



GLOBAL CHART OUTLOOK

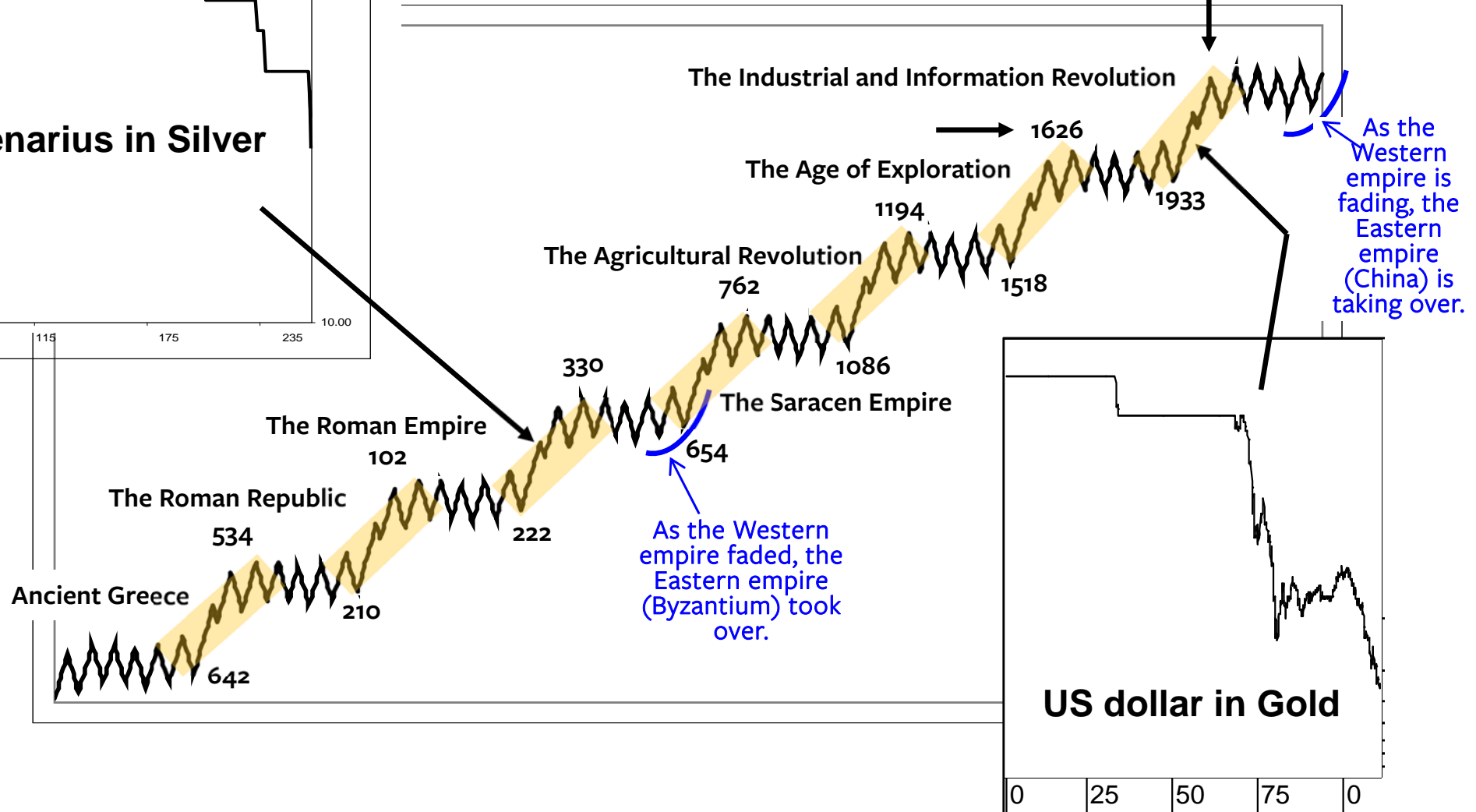
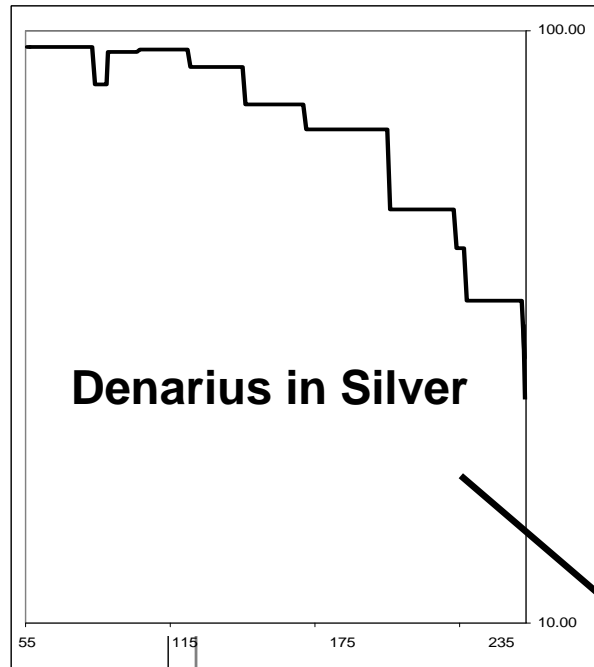
investing ahead of the crowd

GLOBAL MARKETS

30th September 2019 / Issue #37

The Superflation of 1933 to 2024?

I believe that the Superinflation, i.e. the rise in the overall price level as measured for example in the US Consumer Price Index, is entering a new plateau, similar to the year 1626. Given the average length of previous Superflations, the present one could well extend for some more years. I am looking for the signal of a downturn from Disinflation to Deflation as it will be triggered by the Consumer Price Index when it breaks the absolute uptrend in the long-term 55-month moving average (pages 4 and 5) and when this secular momentum falls below the Zero line.

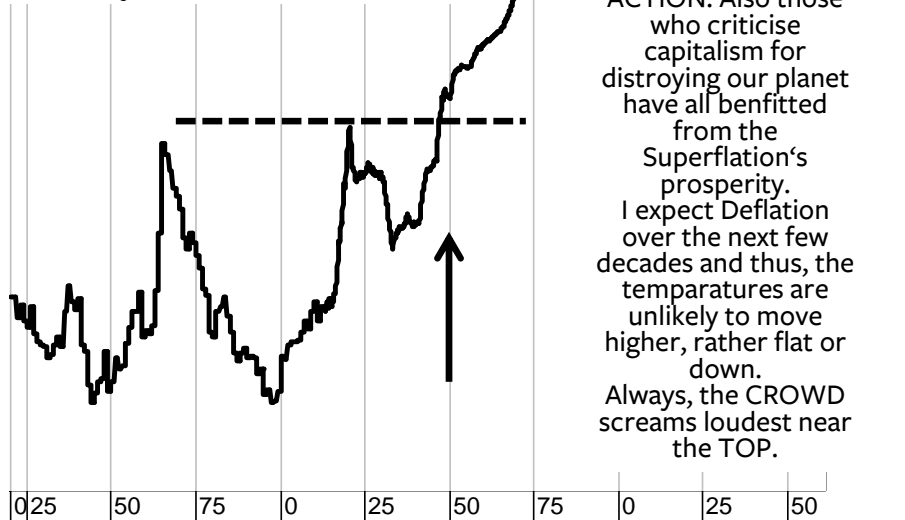


Economic growth and climatic changes – the crowd screams loudest near the turning points

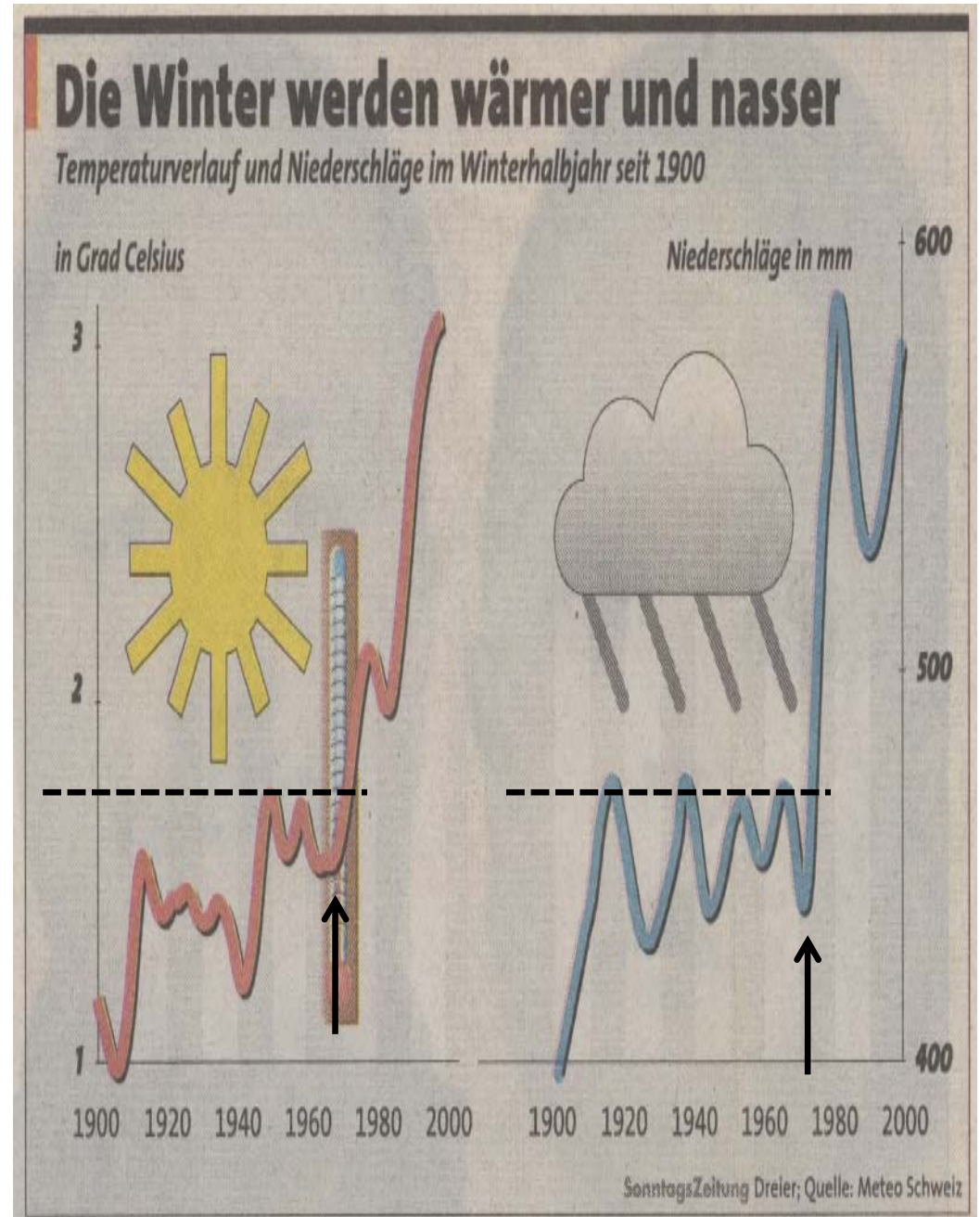
You could argue that the schematic of the previous Superflations, shown on the previous page, is (too) speculative to use if for forecasting purposes. However, the chart below left is not a schematic but it is the real-time chart of the absolute US CPI. It is more than a coincidence that the pattern below matches the schematic of the previous Superflations very closely.

Moreover, the collective mood appears to be at a point, which is similar to the high in the Superflation which peaked in the 1620s. If you study climatic changes it is again most interesting that in the early 1600s peak temperatures were as high (or even higher) compared to the past few years. Moreover, the rise in the CPI uptrend matches the temperatures and the rainfall during the winter half year (charts at right).

To me, it is obvious that with interest rates and debt economic growth has been outstanding. Without debt, the cycle would have lasted for a few 100 years, instead of the 90 years since 1933. In present Superflation we have overwhelmed nature. This is why the charts of the economy and the climate are closely correlated.

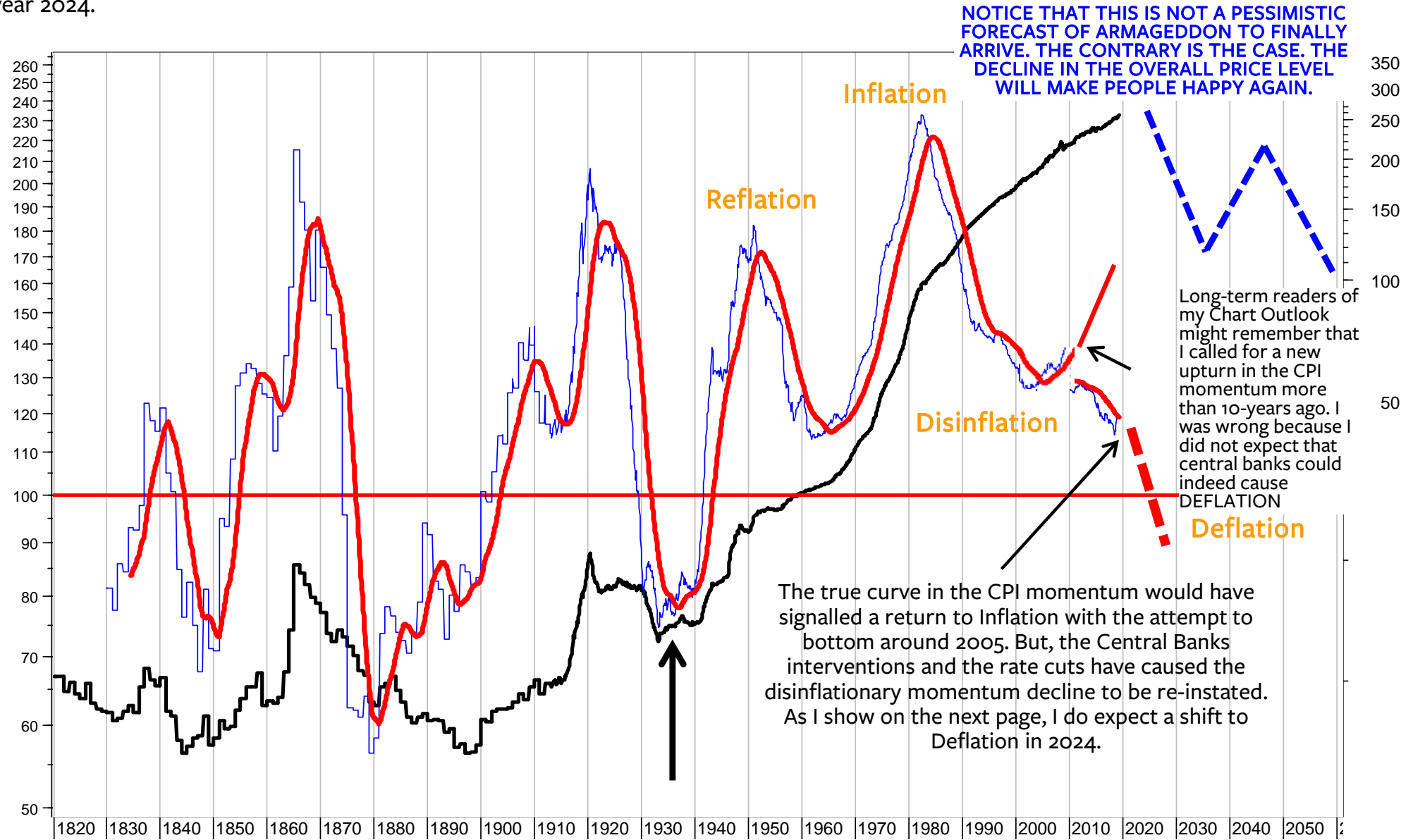


As is the case in most peaks, the collective mood and the human behaviour is similar. NOW THAT THE SUPERFLATION IS ENTERING THE TOP, THE CROWD GOES TO THE STREETS AND CALLS FOR ACTION. Also those who criticise capitalism for destroying our planet have all benefitted from the Superflation's prosperity. I expect Deflation over the next few decades and thus, the temperatures are unlikely to move higher, rather flat or down. Always, the CROWD screams loudest near the TOP.



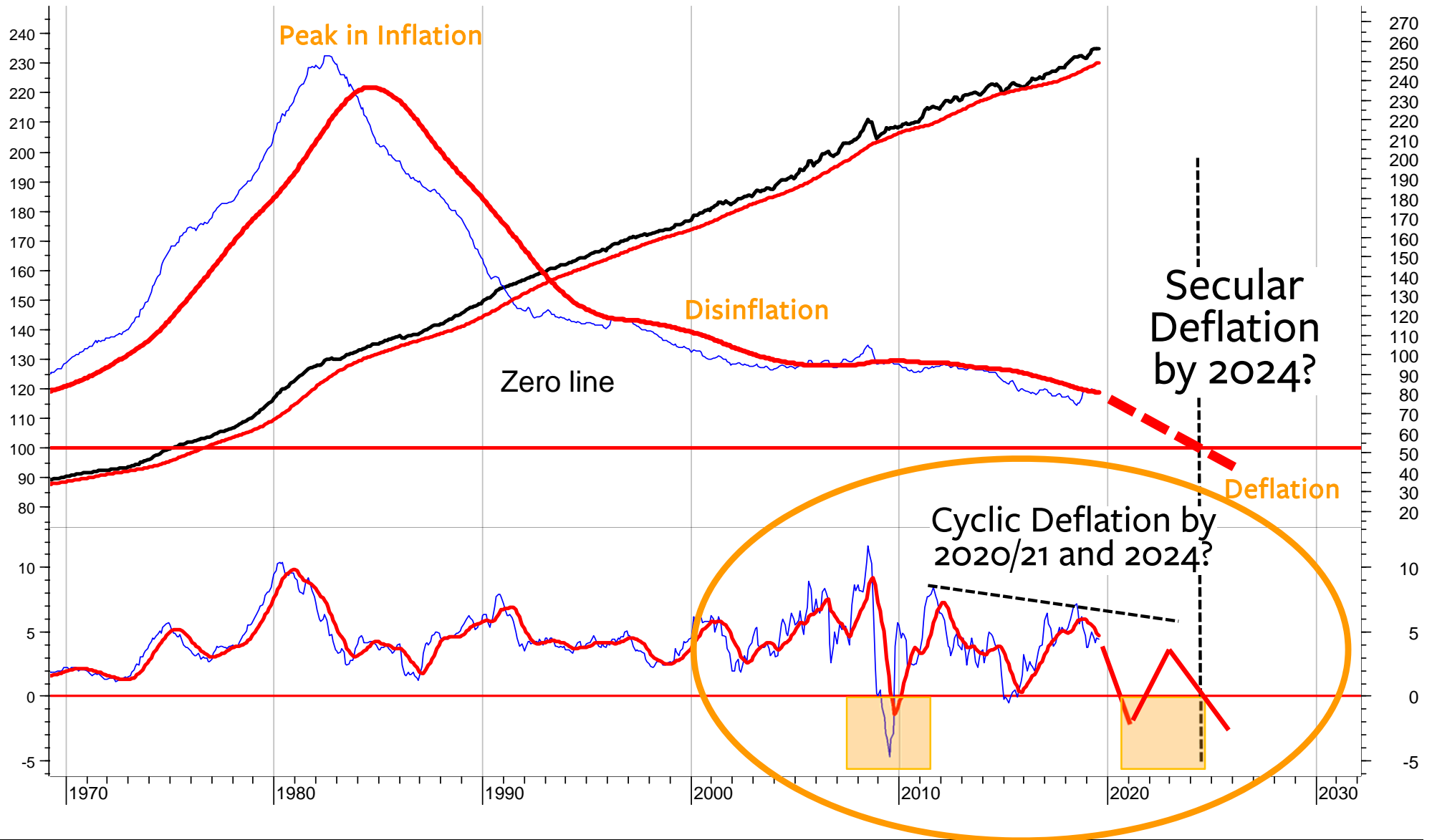
US CPI Index with secular momentum

The end of the uptrend and the shift from secular Disinflation to secular DEFLATION will be recorded when the 55-month moving average of the 10-year Rate-of-Change falls below the Zero Line. Such periods of negative 10-year Rates-of-Changes were previously recorded in the 1830s/1840s, in the 1870s/1890s and again in the 1930s. The chart on the next page shows how I see a possible shift to Deflation around the year 2024.



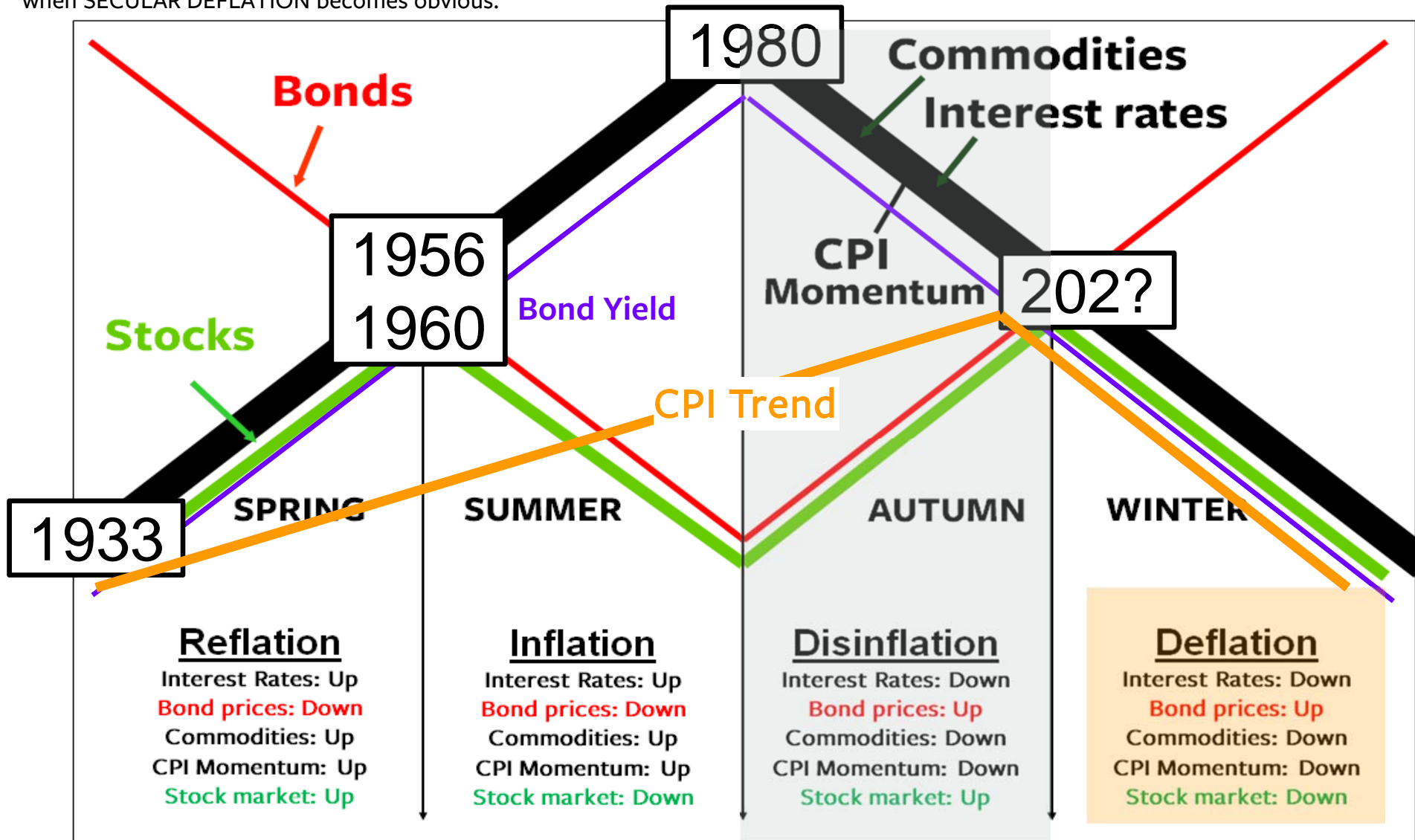
US CPI – 10-year Rate-of-Change with 55-month average and 12-month Rate-of-Change

The upper chart shows the uptrend in the US Consumer Price Index (black). The uptrend from 1980 has been slower compared to the uptrend in the 1970s. This is why the secular momentum indicator (red) has been declining since the early 1980s. As I show on the next page is this divergence of the CPI uptrend with falling momentum called Disinflation. Most important is the chart of the 12-month Rate-of-Change, shown in the lower part of the chart. The present decline in the 12-month average of the 12-month CPI Rate of Change is likely to last well into 2020. **IF THE PRESENT CYCLIC MOMENTUM DECLINE CONTINUES FOR ANOTHER 5-YEAR CYCLE THE SECULAR MOMENTUM COULD ENTER THE NEGATIVE TERRITORY around 2014. This will be called SECULAR DEFLATION.**



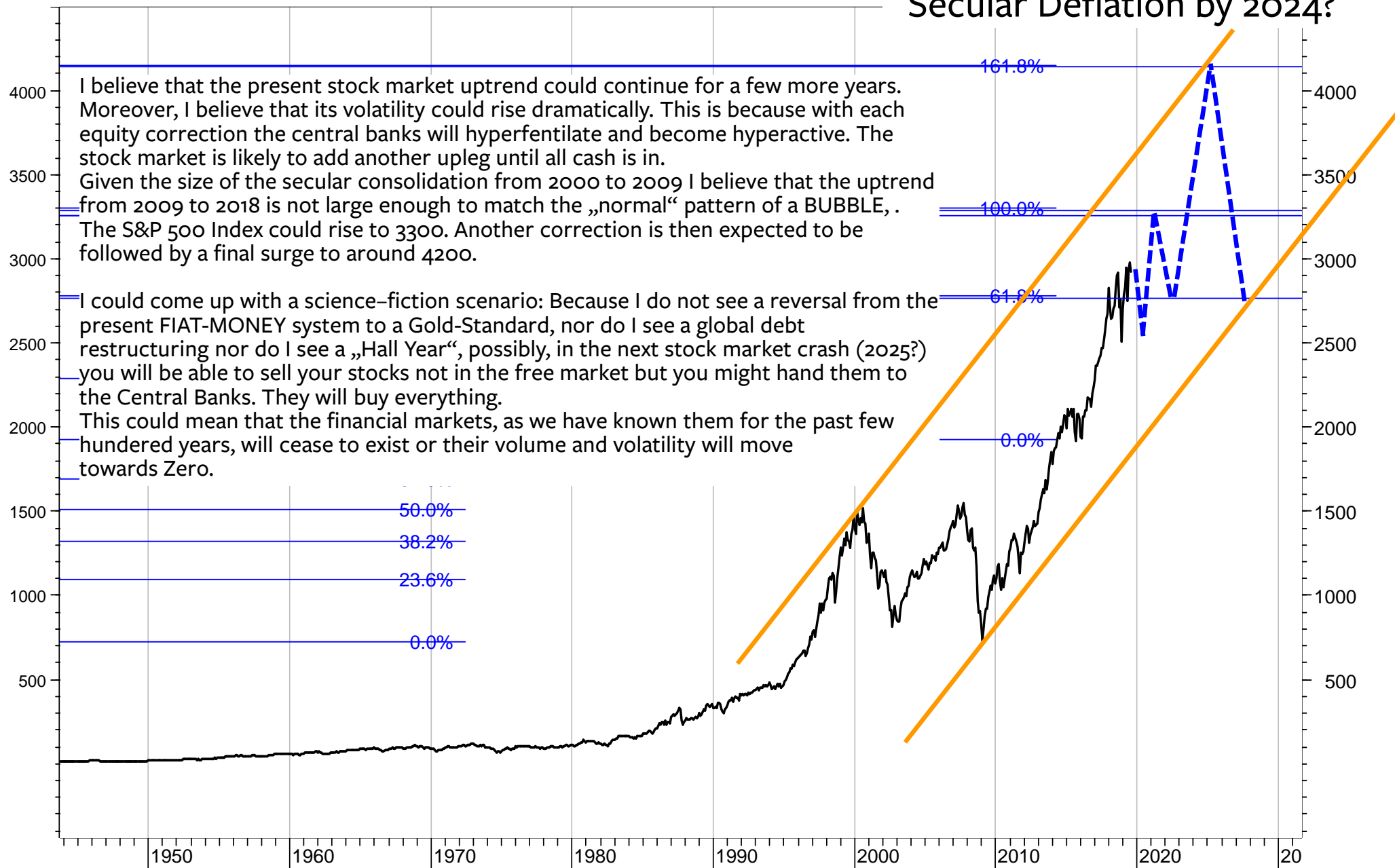
The Financial Markets and SECULAR Economic Seasonality Model

In most previous issues of my Chart Outlook I have shown you the seasonal model below as for the CYCLIC length of the normal 4-5-year cycle. I said previously that the stock market entered a deflationary decline in January 2018. In the first quarter of 2019, I was not sure if the stock market was to surge higher or if it would add another medium-term downleg to end Deflation in the 4Q 2019. Presently, I still expect some stock market weakness in 4Q 2019. But, this correction could again trigger FED easing and QEs and trigger another upleg in the stock market. This equity strength could last until 2024, when all cash is allocated to the stock markets. Once all cash is in, the stock market could crash in 2024, when SECULAR DEFLATION becomes obvious.



S&P 500 Index – Resistance 3300 or 4200

Secular Deflation by 2024?



I believe that the present stock market uptrend could continue for a few more years. Moreover, I believe that its volatility could rise dramatically. This is because with each equity correction the central banks will hyperfertilate and become hyperactive. The stock market is likely to add another upleg until all cash is in.

Given the size of the secular consolidation from 2000 to 2009 I believe that the uptrend from 2009 to 2018 is not large enough to match the „normal“ pattern of a BUBBLE, . The S&P 500 Index could rise to 3300. Another correction is then expected to be followed by a final surge to around 4200.

I could come up with a science-fiction scenario: Because I do not see a reversal from the present FIAT-MONEY system to a Gold-Standard, nor do I see a global debt restructuring nor do I see a „Hall Year“, possibly, in the next stock market crash (2025?) you will be able to sell your stocks not in the free market but you might hand them to the Central Banks. They will buy everything.

This could mean that the financial markets, as we have known them for the past few hundred years, will cease to exist or their volume and volatility will move towards Zero.

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

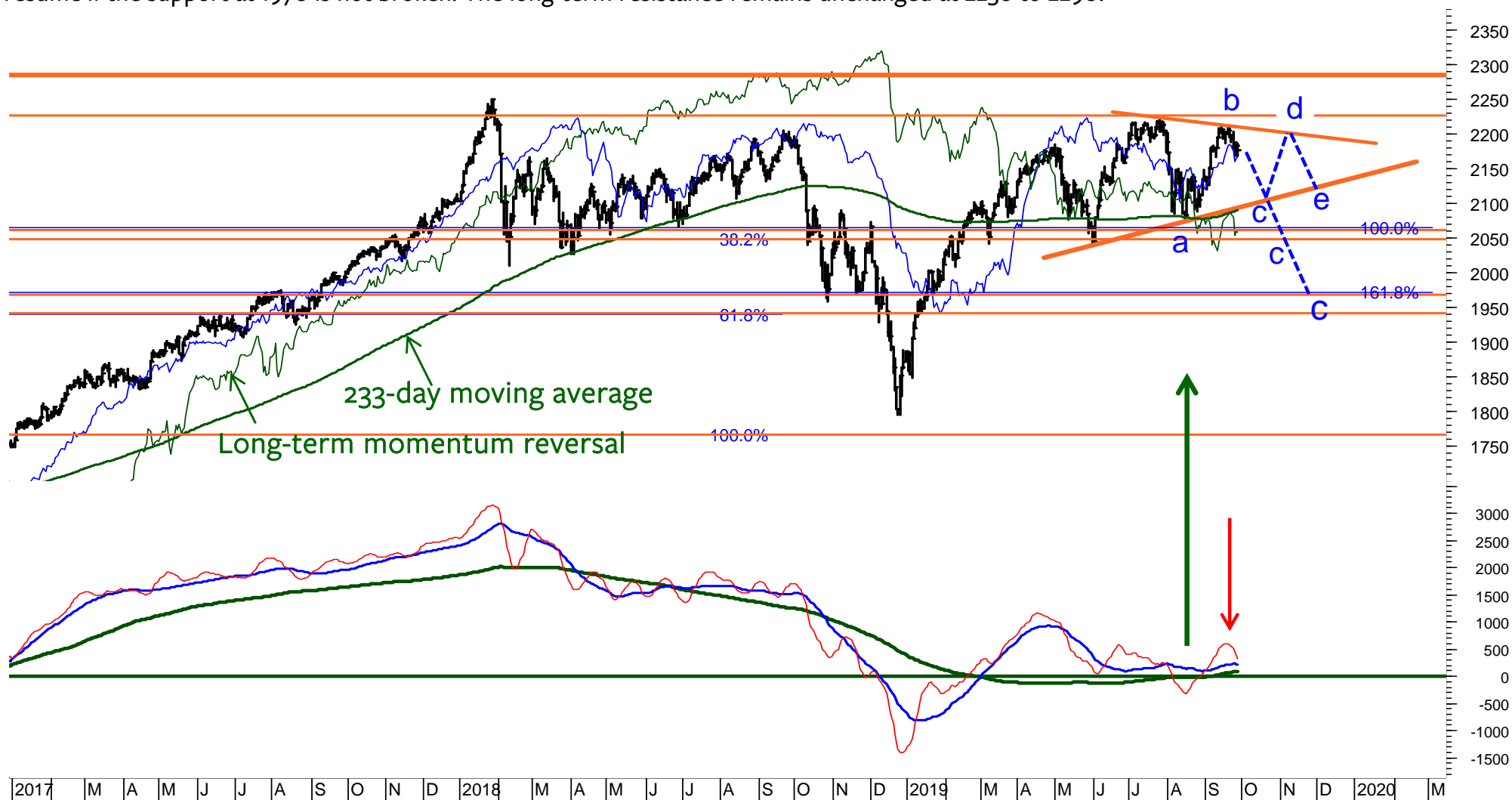
I have slightly adjusted my forecast for the MSCI World Index. The fact that the present short-term correction started below the high of July 2019 means that a Horizontal Triangle or a Flat could be forming.

The Tringle has the support at 2120 ($c=0.618 \times a$).

The Regular Flat has the support at 2060 ($c=a$). The Irregular Flat has the support at 1970 ($c=1.618 \times a$).

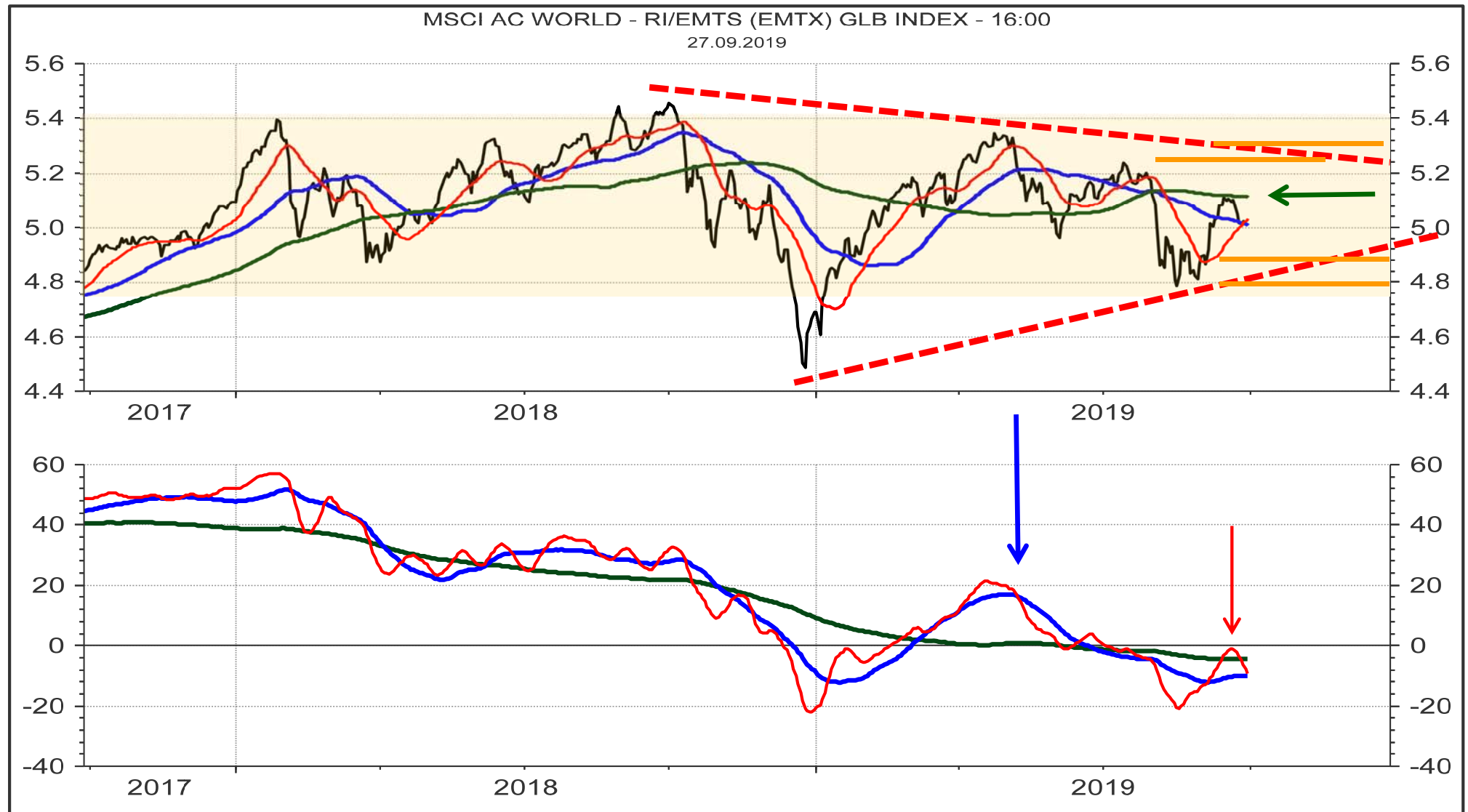
The short-term correction, which I forecast two weeks ago, is unfolding as expected. As I show on the next page are the momentum indicators of all 9 MSCI Indices tracing out this short-term correction. It is likely to bottom around mid October. Thereafter, the long-term uptrend could resume if the support at 1970 is not broken. The long-term resistance remains unchanged at 2230 to 2290.

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



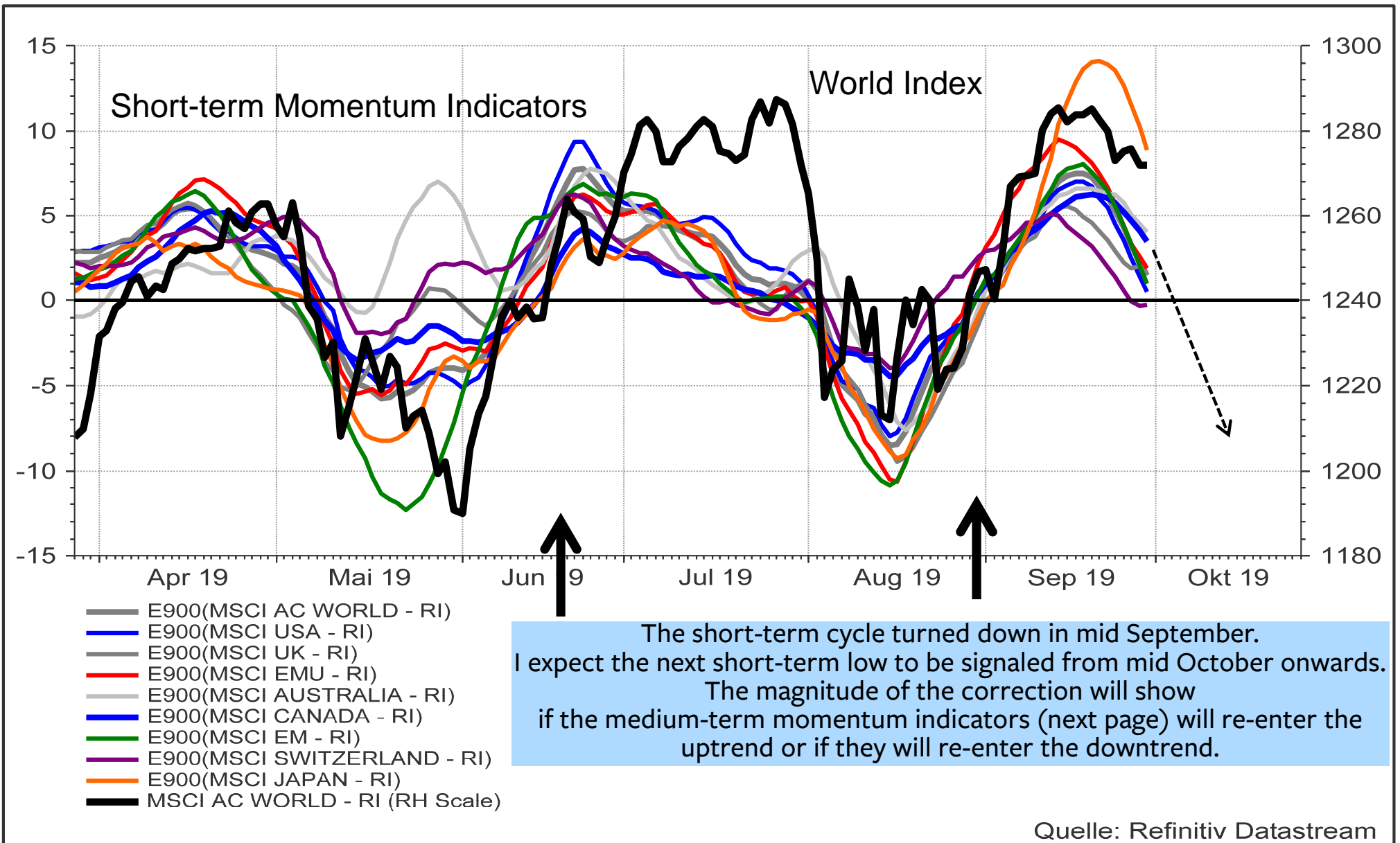
MSCI World Stocks Index relative to Total Return from Global Government Bonds

The MSCI World Stock Market Index relative to the Global Government Bond Total Return Index (7-10-year maturities) was turned down by the 144-day average. The Long-term Outlook remains **NEUTRAL EQUITIES** and **NEUTRAL BONDS** between resistance at 5.24/5.32 and support at 4.88/4.80. For now, the Medium-term Outlook remains **UNDERWEIGHT EQUITIES** and **OVERWEIGHT BONDS**. Obviously, much depends on the present short-term momentum decline in the equity markets.



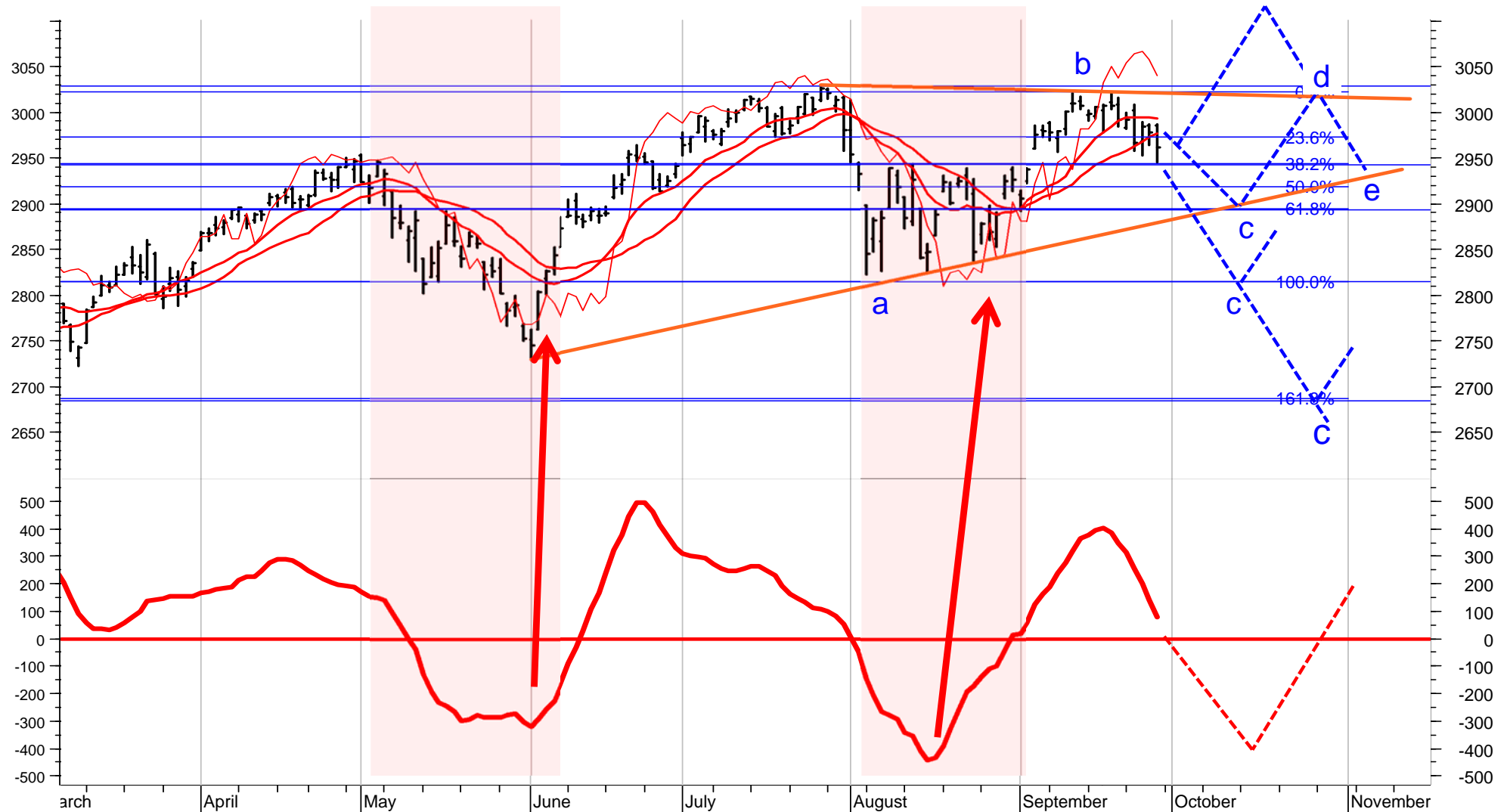
MSCI AC World Stock Market Index with 9 SHORT-TERM momentum indicators

The chart below shows the short-term momentum indicators for 9 stock market indices in 6 countries and 3 regions. The momentum indicators oscillate around the Zero line, shown on the left scale. The scale of the MSCI World Index is at right.



S&P 500 Index – short-term indicators – daily chart

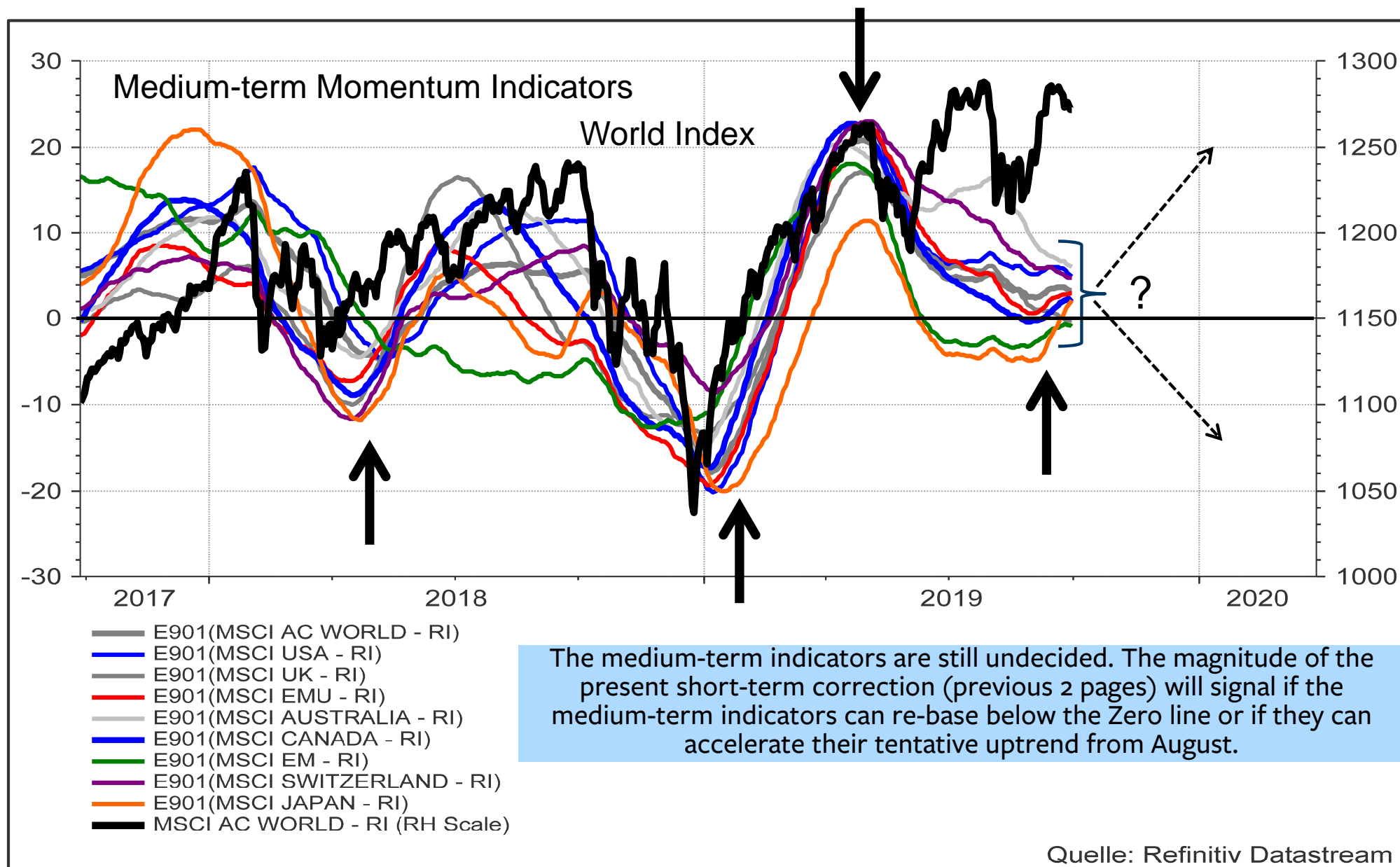
The S&P 500 Index is tracing out the short-term correction, which could lead to a low in October. Short-term DOWN means that 1) the short-term momentum is declining and 2) the Index is below the 2 moving averages and 3) the two moving averages are crossing. For the S&P 500 the short-term downtrend would be signalled if also the Fibonacci support at 2940 is broken. Similar to the World Index, also the S&P 500 Index could form a Horizontal Triangle or a Flat. The Triangle-support is at 2890, the Flat-support is at 2810 and the Irregular Flat-support is at 2680.



Shaded areas show the short-term corrections.

MSCI AC World Stock Market Index with 9 MEDIUM-TERM momentum indicators

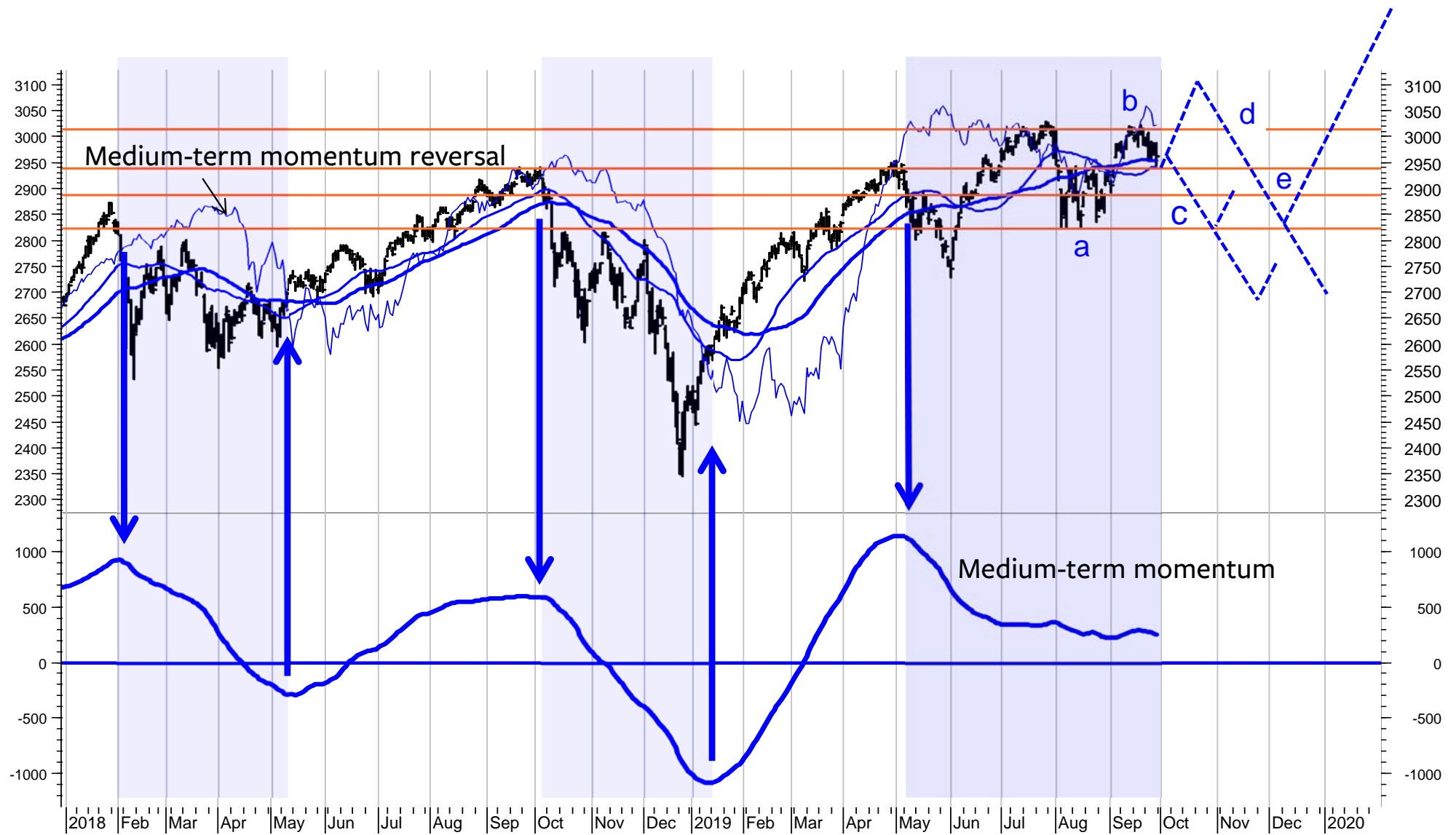
The chart below shows the medium-term momentum indicators for 9 stock market indices in 6 countries and 3 regions. The momentum indicators oscillate around the Zero line, shown on the left scale. The scale of the MSCI World Index is at right.



S&P 500 Index – medium-term indicators - daily chart

The S&P 500 Index is 1) slightly below the medium-term momentum reversal and 2) trading at the two medium-term moving averages around 2950. A break of 2940 and 2890 would confirm the medium-term DOWN.

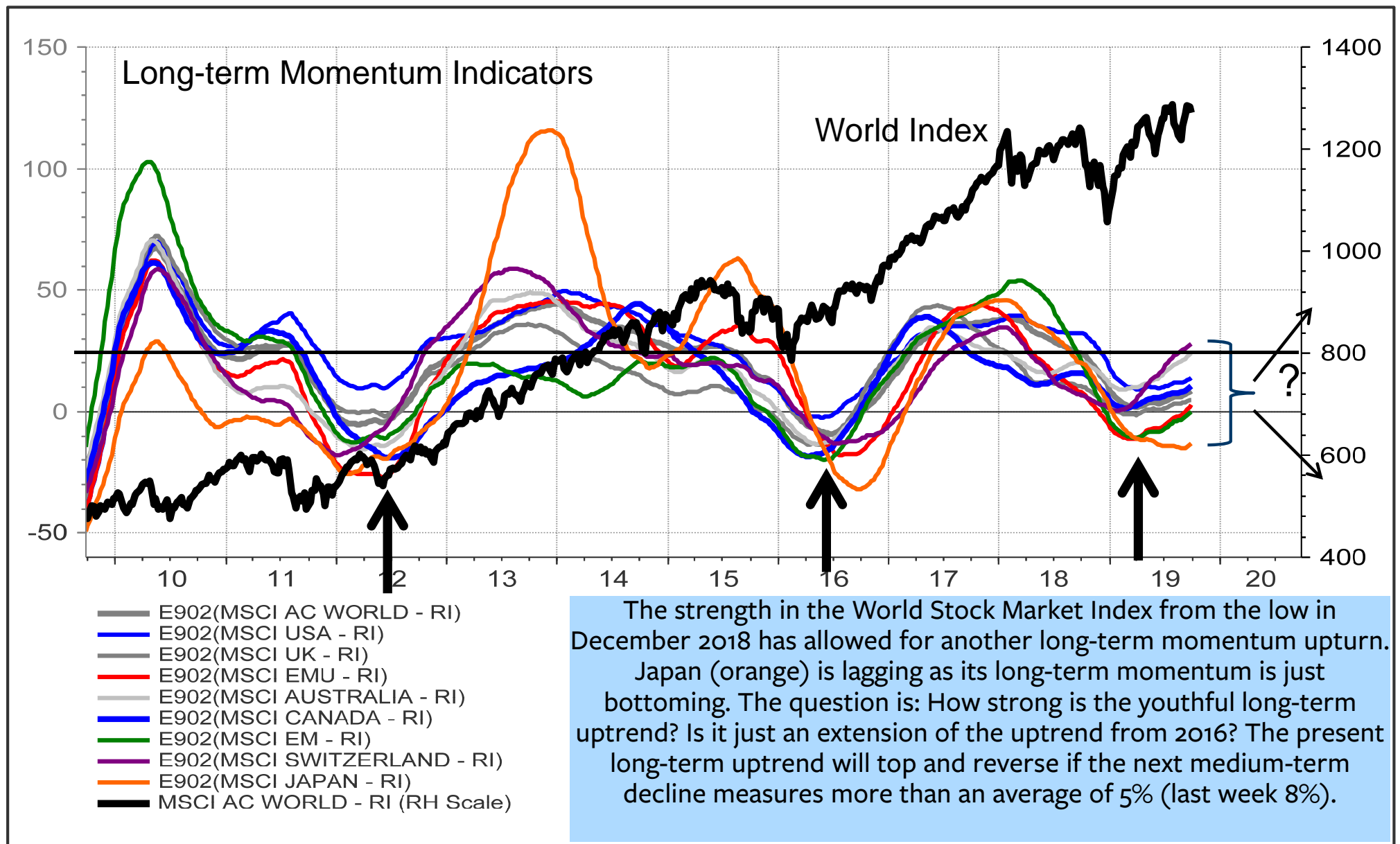
Long-term Outlook: FLAT
Medium-term Outlook: DOWN



Shaded areas show the medium-term corrections.

MSCI AC World Stock Market Index with 9 LONG-TERM momentum indicators

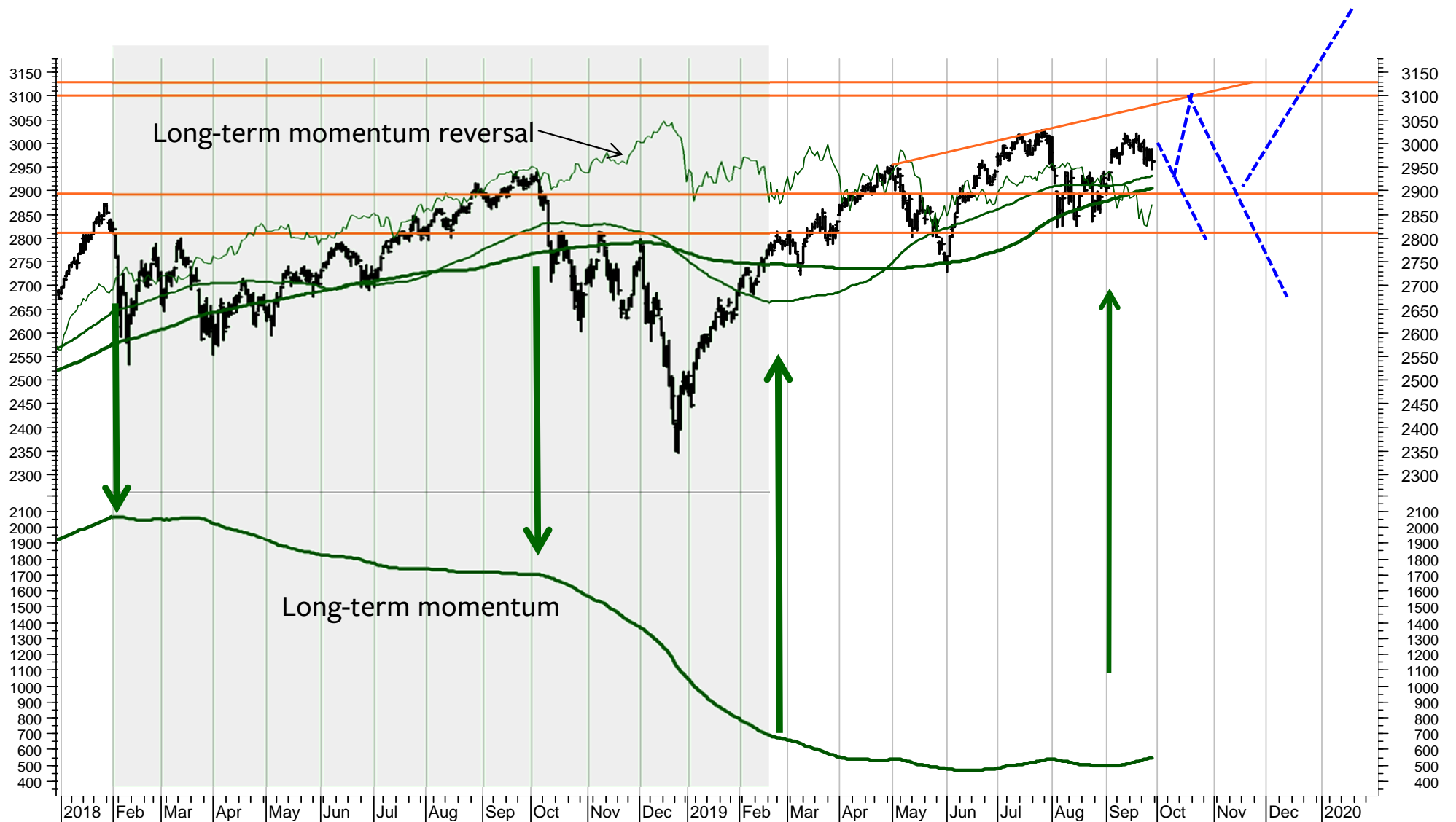
The chart below shows the long-term momentum indicators for 9 stock market indices in 6 countries and 3 regions. The momentum indicators oscillate around the Zero line, shown on the left scale. The scale of the MSCI World Index is at right.



S&P 500 Index – long-term indicators - daily chart

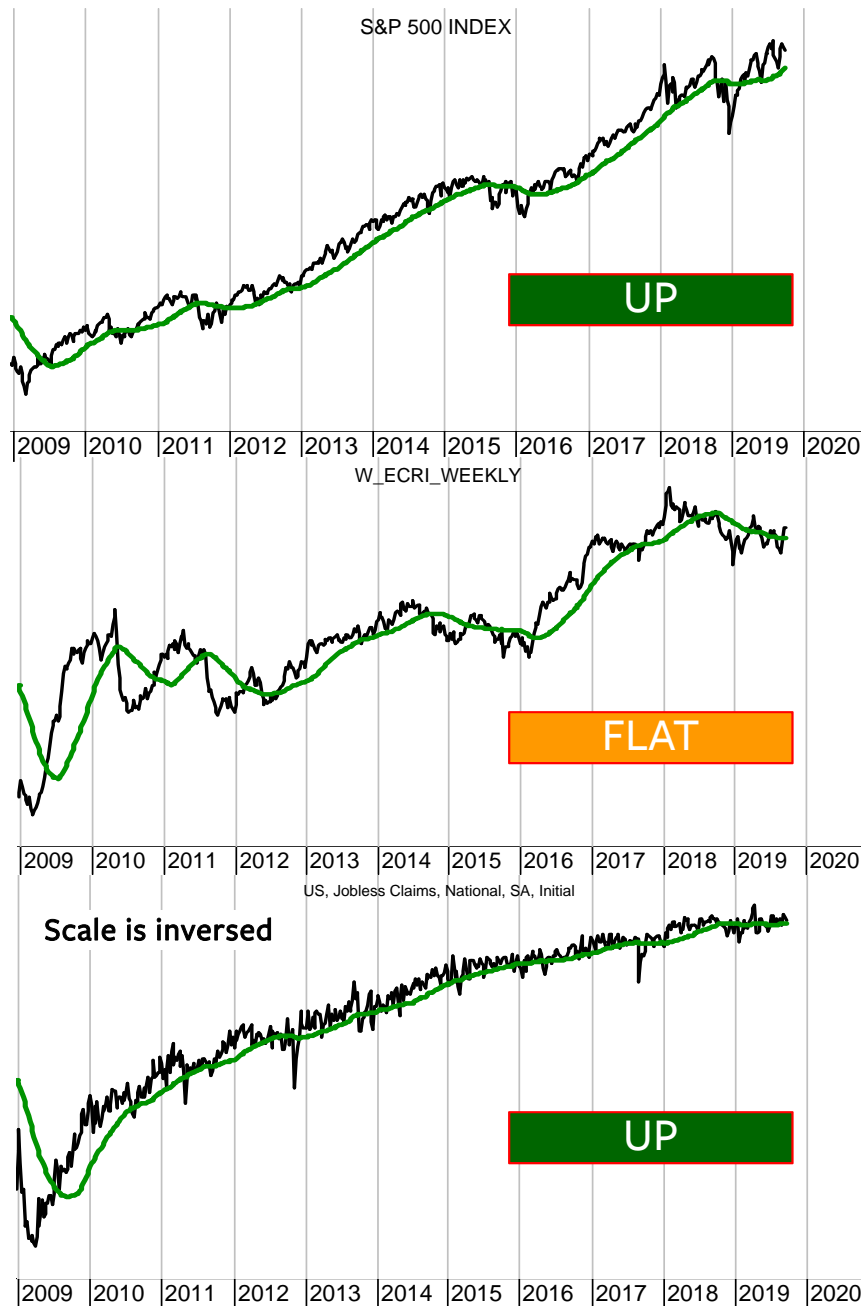
The long-term outlook could turn DOWN if 1) the Index breaks below the two moving averages at 2900 and 2) if the Index breaks the long-term momentum reversal at 2850 and 3) if the Index breaks the Fibonacci supports at 2900 to 2820.

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



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

The Overall Model is 2UP and 1FLAT - the ECRI is close to UP – no recession signalled yet



The S&P 500 Index fell below the 4-week average, which itself is still rising above the 40-week average (green).
The Model remains UP.

The Weekly Economic Cycle Research Index remains unchanged at 146.60.
The Model remains FLAT.
It will move to UP if the ECRI rises above 147.50.

The (inverse) Weekly Jobless Claims moved from 208k to 213k.
This reading is a notch below the 4-week average but still above the 40-week average.
The Model remains UP.

U.K. FTSE Index – daily chart

Out of my last weeks forecast (blue dashed lines), the FTSE has taken the positive path. It is rising to the major resistance at 7500. Another correction is likely there. The medium-term outlook could move to UP if 7500 is clearly broken.

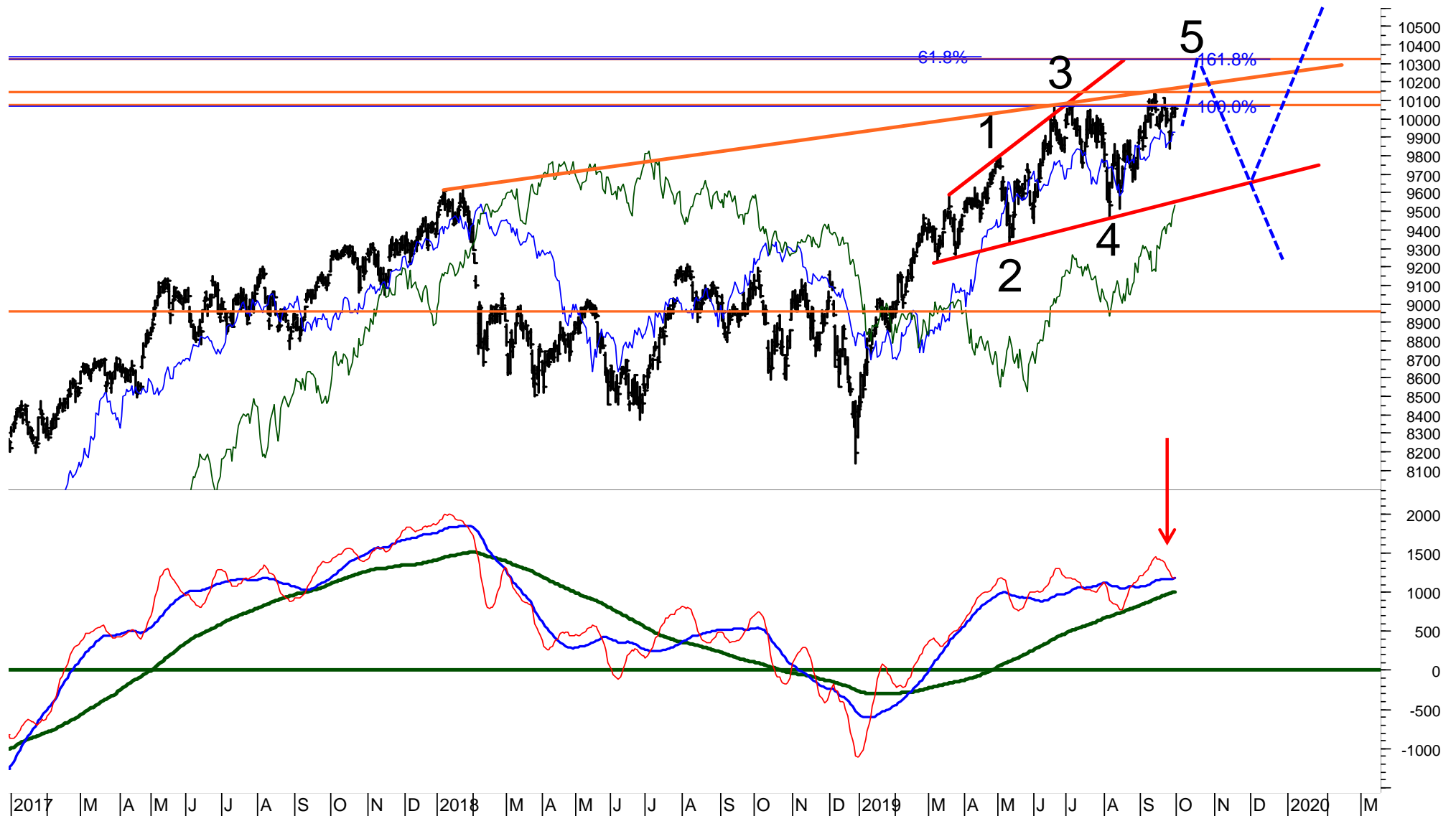
Long-term Outlook: FLAT
Medium-term Outlook: DOWN



Swiss Market Index SMI

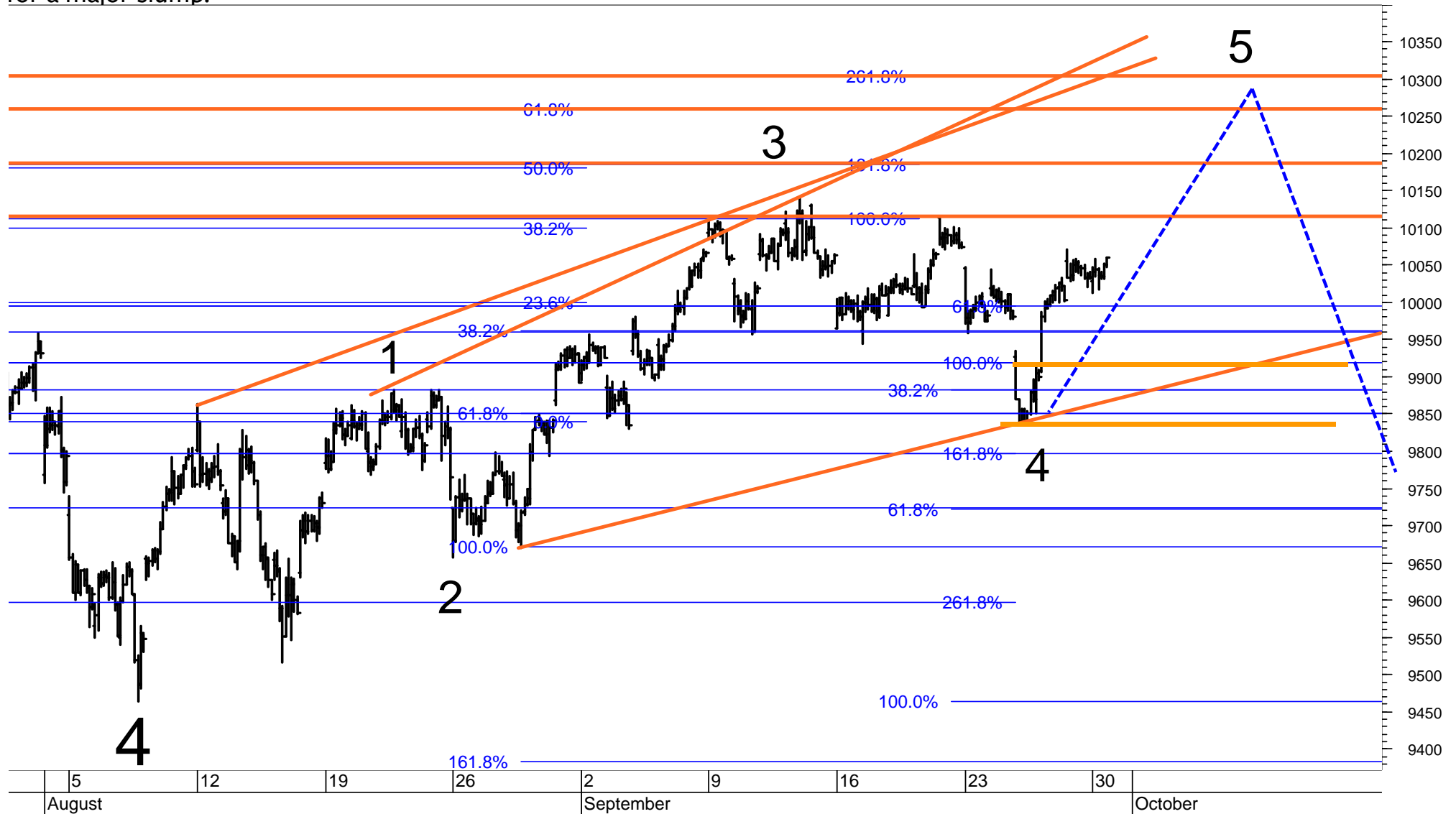
The SMI has reached the resistance lines at 10,050 / 10,150, a break of which could extend the uptrend to 10,350. The structure of the uptrend from March 2019 still appears as Expanding Wedge. Resistance for Wave 5 is 10,300. It is highlighted on the next page. The Medium-term Outlook remains DOWN as long as the SMI does not break above 10,350.

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



Swiss Market Index SMI – hourly chart

The SMI corrected exactly to the support, which I had located last week at 9840. It is most interesting to note that Wave 5 of the Wedge, which originated in March 2019, is itself forming a Wedge. It is shown below. It could rally towards 10200 / 10300 and top there. If the Wedge is in fact trend-ending in its structure the SMI could be in for a major slump.



Swiss MidCap Price Index (.SMIX)

My forecast for the Swiss Midcap Index remains unchanged.
The SMIX is testing the major resistance at 1030 / 1050, a break of which would signal 1085. The Medium-term Outlook would shift to UP if 1050 is broken.
Major support is at 950 and 845.

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



Swiss SmallCap Price Index (.ssix)

My forecast for the SSIX remains unchanged. The SSIX is close to the 144-day moving average and the Fibo resistances at 1375 and 1430. The Medium-term and Long-term Outlook could move to UP if these levels are broken.

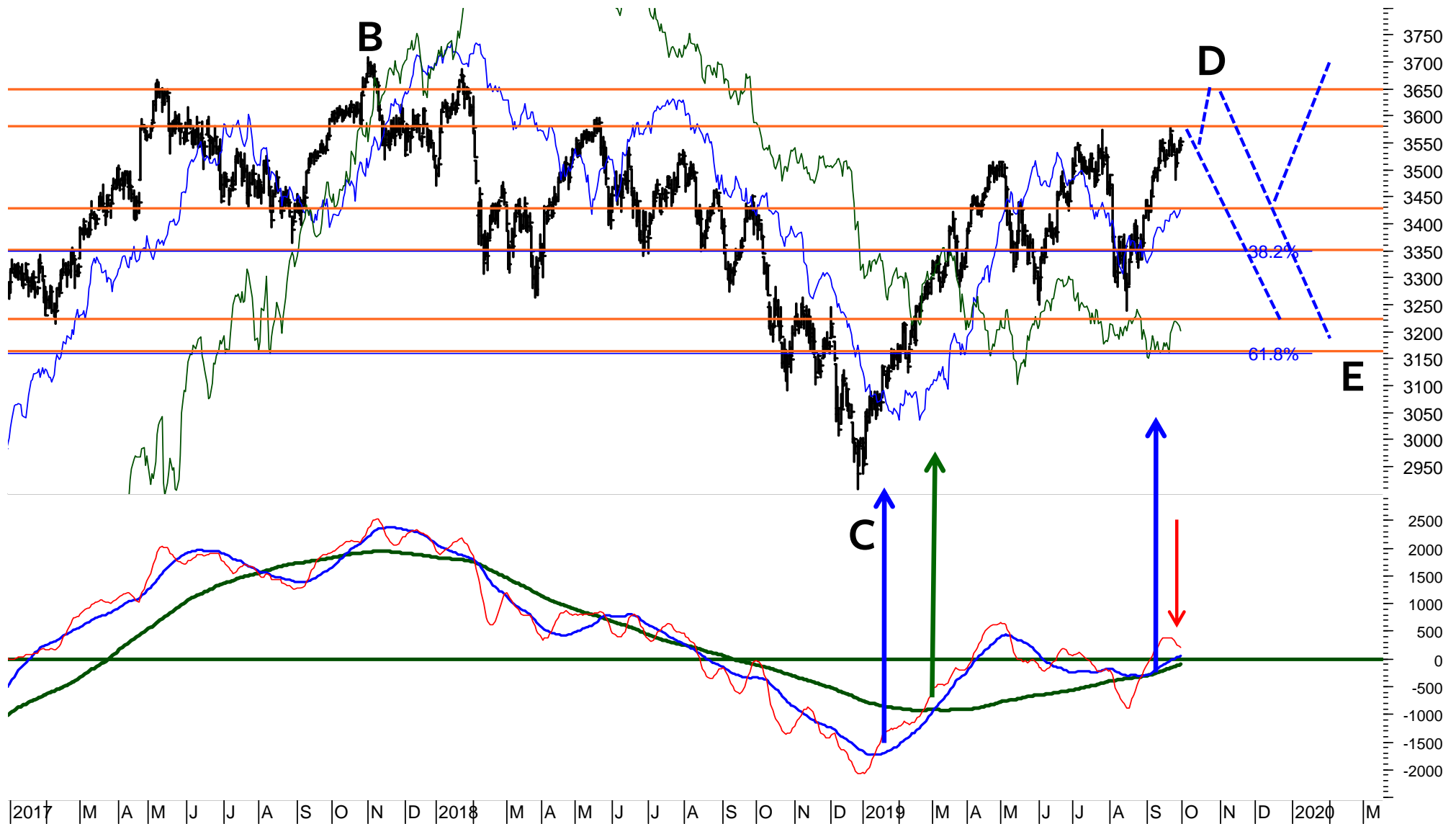
Long-term Outlook: DOWN
Medium-term Outlook: DOWN



Eurostoxx 50 Index

My forecast for the Eurostoxx 50 Index remains unchanged.
The Eurostoxx was turned down by the resistance, which I had located at 3580. It would have to rise above 3590 / 3650 to signal a bullish break and negate the triangle from 2015 and upgrade the medium-term outlook to UP.

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



German DAX

My forecast for the DAX remains unchanged. The DAX is likely to test the next major resistance at 12,800 / 13,000, a break of which would signal an extension of the uptrend to 13,700.

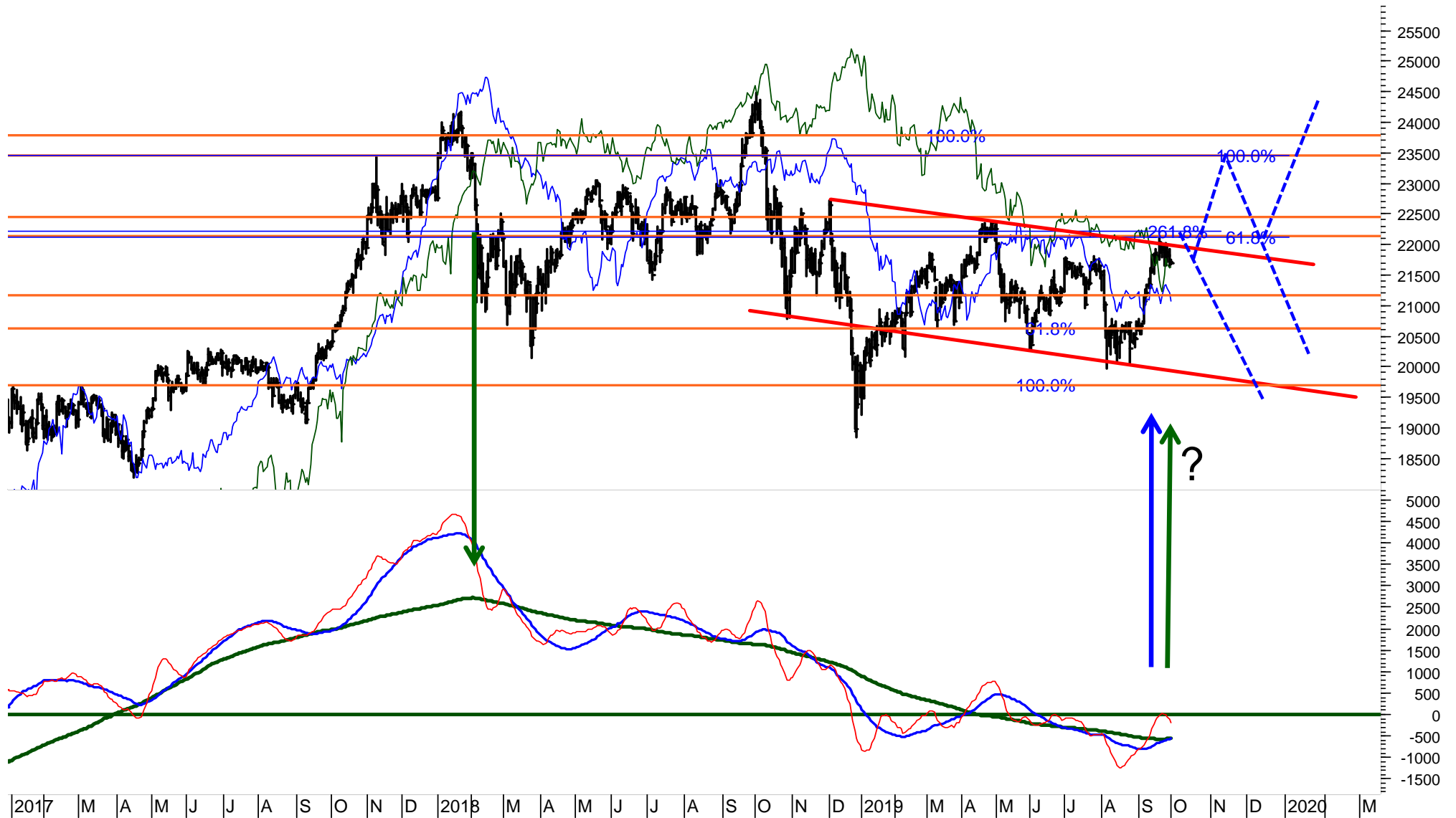
Long-term Outlook: FLAT
Medium-term Outlook: DOWN



Japanese Nikkei 225 Index

My forecast for the Nikkei remains unchanged. The Nikkei has turned short-term down just below the resistance range, which I had located between 22,200 and 22,500. Supports are at 21,200 and 20,600 and 19,700.

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



Shanghai Composite Index

The SCI has tracked my forecast quite closely over the past few weeks. The Index was turned DOWN by the exact resistance, which I had located at 3050. Supports are 2830, 2700 and 2500. The medium-term outlook could turn DOWN if the Index breaks the 55-day and 34-day averages at 2910 and if the medium-term momentum reversal at 2800 is broken.

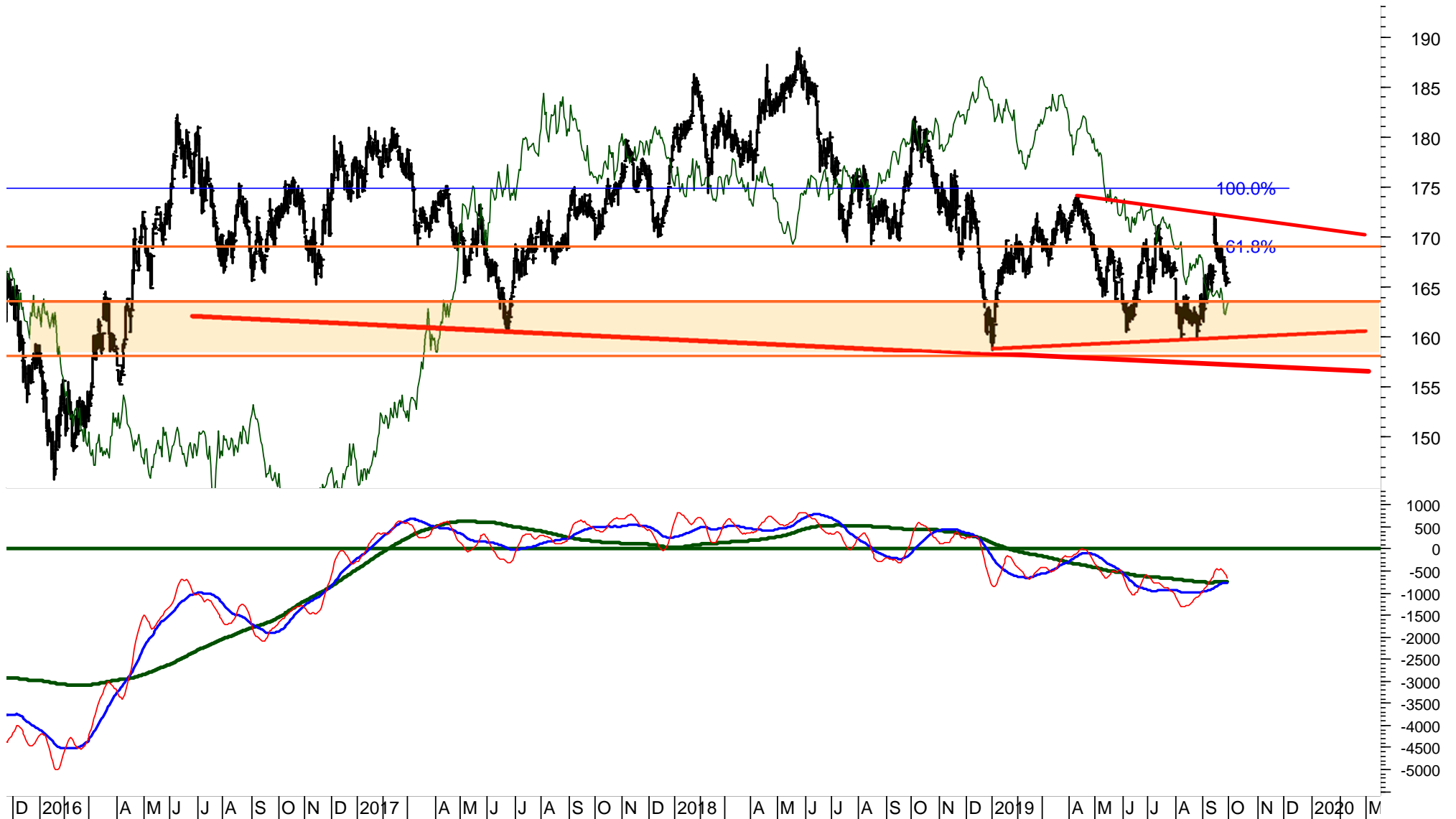
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Bloomberg Commodity Index Total Return

The BCI would trigger a major DEFLATIONARY sell signal if the neckline of what could be identified as long-term Head and Shoulder Top at 160 / 155 is broken. The next short-term momentum low and the index level should add more evidence to the medium-term and long-term outlook. Given my secular outlook of the secular Consumer Price Index to reach Deflation by 2024, I still give a higher probability to the bearish commodity outlook.

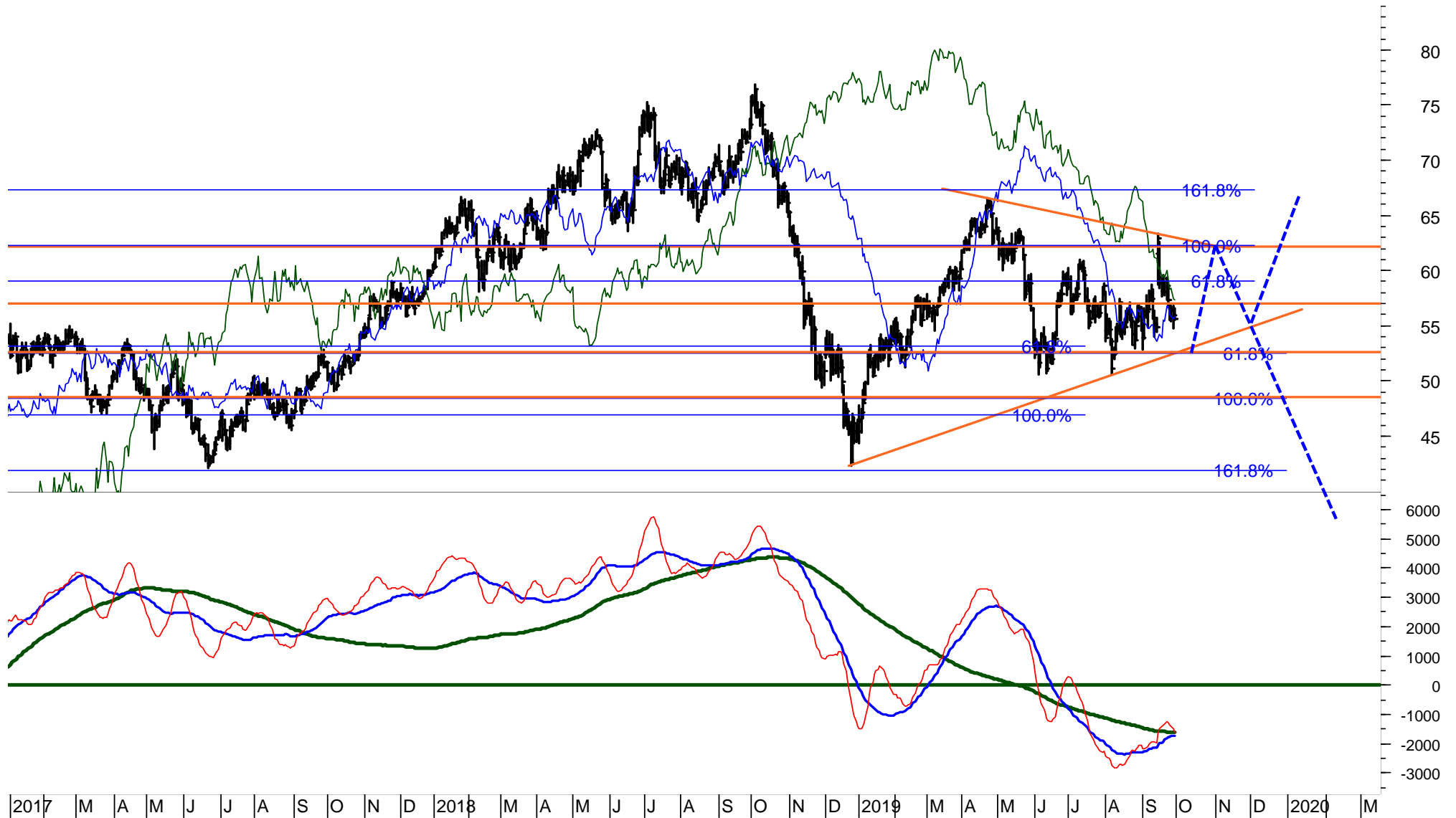
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Light Crude Oil Continuous Future

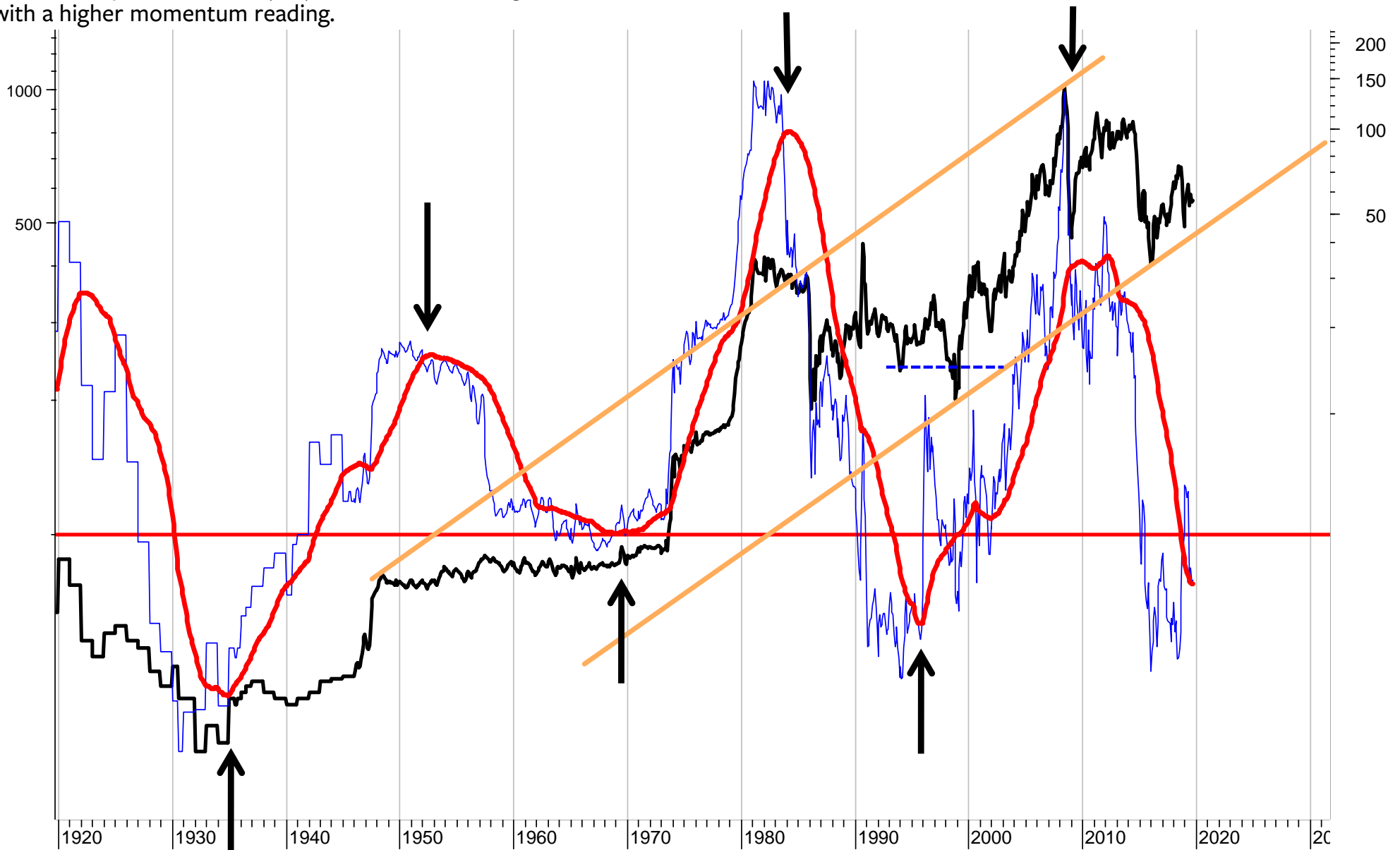
Crude oil remains in its triangle, which originated at the December 2019-low. Given the still unfolding SECULAR Oil downtrend (see next page) I still favour a break of the triangle to the downside.

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



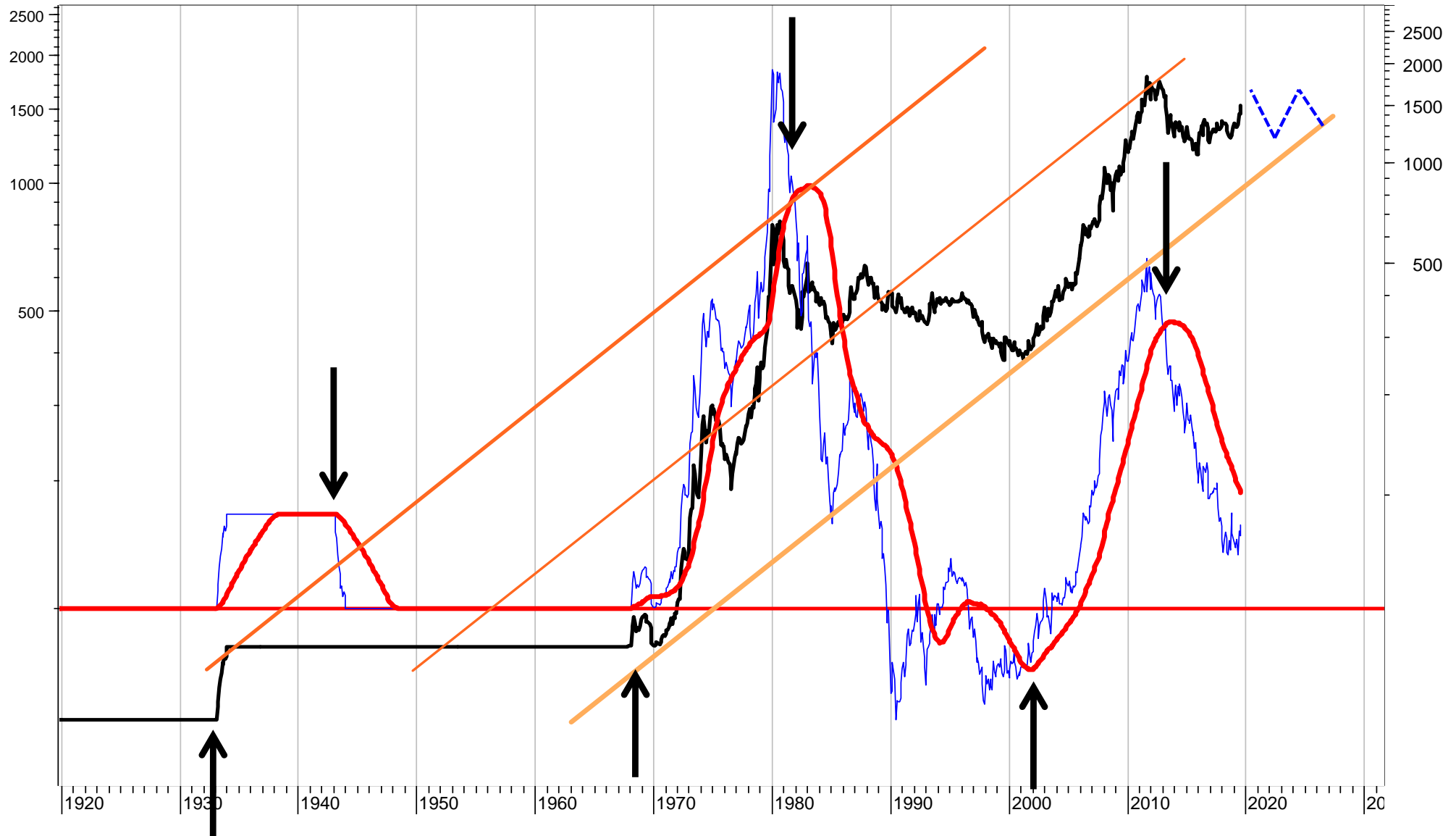
Crude Oil with secular momentum (10-year Rate-of-Change (blue) and 55-month average (red))

It is true that the secular momentum has declined to the level from which, in the past, the secular momentum has bottomed. However, if the present secular decline is deflationary, similar to the decline in the 1920s and 1930s, the present decline could still persist for some more years until the (red) secular indicator signals a secular bottom. Moreover, also in 1998 crude oil fell to another new low with a higher momentum reading.



Gold with secular momentum (10-year Rate-of-Change (blue) and 55-month average(red))

Clearly, Gold remains in its secular decline, which it entered following the high in 2011 at 1920. The secular momentum indicator does not provide evidence of a secular Gold bottom. This is why I see the present Gold advance as a „secular bear market rally“. As I show on the next page, it would take a Gold rise above 1600 / 1700 to signal a return to the old high at 1920. More likely is the scenario that Gold will soon enter Wave C of a Horizontal Triangle, which could extend for another few years until around 2024. In addition, the quick return in investor sentiment to high optimism is nothing more than the echo of the euphoria of 2011.

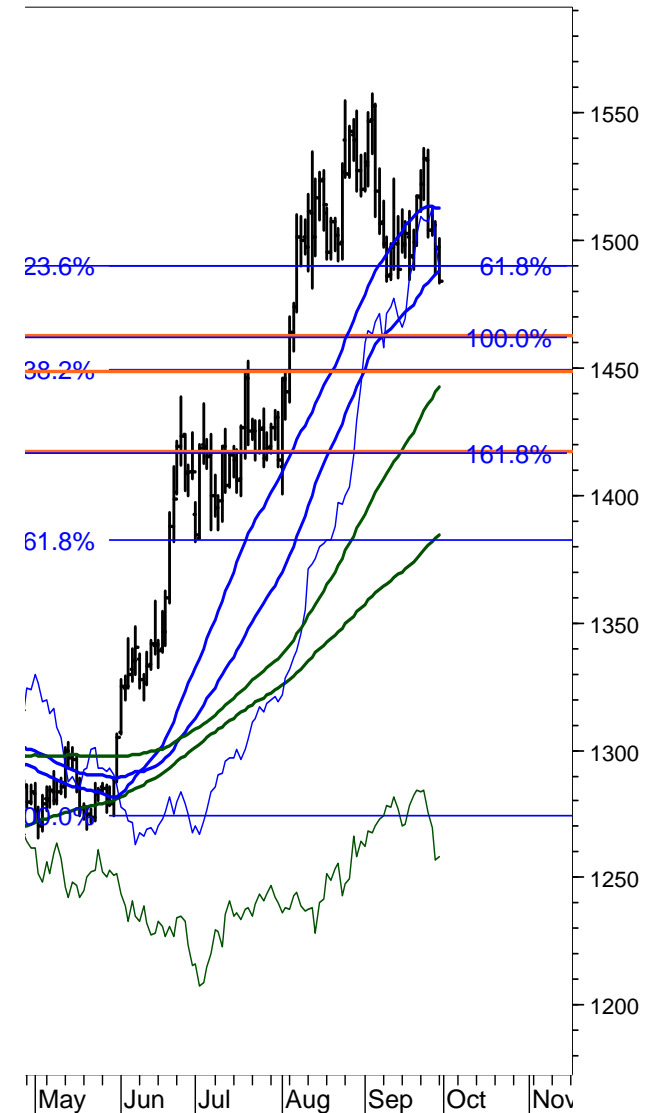
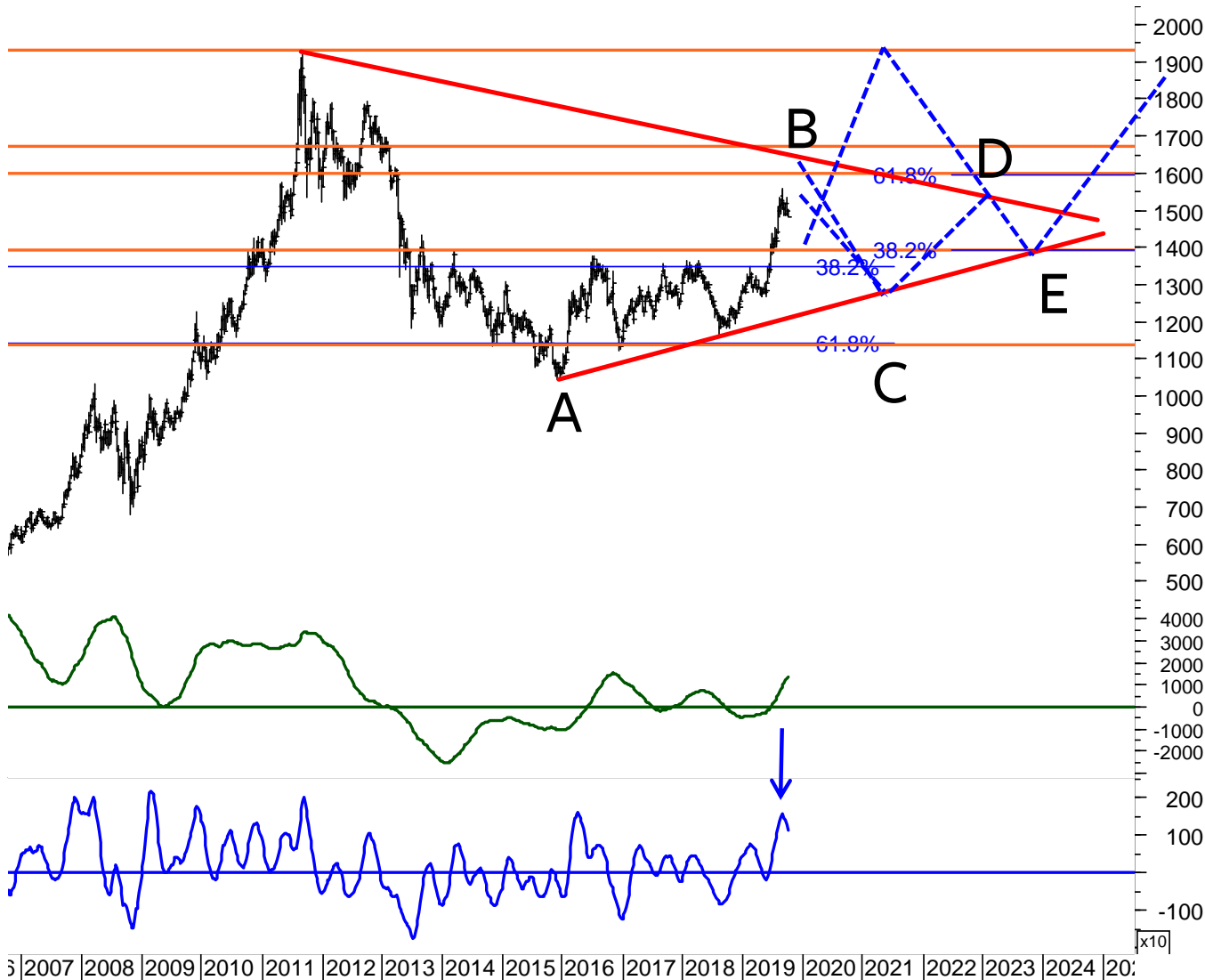


Gold per Ounce in US dollar – weekly and daily charts

Gold could turn DOWN medium term if the the 55-day average, the medium-term momentum reversal and the Fibonacci support at 1490 / 1440 are broken.

In order to complete Wave B, Gold could still rally to the resistance range at 1600 / 1700, a break of which would have to occur for Gold to rise to the high of 2011 at 1920. I am looking to downgrade the medium-term outlook if 1480 is broken.

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



Silver – daily chart

Silver must hold above the major support at 17.30 / 17 if the long-term uptrend should resume. A break of this support would signal that Silver continues to form the TRIANGLE A-B-C-D-E, which originated in December 2015.

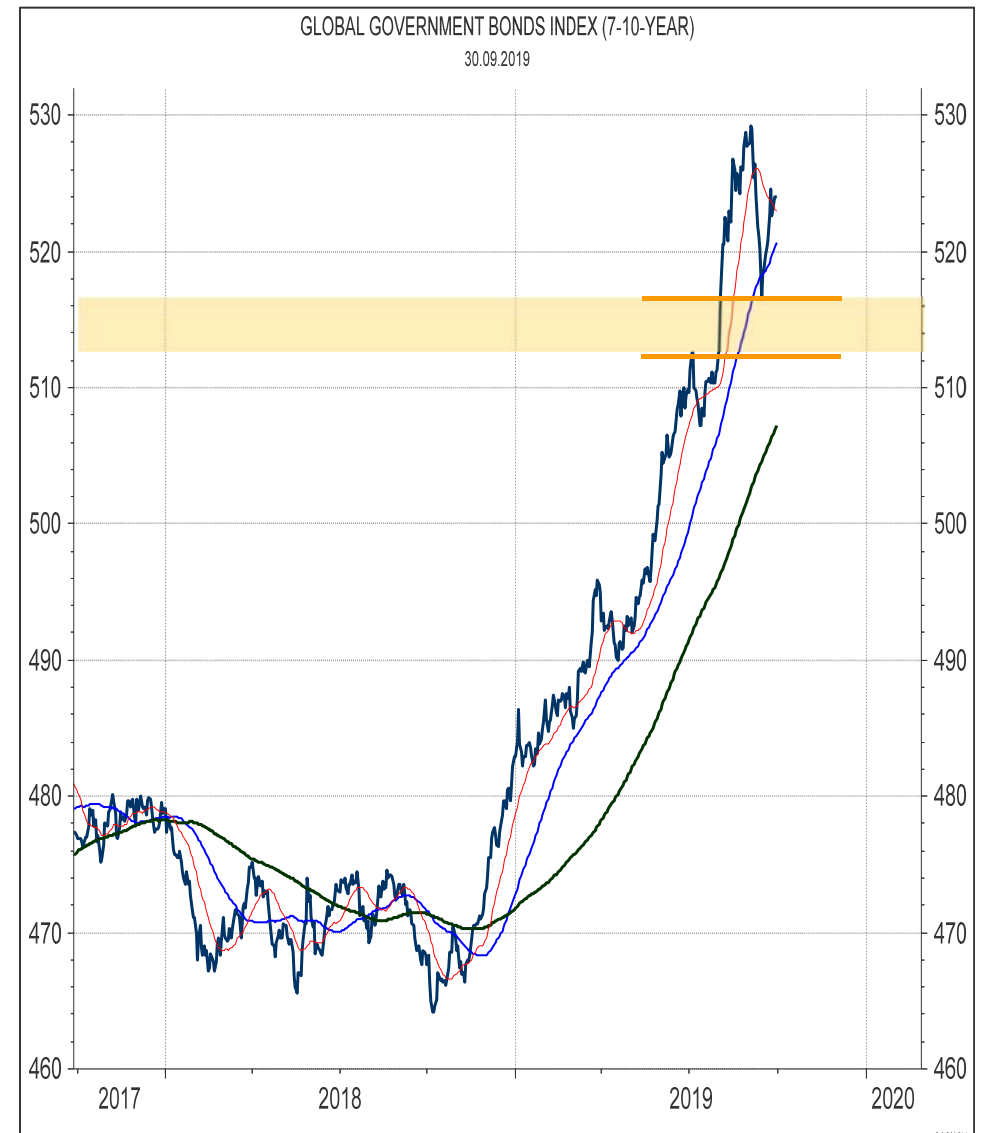
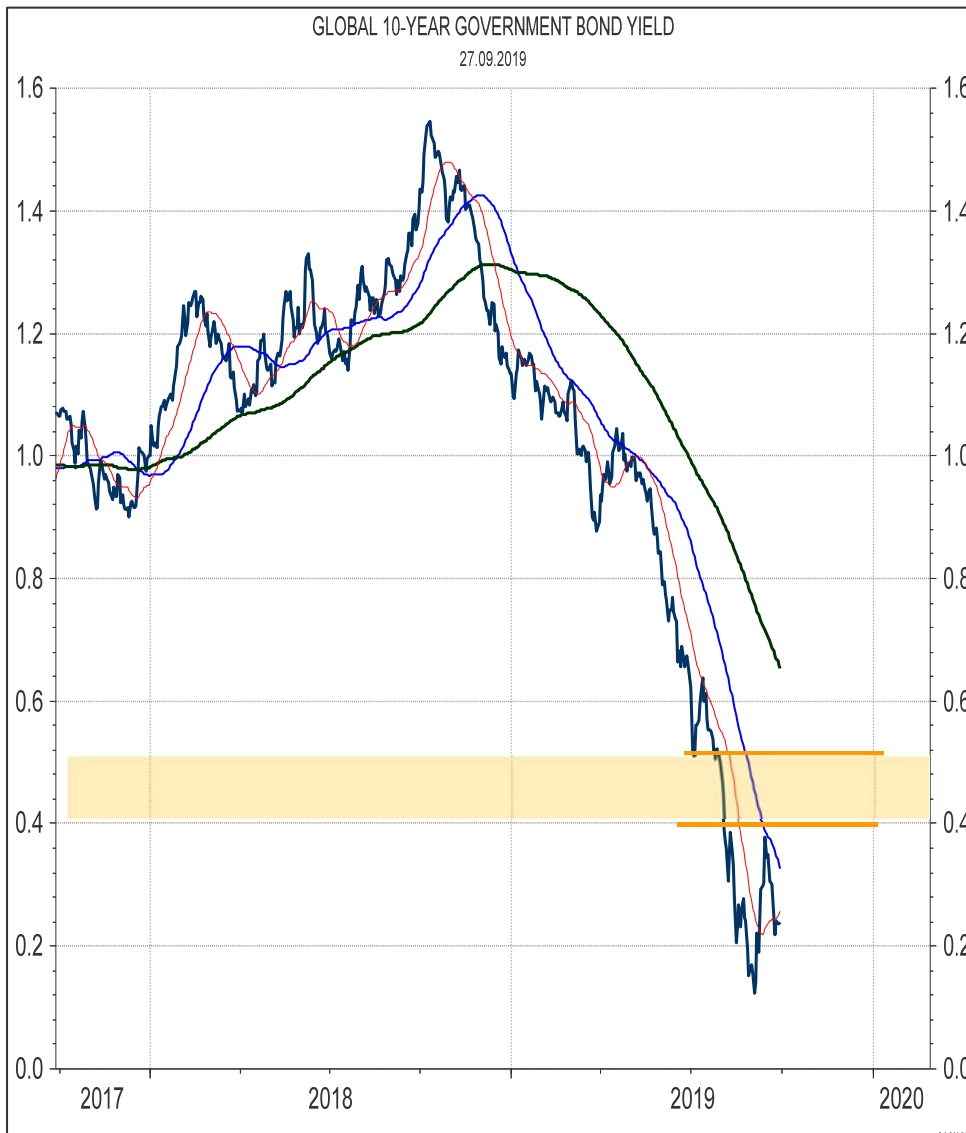
Long-term Outlook: UP
Medium-term Outlook: FLAT



Global 10-year Bond Yield (left) and Global Total Return from 7-10-year Government Bonds

The Global 10-year Government Bond Yield (at left) was turned down by the major resistance level, which I had located in the region of the previous Wave 4 of the downtrend, which was at 0.4%. Inversely, the Total Return (at right) corrected to the 55-day moving average, from which it is rebounding. **The Medium-term Outlook remains FLAT for the Global Yield and the Total Return.**

The Yield outlook could move to UP if 0.4% / 0.65% is broken. The Total Return could move to DOWN if 516 / 512 is broken.



Global 10-year Bond Yields – listed according to the Score (left) and alphabetically (right)

My Trend and Momentum Model shows that there are 5 countries, which display a positive yield score. These are Taiwan, China, South Africa, India and Indonesia.

The short-term yield decline from mid September has triggered downgradings in 12 countries, either from up to flat or from flat to down. The medium-term rating remains positive in 18 countries.

I must allow for the present short-term yield correction to signal a short-term low before I can expect structural confidence to mount to signal a major yield bottom.

Until then, I have to treat the long-term yield downtrend as still being in place.

SCORE	10-YEAR BOND YIELD
89%	TR TAIWAN GVT BMK BID YLD 10Y
78%	TR CHINA GVT BMK BID YLD 10Y
78%	TR SOUTH AFRICA GVT BMK BID YLD 10Y
72%	TR INDIA GVT BMK BID YLD 10Y
67%	TR INDONESIA GVT BMK BID YLD 10Y
56%	TR CANADA GVT BMK BID YLD 10Y
56%	TR CZECH REP GVT BMK BID YLD 10Y
56%	TR KOREA GVT BMK BID YLD 10Y
56%	TR PHILIPPINES GVT BMK BID YLD 10Y
56%	TR SWITZERLAND GVT BMK BID YLD 10Y
44%	TR GERMANY GVT BMK BID YLD 10Y
44%	TR NETHERLANDS GVT BMK BID YLD 10Y
39%	TR SINGAPORE GVT BMK BID YLD 10Y
33%	TR HUNGARY GVT BMK BID YLD 10Y
33%	TR MALAYSIA GVT BMK BID YLD 10Y
33%	TR NORWAY GVT BMK BID YLD 10Y
33%	TR POLAND GVT BMK BID YLD 10Y
33%	TR US GVT BMK BID YLD 10Y
28%	TR DENMARK GVT BMK BID YLD 10Y
28%	TR RUSSIA GVT BMK BID YLD 10Y
22%	TR FINLAND GVT BMK BID YLD 10Y
22%	TR FRANCE GVT BMK BID YLD 10Y
22%	TR HONG KONG GVT BMK BID YLD 10Y
17%	TR AUSTRALIA GVT BMK BID YLD 10Y
17%	TR BRAZIL GVT BMK BID YLD 10Y
17%	TR NEW ZEALAND GVT BMK BID YLD 10Y
17%	TR THAILAND GVT BMK BID YLD 10Y
17%	TR UK GVT BMK BID YLD 10Y
6%	TR GREECE GVT BMK BID YLD 10Y
6%	TR ITALY GVT BMK BID YLD 10Y
6%	TR JAPAN GVT BMK BID YLD 10Y
6%	TR SWEDEN GVT BMK BID YLD 10Y
0%	TR MEXICO GVT BMK BID YLD 10Y
0%	TR PORTUGAL GVT BMK BID YLD 10Y
0%	TR SPAIN GVT BMK BID YLD 10Y
0%	TR TURKEY GVT BMK BID YLD 10Y

SCORE	INDEX	RIC	PRICE	LT	MT	ST
17%	TR AUSTRALIA GVT BMK BID YLD 10Y	AU10YT=RR	0.960	-	do	d-
17%	TR BRAZIL GVT BMK BID YLD 10Y	BR10YT=RR	7.050	-	o	-
56%	TR CANADA GVT BMK BID YLD 10Y	CA10YT=RR	1.358	-	+	o
78%	TR CHINA GVT BMK BID YLD 10Y	CN10YT=RR	3.158	O	+	+
56%	TR CZECH REP GVT BMK BID YLD 10Y	CZ10YT=RR	1.340	-	+	do
28%	TR DENMARK GVT BMK BID YLD 10Y	DK10YT=RR	-0.547	-	o	+
22%	TR FINLAND GVT BMK BID YLD 10Y	FN10YT=RR	-0.313	-	do	do
22%	TR FRANCE GVT BMK BID YLD 10Y	FR10YT=RR	-0.2840	-	do	do
44%	TR GERMANY GVT BMK BID YLD 10Y	BD10YT=RR	-0.5770	-	+	+
6%	TR GREECE GVT BMK BID YLD 10Y	GR10YT=RR	1.369	-	-	uo
22%	TR HONG KONG GVT BMK BID YLD 10Y	HK10YT=RR	1.252	-	o	do
33%	TR HUNGARY GVT BMK BID YLD 10Y	HN10YT=RR	2.040	-	+	-
72%	TR INDIA GVT BMK BID YLD 10Y	IN10YT=RR	6.729	O	+	+
67%	TR INDONESIA GVT BMK BID YLD 10Y	ID10YT=RR	7.333	-	u+	uu+
6%	TR ITALY GVT BMK BID YLD 10Y	IT10YT=RR	0.8290	-	-	do
6%	TR JAPAN GVT BMK BID YLD 10Y	JP10YT=RR	-0.239	-	d-	do
56%	TR KOREA GVT BMK BID YLD 10Y	KR10YT=RR	1.439	-	+	do
0%	TR MEXICO GVT BMK BID YLD 10Y	MX10YT=RR	6.910	-	d-	-
33%	TR MALAYSIA GVT BMK BID YLD 10Y	MY10YT=RR	3.372	-	+	dd-
44%	TR NETHERLANDS GVT BMK BID YLD 10Y	NL10YT=RR	-0.430	-	+	+
17%	TR NEW ZEALAND GVT BMK BID YLD 10Y	NZ10YT=RR	1.130	-	do	d-
33%	TR NORWAY GVT BMK BID YLD 10Y	NW10YT=RR	1.224	-	+	dd-
56%	TR PHILIPPINES GVT BMK BID YLD 10Y	PH10YT=RR	4.749	-	+	do
33%	TR POLAND GVT BMK BID YLD 10Y	PO10YT=RR	2.001	-	+	d-
0%	TR PORTUGAL GVT BMK BID YLD 10Y	PT10YT=RR	0.168	-	dd-	d-
28%	TR RUSSIA GVT BMK BID YLD 10Y	RS10YT=RR	7.020	-	o	u+
78%	TR SOUTH AFRICA GVT BMK BID YLD 10Y	SA10YT=RR	8.295	O	+	+
6%	TR SWEDEN GVT BMK BID YLD 10Y	SD10YT=RR	-0.282	-	d-	do
39%	TR SINGAPORE GVT BMK BID YLD 10Y	SG10YT=RR	1.739	-	u+	o
0%	TR SPAIN GVT BMK BID YLD 10Y	ES10YT=RR	0.151	-	dd-	d-
56%	TR SWITZERLAND GVT BMK BID YLD 10Y	CH10YT=RR	-0.769	O	+	+
17%	TR THAILAND GVT BMK BID YLD 10Y	TH10YT=RR	1.525	-	do	-
89%	TR TAIWAN GVT BMK BID YLD 10Y	TW10YT=RR	0.720	+	+	do
0%	TR TURKEY GVT BMK BID YLD 10Y	TK10YT=RR	13.400	-	d-	d-
17%	TR UK GVT BMK BID YLD 10Y	GB10YT=RR	0.5000	-	do	d-
33%	TR US GVT BMK BID YLD 10Y	US10YT=RR	1.6730	-	+	dd-

US 10-year Treasury Yield – daily chart

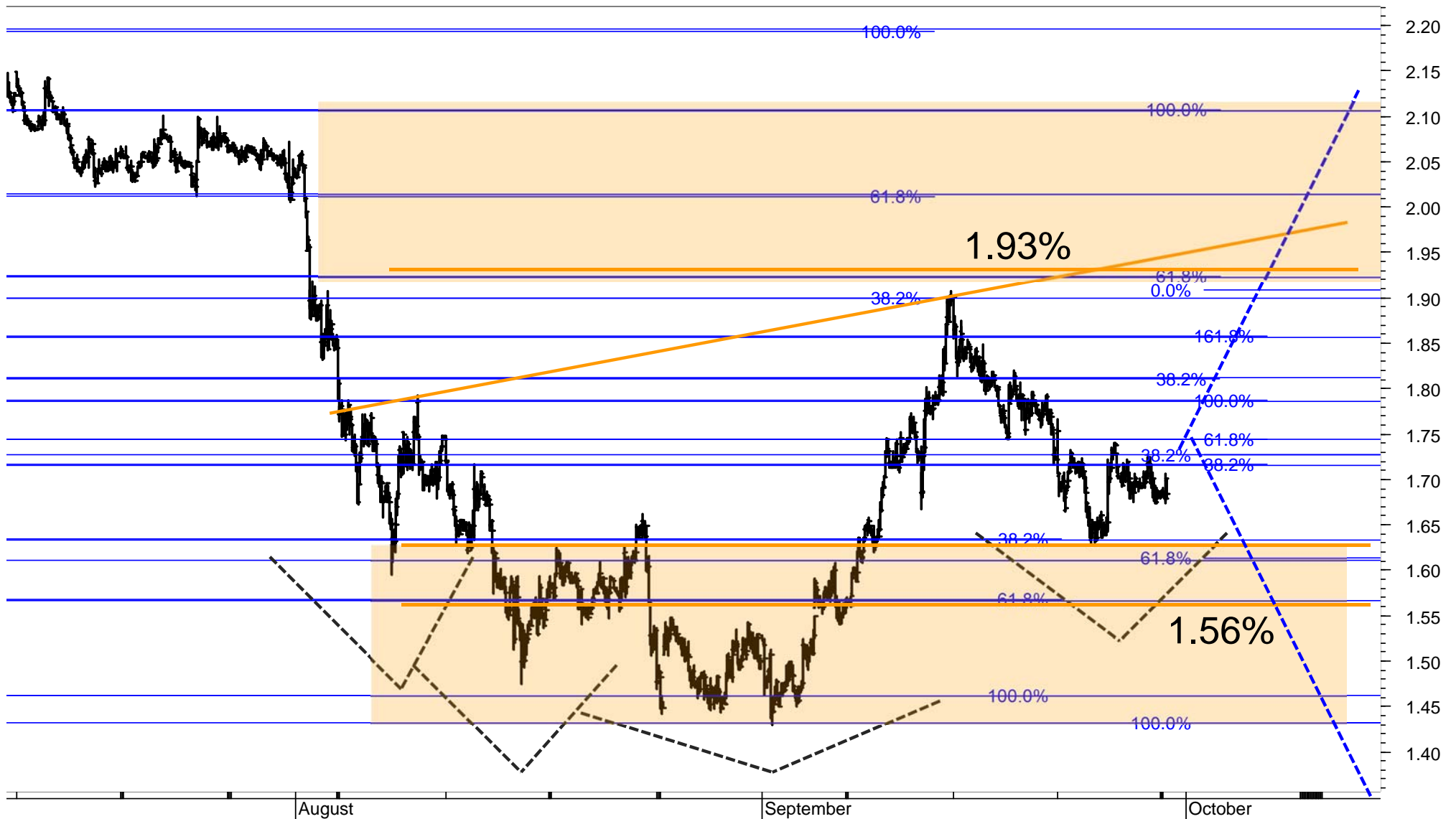
The US Yield must rise above the 55-day moving average and the medium-term momentum reversal (1.75% and 1.85%) to signal a new medium-term yield uptrend. Moreover, as I show on the hourly chart on the next page, the Yield must break the big resistance range between 1.93% and 2.20% to complete a Head and Shoulder bottom. Meanwhile, a break of 1.56% could signal another medium-term shift to DOWN.

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



US 10-year Treasury Yield – hourly chart

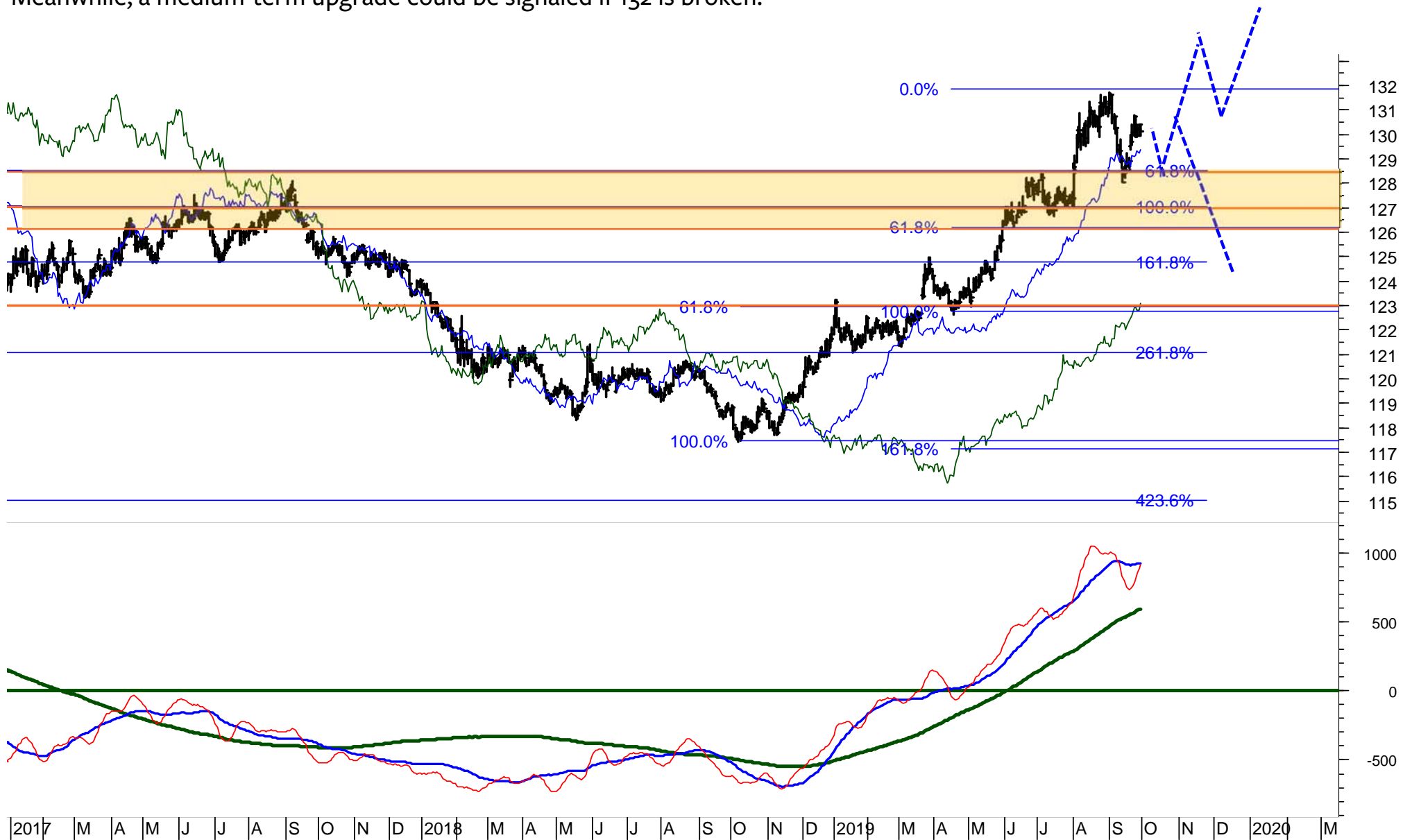
The US Yield has been correcting part of its advance from 1.44% to 1.91%. By 24.9.2019 it has retraced close to 61.80% of this advance. It has entered a rebound on 24.9.2019 at 1.64%. Clearly a rise above 1.93% would signal an inverse Head and Shoulder Bottom with a new upside potential to 2.10% / 2.13% or 2.40% / 2.60%. However, if the Yield fails to hold above 1.63% / 1.61% and 1.56% the downtrend could be re-instated with a decline below 1.46% / 1.43%. Then, the outlook for Zero Yield in the US 10-year yield could become reality.



US 10-year Treasury Note continuous Future – daily chart

The T-Note Future is still trading between the resistance at 132 and the support at 128 / 126. It will take a break of 128 to confirm the bearish medium-term outlook. Meanwhile, a medium-term upgrade could be signaled if 132 is broken.

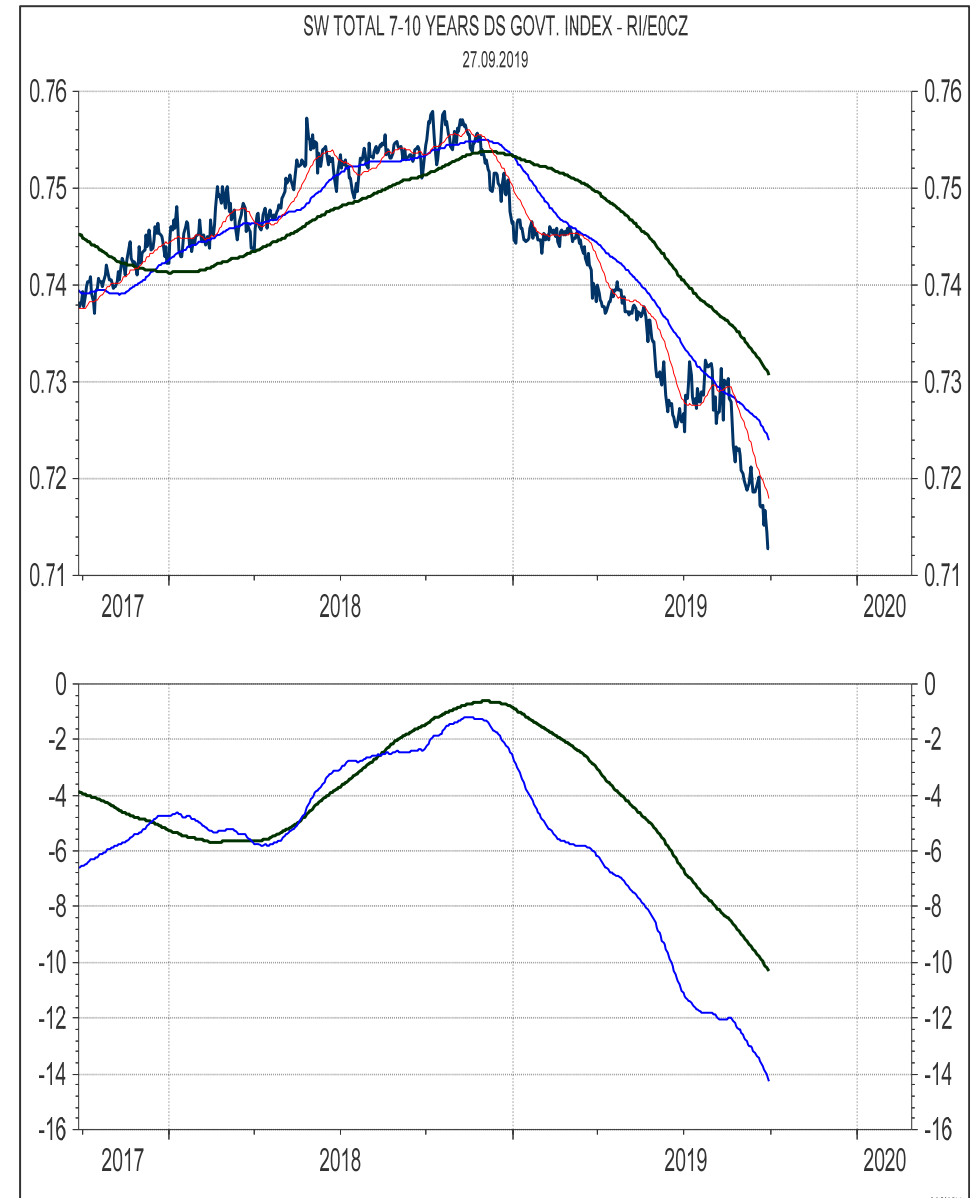
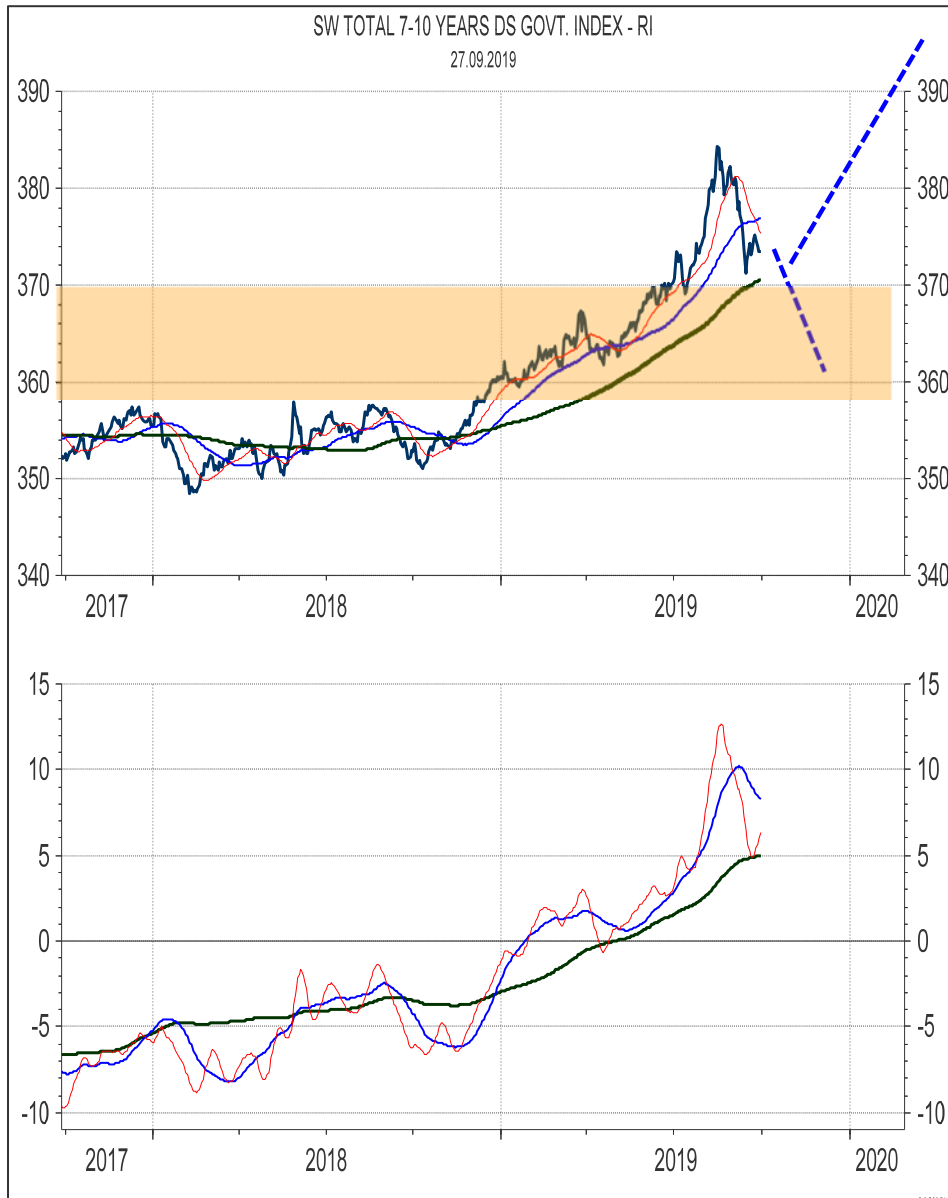
Long-term Outlook: UP
Medium-term Outlook: DOWN

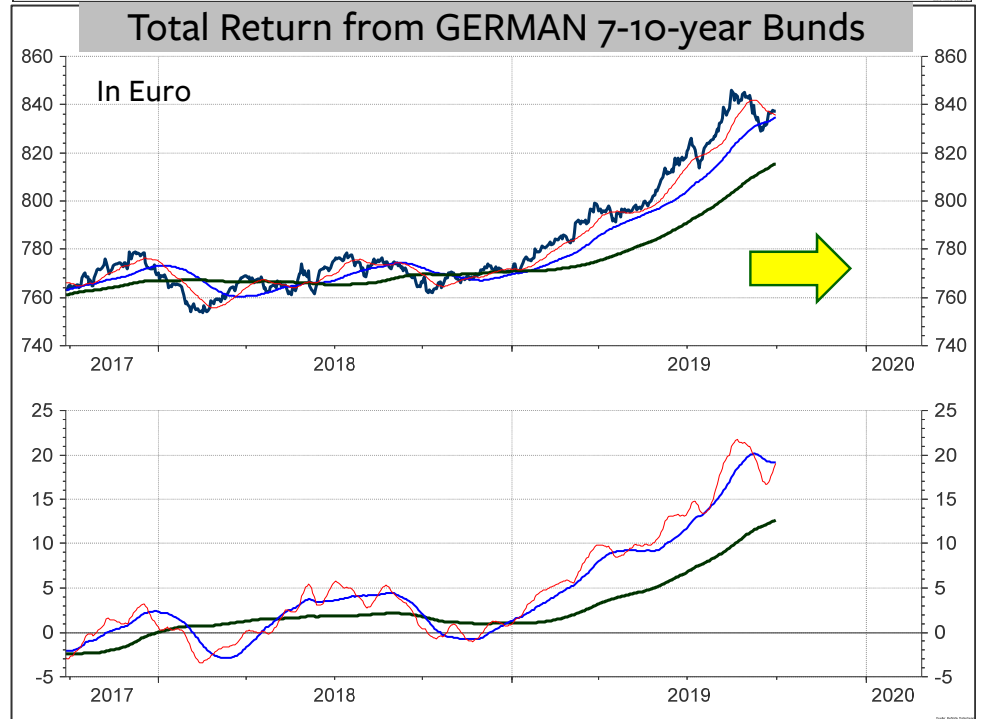
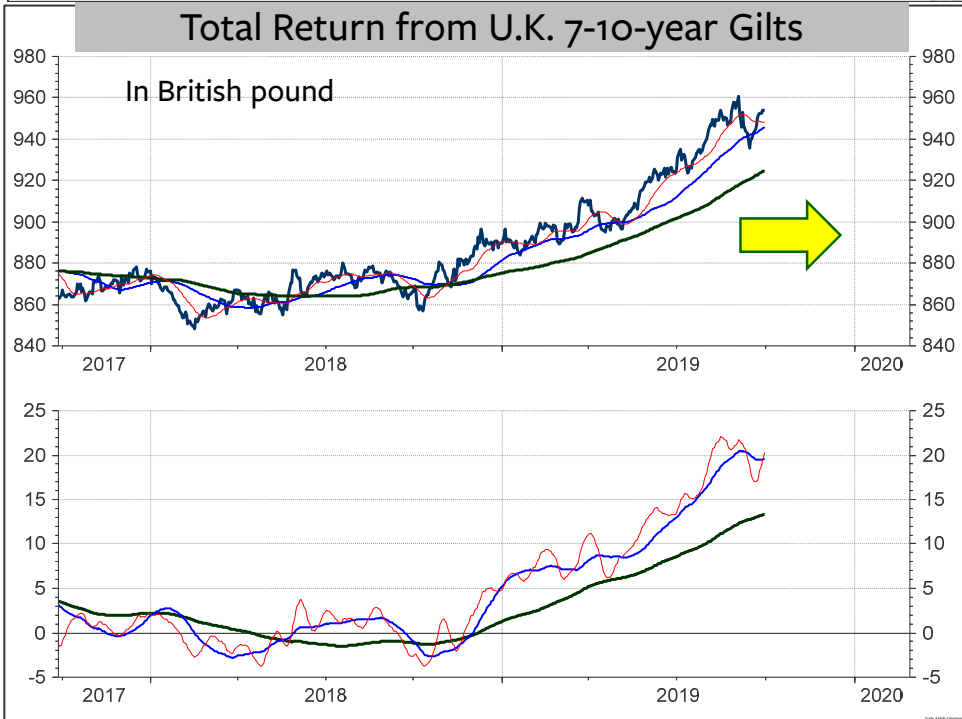
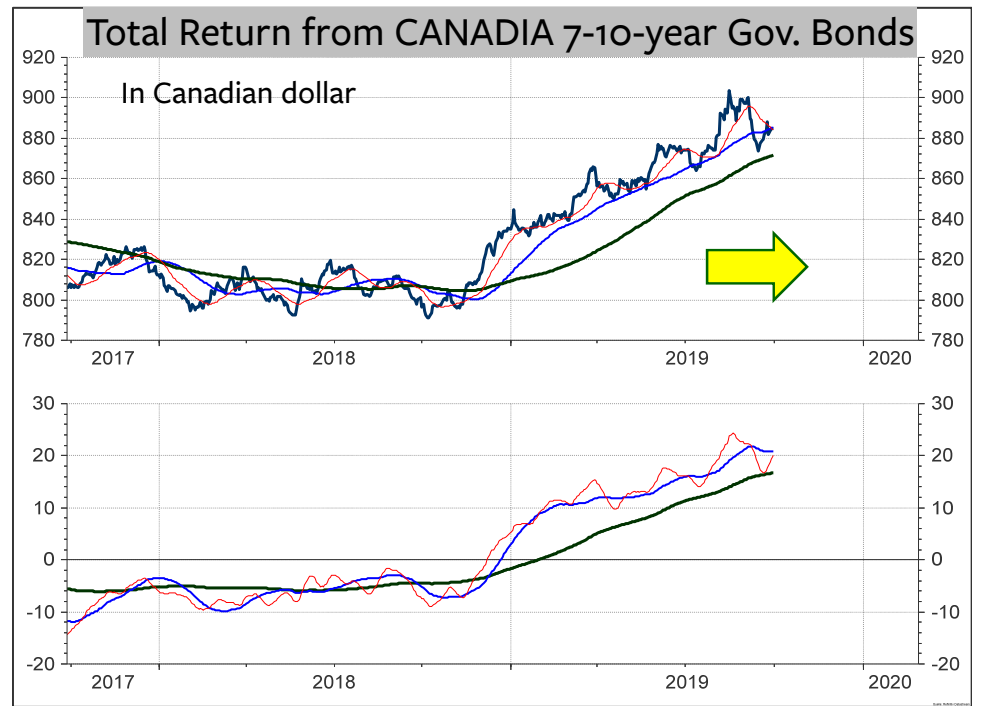
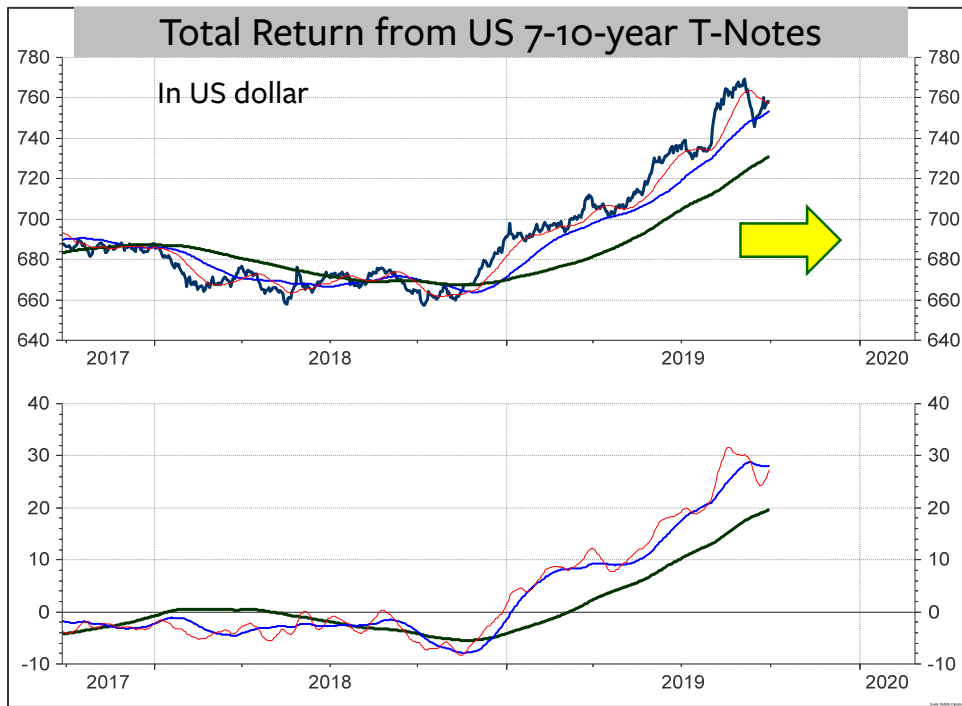


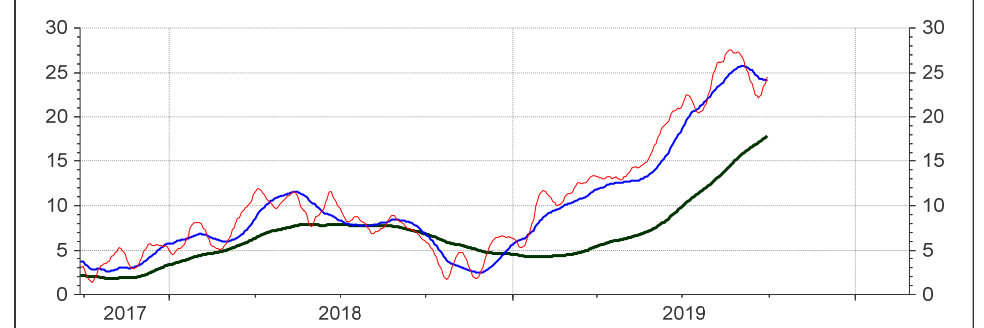
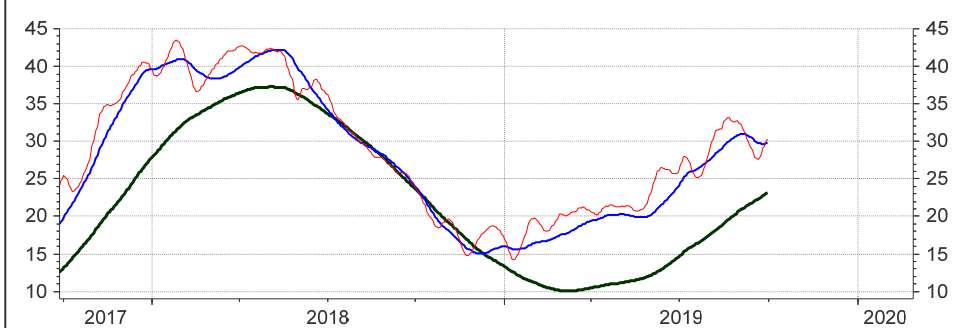
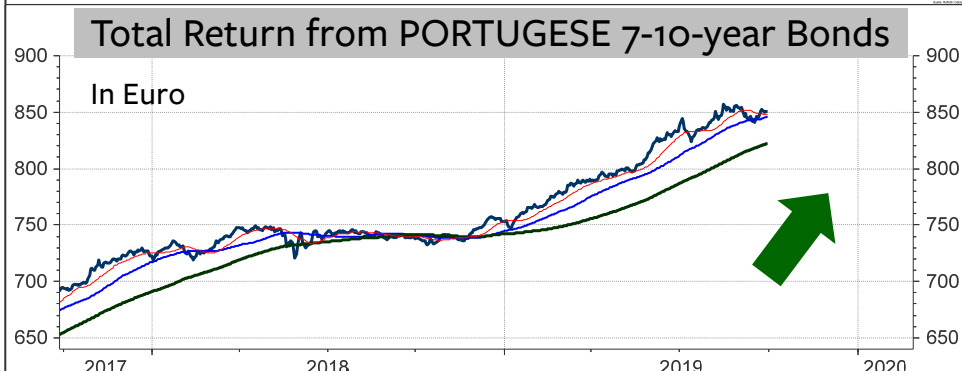
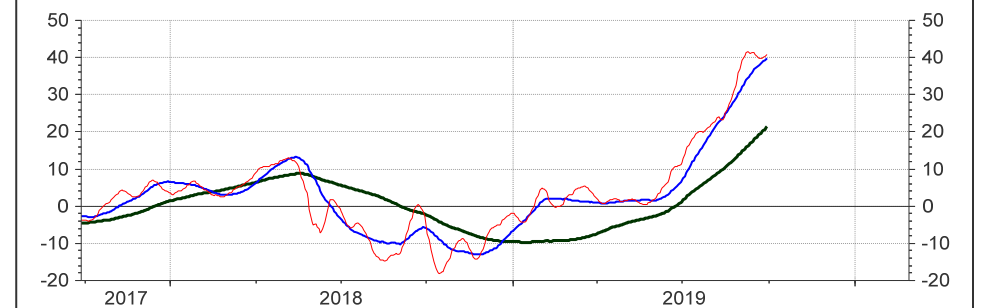
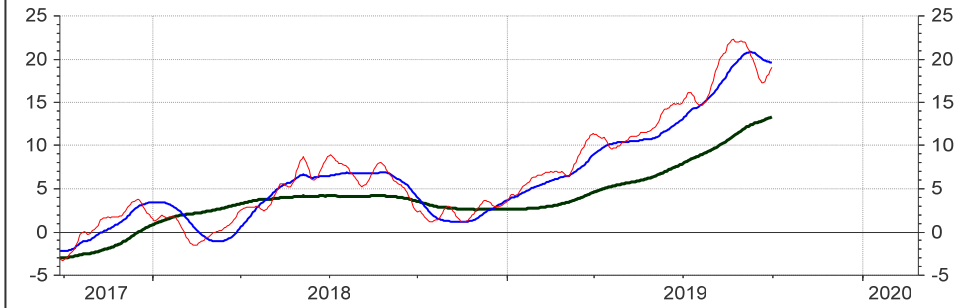
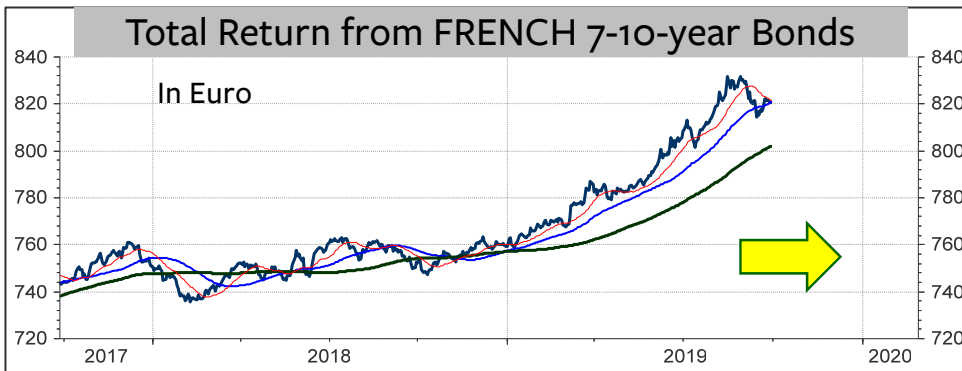
Total Return from 7-10-year Swiss Conf Bonds – absolute (left) and relative to the World Bond Index

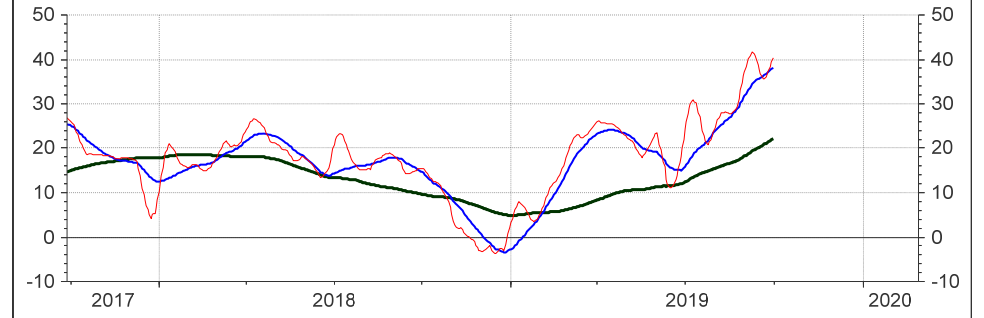
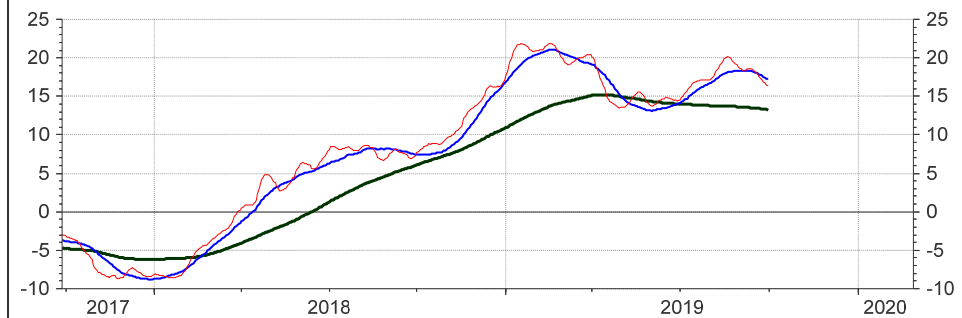
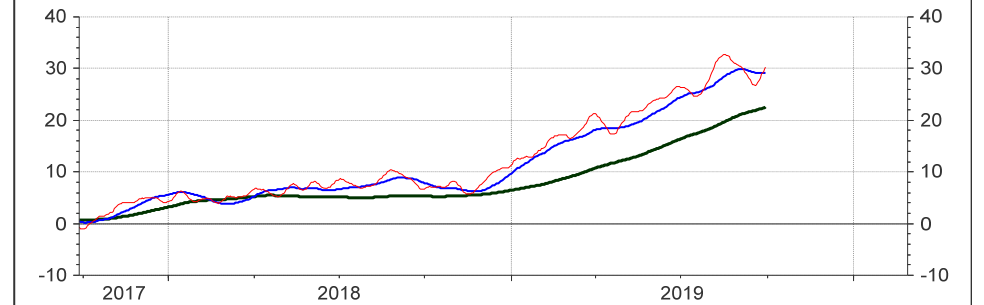
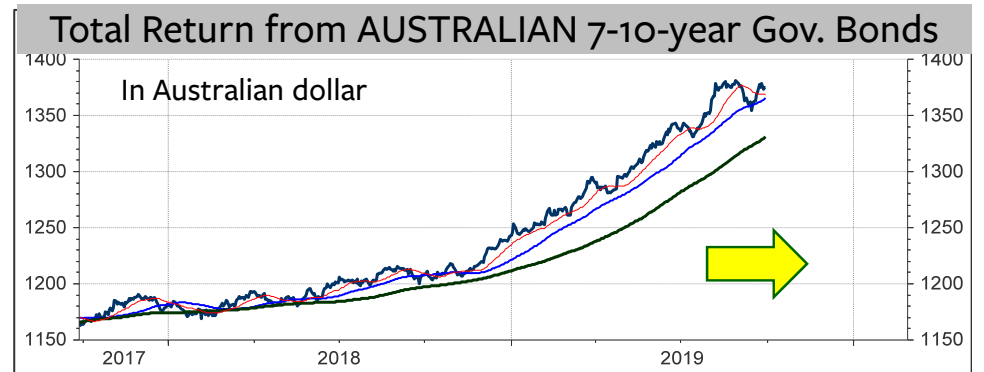
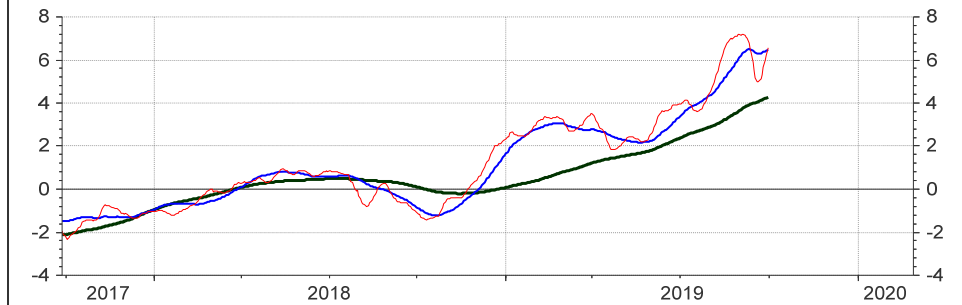
The Swiss TR is trading below the 55-day average and above the 144-day average. The TR can either resume the uptrend or signal a break of the long-term uptrend with a fall below the 144-day average.

The Swiss TR continues to UNDERPERFORM the Global Government 7-10-year Bond Index.



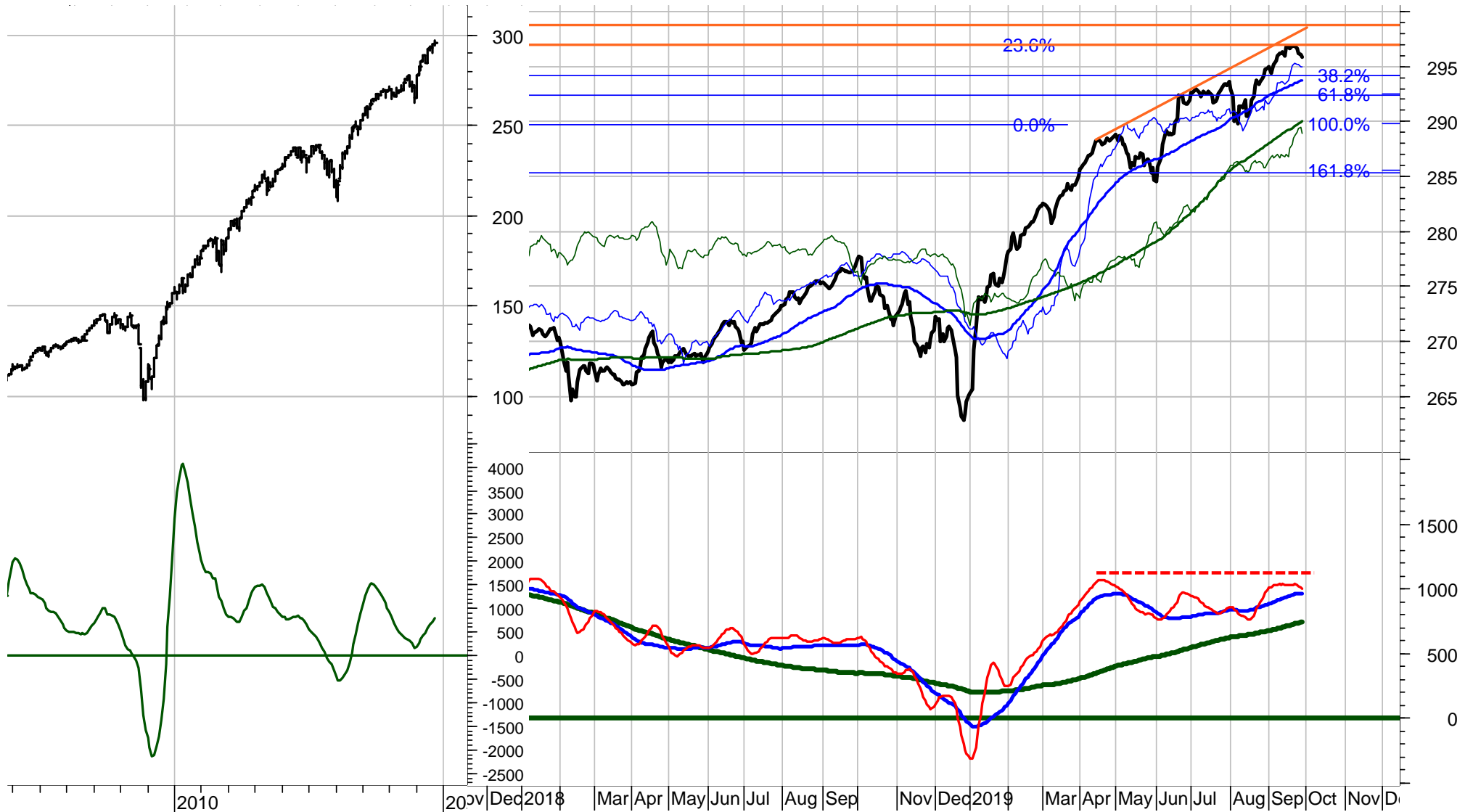






IBOX USD Liquid High Yield Index (.IBLUS0004)

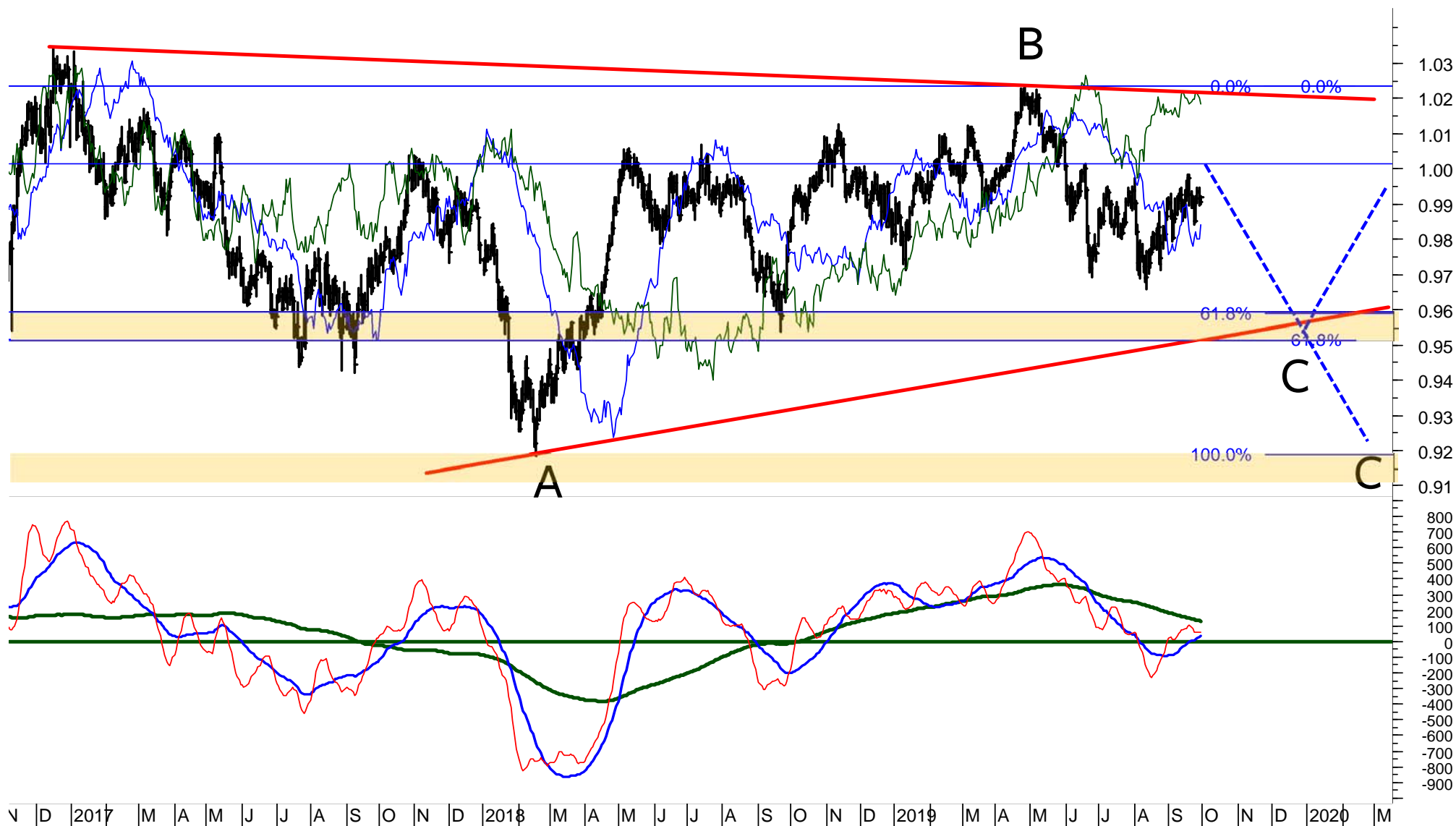
The High Yield Index has entered a short-term correction below the Fibonacci resistance range around 297 to 299. A break of the supports at 294 and 297 will signal a major correction and possibly a break of the uptrend from December 2019.



US dollar / Swiss franc – daily chart

The US dollar remains in the downtrend from the high in April 2019. I label this high as Wave C of the triangle from December 2016. I am still looking for the triangle to test the support at 0.95 (C=0.618 x A) or 0.91 (C=A). Resistance is at 1.0030 and 1.0250.

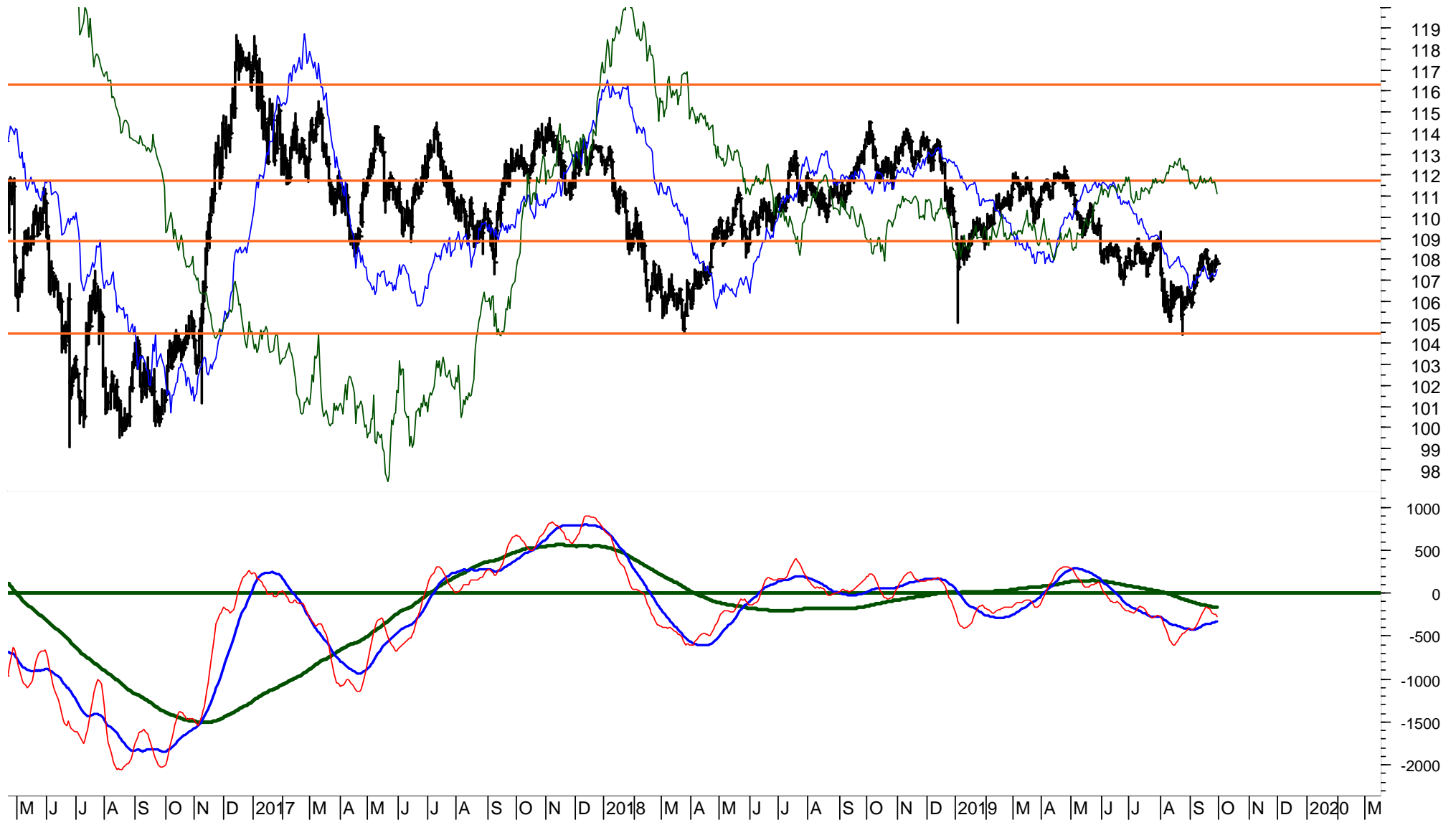
Long-term Outlook: DOWN
Medium-term Outlook: DOWN



US dollar / Japanese yen – daily chart

The US dollar is trading around its medium-term momentum reversal. This means that the US dollar could signal a new medium-term uptrend if it breaks 109 or it will re-instate the larger downtrend.

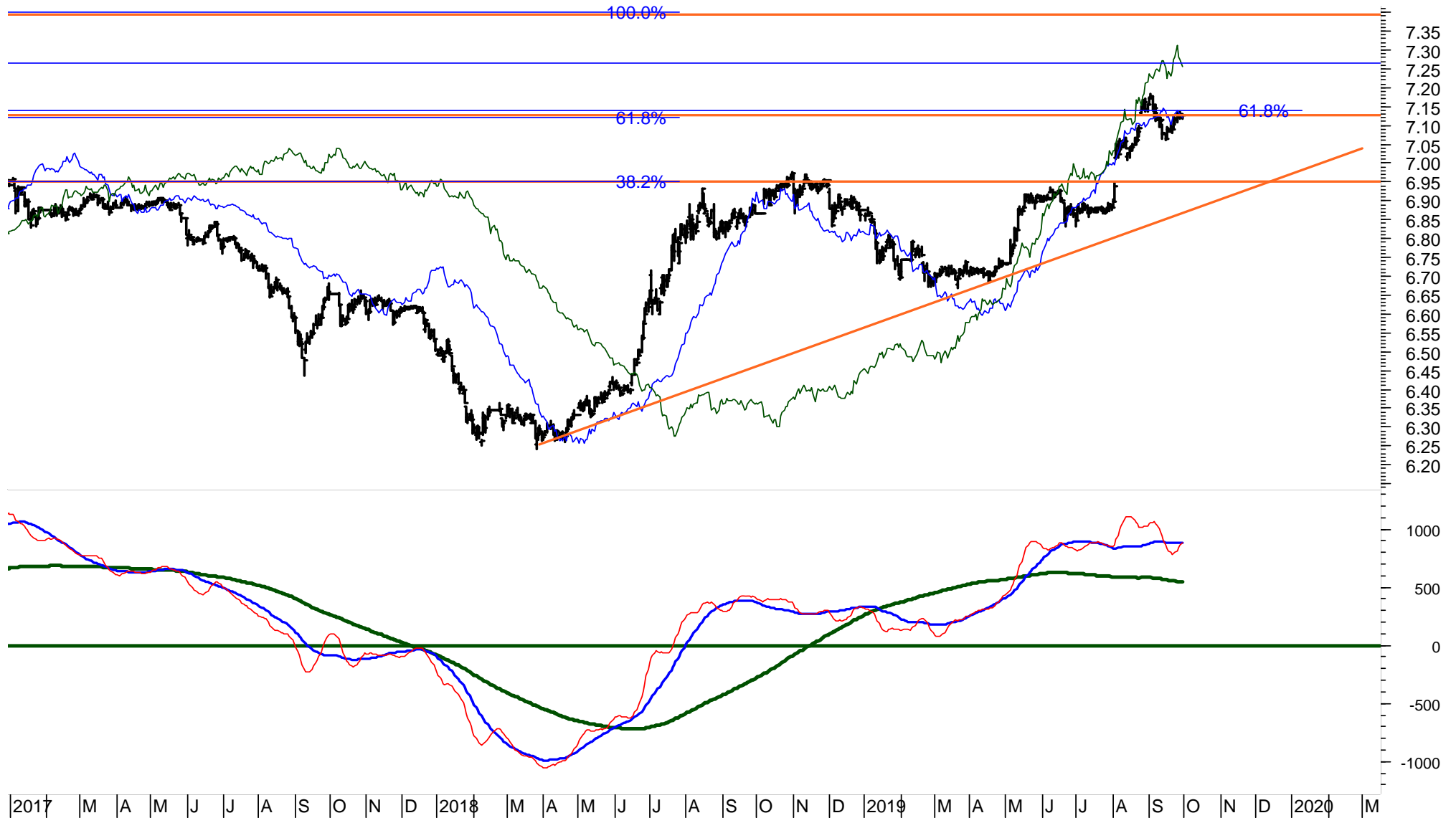
Long-term Outlook: DOWN
Medium-term Outlook: FLAT



US dollar / Chinese yuan – daily chart

The US dollar must break above the resistance at 7.27 or the momentum indicators will signal a major dollar top.

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



US dollar / Mexican peso – daily chart

The US dollar remains in the Triangle from 2017.

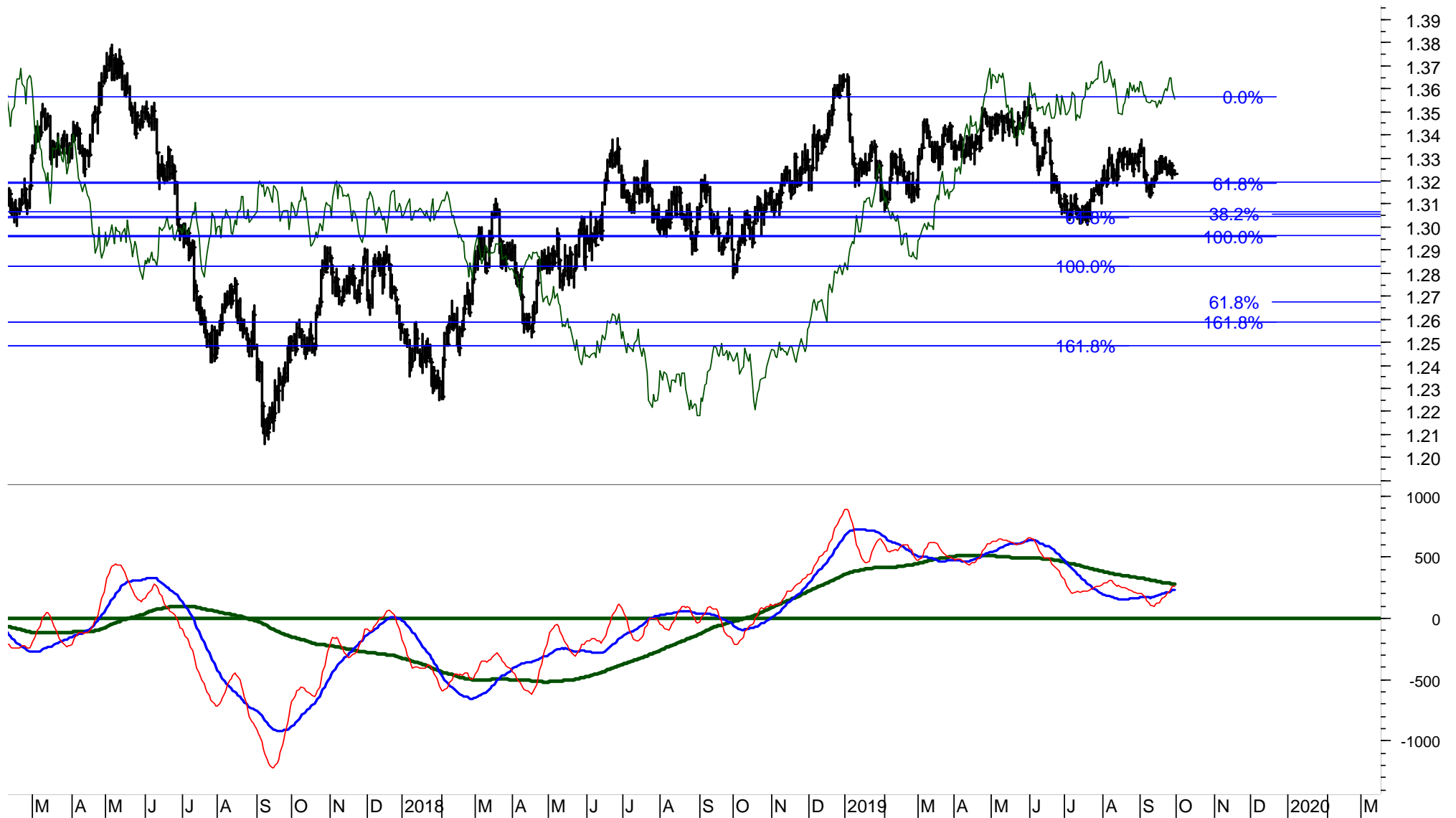
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



US dollar / Canadian dollar – daily chart

The US dollar remains just above the long-term support range between 1.3050 and 1.2950. A break lower would signal 1.28 to 1.27 or 1.2450.

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



Euro / US dollar – daily chart

The Euro decline from July could be forming a Wedge. It could terminate the downtrend from early 2018. A final selloff in Wave 5 to 1.08 could be seen next. Notice that the level at 1.0850 is equal to the 76.40% retracement to the Euro advance from December 2016 to February 2018. A rise above 1.11 and 1.1250 could trigger a medium-term and possibly a long-term uptrend signal. The respective momentum indicators are bottoming and could easily allow for a new Euro rally.

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

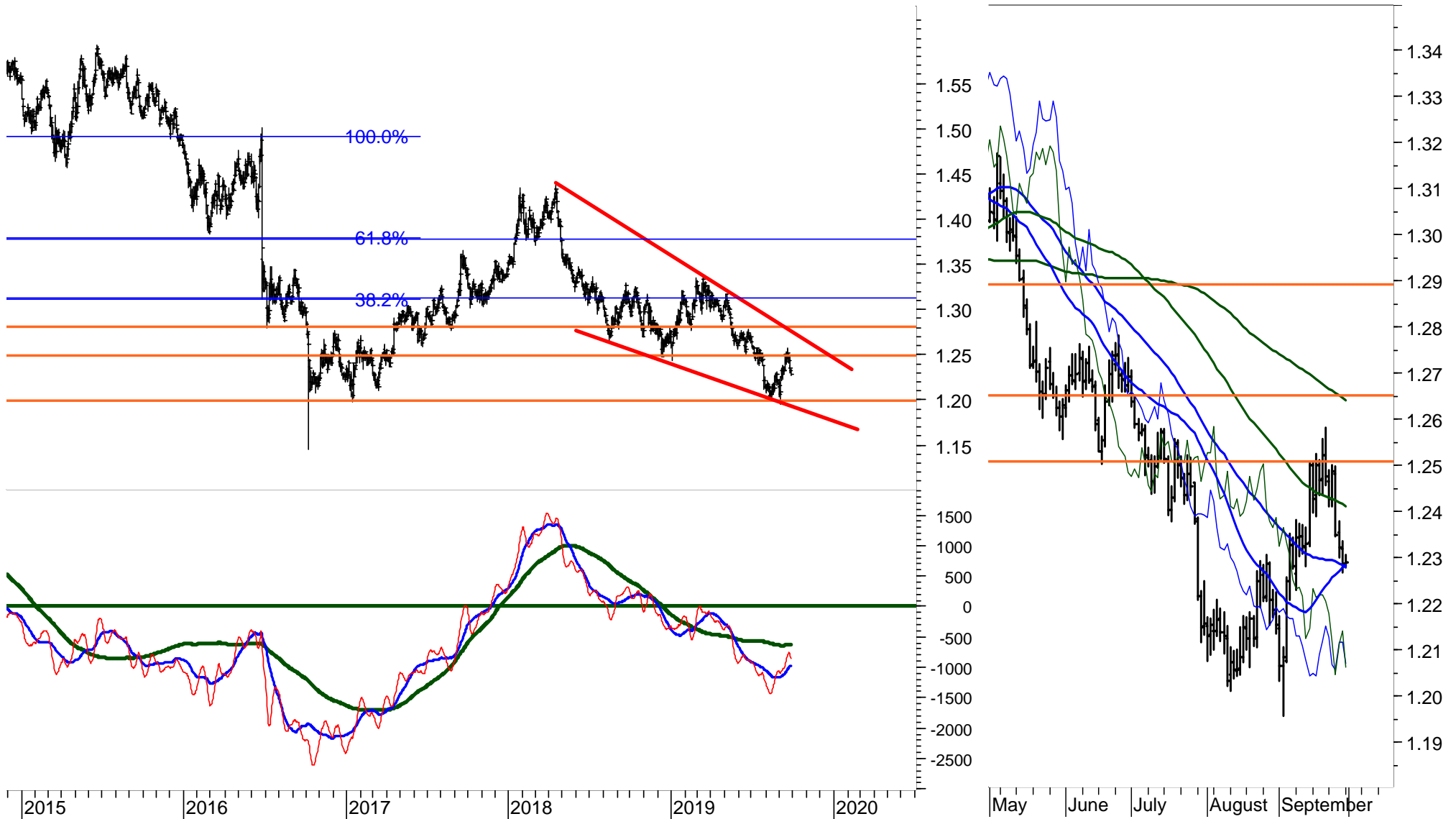


British pound / US dollar – daily chart

The British pound was turned down by the resistance at 1.26. It remains within the lines of the downtrending Wedge, which originated in early 2018. A break of 1.20 would signal that a return to the lows of 2016 is in the making.

The Pound will have to break 1.26 / 1.2650 to signal a medium-term upturn and a medium-term upgrade to UP.

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



Australian dollar / US dollar – daily chart

The Australian dollar must rise above 0.6830, 0.6890 to signal a medium-term upgrade to FLAT. A break of 0.6960 would justify the upgrade to UP.

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



Euro / Swiss franc – daily chart

The Euro remains in the consolidation which it entered in early August. It will take a rise above 1.0960 and 1.1050 to push the Euro above the three medium-term indicators (blue) and to signal a new medium-term Euro uptrend. A break of 1.08 would signal a test of the next long-term support range between 1.06 and 1.04. As you can see on the next page the Swiss franc model has improved to short-term UP and medium-term FLAT. The Swiss franc is rated medium-term UP mostly against the European bloc of currencies.



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

Global-SWISS FRANC Model – Swiss franc measured in 35 currencies

On the scale from 0% (maximum bearish) to 100% (maximum bullish) the Total Score is NEUTRAL with a reading of 51%.

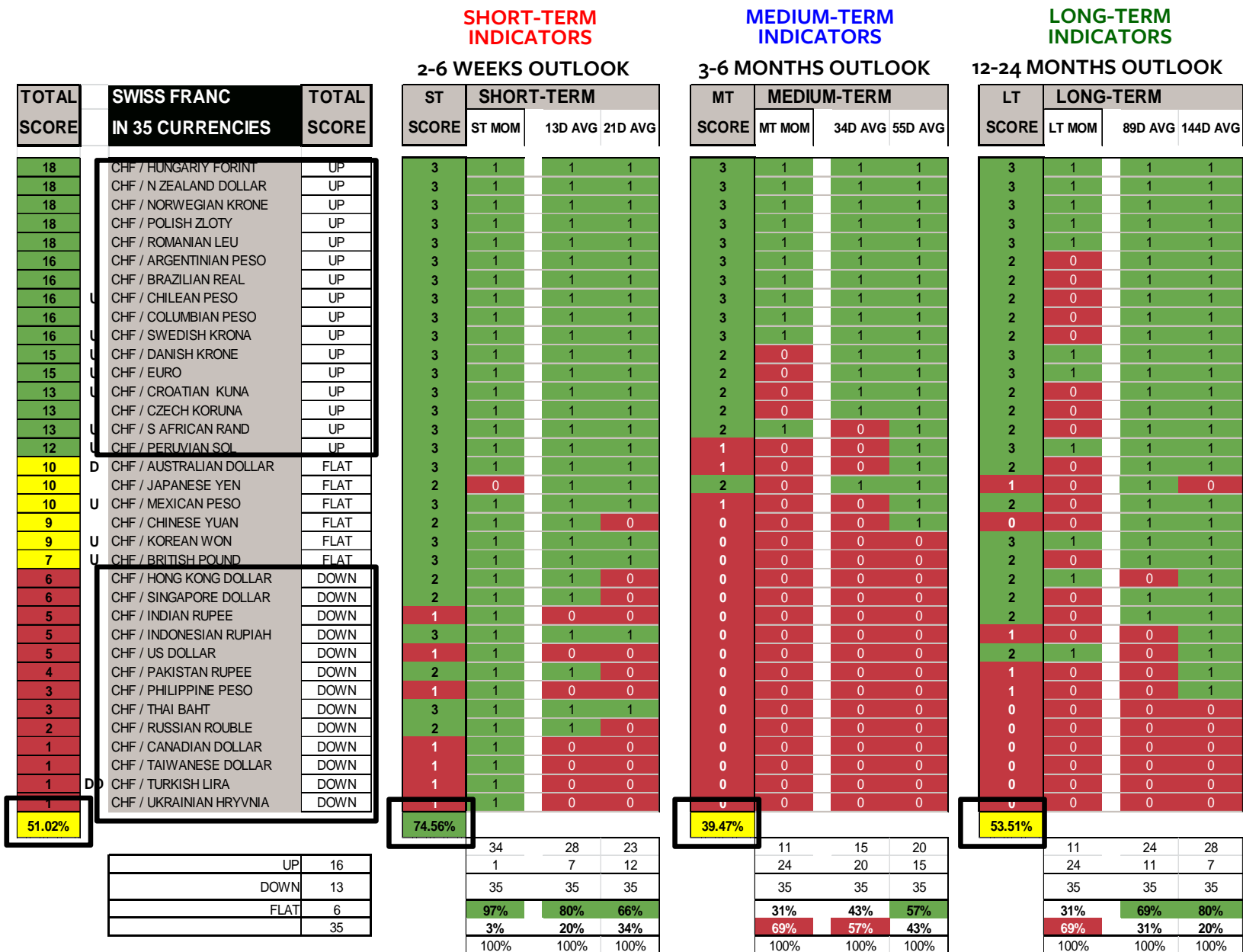
The Short-term Model is POSITIVE at 75%.

The Medium-term Model is NEUTRAL at 39%.

The Long-term Model is NEUTRAL at 54%.

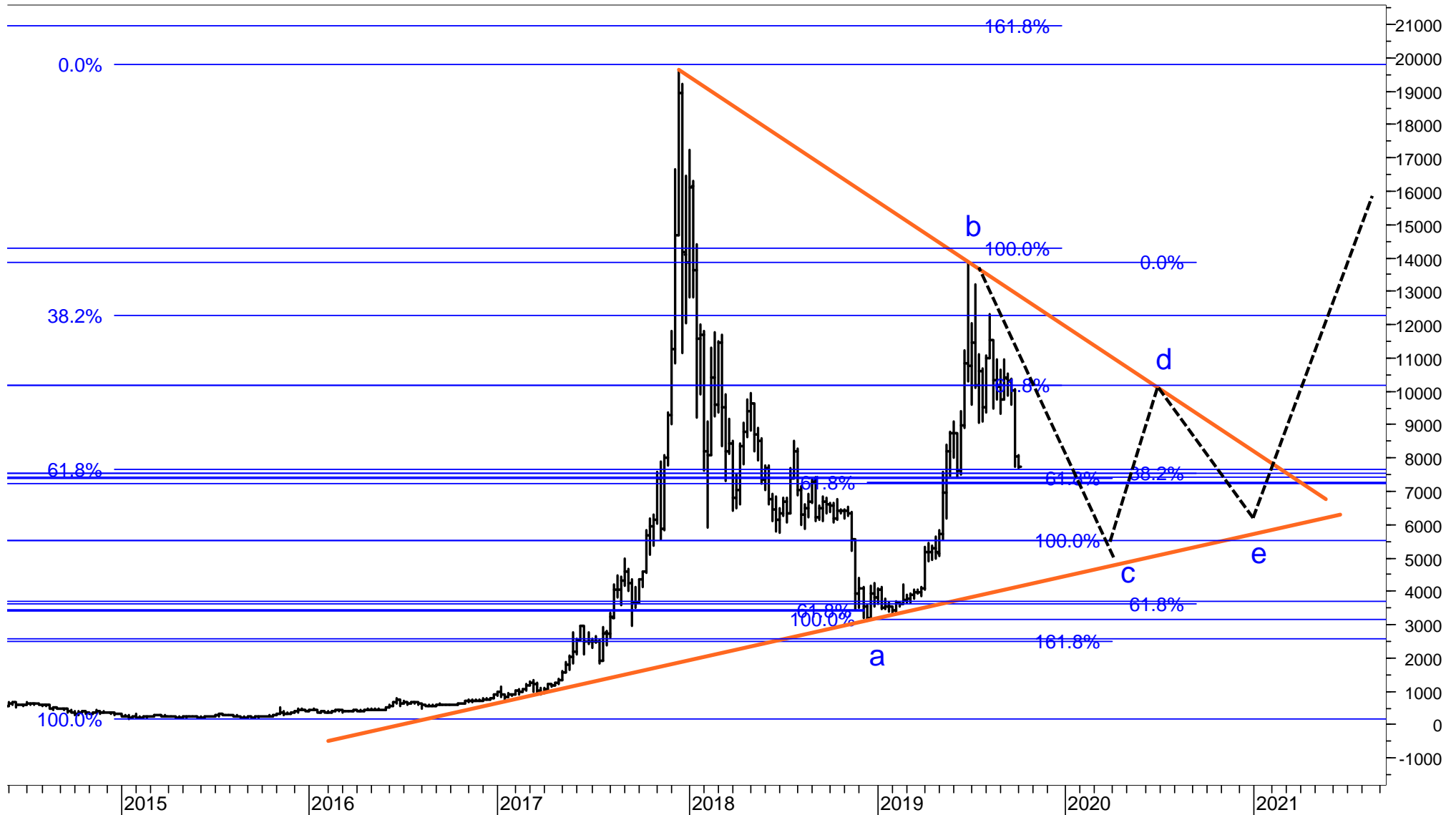
The Swiss franc Model has again strengthened over the last two weeks. My recent hint that there could be Swiss franc weakness with a shift to Swiss franc pessimism was a bit premature. I will have to see if the present short-term Swiss franc rally can add strength to the medium-term and long-term models.

Only then would I look for another sustainable upleg in the Swiss franc.



Bitcoin / US dollar – daily chart

The Bitcoin left the TRIANGLE from June 2019 to the downside, when it broke the supports at 9,800 and 9,100. Presently, it is trading just above the multiple support cluster at 7500 / 7000. The present decline could be Wave C of the large Triangle a-b-c-d-e, which began in December 2017. Lower supports are at 5500, 3700 to 2500.



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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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