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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 16th August 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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Bonds
+ 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 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 FLAT Yen
Long-term FLAT Euro	Medium-term FLAT Euro	Short-term FLAT Euro
Long-term BEAR	Medium-term BEAR	Short-term FLAT
Long-term BEAR	Medium-term BEAR	Short-term FLAT
Long-term FLAT	Medium-term FLAT	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term BULL
Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term BULL	Short-term FLAT
Long-term BULL	Medium-term FLAT	Short-term BEAR
Long-term FLAT	Medium-term FLAT	Short-term BEAR





Currencies: Dollar Euro

CURRENCIES:

We remain very bearish of the Euro/ Dollar, in the long medium and very short-term. Sterling is in a similar, if less spectacular, pickle. The Yen remains a sell, but is less compelling having come so far.

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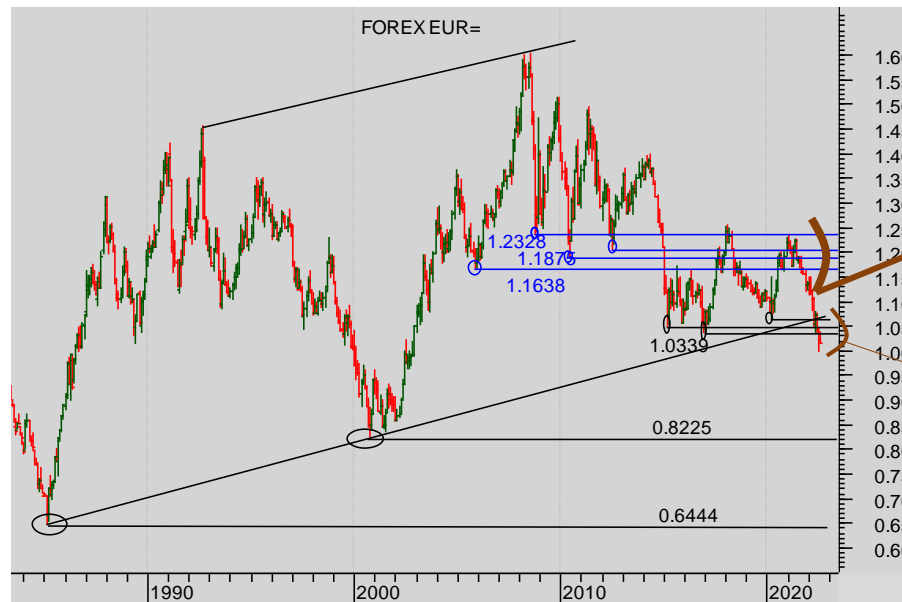
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IMPLIED ASSET ALLOCATION



Dollar Euro monthly spot cash chart

These powerful horizontal resistances have repelled the Euro bulls

Now the market has broken beneath the band 1.0339 - 1.1095 and at the same time has broken out of the bull channel

The market now has achieved a major breakdown.

More



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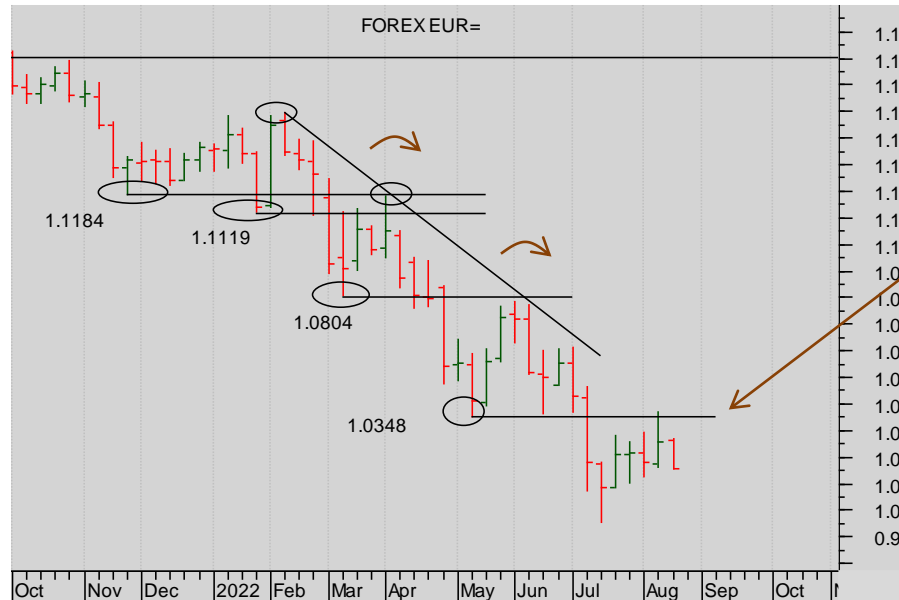
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Euro

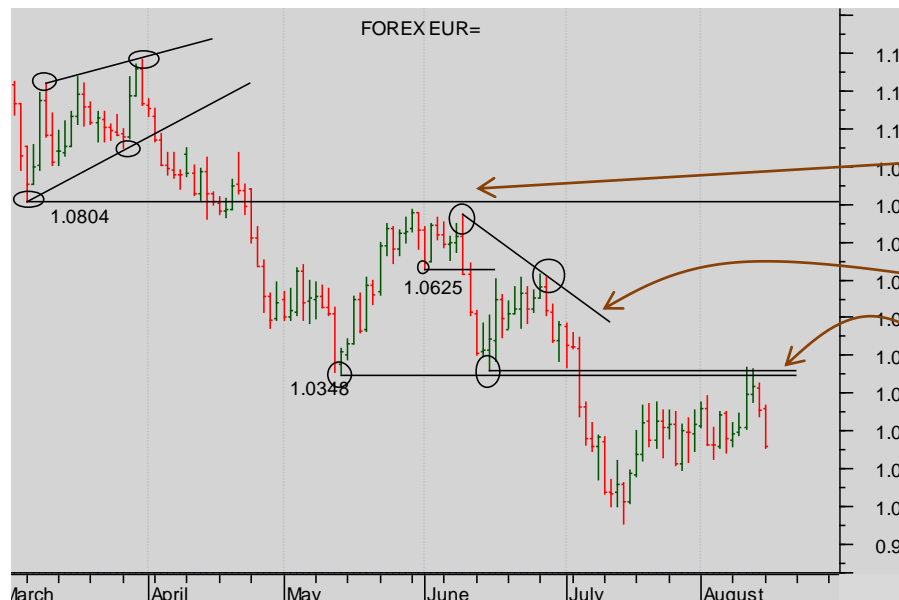


Dollar Euro weekly spot cash chart

This well-established bear trend remains in place.

Note how the market has failed successively to rally up through the Prior Lows resistance - ratcheting the trend still lower...

With the break beneath the 1.0348 low (now first resistance) the trend is continuing.



Dollar Euro spot cash chart daily chart...

1. That retracement – approaching the resistance at 1.0804 and failing there.
2. The creation and completion of a continuation Triangle
3. The failure at the Prior Low 1.0348

The bears are in charge.



Currencies: Dollar Sterling

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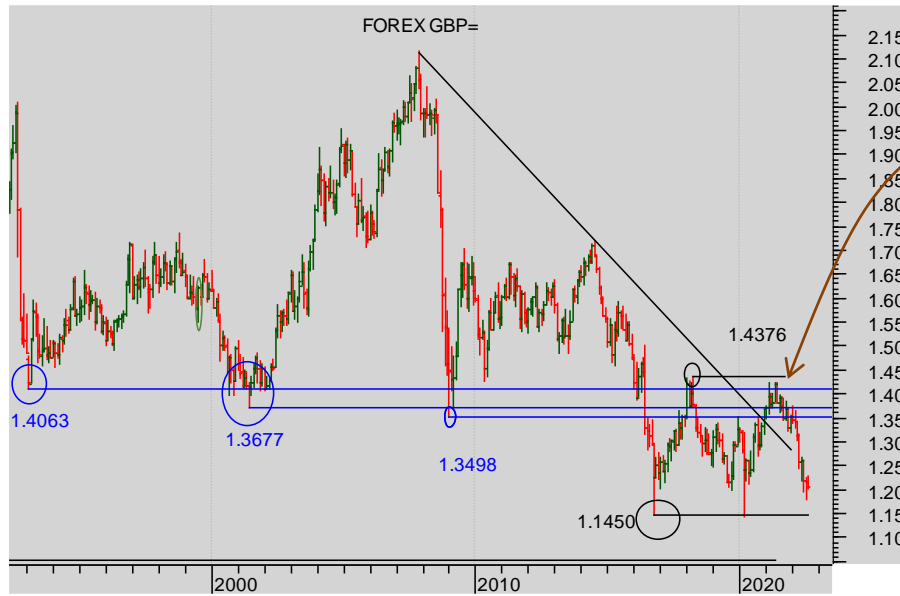
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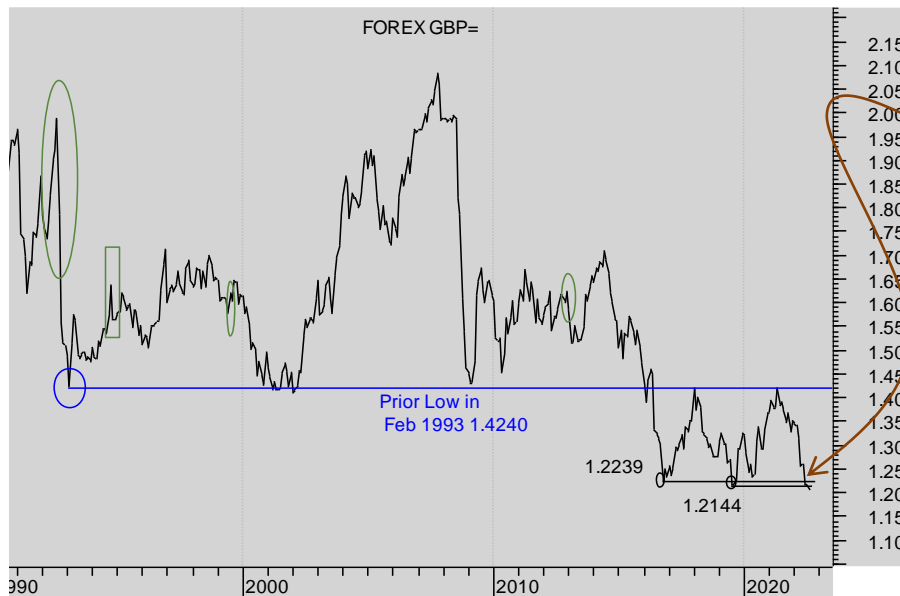
IMPLIED ASSET ALLOCATION



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 was within a trading range: now there is a break of the lows - watch for the close at the end of the month (two weeks to go).

More



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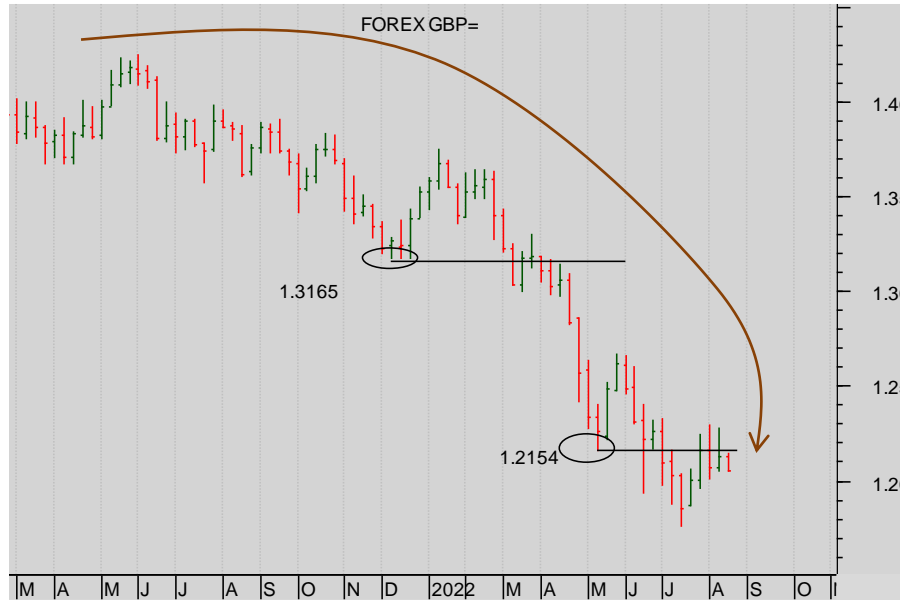
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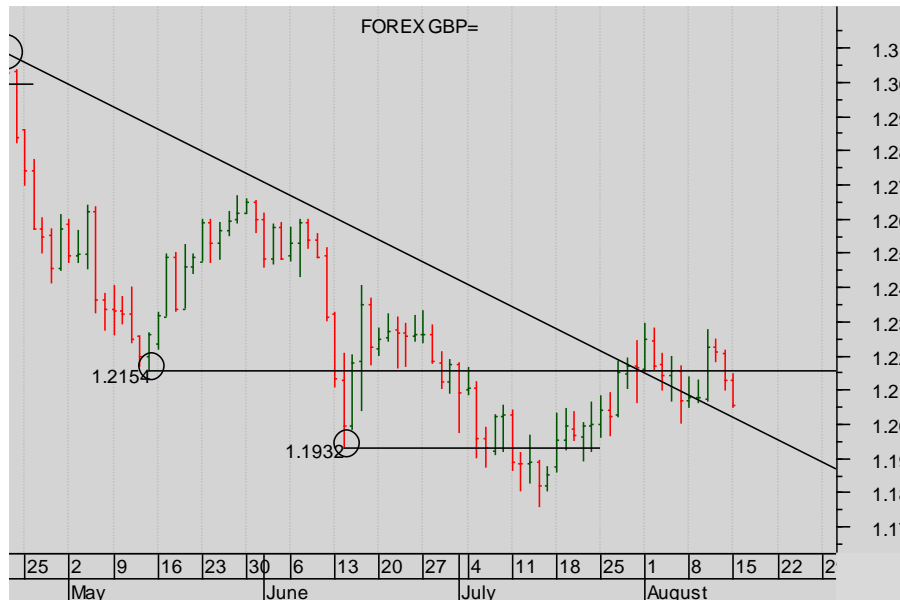
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Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

The medium-term bear trend is firmly in place.



Dollar Sterling daily spot cash chart

Short-term, There is a lack of clarity.



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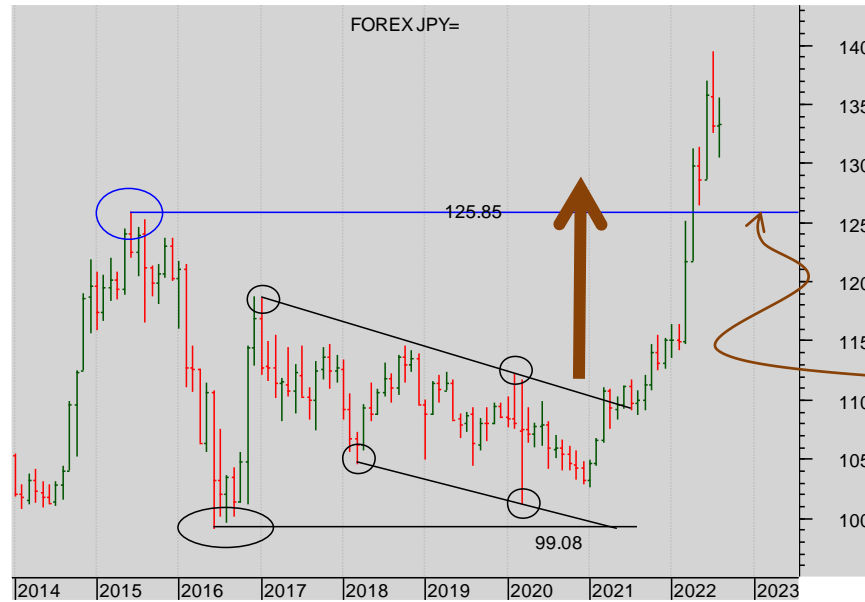
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IMPLIED ASSET ALLOCATION

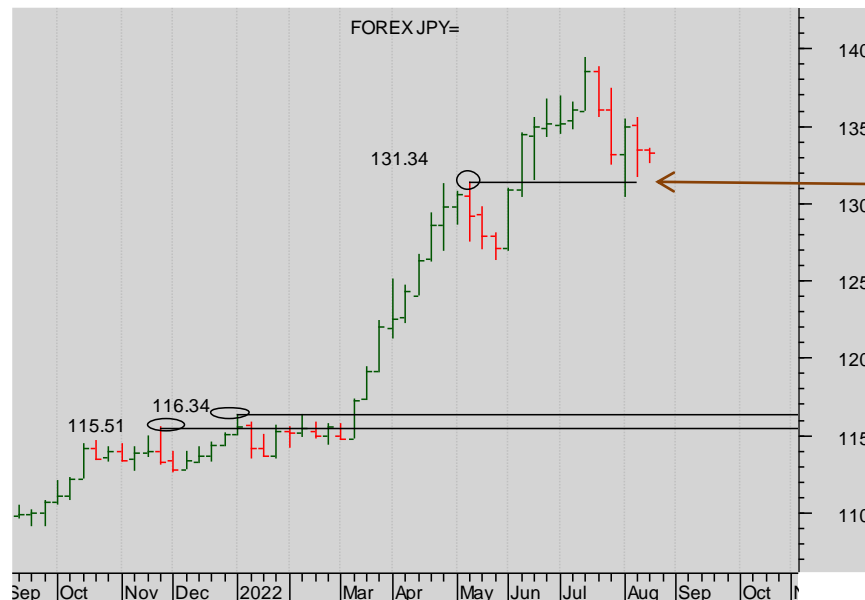
Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

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

When the Yen has weakened through the old 2015 high that accelerated the trend and establishing good support beneath the market at 125.85.



Dollar Yen weekly spot cash chart

The recent pause Good support at 131.34.

More



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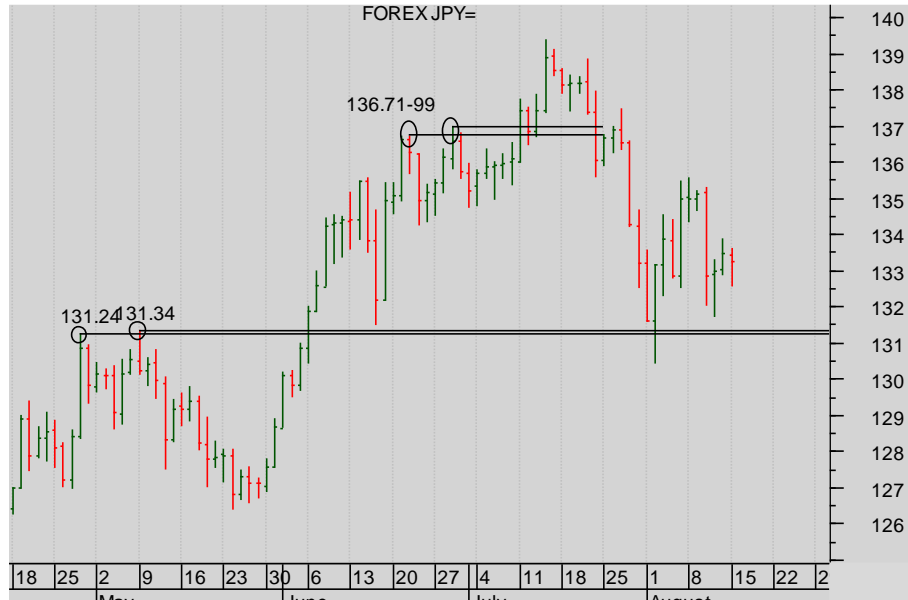
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Note the good structural support at the Prior Highs.



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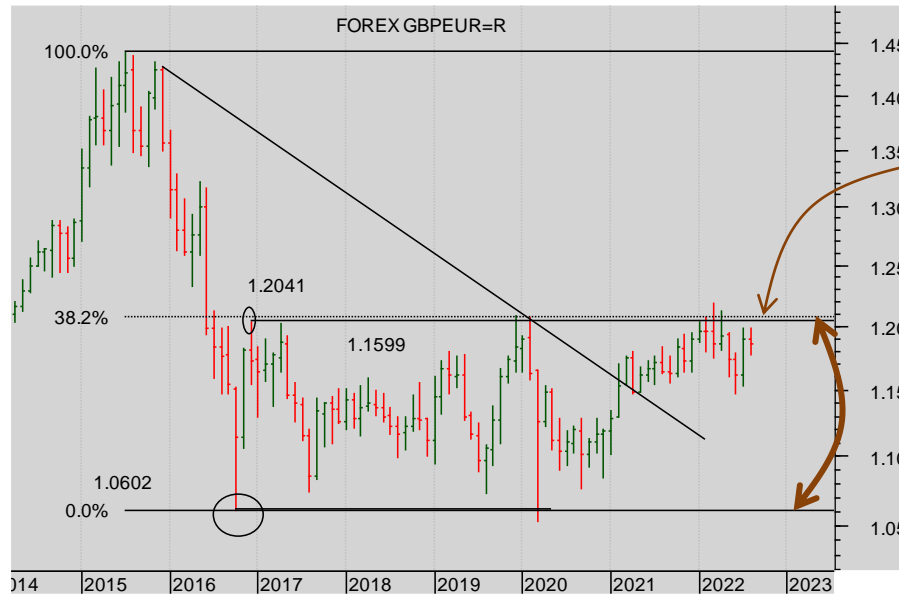
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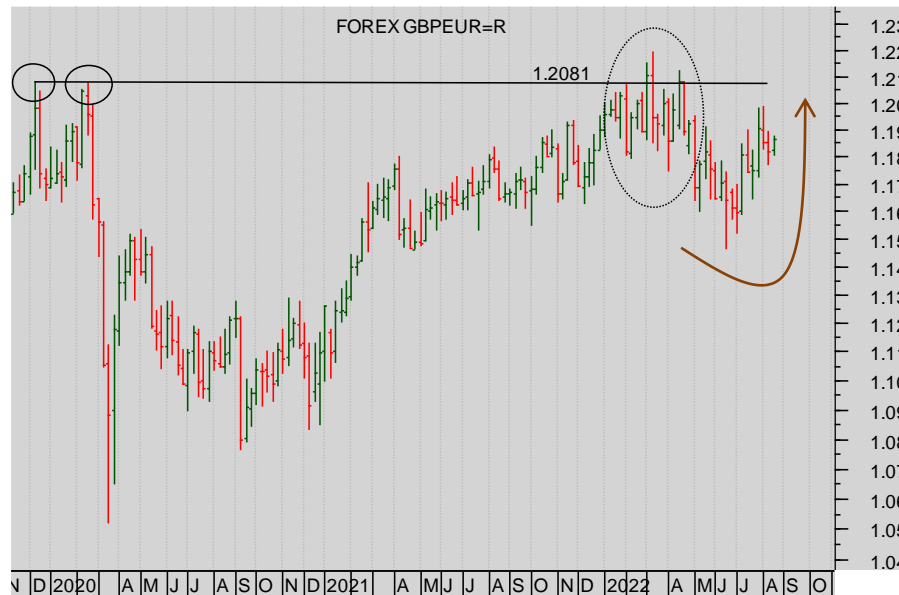
Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

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

Where is it going now?



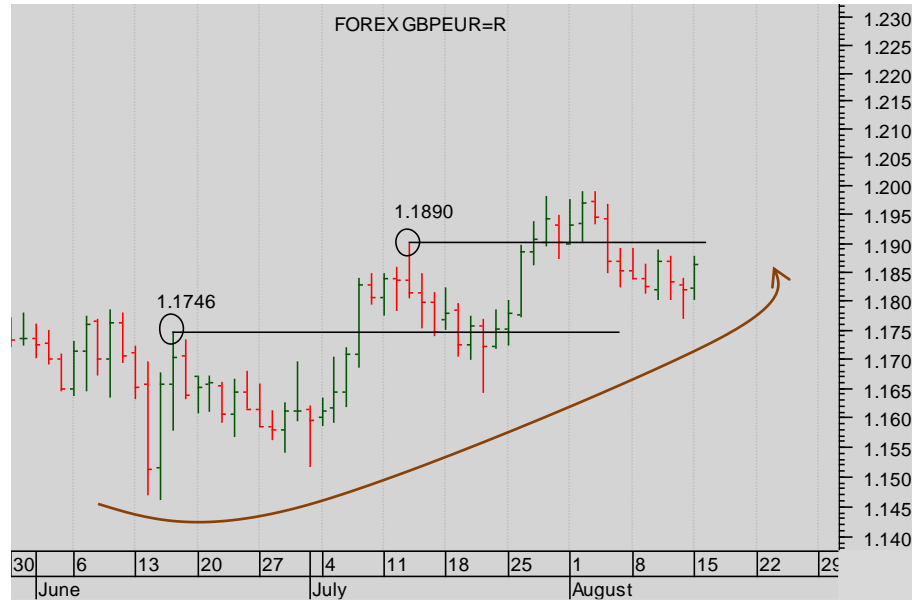
Sterling Euro weekly spot cash chart

Note the again up to the edge of the trading range.

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

This is a loosely formed bull trend ...

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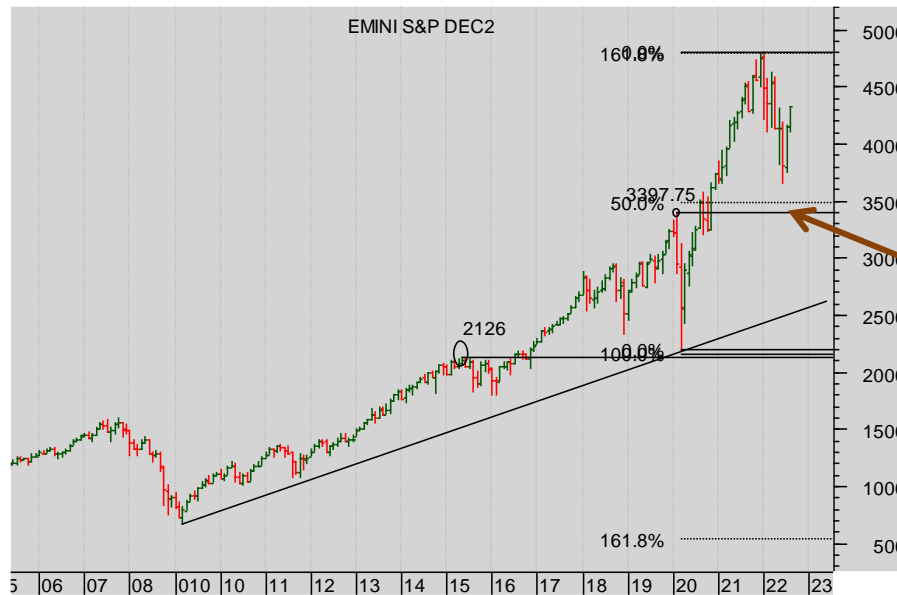
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Stocks: CME S&P

STOCKS: The rally in the S&P is impressive, breaking yet more resistance, with yet convincing that a sustained rally is in the offing. The EuroStoxx is being dragged better and is even less convincing. Note though that the two most resilient markets the FTSE and the Nikkei look set to retest their all-time highs soon - both driven but clear completed bull continuation patterns.



CME S&P 500 monthly cont. futures chart

The bear trend continues.

First powerful support now at 3397.50.

(Note the co-incident Fibonacci support.)

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Stocks: CME S&P 500

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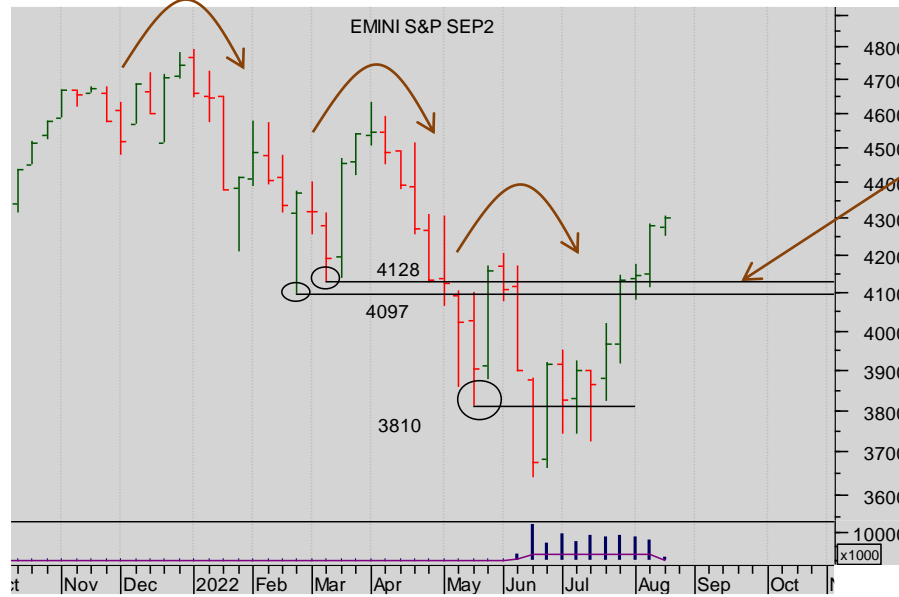
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IMPLIED ASSET ALLOCATION



CME S&P 500 cont. weekly cont. chart

The market has a retracement up at the resistance from the Prior Lows at 4097 and 4128.

And now it has broken through – the retracement continues...



CME S&P 500 daily Sep 2022 chart

This is a fierce rally into (and through?) resistance.

Watch and wait for clarity

More



Stocks: Eurex EuroStoxx 50

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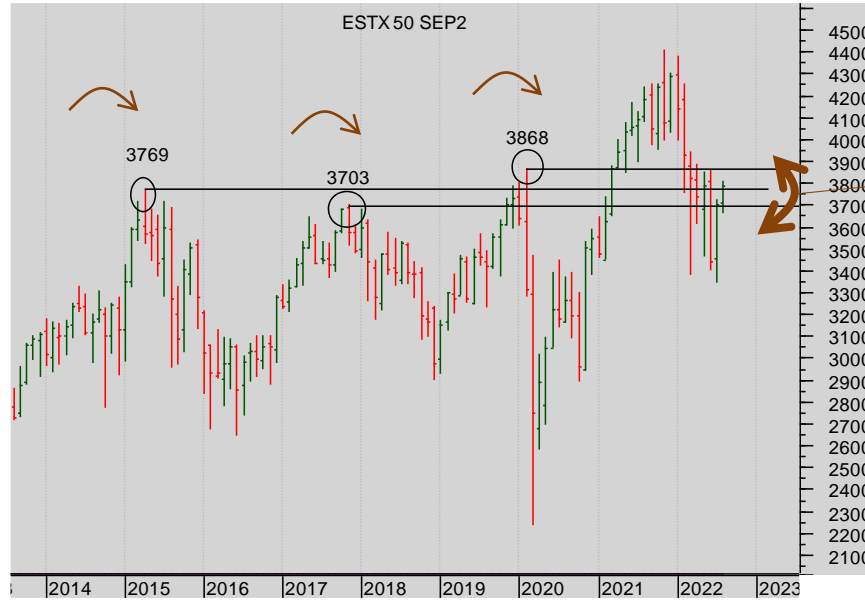
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IMPLIED ASSET ALLOCATION



Eurex EuroStoxx 50 monthly continuation futures chart

The market has clearly smashed the **VERY LONG-TERM SUPPORT** from a succession of Prior Highs.

The close on the month is convincingly LONG-TERM bearish.



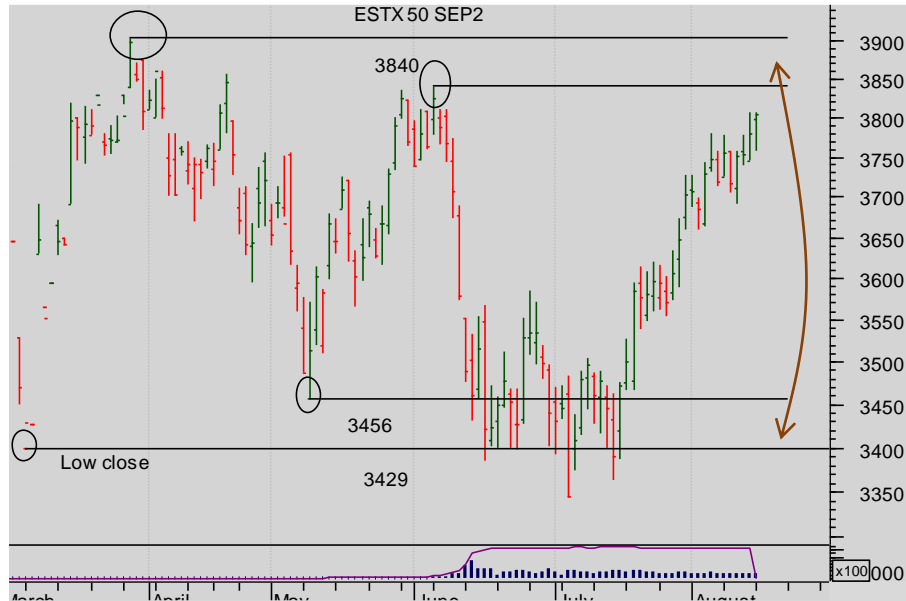
Eurex EuroStoxx 50 weekly cont. futures chart

The pause since March ... Watch the range.

More



Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Sep 22 futures chart

Watch the range.

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IMPLIED ASSET ALLOCATION



Stocks: Liffe FTSE 100

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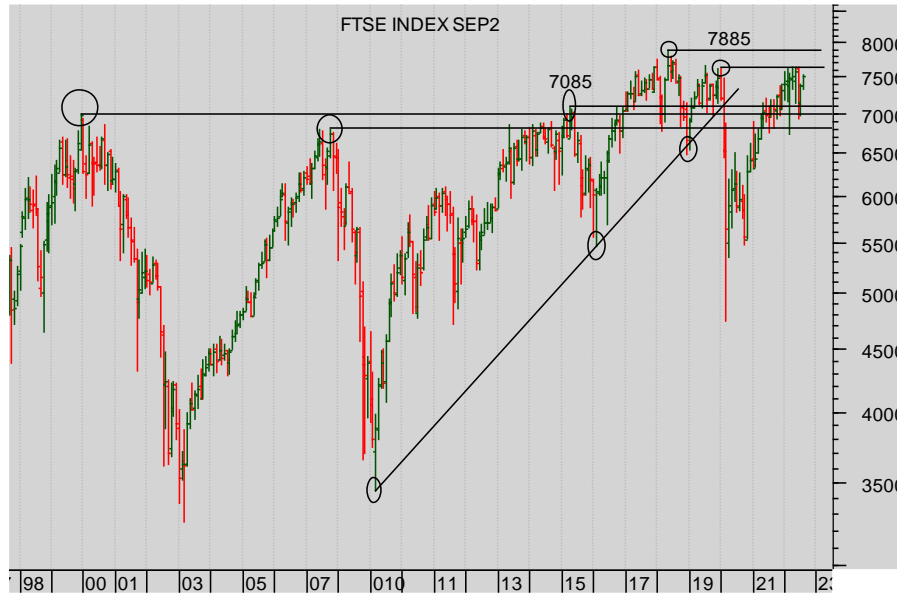
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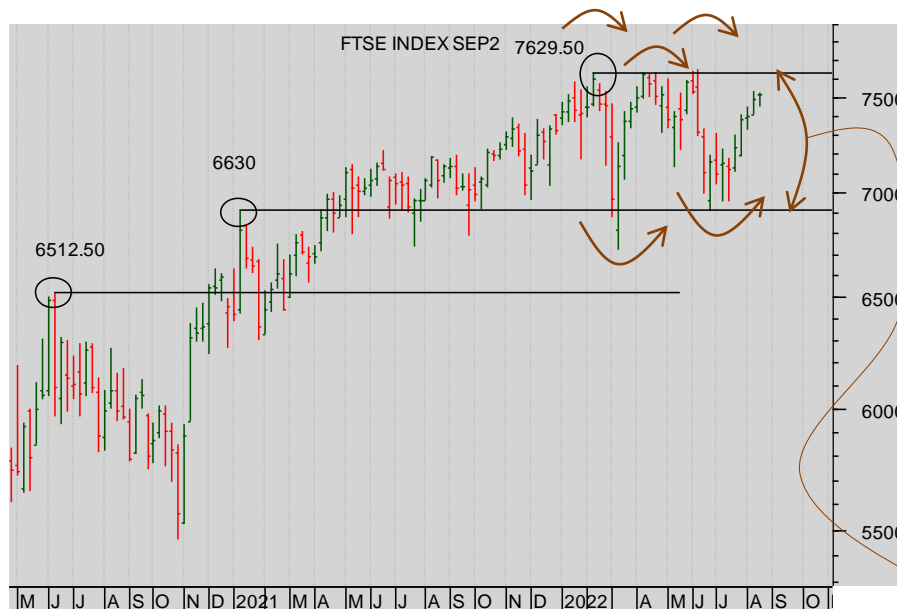
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Liffe FTSE 100 Monthly continuation futures chart

The market has FAILED TO get above the Prior Highs – resulting in a **Monthly Key Reversal in June**.

Look closer.



Liffe FTSE 100 Weekly cont. futures chart

The market is within a wide trading range.

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

The re-approach to the Prior Highs has failed three times.

NB the weekly Key Reversal in June.

Watch the range.

More



Stocks: Liffe FTSE 100

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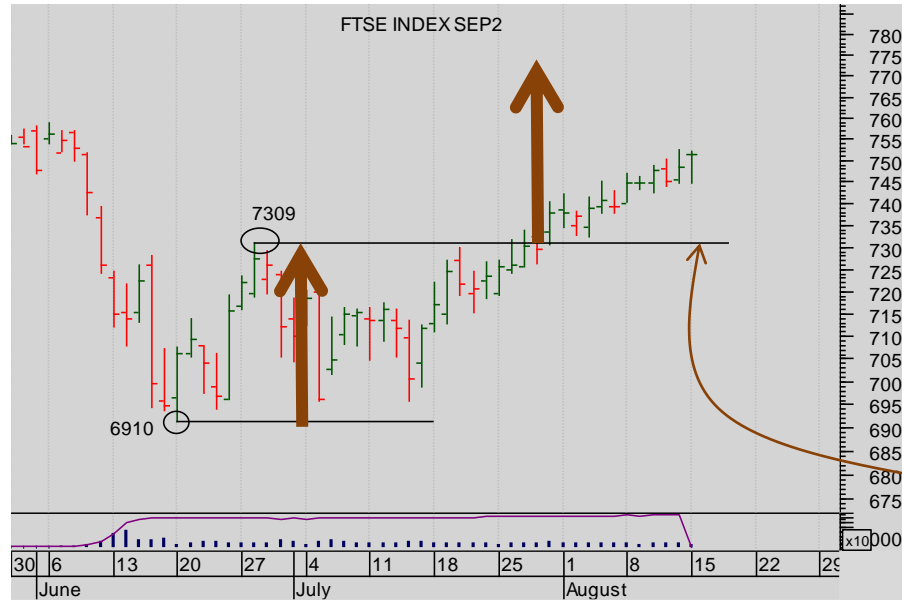
Bonds

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- + UK Gilt

Commodities

- + Oil
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IMPLIED ASSET ALLOCATION



Liffe FTSE 100 **Sep 22** daily futures chart

But, short-term the market has created a bullish base (a Double Bottom) from which it wants to **push higher**.

Minimum move? 7750

Support 7309.



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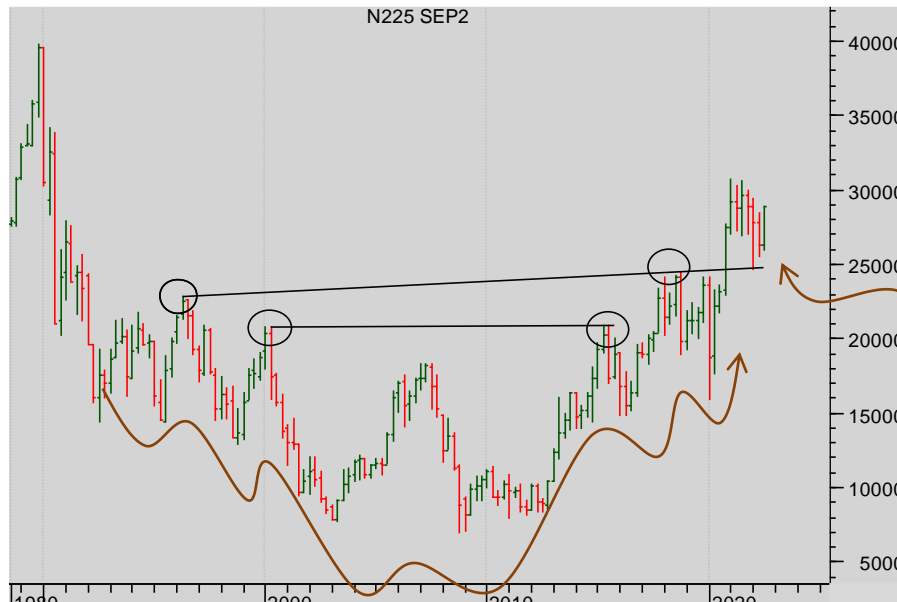
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IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225

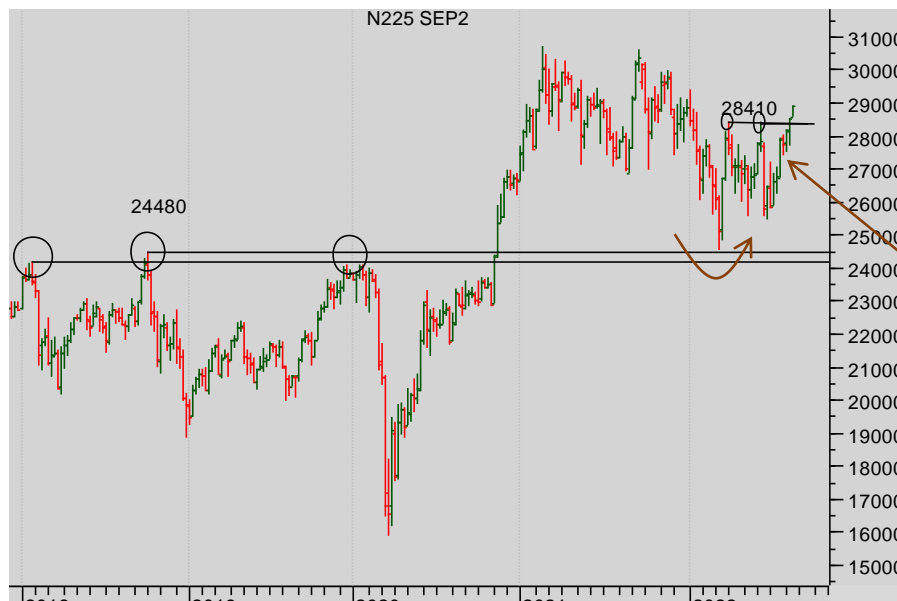


Nikkei 225 chart (Quarterly)

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.

And now the market has completed a bull Double Bottom. Look closer.

More



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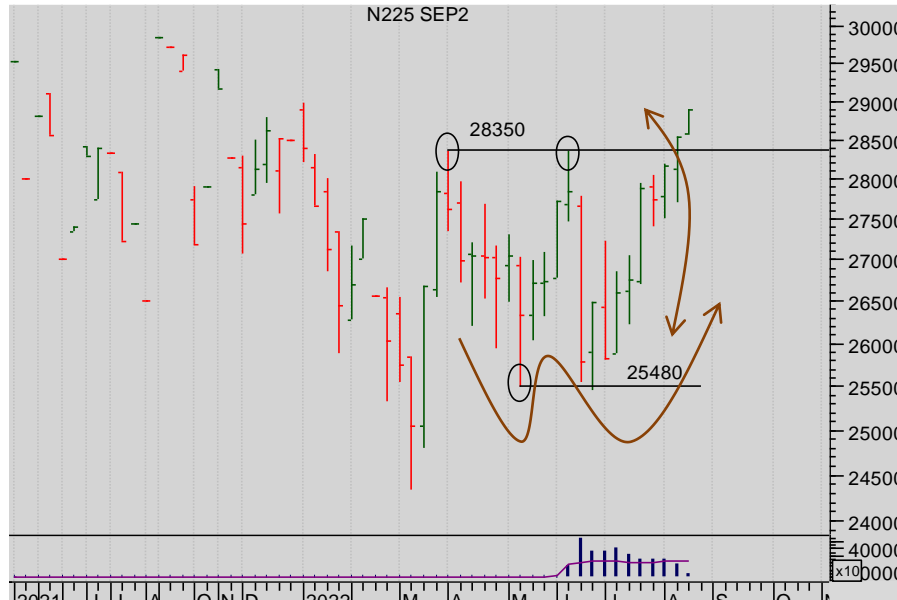
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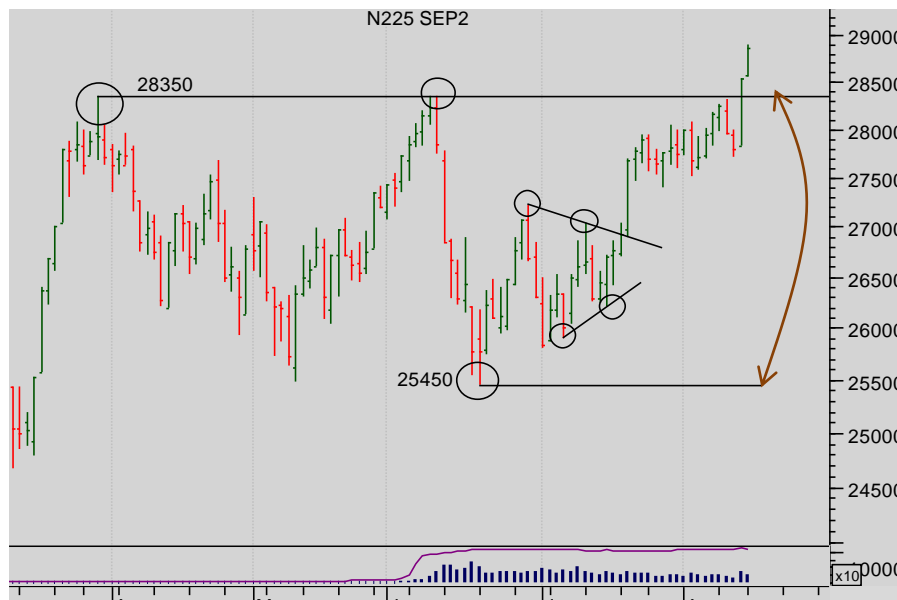
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Stocks: OSE Nikkei 225



Nikkei 225 chart weekly Sep 2022 Future.

The detail the minimum move? 31000 which is more or less the recent highs so far in the Covid bounce.



Nikkei 225 chart Daily Sep 2022 future.

The detail of a continuation Triangle as the catalyst for the breakout.



Bonds

BONDS: None of these markets look as if they want to retrace further from their yield highs (whether there is Fibonacci support, or horizontals from Prior Highs) but otherwise lack clarity. Stand back.

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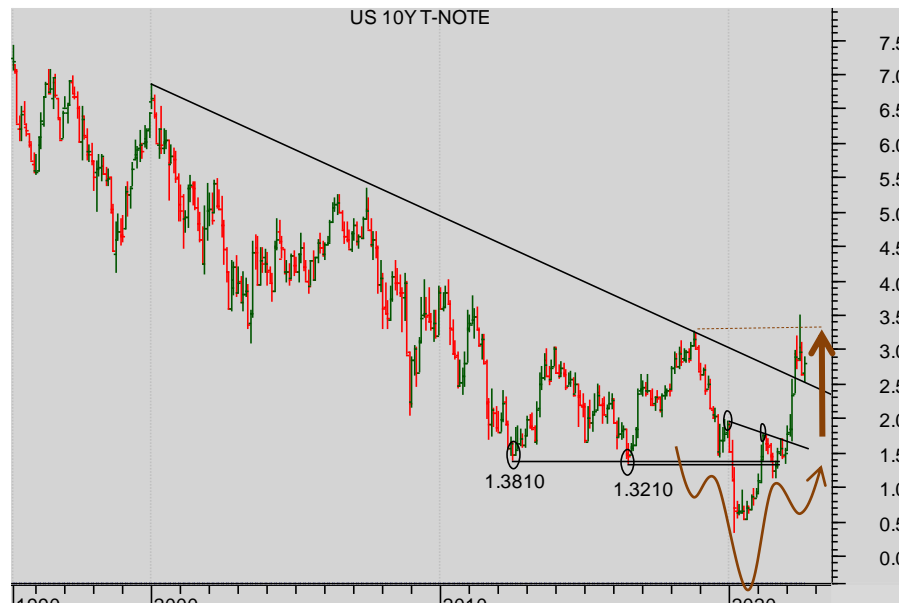
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IMPLIED ASSET ALLOCATION

Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) monthly chart

The H&S Reversal pattern has been driving the market and the minimum measured move has happened.

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

But there has been a drift

More



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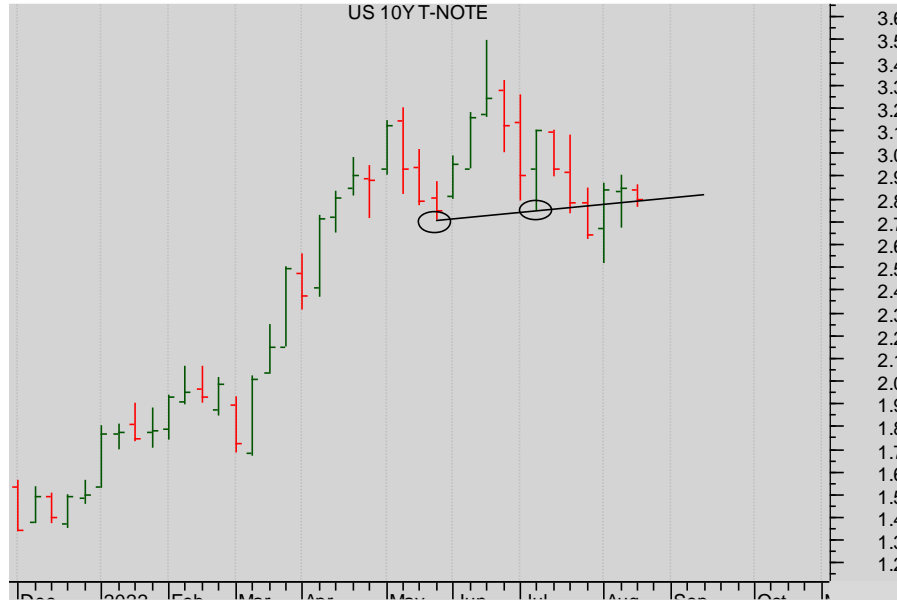
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IMPLIED ASSET ALLOCATION

Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) weekly chart

The possible H&S Reversal looks unlikely now.



US Ten Year Notes Sep 2022 Futures price daily chart

Note the retracement to the big horizontal resistance failed there.
Note to the Key Reversal.

More



Bonds: German Bund yield chart

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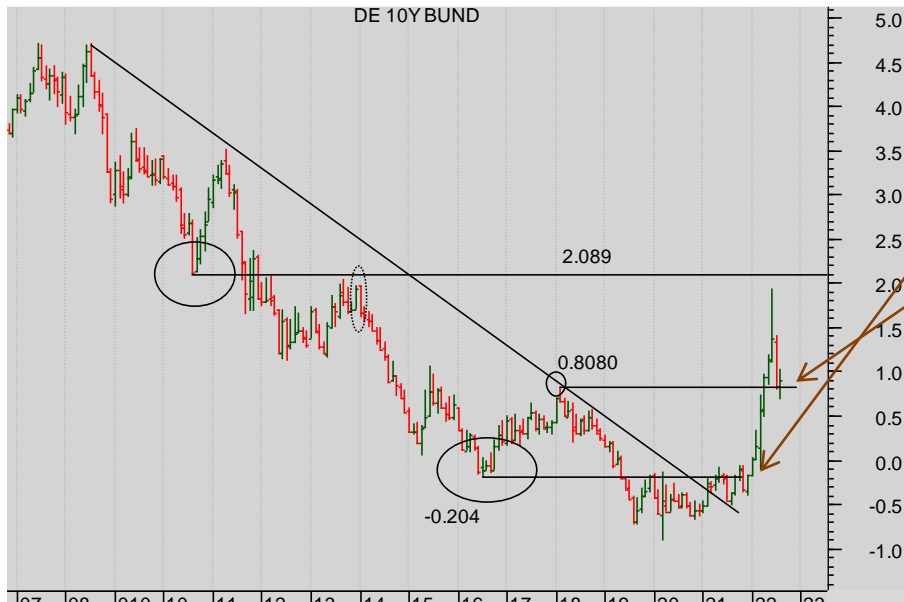
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IMPLIED ASSET ALLOCATION

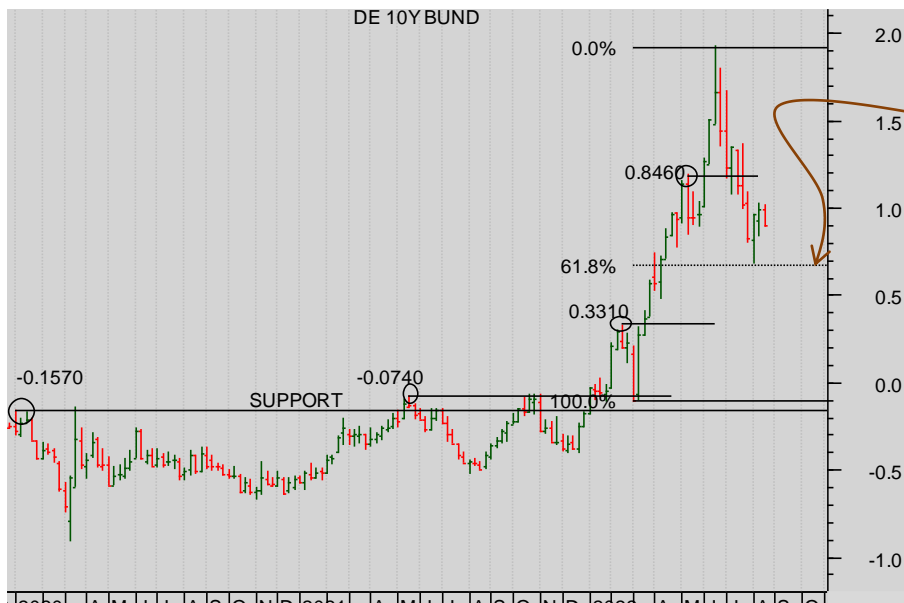


Bund monthly yield chart

The close above -0.204 cemented the turn

Note too, the break of the old High 0.80 to which the market has returned.

Will that be good support.



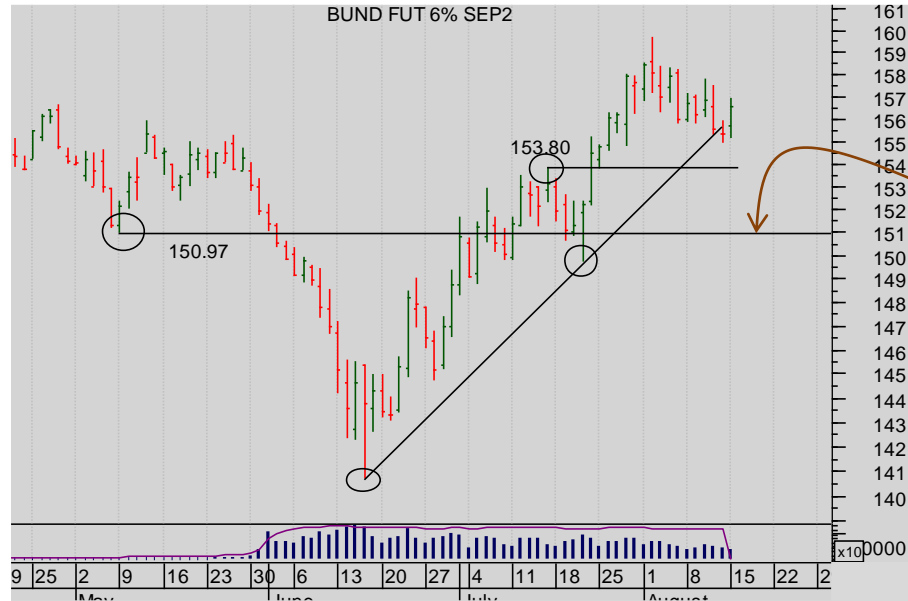
Bund weekly yield chart

Note the sharp retracement to the Fibonacci support....

More



Bonds: German Bund yield chart



Bund daily Sep 22 futures price chart

In futures terms, the rally has been impressive with no sign of a turn yet.

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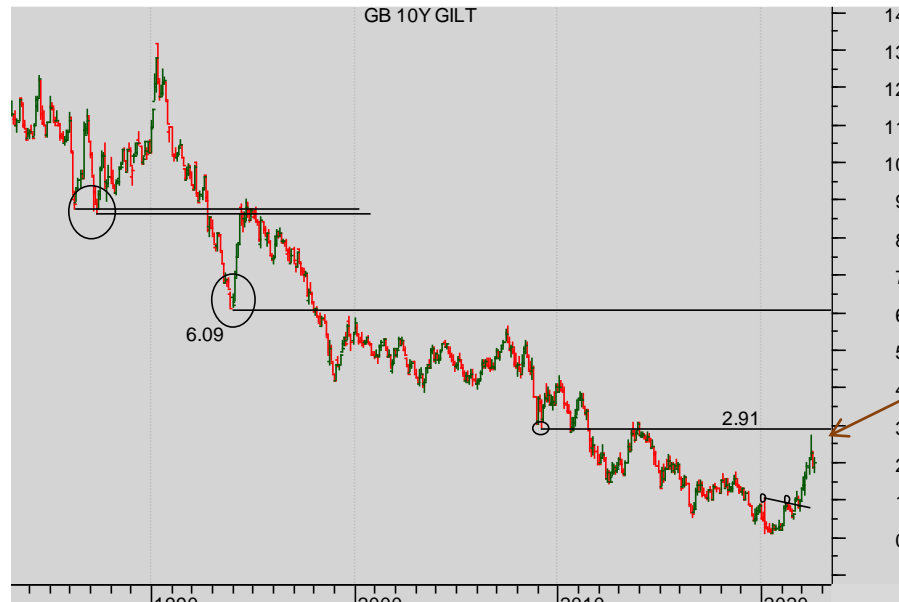
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Bonds: UK Gilt yield chart

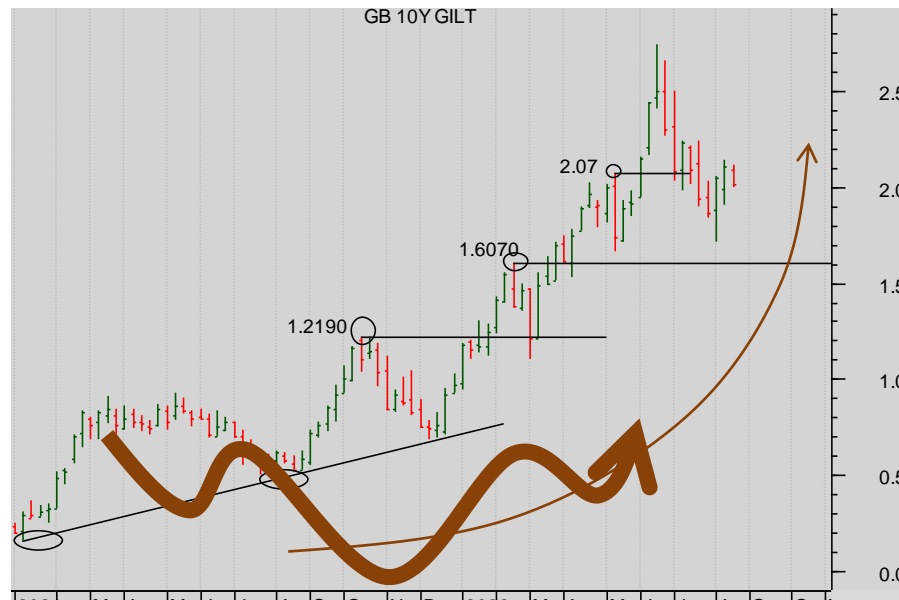


Gilt monthly yield chart

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

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

the market has powered on through towards the 2.91% resistance.



Gilt weekly yield chart

The **accelerating** rally – driven by the H&S reversal....

More



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IMPLIED ASSET ALLOCATION

Bonds: UK Gilt yield chart



Gilt daily price chart

There is no clear Bottom formation.

But the beginnings of a bull trend are clear, but not compelling.

More



Commodity

COMMODITIES:

Oil lies at a critical level in the weekly and daily charts - a break down through current levels will lead to further faster selling. Gold sits between good resistance and support. Stand back.

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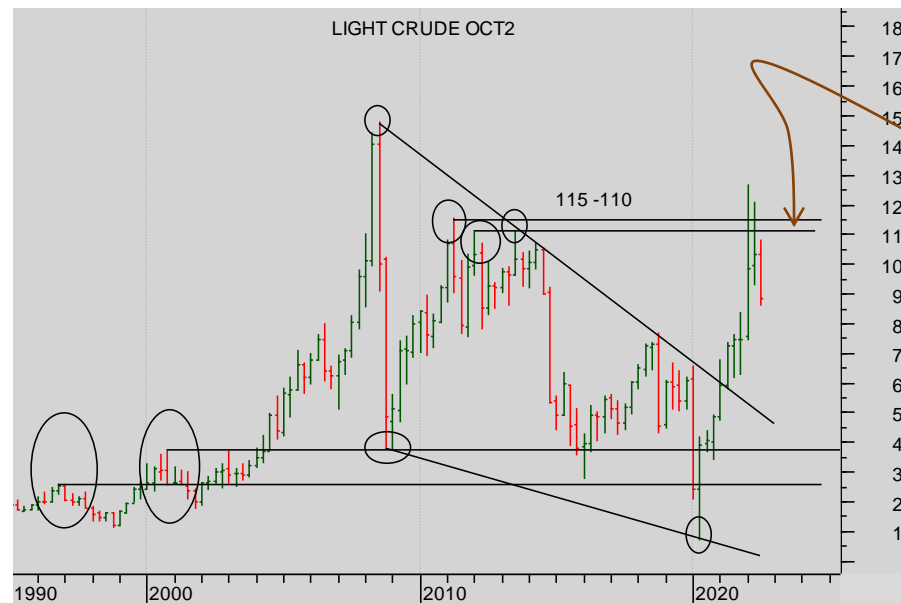
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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil Quarterly continuation

The market is attempting to push up through the old Highs but, so far, has failed.

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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil

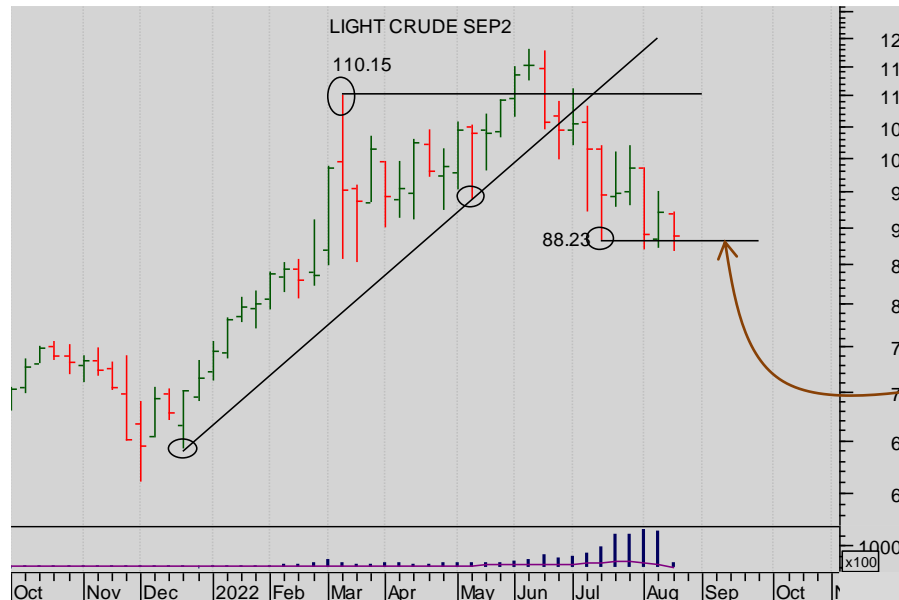


Nymex oil weekly cont. 2022 future

This may be a H&S Reversal calling the market up to \$150 or so.

In which case there is powerful support at current levels at the **Neckline....**

Which the market is testing.



Nymex oil weekly SEP 2022 future

Note too the break of the rising diagonal support ...

There's no top formation but the bears are scenting that the bull trend has ended.

Watch for a fresh break beneath the 88.23 Prior Low.



Commodities: Nymex WTI Oil

Summary

Currencies

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

Stocks

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

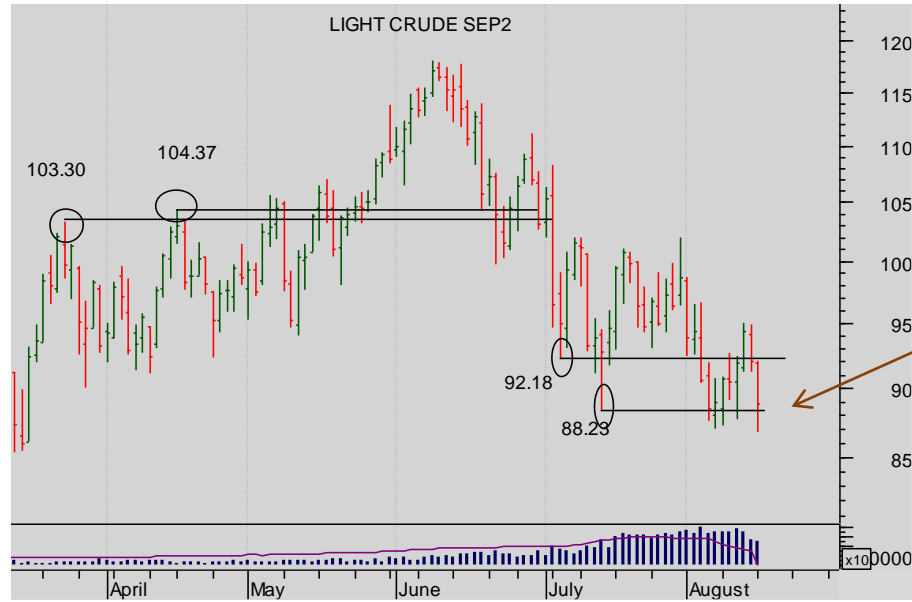
Bonds

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

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Nymex oil daily Sep 2022 futures

In greater detail..

Is this a bear trend? If it is, then 88.23 must be smashed.



Commodities: Comex Gold

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Nymex Gold Monthly

The dither at the 2011 Prior High 1915.50 is unsurprising.

A break beneath 1677 would confirm a Bear Double Top.

That would be powerfully bearish.



Nymex Gold Aug 22 weekly (continuation chart)

The push down beneath the 1891 was catalysed by the Key Reversal

But there will be no real additional bear momentum unless the lows at 1677 are breached.



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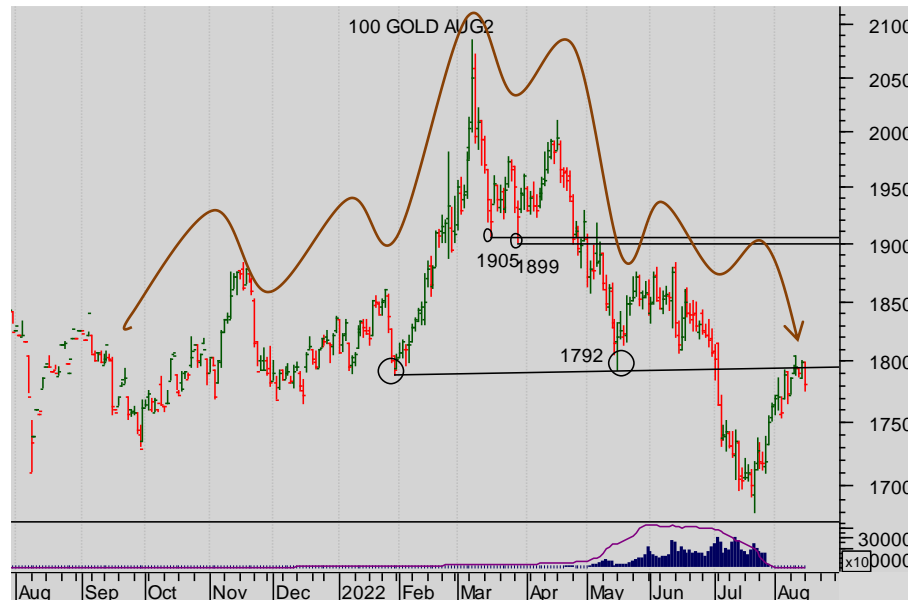
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Commodities: Comex Gold



Nymex Gold Aug 2022 Weekly

The bears need 1792 to resist the rally. So far it has.



Nymex Gold Aug 2022 Daily

Is this a H&S Reversal?

Not sure.

If it is, expect huge resistance at 1800.

So far so good.



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MSCI Balanced Risk Asset Allocation



More



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