



# GLOBAL CHART OUTLOOK

investing ahead of the crowd

## GLOBAL MARKETS

19<sup>th</sup> August 2019

Issue #32

It is not just since the Swiss bond yield fell below Zero in 2015 or since the Swiss 10-year yield on 14.8.2019 fell below MINUS 1%, or, since the FED cut rates again, that we all are wondering where this world is heading to.

In this issue of my Chart Outlook, I offer you a possible answer and this answer is that the SUPERINFLATION, which originated in the year 1933, is topping out. The Foundation for the Study of Cycles some years ago postulated the existence of so called Superinflation. Superinflations have been occurring seven times since the Ancient Greece. The causes of Superinflations are debt, debasement of currency, a powerful economic upturn in a free market, widespread utilization of new, more efficient methods in the economy and rapid expansion of the money supply. As I show on page 3, the two Superinflations of the Roman Empire and the one which began in 1933, are most famous for their currency debasement. Moreover, similar to the Superinflation, which began around 1086, the Western empire faded and the Eastern empire took over. Likewise as it appears, following the Superinflation of the past 86 years, the Western empire is again shifting to the East. The forecast from the evidence of the past Superinflation is that the overall price level as measured by the Consumer Price Index is likely to top and turn down. It is likely to trace out a series of Deflations, similar to what happened to the price level in the 18<sup>th</sup> and 19<sup>th</sup> centuries. The last Deflation occurred in the 1930s. It laid the ground for the Superinflation of the years since 1933. Notice that the schematic on page 3 shows the absolute trend of the price level. Traditionally, inflation and deflation are measured by their 12-month rate-of-change. Such price accelerations (Reflation and Inflation) as well as price-slowdowns (Disinflation) were also recorded through the latest Superinflation.

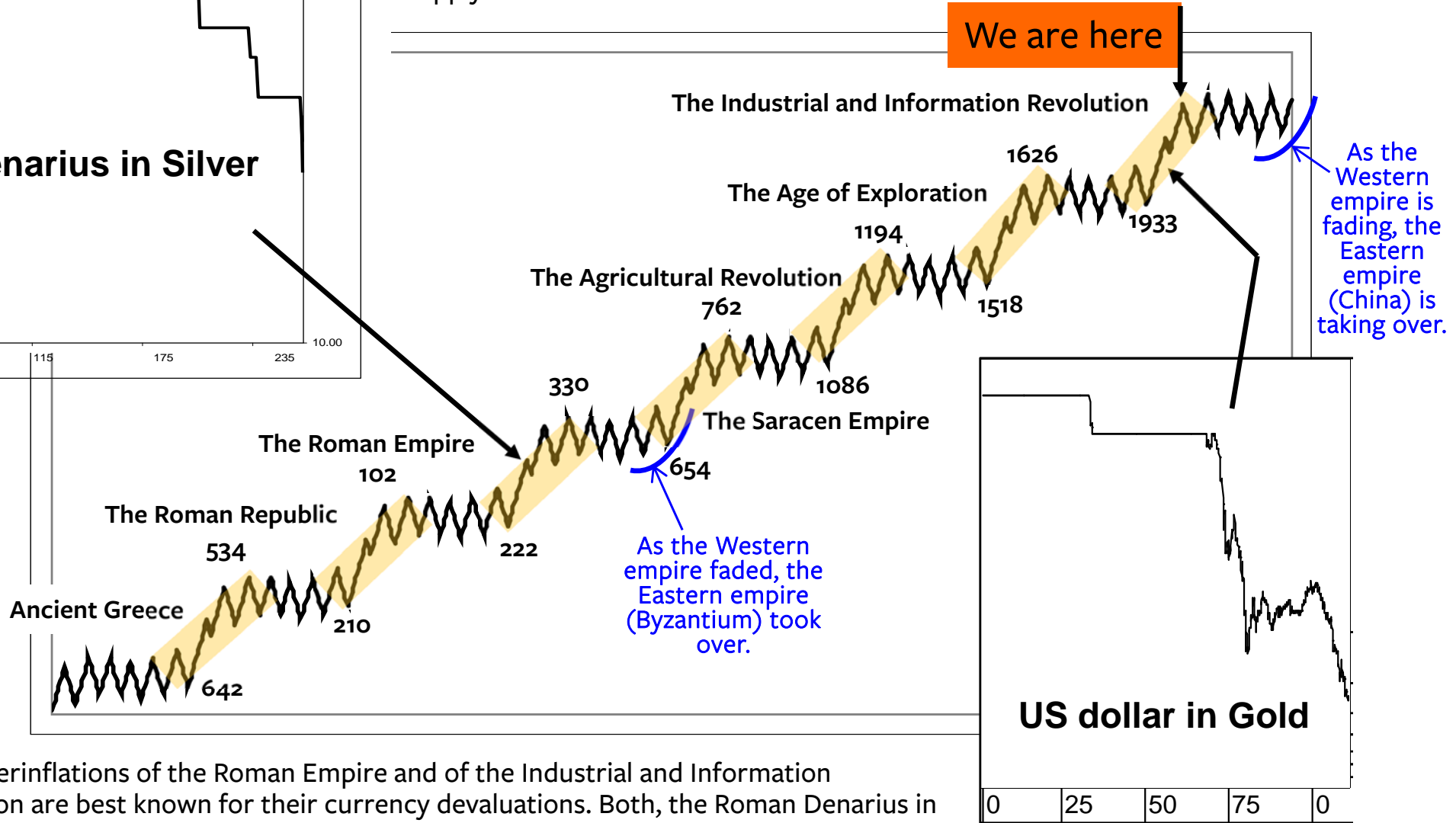
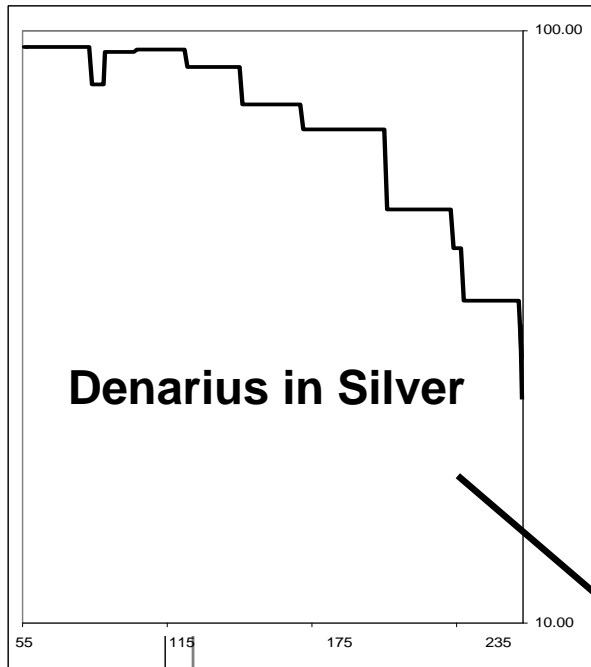
But, going forward, the absolute level of the prices is likely to fall. This means a negative 12-month rate-of-change, which is called Deflation. In other words, the price level is likely to follow the negative yield trend to the downside.

On page 8, I update the four key measures, the US CPI, the stock market, the commodities and the 10-year Bond Yield. As I discussed in the previous publications, it was unclear if the S&P 500 Index did turn up again to extend the long-term uptrend or, if it would re-instate the major downtrend, which began in January 2018. As you can see on page 28, the S&P 500 Index is still holding above the 144-day moving average. Thus, it could still extend the uptrend if it recovers above 2950 to 3030. BUT, if 2820 is broken, it will trigger a most critical signal, the acceleration of Deflation.

For the US CPI to reverse its 86-year uptrend it could first take a sharp decline in the stock market. For the present, investors still believe in the central banks. They all hope that lower interest rates will push the stock market higher and higher to avert a recession. But, the end of globalization and the trade war are only a repetition of the late 1920s. It is true, that in the Fiat money system, the stock market downlegs so far have been smaller in absolute terms compared to their performance relative to gold. But, what if in Deflation stocks and gold go down together? Then, bonds could beat stocks and gold. This may sound weird. But for myself, I have to watch the charts and their support and resistance levels. This should allow me to take the right decisions even if I don't believe what I see.

# The 7 Superinflations

In the history of money and prices, great 100-year inflationary periods have occurred, when prices went up and up and up, and stayed up. The schematic below (concept by The Foundation for the Study of Cycles) shows the 7 superinflations, beginning with Ancient Greece. The causes of Superinflations are debt, debasement of currency, a powerful economic upturn in a free market, widespread utilization of new, more efficient methods in the economy, plunder, and rapid expansion of the money supply.



The Superinflations of the Roman Empire and of the Industrial and Information Revolution are best known for their currency devaluations. Both, the Roman Denarius in Silver and the US dollar in Gold have gone the same route of decline.

## **Ancient Greece**

The Greek city states were highly prosperous – despite constant warring among themselves, and because of free trade. But, in Athens, inflation was out of hand. Current law permitted the enslavement of farmers who could not pay their debts. But too many had been enslaved, and production was falling off. In 595 B.C. Solon settled the dispute between landowners and farmers, freed the slaves, encouraged immigration and trade, and eliminated inflation. The more stable period, 534-210 B.C. saw the peak of classical Greece, with the upper middle class at the cultural center of society. Decline followed, and the beginning rise of Rome.

## **Roman Republic**

The Roman Republic was the first free community much larger than a city. It swallowed up the ancient Mediterranean states and imposed peace and order. Wars of conquest brought in slaves and tribute, thus generating inflation. This first great Roman inflation period also expanded free trade, and much wealth was amassed. But, Rome repeated the Greek mistake of debt inflation and debt slavery, a practice that was ended by Julius Caesar about 45 B.C. The period 102 B.C. to A.D. 222 encompassed the transition from republic to empire. Increased taxation steadily reduced the ranks of farmers, miners, and other workers. Rome became the first totalitarian state, virtually run by the military. It developed no science of economics. The state ultimately collapsed following relentless bureaucracy and universal poverty.

## **Roman Empire**

Deliberate inflation by debasement of the coinage from 50% to 05% silver content characterized the period A.D. 222-330. The Romans penetrated Spain well beyond the coastline and found copper, tin, gold and silver mines. The addition of gold and silver coins caused rampant inflation, which fueled the process of dissolution, concluding with the fall of the Empire 200 years later. The Western empire faded and the Eastern empire, Byzantium, took over.

## **Saracen Empire**

The death of Mohammed in A.D. 632 triggered the next period of superinflation, A.D. 654-762. Arab civilization spread westward across northern Africa and into the Iberian peninsula and eastward to the frontiers of India. Heavy assessments of tributes brought on superinflation. The Saracen empire lasted just over a hundred years and gave the world the finest architecture, the decimal system, the bed, glass, fine steel and fine horses. Law and order prevailed by religious consensus.

The feudal system developed during the next stable period, A.D. 762-1086. In Europe, hundreds of small landed estates and city-states developed, along with many small wars.

## **Agricultural Revolution**

The next upmove, 1086-1194, began with the battle of Hastings in 1066. In England, the Norman conquestors blended with the Anglo-Saxon stock, The new Englishman was a trade-oriented entrepreneur, and business boomed. Along with a vibrant economy came greater freedoms, prosperity and inflation. A technological boom produced machines, freeing people to become craftsmen and shopkeepers. During 1194-1518, no major inflation periods are recorded. These years included the Black Plague.

## **Age of Exploration**

The great voyages of discovery took place during 1518-1626. Improvements in navigation led to development of extensive worldwide trade. The superinflation of this period was fueled by an explosion of money in the form of Aztec and Inca gold and silver from the New World. The sixteenth century saw the rise of capitalism. Profits and interest both ceased to be evil in the eyes of the Church, and was encouraged.

## **Industrial and Information Revolution**

Midway in the period 1626-1950, which should be the „stable“ period is the next period of superinflation. This marks the beginning of the Industrial Revolution.

The latest /the seventh) superinflationary period was due to begin in 1950. It actually started in 1933, when Roosevelt took the U.S. off the gold standard and initiated debasement of the currency.

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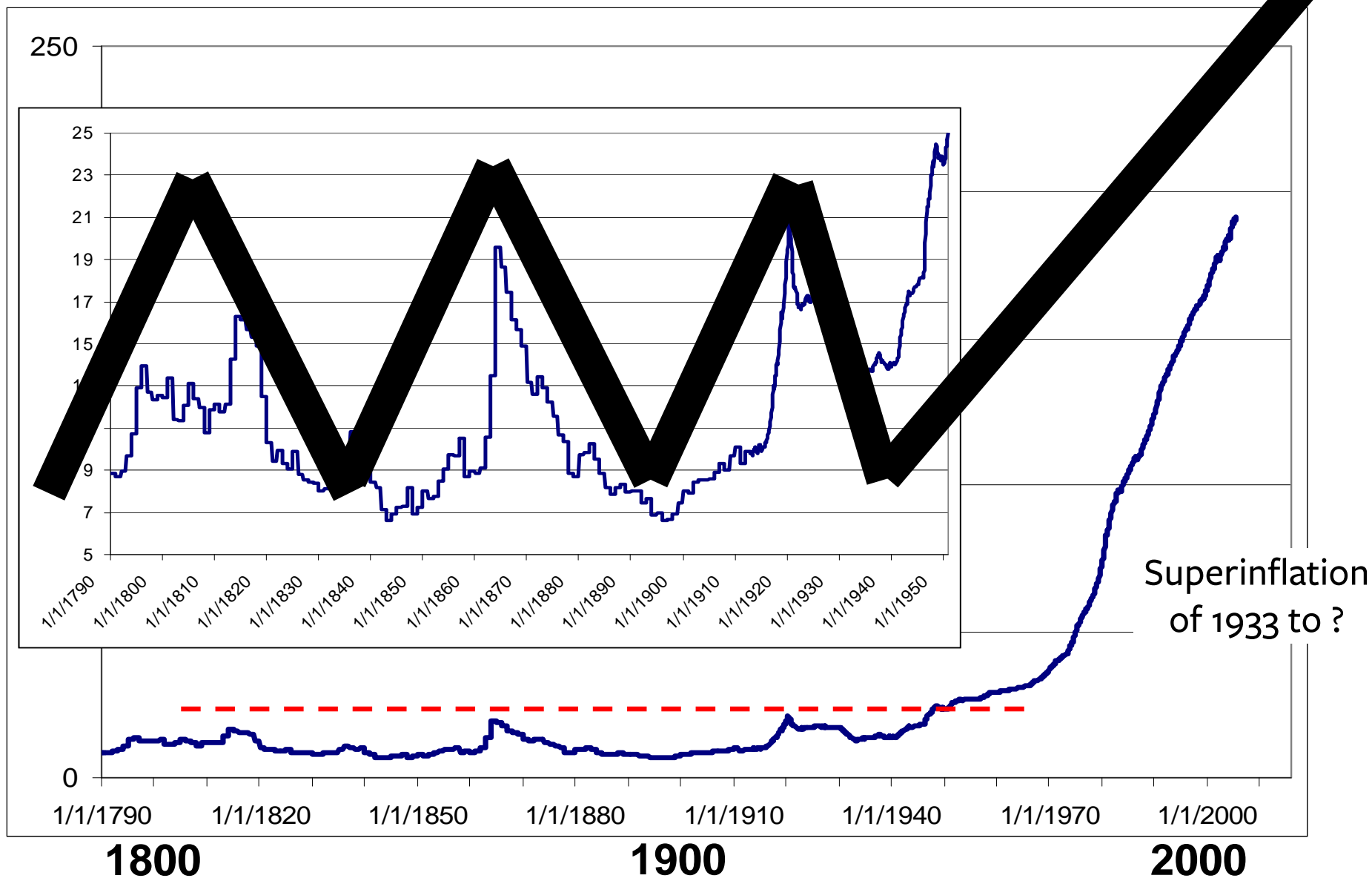
The chart on the next page shows the plateau, which the price level has reached following the superinflation from 1518 to 1626. The plateau was characterized by huge cycles of Inflation and Deflation. The last Deflation occurred in the 1930s and 1940s.

The plateau gave way to the superinflation, which has occurred since 1933 and has so far lasted for 86 years.

The 12-month rate of rise has varied and has subdivided the trend in phases of Reflation, Inflation and Disinflation. These phases are shown on the overnext page.

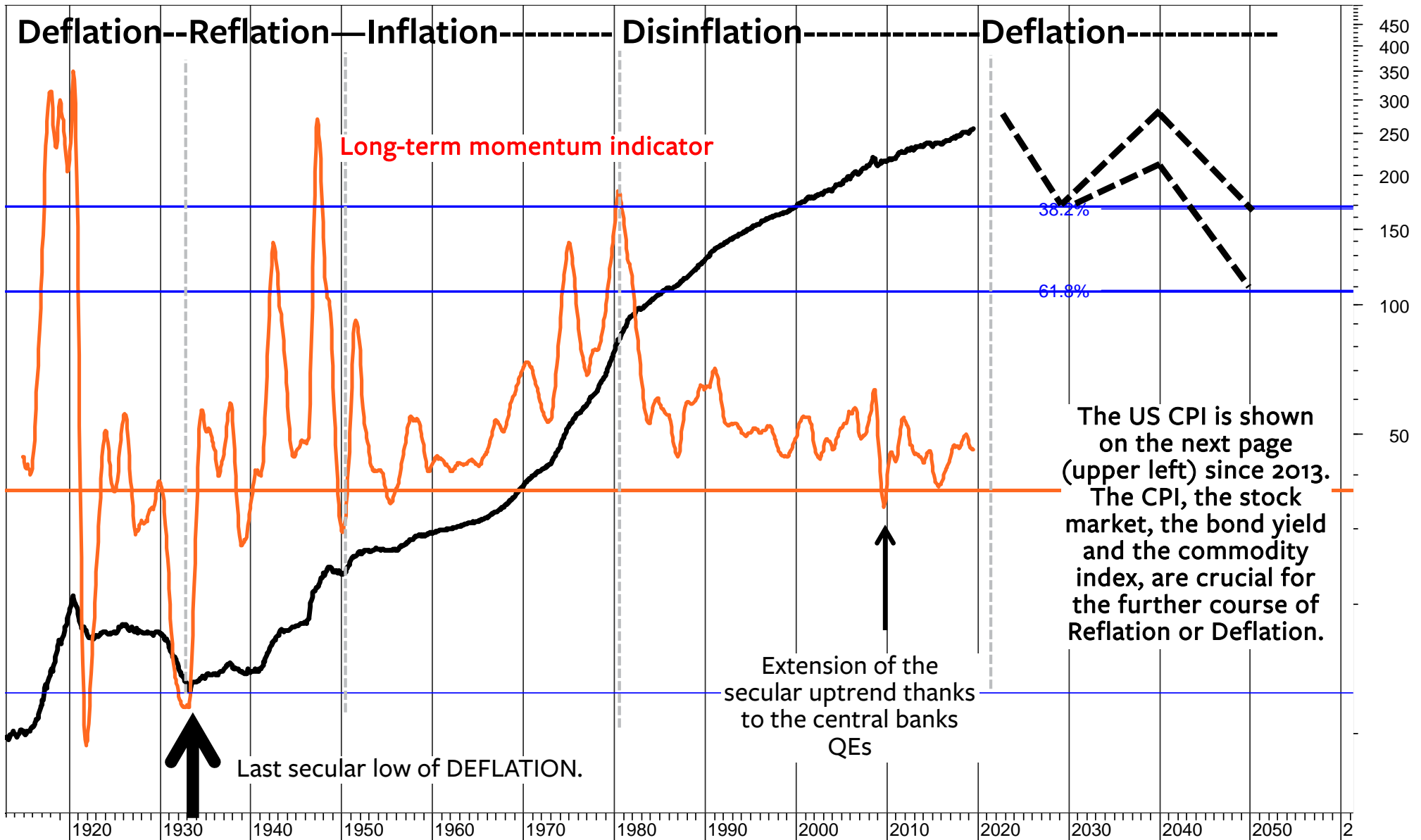
I believe that the superinflation is entering (or has already entered) the next plateau. During this plateau the price level as expressed in the consumer prices (also producer prices) will fluctuate between Deflation and Reflation. The present downtrend in the global interest rates is leading the global economy in a lengthy phase of Deflation, during which the price level could fall by 10% to 20% if not more. The 10-year bond yields could fall to substantially lower (negative) levels of -5% or lower.

A series of Booms and Busts (shown below), of Inflation and Deflation marked the plateau, which followed the Age of Exploration. Until the 1990s this plateau was made up of the so called Kondratieff Cycles. The name was given by Nikolai Kondratieff, the Russian economist. The last Deflation occurred in the 1930s and laid the ground for the Superinflation, which began in the 1930s. The Kondratieff Cycle was known as a wholesale price cycle. It has lost its meaning because the Industrial / Information Revolution of the past 80 years has focused more on the consumer price cycle. But still, it is most remarkable, how closely the rise in the general price level has persisted since the 1930s and how it is has repeated the price behaviour of the past 2000 years.

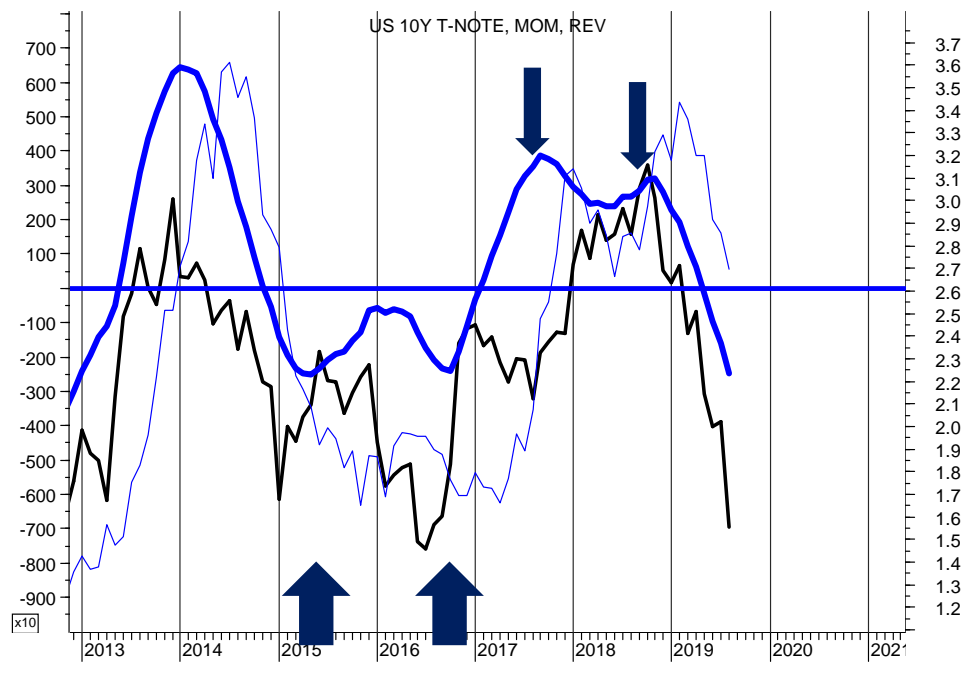
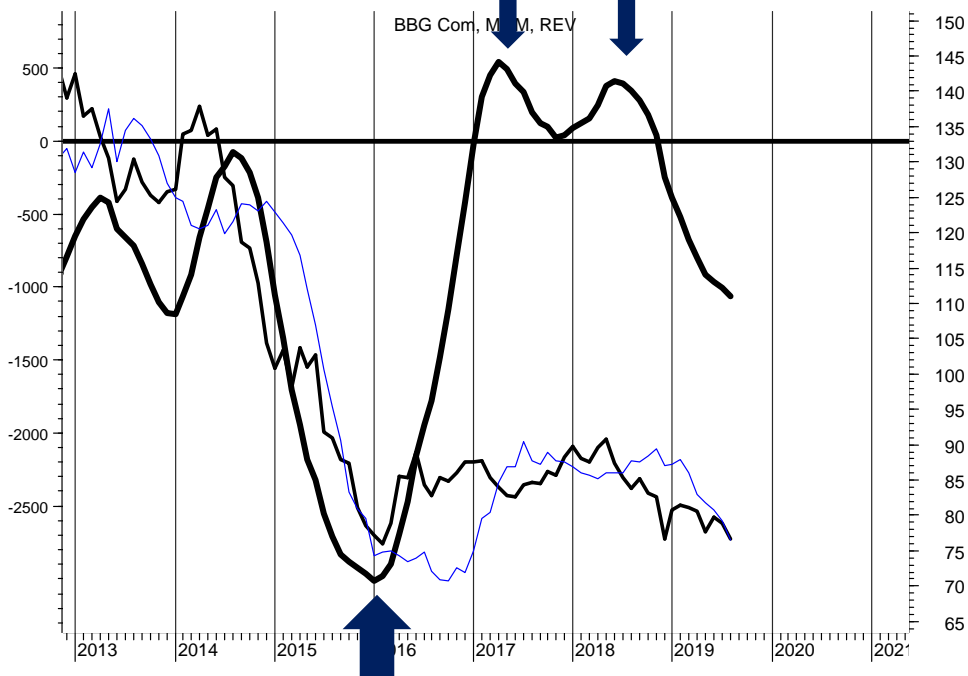
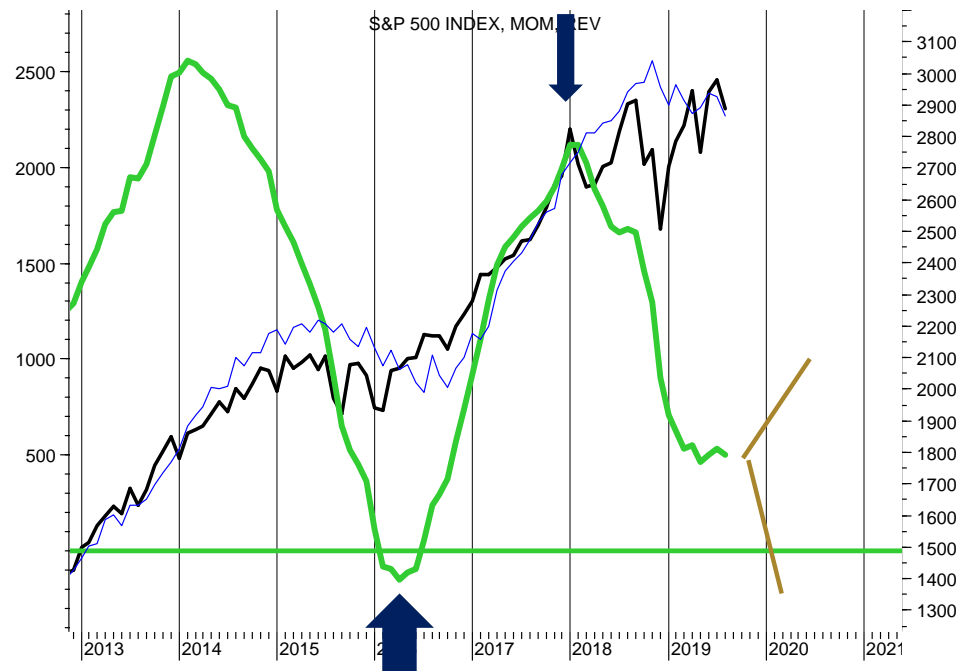
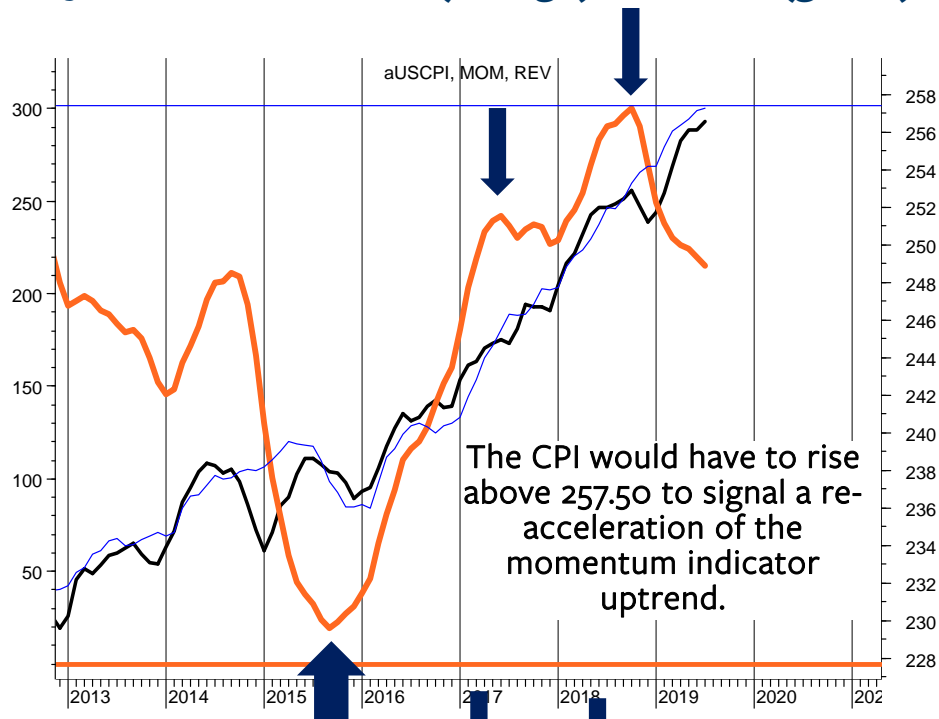


# 86 years uptrend in the US Consumer Price uptrend – top is pending

The Superinflation from the momentum-low in 1933 has persisted for 86 years. I believe, that the deeply negative yields is the leading indication of the coming economic downtrend and the massive decline in the overall price level. The CPI is updated on the next page together with the stock market, bond yield and the commodities.



# US Cycle Model – US CPI (orange), S&P 500 (green), T-Note Yield (blue), Commodity Index in US\$ (black)





# Global Stock Market Model and MSCI World Index

SCORE	COMPANY
100%	DENMARK
100%	EGYPT
67%	BELGIUM
50%	NEW ZEALAND
44%	SWITZERLAND
44%	NETHERLANDS
39%	CHINA
39%	TURKEY
39%	COLOMBIA
33%	HUNGARY
28%	UNITED STATES
28%	AUSTRIA
28%	UNITED ARAB EMIRA
28%	PORTUGAL
22%	AUSTRALIA
22%	BRAZIL
22%	CZECH REPUBLIC
17%	JAPAN
17%	CANADA
17%	KOREA
17%	HONG KONG
17%	TAIWAN
17%	SPAIN
17%	IRELAND
17%	ITALY
17%	FINLAND
17%	INDONESIA FREE
17%	CHILE
11%	UK
11%	FRANCE
11%	GERMANY
11%	SOUTH AFRICA
11%	SINGAPORE
11%	PHILIPPINES FREE
11%	ARGENTINA
11%	GREECE
11%	INDIA
6%	MEXICO FREE
6%	MALAYSIA FREE
6%	PERU
0%	SWEDEN
0%	RUSSIA
0%	THAILAND FREE
0%	NORWAY
0%	ISRAEL
0%	POLAND
0%	QATAR
0%	PAKISTAN

SCORE	INDEX	LT	MT	ST
11%	ARGENTINA	do	dd-	dd-
22%	AUSTRALIA	+	-	-
28%	AUSTRIA	o	o	-
67%	BELGIUM	+	+	-
22%	BRAZIL	+	dd-	dd-
17%	CANADA	do	-	uo
17%	CHILE	-	o	d-
39%	CHINA	o	uo	uu+
39%	COLOMBIA	uo	o	u+
22%	CZECH REPUBLIC	-	o	uo
100%	DENMARK	+	u+	+
100%	EGYPT	+	+	+
17%	FINLAND	d-	do	-
11%	FRANCE	o	-	-
11%	GERMANY	o	-	-
11%	GREECE	do	-	-
17%	HONG KONG	o	-	uo
33%	HUNGARY	o	do	do
11%	INDIA	-	-	+
17%	INDONESIA FREE	o	d-	uo
17%	IRELAND	o	-	uo
0%	ISRAEL	-	d-	d-
17%	ITALY	o	-	uo
17%	JAPAN	-	uo	-
17%	KOREA	uo	-	uo
6%	MALAYSIA FREE	-	-	uo
6%	MEXICO FREE	-	-	o
44%	NETHERLANDS	+	uo	uo
50%	NEW ZEALAND	+	do	-
0%	NORWAY	-	-	-
0%	PAKISTAN	-	-	-
6%	PERU	-	-	uo
11%	PHILIPPINES FREE	o	-	-
0%	POLAND	-	-	-
28%	PORTUGAL	uo	uo	-
0%	QATAR	-	-	-
0%	RUSSIA	d-	-	d-
11%	SINGAPORE	o	-	-
11%	SOUTH AFRICA	o	-	-
17%	SPAIN	o	-	uo
0%	SWEDEN	-	-	-
44%	SWITZERLAND	+	-	uu+
17%	TAIWAN	o	-	uo
0%	THAILAND FREE	d-	-	-
39%	TURKEY	+	do	-
11%	UK	o	-	-
28%	UNITED ARAB EMIRA	do	do	-
28%	UNITED STATES	+	-	uo

Over the last week my Trend and Momentum Model recorded 22 downgradings and 24 upgradings. Most of the upgradings were signaled in the short-term model. The total score has further deteriorated. All G-8 countries are in the red.

The countries, which are still rated long-term positive are Australia, Belgium, Brazil, Denmark, Egypt, the Netherlands, New Zealand, Switzerland, Turkey and the USA.

The countries, which are medium-term positive are Belgium, Denmark and Egypt.

The ratings clearly show that the global stock markets are tracing out a medium-term correction. This correction has entered a minor consolidation just above the long-term support levels. Most long-term ratings are FLAT. It will take only another small decline and the long-term ratings will move to DOWN.

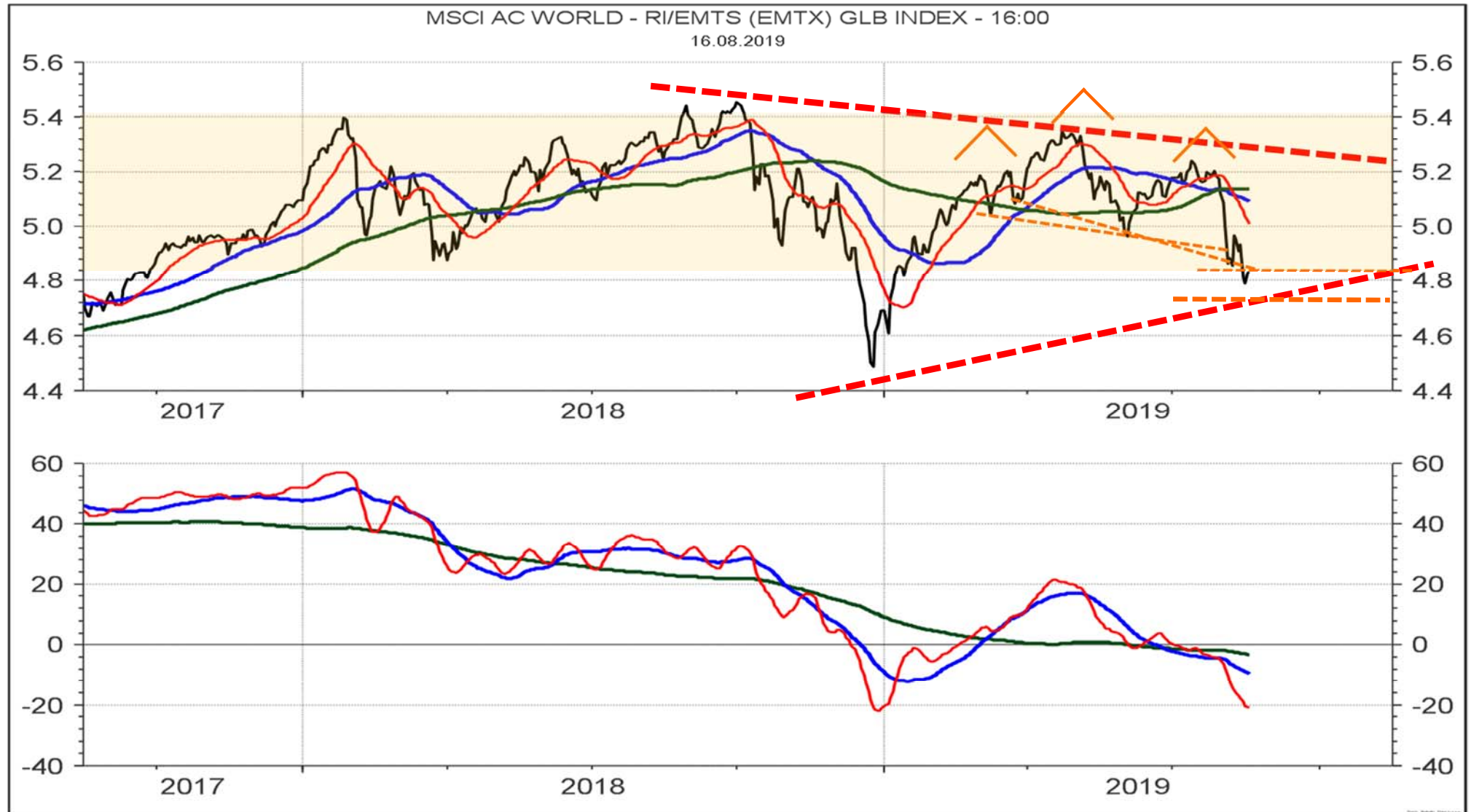
The World Index itself is rated short-term DOWN, medium-term DOWN and long-term FLAT.

**A break of the support range between 2080 and 2040 is likely to signal a long-term downturn.**



## MSCI World Stocks Index relative to Total Return from Global Government Bonds

As I stated on the previous page is the long-term rating for the MSCI World Stock Market Index still FLAT. But, it is close to a long-term downgrading to DOWN. This critical constellation also is mirrored by the chart below. It shows the MSCI World Stock Market Index relative to the Global Government Bond Index. The relative underperformance of the stocks to the bonds has continued last week. It has reached the support, which I had located at 4.72 and about which I stated last week: „Clearly, a relative break of the support at 4.72 will signal a long-term downtrend. In other words, if the World Stock Market Index breaks its August low, it could indicate that the underperformance of the global equities relative to the global bonds is of long-term degree.“ In other words, **the global stock markets MUST re-instate their uptrend NOW or, a major downtrend will be signaled.**



# MSCI World Stock Market Indices in local currencies, relative to the MSCI World Index and relative to the MSCI Europe

There are no material changes in the table of the global stock markets.

The MSCI World Stock Market Index remains DOWN.

The medium-term outlook for all markets is DOWN, except for Belgium, Denmark, Finland and New Zealand.

Singapore is downgraded relative to the MSCI World Stock Market Index.

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

# MSCI World Stock Market Indices in local currencies, relative to the MSCI World Stock Market Index and relative to the MSCI Emerging Markets

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	OVERWEIGHT BRAZIL	OVERWEIGHT BRAZIL
MSCI CHILE	DOWN	UNDERWEIGHT CHILE	UNDERWEIGHT CHILE
MSCI COLOMBIA	DOWN	UNDERWEIGHT COLOMBIA	NEUTRAL
MSCI MEXICO	DOWN	UNDERWEIGHT MEXICO	UNDERWEIGHT MEXICO
MSCI PERU	DOWN	UNDERWEIGHT PERU	UNDERWEIGHT PERU
<b>EMEA</b>			
MSCI CZECH REPUBLIC	DOWN	UNDERWEIGHT CZECH REPUBLIC	(u) NEUTRAL
MSCI EGYPT	FLAT	NEUTRAL	OVERWEIGHT EGYPT
MSCI GREECE	DOWN	(d) UNDERWEIGHT GREECE	UNDERWEIGHT GREECE
MSCI HUNGARY	DOWN	UNDERWEIGHT HUNGARY	NEUTRAL
MSCI POLAND	DOWN	UNDERWEIGHT POLAND	UNDERWEIGHT POLAND
MSCI QATAR	DOWN	UNDERWEIGHT QATAR	UNDERWEIGHT QATAR
MSCI RUSSIA	DOWN	UNDERWEIGHT RUSSIA	NEUTRAL
MSCI SOUTH AFRICA	DOWN	UNDERWEIGHT SOUTH AFRICA	UNDERWEIGHT SOUTH AFRICA
MSCI TURKEY	DOWN	NEUTRAL	OVERWEIGHT TURKEY
MSCI UNITED ARAB EMIRATES	DOWN	NEUTRAL	OVERWEIGHT UAE
<b>ASIA</b>			
MSCI CHINA	DOWN	UNDERWEIGHT CHINA	UNDERWEIGHT CHINA
MSCI INDIA	DOWN	UNDERWEIGHT INDIA	UNDERWEIGHT INDIA
MSCI INDONESIA	(d) DOWN	(d) NEUTRAL	NEUTRAL
MSCI KOREA	DOWN	UNDERWEIGHT KOREA	UNDERWEIGHT KOREA
MSCI MALAYSIA	DOWN	UNDERWEIGHT MALAYSIA	UNDERWEIGHT MALAYSIA
MSCI PAKISTAN	DOWN	UNDERWEIGHT PAKISTAN	UNDERWEIGHT PAKISTAN
MSCI PHILIPPINES	DOWN	NEUTRAL	NEUTRAL
MSCI TAIWAN	DOWN	UNDERWEIGHT TAIWAN	OVERWEIGHT TAIWAN
MSCI THAILAND	DOWN	UNDERWEIGHT THAILAND	NEUTRAL

There are no material changes in the table of the emerging stock markets.

The MSCI Emerging Markets Index remains DOWN.

The MSCI Indonesia is downgraded to DOWN.

The medium-term outlook for all markets remains DOWN, except for Brazil and Egypt.

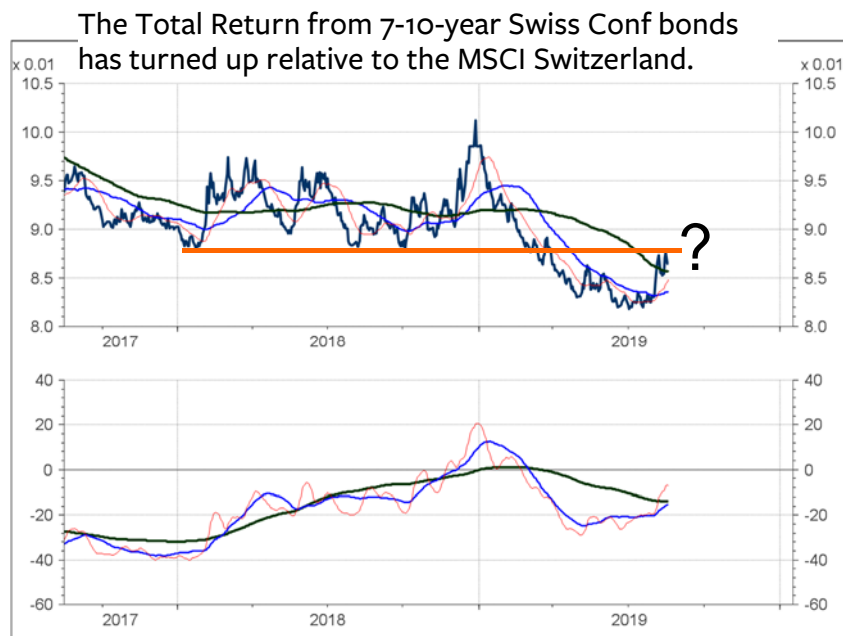
Greece and Indonesia are downgraded relative to the MSCI World Stock Market Index

# MSCI Developed Stock Market Indices in Swiss franc and relative to the MSCI Switzerland

Presently, all developed markets, measured in Swiss franc, are rated medium-term DOWN and UNDERPERFORM relative to the MSCI Switzerland.

Overall, the ratings suggest that Swiss franc based equity investors should **not be invested in the foreign stock markets**. The medium-term outlook for the Swiss stock market will become more bearish if the August-low is broken.

The performance of the Total Return of the Swiss 7-10-year bonds relative to the MSCI Switzerland (chart below) has no (yet?) broken above the key resistance (marked in orange). Only if this resistance is broken, which is when the Swiss stock market breaks the August low, will an increase in the bond allocation and reduction in the equity allocation be signaled.



## MSCI ALL COUNTRY WORLD INDEX

MSCI USA Stock Market Index
MSCI CANADA

MSCI EMU Stock Market Index
MSCI AUSTRIA
MSCI BELGIUM
MSCI DENMARK
MSCI FINLAND
MSCI FRANCE
MSCI GERMANY
MSCI IRELAND
MSCI ITALY
MSCI NETHERLANDS
MSCI NORWAY
MSCI PORTUGAL
MSCI SPAIN
MSCI SWEDEN
MSCI SWITZERLND
MSCI U.K.

MSCI HONG KONG
MSCI ISRAEL
MSCI NEW ZEALAND
MSCI SINGAPORE

MSCI JAPAN Stock Market Index
MSCI AUSTRALIA

IN SWISS FRANCS	
DOWN	UNDERWEIGHT

3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI SWITZERLAND
DOWN	UNDERWEIGHT
DOWN	UNDERWEIGHT CANADA

3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI SWITZERLAND
DOWN	UNDERWEIGHT EMU
DOWN	UNDERWEIGHT AUSTRIA
DOWN	UNDERWEIGHT BELGIUM
DOWN	UNDERWEIGHT DENMARK
DOWN	UNDERWEIGHT FINLAND
DOWN	UNDERWEIGHT FRANCE
DOWN	UNDERWEIGHT GERMANY
DOWN	UNDERWEIGHT IRELAND
DOWN	UNDERWEIGHT ITALY
DOWN	UNDERWEIGHT NETHERLANDS
DOWN	UNDERWEIGHT NORWAY
DOWN	UNDERWEIGHT PORTUGAL
DOWN	UNDERWEIGHT SPAIN
DOWN	UNDERWEIGHT SWEDEN
DOWN	
DOWN	UNDERWEIGHT U.K.

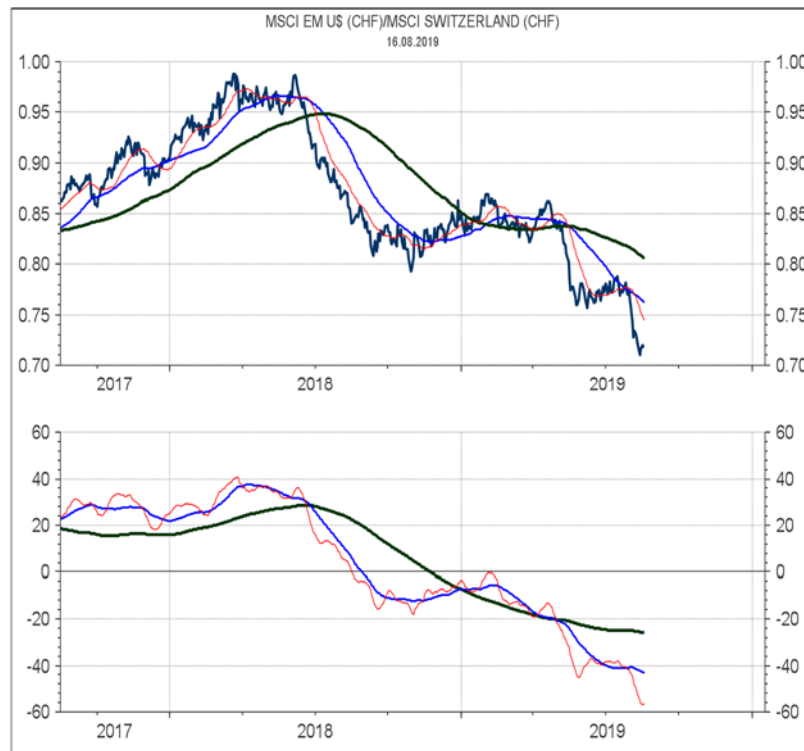
DOWN	UNDERWEIGHT HONG KONG
DOWN	UNDERWEIGHT ISRAEL
DOWN	UNDERWEIGHT NEW ZEALAND
DOWN	UNDERWEIGHT SINGAPORE

3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI SWITZERLAND
DOWN	UNDERWEIGHT JAPAN
DOWN	UNDERWEIGHT AUSTRALIA

# MSCI Emerging Stock Market Indices in Swiss franc relative to the MSCI Switzerland

Swiss franc-based equity investors should remain out of the Emerging markets (or underweight relative to Swiss equities). All stock markets, measured in Swiss franc, are rated **DOWN** and are **UNDERPERFORMING** the Swiss stock market.

The chart below shows that the MSCI Emerging Markets in Swiss franc has been underperforming the MSCI Switzerland by 27% since early 2018. A reversal has yet to be signaled.



## GLOBAL STOCK MARKET INDICES

### MSCI EMERGING MARKETS

#### AMERICAS

MSCI BRAZIL

MSCI CHILE

MSCI COLOMBIA

MSCI MEXICO

MSCI PERU

#### EMEA

MSCI CZECH REPUBLIC

MSCI EGYPT

MSCI GREECE

MSCI HUNGARY

MSCI POLAND

MSCI QATAR

MSCI RUSSIA

MSCI SOUTH AFRICA

MSCI TURKEY

MSCI UNITED ARAB EMIRATES

#### ASIA

MSCI CHINA

MSCI INDIA

MSCI INDONESIA

MSCI KOREA

MSCI MALAYSIA

MSCI PAKISTAN

MSCI PHILIPPINES

MSCI TAIWAN

MSCI THAILAND

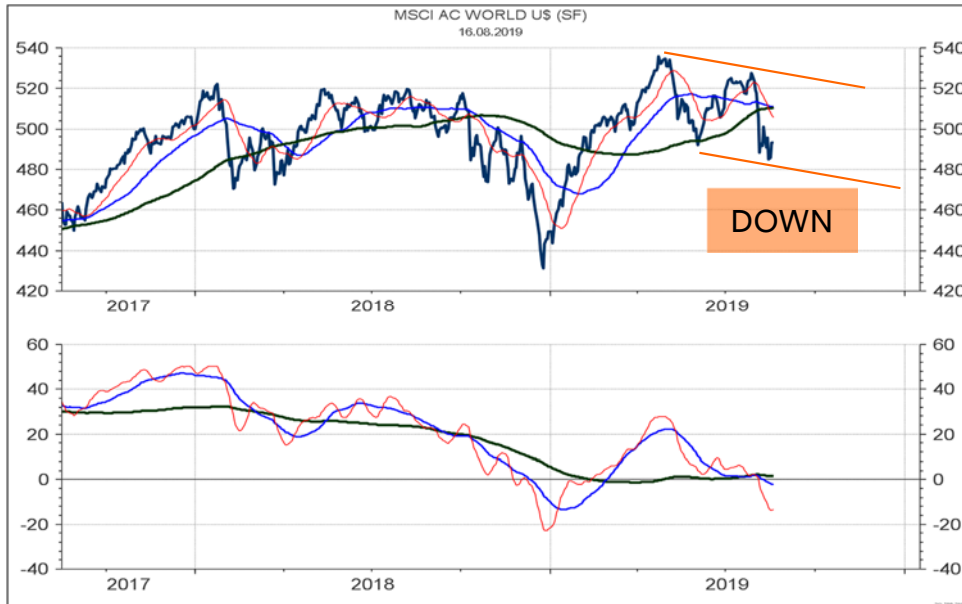
## IN SWISS FRANCS

3-6 MONTHS OUTLOOK	RELATIVE TO THE MSCI SWITZERLAND
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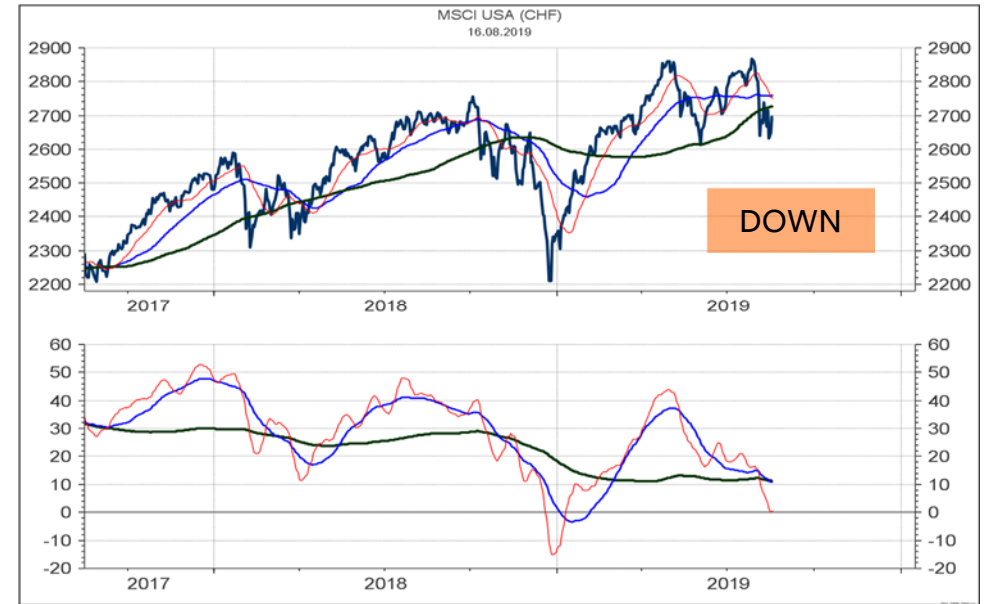
DOWN	UNDERWEIGHT EMERGING
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DOWN	UNDERWEIGHT EMERGING
DOWN	UNDERWEIGHT BRAZIL
DOWN	UNDERWEIGHT CHILE
DOWN	UNDERWEIGHT COLOMBIA
DOWN	UNDERWEIGHT MEXICO
DOWN	UNDERWEIGHT PERU
DOWN	UNDERWEIGHT CZECH REPUBLIC
DOWN	UNDERWEIGHT EGYPT
DOWN	UNDERWEIGHT GREECE
DOWN	UNDERWEIGHT HUNGARY
DOWN	UNDERWEIGHT POLAND
DOWN	UNDERWEIGHT QATAR
DOWN	UNDERWEIGHT RUSSIA
DOWN	UNDERWEIGHT SOUTH AFRICA
DOWN	UNDERWEIGHT TURKEY
DOWN	UNDERWEIGHT UAE
DOWN	UNDERWEIGHT CHINA
DOWN	UNDERWEIGHT INDIA
DOWN	UNDERWEIGHT INDIA
DOWN	UNDERWEIGHT KOREA
DOWN	UNDERWEIGHT MALAYSIA
DOWN	UNDERWEIGHT PAKISTAN
DOWN	UNDERWEIGHT PHILIPPINES
DOWN	UNDERWEIGHT TAIWAN
DOWN	UNDERWEIGHT THAILAND

**MSCI AC World Stock Market Index in Swiss franc**  
 Swiss franc based equity investors remain out of the World Index.



**MSCI USA in Swiss franc**  
 Swiss franc based equity investors remain out of the MSCI USA



**MSCI AC World Stock Markets in SFR relative to MSCI Switzerland**  
 Swiss franc based equity investors remain UNDERWEIGHT the World Index.

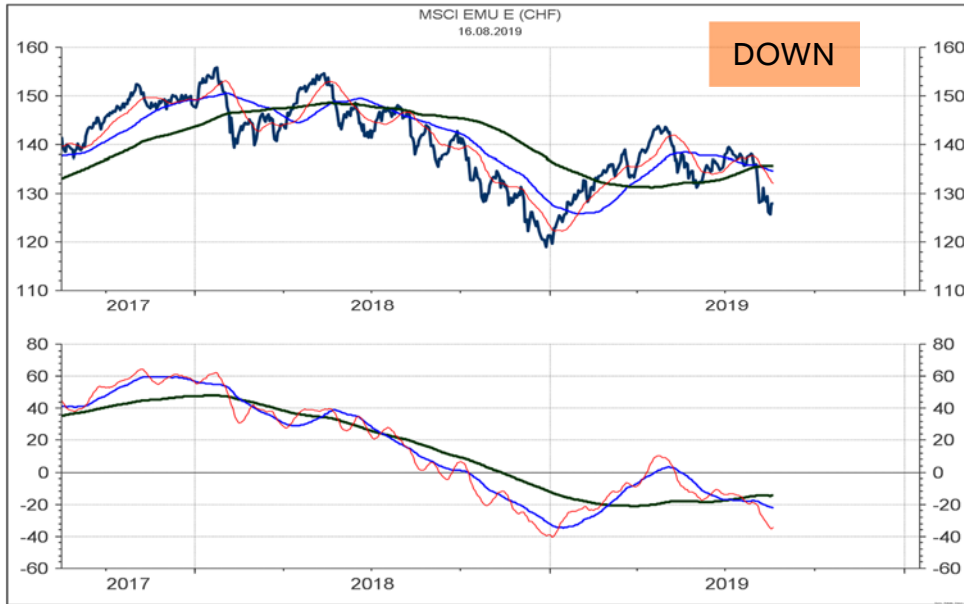


**MSCI USA in Swiss franc relative to the MSCI Switzerland**  
 Swiss franc based equity investors remain NEUTRAL in USA and Switzerland.



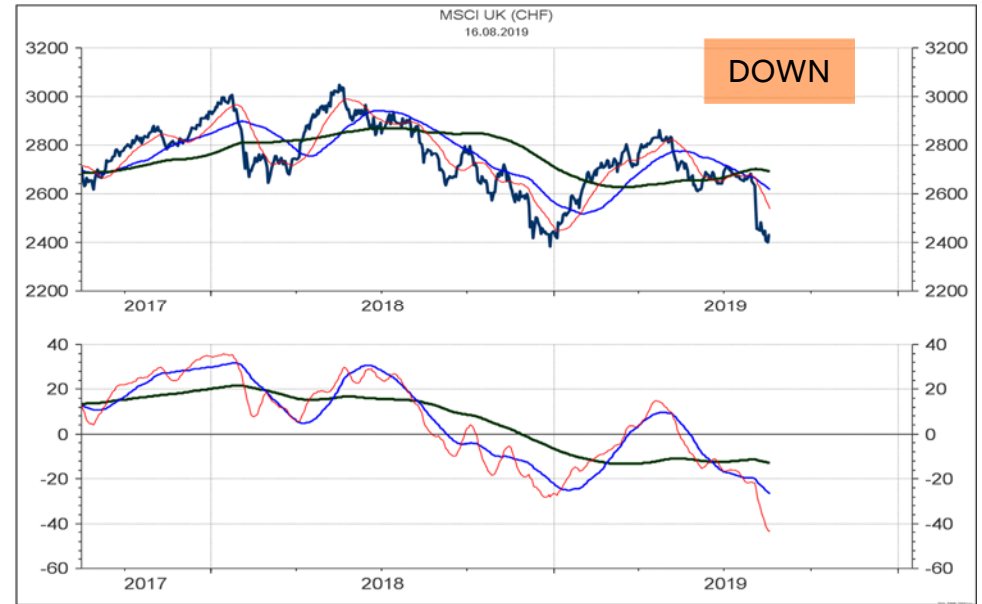
### MSCI EMU in Swiss franc

Swiss franc based equity investors remain out of the MSCI EMU.



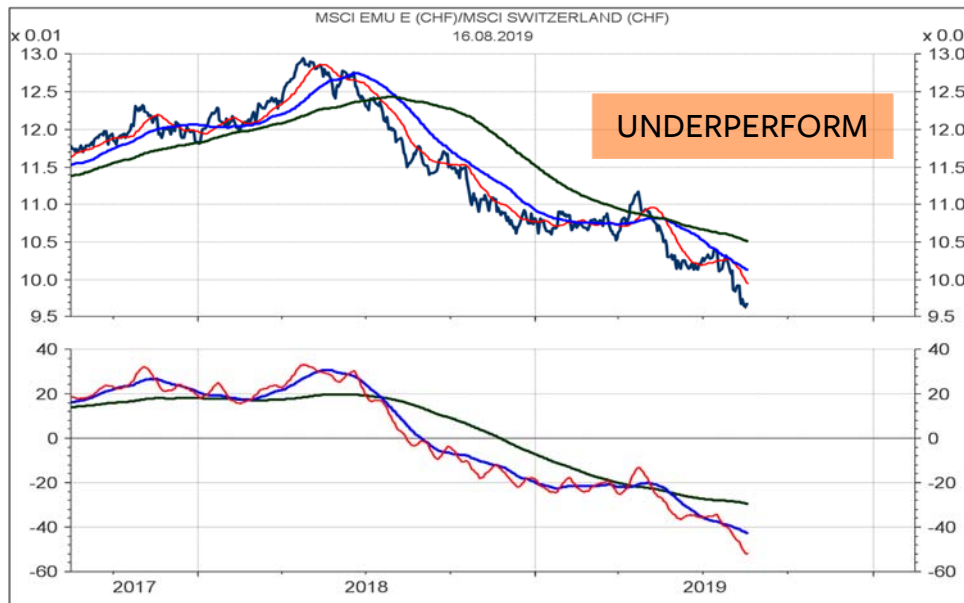
### MSCI U.K. in Swiss franc

Swiss franc based equity investors remain out of the MSCI U.K.



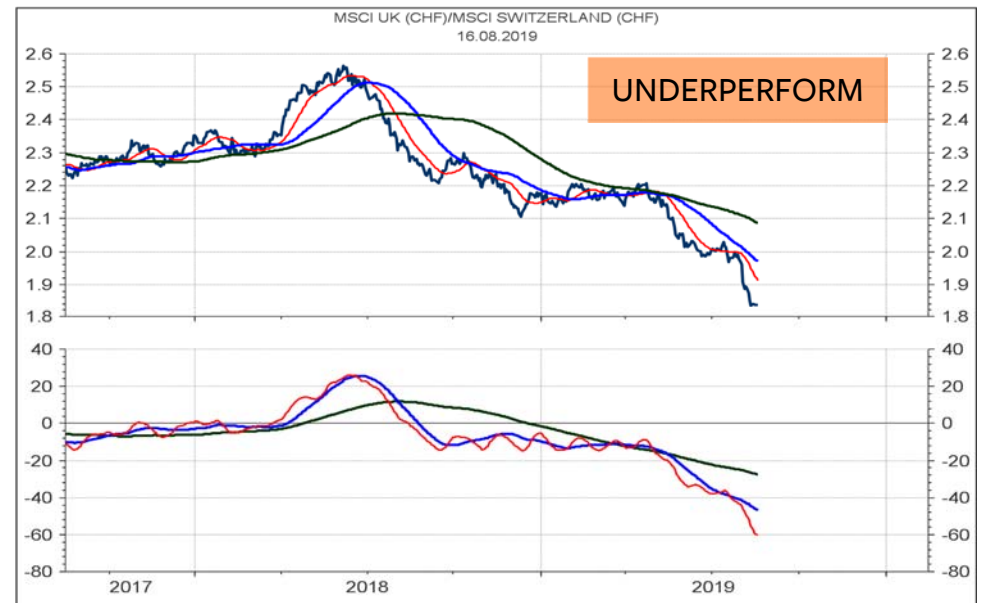
### MSCI EMU in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of EMU.



### MSCI U.K. in Swiss franc relative to the MSCI Switzerland

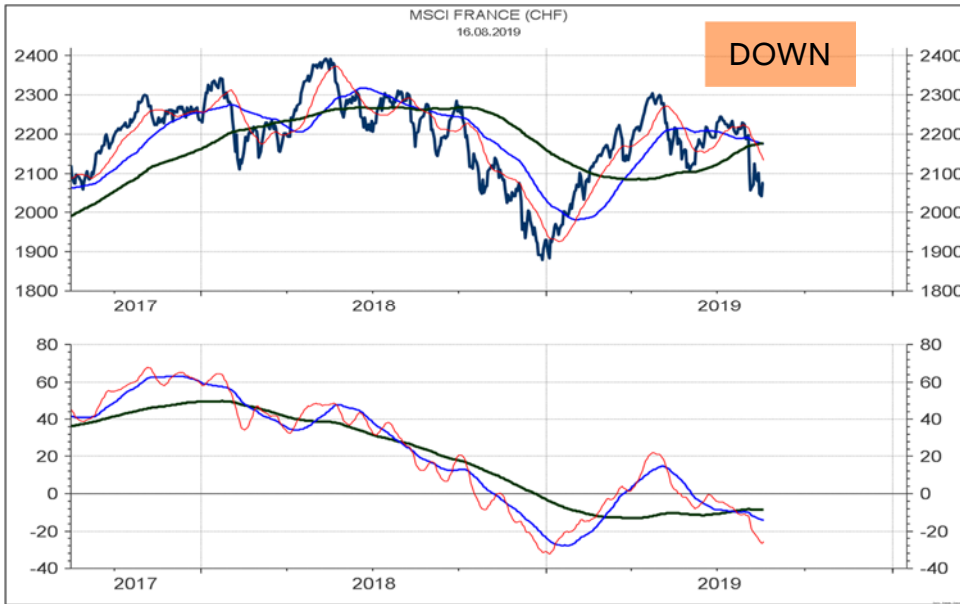
Swiss franc based equity investors remain out (UNDERWEIGHT) of the U.K.





### MSCI FRANCE in Swiss franc

Swiss franc based equity investors remain out of the MSCI France.



### MSCI GERMANY in Swiss franc

Swiss franc based equity investors remain out of the MSCI Germany.



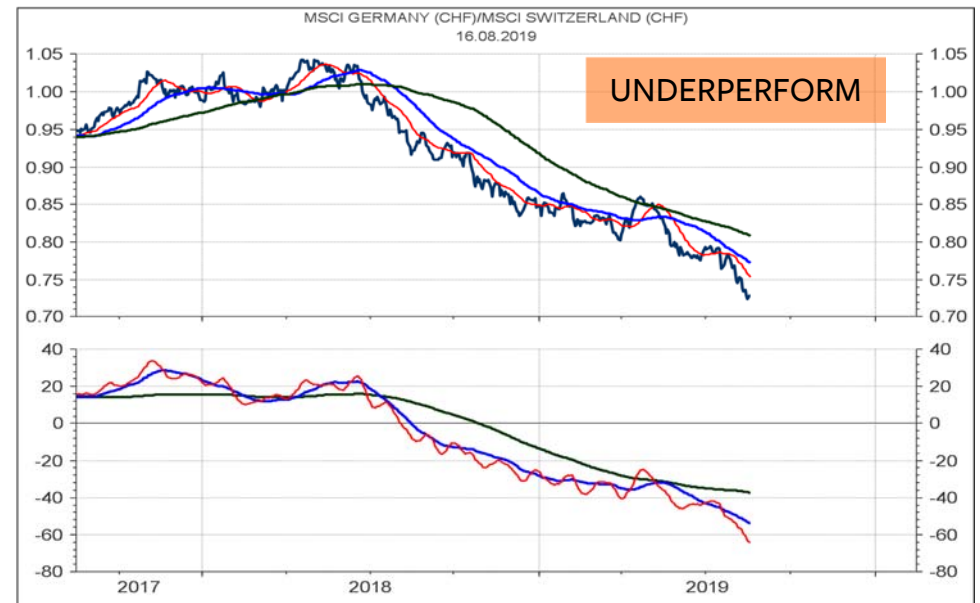
### MSCI FRANCE in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of France.



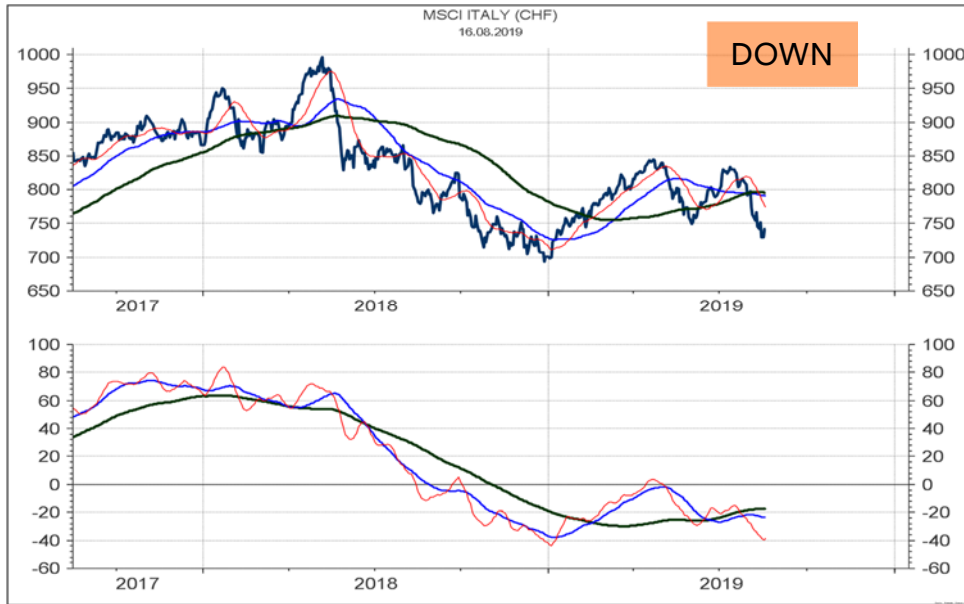
### MSCI GERMANY in Swiss franc relative to the MSCI Switzerland

SFR based equity investors remain out (UNDERWEIGHT) of Germany.



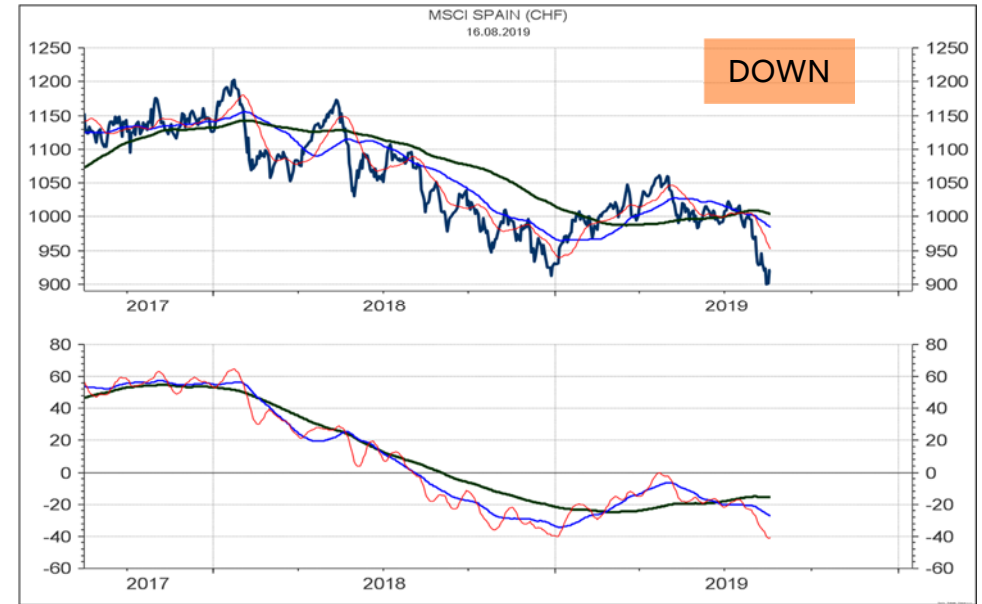
### MSCI ITALY in Swiss franc

Swiss franc based equity investors remain out of the MSCI Italy.



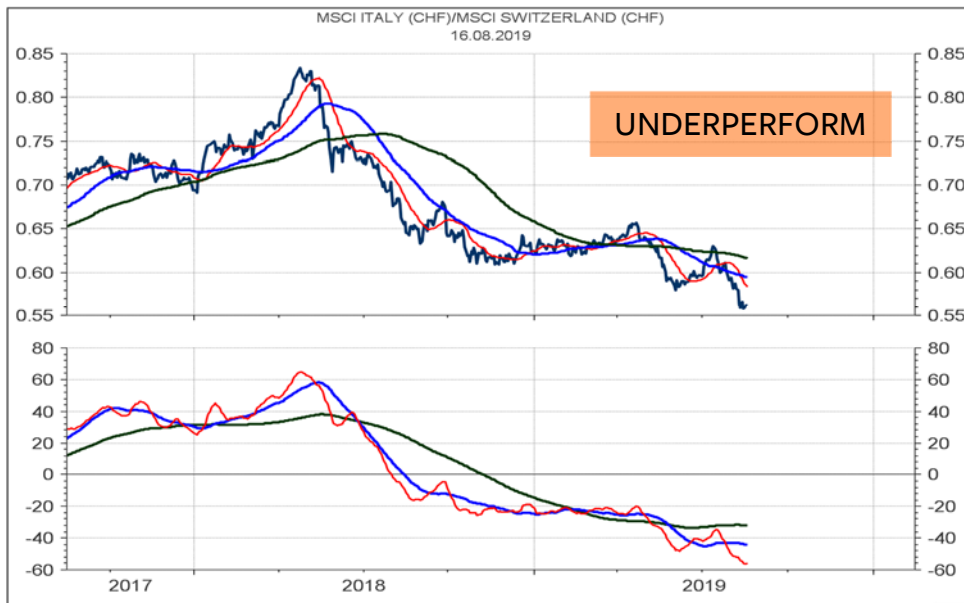
### MSCI SPAIN in Swiss franc

Swiss franc based equity investors remain out of the MSCI Spain.



### MSCI ITALY in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Italy.



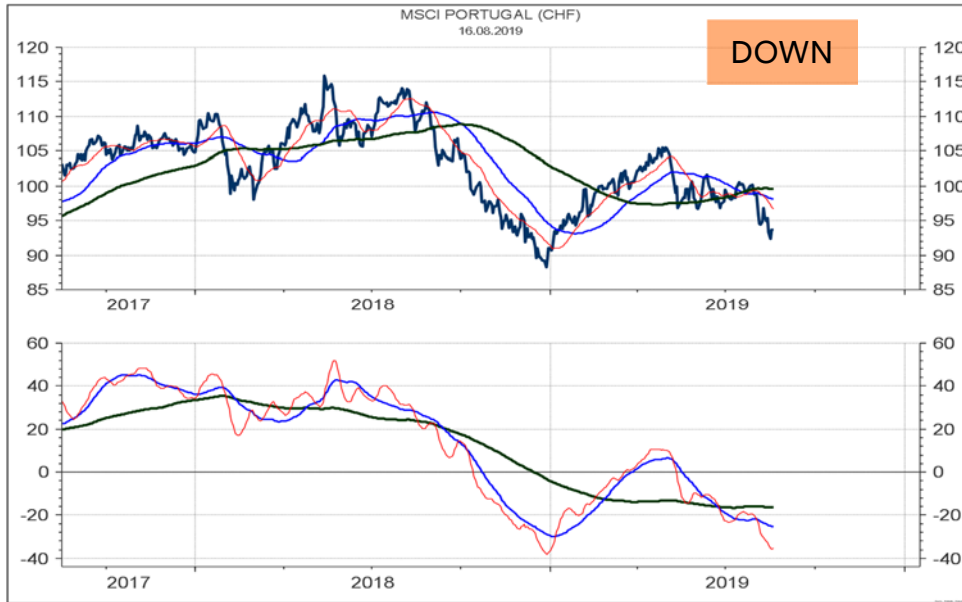
### MSCI SPAIN in Swiss franc relative to the MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Spain.



### MSCI PORTUGAL in Swiss franc

Swiss franc based equity investors remain out of the MSCI Portugal.



### MSCI GREECE in Swiss franc

Swiss franc based equity investors remain out of the MSCI Greece.



### MSCI PORTUGAL in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Portugal.



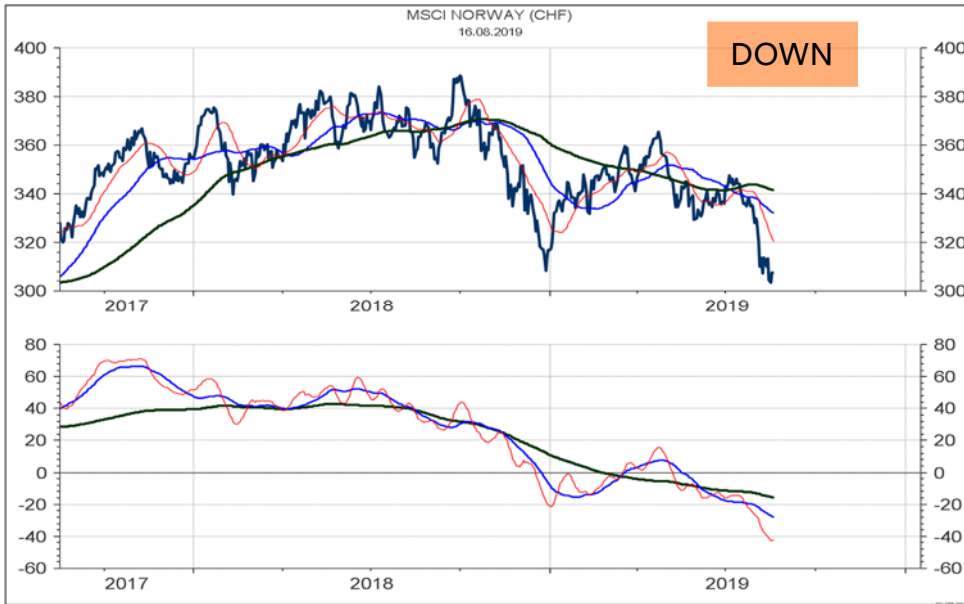
### MSCI GREECE in Swiss franc relative to the MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Greece.



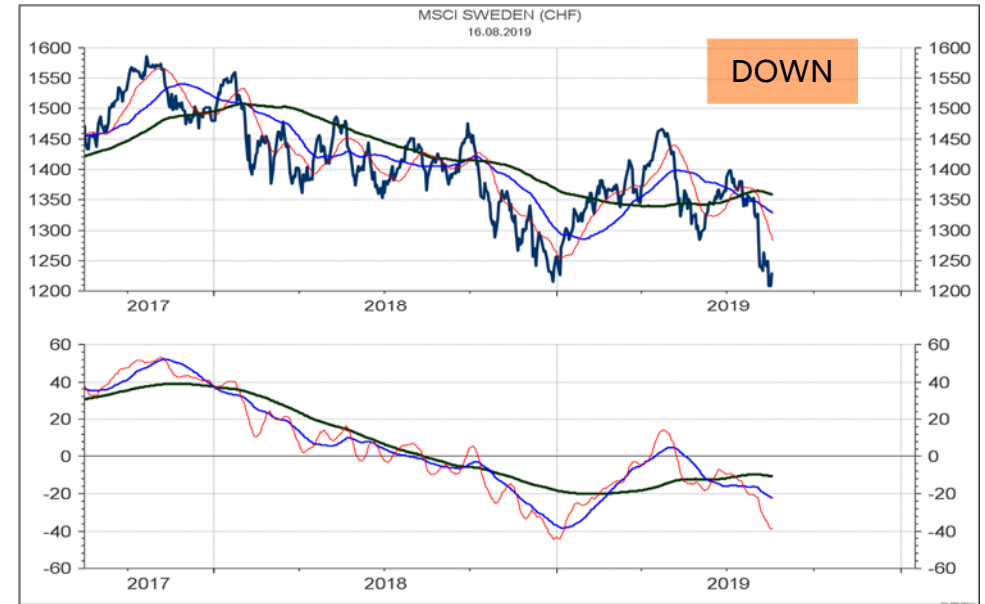
### MSCI NORWAY in Swiss franc

Swiss franc based equity investors remain out of the MSCI Norway.



### MSCI SWEDEN in Swiss franc

Swiss franc based equity investors remain out of the MSCI Sweden.



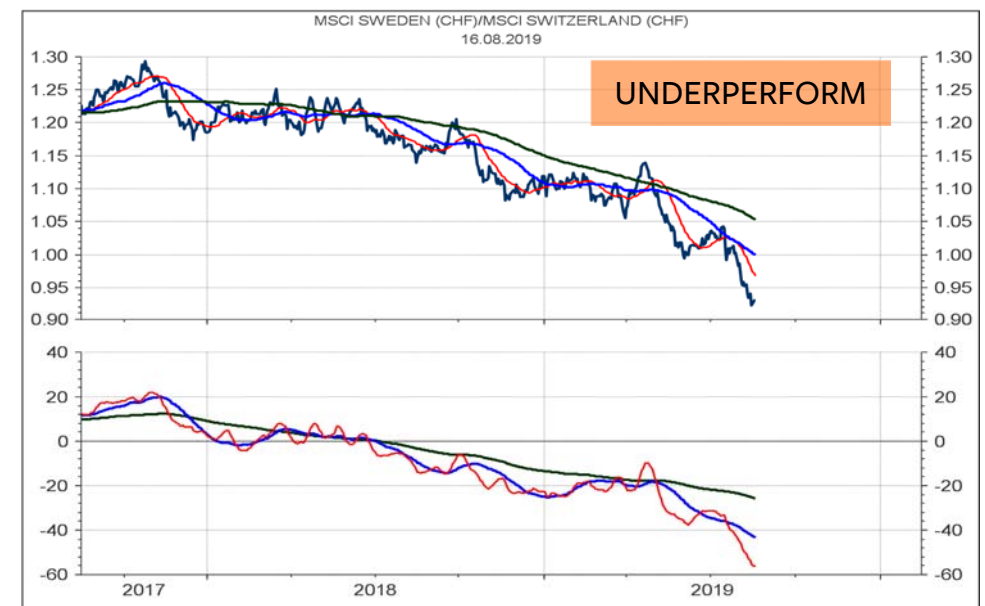
### MSCI NORWAY in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Norway.



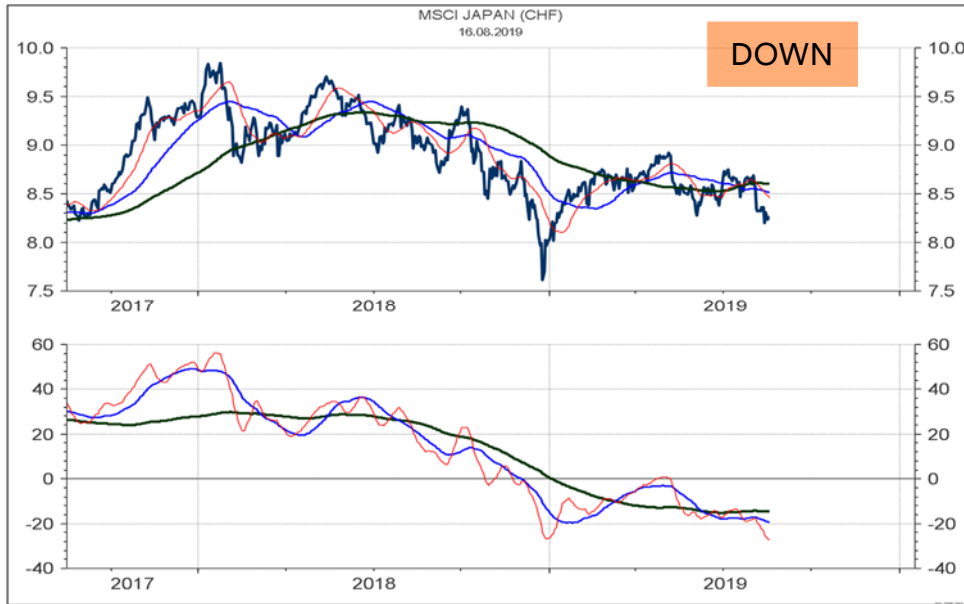
### MSCI SWEDEN in Swiss franc relative to the MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Sweden.



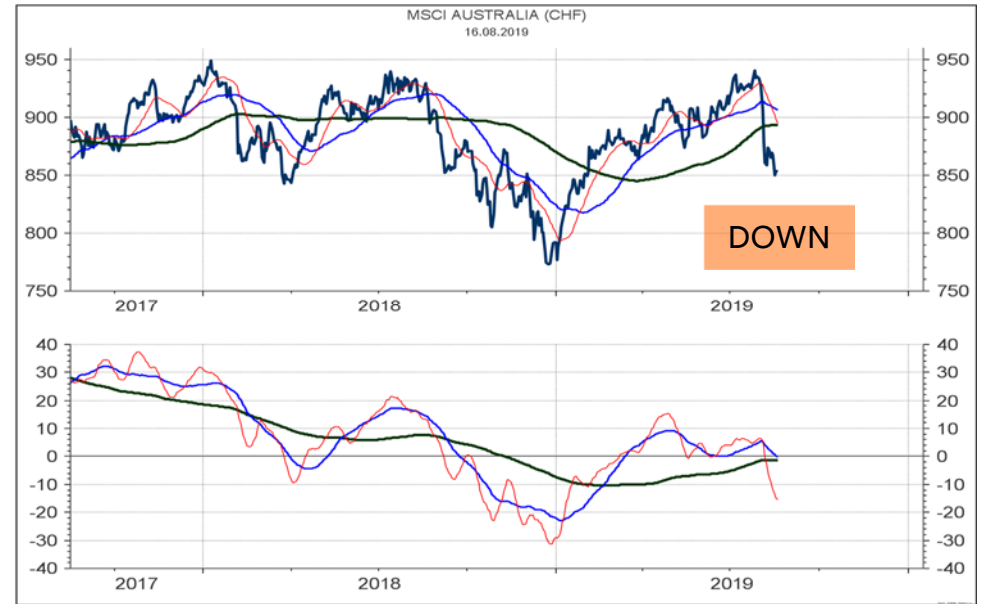
### MSCI JAPAN in Swiss franc

Swiss franc based equity investors remain out of the MSCI Japan.



### MSCI AUSTRALIA in Swiss franc

Swiss franc based equity investors remain out of the MSCI Australia.



### MSCI JAPAN in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Japan.



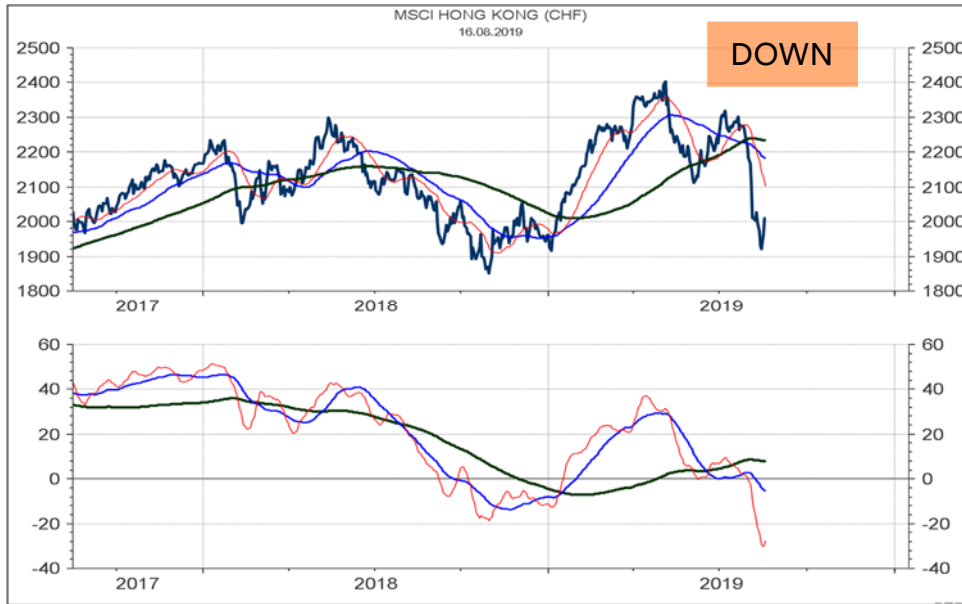
### MSCI AUSTRALIA in Swiss franc relative to the MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Australia.



### MSCI HONG KONG in Swiss franc

Swiss franc based equity investors remain out of the MSCI Hong Kong.



### MSCI SINGAPORE in Swiss franc

Swiss franc based equity investors remain out of the MSCI Singapore.



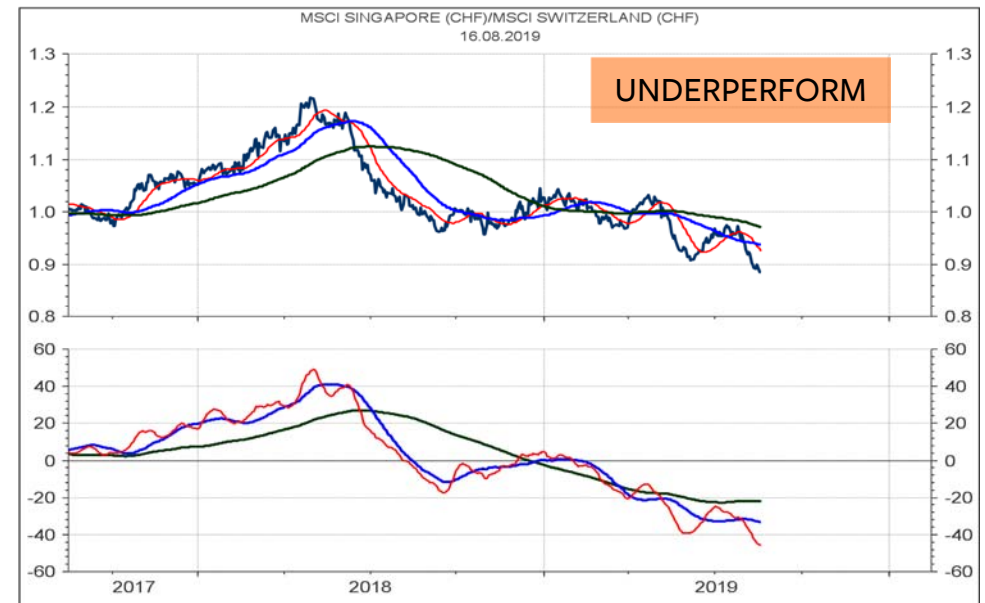
### MSCI HONG KONG in SFR relative to MSCI Switzerland

SFR based equity investors remain out (UNDERWEIGHT) of Hong Kong.

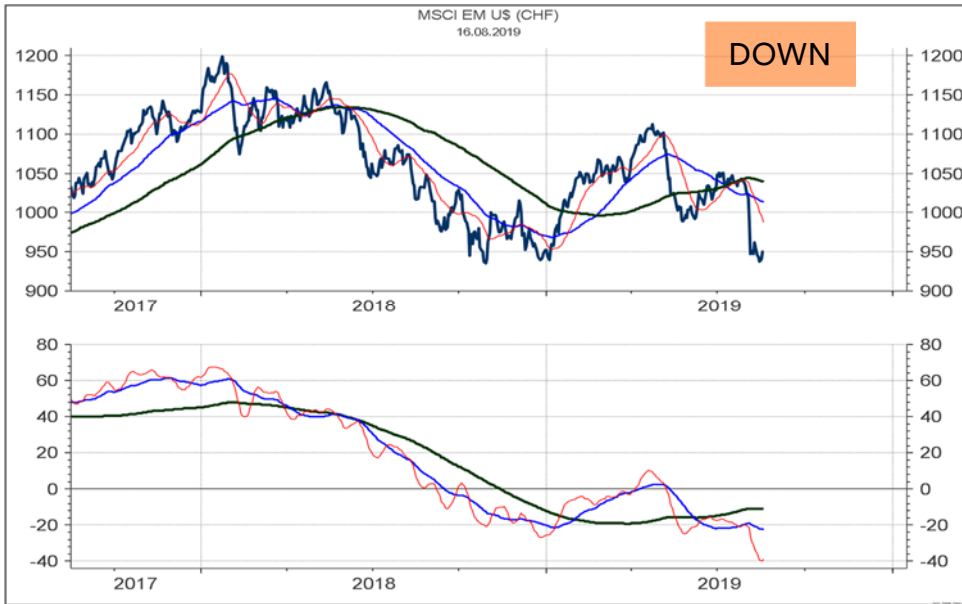


### MSCI SINGAPORE Swiss franc relative to the MSCI Switzerland

SFR based equity investors remain out (UNDERWEIGHT) of Singapore.



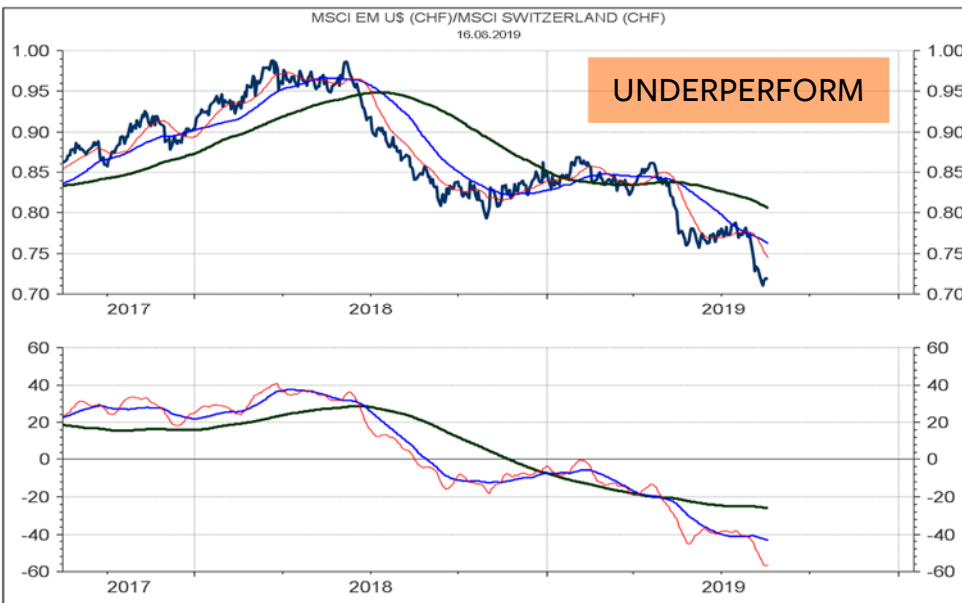
**MSCI EMERGING MARKETS in Swiss franc**  
 Swiss franc based equity investors remain out of the MSCI EM.



**MSCI BRAZIL in Swiss franc**  
 Swiss franc based equity investors remain out of the MSCI Brazil.



**MSCI EMERGING MARKETS in SFR relative to MSCI Switzerland**  
 Swiss franc based equity investors remain out (UNDERWEIGHT) of EM.

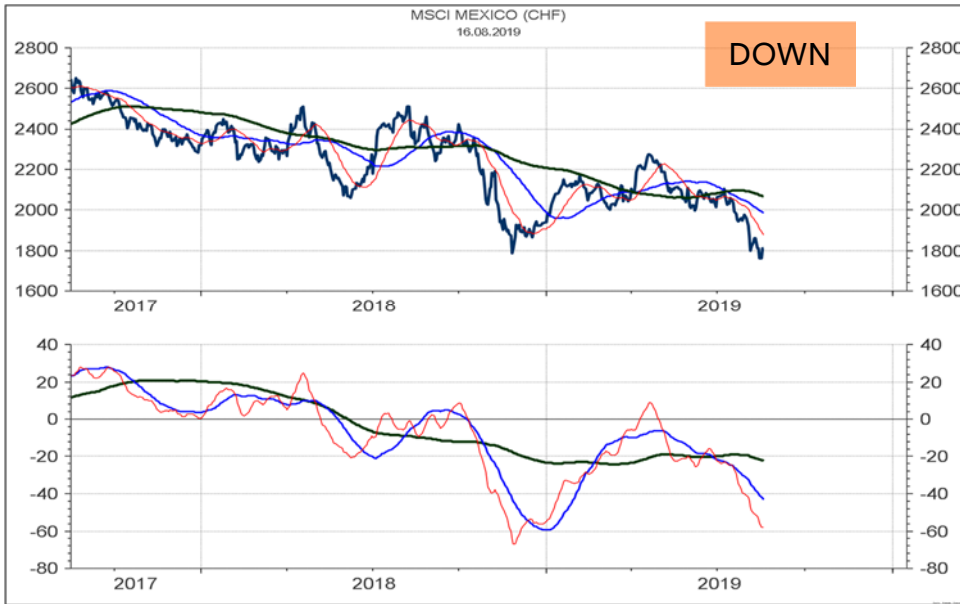


**MSCI BRAZIL in Swiss franc relative to the MSCI Switzerland**  
 Swiss franc based equity investors remain out (UNDERWEIGHT) of Brazil.



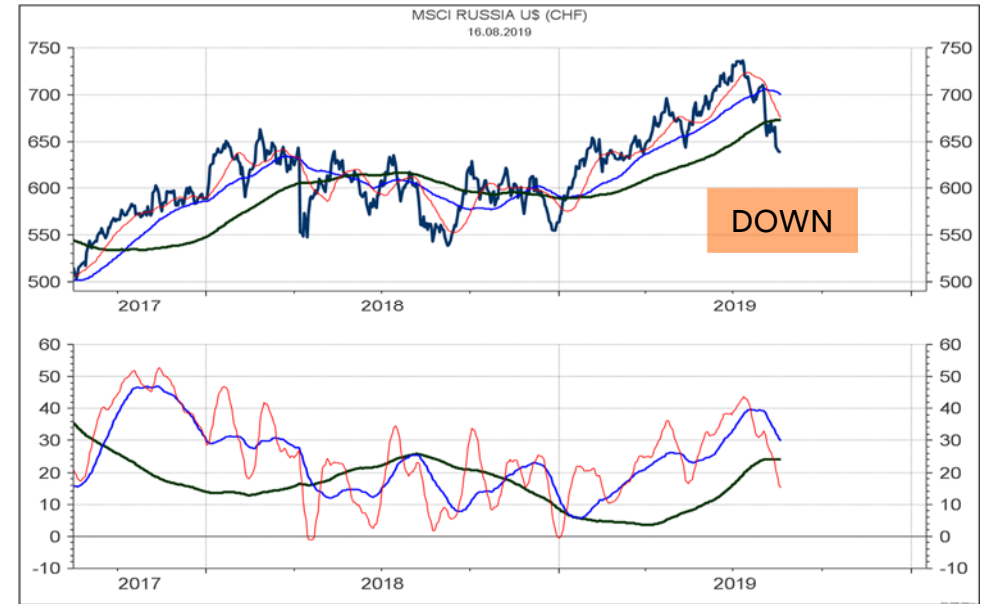
### MSCI MEXICO in Swiss franc

Swiss franc based equity investors remain out of the MSCI Mexico.



### MSCI RUSSIA in Swiss franc

Swiss franc based equity investors remain out of the MSCI Russia.



### MSCI MEXICO in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Mexico.



### MSCI RUSSIA in Swiss franc relative to the MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Russia.





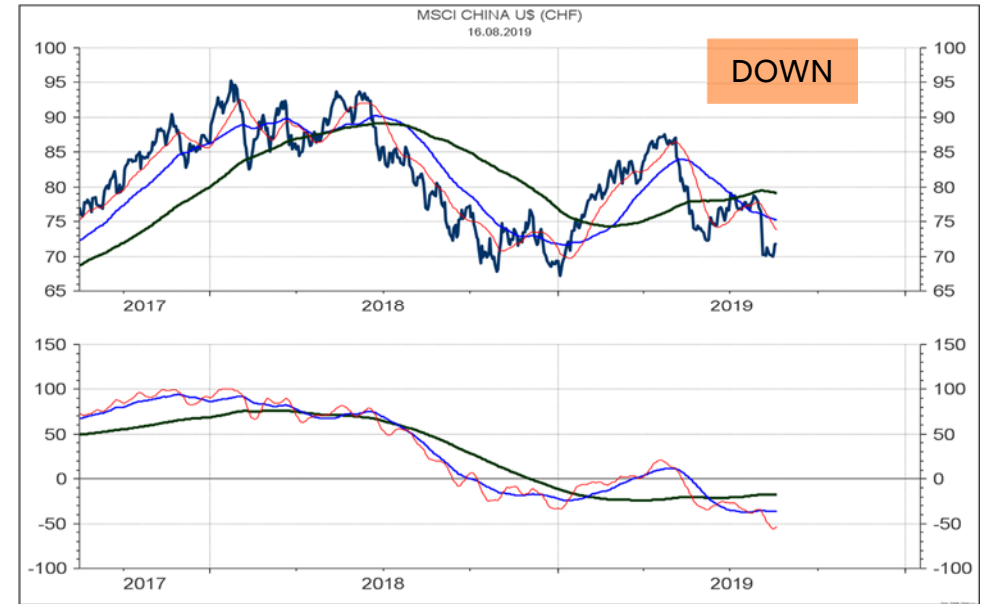
### MSCI INDIA in Swiss franc

Swiss franc based equity investors remain out of the MSCI India.



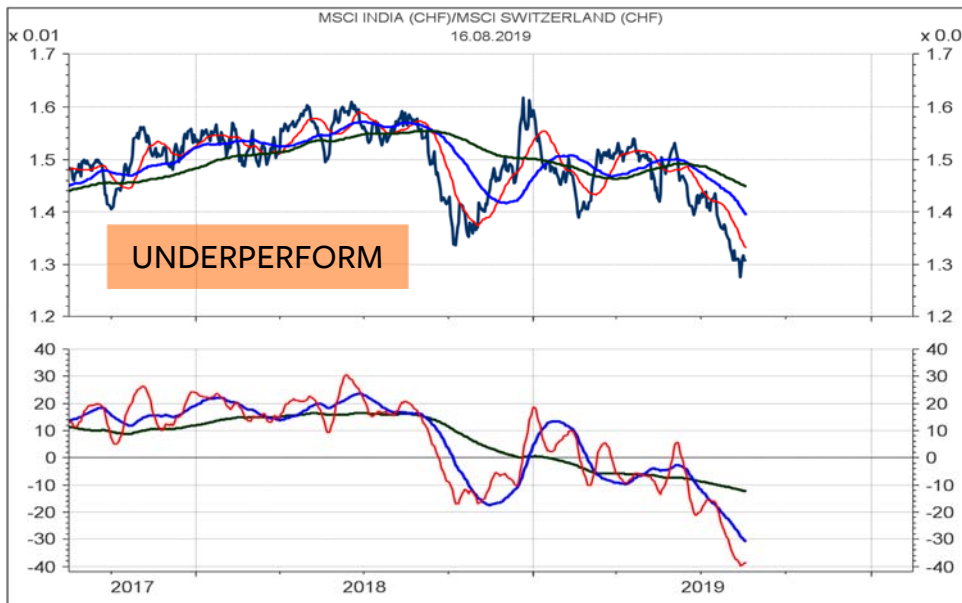
### MSCI CHINA in Swiss franc

Swiss franc based equity investors remain out of the MSCI China.



### MSCI INDIA in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of India.



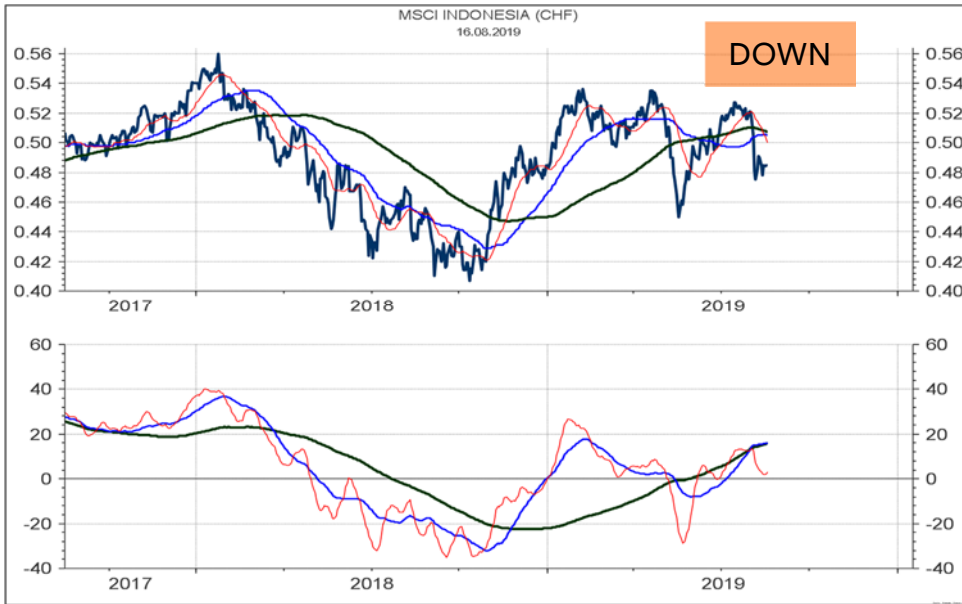
### MSCI CHINA in Swiss franc relative to the MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of China.



### MSCI INDONESIA in Swiss franc

Swiss franc based equity investors remain out of the MSCI Indonesia.



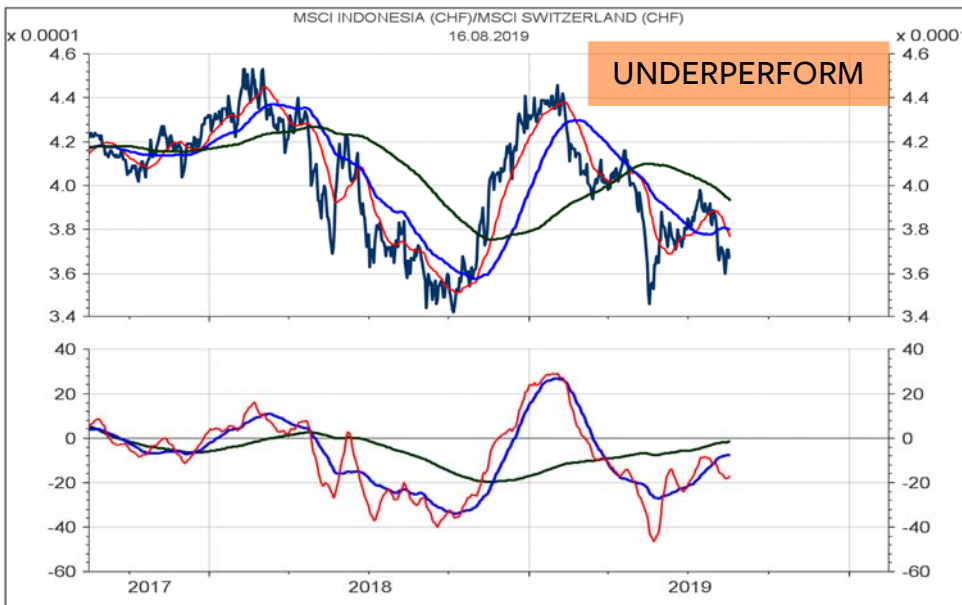
### MSCI PHILIPPINES in Swiss franc

Swiss franc based equity investors remain out of the MSCI Philippines.



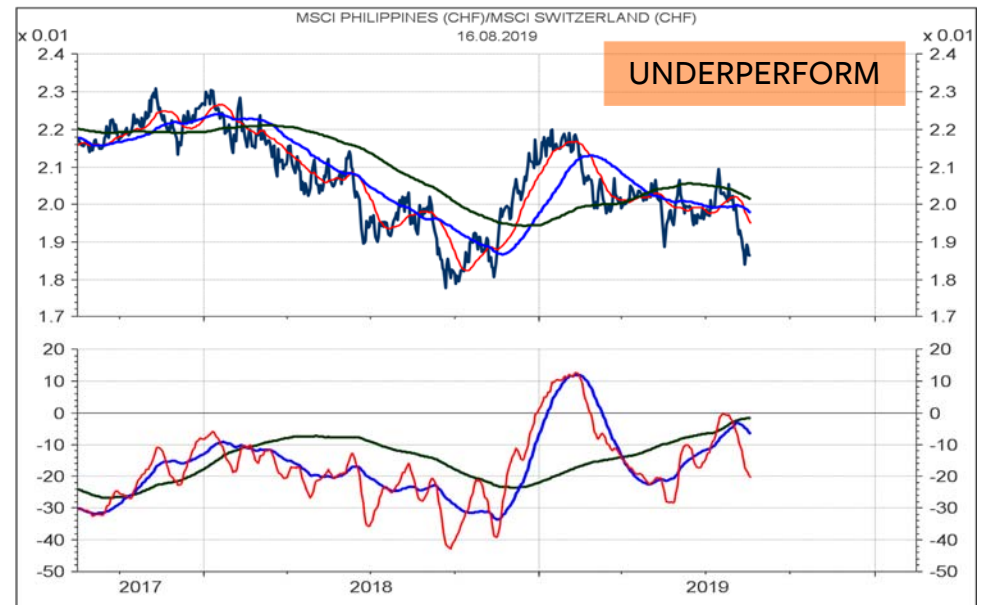
### MSCI INDONESIA in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Indonesia.



### MSCI PHILIPPINES in Swiss franc relative to the MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) the Philippines.



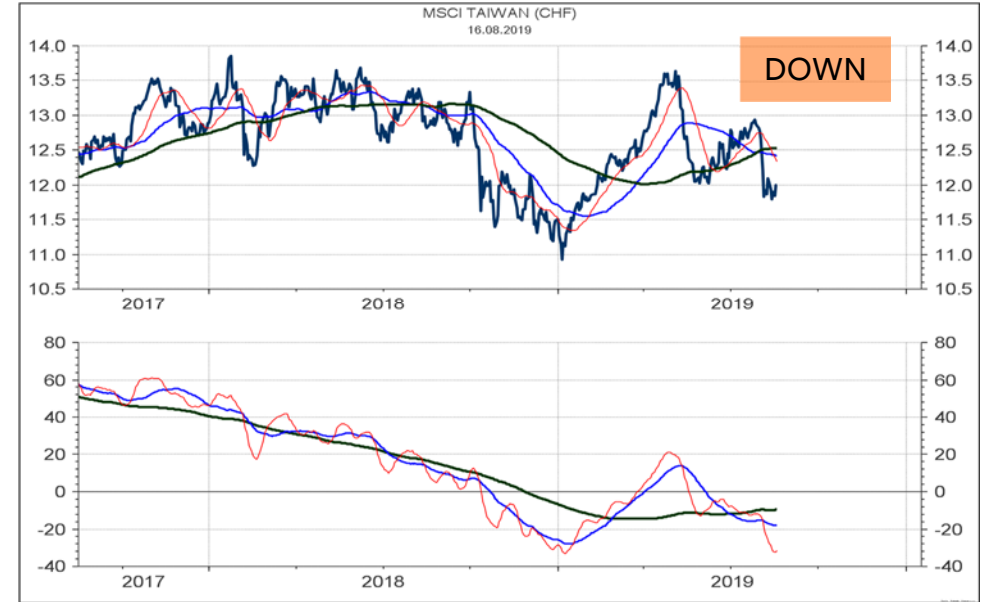
### MSCI SOUTH KOREA in Swiss franc

Swiss franc based equity investors remain out of the MSCI Korea.



### MSCI TAIWAN in Swiss franc

Swiss franc based equity investors remain out of the MSCI Taiwan.



### MSCI SOUTH KOREA in SFR relative to MSCI Switzerland

Swiss franc based equity investors remain out (UNDERWEIGHT) of Korea.



### MSCI TAIWAN in Swiss franc relative to the MSCI Switzerland

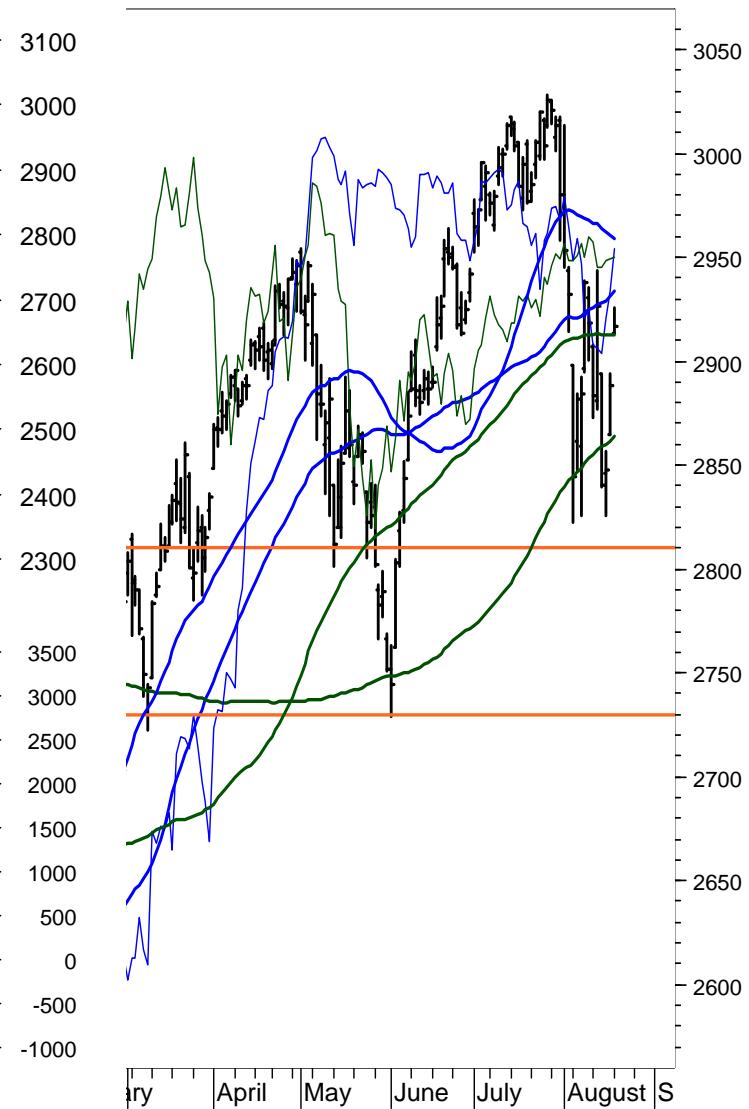
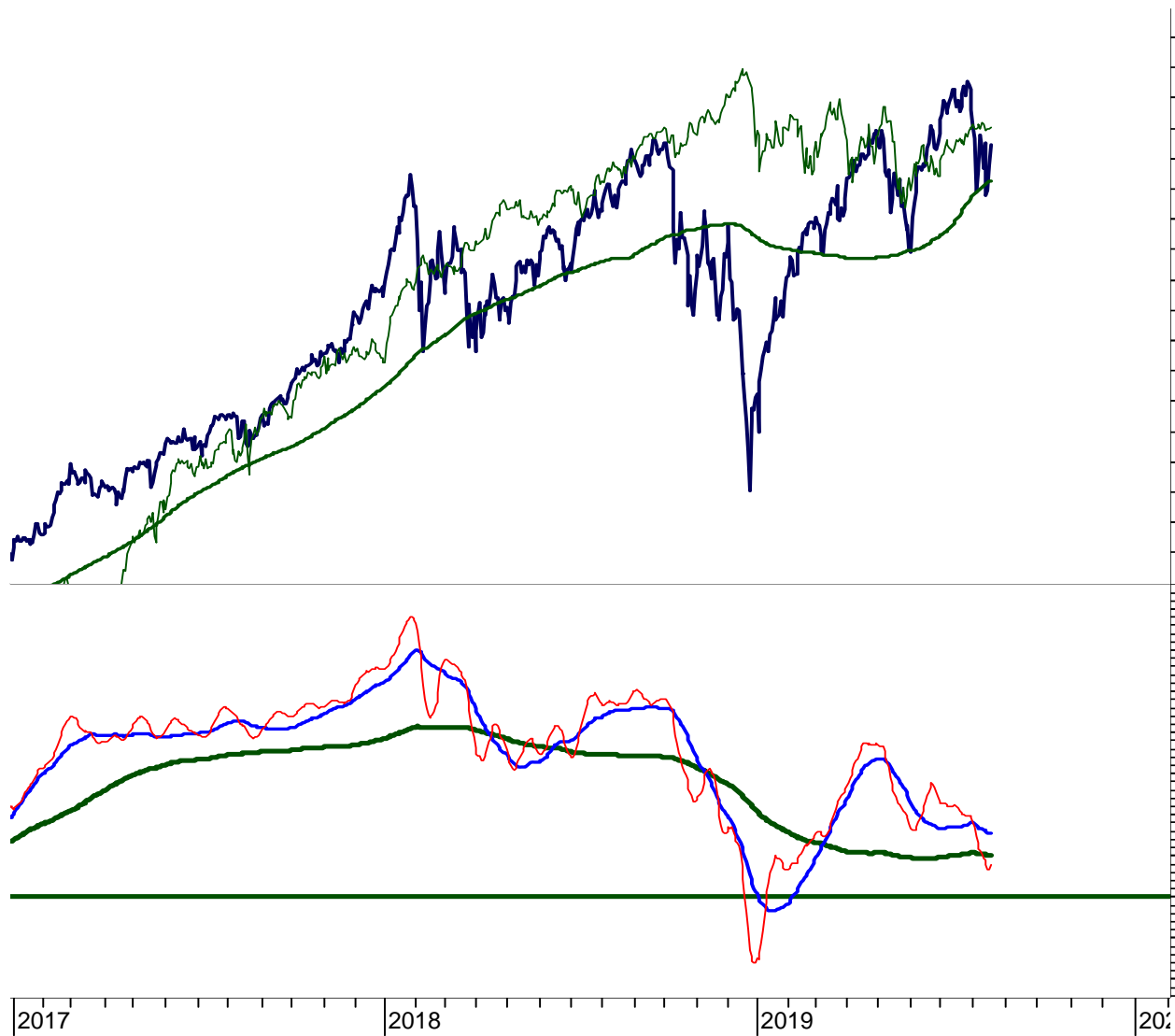
Swiss franc based equity investors remain out (UNDERWEIGHT) of Taiwan.



# S&P 500 Index

The S&P 500 Index is trading around the 144-day moving average at 2860. A break of this long-term moving average and the break of the Fibonacci supports at 2810 and 2730 will indicate that the long-term trend has turned down. The medium-term indicators are positioned between 2960 and 2930. As I show on the next page, it will take a rise above 2950 /60 to move the medium-term outlook to FLAT.

**Long-term Outlook: FLAT**  
**Medium-term Outlook: DOWN**



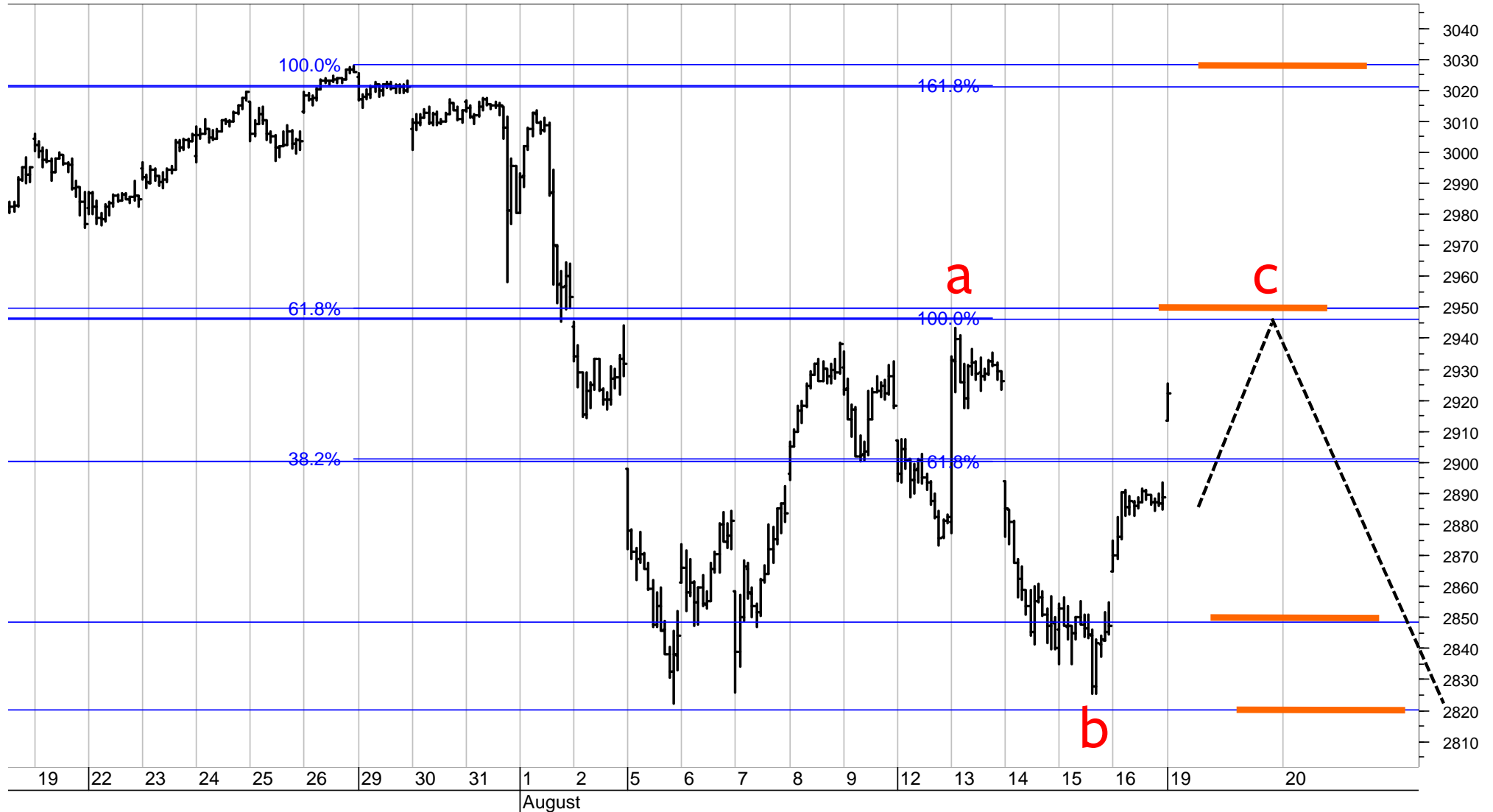
# S&P 500 Index – 30 minute chart

The rebound from the low on 5th August at 2822 is best be labeled as an Inverse Flat a-b-c.

The resistance level to watch is at 2950 and 3020 / 3030.

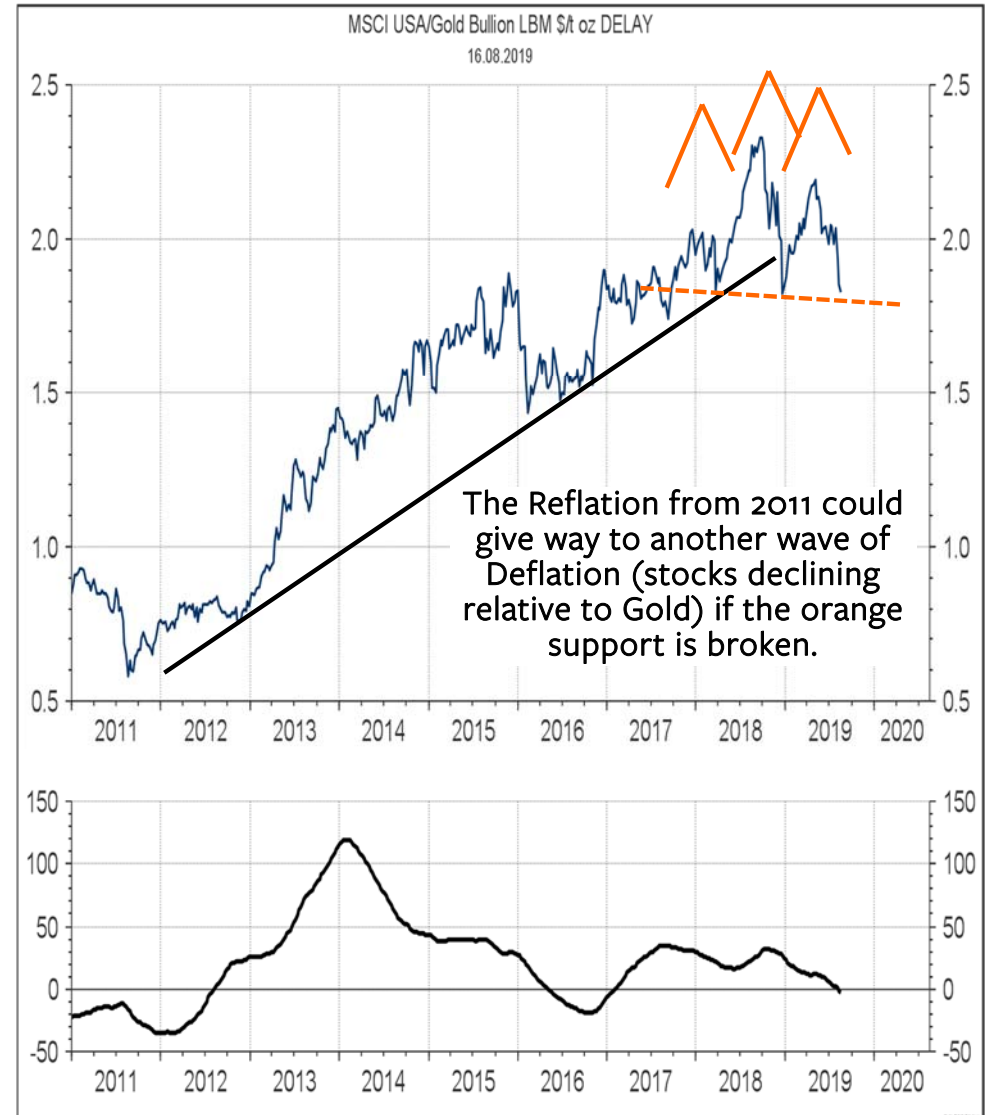
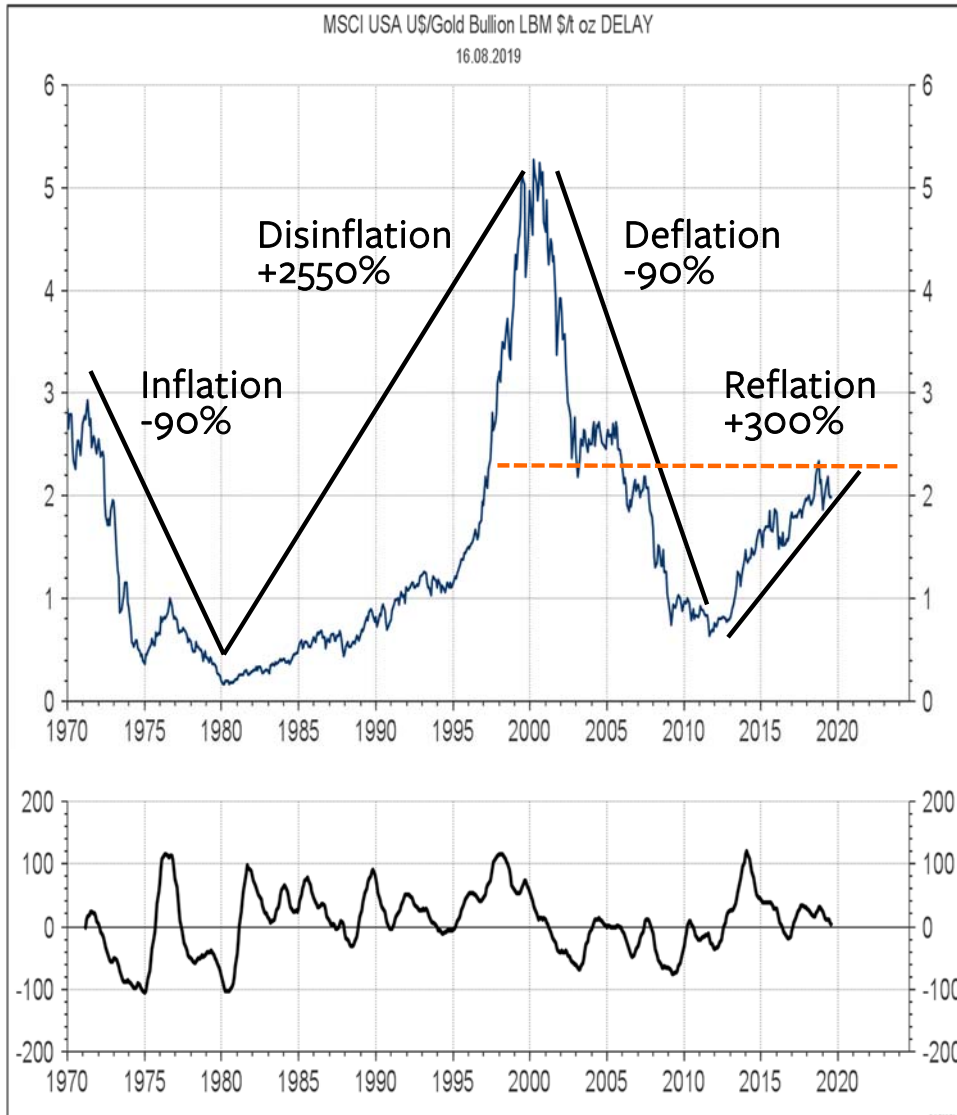
A break of the supports at 2850 and 2820 will signal the resumption of the major downtrend.

Only if I label the low of 15th August at 2825 as failure as Wave c of the A-B-C from the July high, would a rise above 2950 signal another MAJOR upleg. For now, the failure has a lower probability compared to the break of 2820.



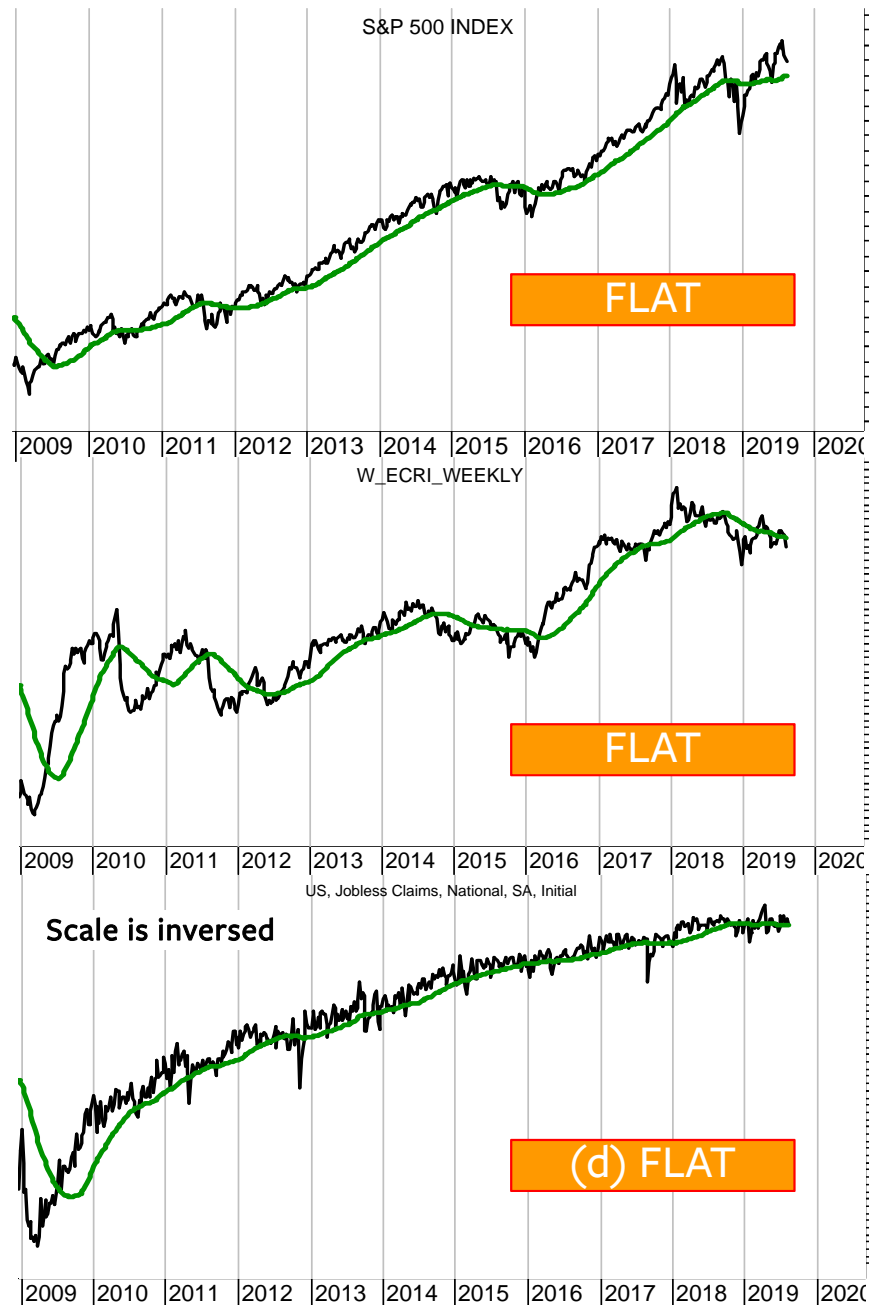
# MSCI USA relative to Gold (both in US\$)

The MSCI USA relative to Gold entered a new phase of Reflation in 2011. This Reflation reached a top in October 2018. With the most recent relative equity decline the MSCI USA is at risk of triggering the head and shoulder top of 2017/2019 and signal a new phase of Deflation with the break of 1.80. The **Medium-term Outlook for the MSCI World Index relative to Gold remains DOWN**. Clearly, a break of the orange support has to occur to confirm the **DOWN**-rating.



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

## The Overall Model is FLAT, but a downgrade to DOWN is pending



The S&P 500 Index remains below the 4-week average, which itself is declining. **The Model remains FLAT.** It could move to DOWN if 2820 is broken.

The Weekly Economic Cycle Research Index fell to 144. It is below the 4-week average and below the 40-week average. **The Model remains FLAT.** It will shift to DOWN if 143.50 is broken.

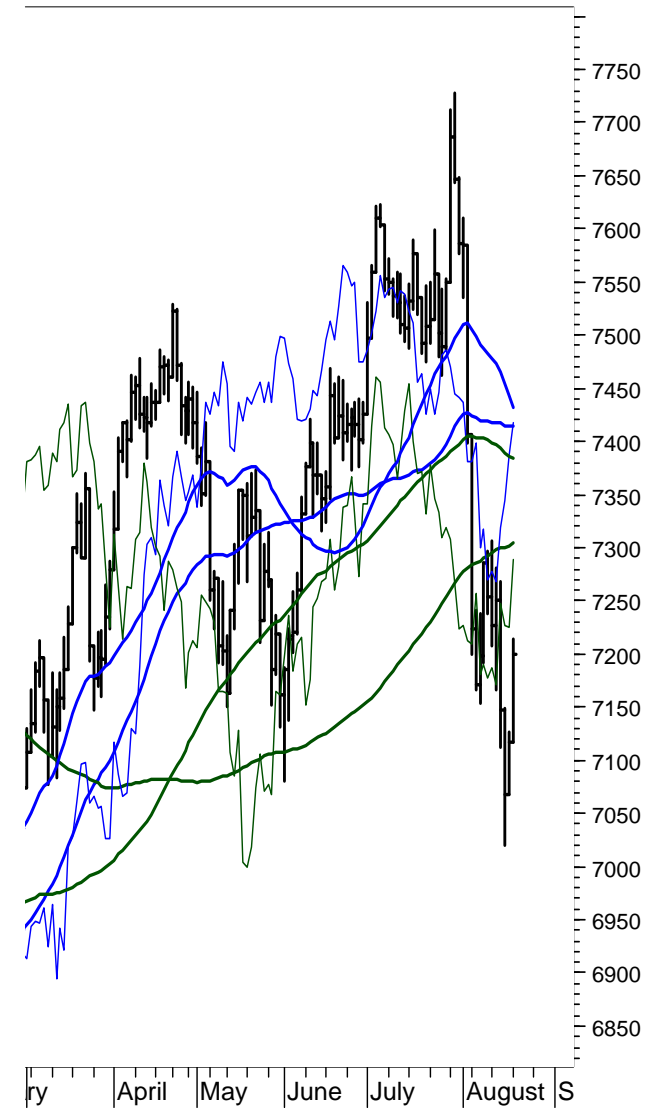
The (inverse) Weekly Jobless Claims are at 220k. With this reading the Claims fell below the 4-week average and marginally below the 40-week average. **The Model is moving to FLAT.** It would turn DOWN if the Claims break 221k and 230k.

# U.K. – FTSE Index – daily charts

The FTSE Index is rebounding to test the resistance range between 7200 and 7300. Clearly, a break of the long-term support range 7000 to 6850 will signal a long-term downtrend.



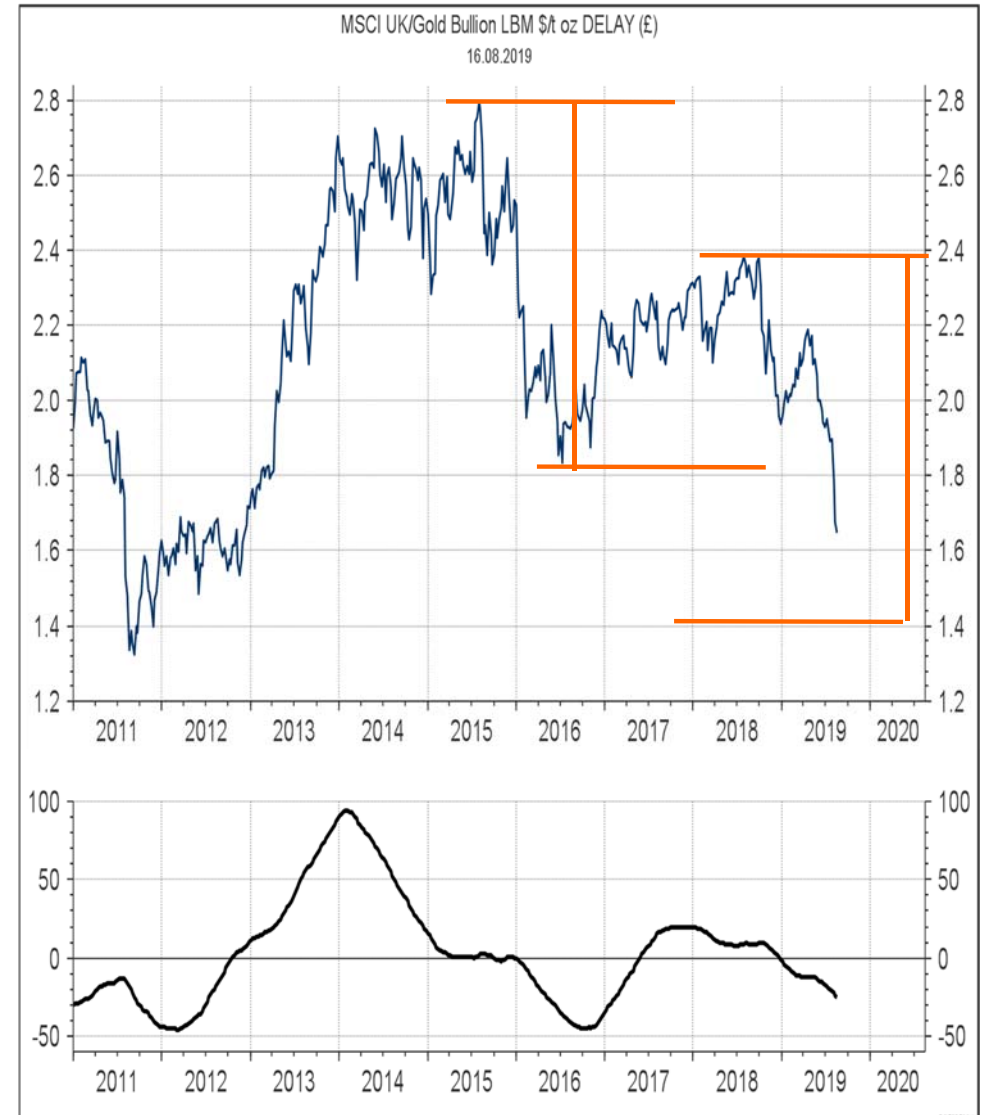
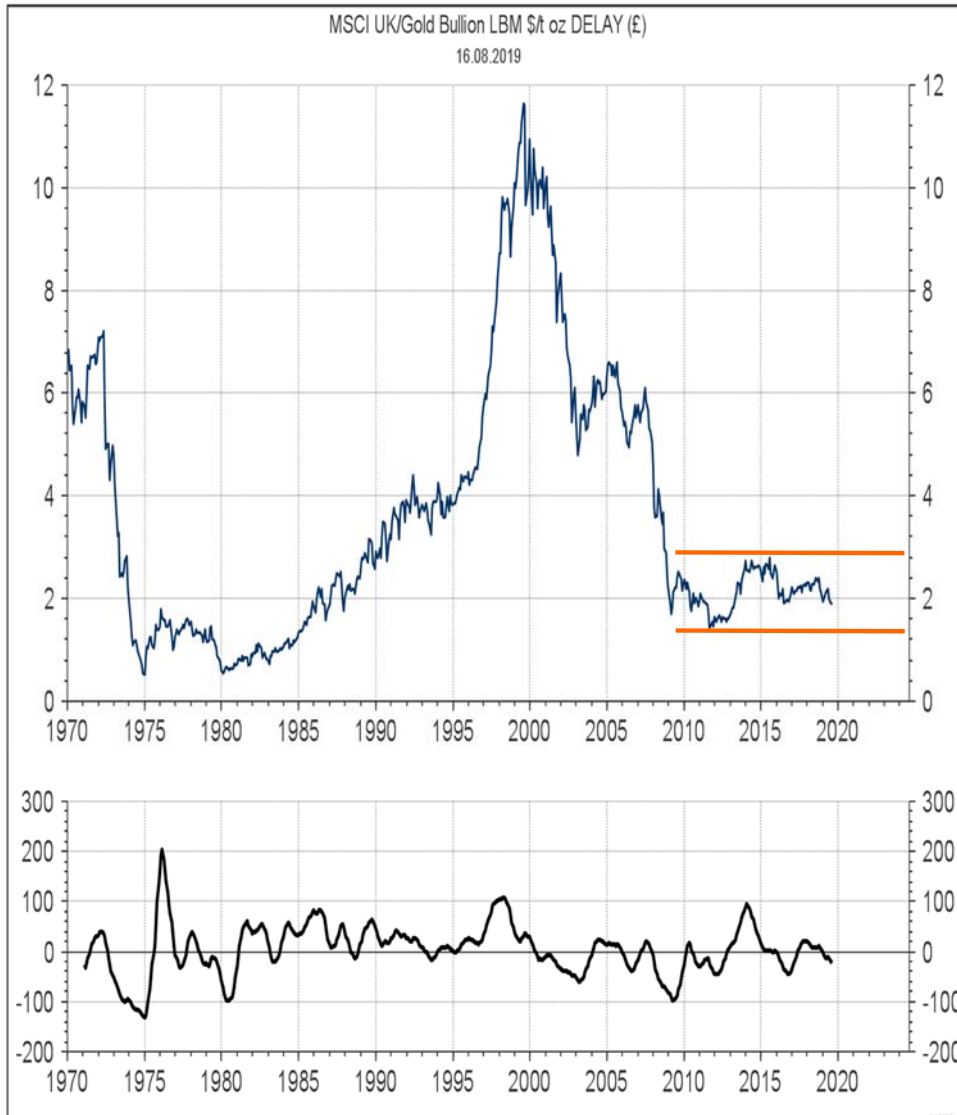
**Long-term Outlook: FLAT**  
**Medium-term Outlook: DOWN**





# MSCI U.K. relative to Gold (both in British pound)

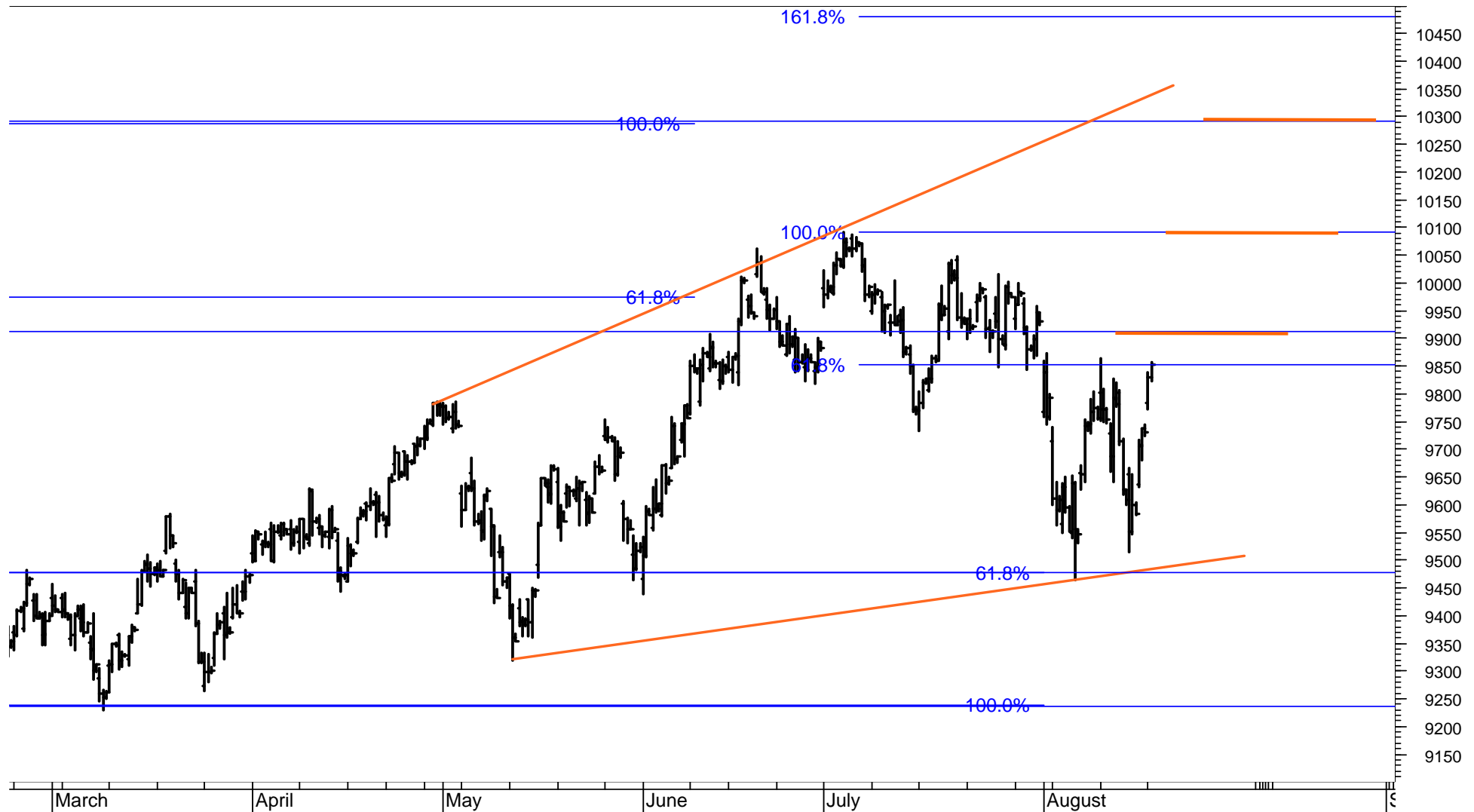
The rebound in the MSCI U.K. relative to Gold in Pound from the low in 2011 to the high in 2015 appears to be part of the secular DEFLATION, which originated in the year 2000. In fact, the relative chart is likely to fall to a new low below the low of 2011. Obviously, in the U.K., investors have been favouring metal (gold) over paper (equities) since 2015. **The Medium-term Outlook for the U.K. stock market relative to Gold in Pound remains DOWN.**



# Swiss Market Index SMI

The SMI is recovering from the support, which I had located at 9450. The Wedge, which I thought to have ended in July, could be in for yet another extension to 10300. The medium-term outlook could go FLAT again if 9920 is broken. Clearly, a break of 9450 would signal that the long-term trend has turned DOWN.

**Long-term Outlook: UP**  
**Medium-term Outlook: DOWN**



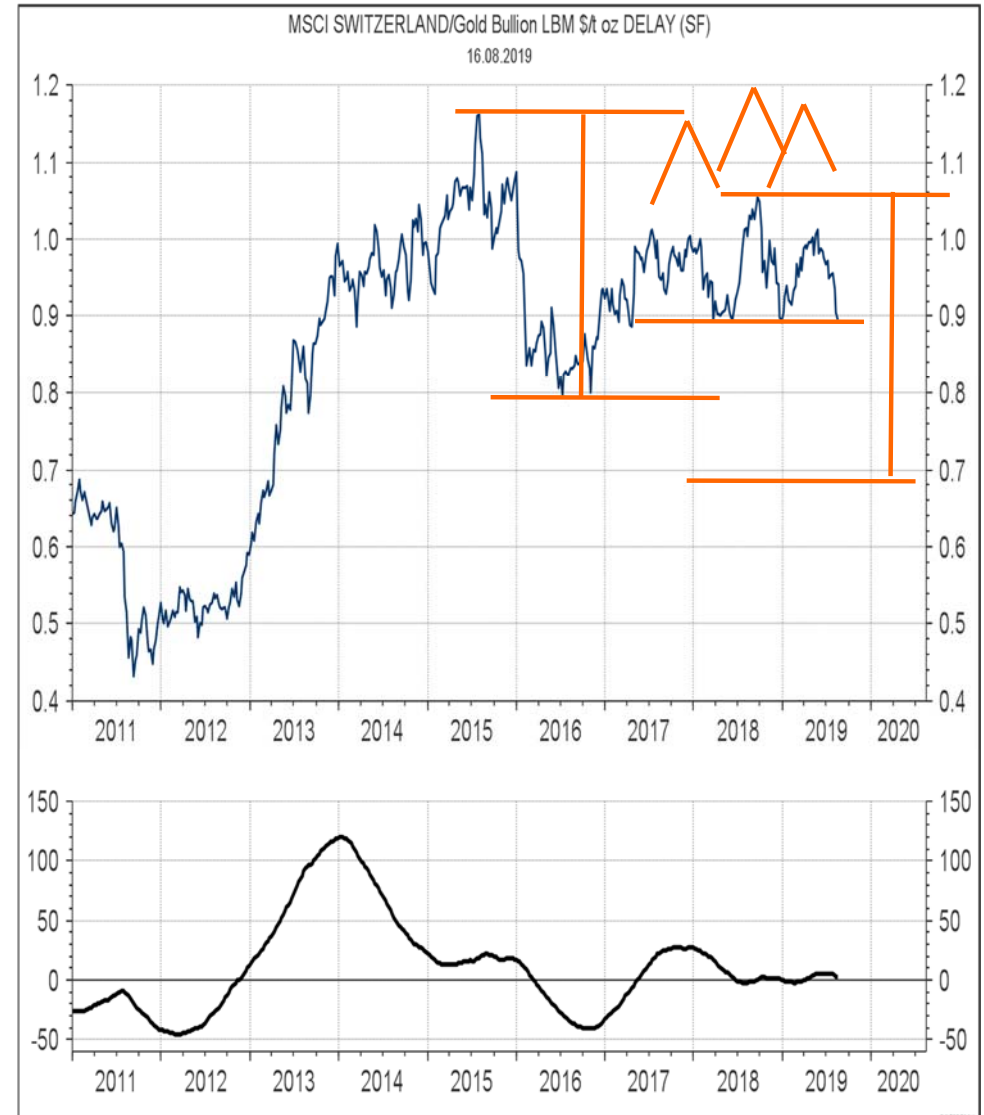
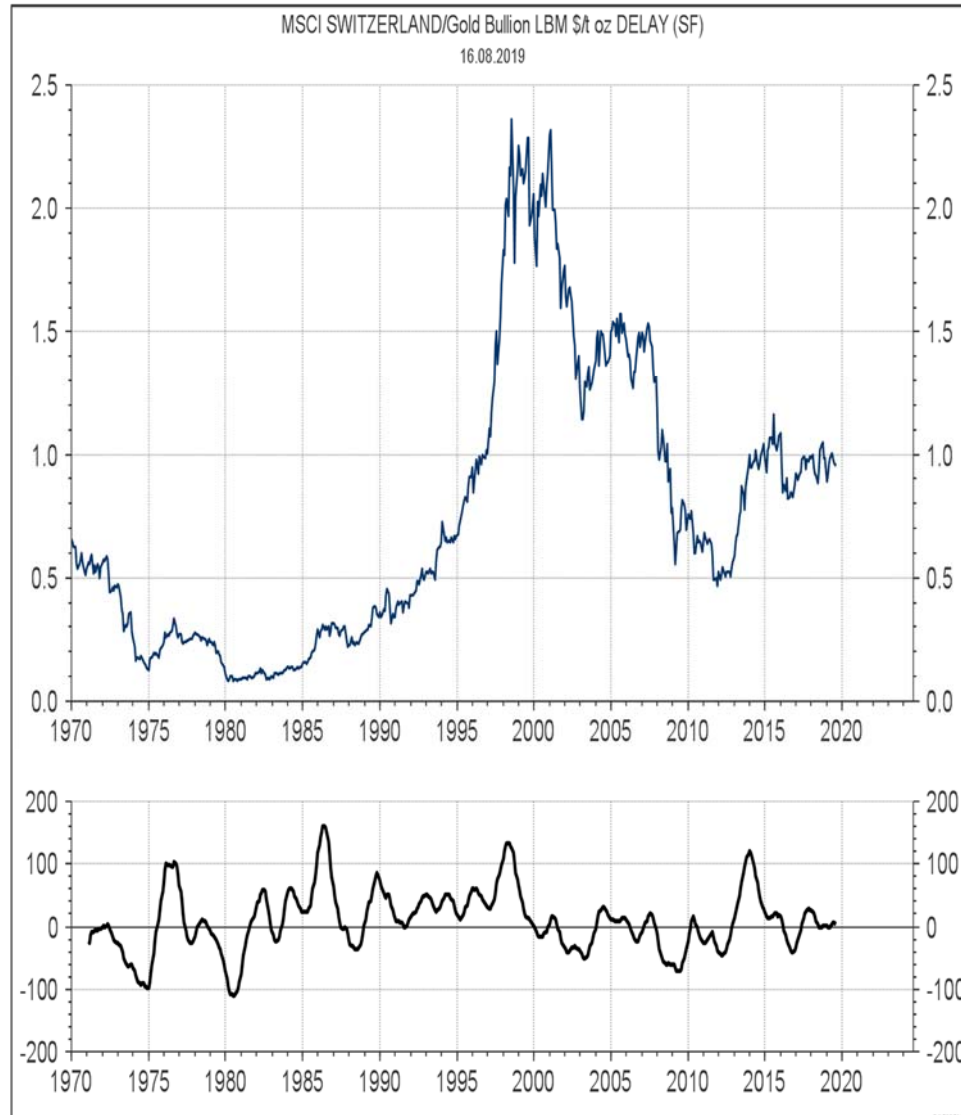
# MSCI SWITZERLAND relative to Gold (both in Swiss franc)

The reflationary rebound in the MSCI Switzerland relative to Gold in Swiss franc from the low in 2011 peaked in 2015.

Obviously, in Switzerland, investors have been favouring metal (gold) over paper (equities) since 2015.

**The Medium-term Outlook for the Swiss stock market relative to Gold in Swiss franc is DOWN.**

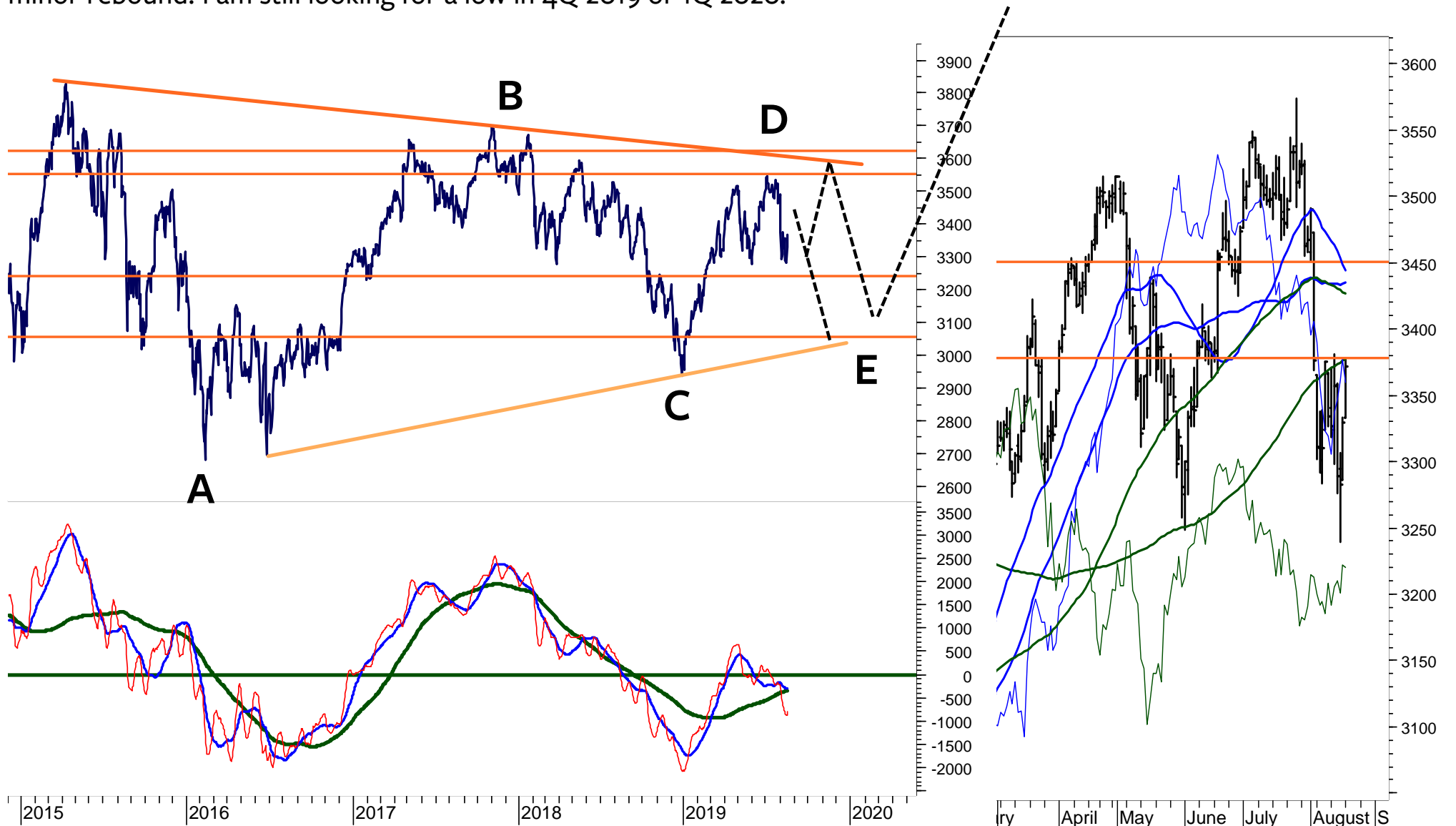
A break of 0.90 / 0.88 will signal an acceleration of the Swiss Equity to Gold downtrend.



# Eurostoxx 50 Index

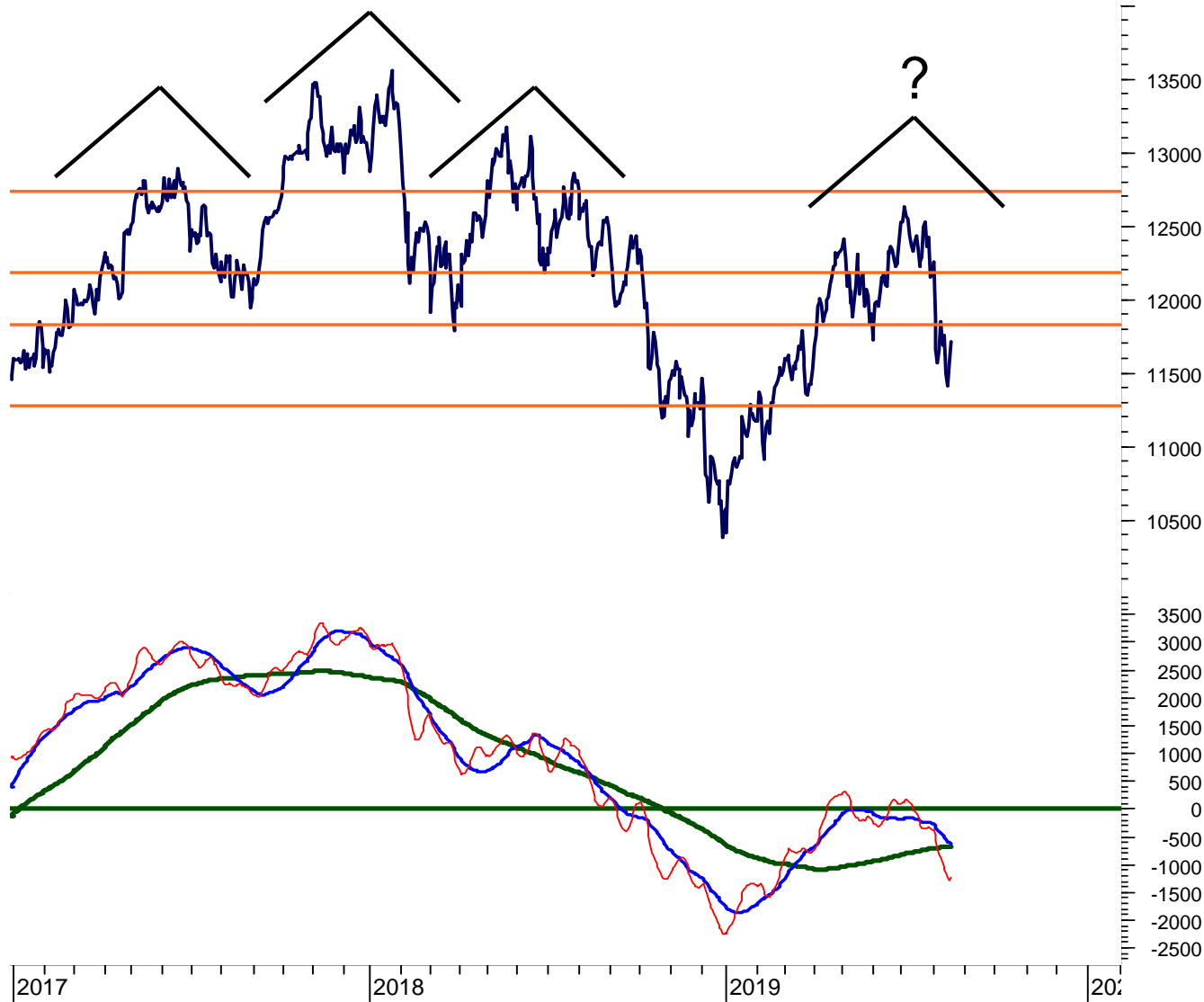
My two scenarios of last week remain unchanged. Either the Eurostoxx will again test the long-term resistance at 3569 to 3630 and turn down from there, or, it will resume the downtrend after the present minor rebound. I am still looking for a low in 4Q 2019 or 1Q 2020.

**Long-term Outlook: FLAT**  
**Medium-term Outlook: DOWN**

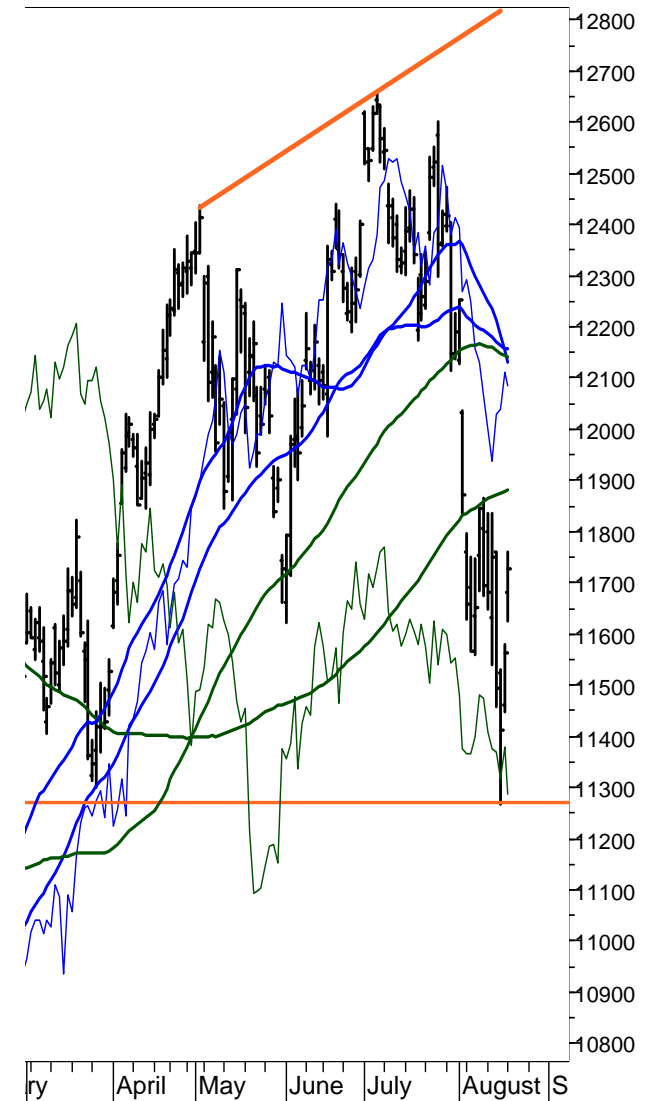


# German DAX

The DAX managed to rebound off the major support, which I had located at 11550 to 11300. The resistance levels are 11850, 12200 and 12750. A break of the August-low would signal a long-term downturn.



**Long-term Outlook: FLAT**  
**Medium-term Outlook: DOWN**

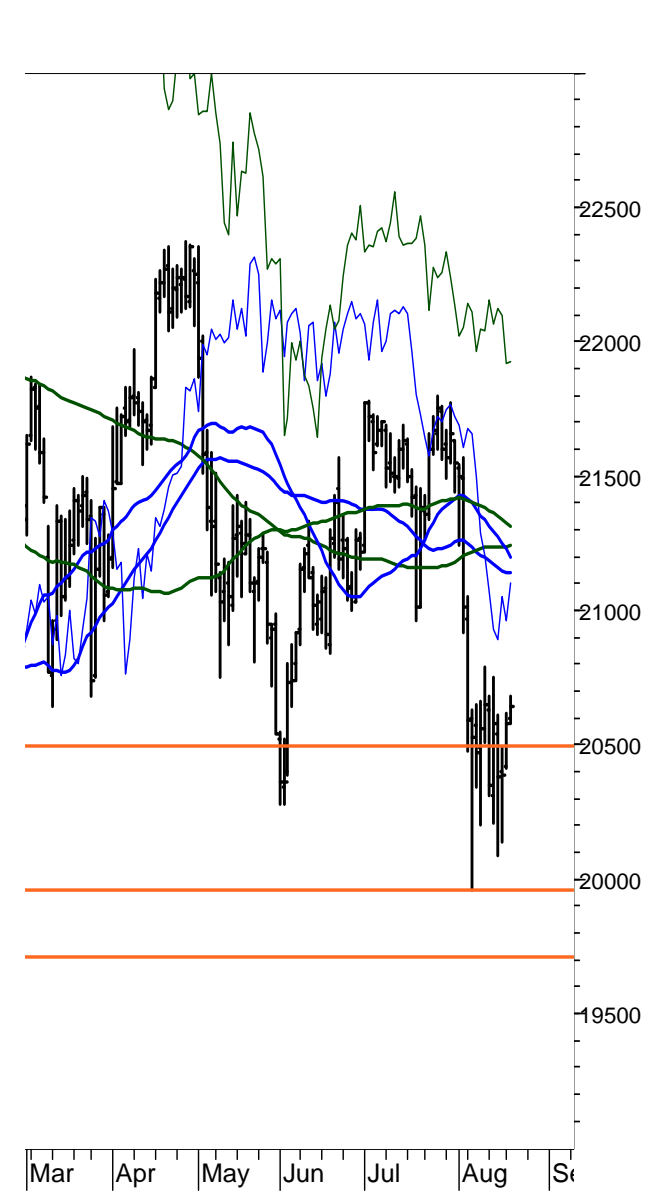


# Japanese Nikkei 225 Index

The long-term outlook could turn DOWN if the supports at 20000 / 19700 are broken.



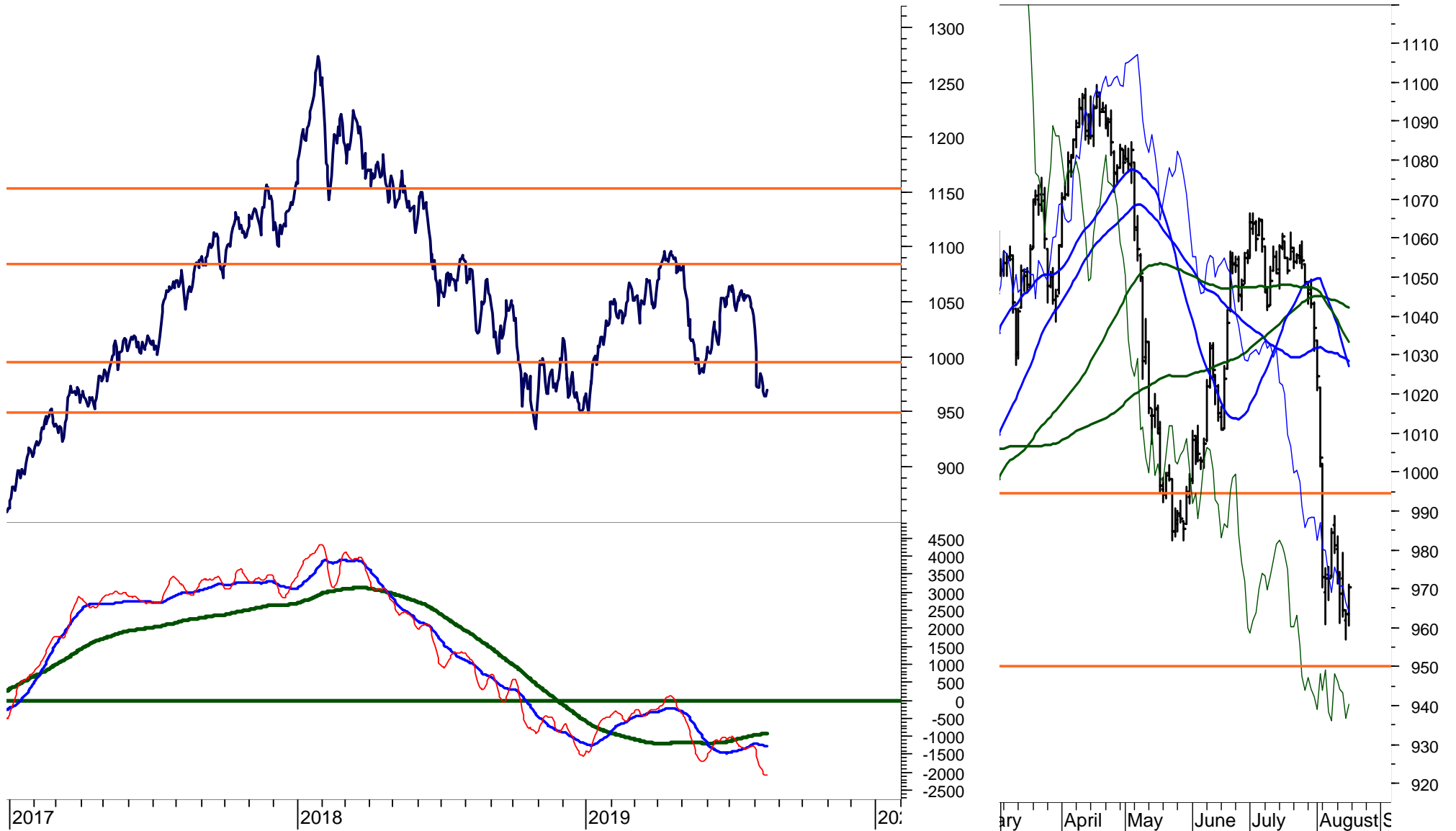
**Long-term Outlook: FLAT**  
**Medium-term Outlook: DOWN**



# MSCI Emerging Markets Index

The long-term outlook could turn DOWN if the support at 950 and the long-term momentum reversal at 940 are broken.

**Long-term Outlook: FLAT**  
**Medium-term Outlook: DOWN**

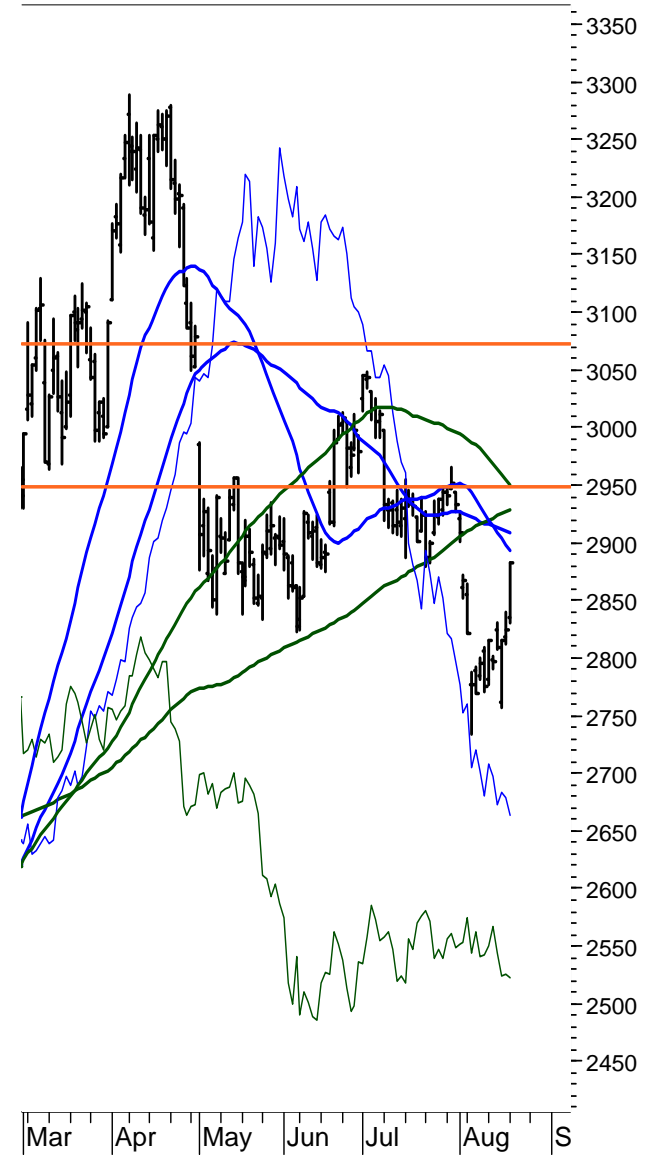


# Shanghai Composite Index

The medium-term momentum has bottomed. But, the SCI must rise above 2910, 2950 and 3080 to signal a valid upturn with resistance at 3260 or 3580.



**Long-term Outlook: DOWN**  
**Medium-term Outlook: DOWN**

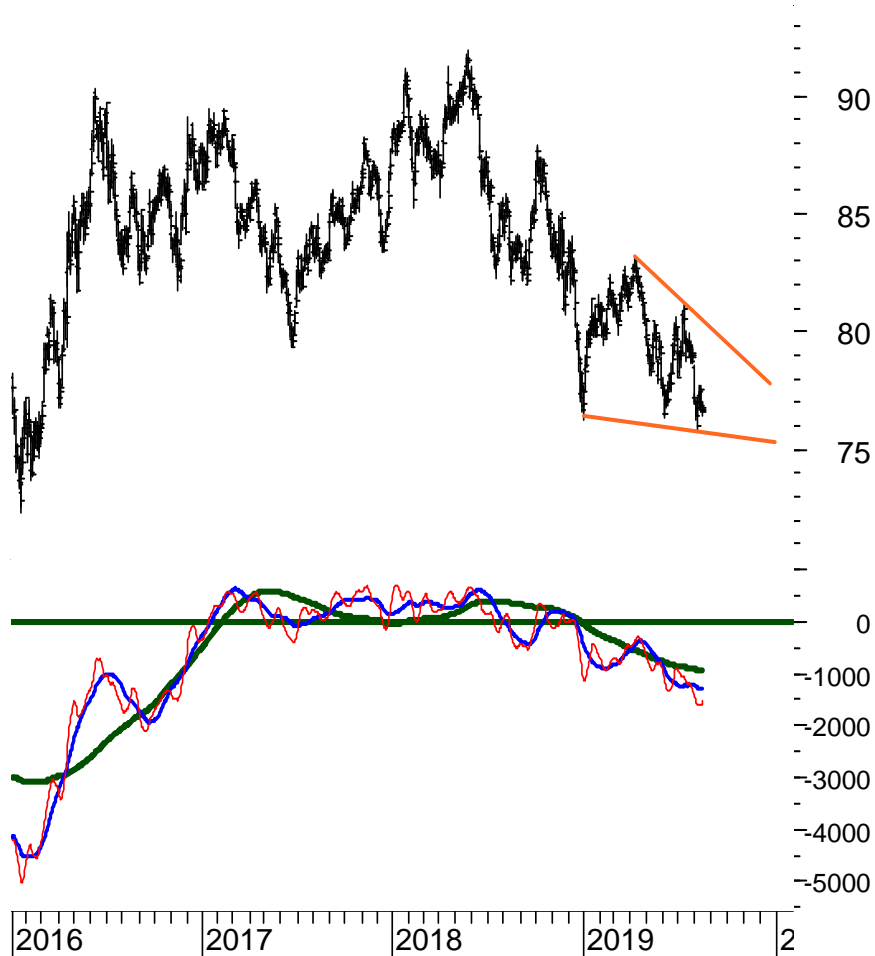




# Global Commodity Ratings

The table to the right is listed according to the Total Score. It shows that Gold, Lead, Nickel, Silver and Soybeans have the strongest technical indicators.

The Bloomberg Commodity Index (below) is trading just above the long-term support at 77 / 75.50. A break of 75.50 could signal an acceleration of the downtrend from 2018.



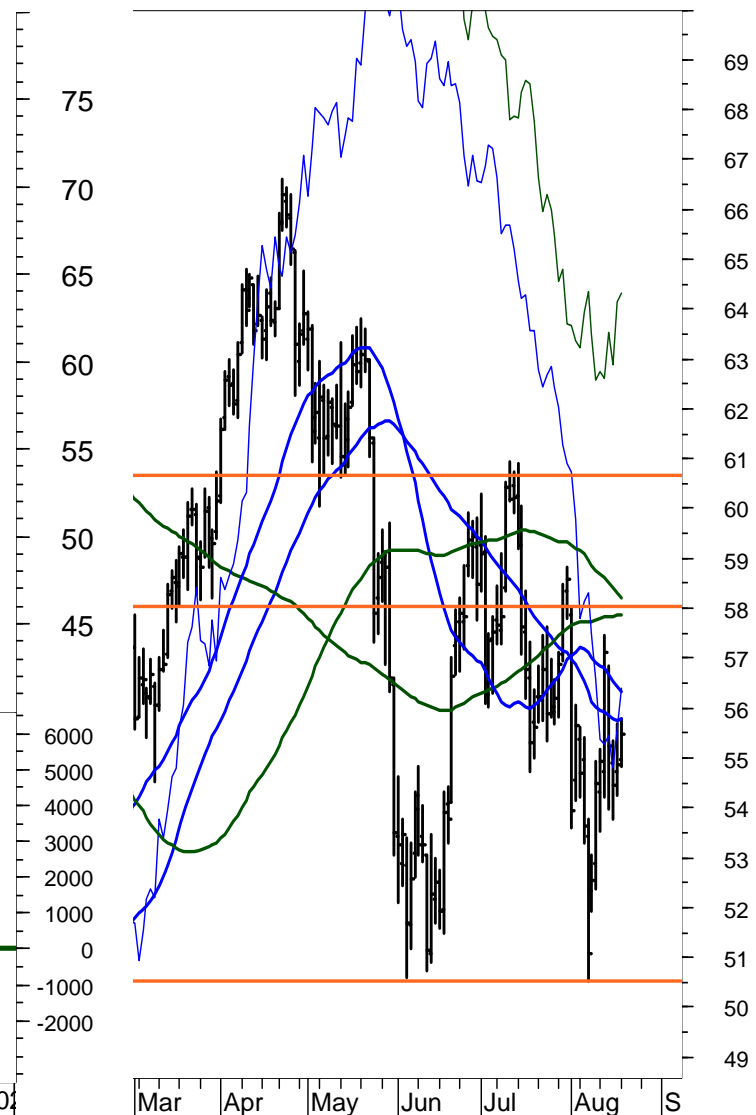
SCORE	COMMODITY	CODE	PRICE	LT	MT	ST
100%	Gold Bullion LBM \$/t oz DELAY	GOLDBLN	1'507.80	+	+	+
100%	Lead 3 Months U\$/MT	LED3MTH	2'040.00	+	+	+
100%	Nickel Cash U\$/MT	LNICASH	16'222.00	+	+	+
100%	SILVER 5000 OZ CONTINUOUS	NSLCSoo	17.12	+	+	+
100%	SOYBEAN OIL CONTINUOUS	CZLCSoo	29.13	+	+	+
94%	LUMBER CONTINUOUS LTDT	CLBCS01	362.90	+	+	+
83%	PLATINUM CONTINUOUS	NPLCSoo	849.30	+	+	-
61%	PALLADIUM CONTINUOUS	NPACSo0	1'441.30	+	0	+
50%	OATS COMP. CONTINUOUS	COFCSoo	280.25	-	+	+
39%	ALUMINIUM CONTINUOUS	LAHCSoo	1'773.75	0	0	+
39%	SOYBEANS CONTINUOUS	CZSCSo0	867.25	0	0	+
33%	HIGH GRADE COPPER CONT.	NHGCSo0	2.60	0	0	0
33%	NATURAL GAS CONTINUOUS	NNGCSoo	2.20	-	0	+
28%	COTTON #2 CONTINUOUS	NCTCSoo	60.08	-	0	+
28%	LIGHT CRUDE OIL CONTINUOUS	NCLCSoo	54.87	-	0	+
22%	NY HARBOR ULSD CONTINUOUS	NHOCSoo	1.81	-	0	0
22%	ROUGH RICE COMP FUTURES CONT.	CRRCSoo	1'120.00	+	-	-
17%	LIVE CATTLE GLOBEX CONT.	CCACSo0	98.05	-	0	-
17%	SOYBEAN MEAL CONTINUOUS	CZMCSoo	294.90	0	-	0
6%	BRENT CRUDE OIL CONTINUOUS	LLCC.01	58.64	-	-	0
6%	COFFEE 'C' CONTINUOUS	NKCCSo0	92.85	-	-	0
6%	GASOLINE CONTINUOUS	NRBCSo0	1.66	-	-	0
0%	COCOA CONTINUOUS	NCCCSoo	2'111.00	-	-	-
0%	CORN CONTINUOUS	CZCCSo0	371.00	-	-	-
0%	GAS OIL CONTINUOUS	LLECSoo	559.50	-	-	-
0%	SUGAR #11 CONTINUOUS	NSBCSo0	11.64	-	-	-
0%	Tin 99.85% Cash U\$/MT	LTICASH	16'599.25	-	-	-
0%	WHEAT CONTINUOUS	CZWCSoo	470.75	-	-	-
0%	WHITE SUGAR CONTINUOUS	LSWCSoo	314.10	-	-	-
0%	Zinc 99.995% Cash U\$/MT	LZZCASH	2'249.25	-	-	-

# Light Crude Oil Continuous Future

Crude oil is bouncing off the long-term support at 50.50.  
 A new upgrade could be signaled if 58 and 61 are broken.  
 A downgrade could be signaled if 50.50 is broken.

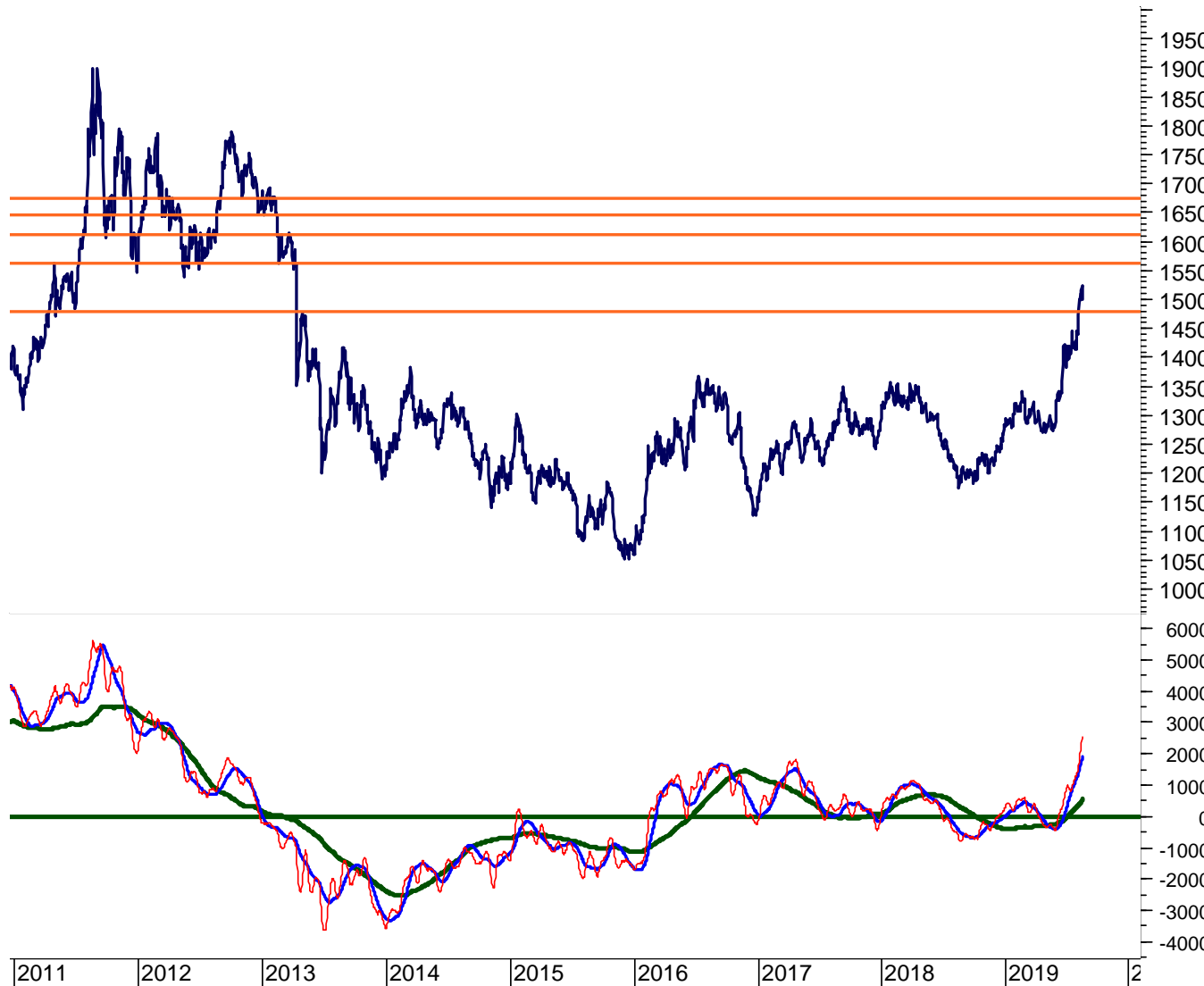


**Long-term Outlook: FLAT**  
**Medium-term Outlook: FLAT**

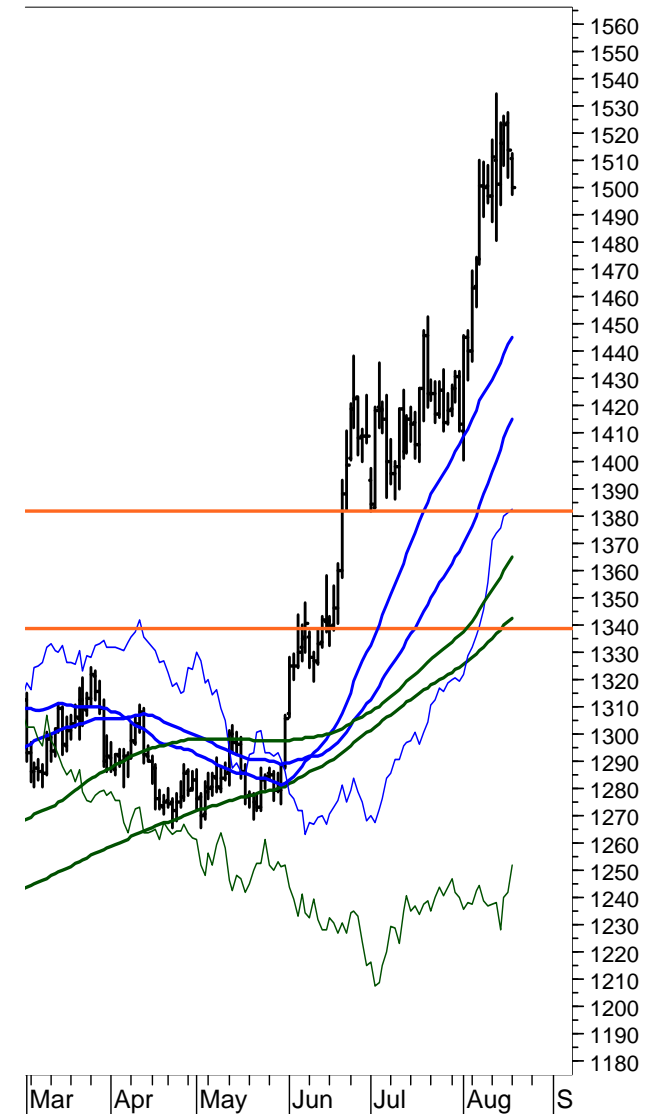


# Gold per Ounce in US dollar – daily charts

The chart on the next page highlights the recent selloff and the key support levels. The resistance levels remain unchanged at 1550/70, 1610, 1650/80 or 1760/1810.



**Long-term Outlook: UP**  
**Medium-term Outlook: UP**



# Gold per Ounce in US dollar – hourly chart

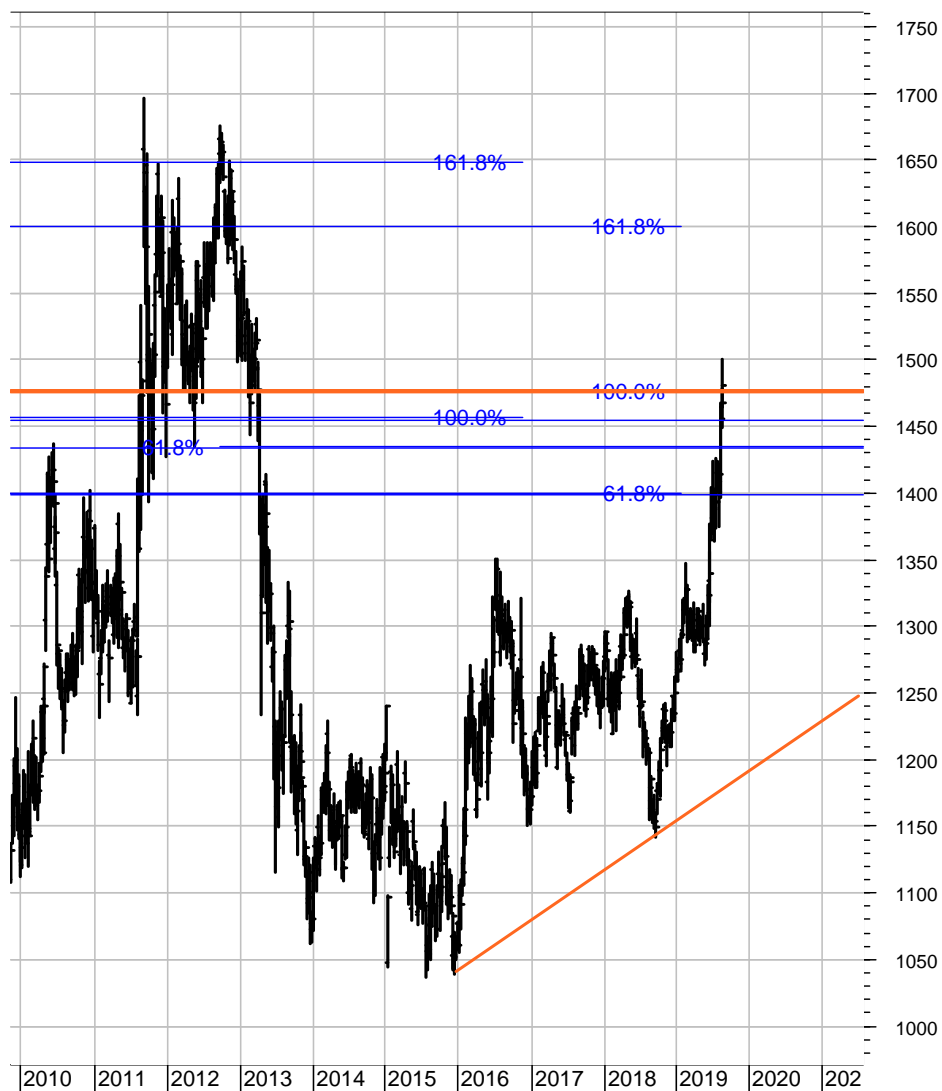
Gold sold off on 13.8.2019. The pattern from early August could signal a Head and Shoulder Top. The sentiment indicators have reached an extreme in market optimism. I would take some profits if the supports at 1493, 1485 and 1474 / 1470 are broken.



# Gold per Ounce in Swiss franc – weekly and daily charts

Gold in Swiss franc has reached the long-term resistance around 1475. Here, it could well enter a sizable correction. The long-term resistance is raised to 1500. The supports are at 1450, 1440, 1425, 1415 and 1360.

**Long-term Outlook: UP**  
**Medium-term Outlook: UP**

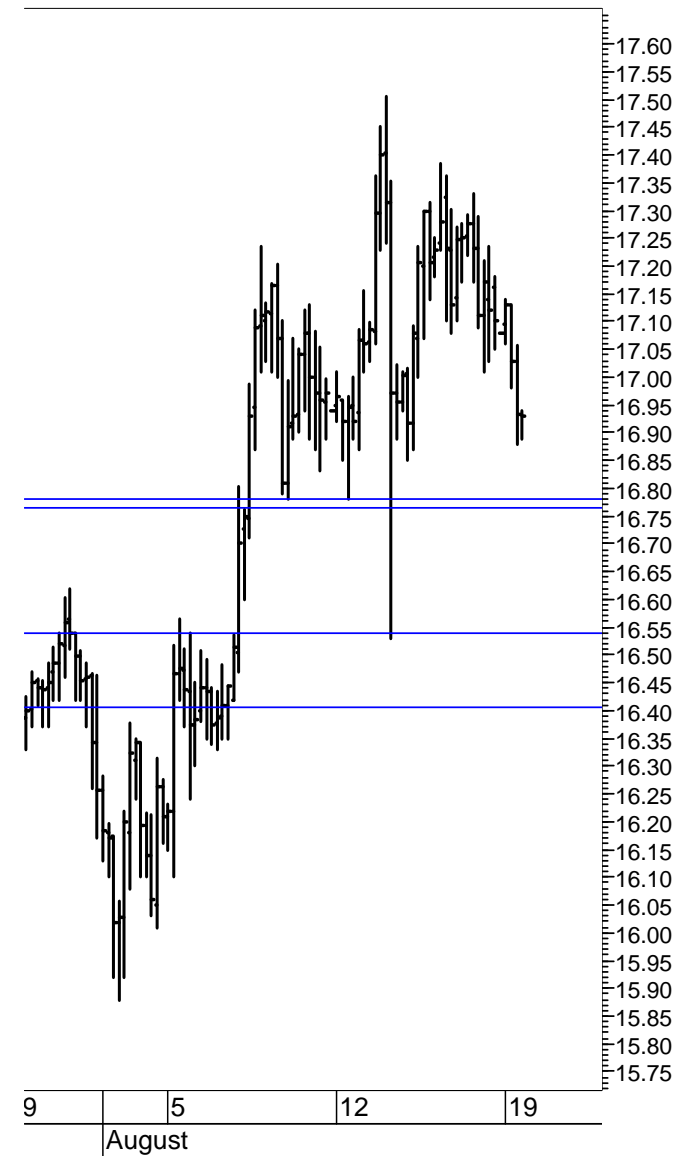
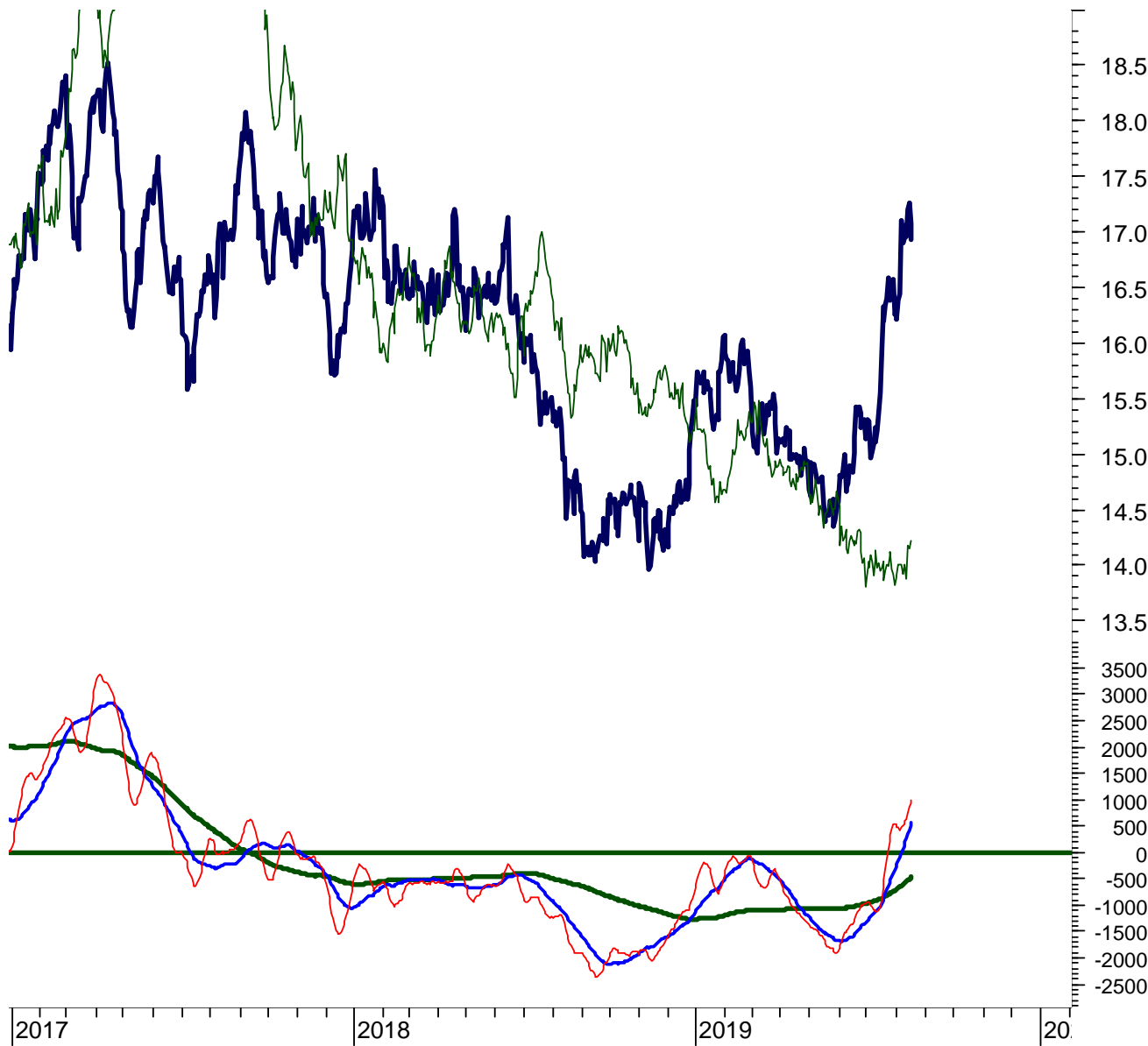




# Silver – daily chart (left) and 240-minute chart (right)

A medium-term downgrade could be signaled if 16.75, 16.53 and 16.40 are broken.

**Long-term Outlook: UP**  
**Medium-term Outlook: UP**



# Global 10-year Bond Yields

The Global Yield fell to another lower-low. Clearly, the downtrend is oversold and could be ready for a bounce. However, it will take a short-term rebound and another short-term downleg to signal a higher low to signal a possible medium-term bottom.

The Italian and Taiwanese yields are resuming their downtrends and are downgraded to DOWN. India is upgraded to FLAT.

<b>GLOBAL GOVERNMENT BOND 10-YEAR YIELD</b>	<b>3-6 MONTHS OUTLOOK</b>
---	-------------------------------

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>
DENMARK 10-year Bund Yield	<b>DOWN</b>
FINLAND 10-year Bund 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>(d) 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>DOWN</b>
NEW ZEALAND 10-year Government Bond Yield	<b>DOWN</b>
SINGAPORE 10-year Government Bond Yield	<b>DOWN</b>



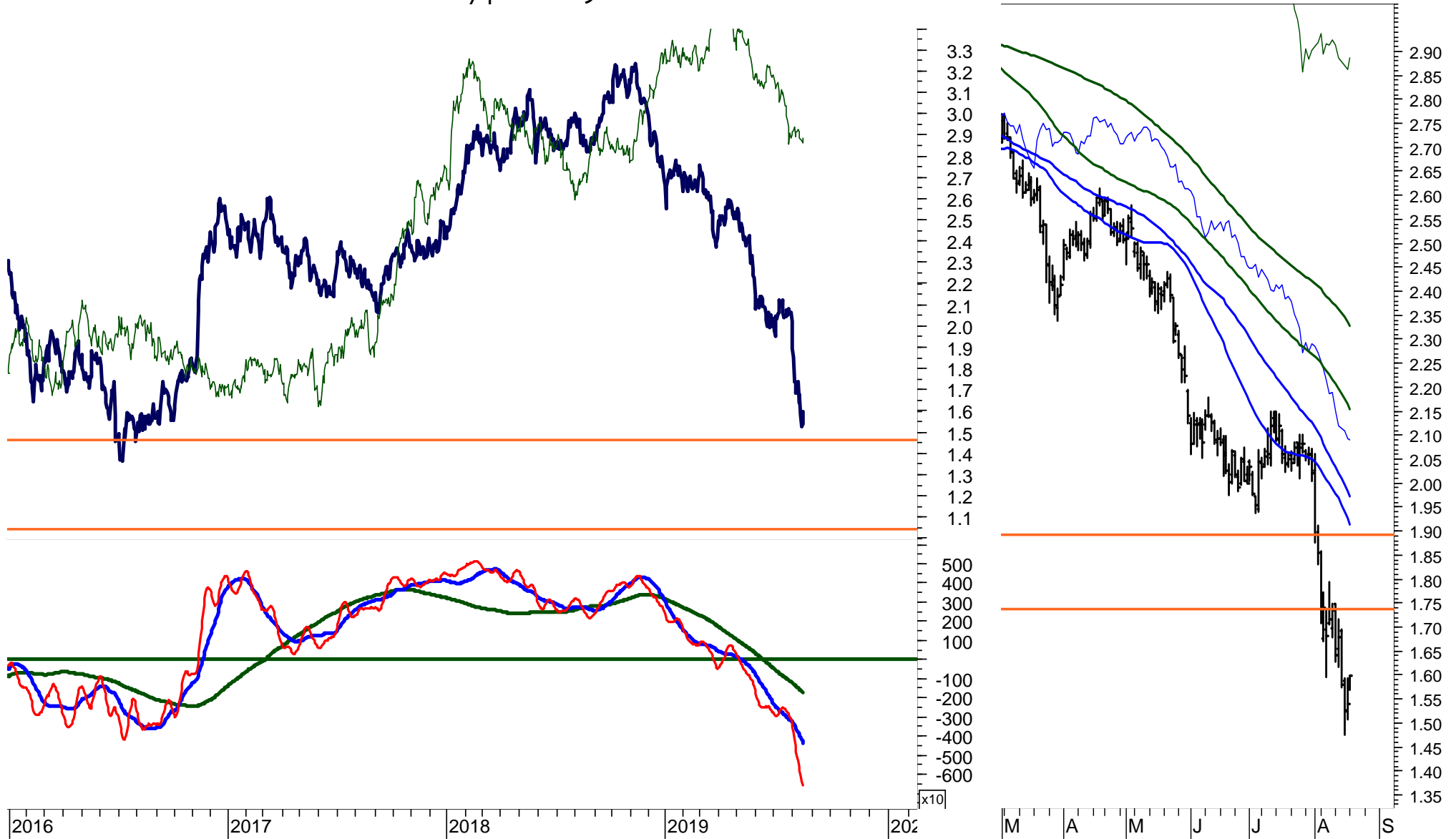
EMERGING MARKETS	
BRAZIL 10-year Confederation Bond Yield	<b>DOWN</b>
MEXICO 10-year Confederation Bond Yield	<b>DOWN</b>
CZECH REPUBLIC 10-year Confederation Bond Yield	<b>DOWN</b>
GREECE 10-year Confederation Bond Yield	<b>DOWN</b>
HUNGARY 10-year Confederation Bond Yield	<b>DOWN</b>
POLAND 10-year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



# US 10-year Treasury Yield

The US Yield fell to the next major support, which I had located at 1.45%. A break of this level could activate the next support at 1.05% / 1.00%. A rise above 1.6050% and 1.6650% could signal a rebound from the deeply oversold level. The medium-term resistance is at 1.74% and 1.90%.

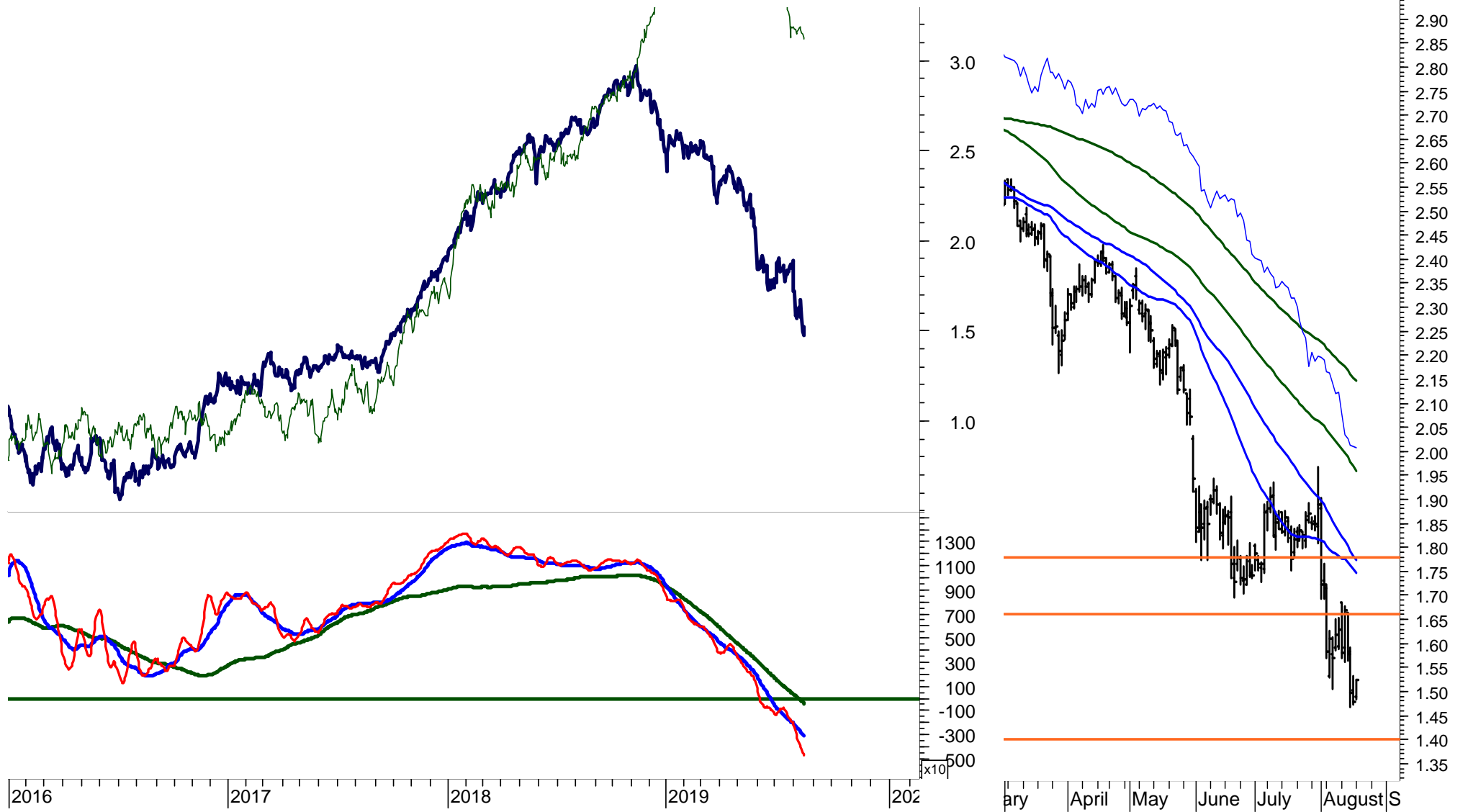
**Long-term Outlook: DOWN**  
**Medium-term Outlook: DOWN**



# US 2-year Treasury Yield

The US 2-year Yield remains in the downtrend.  
 Resistance is at 1.67% and 1.78%.  
 Support is at 1.40%.

**Long-term Outlook: DOWN**  
**Medium-term Outlook: DOWN**



## Total Return from 7-10-year Government Bond Indices, measured in local currencies relative to the Total Return from the 7-10-year Global Bond Index

On the relative charts it is all against the US Total Return. The 7-10-year US bonds are still outperforming the Total Return World Index. The Total Return from the U.K., Australian and Mexican Government Bonds are downgraded relative to the Global Government Bond Total Return Index. The Swiss bonds remain neutral.

The Total Return from the Italian bonds is again upgraded to UP as the yield resumed the downtrend.

Clearly, the slope of the bond price uptrends has become extremely steep and appears to be entering a bubble pattern.

TOTAL RETURN 7-10-year GOV. BONDS	MEDIUM-TERM OUTLOOK	BOND TOTAL RETURN RELATIVE TO THE GLOBAL GOVERNMENT BOND INDEX in local currencies
GLOBAL GOVERNMENT BOND INDEX (7-10-YEAR)	UP	

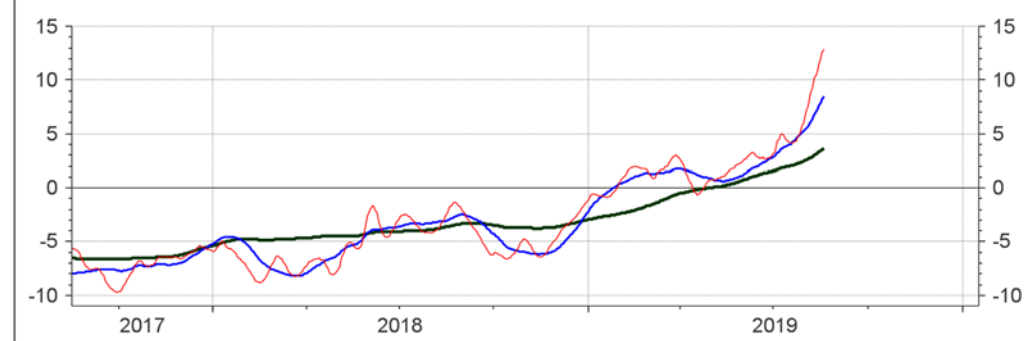
GLOBAL GOVERNMENT BOND INDEX (7-10-YEAR)	UP
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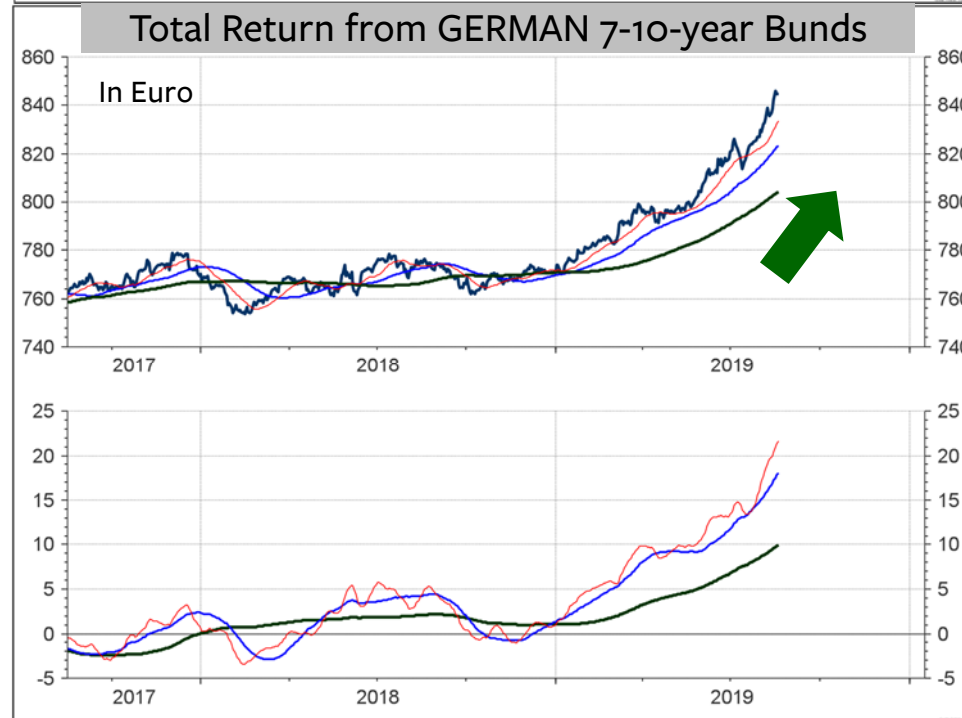
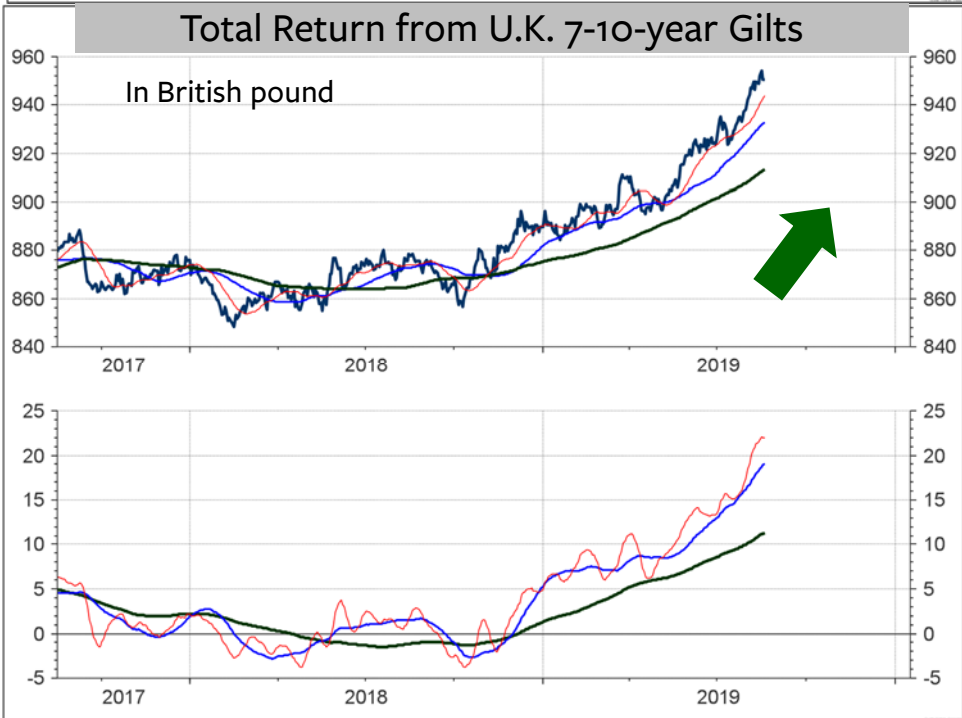
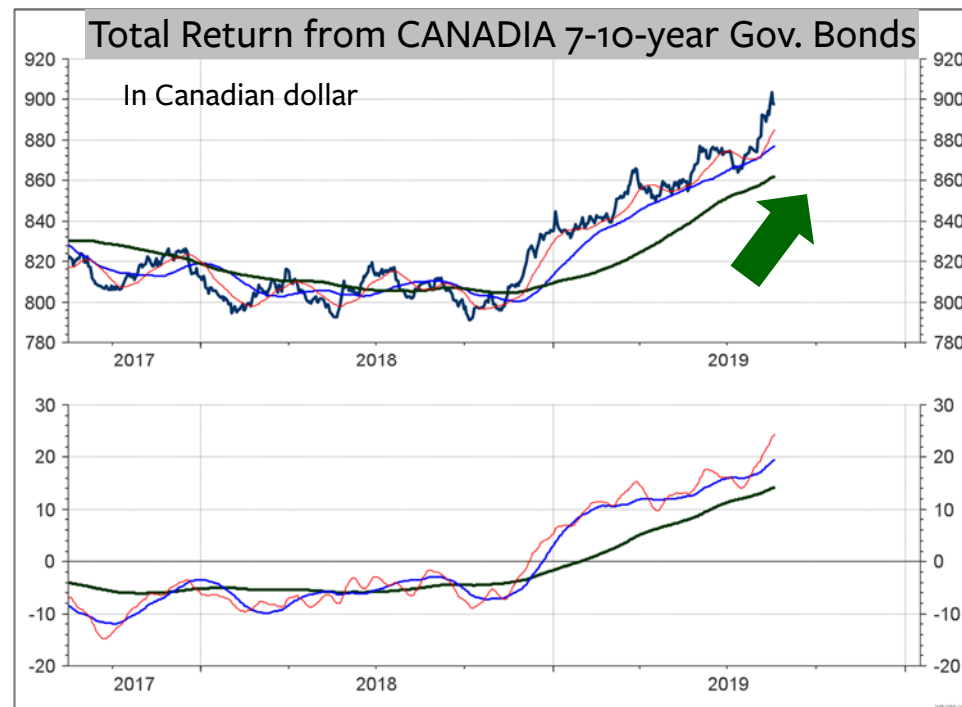
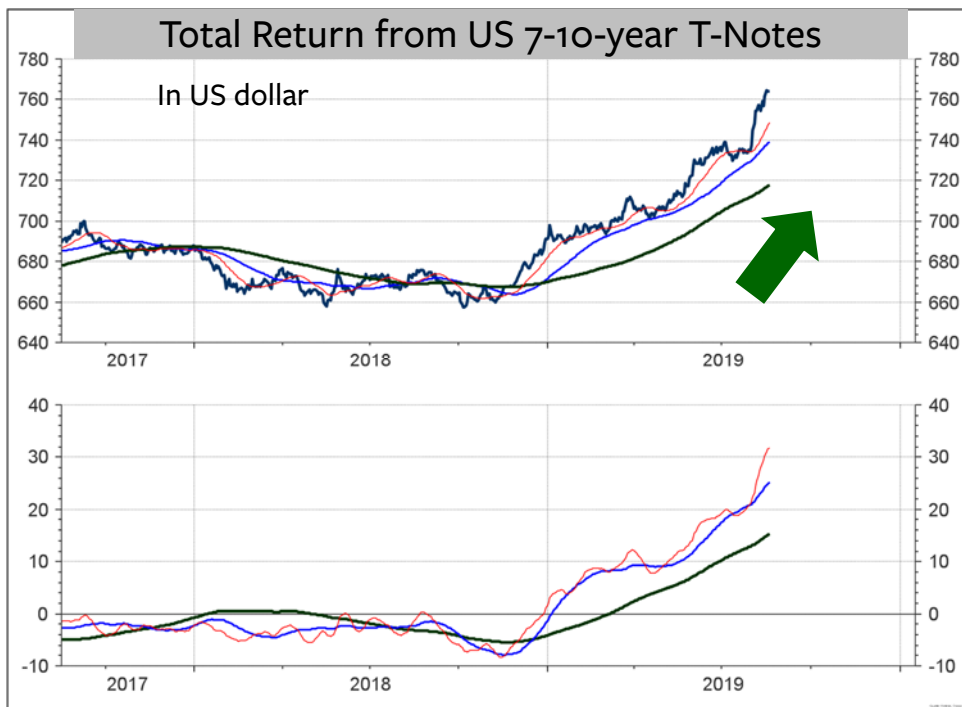
US 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT USA
CANADA 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT CANADA

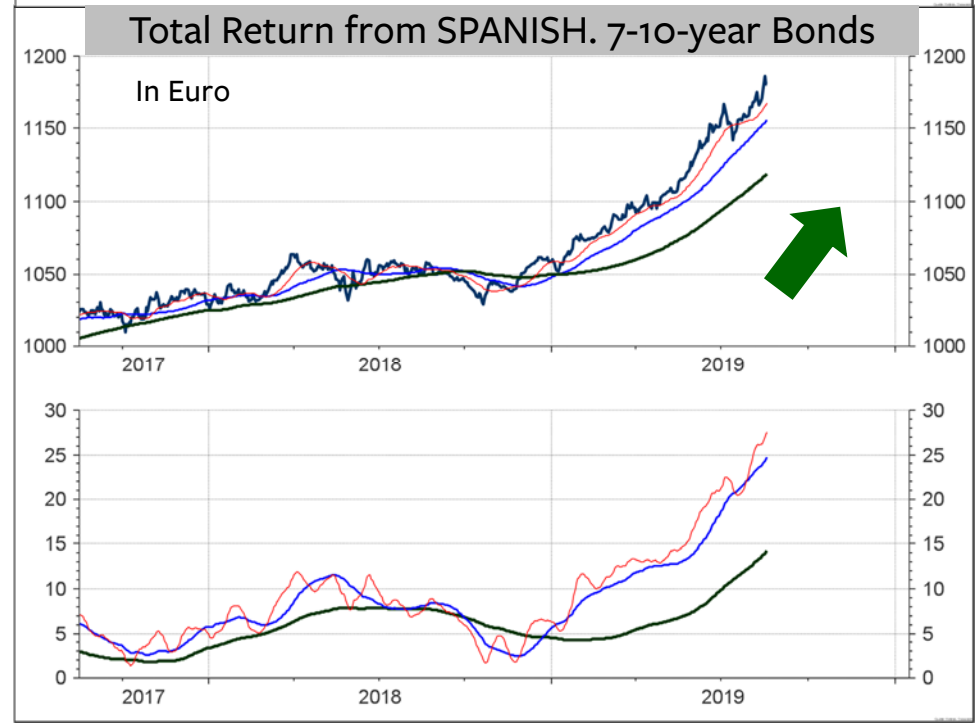
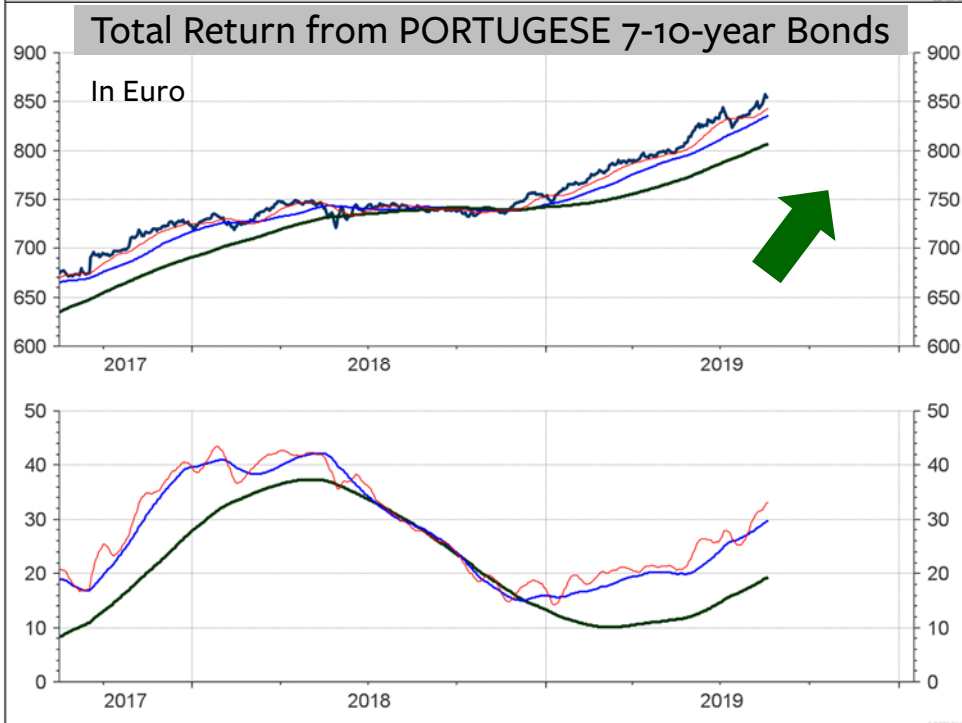
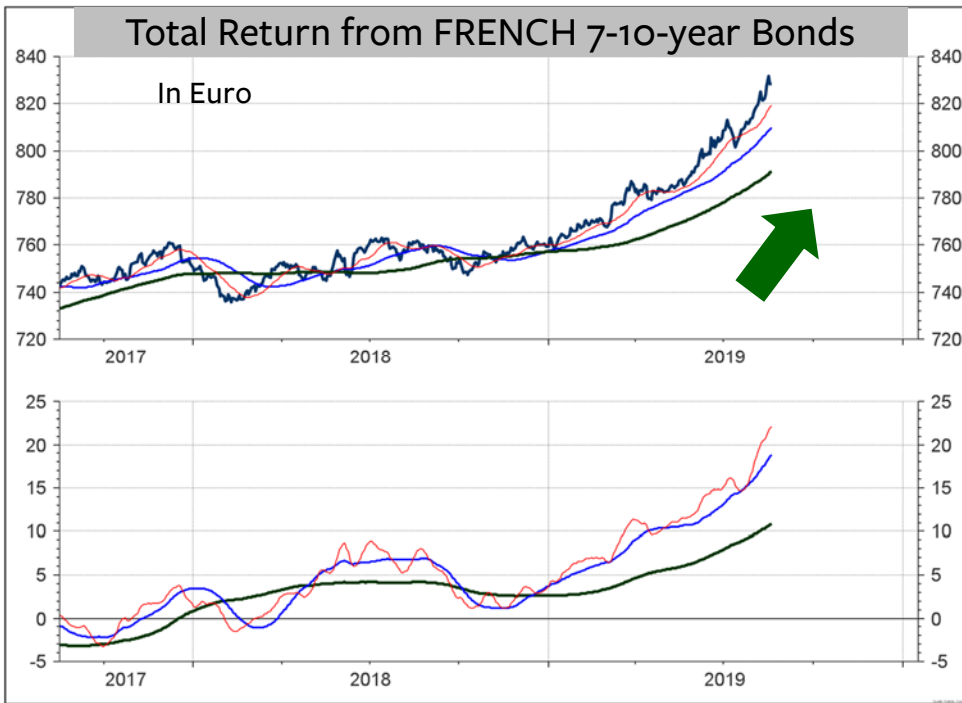
FRANCE 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT FRANCE
GERMANY 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT GERMANY
ITALY 7-10 year Government Bonds Total Return Index	(u) UP	UNDERWEIGHT ITALY
PORTUGAL 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT PORTUGAL
SPAIN 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT SPAIN
SWITZERLAND 7-10 year Government Bonds Total Return	UP	NEUTRAL
U.K. 7-10 year Government Bonds Total Return Index	UP	(d) UNDERWEIGHT U.K.

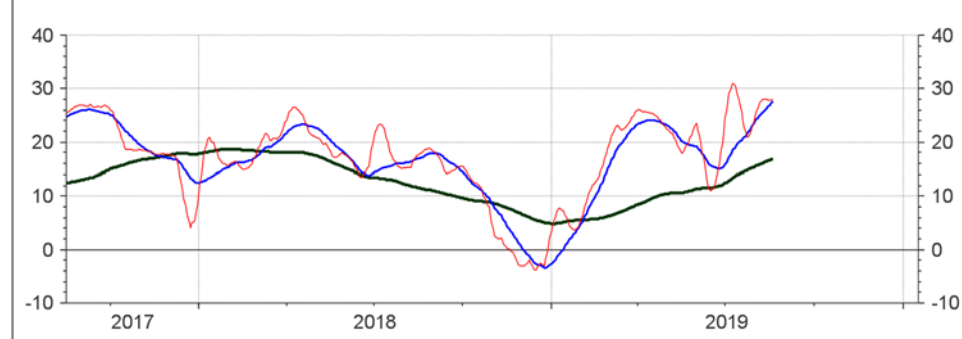
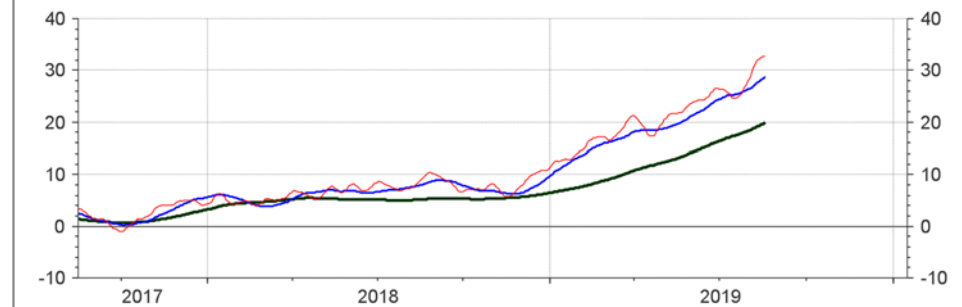
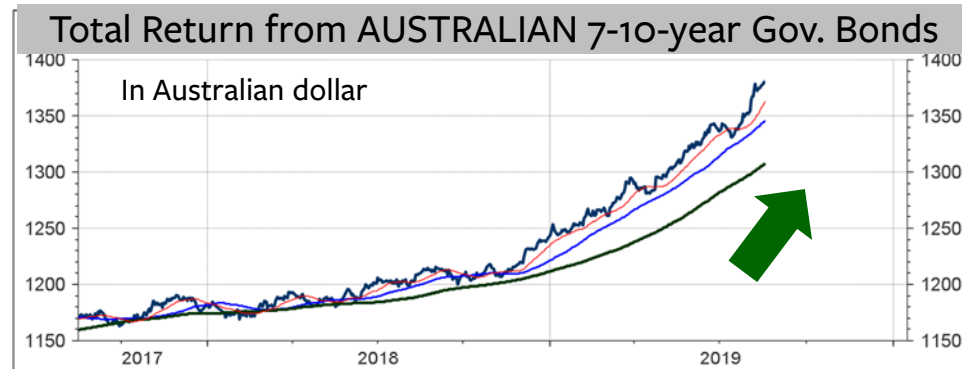
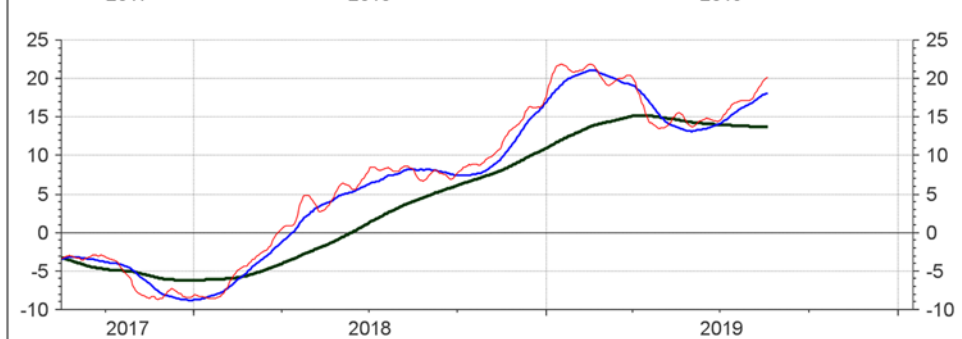
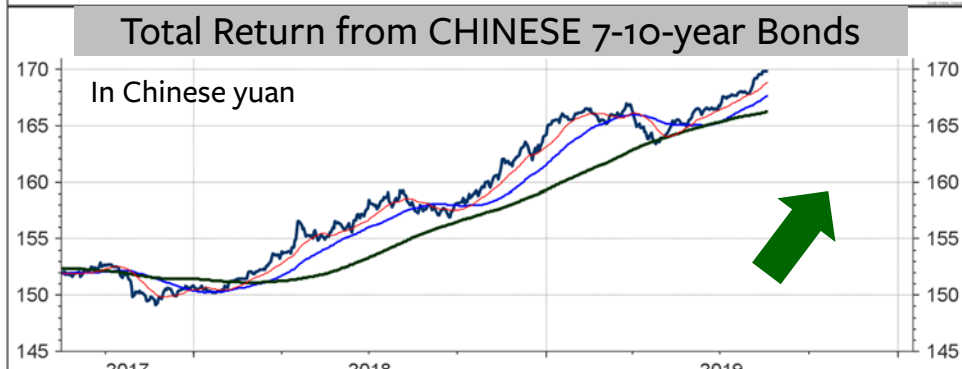
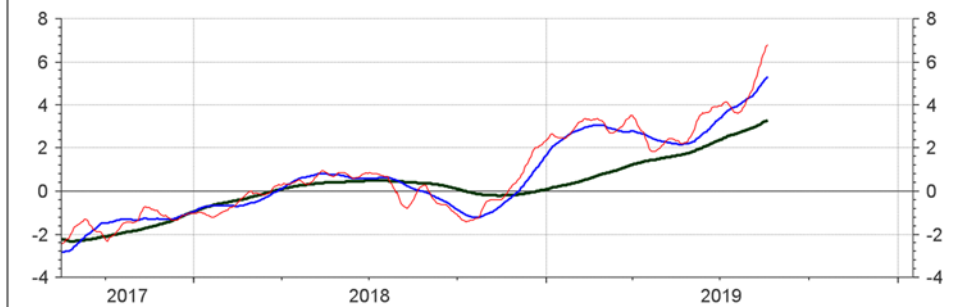
JAPAN 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT JAPAN
AUSTRALIA 10-year Government Bond Total Return Index	UP	(d) NEUTRAL

CHINA 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT CHINA
MEXICO 7-10 year Government Bonds Total Return Index	UP	(d) NEUTRAL









# Total Return Indices from 7-10-year Global Government Bonds, measured in Swiss franc relative to the Total Return from the 7-10-year Swiss Conf Bonds

The Total Return for Swiss based bond investors is calculated by adding the bond price change plus (or minus) the yield income plus (or minus) the country's currency price change against the Swiss franc. The medium-term outlook is for the next 3-6 months.

Given the strength of the Swiss franc the Total Return from the Swiss 7-10-year Conf bonds is outperforming all other countries. This means that Swiss franc-based bond investors can remain invested in the Swiss bonds.

On the next pages, I picture the Total Return charts of 12 countries. The charts on top are for the absolute Total Return trend in Swiss francs. The charts at the bottom are relative to the Total Return from the Swiss Total Return.

## TOTAL RETURN 7-10-year GOV. BONDS

### GLOBAL GOVERNMENT BOND INDEX (7-10-YEAR)

US 7-10 year Government Bonds Total Return Index
CANADA 7-10 year Government Bonds Total Return Index

FRANCE 7-10 year Government Bonds Total Return Index
GERMANY 7-10 year Government Bonds Total Return Index
ITALY 7-10 year Government Bonds Total Return Index
PORTUGAL 7-10 year Government Bonds Total Return Index
SPAIN 7-10 year Government Bonds Total Return Index
SWITZERLAND 7-10 year Government Bonds Total Return Index
U.K. 7-10 year Government Bonds Total Return Index

JAPAN 7-10 year Government Bonds Total Return Index
AUSTRALIA 10-year Government Bond Total Return Index

CHINA 7-10 year Government Bonds Total Return Index
MEXICO 7-10 year Government Bonds Total Return Index

BOND TOTAL RETURN IN SWISS FRANC	BOND TOTAL RETURN IN SWISS FRANC RELATIVE TO SWISS TR
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UP
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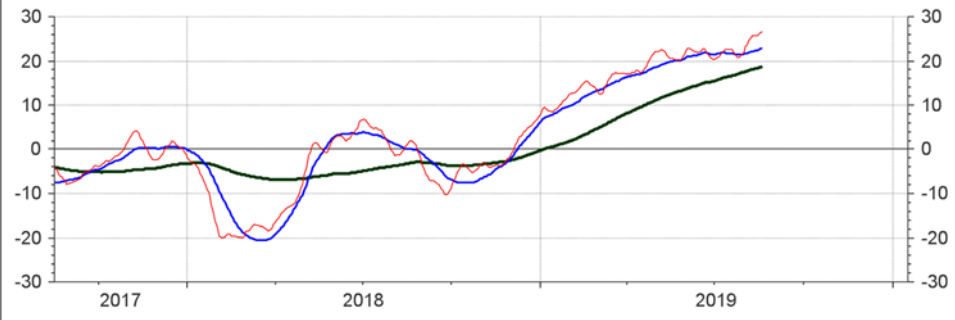
UP	UNDERWEIGHT USA
FLAT	UNDERWEIGHT CANADA

FLAT	UNDERWEIGHT FRANCE
FLAT	UNDERWEIGHT GERMANY
(u) FLAT	UNDERWEIGHT ITALY
FLAT	UNDERWEIGHT PORTUGAL
FLAT	UNDERWEIGHT SPAIN
UP	
DOWN	UNDERWEIGHT UK

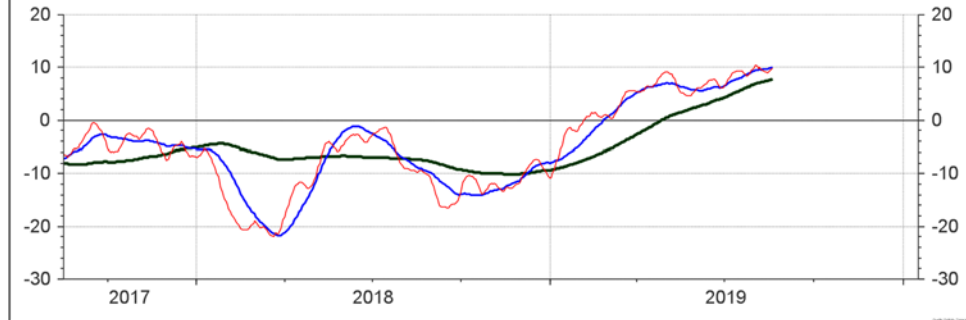
UP	UNDERWEIGHT JAPAN
DOWN	UNDERWEIGHT AUSTRALIA

DOWN	UNDERWEIGHT CHINA
FLAT	(d) UNDERWEIGHT MEXICO

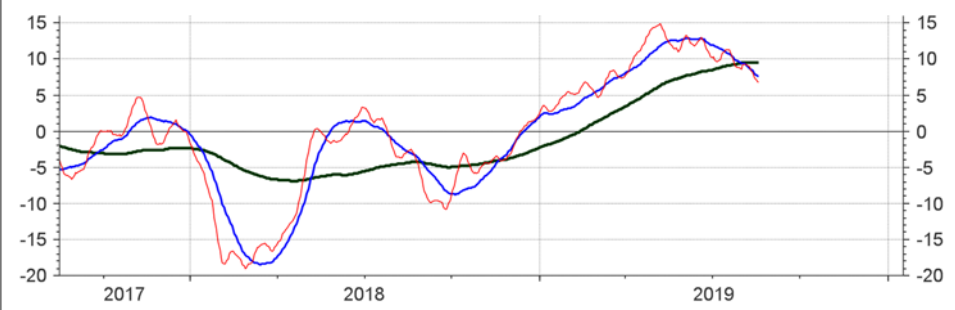
TR from the US 7-10-year T-Notes in SFR



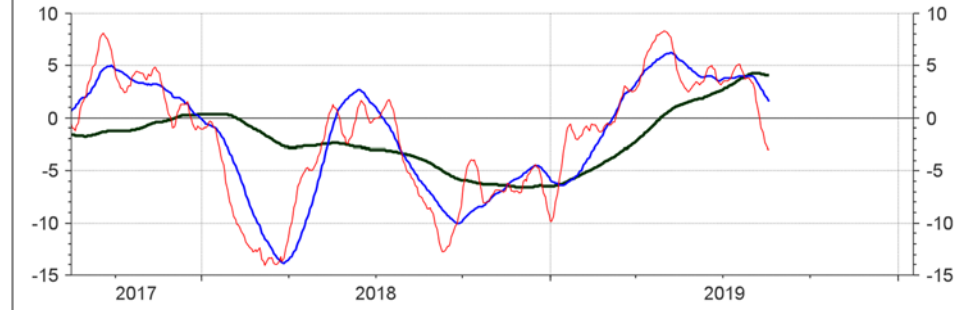
TR from the CANADIAN Gov Bonds in SFR



TR from the US 7-10-year T-Notes in SFR relative to the Swiss TR

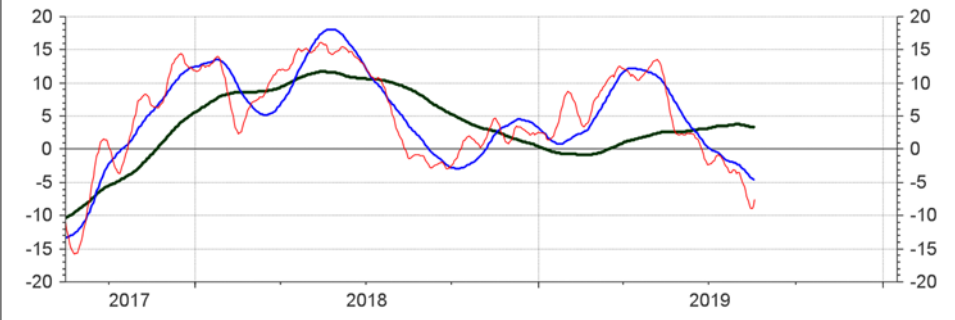


TR from the CANADIAN Gov Bonds in SFR relative to the Swiss TR

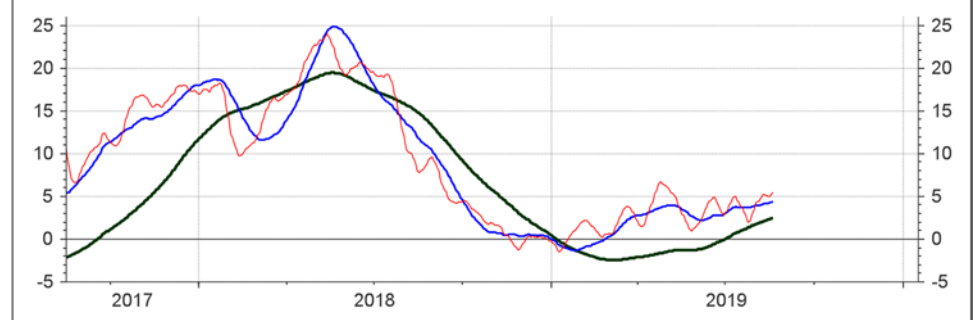




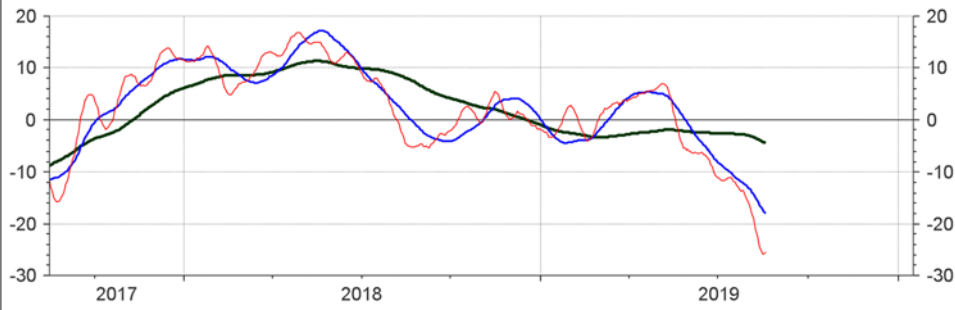
TR from the U.K. 7-10-year Gilts in SFR



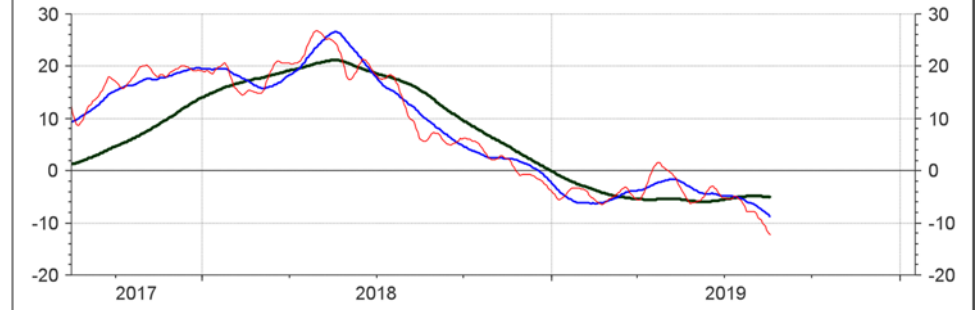
TR from the GERMAN Gov Bonds in SFR



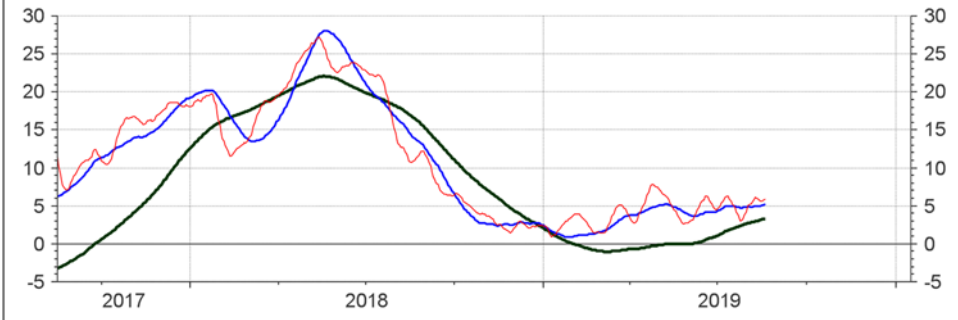
TR from the U.K. 7-10-year Gilts in SFR relative to the Swiss TR



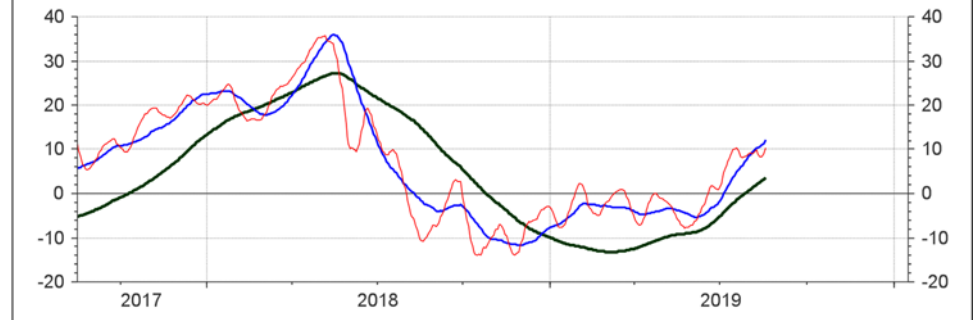
TR from the GERMAN Gov Bonds in SFR relative to the Swiss TR



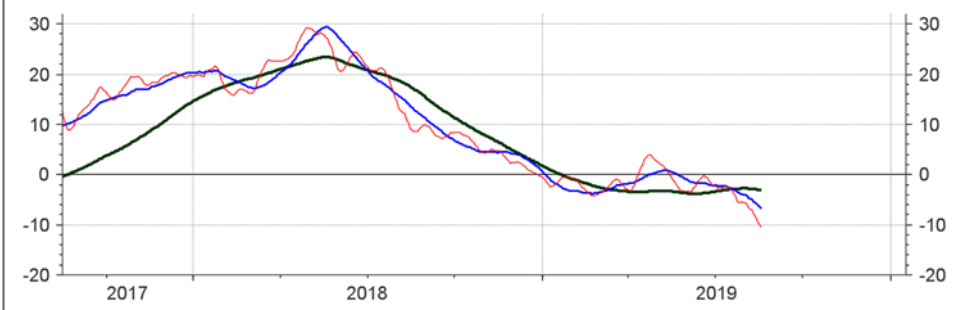
TR from the FRENCH 7-10-year Bonds in SFR



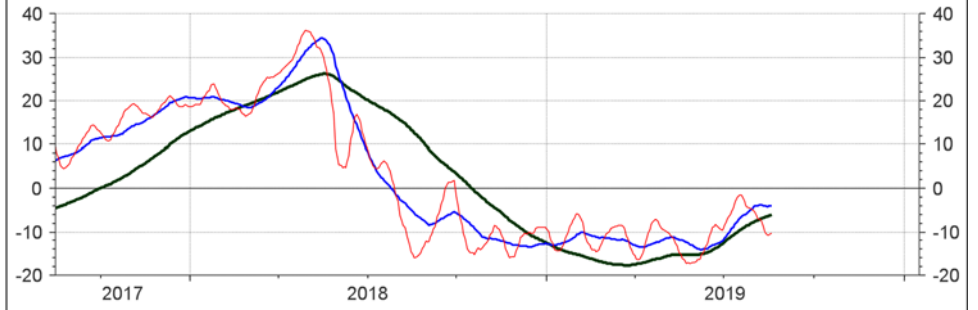
TR from the ITALIAN Gov Bonds in SFR



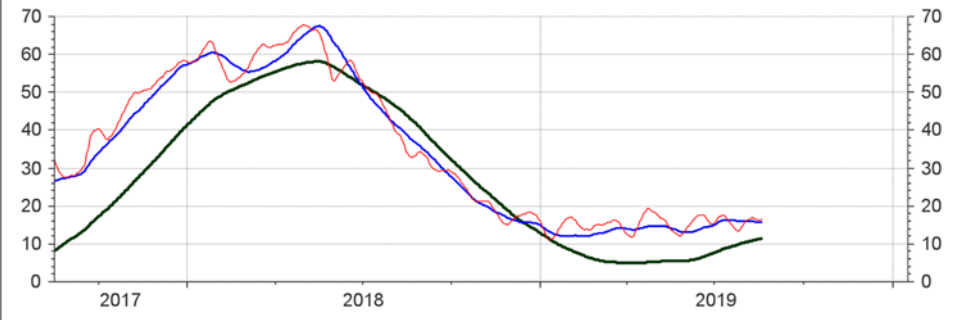
TR from the FRENCH 7-10-year Bonds in SFR relative to the Swiss TR



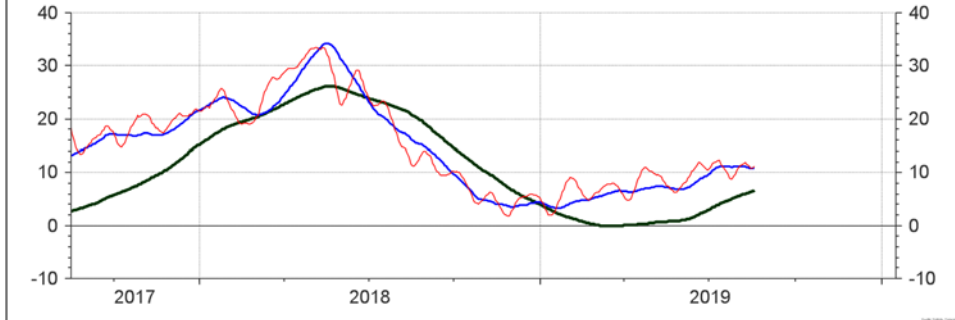
TR from the ITALIAN Gov Bonds in SFR relative to the Swiss TR



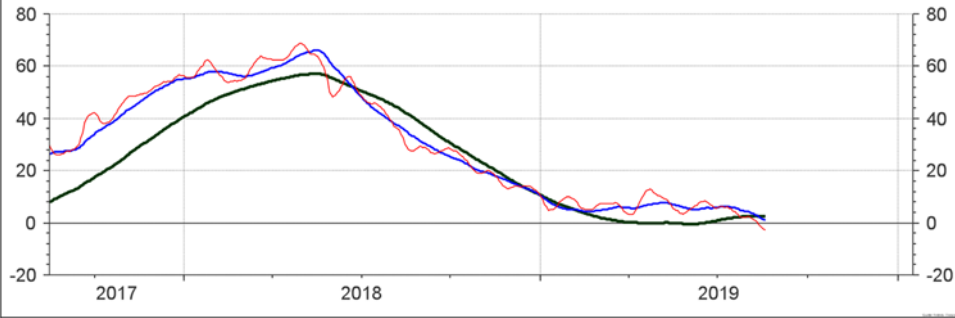
TR from the PORTUGESE 7-10-year Bonds in SFR



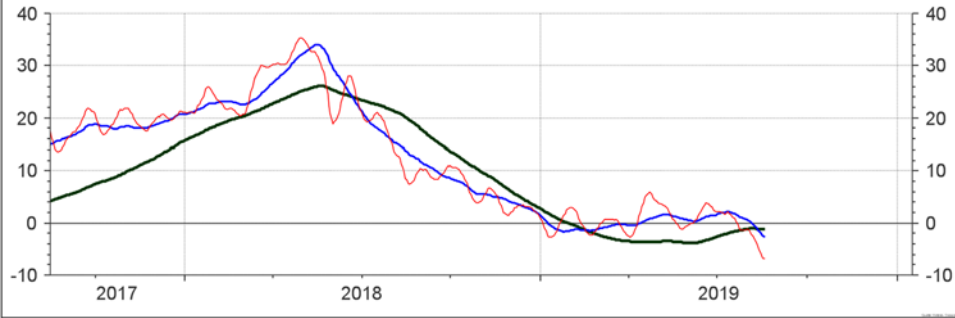
TR from the SPANISH Gov Bonds in SFR

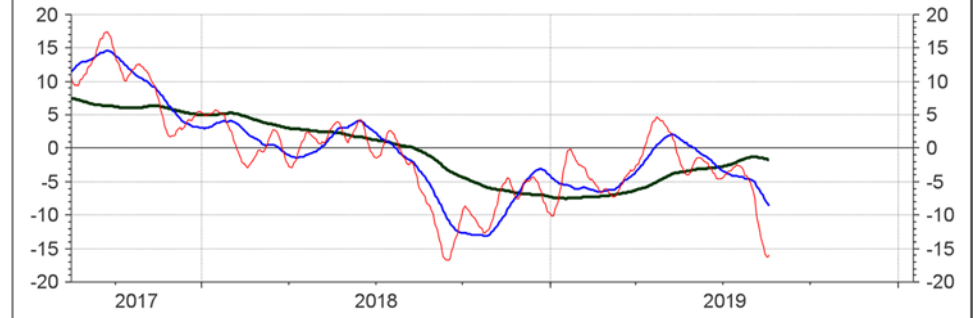
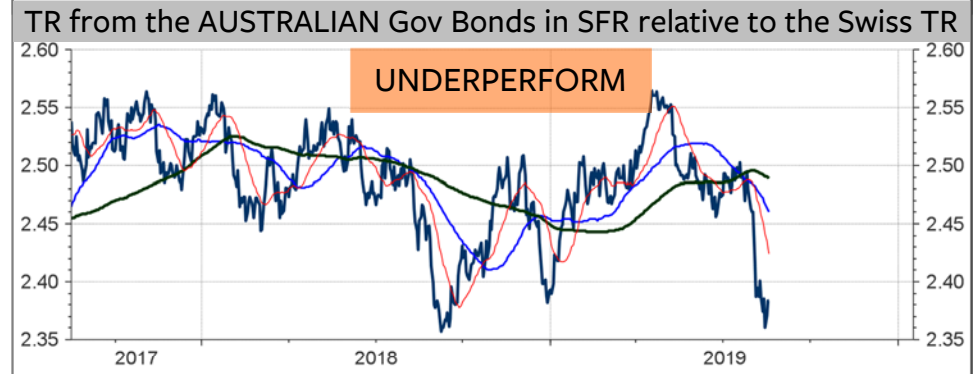
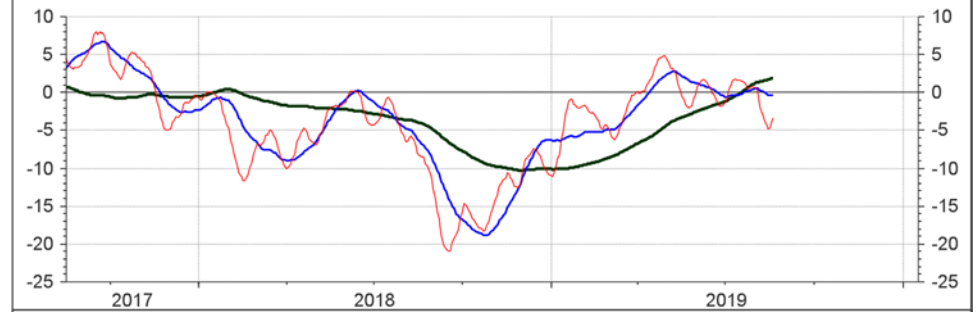
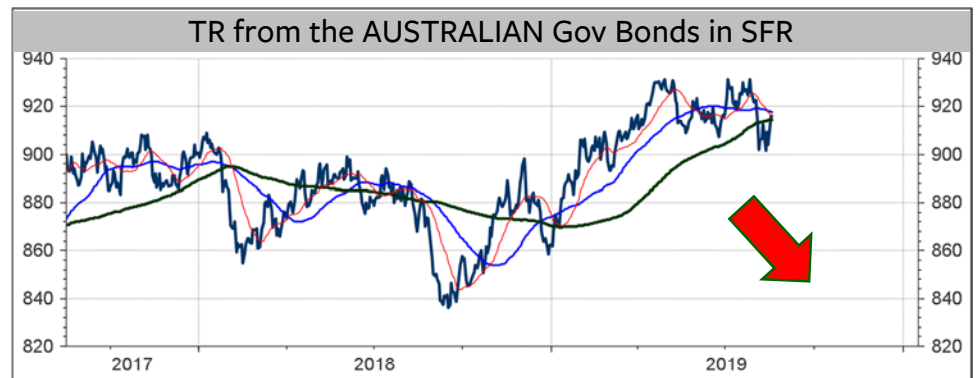
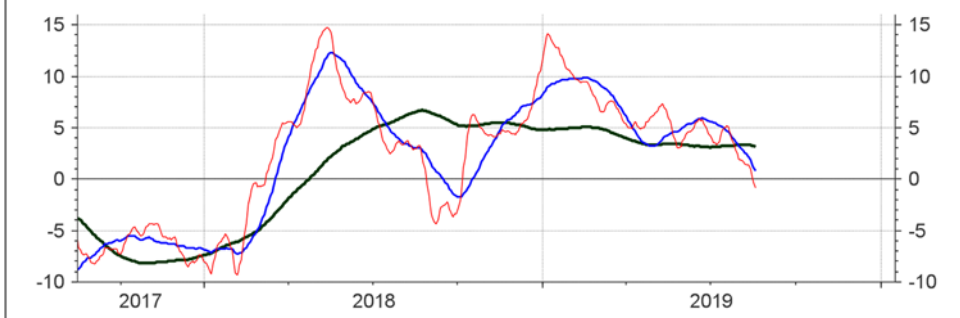
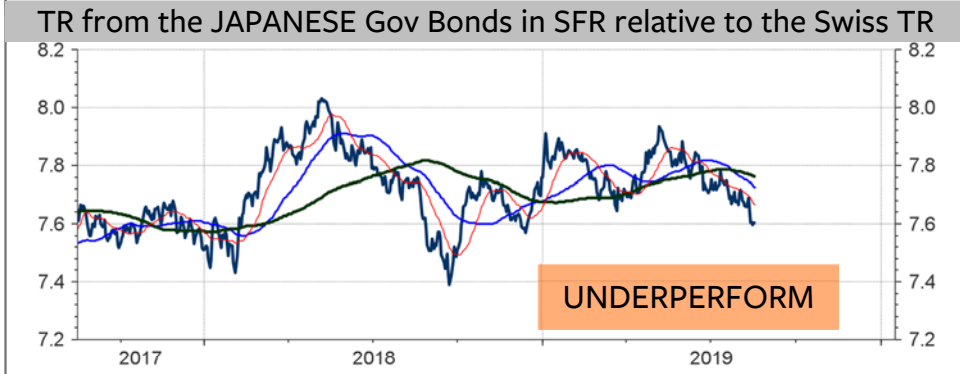
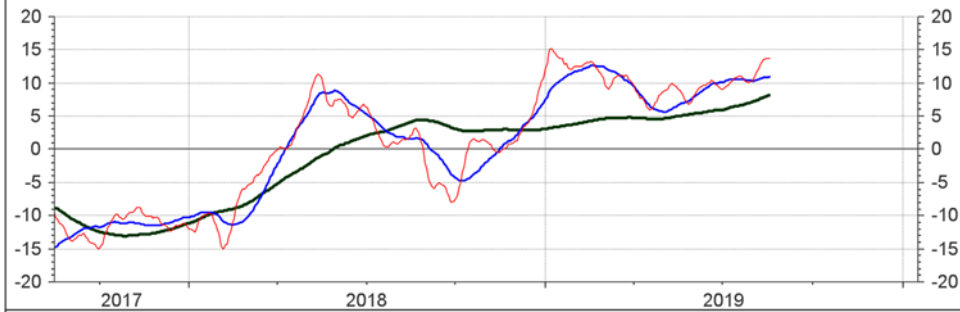


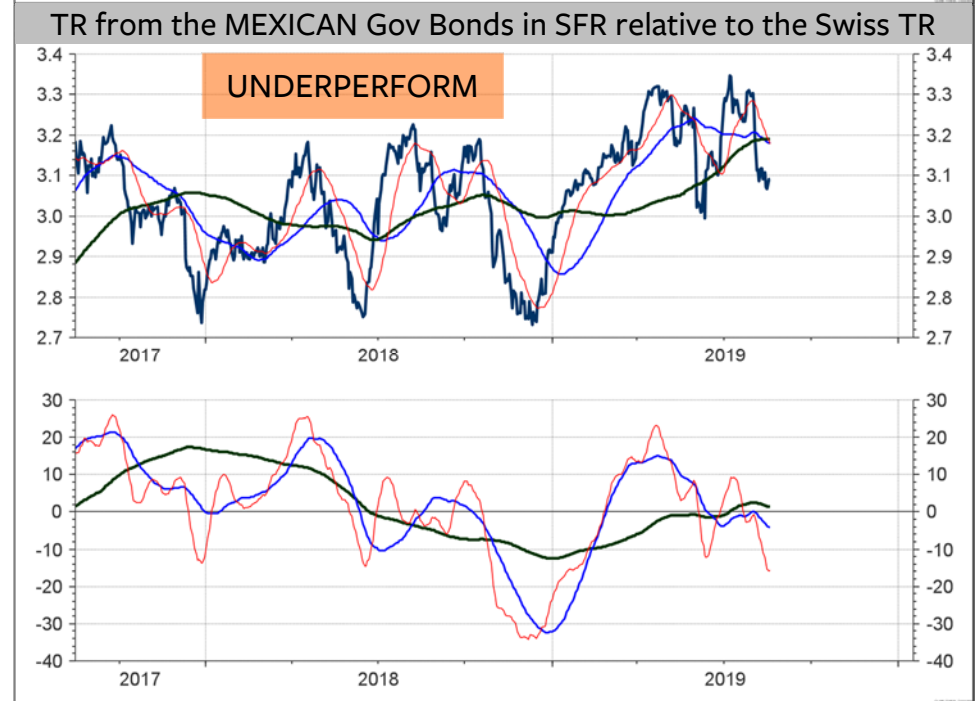
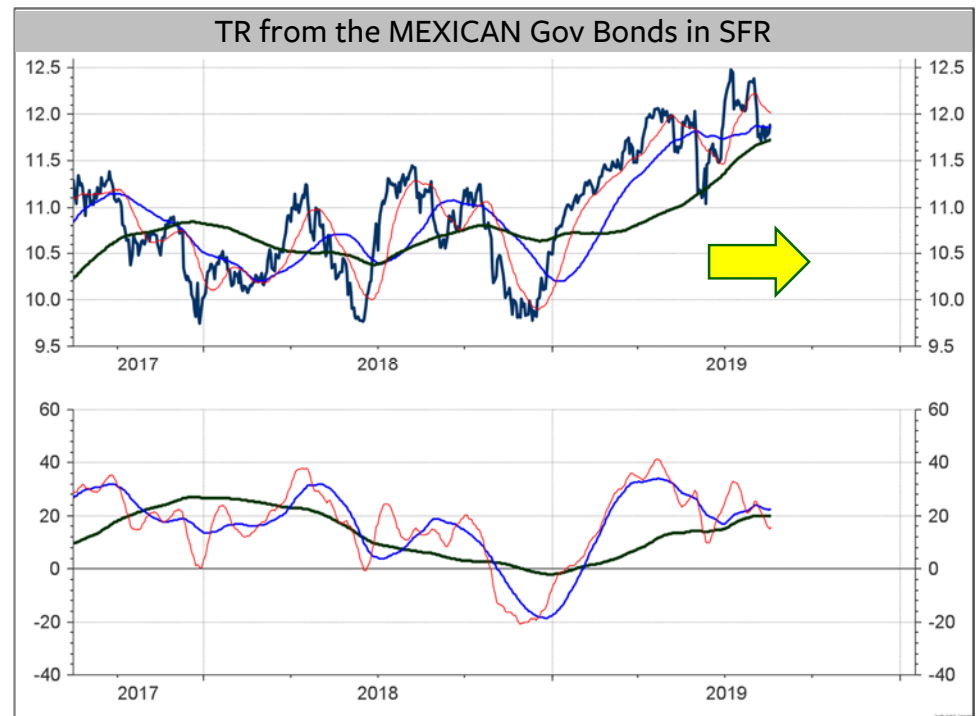
TR from the PORTUGESE 7-10-year Bonds in SFR relative to the Swiss TR



TR from the SPANISH Gov Bonds in SFR relative to the Swiss TR







# Global Forex Ratings

The table to the right is listed according to the Total Score. It shows that the Swiss franc to the Swedish krona, the US dollar / Mexican peso and US dollar / Norwegian krone have the strongest technical indicators.

The US Dollar remains POSITIVE against 17 currencies. It is negative against the strong Japanese yen and the Swiss franc.

The US Dollar Index (below) remains in the Wedge, marked below by the orange lines.

The resistance levels are at 99 and 100.10.

The support levels are 91.20 and 96.40.



SCORE	CURRENCY	RIC	PRICE	LT	MT	ST
94%	Swiss franc / Swedish krona	CHFSEK=	9.8371	+	+	+
94%	US DOLLAR/Mexican Peso	MXN=	19.65	+	+	+
94%	US DOLLAR/Norwegian Krone	NOK=	9.0110	+	+	+
89%	Euro/British pound	EURGBP=	0.9129	+	+	0
89%	Euro/Russian Ruble	EURRUB=	73.74	+	+	+
89%	US DOLLAR/Argentine Peso	ARS=	54.83	+	+	+
89%	US DOLLAR/Indian Rupee	INR=	71.15	+	+	+
89%	US DOLLAR/Russia Rouble	RUB=	66.47	+	+	+
83%	US DOLLAR/Brazilian Real	BRL=	4.0054	+	+	+
83%	US DOLLAR/Canadian Dollar	CAD=	1.3270	+	+	+
83%	US DOLLAR/Chinese Yuan	CNY=	7.0413	+	+	+
83%	US DOLLAR/Indonesia Rupiah	IDR=	14'230	+	+	+
83%	US DOLLAR/Singapore Dollar	SGD=	1.3842	+	+	+
83%	US DOLLAR/South Africa Rand	ZAR=	15.29	+	+	+
83%	US DOLLAR/Swedish Krona	SEK=	9.6560	+	+	+
78%	Euro/Swedish krona	EURSEK=	10.71	+	+	+
78%	US DOLLAR/Korean Won	KRW=	1'207.47	+	+	+
67%	Euro/Chinese yuan	EURCNY=	7.7800	+	+	+
61%	US DOLLAR/Taiwan Dollar	TWD=	31.30	+	+	0
22%	Swiss franc /Japanese yen	CHFJPY=	108.66	-	0	0
22%	US DOLLAR/Japanese Yen	JPY=	106.36	-	0	0
17%	Australian Dollar/US DOLLAR	AUD=	0.6780	0	-	0
17%	Euro/US DOLLAR	EUR=	1.1089	0	-	0
17%	New Zealand \$/US DOLLAR	NZD=	0.6427	0	-	0
11%	British pound / Swiss franc	GBPCHF=	1.1893	-	-	+
11%	British Pound/US DOLLAR	GBP=	1.2149	-	-	+
11%	US DOLLAR/Turkish Lira	TRY=	5.5775	-	-	+
6%	Euro/Japanese yen	EURJPY=	117.96	-	-	0
6%	US DOLLAR/Swiss Franc	CHF=	0.9782	-	-	0
0%	Euro/SwissFranc	EURCHF=	1.0848	-	-	-

# Global-SWISS FRANC – The Swiss franc measured in 37 currencies

On the scale from 0% (maximum bearish) to 100% (maximum bullish) the Total Score for the global Swiss franc is POSITIVE with a reading of 82% (last week 85%).

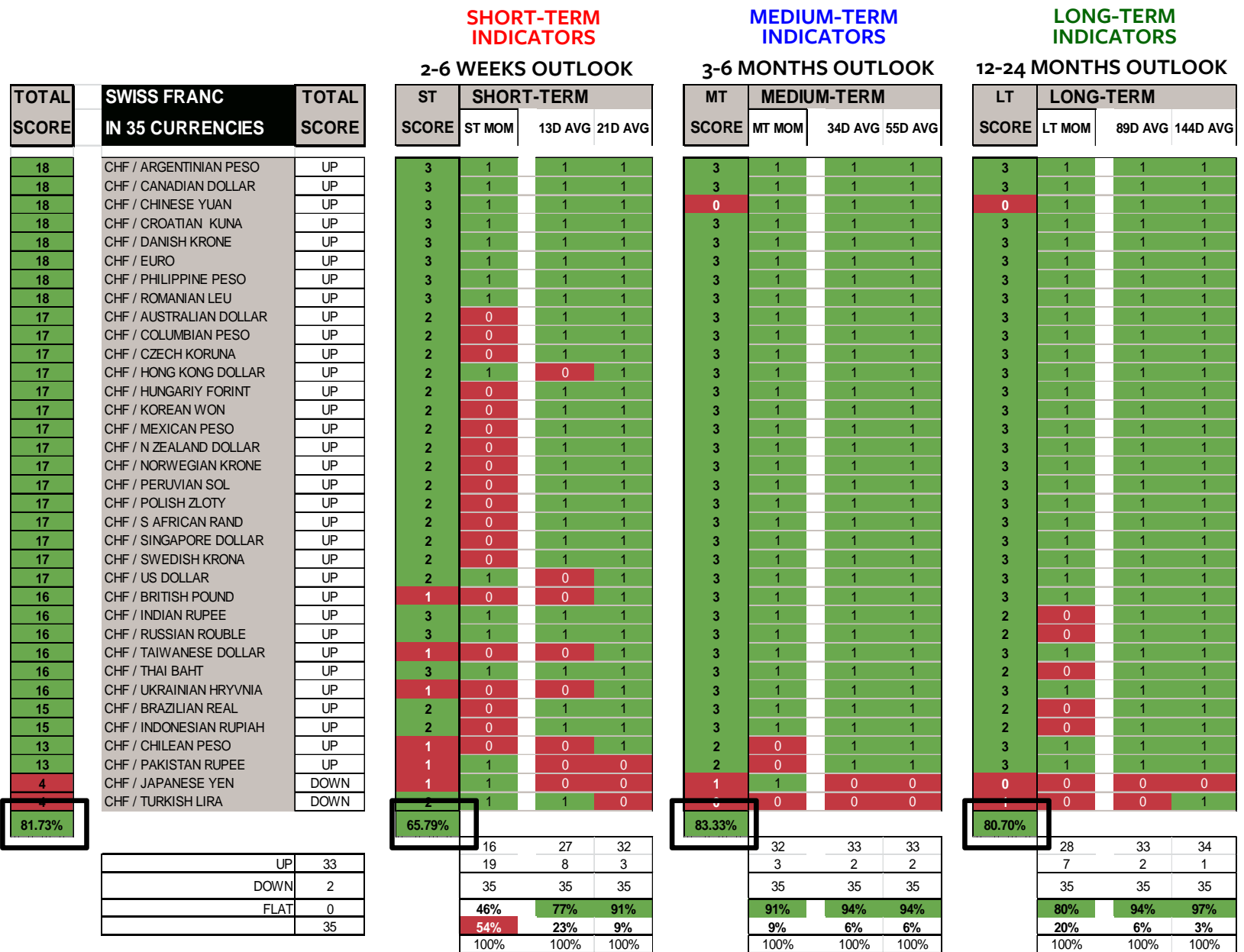
The Short-term Model remains POSITIVE but has deteriorated from 86% to 66%.

The Medium-term Model remains POSITIVE at 83% (last week 84%).

The Long-term Model remains POSITIVE at 80% (last week 79%).

The Global Swiss Franc Model shows that the Swiss franc is about to enter a short-term correction. The short-term momentum has turned down against 19 of the 35 currencies (=54%=short-term bearish).

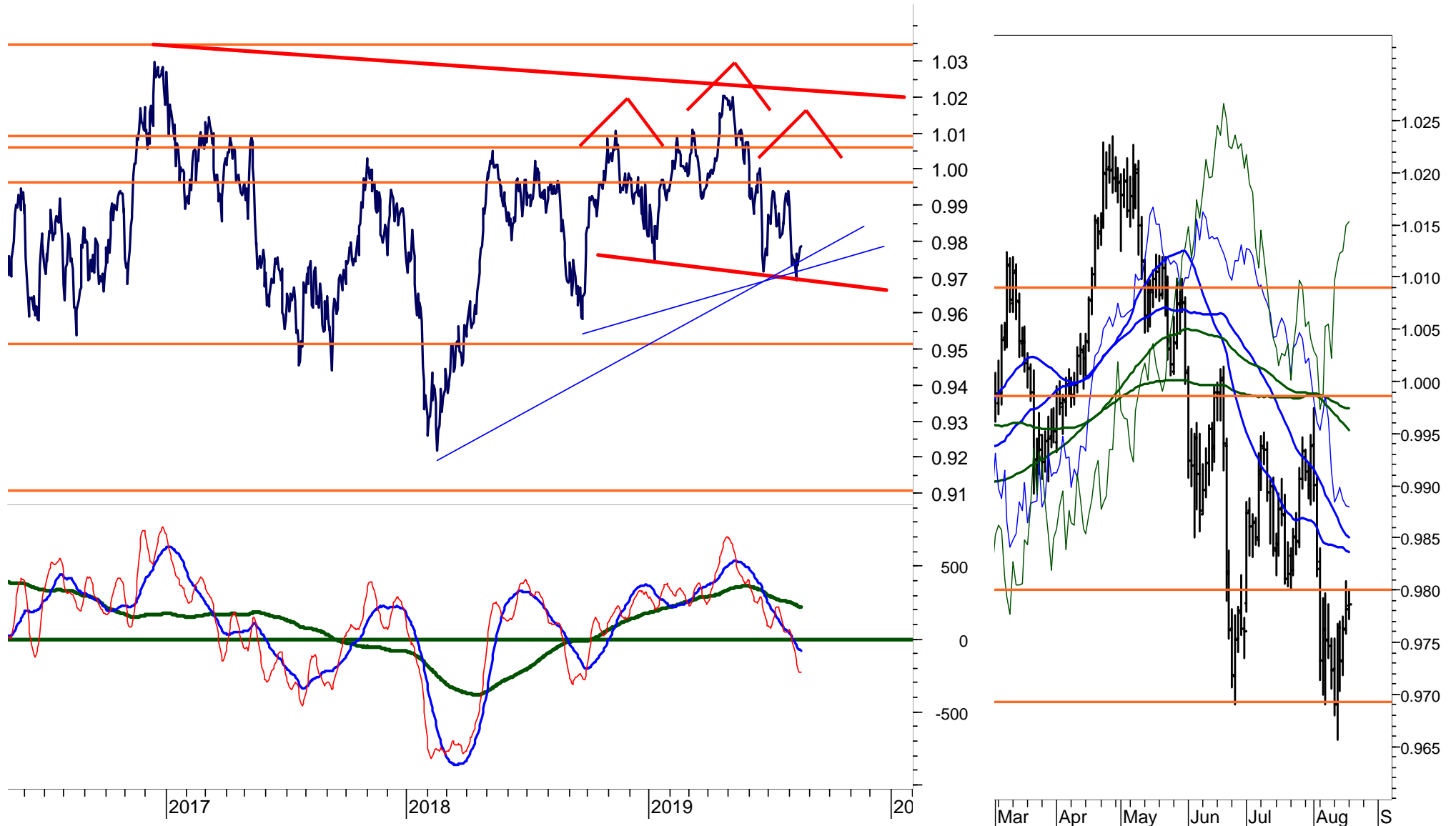
For now, the Scores signal that the Swiss franc remains in the uptrend against all currencies except for the Swiss franc to the Japanese yen and to the Turkish lira.



# US dollar / Swiss franc – daily chart

The US dollar is trading just above major support at 0.9690/50. I am still looking for the Triangle from December 2016 to test the support at 0.95 or 0.91. The resistance remains at 0.9990 and 1.0090.

**Long-term Outlook: DOWN**  
**Medium-term Outlook: DOWN**

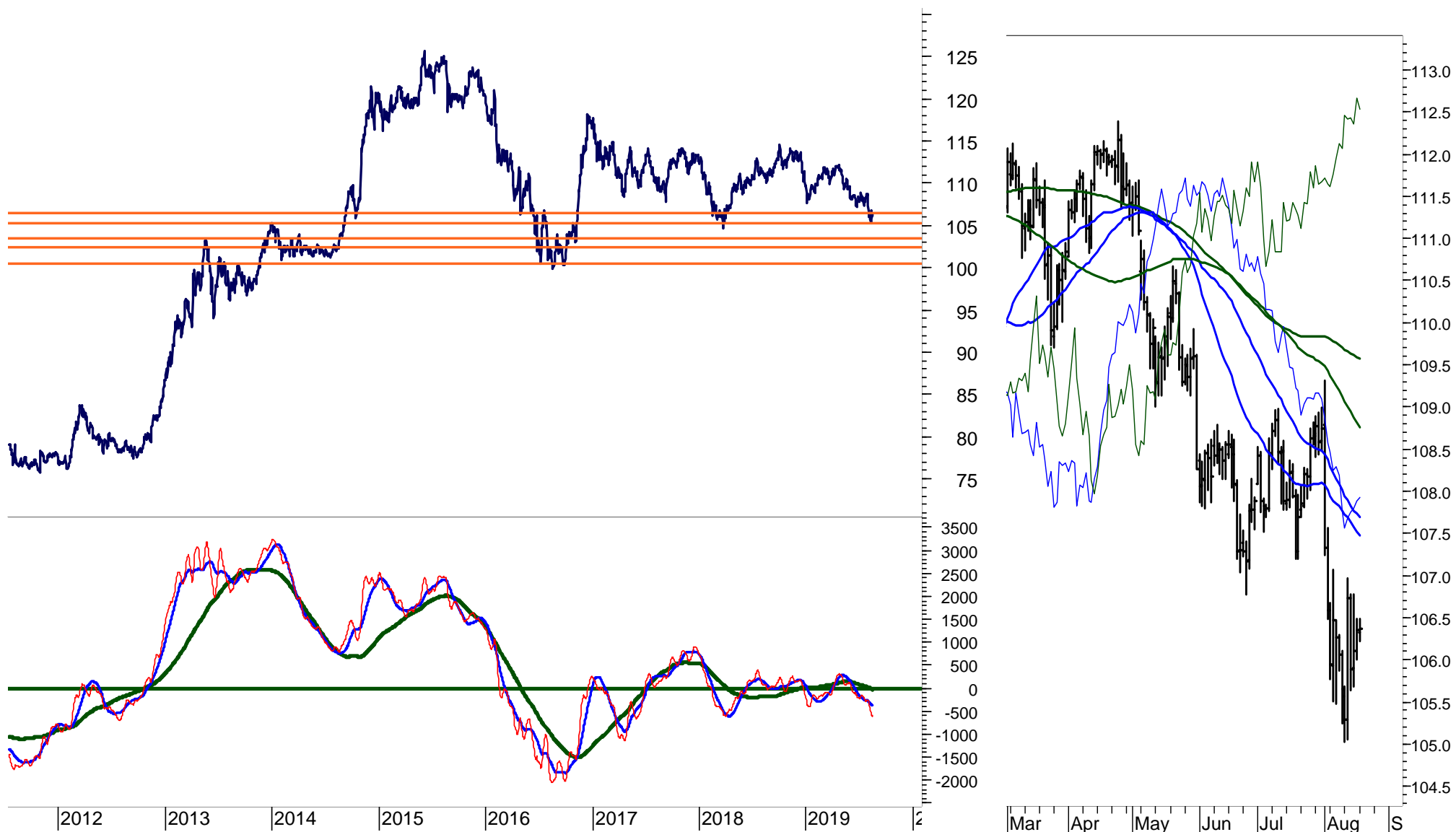




# US dollar / Japanese yen – daily chart

It still remains to be seen if the US dollar can hold above the long-term support zone between 107.50 and 105.50/105.  
A break of 105 could activate the next supports at 103.50 to 102.50.

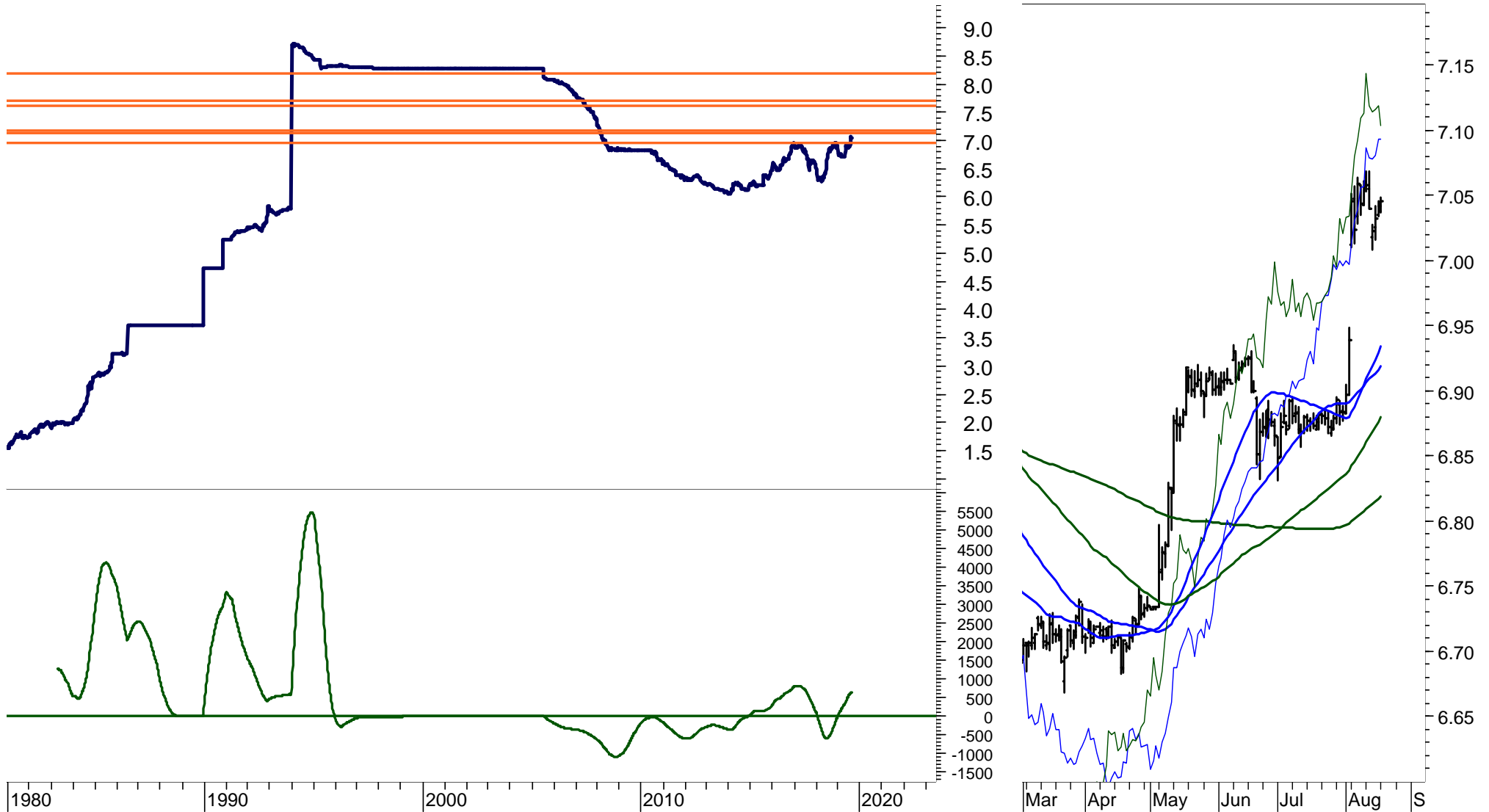
**Long-term Outlook: DOWN**  
**Medium-term Outlook: DOWN**



# US dollar / Chinese yuan – weekly chart

US dollar / Chinese yuan is testing the mega resistance range between 7.10 and 7.20. A break of this range would activate the next resistance levels at 7.60 / 7.75 or 8.20.

**Long-term Outlook: UP**  
**Medium-term Outlook: UP**

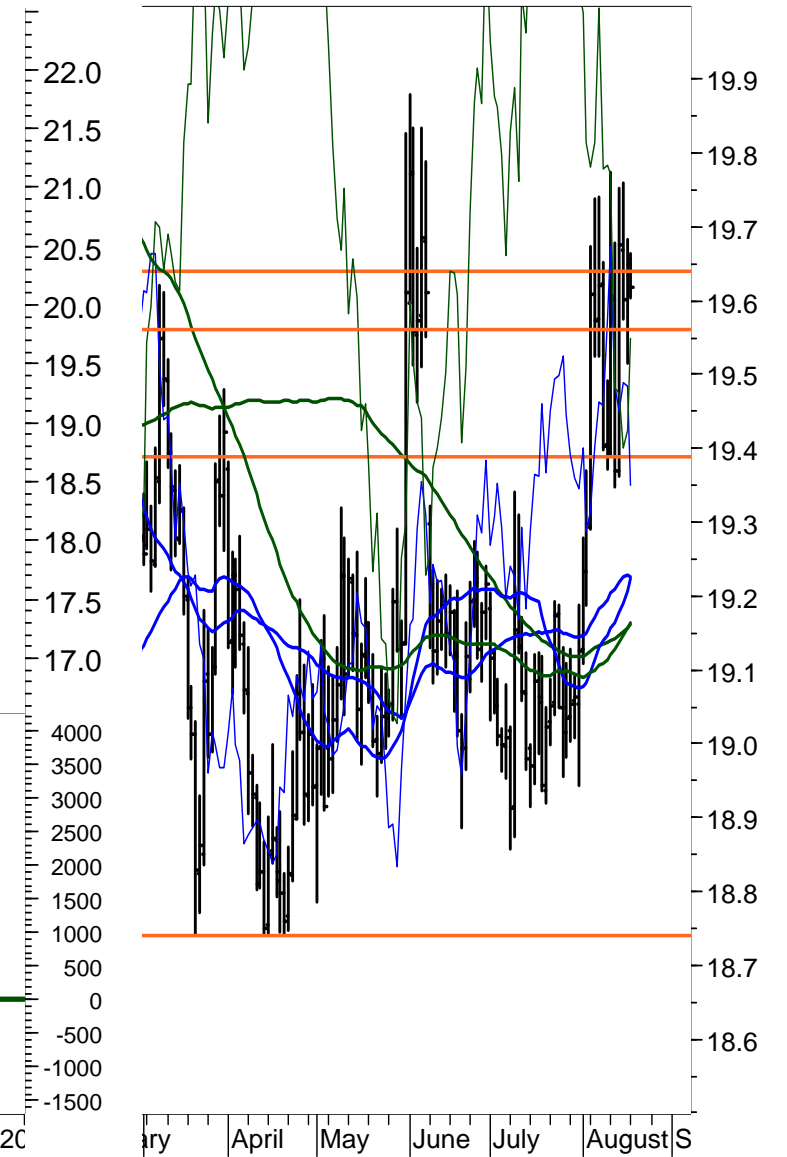


# US dollar / Mexican peso

The US dollar remains in the large Triangle, which originated in June 2018 or in January 2017.



**Long-term Outlook: FLAT**  
**Medium-term Outlook: FLAT**



# Euro / US dollar – daily chart

The Euro is testing the long-term support range 1.1050 / 1.0980 / 1.09. The long-term and medium-term trends could accelerate to the downside if 1.09 is broken. A test of the low of 2016 could then be seen.

**Long-term Outlook: FLAT**  
**Medium-term Outlook: FLAT**



# British pound / US dollar – daily chart

The Pound is testing the support around 1.20, a break of which would signal 1.13, 1.08 or 1.00 / 0.96.

**Long-term Outlook: DOWN**  
**Medium-term Outlook: DOWN**



# Euro / Swiss franc – daily chart

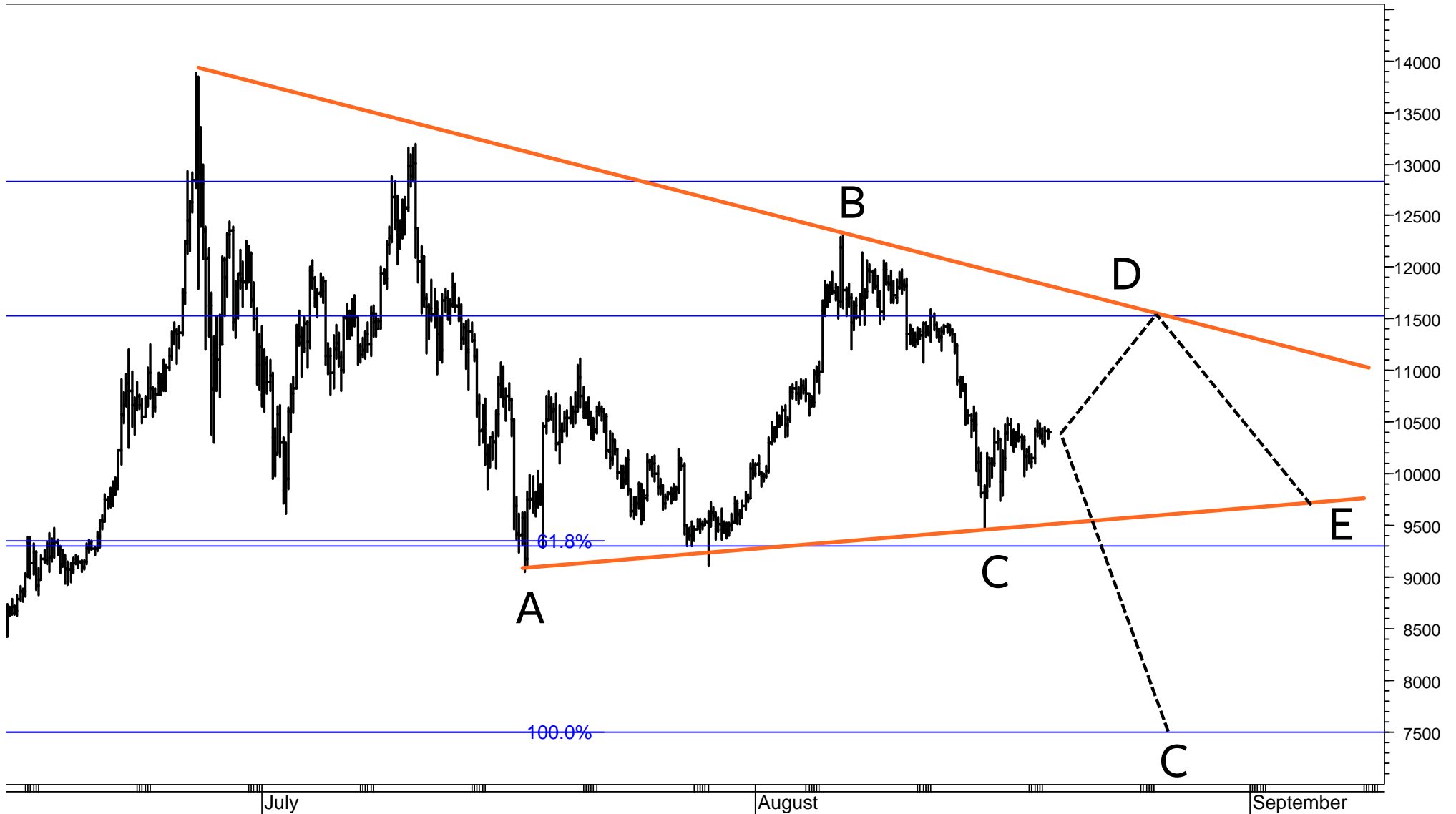
Following the break of 1.0950 the Euro could fall to 1.0650 / 1.0450.

**Long-term Outlook: DOWN**  
**Medium-term Outlook: DOWN**



# Bitcoin / US dollar – 240-minute chart

The Bitcoin is forming a TRIANGLE or a FLAT.  
Wave C of the Triangle is 0.618 times the length of Wave A at 9300.  
Wave C of the Flat is 1.618 times the length of Wave A at 7500.  
Resistance for Wave D of the Triangle is at 11500.



## Disclaimer

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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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