



GLOBAL CHART OUTLOOK

GLOBAL MARKETS
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The **S&P 500 Index** (long-term FLAT, medium-term DOWN) broke the support at 3400 and 3320 and thus eliminated the wave interpretation of a forming horizontal triangle. Therefore, the wave count of the FLAT a-b-c is the preferred one. Wave c of the Flat will be equal in length to Wave a at 3170. A break of 3170 would signal that Wave c of the Flat will correlate to Wave a by the factor 1.618 and fall to 2930. The Long-term Outlook will turn from flat to DOWN if 3200 to 3170 is broken.

The selloff in the **SMI** (long-term DOWN, medium-term DOWN) from September is presently testing the long-term support range 9650 to 9500. A break of 9500 appears likely, unless the SMI recovers above 9900. The next support is 9200 to 9100. If this level fails to hold the next target would be 8800 or 8300. The Long-term Outlook turned DOWN with the break of 9900.

The **DAX** (long-term DOWN, medium-term DOWN) broke the supports at 12450 and 12000. Presently, it is testing the support range between 11500 and 11300. These supports are derived from the correlation of the two downlegs in September and October and mark the 38.2% retracement level of the March to September advance. A break of 11300 would signal 10300.

The **Nikkei** (long-term FLAT, medium-term DOWN) is likely to have completed the Wedge with the two highs in October. The alternate view is that the uptrend from June remains intact, but only as long as 22800 is not broken. Given the limited upside potential under the short-term bullish scenario, I leave the medium-term outlook DOWN.

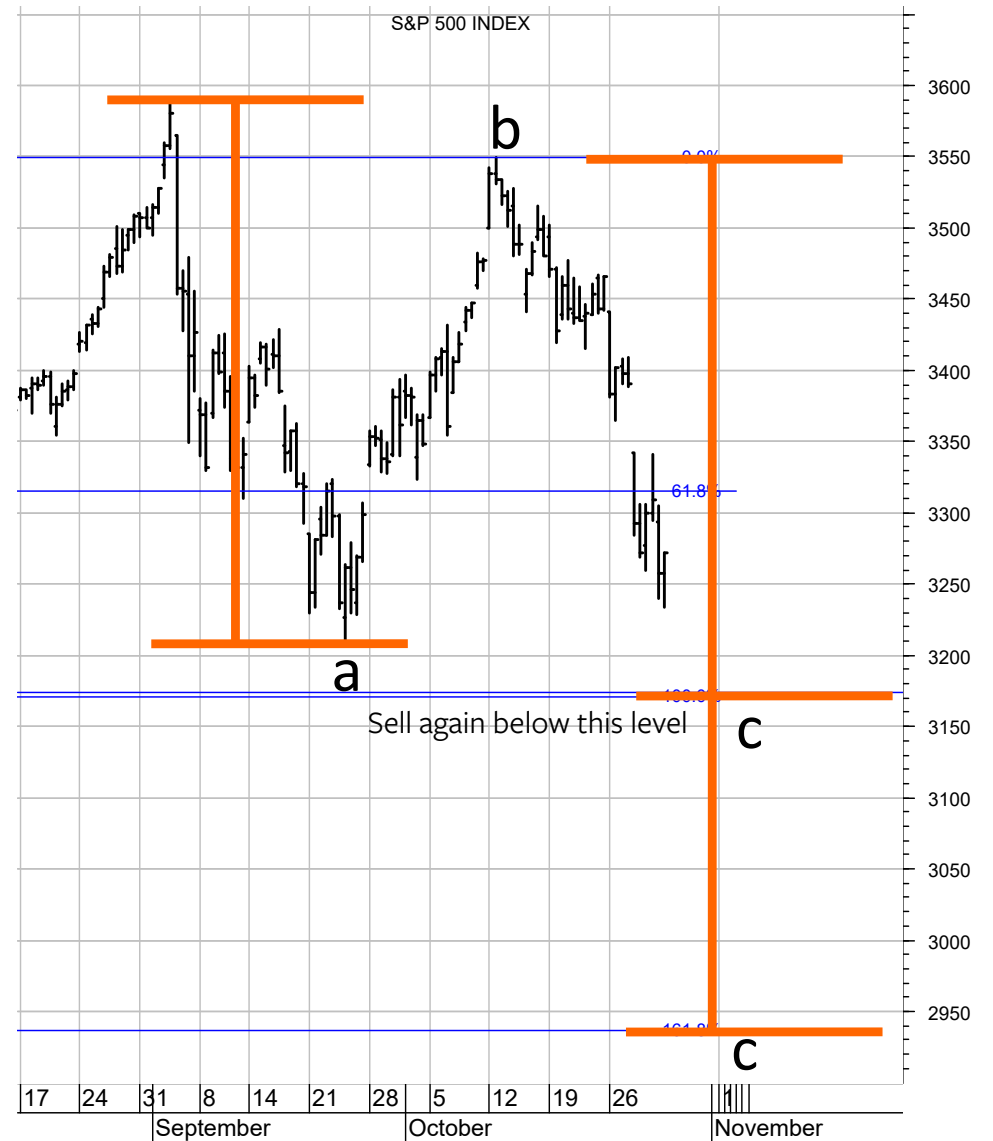
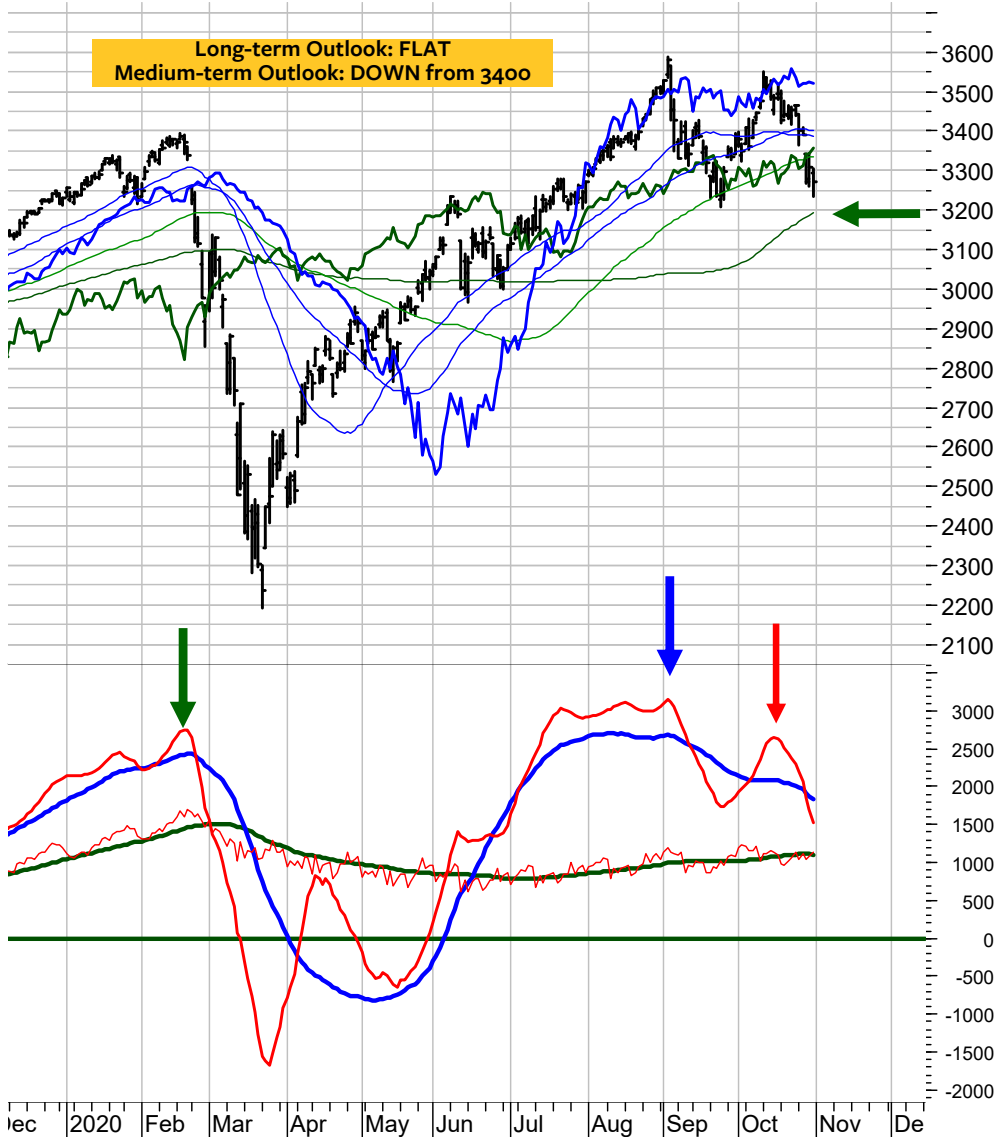
Gold (long-term FLAT, medium-term DOWN) has major resistance levels at 1915 and 1945. It would take a rise above 1945 to clearly reduce the downside risk and to signal a test of the long-term resistance range between 1985 and 2000. Supports are 1840 and 1790.

The Swiss franc per **US dollar** (long-term and medium-term FLAT) remains in a Neutral Triangle with buy levels at 0.9220 and 0.9330 and sell levels at 0.9020 and 0.8930.

Overall, the signal to indicate Inflation or Deflation is still outstanding. The US dollar and Gold remain in a neutral Triangle, which can still be broken on either side. The stock markets, which, based on my Seasonal Cycle Model, are likely to fall during Inflation or Deflation, have entered a major downtrend. The next major signals in the stock markets are the test and break of 3200 to 3170 in the S&P 500 Index and 9500 in the Swiss Market Index.

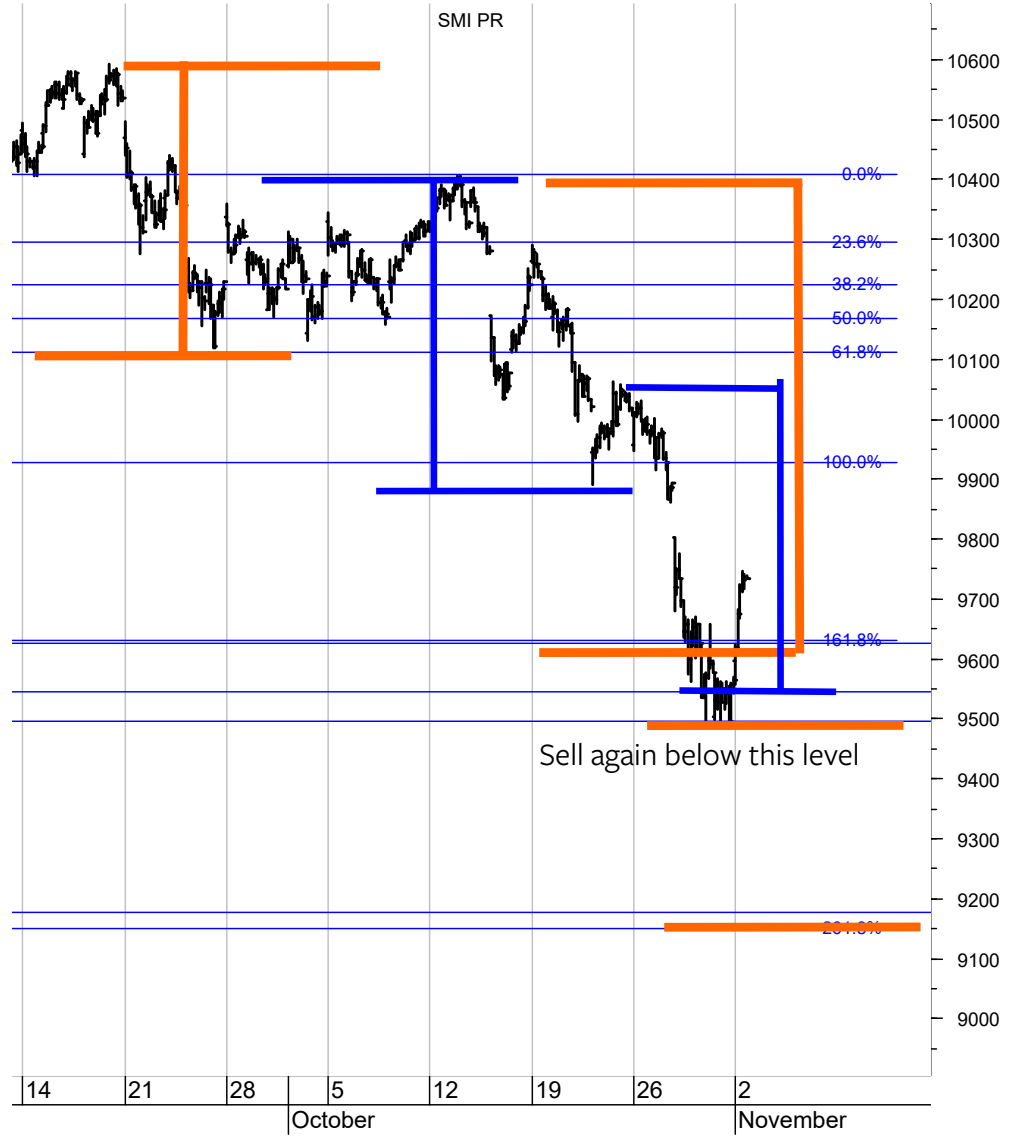
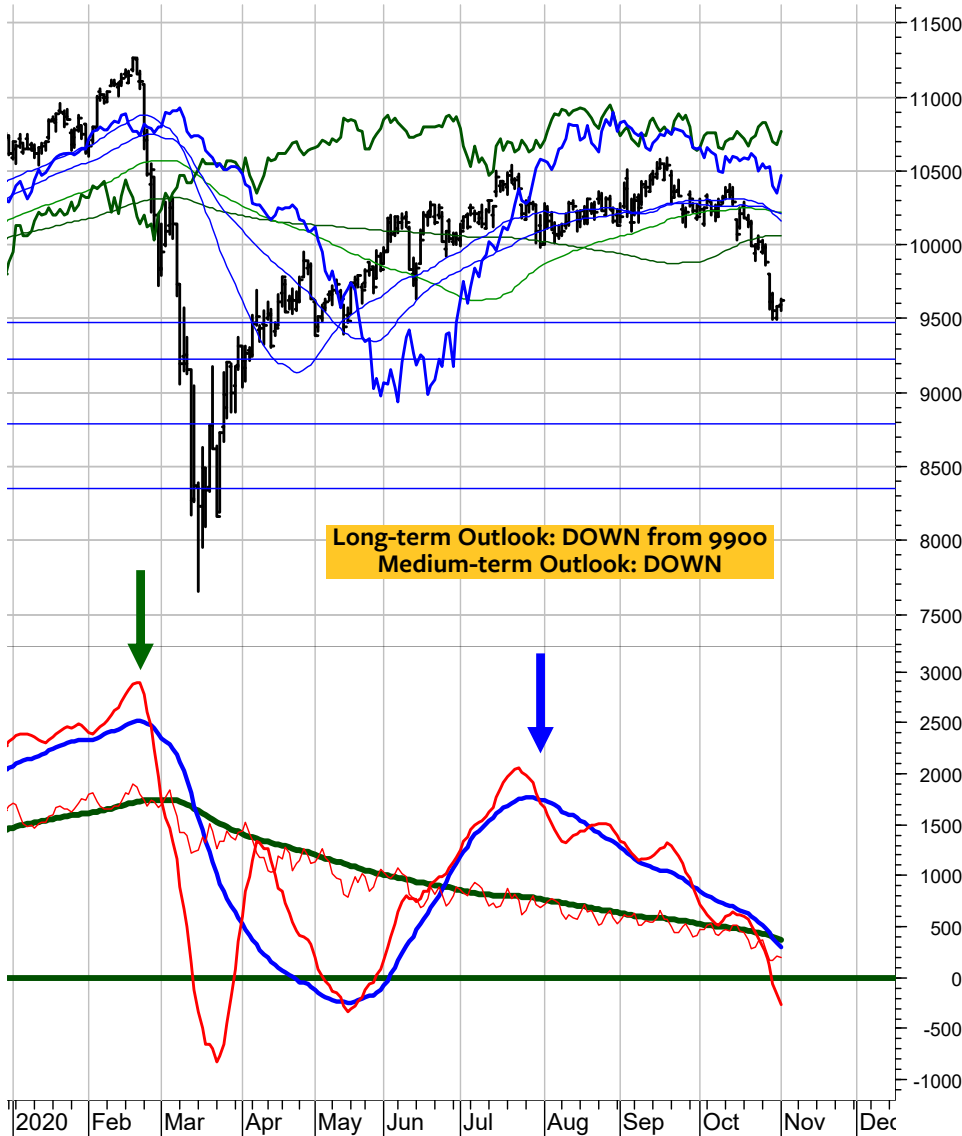
S & P 500 Index

The S&P 500 Index broke the support at 3400 and 3320 and thus eliminated the wave interpretation of a forming horizontal triangle. Therefore, the wave count of the FLAT a-b-c is the preferred one. Wave c of the Flat will be equal in length to Wave a at 3170. A break of 3170 would signal that Wave c of the Flat will correlate to Wave a by the factor 1.618 and fall to 2930. On the chart at left, the 144-day moving average is the last lender of support at 3200. A break of this long-term average would position the S&P 500 Index below all 6 trend and momentum indicators. Consequently, the Long-term Outlook would move to DOWN if 3200 to 3170 is broken. The Medium-term Outlook moved to DOWN with the break of 3400.



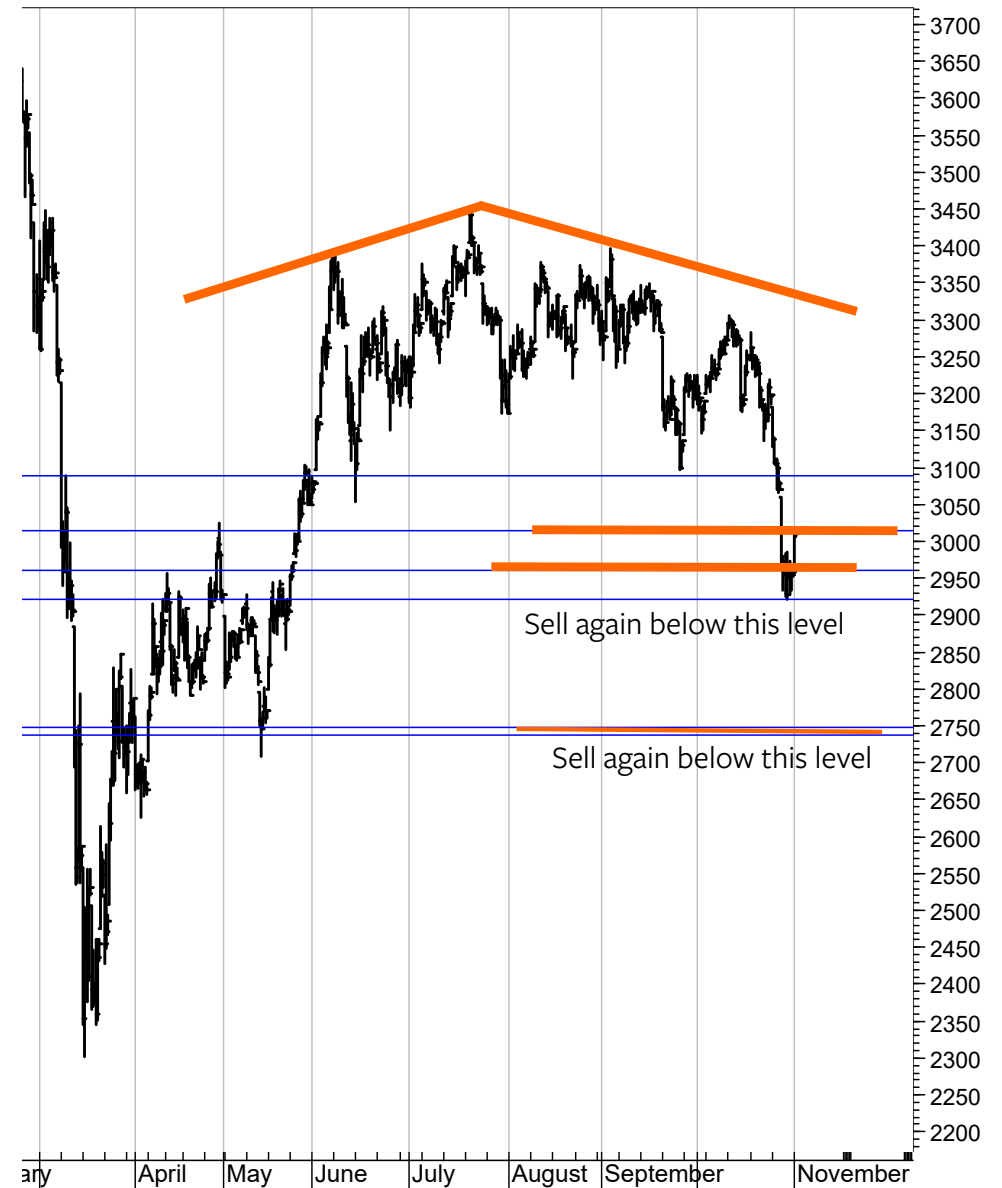
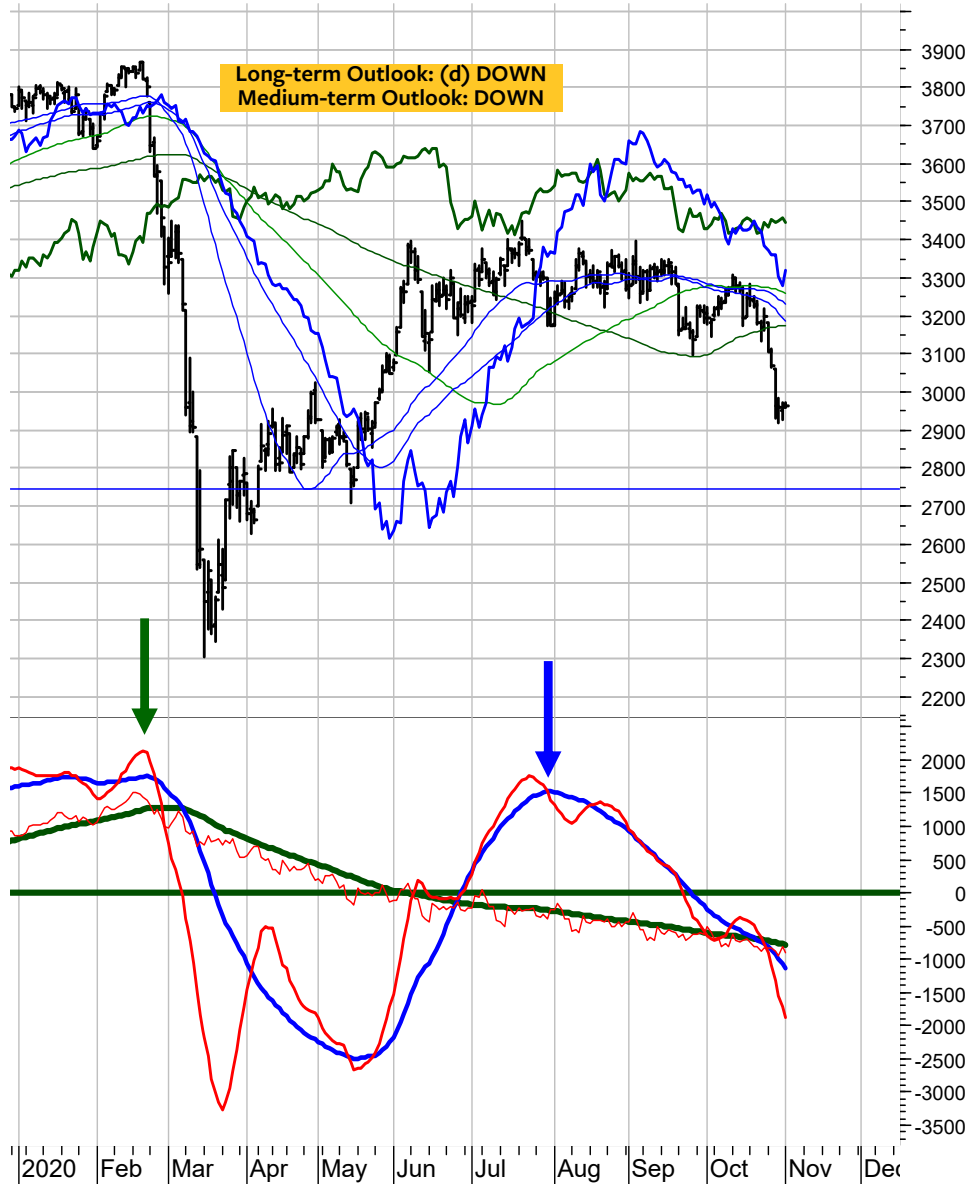
Swiss Market Index SMI

The selloff from September is presently testing the long-term support range 9650 to 9500. A break of 9500 appears likely, unless the SMI recovers above 9900. The next support is 9200 to 9100. If this level fails to hold the next target would be 8800 or 8300. The Long-term Outlook turned DOWN with the break of 9900.



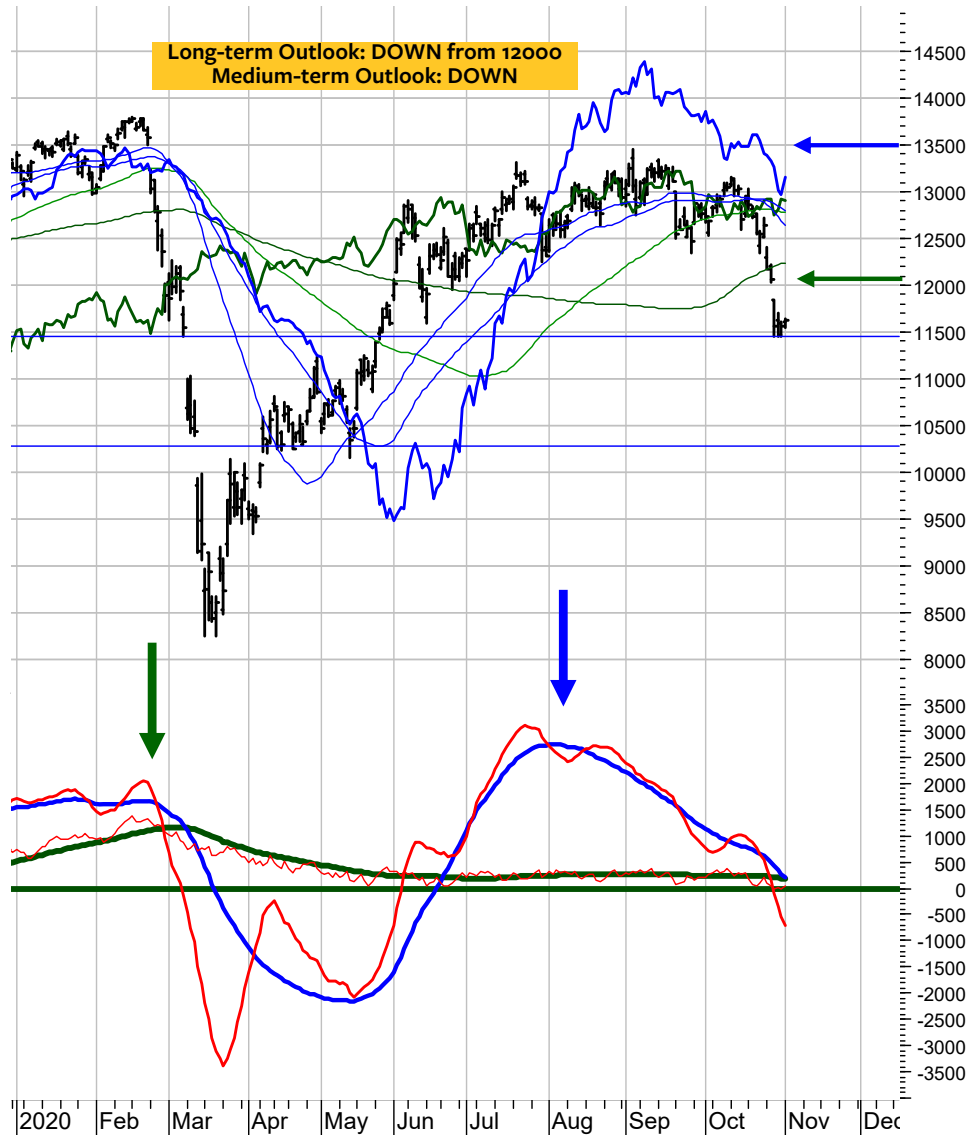
Eurostoxx 50 Index

As I projected last week, the Eurostoxx 50 Index completed a major top formation with the break of the supports at 3080 to 2950. Presently, it is consolidating at the support 2950, a break of which would signal 2750. A break of 2950 and 2750 would confirm that the Long-term Outlook is DOWN.



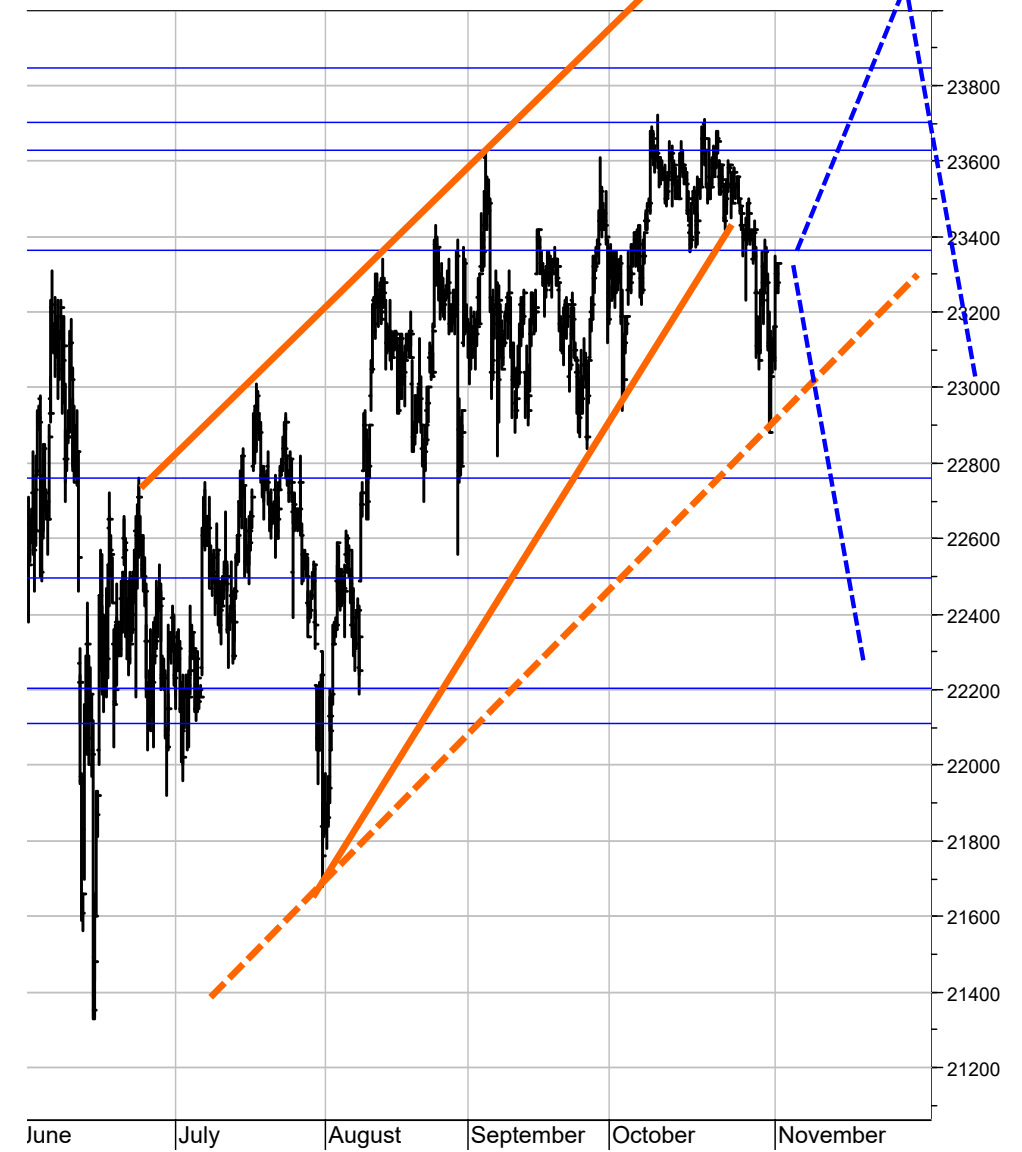
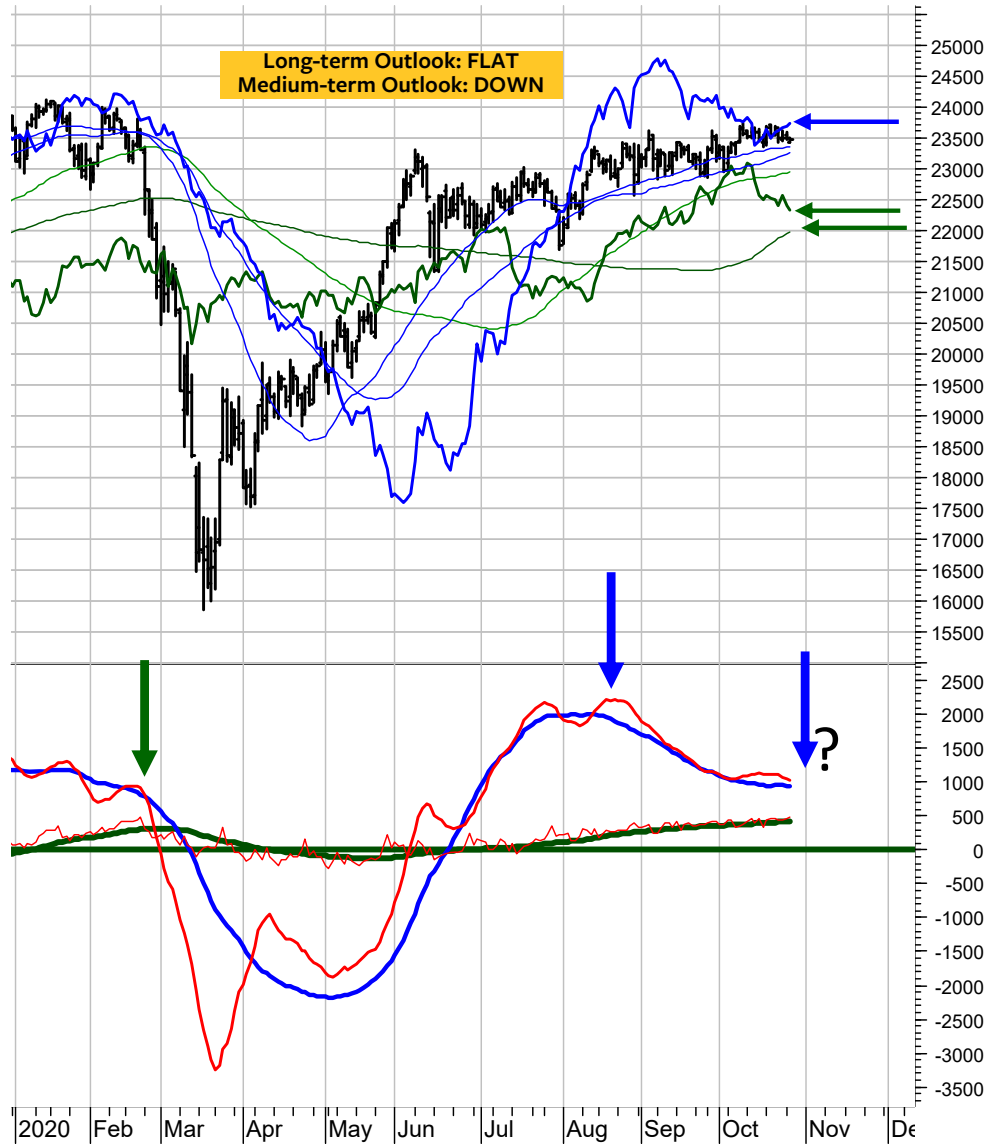
Deutscher Aktien Index DAX

The DAX broke the supports at 12450 and 12000. Presently, it is testing the support range between 11500 and 11300. These supports are derived from the correlation of the 2 downlegs in September and October and mark the 38.2% retracement level of the March to September advance. A break of 11300 would signal 10300.



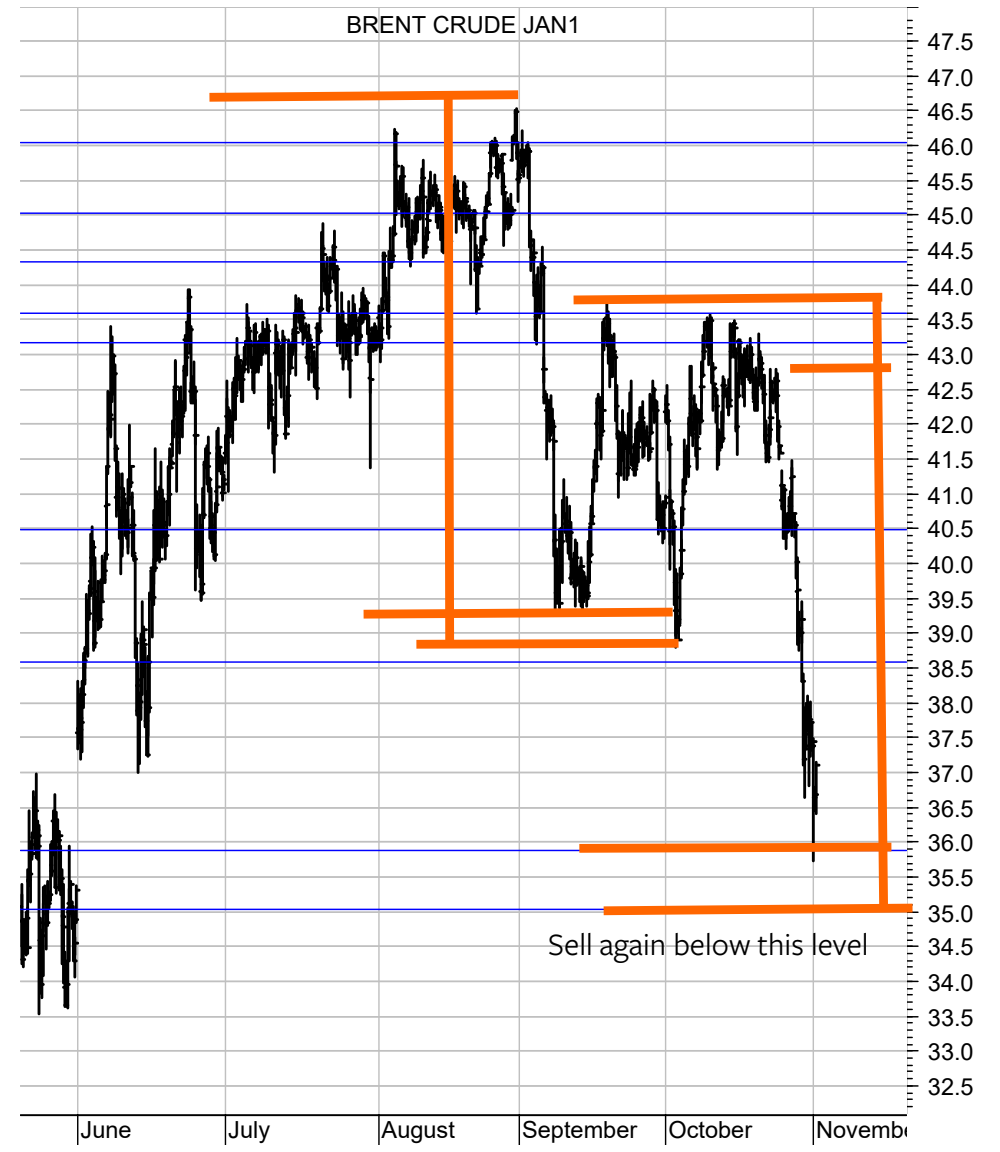
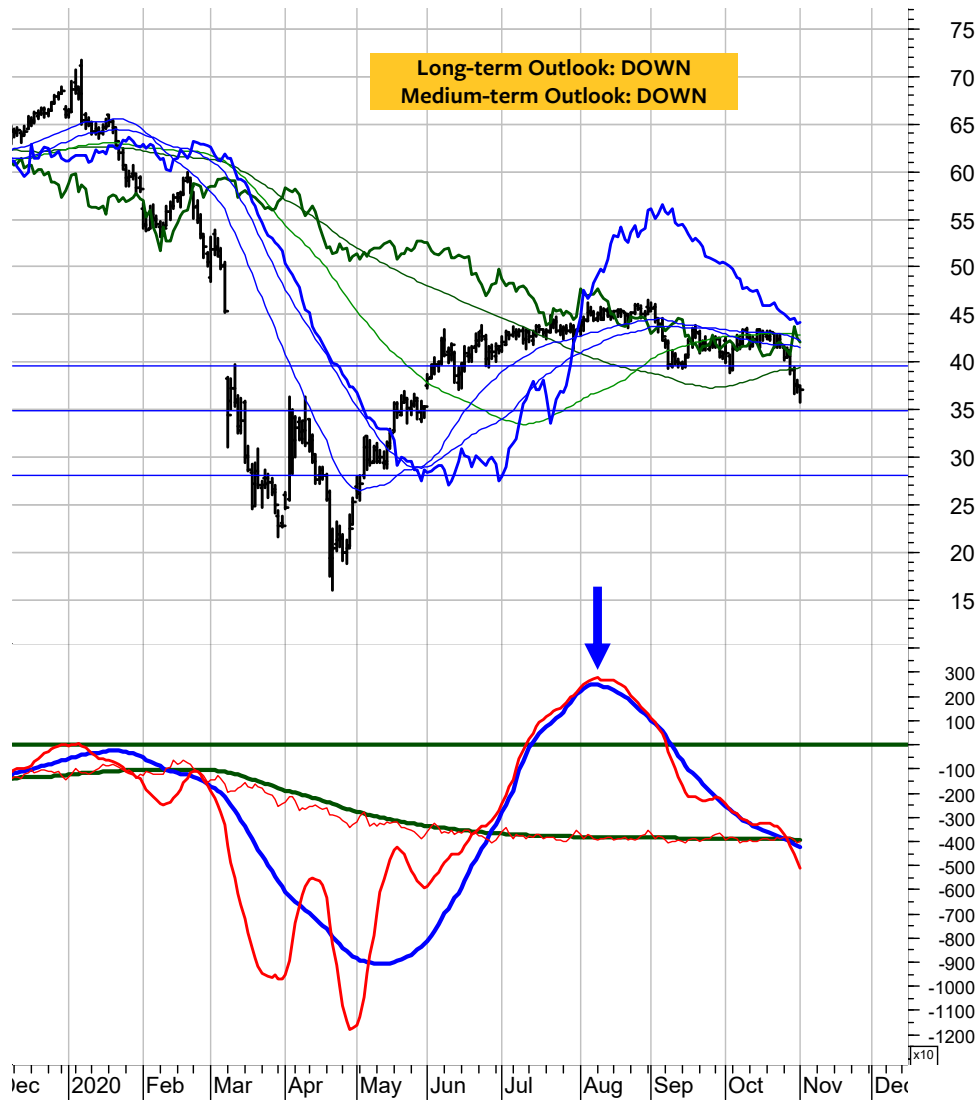
Nikkei 225 Index continuous Future

The Nikkei is likely to have completed the Wedge with the two highs in October. The alternate view is that the uptrend from June remains intact, but only as long as 22800 is not broken. Given the limited upside potential under the short-term bullish scenario, I leave the medium-term outlook DOWN.



Brent Crude Oil Continuous Future (LCOc1, November 2020)

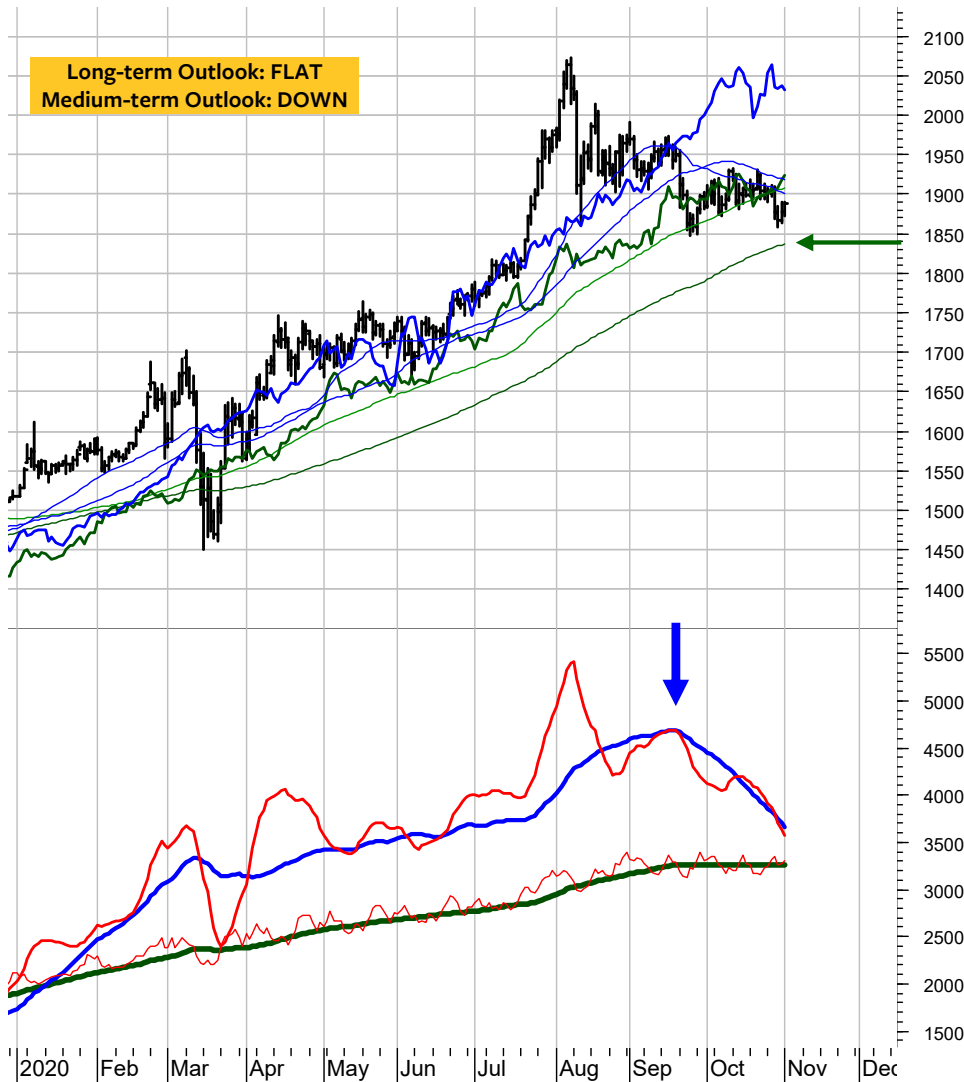
Crude Oil completed the Head and Shoulder Top with the break of 40.50 and 38.50. It fell to the next support, which I had projected at 36 to 35. A break of the neckline would activate the next support at 28.



Gold per Ounce in US dollar

Based on the size of the rally from the low in September to the high in October and based on the correction from the high and low in October, I arrive at the key resistance levels at 1915 and 1945. It would take a rise in Gold above 1945 to clearly reduce the downside risk and to signal a test of the long-term resistance range between 1985 and 2000.

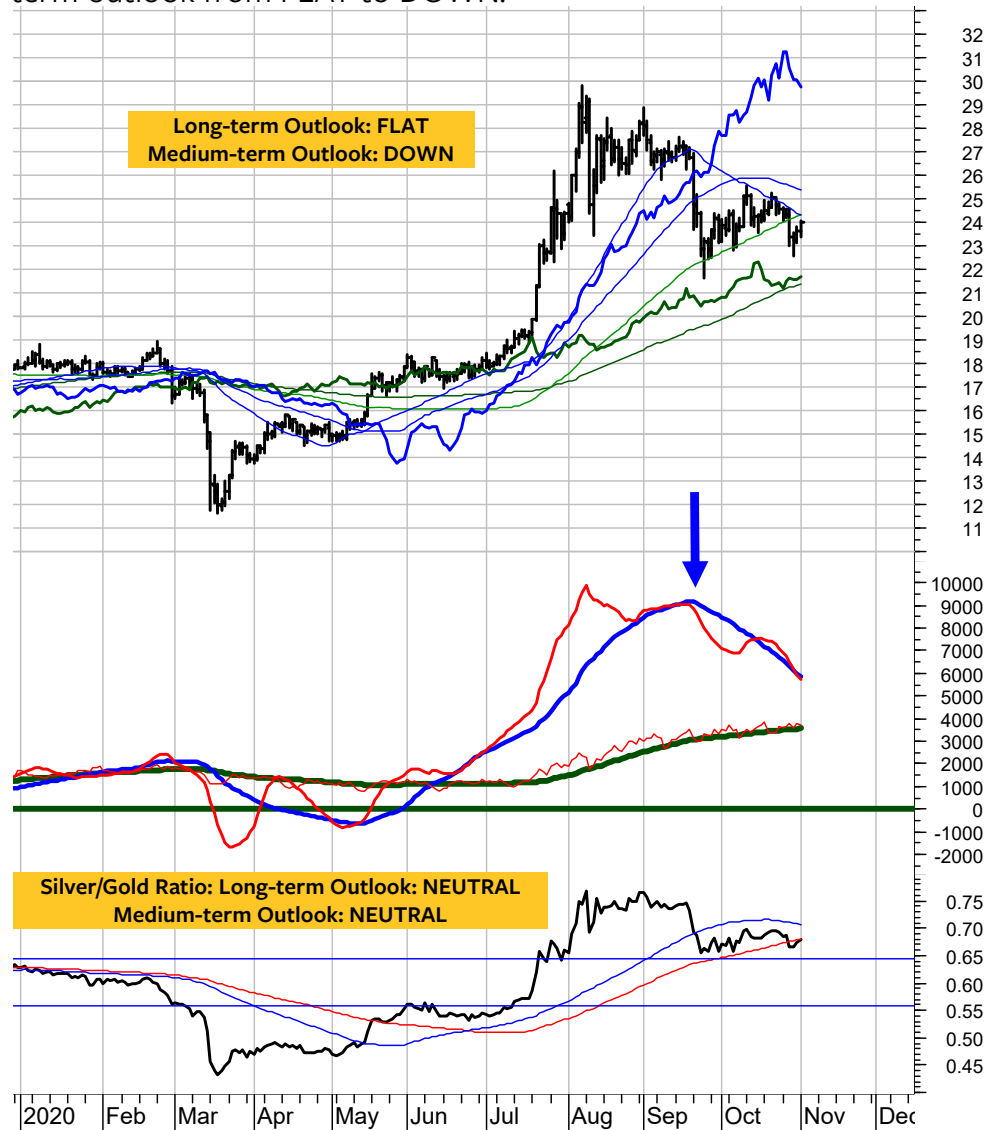
The last lender of support in the trend and momentum indicators is the 144-day moving average at 1830 (green arrow). A break of this long-term trend barometer would position Gold below all six trend and momentum indicators, which would turn the long-term outlook from FLAT to DOWN.



Silver – absolute and relative to Gold (below left)

Based on the size of the rally from the low in September to the high in October and based on the correction from the high and low in October, I arrive at the key resistance levels for Silver at 24.20 and 25. It would take a rise in Silver above 25 to clearly reduce the downside risk and to signal a test of the long-term resistance range at 26.50 to 26.80.

The last lender of support in the trend and momentum indicators is the 144-day moving average at 1830 (green arrow). A break of this long-term trend barometer would position Gold below all six trend and momentum indicators, which would turn the long-term outlook from FLAT to DOWN.



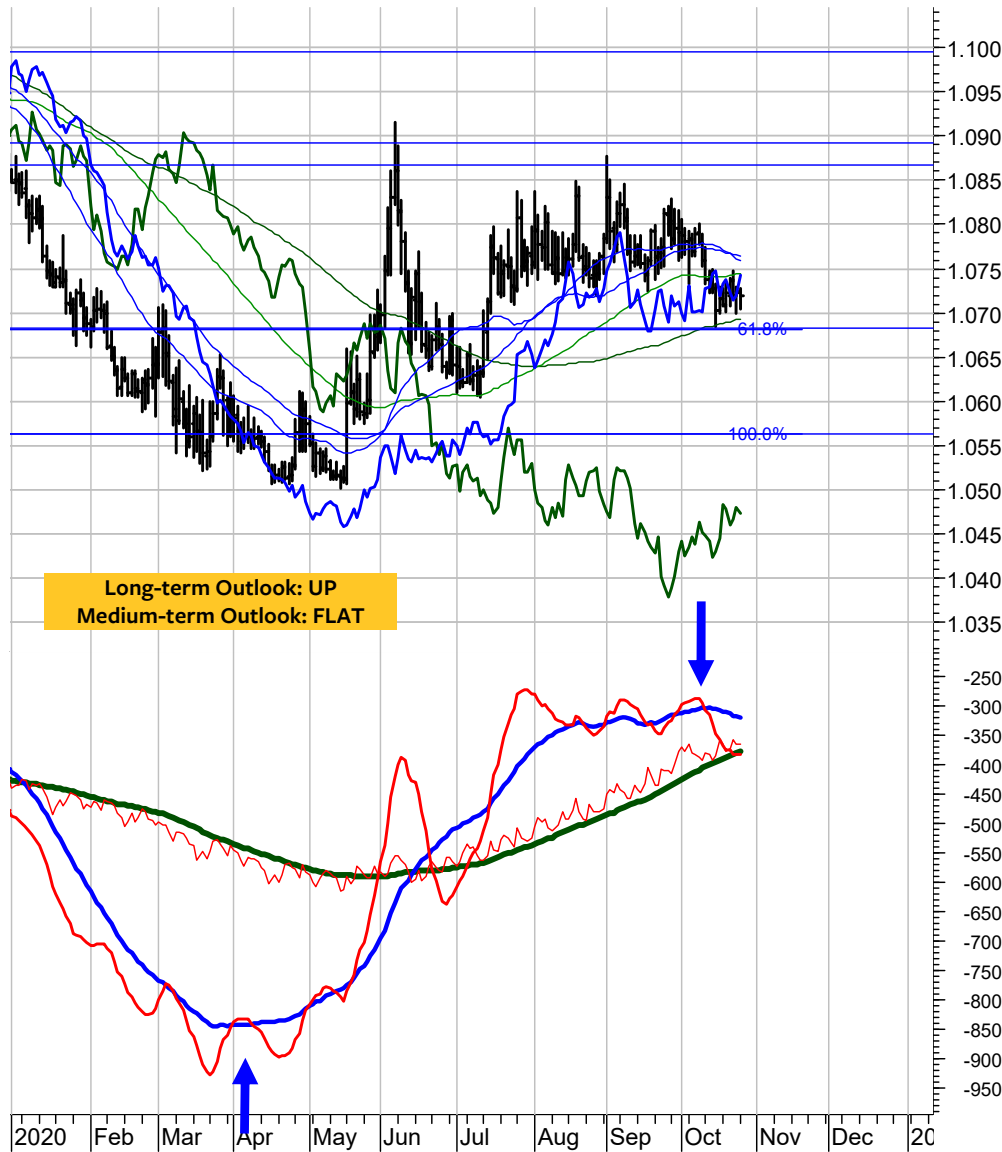
Swiss franc per US DOLLAR

Last week, I stated that “The medium-term and long-term outlook for the US dollar would turn DOWN if 0.9030 to 0.8930 is broken”. The chart below right shows that the US dollar managed to turn up at 0.9030. Based on the size of the rally from the low in late August to the high in late September and based on the correction from the high in late September and the low in October, I arrive at the key resistance levels for the US dollar at 0.9220 and 0.9330. It would take a rise in US dollar/Swiss franc above 0.9330 to clearly reduce the downside risk and to signal a test of the long-term resistance at 0.94 to 0.9450. Presently, both outlook ratings are neutral. I would consider a medium-term upgrade if 0.9220 is broken. A long-term upgrade to UP would be justified if 0.9330 and 0.9450 is broken.



Swiss franc per EURO

The Euro fell to the key support 1.0680. A clear break of this support would turn the medium-term outlook DOWN and the long-term outlook FLAT.
The next lower support is 1.0610 to 1.0560.



Bitcoin / US dollar

The Bitcoin remains in the uptrend with supports at 12500 and 11500. It is likely to enter another correction once it has reached the long-term resistance at 14500 to 15200.



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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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