



GLOBAL CHART OUTLOOK

BERTSCHIS CHART OUTLOOK

Global Markets

23rd November 2020 / Issue #45

My assessment of the outlook for the global stock markets remains unchanged cautious. The rise from late October is Wave C of the A-B-C uptrend from March. In many of the stock market indices and many of the single stocks, Wave C has travelled quite exactly 0.382 or 0.618 times the length of Wave A. Last week, none of them managed to break these resistance levels. For example, the SMI has moved sideways below the key resistance at 10650. Moreover, the Short-term Momentum Indicators have topped or are topping in almost all markets and stocks. Thus, the magnitude of the pending short-term decline will be most critical to my assessment of the medium-term and long-term outlook. Clearly, if only a marginal decline is traced out and then the Short-term Indicators reach their lows, the uptrend from March could resume. For now, the short-term overbought market condition favors a short-term decline, which is why my Medium-term and Long-term Outlook remain unchanged FLAT.

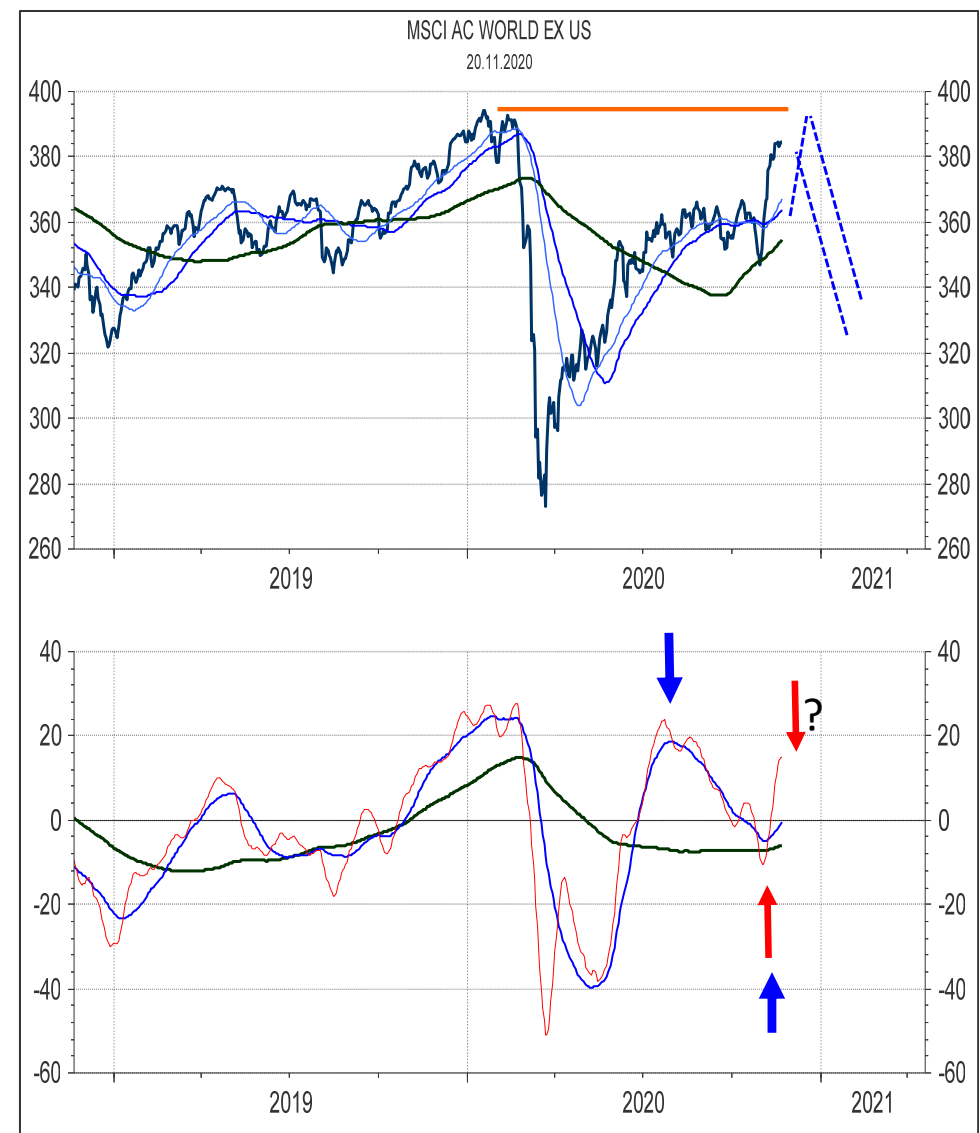
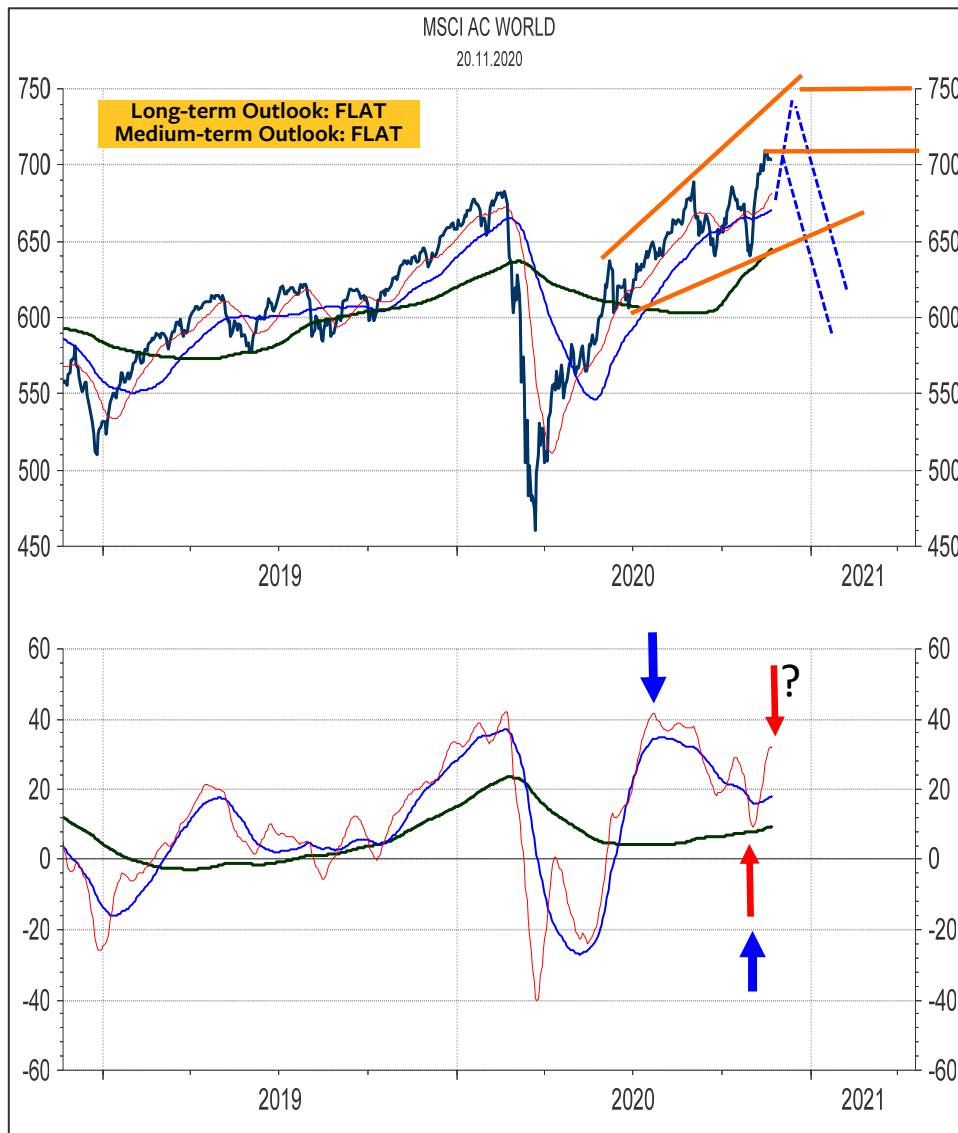
MSCI INDICES IN LOCAL CURRENCIES, ABSOLUTE

MSCI INDICES IN SWISS FRANC RELATIVE TO THE MSCI SWITZERLAND

SCORE	INDEX	RIC	PRICE	LONG-TERM	LONG-TERM	MEDIUM-TERM	MEDIUM-TERM	LONG-TERM	MEDIUM-TERM
				MODEL	OUTLOOK	MODEL	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	+	FLAT	UNDERWEIGHT BRAZIL	(u) NEUTRAL
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	+	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	FLAT	NEUTRAL	NEUTRAL
50%	GREECE	.dMIGRoc	35.30	-	DOWN	O	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	+	FLAT	+	FLAT	UNDERWEIGHT HUNGARY	NEUTRAL
83%	INDIA	.dMIINOo	1'460.90	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	INDONESIA FREE	.dMIIDoo	6'250.35	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	ITALY	.dMIIToo	670.46	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	JAPAN	.dMIJPoo	1'035.32	+	FLAT	+	FLAT	(u) NEUTRAL	NEUTRAL
83%	KOREA	.dMIKRoc	782.68	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	MALAYSIA FREE	.dMIIMYo	532.43	+		+			
100%	MEXICO FREE	.dMIIXoc	37'773.13	+	FLAT	+	FLAT	NEUTRAL	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	+	FLAT	UNDERWEIGHT NORWAY	(u) NEUTRAL
28%	PAKISTAN	.dMIPKoc	322.89	O		-			
100%	PHILIPPINES FREE	.dMIPHoc	1'181.10	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
78%	POLAND	.dMIPLoc	1'166.35	O	DOWN	+	FLAT	UNDERWEIGHT POLAND	UNDERWEIGHT POLAND
89%	PORTUGAL	.dMIPToc	92.55	O	(u) FLAT	+	FLAT	UNDERWEIGHT PORTUGAL	UNDERWEIGHT PORTUGAL
100%	QATAR	.dMIQAoc	788.91	+		+			
89%	RUSSIA	.dMIRUoc	1'207.05	O	DOWN	+	FLAT	UNDERWEIGHT RUSSIA	UNDERWEIGHT RUSSIA
100%	SINGAPORE	.dMISGoc	1'435	+	FLAT	+	FLAT	UNDERWEIGHT SINGAPORE	(u) NEUTRAL
100%	SOUTH AFRICA	.dMIZAoc	1'341.74	+		+			
100%	SPAIN	.dMIESoc	758.62	+	FLAT	+	FLAT	UNDERWEIGHT SPAIN	NEUTRAL
100%	SWEDEN	.dMISEoc	15'038.85	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
89%	SWITZERLAND	.dMICHoc	1'398.63	O	(u) FLAT	+	FLAT		
83%	TAIWAN	.dMITWo	527.09	+	FLAT	O	FLAT	NEUTRAL	NEUTRAL
100%	THAILAND FREE	.dMITHoc	456.62	+		+			
100%	TURKEY	.dMITRoc	1'529'577.98	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	UK	.dMIGBoc	1'775	+	FLAT	+	FLAT	UNDERWEIGHT U.K.	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

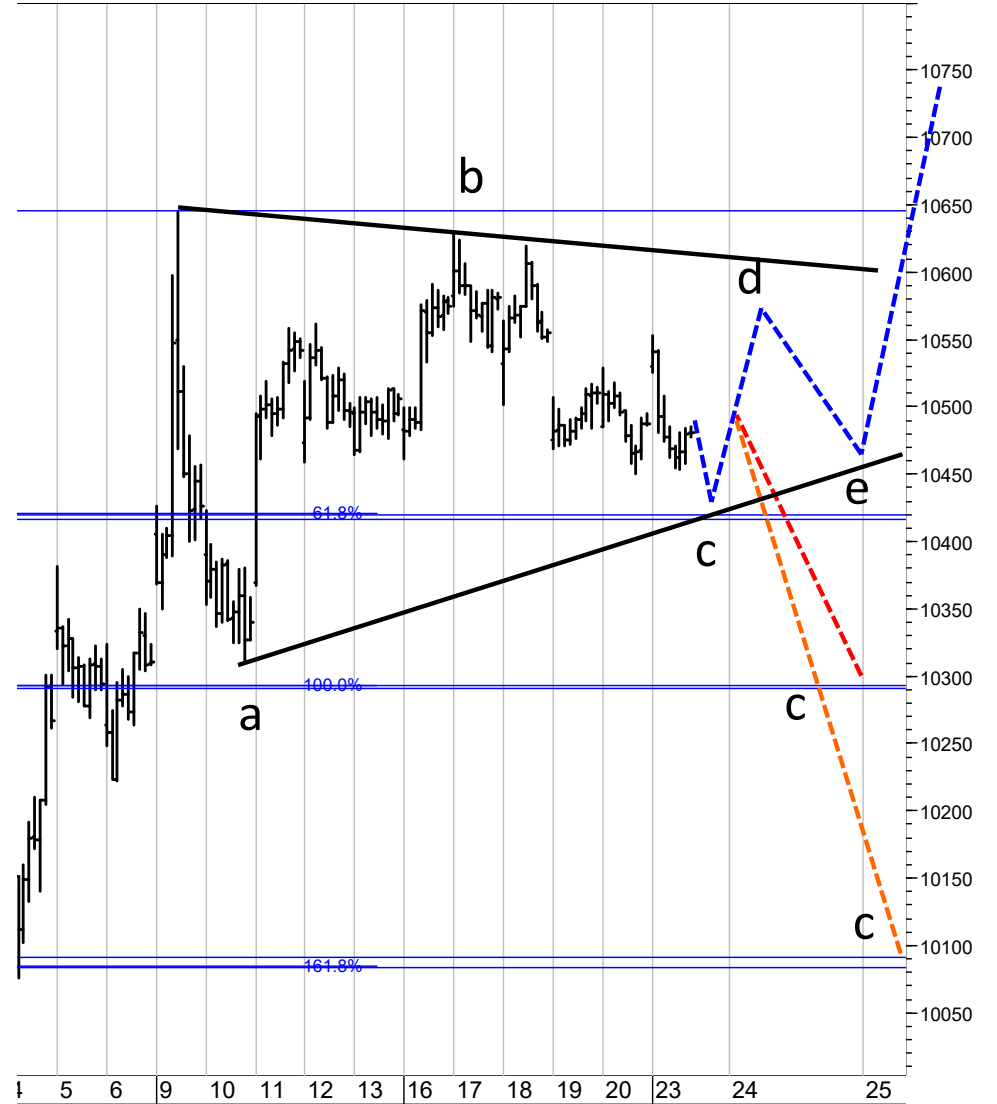
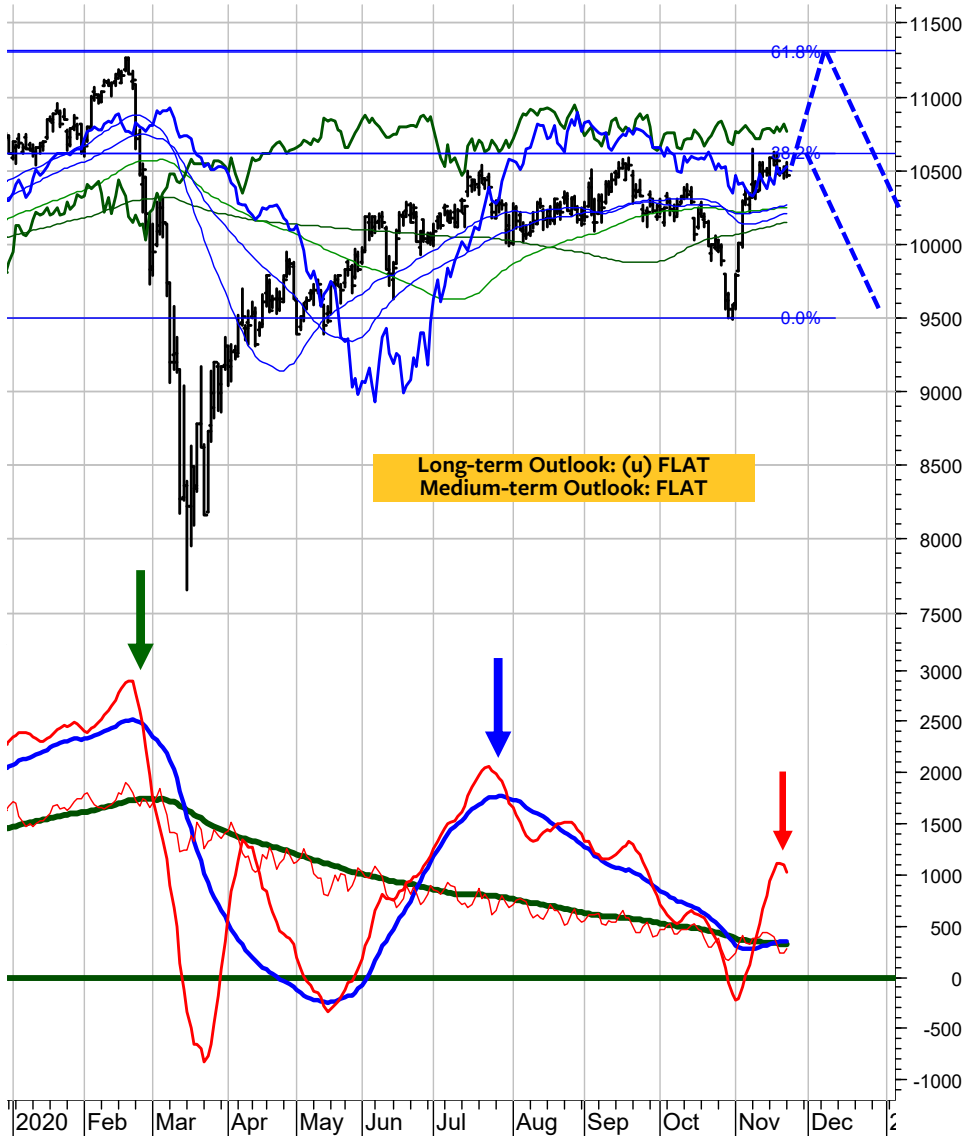
MSCI All Country World Stock Market Index (left) and MSCI World Index ex USA (right)

The rally in the World Index (left) from 20.10.2020 has reached the lower end of the resistance range between 710 and 750. At the same time, the Short-term Momentum Indicator has topped. This means that a short-term correction is likely to be traced out next. Obviously, the magnitude of this short-term decline will be most critical to the medium-term and possibly also the long-term outlook. The same holds true for the MSCI World ex USA (right), which is close to a short-term top and close to the February High. My Long-term and Medium-term Outlook remains FLAT.



Swiss Market Index SMI

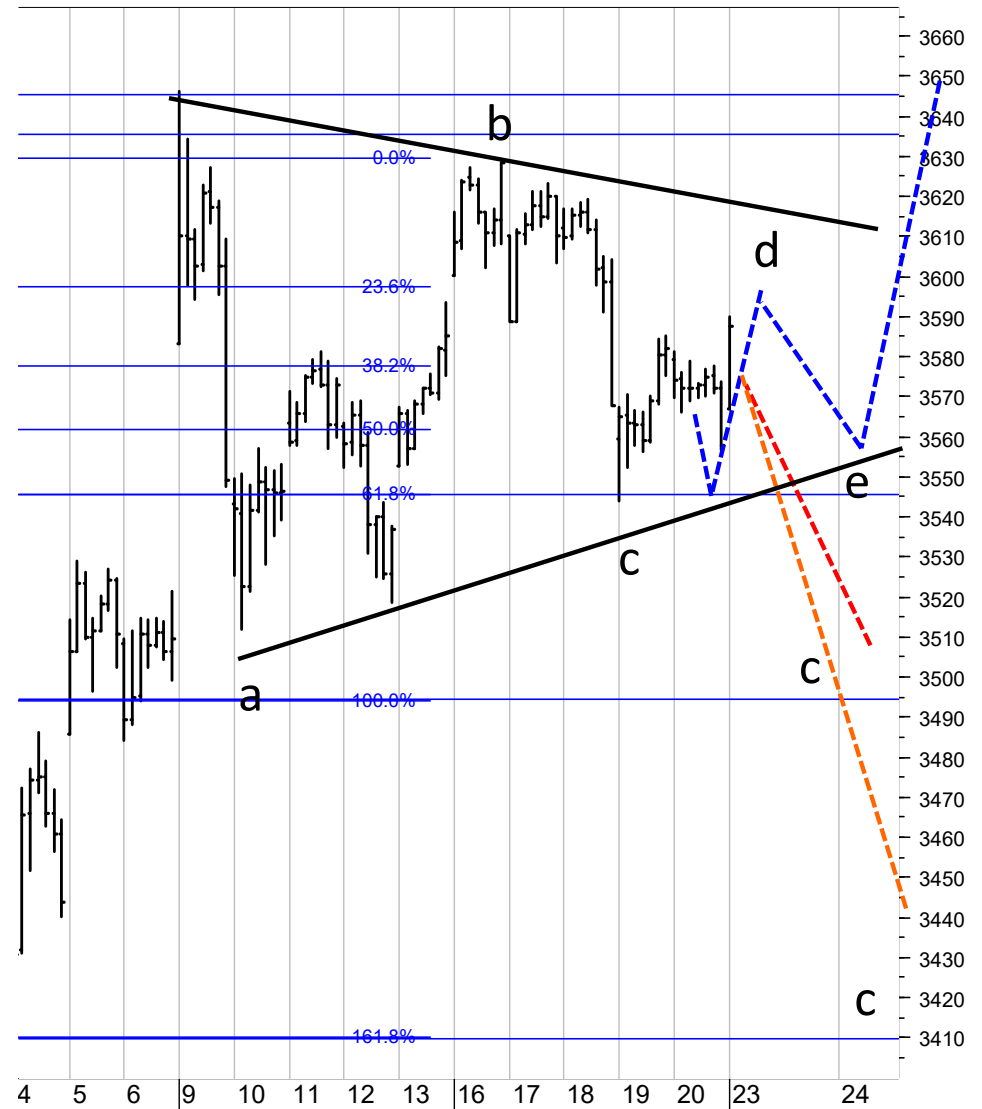
Last week, the SMI has been re-testing the major resistance at 10650. As the hourly chart below right shows, it failed to break this key resistance. Because the SMI did not register a higher high on 17.11.2020, the pattern from 9.11.2020 could form a Triangle (blue). The second interpretation is that a REGULAR FLAT (red) is forming with support at 10290 ($c=1 \times a$) or that an IRREGULAR FLAT (orange) is forming with support at 10080 ($c = 1.618 \times a$). The three patterns are all corrective in nature and are likely to be followed by a break above 10065. This means that the positive long-term outlook is gaining more credibility. However, if the high on 17.11.2020 was a "Failure" (it failed to register a high above 9.11.2020), then the decline from 17.11.2020 could be impulsive and not corrective. This means that the SMI could have started a major downtrend. This scenario would become the preferred if 10050 is broken.



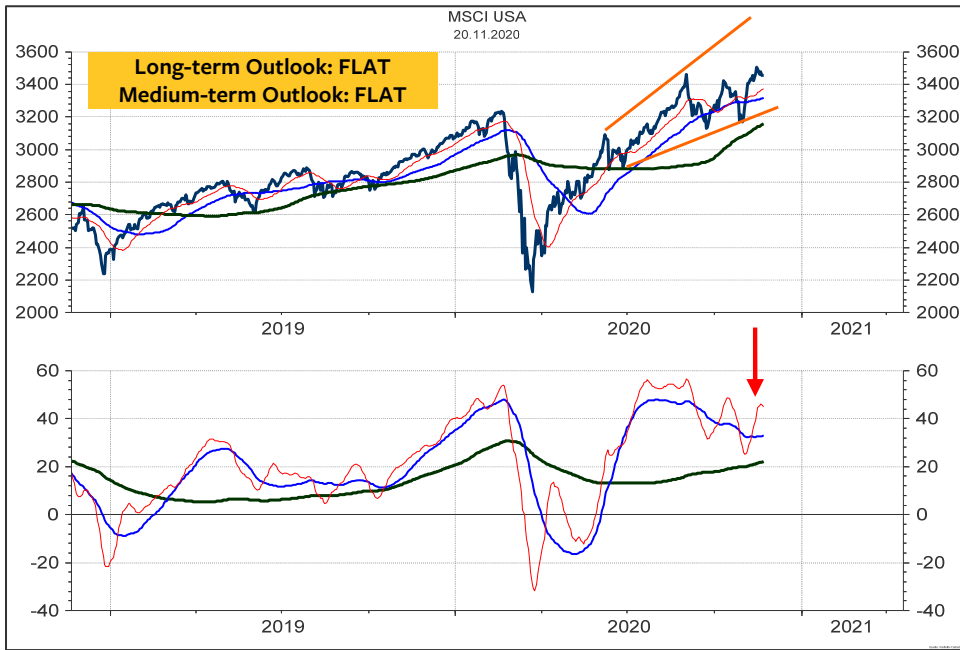
S & P 500 Index

The S&P 500 Index has been forming a Horizontal Triangle since the high on 9.11.2020 at 3646. The formation of a Triangle means that most likely, the S&P 500 Index could rise to the upper level of the resistance range, which is at 3750 to 3820.

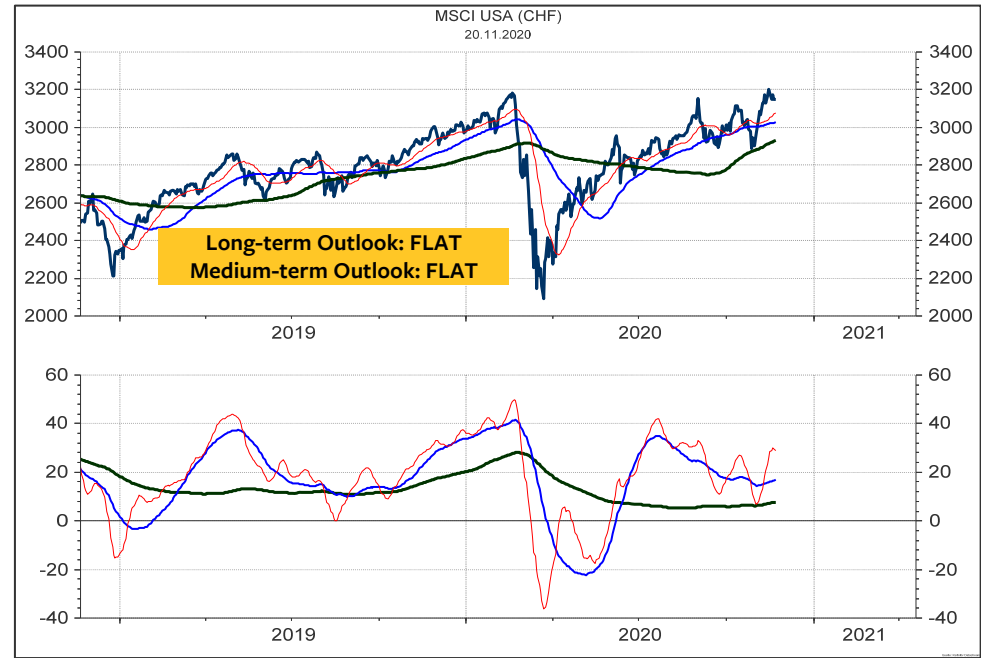
The alternate view treats the pattern from 9.11.2020 as a Regular or Irregular Flat. The key supports are 3545, 3495 and 3410.



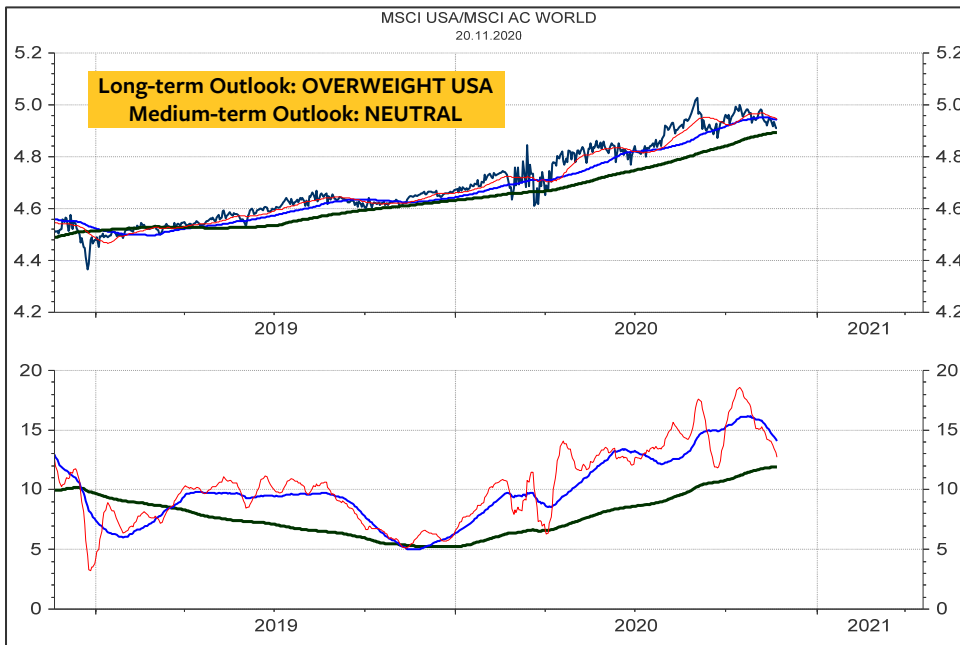
MSCI USA in US\$



MSCI USA in Swiss franc



MSCI USA relative to the MSCI AC World



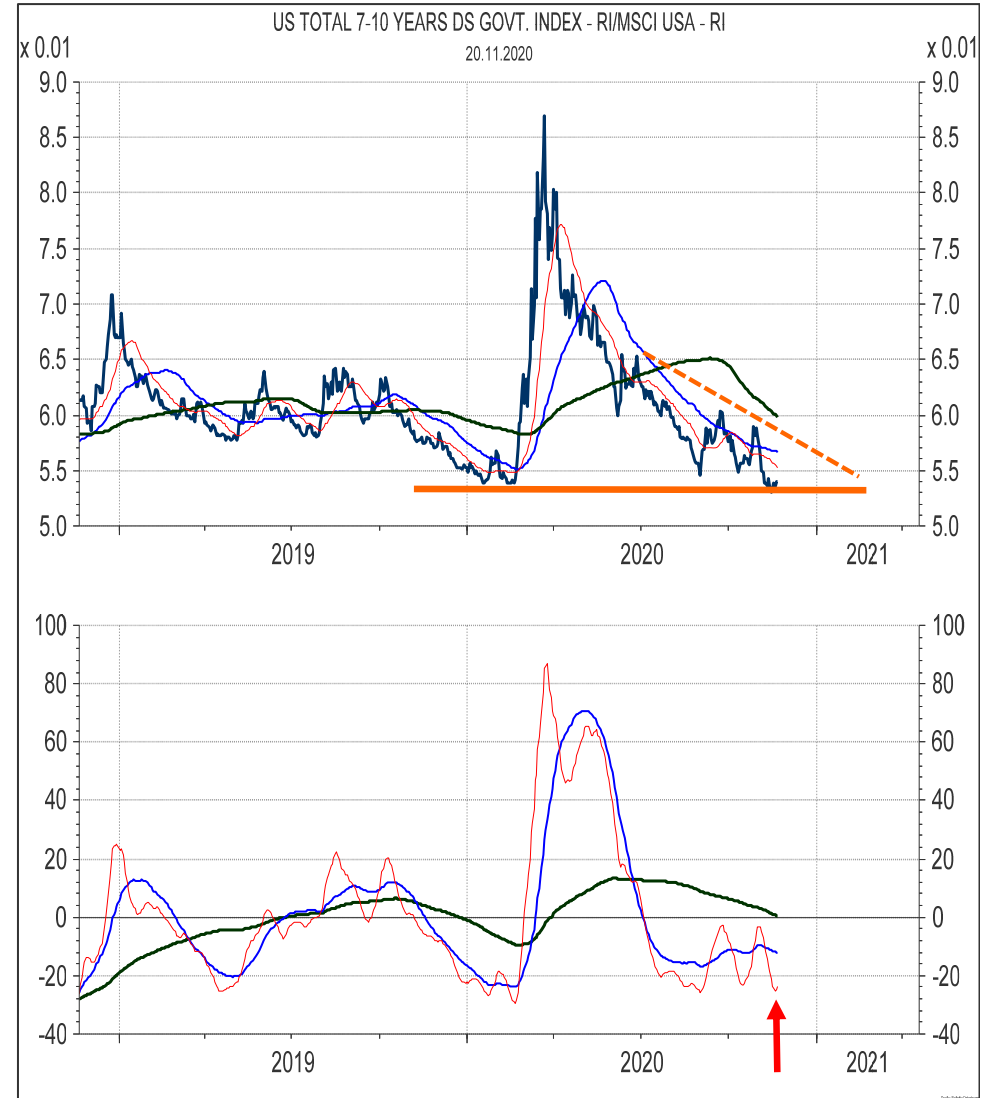
MSCI USA in SFR relative to MSCI Switzerland



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

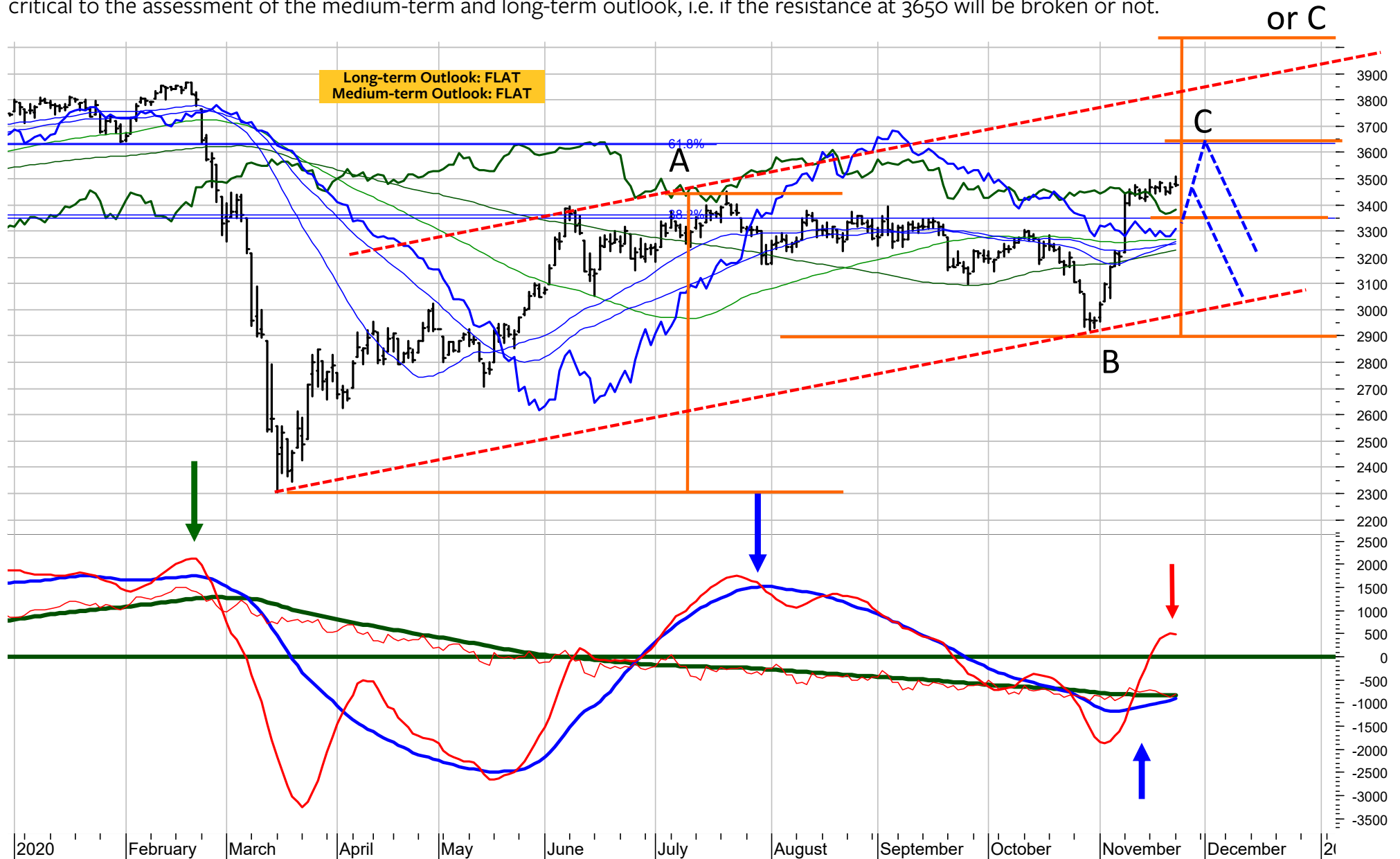
The short-term top in the stock market is matched by the short-term top in the US 10-year Yield. The yield was capped by the resistance at 1.0% and is likely to fall, possibly to test the 144-day moving average at 0.70%.

The Total Return from the 10-year US T-Notes relative to the MSCI USA (Total Return) is testing the mega-support around 5.30. The Short-term Momentum indicator is bottoming and suggests that a (temporary?) outperformance of the Total Return could be expected.



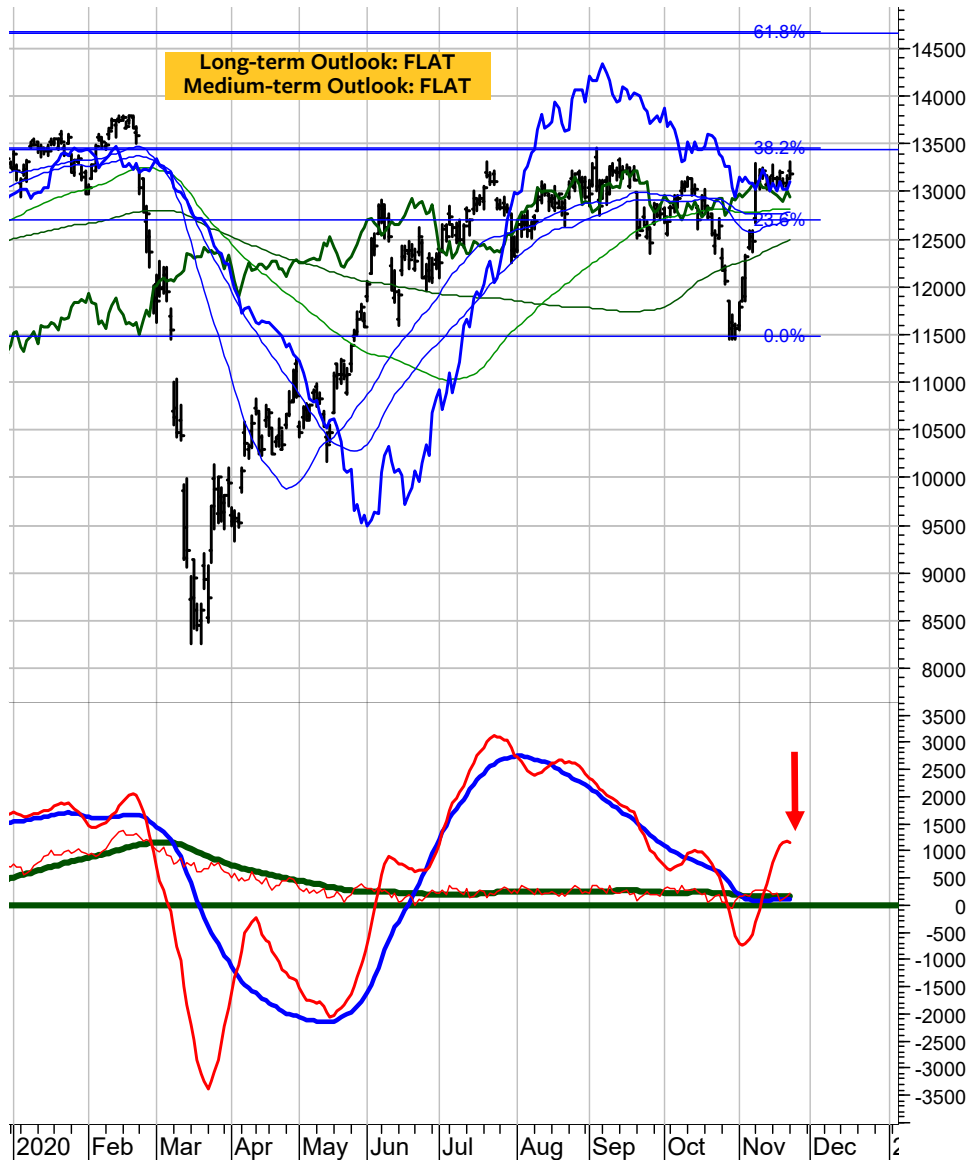
Eurostoxx 50 Index

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 would signal 4050. Based on the top in the Short-term Momentum Indicator (bottom, red) the Eurostoxx 50 Index could well enter a short-term correction. The magnitude of this correction will be most critical to the assessment of the medium-term and long-term outlook, i.e. if the resistance at 3650 will be broken or not.



Deutscher Aktien Index DAX

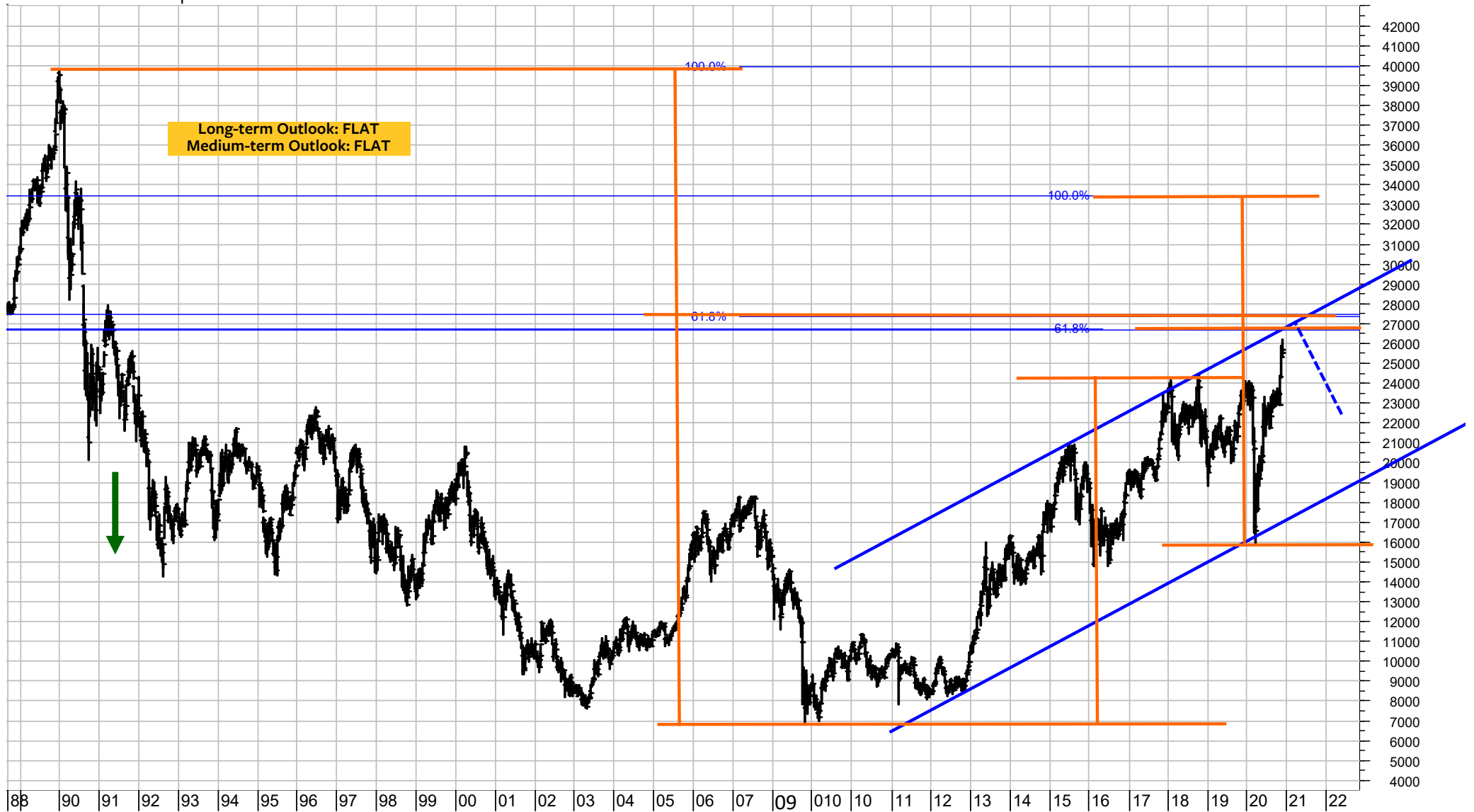
The DAX registered a marginally higher high on 23.11.2020 but failed to break the major resistance around 13300. The present downturn could be part of the consolidation from 9.11.2020 or, it could be the beginning of a major decline. Both scenarios are stressed by the top in the Short-term Momentum Indicator. Clearly, a break of 13000 would speak in favour of the bears.



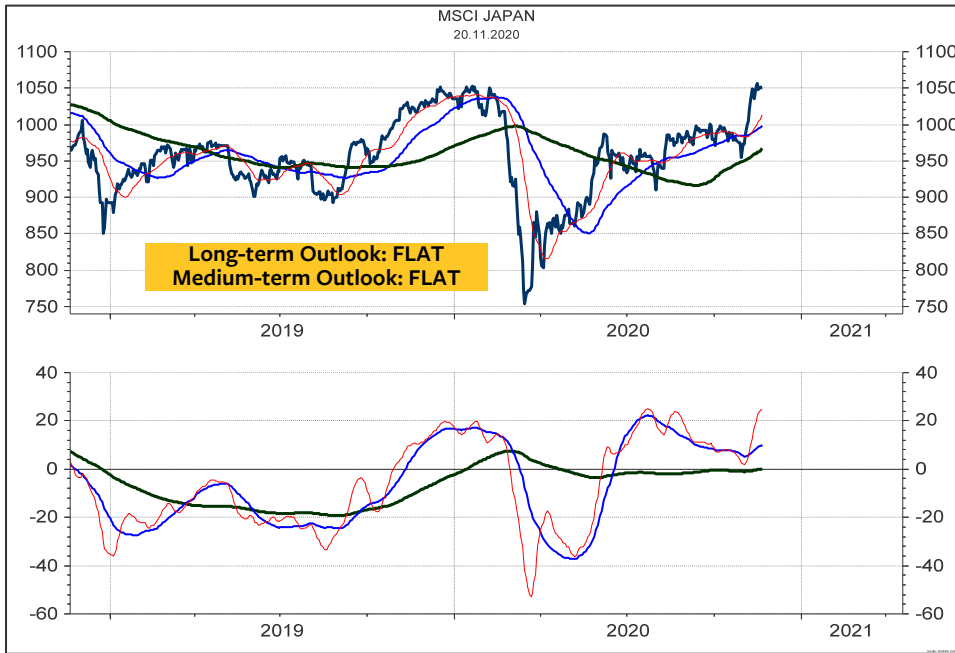
Nikkei 225 Index continuous Future

The Nikkei 225 Index remains below the mega-resistance around 27000 to 27500. My expectation of a medium-term correction below this resistance remains unchanged.

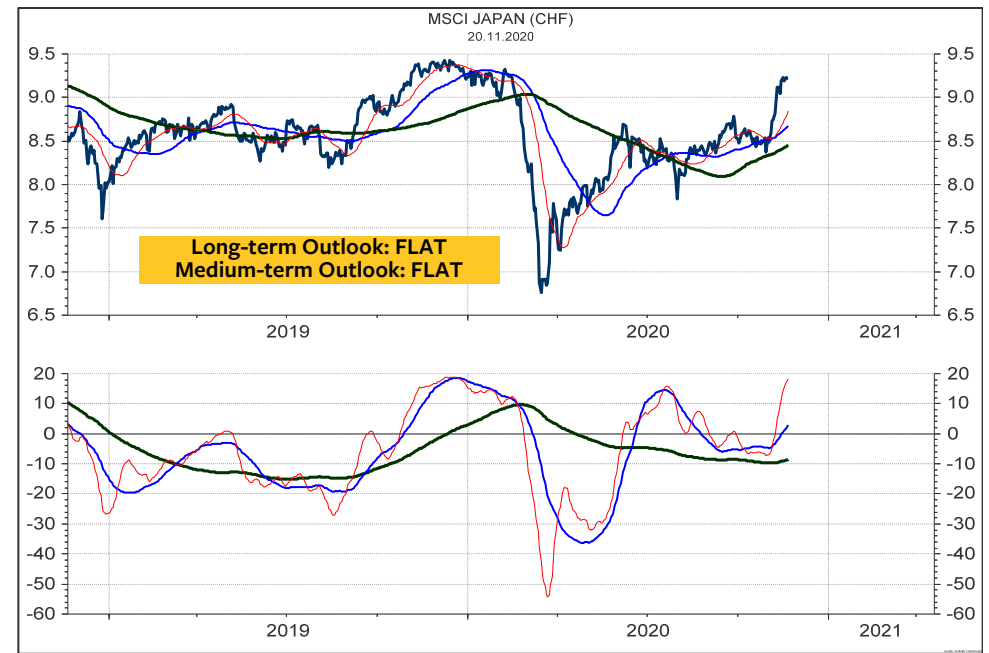
As you can see on the next page (lower right chart), the performance of the Nikkei Index in Swiss franc relative to the MSCI Switzerland is again testing the orange downtrend line. The relative long-term outlook is upgraded to NEUTRAL. A break above 6.90 would signal a shift to OVERWEIGHT Japan.



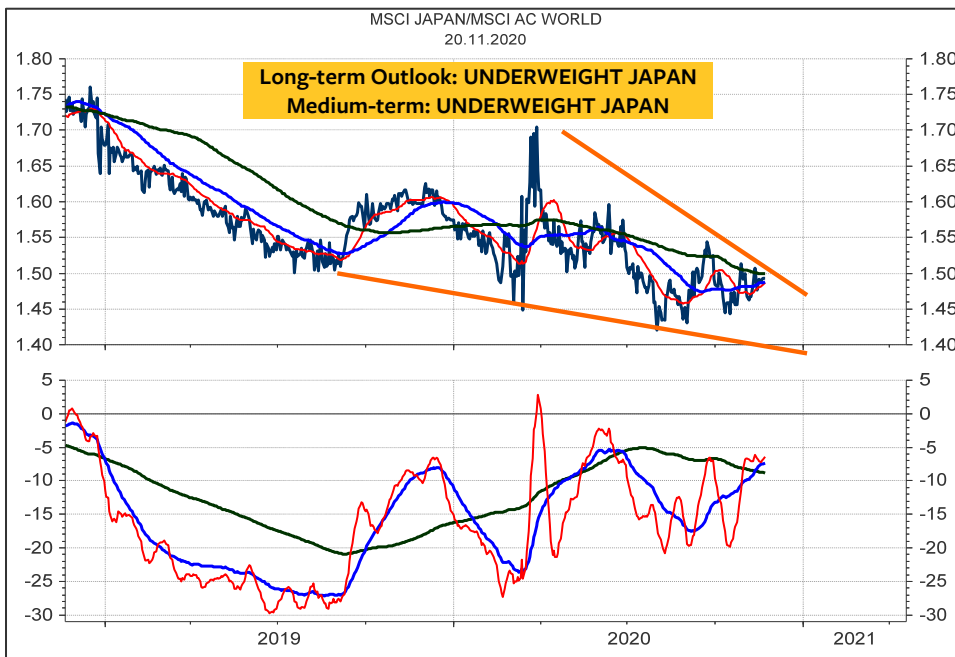
MSCI JAPAN in Yen



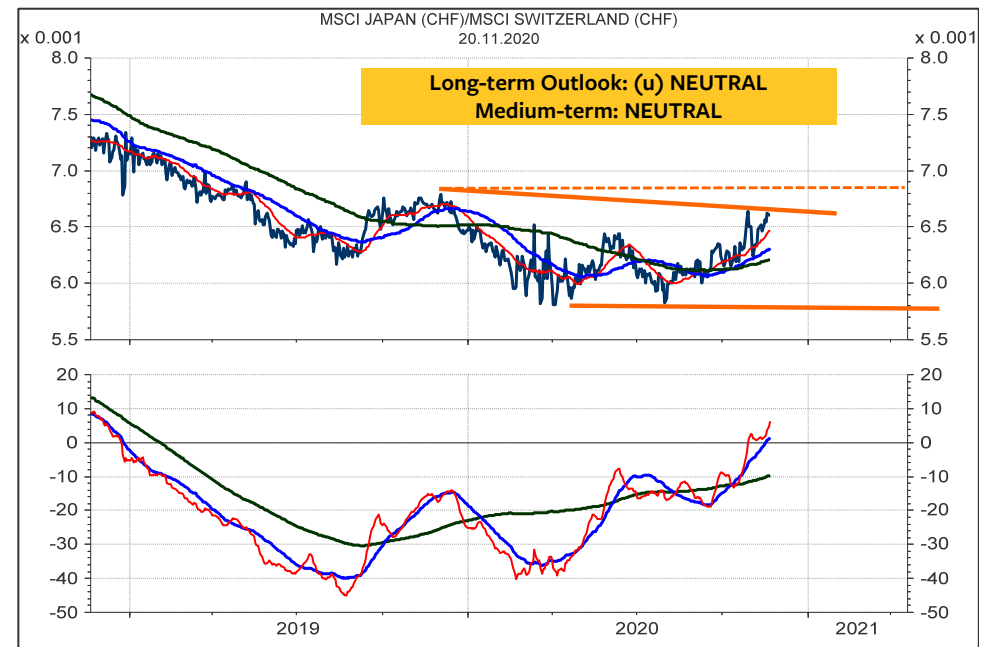
MSCI JAPAN in Swiss franc



MSCI JAPAN relative to the MSCI AC World



MSCI JAPAN in SFR relative to MSCI Switzerland



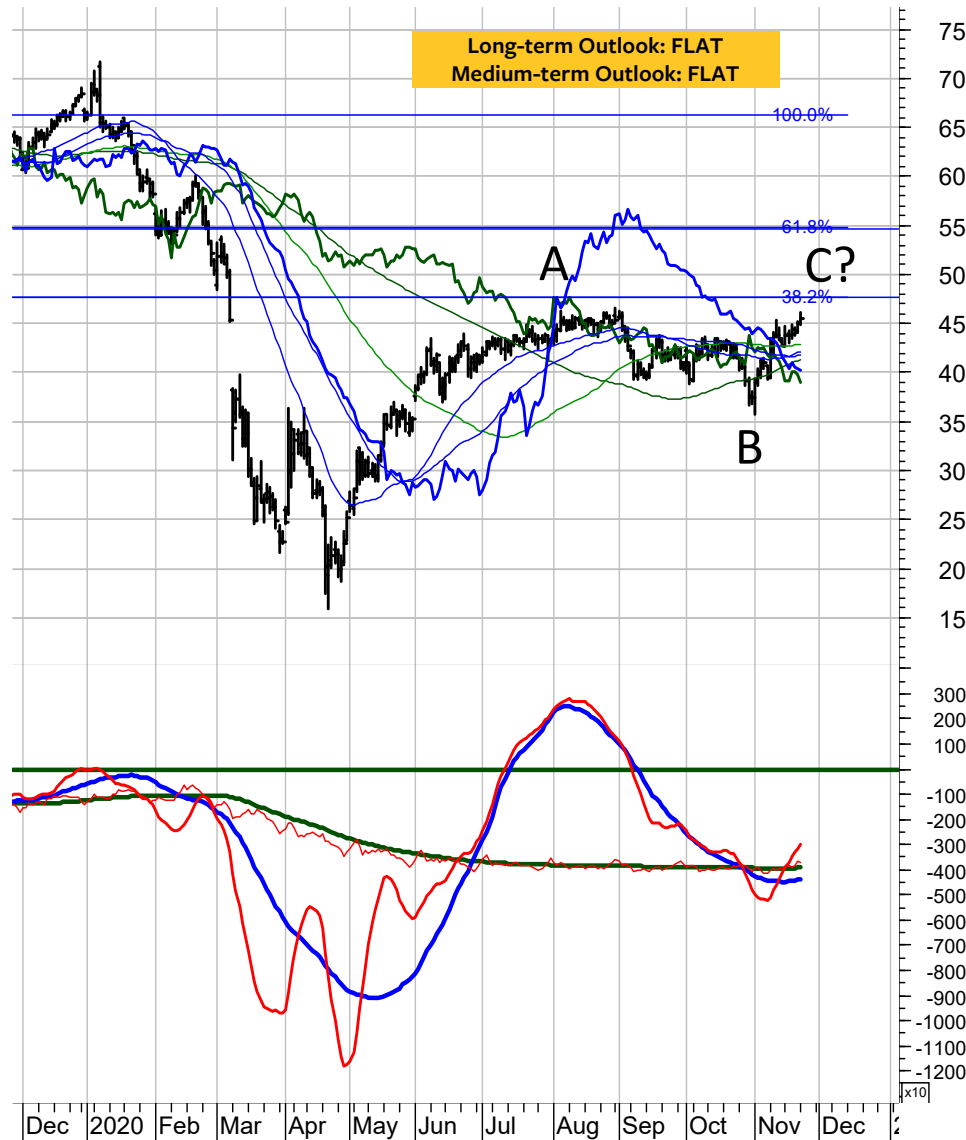
MSCI Emerging Market Index

The MSCI Emerging Markets is close to the mega-resistance range between 1250 and 1290. A medium-term downturn is likely from this range.



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 48.50 or 55. The next minor resistance is at 46.30.

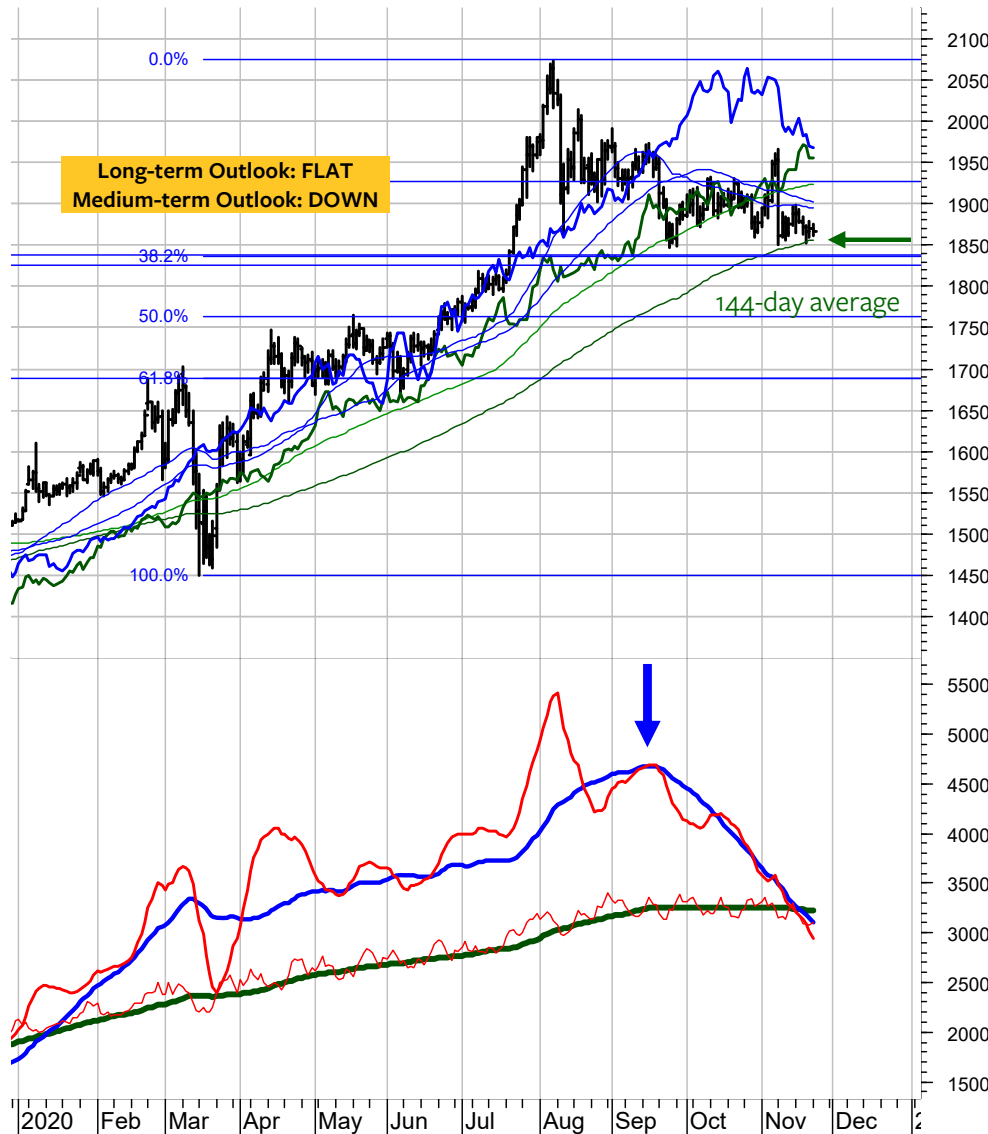


Gold per Ounce in US dollar

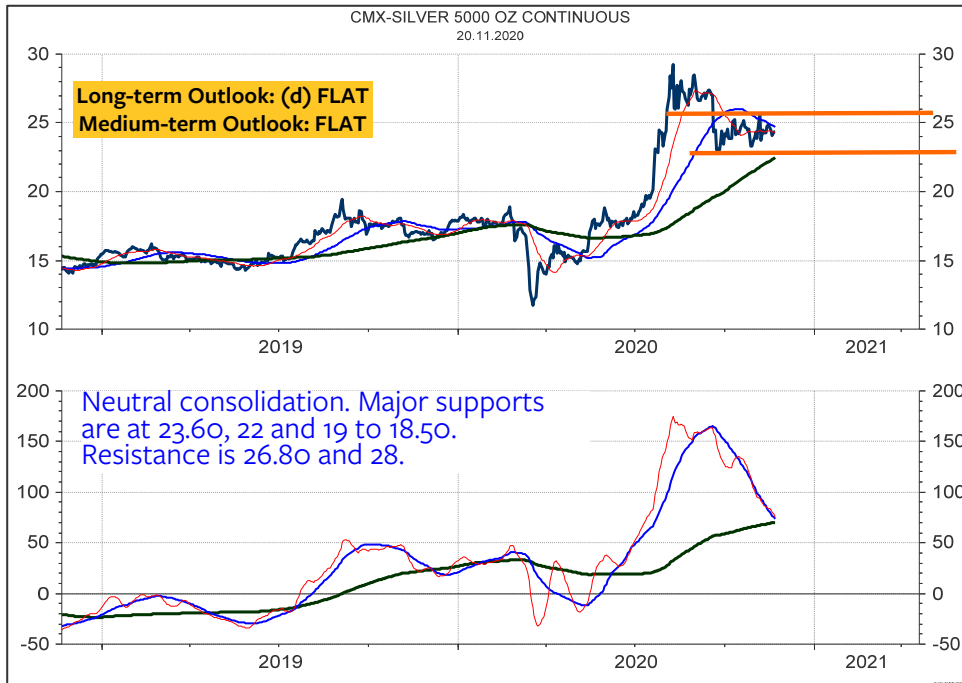
Gold remains in the medium-term downtrend from August.

Presently, it is testing the 144-day moving average (at 1850). A break of this long-term trend indicator and a break of the Fibonacci support levels at 1850 and 1820 would turn the long-term outlook DOWN. The next lower support is at 1690.

For the medium-term outlook to improve, Gold would have to rise above 1930 and 1970.



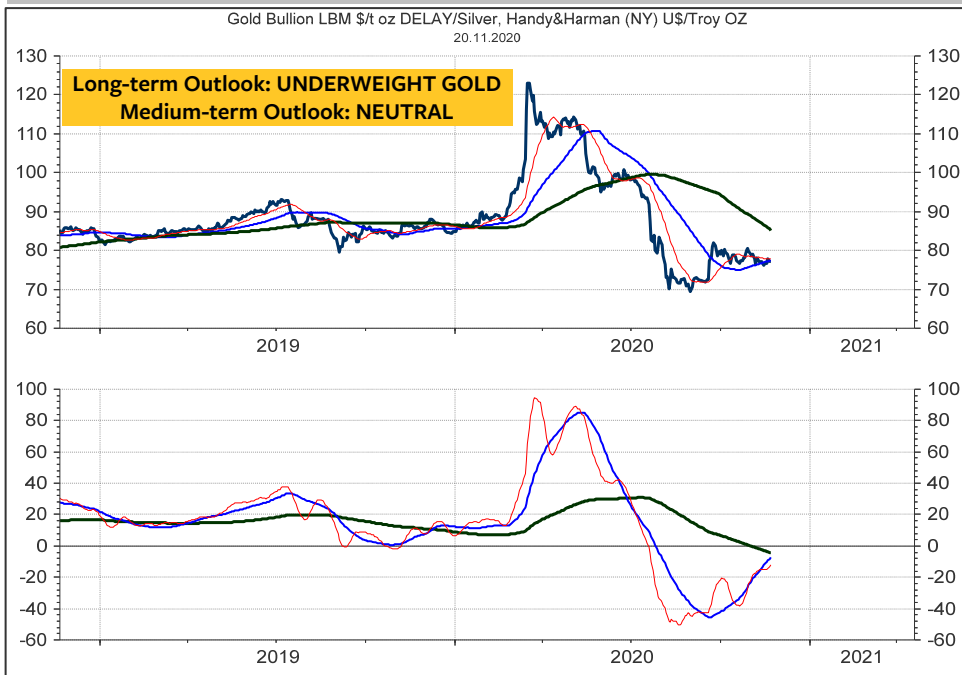
Silver



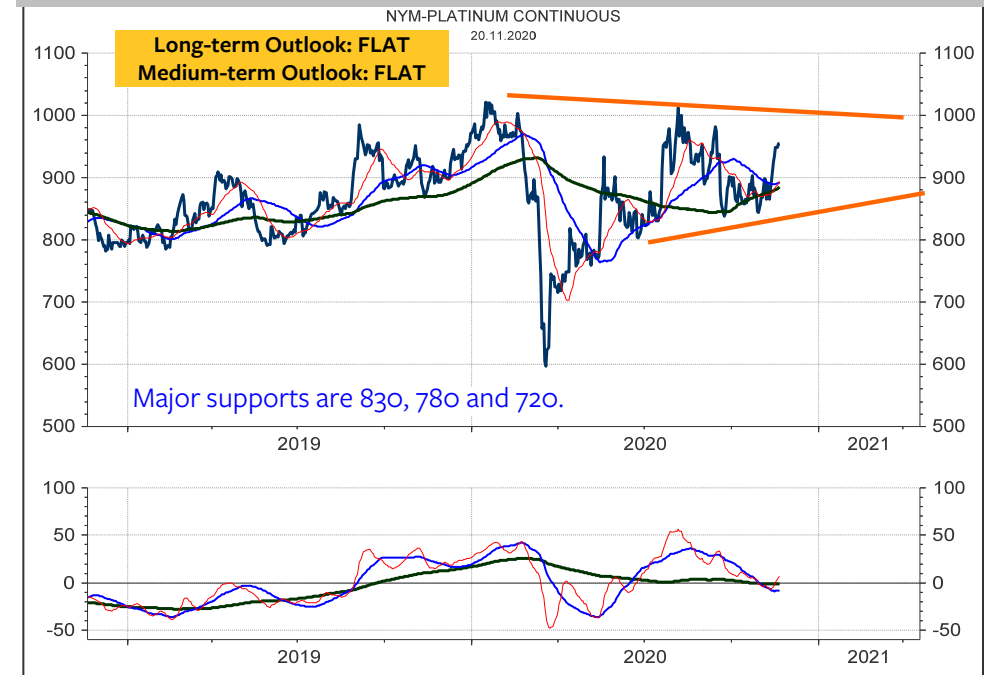
Palladium



Gold relative to Silver



Platinum



US DOLLAR Index

The decline in the US Dollar Index has major supports at 92 to 91.80 and 91 or 90.60. These supports are derived from the correlation of the two downlegs, the one from late September to October and the one in November. A break of 91.80 would turn the medium-term outlook DOWN. The Long-term Outlook turned FLAT with the consolidation from August. However, a break of 91 and 90.50 would shift it DOWN again.



Swiss franc per US DOLLAR

The US dollar remains in the consolidation, which it entered in August. It remains to be seen if the consolidation is a bottom formation or just a trend continuation formation. The key levels to watch are the resistance levels at 0.9220 and 0.9310 and the supports at 0.8990 and 0.8870.



Japanese yen per US DOLLAR

The US dollar remains in the long-term downtrend.

For a relief of the medium-term downward pressure the US dollar would have to rise above 105.20 and 106.20.



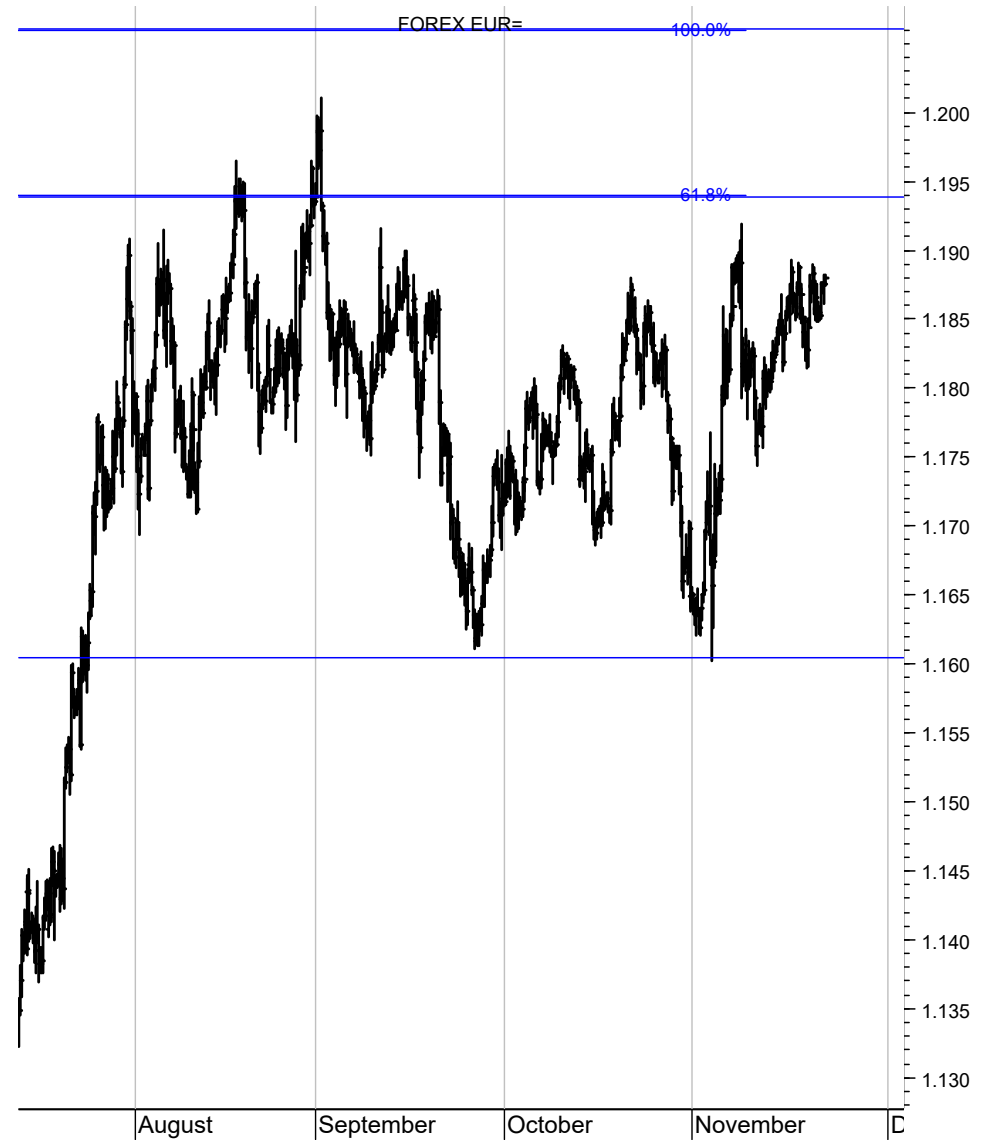
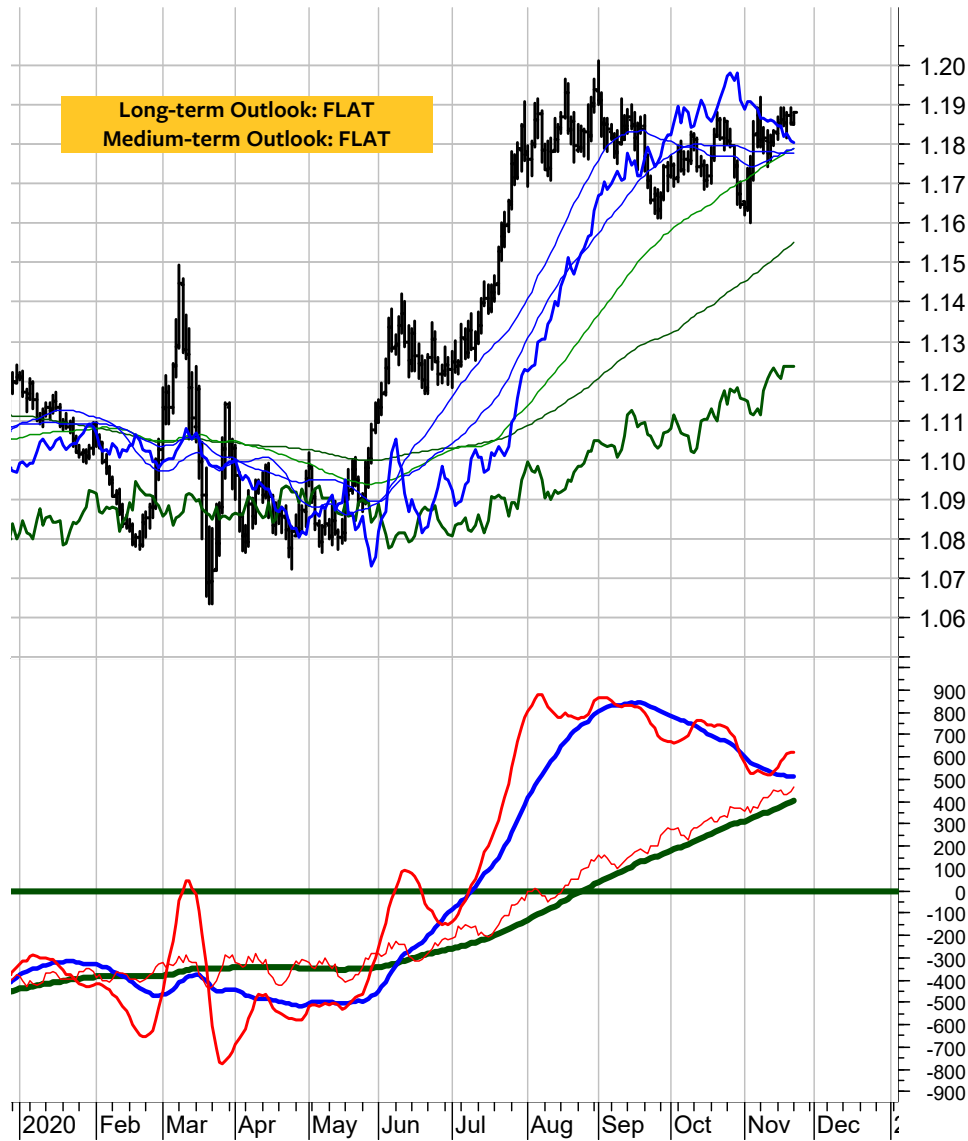
Chinese yuan per US DOLLAR

Following the break of the support around 6.60, the next supports are at 6.48 and 6.28. Resistance is at 6.61 and 6.64.



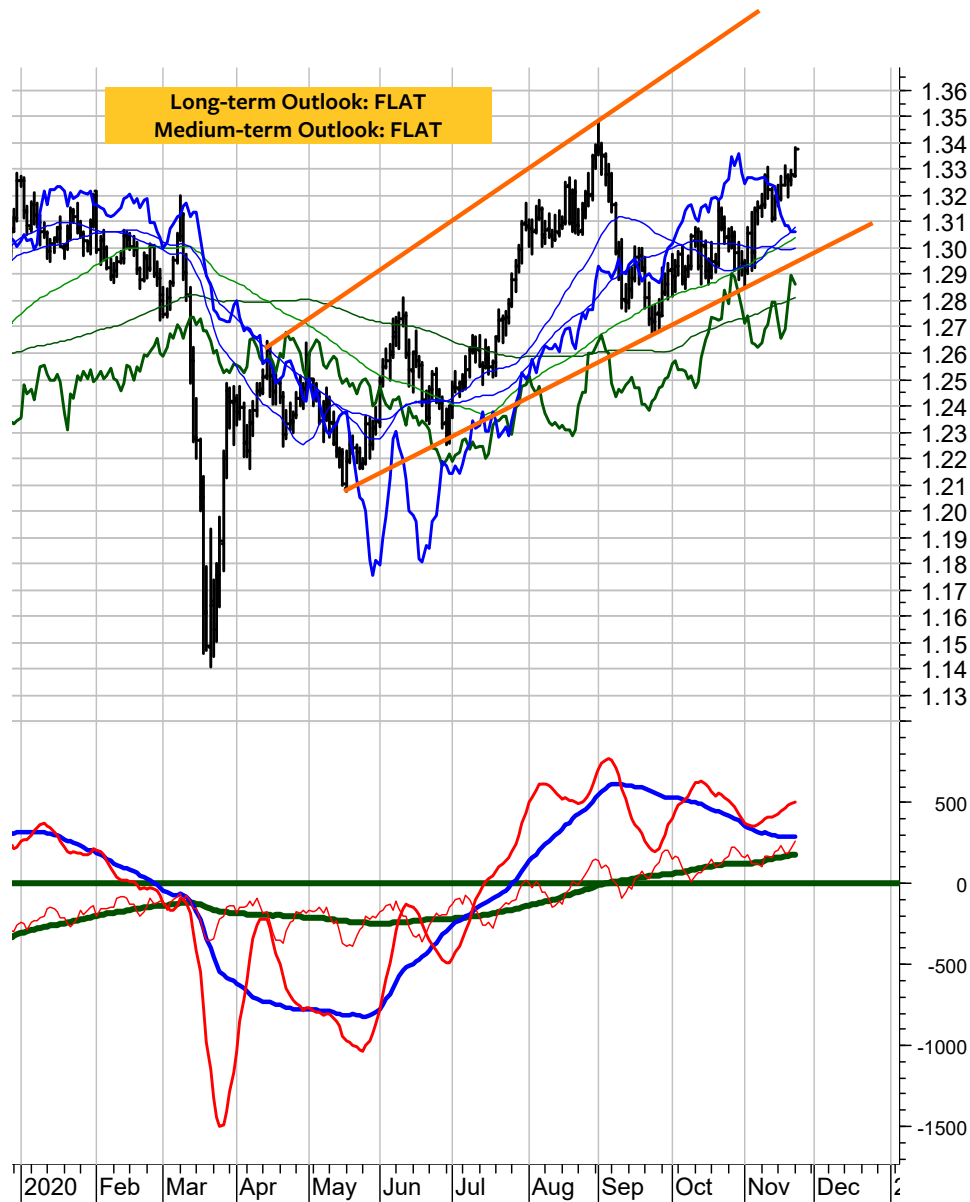
US dollar per EURO

The Euro remains in its large consolidation, which it entered following the high of 1.9.2020.
For the resumption of the uptrend from March, the Euro would have to rise above 1.1950 and 1.2060.



US dollar per BRITISH POUND

The rise from the low in September appears corrective. It is testing a key resistance at 1.34, a break of which would signal 1.3560 to 1.3670. Thus, my Medium-term Outlook would move to UP if 1.34 is clearly broken.



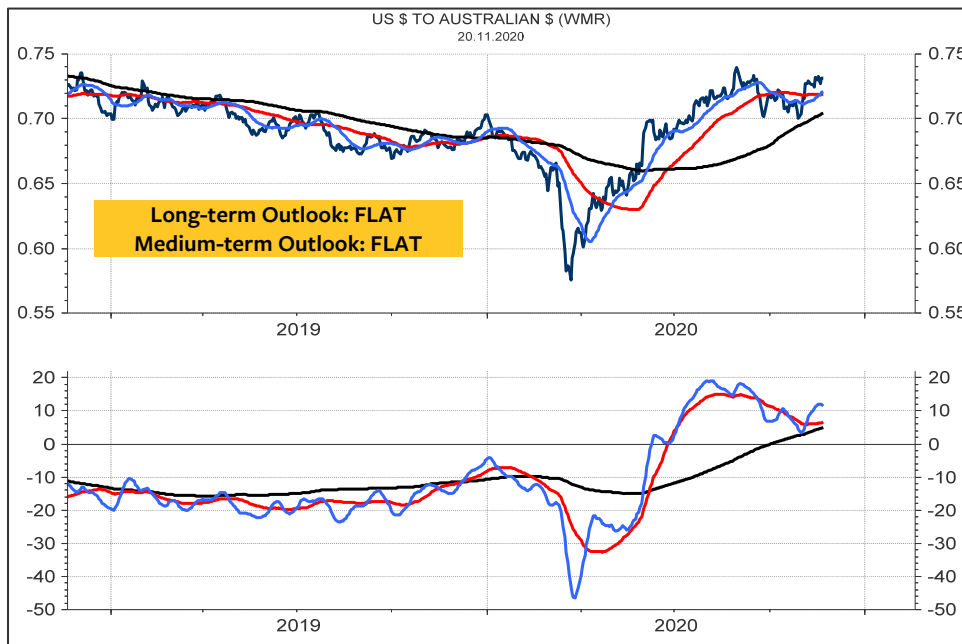
Canadian dollar per US DOLLAR



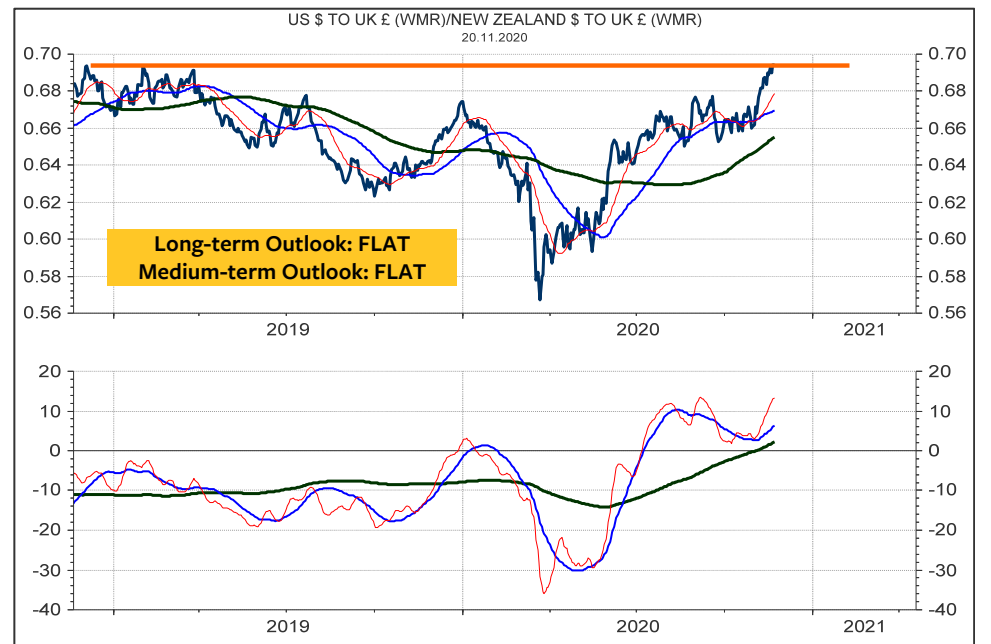
Swedish krona per US DOLLAR



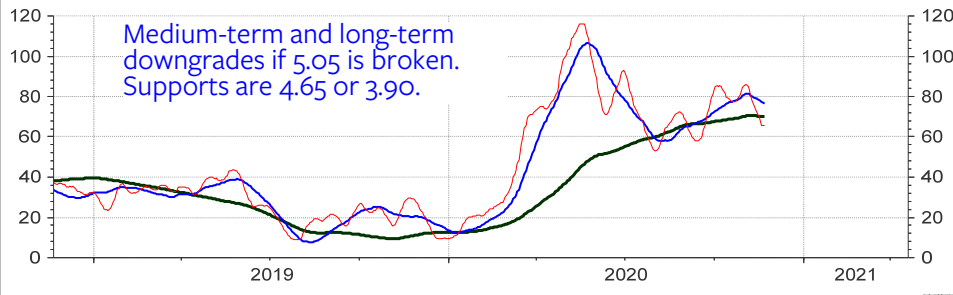
US dollar per AUSTRALIAN DOLLAR



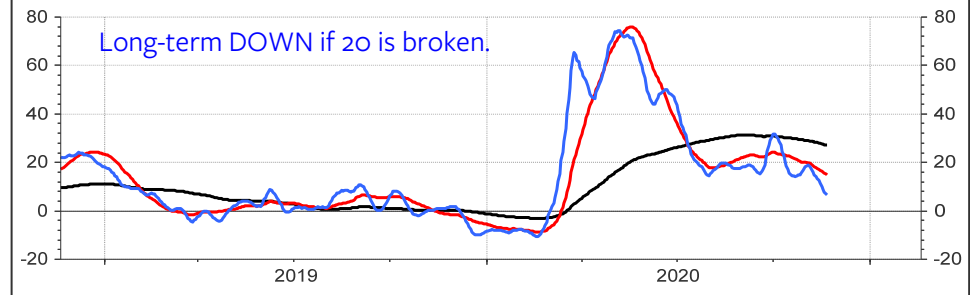
US Dollar per NEW ZEALAND DOLLAR



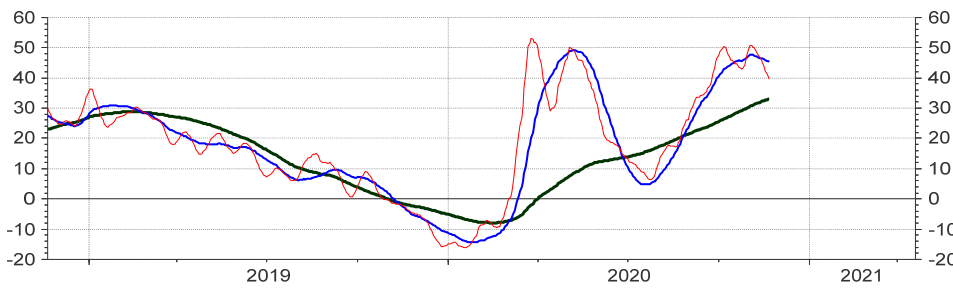
Brazilian real per US DOLLAR



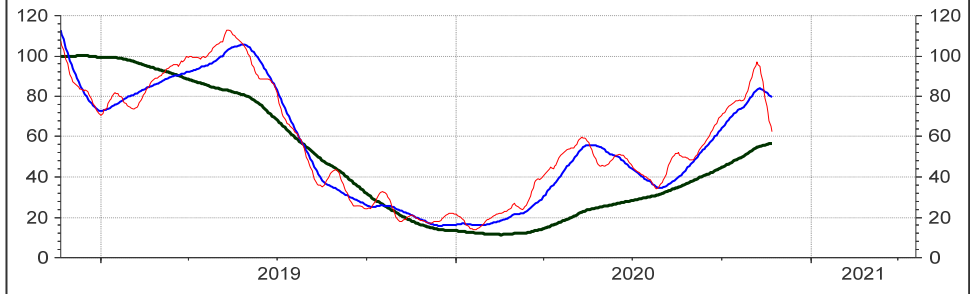
Mexican peso per US DOLLAR



Russian rouble per US DOLLAR

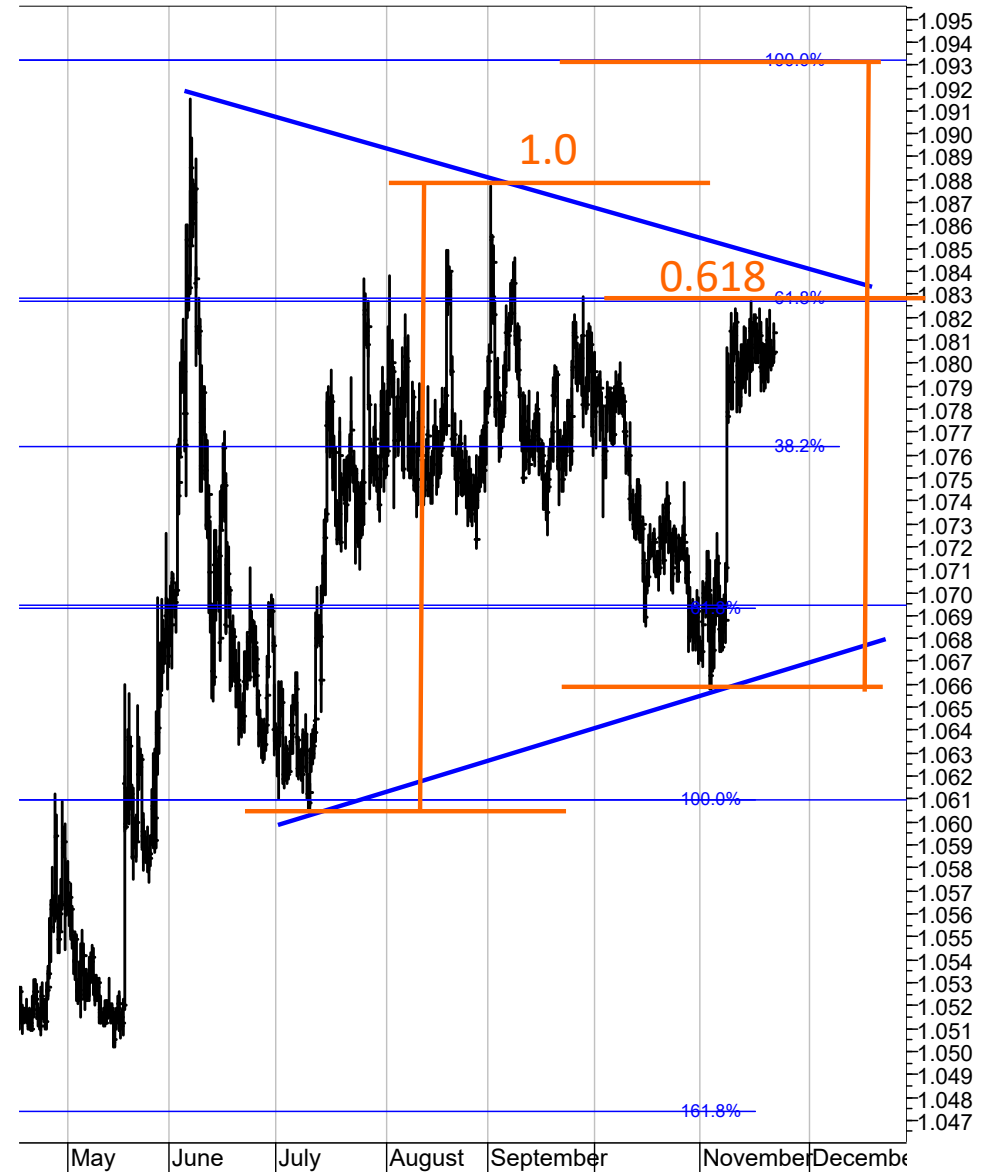


New Turkish lira per US DOLLAR



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 resistance levels are at 1.0830 and 1.0935. The support levels are at 1.0690 and 1.0610.



Bitcoin / US dollar

The Bitcoin has reached the major resistance, which I had projected around 19000. Based on the magnitude of the correction from 18977 to 17600 the next resistance is at 19100. The next higher resistance is 19800. Moreover, the former all-time high at 19666 in December 2017 marks a major resistance. Thus, the odds favour a medium-term top between 18700 and 19800 with an outside chance that the top will be registered at the next resistance at 21300. The critical supports are 17800, 17300 and 16500.



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Sources

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Explanations

For a more detailed explanation of the Trend and Momentum Models applied in this Chart Outlook, please see

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