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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 18th October 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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Long-term BEAR Euro	Medium-term BEAR Euro	Short-term BEAR 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

Stocks

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

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 FLAT	Short-term FLAT

Bonds

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

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 FLAT

Commodities

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

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Currencies: Dollar Euro

CURRENCIES:

Dollar strength is less interesting (but true still) than the relative performances of the currencies. Sterling is now the strongest, then comes the Euro and then the Yen ...

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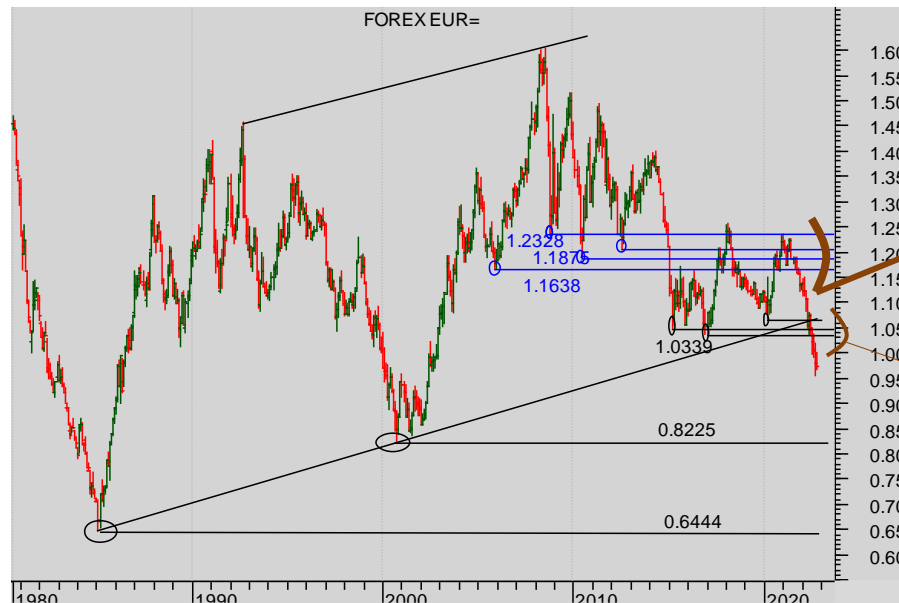
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Dollar Euro monthly spot cash chart

These powerful horizontal resistances have repelled the Euro bulls

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

This is a major breakdown with very powerful resistance above at 1.04.

More



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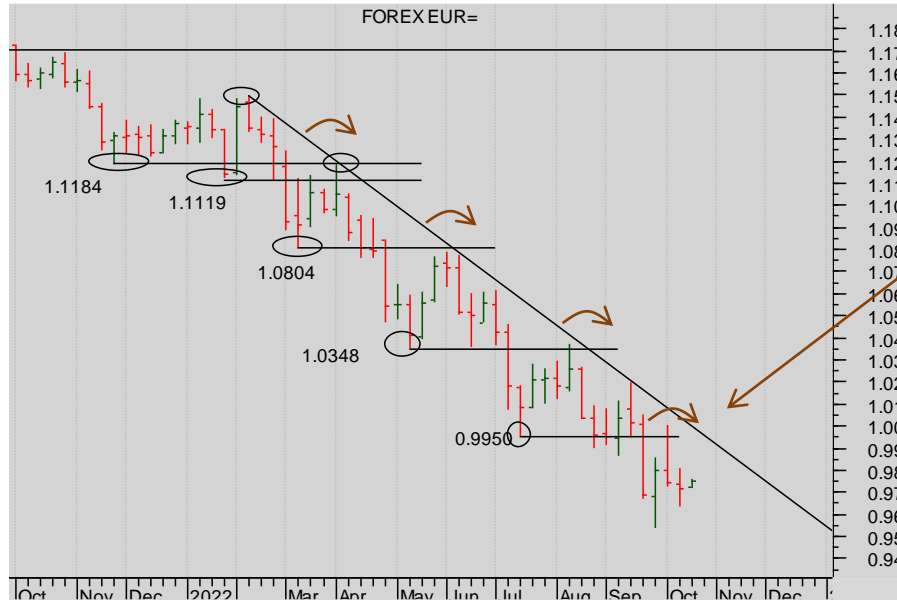
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Currencies: Dollar Euro

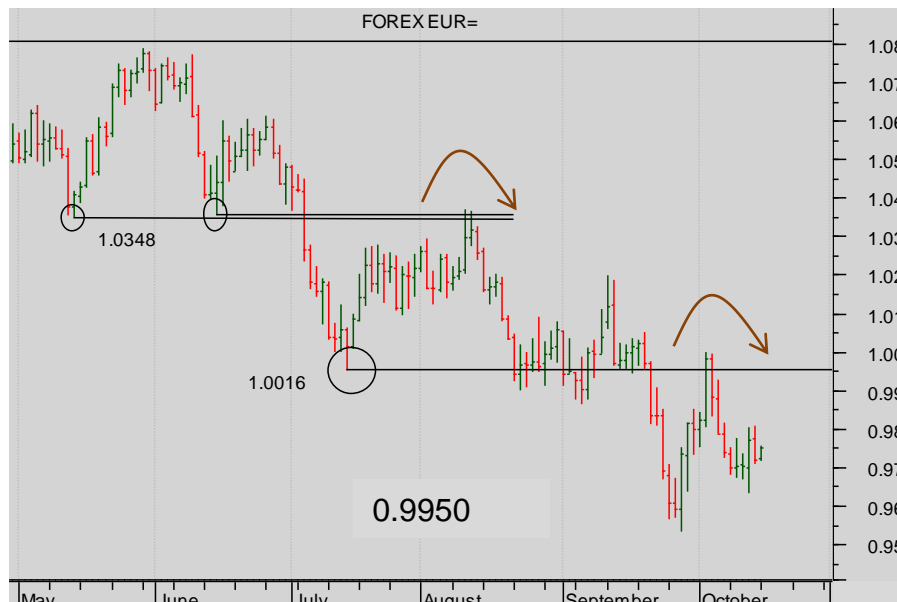


Dollar Euro weekly spot cash chart

This well-established bear trend.

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

Add on this break beneath 0.9950



Dollar Euro spot cash chart daily chart...

In detail :

Successive Prior lows are driving the market lower.

The bears are in charge.



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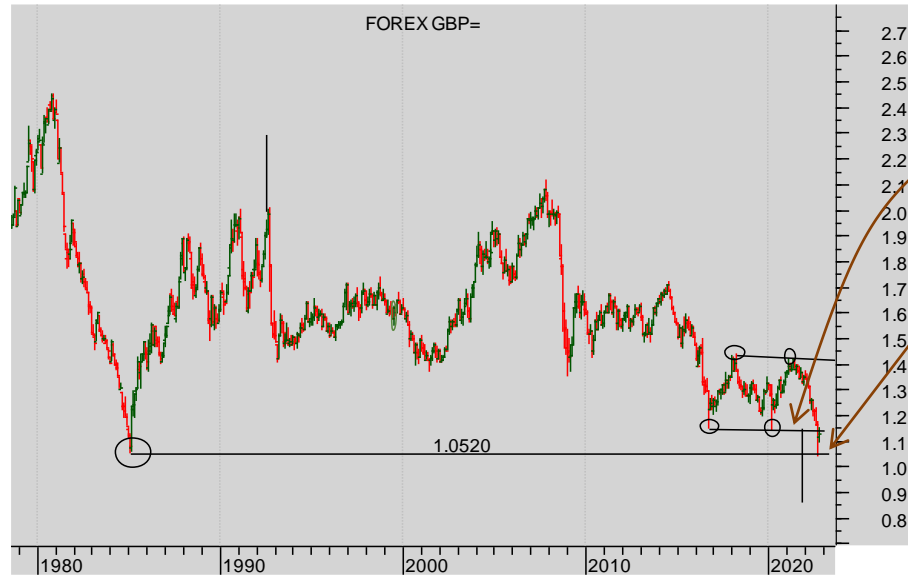
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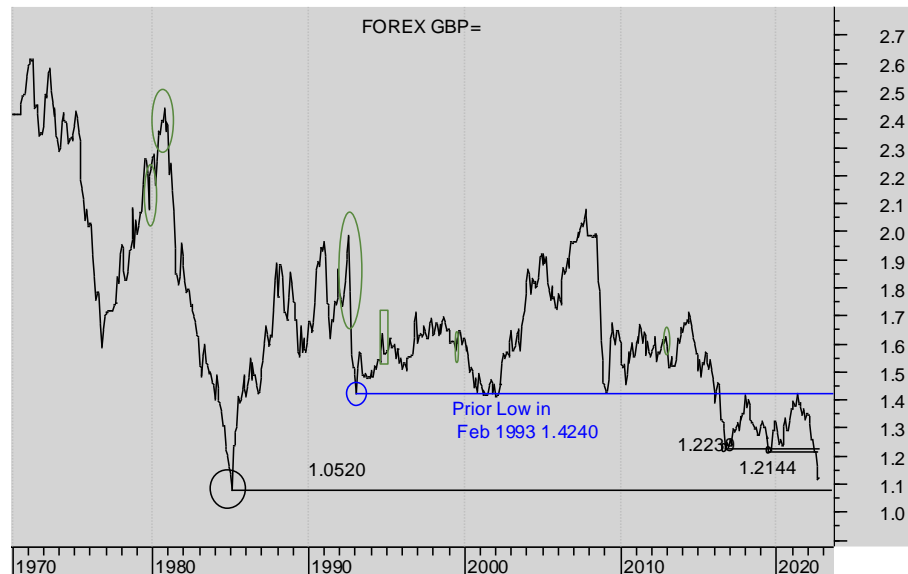
Currencies: Dollar Sterling



Dollar Sterling Monthly spot cash chart

The break beneath 1.1450 looks important – the completion of a bear continuation Triangle – with an implied minimum move down to 0.85 or so.

But, equally important is the Prior low 1.0520.....and that has yet to break.



Dollar Sterling Monthly spot cash LINE CHART based on closes

Now look for a confirmed break of the lows the close at the end of the month was well above.

(If 1.0520 had broken, the bears really would be unambiguously in charge.)

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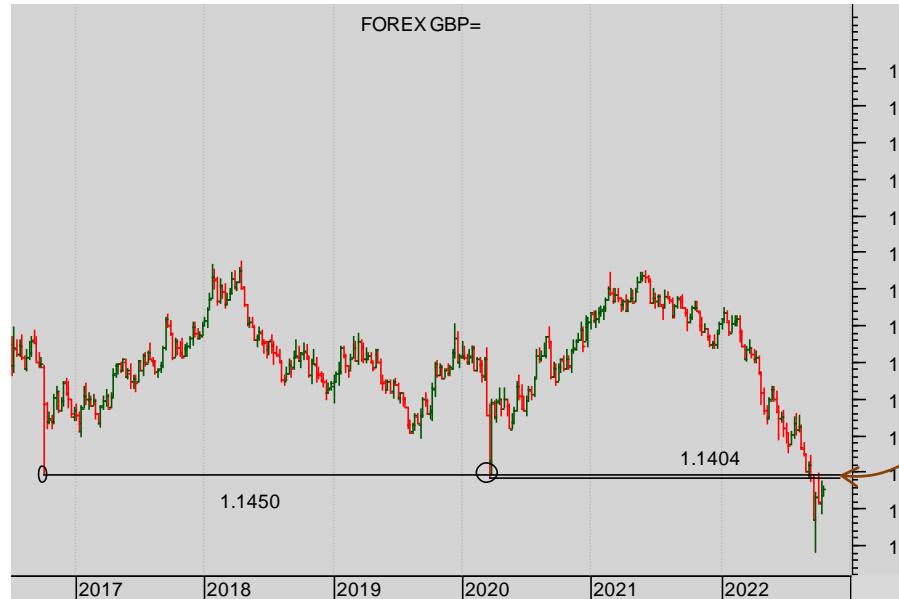
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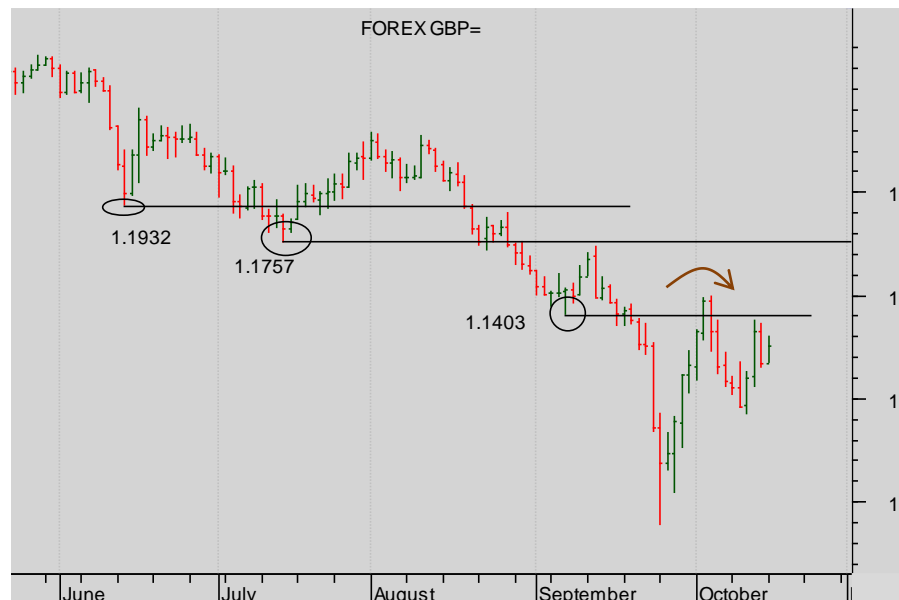
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

The medium-term bear trend is firmly in place.

But note now the importance of the Prior Low RESISTANCE at 1.1404.



Dollar Sterling daily spot cash chart

Short-term, there is a breakdown beneath the Prior Lows – establishing successive resistances above the market that so far have been good and powerful.



Currencies: Dollar Yen

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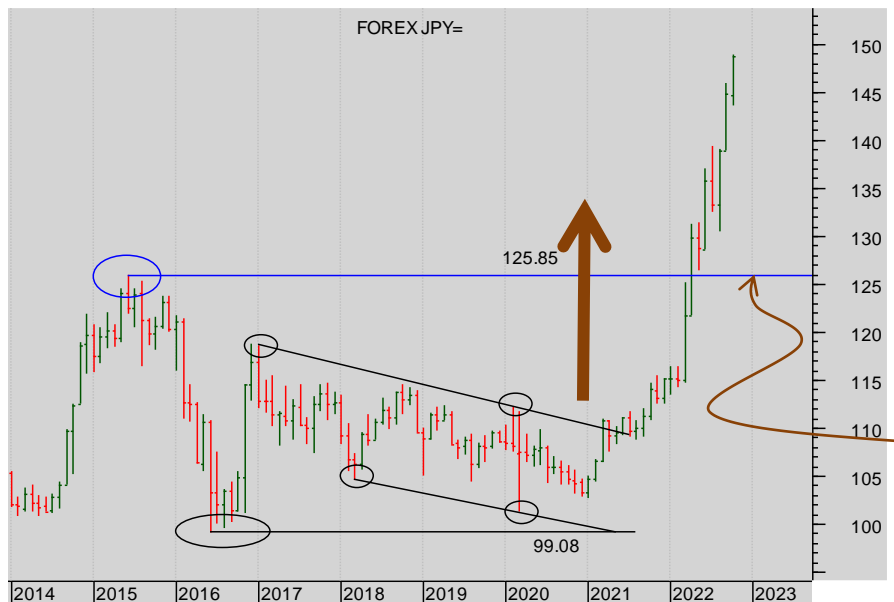
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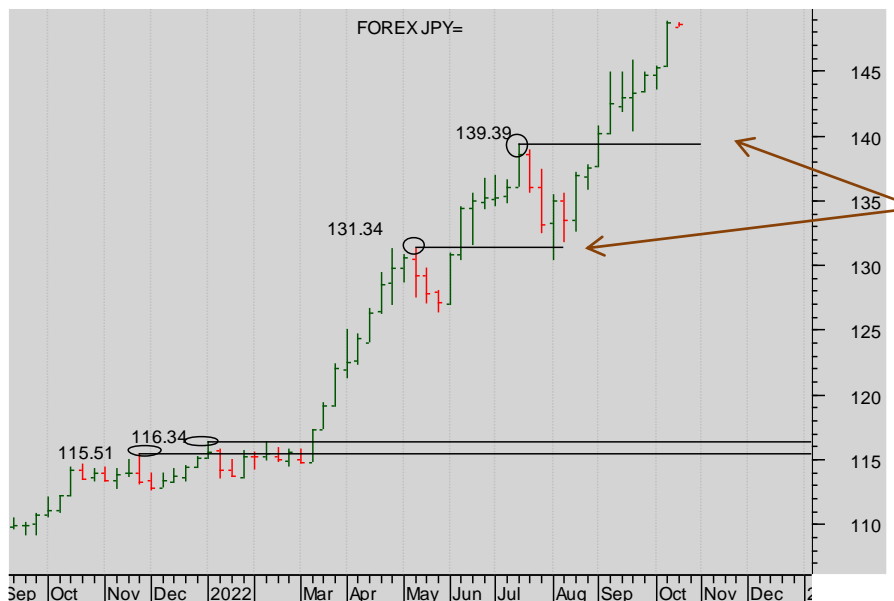
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Dollar Yen monthly spot cash chart

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

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



Dollar Yen weekly spot cash chart

The recent pauses Created successive supports at 131.34 and 139.39.

The dollar Bulls are in full cry.

More



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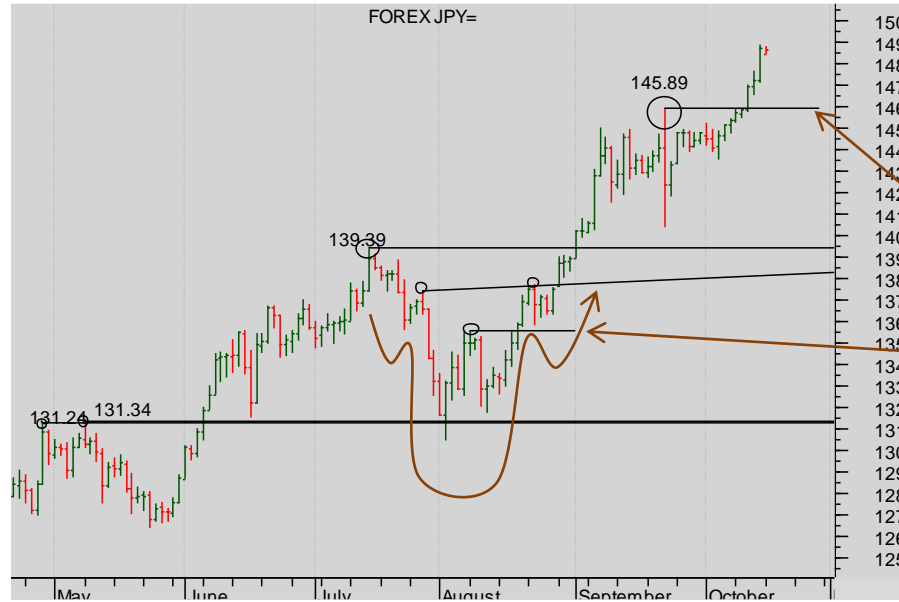
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Commodities

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Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Note the good structural support at the successive Prior Highs – nearest support now at 145.89.

and the past completion of a H&S reversal that drove the market higher still.



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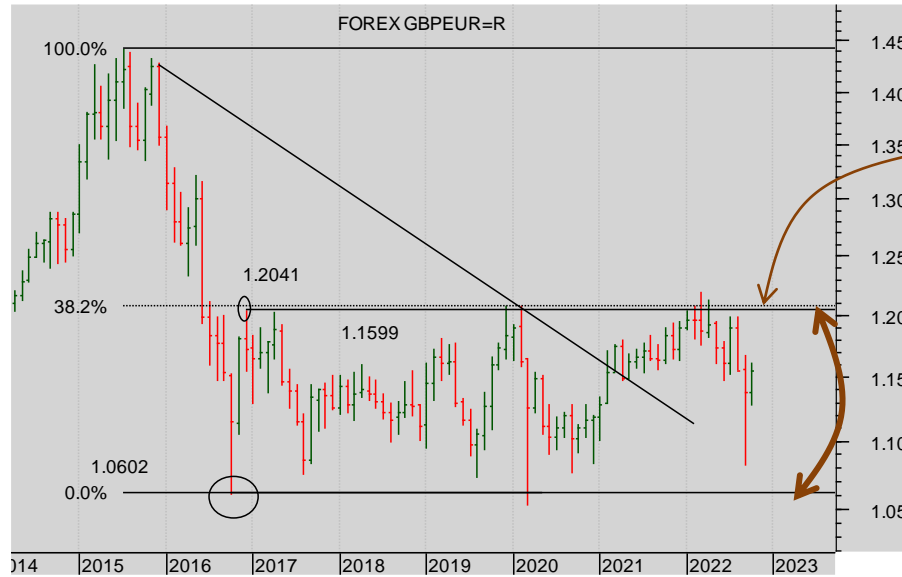
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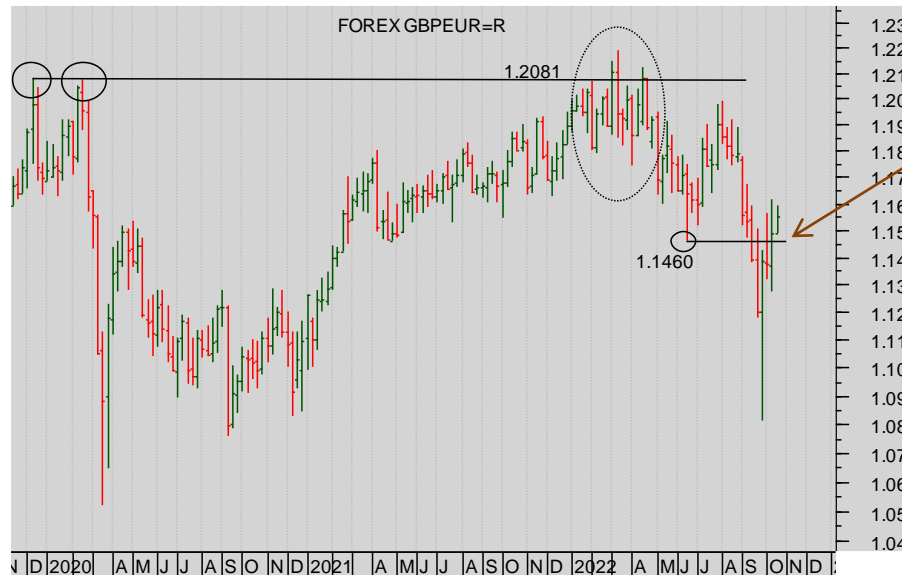
Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

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

The market remains within the range since 2016.



Sterling Euro weekly spot cash chart

Note the sharp two-week fall beneath the Prior Low... And then the smashing of that resistance at 1.1460.

Sterling looks strong.

More



Currencies: Sterling Euro



Sterling Euro daily spot cash chart

That recent rally against the Euro in greater detail.

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- + **Sterling Euro**

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Stocks: CME S&P

STOCKS: It's not clear. Markets are poised to push beneath prior lows and so set off another bear leg - but the closes are not compelling yet – watch closely for instance, the EuroStoxx to provide a clear signal.

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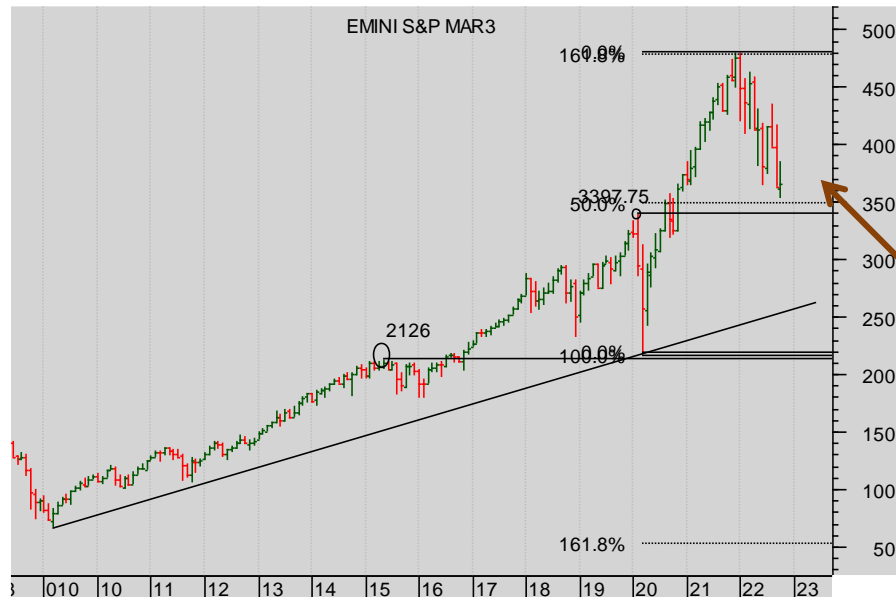
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CME S&P 500 monthly cont. futures chart

The bear trend continues.

First powerful support now at 3397.50. (Note the coincident Fibonacci support.)

More



Stocks: CME S&P 500

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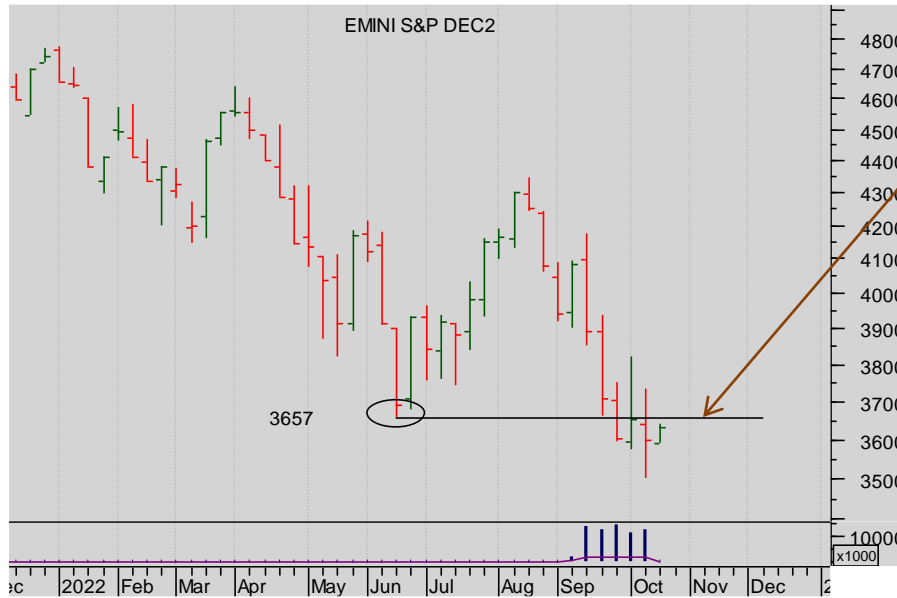
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Commodities

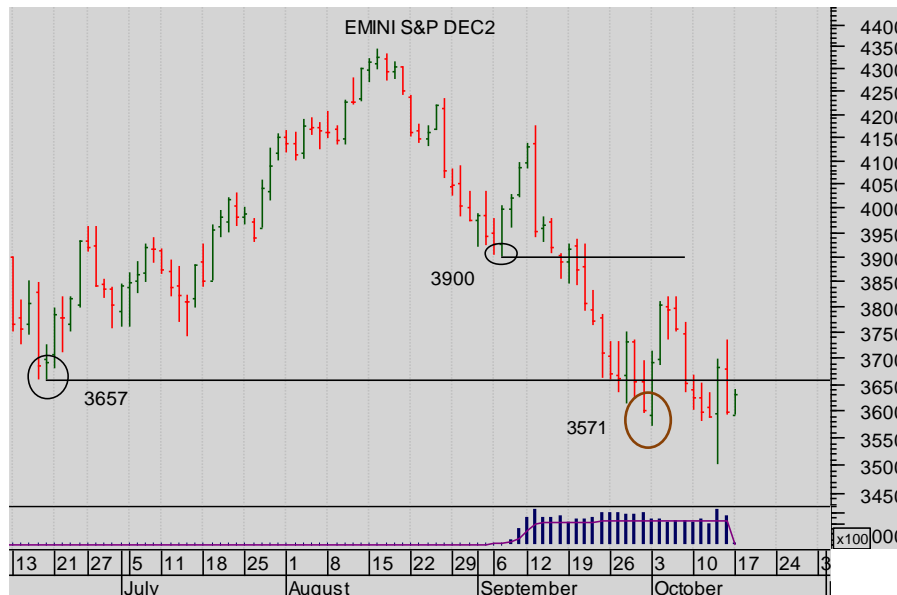
- + Oil
- + Gold

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CME S&P 500 cont. weekly cont. chart

Note the market's pushdown through the Prior Low ... The next bear leg looks set to begin.



CME S&P 500 daily Sep 2022 chart

The market has broken beneath the Prior Low 3657, bounced, and looks to be re-penetrating that low.

A confirmed break beneath the low at 3571 is likely to ratchet it lower still.

More



Stocks: Eurex EuroStoxx 50

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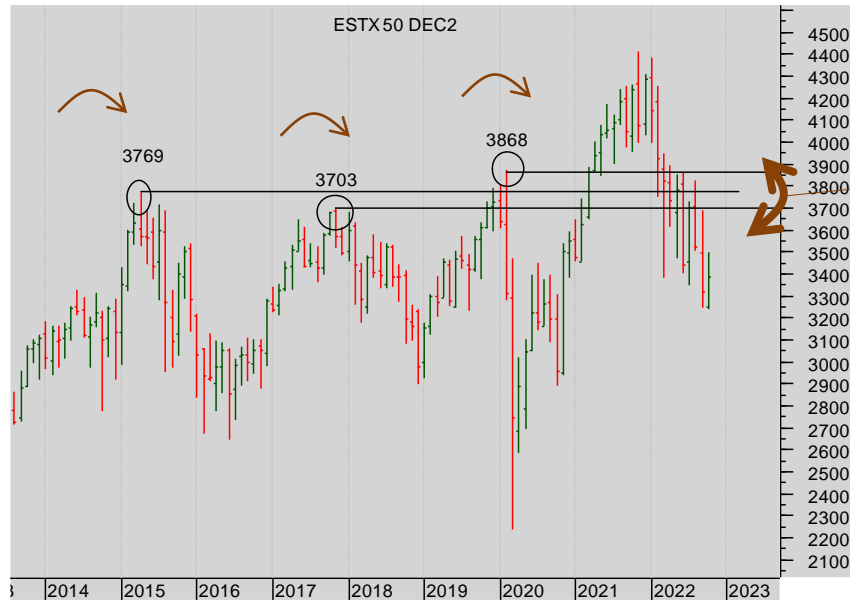
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Eurex EuroStoxx 50 monthly continuation futures chart

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

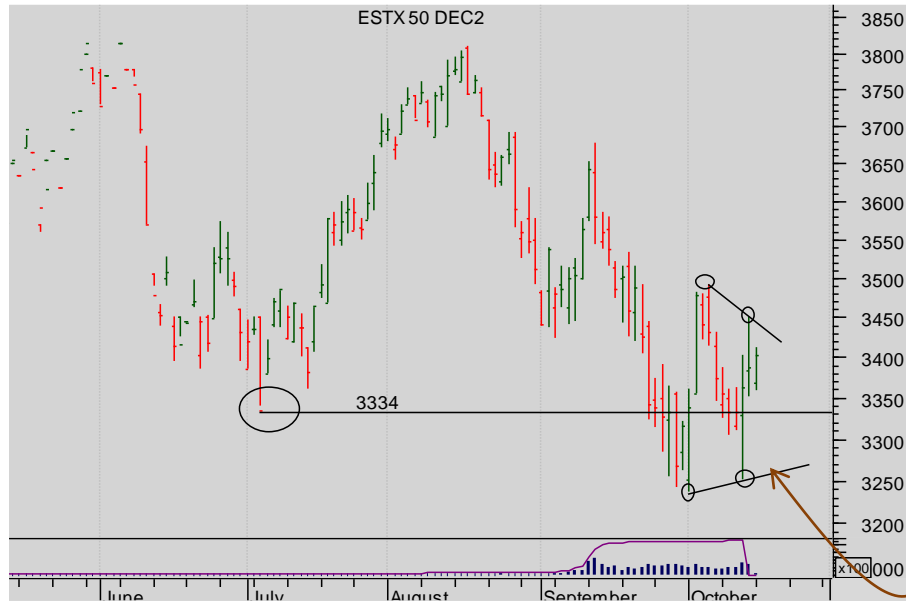
The pause since March ... Watch the range and the completion level at the bottom of the triangle.

A sustained break beneath the lower diagonal (approx. 3300) would be very bearish - completing the bear triangle and so suggesting a move of say 500 points lower to 2800 minimum.

More



Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Dec 22 futures chart

The detail of trading around 3334
– watch for a confirmed
completion of the bear triangle
beneath 3250...

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Stocks: Liffe FTSE 100

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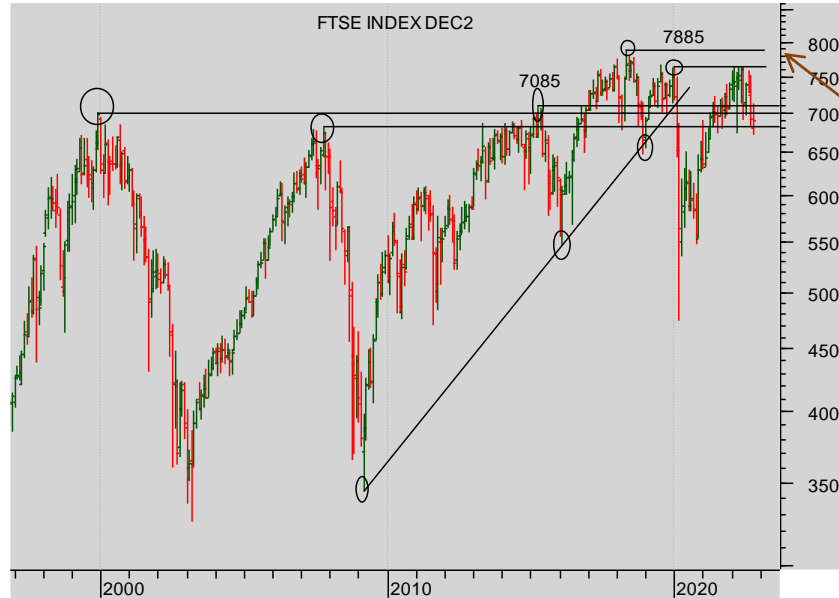
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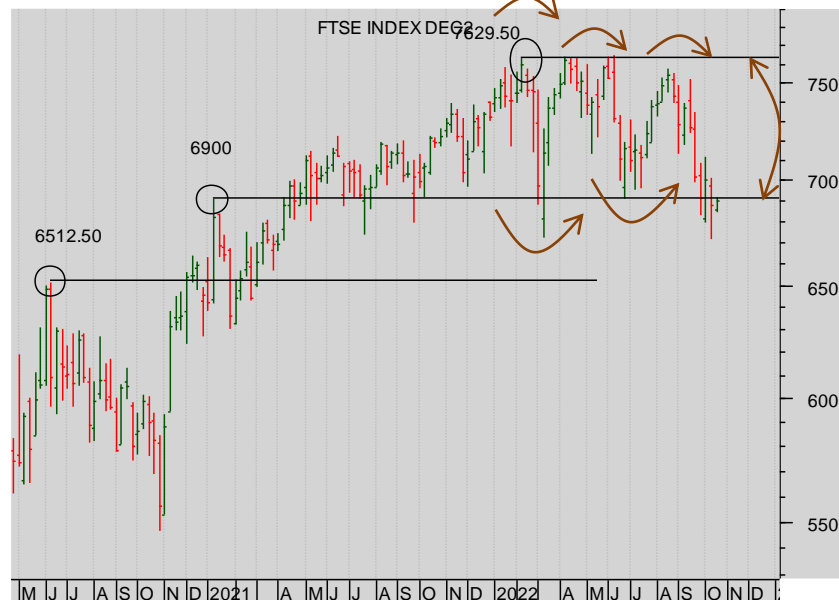
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Liffe FTSE 100 Monthly continuation futures chart

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

Look closer.



Liffe FTSE 100 Weekly Dec 22 futures chart

The market is trying to breakdown out of the wide trading range.

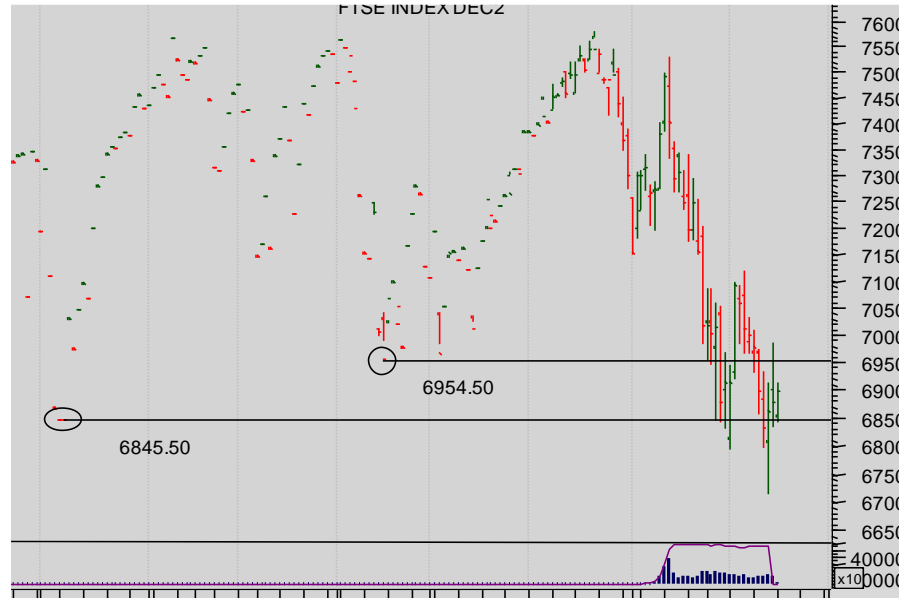
The market has **repeatedly** bounced off the first horizontal support of consequence 6900

Wait for the break before selling.

More



Stocks: Liffe FTSE 100



Liffe FTSE 100 Dec 22 daily futures chart

And short-term the market has pushed into the band from the Prior Lows but has failed to decisively close beneath them.

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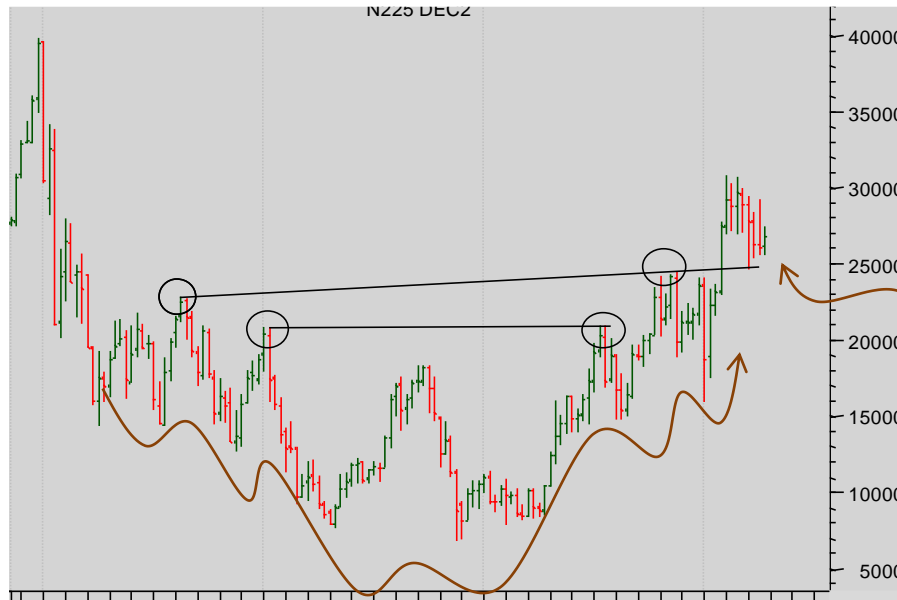
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Stocks: OSE Nikkei 225

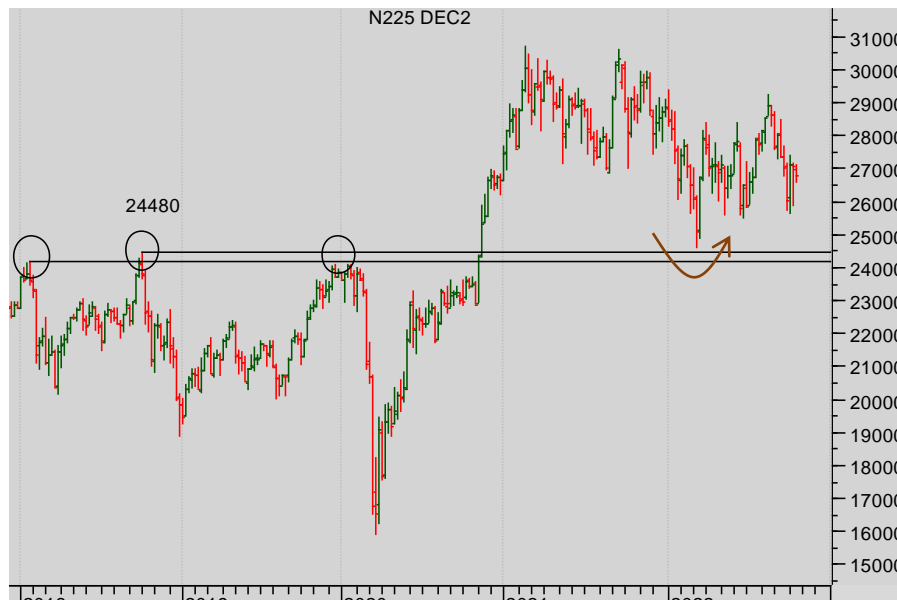


Nikkei 225 chart (Quarterly)

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.

But there is not yet a close reversal formation.

More



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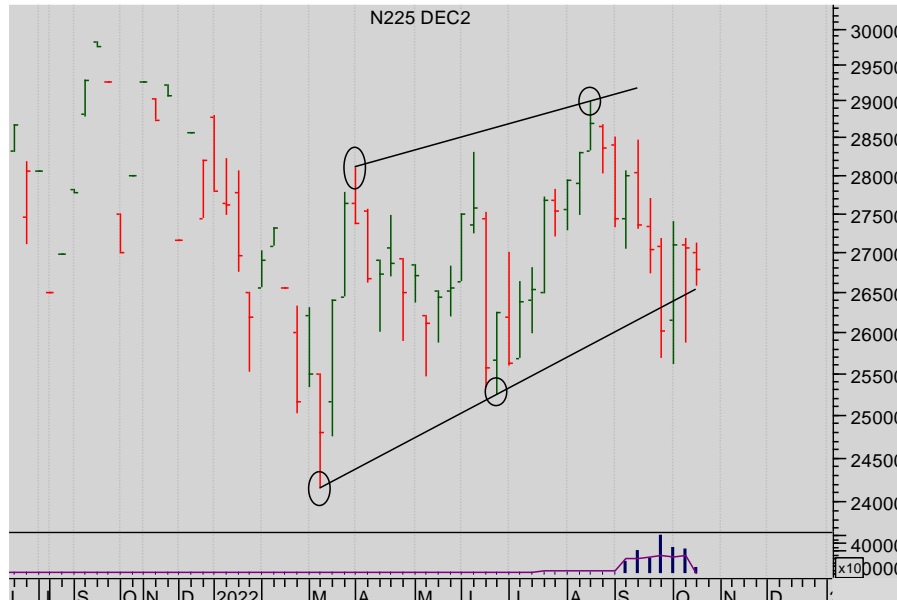
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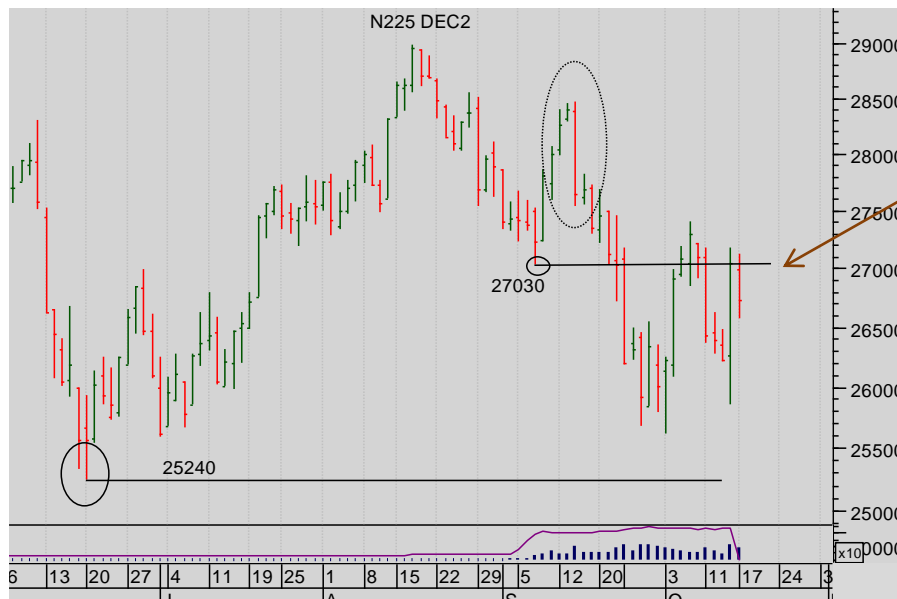
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Stocks: OSE Nikkei 225



**Nikkei 225 chart weekly
Dec 2022 Future.**

Is this a bear wedge close to completion?



**Nikkei 225 chart Daily
Dec 2022 future.**

That breakdown in detail.
27030 may be good
resistance ...



Bonds

BONDS: There are tentative signs of scope for a short-term bounce in prices and fall in yields. But there is massive medium and long-term resistance to any substantial reversal in the trends since early August 2020.

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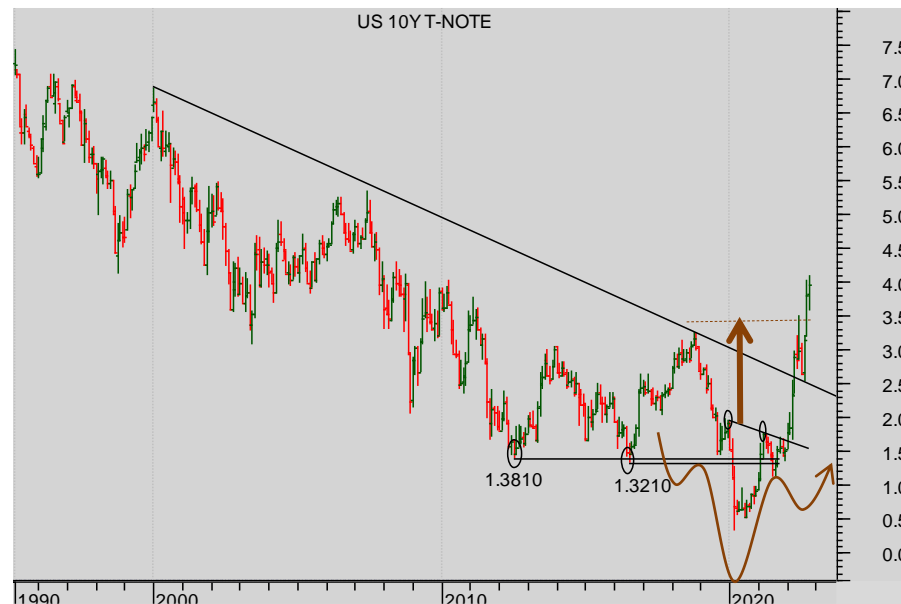
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Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) monthly chart

The H&S Reversal pattern drove the market and the minimum measured move has been achieved.

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

And now, note too, the retracement and then the bounce off it ...

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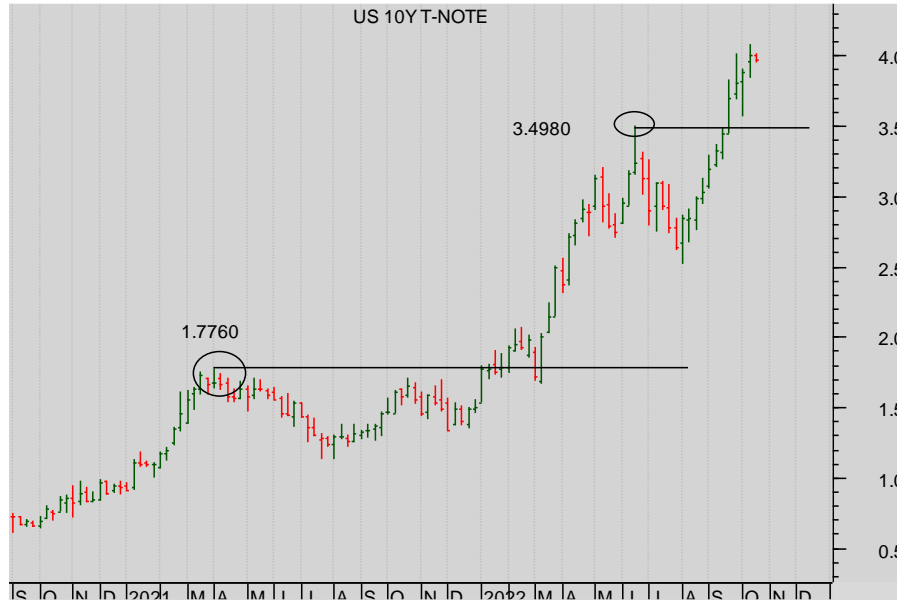
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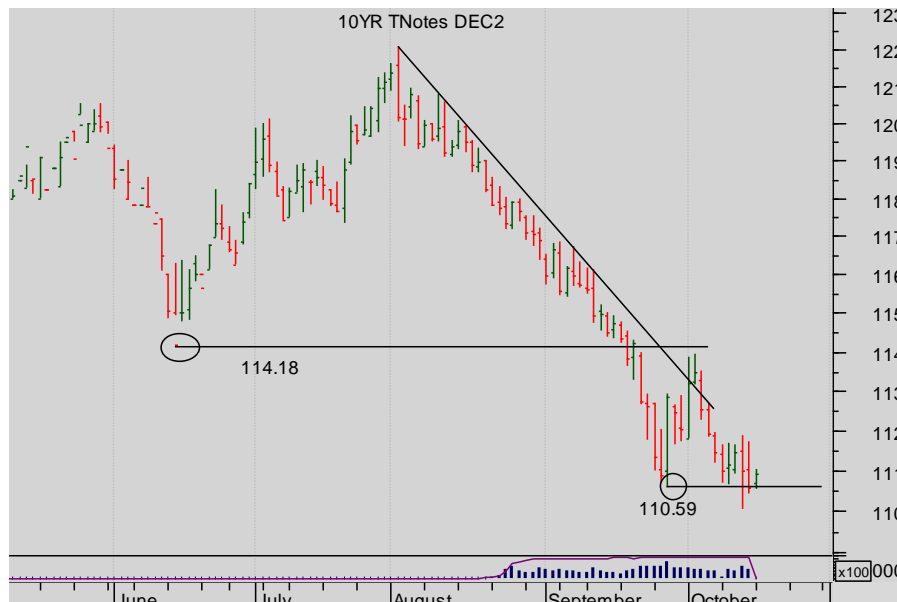
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Bonds: US Ten Year Notes (Yield)



US Ten Year Notes (Yield) weekly continuation chart

The trend is well-set.



US Ten Year Notes Sep 2022 Futures price daily chart

Short-term, note the push
beneath the Prior Low at 114.18
has now created good resistance.

Watch for a break beneath
110.59

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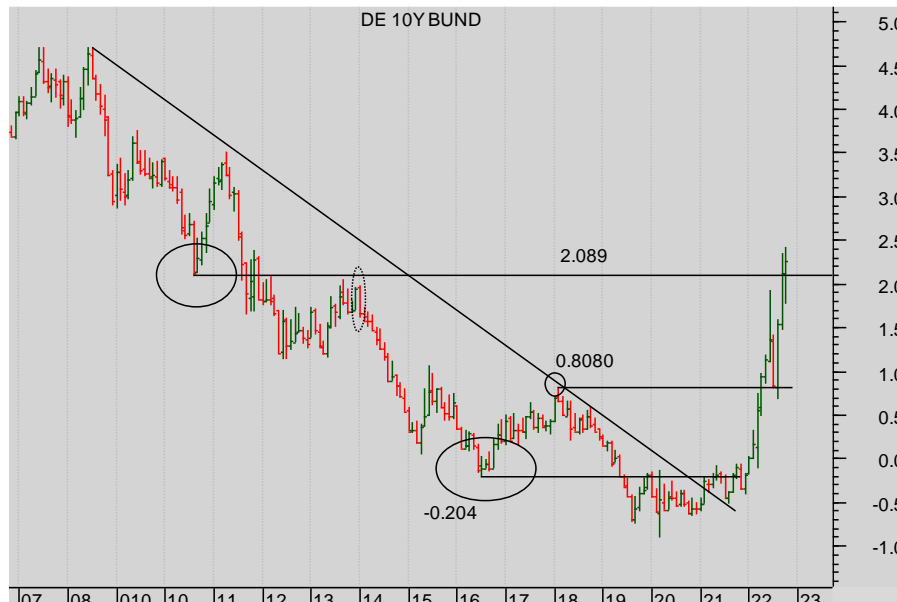
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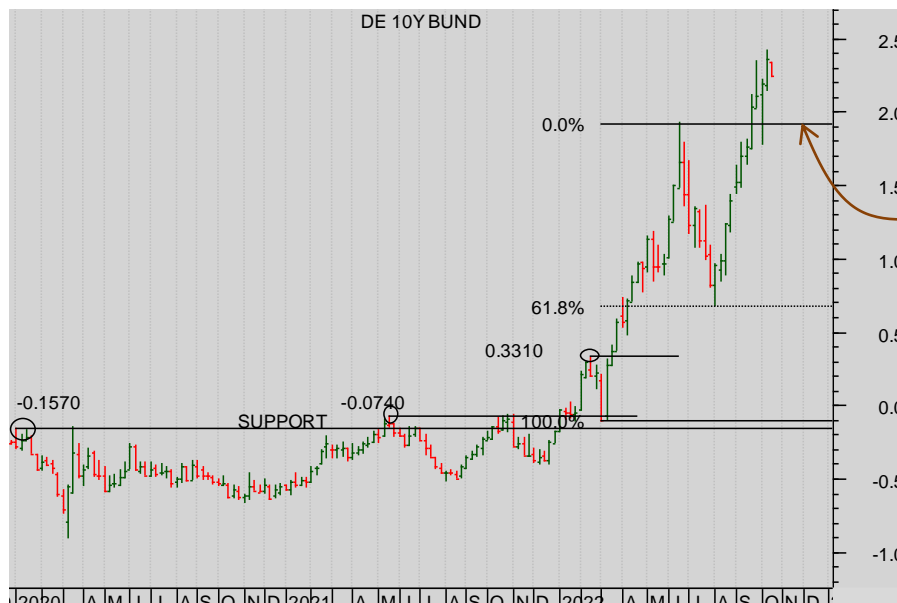
Bonds: German Bund yield chart



Bund monthly yield chart

This is interesting – the move to the 2.0890 level is to a place of good resistance to higher yields.

now it is set to be broken if the market stays at this level at the end of the month ...



Bund weekly yield chart

The prior high just below 2 is an important reference point.... And now, support.

More



Bonds: German Bund yield chart

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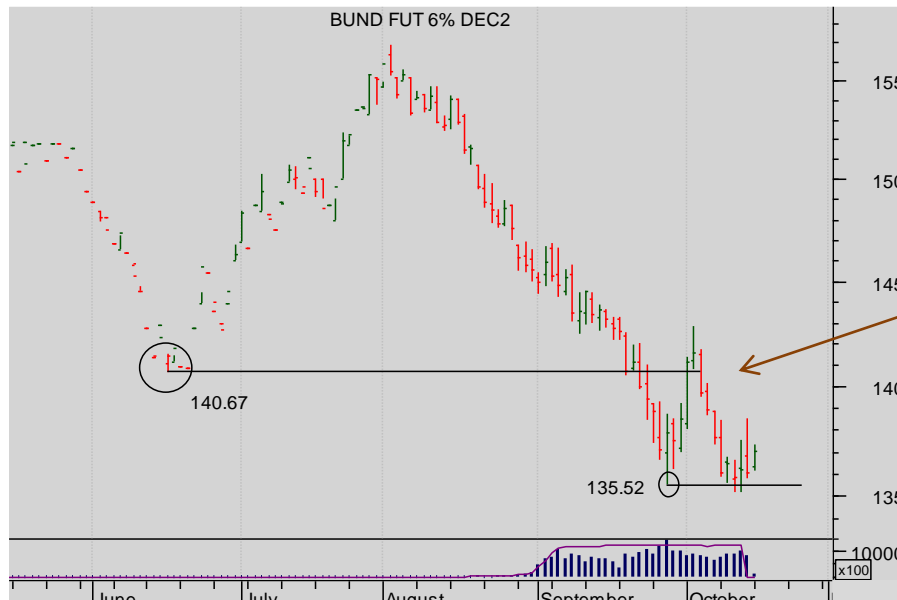
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Bund daily Dec 22 futures price chart

Short-term the push beneath the Prior Low is important suggesting more bear impetus. Resistance to any rallies evident at 140.67.



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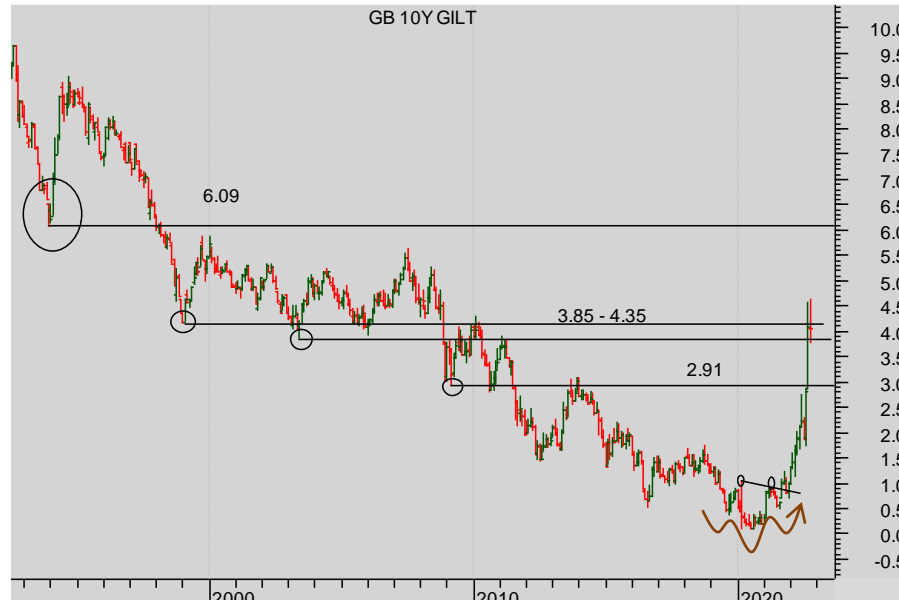
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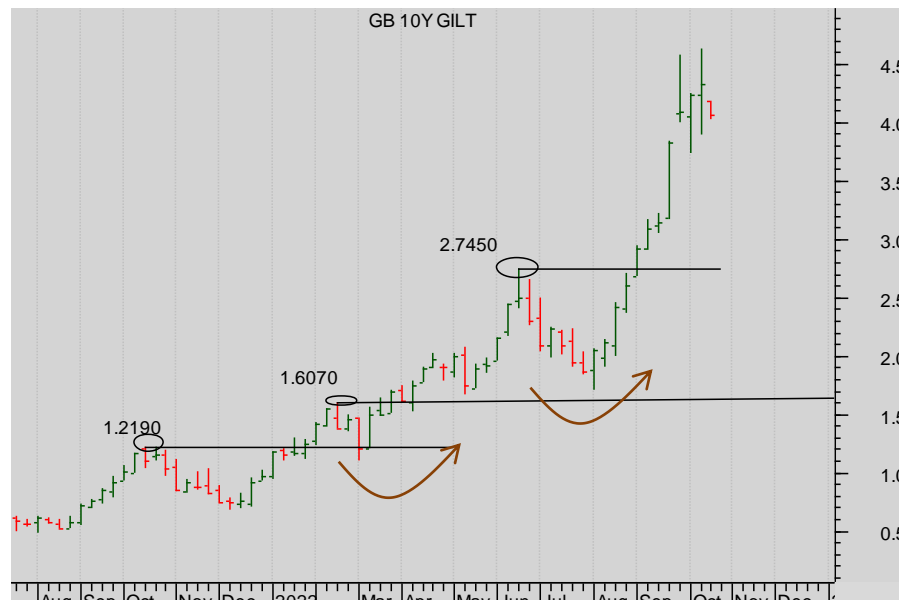
Bonds: UK Gilt yield chart



Gilt monthly yield chart

The market has rallied to massive long-term band of resistance around 4%.

Expect a pause here.



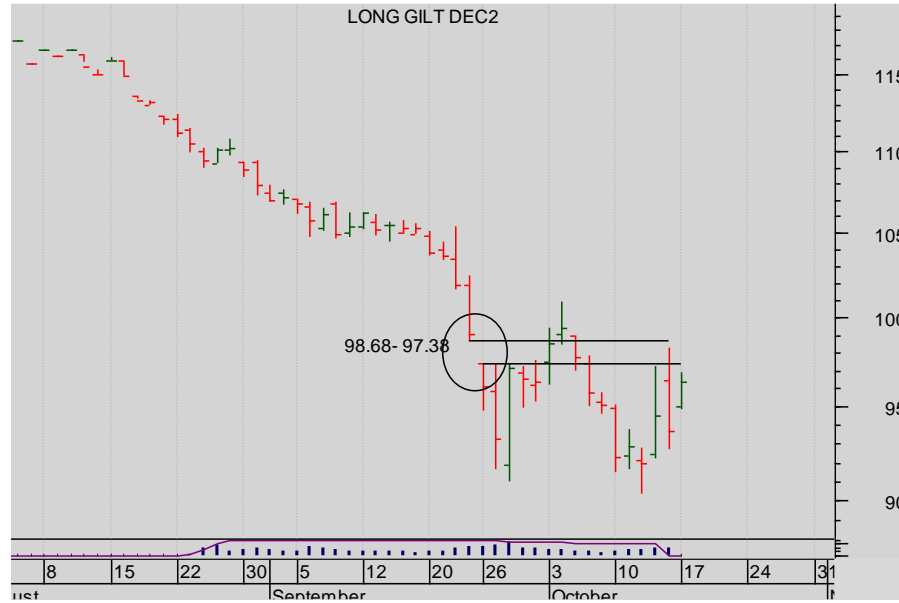
Gilt weekly yield chart

The well-structured rally – bouncing off the support from Prior Highs.

More



Bonds: UK Gilt yield chart



Gilt daily price chart

The short-term price trend is clear.

Note the slight band of resistance above the market.

Only a push up above 100 will embolden the price bulls as it would create a bull Double Bottom.

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Commodity

COMMODITIES:

Oil remains within a wide trading range, without clear pattern in the medium and short term. Gold is pausing at a critical level, close to completing a very bearish Double Top. Gold is very vulnerable to fresh selling in the long and medium term...

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- + FTSE 100
- + Nikkei 225

Bonds

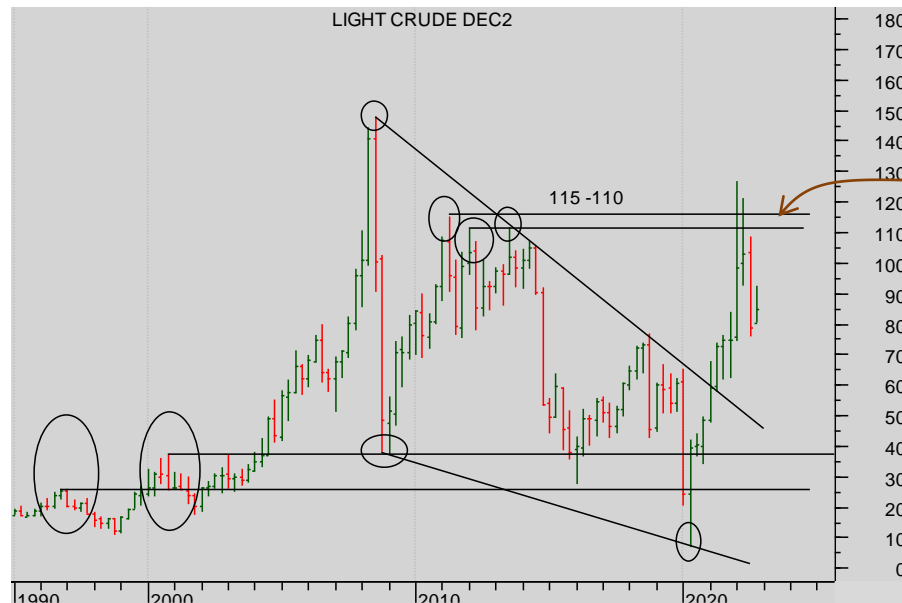
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil Quarterly continuation

The market has failed to push up through the old Highs and had fallen back into to wide trading.

More



Summary

Currencies

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

Stocks

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

Bonds

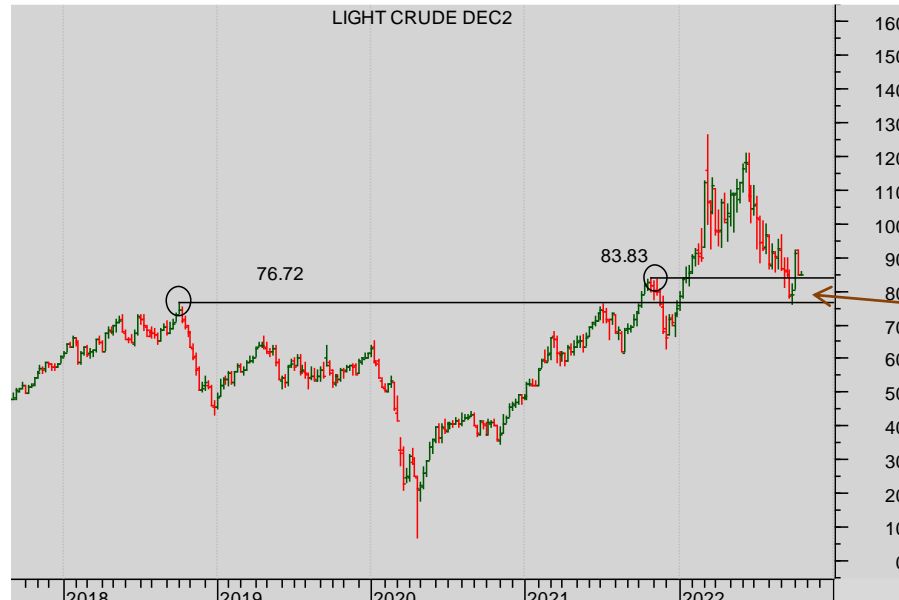
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

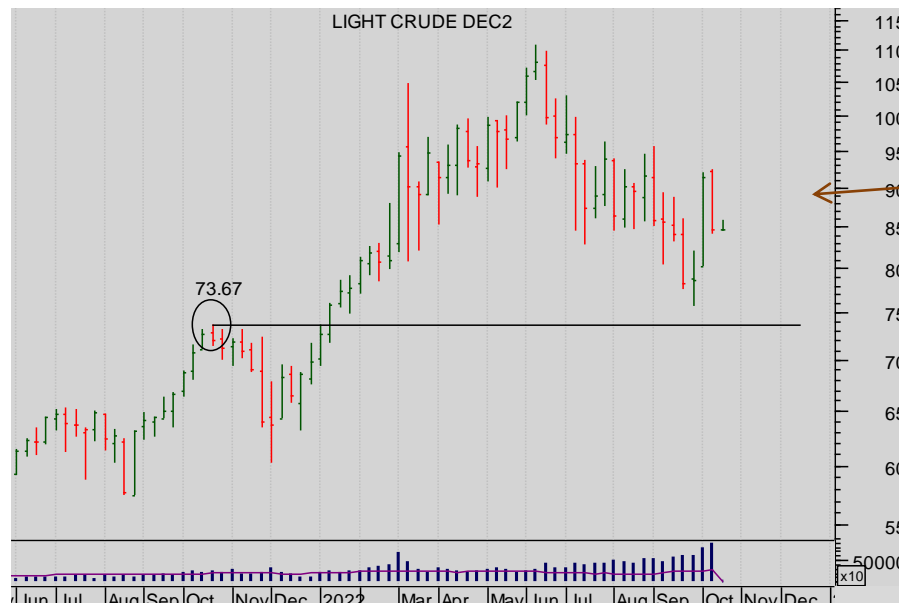
Commodities: Nymex WTI Oil



Nymex oil weekly cont. 2022 future

This looks like the market is testing and bouncing off the band of support from Prior highs.

A breakdown through \$76 would suggest further sharp declines But there's nothing there yet.



Nymex oil weekly DEC 2022 future

Watch the approach to the support from the Prior High at 73.67.



Summary

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- + Sterling Euro

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- + Nikkei 225

Bonds

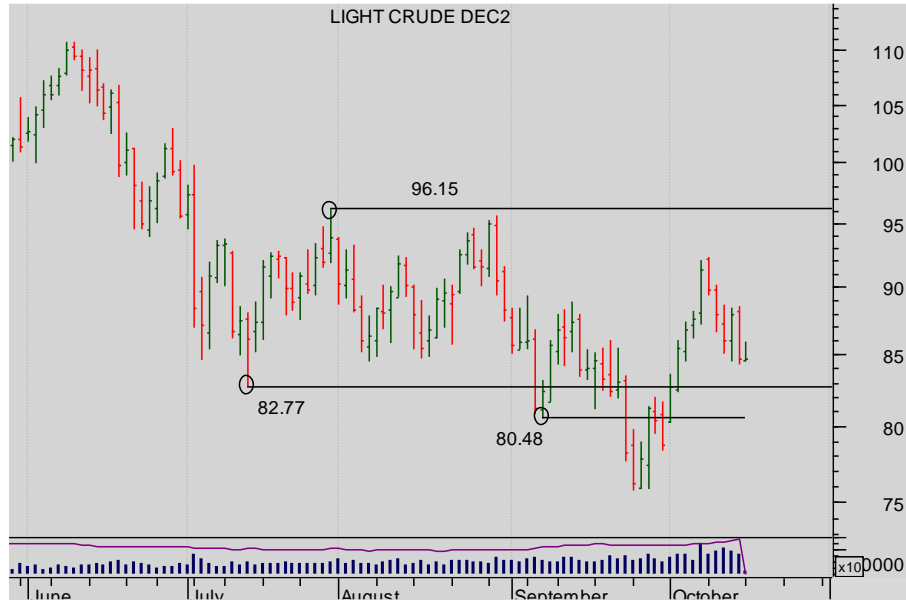
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil daily Dec 2022 futures

The short-term rally has taken the market back into the trading range.



Summary

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- + 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

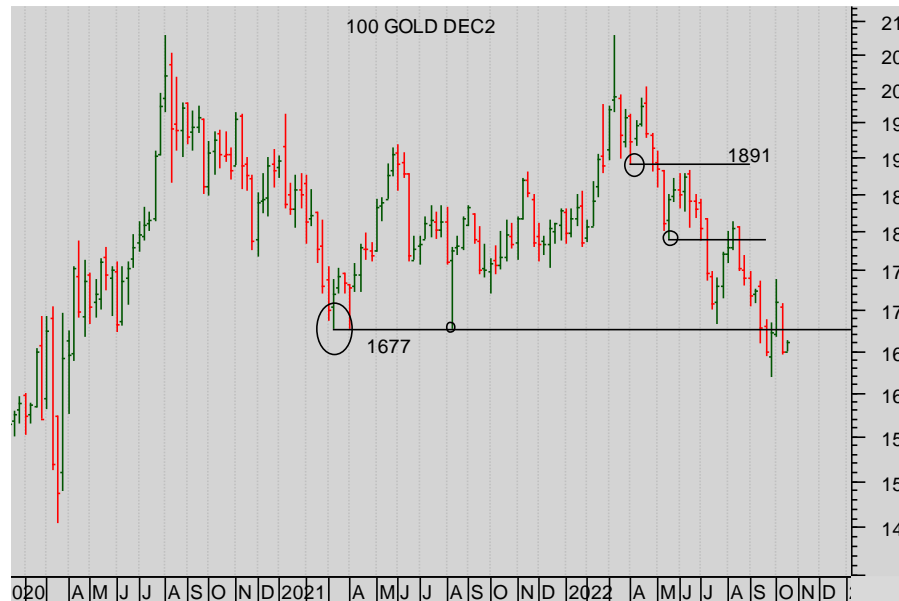


Nymex Gold Monthly

The dither at the 2011 Prior High of 1915.50 is unsurprising.

The break AND MONTHLY close beneath 1677 confirms a Bear Double Top.

That is powerfully bearish.



Nymex Gold Dec 22 weekly (continuation chart)

The rally back through 1677 after the monthly close caused confusion and uncertainty.

The bears need the rally to peter out ... **Which it looks as if it has.**



Summary

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Stocks

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- + EuroStoxx 50
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Bonds

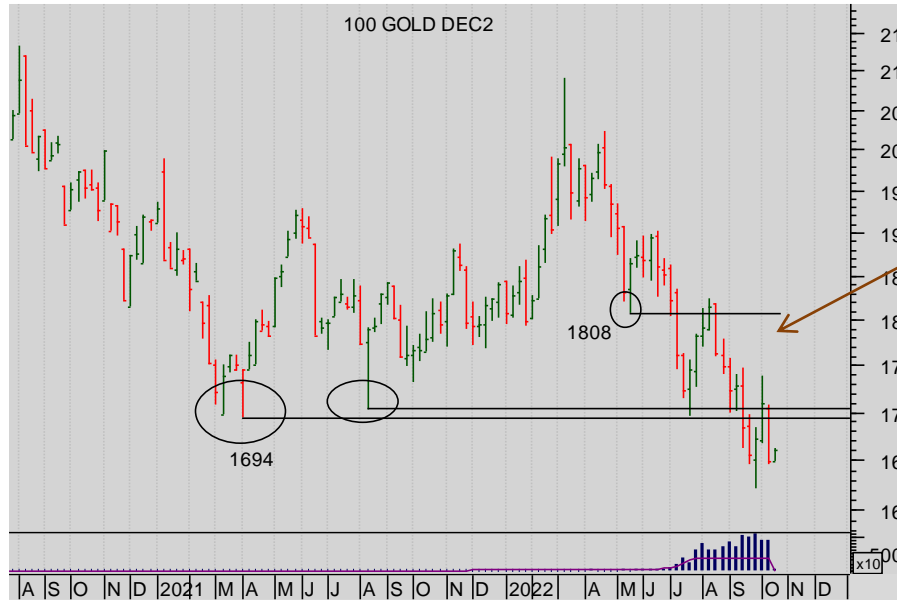
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold Dec 2022 Weekly

This Dec chart is more encouraging for the bears.

It suggests the Double Top has **completed**
Indicating a move as low as **1300 or so...**



Nymex Gold Dec 2022 Daily

The short-term re-penetration has failed.

And then the failure there ...
The bears look to be in charge.



Summary

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Bonds

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

Commodities

- + Oil
- + Gold

More



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