



GLOBAL CHART OUTLOOK

Looking for ORDER instead of REASON

GLOBAL MARKETS

8th June 2020 / Issue #23

The strength of the stock market rebound from March 2020 makes my long-term outlook DOWN and medium-term outlook FLAT stand a bit across the landscape. So what can I say to explain? In my analysis a rise in the stock markets to the 61.80% retracement level of the February and March decline was still within the confines of a long-term downtrend. But, the surge of the last two weeks has broken this 61.80% level (2840 in the SPX) and a few other resistance levels. As I described in my Chart Outlook Equities of 26.5.2020, the massively oversold market condition did pose a problem to certain analytical approaches such as the moving averages and momentum indicators. The problem is that investors focus on the long-term outlook (investment strategy) and to some extent to the medium-term outlook (tactics). But, the concept of short-term, medium-term and long-term is not applicable in such highly volatile markets. Historically, over the long run, stock market trends that have persisted for 1 year to 3 years were termed “long-term”. Market trends of 3 to 6 month duration were termed “medium term”. The concept of three rhythms was first formulated by Charles Dow at the end of the 19th century. However, I would say that everyone who has taken some time tracking financial market moves is familiar with this concept of three market rhythms. So, in a long-term uptrend it is easy to differentiate the three market rhythms. But, when it comes to the rather rare market crashes, then what do you call a market move, which, timewise, belongs to the short-term moves, but in terms of magnitude of 30% (such as 1Q 2020) belongs to the category “long-term bear market”. The same is true for the rise from March 2020. The US market rise of 45% in 11 weeks is more of a long-term uptrend than a short-term uptrend. But, it took the rebound only 11 weeks to unfold. After corrections such as the markets went through in February and March 2020 there is only the short-term component of the technical models, which can indicate a bullish turn. I did provide such buy signals shortly after the March-low in my Chart Outlook Markets of 23.3.2020. But, such signals are thought to be applied by the traders. Because traders are trading, they do not have a problem to sell if the market turns down again. But, most long-term investors are not used to buying and selling in short intervals. Thus, medium-term and long-term investors have to wait for a medium-term and long-term signals. However, such signals are triggered only after the market has rallied by 5% or, in some cases 20%. But, when markets have recovered by 20% the short-term uptrend is extended, which means that when investors buy when traders are inclined to sell.

Of course, I myself, could overrule the medium-term and long-term models and, instead of waiting for them to turn positive, I could turn my medium-term and long-term outlook upwards whenever I think it is opportune. But, long-term readers of my Chart Outlook have probably observed that I am not the most aggressive type of analyst. When I screen through the history of my most important buy and sell signals, I realize that I am extremely good at SELLING. But, in BUYING, I am most often a bit late. Although, I always find some opportunities and profits to be made outside of market extremes. This behavior (great at selling, a bit late in buying) goes back a long time. Already in September 1987 I published a SELL recommendation, a few weeks ahead of the market crash of October 1987. Perfect market timing. But, because the market was extremely oversold in October 1987, it took me until April 1988 (when the S&P had retraced more than 61.80% of the market crash) when I published the next buy signal. In late 1999, I published the “sell-of-a-generation”, just before the dot.com-bubble peaked and the markets entered a three-year bear market. I even called for a SECULAR bear market to last for about 10 years. Perfect timing, I would say. But, in early 2003, after the market low, I gave away 25% of the market moving higher before I turned positive again. In 2007, I published a long-term sell signal, just before the financial crisis arrived. Perfect timing, I would say. But, it was only in July 2009, when I turned positive, which was when the index had rallied by 30%. Still, I called for new all-time-highs shortly after the low of the financial crisis. In January 2018 I published sell signals, immediately ahead of the February-2018-mini-crash. In my trading section of the stock market indices I even recommended selling short. But, for most of the market rise between February 2018 and the top in October 2018 I had stayed neutral. In September 2018 I published sell signals, just ahead of the nasty 20%-4Q 2018-decline. I did upgrade the medium-term outlook from down to neutral in January 2019, but I stayed neutral for much of the advance in market 2019. One of the reasons for staying neutral following the market selloffs in 1Q 2018 and 4Q 2018 was that I had a clear expectation that the markets could remain in a broad range with another downleg of about 15% to be expected in 4Q 2019. It turned out to materialize not in 4Q 2019 but in 1Q 2020. In February 2020 I turned negative on the market based on the completion of the five-wave structure from October 2019 to February 2020. Great timing, I would say, selling just before the corona crash. Of course, I had no idea that a virus would knock us all down.

Overall, during my activism in the global financial markets of the past 30 years, I have placed more weight on my strategy “DO NOT LOSE ANY MONEY”. This strategy has earned me a nice fortune. I don't have to buy at the bottom, but I must sell before the top. Or, I must cut my frequent losses in individual position, so that my bigger profits pay for the few small losses.

As I said, the strength of the stock market rebound from March 2020 makes my long-term outlook DOWN and medium-term outlook FLAT stand a bit across the landscape.

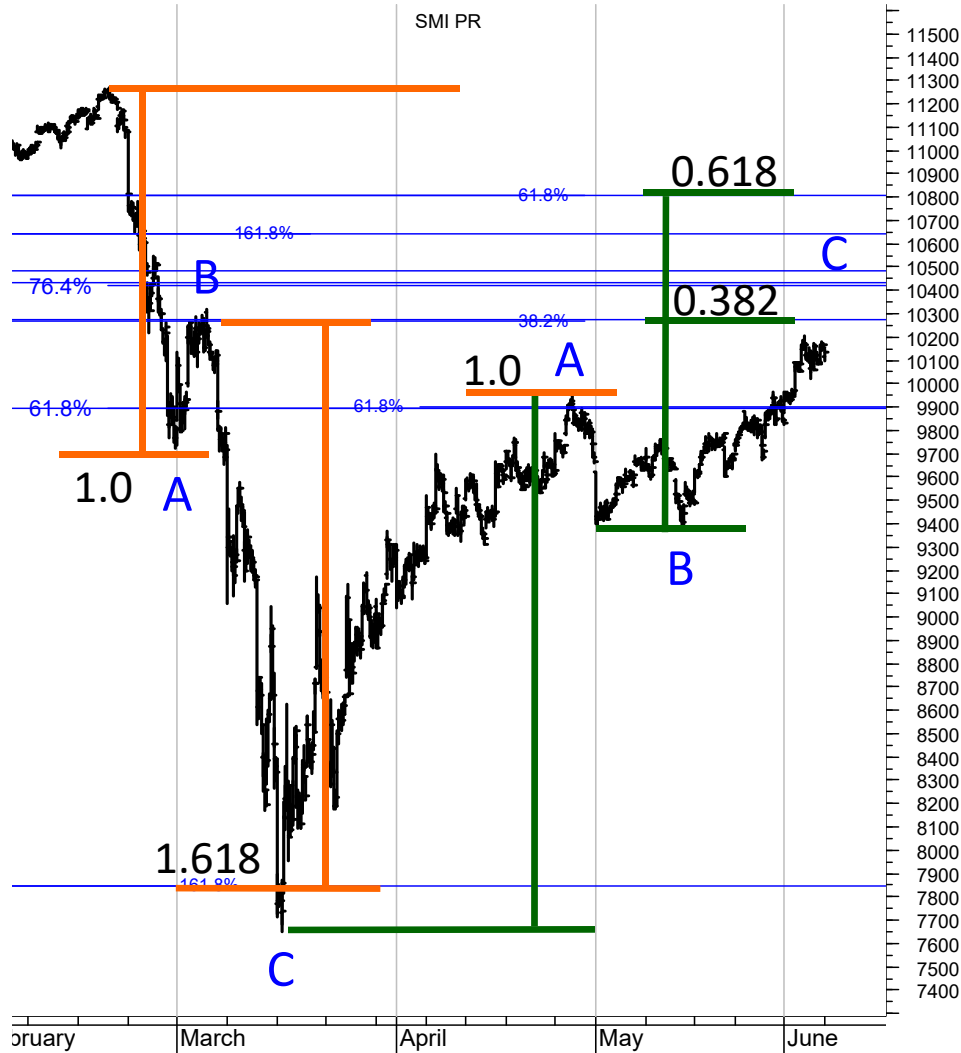
Considering the effort to time the financial markets, you could argue that why bother about frequent market corrections? Walti (We are long-term investors) and Tina (There is no alternative) might be right this time again, given that the S&P 500 Index is close to another all-time-high. You could argue, it has never payed to sell, because if you don't buy again, you miss out on the big profits. BUT, I have to argue that this may have been true to some market indices. But, over the last 10 years, the uptrend has become steeper and steeper. It will become harder and harder for the market to sustain the rate of ascent. Moreover, the present excitement comes purely from the US tech stocks FANG&M. Many of the other stock markets (such as Italy) are trading 60% BELOW the peaks, which they registered in the year 2000. Or, companies such as Boeing rose 128% from the low in March, but, it is still trading 55% below the peak in February 2020. Going forward, I expect the differentiation between the good and the bad apples will make a big difference.

If you take the currency into consideration, the charts offer even more opportunities than buy and hold. If you track the local stock markets in Swiss franc relative to the MSCI Switzerland. The MSCI USA in Swiss franc, for example, has underperformed the MSCI Switzerland by 20% from June 2018 to April 2020. Or, the MSCI U.K. in Swiss franc has LOST 85% (!) relative to the MSCI Switzerland.

Following the rise in the stock markets of the last 2 weeks, my long-term and medium-term model moved to up or neutral. With the stock market indices breaking their 61.80% retracement level, some long-term ratings are upgraded to FLAT. But, I maintain my cautious view because many of the core indices have one more major Fibonacci resistance just overhead (S&P 500 Index at 3250). In addition to the technical indicators and chart patterns there are the sentiment indicators, such as CBOE call/put ratio. The equity rally from March has pushed the 5-day ratio to the highest level in 6 years. A failure to break this next resistance could ring an alarm bell, not just to the traders but to Walti.

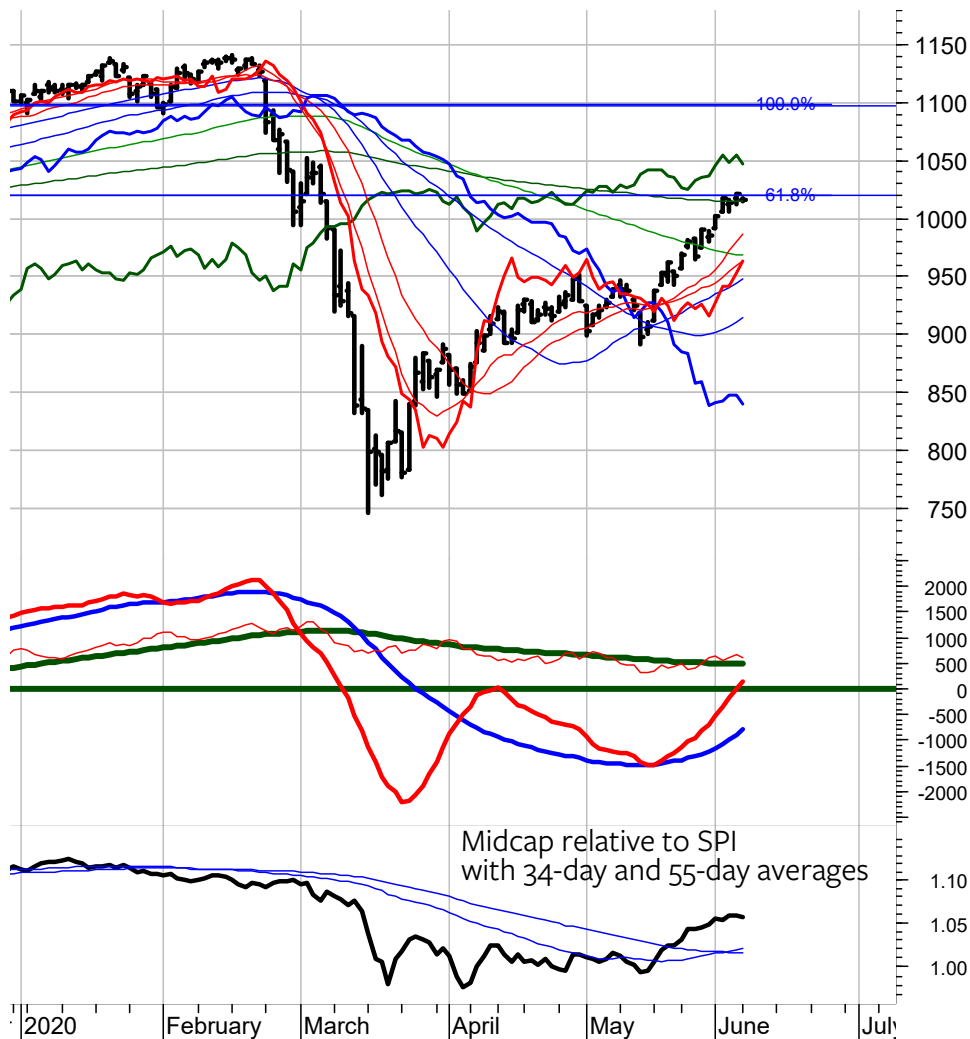
Swiss Market Index SMI and the VSMI

In March, the Swiss stock market suffered from a heart attack. The upper right chart shows the SMI Volatility Index. It displays the typical pattern of a bubble. But, whereas a price bubble mirrors a collective euphoria, a bubble in volatility mirrors a collective panic. The Fibonacci correlation of the rise in the SMI from the low in March indicates that the next major resistance is likely to be tested at 10300. A break of 10300 would signal 10400 to 10500, 10650 or 10800. A new correction would be signaled if 9970 and 9880 is broken and if the VSMI breaks above 26 and 28.50.



Swiss MidCap Price Index (.SMIX) – daily chart

At Friday's high at 1021, the rally from 14.5.2020 at 891 was 61.80% of the length of the rise from 16.3.2020 at 746 to the high on 30.4.2020 at 952. This means that the Midcap Index is presently testing the key resistance at 1021, a break of which would signal 1100. A correction will be signaled if 1005 and 985 is broken. The present rise in the midcap stocks is due to the rise in the cyclical stocks and the weakness in Nestlé, Roche and Novartis. The relative performance to the SPI (bottom chart) looks toppish. For now, medium-term investors retain the equal weighting of the large cap and mid cap index.

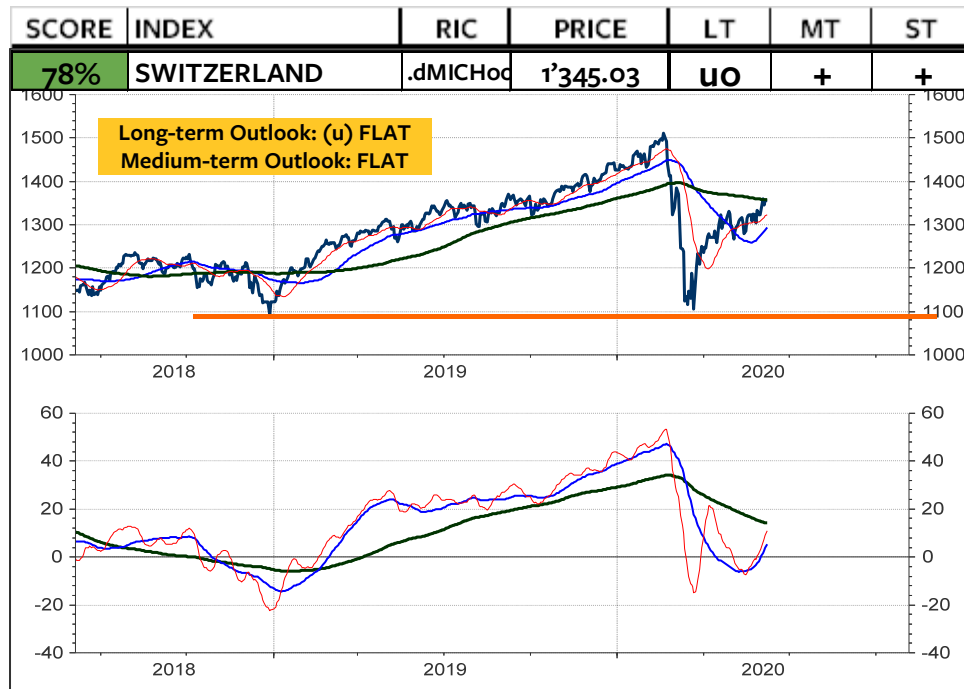


Swiss SmallCap Price Index (.SSIX) – daily chart

Last week I stated “The level at 1330 to 1340 marks a major resistance which the Index must break to signal higher targets.” Presently, the Smallcap Index is testing the key resistance at 1340/50, a break of which would signal 1400. Based on the relative performance (bottom chart), investors remain equally weighted in the Swiss small cap relative to the large cap stocks.



MSCI SWITZERLAND in Swiss franc



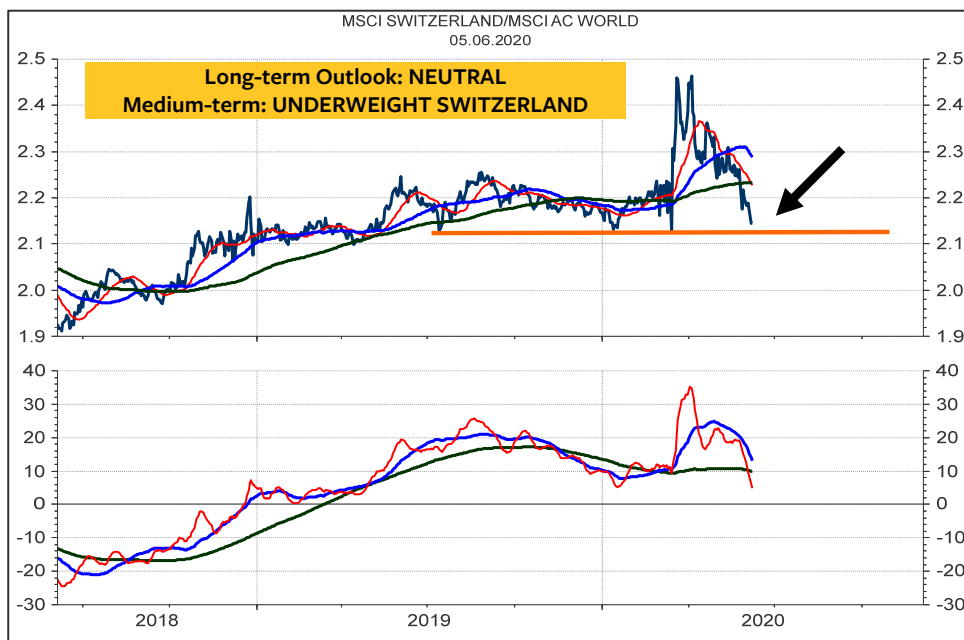
The Trend and Momentum Model is upgrading the MSCI Switzerland to long-term FLAT. The Medium-term and short-term Models remain UP. I am going with the model change and shift the long-term outlook to FLAT. The medium-term outlook remains flat. A break in the SMI above 10300 would justify an upgrade in the MSCI Switzerland to medium-term UP.

The MSCI Switzerland relative to the MSCI World (lower left) has continued to underperform. A downgrade to long-term UNDERWEIGHT Switzerland will be signaled if the relative support at 2.10 is broken.

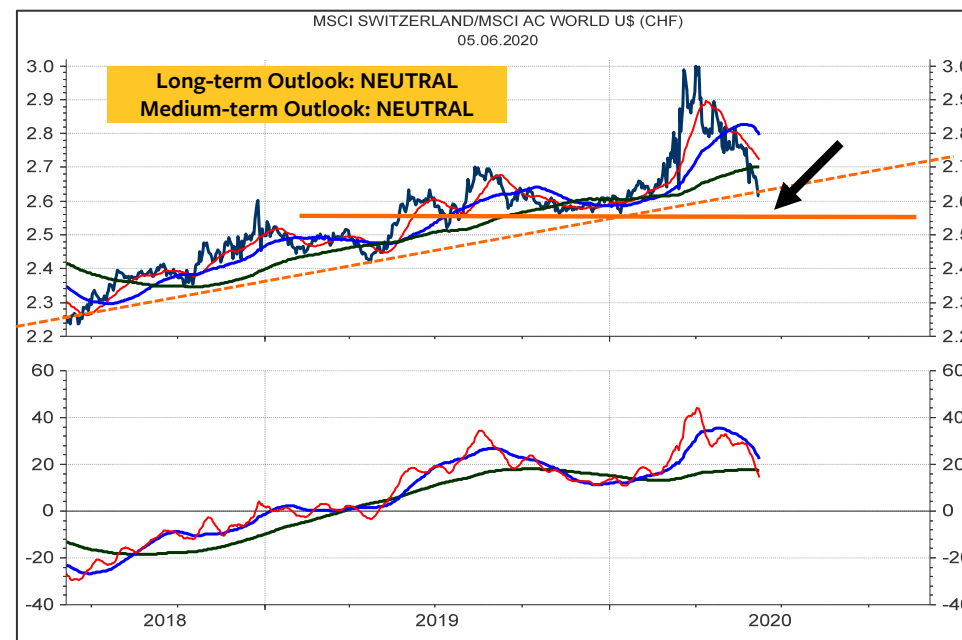
On the lower right, the MSCI Switzerland is shown relative to the MSCI World in Swiss franc. Swiss franc-based equity investors should be alert of a downgrade of the MSCI Switzerland to UNDERWEIGHT if the relative support at 2.55 is broken. This means that the big cap stocks Nestlé, Roche and Novartis must run again to avoid such a relative downgrade.

Some of the global stock markets, measured in Swiss franc, are upgraded to medium-term NEUTRAL. This matches the recent downgrade of the MSCI Switzerland relative to the World Index in Swiss franc. BUT, THERE IS STILL NO STOCK MARKET WITH BOTH RATINGS (medium-term AND long-term) with an OUTPERFORM RELATIVE TO THE MSCI SWITZERLAND. This means that Swiss franc-based equity investors still remain OVERWEIGHT in the MSCI Switzerland. BUT, a break of the support in Switzerland relative to the World (below right) will trigger BUY signals in some of the global stock market indices, either this week or next week.

MSCI SWITZERLAND relative to the MSCI AC World

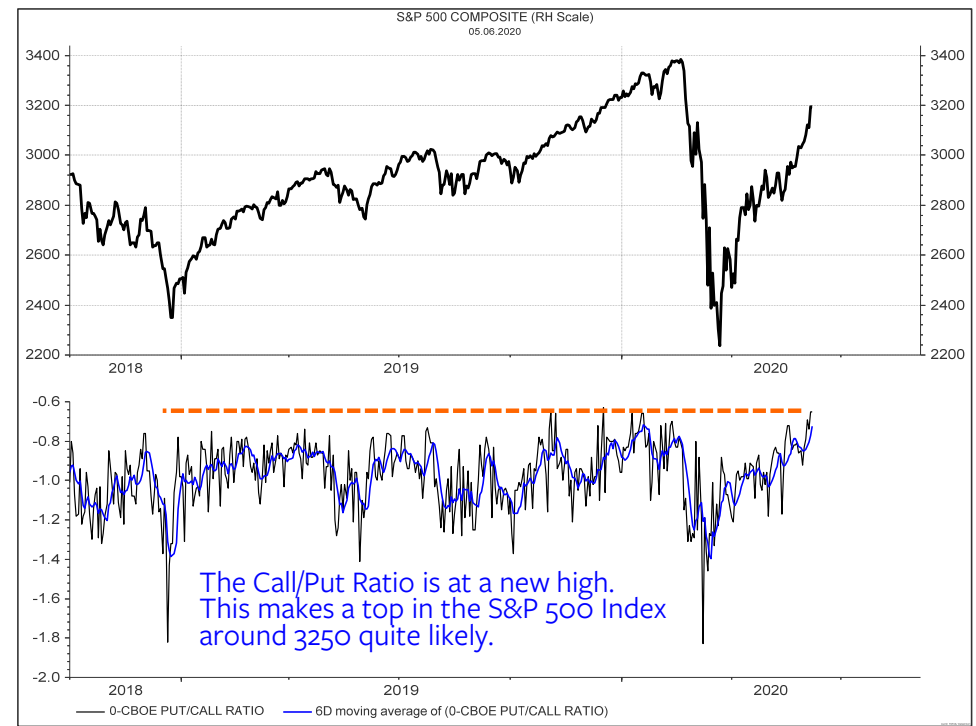
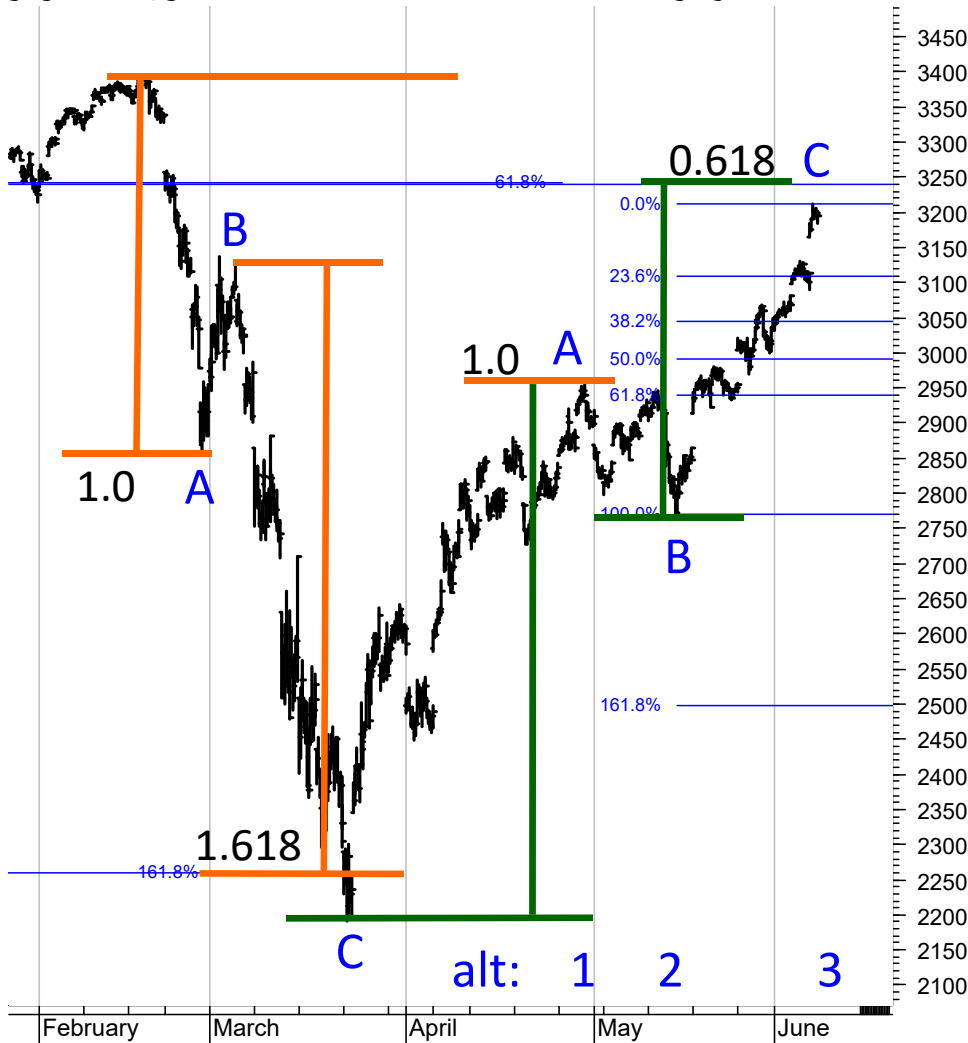


MSCI SWITZERLAND relative to MSCI World in Swiss franc

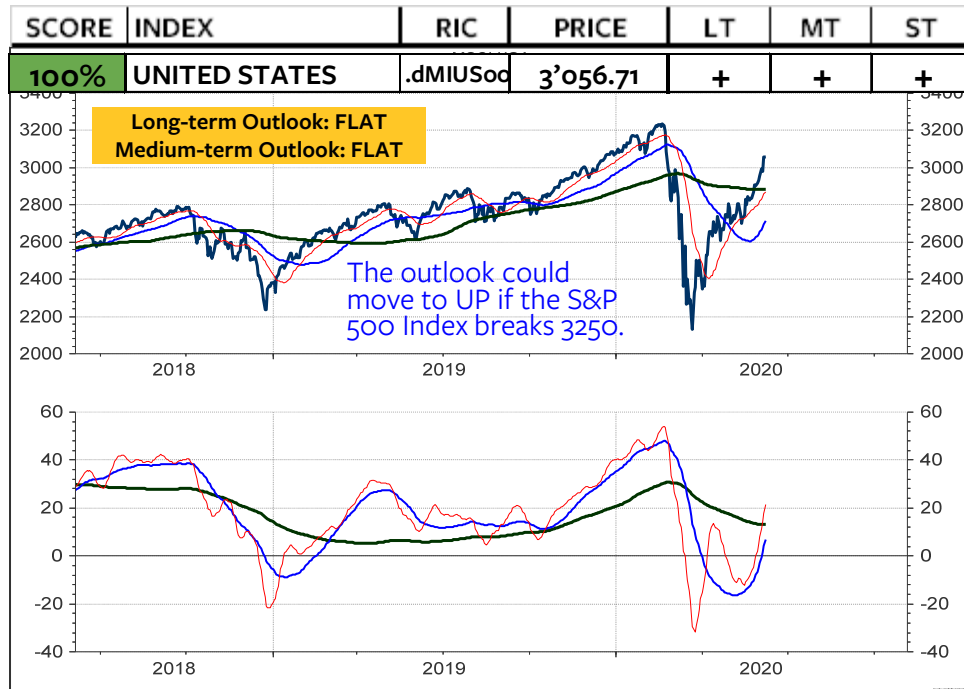


S & P 500 Index – CBOE Call/Put Ratio and the VIX

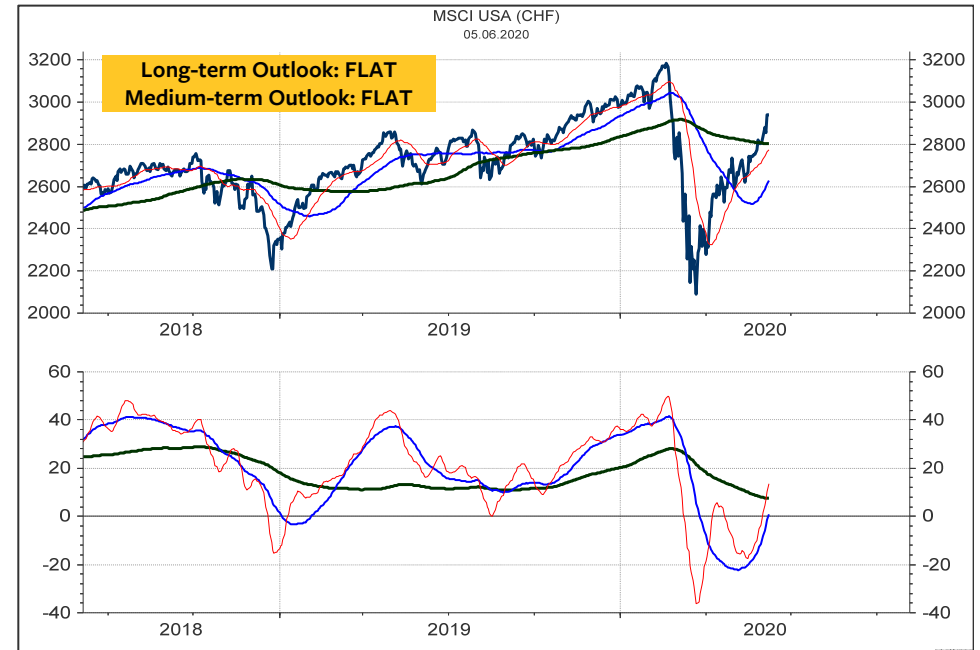
Last week I stated: “A break above 3070 could signal yet another higher-high in the medium-term recovery from March 2020.” The S&P 500 Index did break upwards and is rising to the next major resistance level at 3250. At this level is the rally from 14.5.2020 at 2769 is 0.618 times as long as the rise from 23.3.2020 at 2192 to the high on 29.4.2020 at 2955. Wave B was a textbook FLAT correction, which makes 3250 the more important. Notice that in the February and March decline Wave C travelled 1.618 times the length of Wave A. The rise from March could also be counted as a five-wave structure. This count could become the preferred if 3250 is clearly broken. The key supports are at 3100, 3030 and 2930. The resistance in the VIX are 28 and 30.50.



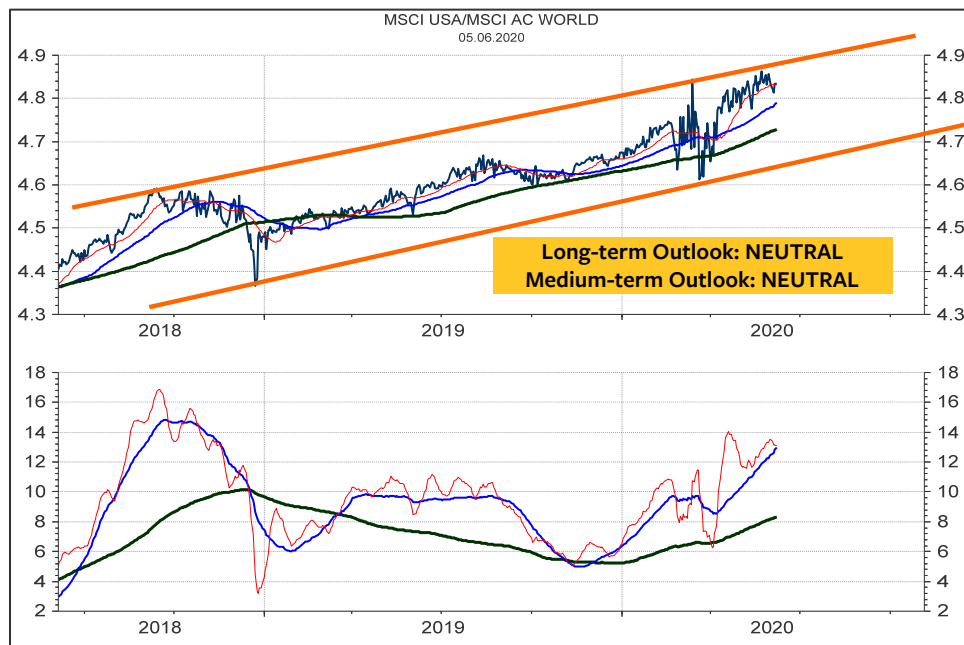
MSCI USA in US\$



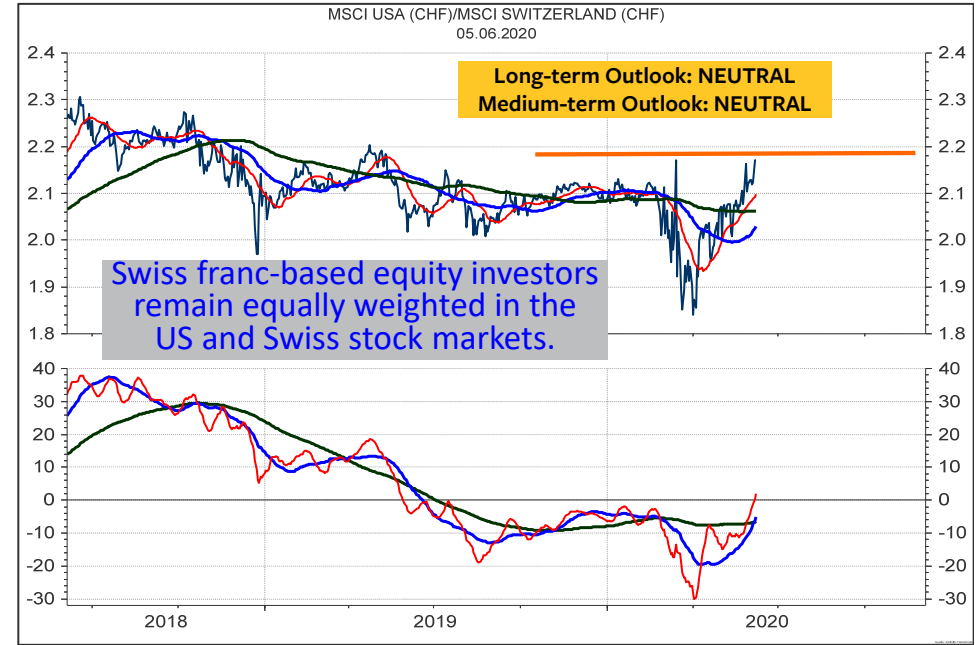
MSCI USA in Swiss franc



MSCI USA relative to the MSCI AC World

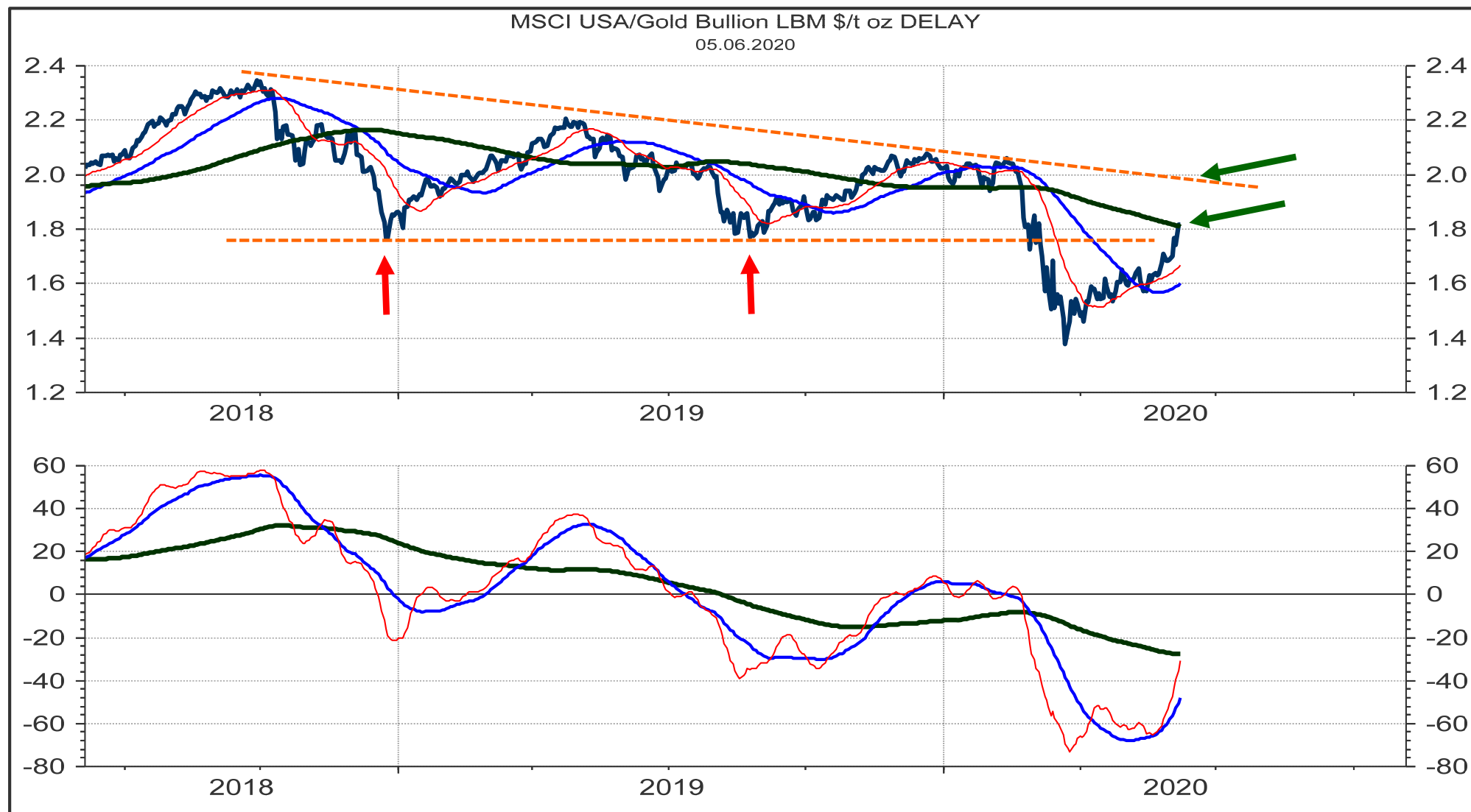


MSCI USA in CHF relative to MSCI Switzerland



MSCI USA relative to Gold in US Dollar

The MSCI USA has continued to outperform Gold in US dollar. In fact, the MSCI USA managed to rise above the low from August 2019. This means that the uptrend from March 2020 could be not just of medium-term degree, but also of long-term degree. Presently, the MSCI USA relative to Gold is testing the 144-day moving average. If it breaks through this long-term trend barometer, it will confirm the recent break of the 144-day average in the absolute trend of the MSCI USA (next page, upper left). This would be a most important signal given my previous statements that investors should be long equities only if both trends are rising, the absolute trend and the trend relative to Gold.



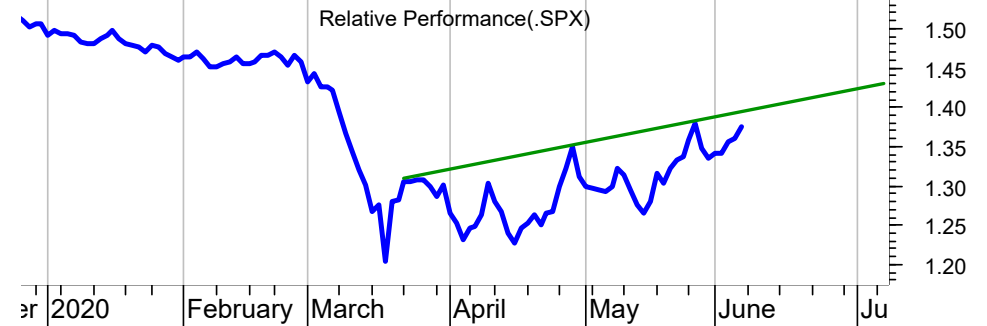
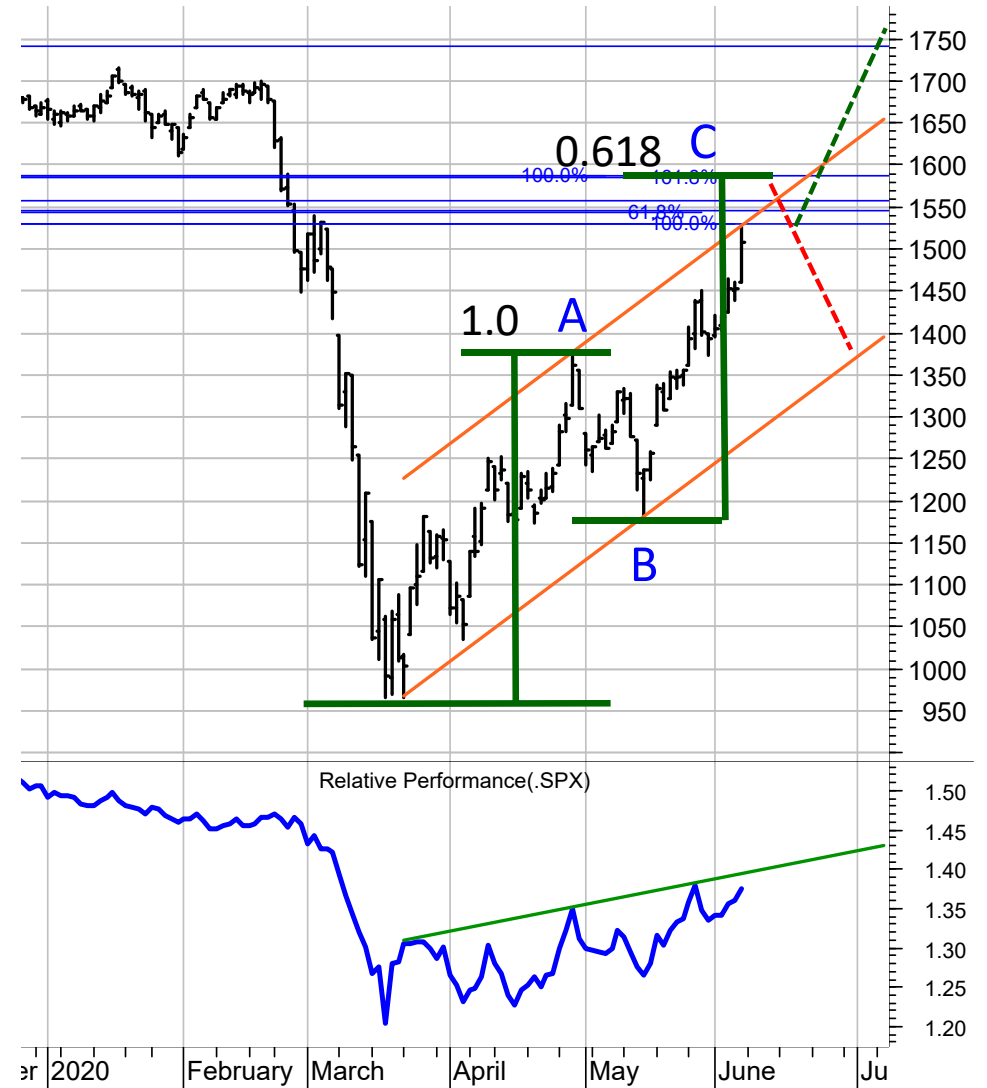
Nasdaq 100 Index

The Nasdaq has been forming a Wedge since mid April. It must either re-accelerate the uptrend and break above 9900 to 9950 or it could top and reverse down. Such a downturn could be signaled if 9600 and 9400 is broken. The loss of relative outperformance to the S&P 500 Index since the mid-May high could imply that the trend will reverse down.

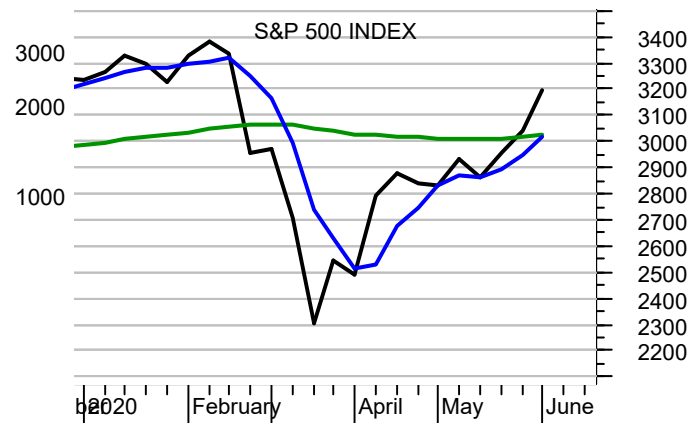
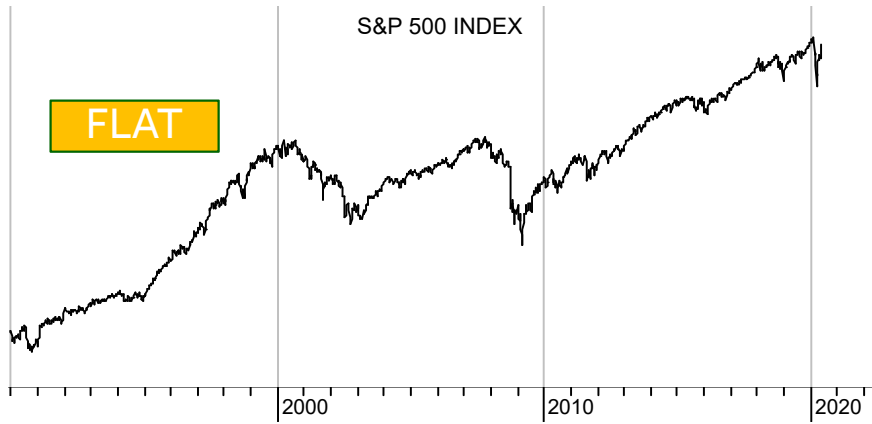


Russel 2000 Index

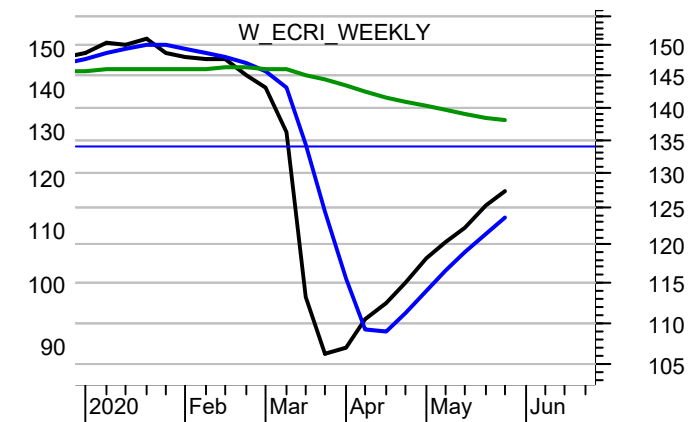
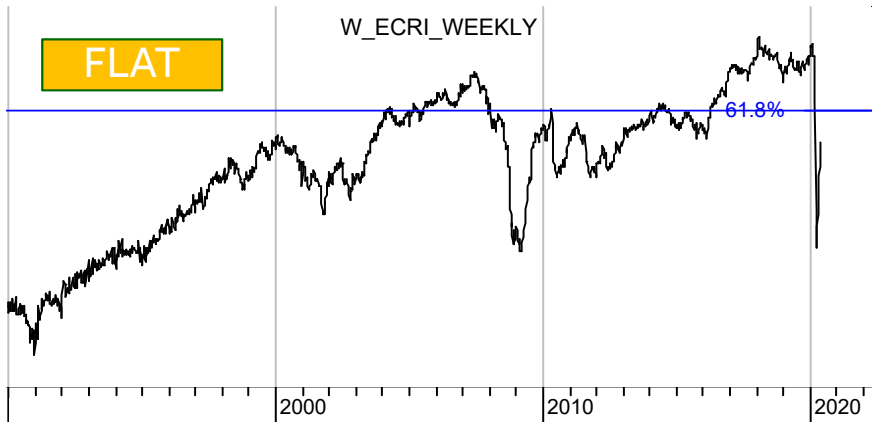
The Russel 2000 Index is testing the major resistance band between 1530 and 1590. A break of this band would signal 1750 and possibly higher and speak in favor of the resumption of the long-term uptrend. The relative chart Russel to SPX must break above the green resistance line to signal a new upgrade from neutral to overweight.



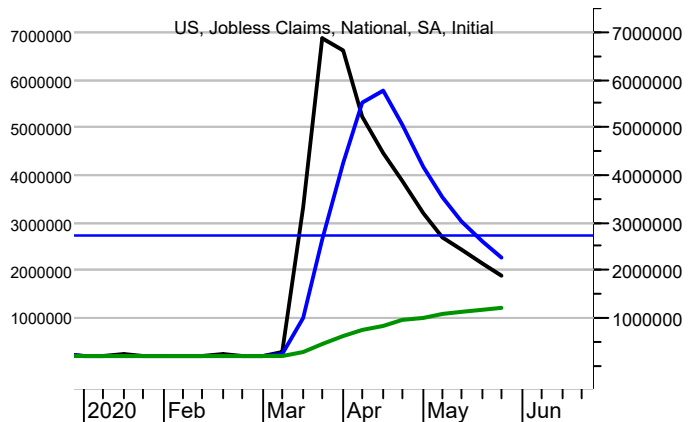
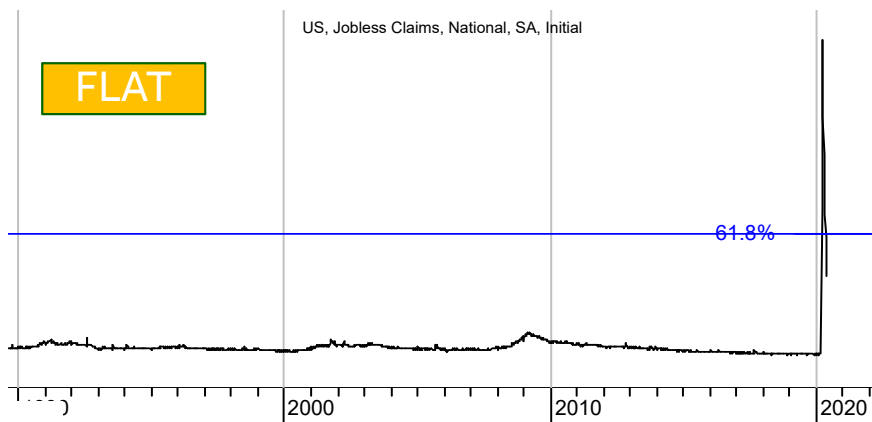
Three-Factor-US-Cycle Model – Watching the S&P 500 Index and its 4-week and 40-week averages



While the **S&P 500 Index** is testing the major Fibonacci resistance at 3250, the 4-week average is about to cross above the 40-week average. This means, the S&P will top this or next week or the model will be upgraded to UP.

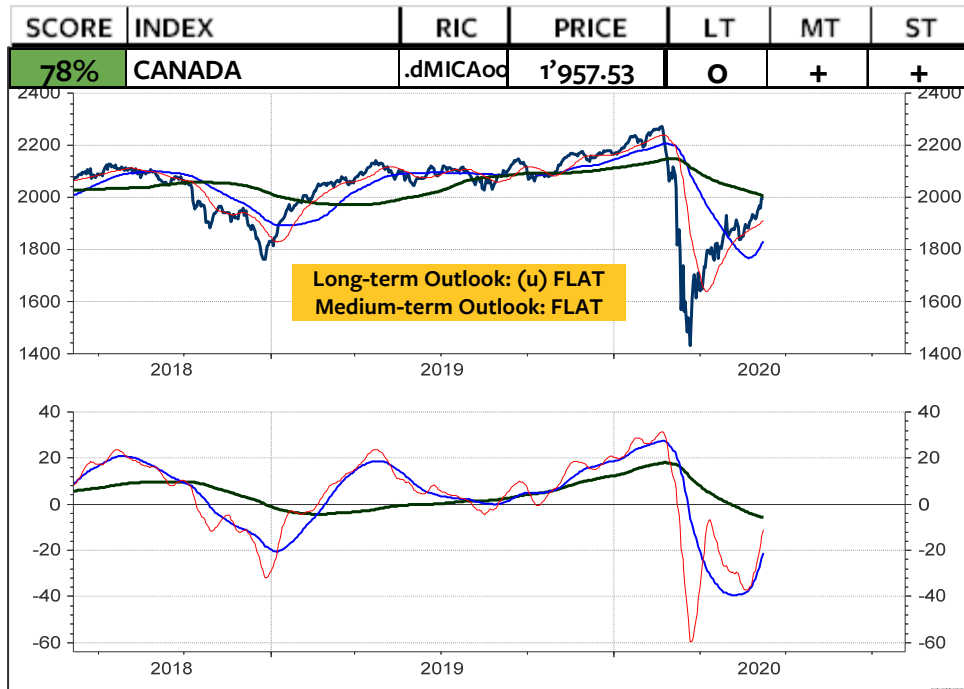


The **Weekly Economic Cycle Research Index** rose from 125.30 to 127.40. The Model would move to UP if the ECRI breaks above the 61.80% retracement to the February and March decline at 134. **The Model remains FLAT.**

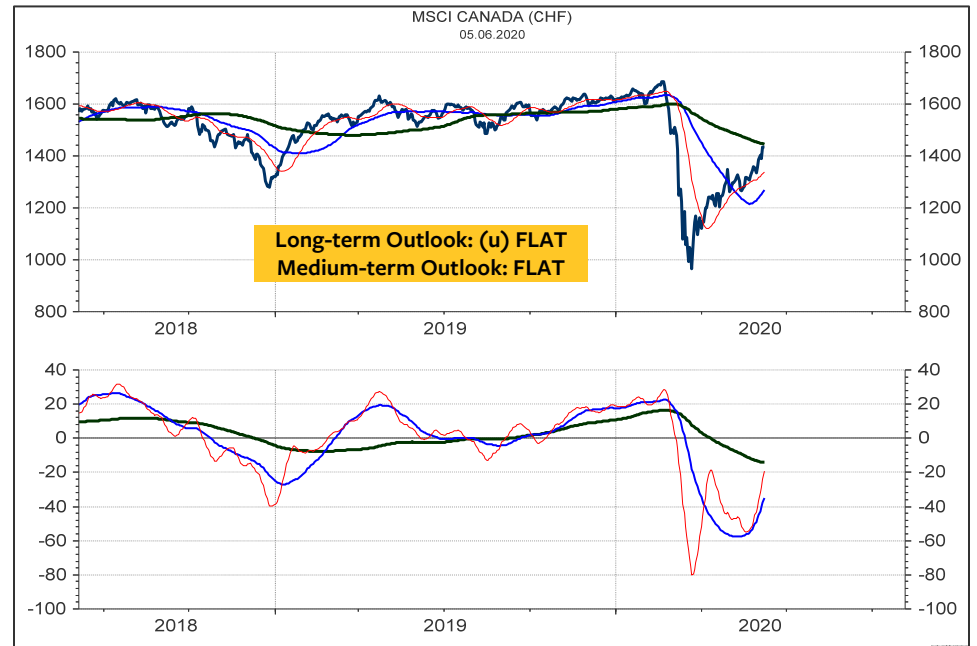


The **Weekly Initial Jobless Claims** fell from 2.126M to 1.877M. Because the decline from March has retraced more than 61.80% of the surge in March, the model deserves a positive reading. However, the decline from March appears to be slowing and a new upturn cannot be ruled out. Still, I want to postpone the upgrade for another week because of the resistance test in the S&P 500 Index.

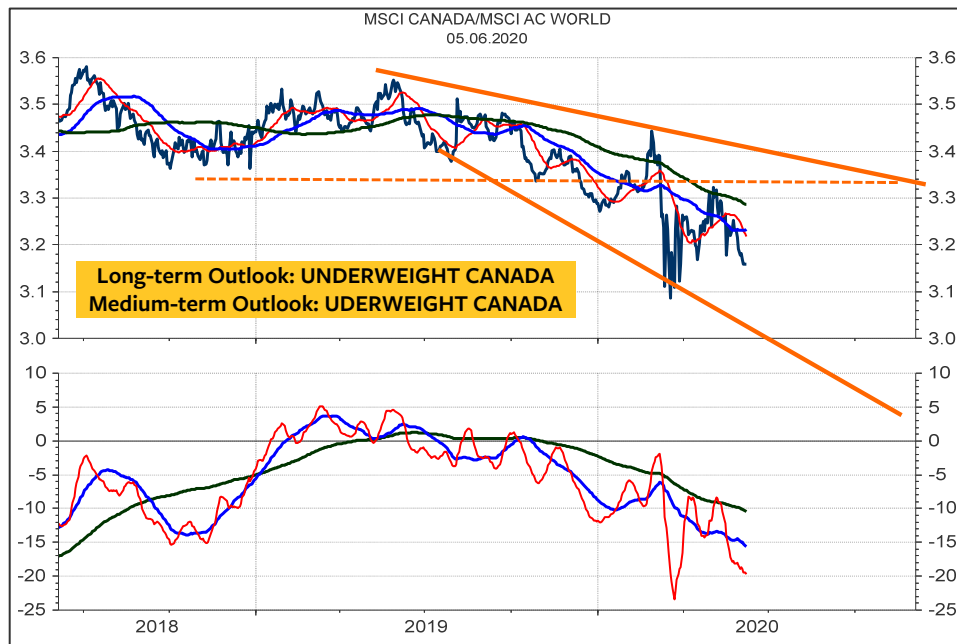
MSCI CANADA in Canadian dollar



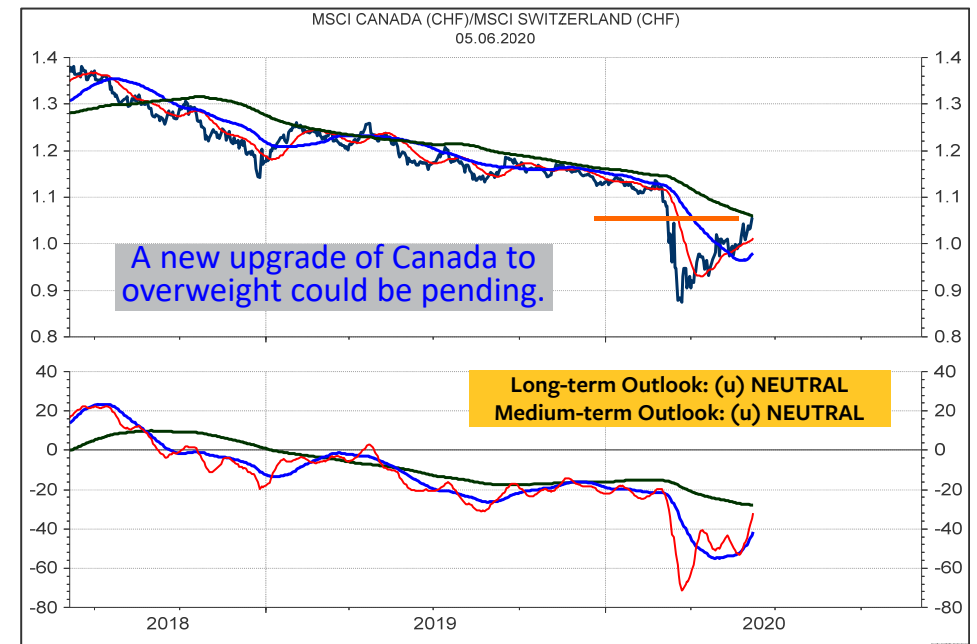
MSCI CANADA in Swiss franc



MSCI CANADA relative to the MSCI AC World



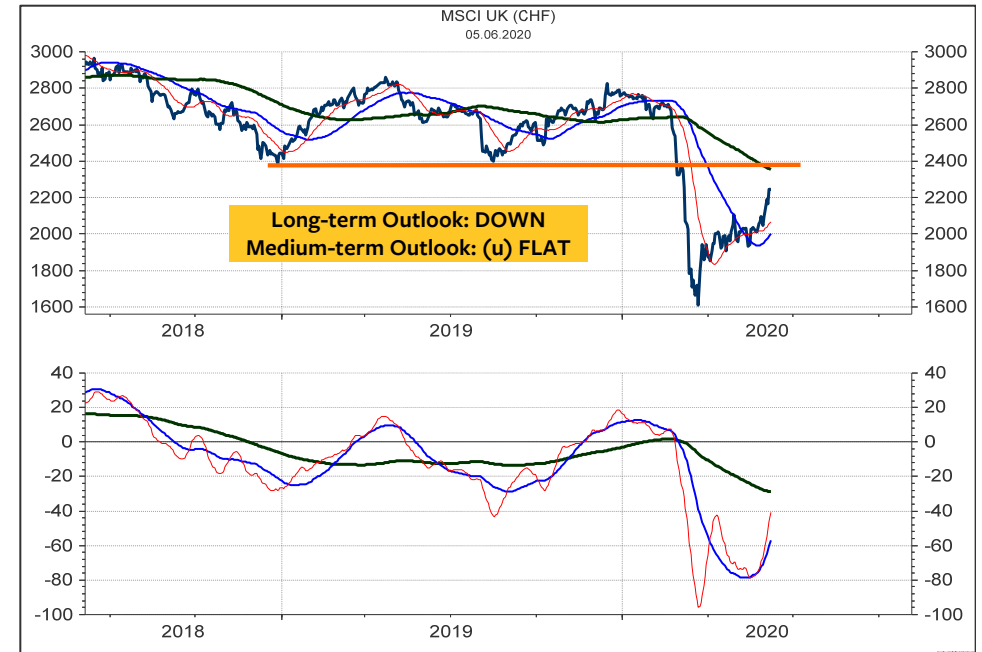
MSCI CANADA in Swiss franc relative to MSCI Switzerland



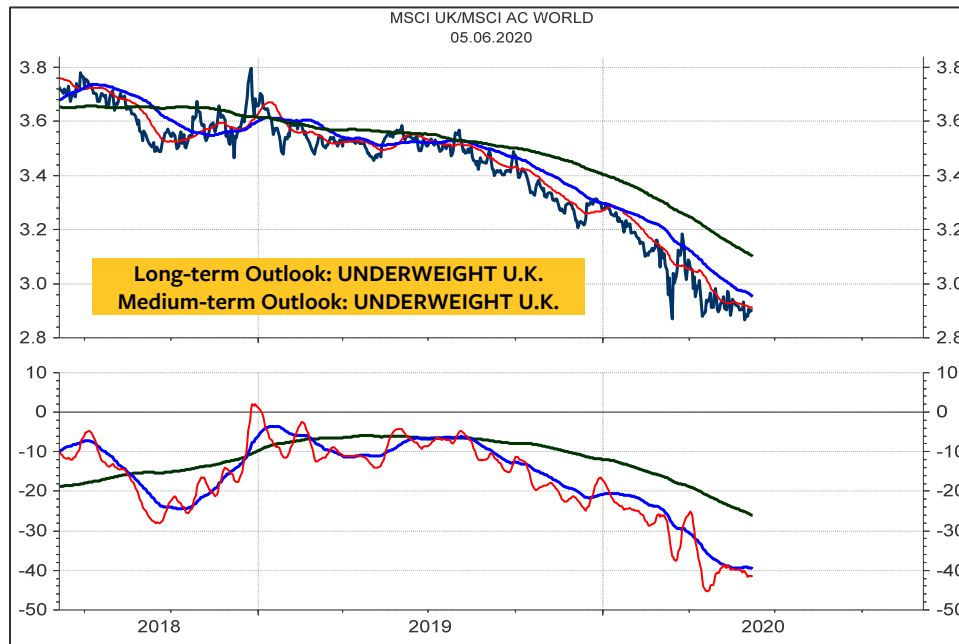
MSCI U.K. in British Pound



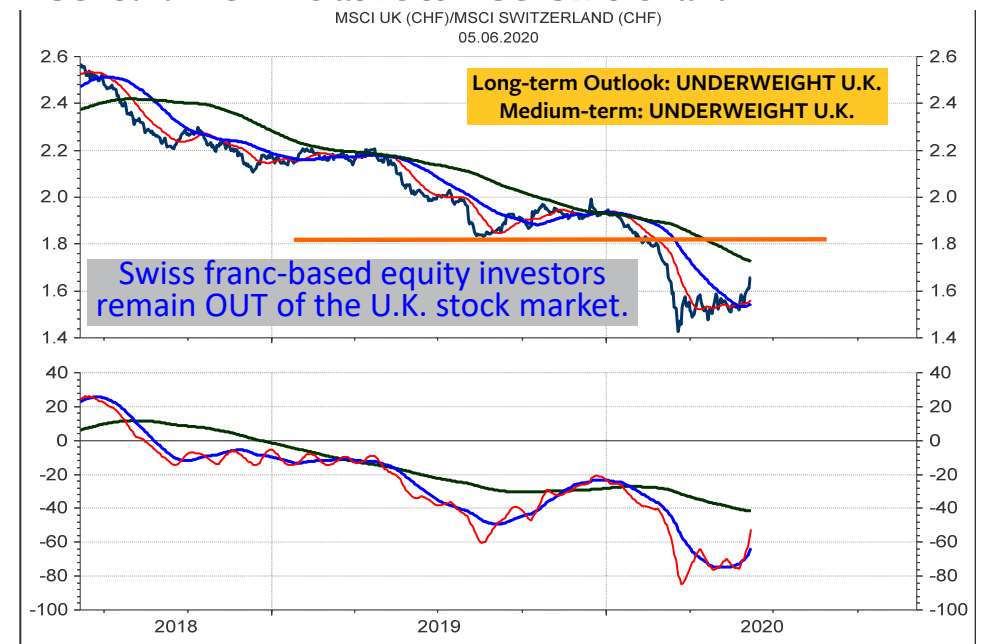
MSCI U.K. in Swiss franc



MSCI U.K. relative to the MSCI AC World

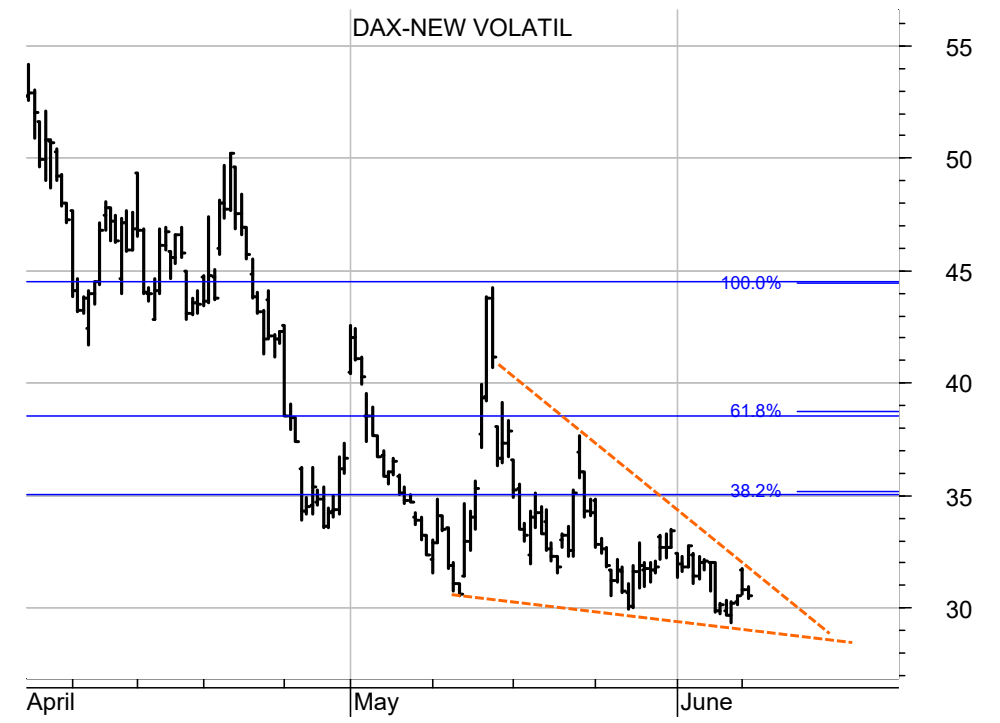


MSCI U.K. in CHF relative to MSCI Switzerland

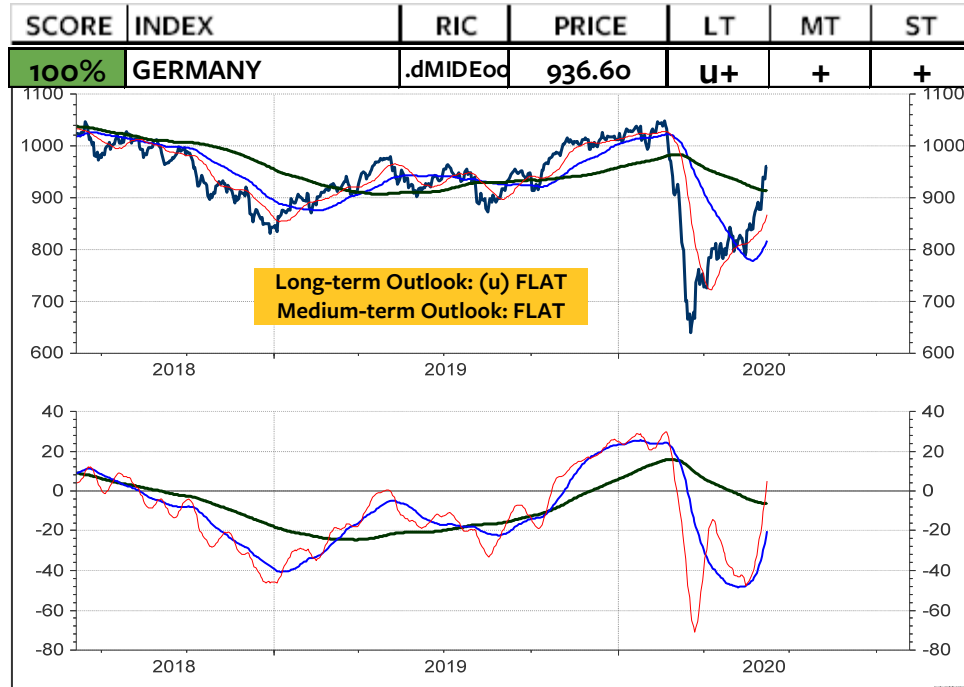


Deutscher Aktien Index DAX

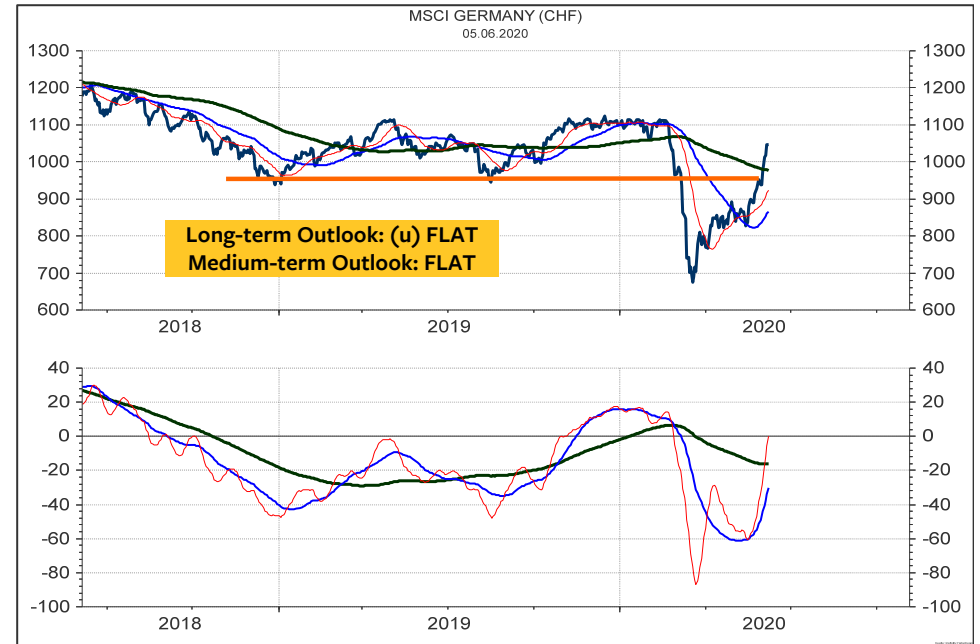
The surge in the DAX has reached the two resistance levels, both being positioned at 13100. Given the extension of the uptrend from 14.5.2020 in five waves implies that a top could well be reached around 13000. Such a top could be confirmed by the DAX Volatility Index. The Wedge from the top in mid May could be either reversing or breaking lower. Obviously, a reversal to the upside would go hand in hand with a market top.



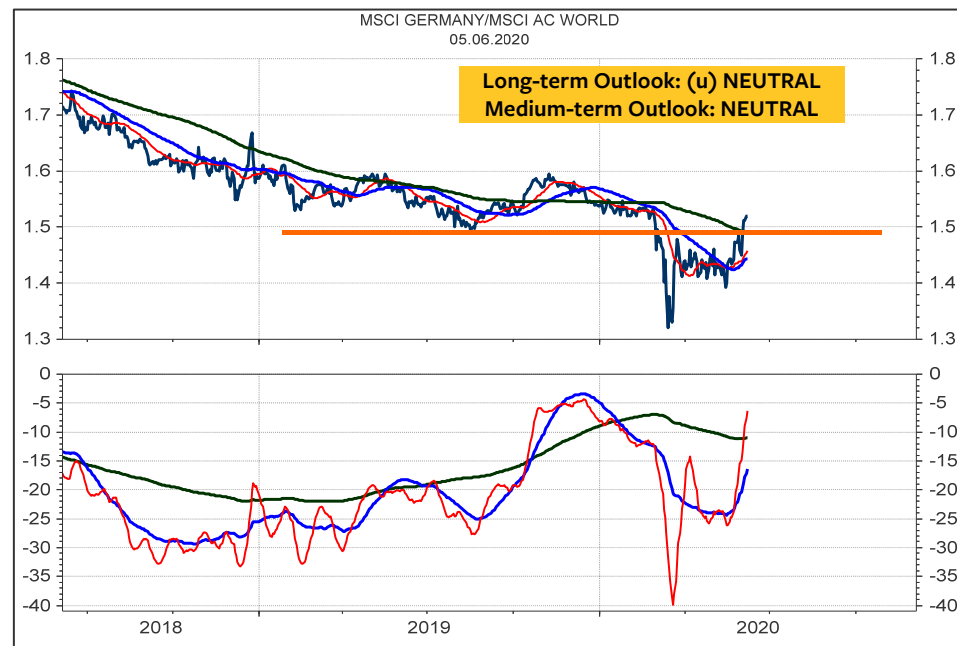
MSCI GERMANY in Euro



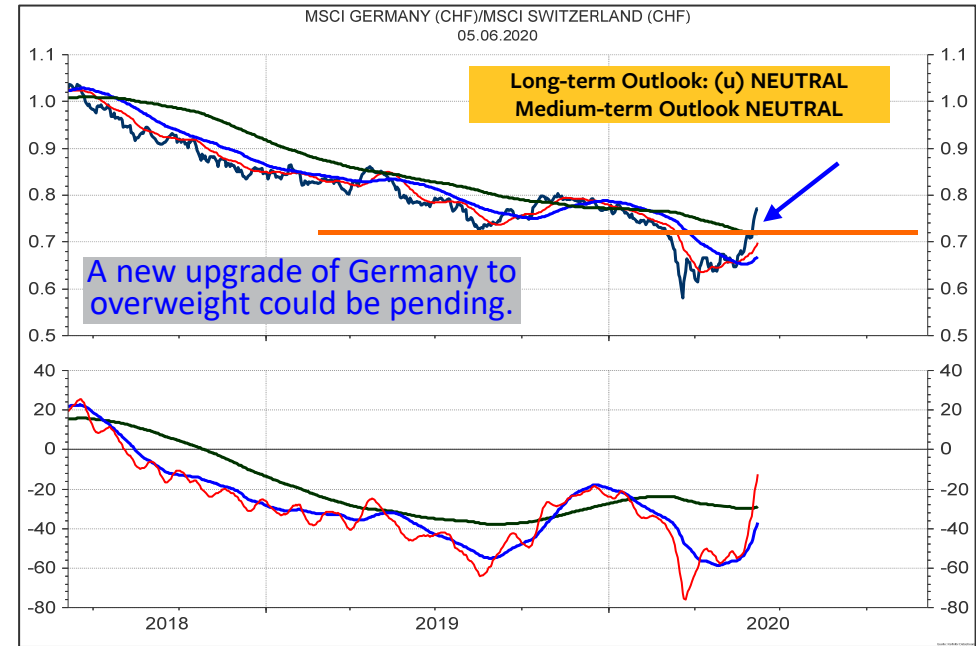
MSCI GERMANY in Swiss franc



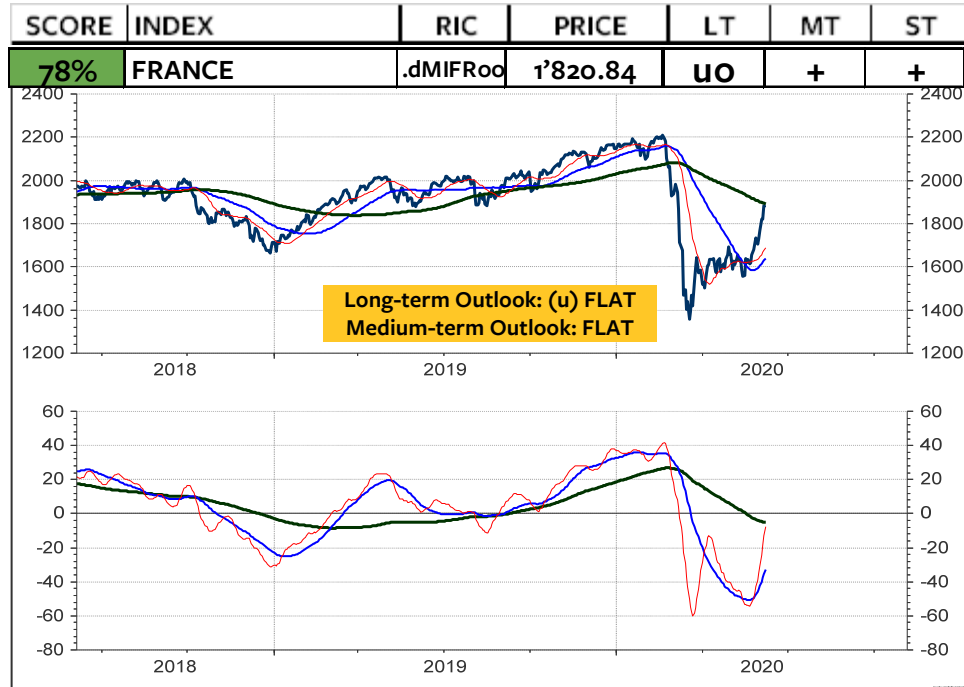
MSCI GERMANY relative to the MSCI AC World



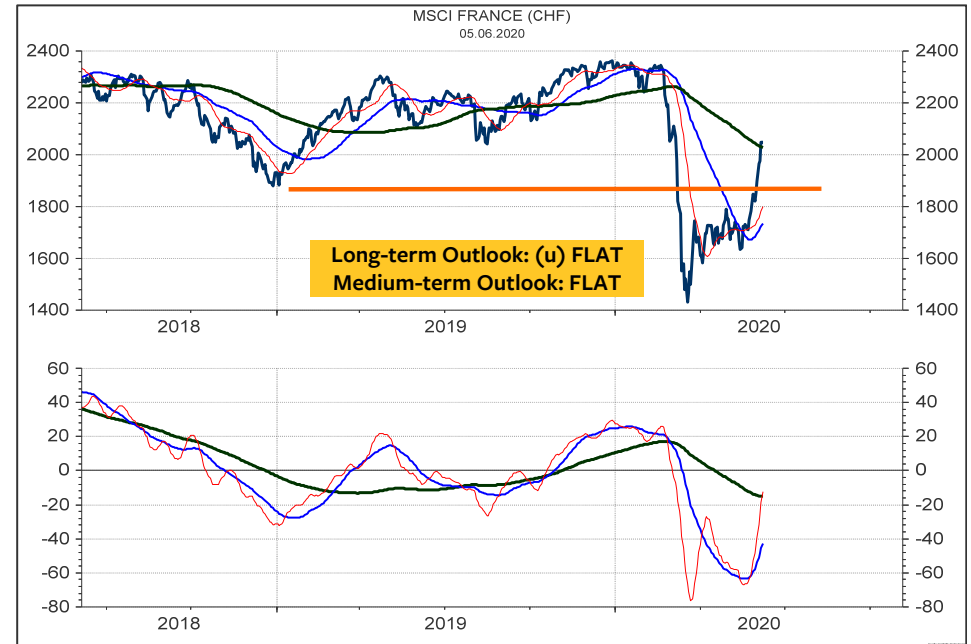
MSCI GERMANY in CHF relative to MSCI Switzerland



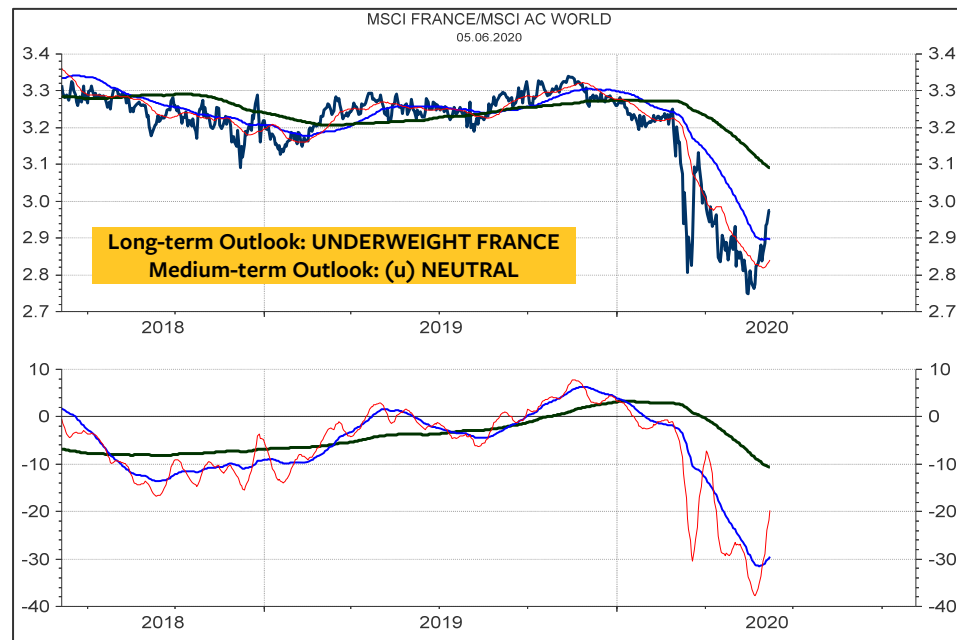
MSCI FRANCE in Euro



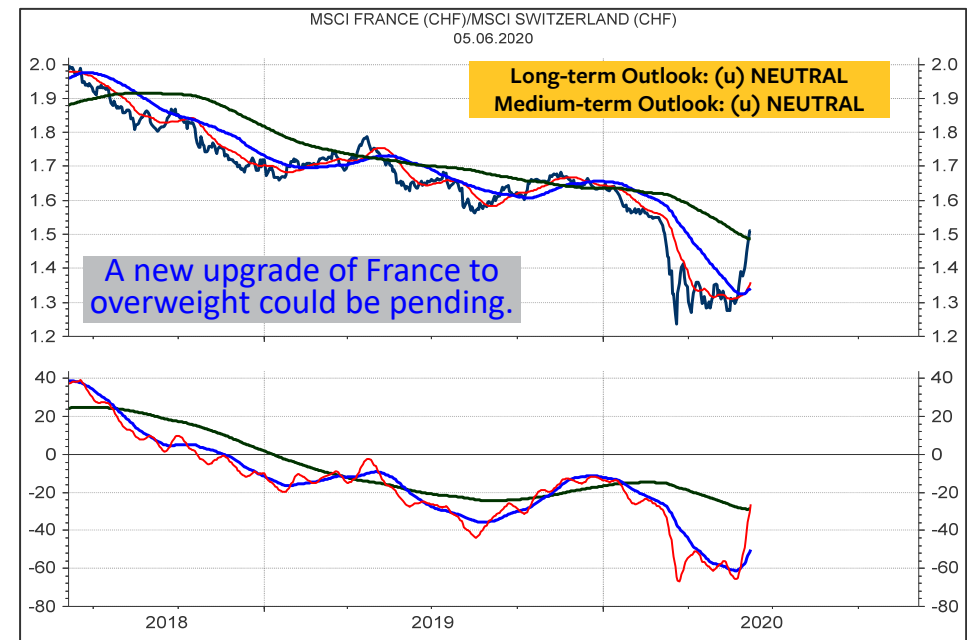
MSCI FRANCE in Swiss franc



MSCI FRANCE relative to the MSCI AC World

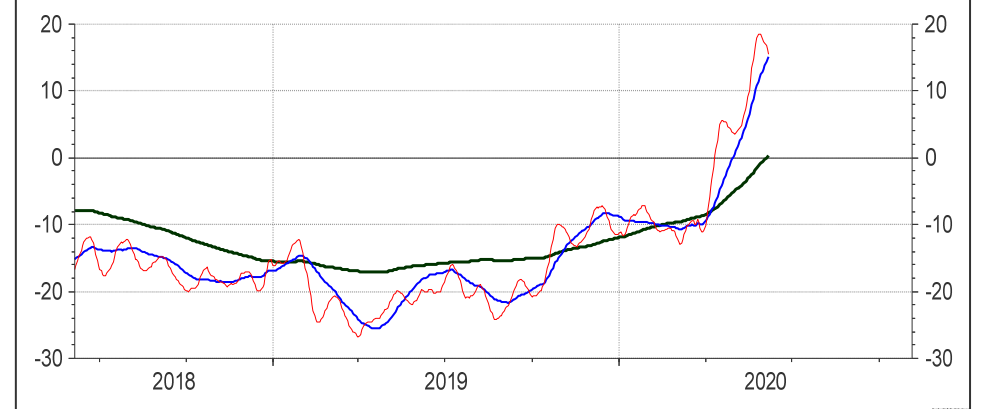
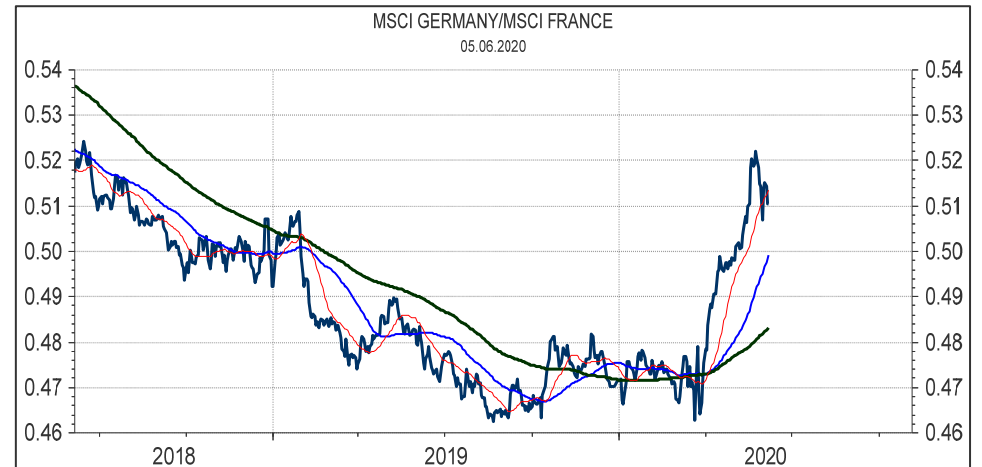
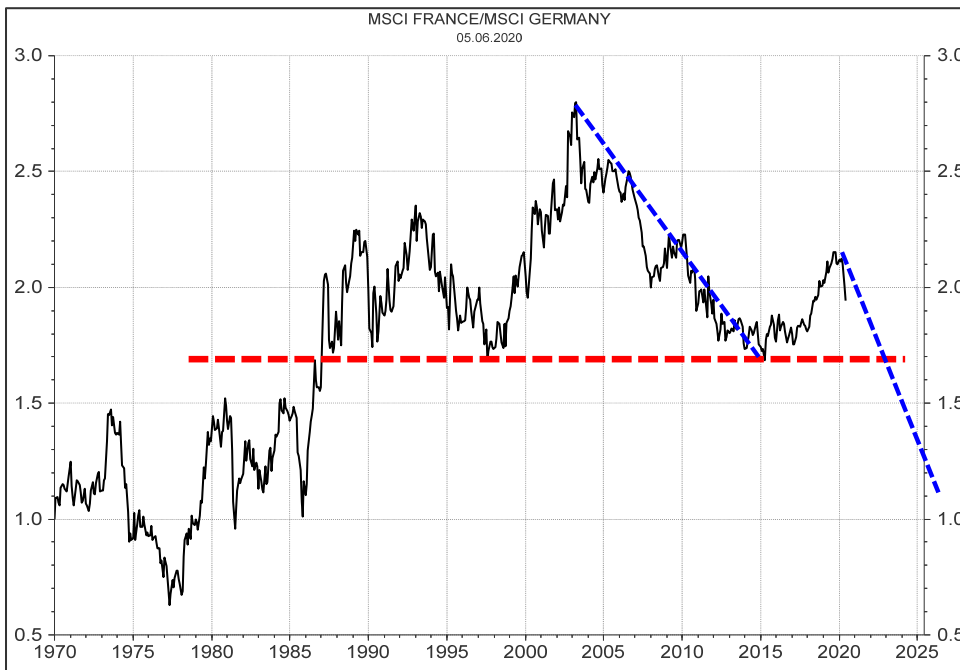


MSCI FRANCE in CHF relative to MSCI Switzerland

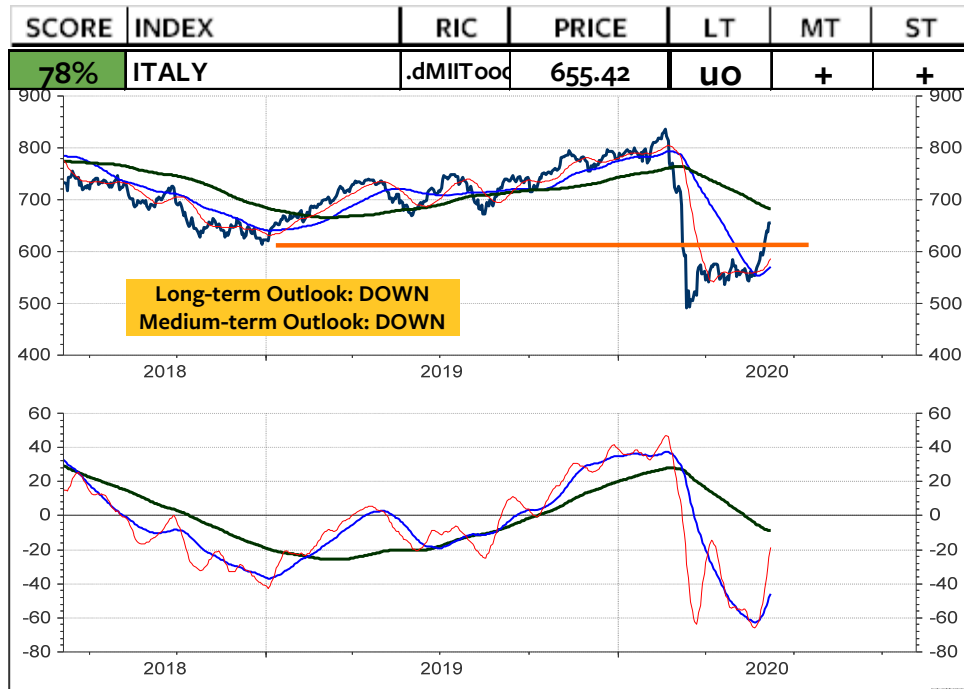


Hallo Deutschland – Au reservoir France

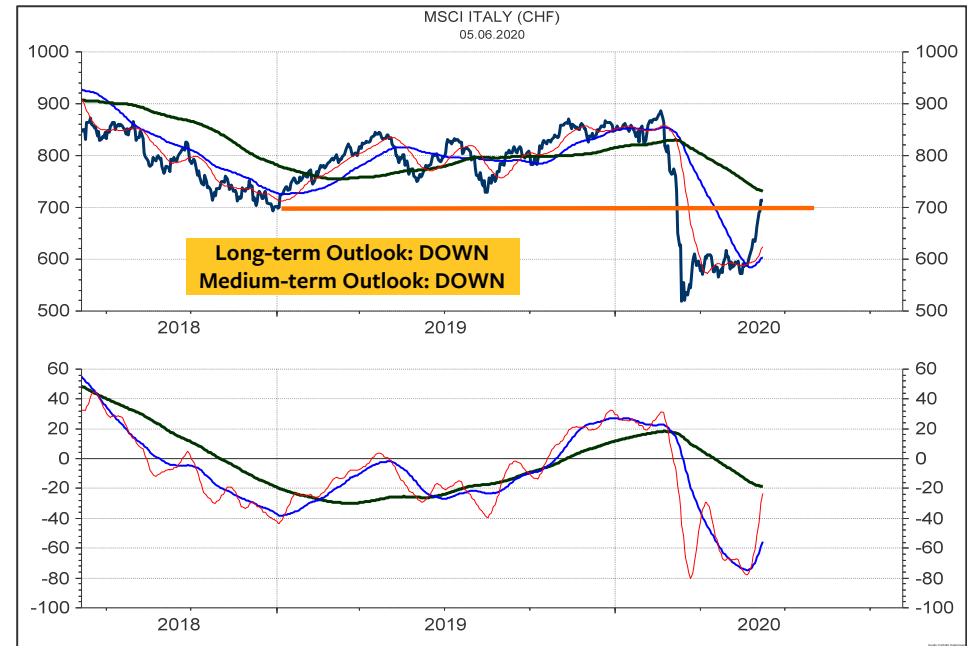
The upper left chart shows the relative performance of the MSCI Germany to the MSCI France. The bottom left chart shows the inverse picture, i.e. the relative performance of the MSCI France to the MSCI Germany. Both charts show the Head and Shoulder bottom (for Germany) and top (for France). It is just that observers are more used to head and shoulder tops rather than bottoms. Clearly France stands at risk of giving way its outperformance of the past five years (2015 to 2020) and to resume the 12-year-long underperformance, which was in place from February 2003 to March 2015. I believe both charts represent the countries won social mood. It means that, probably, Germany will do much better than Franc over the next decade. The break of the neckline would confirm my forecast of the political and economic future relate trends. The chart below right shows the presently overbought relative market condition. Some sort of short-term correction is likely to be seen before Germany's break upwards occurs.



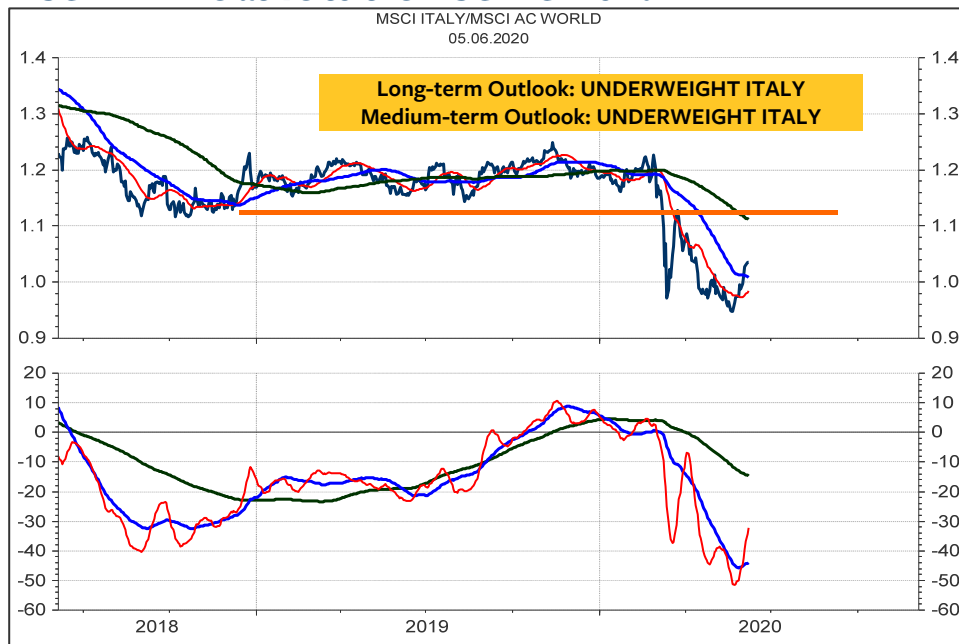
MSCI ITALY in Euro



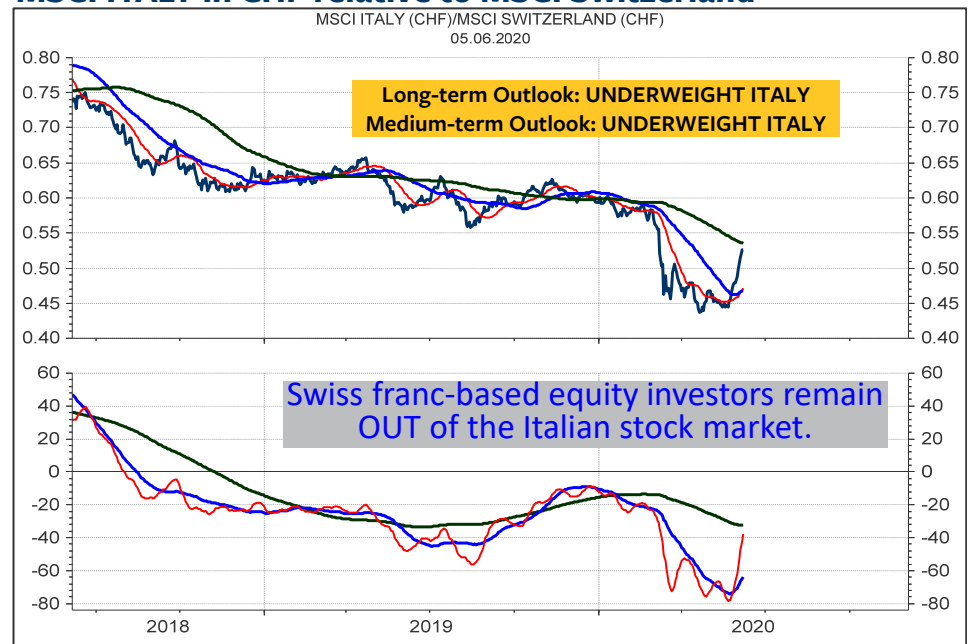
MSCI ITALY in Swiss franc



MSCI ITALY relative to the MSCI AC World

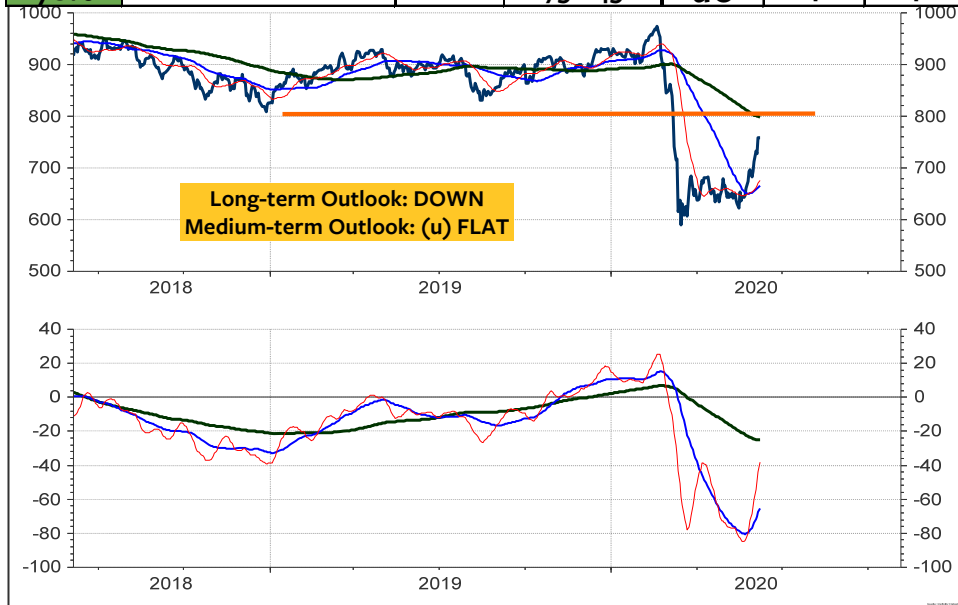


MSCI ITALY in CHF relative to MSCI Switzerland

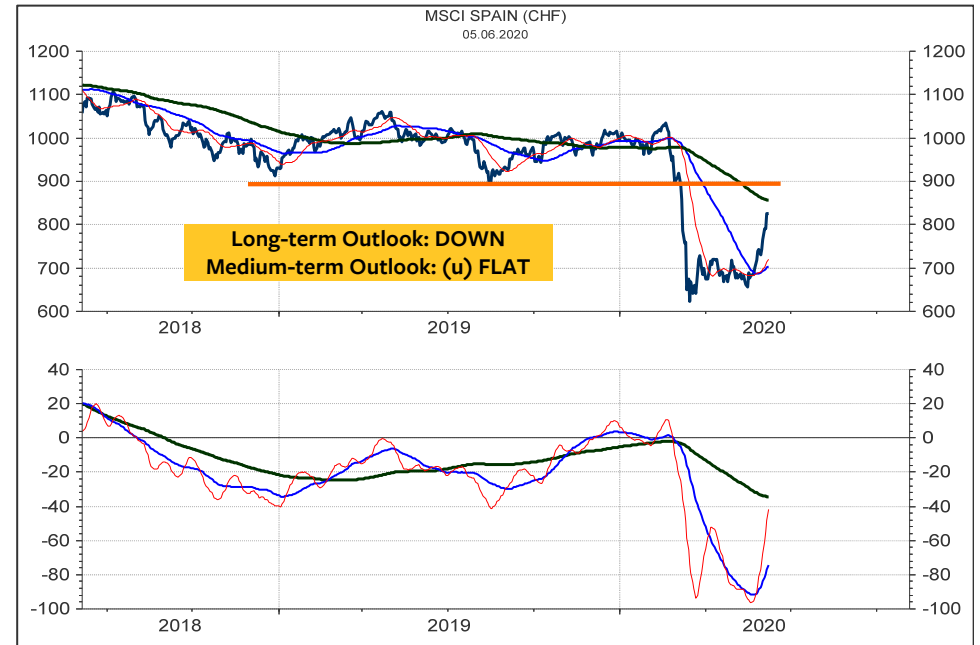


MSCI SPAIN in Euro

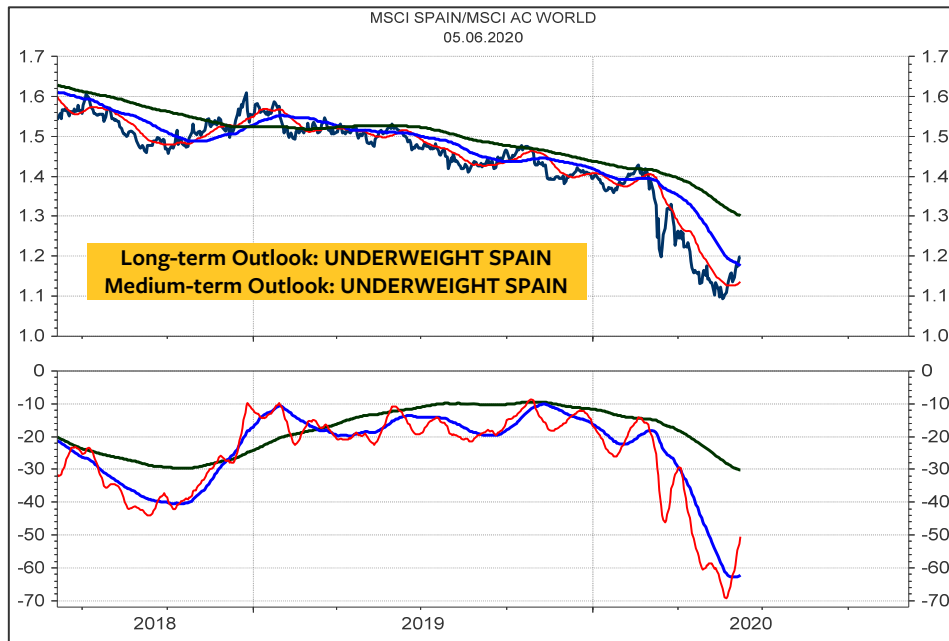
SCORE	INDEX	RIC	PRICE	LT	MT	ST
78%	SPAIN	.dMIESoo	758.45	UO	+	+



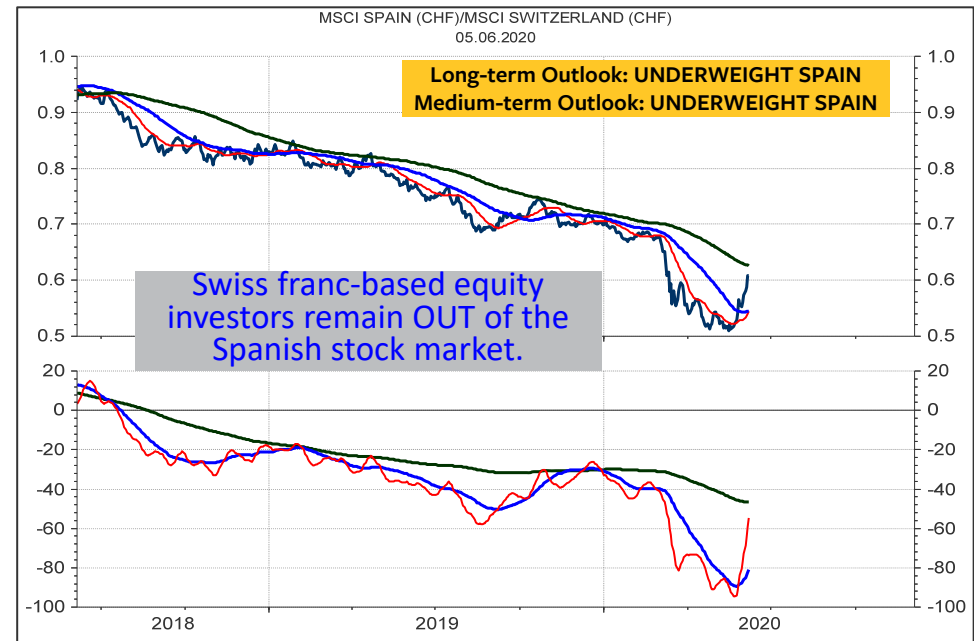
MSCI SPAIN in Swiss franc



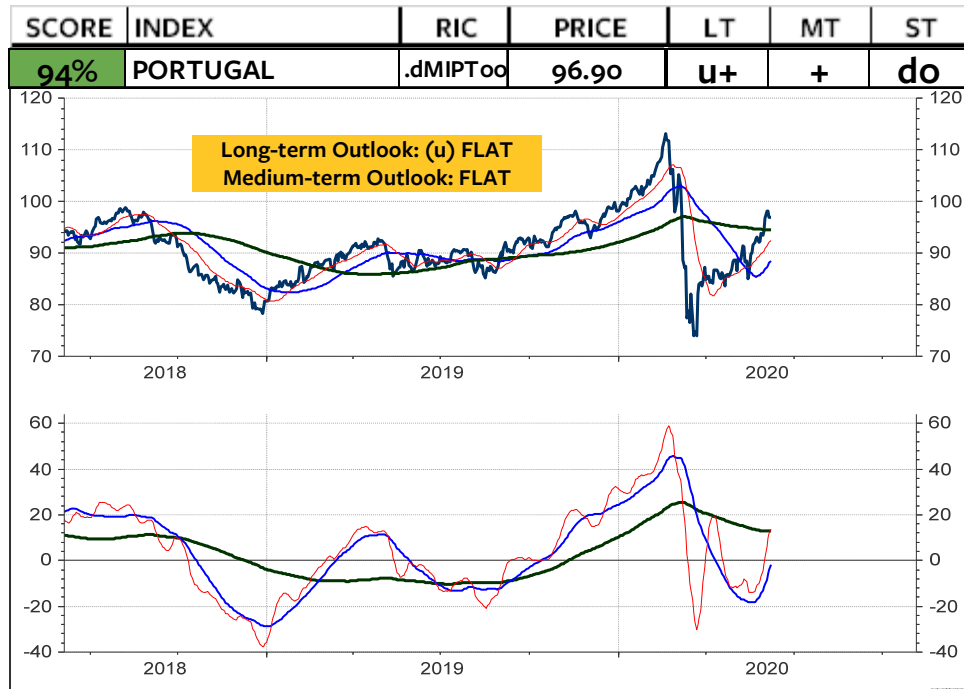
MSCI SPAIN relative to the MSCI AC World



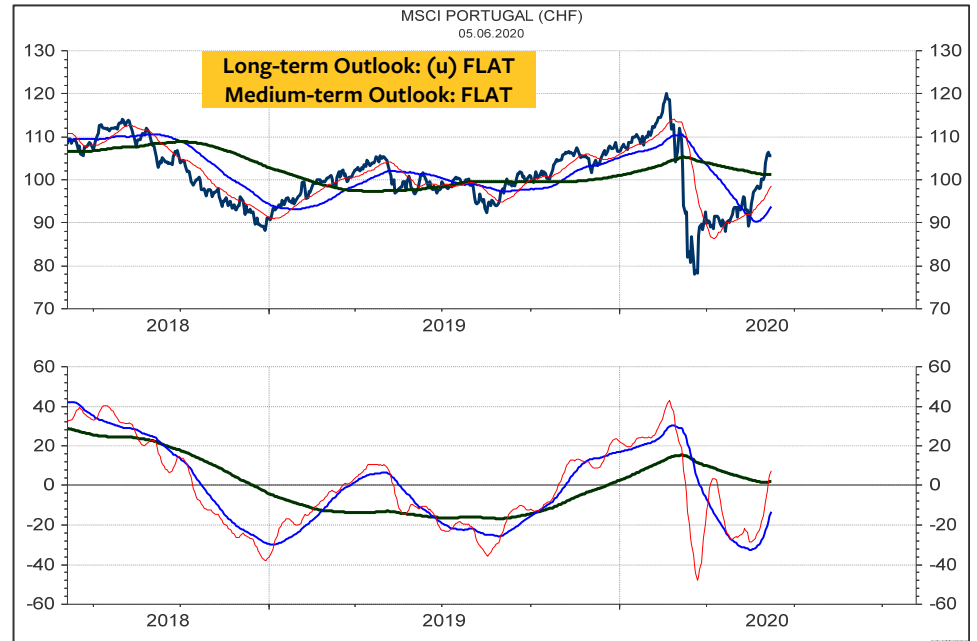
MSCI SPAIN in CHF relative to MSCI Switzerland



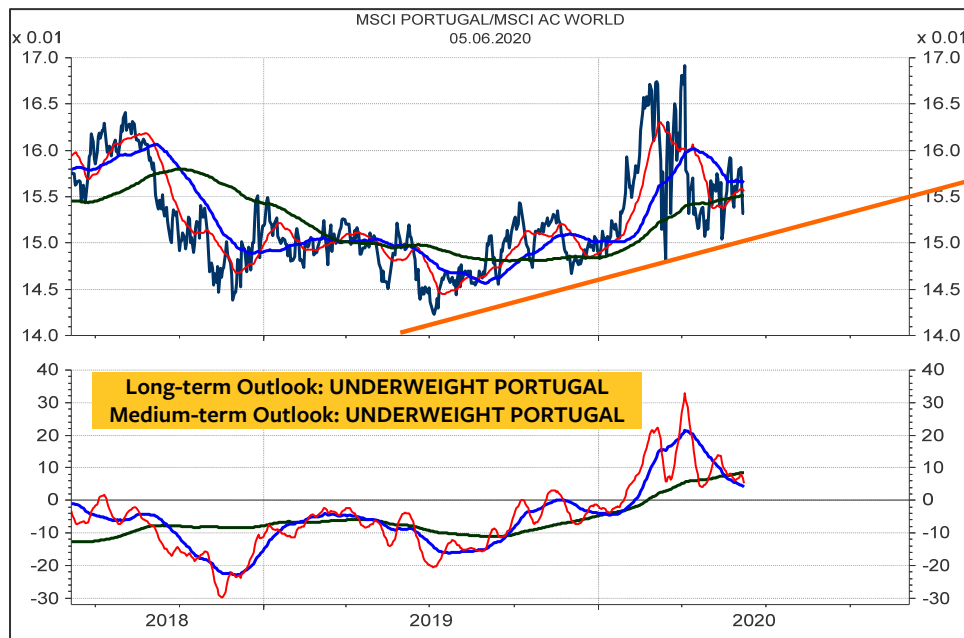
MSCI PORTUGAL in Euro



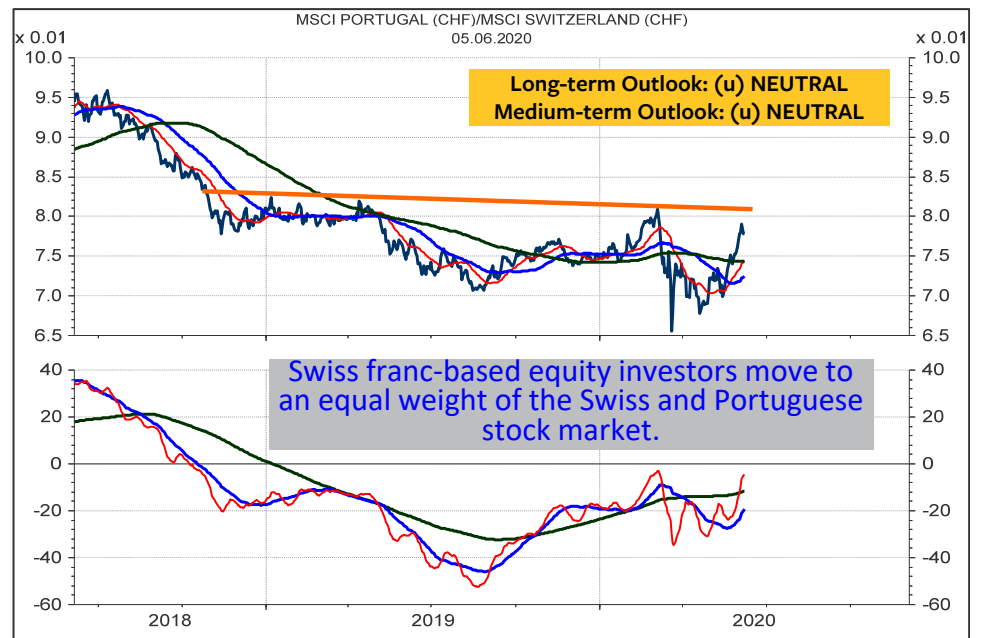
MSCI PORTUGAL in Swiss franc



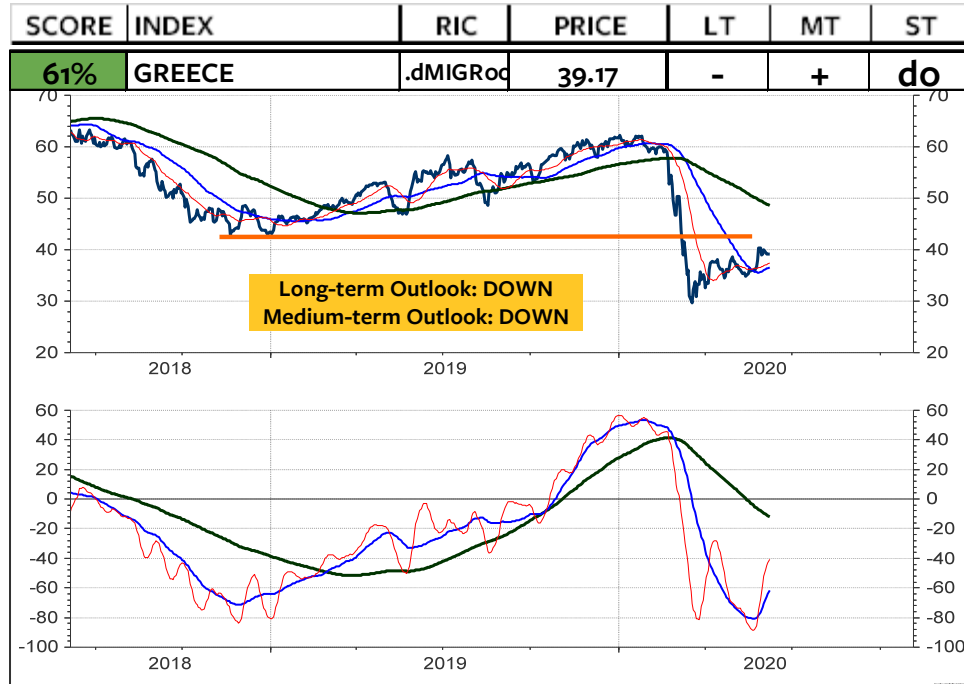
MSCI PORTUGAL relative to the MSCI AC World



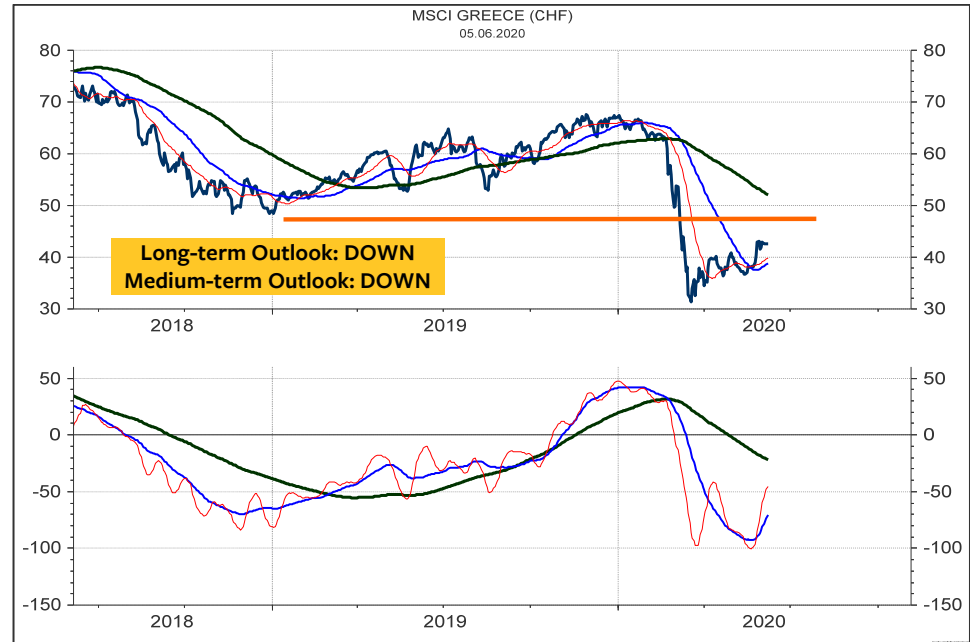
MSCI PORTUGAL in CHF relative to MSCI Switzerland



MSCI GREECE in Euro



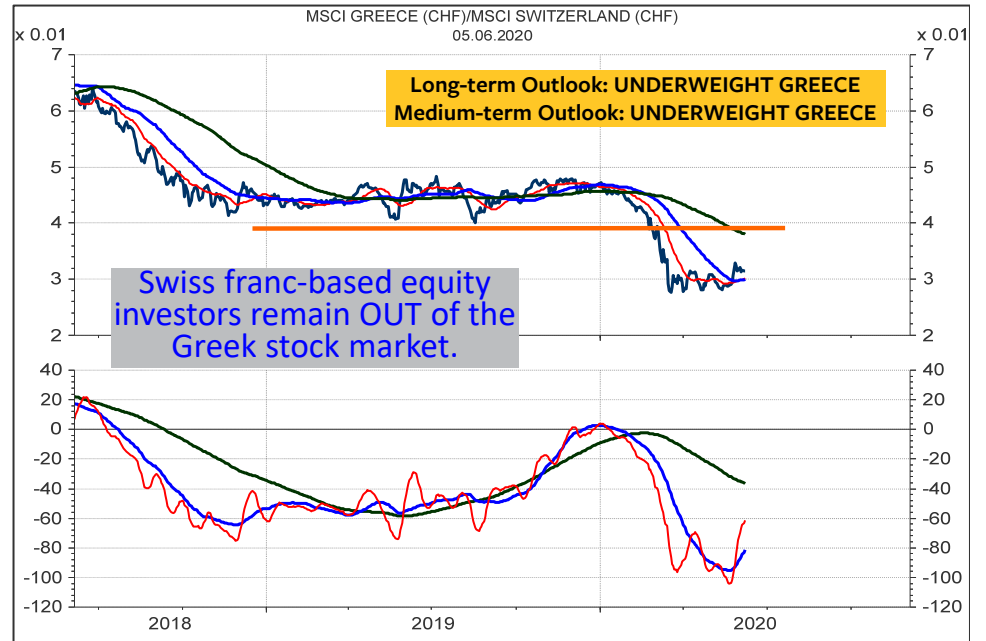
MSCI GREECE in Swiss franc



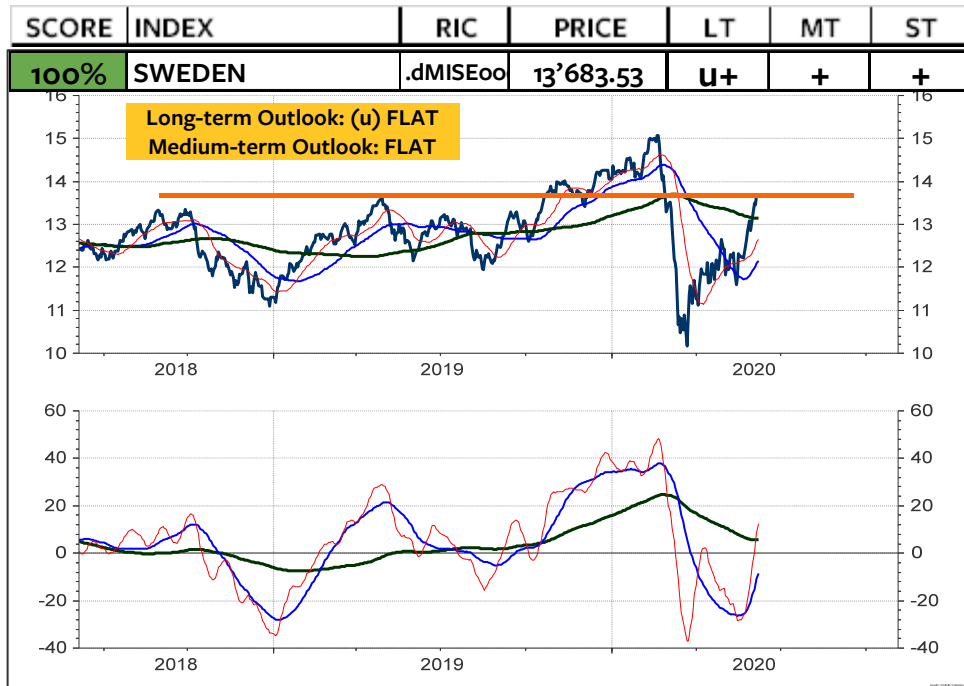
MSCI GREECE relative to the MSCI AC World



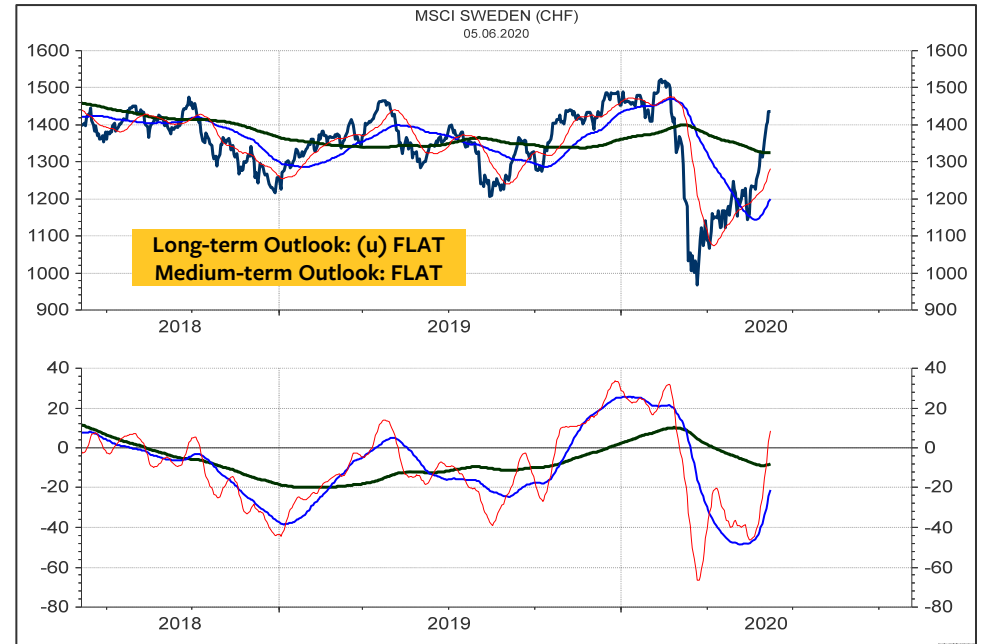
MSCI GREECE in CHF relative to MSCI Switzerland



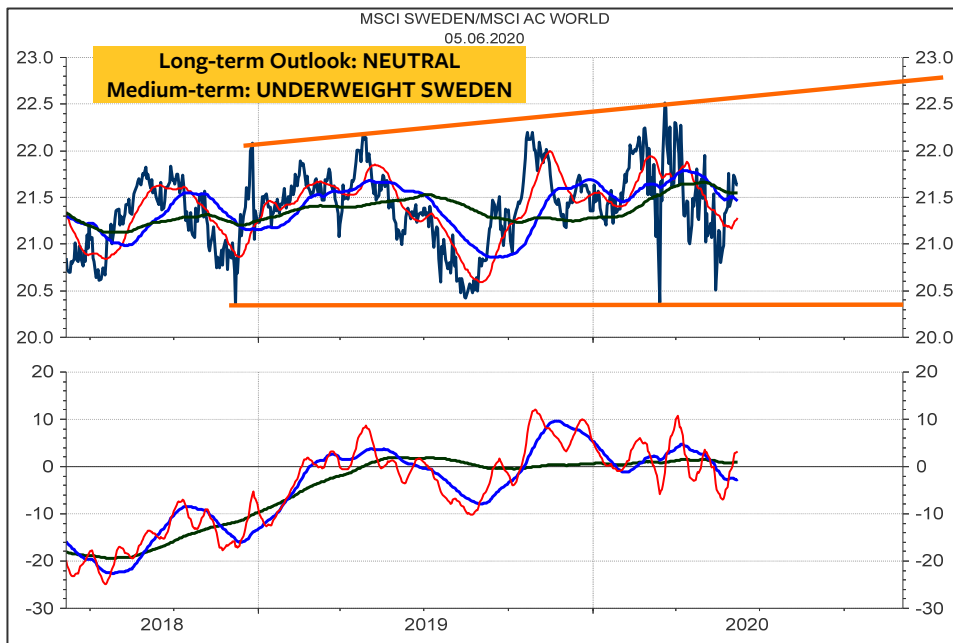
MSCI SWEDEN in Swedish krona



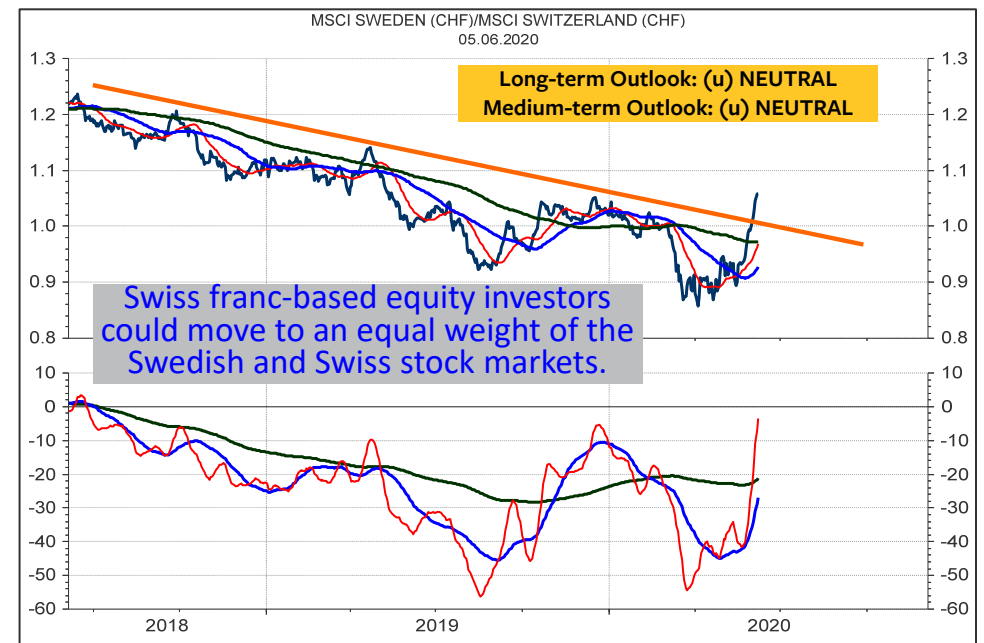
MSCI SWEDEN in Swiss franc



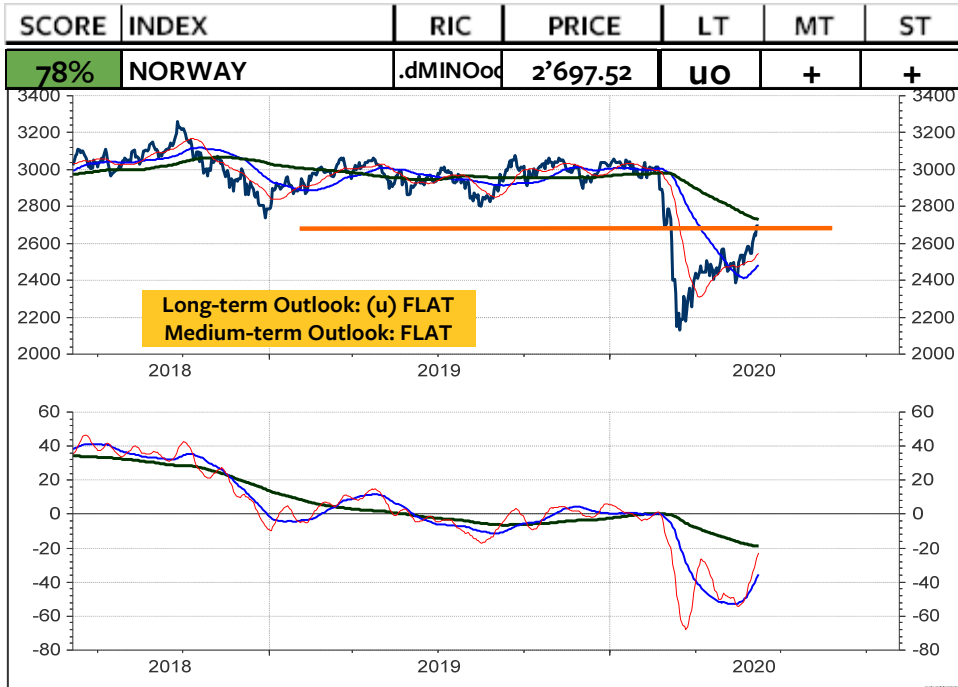
MSCI SWEDEN relative to the MSCI AC World



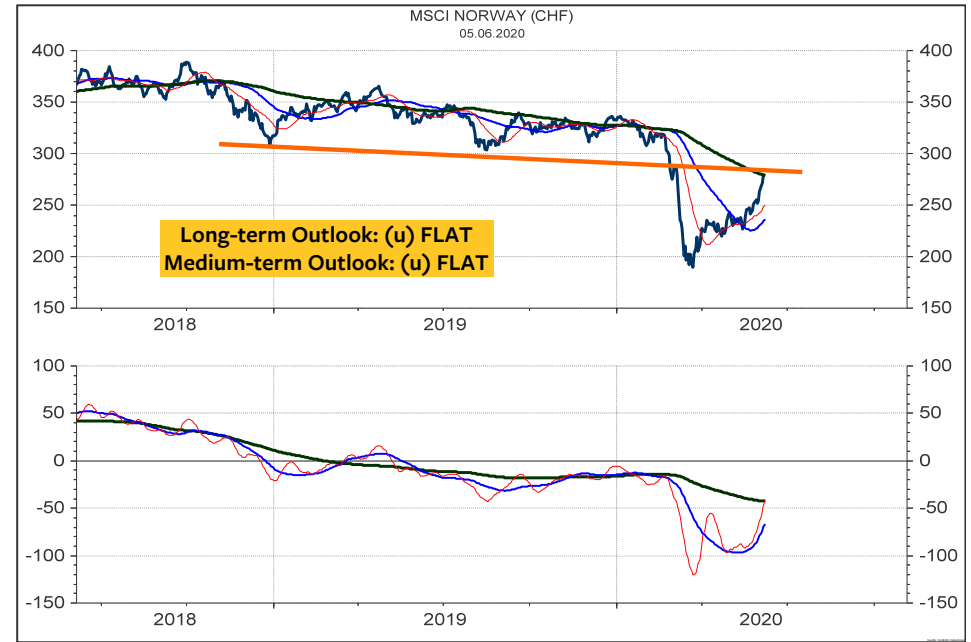
MSCI SWEDEN in CHF relative to MSCI Switzerland



MSCI NORWAY in Euro



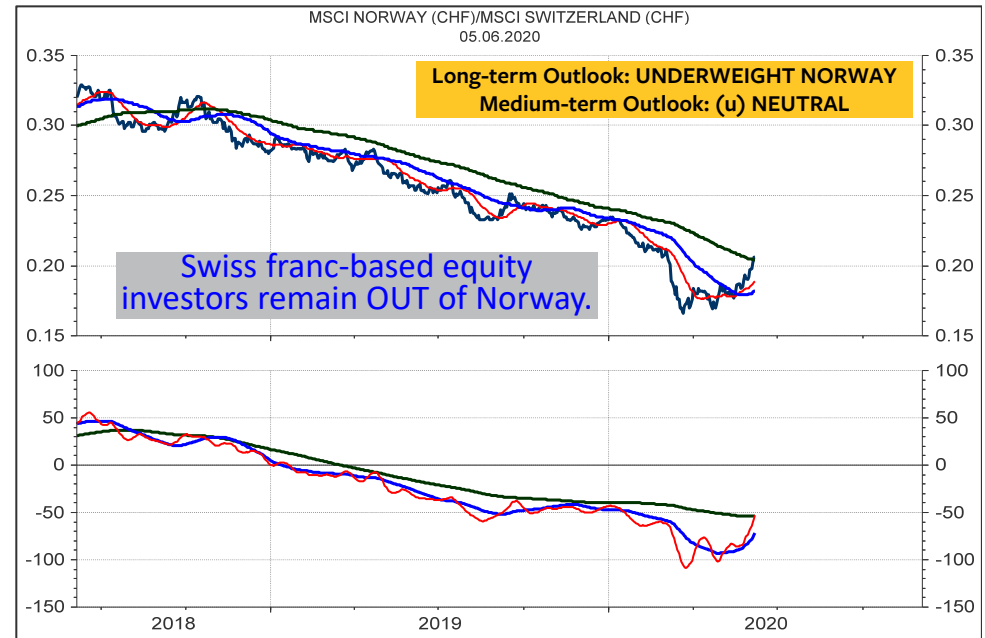
MSCI NORWAY in Swiss franc



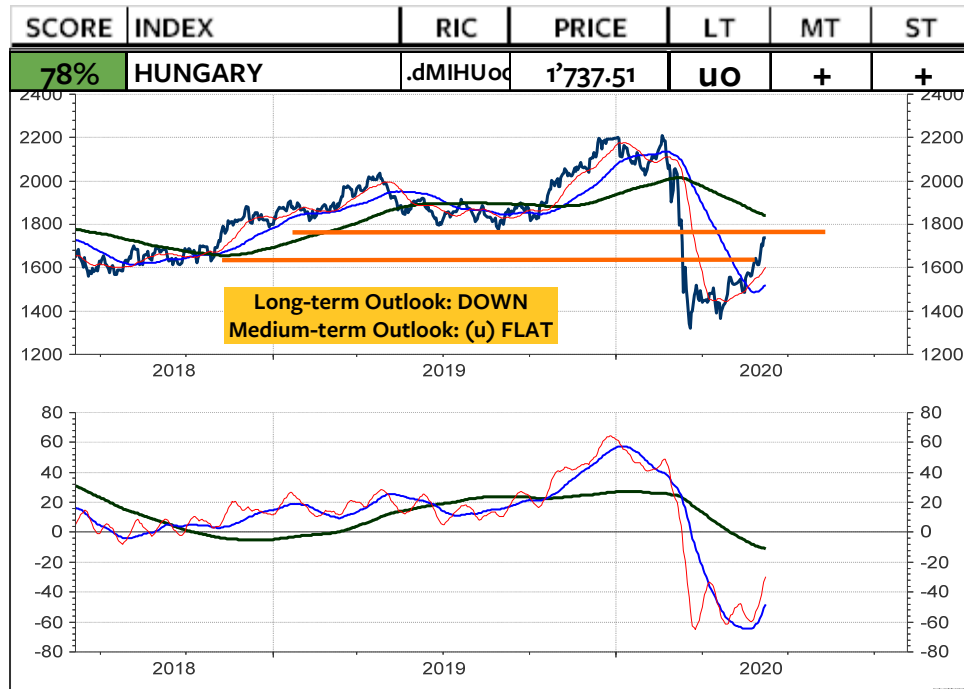
MSCI NORWAY relative to the MSCI AC World



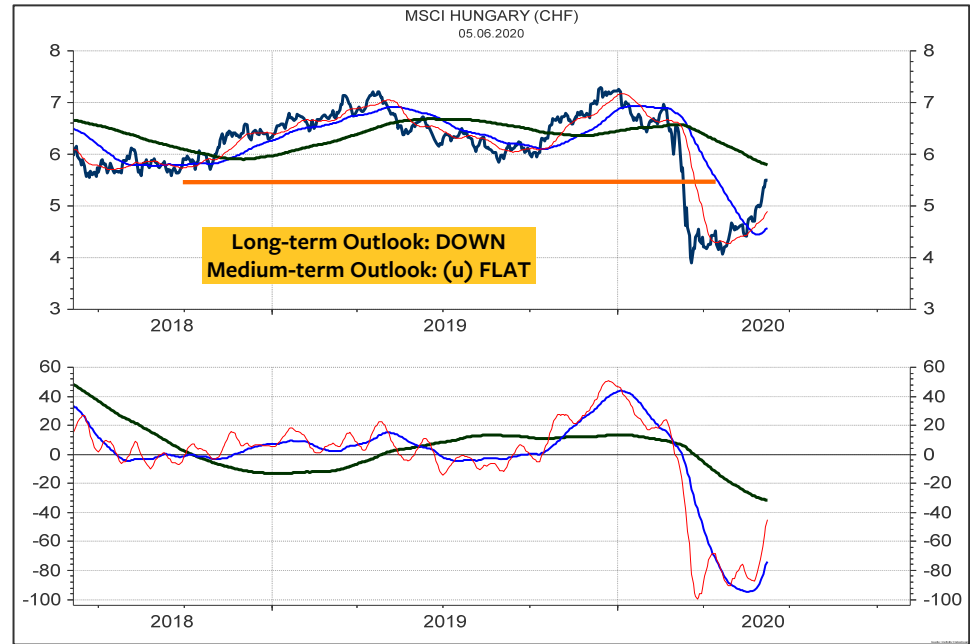
MSCI NORWAY in CHF relative to MSCI Switzerland



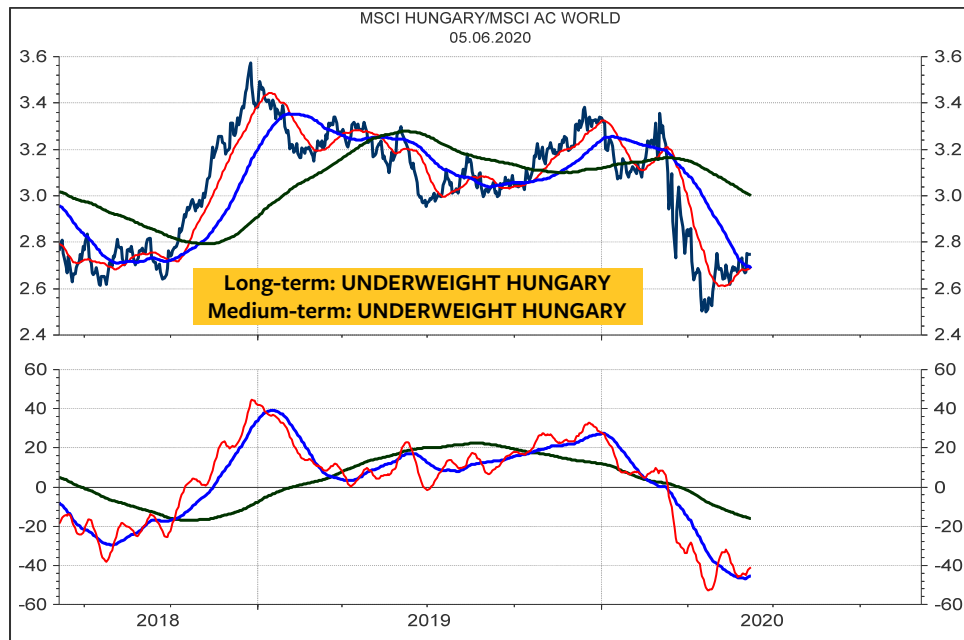
MSCI HUNGARY in Forint



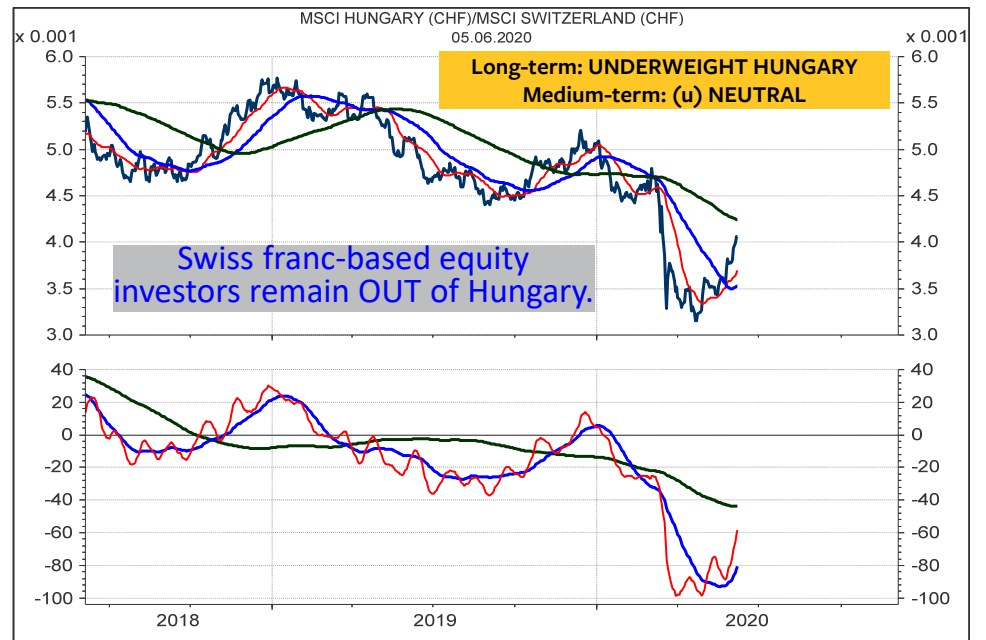
MSCI HUNGARY in Swiss franc



MSCI HUNGARY relative to the MSCI AC World



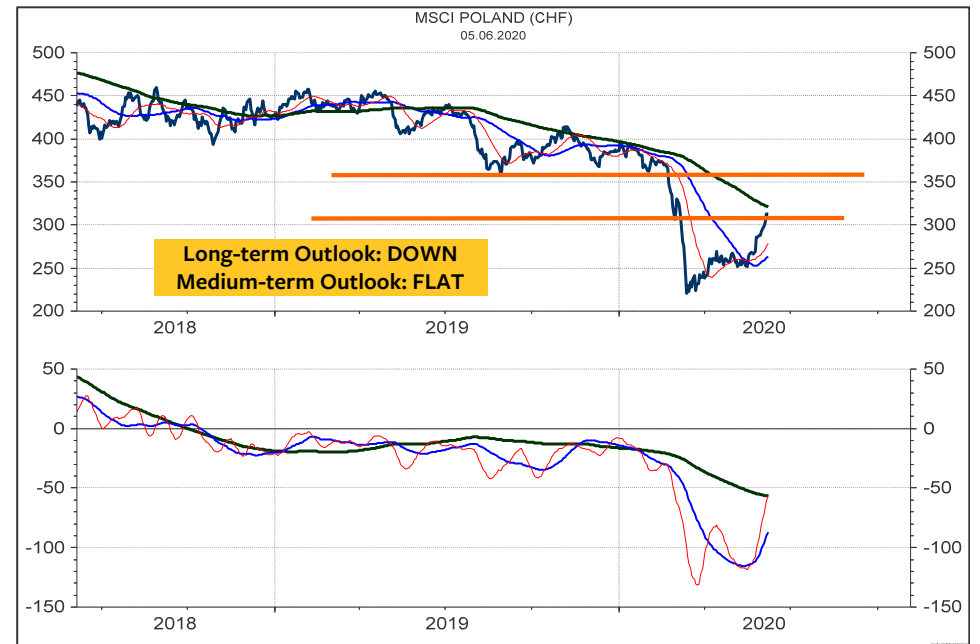
MSCI HUNGARY in CHF relative to MSCI Switzerland



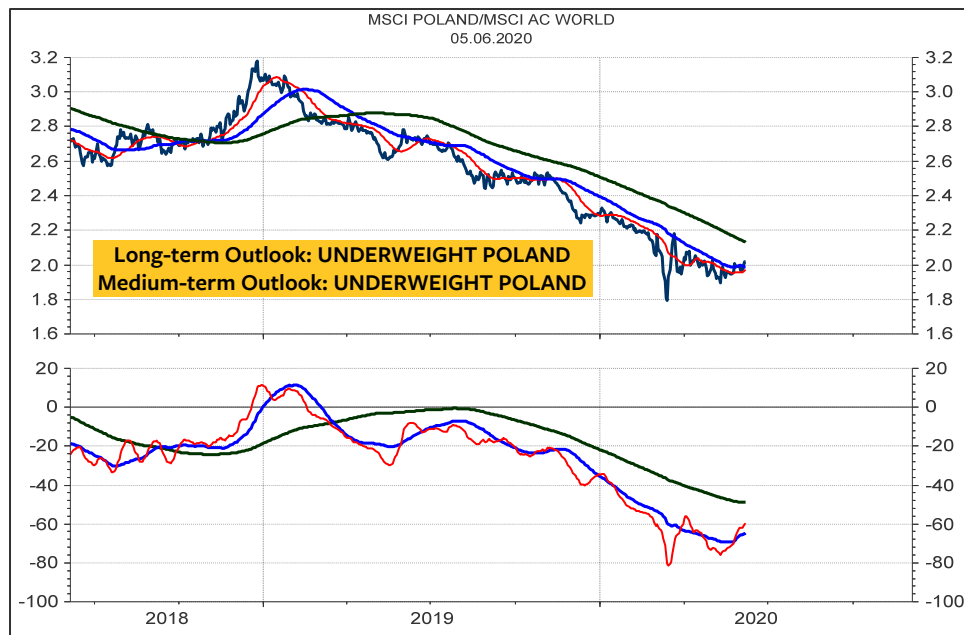
MSCI POLAND in Euro



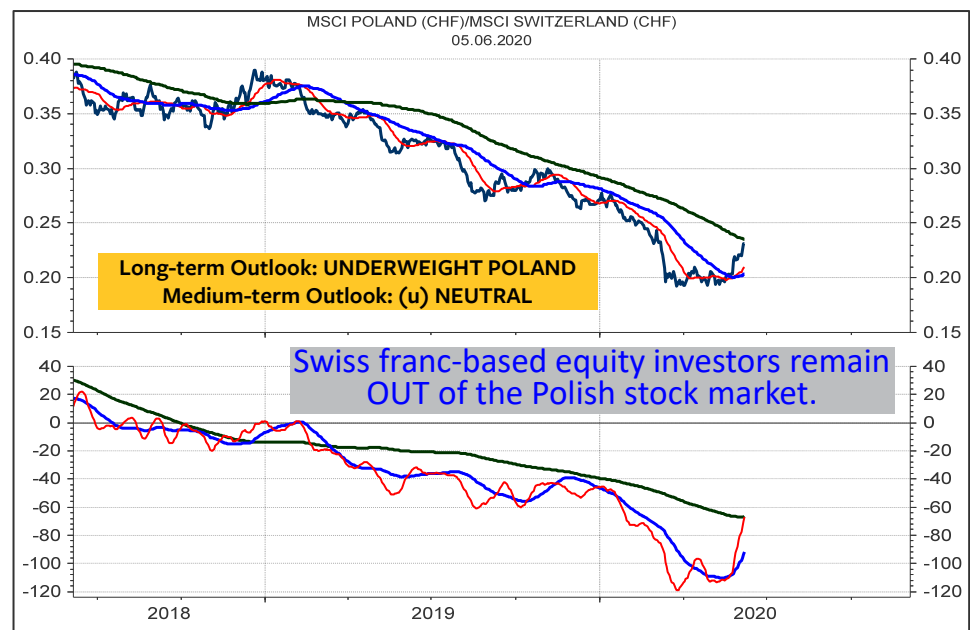
MSCI POLAND in Swiss franc



MSCI POLAND relative to the MSCI AC World



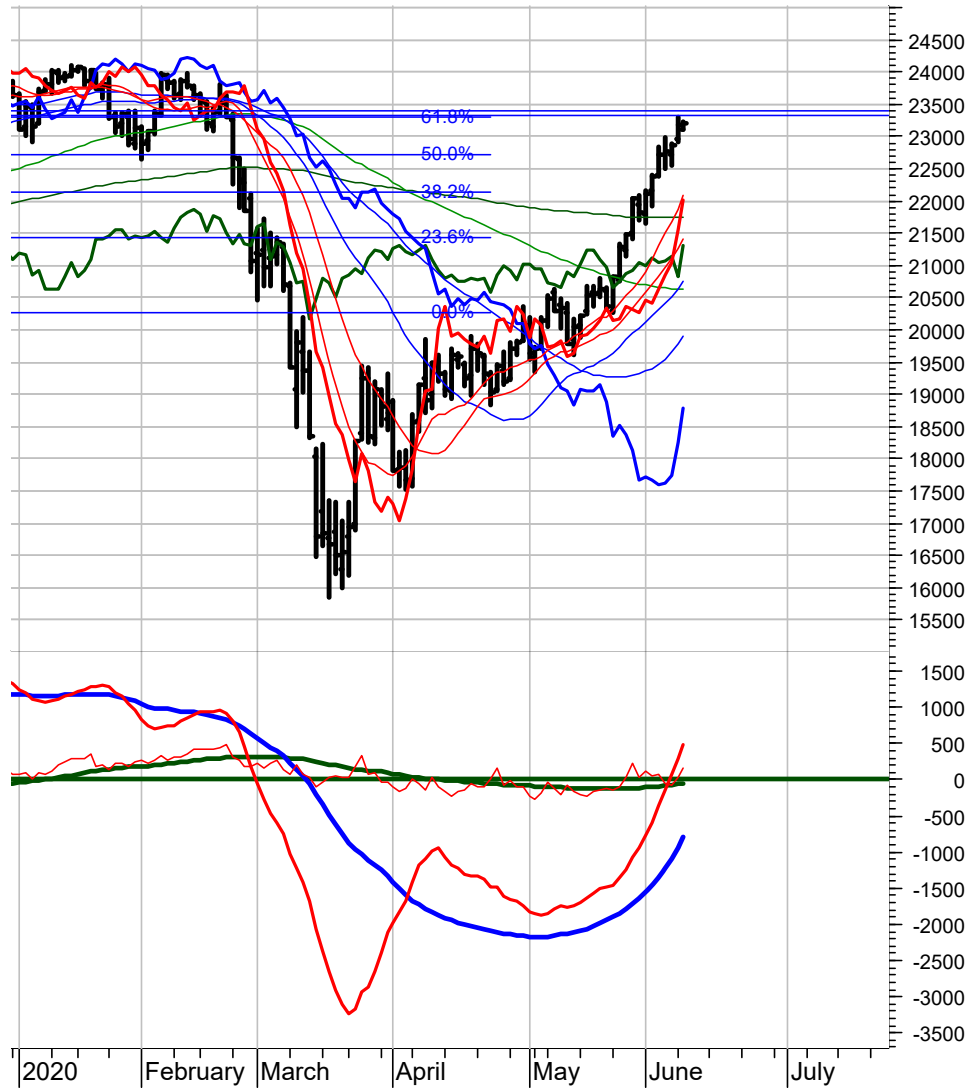
MSCI POLAND in CHF relative to MSCI Switzerland



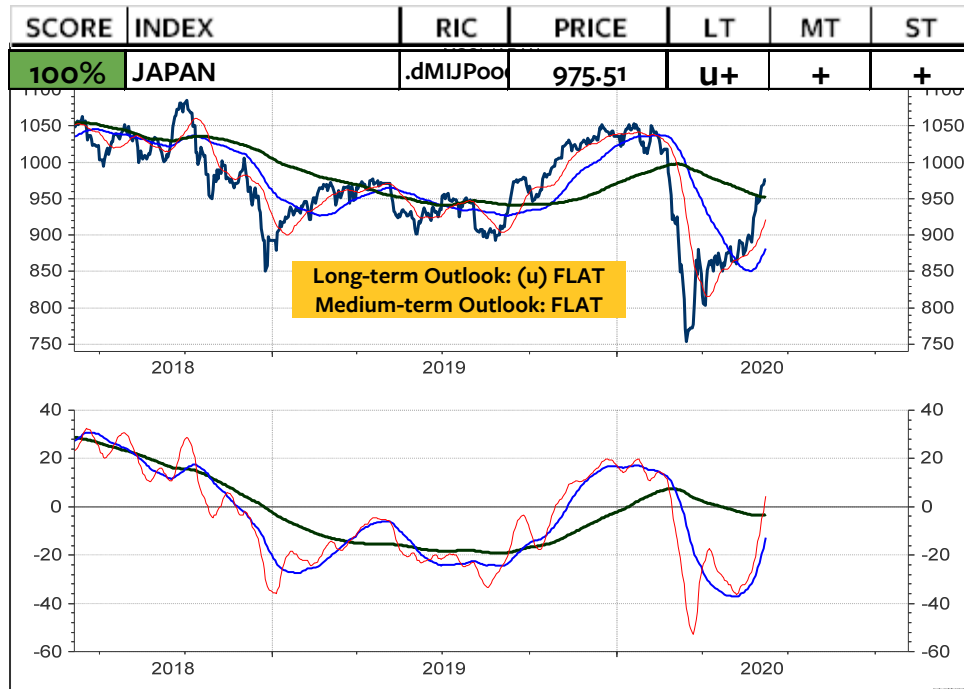
Japanese Nikkei 225 Index

The uptrend remains intact unless 22500 is broken.

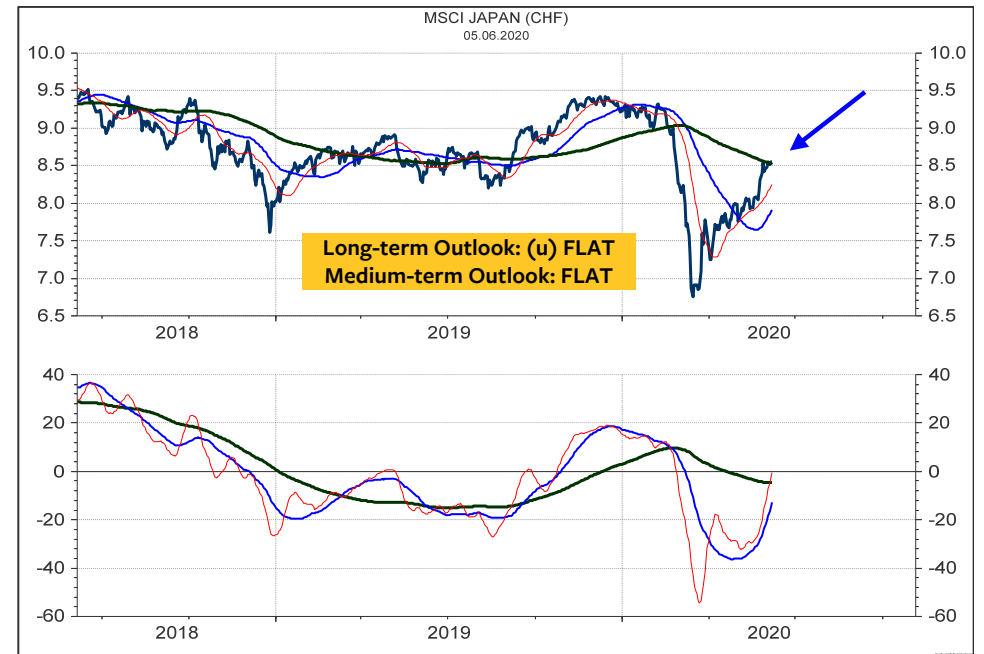
The structure of the uptrend from May indicates that a top is likely to be registered with one more minor new high at around 23500.



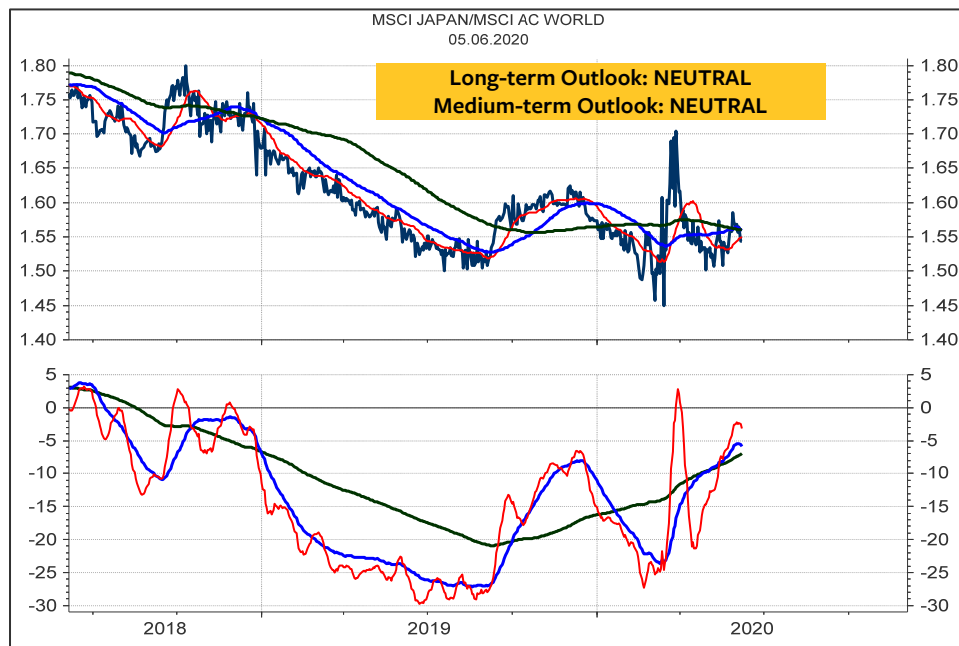
MSCI JAPAN in Yen



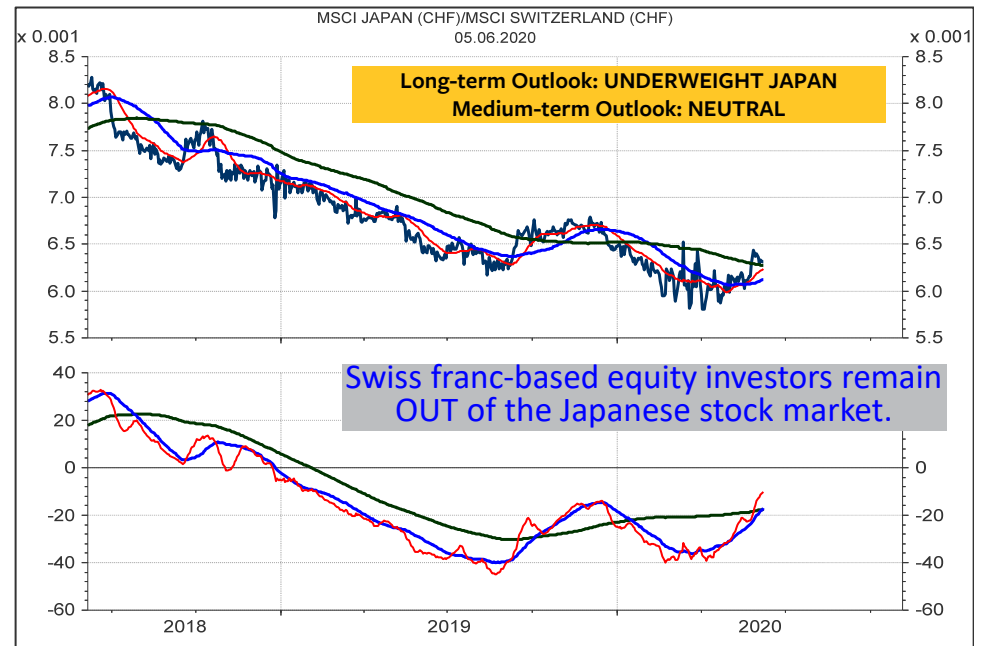
MSCI JAPAN in Swiss franc



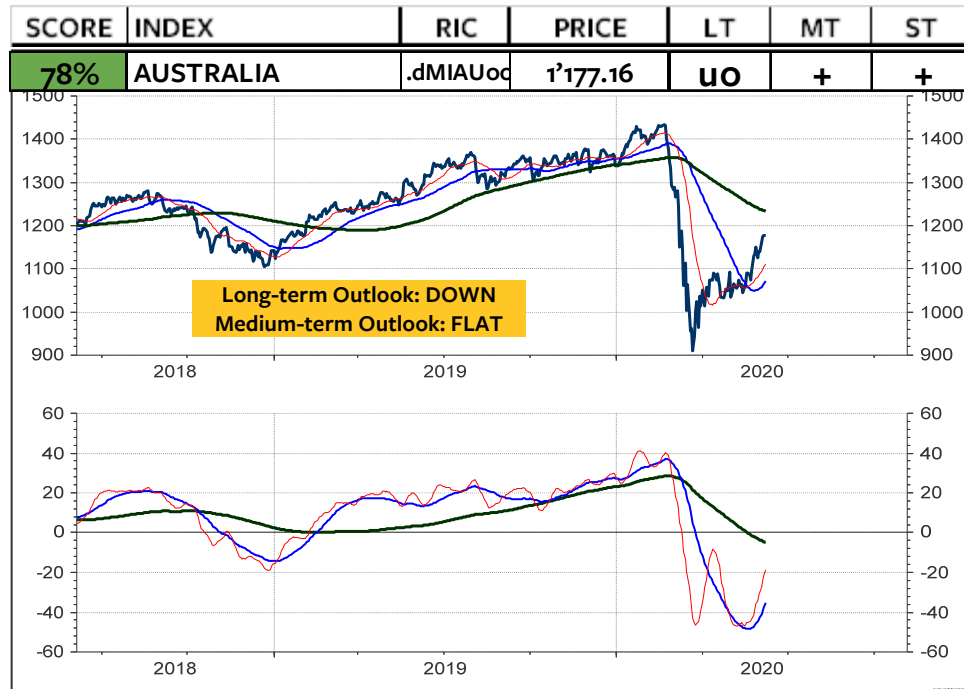
MSCI JAPAN relative to the MSCI AC World



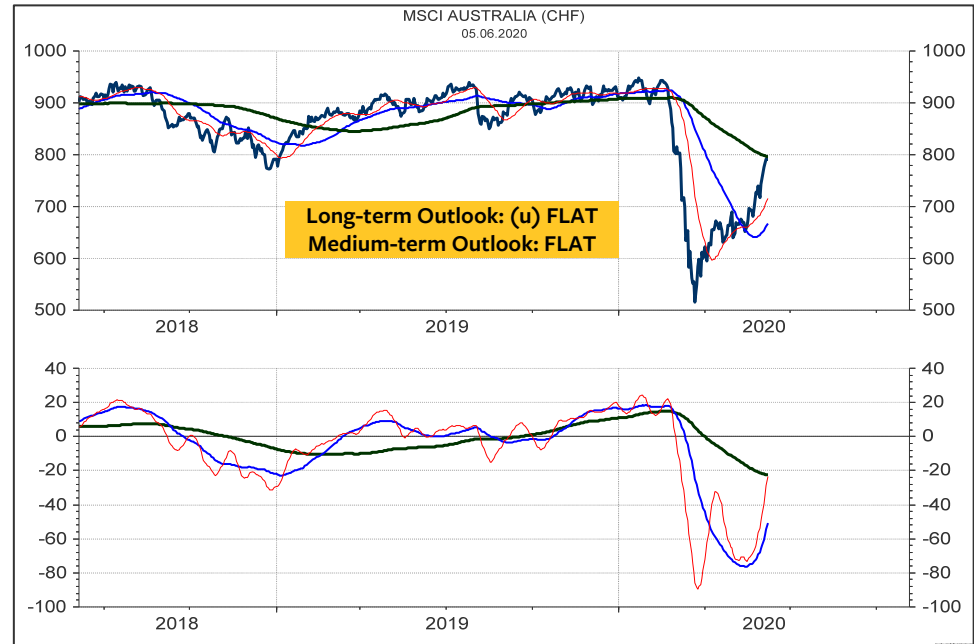
MSCI JAPAN in CHF relative to MSCI Switzerland



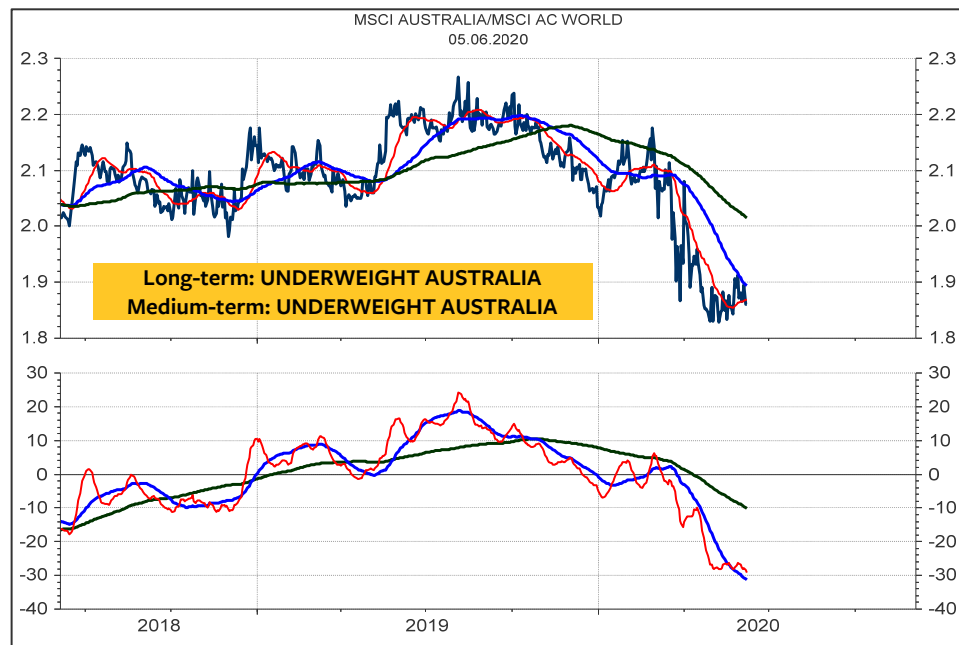
MSCI AUSTRALIA in Australian dollar



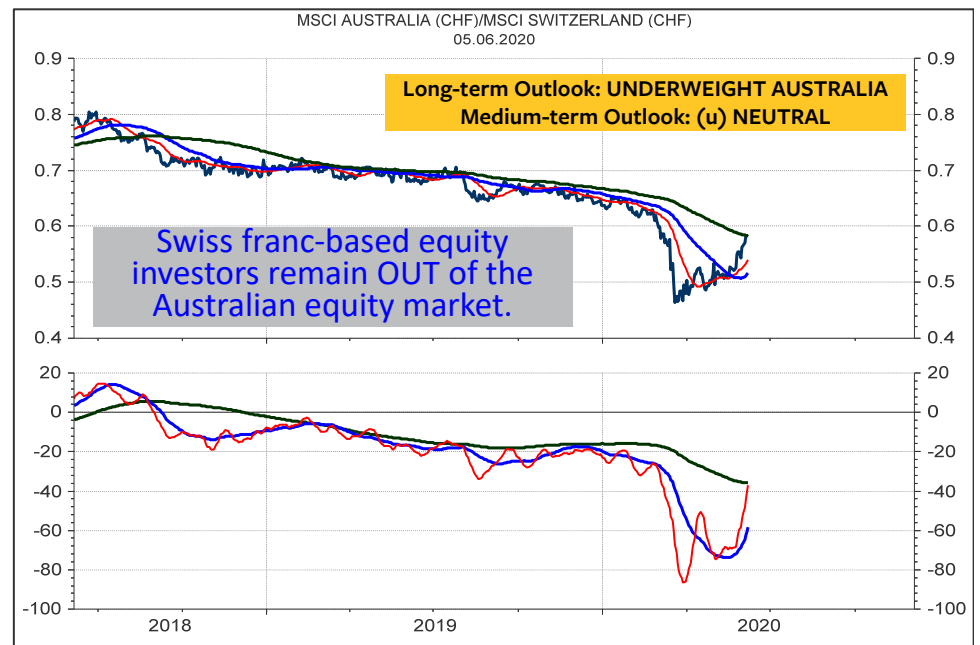
MSCI AUSTRALIA in Swiss franc



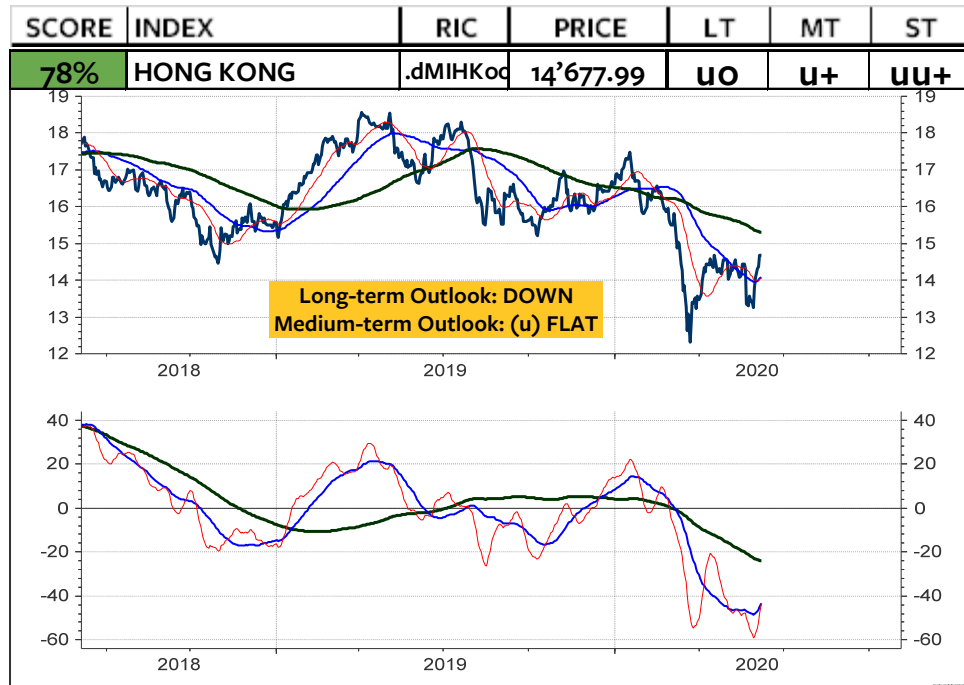
MSCI AUSTRALIA relative to the MSCI AC World



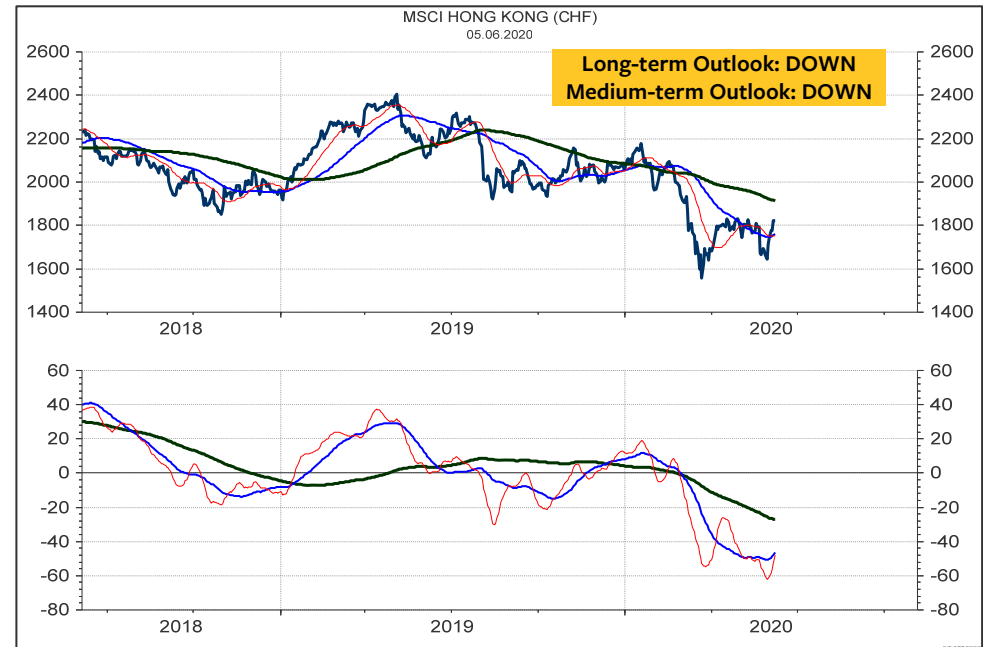
MSCI AUSTRALIA in CHF relative to MSCI Switzerland



MSCI HONG KONG in Hong Kong dollar



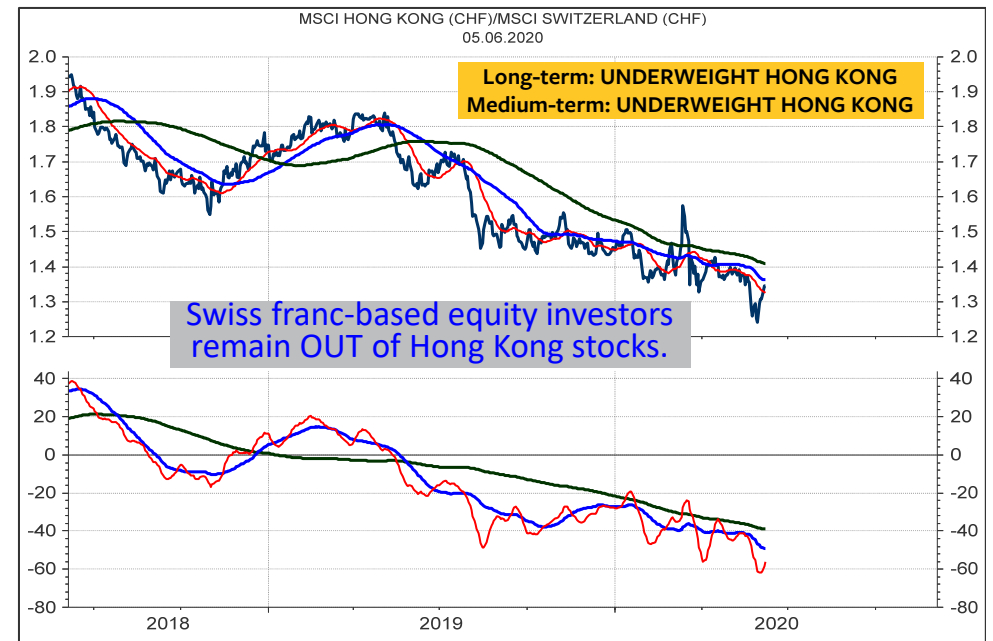
MSCI HONG KONG in Swiss franc



MSCI HONG KONG relative to the MSCI AC World



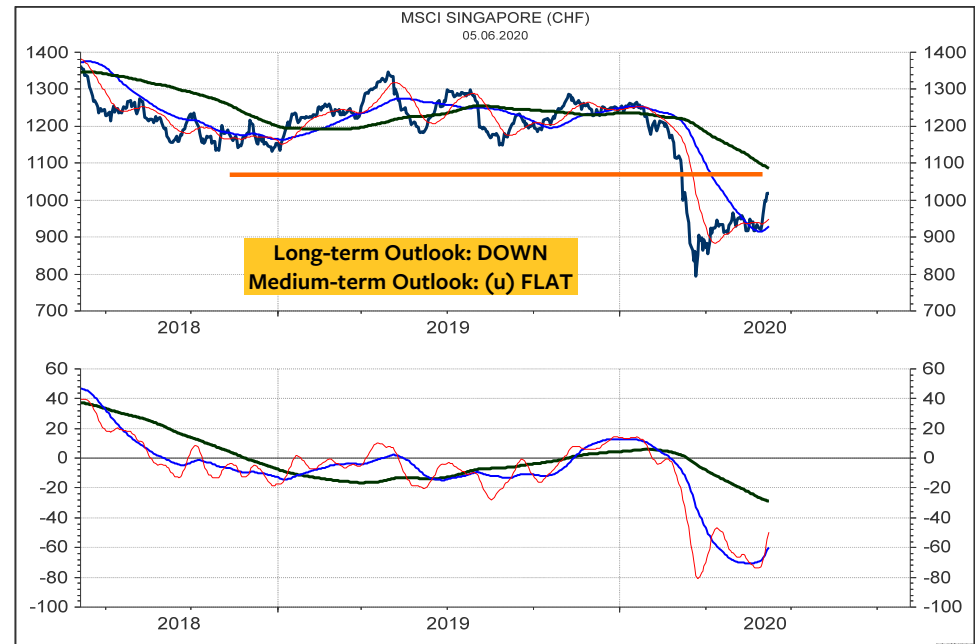
MSCI HONG KONG in CHF relative to MSCI Switzerland



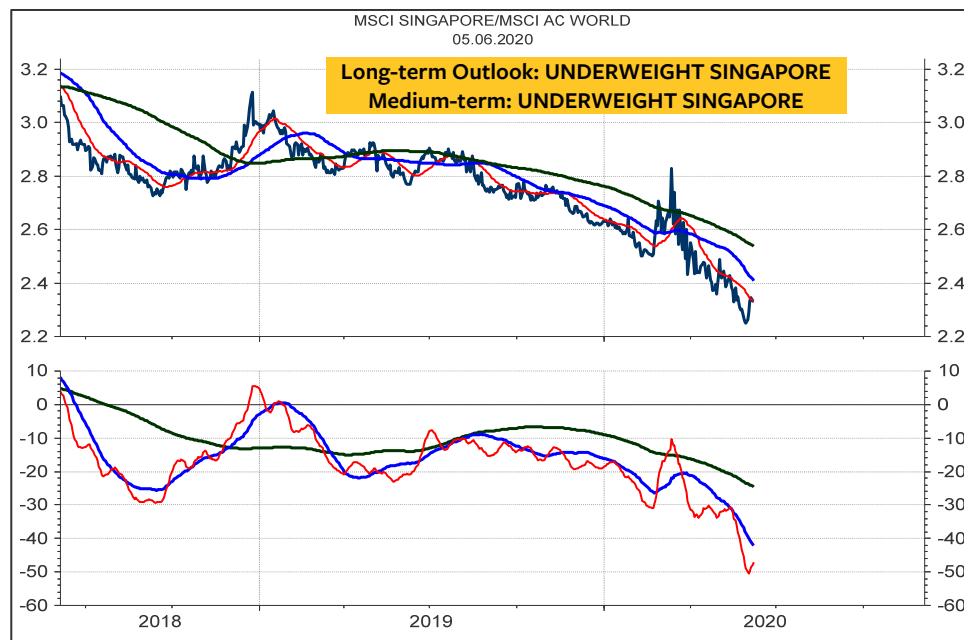
MSCI SINGAPORE in Singapore dollar



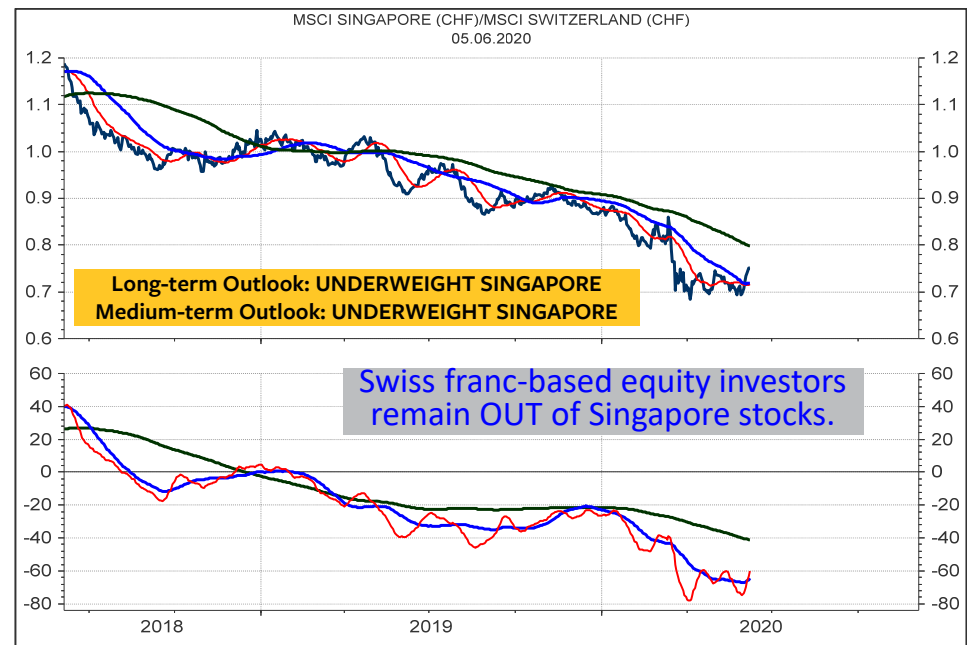
MSCI SINGAPORE in Swiss franc



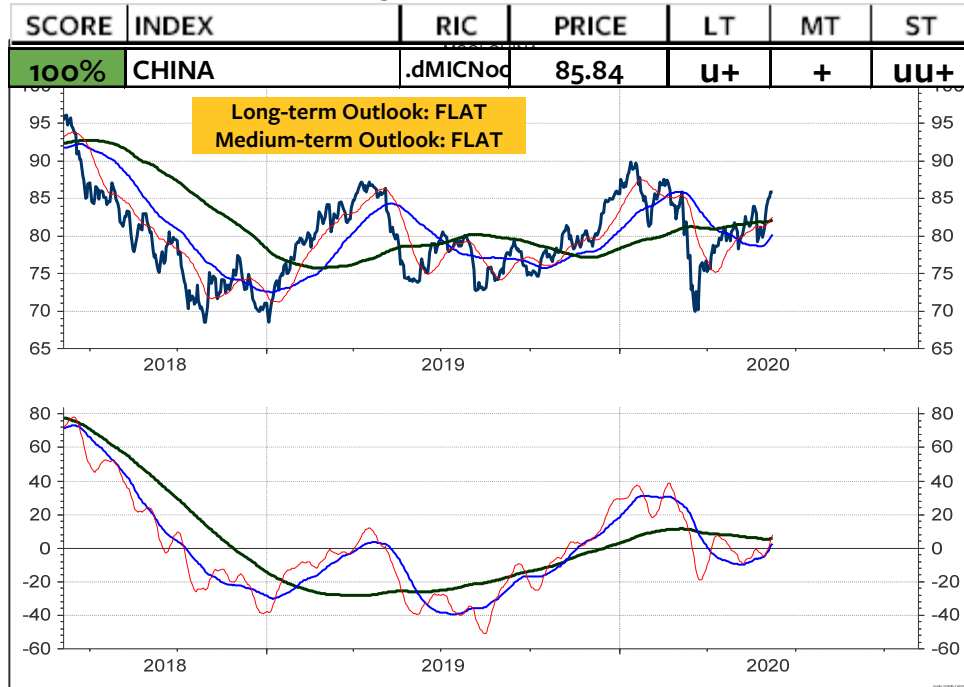
MSCI SINGAPORE relative to the MSCI AC World



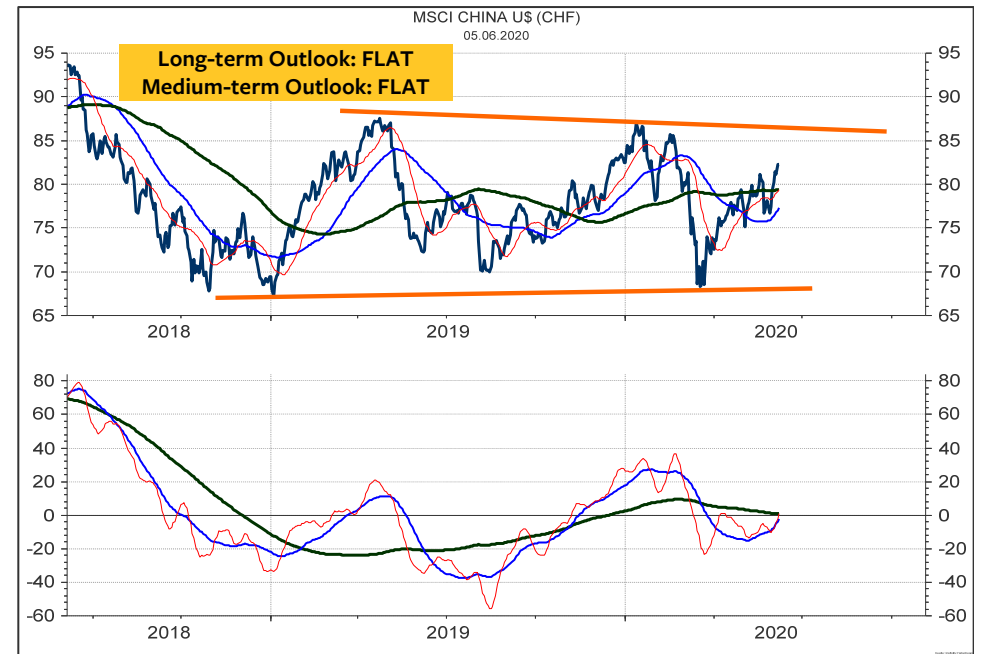
MSCI SINGAPORE in CHF relative to MSCI Switzerland



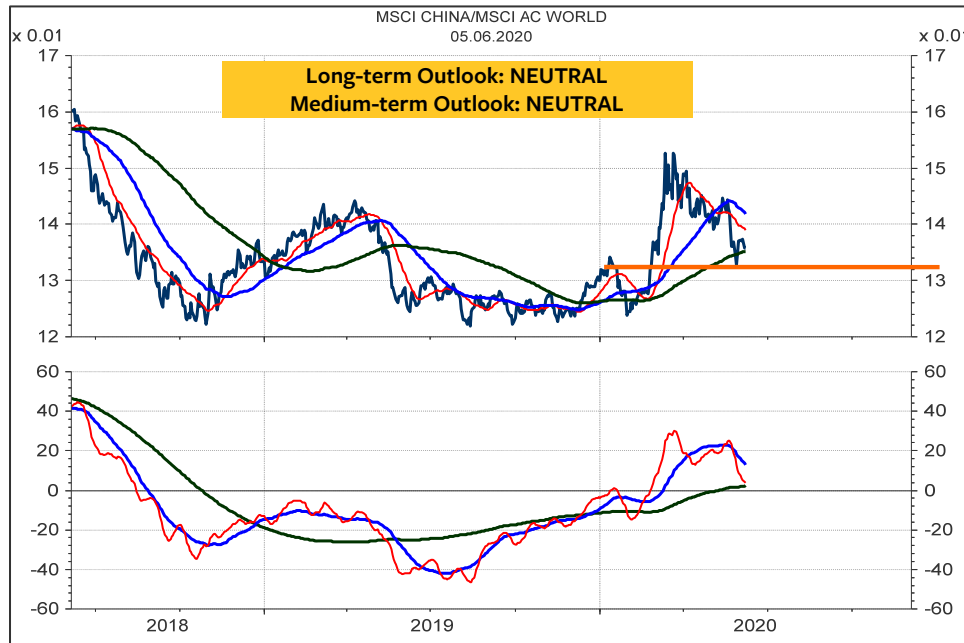
MSCI CHINA in Chinese yuan



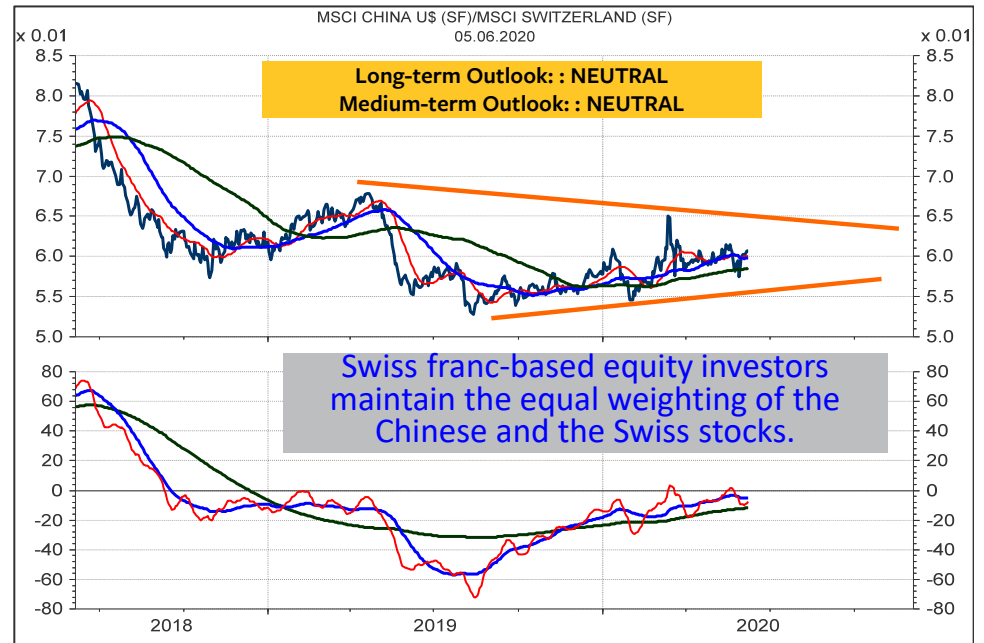
MSCI CHINA in Swiss franc



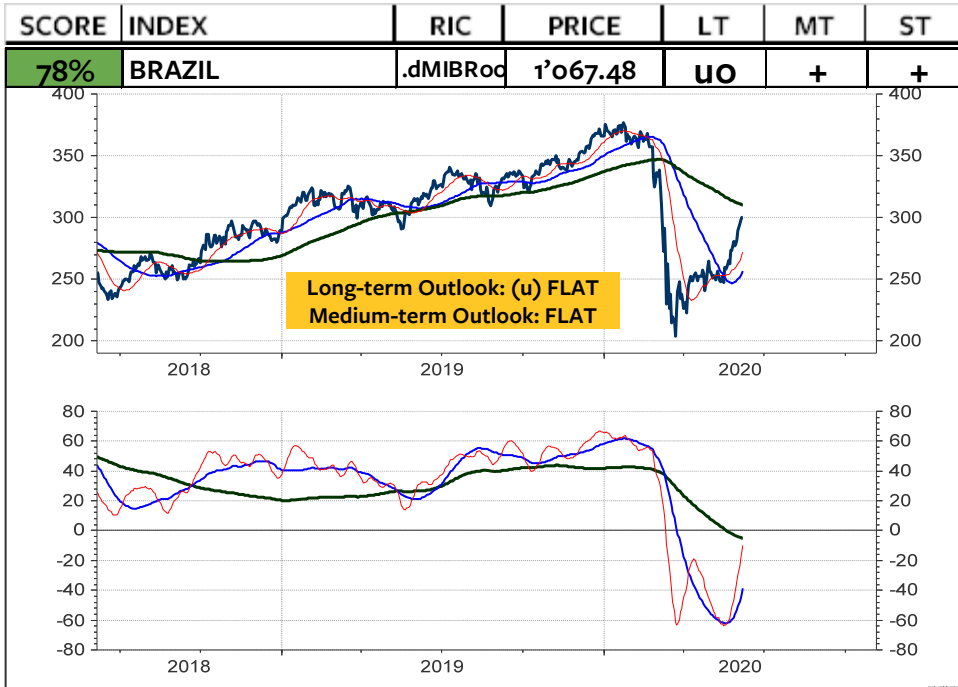
MSCI CHINA relative to the MSCI AC World



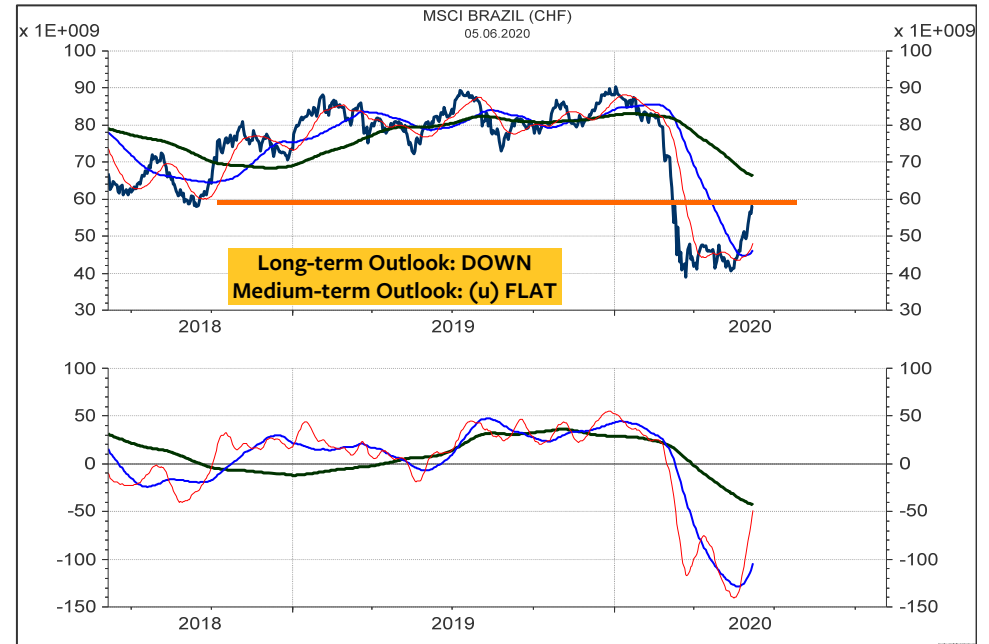
MSCI CHINA in CHF relative to MSCI Switzerland



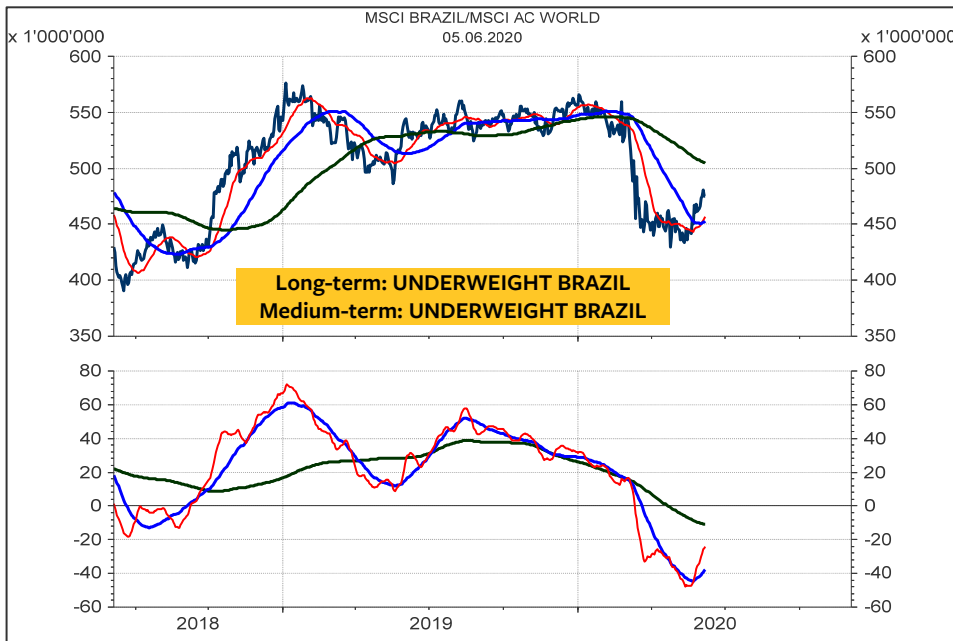
MSCI BRAZIL in Brazil real



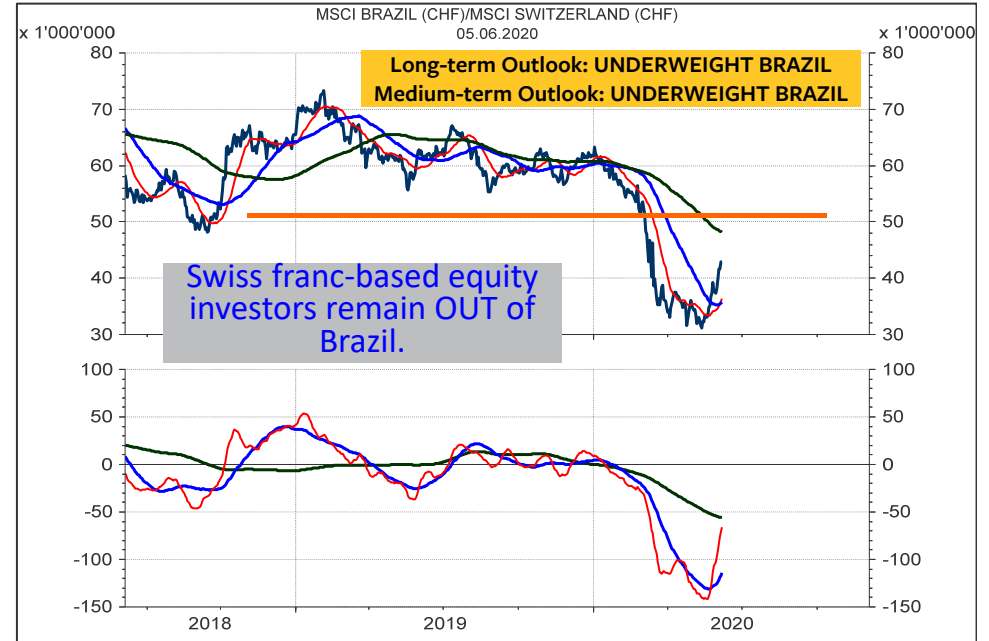
MSCI BRAZIL in Swiss franc



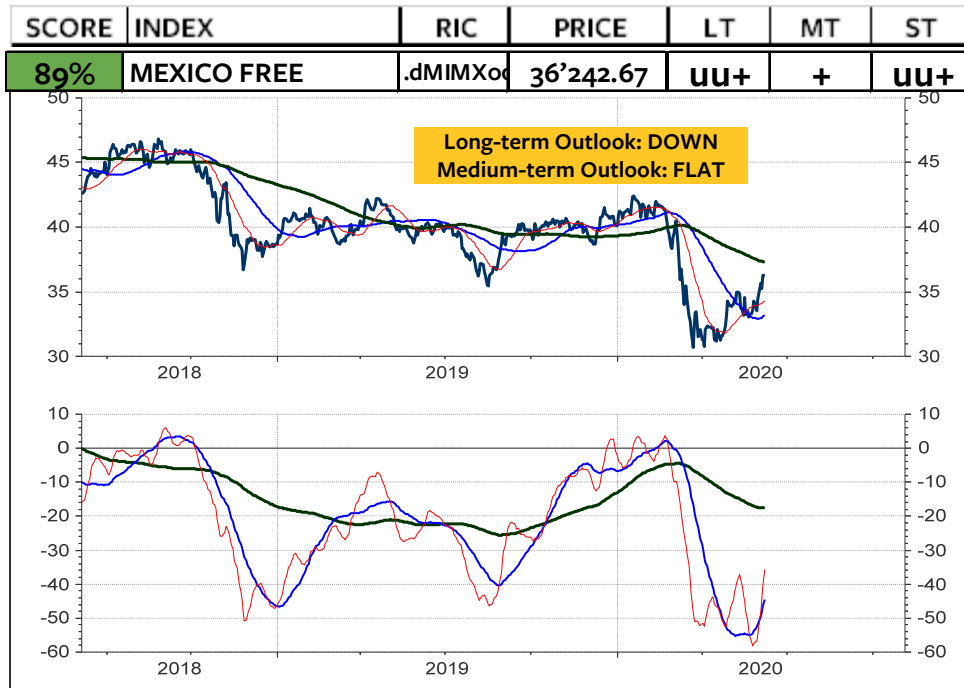
MSCI BRAZIL relative to the MSCI AC World



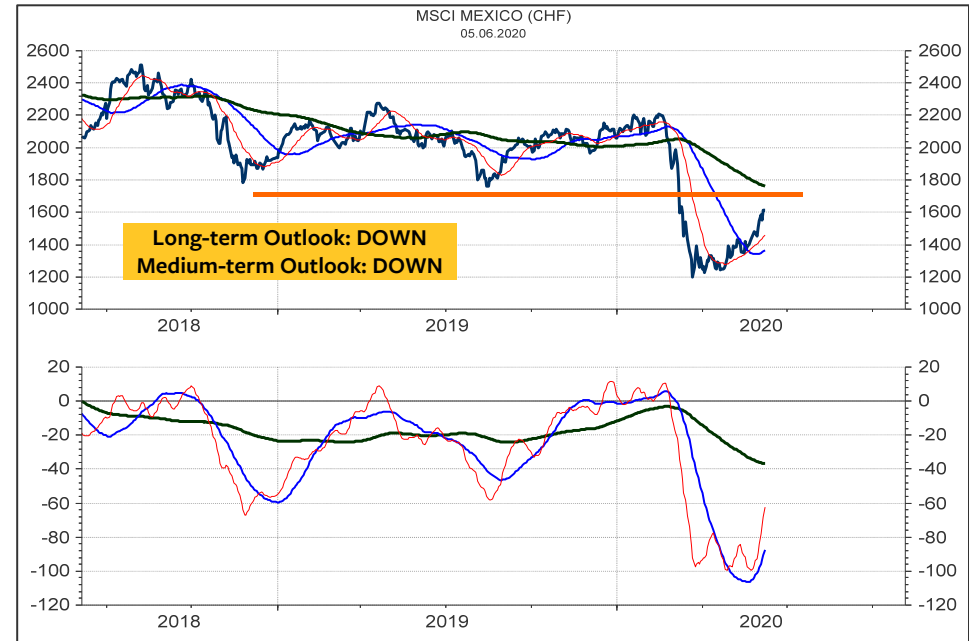
MSCI BRAZIL in CHF relative to MSCI Switzerland



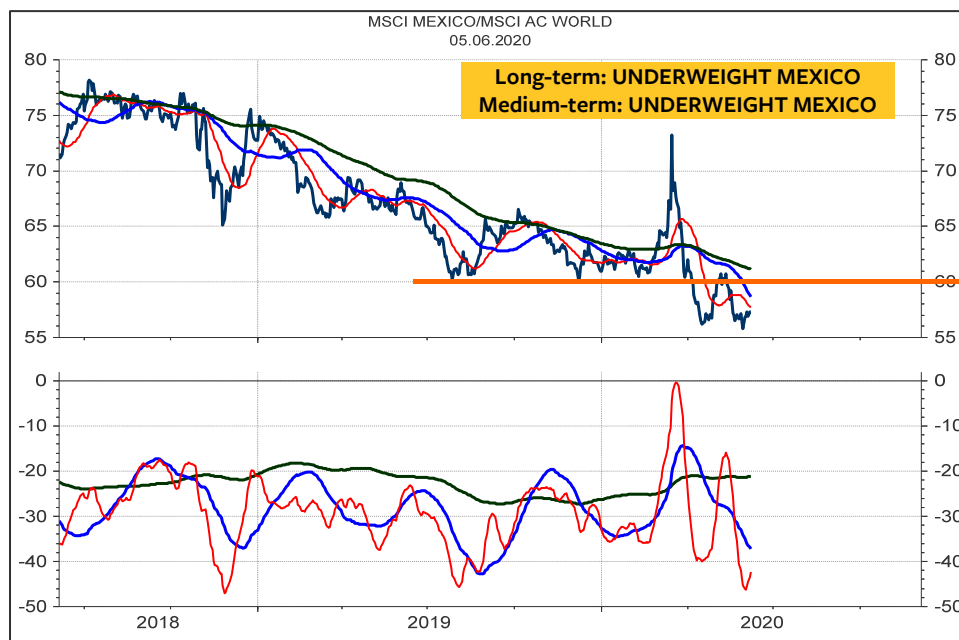
MSCI MEXICO in Mexican peso



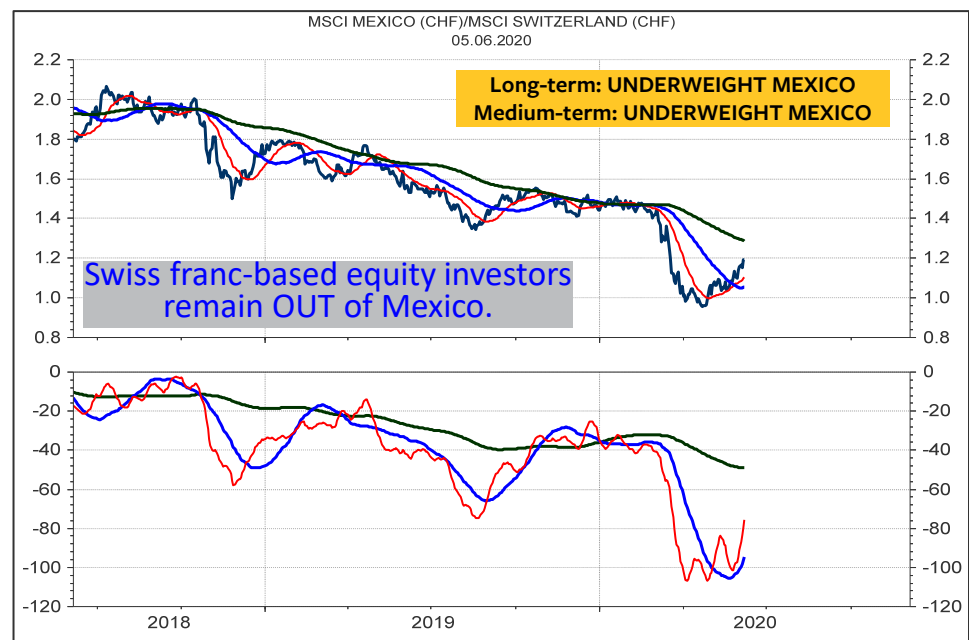
MSCI MEXICO in Swiss franc



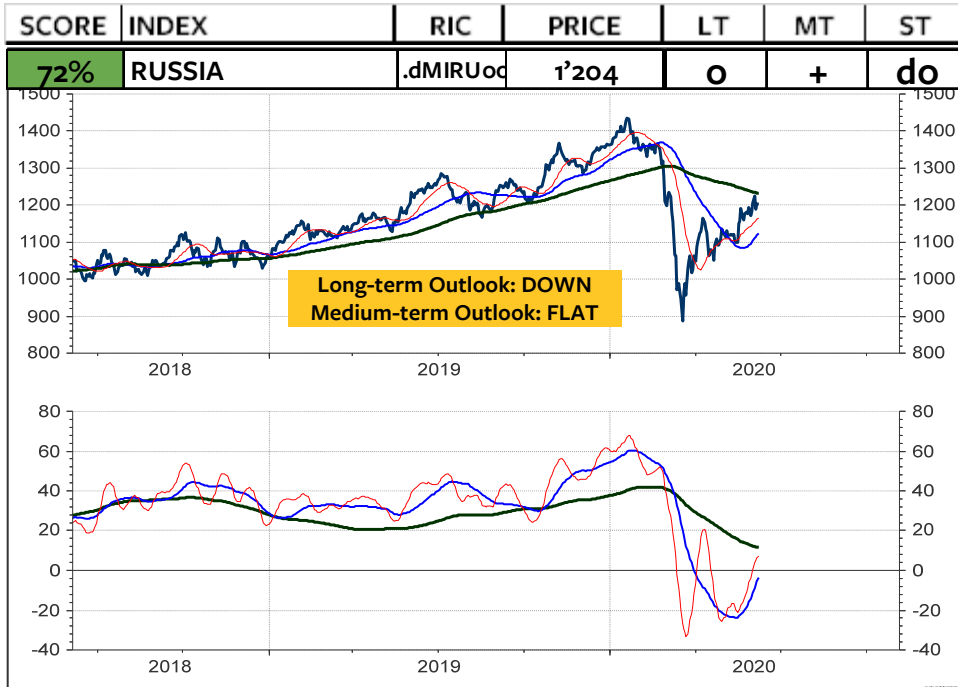
MSCI MEXICO relative to the MSCI AC World



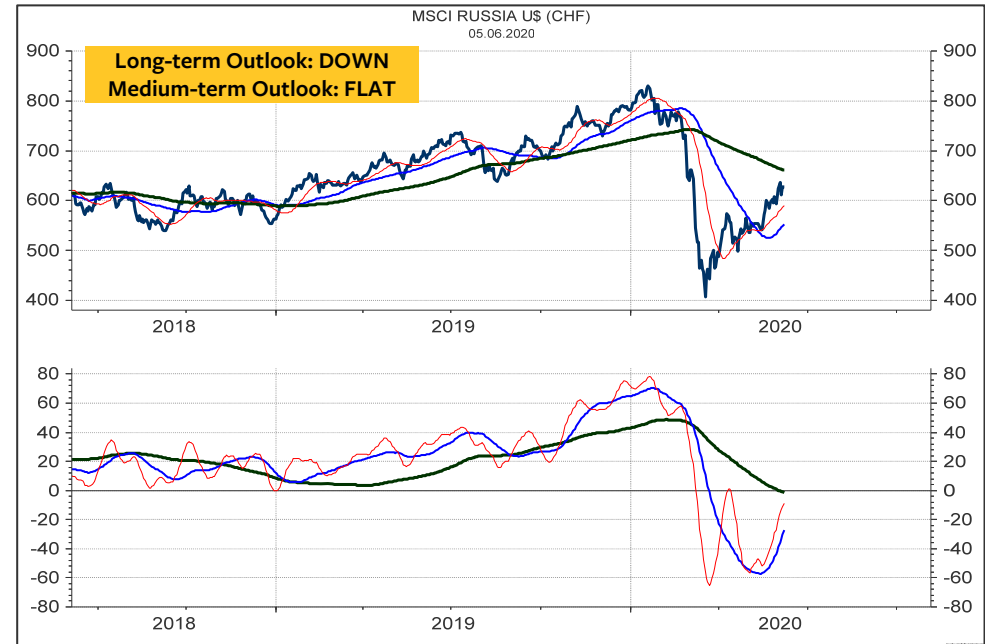
MSCI MEXICO in CHF relative to MSCI Switzerland



MSCI RUSSIA in Russian rouble



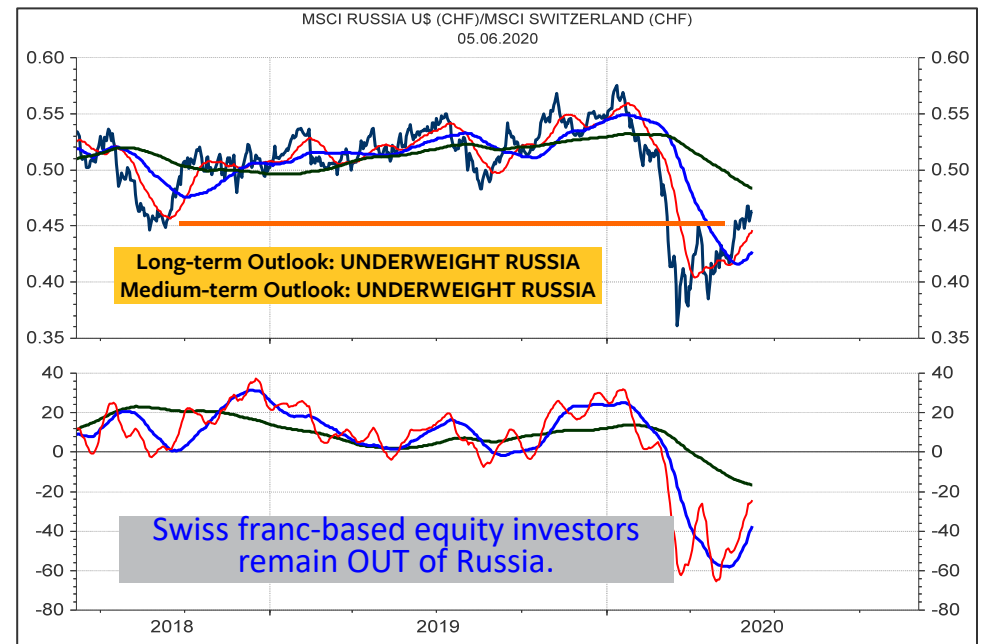
MSCI RUSSIA in Swiss franc



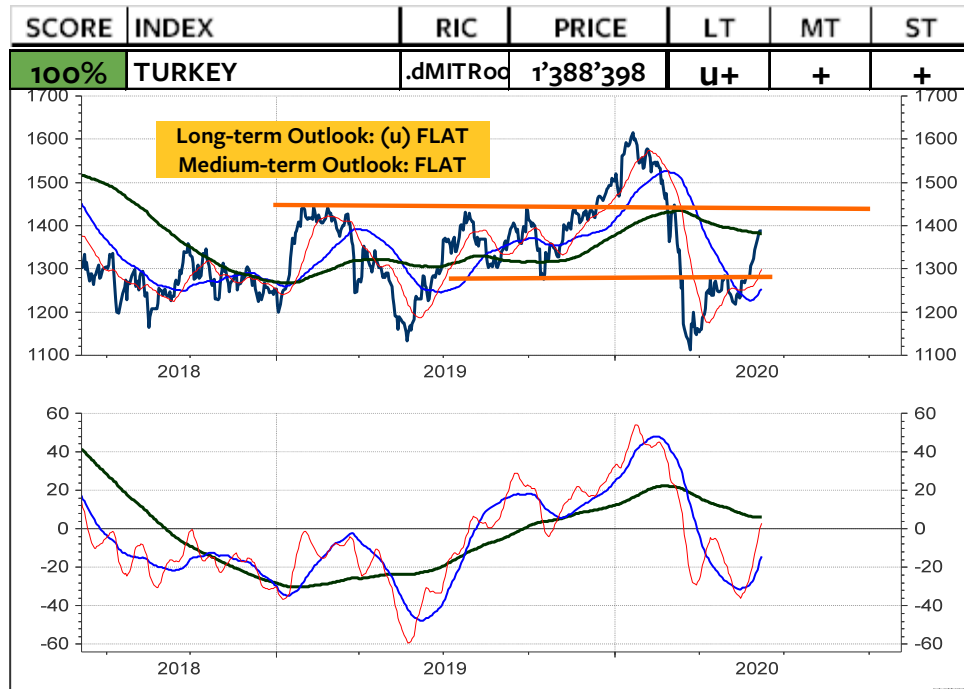
MSCI RUSSIA relative to the MSCI AC World



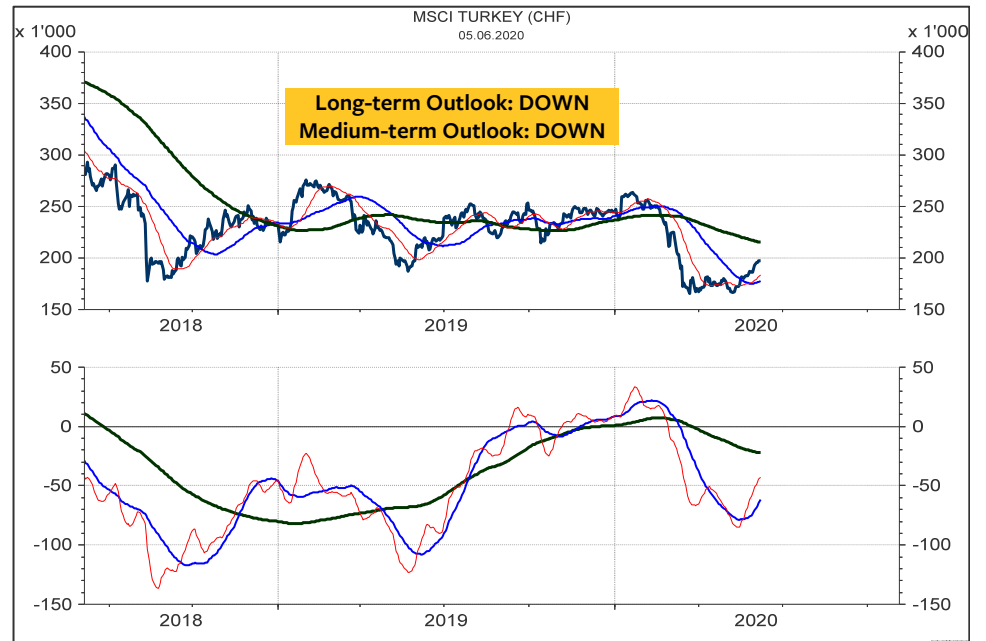
MSCI RUSSIA in CHF relative to MSCI Switzerland



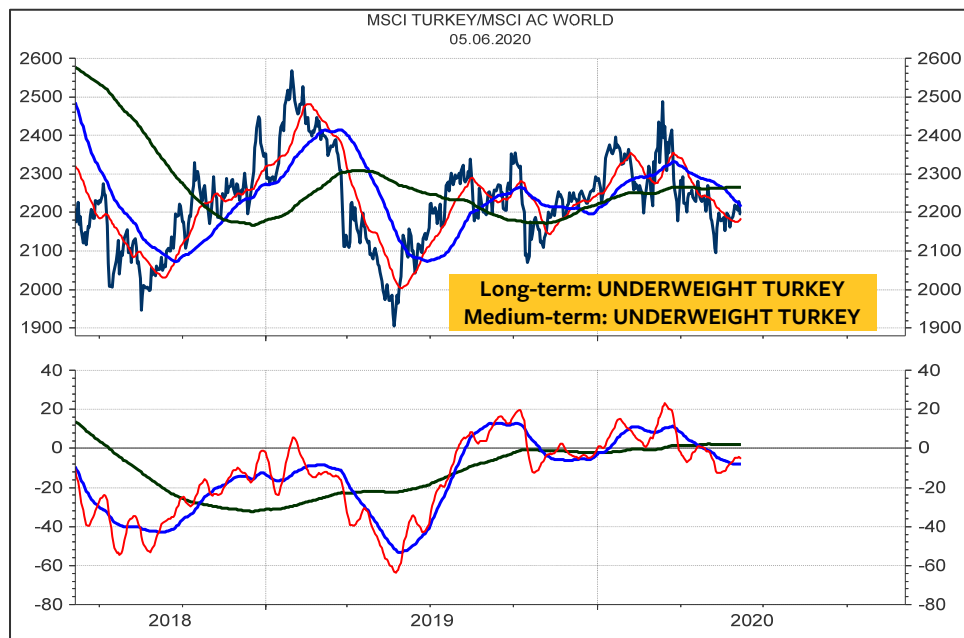
MSCI TURKEY in Turkish lira



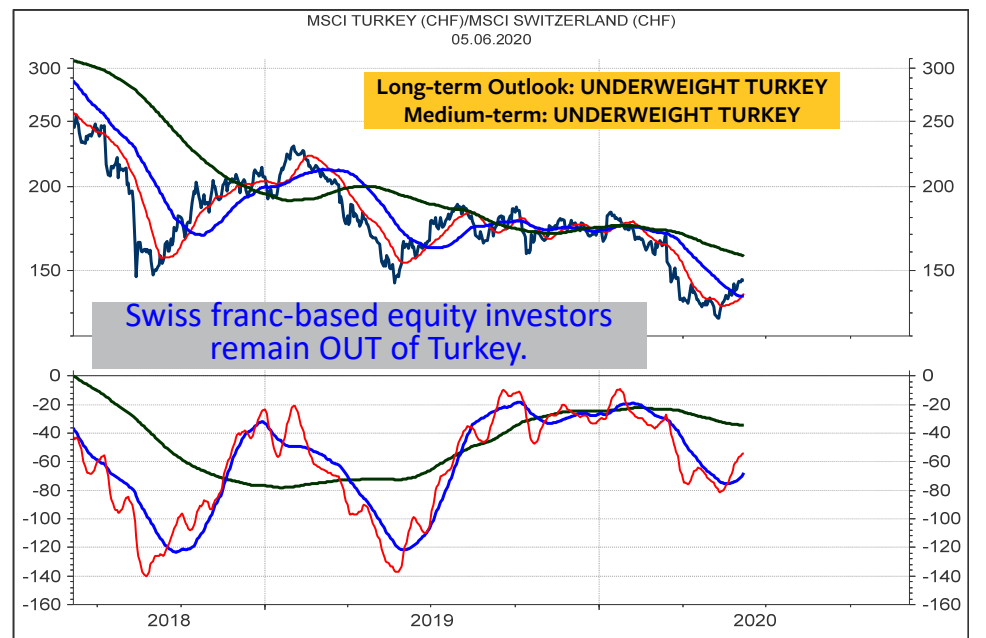
MSCI TURKEY in Swiss franc



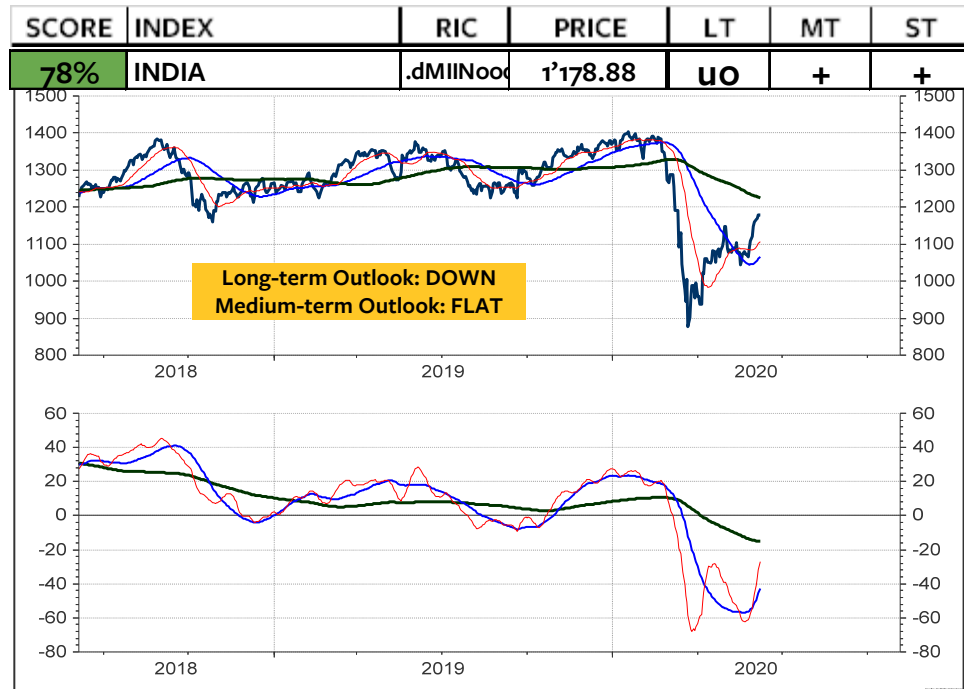
MSCI TURKEY relative to the MSCI AC World



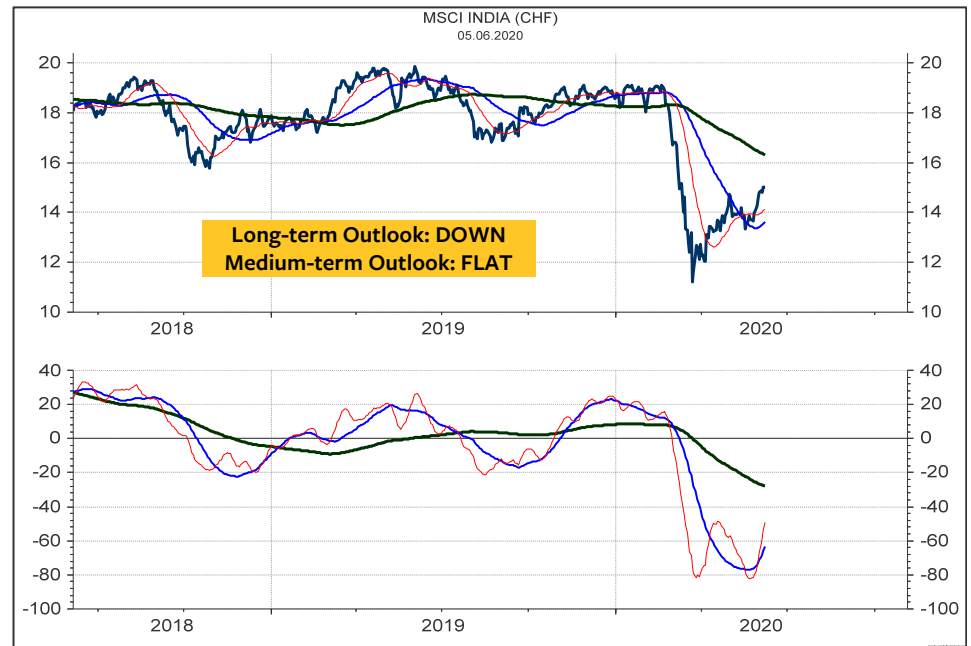
MSCI TURKEY in CHF relative to MSCI Switzerland



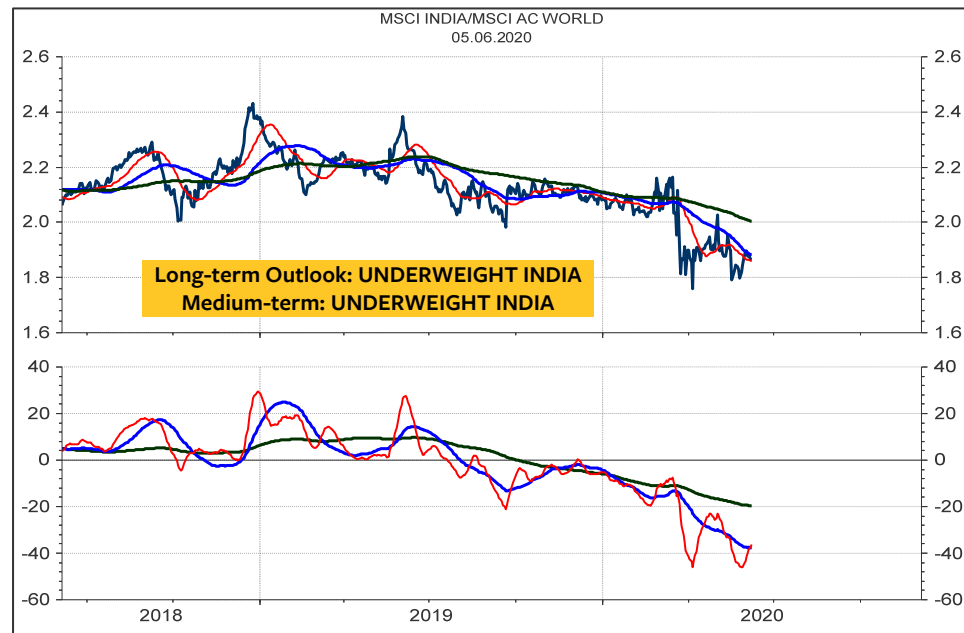
MSCI INDIA in Indian rupee



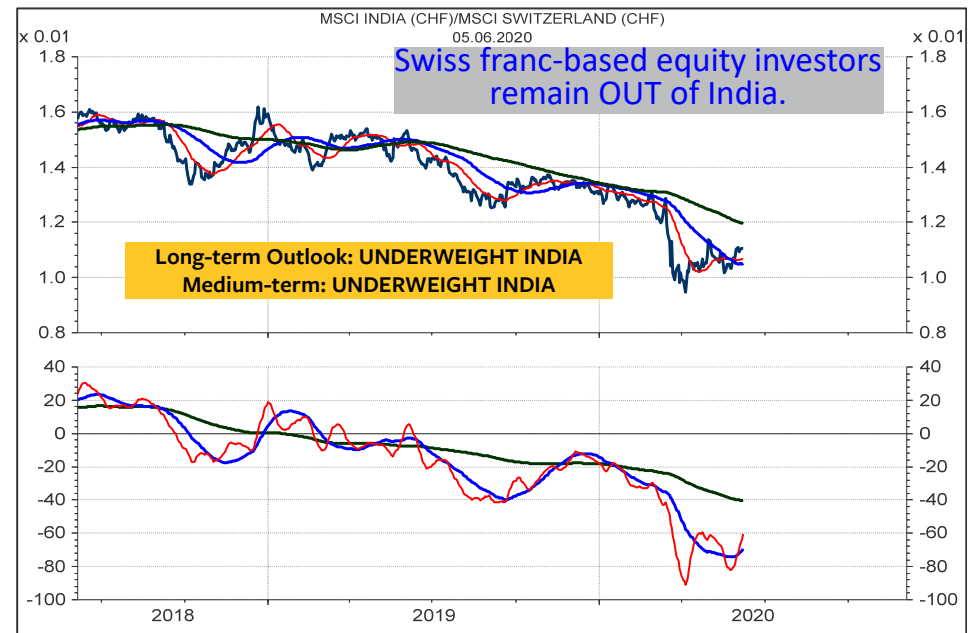
MSCI INDIA in Swiss franc



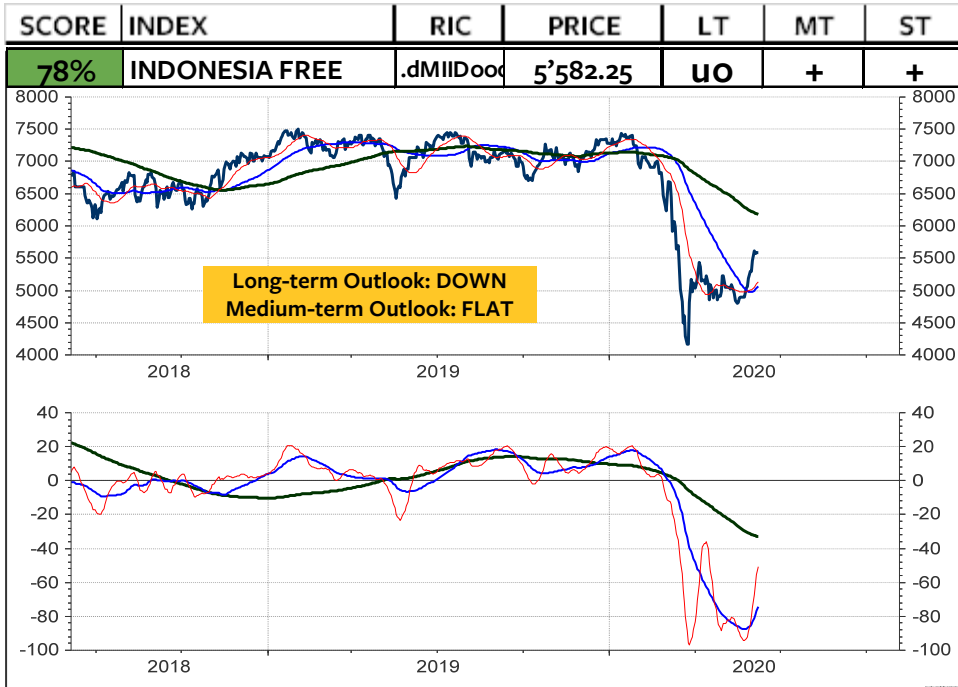
MSCI INDIA relative to the MSCI AC World



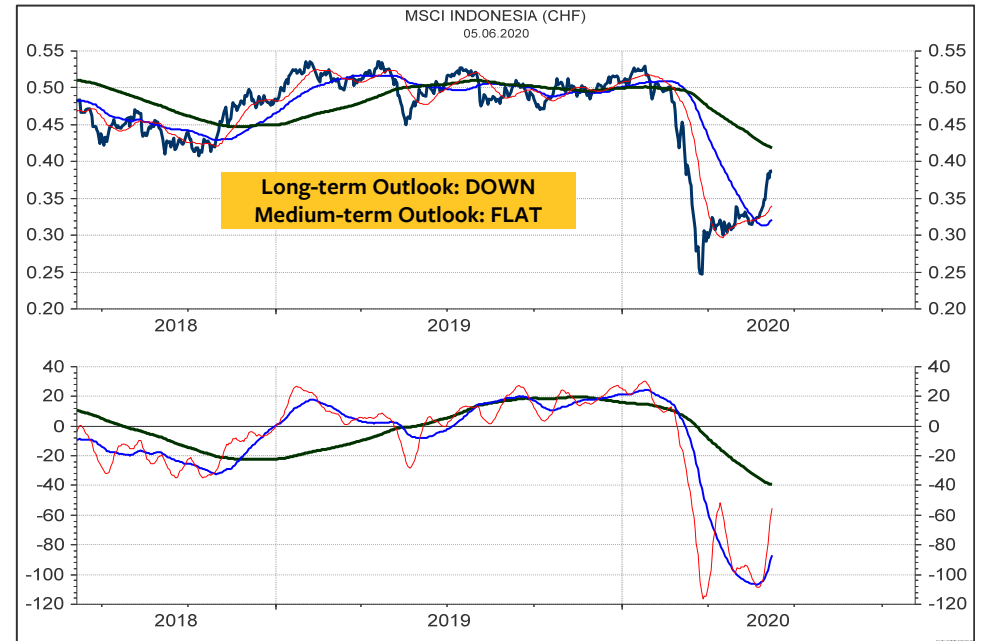
MSCI INDIA in CHF relative to MSCI Switzerland



MSCI INDONESIA in Rupiah



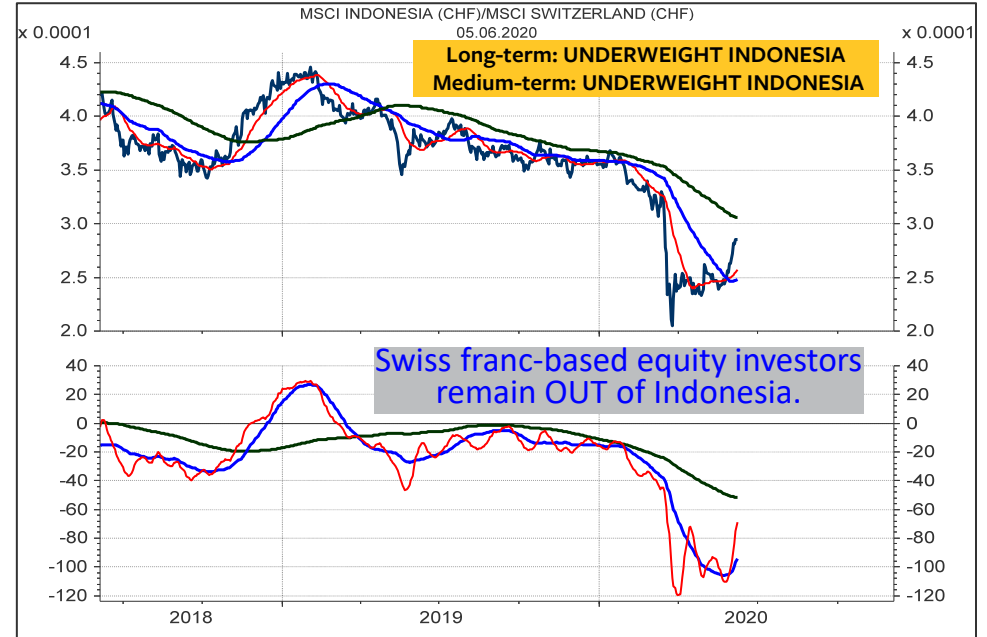
MSCI INDONESIA in Swiss franc



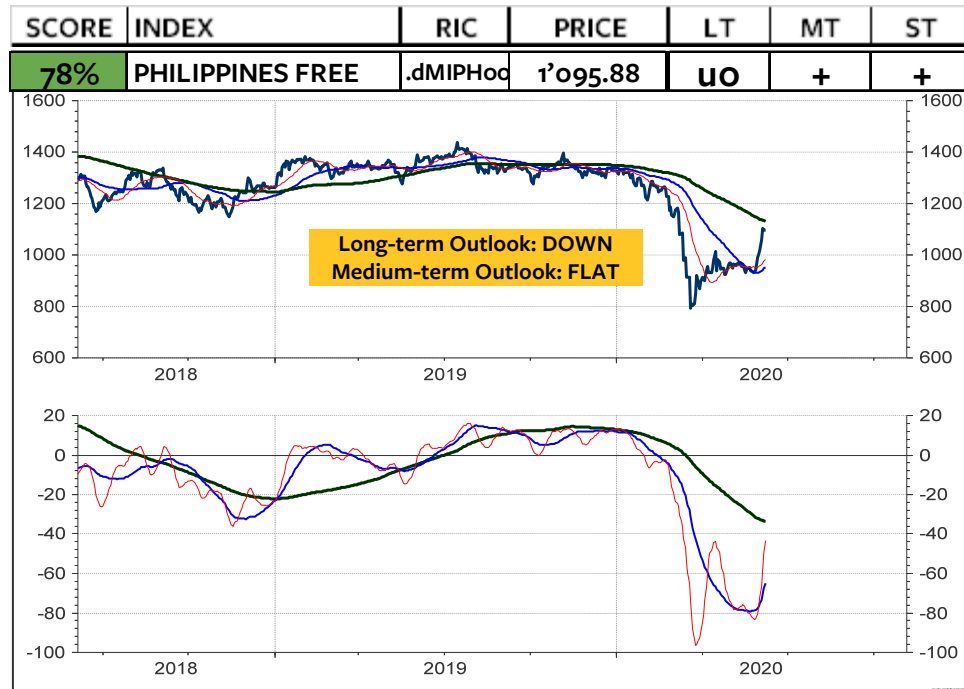
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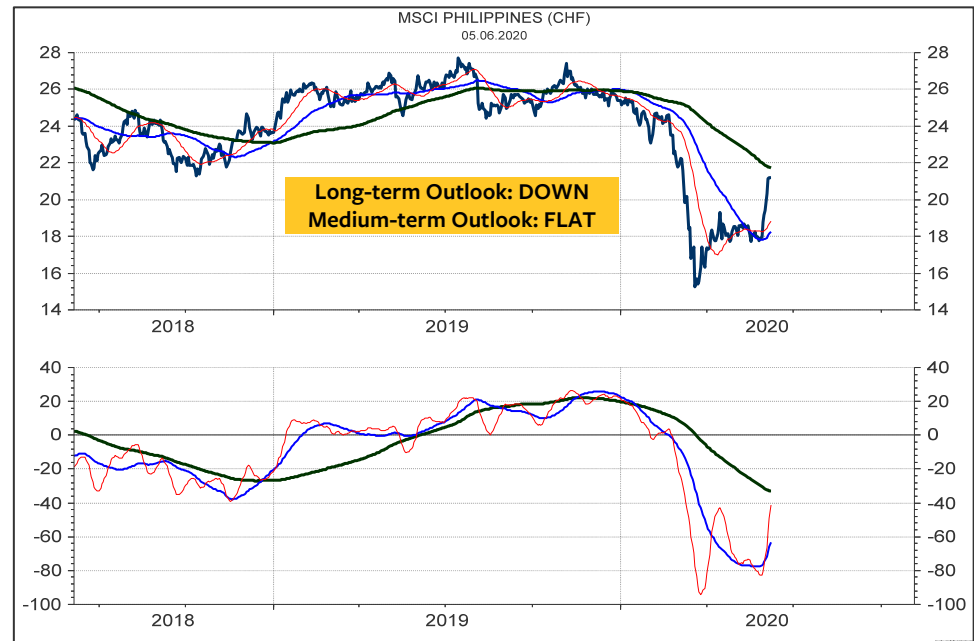
MSCI INDONESIA in CHF relative to MSCI Switzerland



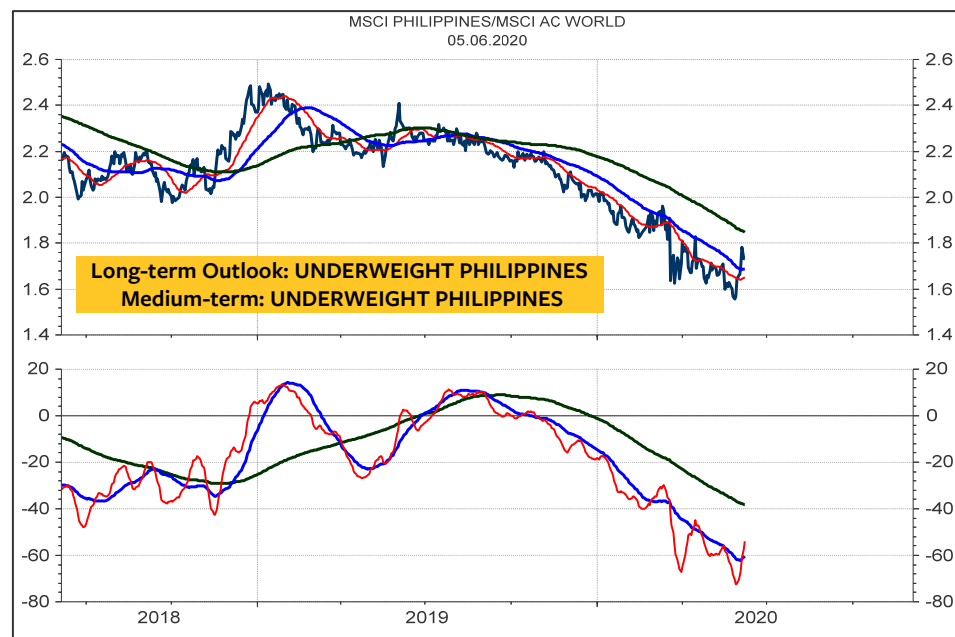
MSCI PHILIPPINES in Peso



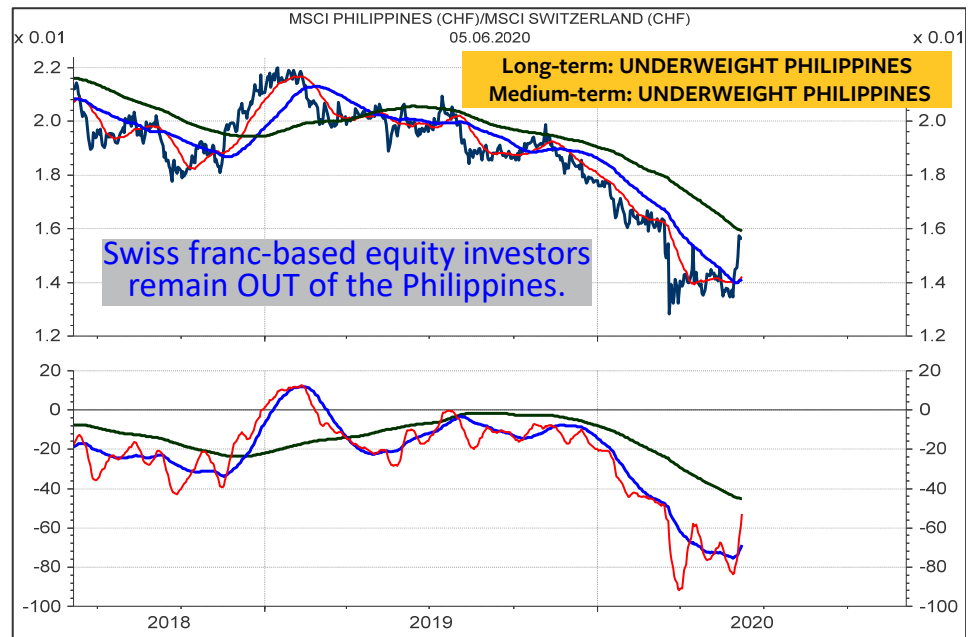
MSCI PHILIPPINES in Swiss franc



MSCI PHILIPPINES relative to the MSCI AC World

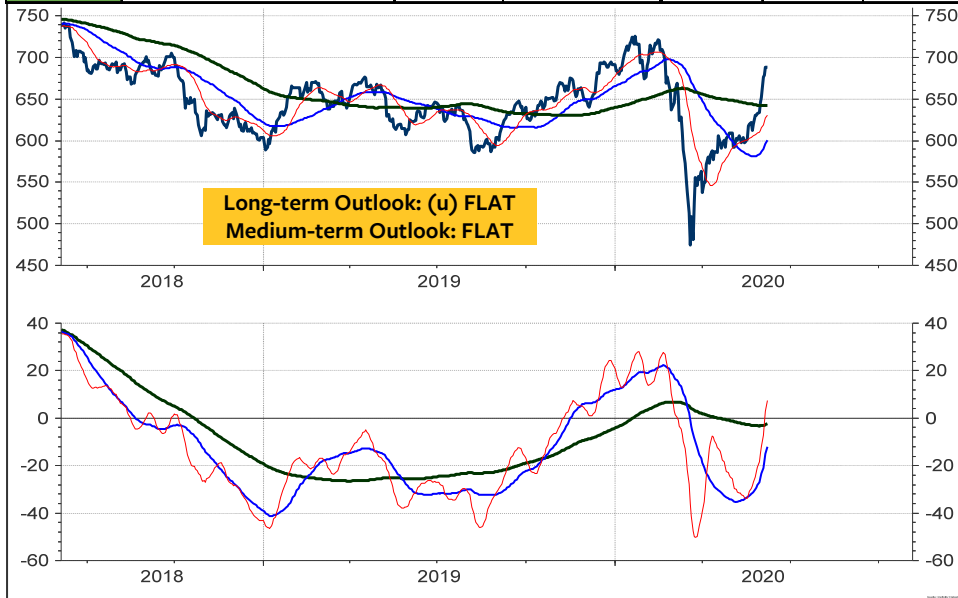


MSCI PHILIPPINES in CHF relative to MSCI Switzerland

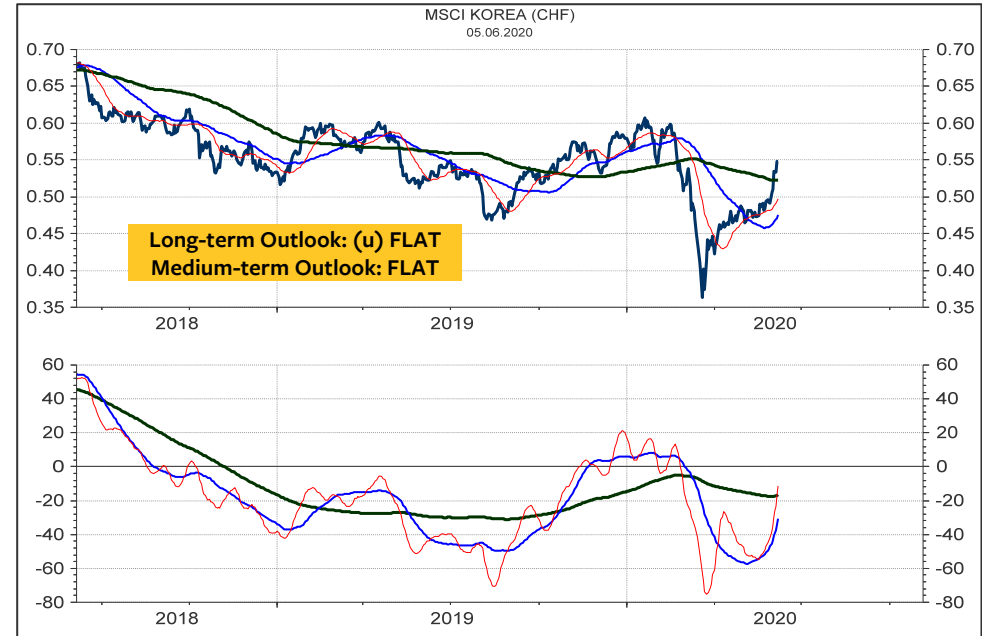


MSCI SOUTH KOREA in Won

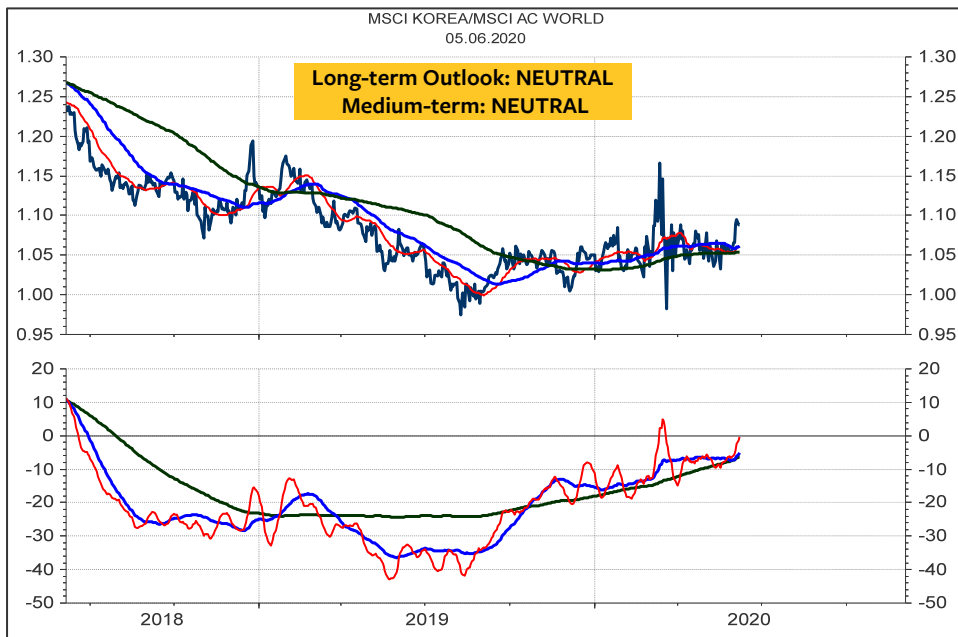
SCORE	INDEX	RIC	PRICE	LT	MT	ST
100%	KOREA	.dMIKRoc	687.87	U+	+	+



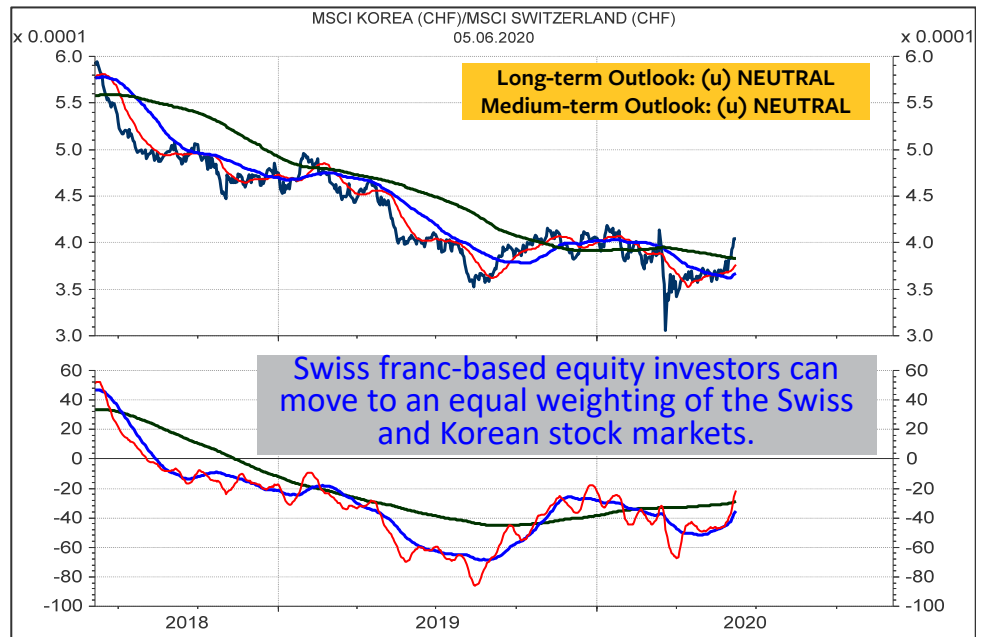
MSCI SOUTH KOREA in Swiss franc



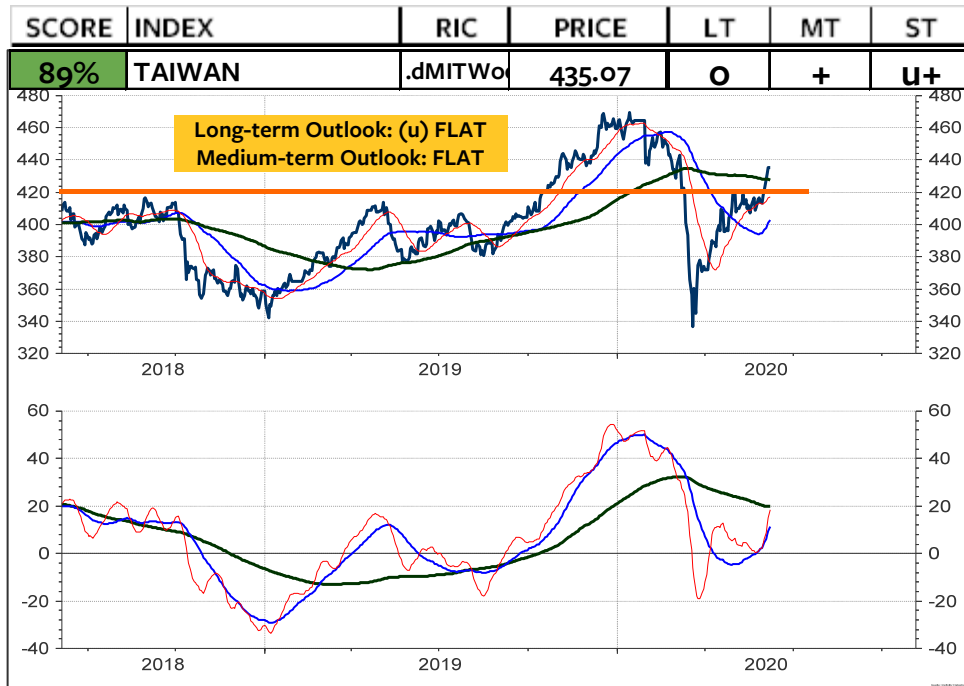
MSCI SOUTH KOREA relative to the MSCI AC World



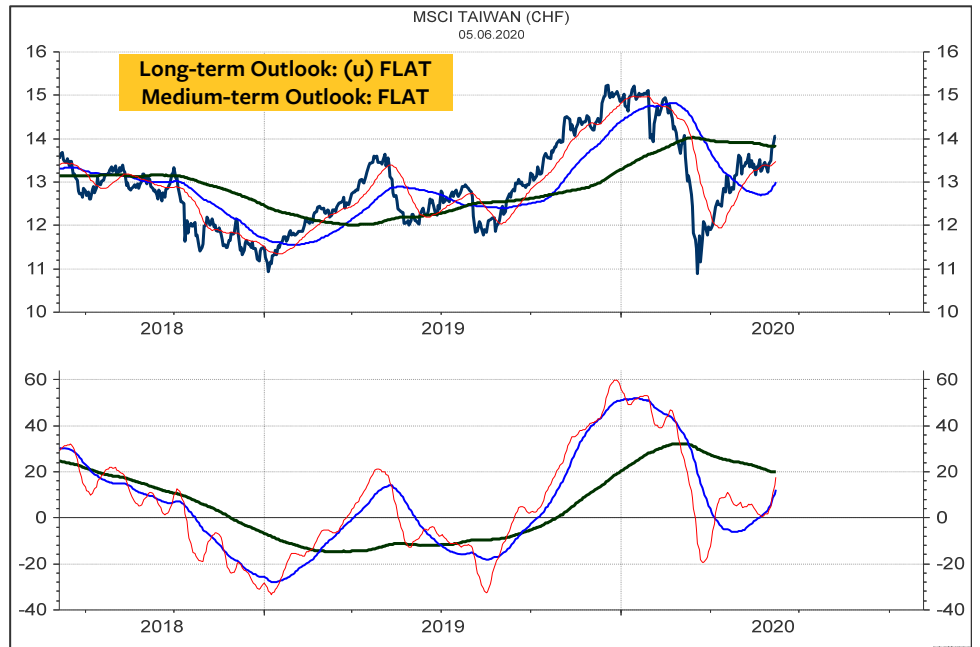
MSCI SOUTH KOREA in CHF relative to MSCI Switzerland



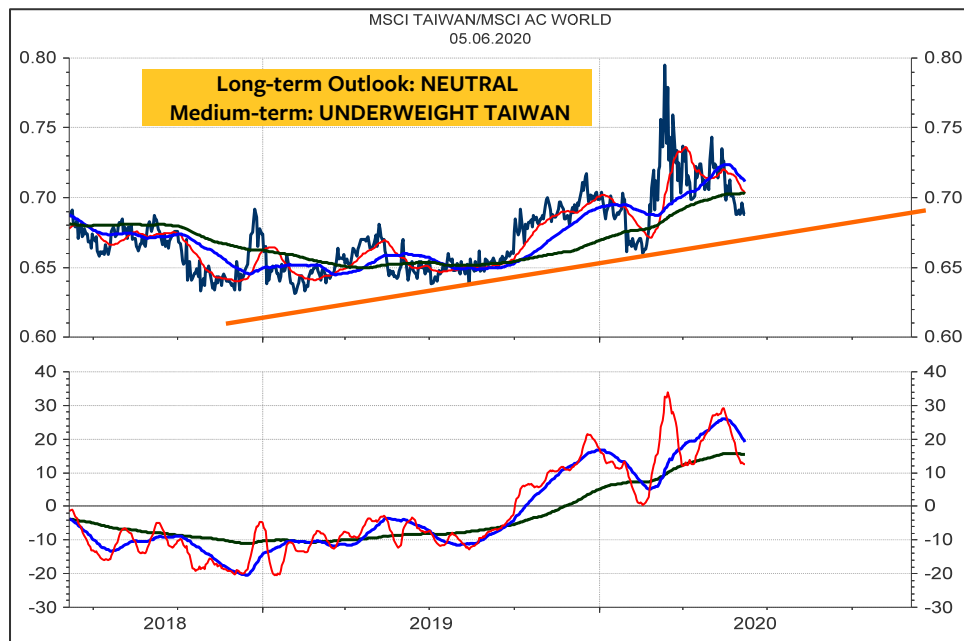
MSCI TAIWAN in Taiwanese dollar



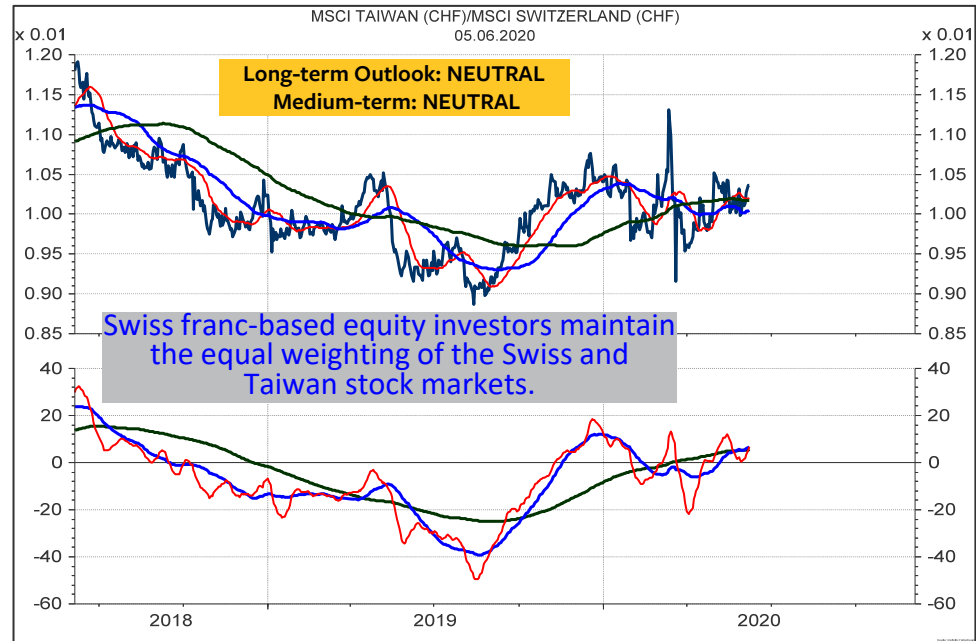
MSCI TAIWAN in Swiss franc



MSCI TAIWAN relative to the MSCI AC World



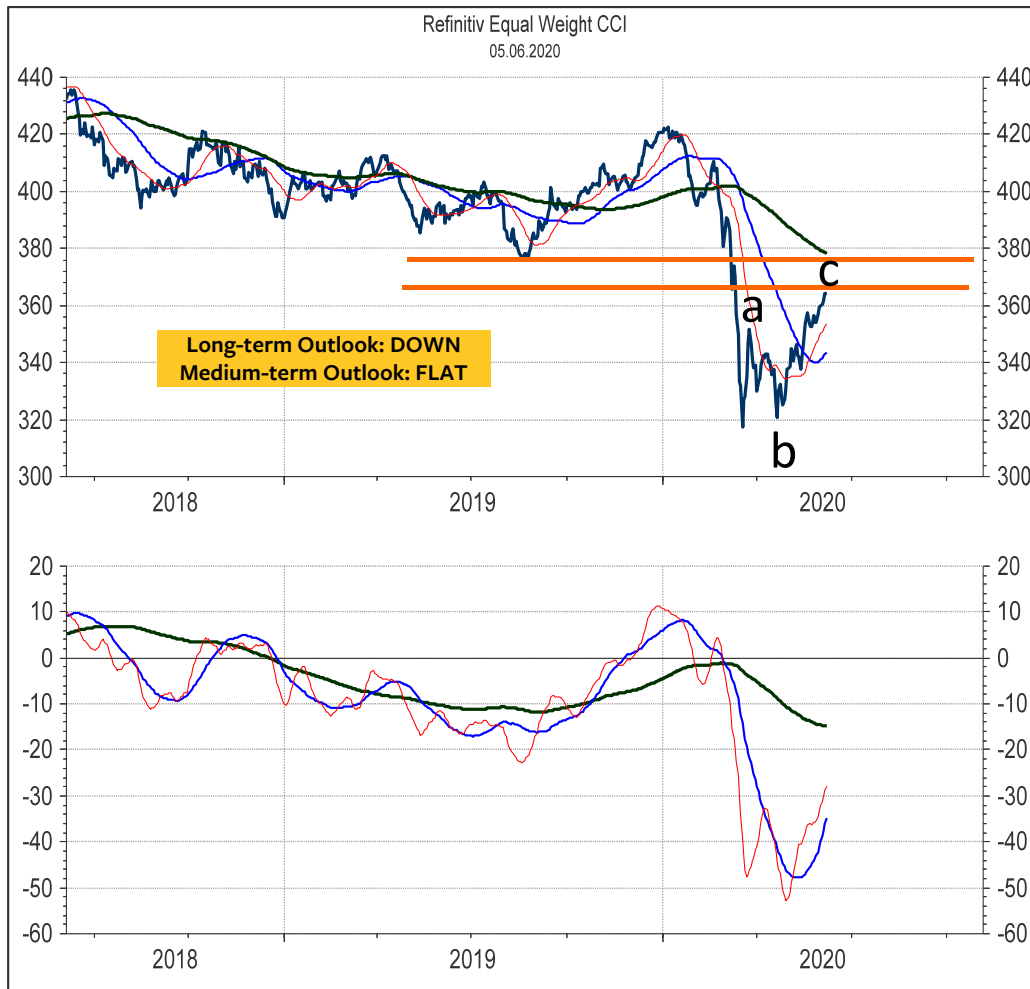
MSCI TAIWAN in CHF relative to MSCI Switzerland



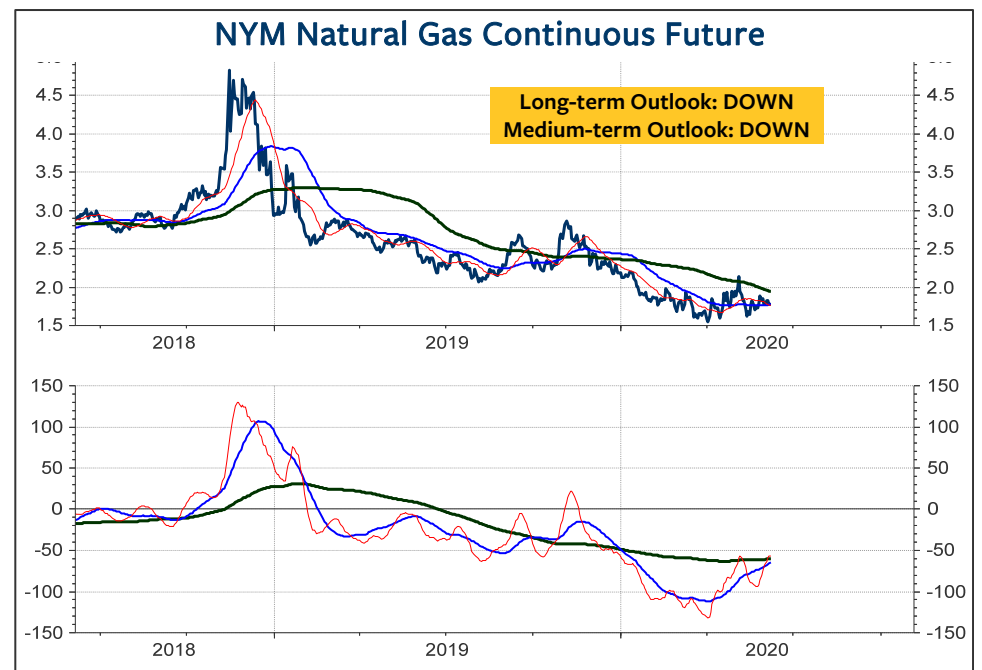
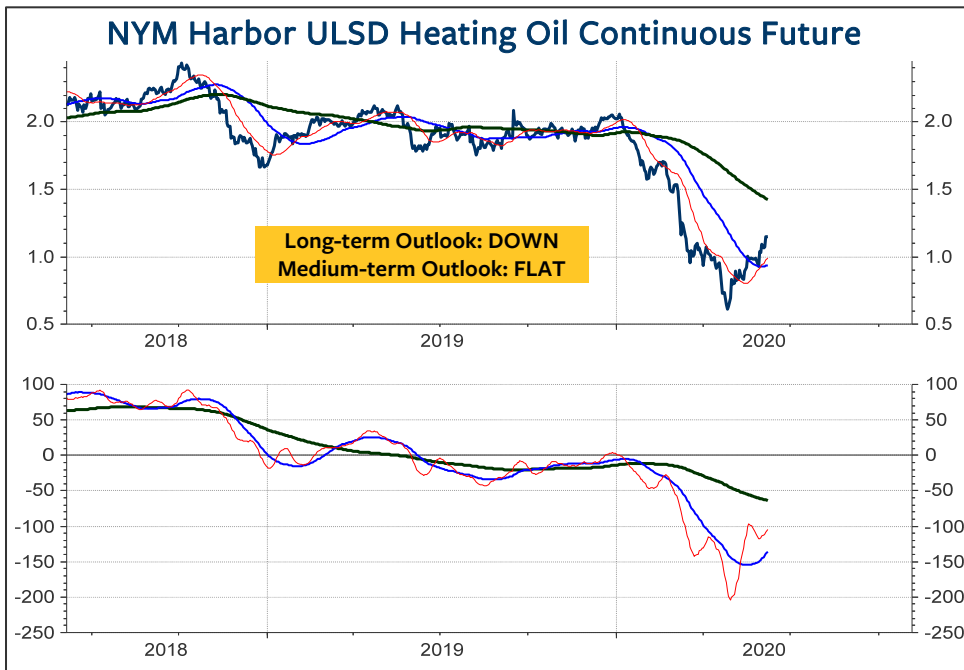
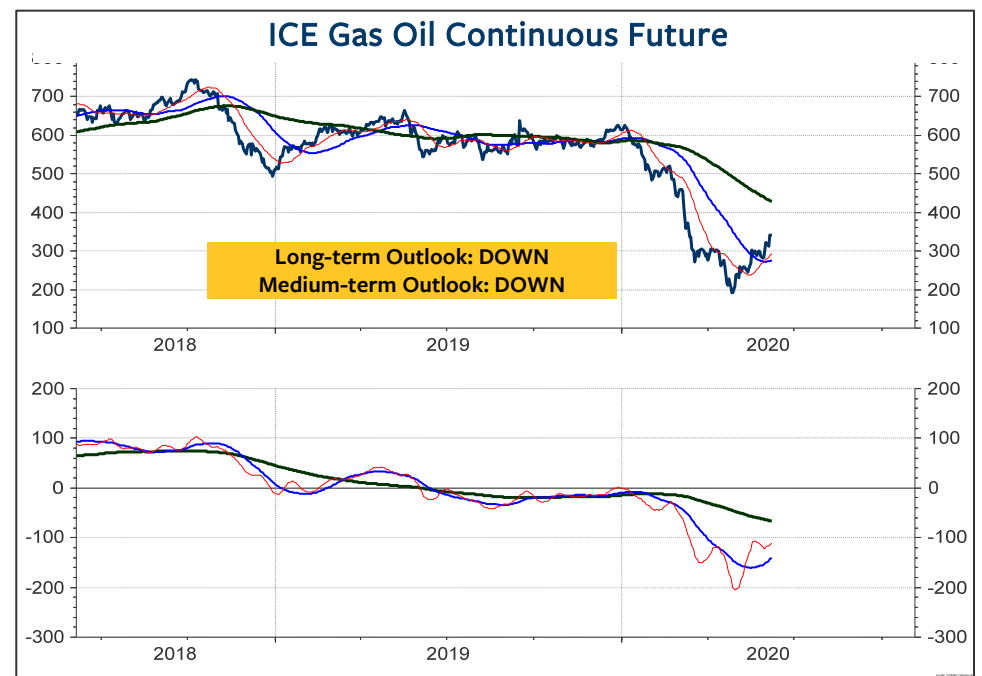
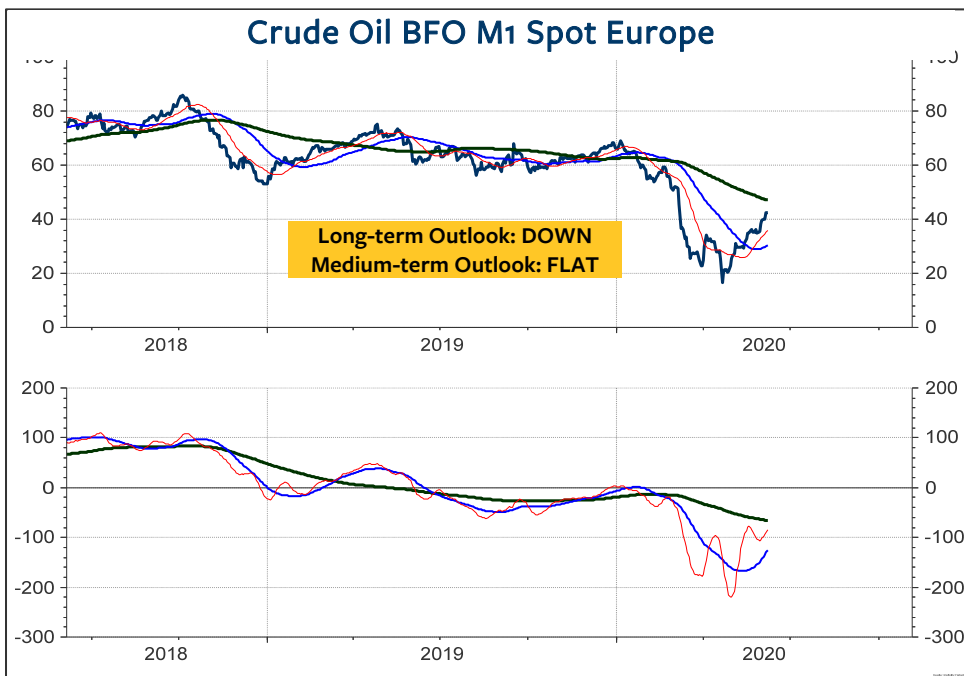
Commodities

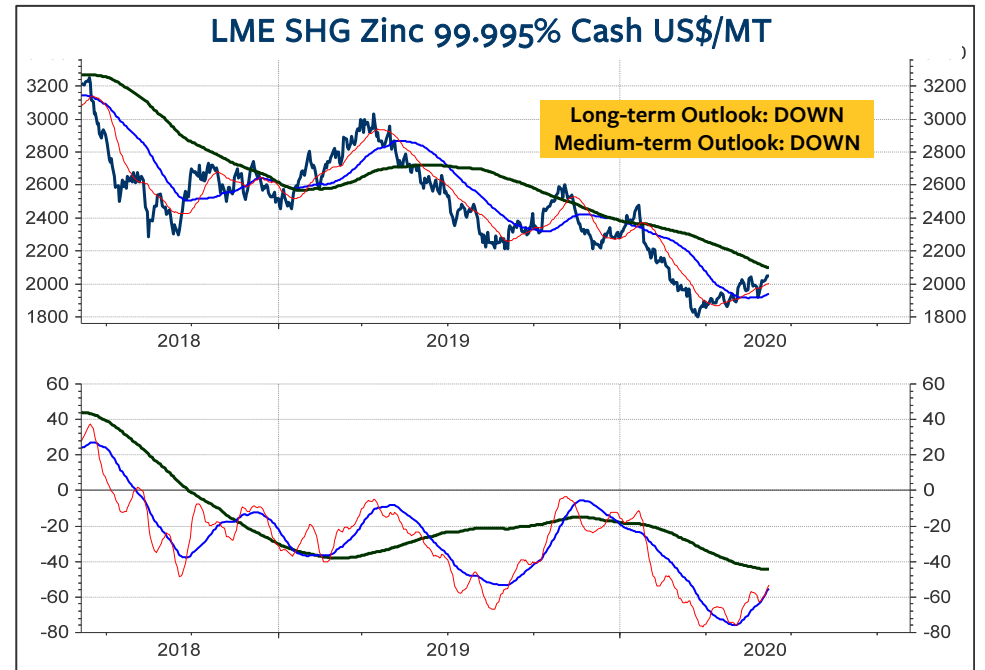
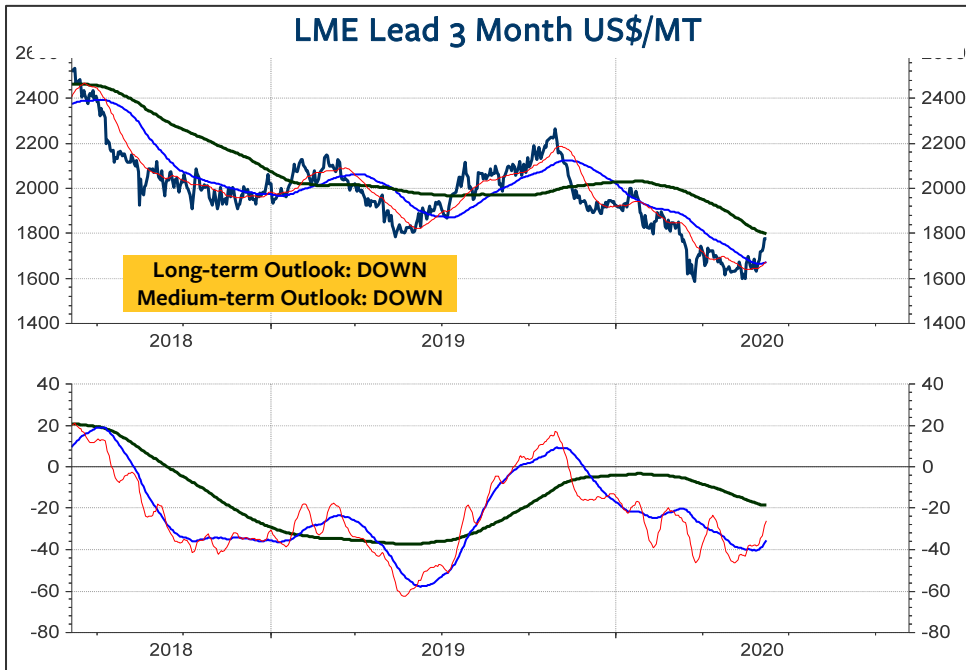
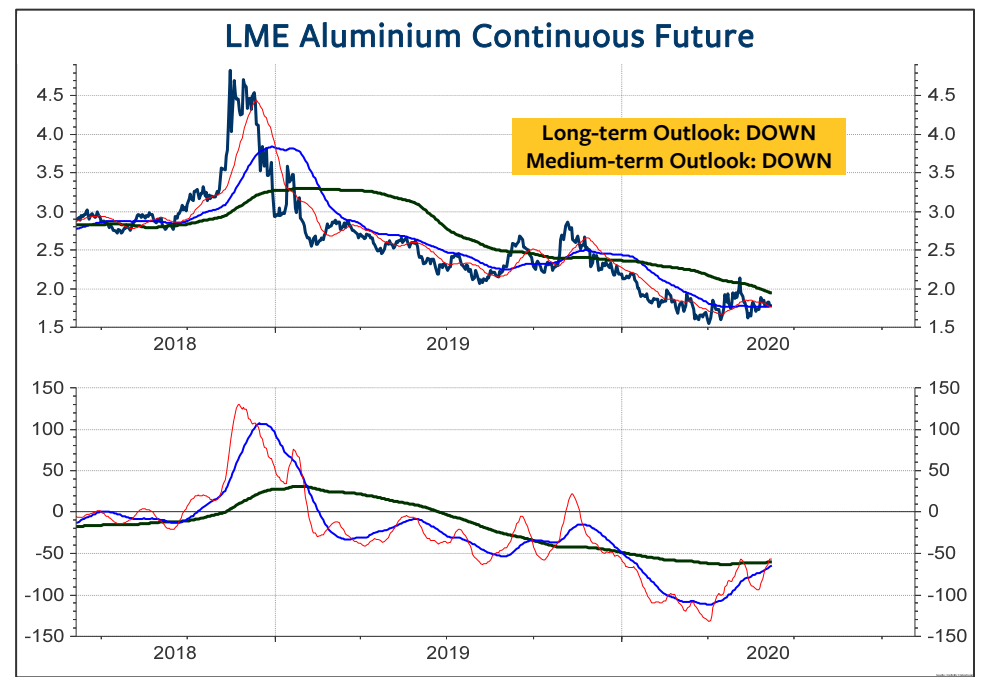
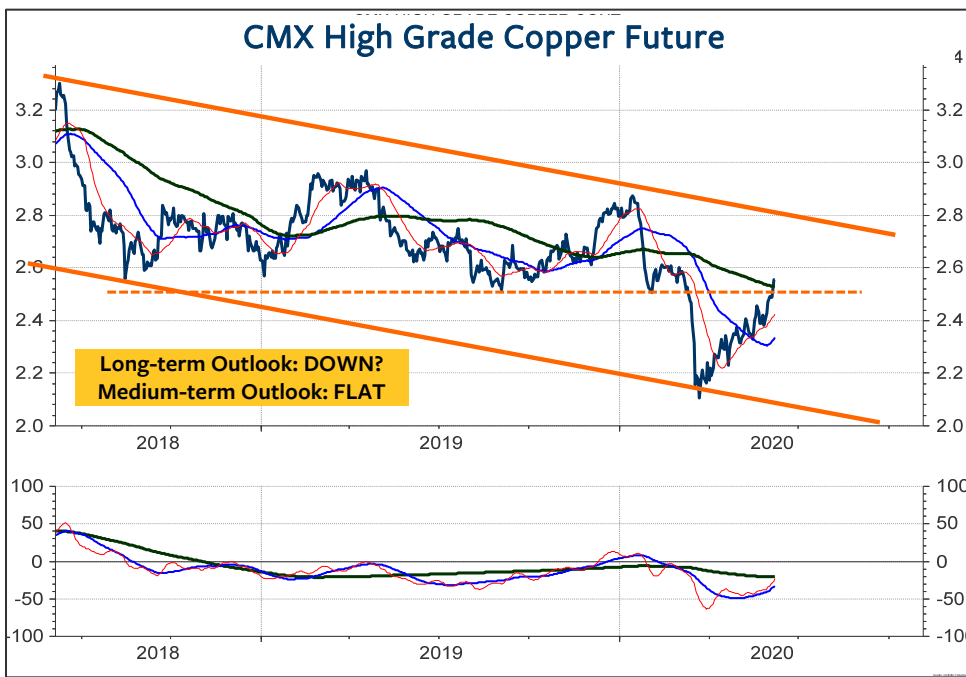
The Thomson Reuter Index (below) could be forming an Inverse Flat. It must rise above 364 and 368 to indicate that the medium-term trend has turned upwards. The rise from 21.4.2020 can be counted as five-wave move and thus, could well indicate that Wave C is topping right here.

While the wave pattern could signal a top here, the Trend and Momentum Model (at right) shows further improvements of the medium-term readings. But, most readings have seen an upgrade to NEUTRAL. Copper (see overnext page, upper left) rose above the 144-day moving average, which is why the long-term model rates it positively. However, the break is only marginally. It must hold above this average for one week if the breakout is to gain credibility.



SCORE	COMMODITY	CODE	PRICE	LT	MT	ST
ENERGY						
56%	NATURAL GAS CONTINUOUS	NNGCSoo	1.78	do	do	+
72%	BRENT CRUDE OIL CONTINUOUS	LLCC.o1	42.30	uo	+	+
72%	LIGHT CRUDE OIL CONTINUOUS	NCLCSoo	39.55	o	+	+
78%	GASOLINE CONTINUOUS	NRBCSoo	1.21	uo	+	+
72%	GAS OIL CONTINUOUS	LLECSoo	341.00	uo	+	u+
78%	NY HARBOR ULSD CONTINUOUS	NHOCSo0	1.15	uo	+	+
GRAINS						
67%	CORN CONTINUOUS	CZCCSoo	331.25	-	u+	+
89%	SOYBEANS CONTINUOUS	CZSCSoo	867.75	uu+	u+	uu+
44%	SOYBEAN MEAL CONTINUOUS	CZMCSoo	289.10	uo	uo	uu+
72%	SOYBEAN OIL CONTINUOUS	CZLCSoo	28.14	uo	+	+
44%	WHEAT CONTINUOUS	CZWCSoo	515.25	o	o	+
100%	ROUGH RICE COMP FUTURES C	CRRCSoo	2'057	+	+	+
94%	OATS COMP. CONTINUOUS	COFCSoo	328.25	+	+	do
INDUSTRIALS						
100%	HIGH GRADE COPPER CONT.	NHGCSoo	2.56	u+	+	+
78%	ALUMINIUM CONTINUOUS	LAHCSoo	1'575	uo	+	+
78%	Lead 3 Months U\$/MT	LED3MTH	1'776	uo	+	+
89%	Nickel Cash U\$/MT	LNICASH	12'920	u+	+	u+
100%	Tin 99.85% Cash U\$/MT	LTICASH	16'767	u+	+	u+
78%	Zinc 99.995% Cash U\$/MT	LZZCASH	2'047.8	o	+	u+
72%	LUMBER CONTINUOUS LTDT	CLBCSo1	368.80	do	+	+
PRECIOUS METALS						
50%	Gold Bullion LBM \$/t oz DELAY	GOLDBLN	1'681	+	do	d-
33%	PALLADIUM CONTINUOUS	NPACSo0	1'929	-	o	d-
61%	PLATINUM CONTINUOUS	NPLCSoo	830.40	o	+	dd-
78%	SILVER 5000 OZ CONTINUOUS	NSLCSoo	17.48	+	+	do
SOFTS						
56%	COCOA CONTINUOUS	NCCCSoo	2'398	-	+	do
6%	COFFEE 'C' CONTINUOUS	NKCCSoo	98.90	-	-	uo
89%	COTTON #2 CONTINUOUS	NCTCSoo	61.79	uu+	+	u+
89%	SUGAR #11 CONTINUOUS	NSBCSoo	12.02	uu+	+	+
100%	WHITE SUGAR CONTINUOUS	LSWCSoo	392.90	u+	+	u+
LIVESTOCK						
50%	LIVE CATTLE GLOBEX CONT.	CCACSo0	96.18	-	+	dd-



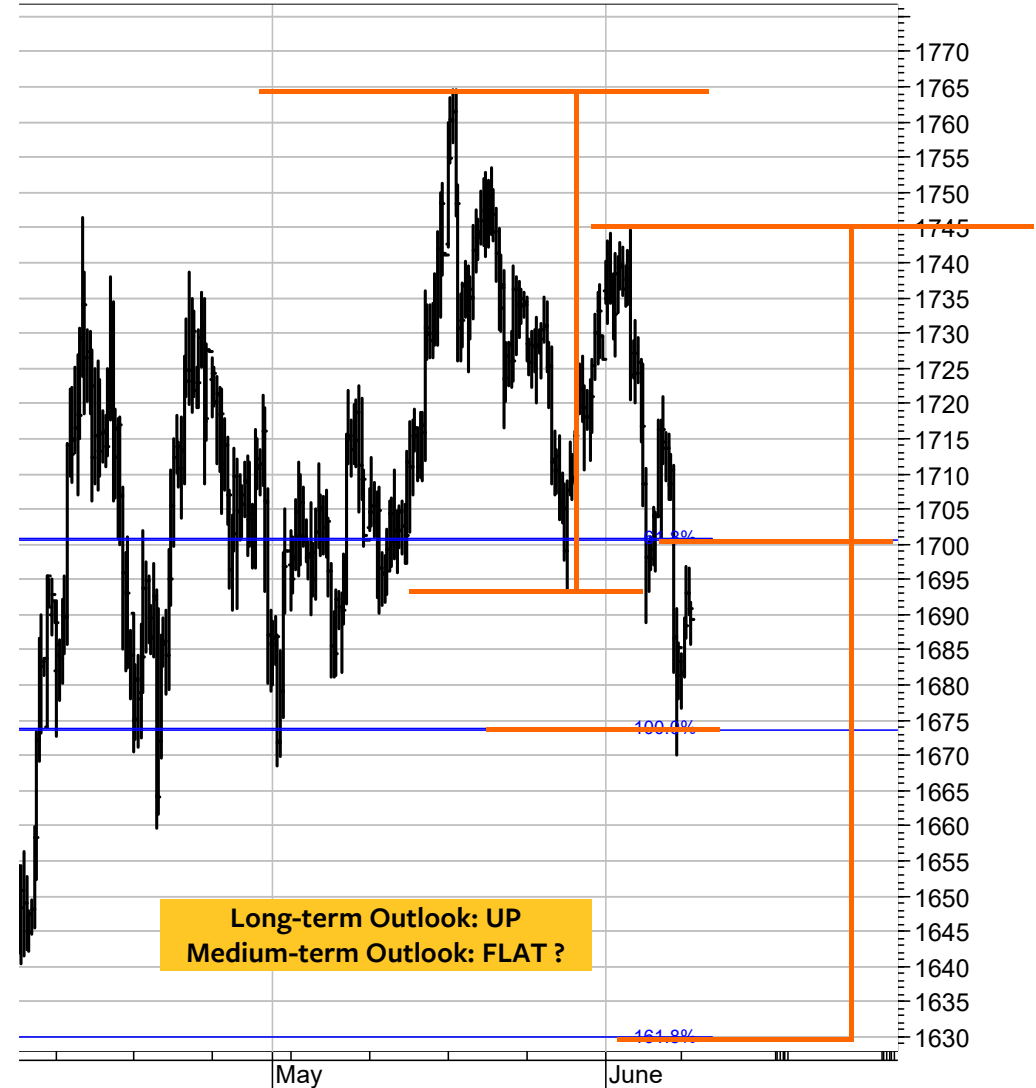
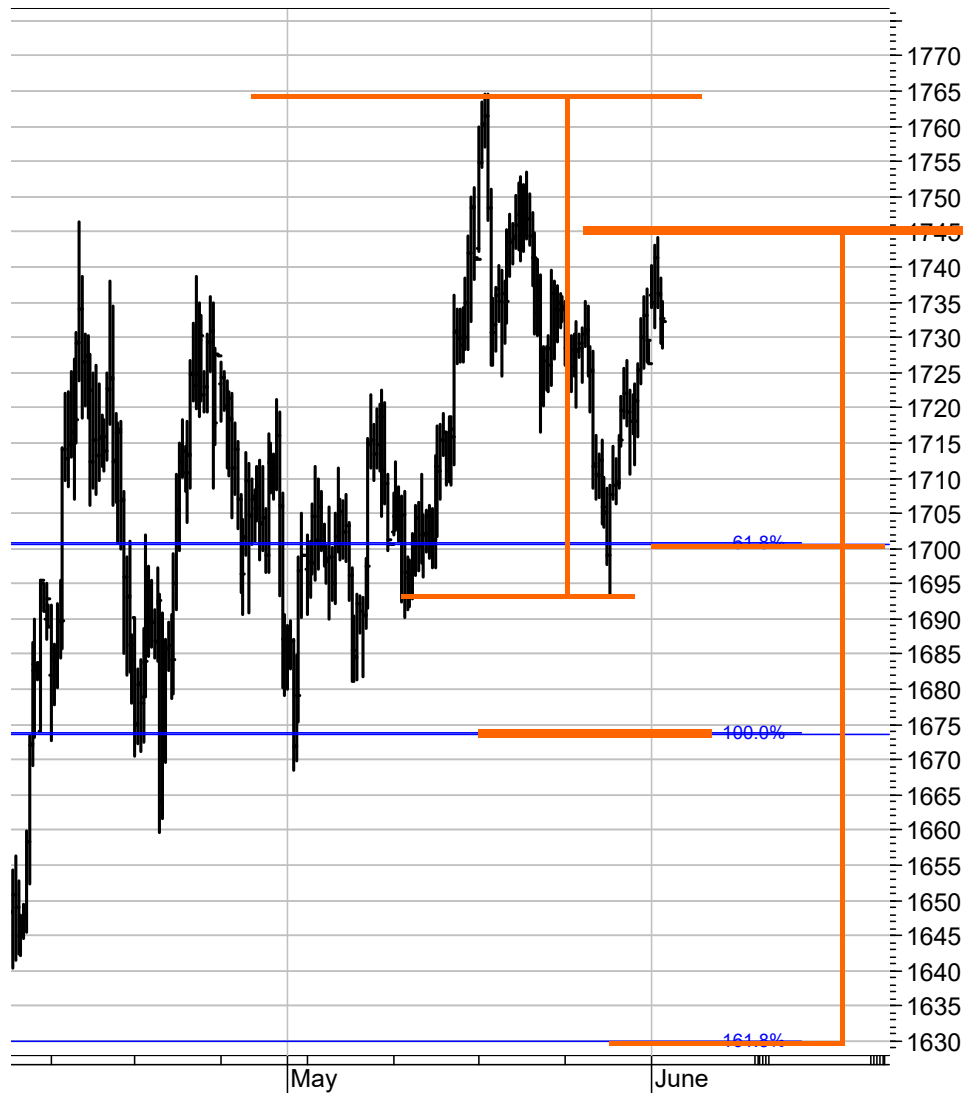


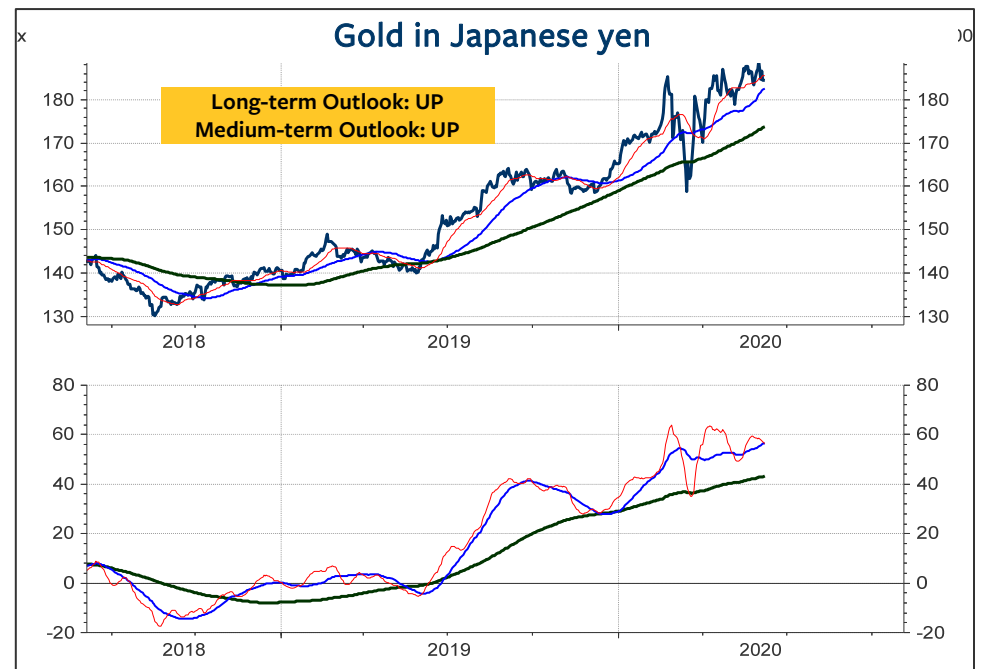
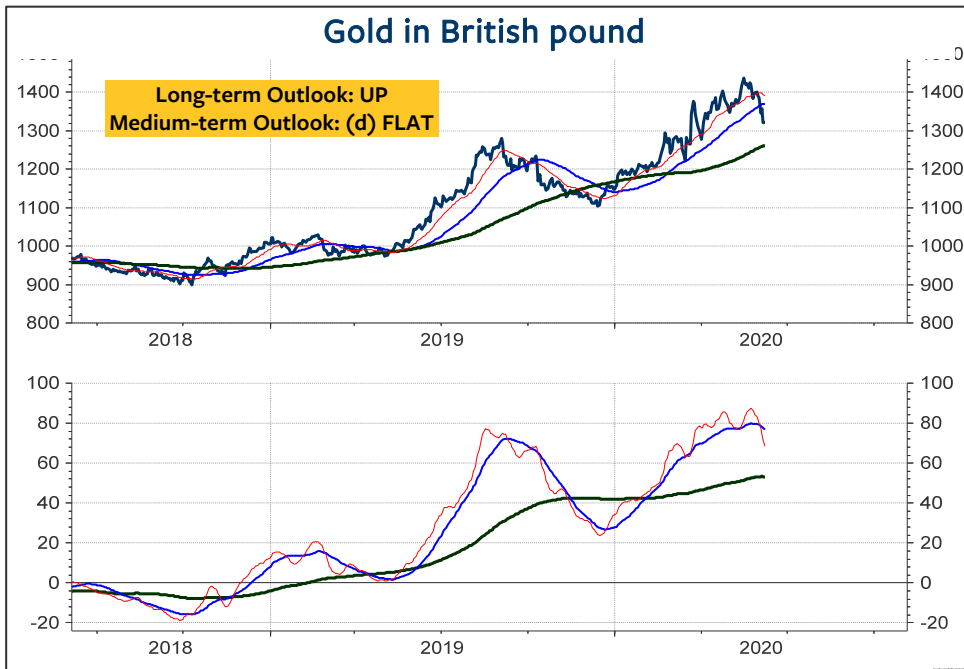
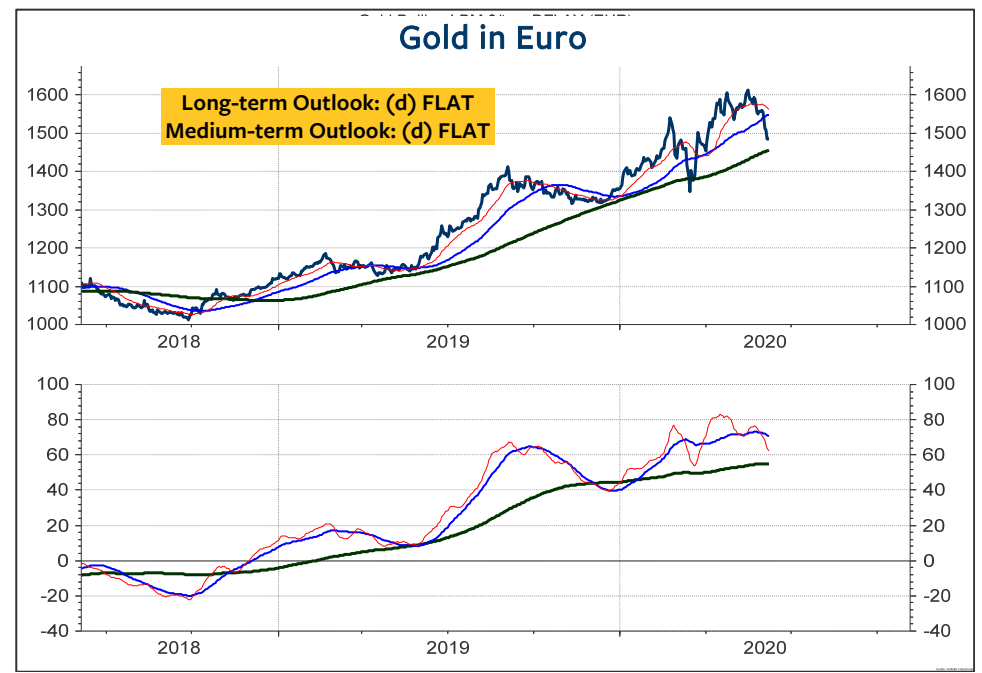
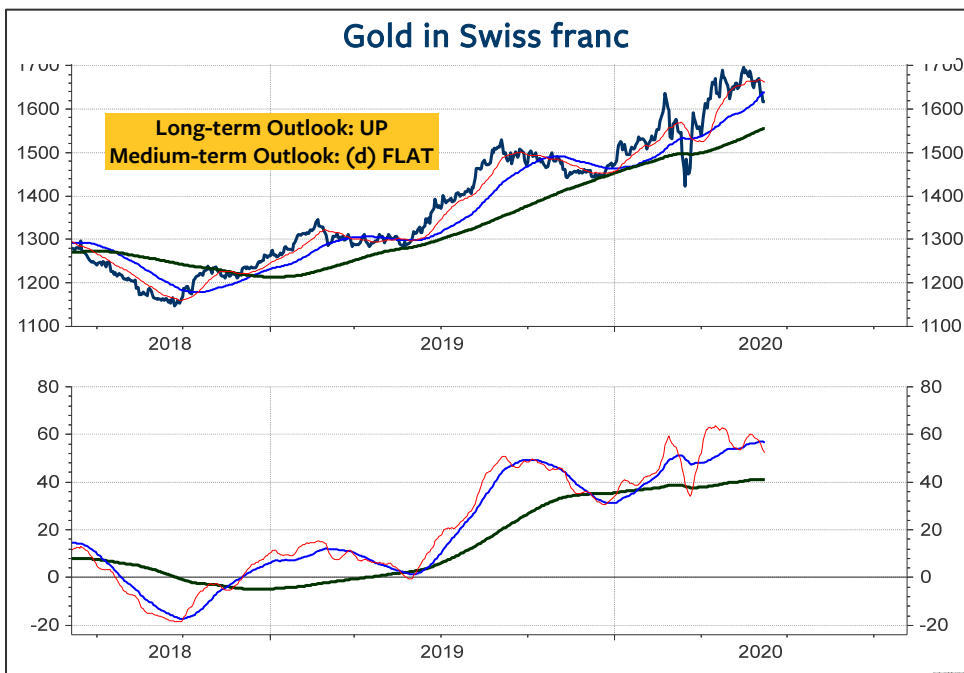
Gold per Ounce in US dollar - left chart is re-printed from last week (1.6.2020) and updated at right

Last week, based on the Fibonacci correlations, I was looking for a major support in Gold at 1700, 1670 or 1630.

Following the short-term top on 2.6.2020 at 1745, Gold sold off again and fell to the exact support at 1675/1670. At this level, the two downlegs, the one from 18.5.2020 to 27.5.2020 and the one from 2.6.2020 to 5.6.2020, are equal in length.

A break of 1670 would signal 1630. HOWEVER, somehow, the structure from the high in May does not display a clearly impulsive pattern (1-2-3-4-5). It can better be labeled as a Double-ZigZag (a-b-c-X-a-b-c) with Wave X rising from 27.5.2020 at 1693 to 2.6.2020 at 1745. This implies that the unfolding Gold weakness is unlikely to be the beginning of a long-term downtrend.





Silver

Silver has remained below the major resistance range between 18.30 and 19.

The supports are at 16.70, 15.80 and 14.20.

My Medium-term Outlook would move to FLAT or DOWN if the supports are broken.

Silver's outperformance relative to Gold has stalled, close to its relative resistance at 0.58.

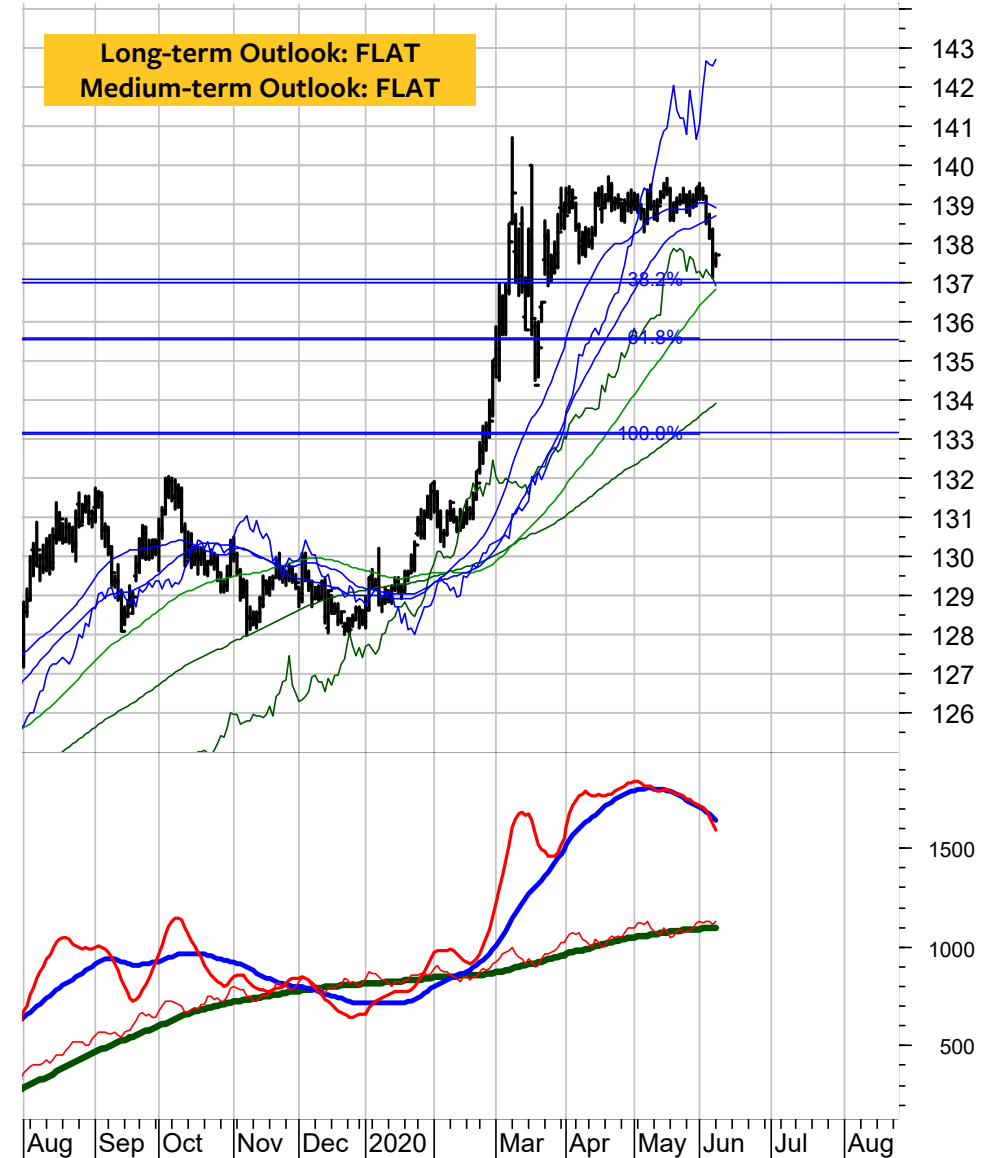


US 10-year Treasury Note Yield – daily chart

The US 10-year yield remains in its consolidation. It would have to rise above 1% and 1.25% to signal a break upwards and with higher resistance at 1.60%. The supports in the Note Price Future are at 137, 135.50 and 133. Let's hear what the FED has to say in its 9-10 June meeting.



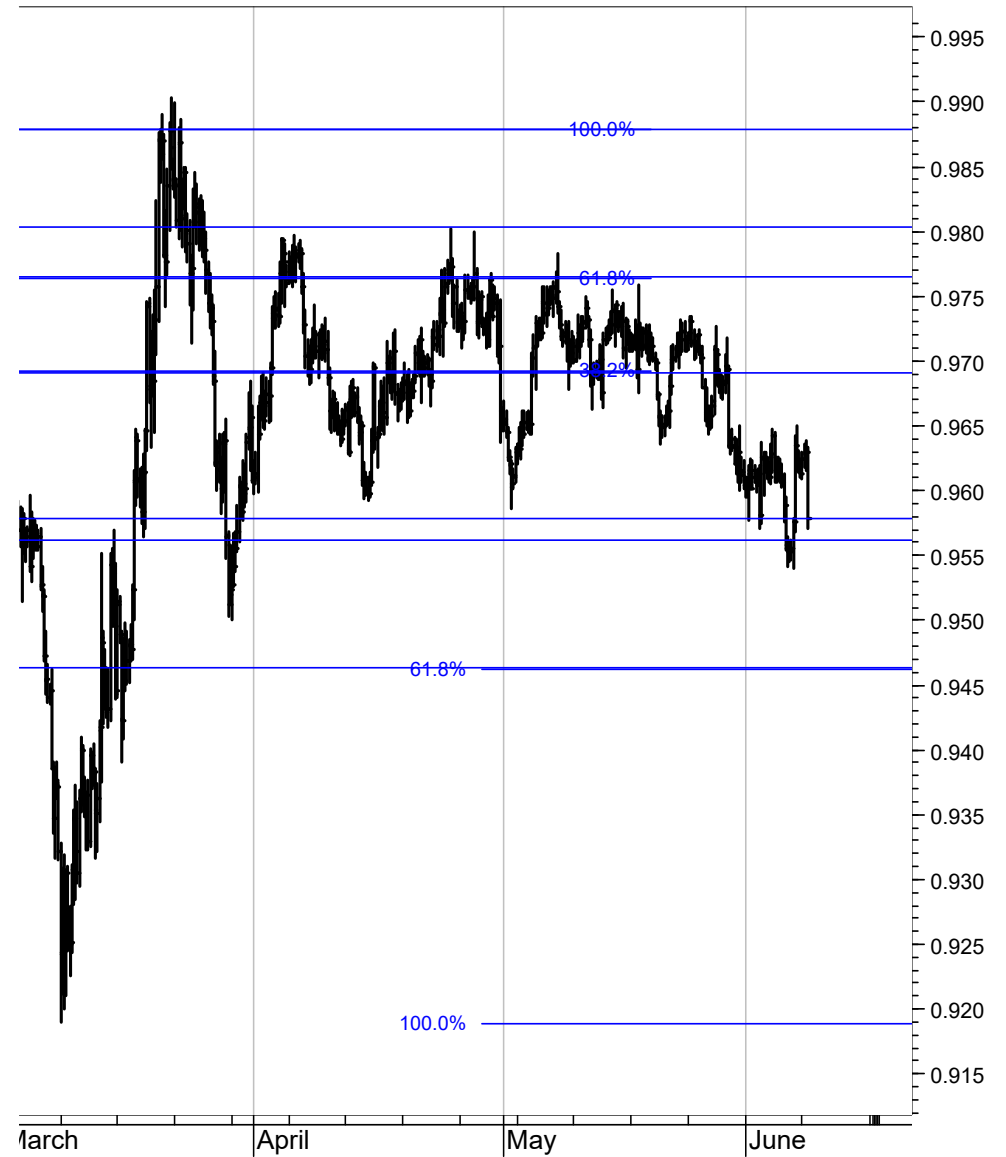
US 10-year Treasury Note continuous Future



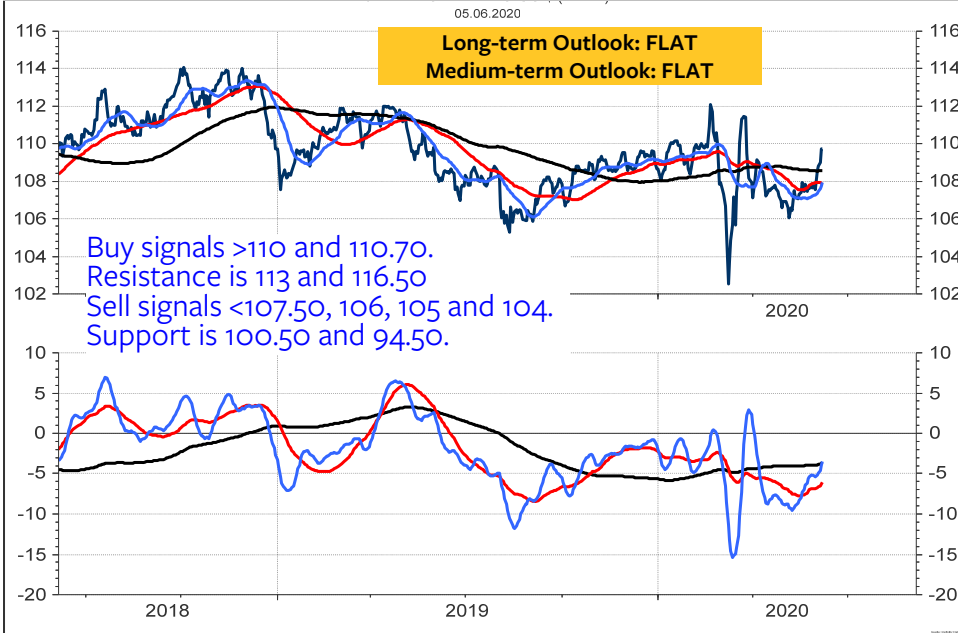
Swiss franc per US DOLLAR

The US dollar is trading above the supports at 0.9560 (to 0.9540) and 0.9460.
The Outlook remains flat as the US dollar could still go both ways.
But, the key levels to watch for a major change are 0.9460/50 and 0.98 to 0.9890.

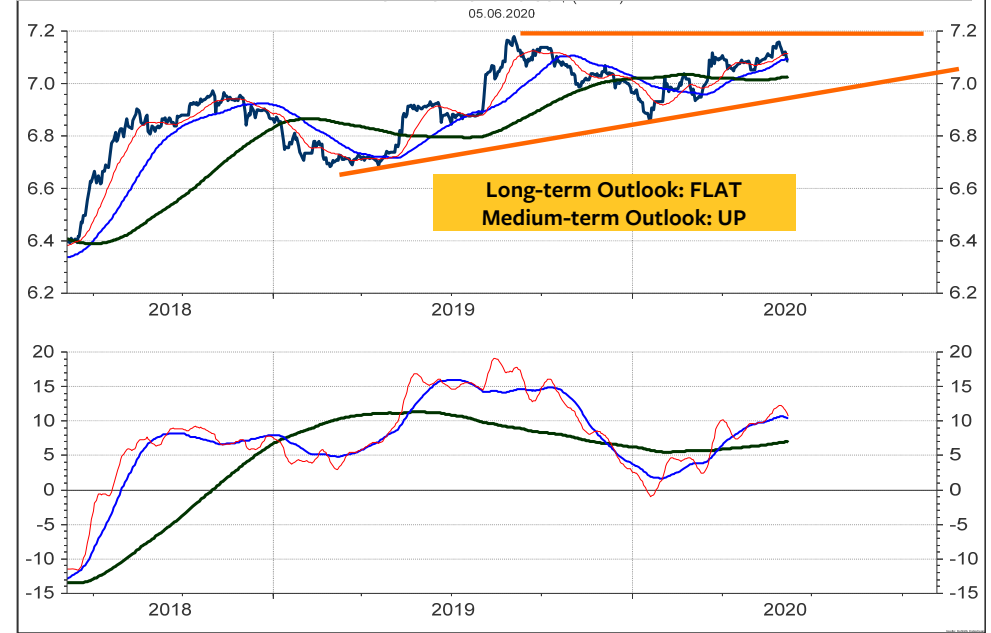
Long-term Outlook: FLAT
Medium-term Outlook: FLAT



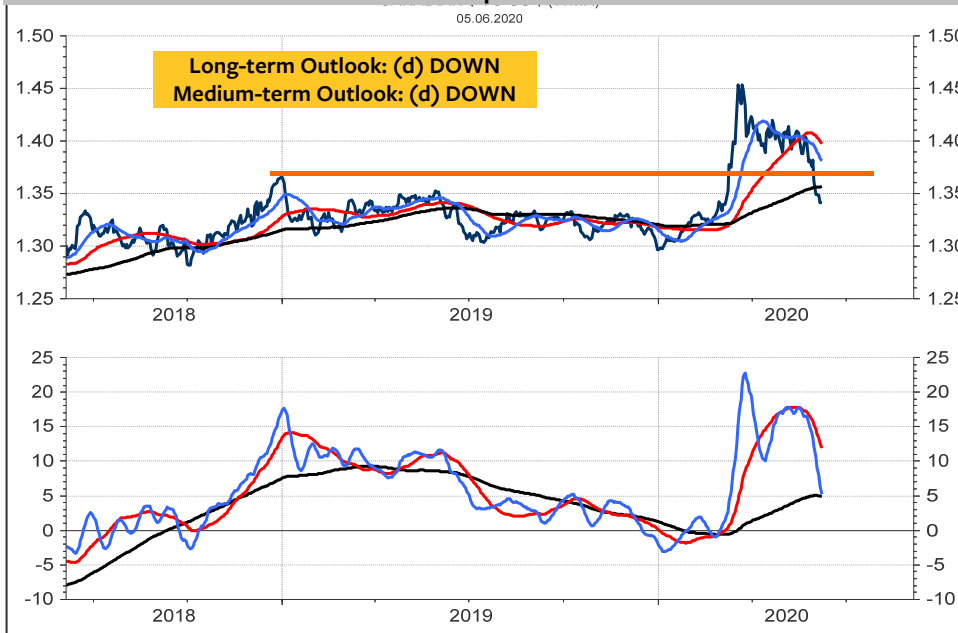
Japanese yen per US DOLLAR



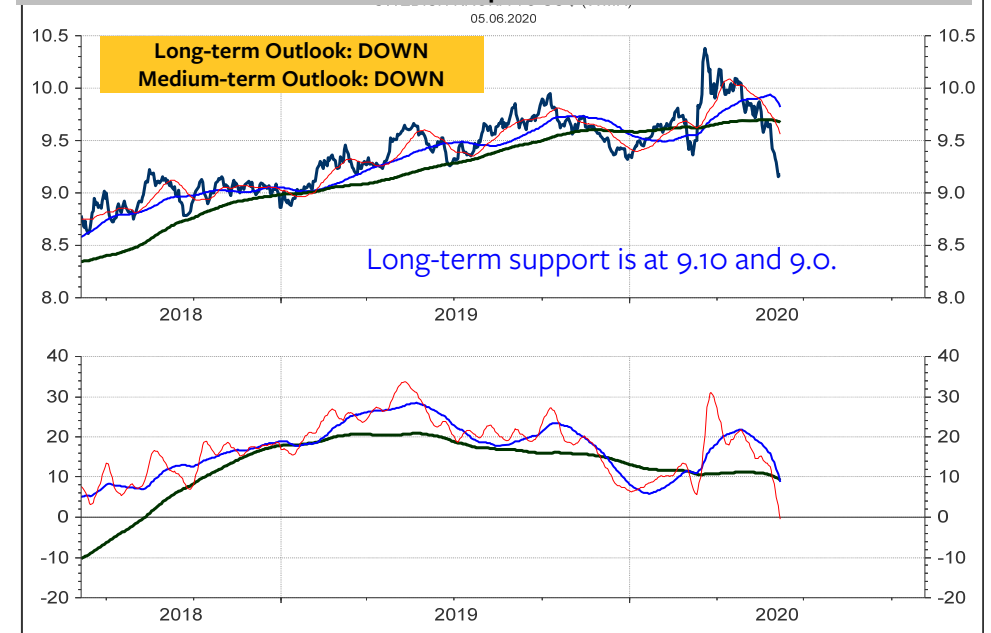
Chinese yuan per US DOLLAR



Canadian dollar per US DOLLAR

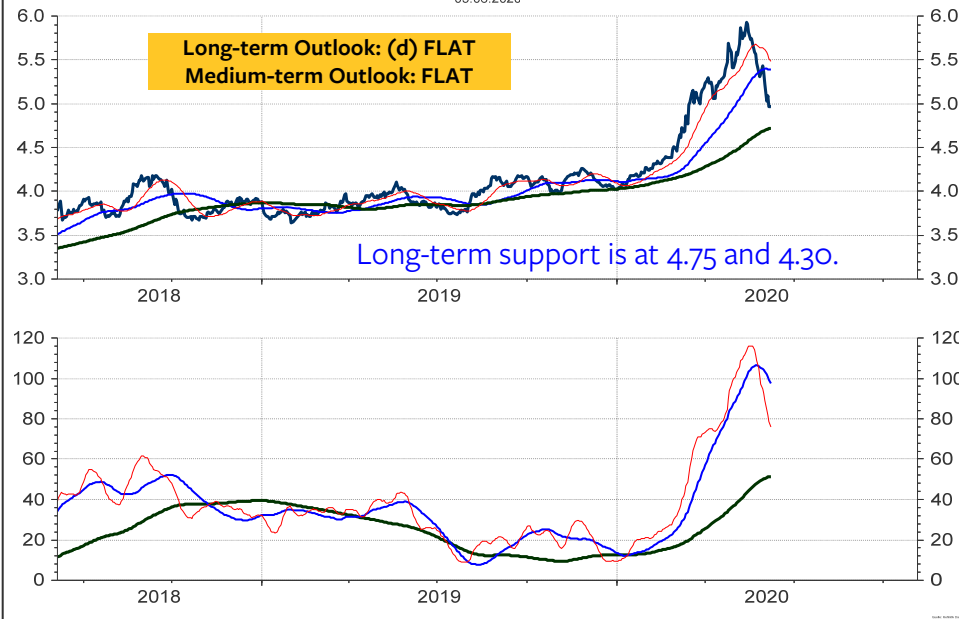


Swedish krona per US DOLLAR



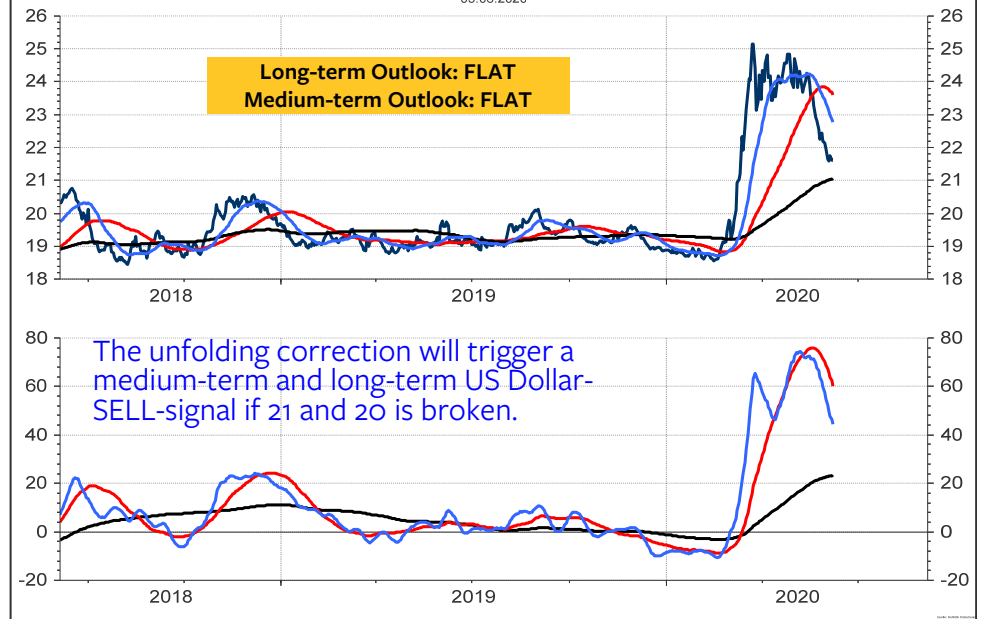
Brazilian real per US DOLLAR

05.06.2020



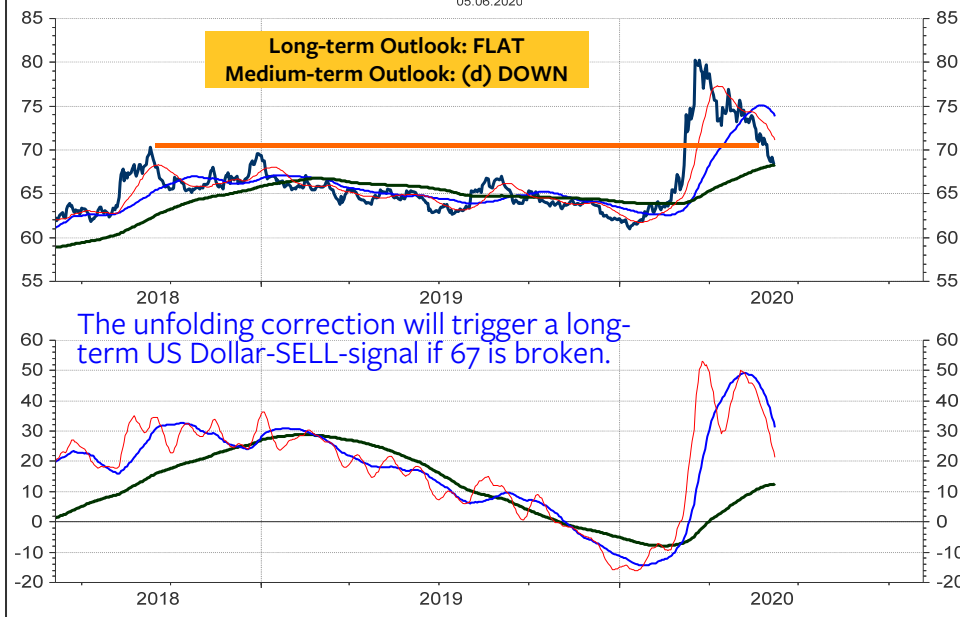
Mexican peso per US DOLLAR

05.06.2020



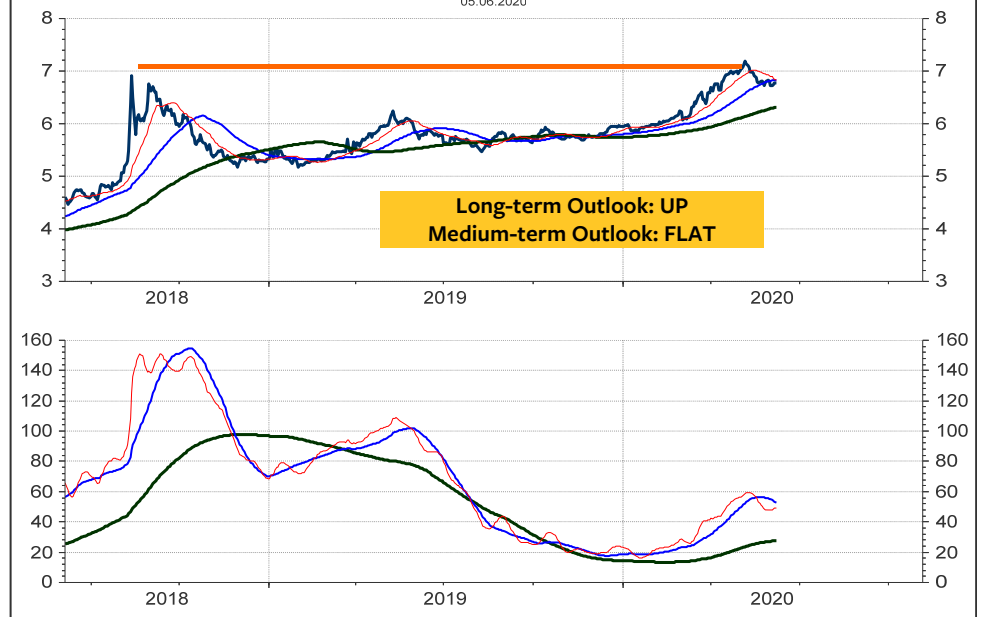
Russian rouble per US DOLLAR

05.06.2020

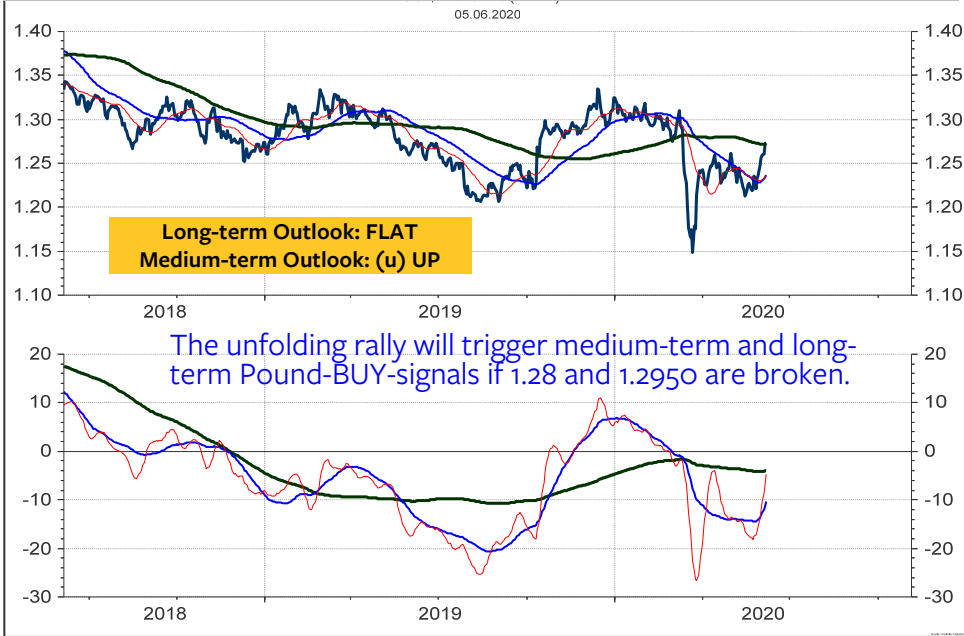


New Turkish lira per US DOLLAR

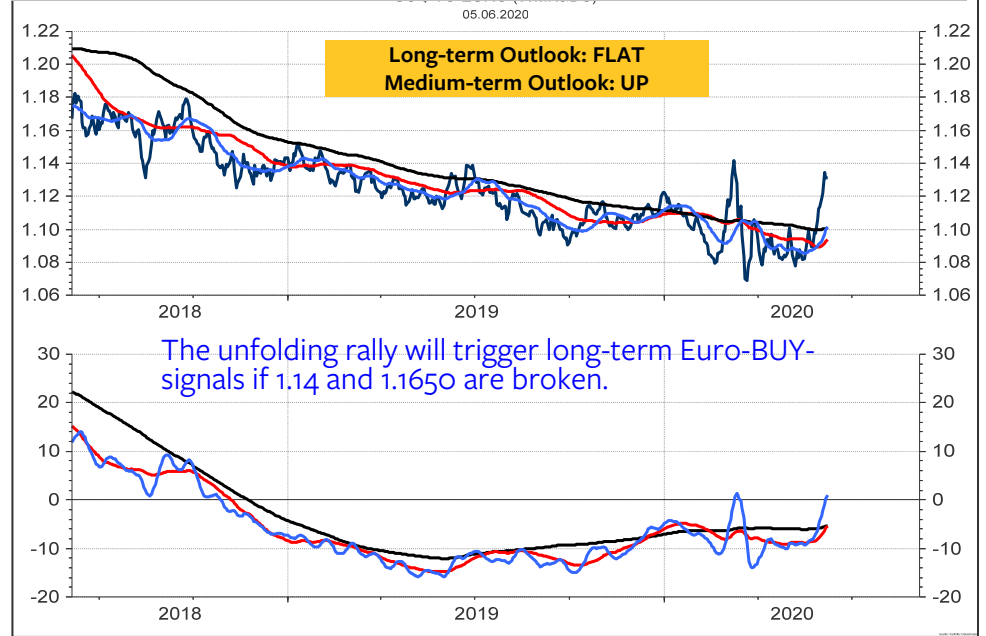
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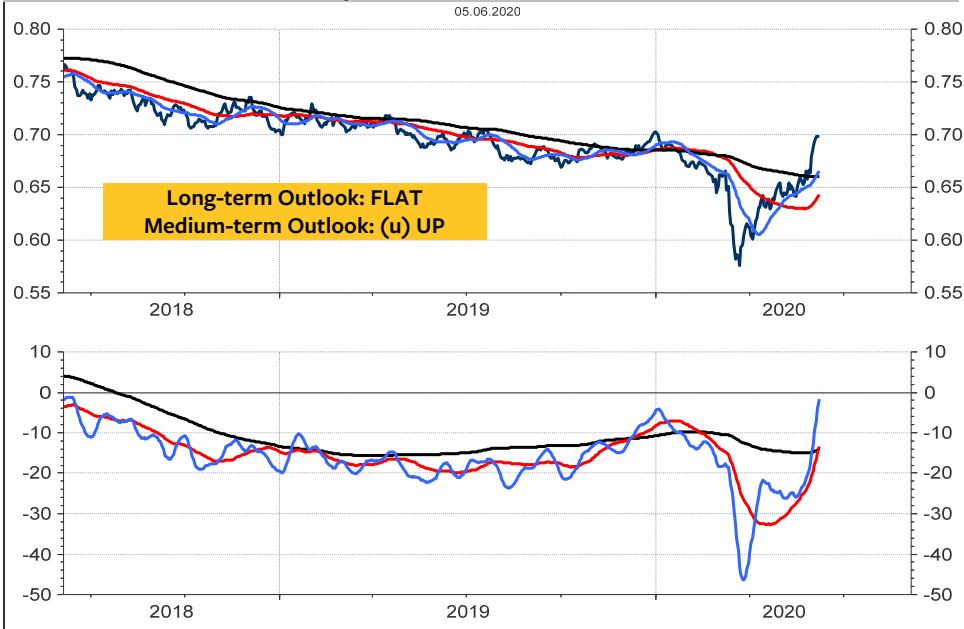
US dollar per BRITISH POUND



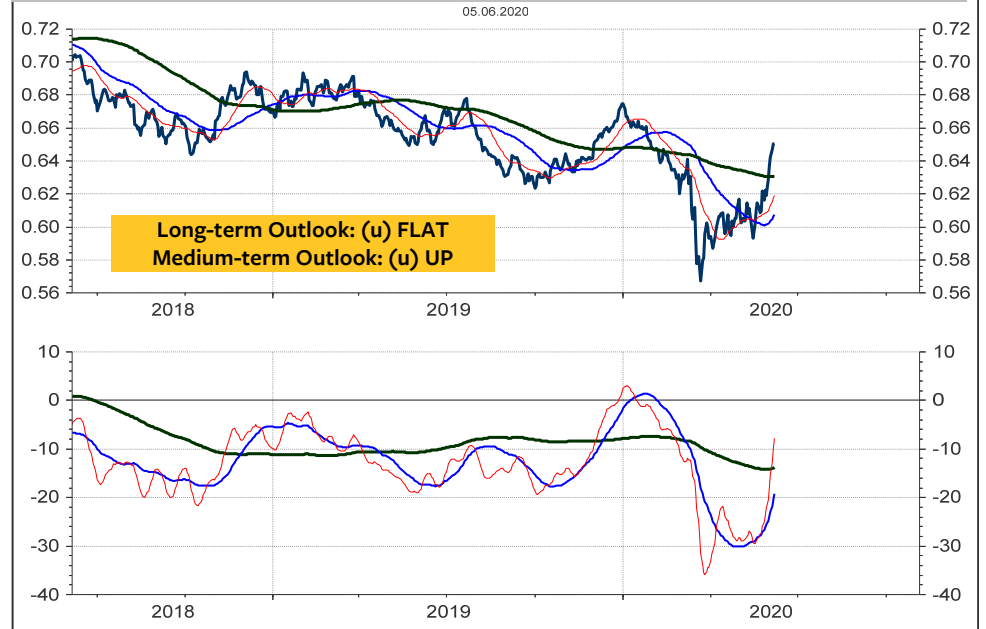
US dollar per EURO



US dollar per AUSTRALIAN DOLLAR



US Dollar per NEW ZEALAND DOLLAR



Swiss franc per EURO – daily chart

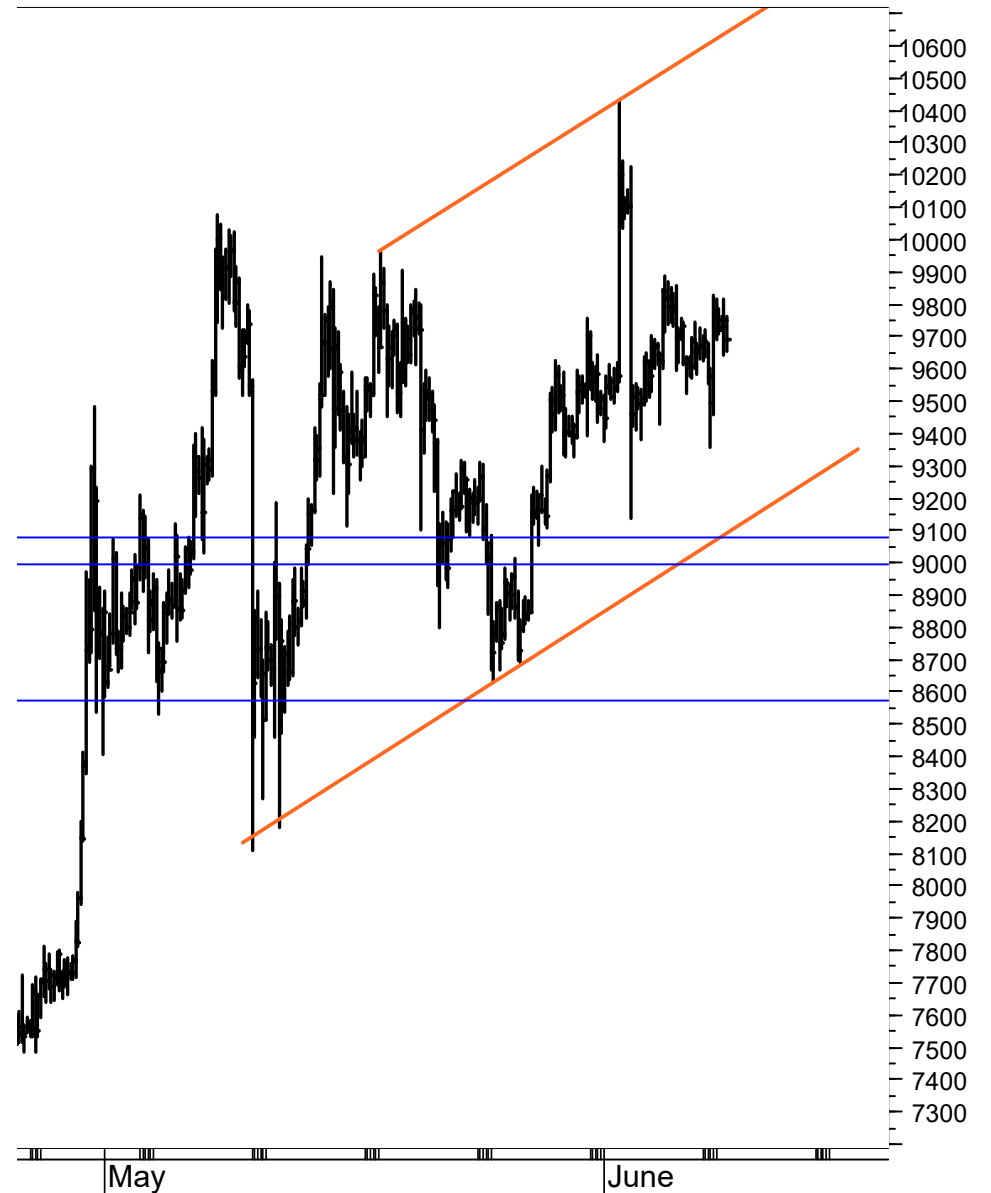
Following the break of the resistance levels at 1.0715 and 1.0725 and the break of the 3 long-term trend and momentum indicators, the Euro rose to the next major resistance at 1.09. My Long-term Outlook would move to UP if 1.09 to 1.0920 is broken. The supports are at 1.0780 and 1.07.

Long-term Outlook: FLAT
Medium-term Outlook: UP from 1.0715



Bitcoin / US dollar – daily chart

The Bitcoin reached the upper level of the resistance range, which I had projected at 9900 and 10500 and turned down. The supports are at 8950 and 8550. I would take profit on the long position if the supports are broken.



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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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