



GLOBAL CHART OUTLOOK

investing ahead of the crowd

GLOBAL MARKETS

9th September 2019 / Issue #34

Two weeks ago, the MSCI World Stock Market Index had reached a most critical juncture. It fell to the long-term support at 2080 / 2040, a break of which could have triggered a major downtrend signal. I rated the risk of a break of the support high enough to suggest a cautious equity outlook. However, the World Index and the S&P 500 Index managed to hold above the supports as they entered a rebound rally. Given the importance of these supports I have left the long-term outlook FLAT. Still, the present short-term rally is not yet signaling a medium-term upgrade and thus, my medium-term outlook remains DOWN. However, as you can see on page 3 the present rally could still have some upside left as it could reach the long-term resistance level at 2230 to 2300. This is another upside potential of 5%. Meanwhile, I continue to watch the support levels in case the major downtrend is only postponed.

My previous discussions of the Seasonal Model of Reflation, Inflation, Disinflation and Deflation has focused on the long-term momentum indicator of the S&P 500 Index. The momentum indicator had peaked in January 2018 and had declined until the strength in the S&P 500 Index in the first quarter 2019 appeared to signal an earlier-than-expected long-term momentum upturn. Presently, it is still not clear if the long-term momentum upturn has already been signaled. In fact, the long-term momentum indicator has been moving flat since early March. This makes the present technical constellation quite tricky because....

..... the stock market indices are trading so close to all six trend and momentum indicators. At this point they are at risk of flip-flopping. In the S&P 500 Index they are clustered in a tight range between 2880 to 2950.

For now, and unless the S&P 500 Index breaks above 3000 / 3040, I continue to treat the rise from December as being part of a large consolidation in which there is still another downleg pending.

The long-term momentum indicator could reinstate the downtrend from January 2018 and reach a bottom (below the Zero line) with another stock market selloff in the fourth quarter. The long-term momentum of the 10-year bond yield, the commodity index and the Consumer Price Index remain in their downtrend. In other words, unless the S&P breaks above 3040 / 3120 the deflationary forces are likely to persist.

Gold and Silver have reached major resistance levels. Given their importance and given the fact that the latest upleg can be counted as a five-wave structure, I have downgraded Gold and Silver to FLAT.

The downtrend in the global 10-year bond yields remains intact. A minor rebound is presently in force. But, a medium-term yield low is not yet signaled.

Among the currencies it is the Euro to the US dollar which has declined to the make-it-or-break-it level at 1.10 / 1.09. If the Euro fails to stand up here it could fall to 1.04.

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

Two weeks ago, the MSCI World Stock Market Index had reached a critical juncture. The Index had fallen to the most important support cluster at 2080 / 2040. I saw the probability of a break of this support and a long-term downtrend as more likely to be signaled compared to the resumption of the major uptrend. But, the World Index managed to rebound from exactly this support range. However, the rebound is not yet signaling the resumption of the long-term uptrend. For this the World Index would have to break above 2230 / 2300. The crossing of the long-term momentum reversal and the upturn in the long-term momentum indicator (both marked green) would be confirmed only if 2230 / 2300 is broken.

Long-term Outlook: DOWN <2080 / 2040

Medium-term Outlook: DOWN

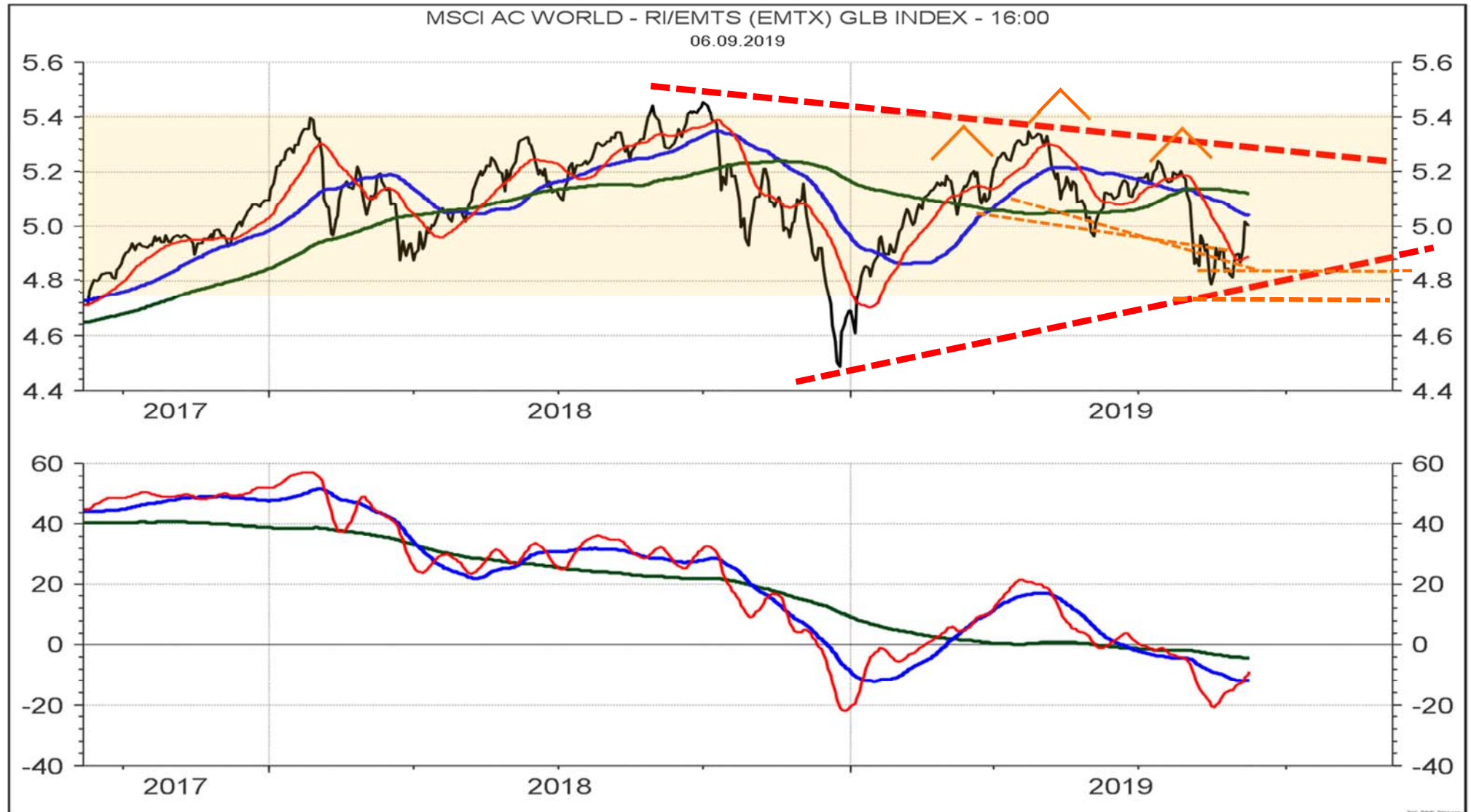
Medium-term FLAT above 2200

Medium-term UP above 2230.



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

The MSCI World Stock Market Index relative to the Global Government Bond Total Return Index (7-10-year maturities) managed to hold above the long-term support at 4.80 / 4.72. Thus, equities avoided a long-term shift to underweight relative to the Global Bond Index. The Long-term Outlook remains NEUTRAL EQUITIES and NEUTRAL BONDS. The Medium-term Outlook remains UNDERWEIGHT EQUITIES and OVERWEIGHT BONDS. However, a rise in the relative chart above the moving averages will signal a new shift to medium-term neutral.



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

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

The MSCI France, Italy, the Netherlands and Switzerland are upgraded to FLAT. New Zealand has moved to UP again.

Most other indices would have to generate more upside momentum to trigger a new upgrade from down to FLAT.

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

The MSCI Mexico and Egypt are FLAT.
All other indices remains DOWN.

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

The MSCI USA remains NEUTRAL relative to the MSCI World Stock Market Index



The MSCI EMU remains NEUTRAL relative to the MSCI World Stock Market Index



The MSCI JAPAN remains NEUTRAL relative to the MSCI World Stock Market Index



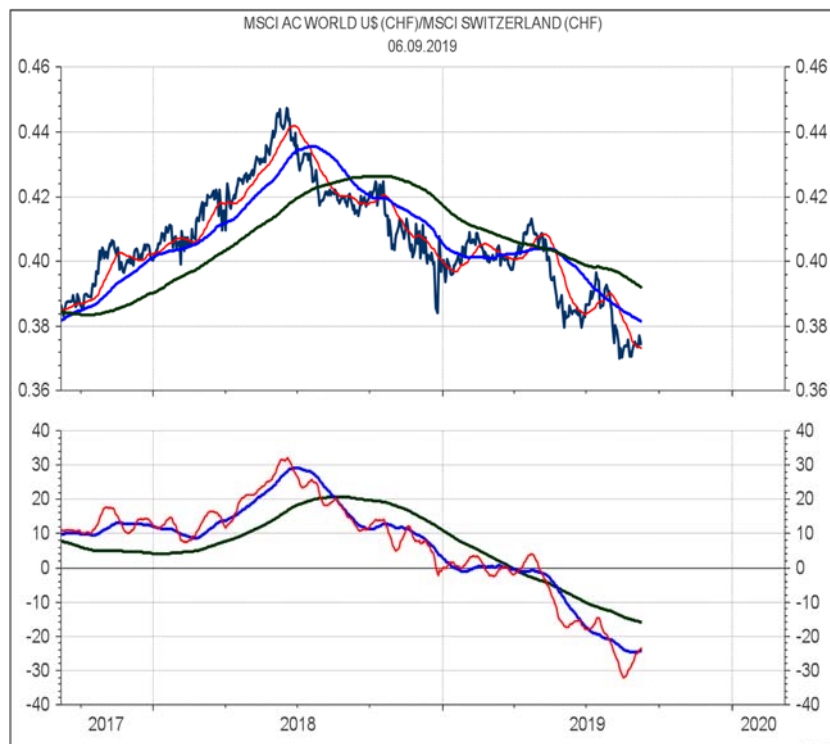
The MSCI EMERGING MARKETS remains NEUTRAL relative to the MSCI World Stock Market Index



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

All stock markets, measured in Swiss franc, are rated DOWN and UNDERPERFORM relative to the Swiss stock market. The exceptions are Denmark, the Netherlands and New Zealand. They are rated FLAT.

Swiss franc-based equity investors should remain out of the MSCI World Stock Market Index and out of all country indices (or underweight relative to Swiss equities). A neutral weighting is justified in the three exceptions mentioned above. The chart below shows the MSCI World Stock Market Index in Swiss franc relative to the MSCI Switzerland. The World Index in Swiss franc has been underperforming the MSCI Switzerland by 17% since June 2018. It remains underweight World in Swiss franc and overweight Switzerland.



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 WORLD
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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
(u) FLAT	UNDERWEIGHT DENMARK
DOWN	UNDERWEIGHT FINLAND
DOWN	UNDERWEIGHT FRANCE
DOWN	UNDERWEIGHT GERMANY
DOWN	UNDERWEIGHT IRELAND
DOWN	UNDERWEIGHT ITALY
(u) FLAT	UNDERWEIGHT NETHERLANDS
DOWN	UNDERWEIGHT NORWAY
DOWN	UNDERWEIGHT PORTUGAL
DOWN	UNDERWEIGHT SPAIN
DOWN	UNDERWEIGHT SWEDEN
(u) UP	
DOWN	UNDERWEIGHT U.K.

DOWN	UNDERWEIGHT HONG KONG
DOWN	UNDERWEIGHT ISRAEL
(u) FLAT	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

All emerging stock markets, measured in Swiss franc, are rated **DOWN** and **UNDERPERFORM** relative to the Swiss stock market.

Swiss franc-based equity investors should remain out of the MSCI Emerging Markets Index and out of all country indices (or underweight relative to Swiss equities).

The chart below shows the MSCI Emerging Markets Index in Swiss franc relative to the MSCI Switzerland. The EM Index in Swiss franc has been underperforming the MSCI Switzerland by 27% since March 2018. It remains underweight EM and overweight Switzerland.



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

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

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UNDERWEIGHT KOREA

DOWN

UNDERWEIGHT MALAYSIA

DOWN

UNDERWEIGHT PAKISTAN

DOWN

UNDERWEIGHT PHILIPPINES

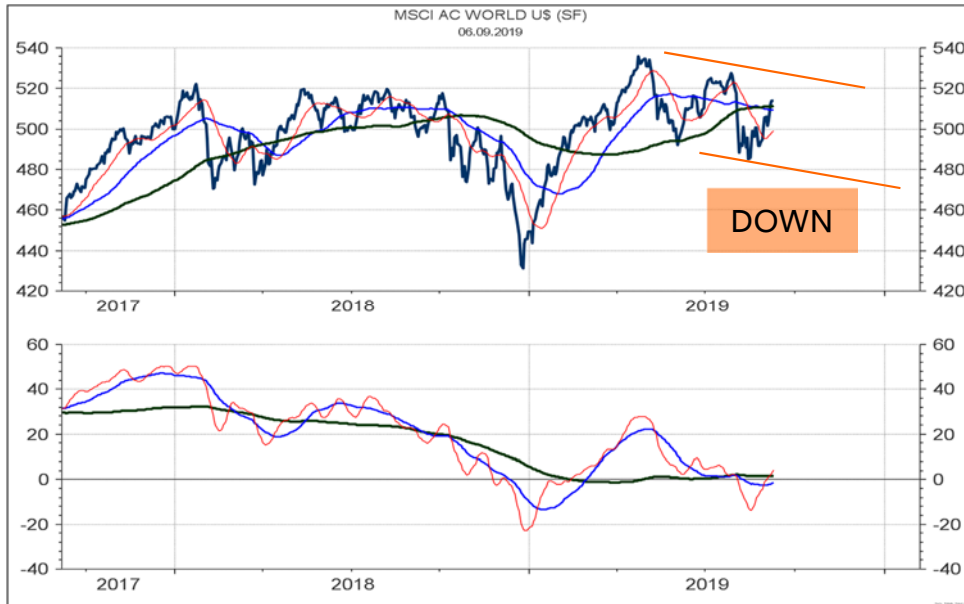
DOWN

UNDERWEIGHT TAIWAN

DOWN

UNDERWEIGHT THAILAND

MSCI AC World Stock Market Index in Swiss franc



MSCI USA in Swiss franc



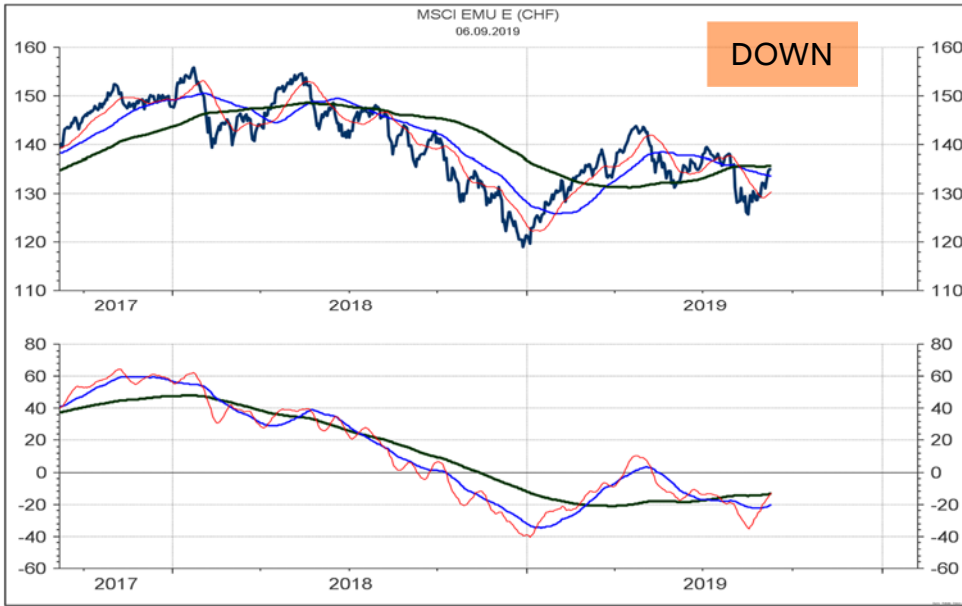
MSCI AC World Stock Markets in SFR relative to MSCI Switzerland



MSCI USA in Swiss franc relative to the MSCI Switzerland



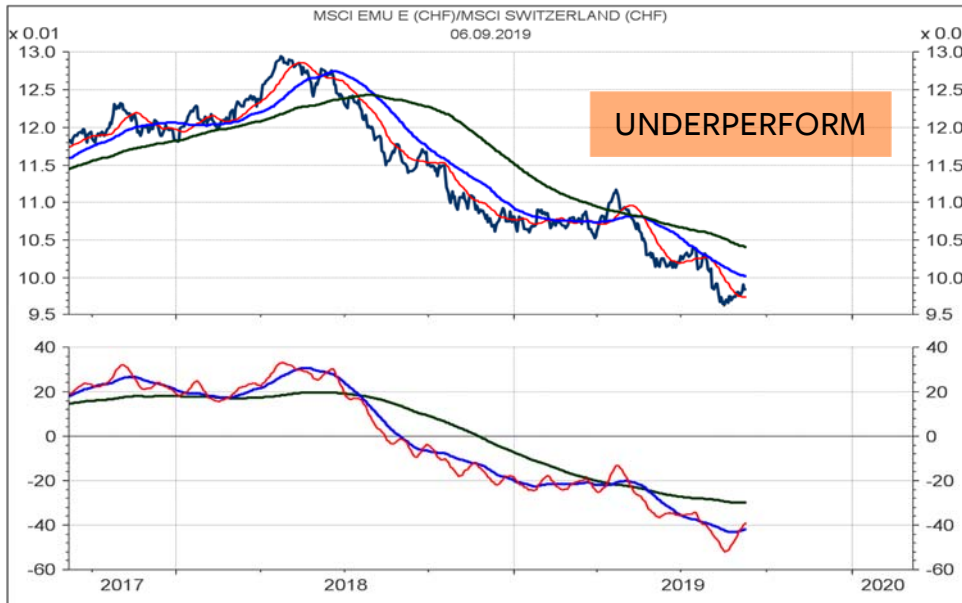
MSCI EMU in Swiss franc



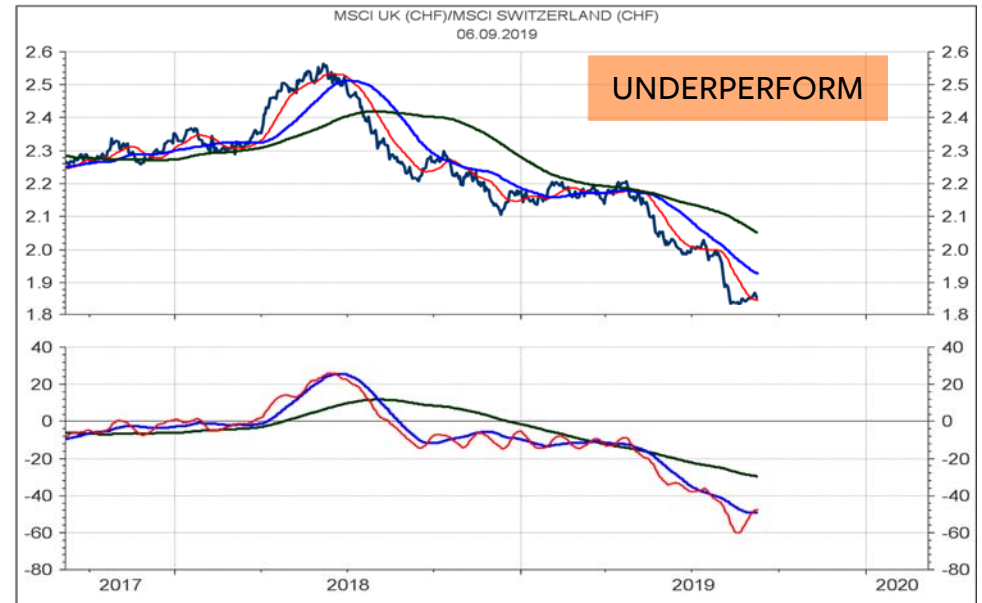
MSCI U.K. in Swiss franc



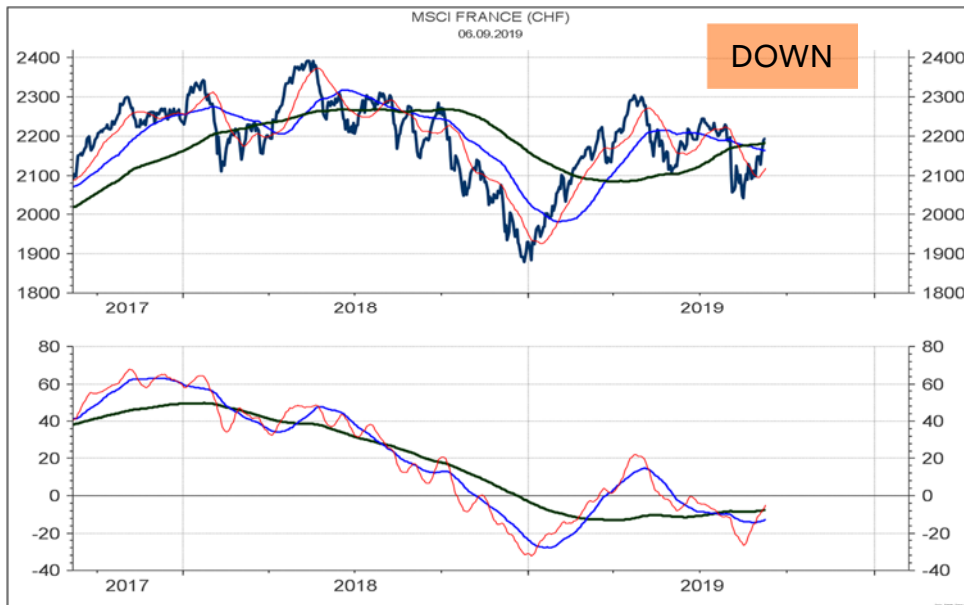
MSCI EMU in SFR relative to MSCI Switzerland



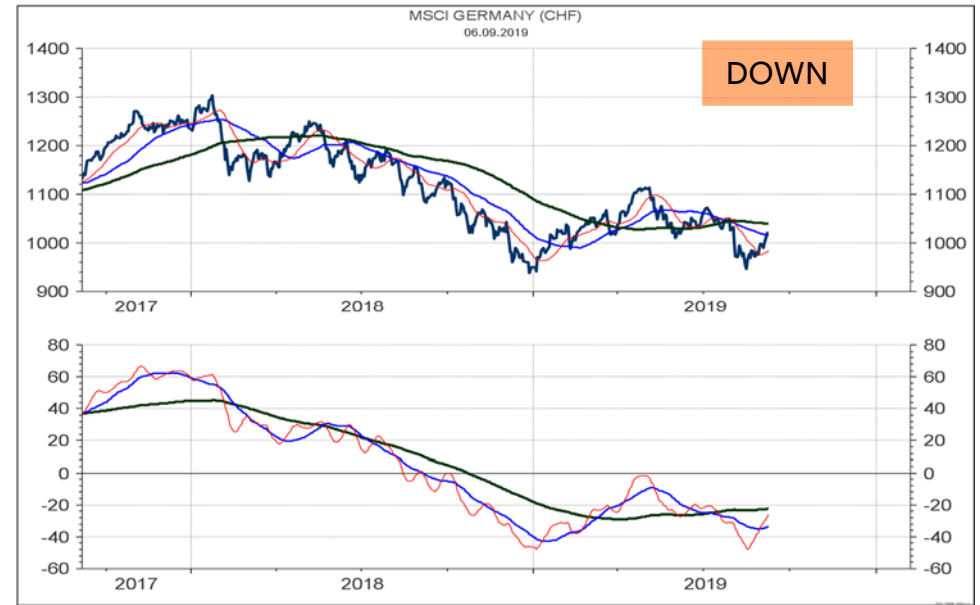
MSCI U.K. in Swiss franc relative to the MSCI Switzerland



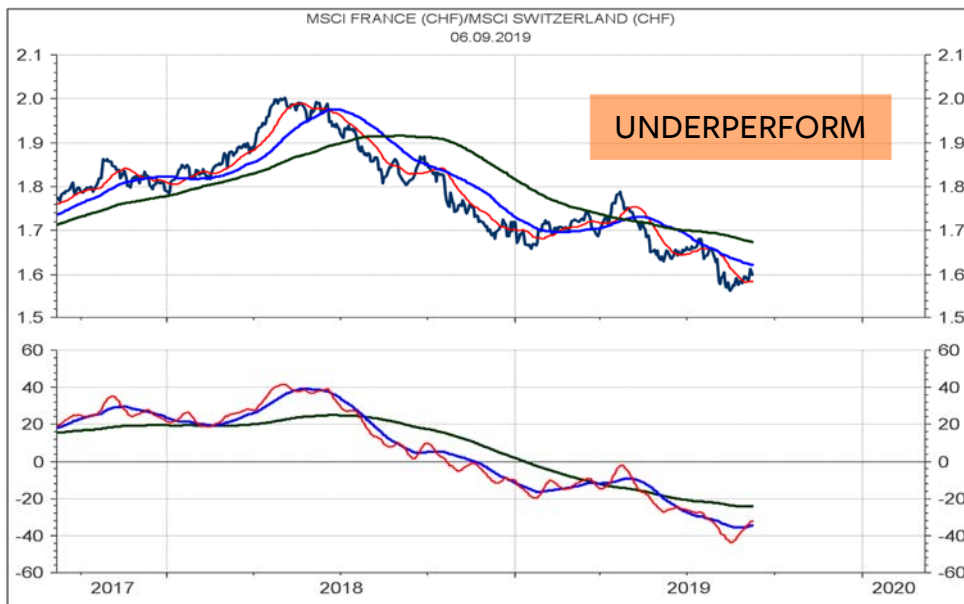
MSCI FRANCE in Swiss franc



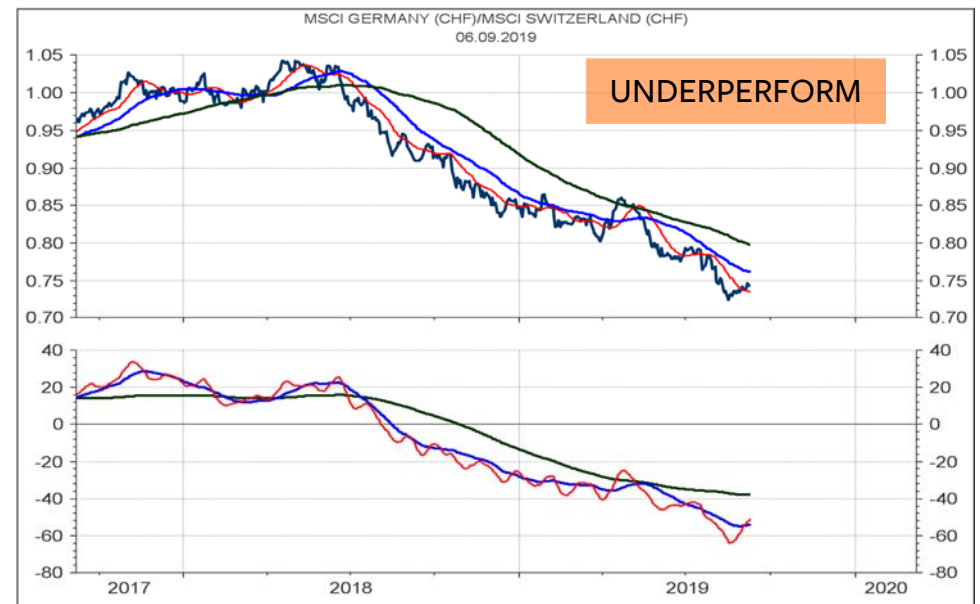
MSCI GERMANY in Swiss franc



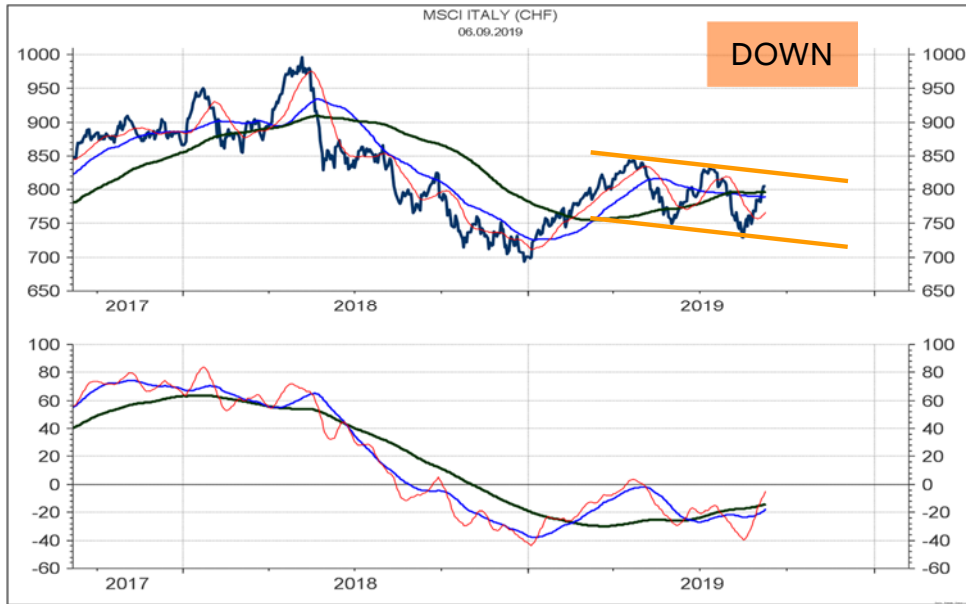
MSCI FRANCE in SFR relative to MSCI Switzerland



MSCI GERMANY in Swiss franc relative to the MSCI Switzerland



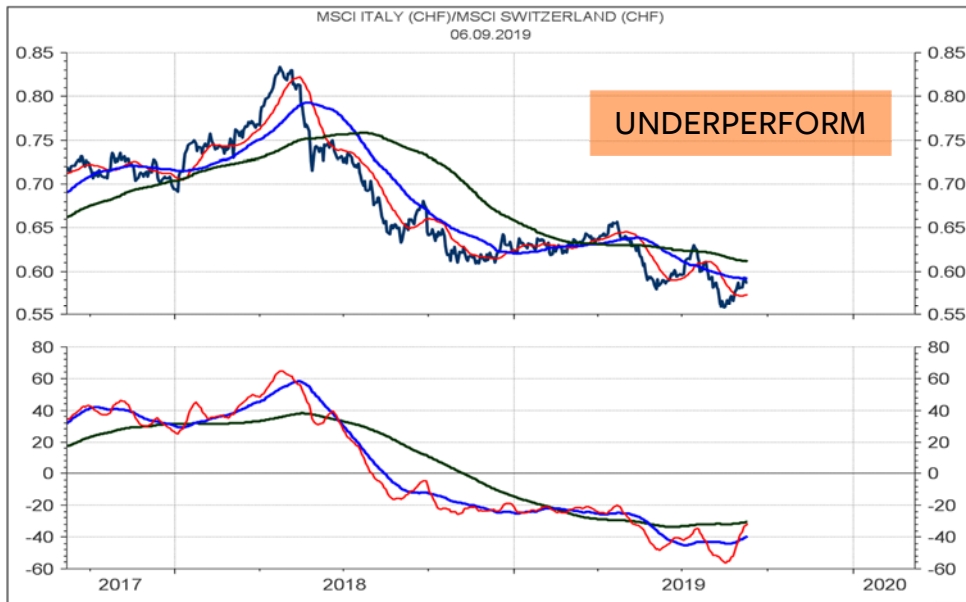
MSCI ITALY in Swiss franc



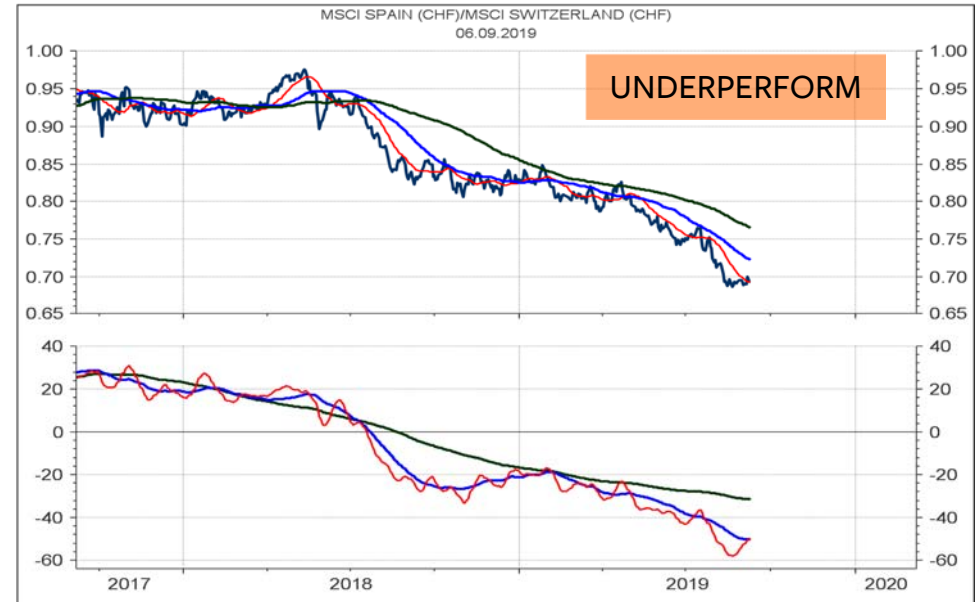
MSCI SPAIN in Swiss franc



MSCI ITALY in SFR relative to MSCI Switzerland



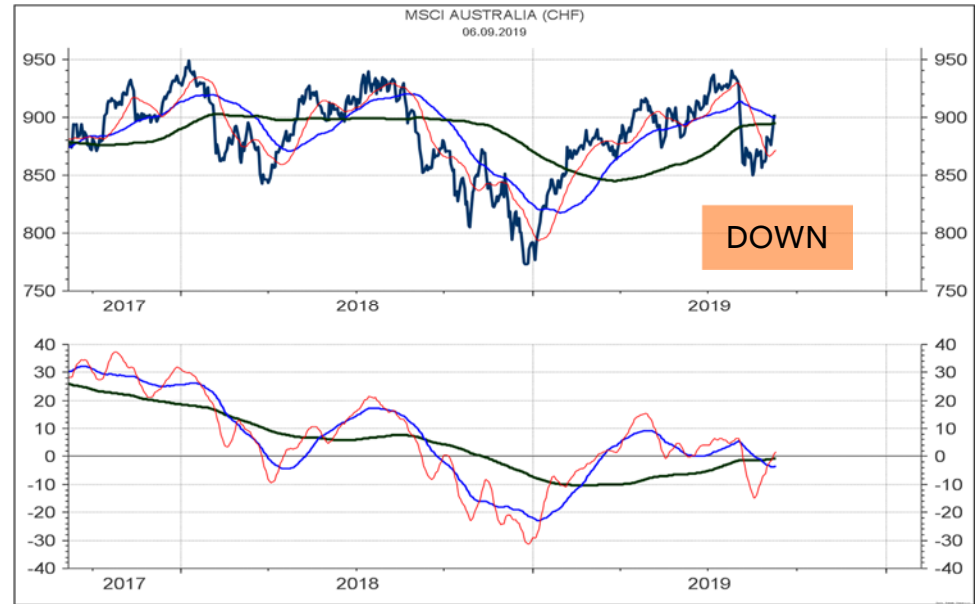
MSCI SPAIN in Swiss franc relative to the MSCI Switzerland



MSCI JAPAN in Swiss franc



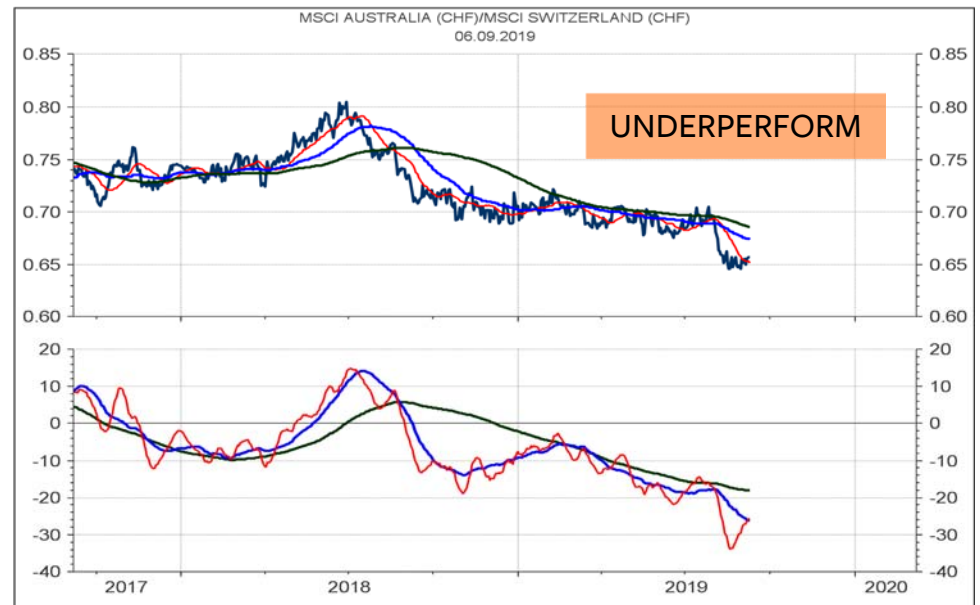
MSCI AUSTRALIA in Swiss franc



MSCI JAPAN in SFR relative to MSCI Switzerland



MSCI AUSTRALIA in Swiss franc relative to the MSCI Switzerland



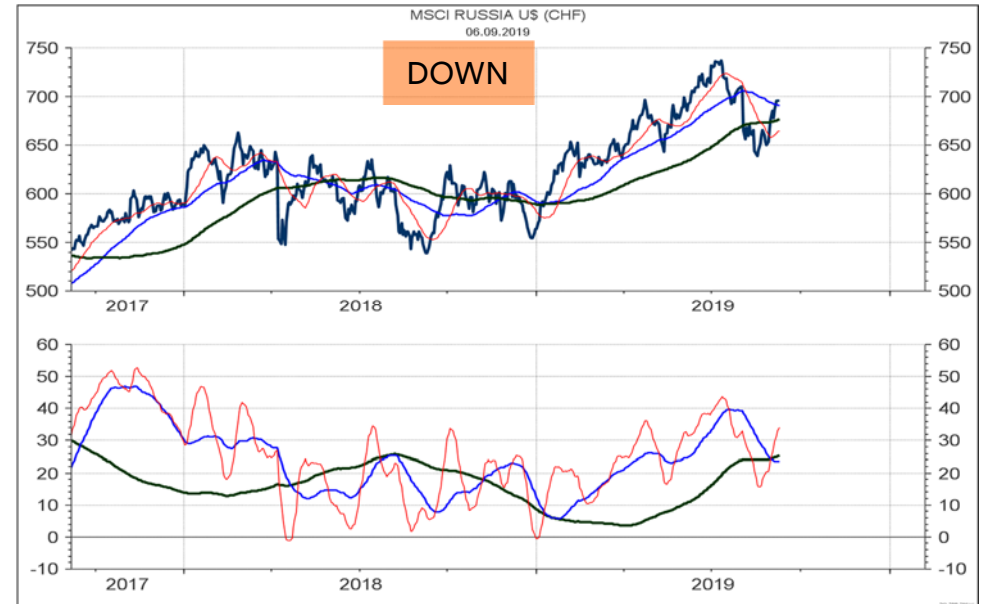
MSCI BRAZIL in Swiss franc



MSCI BRAZIL in Swiss franc relative to the MSCI Switzerland



MSCI RUSSIA in Swiss franc



MSCI RUSSIA in SFR relative to MSCI Switzerland



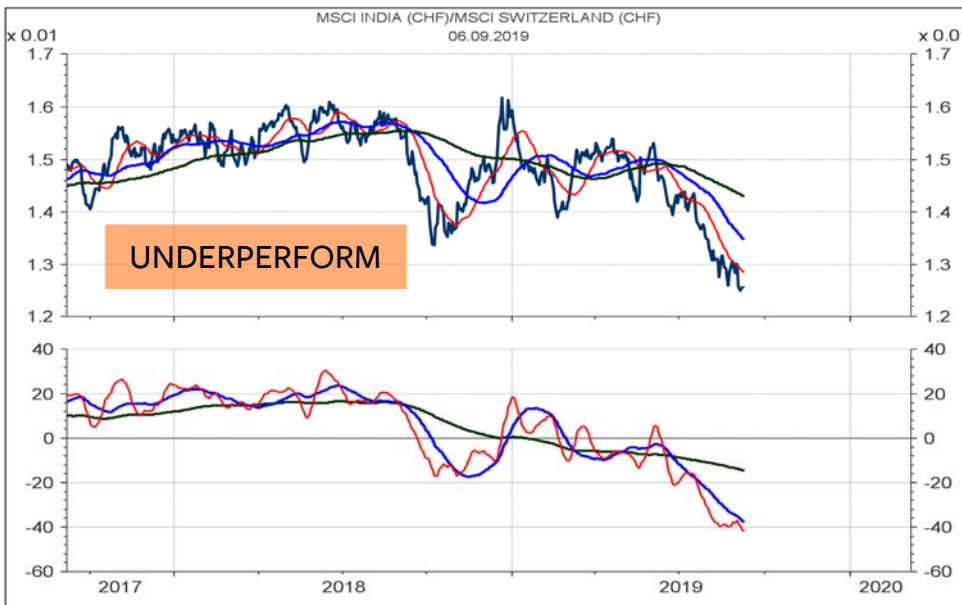
MSCI INDIA in Swiss franc



MSCI CHINA in Swiss franc



MSCI INDIA in SFR relative to MSCI Switzerland

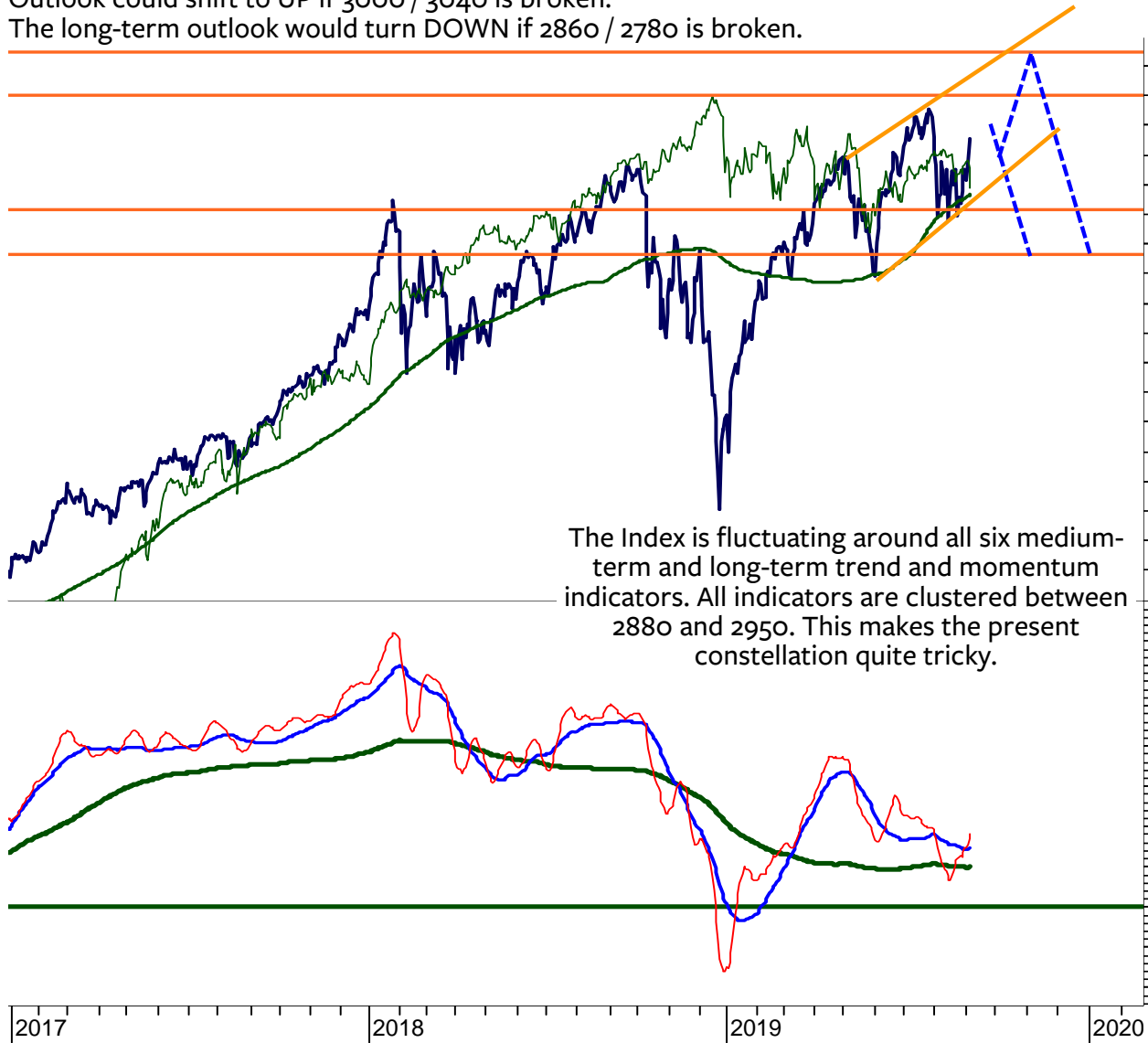


MSCI CHINA in Swiss franc relative to the MSCI Switzerland

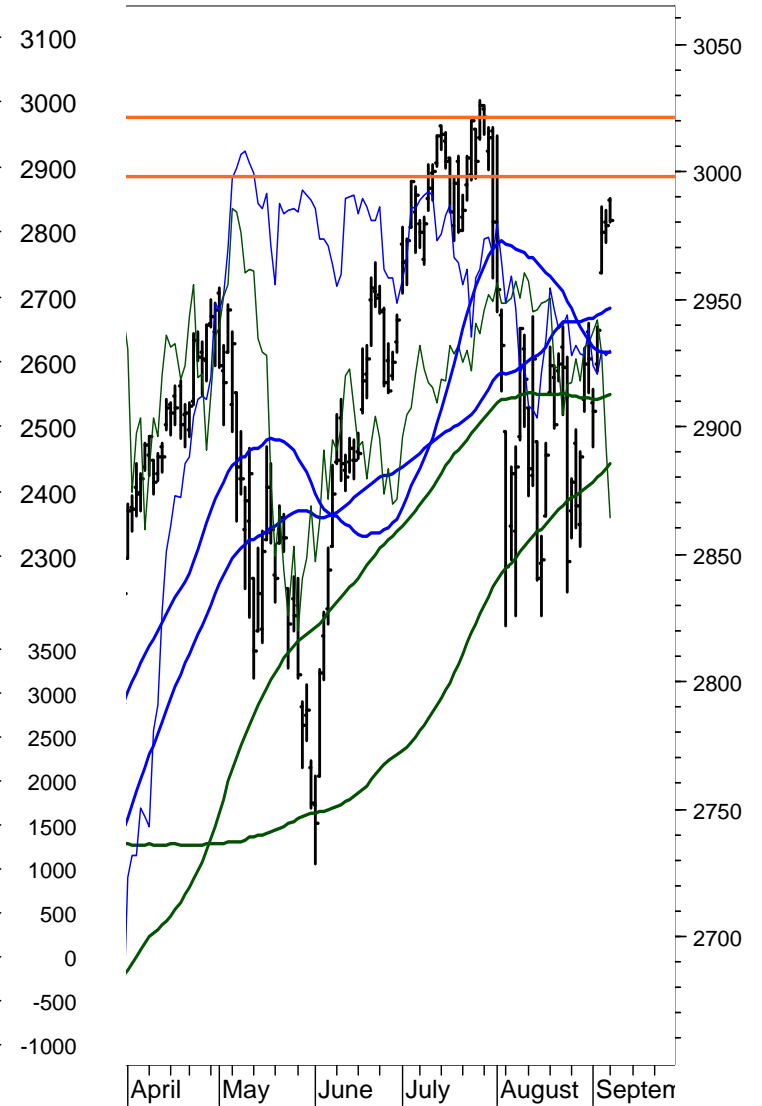


S&P 500 Index

The S&P 500 Index managed to close above the 144-day average again and also managed to rebound off the long-term support levels at 2825 / 2795. It thus avoided the long-term downgrade, which I rated as more likely compared to a renewed upturn. Because the long-term downgrade was not confirmed the long-term outlook remains FLAT. The rally could lead the Index to the long-term resistance at 3040 / 3120. A break of this range is required for the upturn in the long-term momentum indicator to be confirmed. The Medium-term Outlook could shift to UP if 3000 / 3040 is broken. The long-term outlook would turn DOWN if 2860 / 2780 is broken.

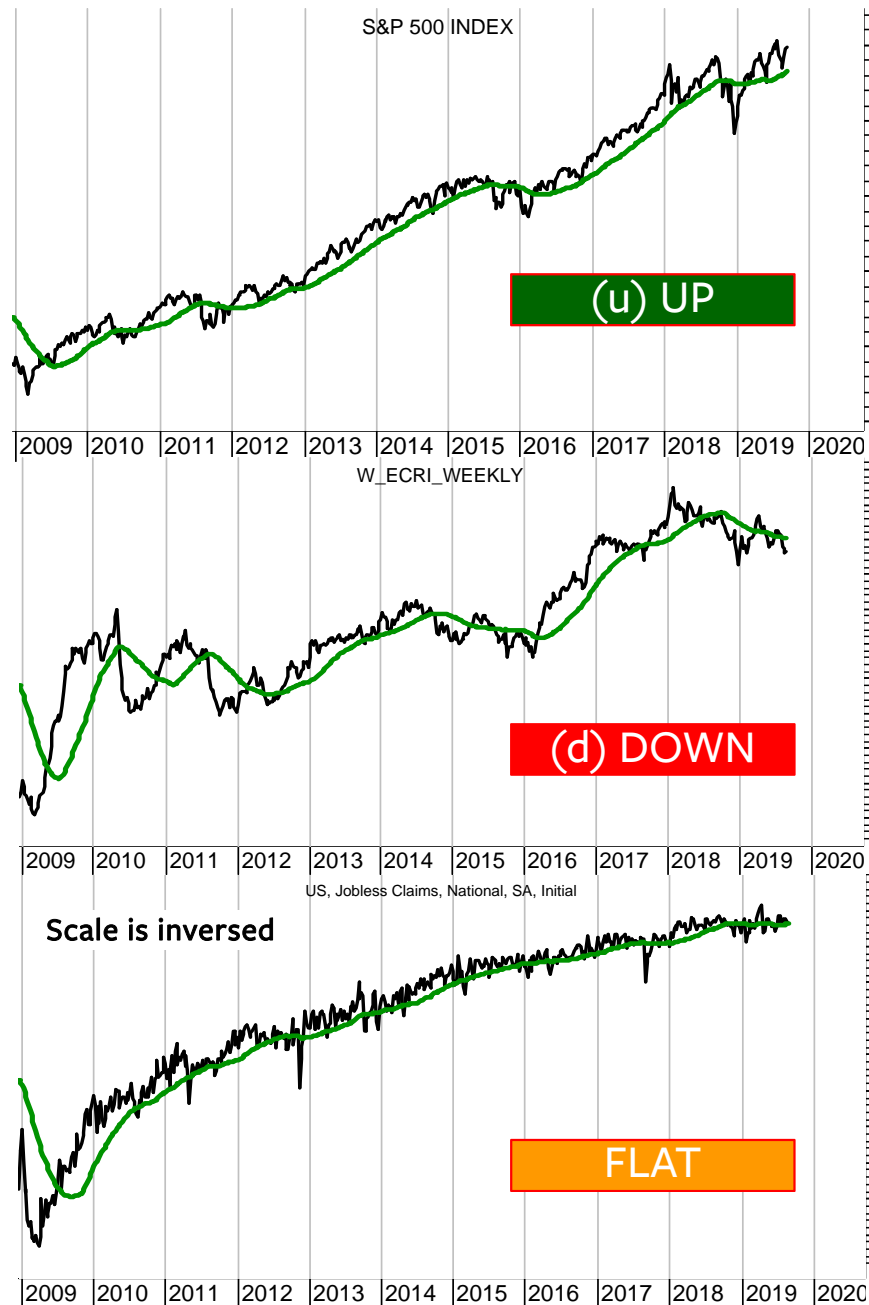


Long-term Outlook: DOWN <2860/2780
Medium-term Outlook: DOWN
Medium-term FLAT above 3000
Medium-term UP above 3040



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

The Overall Model is FLAT



The S&P 500 Index rose above the 4-week average, which itself turned up. **The Model is UP.**

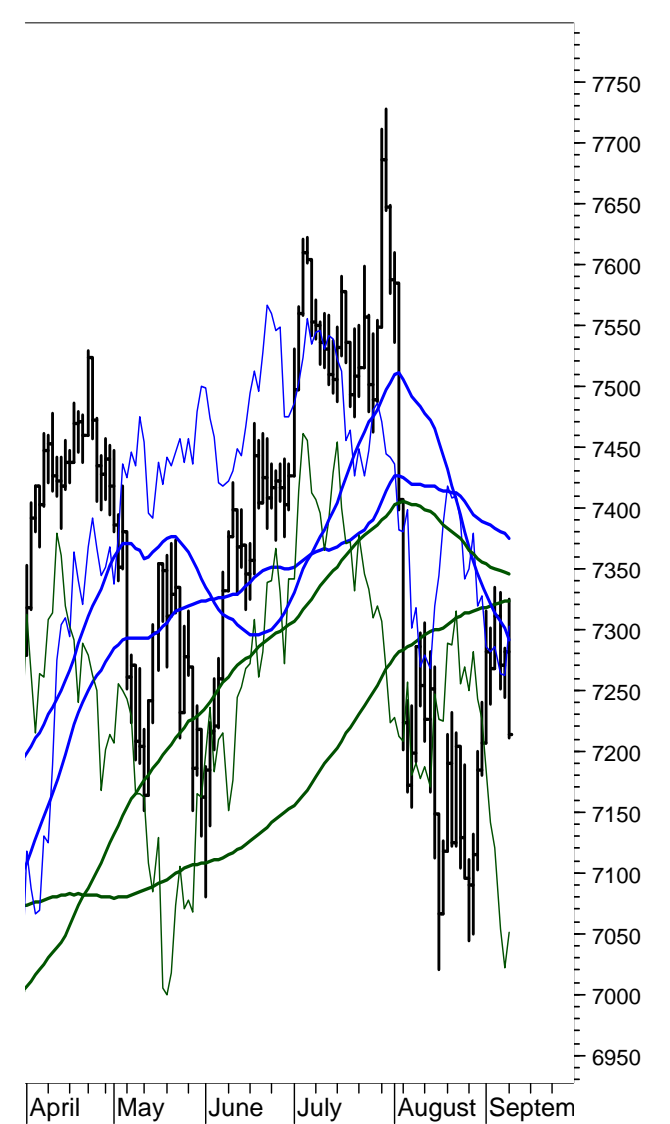
The Weekly Economic Cycle Research Index fell below the support at 143.60. **The Model is DOWN.**

The (inverse) Weekly Jobless Claims are at 217k. **The Model remains FLAT.**

U.K. – FTSE Index – daily charts

The Index is bouncing off the long-term support at 7000 to 6850. The Index is trading around the medium-term and long-term indicators. The long-term momentum reversal has again crossed the Index and signaled a possible long-term momentum upturn. However, it will take a rise above 7500 and 7750 to give more credence to a new long-term upturn.

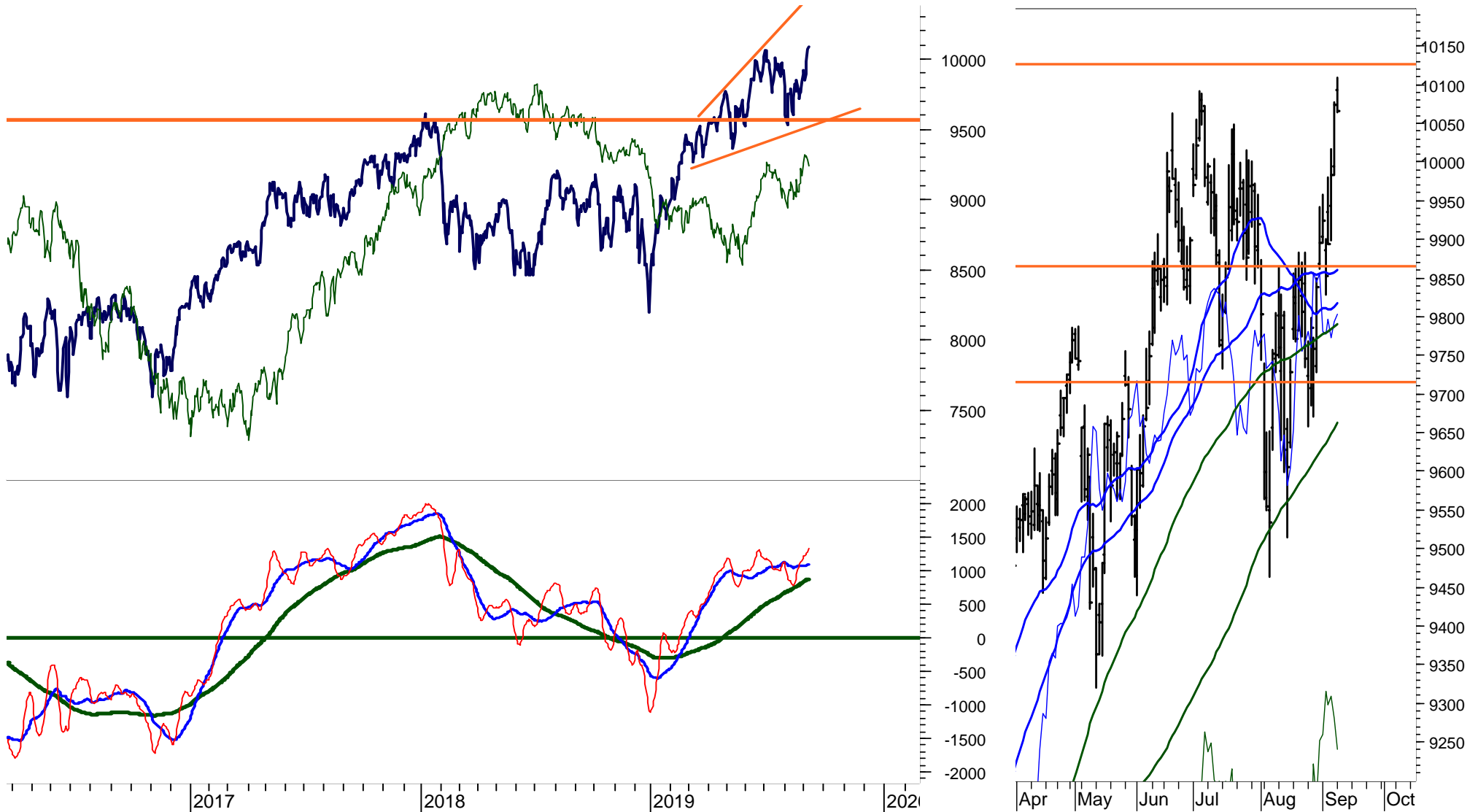
Long-term Outlook: DOWN <7000/6850
Medium-term Outlook: DOWN



Swiss Market Index SMI

On the one hand, the SMI has consolidated the new high above the high of January 2018 at 9600. On the other hand, I am still suspicious of the Expanding Wedge, which could be a trend-ending formation. This is why a break of the supports at 9850 and 9710 should be taken as a seriously bearish signal. The medium-term uptrend could resume for a while if 10,140 is broken.

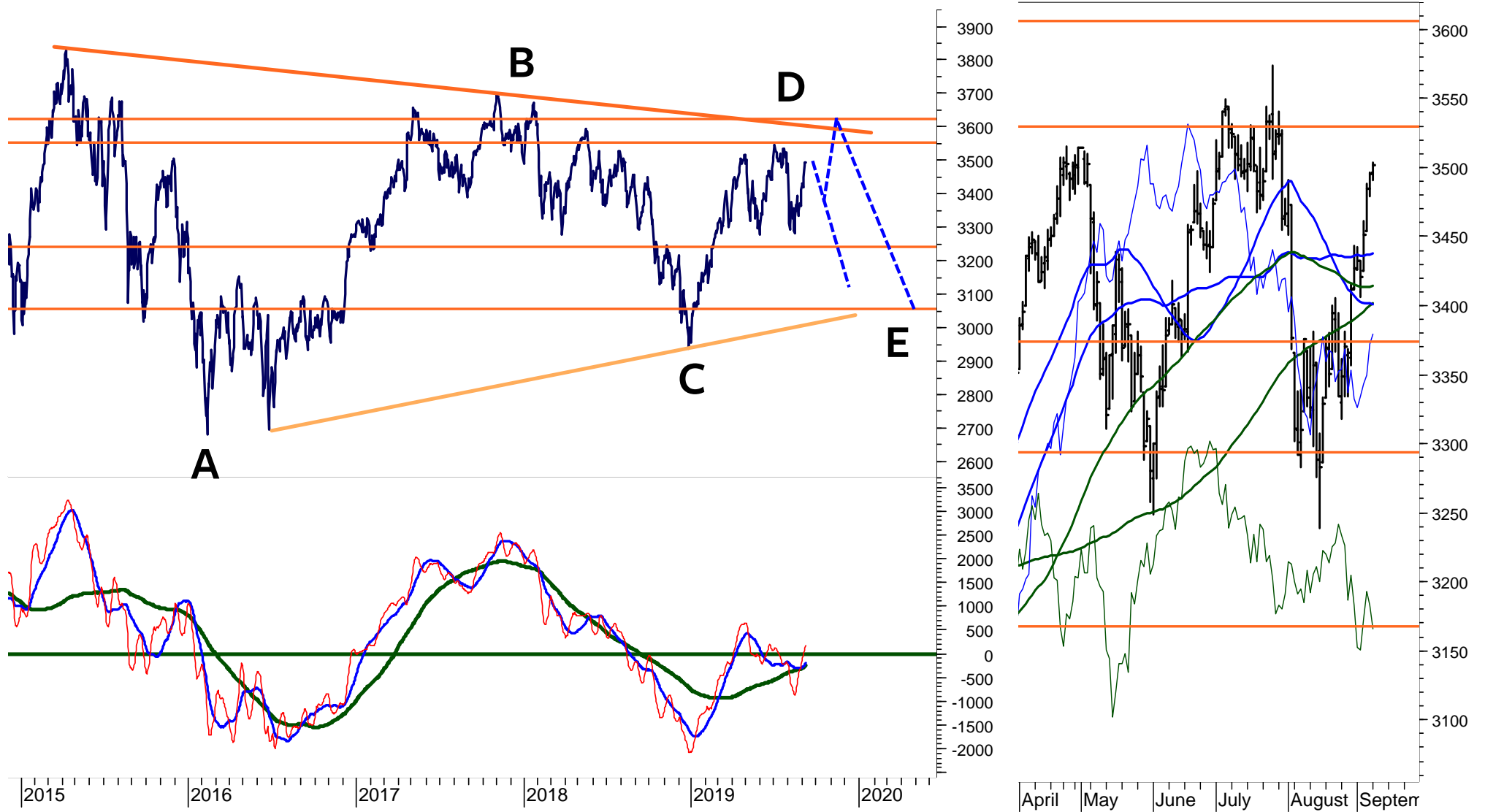
Long-term Outlook: UP >9700
Medium-term Outlook: (u) FLAT



Eurostoxx 50 Index

The Eurostoxx would have to rise above 3630 to signal a bullish break of the triangle from 2015.
Resistance levels are 3530 and 3610.
Supports are 3375, 3290 and 3170.

Long-term Outlook: DOWN <3290/3275
Medium-term Outlook: DOWN

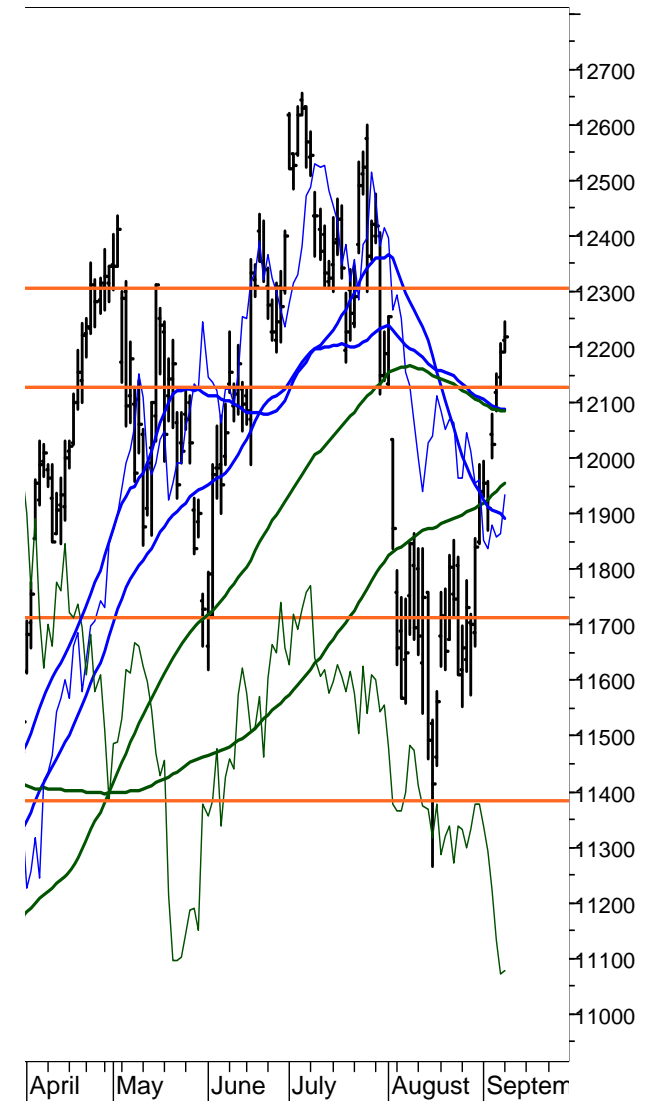


German DAX

The Medium-term Outlook could shift to FLAT or UP if 12350 is broken.

The Long-term Outlook remains FLAT between 11800 / 11250 and 12350 / 12750.

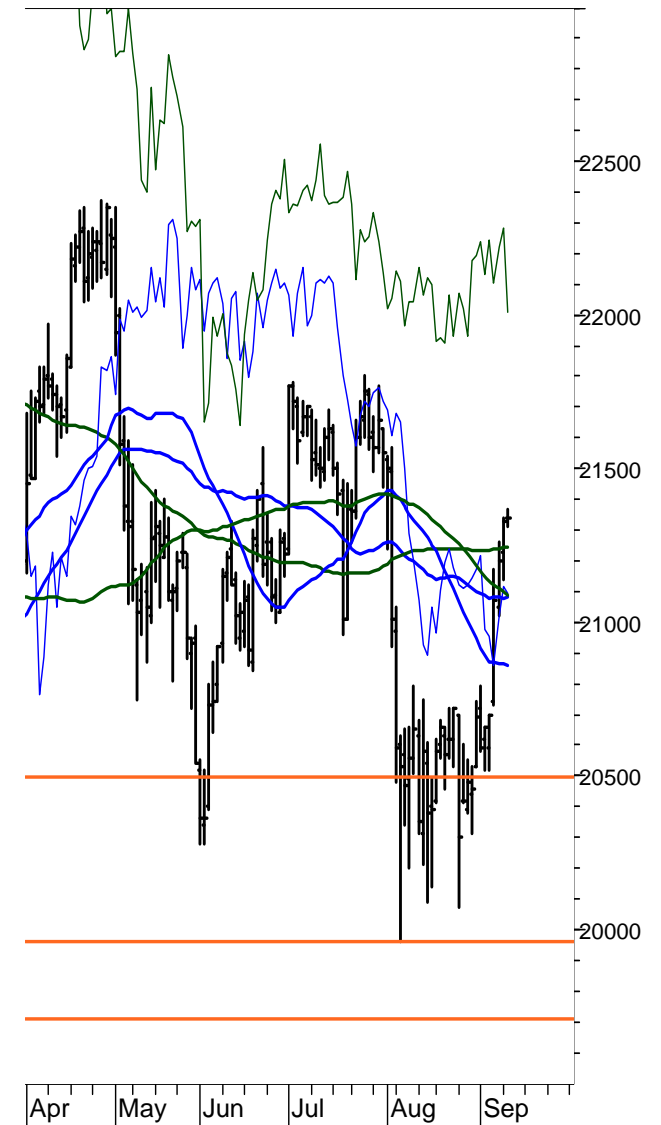
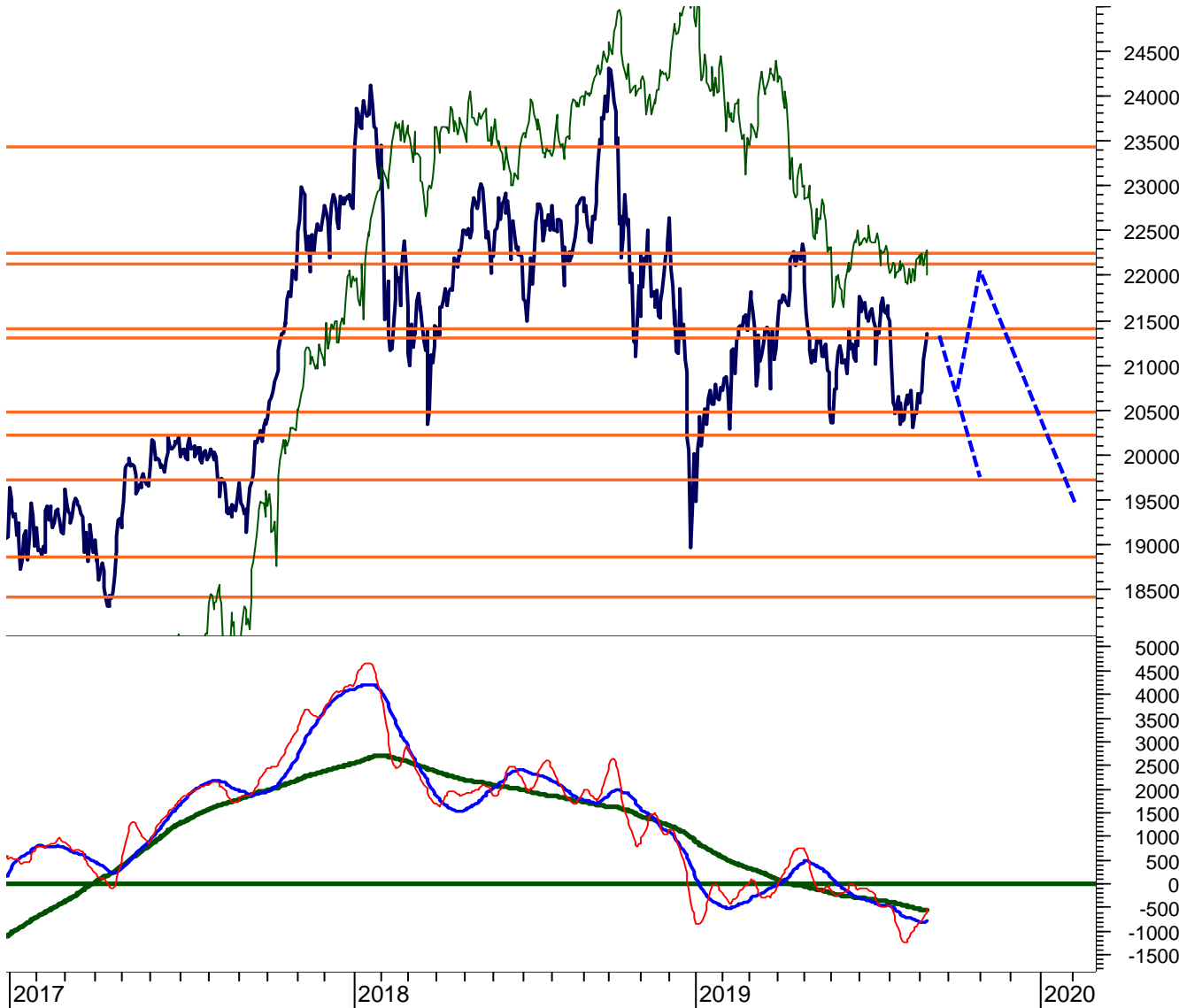
Long-term Outlook: DOWN <11700/11350
Medium-term Outlook: DOWN



Japanese Nikkei 225 Index

The Nikkei managed to defend the support at 20000 / 19700 and is rebounding. The medium-term outlook would shift to FLAT or UP if 21500 is broken. Long-term resistance is at 22100 / 22300 and 23500.

Long-term Outlook: DOWN <20500 / 19700
Medium-term Outlook: DOWN

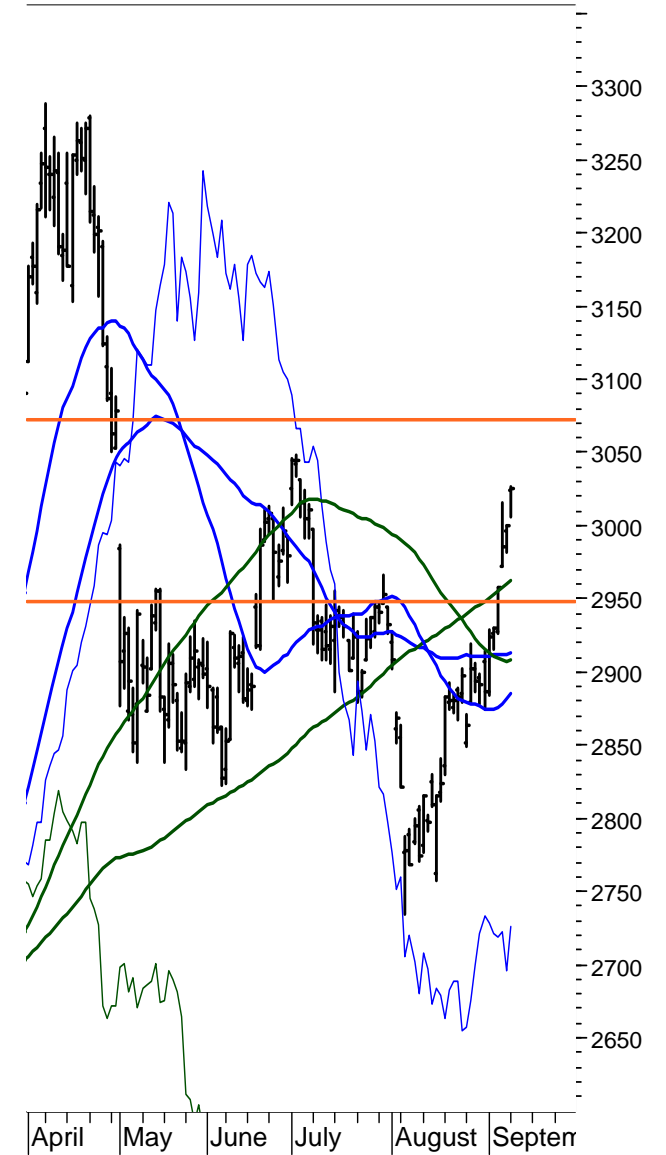


Shanghai Composite Index

The SCI rose above 2910 and 2950 and signaled 3080, a break of which could activate the next target at 3260 or 3600. The medium-term outlook will move to UP if 3070 is broken. (Notice that in my Investment Decision Cockpit for the stock markets the MSCI China is still rated medium-term DOWN.)



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



Global Commodities

Changes in the medium-term outlook include the downgrade of Gold and Silver from UP to FLAT.

The Bloomberg Commodity Total Return Index (chart below) is trading just above the long-term support at 160. A break of 160 would signal a long-term downgrade from FLAT to DOWN.



COMMODITIES	3-6 MONTHS	RELATIVE TO THE
	OUTLOOK	BLOOMBERG COM INDEX

BLOOMBERG COMMODITY TR INDEX	DOWN
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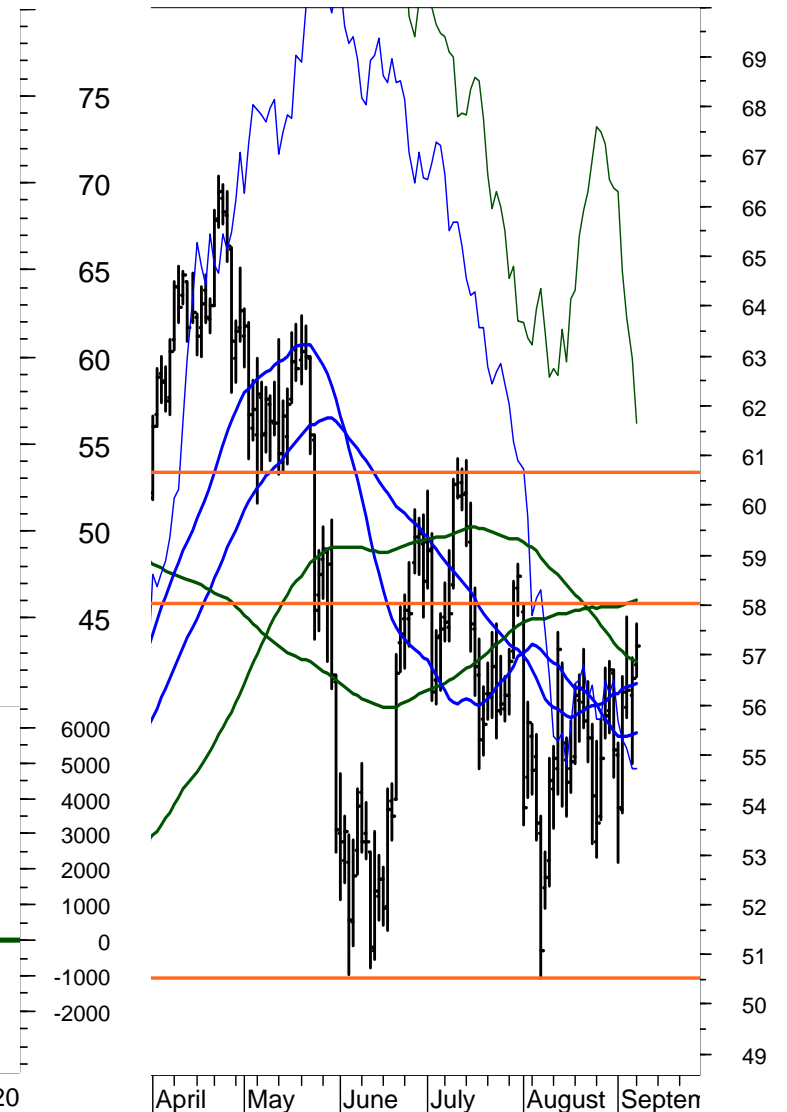
ENERGY Index Total Return	DOWN	NEUTRAL
BRENT CRUDE OIL	DOWN	UNDERWEIGHT
GAS OIL	DOWN	NEUTRAL
GASOLINE	DOWN	UNDERWEIGHT
HEATING OIL	DOWN	NEUTRAL
LIGHT CRUDE OIL	FLAT	NEUTRAL
NATURAL GAS CONTINUOUS	UP	OVERWEIGHT
INDUSTRIAL METALS Index Total Return	FLAT	NEUTRAL
ALUMINIUM CONTINUOUS	DOWN	NEUTRAL
COPPER	DOWN	NEUTRAL
LEAD	FLAT	OVERWEIGHT
Nickel Cash U\$/MT	UP	OVERWEIGHT
TIN 99.85% Cash US\$/MT	DOWN	NEUTRAL
Zinc 99.995% Cash U\$/MT	DOWN	UNDERWEIGHT
LUMBER CONTINUOUS LTDT	FLAT	NEUTRAL
AGRICULTUR Index Total Return	DOWN	UNDERWEIGHT
COCOA CONTINUOUS	DOWN	UNDERWEIGHT
COFFEE CONTINUOUS	DOWN	UNDERWEIGHT
CORN CONTINUOUS	DOWN	UNDERWEIGHT
SOYBEAN MEAL CONTINUOUS	DOWN	UNDERWEIGHT
SOYBEAN OIL CONTINUOUS	DOWN	NEUTRAL
SOYBEANS CONTINUOUS	DOWN	UNDERWEIGHT
WHEAT CONTINUOUS	DOWN	UNDERWEIGHT
PRECIOUS METALS Index Total Return	(d) FLAT	OVERWEIGHT
GOLD	(d) FLAT	OVERWEIGHT
PALLADIUM CONTINUOUS	UP	OVERWEIGHT
PLATINUM CONTINUOUS	UP	OVERWEIGHT
SILVER	(d) FLAT	OVERWEIGHT

Light Crude Oil Continuous Future

Crude oil remains in the large triangle which originated at the high in 2018.



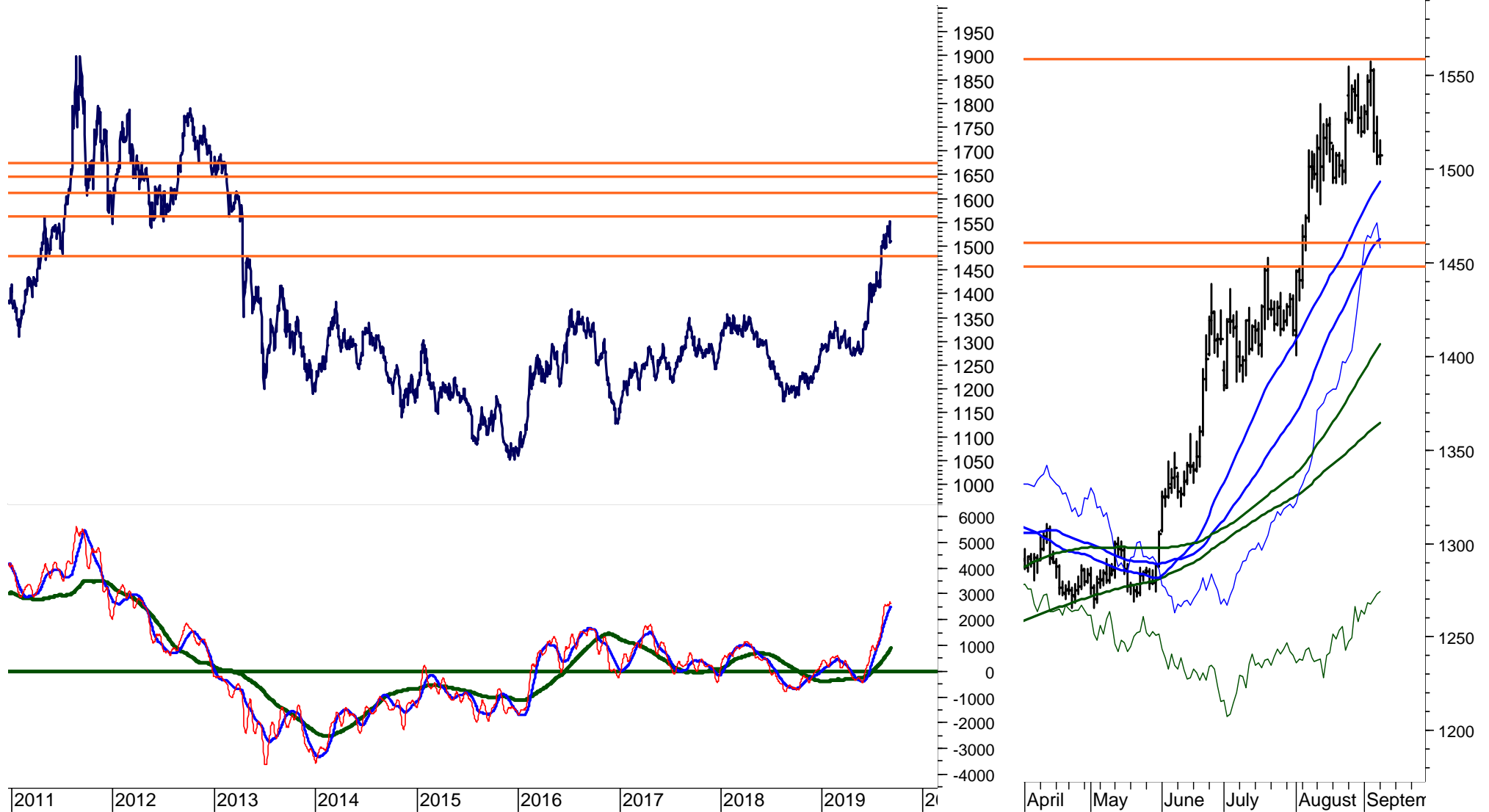
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Gold per Ounce in US dollar – daily charts

Gold entered a short-term correction below the major resistance, which I had located at 1550/70.

A break of 1460 / 1445 would signal that the medium-term uptrend is over for now. Given the importance of the resistance at 1560 I am downgrading the medium-term outlook to FLAT.



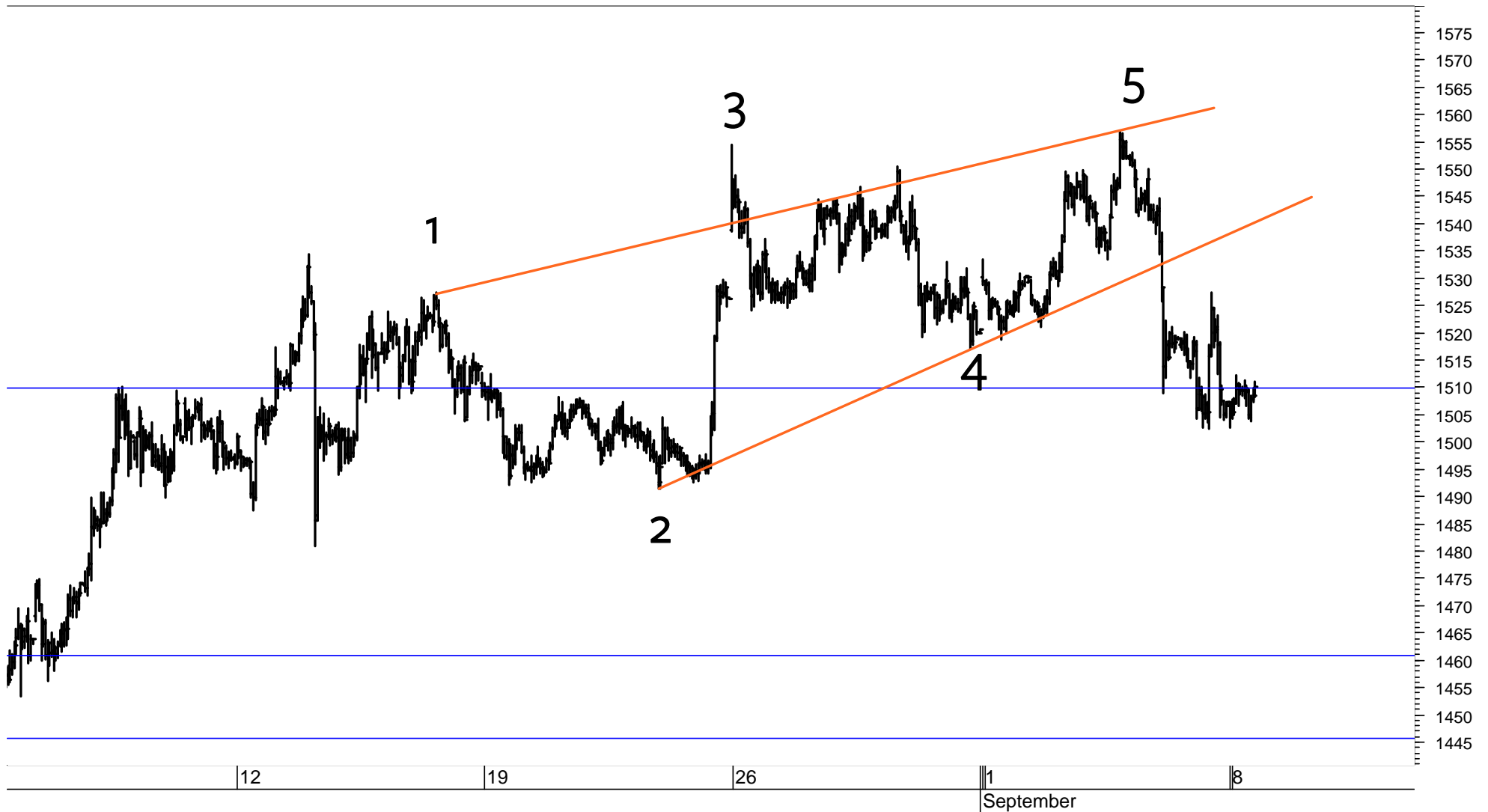
Long-term Outlook: UP
Medium-term Outlook: (d) FLAT

Gold per Ounce in US dollar – hourly chart

The rise on Gold from the selloff on 13.8.2019 can be labeled as a complete five-wave move.

Wave 5 registered a marginally higher high above the high of Wave 3.

A break of 1500 will signal 1460 / 1445 and a break of the medium-term uptrend.



Global-GOLD Model – Gold measured in 37 currencies

On the scale from 0% (maximum bearish) to 100% (maximum bullish) the Total Score remains POSITIVE with a reading of 80% (last week 95%).

The Short-term Model turned NEGATIVE and stands at 13%.

The Medium-term Model remains POSITIVE at 90% (last week 100%).

The Long-term Model remains POSITIVE at 99% (last week 100%).

I will have to see if the unfolding short-term decline will do enough damage to the medium-term model as to signal a medium-term downgrading to neutral or negative.

TOTAL SCORE	GOLD IN 38 CURRENCIES	TOTAL SCORE	SHORT-TERM INDICATORS				MEDIUM-TERM INDICATORS				LONG-TERM INDICATORS				
			2-6 WEEKS OUTLOOK				3-6 MONTHS OUTLOOK				12-24 MONTHS OUTLOOK				
			ST SCORE	SHORT-TERM			MT SCORE	MEDIUM-TERM			LT SCORE	LONG-TERM			
	ST MOM	13D AVG	21D AVG		MT MOM	34D AVG	55D AVG		LT MOM	89D AVG	144D AVG		LT MOM	89D AVG	144D AVG
16	GOLD in Argentinian peso	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Bulgarian levi	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Chinese renminbi	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Corroatian kuna	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Czech koruna	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Danish krone	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Euro	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Hungarian forint	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Indian rupee	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Japanese yen	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Romanian leu	UP	1	0	0	1	3	1	1	1	3	1	1	1	
16	GOLD in Swiss franc	UP	1	0	0	1	3	1	1	1	3	1	1	1	
15	GOLD in Brazilian real	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Canadian dollar	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Colombian peso	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Hong Kong dollar	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in New Zealand dollar	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Norwegian krone	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Philippines peso	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Polish zloti	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Russian ruble	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Singapore dollar	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Sout African rand	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Swedish krona	UP	0	0	0	0	3	1	1	1	3	1	1	1	
15	GOLD in Thai baht	UP	0	0	0	0	3	1	1	1	3	1	1	1	
14	GOLD in Turkish lira	UP	1	0	0	1	3	1	1	1	2	0	1	1	
13	GOLD in US dollar	UP	1	0	0	1	2	0	1	1	3	1	1	1	
12	GOLD in Australian dollar	UP	0	0	0	0	2	0	1	1	3	1	1	1	
12	GOLD in British pound	UP	0	0	0	0	2	0	1	1	3	1	1	1	
12	GOLD in Chilean peso	UP	0	0	0	0	2	0	1	1	3	1	1	1	
12	GOLD in Indonesian rupiah	UP	0	0	0	0	2	0	1	1	3	1	1	1	
12	GOLD in Malaysian ringgit	UP	0	0	0	0	2	0	1	1	3	1	1	1	
12	GOLD in Mexican peso	UP	0	0	0	0	2	0	1	1	3	1	1	1	
12	GOLD in Pakistani rupee	UP	0	0	0	0	2	0	1	1	3	1	1	1	
12	GOLD in Peruvian sol	UP	0	0	0	0	2	0	1	1	3	1	1	1	
12	GOLD in South korean won	UP	0	0	0	0	2	0	1	1	3	1	1	1	
12	GOLD in Taiwanese dollar	UP	0	0	0	0	2	0	1	1	3	1	1	1	
80.18%			12.61%	(0% max bearish, 100% max bullish.)			90.09%	(0% max bearish, 100% max bullish.)			99.10%	(0% max bearish, 100% max bullish.)			
			+	0	0	14	+	26	37	37	+	36	37	37	
			-	37	37	23	-	11	0	0	-	1	0	0	
				37	37	37		37	37	37		37	37	37	
			+	0%	0%	38%	+	70%	100%	100%	+	97%	100%	100%	
			-	100%	100%	62%	-	30%	0%	0%	-	3%	0%	0%	
				100%	100%	100%		100%	100%	100%		100%	100%	100%	

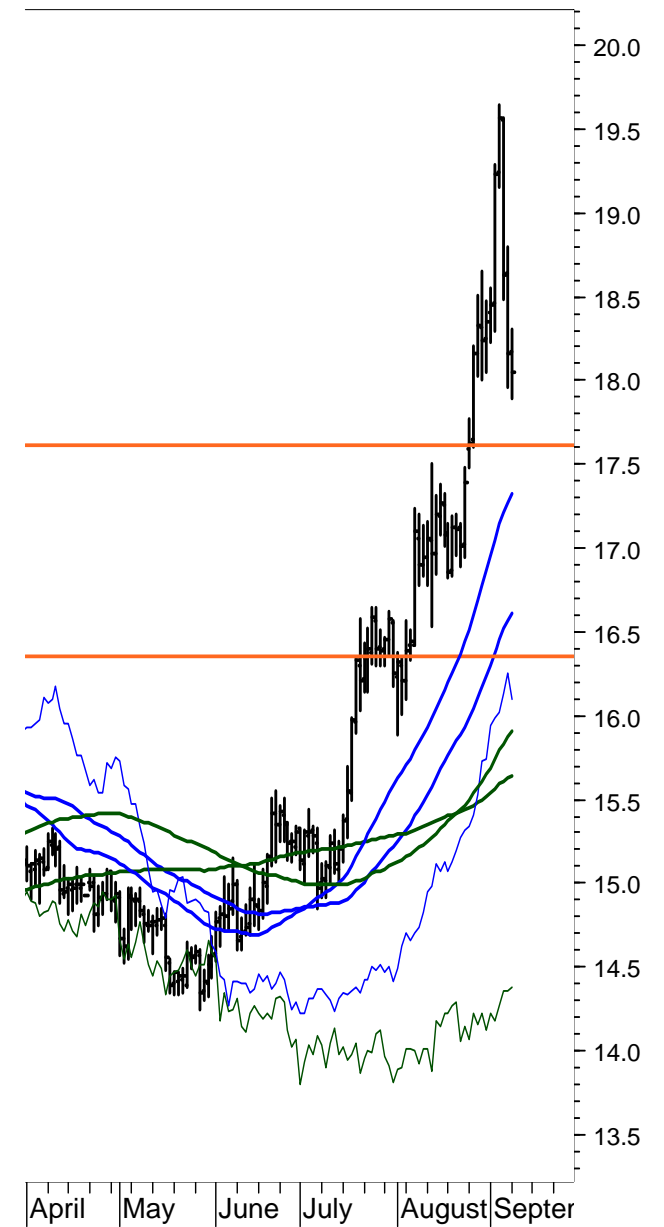
UP	37
DOWN	0
FLAT	0
	37

Silver – daily chart

Silver surged to the Fibonacci resistance at 19.70. If Wave B ended on 4.7.2019 Wave C was 0.618 times the length of Wave A. Clearly, it will take a break of 19.70 to signal 21 or 26. Given the importance of the resistance at 19.70 I am downgrading the medium-term outlook to FLAT.



Long-term Outlook: UP
Medium-term Outlook: (d) FLAT



Global 10-year Bond Yields

The Global 10-year Yields remain in their long-term downtrend. Clearly, following the selloff, the technical condition remains oversold. But, the only country, which shows a new upgrade to UP, is Hungary.



GLOBAL GOVERNMENT BOND 10-YEAR YIELD 3-6 MONTHS OUTLOOK

AMERICAS	
US 10-year T-Notes Yield	DOWN
CANADA 10-year Government Bond Yield	DOWN

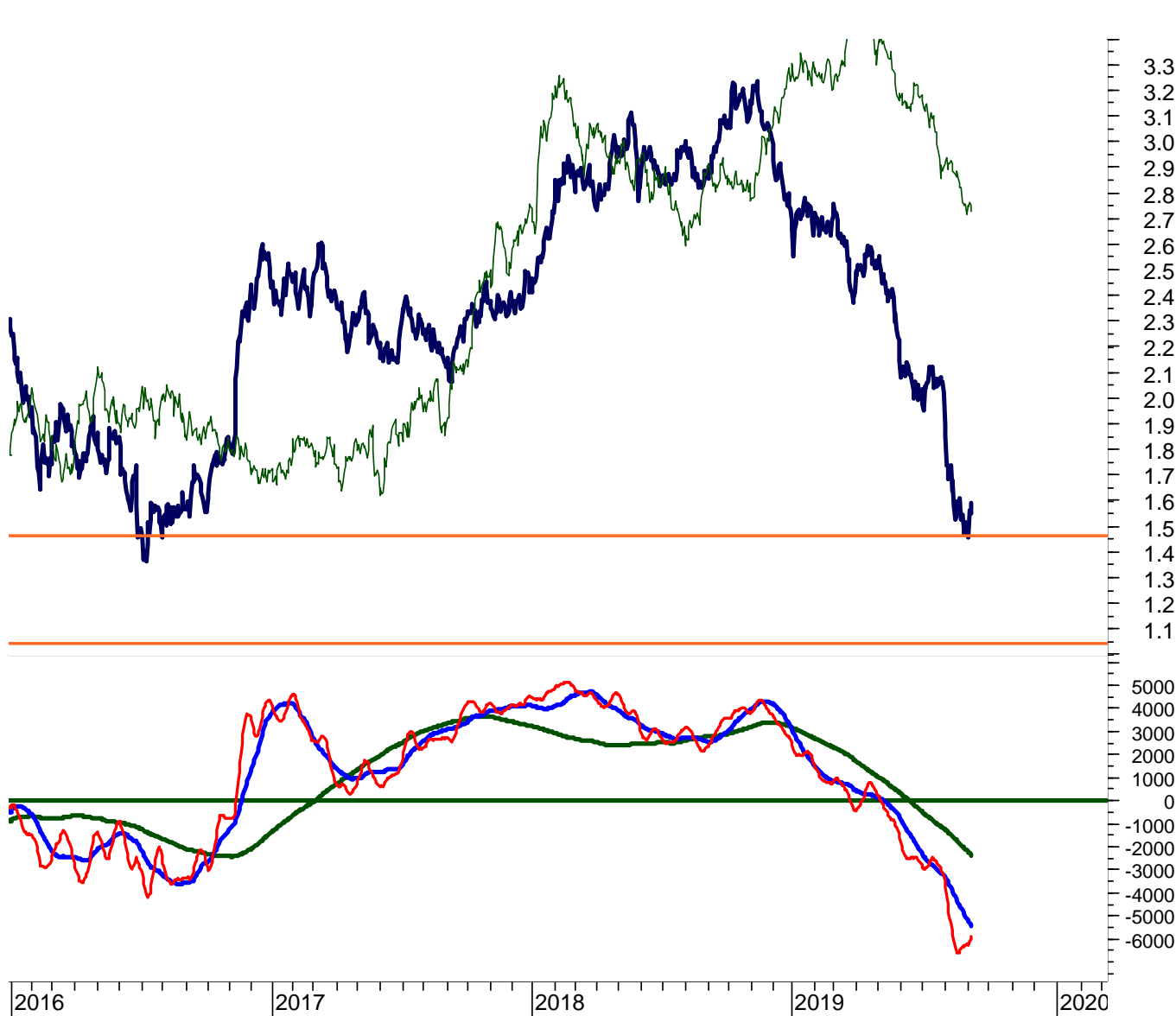
EUROPE	
EURO 10-year Government Bond Yield	DOWN
DENMARK 10-year Bund Yield	DOWN
FINLAND 10-year Bund Yield	DOWN
FRANCE 10-year Bund Yield	DOWN
GERMANY 10-year Bund Yield	DOWN
ITALY 10-year Government Bond Yield	DOWN
NETHERLANDS 10-year Government Bond Yield	DOWN
NORWAY 10-year Government Bond Yield	FLAT
PORTUGAL 10-year Government Bond Yield	DOWN
SPAIN 10-year Government Bond Yield	DOWN
SWEDEN 10-year Confederation Bond Yield	DOWN
SWITZERLAND 10-year Confederation Bond Yield	DOWN
U.K. 10-year Long Gilt Yield	DOWN

APAC	
JAPAN 10-year Government Bond Yield	DOWN
AUSTRALIA 10-year Government Bond Yield	DOWN
HONG KONG 10-year Government Bond Yield	DOWN
NEW ZEALAND 10-year Government Bond Yield	DOWN
SINGAPORE 10-year Government Bond Yield	DOWN

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

US 10-year Treasury Yield

The US Yield fell to the 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 1.70% and 1.87% would signal a major rebound and a medium-term low.

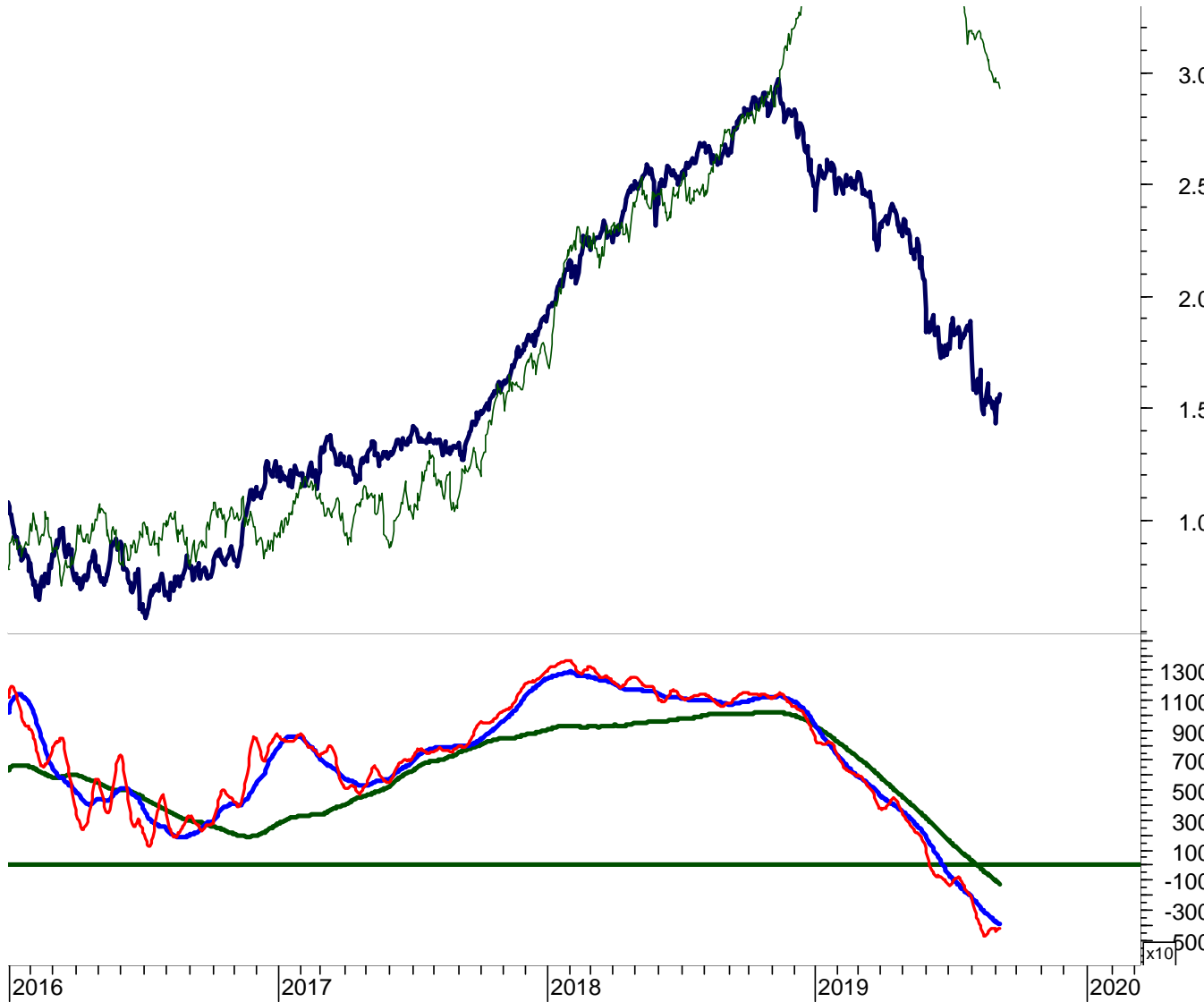


Long-term Outlook: DOWN
Medium-term Outlook: DOWN

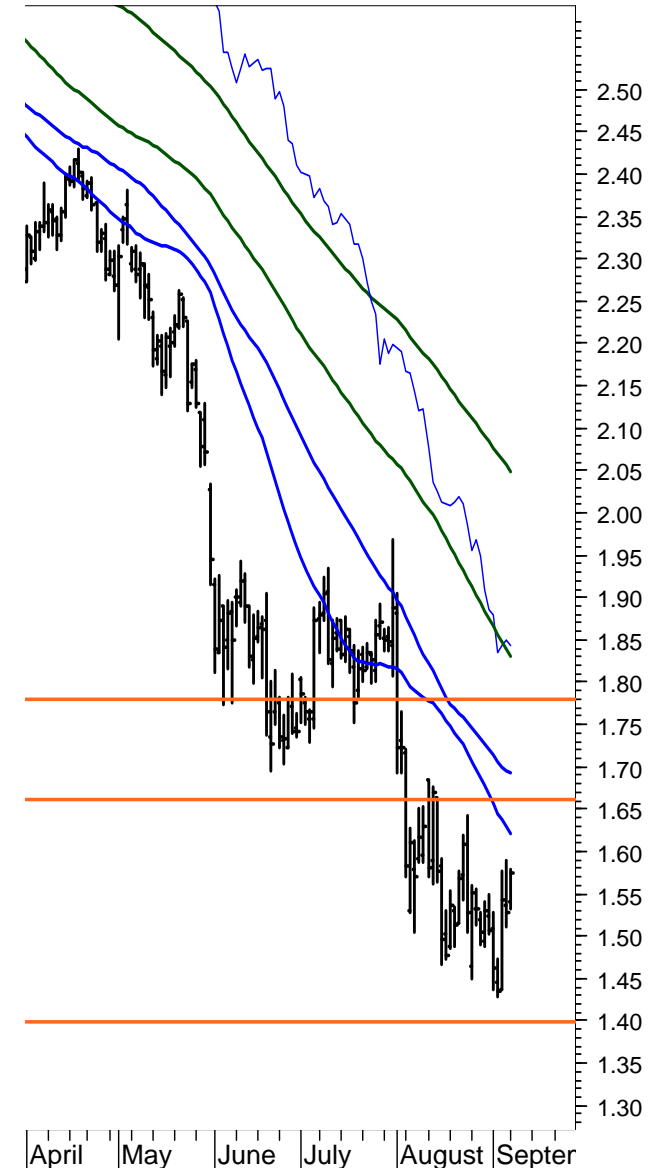


US 2-year Treasury Yield

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 absolute and relative to the Total Return from the 7-10-year Global Bond Index

Given the size of the correction in the Total Return from the Swiss 7-10-year Bonds (upper right), I have downgraded the medium-term outlook to FLAT. On the relative chart (lower right) is the Swiss TR still underperforming the Global Government Bonds Total Return Index.

Moreover, the Total Return from Spain and Australia is downgraded to FLAT.

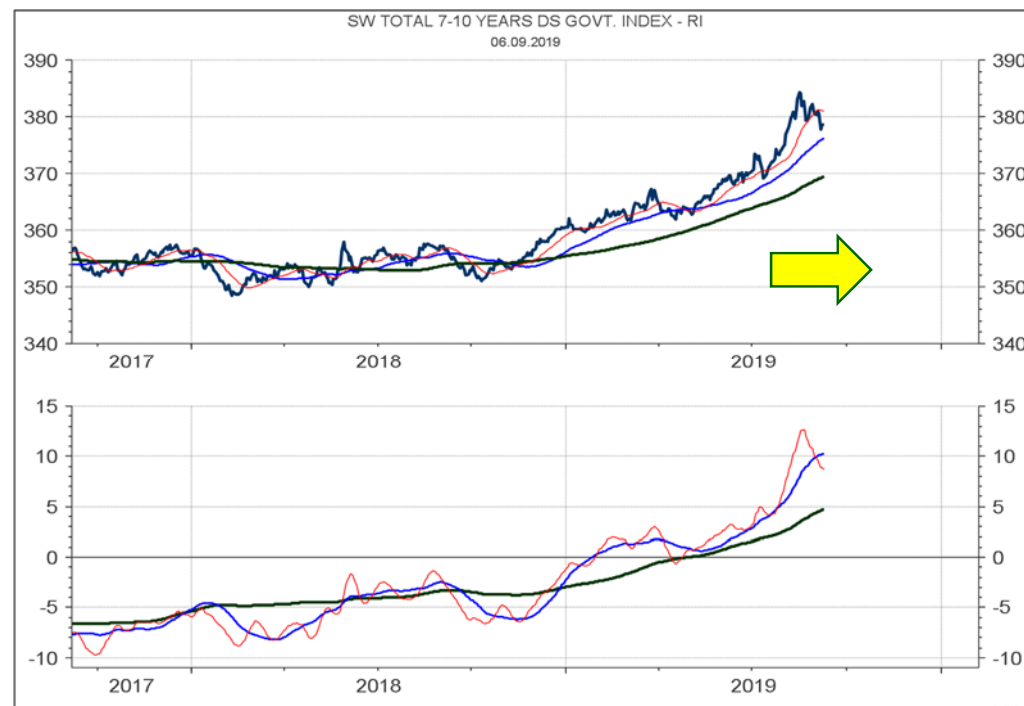
TOTAL RETURN 7-10-year GOV. BONDS	MEDIUM-TERM OUTLOOK	BOND TOTAL RETURN RELATIVE TO THE GLOBAL GOVERNMENT BOND INDEX in local currencies
GLOBAL GOVERNMENT BOND INDEX (7-10-YEAR)	UP	

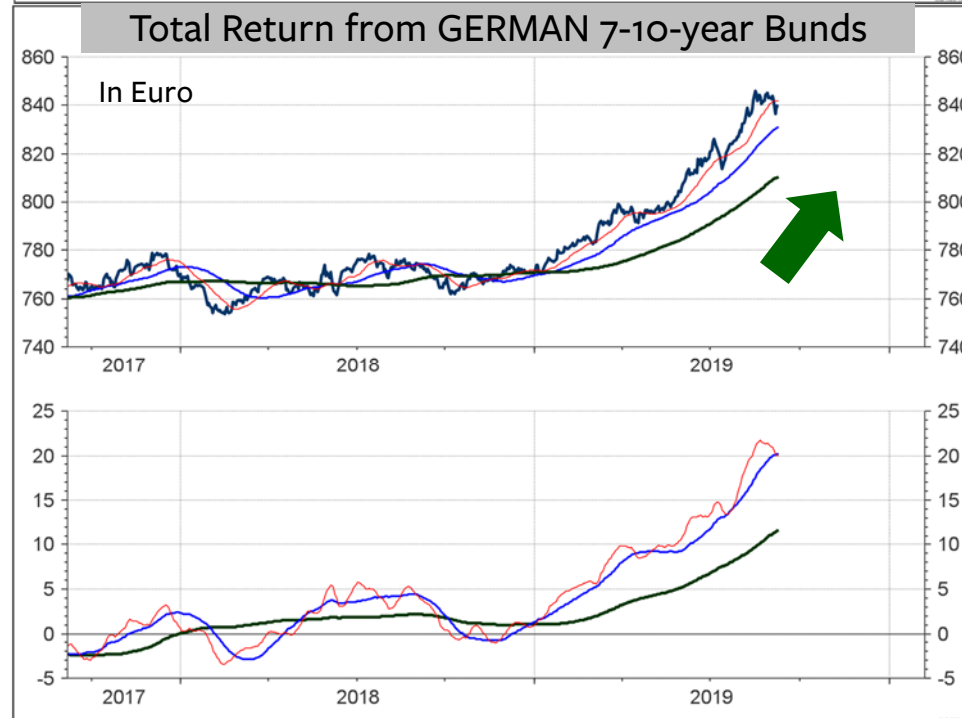
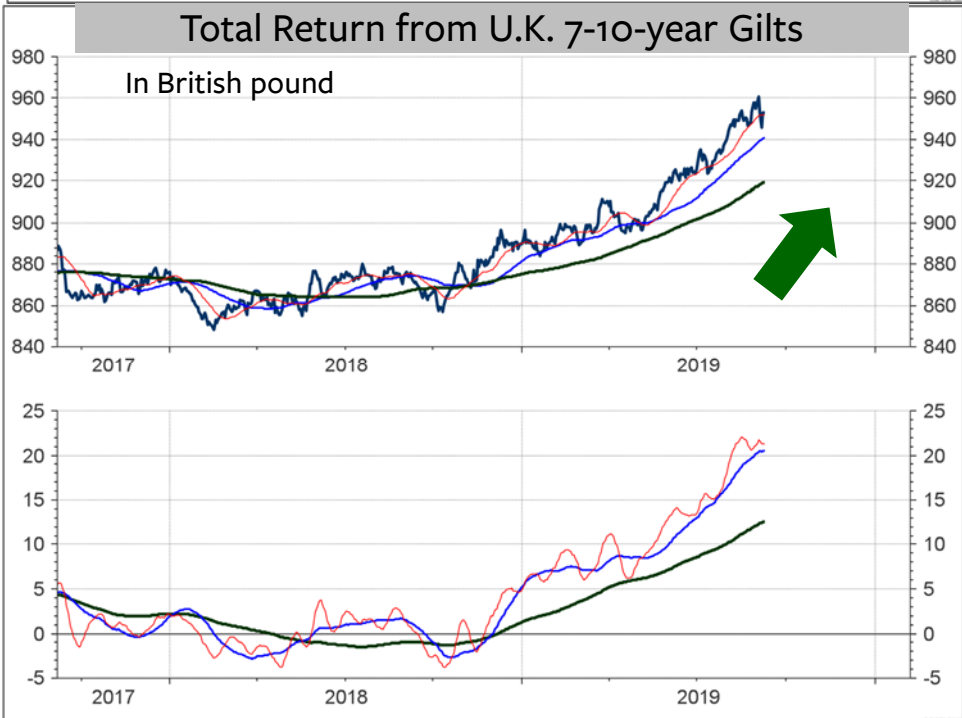
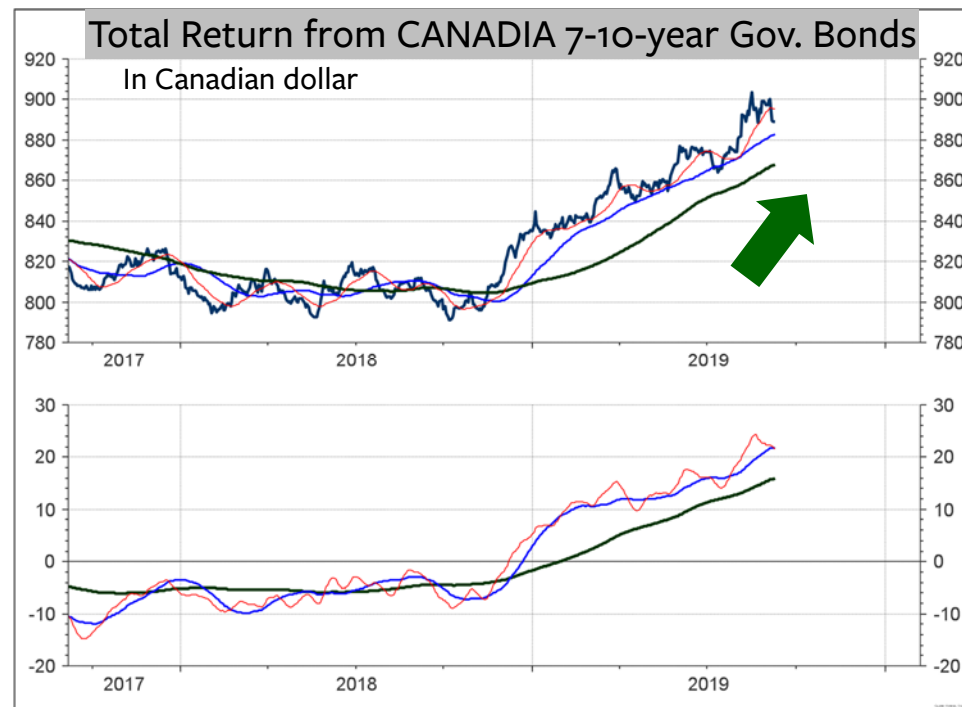
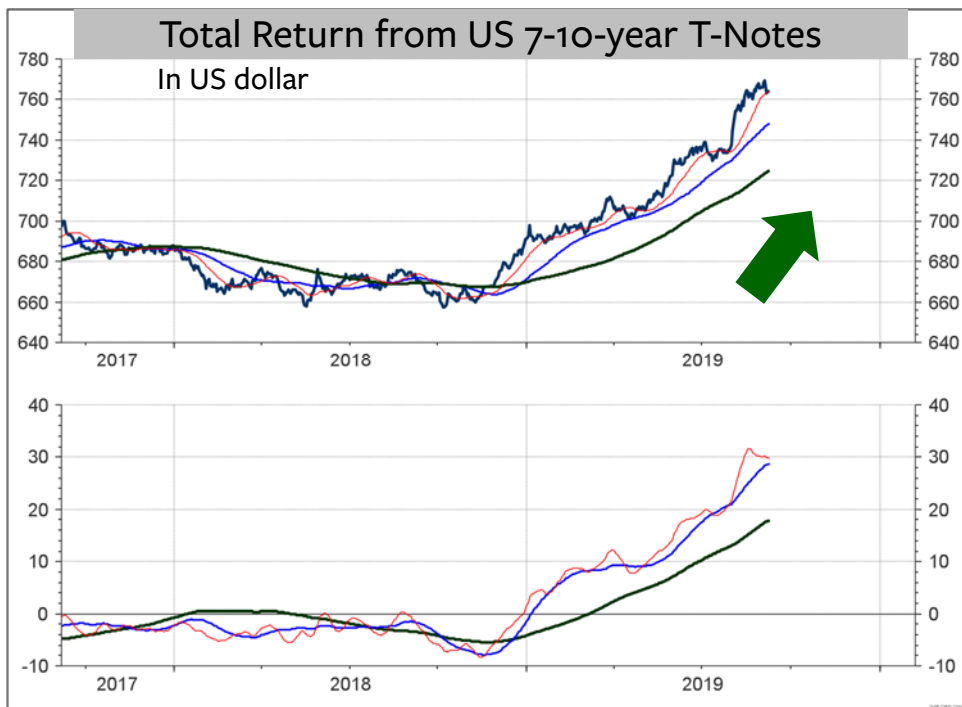
US 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT USA
CANADA 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT CANADA

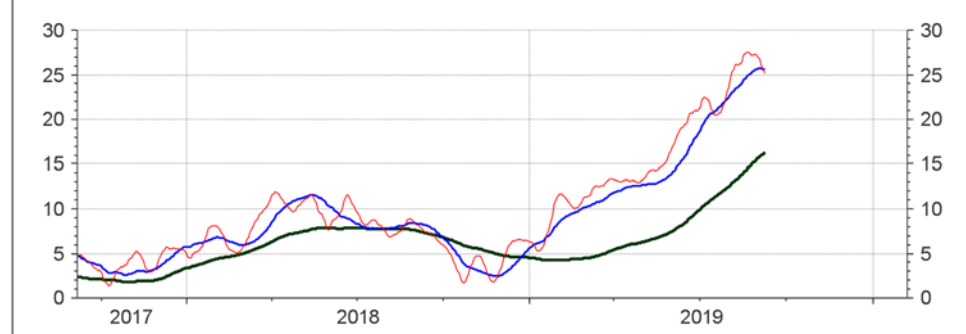
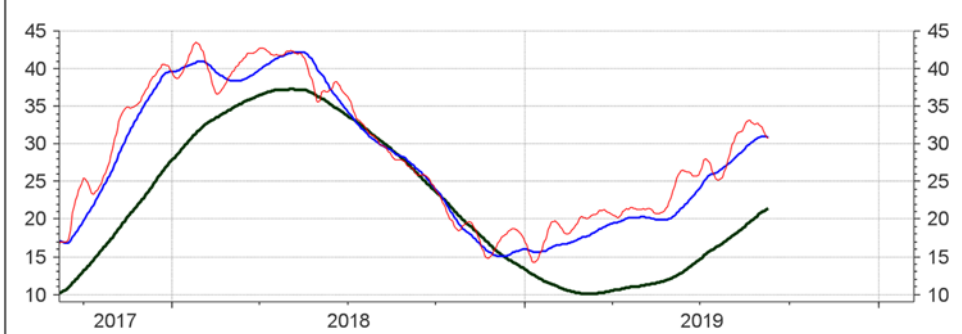
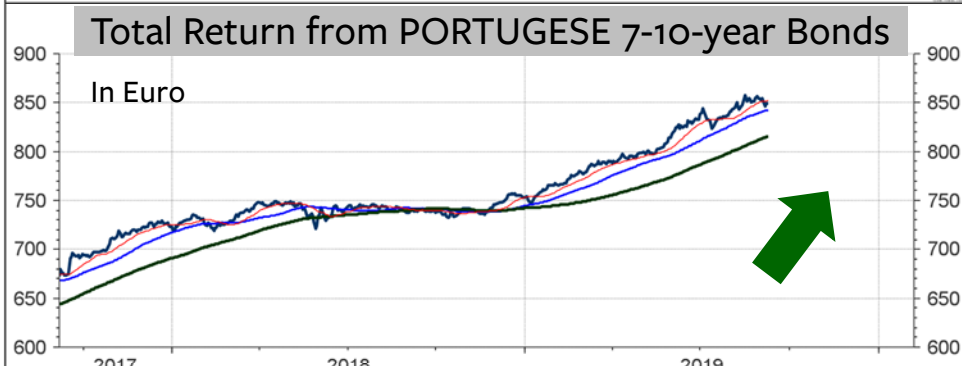
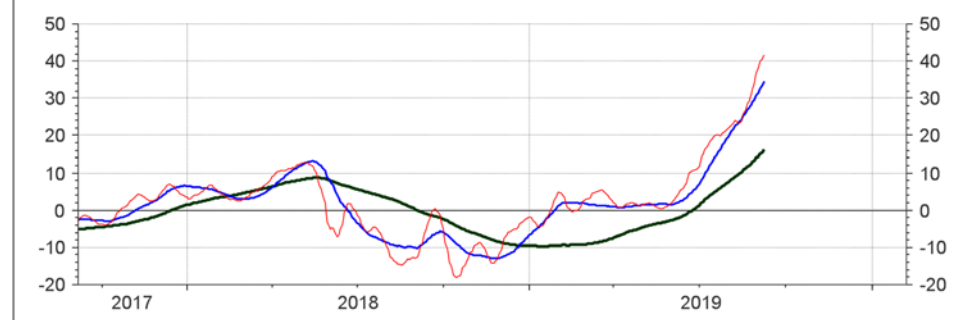
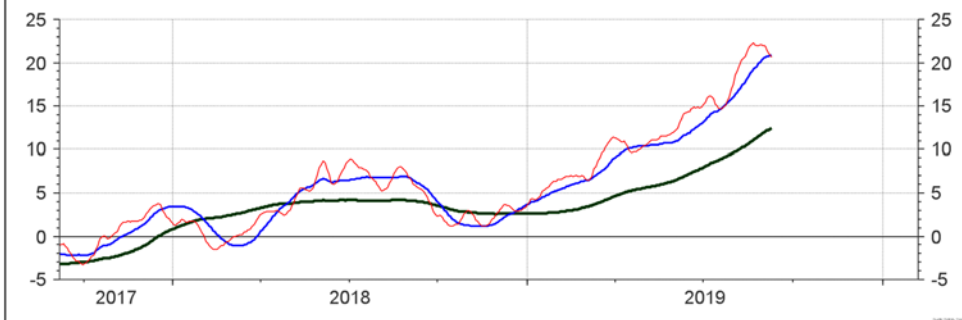
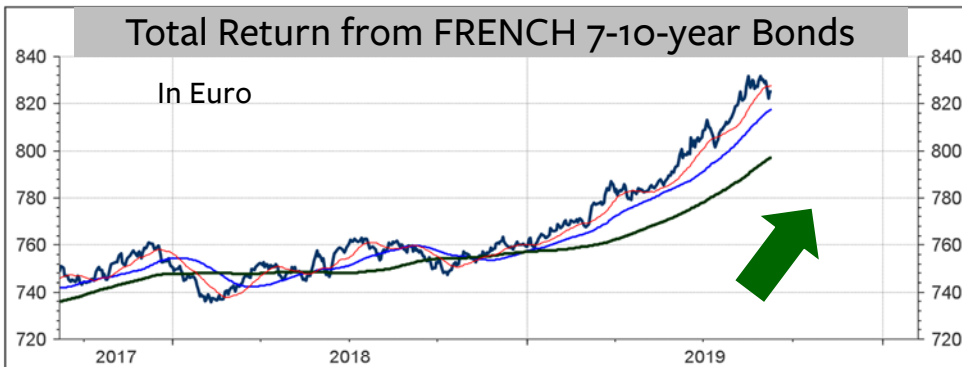
FRANCE 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT FRANCE
GERMANY 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT GERMANY
ITALY 7-10 year Government Bonds Total Return Index	UP	OVERWEIGHT ITALY
PORTUGAL 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT PORTUGAL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

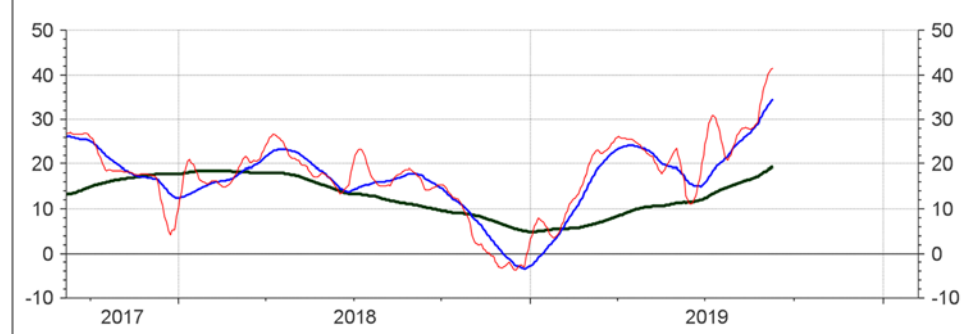
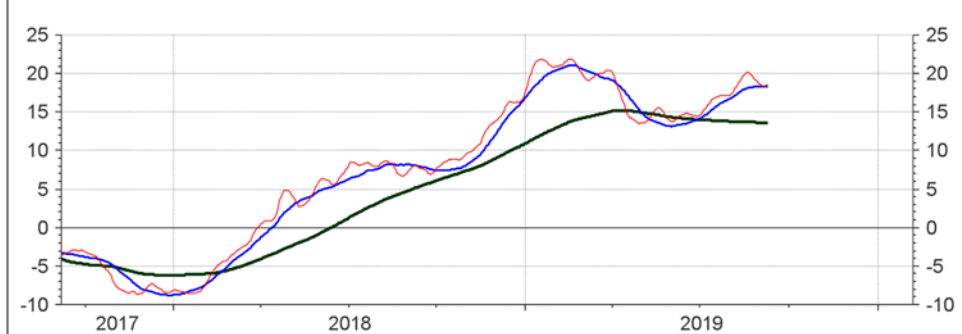
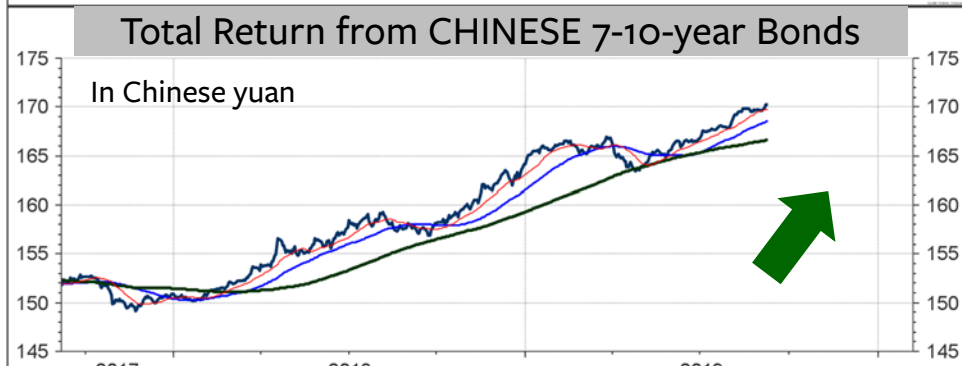
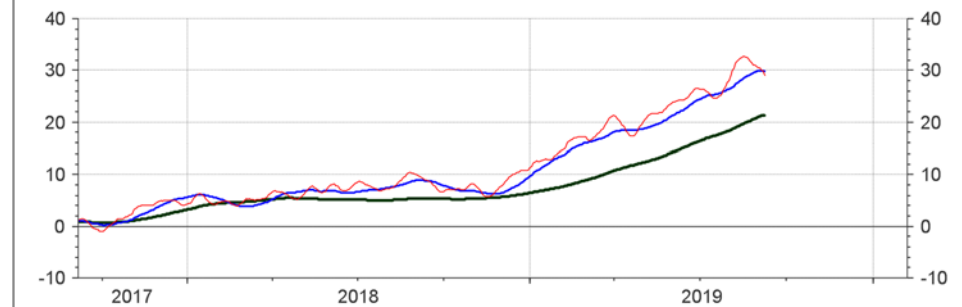
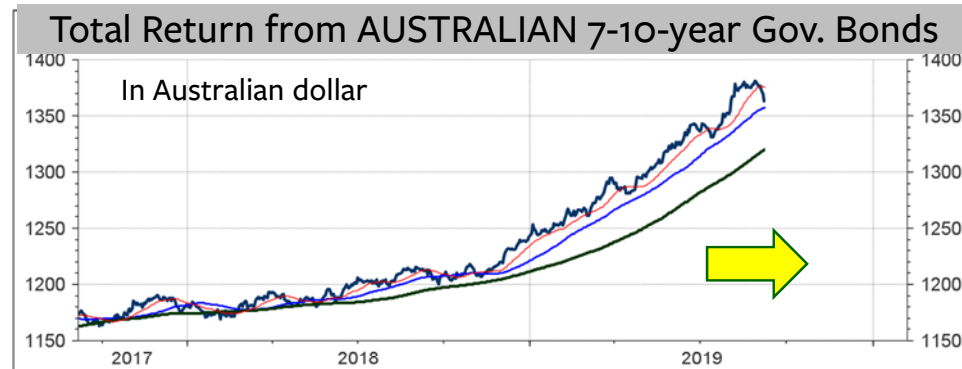
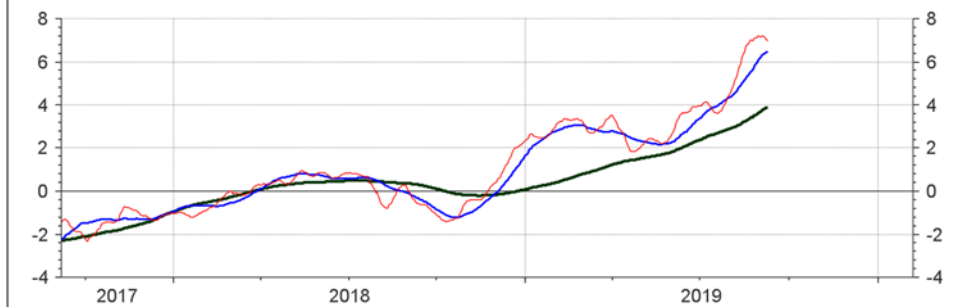
JAPAN 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT JAPAN
AUSTRALIA 10-year Government Bond Total Return Index	(d) FLAT	UNDERWEIGHT AUSTRALIA

CHINA 7-10 year Government Bonds Total Return Index	UP	UNDERWEIGHT CHINA
MEXICO 7-10 year Government Bonds Total Return Index	UP	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.

There is only one change on the absolute trend table. The Italian and U.K. 7-10-year Total Return in Swiss franc are upgraded to UP. Australia and Switzerland move to FLAT.

On the relative charts Italy is upgraded to OVERWEIGHT. U.K., Australia and Mexico move to NEUTRAL.

On the next pages, I picture the Total Return charts of 12 countries. The charts on top show the absolute Total Return trend in Swiss francs. The charts at the bottom show the countries Total Return relative to the Total Return from the Swiss 7-10-year bonds.

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
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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FLAT

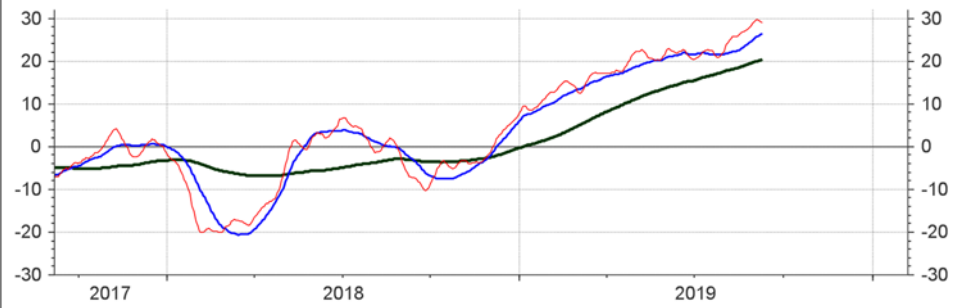
UP	NEUTRAL
UP	UNDERWEIGHT CANADA

FLAT	UNDERWEIGHT FRANCE
FLAT	UNDERWEIGHT GERMANY
(u) UP	(u) OVERWEIGHT ITALY
FLAT	UNDERWEIGHT PORTUGAL
FLAT	UNDERWEIGHT SPAIN
(d) FLAT	
(u) UP	(u) NEUTRAL

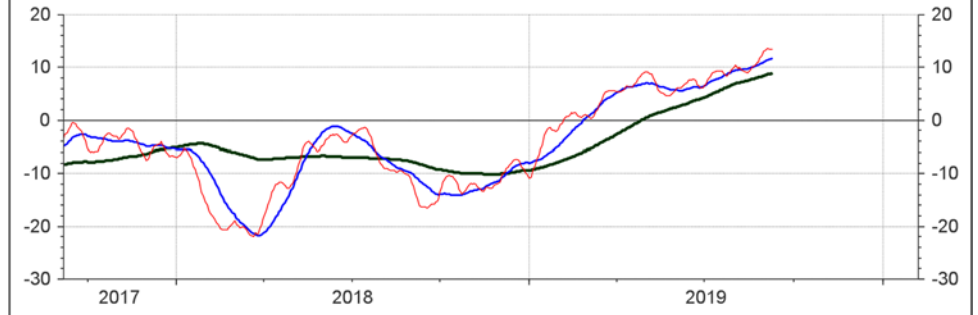
UP	UNDERWEIGHT JAPAN
(u) FLAT	(u) NEUTRAL

DOWN	UNDERWEIGHT CHINA
(u) UP	(u) NEUTRAL

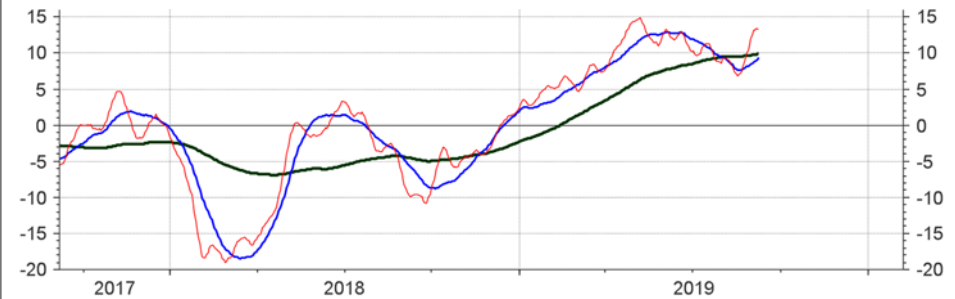
TR from the US 7-10-year T-Notes in SFR



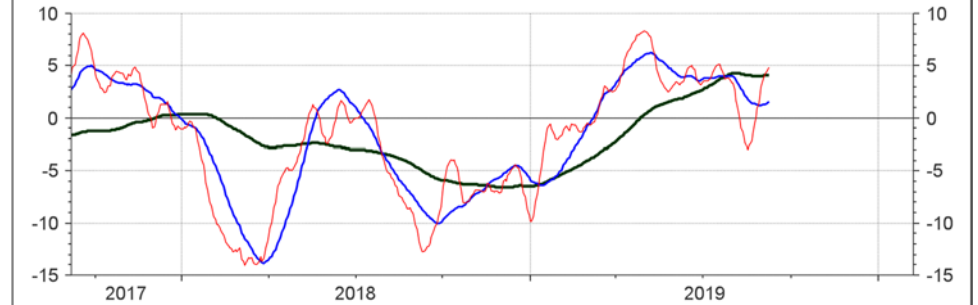
TR from the CANADIAN Gov Bonds in SFR



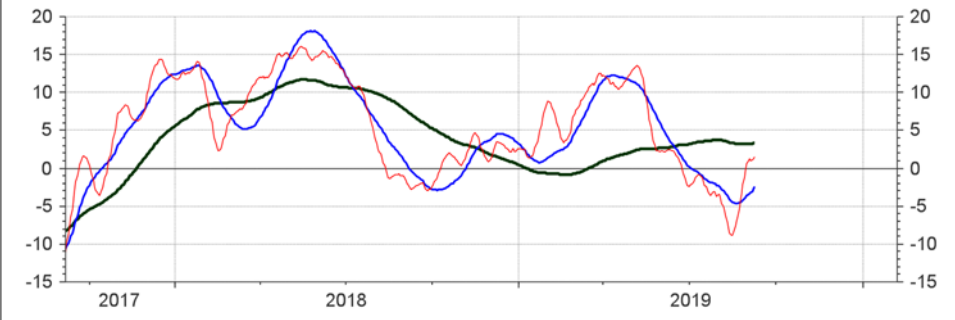
TR from the US 7-10-year T-Notes in SFR relative to the Swiss TR



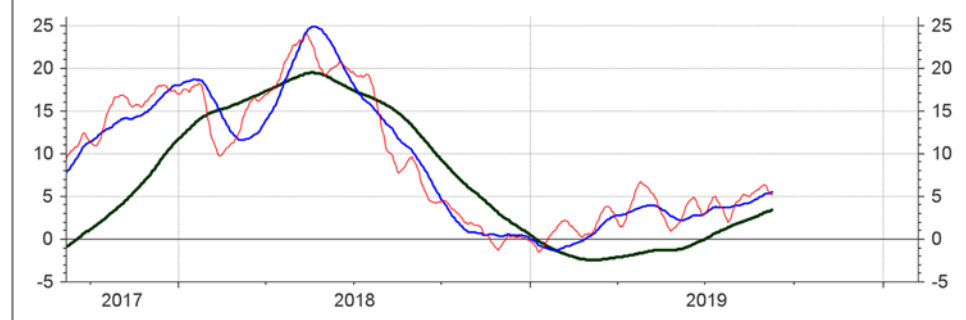
TR from the CANADIAN Gov Bonds in SFR relative to the Swiss TR



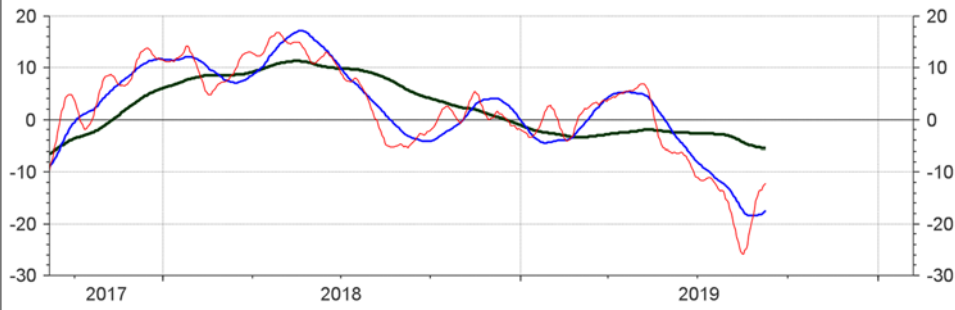
TR from the U.K. 7-10-year Gilts in SFR



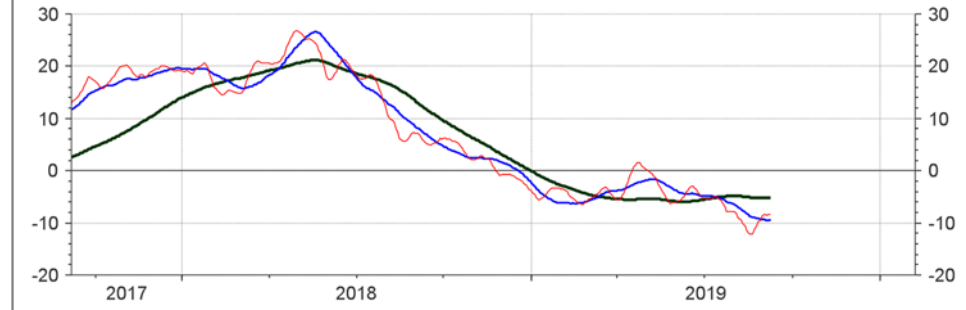
TR from the GERMAN Gov Bunds in SFR



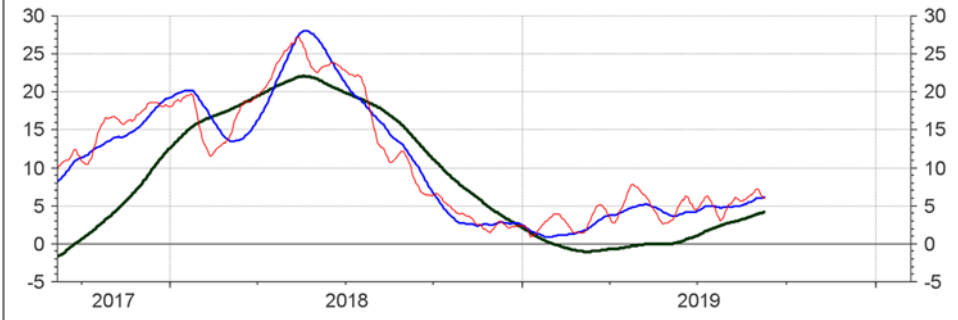
TR from the U.K. 7-10-year Gilts in SFR relative to the Swiss TR



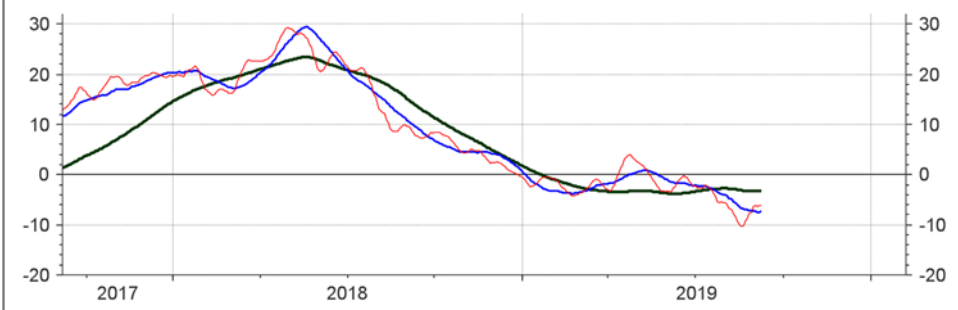
TR from the GERMAN Gov Bunds in SFR relative to the Swiss TR



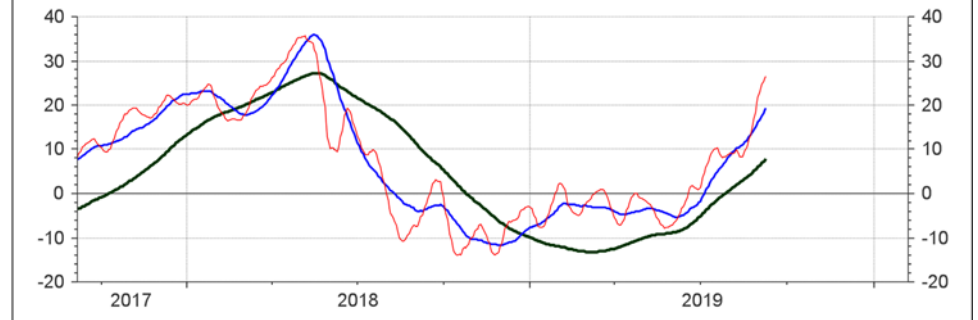
TR from the FRENCH 7-10-year Bonds in SFR



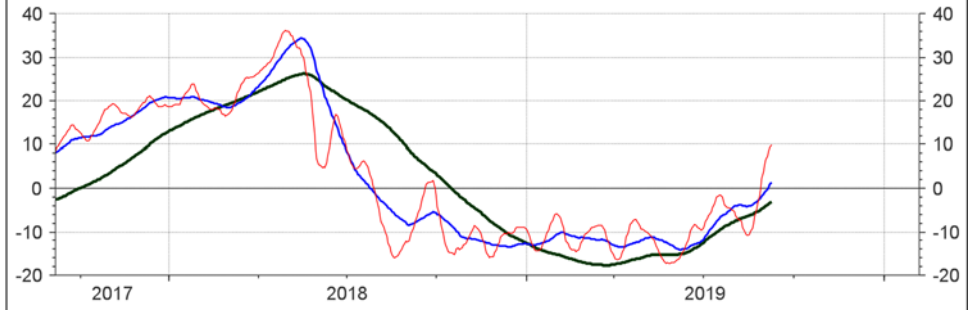
TR from the FRENCH 7-10-year Bonds in SFR relative to the Swiss TR



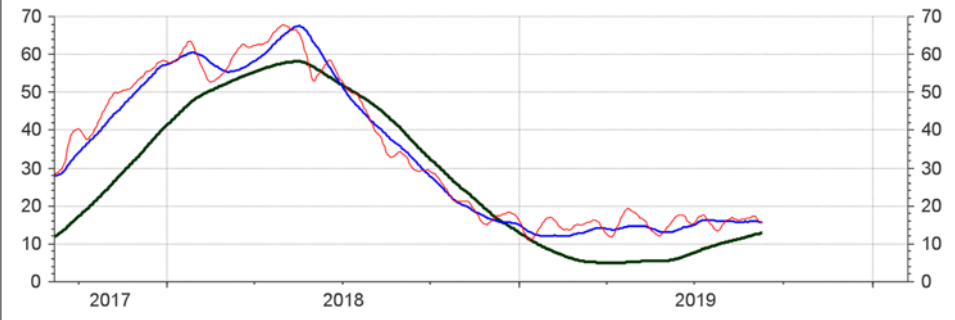
TR from the ITALIAN Gov Bonds in SFR



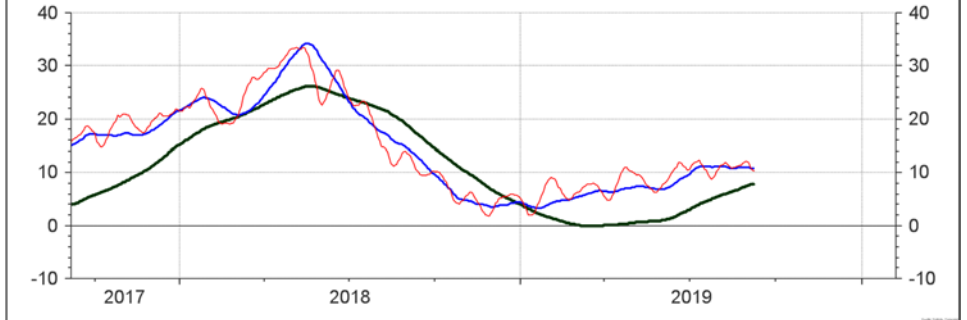
TR from the ITALIAN Gov Bonds in SFR relative to the Swiss TR



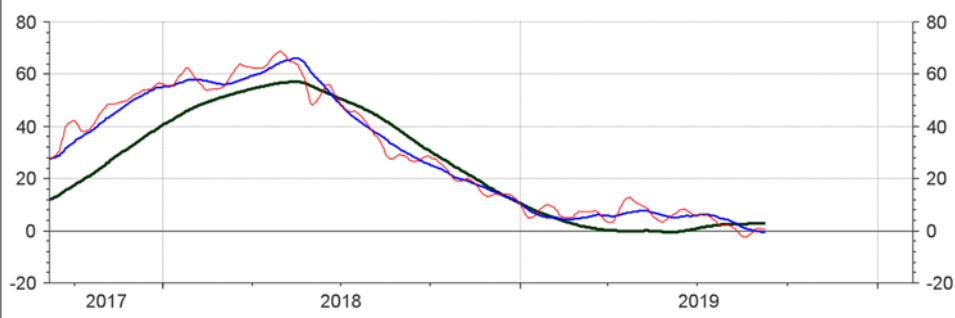
TR from the PORTUGUESE 7-10-year Bonds in SFR



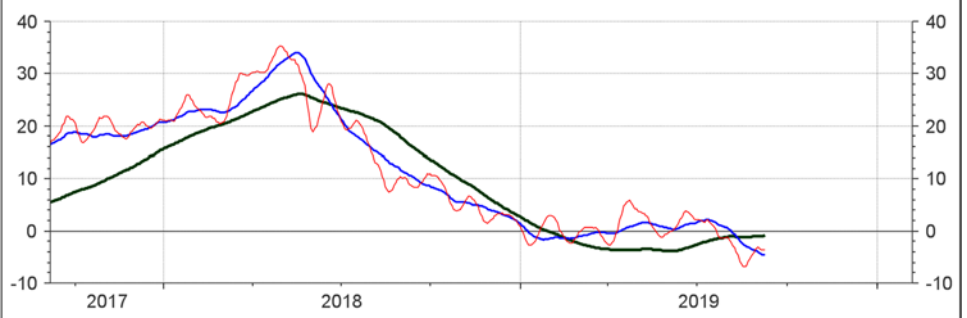
TR from the SPANISH Gov Bonds in SFR

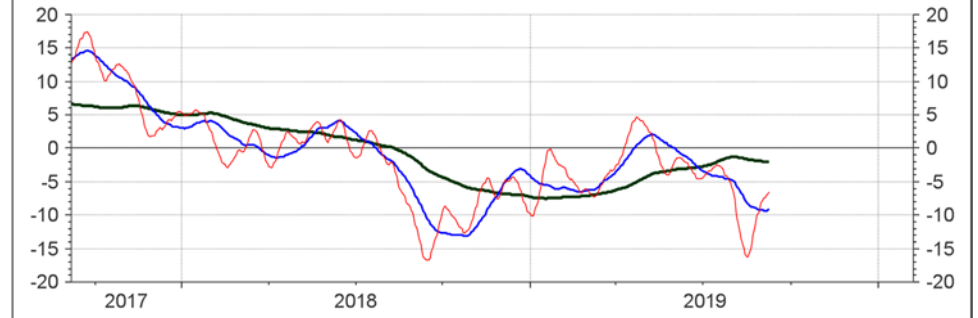
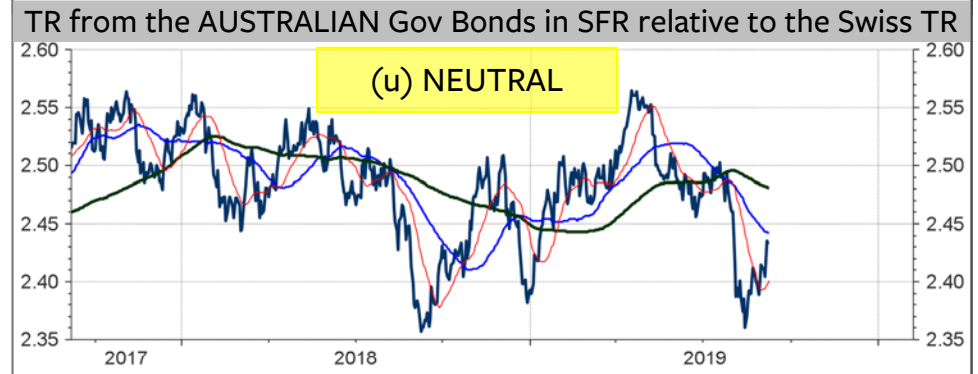
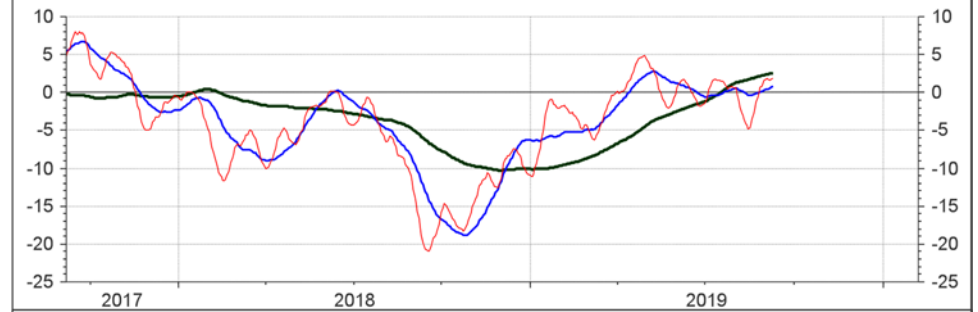
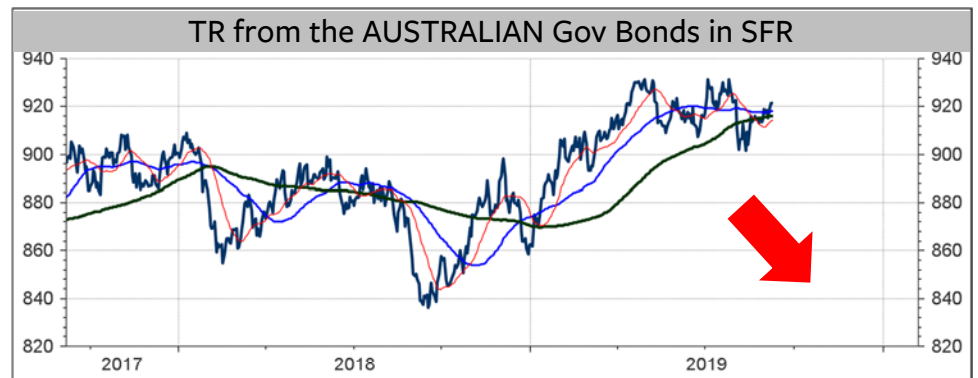
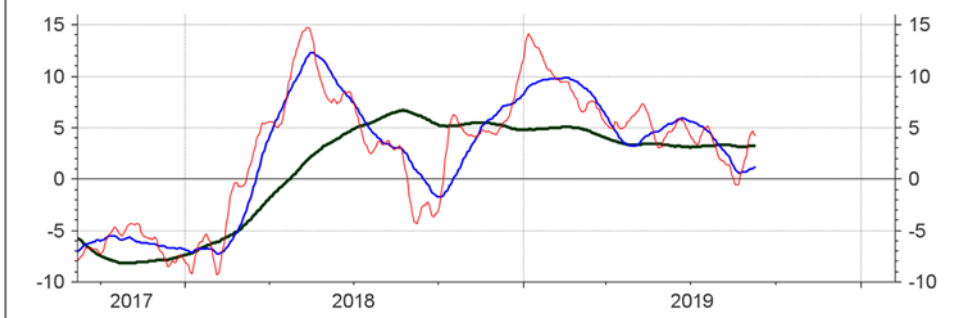
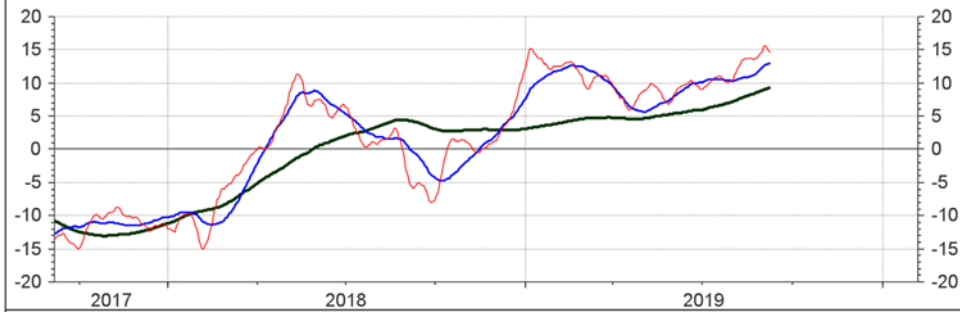
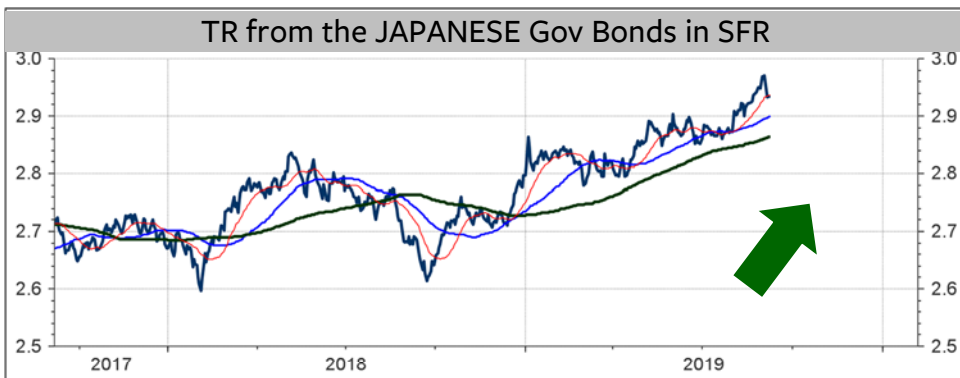


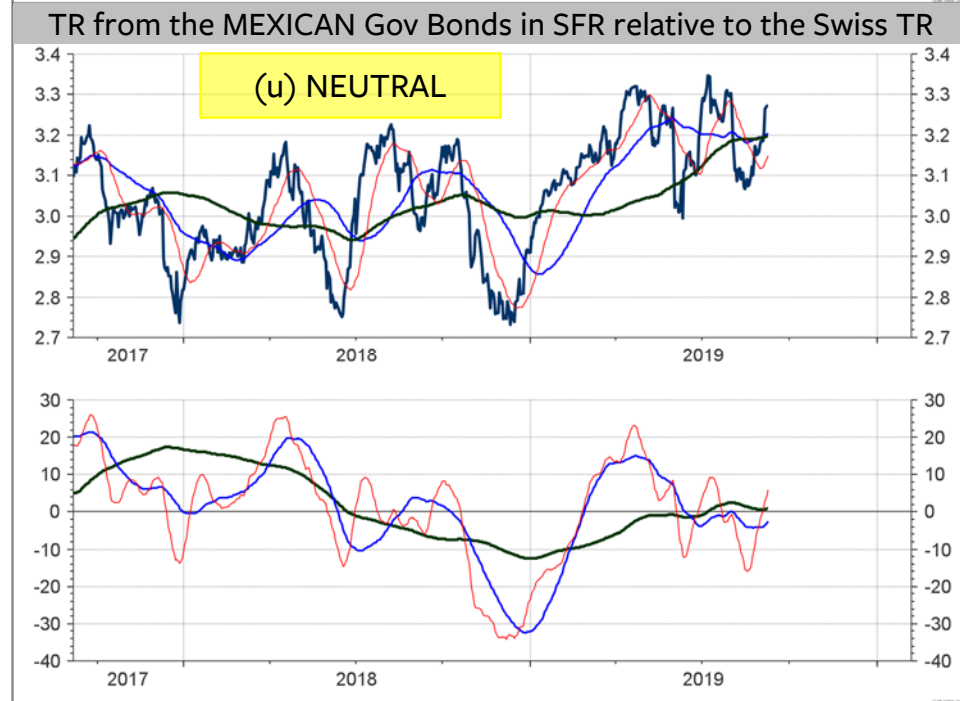
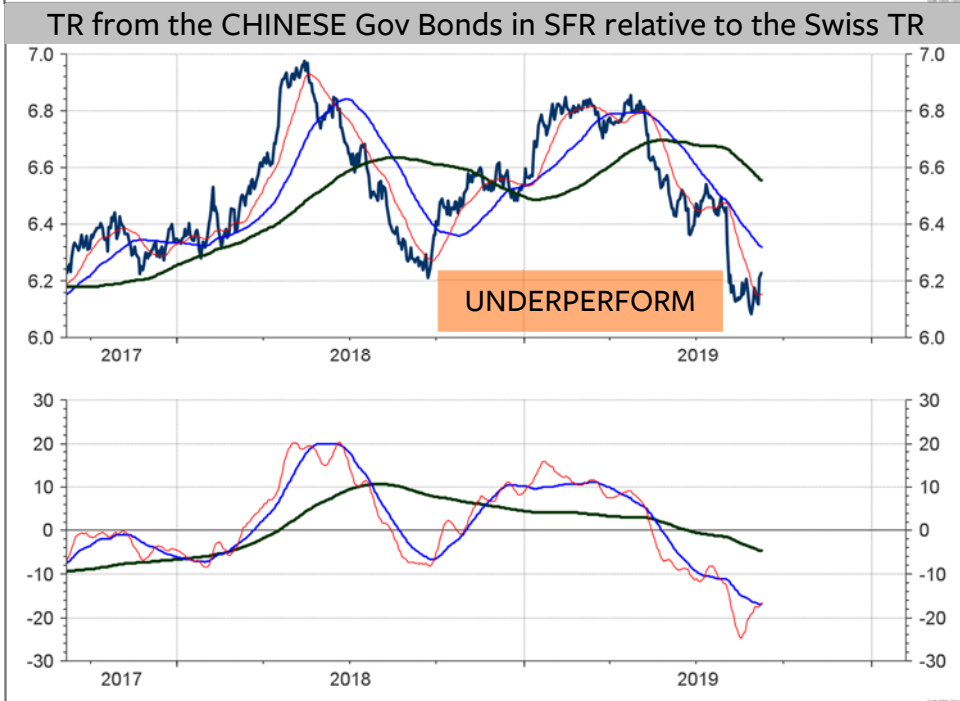
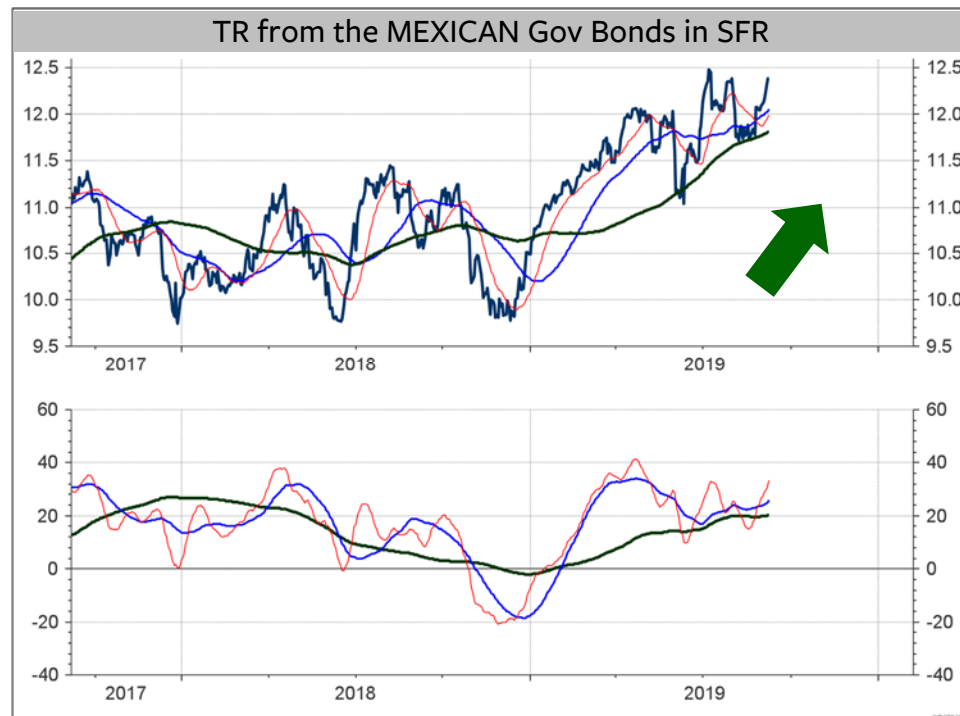
TR from the PORTUGUESE 7-10-year Bonds in SFR relative to the Swiss TR



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



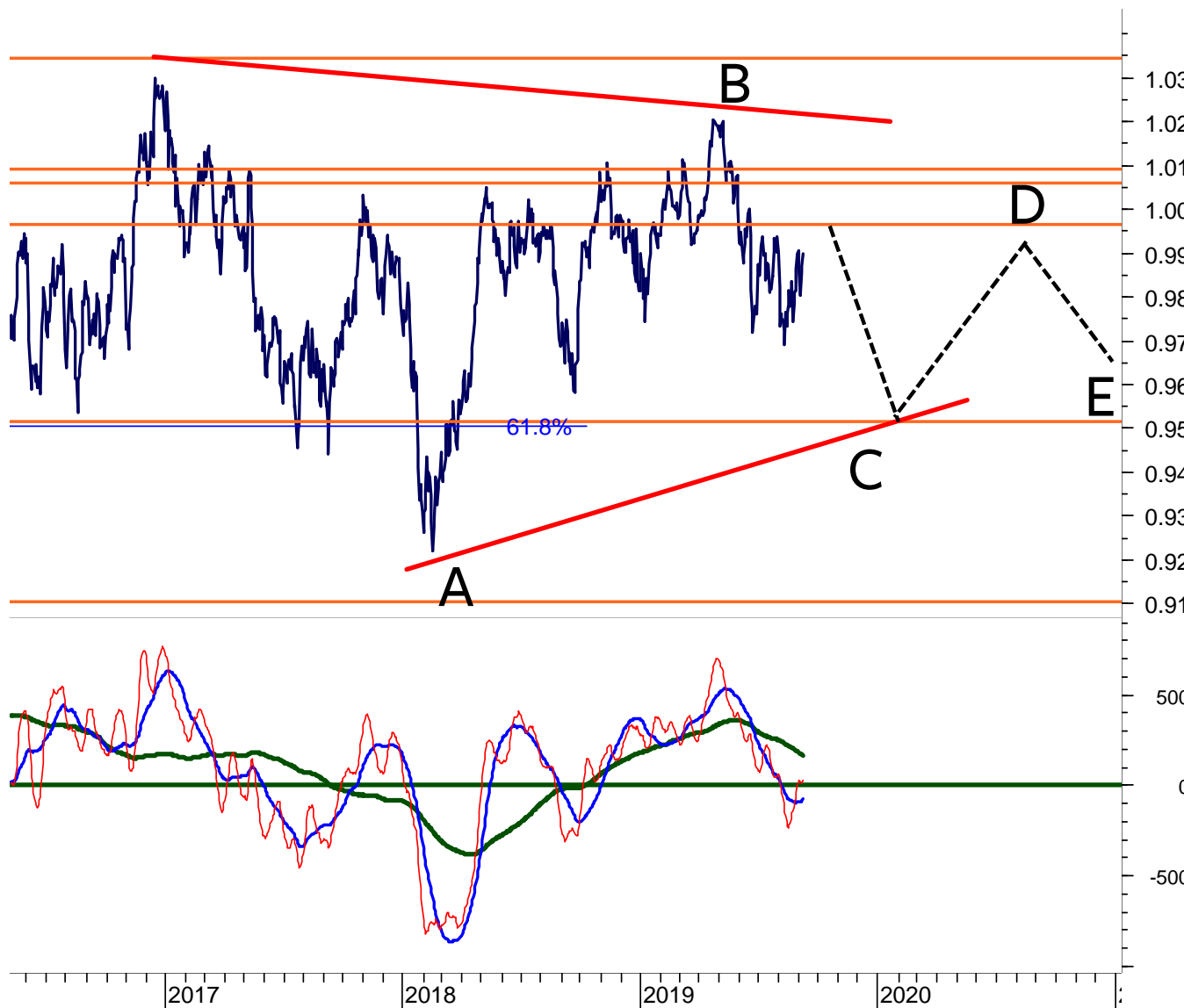




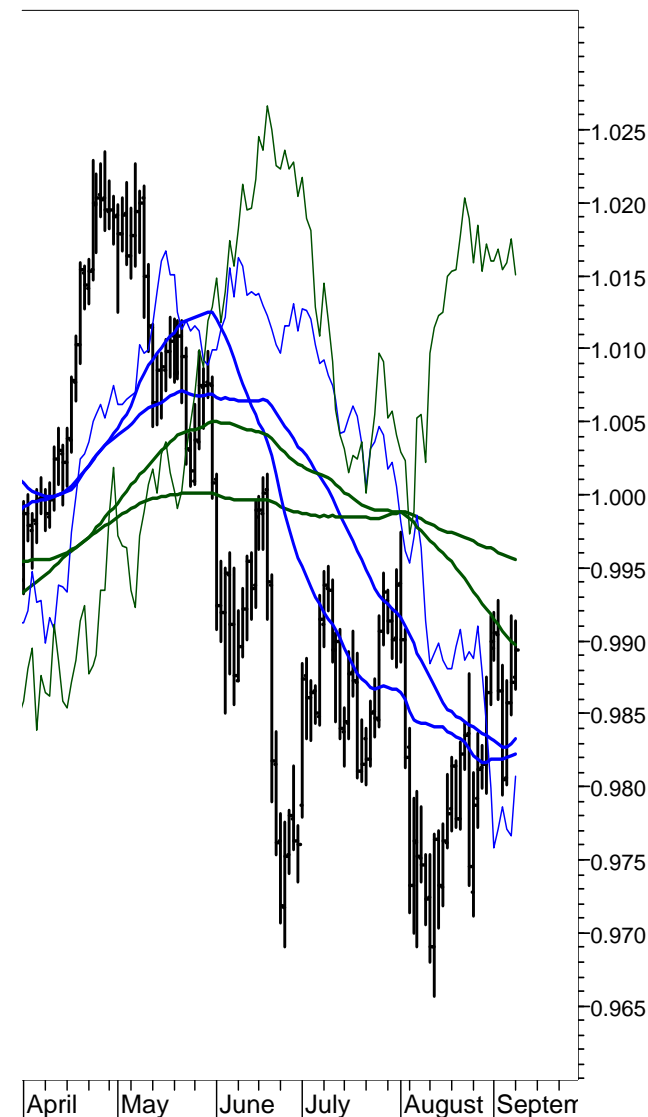
US dollar / Swiss franc – daily chart

The US dollar remains in the downtrend from the high in April 2019. This is Wave C of the triangle from December 2016.

I am still looking for the triangle from December 2016 to test the support at 0.95 (C=0.618 x A) or 0.91 (C=A).



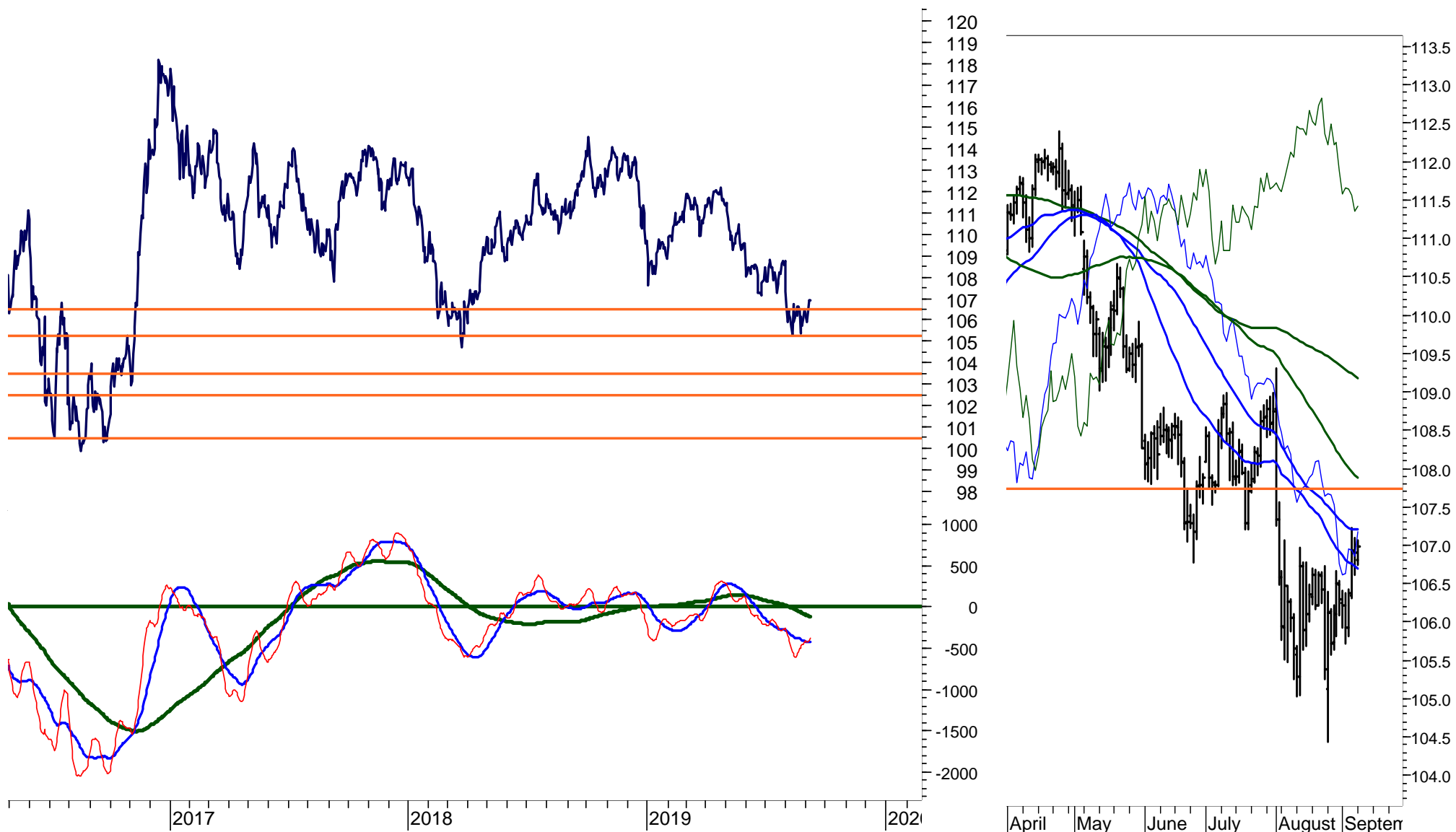
Long-term Outlook: DOWN
Medium-term Outlook: DOWN



US dollar / Japanese yen – daily chart

The US dollar is rebounding from the long-term support zone between 107.50 and 104.50. A break of 104.50 would activate the next supports at 103.50 to 102.50 to 100. A rise above 107.80 could signal that a medium-term low is in place.

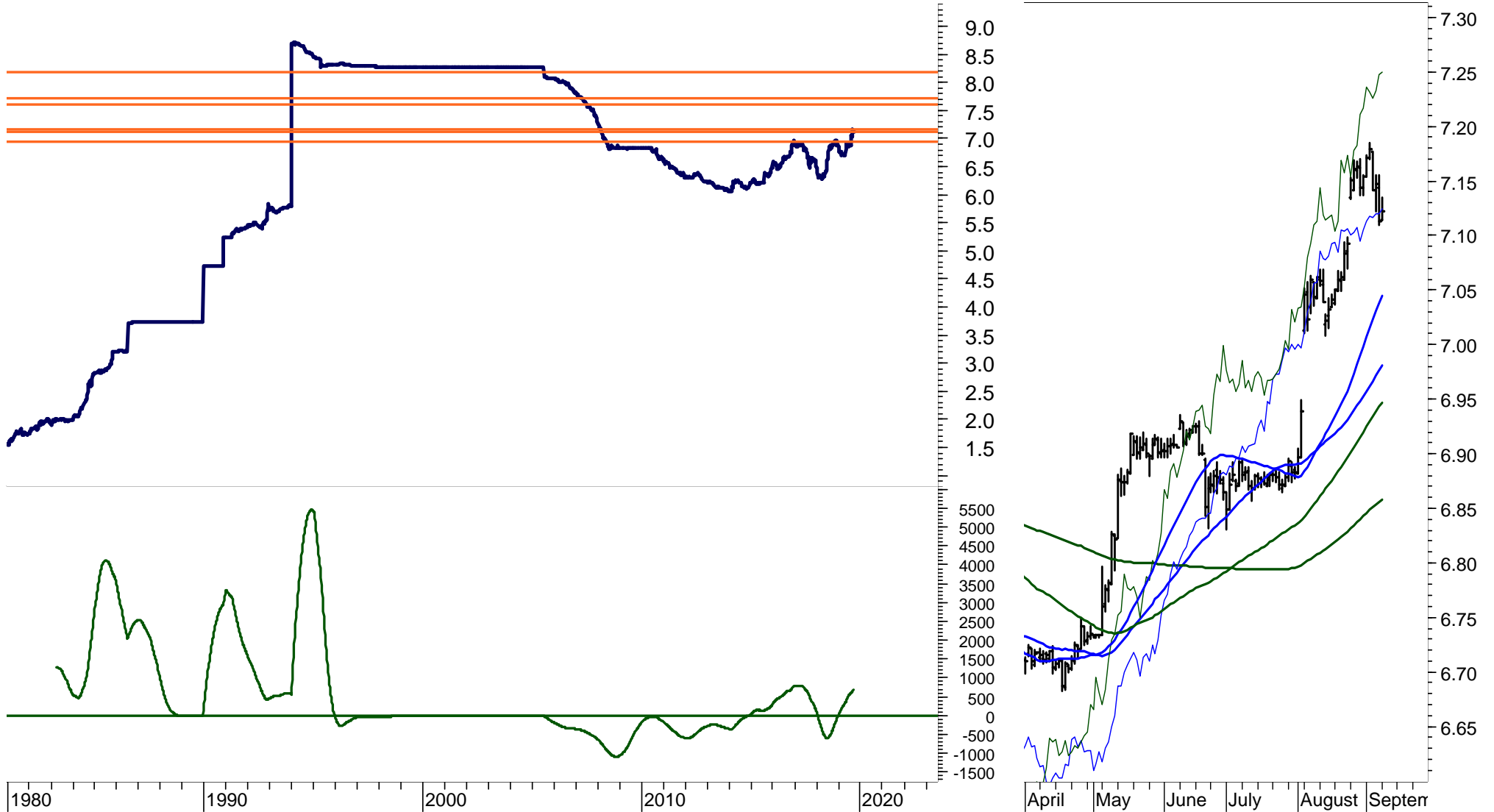
Long-term Outlook: DOWN
Medium-term Outlook: DOWN



US dollar / Chinese yuan – weekly chart

US dollar / Chinese yuan entered a short-term correction within the mega resistance range between 7.10 and 7.20. A break of 7.20 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 was turned down by the upper line of the triangle and the Fibonacci resistance levels at 20.10 / 20.30. Thus, a break upwards was negated.

The key support levels are at 19.50, 19.05 and 18.30.

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



Euro / US dollar – daily chart

The Euro sold off to the lower end of the long-term support range, which I had located at 1.1050 / 1.0950. It must stand up here or the downtrend could accelerate with various supports to 1.04.



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

British pound / US dollar – daily chart

The Pound is bouncing off the support at 1.20 / 1.1950. It would take a rally above 1.25 to signal a turnaround of medium-term degree.

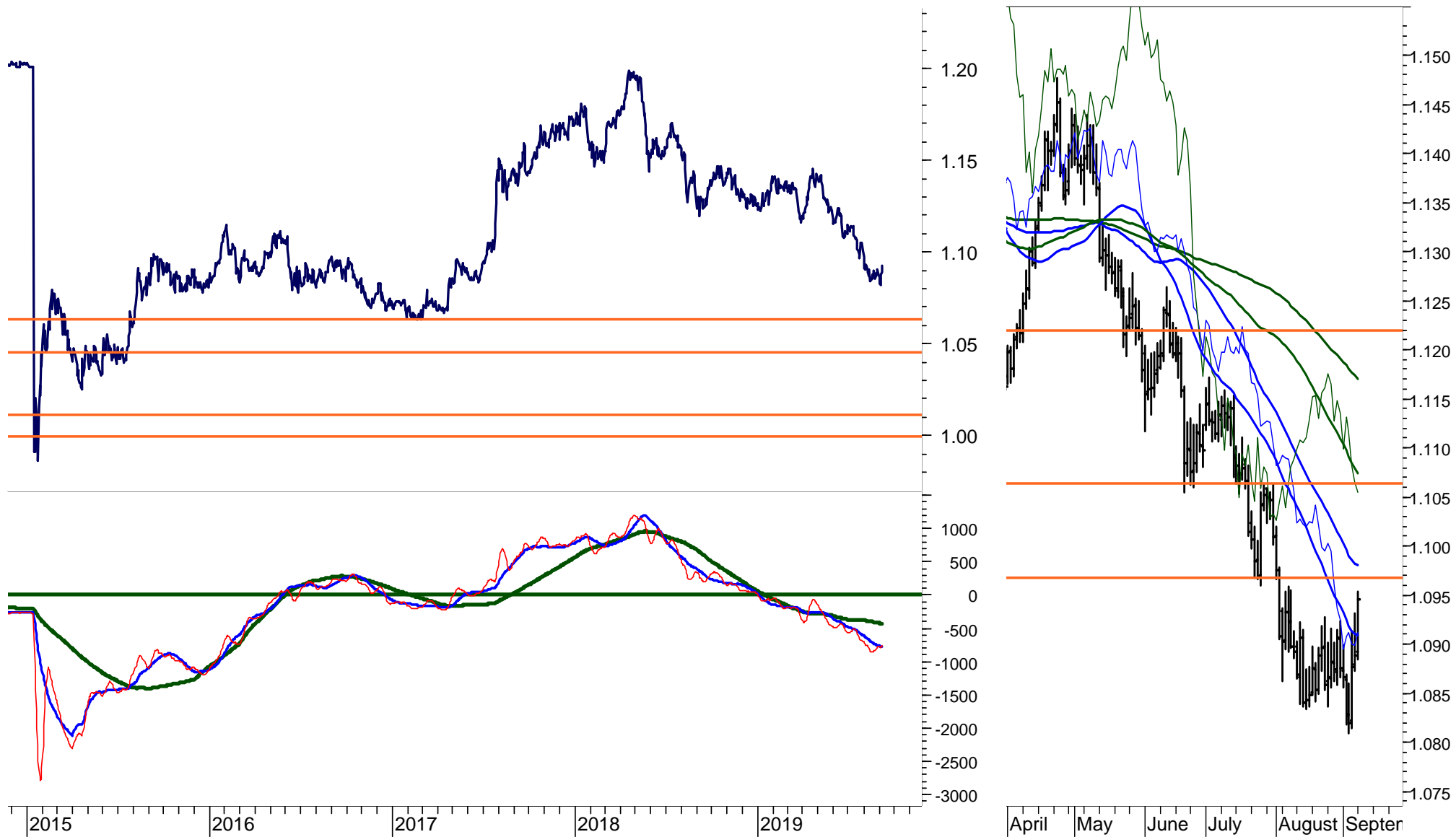
Long-term Outlook: DOWN
Medium-term Outlook: DOWN



Euro / Swiss franc – daily chart

The next major supports are at 1.0650 / 1.0450 or 1.01 / 1.00.
Resistance levels are at 1.0970, 1.1070 and 1.1220.

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



Bitcoin / US dollar – 240-minute chart (reprinted from my Chart Outlook of 26.8.2019)

The Bitcoin continues to form 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.

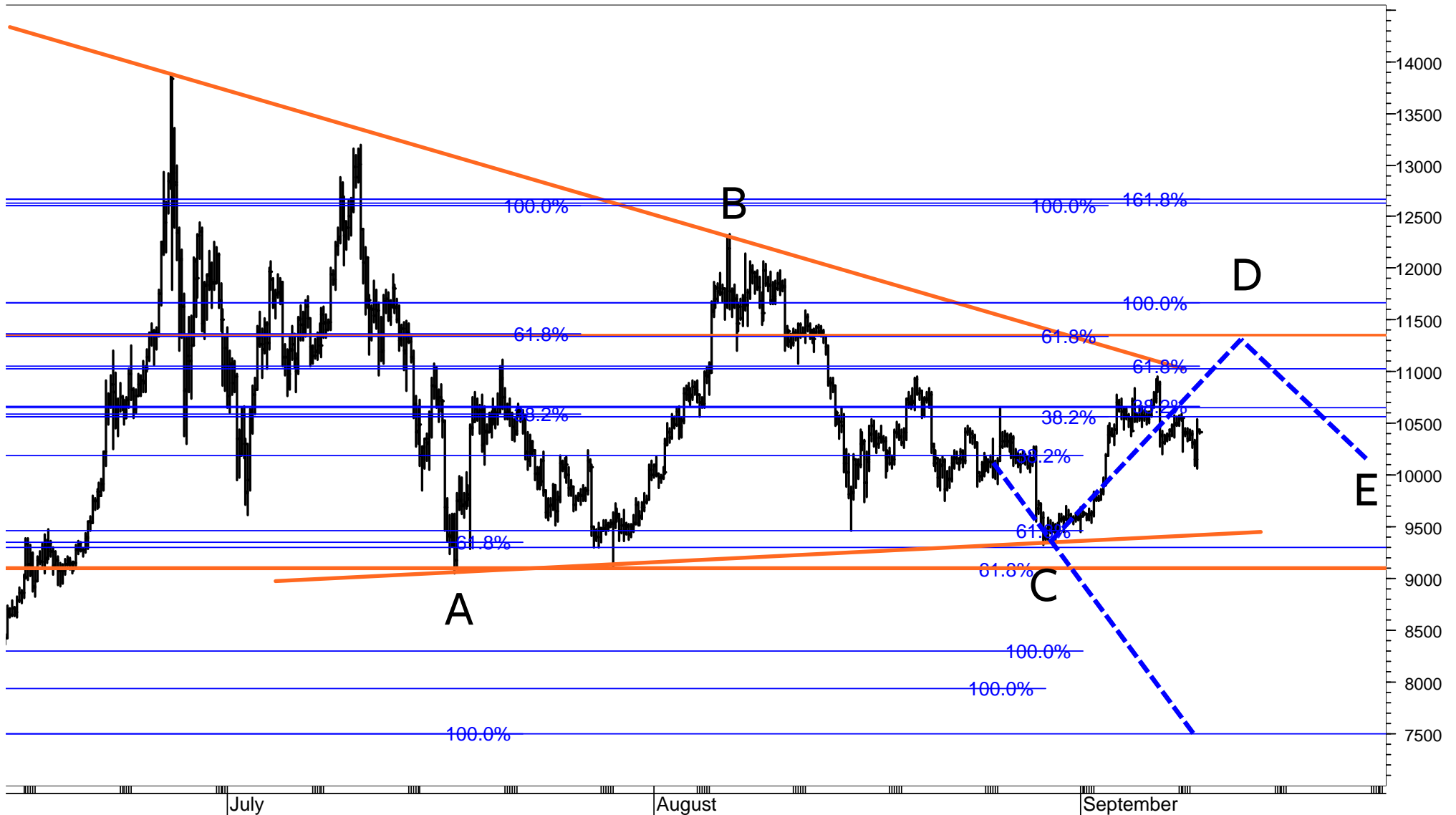


Bitcoin / US dollar – 240-minute chart

The Bitcoin declined to the most critical support, which I had located at 9300, based on the wave correlation of the the Waves A and C. The Bitcoin turned up again at this major support.

It is likely to form Wave D to 11,400. Wave D could be followed by Wave E to 10,000.

The Triangle is likely to be a bullish pattern as it should be followed by a test of 12,700 and another upleg to new highs above 14,000. However, a break of 9300 / 9000 would negate the bullish outlook and signal a major downturn.



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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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