



GLOBAL CHART OUTLOOK

investing ahead of the crowd

GLOBAL MARKETS

14th October 2019 / Issue #39

Summary for the Global Stock Markets

The short-term stock market correction, which was signaled in mid-September, bottomed last week. The short-term correction managed to hold the triangle-support and managed to rebound. This short-term price weakness has not done much damage to the medium-term cycle. In fact, during the past few days, some indices such as the DAX, have already regained the full magnitude of the short-term correction. This strong equity rebound and the shift of the investor sentiment from pessimistic to neutral, indicate that possibly, the stock markets must break the triangle from May to the upside, so that investor sentiment rises from neutral to optimistic. A large stock market correction could start in January 2020.

The latest stock market rebound and the bond price selloff have triggered a medium-term relative shift of global stocks relative to bonds to NEUTRAL. The relative long-term outlook remains NEUTRAL.

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Content and Summary Global Stock Markets	2			
Content and Summary Commodities, 10-year Yields and Forex	3			
MSCI World Stock Market Index	4	FLAT	(u) FLAT	Remains in the consolidation from May 2019 and likely to reach another new high.
Global-1325 equities - Momentum cycle phase distribution	5			
Equity to Bond Allocation - MSCI World Index relative to Global Bond Index	6	NEUTRAL	(u) NEUTRAL	Equity rebound and bond correction triggered medium-term relative upgrade to NEUTRAL.
S&P 500 Index stocks - Momentum cycle phase distribution	7			
S&P 500 Index - LONG-term Outlook	8	FLAT		
Global-9 LONG-term Momentum Indicators and LONG-term Model ratings	9			
S&P 500 Index - MEDIUM-term Outlook	10		(u) FLAT	Still trading around the 3 medium-term indicators and likely to reach one more new high.
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MSCI USA absolute, relative to World, in Swiss franc and relative to MSCI Switzerland	15			
Three-Factor Model - S&P 500 Index, ECRI and Weekly Jobless Claims	16			Remains three times FLAT. No recession signal yet.
U.K. - FTSE 100 Index	17	FLAT	DOWN	
MSCI U.K. absolute, relative to World, in Swiss franc and relative to MSCI Switzerland	18			U.K. in Swiss franc is upgraded to FLAT and NEUTRAL relative to the MSCI Switzerland.
Switzerland - SMI	19	UP	(u) FLAT	Final Wedge could peak in November or December around 10,350.
Switzerland - Swiss Equally Weighted Stock Market Index	20	FLAT	FLAT	
Switzerland - Swiss MidCap Index	21	FLAT	(u) FLAT	Rising to the long-term resistance at 1040/50 or 1080.
Switzerland - Swiss SmallCap Index	22	DOWN	DOWN	
Europe - Eurostoxx 50 Index	23	FLAT	(u) FLAT	Still forming the rising Wave D with resistance at 3610 / 3650.
Stoxx 600 Index stocks - Momentum cycle phase distribution	24			
MSCI EMU absolute, relative to World, in Swiss franc and relative to MSCI Switzerland	25			EMU in Euro and Swiss franc is upgraded to FLAT.
Germany - DAX	26	FLAT	(u) FLAT	Continues to rally to resistance at 12,800.
Japan - Nikkei 225 Index	27	FLAT	(u) FLAT	Major resistance is at 22,500.
Nikkei 225 Index stocks - Momentum cycle phase distribution	28			
MSCI Japan absolute, relative to World, in Swiss franc and relative to MSCI Switzerland	29			
Emerging Markets - MSCI EM	30	FLAT	DOWN	
MSCI EM absolute, relative to World, in Swiss franc and relative to MSCI Switzerland	31			
China- Shanghai Composite Index	32	FLAT	FLAT	
China- Hang Seng China Enterprise Index	33	DOWN	DOWN	
MSCI China absolute, relative to World, in Swiss franc and relative to MSCI Switzerland	34			

Summary for the Commodities, Bond Yields, Total Return and Currencies

The Bloomberg Index is bouncing but the medium-term and long-term outlook remain FLAT.

Gold and Silver remain in the consolidation. Sell levels are 1440/30 and 16.80.

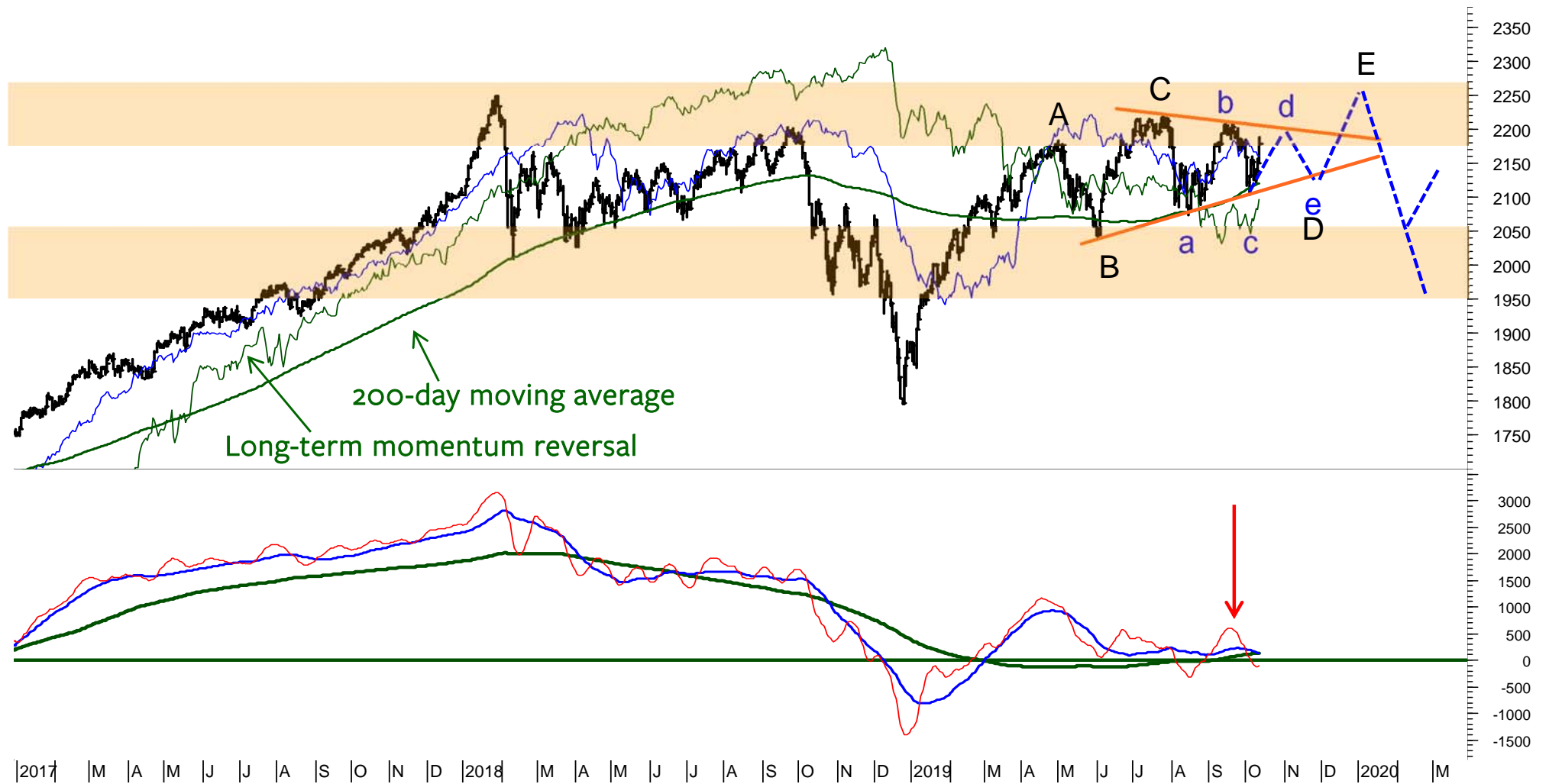
The 10-year Yield and the Total Return should be watched closely here. My Trend and Momentum 10-year Yield Model records 28 short-term upgradings and 18 medium-term upgradings. Even the long-term model records 13 upgradings. The US 10-year yield will trigger a medium-term uptrend signal if 1.80% / 1.83% is broken. Thereafter, the Yield could rise to 1.99%. Overall, the yields' medium-term and possibly even long-term trend could be forming a major bottom.

CONTENT	Page	Long term	Medium term	WHAT YOU SHOULD WATCH
Content and Summary Global Stock Markets	2			
Bloomberg Commodity Index	35	FLAT	FLAT	
Light Crude Oil	36	FLAT	FLAT	
HG Copper	37	DOWN	DOWN	
Gold	38	UP	FLAT	Medium-term downgrade to DOWN and long-term FLAT if 1440/30 is broken.
Global-37 Gold Model	39			
Silver	40	UP	FLAT	Medium-term downgrade to DOWN and long-term FLAT if 16.80 / 16.30 is broken.
Global 10-year Bond Yield and Total Return from 7-10-year Government Bonds	41			Both charts are very close to a medium-term upgrade for the yields and downgrade for the TR.
Global 10-year Government Bond Yield Model	42			The US 10-year T-Note Yield will turn medium-term UP if 1.80% / 1.83% is broken.
USA - 10-year T-Note Price Future	43	UP	FLAT	Sell signals if 19.50 and 128.50 is broken.
USA - Total Return from 7-10-year US Government Bonds	44	UP	FLAT	
Total Return from 7-10-year Swiss Conf Bonds absolute and relative to World Index	45		(d) DOWN Total Return	Swiss Total Return is downgraded to medium-term DOWN (sell).
Total Return from 7-10-year Government Bonds - USA, Canada, U.K. Germany	46			
Total Return from 7-10-year Government Bonds - France, Italy, Portugal, Spain	47			
Total Return from 7-10-year Government Bonds - Japan, Australia, China, Mexico	48			
IBOXX USD Liquid High Yield Index	49	UP	FLAT	Close to a downgrade to DOWN (sell).
Swiss franc per US dollar	50	DOWN	DOWN	US dollar upgrade likely if the resistance 1.0050 is broken.
Japanese yen per US dollar	51	DOWN	FLAT	
Chinese yuan per US dollar	52	UP	FLAT	
Mxican Peso per US dollar	53	FLAT	FLAT	
US dollar per Euro	54	FLAT	FLAT	The Euro is at the make-it-or-break-it juncture.
US dollar per British pound	55	DOWN	FLAT	Euro upgrade to medium-term and long-term UP if 1.27 / 1.2850 is broken.
Swiss franc per Euro	56	DOWN	DOWN	Euro upgrade to medium-term and long-term UP if 1.1180 / 1.12 is broken.
US dollar per Bitcoin	57			

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

The World Index has been forming a Horizontal Triangle since the high of July 2019. Investor pessimism (US Call/Put Ratio) has moved from pessimistic to neutral. There is room for more investor optimism and room for another new high before a larger correction takes over.

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



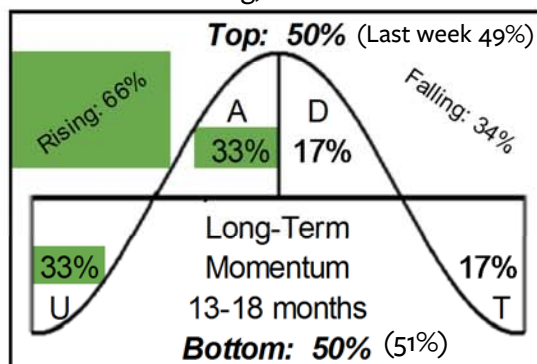
GLOBAL-1325 stocks – long-term, medium-term and short-term momentum positioning

S&P 500 + STOXX 600 + NIKKEI 225 (1325)

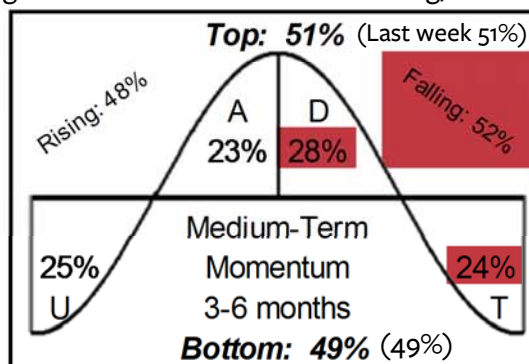
S&P 500 + STOXX 600 + NIKKEI 225 (1325)

S&P 500 + STOXX 600 + NIKKEI 225 (1325)

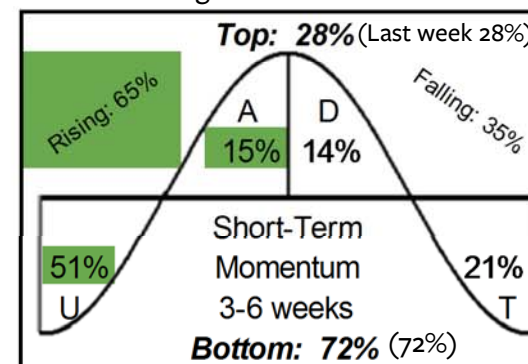
U denotes the UP-quadrant; the momentum indicator is rising below the Zero line. A=Advancing; the momentum indicator is rising above the Zero line. D=Declining; the momentum indicator is declining above the Zero line. T=Terminating; the momentum indicator is declining below the Zero line.



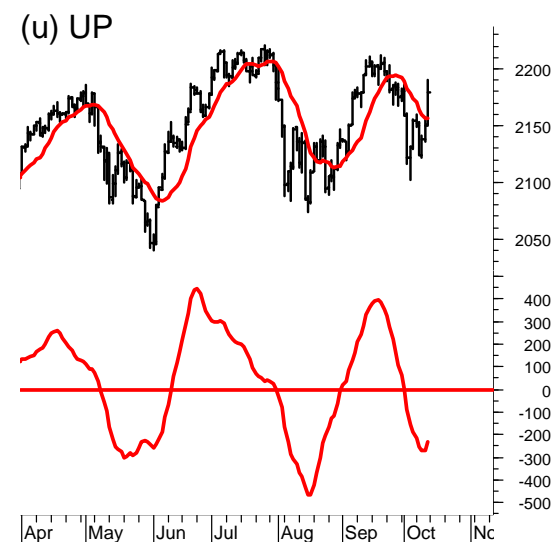
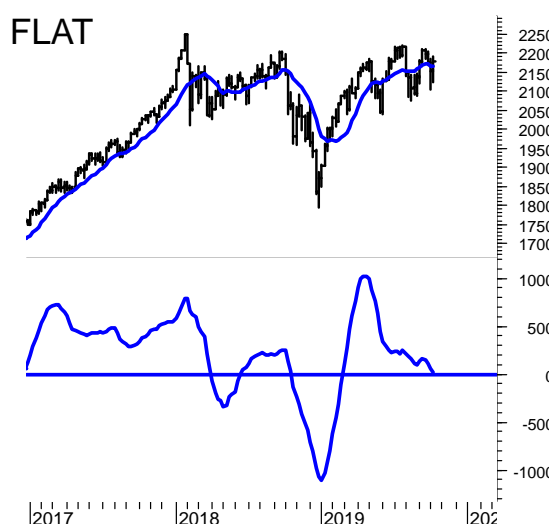
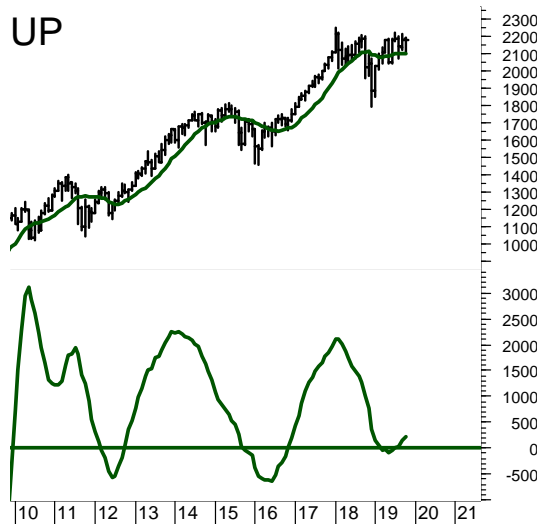
The long-term (13-18 month outlook) momentum readings remain POSITIVE. The percentage of the 1325 stock, which is positioned in the positive quadrants U+A, has increased from 60% to 66%. This is also mirrored in the long-term momentum indicator of the World Index (below), which remains in its uptrend.



The medium-term (3-6 month outlook) momentum readings remain slightly NEGATIVE. The percentage of the 1325 stocks, which is positioned in the bearish quadrants D+T, has slowed from 57% to 52%. This slowing momentum decline is also mirrored in the medium-term momentum indicator of the MSCI World Index (below).



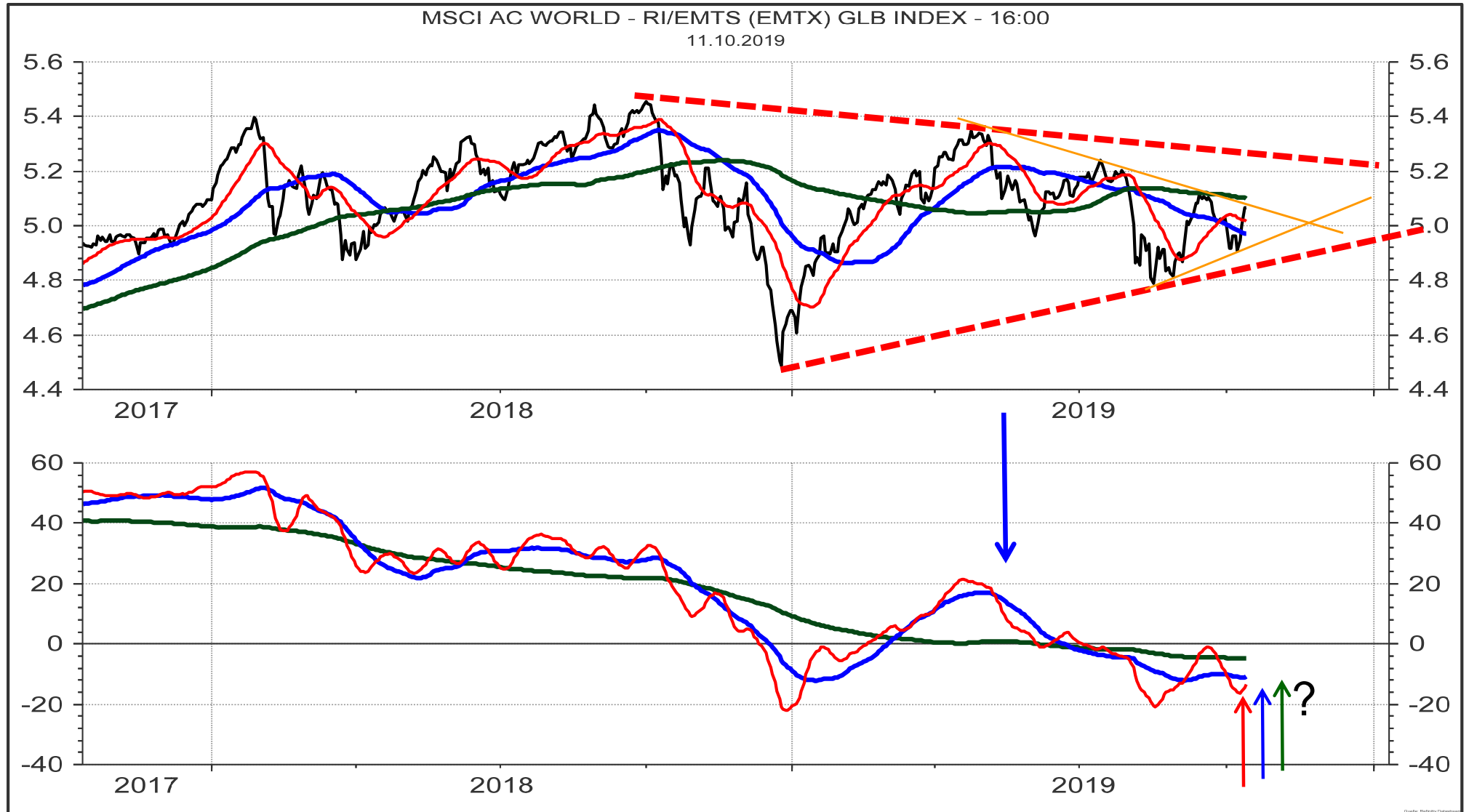
The short-term momentum (3-6 weeks outlook) has bottomed. The percentage of the 1325 stocks, which is positioned in the positive quadrants U+A, has increased to 65%. This momentum shift from down to up is also mirrored in the short-term momentum indicator of the MSCI World Index (below), which turned up.



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) remains in the large triangle which originated in January 2018. **The Long-term Outlook remains NEUTRAL EQUITIES and NEUTRAL BONDS. The Medium-term Outlook is upgraded to NEUTRAL EQUITIES and NEUTRAL BONDS.** It remains to be seen if the new short-term upleg has the strength to push the relative chart bove the 144-day average.

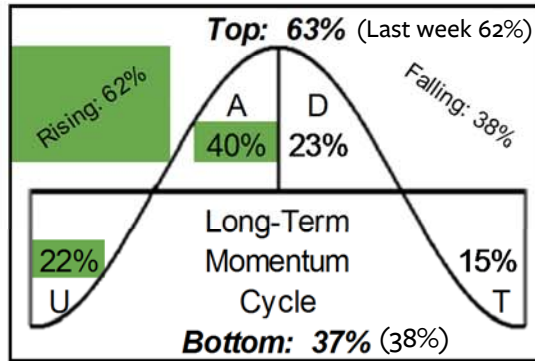
Long-term Outlook: NEUTRAL
 (equal weight stocks and bonds)
Medium-term Outlook: (u) FLAT
 (equal weight stocks and bonds)



S&P 500 Index constituent stocks – long-term, medium-term and short-term momentum positioning

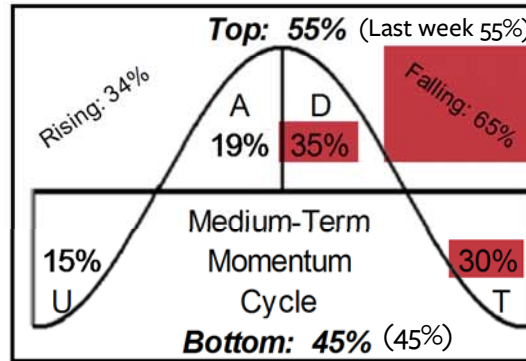
S&P 500 LONG TERM

U denotes the UP-quadrant; the momentum indicator is rising below the Zero line. A=Advancing; the momentum indicator is rising above the Zero line. D=Declining; the momentum indicator is declining above the Zero line. T=Terminating; the momentum indicator is declining below the Zero line.



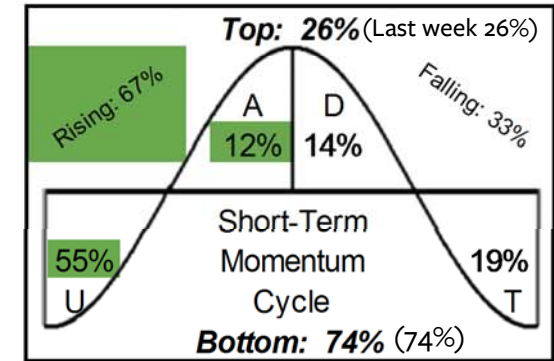
The long-term momentum readings remain POSITIVE for the S&P 500 stocks. The percentage of the 500 stock, which is positioned in the positive quadrants U+A, has increased from 56% to 62%. This slowing uptrend is still mirrored in the long-term momentum indicator of the S&P 500 Index (below), which remains slightly positive.

S&P 500 MEDIUM TERM

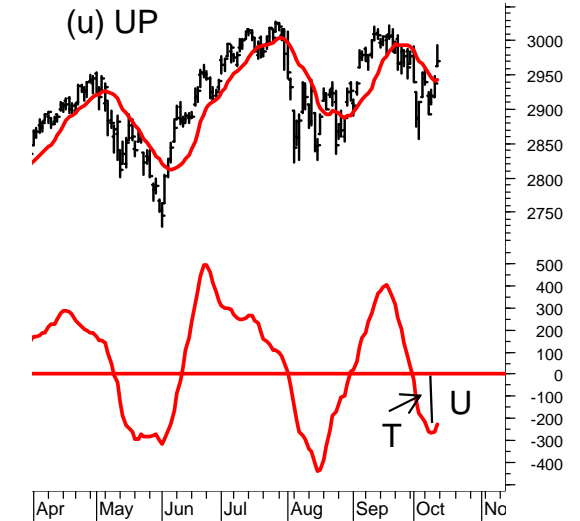
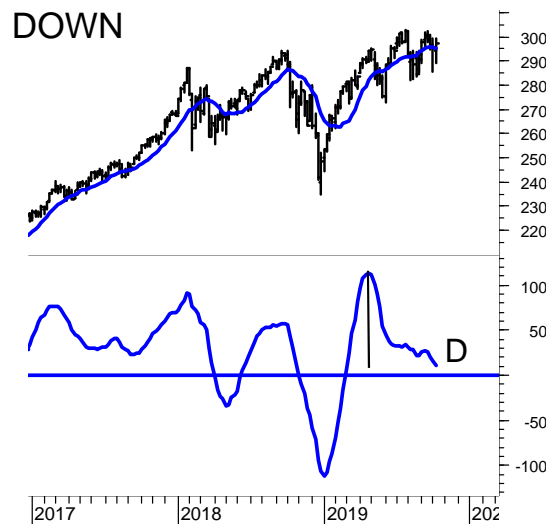
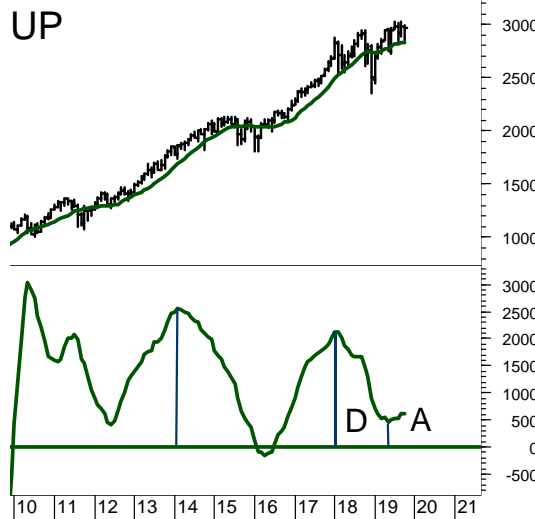


The medium-term momentum readings remain NEGATIVE. The percentage of the 500 stocks, which is positioned in the negative quadrants D+T, remains unchanged at 65%. This bearish constellation is also mirrored in the medium-term momentum indicator (below), which is slowly declining.

S&P 500 SHORT TERM



The 500 stocks have shifted from the bearish quadrants D+T to the bullish quadrants U+A. The percentage of the 500 stocks, which are positioned in the bullish quadrants U+A, has increased to 67%. This short-term bullish constellation is mirrored in the upturn of the short-term momentum indicator of the S&P 500 Index (below).



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

Long-term Outlook: FLAT

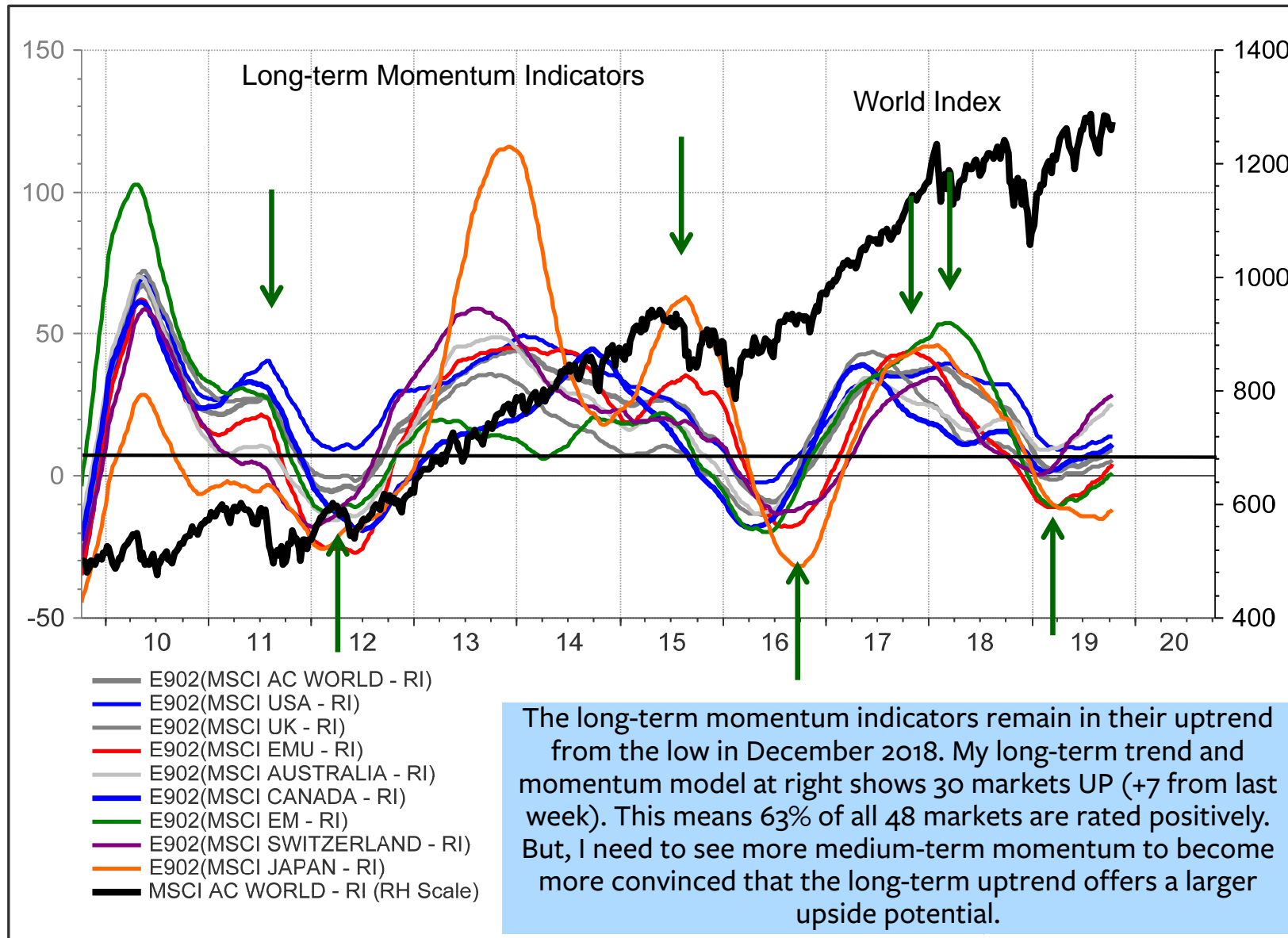
The Long-term Outlook is defined by the Long-term Momentum Indicator (and its Reversal), the 89-Day and the 144-Day Moving Averages. The Long-term Outlook is UP if the Long-term Momentum Indicator (bottom) is rising and the Index is above the 89-Day Average. The Long-term Outlook is turning more positive if also the 144-Day Average is broken. The Long-term Outlook is DOWN if the Long-term Momentum Indicator is declining and the Index is below the 89-Day Average. The Long-term Outlook is turning more negative if also the 144-Day Moving Average is broken.

The S&P 500 Index pushed above the Moving Averages and is positioned above the Long-term Momentum Reversal at 2870. This positioning reveals a positive model reading (bottom right, next page). But, for a new upgrade of my long-term outlook I want to see a break upwards from the consolidation. Since April the S&P 500 Index has been trading above and below the long-term trend and momentum indicators. For now, my Long-term Outlook remains FLAT.



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. The table at right shows the present ratings of my Technical LONG-TERM Trend and Momentum Model.



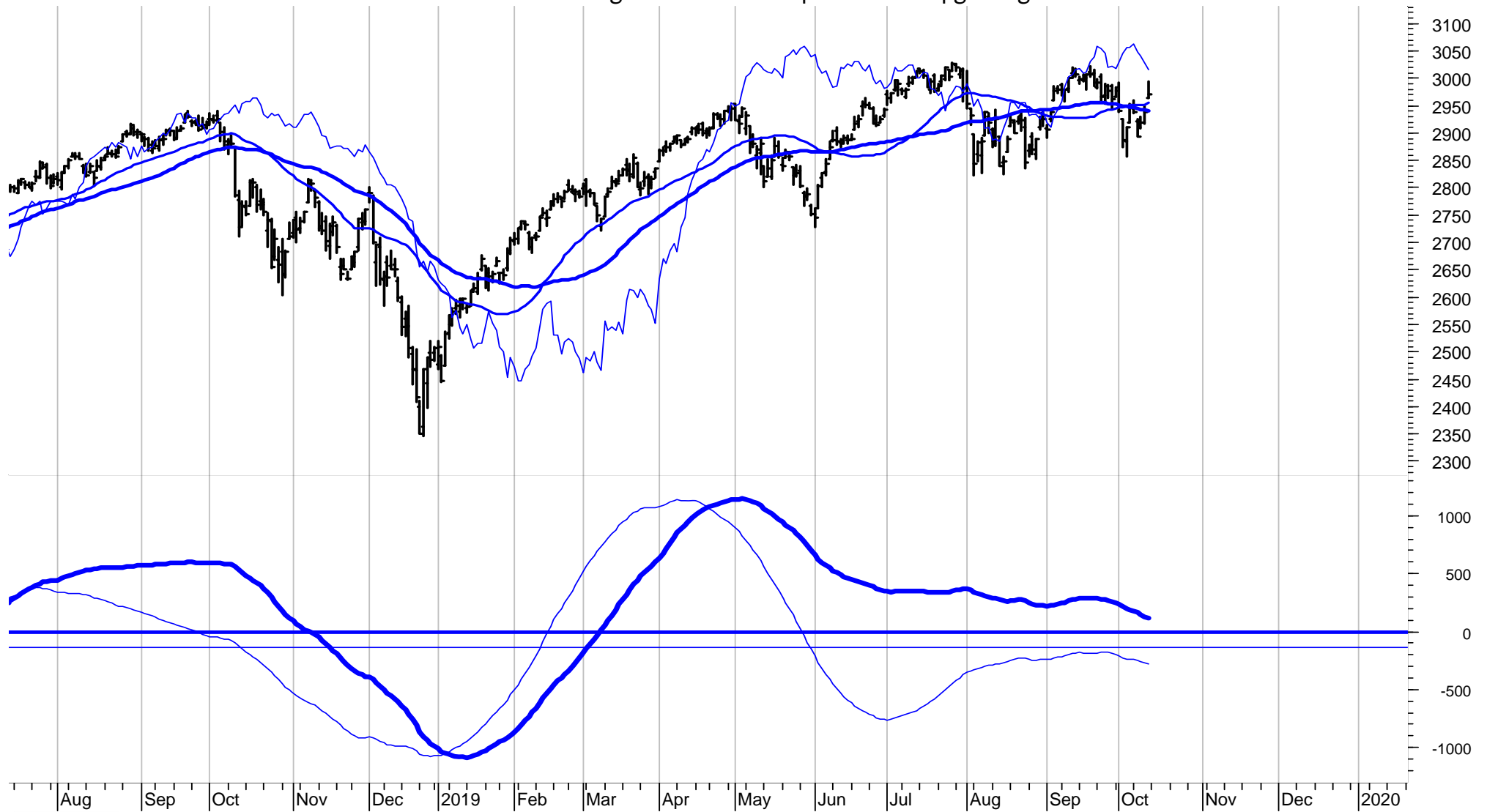
INDEX	LT
ARGENTINA	-
AUSTRALIA	+
AUSTRIA	U+
BELGIUM	+
BRAZIL	+
CANADA	O
CHILE	+
CHINA	U+
COLOMBIA	+
CZECH REPUBLIC	-
DENMARK	+
EGYPT	+
FINLAND	UU+
FRANCE	+
GERMANY	U+
GREECE	+
HONG KONG	-
HUNGARY	UO
INDIA	-
INDONESIA FREE	-
IRELAND	+
ISRAEL	-
ITALY	+
JAPAN	+
KOREA	+
MALAYSIA FREE	-
MEXICO FREE	+
NETHERLANDS	+
NEW ZEALAND	+
NORWAY	+
PAKISTAN	+
PERU	-
PHILIPPINES FREE	O
POLAND	-
PORTUGAL	+
QATAR	d-
RUSSIA	U+
SINGAPORE	O
SOUTH AFRICA	O
SPAIN	U+
SWEDEN	U+
SWITZERLAND	+
TAIWAN	+
THAILAND FREE	-
TURKEY	+
UK	O
UNITED ARAB EMIRA	O
UNITED STATES	+

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

Medium-term Outlook: (u) FLAT

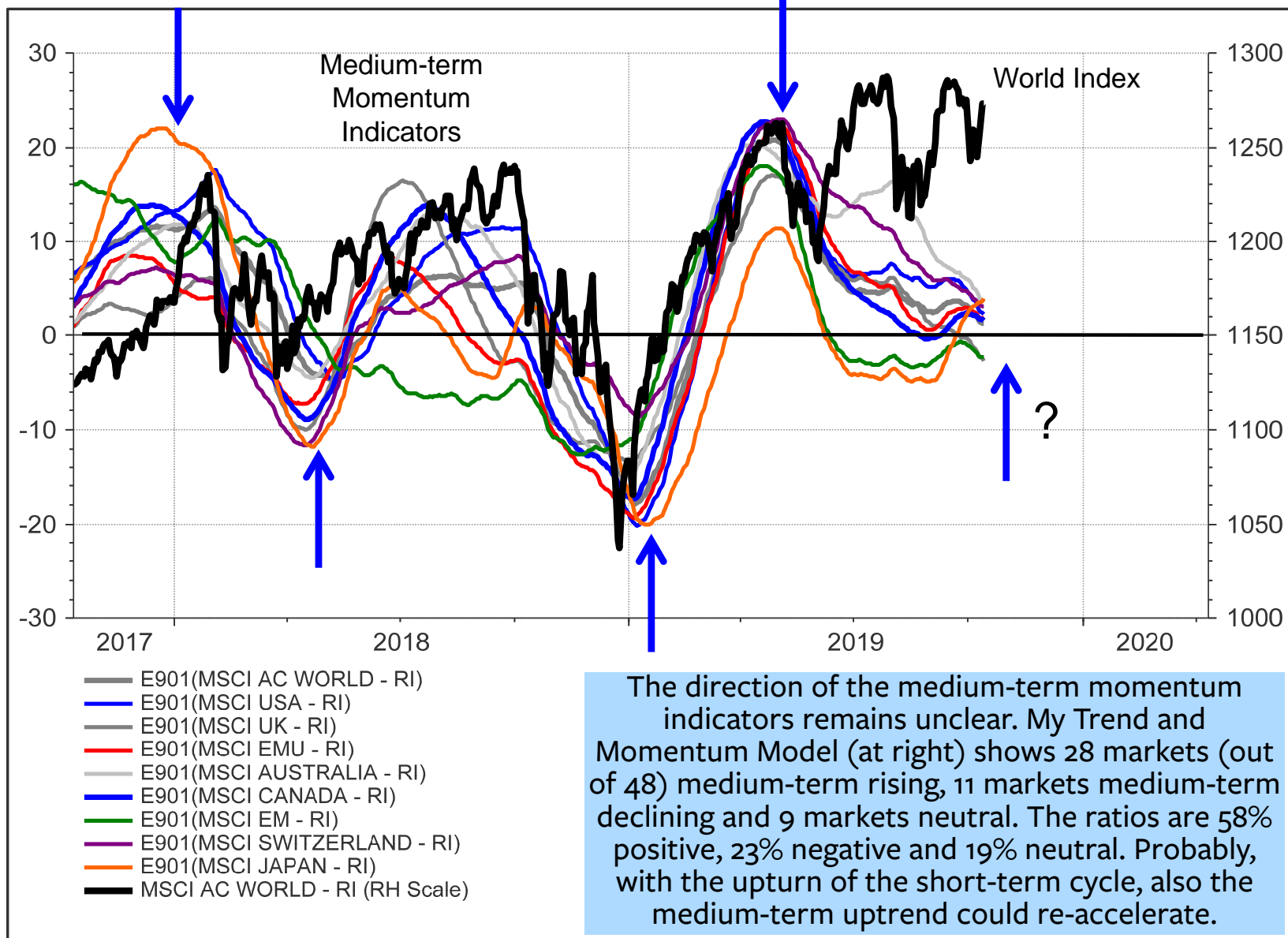
The Medium-term Outlook is defined by the Medium-term Momentum Indicator (and its Reversal), the 34-Day and the 55-Day Moving Averages. The Medium-term Outlook is UP if the Medium-term Momentum Indicator (bottom) is rising and the Index is above the 34-Day Average. The Medium-term Outlook is turning more positive if also the 55-Day Average is broken. The Medium-term Outlook is DOWN if the Medium-term Momentum Indicator is declining and the Index is below the 34-Day Average. The Medium-term Outlook is turning more negative if also the 55-Day Moving Average is broken.

The S&P 500 Index jumped above the Moving Averages but remains below the Medium-term Momentum Reversal. The Index remains in the consolidation. Due to the increasing odds of a break upwards I am upgrading to medium-term FLAT.



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. The table at right shows the present ratings of my Technical MEDIUM-TERM Trend and Momentum Model.



INDEX	MT
ARGENTINA	O
AUSTRALIA	UO
AUSTRIA	UU+
BELGIUM	UU+
BRAZIL	UU+
CANADA	-
CHILE	+
CHINA	UU+
COLOMBIA	+
CZECH REPUBLIC	-
DENMARK	-
EGYPT	+
FINLAND	UU+
FRANCE	UU+
GERMANY	UU+
GREECE	UU+
HONG KONG	-
HUNGARY	U+
INDIA	+
INDONESIA FREE	-
IRELAND	+
ISRAEL	UO
ITALY	U+
JAPAN	+
KOREA	+
MALAYSIA FREE	-
MEXICO FREE	+
NETHERLANDS	+
NEW ZEALAND	-
NORWAY	+
PAKISTAN	+
PERU	UO
PHILIPPINES FREE	UO
POLAND	UU+
PORTUGAL	+
QATAR	DO
RUSSIA	UO
SINGAPORE	UO
SOUTH AFRICA	UU+
SPAIN	+
SWEDEN	UU+
SWITZERLAND	UU+
TAIWAN	+
THAILAND FREE	-
TURKEY	DD-
UK	-
UNITED ARAB EMIRA	-
UNITED STATES	O

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

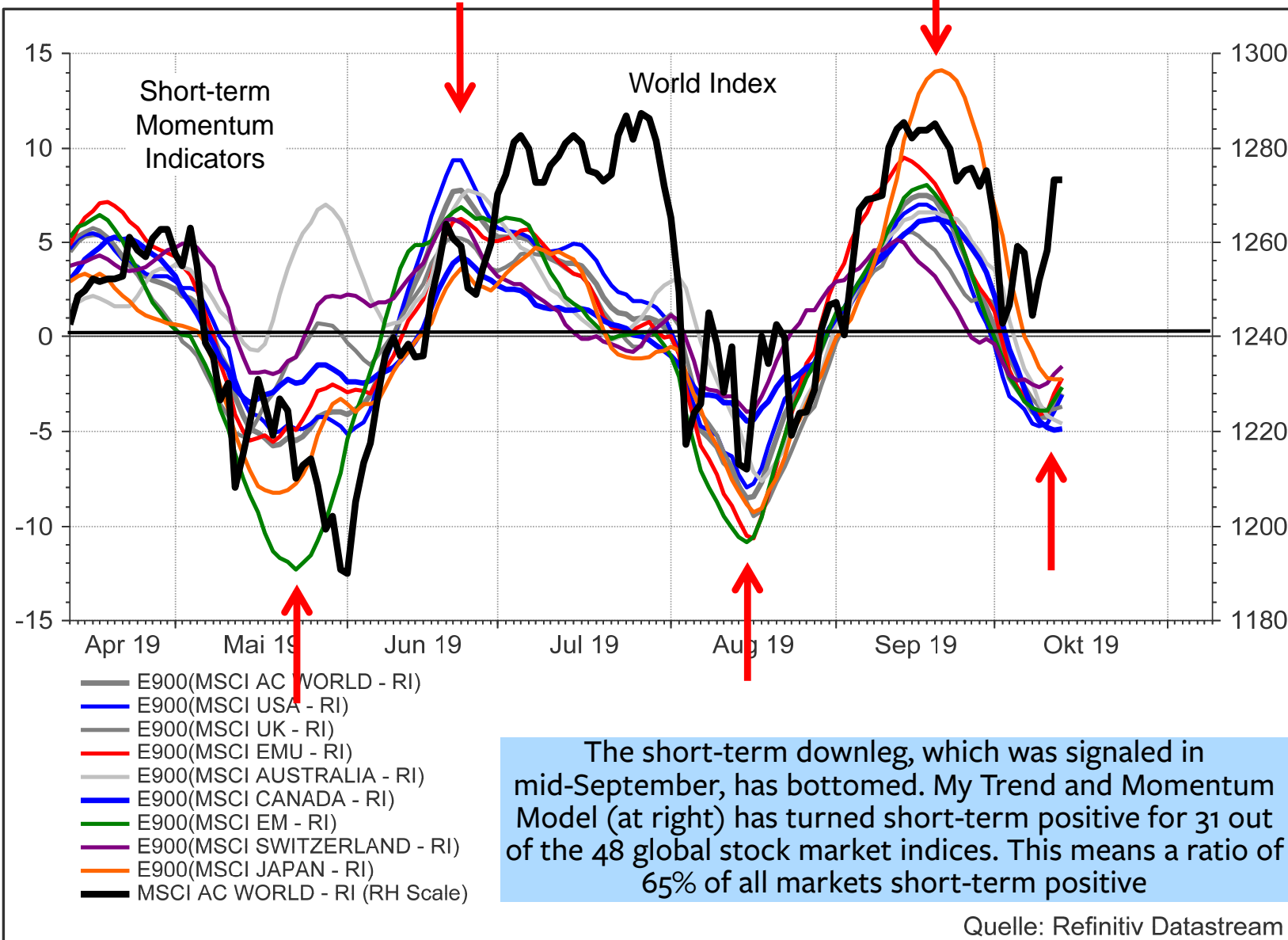
The Short-term Outlook is defined by the Short-term Momentum Indicator (and its Reversal), the 13-Day and the 21-Day Moving Averages. The Short-term Outlook is UP if the Short-term Momentum Indicator (bottom) is rising and the Index is above the 13-Day Average. The Short-term Outlook is turning more positive if also the 21-Day Average is broken. The Short-term Outlook is DOWN if the Short-term Momentum Indicator is declining and the Index is below the 13-Day Average. The Short-term Outlook is turning more negative if also the 21-Day Moving Average is broken.

The S&P 500 Index jumped above the Moving Averages and the Short-term Momentum Indicator turned up. The Index is likely to remain in the larger trading range as long as 2890 / 2830 is not broken.



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

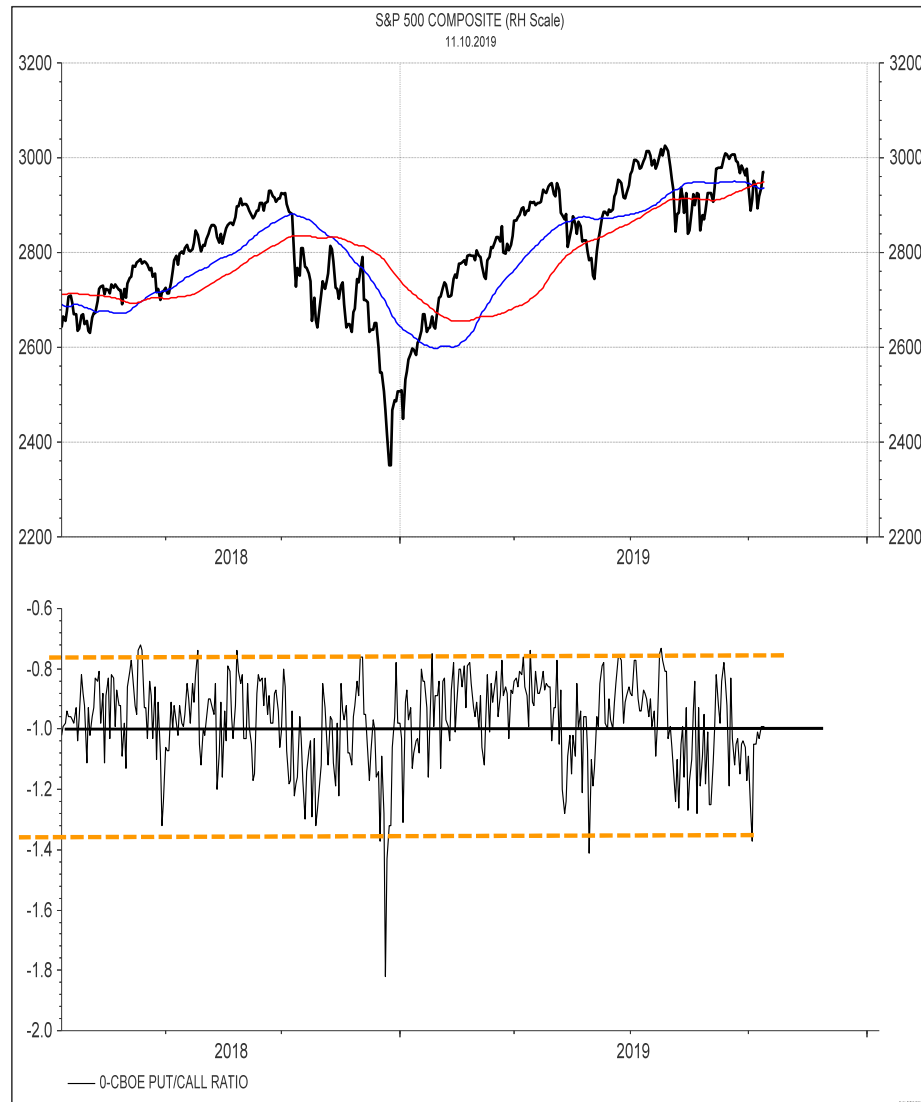
The chart below shows the short-term momentum indicators for 9 stock market indices in 6 countries and 3 regions. The momentum indicators oscillate around the Zero line, shown on the left scale. The scale of the MSCI World Index is at right. The table at right shows the present ratings of my Technical SHORT-TERM Trend and Momentum Model.



INDEX	ST
ARGENTINA	+
AUSTRALIA	-
AUSTRIA	uu+
BELGIUM	uu+
BRAZIL	uu+
CANADA	-
CHILE	u+
CHINA	uu+
COLOMBIA	o
CZECH REPUBLIC	uo
DENMARK	-
EGYPT	+
FINLAND	uu+
FRANCE	uu+
GERMANY	uu+
GREECE	uu+
HONG KONG	uu+
HUNGARY	uu+
INDIA	uu+
INDONESIA FREE	uo
IRELAND	u+
ISRAEL	+
ITALY	uu+
JAPAN	uo
KOREA	uo
MALAYSIA FREE	-
MEXICO FREE	+
NETHERLANDS	uu+
NEW ZEALAND	d-
NORWAY	uu+
PAKISTAN	+
PERU	uu+
PHILIPPINES FREE	uu+
POLAND	uu+
PORTUGAL	o
QATAR	uo
RUSSIA	uo
SINGAPORE	uu+
SOUTH AFRICA	uu+
SPAIN	uu+
SWEDEN	uu+
SWITZERLAND	uu+
TAIWAN	+
THAILAND FREE	uo
TURKEY	dd-
UK	uo
UNITED ARAB EMIRA	uo
UNITED STATES	uu+

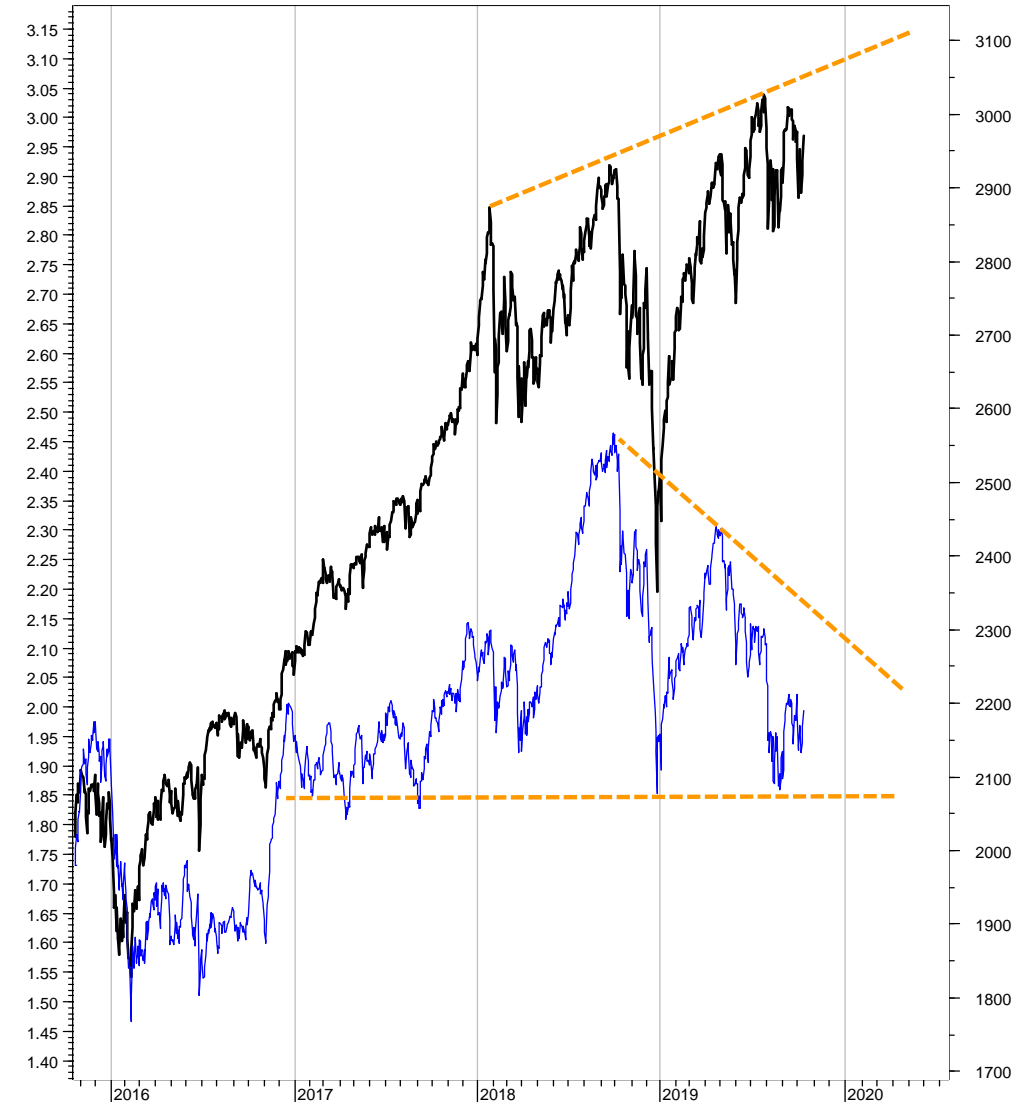
S&P 500 Index with the Call/Put Ratio and the 5-day average

The Call/Put Ratio has reversed to NEUTRAL. This neutral positioning is mirrored by the S&P 500 Index, which is trading around the moving averages. This reading implies that the S&P could rise to another new high (of optimism) before it enters a more sizable downtrend.

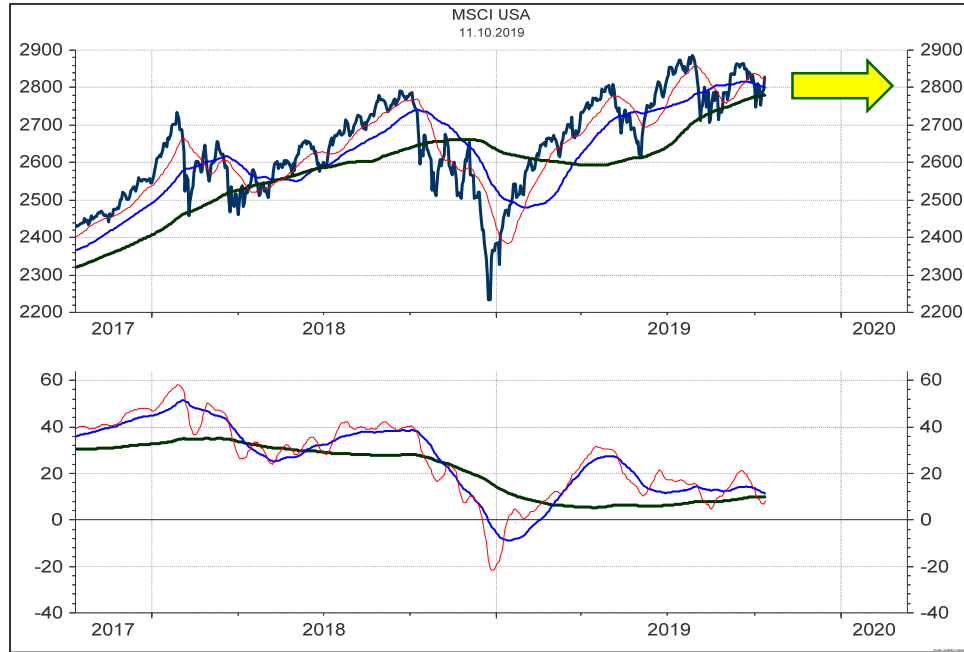


S&P 500 Index absolute and relative to Gold (blue)

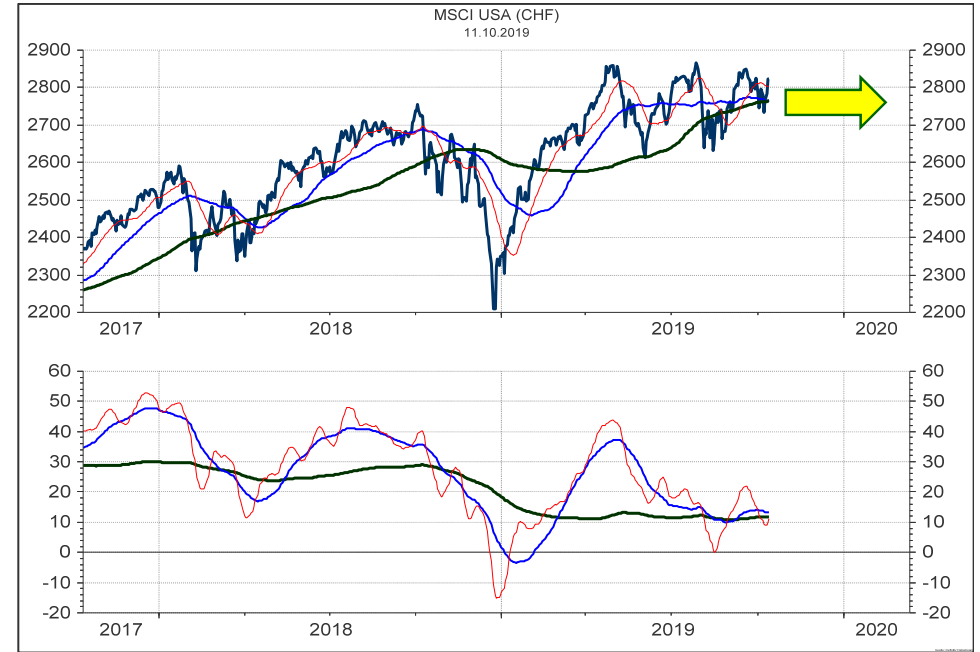
The S&P 500 Index relative to Gold remains above the long-term support from early 2017, a break of which would trigger a long-term bearish stock market signal.



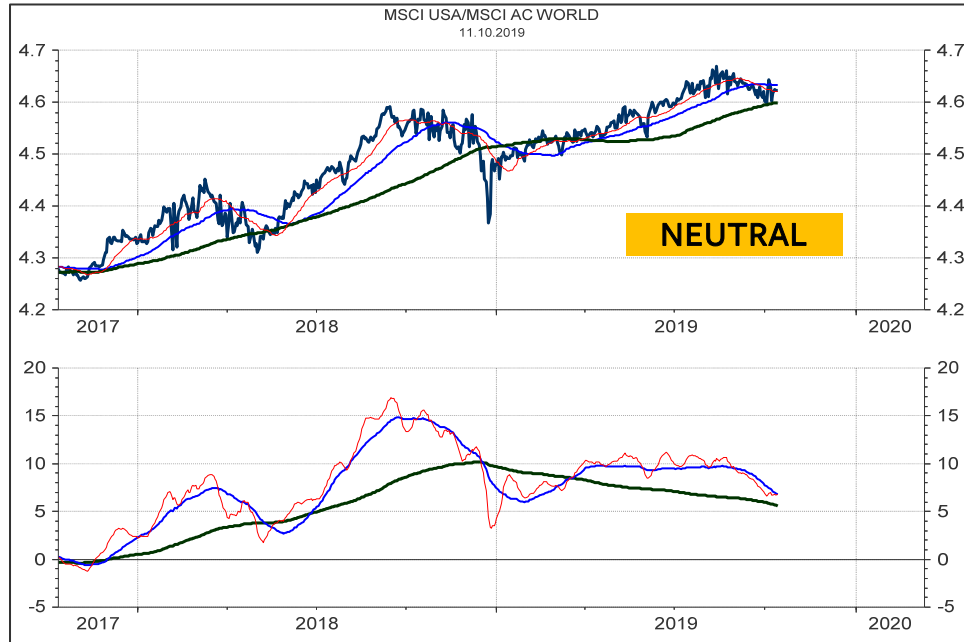
MSCI USA in US\$ - UPGRADED TO FLAT



MSCI USA in Swiss franc - UPGRADED TO FLAT



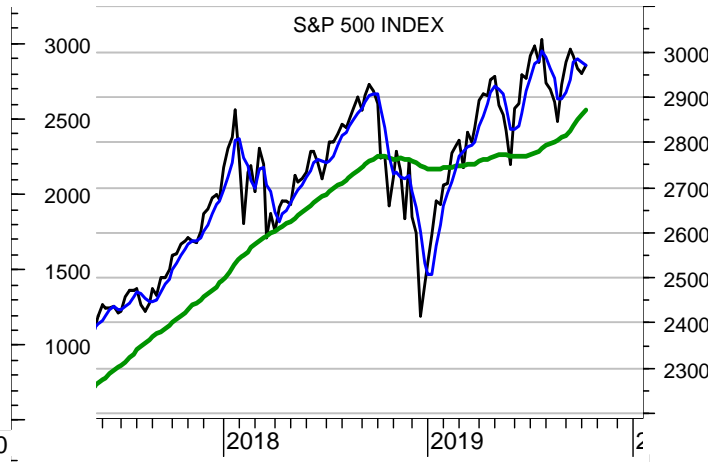
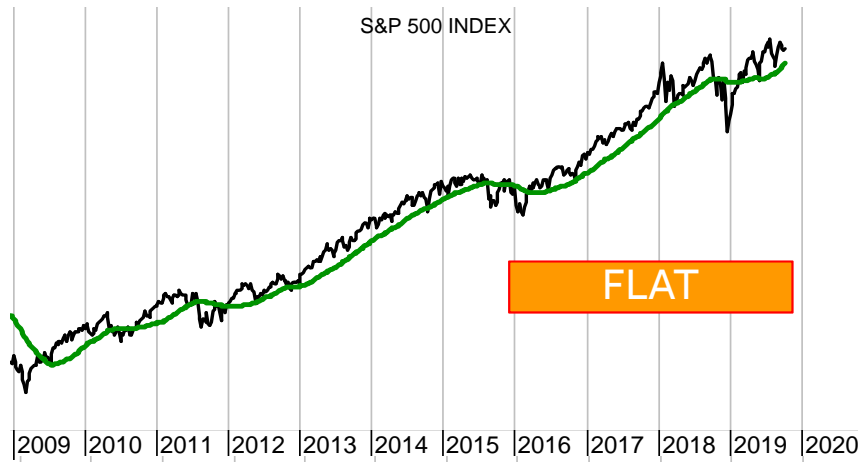
MSCI USA relative to the MSCI AC World



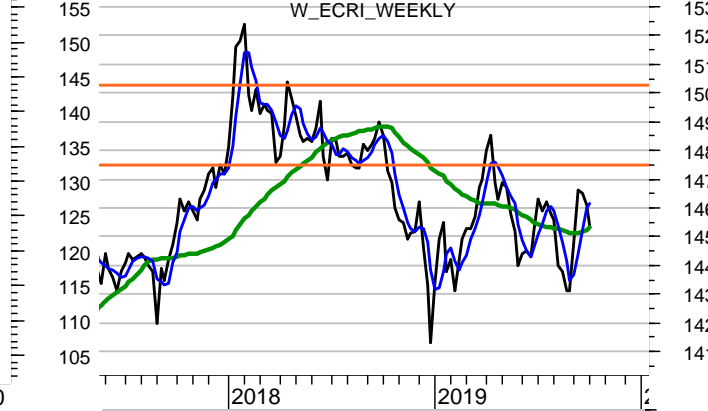
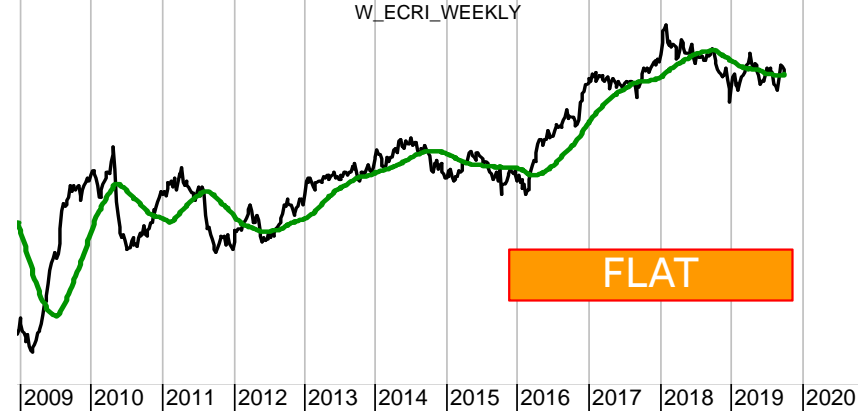
MSCI USA in CHF relative to MSCI Switzerland



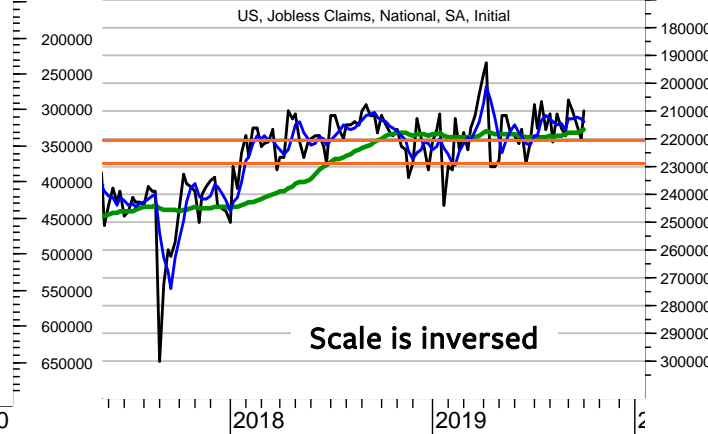
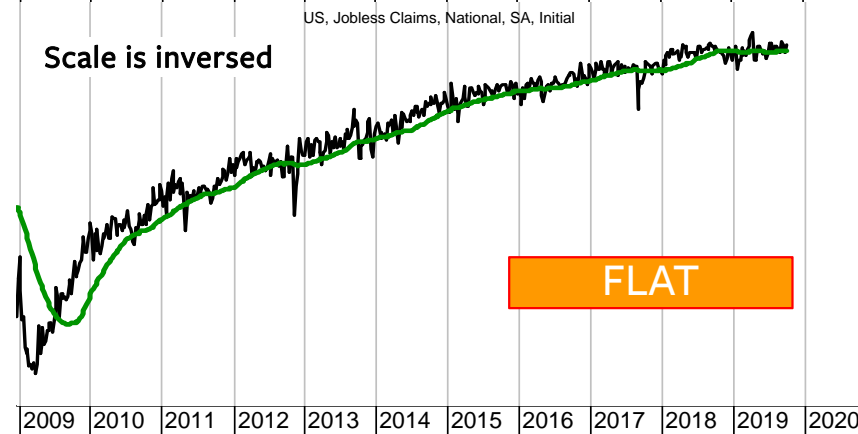
US-Three-Factor-Model - S&P 500 Index, ECRI and the (inverse) Weekly Jobless Claims



The S&P 500 Index is at its 4-week average, which itself is declining, still positioned above the 40-week average (green).
The Model remains FLAT.



The Weekly Economic Cycle Research Index fell to 145.40. This is below the 4-week moving average and it is at the same level as the 40-week average.
The Model remains FLAT.

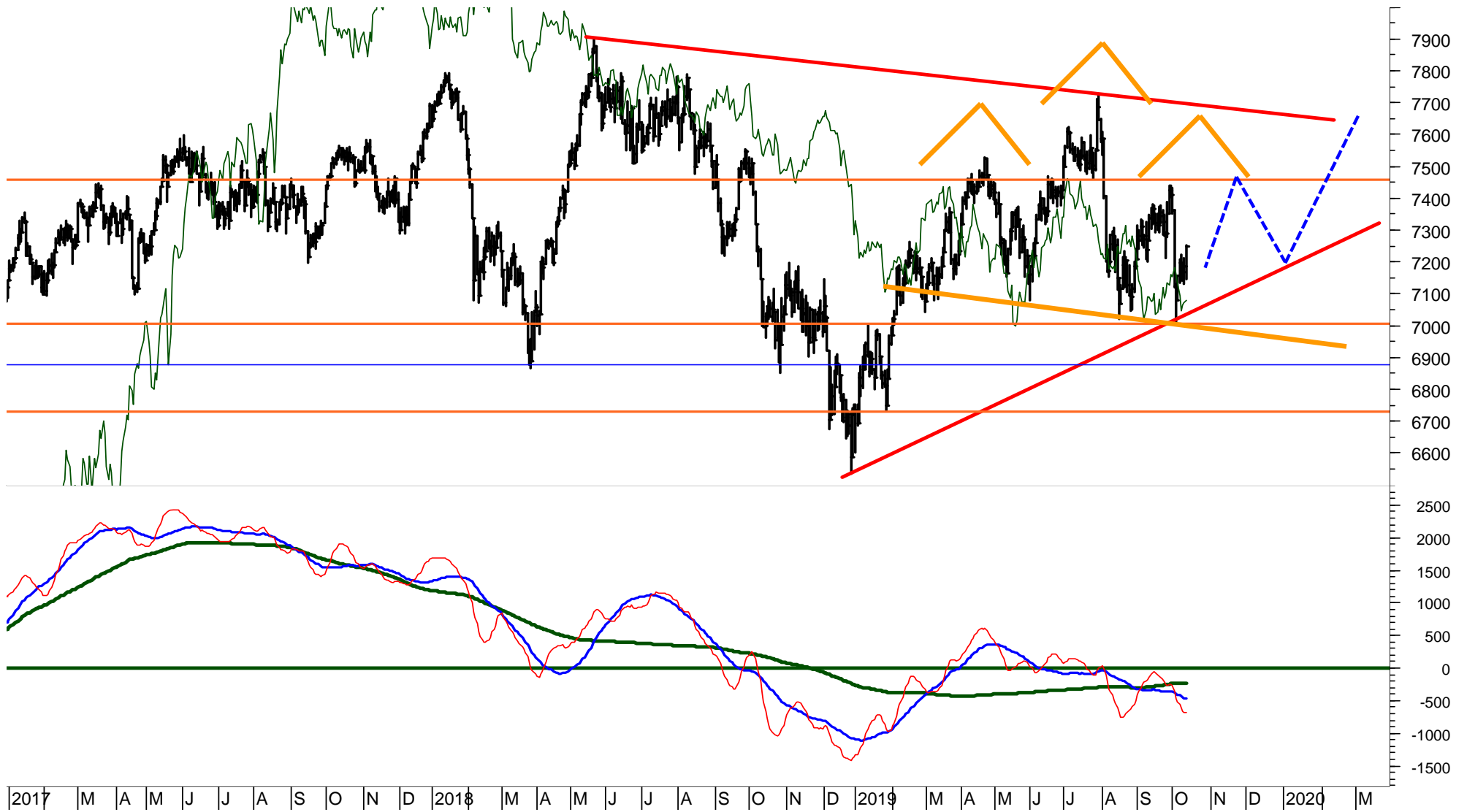


The (inverse) Weekly Jobless Claims moved from 219k to 210k.
The Model remains FLAT as long as the WJCs remain within their consolidation from early July 2019 (between 205k and 220k).

U.K. FTSE Index – daily chart

The FTSE is bouncing off the neckline of the potentially bearish Head and Shoulder Top. However, as long as 7000 is not broken, the Index is likely to extend the TRIANGLE until a break is signaled.

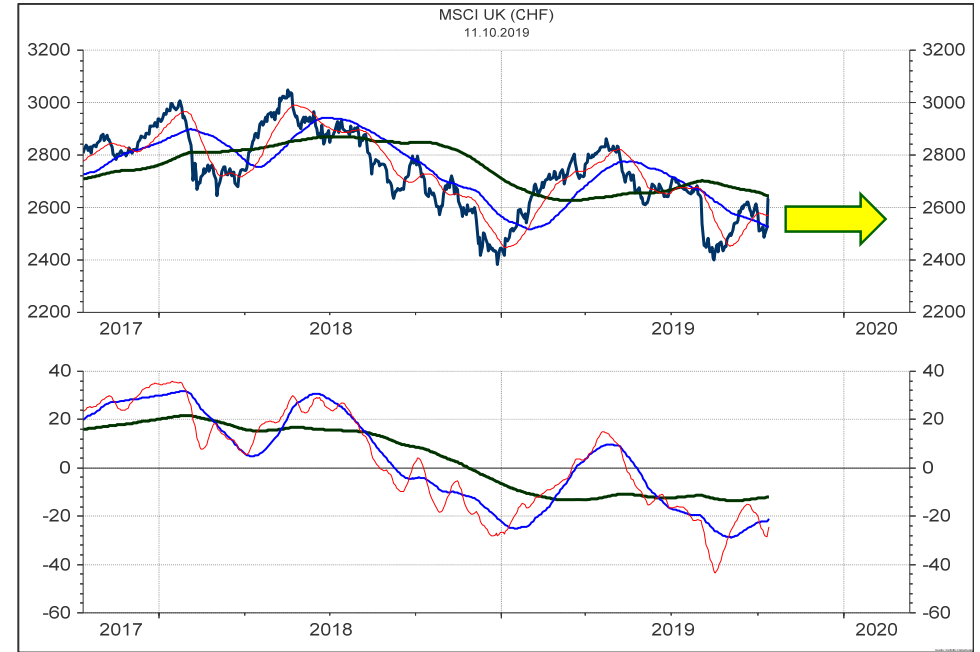
Long-term Outlook: FLAT
Medium-term Outlook: DOWN



MSCI U.K. in Pound



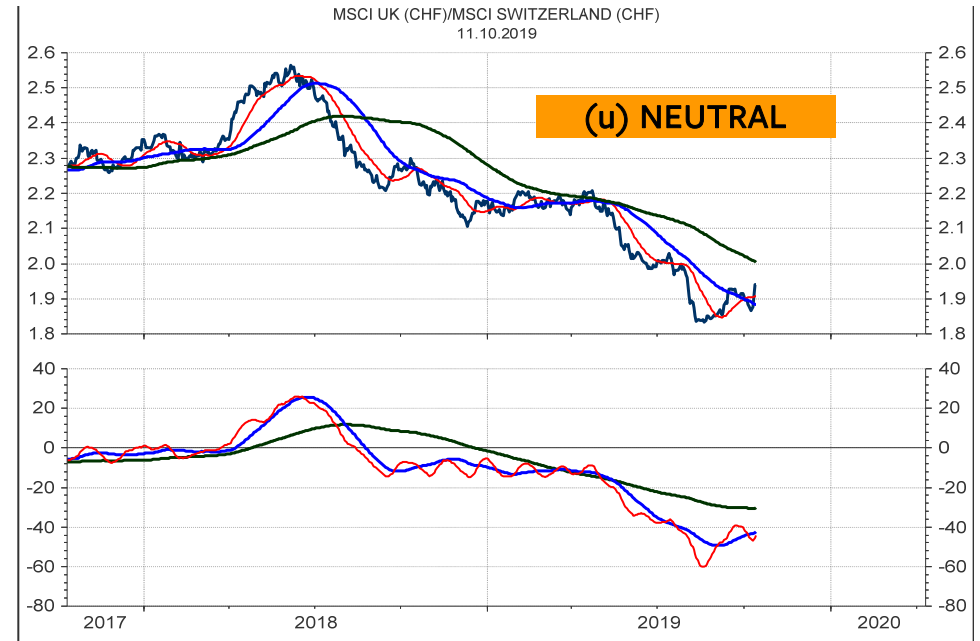
MSCI U.K. in Swiss franc – UPGRADED TO FLAT



MSCI U.K. relative to the MSCI AC World



MSCI U.K. in CHF relative to MSCI Switzerland - UPGRADED TO NEUTRAL



Swiss Market Index SMI

The SMI is likely to end the Wedge, which I have been tracking since March 2019, and could reach another new high at the resistance range 10,150 to 10,350. Given the fact that the short-term correction from mid-September has not signaled a break of the Wedge, I am upgrading the medium-term outlook to FLAT.

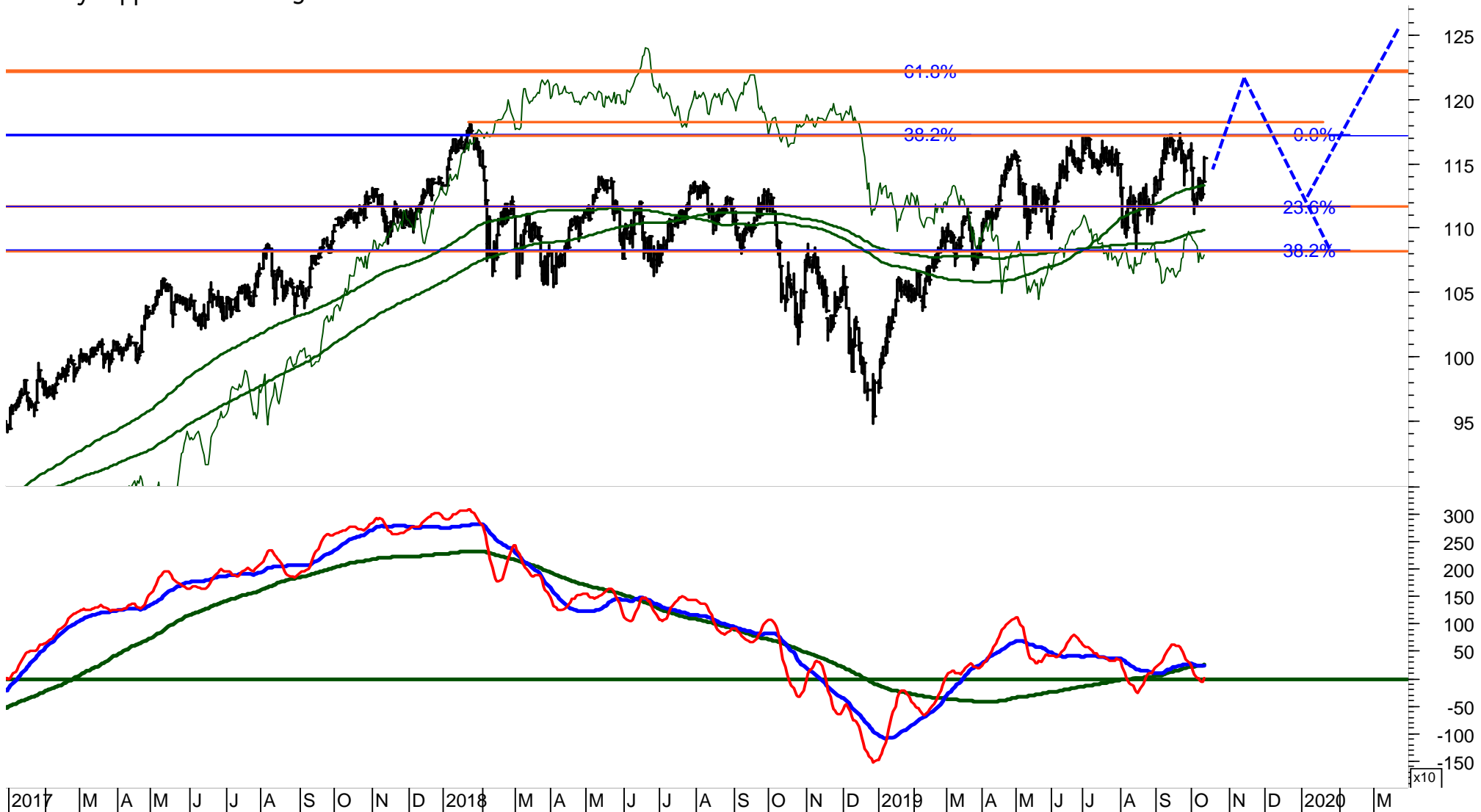
Long-term Outlook: UP
Medium-term Outlook: (u) FLAT



Swiss Equally Weighted Price Index (.SOLECHPR)

The Equally Weighted Swiss Index is likely to test the long-term resistance range between the high from January 2018 at 118 and the Fibonacci resistance at 122.50. The key supports are at 111.50 and 108.

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



Swiss MidCap Price Index (.SMIX)

The SMIX is likely to rally to the long-term resistance at 1040/50 or, if broken, to the long-term resistance at 1080.

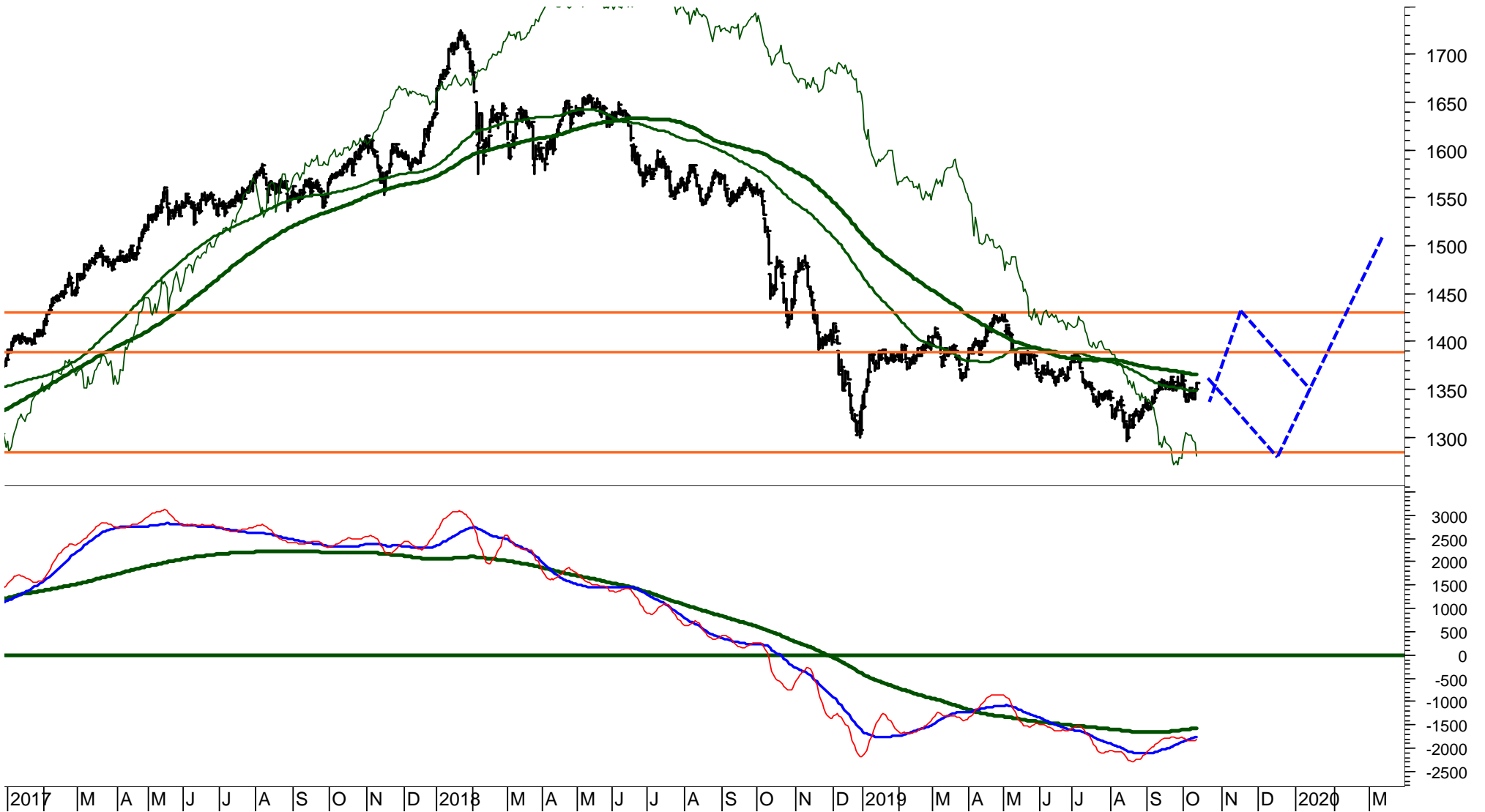
Long-term Outlook: FLAT
Medium-term Outlook: (u) FLAT



Swiss SmallCap Price Index (.ssix)

Clearly, a break in the SSIX above the resistance lines at 1370 and 1390 could signal a bullish long-term turnaround with slightly higher resistance at 1430. Such a break would negate the scenario of one more new low to be registered.

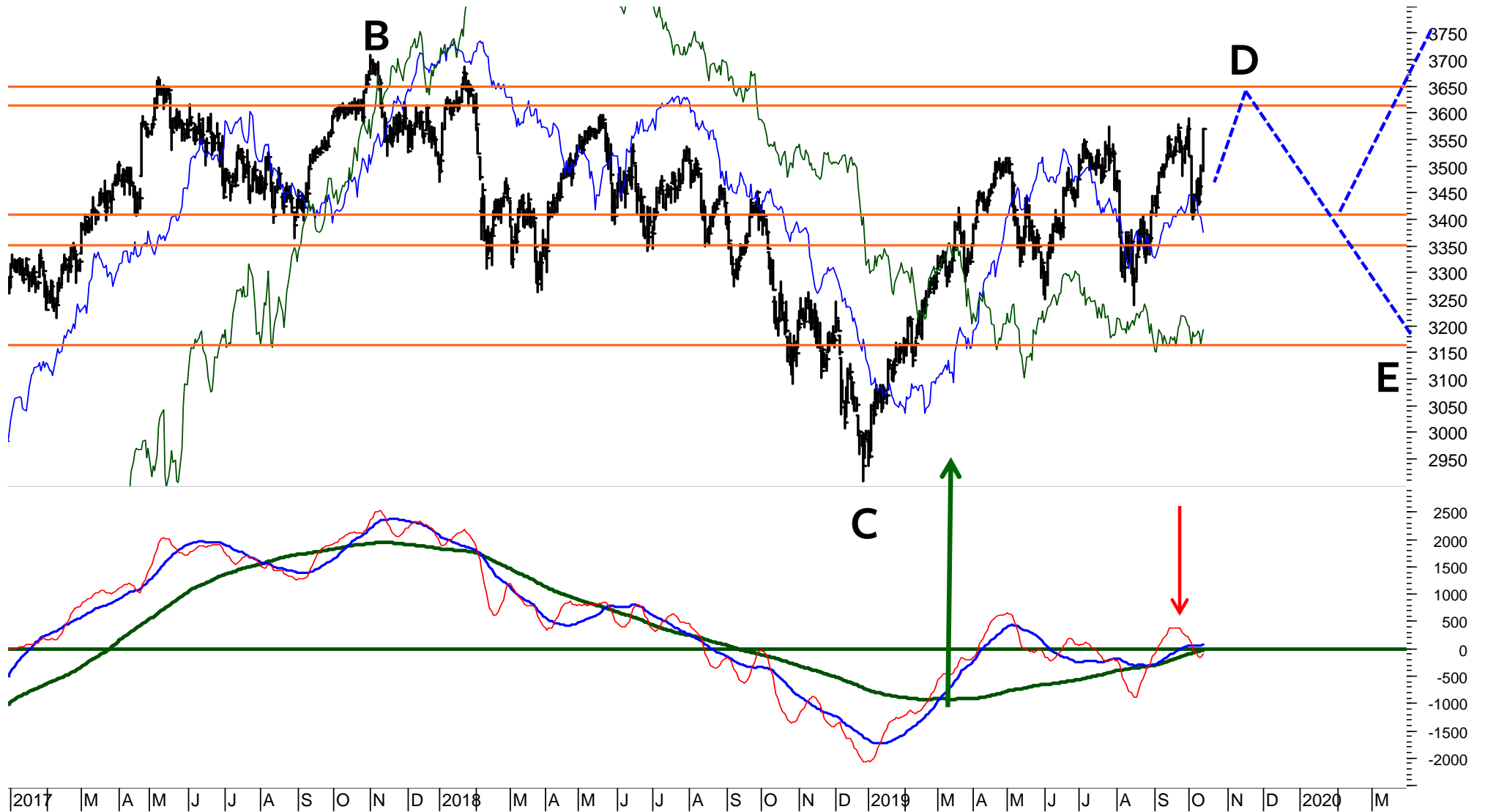
Long-term Outlook: DOWN
Medium-term Outlook: DOWN



Eurostoxx 50 Index

The Eurostoxx 50 Index managed to turn around at the support at 3400.
This means that Wave D is still forming.
The triangle would be negated if 3650 is broken.

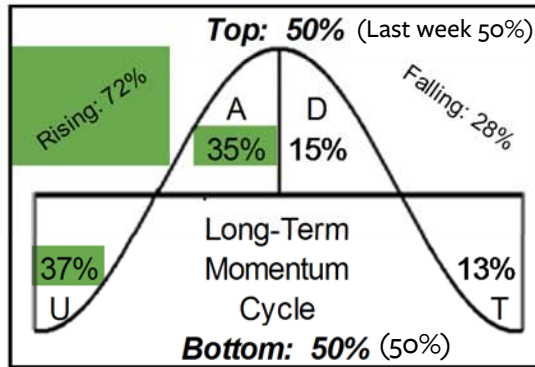
Long-term Outlook: FLAT
Medium-term Outlook: (u) FLAT



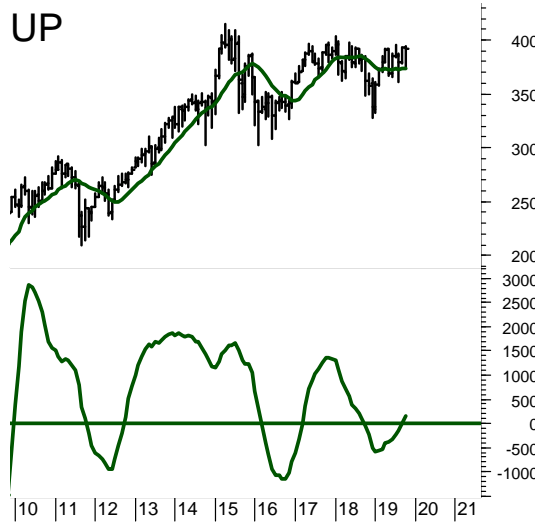
STOXX 600 Index constituent stocks – long-term, medium-term and short-term momentum positioning

STOXX 600 LONG TERM

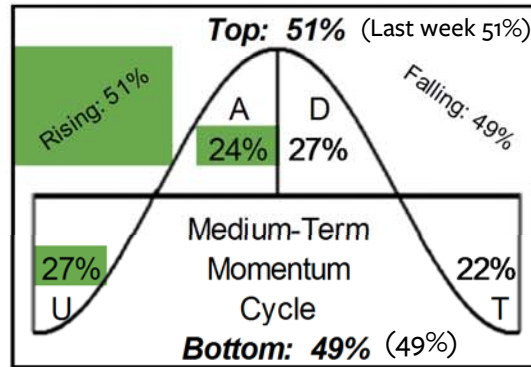
U denotes the UP-quadrant; the momentum indicator is rising below the Zero line. A=Advancing; the momentum indicator is rising above the Zero line. D=Declining; the momentum indicator is declining above the Zero line. T=Terminating; the momentum indicator is declining below the Zero line.



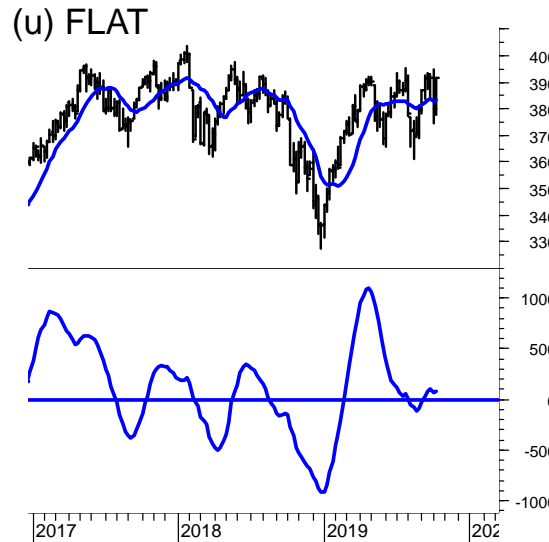
The long-term momentum readings remain POSITIVE for the Stoxx 600 stocks. The percentage of the 600 stock, which is positioned in the positive quadrants U+A, has improved from last week's 64% to the present 72%. This re-acceleration of the uptrend is also mirrored in the long-term momentum indicator of the Eurostoxx Index (below).



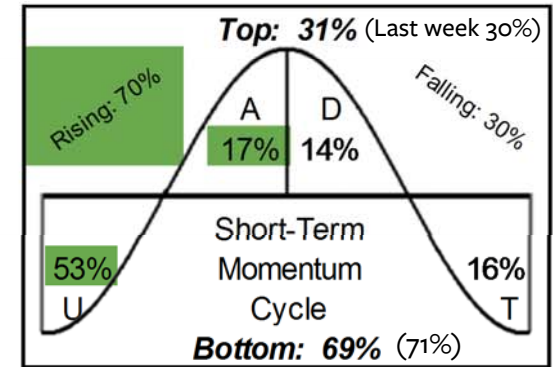
STOXX 600 MEDIUM TERM



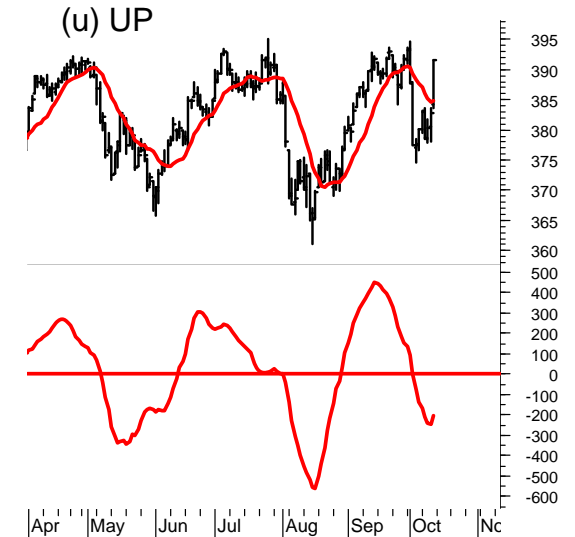
The medium-term momentum readings remain equally distributed among the 4 quadrants. The percentage of the 600 stocks, which is positioned in the positive quadrants U+A, is at 51%. This neutral constellation is also mirrored in the medium-term momentum indicator of the Stoxx 600 Index (below), which is slightly above the neutral Zero line.



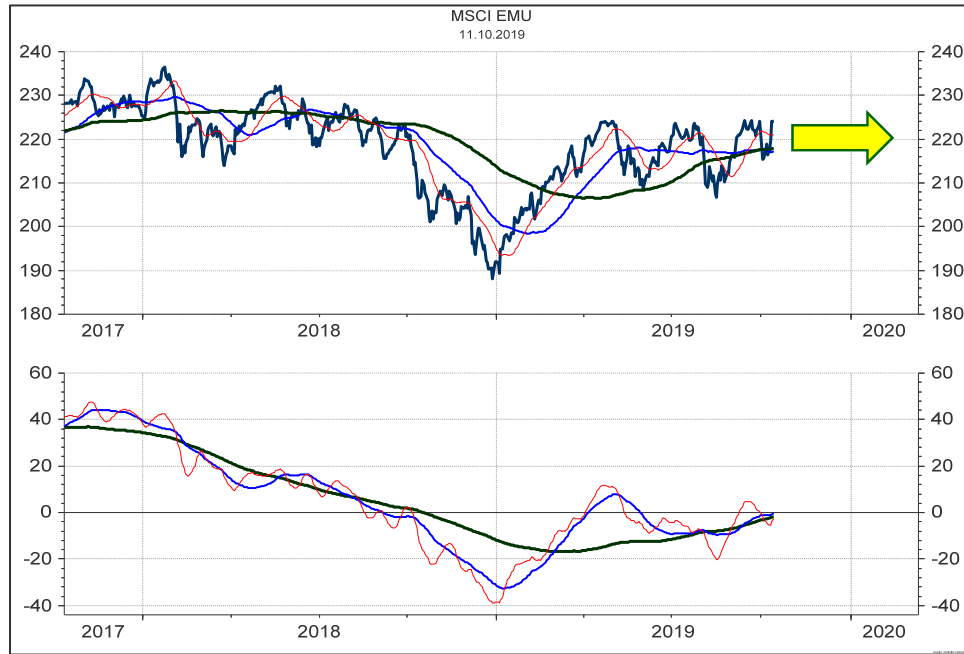
STOXX 600 SHORT TERM



The percentage of the 600 stocks, which is positioned in the positive quadrants U+A, has increased to 70%. This shift to short-term POSITIVE is mirrored in the upturn of the short-term momentum indicator of the Stoxx 600 Index (below) from below the Zero line.



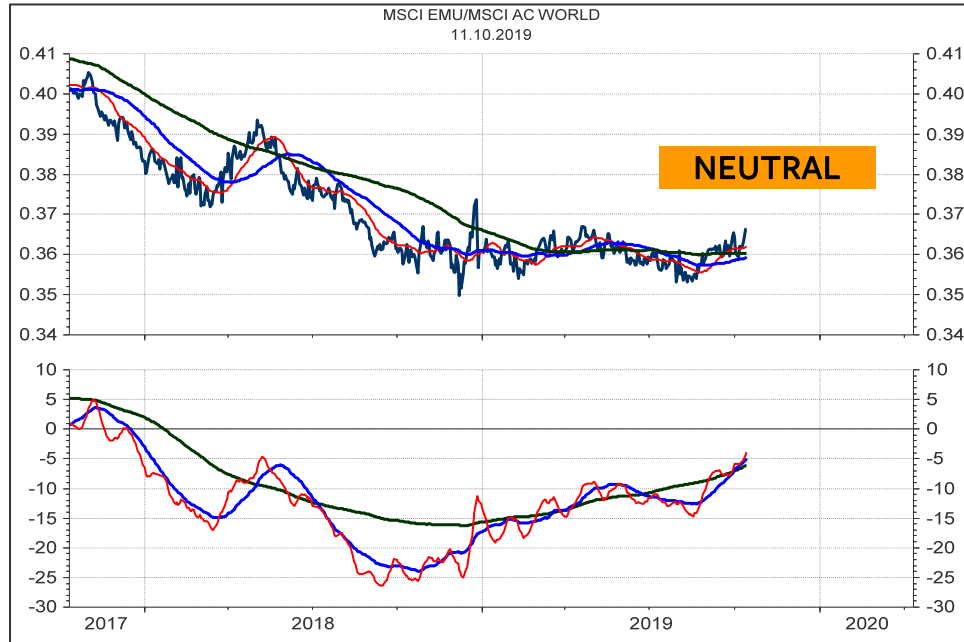
MSCI EMU in Euro – UPGRADED TO FLAT



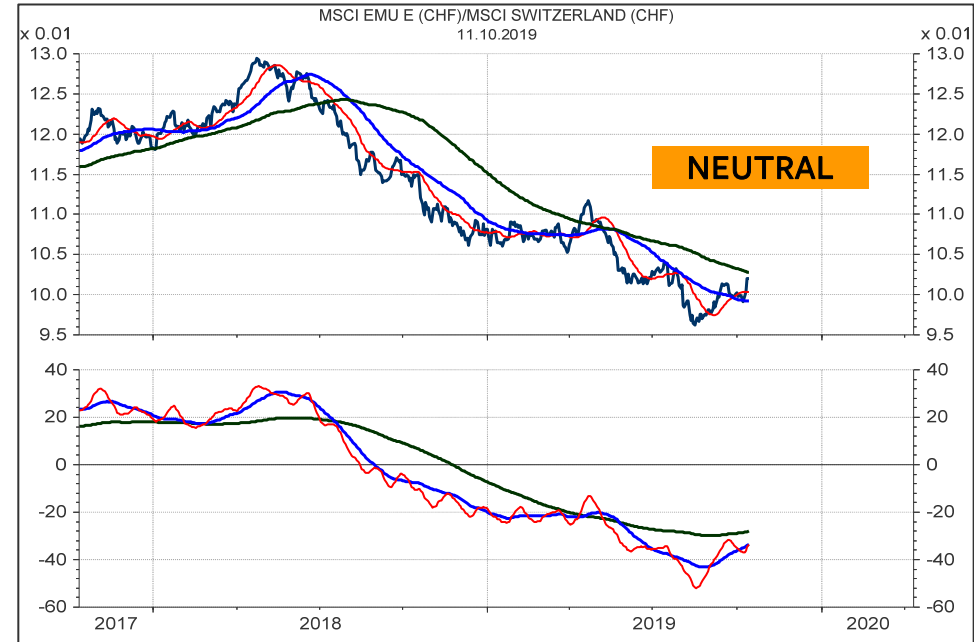
MSCI EMU in Swiss franc – UPGRADED TO FLAT



MSCI EMU relative to the MSCI AC World



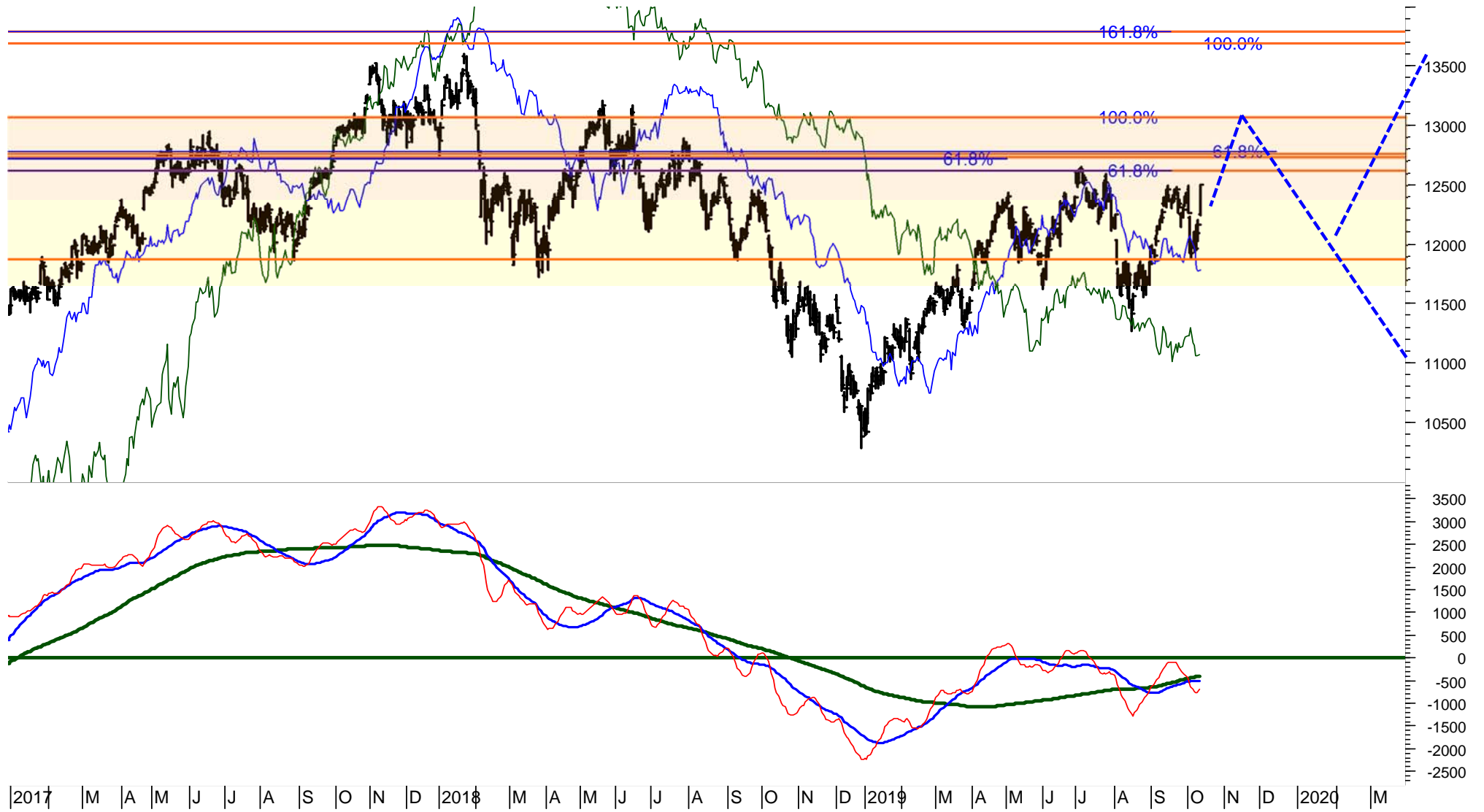
MSCI EMU in CHF relative to MSCI Switzerland



German DAX

The DAX is retesting the upper level of the consolidation from April 2019.
Key resistance levels are 12,800, 13,100 or 13,700 / 13,800.

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



Japanese Nikkei 225 Index

It will take a rise in the Nikkei above 22,500 to signal a bullish breakout of the consolidation from early 2019 and to signal a new long-term uptrend.

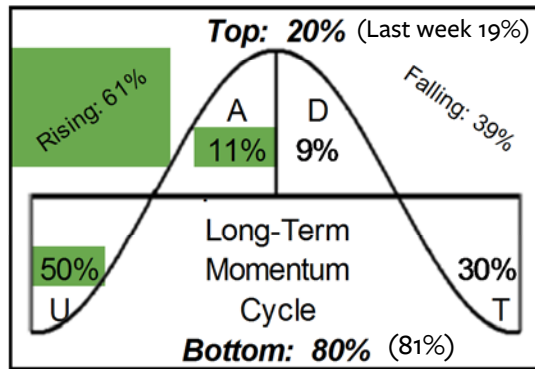
Long-term Outlook: FLAT
Medium-term Outlook: (u) FLAT



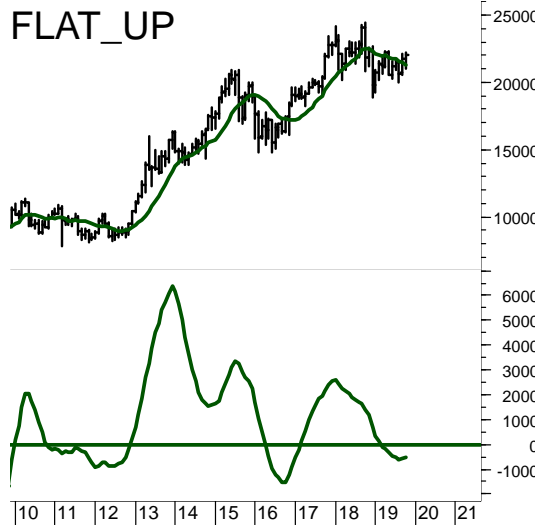
NIKKEI 225 Index constituent stocks – long-term, medium-term and short-term momentum positioning

NIKKEI 225 LONG TERM

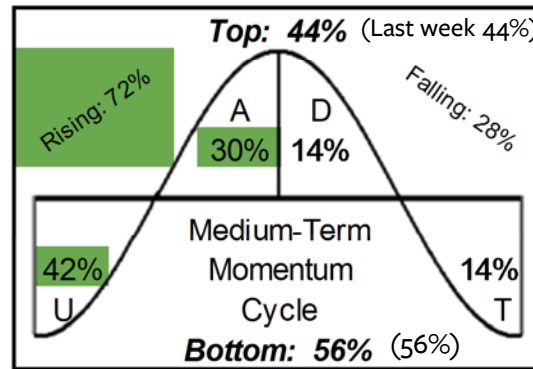
U denotes the UP-quadrant; the momentum indicator is rising below the Zero line. A=Advancing; the momentum indicator is rising above the Zero line. D=Declining; the momentum indicator is declining above the Zero line. T=Terminating; the momentum indicator is declining below the Zero line.



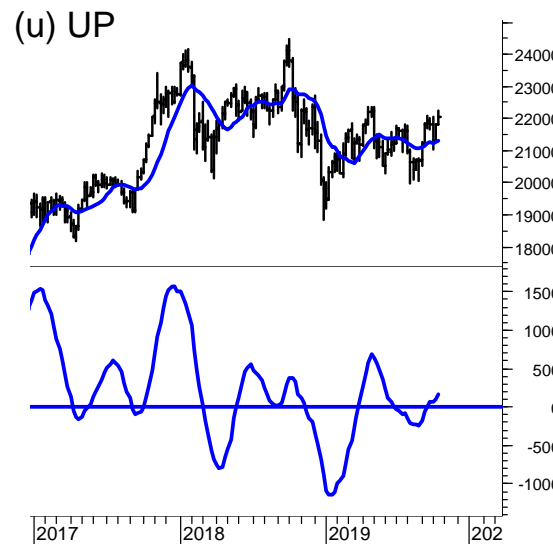
The long-term momentum readings remain POSITIVE for the Nikkei 225 stocks. The percentage of the 225 stock, which is positioned in the positive quadrants U+A, has slightly improved from last week's 57% to the present 61%. This slowing uptrend is mirrored in the long-term momentum indicator in the Nikkei 225 Index (below), which appear to be bottoming.



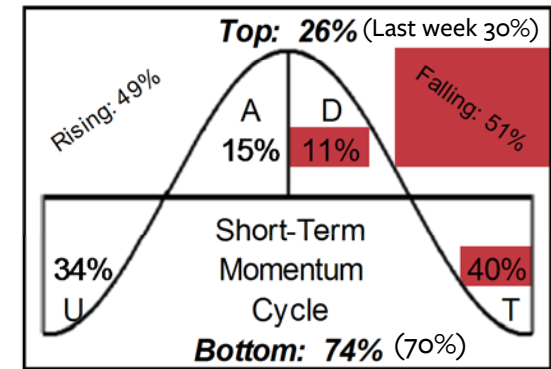
NIKKEI 225 MEDIUM TERM



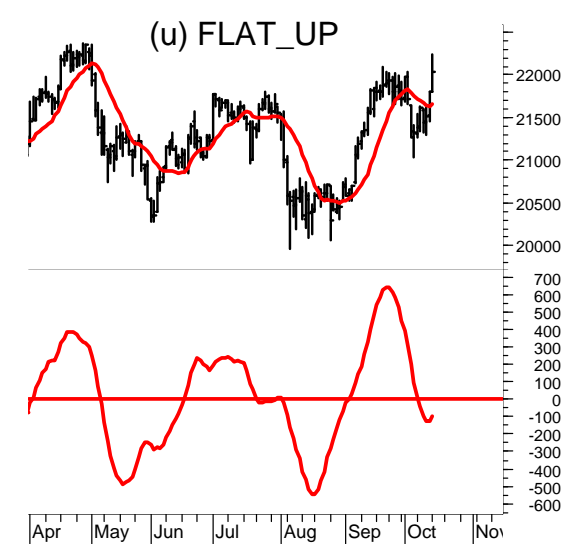
The medium-term momentum readings remain POSITIVE. The percentage of the 225 stocks, which is positioned in the positive quadrants U+A, has increased from 67% to 72%. The medium-term momentum indicator of the Nikkei 225 Index (below), remains in its slow uptrend.



NIKKEI 225 SHORT TERM



The percentage of the 225 stocks, which is positioned in the negative quadrants D+T, has declined from last week's 98% to 51%. This constellation is mirrored in the short-term momentum indicator of the Nikkei 225 Index (below) which is turning up again.



MSCI JAPAN in Yen



MSCI JAPAN in Swiss franc



MSCI JAPAN relative to the MSCI AC World



MSCI JAPAN in CHF relative to MSCI Switzerland



MSCI Emerging Markets Index

The Index remains in the trading range between 1060 and 950. Clearly, it would take a rise above 1030 / 1060 to signal a bullish turn with resistance at 1120.

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



MSCI EMERGING MARKETS in local currencies



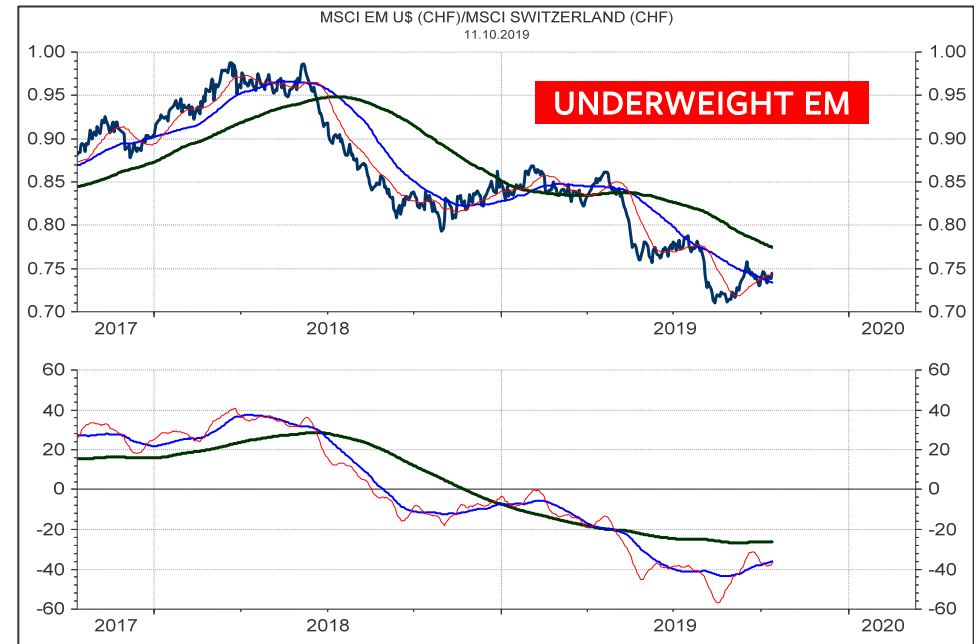
MSCI EMERGING MARKETS in Swiss franc



MSCI EMERGING MARKETS relative to the MSCI AC World



MSCI EMERGING MARKETS in CHF relative to MSCI Switzerland



Shanghai Composite Index

The SCI remains in the large TRIANGLE from January 2018.

I will consider a medium-term upgrade if 3100 is broken.

Next resistance levels are 3200 and 3280, a break of which would justify a long-term upgrade.

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



Hong Kong – Hang Seng China Enterprise Index

The Hang Seng China Index looks somewhat different from the Shanghai Index.

The HSCE needs a rise above 10,500 / 10,700 to signal 11,100 or 11,650 / 11,900.

I will consider a medium-term and long-term upgrade if 10,700 and 11,100 are broken.

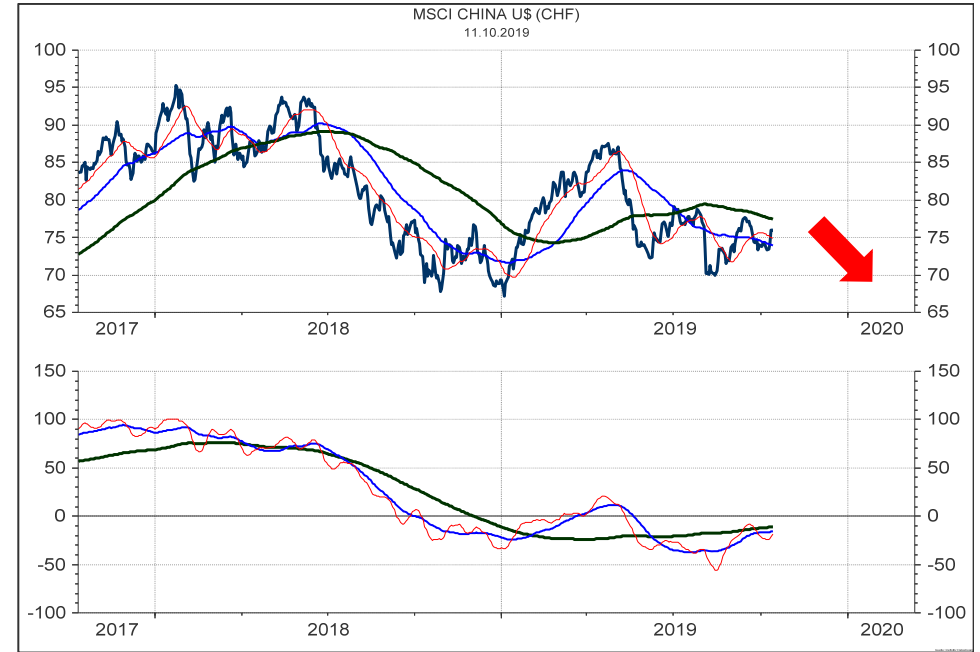
Long-term Outlook: DOWN
Medium-term Outlook: FLAT



MSCI CHINA in Yuan



MSCI CHINA in Swiss franc



MSCI CHINA relative to the MSCI AC World



MSCI CHINA in CHF relative to MSCI Switzerland



Bloomberg Commodity Index Total Return

No change in my assessment of the BCI.
It remains in the medium-term trading range between 158 and 169 / 175.

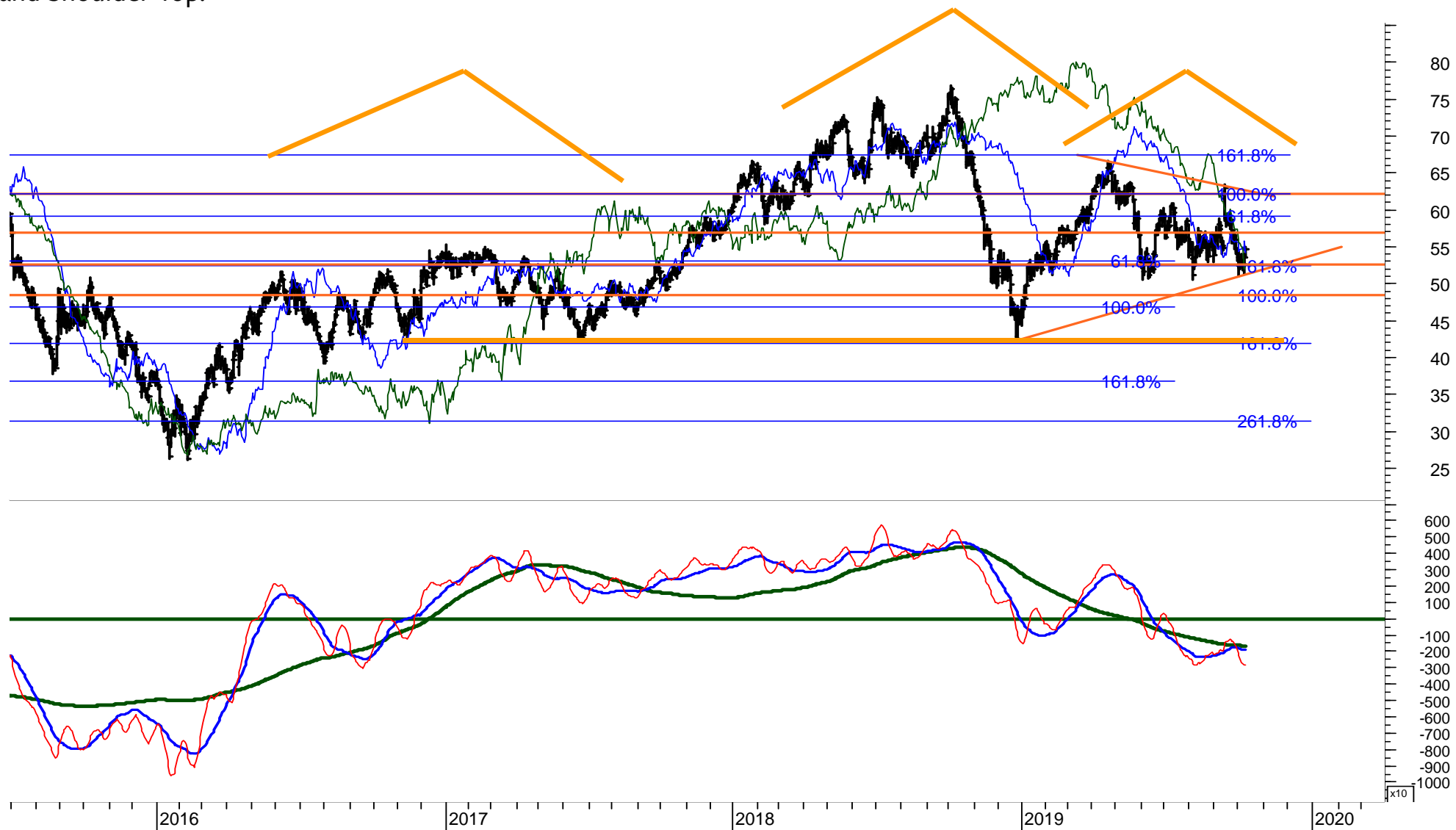
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Light Crude Oil Continuous Future

No change in my assessment of the Crude oil Future.
It remains in its triangle. The triangle itself could be the right shoulder of a major Head and Shoulder Top.

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



HG Copper Continuous Future

Copper would have to rise above 2.66 / 2.74 to break upwards from the downtrending Wedge.

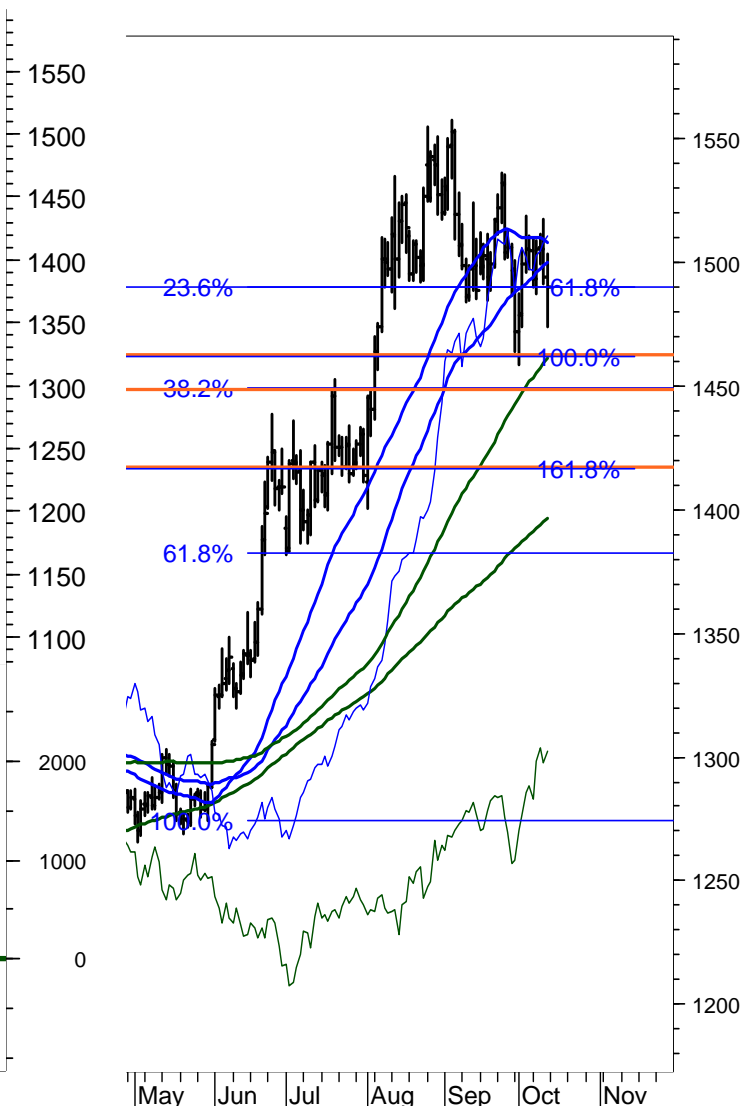
Long-term Outlook: DOWN
Medium-term Outlook: DOWN



Gold per Ounce in US dollar – daily charts

Gold remains in its medium-term correction.
 I will lower the medim-term outlook to DOWN (sell) and long-term
 FLAT if 1460 is clearly broken. Lower supports are 1440/30 and 1415, 1390.

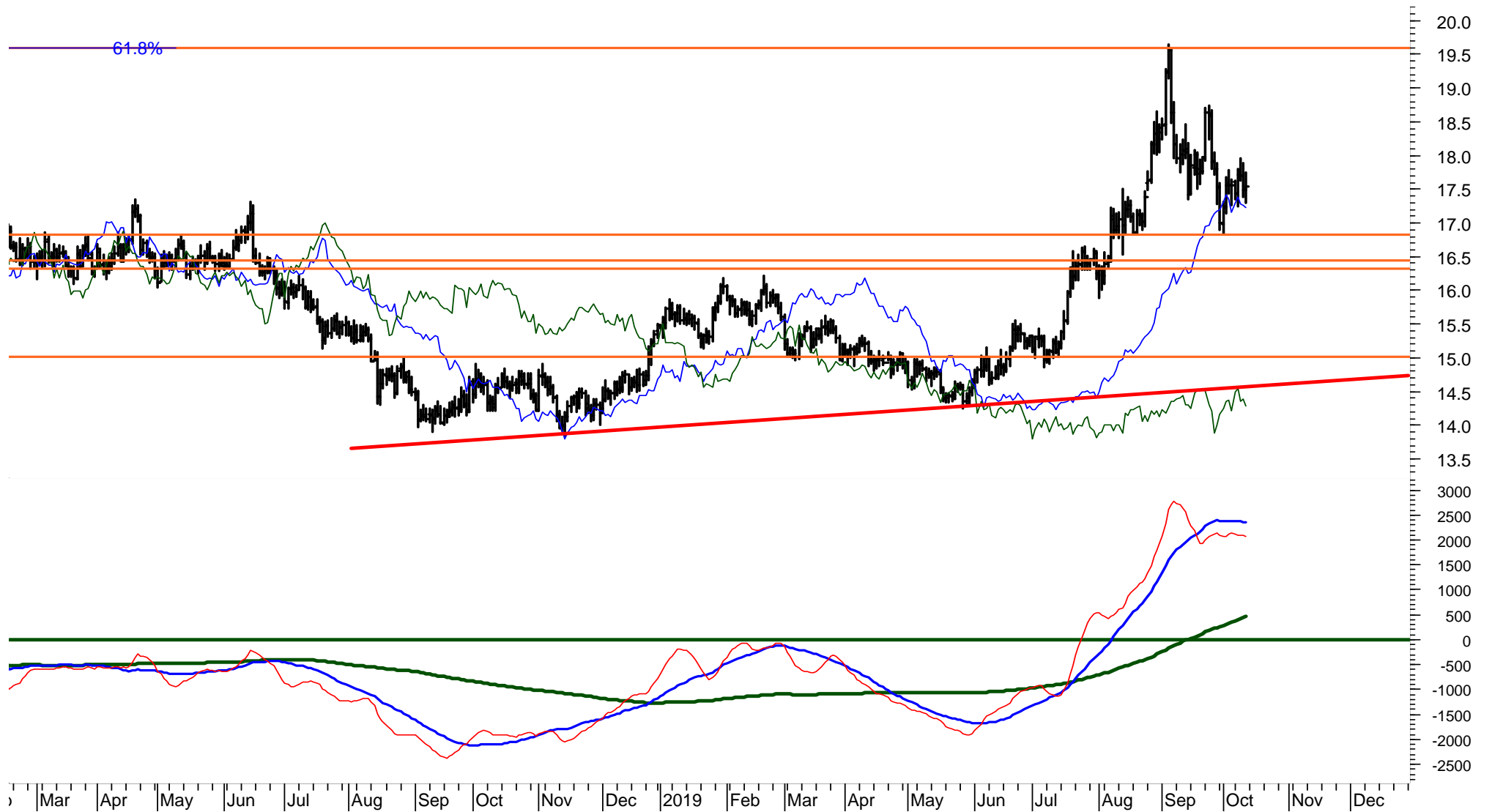
Long-term Outlook: UP
Medium-term Outlook: FLAT



Silver – daily chart

Silver is trading above the major support at 16.80 and 16.30.
A break of 16.80 would signal a medium and long-term downgrade.

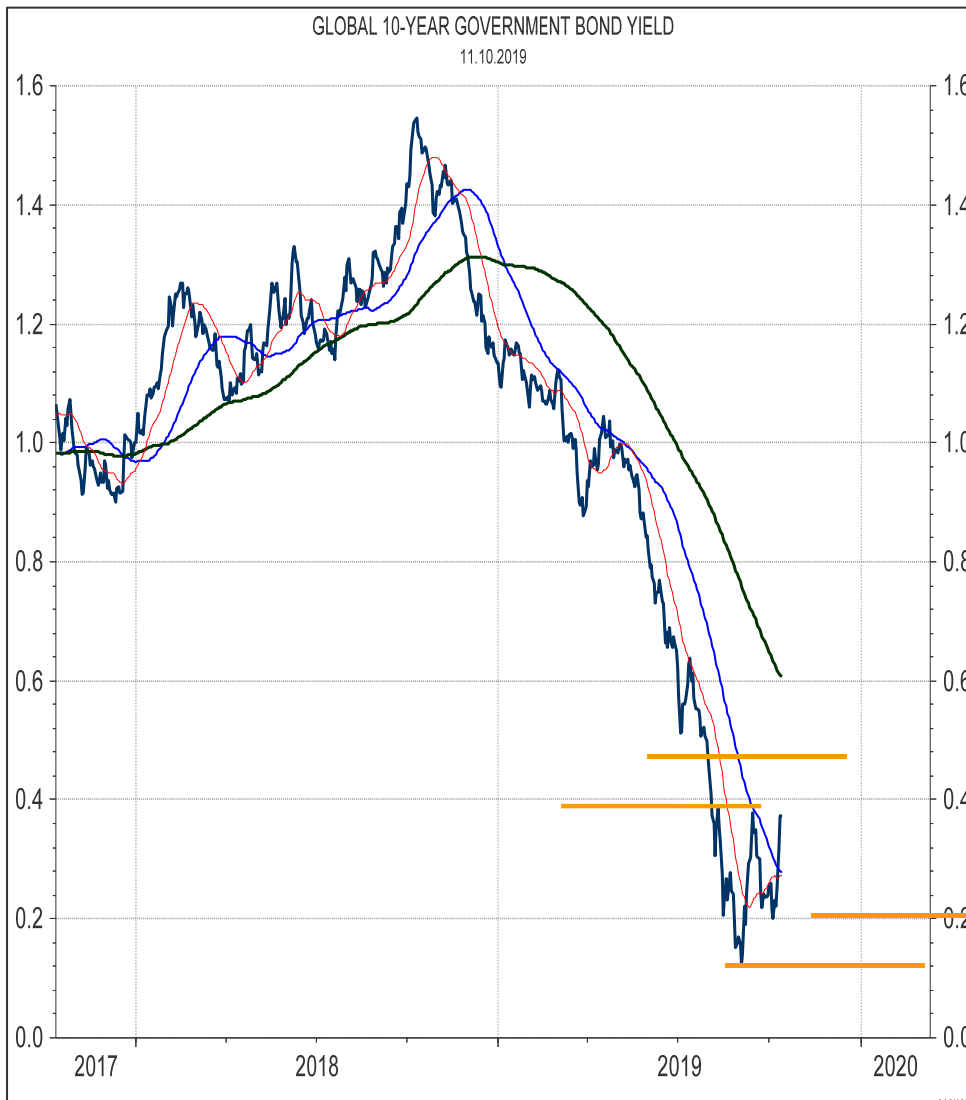
Long-term Outlook: UP
Medium-term Outlook: FLAT



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

The Medium-term Yield Outlook remains FLAT but the Global 10-year Government Bond Yield would turn UP medium term if 0.40% to 0.48% is broken.

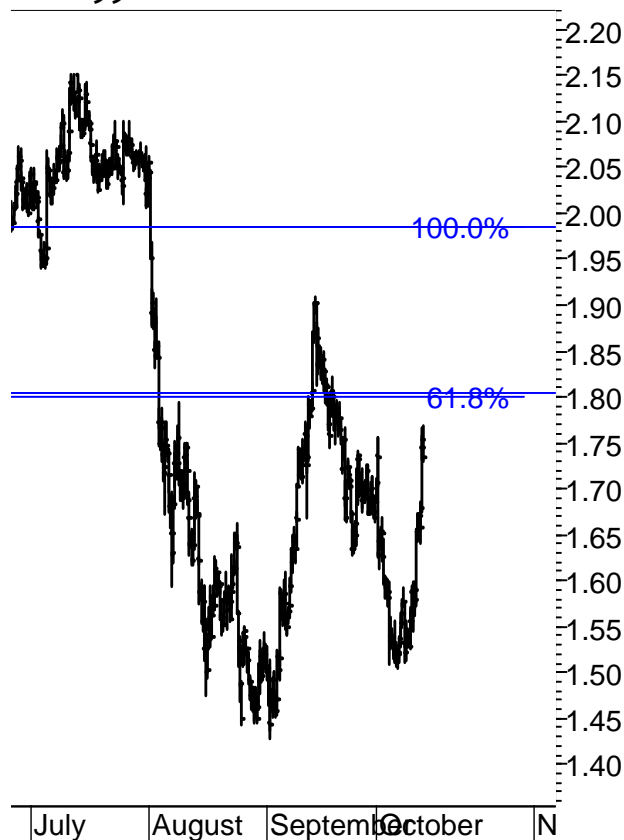
The Total Return (at right) is correcting from the high of 529. The Medium-term Outlook remains FLAT for the Global Government 7-10-year Total Return. BUT, a break of 516 would signal a medium-term downgrade to DOWN.



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

My Trend and Momentum 10-year Yield Model has recorded 28 short-term upgradings and 18 medium-term upgradings. Even the long-term model has recorded 13 upgradings.

As I show on the chart below, the US 10-year Yield would signal a turnaround to UP if 1.80% / 1.81% and 1.99% is broken.



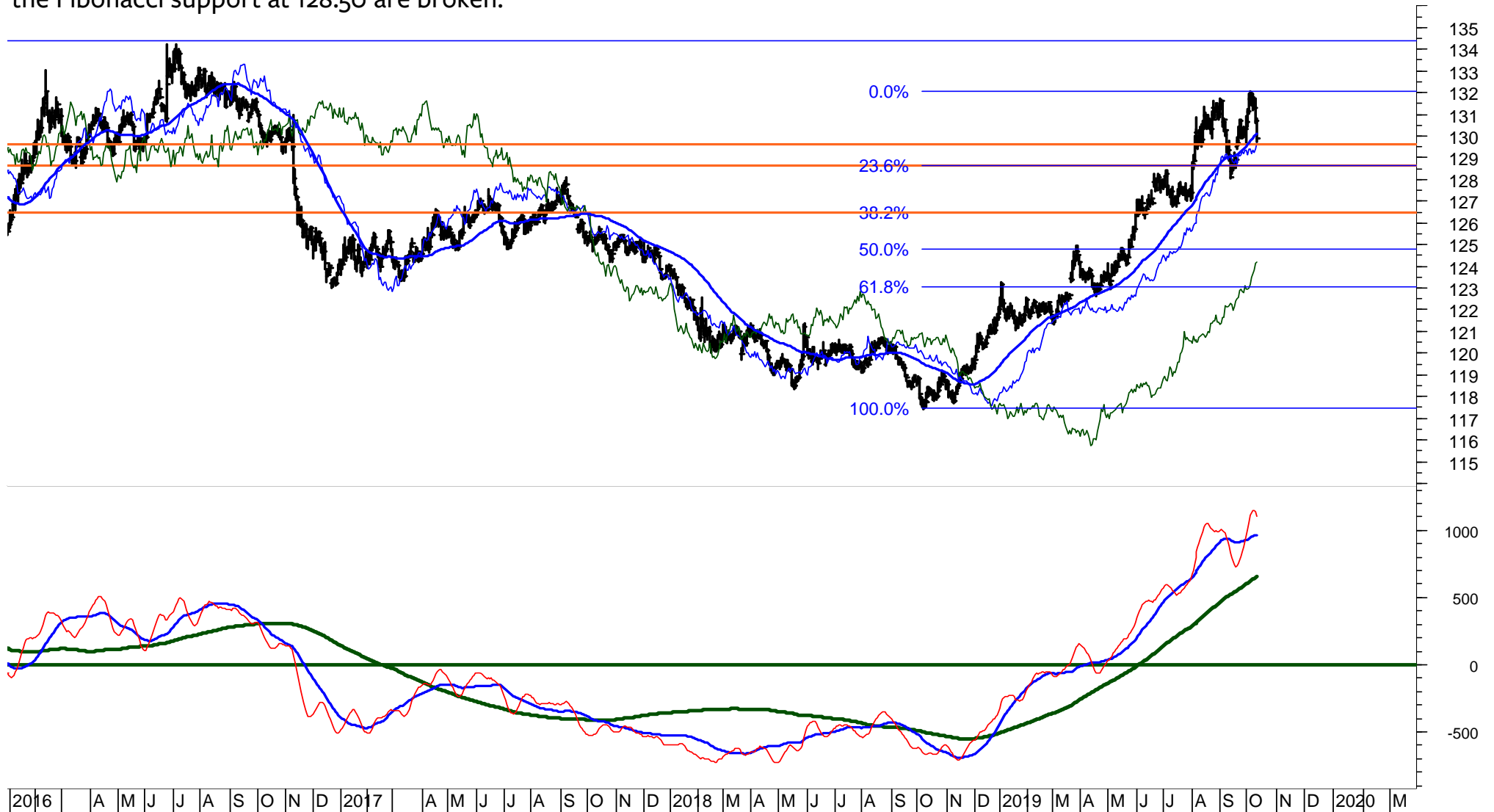
SCORE	10-YEAR BOND YIELD
89%	TR CANADA GVT BMK BID YLD 10Y
89%	TR KOREA GVT BMK BID YLD 10Y
83%	TR CHINA GVT BMK BID YLD 10Y
78%	TR HONG KONG GVT BMK BID YLD 10Y
78%	TR INDIA GVT BMK BID YLD 10Y
78%	TR UK GVT BMK BID YLD 10Y
72%	TR CZECH REP GVT BMK BID YLD 10Y
72%	TR FINLAND GVT BMK BID YLD 10Y
72%	TR GERMANY GVT BMK BID YLD 10Y
67%	TR AUSTRALIA GVT BMK BID YLD 10Y
67%	TR HUNGARY GVT BMK BID YLD 10Y
67%	TR NEW ZEALAND GVT BMK BID YLD 10Y
67%	TR SPAIN GVT BMK BID YLD 10Y
67%	TR SWITZERLAND GVT BMK BID YLD 10Y
67%	TR US GVT BMK BID YLD 10Y
61%	TR MALAYSIA GVT BMK BID YLD 10Y
61%	TR NORWAY GVT BMK BID YLD 10Y
61%	TR PHILIPPINES GVT BMK BID YLD 10Y
61%	TR POLAND GVT BMK BID YLD 10Y
56%	TR DENMARK GVT BMK BID YLD 10Y
56%	TR FRANCE GVT BMK BID YLD 10Y
56%	TR JAPAN GVT BMK BID YLD 10Y
56%	TR NETHERLANDS GVT BMK BID YLD 10Y
56%	TR TAIWAN GVT BMK BID YLD 10Y
50%	TR ITALY GVT BMK BID YLD 10Y
50%	TR PORTUGAL GVT BMK BID YLD 10Y
50%	TR THAILAND GVT BMK BID YLD 10Y
44%	TR SOUTH AFRICA GVT BMK BID YLD 10Y
44%	TR SWEDEN GVT BMK BID YLD 10Y
33%	TR GREECE GVT BMK BID YLD 10Y
33%	TR TURKEY GVT BMK BID YLD 10Y
22%	TR MEXICO GVT BMK BID YLD 10Y
22%	TR SINGAPORE GVT BMK BID YLD 10Y
17%	TR BRAZIL GVT BMK BID YLD 10Y
17%	TR INDONESIA GVT BMK BID YLD 10Y
0%	TR RUSSIA GVT BMK BID YLD 10Y

SCORE	INDEX	RIC	PRICE	LT	MT	ST
67%	TR AUSTRALIA GVT BMK BID YLD 10Y	AU10YT=RR	1.015	-	uu+	uu+
17%	TR BRAZIL GVT BMK BID YLD 10Y	BR10YT=RR	6.700	-	o	-
89%	TR CANADA GVT BMK BID YLD 10Y	CA10YT=RR	1.519	uu+	uu+	uu+
83%	TR CHINA GVT BMK BID YLD 10Y	CN10YT=RR	3.163	+	+	+
72%	TR CZECH REP GVT BMK BID YLD 10Y	CZ10YT=RR	1.305	uo	+	uu+
56%	TR DENMARK GVT BMK BID YLD 10Y	DK10YT=RR	-0.428	uo	u+	u+
72%	TR FINLAND GVT BMK BID YLD 10Y	FN10YT=RR	-0.190	uo	+	u+
56%	TR FRANCE GVT BMK BID YLD 10Y	FR10YT=RR	-0.1620	uo	+	u+
72%	TR GERMANY GVT BMK BID YLD 10Y	BD10YT=RR	-0.4380	uo	+	u+
33%	TR GREECE GVT BMK BID YLD 10Y	GR10YT=RR	1.444	-	uo	+
78%	TR HONG KONG GVT BMK BID YLD 10Y	HK10YT=RR	1.395	uo	uu+	uu+
67%	TR HUNGARY GVT BMK BID YLD 10Y	HN10YT=RR	2.060	-	u+	uu+
78%	TR INDIA GVT BMK BID YLD 10Y	IN10YT=RR	6.727	o	+	u+
17%	TR INDONESIA GVT BMK BID YLD 10Y	ID10YT=RR	7.254	-	o	-
50%	TR ITALY GVT BMK BID YLD 10Y	IT10YT=RR	1.0560	-	uu+	u+
56%	TR JAPAN GVT BMK BID YLD 10Y	JP10YT=RR	-0.179	uo	+	+
89%	TR KOREA GVT BMK BID YLD 10Y	KR10YT=RR	1.493	uu+	+	uu+
22%	TR MEXICO GVT BMK BID YLD 10Y	MX10YT=RR	6.770	-	uo	uo
61%	TR MALAYSIA GVT BMK BID YLD 10Y	MY10YT=RR	3.402	-	uu+	uu+
56%	TR NETHERLANDS GVT BMK BID YLD 10Y	NL10YT=RR	-0.305	uo	+	u+
67%	TR NEW ZEALAND GVT BMK BID YLD 10Y	NZ10YT=RR	1.183	-	uu+	uu+
61%	TR NORWAY GVT BMK BID YLD 10Y	NW10YT=RR	1.241	-	u+	uu+
61%	TR PHILIPPINES GVT BMK BID YLD 10Y	PH10YT=RR	4.707	-	u+	uu+
61%	TR POLAND GVT BMK BID YLD 10Y	PO10YT=RR	2.000	-	u+	uu+
50%	TR PORTUGAL GVT BMK BID YLD 10Y	PT10YT=RR	0.204	-	u+	uu+
0%	TR RUSSIA GVT BMK BID YLD 10Y	RS10YT=RR	6.710	-	d-	-
44%	TR SOUTH AFRICA GVT BMK BID YLD 10Y	SA10YT=RR	8.235	uo	u+	-
44%	TR SWEDEN GVT BMK BID YLD 10Y	SD10YT=RR	-0.185	-	uu+	u+
22%	TR SINGAPORE GVT BMK BID YLD 10Y	SG10YT=RR	1.687	-	uo	uo
67%	TR SPAIN GVT BMK BID YLD 10Y	ES10YT=RR	0.254	-	u+	uu+
67%	TR SWITZERLAND GVT BMK BID YLD 10Y	CH10YT=RR	-0.656	u+	+	u+
50%	TR THAILAND GVT BMK BID YLD 10Y	TH10YT=RR	1.530	-	u+	uu+
56%	TR TAIWAN GVT BMK BID YLD 10Y	TW10YT=RR	0.700	+	+	dd-
33%	TR TURKEY GVT BMK BID YLD 10Y	TK10YT=RR	14.370	-	o	uu+
78%	TR UK GVT BMK BID YLD 10Y	GB10YT=RR	0.7080	uo	uu+	uu+
67%	TR US GVT BMK BID YLD 10Y	US10YT=RR	1.7530	-	uu+	uu+

US 10-year Treasury Note continuous Future – daily chart

The T-Note Future re-entered the correction phase following the minor new high, which it registered in early October. It would turn DOWN medium-term if the 55-day average at 130 and the Medium-term Momentum Reversal at 129.50 and the Fibonacci support at 128.50 are broken.

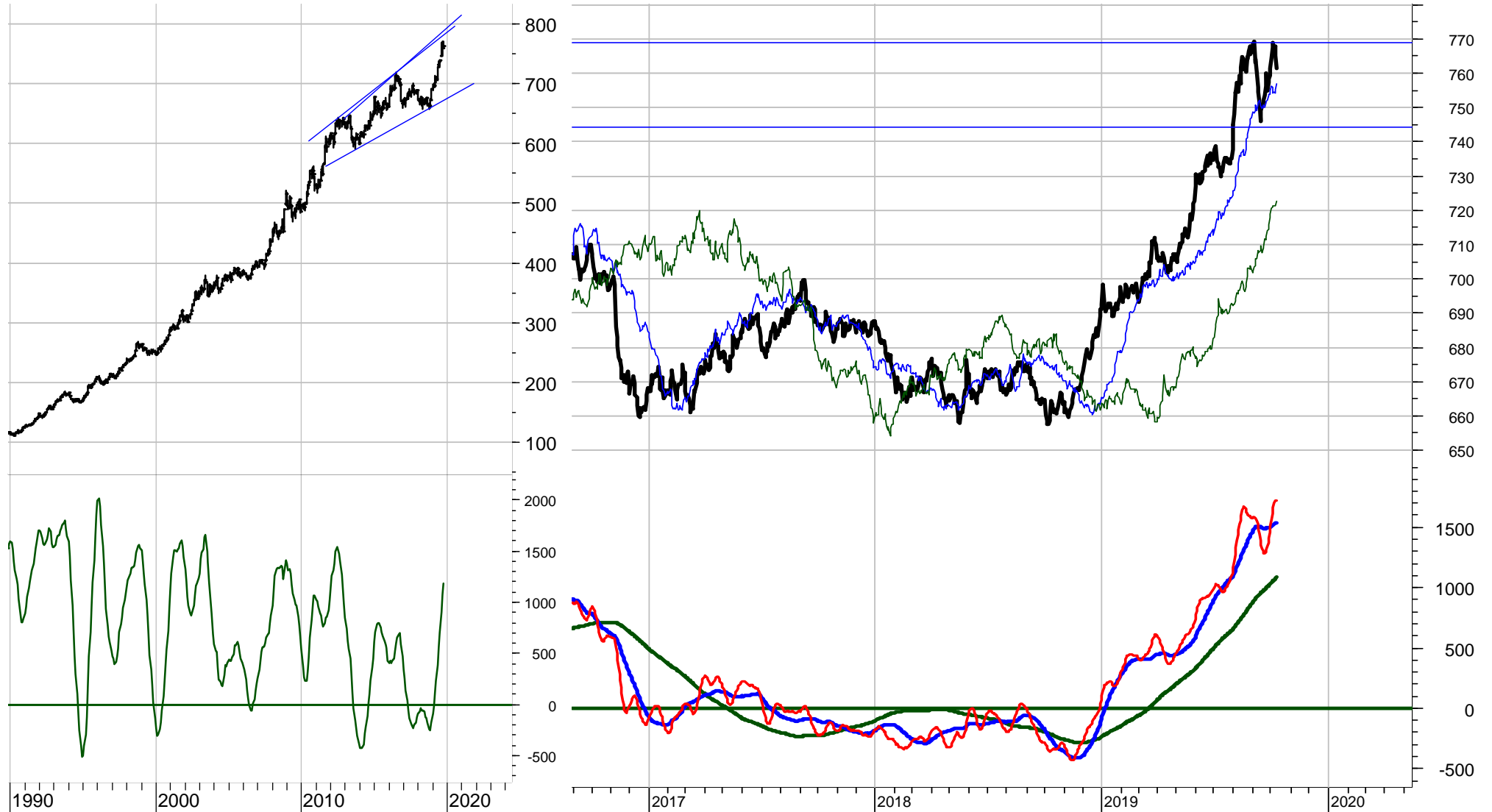
Long-term Outlook: UP
Medium-term Outlook: FLAT



Total Return from 7-10 year US Treasury Notes

I wonder if the Expanding Wedge on the monthly chart at left has reached its peak.
A break of 744 would signal that at least a medium-term correction has started.

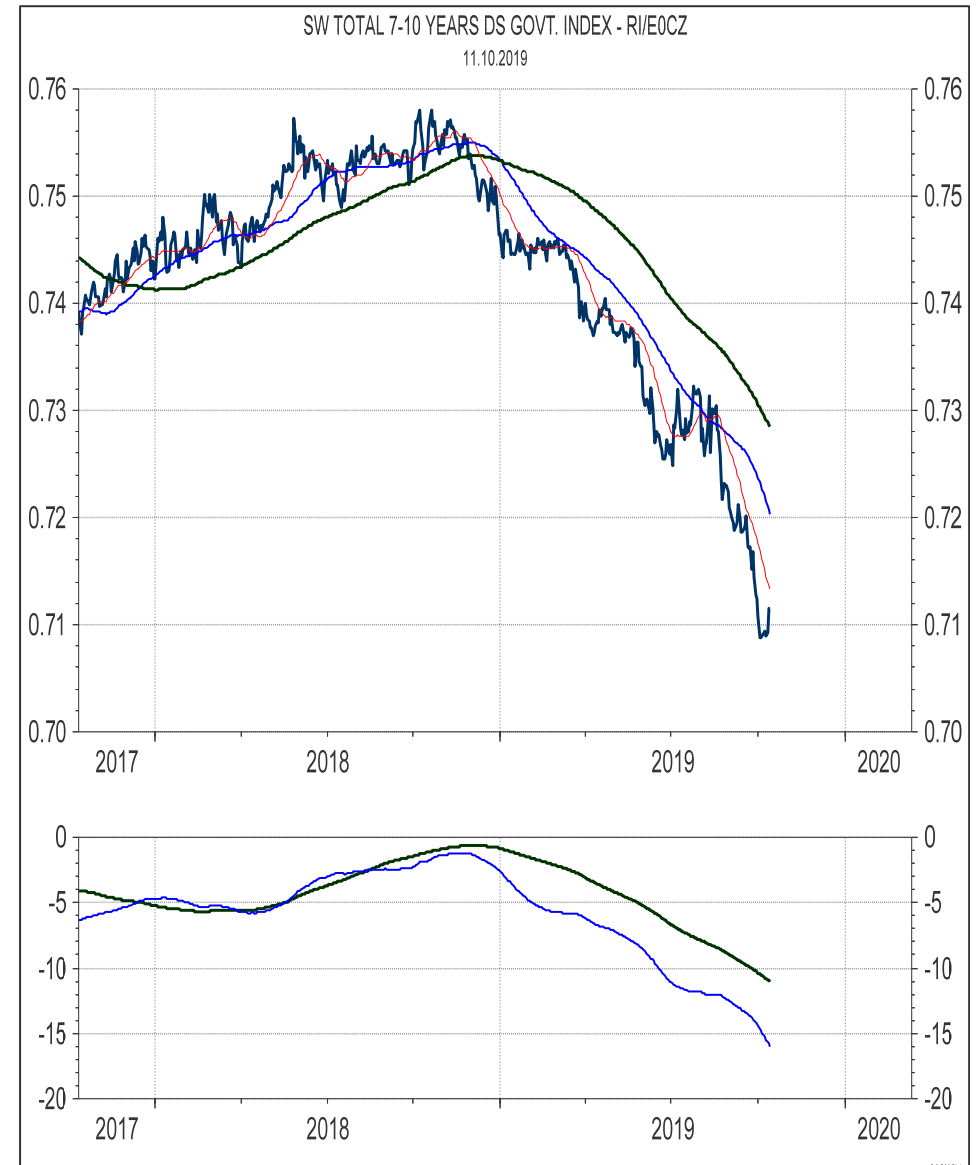
Long-term Outlook: UP
Medium-term Outlook: FLAT

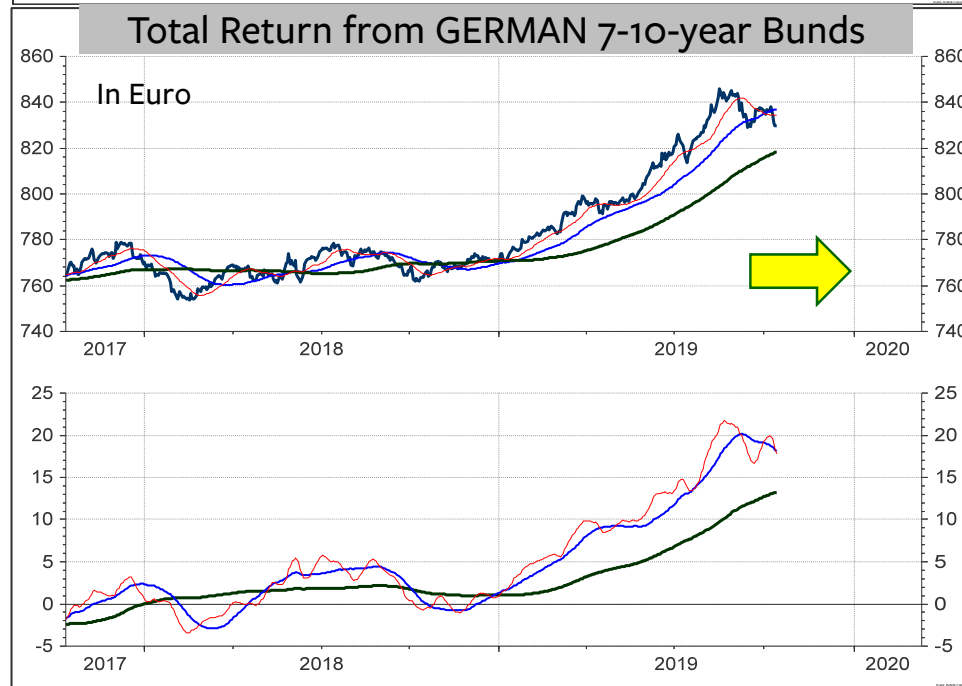
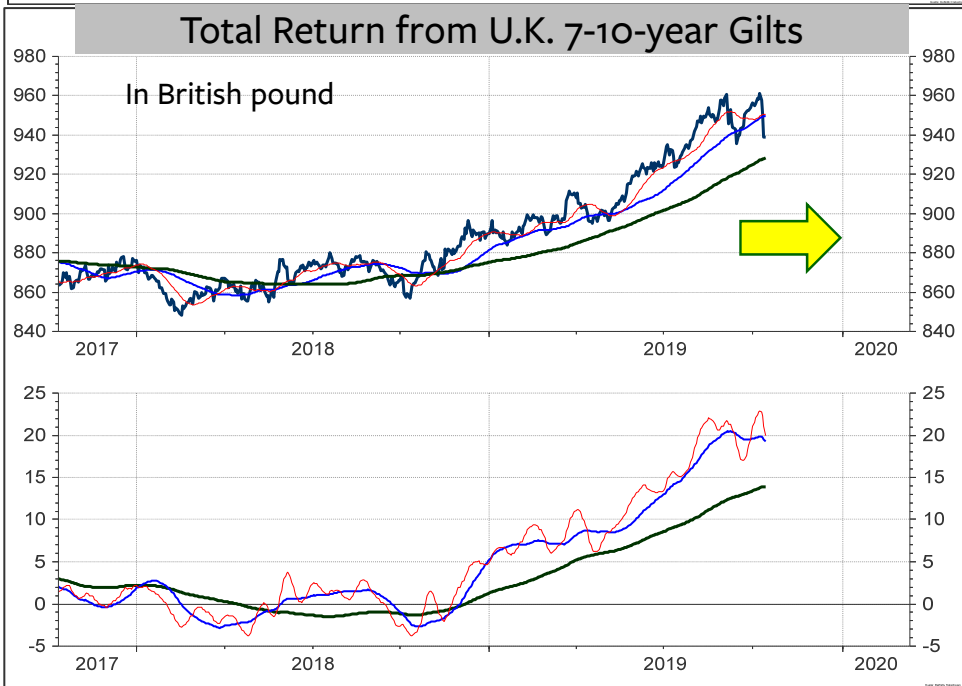
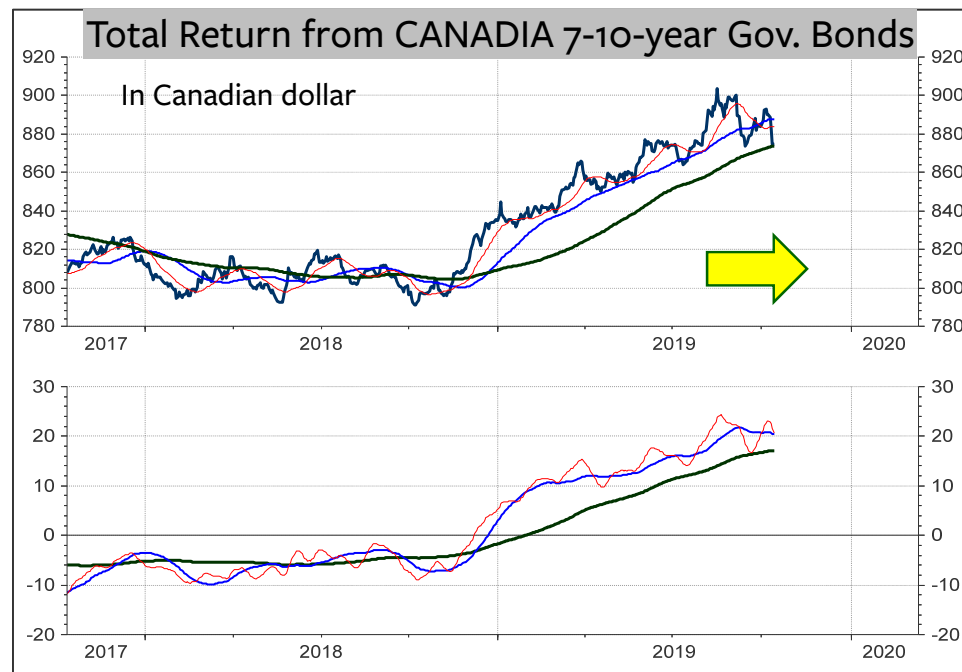
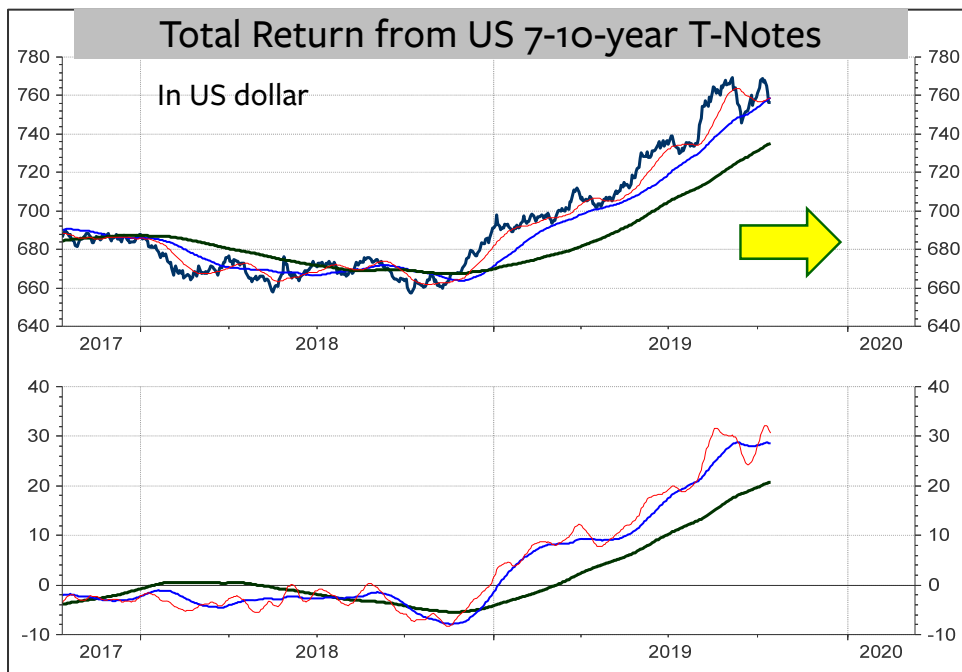


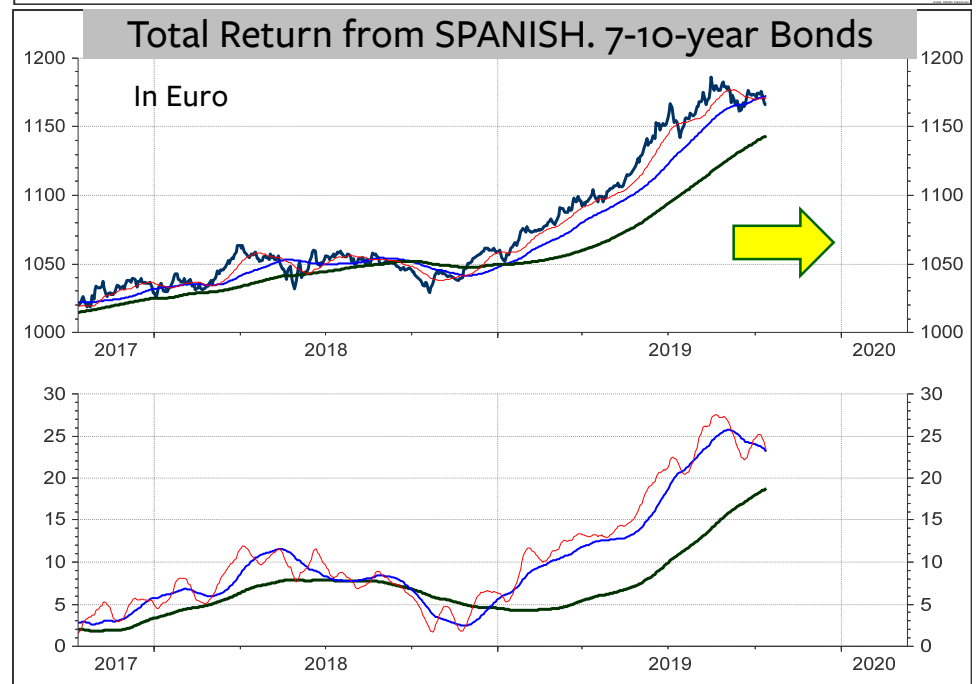
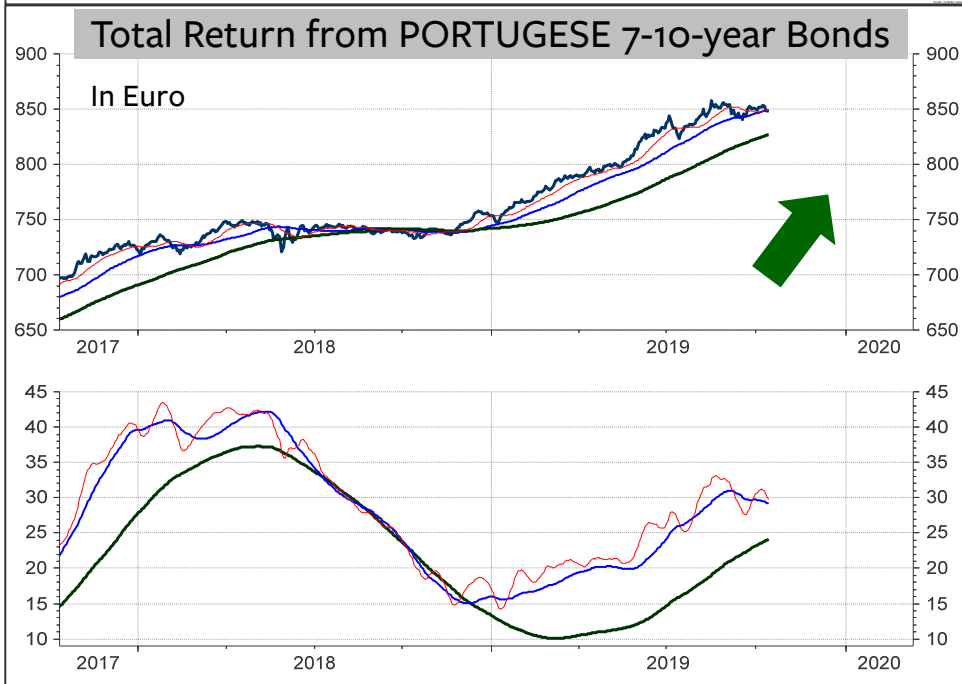
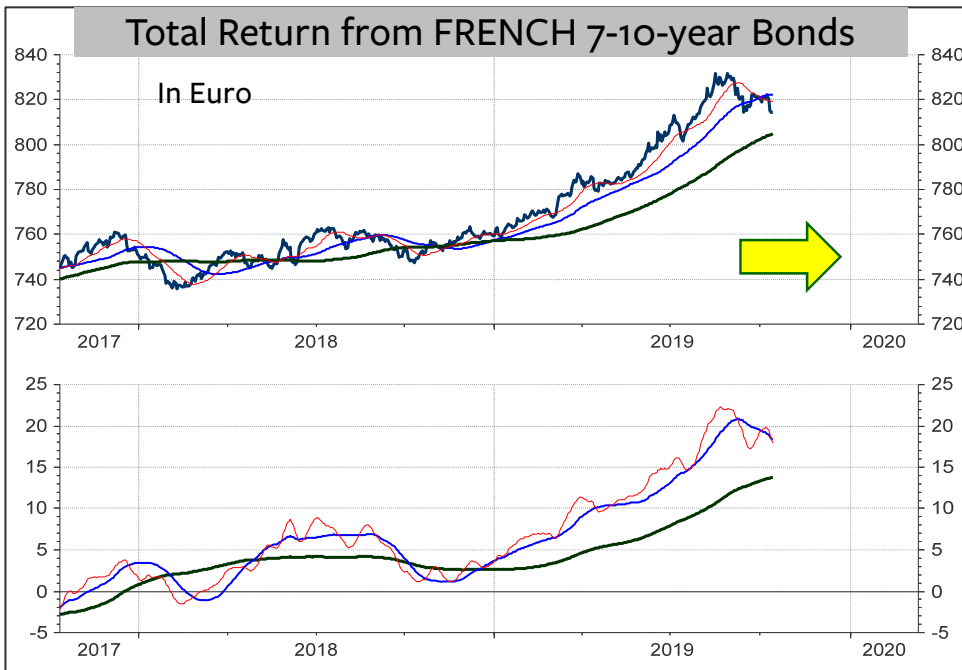
Total Return from 7-10-year Swiss Conf Bonds – absolute (left) and relative to the World Bond Index

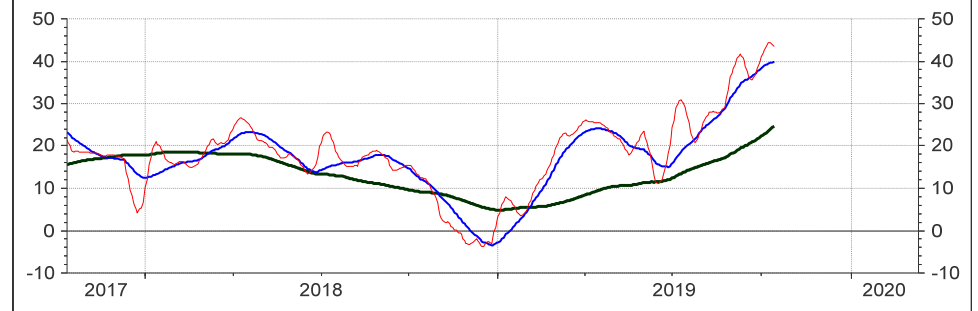
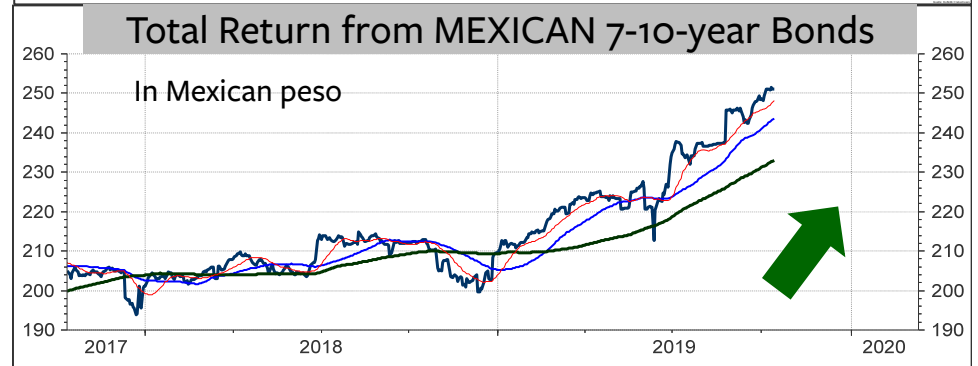
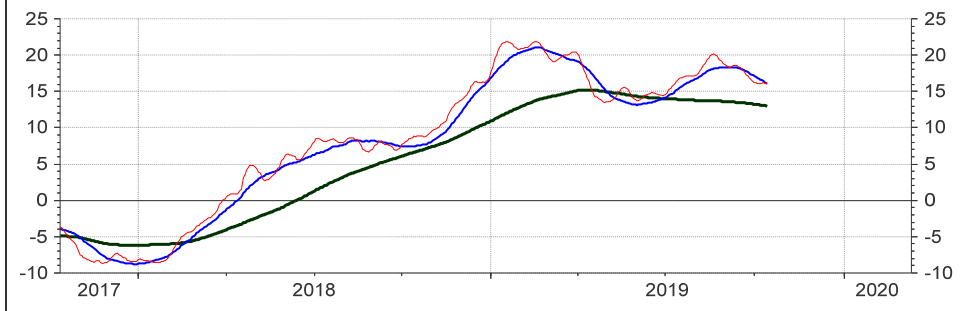
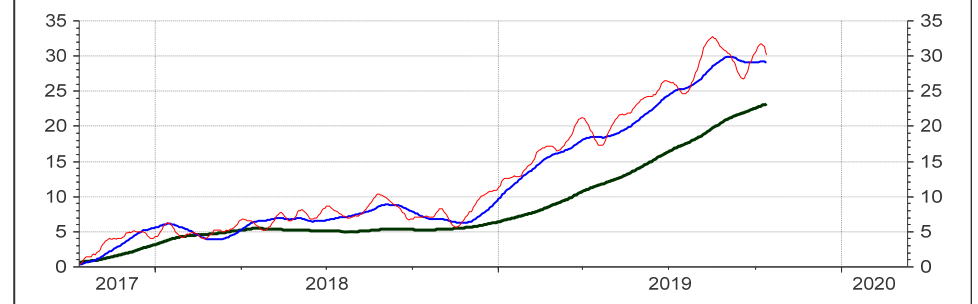
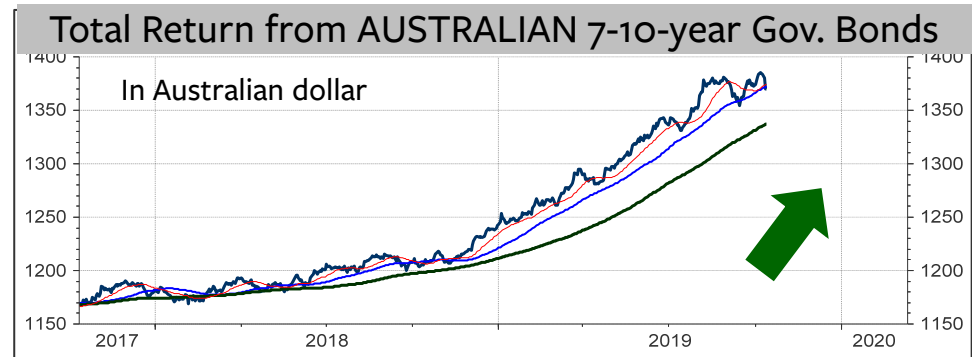
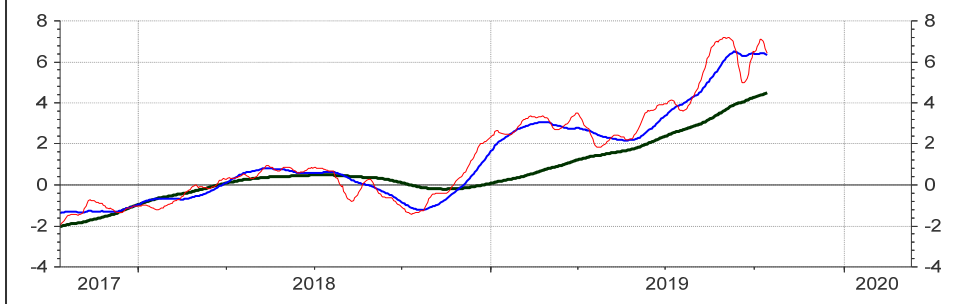
What does it mean, that my Swiss franc Model has turned bearish and the Total Return from Swiss 7-10-year bonds (below) shows the largest losses among all the Total Return charts? Given the risk of a break of the 144-day average I am lowering the **Medium-term Outlook to DOWN**.

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





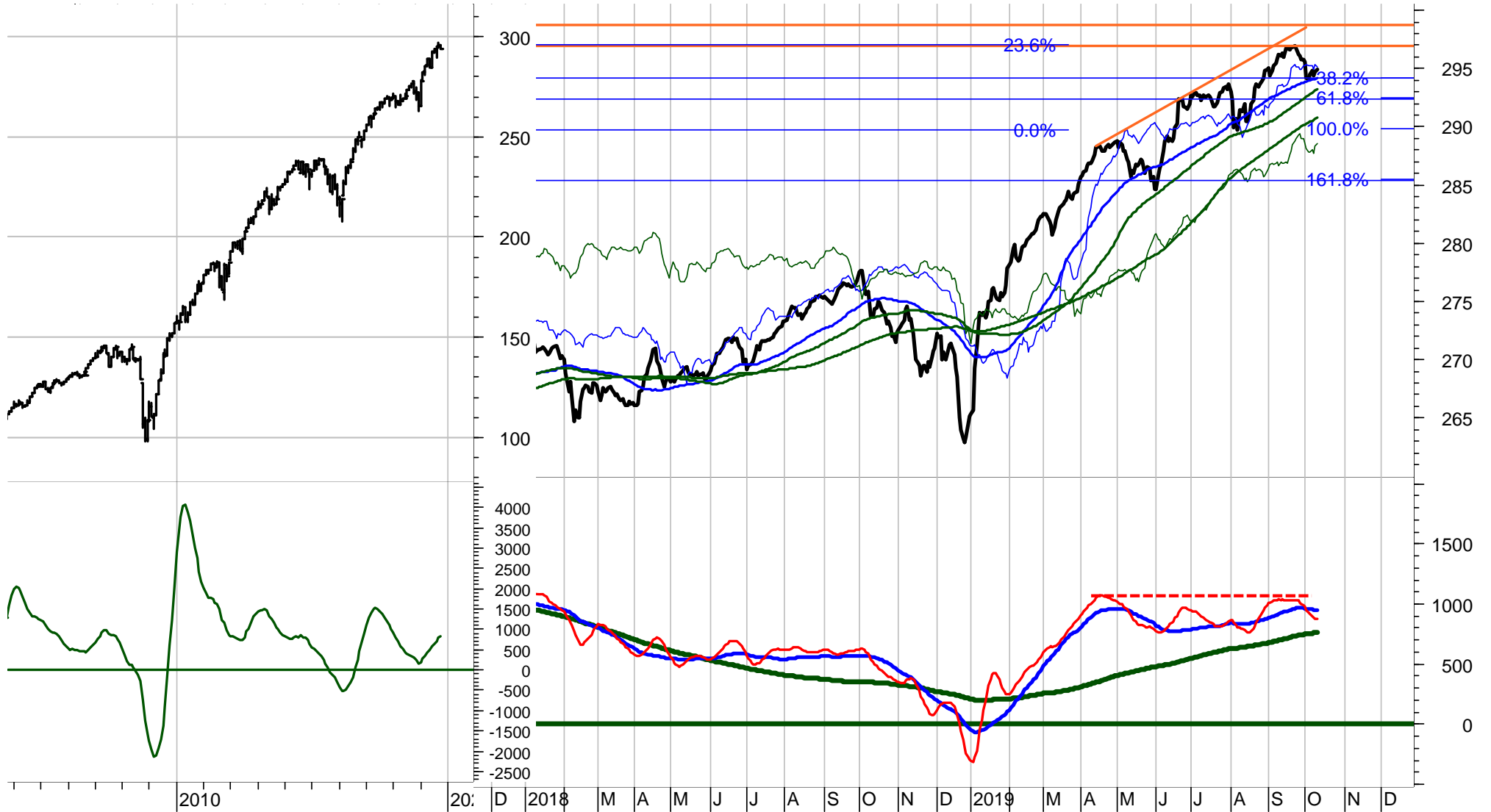




IBOX USD Liquid High Yield Index (.IBLUS0004)

The High Yield Index is bouncing off the first support at 294. A break of the 89-day average (293) and 144-day average (291) and the long-term momentum reversal (288) would signal a medium-term correction and possibly, the break of the long-term uptrend.

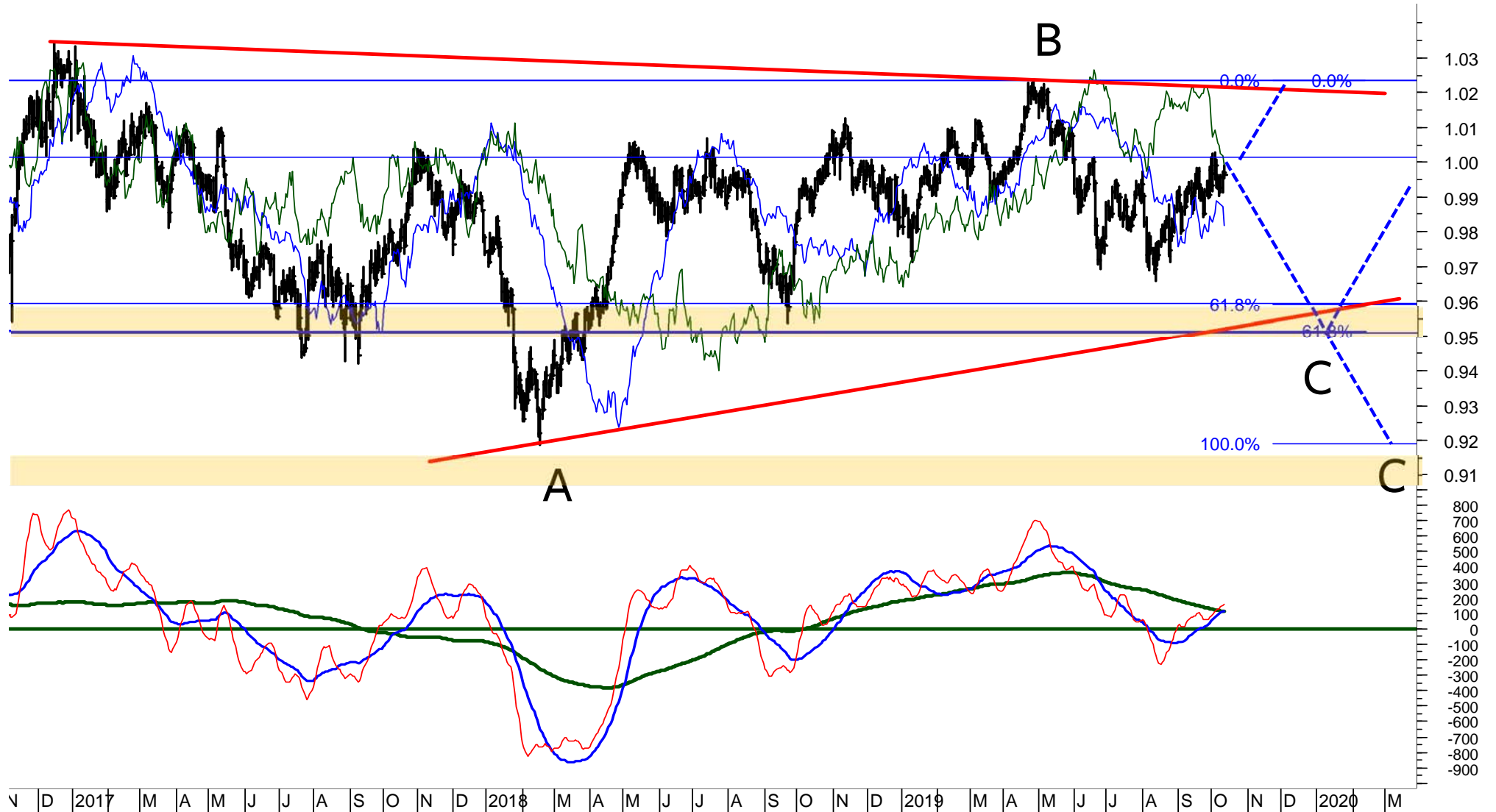
Long-term Outlook: UP
Medium-term Outlook: FLAT



US dollar / Swiss franc – daily chart

Obviously, the US dollar still wants to break the key resistance at 1.00. Possibly, some more US dollar strength could be seen with resistance at 1.0250. I will give up on the triangle and go for a medium-term upgrade to UP (and possibly long-term FLAT) if 1.0050 is broken.

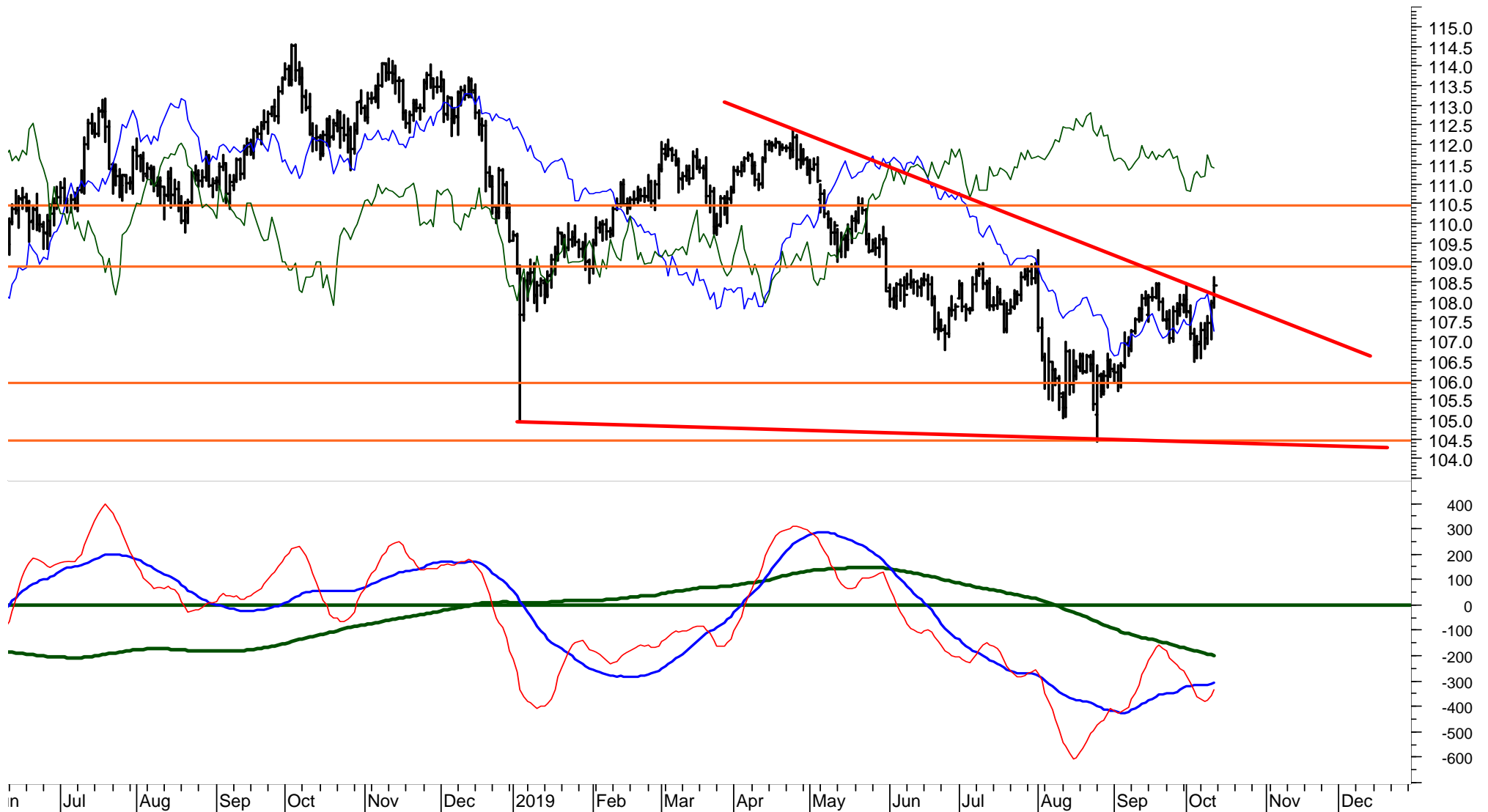
Long-term Outlook: DOWN
Medium-term Outlook: DOWN



US dollar / Japanese yen – daily chart

The US dollar is rising to its medium-term resistance at 109.
I am likely to upgrade the US dollar to medium-term UP and long-term FLAT if 109 is broken.

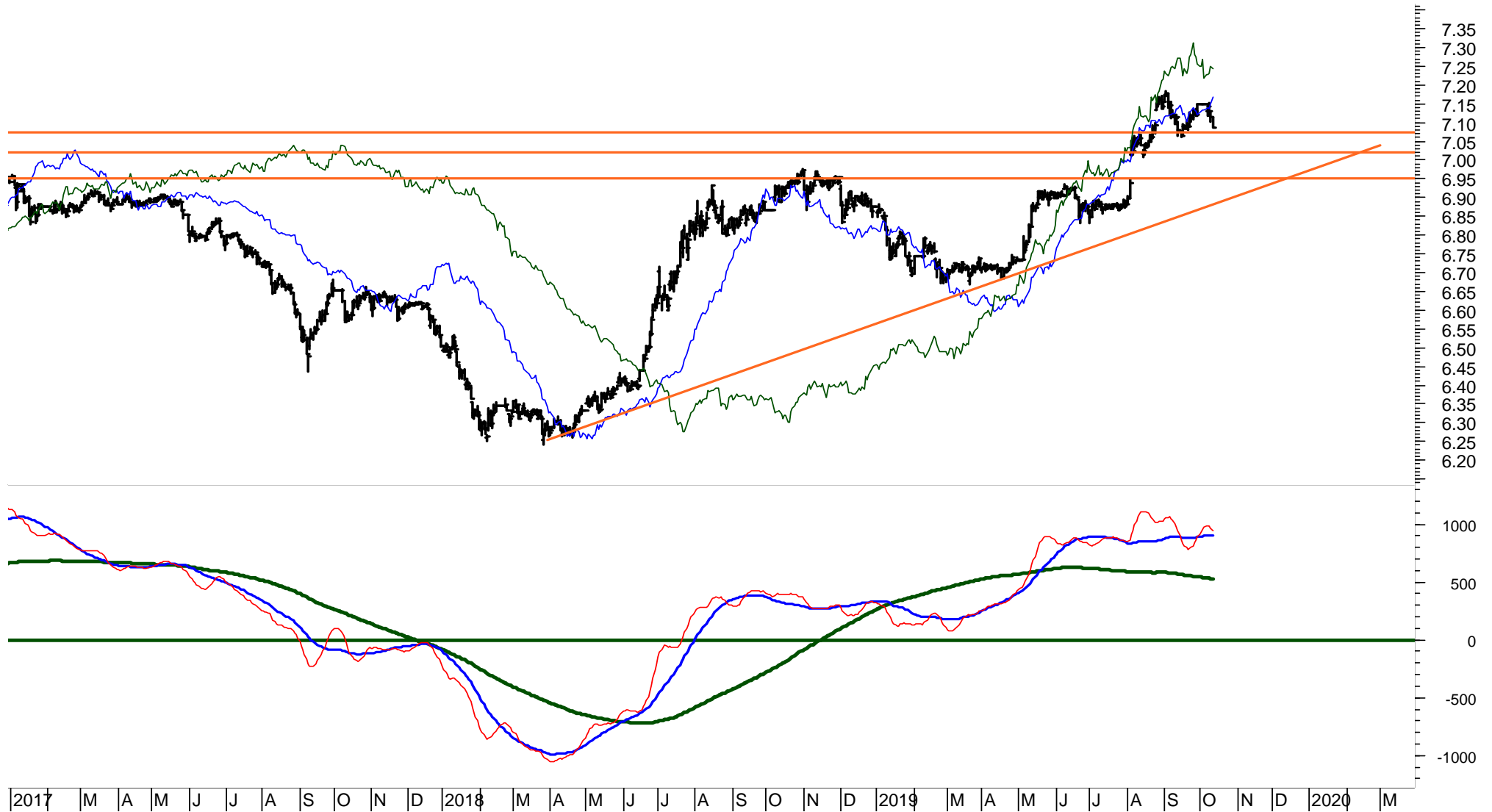
Long-term Outlook: DOWN
Medium-term Outlook: FLAT



US dollar / Chinese yuan – daily chart

The US dollar could trigger a medium-term downgrade to DOWN and a long-term downgrade to FLAT if 7.07, 7.02 and 6.95 is broken.

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



US dollar / Mexican peso – daily chart

The Dollar remains in the Triangle from 2017.
 The present downleg has supports at 19.50, 19.30 and 18.90.
 I am likely to downgrade the US dollar to DOWN medium- and long-term if 18.90 is clearly broken.

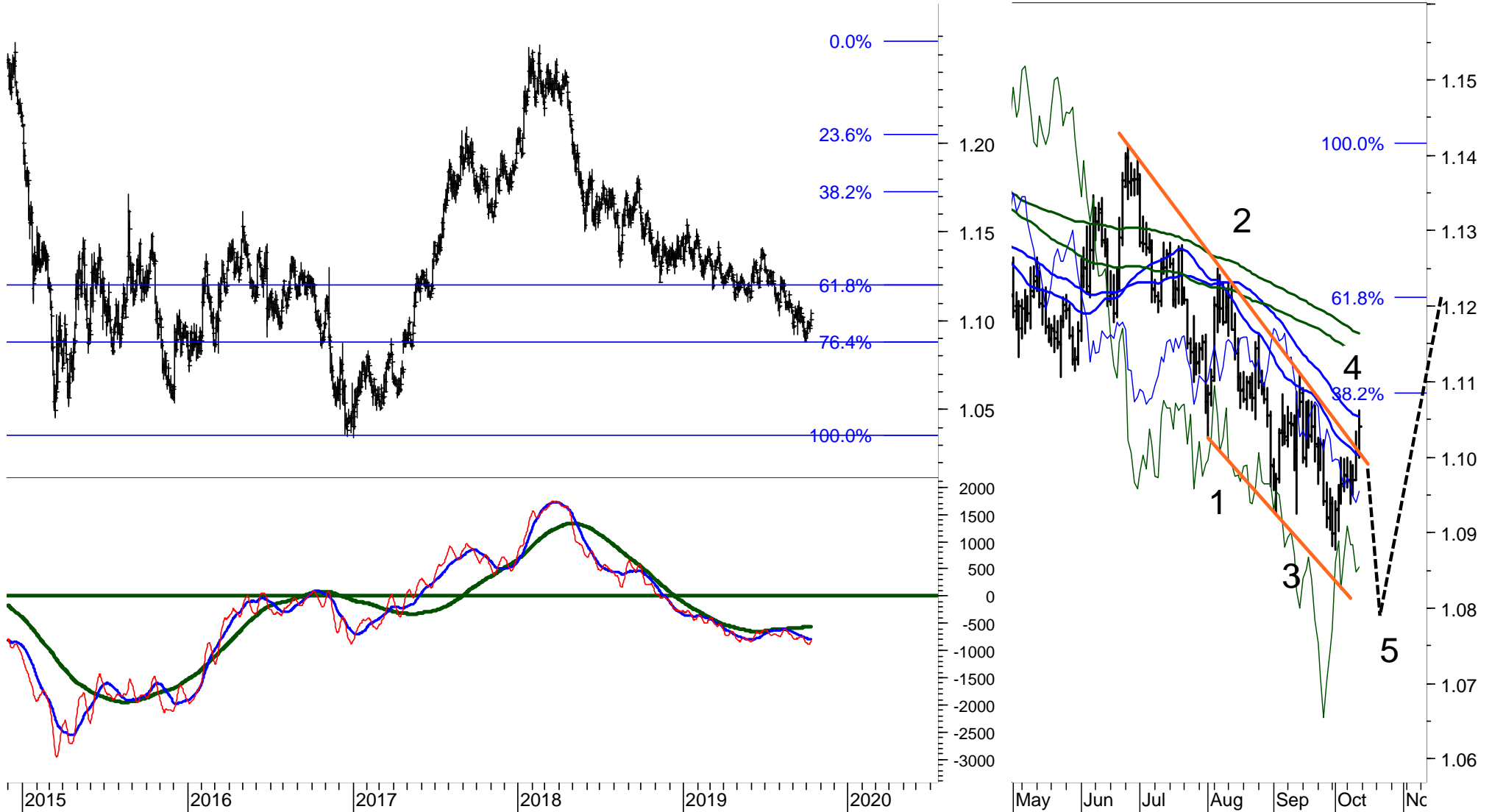
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Euro / US dollar – daily chart

The Euro decline from July could be forming a Wedge, which could terminate the downtrend from early 2018. A final selloff in Wave 5 to 1.08 could be seen. However, I will upgrade the Euro to UP if 1.11 and 1.1230 is broken. Such a rise would signal that the Wedge is already complete and that a larger Euro uptrend is likely to have started.

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



British pound / US dollar – daily chart

The British pound is rebounding off the mega-support, which I had located at 1.20. I will upgrade the Pound medium term and long term if 1.27 / 1.2850 is broken.

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



Euro / Swiss franc – daily chart

The Euro remains in the consolidation which it entered in early August.
 My Medium-term Outlook will go to FLAT if 1.1050 is broken. It will go to medium-term UP and long-term FLAT if 1.1180 / 1.12 is broken.

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



Bitcoin / US dollar – daily chart

The Bitcoin is trading just above the supports at 7500 / 7000.

Next lower support is 5500 or 3700 to 2500.

Resistance levels are at 10,200, 11,900 / 12,200 or 14,400.



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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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