



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



# Multi-asset technical strategies

## Week of 11th December 2018

**Mark Sturdy**

Disclaimer

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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

## Summary

### Currencies

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

Long-term **BEAR** Euro

Medium-term **BEAR** Euro

Short-term **BEAR** Euro

Long-term **BEAR** Sterling

Medium-term **BEAR** Sterling

Short-term **BEAR** Sterling

Long-term **BEAR** Yen

Medium-term FLAT 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 **BEAR**

Long-term **BEAR**

Medium-term **BEAR**

Short-term **BEAR**

Long-term **BULL**

Medium-term FLAT

Short-term FLAT

Long-term **BULL**

Medium-term FLAT

Short-term FLAT

### Bonds

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

Long-term **BEAR**

Medium-term **BEAR**

Short-term **BULL**

Long-term **BULL**

Medium-term **BULL**

Short-term **BULL**

Long-term **BEAR**

Medium-term **BEAR**

Short-term **BULL**

### Commodities

- + Oil
- + Gold

Long-term **BULL**

Medium-term **BULL**

Short-term **BULL**

Long-term FLAT

Medium-term **BEAR**

Short-term FLAT

## IMPLIED ASSET ALLOCATION

More



## Currencies: Dollar Euro

### CURRENCIES:

We are still bullish of the Dollar against the Euro, but the short-term trigger has still not been pulled. All the excitement lies elsewhere: Sterling is breaking down against the Dollar and the Euro. Long medium and short-term, Sterling looks set to go lower....

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IMPLIED ASSET ALLOCATION



### Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 and above **look to have reversed or at least halted** the bear Dollar/bull Euro market ...

The pressure is on the Euro now. **We favour the Dollar.**

More



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- + Nikkei 225

### Bonds

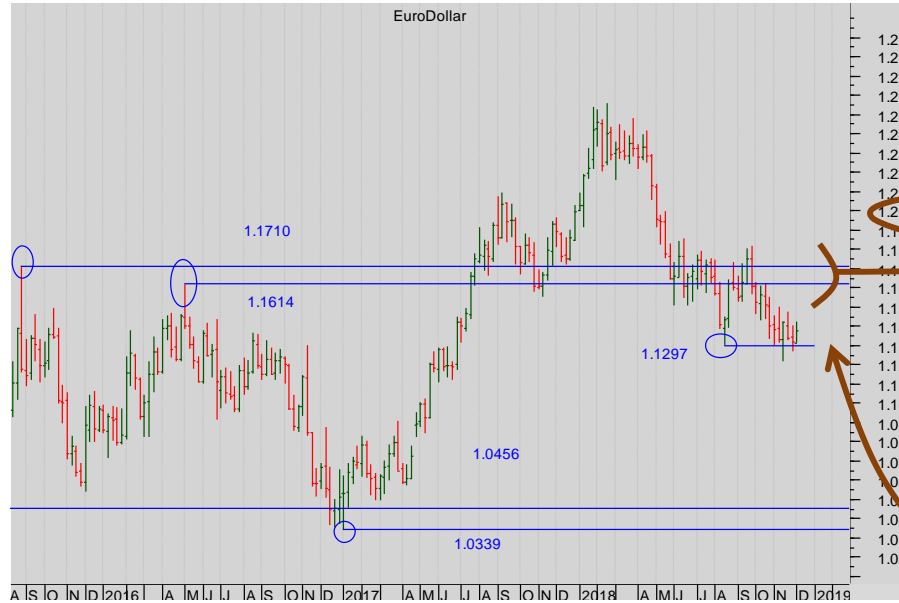
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Euro



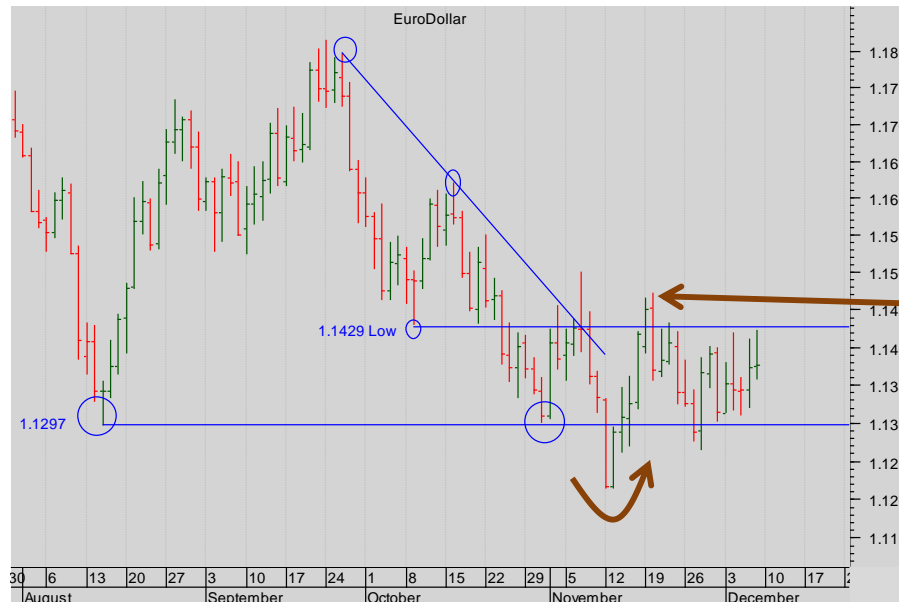
**Dollar Euro weekly spot cash chart**

So the support from the Prior Highs looks as if it has failed.

There are wild swings, but on the whole the Dollar looks set to gain strength.

Note though, the FAILED break beneath 1.1297 beginning the next leg down (strengthening Dollar).

Wait for a break



**Dollar Euro spot cash chart daily chart...**

Short-term, the momentum is **unclear.**

Note Day Key reversal

The bounce back above the Prior Low was disappointing for the Dollar bulls but the bounce hasn't been sustained....yet.



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### Bonds

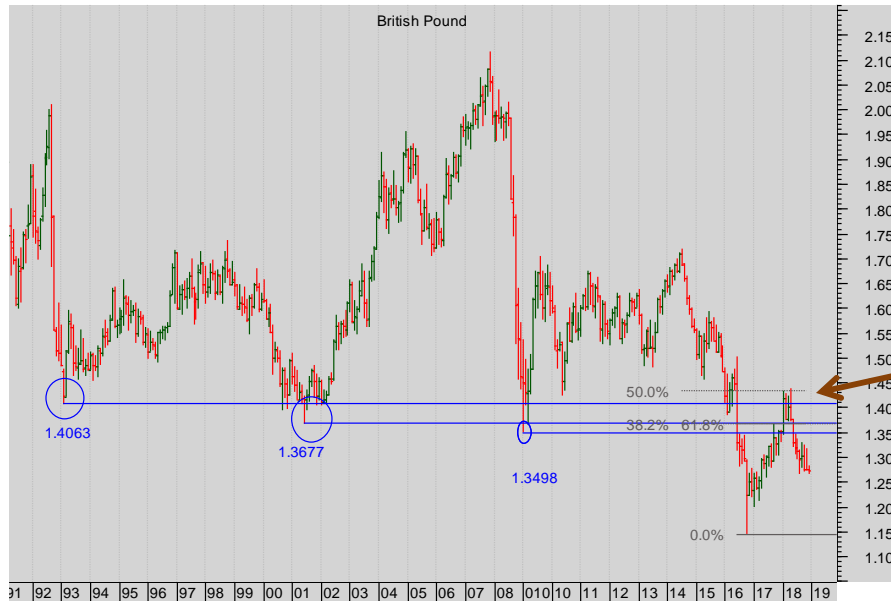
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- + Ten Year German Bund
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### Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling

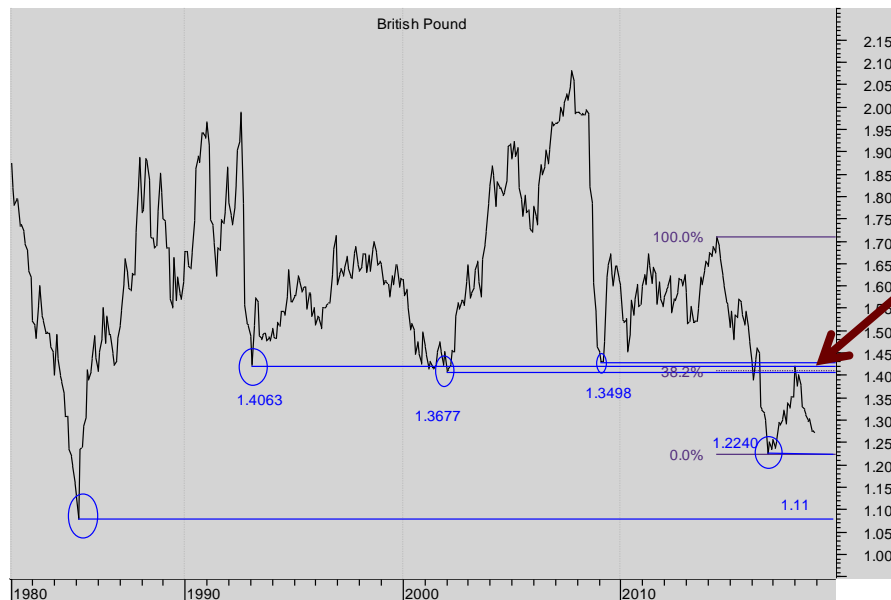


### Dollar Sterling Monthly spot cash chart

All the Prior Pivotal lows of 1993, 2001, 2008 and 2016 have acted as good resistance. A massive Multiple Top has formed.

The market rallied back deep into the band of resistance as far as the 50% Fibonacci resistance – **but failed there.**

Look more closely.



### Dollar Sterling Monthly spot cash LINE CHART based on closes

Note here the repeated testing of the resistance band formed from low closes.

It's a clear failure...

Look more closely still...

More



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### Bonds

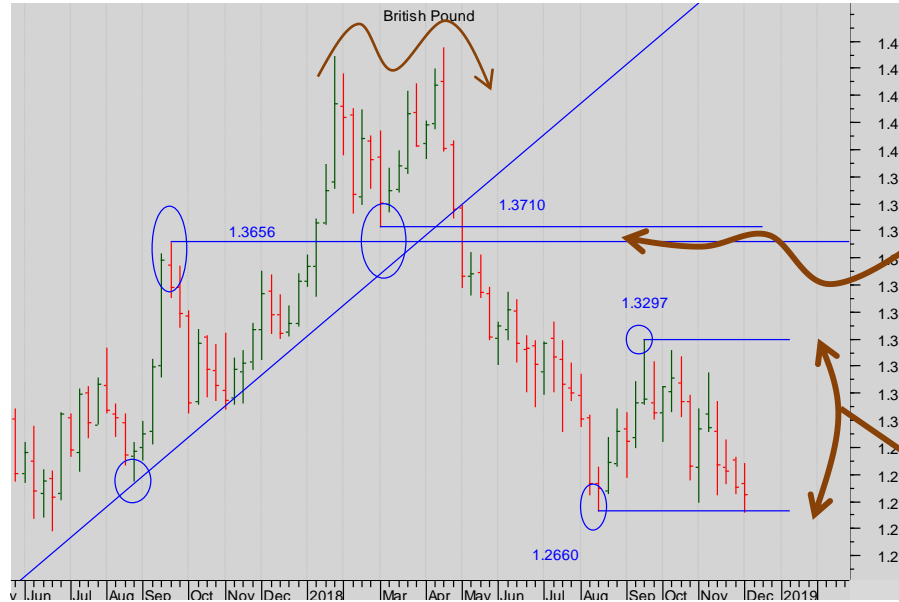
- + Ten Year US TNote
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### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Sterling



### Dollar Sterling weekly spot cash chart

The **Double Top** at the recent high was interesting BUT: **The bull trend broke down in April 2018..**

the break of both the Prior High and diagonal support (and a coincident Fibonacci support) from 1.3656 was a clear sell signal for Sterling.

Now there's a range...



### Dollar Sterling daily spot cash chart

Watch the lower boundary of the range



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### Bonds

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- + Ten Year German Bund
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### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen



### Dollar Yen monthly spot cash chart

Note the very well-formed diagonal downtrend resistance that has been smashed.

The bull Dollar is set to go further.



### Dollar Yen weekly spot cash chart

Watch the close approach to the Prior Highs at 114.36

Very encouraging for the Dollar Bulls and Yen bears.

Add to the Dollar (sell the Yen) on a break up through the 114.54 level.

Wait for the break.

More



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### Stocks

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- + FTSE 100
- + Nikkei 225

### Bonds

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### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Currencies: Dollar Yen



## Dollar Yen daily spot cash chart

Stand back, watch the range.





## Currencies: Sterling Euro

### 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

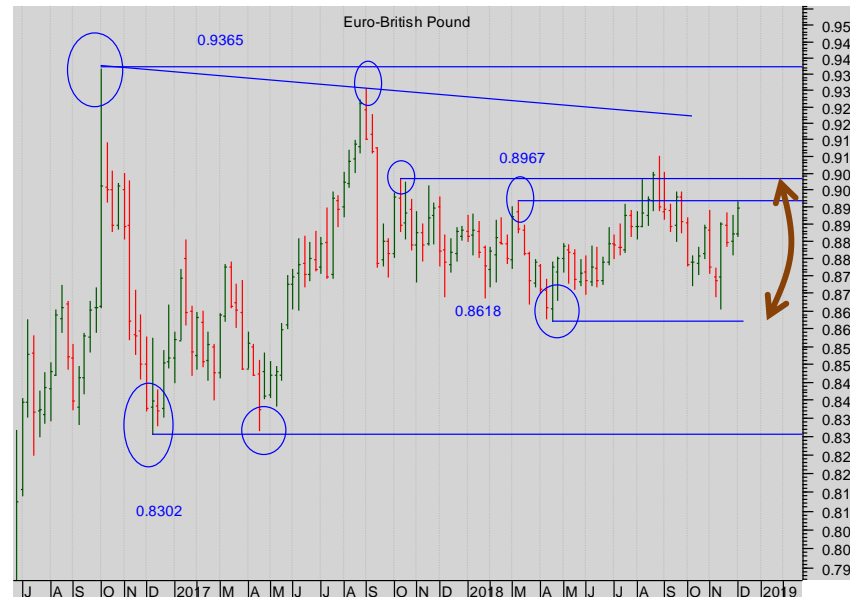
- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



### Sterling Euro monthly spot cash chart

The last four months' volatility has created a wide trading triangle of consolidation.



### Sterling Euro weekly spot cash chart

It's a range.  
Add on a break.

More



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- + **Sterling Euro**

### Stocks

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

### Bonds

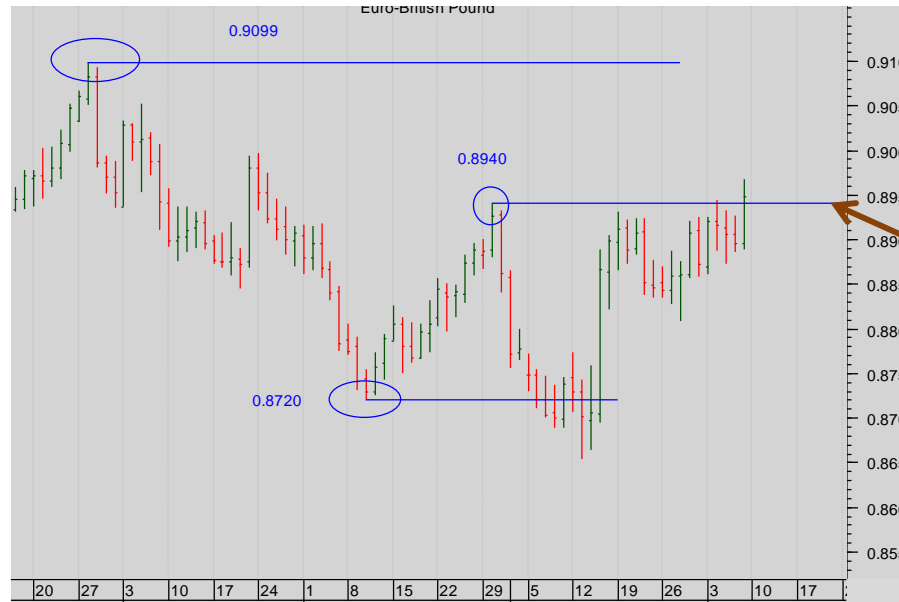
- + Ten Year US TNote
- + Ten Year German Bund
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### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

## Currencies: Sterling Euro



### Sterling Euro daily spot cash chart

It's volatile, certainly but here's a weakening Sterling break – but it's v short-term.



## Stocks

### STOCKS:

The S&P is following the EuroStoxx: breaking down through long, medium and short-term levels of support. FTSE is being pulled lower, but for the moment is relatively supported by the weakness of Sterling. The Nikkei, for the moment, is a relatively calm presence.

#### Summary

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

#### Stocks

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

#### Bonds

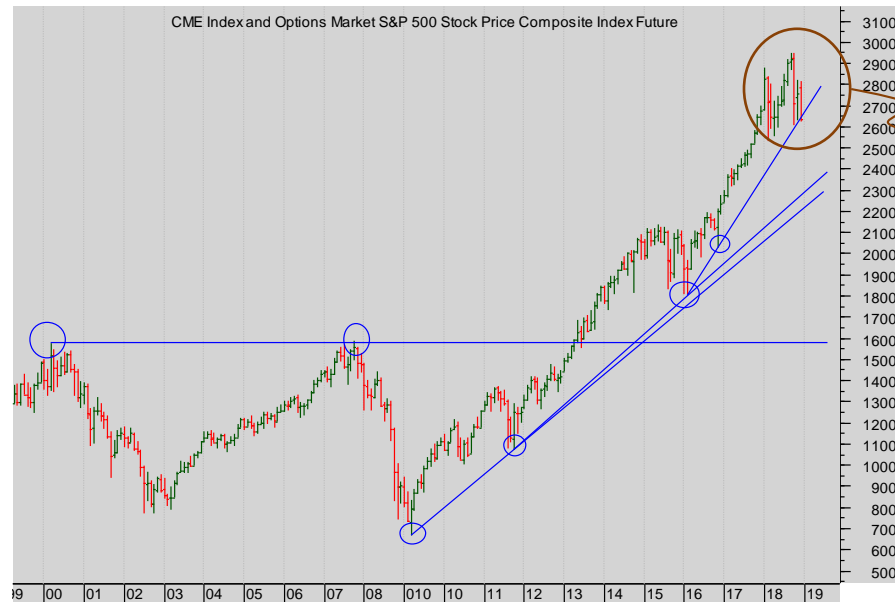
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#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

### Stocks: CME S&P



### CME S&P 500 monthly cont. futures chart

The bulls remain firmly in control in the sense that there is no clear long-term breakdown.

Look closer.

More



## Stocks: CME S&P 500

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- + Dollar Euro
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- + 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

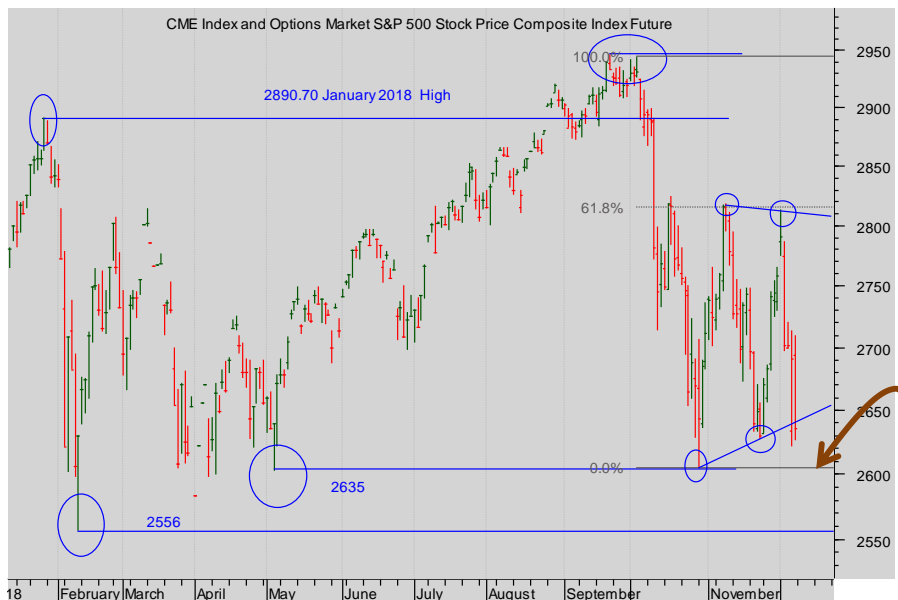


### CME S&P 500 cont weekly cont. chart

The pull-back to test the Prior High at 2879 smashed it.

Now watch the test of the 2016 trend line support.

Last week there was another close just beneath it...if confirmed **it would be very bearish ...**



### CME S&P 500 daily Dec 2018 chart

Now this looks like a continuation Bear triangle.

Has it completed? Yes, just. **But cautious bears will want to wait for a break beneath 2635....**

More



## Stocks: Eurex EuroStoxx 50

### 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

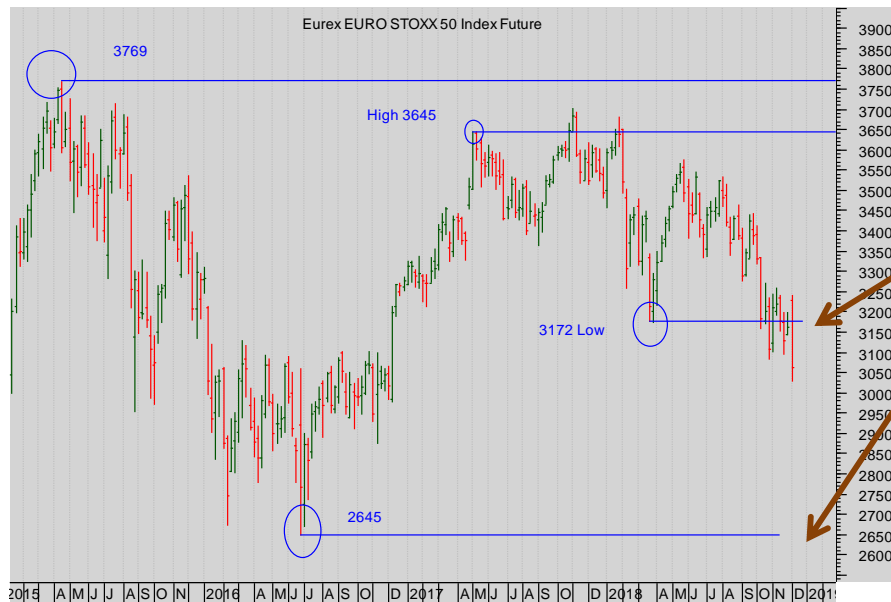


### Eurex EuroStoxx 50 monthly continuation futures chart

The long-term condition of the market is not clear:

The market has failed to push through the old 3769 High and is looking vulnerable.

Note the break beneath the Prior Low of 3172 be confirmed?



### Eurex EuroStoxx 50 weekly continuation futures chart

Is this a Double Top ?

If so, then look for a minimum move down to the lows of 2018 at 2645.

We have a clear break beneath the 3172 low.

More



## Stocks: Eurex EuroStoxx 50

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

### Stocks

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

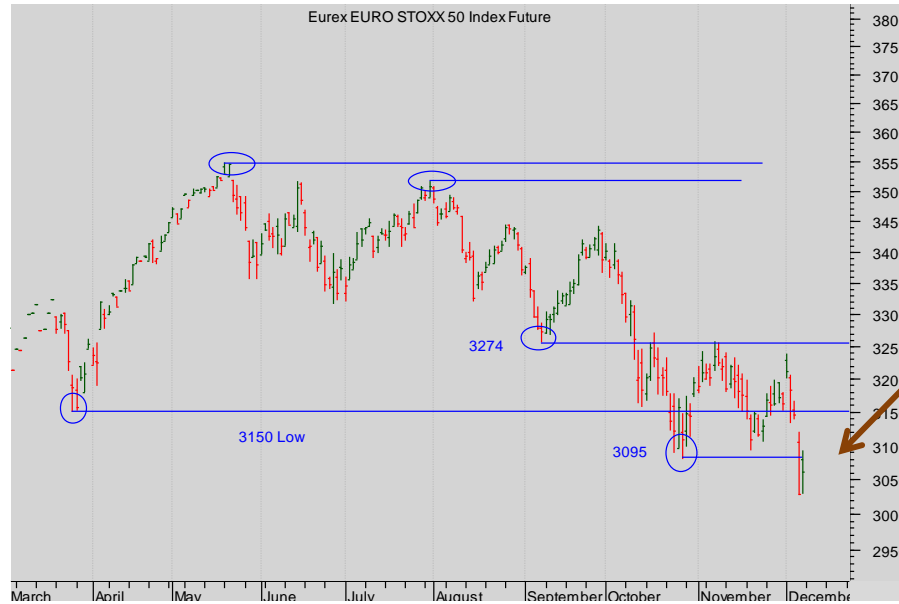
### Bonds

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

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Eurex EuroStoxx 50 daily Dec 18 futures chart

The market is teetering at the bottom 3150 (Dec contract) of the old trading range.



## Stocks: Liffe FTSE 100

### Summary

### Currencies

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

### Stocks

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

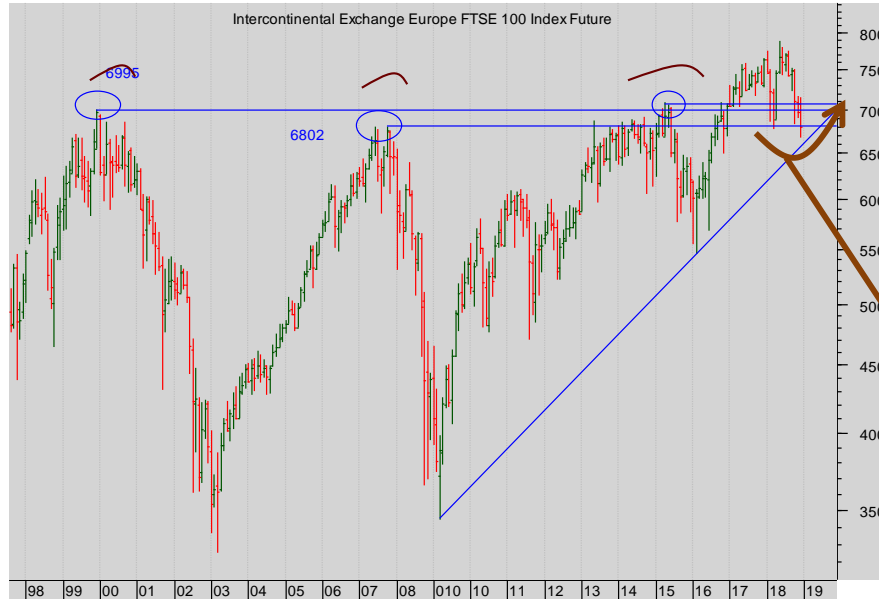
### Bonds

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

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION

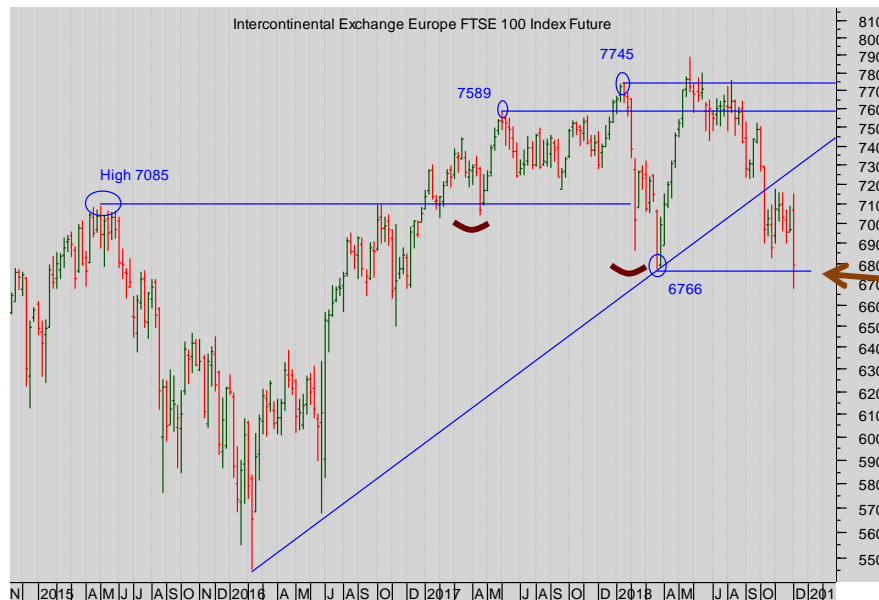


### Liffe FTSE 100 Monthly continuation futures chart

The succession of Prior Highs (6796, 6995) has been overcome, so the market remains **underpinned** in a very powerfully bullish way.

Note that the one retest of that support led to a rapid bounce.

That doesn't look as if it's going to happen again.



### Liffe FTSE 100 Weekly cont. futures chart

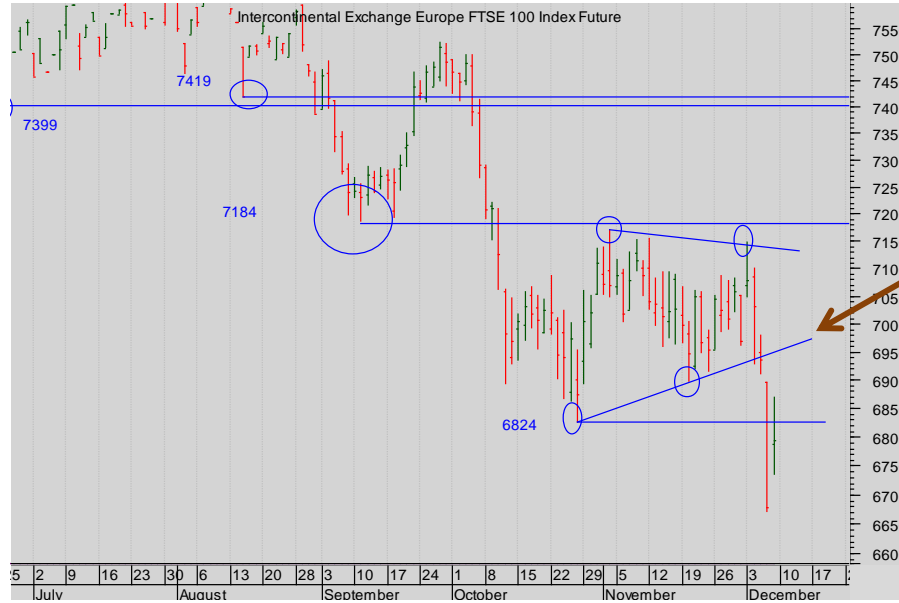
Watch the Prior Low.

A break of 6766 will suggest a further breakdown

More



## Stocks: Liffe FTSE 100



Liffe FTSE 100 Dec18 daily futures chart

The low at 7184 has been broken

The next leg down has begun.

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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





### Summary

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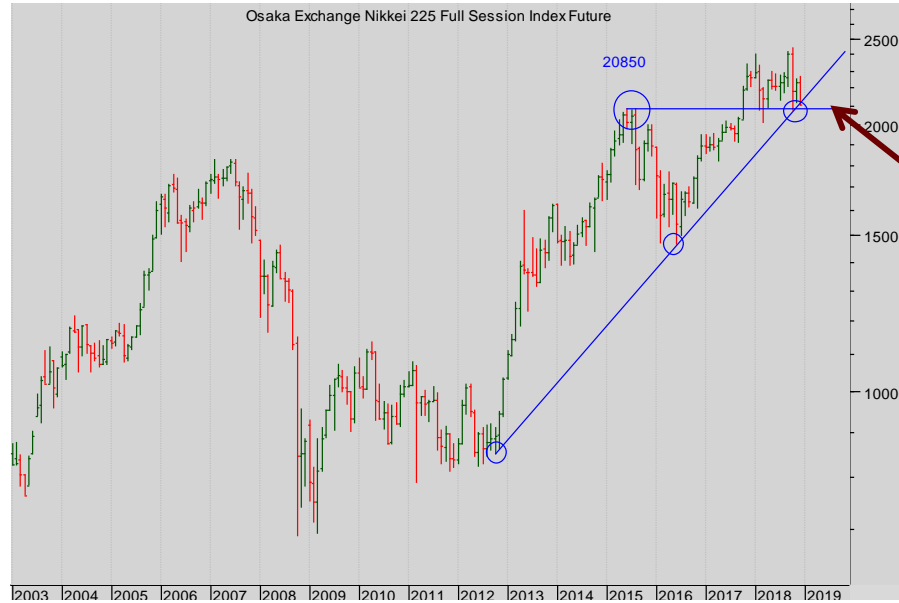
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- + UK Gilt

### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

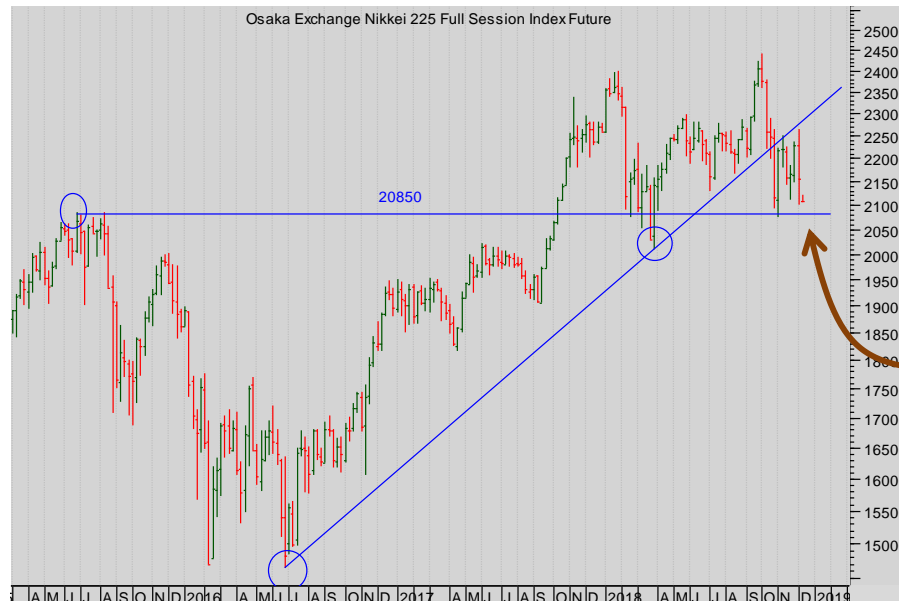
## Stocks: OSE Nikkei 225



### Nikkei 225 chart (monthly)

The market smashed up through the Prior High 20950 and then, on pulling back, is testing that long-term support.

(it was tested once before and bounced)



### Nikkei 225 chart (WEEKLY)

The market's retreat from the Prior High at 24170 has been sharp and smashing the support from the 23050 suggested weakness that proved right when the diagonal was smashed.

**But the major support at 20950 is still intact and may yet be good support.**

More



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## Bonds

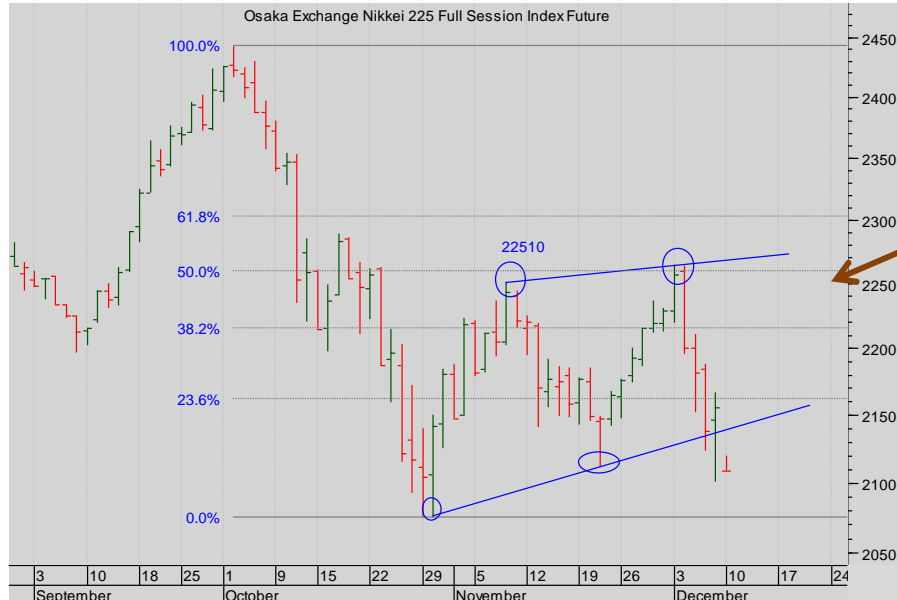
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## Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

## Stocks: OSE Nikkei 225



**Nikkei 225 chart Daily Mar 19.**

But here's a short-term break down of a bear rising wedge.

It needs confirmation, but short-term the bears are in charge.



## Bonds

### BONDS:

The bonds are still being driven better; Bunds are setting off on new bull legs, having completed important long-term continuation patterns. The Gilts has a powerful short-term bull structure. So too the TNotes. But the US has powerful overhead resistance to contend with if the market get much higher.

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#### Bonds

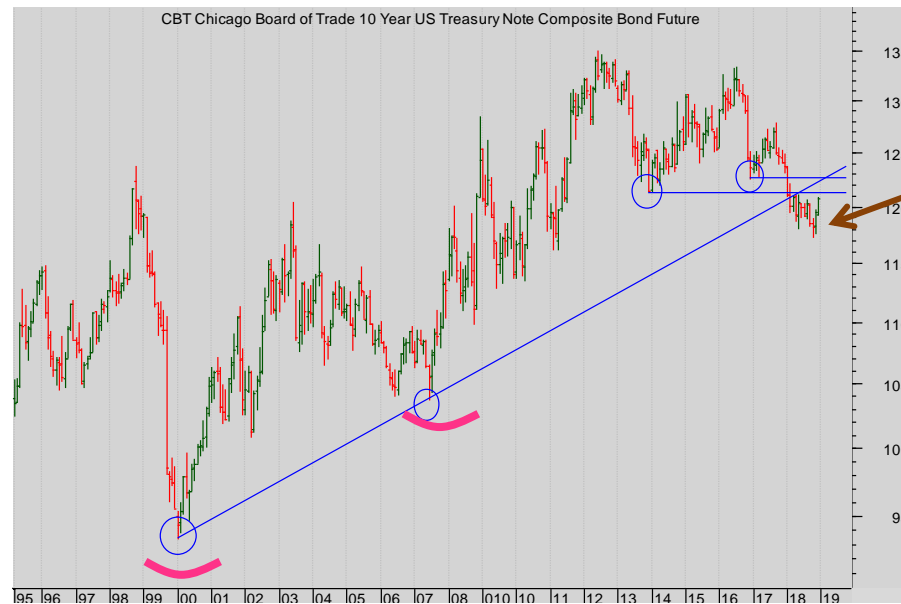
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- + UK Gilt

#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

### Bonds: CBOT Ten Year Notes



### CBOT Ten Year Notes monthly futures continuation chart

The long-standing diagonal trendline support has surely broken.

More



## Bonds: CBOT Ten Year Notes

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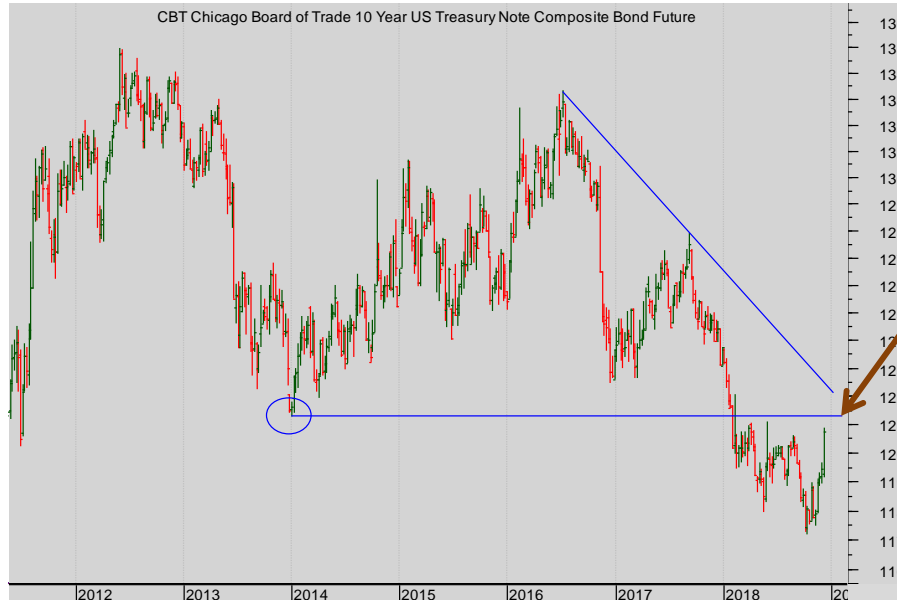
### Bonds

- + Ten Year US TNotes
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### Commodities

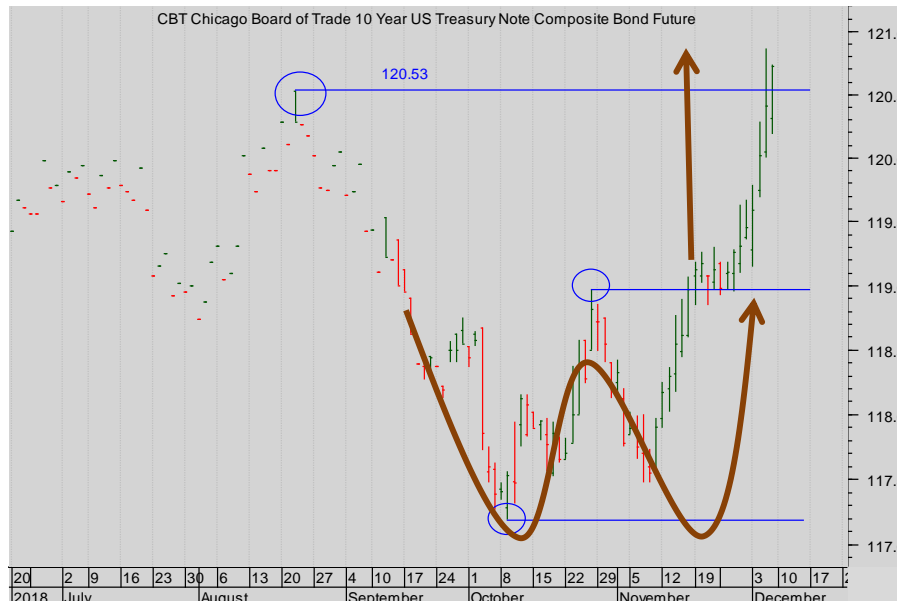
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



### CBOT Ten Year Notes weekly futures continuation chart

Note the push beneath the Prior Low and then a bounce to test the good resistance above the market now..



### CBOT Ten Year Notes daily Mar 18 futures chart

This is surely a completed Double bottom.

**The minimum was achieved**

**But the break up through the Prior High is clear....**

**It looks as if there is more to come.**

More



## Bonds: Eurex Ten Year Bund

### Summary

### Currencies

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- + Dollar Sterling
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### Stocks

- + S&P 500
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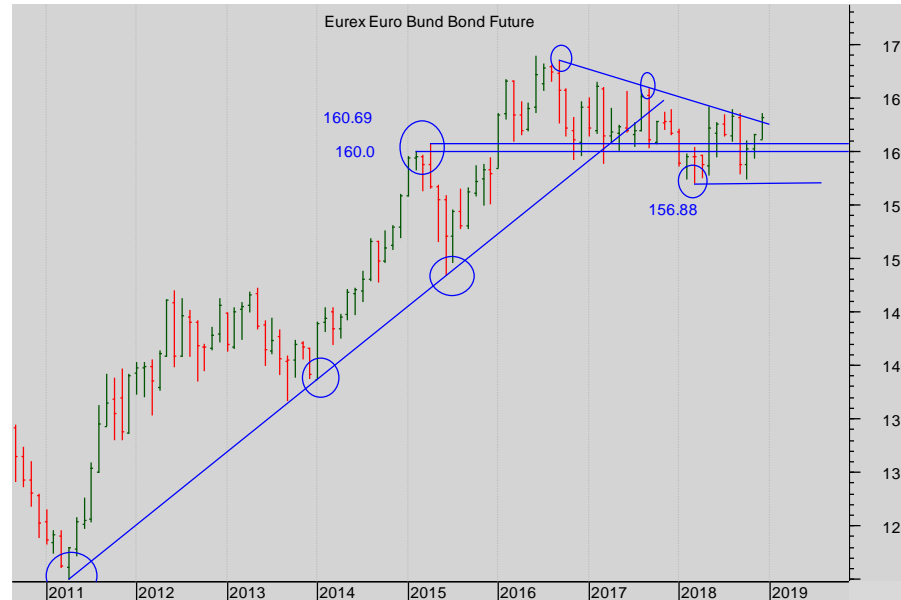
### Bonds

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

### Commodities

- + Oil
- + Gold

### IMPLIED ASSET ALLOCATION



### Eurex Ten Year Bund monthly futures continuation chart

The market's long-term pattern is clarifying. The break up through the falling diagonal is important and sets up a new bull leg.

### Eurex Ten Year Bund weekly cont. futures Chart

This bull falling wedge looks to have completed.

The bulls are excited.

More



# Bonds: Eurex Ten Year Bund

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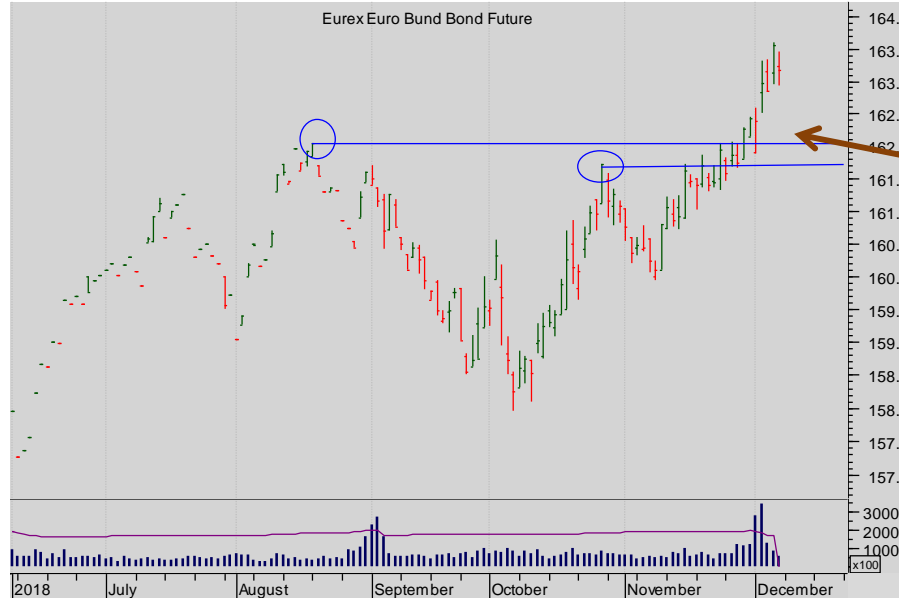
## Bonds

- + Ten Year US TNote
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## Commodities

- + Oil
- + Gold

## IMPLIED ASSET ALLOCATION



**Eurex Ten Year Bund  
March 2019 Daily futures  
chart**

The CONFIRMED break of 161.33 is very bullish.



## Bonds: Liffe UK Gilt futures

### Summary

### Currencies

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

### Stocks

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

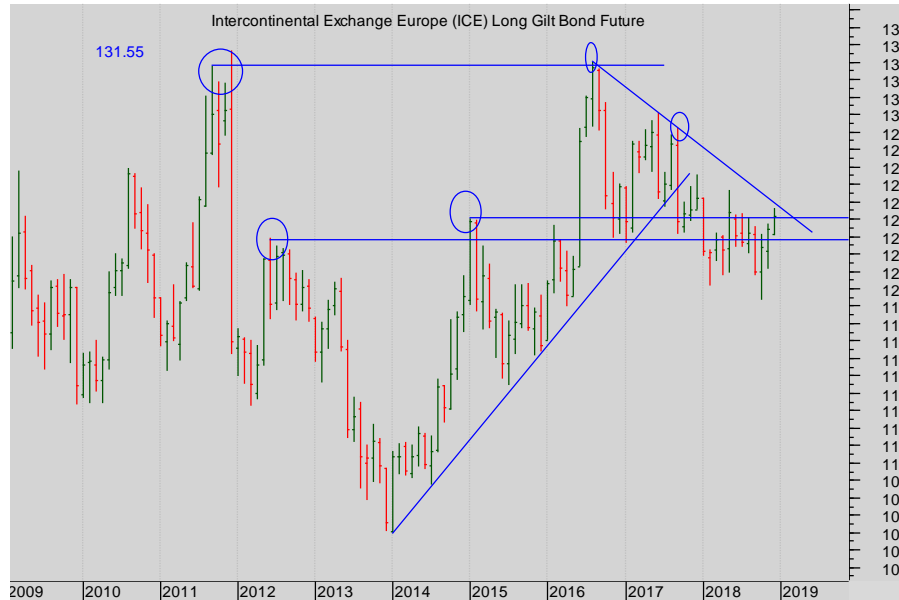
### Bonds

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- + UK Gilt

### Commodities

- + Oil
- + Gold

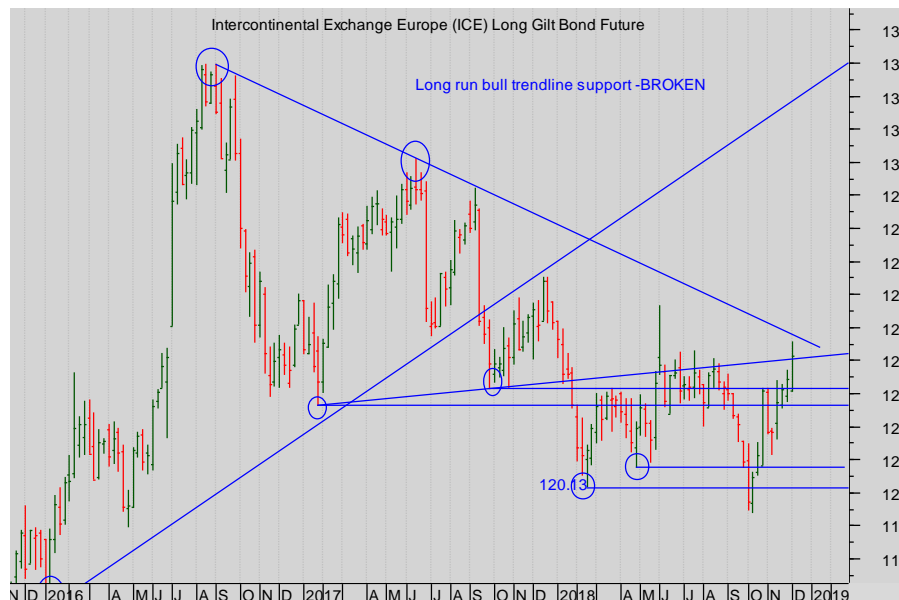
### IMPLIED ASSET ALLOCATION



### Liffe UK Gilt monthly futures continuation chart

It looks as though the market has broken two supports horizontal and diagonal.

Look closer.



### Liffe UK Gilt weekly continuation futures Chart

But the medium-term price action, still within a clear downtrend, is confused.

A sideways trading range.

A break up through 125 or so would be **very bullish**.

More



## Bonds: Liffe UK Gilt futures

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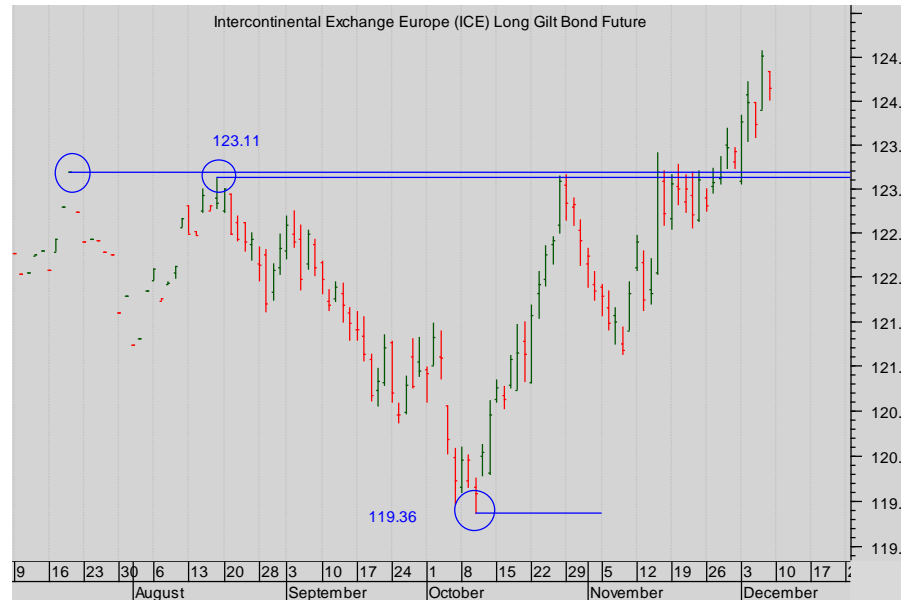
### Bonds

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### Commodities

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IMPLIED ASSET ALLOCATION



### Long Gilt daily Dec 18 chart

Note the rally up to the important Prior Highs 123.11 if the market can confirm the break of those **then the bulls will be in charge.**





## Commodity

### COMMODITIES:

Oil remains powerfully underpinned at these very-much-lower levels. Gold is edging better in a bull trend that has been established since August 2018. Pushing through the recent High last week may yet set the bull going higher still in the short-term.

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#### Bonds

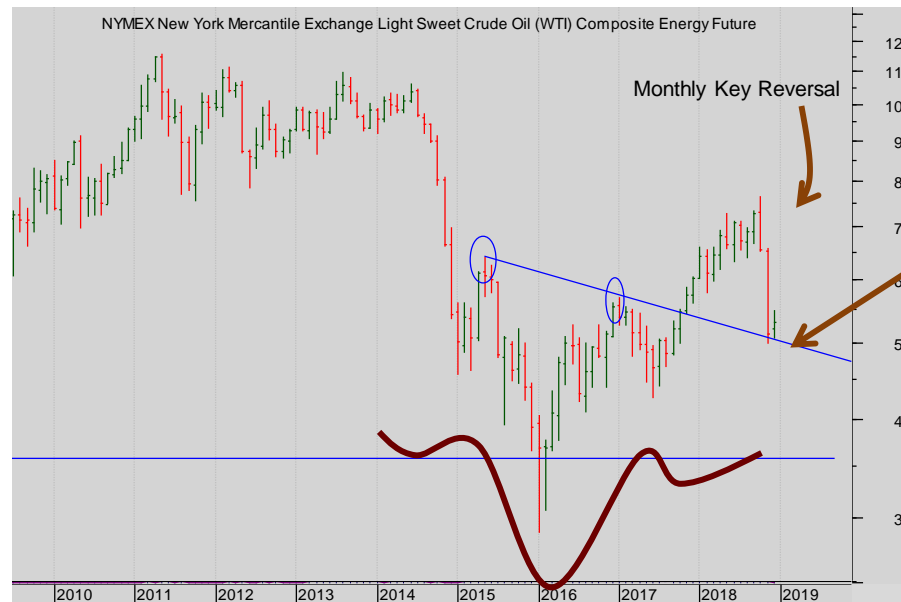
- + Ten Year US TNote
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- + UK Gilt

#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

### Commodities: Nymex WTI Oil



#### Nymex oil monthly continuation

Massive support at the Neckline. Until that breaks the bull pattern remains in play.

**But the Key reversal added a good deal of bear impetus...**

More



## Commodities: Nymex WTI Oil

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### Stocks

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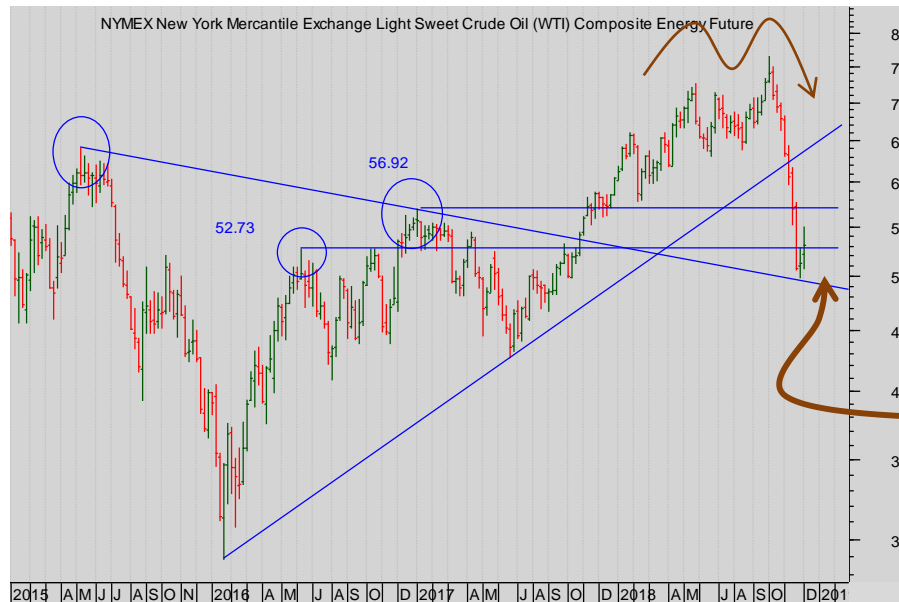
### Bonds

- + Ten Year US TNote
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### Commodities

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- + Gold

### IMPLIED ASSET ALLOCATION

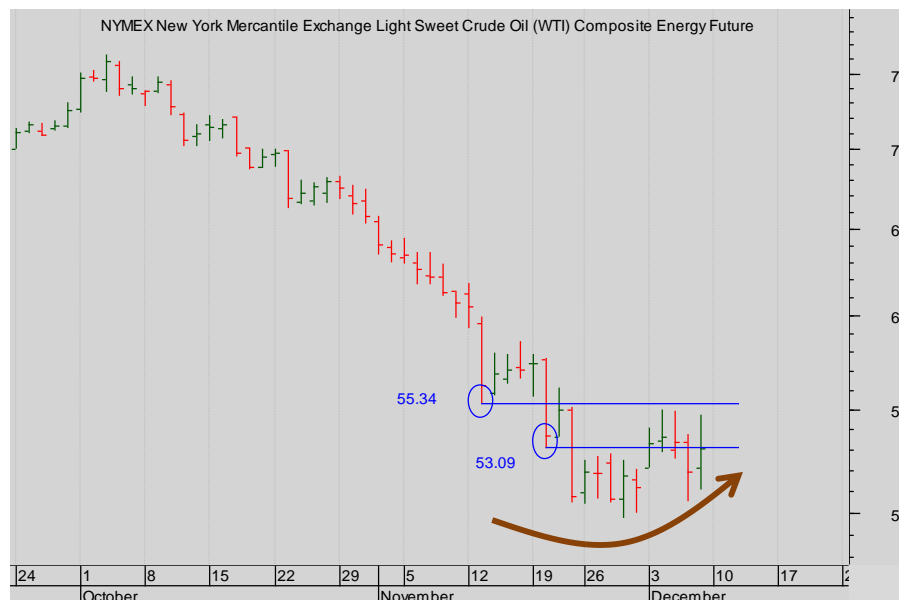


### Nymex oil weekly continuation

The collapse in value of the market has such impetus that the supports from the Prior Highs have been smashed.

Note though that the Neckline has yet to be breached.

We think that this area around 50\$ is important support.



### Nymex oil daily Mar 19 futures

The drama of the sell-off is clear.

Note that the market has tracked sideways for five days....



## Commodities: Comex Gold

### 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

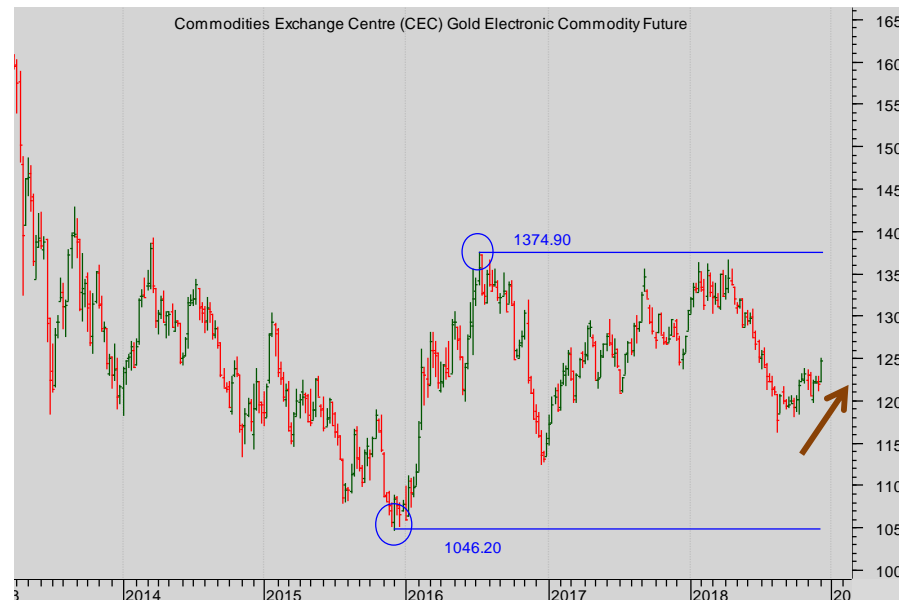
- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



## Gold Continuation Week Monthly

The long-term chart shows a clear bounce from the long-term support from the Prior High (and Fibonacci) at 1774.



## Gold Continuation Weekly

The market has been edging better since August 2018.



## Commodities: Comex Gold

### Gold Jan 19 Daily



#### Summary

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#### Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



# Summary

## Summary

### Currencies

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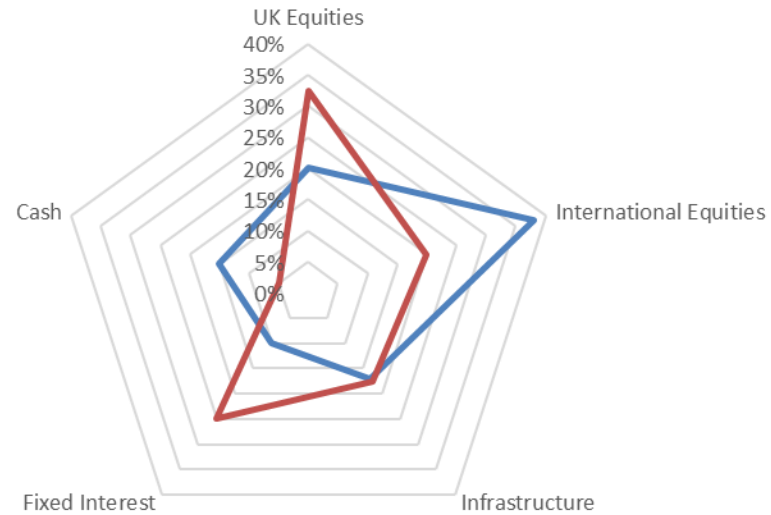
### Commodities

- + Oil
- + Gold

## Seven Days Ahead Balanced Risk IMPLIED Asset Allocation

v

## MSCI Balanced Risk Asset Allocation benchmark



More



*the technical analyst*

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