



GLOBAL CHART OUTLOOK

investing ahead of the crowd

GLOBAL MARKETS
18th November 2019 / Issue #44

GLOBAL STOCK MARKET INDICES

The S&P 500 Index is reaching the mega-resistance around 3130 / 3170. Based on the high level of the Call/Put Ratio I see the odds still favoring a medium-term correction, which should take the markets lower in December and / or January. Also, the (inverse) weekly VIX remains in the bear market territory.

The S&P 500 Index continues to diverge from the Economic Cycle Research Index and the (inverse) Weekly Jobless Claims (page 8). The S&P Model remains UP, the ECRI and the WJCs are DOWN. The latest reading of the WJCs is below the moving averages and below the support at 220k. If the next reading(s) break the support at 230k the model will clearly be pointing DOWN. This could raise the odds of a recession. For now, I rate the Model neutral.

The Canadian TSE Index (page 9) is testing mega-resistance at 16500 / 17500.
The Swiss Market Index is testing the mega resistance at 10200 / 10500.

Swiss-franc based equity investors should remain OVERWEIGHT in Swiss stocks. Some country indices, measured in Swiss franc, have slightly outperformed the MSCI Switzerland since August 2019, but only on a medium term basis. Probably, the long-term bottom to the global long-term equity underperformance relative to the MSCI Switzerland will be reached after one more medium-term downleg (relative upleg in the Swiss stocks).

WHAT YOU SHOULD DO: Watch the long-term resistance levels as they are likely to be tested in the next week(s). Presently, it could be worthwhile to buy some volatility.

S & P 500 Index – Watching the test of the long-term resistance around 3130 / 70

The odds are that we are about to see a test of the major resistance level around 3130 / 70.

The uptrend channel from early October is shown on the hourly chart on the next page.

A short-term correction is likely to be signaled next if 3075 is broken.

The US stock market is still rated neutral relative to the MSCI World Index (see page 7). Moreover, the MSCI USA in Swiss franc has reached a critical juncture relative to the MSCI Switzerland. A breakout of the triangle from mid 2018 could be pending.

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



S & P 500 Index – hourly chart

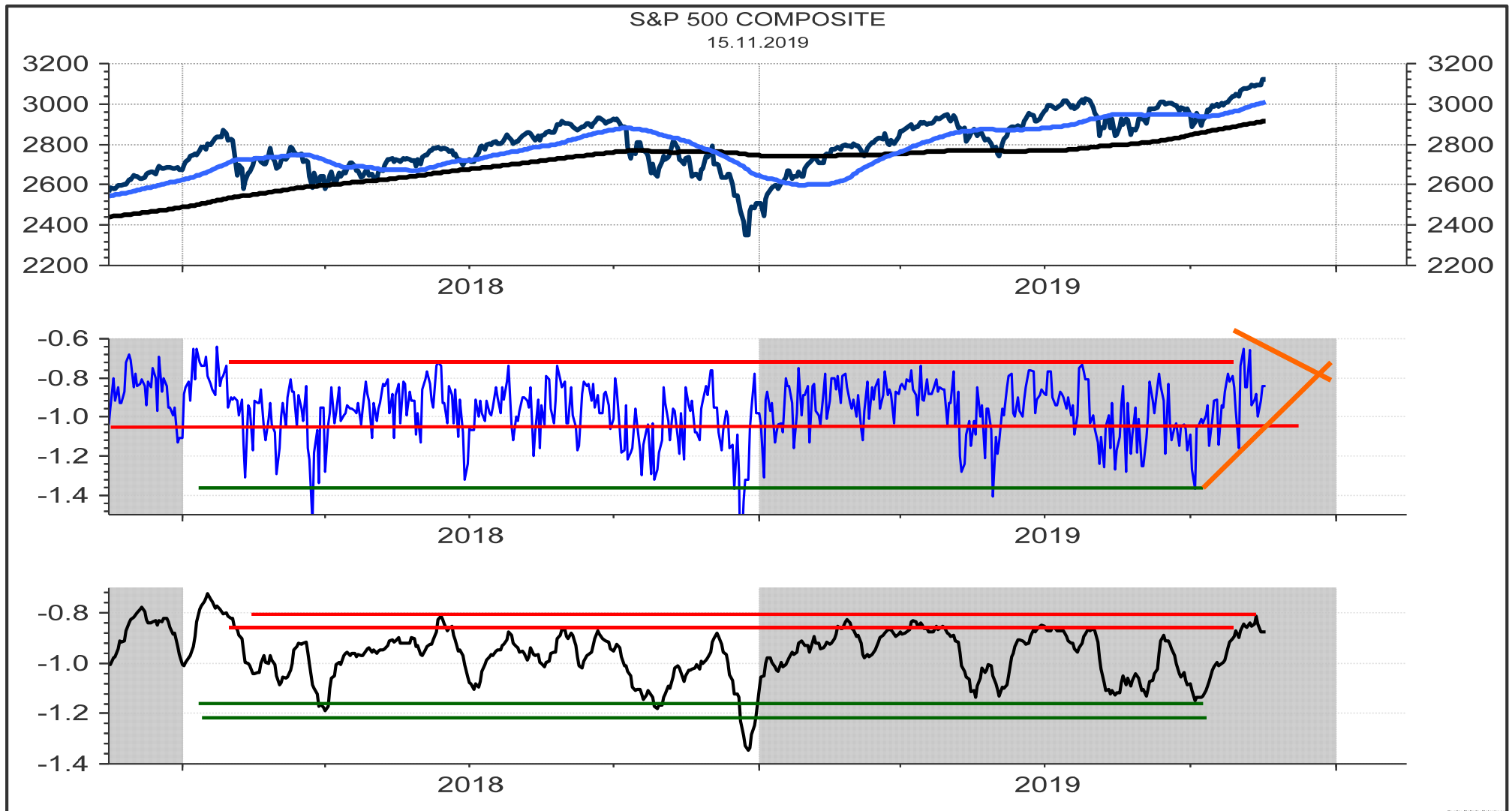
The hourly chart below shows the uptrend channel in the S&P 500 Index. The uptrend is about to meet major resistance around 3130 / 3170.



S & P 500 Index and the Call/Put-Ratio 1-day change (middle) and 8-day moving average (bottom)

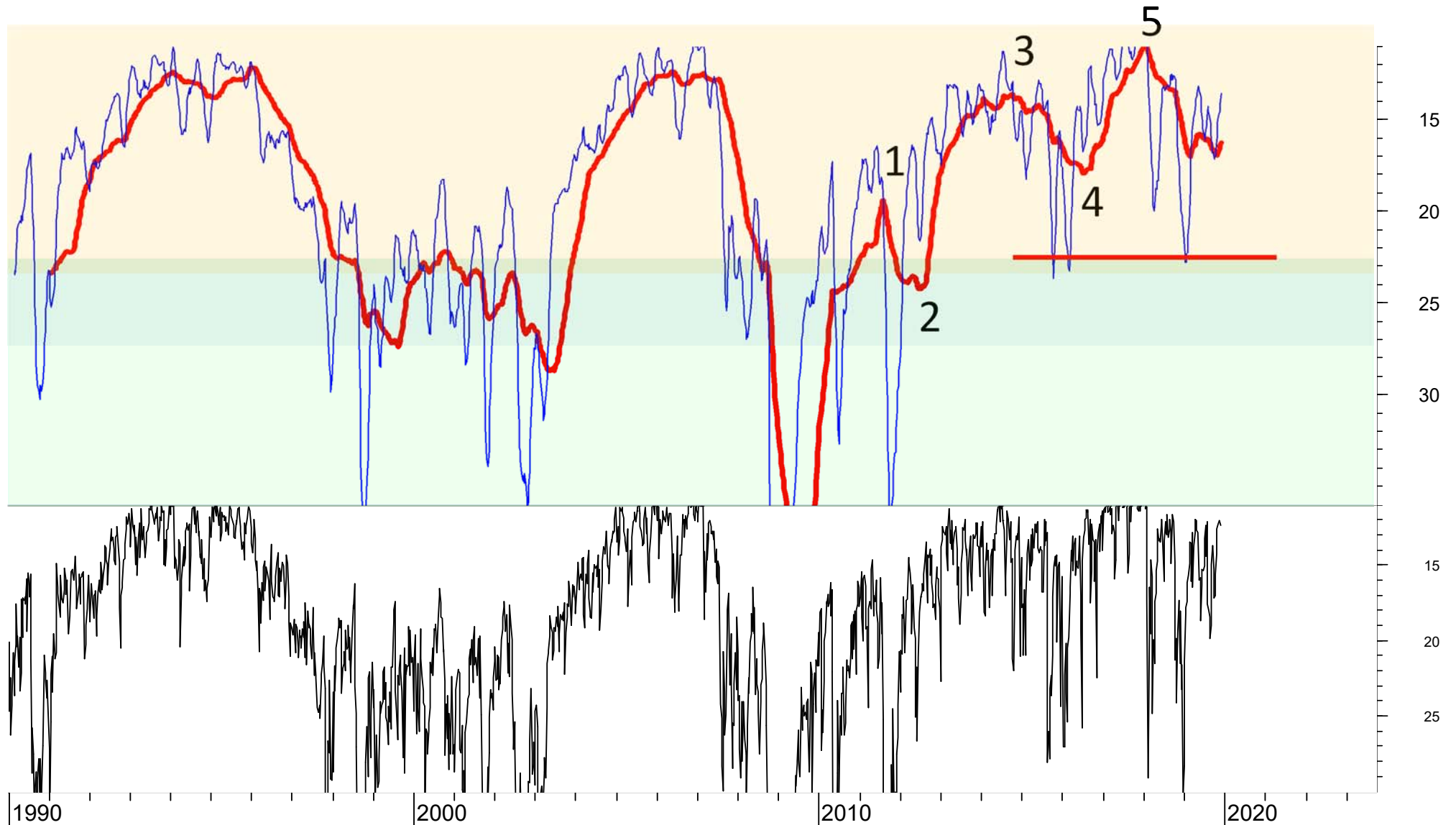
The Call/Put Ratio dropped back from the overbought territory and fell towards the neutral zone.

I am looking for another short-term rally to register a divergence between the S&P Index, which could reach another new high around 3130 / 3170, and the Call/Put Ratio, which could register a lower high in late November or December.

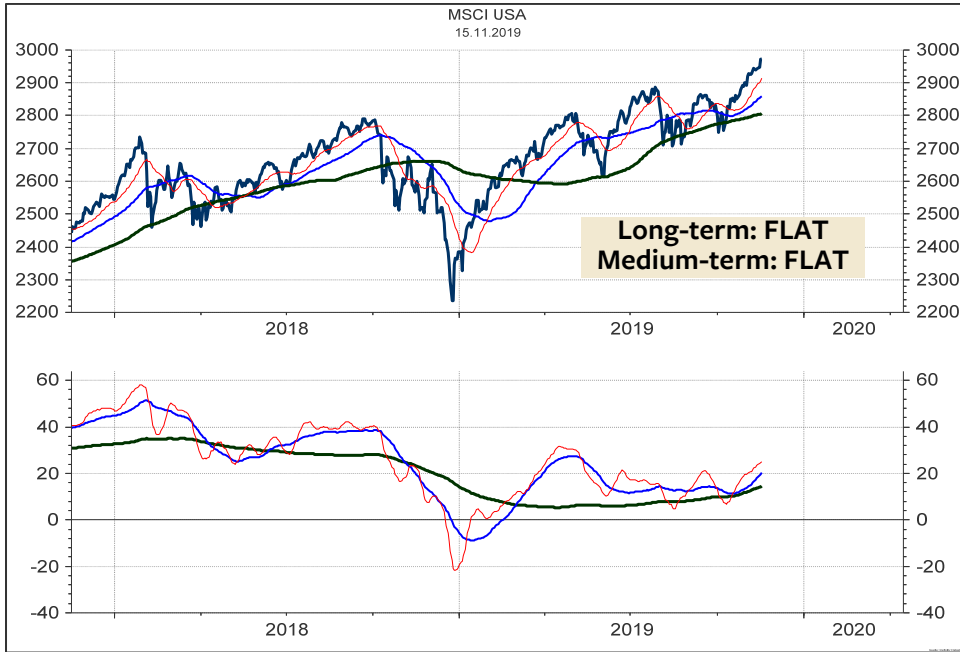


US Market Volatility (VIX inverted)

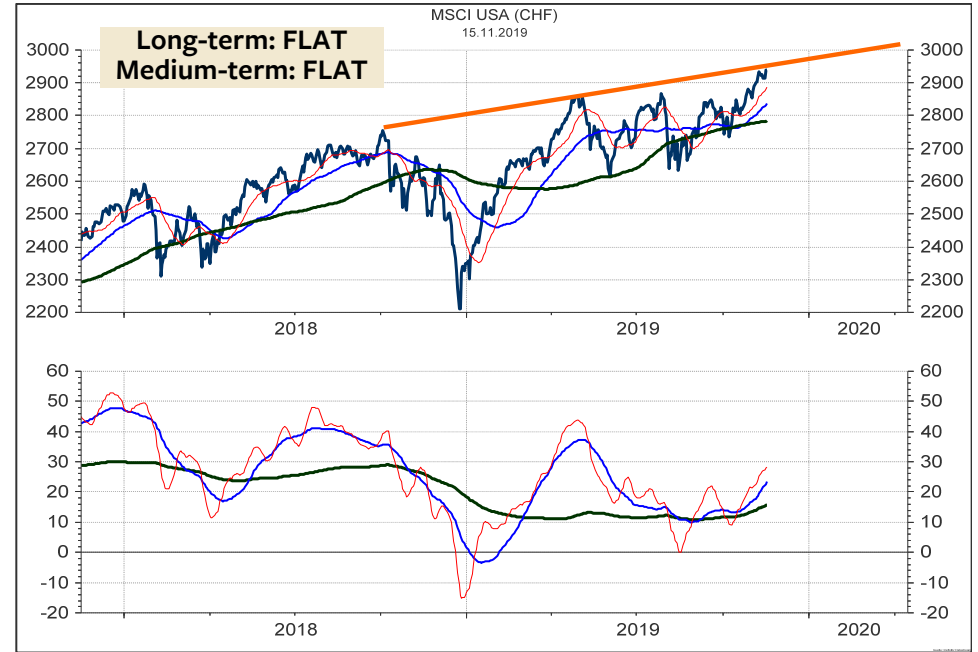
The (inverse) VIX could be forming a Head and Shoulder Top. The Call/Put Ratio dropped back from the overbought territory and fell towards the neutral zone. A break of the 55week average at 14.50 would signal a major decline, i.e. a rise in volatility and a stock market correction.



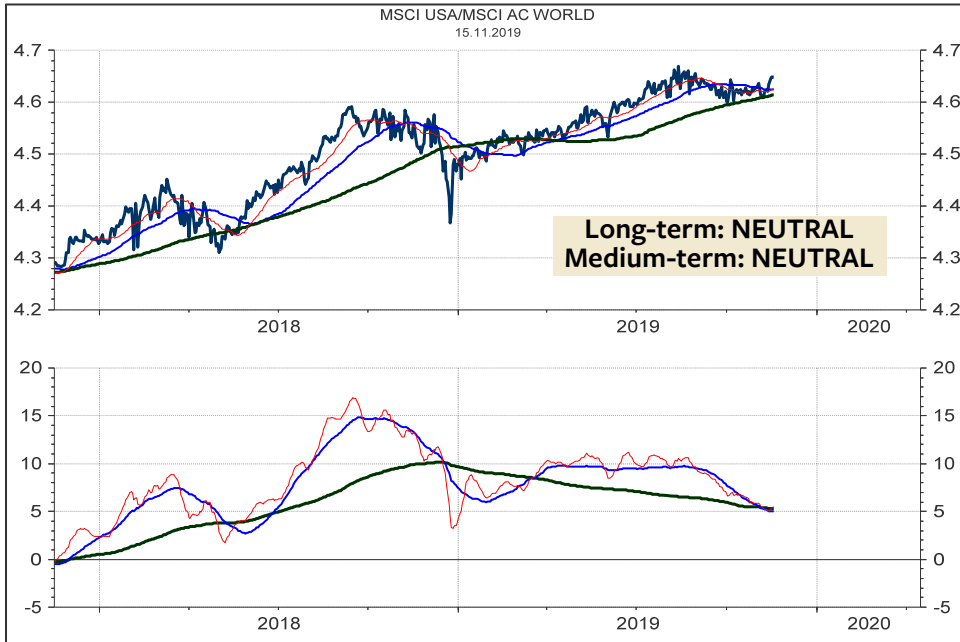
MSCI USA in US\$



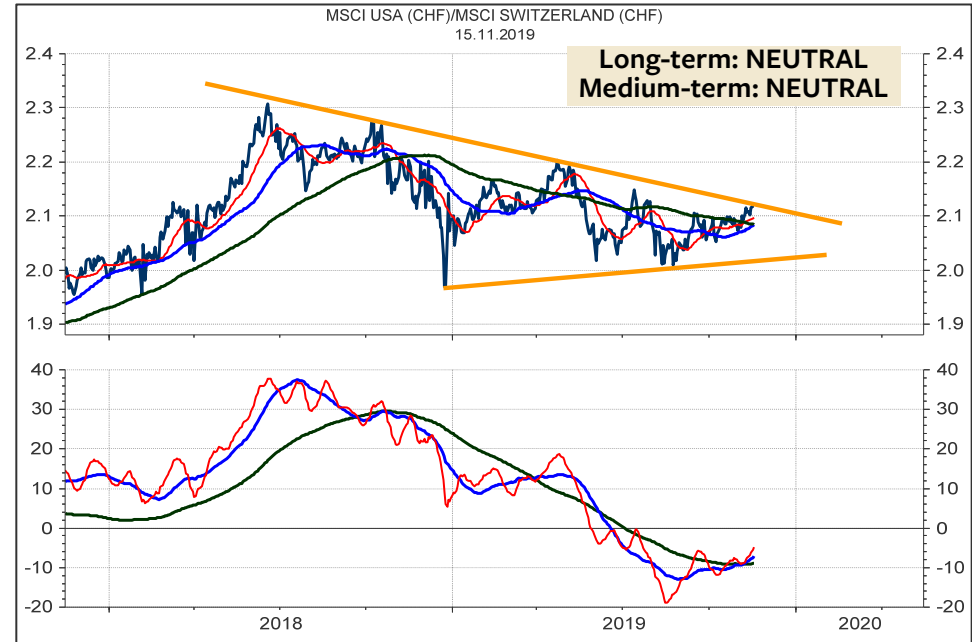
MSCI USA in Swiss franc



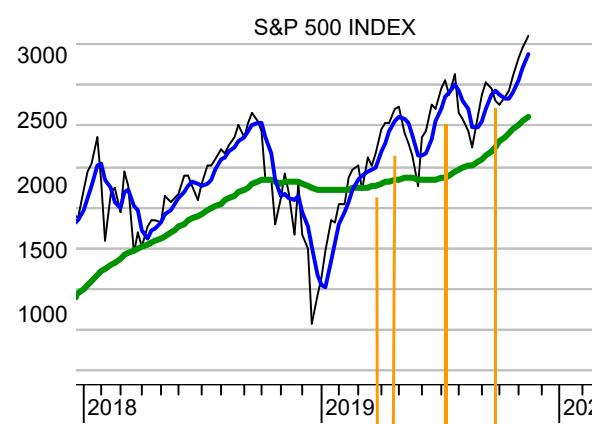
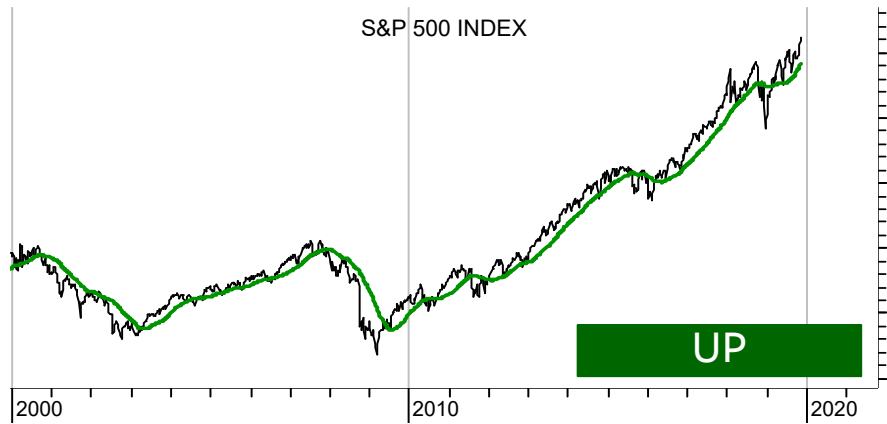
MSCI USA relative to the MSCI AC World



MSCI USA in CHF relative to MSCI Switzerland



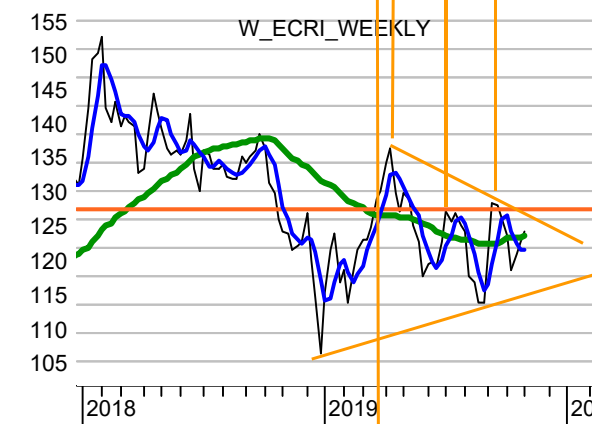
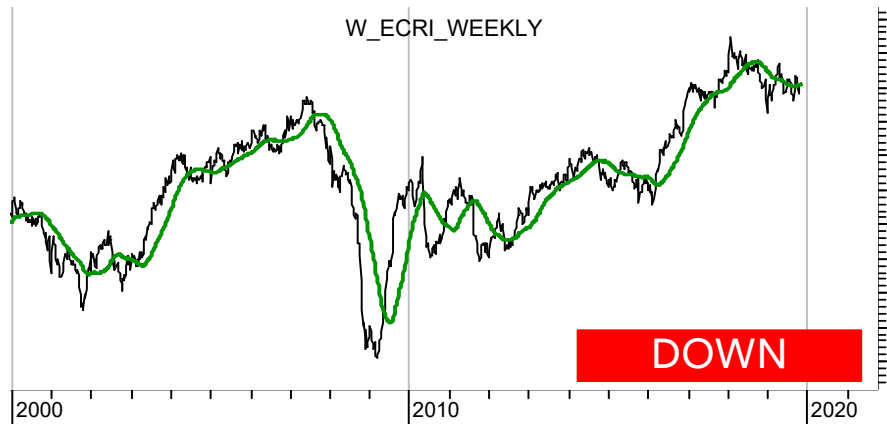
Three-Factor-US-Cycle Model



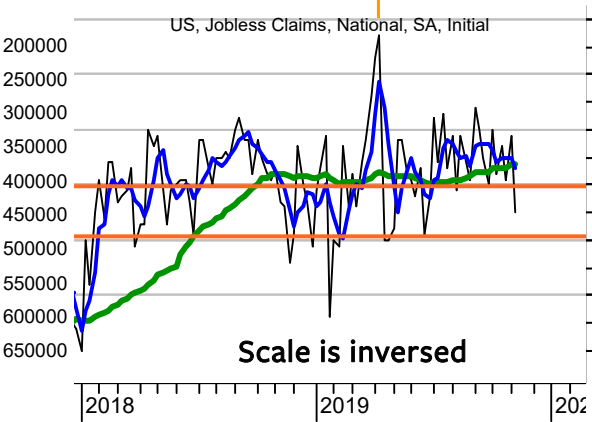
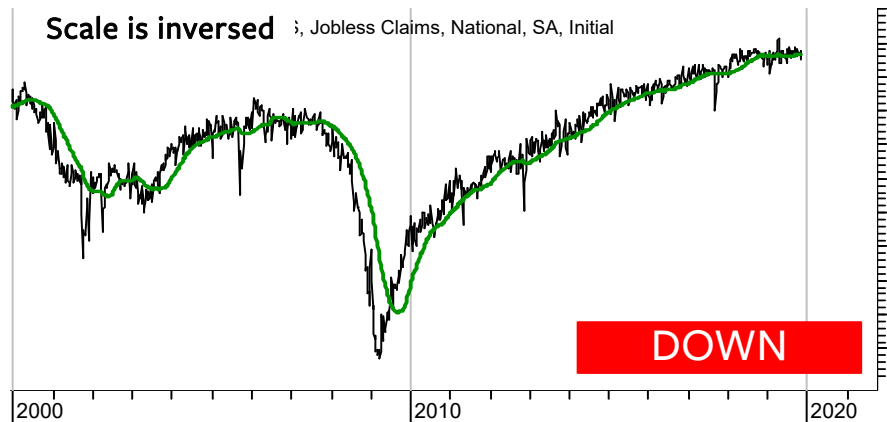
The divergence between the stock market, the ECRI and the WJCs. Remains obvious.

The **S&P 500 INDEX** remains positioned above the rising 4-week average and above the rising 40-week average. Moreover, the 4-week average has remained above the 40-week average since March 2019.

Thus, the Model remains UP.



The **Weekly Economic Cycle Research Index** rose to 145.60. It is forming a horizontal triangle, being positioned at the 4-week and 40-week moving averages. **The Model remains DOWN**, but could move to FLAT if it breaks above 146.50.



The (inverse) **Weekly Jobless Claims** moved from 211k to 225k. The Claims broke below the 4-week and 40-week moving averages and the 4-week fell below the 40-week average. **The Model turned DOWN.**

Canada – TSE Index – *Watching the test of the long-term resistance around 16500 / 17500*

The TSE has reached the long-term resistance cluster around 16500 to 17500. It could either enter a major correction or break upwards. If it does break through it could accelerate the long-term uptrend and signal substantially higher targets above 20,000.

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



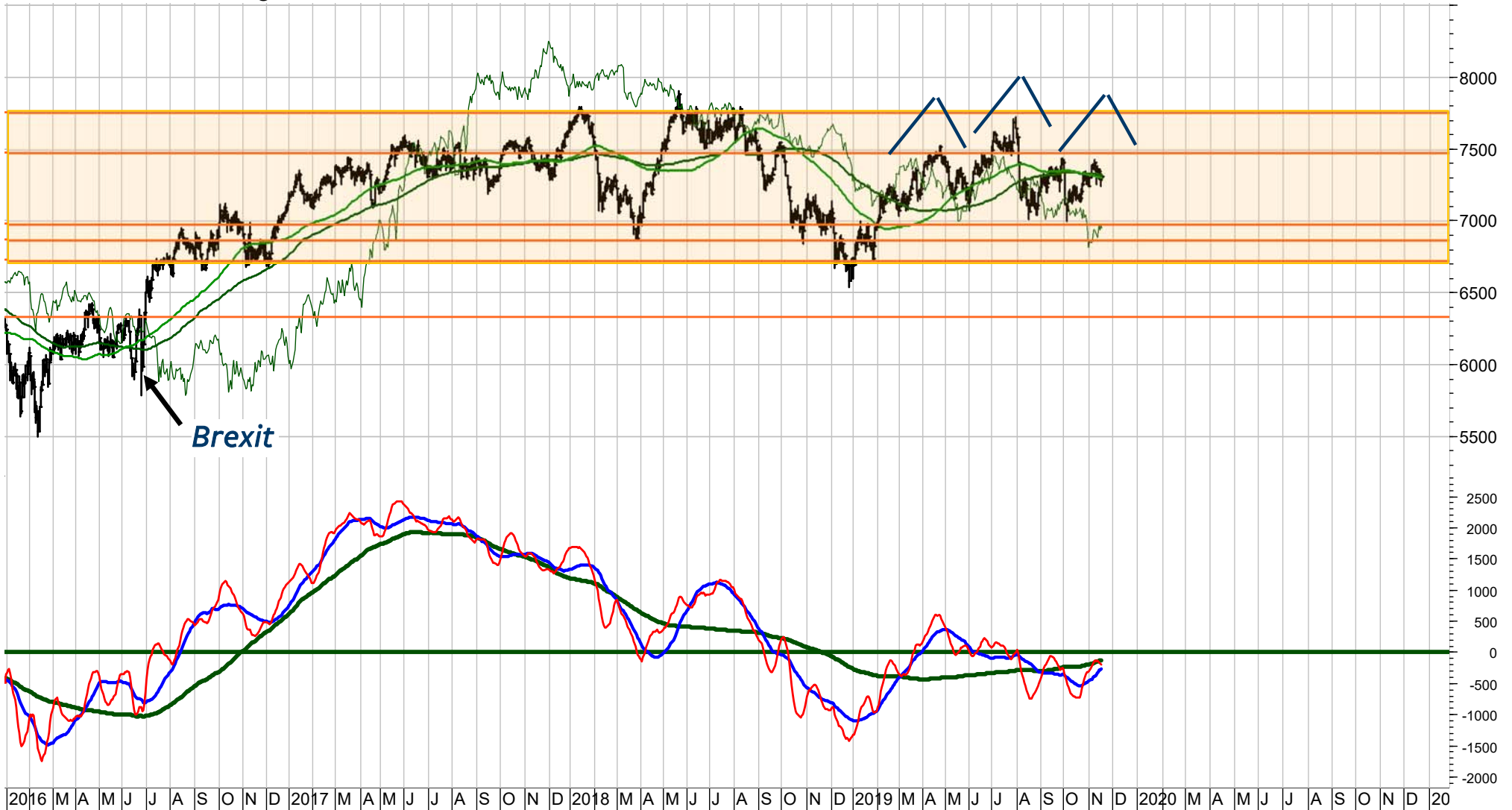
U.K. FTSE Index – Still at risk of breaking the neckline at 7000 / 6700

Nothing is to be added to my previous discussion of the FTSE. The risk remains that the neckline of a potentially bearish Head and Shoulder top will be broken.

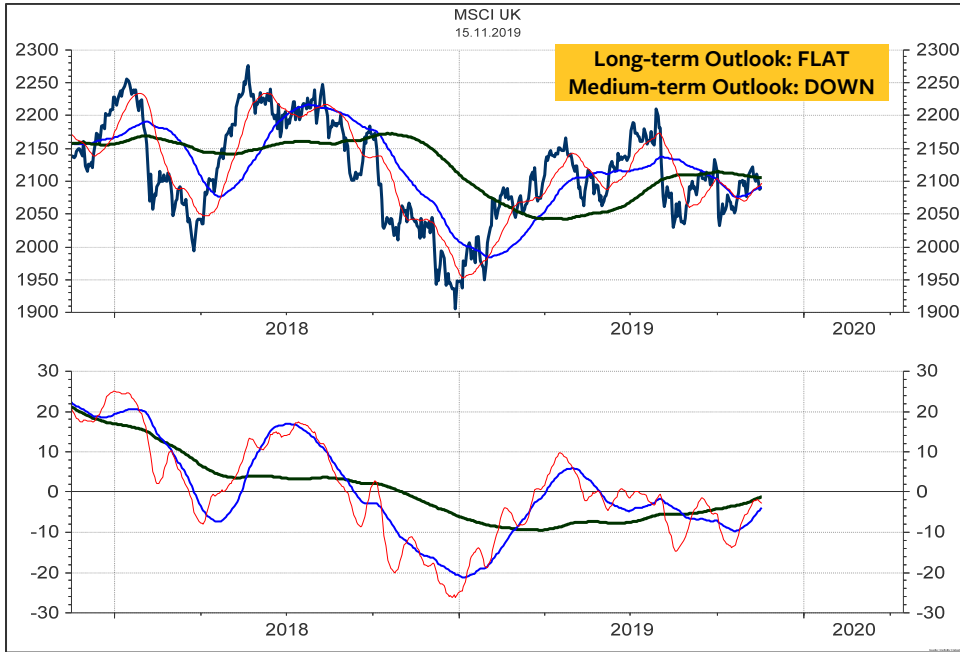
The medium-term outlook remains DOWN unless the FTSE breaks above 7500 to 7800.

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

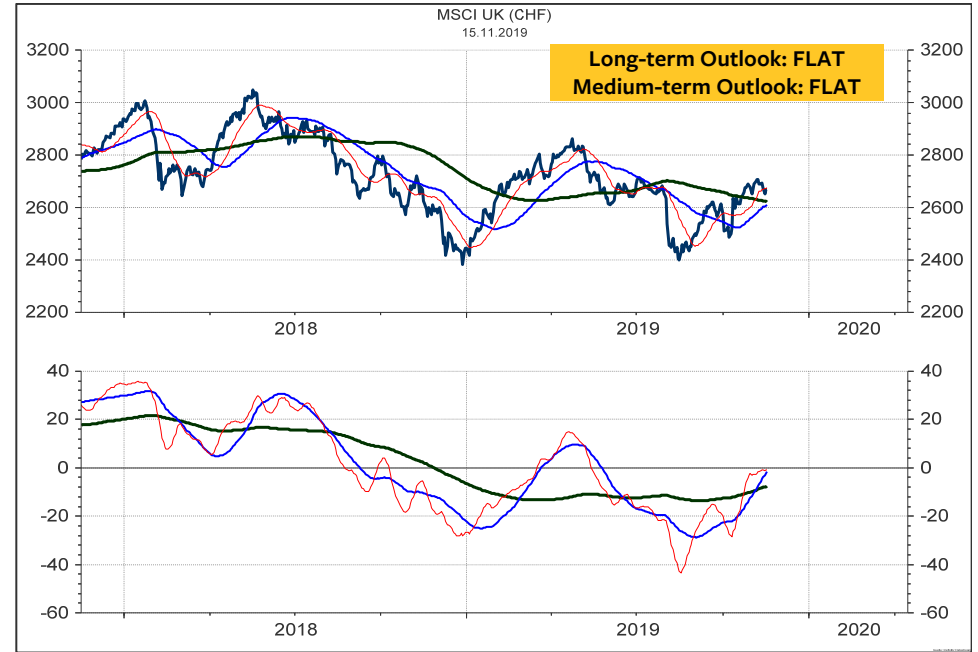
The bottom charts on the next page indicate that global investors and Swiss franc-based equity investors should remain out of the U.K. stock market and / or underweight relative to the MSCI World and relative to the MSCI Switzerland.



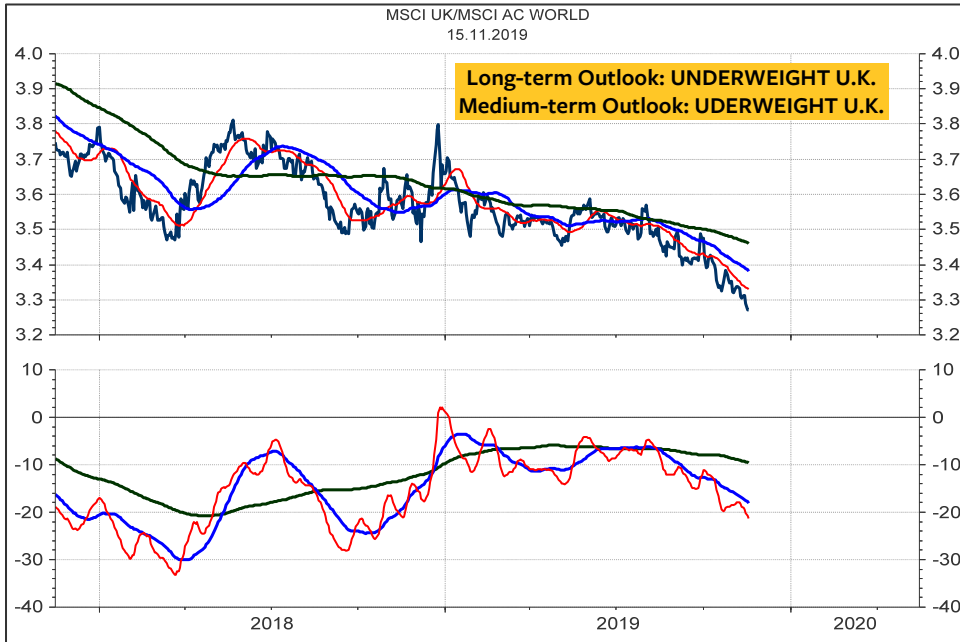
MSCI U.K. in Pound



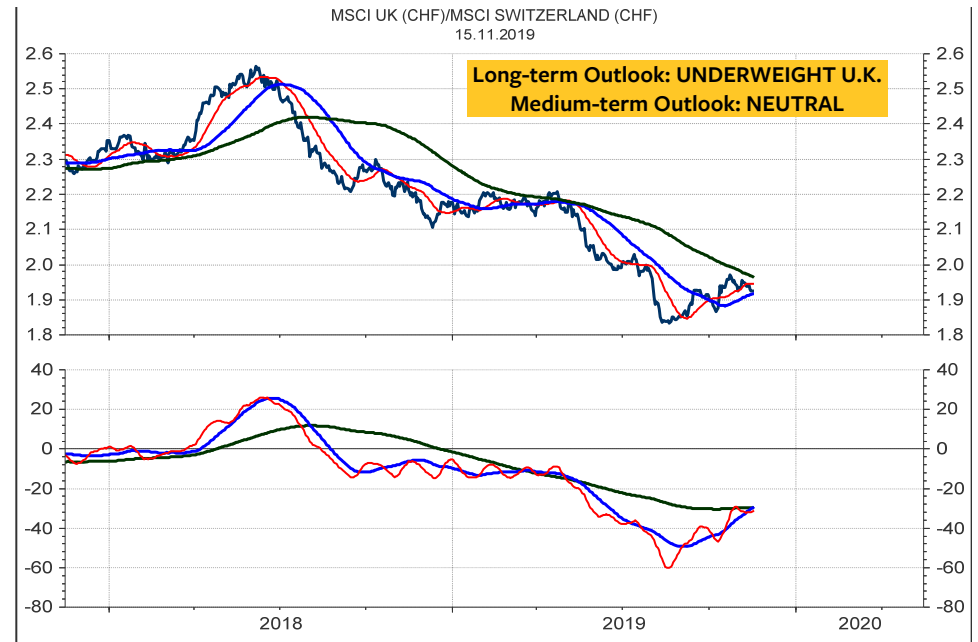
MSCI U.K. in Swiss franc



MSCI U.K. relative to the MSCI AC World

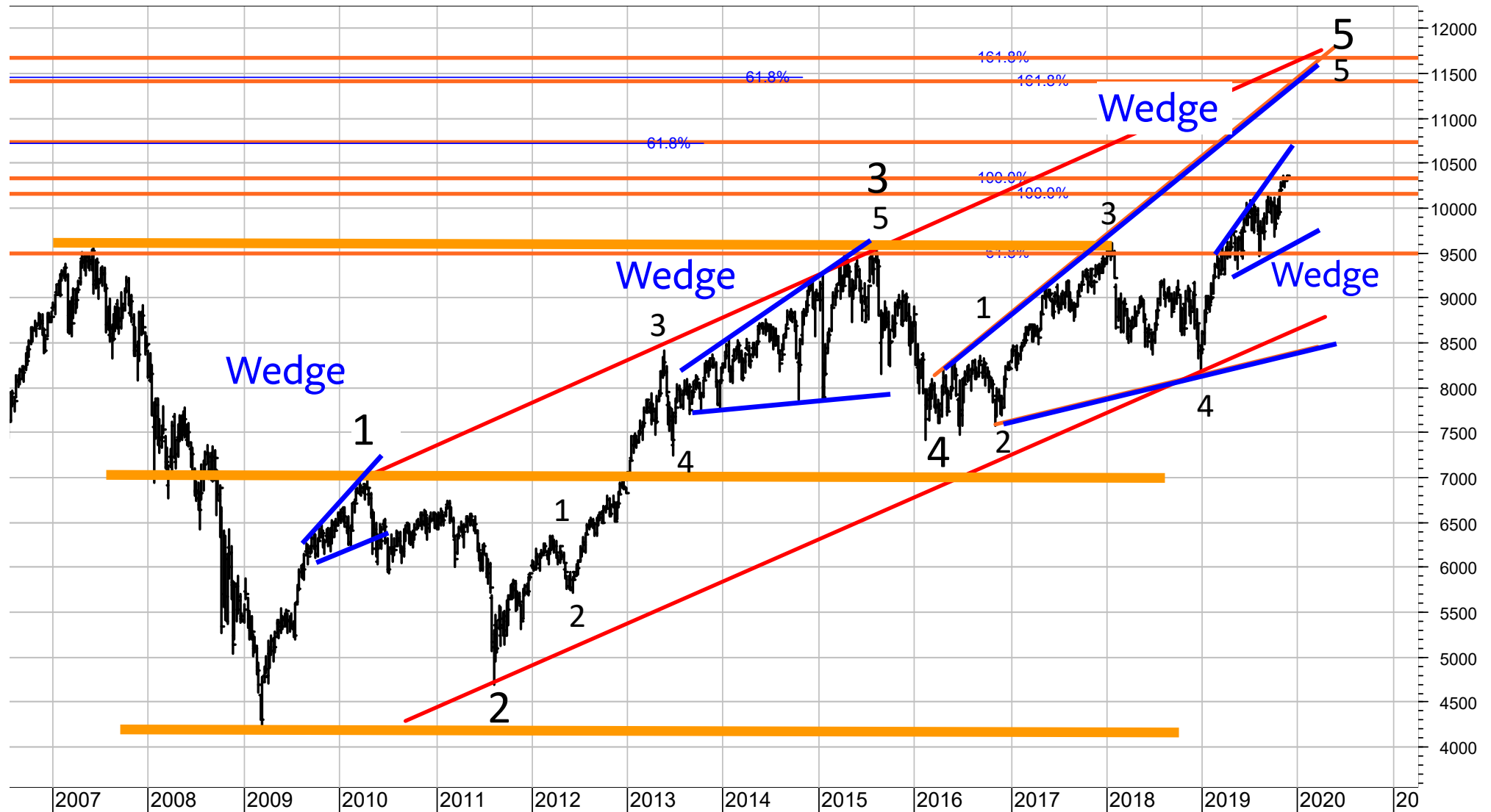


MSCI U.K. in CHF relative to MSCI Switzerland



Swiss Market Index SMI – Testing the mega resistance around 10200 / 10500

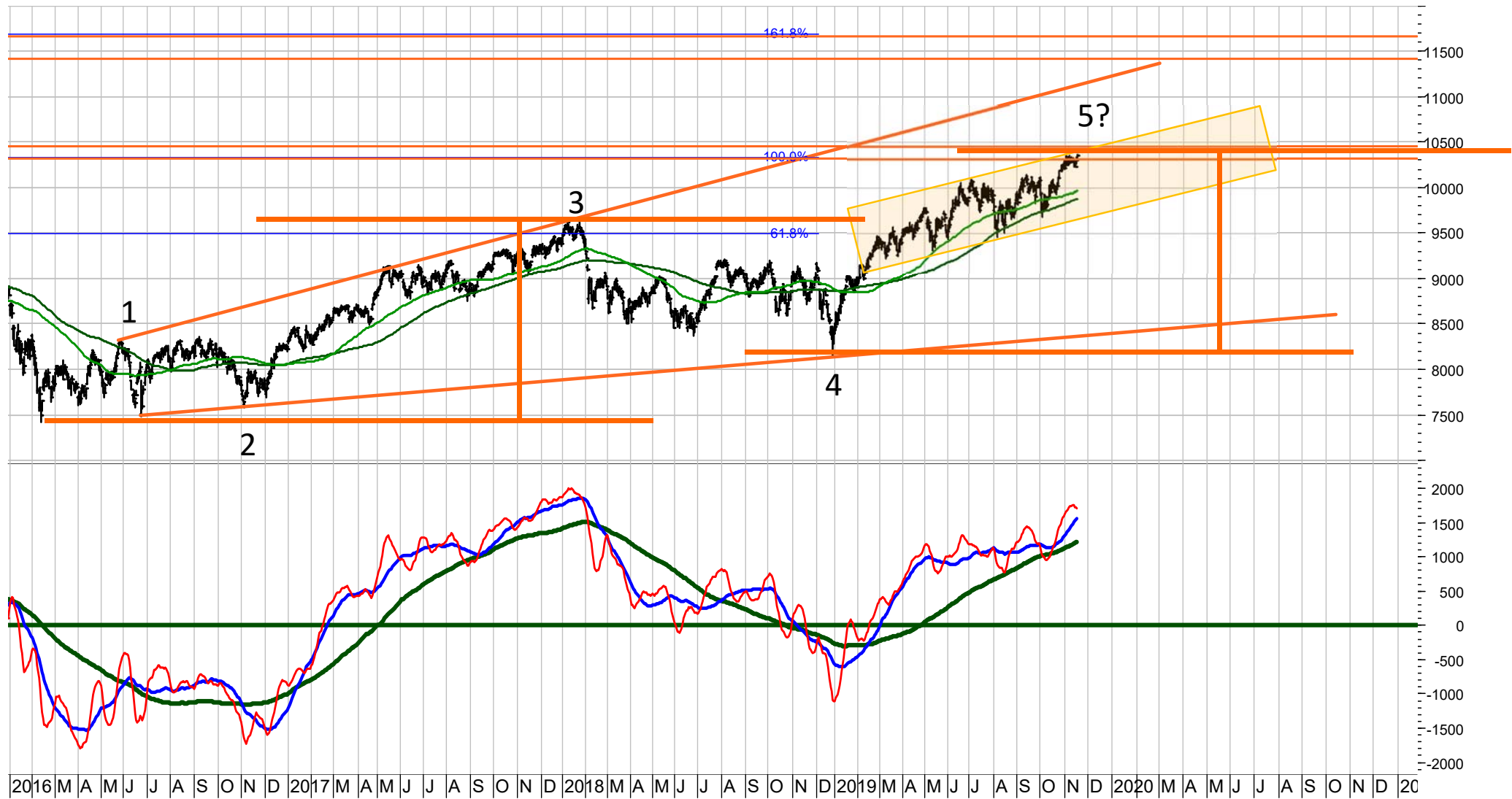
The chart below shows the uptrend in the SMI from the low from the financial crisis in 2009. The entire uptrend from 2009 can be counted as five waves. Wave 5 began in 2016. Moreover, Wave 5 of 5 started in December 2018. Presently, the SMI is testing the mega resistance at 10200 / 10400. A breakthrough would signal 10750 or 11400 / 11700.



Swiss Market Index SMI – Has reached the mega-resistance at 10350 / 10500

The short-term momentum indicator has turned down. It appears the SMI is entering a short-term correction. If its downside magnitude is muted I will have to see if the resistance around 10350 / 500 can be broken.

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



MSCI Switzerland relative to the MSCI All Country World Stock Market Index in Swiss franc

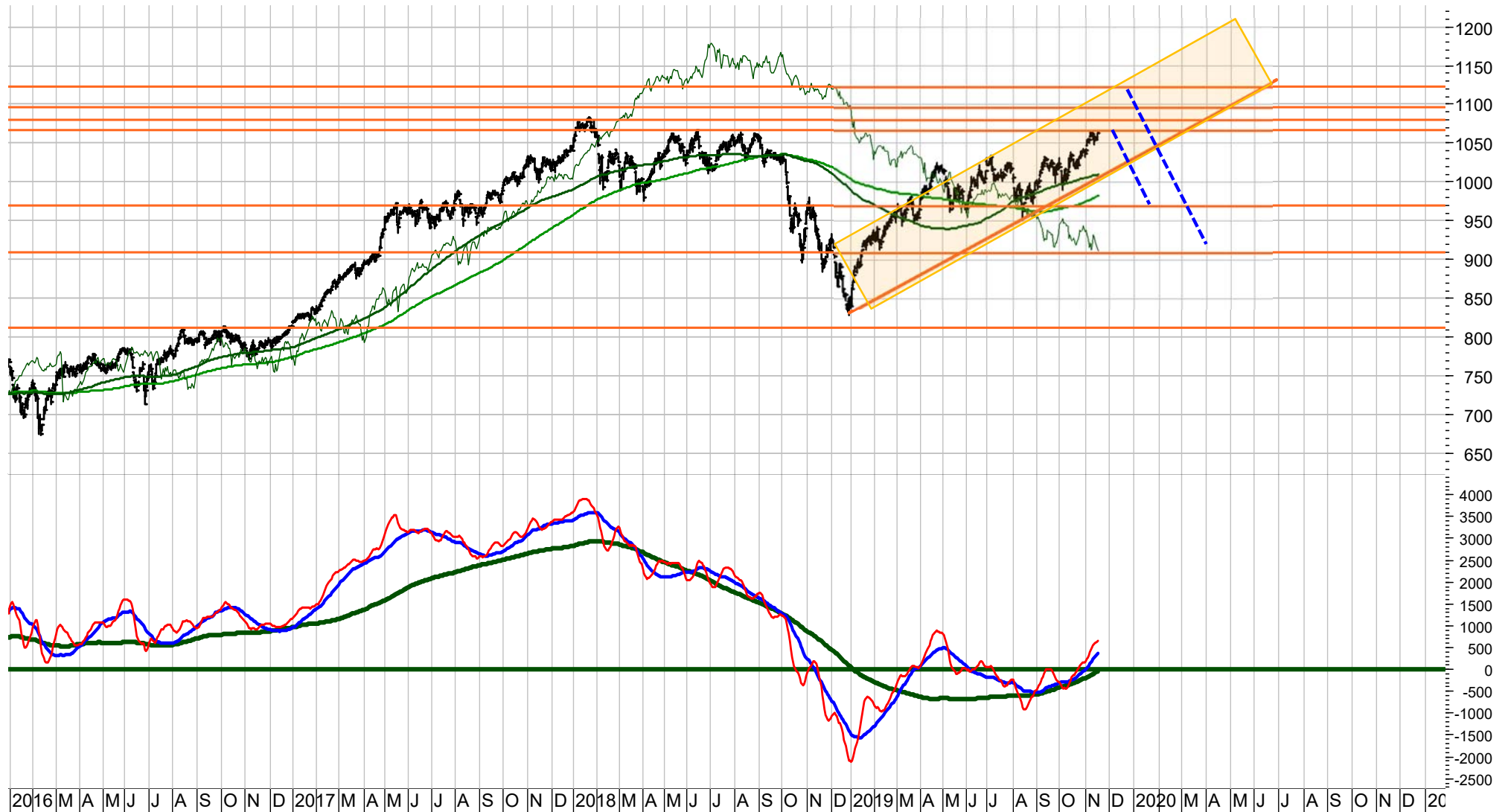
The Swiss stock market has been outperforming the World Index in Swiss franc. The momentum indicators speak out loudly that a top of medium-term degree, possibly also of long-term degree, could be at hand. This will signal that it will be worthwhile for Swiss franc-based equity investors to increase their foreign equity asset allocation and reduce the Swiss holding.



Swiss MidCap Price Index (.SMIX) – Testing the long-term resistance at 1070 / 1120

The Swiss MidCap Index is testing the long-term resistance at 1070 to 1120. I am looking for a correction from within this resistance range, rather than an immediate break upwards of the long-term uptrend. Support levels are at 970 and 910.

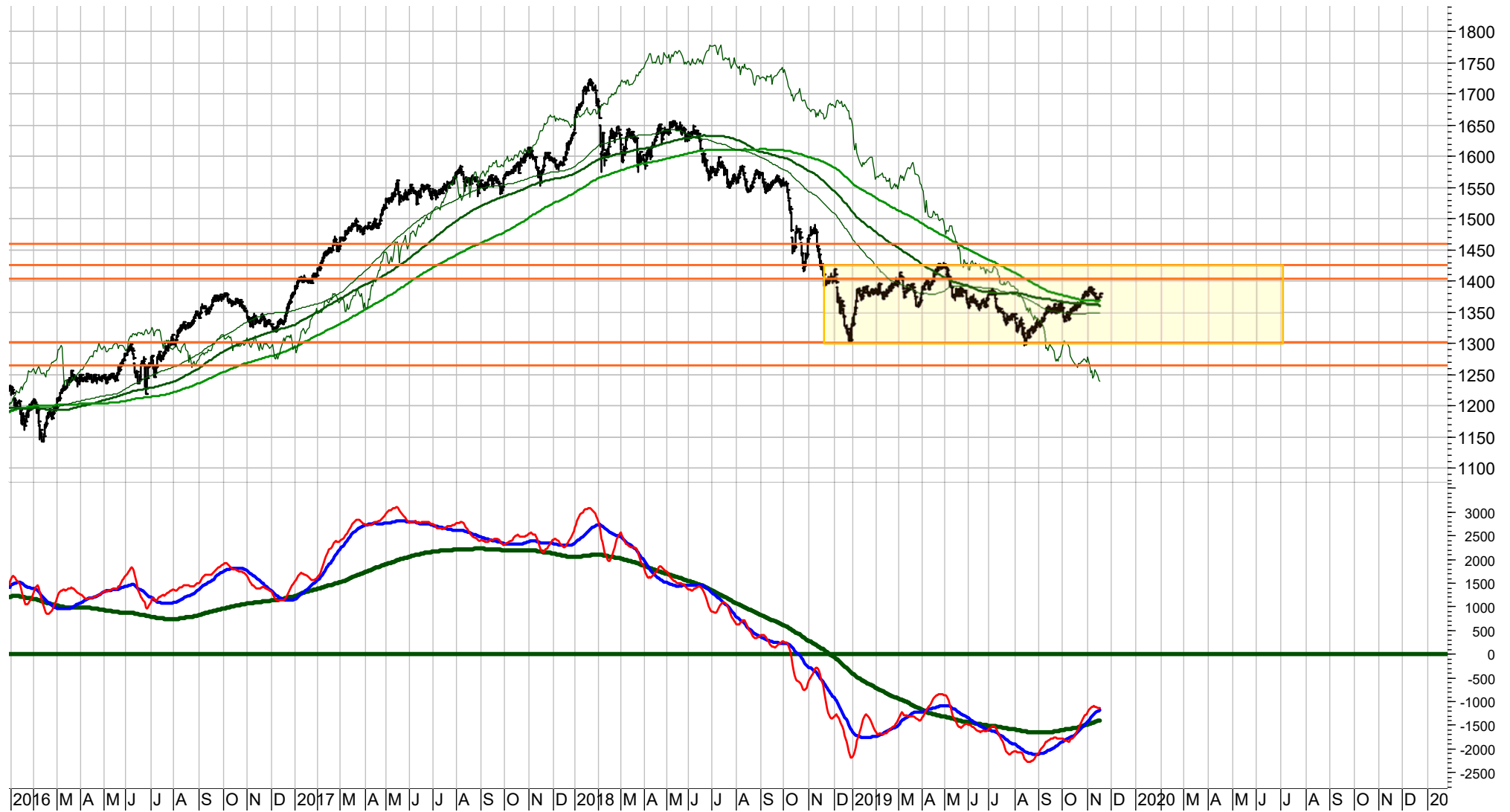
Long-term Outlook: FLAT
Medium-term Outlook: UP



Swiss SmallCap Price Index (.SSIX) – Still below mega-resistance at 1410 to 1470

The Swiss SmallCap Index is weak again. It remains below the long-term resistance at 1400 to 1470. The unfolding short-term correction will allow for a better assessment of the medium-term and long-term outlook. Support levels are at 1310 and 1260.

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

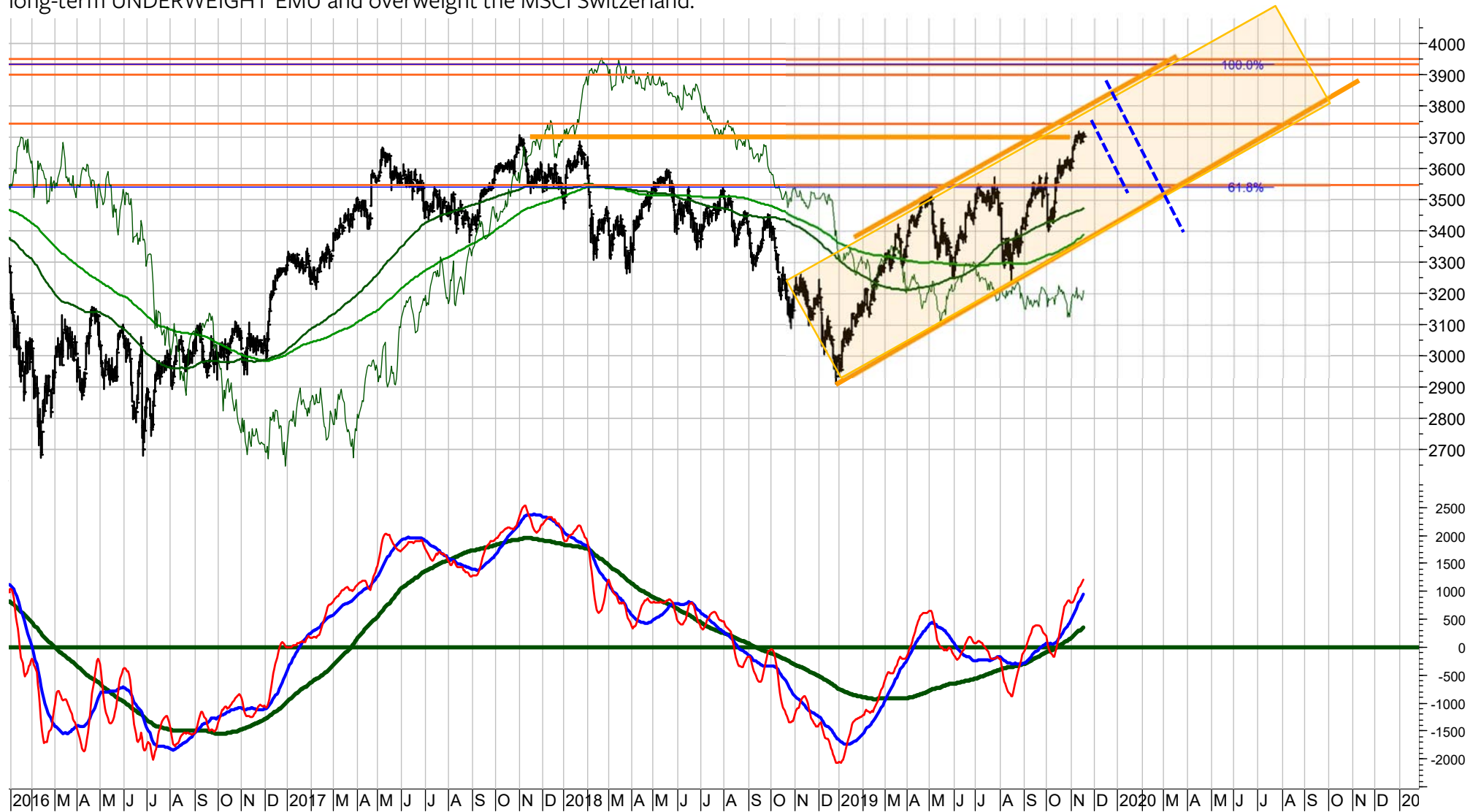


Eurostoxx 50 Index – Expect a medium-term correction from the resistance at 3750 or from 3950

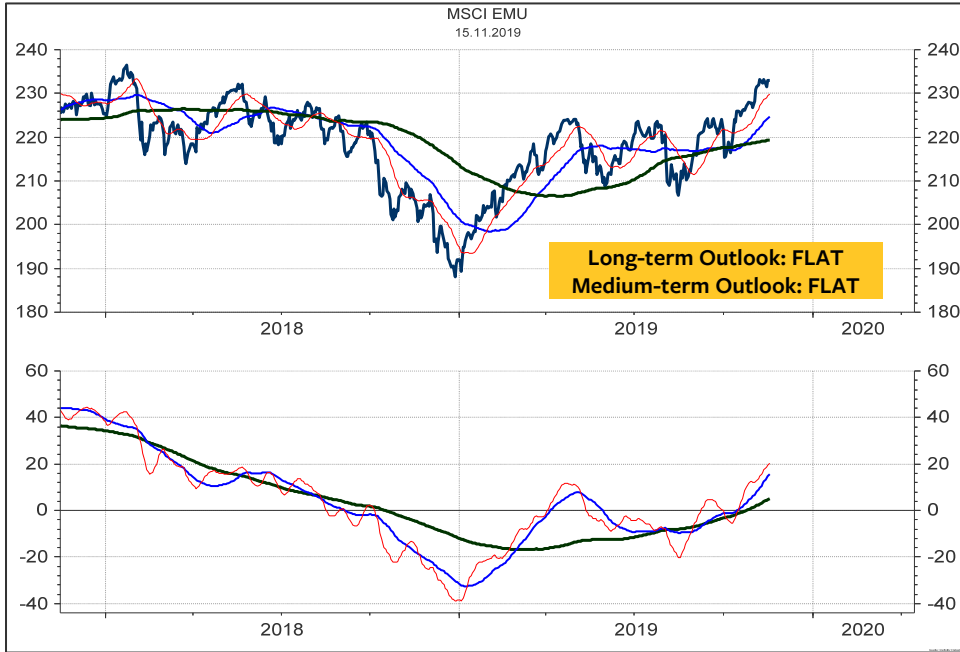
The Eurostoxx is testing the major resistance range between 3700 and 3750, a break of which would signal 3900 / 3950. The medium-term outlook is likely to shift to UP if 3750 is clearly broken. The next resistance levels are at 3750 and 3900 / 3950.

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

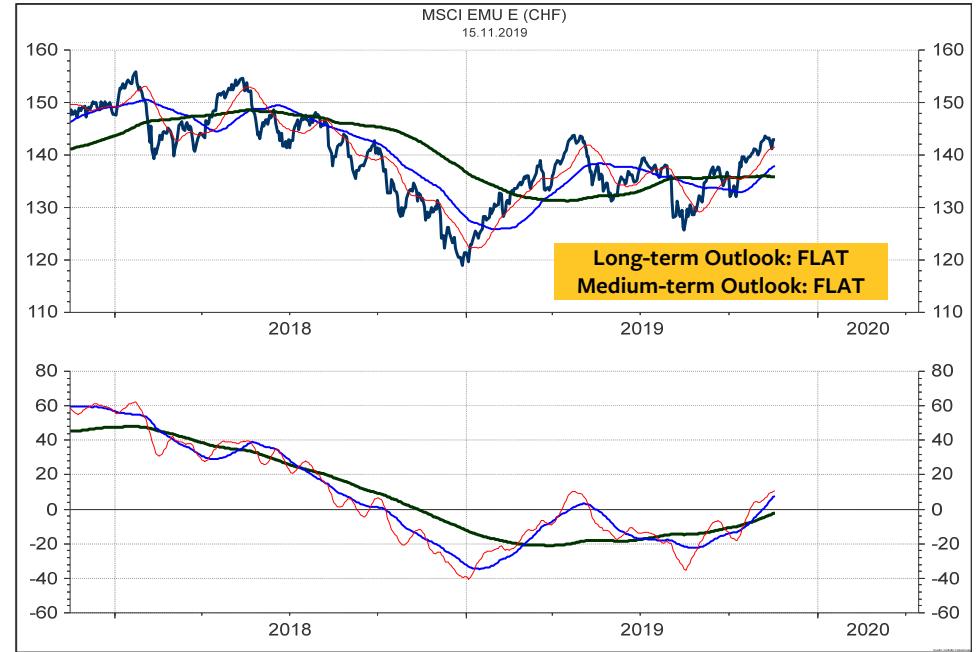
Swiss franc-based equity investors notice (next page, lower right) that my long-term outlook for the MSCI EMU measured in Swiss franc is still long-term UNDERWEIGHT EMU and overweight the MSCI Switzerland.



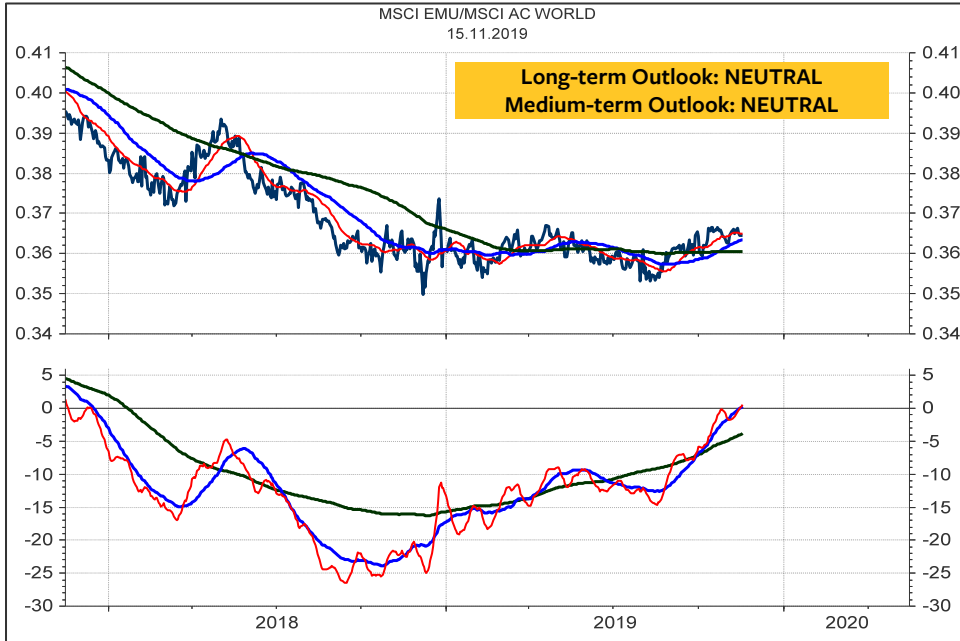
MSCI EMU in Euro



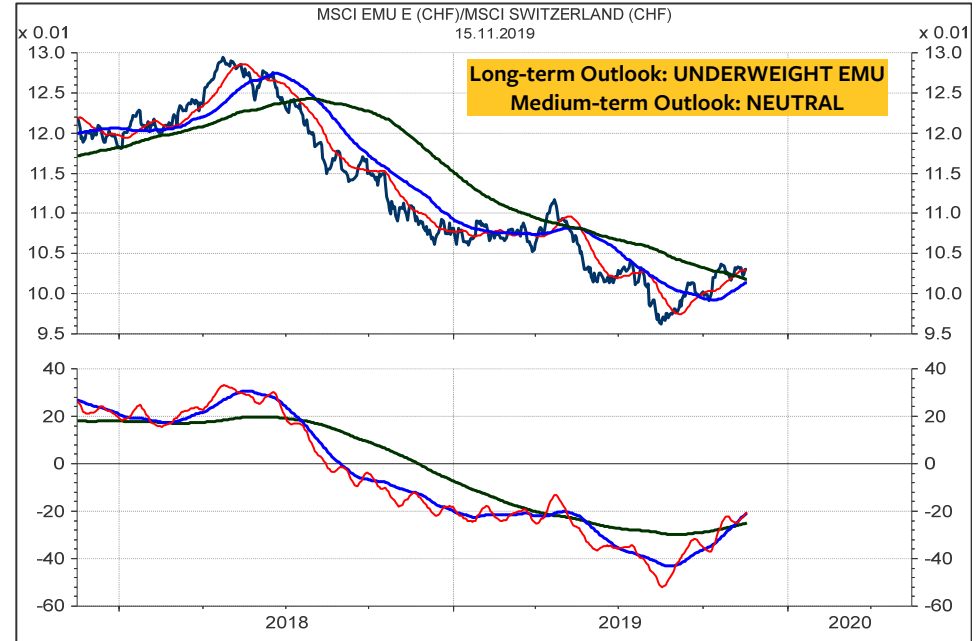
MSCI EMU in Swiss franc



MSCI EMU relative to the MSCI AC World

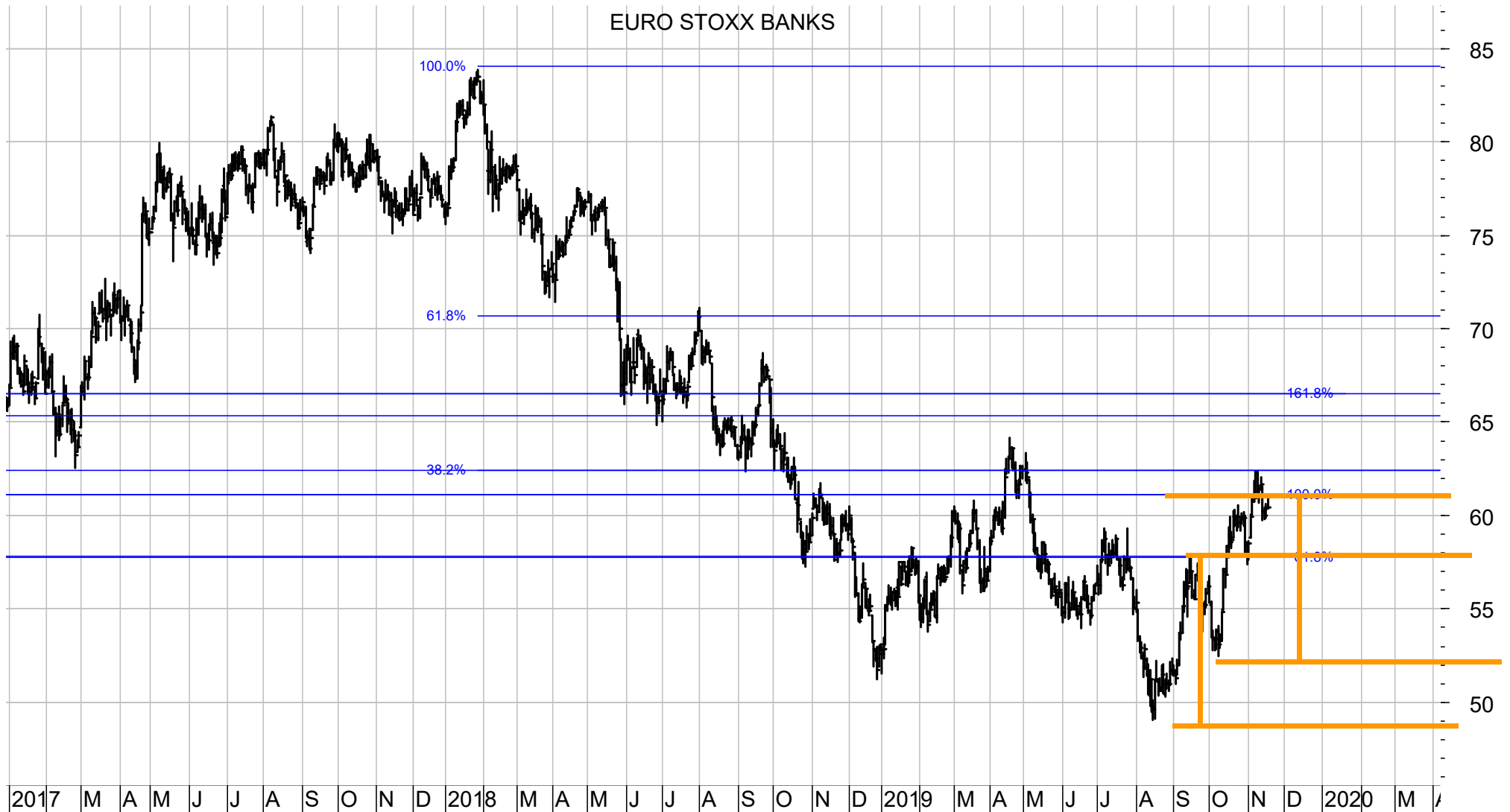


MSCI EMU in CHF relative to MSCI Switzerland



Eurostoxx Banks Index – *Must break above 62.50 to signal 66.50 or 71 or higher*

The Eurostoxx Banks Index is correcting from the resistance at 62.50.
It needs a break of this resistance to signal 65 / 67 / 71 or a reach the full retracement level of the bear market in 2018 at 84.

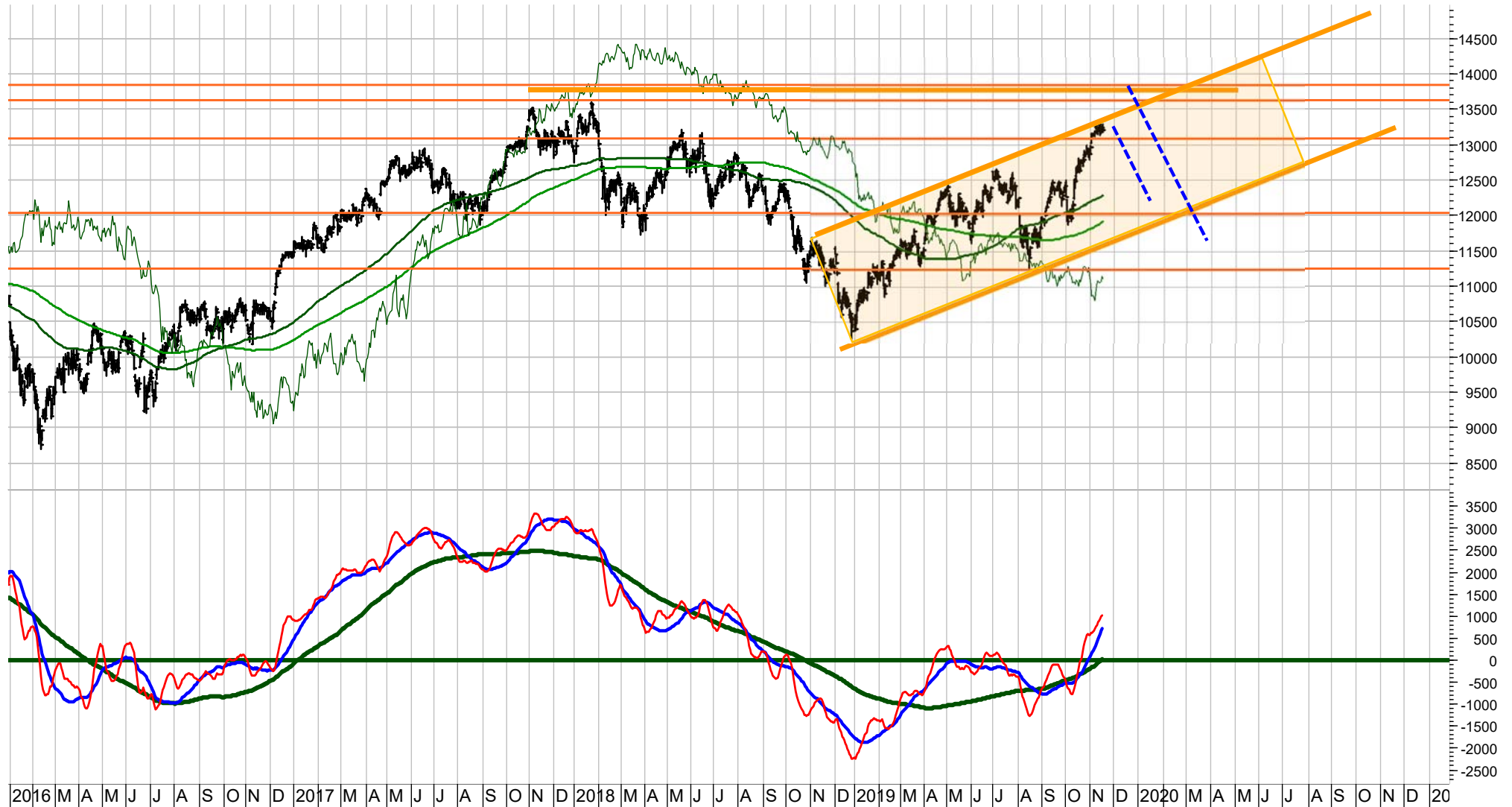


Deutscher Aktien Index – DAX – Has reached the long-term resistance range 13650 to 13900

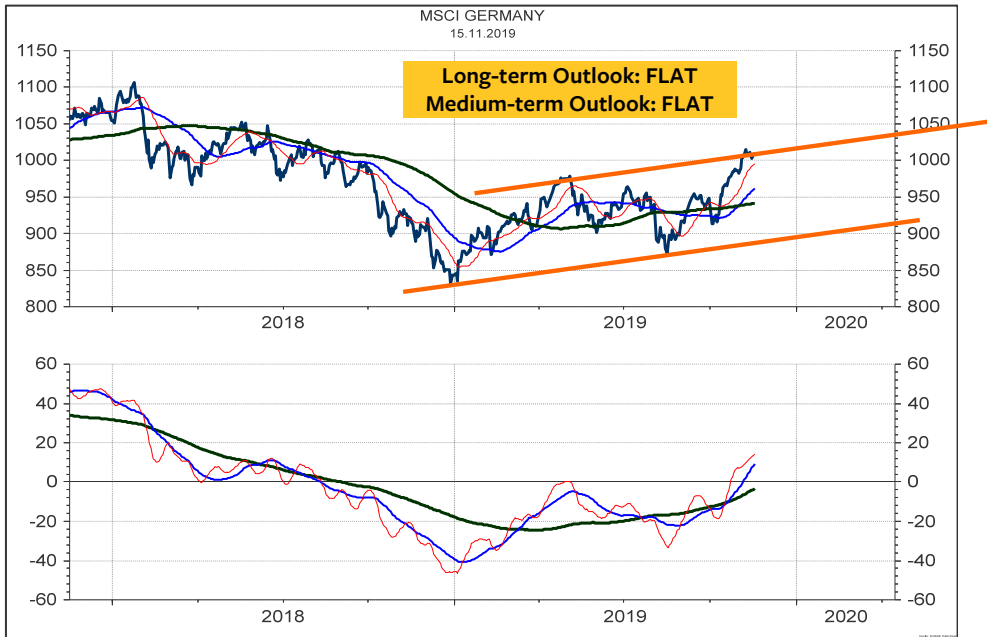
The DAX is trading in the resistance area 13100 to 13900.
A sizable correction is likely to start from this resistance range.

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

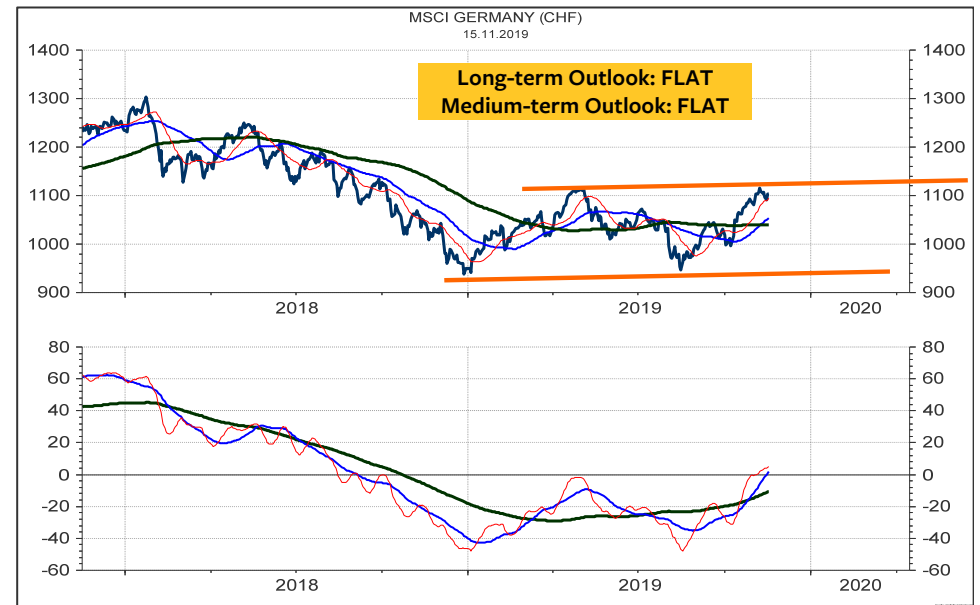
Swiss franc-based equity investors notice (next page, lower right) that my long-term outlook for the MSCI GERMANY measured in Swiss franc is still long-term UNDERWEIGHT Germany and overweight Switzerland.



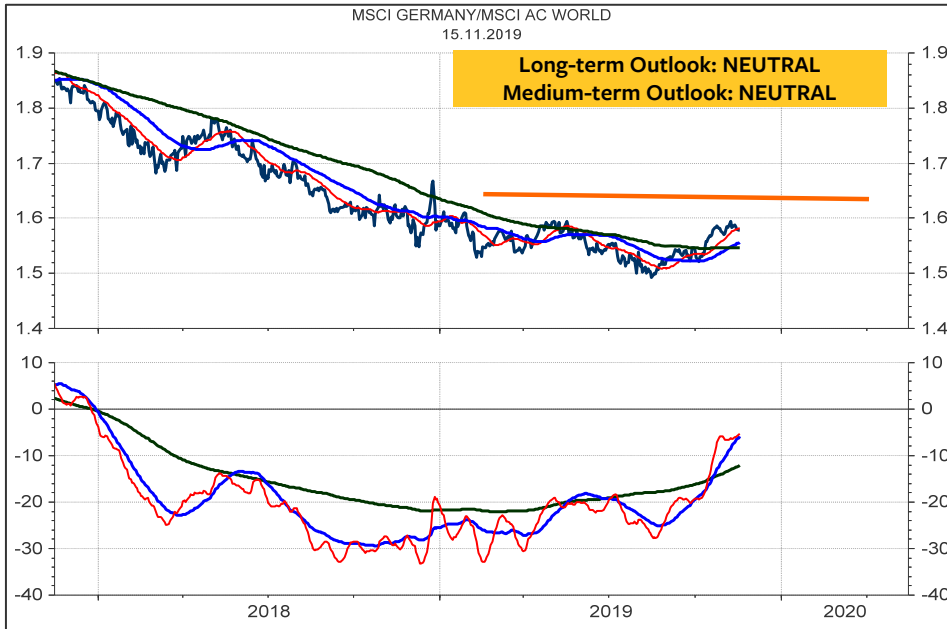
MSCI GERMANY in Euro



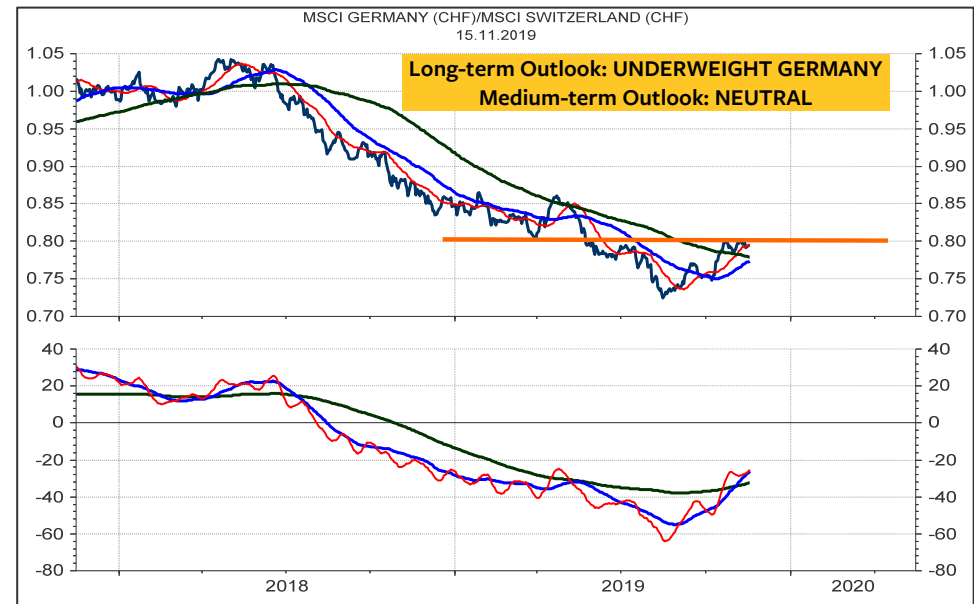
MSCI GERMANY in Swiss franc



MSCI GERMANY relative to the MSCI AC World



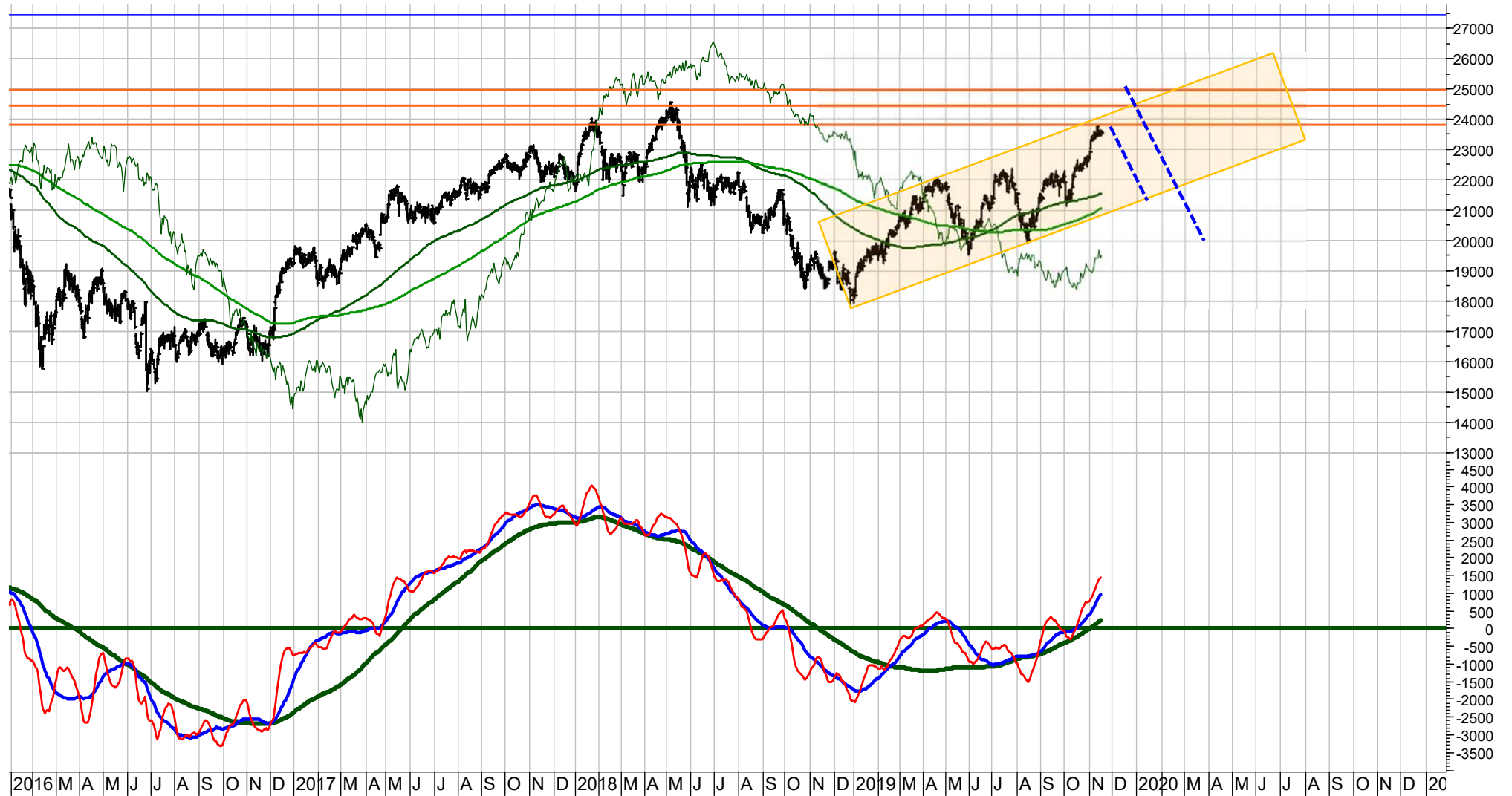
MSCI GERMANY in CHF relative to MSCI Switzerland



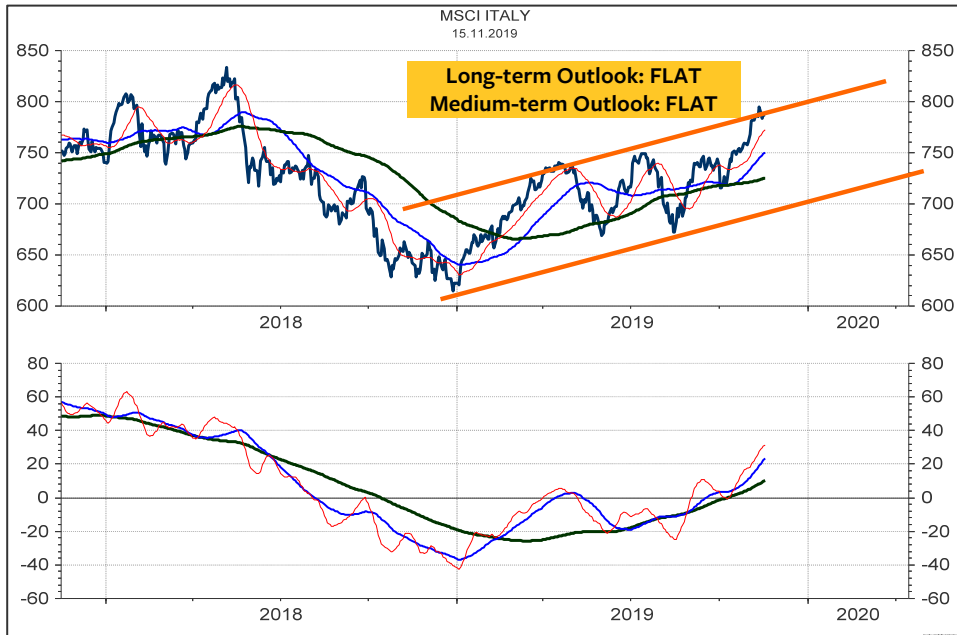
Italian MIB Index – Has reached the long-term resistance range 24000 to 25000

The MIB is trading in the resistance area 24000 to 25000. A sizable correction is likely to start from this resistance range. If the Index is successful in breaking this resistance it would signal 27500 next.

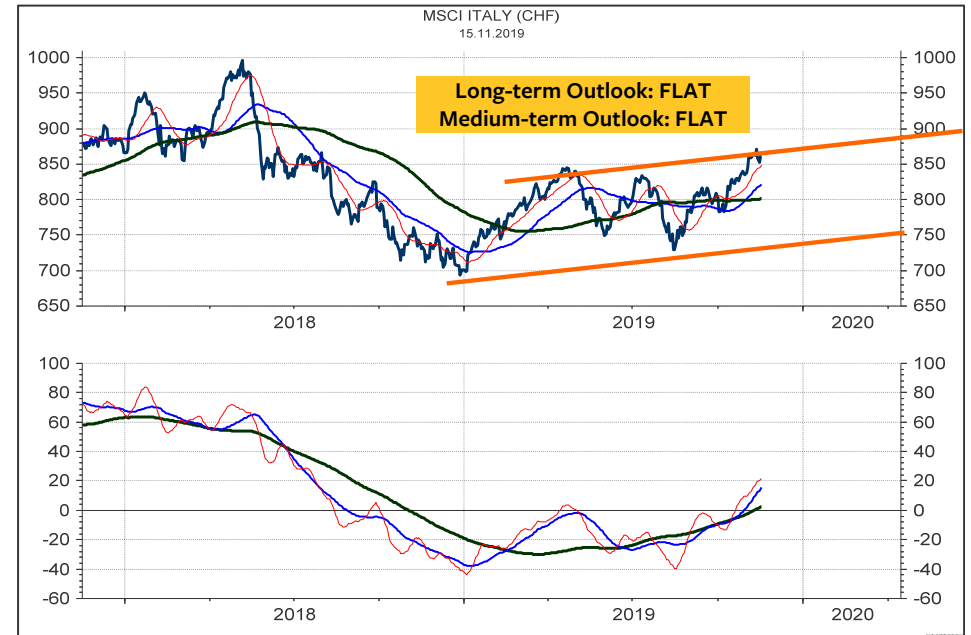
Swiss franc-based equity investors notice (next page, lower right) that my long-term outlook for the MSCI ITALY measured in Swiss franc is still long-term UNDERWEIGHT Italy and overweight Switzerland.



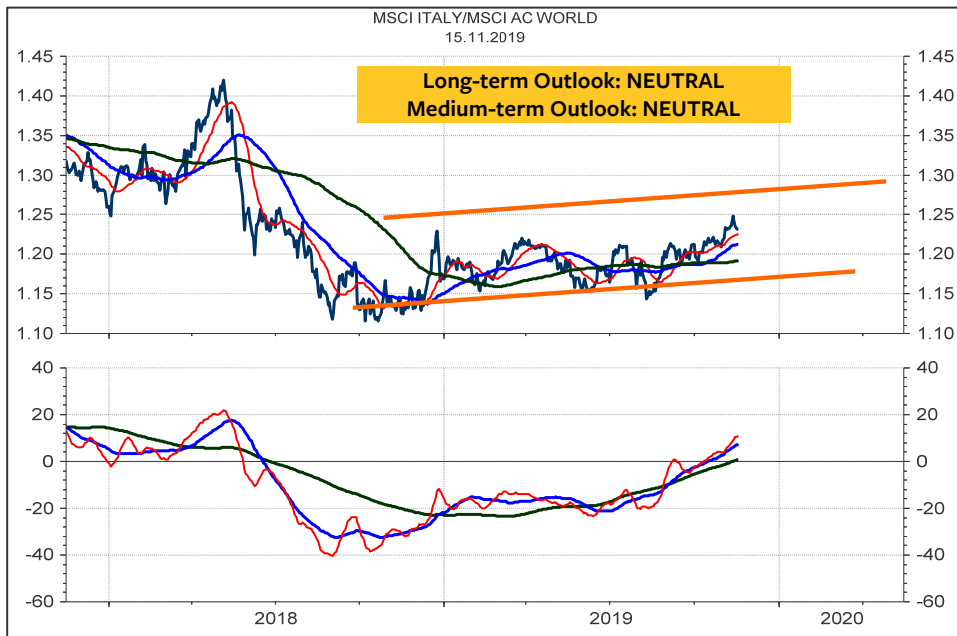
MSCI ITALY in Euro



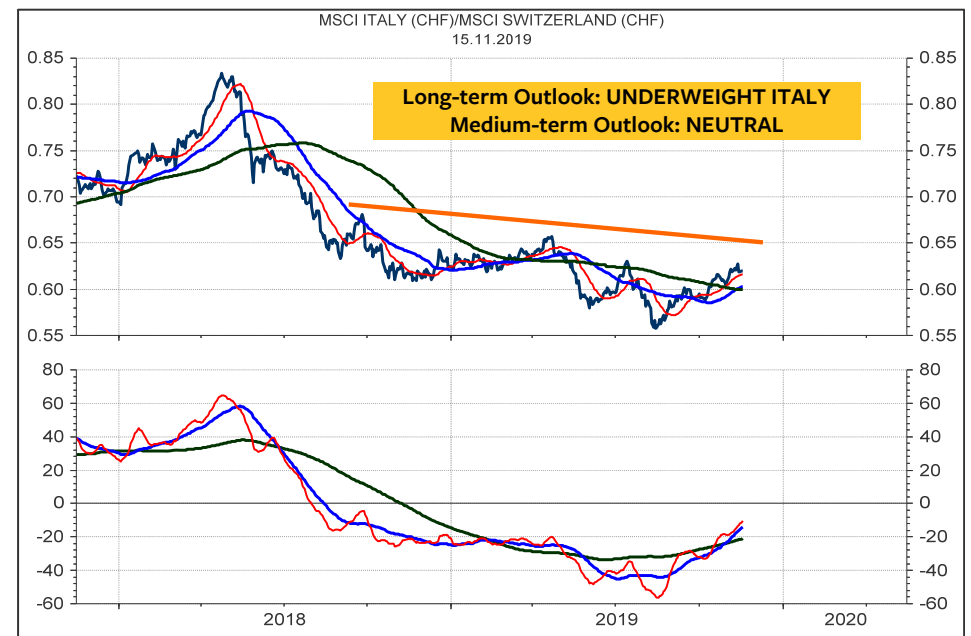
MSCI ITALY in Swiss franc



MSCI ITALY relative to the MSCI AC World



MSCI ITALY in CHF relative to MSCI Switzerland

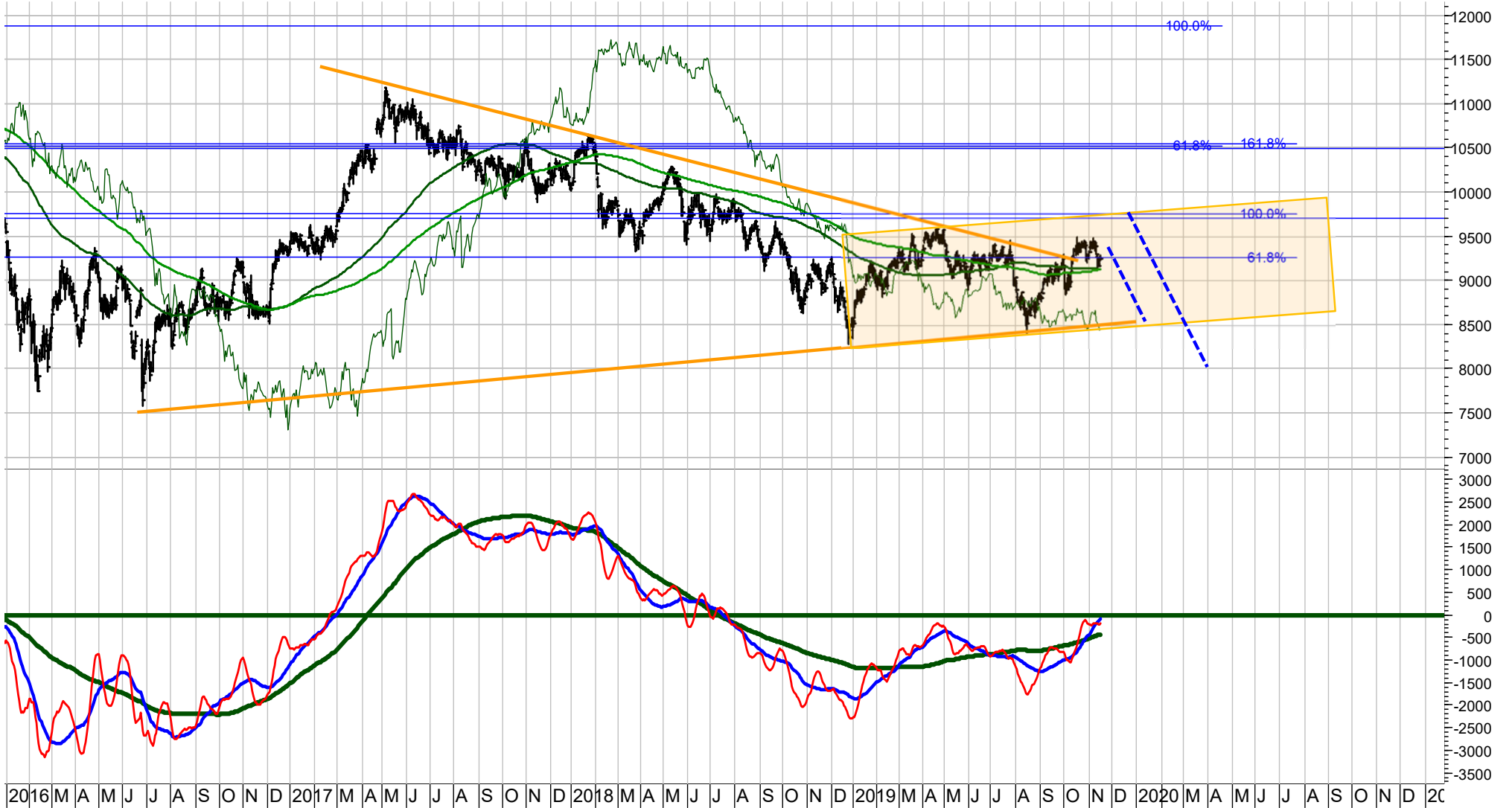


Spanish IBEX Index – Remains in the consolidation and could still turn down again

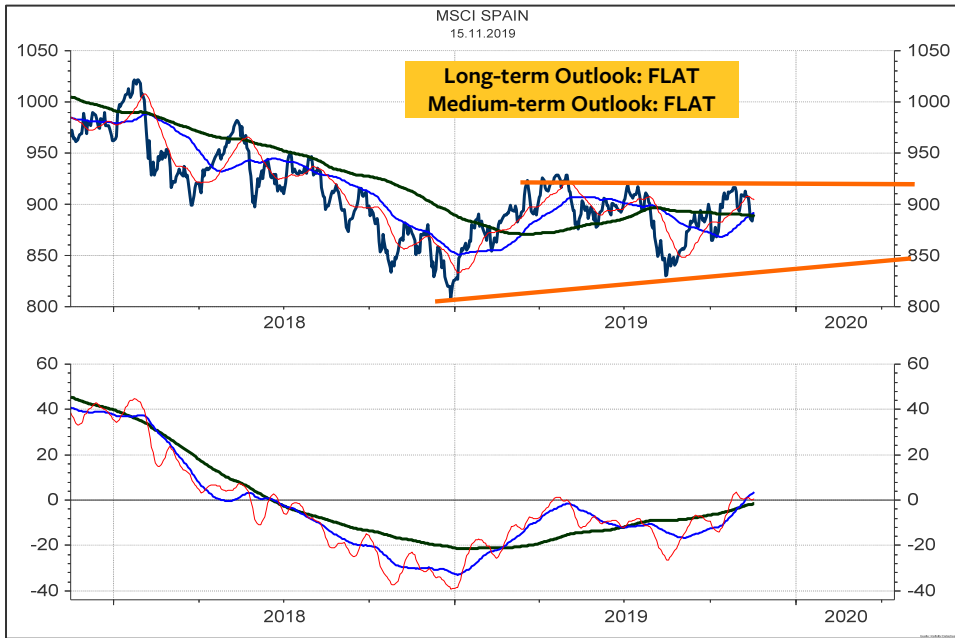
The IBEX remains at risk to falling to another new low, unless it breaks above 9700.

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

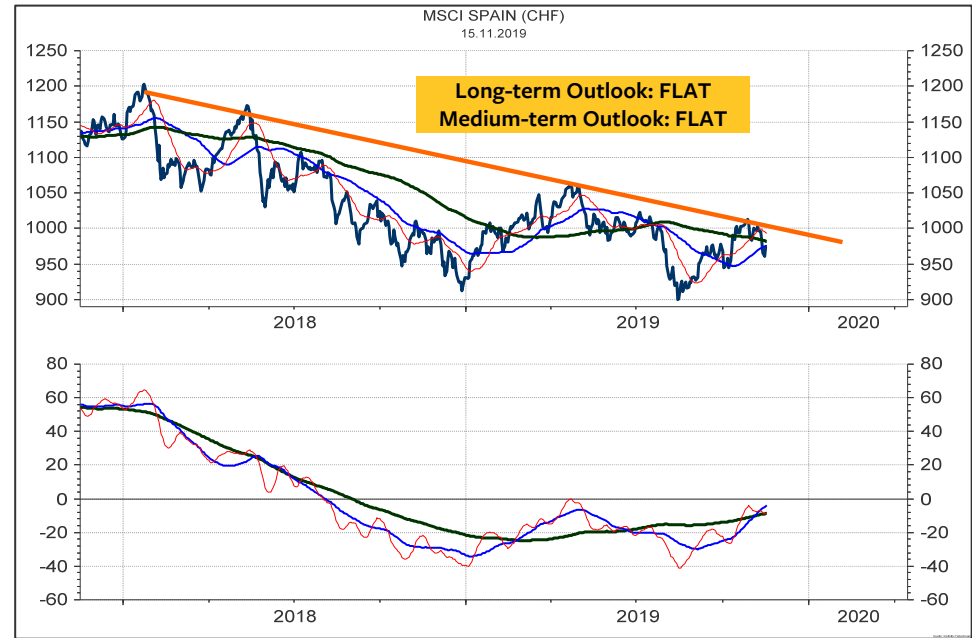
Swiss franc-based equity investors notice (next page, lower right) that my long-term outlook for the MSCI SPAIN measured in Swiss franc is still long-term UNDERWEIGHT Spain and overweight Switzerland.



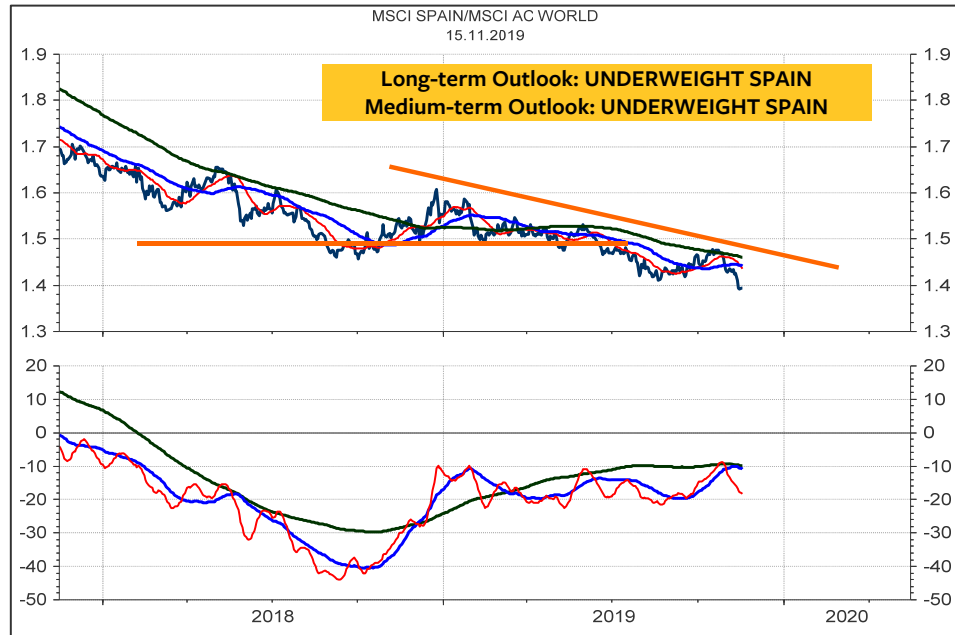
MSCI SPAIN in Euro



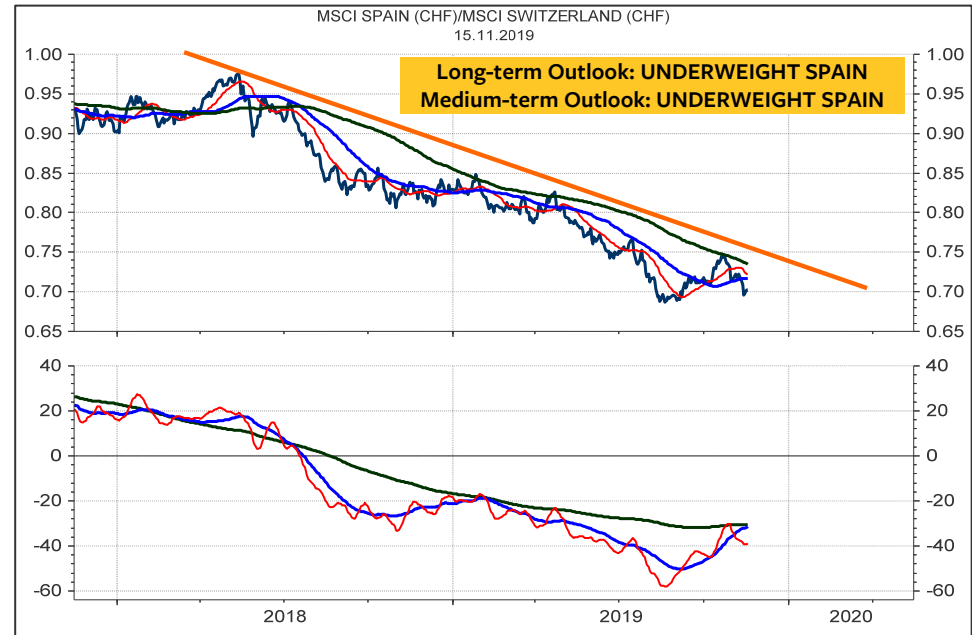
MSCI SPAIN in Swiss franc



MSCI SPAIN relative to the MSCI AC World



MSCI SPAIN in CHF relative to MSCI Switzerland



Japanese Nikkei 225 Index – Close to long-term resistance at 23500 / 24500

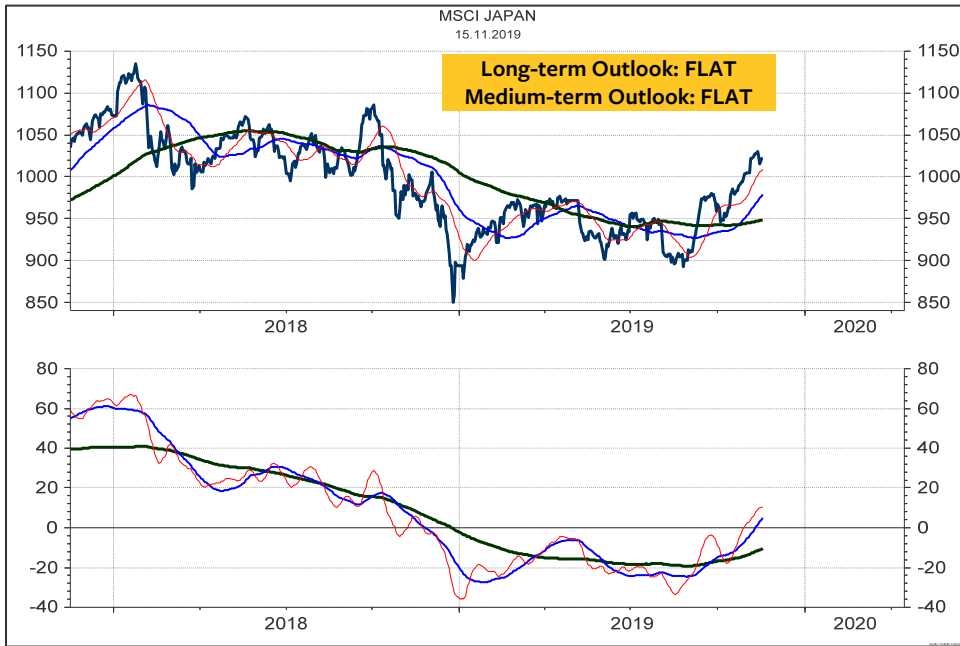
A sizable correction is likely to start from the major resistance range at 23500 to 24500.
A slightly higher resistance is at 25800.

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

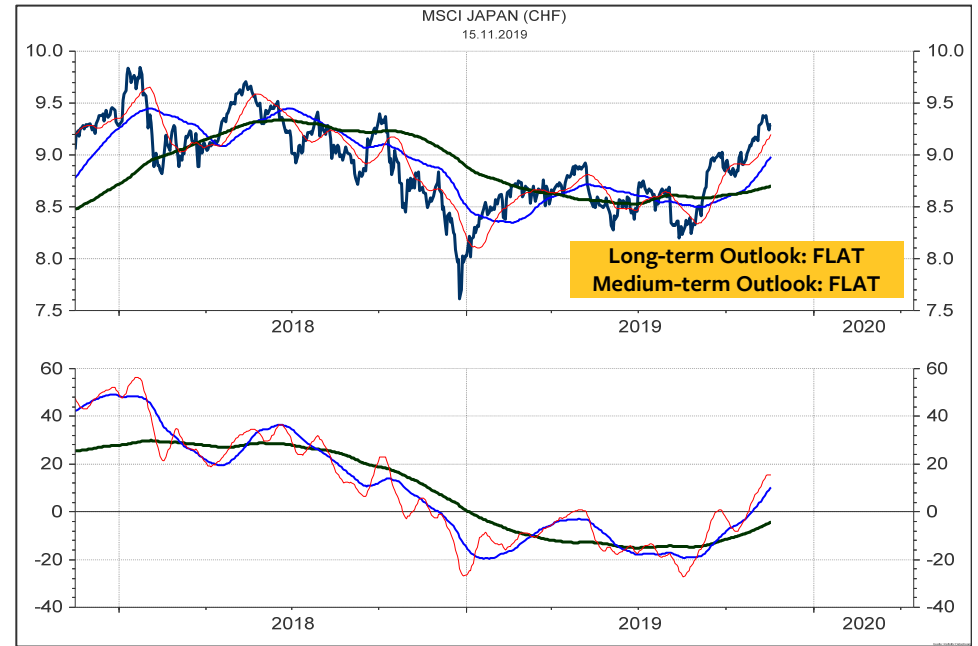
Swiss franc-based equity investors notice (next page, lower right) that my long-term outlook for the MSCI JAPAN measured in Swiss franc is still long-term NEUTRAL Japan and neutral Switzerland. A medium-term decline of Japanese underperformance is likely to be seen next.



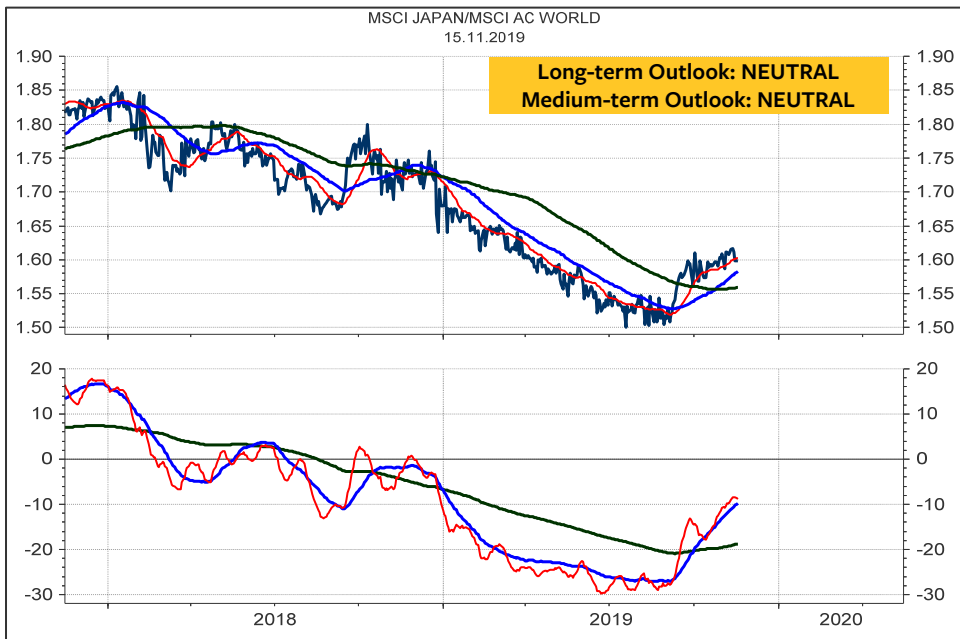
MSCI JAPAN in Yen



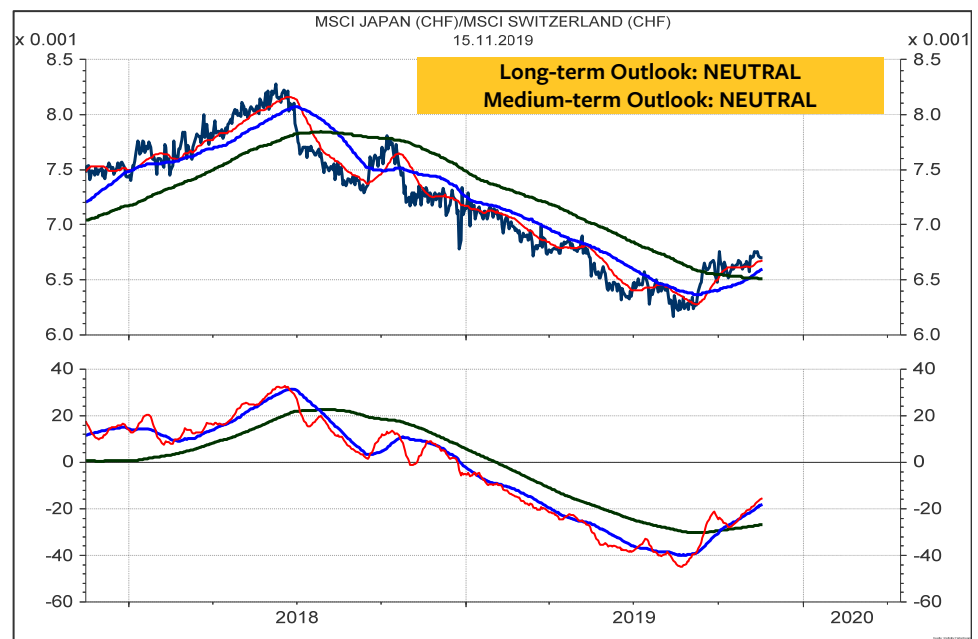
MSCI JAPAN in Swiss franc



MSCI JAPAN relative to the MSCI AC World



MSCI JAPAN in CHF relative to MSCI Switzerland

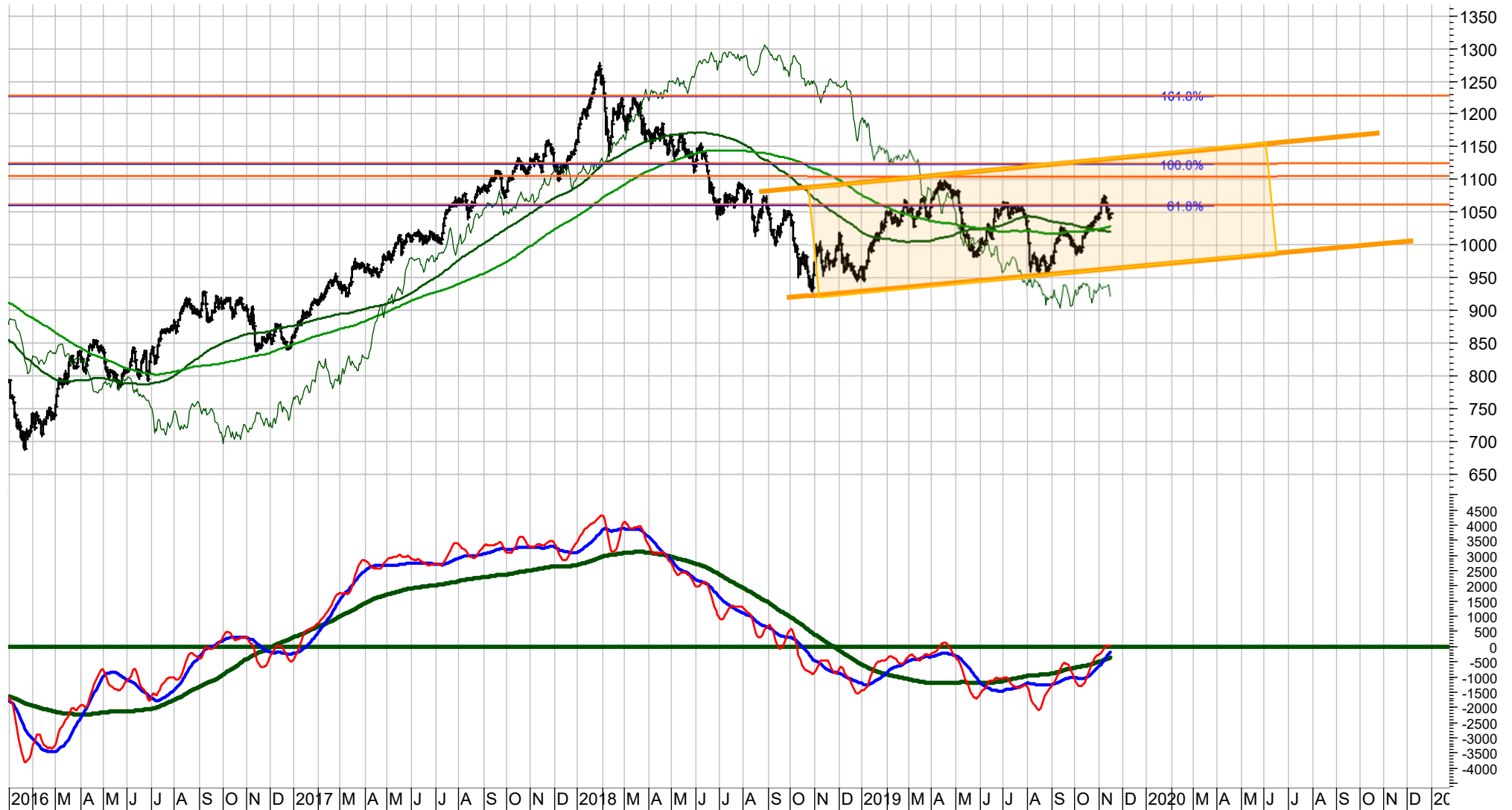


MSCI Emerging Market Index – Remains in its neutral consolidation

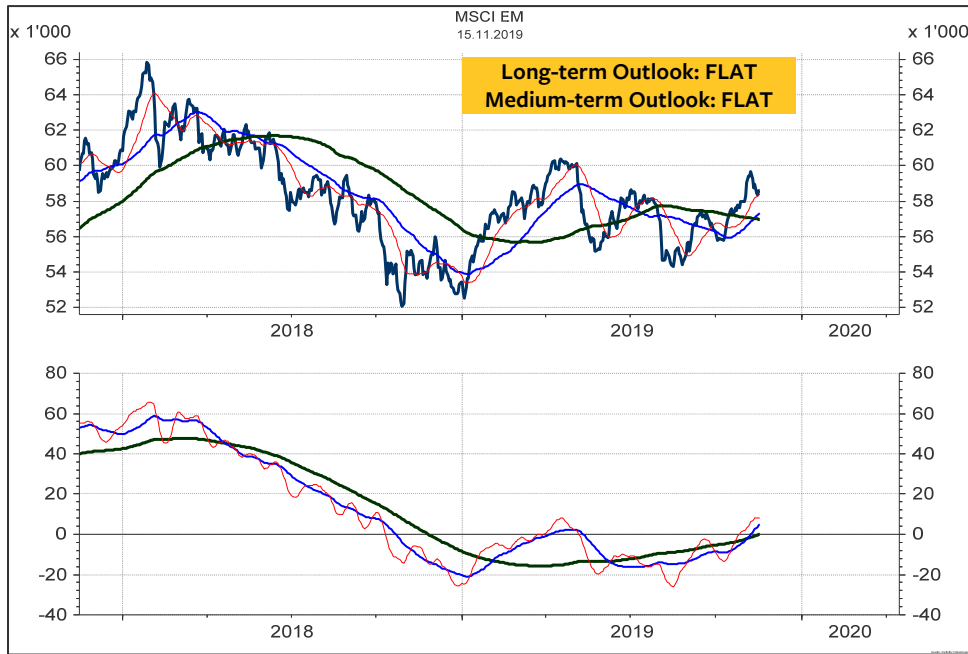
The Emerging Market Index has turned down at the resistance around 1060.
The big picture for the emerging markets would brighten only if the resistance at 1100 / 1130 is broken.

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

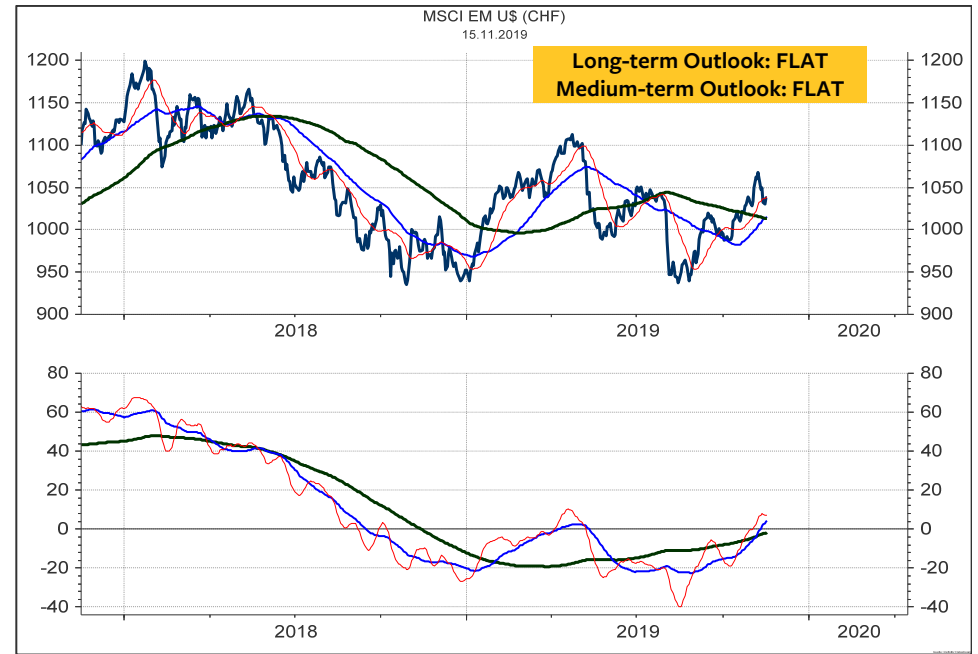
Swiss franc-based equity investors notice (next page, lower right) that my long-term outlook for the MSCI Emerging Markets measured in Swiss franc is still long-term UNDERWEIGHT EM and OVERWEIGHT Switzerland. This indicates that Swiss franc-based equity investors should still remain out of the emerging markets.



MSCI EMERGING MARKETS in local currencies



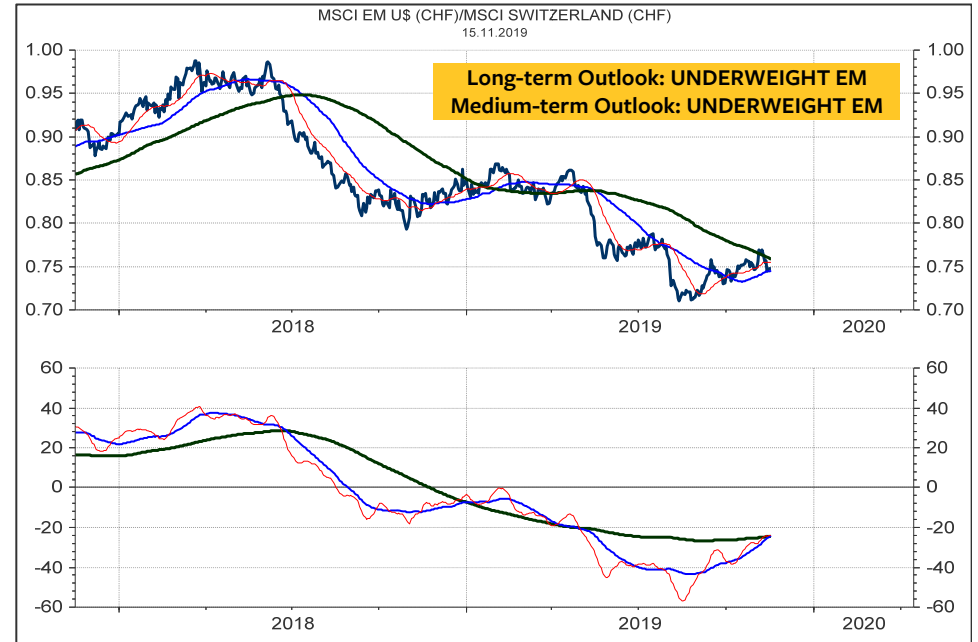
MSCI EMERGING MARKETS in Swiss franc



MSCI EMERGING MARKETS relative to the MSCI AC World



MSCI EMERGING MARKETS in CHF relative to MSCI Switzerland

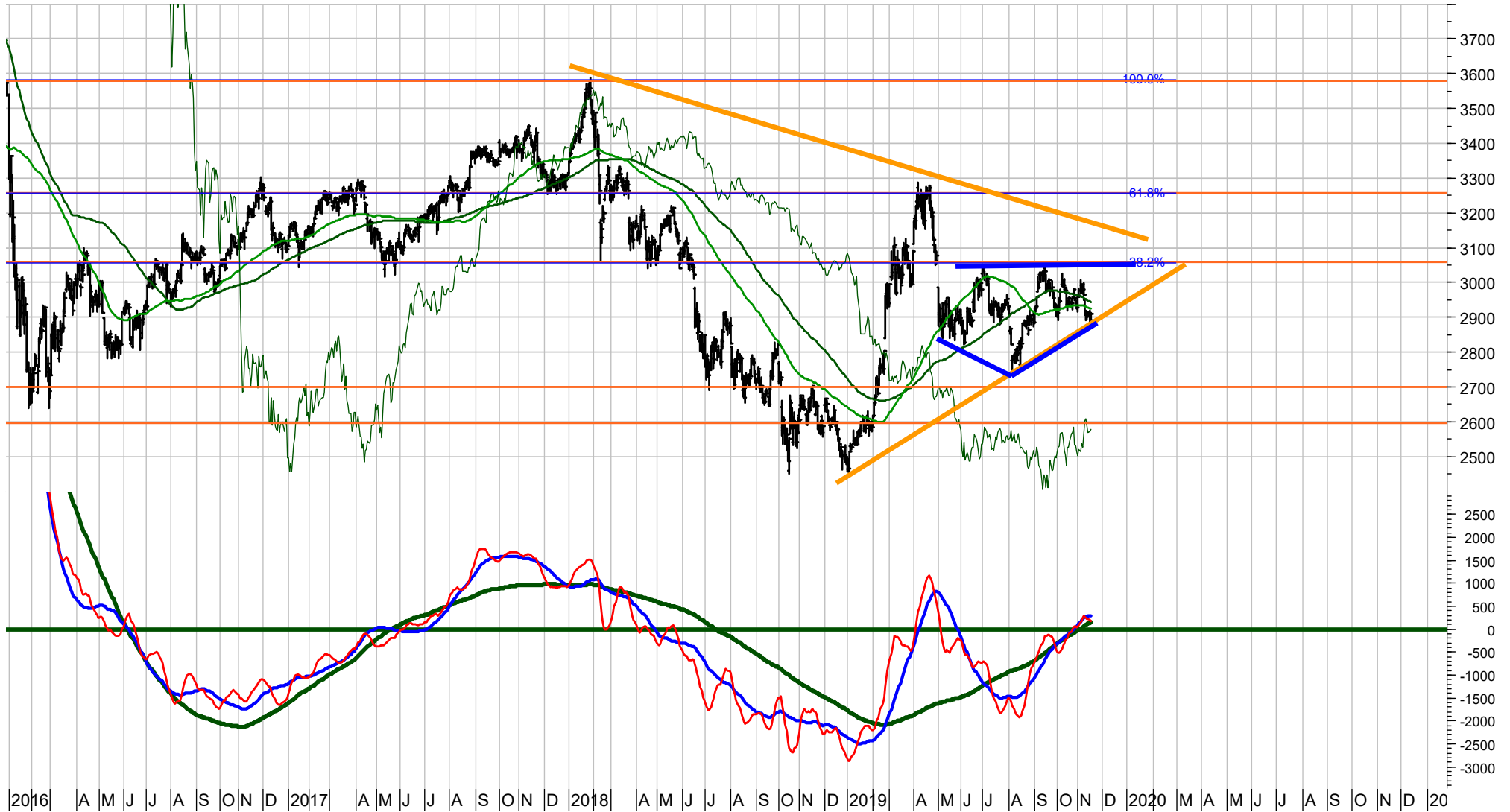


Shanghai Composite Index – Neutral between 3080 and 2700

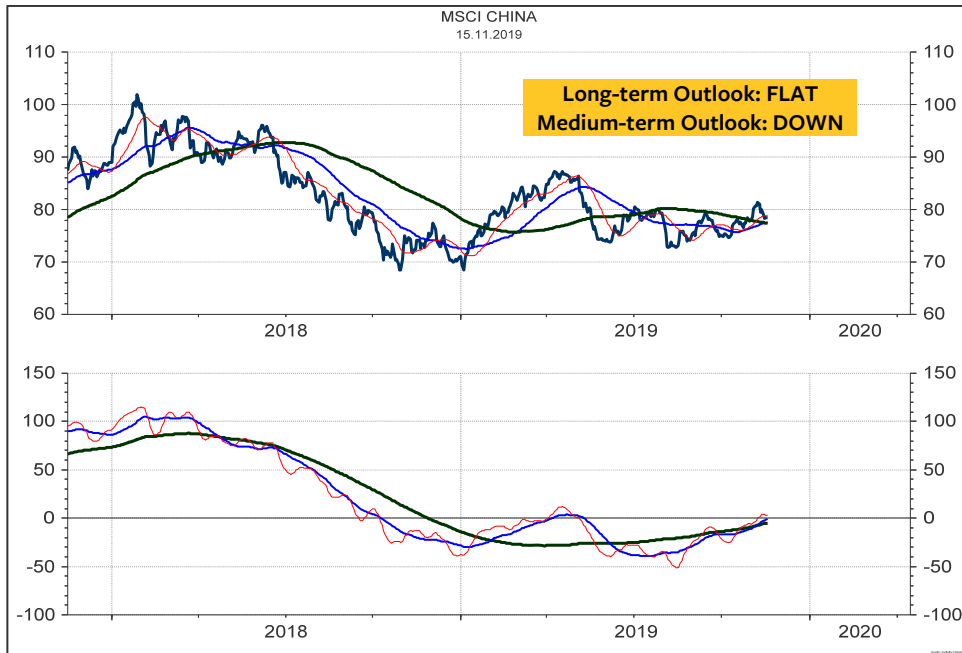
The SCI remains in a consolidation (marked blue). It is trading at the 89-day and 144-day moving averages. The long-term momentum indicator has been rising since the low in early 2019. However, the index must rise above 3080 to extend the uptrend to 3250 or even 3600.

Swiss franc-based equity investors notice (next page, lower right) that my long-term outlook for the MSCI China measured in Swiss franc is still long-term UNDERWEIGHT China and OVERWEIGHT Switzerland. This indicates that Swiss franc-based equity investors should still remain out of the Chinese stock market.

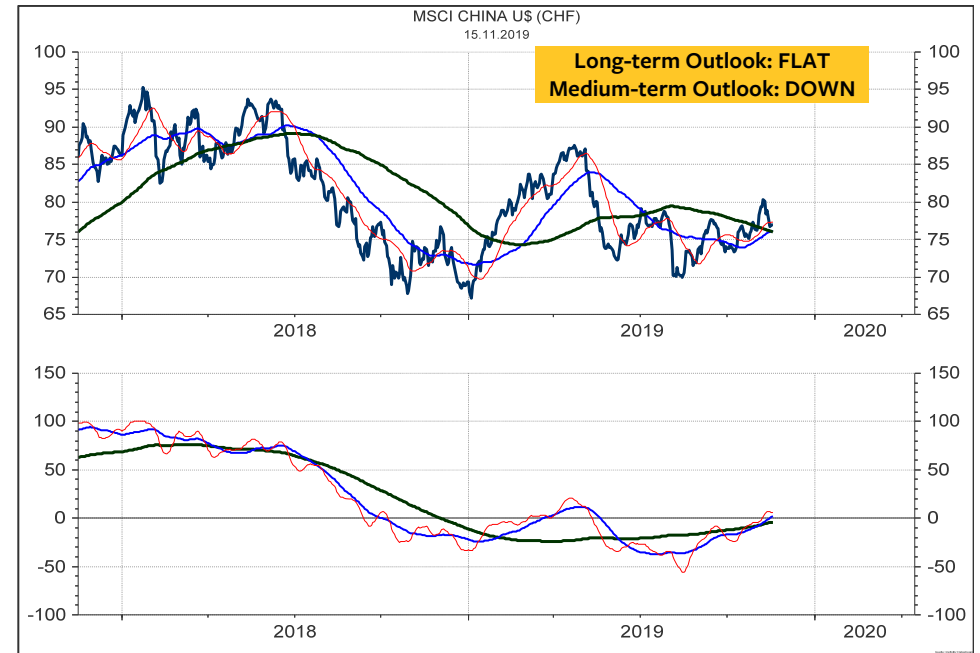
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



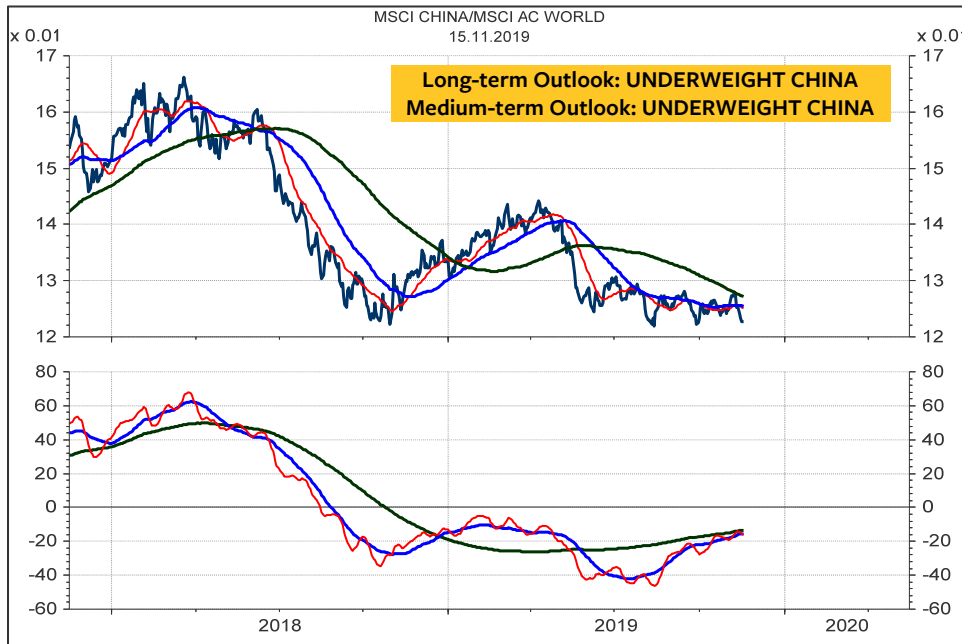
MSCI CHINA in Yuan



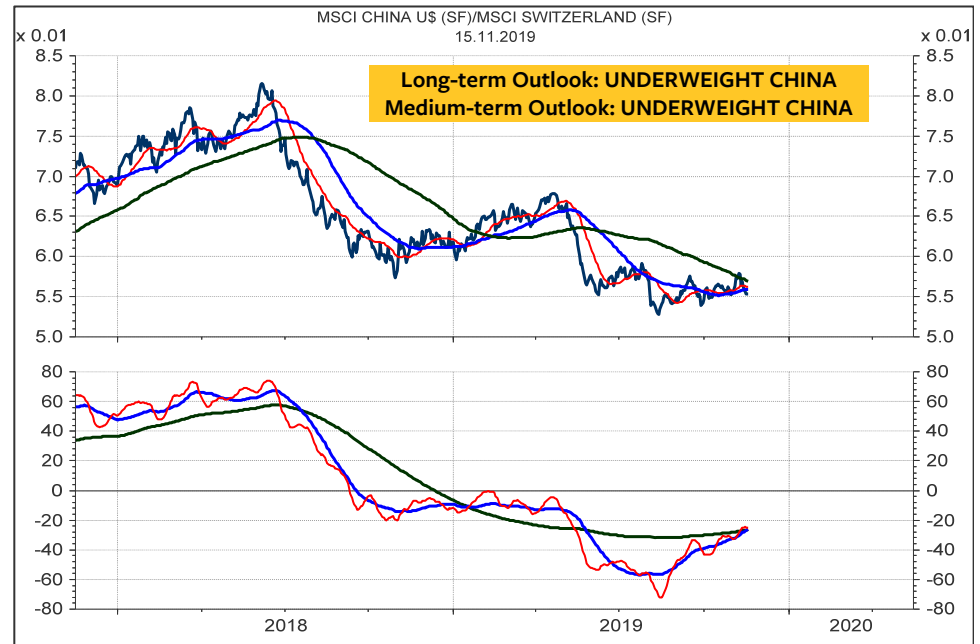
MSCI CHINA in Swiss franc



MSCI CHINA relative to the MSCI AC World



MSCI CHINA in CHF relative to MSCI Switzerland



COMMODITIES

The TR Commodity Index remains just below medium-term resistance at 410. A break upwards could extend the commodity uptrend. However, I still see this strength as the right shoulder of a large head and shoulder commodity top, to be followed by renewed commodity weakness in the second half of 2020.

Crude Oil remains stable during the IPO of the Saudi Aramco, still holding within the horizontal triangle lines.

My Gold Model remains short-term and medium-term DOWN. I am watching to see if more damage will be done to the long-term Gold uptrend. For now, I still foresee another rise to 1600. However, supports must be watched at 1445/40 and 1415/05.

Silver has major supports at 16.60/30 and 15.50/20.

WHAT YOU SHOULD DO: Watch the medium-term supports in Gold and Silver and take into account that my Trend and Momentum Model could trigger a long-term sell signal in Gold if it breaks 1350.

Thomson Reuters Equally Weighted Commodity Index – Testing medium-term resistance at 410

The Thomson Reuters Equally Weighted Commodity Index is trading below the resistance at 410. A break of 410 would justify a medium-term upgrade to UP.

On the big picture, the TR Index is likely to form the right shoulder of a major Head and Shoulder Top. It would take a break above 430 to negate this bearish top formation.

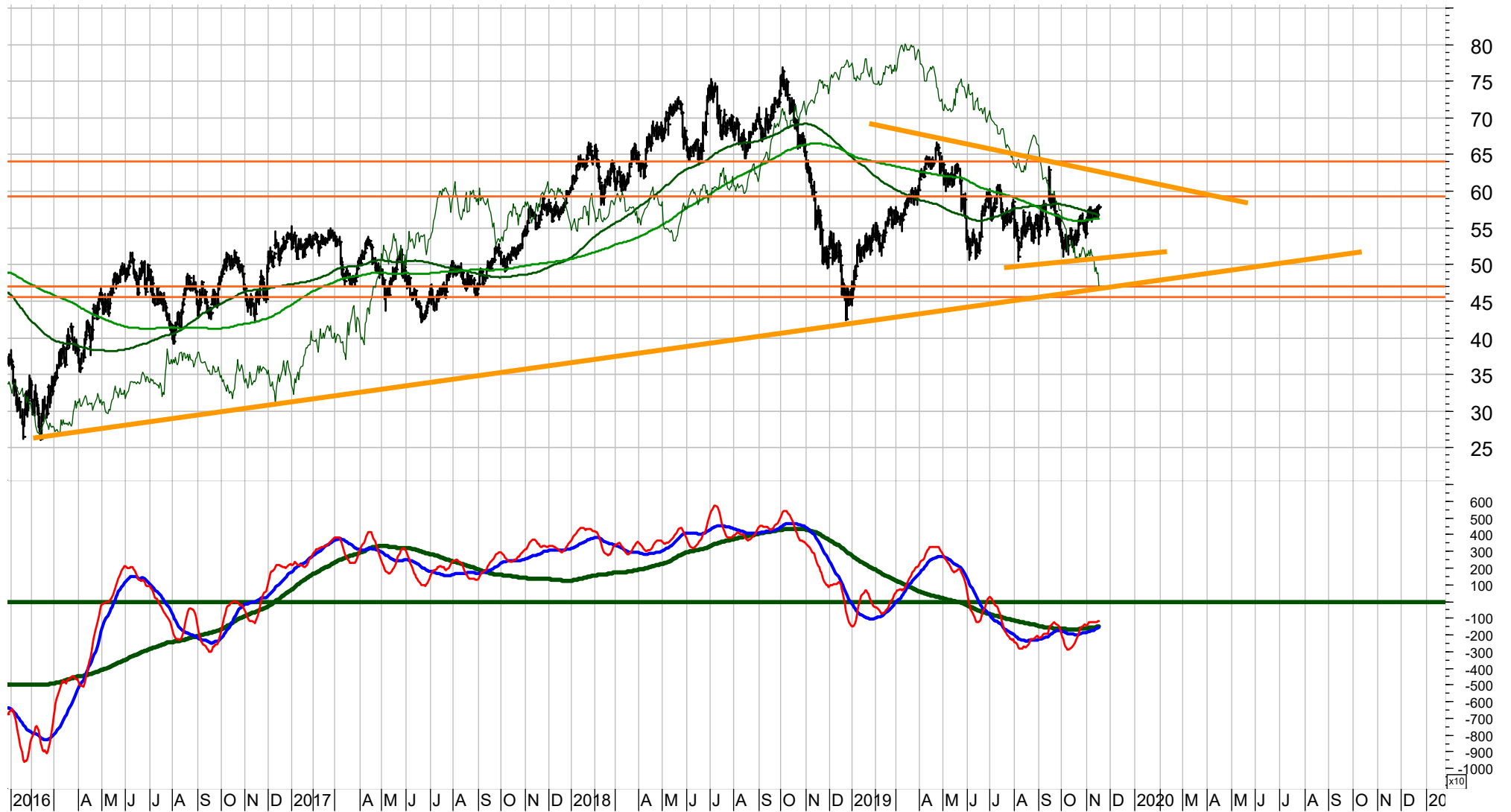
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Light Crude Oil Continuous Future – Remains in the Horizontal Triangle between 65 and 45

Crude Oil remains in the horizontal triangle with resistance at 60 and 64/ 66 and supports at 53 and 48/ 45.

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



Global-GOLD Model – Gold measured in 37 currencies

On the scale from 0% (maximum bearish) to 100% (maximum bullish) the Total Score remains BEARISH with a reading of 26%.

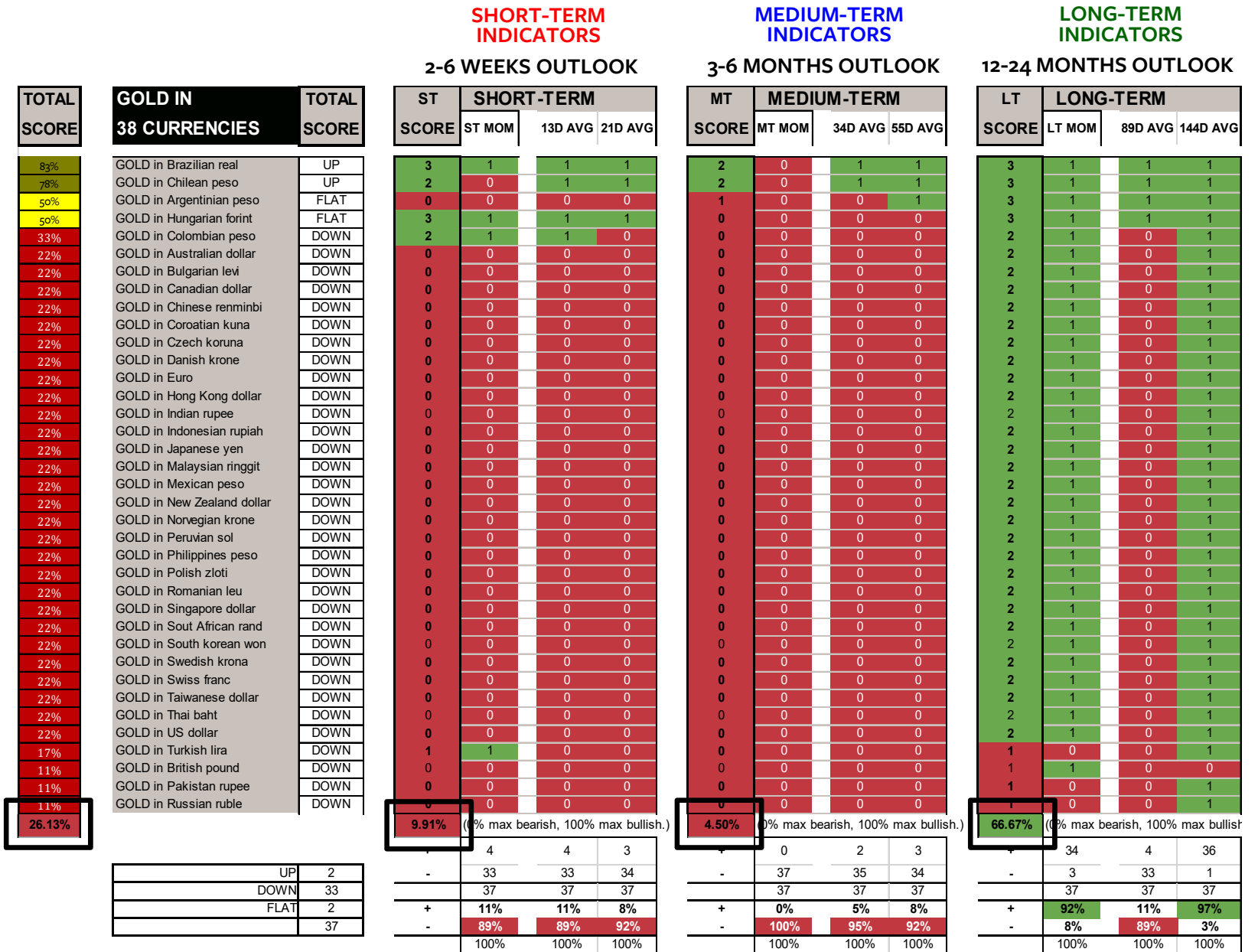
The Short-term Model is NEGATIVE at 10%.

The Medium-term Model is NEGATIVE at 5%.

The Long-term Model remains POSITIVE at 67%.

The Models show that Gold is declining short-term and medium-term against the global paper money.

I am watching the long-term readings to see if the present short-term and medium-term price weakness will do more damage to the long-term uptrend so that the long-term model turns red. Gold in US dollar would signal such a long-term downtrend if 1350 is broken.



Gold per Ounce in US dollar – *Medium-term correction has supports at 1445/40 and 1415/05*

Gold remains in the medium-term correction from early September. The pattern of the Gold decline appears corrective because most waves within the decline overlap each other. This means that Gold could still rise to 1600 (61.80% retracement to the 2011/2015 decline) before the uptrend from late 2015 is over. Still, I will respect a possible break of the supports at 1445/40 or 1415/05 and sell tactical positions. My Trend and Momentum Model would signal a long-term downturn if 1350 is broken.

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



Silver – Watching the major support at 16.30 / 15.20

The chart below shows the correction in Silver, which it entered in early September. The Fibonacci correlations between the down legs a and c in September and November indicate a major support at 16.60 / 16.30 and 15.50 / 15.20. The outlook is likely to move to medium-term DOWN and long-term FLAT if 16.30 is broken. The long-term outlook would turn DOWN if 15.20 is broken.

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



GLOBAL INTEREST RATES

The yield downtrend at the short end of the yield curve remains intact.

The US 6-month T-Bill Yield is testing the key support at 1.60% / 1.55%, a break of which would signal 1%.

On 7th November, the 10-year yield in most countries reached the long-term resistance level from which a medium-term correction has begun. This yield weakness is likely to last well into 2020. It is not yet clear if new yield lows will be registered.

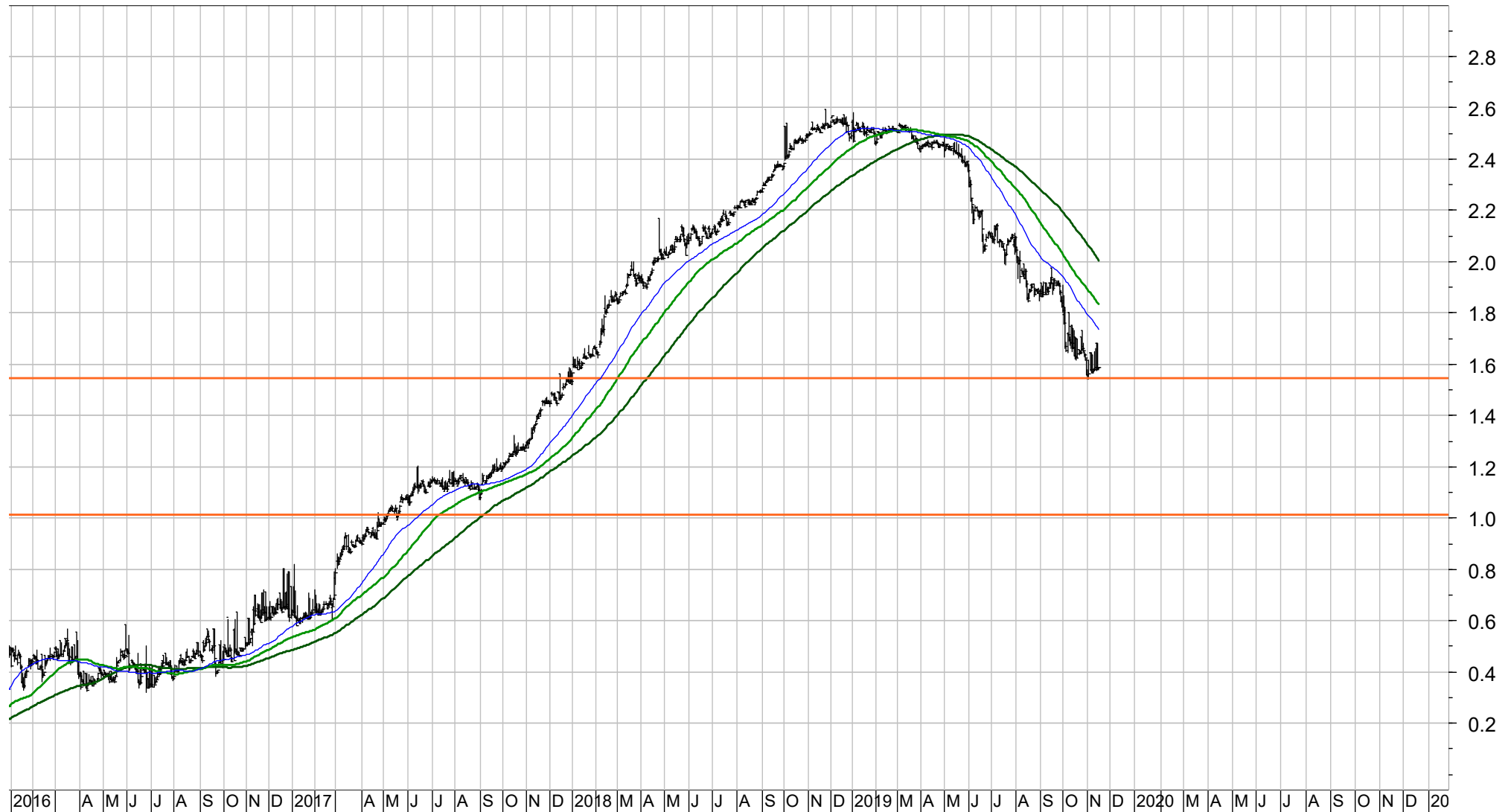
The Germany yield best shows that the recent yield rise is either Wave 4 of the still unfolding long-term downtrend or, it is the beginning of a new long-term uptrend. A long-term uptrend signal and the end of the yield downtrend would be signaled only if the long-term resistance levels are broken. In the 10-year US Yield this level is at 1.98% / 2.03%.

WHAT YOU SHOULD DO: Keep your eyes on the long-term resistance levels, which are just above the yield high of 7th November 2019.

US 6-month Treasury Bill Yield – *The break of the major support at 1.55% would signal 1.0%*

The downtrend in the 6-month T-Bill Yield remains intact. It is testing the major support at 1.60%/ 1.55%. This support marks the 38.20% retracement level to yield rise from -0.01% in December 2008 to the high at 2.59% in November 2019. A break of 1.6% would mean that the 6-month yield will fall to 1.00%.

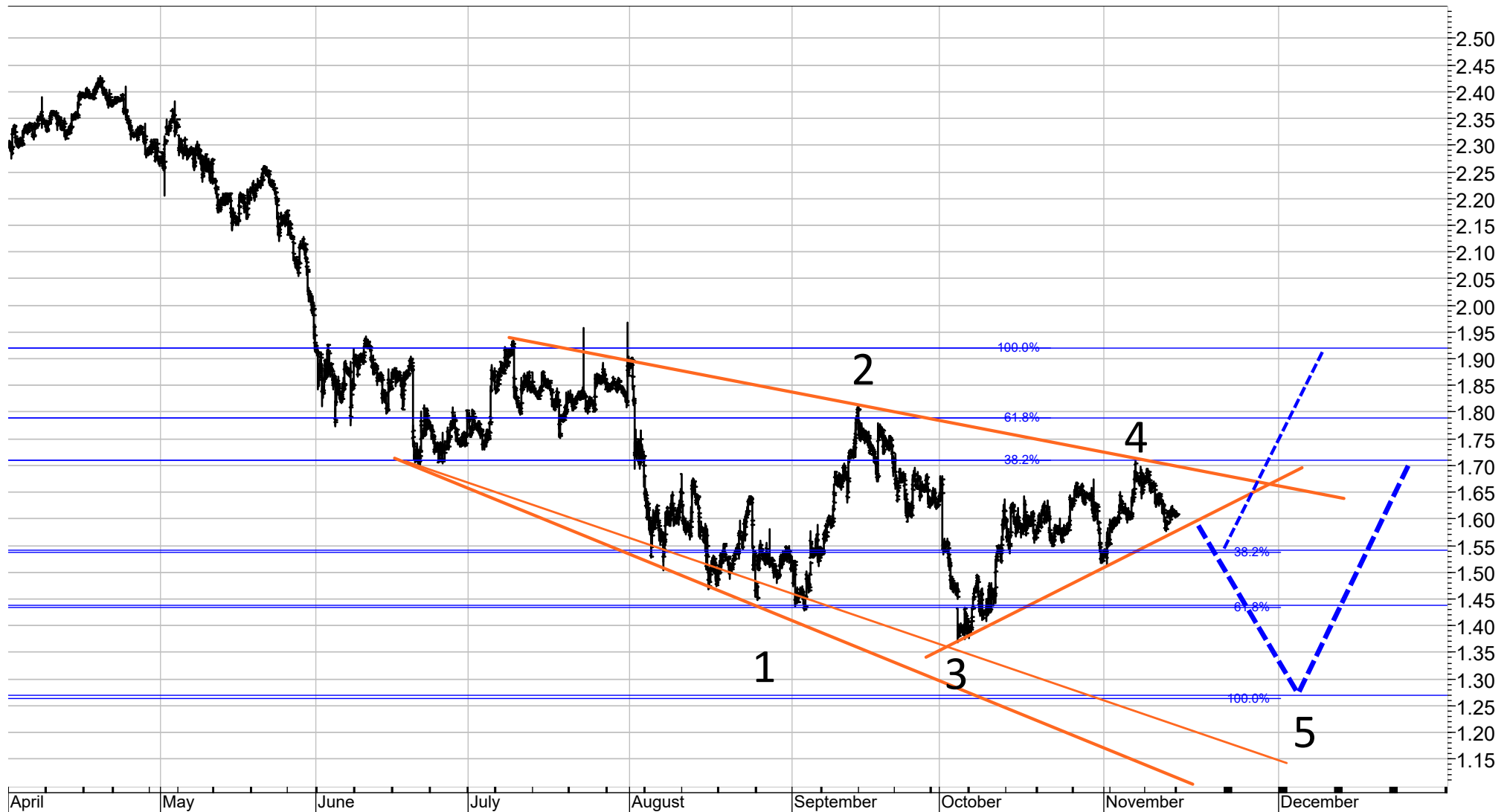
Long-term Outlook: DOWN
Medium-term Outlook: DOWN



US 2-year Treasury Note Yield – *Could extend the downtrend to 1.25%*

The wave structure of the 2-year Note Yield does not yet allow to conclude that a major bottom is in place. For this the Yield would have to rise above 1.71% and 1.80%. Then, it could reach 1.92% and possibly form an inverse Head and Shoulder Bottom. More likely, however, is the formation of an Expanding Wedge as projected on the chart below.

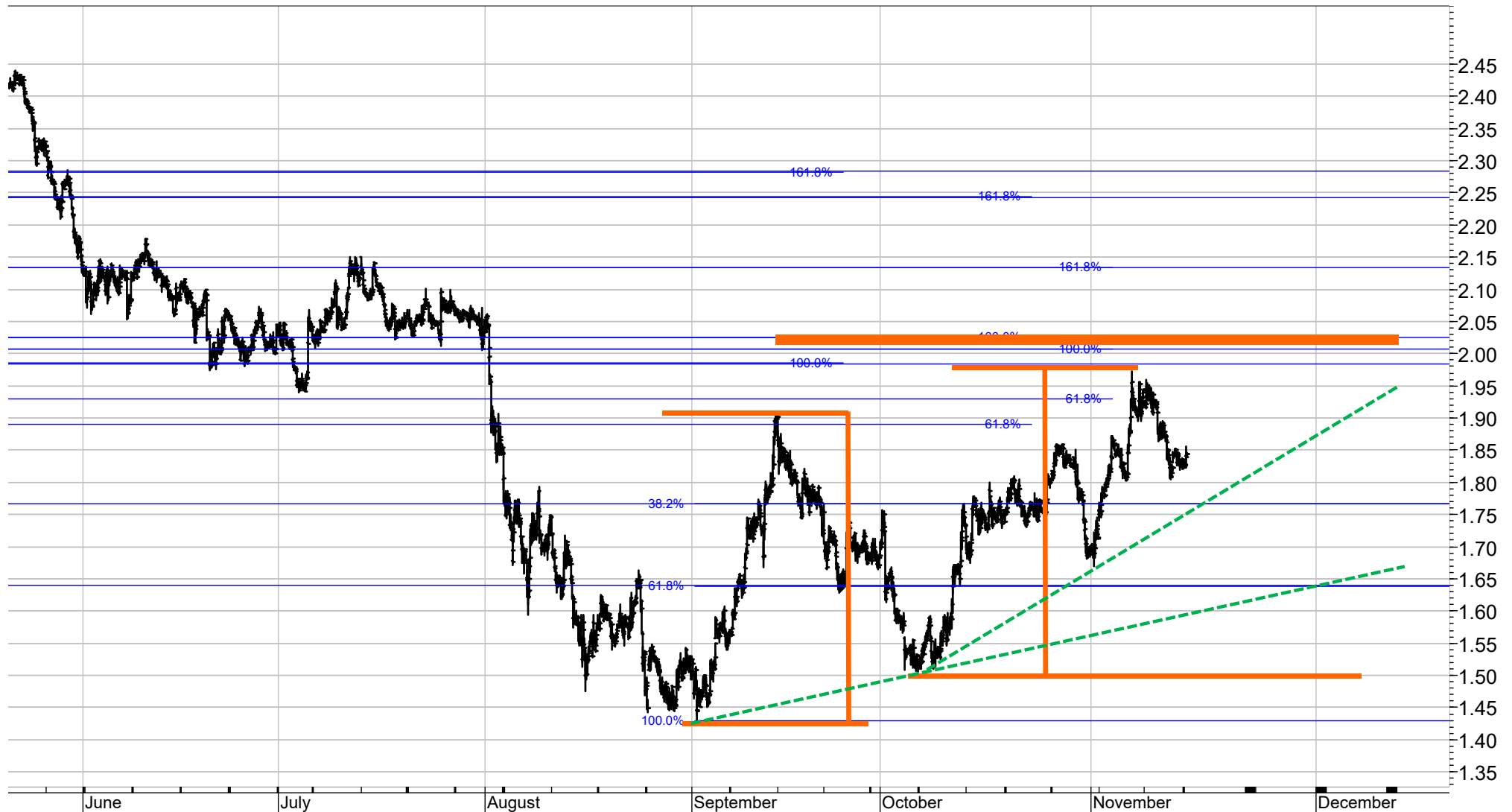
Long-term Outlook: DOWN
Medium-term Outlook: FLAT



US 10-year Treasury Note Yield – Long-term uptrend signal if 2.03% is broken

The Fibonacci wave correlation of the two uplegs in September and October indicates that a long-term uptrend in the 10-year Yield would be signaled only if 1.98% to 2.03% is broken. Supports are 1.77% and 1.64%. A break of these levels would signal the resumption of the yield downtrend to register another new low.

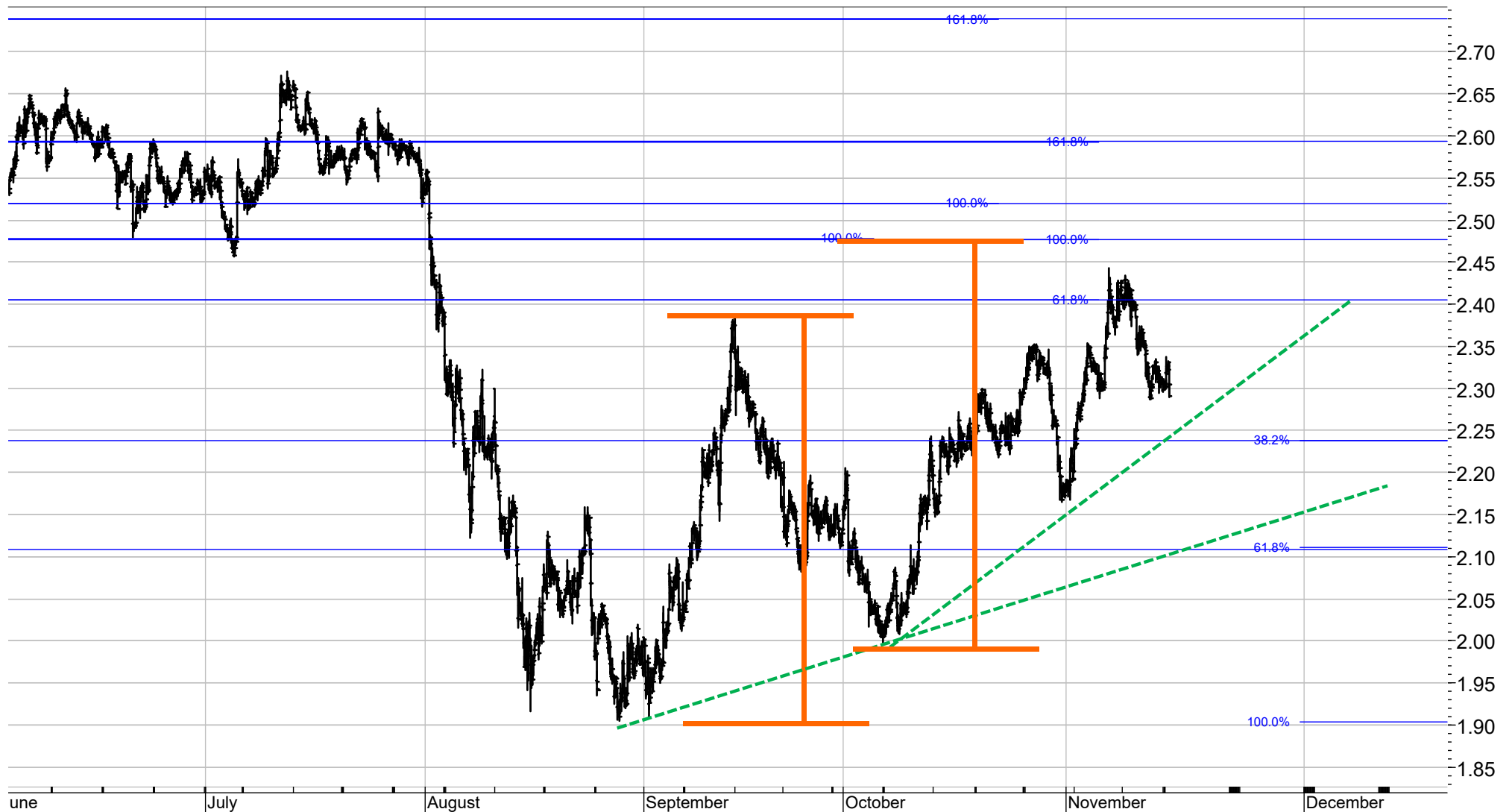
Long-term Outlook: FLAT
Medium-term Outlook: UP



US 30-year Treasury Bond Yield – *Long-term uptrend signal if 2.52% is broken*

The Fibonacci wave correlation of the two uplegs in September and October indicates that a long-term upturn in the 30-year Yield would be signaled only if 2.48% to 2.52% is broken. Supports are 2.23% and 2.11%. A break of these levels would signal the resumption of the yield downtrend to register another new low.

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

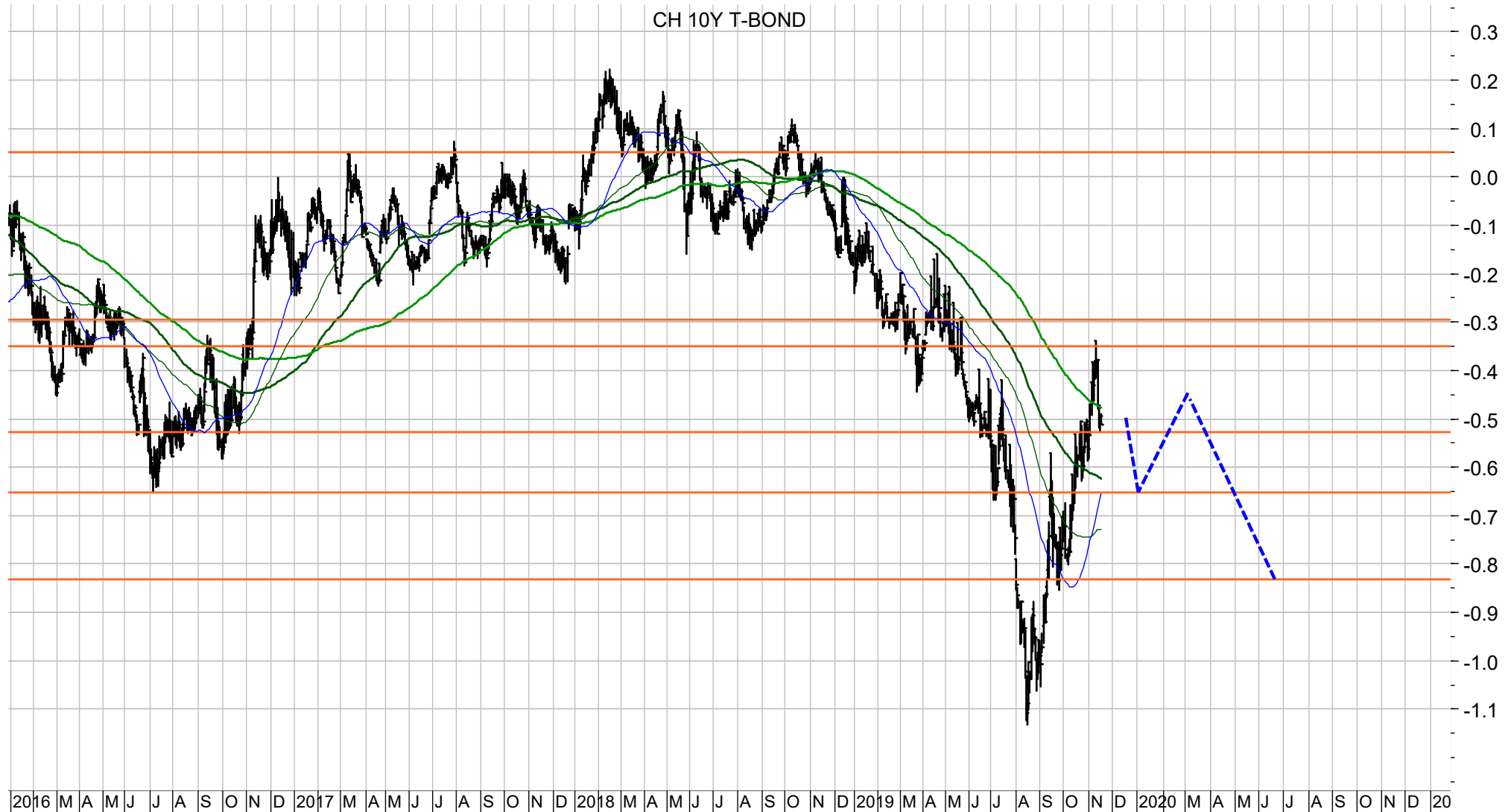


Swiss 10-year Conf Yield – Correcting below the long-term resistance -0.34% and -0.28%

Last week I stated: *“The wave structure of the upleg from August could just have completed five waves. Thus, a more important top could be at hand. I expect the Yield to retrace part of the rise from August from the present high at -0.34%. The supports are -0.52%, -0.65% and -0.83%.”*

Last week, the 10-year Swiss yield declined as I projected, from -0.34% to the support, which I had located at -0.52%. Clearly, a rise above -0.34% / -0.28% would signal a long-term uptrend with resistance at +0.05%.

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

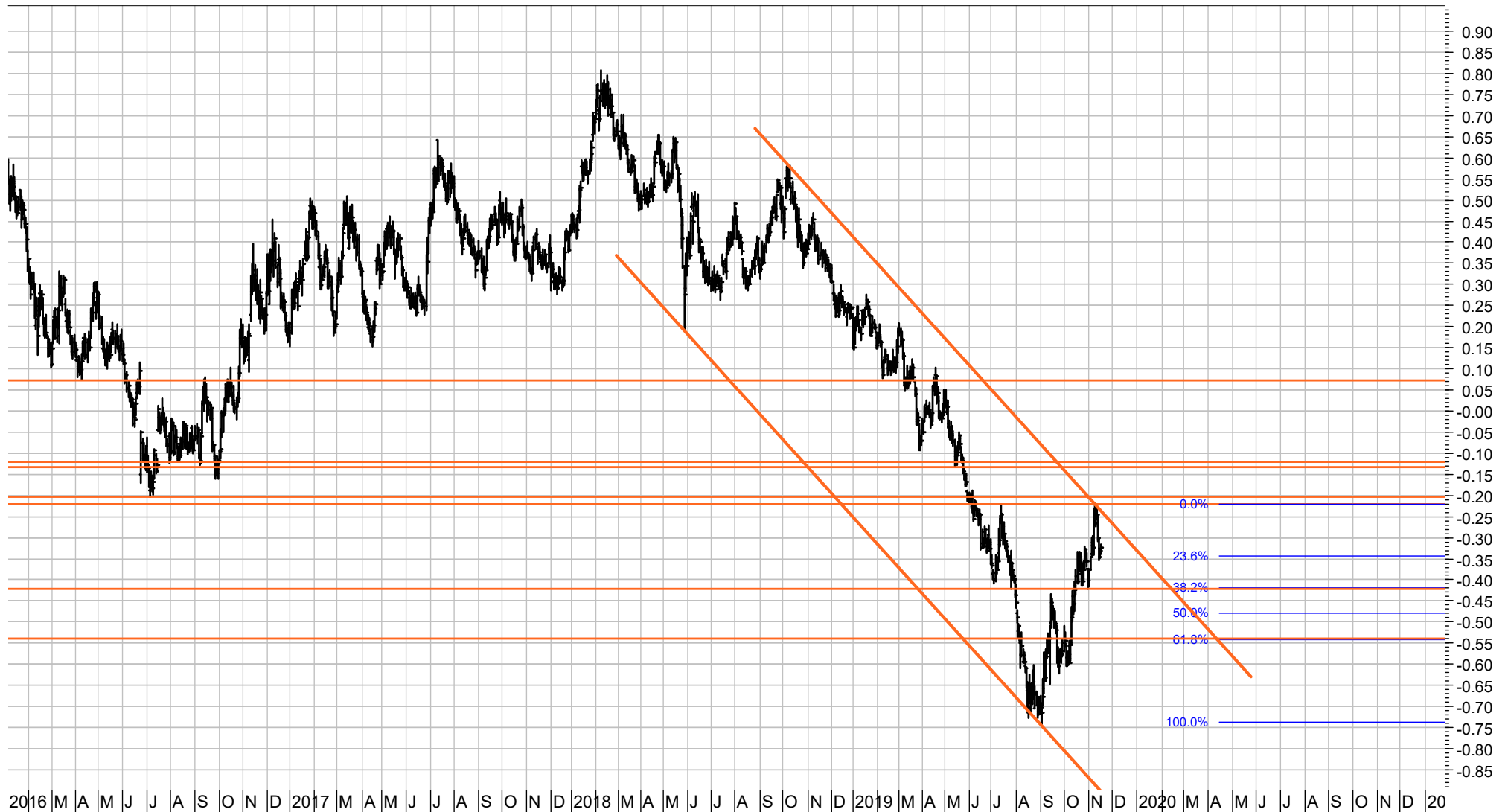


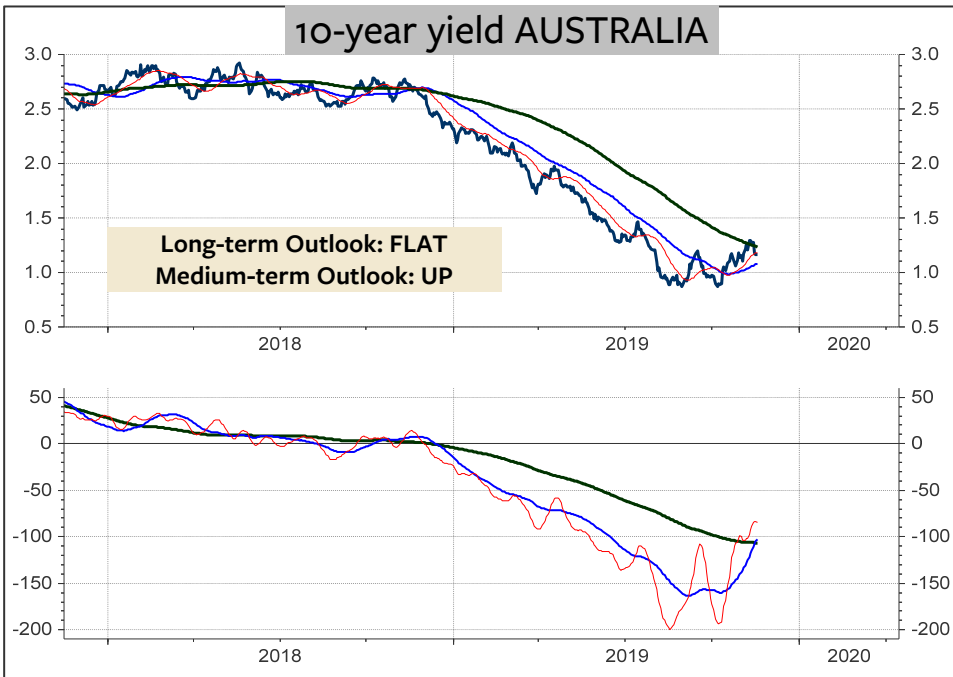
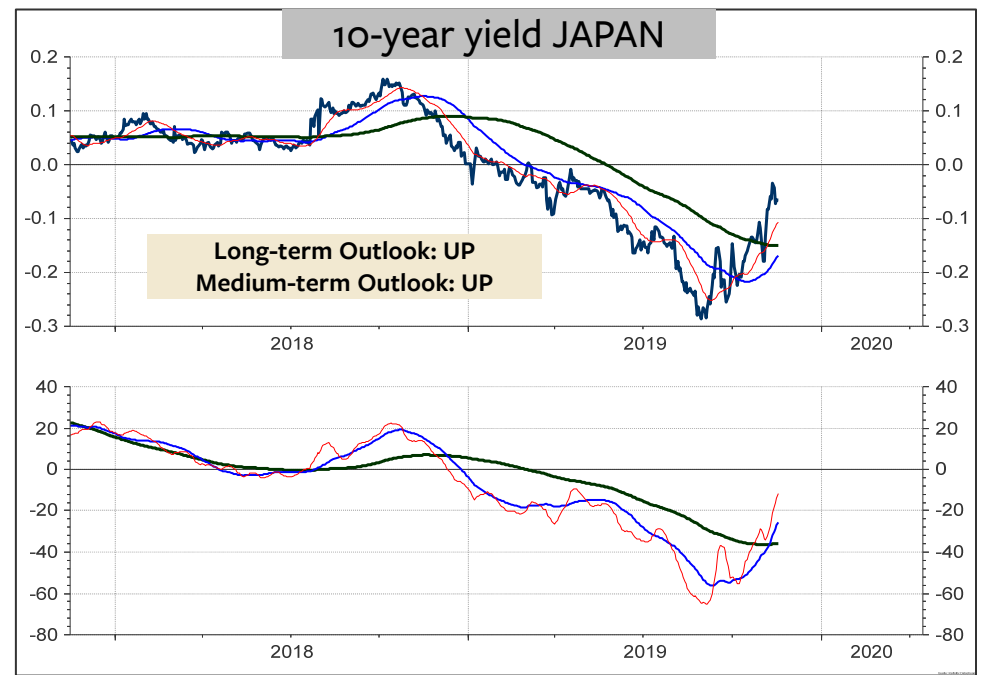
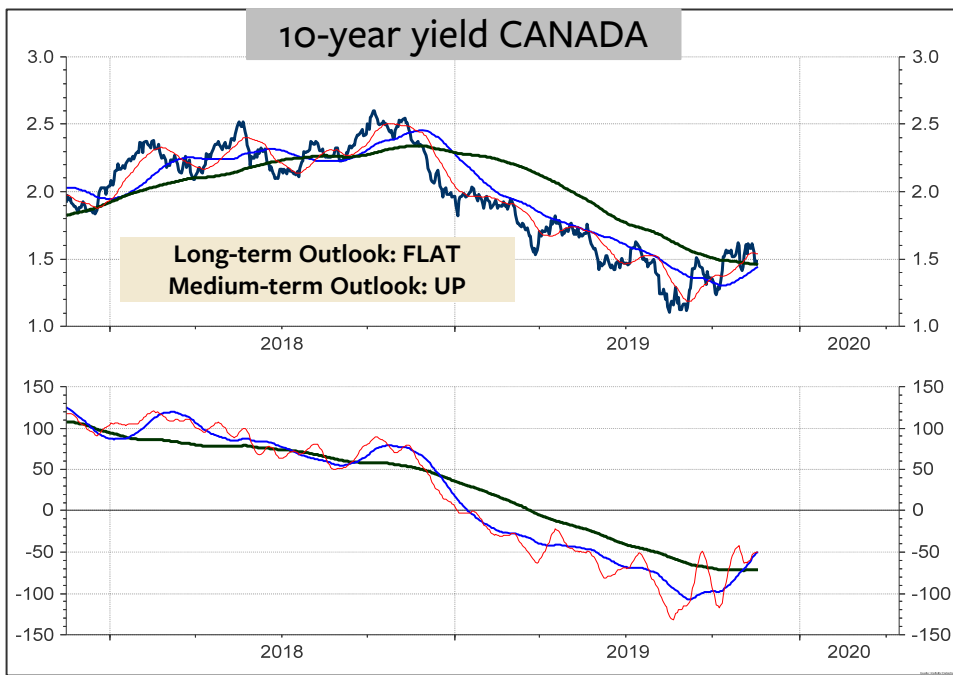
German 10-year Bund Yield – Correcting from long-term resistance at -0.20% to -0.10%

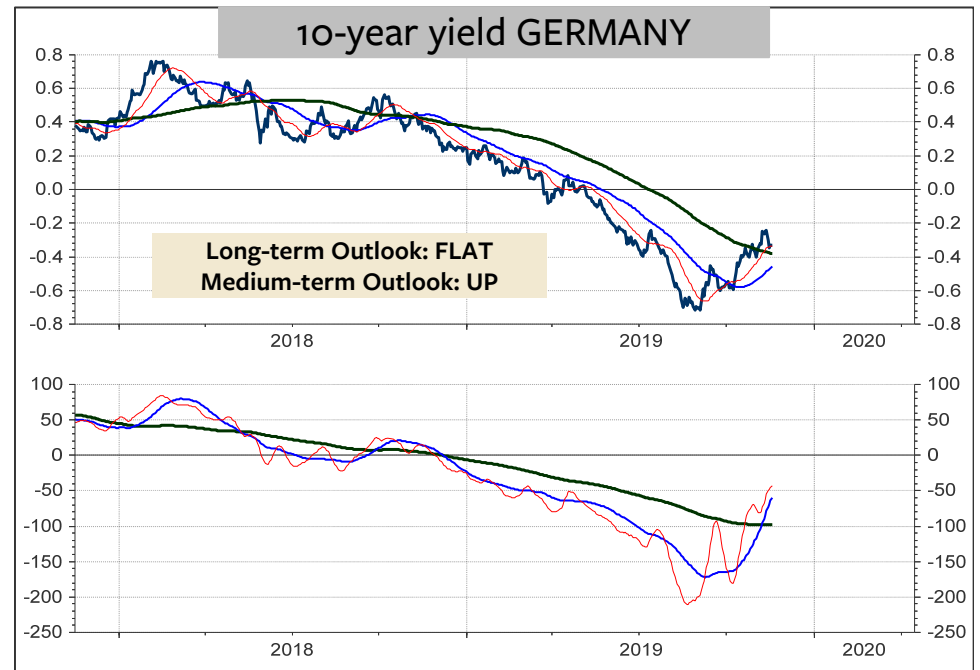
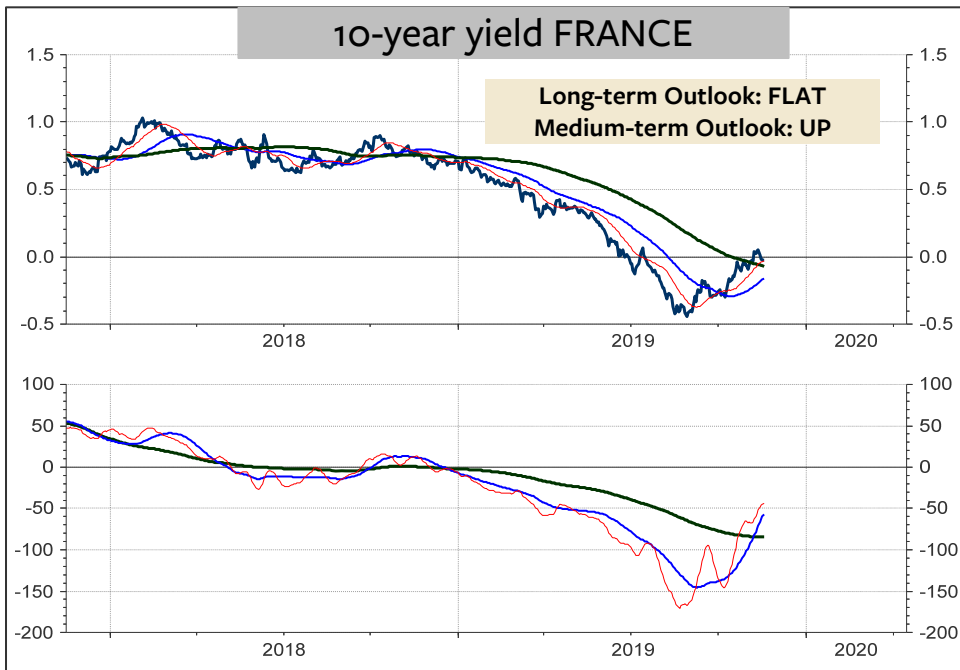
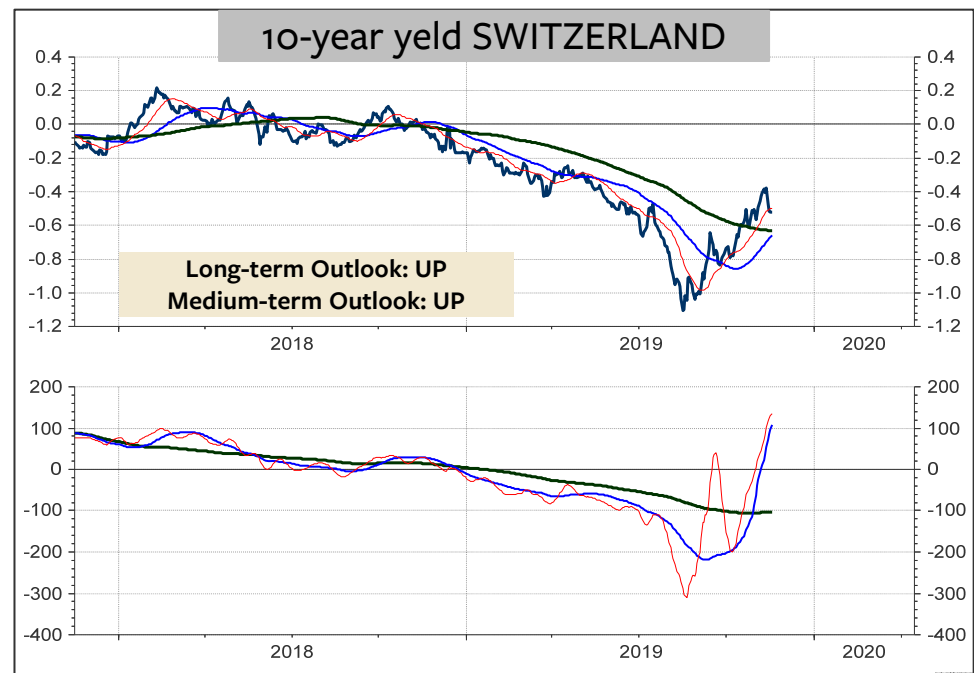
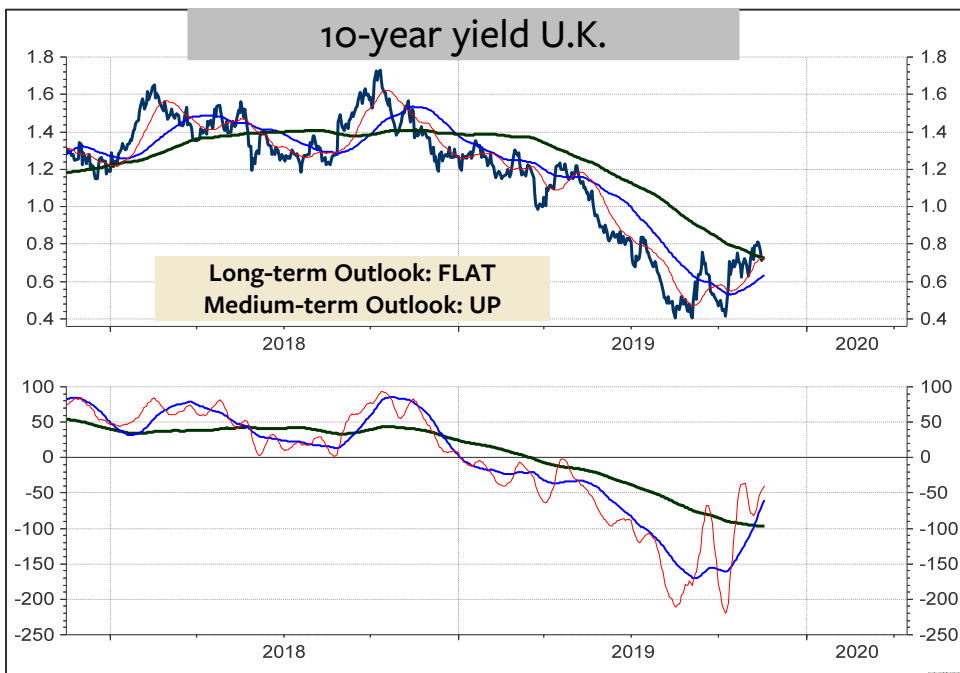
The German yield is correcting from the major resistance, which I had located at -0.20%. It will take a break of the resistance range -0.2% / -0.12% to signal a long-term uptrend with resistance at +0.08%. Given the downtrend channel lines, the Yield registered a long-term low in August or, it is forming Wave 4 within the downtrend from February 2018.

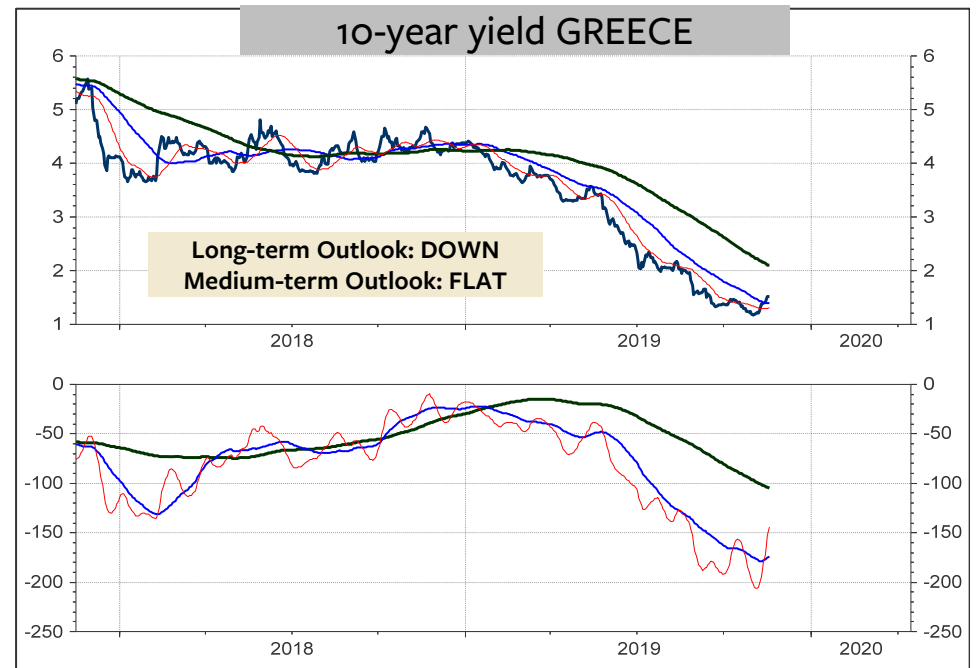
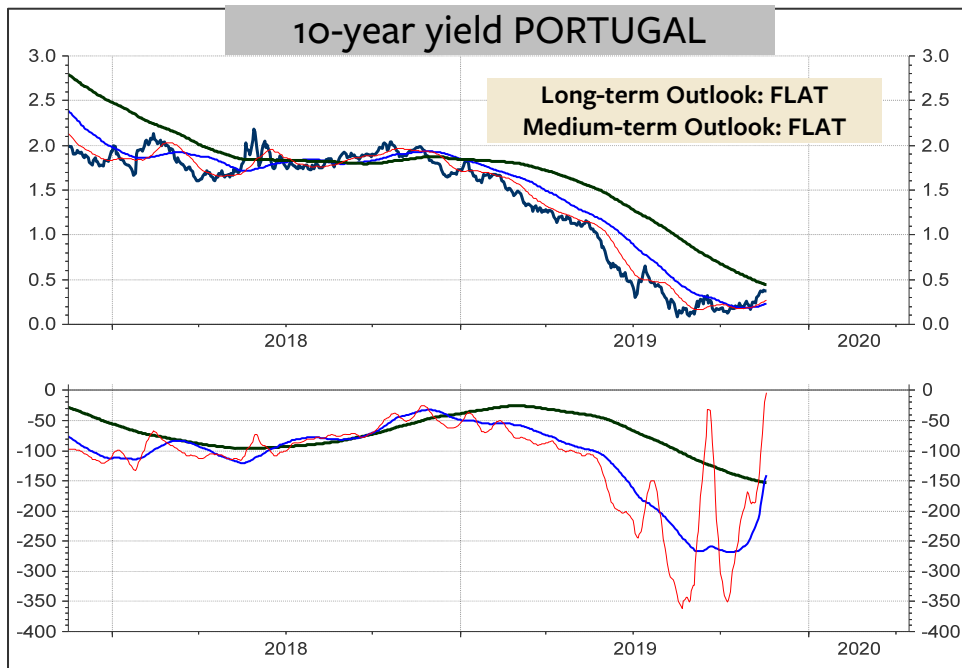
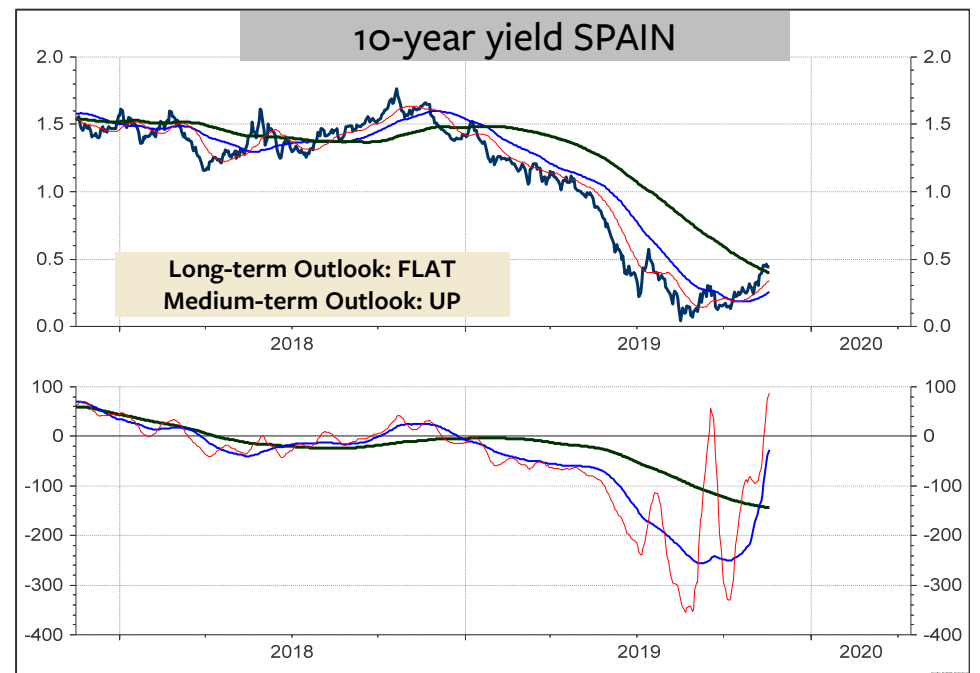
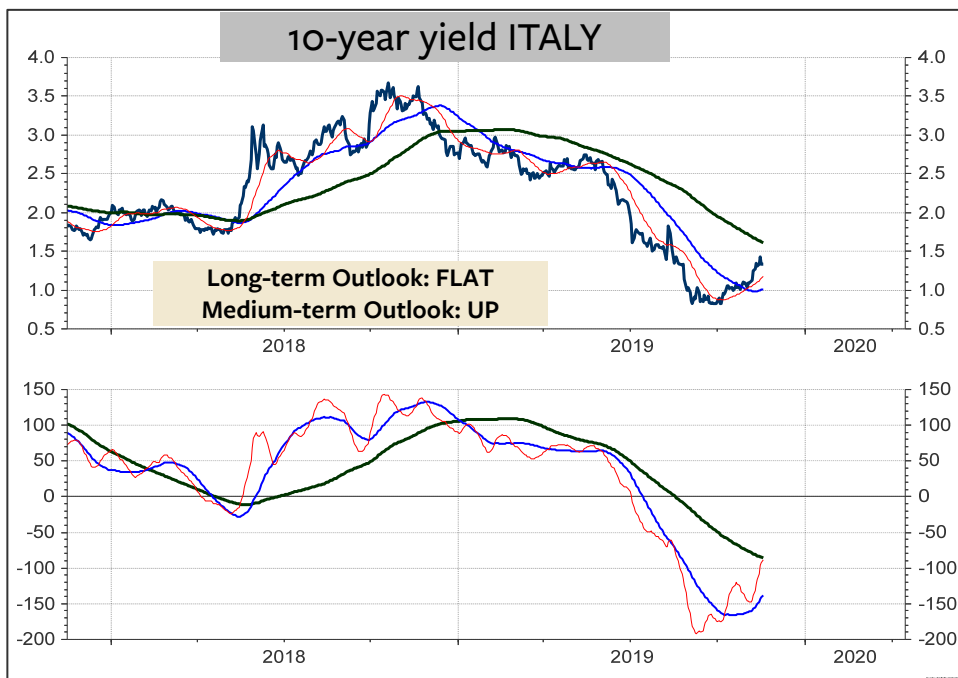
Next, a retracement to the September / November rise is likely to relieve the yield from the overbought market condition.

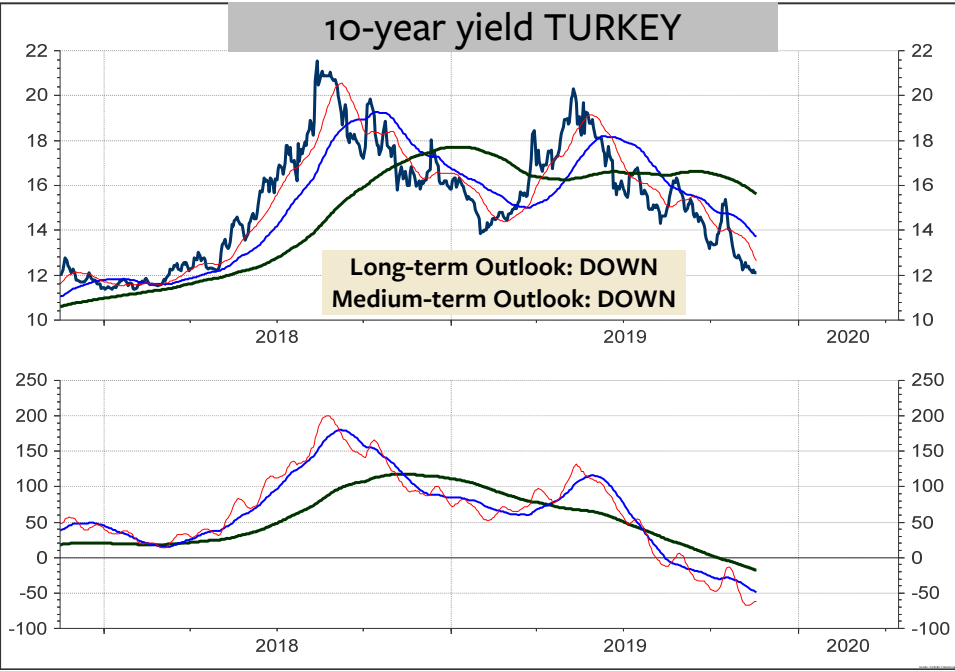
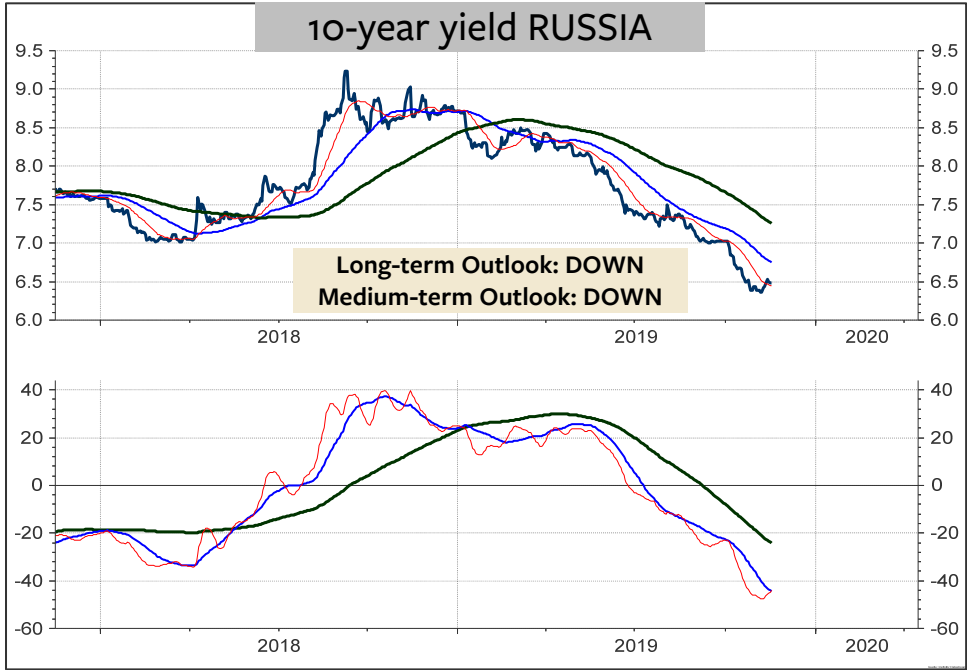
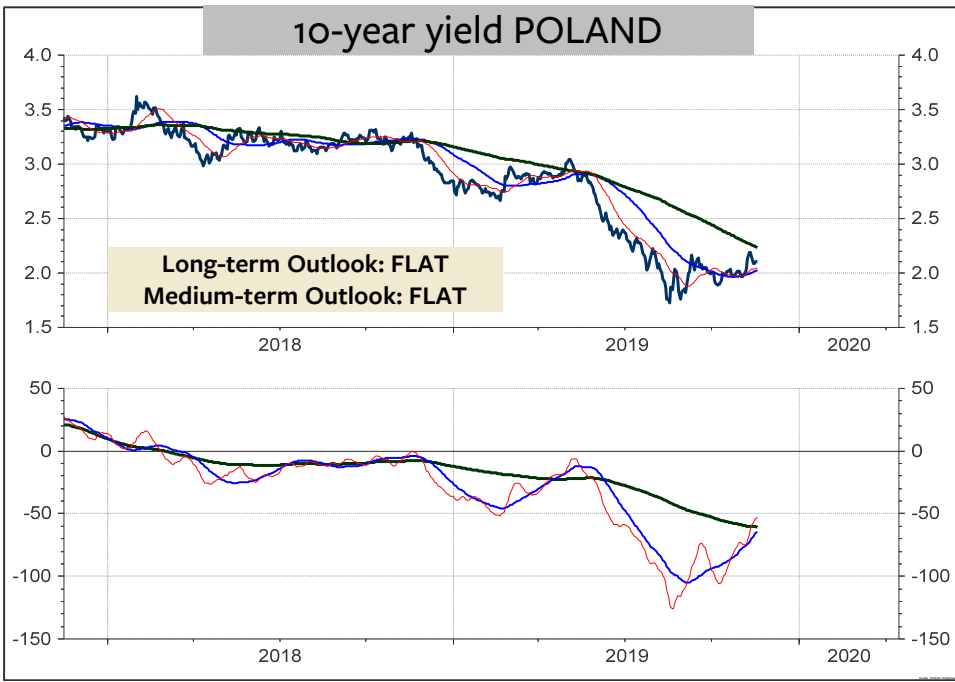
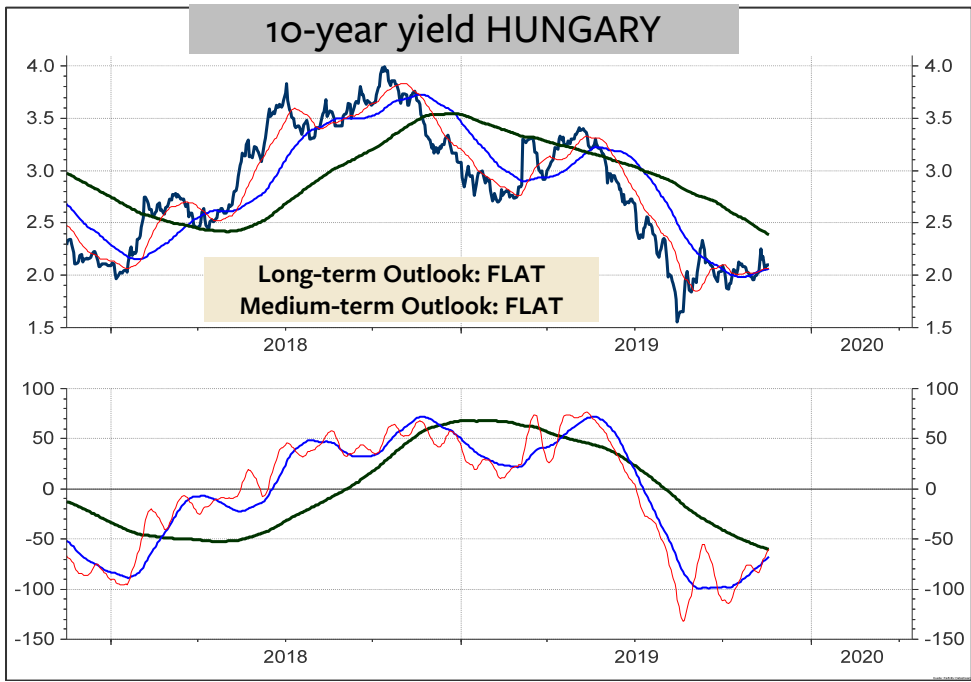
Long-term Outlook: UP
Medium-term Outlook: (d) FLAT

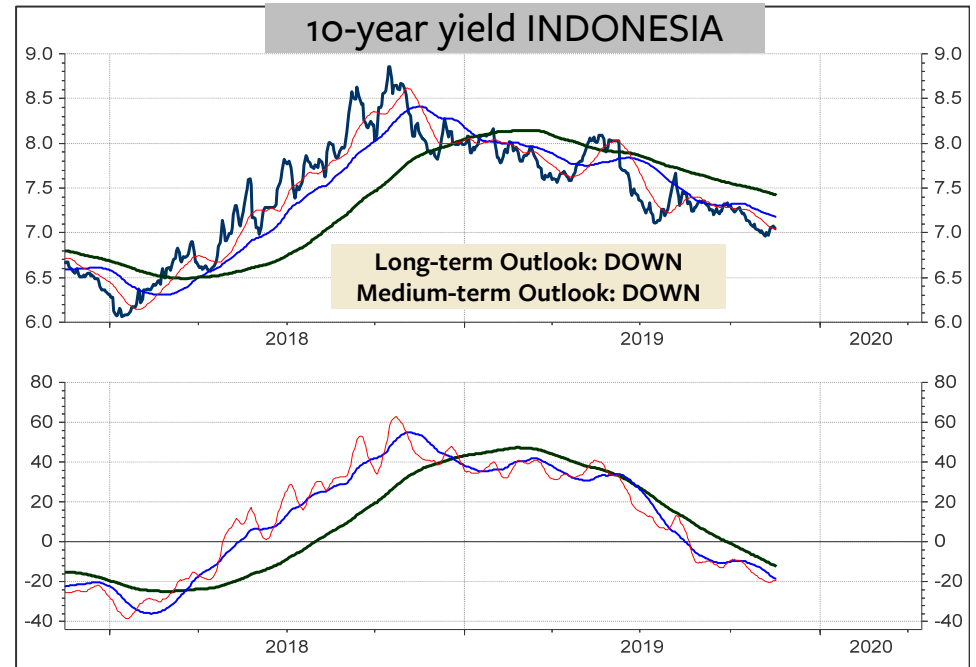
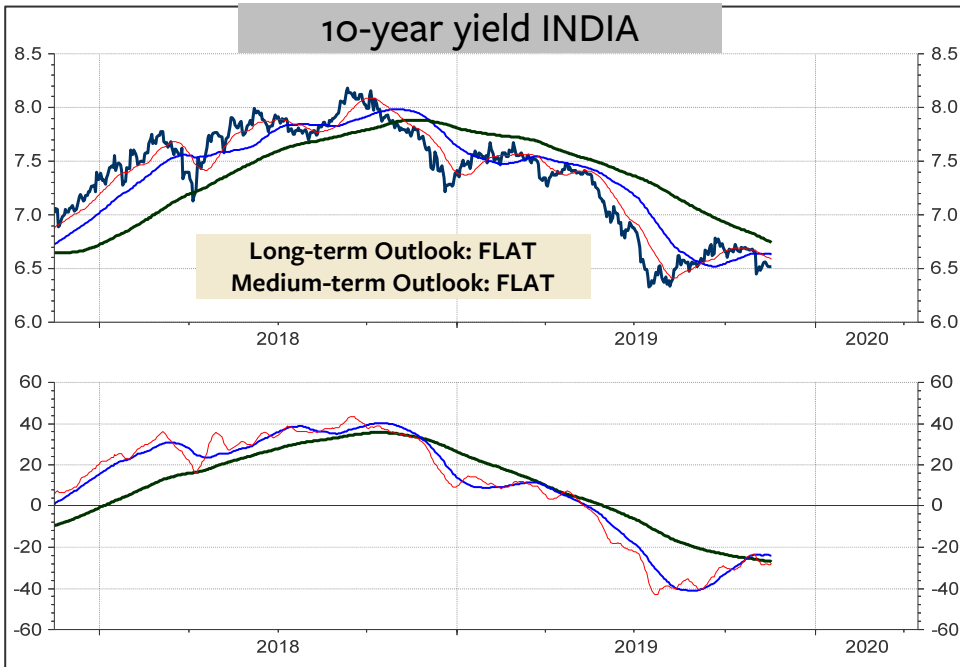
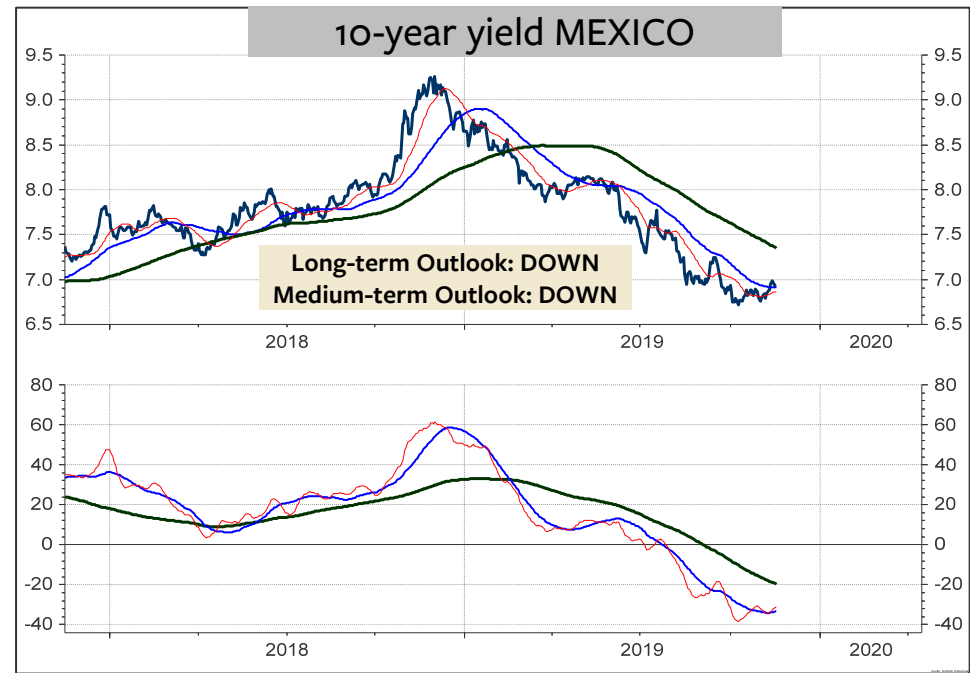
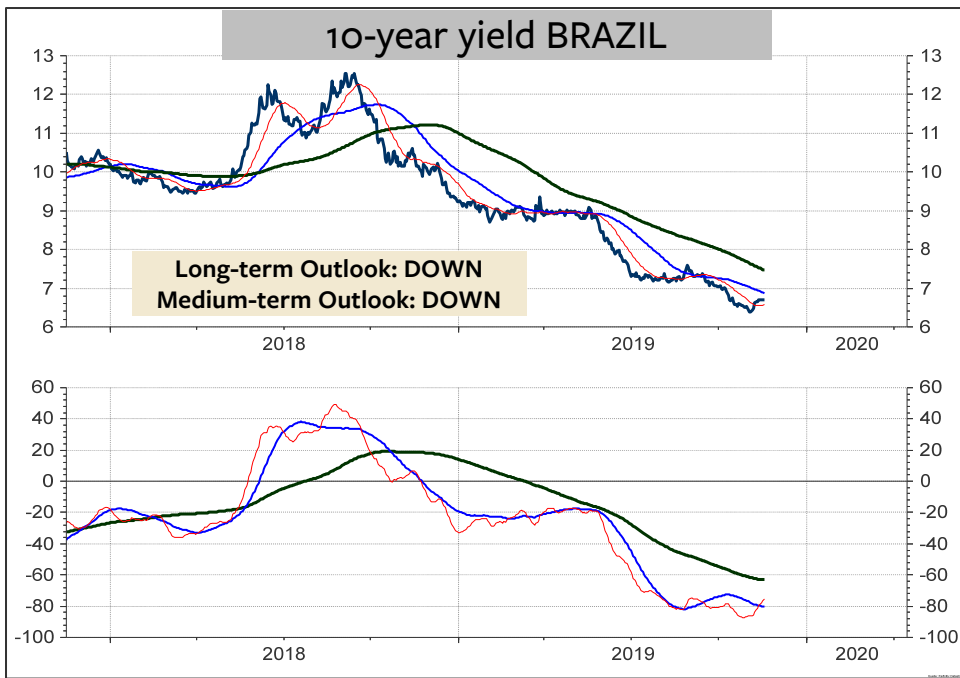












TOTAL RETURN FROM THE 7-10-YEAR GOVERNMENT BONDS

In many countries, the Total Return has declined to the long-term support, a break of which would signal a bond price trend change not just of long-term degree but possibly also, of secular degree, i.e. the secular uptrend which began in the year 1980 could top out.

A medium-term rebound in most Total Return charts is unfolding from the yield high on 7th November 2019. It could well persist into early 2020. If the medium-term momentum indicators register their next top and by then the Total Return still trades below the September high, then a long-term bond sell signal will be triggered.

WHAT YOU SHOULD DO: Watch the long-term support in the Total Return from the Swiss 7-10-year Conf Bonds, a break of which could signal that the secular bond price uptrend from the year 1980 is topping.

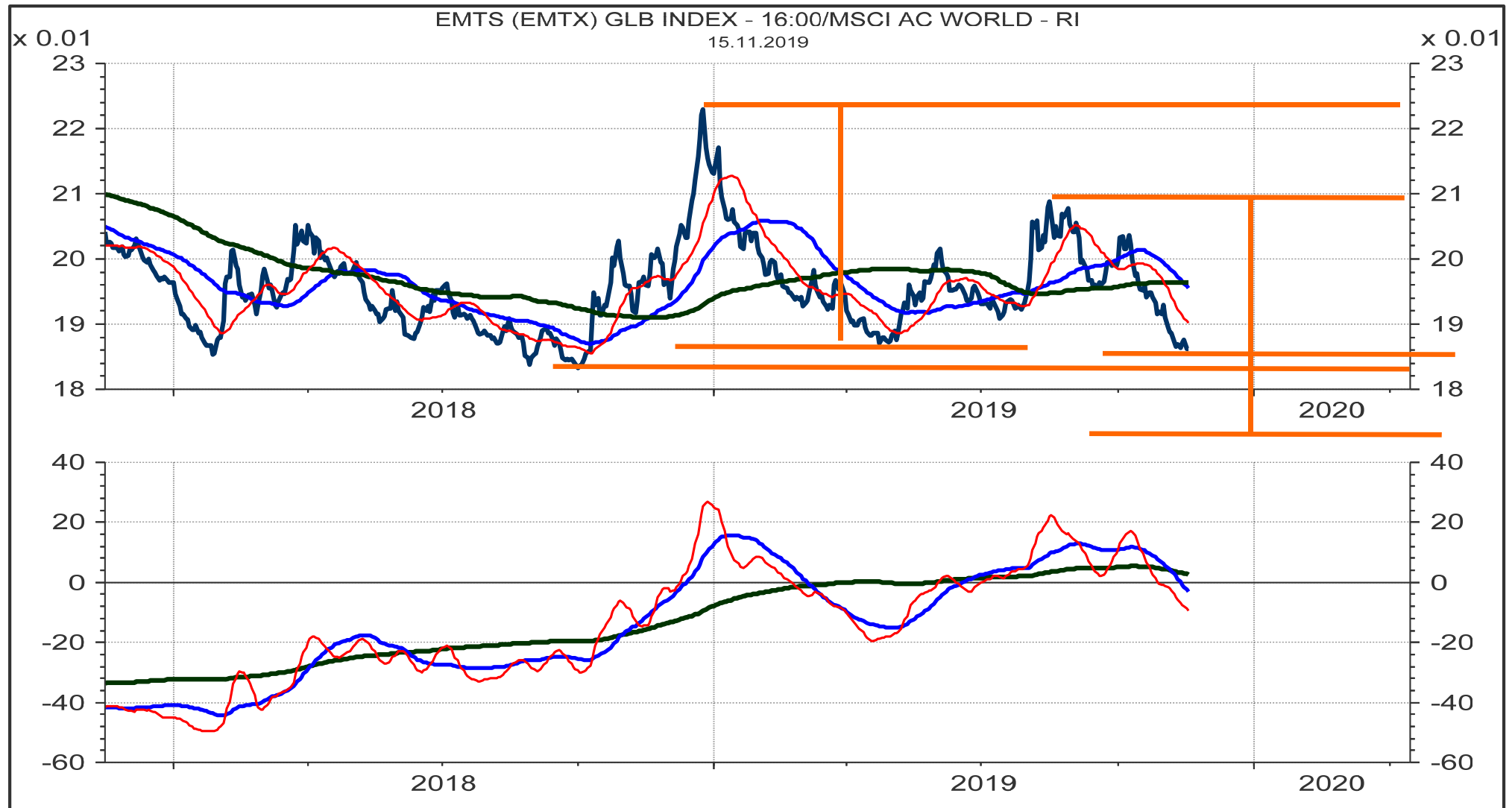
Global Government Bond Index relative to the MSCI World Stock Market Total Return Index

The Total Return Index from the Global 7-10-year Government Bonds is falling to the major support at 18.50 / 18.20.

A break of this support would mean that the global stock markets are breaking through their long-term resistance levels.

Such a positive performance would mean that global stock continue to underperform global bonds.

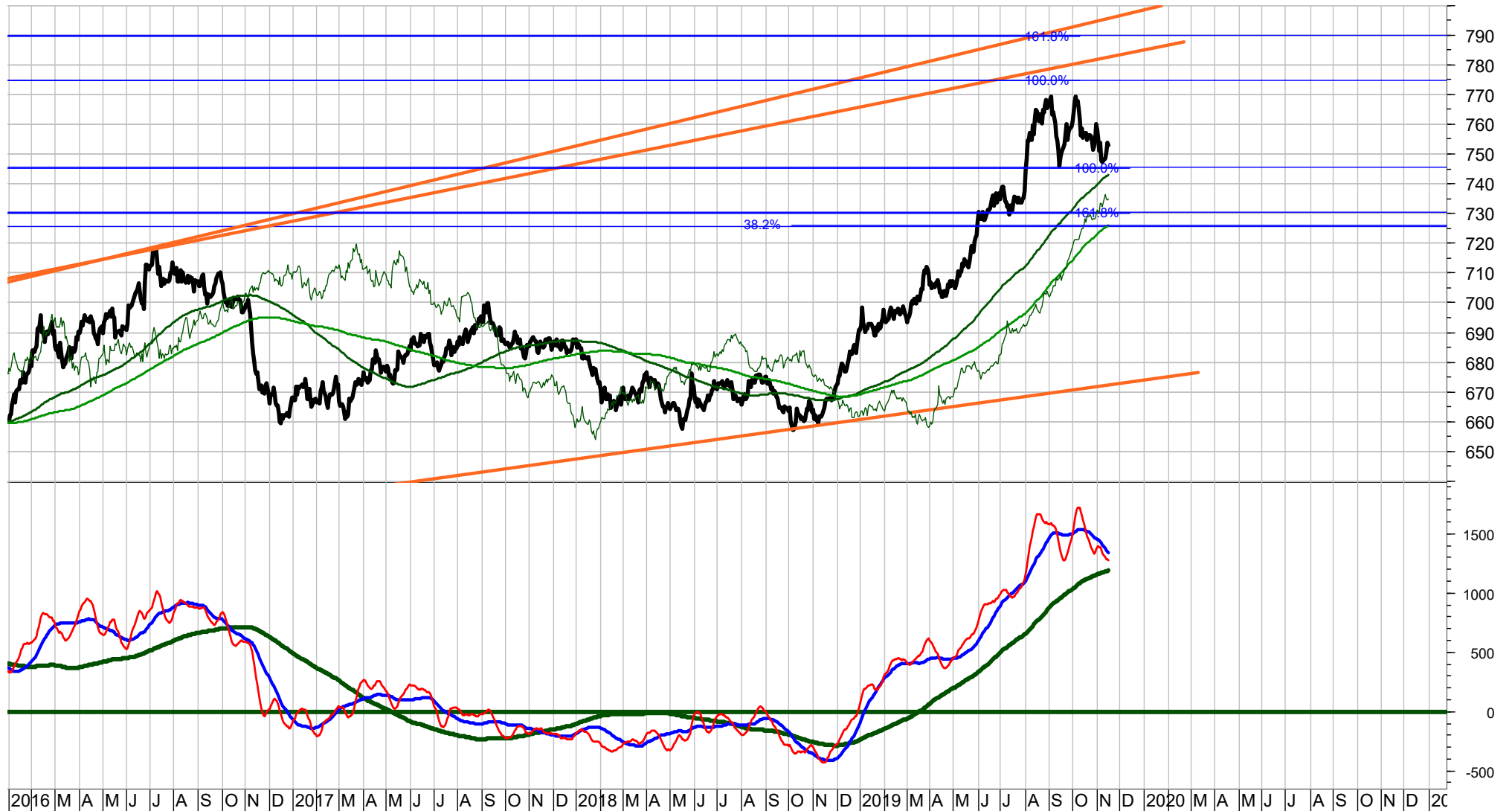
However, as I discussed in the section stock market indices, I expect at least a medium-term equity correction before the chart below breaks below 18.



Total Return from 7-10 year US Treasury Notes – *The long-term uptrend remains in place*

The Total Return from the 7-10-year T-Notes is bouncing off the lower end of the consolidation range from early September. Clearly, the long-term outlook would move to DOWN if the 144-day average (at 740) and the long-term momentum reversal at 735 are broken. Such breaks would trigger a long-term SELL signal for the US 10-year bonds.

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



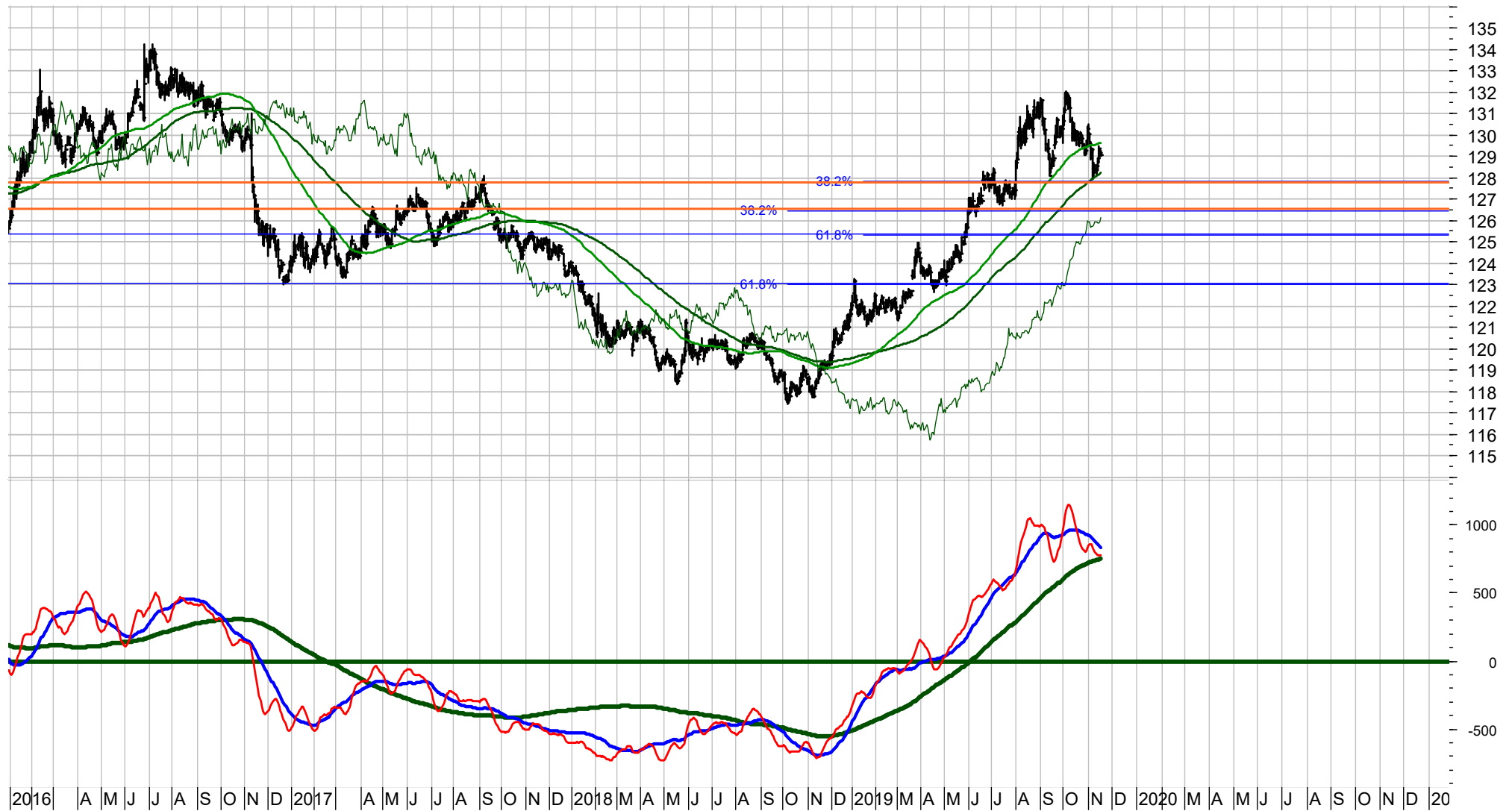
US Treasury Notes continuous Future – *The long-term uptrend remains in place above 127.50 / 126.50*

The T-Notes Future remains in its consolidation from early September.

Presently, it is testing the support at 127.50.

My Trend and Momentum Model (based on the 89-day and 144-day averages and the long-term momentum reversal) indicates that it would take a price decline below 126 to signal a new long-term downtrend.

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

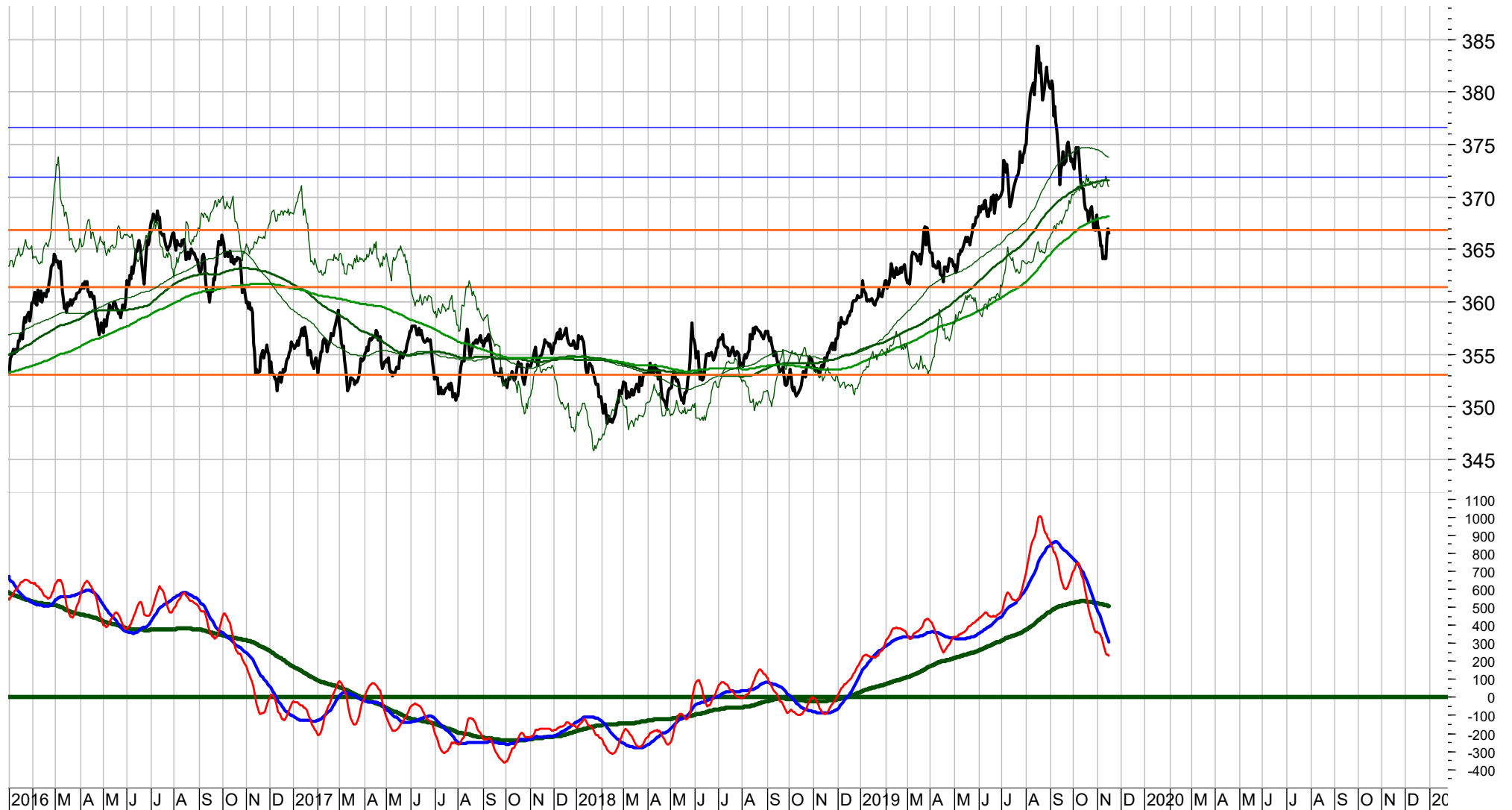


Total Return from 7-10 year Swiss Conf Bonds – Watch for a medium-term rebound

The Total Return from the Swiss 7-10-year bonds is bouncing off the support range between 365 and 367. It is testing the 144-day and 233-day averages and the long-term momentum reversal at 371 from below. Resistance is at 372 and 376.50.

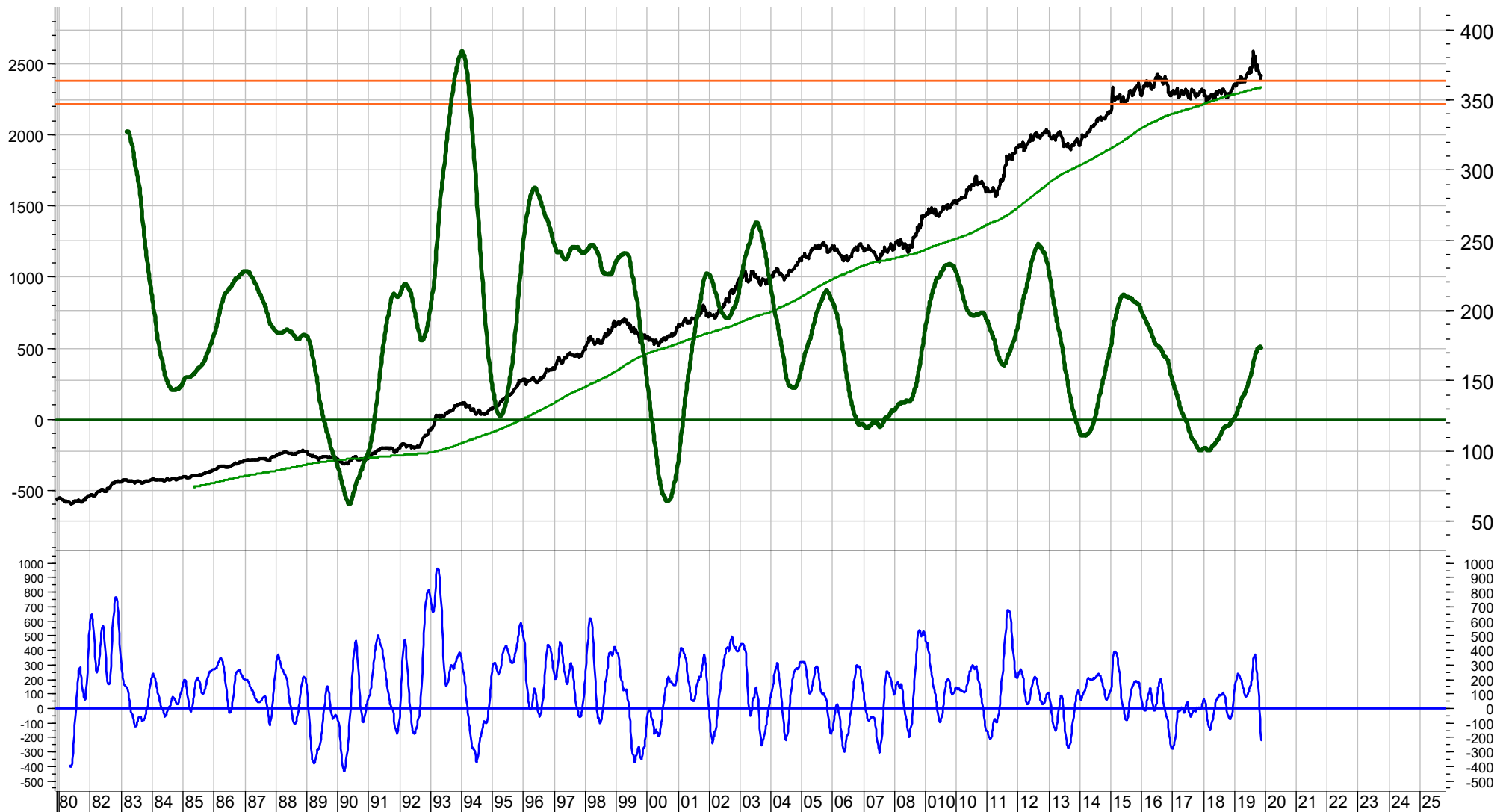
Clearly, a break of 361 / 353 would signal the turn of the secular uptrend from the year 1980, as shown on the next page.

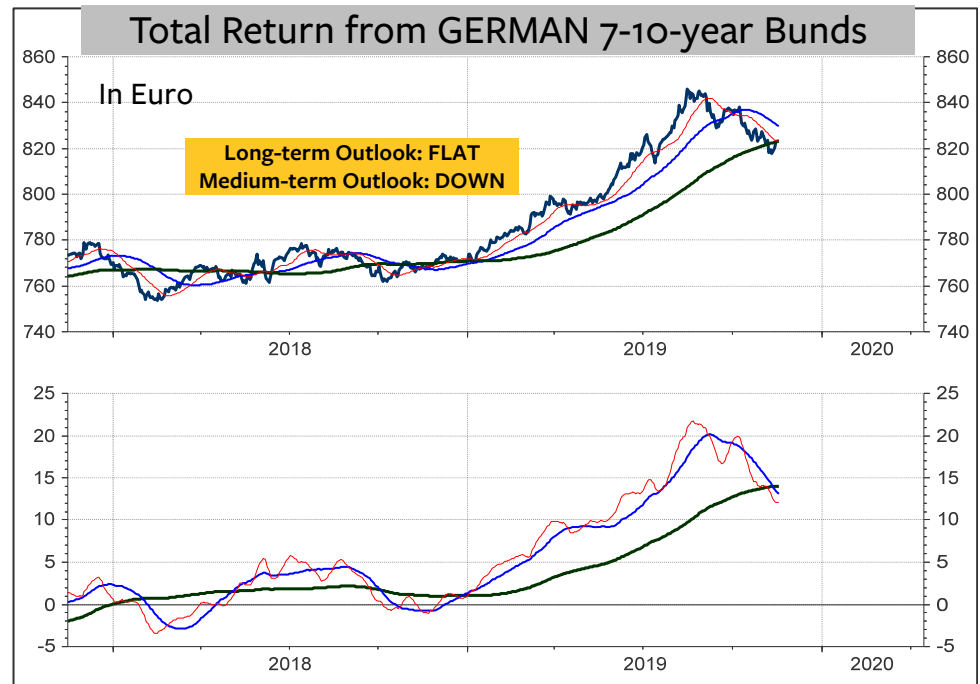
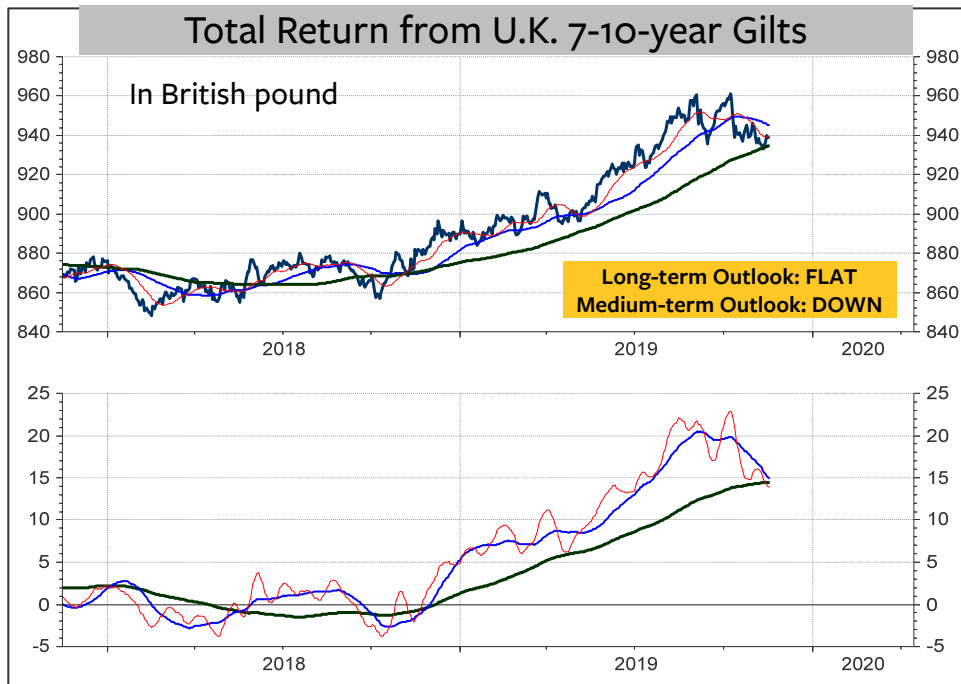
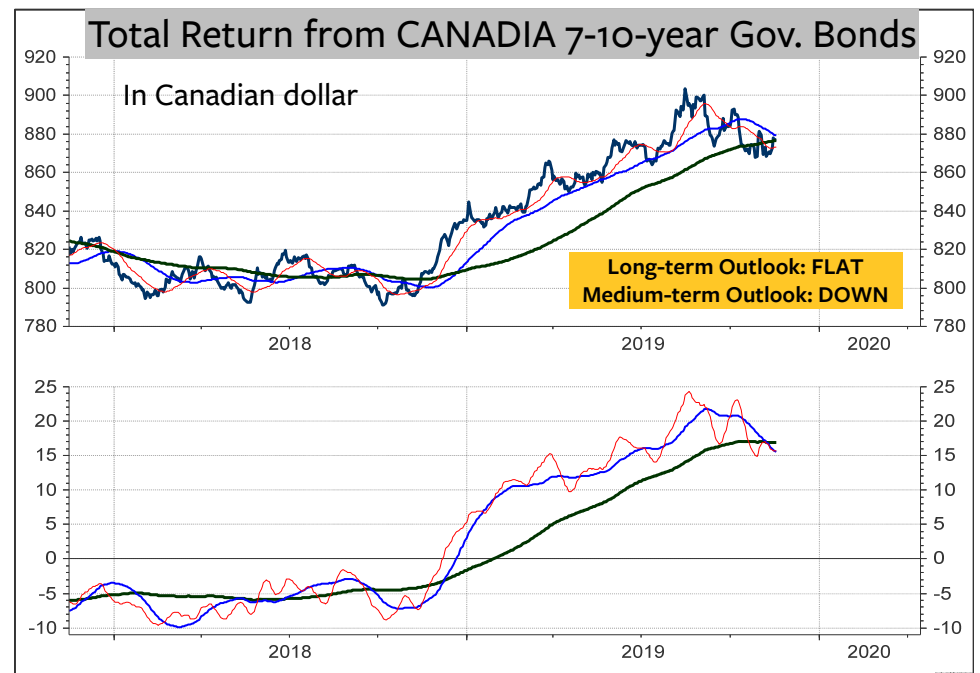
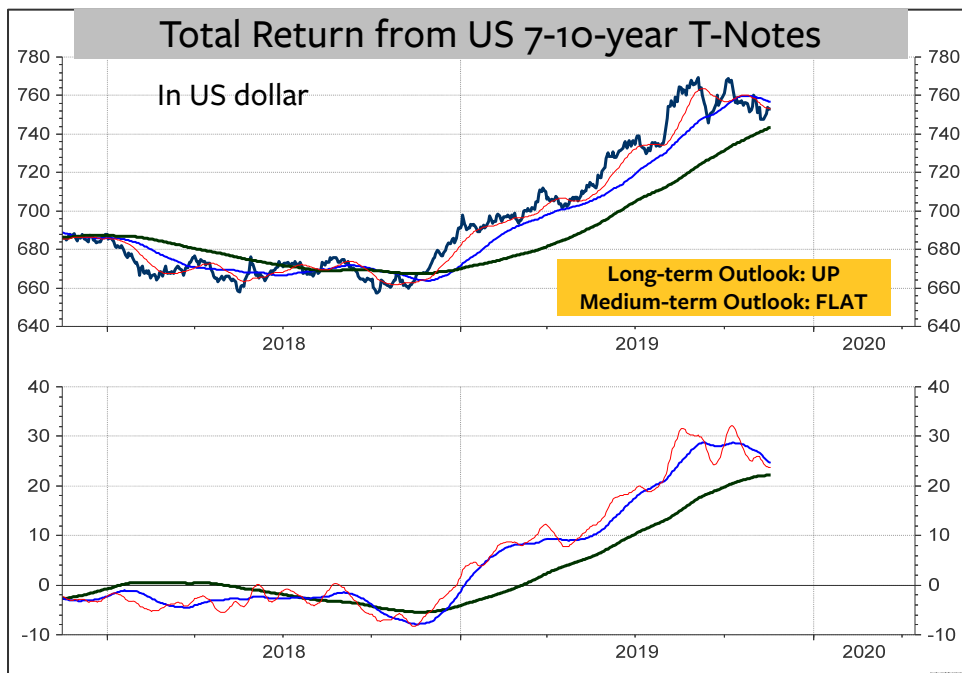
Long-term Outlook: DOWN
Medium-term Outlook: DOWN

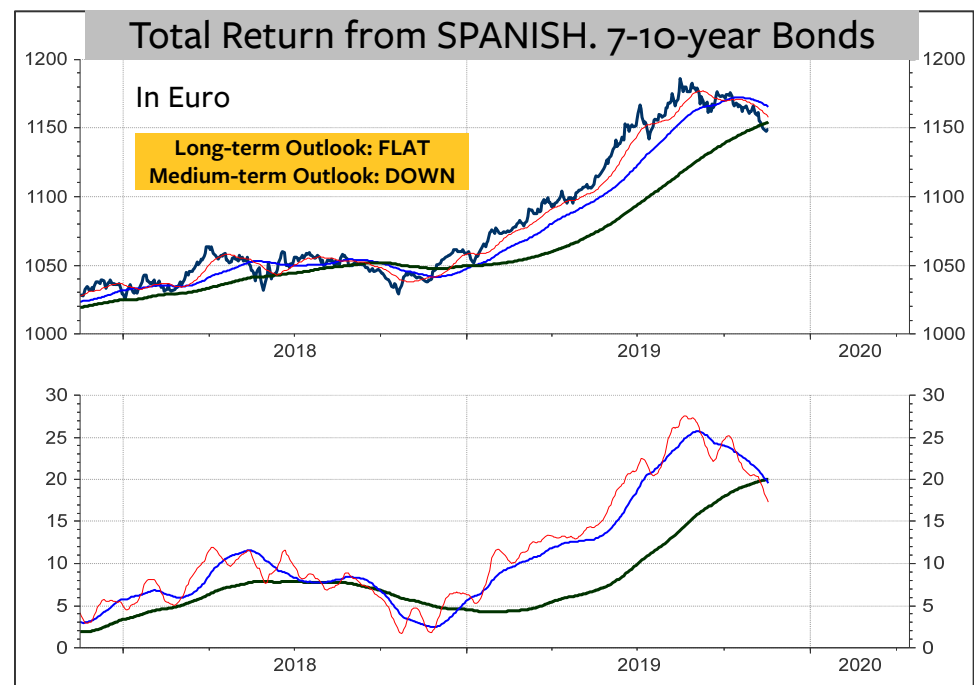
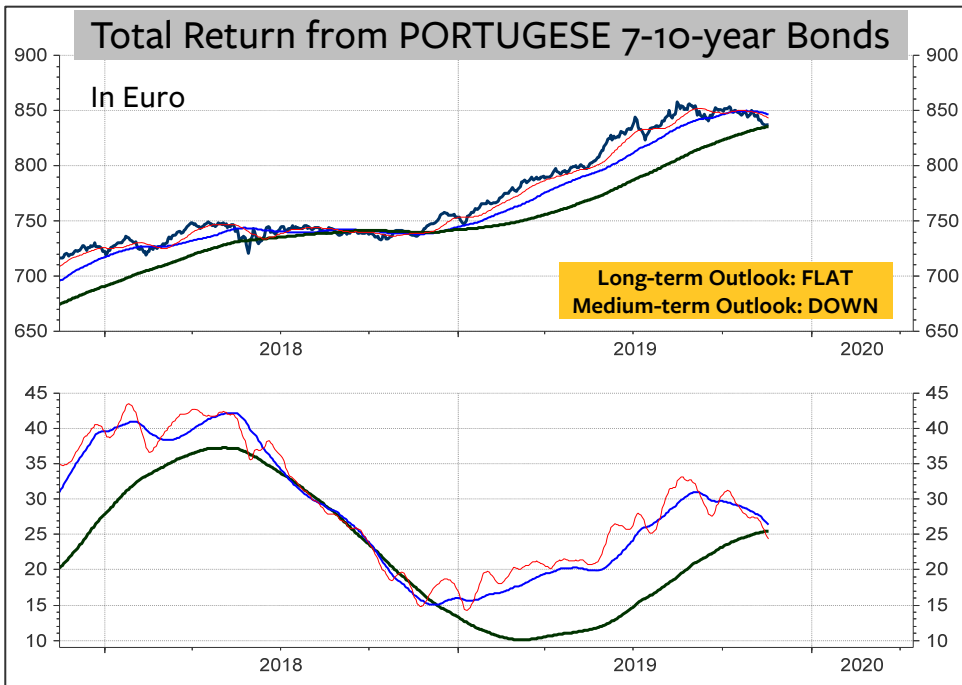
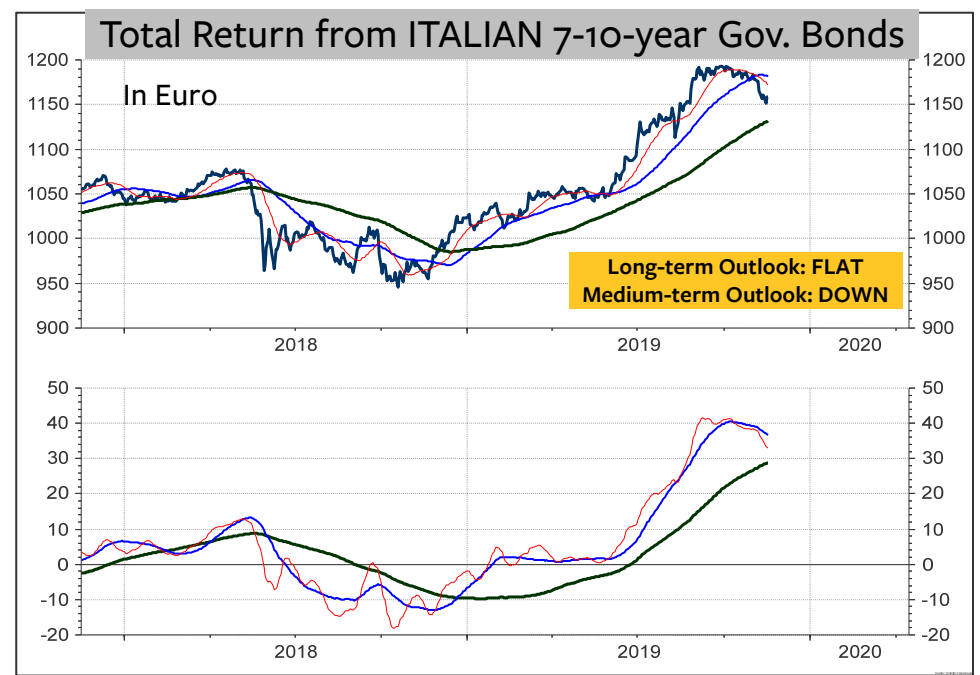
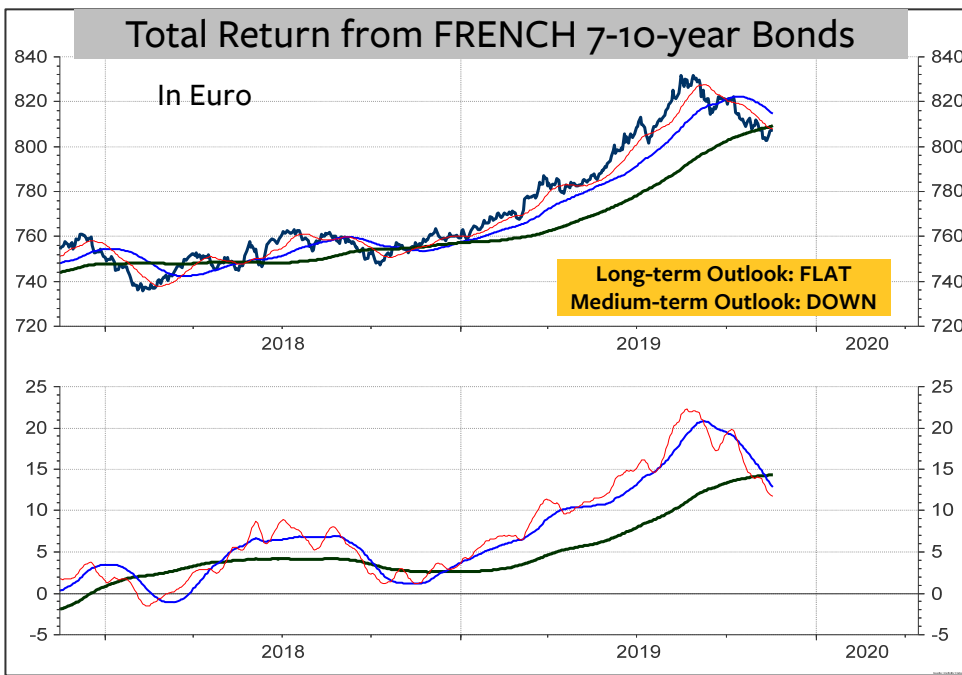


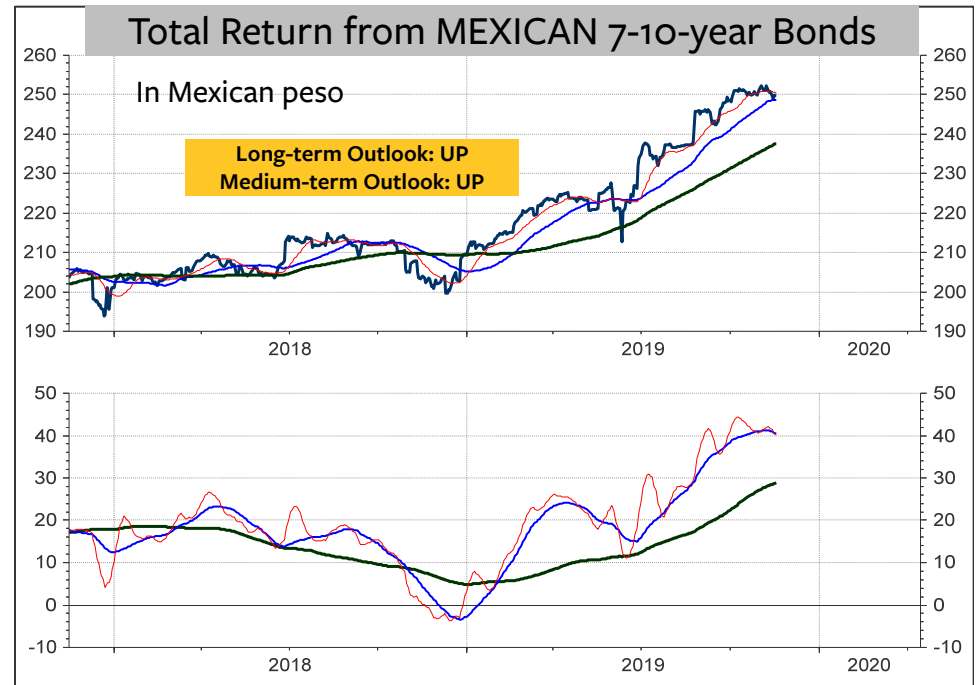
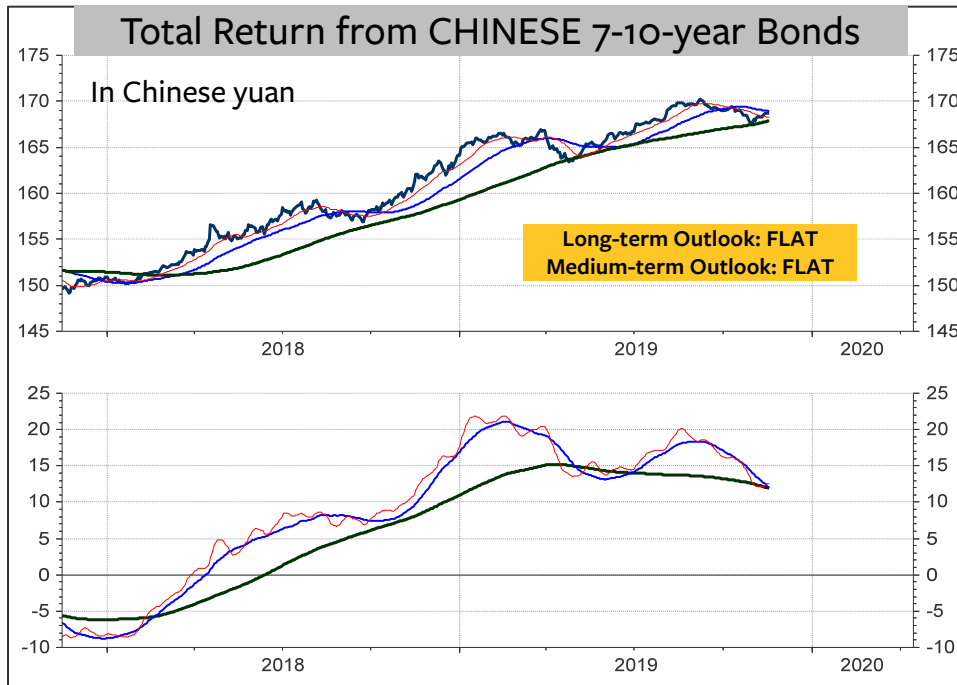
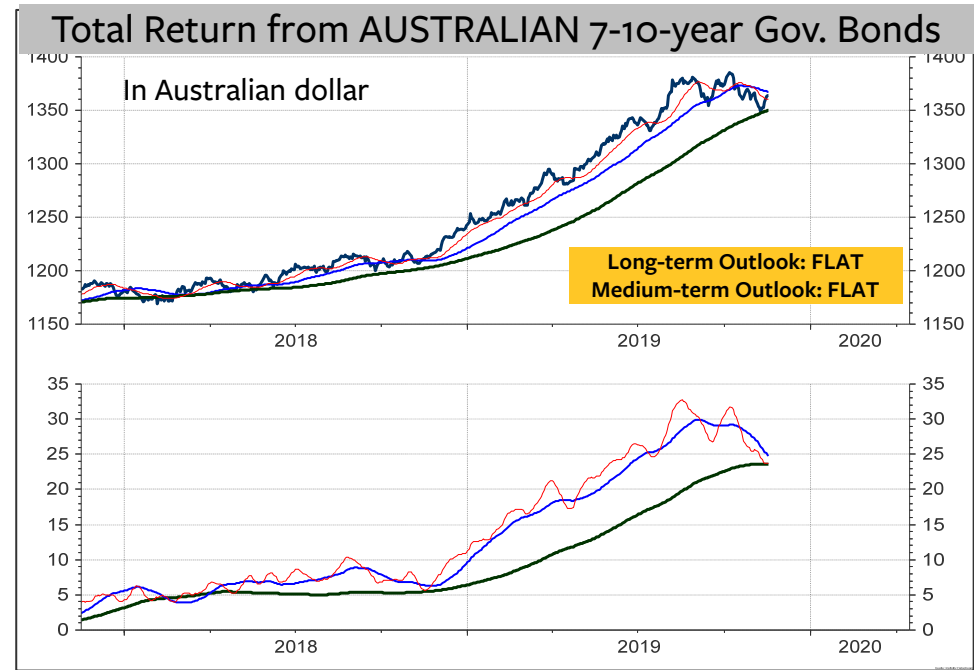
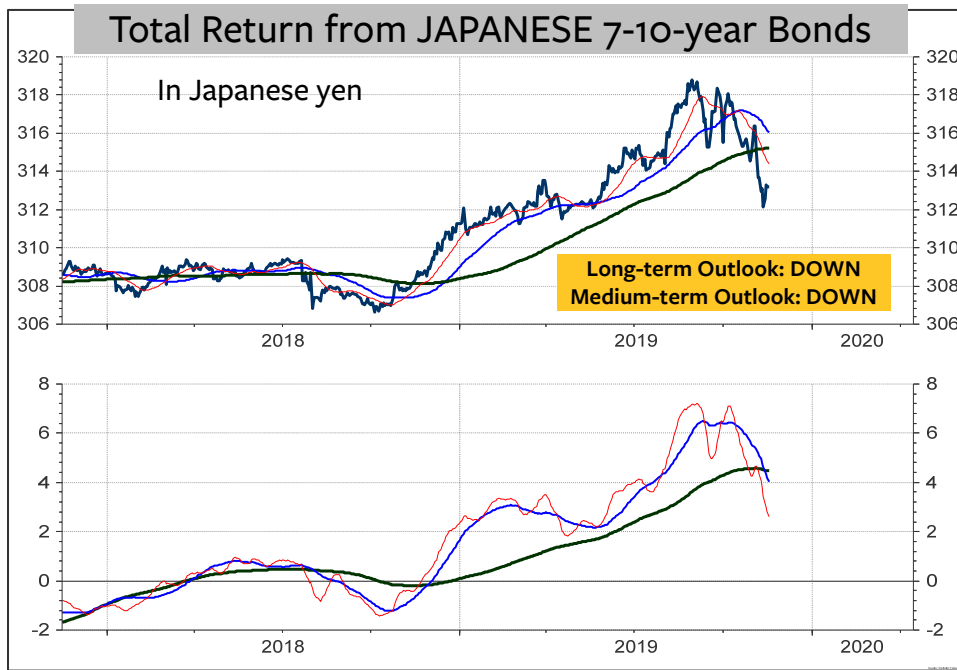
Total Return from 7-10 year Swiss Conf Bonds – weekly chart – *The secular uptrend could top*

The chart below shows the uptrend in the Total Return from the Swiss 7-10-year bonds, which has been unfolding since the yield peak in the year 1980. The long-term momentum oscillator (green) is topping. It signals that the momentum is likely to decline over the next 12 months. A break of the supports at 361 / 353 would trigger the respective SELL signals.









FOREX

The downtrend in the fiat-paper-money relative to Gold (page 60), which began in December 2015 remains intact. But, the US dollar measured in Gold has entered a medium-term rebound.

The US dollar / Swiss franc is likely to fall to the support of the TRIANGLE at 0.95 or to the support of the FLAT at 0.91.

The US dollar is at risk of turning lower against most currencies, except against the Chinese yuan.

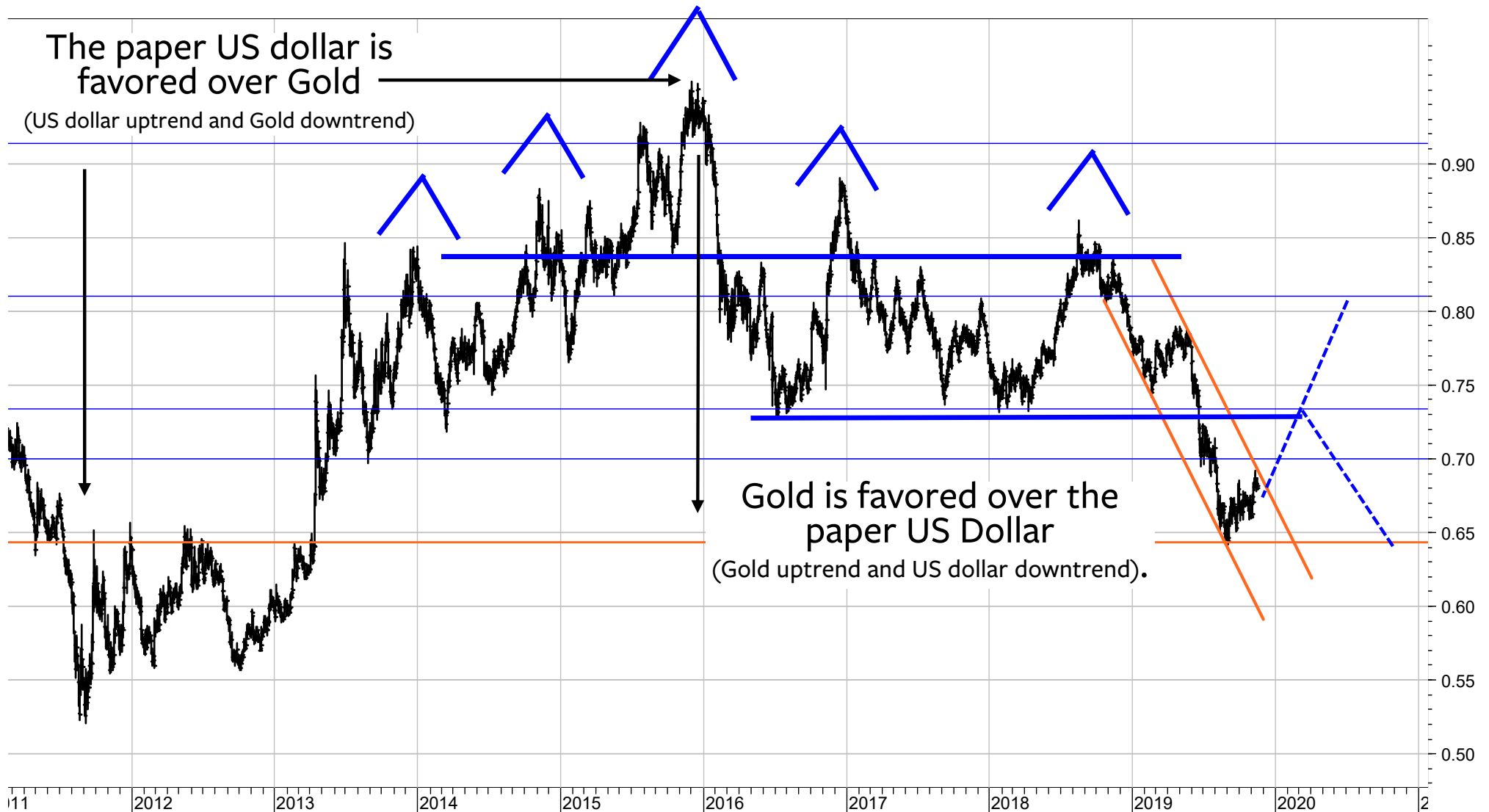
The Euro would signal a new uptrend if US\$ 1.1110 and 1.1180 can be broken.

The Aussie dollar would signal a new uptrend if US\$ 0.6950 and 0.7050 is broken.

WHAT YOU SHOULD DO: Watch the Euro, Australian dollar and British pound to see if they can turn their long-term trend upwards. This would mirror the downturn in the US dollar.

Metal versus Paper Money - US DOLLAR measured in Gold

Gold has been favored over the paper Dollar since the US dollar peak in December 2015 at 0.96. From this high the US dollar has been devalued by 33% against Gold to the low in August 2019 at 0.63. The pattern in the US dollar appears as large Head and Shoulder Top with the neckline at around 0.72. The present rebound could provide the test of the neckline from below, which is typical for H&S formations. However, the US dollar must not rise above 0.74 if the fiat-money-downtrend from 2015 is to remain intact.



Swiss franc per US DOLLAR – daily chart – *Still looking for US dollar weakness to 0.95 or 0.91*

My focus on US dollar / Swiss franc is on the big triangle, which has been forming since the high at 1.0350 in December 2016. Clearly, a break of 0.9850 and 0.9750 would activate the support of Wave C at 0.95 ($C=0.618 \times A$), a break of which would signal that a flat correction is unfolding with a target at 0.92 / 0.91 (Wave C = 1 x Wave A).

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



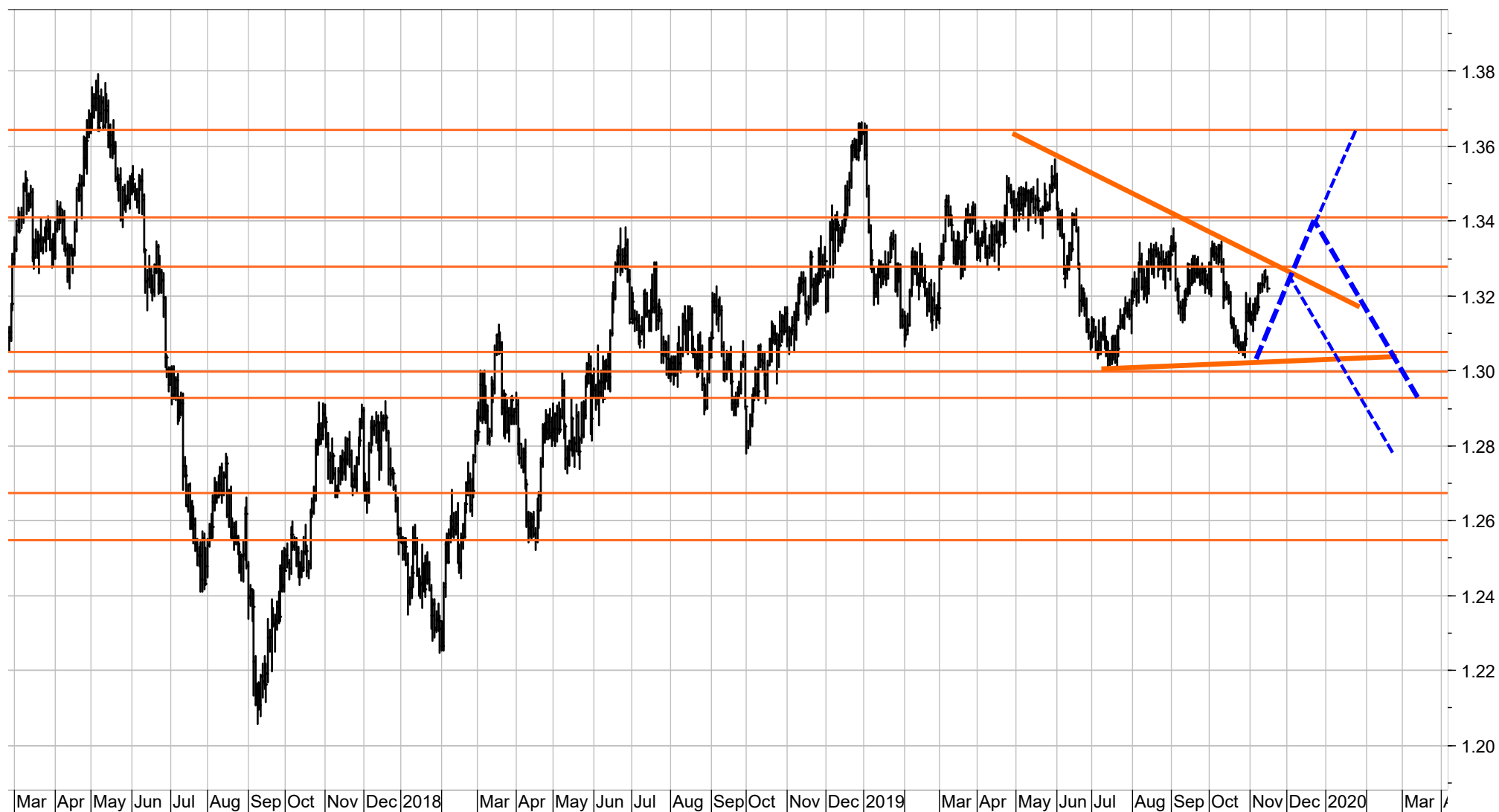
Canadian dollar per US DOLLAR – Major US dollar downturn if 1.31 / 1.29 is broken

My focus on US dollar / Canadian dollar is on the triangle, which has been forming since the high at 1.36 in December 2018.

The resistance levels are at 1.33 and 1.34.

The supports are at 1.30 / 1.29 and 1.26 / 1.25.

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

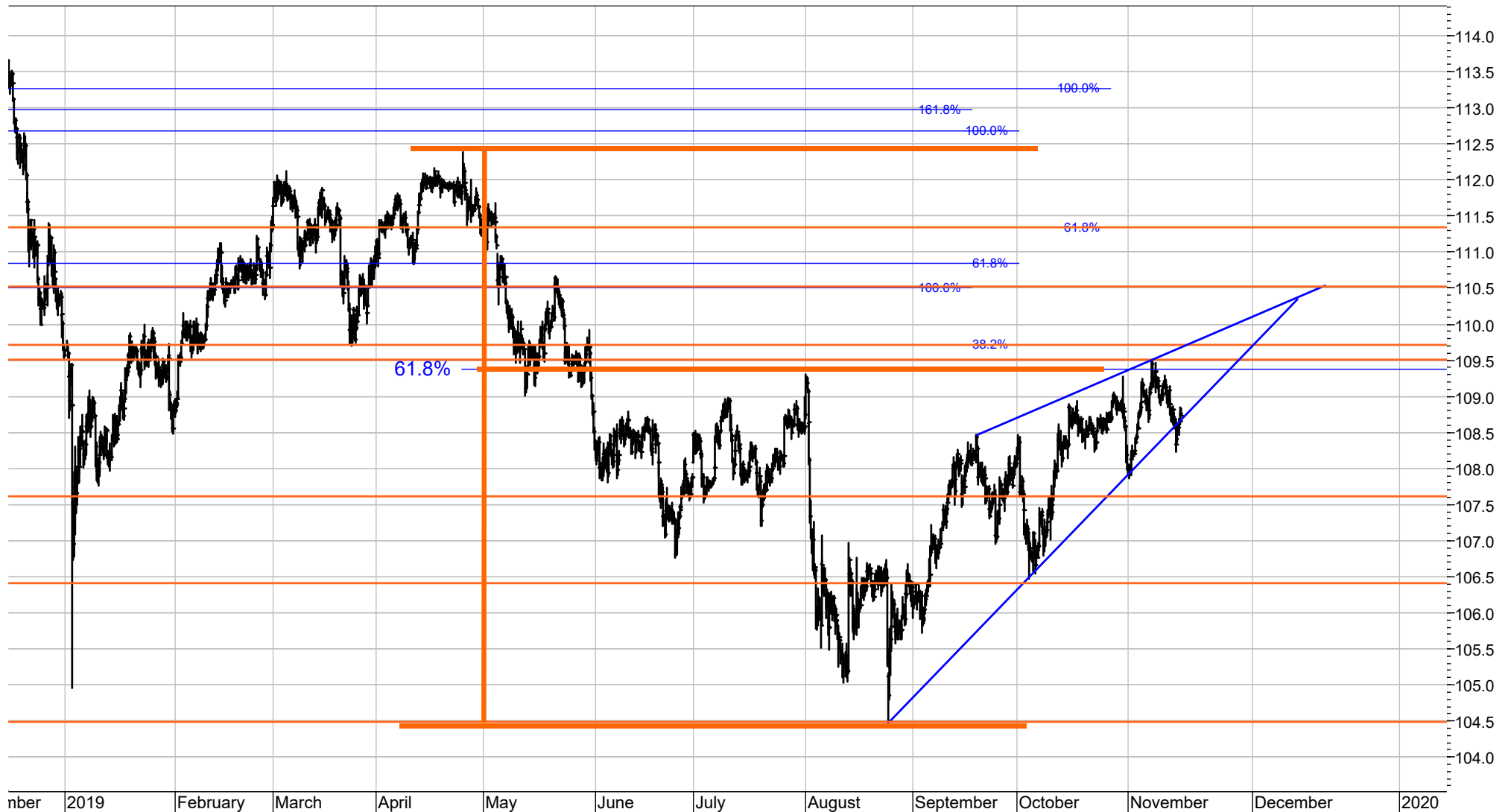


Japanese yen per US DOLLAR – 240-minute chart – *Long-term resistance is at 109.50 / 110.50*

The US dollar has rallied from August to the recent high at 109.70. This rally has retraced quite exactly 61.80% of the decline from April to August. A break of 109.70 would signal a shift in the long-term outlook to FLAT and a medium-term upgrade to UP.

The presently unfolding decline has supports at 107.60 and 106.40.

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

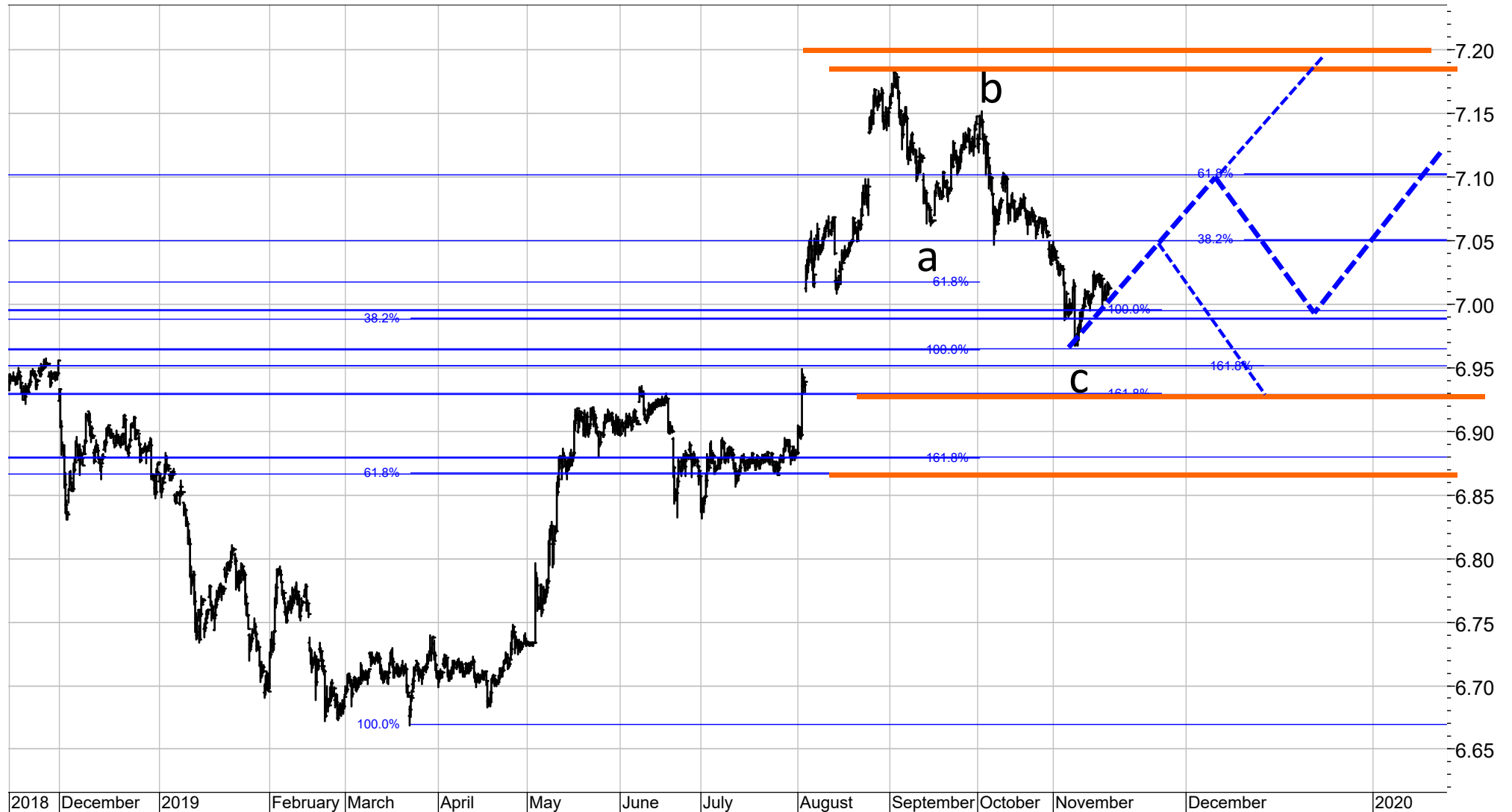


Chinese yuan per US DOLLAR – 240-minute chart – US dollar correction with long-term support at 6.86

The US dollar has just completed a Flat correction a-b-c, in which Wave c is 1.618 times the length of Wave a at 6.95.

The odds still favor the resumption of the US dollar uptrend above the long-term resistance at 7.20. Clearly, the bullish US dollar outlook would be negated only if 6.93 / 6.86 is broken.

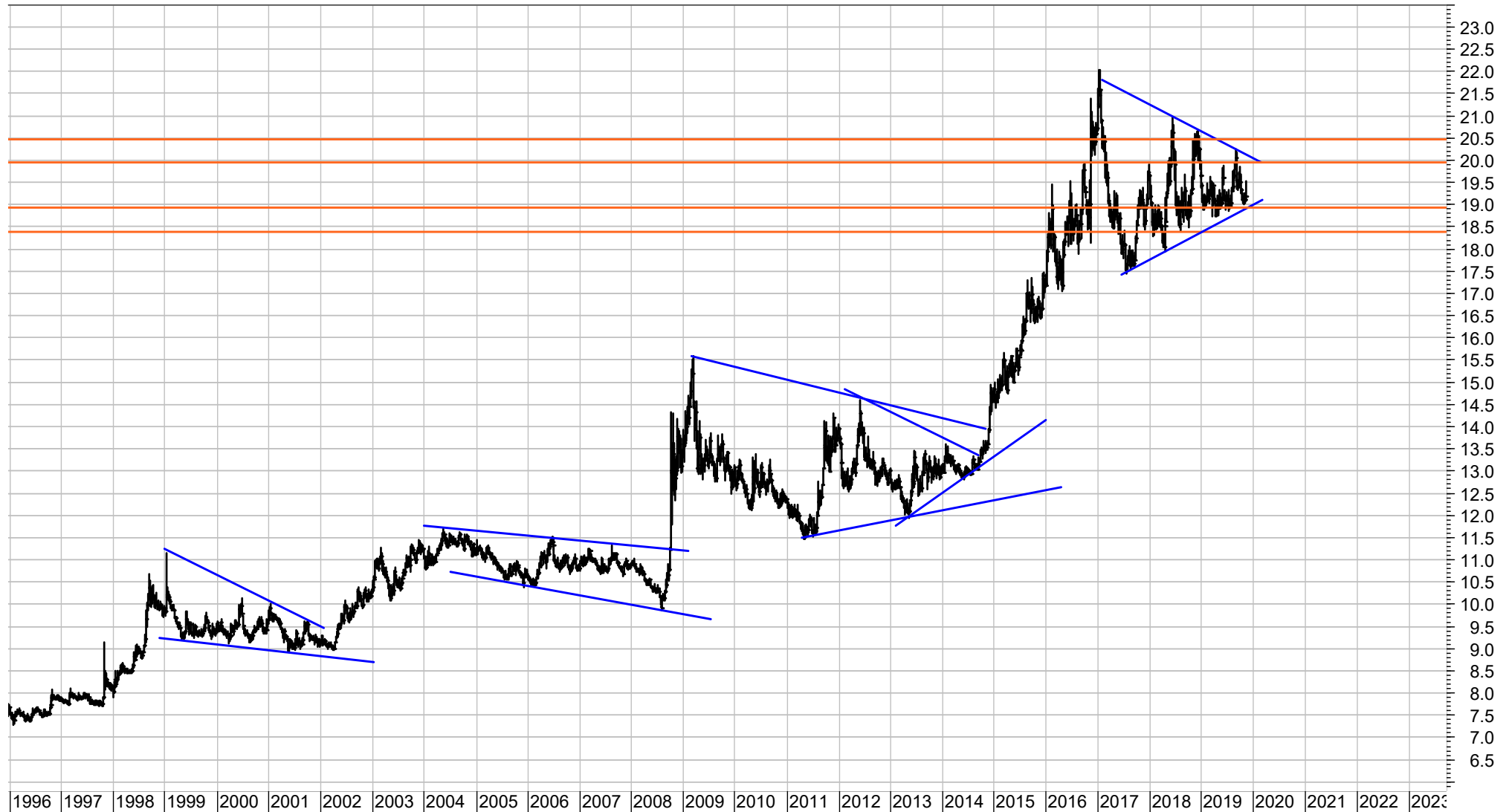
Long-term Outlook: UP
Medium-term Outlook: FLAT



Mexican peso per US DOLLAR – weekly chart – *Waiting for a break of the triangle*

The US dollar remains in the Horizontal Triangle from 2017.
Supports are 18.90 and 18.40.
Resistances are at 20 and 20.50.

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



US dollar per EURO – 240-minute chart – *New Euro uptrend signal if 1.1180 is broken*

My focus on the Euro is if it finally turns around and terminates the long-term downtrend from February 2018 at 1.2560 and enters a new long-term uptrend.

The Euro has just completed an Irregular Flat a-b-c, in which Wave c was 1.618 times the length of Wave a.

Moreover, the Flat has retraced 61.80% of rise in October. This corrective pattern implies that the Euro should rally further and test 1.1180 and possibly 1.13. Key resistance levels are 1.1065, 1.1110 and 1.1180.

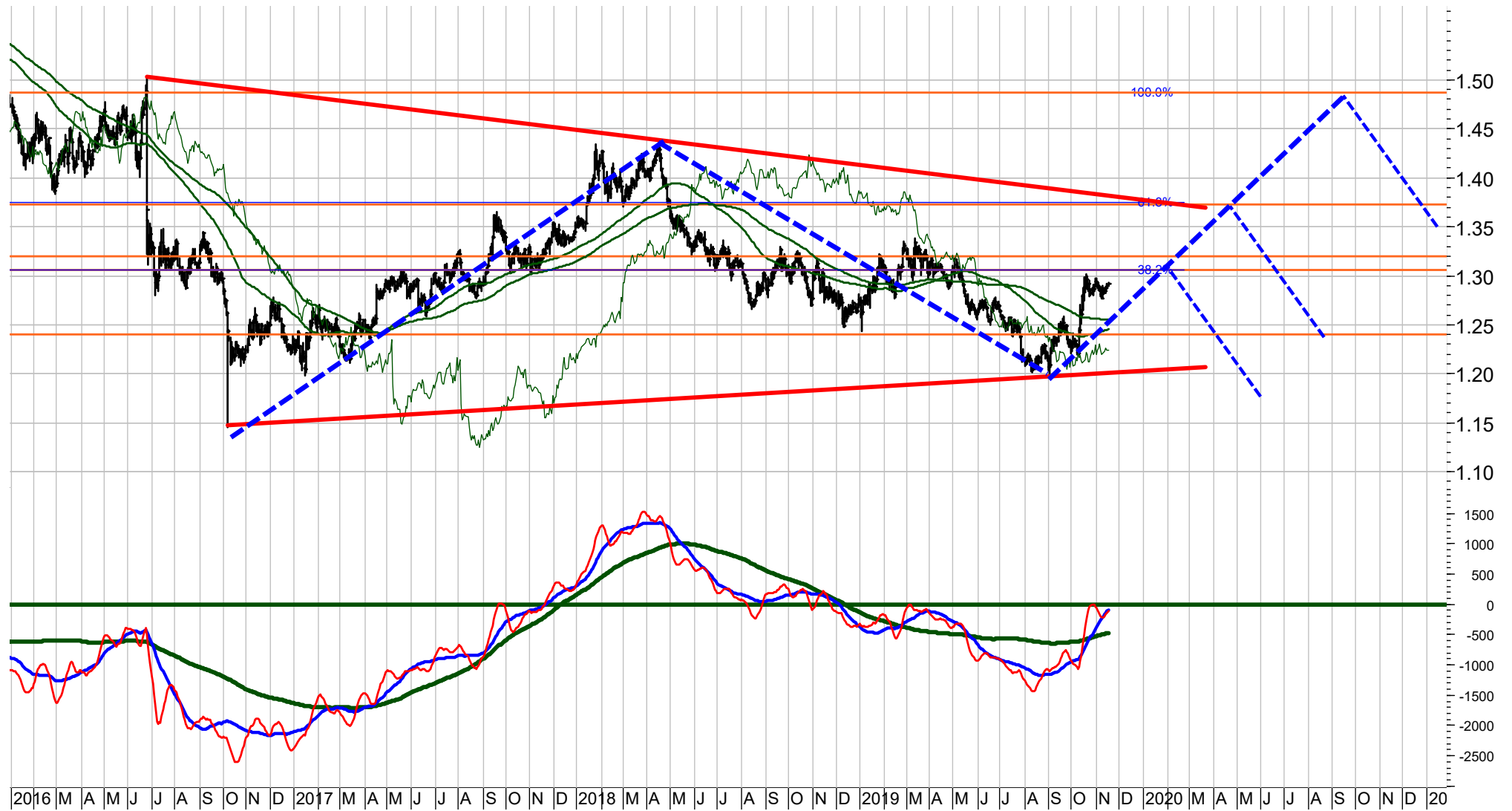
Long-term Outlook: FLAT
Medium-term Outlook: UP



US dollar per BRITISH POUND – daily chart – *Long-term Pound uptrend signal if 1.32 is broken*

The Pound is still digesting the October-price surge. Support is at 1.24.
A break of 1.30 / 1.32 would signal 1.38 (Wave C = 0.618 x Wave A) or 1.48 (Wave C = 1 x Wave A).

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



US dollar per AUSTRALIAN DOLLAR – daily chart – *Watching if a new uptrend in the Aussie is signaled*

My focus on the Australian dollar is if it makes the turnaround or if it extends the long-term downtrend from January 2018 at 0.8150 and registers another new low below 0.6650.

For a new medium-term and possible long-term uptrend signal the Aussie must rise above 0.6950 and 0.7050. Clearly, a break of 0.6770 would signal that the Wedge formation from February 2019 is adding one more lower-low with supports at 0.6670 or 0.65.

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



Swiss franc per EURO – daily chart – *The Euro remains in the long-term downtrend, unless 1.10 / 1.11 is broken*

It still appears that the short-term November-decline still belongs to the long-term Euro downtrend, which began in April 2018 at 1.20. The decline could now take the Euro below the low of September and confirm that the long-term downtrend remains in place. Also quite probable is the formation of a triangle, projected below, in which the Euro takes more time until it breaks the September-low. My Medium-term Outlook would shift to DOWN again if 1.0850 / 1.08 is broken. Clearly, it would take a rise above 1.11 to signal a new medium-term and possibly long-term Euro uptrend.

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



US dollar per BITCOIN – Testing major support at around 8350

The Bitcoin remains in the correction from the spike-high at 10350 on 26th October 2019. The correction is shown at right. It has just reached the Fibonacci support at 8350. It appears the correction has traced out three legs a-b-c, in which wave b was a triangle. The key levels to watch are 8300, 8200, 7900, 7550, 7000 and 8700, 8850.



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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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