



GLOBAL CHART OUTLOOK

BERTSCHIS CHART OUTLOOK

Global Markets

9th November 2020 / Issue #43

Stock Markets: The rally from 30.10.2020 can be

1) part of the larger topping process, which has been forming since July, or it is
 2) the resumption of the uptrend from March 2020 which would signal substantially higher targets.
 In the Swiss Market Index, the resistance at 10600 will make the difference between the two scenarios. They are highlighted on pages 4 and 5. For the S&P 500 Index the key level is 3600. For now, my preferred scenario is the bearish Scenario 1.

The same two scenarios can be drawn for **Crude Oil**. The present rally is

1) the right shoulder of a large Head and Shoulder Top, or
 2) the resumption of the uptrend from March 2020.

Also for crude oil, my preferred scenario is the bearish Scenario 1.

For **Gold**, the same two conclusions can be drawn. The present rally is

1) part of a topping process or, if 2000 is broken, part of a large Horizontal Triangle, which will stretch well into 2021 or,
 2) it is the resumption of the uptrend from the low of 2018 at 1150.

Also for Gold, my preferred scenario is the bearish or neutral Scenario 1.

Swiss franc per US dollar is trading just above the last lender of support, which is 0.8930 to 0.89. A break of this levels would signal 0.83 or lower. The more likely view is that the US dollar is turning up here. A rise above 0.91 to 0.9180 would provide evidence of such a new upturn.

Overall, I think now that the US election is over, the financial markets could well enter a new phase. It is likely to be **DOWN** for stocks, **DOWN** for Crude Oil, **DOWN** or **FLAT** for Gold and **UP** for US dollar/Swiss franc.

MSCI INDICES IN LOCAL CURRENCIES, ABSOLUTE

SCORE	INDEX	RIC	PRICE	LONG-TERM MODEL	LONG-TERM OUTLOOK	MEDIUM-TERM MODEL	MEDIUM-TERM OUTLOOK
78%	ARGENTINA	.dMIARoc	11'891'278	+		+	
83%	AUSTRALIA	.dMIAUoc	1'200.98	o	FLAT	+	FLAT
44%	AUSTRIA	.dMIAToc	369.63	-		u+	
0%	BELGIUM	.dMIBEoc	813.88	-		-	
72%	BRAZIL	.dMIBRoc	1'144.52	o	FLAT	u+	DOWN
22%	CANADA	.dMICAoc	2'038.12	o	FLAT	d-	FLAT
67%	CHILE	.dMICLod	3'338.98	-		uu+	
78%	CHINA	.dMICNoc	103.14	+	UP	+	FLAT
6%	COLOMBIA	.dMICOoc	1'926.19	-		-	
0%	CZECH REPUBLIC	.dMICZoc	164.32	-		d-	
67%	DENMARK	.dMIDKoc	11'508.54	+		+	
39%	EGYPT	.dMIEGoc	2'479.74	o		do	
78%	EM	.dMIEFoc	64'499.40	+	FLAT	u+	FLAT
11%	EMU	.dMIEMoc	205.53	o	FLAT	dd-	DOWN
67%	FINLAND	.dMIFiooc	735.82	+		+	
33%	FRANCE	.dMIFRoc	1'791.87	o	FLAT	do	FLAT
11%	GERMANY	.dMIDEoc	940.77	do	FLAT	d-	DOWN
0%	GREECE	.dMIGRoc	33.41	-	DOWN	-	DOWN
39%	HONG KONG	.dMIHKoc	15'063.77	+	FLAT	-	(u) FLAT
44%	HUNGARY	.dMIHUoc	1'529.00	-	DOWN	uu+	(u) FLAT
78%	INDIA	.dMIINOoc	1'395.75	+	FLAT	+	FLAT
39%	INDONESIA FREE	.dMIIDoc	5'660.31	o	DOWN	uo	(u) FLAT
11%	ITALY	.dMIIToc	616.10	o	(u) FLAT	-	(u) FLAT
22%	JAPAN	.dMIJPoc	981.87	o	FLAT	d-	(u) FLAT
72%	KOREA	.dMIKRoc	740.85	+	FLAT	uo	FLAT
11%	MALAYSIA FREE	.dMIIMYoc	507.00	do		d-	
83%	MEXICO FREE	.dMIIMXoc	35'774.98	u+	DOWN	+	FLAT
56%	NETHERLANDS	.dMINLoc	1'929.27	do	FLAT	+	FLAT
61%	NEW ZEALAND	.dMINZoc	197.05	o		o	
17%	NORWAY	.dMINOoc	2'618.18	o	FLAT	d-	DOWN
11%	PAKISTAN	.dMIPKoc	328.74	o		-	
100%	PHILIPPINES FREE	.dMIIPHoc	1'094.40	uu+	(u) FLAT	uu+	(u) FLAT
0%	POLAND	.dMIPLoc	1'093.04	-	DOWN	-	DOWN
39%	PORTUGAL	.dMIPToc	89.61	d-	DOWN	+	FLAT
33%	QATAR	.dMIQAoc	759.57	+		dd-	
11%	RUSSIA	.dMIRUoc	1'122.38	-	DOWN	-	DOWN
56%	SINGAPORE	.dMISGoc	1'354	-	DOWN	+	DOWN
78%	SOUTH AFRICA	.dMIZAoc	1'306.23	+		u+	
44%	SPAIN	.dMIESoc	667.53	-	DOWN	uu+	DOWN
67%	SWEDEN	.dMISEoc	14'473.65	+	FLAT	do	(u) FLAT
0%	SWITZERLAND	.dMICHoc	1'345.99	d-	DOWN	-	DOWN
72%	TAIWAN	.dMITWo	511.45	+	FLAT	u+	FLAT
0%	THAILAND FREE	.dMITHoc	398.33	-		-	
78%	TURKEY	.dMITRoc	1'365'772.67	o	DOWN	+	DOWN
0%	UK	.dMIGBoc	1'642	-	DOWN	d-	(u) FLAT
33%	UNITED ARAB EMIRATES	.dMIAEoc	279.03	+		-	
72%	UNITED STATES	.dMIUSoc	3'358.93	+	FLAT	+	FLAT
72%	WORLD	.dMIWDoc	674.18	+	FLAT	o	DOWN

MSCI INDICES IN SWISS FRANC RELATIVE TO THE MSCI SWITZERLAND

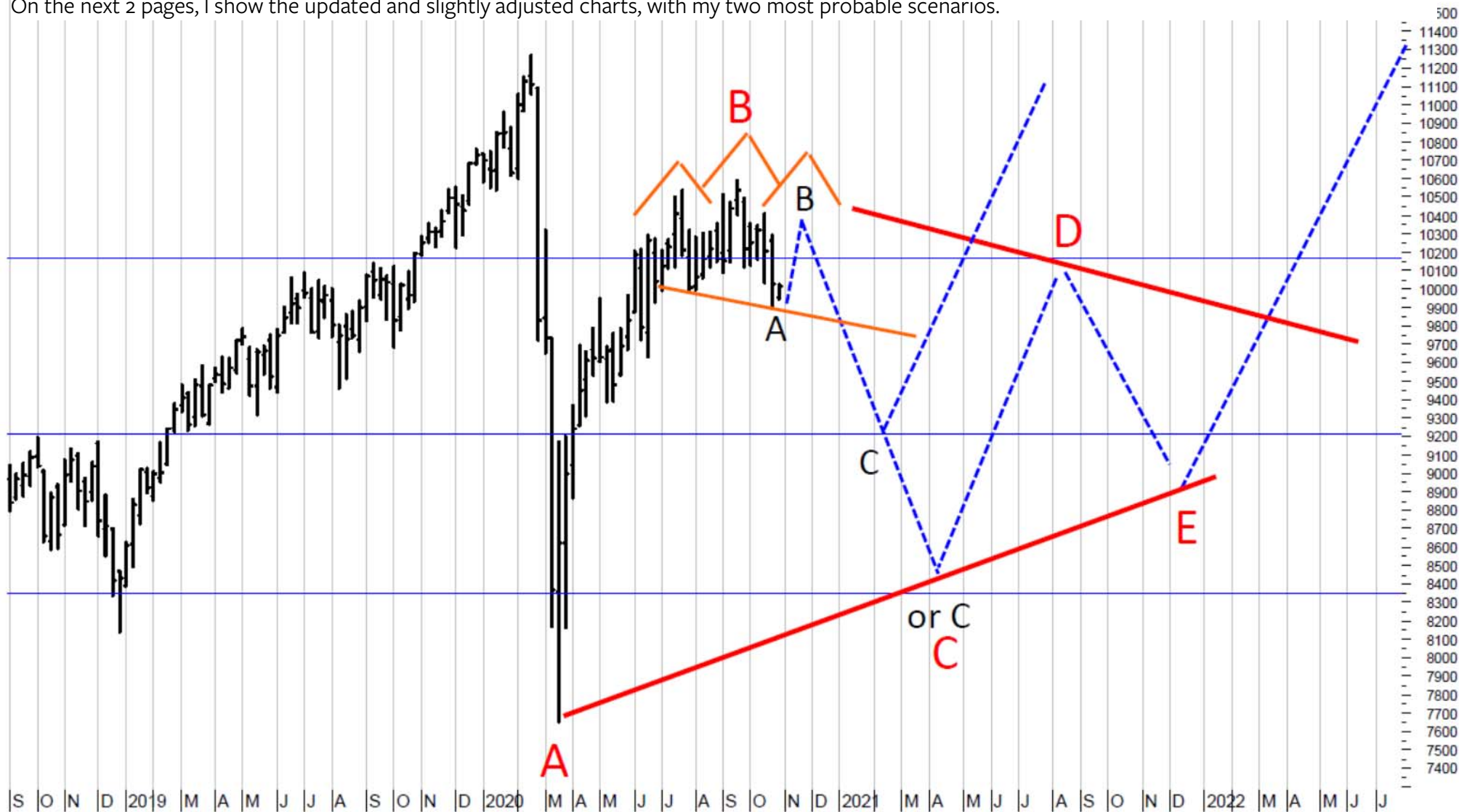
LONG-TERM OUTLOOK	MEDIUM-TERM OUTLOOK
NEUTRAL	NEUTRAL
UNDERWEIGHT BRAZIL	UNDERWEIGHT BRAZIL
NEUTRAL	NEUTRAL
NEUTRAL	NEUTRAL
NEUTRAL	NEUTRAL
NEUTRAL	NEUTRAL
NEUTRAL	NEUTRAL
NEUTRAL	NEUTRAL
NEUTRAL	NEUTRAL
UNDERWEIGHT GREECE	UNDERWEIGHT GREECE
UNDERWEIGHT HONG KONG	UNDERWEIGHT HONG KONG
UNDERWEIGHT HUNGARY	(u) NEUTRAL
NEUTRAL	NEUTRAL
UNDERWEIGHT INDONESIA	(u) NEUTRAL
UNDERWEIGHT ITALY	UNDERWEIGHT ITALY
UNDERWEIGHT JAPAN	UNDERWEIGHT JAPAN
NEUTRAL	NEUTRAL
UNDERWEIGHT MEXICO	(u) NEUTRAL
NEUTRAL	NEUTRAL
UNDERWEIGHT NORWAY	UNDERWEIGHT NORWAY
(u) NEUTRAL	(u) NEUTRAL
UNDERWEIGHT POLAND	UNDERWEIGHT POLAND
UNDERWEIGHT PORTUGAL	UNDERWEIGHT PORTUGAL
UNDERWEIGHT RUSSIA	UNDERWEIGHT RUSSIA
UNDERWEIGHT SINGAPORE	UNDERWEIGHT SINGAPORE
UNDERWEIGHT SPAIN	UNDERWEIGHT SPAIN
NEUTRAL	NEUTRAL
UNDERWEIGHT TURKEY	UNDERWEIGHT TURKEY
UNDERWEIGHT U.K.	UNDERWEIGHT U.K.
OVERWEIGHT USA	NEUTRAL
OVERWEIGHT WORLD	NEUTRAL

Swiss Market Index SMI (chart is reprinted from 26.10.2020)

The chart below is reprinted from my Chart Outlook of 26.10.2020. I projected that the SMI could stage another rally, which could form the right shoulder of a Head and Shoulder Top. I also projected that a break of 9890 would signal that Wave c of C is unfolding. Wave C itself could be part of a large TRIANGLE (marked red), which could stretch through 2021.

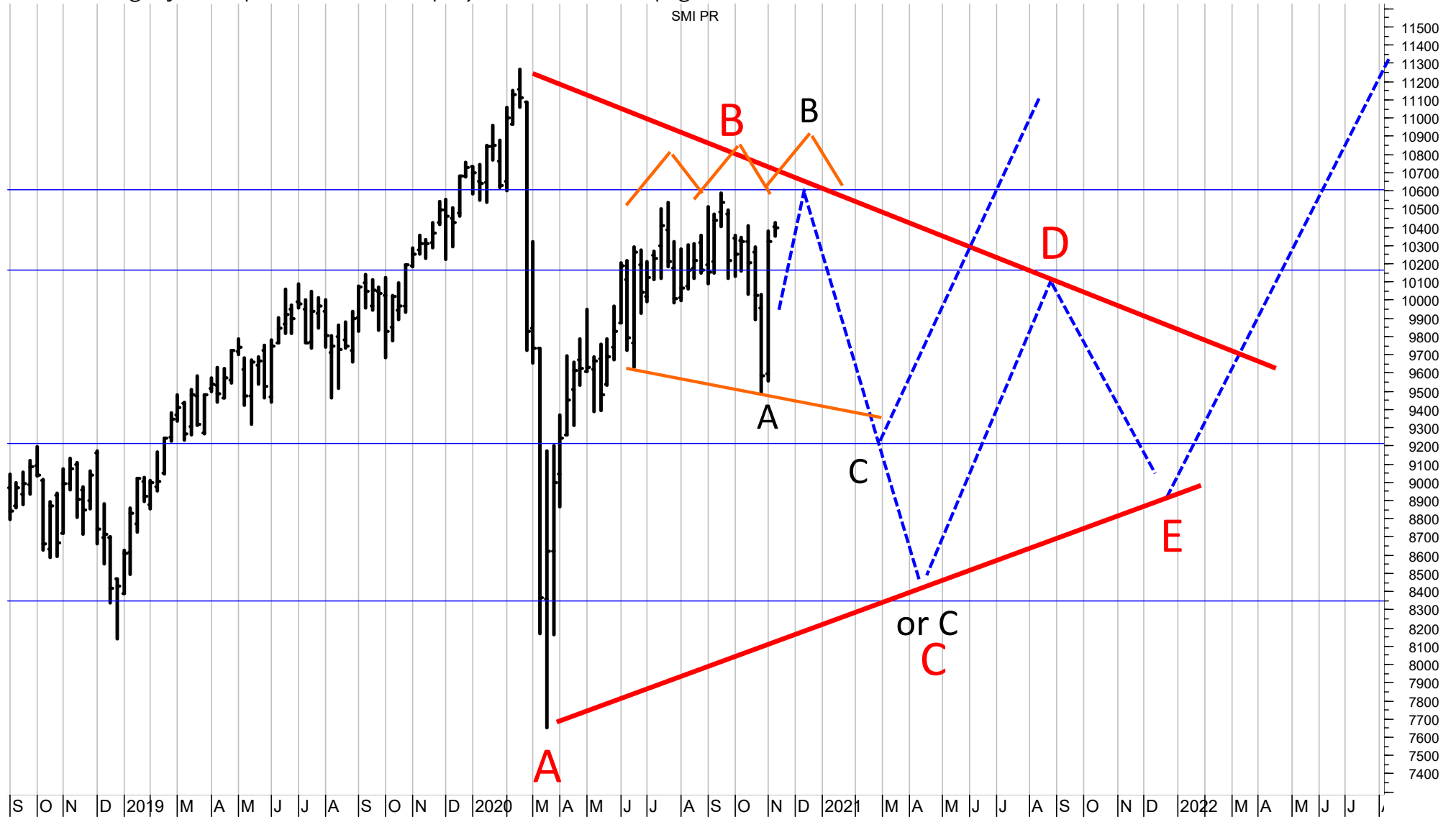
As it turned out, the SMI fell below 9890 just to fall to the mega support, which I had located at 9500. The importance of this support is stressed by the fact that the SMI turned up exactly from this level.

On the next 2 pages, I show the updated and slightly adjusted charts, with my two most probable scenarios.



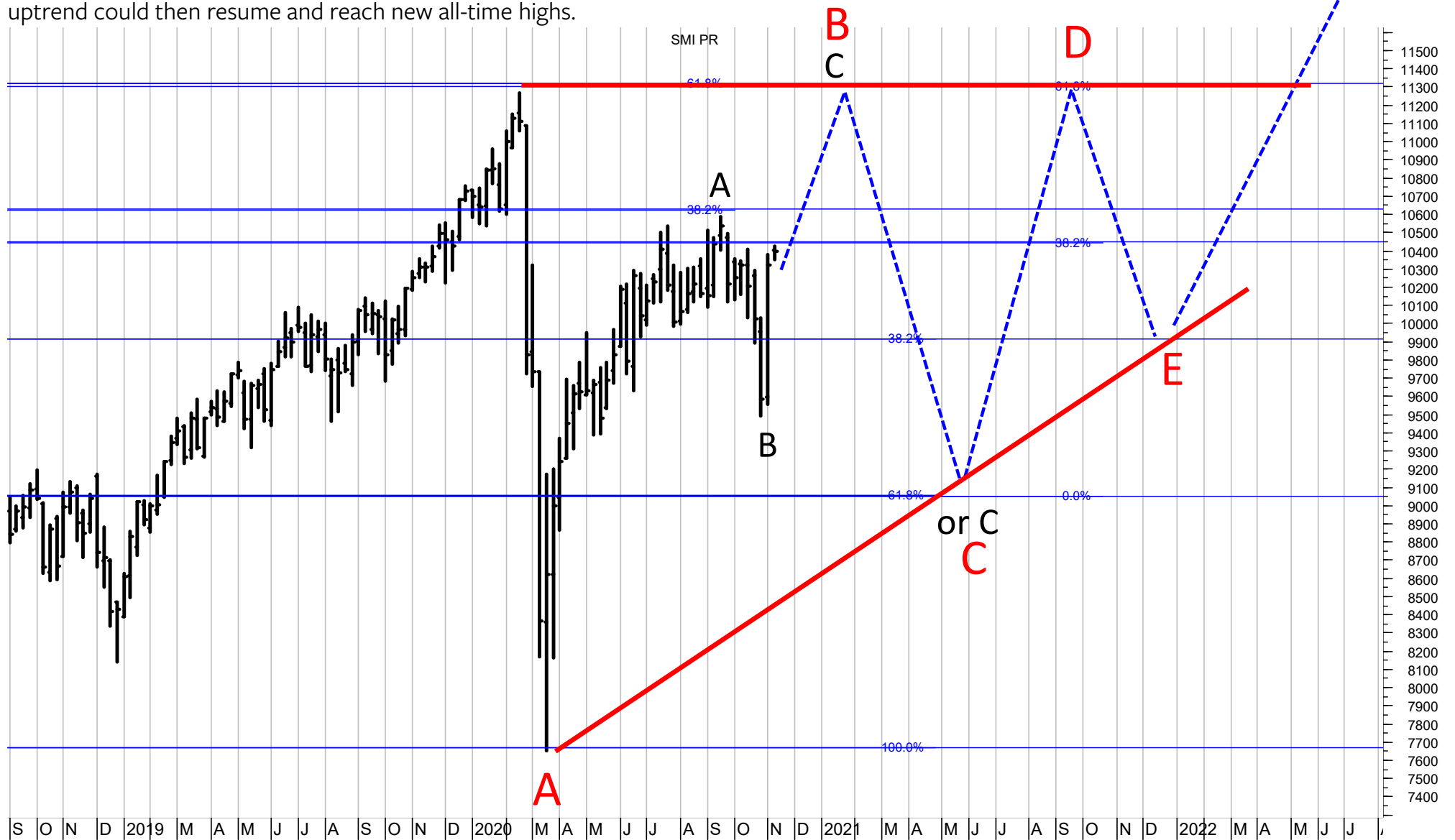
Swiss Market Index SMI

The rally from 30.10.2020 could still form the right shoulder of a Head and Shoulder Top. But, it could stretch to 10600 before topping again. It could then be followed by another decline which could take the SMI down to 9500 to 9200 or 8350. This decline could still form Wave C of the Triangle, which could stretch through 2021. The Medium-term and Long-term Outlook will be upgraded to UP and FLAT if 10600 is clearly broken. A slightly more positive outlook is projected on the next page.



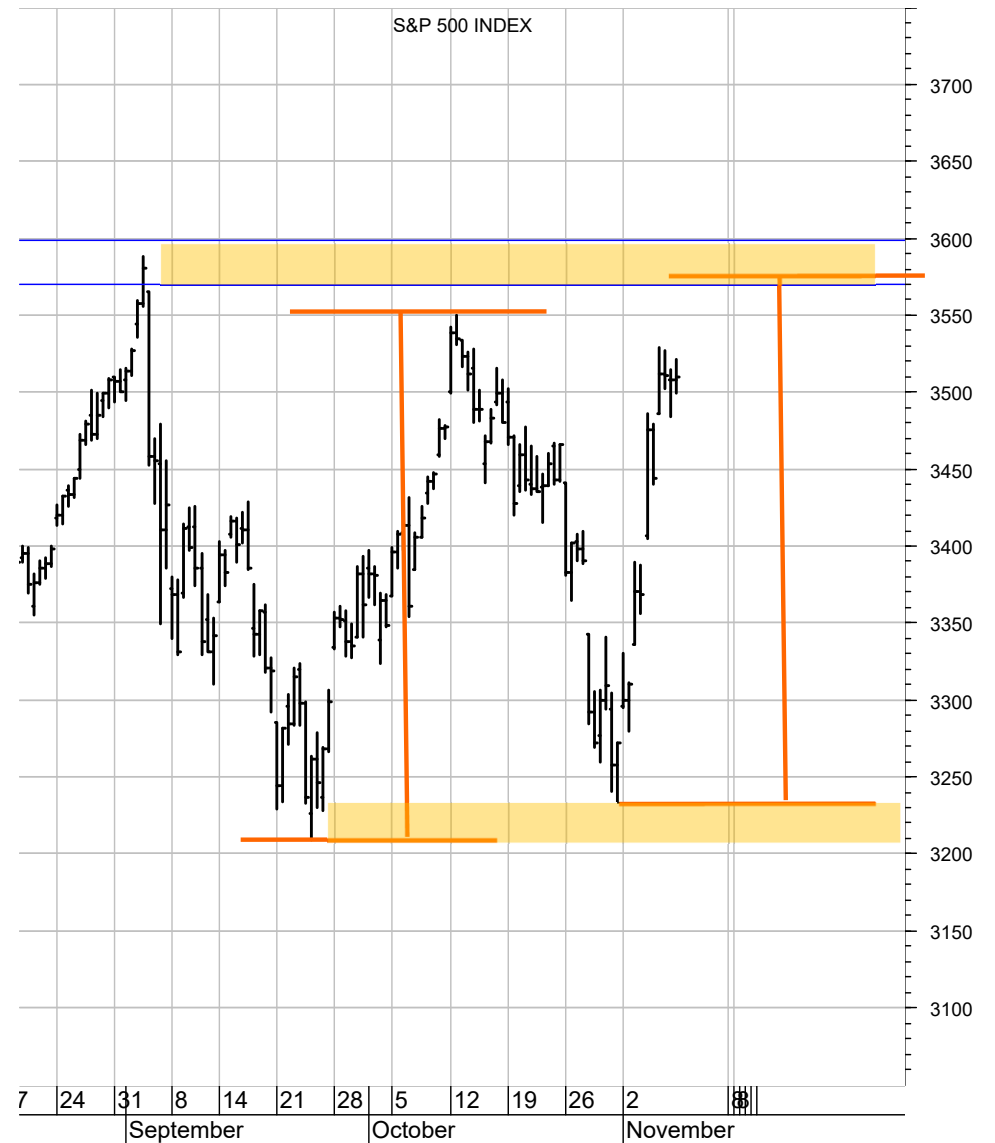
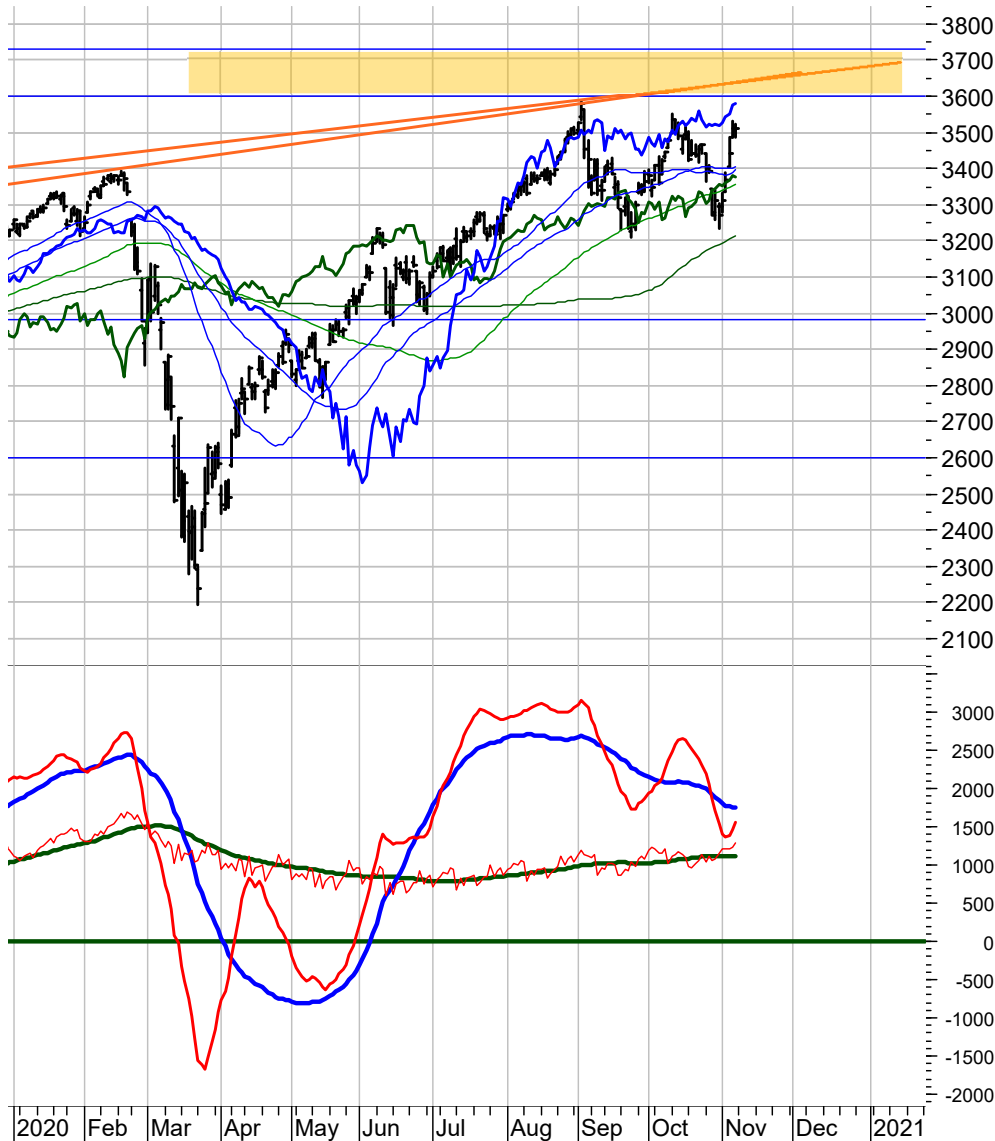
Swiss Market Index SMI

The scenario on this page is slightly more bullish. The difference from the previous page is that the SMI can break above the major resistance at 10450 to 10600. Upon such a break, the SMI could rise to the high from February 2020 at 11270. With this rise, the Triangle would be given a more bullish long-term outlook. Waves C, D and E could still be formed in 2021. In 2022, the secular uptrend could then resume and reach new all-time highs.



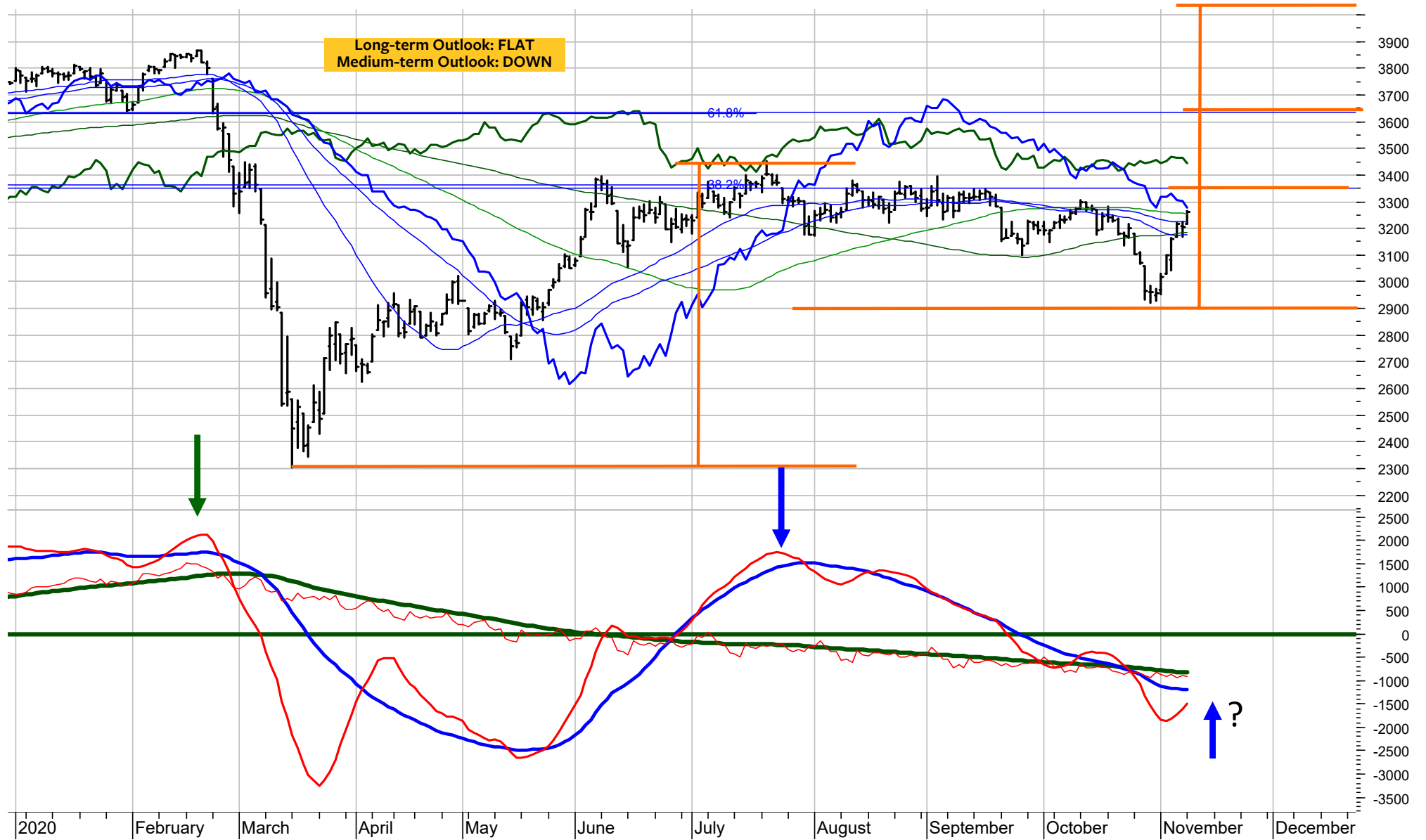
S & P 500 Index

The S&P 500 Index is likely to test the major resistance at 2570 to 3600. At 3580 the rally from 30.10.2020 is equal in length to the rally from the low in September to the high in October. Because the high in October was registered below the high on 2.9.2020 and because the low of 30.10.2020 was registered above the low of 24.9.2020, the pattern from the low in September is identified as an Inverse FLAT. I am watching for the test of this key resistance level 3570 to 3600 and will then assess the most probable outlook. Clearly for now, a break of 3200 would turn all trends down.



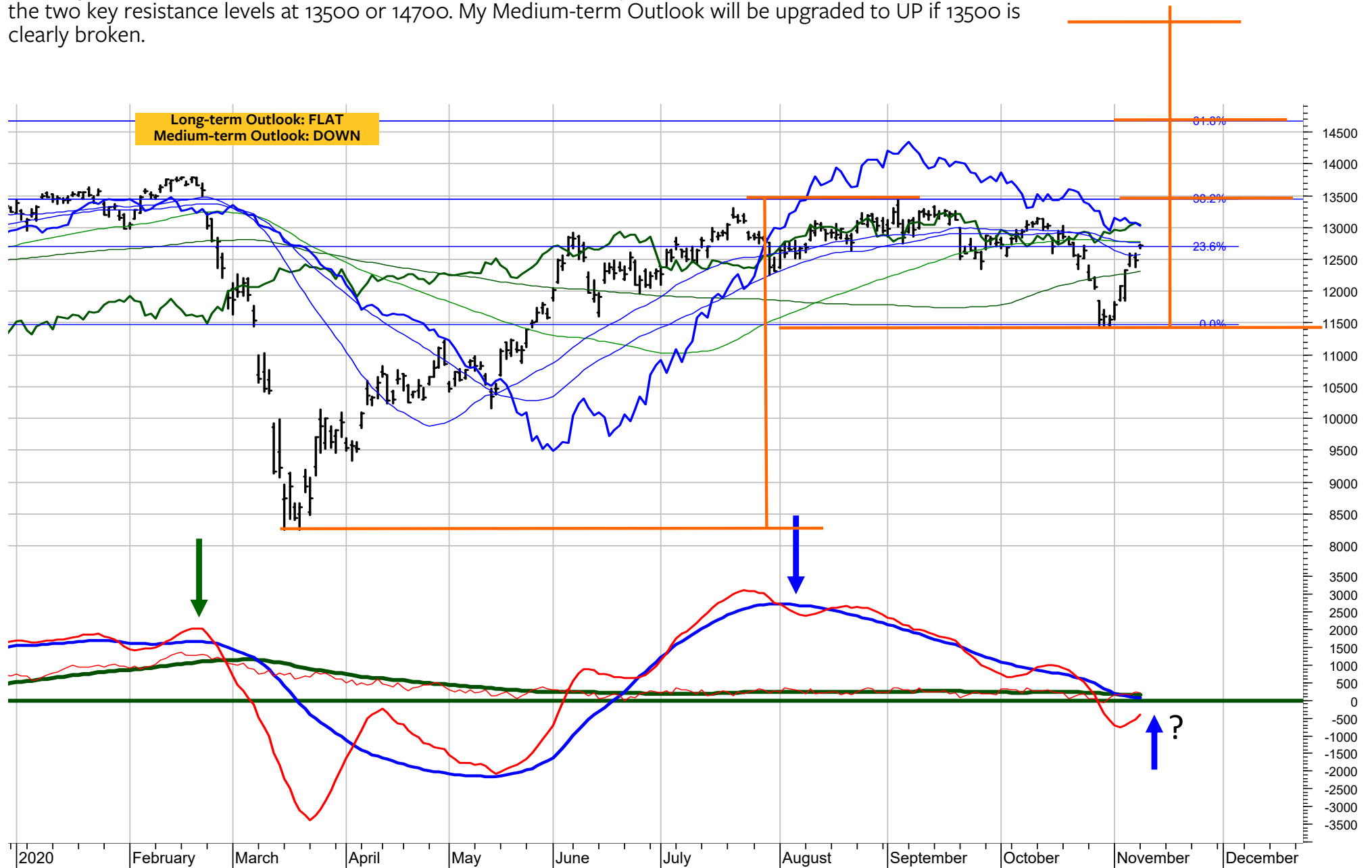
Eurostoxx 50 Index

The rally from 29.10.2020 correlates to the rise from March to July. The Fibonacci correlation locates the two key resistance levels at 3350 or 3650. My Medium-term Outlook will be upgraded to UP if 3350 is clearly broken.



Deutscher Aktien Index DAX

The rally from 30.10.2020 correlates to the rise from March to September. The Fibonacci correlation locates the two key resistance levels at 13500 or 14700. My Medium-term Outlook will be upgraded to UP if 13500 is clearly broken.

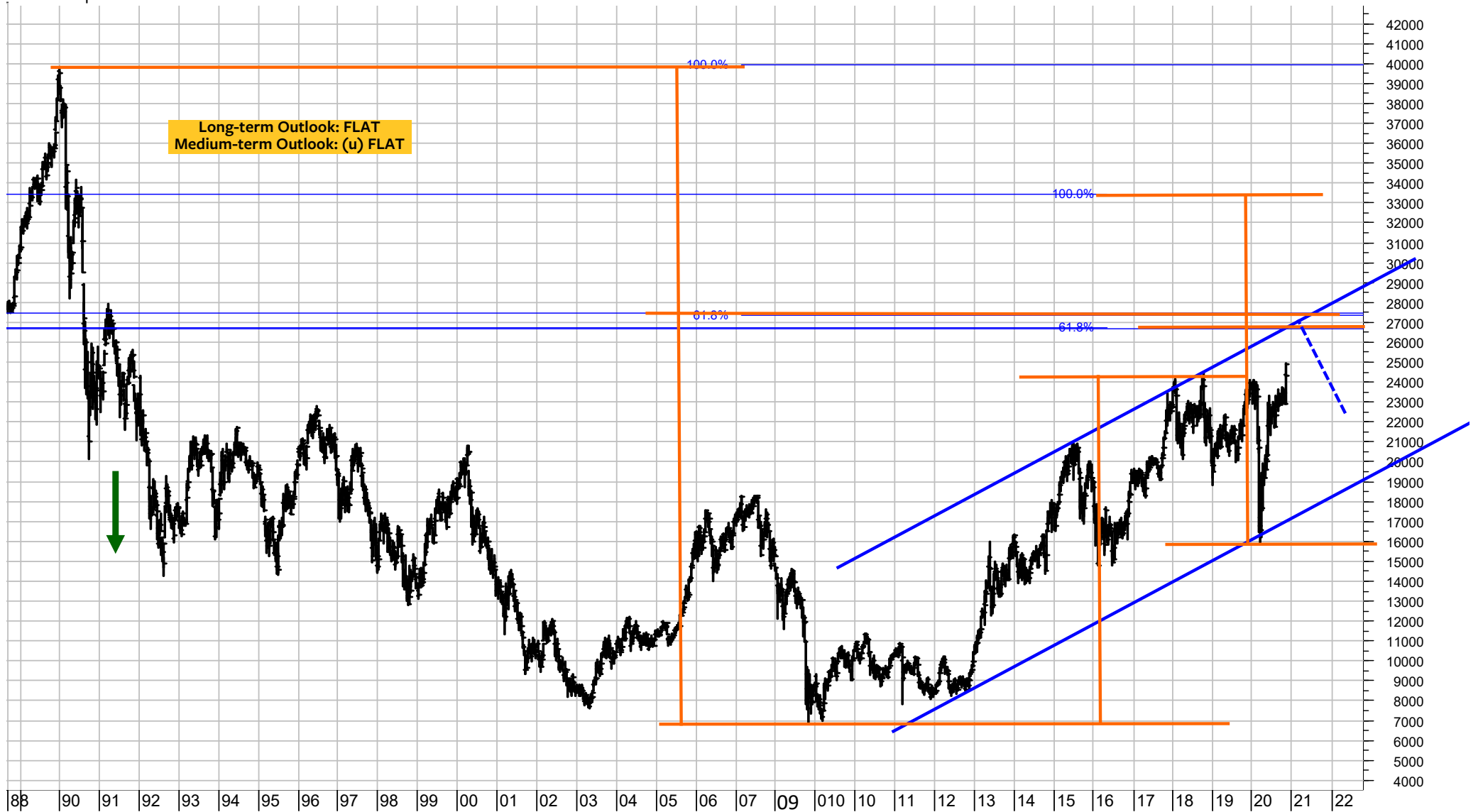


Nikkei 225 Index continuous Future

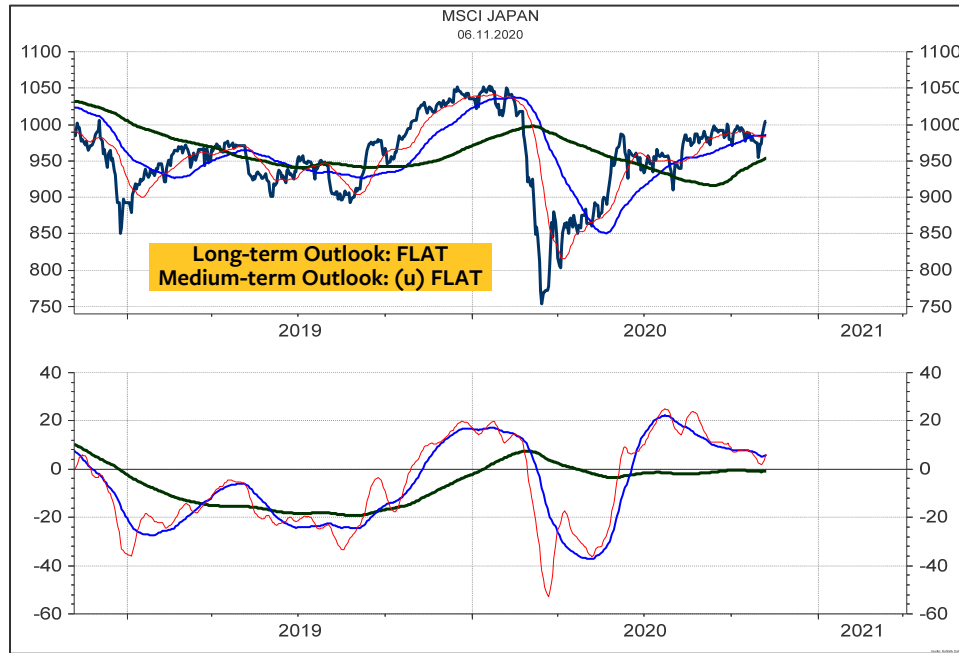
Based on the correlation of the present rally to the advance from 2009 to 2018 and based on the 38.20%-retracement of the bear market from 1989 to 2009, the next most important resistance is 27000 to 27500.

I expect the Nikkei to test this resistance next and will consider a new medium-term and long-term upgrade if this resistance is broken.

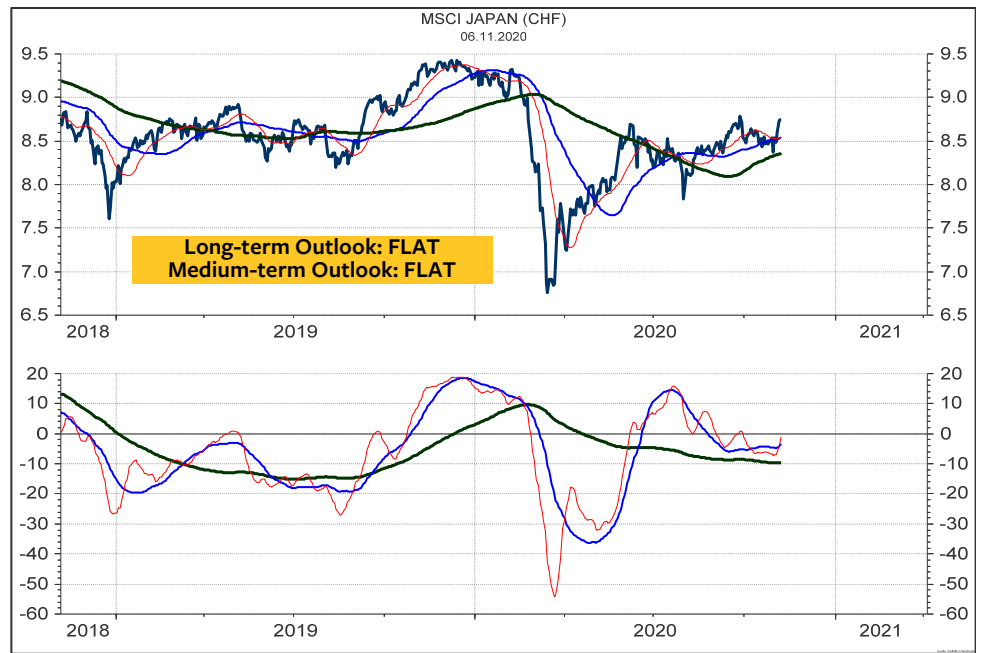
As you can see on the next page (lower right chart), the performance of the Nikkei in Swiss franc relative to the MSCI Switzerland has just turned down. As long as the relative chart does not break above 6.70, Swiss franc-based equity investors should remain long-term underweight and medium-term neutral in the Japanese stock market.



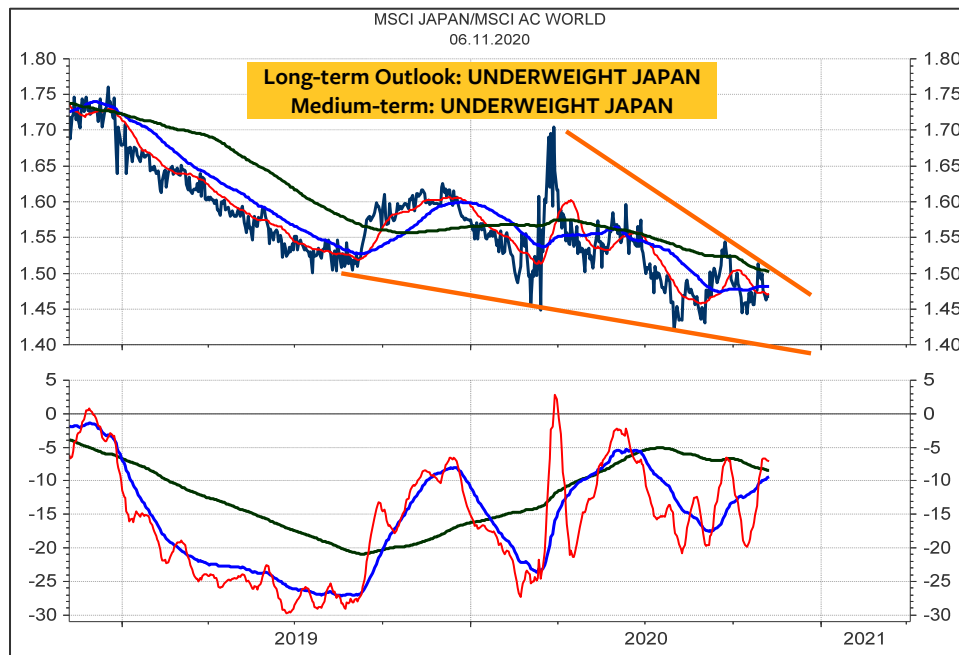
MSCI JAPAN in Yen



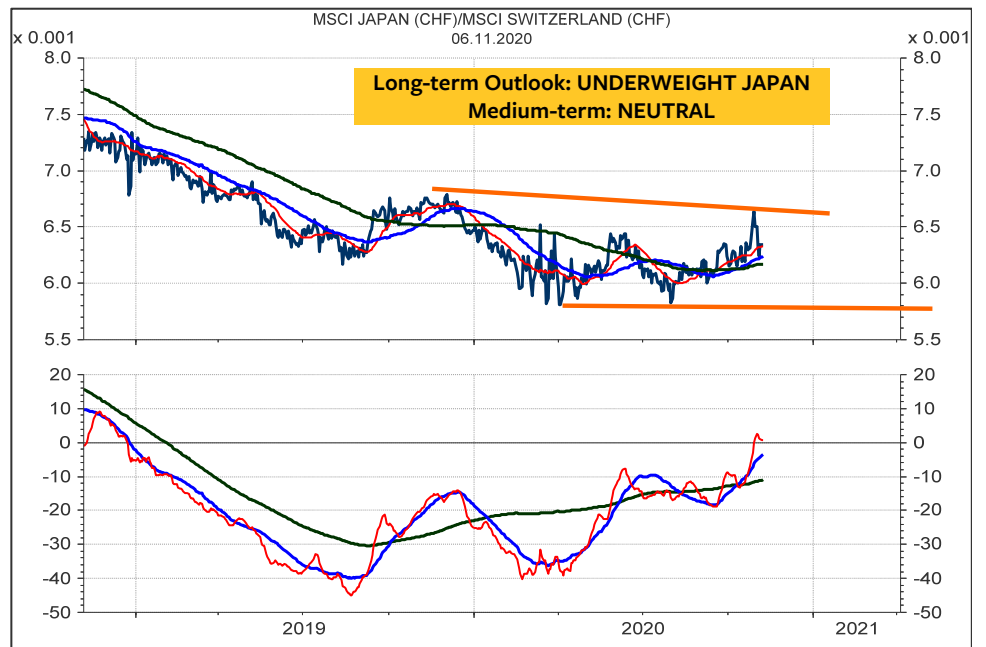
MSCI JAPAN in Swiss franc



MSCI JAPAN relative to the MSCI AC World



MSCI JAPAN in SFR relative to MSCI Switzerland



MSCI Emerging Market Index

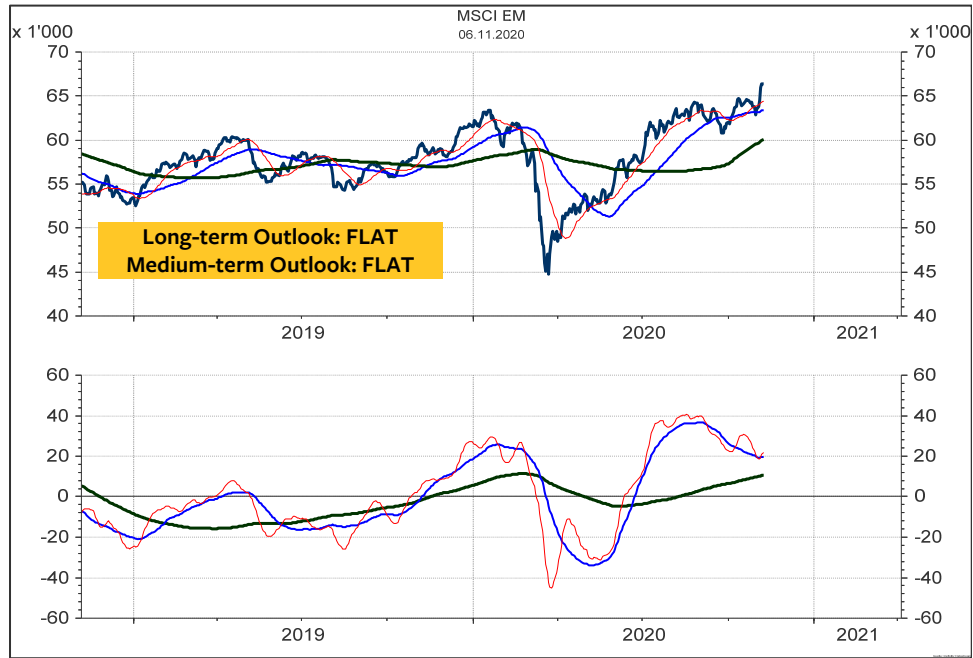
Based on the correlation of the uptrend from March 2020 to the advance from 2008 to 2018, I can locate the next major resistance at 1270. A break of 1270 would signal substantially higher targets. Possibly, the EM Index will register the top of Wave D of the Triangle from 2007 at 1270. There, it could fall back again to form Wave E of the Triangle. Thus, I am watching for the test of 1270 next.

Swiss franc-based equity investors should take a look at the lower right chart on the next page. A new upgrade to OVERWEIGHT Emerging markets would be signaled only if the relative resistance at 0.80 is broken.

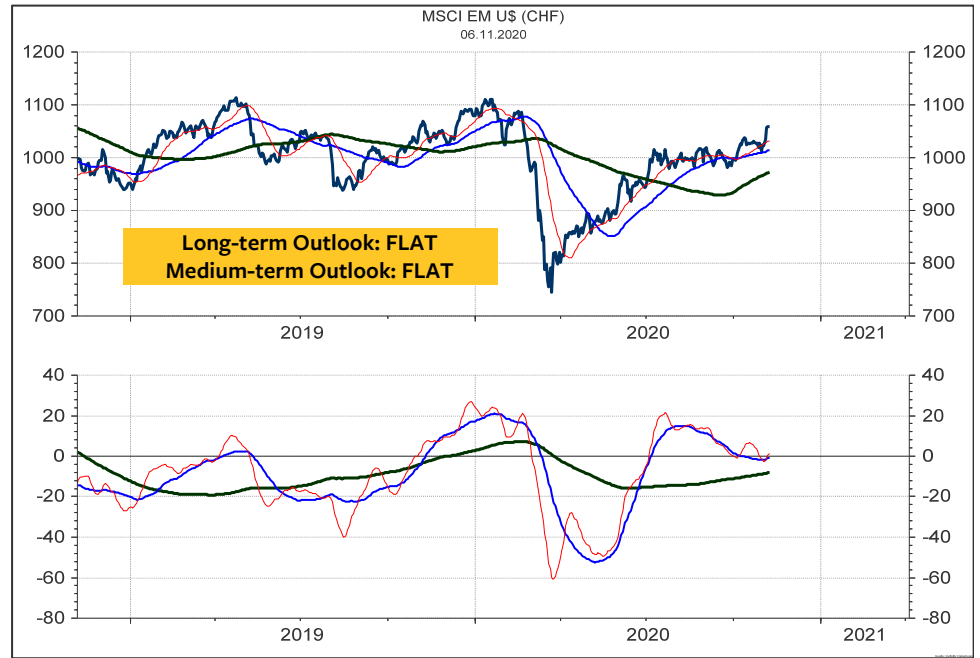
The same holds true for the MSCI China in Swiss franc relative to the MSCI Switzerland (page 13, lower right chart). Here, the resistance is at 7.50.



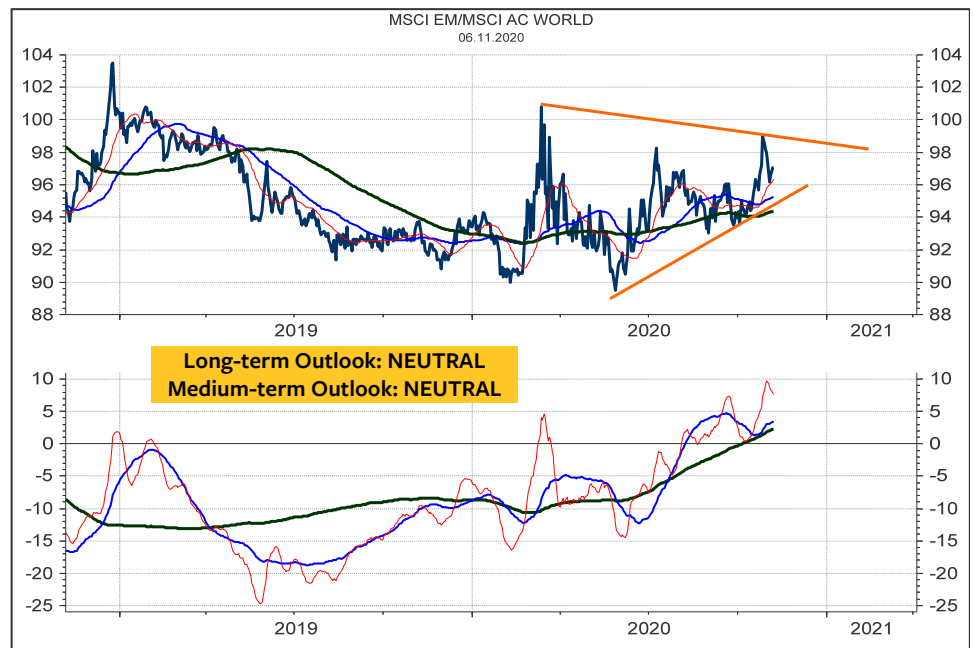
MSCI EMERGING MARKETS in local currencies



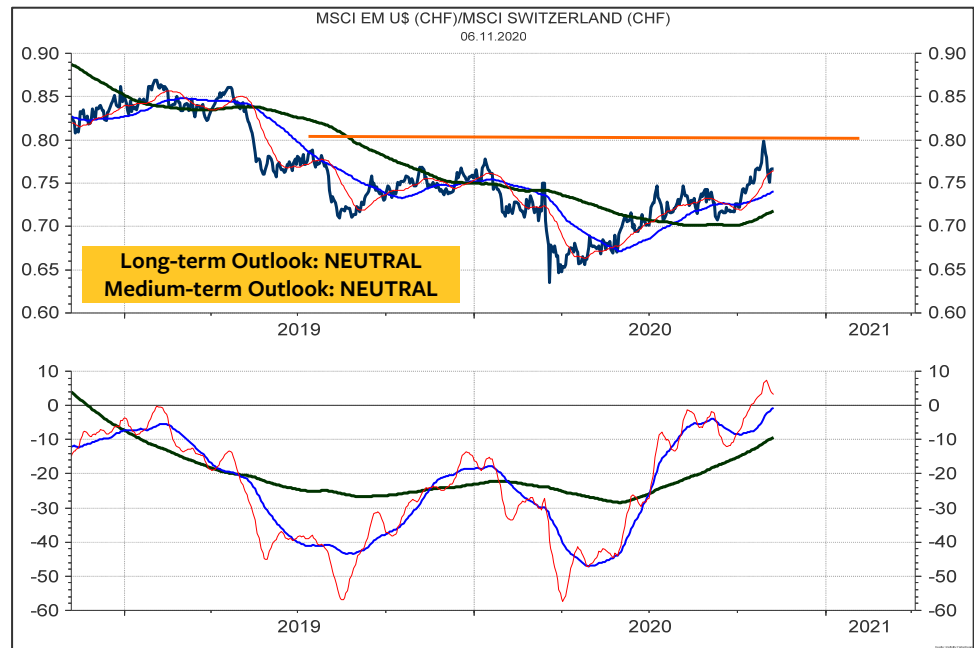
MSCI EMERGING MARKETS in Swiss franc



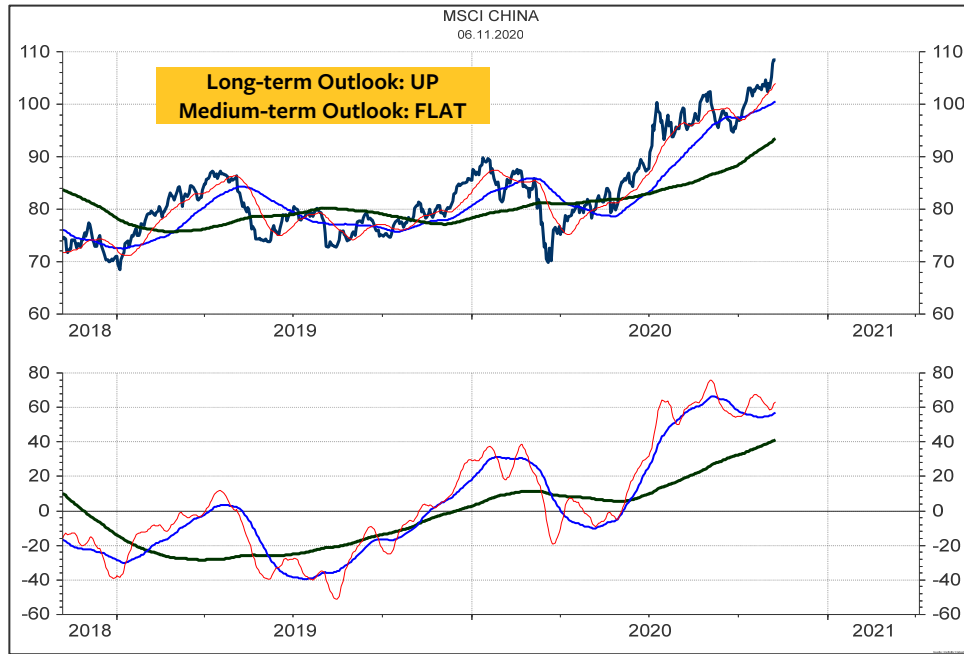
MSCI EMERGING MARKETS relative to the MSCI AC World



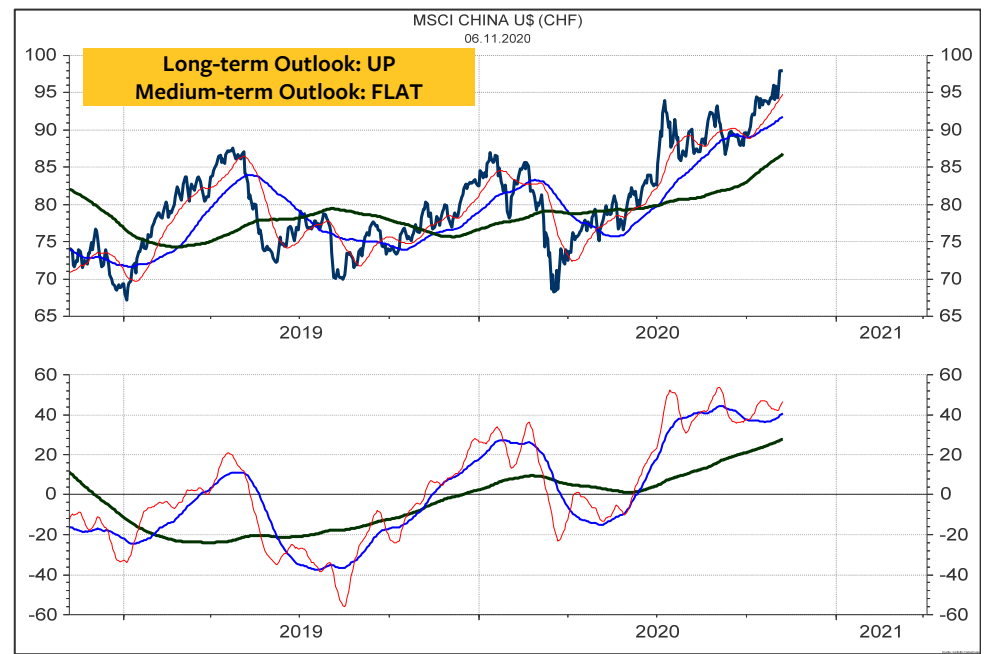
MSCI EMERGING MARKETS in CHF relative to MSCI Switzerland



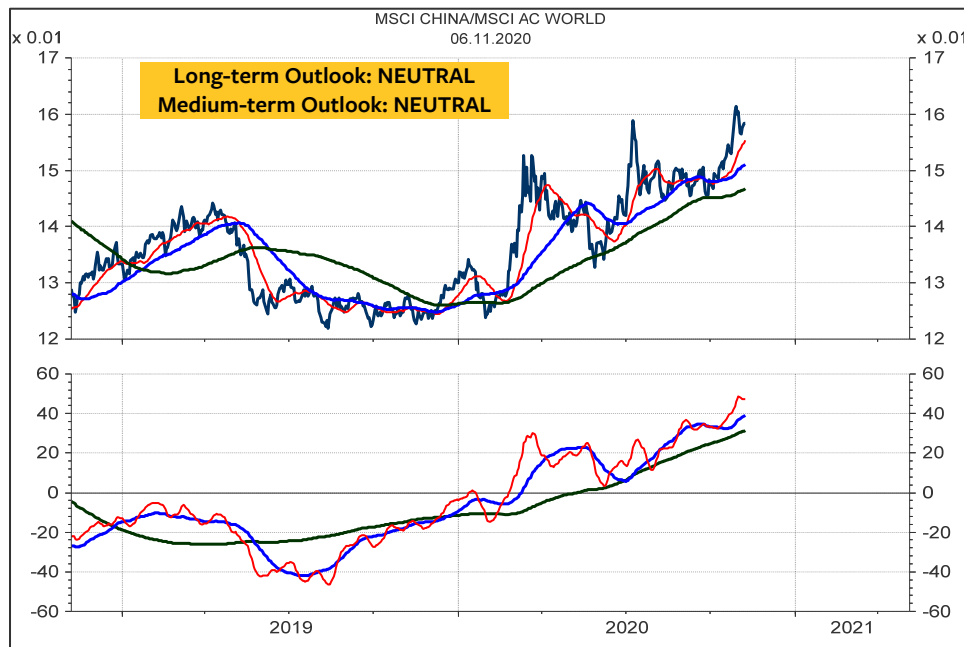
MSCI CHINA in Chinese yuan



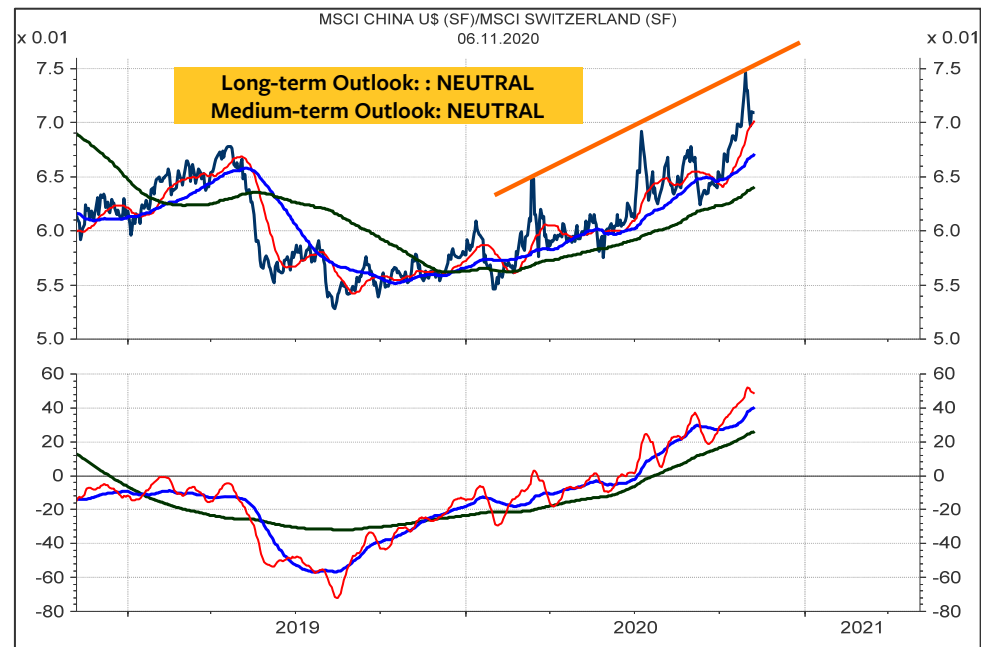
MSCI CHINA in Swiss franc



MSCI CHINA relative to the MSCI AC World



MSCI CHINA in SFR relative to MSCI Switzerland

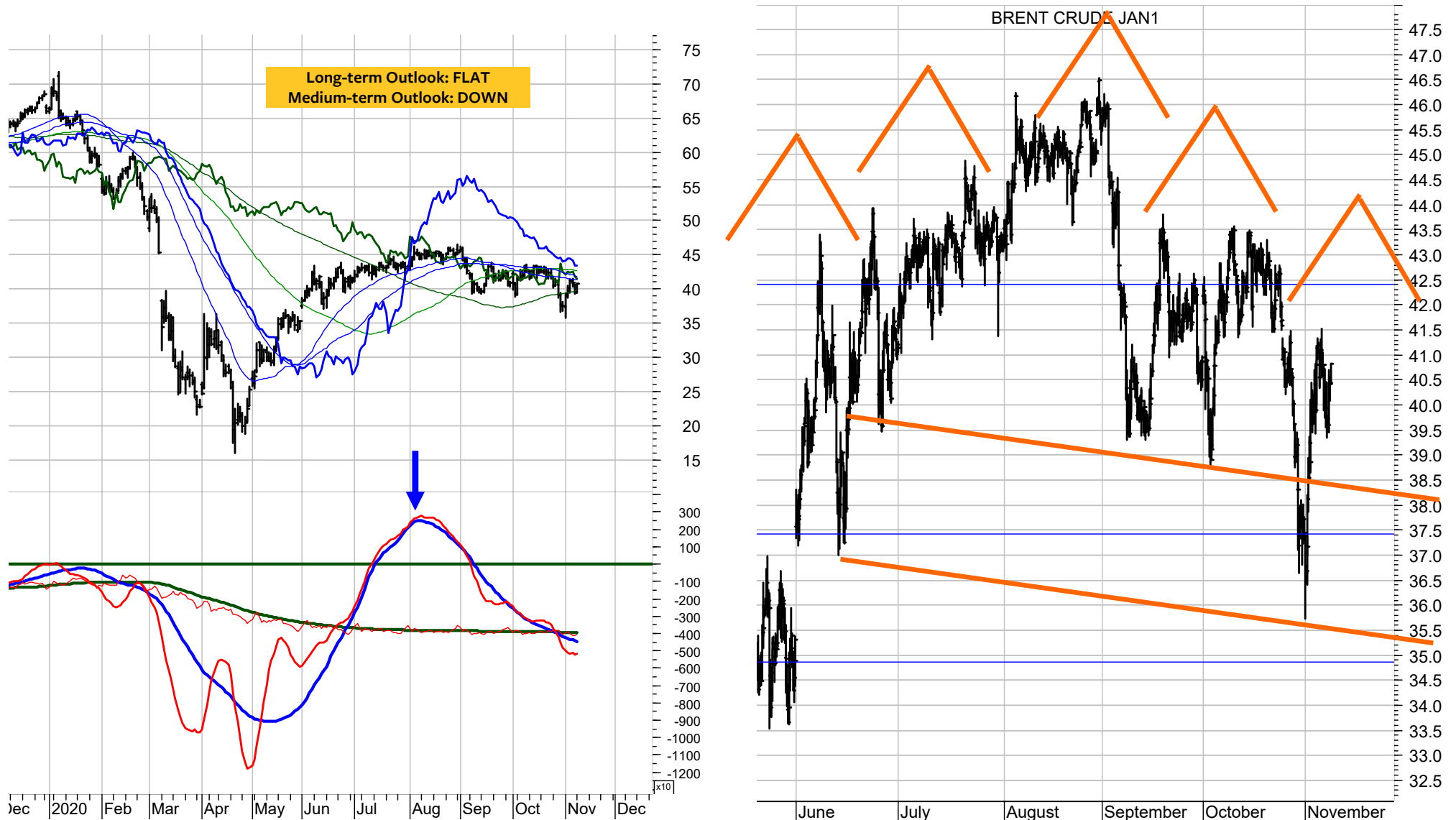


Brent Crude Oil Continuous Future (LCOc1, November 2020)

Crude Oil could still be forming a major top. The first Head and Shoulder Top was broken at 39. The present rebound could be the right shoulder of an even larger Head and Shoulder Top with a new neckline range between 37.50 and 35.

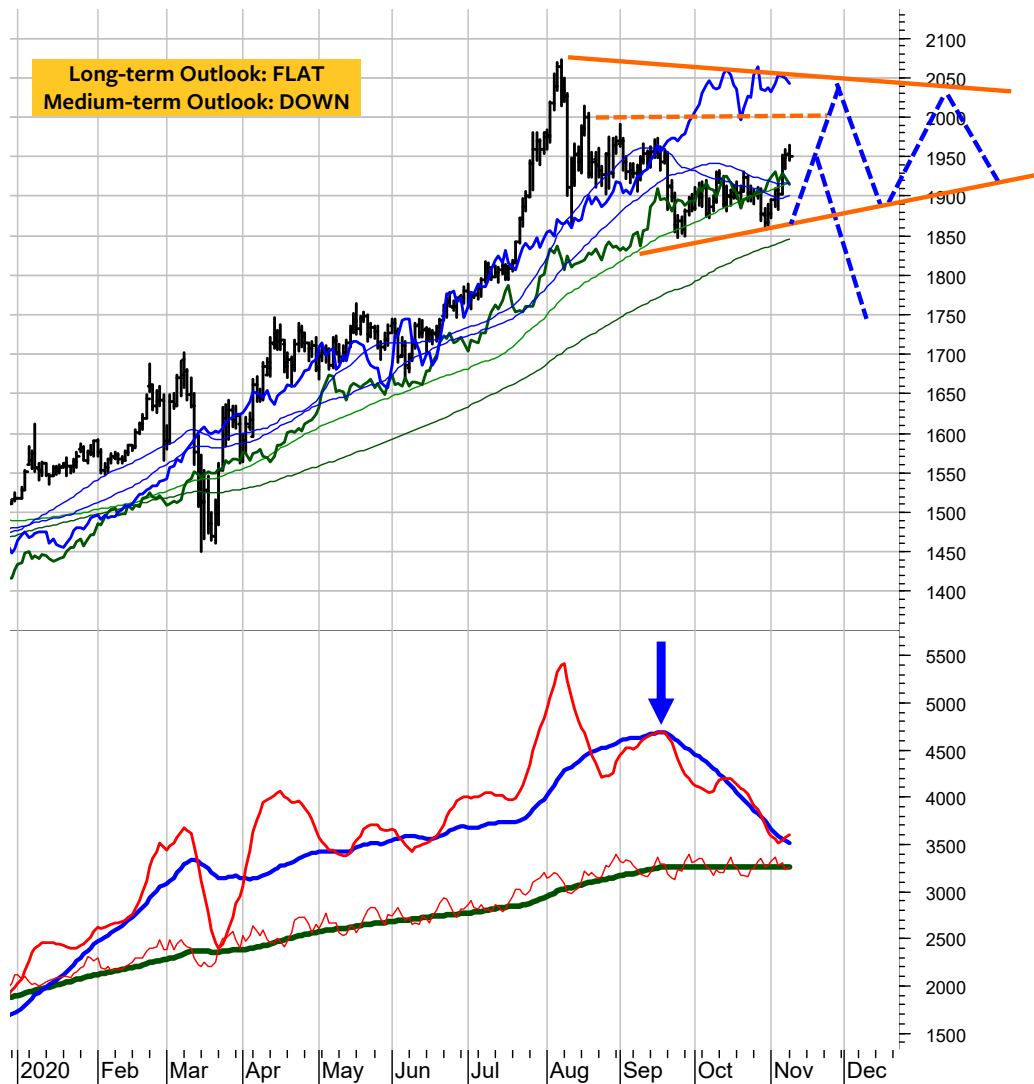
As long as Crude Oil holds above this range, there is obviously a bullish scenario. This treats the decline from August to October as a complete a-b-c correction. If this was the preferred count, then Crude Oil would now be on its way to 46.50.

Interestingly enough, Crude Oil is in a position which is similar to the stock markets. The present rally could just be a recovery within a major topping process. Or, it could be the resumption of the uptrend from March 2020. A break above 42.50 would reduce the bearish odds.

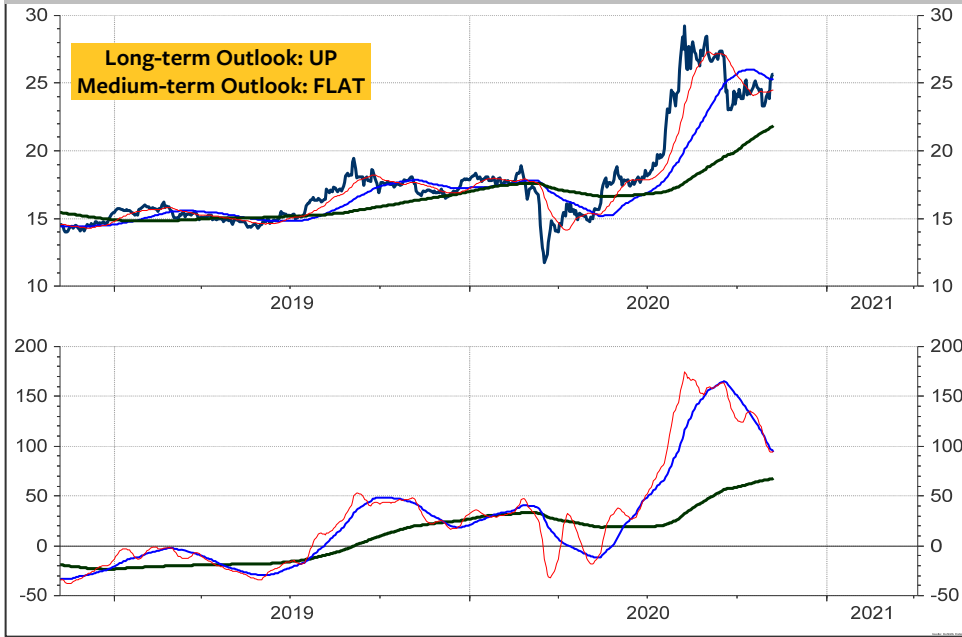


Gold per Ounce in US dollar

Gold has continued to rally as it is approaching the major resistance range 1975 to 2000. A break of 2000 would signal 2070. Such a rally could be part of a Horizontal Triangle, which could take more time into 2021 to complete. I will consider a medium-term upgrade to UP if 2000 is broken.



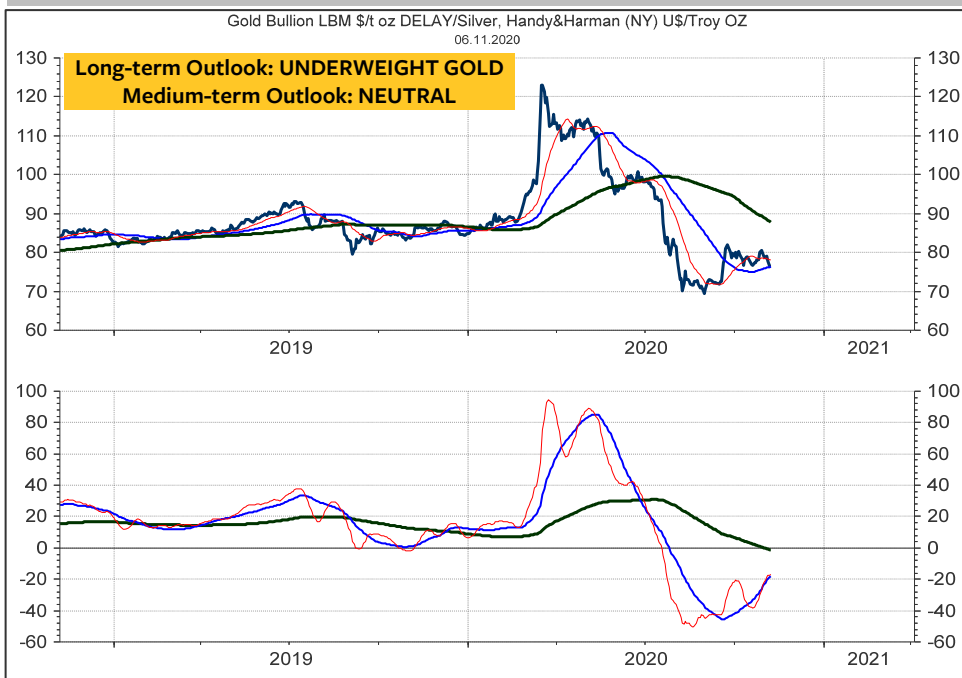
Silver



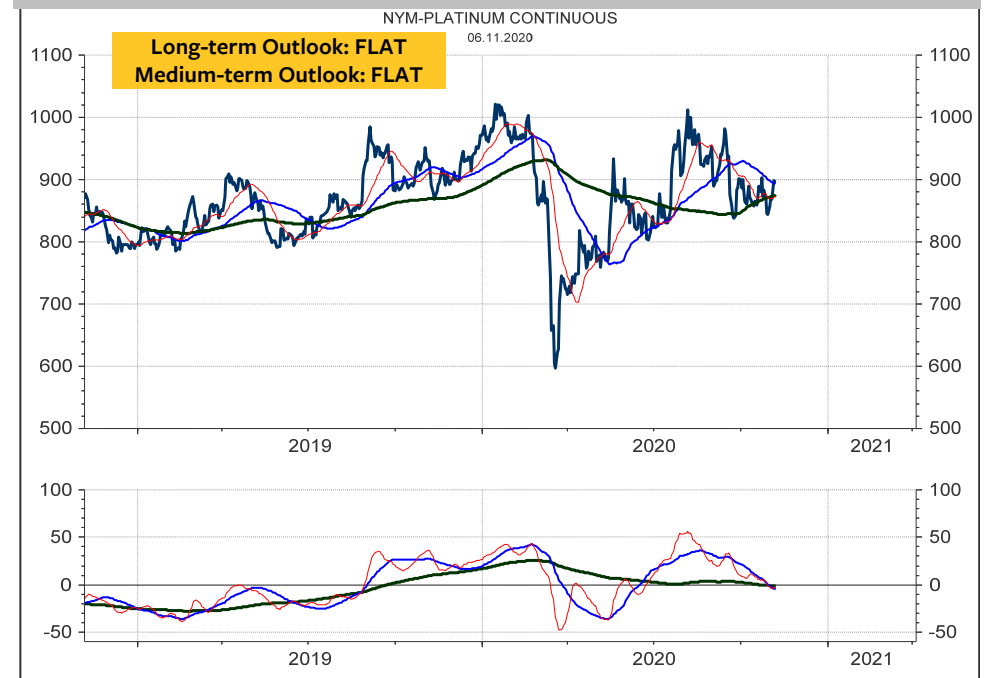
Palladium



Gold relative to Silver

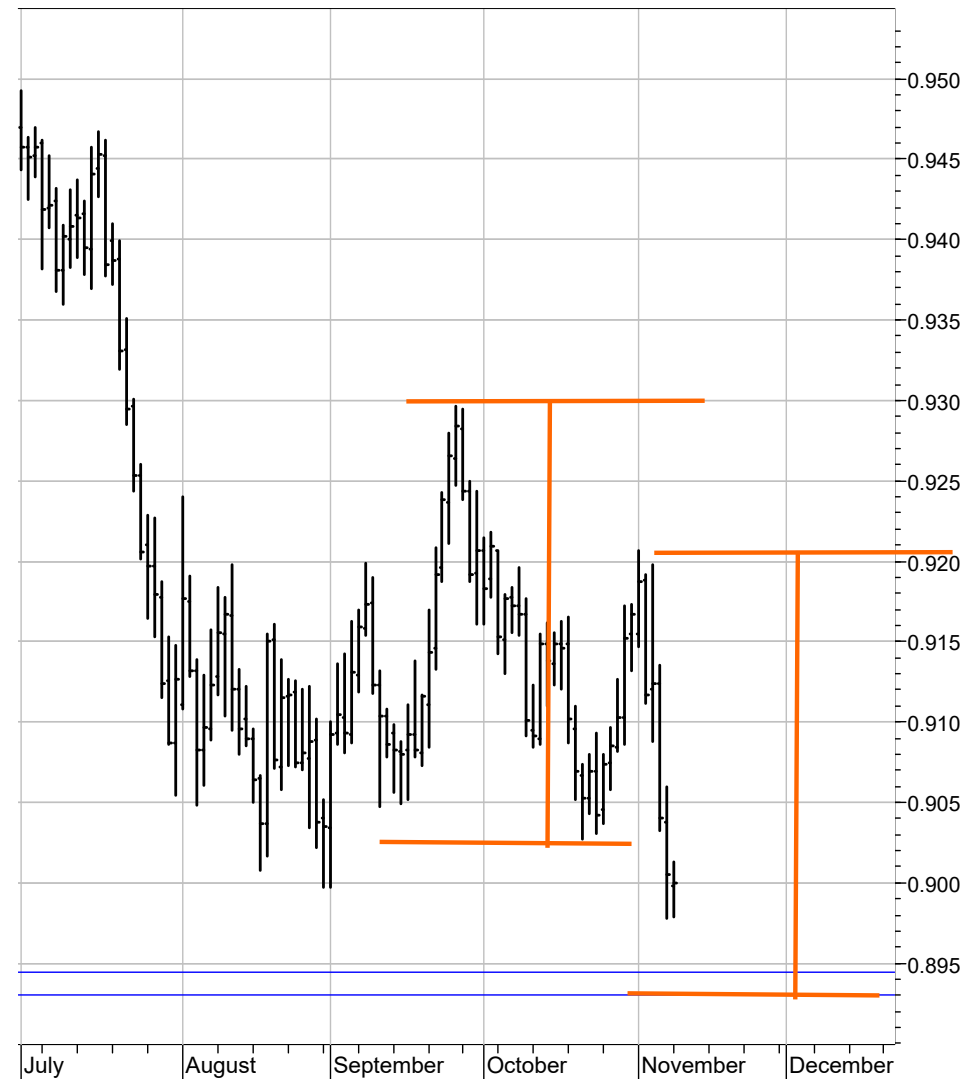


Platinum

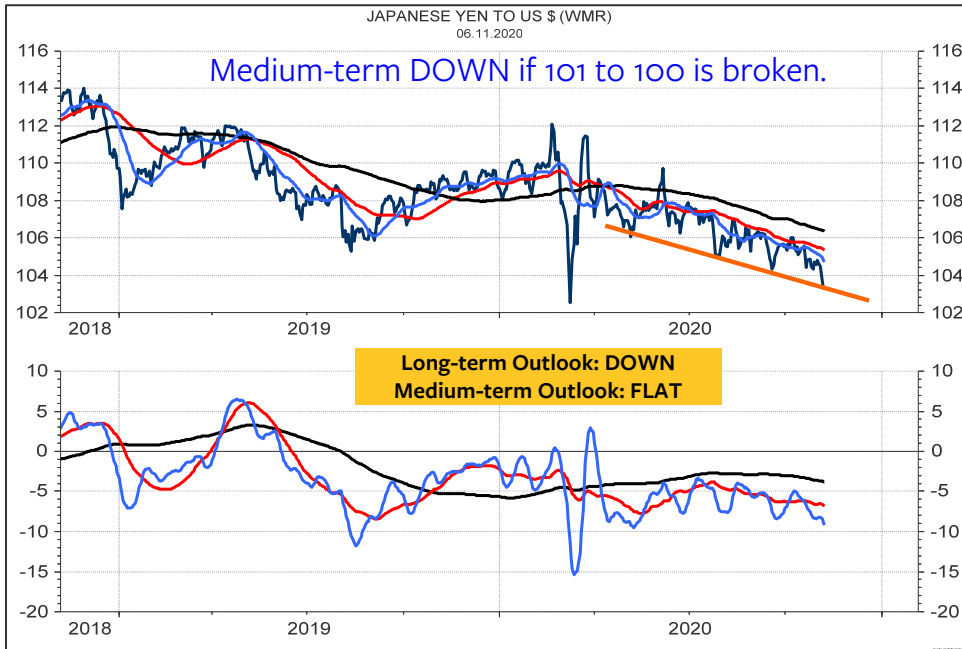


Swiss franc per US DOLLAR

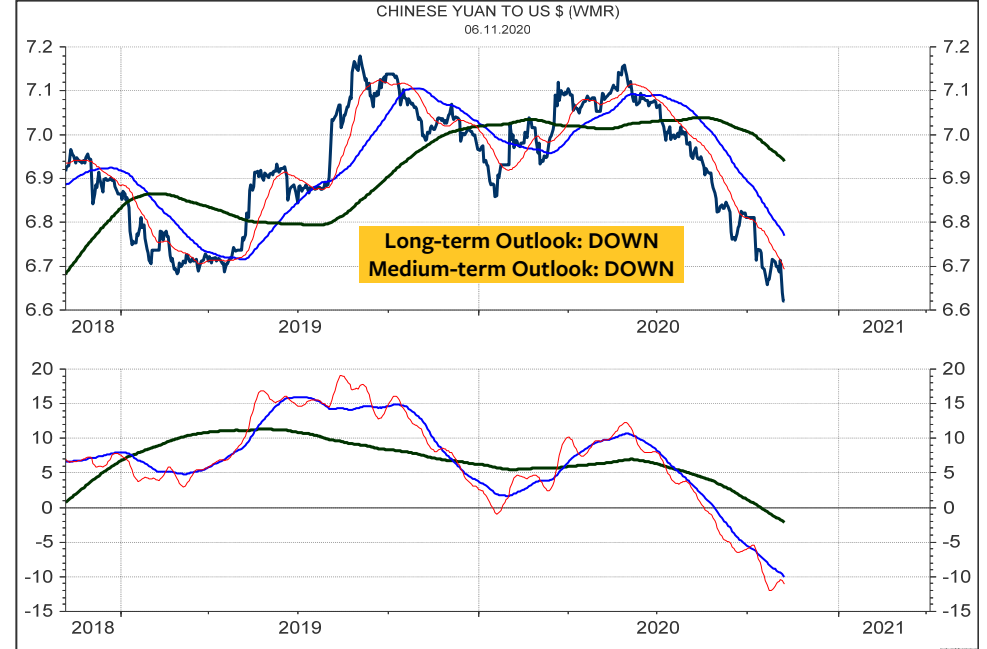
The US dollar is about to break the low from August and to signal the resumption of the major downtrend. Given the magnitude of the two downlegs in October and November, the Fibonacci correlation at 0.8950 to 0.89 is the last lender of support. The next lower support is at 0.83. Both outlook ratings would move to DOWN again if 0.89 is clearly broken.



Japanese yen per US DOLLAR



Chinese yuan per US DOLLAR



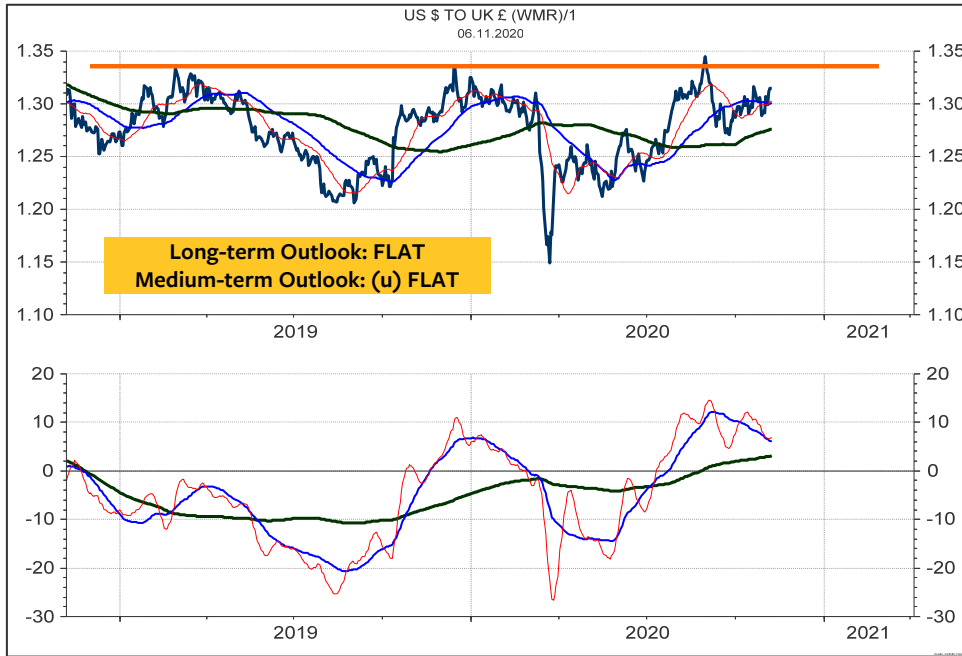
Canadian dollar per US DOLLAR



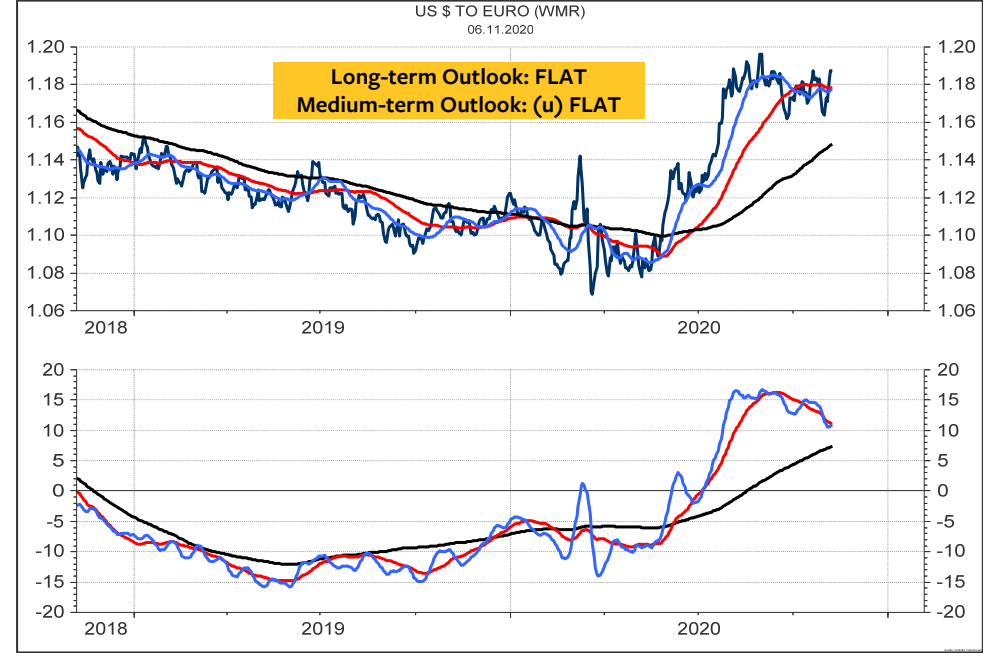
Swedish krona per US DOLLAR



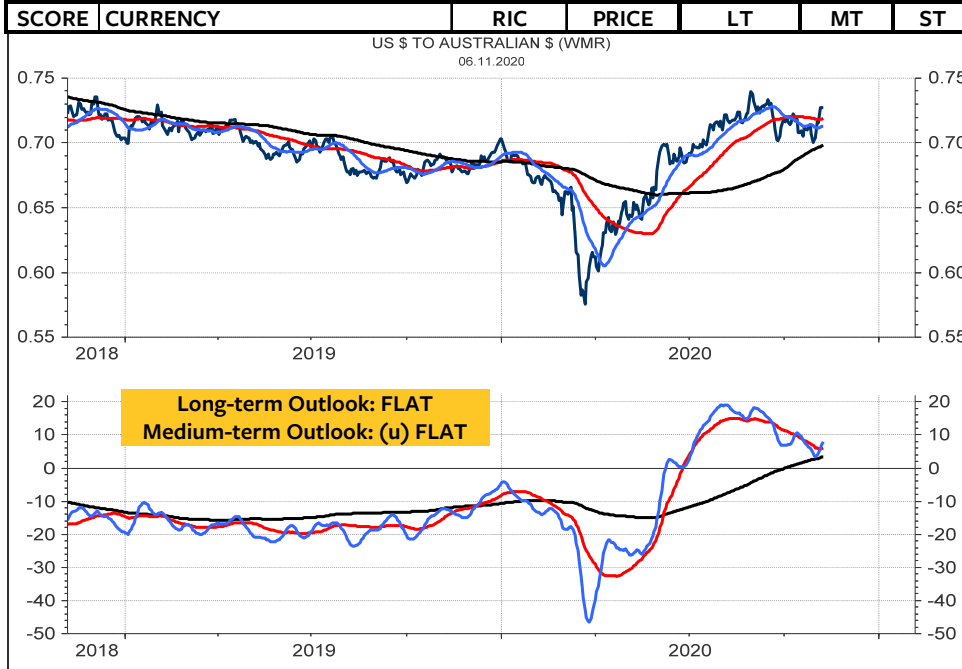
US dollar per BRITISH POUND



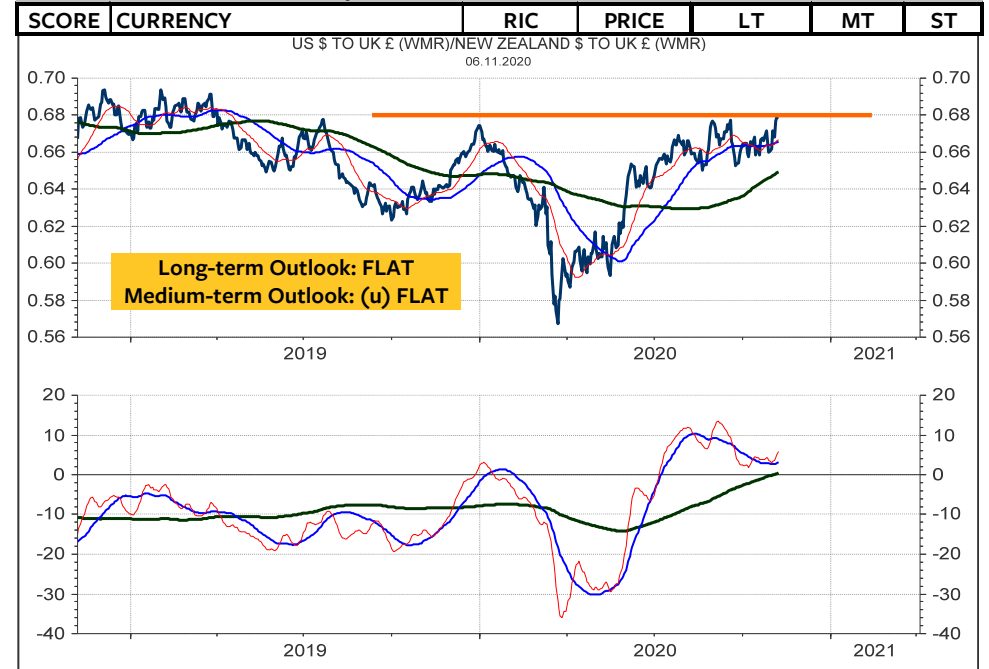
US dollar per EURO



US dollar per AUSTRALIAN DOLLAR

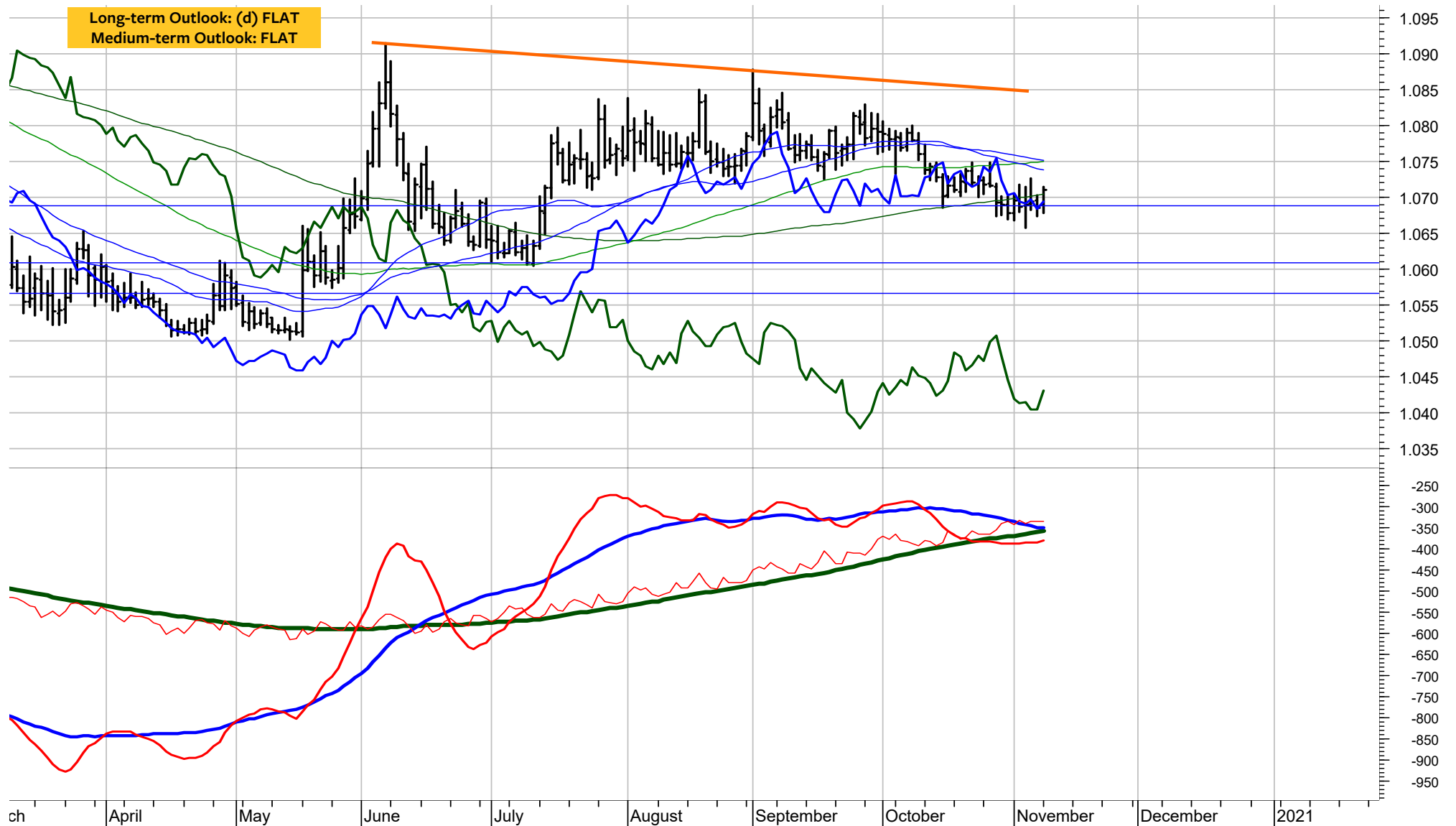


US Dollar per NEW ZEALAND DOLLAR



Swiss franc per EURO

The Euro is trading around the major support, which I had located at 1.0680.
A break of this support would signal 1.0610 to 1.0560 or a test and possible break of 1.05.



Bitcoin / US dollar

The Bitcoin is testing a medium-term resistance at 16000, a break of which would signal 19000 or 21000 to 21500.



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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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