



# GLOBAL CHART OUTLOOK

investing ahead of the crowd

## GLOBAL MARKETS

24<sup>th</sup> June 2019

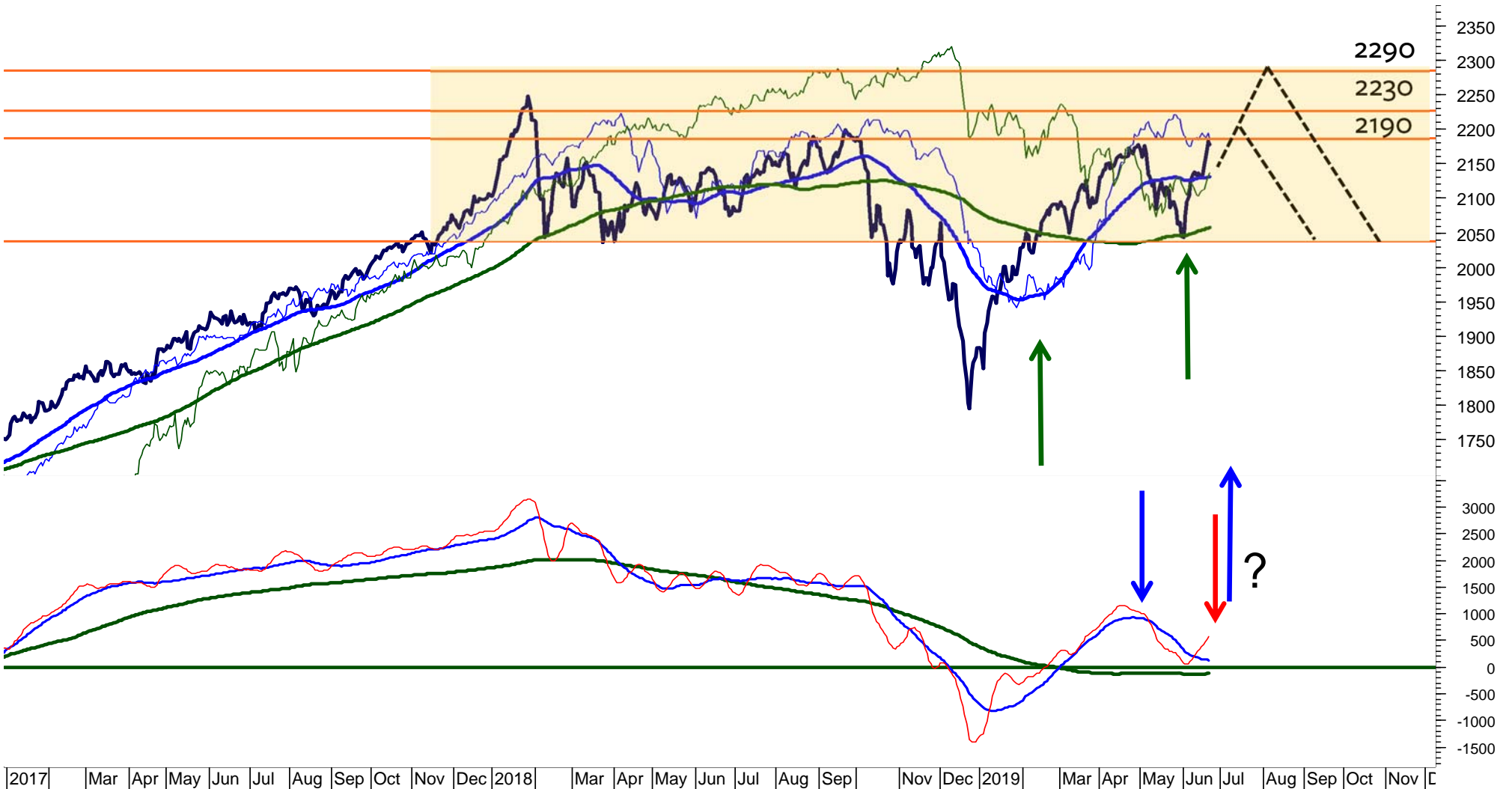
Issue #24

# MSCI All Country World Stock Market Index (in local currency) – daily chart

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	WORLD INDEX/d	.MSCIWO	2178.16	+	+	+

Medium-term Outlook: (u) FLAT (18.6.2019 @2155)

The World Index rose to the high from early May. Thus, it has fully retraced the correction in May. The rally could well continue to test the next resistance levels at 2190 or 2230. But, the World Index is unlikely to break out of the long-term sideways pattern (above 2290), which it entered in late 2017. My Medium-term Outlook was upgraded with the break of 2155 and will move to UP if 2190 is broken. Key support is at 2040.



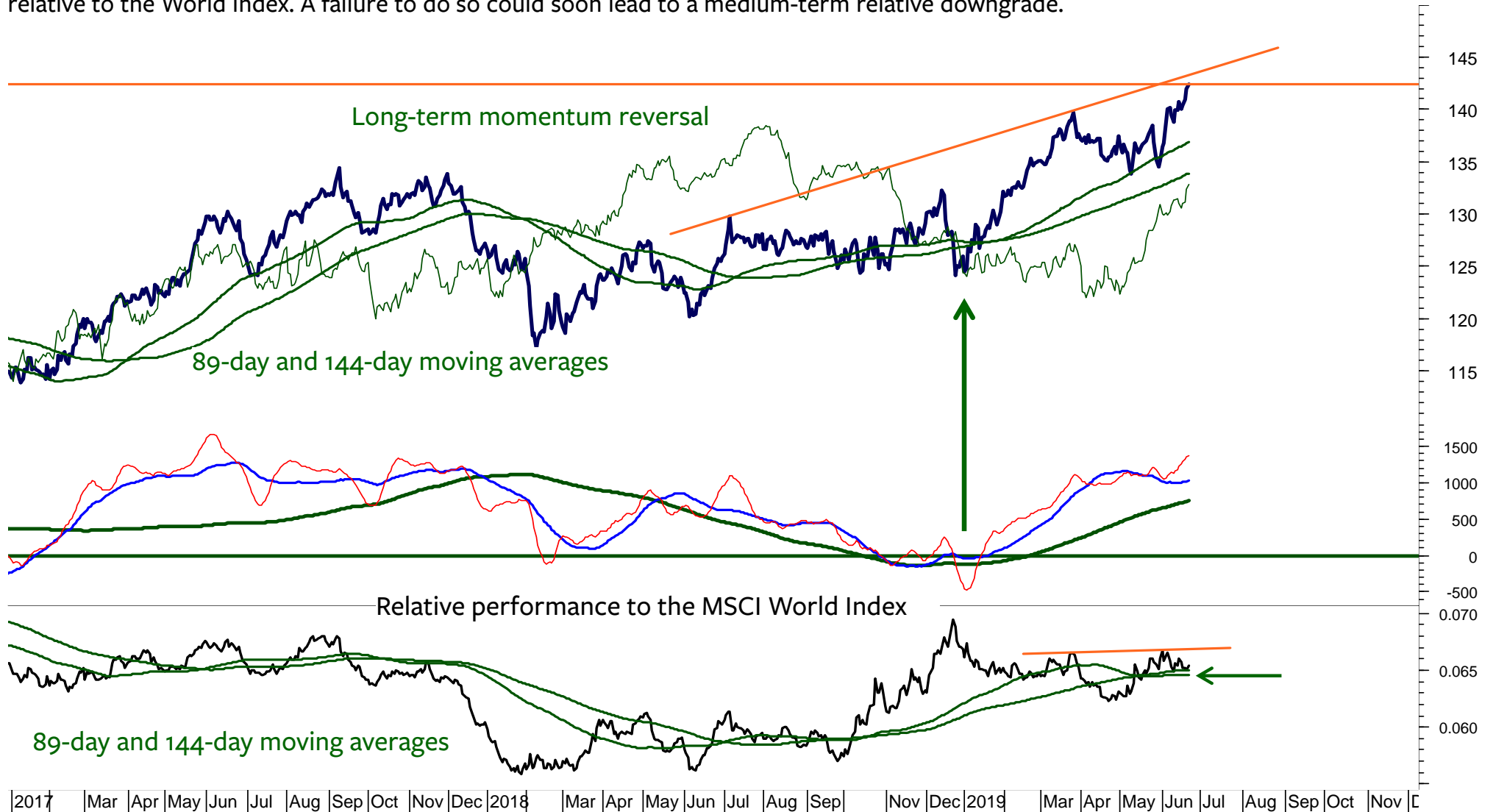
# MSCI World Utilities

SCORE	INDEX	RIC	PRICE	LT	MT	ST
100%	Utilities	.dMIWOol	146.25	+	+	+

## Medium-term Outlook: UP / OVERWEIGHT

The Utility Sector has reached the resistance at 142.50 / 144. A break of this range will signal an acceleration of the long-term uptrend. This would justify adding to the utility sector allocation.

The relative performance needs to rise above the high of 31.5.2019 to signal a re-acceleration of the outperformance relative to the World Index. A failure to do so could soon lead to a medium-term relative downgrade.

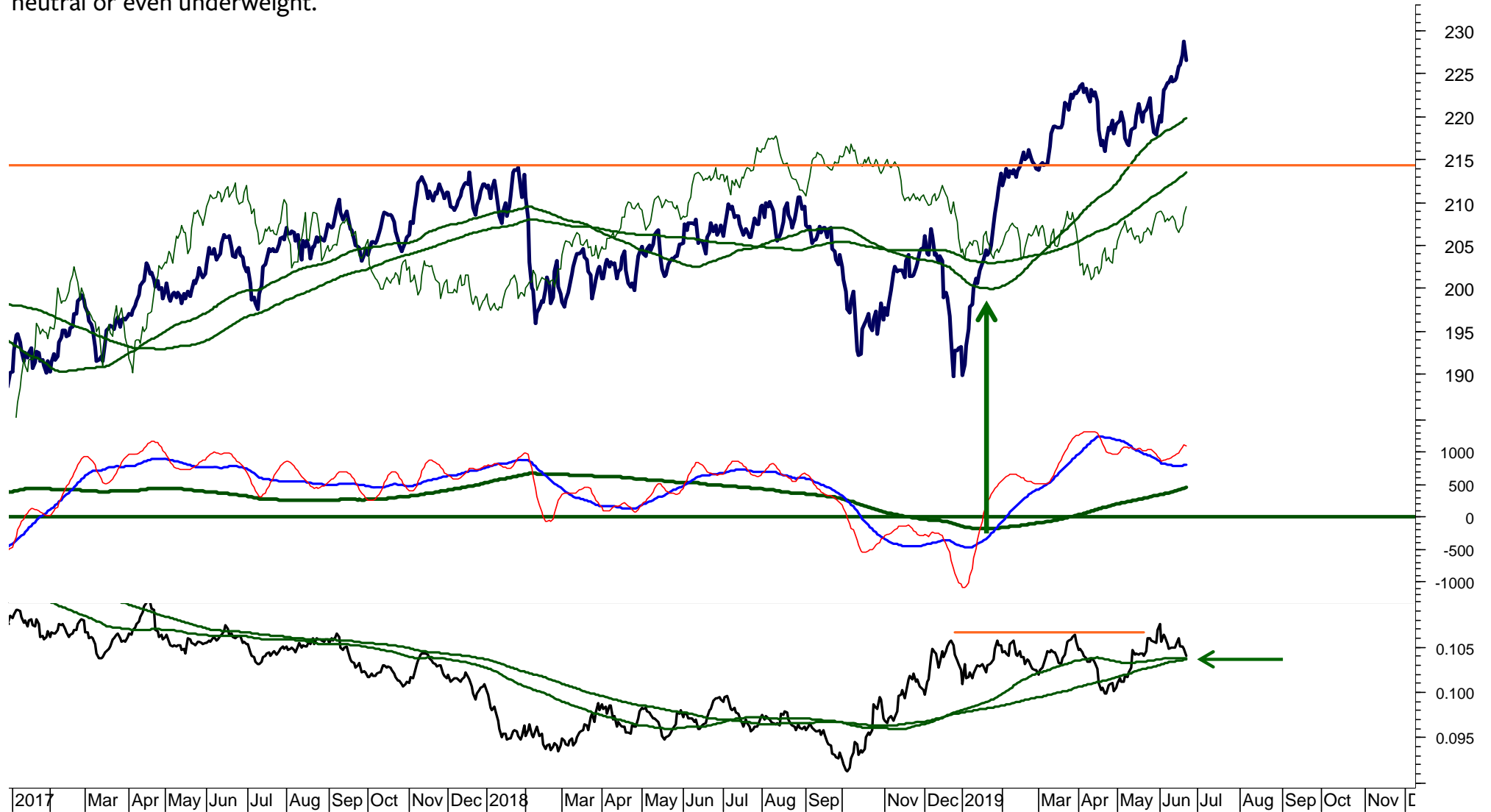


# MSCI World Real Estate

SCORE	INDEX	RIC	PRICE	LT	MT	ST
78%	Real Estate	.dMIWOof	214.26	+	+	do

## Medium-term Outlook: UP / OVERWEIGHT

The Real Estate Sector entered a short-term correction. Moreover, the relative performance failed to sustain the uptrend following the break above the relative high from March and continued to weaken. In fact, the relative chart could break the two moving averages. The sector could then lose its outperform rating and be downgraded to neutral or even underweight.

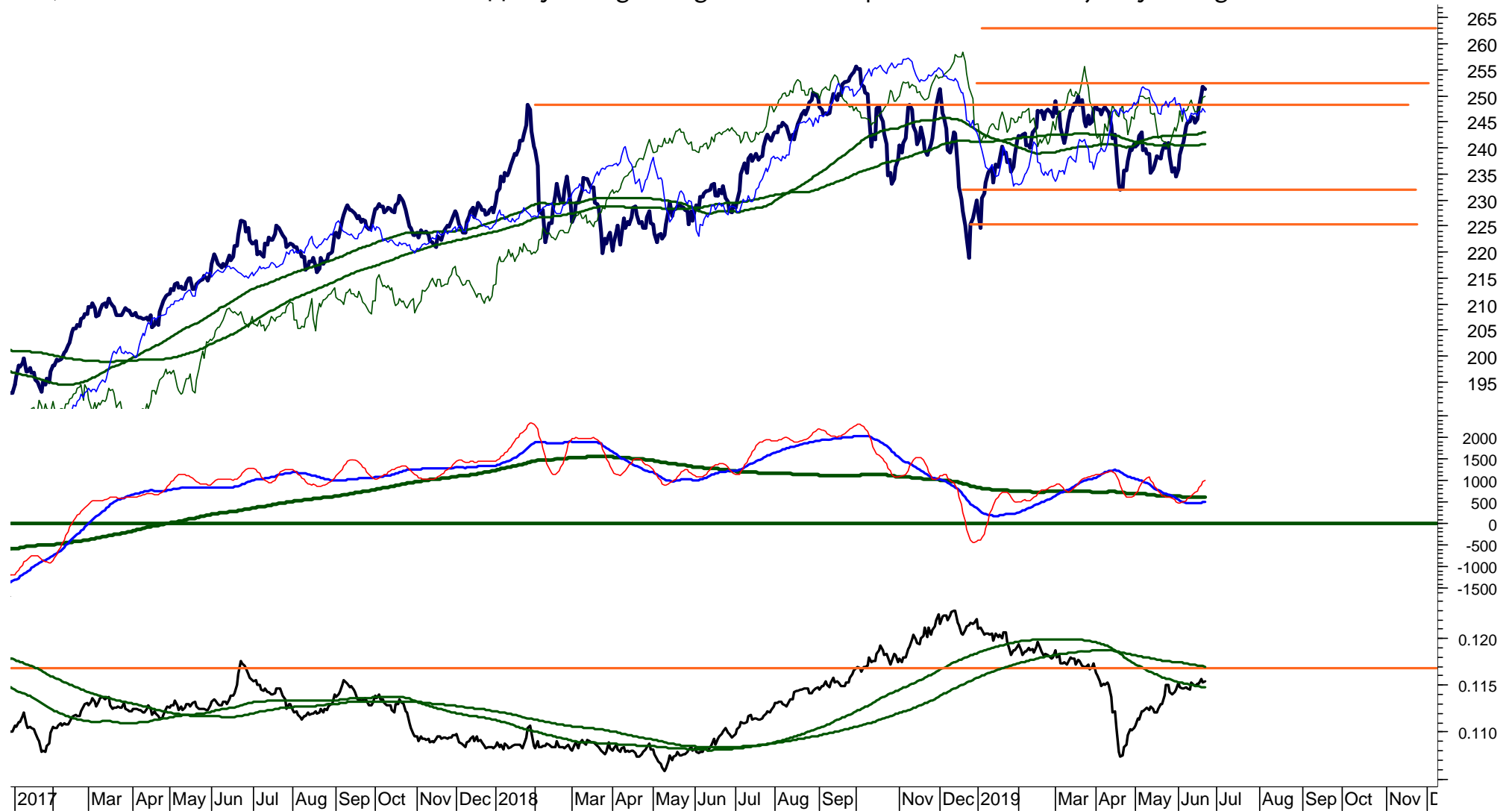


# MSCI World Health Care

SCORE	INDEX	RIC	PRICE	LT	MT	ST
89%	Health Care	.dMIWOot	249.27	U+	+	+

**Medium-term Outlook: FLAT / NEUTRAL**

Health Care is attempting to break upwards from the consolidation, which it entered in January 2018. It needs a minor rally above 253 / 254 to confirm the breakout and to signal the next resistance at 263. The sector would signal a long-term break upwards if 251 / 253 is broken. Also, the relative chart must rise above the 144-day average to signal further outperformance and to justify adding to the sector allocation.

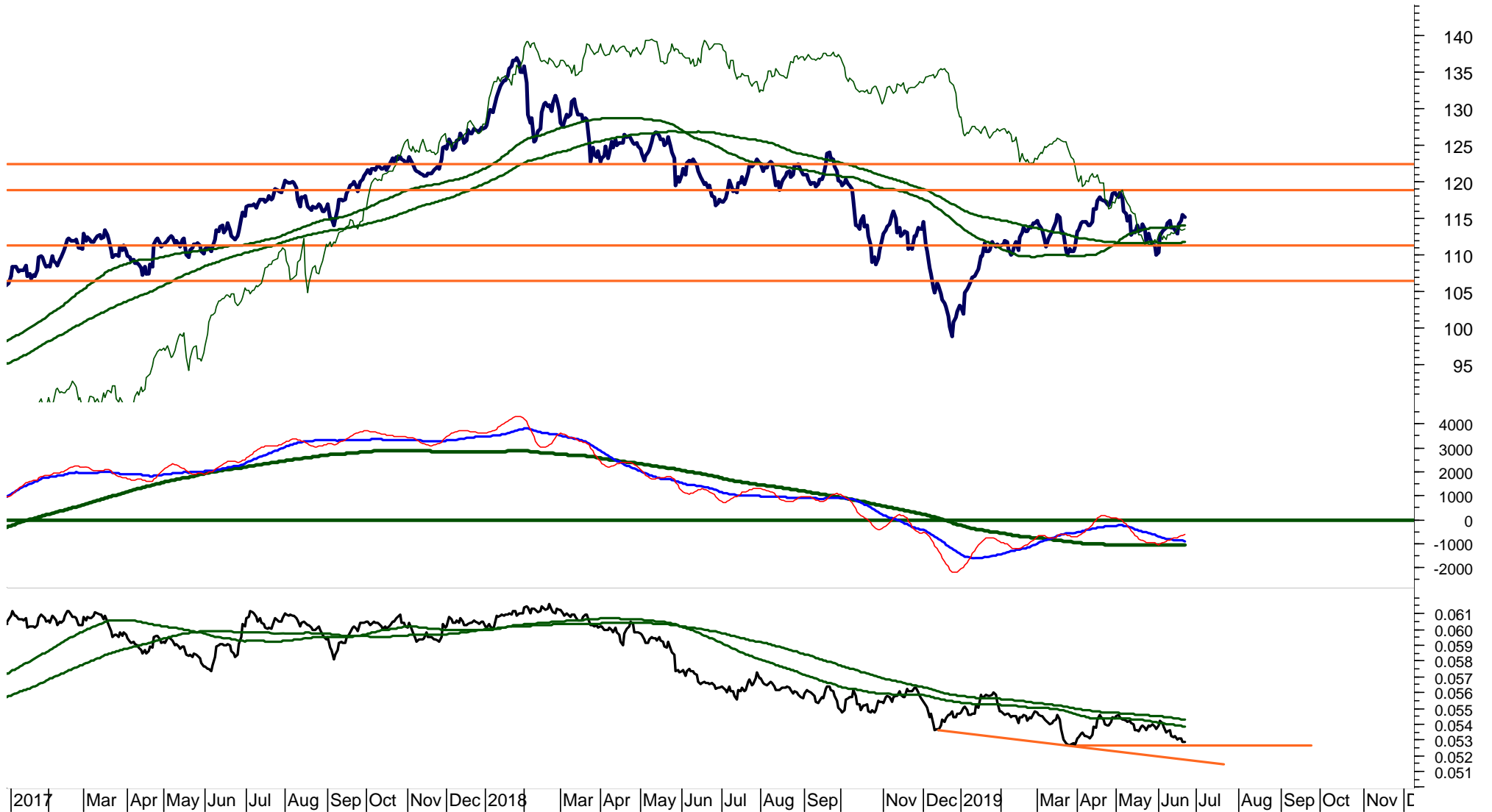


# MSCI World Financials

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	Financials	.dMIWOof	116.24	+	uo	+

Medium-term Outlook: **DOWN / (d) UNDERWEIGHT**

The Financial Sector Index remains above the 144-day average and the Fibonacci support at 111. However, the relative performance remains poor and could well fall to a new relative lower low.

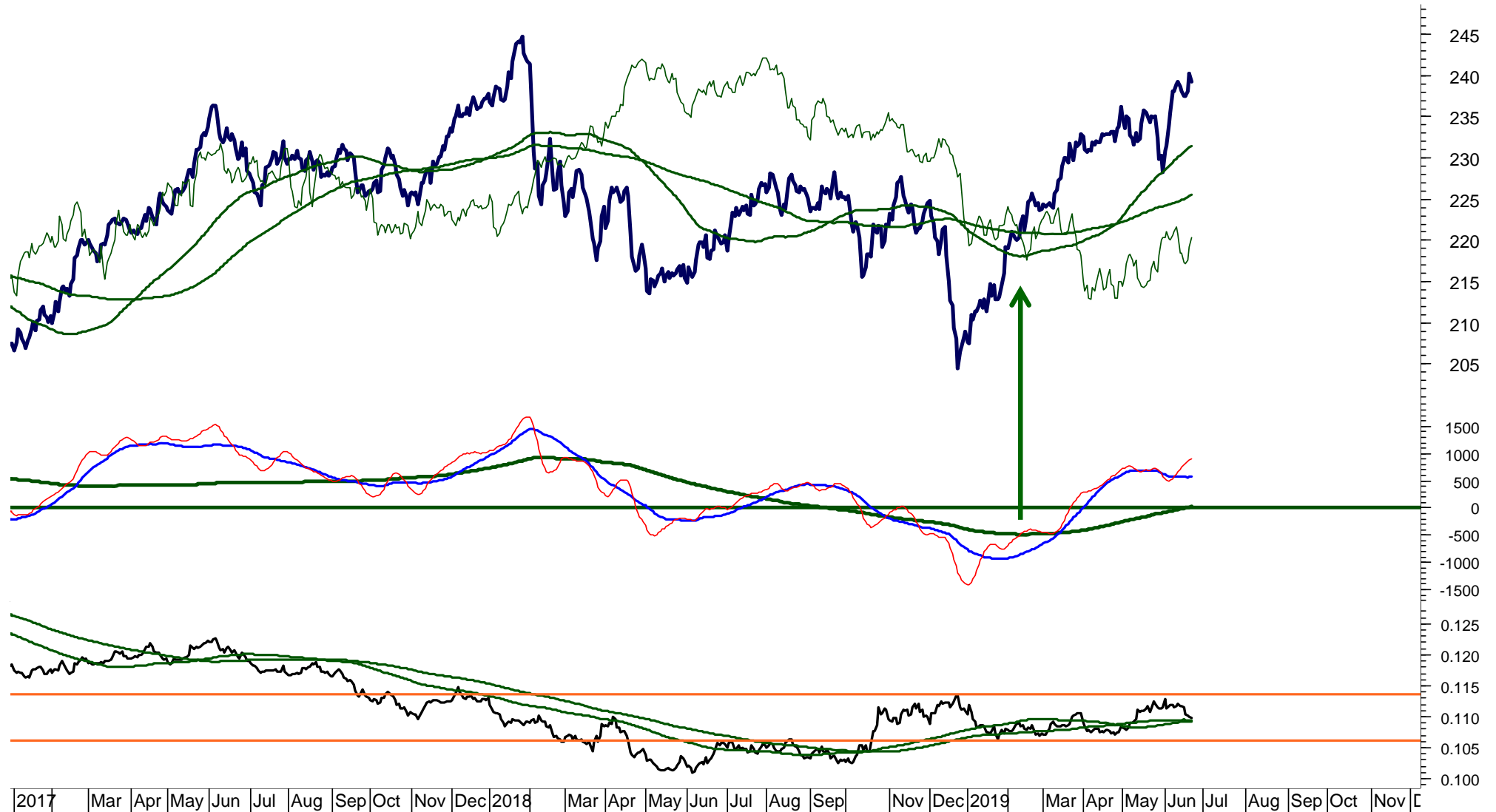


# MSCI World Consumer Staples

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	Consumer Staples	.dMIWOo0	241.68	+	do	+

**Medium-term Outlook: UP / OVERWEIGHT**

The Consumer Staples Sector has continued to lose relative strength to the World Index. The relative chart could break the two moving averages and signal a downgrade to neutral or even underweight.





# MSCI World Consumer Discretionary

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	Consumer Discretio	.dMIWOo0	252.37	+	+	+

Medium-term Outlook: (u) FLAT / UNDERWEIGHT

Consumer Discretionary has reached the resistance at 262, a break of which would signal 273 and a possible resumption of the long-term uptrend. However, given the importance of the resistance line around 262, the risk of another correction appears high.

Supports are at 248 and 239.

The relative chart remains in triangle and appears to be turning down again.



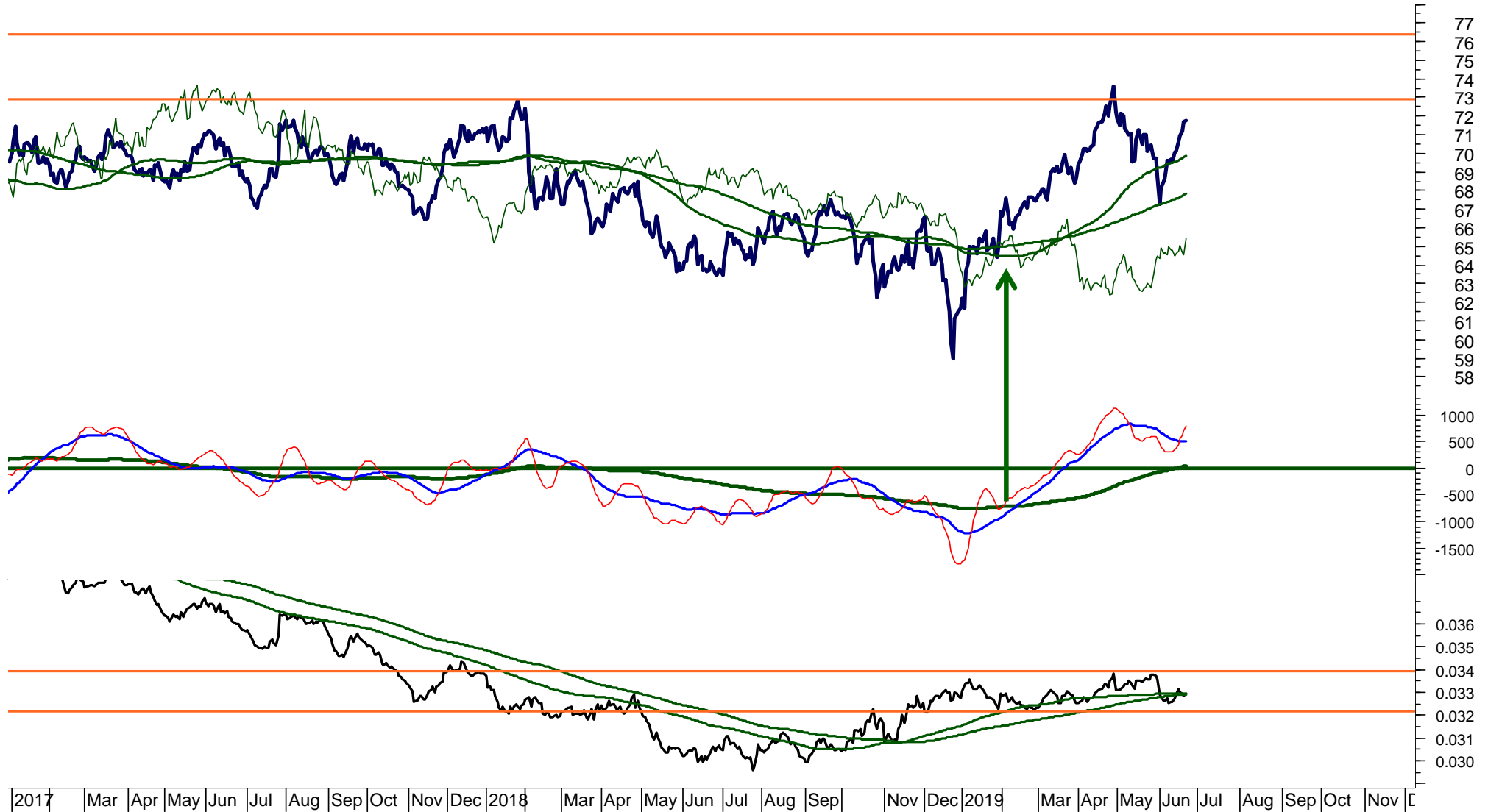


# MSCI World Communication Services

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	Telecom	.dMIWOoT	74.94	+	uo	+

Medium-term Outlook: FLAT / NEUTRAL

Telecom has continued to rally. Next resistance is 73 and 76.50.  
 The relative medium-term outlook is still neutral as the relative performance remains around the two medium-term averages.

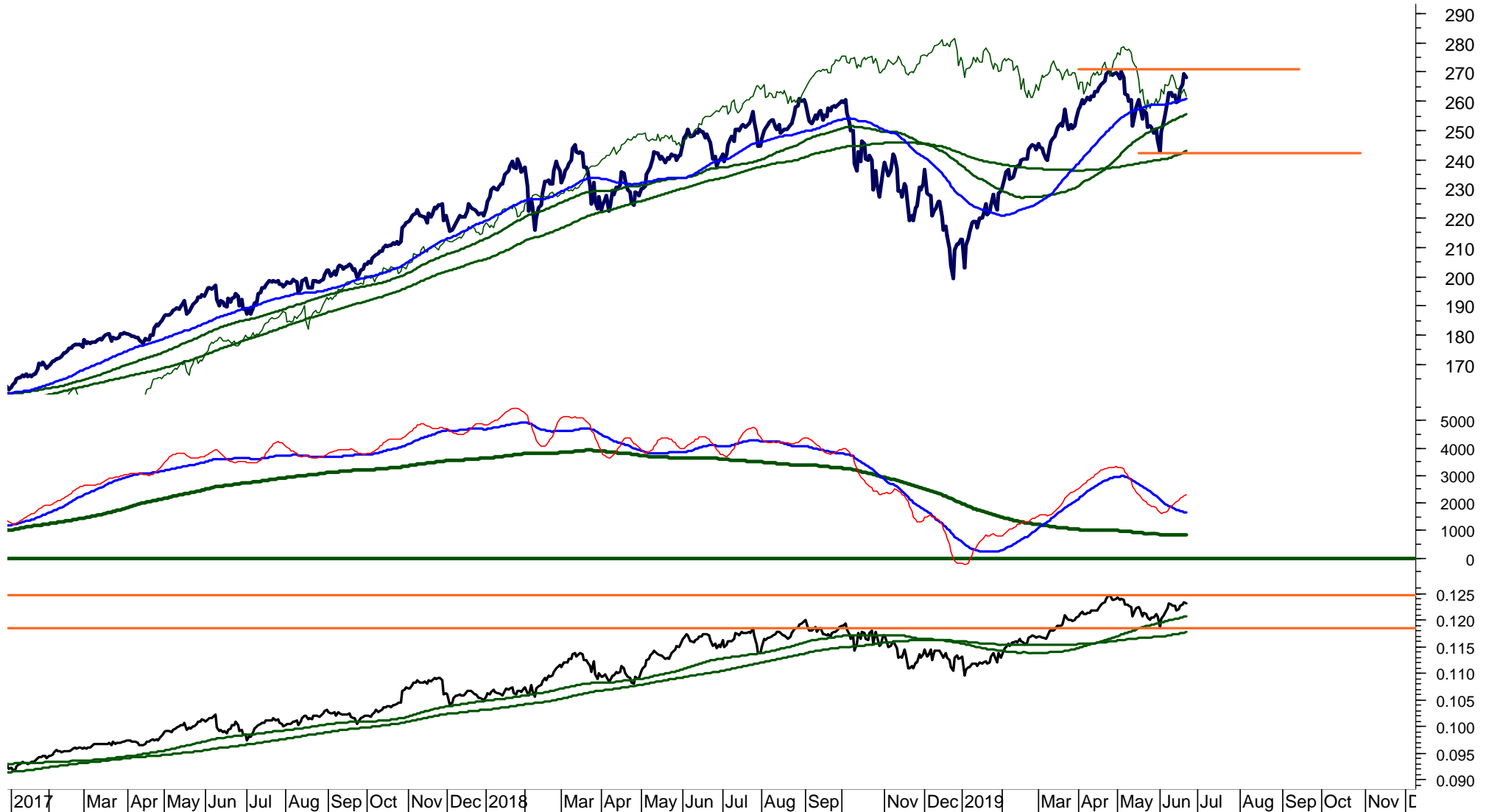


# MSCI World Information Technology

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	IT	.dMIWOol	259.81	+	u+	+

**Medium-term Outlook: (u) FLAT / (u) NEUTRAL**

The Infotech Sector Index has fully retraced the May correction. It is upgraded to FLAT. However, it remains to be seen if also the high from early May can be broken. In addition, the relative chart remains between the high of April and the low of May and thus is rated NEUTRAL.

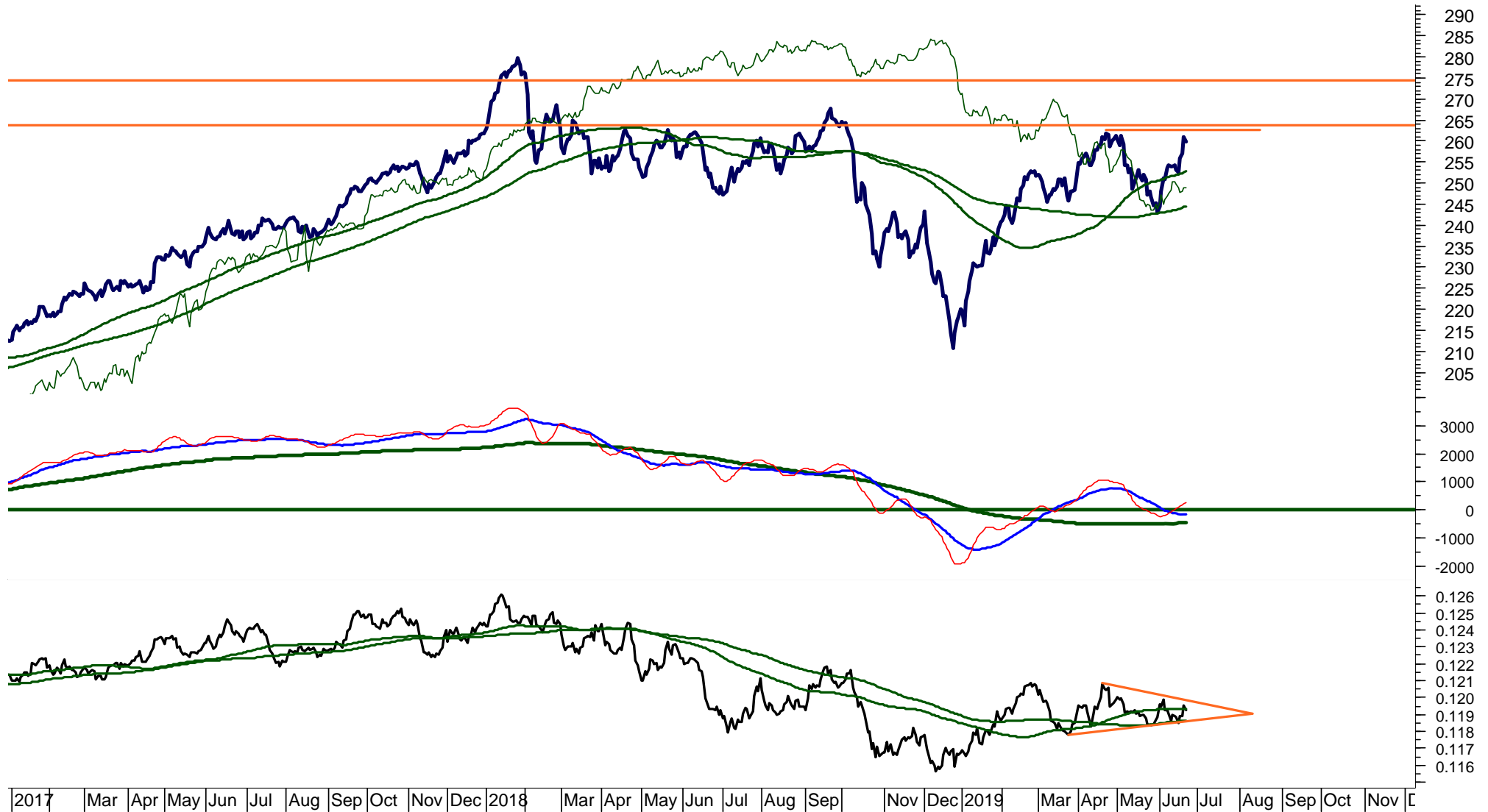


# MSCI World Industrials

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	Industrials	.dMIWOol	258.32	+	0	+

Medium-term Outlook: (u) FLAT / (u) NEUTRAL

Industrials have recovered to test the resistance at 265, a break of which is required for the Index to signal 275. The relative chart remains in a triangle and is rated NEUTRAL.



# MSCI World Materials

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	Materials	.dMIWOoM	248.43	+	+	+

Medium-term Outlook: (u) FLAT / (u) NEUTRAL

Materials must rise above 265 to signal a medium-term upgrade and activate the next resistance at 280.  
The relative chart must rise above the two moving averages to signal an upgrade to overweight.

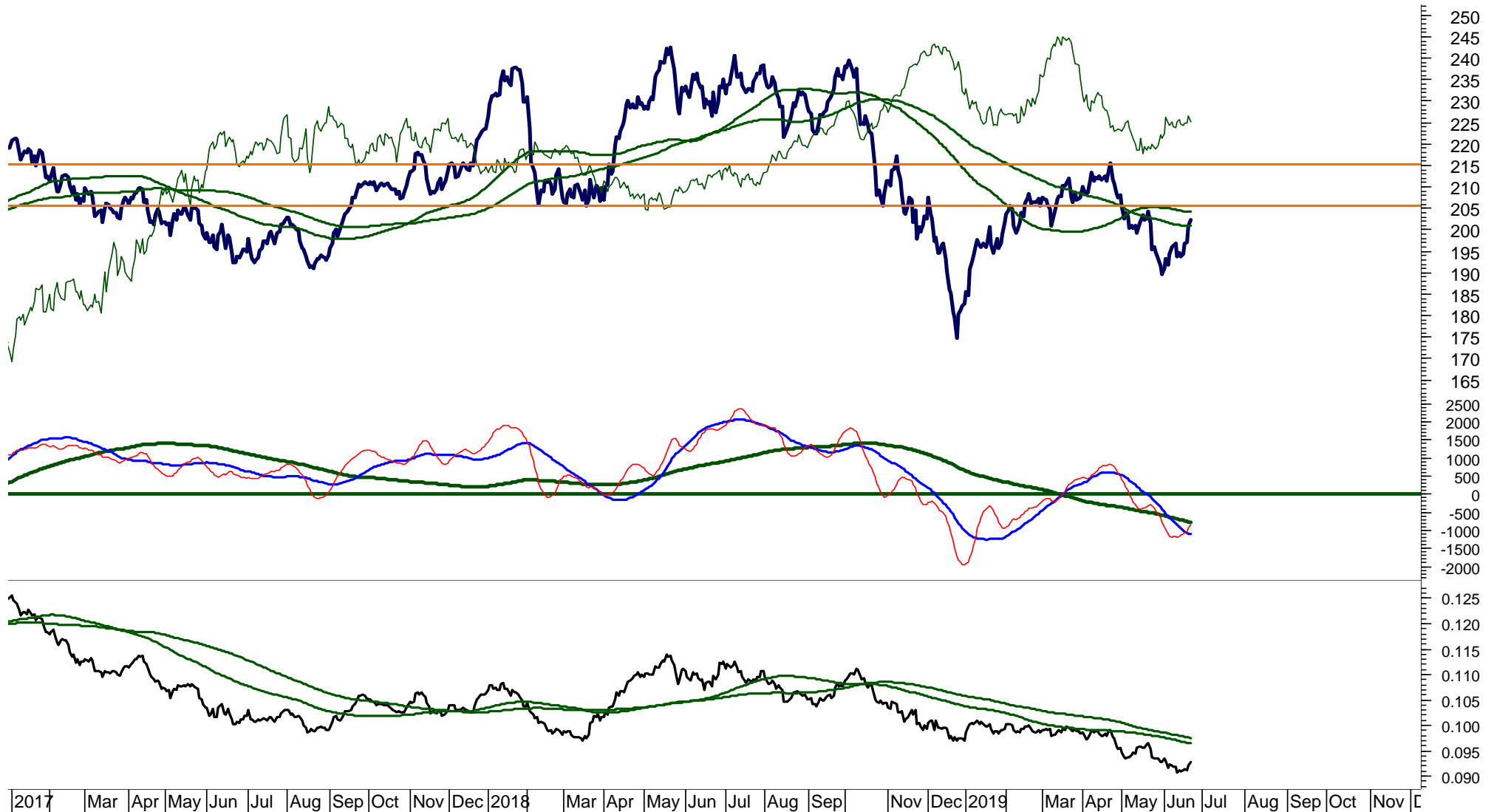


# MSCI World Energy

SCORE	INDEX	RIC	PRICE	LT	MT	ST
61%	Energy	.dMIWOoE	208.96	UO	UO	+

**Medium-term Outlook: DOWN / UNDERWEIGHT**

Energy is rising to the resistance cluster around 205.  
The relative chart gained some ground but not enough to signal a new upgrade.



## Developed Stock Markets –Medium-term Outlook absolute and relative performance in local currency relative to the MSCI World Index and in Swiss franc relative to the MSCI Switzerland

	IN LOCAL CURRENCIES		IN SWISS FRANCS	
MSCI ALL COUNTRY WORLD INDEX	DOWN		DOWN	
	3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI AC WORLD STOCKS INDEX	3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI SWITZERLAND
MSCI USA Stock Market Index	FLAT	OVERWEIGHT USA	FLAT	UNDERWEIGHT USA
MSCI CANADA	DOWN	NEUTRAL	DOWN	UNDERWEIGHT CANADA
	3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI AC WORLD STOCKS INDEX	3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI SWITZERLAND
MSCI EMU Stock Market Index	DOWN	NEUTRAL	DOWN	UNDERWEIGHT EMU
MSCI AUSTRIA	DOWN	UNDERWEIGHT AUSTRIA	DOWN	UNDERWEIGHT AUSTRIA
MSCI BELGIUM	DOWN	UNDERWEIGHT BELGIUM	DOWN	UNDERWEIGHT BELGIUM
MSCI DENMARK	FLAT	NEUTRAL	FLAT	UNDERWEIGHT DENMARK
MSCI FINLAND	DOWN	UNDERWEIGHT FINLAND	DOWN	UNDERWEIGHT FINLAND
MSCI FRANCE	DOWN	NEUTRAL	DOWN	UNDERWEIGHT FRANCE
MSCI GERMANY	DOWN	NEUTRAL	DOWN	UNDERWEIGHT GERMANY
MSCI IRELAND	DOWN	NEUTRAL	DOWN	UNDERWEIGHT IRELAND
MSCI ITALY	DOWN	UNDERWEIGHT ITALY	DOWN	UNDERWEIGHT ITALY
MSCI NETHERLANDS	DOWN	NEUTRAL	DOWN	UNDERWEIGHT NETHERLANDS
MSCI NORWAY	DOWN	NEUTRAL	DOWN	UNDERWEIGHT NORWAY
MSCI PORTUGAL	DOWN	UNDERWEIGHT PORTUGAL	DOWN	UNDERWEIGHT PORTUGAL
MSCI SPAIN	DOWN	(d) UNDERWEIGHT SPAIN	DOWN	UNDERWEIGHT SPAIN
MSCI SWEDEN	DOWN	UNDERWEIGHT SWEDEN	DOWN	UNDERWEIGHT SWEDEN
MSCI SWITZERLND	FLAT	OVERWEIGHT SWITZERLAND	FLAT	
MSCI U.K.	DOWN	(d) UNDERWEIGHT U.K.	DOWN	UNDERWEIGHT U.K.
MSCI HONG KONG	DOWN	UNDERWEIGHT HONG KONG	DOWN	UNDERWEIGHT HONG KONG
MSCI ISRAEL	DOWN	UNDERWEIGHT ISRAEL	DOWN	UNDERWEIGHT ISRAEL
MSCI NEW ZEALAND	FLAT	NEUTRAL	(d) DOWN	UNDERWEIGHT N ZEALAND
MSCI SINGAPORE	DOWN	UNDERWEIGHT	DOWN	UNDERWEIGHT SINGAPORE
	3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI AC WORLD STOCKS INDEX	3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI SWITZERLAND
MSCI JAPAN Stock Market Index	DOWN	UNDERWEIGHT JAPAN	DOWN	UNDERWEIGHT JAPAN
MSCI AUSTRALIA	UP	OVERWEIGHT AUSTRALIA	FLAT	NEUTRAL

## Emerging Stock Markets –Medium-term Outlook absolute and relative performance in local currency relative to the MSCI World Index and in Swiss franc relative to the MSCI Switzerland

GLOBAL STOCK MARKET INDICES	IN LOCAL CURRENCIES		
	3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI AC WORLD STOCKS INDEX	RELATIVE TO THE MSCI EMERGING MARKET INDEX
MSCI EMERGING MARKETS	DOWN	UNDERWEIGHT EMERGING	
<b>AMERICAS</b>			
MSCI BRAZIL	FLAT	NEUTRAL	OVERWEIGHT BRAZIL
MSCI CHILE	DOWN	UNDERWEIGHT CHILE	UNDERWEIGHT CHILE
MSCI COLOMBIA	DOWN	UNDERWEIGHT COLOMBIA	UNDERWEIGHT COLOMBIA
MSCI MEXICO	DOWN	NEUTRAL	(d) NEUTRAL
MSCI PERU	DOWN	UNDERWEIGHT PERU	UNDERWEIGHT PERU
<b>EMEA</b>			
MSCI CZECH REPUBLIC	FLAT	NEUTRAL	OVERWEIGHT CZECH REPUBLIC
MSCI EGYPT	DOWN	UNDERWEIGHT EGYPT	NEUTRAL
MSCI GREECE	FLAT	NEUTRAL	OVERWEIGHT GREECE
MSCI HUNGARY	DOWN	UNDERWEIGHT	(d) UNDERWEIGHT HUNGARY
MSCI POLAND	DOWN	UNDERWEIGHT	NEUTRAL
MSCI QATAR	DOWN	NEUTRAL	UNDERWEIGHT QATAR
MSCI RUSSIA	UP	OVERWEIGHT RUSSIA	OVERWEIGHT RUSSIA
MSCI SOUTH AFRICA	FLAT	NEUTRAL	OVERWEIGHT SOUTH AFRICA
MSCI TURKEY	DOWN	UNDERWEIGHT TURKEY	NEUTRAL
MSCI UNITED ARAB EMIRATES	DOWN	UNDERWEIGHT UAE	UNDERWEIGHT UAE
<b>ASIA</b>			
MSCI CHINA	DOWN	UNDERWEIGHT CHINA	UNDERWEIGHT CHINA
MSCI INDIA	FLAT	NEUTRAL	(d) NEUTRAL
MSCI INDONESIA	FLAT	NEUTRAL	NEUTRAL
MSCI KOREA	DOWN	UNDERWEIGHT KOREA	(d) UNDERWEIGHT KOREA
MSCI MALAYSIA	DOWN	NEUTRAL	OVERWEIGHT MALAYSIA
MSCI PAKISTAN	DOWN	UNDERWEIGHT PAKISTAN	UNDERWEIGHT PAKISTAN
MSCI PHILIPPINES	FLAT	NEUTRAL	OVERWEIGHT PHILIPPINES
MSCI TAIWAN	DOWN	UNDERWEIGHT TAIWAN	NEUTRAL
MSCI THAILAND	FLAT	NEUTRAL	OVERWEIGHT THAILAND

IN SWISS FRANCS	
3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI SWITZERLAND
DOWN	UNDERWEIGHT EMERGING
<b>AMERICAS</b>	
FLAT	NEUTRAL
DOWN	UNDERWEIGHT CHILE
DOWN	UNDERWEIGHT COLOMBIA
DOWN	UNDERWEIGHT MEXICO
DOWN	UNDERWEIGHT PERU
<b>EMEA</b>	
FLAT	UNDERWEIGHT CZECH REPUBLIC
DOWN	UNDERWEIGHT EGYPT
FLAT	NEUTRAL
DOWN	UNDERWEIGHT HUNGARY
DOWN	UNDERWEIGHT POLAND
DOWN	UNDERWEIGHT QATAR
FLAT	NEUTRAL
DOWN	UNDERWEIGHT SOUTH AFRICA
DOWN	UNDERWEIGHT TURKEY
DOWN	UNDERWEIGHT UAE
<b>ASIA</b>	
DOWN	UNDERWEIGHT CHINA
FLAT	(d) UNDERWEIGHT INDIA
FLAT	NEUTRAL
DOWN	UNDERWEIGHT KOREA
DOWN	UNDERWEIGHT MALAYSIA
DOWN	UNDERWEIGHT PAKISTAN
FLAT	NEUTRAL
DOWN	UNDERWEIGHT TAIWAN
FLAT	UNDERWEIGHT THAILAND



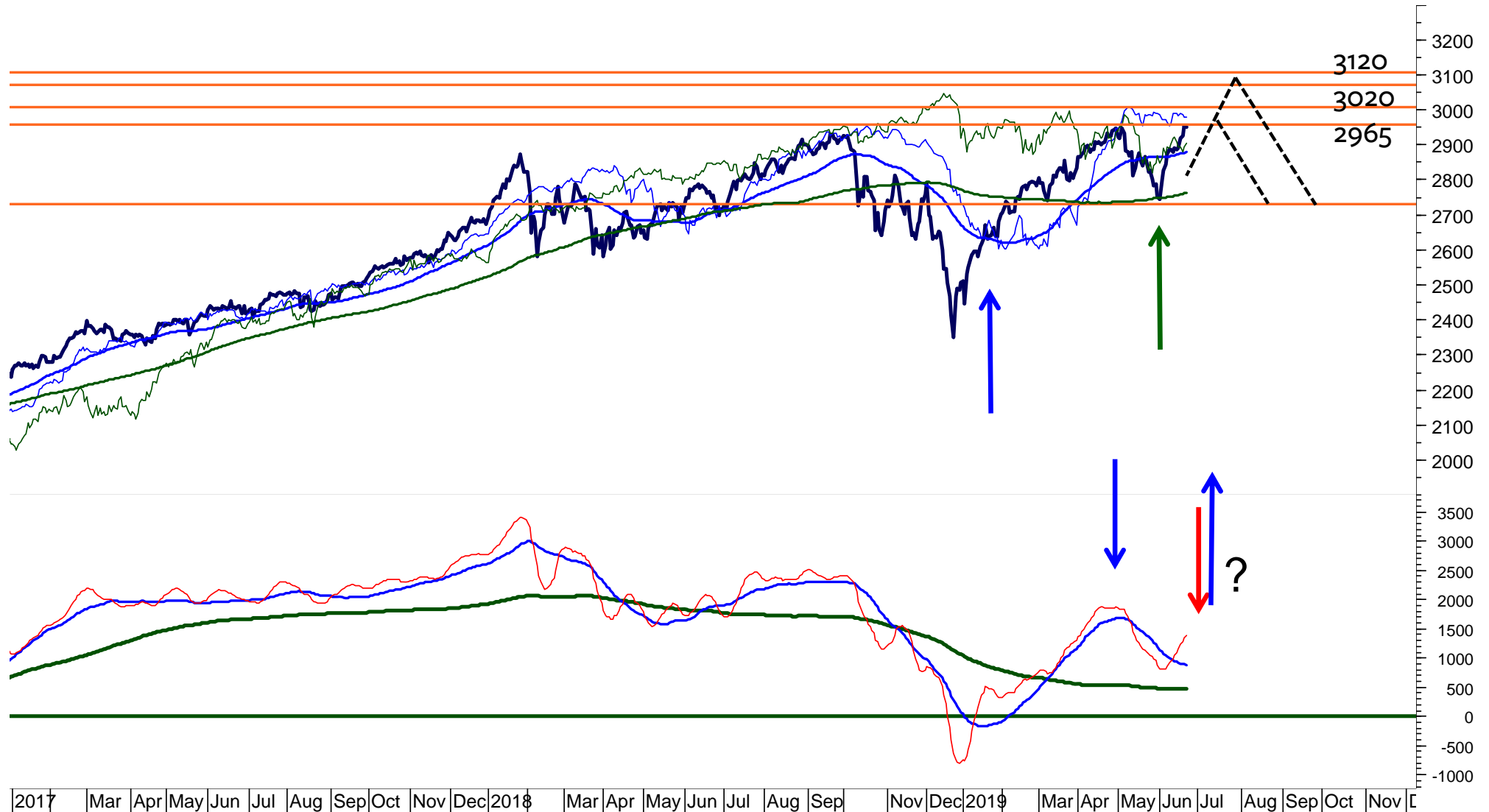
# S&P 500 Index – daily chart

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	S&P 500 INDEX/d	.SPX	2954.18	+	+	+

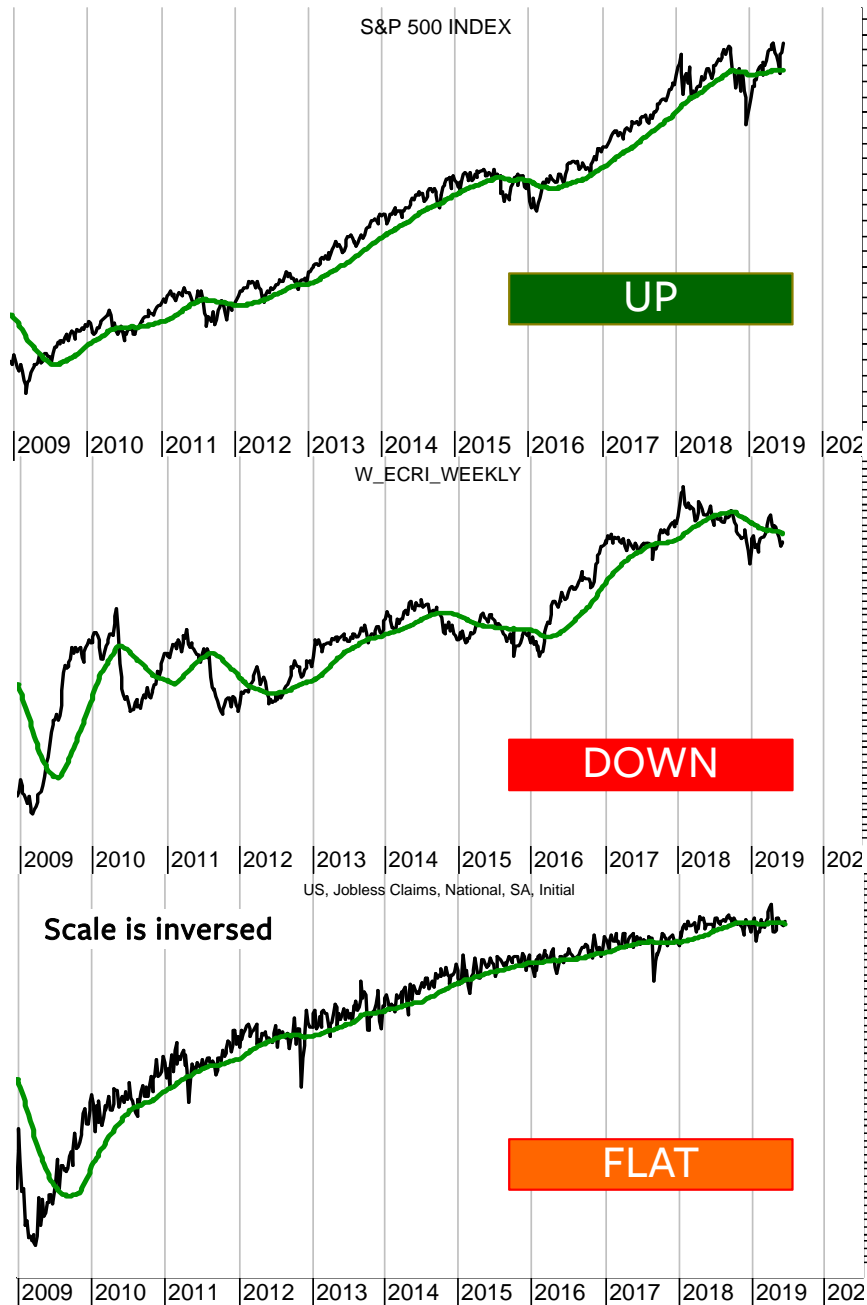
Medium-term Outlook: FLAT

The S&P 500 Index is testing the major resistance levels at 2965, 3020 or 3120.

I will have to see if the Index can cross the medium-term momentum reversal at 2000 or if it first enters a short-term correction.



# My Three-Factor-Model – S&P 500 Index, ECRI and the (inverse) Weekly Jobless Claims



The S&P 500 Index remains above the 40-week average and above the 4-week average. The 4-week average remains above the 40-week average. The Model remains UP.

The Weekly Economic Cycle Research Index ticked up to 144.60. It remains just below the 4-week average, which remains below the 40-week average. The Model remains DOWN.

The (inverse) Weekly Jobless Claims are at 216k. The Claims remain around the two moving averages. The Model remains FLAT.

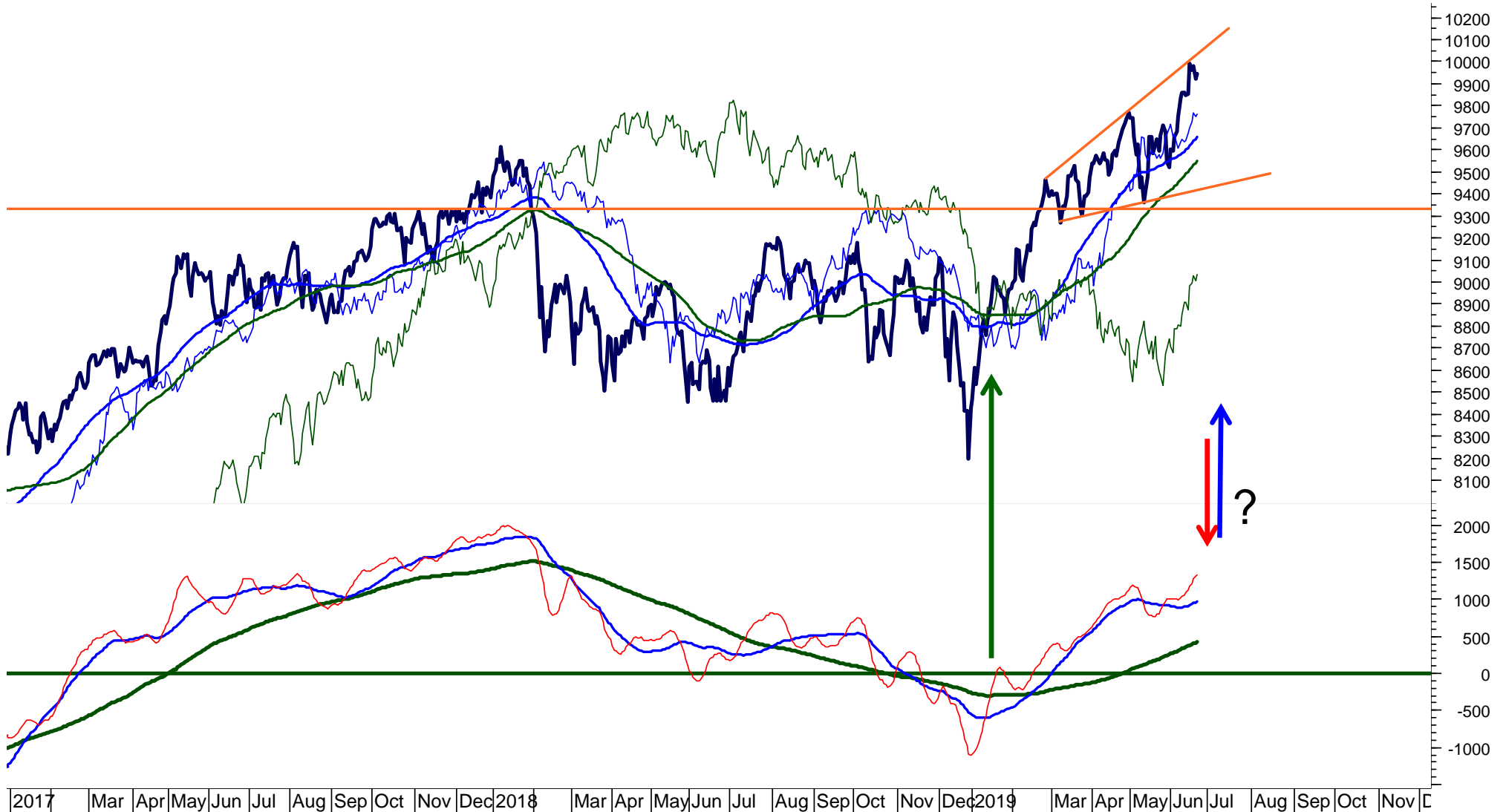
I am watching for one of the three Indicators to signal a change that will shift the Model to either up or down. Presently, it remains neutral.

# Swiss Market Index SMI

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	SMI PR/d	.SSMI	9978.52	+	+	+

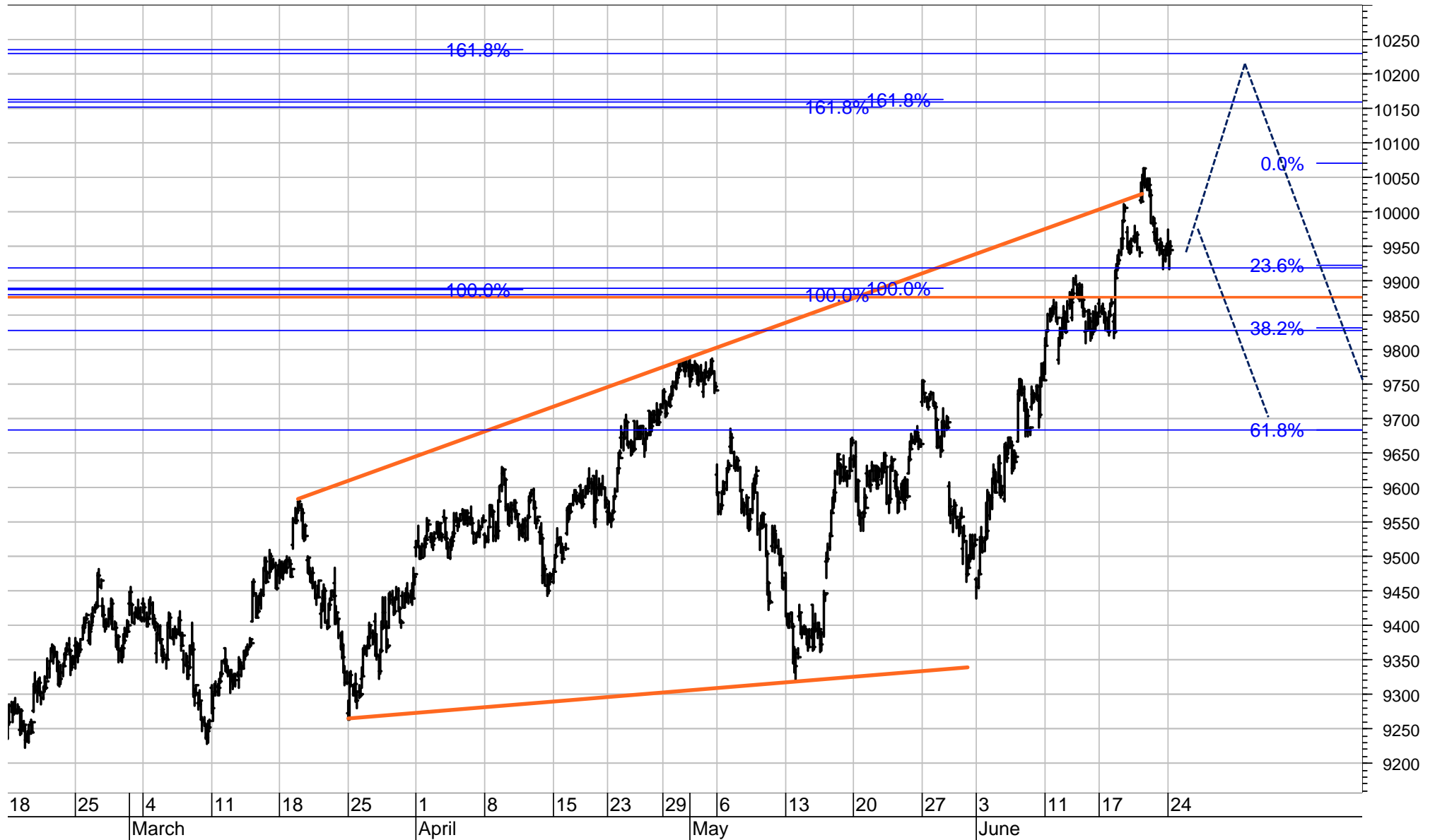
## Medium-term Outlook: FLAT

The SMI remains positive as it remains above all trend and momentum indicators. But, the pattern from early March still appears as Expanding Wedge. It is highlighted on the next page. The Wedge could be a trend-ending formation. This would mean that it will be fully retraced with a decline to 9350 / 9250. It would take a rise above 10150 / 10250 to signal that it is a trend acceleration pattern.



# Swiss Market Index SMI – 30-Minute chart

The SMI could be forming an Expanding Wedge from the low in March. It could still spike to 10150 / 10250 in a final rise. But, the Wedge could as well have topped last week. A break of 9910, 9820 and 9680 would signal another major correction.

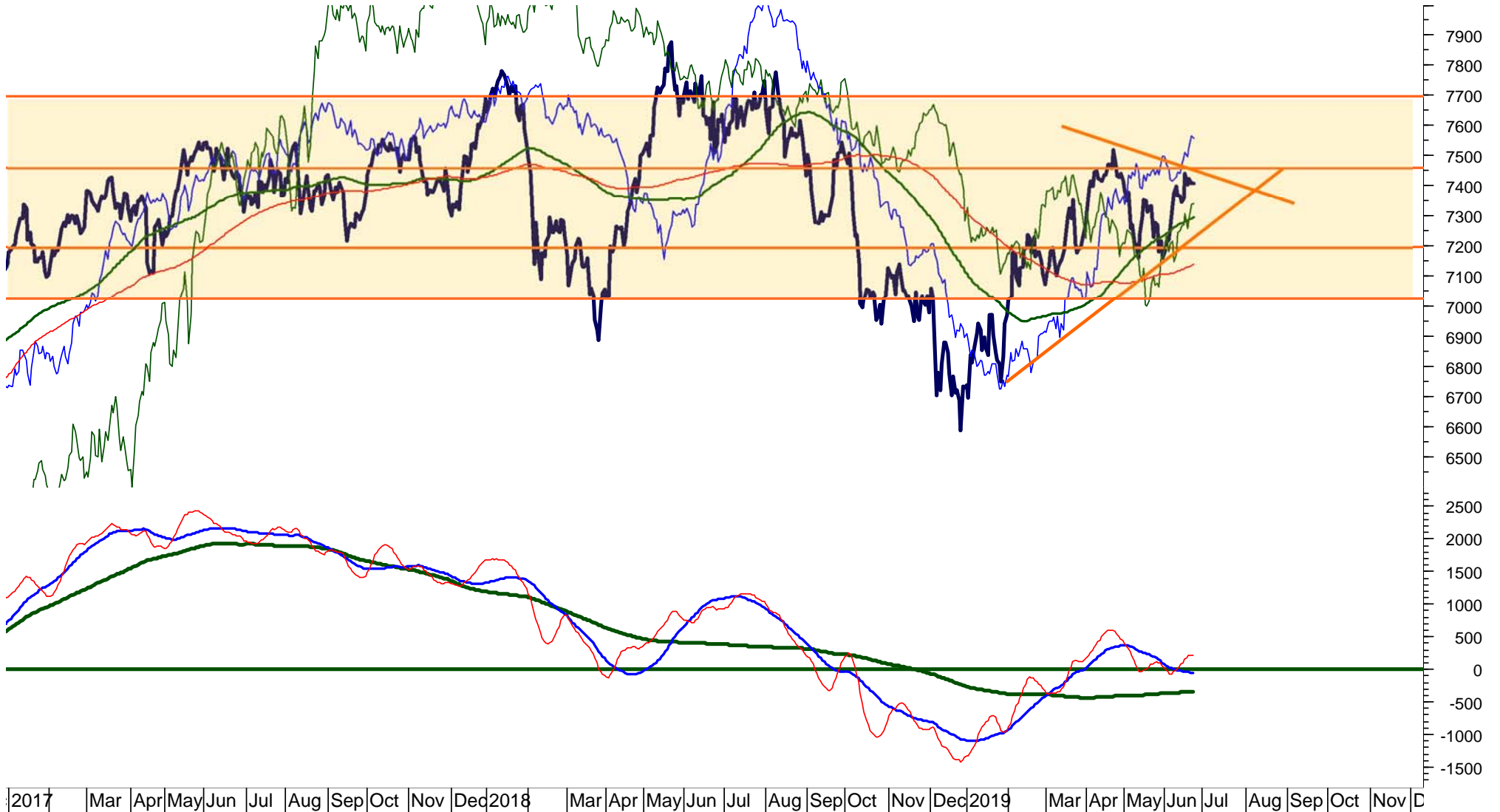


# U.K. FTSE 100 Index

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	FTSE 100 INDEX/d	.FTSE	7407.5	+	0	+

**Medium-term Outlook: DOWN**

The FTSE is forming a triangle. The next short-term correction will be most critical to the medium-term and long-term outlook. Key supports are 7200 and 7210. Resistance is 7460.

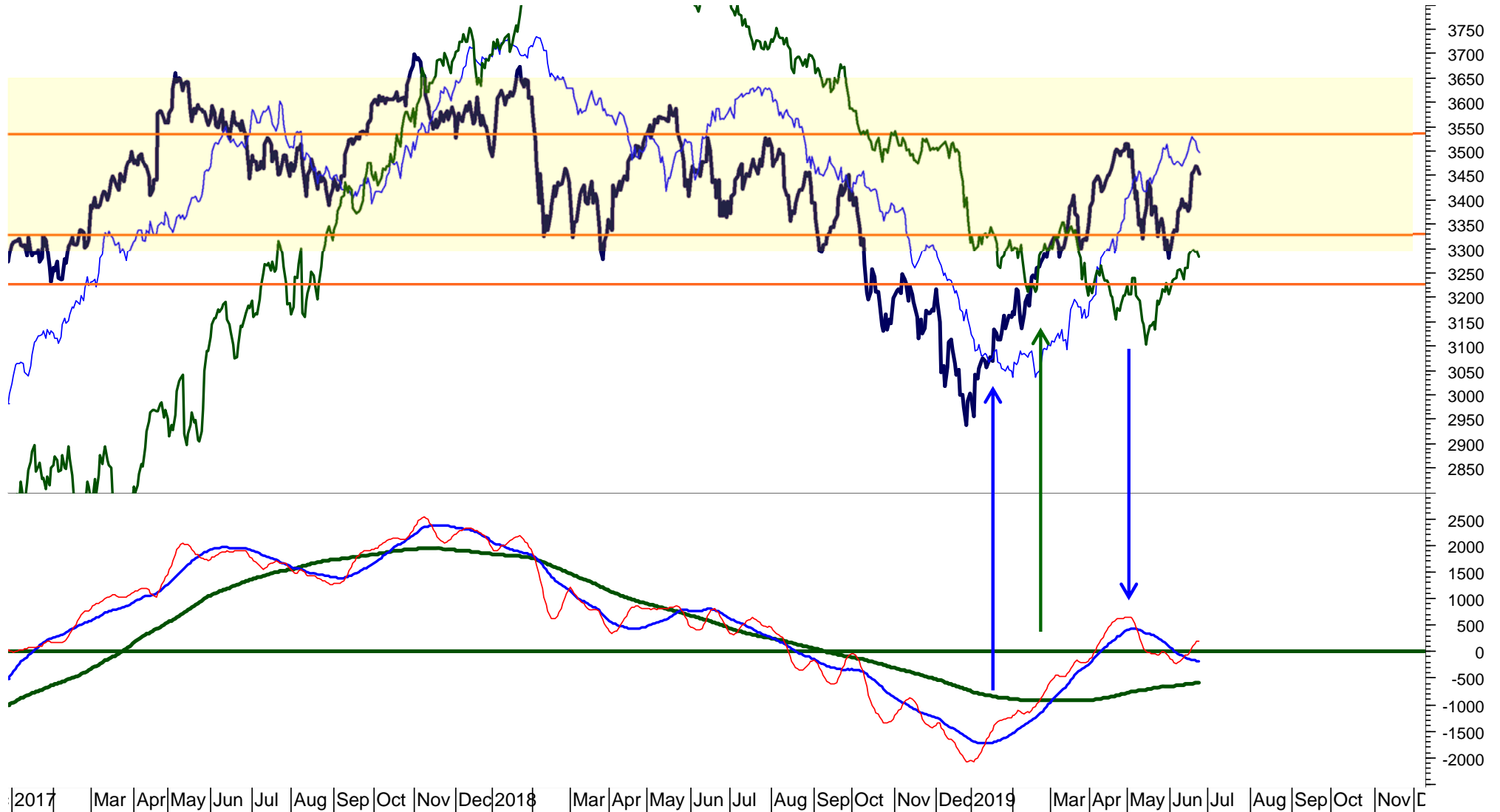


# Eurostoxx 50 Index

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	ESTX 50 PR/d	.STOXX50E	3468.08	+	UO	+

Medium-term Outlook: **DOWN**

The key levels to watch are 3540 and 3320 / 3220.

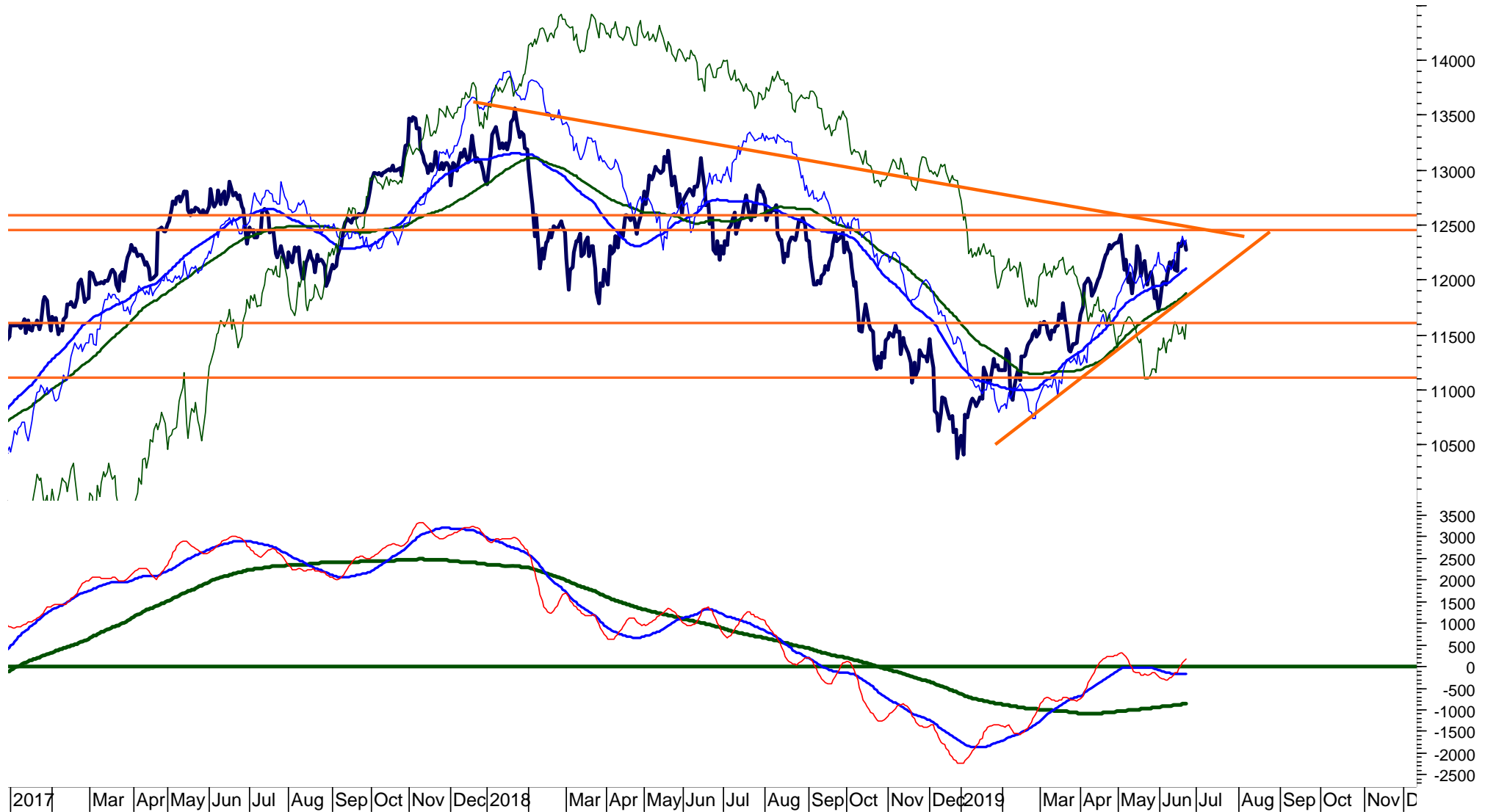


# German DAX

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	XETRA DAX PF/d	.GDAXI	12355.39	+	+	+

Medium-term Outlook: FLAT

The DAX remains in the trading range between 12400 / 12600 and 11600.





# Japanese Nikkei 225 Index

SCORE	INDEX	RIC	PRICE	LT	MT	ST
44%	NIKKEI 225	.NKXQ	21258.64	UO	UO	+

Medium-term Outlook: **DOWN**

The Nikkei remains below the 55-day and 89-day averages.



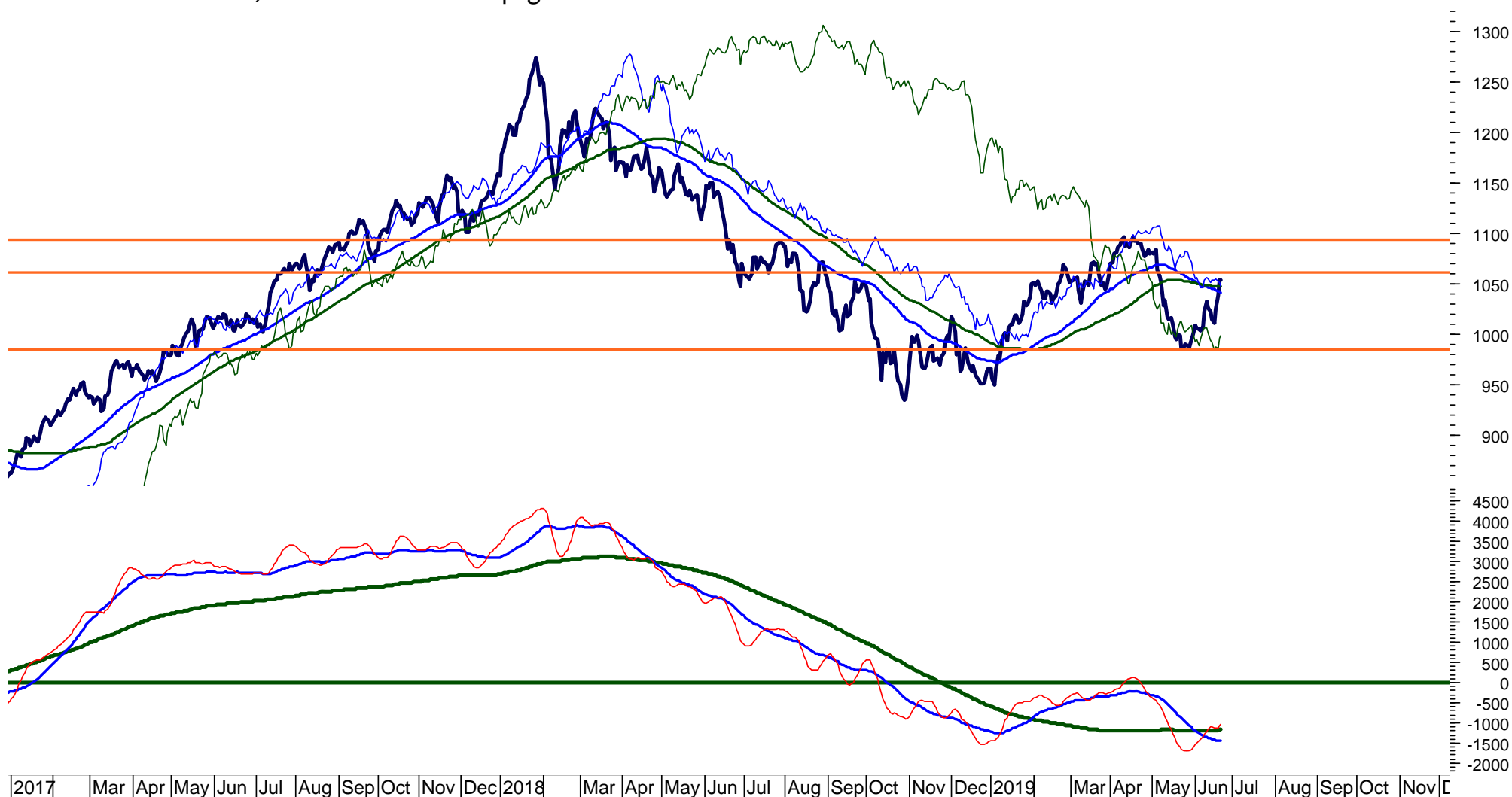
# MSCI Emerging Markets Index

SCORE	INDEX	RIC	PRICE	LT	MT	ST
83%	MSCI EM/d	.MSCIEF	1053.22	U+	UU+	+

Medium-term Outlook: (u) FLAT

The Emerging Market Index turned up from the long-term support, which I had located at 990 to 980. The outlook will brighten for the emerging markets if the resistance levels at 1070 and 1100 can be broken. Support is at 980.

In spite of the rally in the EM Index is the relative outlook of the MSCI EM in Swiss franc relative to the MSCI Switzerland still in favour of the Swiss stock market, as shown on the next page.



## MSCI EMERGING MARKETS in Swiss franc relative to the MSCI Switzerland

The MEDIUM-TERM OUTLOOK for the MSCI EMERGING MARKETS in Swiss franc relative to the MSCI Switzerland remains **DOWN**. Swiss franc based equity investors remain out of EM equities (or UNDERWEIGHT EM) and invested in Swiss equities (or OVERWEIGHT SWITZERLAND).



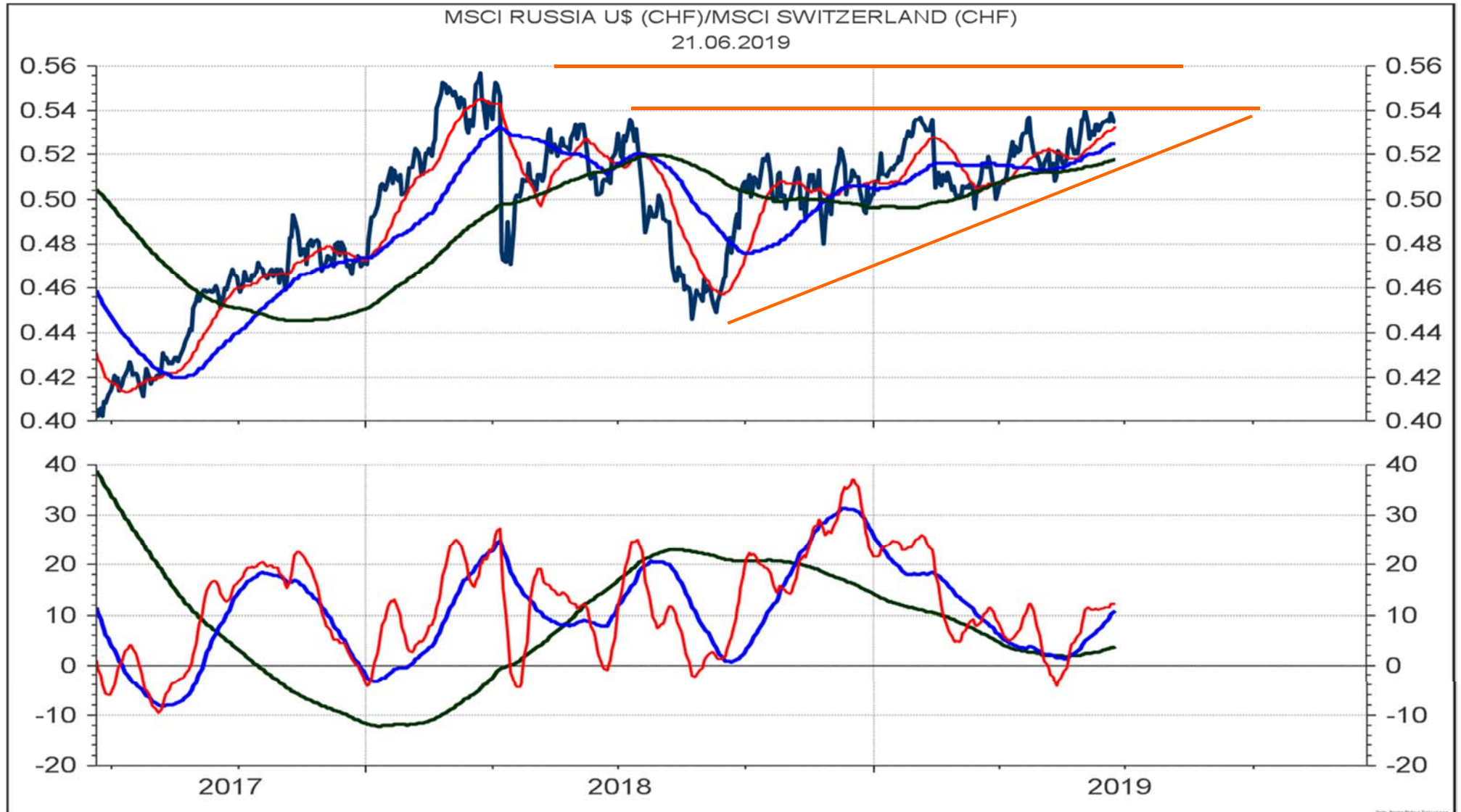
## BRICs - MSCI Brazil in Swiss franc relative to the MSCI Switzerland

The MEDIUM-TERM OUTLOOK for the MSCI Brazil in Swiss franc relative to the MSCI Switzerland remains **FLAT**. This means that Swiss franc based equity investors retain their equal equity weighting in BRAZIL and in SWITZERLAND.



## BRICS - MSCI Russia in Swiss franc relative to the MSCI Switzerland

The **MEDIUM-TERM OUTLOOK** for the MSCI Russia in Swiss franc relative to the MSCI Switzerland remains **FLAT**. For now, Swiss franc based equity investors retain the equal weighting of the Russian and Swiss equities. It would take a clear break upwards from the triangle to justify buying a Russian equities for Swiss franc-based equity investors.





## BRICS - MSCI India in Swiss franc relative to the MSCI Switzerland

The MEDIUM-TERM OUTLOOK for the MSCI India in Swiss franc relative to the MSCI Switzerland is DOWNGRADED to DOWN.

Swiss franc based equity investors should move out of the Indian market and continue to favour the Swiss stock market.

The relative chart of Indian equities in Swiss franc has been quite volatile since mid 2018. It will take a slowdown in this volatility to signal a new and stable equity and currency trend for India to become more attractive again for the Swiss franc based equity investors.



## BRICS - MSCI China in Swiss franc relative to the MSCI Switzerland

The MEDIUM-TERM OUTLOOK for the MSCI CHINA in Swiss franc relative to the MSCI Switzerland remains DOWN. This means that Swiss franc based equity investors should remain out of the Chinese stock market.





# Bloomberg Commodity Index Total Return

The BCI Total Return has recovered to resistance around 167. The next resistance is at 170.50 / 172. This is the range where the momentum reversals are positioned. For now, the medium-term outlook remains DOWN.

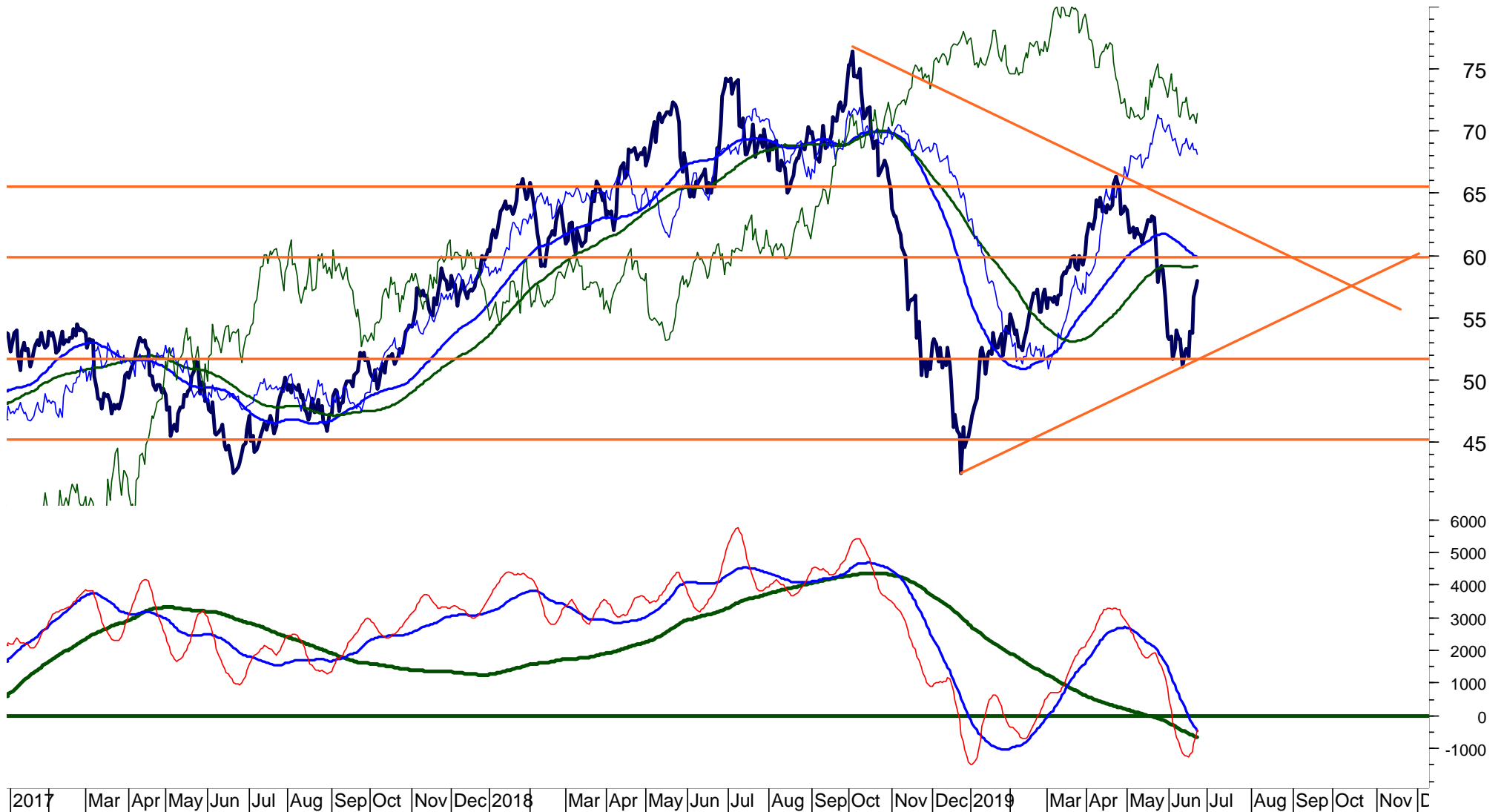
**Medium-term Outlook: DOWN**



# Light Crude Oil Continuous Future

Crude oil remains in a large triangle.  
Resistance is at 60 and 65.50. Support is at 51.50.

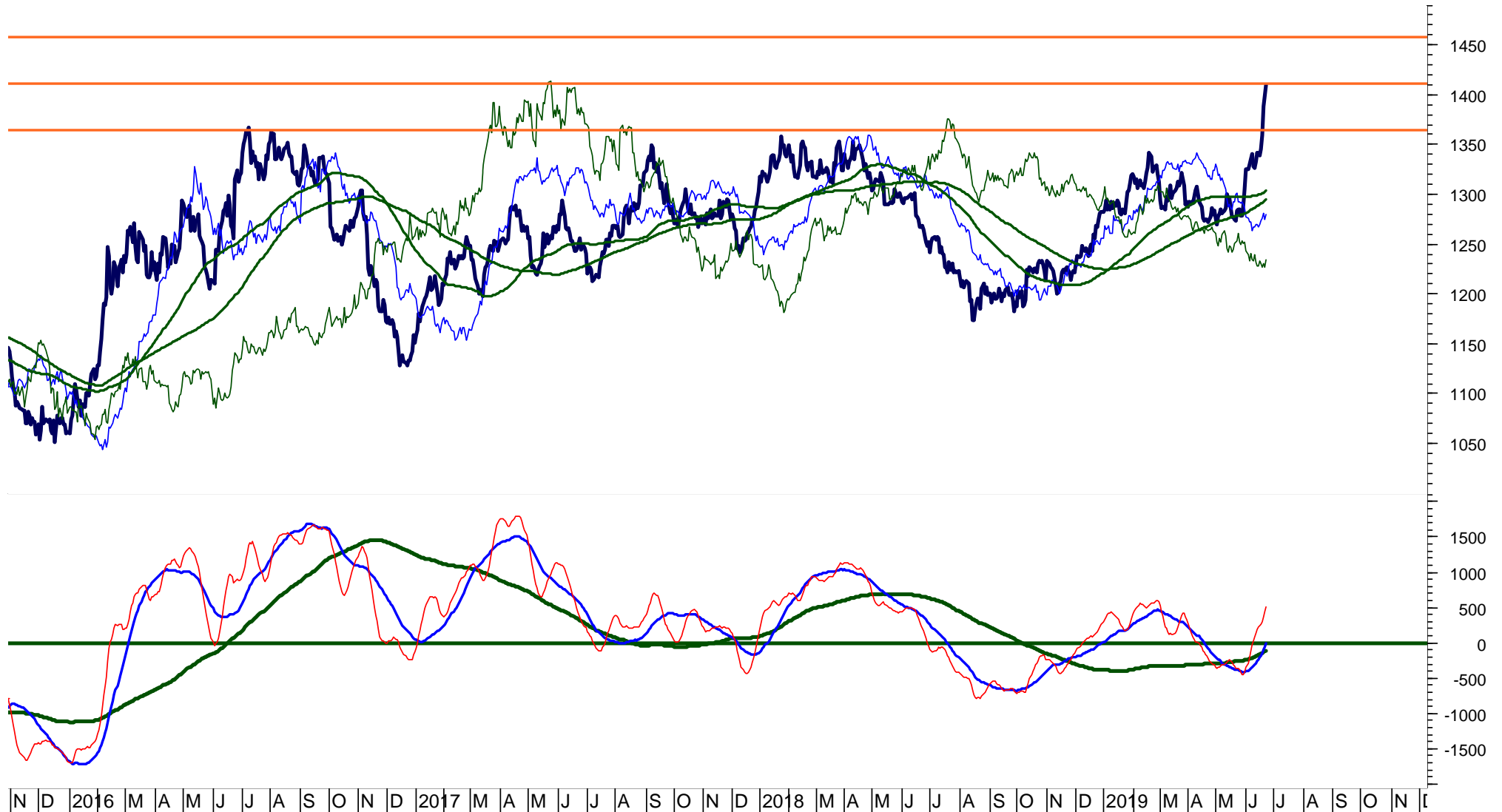
**Medium-term Outlook: DOWN**



# Gold per Ounce in US dollar

I did expect a short-term correction, which did not unfold. But, I also stated that:  
„Clearly, it will take a break of 1350 / 1358 to signal a major break upwards“.  
The break upwards occurred on 19.6. and 20.6.2019.  
Investors can add to long positions if the resistance at 1420 is broken.  
Next resistance is 1460 and 1575.

**Medium-term Outlook: UP**



# Silver in US dollar

Silver broke the key resistance at 15.15 and signaled 15.80 or 16.60.

**Medium-term Outlook: UP**  
since 20.6.2019 @15.15



# Global 10-year Government Bond Yield

The global downtrend in the 10-year Government Bond yields remains in place. Market observers see the yield decline as the market discounting more rate cuts by the FED. BUT, I SEE THE DECLINE AS CLEAR EVIDENCE OF THE UNFOLDING DEFLATION, which is global in nature.

Either the stock markets will turn DOWN and join the yield downtrend or the yield trends have to turn up to join the stock markets in their uptrend. As I show on page 36 is the (tactical) medium-term trend still (marginally) in favour of the bonds. I see that the stock markets have reached the highs from early May. The next few weeks will be critical to see if these levels can be broken. If so, equities could have some more upside potential. But, I will have to see if indeed the long-term equity uptrend can be reinstated. I doubt it as long as the yields remain weak.

<b>GLOBAL GOVERNMENT BOND 10-YEAR YIELD</b>	<b>3-6 MONTHS OUTLOOK</b>
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AMERICAS	
US 10-year T-Notes Yield	<b>DOWN</b>
CANADA 10-year Government Bond Yield	<b>DOWN</b>

EUROPE	
EURO 10-year Government Bond Yield	<b>DOWN</b>
FRANCE 10-year Bund Yield	<b>DOWN</b>
GERMANY 10-year Bund Yield	<b>DOWN</b>
ITALY 10-year Government Bond Yield	<b>DOWN</b>
NETHERLANDS 10-year Government Bond Yield	<b>DOWN</b>
NORWAY 10-year Government Bond Yield	<b>DOWN</b>
PORTUGAL 10-year Government Bond Yield	<b>DOWN</b>
SPAIN 10-year Government Bond Yield	<b>DOWN</b>
SWEDEN 10-year Confederation Bond Yield	<b>DOWN</b>
SWITZERLAND 10-year Confederation Bond Yield	<b>DOWN</b>
U.K. 10-year Long Gilt Yield	<b>DOWN</b>

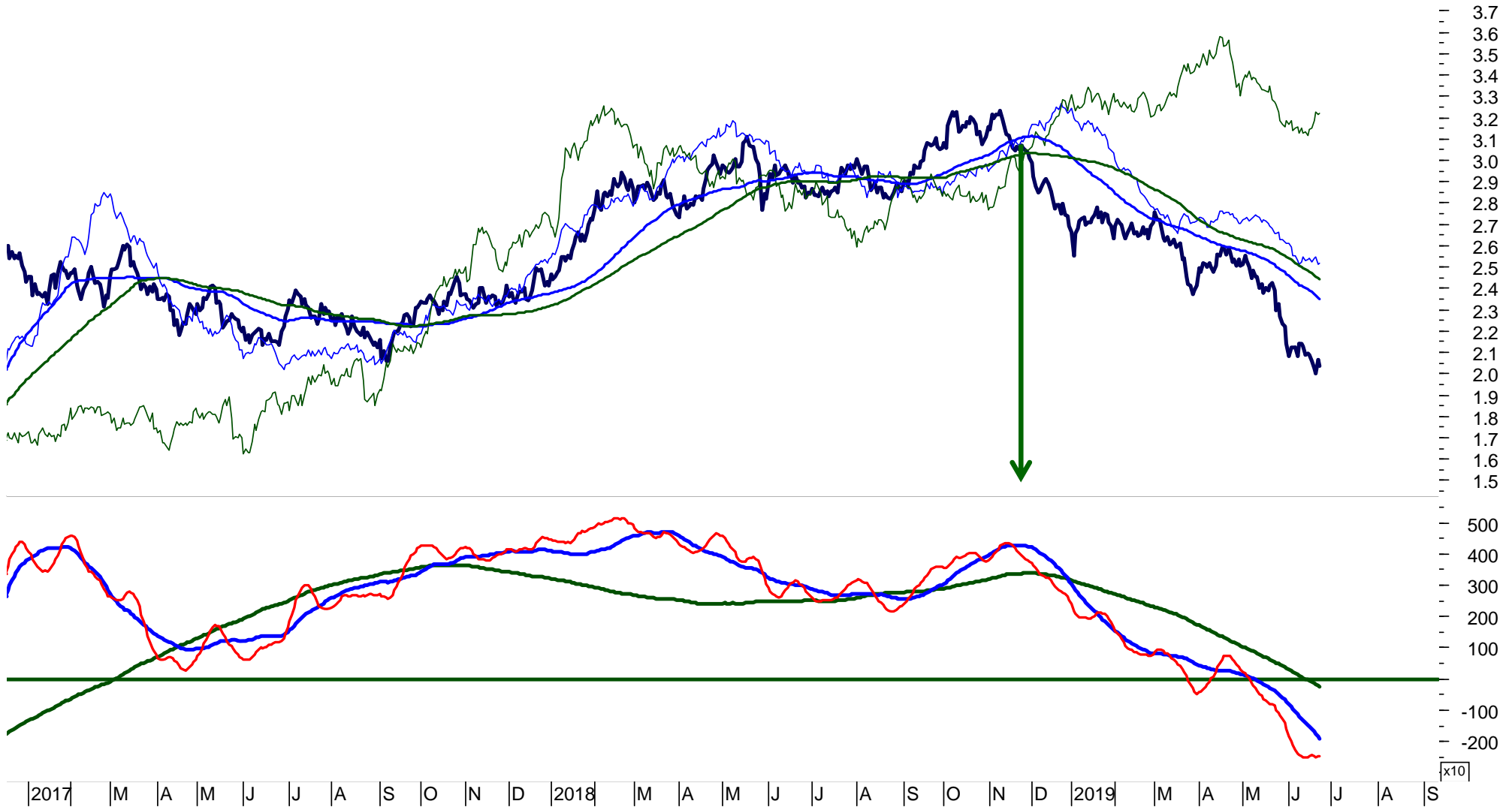
APAC	
JAPAN 10-year Government Bond Yield	<b>DOWN</b>
AUSTRALIA 10-year Government Bond Yield	<b>DOWN</b>
HONG KONG 10-year Government Bond Yield	<b>FLAT</b>
NEW ZEALAND 10-year Government Bond Yield	<b>DOWN</b>
SINGAPORE 10-year Government Bond Yield	<b>DOWN</b>

EMERGING MARKETS	
BRAZIL 10-year Confederation Bond Yield	<b>DOWN</b>
MEXICO 10-year Confederation Bond Yield	<b>DOWN</b>
GREECE 10-year Confederation Bond Yield	<b>DOWN</b>
HUNGARY 10-year Confederation Bond Yield	<b>DOWN</b>
POLAND 10-year Confederation Bond Yield	<b>DOWN</b>
RUSSIA 10-year Confederation Bond Yield	<b>DOWN</b>
SOUTH AFRICA 10-year Confederation Bond Yield	<b>DOWN</b>
TURKEY 10-year Confederation Bond Yield	<b>(d) DOWN</b>
CHINA 10-year Confederation Bond Yield	<b>FLAT</b>
INDIA 10-year Confederation Bond Yield	<b>DOWN</b>
INDONESIA 10-year Confederation Bond Yield	<b>DOWN</b>
KOREA 10-year Confederation Bond Yield	<b>DOWN</b>
MALAYSIA 10-year Confederation Bond Yield	<b>DOWN</b>
TAIWAN 10-year Confederation Bond Yield	<b>DOWN</b>
THAILAND 10-year Confederation Bond Yield	<b>DOWN</b>

# US 10-year Treasury Yield

The Yield fell slightly below the 61.80% retracement of the advance from 2016 to 2018 at 2.05%. It is likely to enter a consolidation from the presently oversold level around 2%. But, given the strength of the long-term momentum indicator (present reversal is 3.20%) the downtrend needs much more time and probably more weakness before it finds a bottom.

**Medium-term Outlook: DOWN**  
since 4.12.2018 @2.96%



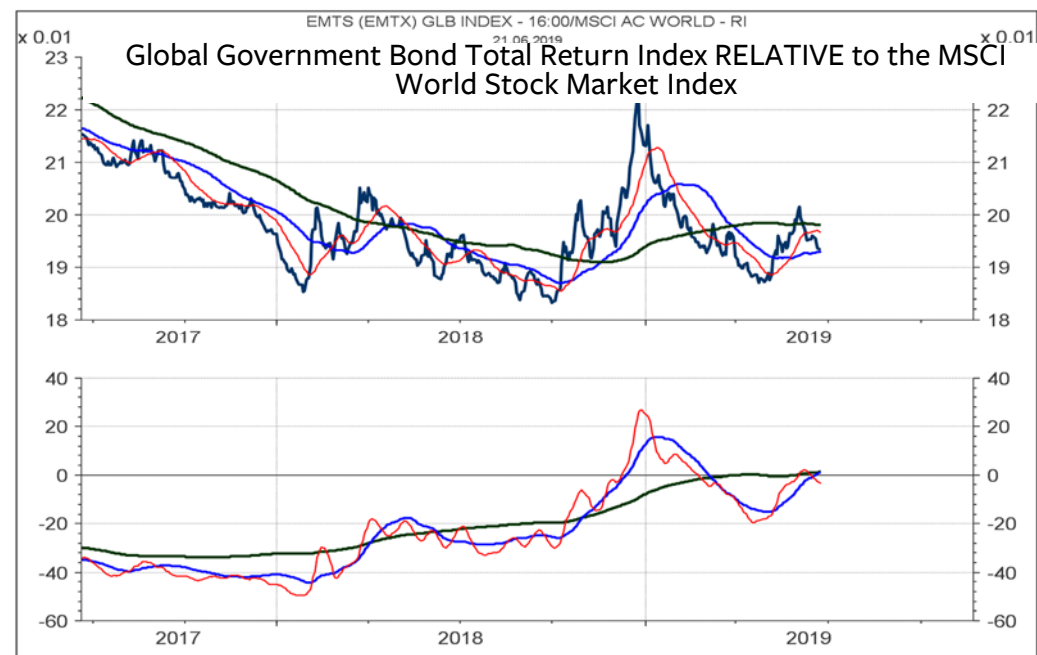
# Global 7-10-year Government Bond Total Return Indices

(Thomson Reuters Indices)

The uptrend in the Global Government Bond Index (7-10-year) relative to the World Stock Market Index (chart at right) remains in the short-term correction from the high on 3rd June 2019. This short-term bond underperformance mirrors the latest stock market rally. However, the bond outperformance remains above the 55-day average and thus, the bond outperformance from the low on 23rd April 2019 remains in place.

The bond trends relative to their local country stock market index remains OUTPERFORM BONDS. The 3 exceptions are the Total Return from the Swiss bonds (UNDERWEIGHT BONDS), Australia and Mexico. However, a change is pending given the critical resistance test in the equities.

Among the global total return in Swiss francs relative to Swiss bonds Italy is upgraded to NEUTRAL and the US Total Return in Swiss franc is downgraded to UNDERWEIGHT.



TOTAL RETURN 7-10-year GOV. BONDS	3-6 MONTHS OUTLOOK	BOND TOTAL RETURN	BOND TOTAL RETURN	BOND TOTAL RETURN	BOND TOTAL RETURN
		RELATIVE TO THE GLOBAL MSCI STOCK MARKET INDEX	RELATIVE TO THE LOCAL MSCI STOCK MARKET INDEX		
<b>GLOBAL GOVERNMENT BOND INDEX (7-10-YEAR)</b>	<b>UP</b>	<b>OVERWEIGHT BONDS</b>			
US 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT USD BONDS	OVERWEIGHT BONDS	(d) FLAT	(d) UNDERWEIGHT USA
CANADA 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT CAD BONDS	OVERWEIGHT BONDS	(d) FLAT	UNDERWEIGHT CANADA
FRANCE 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT FRENCH BONDS	OVERWEIGHT BONDS	FLAT	UNDERWEIGHT FRANCE
GERMANY 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT GERMAN BONDS	OVERWEIGHT BONDS	FLAT	UNDERWEIGHT GERMANY
ITALY 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT ITALIAN BONDS	OVERWEIGHT BONDS	FLAT	(u) NEUTRAL
PORTUGAL 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT PORTUGUESE BONDS		UP	OVERWEIGHT PORTUGAL
SPAIN 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT SPANISH BONDS	OVERWEIGHT BONDS	UP	OVERWEIGHT SPAIN
SWITZERLAND 7-10 year Government Bonds Total Return	UP	(d) NEUTRAL	UNDERWEIGHT BONDS	UP	
U.K. 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT U.K. BONDS	OVERWEIGHT BONDS	DOWN	UNDERWEIGHT UK
JAPAN 7-10 year Government Bonds Total Return Index	UP	NEUTRAL	OVERWEIGHT BONDS	(d) FLAT	UNDERWEIGHT JAPAN
AUSTRALIA 10-year Government Bond Total Return Index	UP	OVERWEIGHT AUSTRALIAN BONDS	NEUTRAL	DOWN	UNDERWEIGHT AUSTRALIA
CHINA 7-10 year Government Bonds Total Return Index	FLAT	NEUTRAL	OVERWEIGHT BONDS	DOWN	UNDERWEIGHT CHINA
MEXICO 7-10 year Government Bonds Total Return Index	FLAT	NEUTRAL	NEUTRAL	DOWN	UNDERWEIGHT MEXICO



# Swiss 7-10-year Conf Bonds Total Return Index (Thomson Reuters)

The Total Return from the 7-10-year Conf Bonds entered a minor correction but the overall uptrend remains in place.

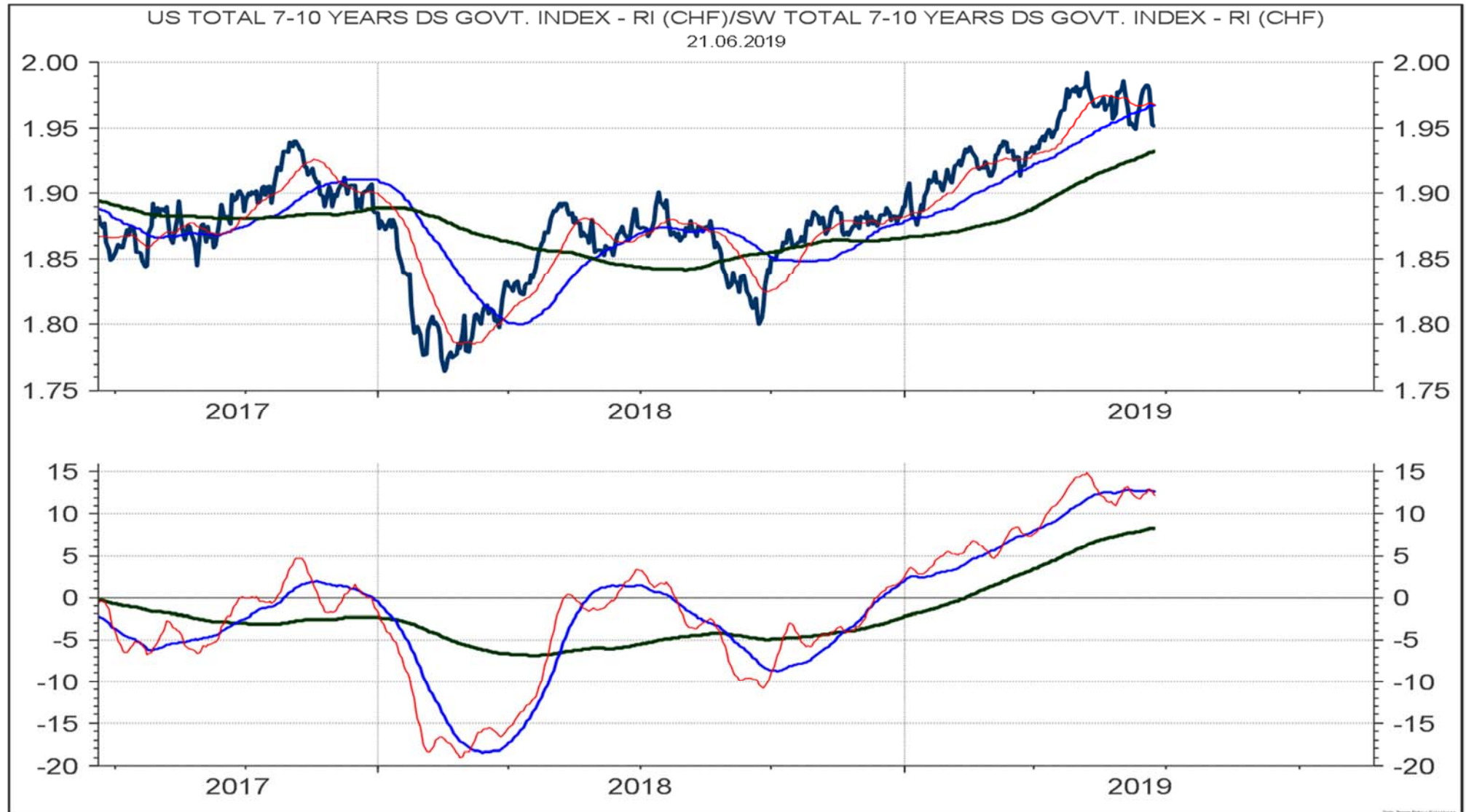
**Medium-term Outlook: UP**



## Total Return from US 7-10-year Bonds in Swiss franc relative to the Swiss 7-10-year Conf Bonds Total Return

The chart below shows the performance of the Total Return from the US 7-10-year Government Bonds (measured in Swiss franc) relative to the Total Return from the Swiss 7-10-year Conf Bonds.

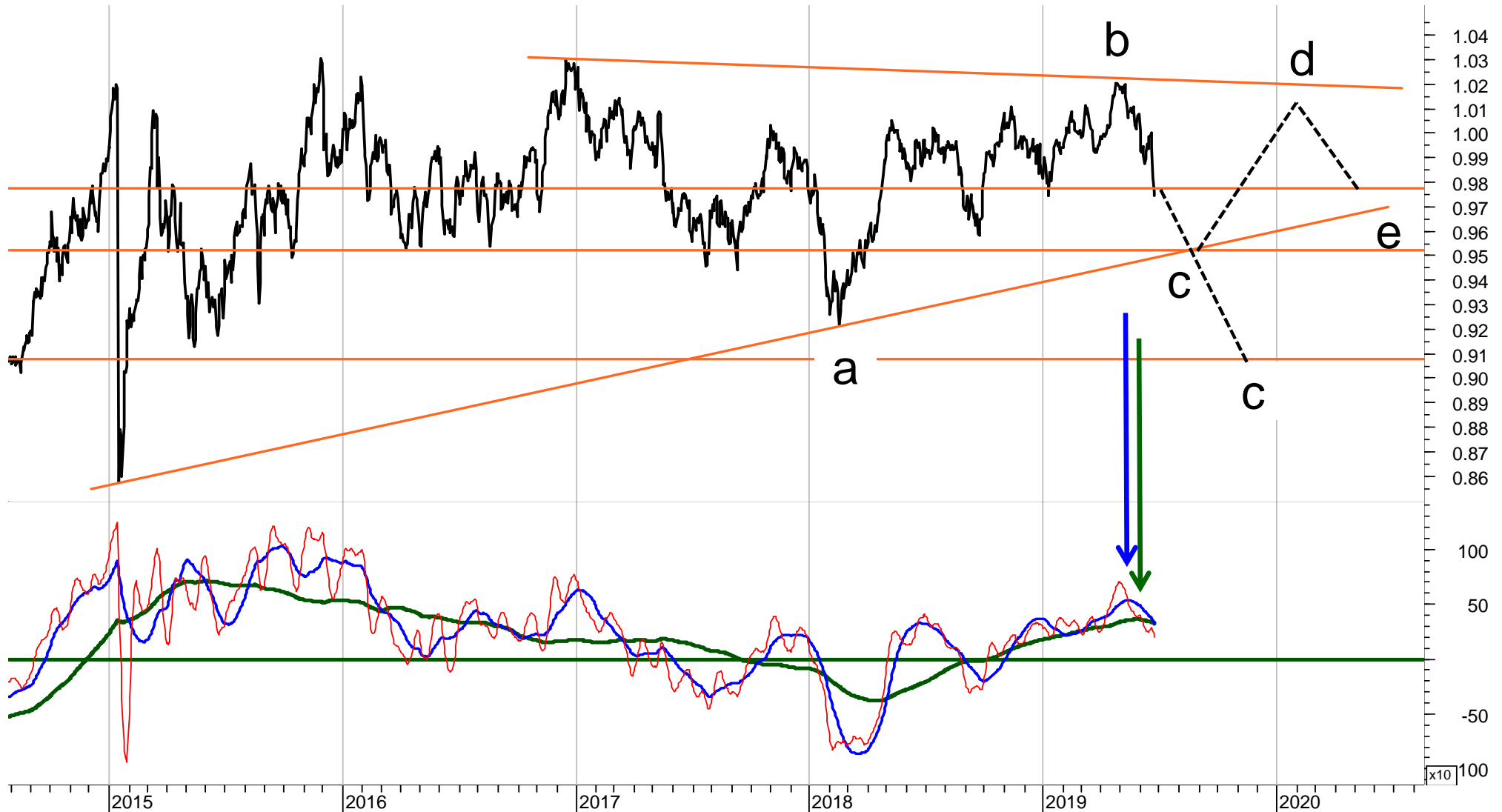
The **MEDIUM-TERM OUTLOOK is downgraded to DOWN**. This means that Swiss franc based bond investors should move to **UNDERWEIGHT** in the US BONDS and **OVERWEIGHT** in the SWISS BONDS.



# US dollar / Swiss franc

The downtrend in the US dollar is accelerating. Because the high in May occurred below the high of December 2016 the present decline is correlating with the decline from December 2016 to February 2018. Based on this correlation the present decline has key supports at 0.98 ( $c=0.382 \times a$ ), 0.9520 ( $c=0.618 \times a$ ) and 0.91 ( $c=1 \times a$ ). The pattern could form a FLAT a-b-c or a TRIANGLE a-b-c-d-e. Sell again if 0.9750 and 0.95 is broken.

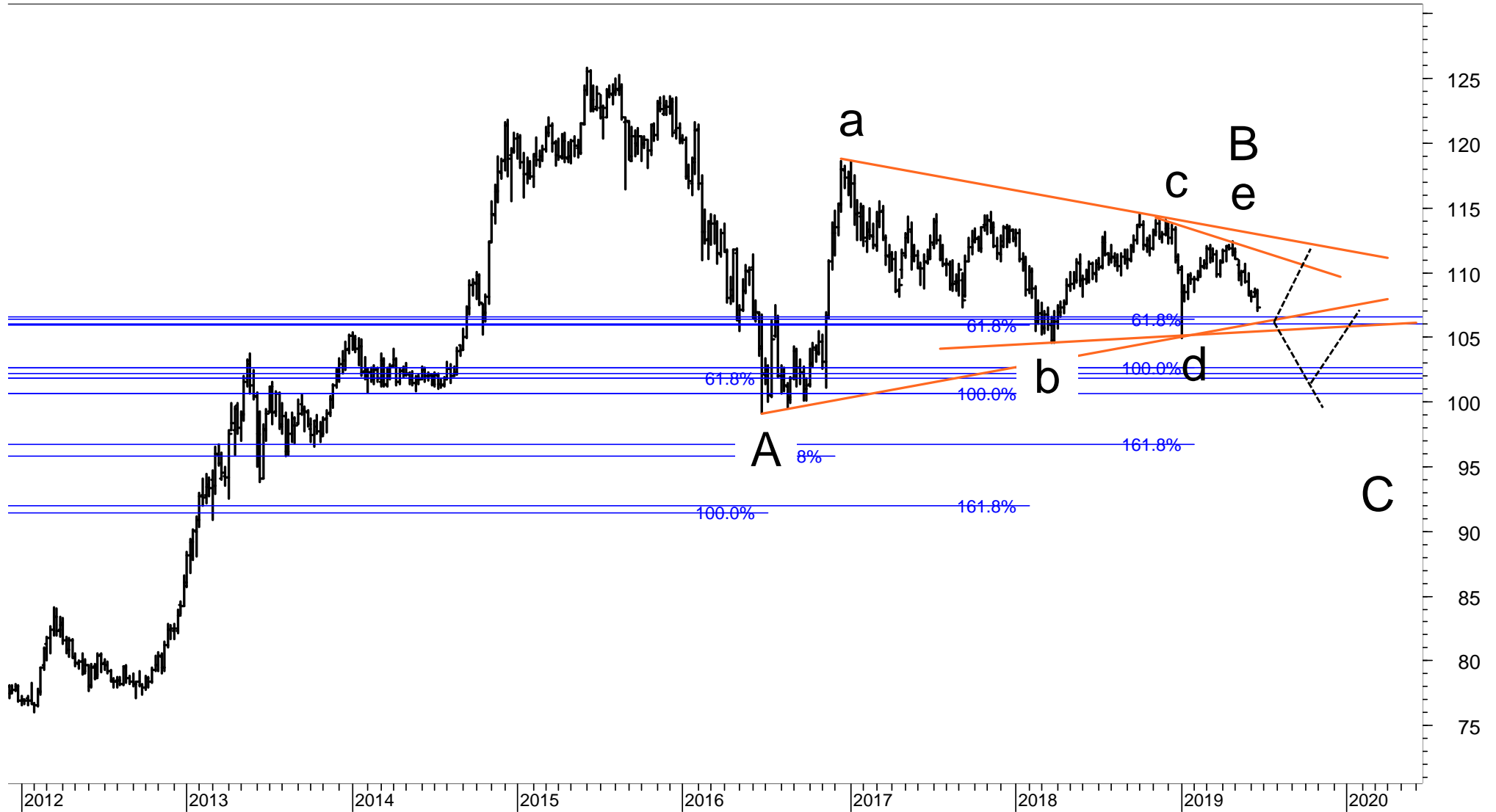
**Medium-term Outlook: DOWN**  
since 3.6.2019 @1.00



# US dollar / Japanese yen

The focus on US dollar / Japanese yen is on the Triangle, which originated in December 2016. The key support levels are at 107 / 106 and 103 / 100. The next sell signals will be triggered if these supports are broken.

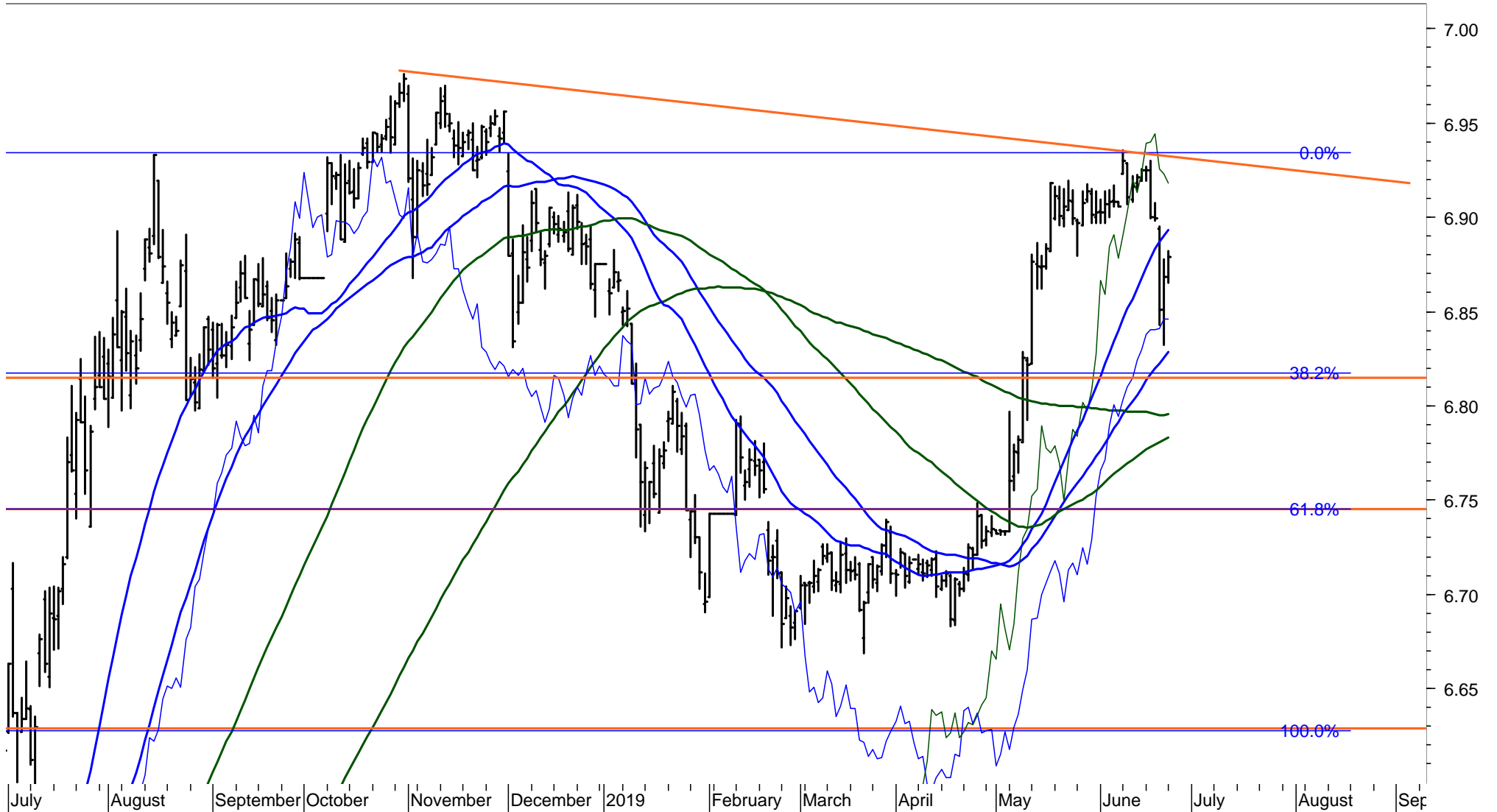
**Medium-term Outlook: DOWN**  
since 8.5.2019 @110.50



# US dollar / Chinese yuan

The US dollar is tracing out a correction from the June high. This correction could still part of an impulsive uptrend, which began in March 2019. This would mean a resumption of the dollar uptrend above 6.94. It could also be part of a larger correction, which is forming either a Triangle or a Flat, which originated in October 2018. The focus is on the support levels at 6.8150 and 6.7450. The Medium-term Outlook is downgraded to FLAT.

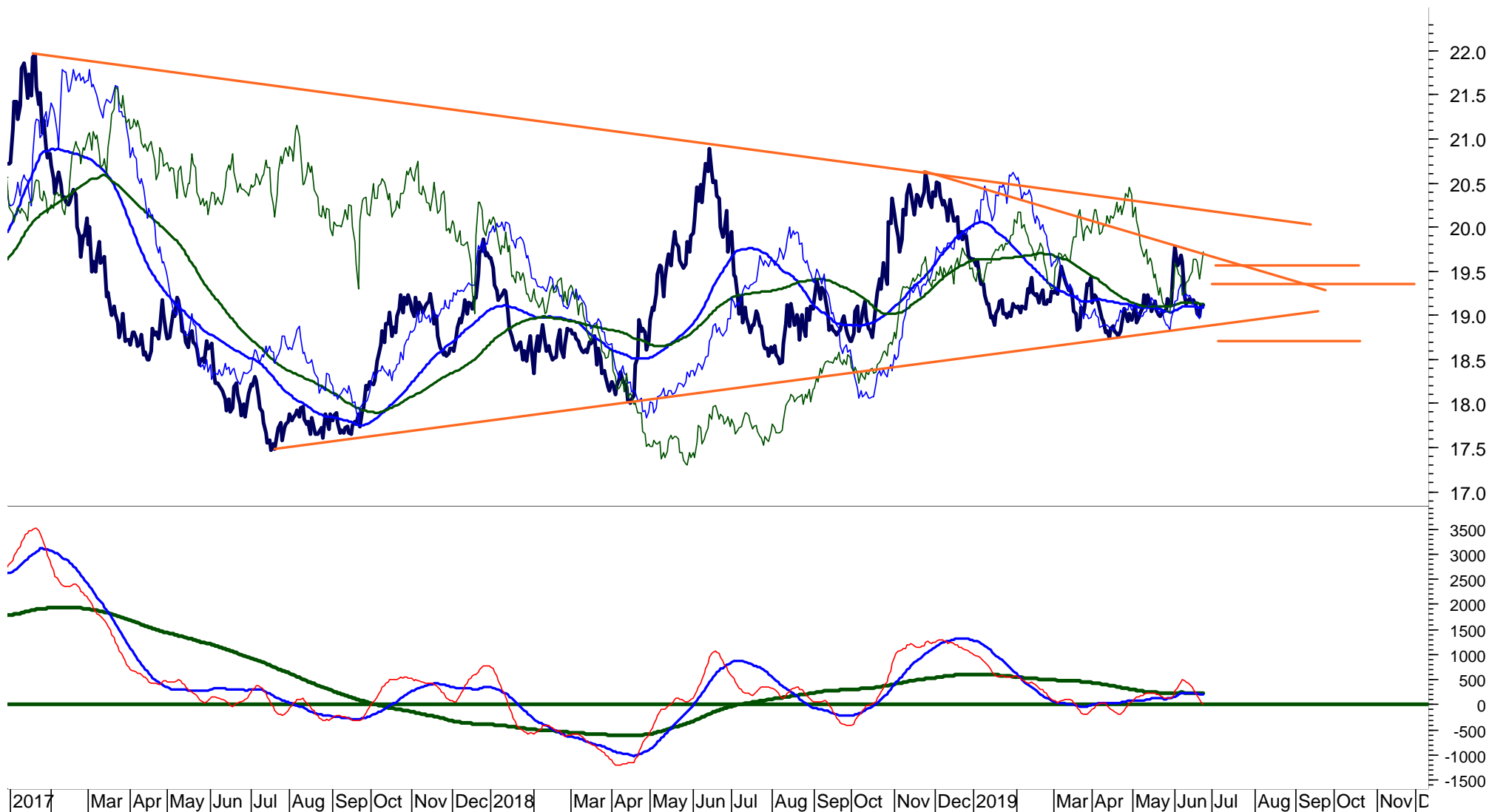
**Medium-term Outlook: (d) FLAT**



# US dollar / Mexican peso

The US dollar remains in the large Triangle from January 2017.  
The USD would have to rise above 19.40 and 19.70 to signal a possible break to the upside.  
Support is at 18.70.

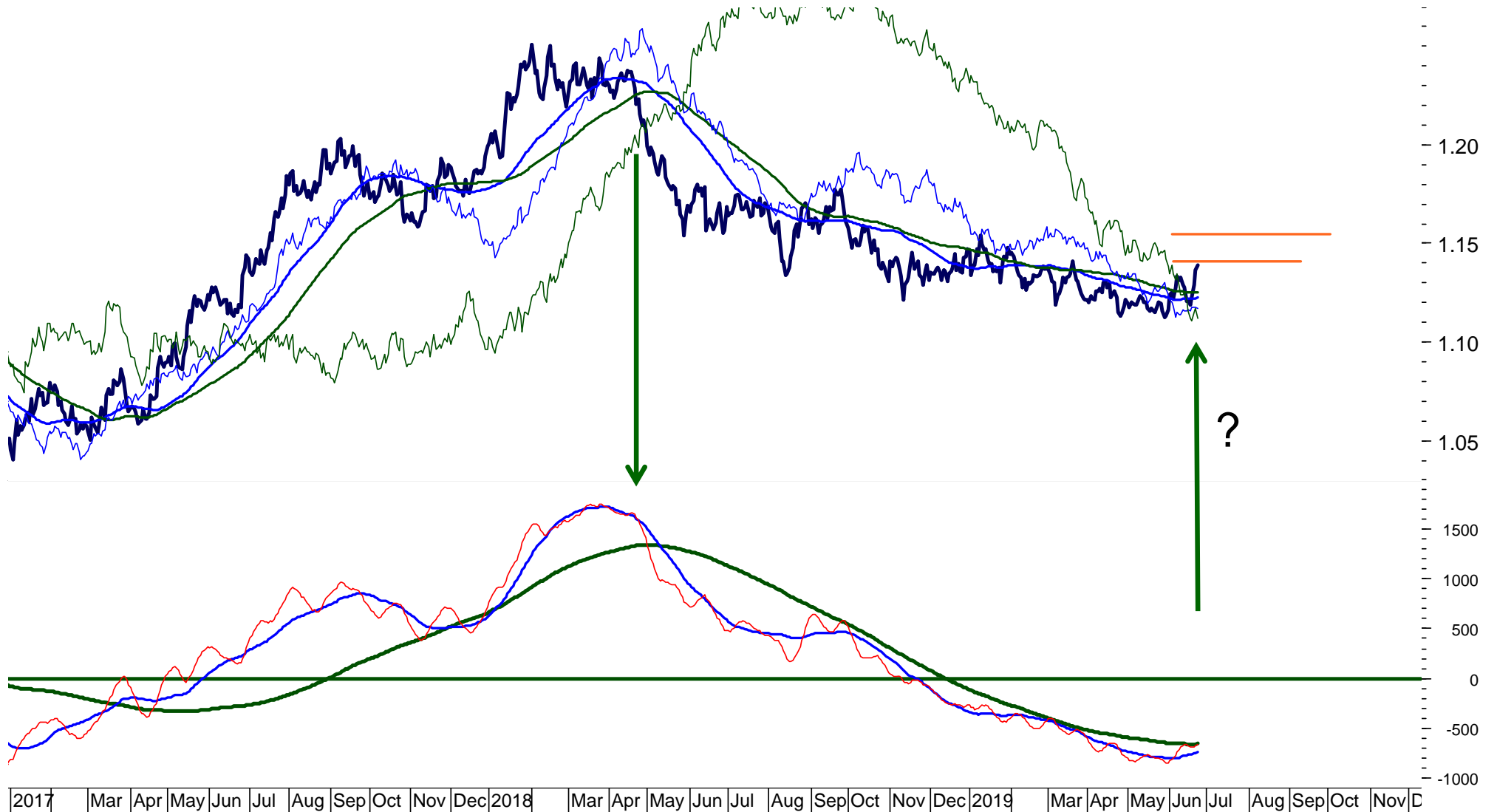
**Medium-term Outlook: FLAT**



# Euro / US dollar

The long-term and medium-term momentum indicators are bottoming. This is evident by the Euro crossing above the long-term and medium-term momentum reversals. The Euro must break the next resistance levels at 1.1420 and 1.1570 to confirm the new uptrend signals.

**Medium-term Outlook: (u) UP**

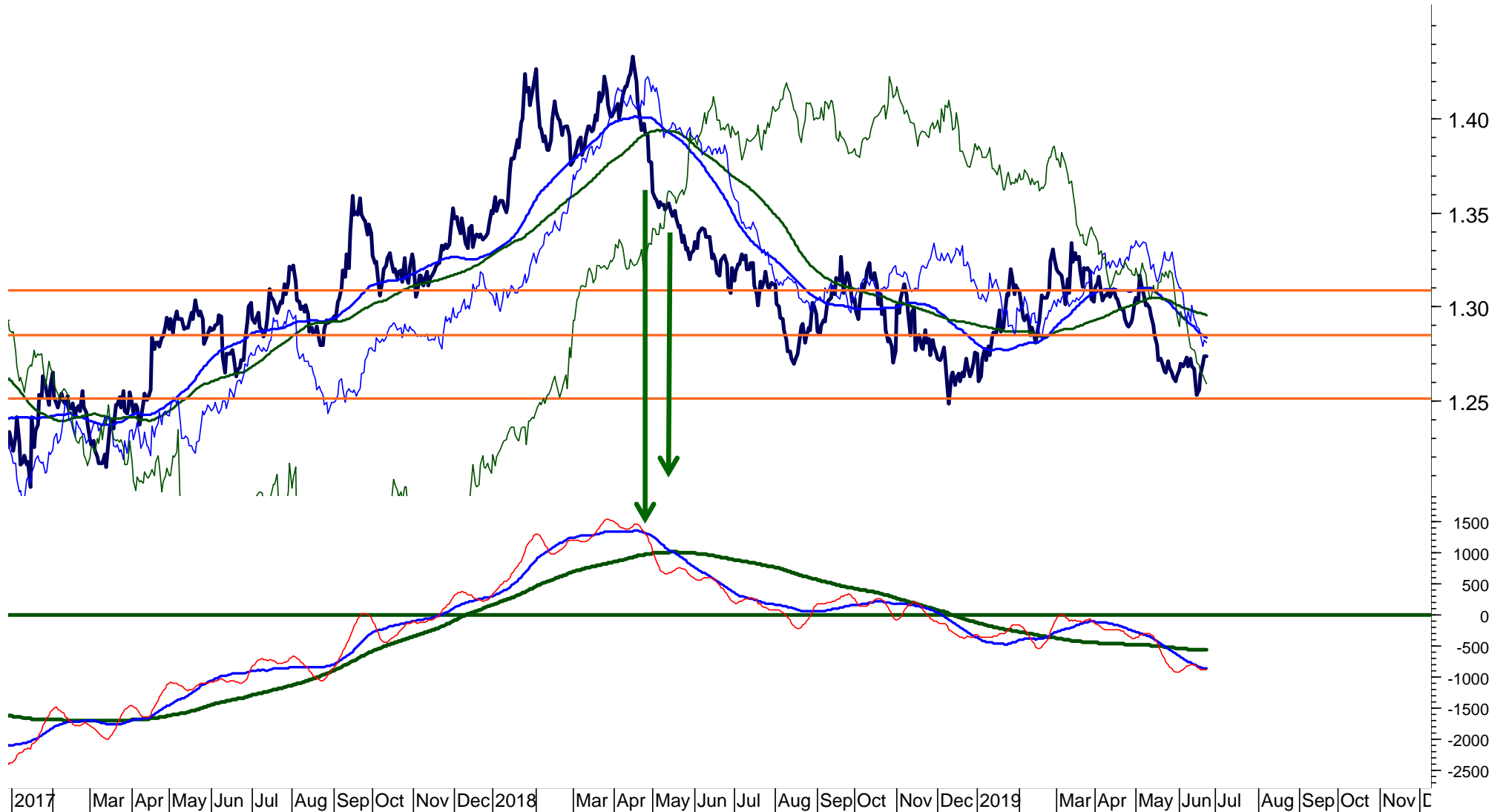




# British pound / US dollar

The Pound is rebounding off the support at 1.25.  
The Pound will have to rise above 1.2350 and 1.31 to signal new medium-term and long-term uptrends. Given the importance of the support at 1.25 the medium-term outlook is upgraded to FLAT.

**Medium-term Outlook: (u) FLAT**



# Euro / Swiss franc

The Euro is testing the support at 1.11.  
A break below 1.1030 will signal 1.0950 / 1.09 or 1.07 / 1.0630.  
A break of 1.1030 will signal a medium-term downgrade.

**Medium-term Outlook: FLAT**



# Bitcoin / US dollar

The Bitcoin reached the resistance at 11300.  
A break above this level will signal 12500 or 13400.



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## Sources

The charts in this publication are from Metastock and Datastream from Thomson Reuters Equis. All indicators and analyses are by Rolf Bertschi.

## Explanations

For a more detailed explanation of the Trend and Momentum Models applied in this Chart Outlook, please see

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