



GLOBAL CHART OUTLOOK

investing ahead of the crowd

GLOBAL MARKETS
20th January 2020 / Issue #3

Global Stock Market Indicesin local currencies..... andin Swiss franc..... and Commodities

CONTENT	Page	IN LOCAL CURRENCIES		IN LOCAL CURRENCIES		IN SWISS FRANC		IN SWISS FRANC	
		OUTLOOK ABSOLUTE	OUTLOOK ABSOLUTE	RELATIVE TO MSCI WORLD	RELATIVE TO MSCI WORLD	OUTLOOK ABSOLUTE	OUTLOOK ABSOLUTE	RELATIVE TO MSCI SWITZERLAND	RELATIVE TO MSCI SWITZERLAND
		LONG-TERM	Medium term	LONG-TERM	Medium term	LONG-TERM	Medium term	LONG-TERM	Medium term
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Content and Summary Fixed Income - local currencies and Swiss franc	3								
Switzerland - Swiss Equally Weighted Stock Market Index	4	UP	FLAT						
Switzerland - SMI	5	UP	FLAT	OVERWEIGHT SWITZERLAND					
Switzerland - Swiss MidCap Index	6	FLAT	FLAT						
Switzerland - Swiss SmallCap Index	7	FLAT	FLAT						
Switzerland - Swiss Real Estate Shares Index	8	(u) UP	(u) UP						
S&P 500 Index	9	FLAT	FLAT	OVERWEIGHT USA	NEUTRAL	FLAT	FLAT	UNDERWEIGHT USA	NEUTRAL
Nasdaq 100 Index	10	UP	UP						
Russel 2000 Index	11	FLAT	FLAT						
Three-Factor Model - S&P 500 Index, ECRI and Weekly Jobless Claims	12	All three models are UP. This further reduces the risk of a recession.							
MSCI USA in Swiss franc relative to the MSCI Switzerland	13	Swiss franc-based equity investors remain invested in Swiss equities.							
U.K. - FTSE 100 Index	14	FLAT	FLAT	UNDERWEIGHT U.K.	UNDERWEIGHT U.K.	FLAT	FLAT	UNDERWEIGHT U.K.	NEUTRAL
Europe - Eurostoxx 50 Index	15	FLAT	FLAT	NEUTRAL	NEUTRAL	FLAT	FLAT	UNDERWEIGHT EMU	NEUTRAL
Germany - DAX	16	FLAT	FLAT	NEUTRAL	NEUTRAL	FLAT	FLAT	UNDERWEIGHT GERMANY	NEUTRAL
French CAC 40 Index	17	FLAT	FLAT	NEUTRAL	NEUTRAL	FLAT	FLAT	UNDERWEIGHT FRANCE	NEUTRAL
Italian MIB Index	18	FLAT	FLAT	NEUTRAL	NEUTRAL	FLAT	FLAT	UNDERWEIGHT ITALY	NEUTRAL
Spanish IBEX	19	FLAT	FLAT	UNDERWEIGHT SPAIN	UNDERWEIGHT SPAIN	FLAT	FLAT	UNDERWEIGHT SPAIN	UNDERWEIGHT SPAIN
Japan - Nikkei 225 Index	20	FLAT	FLAT	UNDERWEIGHT JAPAN	NEUTRAL	FLAT	FLAT	UNDERWEIGHT JAPAN	NEUTRAL
Emerging Markets - MSCI EM	21	FLAT	FLAT	UNDERWEIGHT EM	NEUTRAL	FLAT	FLAT	UNDERWEIGHT EM	NEUTRAL
China- Shanghai Composite Index	22	FLAT	FLAT	UNDERWEIGHT CHINA	NEUTRAL	FLAT	FLAT	UNDERWEIGHT CHINA	NEUTRAL
TR Commodity Index	23	FLAT	FLAT						
Light Crude Oil	24	FLAT	FLAT						
Gasoline	25	FLAT	(d) DOWN						
Gas Oil	25	FLAT	FLAT						
Heating Oil	25	FLAT	(d) DOWN						
Natural Gas	25	DOWN	DOWN						
HG Copper	26	FLAT	FLAT						
Aluminium	27	DOWN	DOWN						
Lead	27	FLAT	DOWN						
Nickel	27	FLAT	DOWN						
Zinc	27	DOWN	(u) FLAT						
Lumber	28	FLAT	FLAT						
Corn	28	FLAT	FLAT						
Wheat	28	UP	UP						
Soybeans	28	FLAT	FLAT						
Soybean Meal	29	FLAT	FLAT						
Soybean Oil	29	UP	(d) FLAT						
Cocoa	29	FLAT	(u) UP						
Coffee "C"	29	UP	(d) FLAT						
Gold	30	UP	UP						
Global-37 Gold Model	31								
Gold in Swiss franc	32	UP	UP						
Gold in Euro	32	UP	UP						
Gold in British pound	32	FLAT	FLAT						
Gold in Japanese yen	32	UP	UP						
Gold in Canadian dollar	33	UP	UP						
Gold in Australian dollar	33	UP	UP						
Gold in Chinese yuan	33	UP	UP						
Gold in Brazilian real	33	UP	UP						
Silver	34	UP	UP						
Platinum	35	UP	UP						
Palladium	36	UP	FLAT						

Global Stock Market Indices in local currencies relative to the MSCI World Index and in Swiss franc relative to the MSCI Switzerland and Commodities

Also this week, there are no changes in the medium-term and long-term outlook for the global stock market indices. The Long-term Outlook remains UP for the Nasdaq 100 Index and the Swiss Market Index. All other outlook ratings remain FLAT.

- The Swiss Real Estate Shares Total Return Index is again upgraded to UP. The expected medium-term correction has not occurred and the uptrend is resuming.
- The European stock market indices are forming the final Wave 5 within the uptrend from August 2019. This fifth wave is within striking distance of the long-term resistance levels.
- The Emerging Market Index has retraced 61.80% of the bear market of 2018 and is likely to enter a medium-term correction. A break through this key resistance would indicate that the long-term uptrend is resuming and that it could top the high from January 2018.

Local currency-based investors can remain overweight in US stocks, neutral in Europe and underweight in Japan and Emerging Markets. Swiss franc-based equity investors remain invested in Swiss stocks and remain out of the rest of the World (or overweight Switzerland and underweight the rest of the World).

There are medium-term changes in a few commodities. However, the Thomson Reuters Commodity Index remains medium-term and long-term FLAT. Gold must be watched closely here. My Global Gold Long-term and Medium-term Models remain positive. However, both models could turn negative with a Gold decline of a global average over 4.5%.

Global Bond Yields and Total Return.....in local currencies..... andin Swiss franc.....

absolute and relative to the Global TR and relative to the Swiss Total Return

CONTENT	Page	IN LOCAL CURRENCIES		IN LOCAL CURRENCIES		IN SWISS FRANC		IN SWISS FRANC	
		OUTLOOK ABSOLUTE	OUTLOOK ABSOLUTE	RELATIVE TO GLOBAL TOTAL RETURN	RELATIVE TO GLOBAL TOTAL RETURN	OUTLOOK ABSOLUTE	OUTLOOK ABSOLUTE	RELATIVE TO SWISS TOTAL RETURN	RELATIVE TO SWISS TOTAL RETURN
		LONG-TERM	Medium term	LONG-TERM	Medium term	LONG-TERM	Medium term	LONG-TERM	Medium term
Global 10-year Bond Yield and Total Return from 7-10-year Government Bonds	37	FLAT	FLAT						
USA - 2-year T-Note Yield		FLAT	FLAT						
USA - 10-year T-Note Yield	38	FLAT	FLAT						
USA - 30-year T-Note Real Yield		FLAT	FLAT						
USA - 10-year Real Yield	39								
Swiss 10-year Conf Yield	41	FLAT	DOWN						
Swiss Consumer Price Index	42								
Switzerland - 10-year Real Yield									
10-year yields - Canada, China, Japan, Australia									
10-year yields - U.K., Sweden, France, Germany									
10-year yields - Italy, Spain, Portugal, Greece									
10-year yields - Russia, Turkey, Hungary, Poland									
10-year yields - Brazil, Mexico, India, Indonesia									
10-year yields - Malaysia, Taian, Korea, Thailand									
Total Return from 7-10-year Global Government Bonds	43	FLAT	FLAT						
Total Return from 7-10-year Global Govt. Bonds RELATIVE to MSCI Global Stocks									
Total Return from 7-10-year Swiss Government Bonds	44	DOWN	FLAT	UNDERWEIGHT SWITZERLAND	NEUTRAL				
Total Return USA in US dollar and in Swiss franc absolute and relative		FLAT	FLAT	OVERWEIGHT USA	OVERWEIGHT USA	FLAT	FLAT	NEUTRAL	NEUTRAL
Total Return Canada in CA\$ and in Swiss franc absolute and relative		FLAT	DOWN	UNDERWEIGHT CANADA	UNDERWEIGHT CANADA	FLAT	DOWN	NEUTRAL	NEUTRAL
Total Return U.K. in GB£ and in Swiss franc absolute and relative		FLAT	DOWN	UNDERWEIGHT U.K.	UNDERWEIGHT U.K.	FLAT	FLAT	OVERWEIGHT U.K.	NEUTRAL
Total Return Germany in Euro and in Swiss franc absolute and relative	45	DOWN	FLAT	UNDERWEIGHT GERMANY	UNDERWEIGHT GERMANY	(d) DOWN	DOWN	(d) UNDERWEIGHT GERMANY	(d) UNDERWEIGHT GERMANY
Total Return France in Euro and in Swiss franc absolute and relative	46	DOWN	FLAT	UNDERWEIGHT FRANCE	UNDERWEIGHT FRANCE	(d) DOWN	DOWN	(d) UNDERWEIGHT FRANCE	(d) UNDERWEIGHT FRANCE
Total Return Italy in Euro and in Swiss franc absolute and relative	47	FLAT	FLAT	NEUTRAL	NEUTRAL	(d) DOWN	(d) DOWN	(d) UNDERWEIGHT ITALY	(d) UNDERWEIGHT ITALY
Total Return Portugal in Euro and in Swiss franc absolute and relative	48	FLAT	FLAT	NEUTRAL	NEUTRAL	(d) DOWN	DOWN	(d) UNDERWEIGHT PORTUGAL	(d) UNDERWEIGHT PORTUGAL
Total Return Spain in Euro and in Swiss franc absolute and relative	49	DOWN	FLAT	UNDERWEIGHT SPAIN	UNDERWEIGHT SPAIN	(d) DOWN	DOWN	(d) UNDERWEIGHT SPAIN	(d) UNDERWEIGHT SPAIN
Total Return Japan in Yen and in Swiss franc absolute and relative		DOWN	DOWN	UNDERWEIGHT JAPAN	UNDERWEIGHT JAPAN	DOWN	DOWN	UNDERWEIGHT JAPAN	UNDERWEIGHT JAPAN
Total Return Australia in AU\$ and in Swiss franc absolute and relative	50	FLAT	FLAT	OVERWEIGHT AUSTRALIA	OVERWEIGHT AUSTRALIA	(d) FLAT	FLAT	OVERWEIGHT AUSTRALIA	NEUTRAL
Total Return China in Yuan and in Swiss franc absolute and relative		UP	UP	NEUTRAL	NEUTRAL	FLAT	FLAT	NEUTRAL	NEUTRAL
Total Return Mexico in Peso and in Swiss franc absolute and relative		UP	UP	OVERWEIGHT MEXICO	OVERWEIGHT MEXICO	UP	UP	OVERWEIGHT MEXICO	OVERWEIGHT MEXICO
IBoxx USD Liquid High Yield Index		UP	UP						
Global US dollar Index	51	USD DOWN	USD DOWN						
Global US dollar Trend and Momentum Model	52	The US Dollar Model has improved from 22% to 38%.							
Swiss franc per US dollar	53	USD DOWN	USD DOWN						
Canadian dollar per US dollar		USD DOWN	USD DOWN						
Japanese yen per US dollar	54	FLAT	FLAT						
Chinese yuan per US dollar	55	FLAT	USD DOWN						
Mxican Peso per US dollar	56	FLAT	USD DOWN						
US dollar per Euro	57	FLAT	(d) FLAT						
US dollar per British pound	58	GBP UP	GBP UP						
US dollar per Australian dollar		FLAT	FLAT						
Global Swiss franc Trend and Momentum Model	59	The Swiss Franc Model has improved from 63% to 75%.							
Swiss franc per Euro	60	EUR DOWN	EUR DOWN						
US dollar per Bitcoin	61	FLAT	UP						

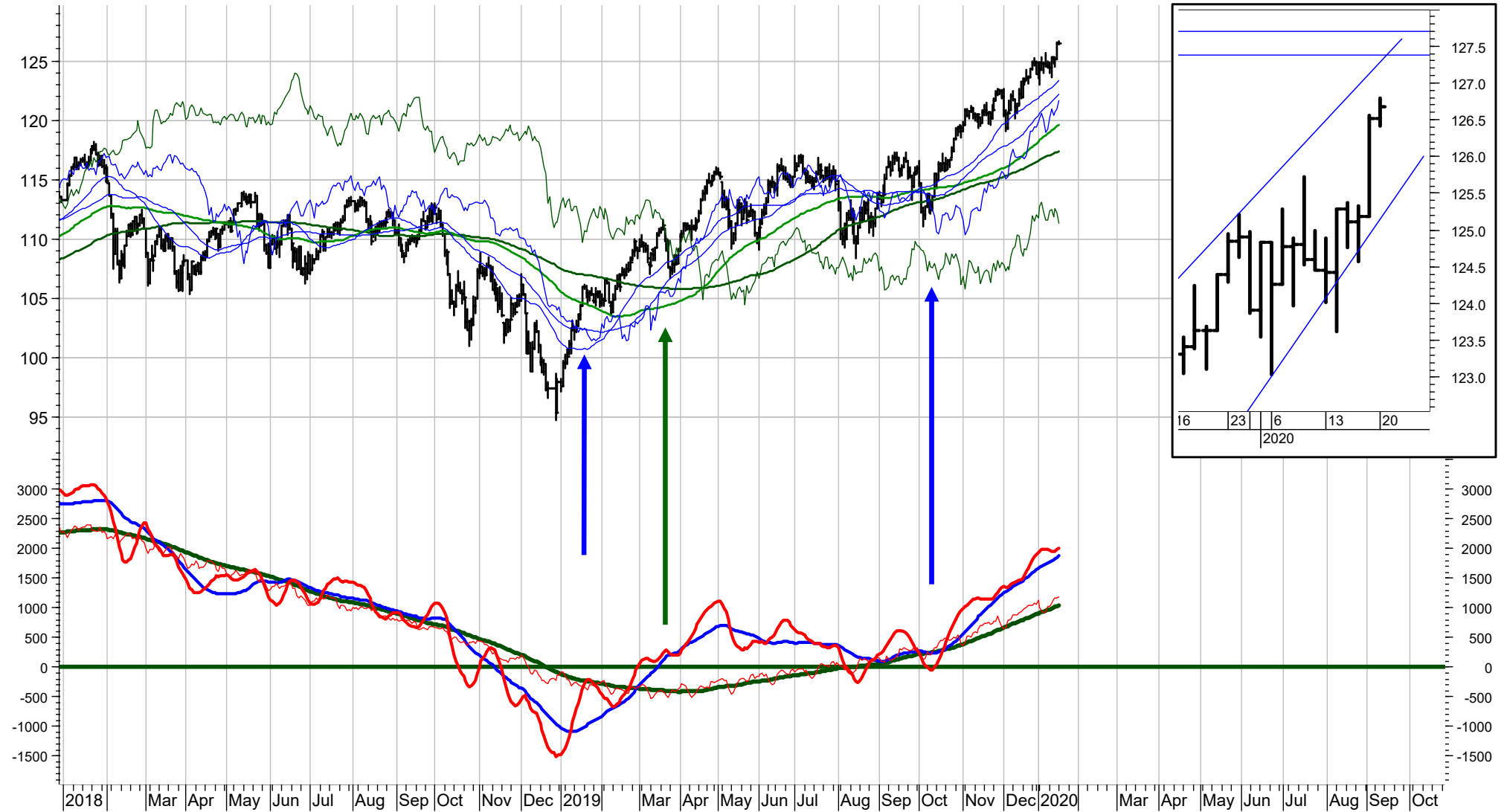
The Medium-term and Long-term Outlook for the global 10-year yields remains FLAT. Most 10-year Yield remains in a neutral trading range. Last week, I have come across a Staff Working Paper (No 845) by Paul Schmelzing (see page 40), which reconstructs global real interest rates on an annual basis going back to the 14th century, covering 78% of advanced economy GDP over time. The paper shows that the global real yield has been in a persistent decline over the past few centuries. The extrapolation of this downtrend could well support my forecast of the coming Secular Deflation. There are a few downgrades in the Total Return from the 10-year Government Bonds, measured in Swiss franc, in Germany, France, Italy, Portugal and Spain.

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

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

The SEWPI continues to extend the uptrend from early October. It is forming a Wedge, the resistance of which is at 127.40, 128. A break of 128 would signal 130 / 131 or 134 / 135. A break of 128 would be quite impressive, given the correlation of the uptrend from December 2018 to the decline from January to September 2019 by the factor 1.382. Thus, a break of 128 could justify another medium-term upgrade from flat to up.

The present medium-term uptrend would be reversed if the Index fell below the 34-day moving average (at 123), the 55-day moving average (at 122) and the medium-term momentum reversal (at 121.70). The long-term uptrend from December 2018 would be broken if the Index fell below the 89-day moving average (at 119.16), the 144-day moving average (at 117.40) and the long-term momentum reversal (at 111.30).

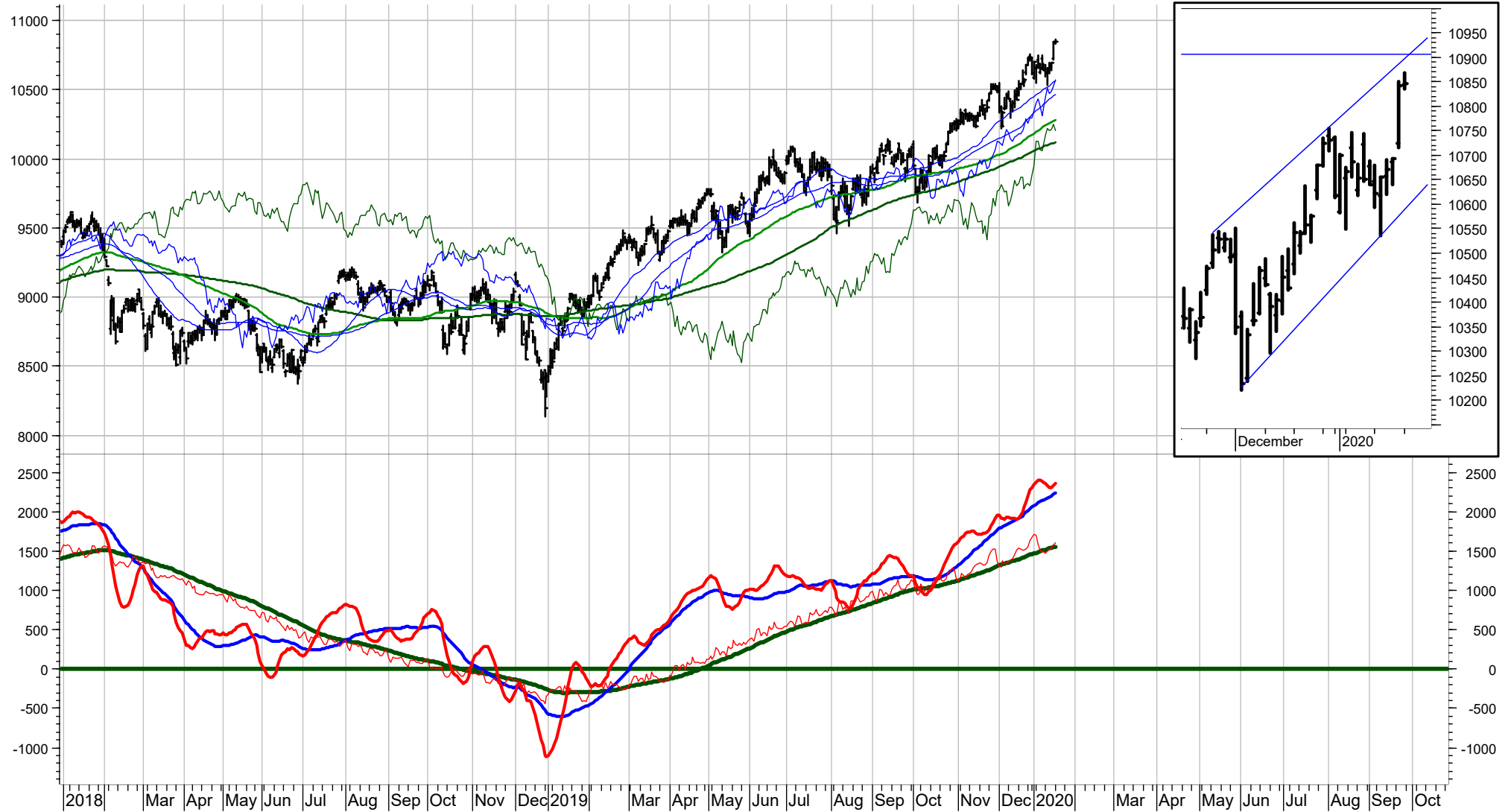


Swiss Market Index SMI – daily chart

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

The SMI is testing the upper level of the Wedge, which originated in early December 2019, presently positioned at 10900.

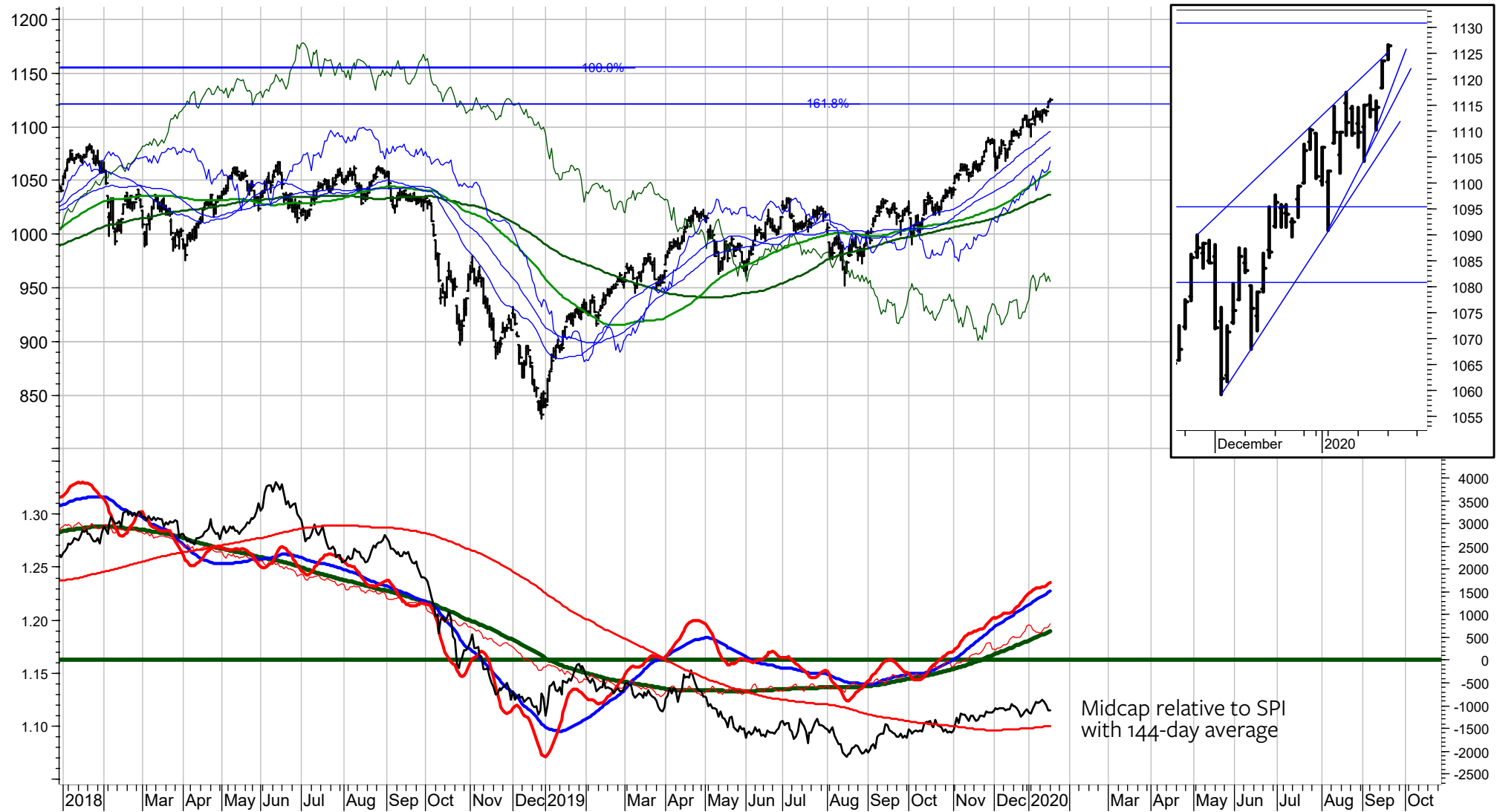
The present medium-term uptrend would be reversed if the Index fell below the 34-day moving average (at 10550), the 55-day moving average (at 10467) and the medium-term momentum reversal (at 10550). The long-term uptrend from December 2018 would be broken if the Index fell below the 89-day moving average (at 10275), the 144-day moving average (at 10115) and the long-term momentum reversal (at 10250).



Swiss MidCap Price Index (.SMIX) – daily chart

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

The SMPI is breaking the resistance at 1120 and likely to test the upper level of the Wedge, which originated in early December 2019, presently positioned at 1131. The medium-term uptrend from early October would be broken if the Index fell below the 34-day average, the 55-day average and the medium-term momentum reversal. Presently, these three medium-term indicators (marked blue) are positioned between 10455 and 10570. The long-term uptrend would be broken if the Index fell below the 89-day and 144-day moving averages at 1050 / 1030 and below the long-term momentum reversal at 950. The relative outperformance of the MidCap relative to the SPI from August (lower chart, marked black) has topped and is likely to test support from the 144-day moving average.

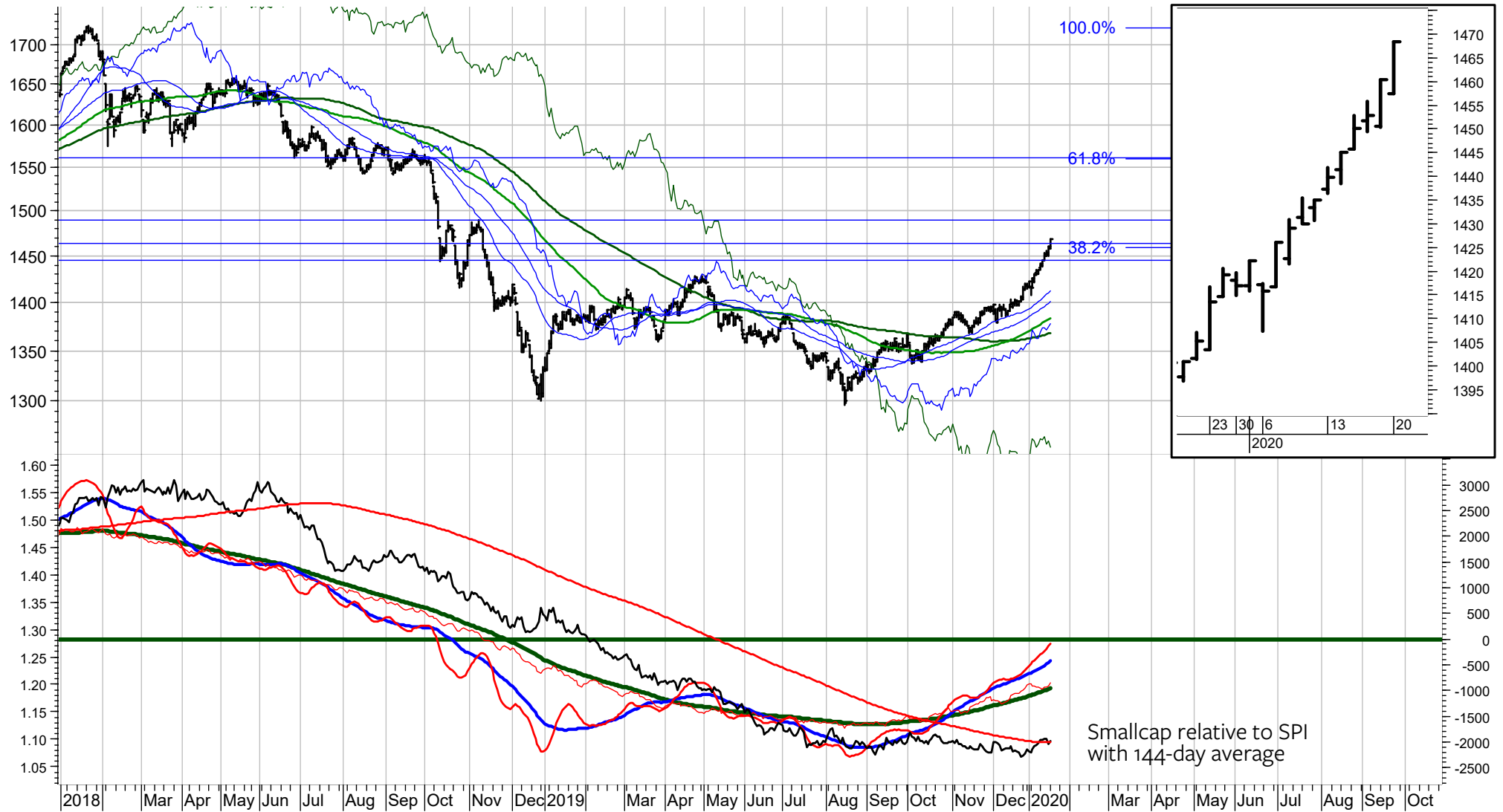


Swiss SmallCap Price Index (.SSIX) – daily chart

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

The Smallcap Index has reached the 38.20% retracement to the downtrend from January to December 2018, positioned at 1465. A break of 1470 / 1490 would signal 1560 and possibly even the resumption of the long-term uptrend.

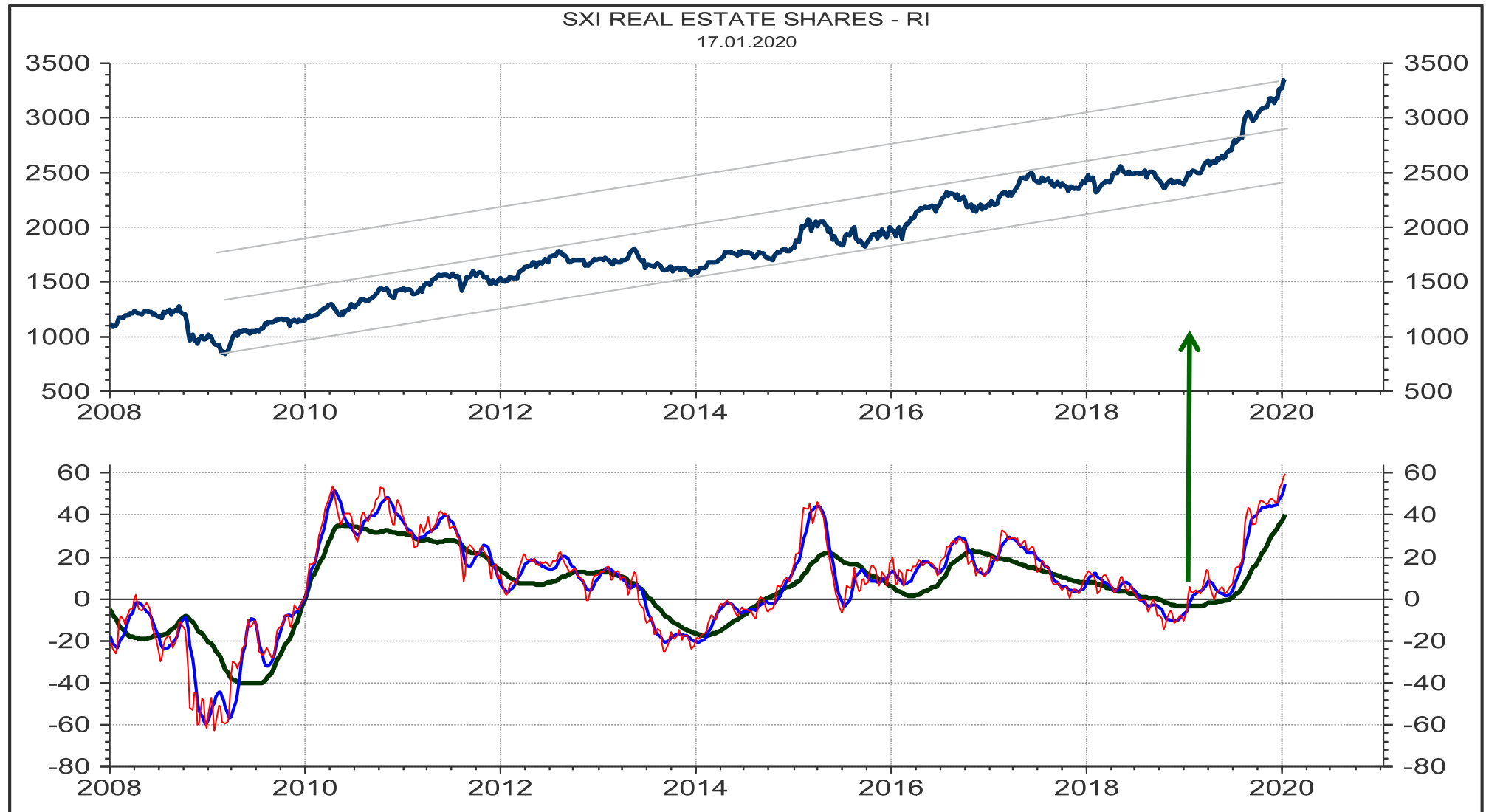
The relative performance to the SMI (lower chart, marked black) is testing the 144-day moving average. It is too early to call for a new long-term outperformance of the small caps stocks. For now, investors remain underweight in the small cap index.



SXI Swiss Real Estate Shares Total Return Index – daily chart

The Swiss Real Estate Share Index Total Return has risen from the low in the financial crisis in 2009 at 840 to the present 3360. The medium-term correction, which I was expecting to unfold in 1Q 2020, based on the wave pattern, did not occur. The uptrend in Wave 5 is extending and likely to reach higher levels. This is why I have again upgraded the outlook ratings to UP.

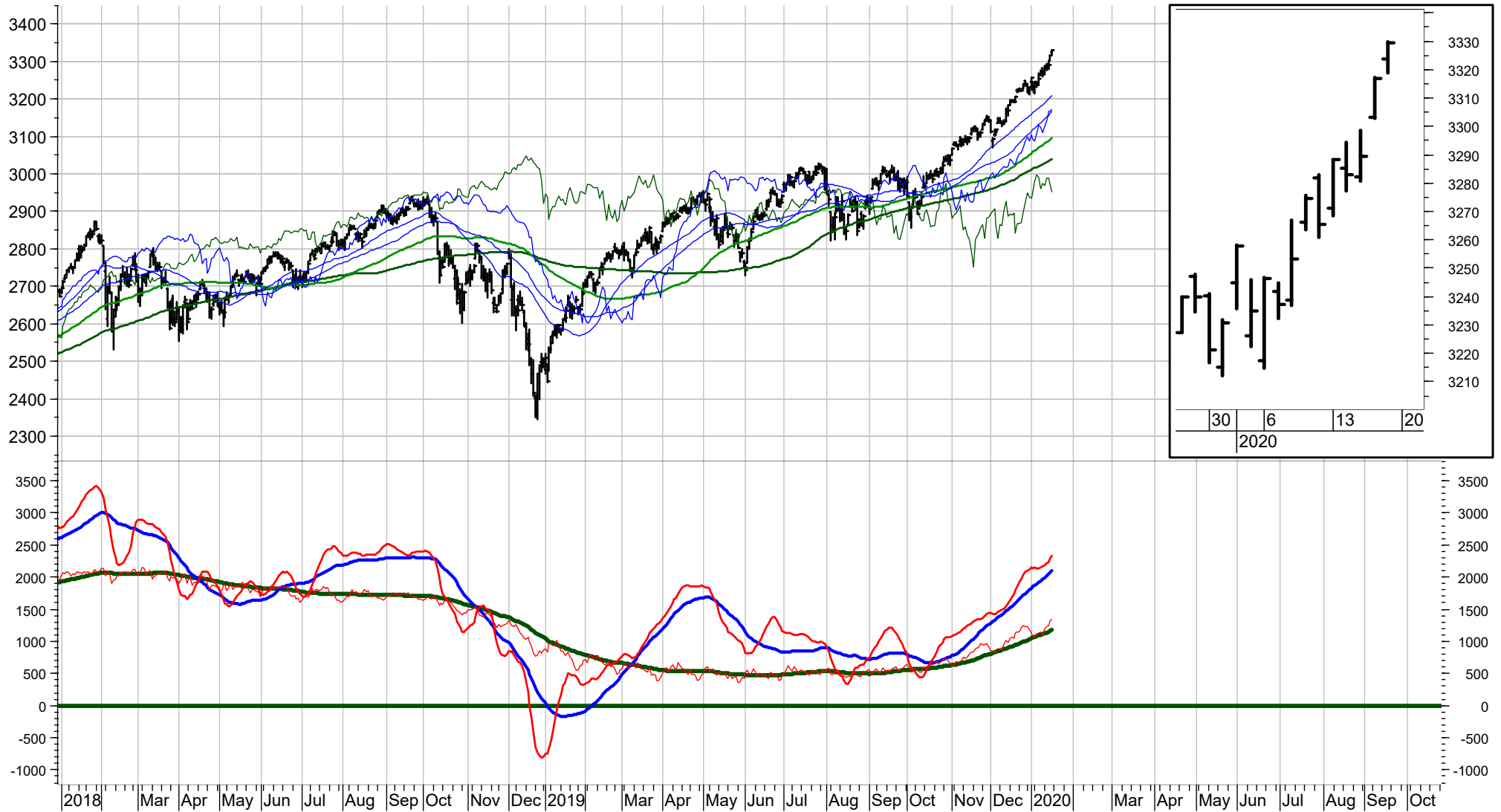
Long-term Outlook: (u) UP
Medium-term Outlook: (u) UP



S & P 500 Index – daily chart

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

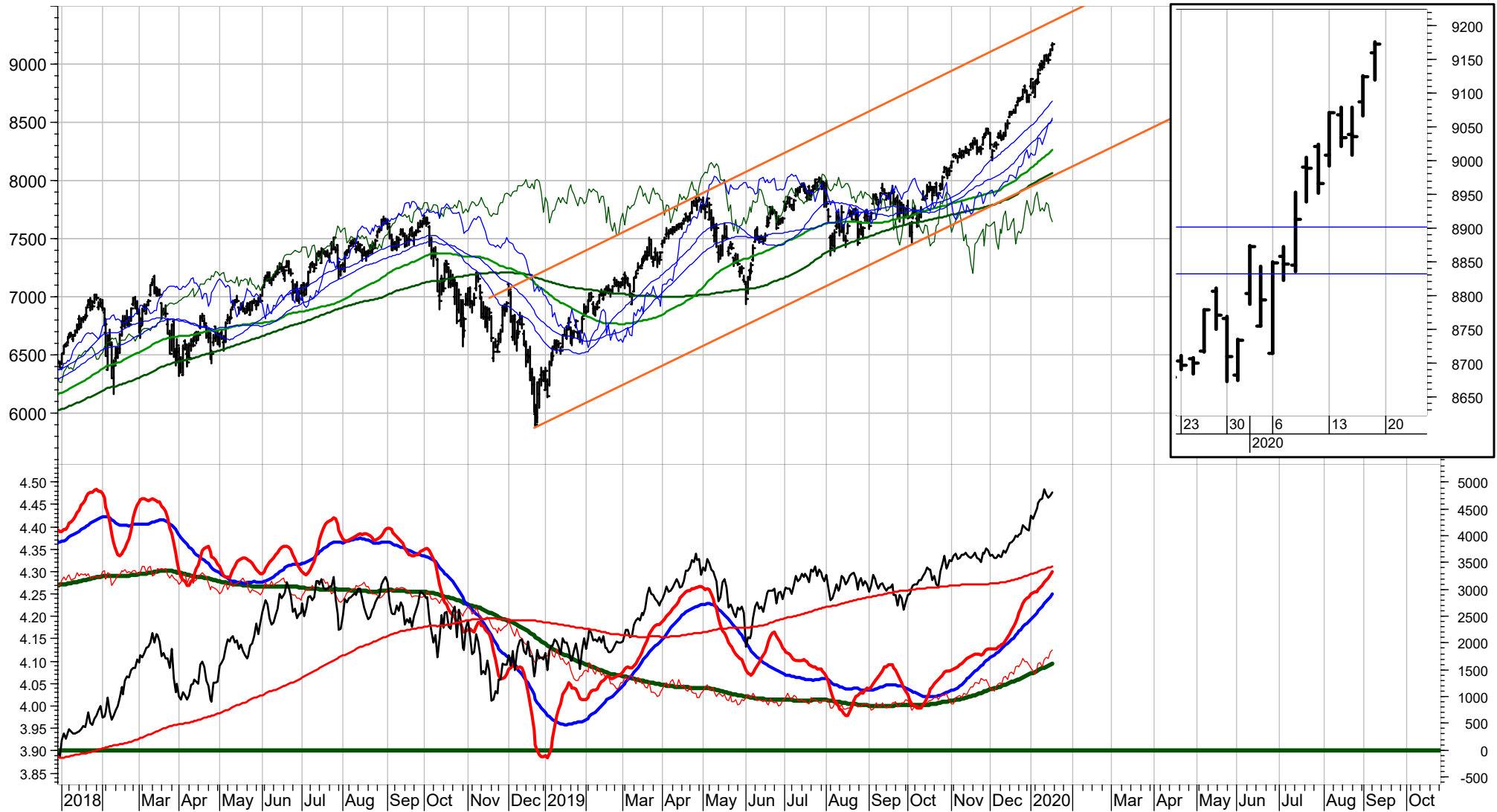
The S&P 500 Index continues to extend the uptrend from early October. The next resistance levels are 3340, 3360, 3375, 3410, 3440, 3480 / 3500. The medium-term uptrend would be reversed if the Index fell below the medium-term indicator (marked blue), i.e. the 34-day moving average (at 3210), the 55-day moving average (at 3170) and the medium-term momentum reversal (at 3270). The long-term uptrend would be broken if the S&P 500 Index fell below the 89-day average (at 3090), the 144-day moving average (at 3040) and the long-term momentum reversal (at 2975).



Nasdaq 100 Index - daily chart

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

The Nasdaq remains above the medium-term indicators (blue), which are positioned between 8640 and 8500. Moreover, it remains above the long-term indicators (green), which are positioned between 8240 and 7740. Given the distance of the Index above the medium-term reversal levels, the Index is clearly overbought. The Nasdaq 100 Index continues to outperform the S&P 500 Index (bottom chart, marked black). Investors can remain overweight in the Nasdaq 100 and underweight in the S&P 500 Index.

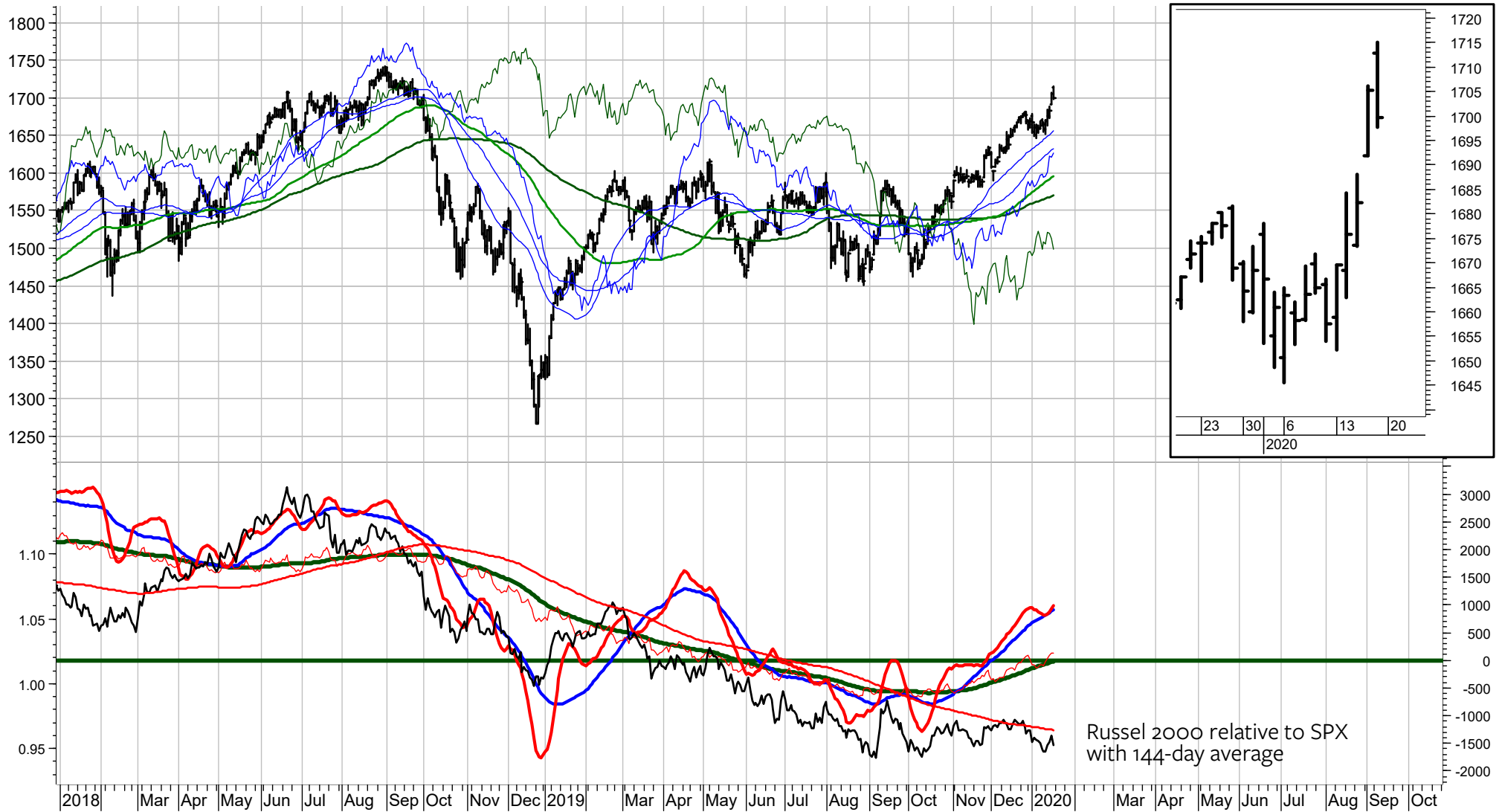


Russel 2000 Index - daily chart

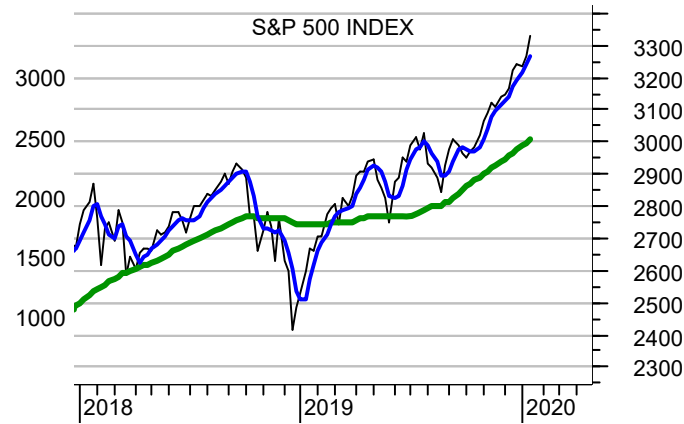
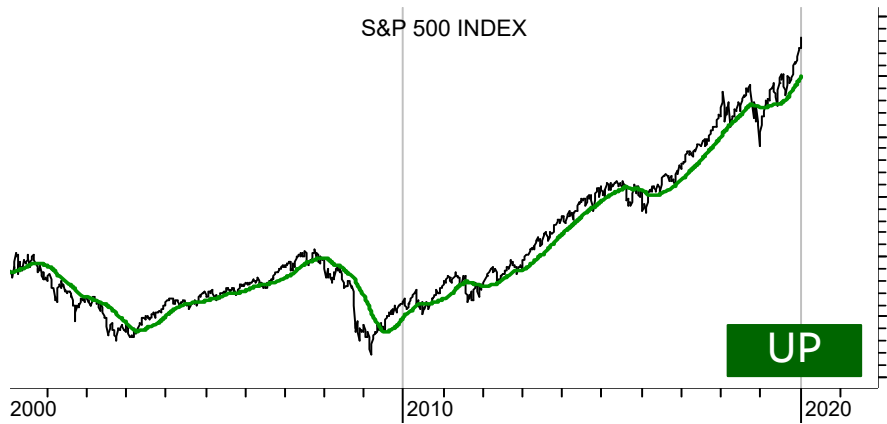
The Russel 2000 Index managed to register another higher-high. But, on Friday, it could have registered a short-term reversal.

Moreover, the relative performance to the S&P 500 Index remains weak. Investors remain overweight in the S&P 500 Index and underweight in the Russel 2000 Index.

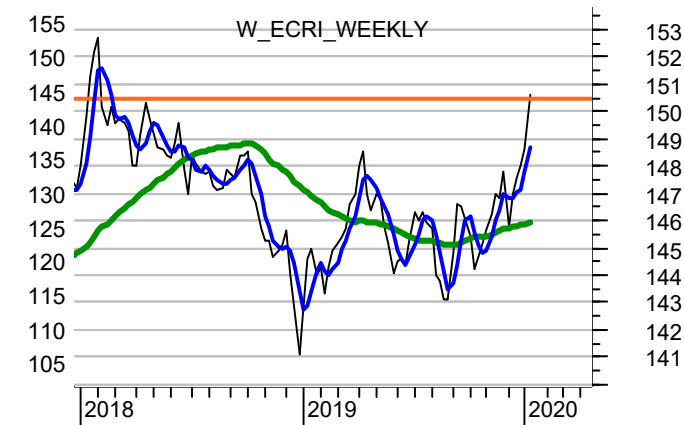
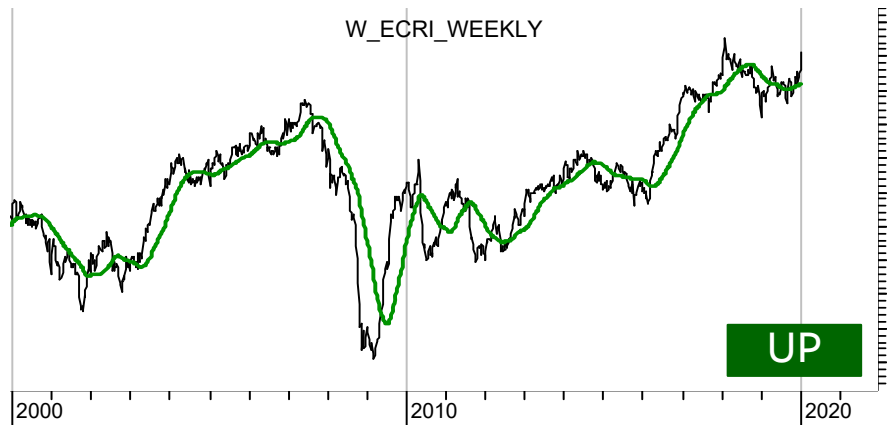
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



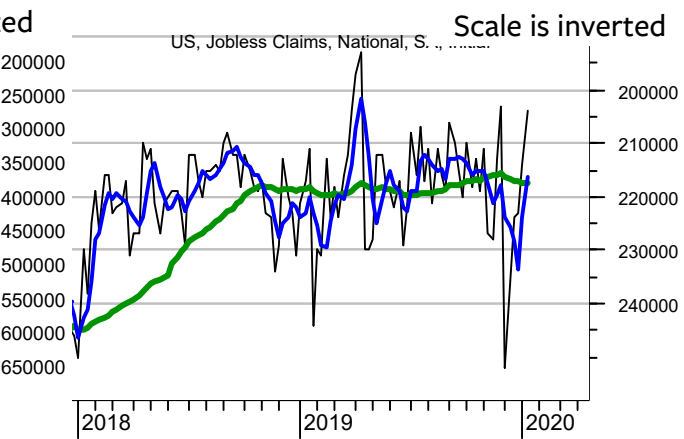
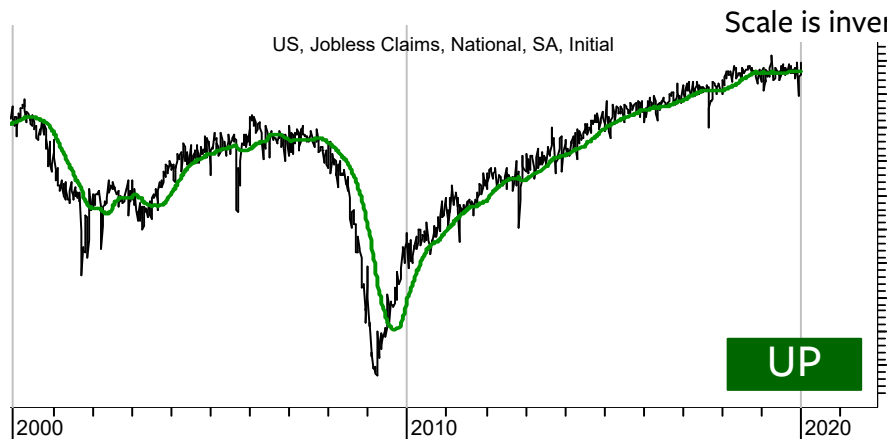
Three-Factor-US-Cycle Model – The expansion remains intact for stocks and the economy



The **S&P 500 INDEX** remains positioned above the rising 4-week and 40-week averages. Moreover, the 4-week average remains above the 40-week average. **The Model remains UP.**



The **Weekly Economic Cycle Research Index** rose to the major resistance at 150.60. **The Model remains UP.**

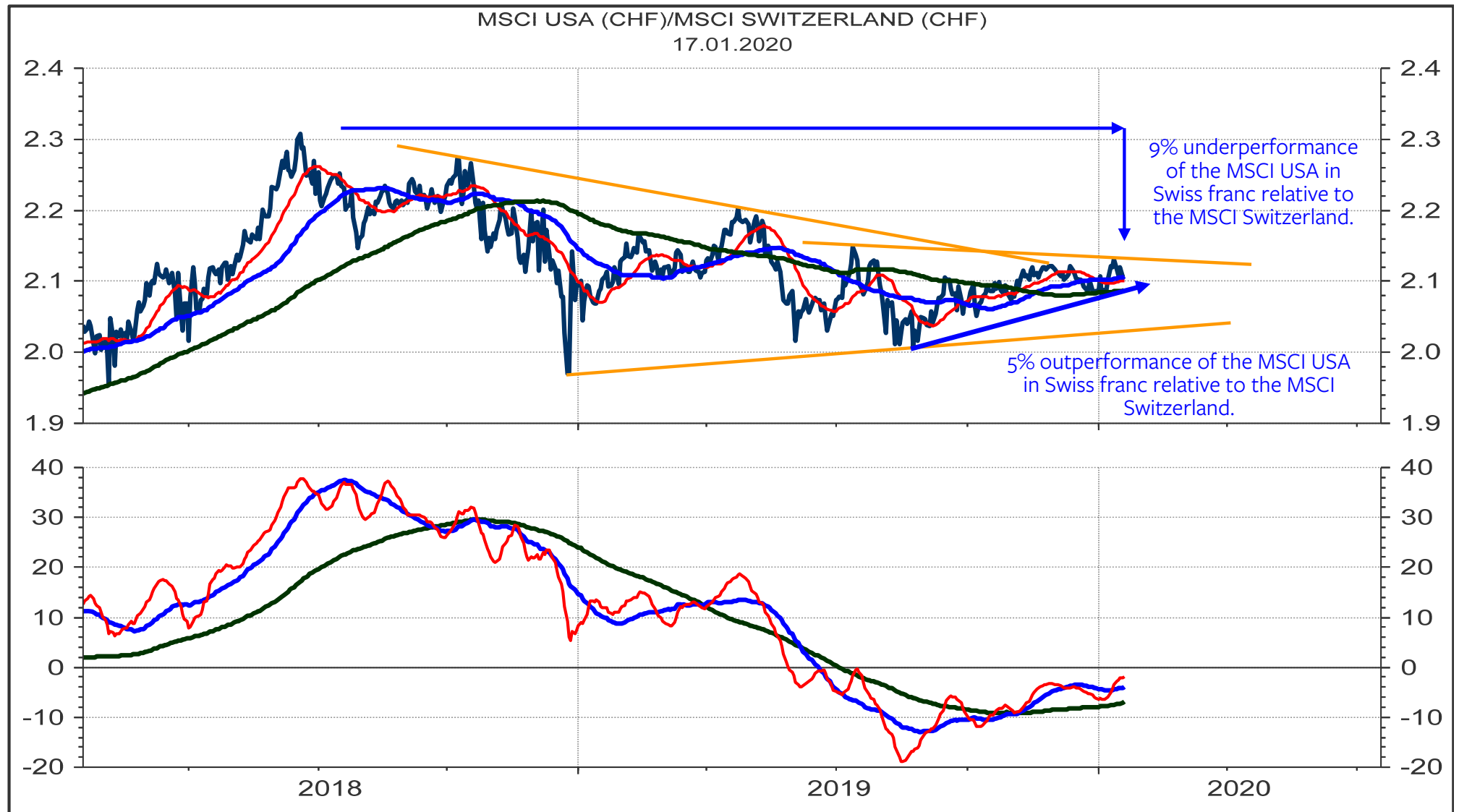


The (inverse) **Weekly Initial Jobless Claims** for state unemployment benefits is positioned at 204k. It is positioned above the 4-week and 40-week moving averages. **This rating moves to UP because the 4-week rose above the 40-week average.**

MSCI USA in Swiss franc RELATIVE to the MSCI Switzerland – daily chart

The US stock market, measured in Swiss franc, has outperformed the MSCI Switzerland by 5% since the relative low in September 2019. It appears this outperformance is again topping.

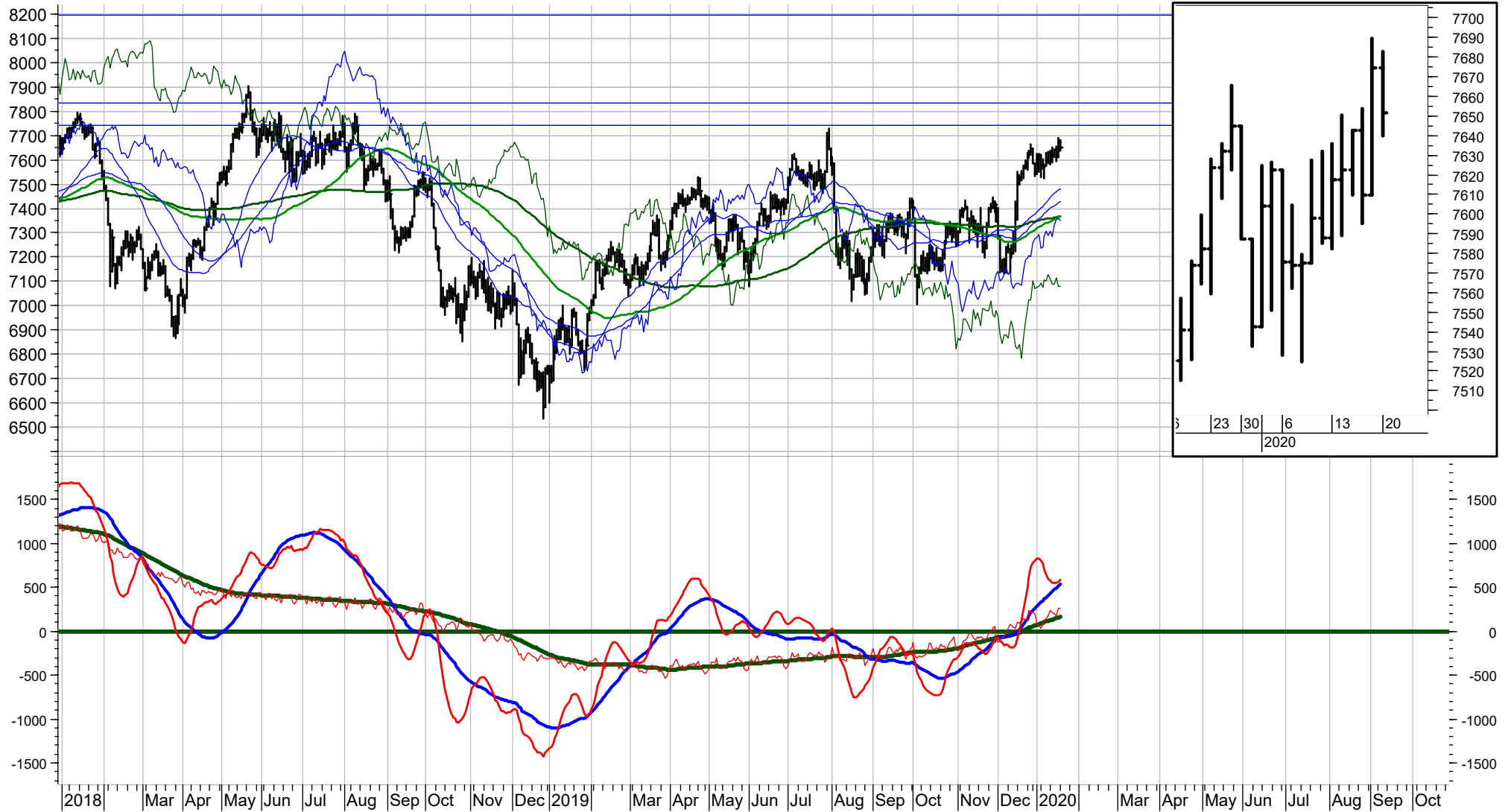
I am looking for the US stock market in Swiss franc to underperform the Swiss stock market. In fact, the horizontal triangle could well break to the downside. This means that Swiss franc based equity investors can remain invested in the Swiss stock market and not in the US stock market. Or, overweight Switzerland and underweight in the USA.



U.K. FTSE Index – daily chart

The FTSE is trading below the resistance range between 7750 and 7850, a break of which is required for the medium-term and long-term outlook to move to up.

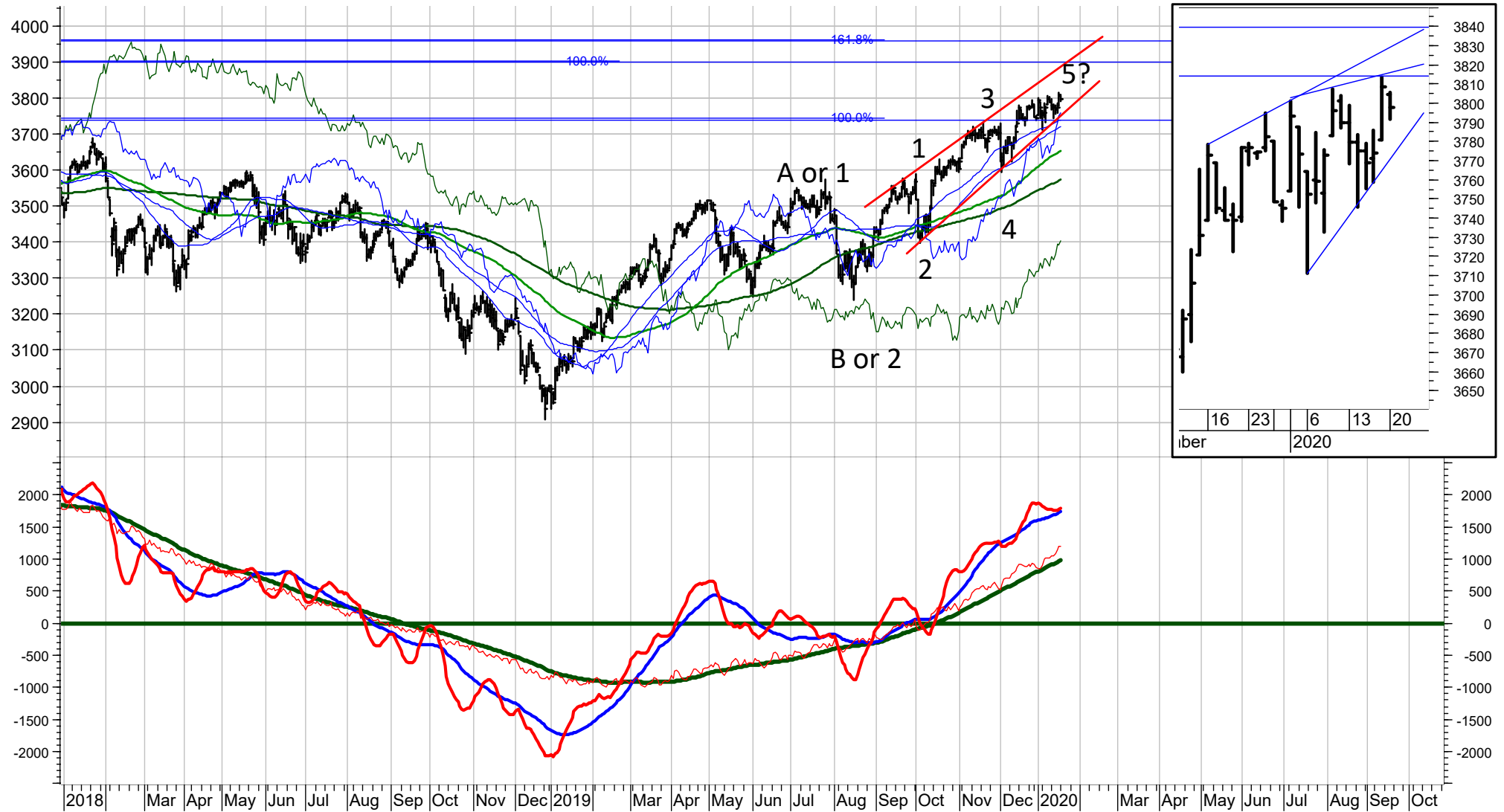
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Eurostoxx 50 Index – daily chart

The Eurostoxx Index is likely to form Wave 5 of the uptrend from August.
 The major resistance is at 3900 to 3970.

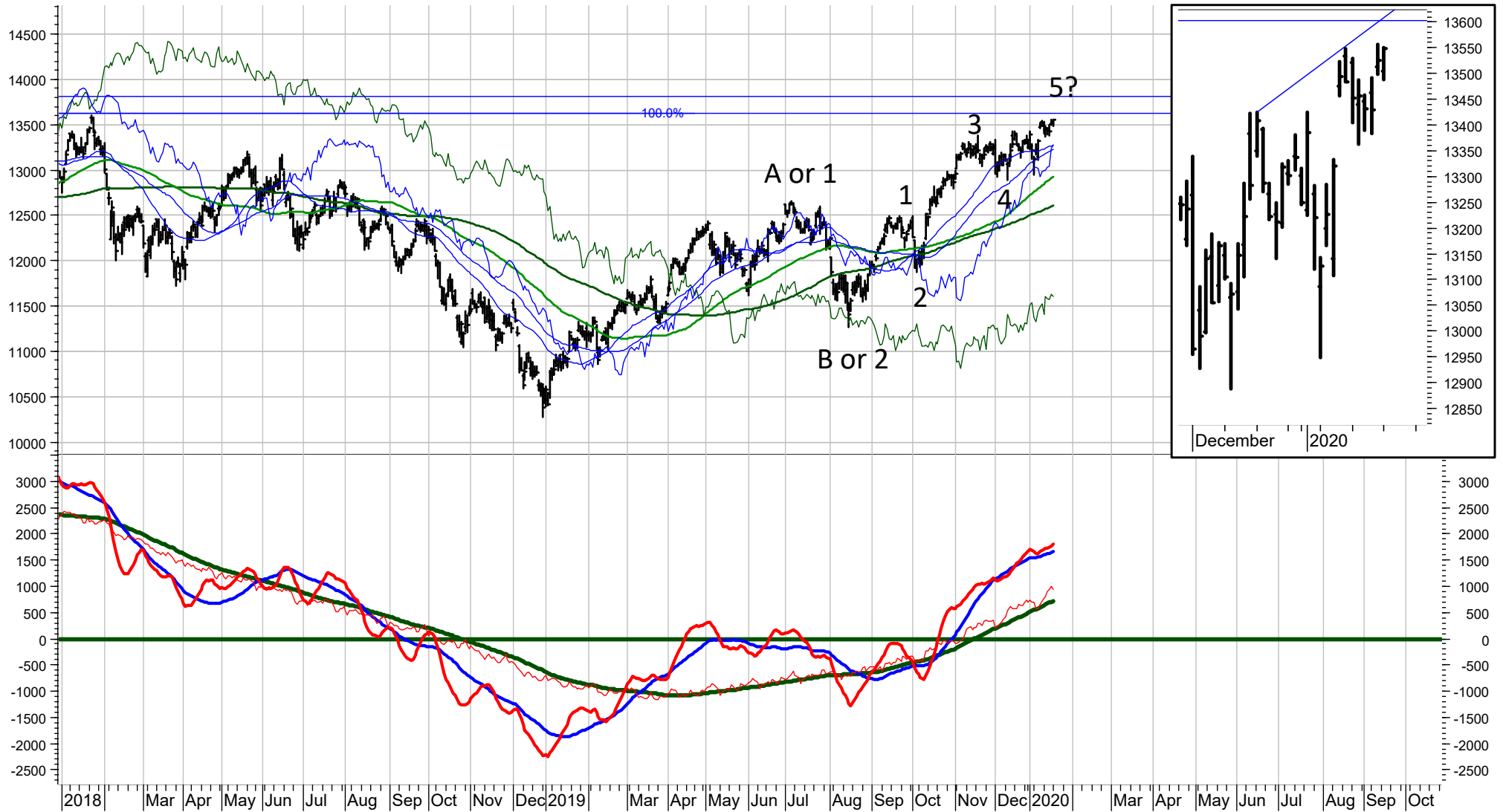
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Deutscher Aktien Index DAX – daily chart

The DAX is likely to form Wave 5 of the uptrend from August.
 The major resistance is at 13600 to 13800.

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

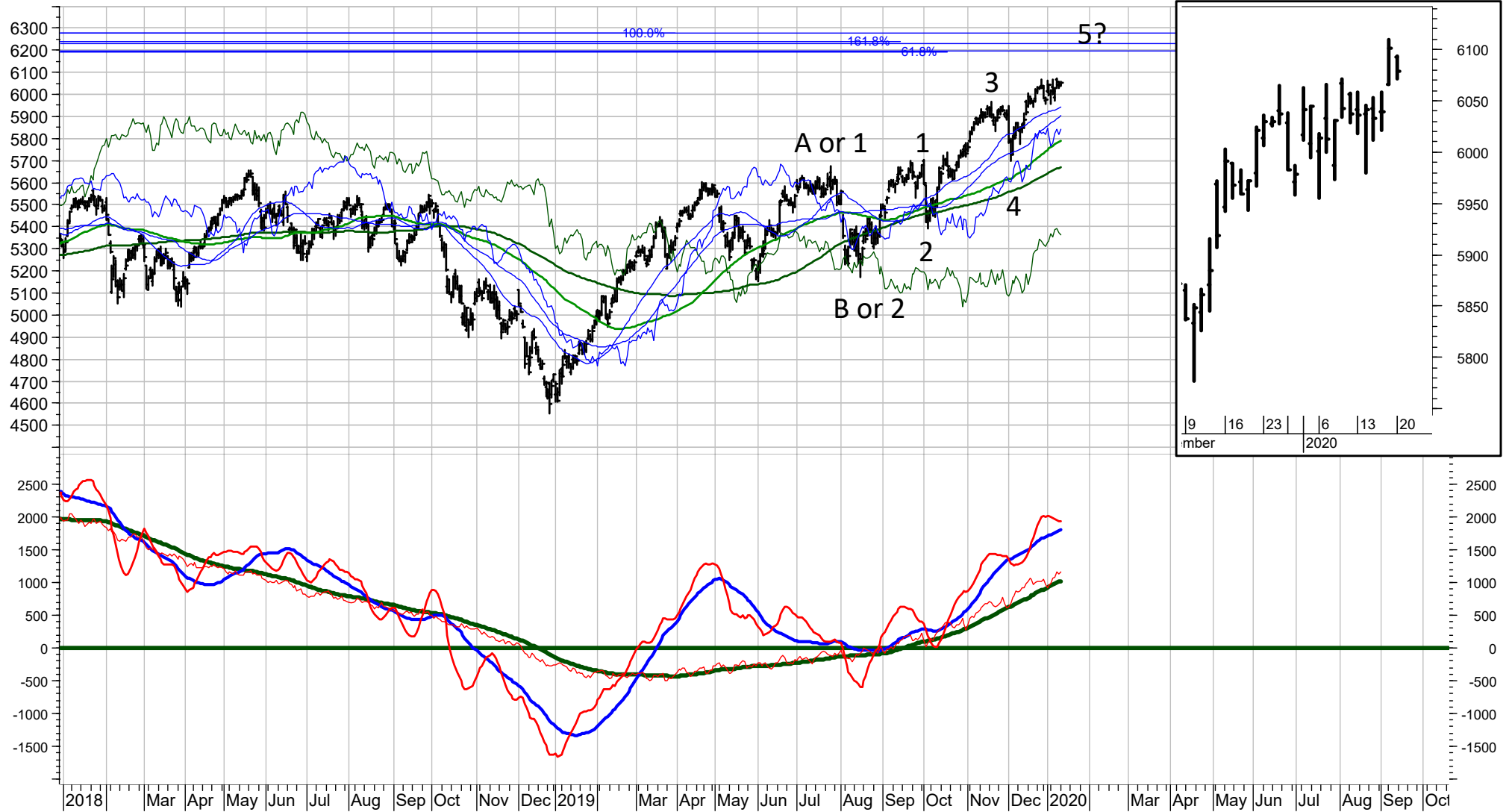


French CAC 40 Index – daily chart

The CAC40 Index is likely to sustain the present uptrend to the long-term resistance cluster between 6200 and 6300.

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

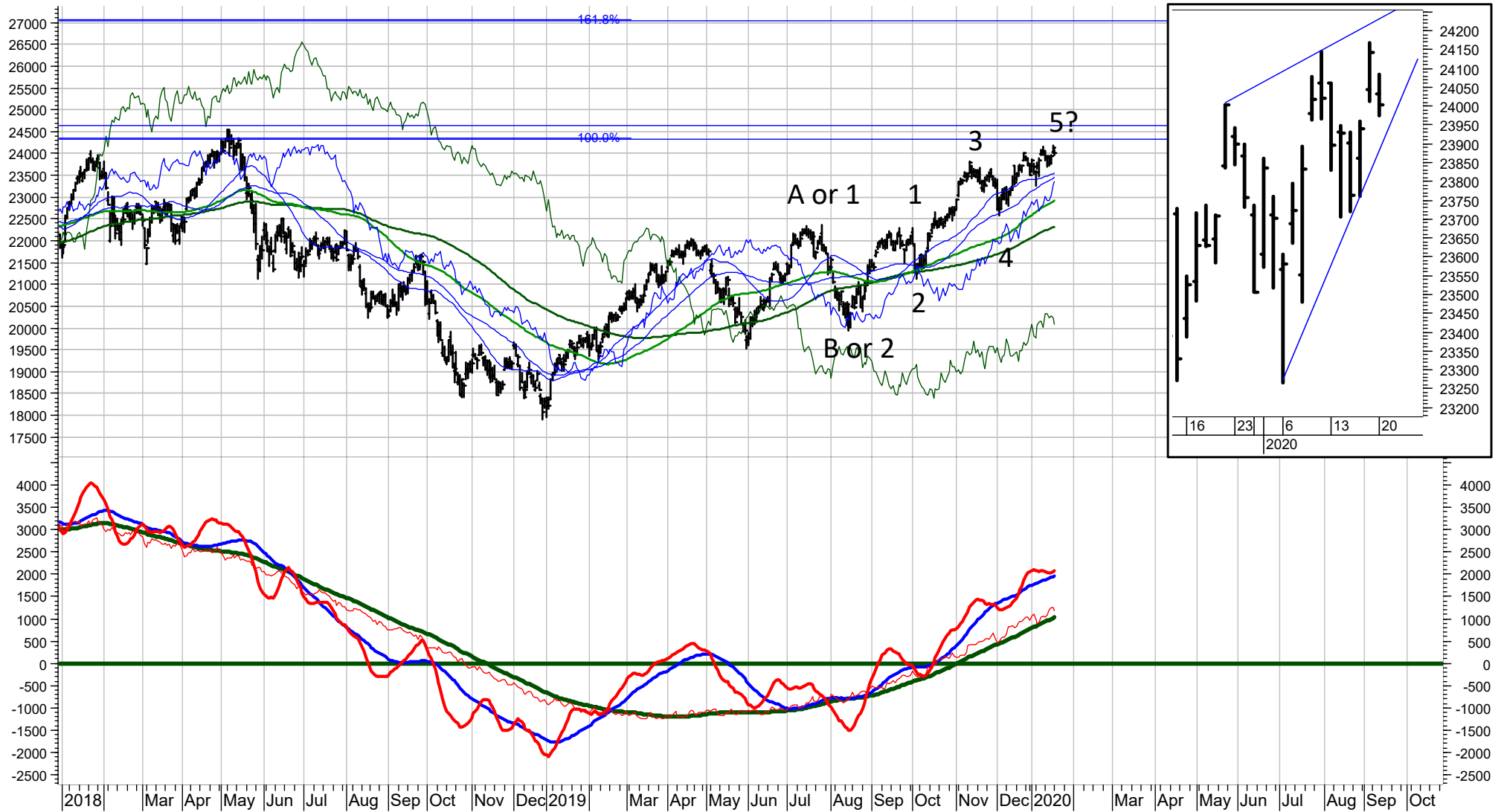
A medium-term downgrade to DOWN would be signaled if the CAC40 falls below the medium-term indicators (top, marked blue). This would mean a decline below the 34-day and 55-day moving averages at 5920 and 5900 as well as a break below the medium-term momentum reversal at 5830.



Italian FTSE MIB Index – daily chart

The MIB Index is likely to form Wave 5 of the uptrend from August.
 The major resistance is at 24300 to 24700.

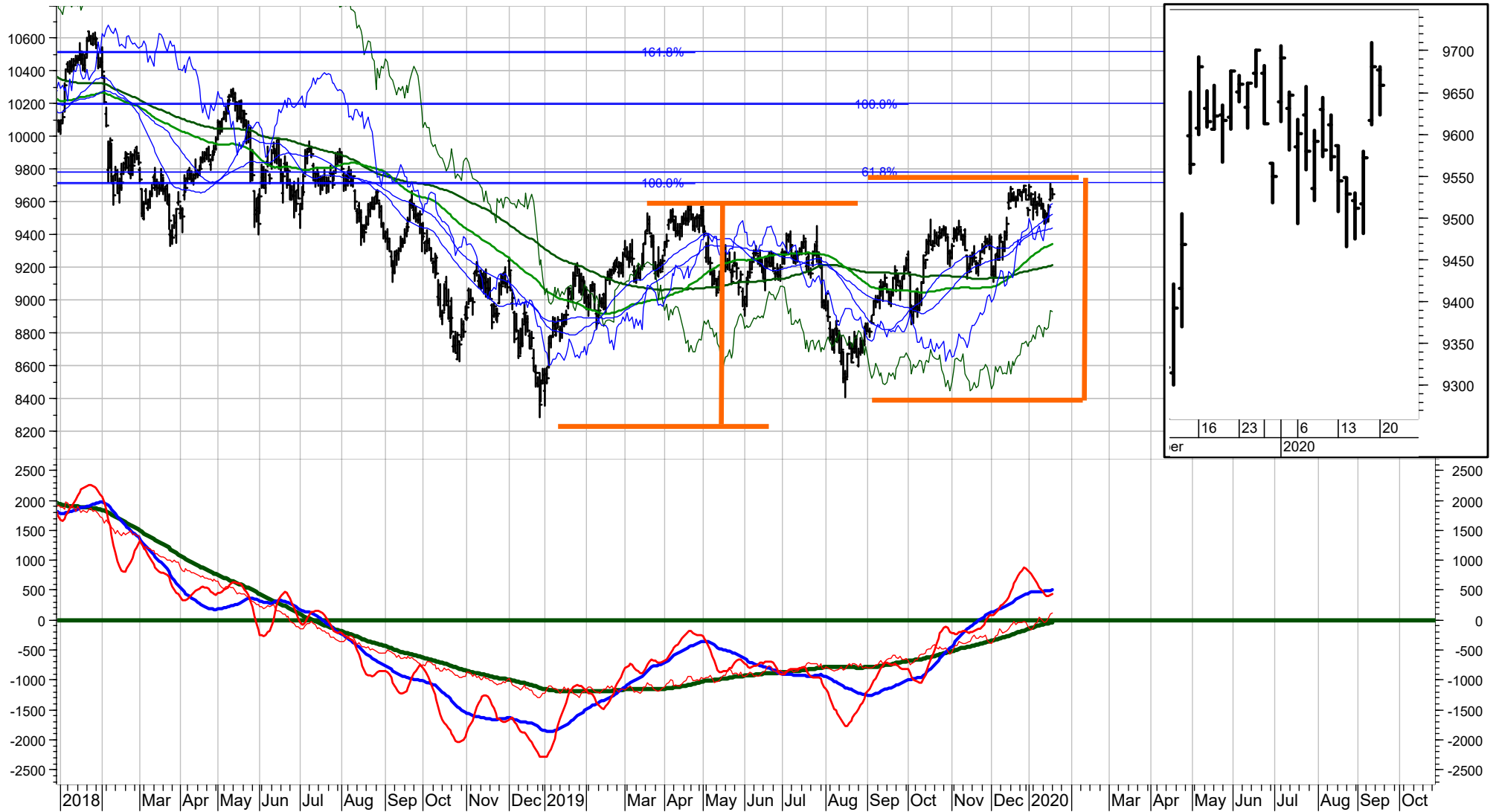
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Spanish IBEX – daily chart

The IBEX is testing the major resistance at 9700 to 9800, a break of which is required to signal a medium-term and long-term upgrade to up.

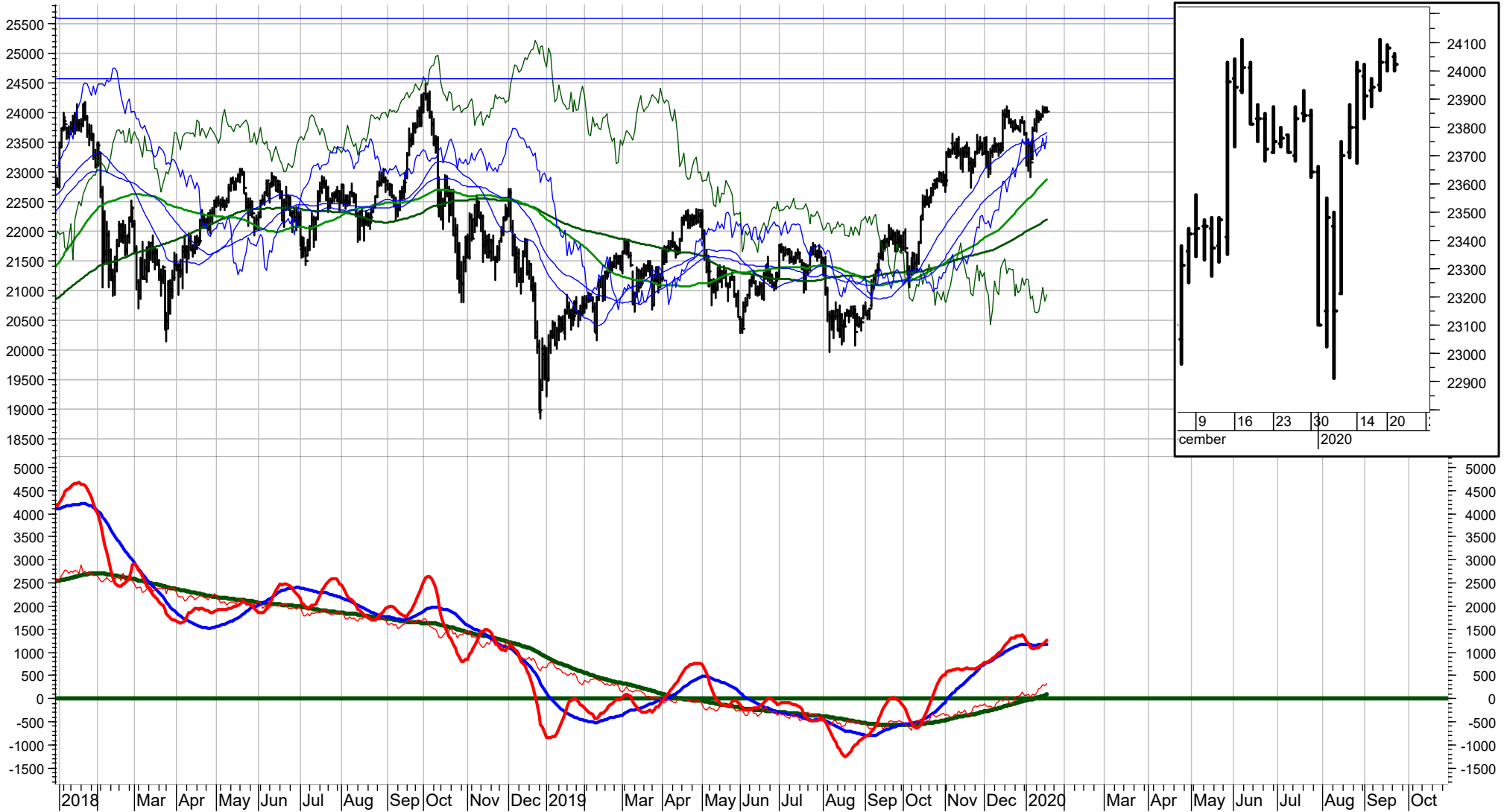
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Japanese Nikkei 225 Index – daily chart

The Nikkei is trading close below the long-term resistance range between 24500 and 25700.

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

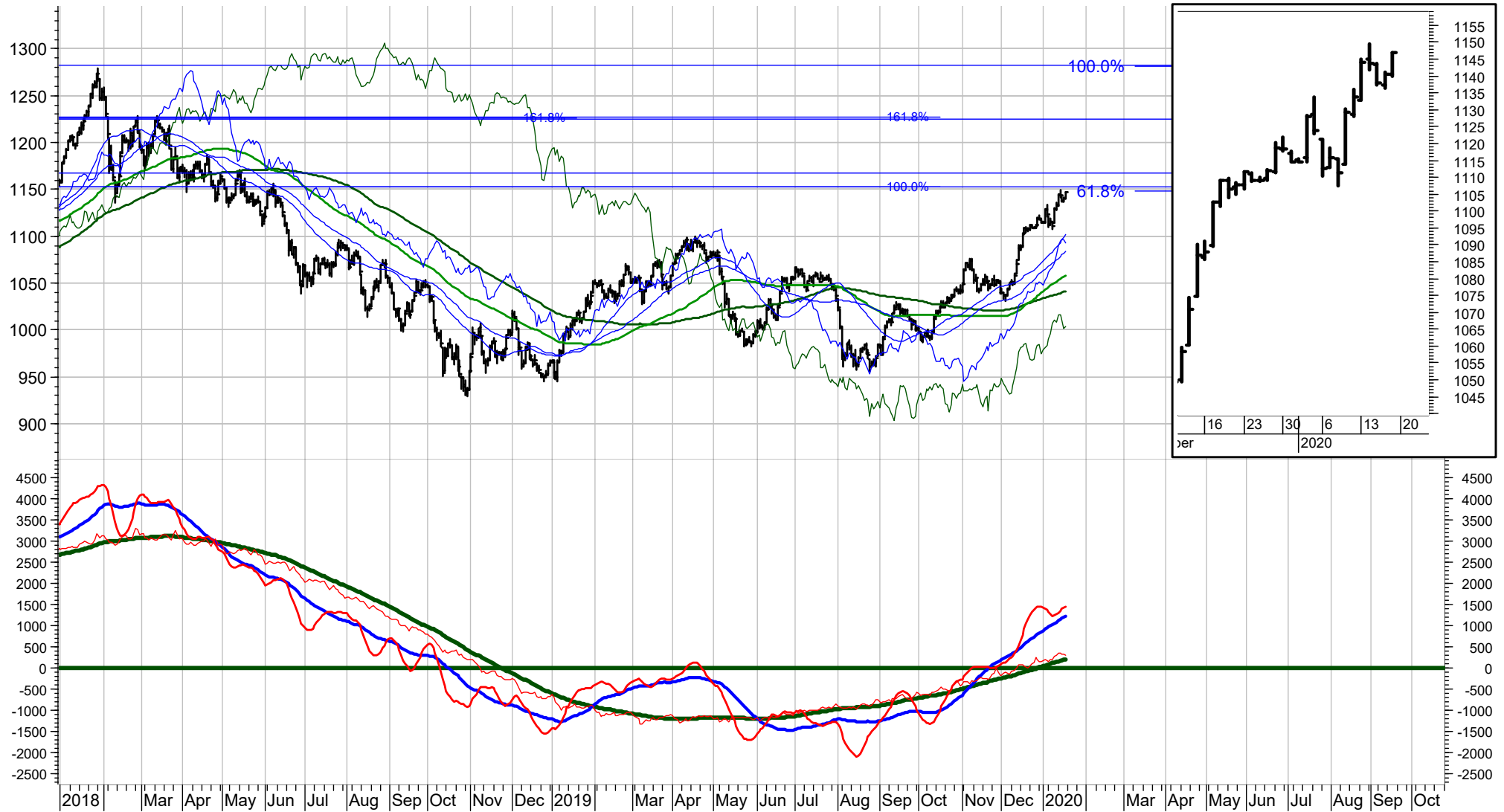


MSCI Emerging Market Index – daily chart

The Emerging Market Index is testing the resistance range between 1150 and 1170. The level at 1150 is quite important as it marks the 61.80% retracement to the downtrend from January 2018 to October 2018.

A break of 1170 could activate 1230 to 1280 and possibly signal the resumption of the long-term uptrend.

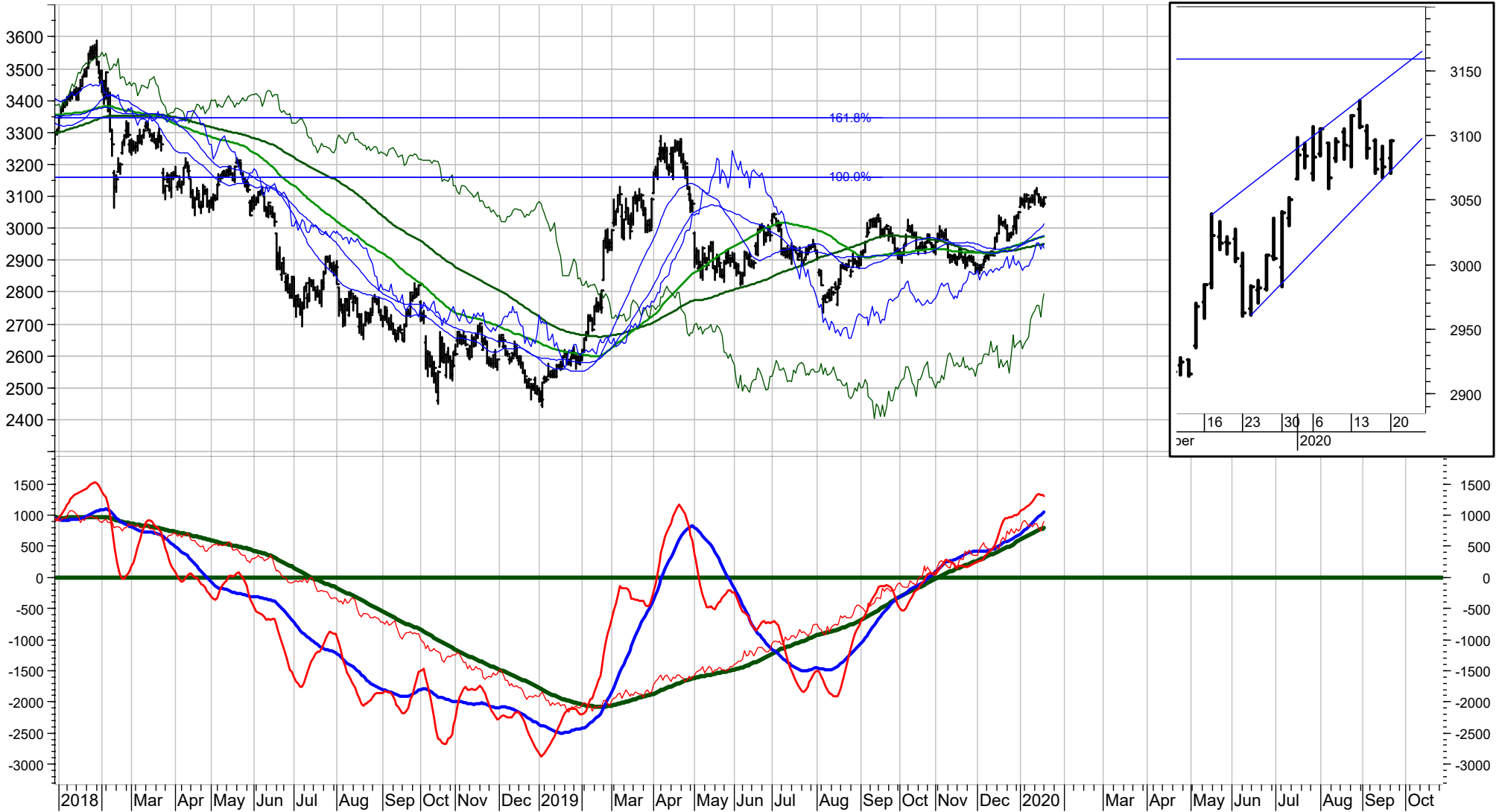
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Shanghai Composite Index – daily chart

The uptrend in the SCI from early December is reaching the resistance at 3160, a break of which could signal 3350.

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

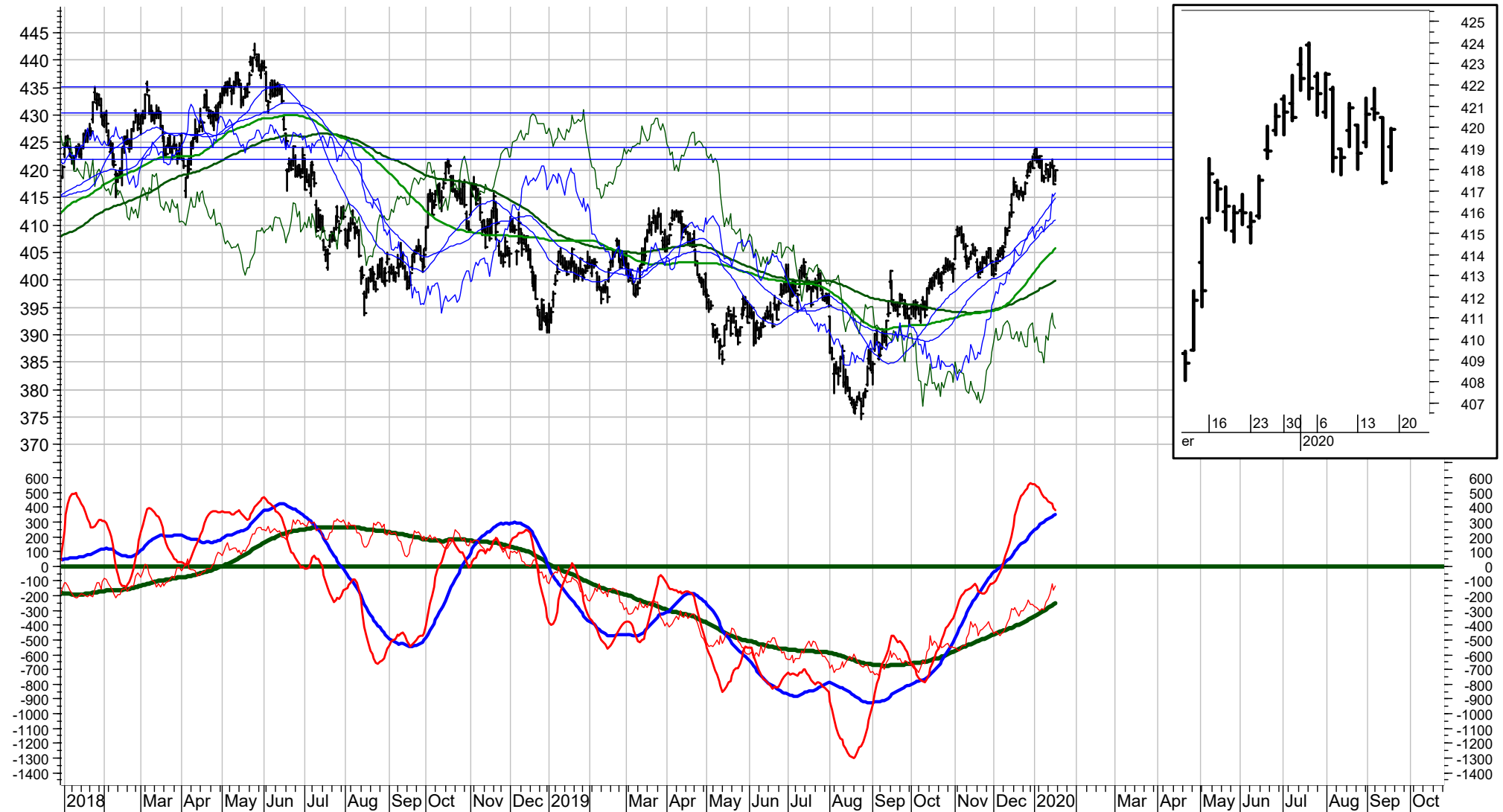


Thomson Reuters Equally Weighted Commodity Index – daily chart

The Thomson Reuters Equally Weighted Commodity Index remains in the short-term correction, which began in early January.

The uptrend could add one more short-term upleg and reach a medium-term top around 430 to 435.

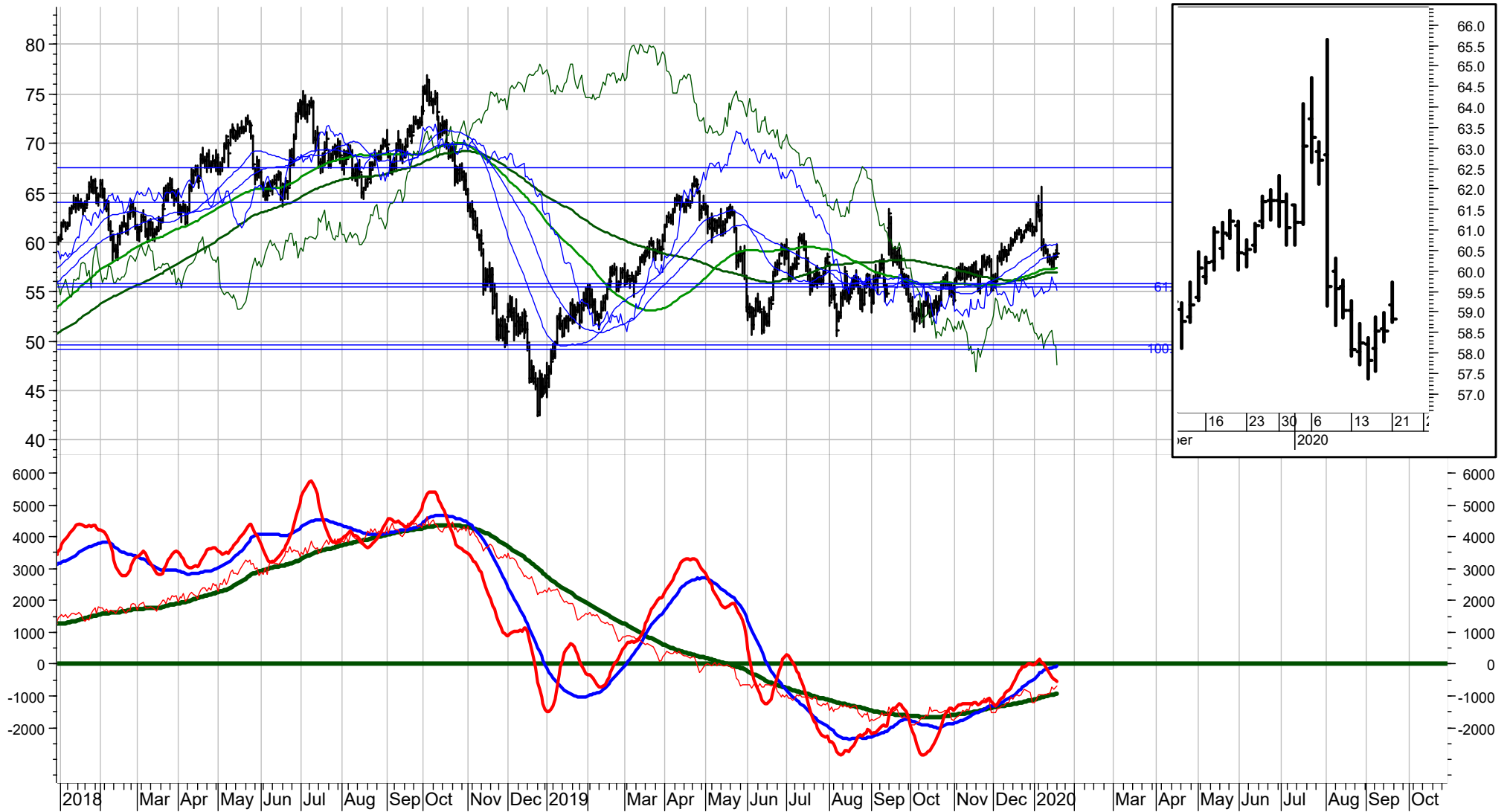
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Light Crude Oil Continuous Future – daily chart

Crude Oil remains in the downtrend which began with the one-day-reversal on 8.1.2020.
My Medium-term Outlook could move to DOWN if 55 is broken.

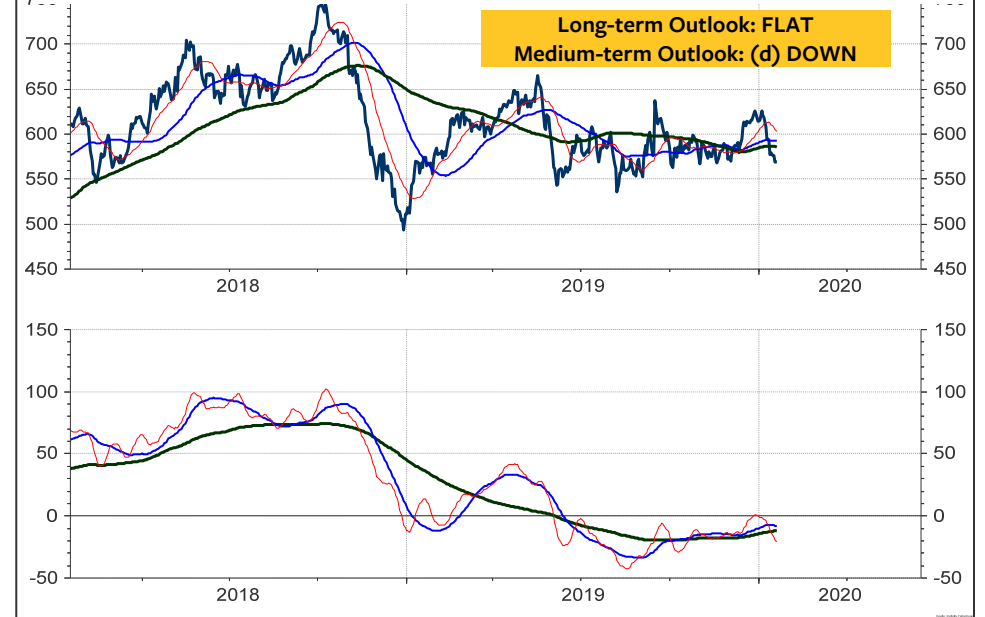
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



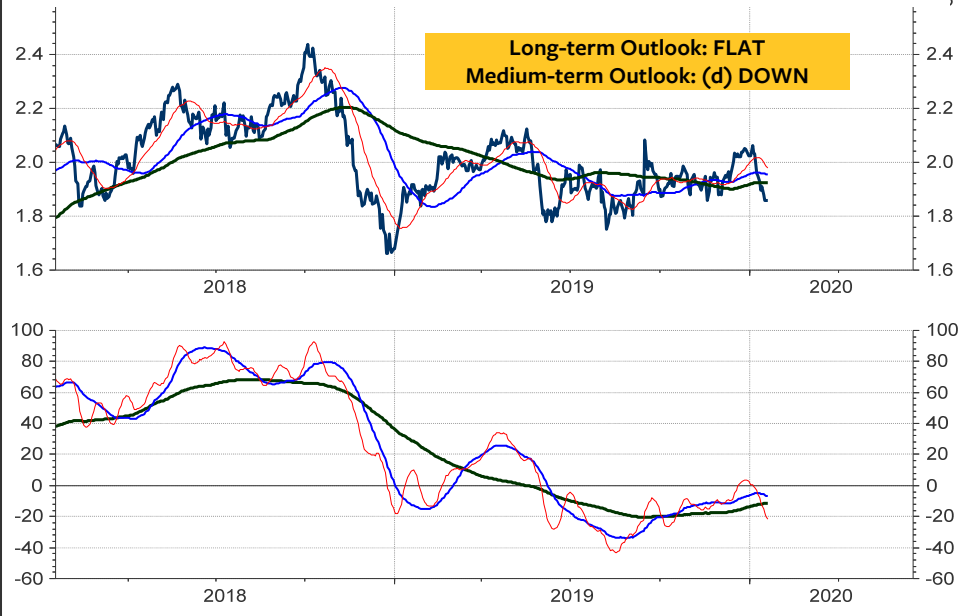
NYMEX RBOB Gasoline Continuous Future



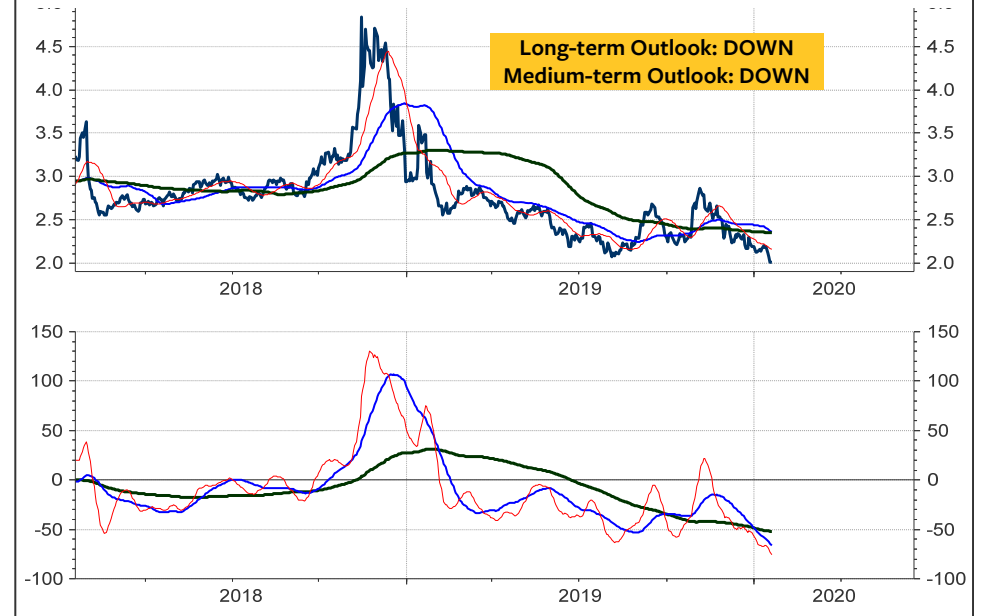
ICE Gas Oil Continuous Future



NYM Harbor ULSD Heating Oil Continuous Future



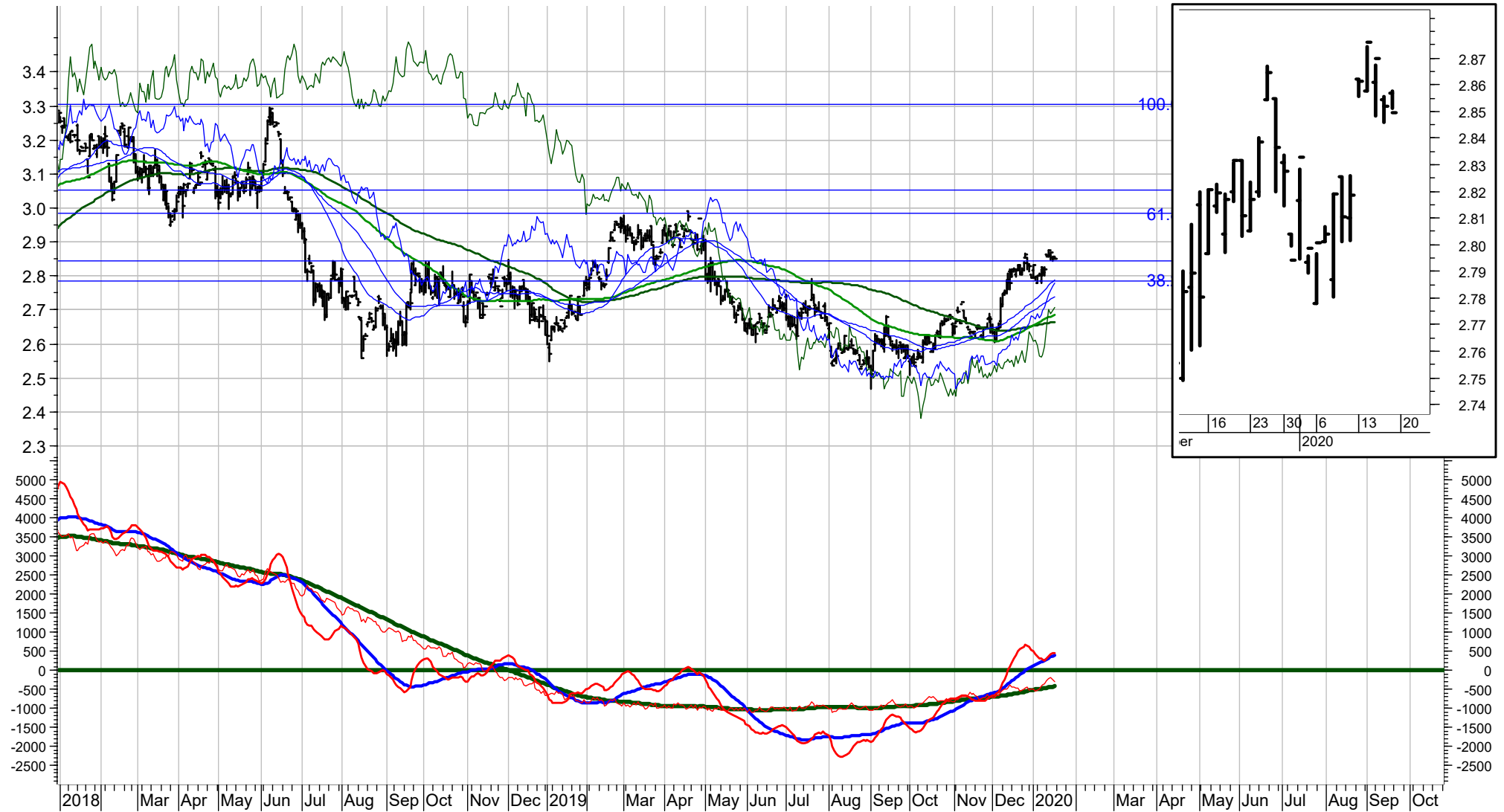
NYM Natural Gas Continuous Future



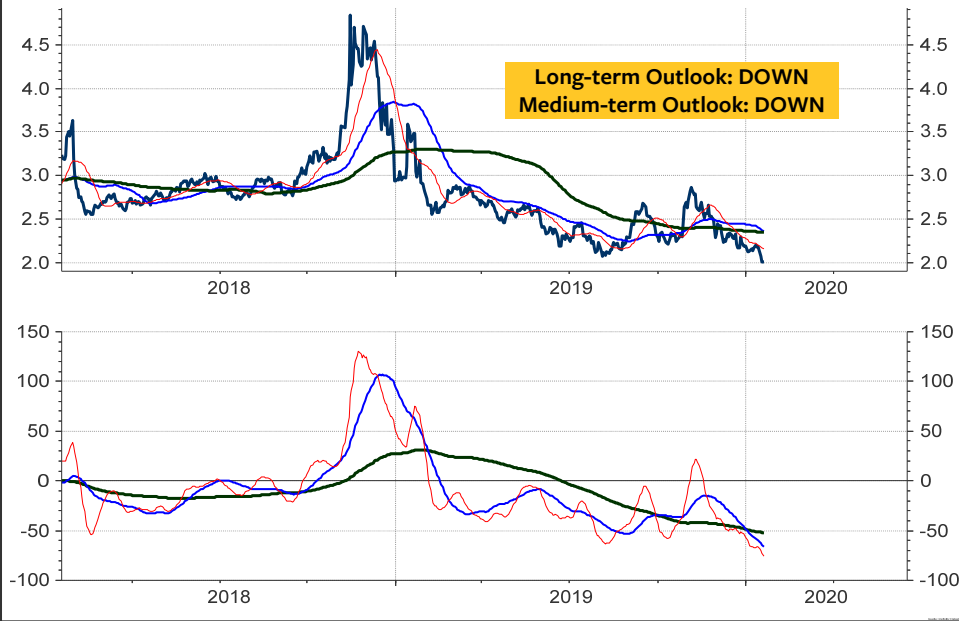
HG Copper Continuous Future – daily chart

HG Copper appears to be breaking the resistance at 2.80 / 2.85. This could signal that the uptrend from September 2019 is extending towards the resistance range at 2.99 to 3.05.

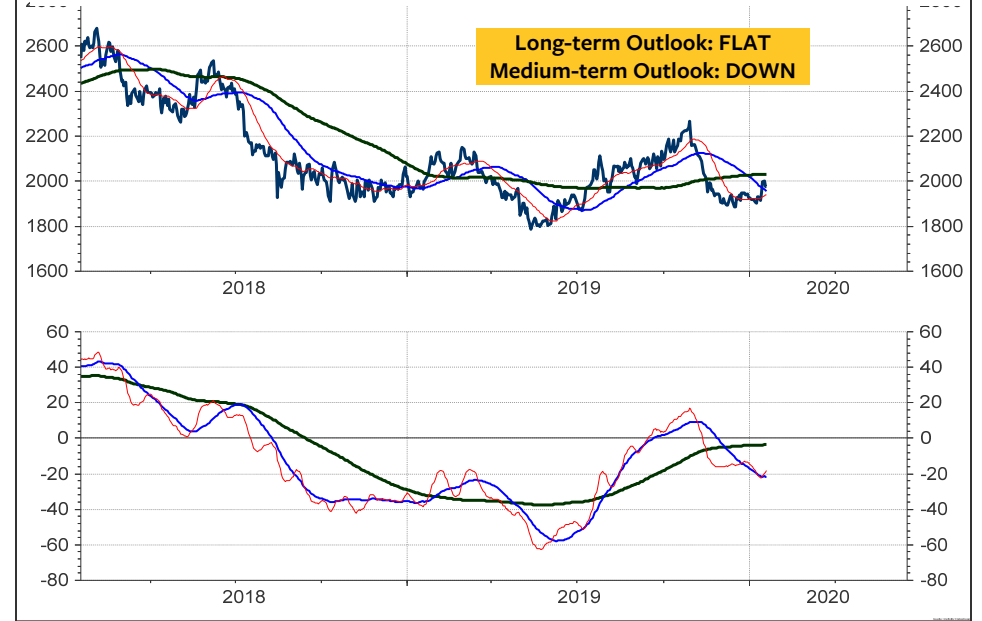
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



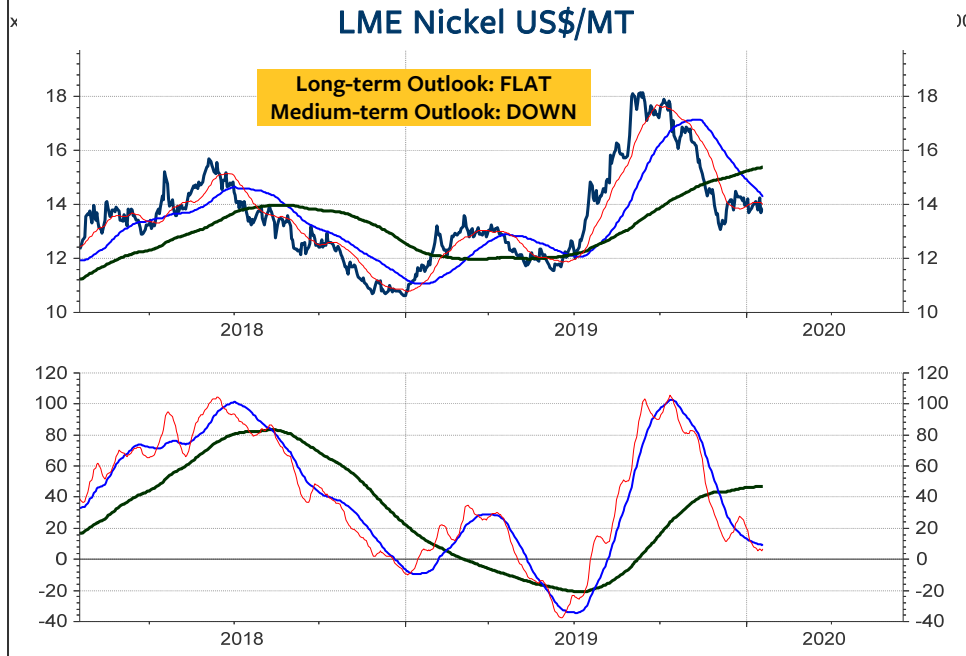
LME Aluminium Continuous Future



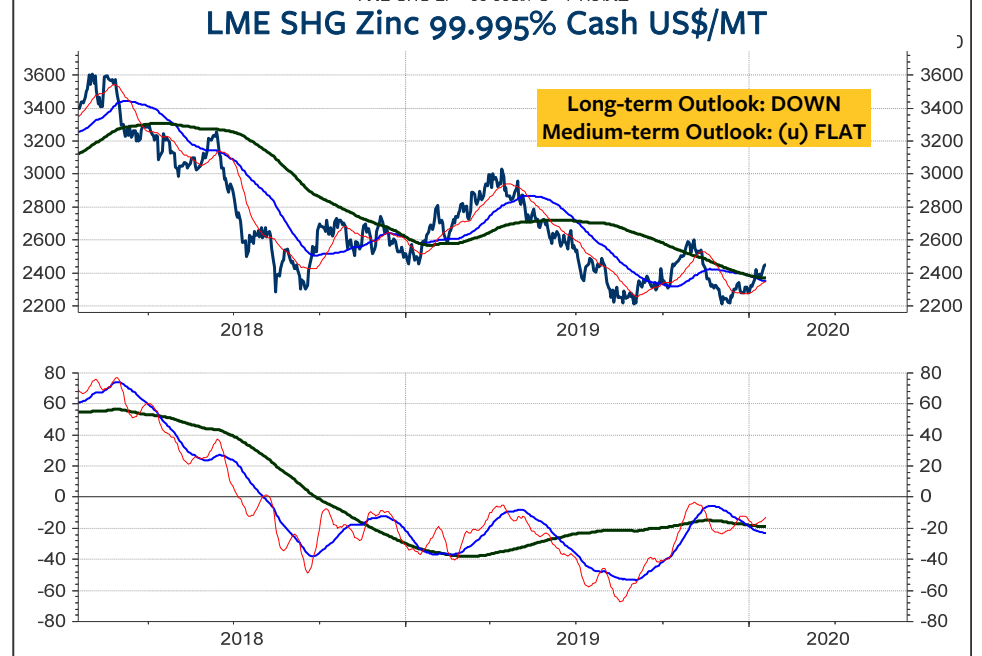
LME Lead 3 Month US\$/MT



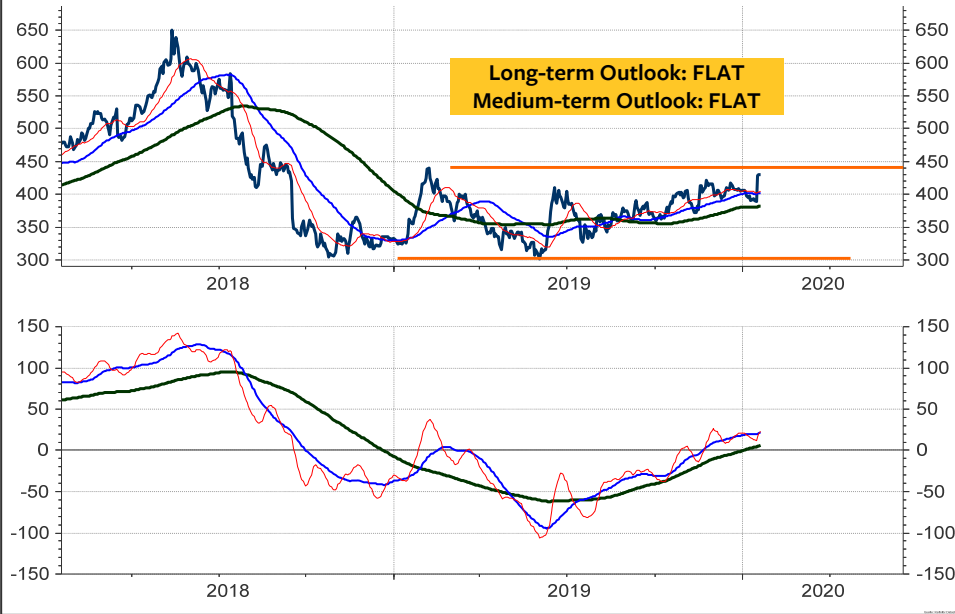
LME Nickel US\$/MT



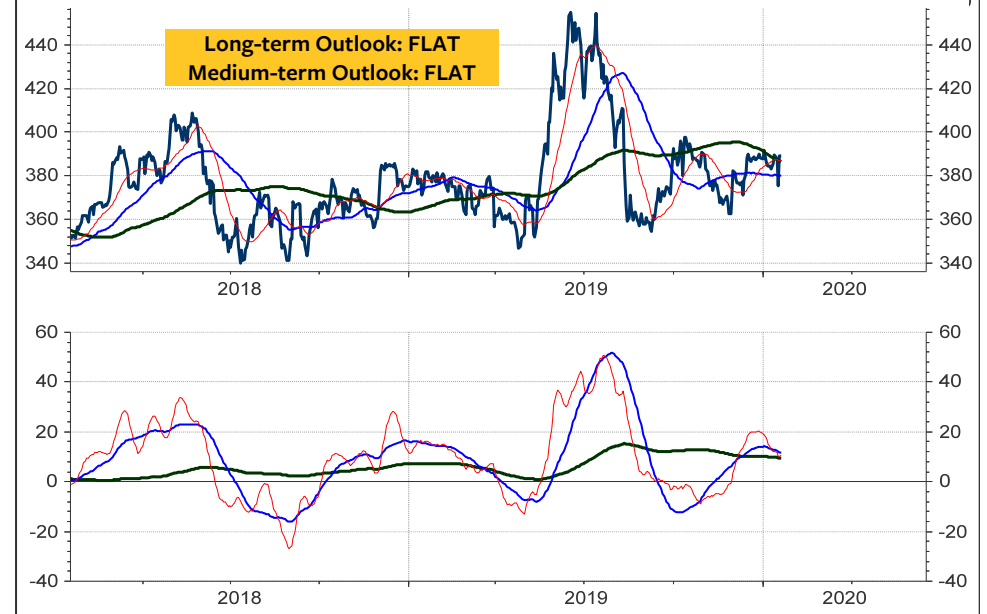
LME SHG Zinc 99.995% Cash US\$/MT



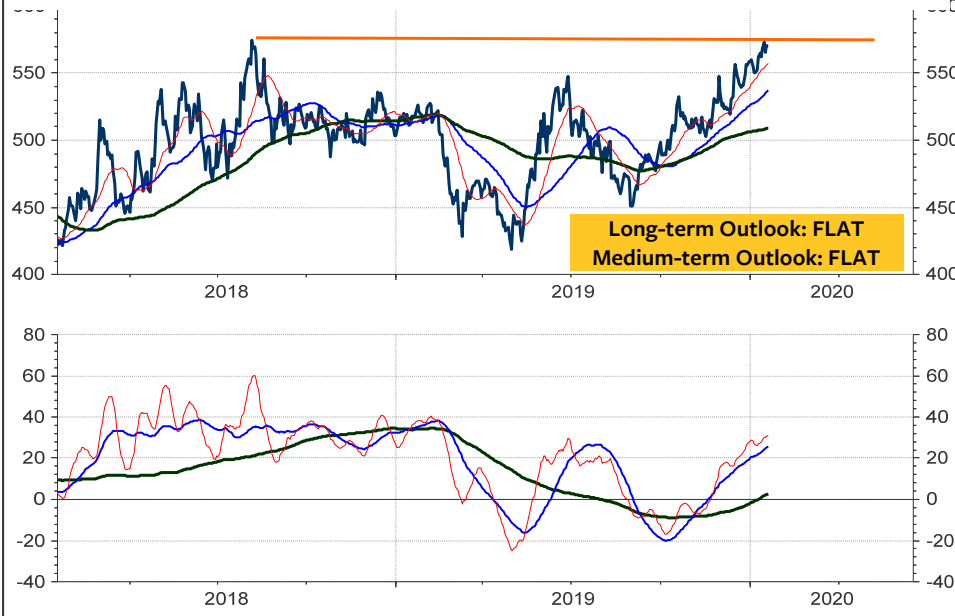
CME Lumber Continuous Future



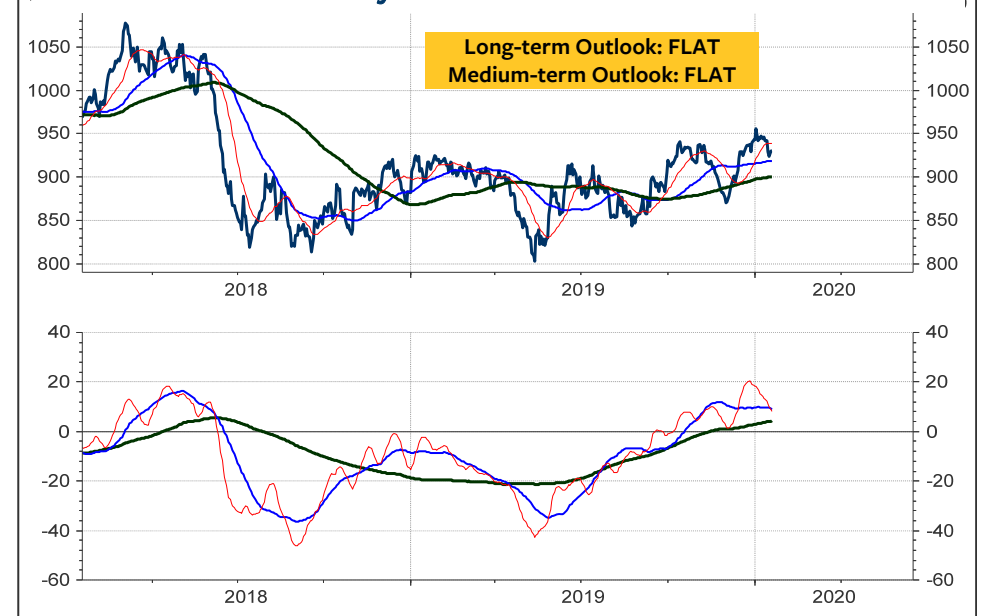
ECBOT Corn Continuous Future



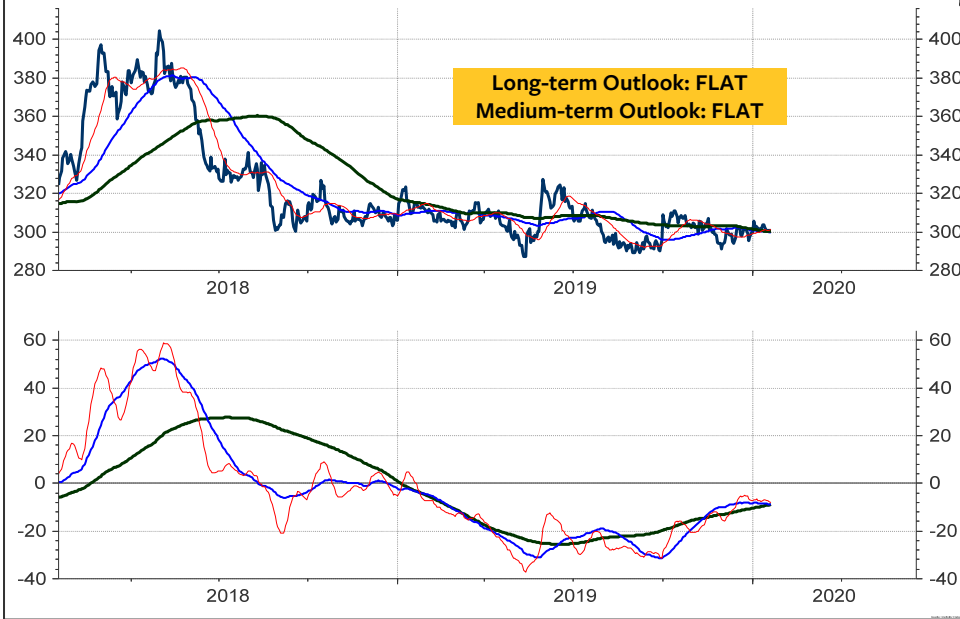
ECBOT Wheat Continuous Future



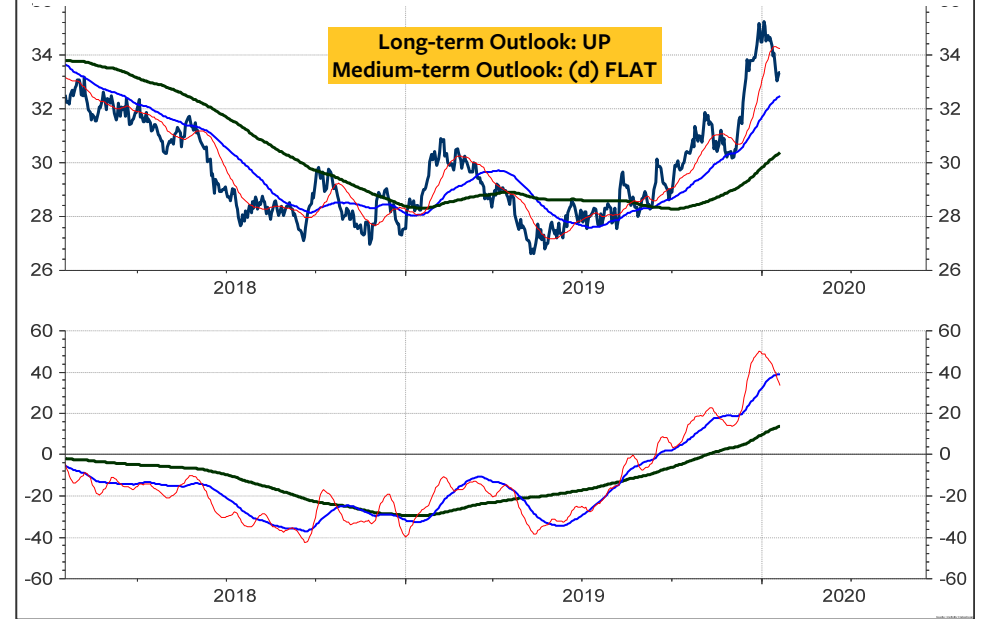
ECBOT Soybeans Continuous Future



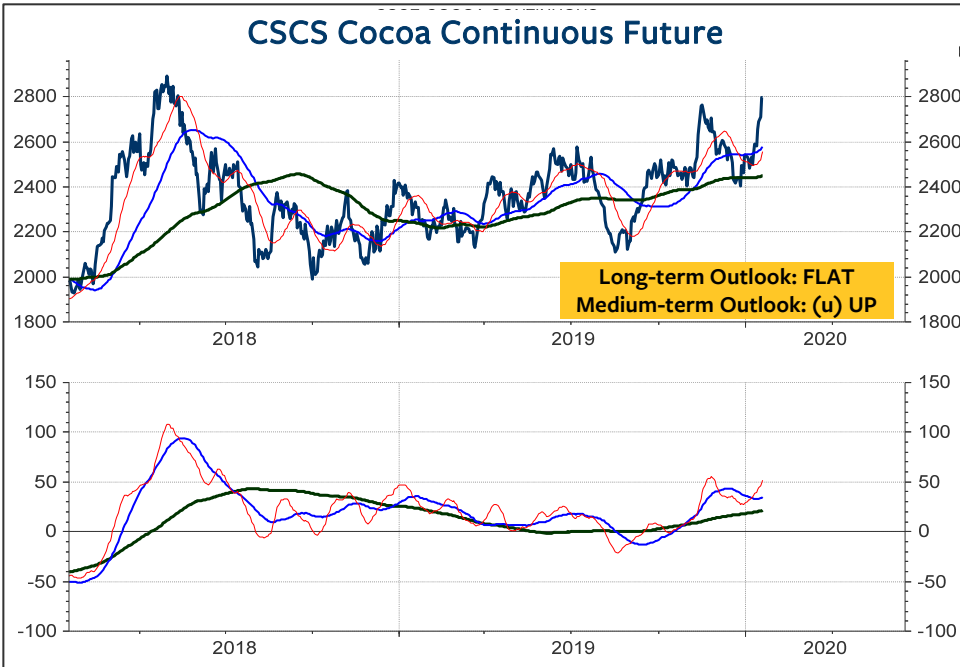
ECBOT Soybean Meal Continuous Future



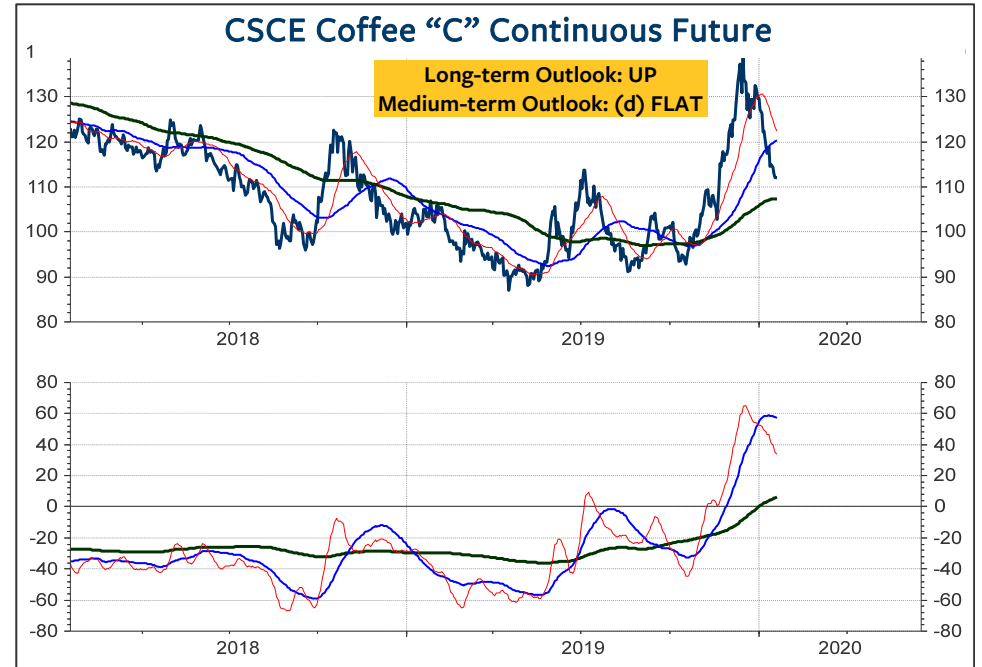
ECBOT Soybean Oil Continuous Future



CSCS Cocoa Continuous Future



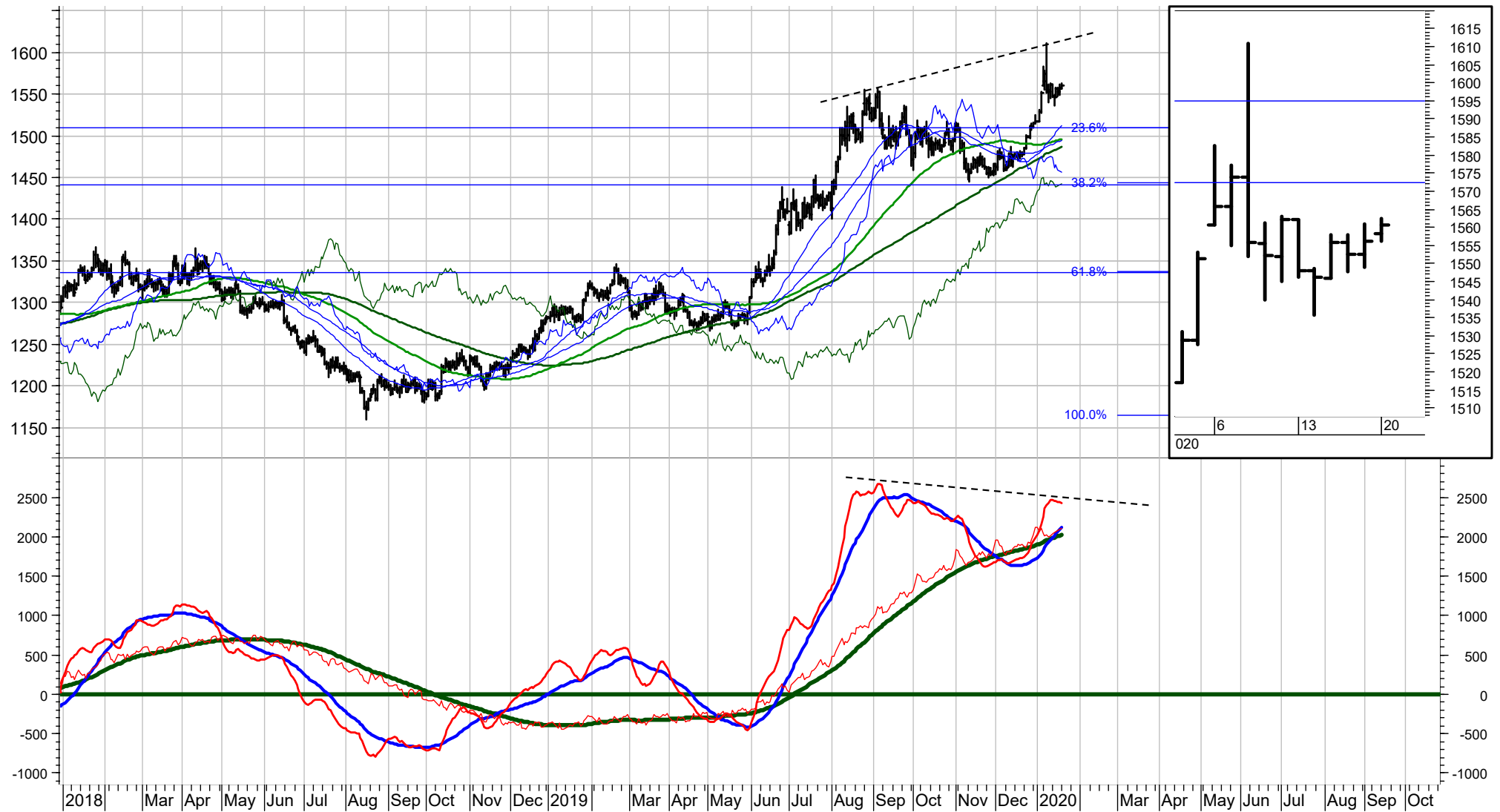
CSCE Coffee "C" Continuous Future



Gold per Ounce in US dollar – daily chart

The non-confirmation of the new price high and the lower momentum high implies that Gold could have peaked at least medium term. For the medium-term trend to turn down Gold would have to break below the 34-day average (1510), the 55-day average (1493), the medium-term momentum reversal (1455) and the Fibonacci support at 1440. The level at 1440 also marks the long-term reversal, a break of which would signal a break of the long-term uptrend.

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



Global-GOLD Model – Gold measured in 37 different currencies

My Global Gold Model is still POSITIVE. On the scale from 0% (maximum bearish) to 100% (maximum bullish) the Total Score fell from 97% to 93%.

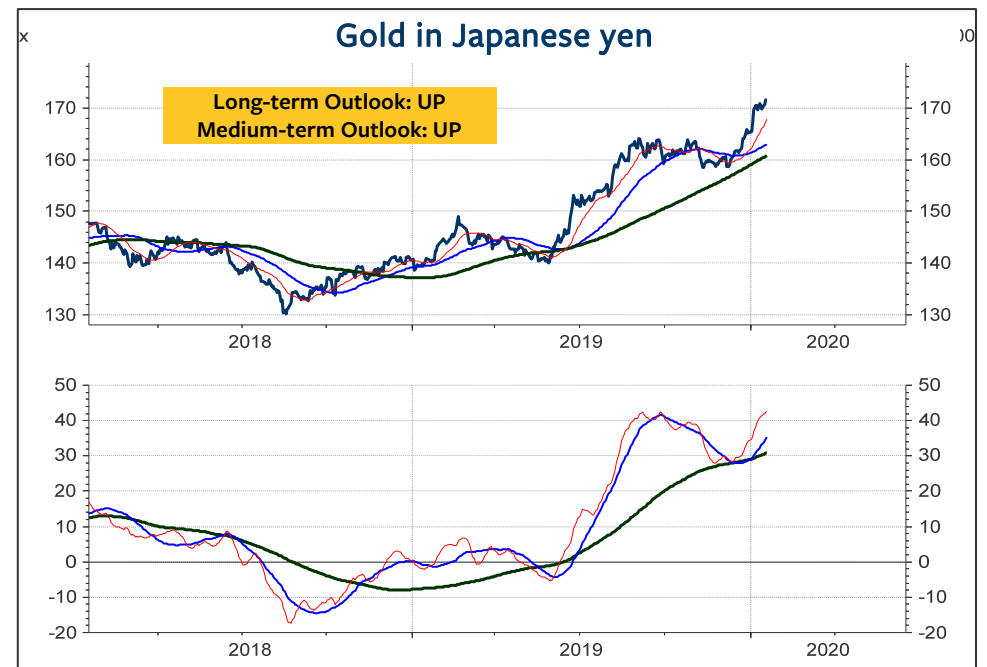
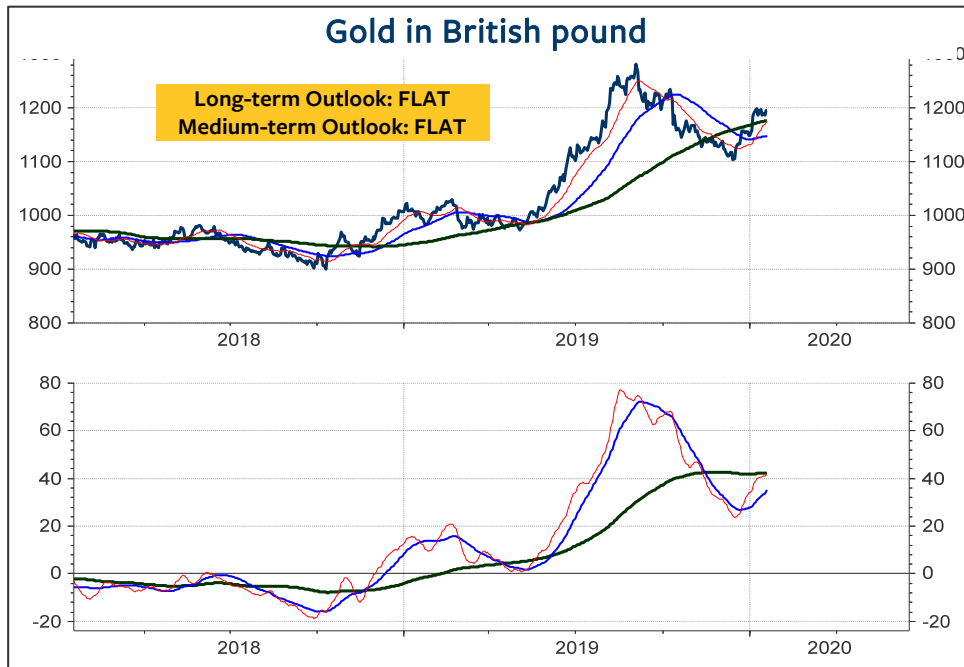
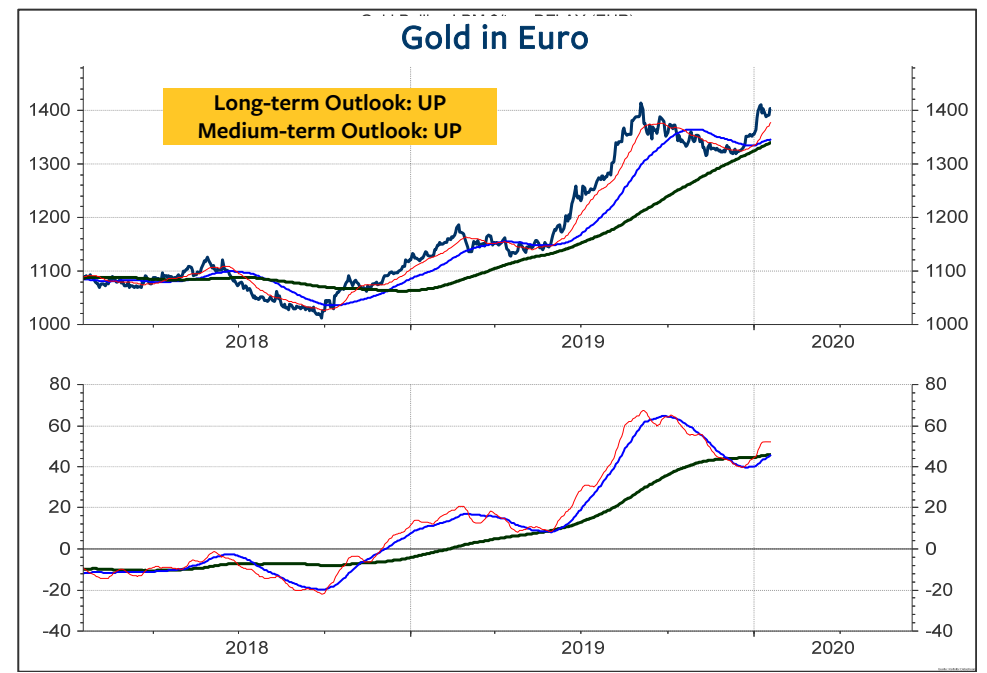
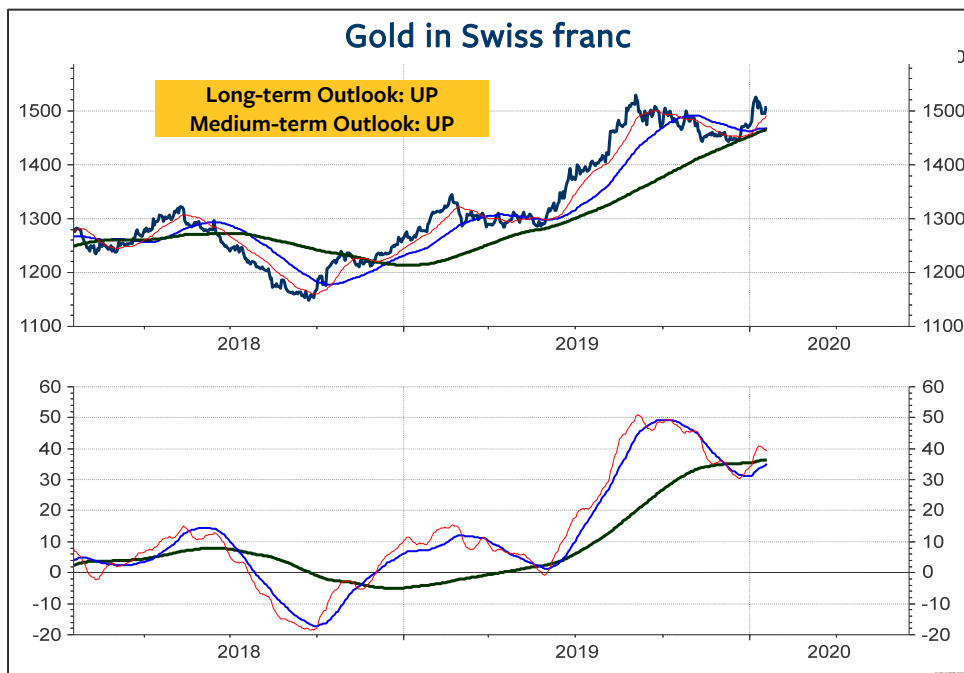
The Short-term Model is POSITIVE but it fell from 92% to 68%. This decline is due to the short-term correction, which is unfolding as per my forecast of last week.

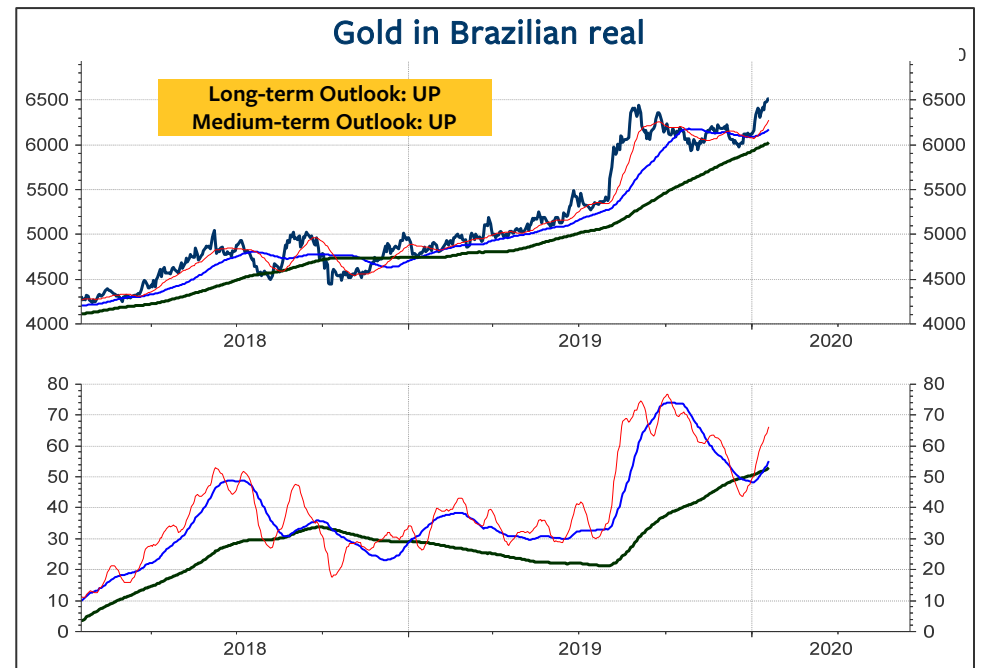
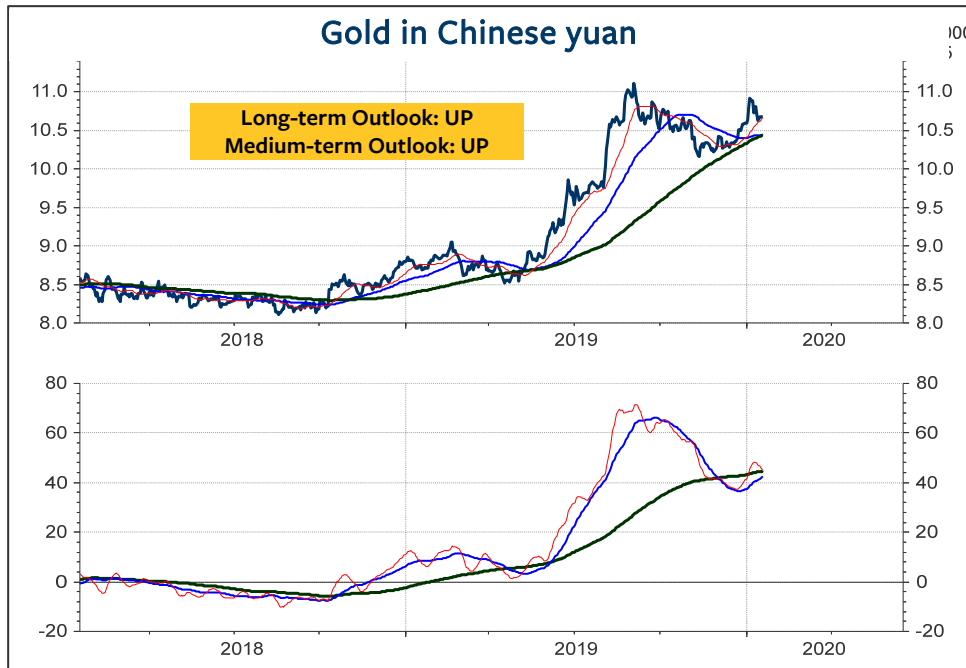
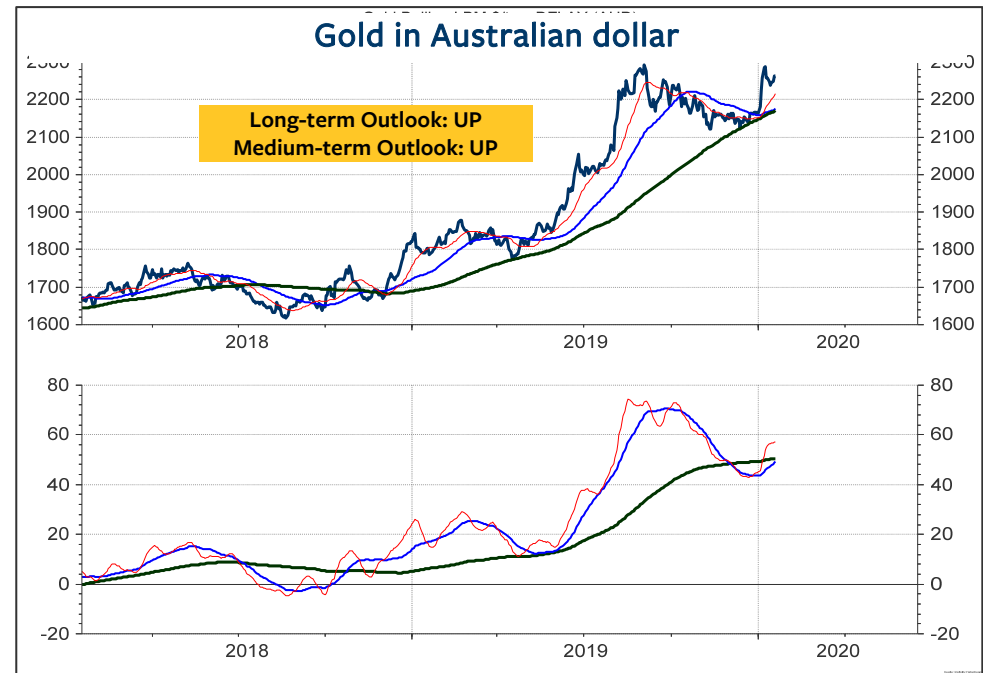
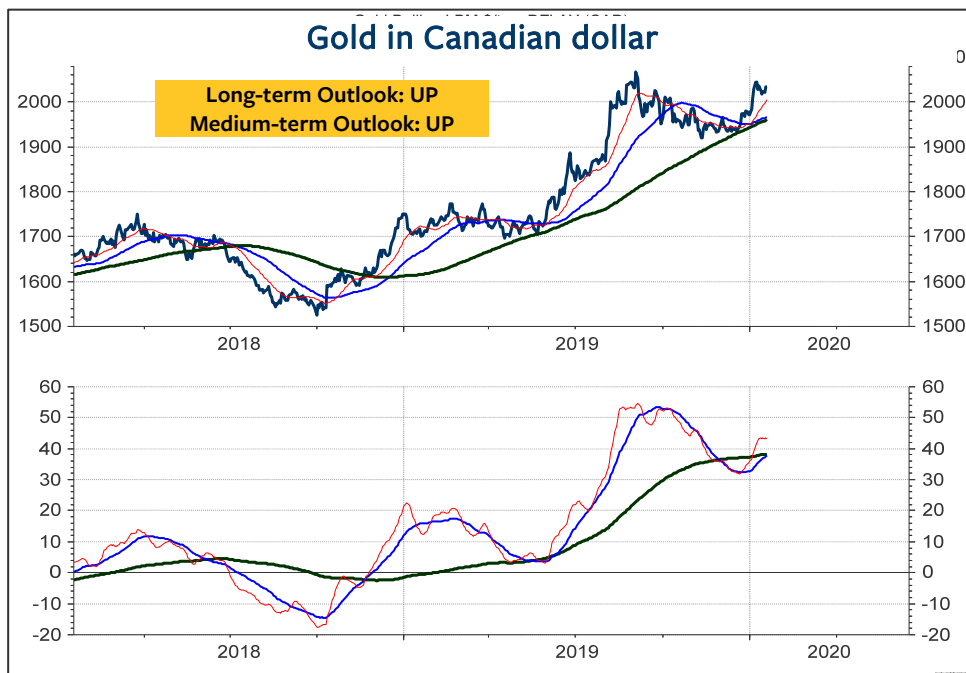
The Medium-term Model is POSITIVE (but overbought) with the reading at 100%.

The Long-term Model remains POSITIVE at 96%.

Overall, the model still remains green. But, the uptrend is by no means granted. It would take an average Gold price decline of only 4.5% for the medium-term and possibly also the long-term model to turn red.

TOTAL SCORE	GOLD IN 38 CURRENCIES	TOTAL SCORE	SHORT-TERM INDICATORS				MEDIUM-TERM INDICATORS				LONG-TERM INDICATORS						
			2-6 WEEKS OUTLOOK				3-6 MONTHS OUTLOOK				12-24 MONTHS OUTLOOK						
			ST SCORE	ST MOM	13D AVG	21D AVG	MT SCORE	MT MOM	34D AVG	55D AVG	LT SCORE	LT MOM	89D AVG	144D AVG			
100%	GOLD in Brazilian real	UP	3	1	1	1	3	1	1	1	3	1	1	1			
100%	GOLD in Hungarian forint	UP	3	1	1	1	3	1	1	1	3	1	1	1			
100%	GOLD in Norwegian krone	UP	3	1	1	1	3	1	1	1	3	1	1	1			
100%	GOLD in Sout African rand	UP	3	1	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Australian dollar	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in British pound	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Bulgarian levi	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Canadian dollar	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Chilean peso	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Corotian kuna	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Czech koruna	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Danish krone	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Euro	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Hong Kong dollar	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Indian rupee	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Japanese yen	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in New Zealand dollar	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Peruvian sol	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Philippines peso	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Polish zloti	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Romanian leu	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Singapore dollar	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in South korean won	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Swedish krona	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Swiss franc	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Taiwanese dollar	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Thai baht	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in Turkish lira	UP	2	0	1	1	3	1	1	1	3	1	1	1			
94%	GOLD in US dollar	UP	2	0	1	1	3	1	1	1	3	1	1	1			
89%	GOLD in Chinese renminbi	UP	1	0	0	1	3	1	1	1	3	1	1	1			
89%	GOLD in Colombian peso	UP	3	1	1	1	3	1	1	1	2	0	1	1			
89%	GOLD in Indonesian rupiah	UP	1	0	0	1	3	1	1	1	3	1	1	1			
89%	GOLD in Malaysian ringgit	UP	1	0	0	1	3	1	1	1	3	1	1	1			
89%	GOLD in Mexican peso	UP	1	0	0	1	3	1	1	1	3	1	1	1			
83%	GOLD in Argentinian peso	UP	2	0	1	1	3	1	1	1	2	0	1	1			
83%	GOLD in Pakistan rupee	UP	2	0	1	1	3	1	1	1	2	0	1	1			
83%	GOLD in Russian ruble	UP	2	0	1	1	3	1	1	1	2	0	1	1			
93.39%			67.57%	(0% max bearish, 100% max bullish.)				100.00%	(0% max bearish, 100% max bullish.)				96.40%	(0% max bearish, 100% max bullist)			
	UP	37	+	5	33	37	+	37	37	37	+	33	37	37			
	DOWN	0	-	32	4	0	-	0	0	0	-	4	0	0			
	FLAT	0		37	37	37		37	37	37		37	37	37			
		37	+	14%	89%	100%	+	100%	100%	100%	+	89%	100%	100%			
			-	86%	11%	0%	-	0%	0%	0%	-	11%	0%	0%			
				100%	100%	100%		100%	100%	100%		100%	100%	100%			





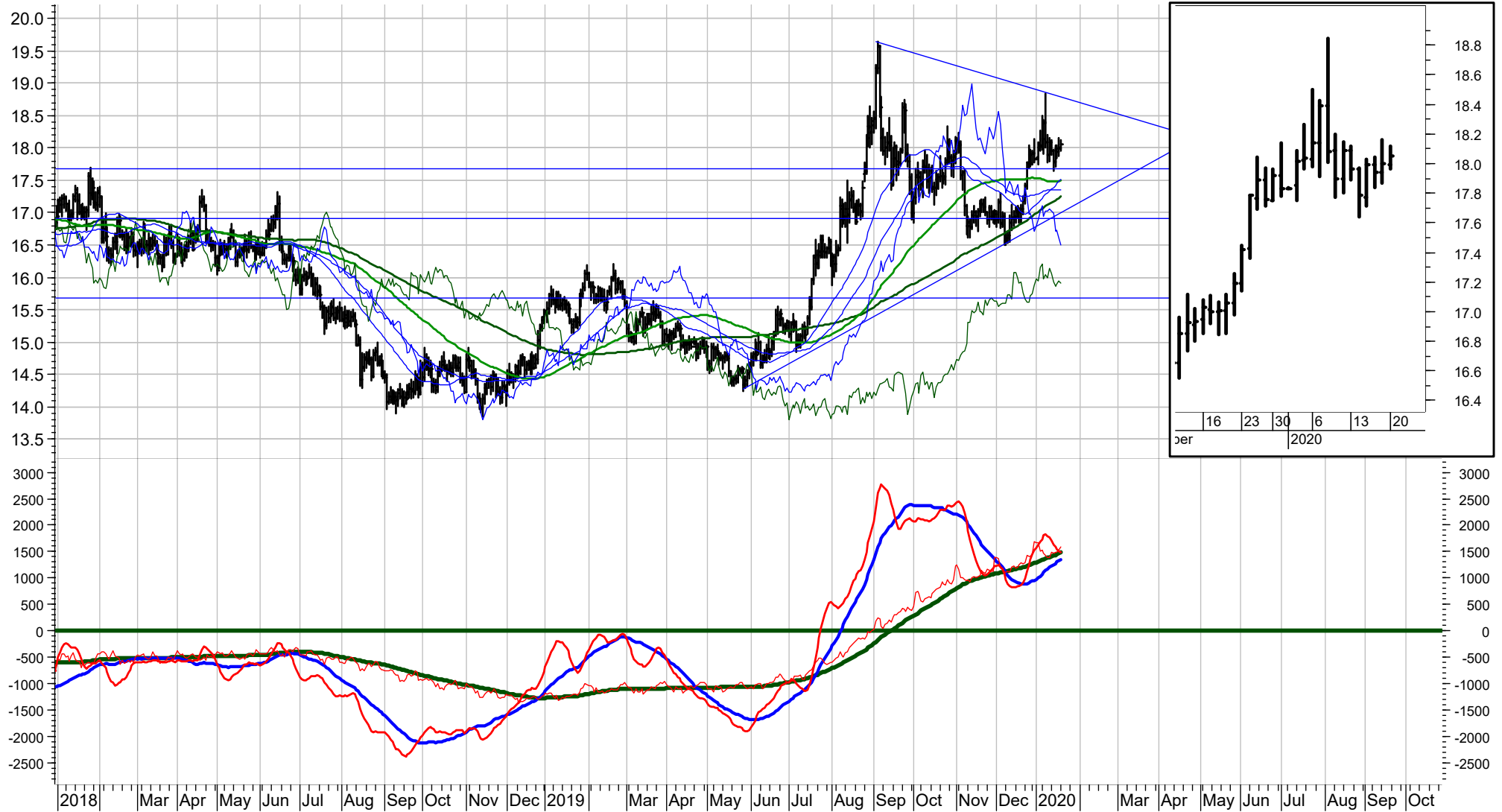
Silver – daily chart

A break below 17.70 would signal 16.90 or 15.70.

My Medium-term outlook would move to FLAT with a break of 17.70 and to DOWN with a break of 16.90.

The lowest long-term support is at 15.70.

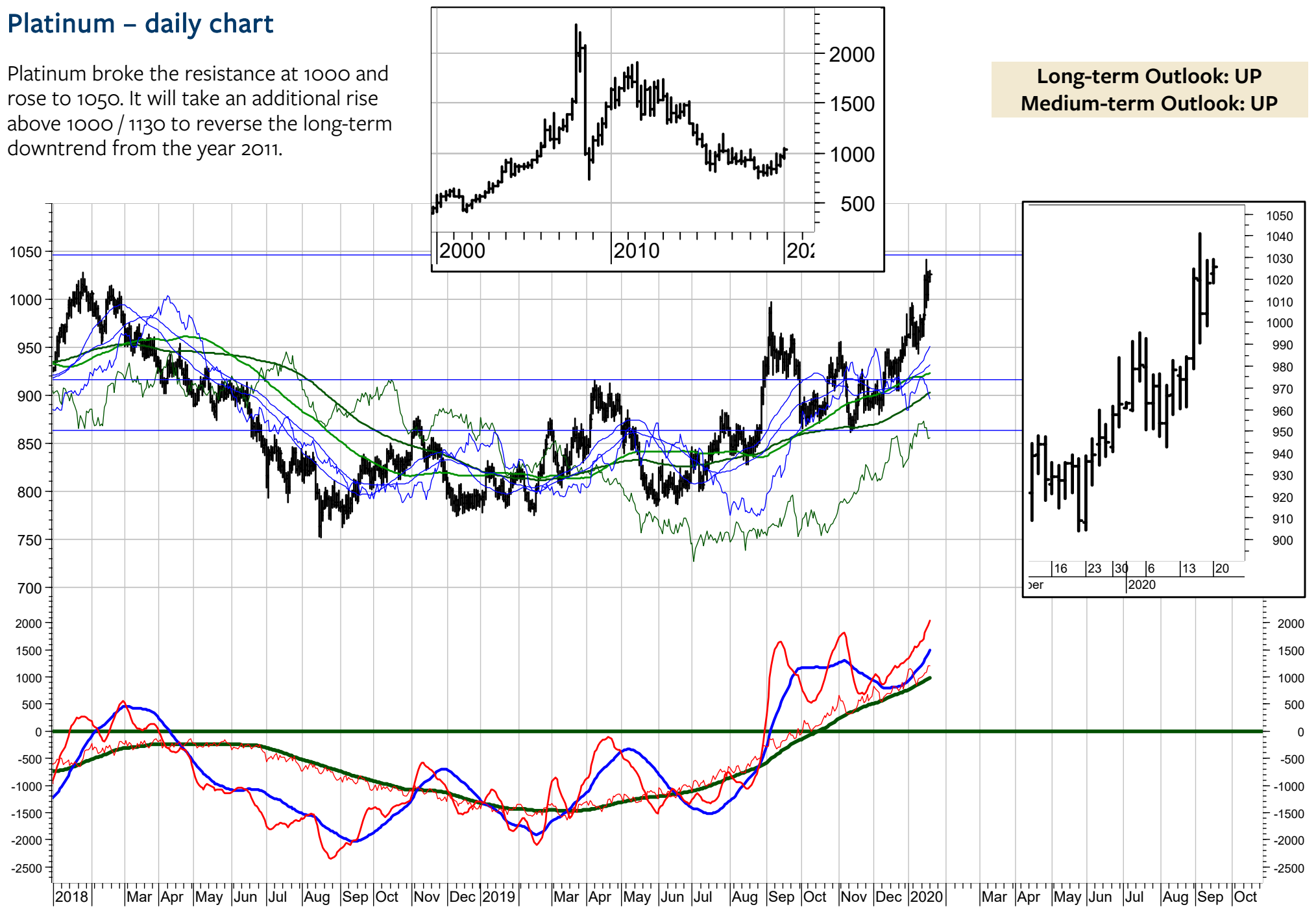
Long-term Outlook: UP
Medium-term Outlook: UP



Platinum – daily chart

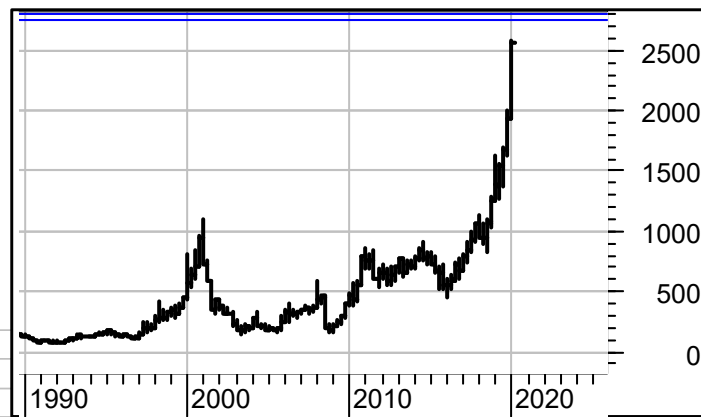
Platinum broke the resistance at 1000 and rose to 1050. It will take an additional rise above 1000 / 1130 to reverse the long-term downtrend from the year 2011.

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

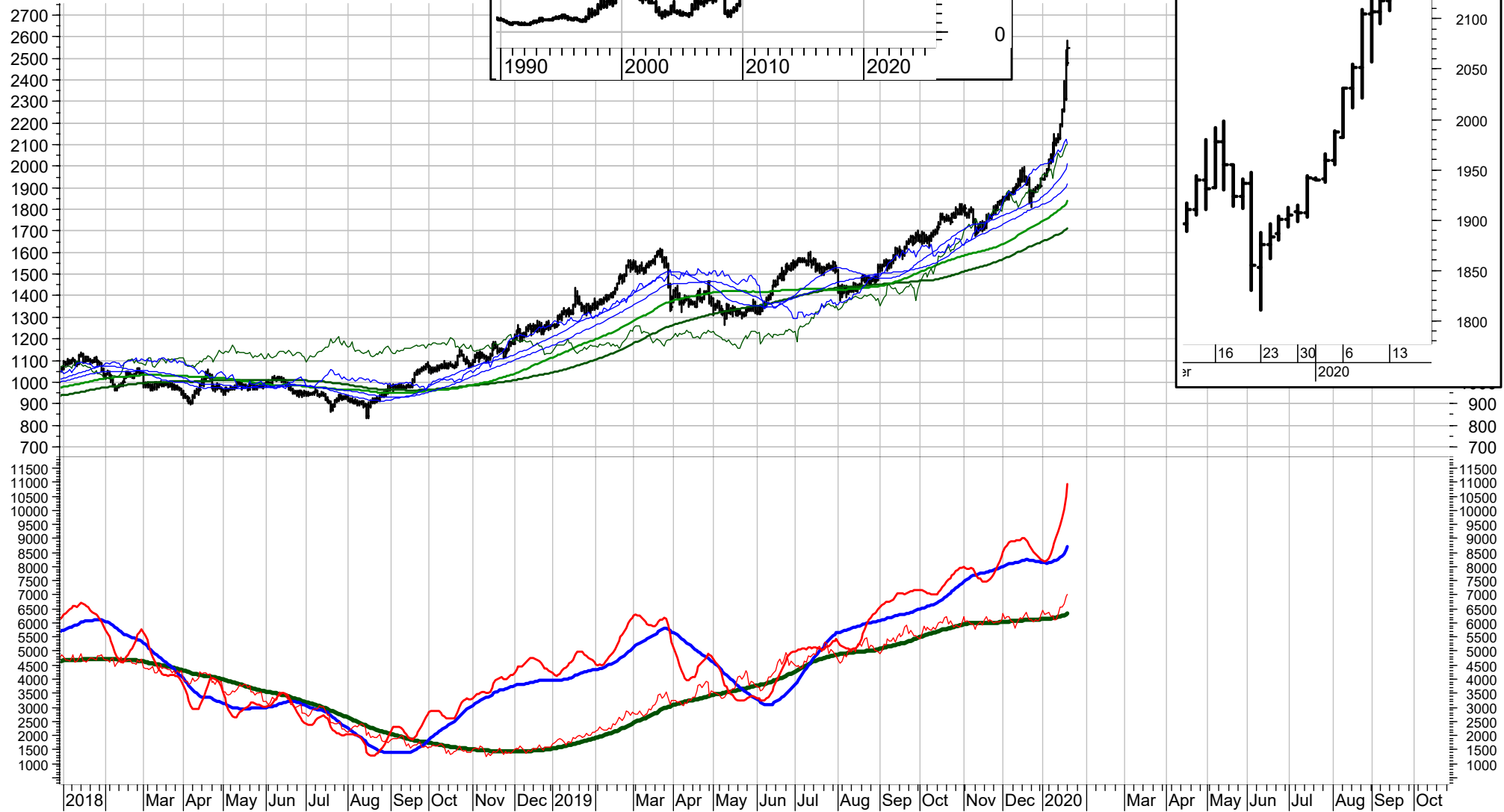


Palladium – daily chart

Based on the size and structure of the price chart from the 1990s I can come up with a next major resistance at 2700 to 2800. A break above 2800 could signal another medium-term upgrade.



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



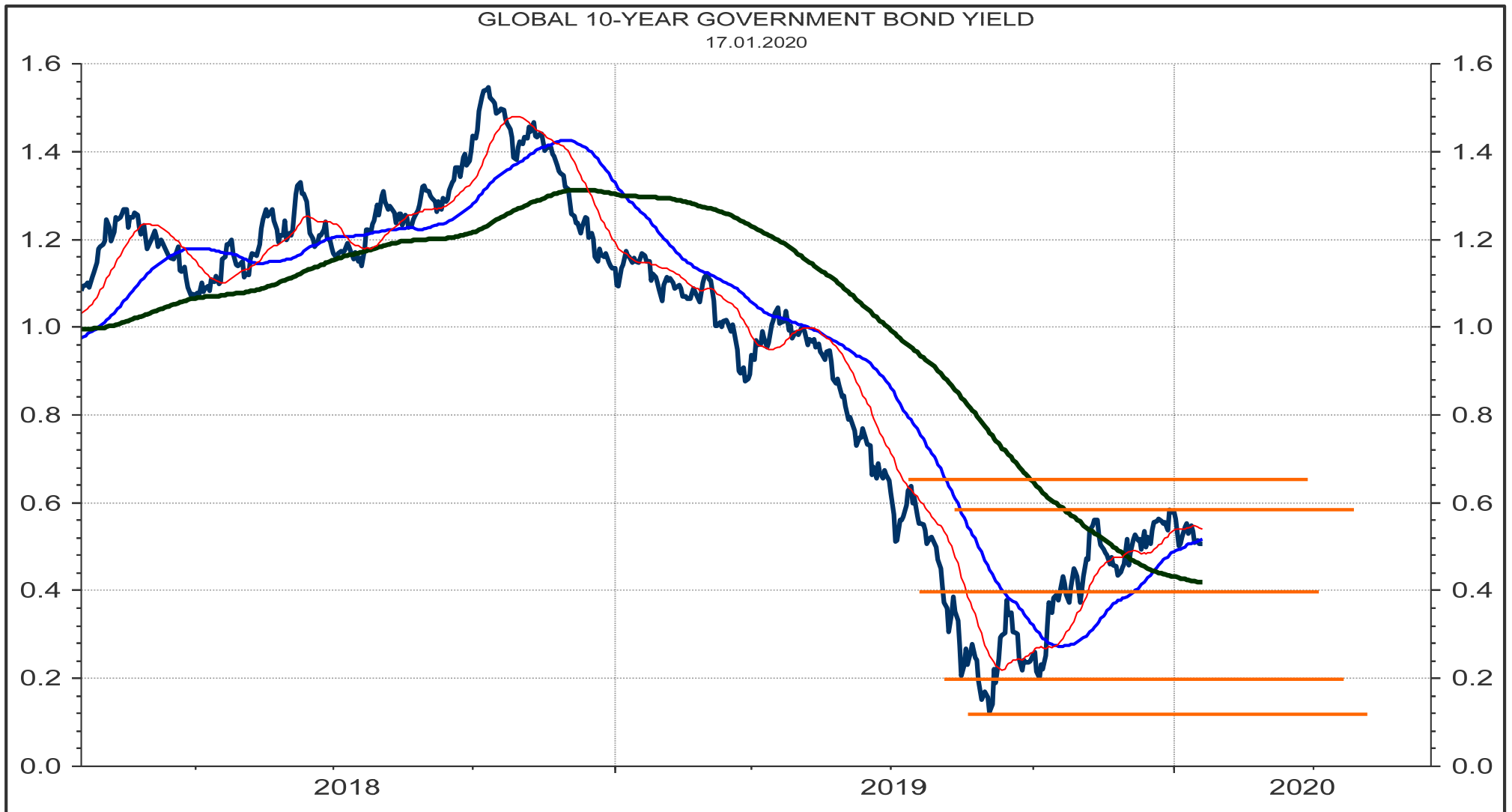
Global 10-year Bond Yield Index (daily chart)

The Global 10-year Government Bond Yield is trading in the resistance range, which is derived from the previous fourth wave of the downtrend from 1.55% to 0.1%.

The Global Yield would have to break above this range to signal that the yield uptrend from 2019 is of long-term degree.

More likely than a break upwards is that the Yield remains in the large range between 0.65% and 0.4% or 0.2%.

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

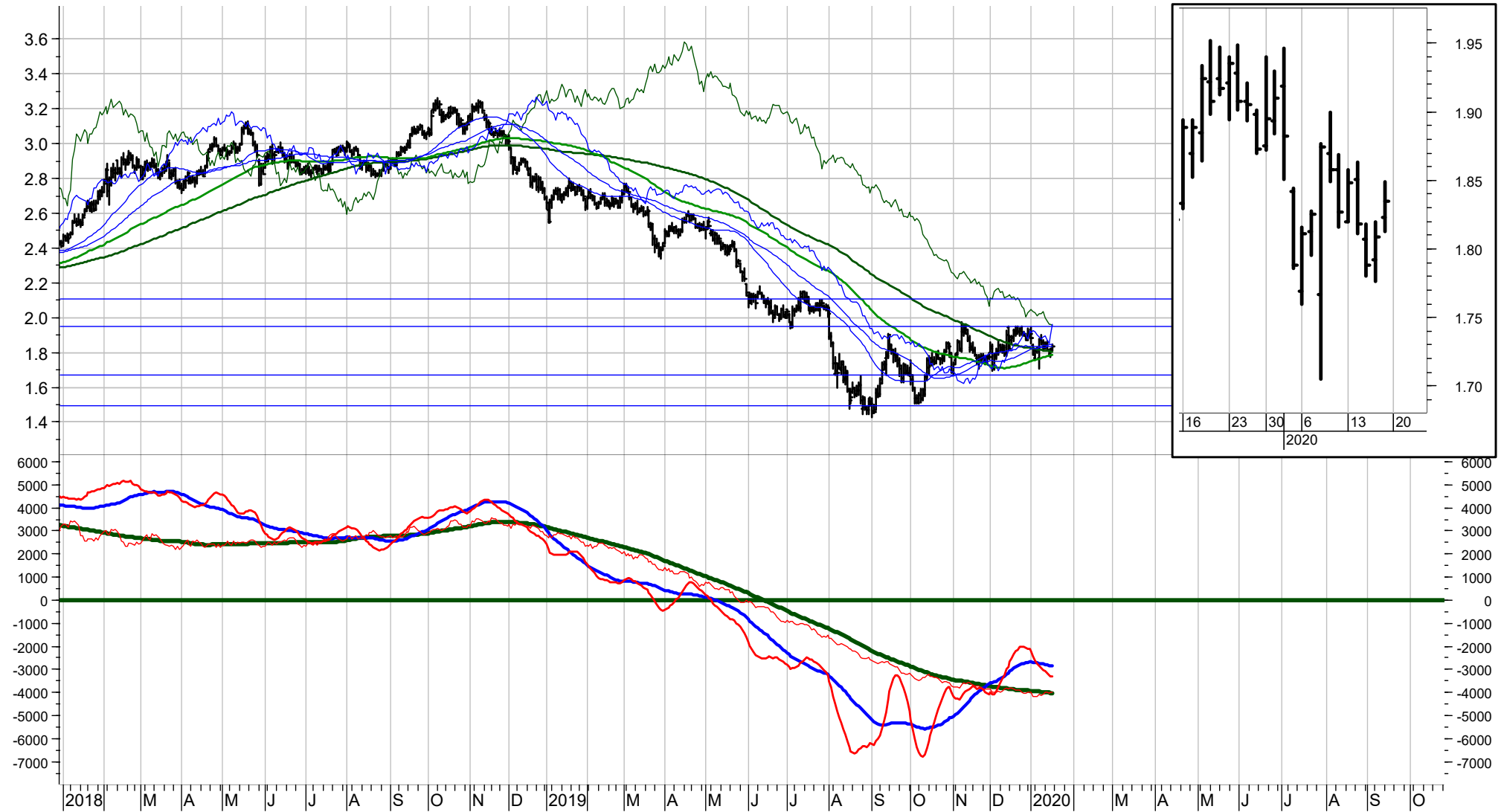


US 10-year Treasury Note Yield – daily chart

Last week has not added new evidence to the medium-term and long-term outlook, which remains flat.

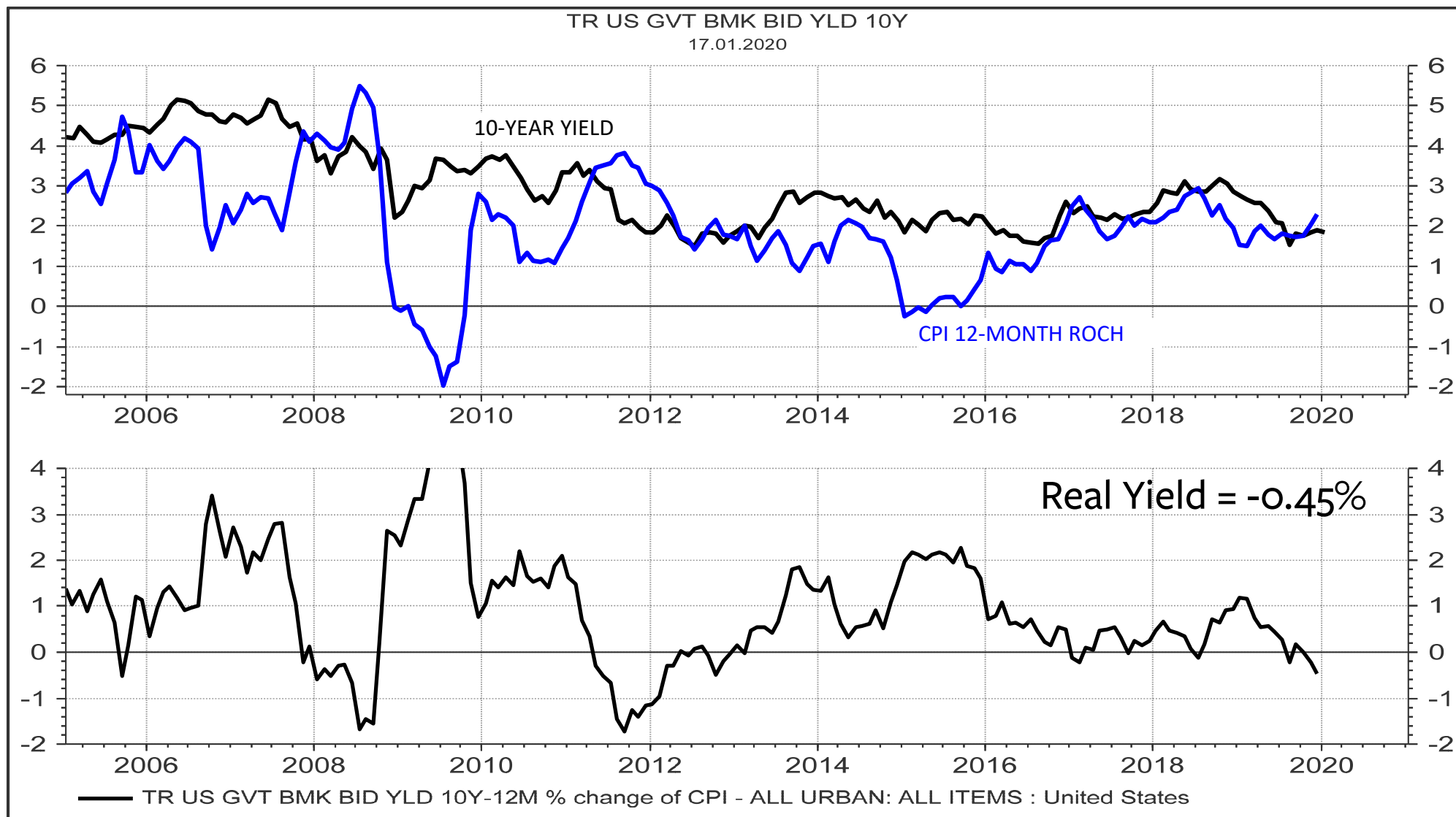
The 10-year Yield is trading in a neutral range between 1.68% / 1.5% and 1.95% / 2.1%.

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



US 10-year T-Notes Yield, the US CPI 12-month Rate-of-change and the US 10-year Real Yield

The US 10-year Yield is trading at 1.835%. Based on the latest reading of the 12-month rate-of-change the US Consumer Price Index (blue) is positioned at 2.285%. Thus, the real yield is at -0.45%.



Global Real Bond Yield since the year 1317

The US 10-year Yield is trading at 1.835%. Based on the latest reading of the 12-month rate-of-change the US Consumer Price Index (blue) is positioned at 2.285%. Thus, the real yield is at -0.15%.

Staff Working Paper No. 845

Eight centuries of global real interest rates, R-G, and the 'suprasecular' decline, 1311–2018

Paul Schmelzing(1)(2)(3)

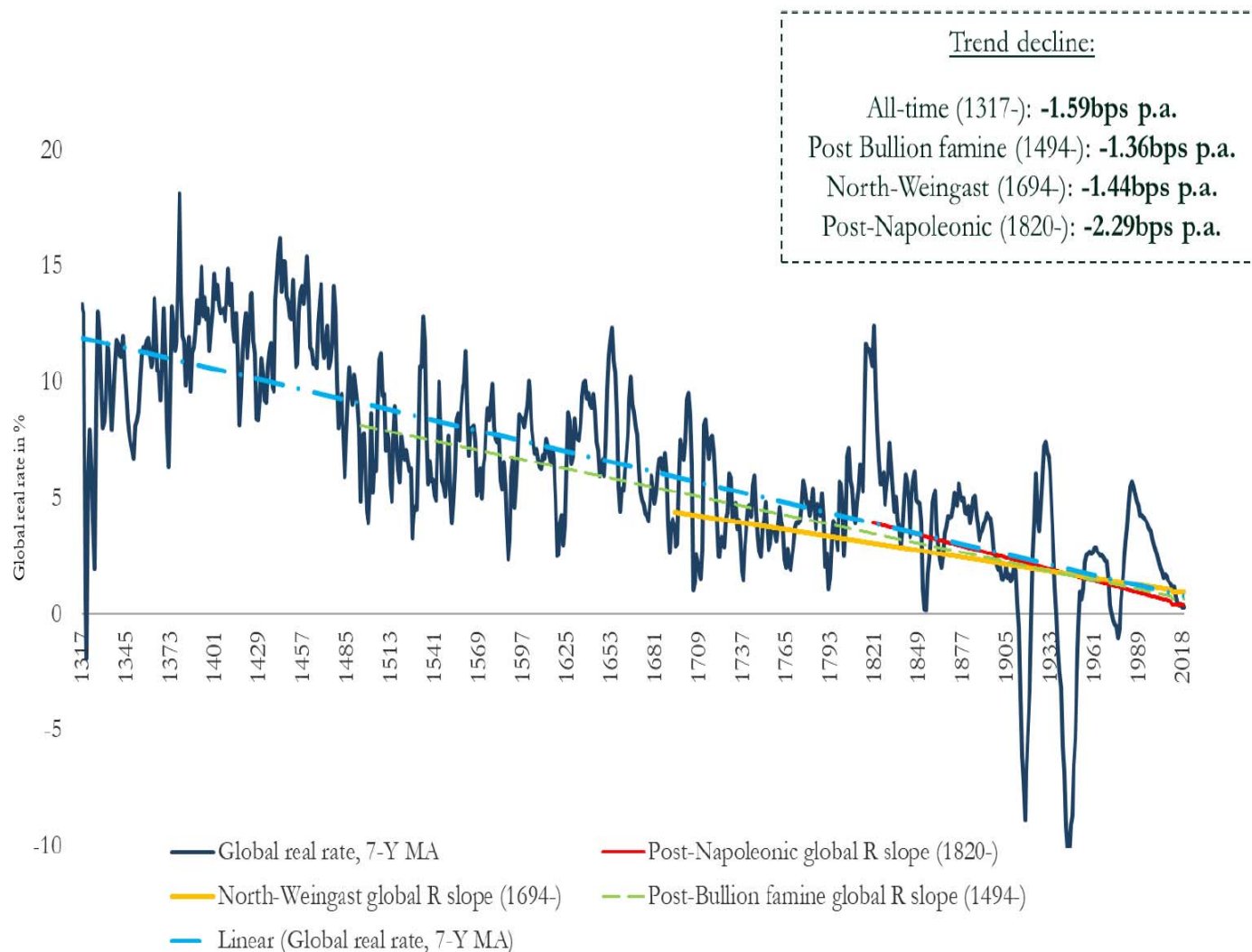
(1) Harvard University. Email: schmelzing@fas.harvard.edu

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Abstract

With recourse to archival, printed primary, and secondary sources, this paper reconstructs global real interest rates on an annual basis going back to the 14th century, covering 78% of advanced economy GDP over time. I show that across successive monetary and fiscal regimes, and a variety of asset classes, real interest rates have not been 'stable', and that since the major monetary upheavals of the late middle ages, a trend decline between 0.6–1.6 basis points per annum has prevailed. A gradual increase in real negative-yielding rates in advanced economies over the same horizon is identified, despite important temporary reversals such as the 17th Century Crisis. Against their long-term context, currently depressed sovereign real rates are in fact converging 'back to historical trend' — a trend that makes narratives about a 'secular stagnation' environment entirely misleading, and suggests that — irrespective of particular monetary and fiscal responses — real rates could soon enter permanently negative territory. I also posit that the return data here reflects a substantial share of 'non-human wealth' over time: the resulting R-G series derived from this data show a downward trend over the same timeframe: suggestions about the 'virtual stability' of capital returns, and the policy implications advanced by Piketty (2014) are in consequence equally unsubstantiated by the historical record.

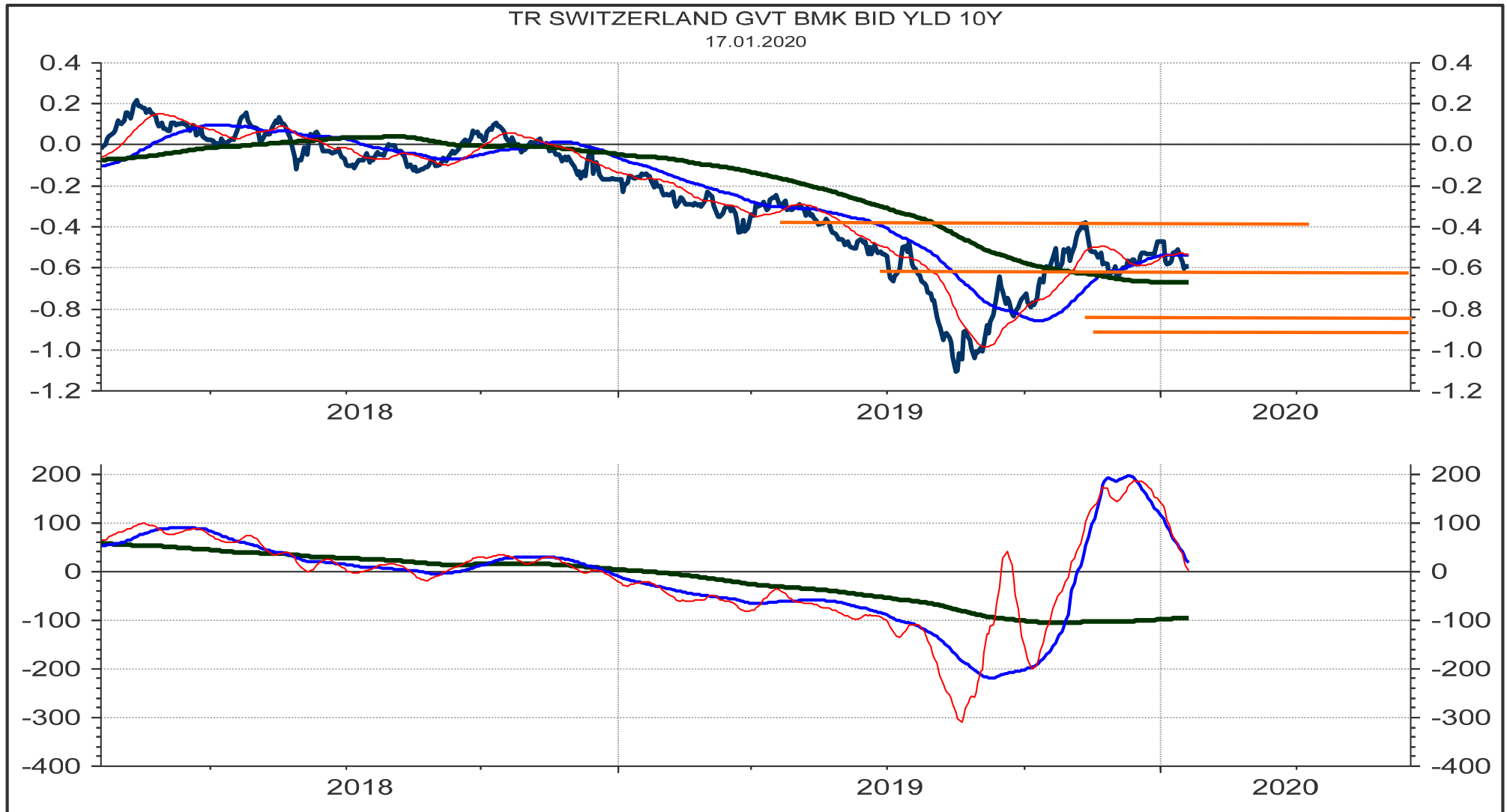


Swiss 10-year Conf Yield – daily chart

The 10-year Swiss Yield has stayed in a trading range below the resistance at -0.35% and above the 144-day moving average.

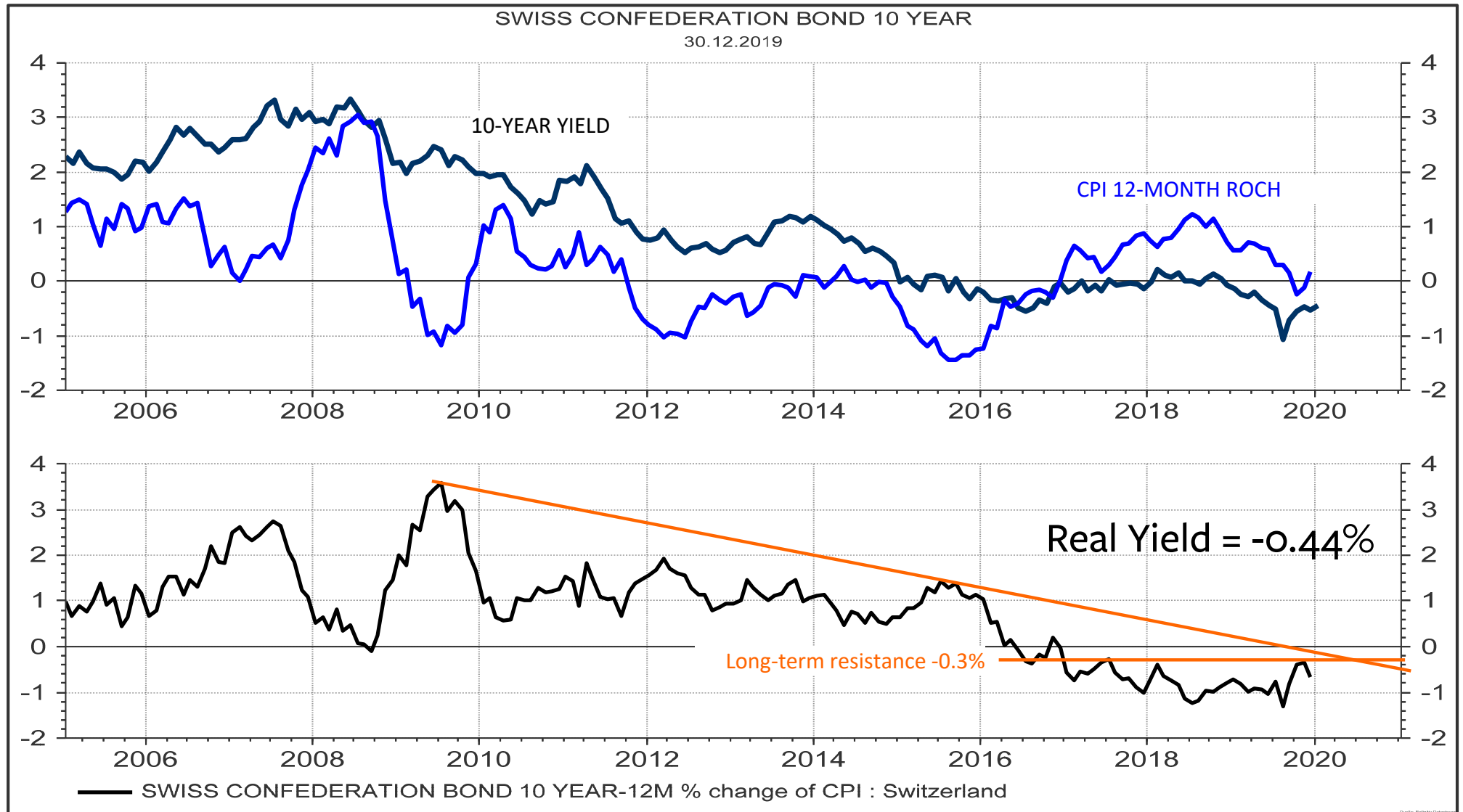
The key levels are -0.625%, -0.66%, -0.70%, -0.76%, -0.84% and -0.925%.

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



Swiss 10-year Conf Yield, the Swiss CPI 12-month Rate-of-change and the Swiss 10-year Real Yield

The Swiss 10-year Yield is trading at -0.60%. Based on the latest reading of the 12-month rate-of-change for December 2019, the Consumer Price Index (blue) 12-month change is positioned at +0.16%. Thus, the real yield is at -0.44%. The resistance at -0.3% (bottom chart, marked orange) provides an important resistance to the Swiss real yield.



Global Total Return from 7-10-year Government Bonds (daily chart)

The Total Return is trading around the moving averages.
My Long-term and Medium-term Outlook remain FLAT.

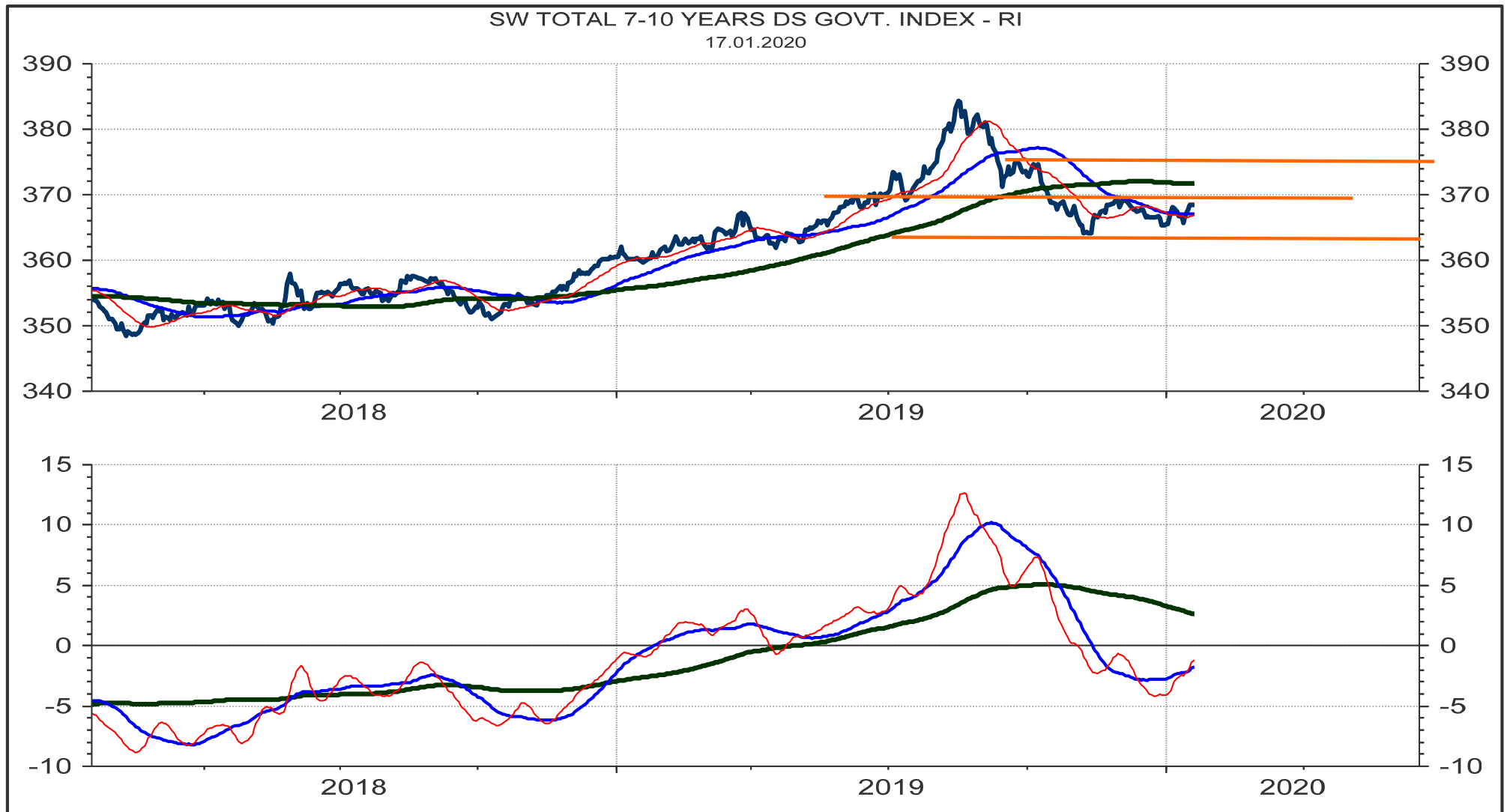
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



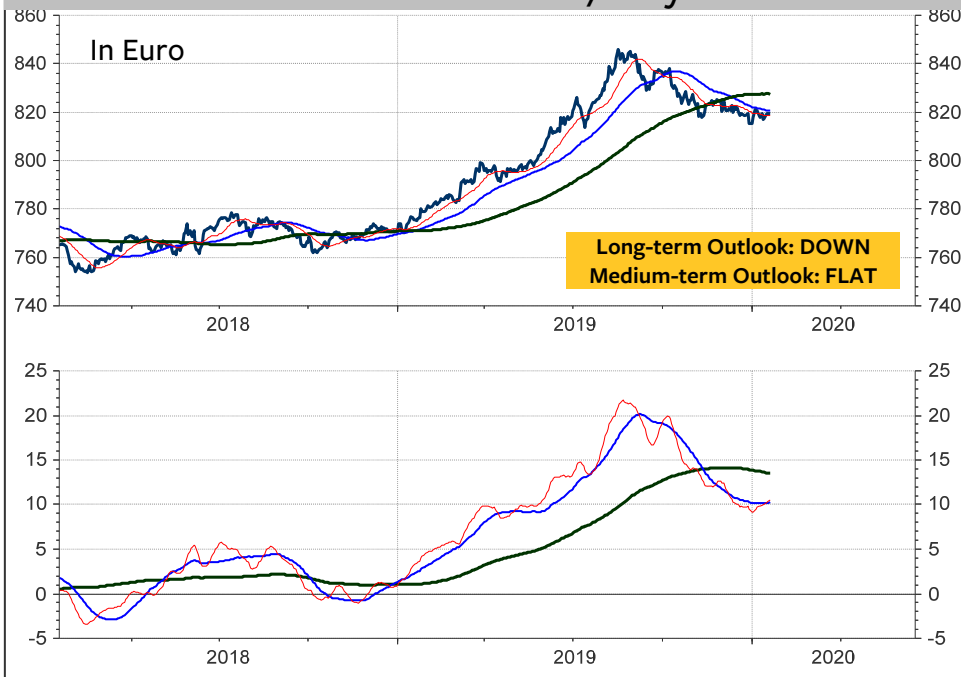
Total Return from 7-10 year Swiss Conf Bonds – daily chart

The Total Return from the Swiss 7-10-year bonds remains in a trading range.
My Long-term Outlook remains DOWN because the Total Return remains below the Fibonacci resistance range 372 to 377.
My Medium-term Outlook remains FLAT between 364 and 372.

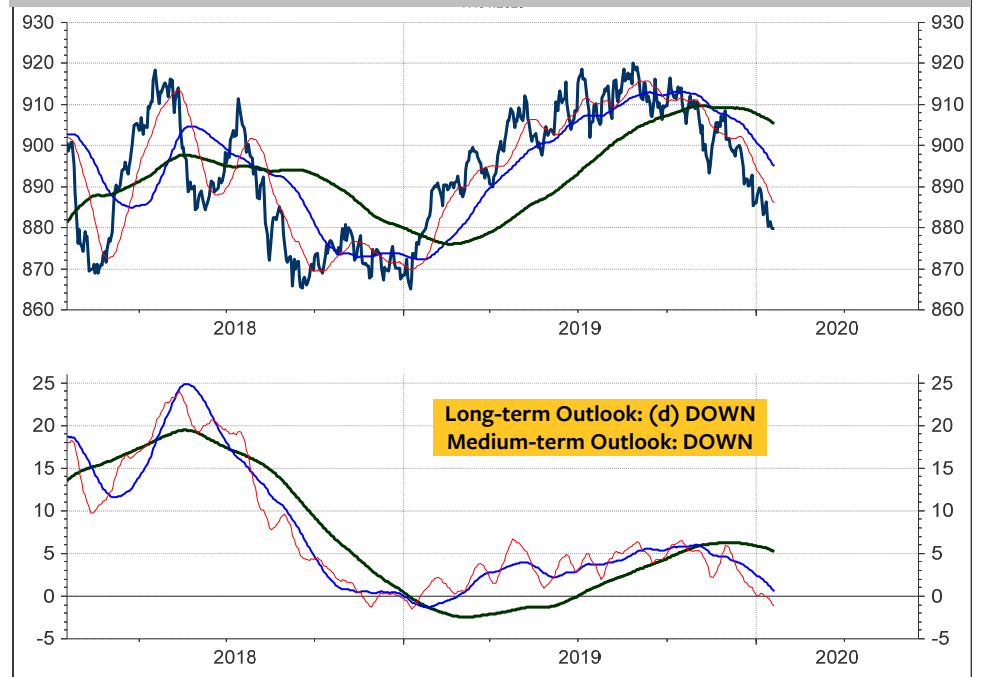
Long-term Outlook: DOWN
Medium-term Outlook: FLAT



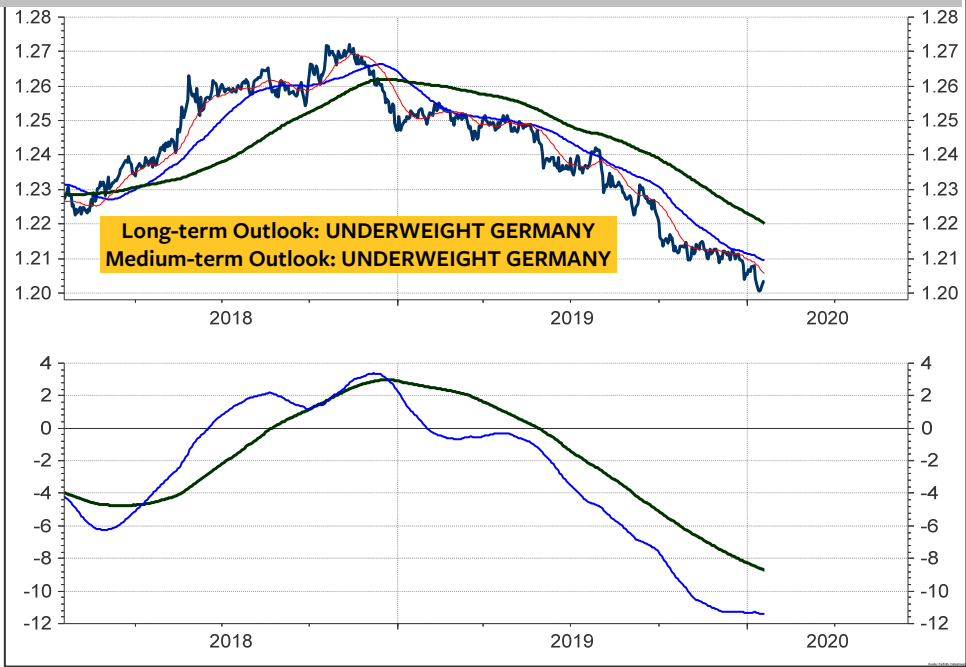
Total Return from GERMAN 7-10-year Bunds



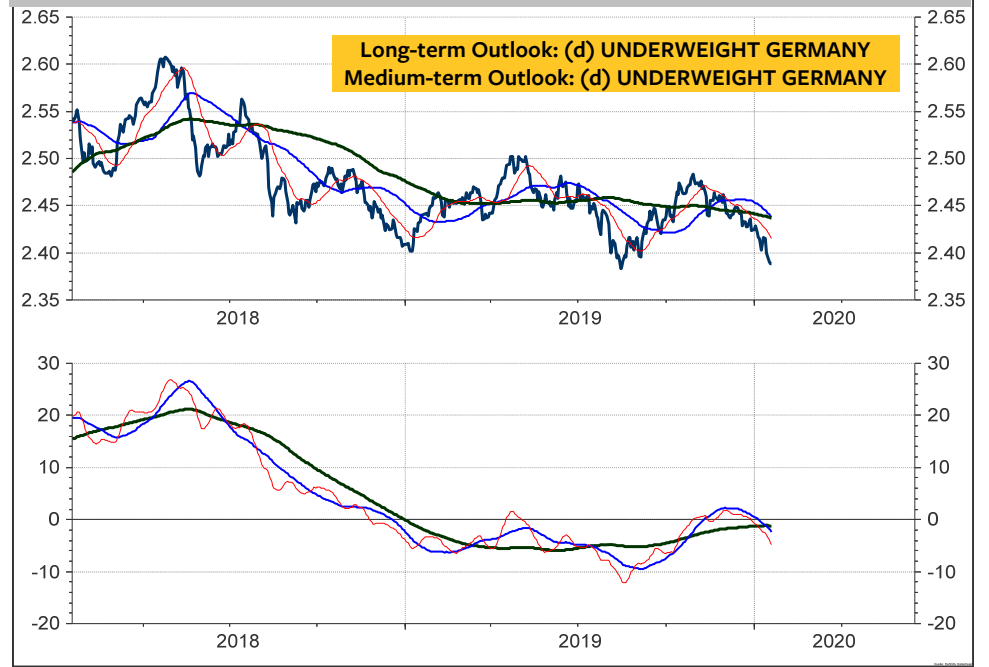
TR from the GERMAN Gov Bunds in SFR



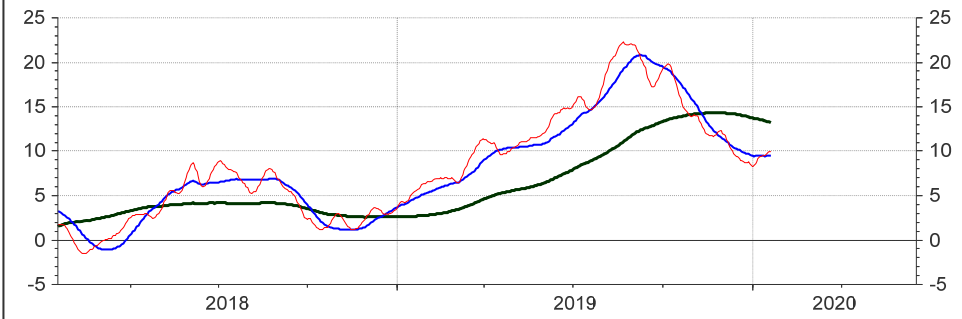
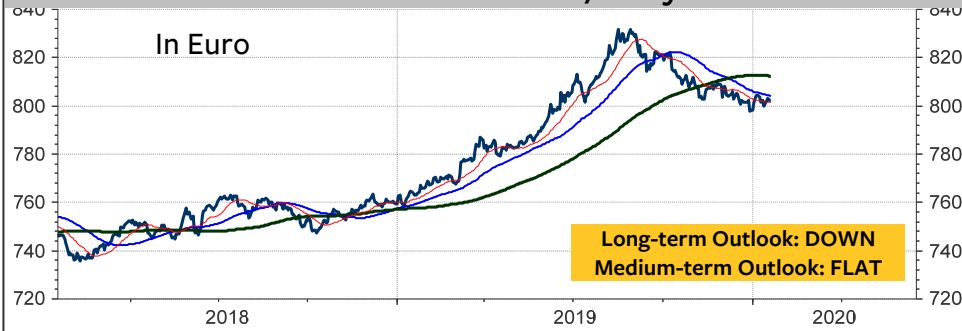
TR GERMAN Bunds relative to the World Gov Bond Index



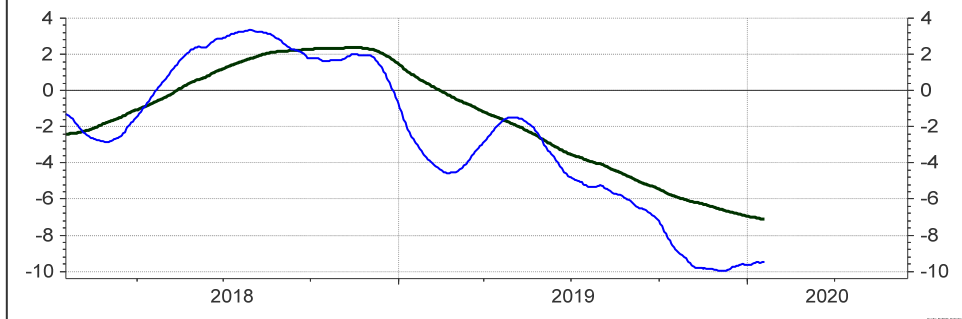
TR from the GERMAN Gov Bunds in SFR relative to the Swiss TR



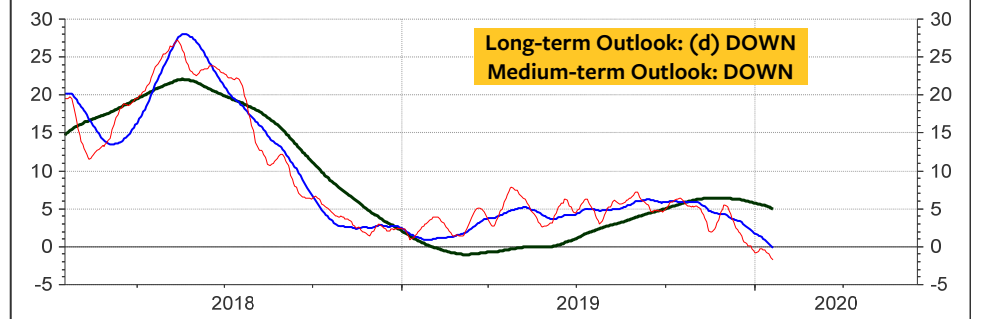
Total Return from FRENCH 7-10-year Bonds



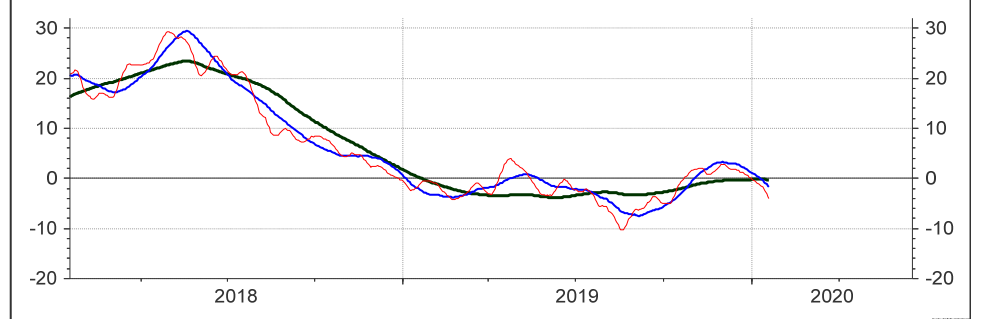
TR FRENCH Gov Bonds relative to the World Gov Bond Index



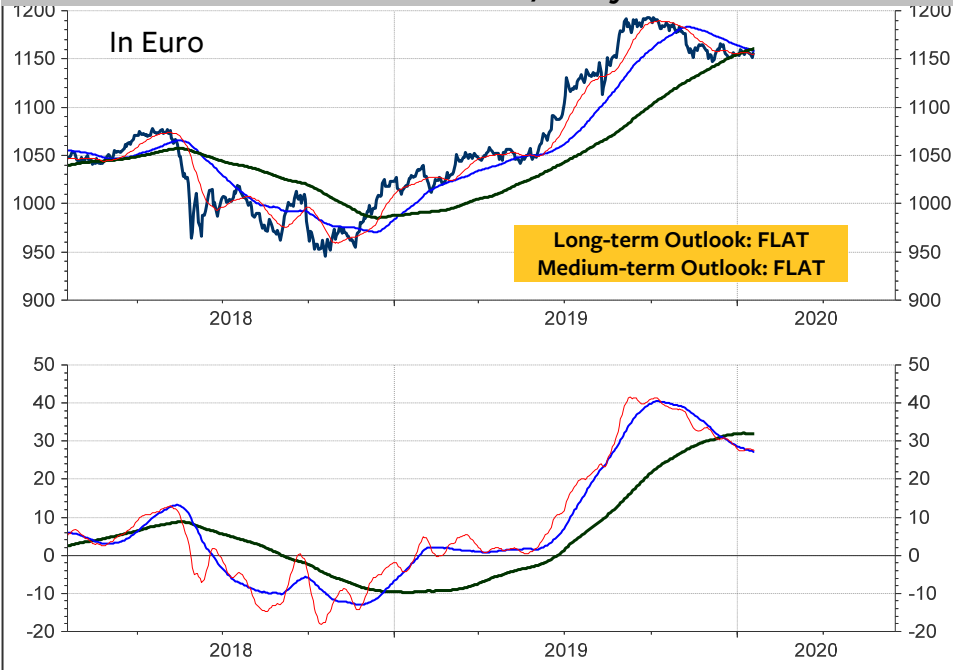
TR from the FRENCH 7-10-year Bonds in SFR



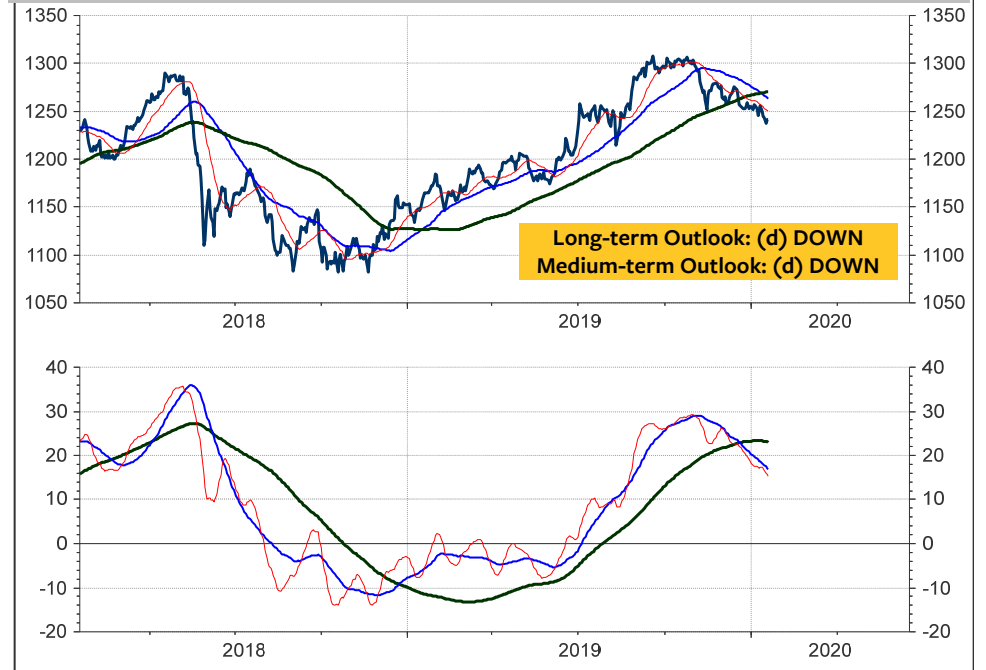
TR from the FRENCH 7-10-year Bonds in SFR relative to the Swiss TR



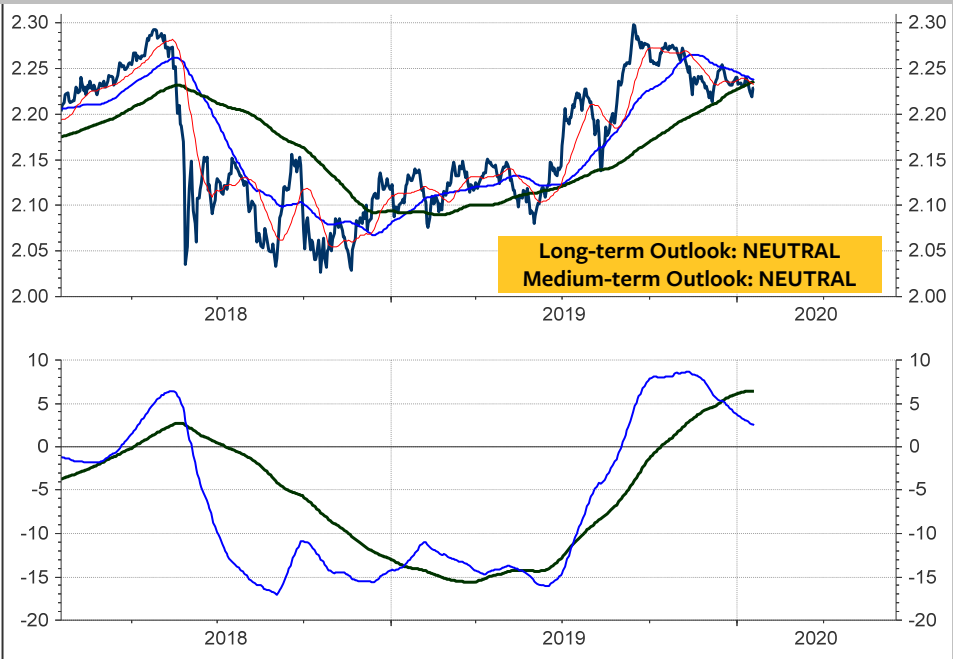
Total Return from ITALIAN 7-10-year Gov. Bonds



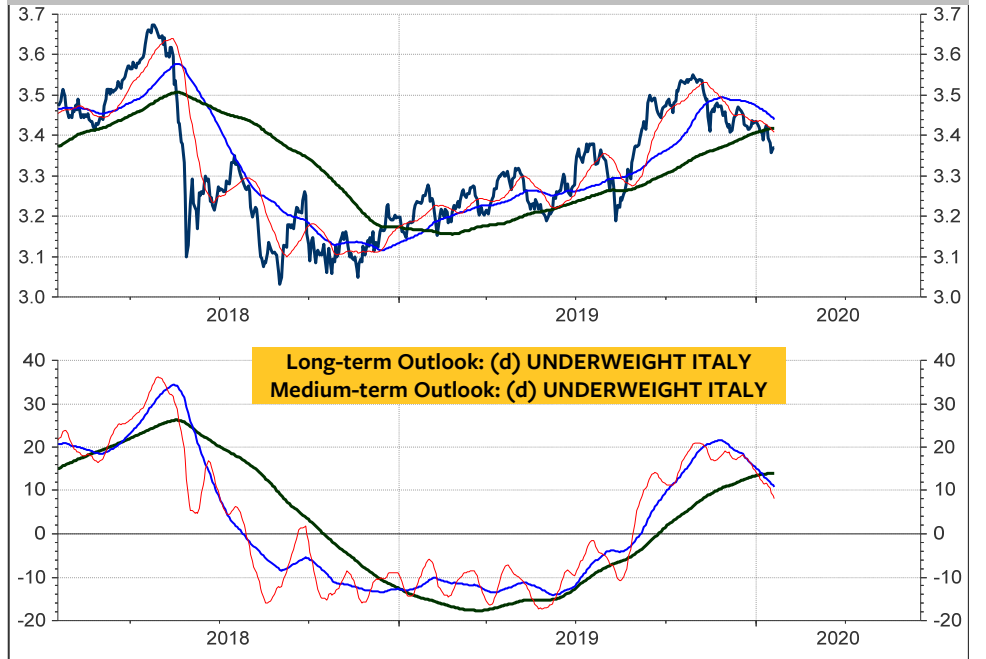
TR from the ITALIAN Gov Bonds in SFR



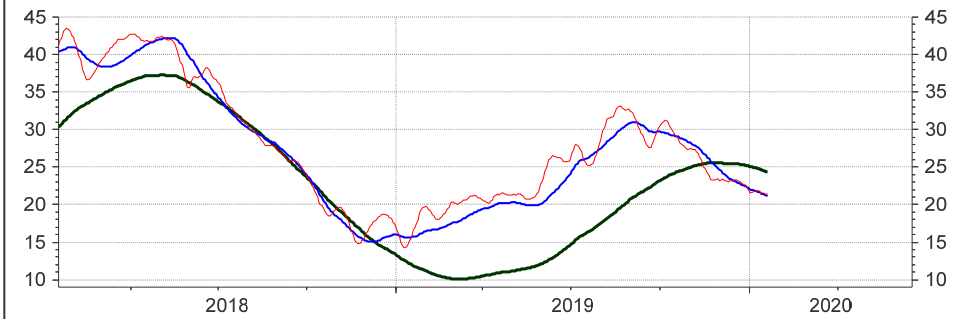
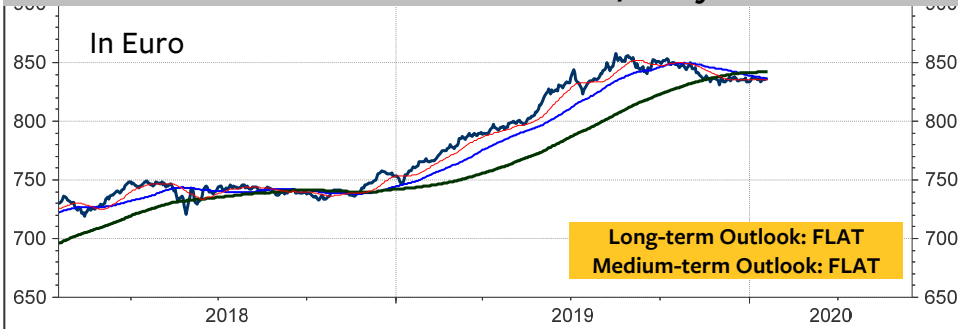
TR ITALIAN Gov Bonds relative to the World Gov Bond Index



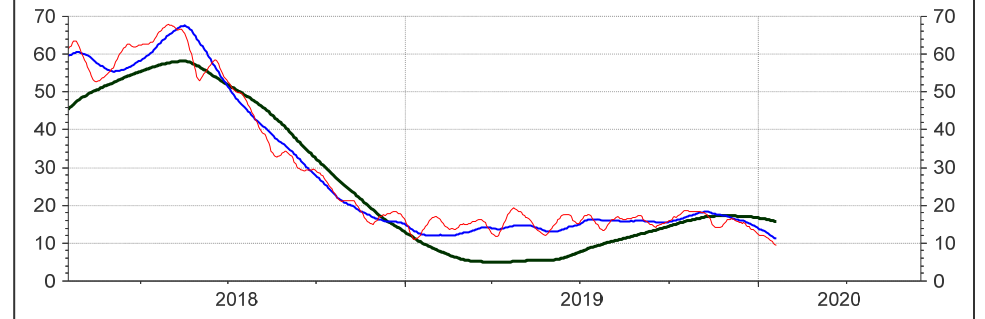
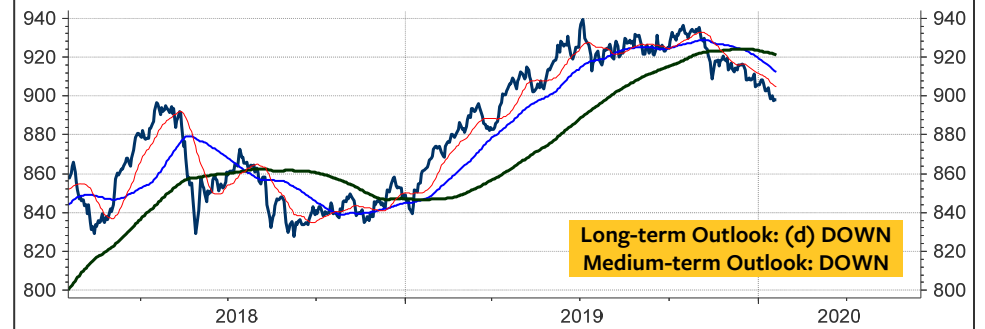
TR from the ITALIAN Gov Bonds in SFR relative to the Swiss TR



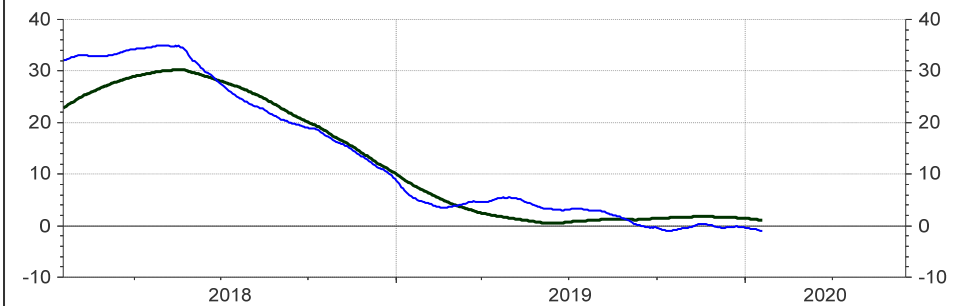
Total Return from PORTUGESE 7-10-year Bonds



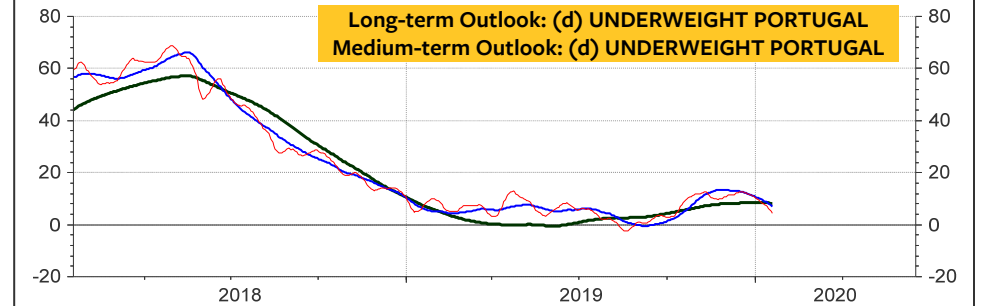
TR from the PORTUGESE 7-10-year Bonds in SFR



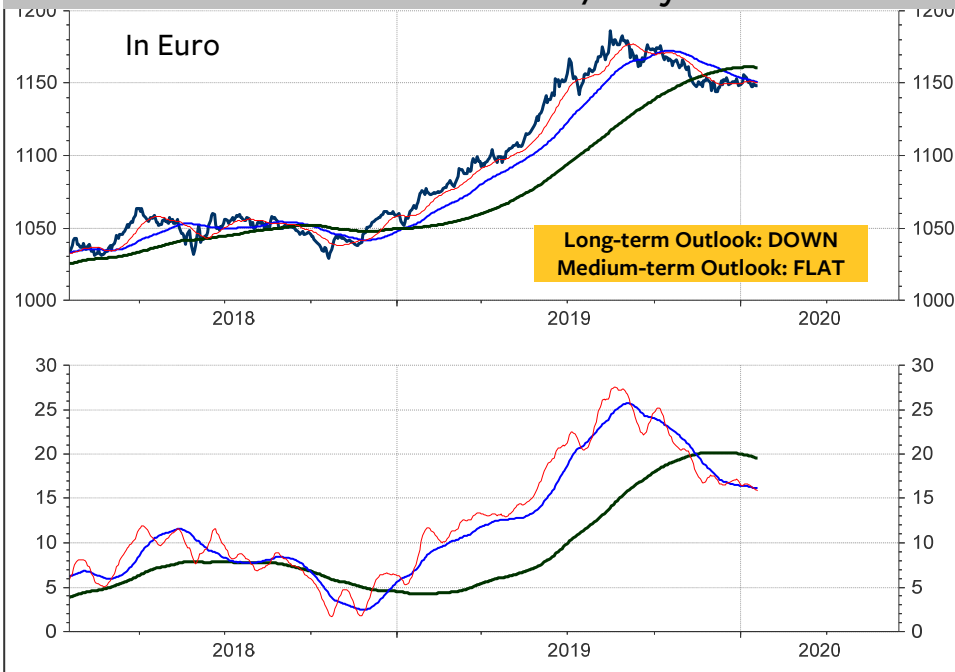
TR PORTUGESE Gov Bonds relative to the World Gov Bond Index



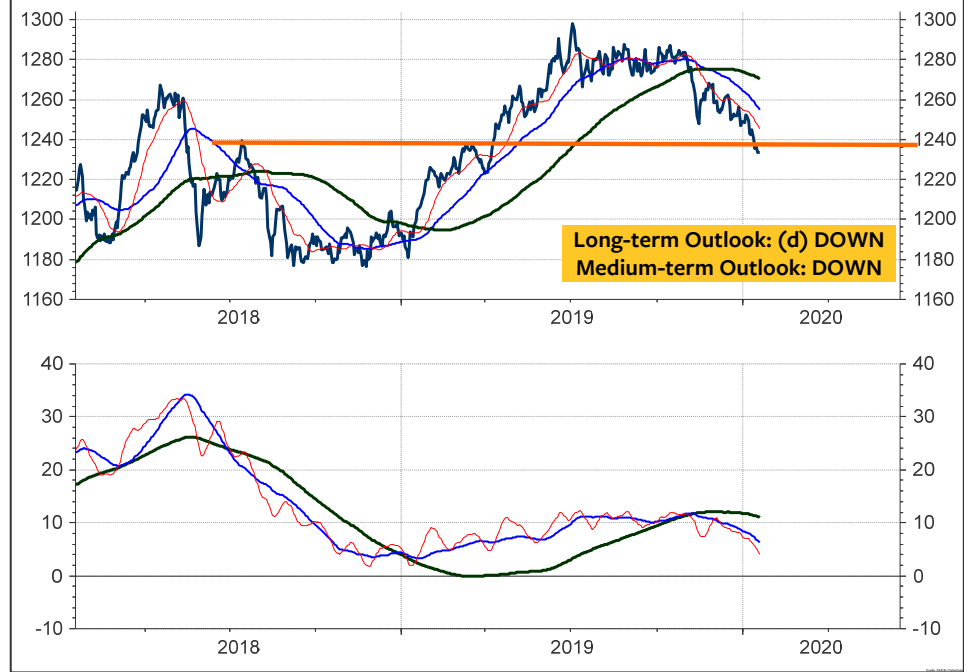
TR from the PORTUGESE 7-10-year Bonds in SFR relative to the Swiss TR



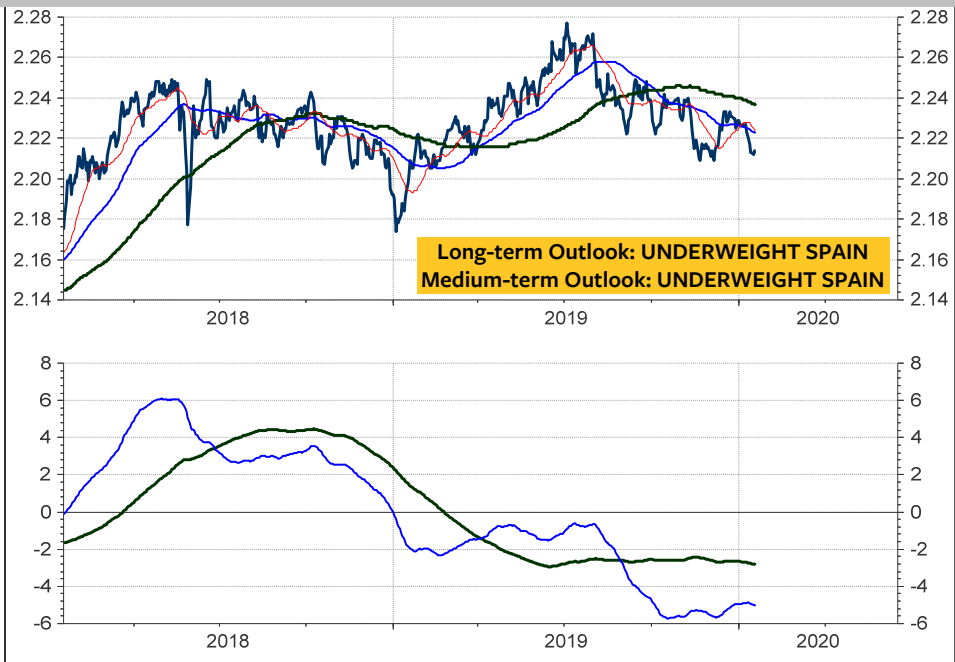
Total Return from SPANISH 7-10-year Bonds



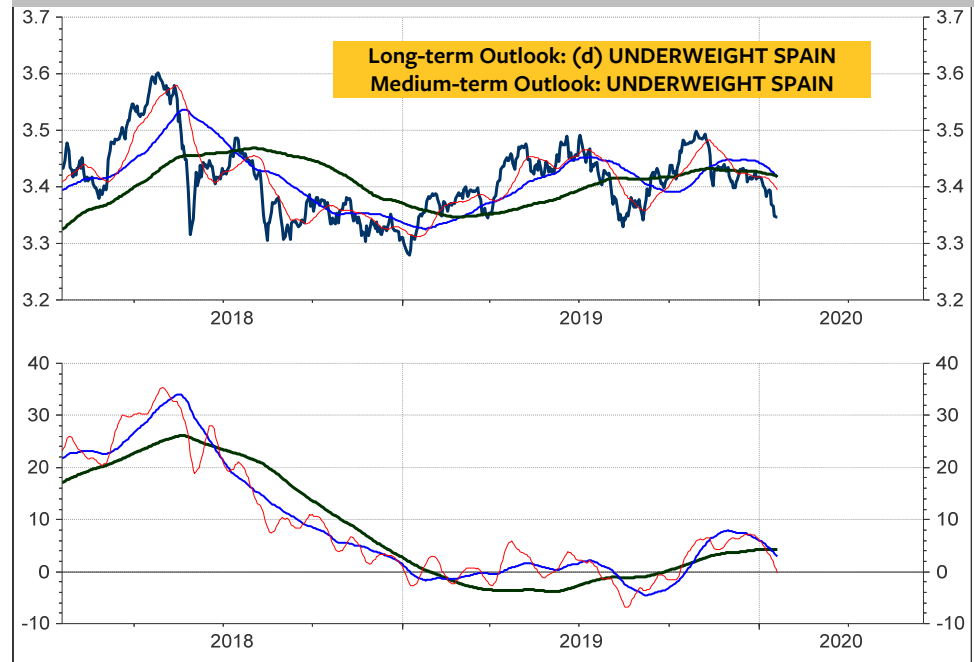
TR from the SPANISH Gov Bonds in SFR



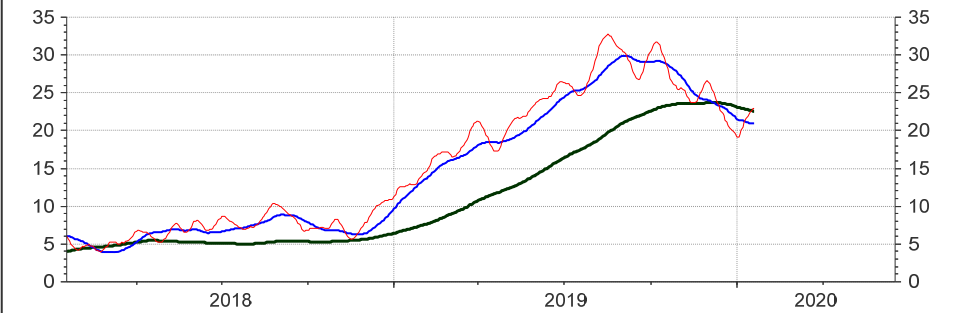
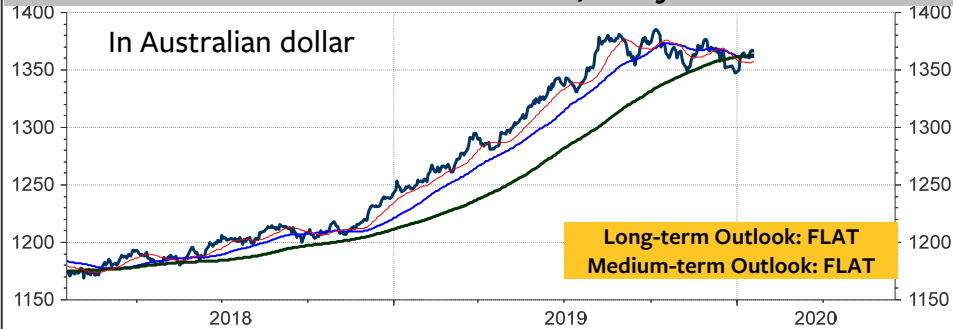
TR SPANISH Gov Bonds relative to the World Gov Bond Index



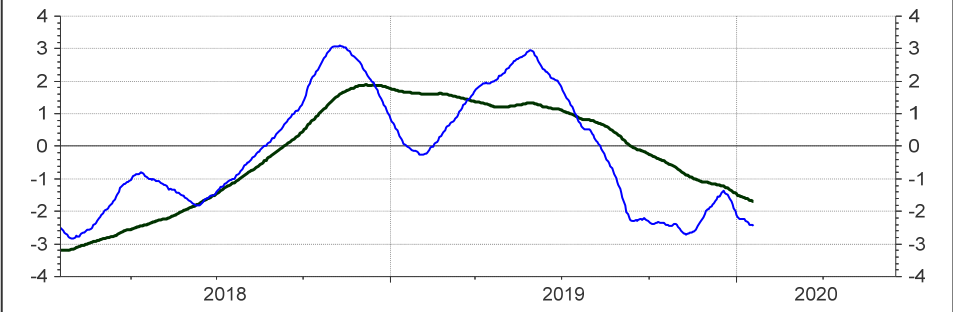
TR from the SPANISH Gov Bonds in SFR relative to the Swiss TR



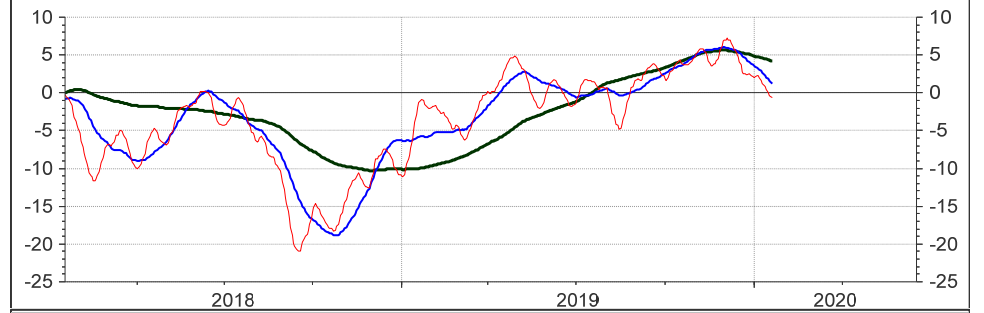
Total Return from AUSTRALIAN 7-10-year Gov. Bonds



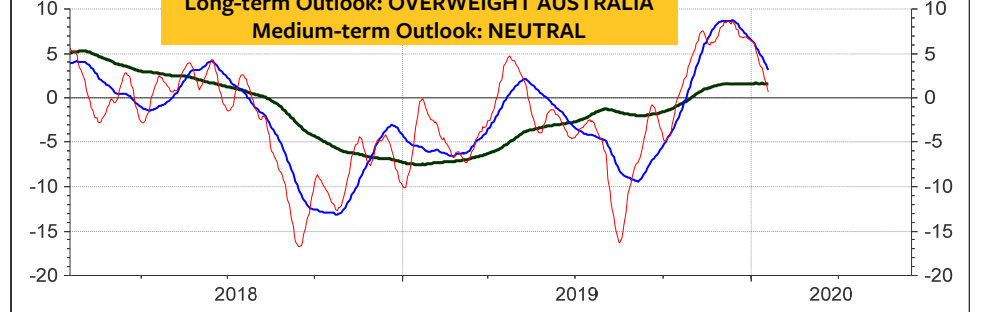
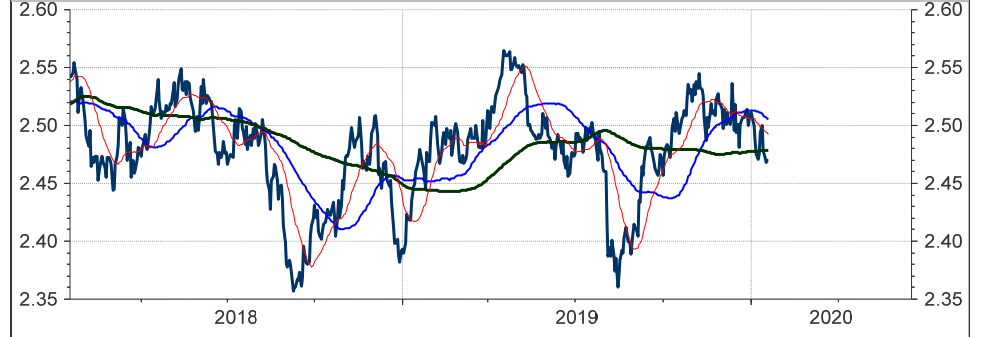
TR AUSTRALIAN Gov Bonds relative to the World Gov Bond Index



TR from the AUSTRALIAN Gov Bonds in SFR



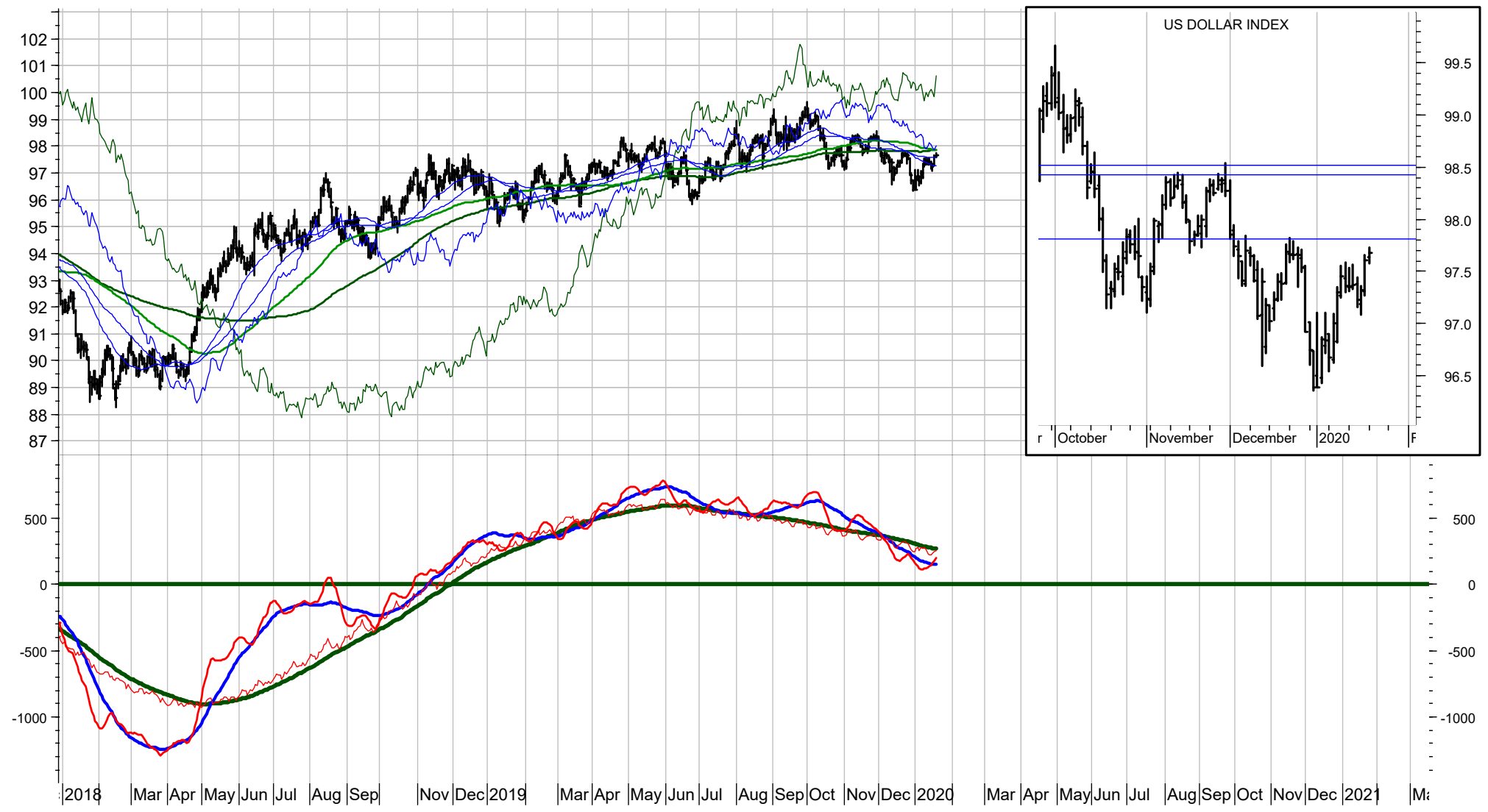
TR from the AUSTRALIAN Gov Bonds in SFR relative to the Swiss TR



US DOLLAR Index - daily chart

The US Dollar Index is rebounding and testing the cluster of 5 indicators around 98. As long as the Index trades below 97.80 and 98.50 is the pattern from July 2019 still to be treated as a medium-term top formation.

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



Global-US DOLLAR Model – US dollar measured in 35 different currencies

My Global US Dollar Model turned NEUTRAL. On the scale from 0% (maximum bearish) to 100% (maximum bullish) the Total Score is at 38% (last week 22%).

The Short-term Model is POSITIVE with the reading of 63% (last week 52%).

The Medium-term Model is NEUTRAL with the reading at 41% (last week 18%).

The Long-term Model remains NEGATIVE at 22% (last week 14%).

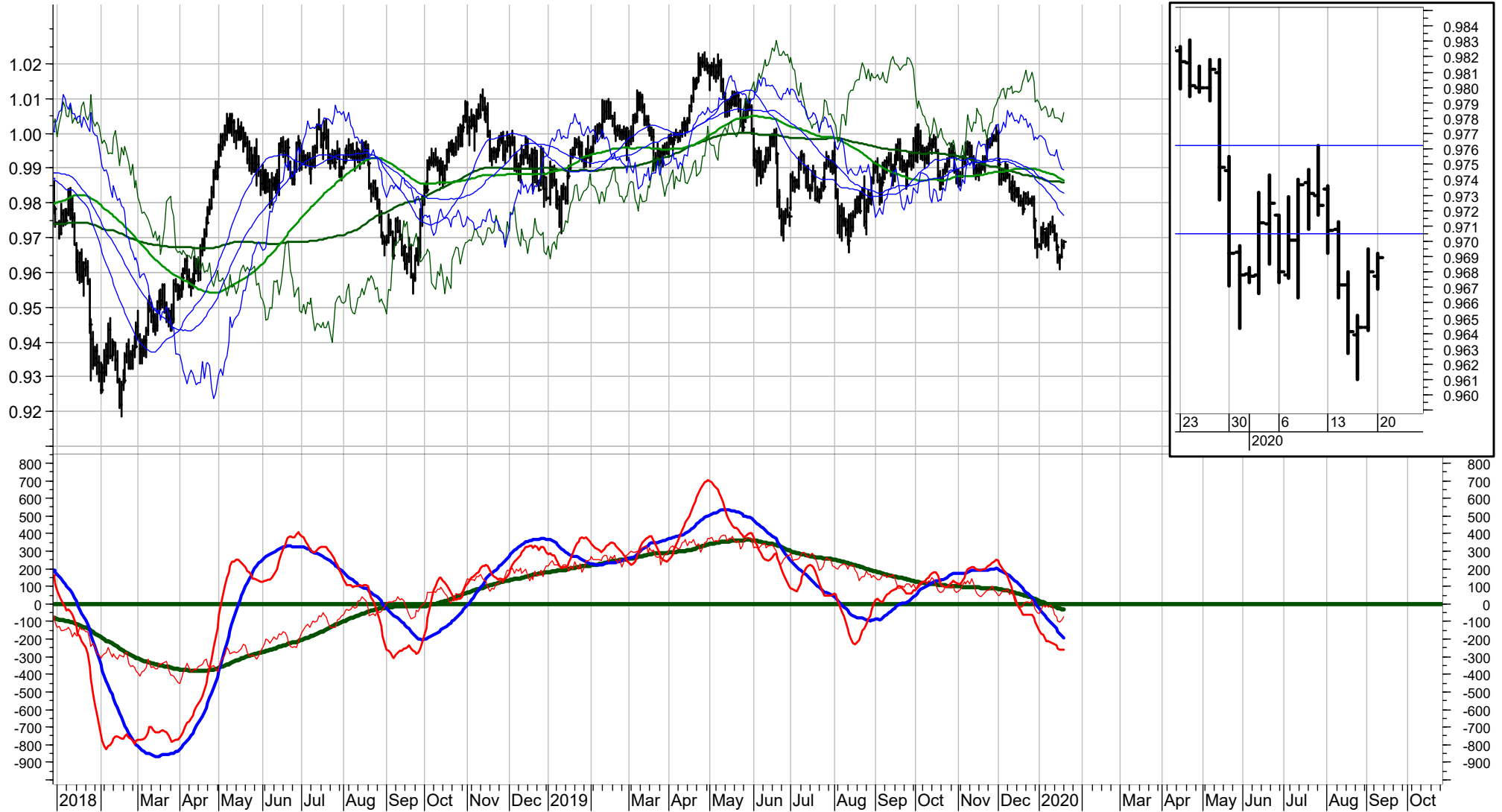
The Model has clearly improved. The number of currencies, against which the US Dollar is rated UP has increased from 4 to 13. The shift means that I might have to re-assess the medium-term and long-term outlook for the US dollar, which for now, remains negative.

TOTAL SCORE	US DOLLAR IN 35 CURRENCIES	TOTAL SCORE	SHORT-TERM INDICATORS				MEDIUM-TERM INDICATORS				LONG-TERM INDICATORS				
			2-6 WEEKS OUTLOOK				3-6 MONTHS OUTLOOK				12-24 MONTHS OUTLOOK				
			ST SCORE	ST MOM	13D AVG	21D AVG	MT SCORE	MT MOM	34D AVG	55D AVG	LT SCORE	LT MOM	89D AVG	144D AVG	
100%	UU	USD / BRAZILIAN REAL	UP	3	1	1	1	3	1	1	1	3	1	1	1
100%	UU	USD / HUNGARY FORINT	UP	3	1	1	1	3	1	1	1	3	1	1	1
89%	UU	USD / ROMANIAN LEU	UP	3	1	1	1	3	1	1	1	2	0	1	1
83%	UU	USD / JAPANESE YEN	UP	3	1	1	1	2	0	1	1	3	1	1	1
78%	UU	USD / DANISH KRONE	UP	3	1	1	1	3	1	1	1	3	1	0	1
78%	UU	USD / THAI BAHT	UP	3	1	1	1	3	1	1	1	1	0	1	0
72%	UU	USD / ARGENTINIAN PESO	UP	3	1	1	1	2	0	1	1	2	0	1	1
67%	UU	USD / CHILEAN PESO	UP	3	1	1	1	1	0	1	0	3	1	1	1
67%	UU	USD / PHILIPPINE PESO	UP	3	1	1	1	3	1	1	1	0	0	0	0
67%	UU	USD / SWEDISH KRONA	UP	3	1	1	1	3	1	1	1	0	0	0	0
61%	UU	USD / BULGARIAN LEVI	UP	3	1	1	1	2	1	1	0	1	0	0	1
61%	U	USD / CROATIAN KUNA	UP	3	1	1	1	2	1	1	0	1	0	0	1
61%	UU	USD / EURO	UP	3	1	1	1	2	1	1	0	1	0	0	1
56%	U	USD / TURKISH LIRA	FLAT	0	0	0	0	2	0	1	1	2	0	1	1
50%	U	USD / AUSTRALIAN DOLLAR	FLAT	3	1	1	1	2	1	1	0	0	0	0	0
50%	U	USD / BRITISH POUND	FLAT	3	1	1	1	2	1	1	0	0	0	0	0
50%	U	USD / SOUTH AFRICAN RAND	FLAT	3	1	1	1	2	1	1	0	0	0	0	0
39%		USD / INDIAN RUPEE	DOWN	0	0	0	0	1	1	0	0	2	1	0	1
33%		USD / N. ZEALAND DOLLAR	DOWN	3	1	1	1	1	0	1	0	0	0	0	0
33%		USD / POLISH ZLOTY	DOWN	3	1	1	1	1	1	0	0	0	0	0	0
22%		USD / SINGAPORE DOLLAR	DOWN	1	1	0	0	1	1	0	0	0	0	0	0
22%		USD / SOUTH KOREAN WON	DOWN	1	1	0	0	1	1	0	0	0	0	0	0
22%		USD / TAIWANESE DOLLAR	DOWN	1	1	0	0	1	1	0	0	0	0	0	0
17%		USD / COLUMBIAN PESO	DOWN	3	1	1	1	0	0	0	0	0	0	0	0
17%		USD / MALAYSIAN RINGGIT	DOWN	0	0	0	0	1	1	0	0	0	0	0	0
17%		USD / NORWEGIAN KRONE	DOWN	3	1	1	1	0	0	0	0	0	0	0	0
17%		USD / PERUVIAN SOL	DOWN	3	1	1	1	0	0	0	0	0	0	0	0
11%		USD / CANADIAN DOLLAR	DOWN	2	1	1	0	0	0	0	0	0	0	0	0
11%		USD / CZECH KORUNA	DOWN	2	1	1	0	0	0	0	0	0	0	0	0
6%		USD / RUSSIAN ROUBLE	DOWN	1	1	0	0	0	0	0	0	0	0	0	0
6%		USD / SWISS FRANCO	DOWN	1	1	0	0	0	0	0	0	0	0	0	0
0%		USD / CHINESE YUAN	DOWN	0	0	0	0	0	0	0	0	0	0	0	0
0%		USD / HONG KONG DOLLAR	DOWN	0	0	0	0	0	0	0	0	0	0	0	0
0%		USD / INDONESIAN RUPIAH	DOWN	0	0	0	0	0	0	0	0	0	0	0	0
0%		USD / MEXICAN PESO	DOWN	0	0	0	0	0	0	0	0	0	0	0	0
38.45%				63.16%				41.23%				21.93%			
		UP	13		28		23		19		18		10		5
		DOWN	18		7		12		16		17		25		30
		FLAT	4		35		35		35		35		35		35
			35		80%		66%		54%		51%		29%		14%
					20%		34%		46%		49%		71%		86%
					100%		100%		100%		100%		100%		100%

Swiss franc per US DOLLAR – daily chart

The US dollar remains below all medium-term and long-term indicators.
My Long-term and Medium-term Outlook remain DOWN.

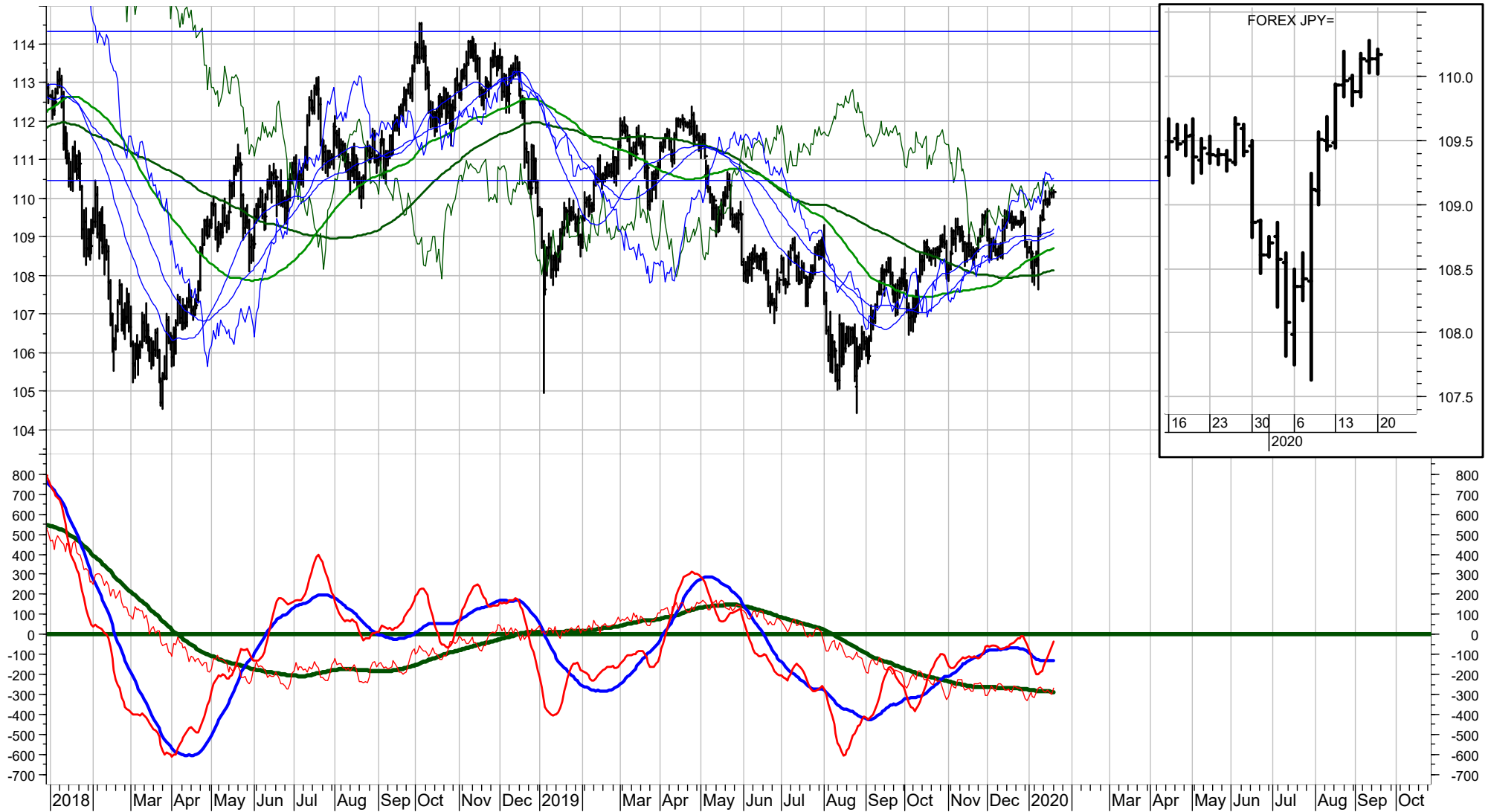
Long-term Outlook: USD DOWN
Medium-term Outlook: USD DOWN



Japanese yen per US DOLLAR – daily chart

The US dollar is likely to test the resistance at 110.50 next.
A break of 110.50 / 111 would place the US dollar above all 3 medium-term and 3 long-term indicators and thus, provide a more positive US dollar outlook.

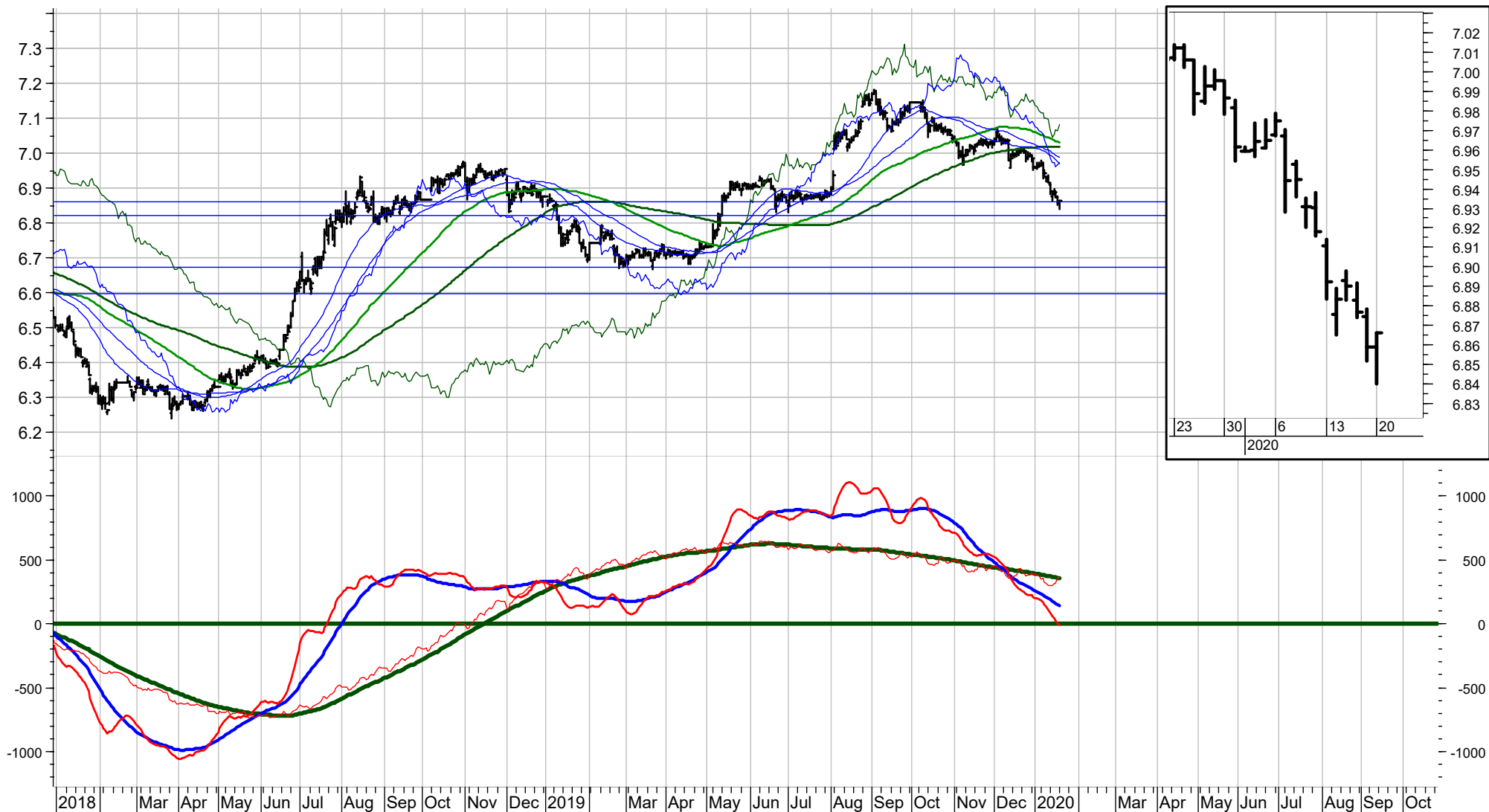
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Chinese yuan per US DOLLAR – daily chart

The US dollar remains below all six medium-term and long-term indicators. Presently, it is testing 6.87 / 6.82, a break of which would signal 6.67 / 6.60. The long-term Outlook will move to DOWN if 6.84 / 6.82 is broken.

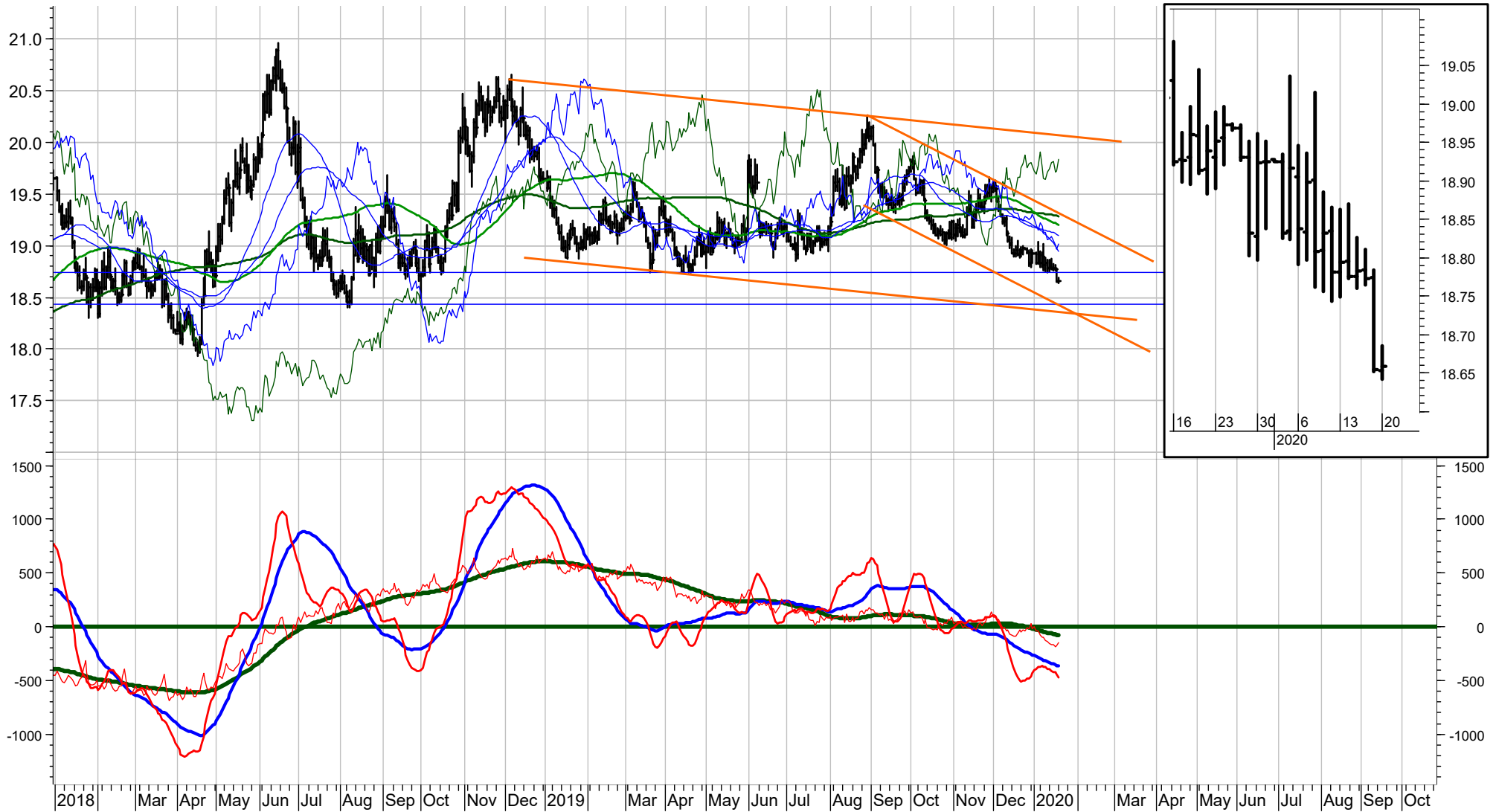
Long-term Outlook: USD FLAT
Medium-term Outlook: USD DOWN



Mexican peso per US DOLLAR – daily chart

The US dollar broke the support at 18.80.
The Long-term Outlook would move to DOWN if the support around 18.40 is broken.

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



US dollar per EURO – daily chart

The rebound in the Euro from the low in late September remains unconvincing. It lacks the impulsive character, which I would expect to see if the uptrend is indeed a new long-term Euro uptrend.

A break of the supports at 1.1070 and 1.1010 would again pose the Euro at risk of an extension of the long-term downtrend.

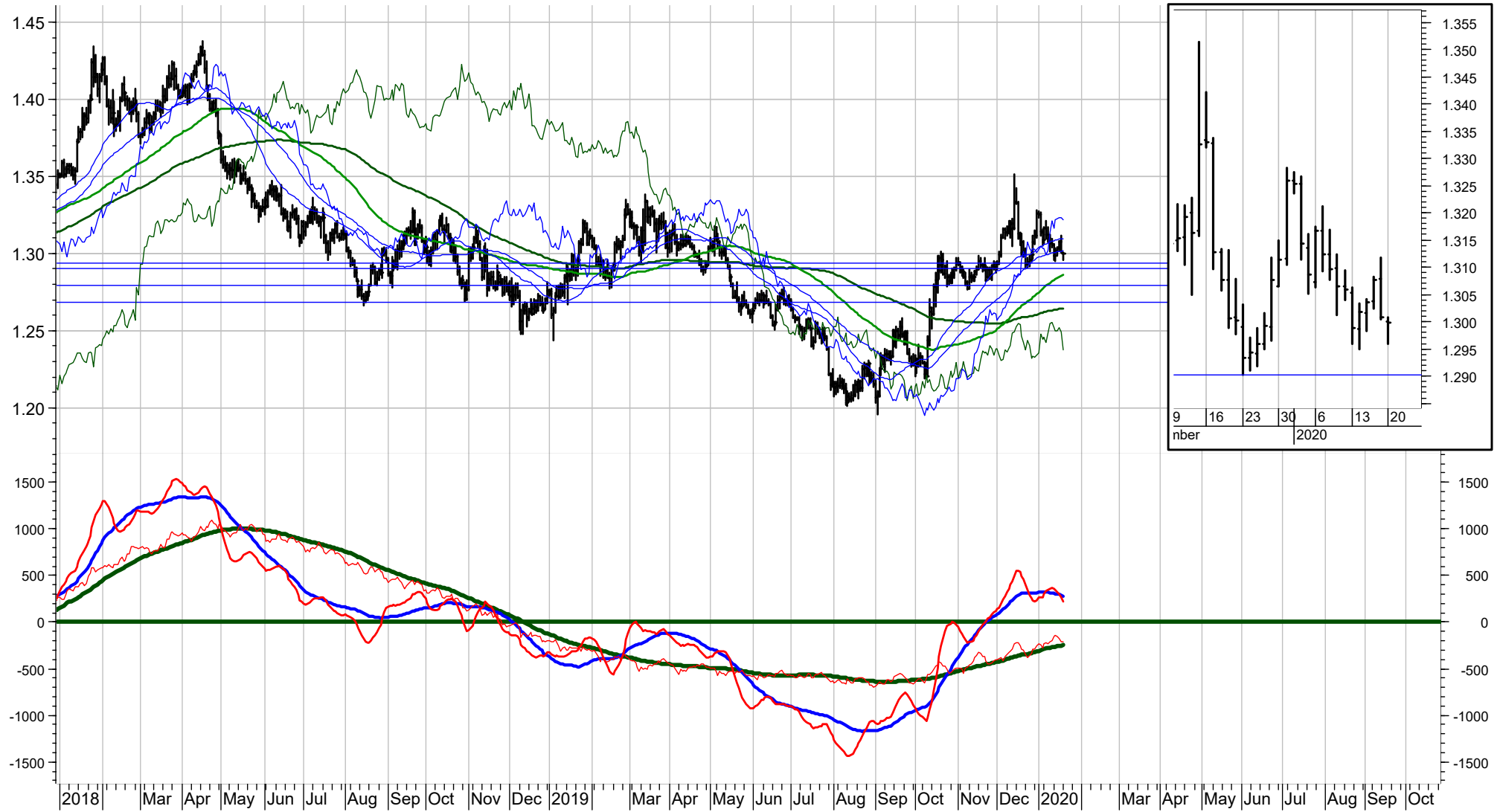
Long-term Outlook: FLAT
Medium-term Outlook: (d) FLAT



US dollar per BRITISH POUND – daily chart

The Pound is holding above 1.29.
The Medium-term Model would shift to FLAT if 1.29 is broken.

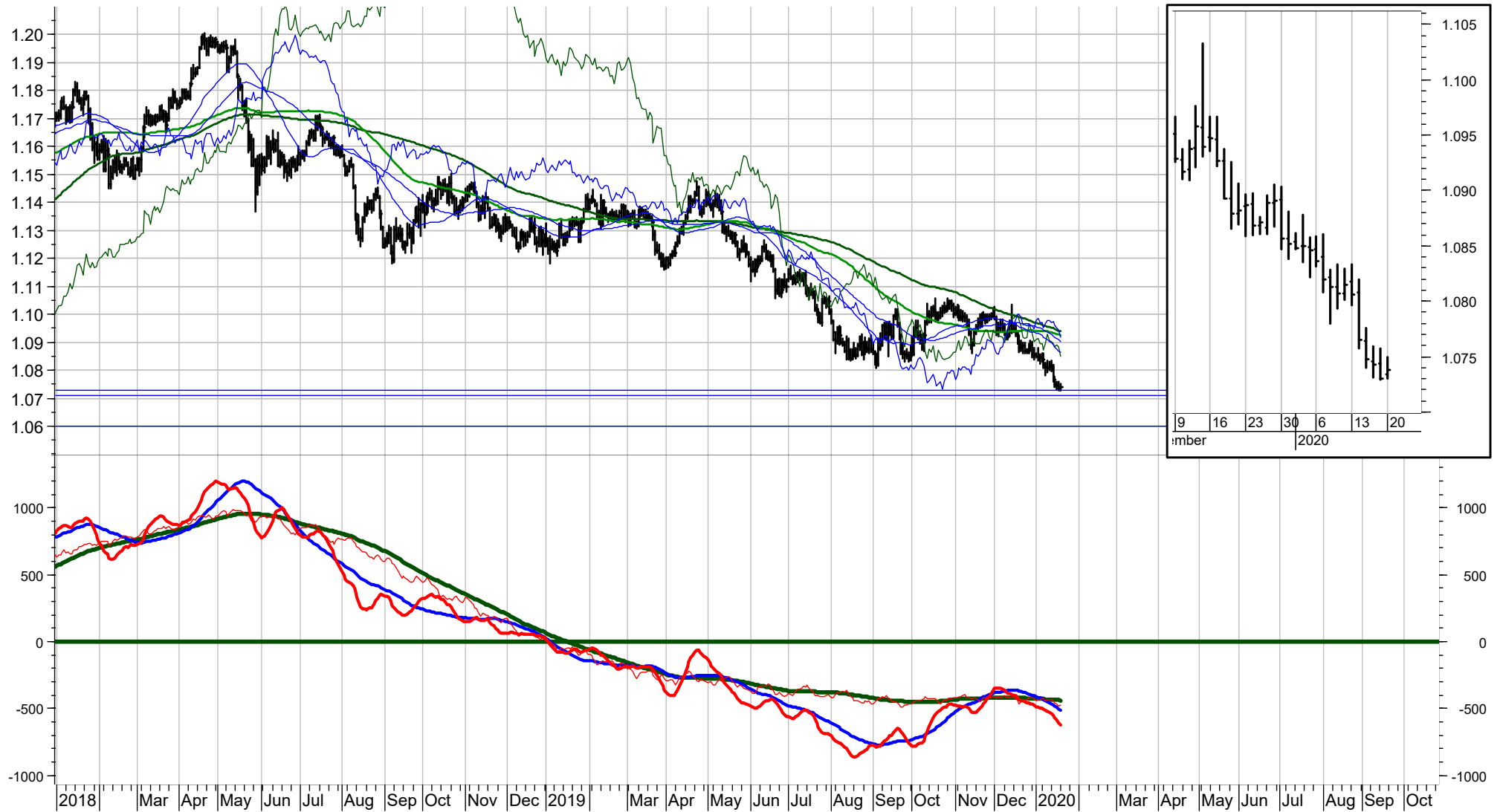
Long-term Outlook: GBP UP
Medium-term Outlook: GBP UP



Swiss franc per EURO – daily chart

The Euro fell to the lower end of the support range, which I had projected between 1.0770 and 1.0710. A break of 1.07 would signal 1.06.

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



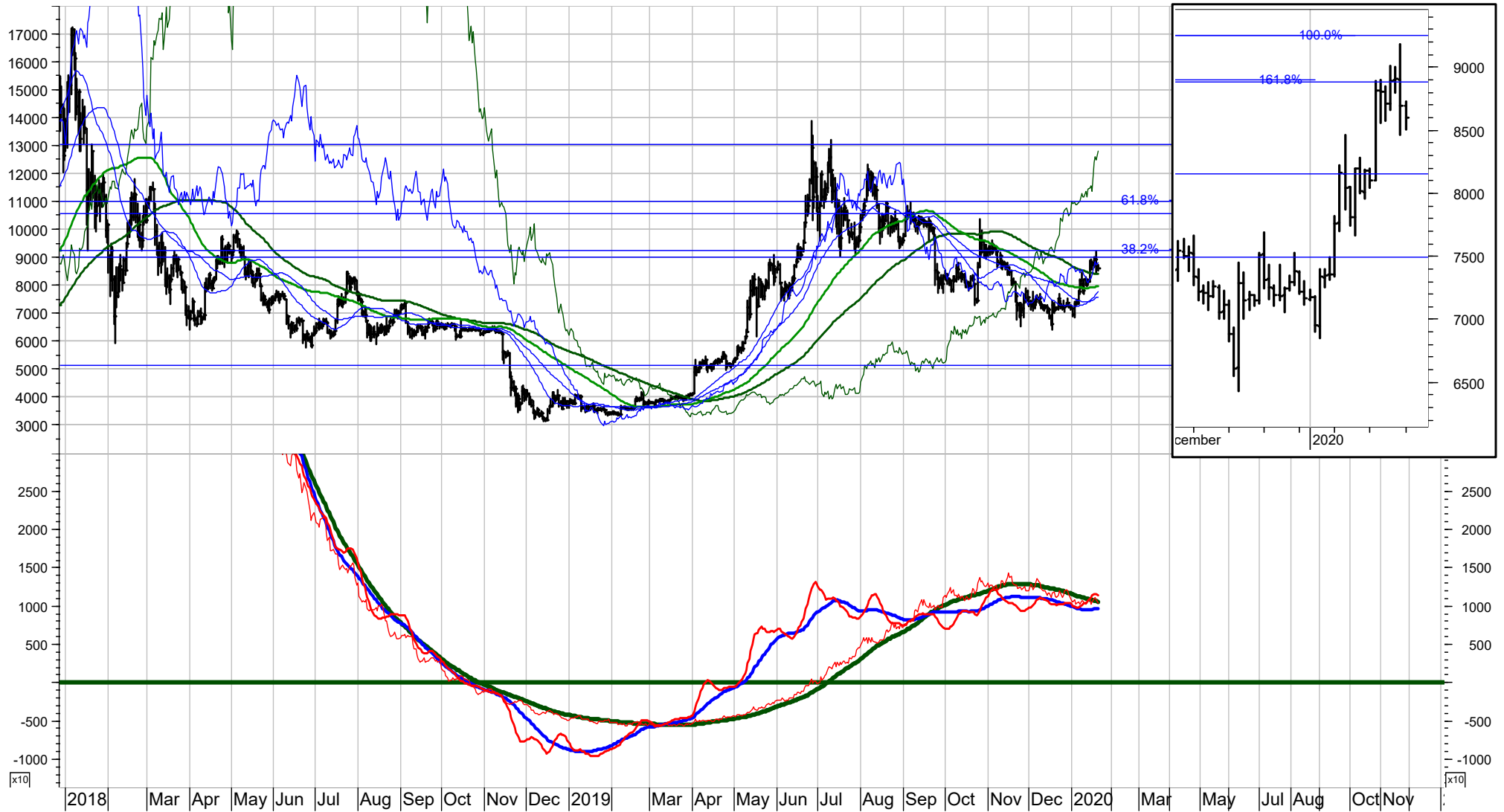
US dollar per BITCOIN – daily chart

The Bitcoin rose to the resistance at 9000 / 9300. A break of this range would signal 10500 to 11000 or 13000.

The supports are at 8150, 7450 or 6425 or 5100.

I would BUY the Bitcoin if its breaks above 9200 / 9300.

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



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Sources

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Explanations

For a more detailed explanation of the Trend and Momentum Models applied in this Chart Outlook, please see

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