



GLOBAL CHART OUTLOOK

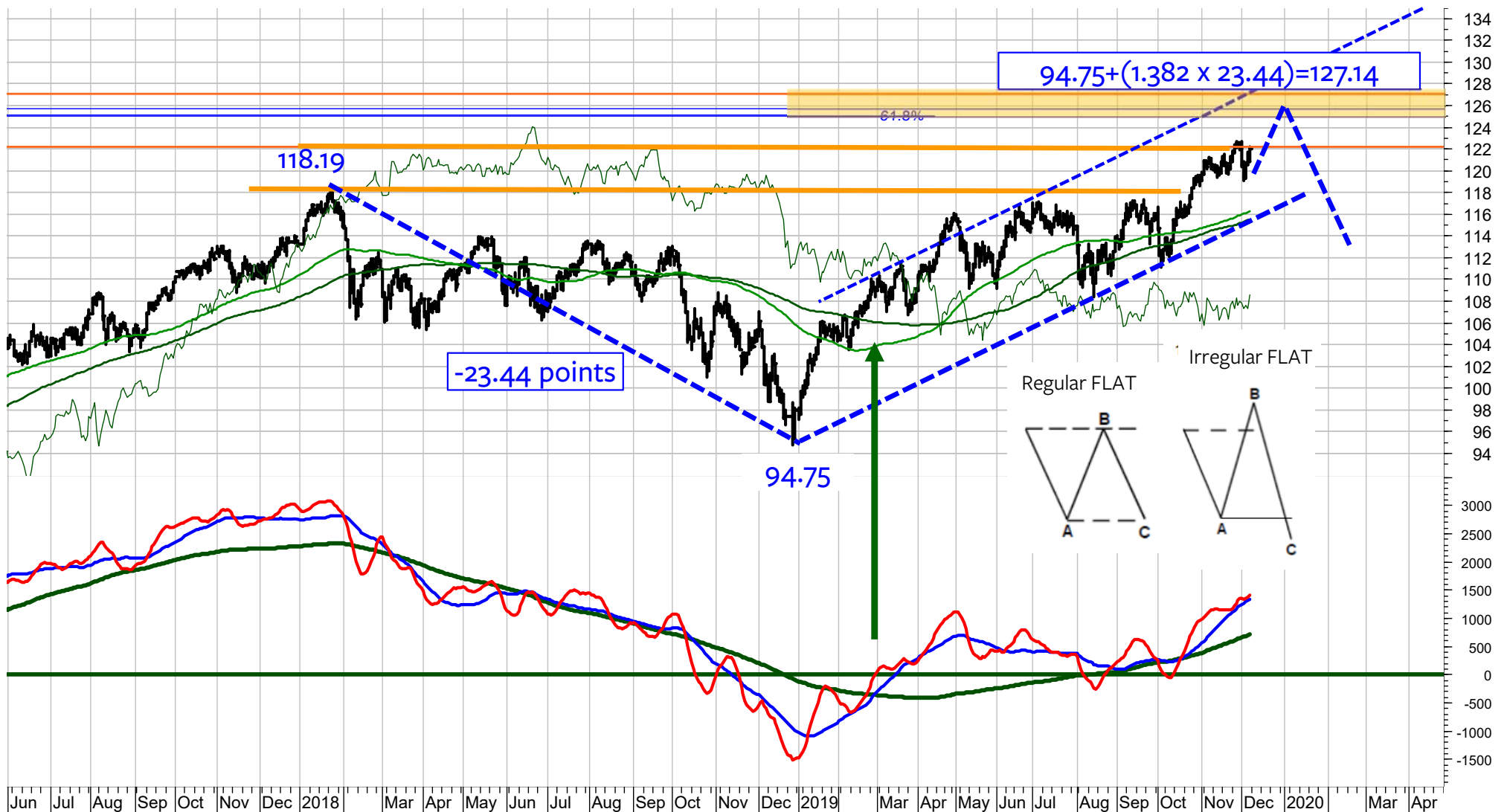
investing ahead of the crowd

GLOBAL MARKETS
9th December 2019 / Issue #47

Swiss Equally Weighted Price Index (.SOLECHPR) – daily chart

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

Early last week, the Equally Weighted Stock Market Index sold off from the resistance, which I had projected around 122. Later in the week, the Index managed to rebound. It could be forming a Head and Shoulder, which could be the top formation to the uptrend from August. It could be followed by a medium-term correction. However, a break in the index above the November-high would signal the extension of the uptrend to the resistance range 125 / 127. A medium-term term correction could start from there. **The Long-term and Medium-term Outlook remains unchanged UP and FLAT.**



Swiss Market Index SMI – daily chart

My Long-term Outlook remains UP as the Index is testing the long-term resistance at 10500 to 10800.
My Medium-term Outlook remains FLAT because the Index could be forming a Head and Shoulder Top or, even if the Index breaks above the high from November, the upside potential seems limited to 10700 / 800. The unfolding correction is shown on the 30-minute chart on the next page.

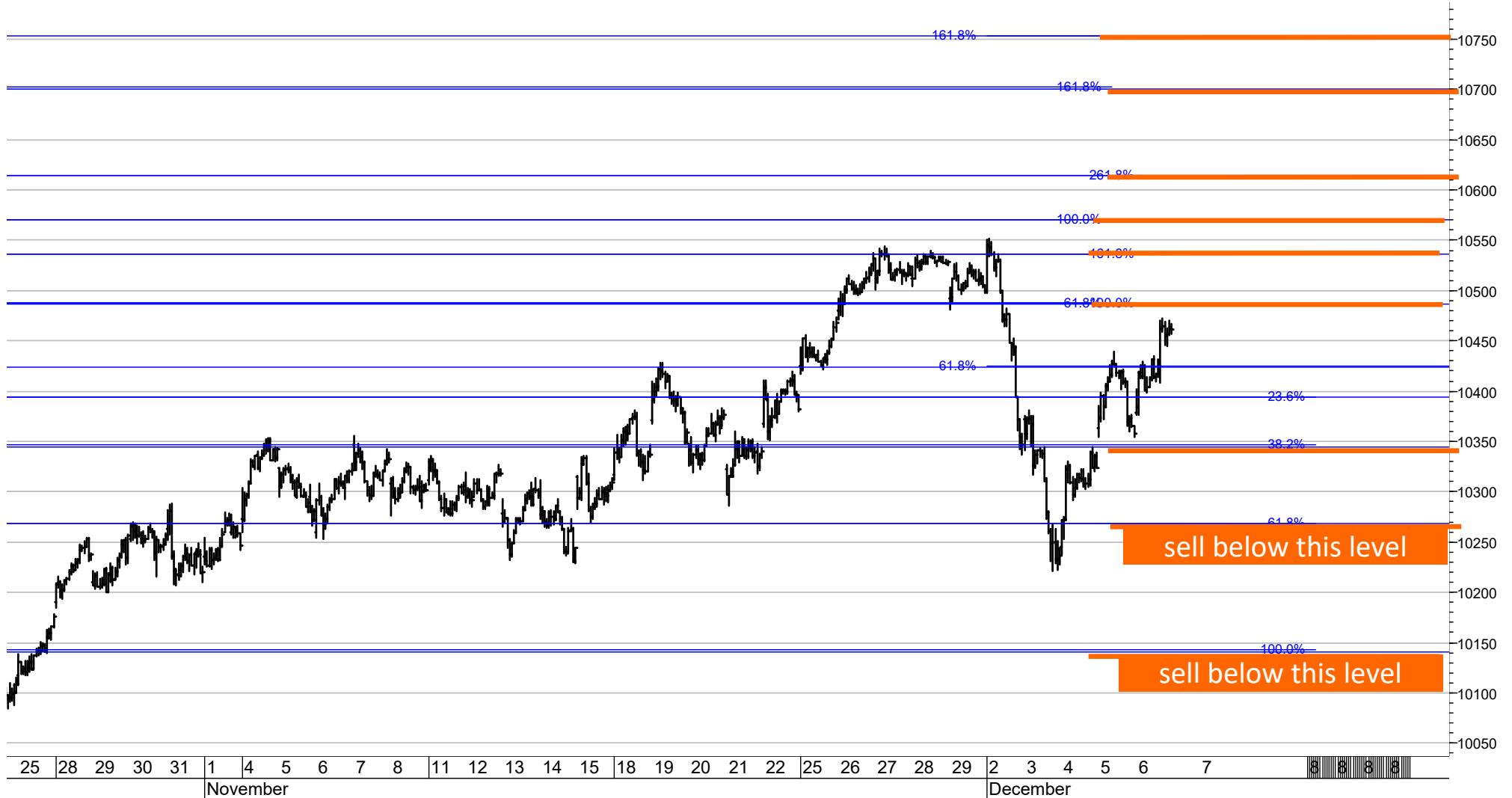
Long-term Outlook: UP
Medium-term Outlook: FLAT



Swiss Market Index SMI – 30-minute chart

The SMI sold off early last week. Given the steepness and the impulsive character of this decline, a medium-term correction could have started. The rebound from 3rd December has reached the resistance level 10490 / 10540, below which the pattern from early November can be interpreted as a Head and Shoulder Top. However, a break above 10540 / 10570 would negate the H&S Top formation and signal the extension of the uptrend towards 10700 / 10750.

On the lower side, the SMI would trigger a medium-term downtrend signal if the supports at 10340, 10270 are broken. The downtrend signal could even take on long-term degree if 10140 is broken.



Swiss MidCap Price Index (.SMIX) – daily chart

My Long-term Outlook remains FLAT because the SMIM is trading just below long-term resistance at 1080 / 1120.
My Medium-term Outlook remains UP unless the index breaks 1055.

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

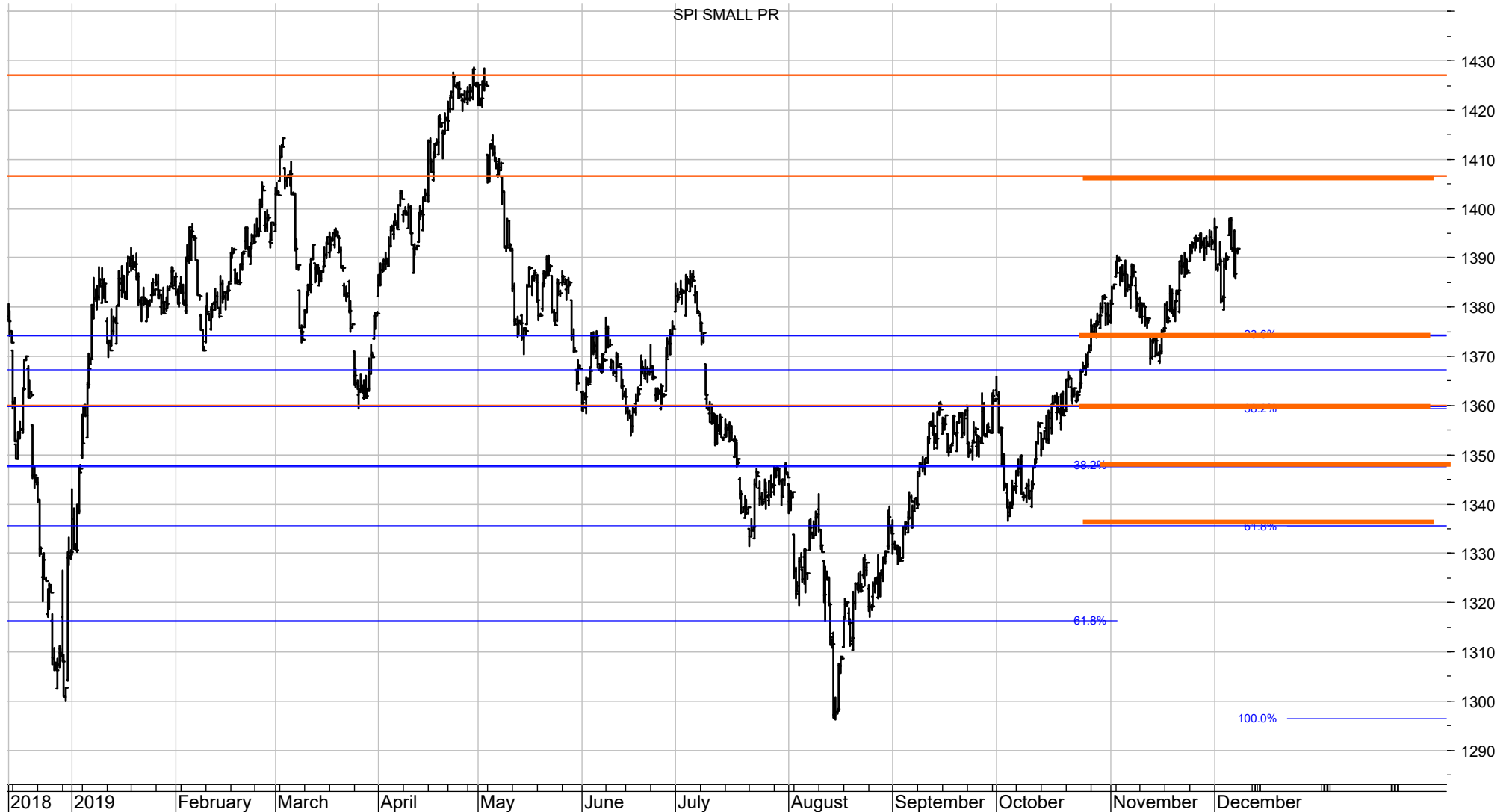


Swiss SmallCap Price Index (.SSIX) – 240-minute chart

My Long-term Outlook remains FLAT because the SSIX remains below the resistance cluster between 1408 and 1428.

My Medium-term Outlook remains UP unless the Index breaks 1375 (downgrade to FLAT) or 1360 (downgrade to DOWN).

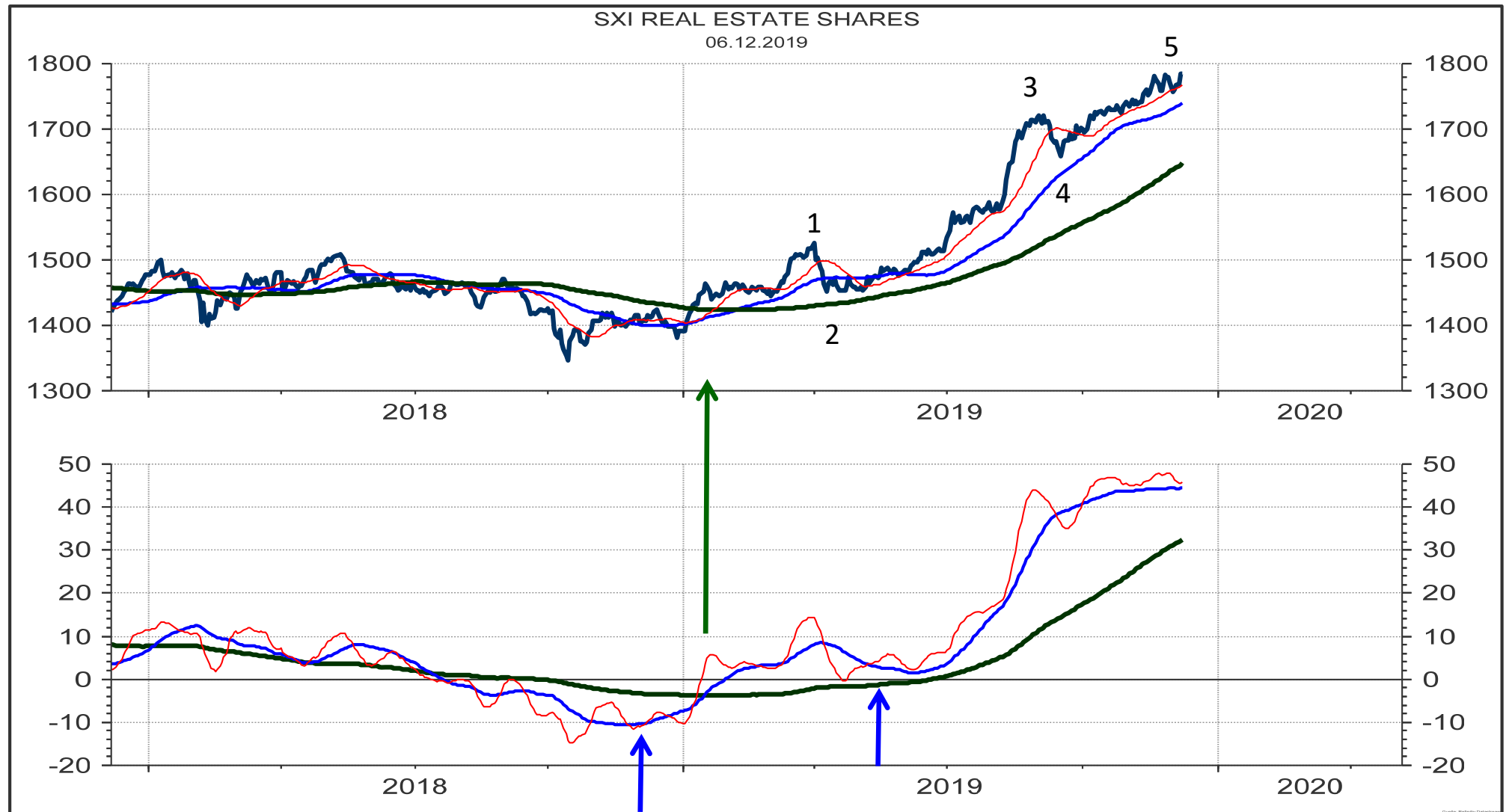
Long-term Outlook: FLAT
Medium-term Outlook: UP



SXI Swiss Real Estate Shares

Wave 5 is being extended by one more short-term upleg.

For now, my Medium-term Outlook remains FLAT and my Long-term Outlook remains UP.



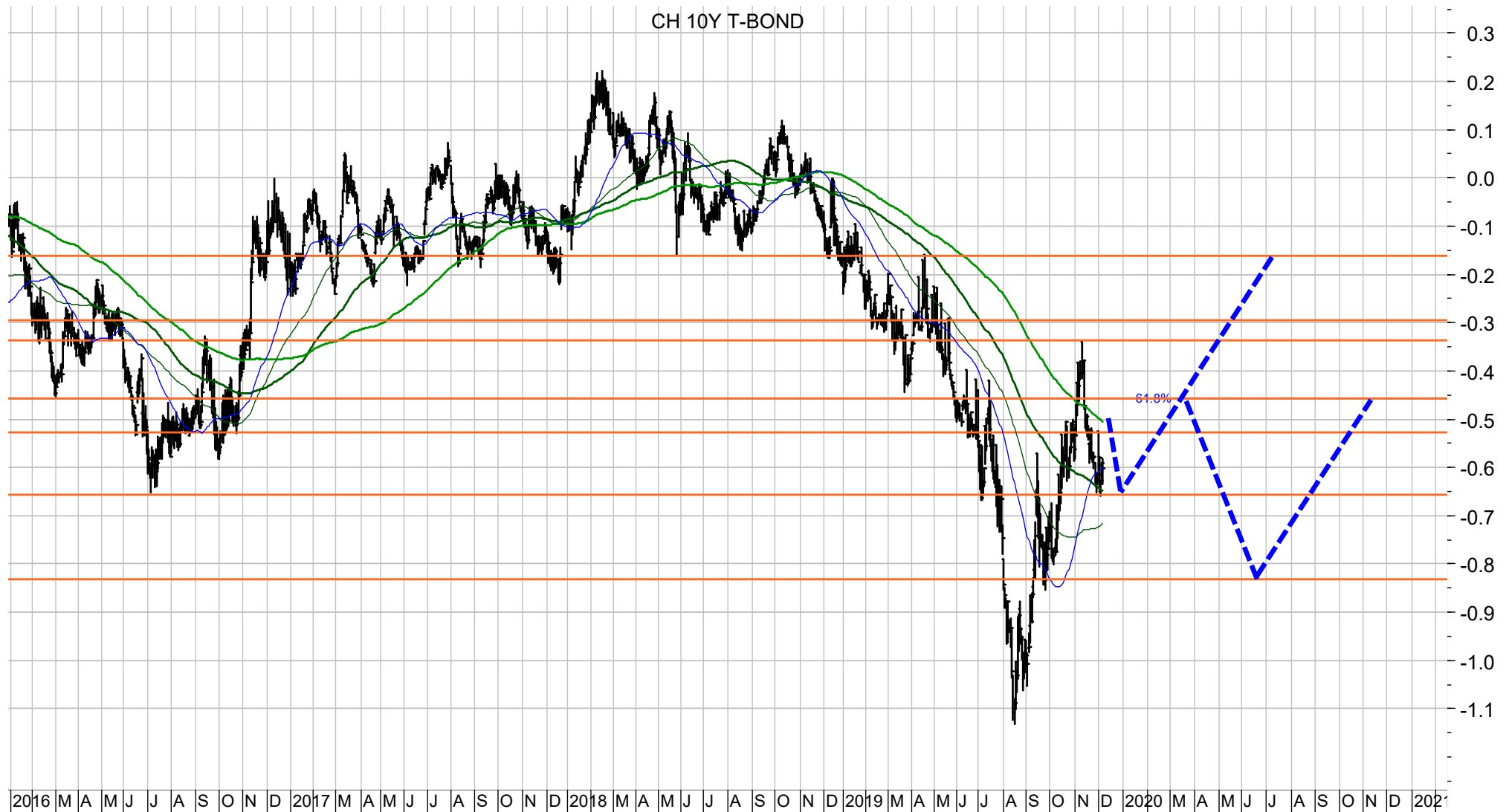
Swiss 10-year Conf Yield – daily chart

The 10-year Swiss yield is consolidating just above the support, which I had projected at -0.66%. The resistance at -0.34% and the support at -0.66% are the key levels, a break of which will signal the next major move.

My Long-term Outlook remains FLAT.

My Medium-term Outlook remains DOWN unless the yield breaks above -0.45% (upgrade to FLAT).

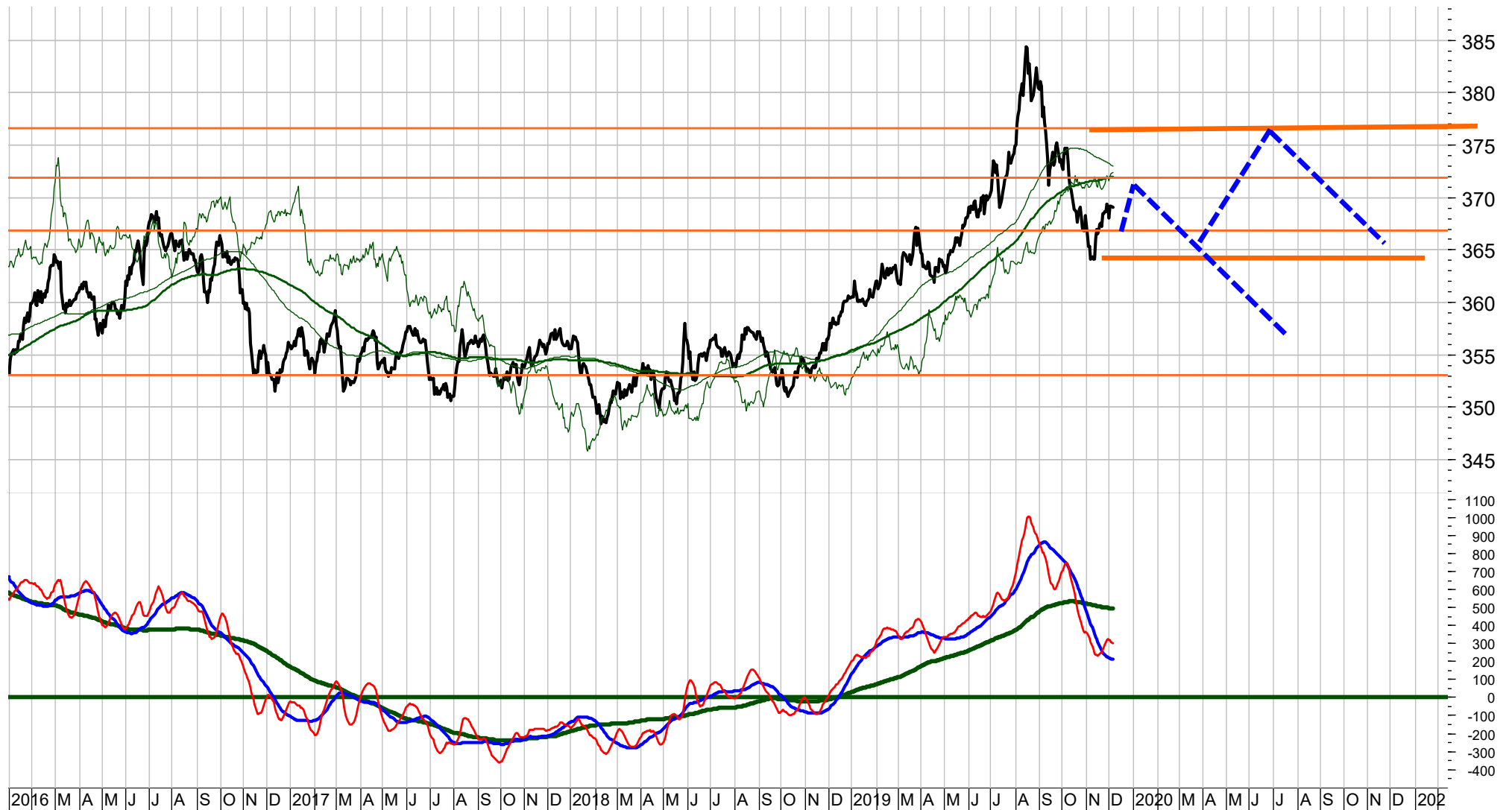
Long-term Outlook: FLAT
Medium-term Outlook: DOWN



Total Return from 7-10 year Swiss Conf Bonds – daily chart

The Total Return from the Swiss 7-10-year bonds is rebounding off the medium-term support at 364. This rebound could test the 89-day and 144-day moving averages and the long-term momentum reversal at 372. **My Long-term Outlook remains DOWN because the Total Return remains below 372. My Medium-term Outlook remains FLAT between 364 and 372.**

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

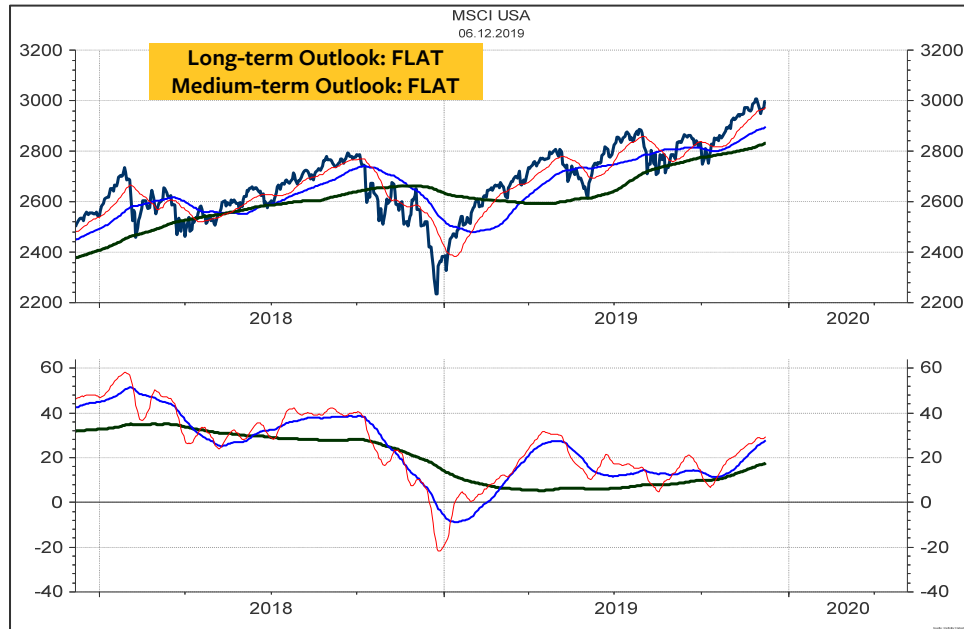


MSCI Switzerland relative to the MSCI All Country World Stock Market Index in Swiss franc

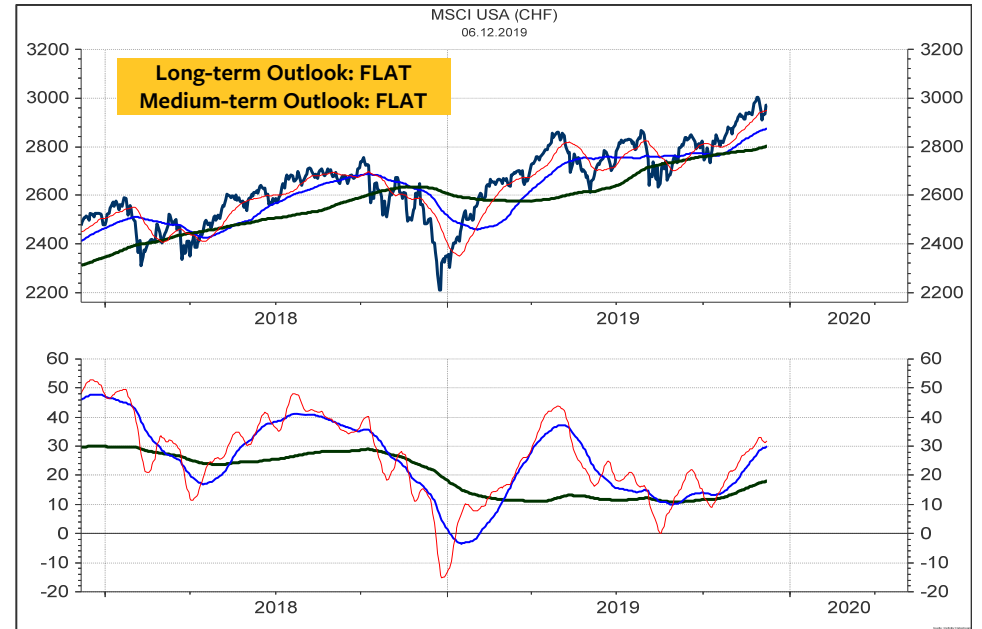
The Swiss stock market has outperformed the World Index in Swiss franc by 21% between mid 2018 and August 2019. The momentum indicators topped through the third quarter 2019 and signaled that the Swiss stock market is likely to match the performance of the World Index in Swiss franc into 2020. This will signal that it will be worthwhile for Swiss franc-based equity investors to increase their foreign equity asset allocation and reduce Swiss equity holdings. **For now, the MSCI Switzerland relative to the World Index in Swiss franc remains medium-term and long-term NEUTRAL.**



MSCI USA in US\$



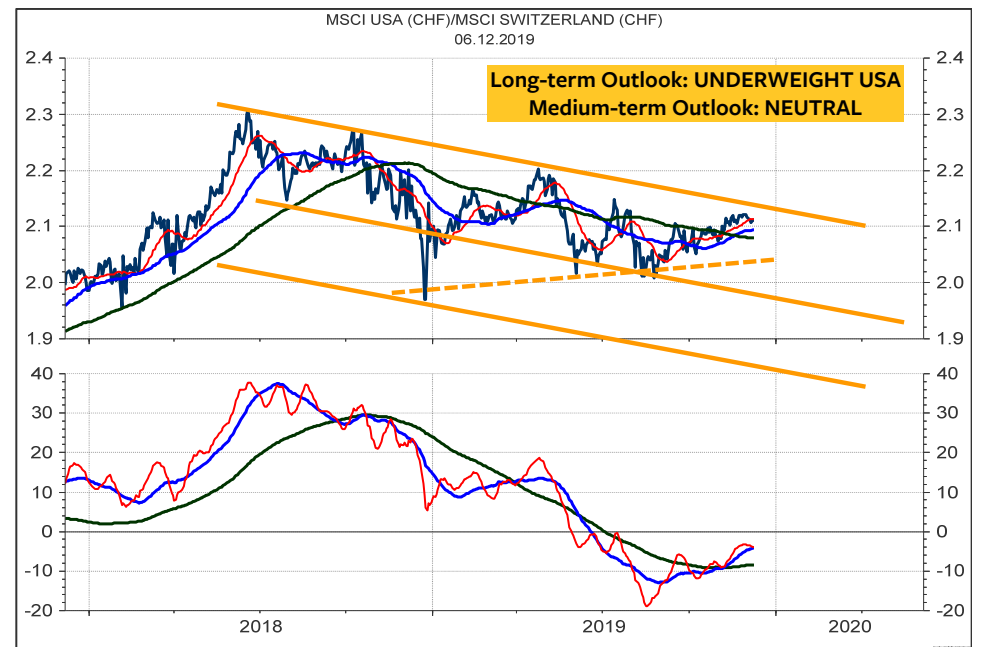
MSCI USA in Swiss franc



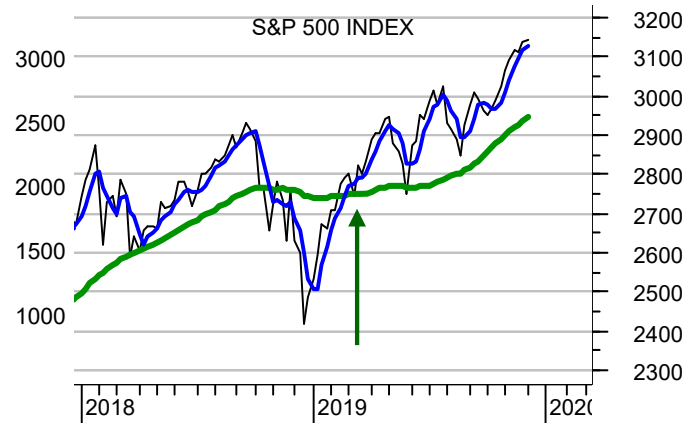
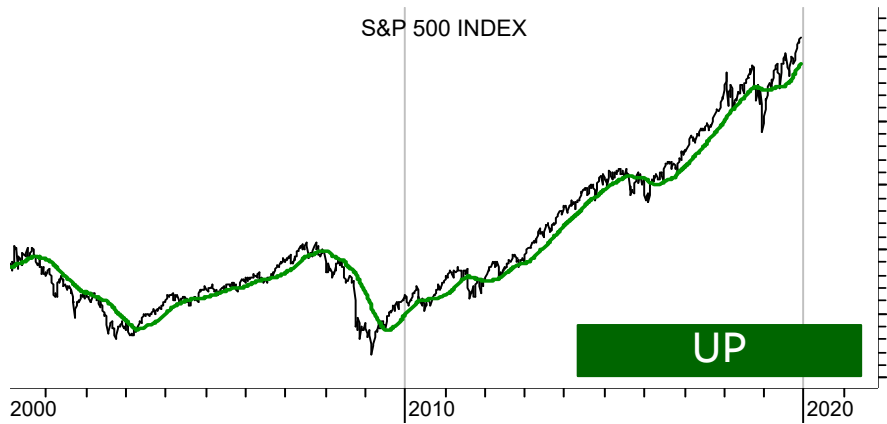
MSCI USA relative to the MSCI AC World



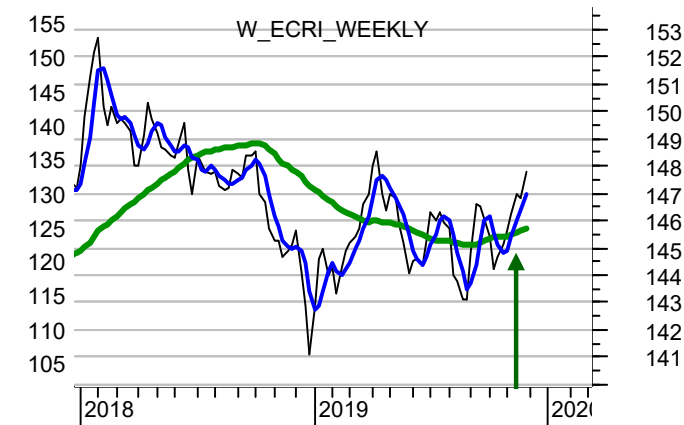
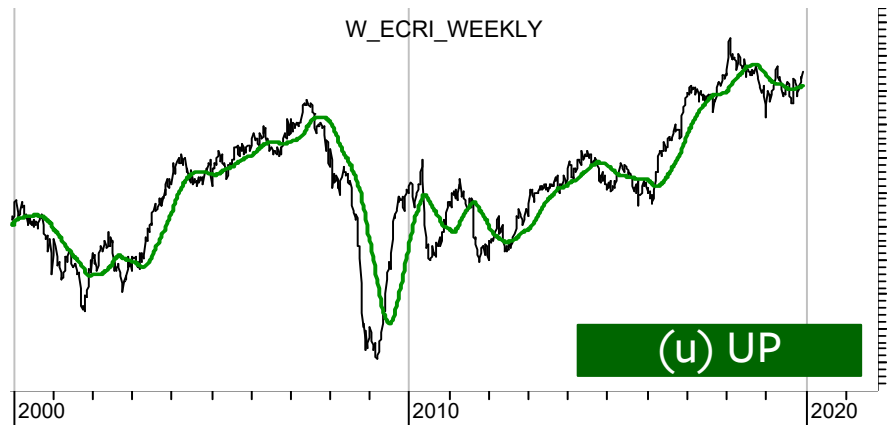
MSCI USA in CHF relative to MSCI Switzerland



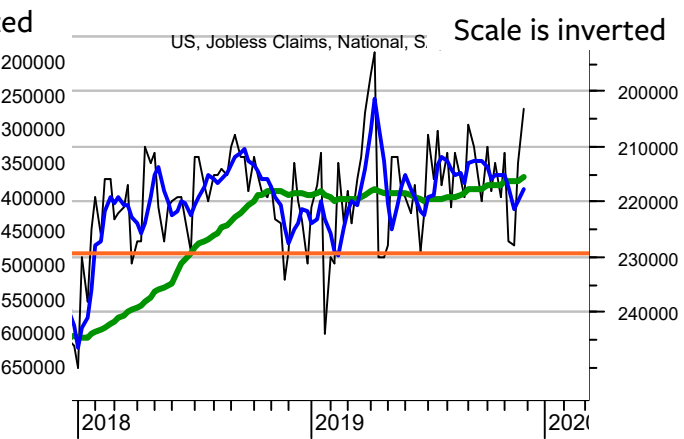
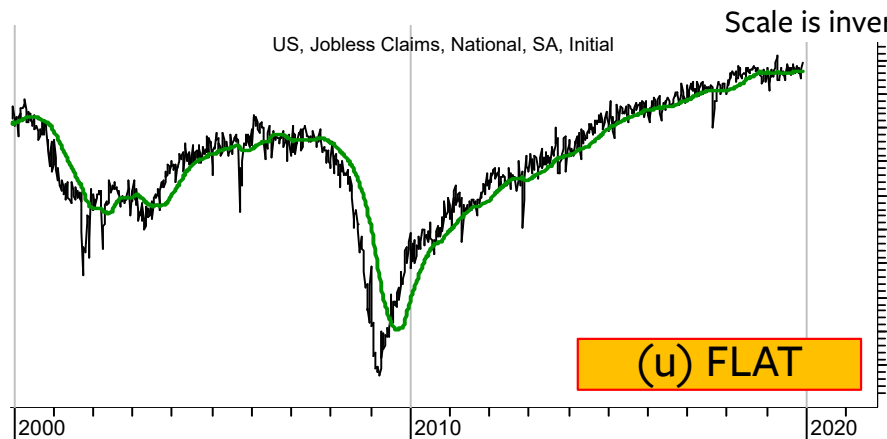
Three-Factor-US-Cycle Model – avoided a recession signal – possibly resuming the growth trend



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 remains above the 40-week average. **The Model remains UP.**



The **Weekly Economic Cycle Research Index** rose to 147.80. The 4-week average is rising, being positioned above the 40-week average. **The Model is upgraded to UP.**



The (inverse) **Weekly Jobless Claims** rose to 203k. **The Model is upgraded to FLAT.** It would move to UP if the 4-week average rises above the 40-week average.

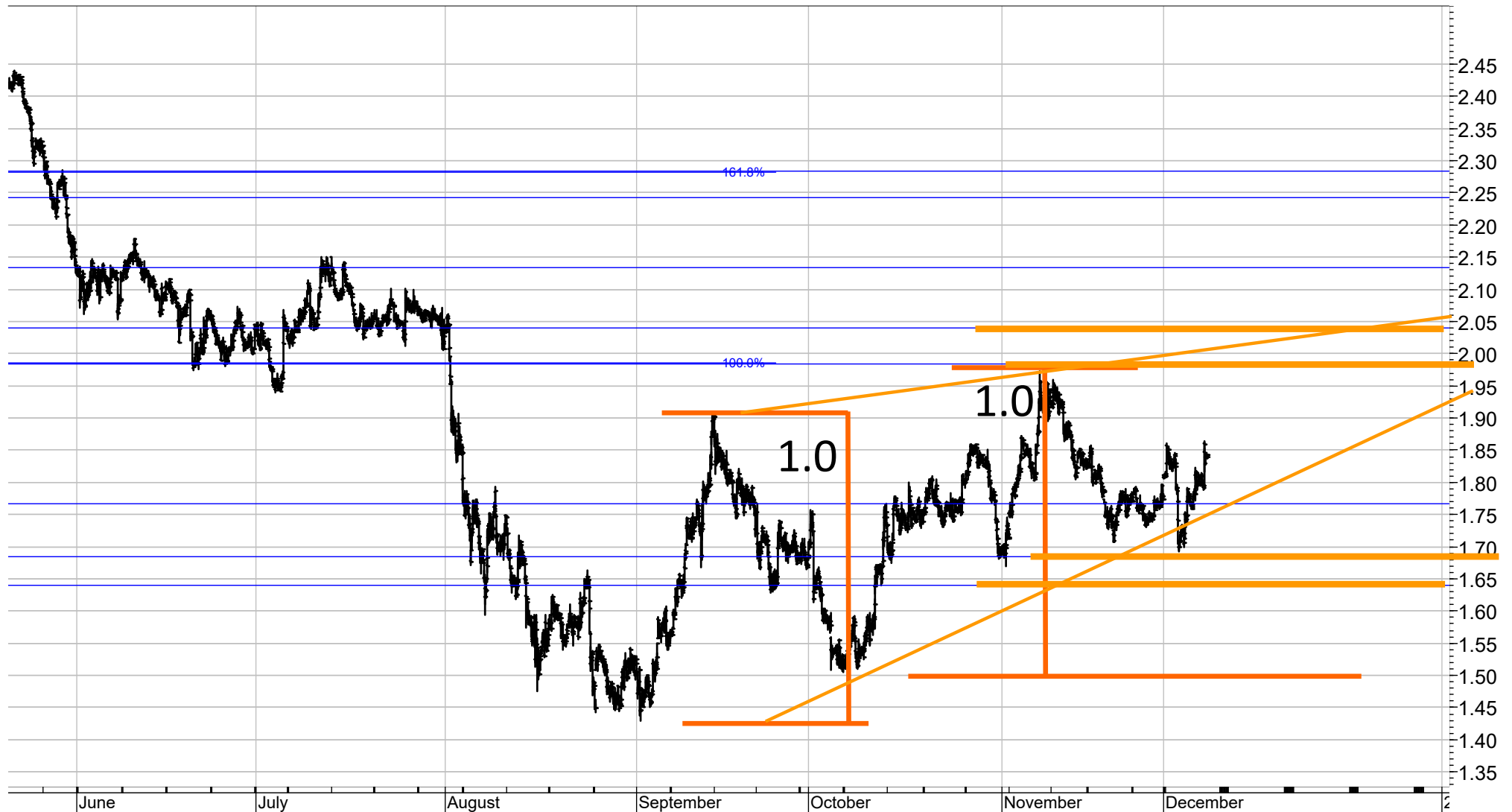
US 10-year Treasury Note Yield – hourly chart

The Fibonacci wave correlation of the two uplegs in September and October indicates that a major upturn in the 10-year Yield would be signaled only if 1.98% to 2.03% is broken. Supports are 1.68% and 1.64%.

My Long-term Outlook remains FLAT below 2.03%.

My Medium-term Outlook remains UP as long as 1.68% / 1.64% is not broken.

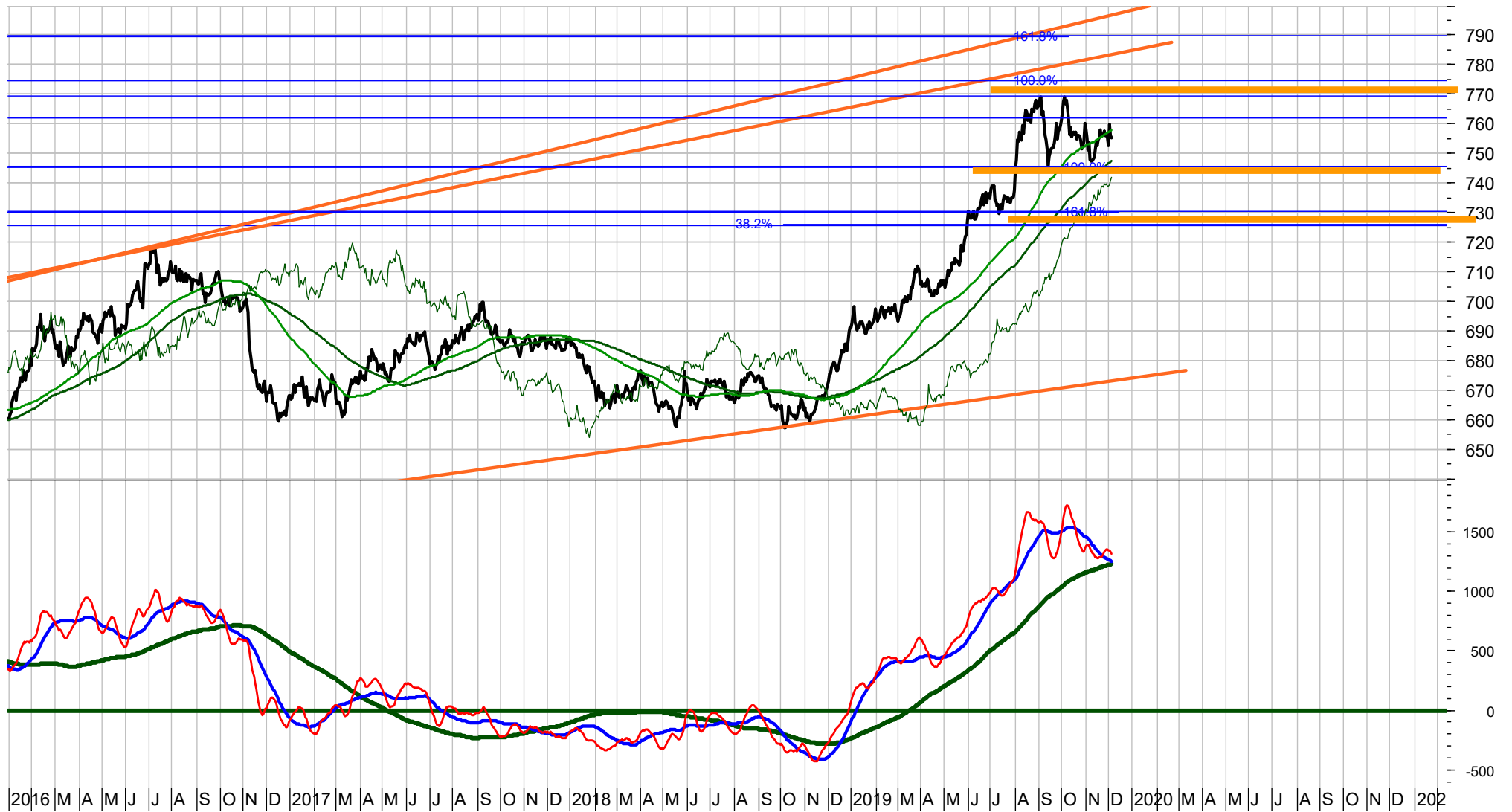
Long-term Outlook: FLAT
Medium-term Outlook: UP



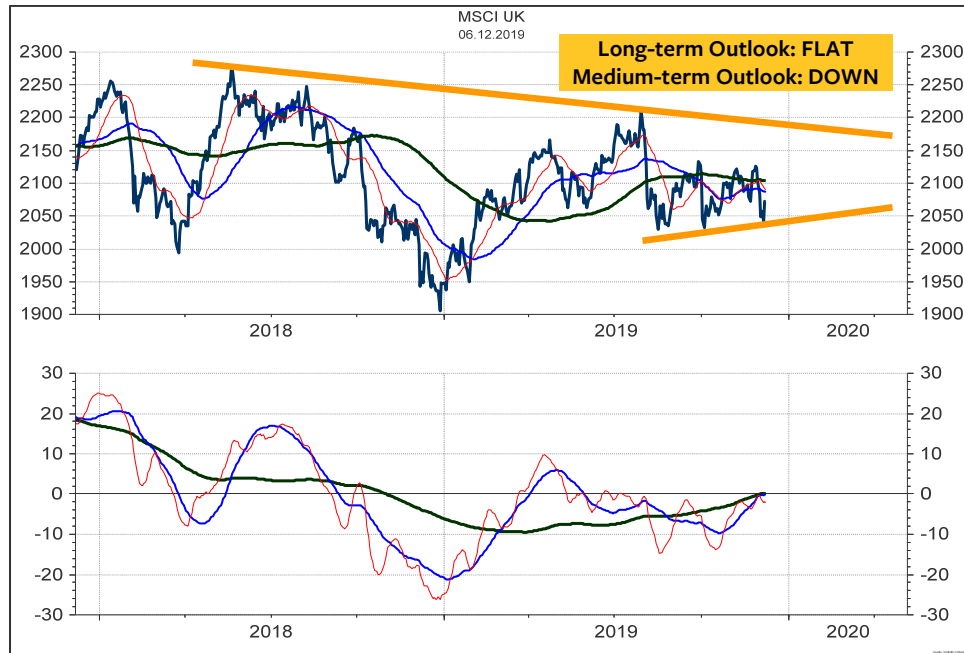
Total Return from 7-10 year US Treasury Notes – daily chart

My Long-term Outlook remains UP as long as the TR remains above the 144-day average (at 745) and above the long-term momentum reversal at 740.
 My Medium-term Outlook remains FLAT between 745 is not broken.

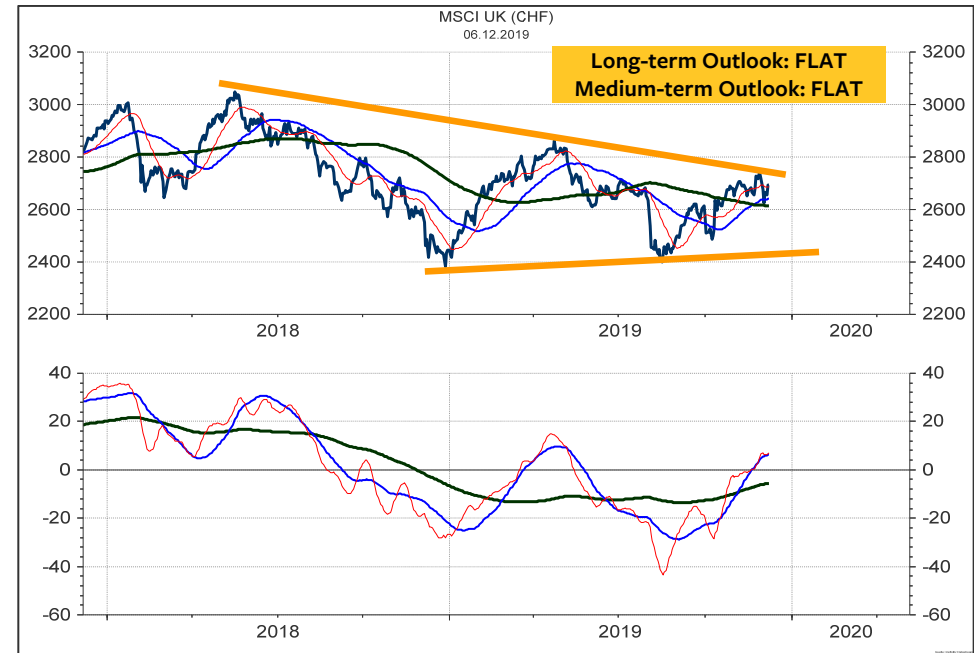
Long-term Outlook: UP
Medium-term Outlook: FLAT



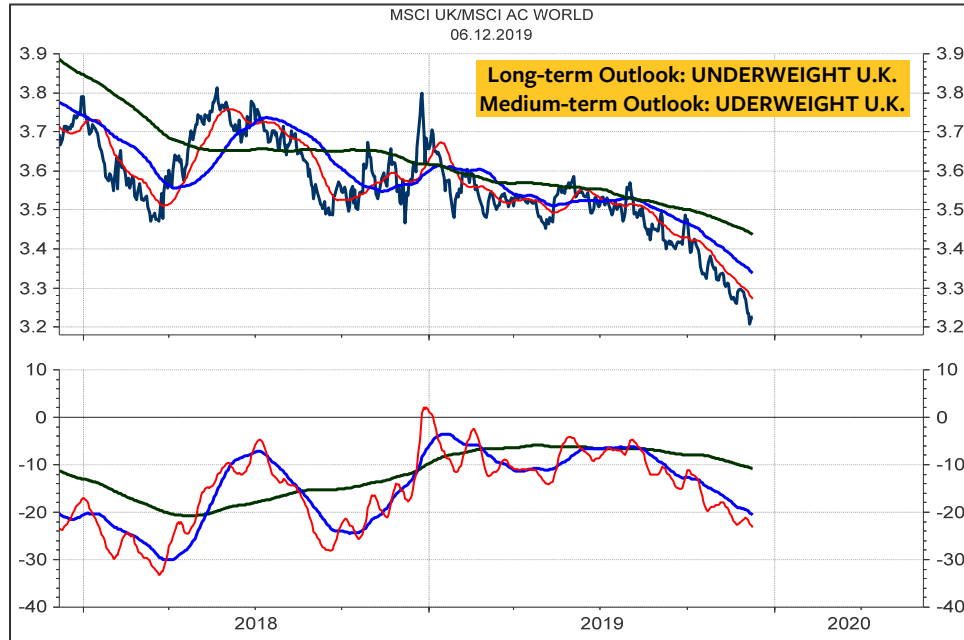
MSCI U.K. in Pound



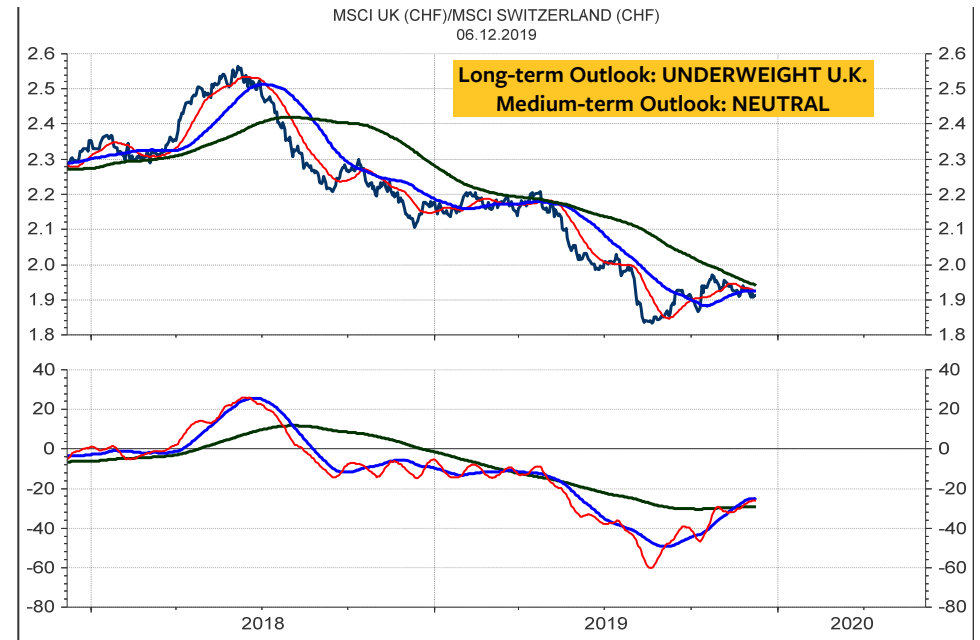
MSCI U.K. in Swiss franc



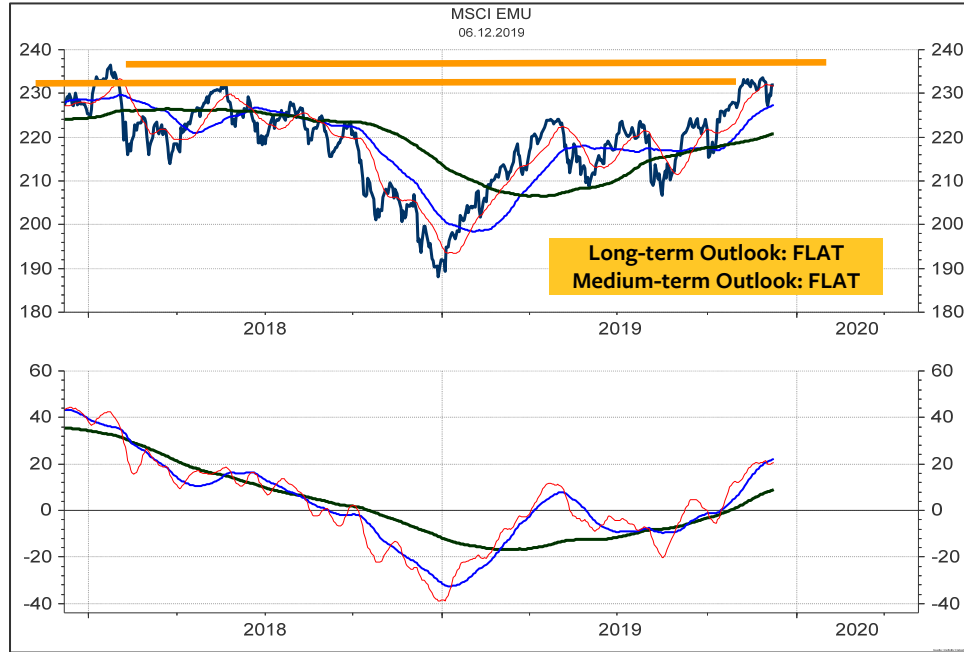
MSCI U.K. relative to the MSCI AC World



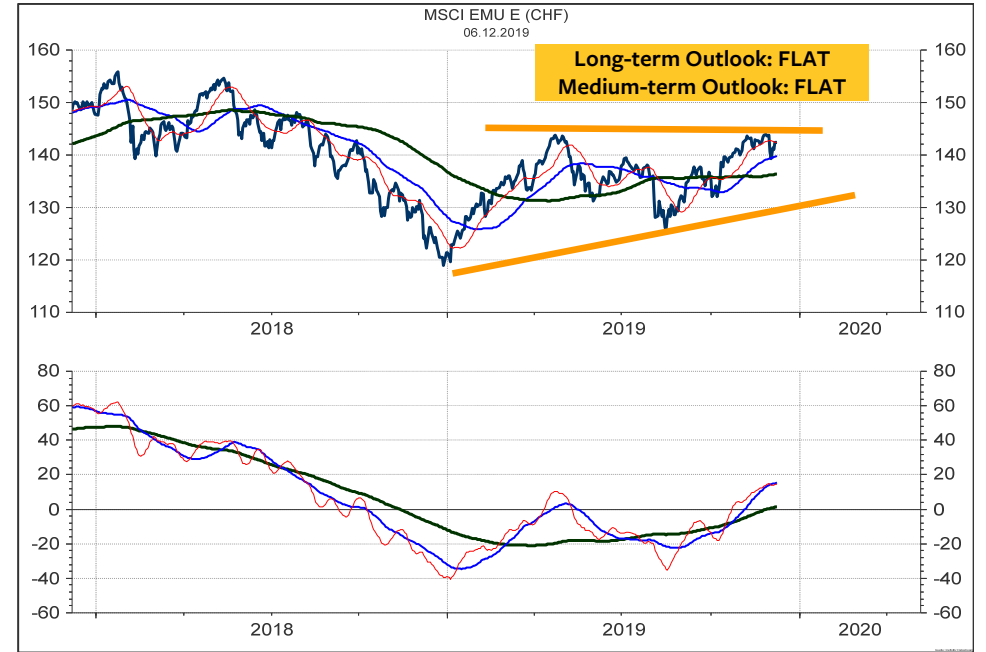
MSCI U.K. in CHF relative to MSCI Switzerland



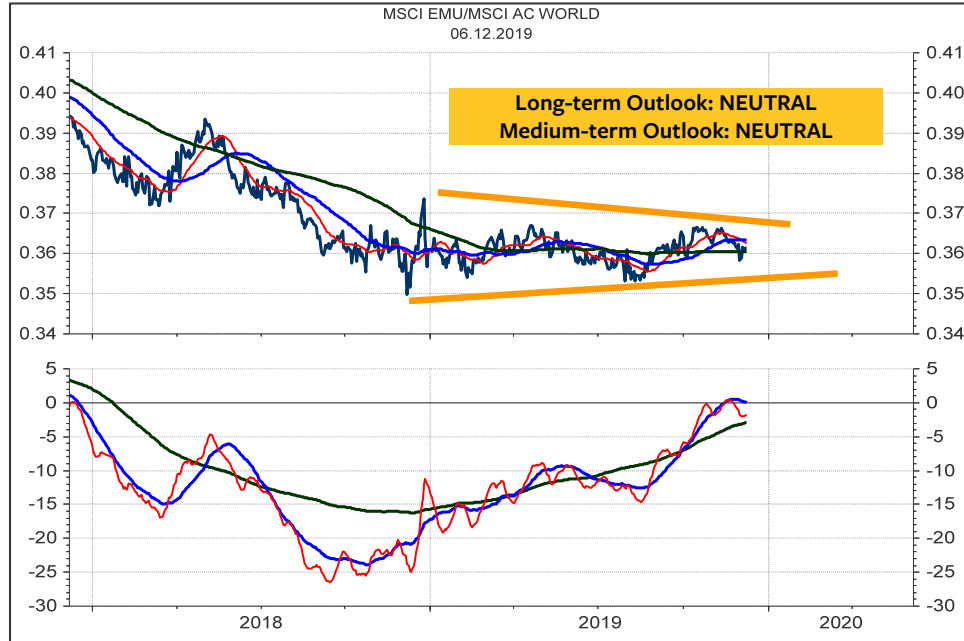
MSCI EMU in Euro



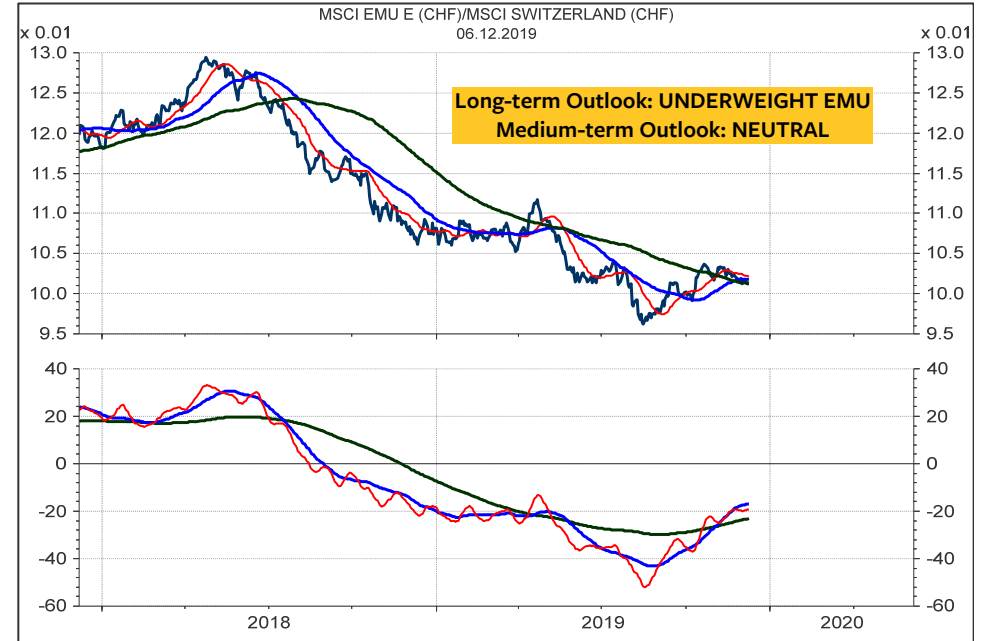
MSCI EMU in Swiss franc



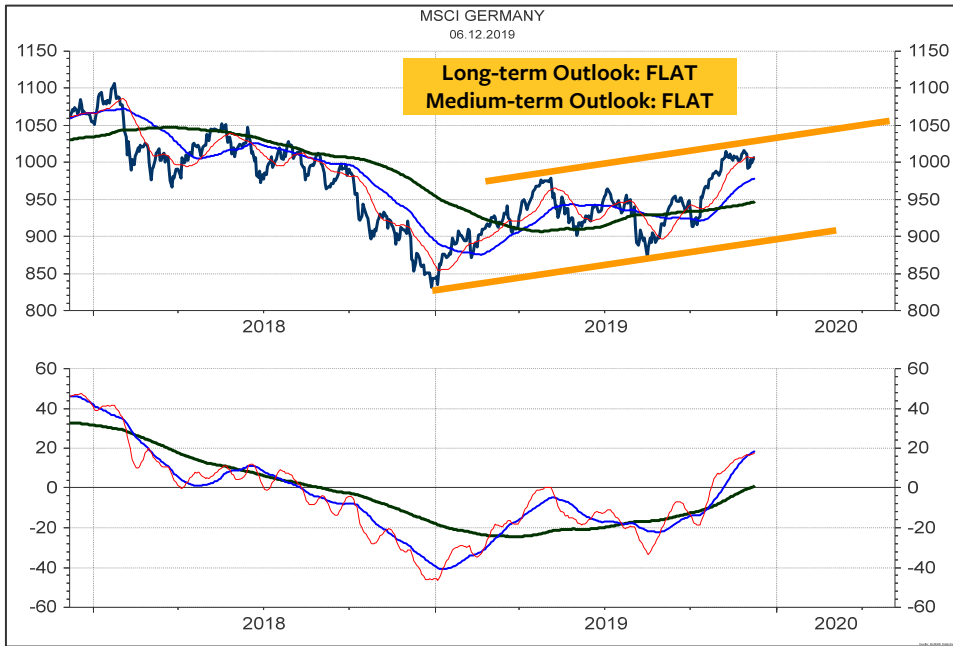
MSCI EMU relative to the MSCI AC World



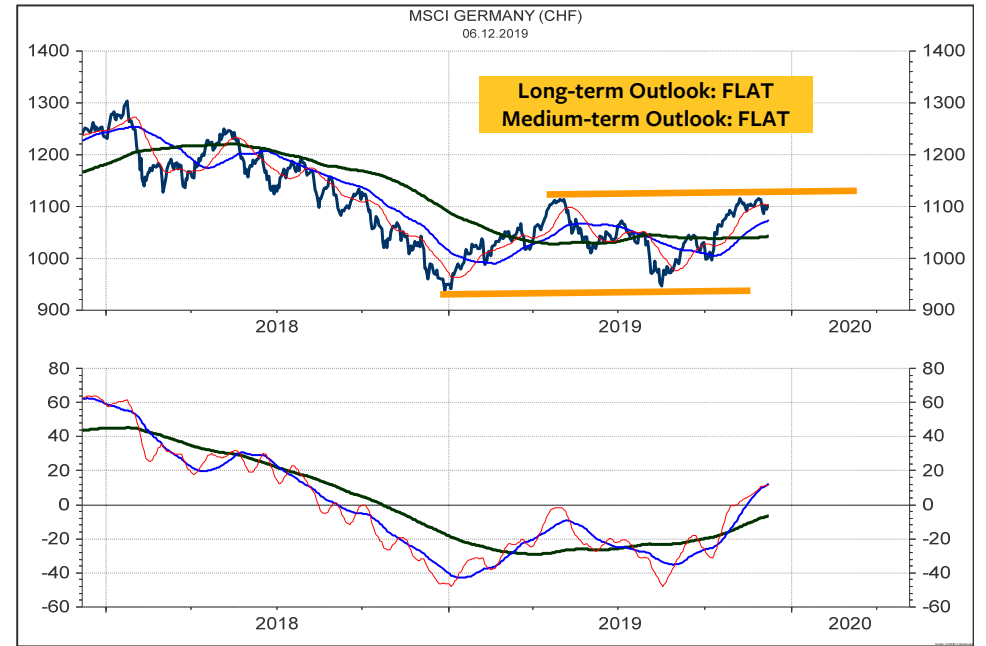
MSCI EMU in CHF relative to MSCI Switzerland



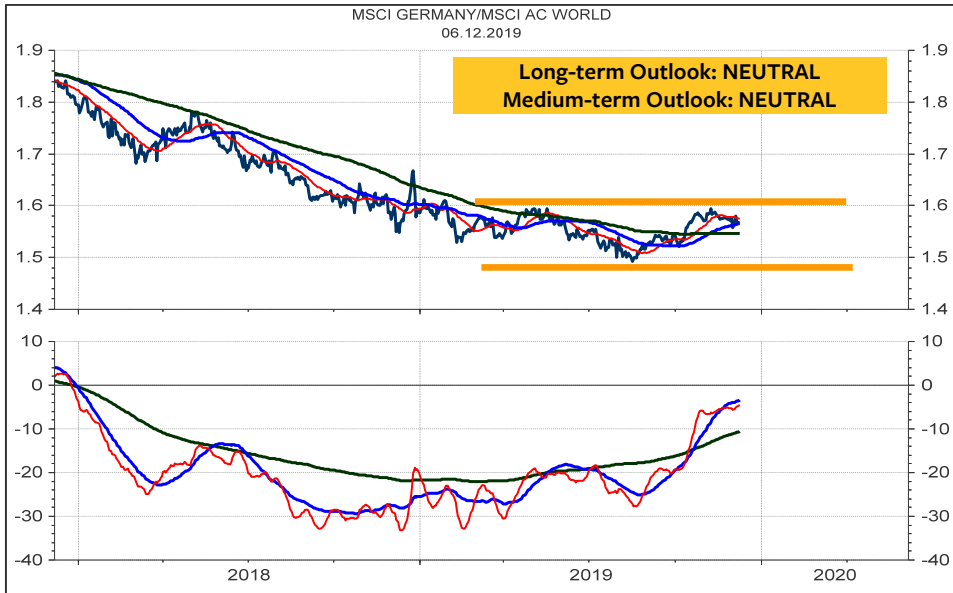
MSCI GERMANY in Euro



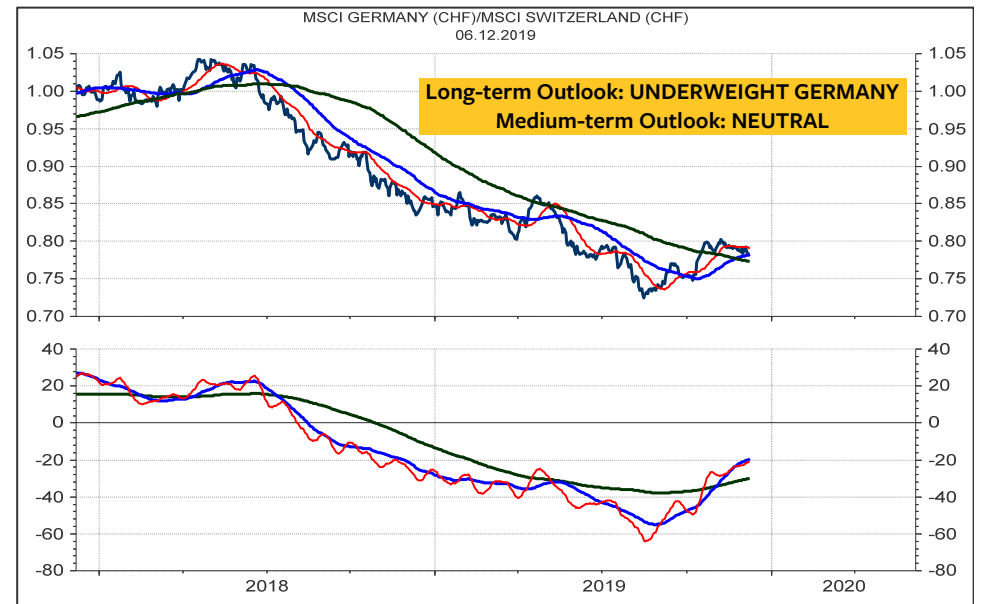
MSCI GERMANY in Swiss franc



MSCI GERMANY relative to the MSCI AC World



MSCI GERMANY in CHF relative to MSCI Switzerland



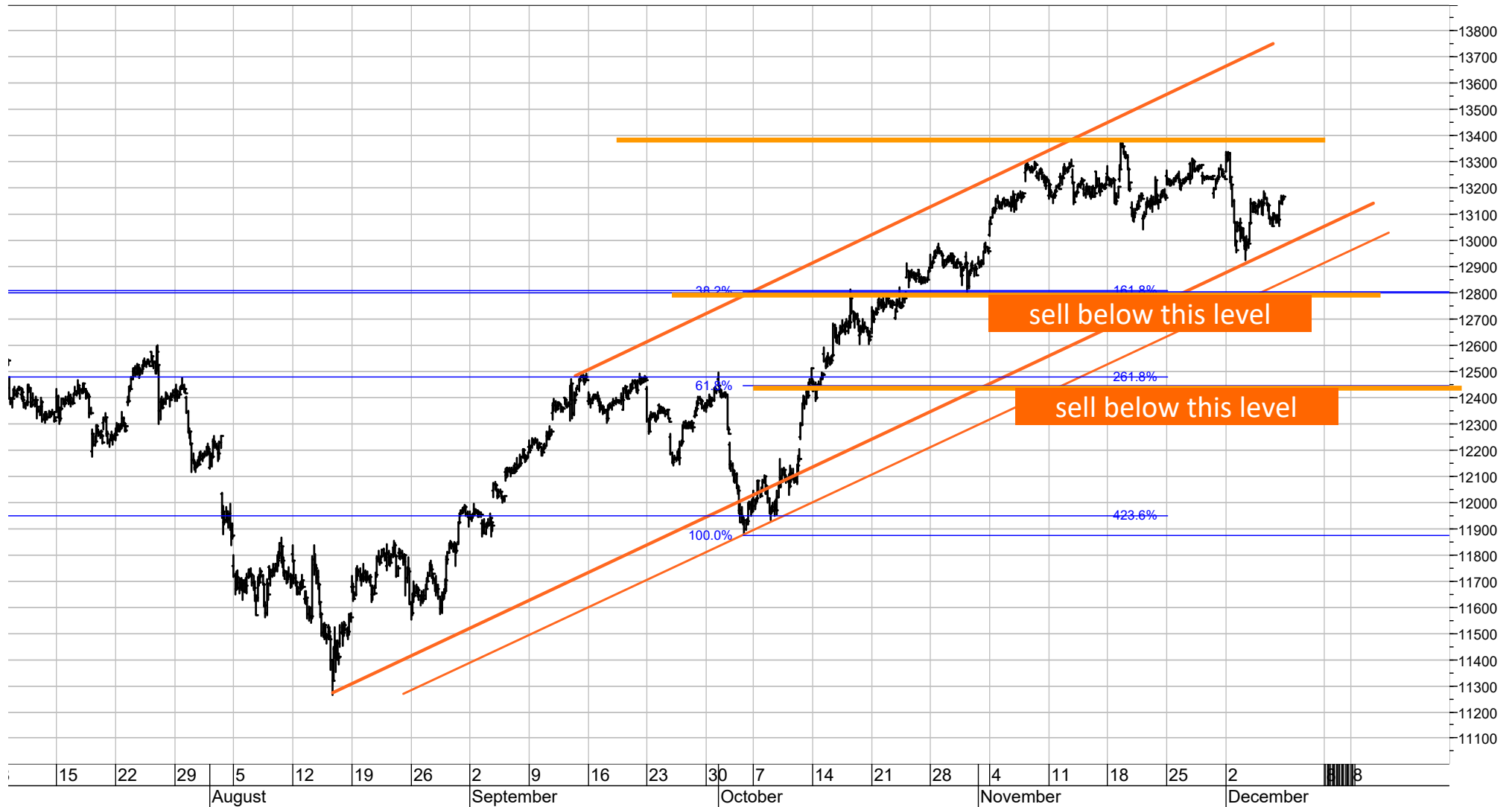
Deutscher Aktien Index DAX – hourly chart

My Long-term Outlook remains FLAT because the DAX is still trading below the long-term resistance at 13600 to 13900. The present correction could be wave 4 of the uptrend from August. Wave 5 could thus reach the long-term resistance and enter a more sizable correction.

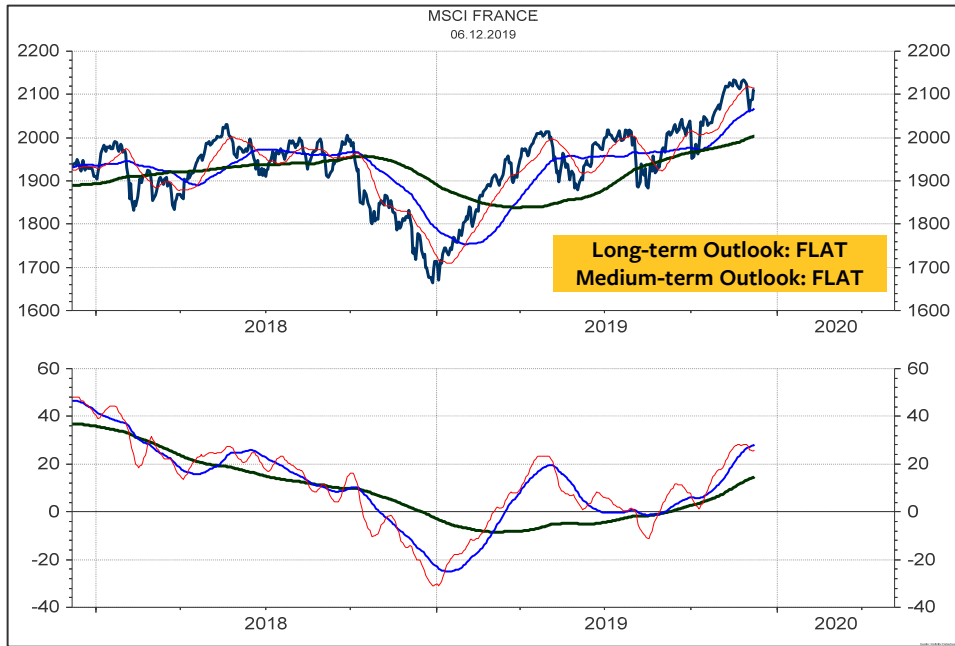
My Medium-term Outlook remains FLAT because the upside potential appears to be limited to a best-case 5%.

A medium-term downgrade to DOWN would be signaled if 12750 and a long-term DOWN would be signaled if 12450 is broken.

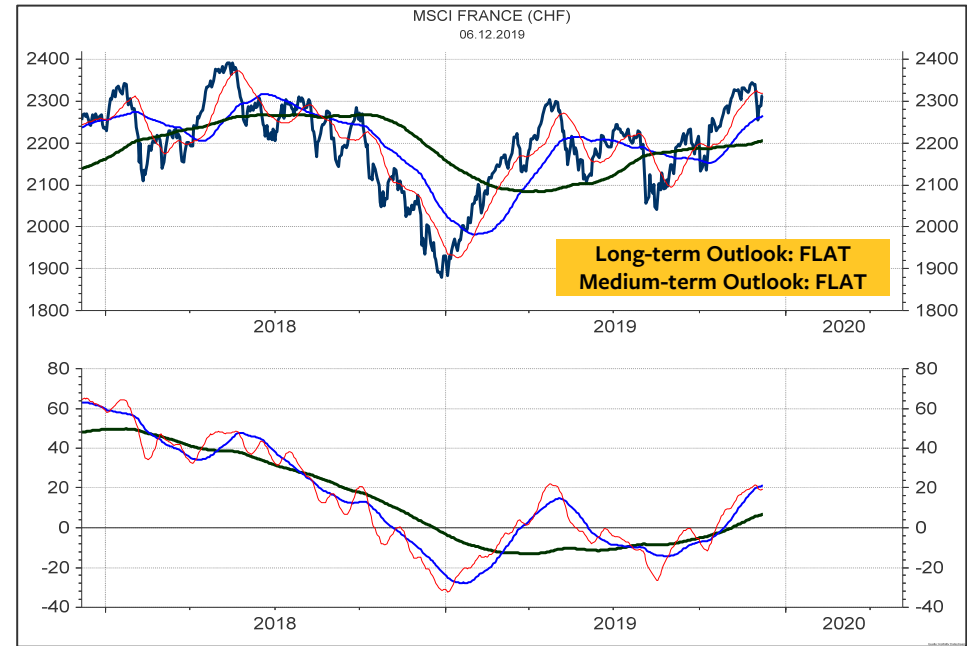
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



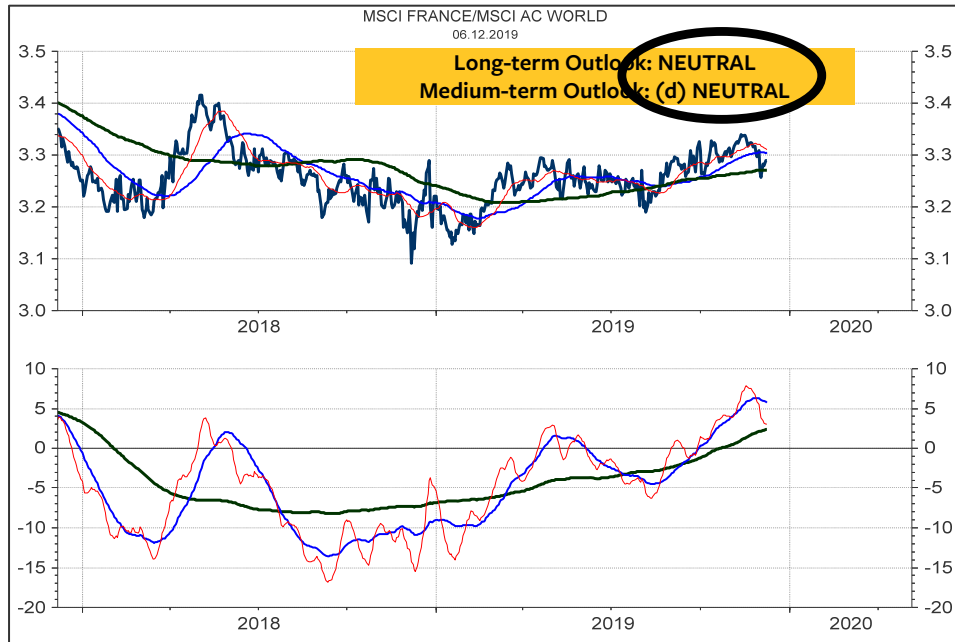
MSCI FRANCE in Euro



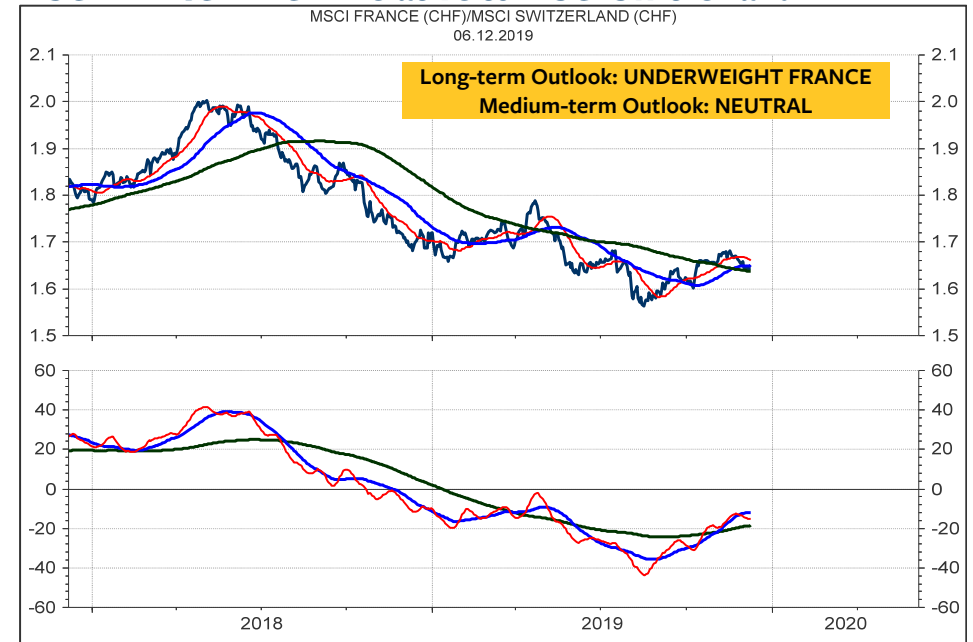
MSCI FRANCE in Swiss franc



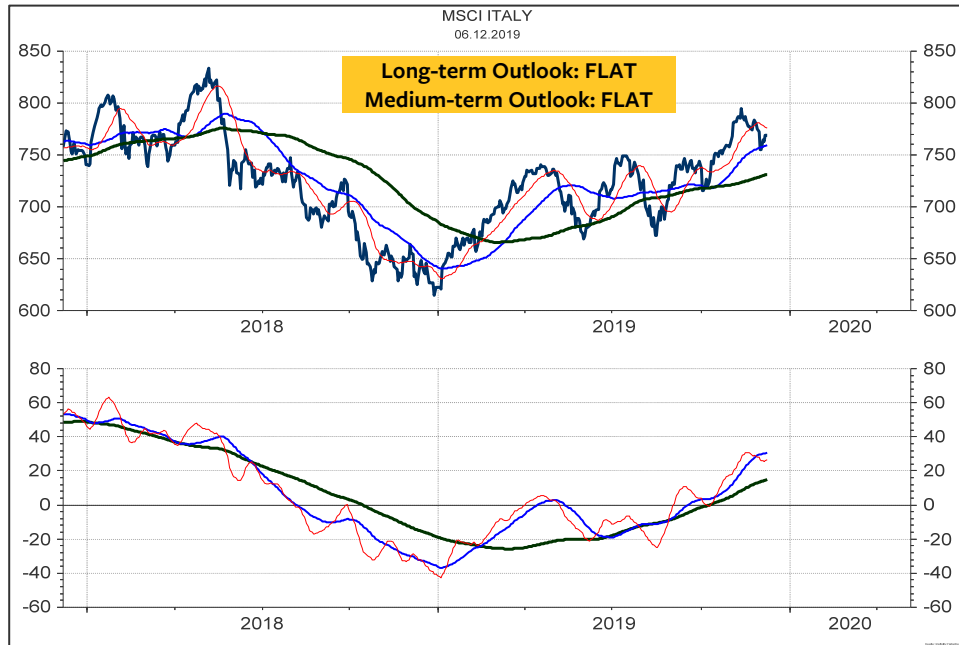
MSCI FRANCE relative to the MSCI AC World



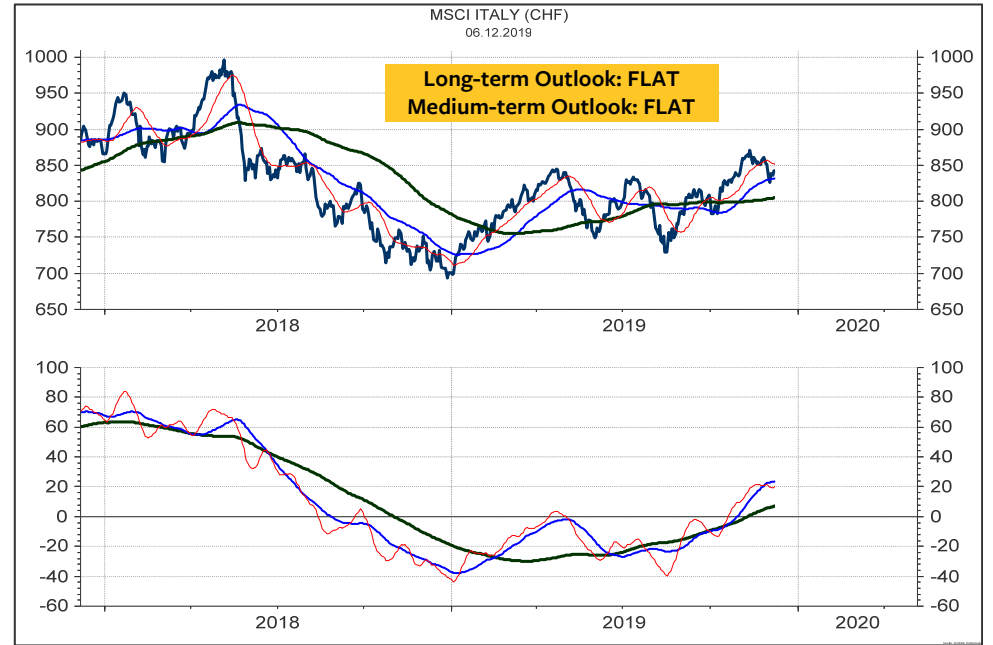
MSCI FRANCE in CHF relative to MSCI Switzerland



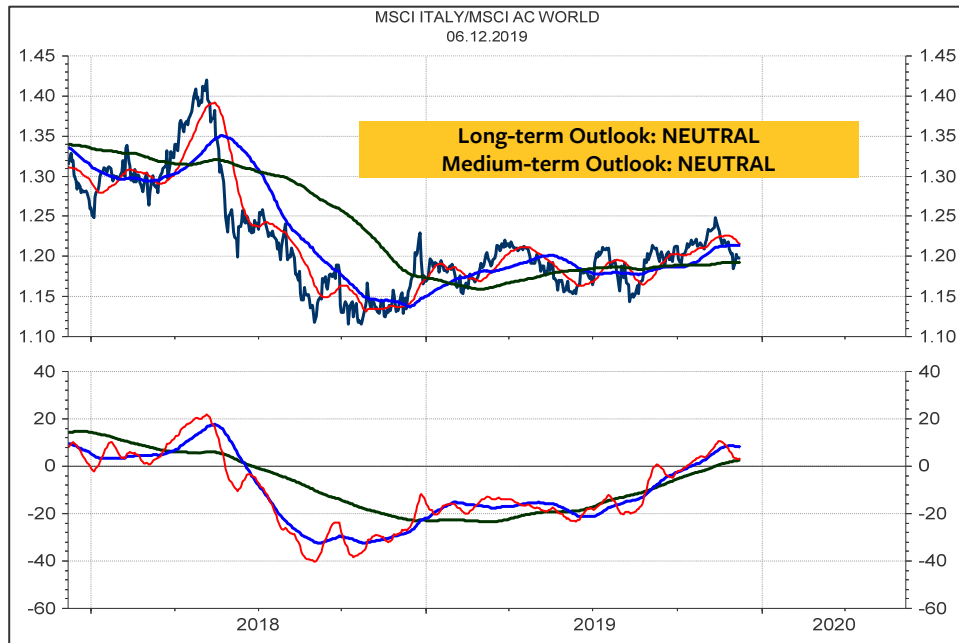
MSCI ITALY in Euro



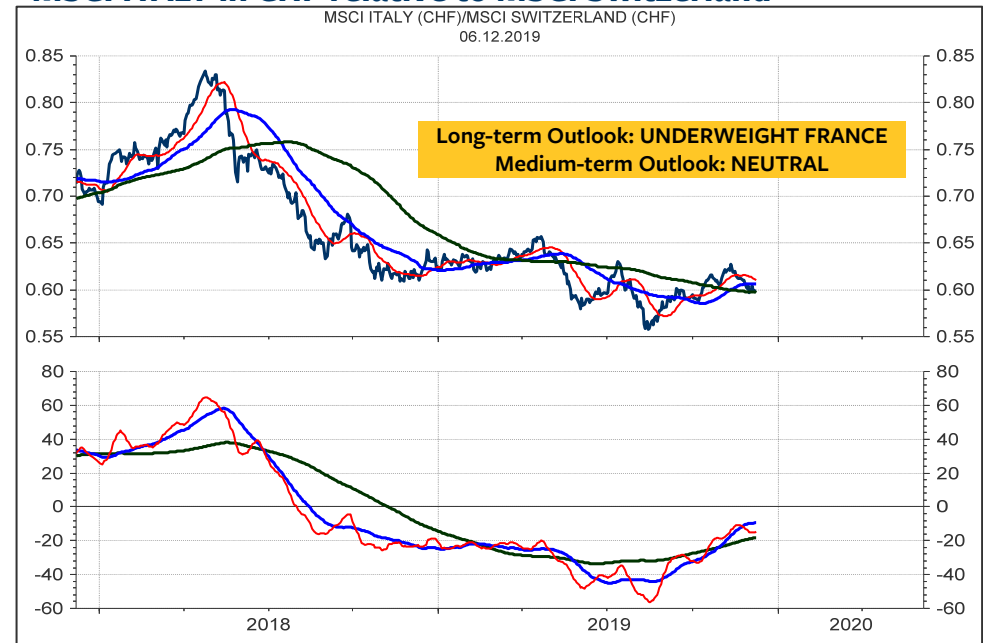
MSCI ITALY in Swiss franc



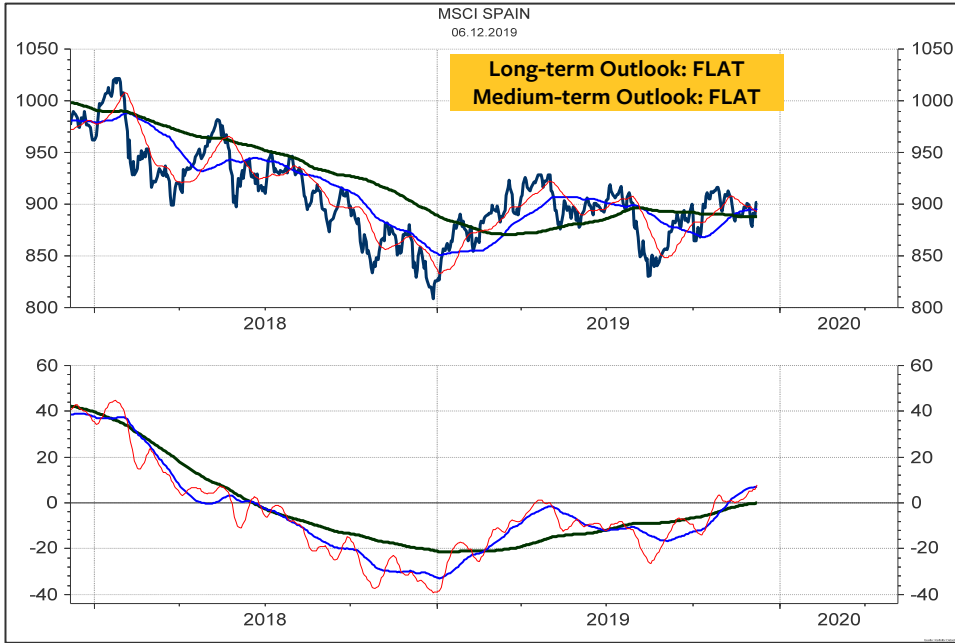
MSCI ITALY relative to the MSCI AC World



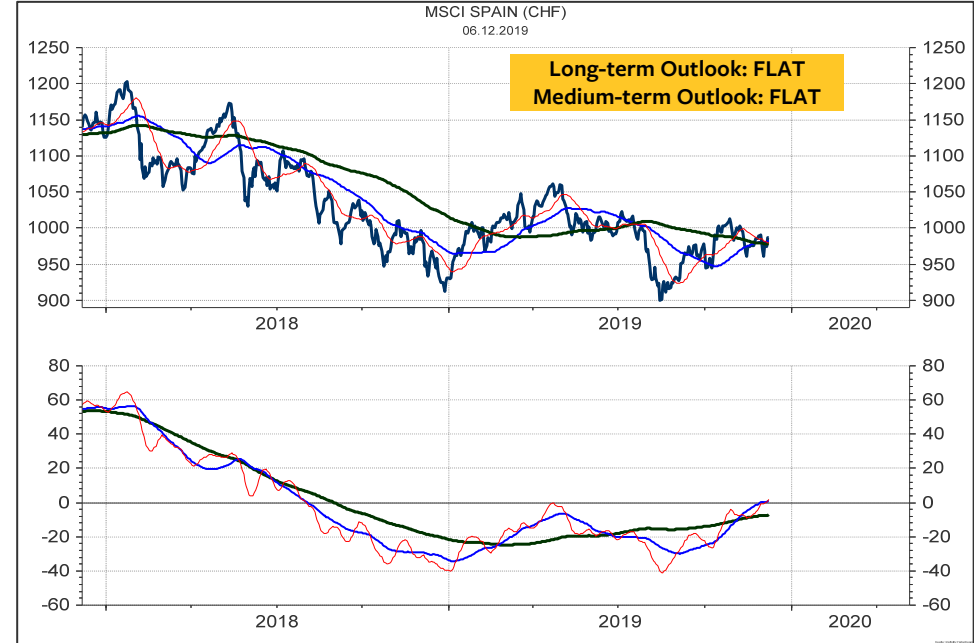
MSCI ITALY in CHF relative to MSCI Switzerland



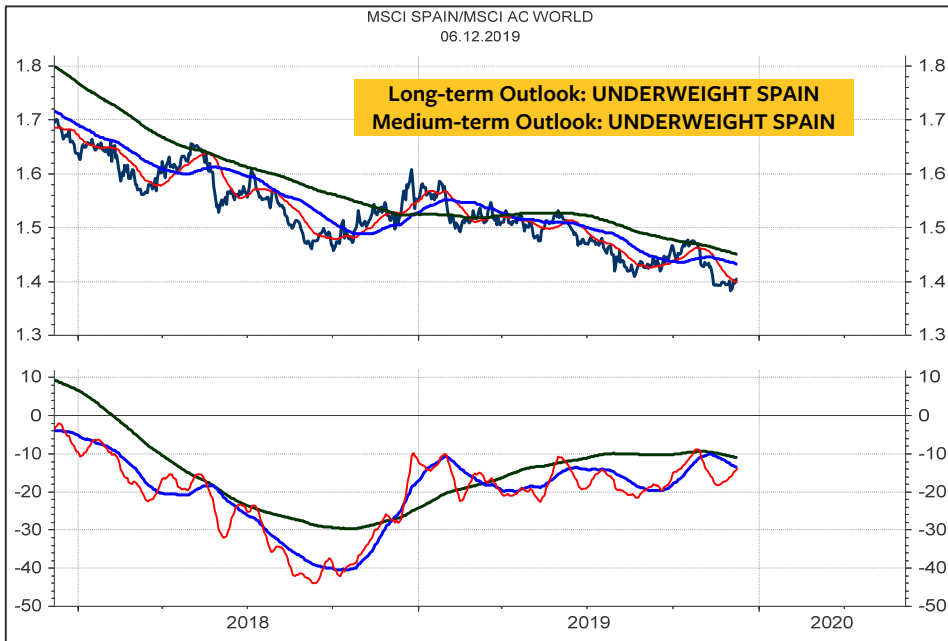
MSCI SPAIN in Euro



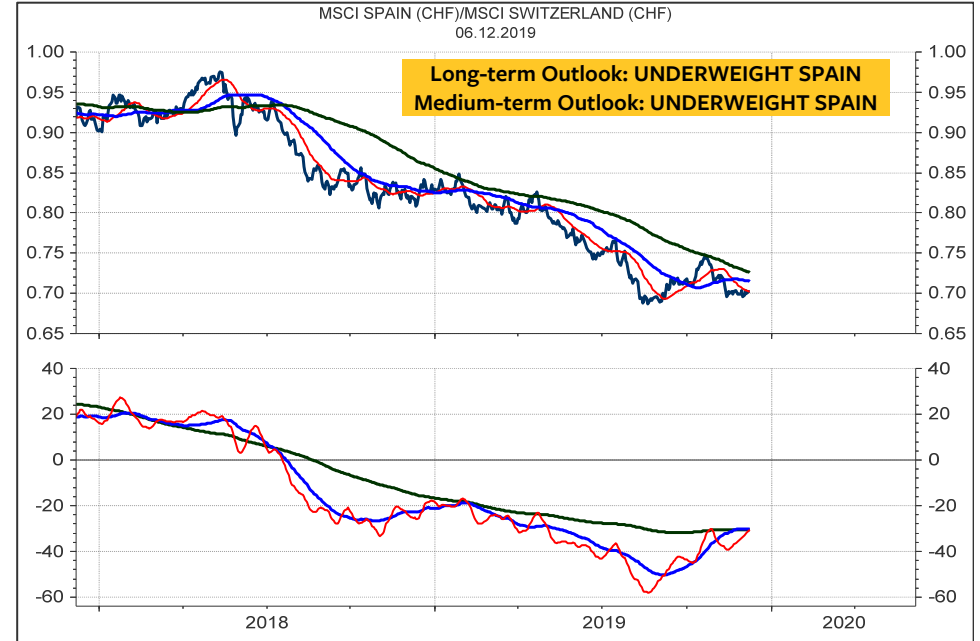
MSCI SPAIN in Swiss franc



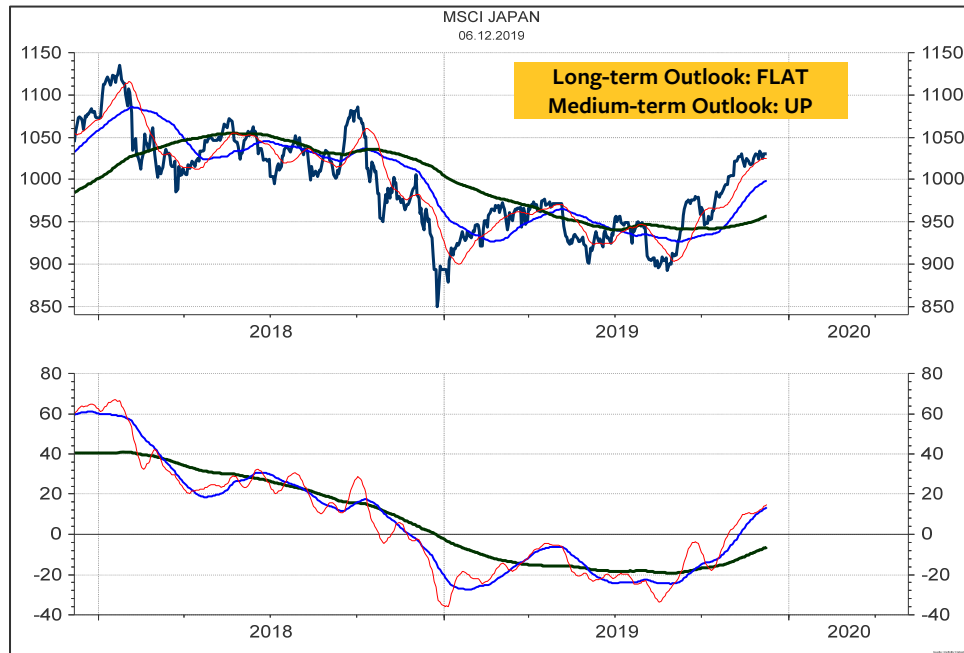
MSCI SPAIN relative to the MSCI AC World



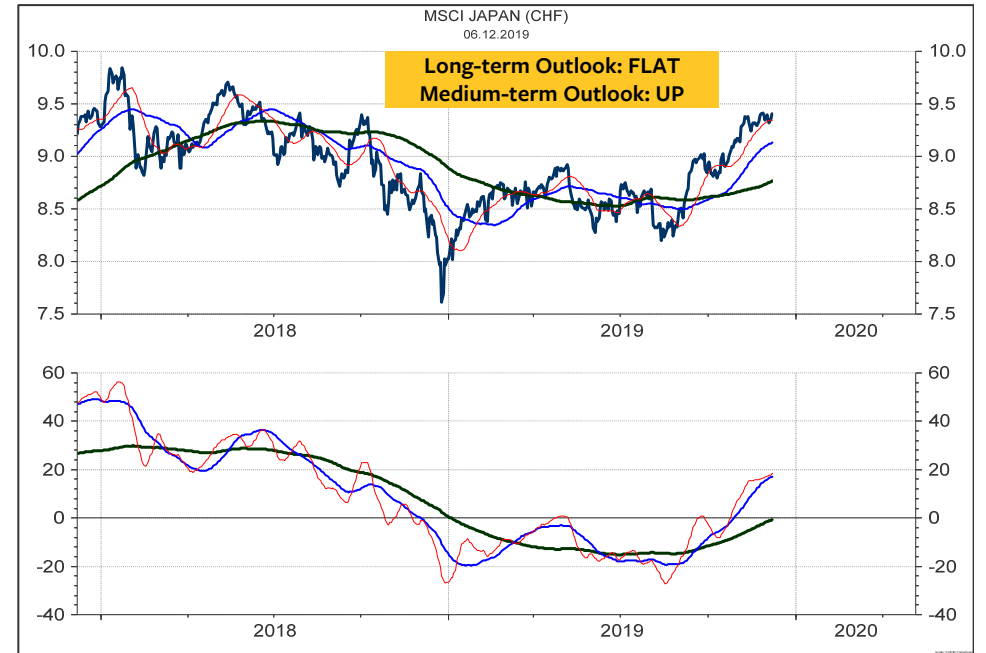
MSCI SPAIN in CHF relative to MSCI Switzerland



MSCI JAPAN in Yen



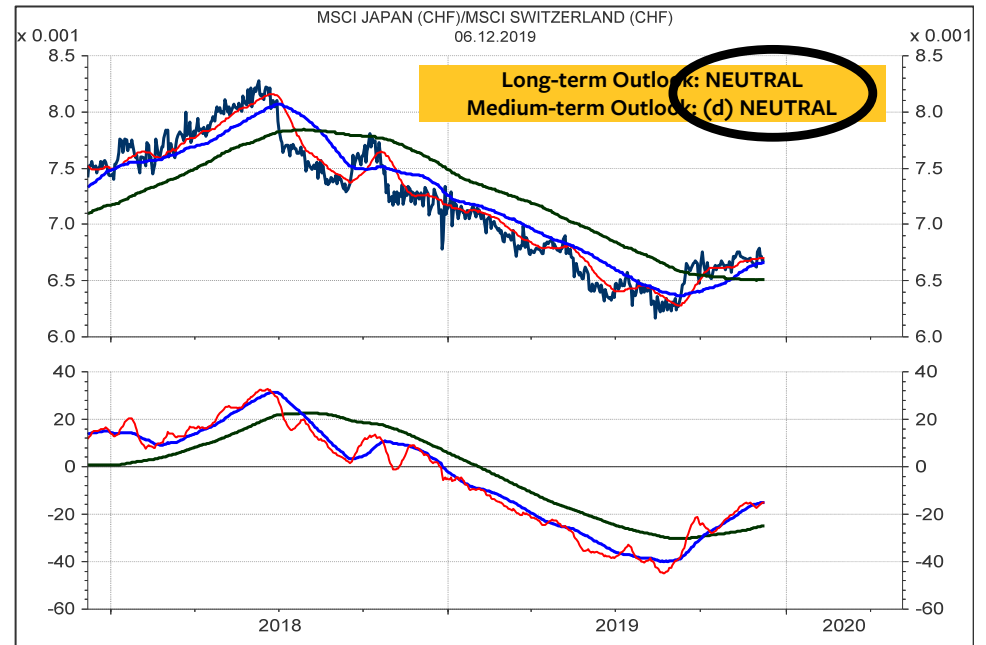
MSCI JAPAN in Swiss franc



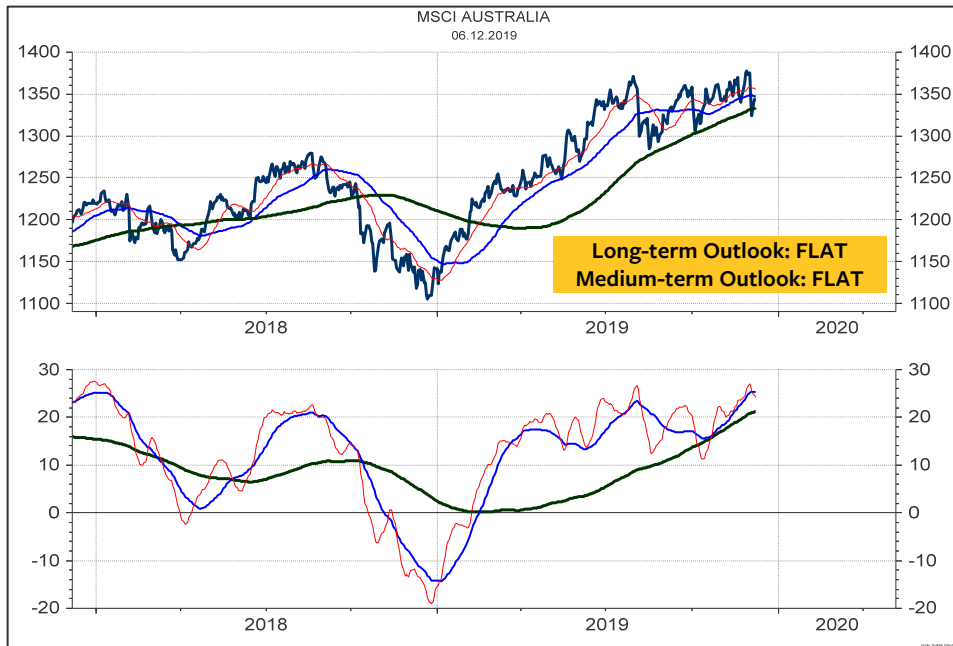
MSCI JAPAN relative to the MSCI AC World



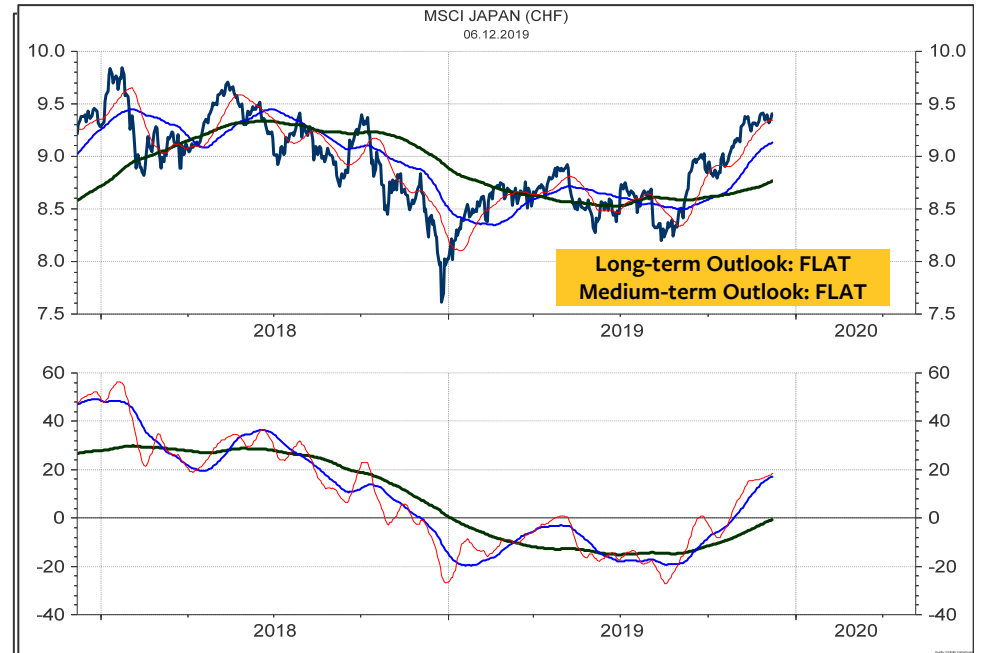
MSCI JAPAN in CHF relative to MSCI Switzerland



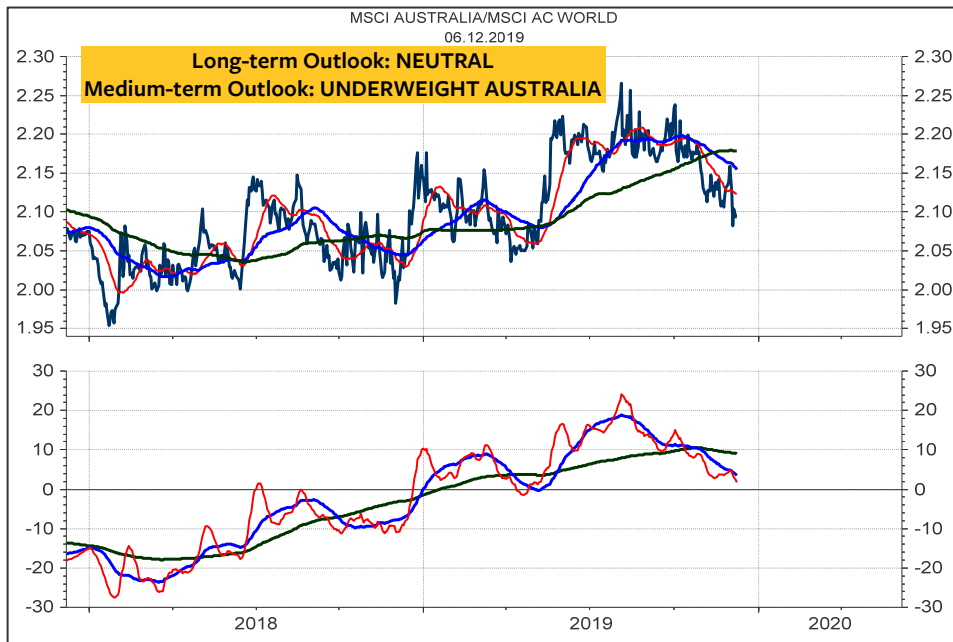
MSCI AUSTRALIA in Australian dollar



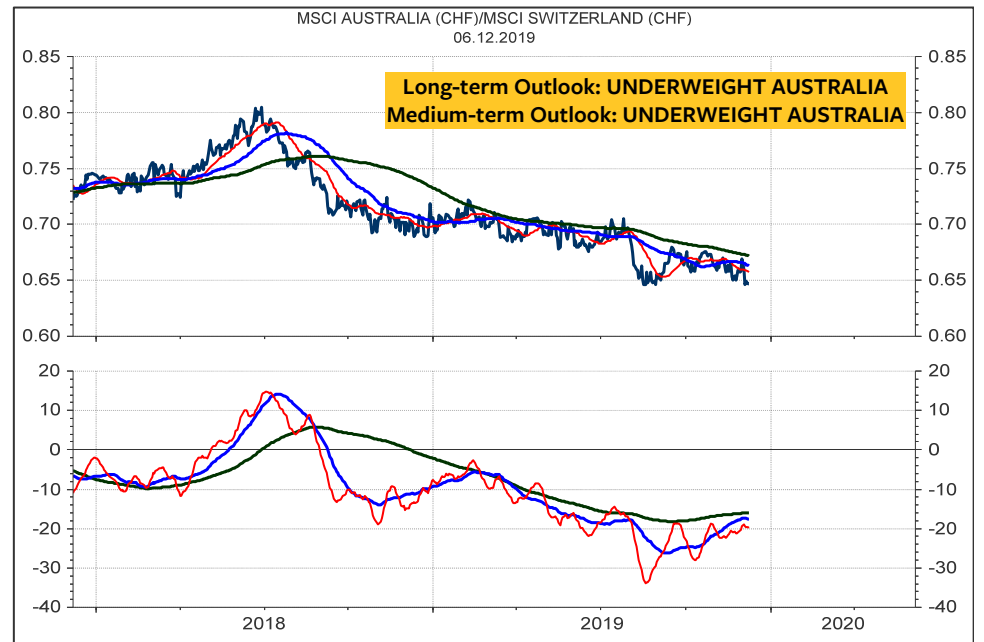
MSCI AUSTRALIA in Swiss franc



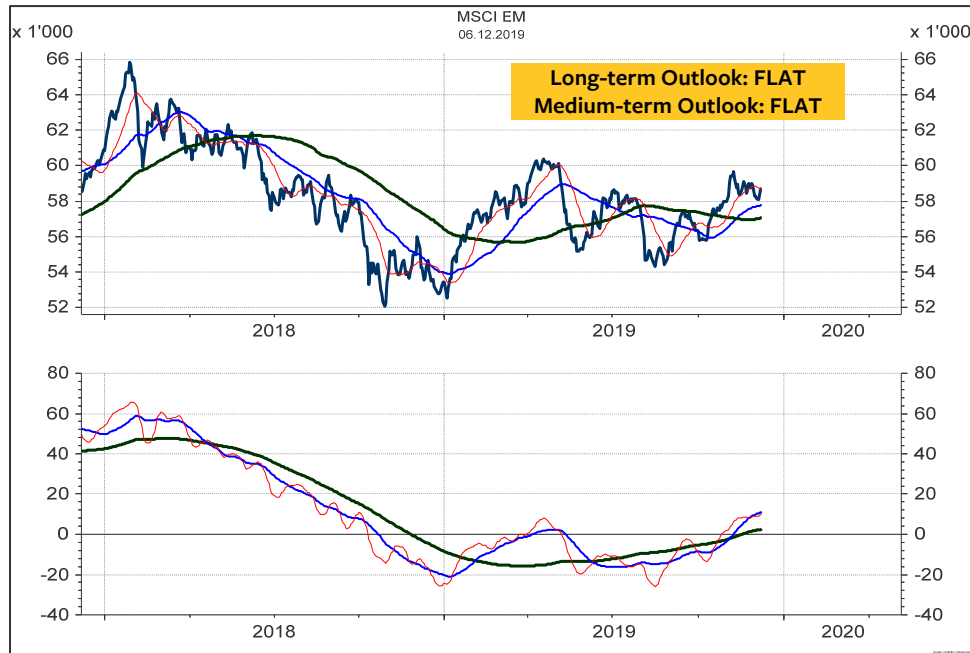
MSCI AUSTRALIA relative to the MSCI AC World



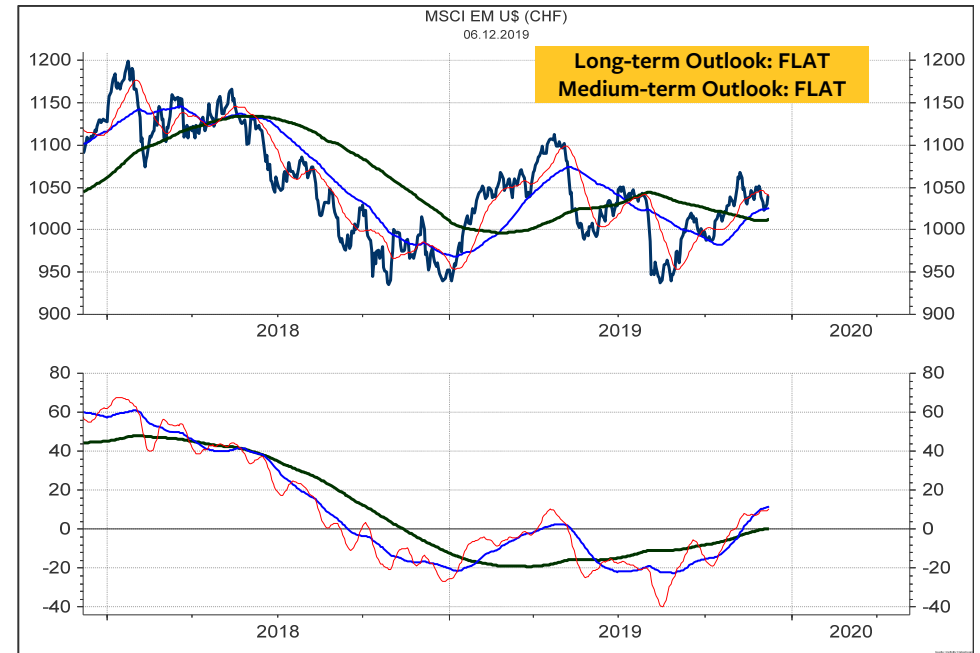
MSCI AUSTRALIA in CHF relative to MSCI Switzerland



MSCI EMERGING MARKETS in local currencies



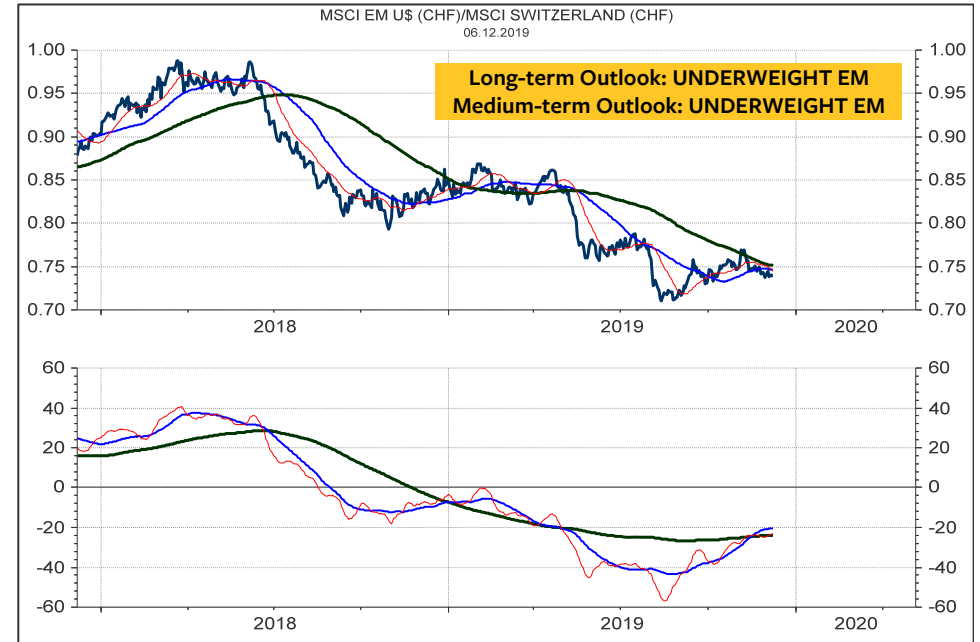
MSCI EMERGING MARKETS in Swiss franc



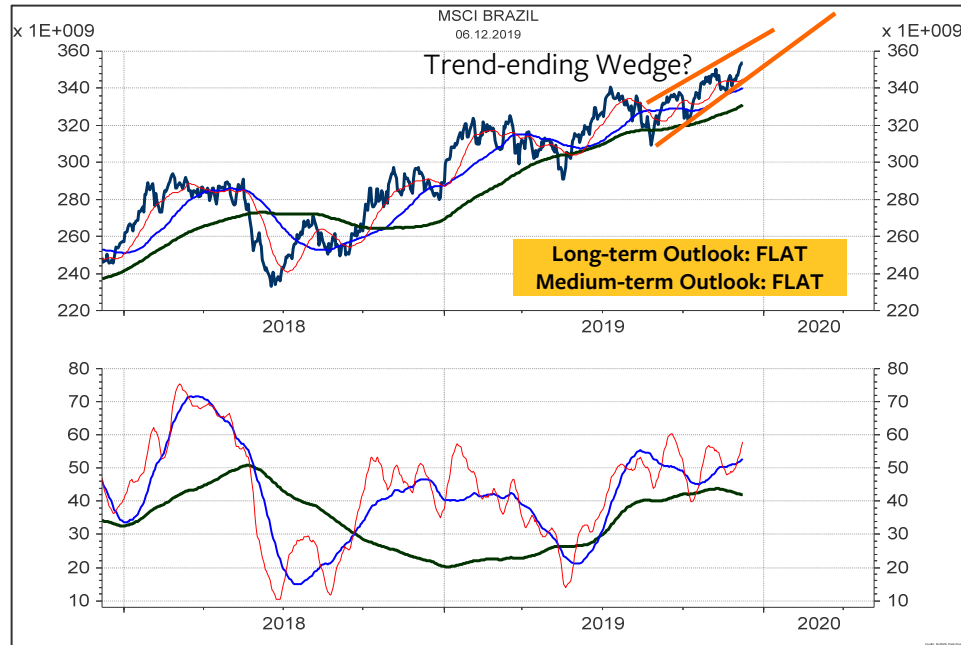
MSCI EMERGING MARKETS relative to the MSCI AC World



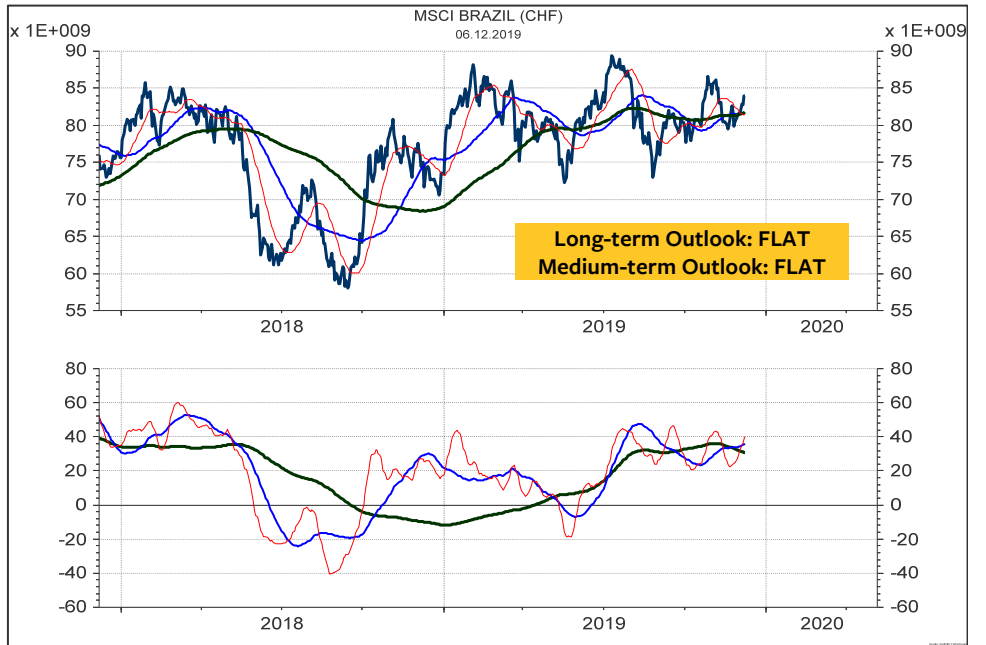
MSCI EMERGING MARKETS in CHF relative to MSCI Switzerland



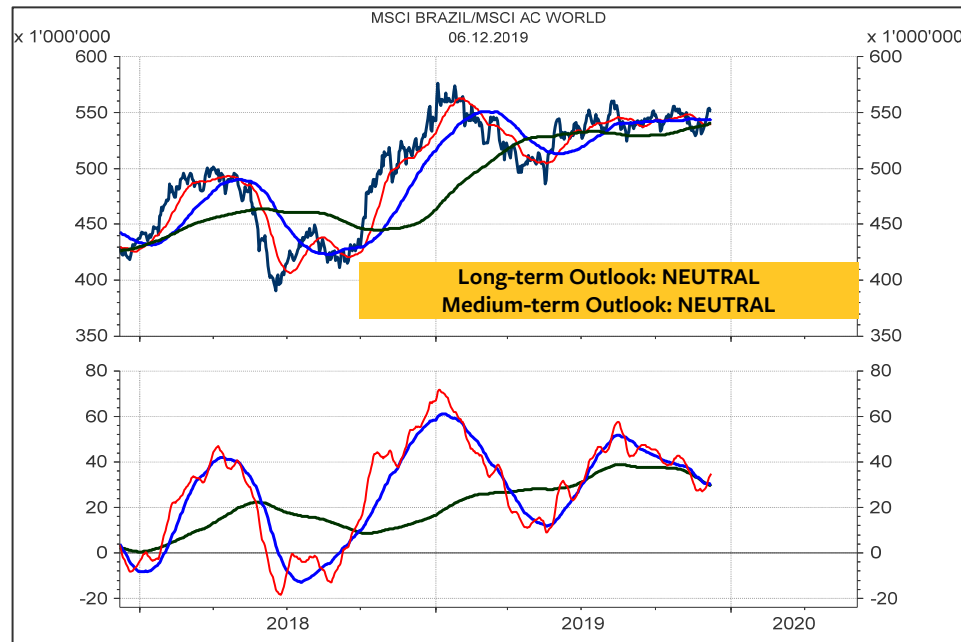
MSCI BRAZIL in Brazil real



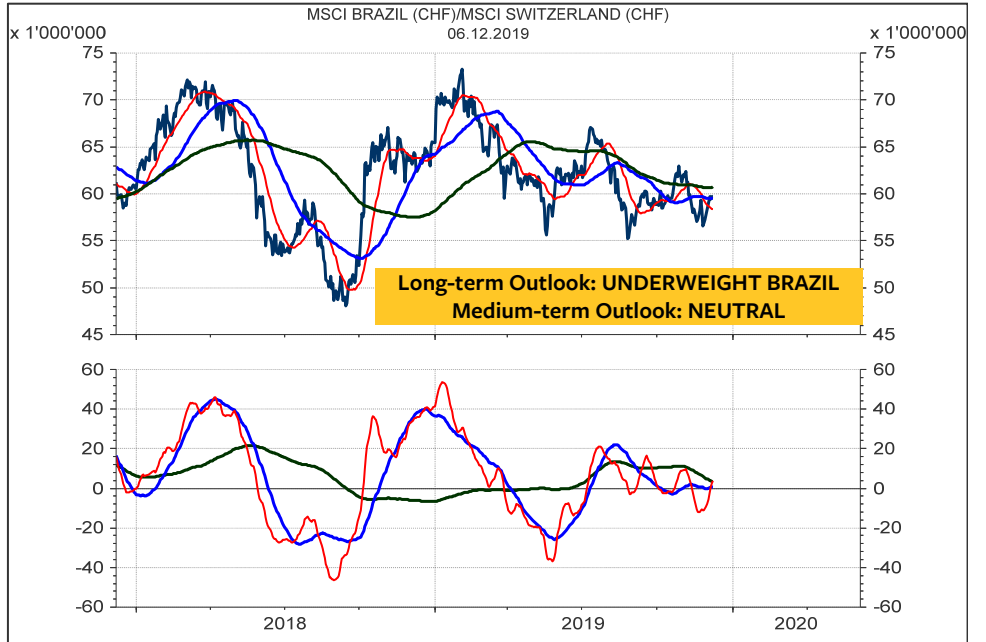
MSCI BRAZIL in Swiss franc



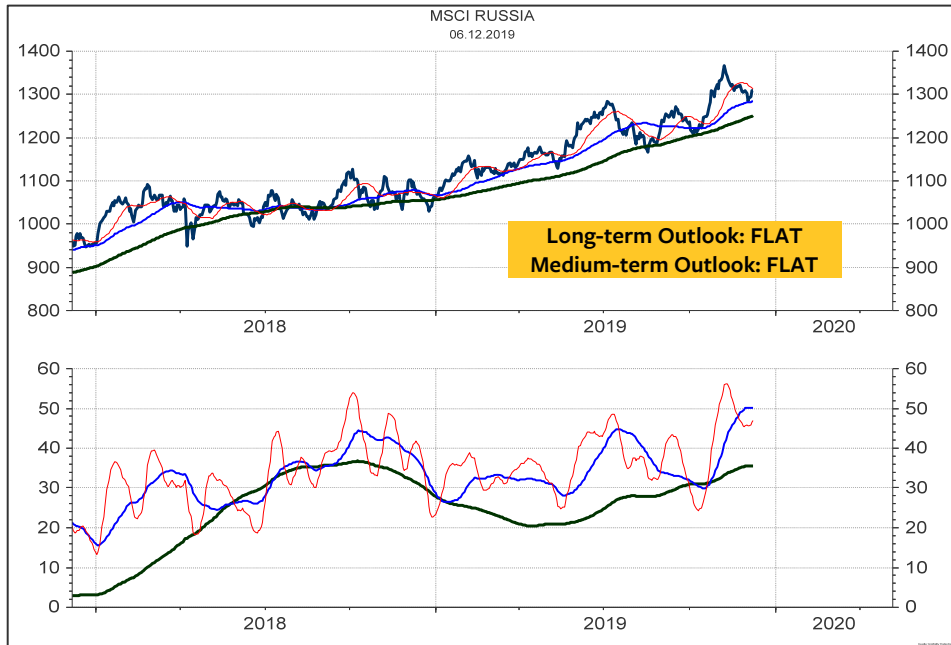
MSCI BRAZIL relative to the MSCI AC World



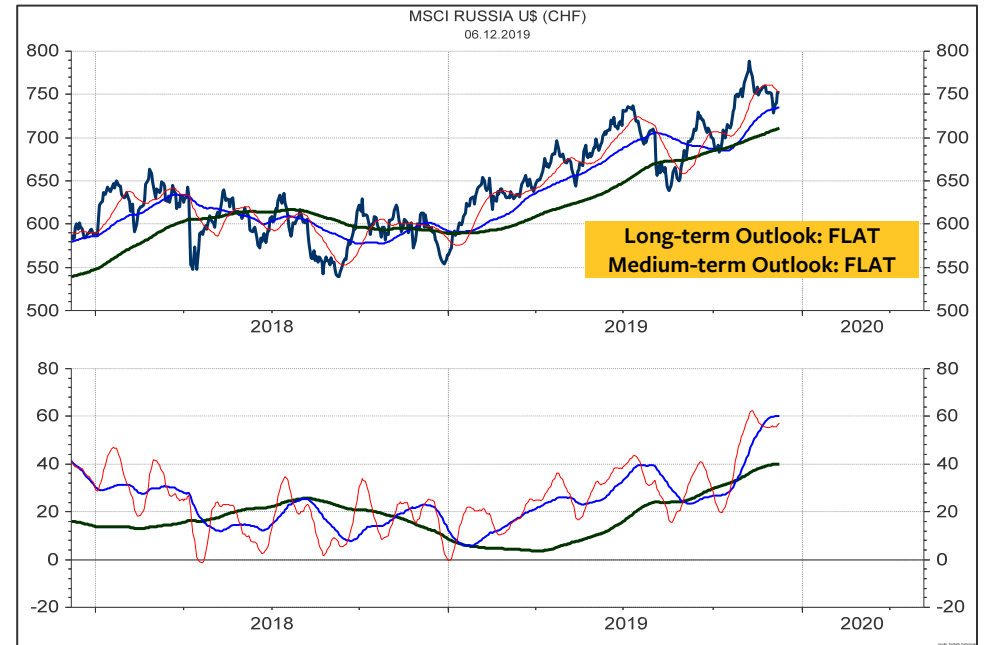
MSCI BRAZIL in CHF relative to MSCI Switzerland



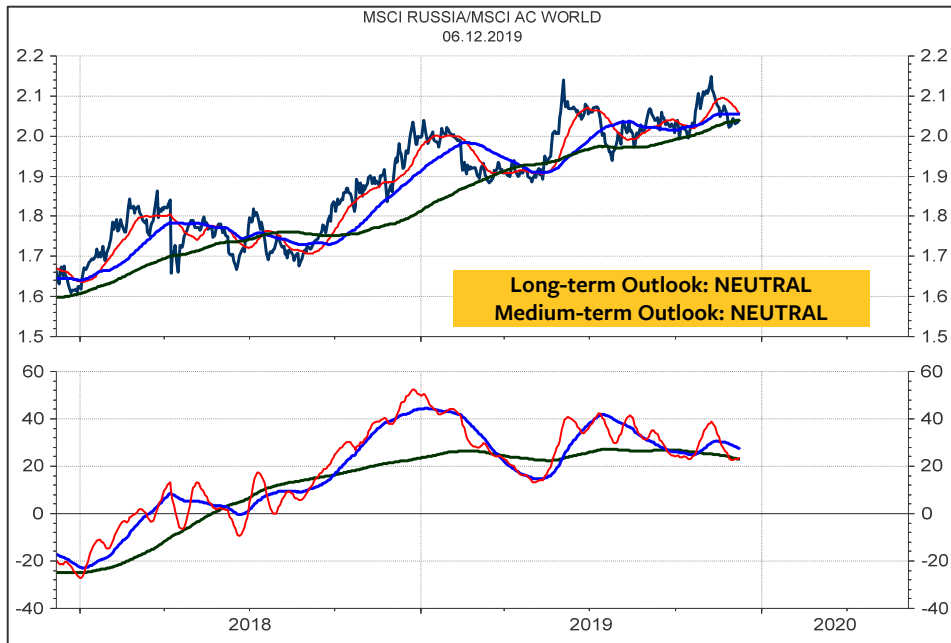
MSCI RUSSIA in Russian rouble



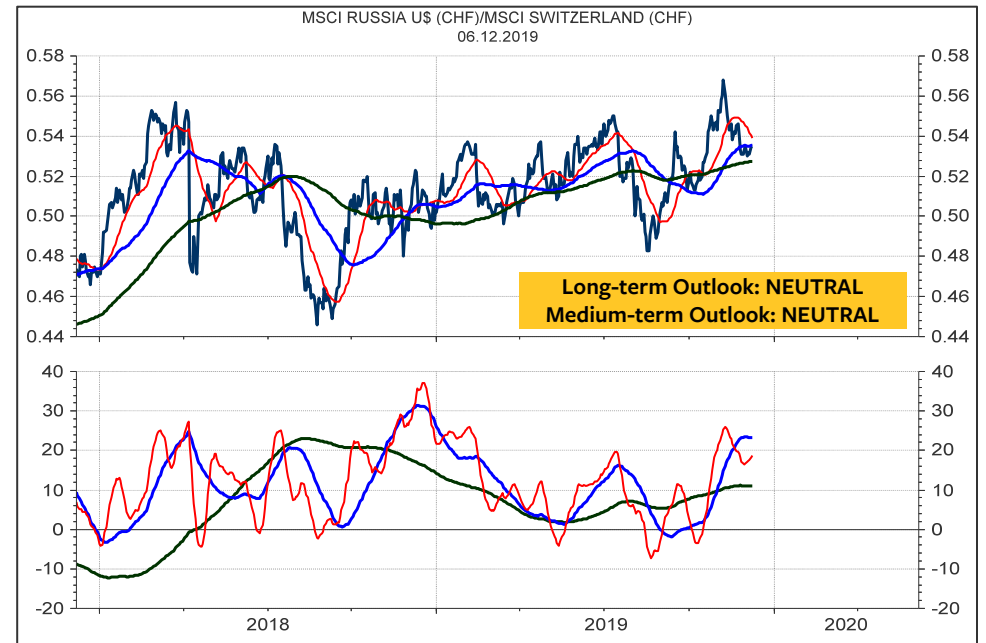
MSCI RUSSIA in Swiss franc



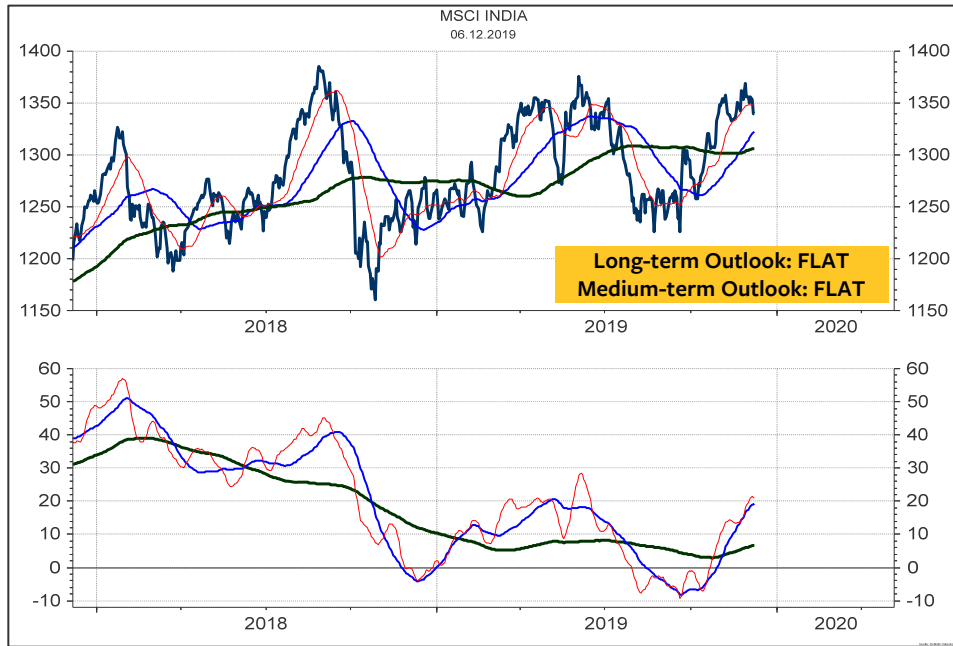
MSCI RUSSIA relative to the MSCI AC World



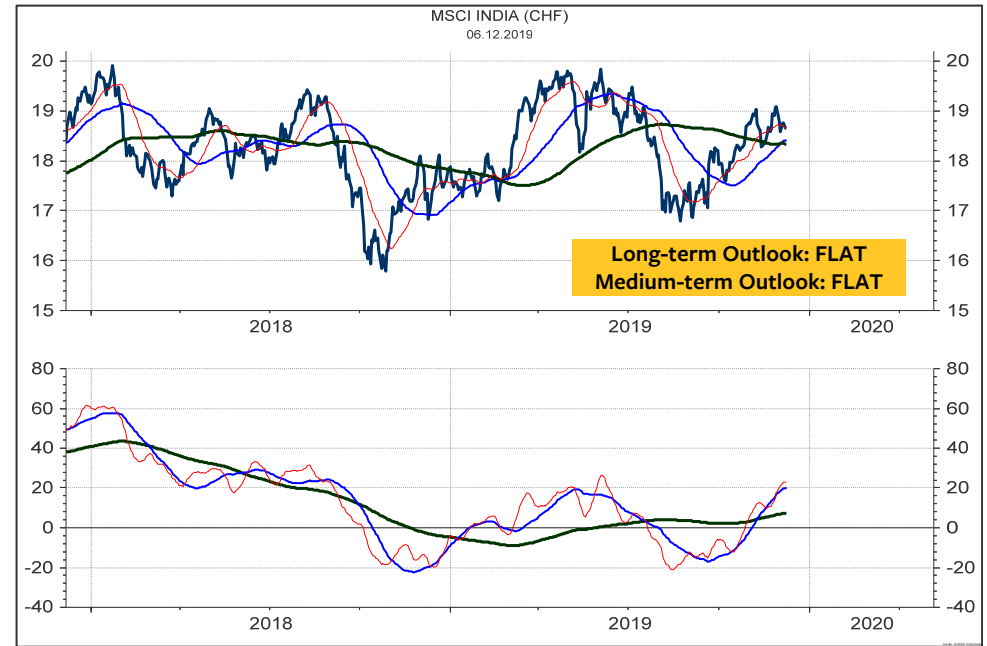
MSCI RUSSIA in CHF relative to MSCI Switzerland



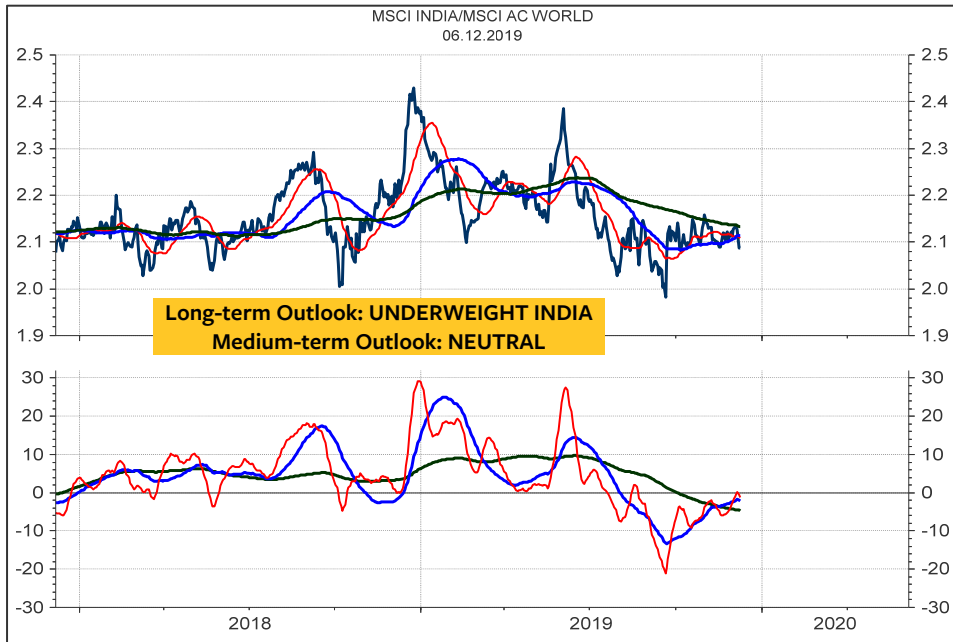
MSCI INDIA in Indian rupee



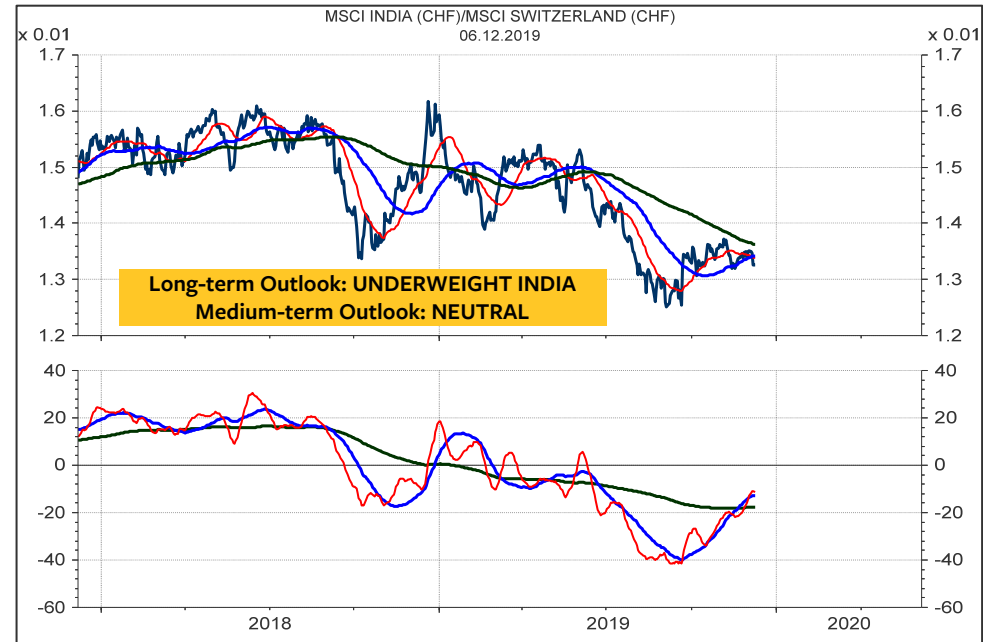
MSCI INDIA in Swiss franc



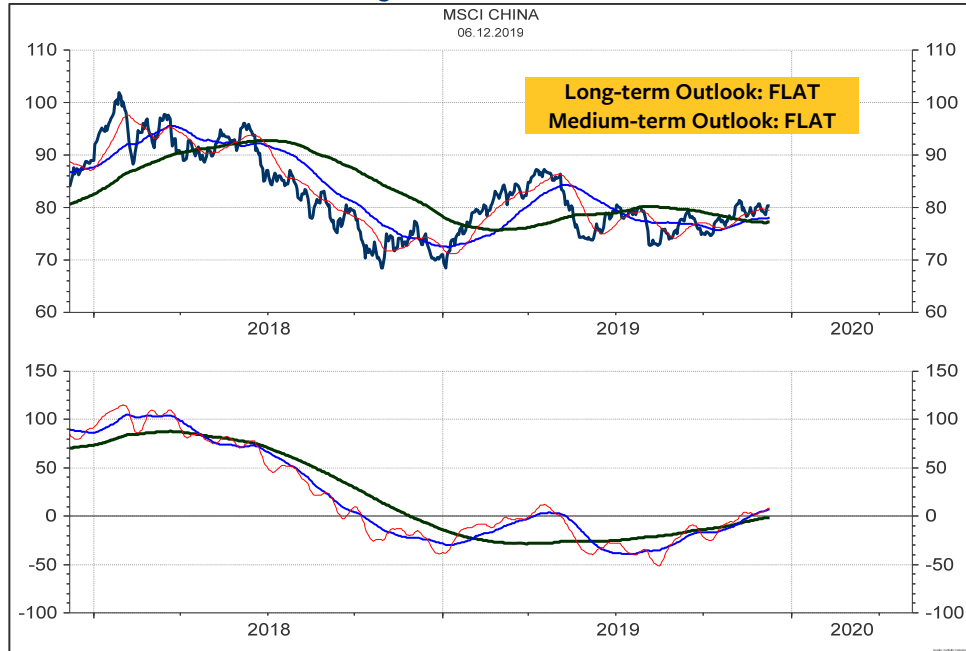
MSCI INDIA relative to the MSCI AC World



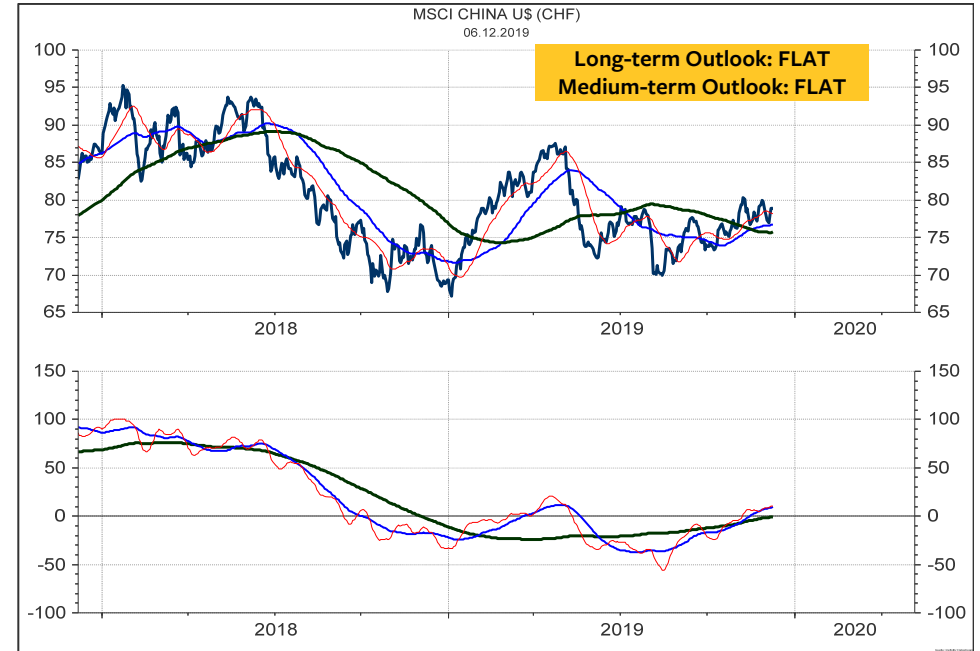
MSCI INDIA in CHF relative to MSCI Switzerland



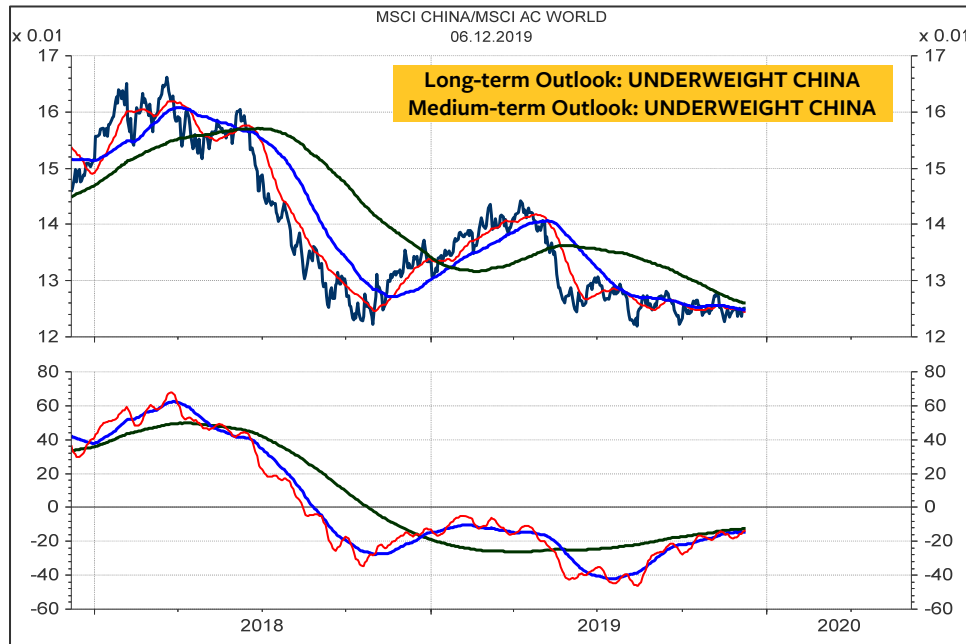
MSCI CHINA in Chinese yuan



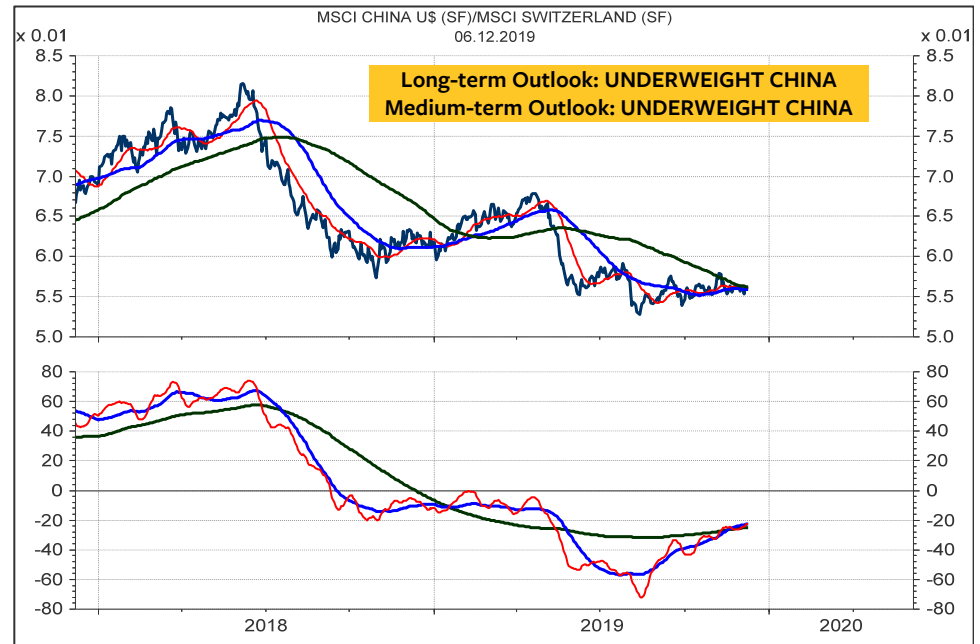
MSCI CHINA in Swiss franc



MSCI CHINA relative to the MSCI AC World



MSCI CHINA in CHF relative to MSCI Switzerland

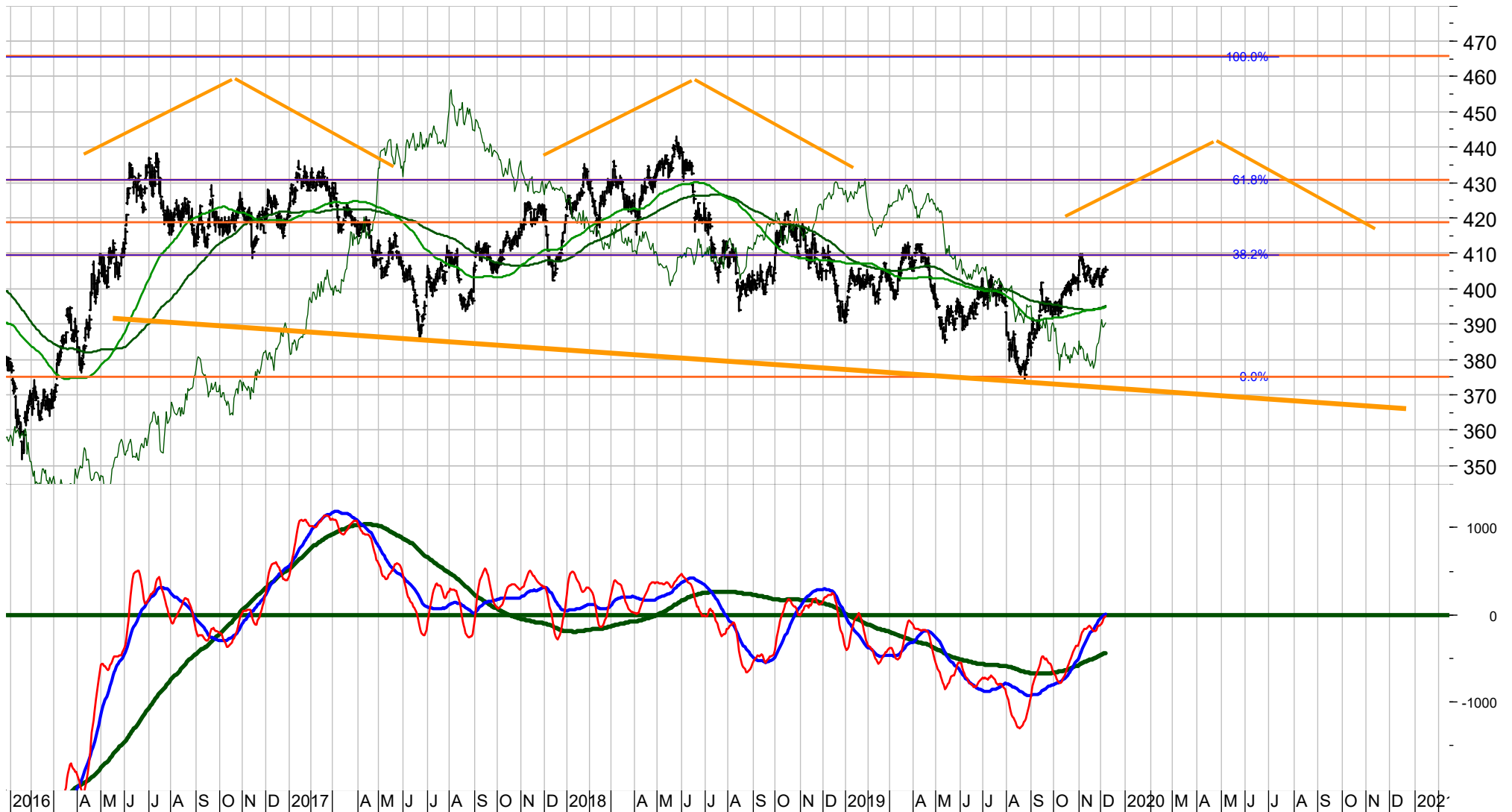


Thomson Reuters Equally Weighted Commodity Index – daily chart

The Thomson Reuters Equally Weighted Commodity Index has been trading in a tight range through November below the resistance at 410. On the big picture, the TR Index is likely to form the right shoulder of a major Head and Shoulder Top. This pattern implies that the commodities are likely to undergo one more deflationary downleg, probably from the second half 2020 onwards.

Both, my Long-term and Medium-term Outlook remain FLAT.

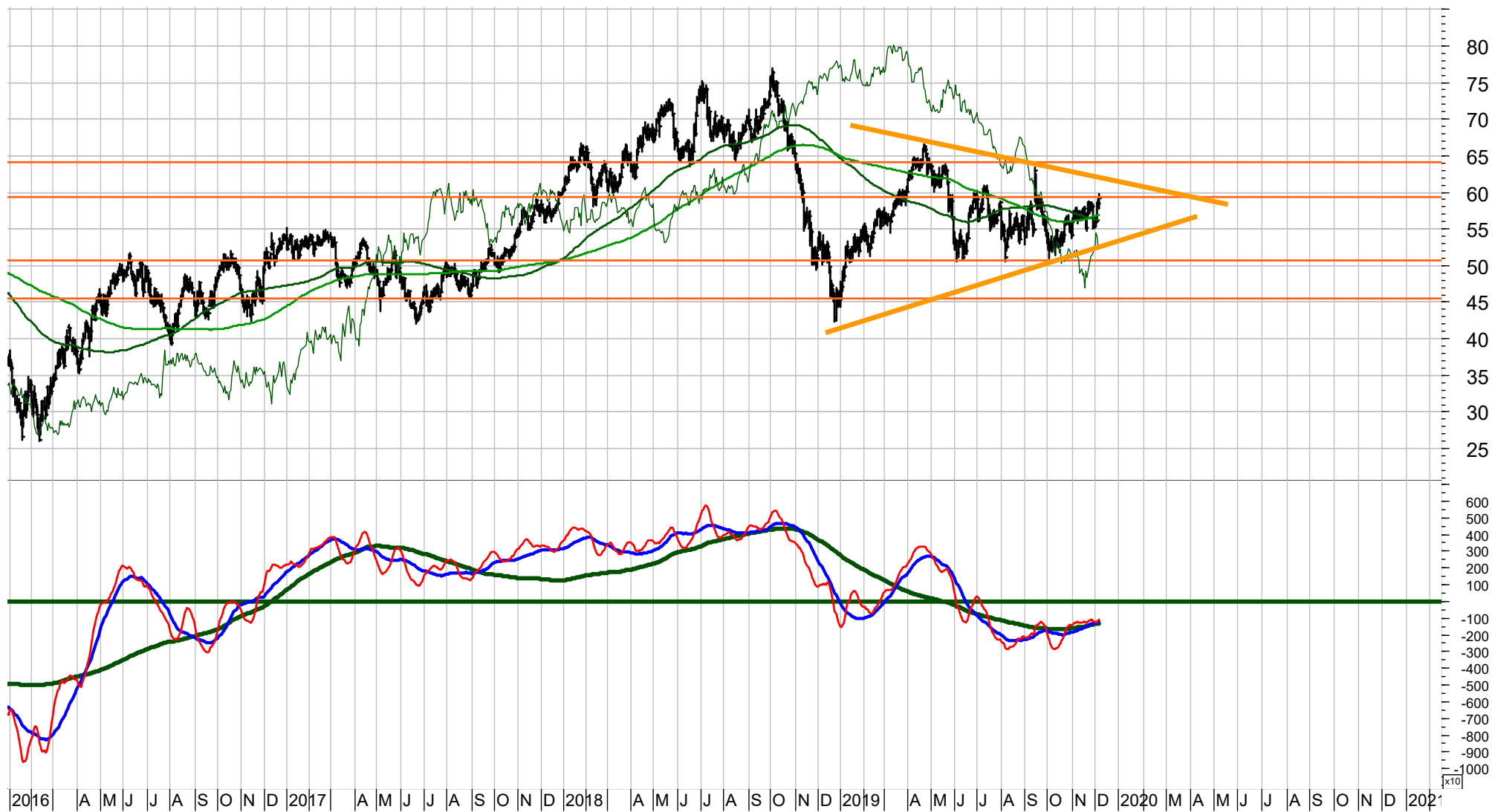
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Light Crude Oil Continuous Future – daily chart

My Long-term and Medium-term Outlook remains FLAT because Crude Oil remains in its horizontal triangle. Resistance is at 60 and 64 / 66. Supports are at 53 and 48 / 45.

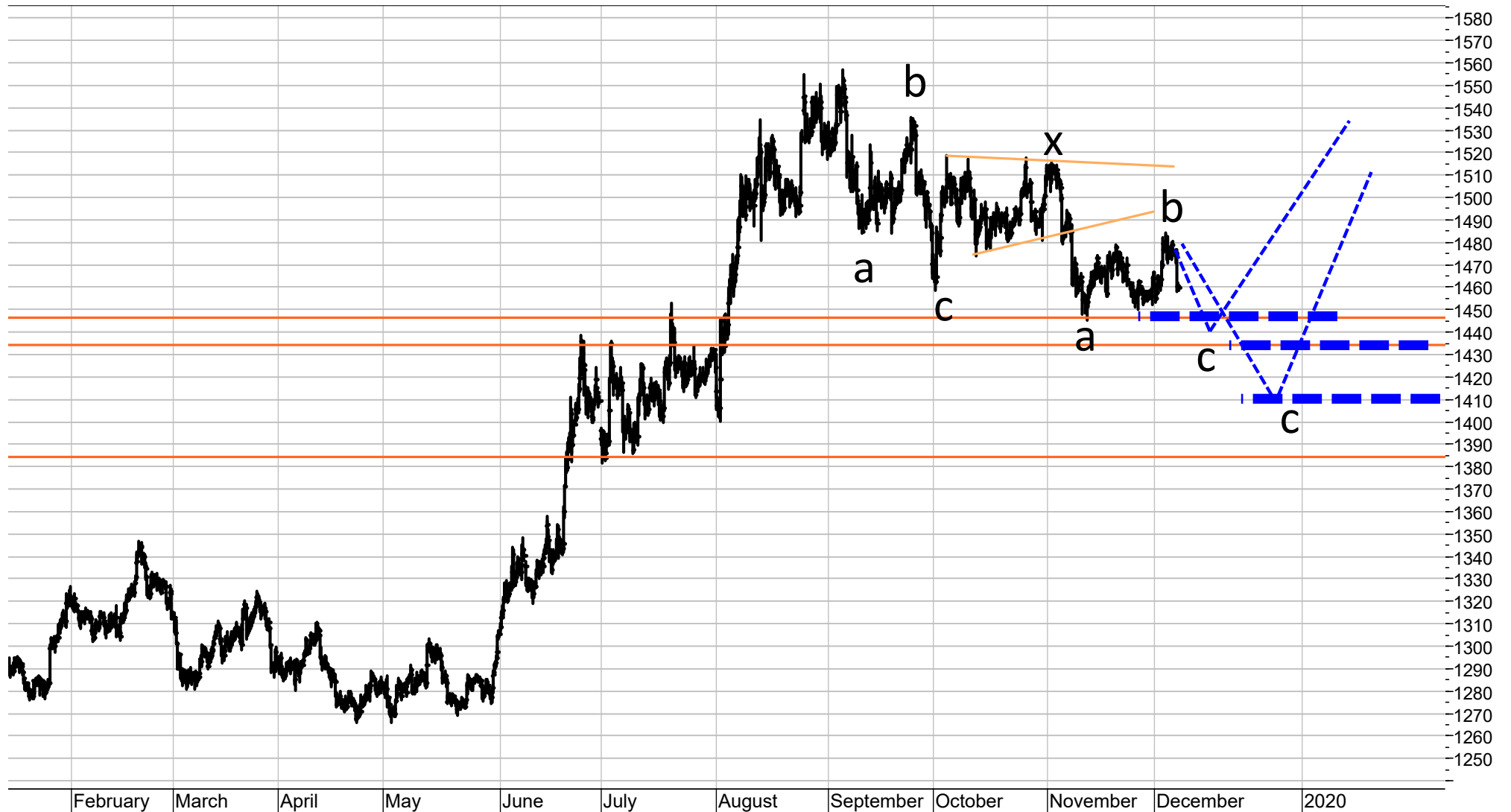
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Gold per Ounce in US dollar – 240-minute chart

My Long-term Outlook remains UP because I think the price weakness from early September is a “normal” correction a-b-c-x-a-b-c and that it is part of the long-term uptrend.
My Medium-term Outlook remains FLAT as long as the present correction does not break 1445 / 1435 and 1405.

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



Silver – hourly chart

My Medium-term Outlook and Long-term Outlook could move to DOWN if the supports at 16.60 / 16.30 and 15.50 / 15.20 are broken.

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



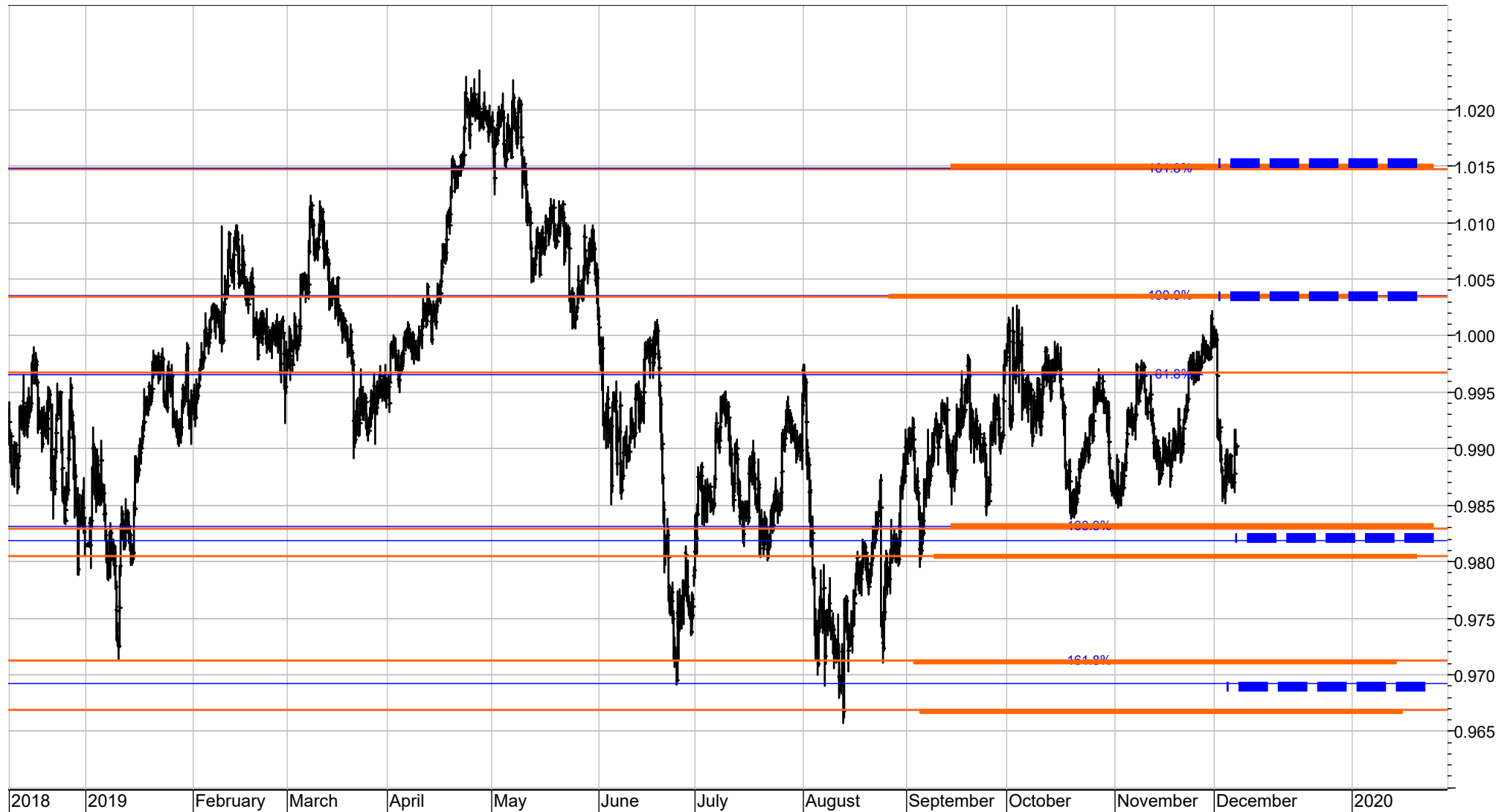
Swiss franc per US DOLLAR – 240-minute chart

My Long-term and Medium-term Outlook remain **DOWN** as long as the US dollar does not break above 0.9970 / 1.0040.

The bearish outlook needs confirmation with a dollar break below 0.98 and 0.9650.

Upgrades could be signaled if 0.9970 and 1.0040 could be broken. Long-term resistance is at 1.0150.

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



Japanese yen per US DOLLAR – 240-minute chart

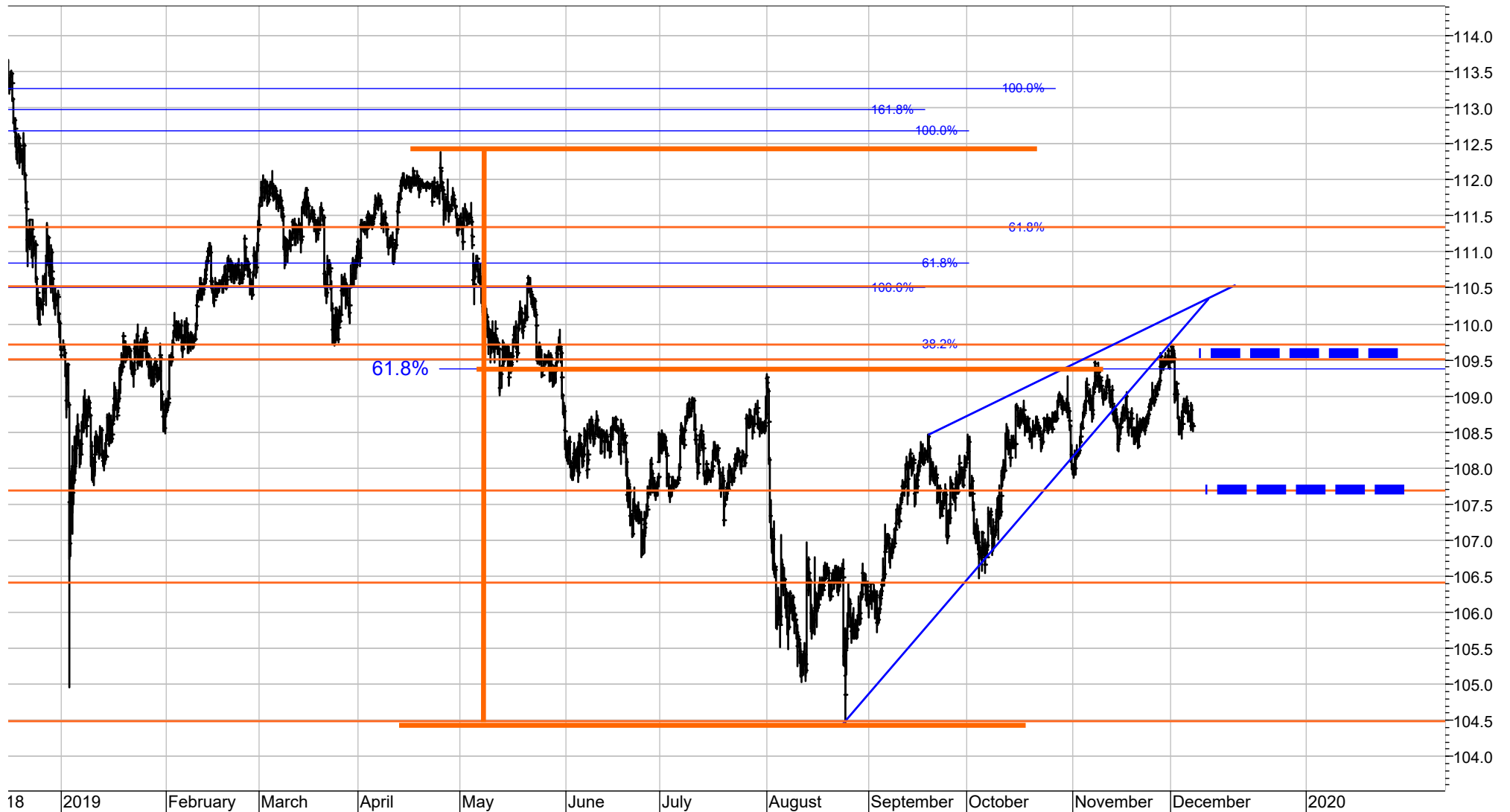
The US dollar was turned down by the resistance, which I had projected at 109.80.

My Long-term Outlook remains FLAT as long as the US dollar does not break above 110 / 110.50.

It would move to DOAN if 107.50 / 106.30 is broken.

My Medium-term Outlook would move to DOWN if 107.70 is broken.

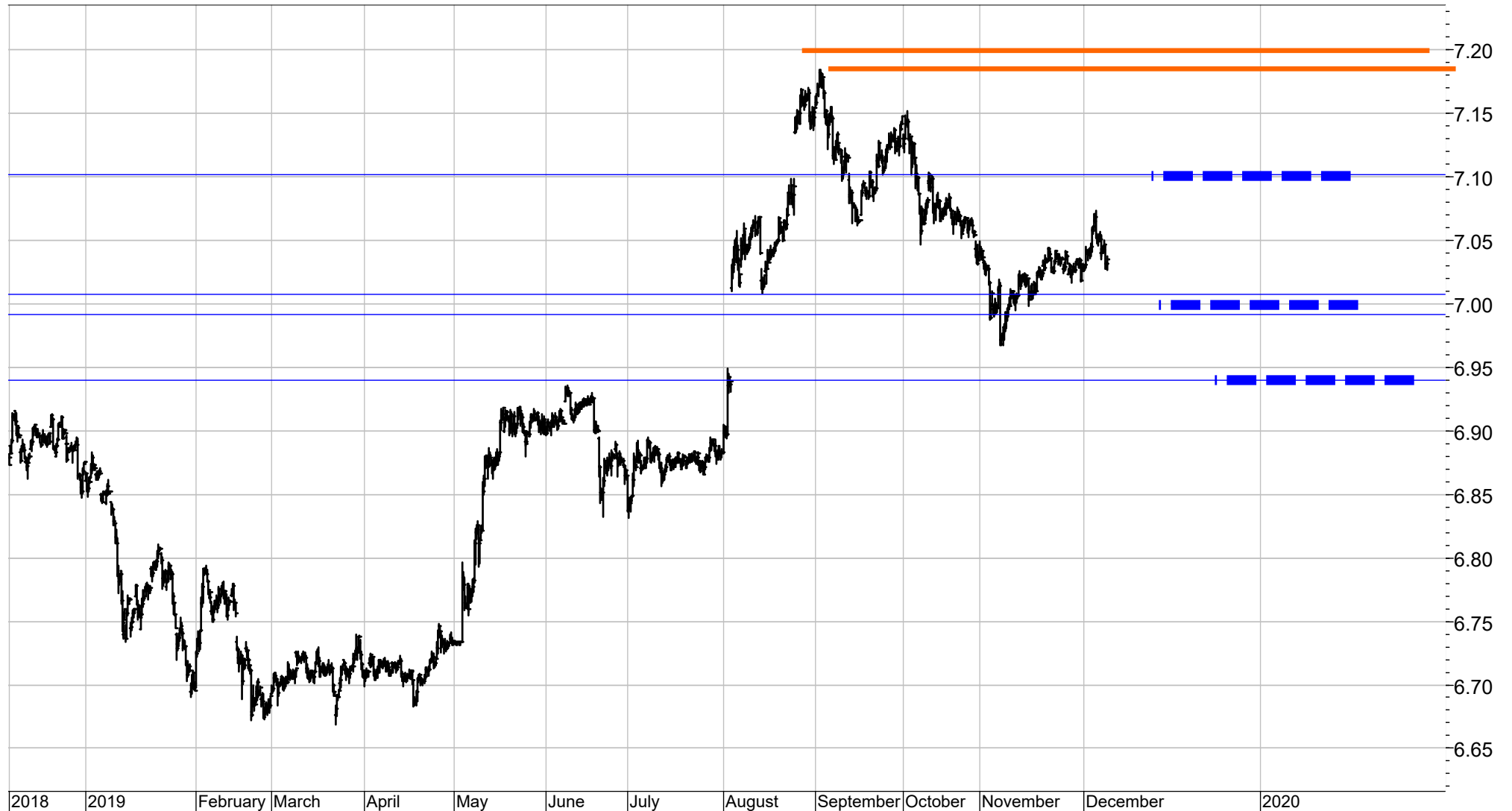
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Chinese yuan per US DOLLAR – 240-minute chart

My Long-term Outlook remains UP and my Medium-term Outlook remains FLAT between 6.95 / 6.93 and 7.05 / 7.10. Downgrades could be signaled if 6.99 and 6.94 is broken. For the US dollar to signal the resumption of the major uptrend it will have to break 7.10.

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



Mexican peso per US DOLLAR – daily chart

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

My Long-term and Medium-term Outlook remain FLAT between 18.90 and 20.

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



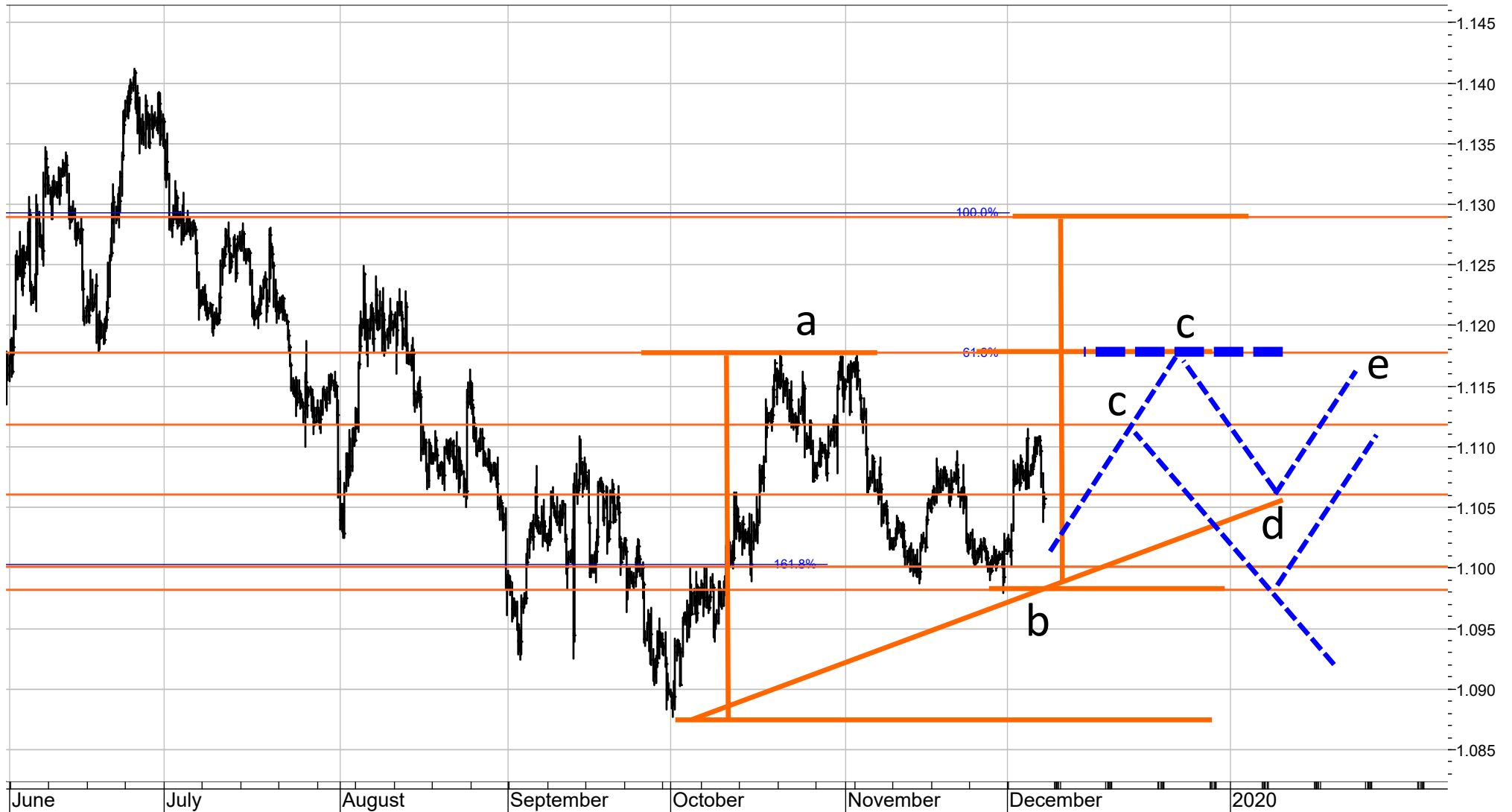
US dollar per EURO – 240-minute chart

My Long-term Outlook remains FLAT.

My Medium-term Outlook could shift from UP to FLAT if 1.0970 is broken.

Clearly, for the Euro to turn upwards medium and long term, it must rise above 1.120/80.

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



US dollar per BRITISH POUND – daily chart

The British pound broke the triangle from mid October to the upside and reached the resistance 1.31 / 1.32. It will take a break of 1.32 to signal 1.38.

My Long-term and Medium-term Outlook remain UP.

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



Swiss franc per EURO – 240-minute chart

My Long-term Outlook remains DOWN because I still see the consolidation from September as part of the long-term downtrend, rather than the forming of a long-term Euro bottom.

With last week's decline the pattern is best interpreted as a horizontal triangle.

My Medium-term Outlook could shift to DOWN if 1.09 / 1.0830 is broken.

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



US dollar per BITCOIN – daily chart

The Bitcoin is still trading around the support cluster 7300 / 6200.

As long as 6200 is not broken, the Bitcoin could just have completed Wave c of a large TRIANGLE (a-b-c-d-e, marked blue), which began in December 2017. This would imply that the Bitcoin could form Wave d and rise to 11000. Resistance levels are 9500, 11000 and 14000. BUT, a break of the mega support at 7299 / 6200 would signal a decline to 3500.



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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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