



GLOBAL CHART OUTLOOK

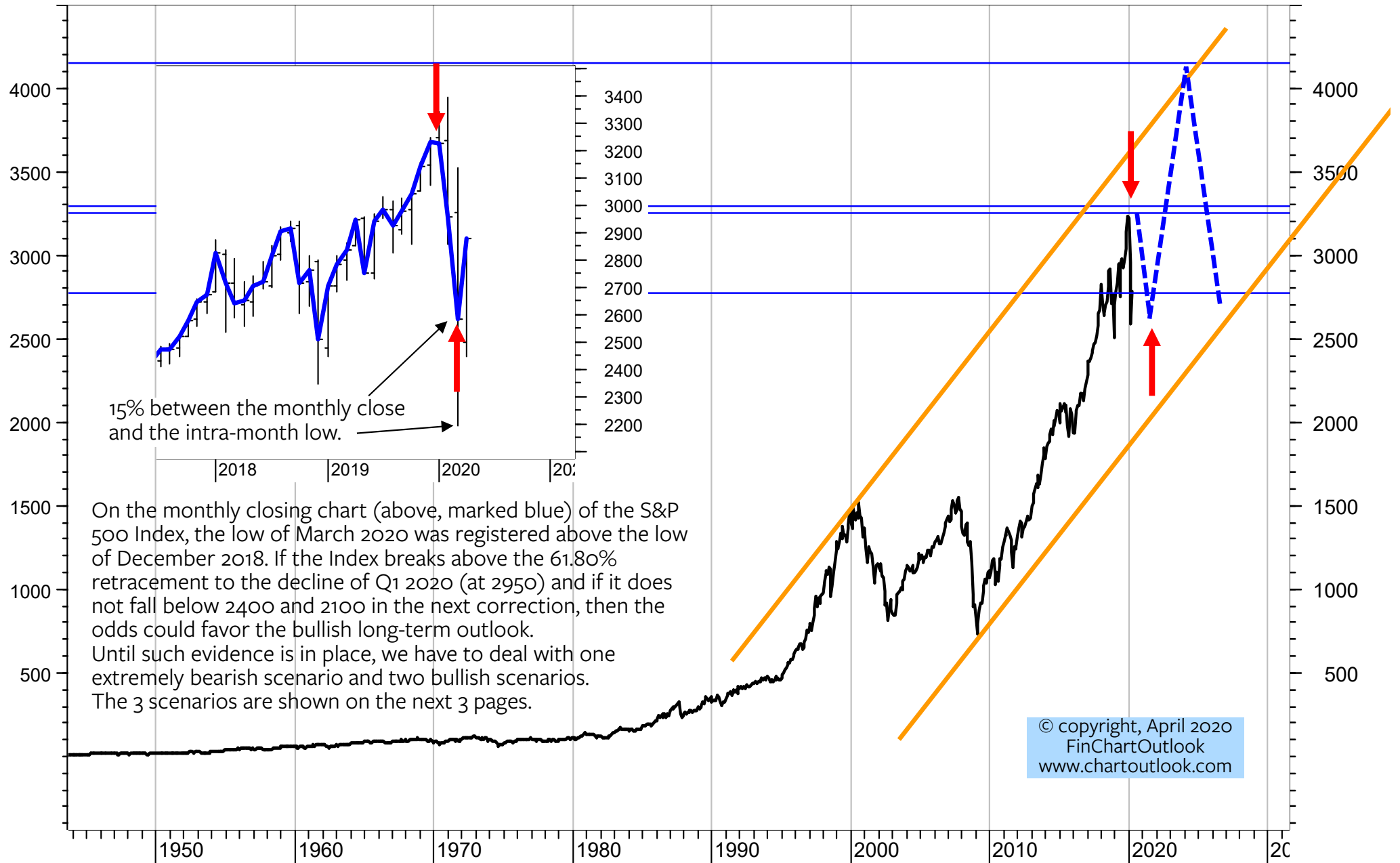
Looking for ORDER instead of REASON

GLOBAL MARKETS
20st April 2020 / Issue #16

S&P 500 Index – Resistance 3300 or 4200 (from 30.9.2019)

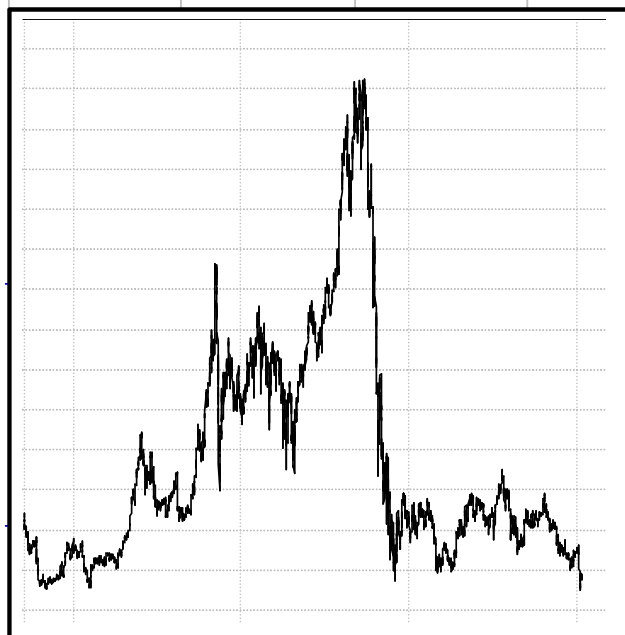


S&P 500 Index – monthly closing chart – Is the correction over ???



S&P 500 Index – The BEARISH Scenario – The Bubble is bursting

The S&P 500 Index could fall to 1300 or 800.
Key supports are 2400 and 2100.



The S&P 500 Index has built a BUBBLE, similar to the BUBBLE in the bank stocks index (at left). The BANK-STOCKS-BUBBLE topped in 2007 and burst in 2008. Bank stocks have remained weak for the past 11 years. They could be a leading indicator of what is to come in the general stock market. If the S&P 500 Index breaks 2100, then we would have to assume that the BUBBLE at right is bursting and that a secular downtrend could unfold. It is hard to say how much time the bursting of the BUBBLE would consume. The most important support levels are 2100, 1300 and 800.



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S&P 500 Index – The BULLISH Scenario – 10-years of Consolidation



The S&P 500 Index is consolidating between 3400 and 2350 or 2100.

The scenario at right is based on the uptrend channel, which connects the highs of 2000 and 2020 and is placed parallel to the low of 2009. It allows for a test of the support at 2100 and could persist for a decade until the secular uptrend will resume.

This scenario could take account of a secular DEFLATION, which could ultimately lead to strong INFLATION, or even Hyperinflation.

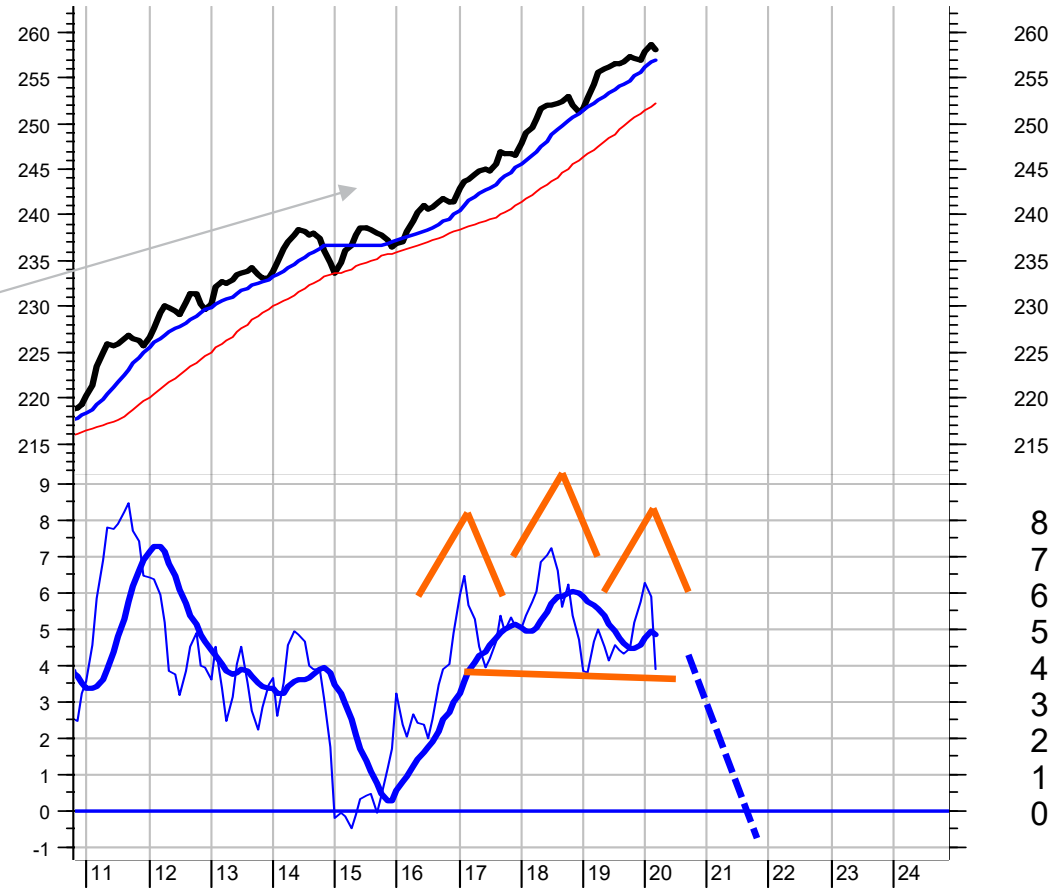
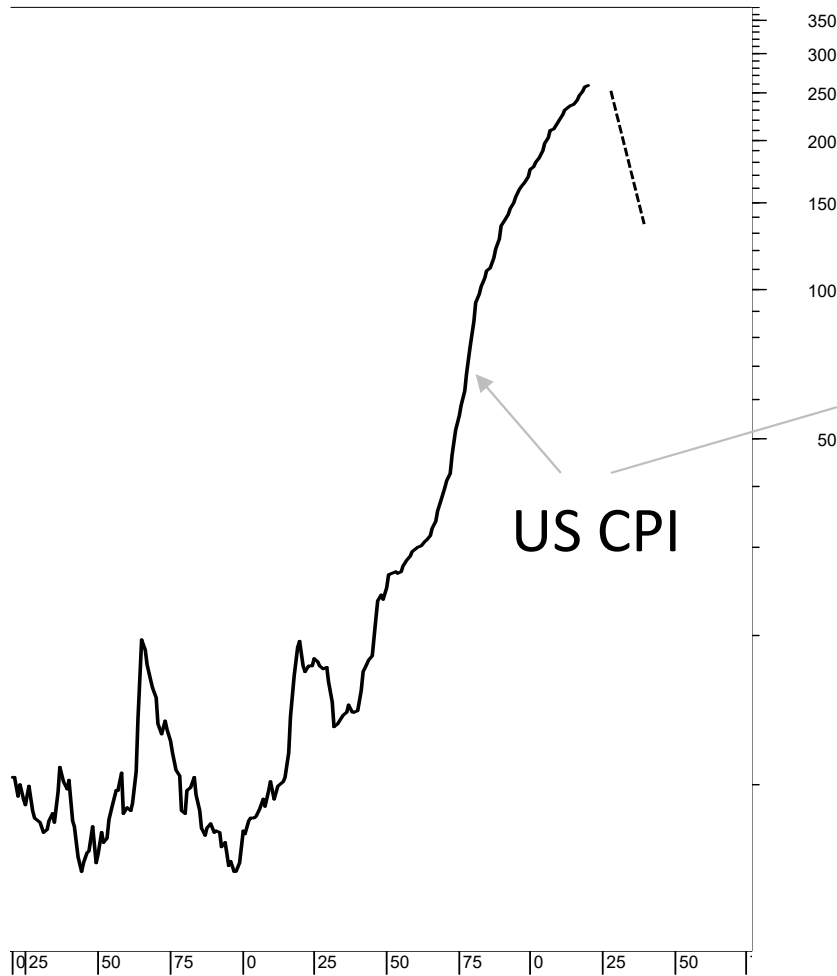
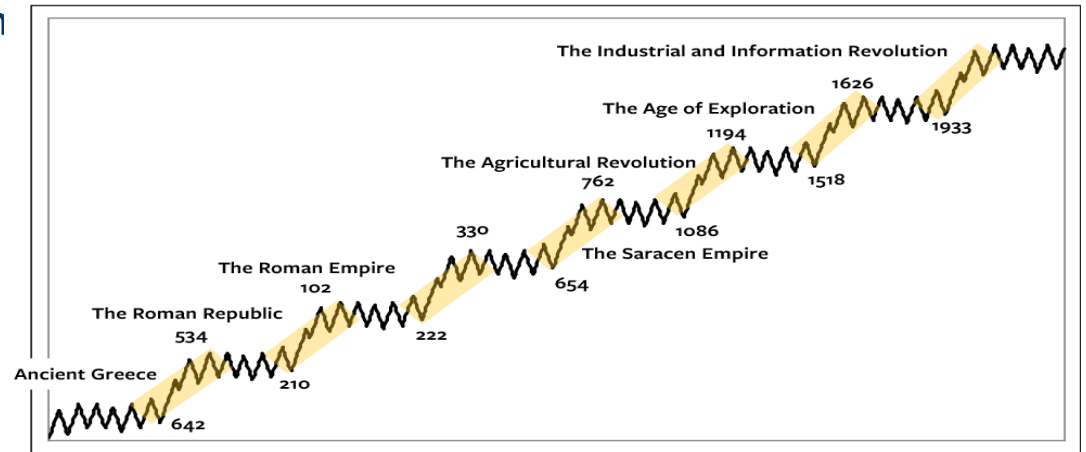
This could mean a stock market performance similar to the one in Brazil or Venezuela.

S&P 500 Index – The BULLISH Scenario - The uptrend is resuming



US Consumer Price Index and the Superinflation yearly chart (left with log scale) and monthly chart (right)

The annual chart below left shows the Superinflation, which originated in 1899 or 1932. As I discussed in several previous publications (see for example 30.9.2019) is this Superinflation likely to top and give way to a secular phase of Deflation (declining CPI). The chart at right shows the forming Head and Shoulder Momentum Top, which is most likely to signal a major decline in the CPI 12-month rate-of-change below the horizontal Zero Line. Notice that a reading below Zero means Deflation.



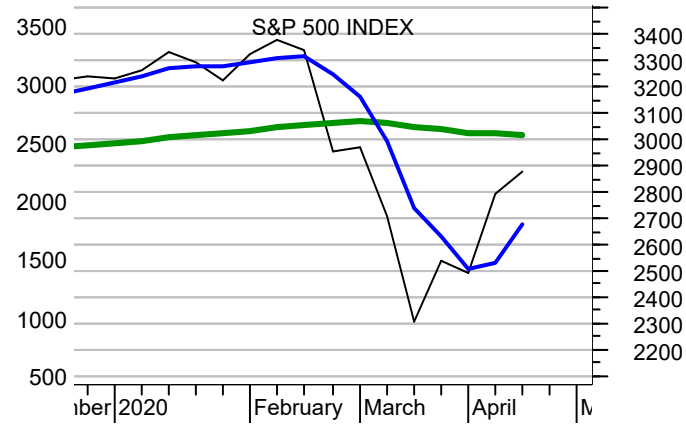
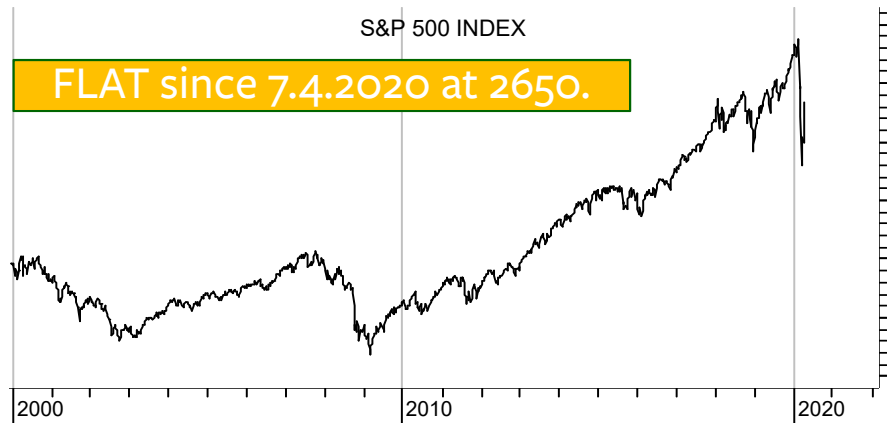
S & P 500 Index – hourly chart

The rebound in the S&P 500 Index is approaching the major resistance at 2900 to 2950. A downturn is likely from this range.

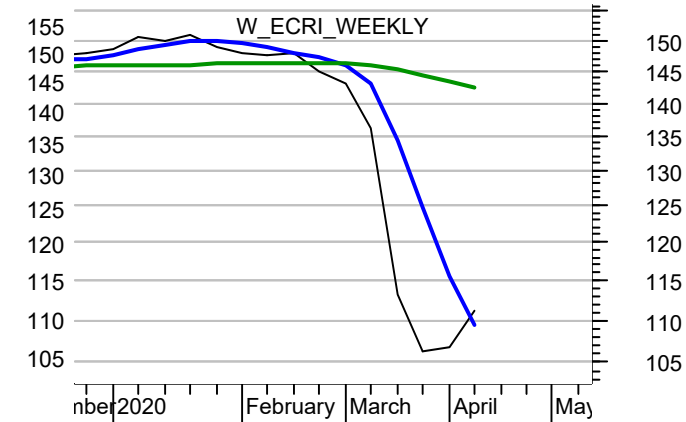
The supports are at 2720, 2610, 2450 and 2200 to 2130.



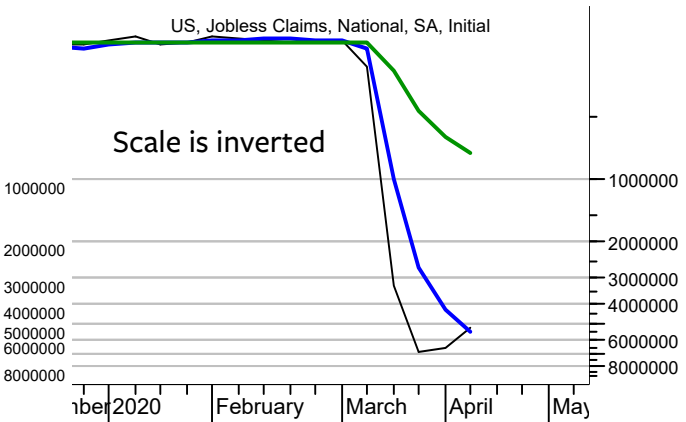
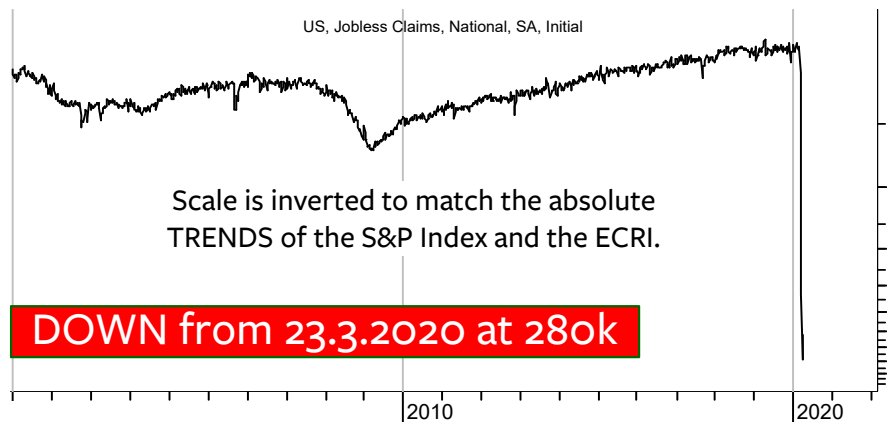
Three-Factor-US-Cycle Model – Watching for a medium-term top in the S&P 500 Index



The S&P 500 Index remains above the 4-week moving average, which itself, is rising. **The Model remains FLAT.**

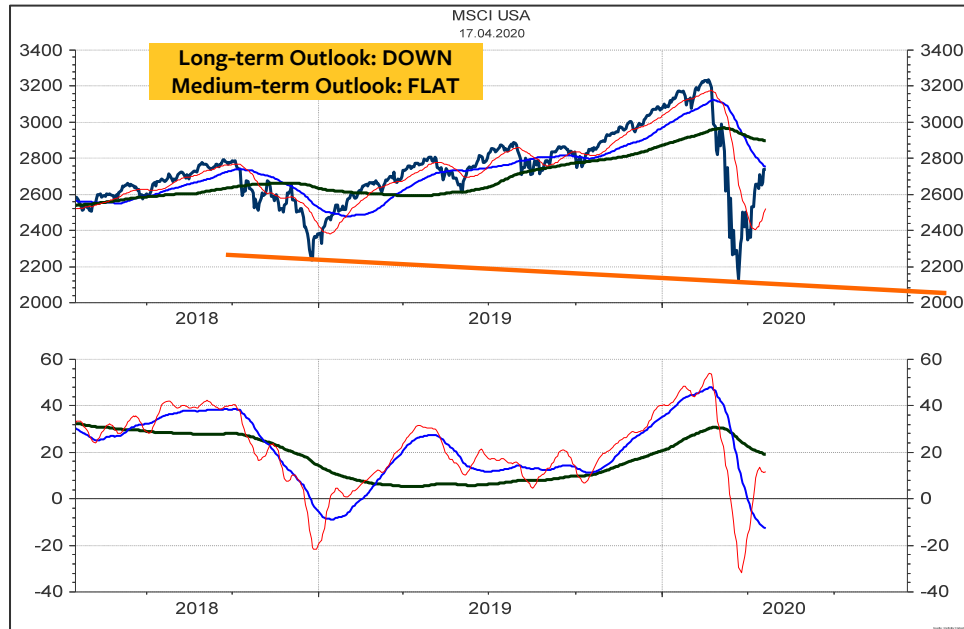


The Weekly Economic Cycle Research Index moved from 105 to 111. **The Model remains DOWN.** It will move to FLAT if the 4-week average turns up.

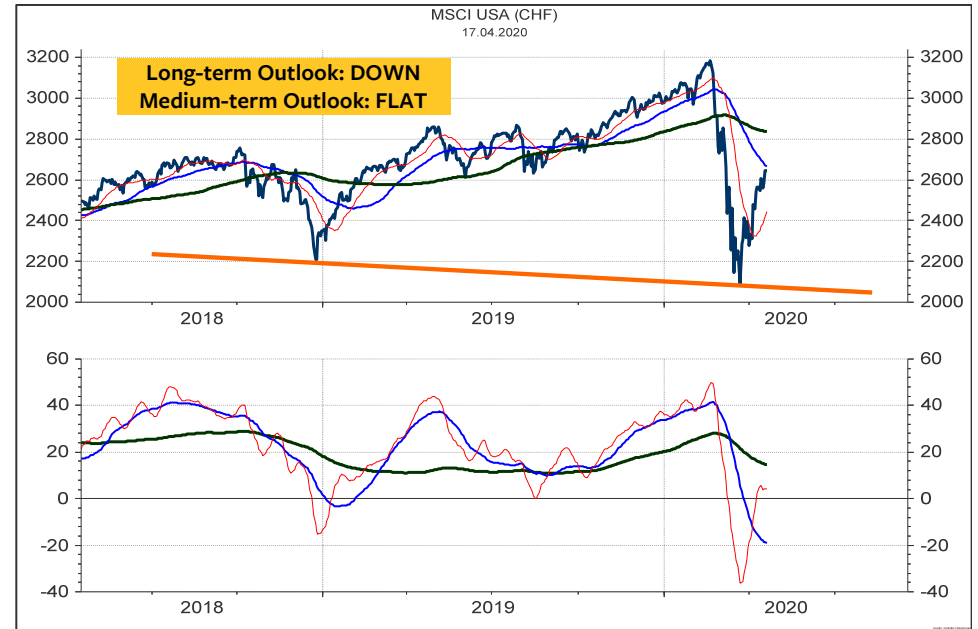


The (inverse) Weekly Initial Jobless Claims moved from 6.867M to 5.245M. **The Model remains DOWN.** It will move to FLAT if the 4-week average turns up.

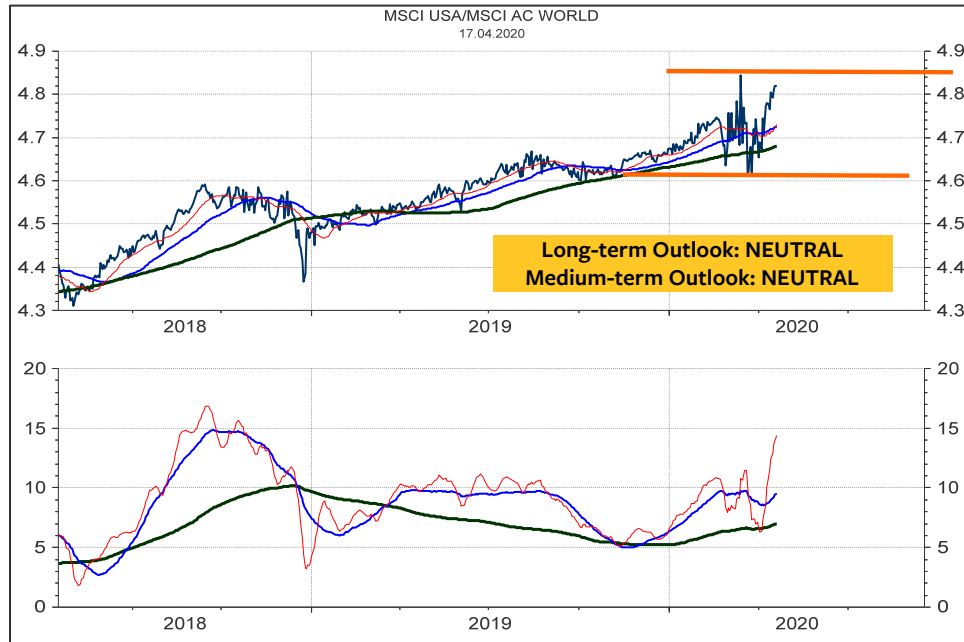
MSCI USA in US\$



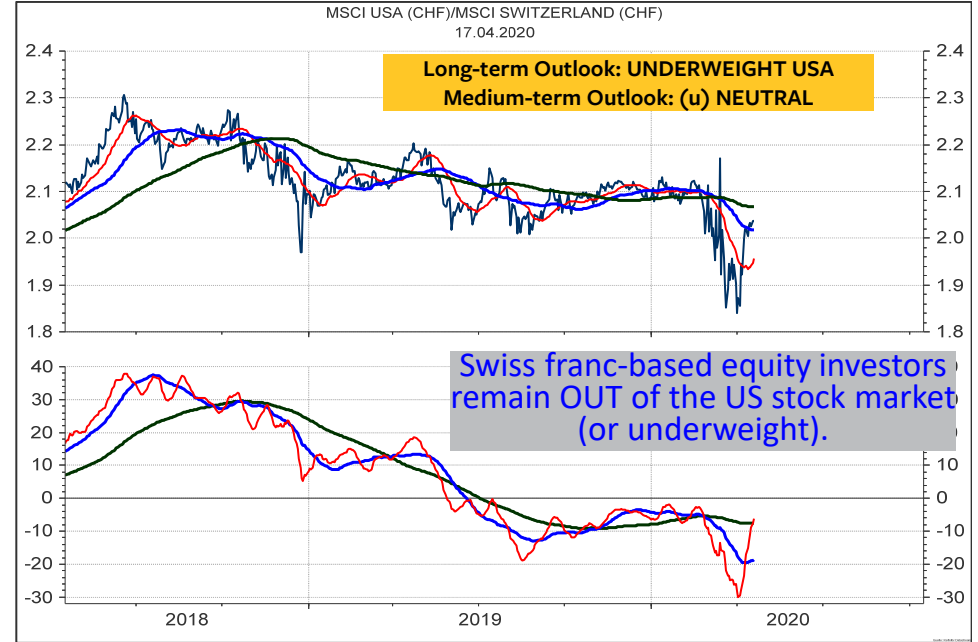
MSCI USA in Swiss franc



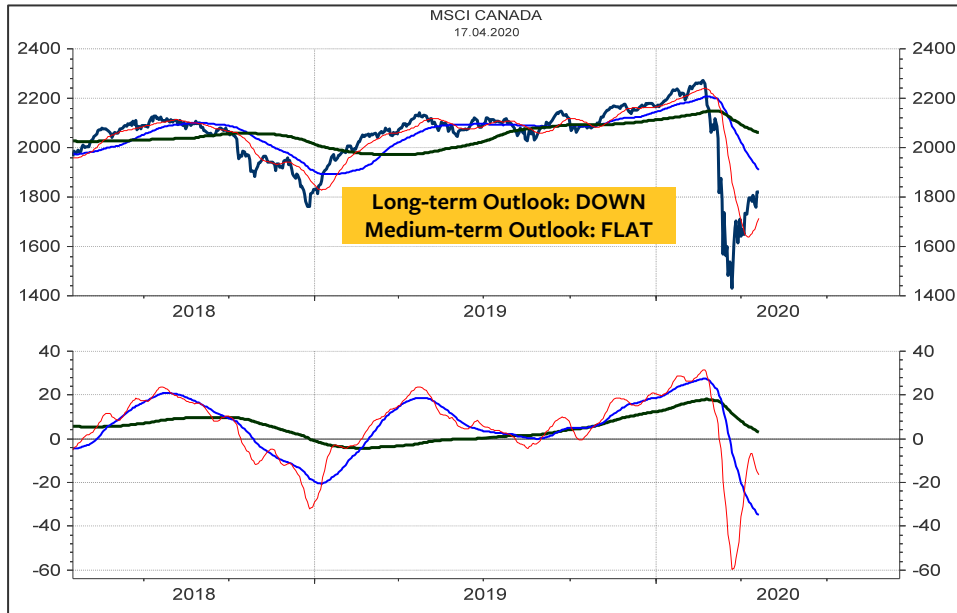
MSCI USA relative to the MSCI AC World



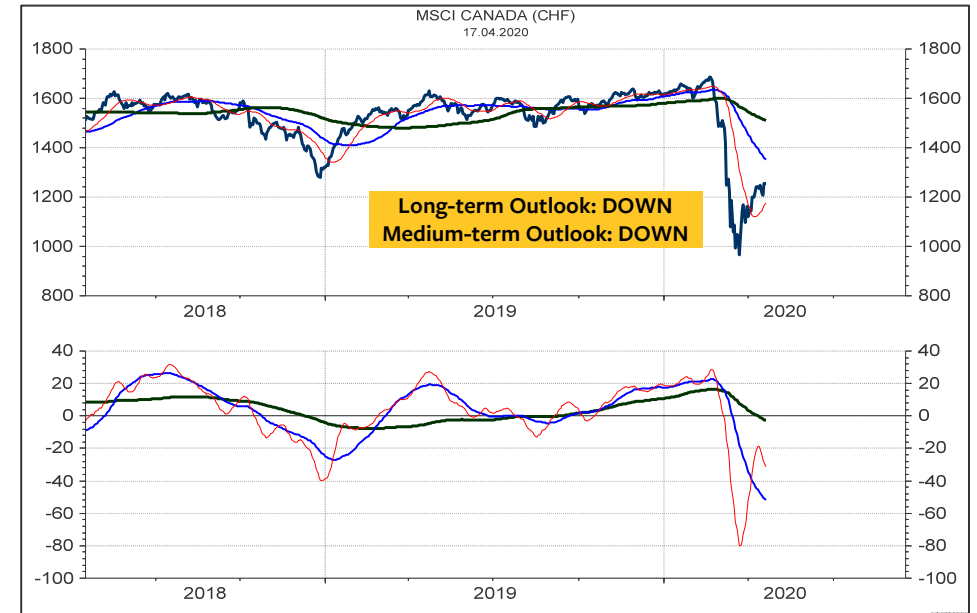
MSCI USA in CHF relative to MSCI Switzerland



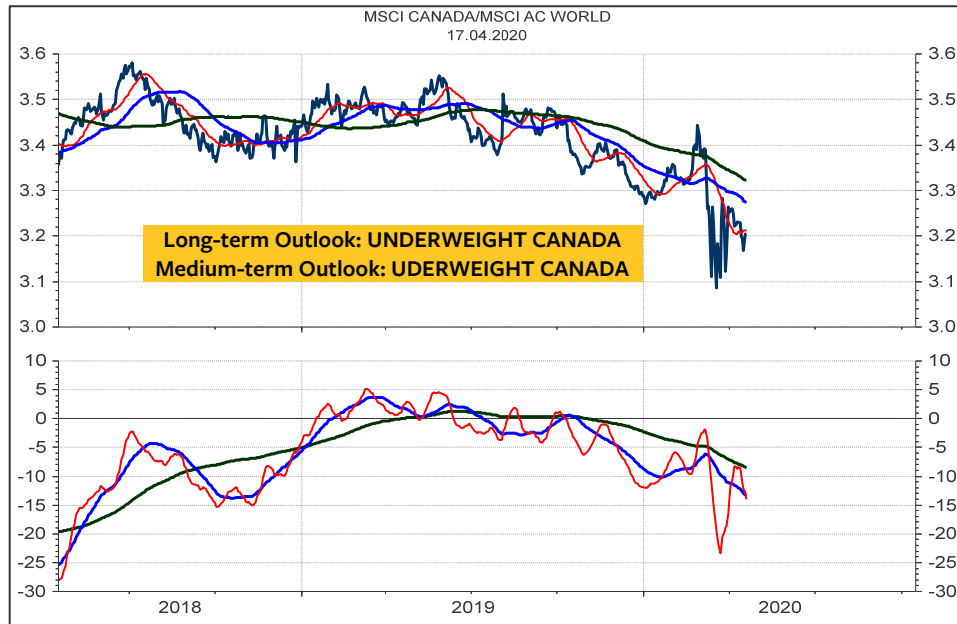
MSCI CANADA in Canadian dollar



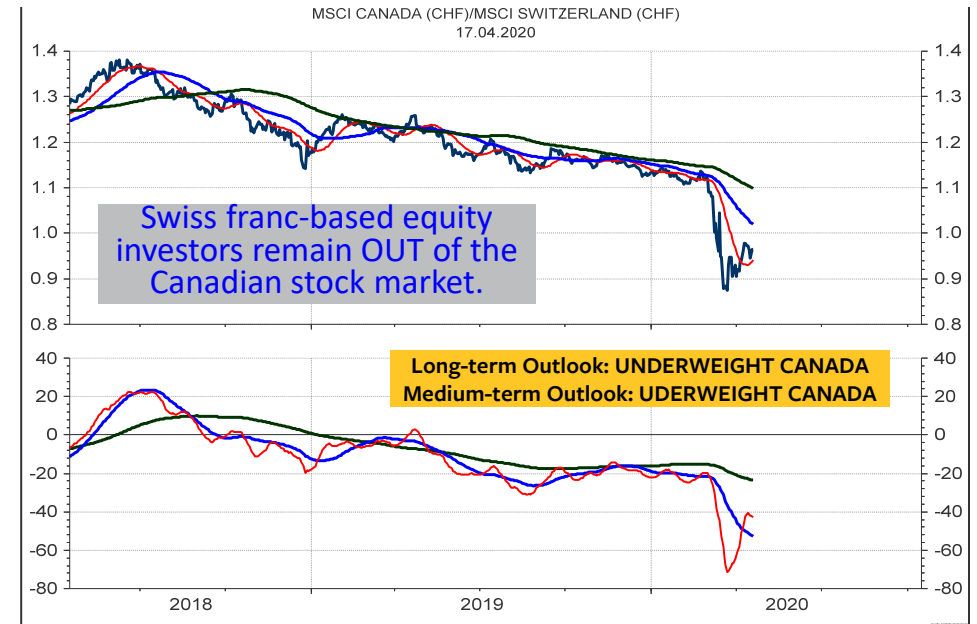
MSCI CANADA in Swiss franc



MSCI CANADA relative to the MSCI AC World

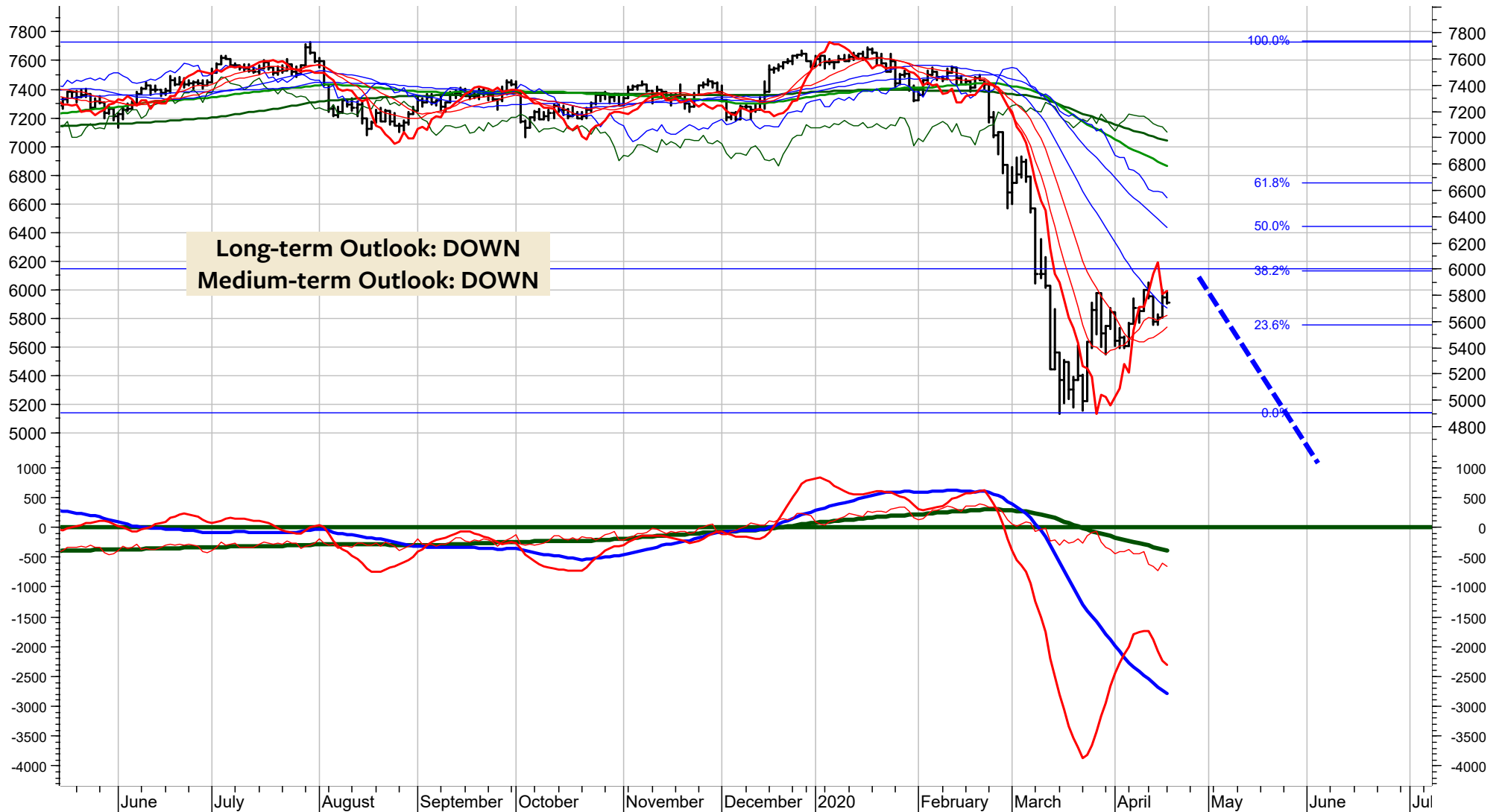


MSCI CANADA in Swiss franc relative to MSCI Switzerland

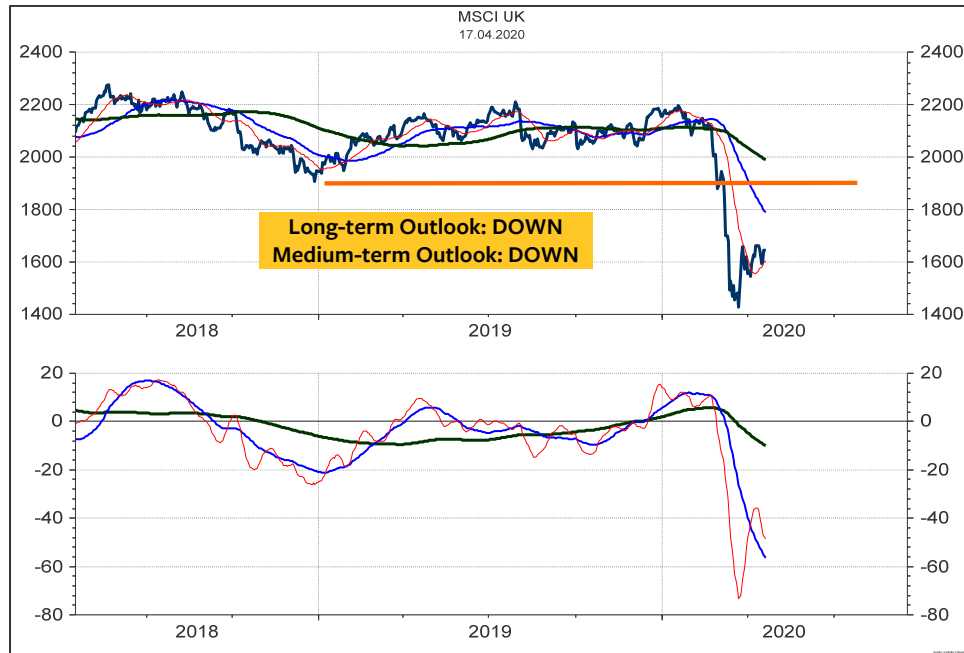


U.K. FTSE Index – daily chart

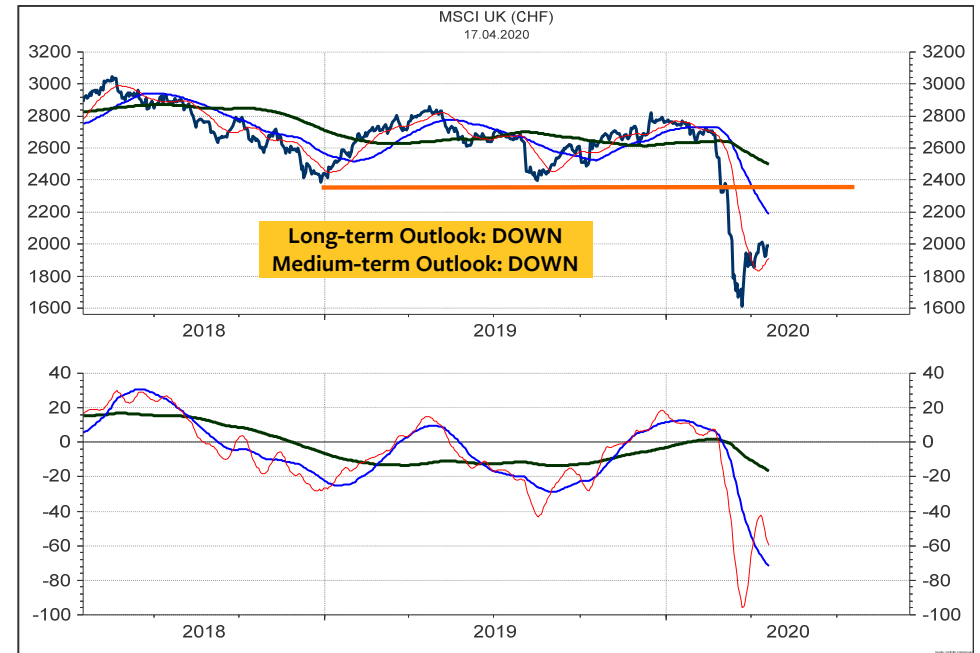
A rebound in the U.K. Index has been rather meager, compared to other markets. The FTSE remains below the 38.20% retracement level of the decline in 1Q 2020 (at 6000). This relative underperformance is also mirrored on the next page on the bottom charts. The relative performance of the MSCI U.K. remains weak against the World Index and also measured in Swiss franc relative to the MSCI Switzerland. This week, the medium-term outlook relative to the World Index is again downgraded to UNDERWEIGHT.



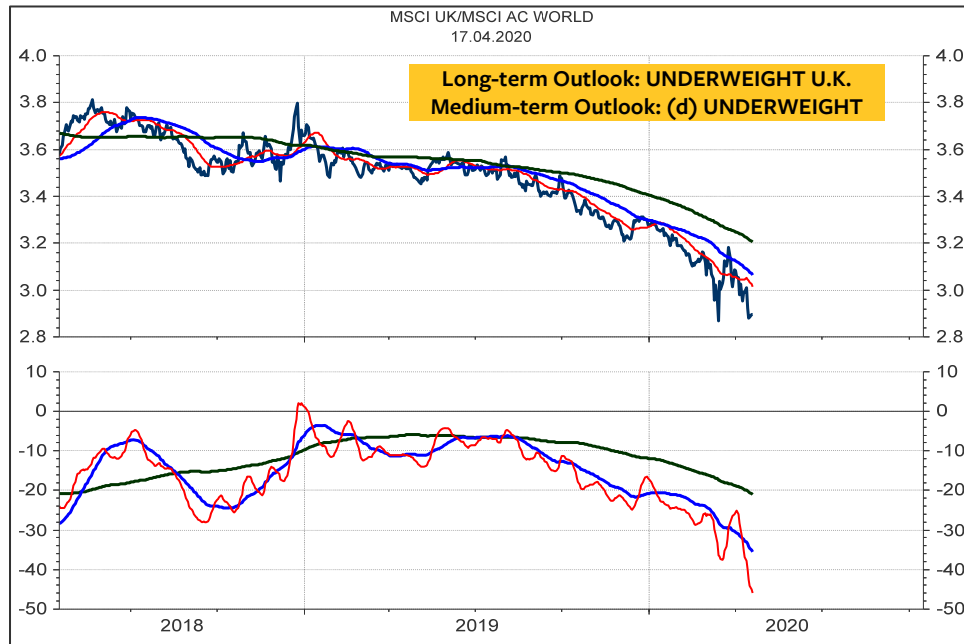
MSCI U.K. in British Pound



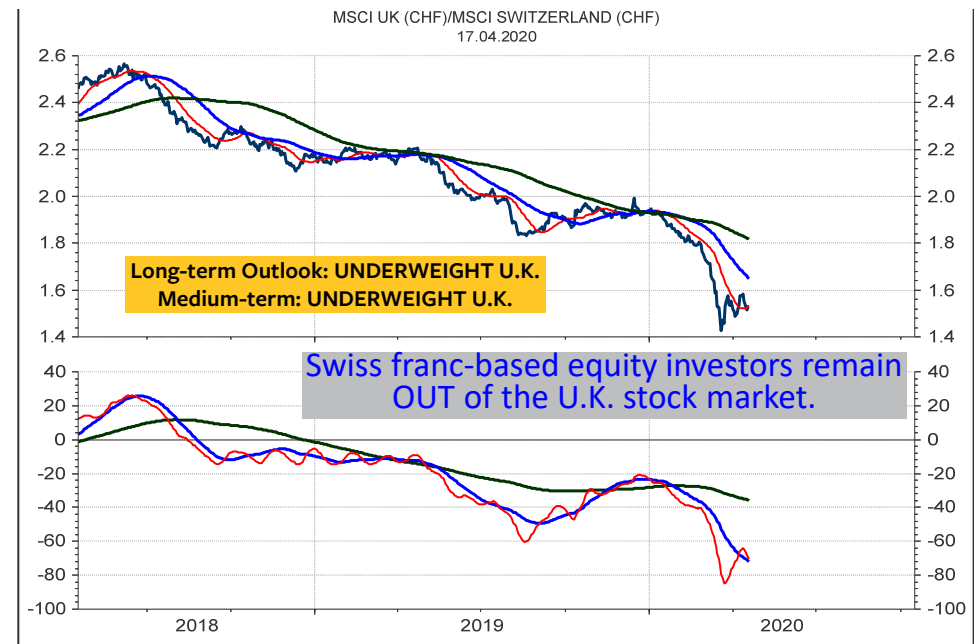
MSCI U.K. in Swiss franc



MSCI U.K. relative to the MSCI AC World



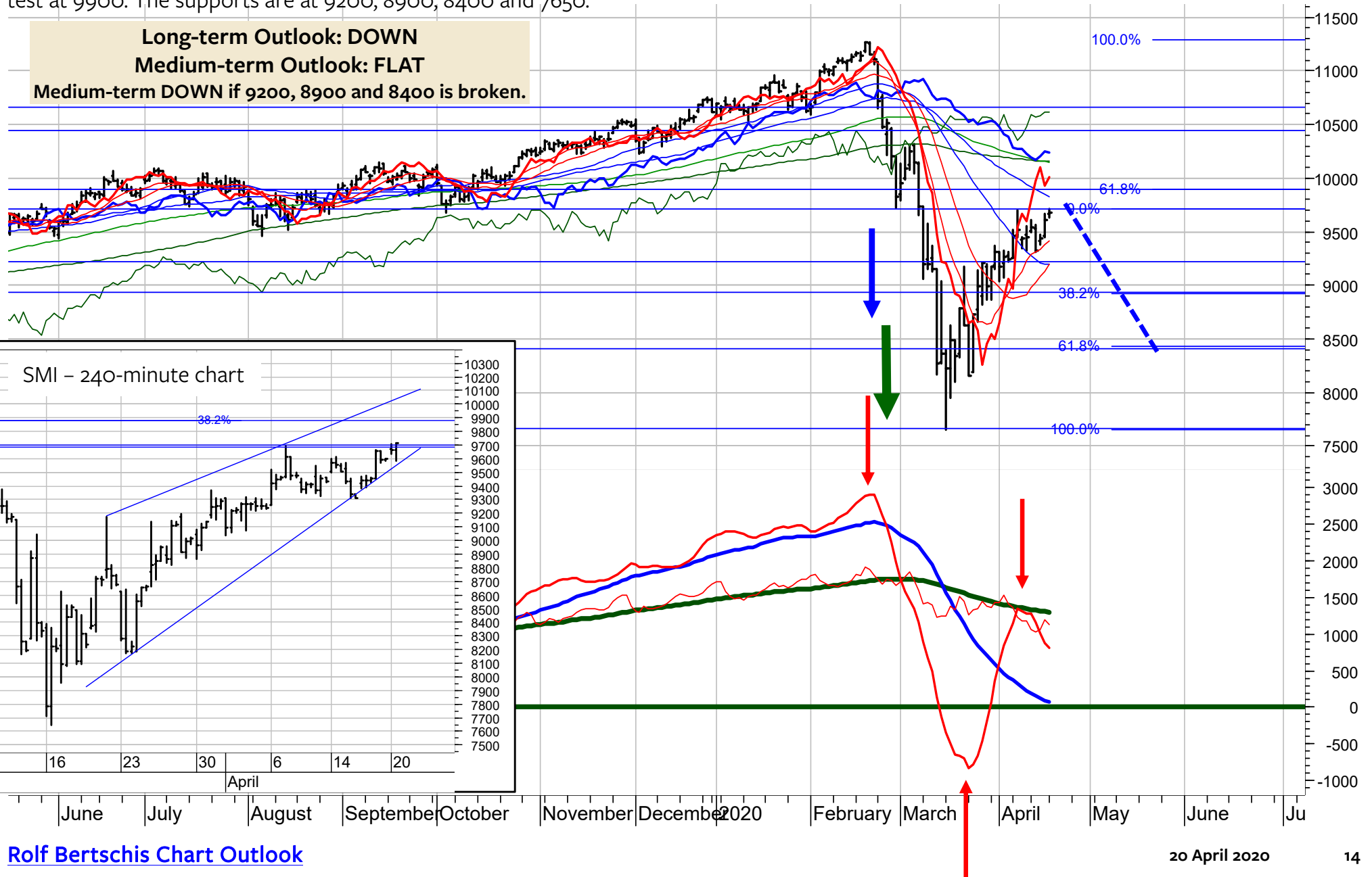
MSCI U.K. in CHF relative to MSCI Switzerland



Swiss Market Index SMI – daily chart

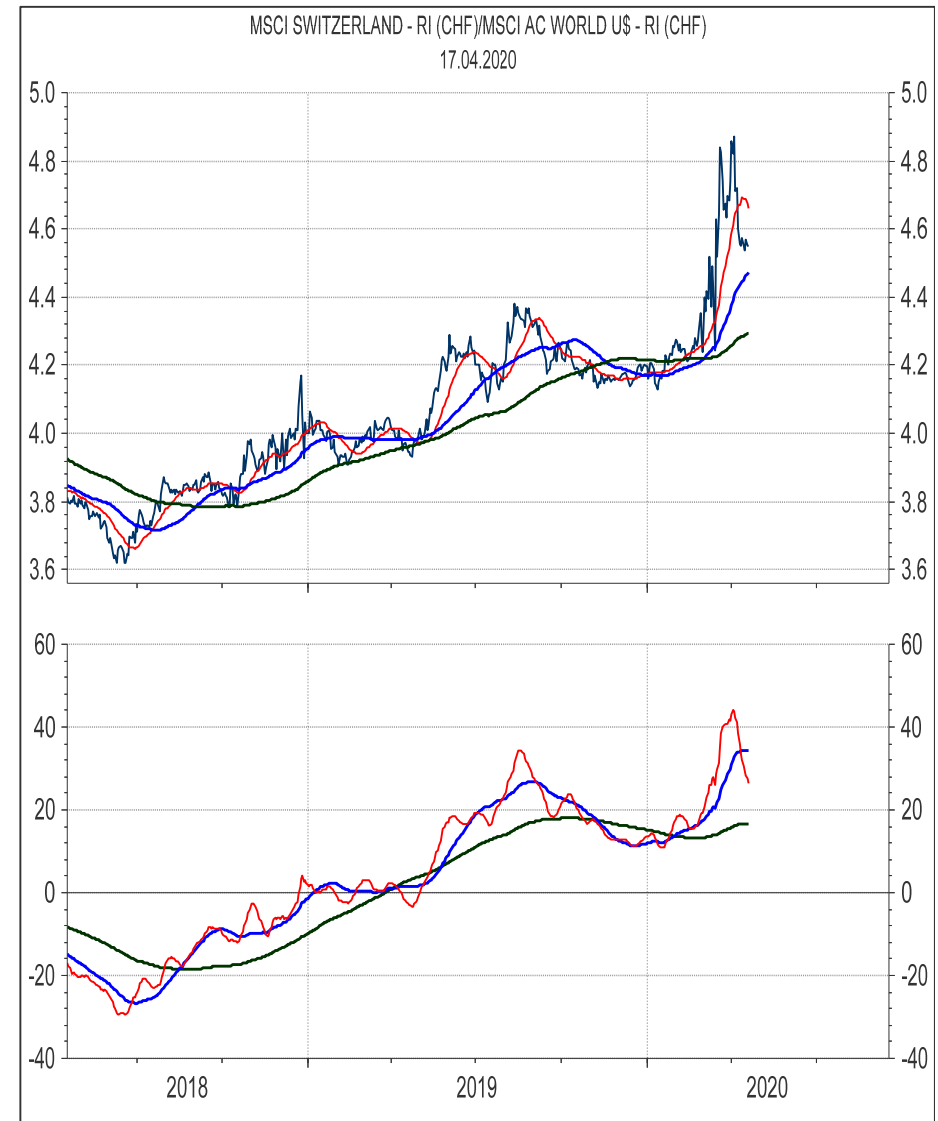
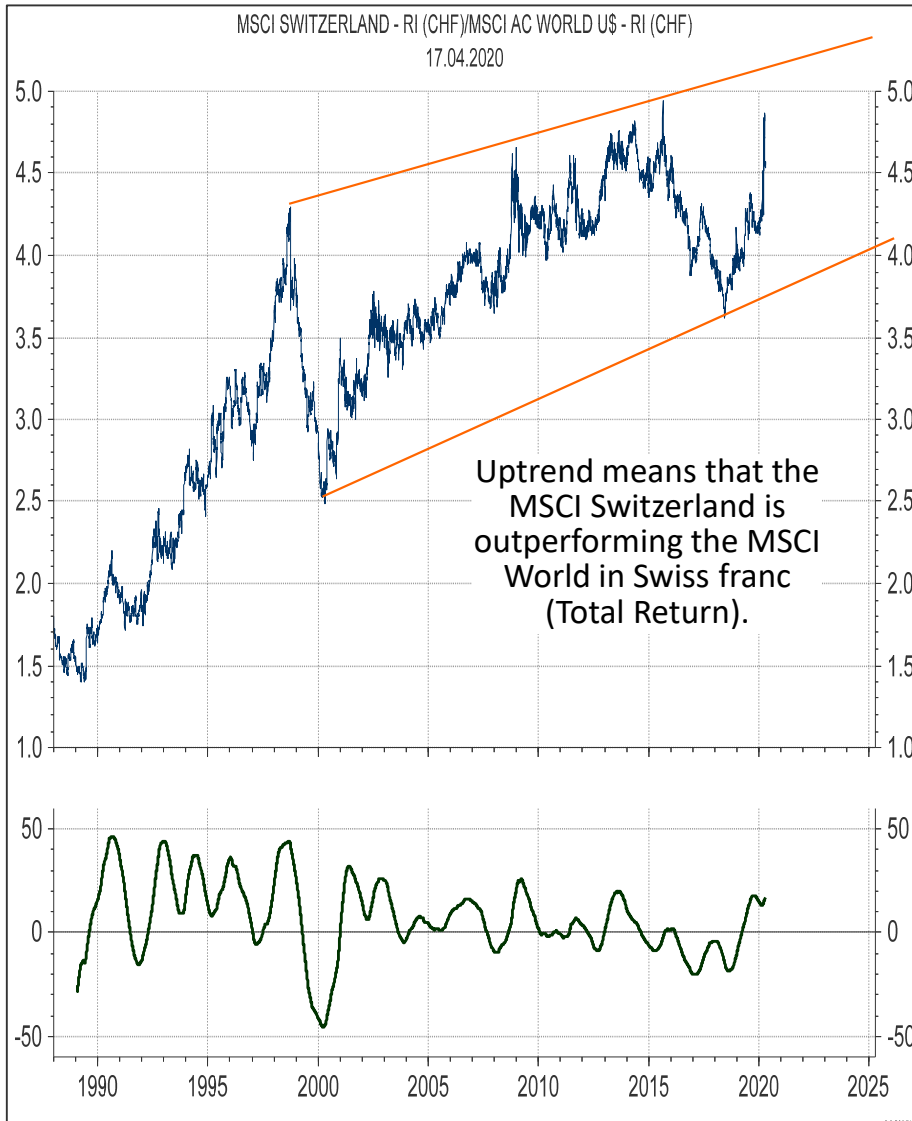
The rebound in the SMI is approaching the major resistance at 9700 to 9900. A rise above 9900 would push the Index above the 55-day moving average and a rise above 10235 would signal a bullish crossing of the medium-term momentum reversal. If these levels are broken, then the SMI would test the Fibonacci resistance levels at 10450 and 10700. For now, I am watching the price action during the resistance test at 9900. The supports are at 9200, 8900, 8400 and 7650.

Long-term Outlook: DOWN
Medium-term Outlook: FLAT
 Medium-term DOWN if 9200, 8900 and 8400 is broken.

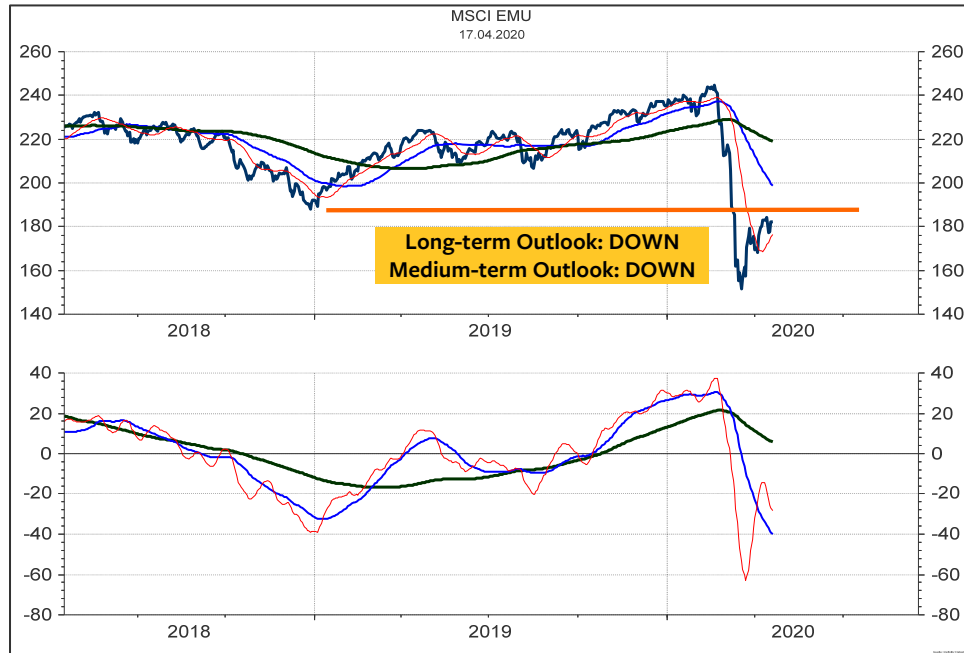


MSCI Switzerland relative to the MSCI World Index in Swiss franc

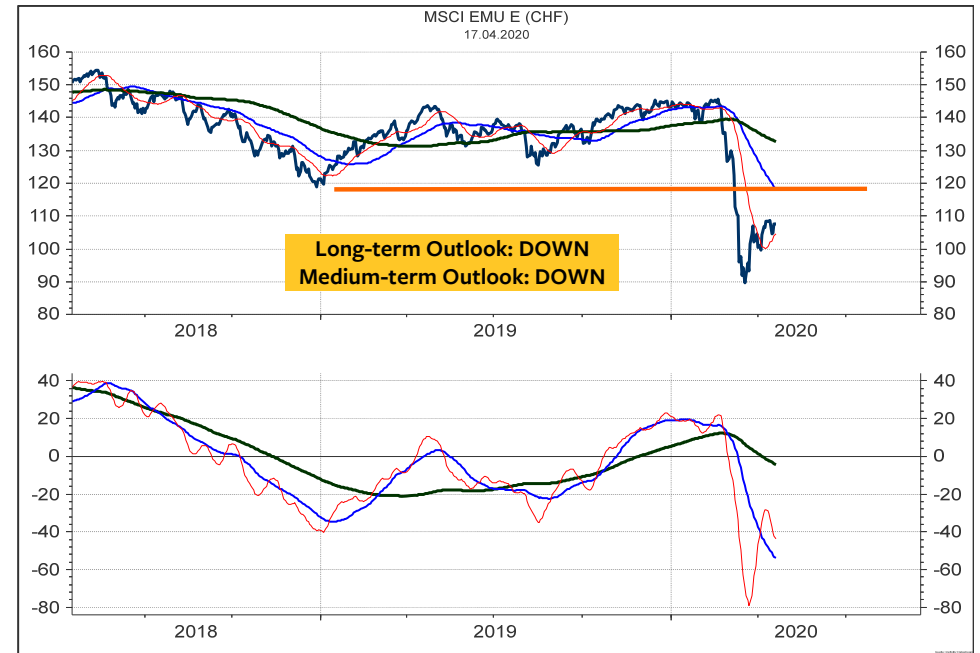
The short-term relative performance of the MSCI Switzerland relative to the MSCI World, measured in Swiss franc, has been declining since the top in early April. This means the MSCI Switzerland has been underperforming the World Index. However, it is not clear if this underperformance is just a short-term correction or, if it forms a medium-term or even a long-term top. The long-term chart (at left) implies that another new relative high is likely to be registered and that the present underperformance is only of short-term degree. This is why the relative outlook remains OUTPERFORM SWITZERLAND. **ALL LOCAL STOCK MARKET INDICES MEASURED IN SWISS FRANC (and updated on the following pages), ARE RATED UNDERPERFORM RELATIVE TO THE MSCI SWITZERLAND. THUS, MY RECOMMENDATION to the Swiss franc-based equity investor REMAINS TO STAY OUT OF ALL GLOBAL STOCK MARKETS. The single exception remains the MSCI CHINA, which is still rated NEUTRAL relative to the MSCI Switzerland. Thus, there still is NO foreign stock market, which, if measured in Swiss franc, is outperforming the MSCI Switzerland.**



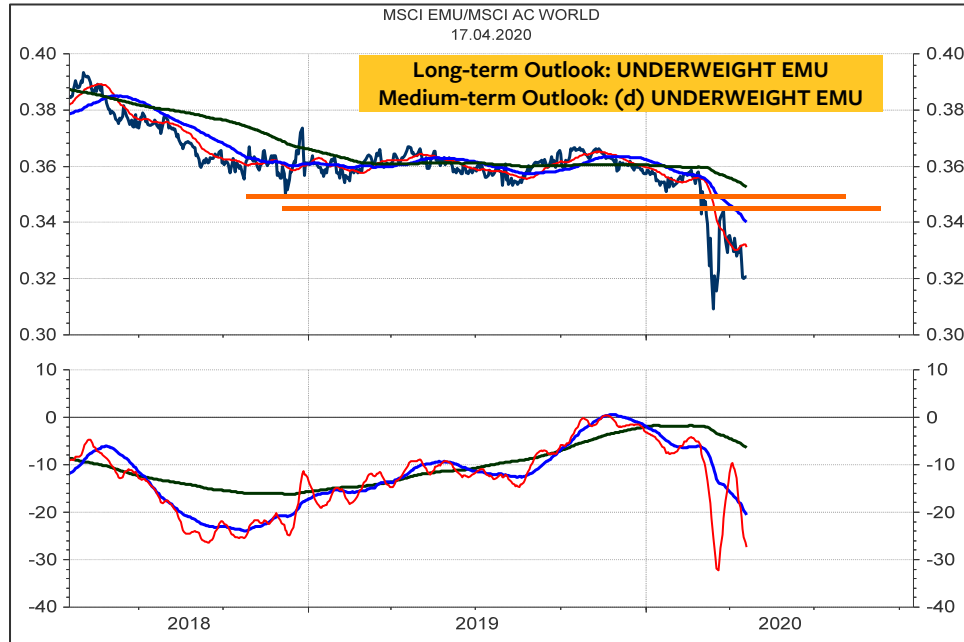
MSCI EMU in Euro



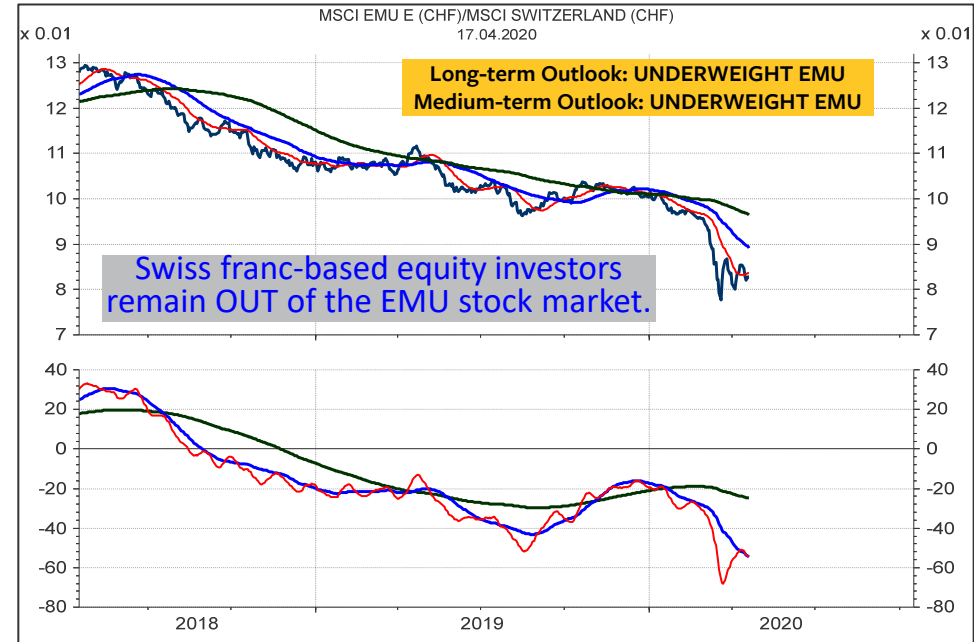
MSCI EMU in Swiss franc



MSCI EMU relative to the MSCI AC World



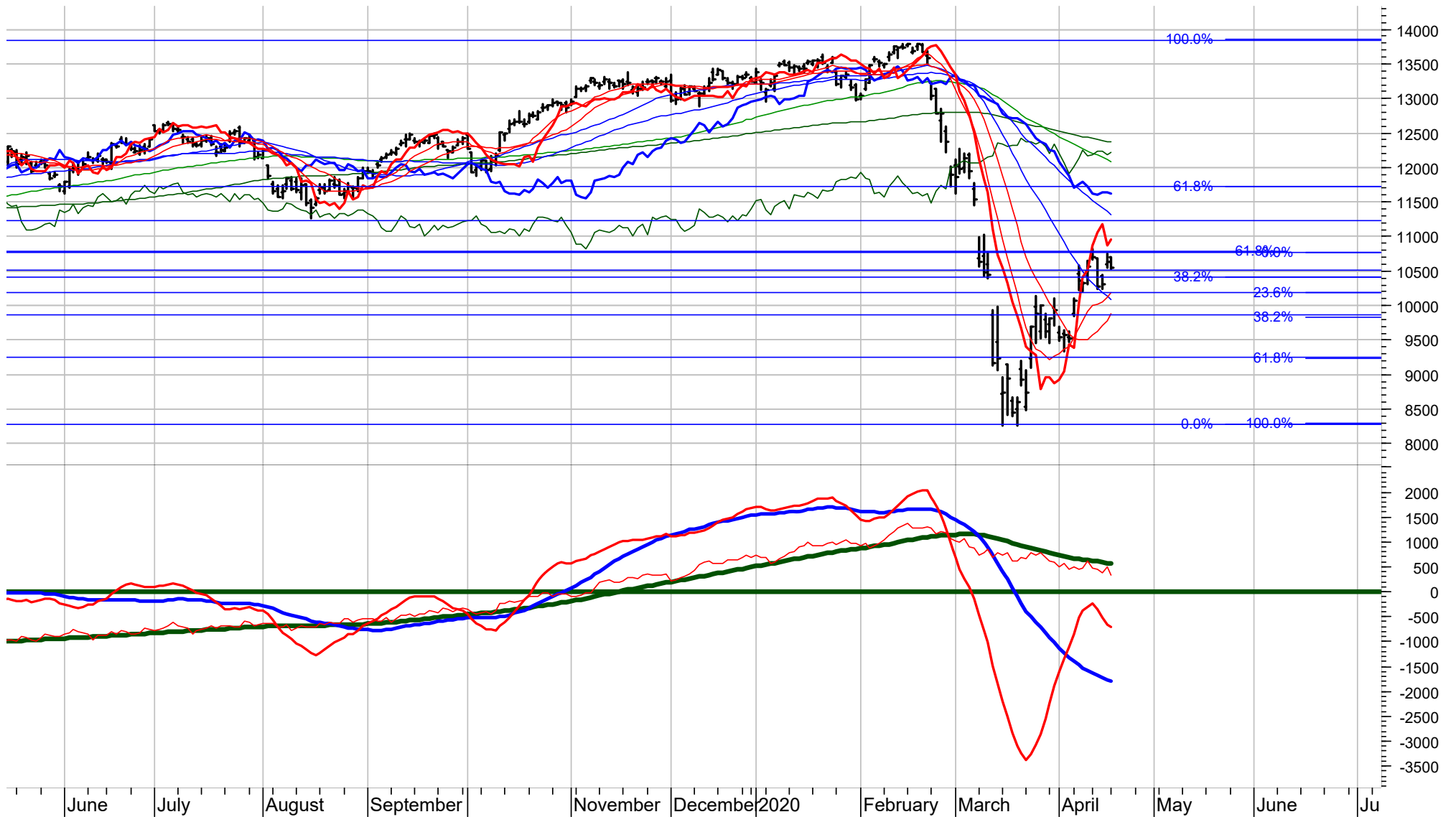
MSCI EMU in CHF relative to MSCI Switzerland



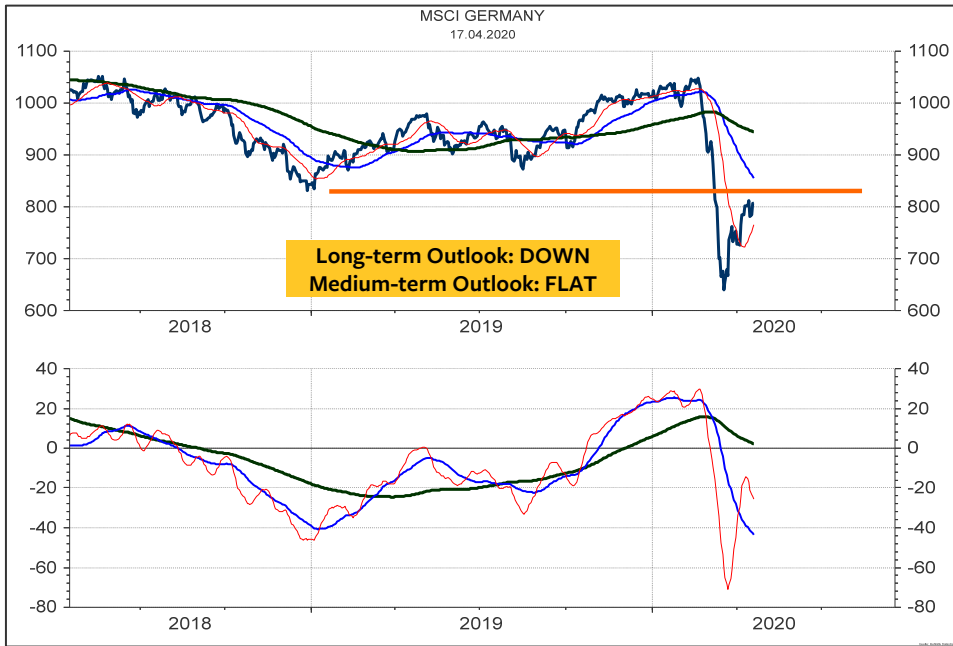
Deutscher Aktien Index DAX – daily chart

The DAX has recovered to test the resistance at 10750. This is only slightly above the 38.20% retracement to the February and March decline at 10450. A break of 10750 would signal 11250 or 11800. The supports and sell levels are at 9800, 9200 and 8300.

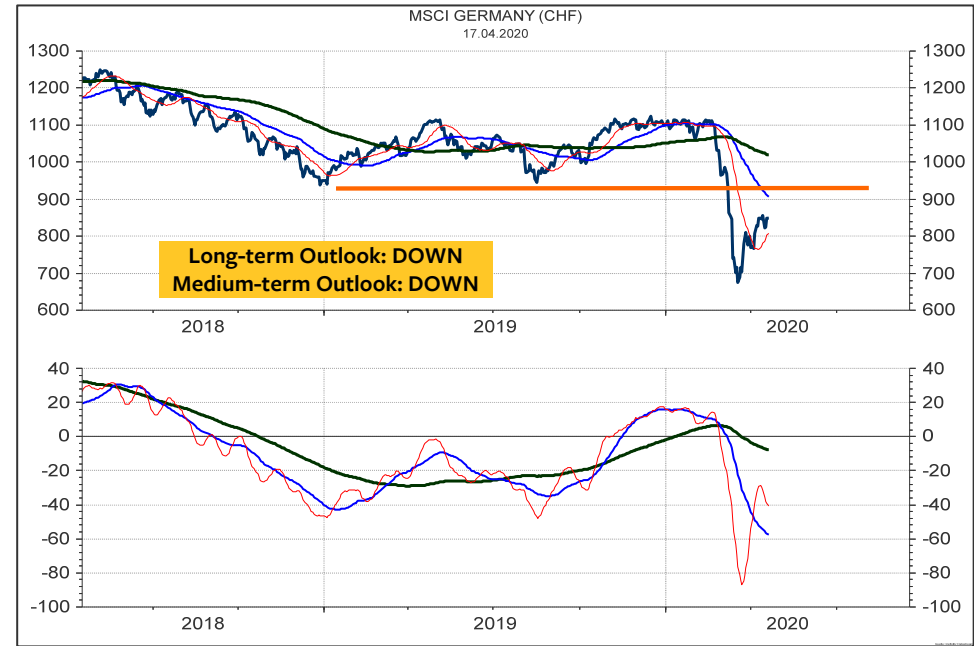
Long-term Outlook: DOWN
Medium-term Outlook: FLAT
Medium-term DOWN if 9800 and 9200 is broken.



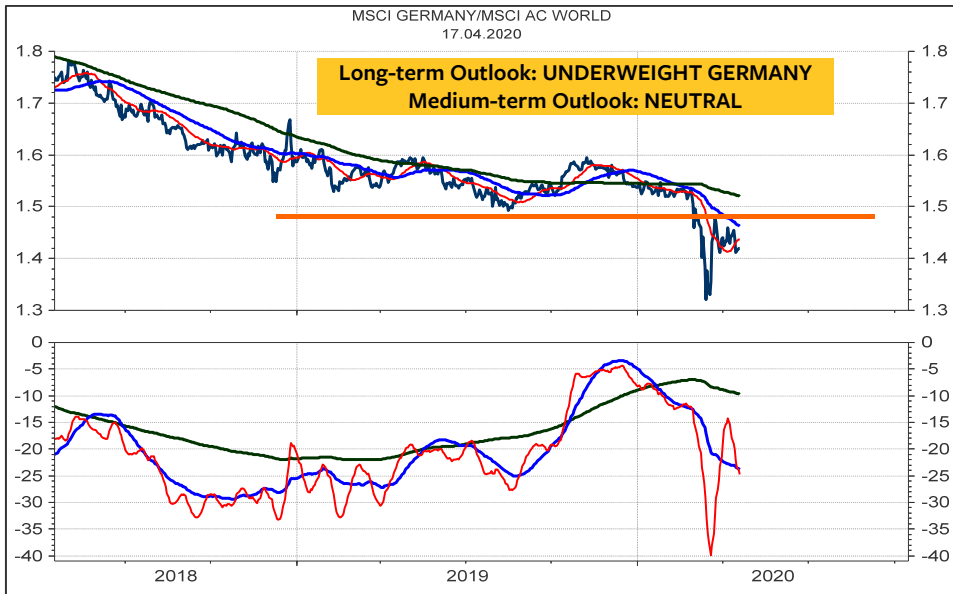
MSCI GERMANY in Euro



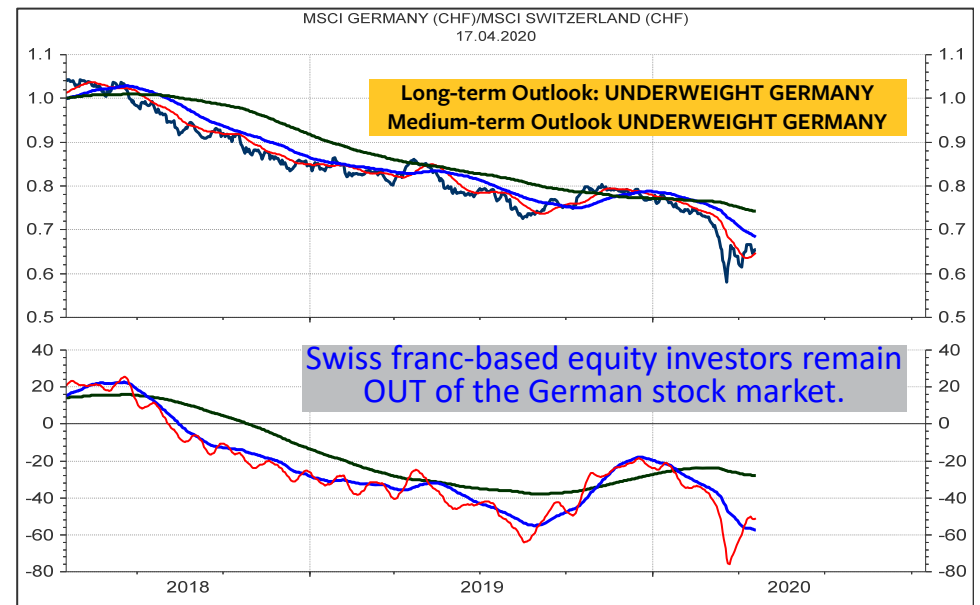
MSCI GERMANY in Swiss franc



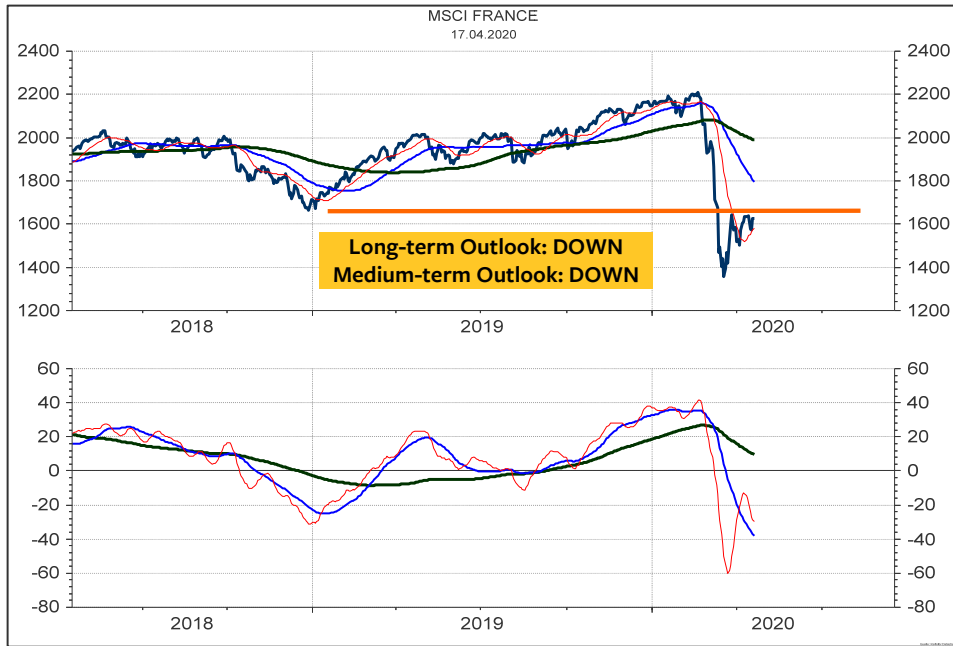
MSCI GERMANY relative to the MSCI AC World



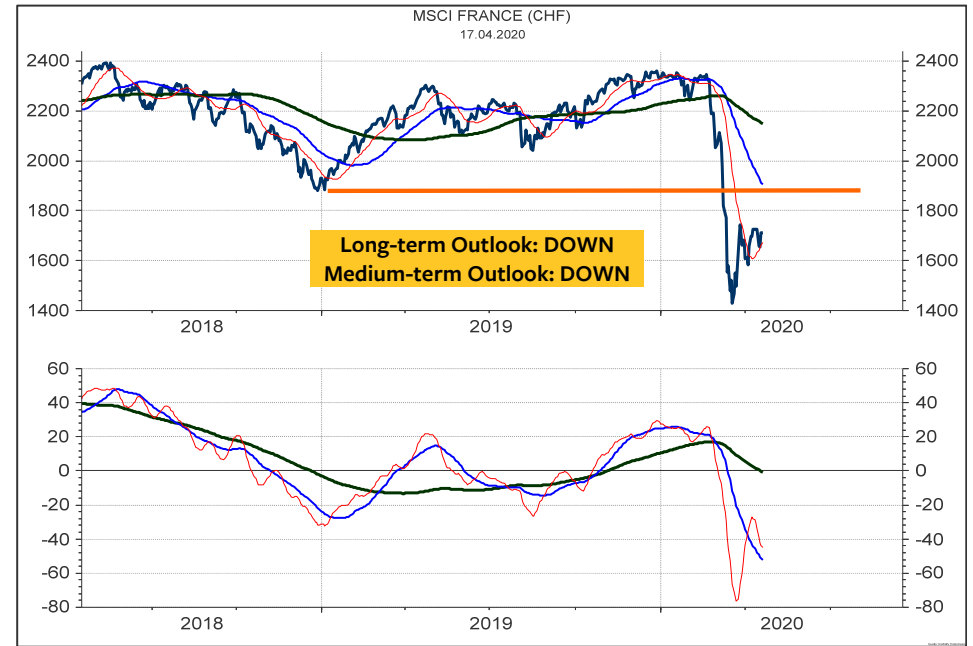
MSCI GERMANY in CHF relative to MSCI Switzerland



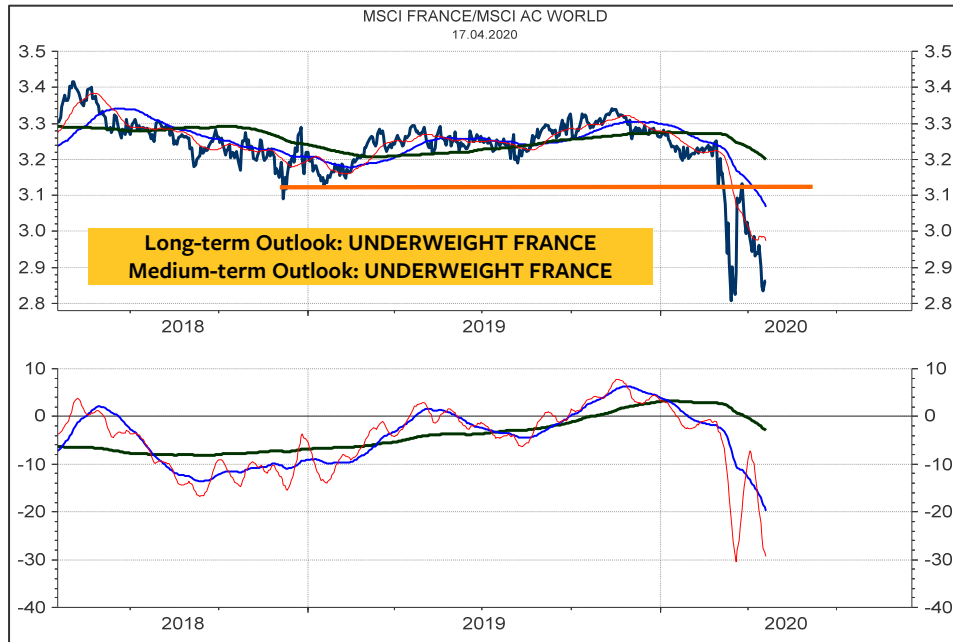
MSCI FRANCE in Euro



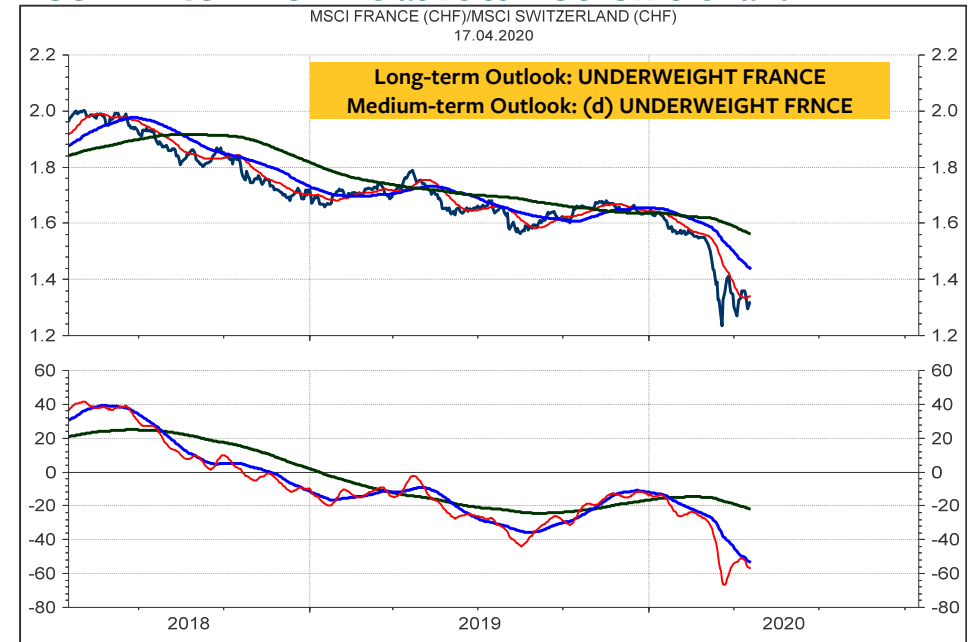
MSCI FRANCE in Swiss franc



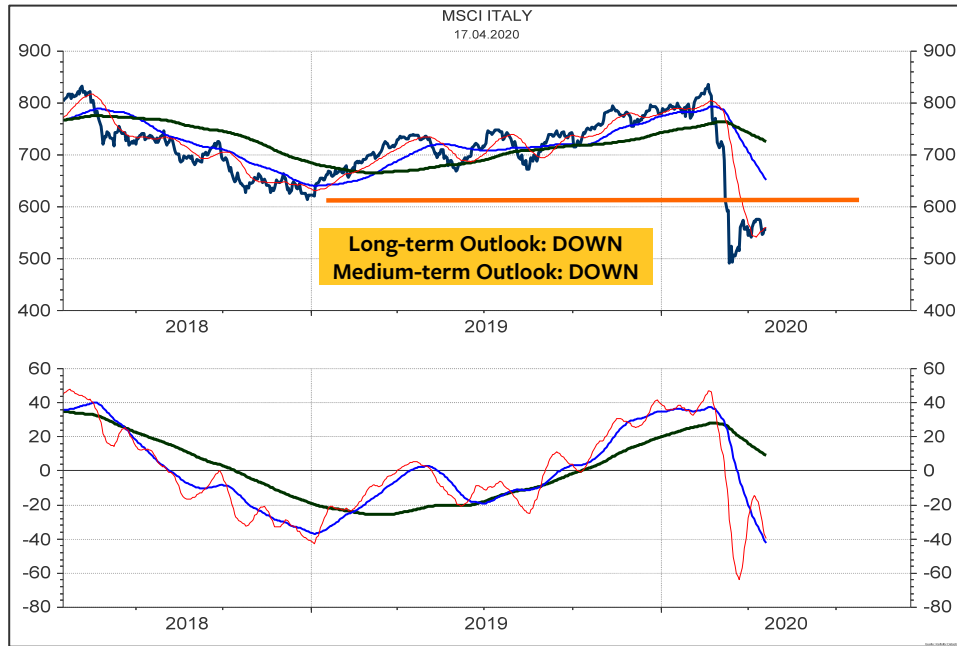
MSCI FRANCE relative to the MSCI AC World



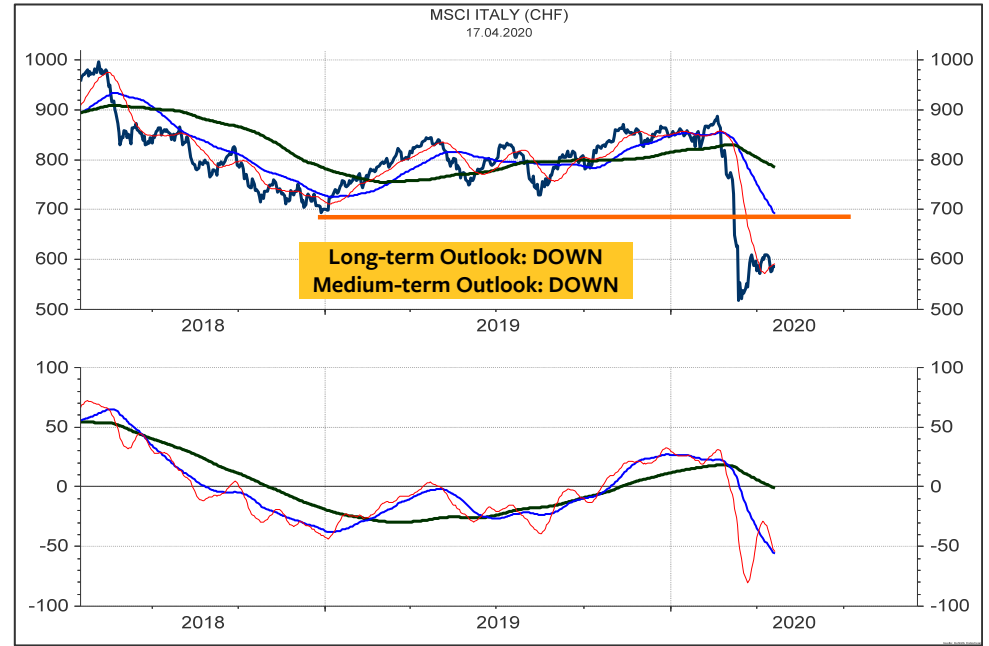
MSCI FRANCE in CHF relative to MSCI Switzerland



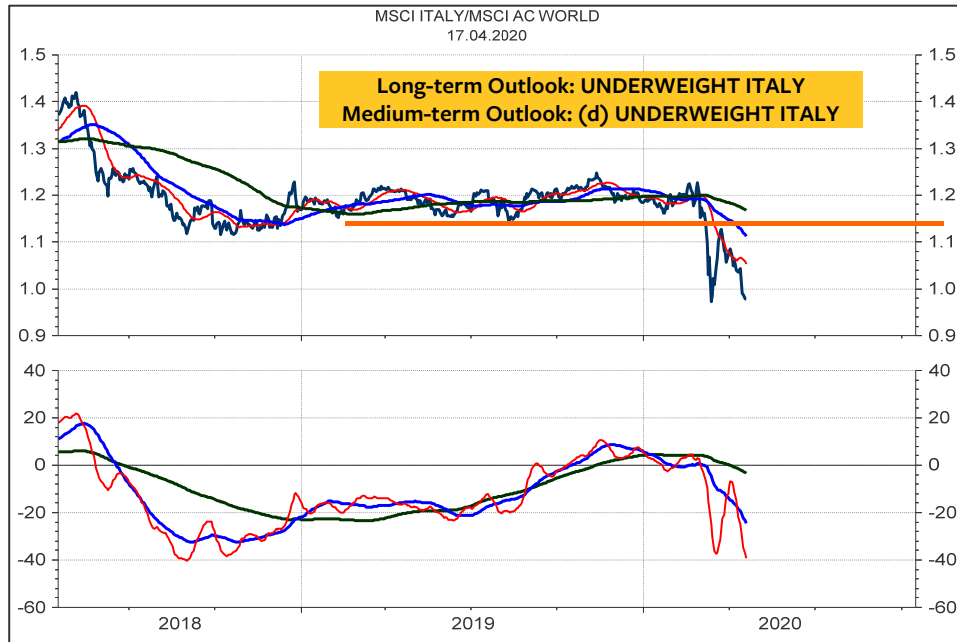
MSCI ITALY in Euro



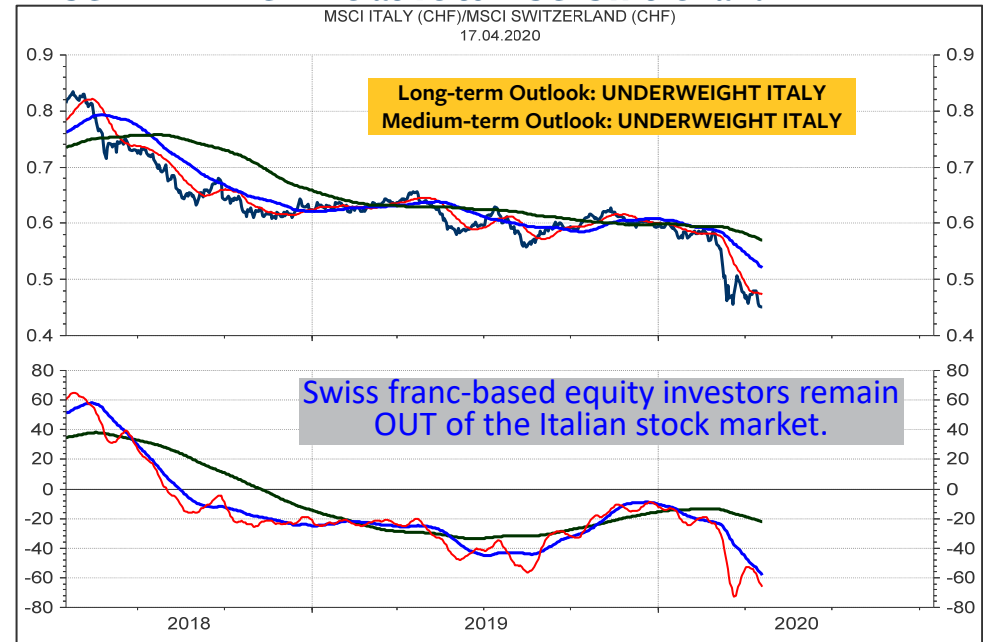
MSCI ITALY in Swiss franc



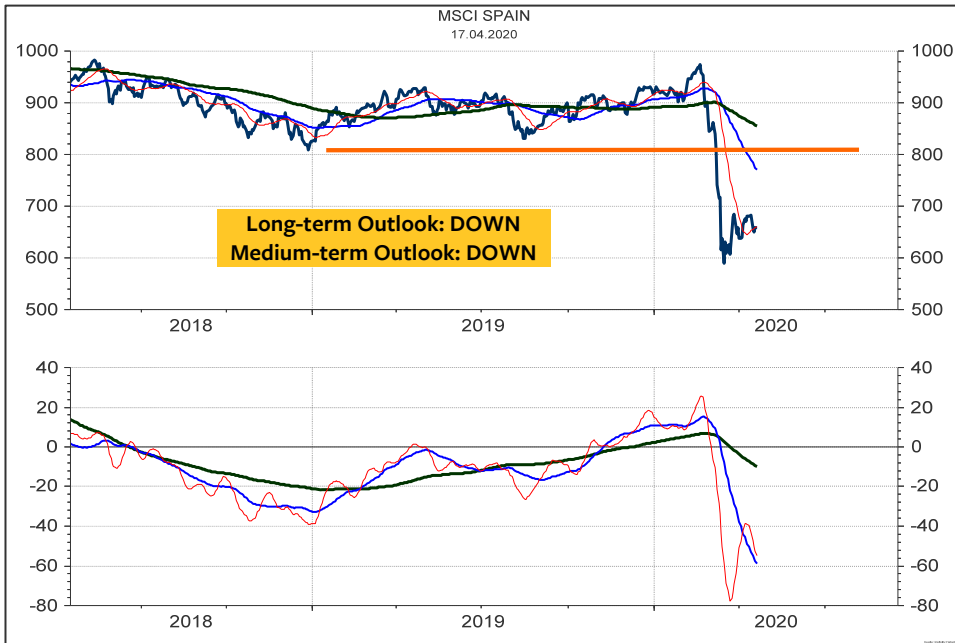
MSCI ITALY relative to the MSCI AC World



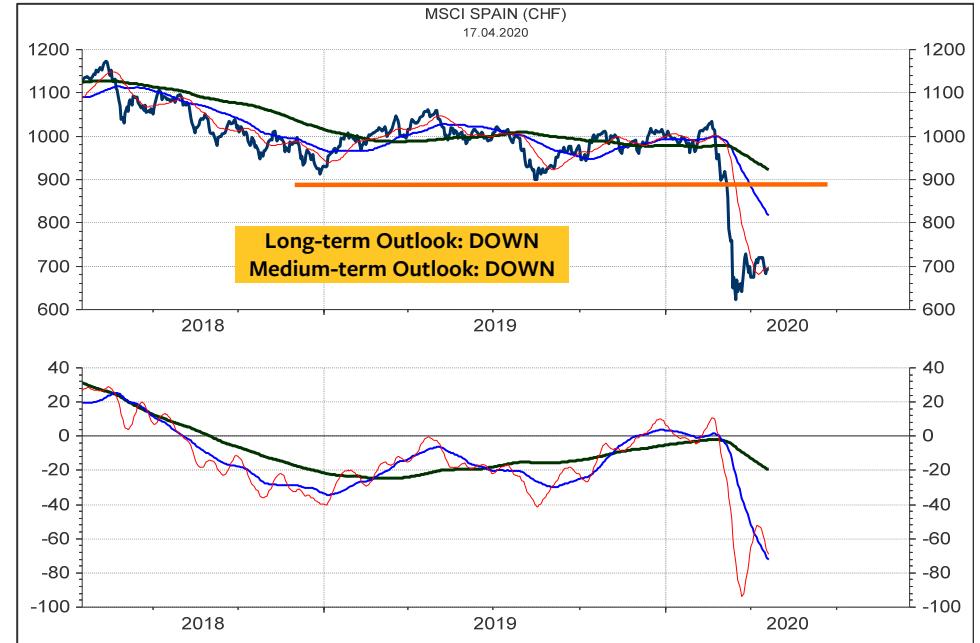
MSCI ITALY in CHF relative to MSCI Switzerland



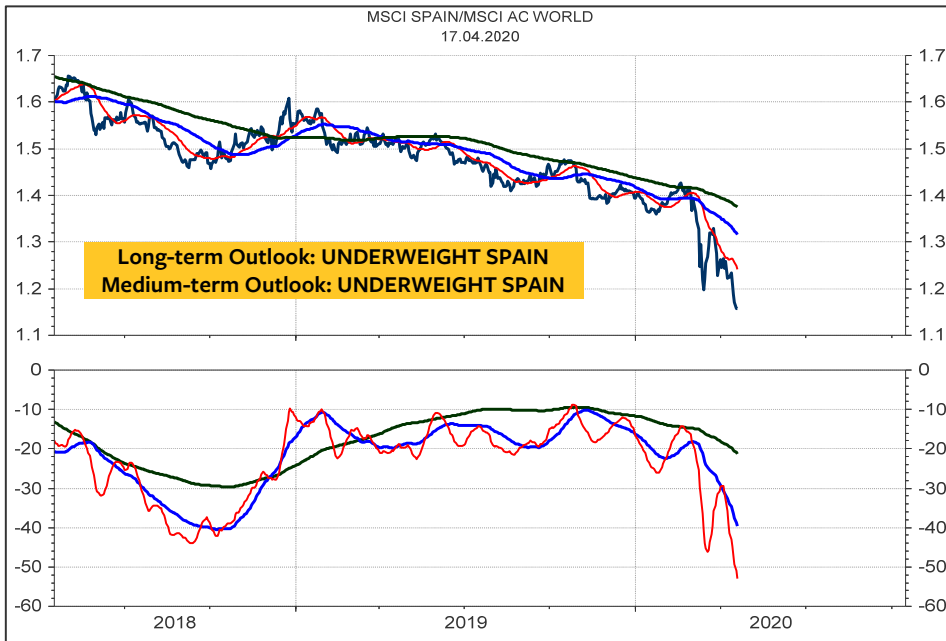
MSCI SPAIN in Euro



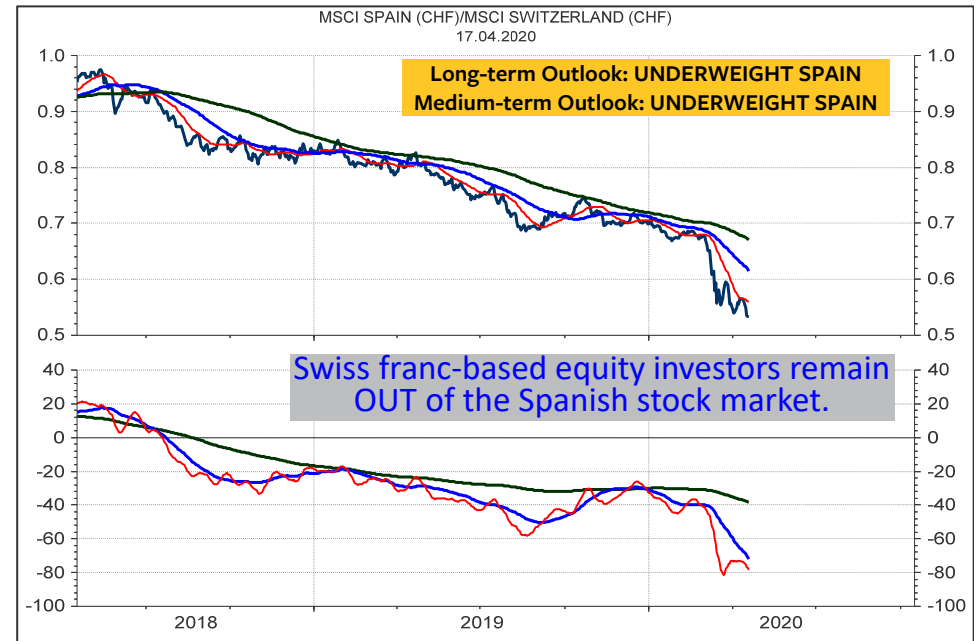
MSCI SPAIN in Swiss franc



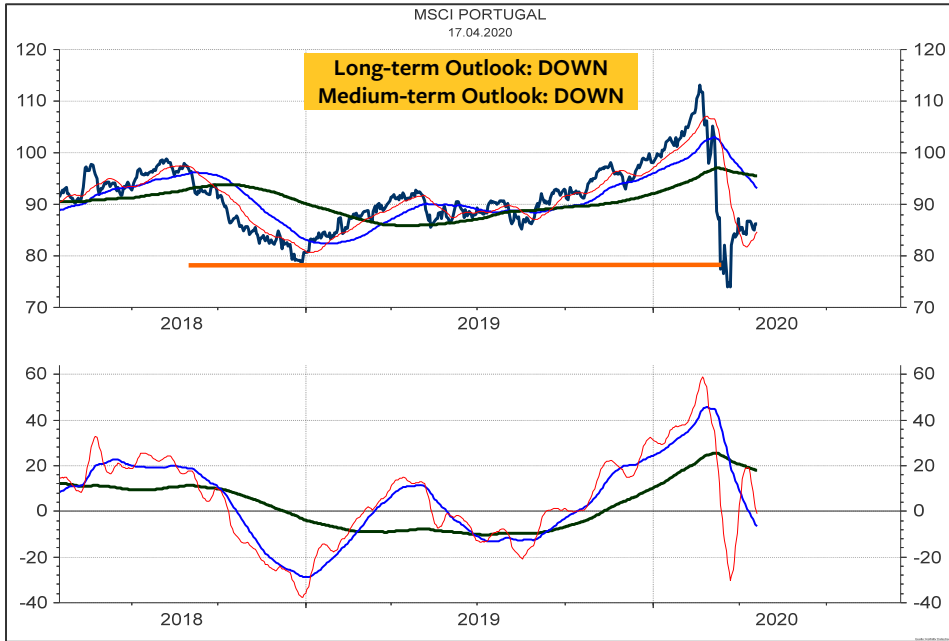
MSCI SPAIN relative to the MSCI AC World



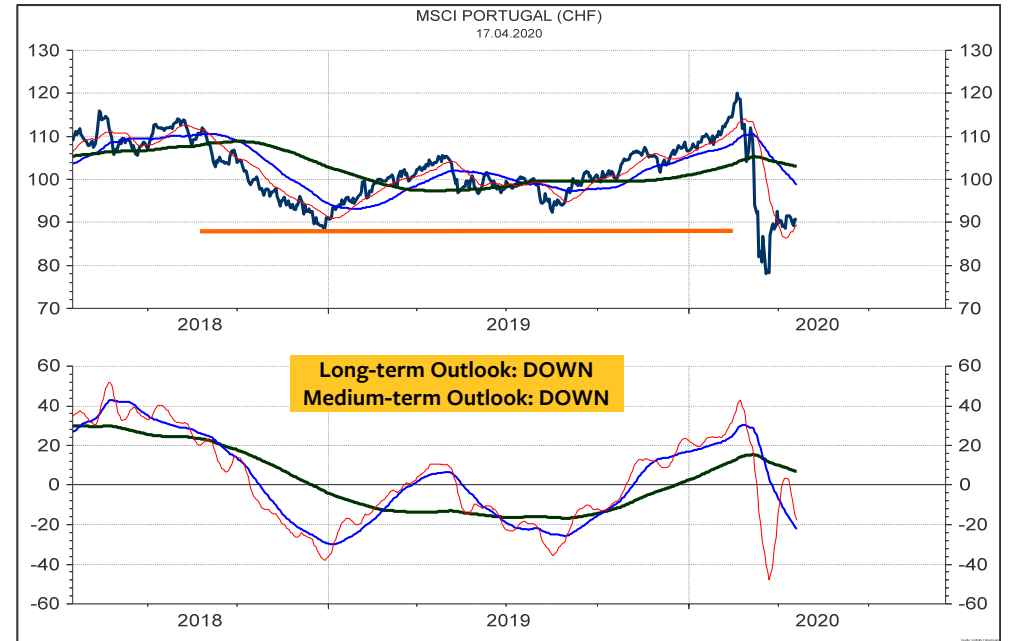
MSCI SPAIN in CHF relative to MSCI Switzerland



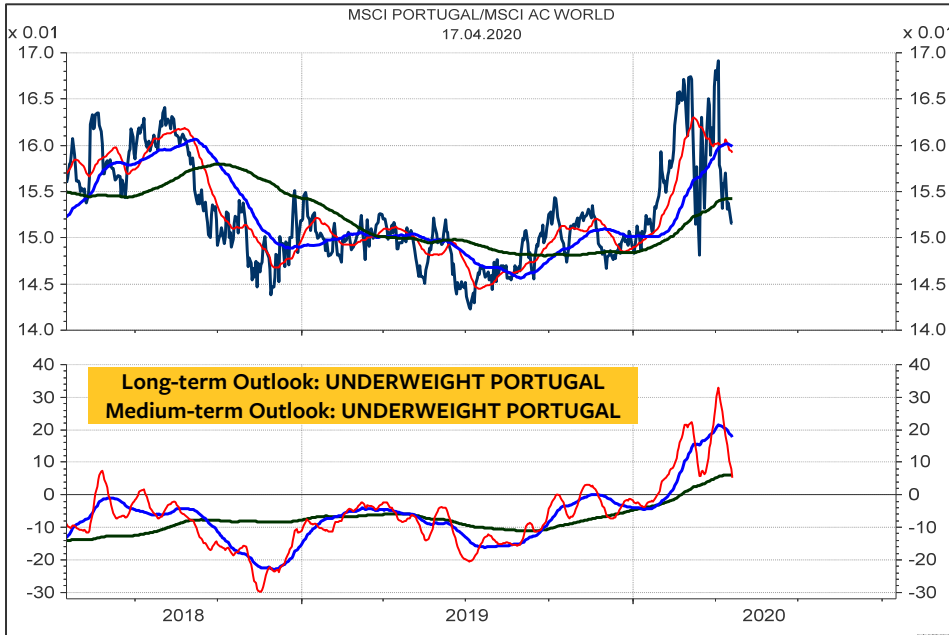
MSCI PORTUGAL in Euro



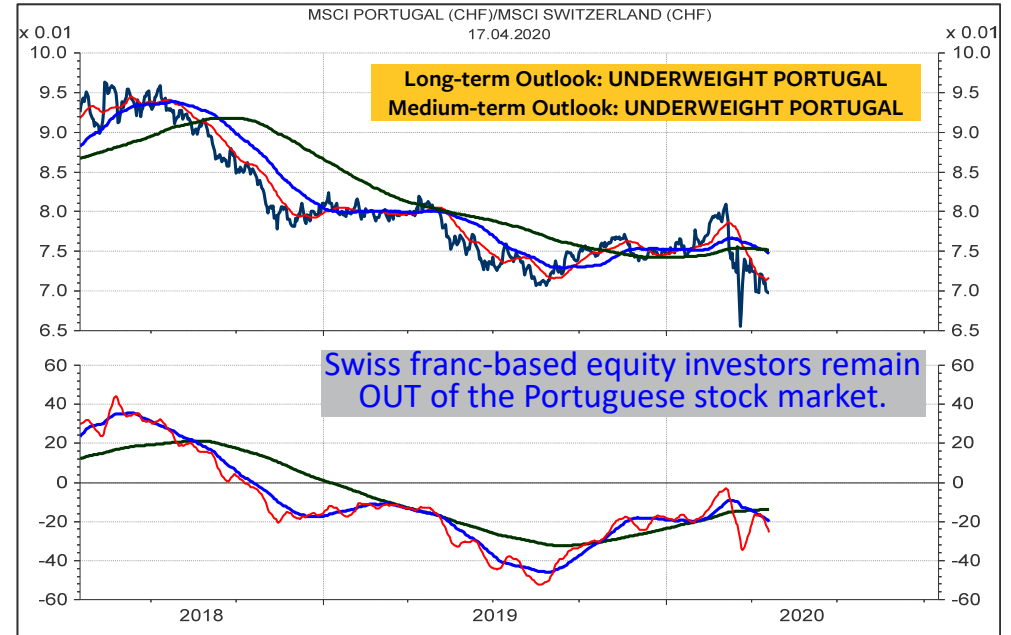
MSCI PORTUGAL in Swiss franc



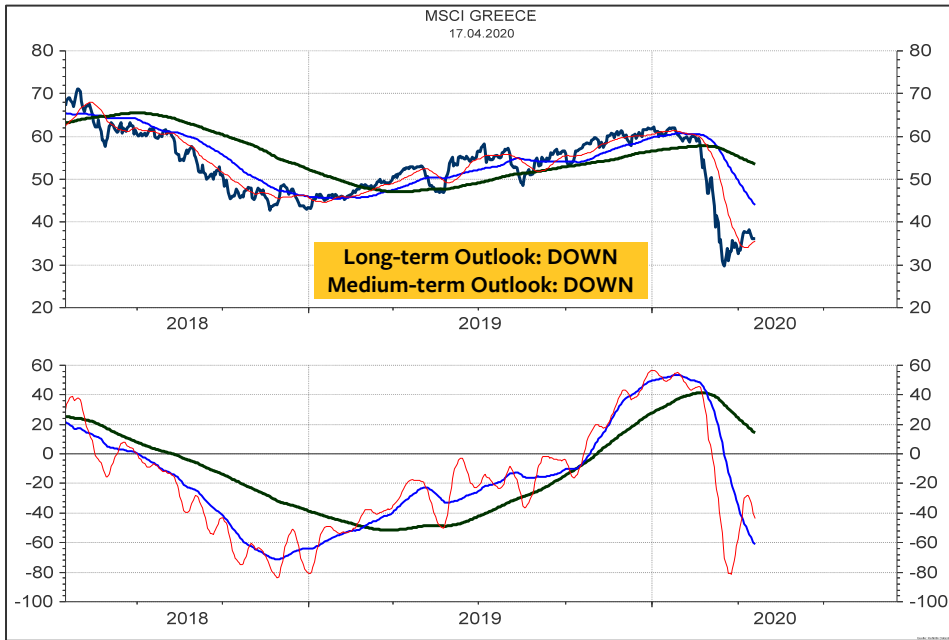
MSCI PORTUGAL relative to the MSCI AC World



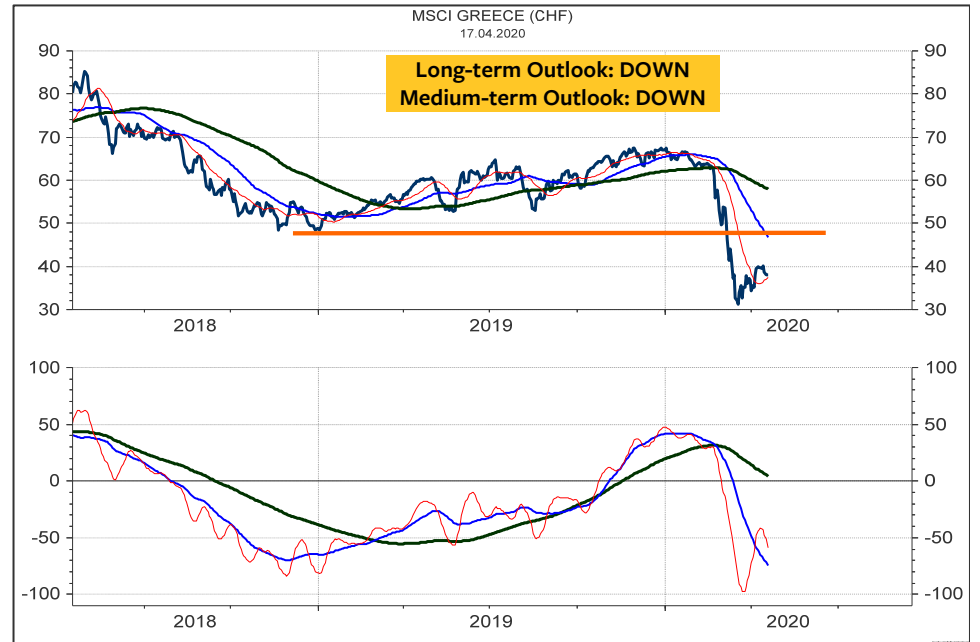
MSCI PORTUGAL in CHF relative to MSCI Switzerland



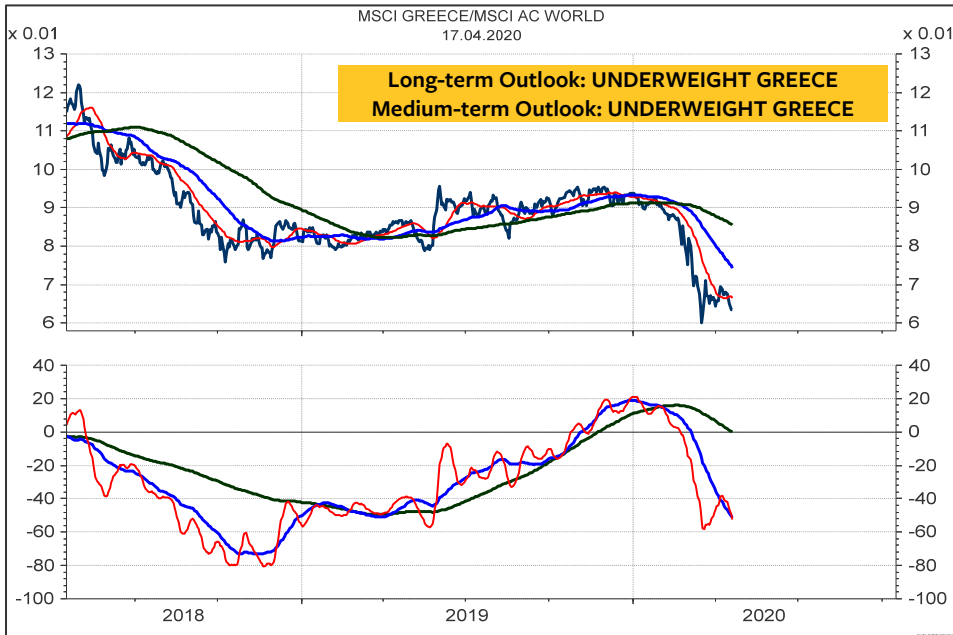
MSCI GREECE in Euro



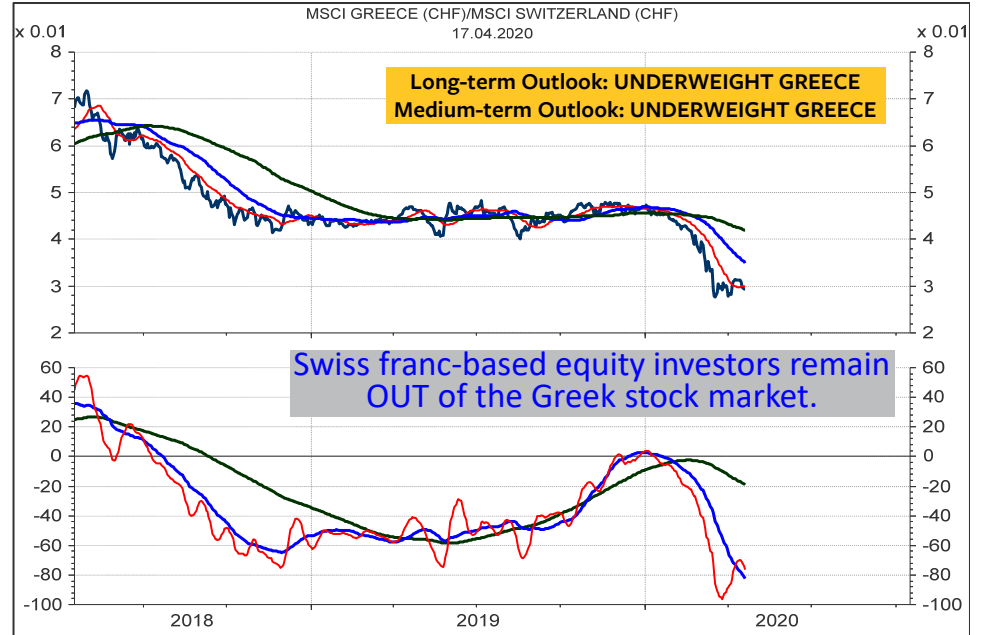
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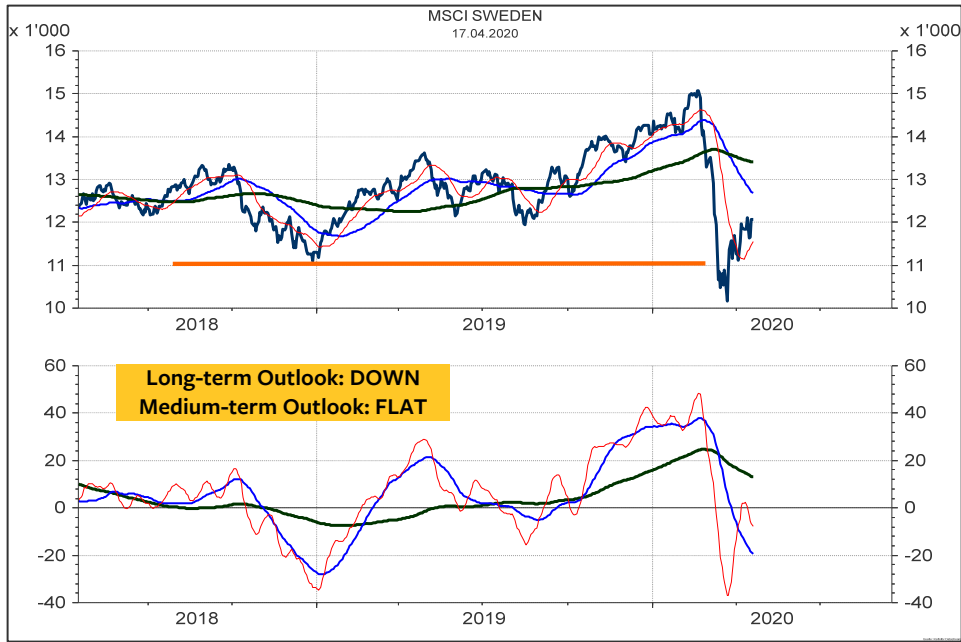
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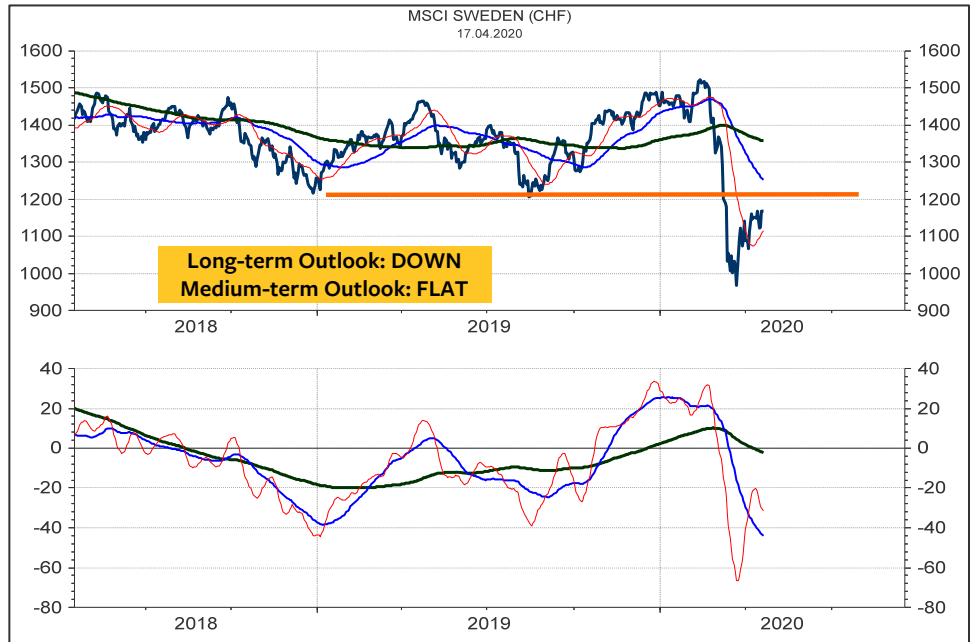
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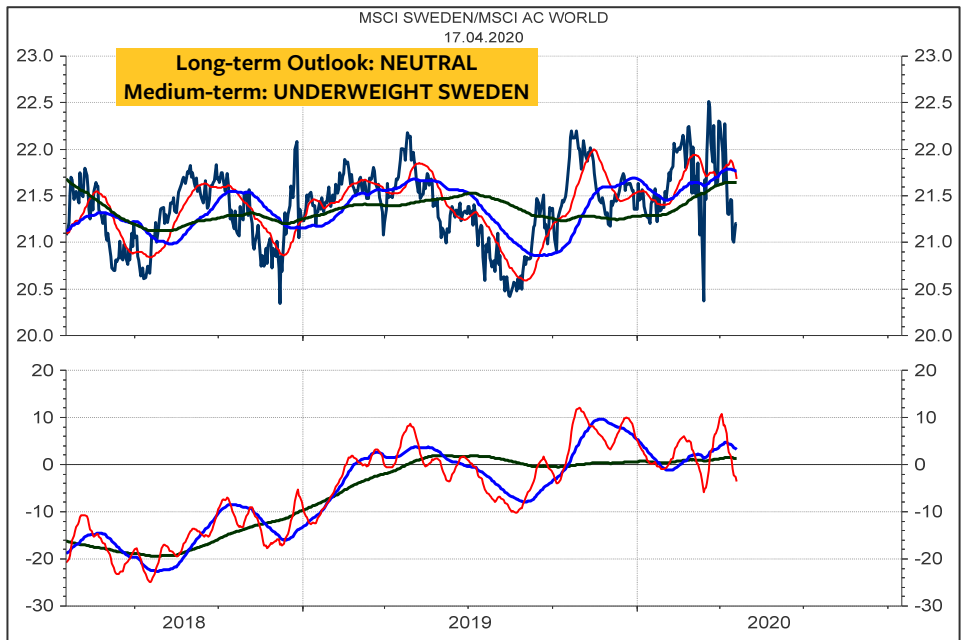
MSCI SWEDEN in Euro



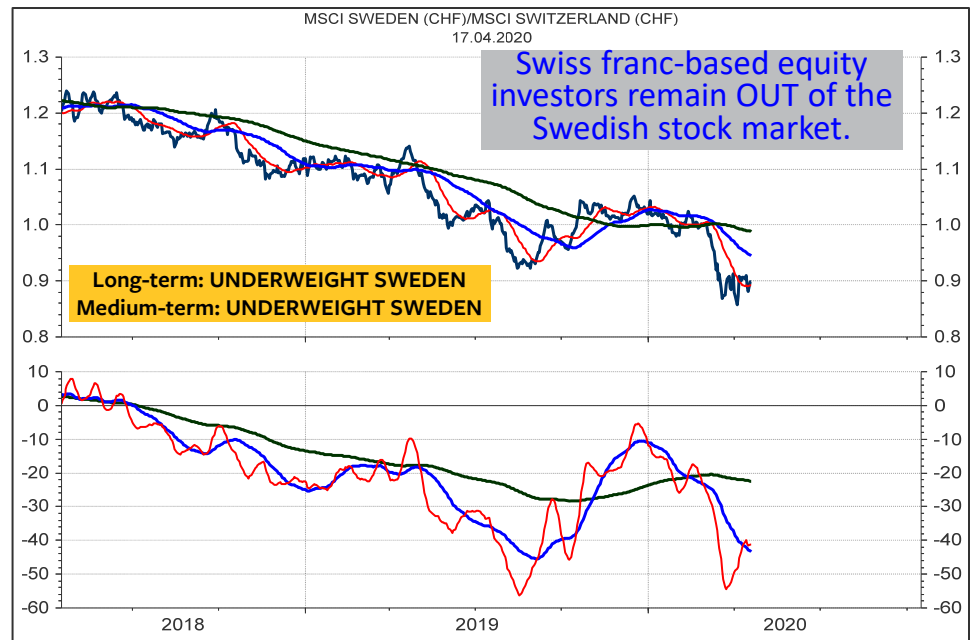
MSCI SWEDEN in Swiss franc



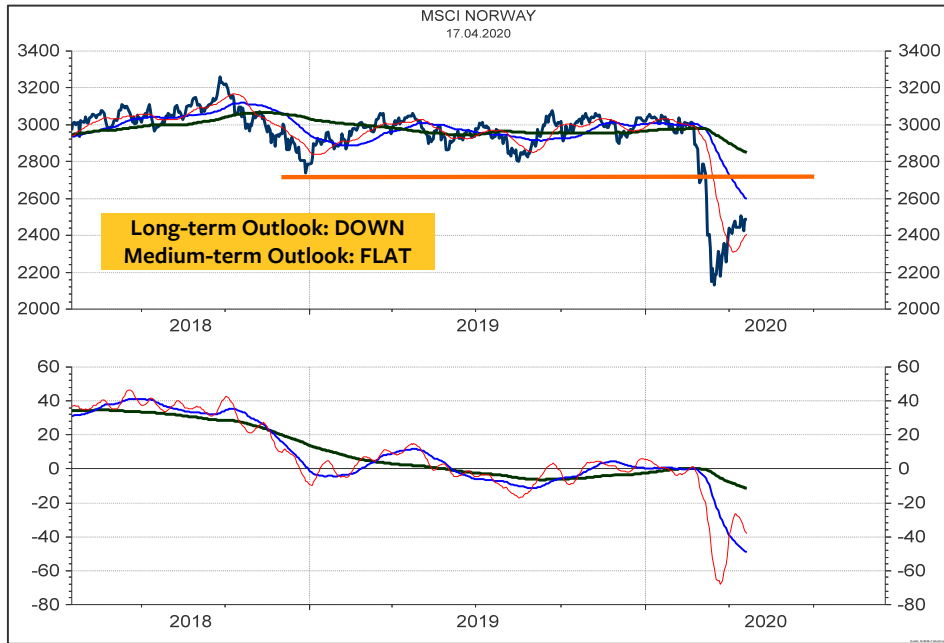
MSCI SWEDEN relative to the MSCI AC World



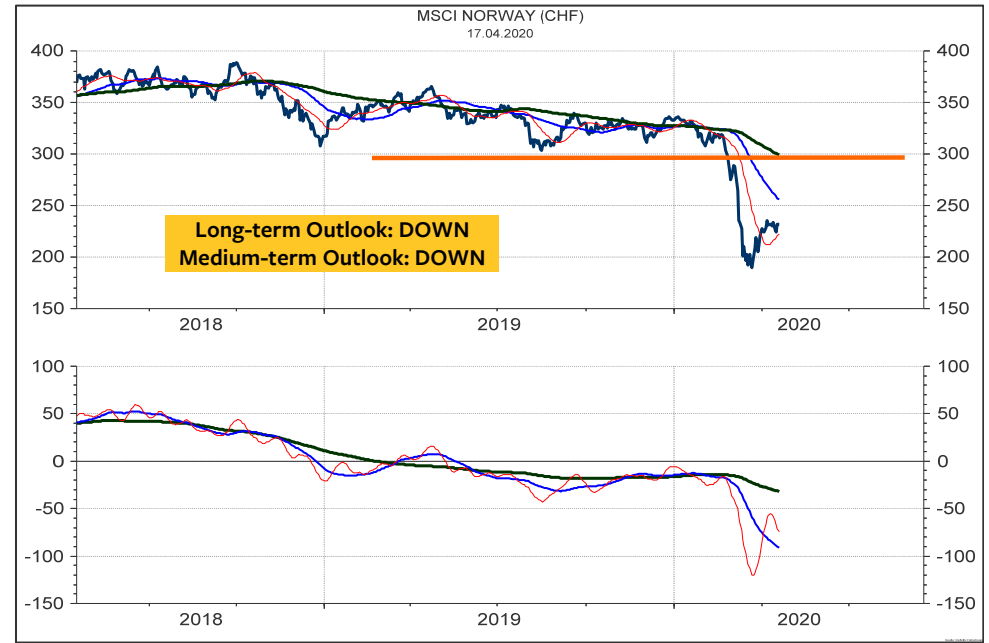
MSCI SWEDEN in CHF relative to MSCI Switzerland



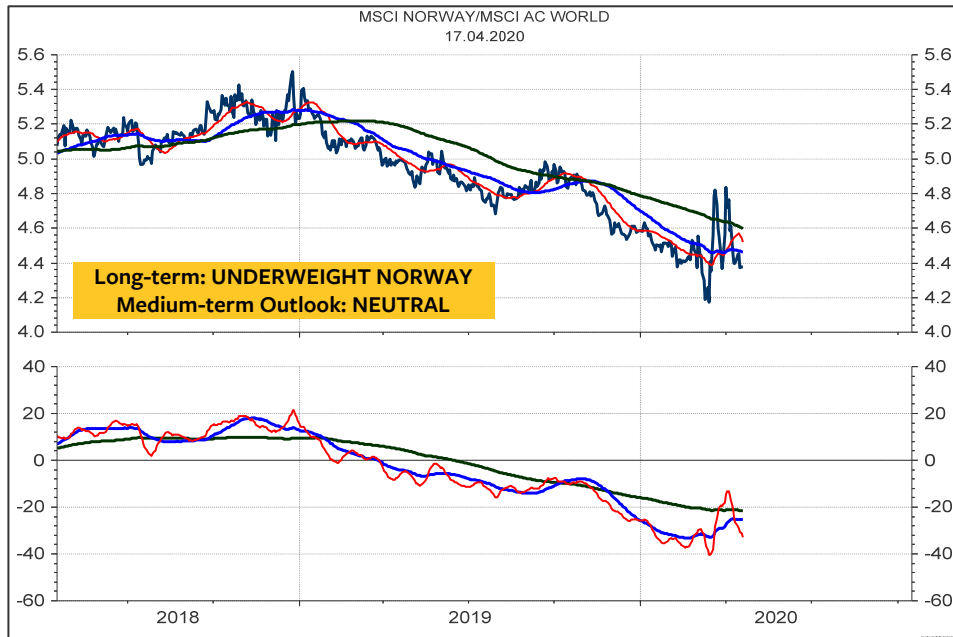
MSCI NORWAY in Euro



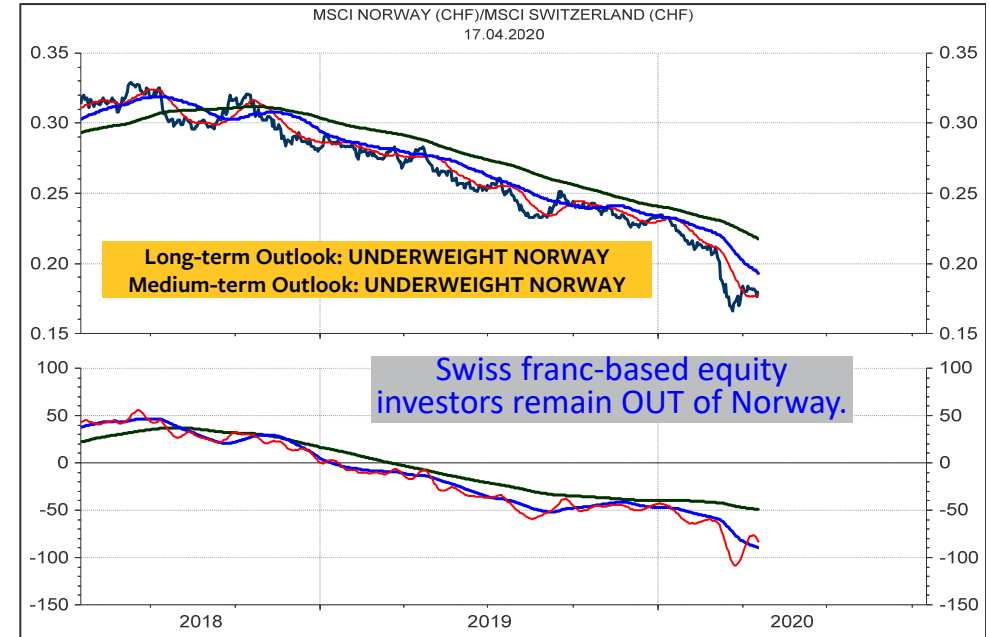
MSCI NORWAY in Swiss franc



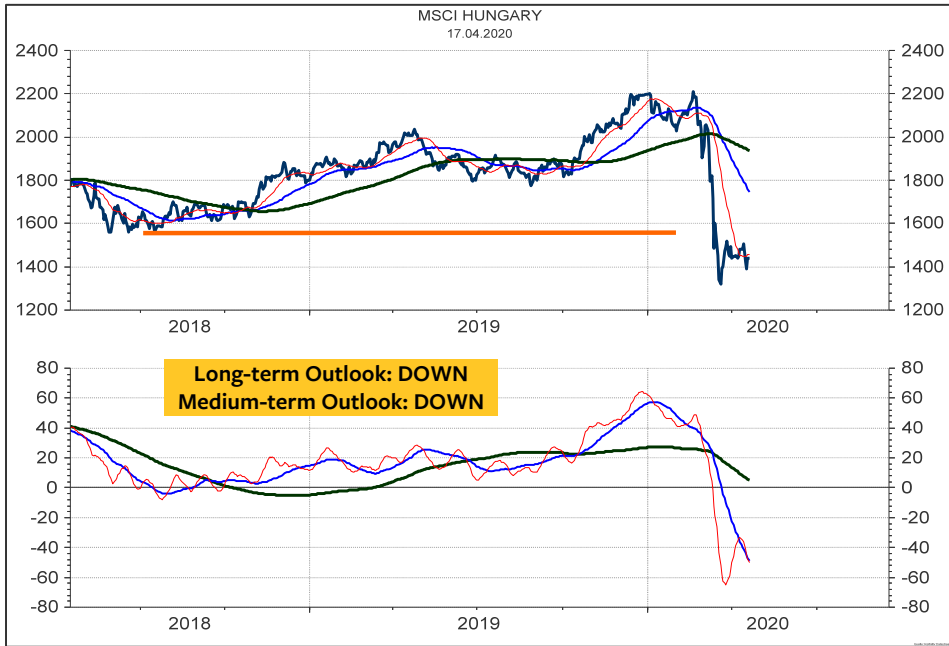
MSCI NORWAY relative to the MSCI AC World



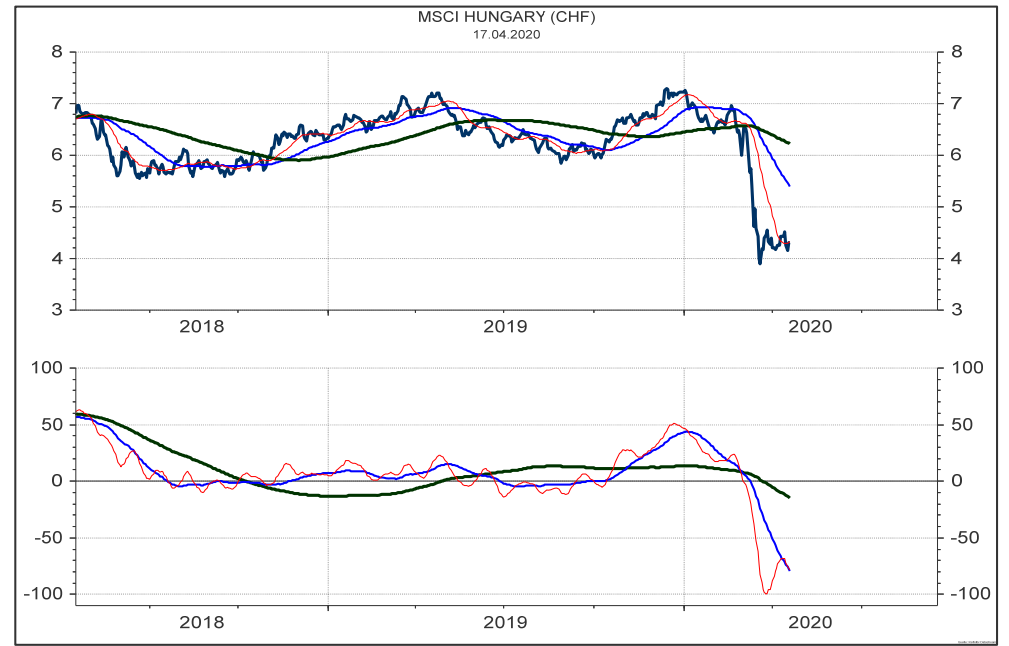
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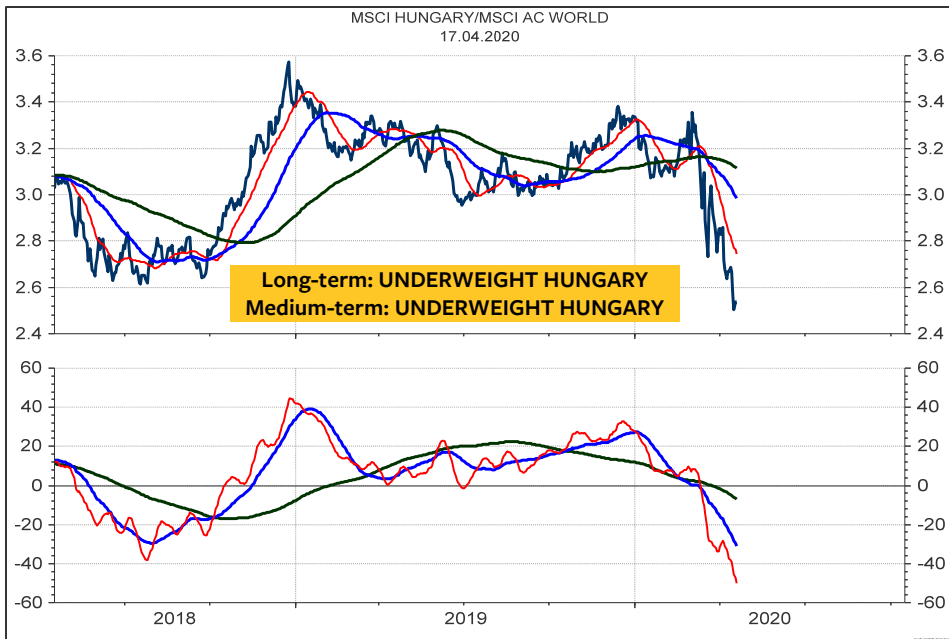
MSCI HUNGARY in Forint



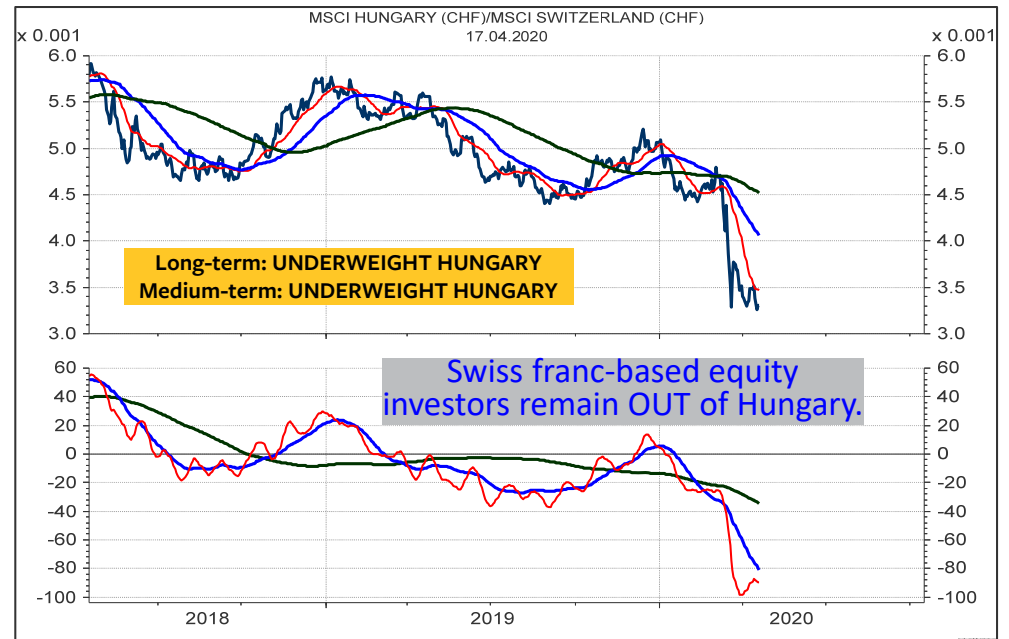
MSCI HUNGARY in Swiss franc



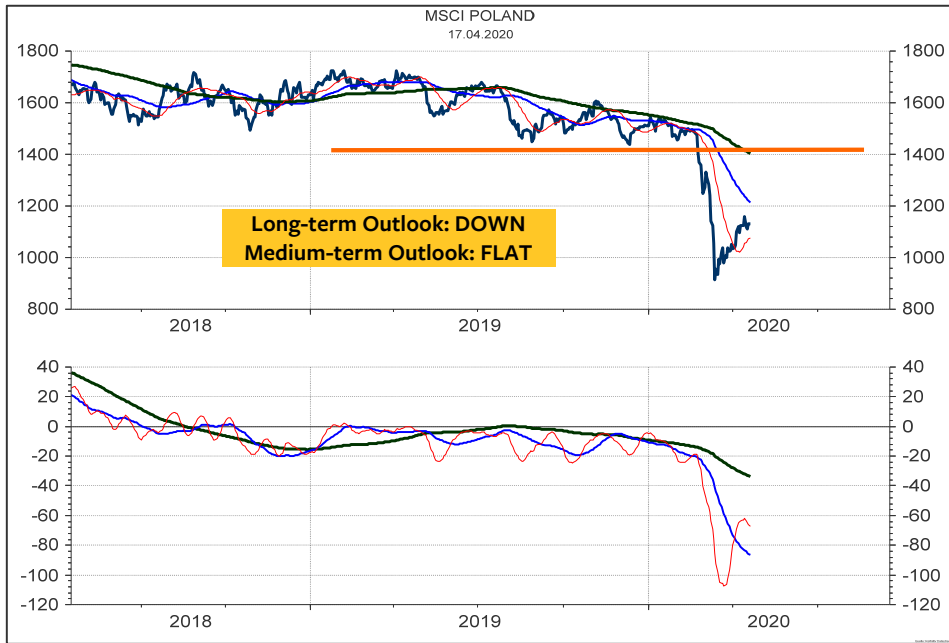
MSCI HUNGARY relative to the MSCI AC World



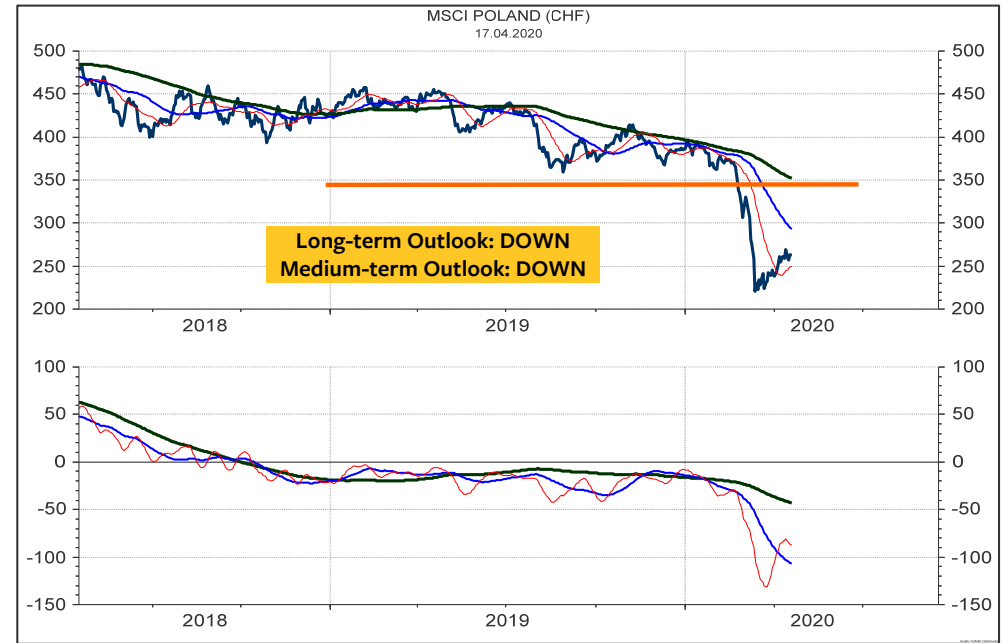
MSCI HUNGARY in CHF relative to MSCI Switzerland



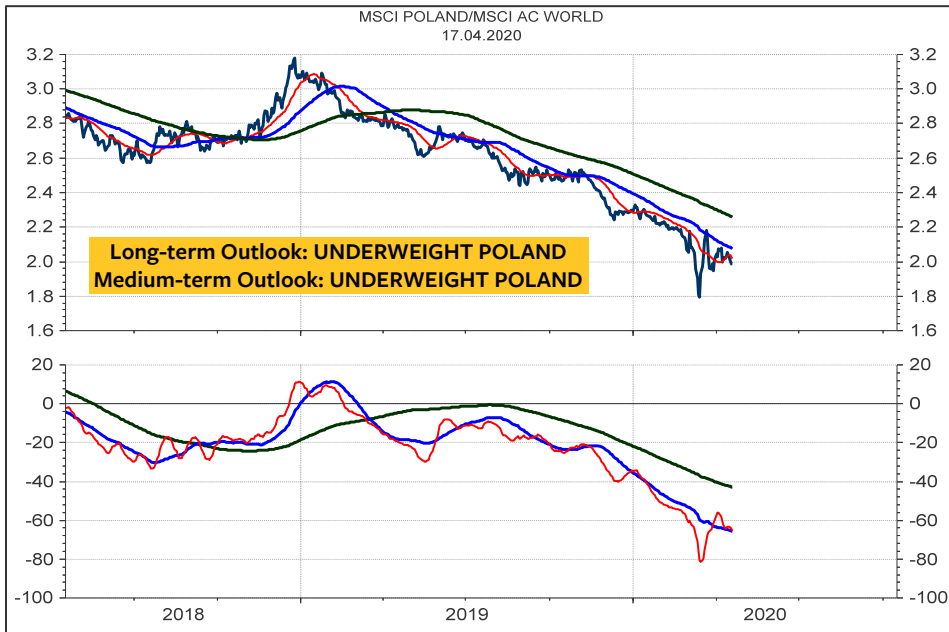
MSCI POLAND in Euro



MSCI POLAND in Swiss franc



MSCI POLAND relative to the MSCI AC World



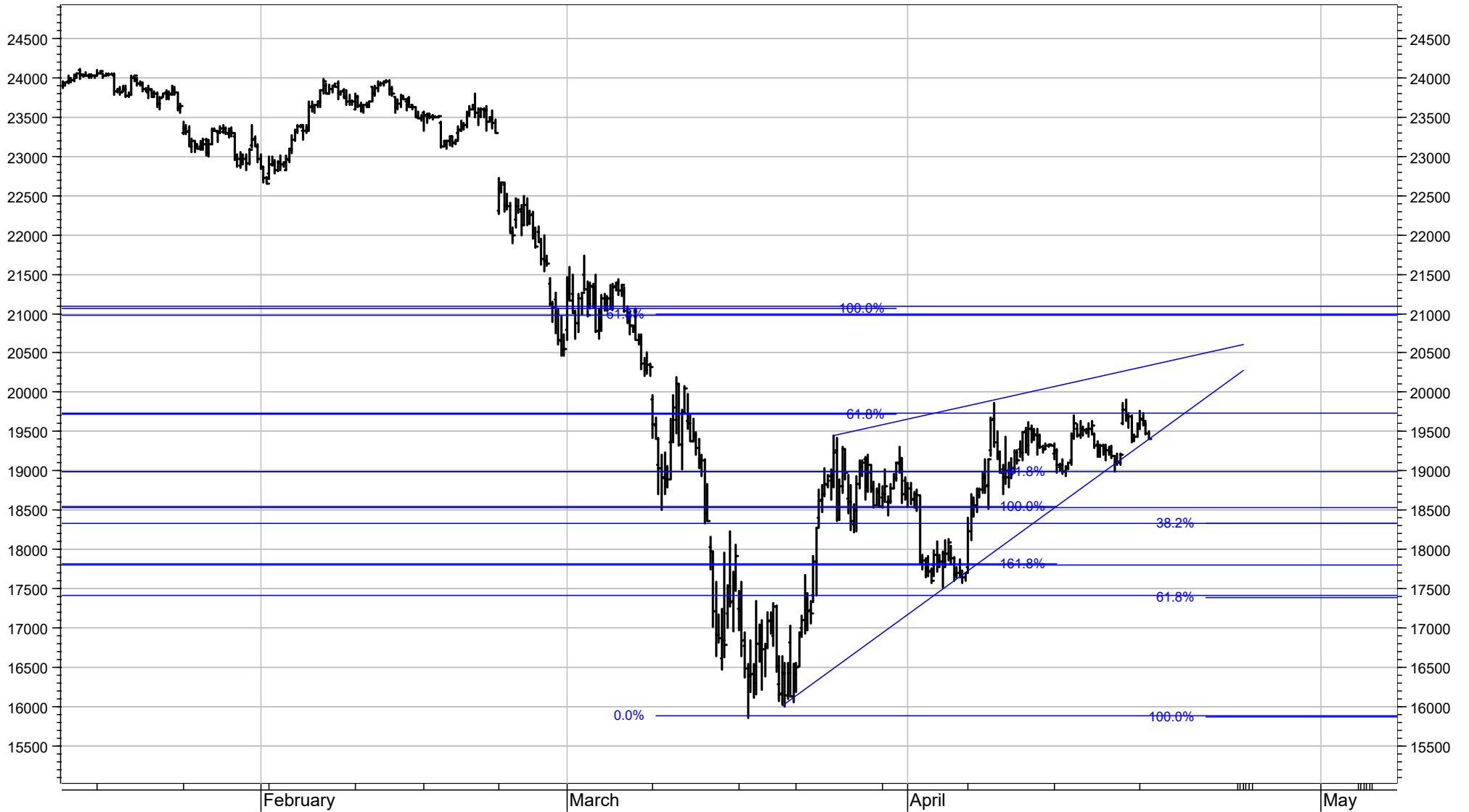
MSCI POLAND in CHF relative to MSCI Switzerland



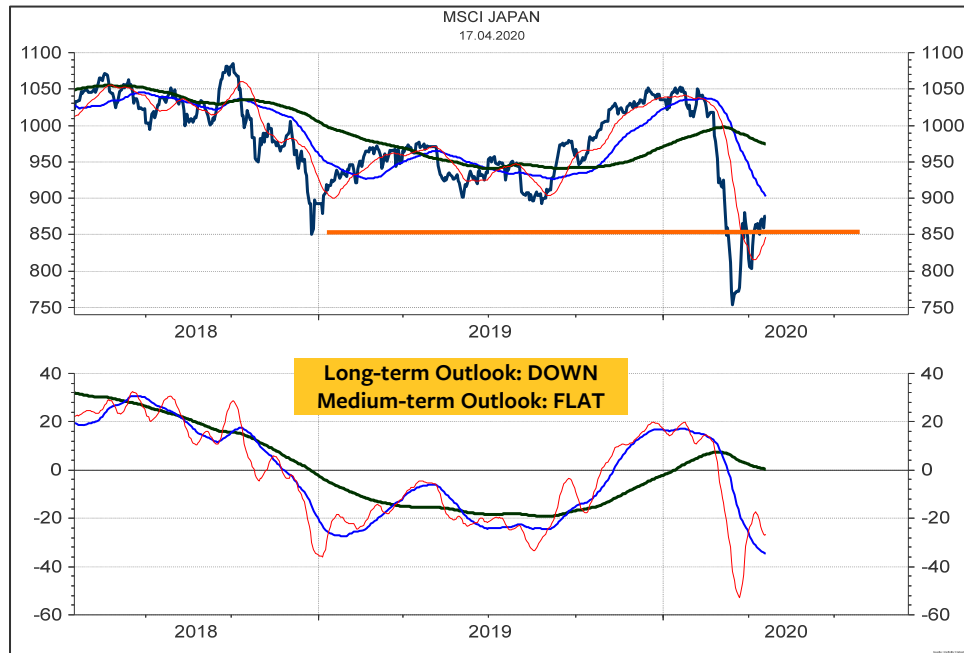
Japanese Nikkei 225 Index – 240-minute chart

The rebound in the Nikkei has reached the resistance at 19900.
A break of 20000 is required for the Index to signal 21000.
The support levels to sell are 19000, 18500/18300, 17800, 17300 and 15800.

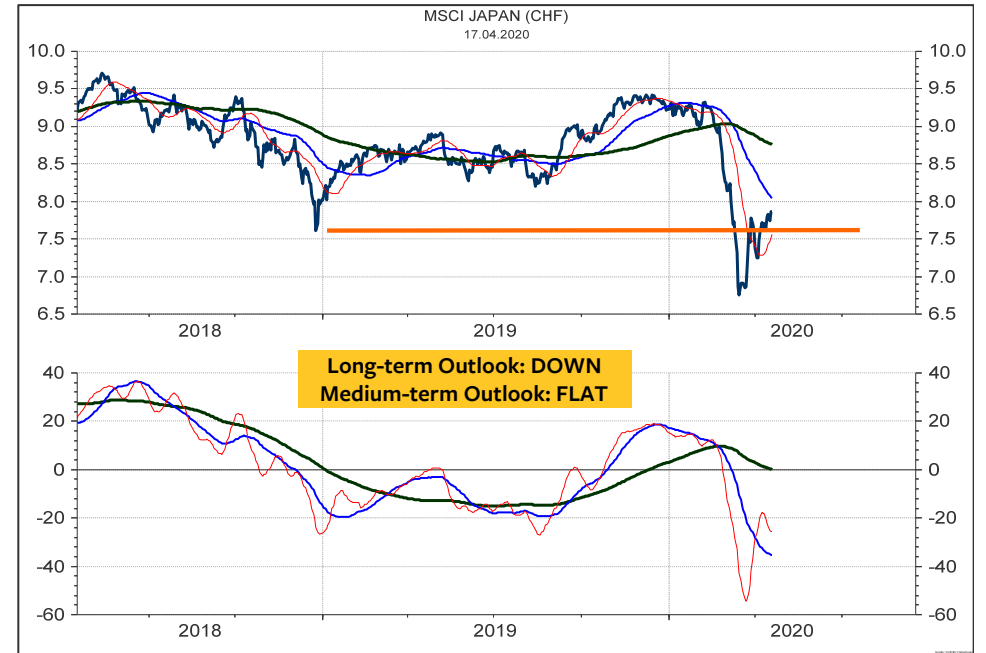
Long-term Outlook: DOWN
Medium-term Outlook: FLAT
Medium-term DOWN if 18500 and 17300 is broken.



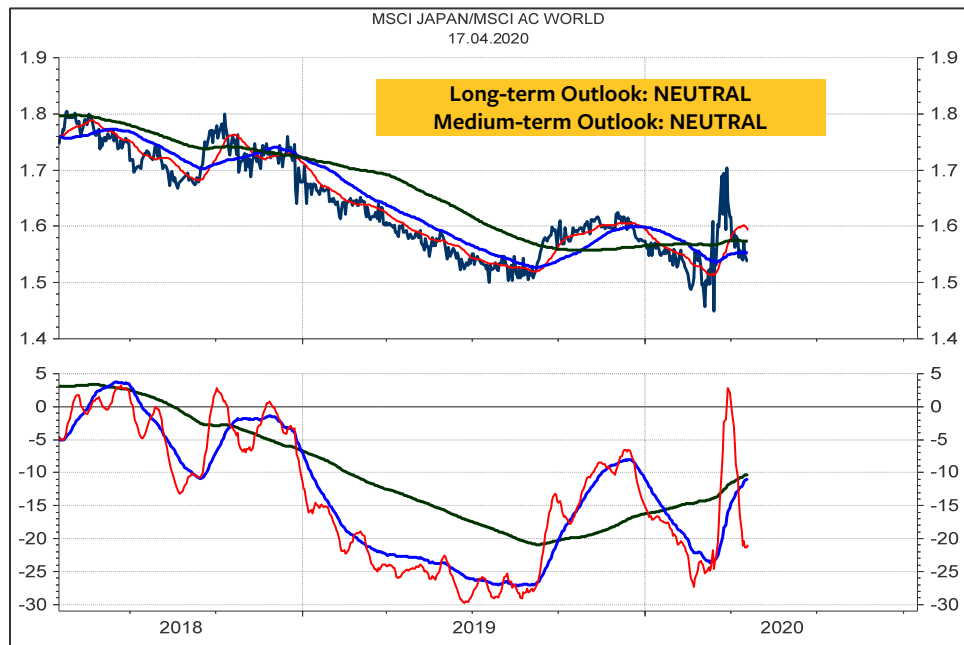
MSCI JAPAN in Yen



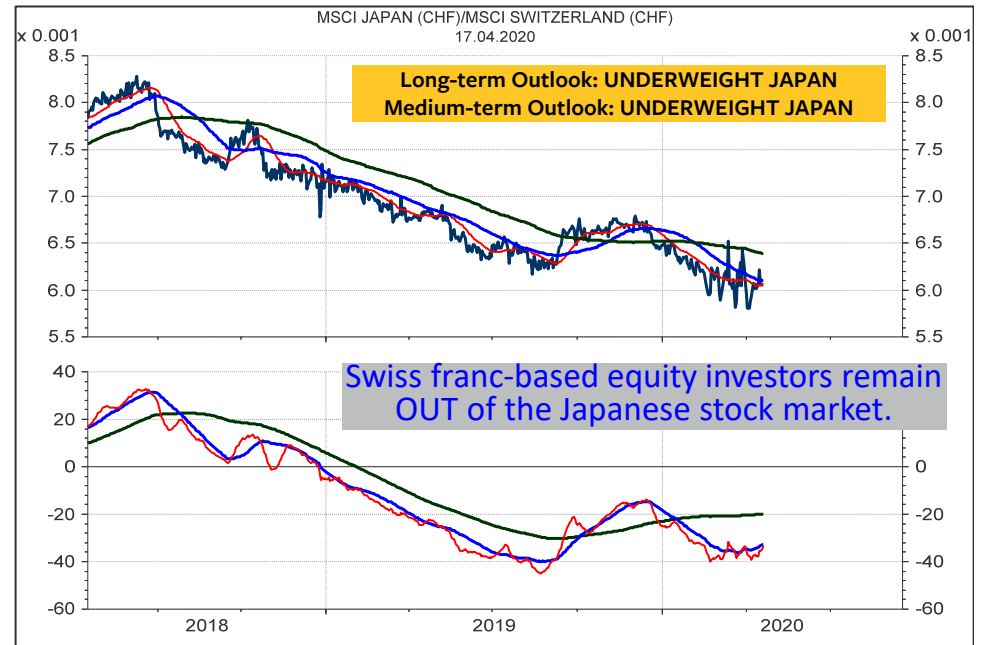
MSCI JAPAN in Swiss franc



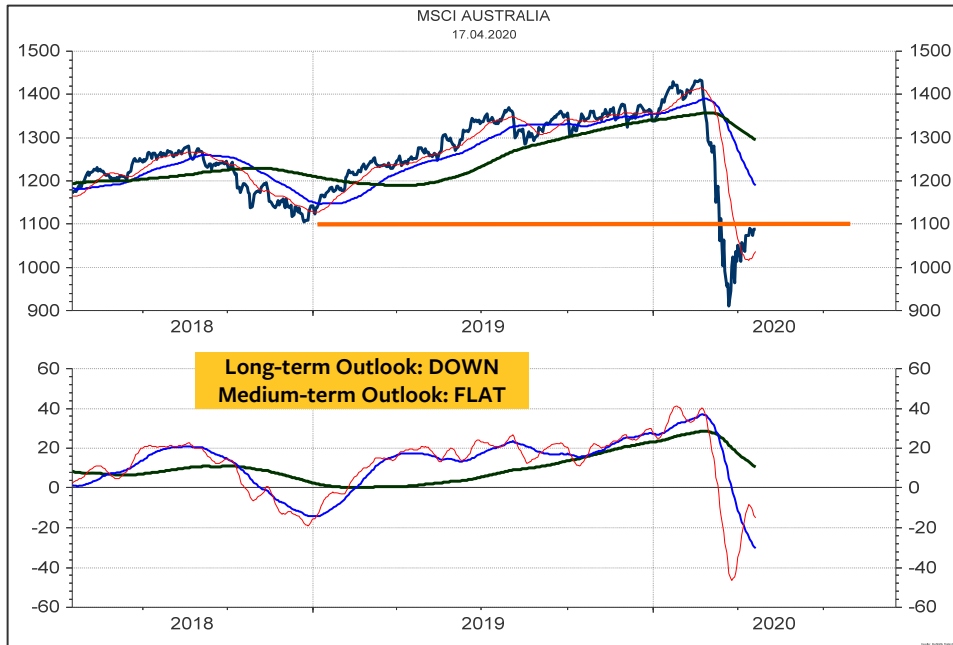
MSCI JAPAN relative to the MSCI AC World



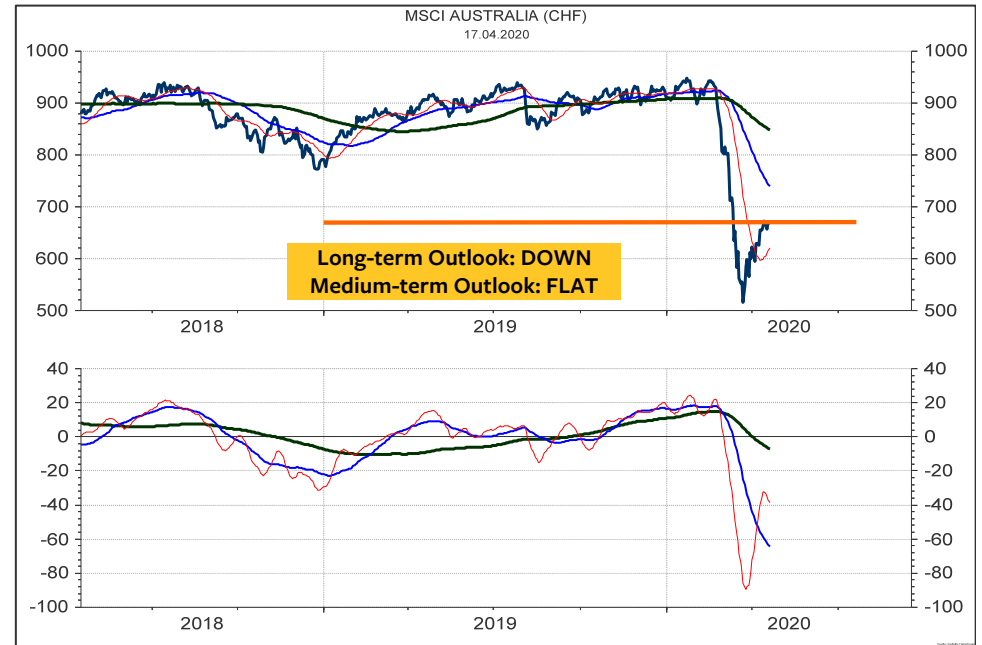
MSCI JAPAN in CHF relative to MSCI Switzerland



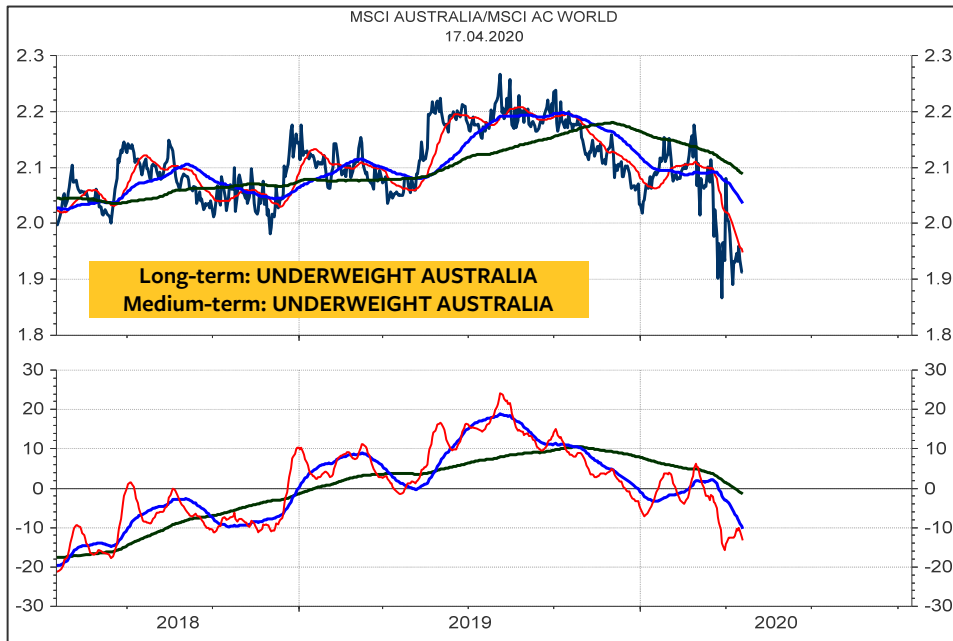
MSCI AUSTRALIA in Australian dollar



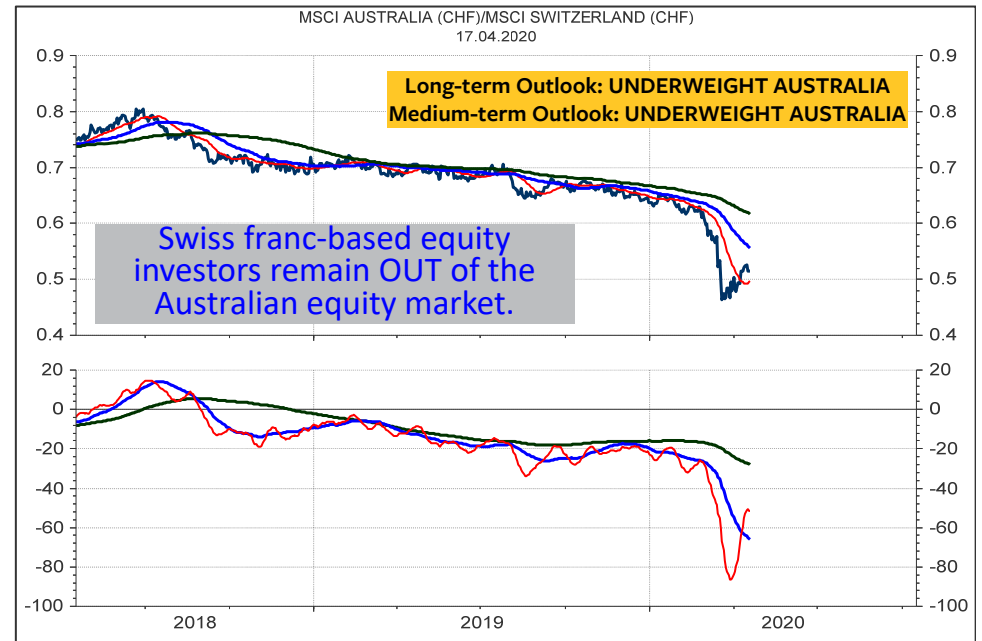
MSCI AUSTRALIA in Swiss franc



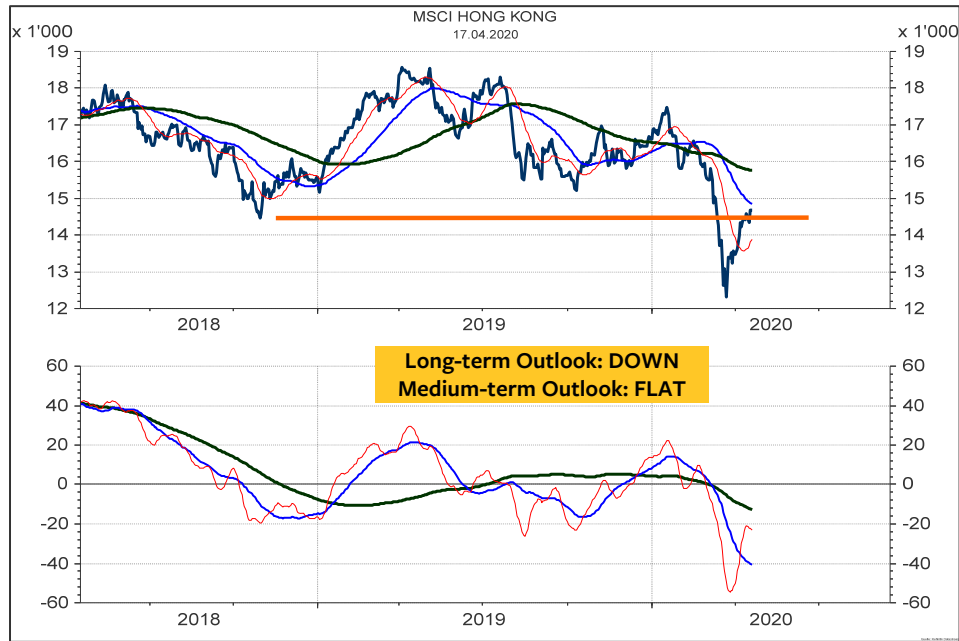
MSCI AUSTRALIA relative to the MSCI AC World



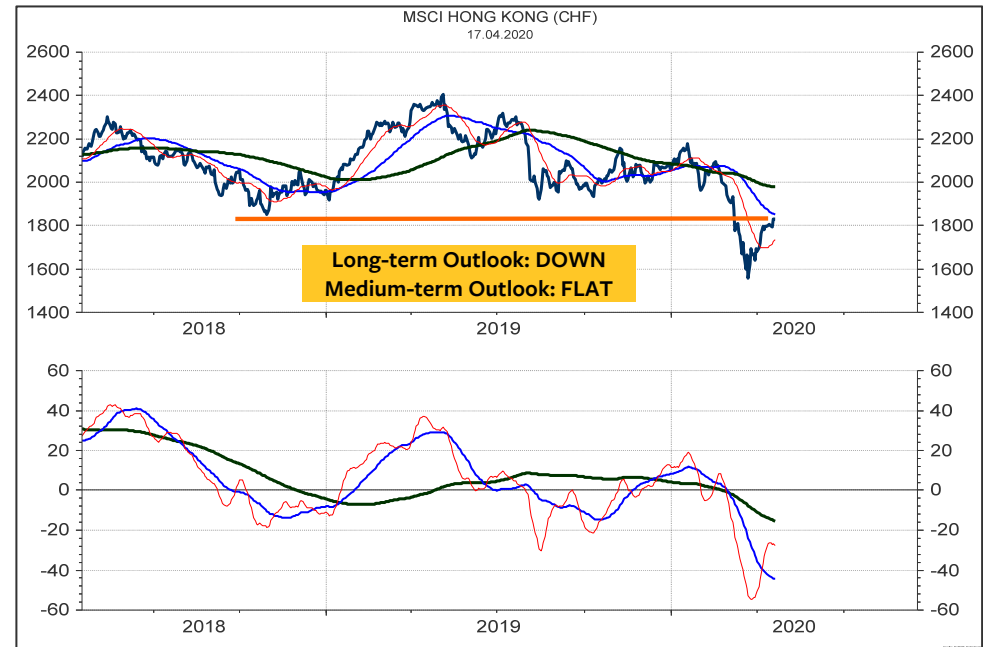
MSCI AUSTRALIA in CHF relative to MSCI Switzerland



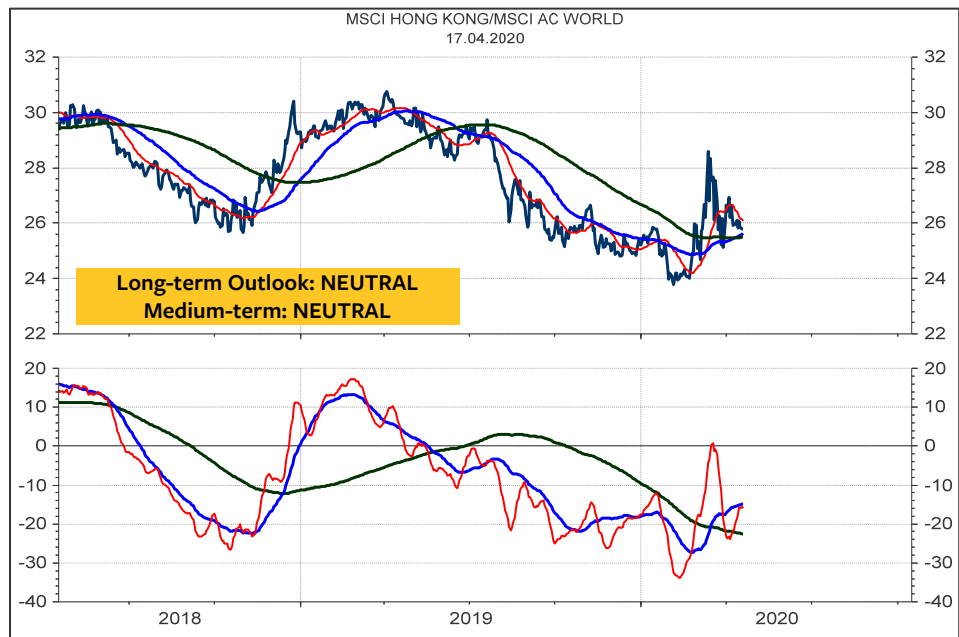
MSCI HONG KONG in Hong Kong dollar



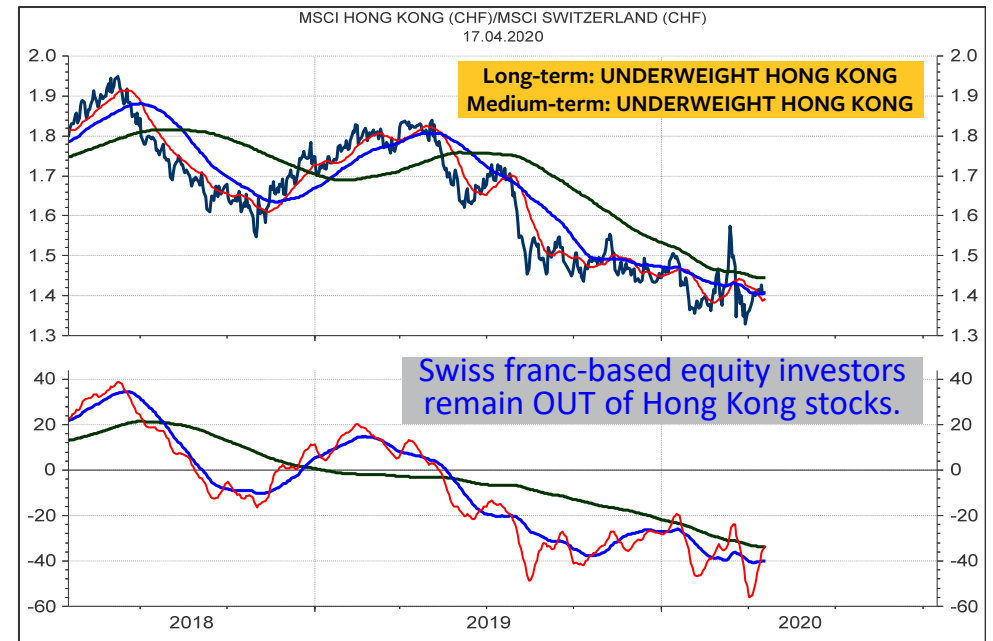
MSCI HONG KONG in Swiss franc



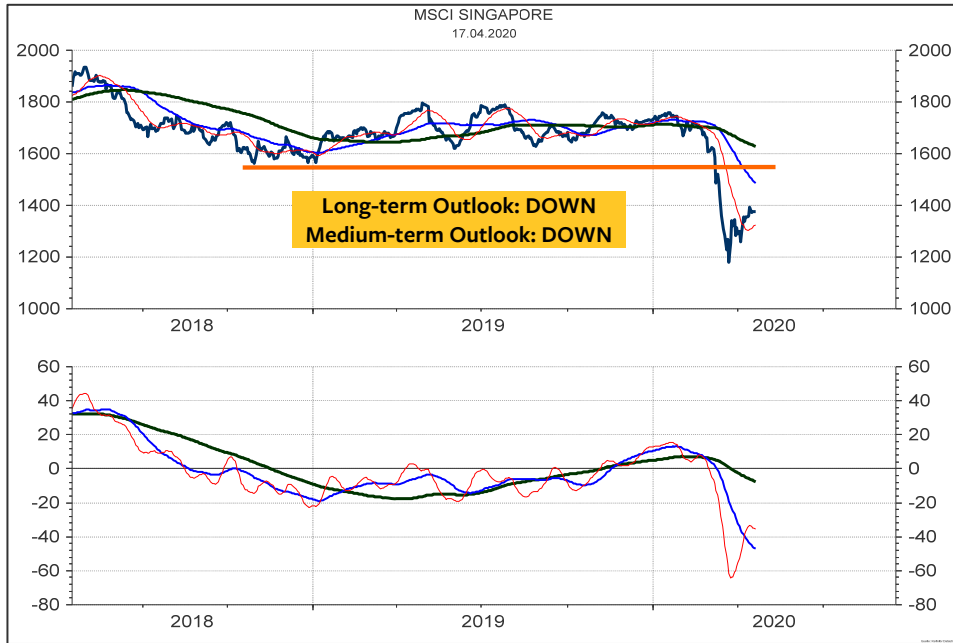
MSCI HONG KONG relative to the MSCI AC World



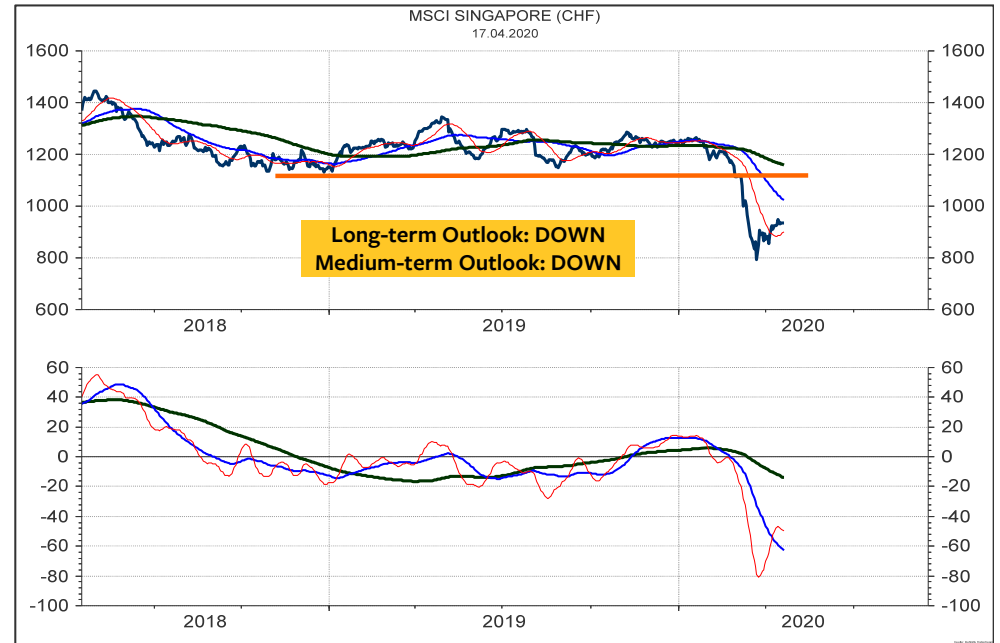
MSCI HONG KONG in CHF relative to MSCI Switzerland



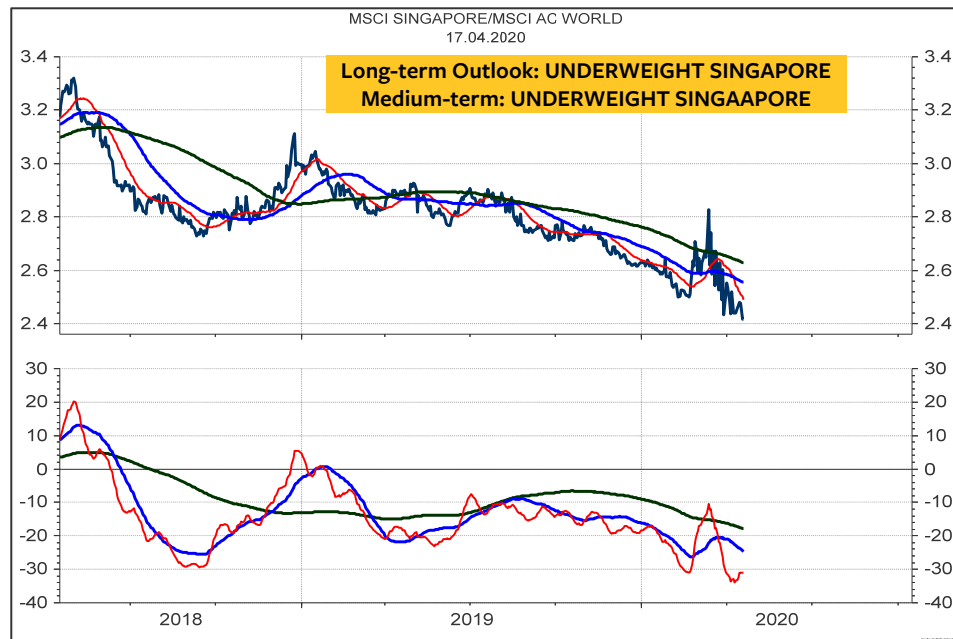
MSCI SINGAPORE in Singapore dollar



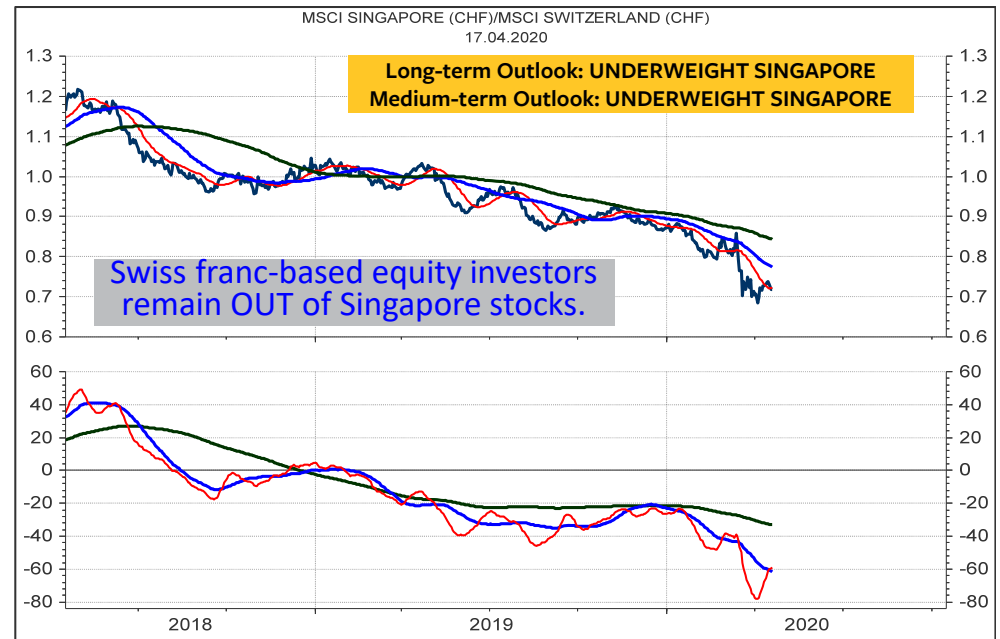
MSCI SINGAPORE in Swiss franc



MSCI SINGAPORE relative to the MSCI AC World

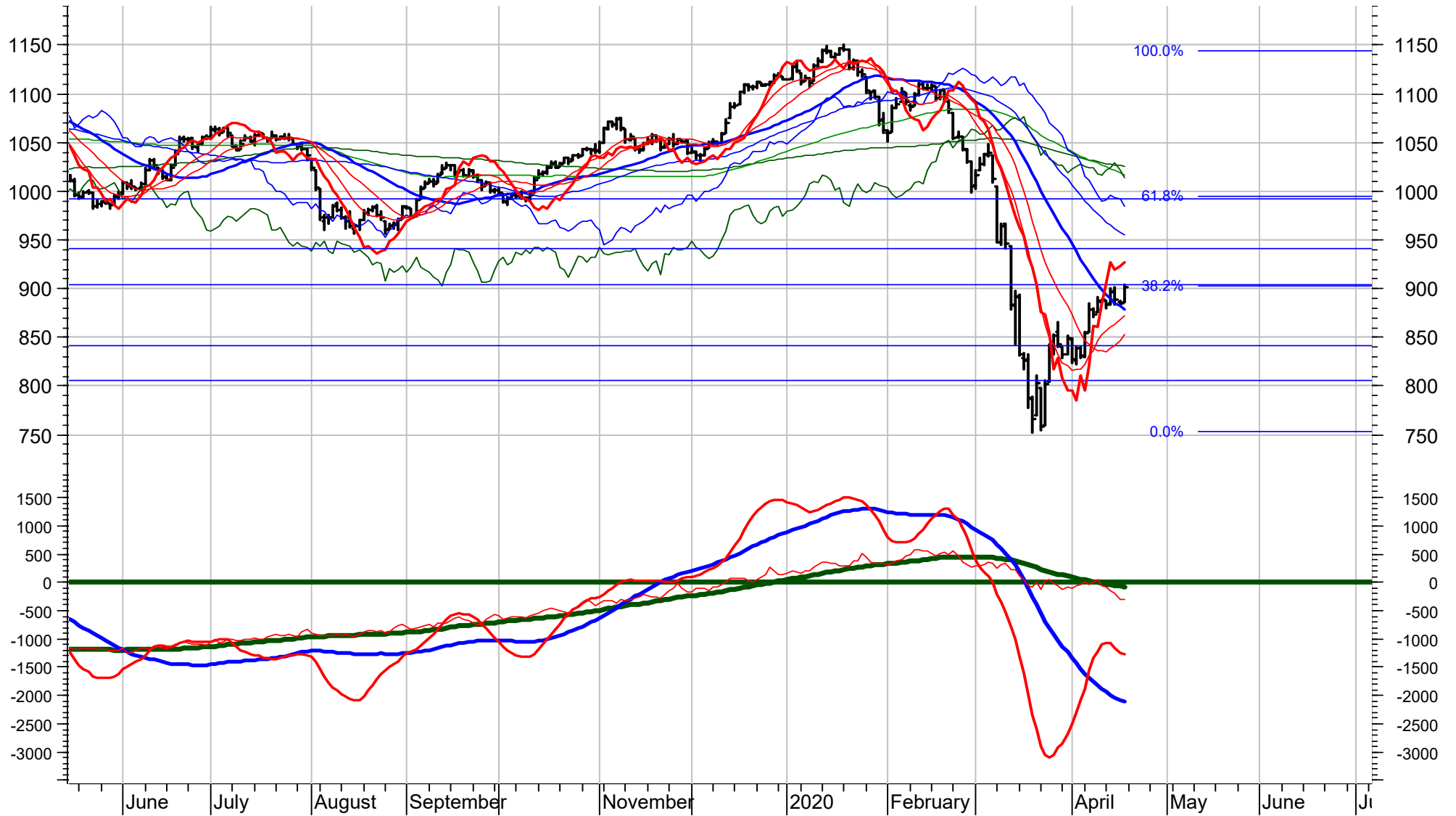


MSCI SINGAPORE in CHF relative to MSCI Switzerland

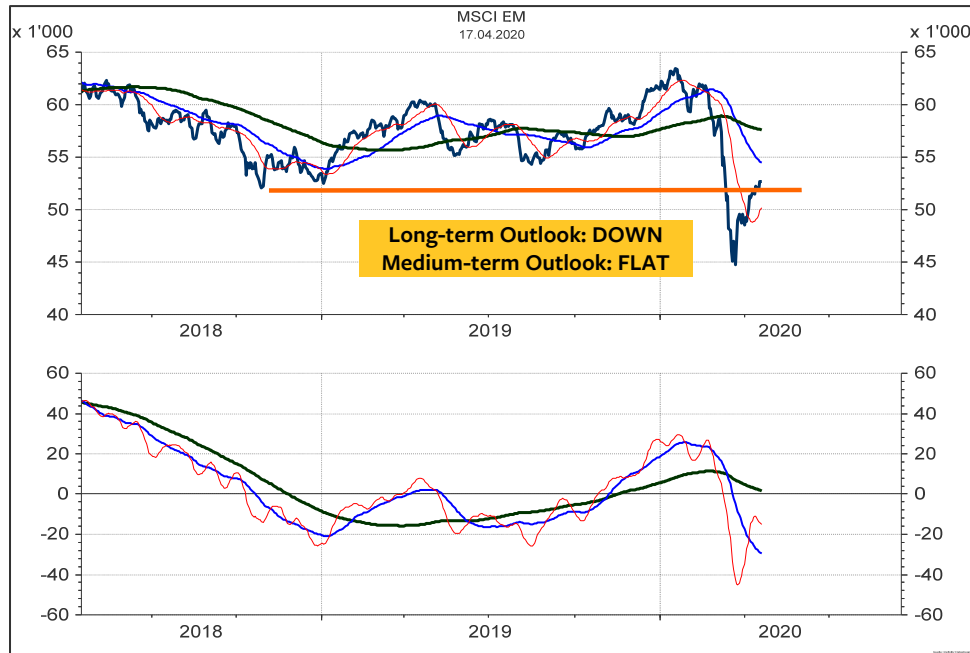


MSCI Emerging Market Index – daily chart

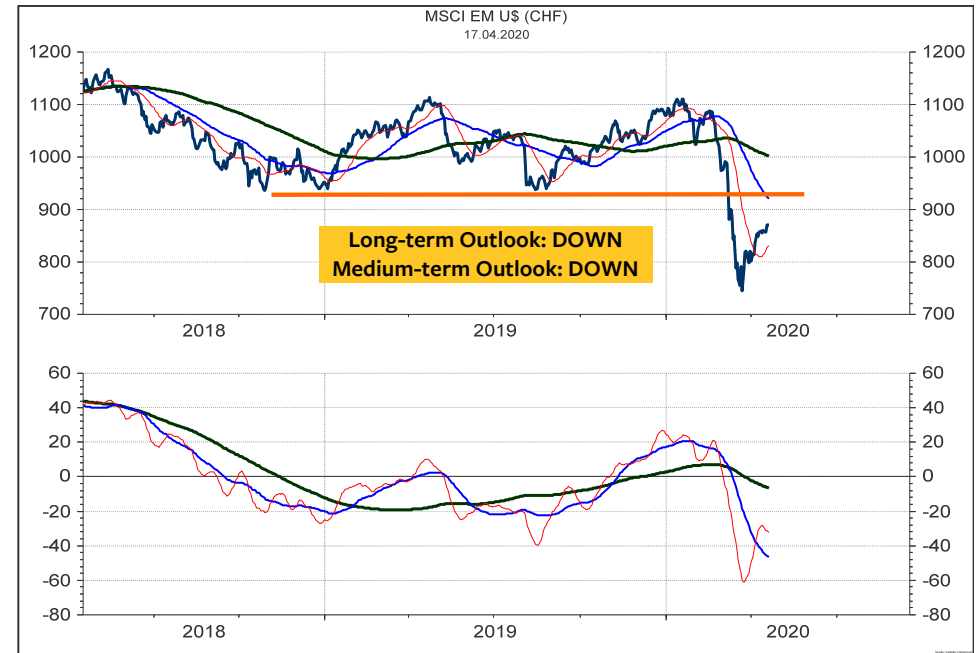
The EM Index has recovered to test the 38.20% retracement to the February and March decline at 910.
A break above 910 would signal 940 or 990.
Supports to sell are 840 and 800.



MSCI EMERGING MARKETS in local currencies



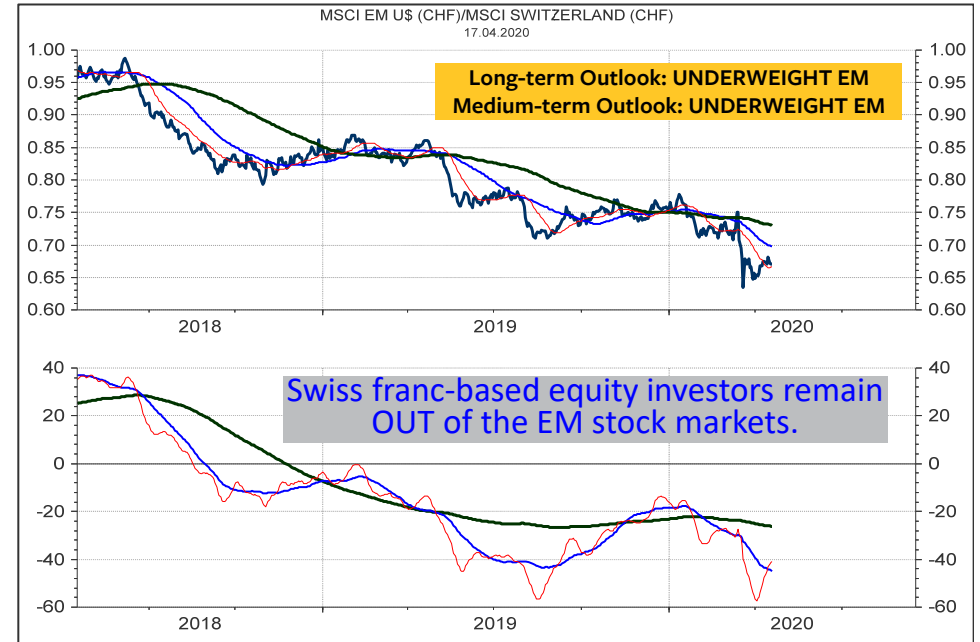
MSCI EMERGING MARKETS in Swiss franc



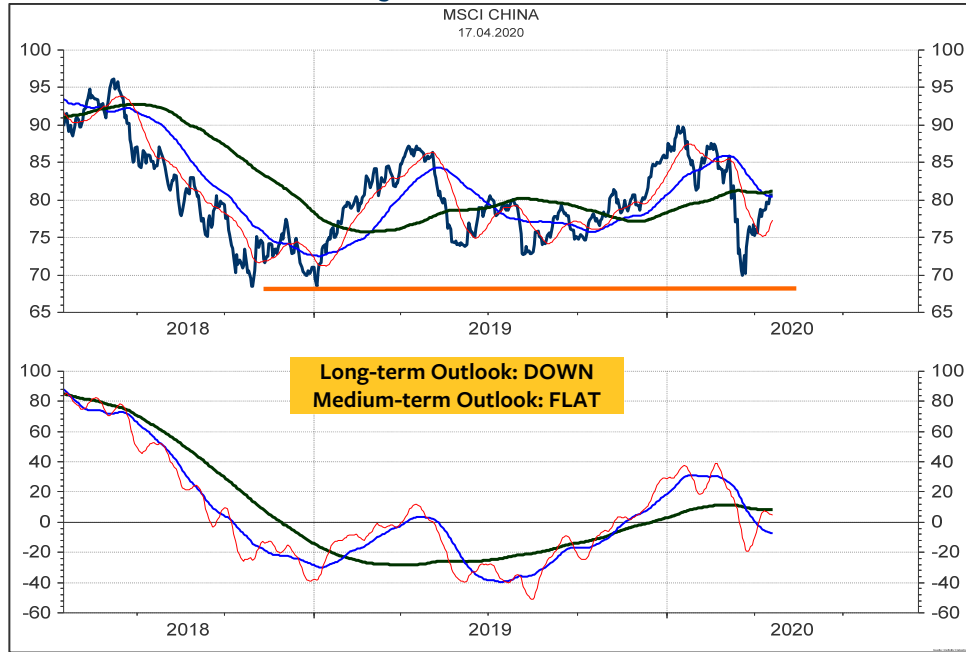
MSCI EMERGING MARKETS relative to the MSCI AC World



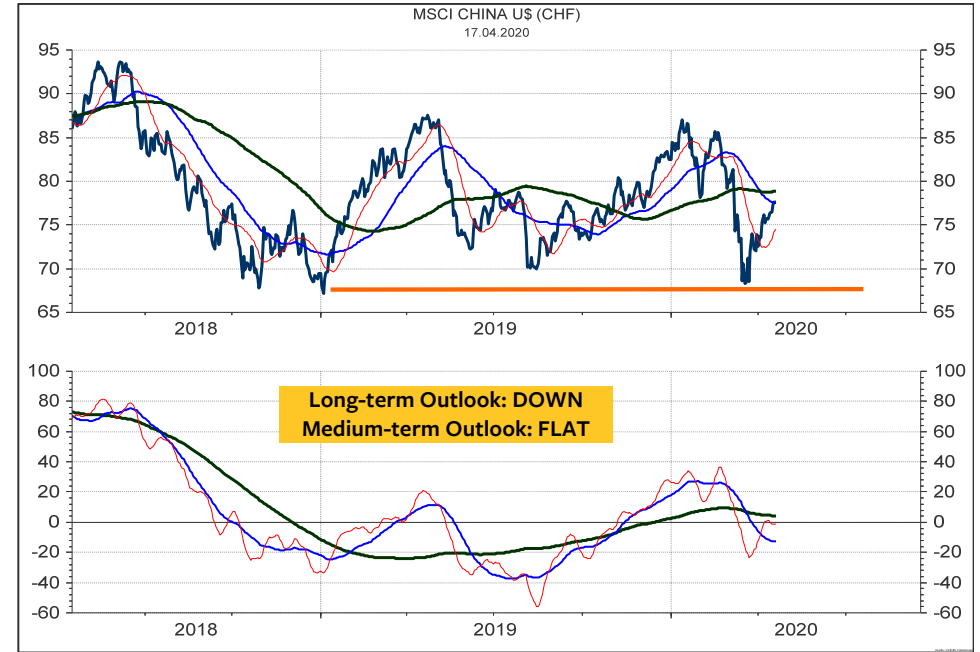
MSCI EMERGING MARKETS in CHF relative to MSCI Switzerland



MSCI CHINA in Chinese yuan



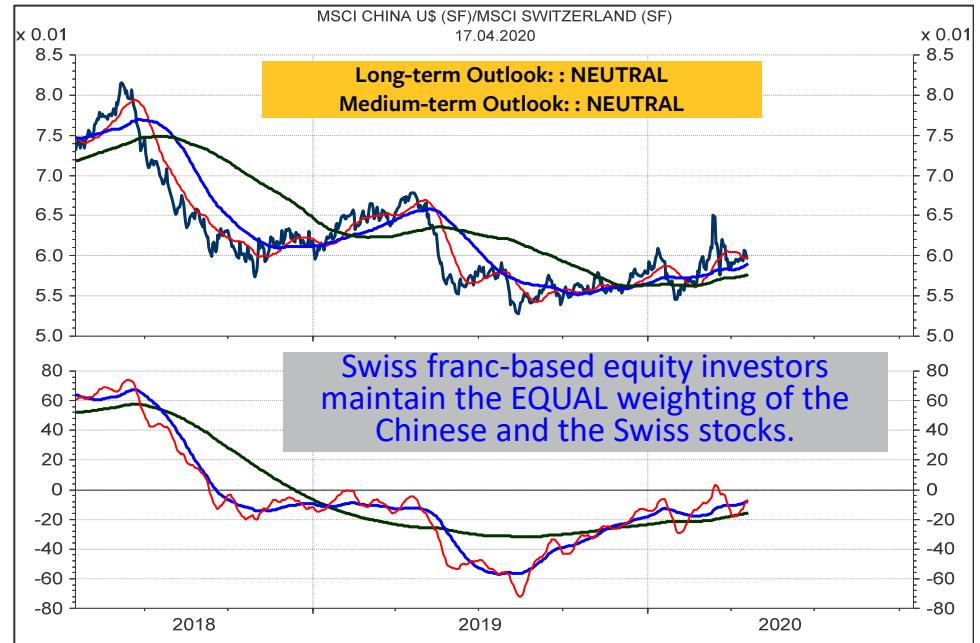
MSCI CHINA in Swiss franc



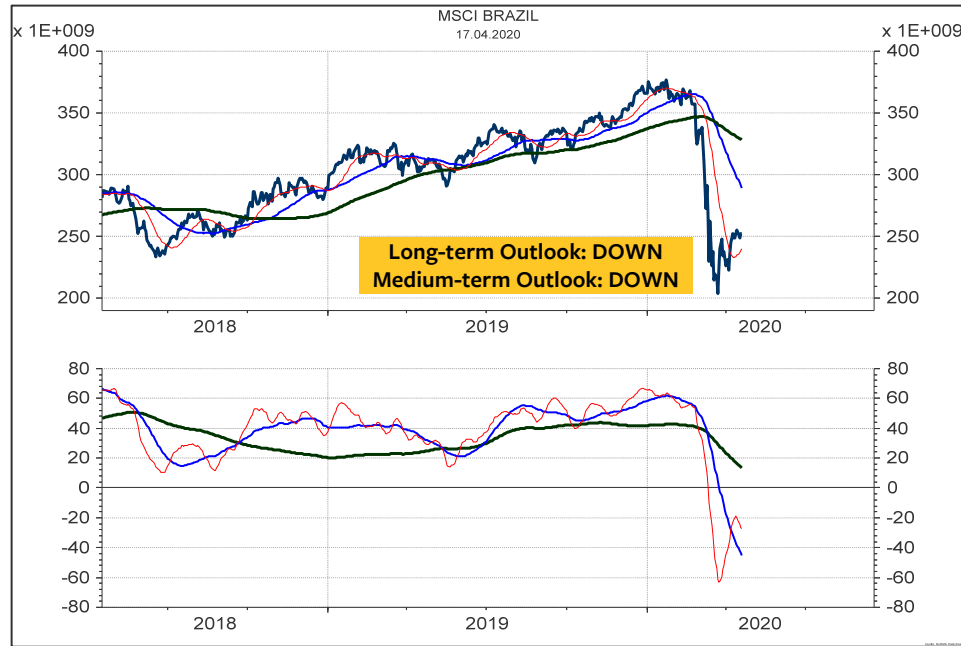
MSCI CHINA relative to the MSCI AC World



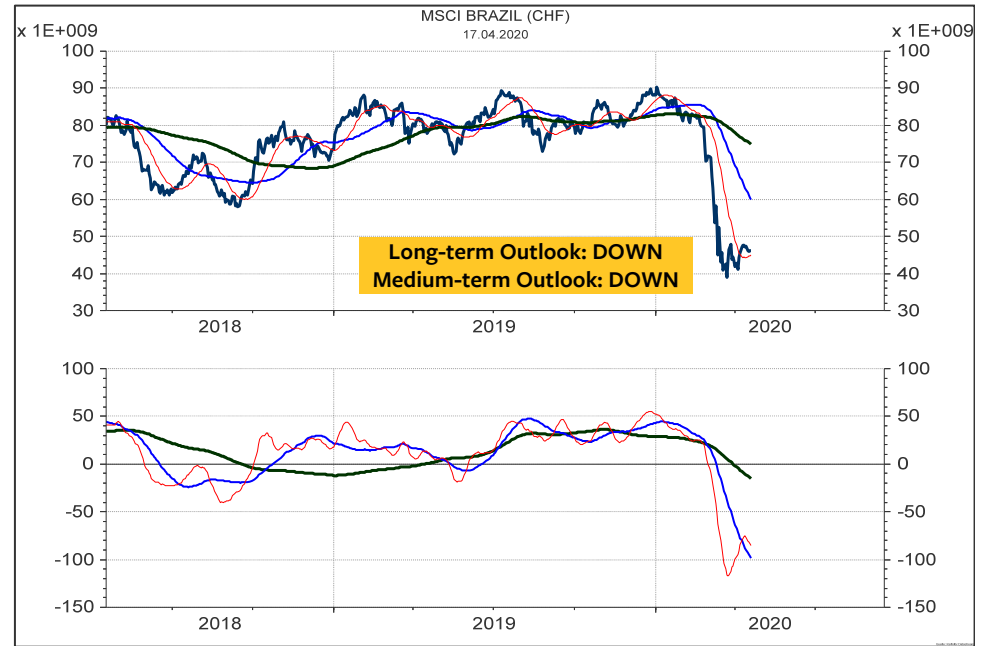
MSCI CHINA in CHF relative to MSCI Switzerland



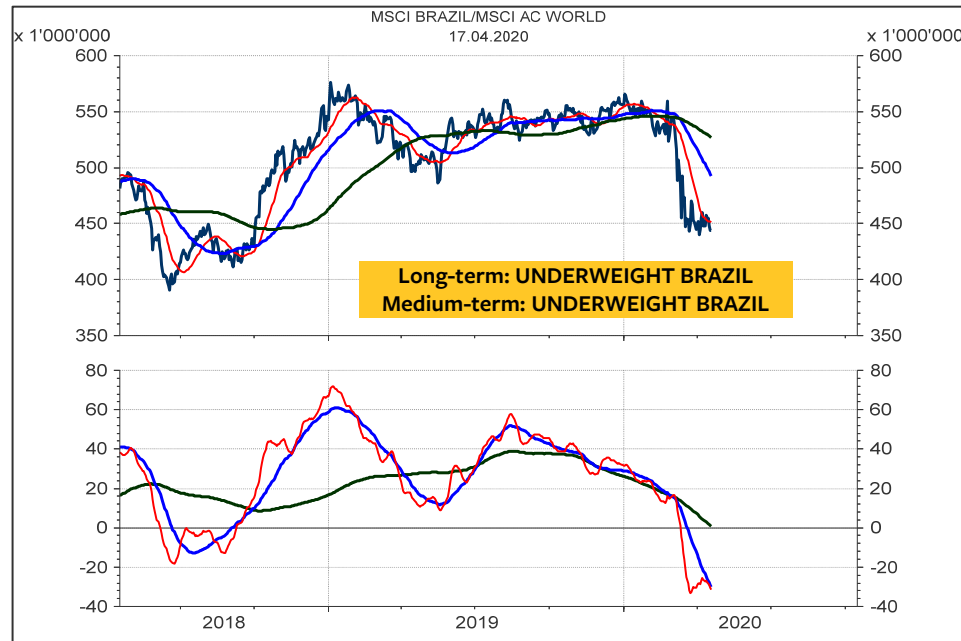
MSCI BRAZIL in Brazil real



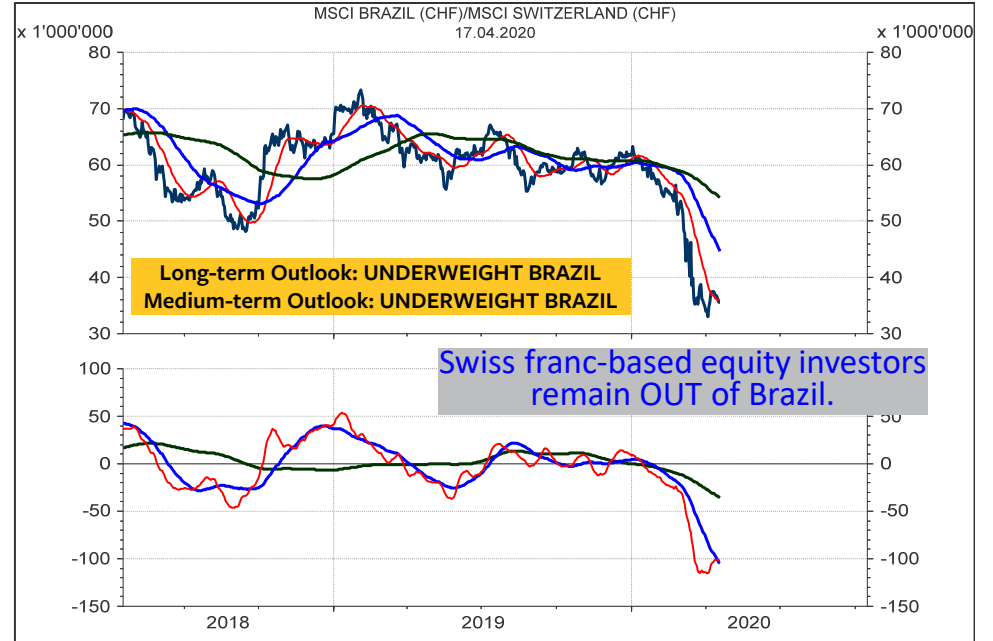
MSCI BRAZIL in Swiss franc



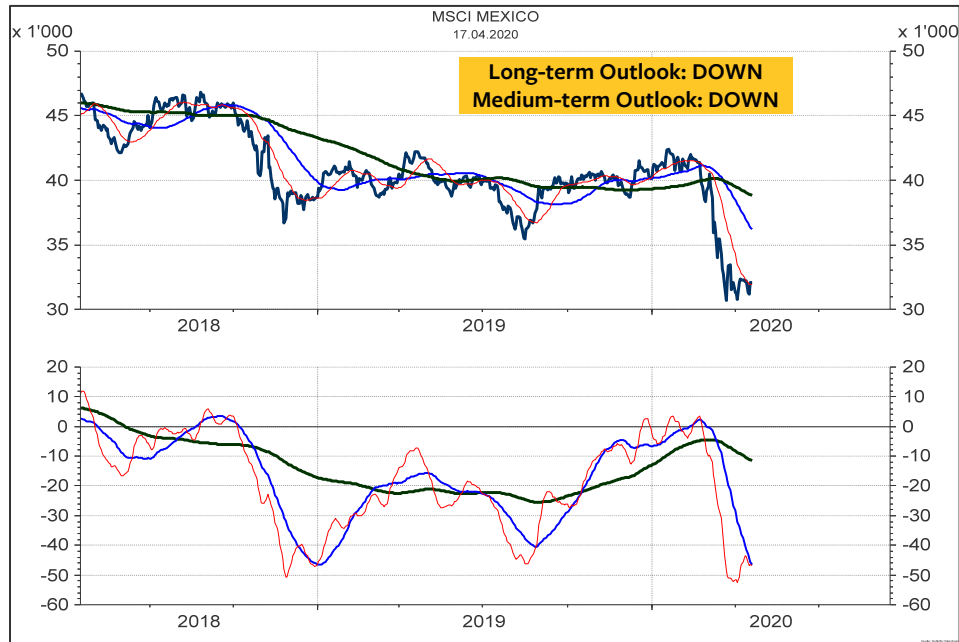
MSCI BRAZIL relative to the MSCI AC World



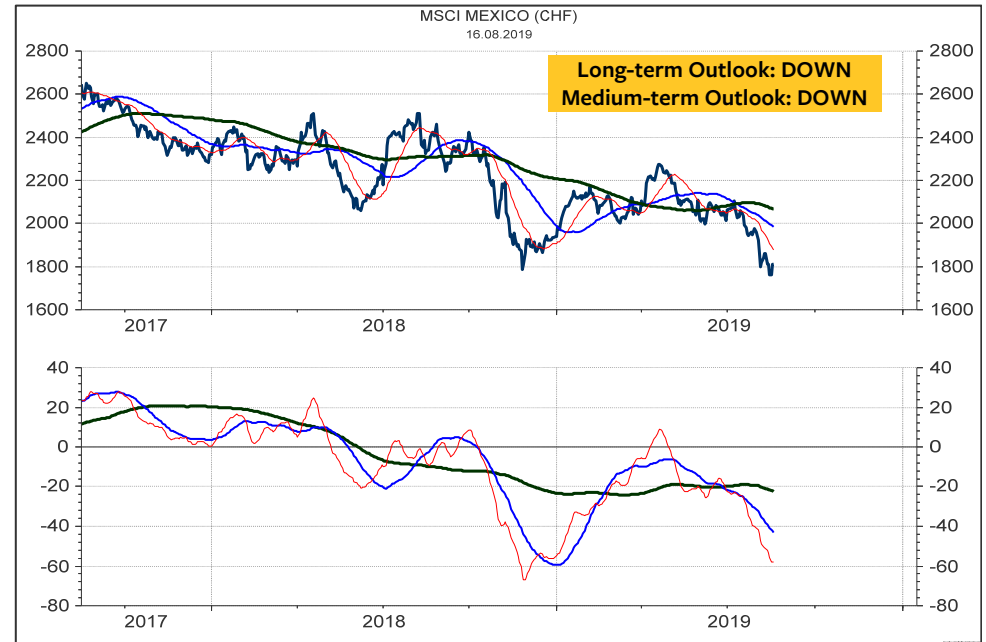
MSCI BRAZIL in CHF relative to MSCI Switzerland



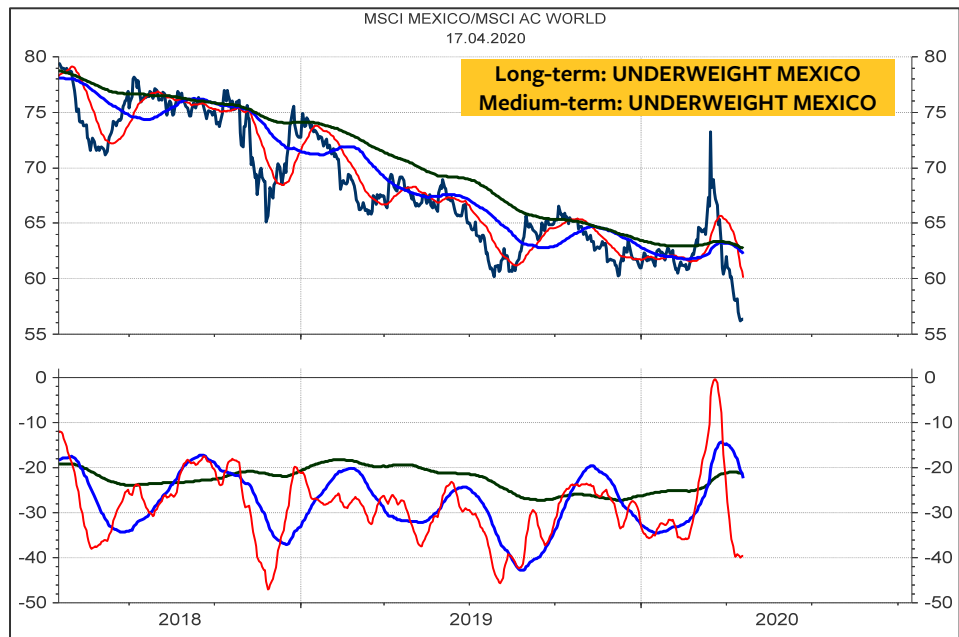
MSCI MEXICO in Mexican peso



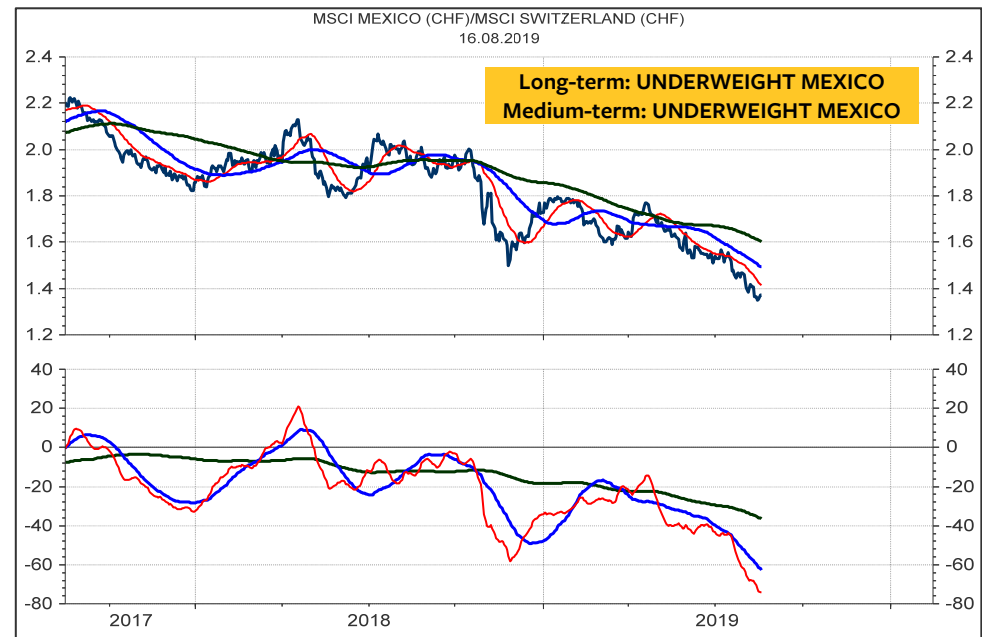
MSCI MEXICO in Swiss franc



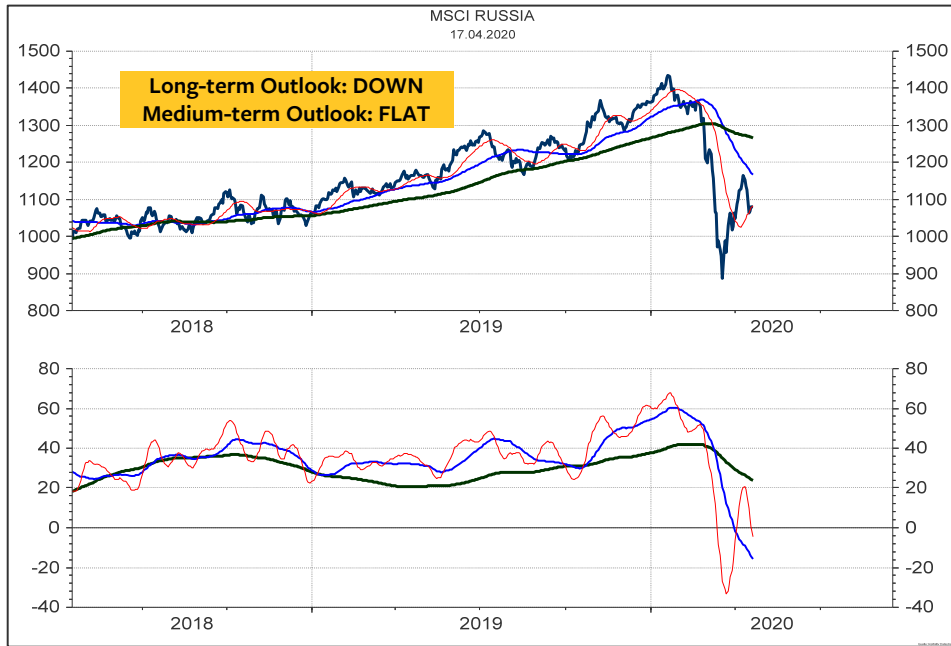
MSCI MEXICO relative to the MSCI AC World



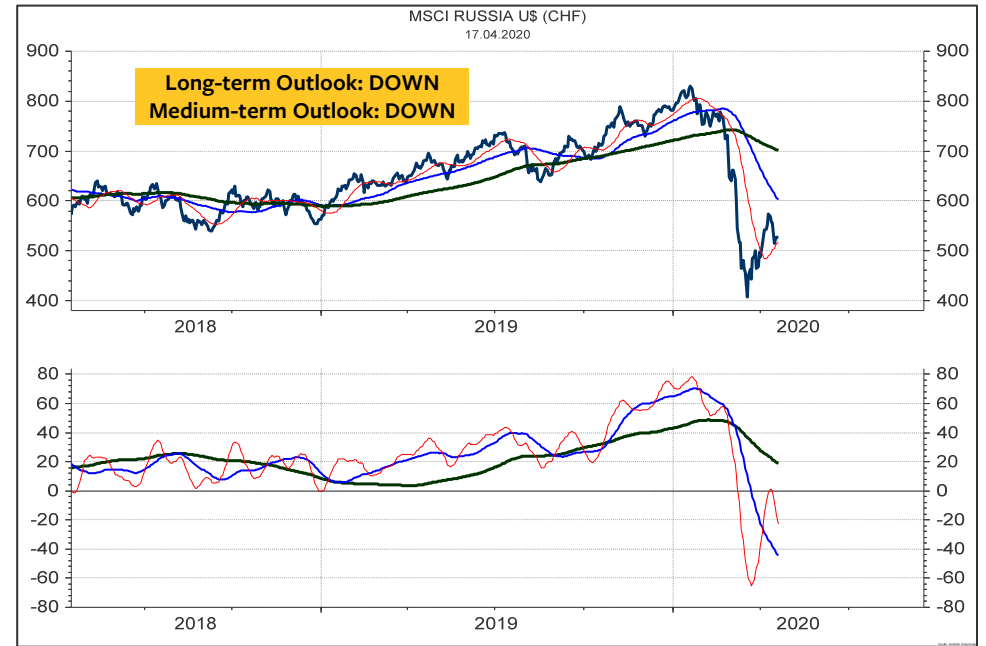
MSCI MEXICO in CHF relative to MSCI Switzerland



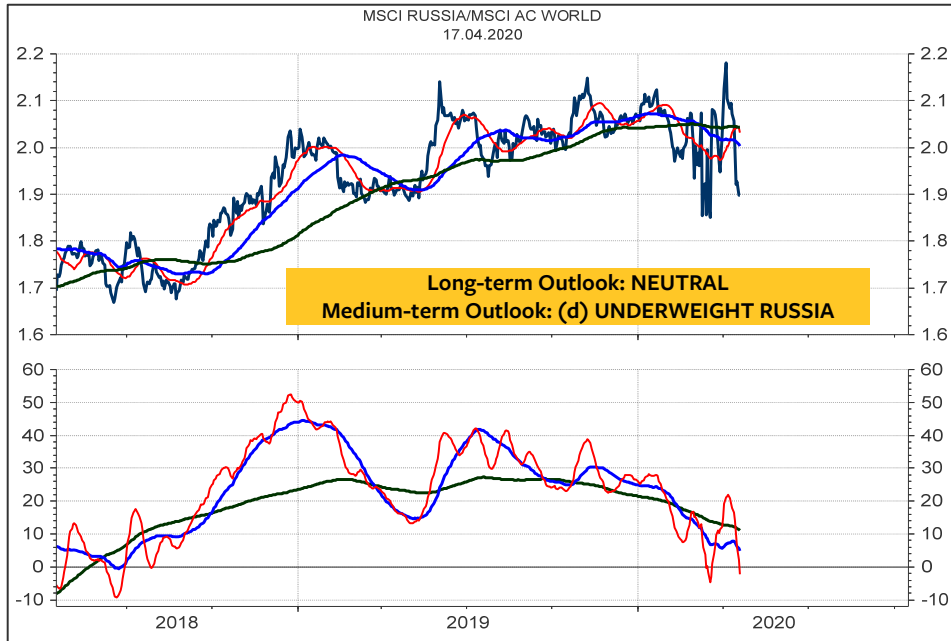
MSCI RUSSIA in Russian rouble



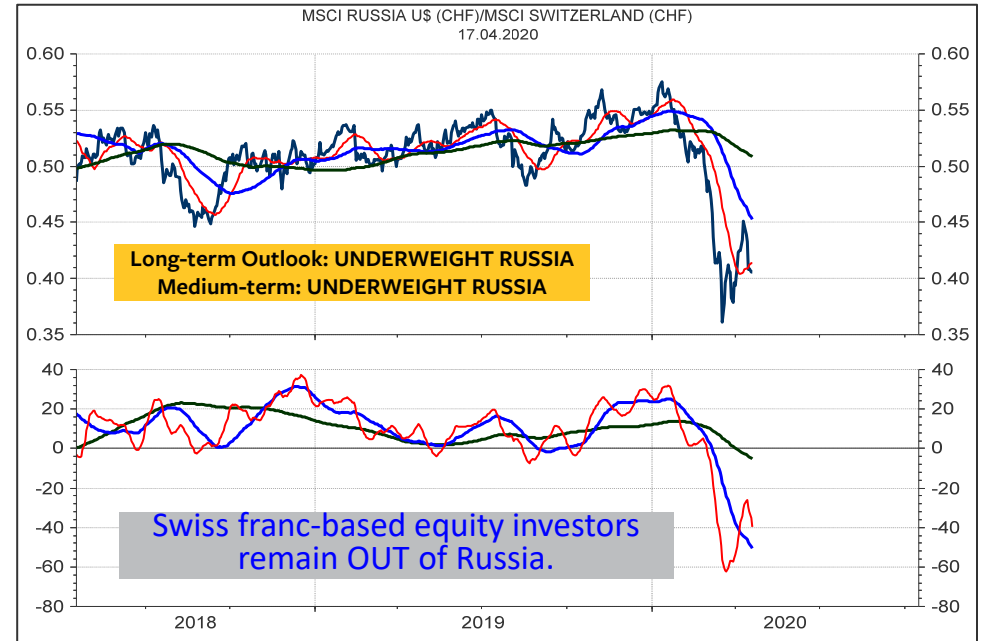
MSCI RUSSIA in Swiss franc



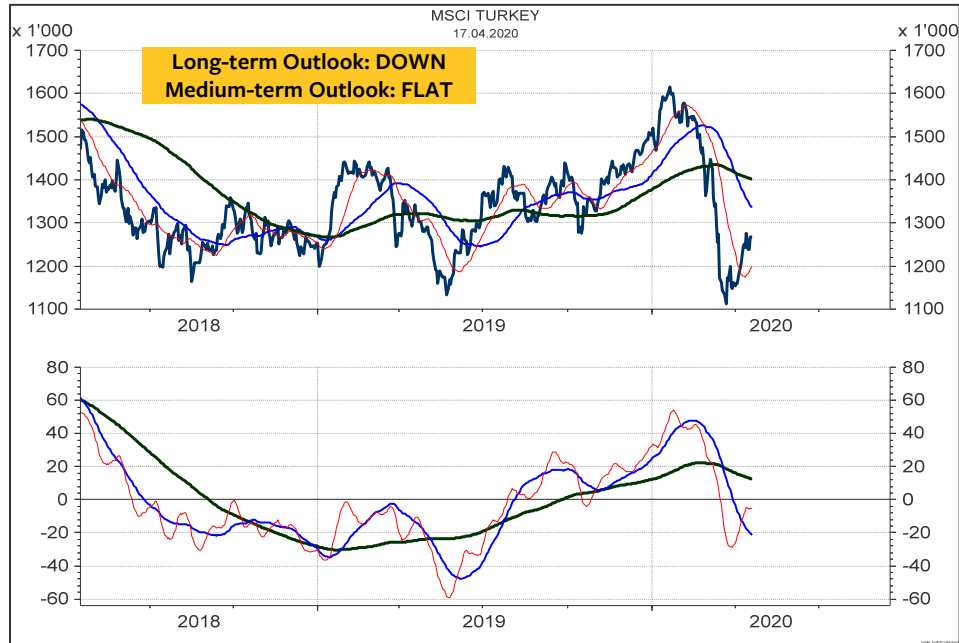
MSCI RUSSIA relative to the MSCI AC World



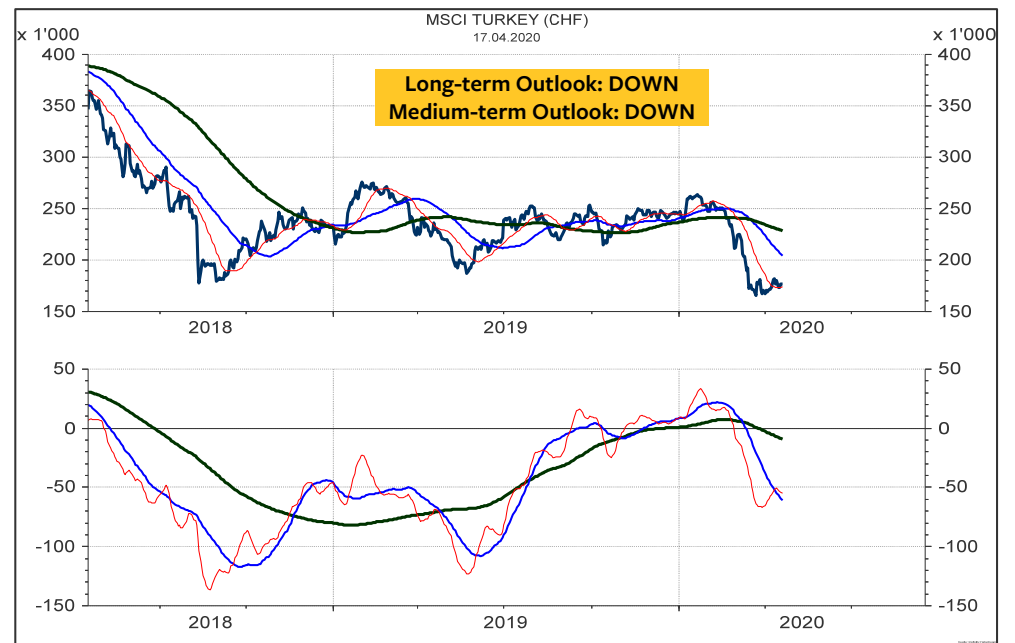
MSCI RUSSIA in CHF relative to MSCI Switzerland



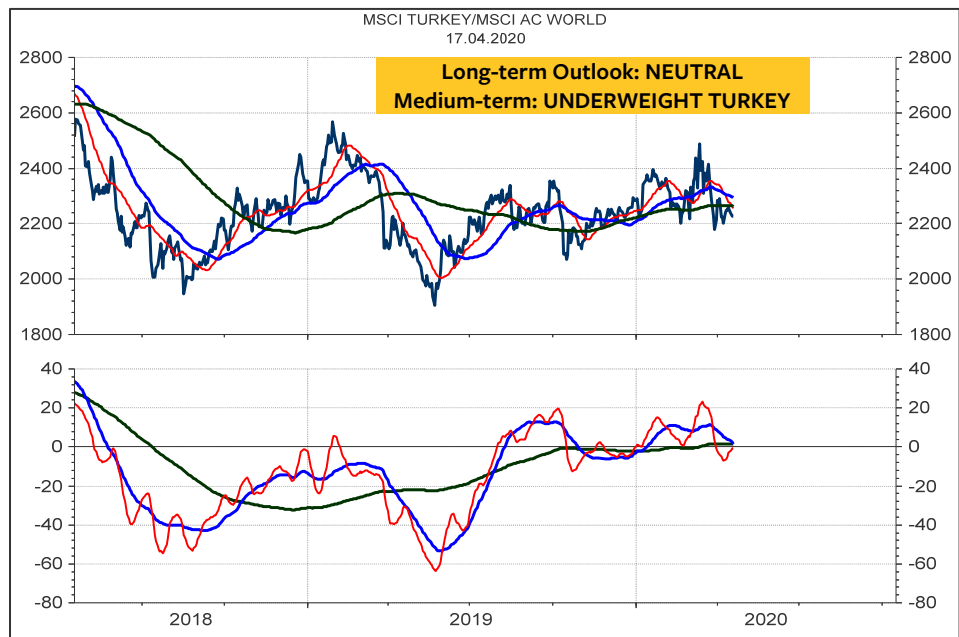
MSCI TURKEY in Turkish lira



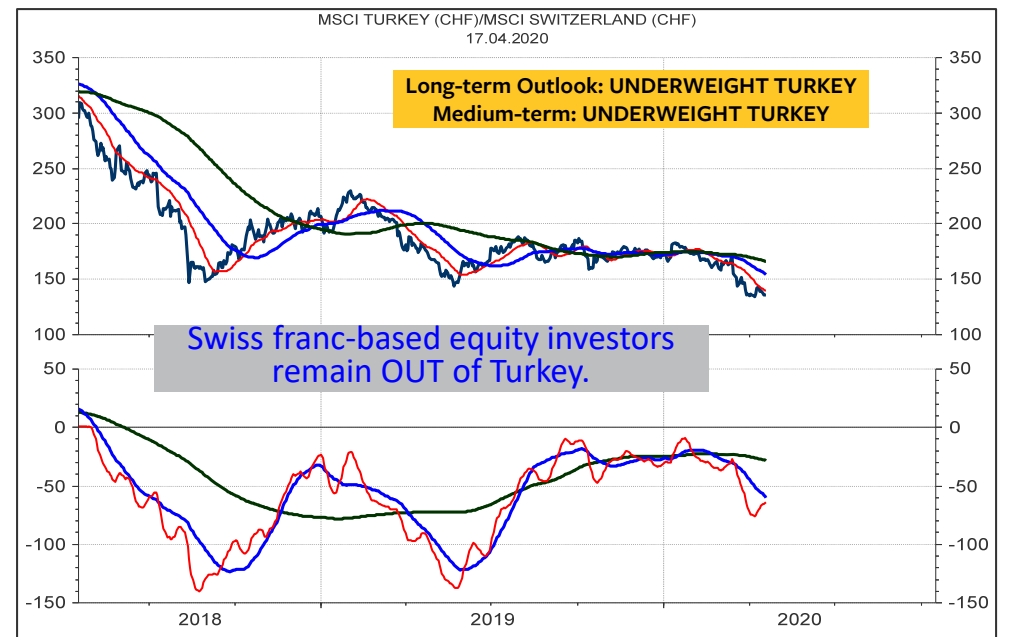
MSCI TURKEY in Swiss franc



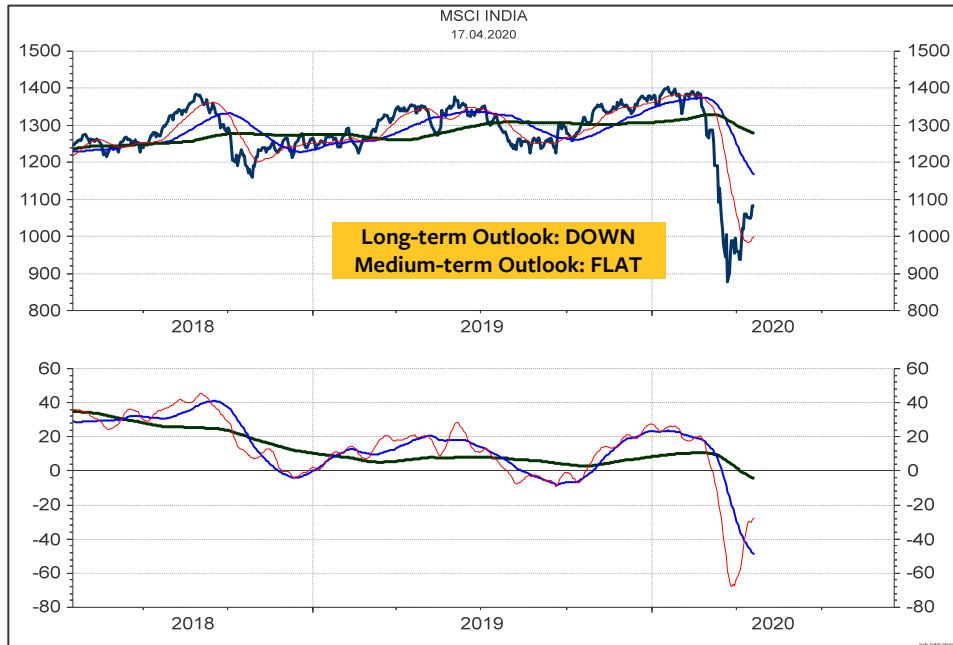
MSCI TURKEY relative to the MSCI AC World



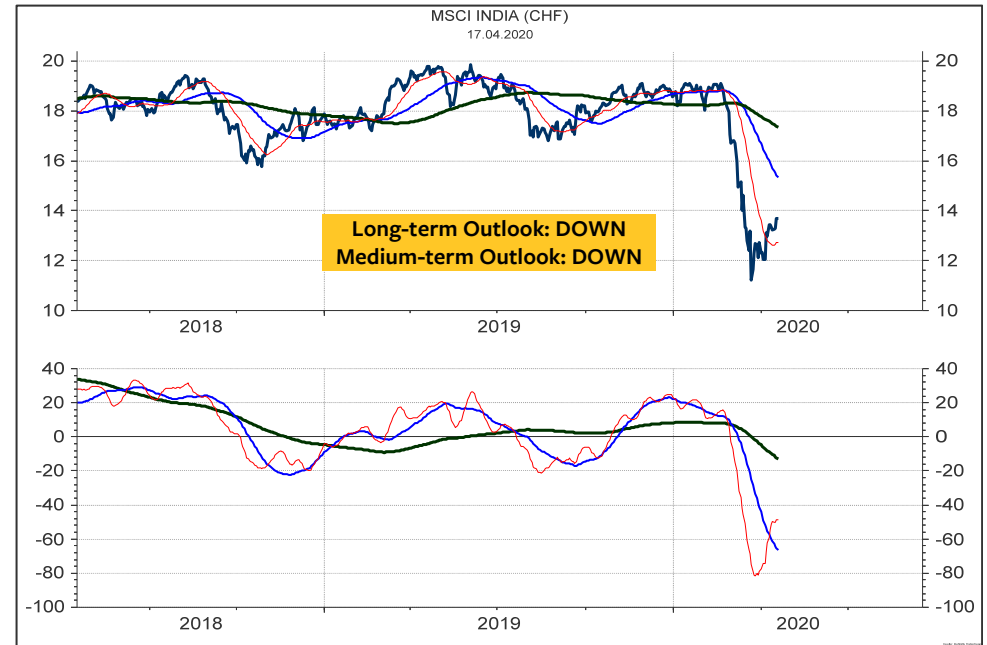
MSCI TURKEY in CHF relative to MSCI Switzerland



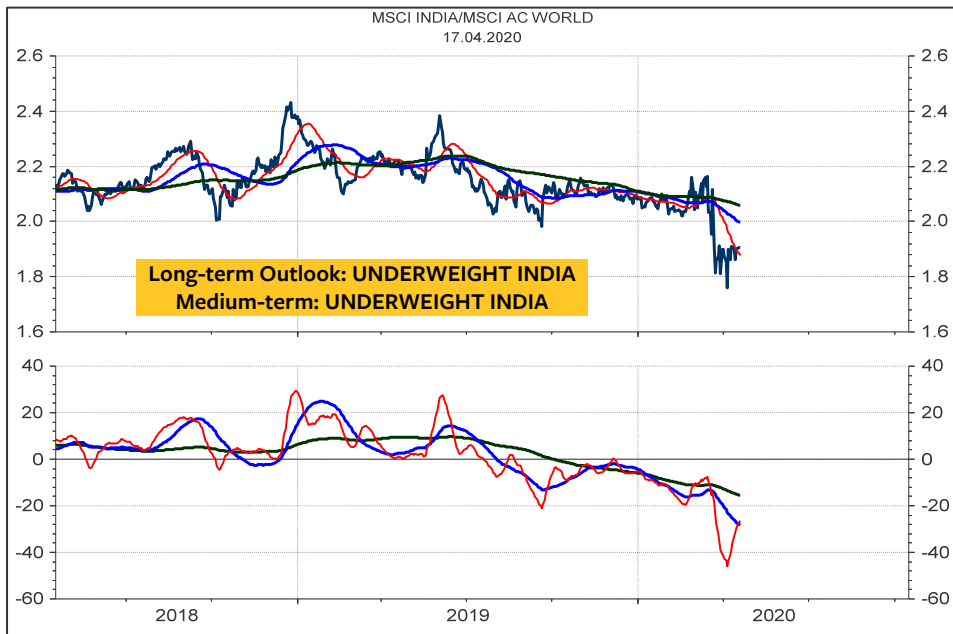
MSCI INDIA in Indian rupee



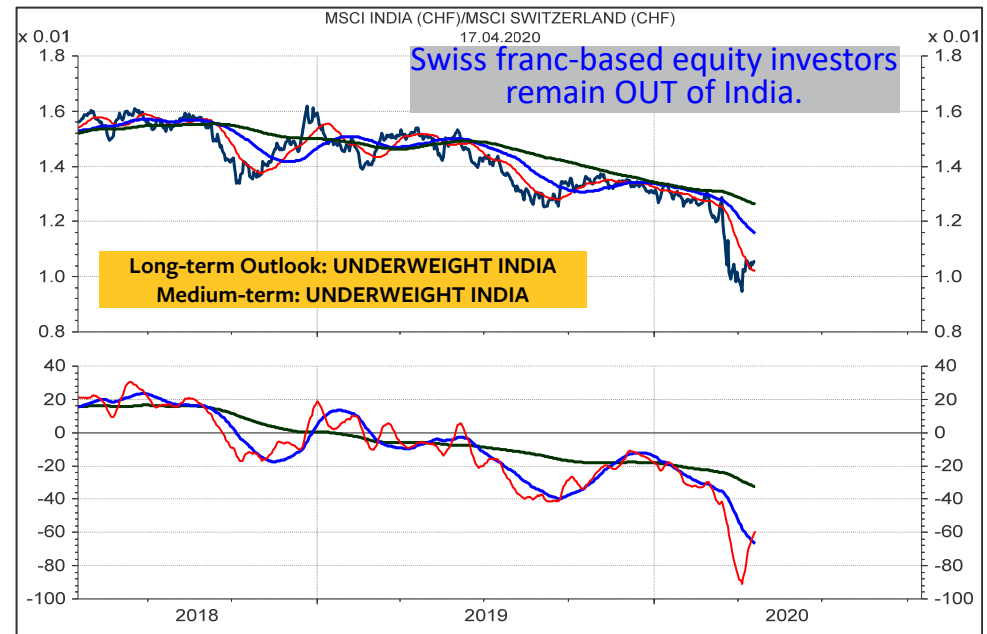
MSCI INDIA in Swiss franc



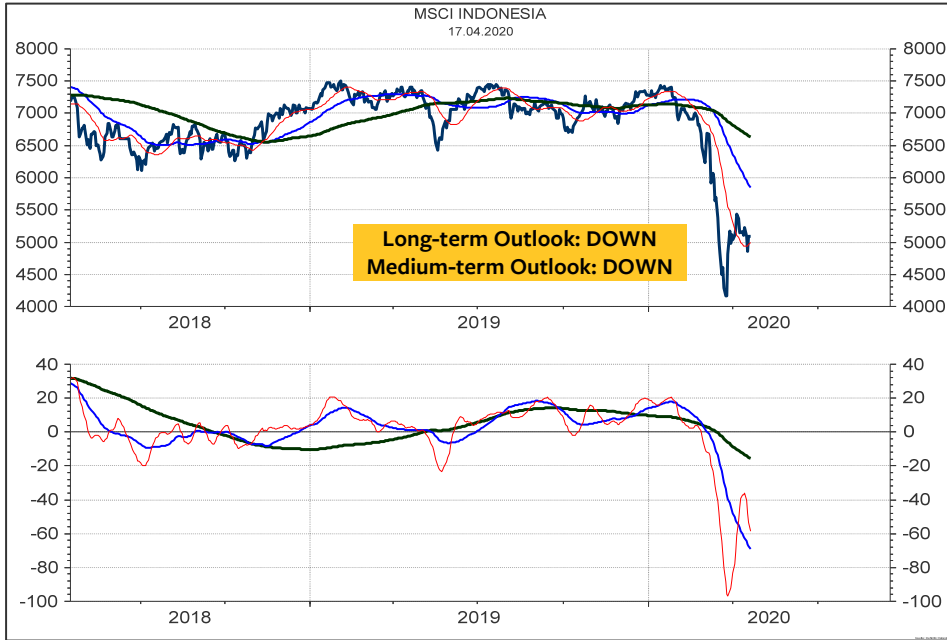
MSCI INDIA relative to the MSCI AC World



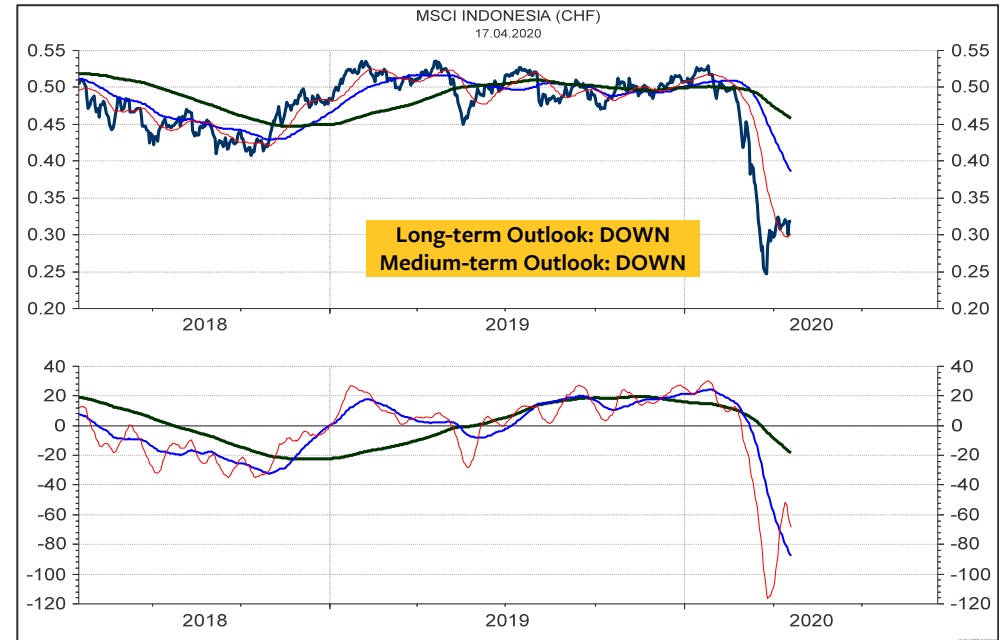
MSCI INDIA in CHF relative to MSCI Switzerland



MSCI INDONESIA in Rupiah



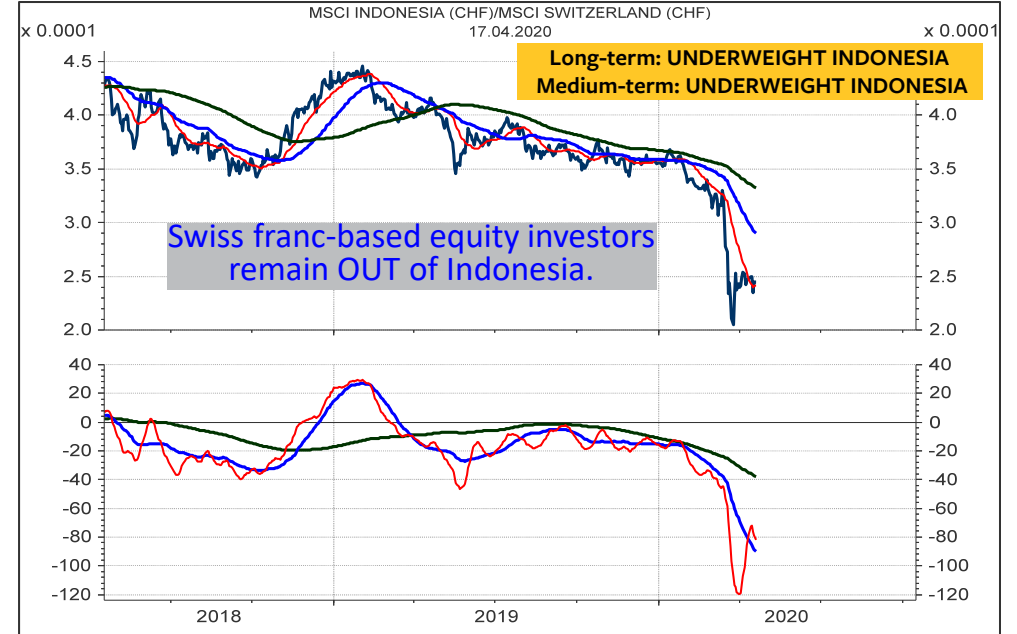
MSCI INDONESIA in Swiss franc



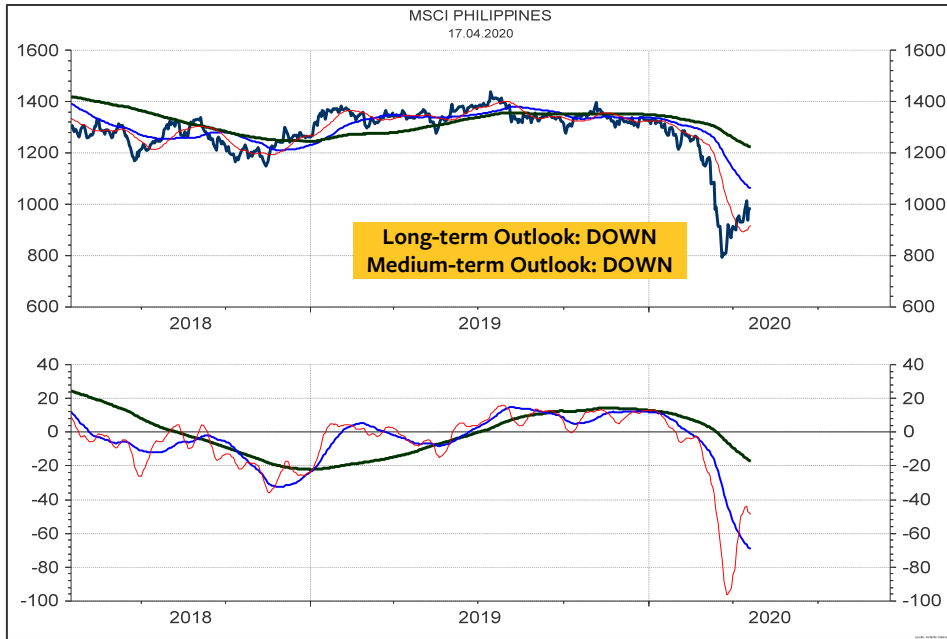
MSCI INDONESIA relative to the MSCI AC World



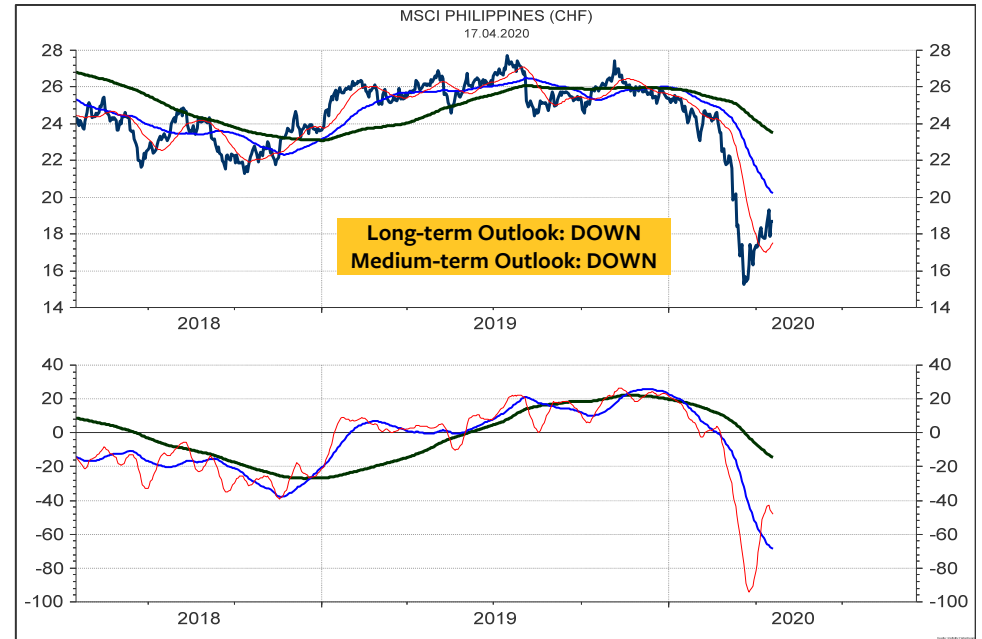
MSCI INDONESIA in CHF relative to MSCI Switzerland



MSCI PHILIPPINES in Peso



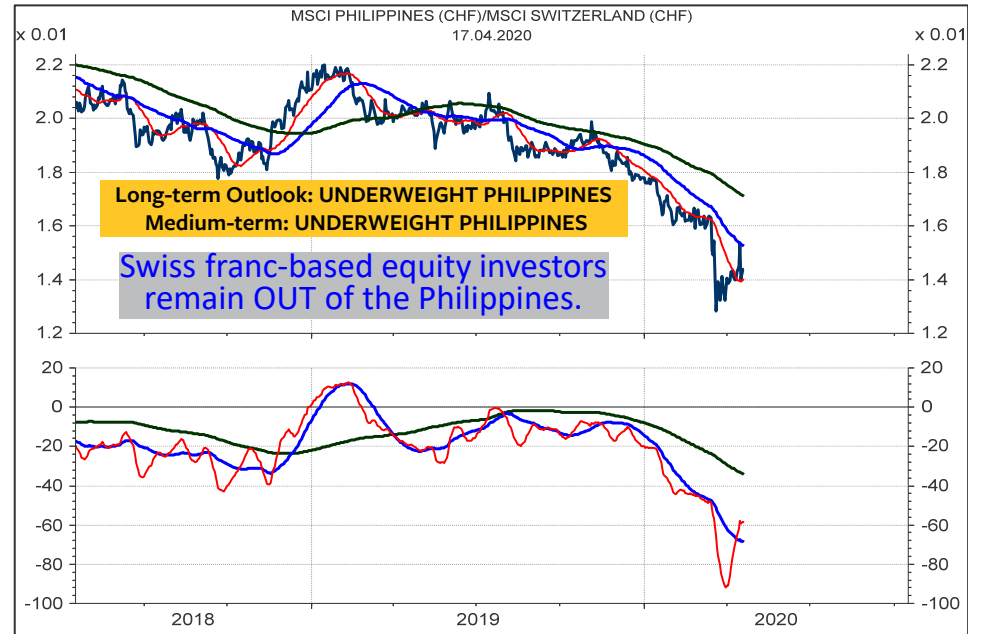
MSCI PHILIPPINES in Swiss franc



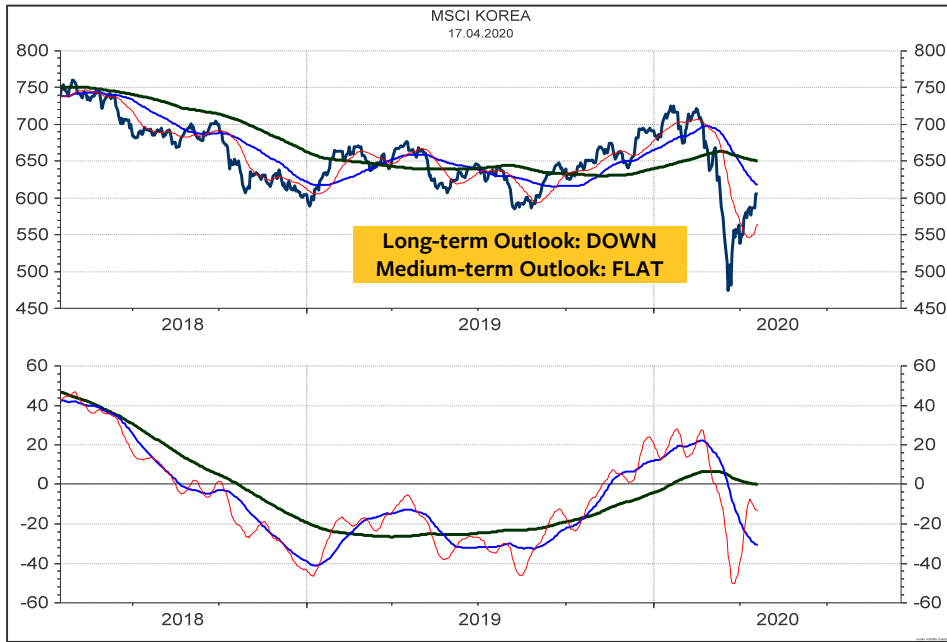
MSCI PHILIPPINES relative to the MSCI AC World



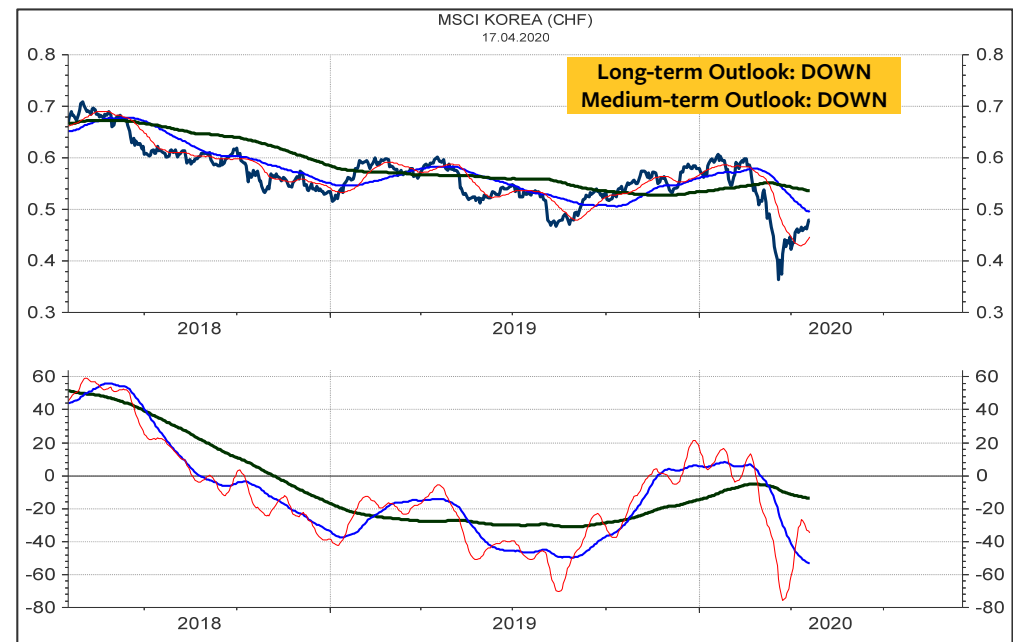
MSCI PHILIPPINES in CHF relative to MSCI Switzerland



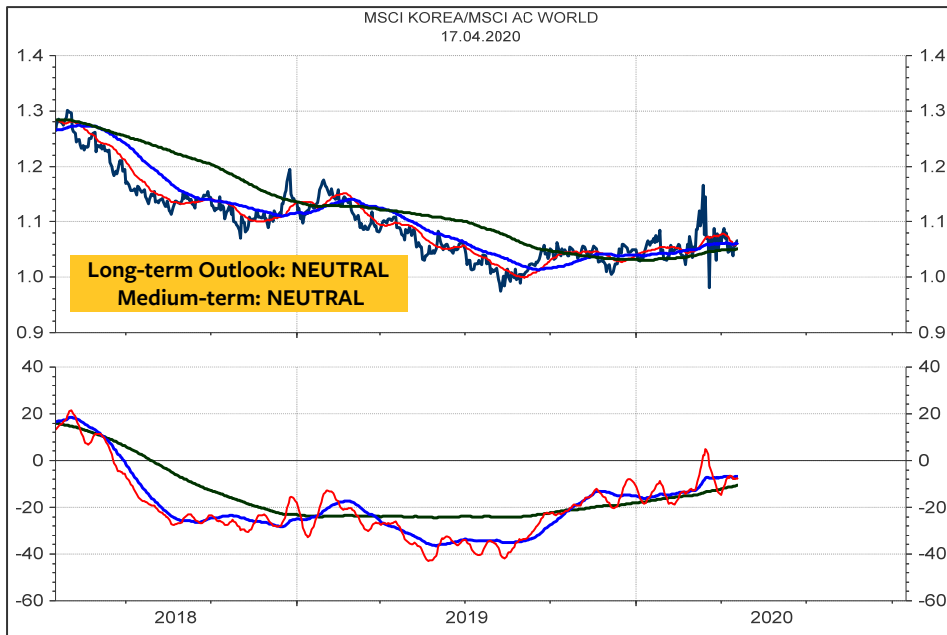
MSCI SOUTH KOREA in Won



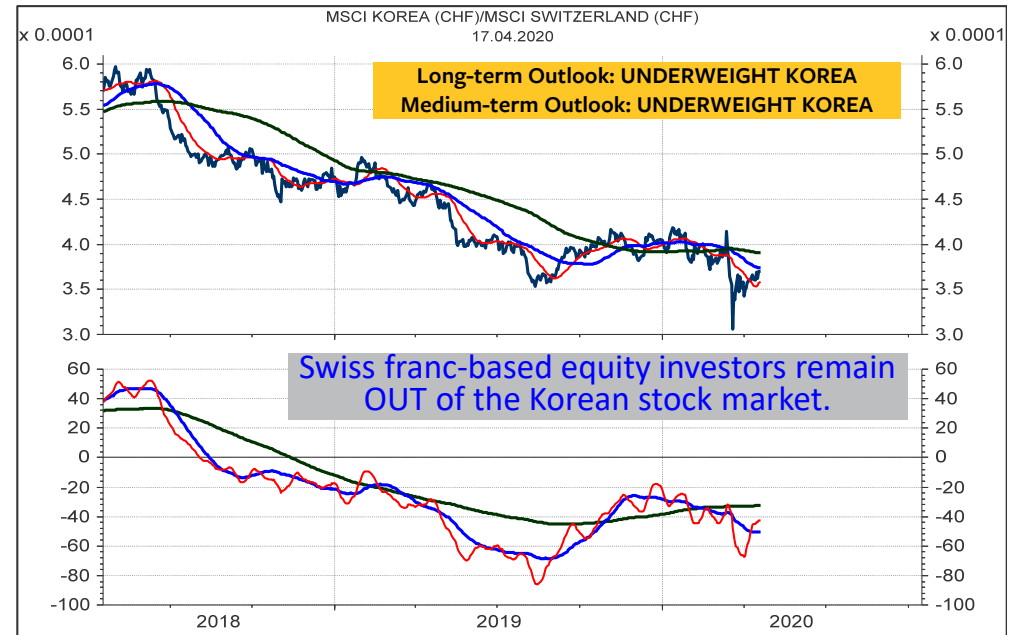
MSCI SOUTH KOREA in Swiss franc



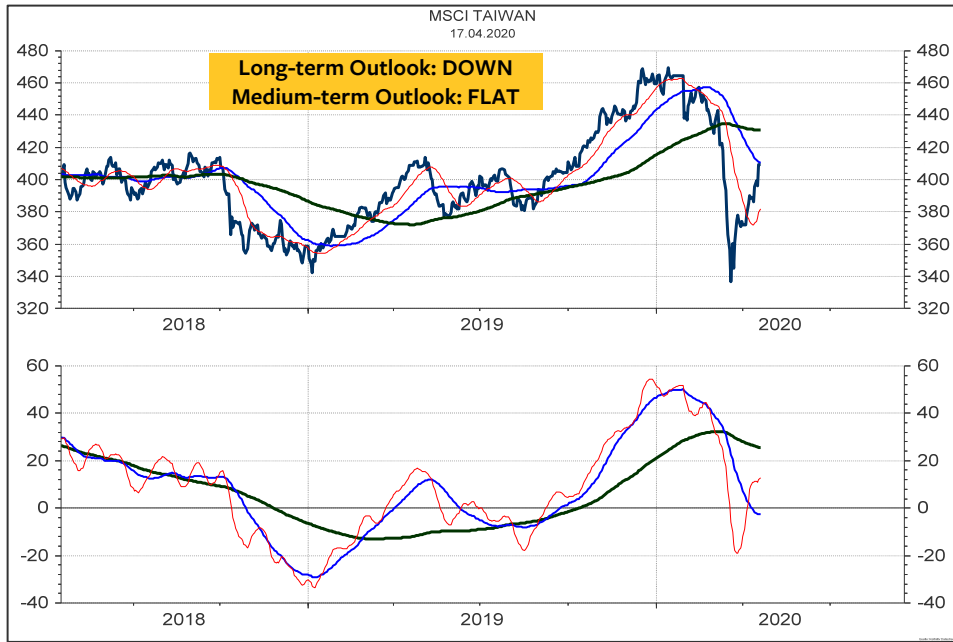
MSCI SOUTH KOREA relative to the MSCI AC World



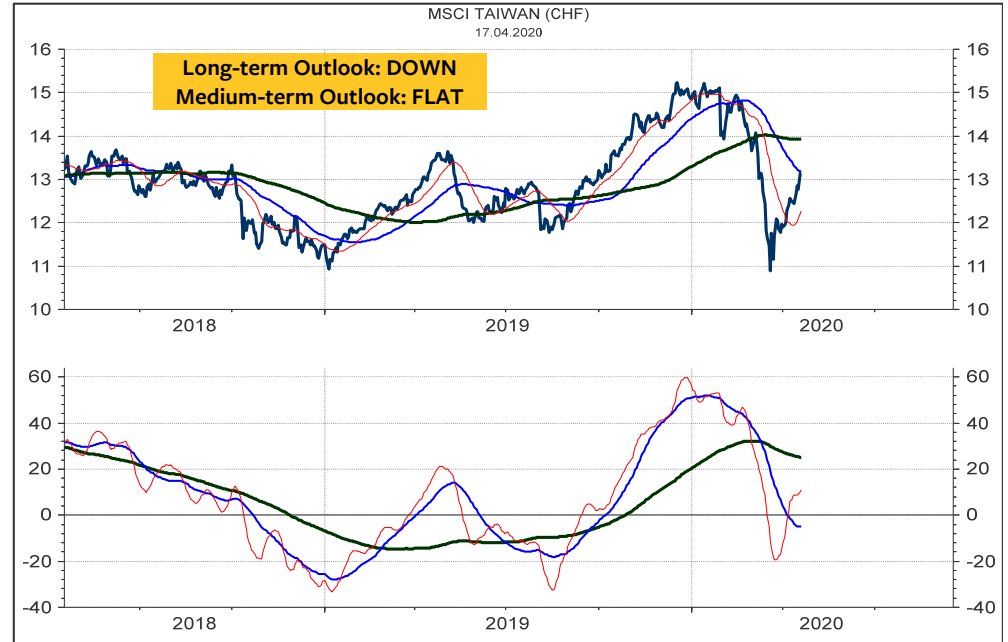
MSCI SOUTH KOREA in CHF relative to MSCI Switzerland



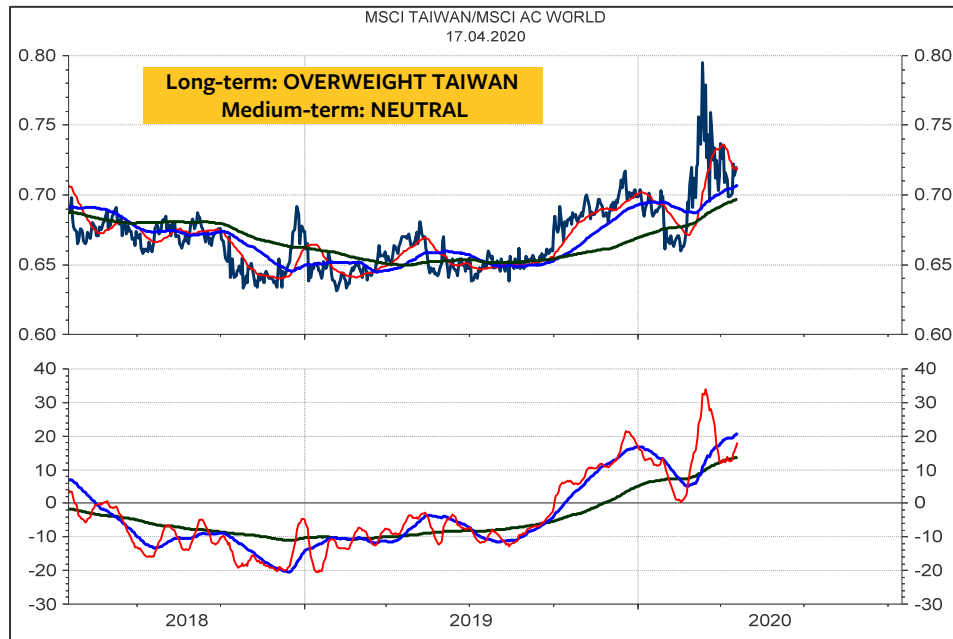
MSCI TAIWAN in Taiwanese dollar



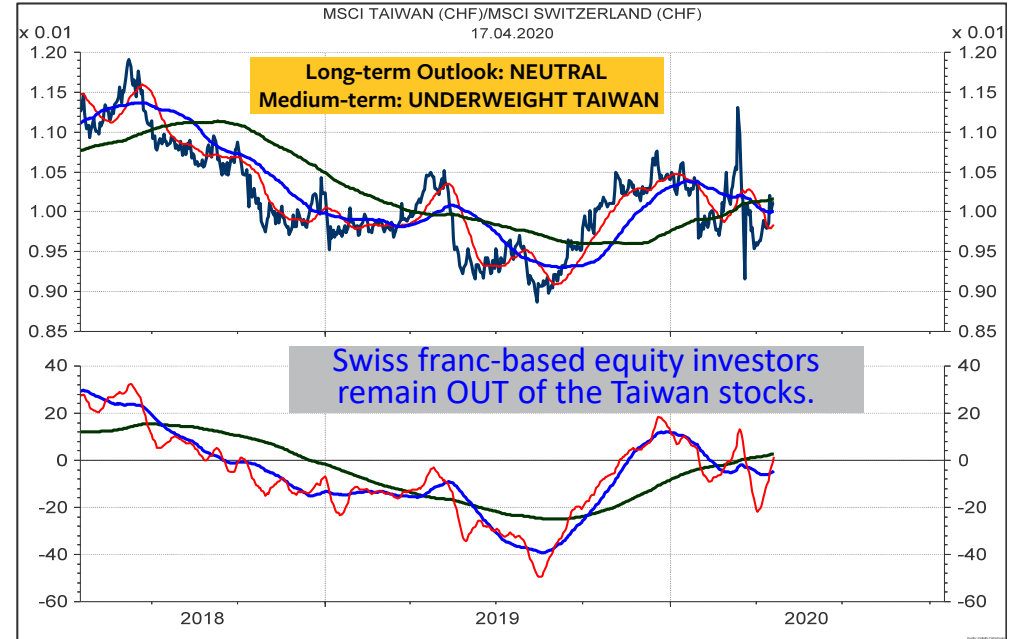
MSCI TAIWAN in Swiss franc



MSCI TAIWAN relative to the MSCI AC World



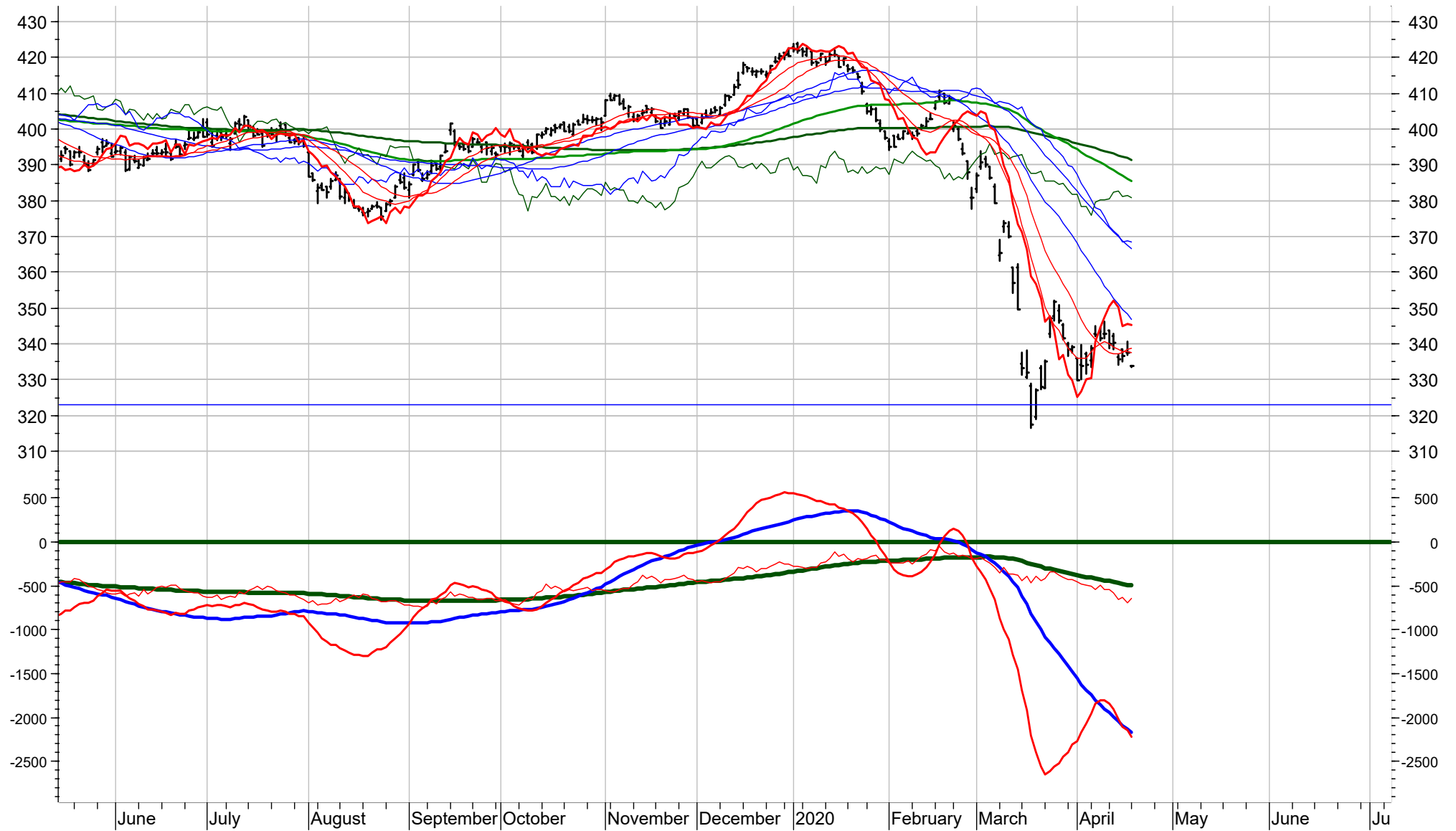
MSCI TAIWAN in CHF relative to MSCI Switzerland



Thomson Reuters Equally Weighted Commodity Index – daily chart

The Thomson Reuters Equally Weighted Commodity Index is forming a horizontal triangle. The downtrend is likely to resume once the support at 323 is broken.

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



Light Crude Oil Continuous Future

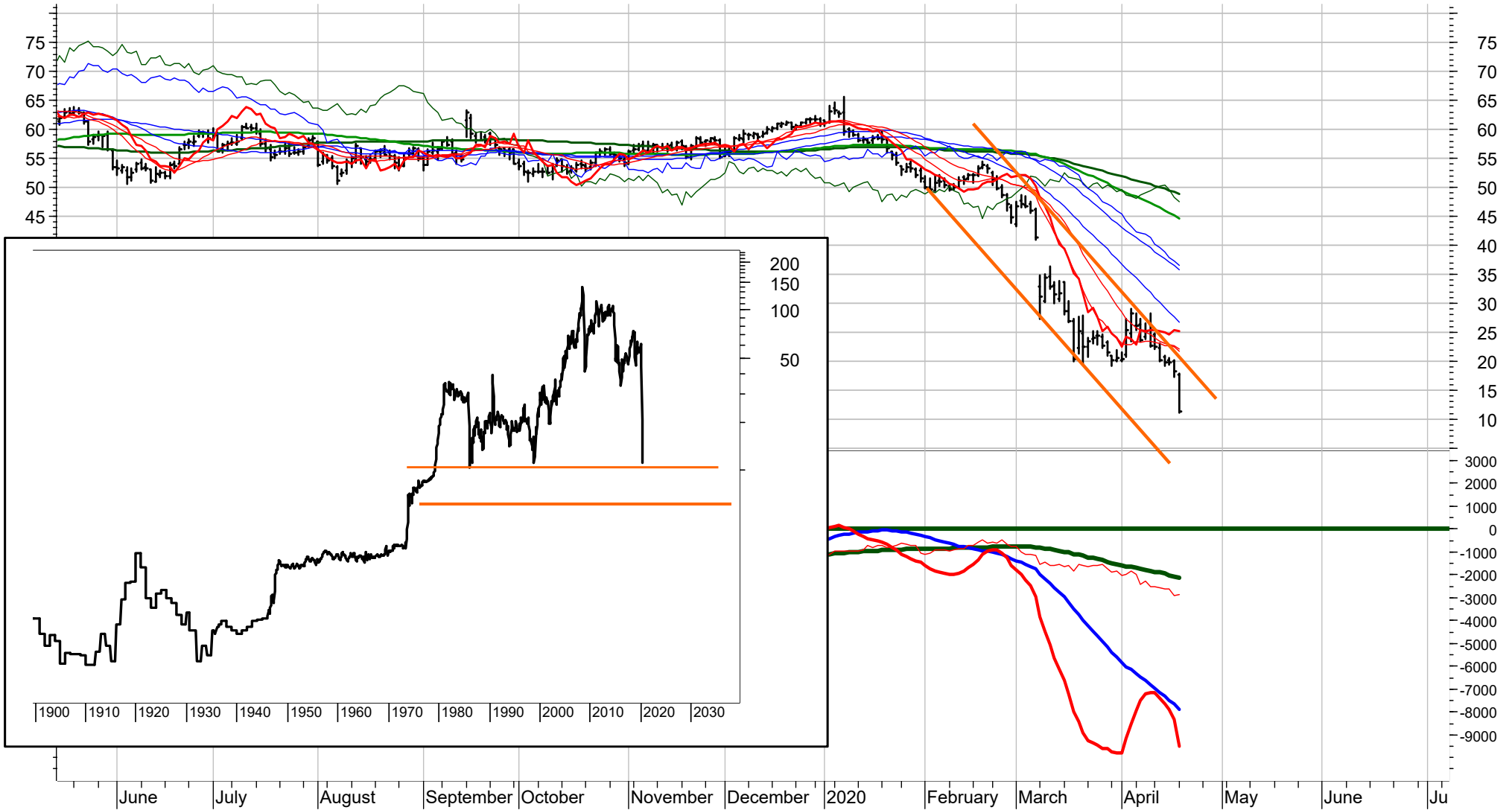
Crude Oil remains in the deflationary downtrend.

The major support is at 11 to 9.50.

See the long-term chart in my Chart Outlook of last week (page 30) where

I stated: "The present decline could well fall to US\$ 10, if not even US\$ 6."

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



Gold per Ounce in US dollar – daily chart (left) and hourly chart (right)

Gold could just be completing a FLAT A-B-C correction. Wave C is 1.618 times as long as Wave A at 1673.

A break of 1670 is likely to signal 1630, a break of which would signal 1560.

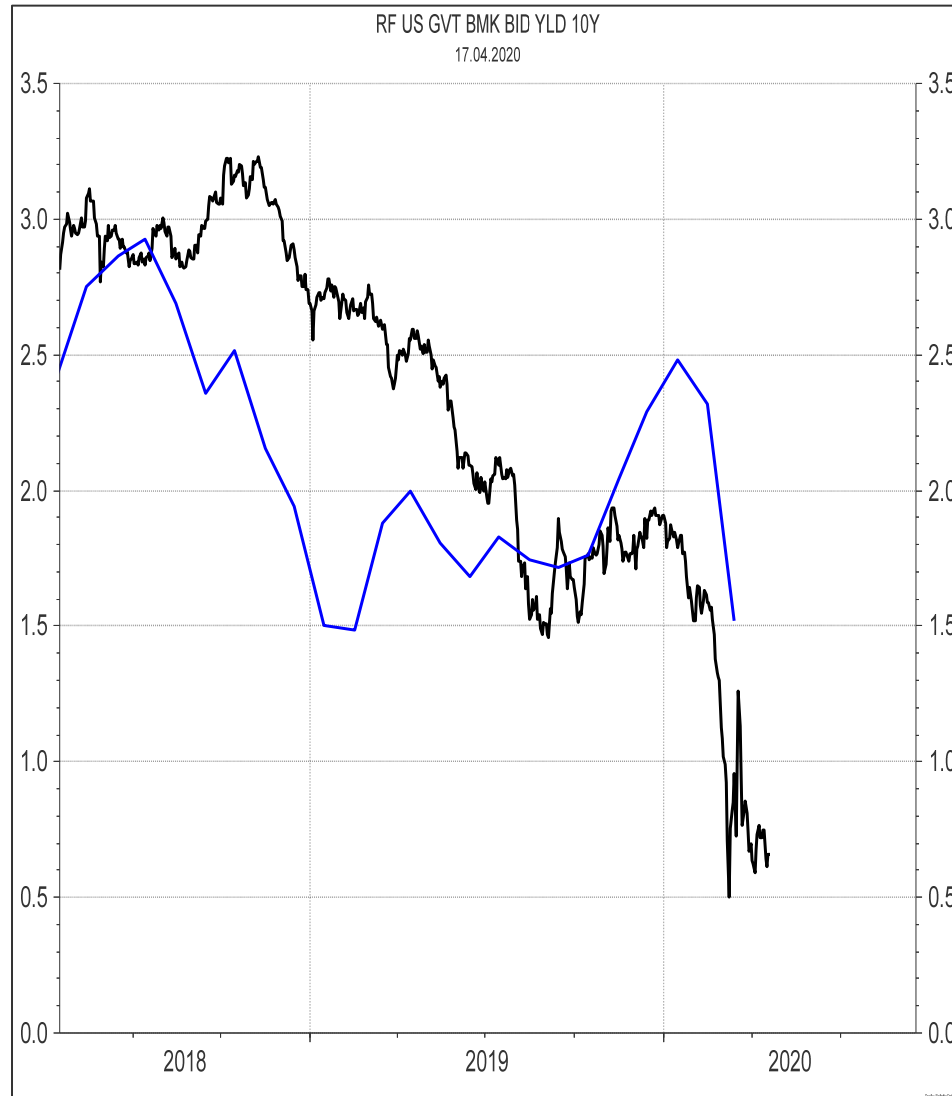
A break of 1560 and 1520 would signal that the uptrend is over and that a decline to 1380 or lower should be expected.

It will take a rise above 1700, 1720 and 1750 to signal more long-term price strength.



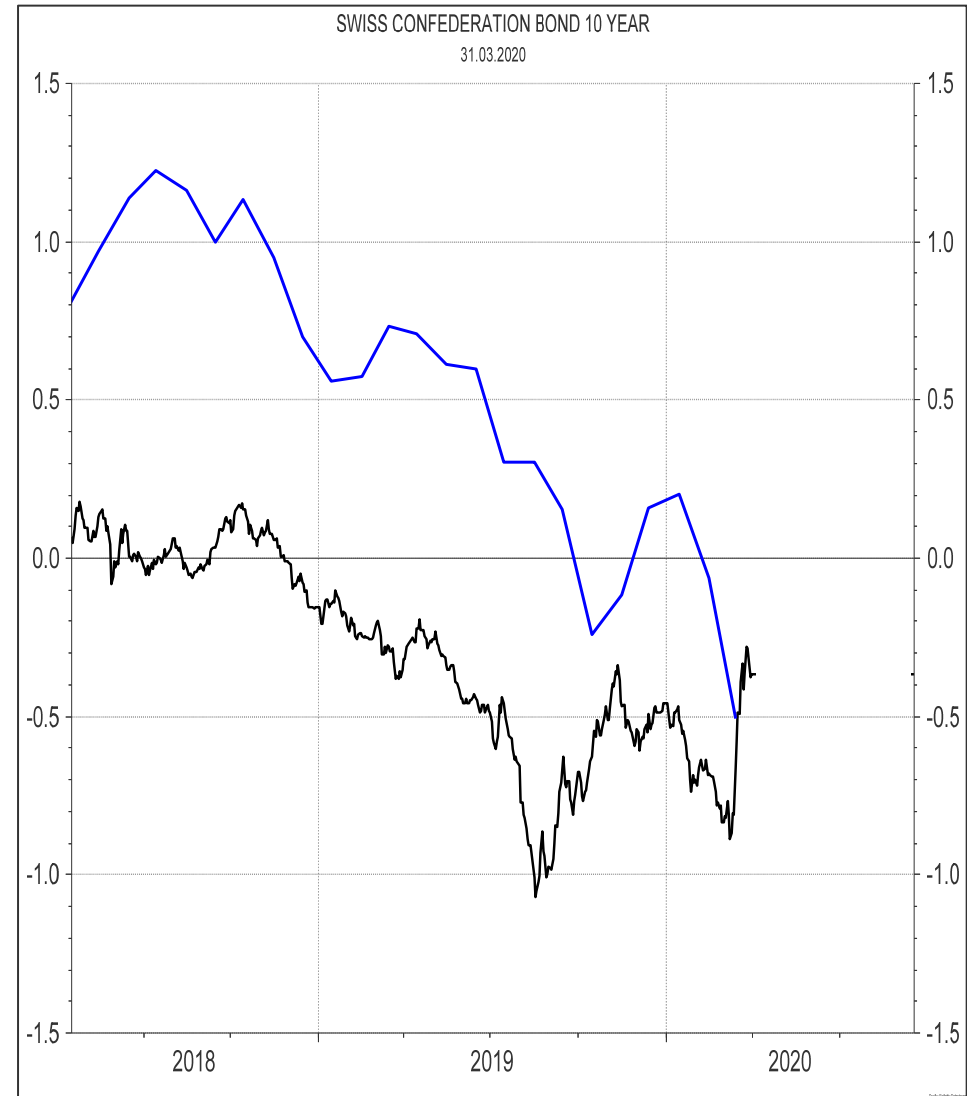
US 10-year Treasury Note Yield and US CPI

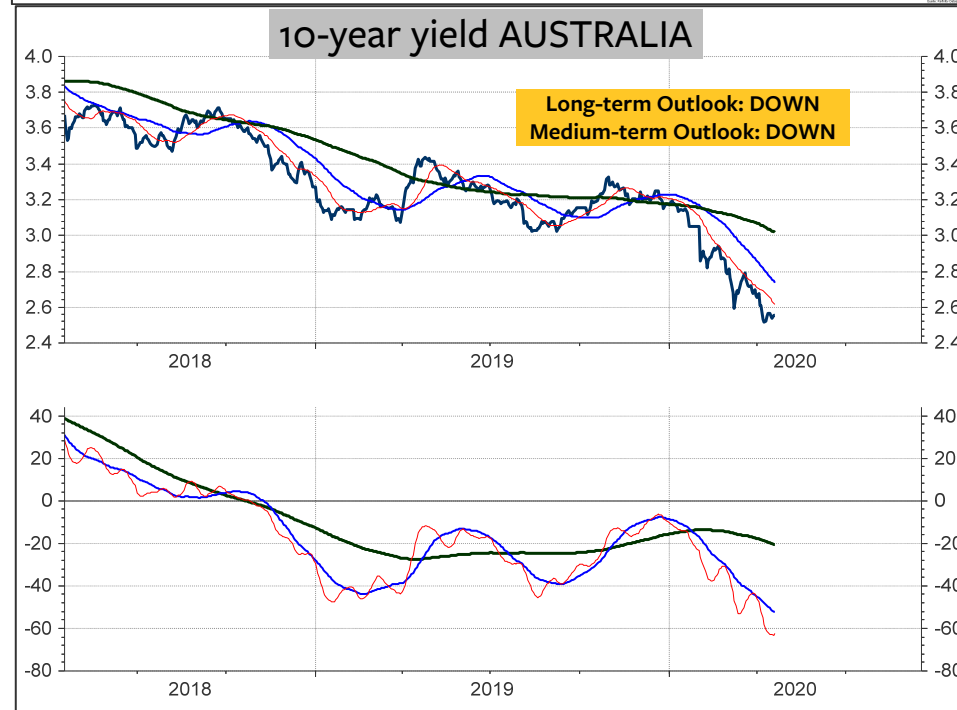
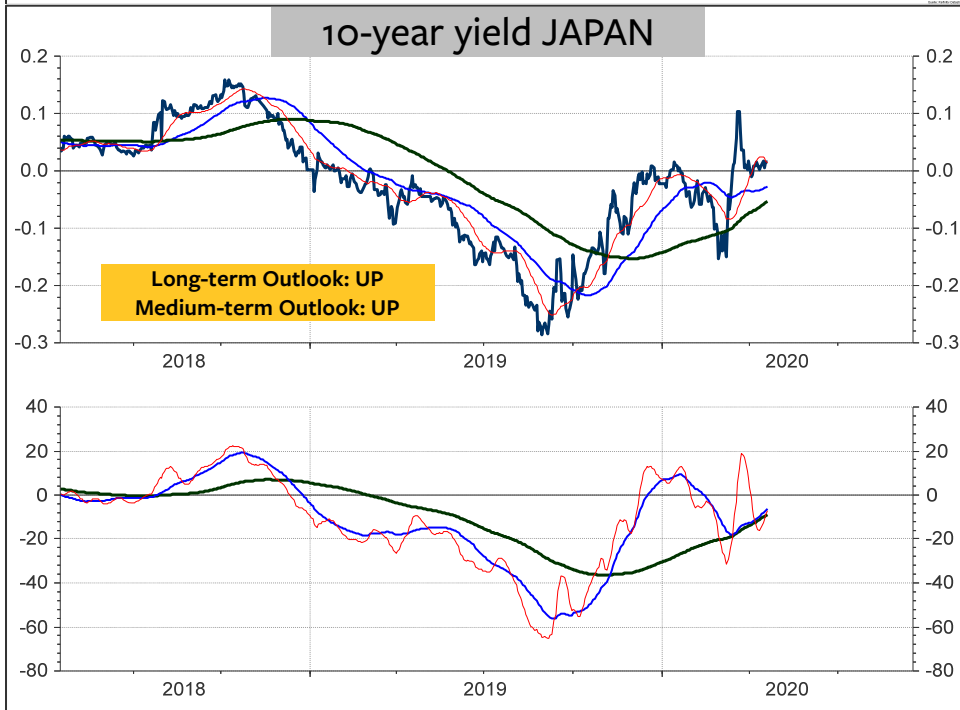
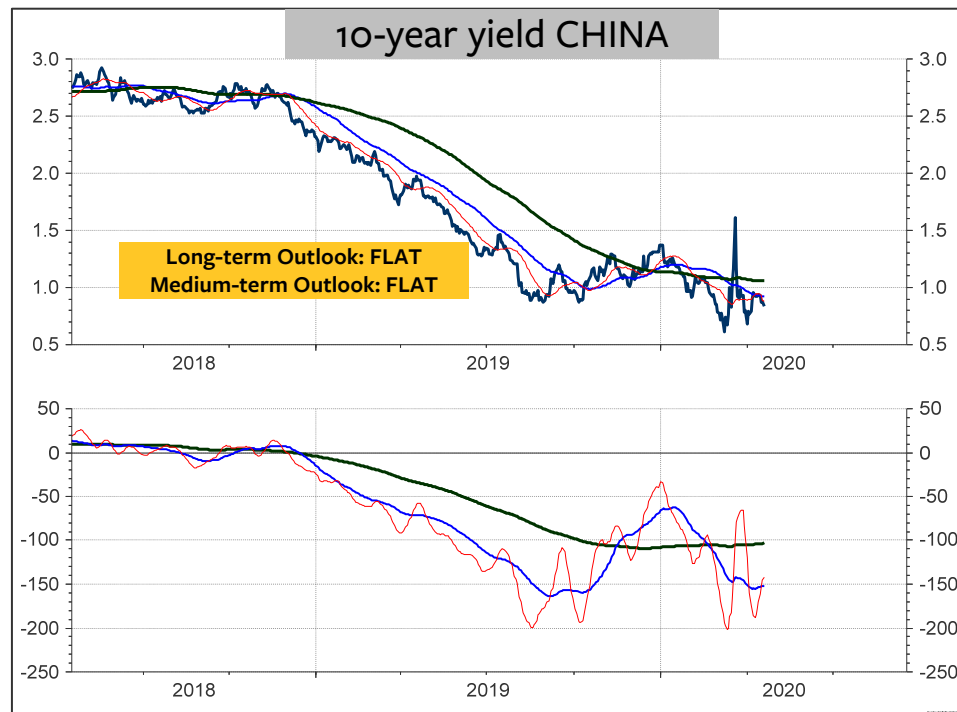
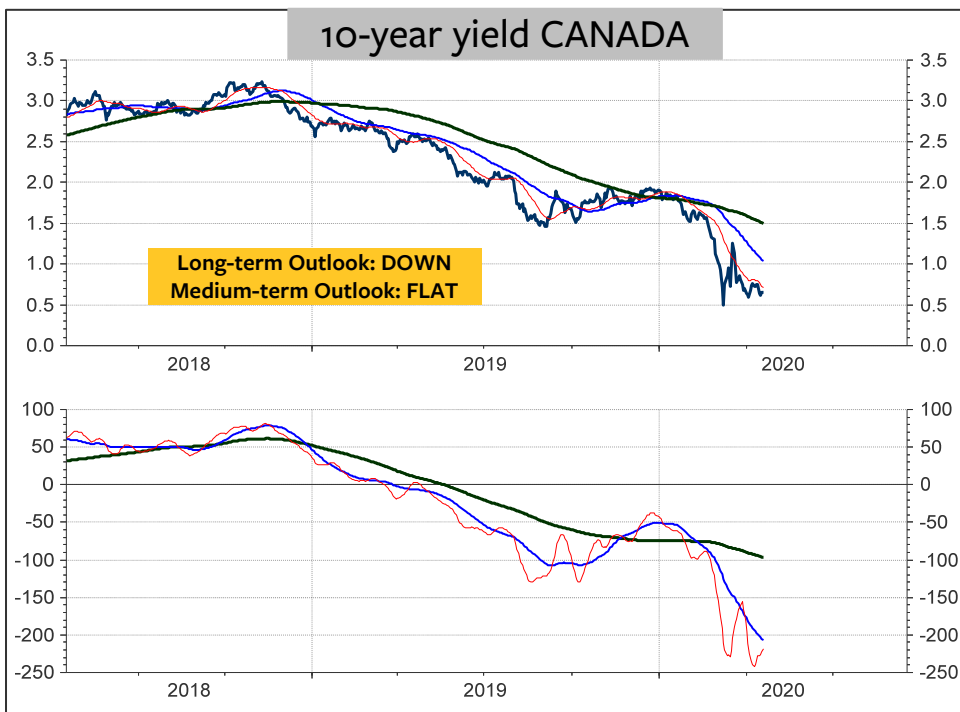
The resistance levels are at 0.95%, 1.18% and 1.53%.
The support levels are at 0.57%, 0.51%, 0.43% and 0.32%.
Both trends are still declining. A new low in the yield will confirm the downtrend.



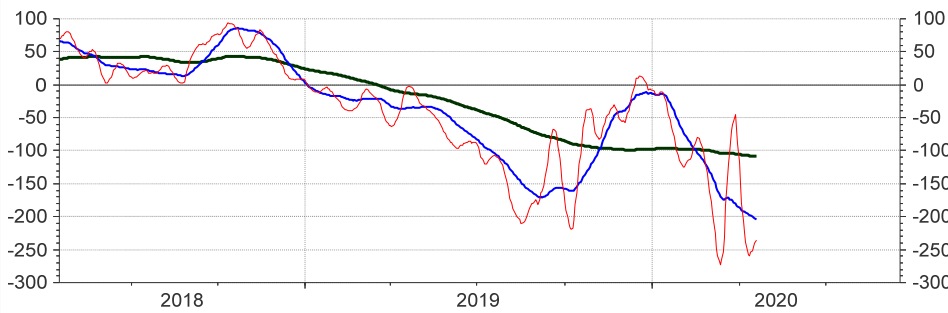
Swiss 10-year Conf Yield and Swiss CPI

The supports are at -0.55% and -0.75%.
The yield is likely to have registered a more important high in March at -0.2810%. A break above this high would signal a long-term upturn. But, given the downtrend in the CPI, the Swiss yield is more likely to weaken again.

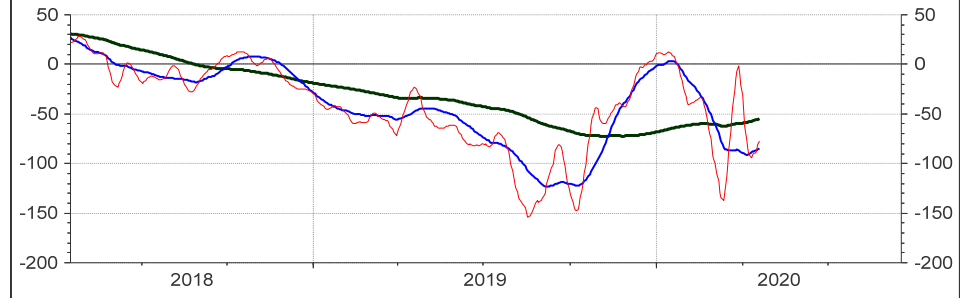




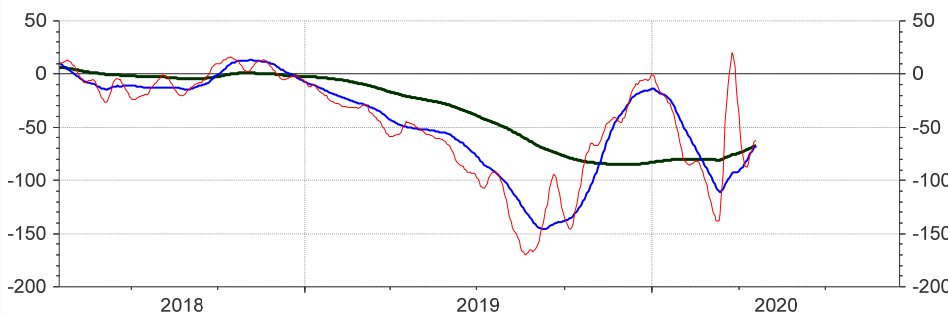
10-year yield U.K.



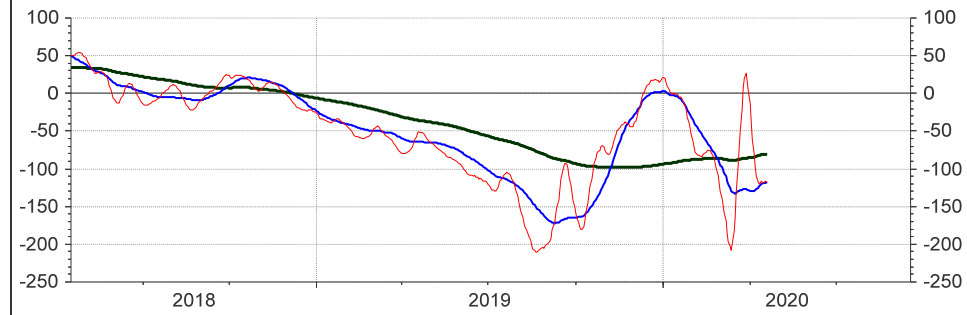
10-year yield SWEDEN

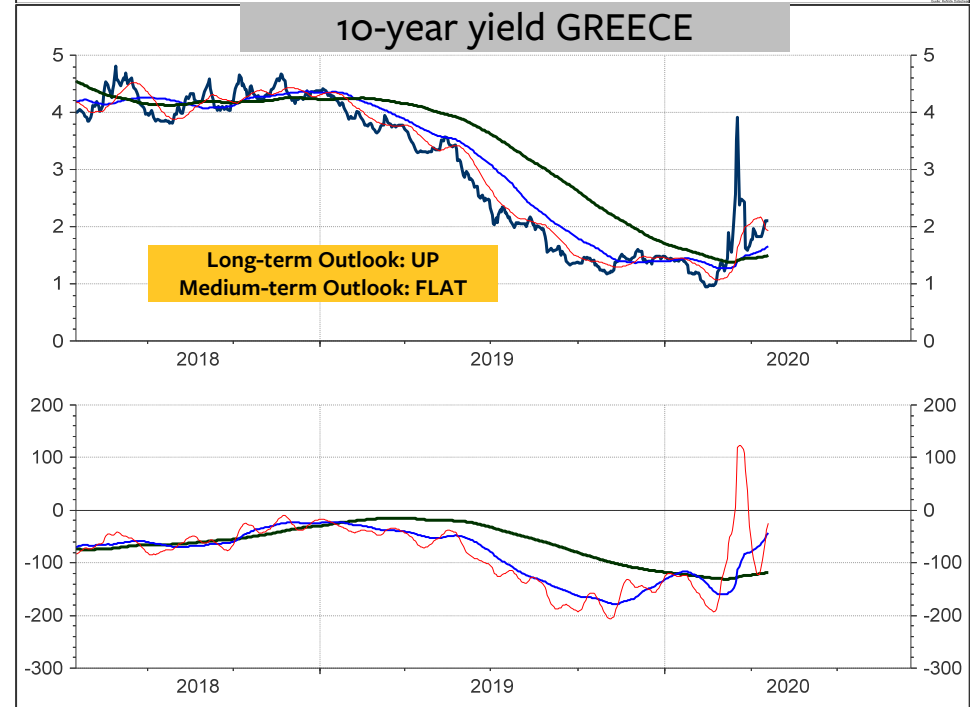
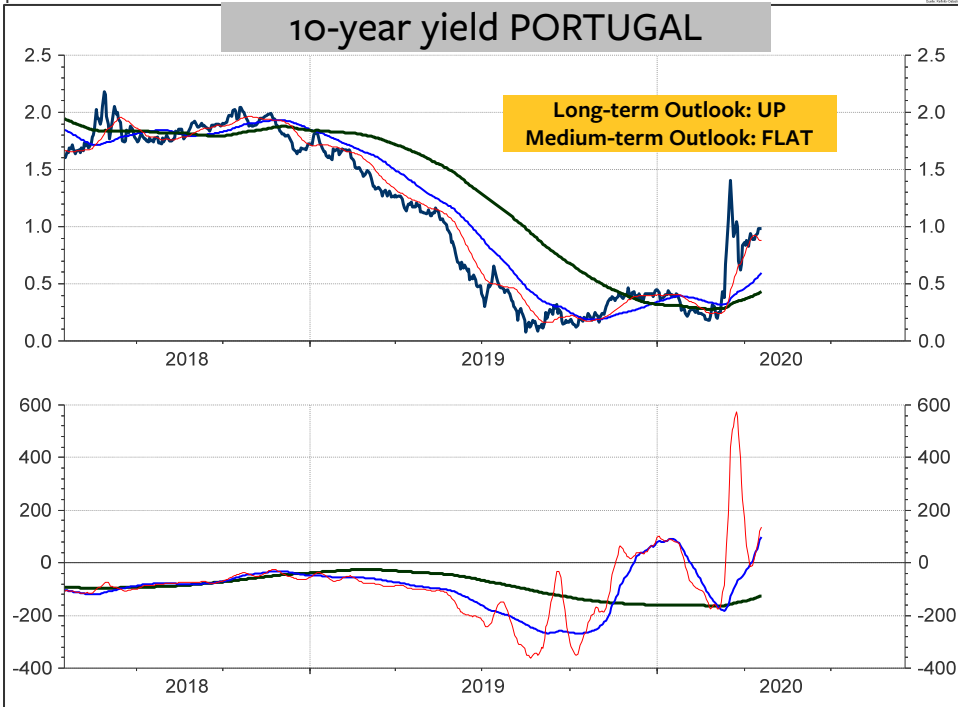
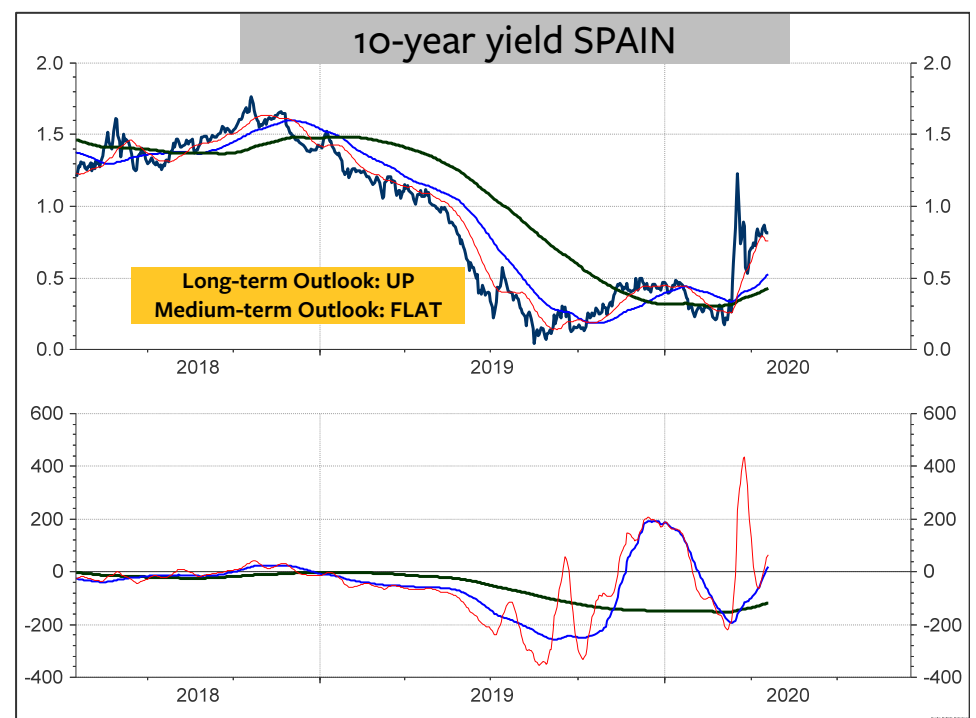
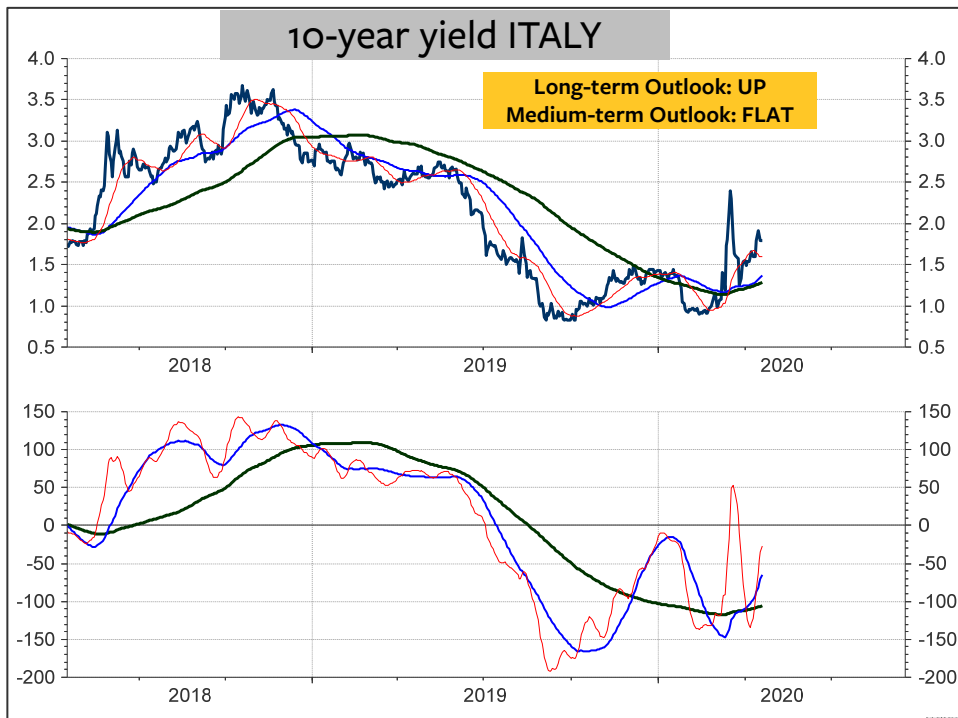


10-year yield FRANCE

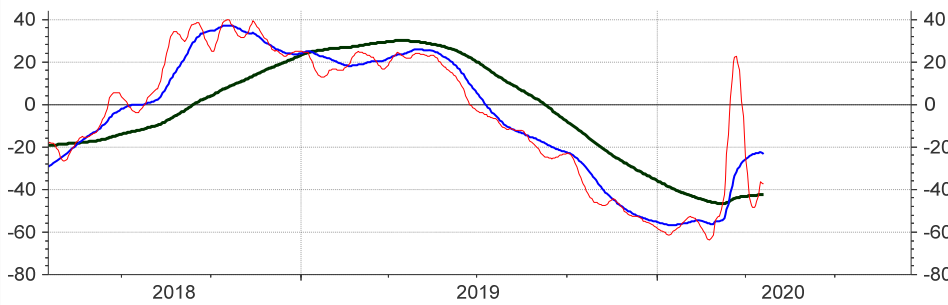


10-year yield GERMANY

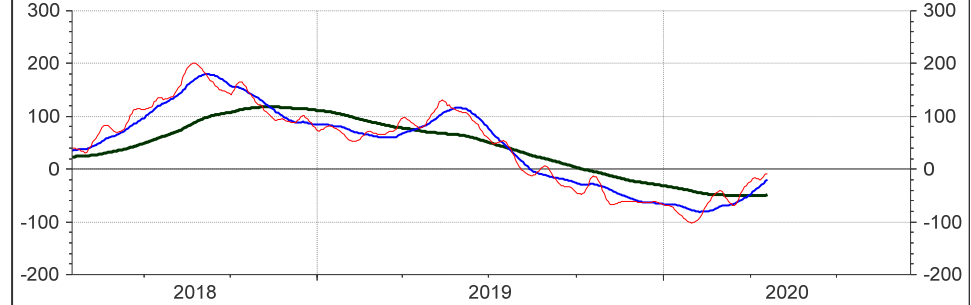




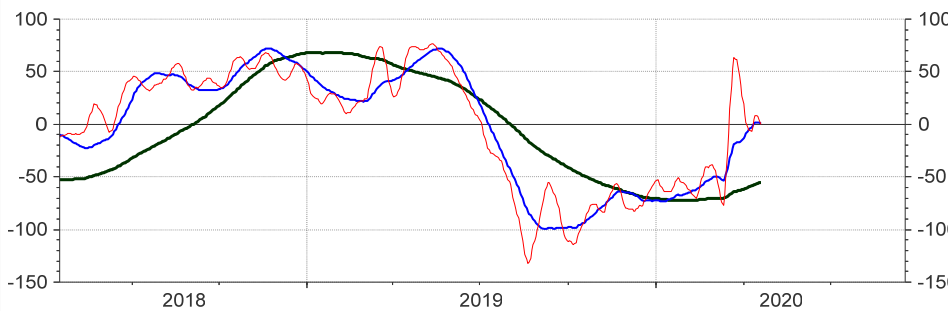
10-year yield RUSSIA



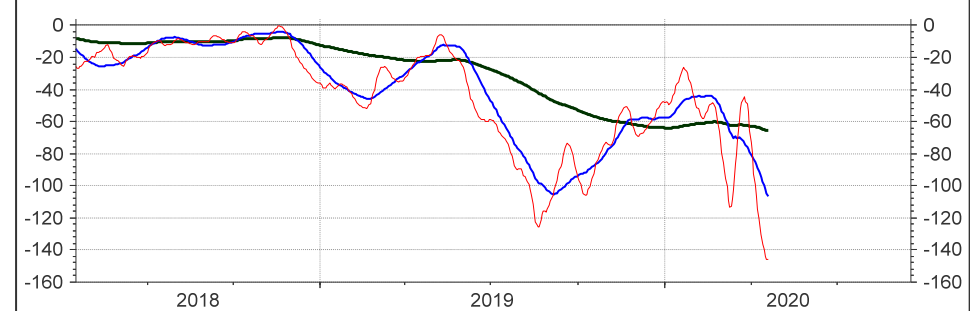
10-year yield TURKEY

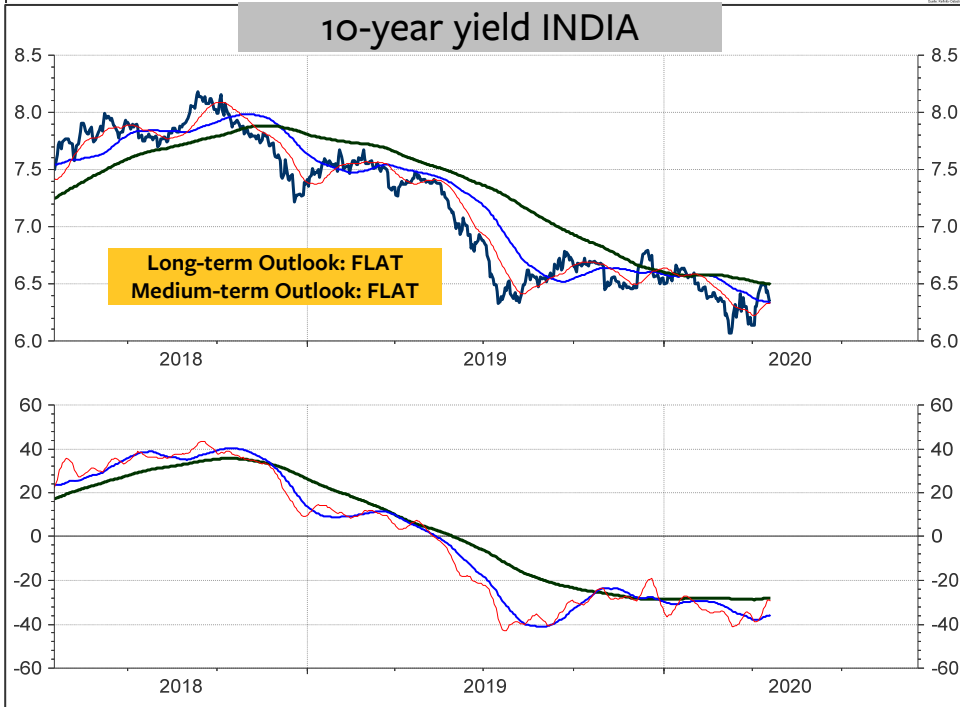
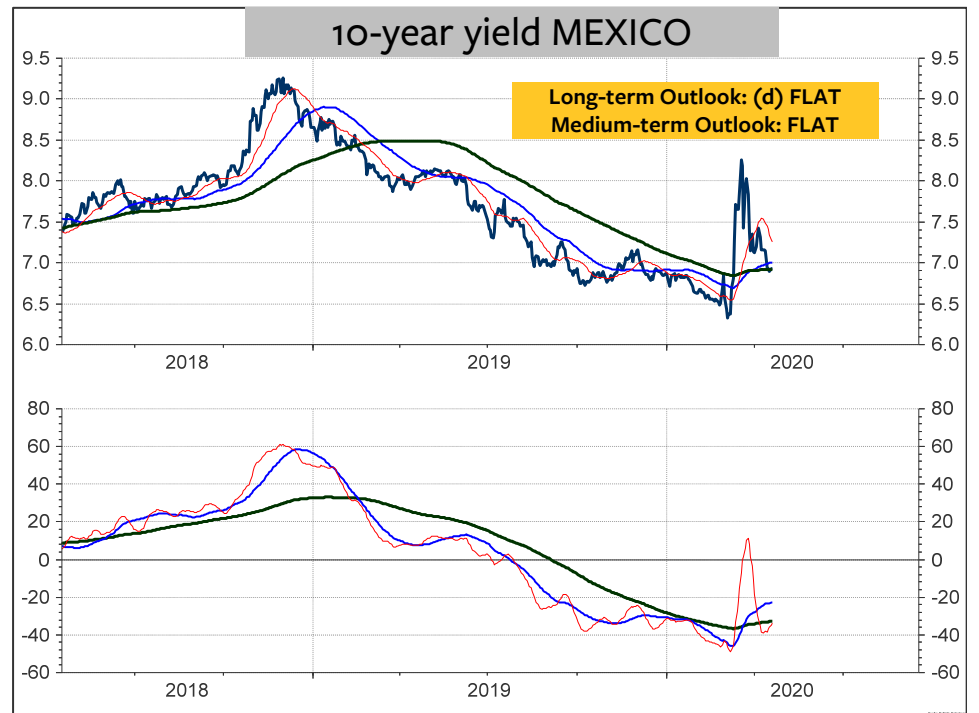
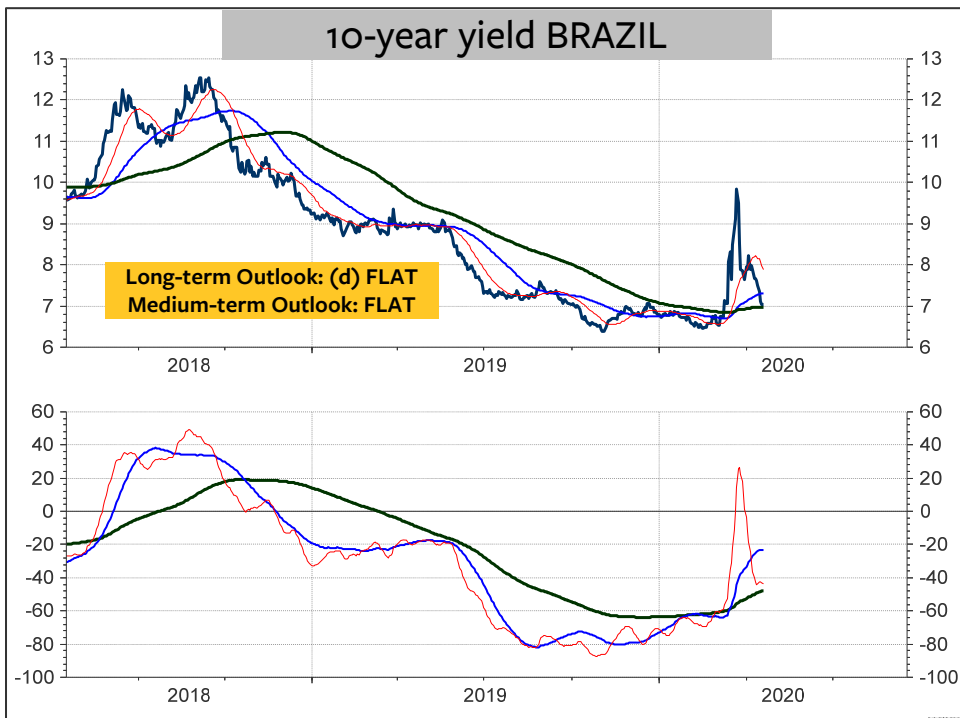


10-year yield HUNGARY



10-year yield POLAND





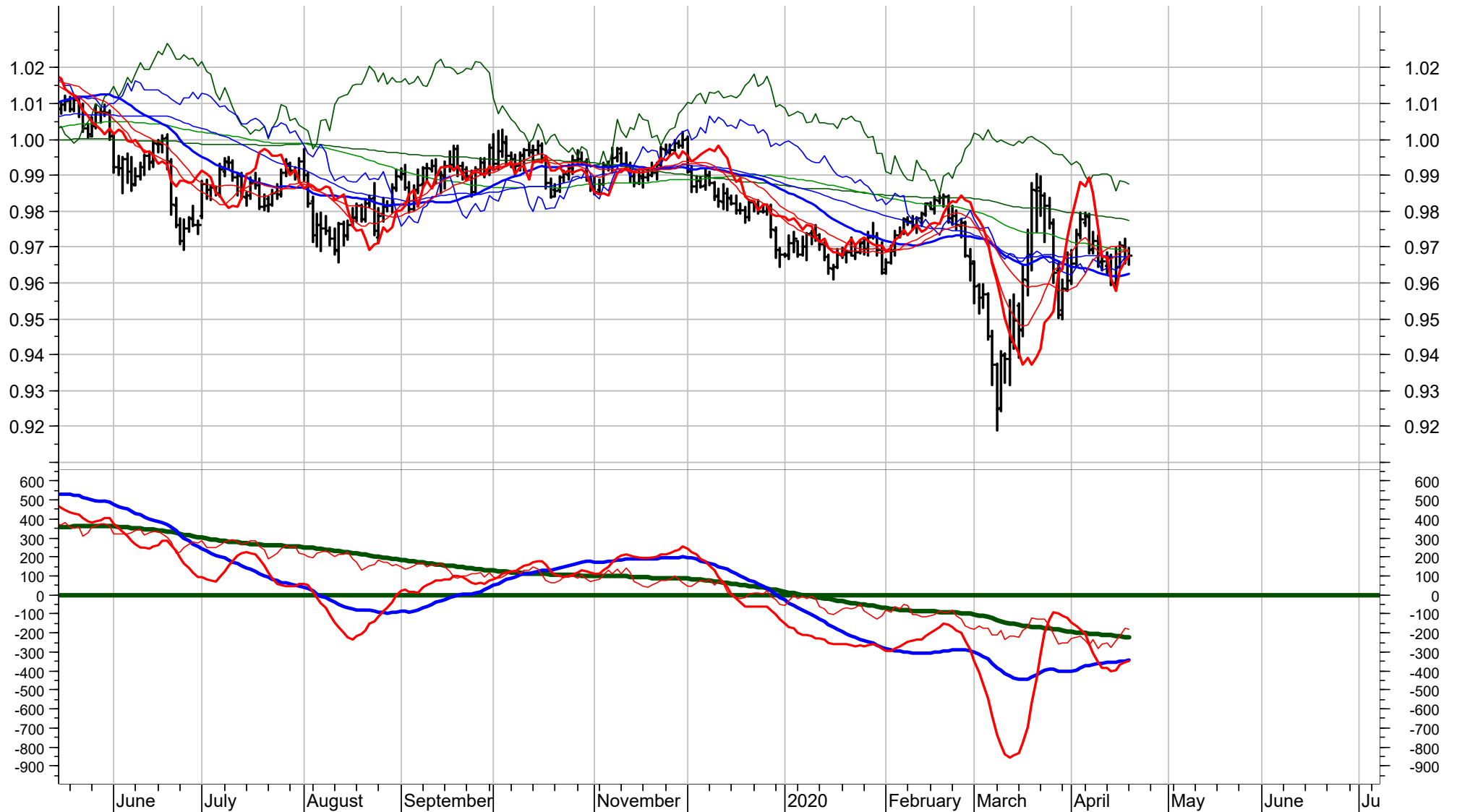
Swiss franc per US DOLLAR – daily chart

The US dollar is forming a triangle.

Sell signals will be triggered if the US dollar breaks 0.9540 and 0.9380.

Buy signals will be triggered if the US dollar breaks 0.9950 and 1.02.

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

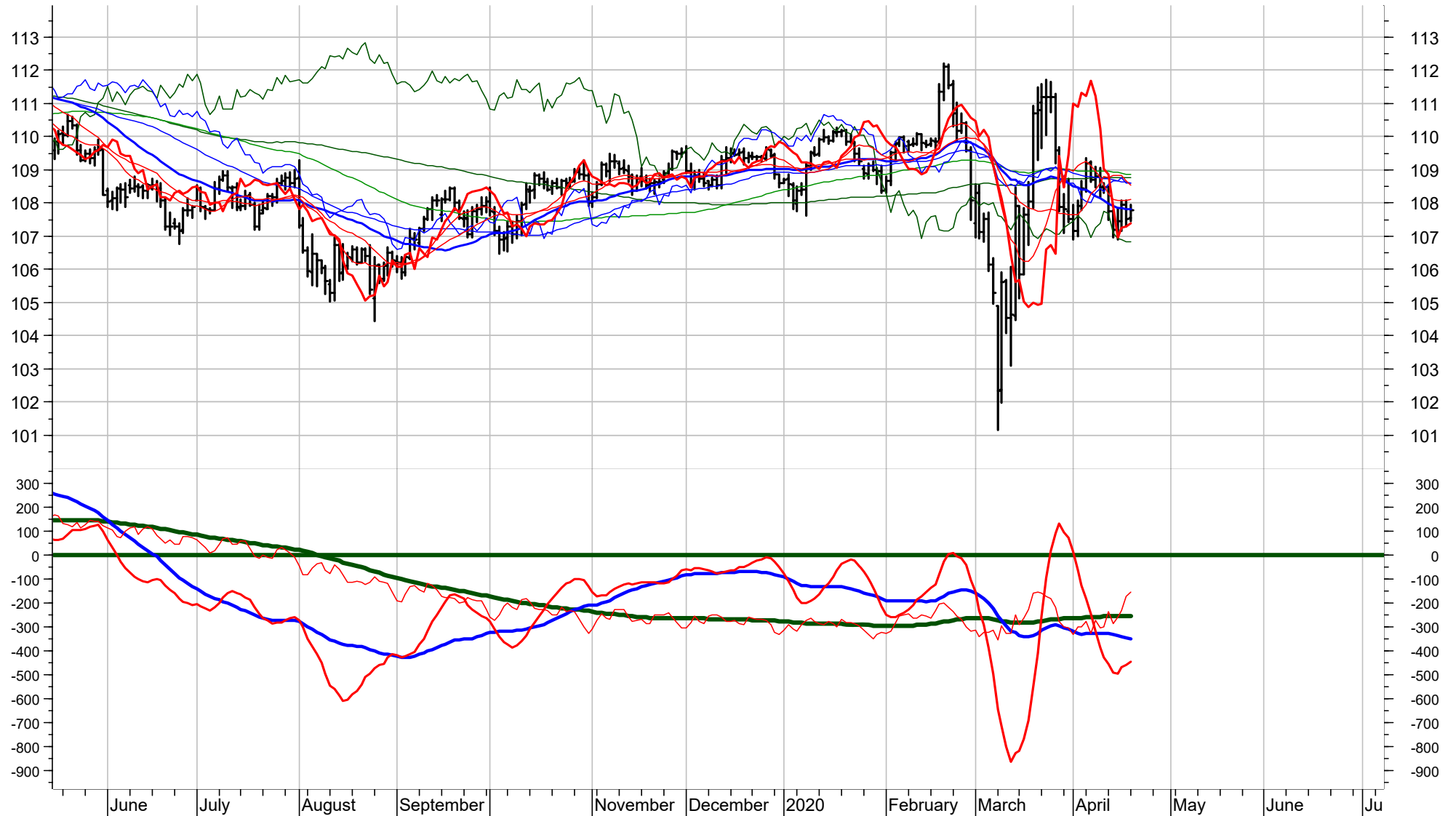


Japanese yen per US DOLLAR – daily chart

Resistance is at 111.20 and 113.60.

Support is at 107 and 104.80 and 100.50.

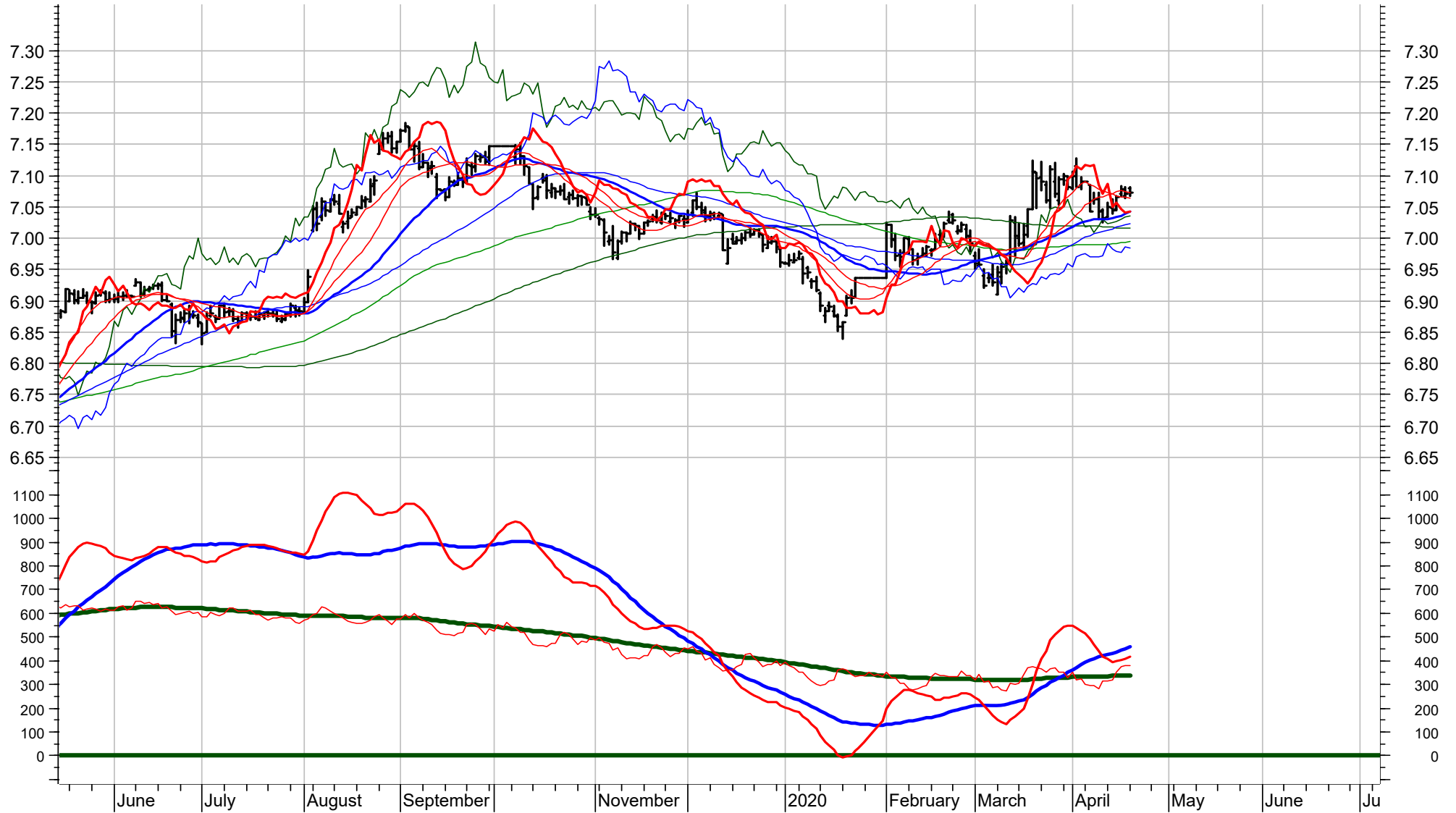
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Chinese yuan per US DOLLAR – daily chart

Resistance is at 7.13 and 7.24.
Support is at 6.99, 6.91 and 6.78.

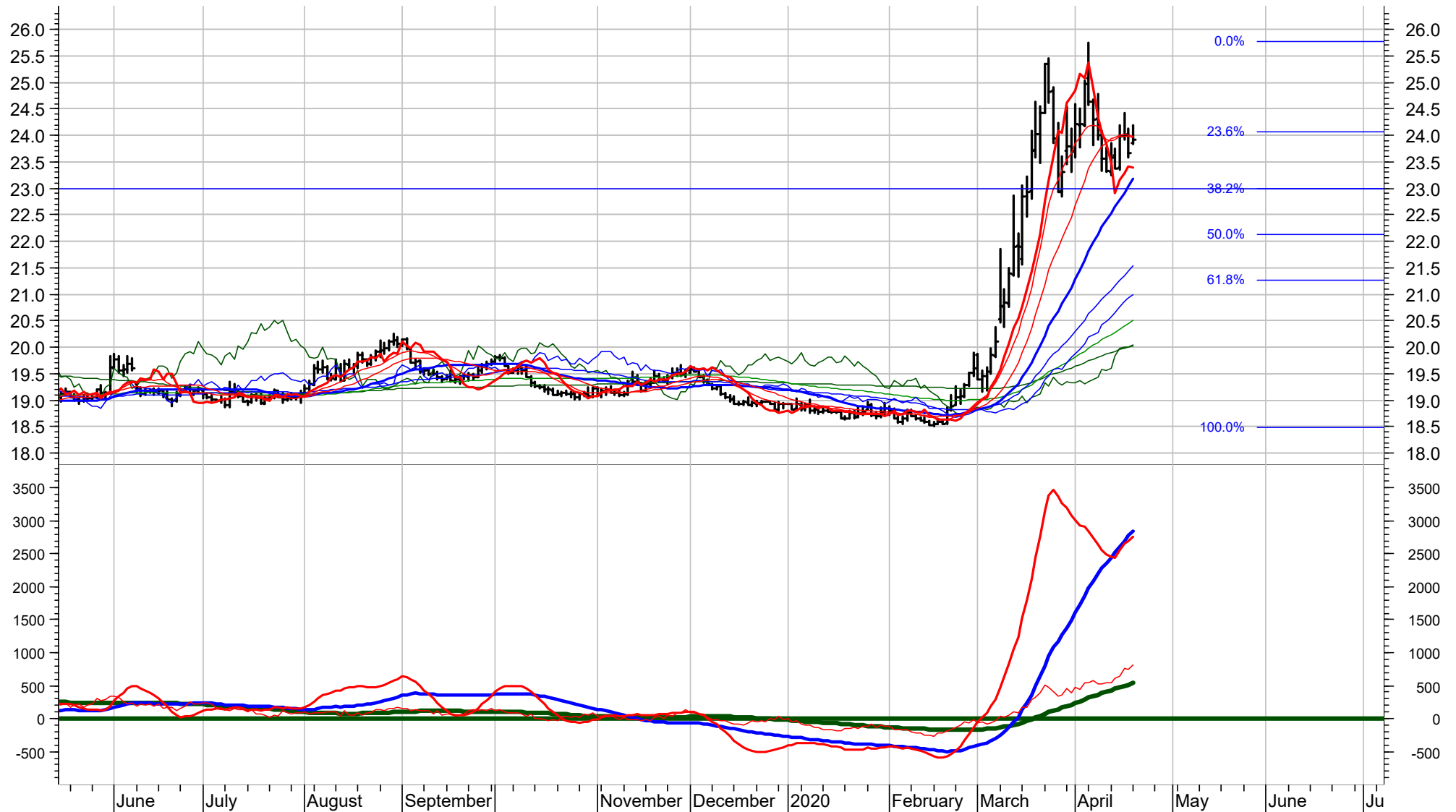
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



Mexican peso per US DOLLAR – daily chart

The Medium-term Outlook will move to DOWN if 23 is broken.
Lower supports are at 22 and 21.20.

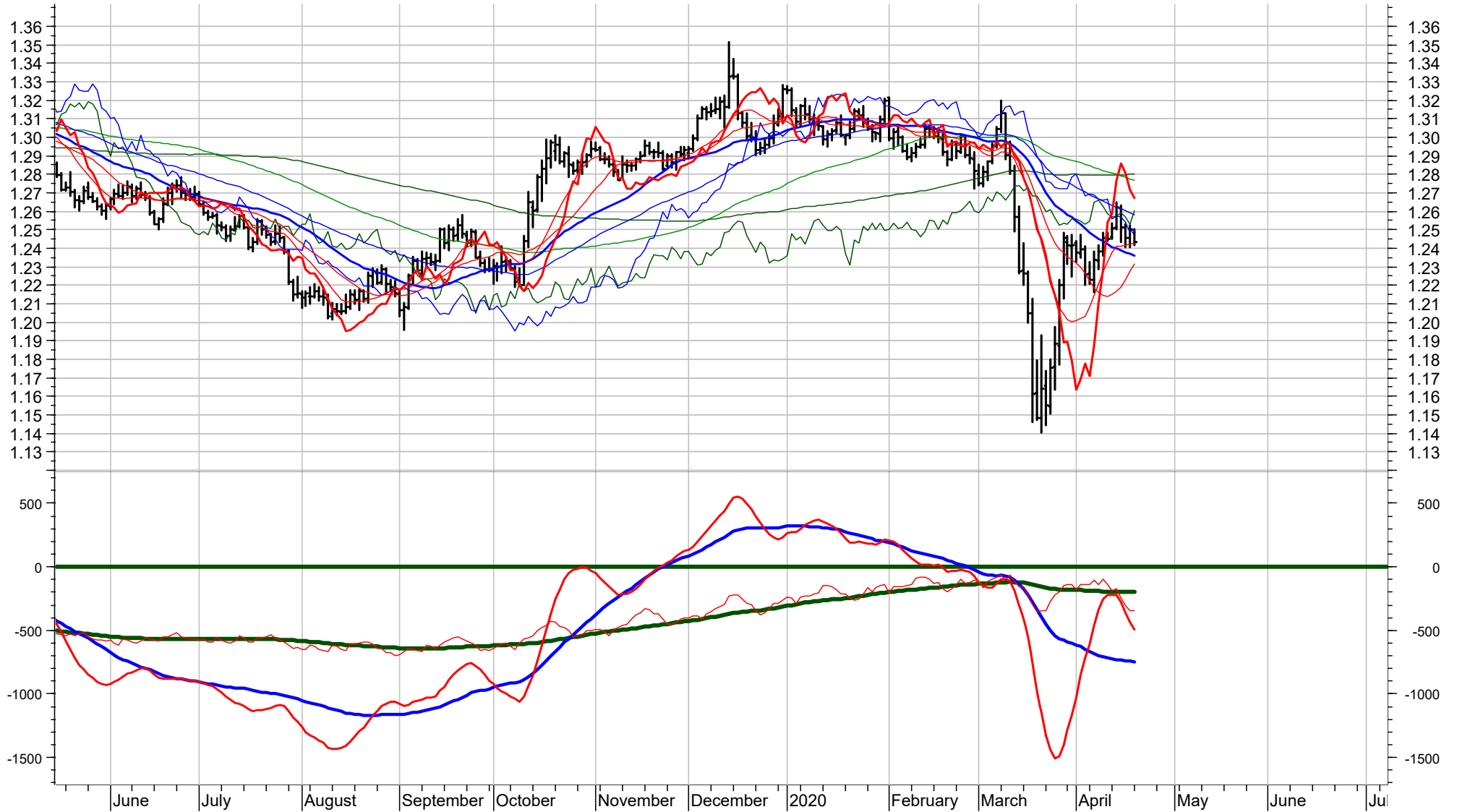
Long-term Outlook: UP
Medium-term Outlook: UP



US dollar per BRITISH POUND – monthly chart

The Medium-term and Long-term Outlook could move to UP if 1.2750 is broken.
The Medium-term and Long-term Outlook could move to DOWN if 1.18 and 1.14 are broken.

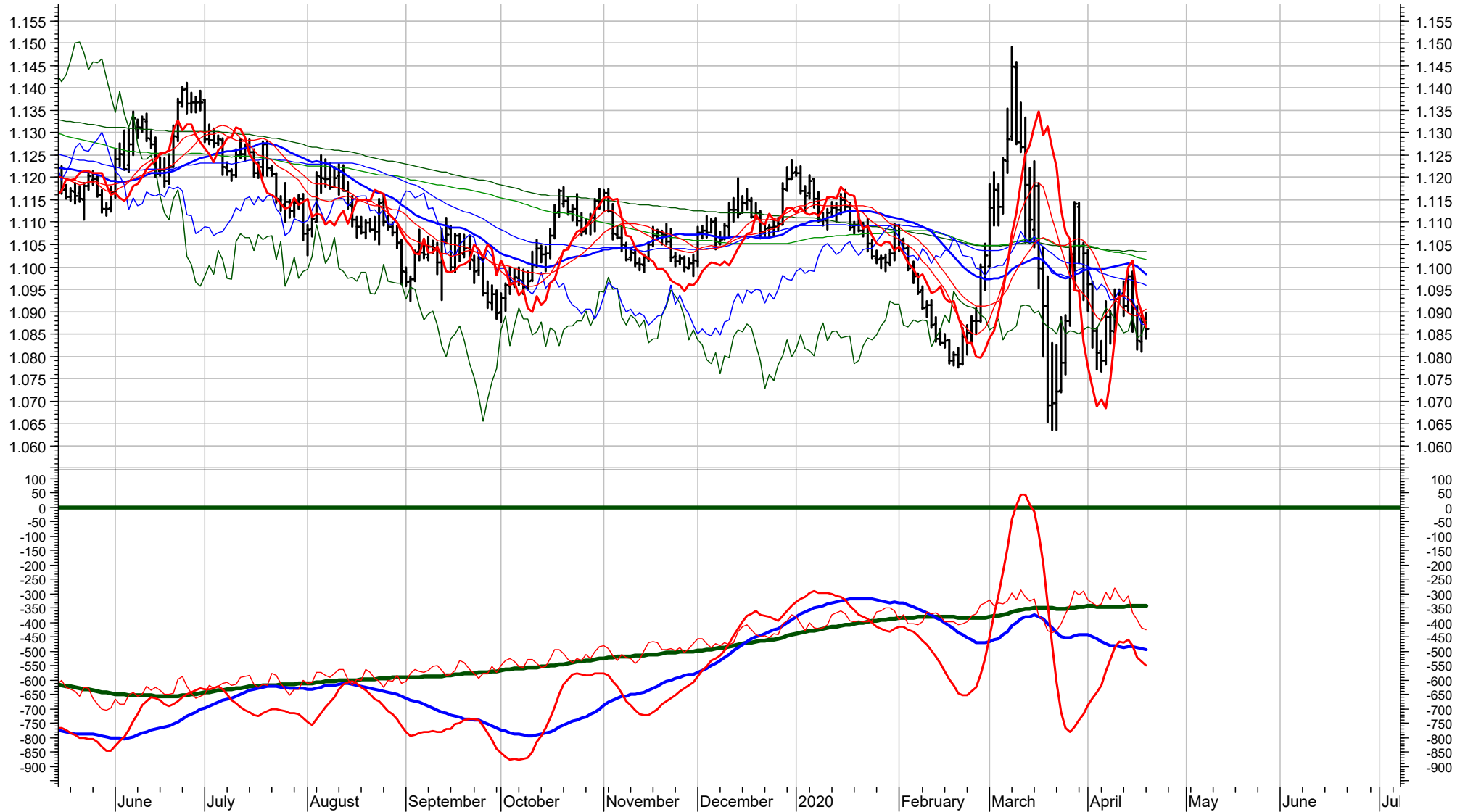
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



US dollar per EURO – daily chart

The Euro could move to medium-term and long-term UP if 1.11 and 1.13 is broken.
The Medium-term and Long-term Outlook would move to DOWN if the supports at 1.08 and 1.06 are broken.

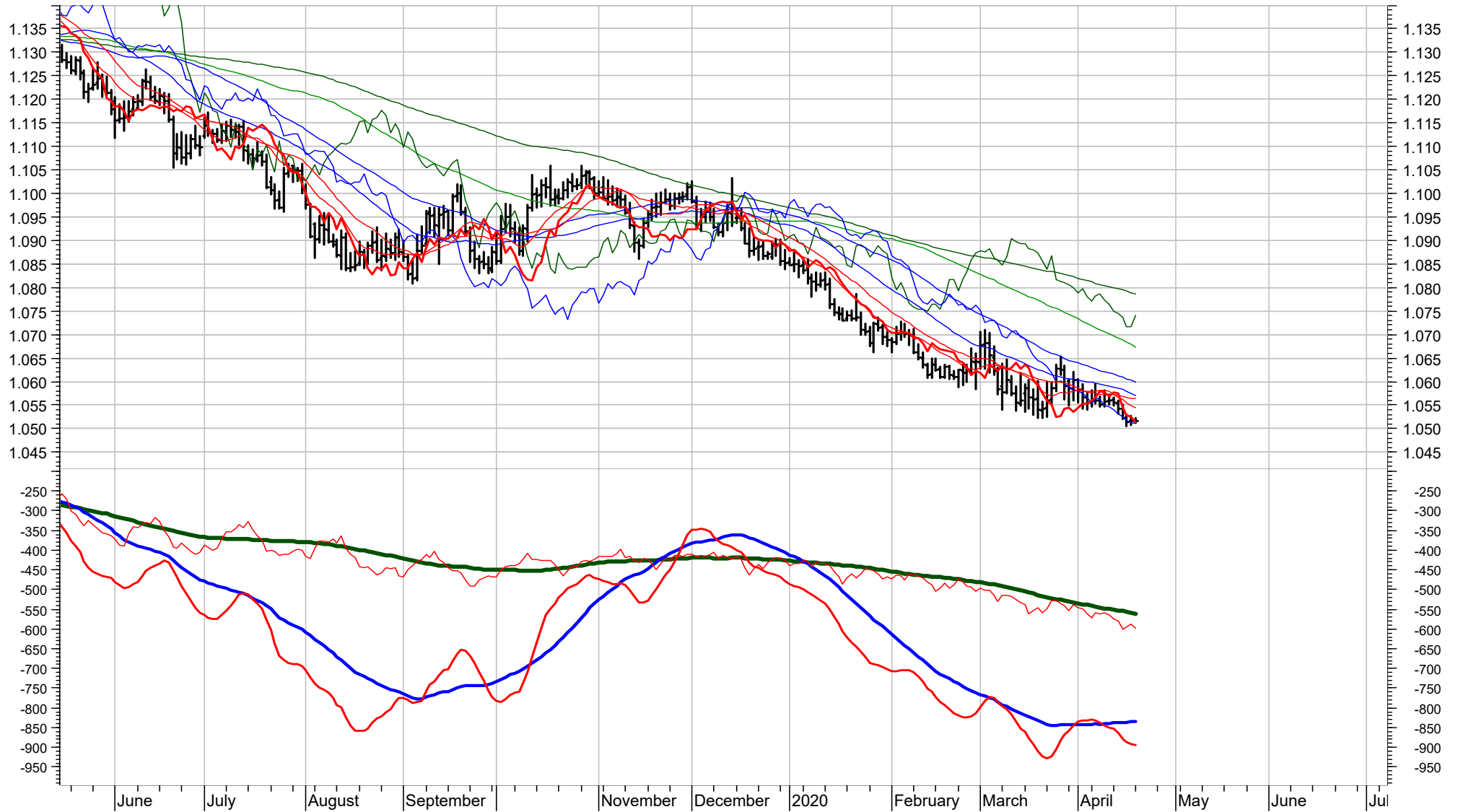
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



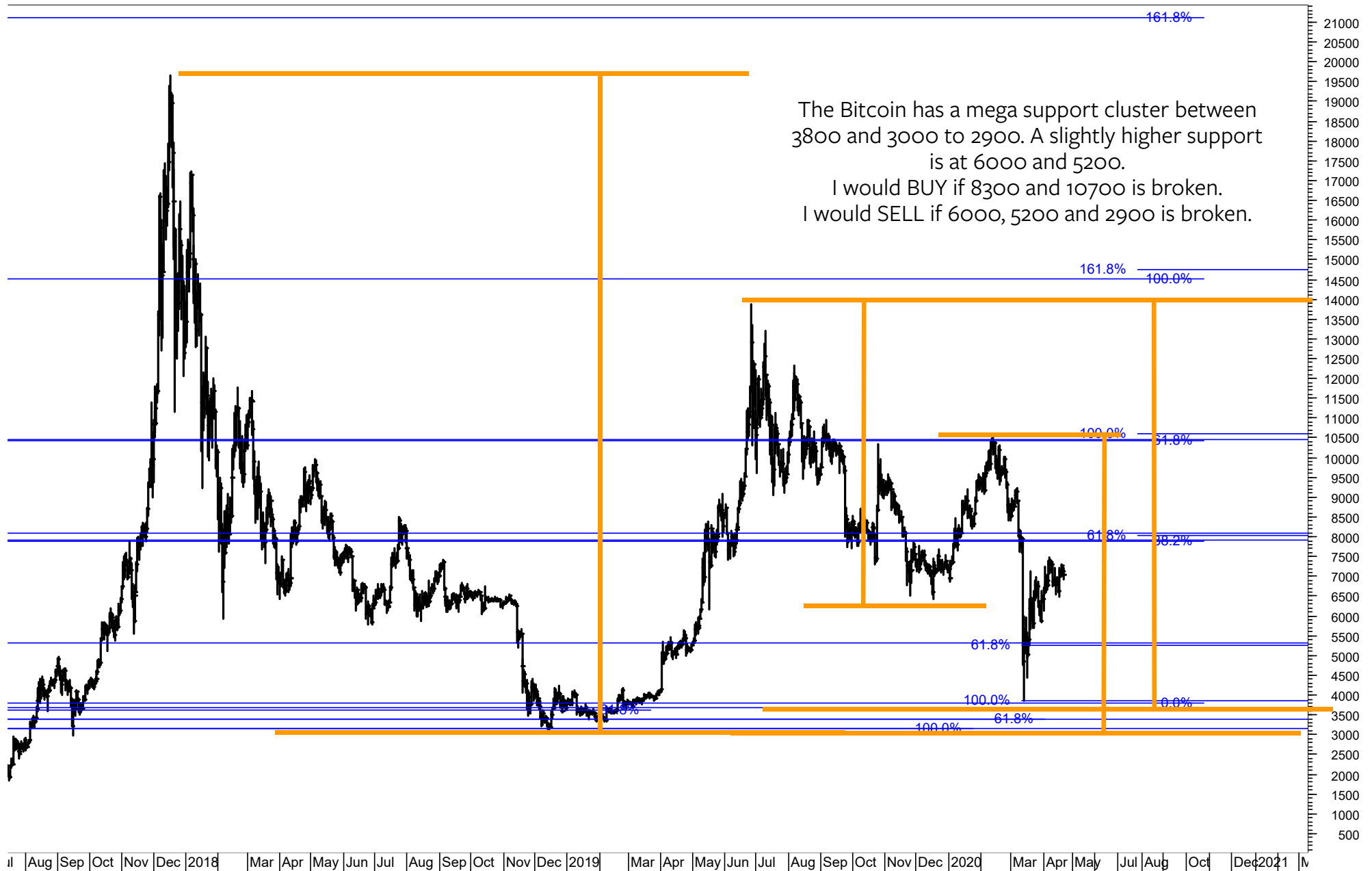
Swiss franc per EURO – daily chart

The Medium-term Outlook could move to UP if 1.0650 and 1.07 is broken.
The Long-term Outlook would move to UP if 1.08 is broken.

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



Bitcoin / US dollar – daily chart – Buy >8300 and 10700. Sell < 6000, 5200 and 2900.



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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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