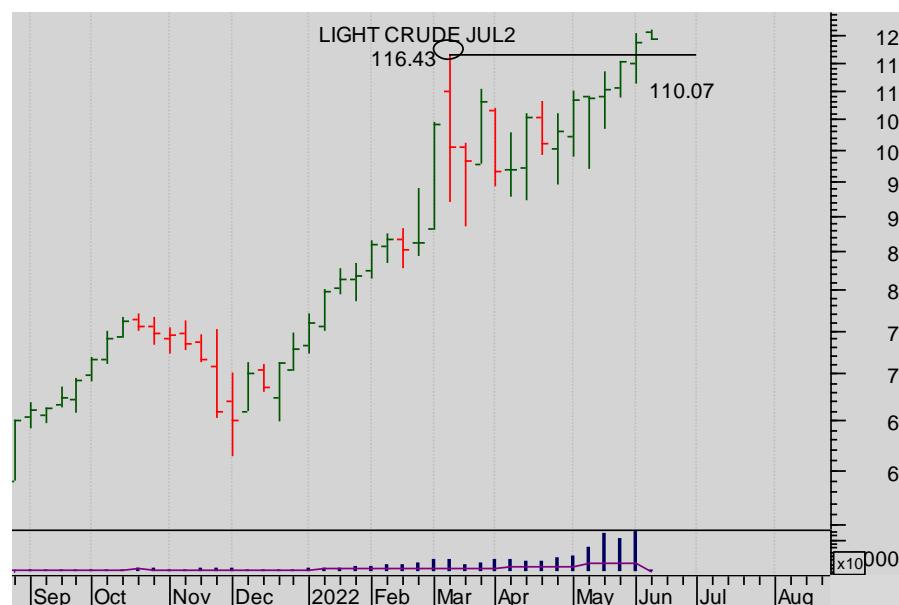
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Nymex oil weekly cont. 2021 future

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

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



Nymex oil weekly July 2022 future

This is interesting too – note the CONFIRMED weekly break up through 116.43.



Commodities: Nymex WTI Oil

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Nymex oil daily July 2022 futures

In greater detail. The Key Reversal was encouraging.

And the overall pattern is surely a multiple bottom?

[Buy with stops beneath 116.43?](#)



Commodities: Comex Gold

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- + UK Gilt

Commodities

- + Oil
- + Gold**

IMPLIED ASSET ALLOCATION



Nymex Gold Monthly

The dither at the 2011 Prior High 1915.50 is unsurprising.

Look closer.

Only a break beneath 1700 would confirm a Double Top.

In the meantime....



Nymex Gold Jun 22 weekly (continuation chart)

Support on any pull-back at the band 1880-1919 has been smashed..

The bears look to be in charge.

But there will be no real bear momentum unless the band from the lows beneath 1700 is breached.



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

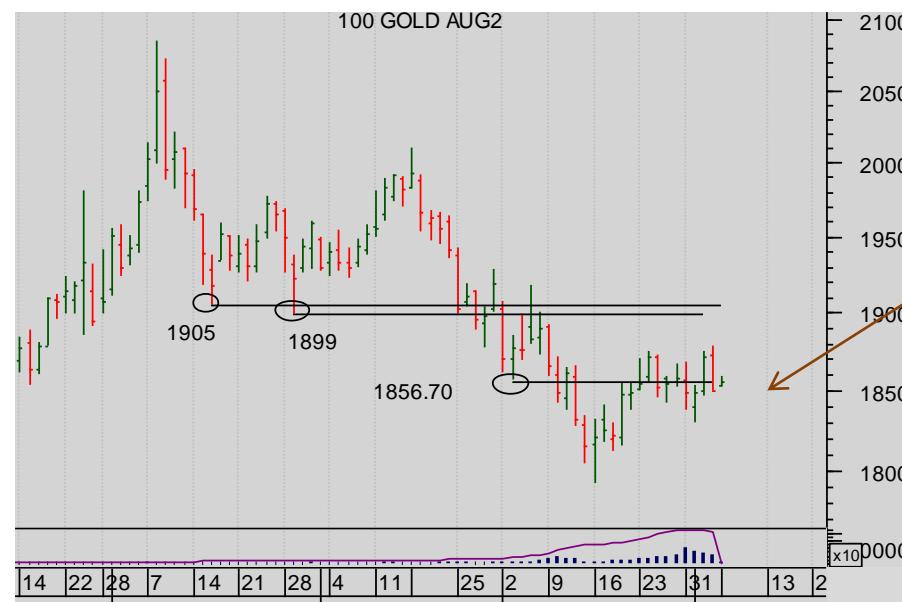
Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nymex Gold Aug 2022 Weekly



Nymex Gold Aug 2022 Daily



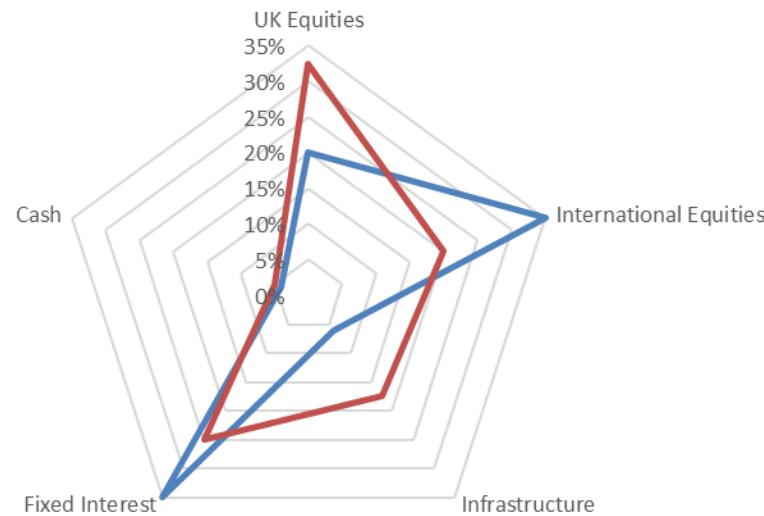
Summary

| 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 |

Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

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MSCI Balanced Risk Asset Allocation



More



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