



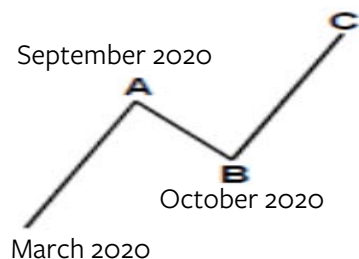
GLOBAL CHART OUTLOOK

BERTSCHIS CHART OUTLOOK

Global Markets

16th November 2020 / Issue #44

The rise in most stock markets from the low in March appears to be forming an inverse A-B-C. According to the Elliott Wave Principle, Wave C correlates to Wave A by the factor 0.382, 0.618 or 1.0. Wave A was formed in most indices from March to early September. Wave B was the decline from early September to the low in late October.



The SMI, for example, registered a high on 9.11.2020 at 10650. At this level Wave C was 0.382 times the length of Wave A. A break of 10650 would signal 11300, at which level Wave C is 0.618 times the length of Wave A. The DAX is close to the 38.20%-resistance at 13500, a break of which would signal 14700 (C=61.80% of A).

In the S&P 500 Index the rise from March can be labeled as a five-wave advance because it rose to a new all-time high. The rise from 30.10.2020 could be Wave 5 of an Expanding Wedge, of which the minimal target is 3650 and the highest target is 3830. If 3830 will be broken, I will have to go back to my drawing board, on which I projected in my Chart Outlook of 30.9.2019 that the S&P 500 could rise to 4200 by 2024.

But, let us next check the price action in the resistance range 3650 to 3830.

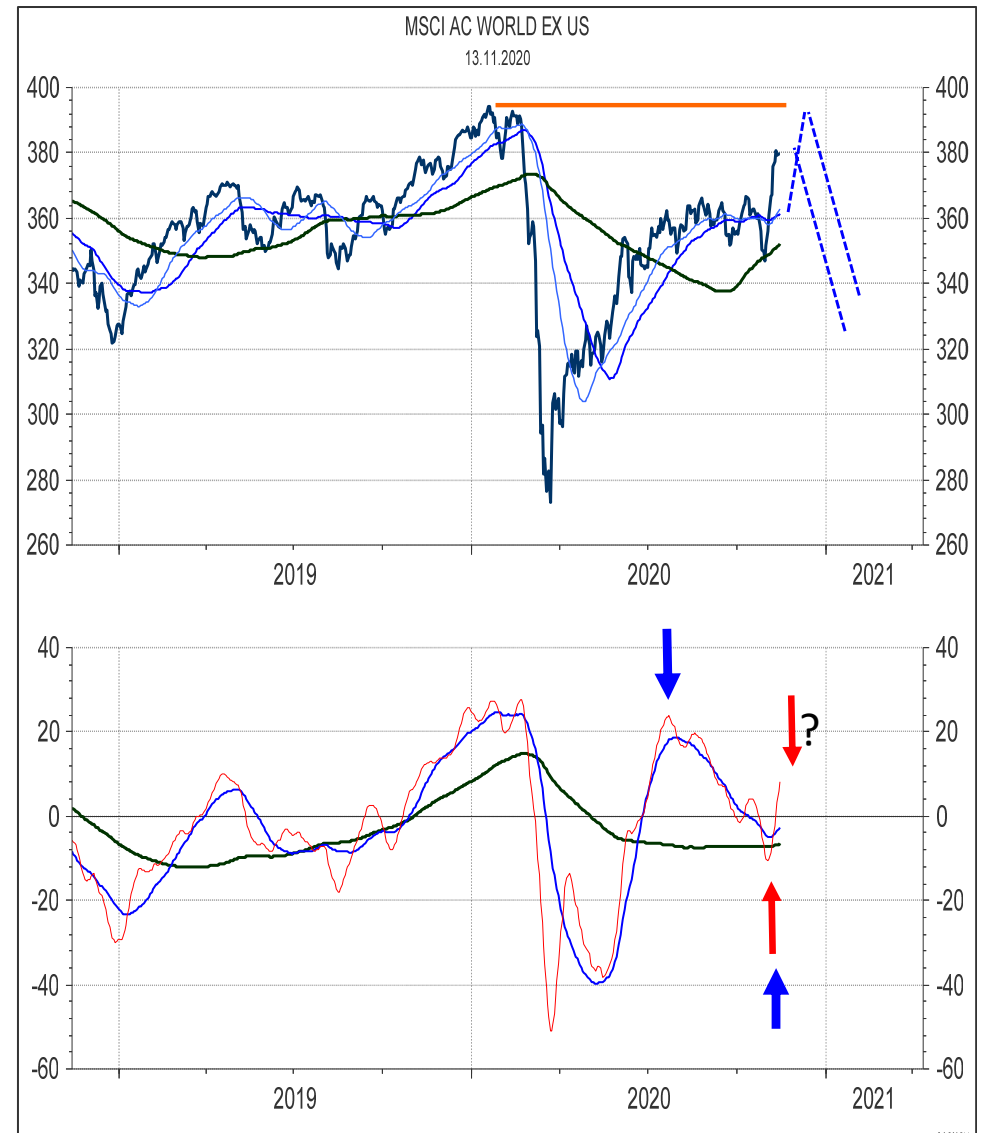
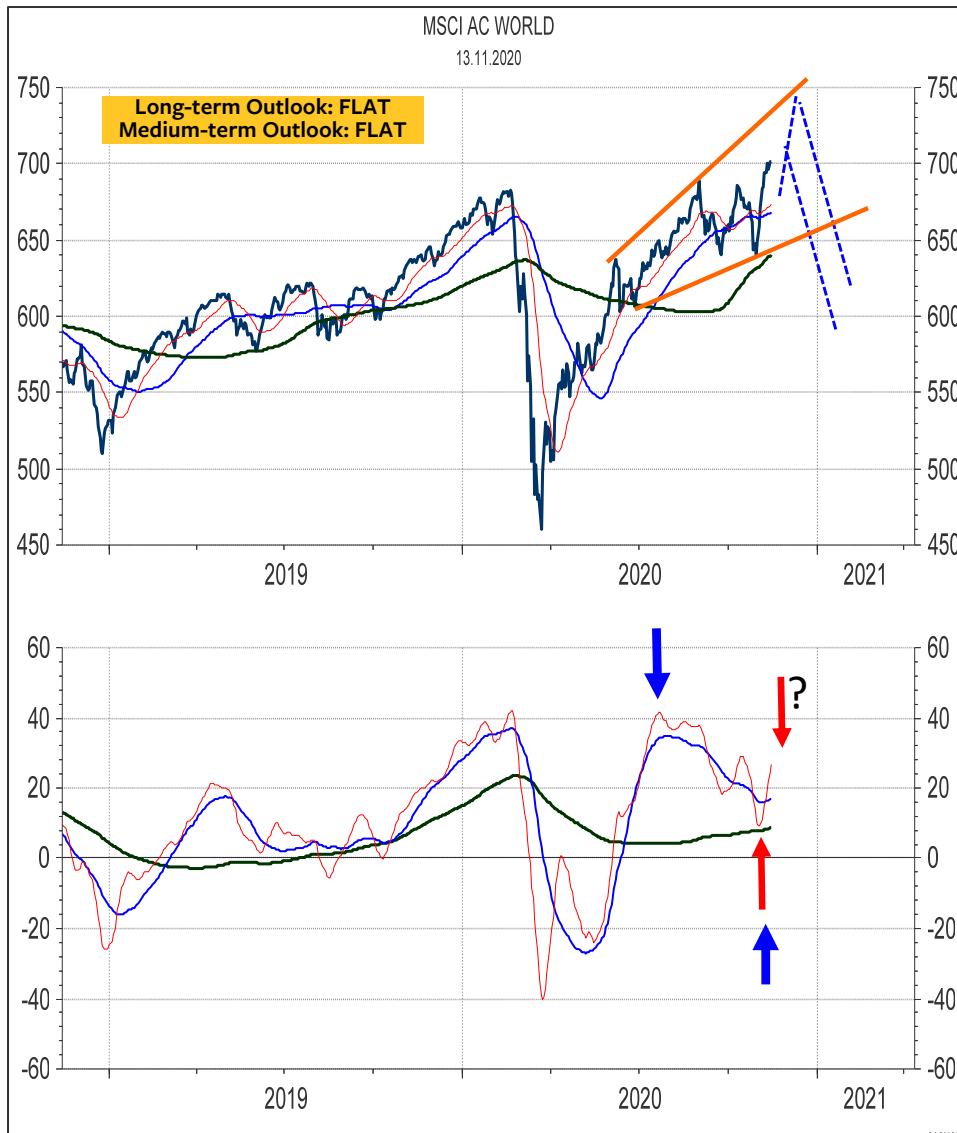
For now and given the limited upside potential to the 38.20%-correlation of Wave C to Wave A in most indices, my Long-term and Medium-term Outlook remains FLAT.

MSCI INDICES IN LOCAL CURRENCIES, ABSOLUTE

SCORE	INDEX	RIC	PRICE	LONG-TERM	LONG-TERM	MEDIUM-TERM	MEDIUM-TERM	MSCI INDICES IN SWISS FRANC RELATIVE TO THE MSCI SWITZERLAND	
				MODEL	OUTLOOK	MODEL	OUTLOOK	LONG-TERM OUTLOOK	MEDIUM-TERM OUTLOOK
83%	ARGENTINA	.dMIARoc	11'576'281	+		O			
100%	AUSTRALIA	.dMIAUoc	1'248.58	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	AUSTRIA	.dMIAToc	417.68	+		+			
100%	BELGIUM	.dMIBEoc	887.93	+		+			
89%	BRAZIL	.dMIBRoc	1'183.98	O	FLAT	+	(u) FLAT	UNDERWEIGHT BRAZIL	UNDERWEIGHT BRAZIL
83%	CANADA	.dMICAoc	2'083.54	+	FLAT	O	FLAT	NEUTRAL	NEUTRAL
100%	CHILE	.dMICLod	3'538.66	+		+			
78%	CHINA	.dMICNoc	106.13	+	UP	O	FLAT	NEUTRAL	NEUTRAL
89%	COLOMBIA	.dMICOoc	2'030.56	O		+			
100%	CZECH REPUBLIC	.dMICZoc	180.69	+		+			
100%	DENMARK	.dMIDKoc	11'735.15	+		+			
17%	EGYPT	.dMIEGoc	2'392.37	-		-			
100%	EM	.dMIEFoc	67'073.54	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	EMU	.dMIEMoc	219.38	+	FLAT	+	(u) FLAT	NEUTRAL	NEUTRAL
83%	FINLAND	.dMIFioo	737.79	+		O			
100%	FRANCE	.dMIFRoc	1'961.14	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
83%	GERMANY	.dMIDEoc	959.24	+	FLAT	O	(u) FLAT	NEUTRAL	NEUTRAL
50%	GREECE	.dMIGRoc	35.30	-	DOWN	O	(u) FLAT	UNDERWEIGHT GREECE	UNDERWEIGHT GREECE
100%	HONG KONG	.dMIHKoc	16'016.19	+	FLAT	+	FLAT	UNDERWEIGHT HONG KONG	UNDERWEIGHT HONG KONG
100%	HUNGARY	.dMIHUoc	1'733.66	+	(u) FLAT	+	FLAT	UNDERWEIGHT HUNGARY	NEUTRAL
83%	INDIA	.dMIINOo	1'460.90	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	INDONESIA FREE	.dMIIDoo	6'250.35	+	(u) FLAT	+	FLAT	(u) NEUTRAL	NEUTRAL
100%	ITALY	.dMIIToo	670.46	+	FLAT	+	FLAT	(u) NEUTRAL	(u) NEUTRAL
100%	JAPAN	.dMIJPoo	1'035.32	+	FLAT	+	FLAT	UNDERWEIGHT JAPAN	NEUTRAL
83%	KOREA	.dMIKRoc	782.68	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	MALAYSIA FREE	.dMIIMYo	532.43	+		+			
100%	MEXICO FREE	.dMIIXoc	37'773.13	+	(u) FLAT	+	FLAT	(u) NEUTRAL	(u) NEUTRAL
100%	NETHERLANDS	.dMINLoc	2'057.11	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
72%	NEW ZEALAND	.dMINZoc	200.05	O		O			
100%	NORWAY	.dMINOoc	2'688.55	+	FLAT	+	(u) FLAT	UNDERWEIGHT NORWAY	UNDERWEIGHT NORWAY
28%	PAKISTAN	.dMIPKoc	322.89	O		-			
100%	PHILIPPINES FREE	.dMIPOoc	1'181.10	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
78%	POLAND	.dMIPLoc	1'166.35	O	DOWN	+	(u) FLAT	UNDERWEIGHT POLAND	UNDERWEIGHT POLAND
89%	PORTUGAL	.dMIPToc	92.55	O	DOWN	+	FLAT	UNDERWEIGHT PORTUGAL	UNDERWEIGHT PORTUGAL
100%	QATAR	.dMIQAoc	788.91	+		+			
89%	RUSSIA	.dMIRUoc	1'207.05	O	DOWN	+	(u) FLAT	UNDERWEIGHT RUSSIA	UNDERWEIGHT RUSSIA
100%	SINGAPORE	.dMISGoc	1'435	+	(u) FLAT	+	(u) FLAT	UNDERWEIGHT SINGAPORE	UNDERWEIGHT SINGAPORE
100%	SOUTH AFRICA	.dMIZAoc	1'341.74	+		+			
100%	SPAIN	.dMIESoc	758.62	+	(u) FLAT	+	(u) FLAT	UNDERWEIGHT SPAIN	(u) NEUTRAL
100%	SWEDEN	.dMISEoc	15'038.85	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
89%	SWITZERLAND	.dMICHoc	1'398.63	O	DOWN	+	(u) FLAT		
83%	TAIWAN	.dMITWo	527.09	+	FLAT	O	FLAT	NEUTRAL	NEUTRAL
100%	THAILAND FREE	.dMITHoc	456.62	+		+			
100%	TURKEY	.dMITRoc	1'529'577.98	+	(u) FLAT	+	(u) FLAT	(u) NEUTRAL	(u) NEUTRAL
100%	UK	.dMIGBoc	1'775	+	(u) FLAT	+	FLAT	UNDERWEIGHT U.K.	(u) NEUTRAL
100%	UNITED ARAB EMIRATES	.dMIAEoc	300.66	+		+			
83%	UNITED STATES	.dMIUSoc	3'468.51	+	FLAT	O	FLAT	OVERWEIGHT USA	NEUTRAL
100%	WORLD	.dMIWDo	701.10	+	FLAT	+	FLAT	OVERWEIGHT WORLD	NEUTRAL

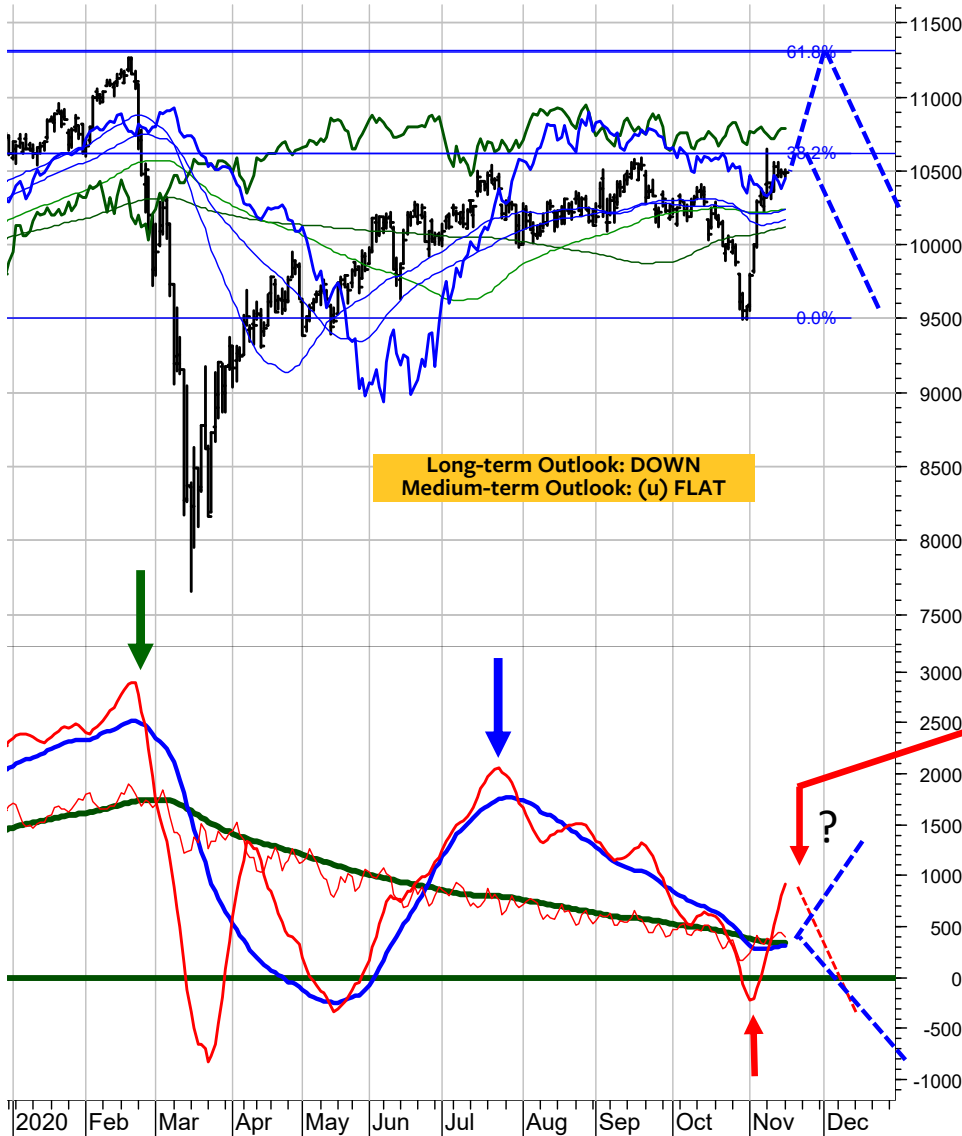
MSCI All Country World Stock Market Index (left) and MSCI World Index ex USA (right)

The rally in the World Index (left) from 20.10.2020 could extend to the upper resistance range between 710 and 750. I still believe this rally is the final rise within the advance from March 2020. This means that the upturn in the medium-term momentum indicator (bottom, marked blue) is likely to give way to a major correction once the Index has reached the resistance range. The magnitude of the next short-term decline will be most critical to the present uptrend. The same holds true for the MSCI World ex USA (right), which could reach the high from January 2020 before topping. My Long-term Outlook remains FLAT. Given the possible extension of the yearend rally, I have upgraded the Medium-term Outlook to FLAT.



Swiss Market Index SMI

The SMI appears to be tracking my forecast of the bullish version of the long-term Triangle, which I pictured on page 4 of last weeks Chart Outlook. But, to give this positive outlook preferred status, the SMI must clear 10650. If it does so, the next resistance is at 11300, which is about 8% above the present level. The support levels are at 10350, 10200 and 9940. The daily chart at right shows the short-term indicators, the 13-day and 21-day averages and the short-term momentum reversal, all marked red. The present short-term uptrend would reverse downward and re-instate the medium-term momentum decline from July if the 3 short-term indicators are broken. Presently, they are positioned between 10200 and 10100. A break of these levels would confirm my presently negative long-term outlook. Obviously, a break of 10650 would again shift the long-term outlook to FLAT or UP.



Swiss Banks Price Index

The SPI Banks Index is testing the resistance at 420. A break of 420 would push the Index above the medium-term momentum reversal and signal 445 or 485. Thus, the banks index is at a similarly critical juncture to the SMI Index.

The relative chart of the Banks to the SPI (bottom) remains NEUTRAL. It remains to be seen if the relative chart from March is forming a major relative bottom.



Swiss Real Estate All Shares Price Index

The SPI Real Estate All Share Index is in a minor consolidation at the resistance 1610. A break above 1610 and above the medium-term momentum reversal (at 1650) would signal 1700 or 1830.

The relative chart of the Real Estate Index to the SPI (bottom) remains NEUTRAL. It remains to be seen on which side the consolidation will be broken.



Swiss 10-year Conf Yield (left) and the Total Return from the 10-year Conf relative to the MSCI Switzerland

The Swiss 10-year Yield remains in a triangle (marked orange). A break of -0.63% would signal a break in the 10-year yield to the downside. Next supports are -0.78% or -0.84% to -0.95%. It would take a break above -0.40% to signal -0.3%. I rate the odds 6:4 in favor of a break downwards.

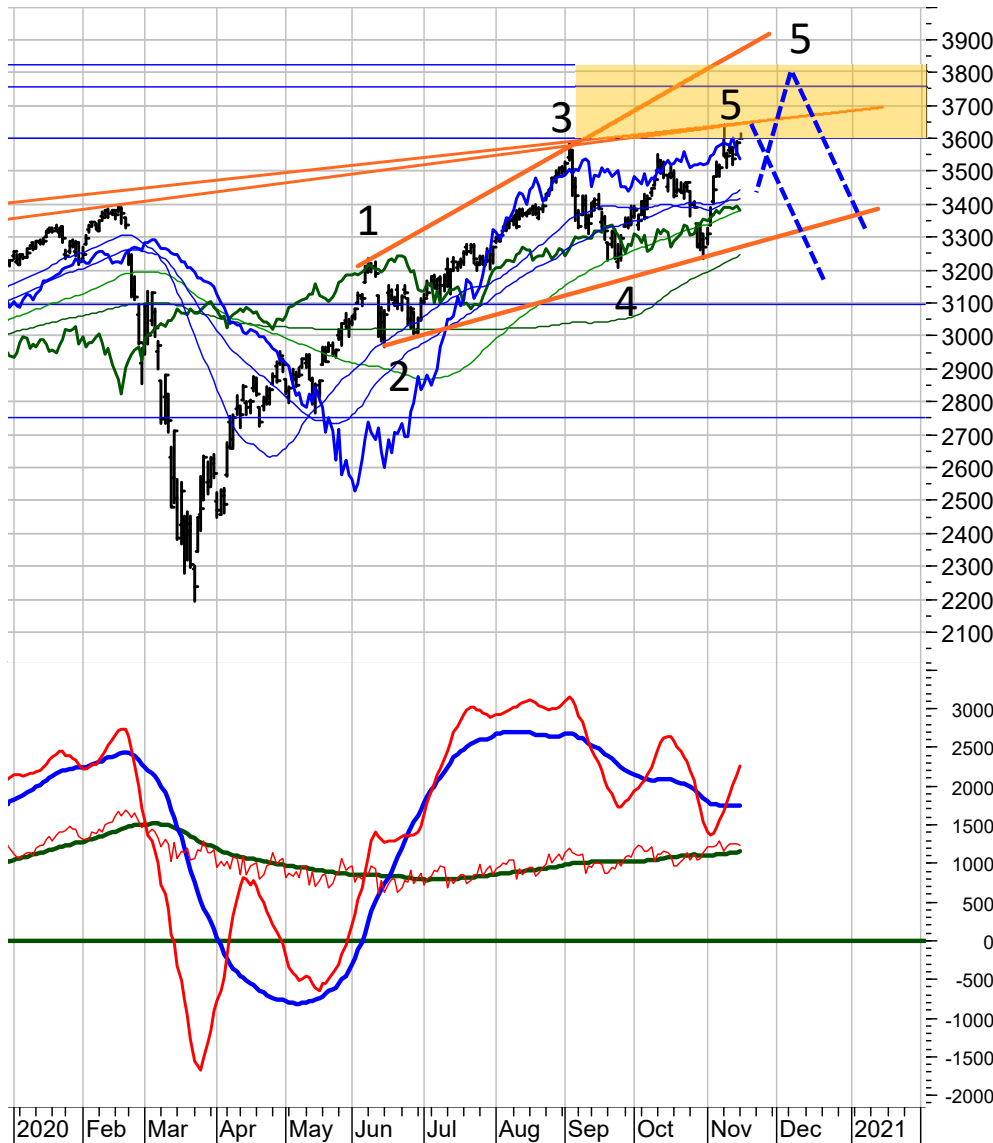
The Total Return from the 10-year Swiss Confederation Bonds has been underperforming the MSCI Switzerland from the high in March. Next is the test of the long-term support at 7.5, a break of which would mean that investors remain invested (or overweight) in the stock market and not in the bond market (or underweight).



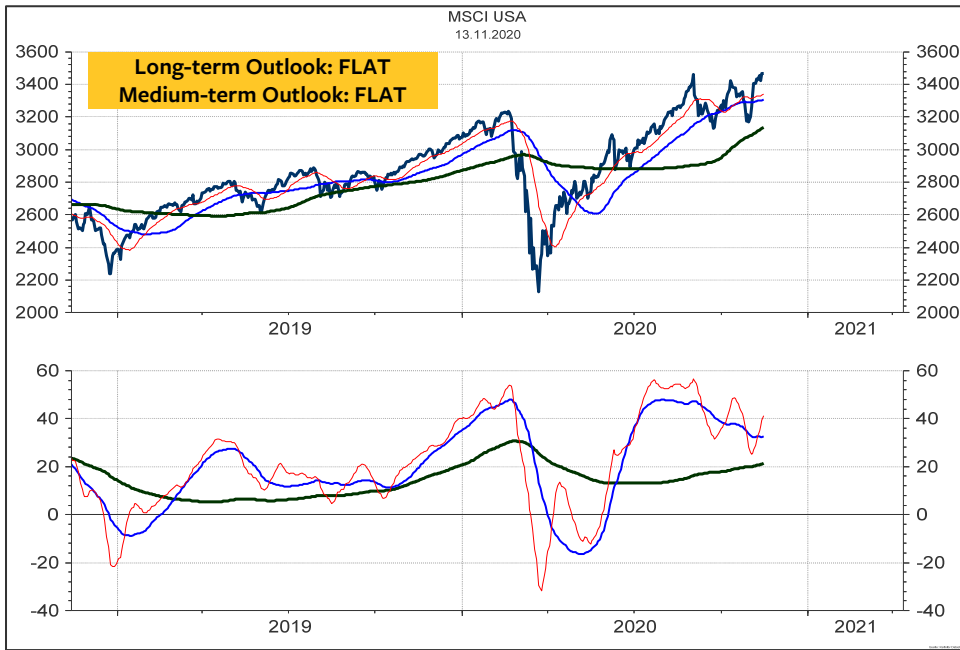
S & P 500 Index

The S&P 500 Index slightly surpassed my resistance range, which I had projected at 3570 to 3600. A minor correction started at 3646. But, the correction appears to have limited downside. A break above 3635 is likely to signal 3750 to 3830.

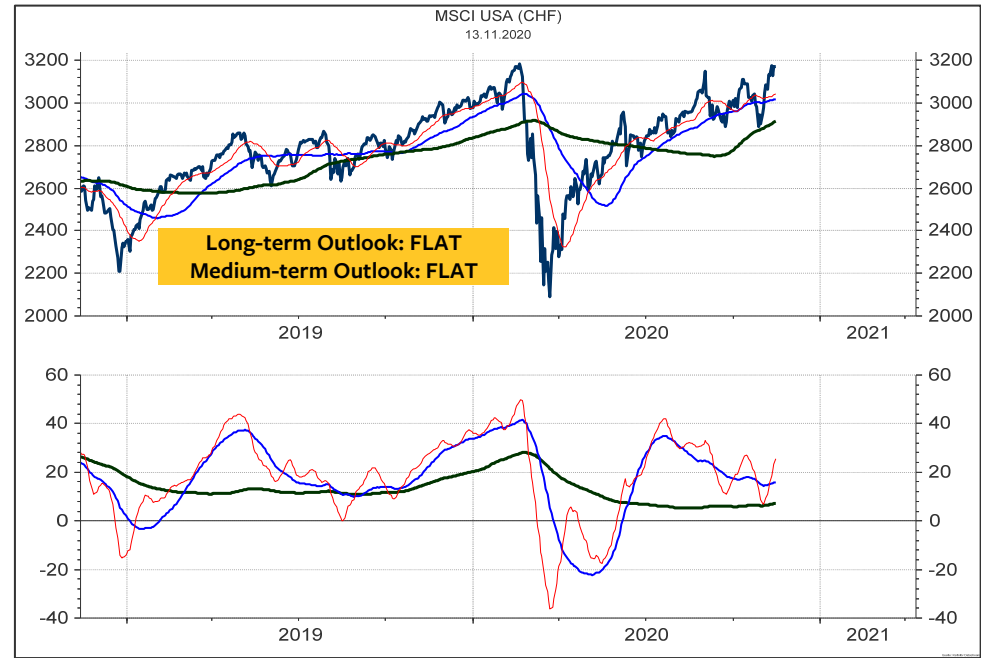
The rise from 30.10.2020 could be Wave 5 of an Expanding Wedge, the minimal target is 3650 and the highest target is around 3830. If 3830 will be broken, I will have to go back to my drawing board, on which I projected in September 2019 that the S&P 500 would rise to 4300 by 2024. This would be a final 23% upside before a major downleg is expected. But, let us next check the price action in the resistance range 3650 to 3830.



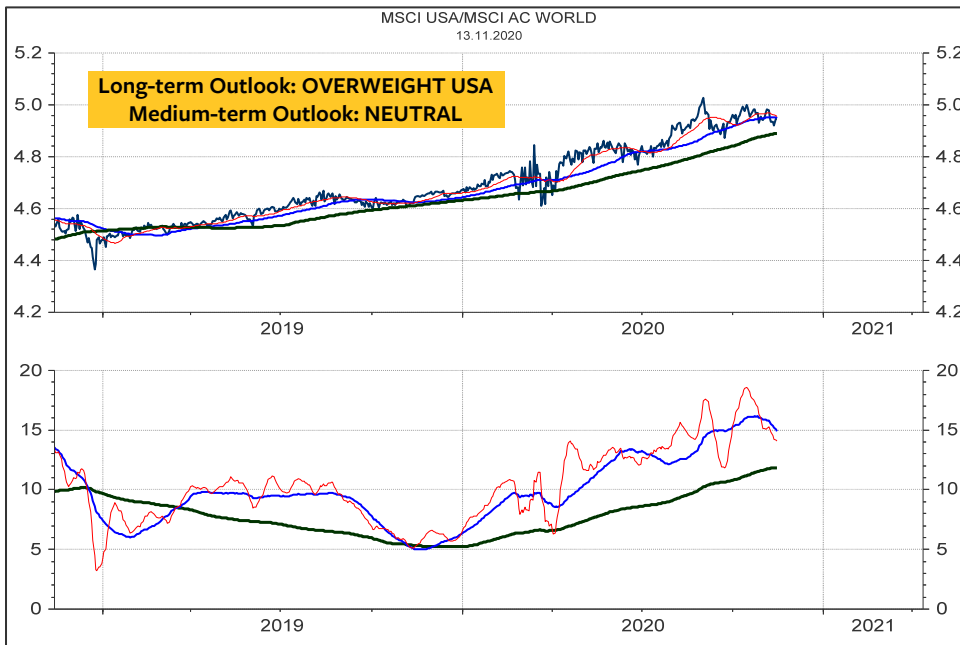
MSCI USA in US\$



MSCI USA in Swiss franc



MSCI USA relative to the MSCI AC World



MSCI USA in SFR relative to MSCI Switzerland



Nasdaq 100 Index

Given the magnitude of the rally from September to October and the magnitude of the October-correction, the present rally will meet major resistance levels at 12500 or 13400.

The Nasdaq relative to the to the S&P 500 Index (bottom) will move from neutral to UNDERWEIGHT if the 144-day moving average is broken.



Russel 2000 Index

Given the magnitude of the rally from September to October and the magnitude of the October-correction, the present rally is testing major resistance levels at 1750 or 1880.

The relative chart is testing the relative resistance at 1.41 to 1.43, a break of which would justify a higher overweight in the Russel 2000 Index compared to the S&P 500 Index.



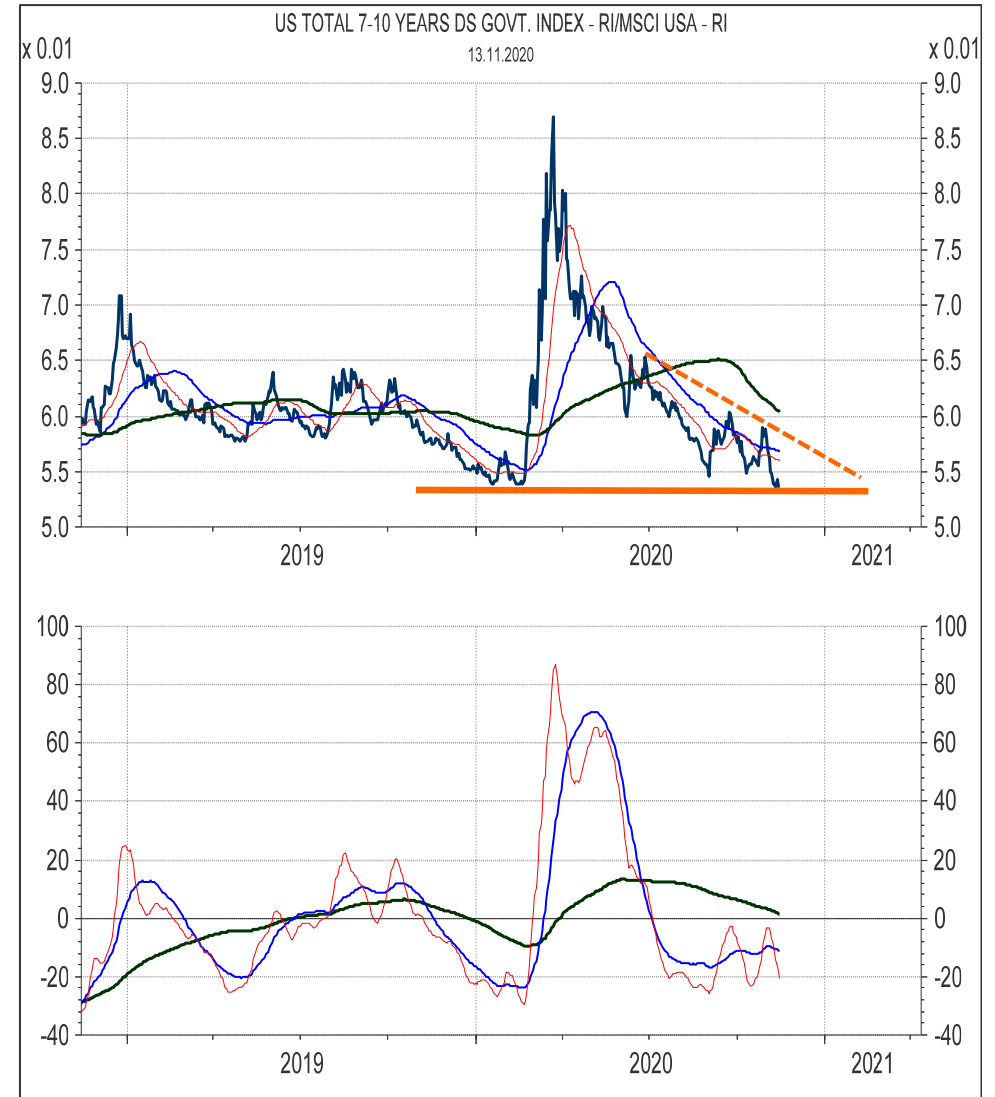
US 10-year Notes Yield (left) and the Total Return from the 10-year Notes relative to the MSCI USA

The US 10-year Yield has been in the recovery mode since the low in August at 0.5040%. Presently, it is testing the Fibonacci resistance within the TRIANGLE from March at 1.00%, a break of which would signal 1.10% to 1.15% or 1.45%.

Thus, the break of 1.00% to 1.45% would signal a long-term upturn in the US 10-year Yield.

The Total Return from the 10-year US T-Notes has been underperforming the MSCI USA (Total Return) since the high in March. Presently, the relative chart is testing the long-term support around 5.30.

A break of 5.30 would signal further underperformance of the 7-10-year Government Bond Index, indicating that investors should remain in stocks (or overweight) and not in bonds (or underweight).



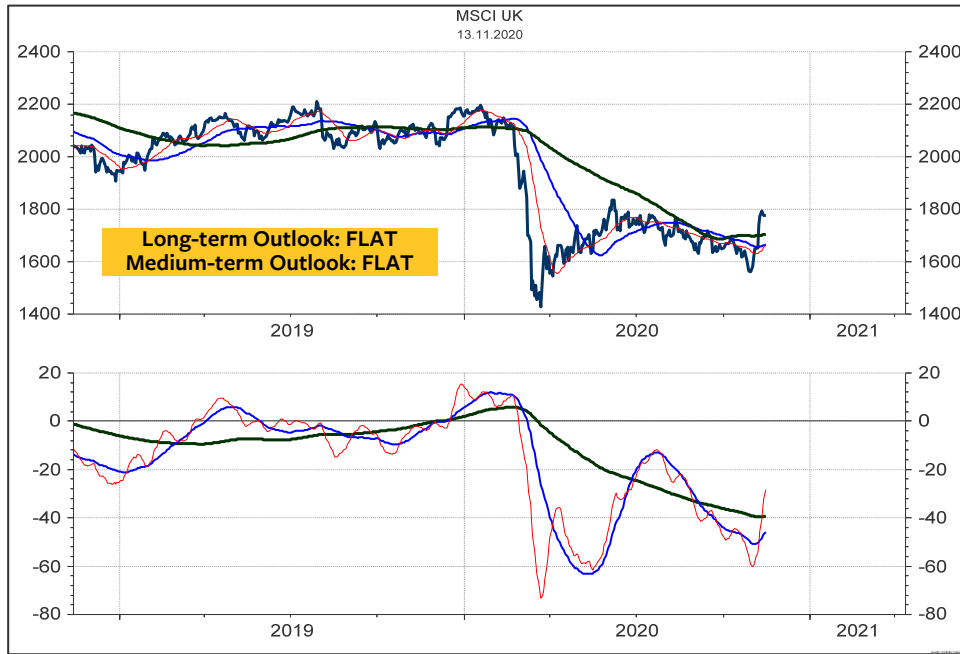
FTSE 100 Index

The rise in the FTSE from late October correlates to the rise from March to June. Based on this correlation, the next major Fibonacci resistance is at 6500. A break of 6500 would signal 7150 or 8100.

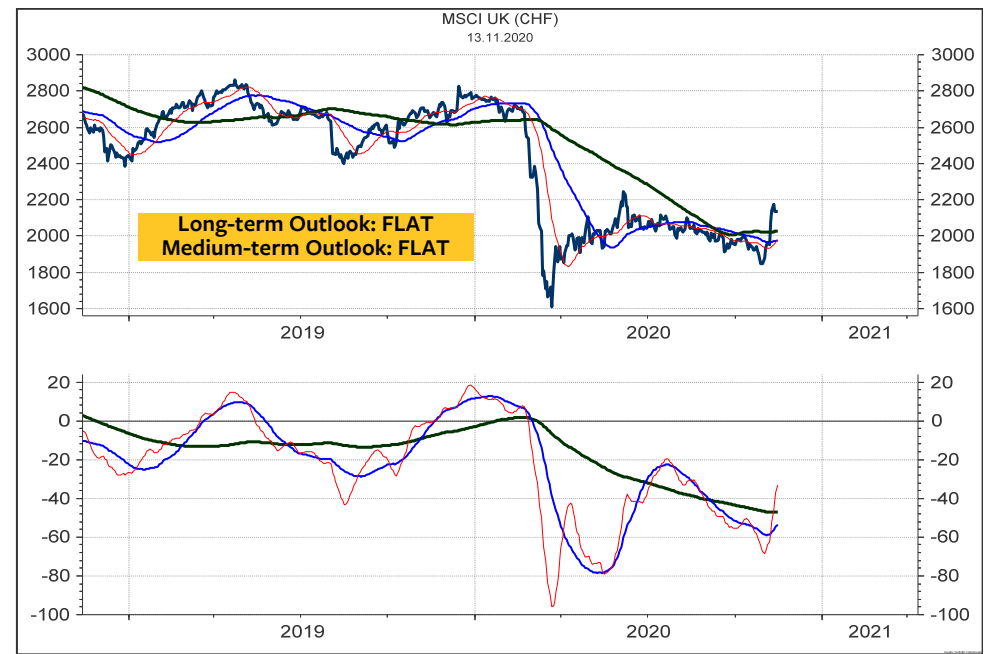
Swiss franc-based equity investors should take a look at the lower right chart on the next page. The relative performance of the MSCI U.K. in Swiss franc and relative to the MSCI Switzerland is upgraded to medium-term NEUTRAL. It is too early to call for a new long-term trend of outperformance of the MSCI U.K. in Swiss franc relative to the MSCI Switzerland. But, a rise above the relative resistance at 1.60 to 1.70 would provide some evidence that after more than 20 years of U.K. underperformance, it could be time again for the Swiss franc-based equity investor to buy the U.K....Stay tuned.



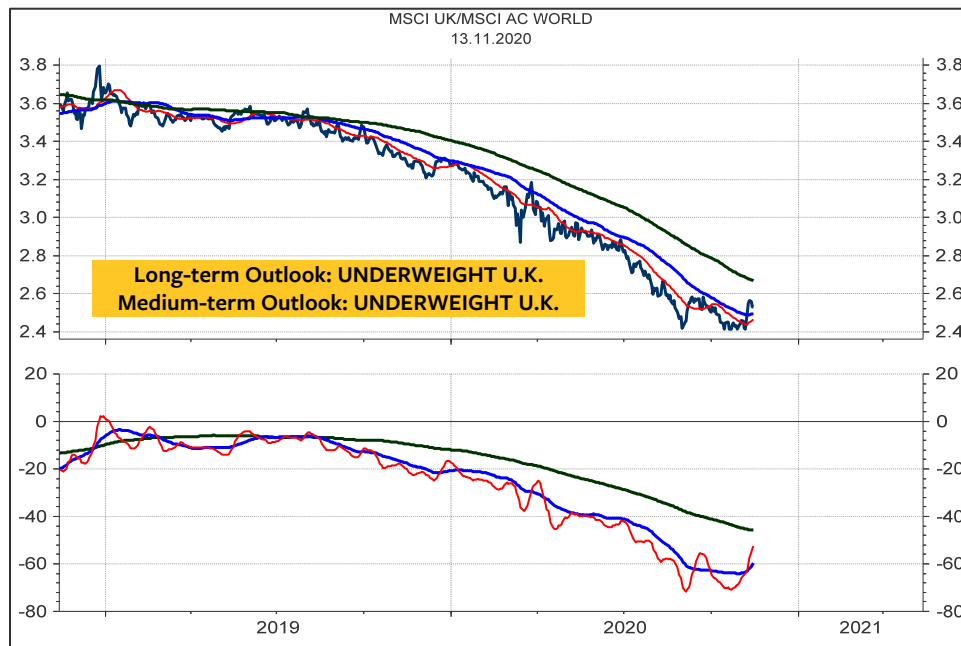
MSCI U.K. in British Pound



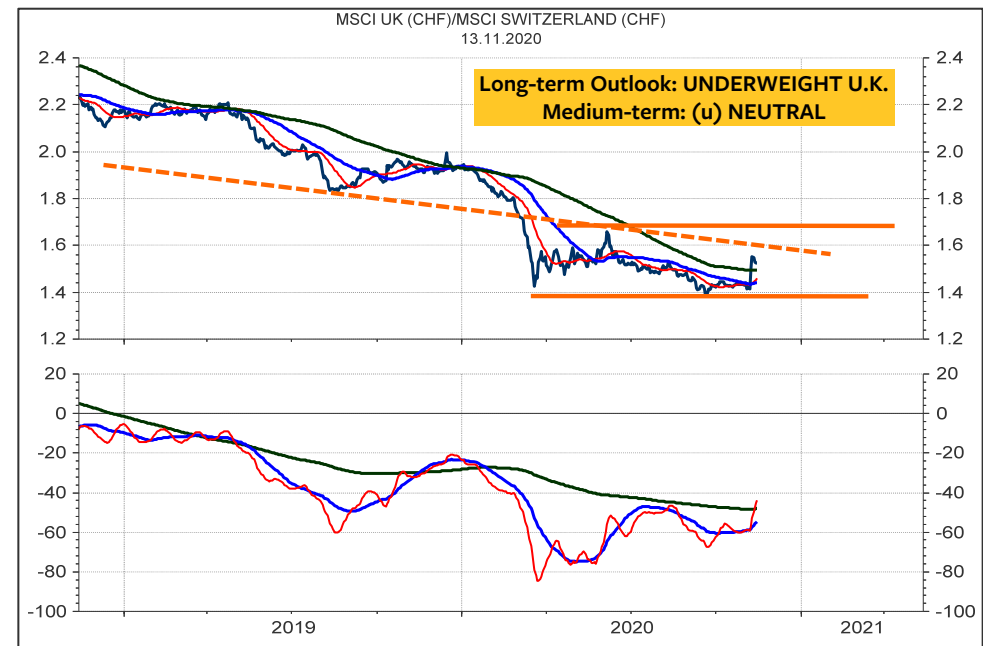
MSCI U.K. in Swiss franc



MSCI U.K. relative to the MSCI AC World



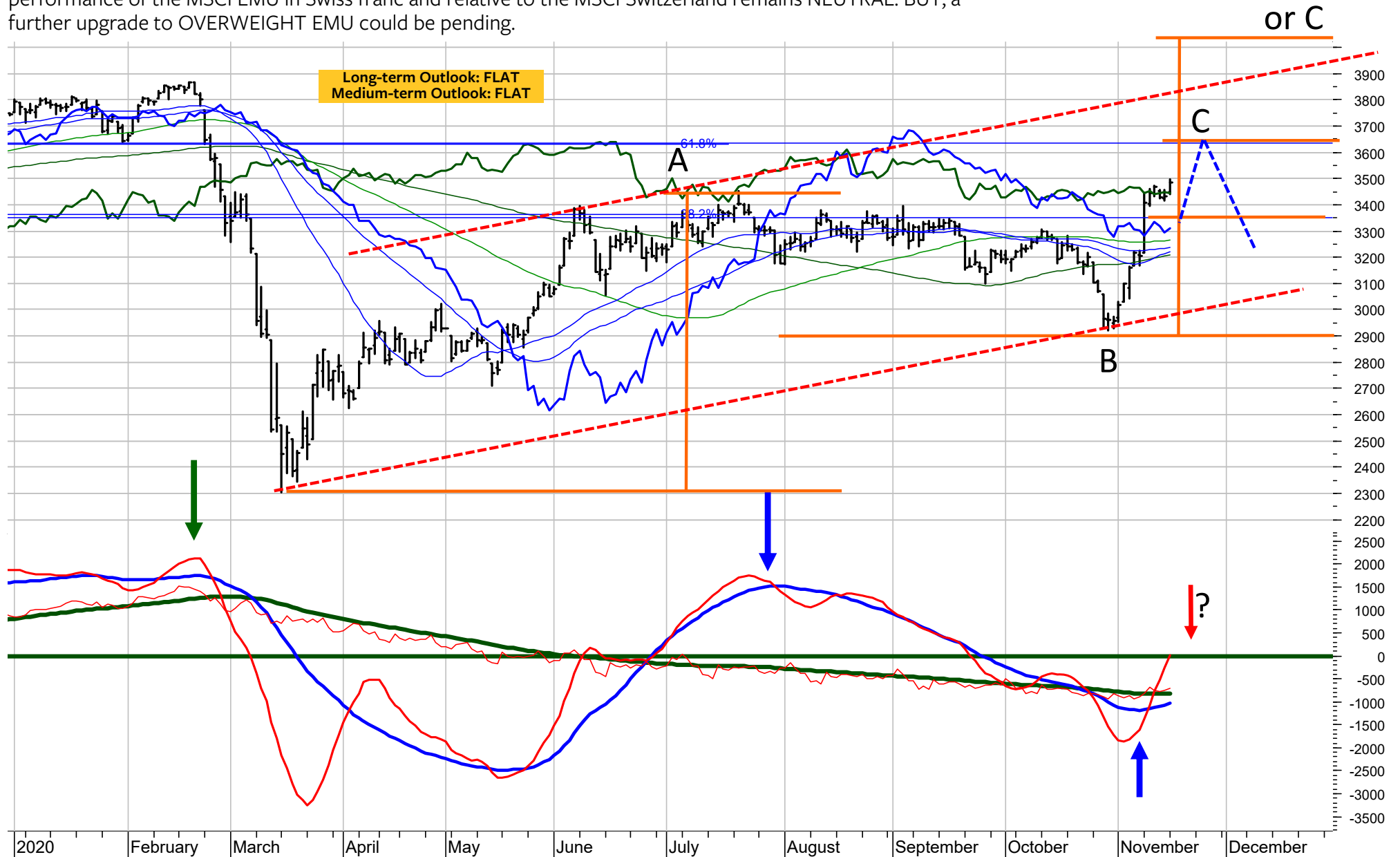
MSCI U.K. in SFR relative to MSCI Switzerland



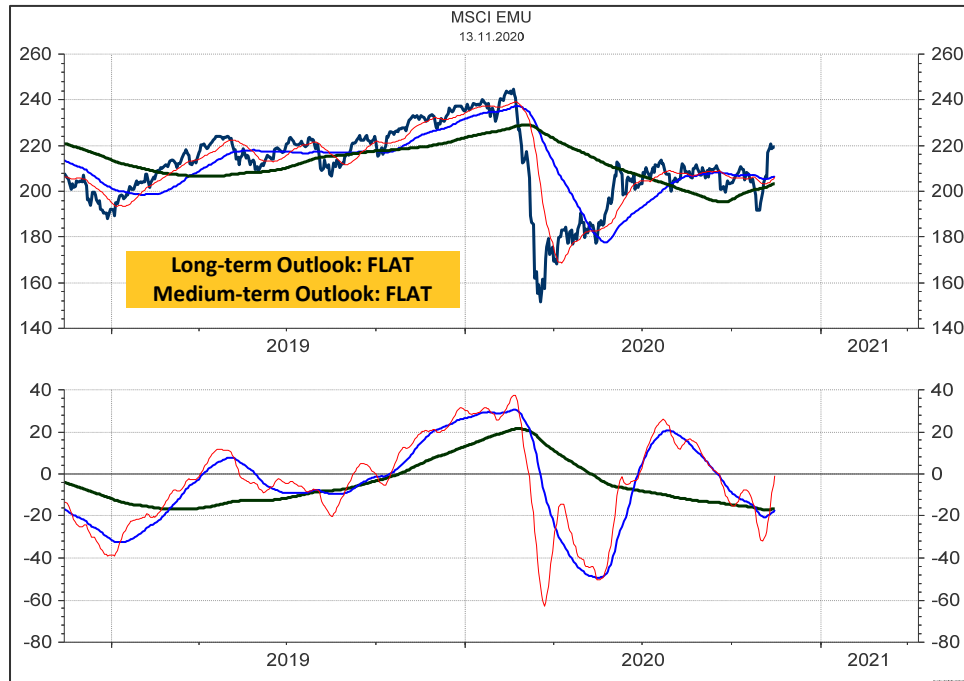
Eurostoxx 50 Index

Because the rally from 29.10.2020 correlates to the rise from March to July, the Fibonacci correlation locates the next resistance levels at 3650. A break of 3650 will signal 4050.

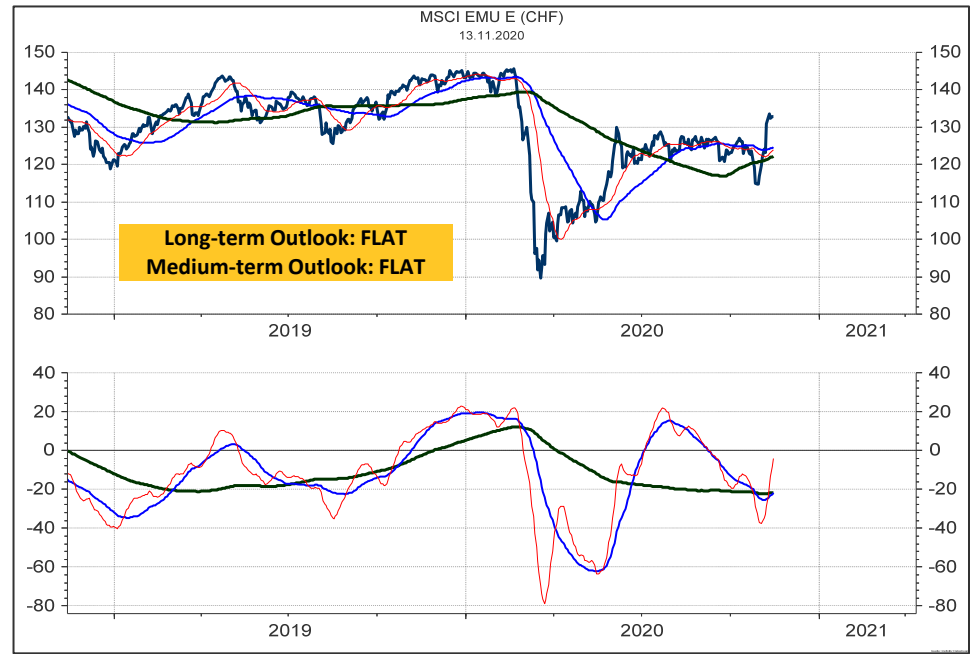
Swiss franc-based equity investors should take a look at the lower right chart on the next page. The relative performance of the MSCI EMU in Swiss franc and relative to the MSCI Switzerland remains NEUTRAL. BUT, a further upgrade to OVERWEIGHT EMU could be pending.



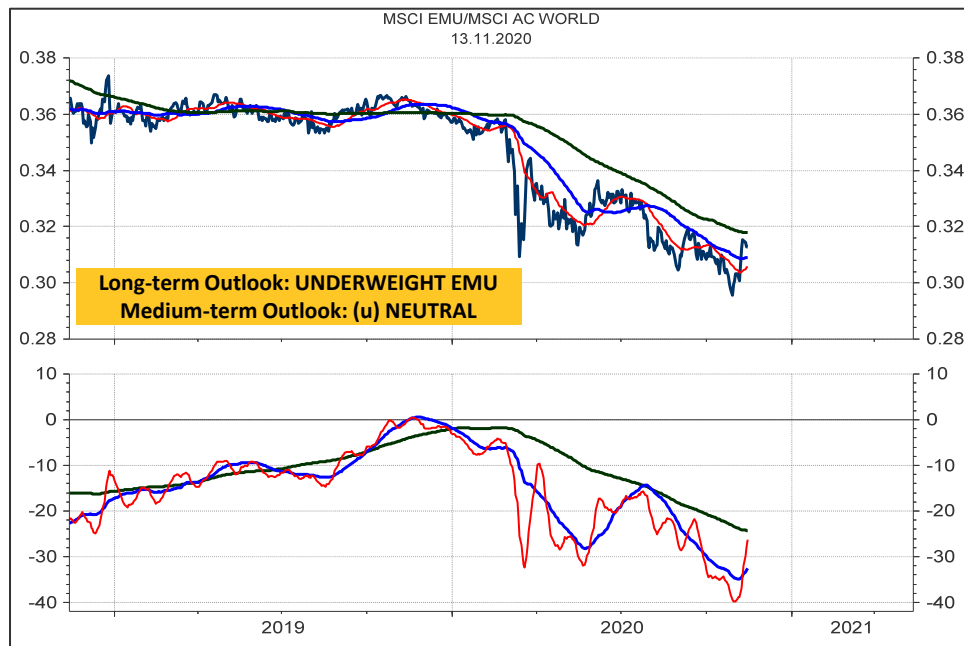
MSCI EMU in Euro



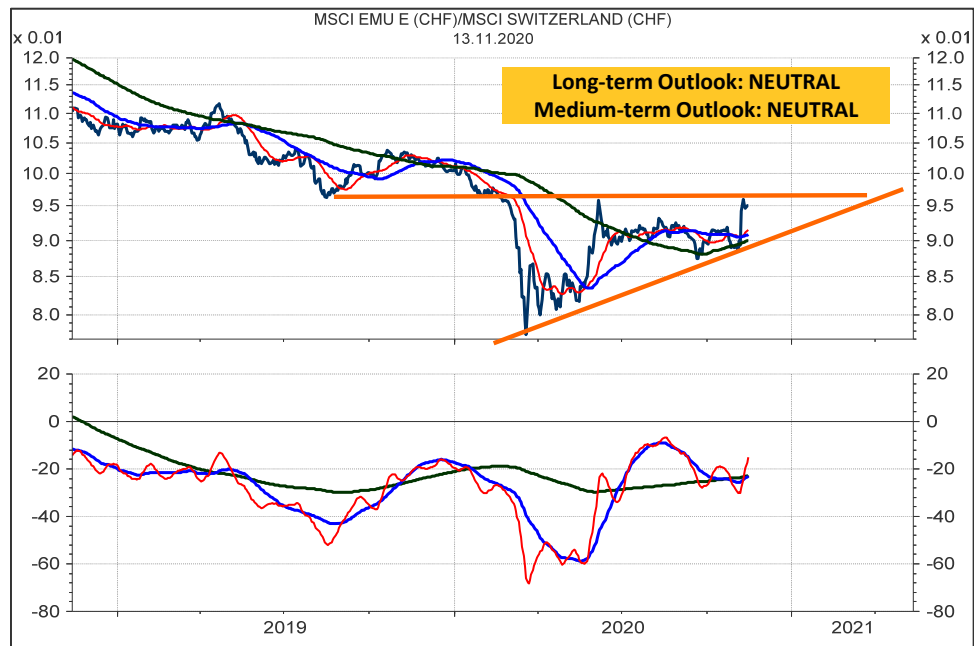
MSCI EMU in Swiss franc



MSCI EMU relative to the MSCI AC World

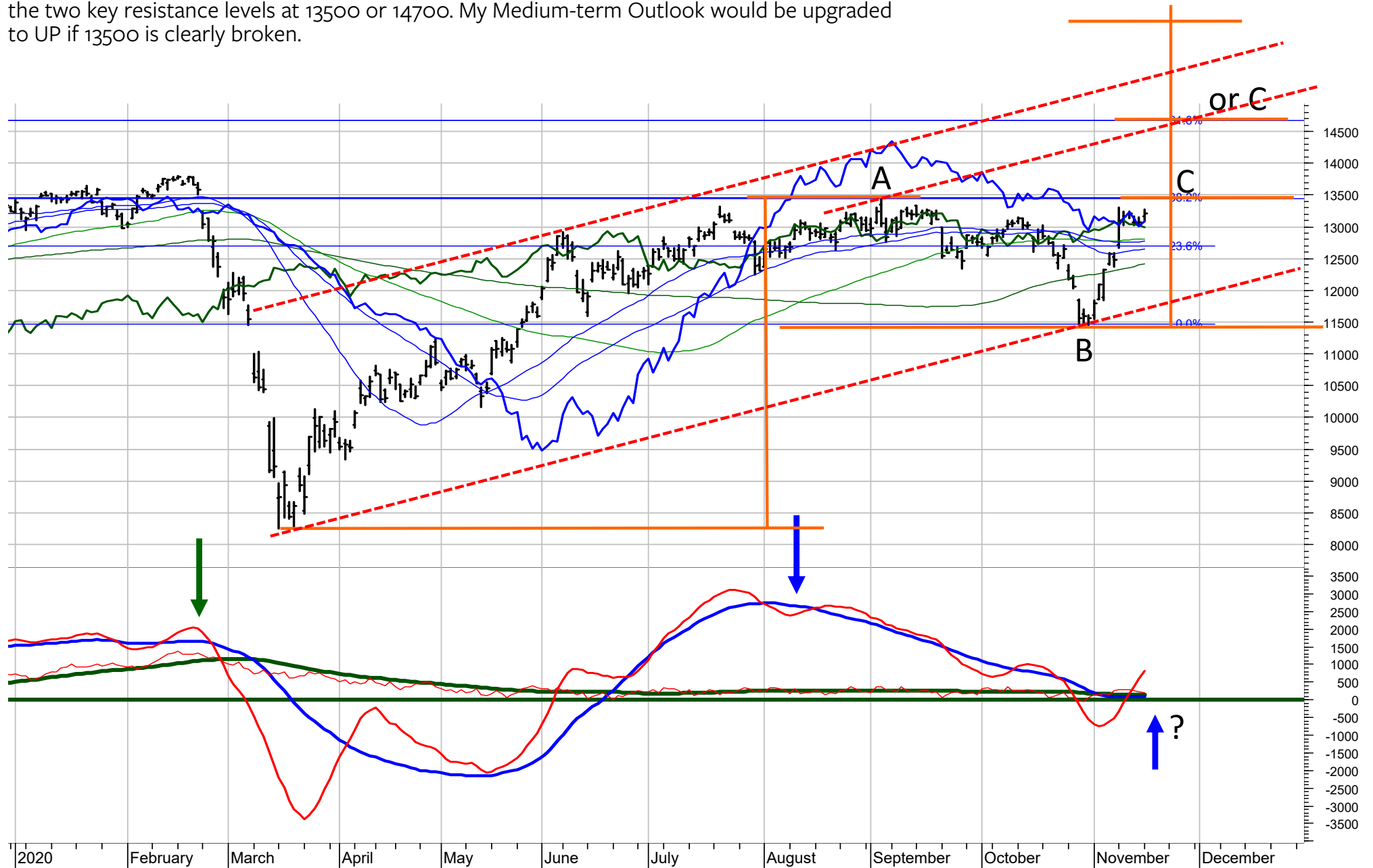


MSCI EMU in CHF relative to MSCI Switzerland



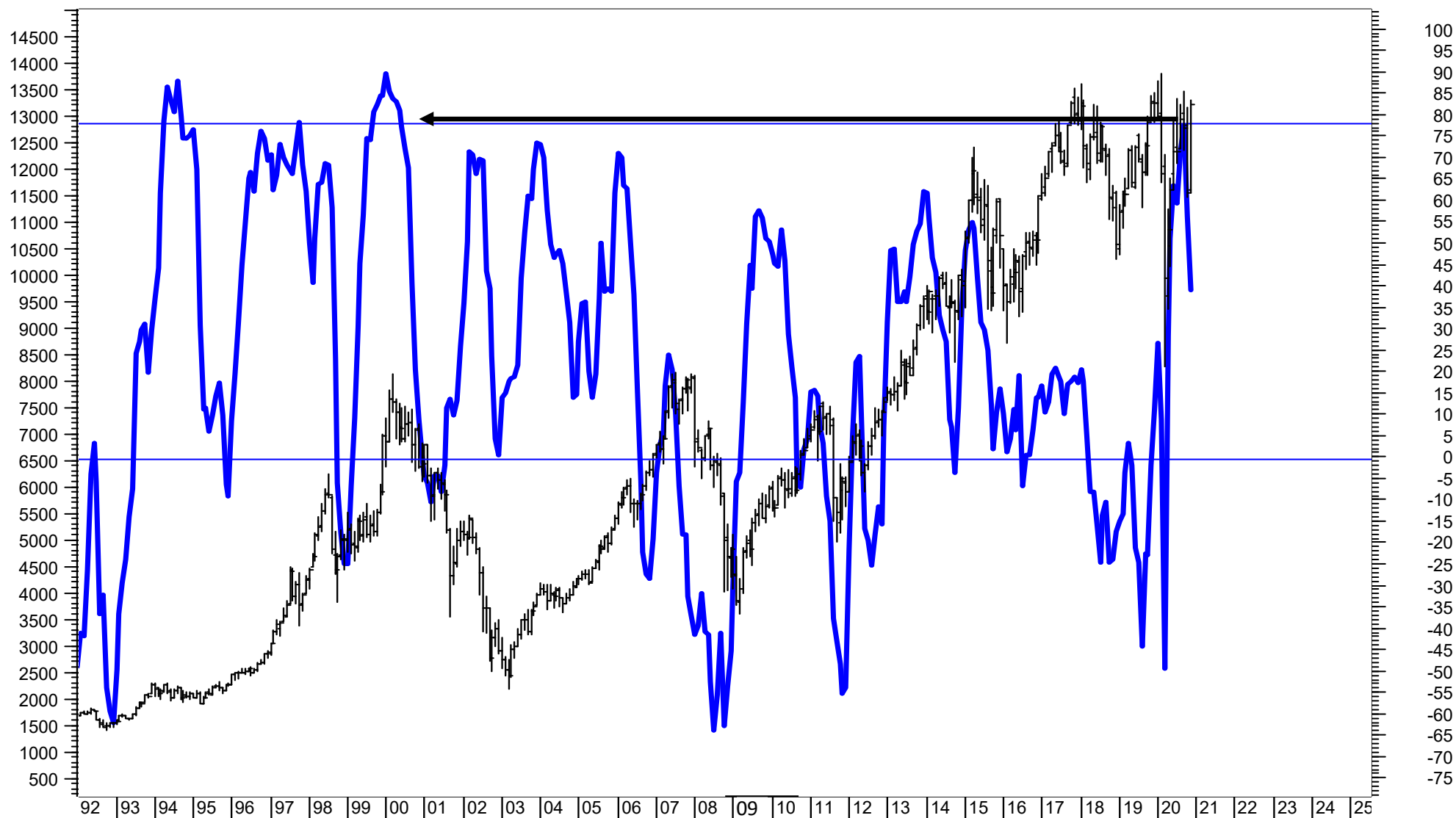
Deutscher Aktien Index DAX

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 would be upgraded to UP if 13500 is clearly broken.

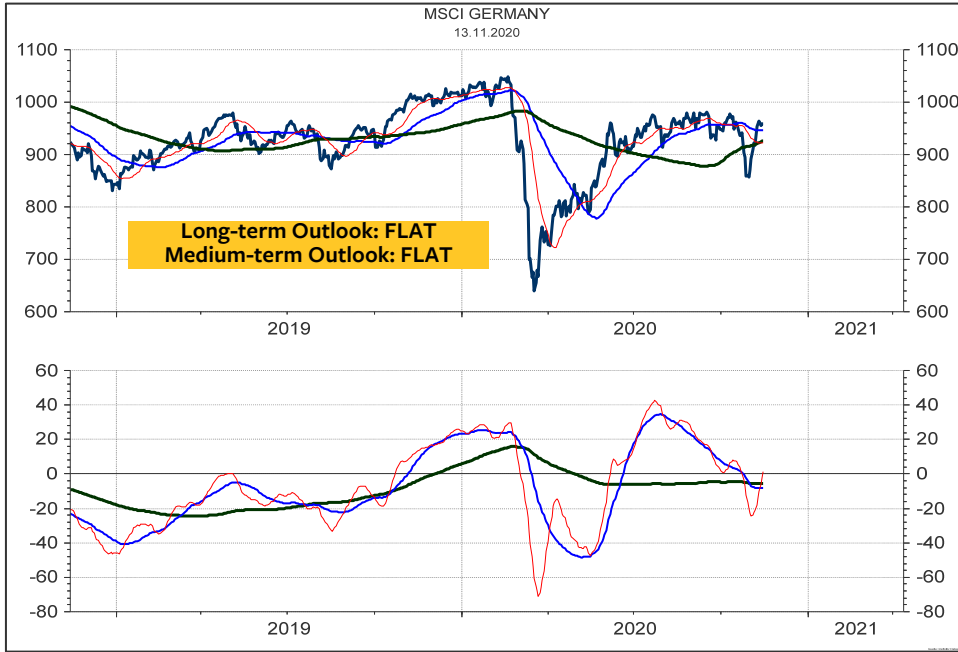


Germany – DAX and the ZEW Economic Sentiment

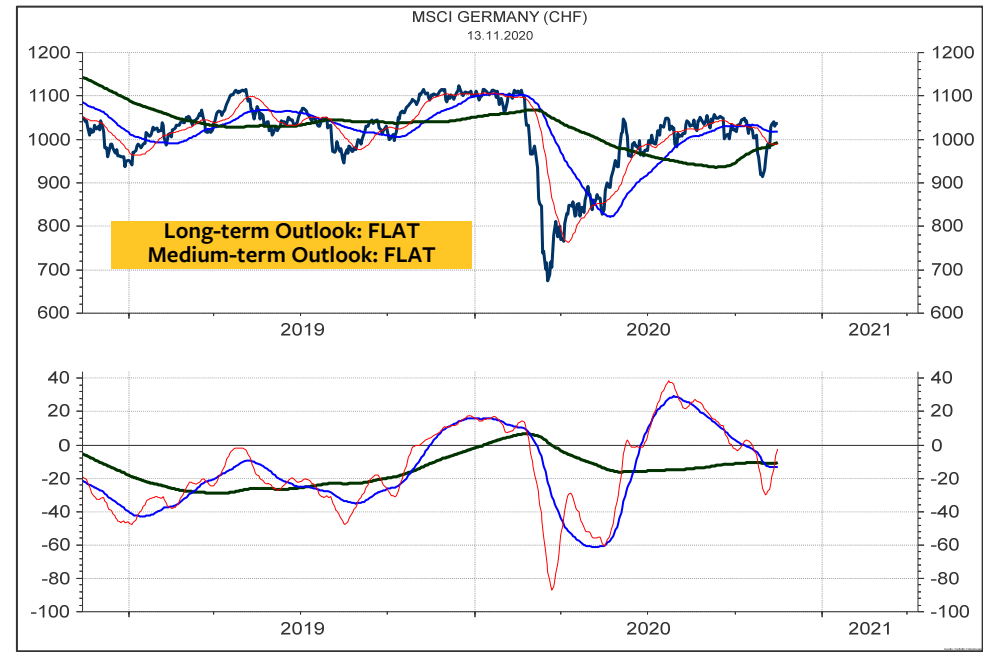
Economic expectations in Germany have surged to the highest level since the year 2000. Looking at the correlation of the ZEW Economic Sentiment to the DAX, it seems that the upside potential in the DAX is limited to 13500 or 14700 at best.



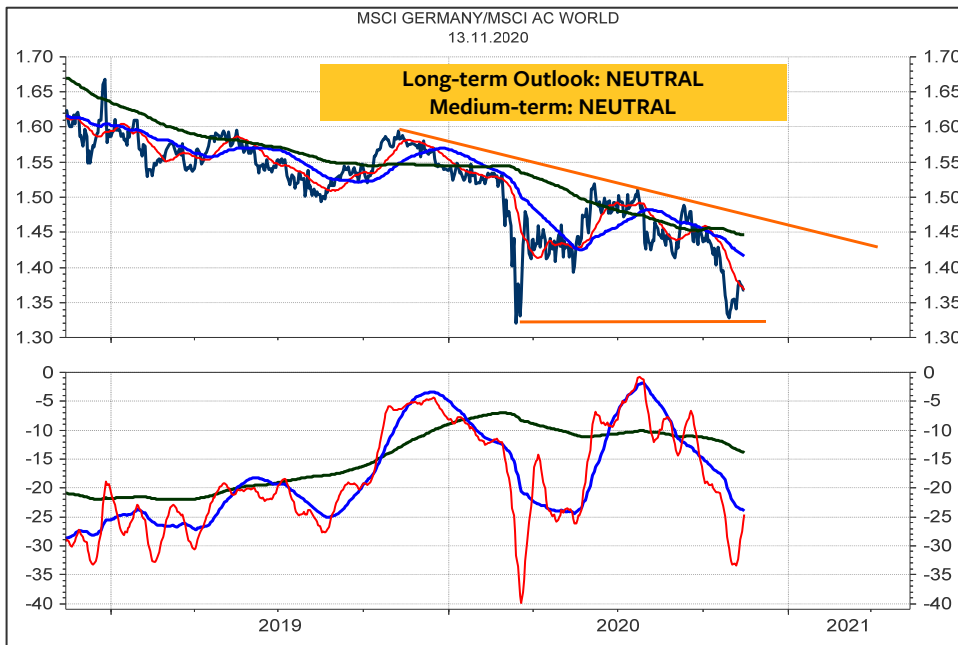
MSCI GERMANY in Euro



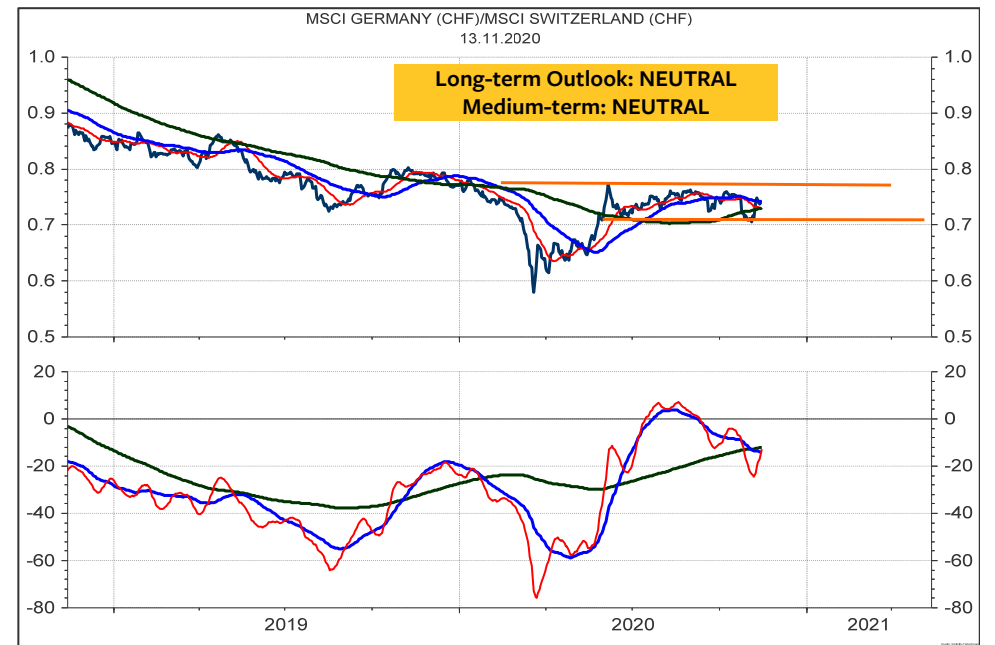
MSCI GERMANY in Swiss franc



MSCI GERMANY relative to the MSCI AC World



MSCI GERMANY in SFR relative to MSCI Switzerland



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 resistance is 27000 to 27500. With the rise of the past few days, the Nikkei is almost there. Only if 27500 is clearly broken would the next resistance activated at 33500.

As you can see on the next page (lower right chart), the performance of the Nikkei Index in Swiss franc relative to the MSCI Switzerland could well break above the relative resistance at 6.70. Such a break upwards would signal that Swiss franc-based equity investors should move from long-term underweight and medium-term neutral to long-term NEUTRAL and medium-term OVERWEIGHT.

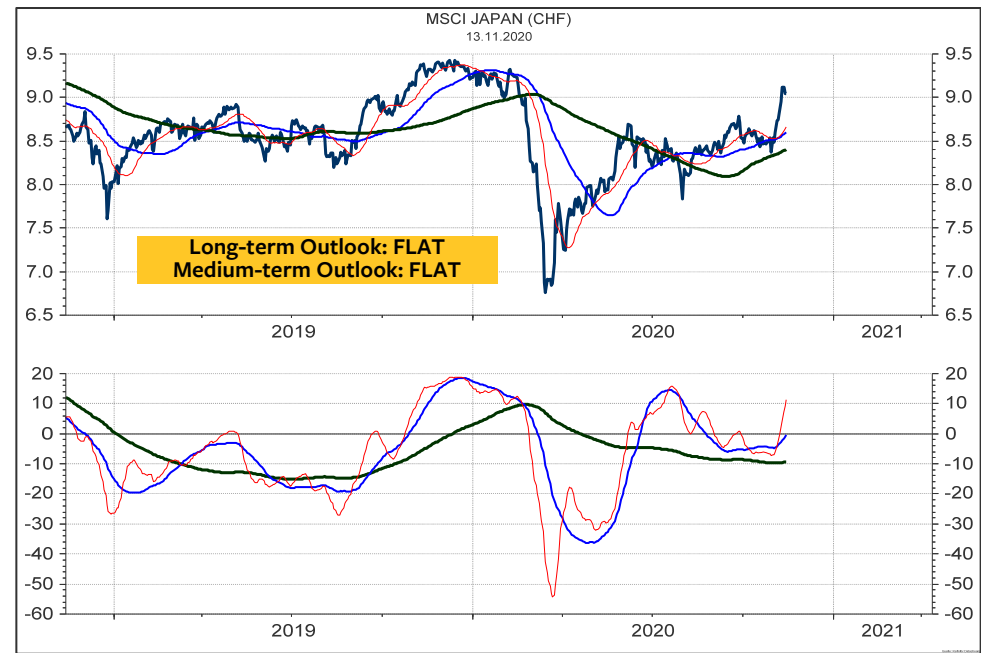
A break above 6.90 would signal a shift to long-term OVERWEIGHT Japan.



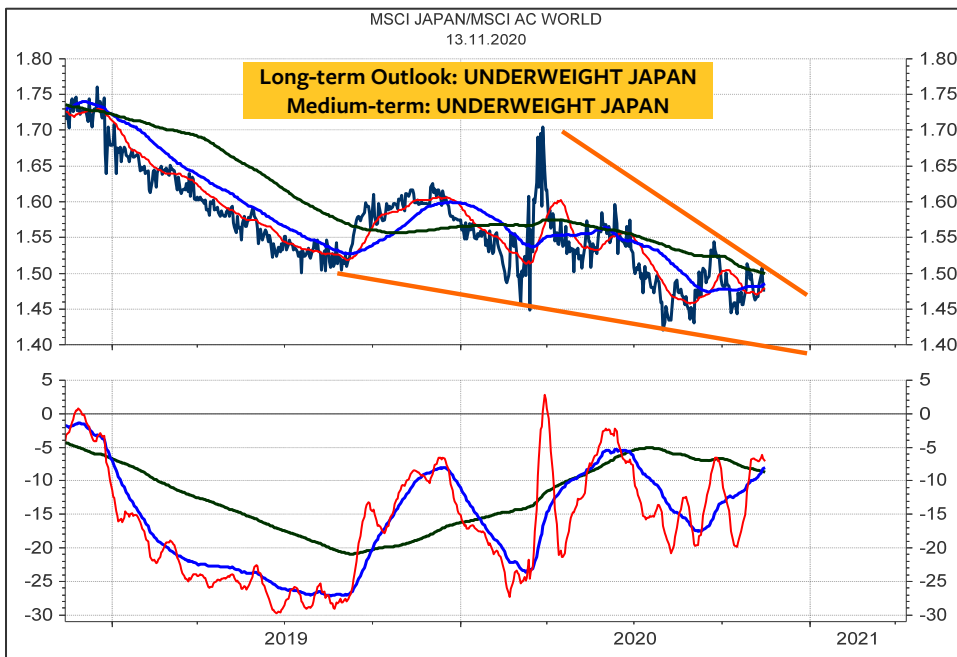
MSCI JAPAN in Yen



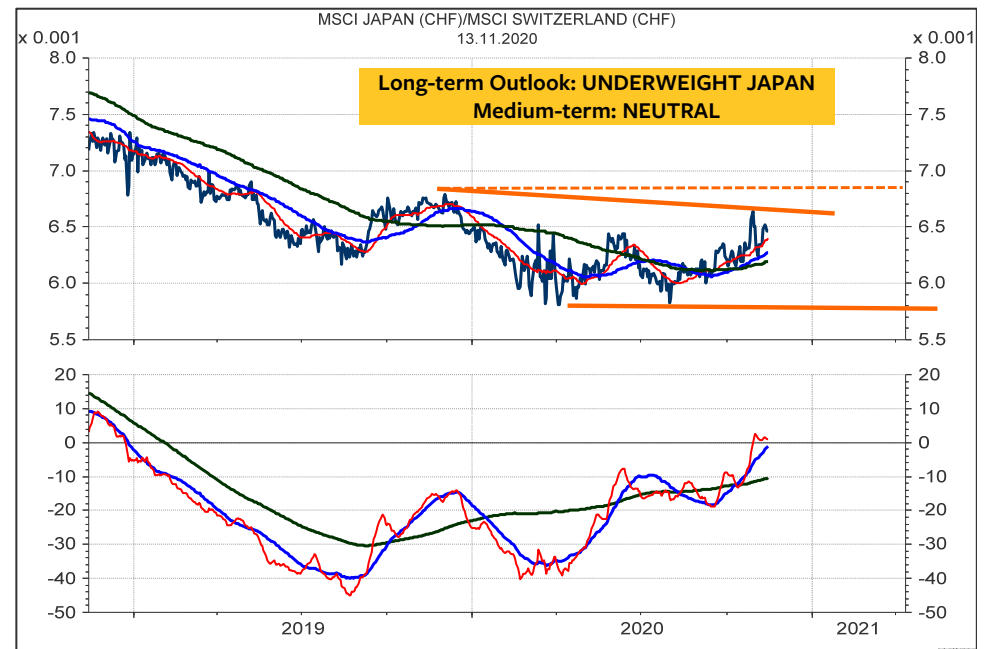
MSCI JAPAN in Swiss franc



MSCI JAPAN relative to the MSCI AC World



MSCI JAPAN in SFR relative to MSCI Switzerland

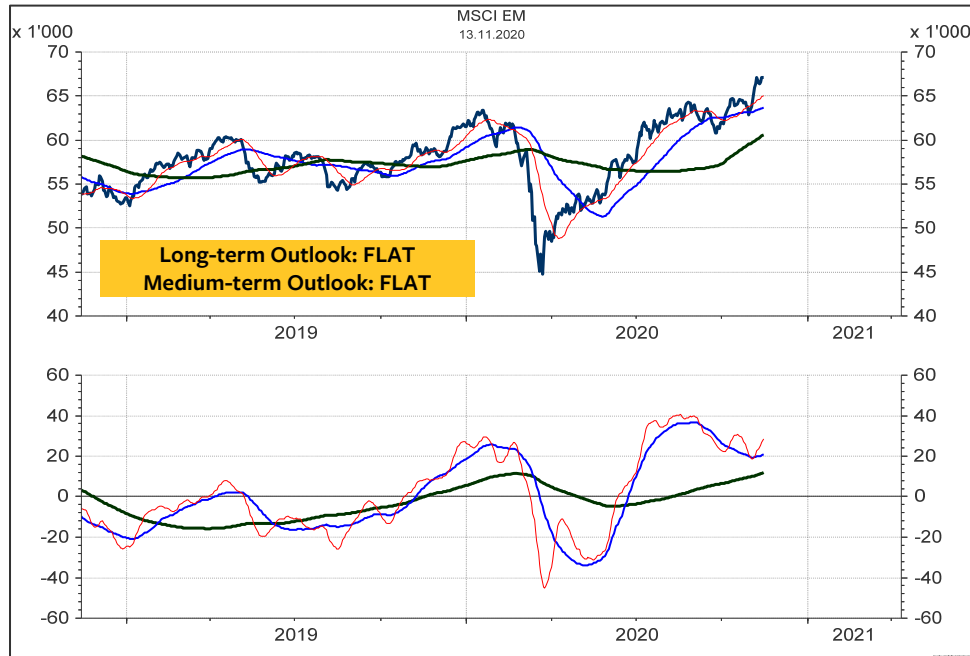


MSCI Emerging Market Index

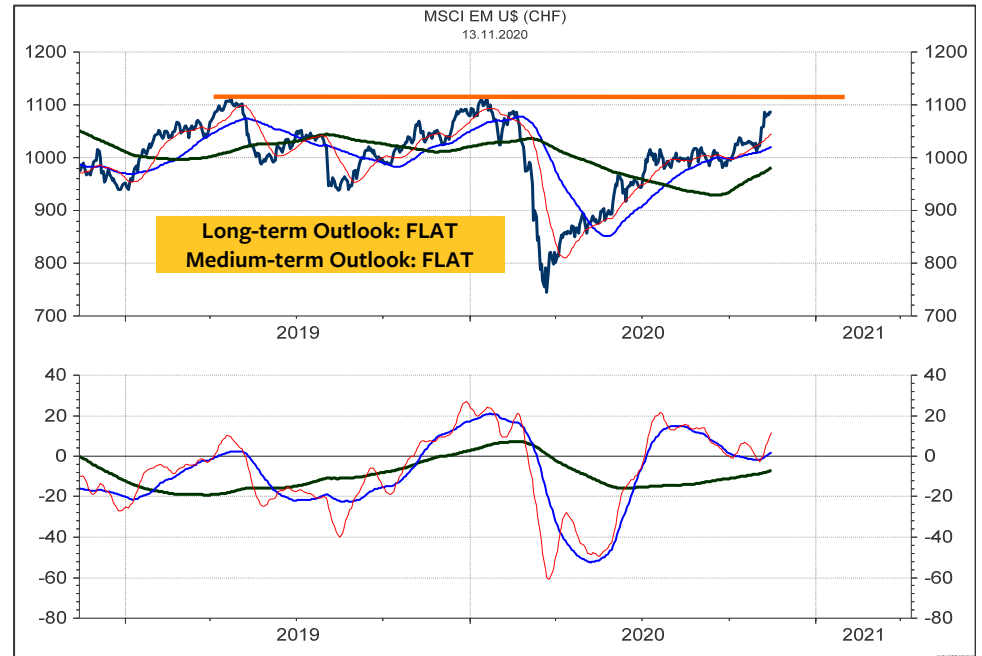
Based on the correlation of the uptrend from March 2020 to the advance from 2008 to 2018, I locate the next major resistance at 1270. A medium-term resistance is at 1200. A break of 1200 to 1270 would signal substantially higher targets. Possibly, the EM Index will register the top of Wave D of the Triangle 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 (overnext page, lower right chart). Here, the resistance is at 7.50.



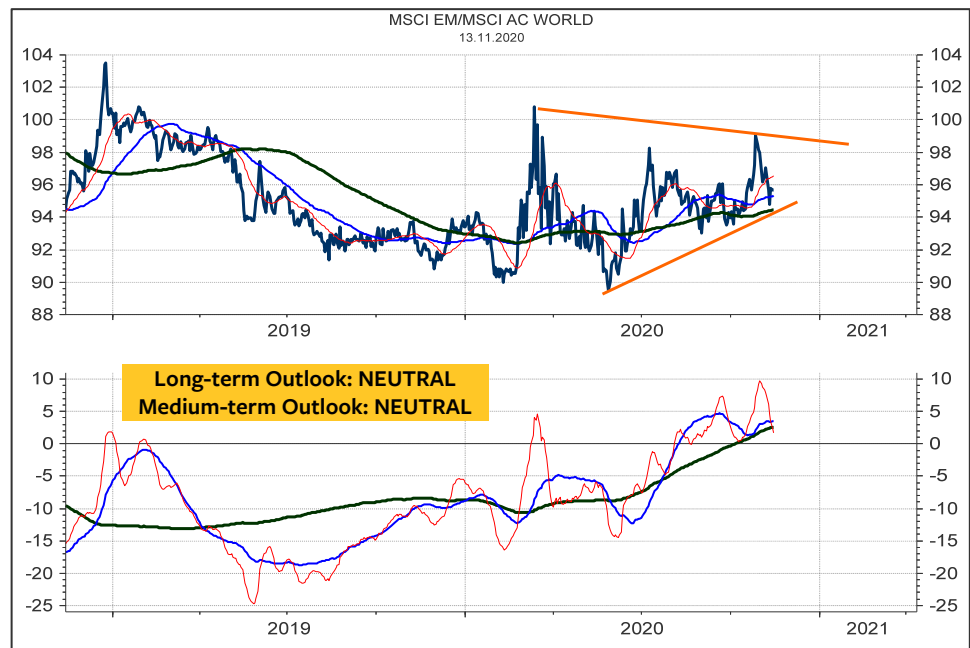
MSCI EMERGING MARKETS in local currencies



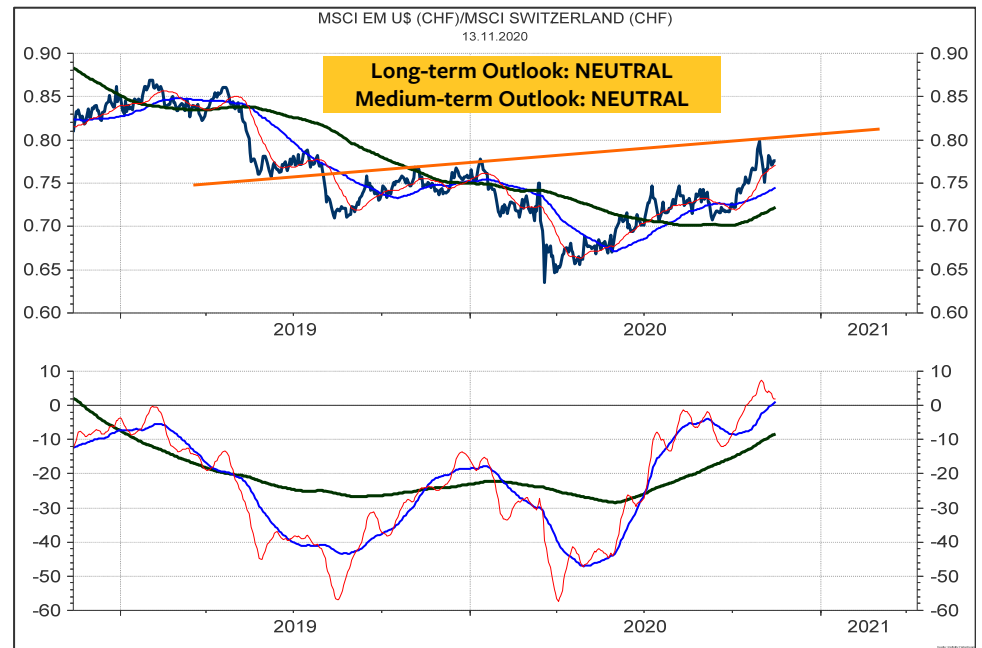
MSCI EMERGING MARKETS in Swiss franc



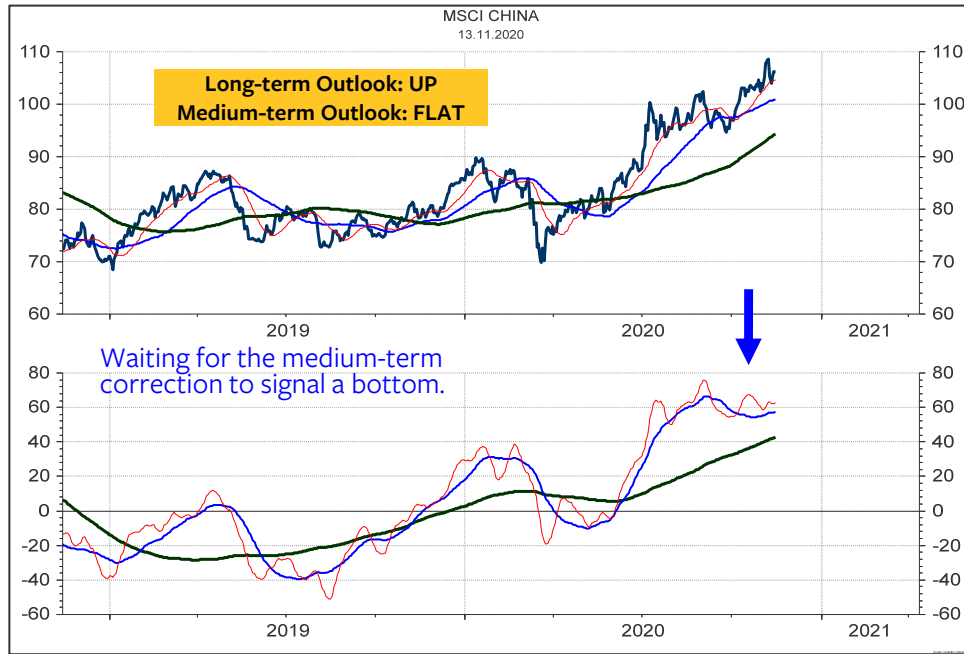
MSCI EMERGING MARKETS relative to the MSCI AC World



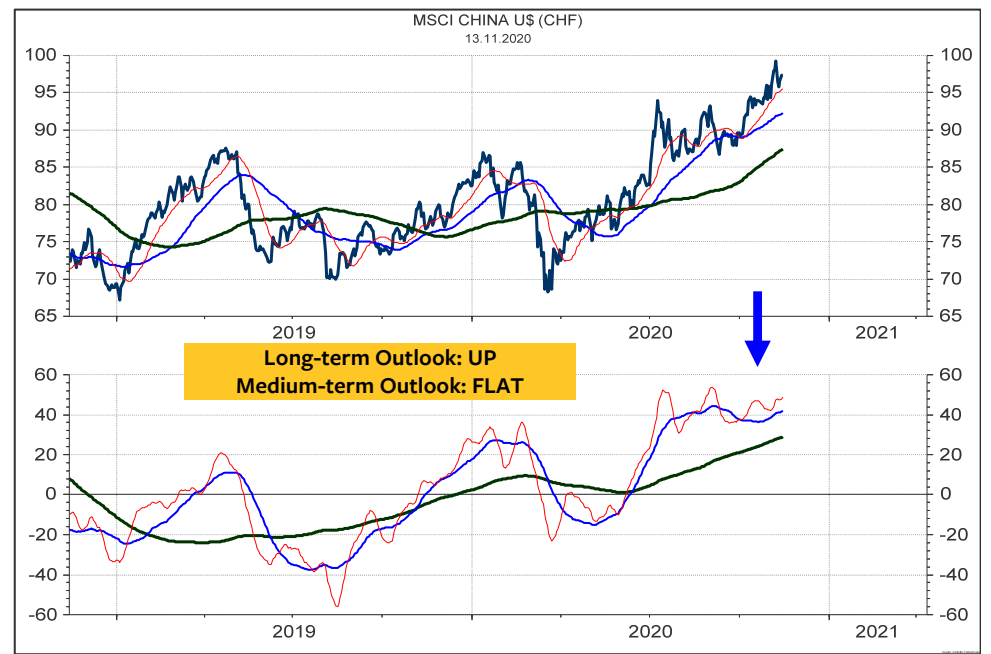
MSCI EMERGING MARKETS in CHF relative to MSCI Switzerland



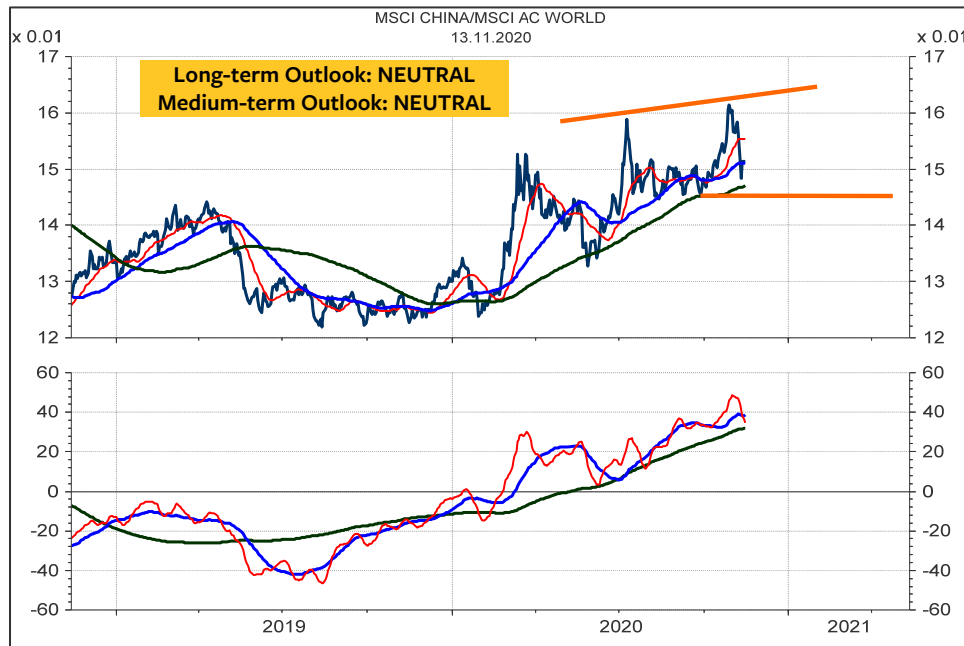
MSCI CHINA in Chinese yuan



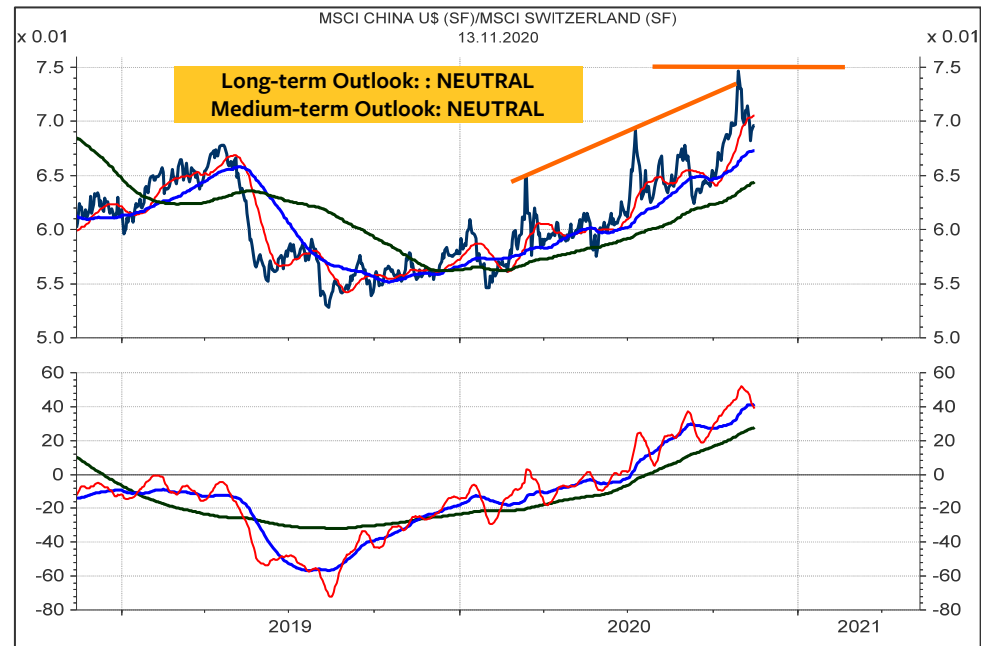
MSCI CHINA in Swiss franc



MSCI CHINA relative to the MSCI AC World

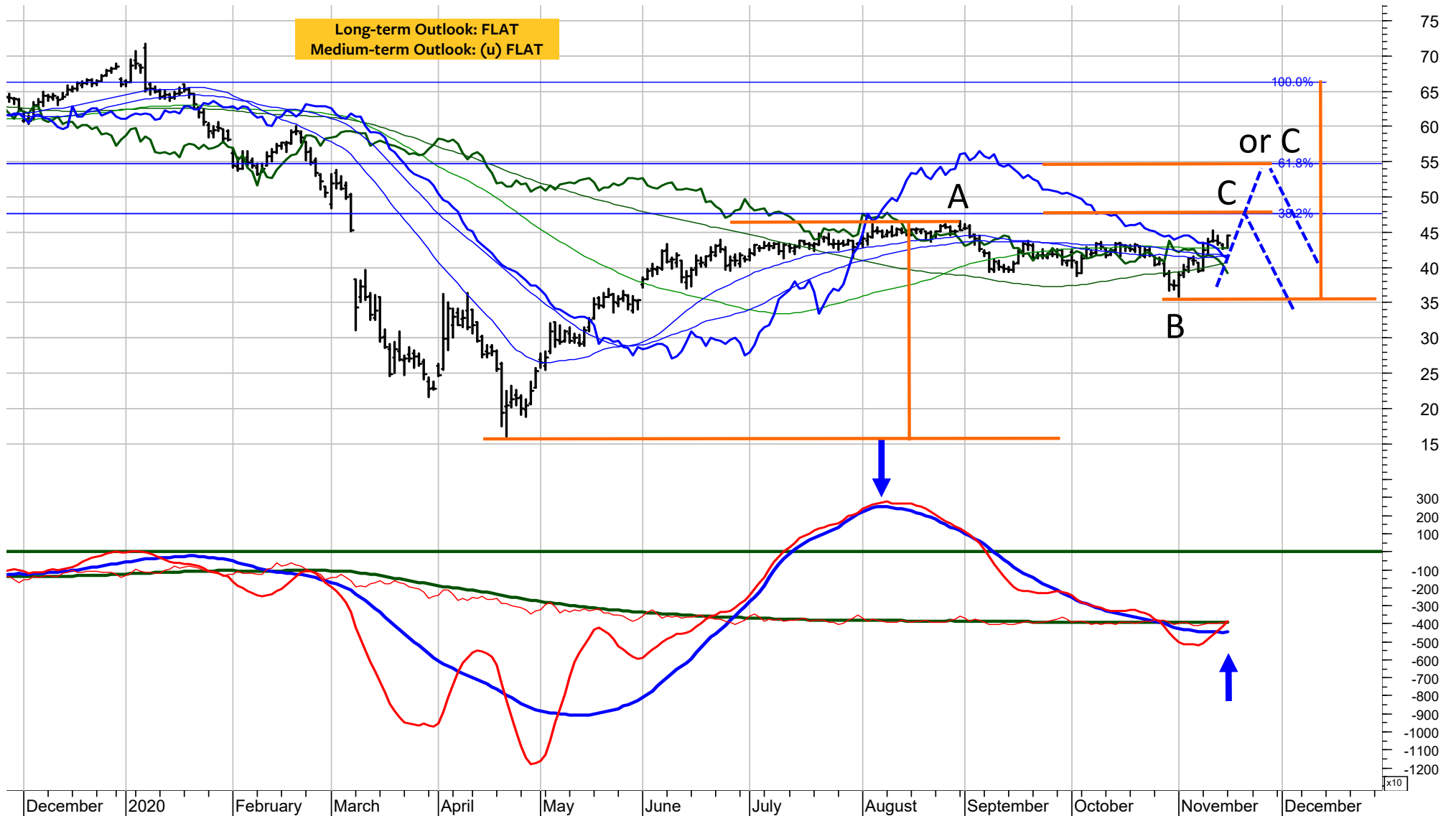


MSCI CHINA in SFR relative to MSCI Switzerland



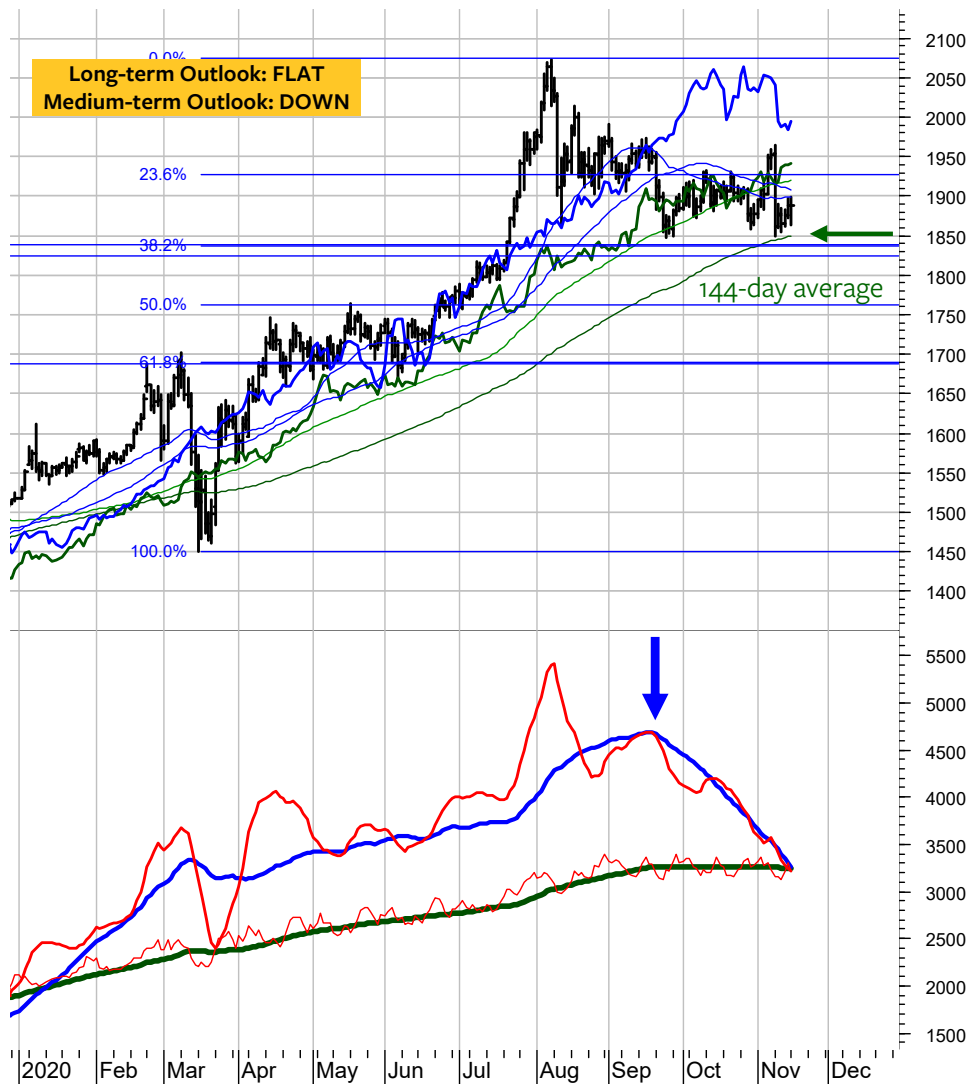
Brent Crude Oil Continuous Future (LCOc1)

Based on the Elliott Wave pattern, which labels the rise from March as A-B-C, Wave C correlates to Wave A. This reveals a major resistance at 48 or 55. The pattern of the rise from March is similar to the pattern in most stock markets. Clearly, my Outlook would become more positive if 48 can be broken.

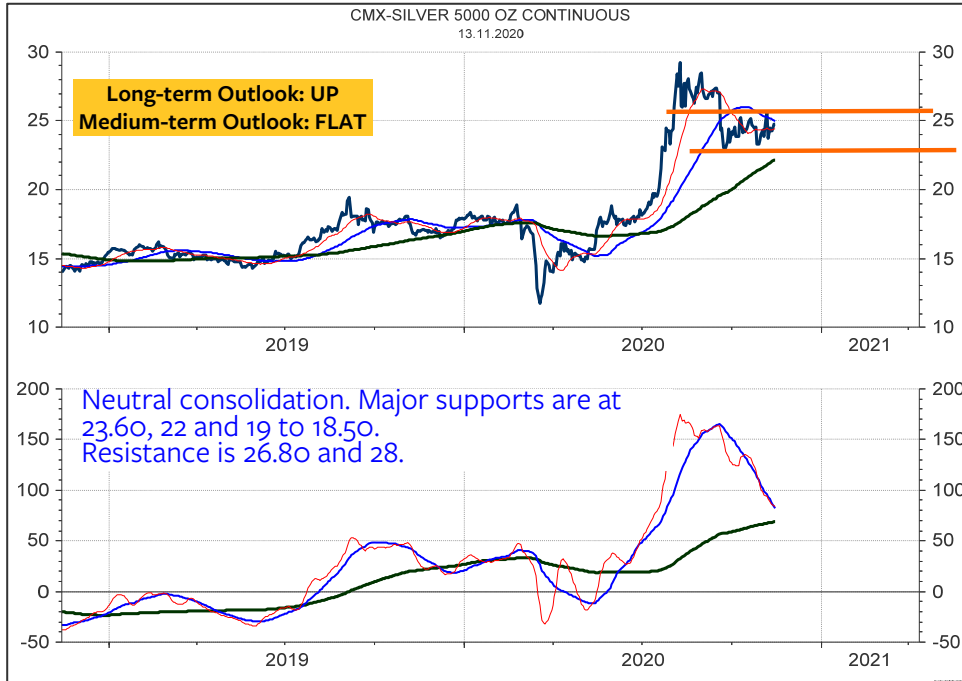


Gold per Ounce in US dollar

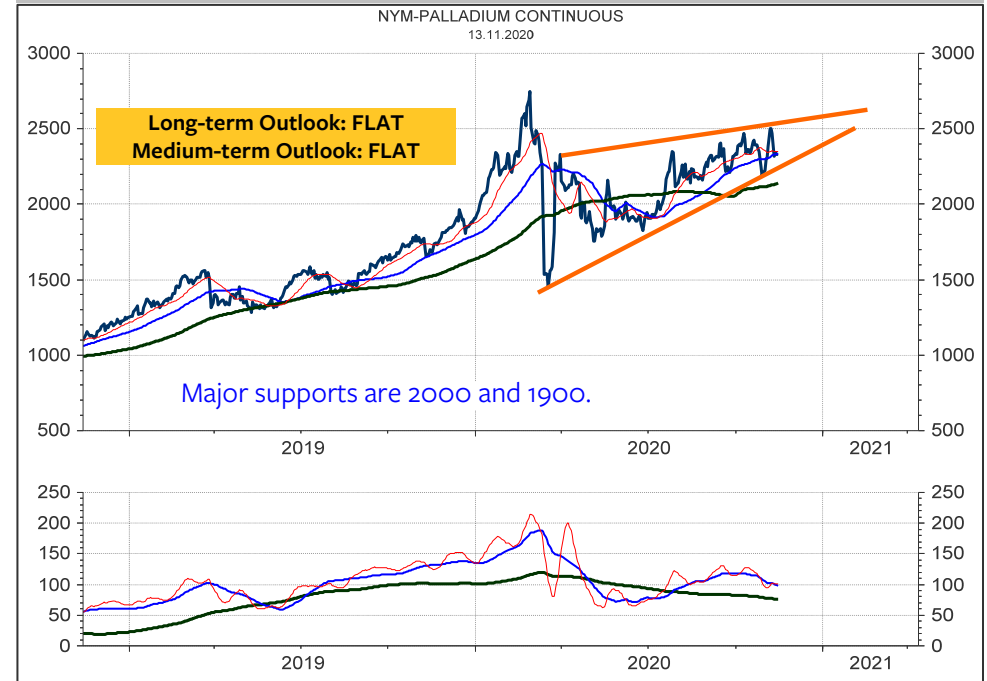
Gold is at risk of breaking below the major support range between 1850 and 1825. As long as Gold does not make it above 1925 and 1970, my medium-term outlook remains DOWN. Moreover, a break of the support range would signal a long-term downgrade to DOWN. Such a decline would place Gold below all trend and momentum indicators with the last lender of support coming from the 144-day average at 1850.



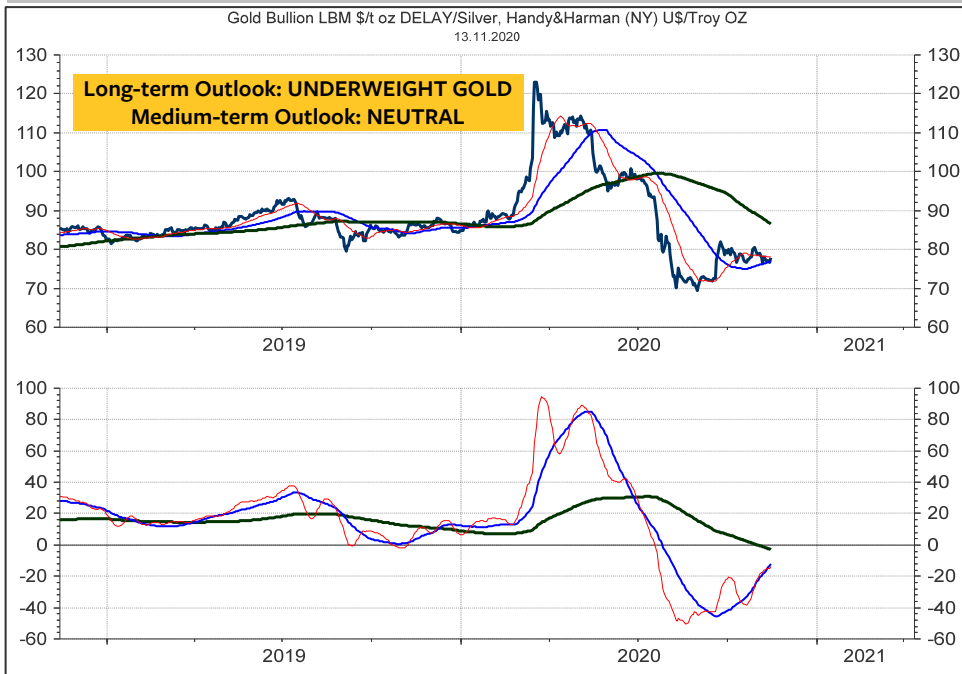
Silver



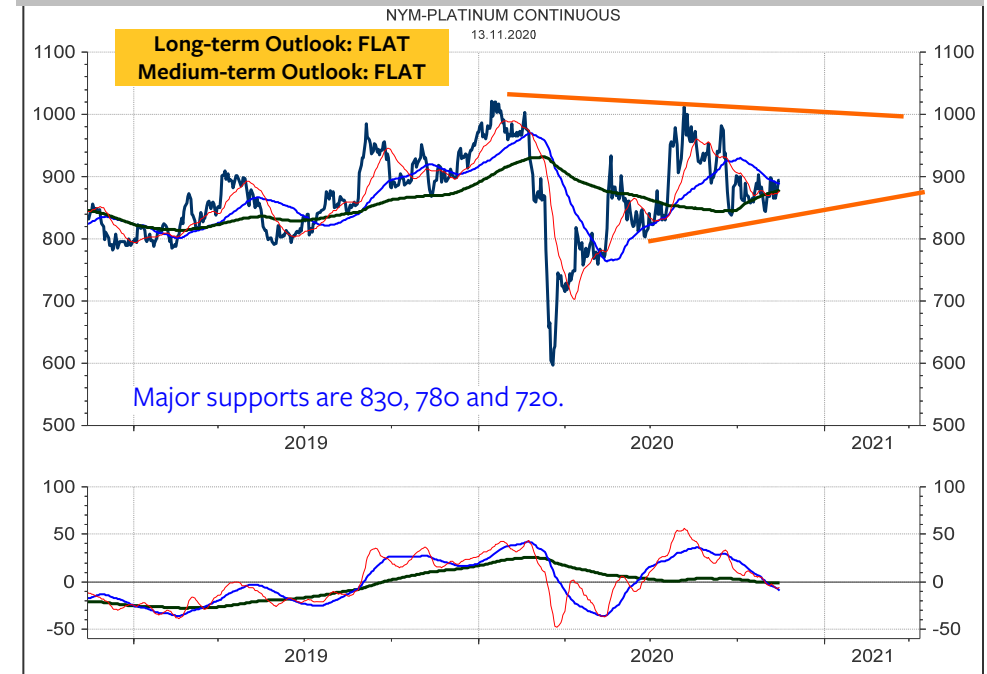
Palladium



Gold relative to Silver



Platinum



Swiss franc per US DOLLAR

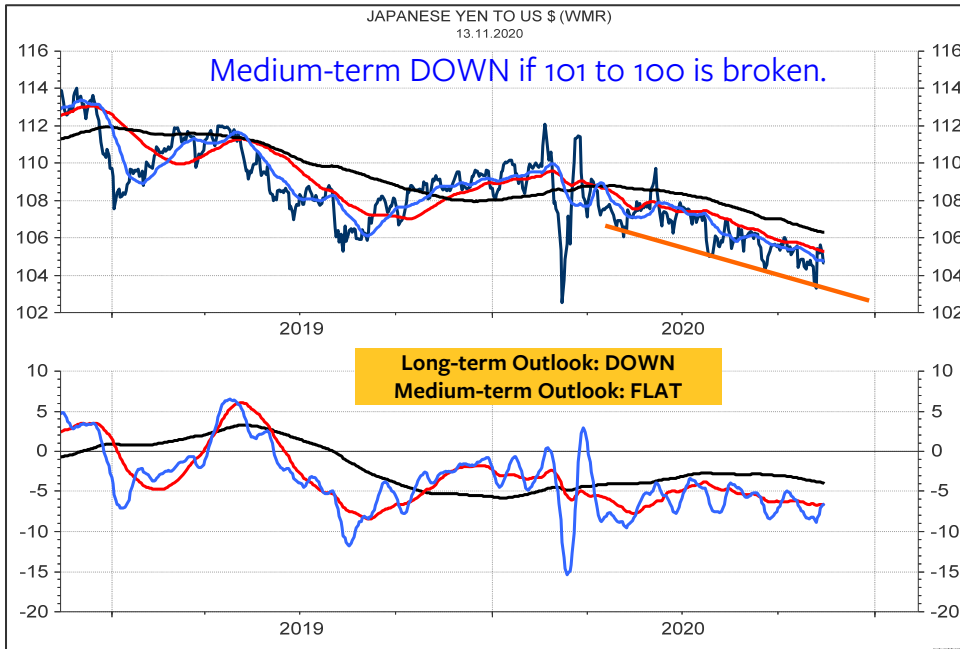
The selloff in the US dollar in early November managed to hold above the major support, which I had projected as the last lender of support at 0.8950 to 0.89.

Presently, I am watching the supports at 0.8990 and 0.8870 and the resistance levels at 0.9210 and 0.9310.

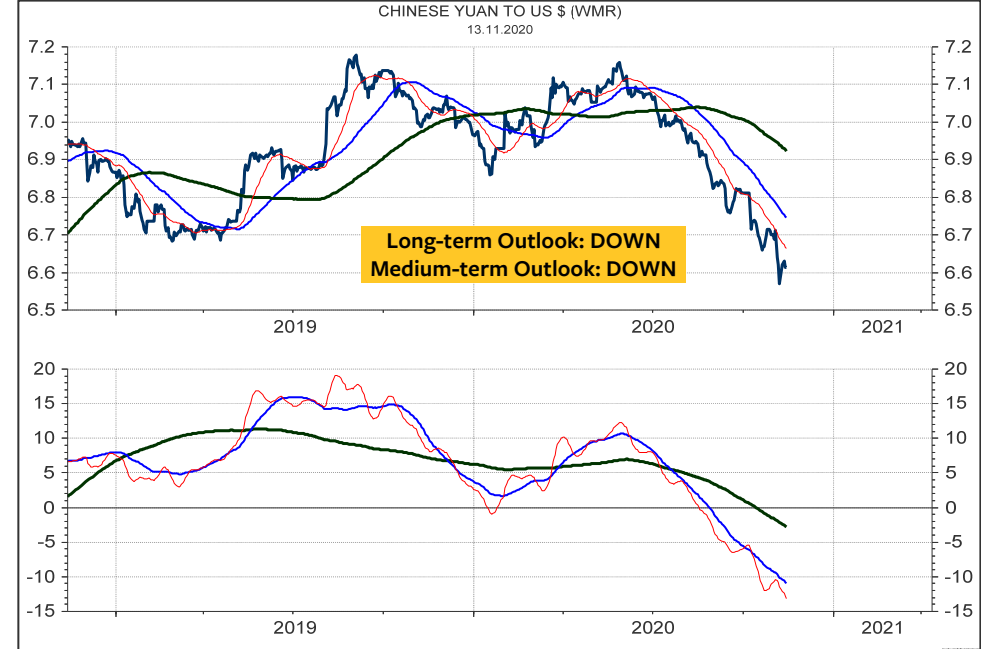
The latest selloff in the US dollar matches the decline in Gold. But a break of the resistance or the support is needed to signal the next change in my medium-term and long-term outlook.



Japanese yen per US DOLLAR



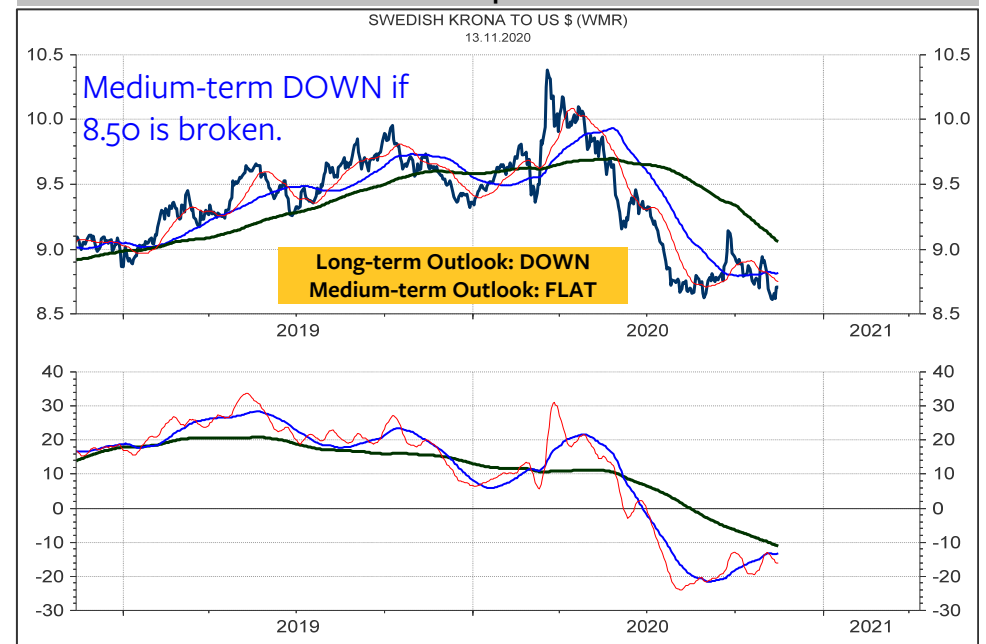
Chinese yuan per US DOLLAR



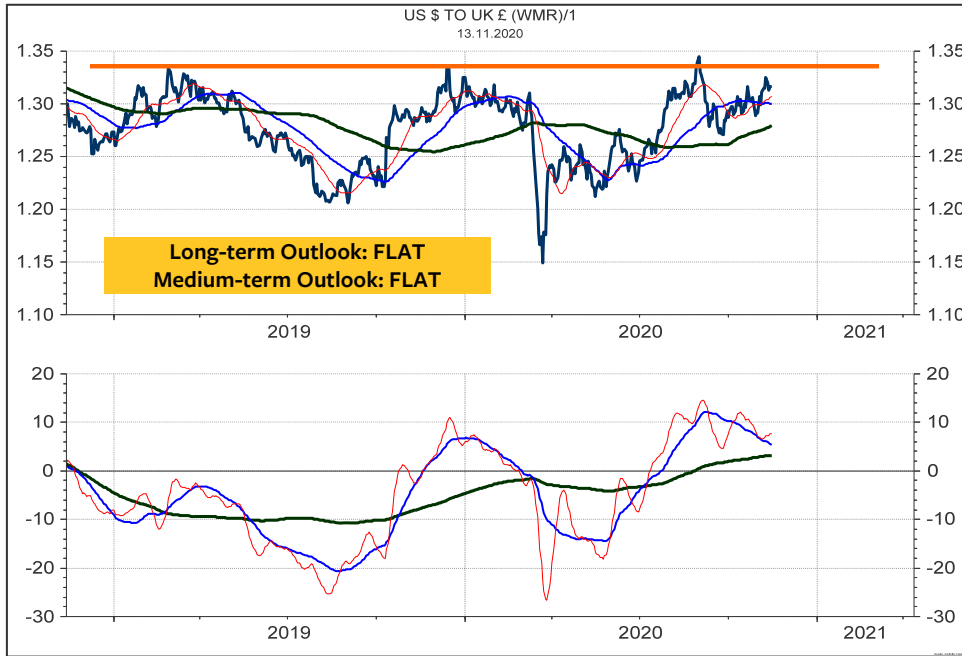
Canadian dollar per US DOLLAR



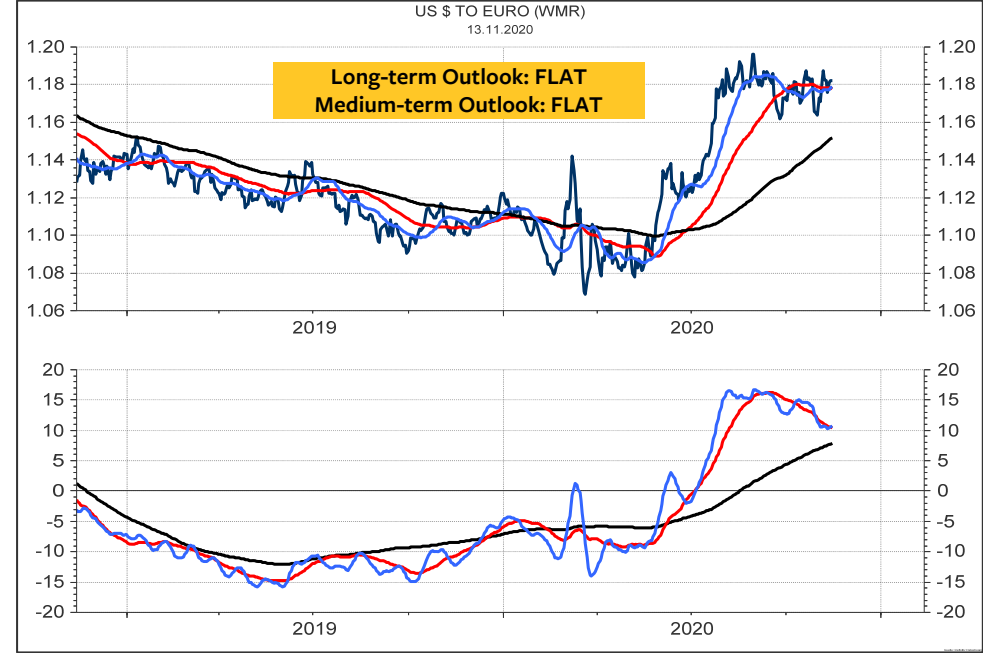
Swedish krona per US DOLLAR



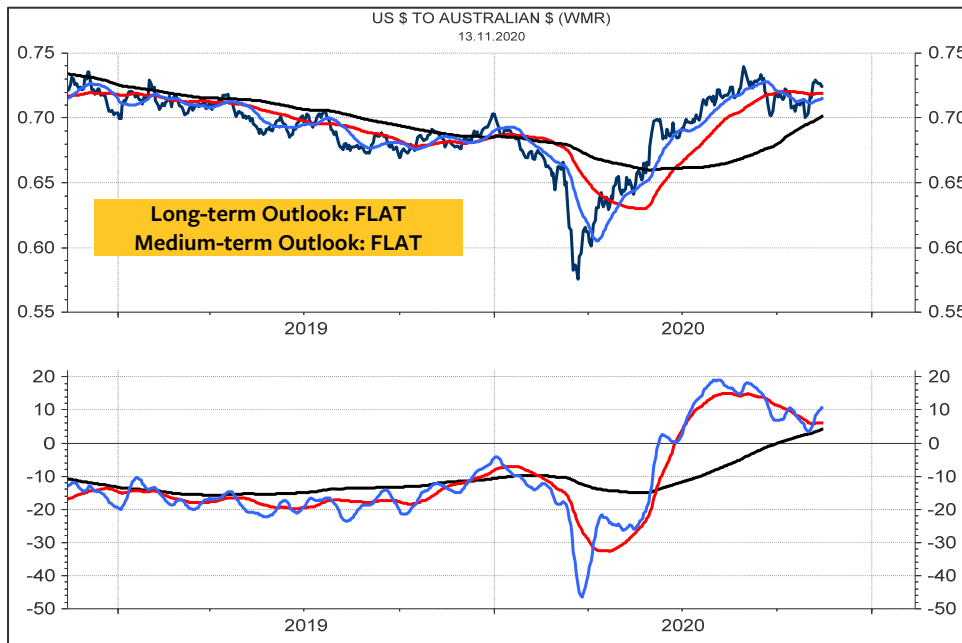
US dollar per BRITISH POUND



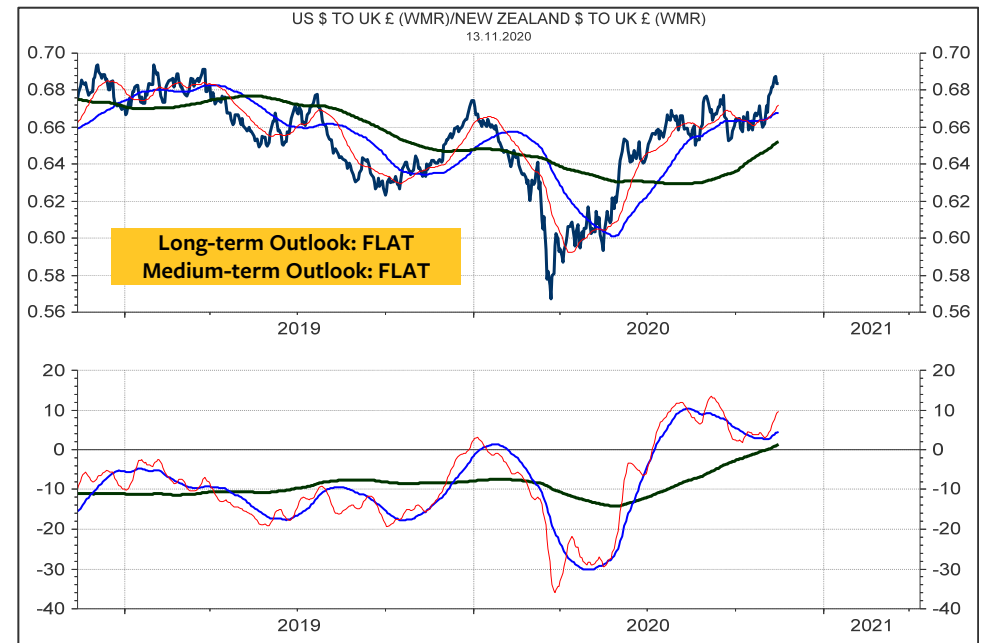
US dollar per EURO



US dollar per AUSTRALIAN DOLLAR

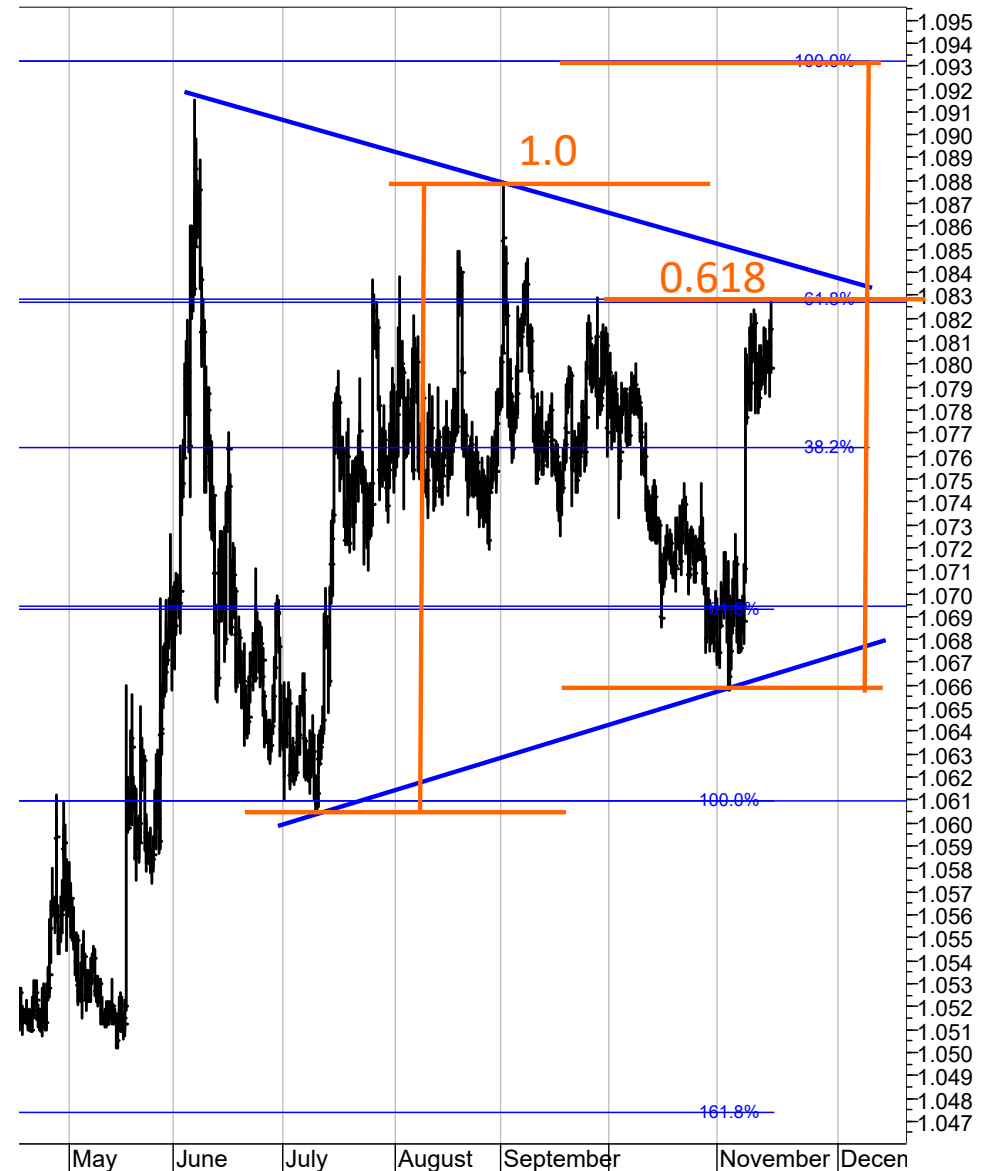
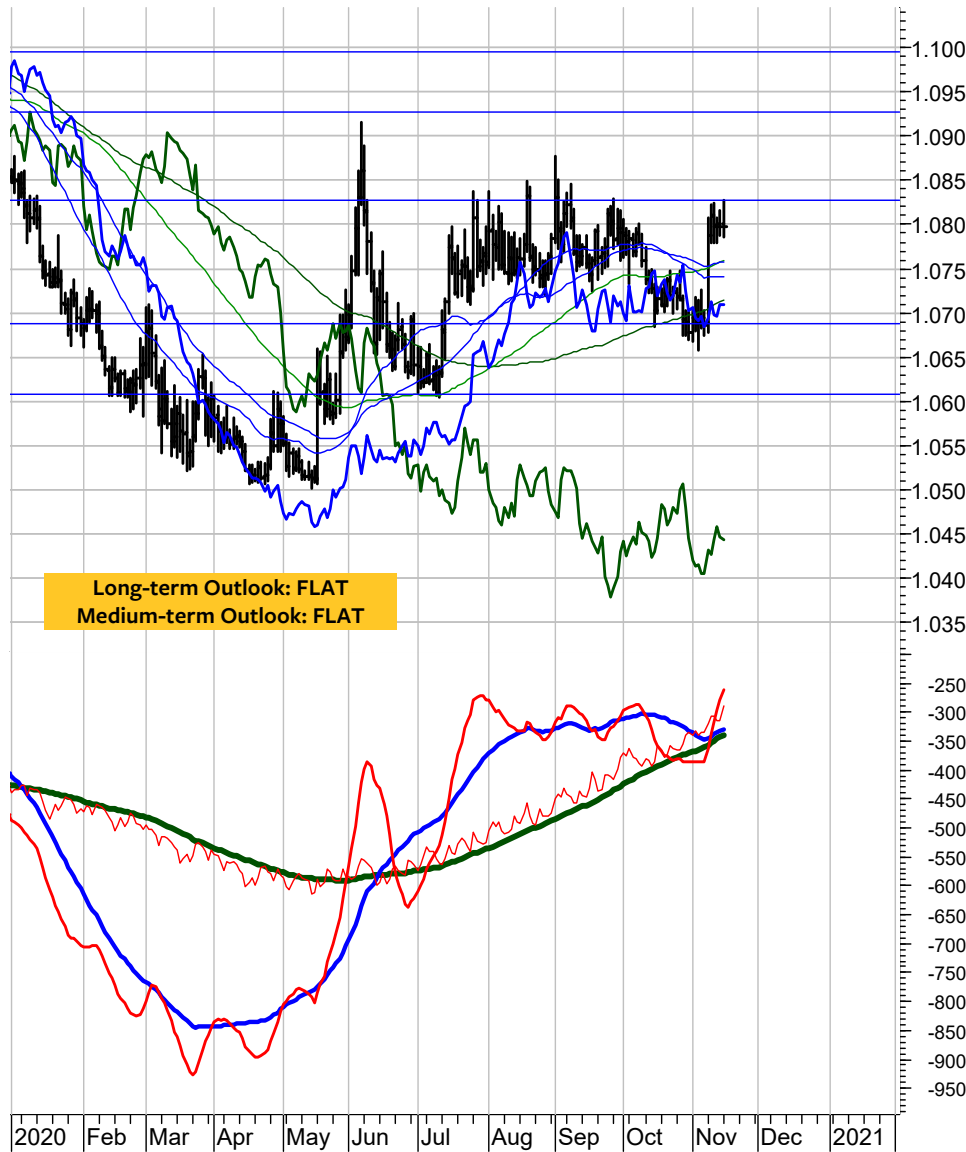


US Dollar per NEW ZEALAND DOLLAR



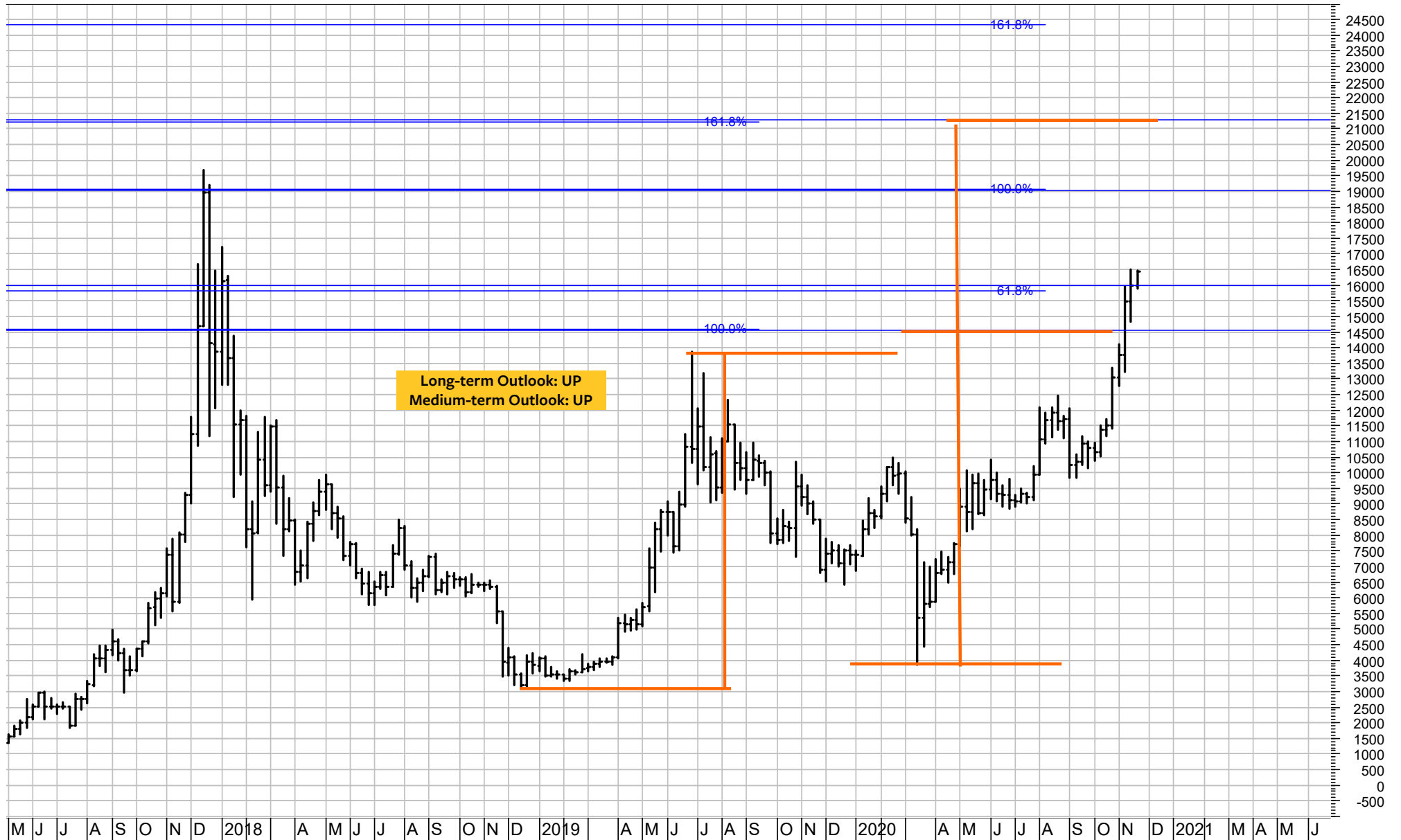
Swiss franc per EURO

The Euro continues to form the horizontal Triangle, which originated either at the high in June or the low in July. The rally in early November spanned exactly 61.80% of the rally in July to September, which is the typical correlation between the alternate waves in the Triangle. The Triangle provides clear support and resistance levels. These are the resistance levels at 1.0830 and 1.0935 and the support levels at 1.0690 and 1.06.



Bitcoin / US dollar

The Bitcoin appears to be breaking the medium-term resistance at 16000. The next resistance is at 19000 or 21000 to 21500. These levels are derived from the correlation of the advance from March 2020 to the advance from the low in 2018 to the high in 2019. Supports should be watched at 14900 to 14000.



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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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