



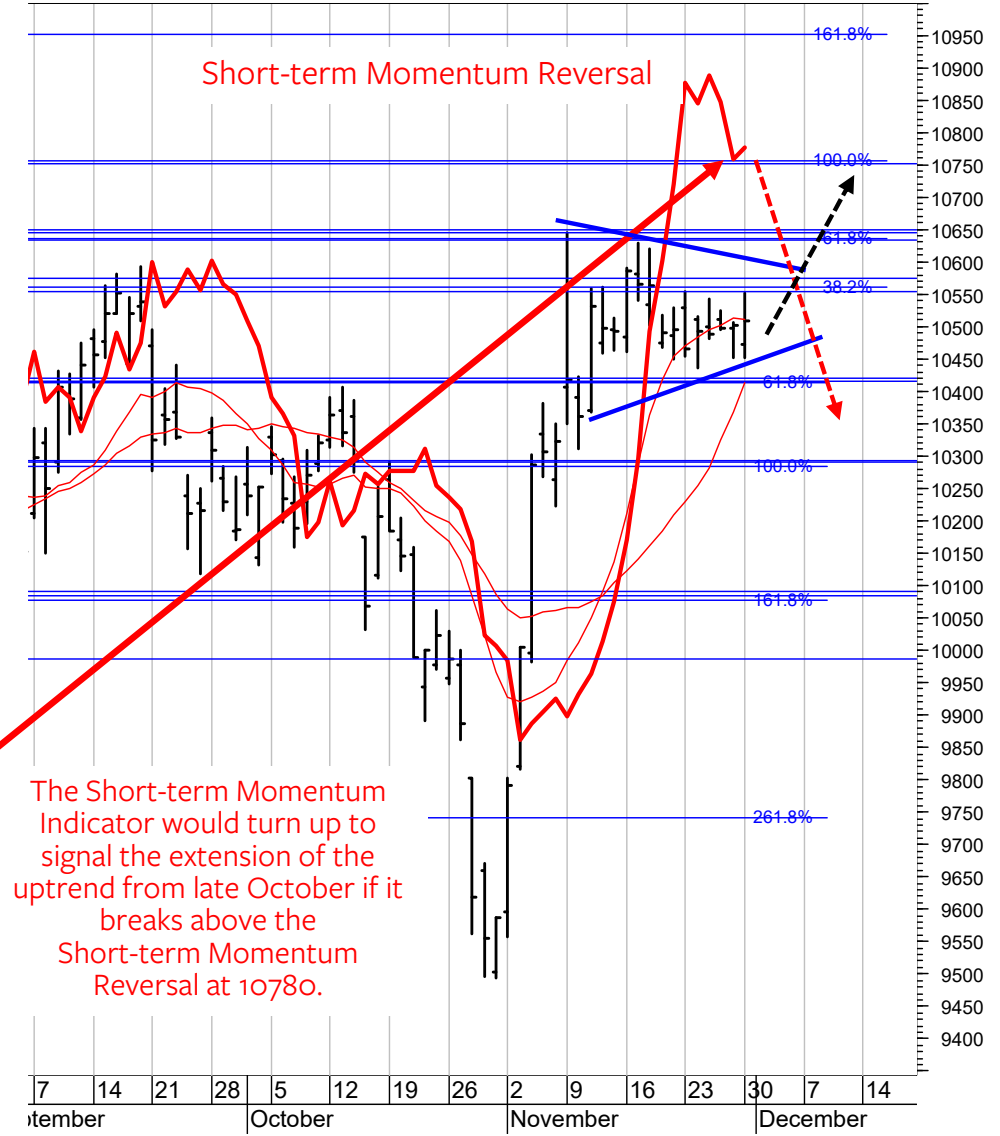
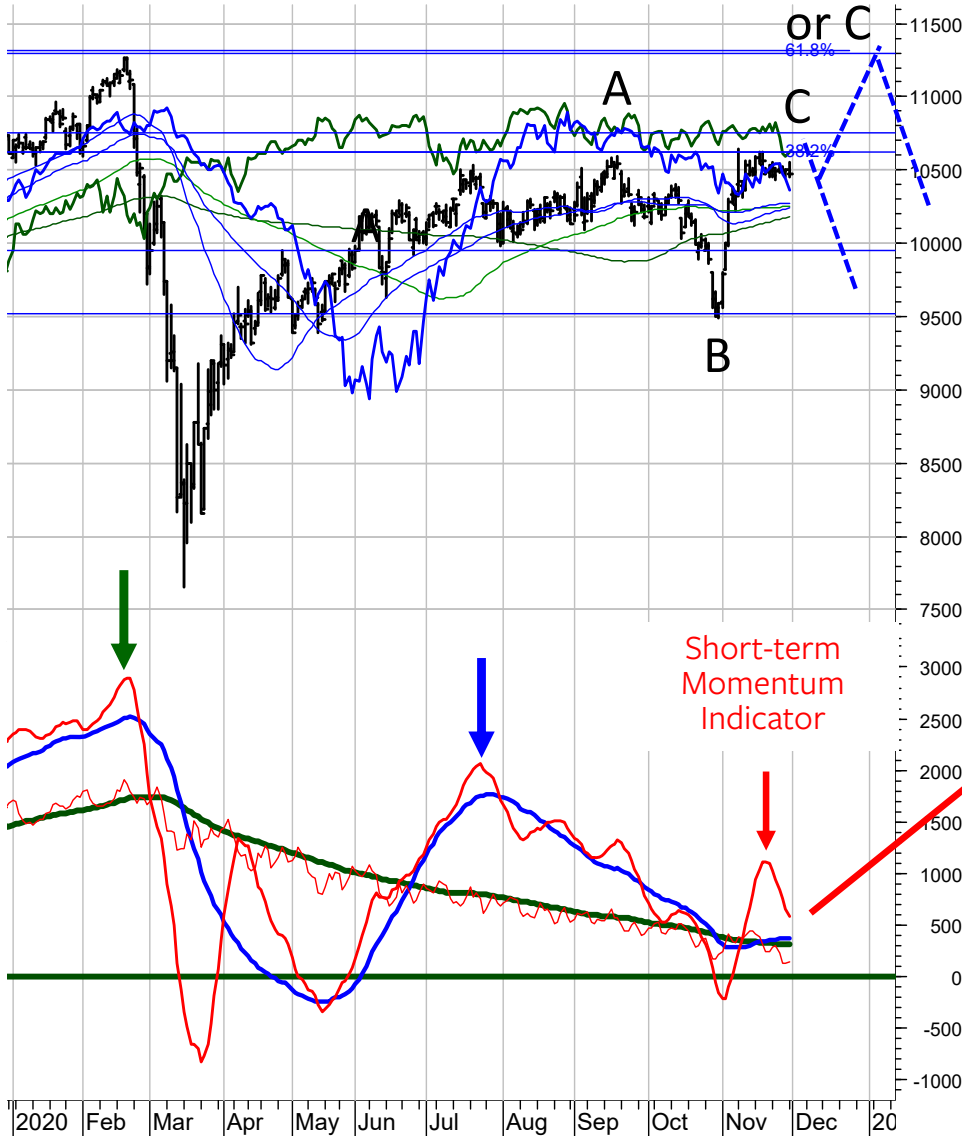
BERTSCHIS CHART OUTLOOK

Global Markets

30th November 2020 / Issue #46

Swiss Market Index SMI

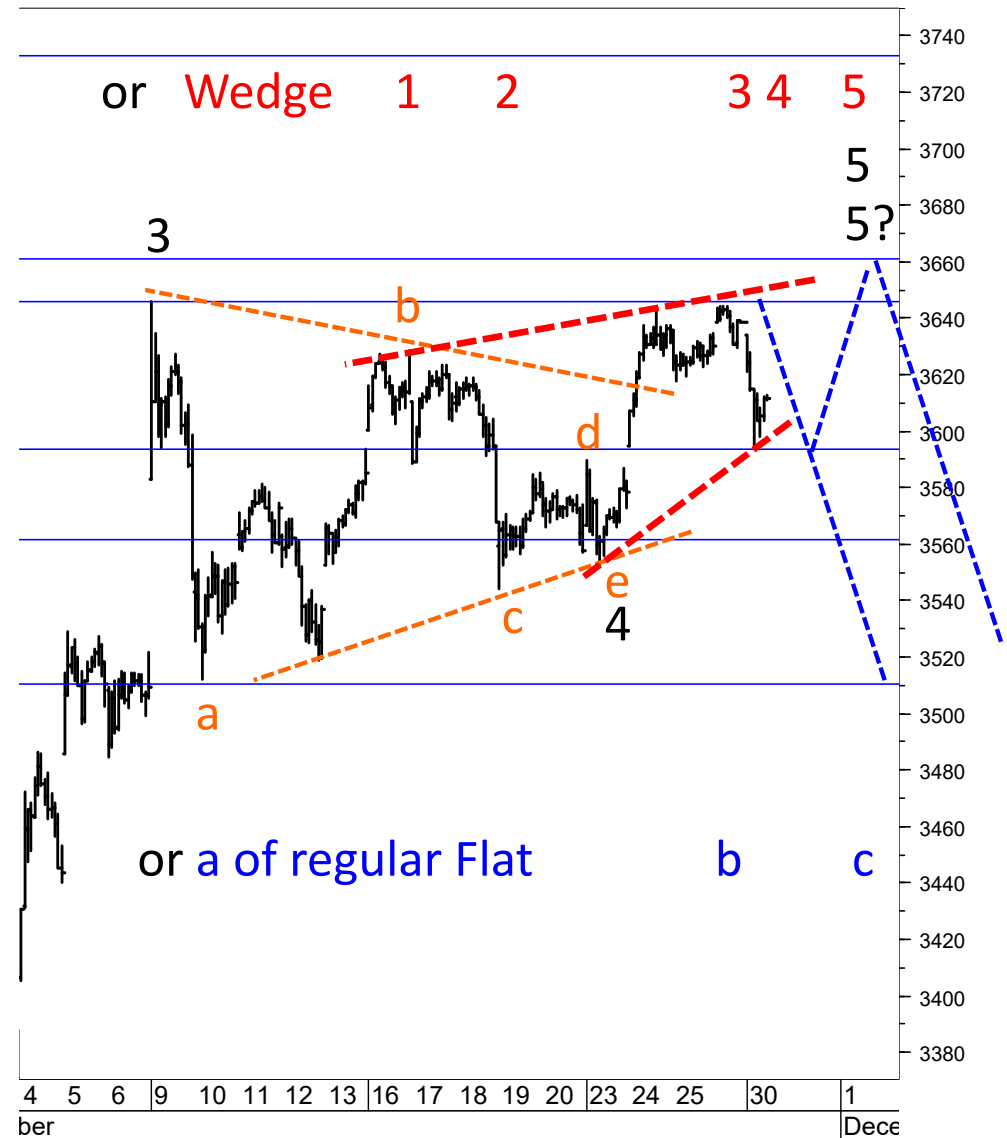
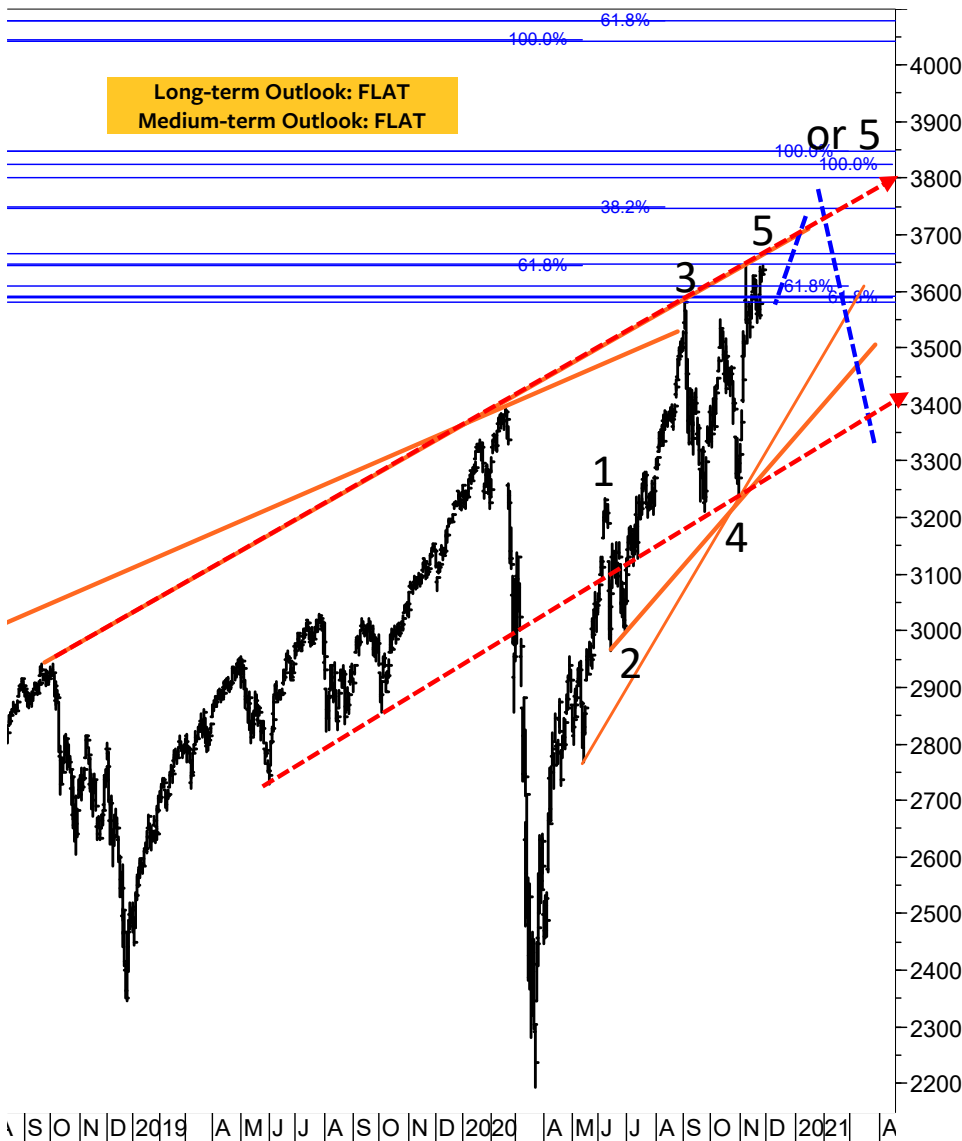
The SMI remains in the short-term correction, which was signaled by the Short-term Momentum Indicator on 18.11.2020. The longer the SMI remains in this Triangle, while the Short-term Momentum Indicator is declining, the higher the odds are becoming for the SMI to break above 10650 (C = 0.382 x A). The Short-term Momentum Reversal (presently at 10770) will decline below the SMI and signal a bullish crossing in December. Then, the SMI could rise to 10750 or 11300 (C = 0.618 x A). Meanwhile, the supports should be watched at 10400 and 10280. A break of these levels would turn the major trend down and signal 10080 to 9980 or 9500. For now, the Medium-term and Long-term Outlook remains FLAT.



S & P 500 Index

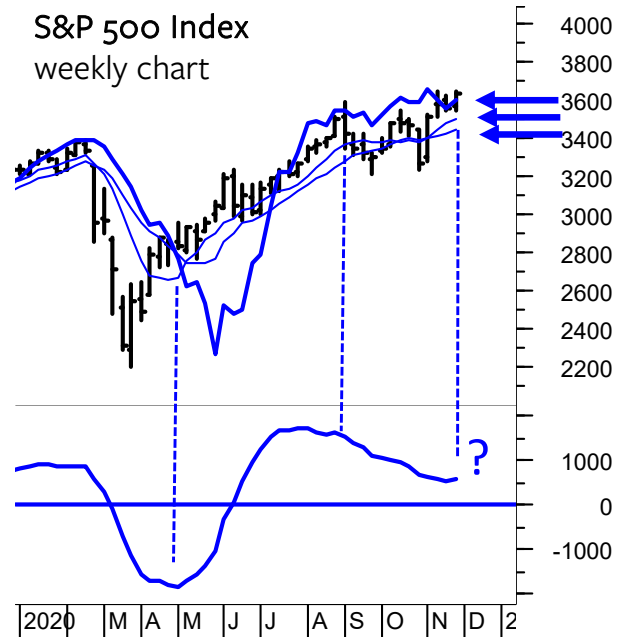
Last week, I stated that: “The S&P 500 Index has been forming a Horizontal Triangle since the high on 9.11.2020 at 3646. The formation of a Triangle means that most likely, the S&P 500 Index will rise to the upper level of the resistance range, which is at 3750 to 3850.”

The S&P 500 Index did break the Triangle (a-b-c-d-e) to the upside and is testing the high from 9.11.2020 at 3646. The present mini-selloff could still be part of the consolidation from 9.11.2020. It could fall to 3550 (c = a). As long as 3550 is not broken, the uptrend could stretch to 3740 or 3850. Because the Short-term Momentum Indicator for the majority of the 500 stocks in the S&P 500 Index (see next page) remains DOWN, I leave my Medium-term and Long-term Outlook FLAT.

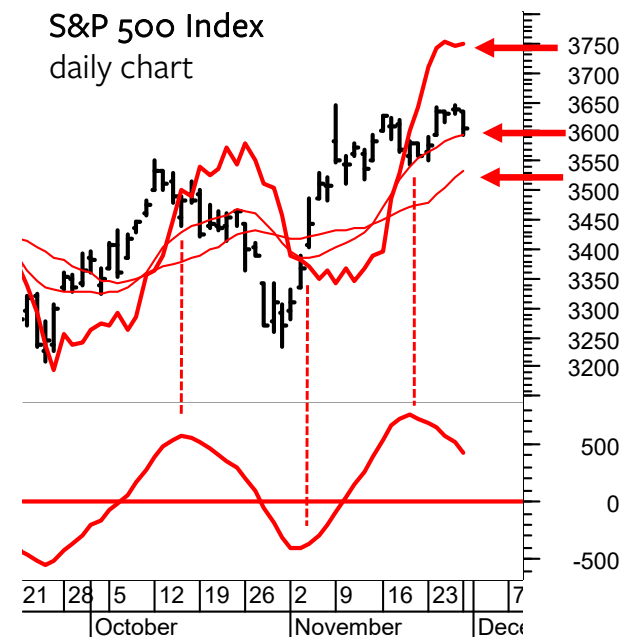




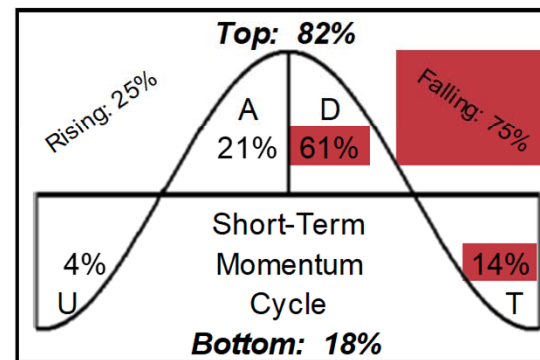
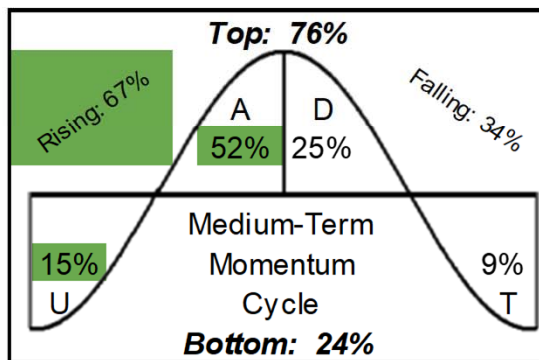
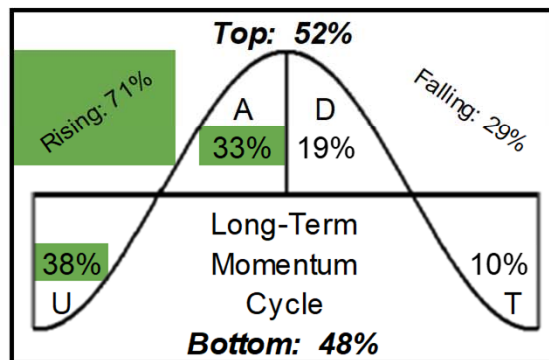
LONG-TERM: The S&P 500 Index is trading above the 89-day and 144-day moving averages and above the long-term momentum reversal (3 green arrows). Thus, based on my Trend and Momentum Model, the long-term trend is rising. Moreover, out of the 500 S&P 500 Index constituent stocks, 71% display a rising long-term momentum indicator. 38% of the 500 stocks are positioned in the phase U(p) and 33% are in the phase A(dvancing). This compares to 29% in the bearish phases D(eclining) and T(erminating). BUT, because the S&P 500 Index is so close to the long-term resistance range 3740 to 3850, I leave my Long-term Outlook FLAT.



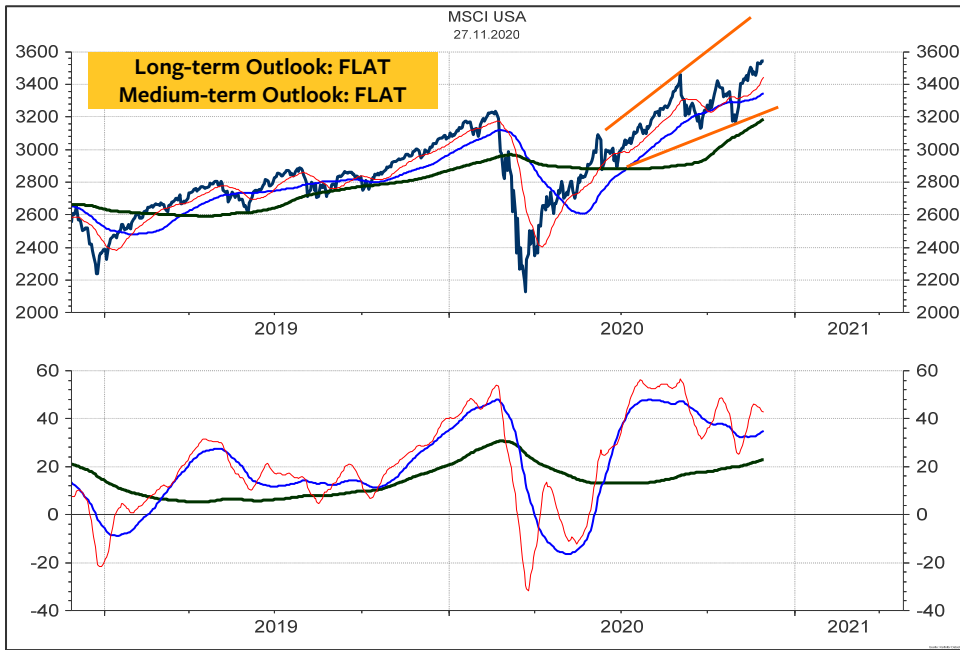
MEDIUM-TERM: The S&P 500 Index is trading above the 34-day and 55-day moving averages and slightly above its medium-term momentum reversal (3 blue arrows). This means that the Medium-term Momentum Indicator is turning up. Moreover, out of the S&P 500 Index constituent stocks, 67% display a rising medium-term momentum indicator. 15% of the 500 stocks are positioned in the phase U(p) and 52% in the phase A(dvancing). This compares to 34% in the bearish phases D(eclining) and T(erminating). This means that the Medium-term Outlook is about to move from flat to UP. But, because the short-term model (at right) is negative, I leave my Medium-term Outlook FLAT.



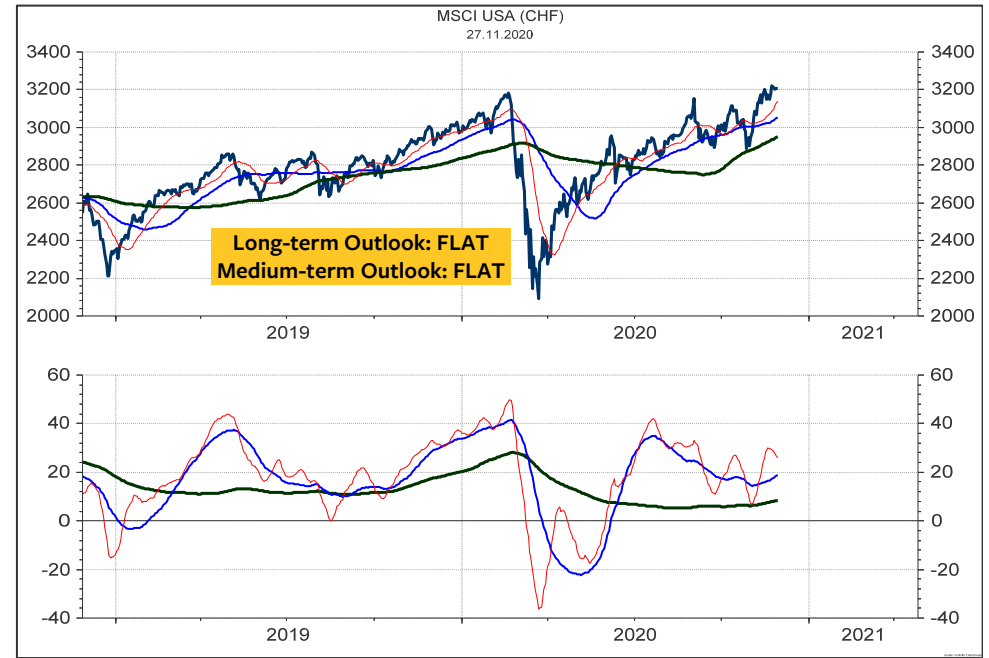
SHORT-TERM: The S&P 500 Index is trading above the 21-day moving average, slightly above the 13-day moving average but below the Short-term Momentum Reversal (3 red arrows). The Short-term Momentum Indicator is declining for the S&P 500 Index (which is why the Short-term Reversal is positioned **above** the S&P 500 Index) and for 75% of the 500 S&P 500 Index constituents. 61% of the 500 stocks are positioned in the phase D(eclining) and 14% in the quadrant T(erminating). As long as the Short-term Model is negative, the risk is that the Medium-term Model will turn DOWN again and the S&P 500 Index fails to break above 3740 to 3850.



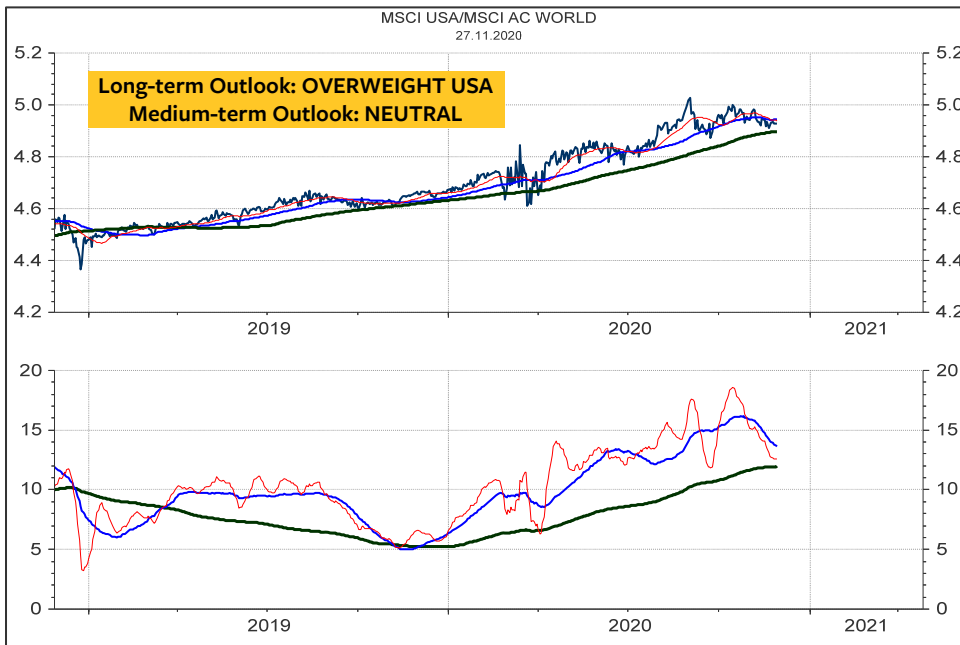
MSCI USA in US\$



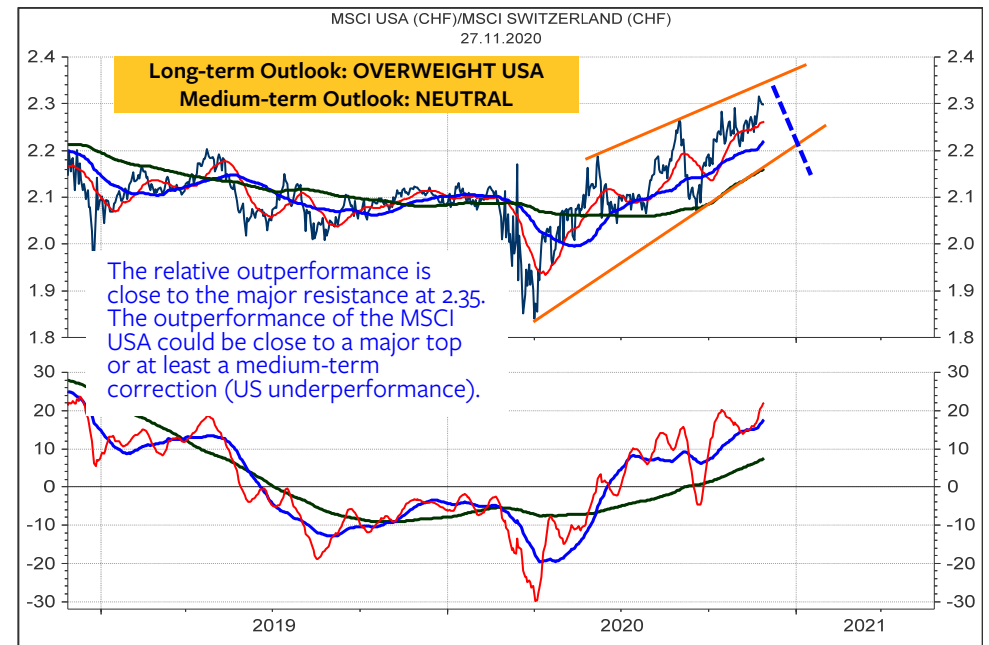
MSCI USA in Swiss franc



MSCI USA relative to the MSCI AC World



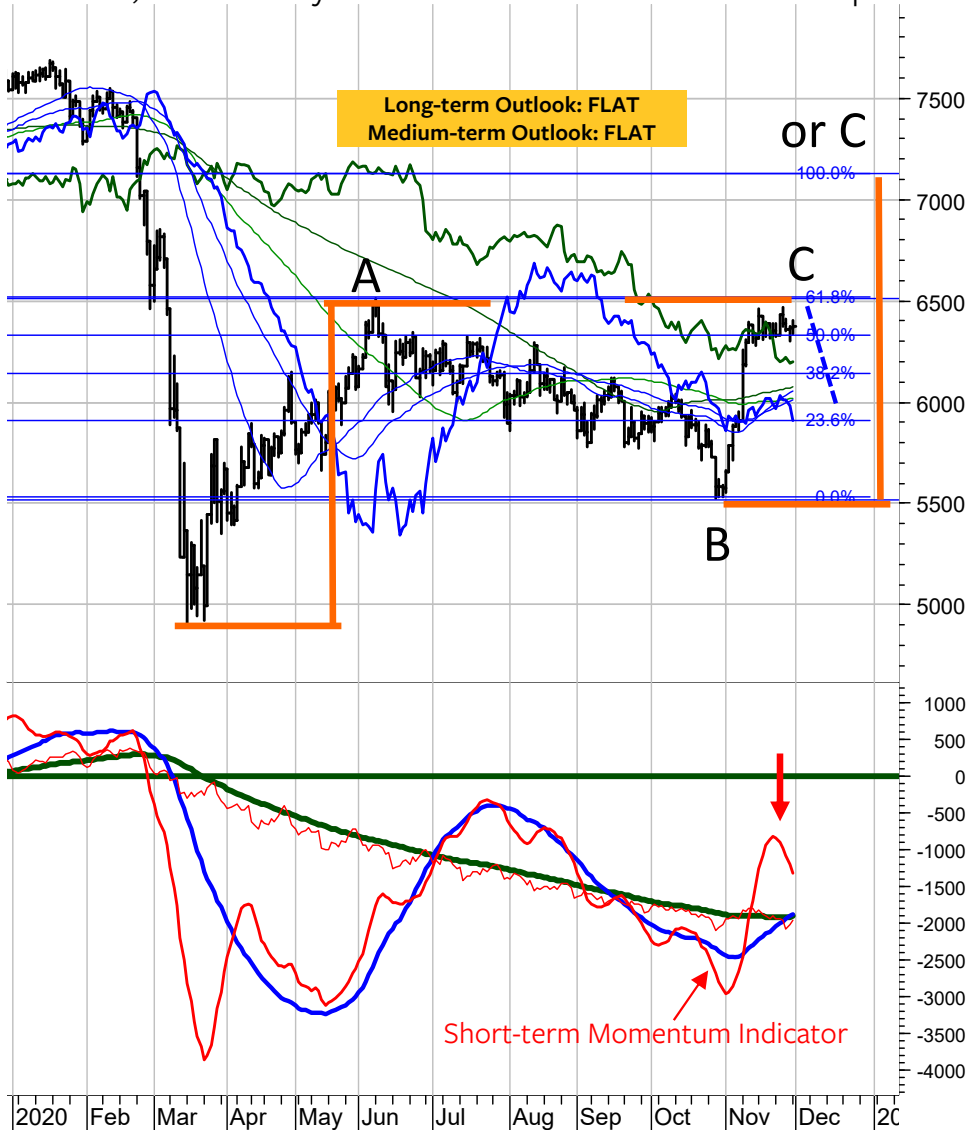
MSCI USA in SFR relative to MSCI Switzerland



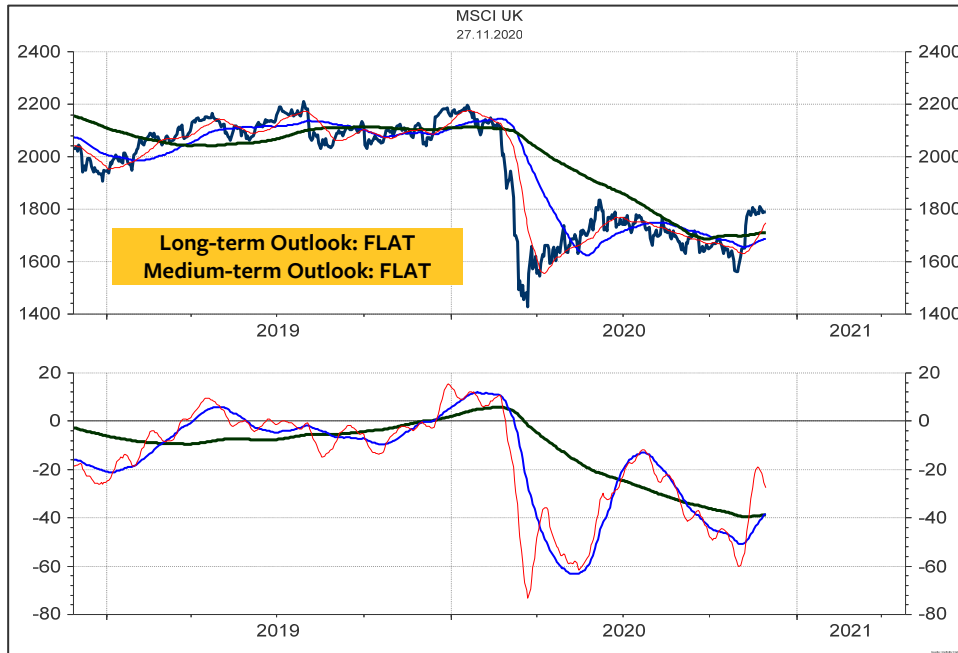
FTSE 100 Index

The FTSE 100 is consolidating just below the major resistance at 6500 (C = 0.618 x A). A break of 6500 would signal 7100 (C = A). Because the Short-term Momentum Indicator is declining, the odds favor a break below 6300 and 6245. The next supports are 6100 and 5880.

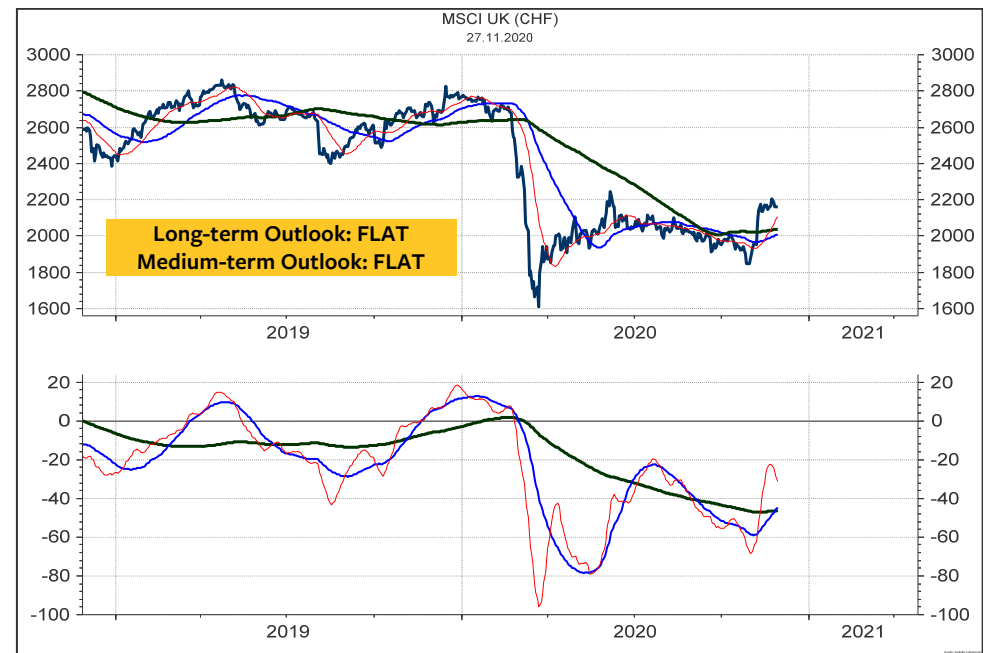
The MSCI U.K. measured in Swiss franc relative to the MSCI Switzerland (next page, lower right) rose above the moving averages. However, it is too early to call for a bottom of the U.K. underperformance of the past 15 years.



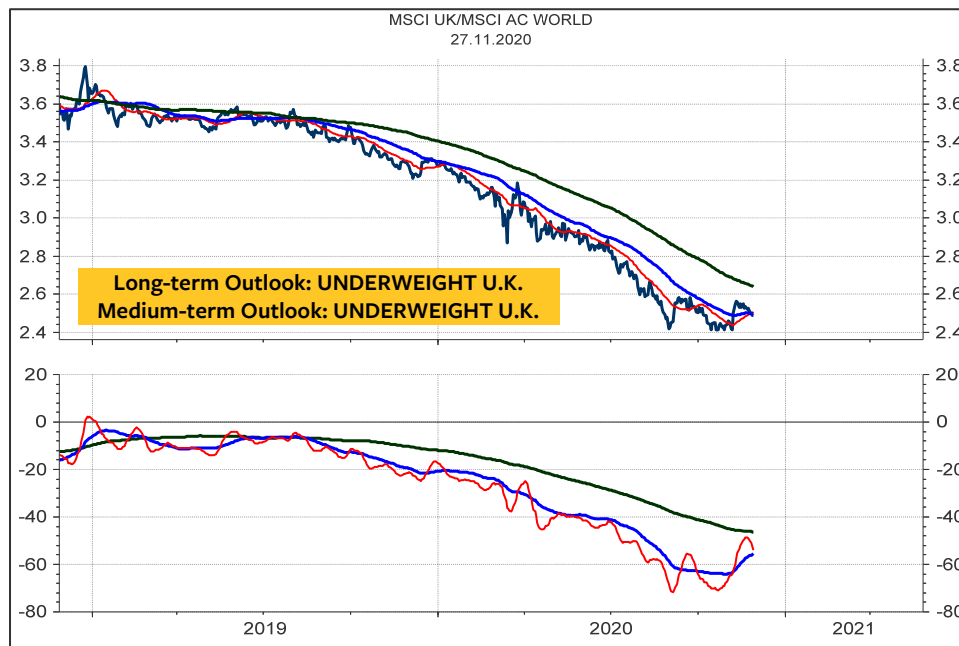
MSCI U.K. in British Pound



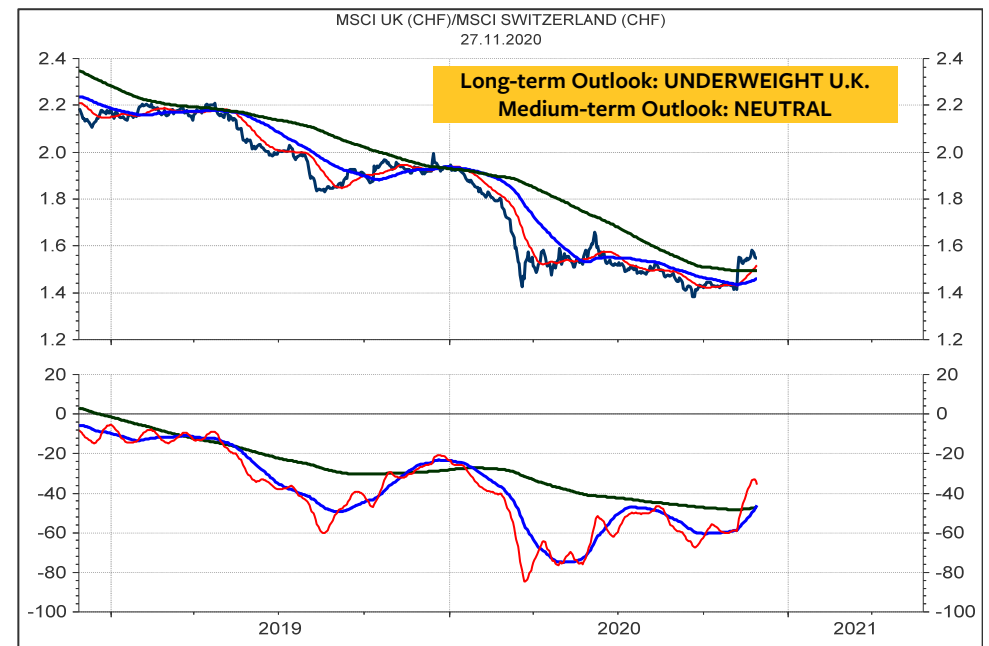
MSCI U.K. in Swiss franc



MSCI U.K. relative to the MSCI AC World



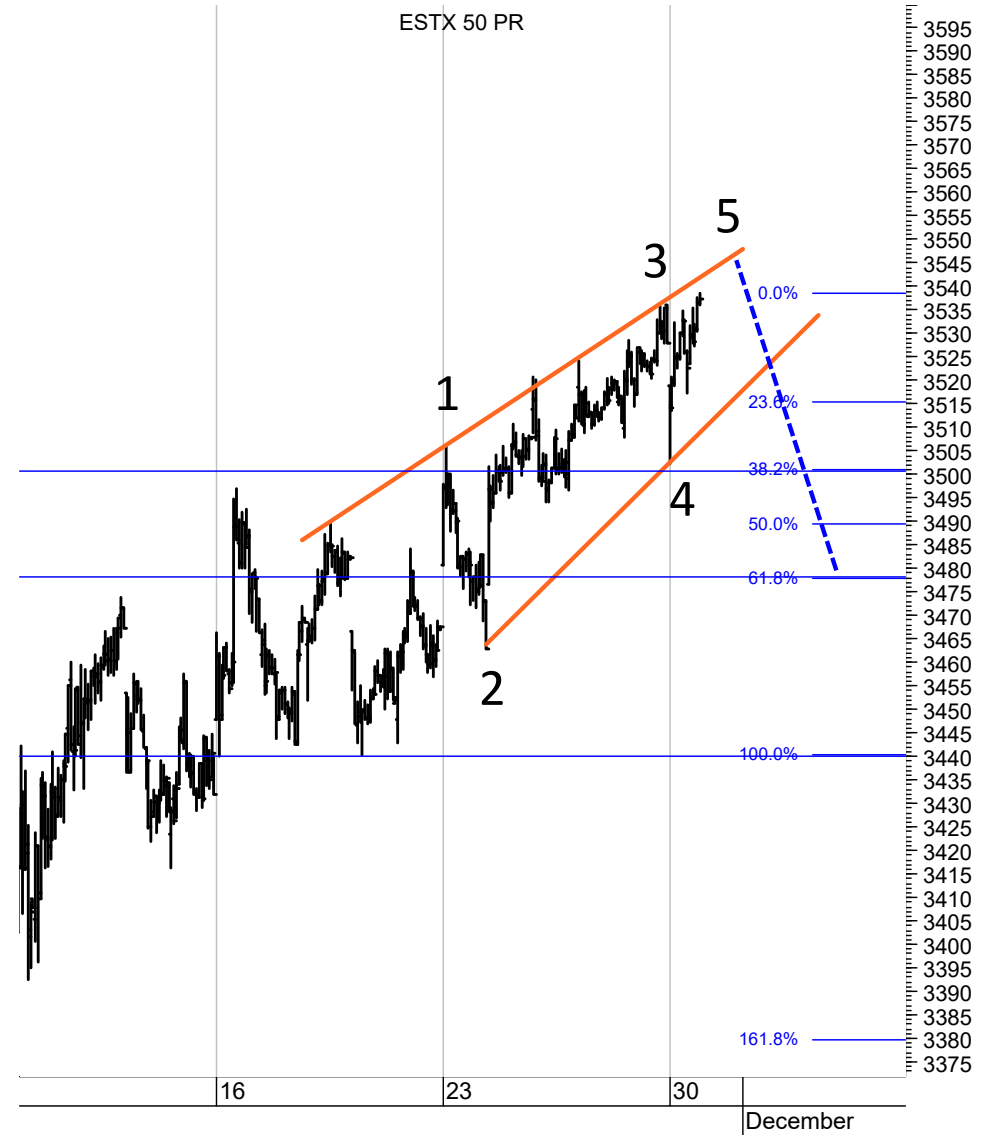
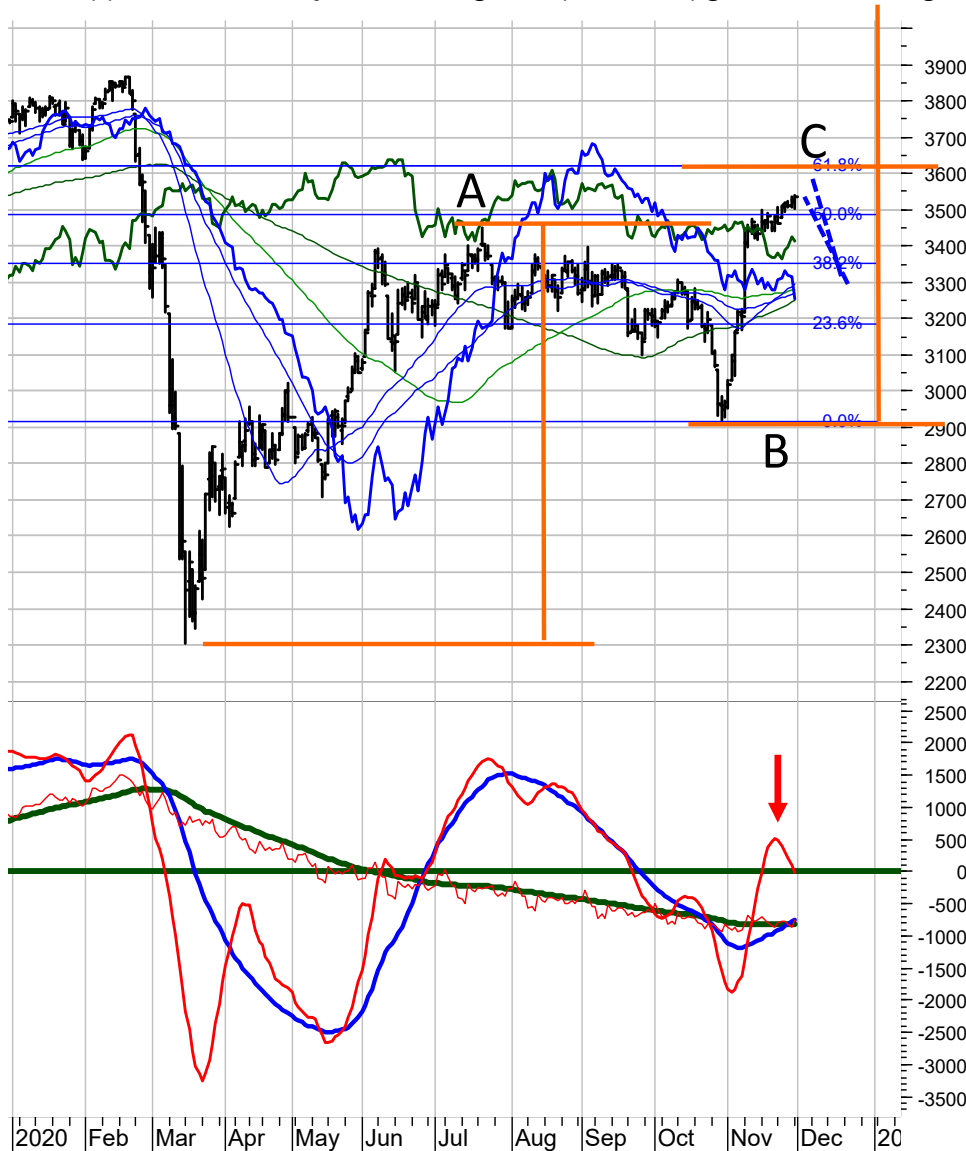
MSCI U.K. in SFR relative to MSCI Switzerland



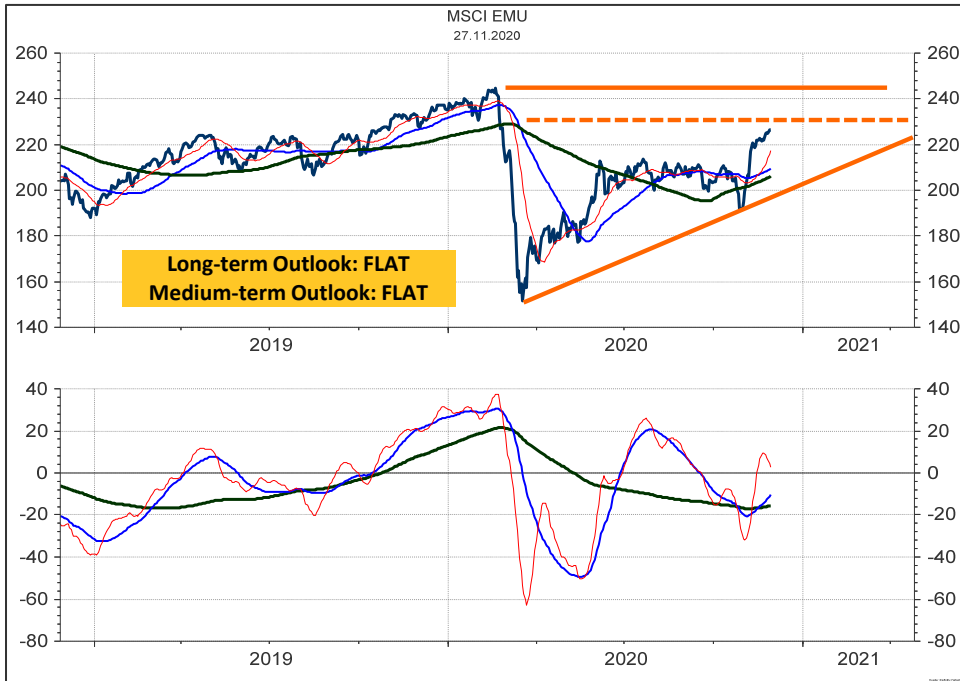
Eurostoxx 50 Index

The surge from 29.10.2020 at 2921 to 9.11.2020 at 3442 was followed by the Wedge, which is forming on the chart below right. The Wedge could register a medium-term top right here AT 3540. It has an outside chance of rising to the Fibonacci resistance at 3600 ($C = 0.618 \times A$). The supports are 3500, 3475 or 3440.

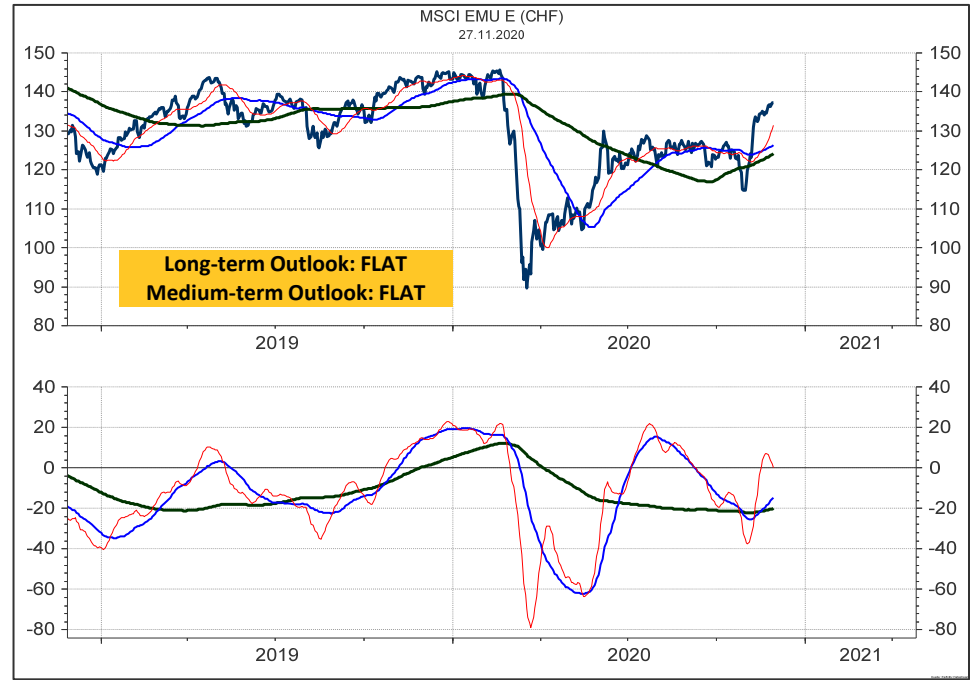
The MSCI EMU measured in Swiss franc relative to the MSCI Switzerland (next page, lower right) rose above 9.60. But, the Short-term Momentum Indicator has topped, which is why I am waiting for a possible upgrade to overweight EMU until the next short-term low.



MSCI EMU in Euro



MSCI EMU in Swiss franc



MSCI EMU relative to the MSCI AC World

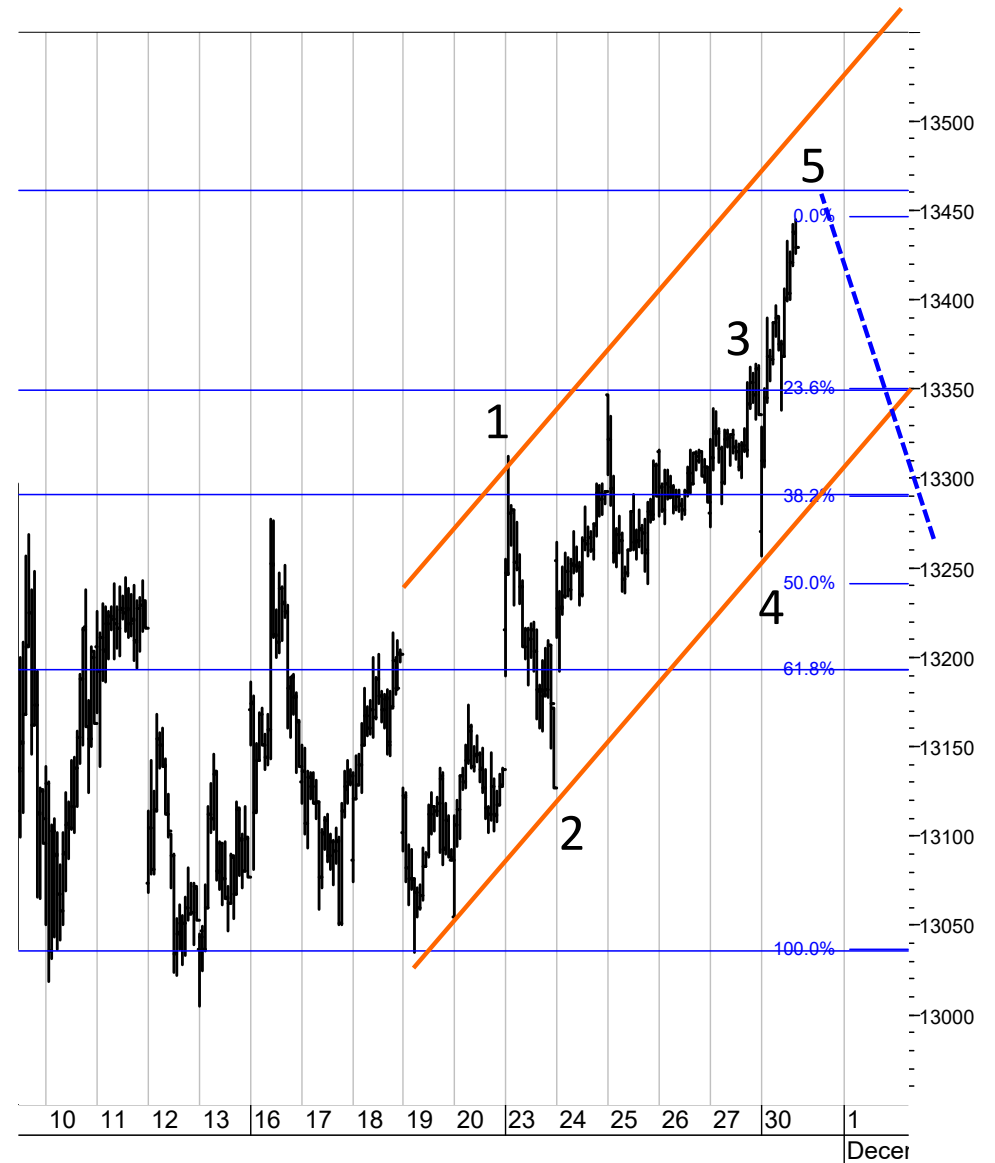
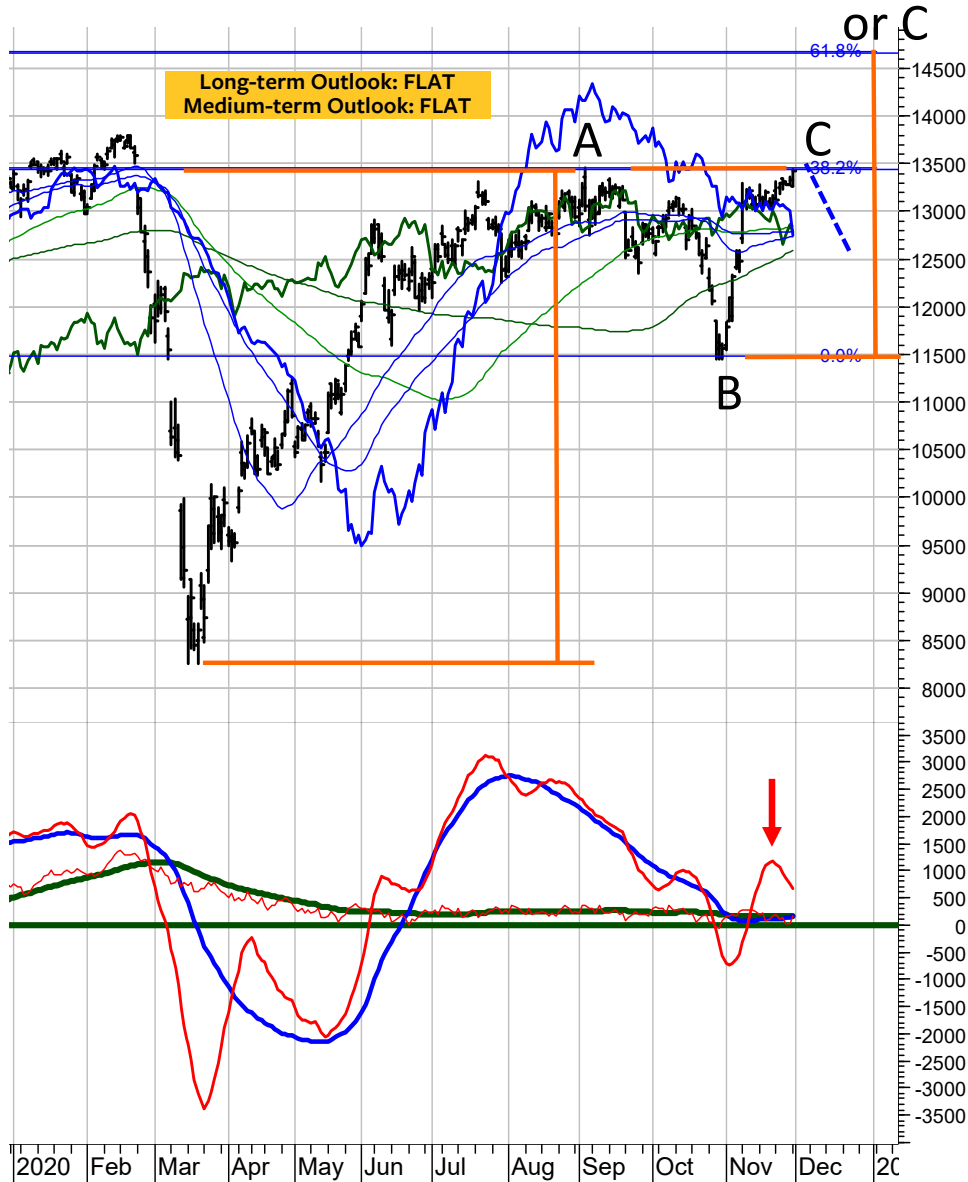


MSCI EMU in CHF relative to MSCI Switzerland



Deutscher Aktien Index DAX

The DAX has reached the Fibonacci resistance at 13500 (C = 0.382 x A). Because the Short-term Momentum Indicator is declining, and because the DAX is close to terminating a Wedge the DAX is likely to top right here, at the Fibonacci resistance at 13500. The supports are 13350, 13290 and 13190.



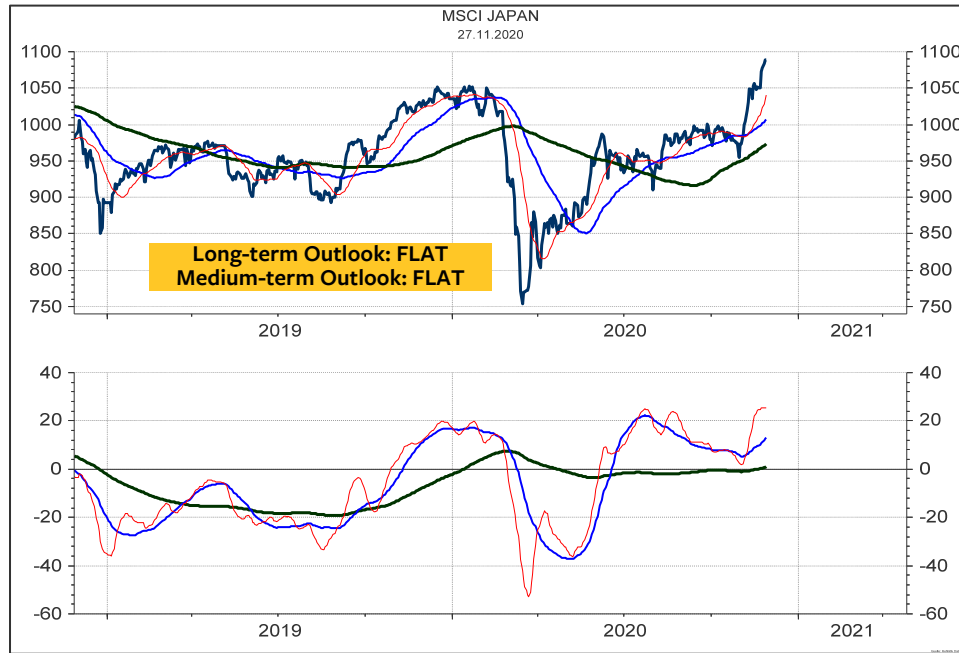
Nikkei 225 Index continuous Future

The Nikkei 225 Index has reached the resistance, which I had projected some time ago, around 27000 to 27500. The importance of this resistance and the pattern of the past few days indicates that a medium-term top is at hand.

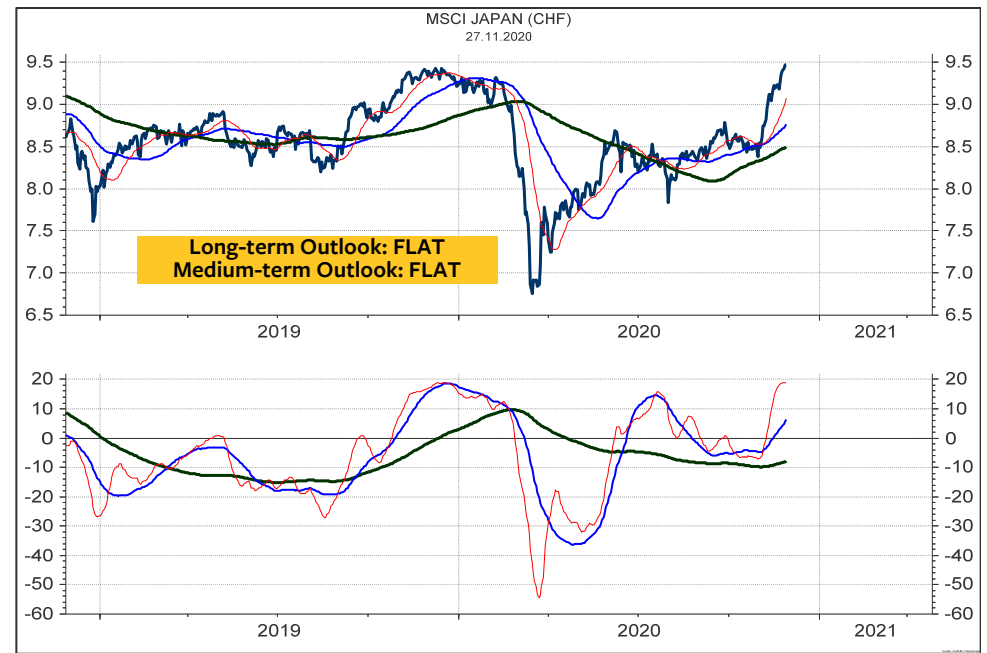
As you can see on the next page (lower right chart), the performance of the Nikkei Index in Swiss franc relative to the MSCI Switzerland is testing the relative resistance at 6.90. Possibly, if the absolute uptrend is capped by 27500, the relative outperformance from August 2020 could also register a top. For now, the relative outlook remains NEUTRAL.



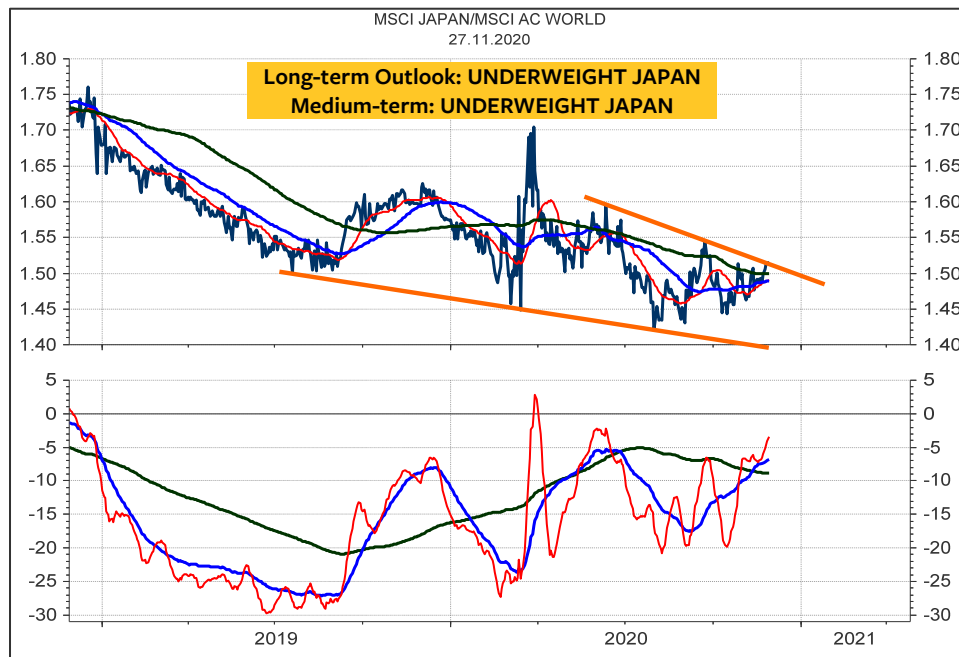
MSCI JAPAN in Yen



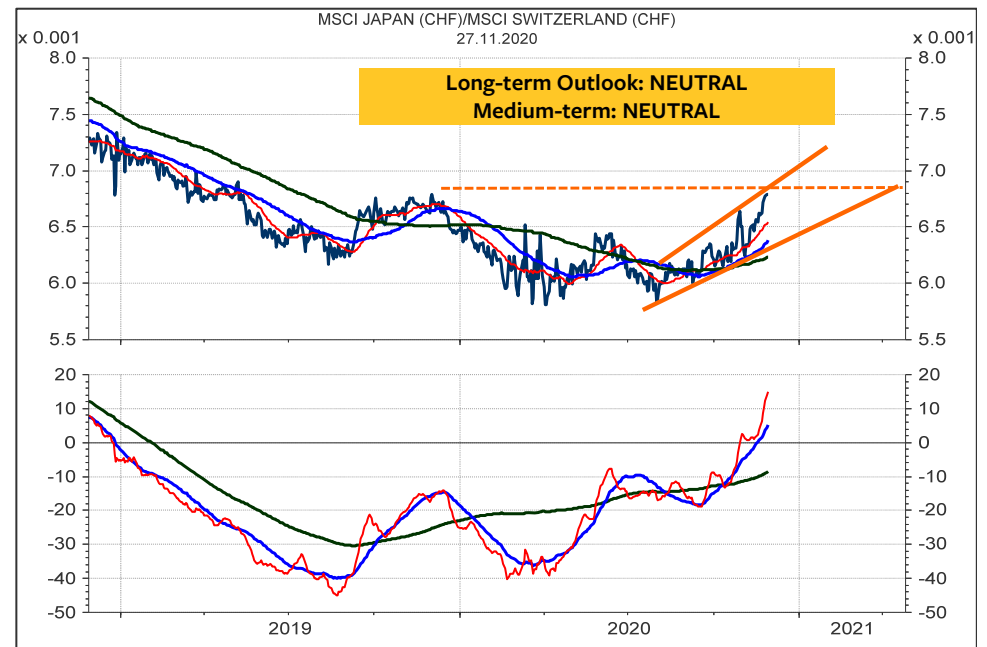
MSCI JAPAN in Swiss franc



MSCI JAPAN relative to the MSCI AC World



MSCI JAPAN in SFR relative to MSCI Switzerland



MSCI Emerging Market Index

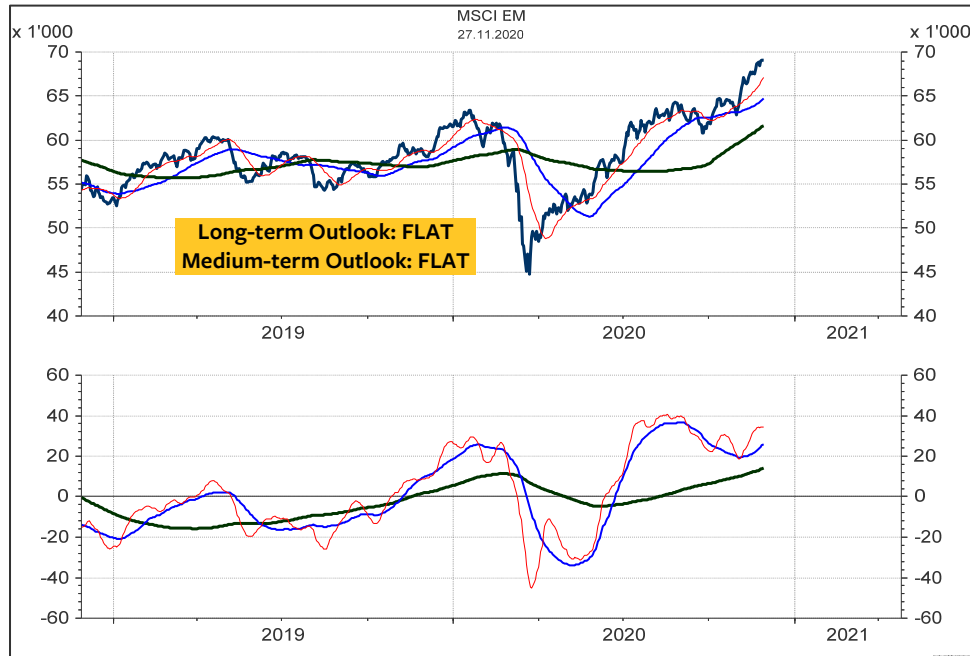
The MSCI Emerging Markets Index has reached the resistance around 1250 to 1300.

My expectation of a medium-term correction from this resistance remains unchanged.

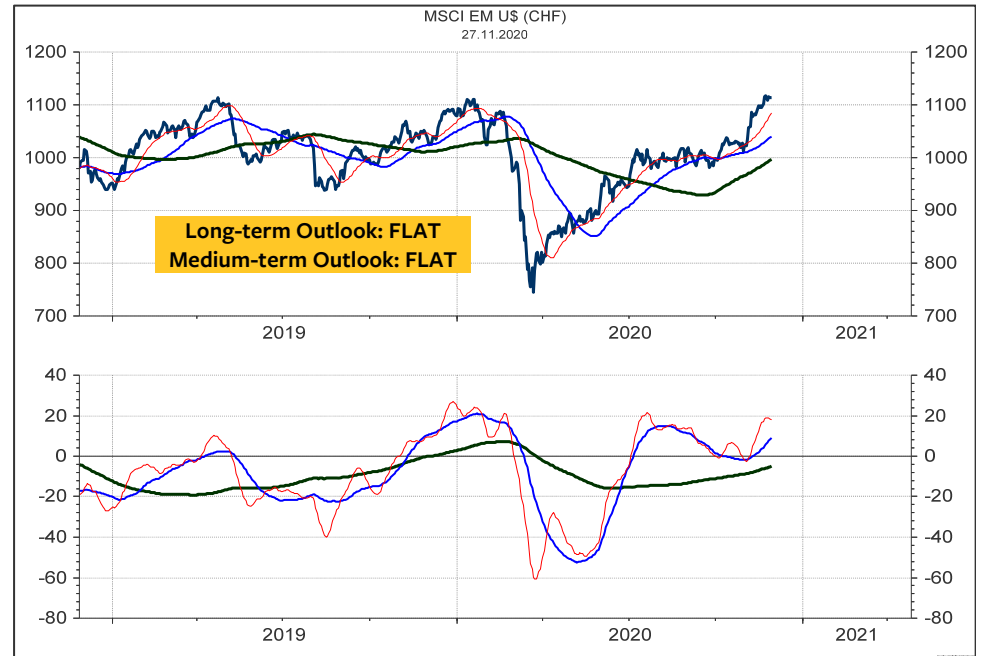
As you can see on the next page (lower right chart), the performance of the MSCI EM Index in Swiss franc relative to the MSCI Switzerland is testing the relative resistance at 0.82. If the absolute uptrend is capped by 1300, the relative outperformance from March 2020 could also register a top. For now, the relative outlook remains NEUTRAL.



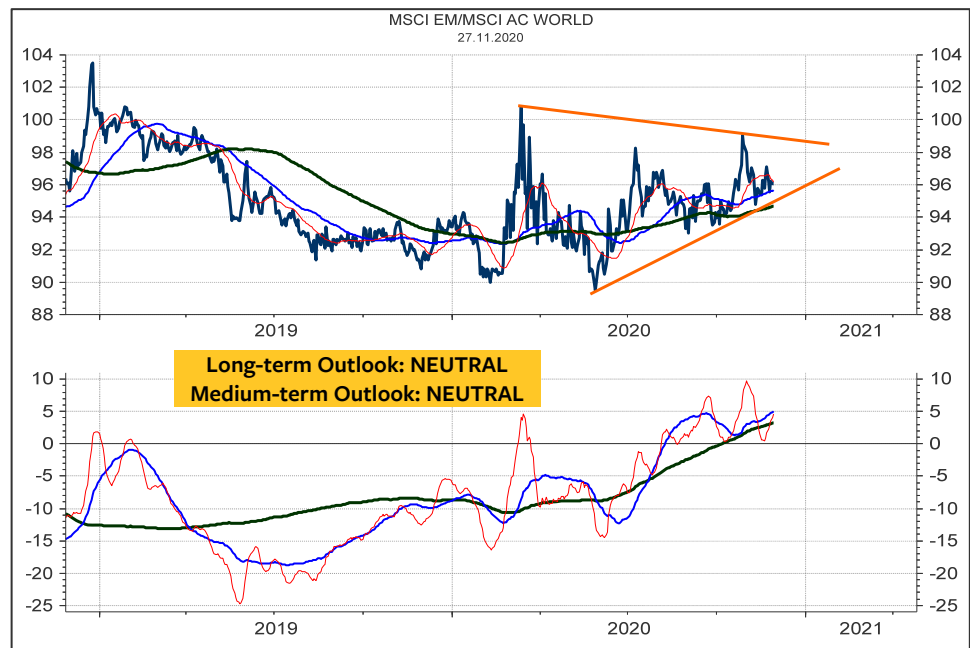
MSCI EMERGING MARKETS in local currencies



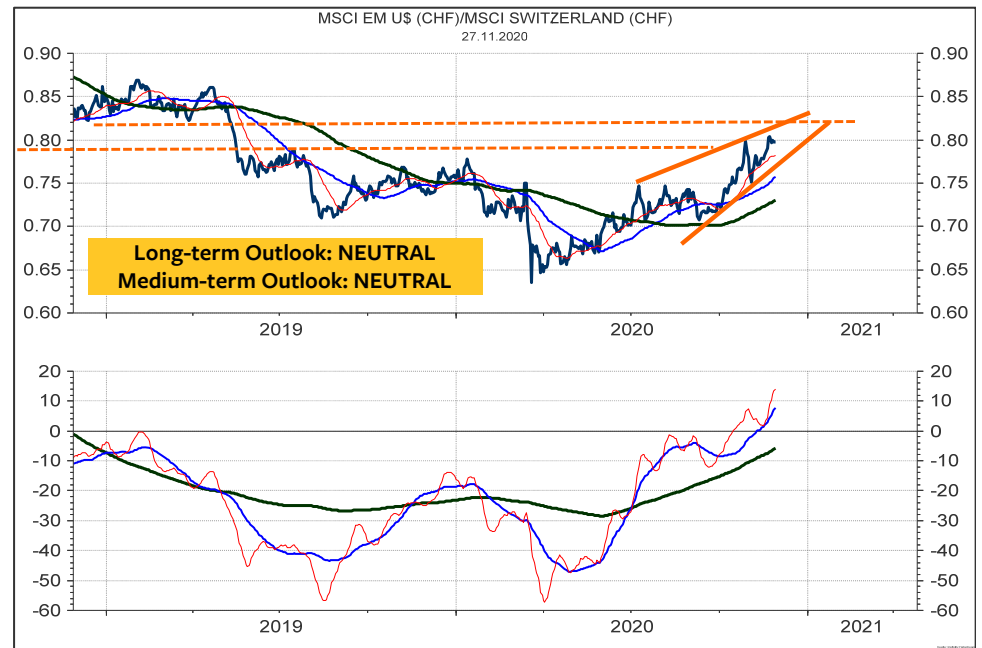
MSCI EMERGING MARKETS in Swiss franc



MSCI EMERGING MARKETS relative to the MSCI AC World

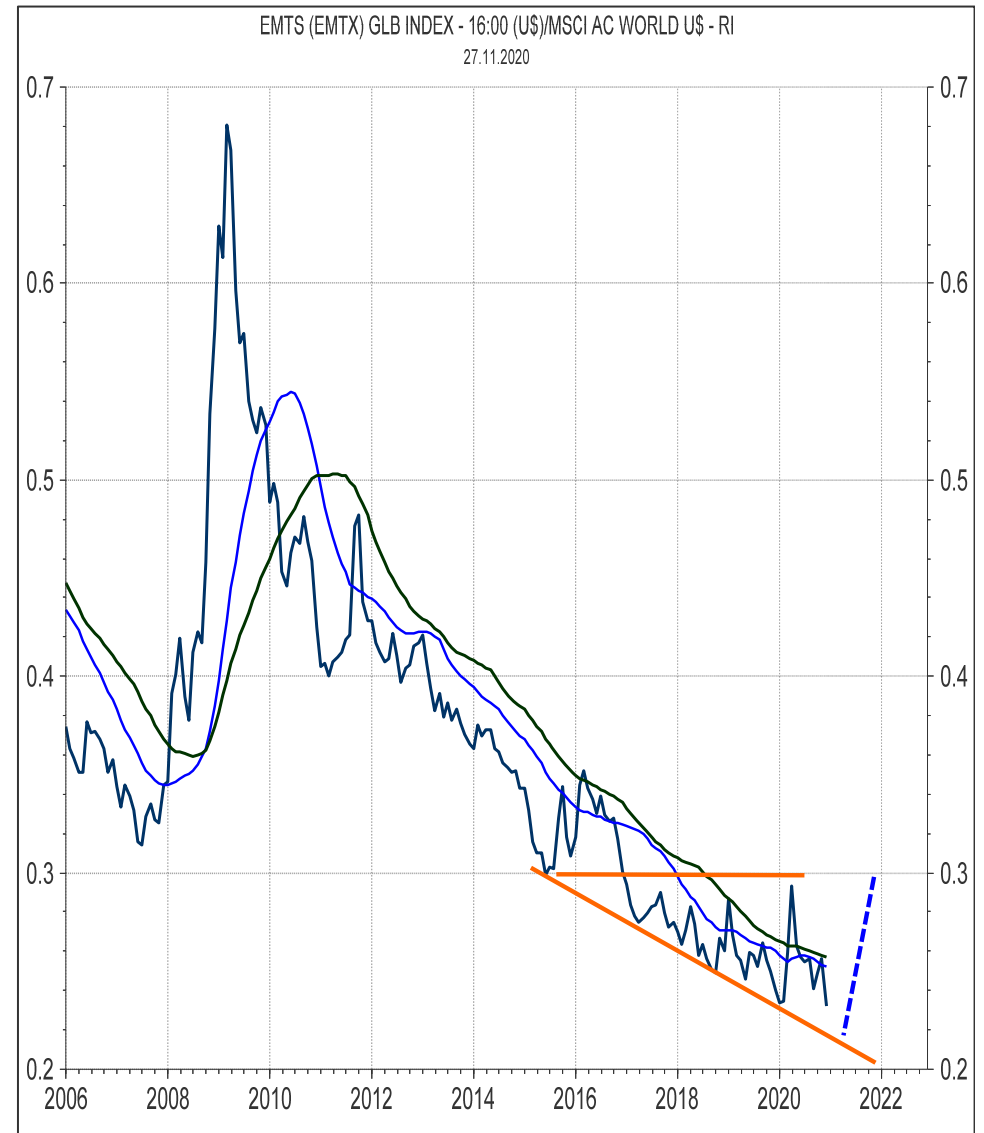
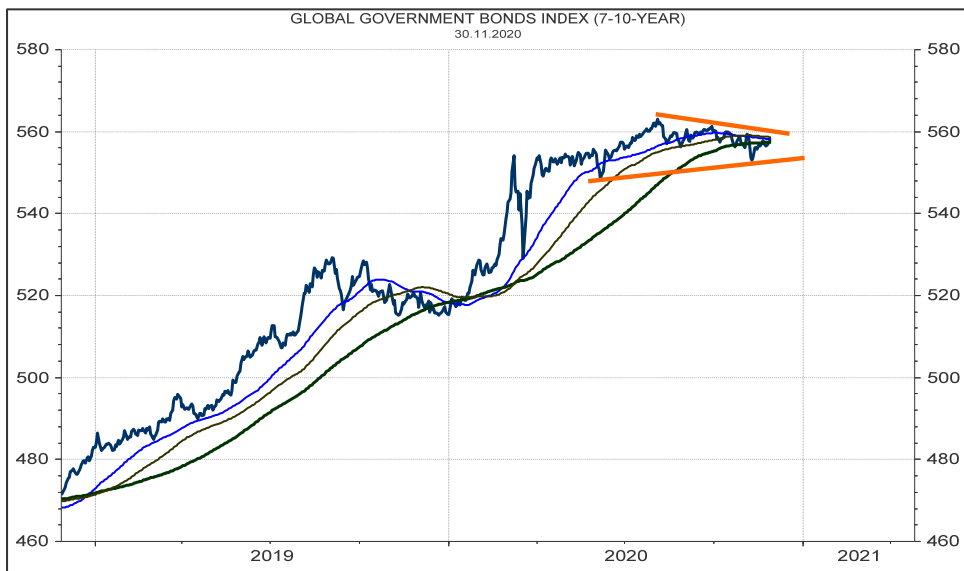
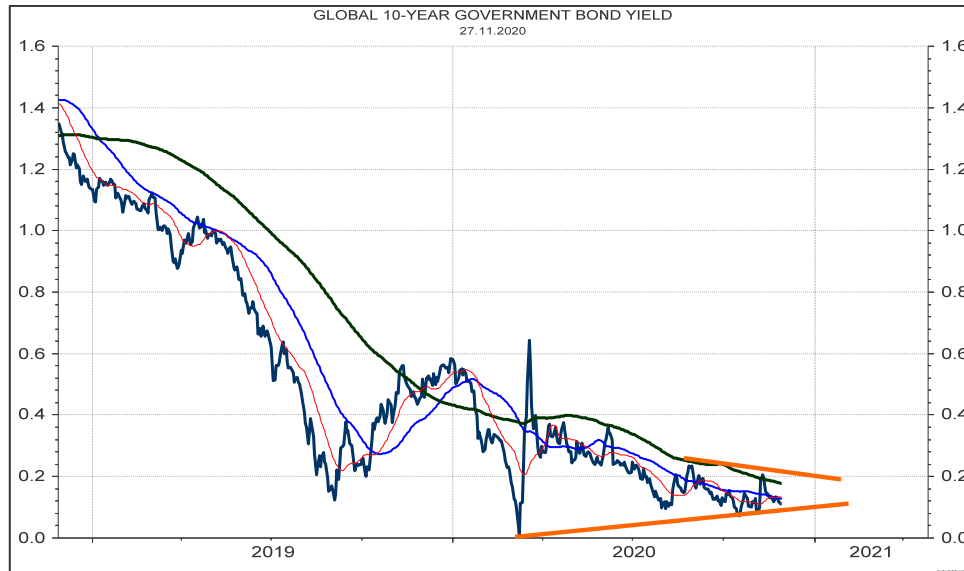


MSCI EMERGING MARKETS in CHF relative to MSCI Switzerland



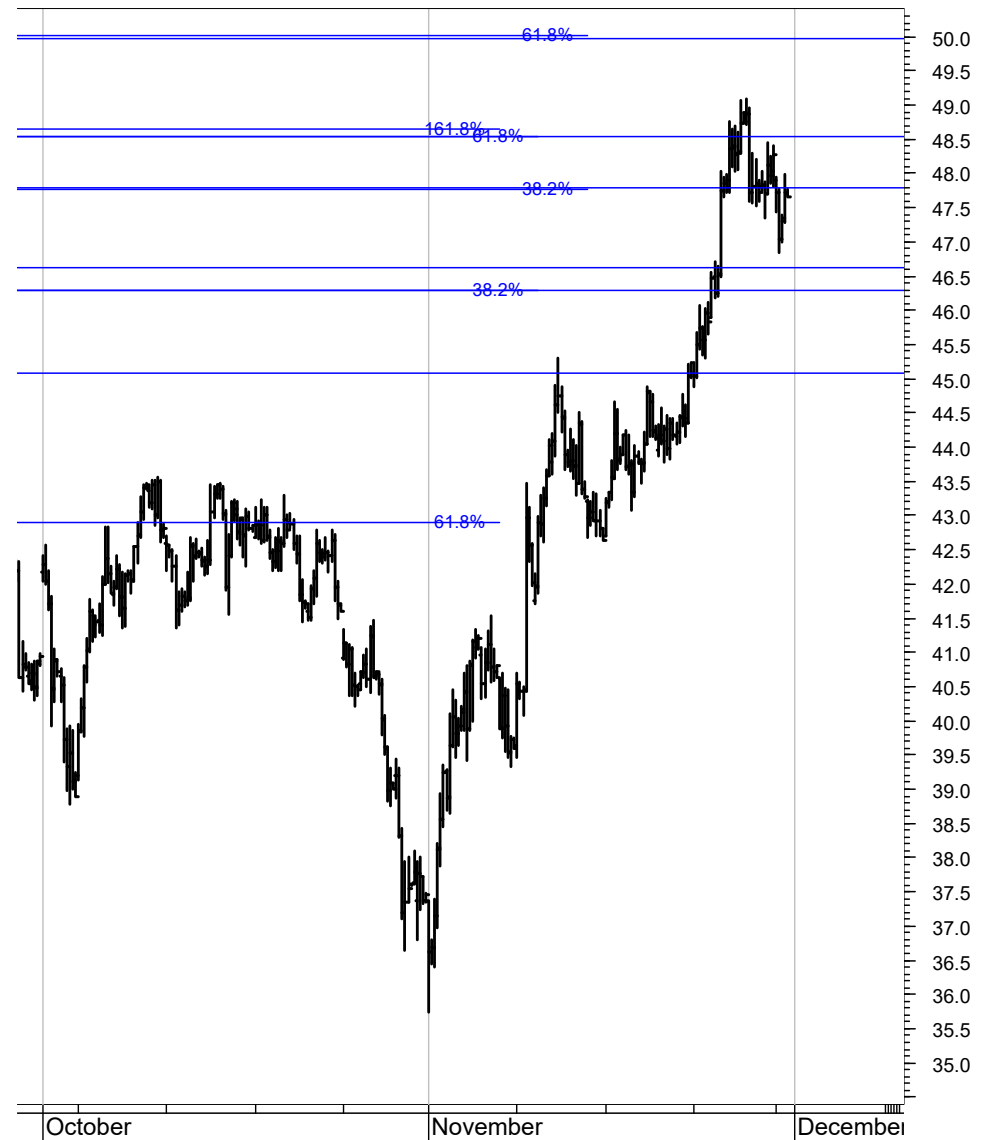
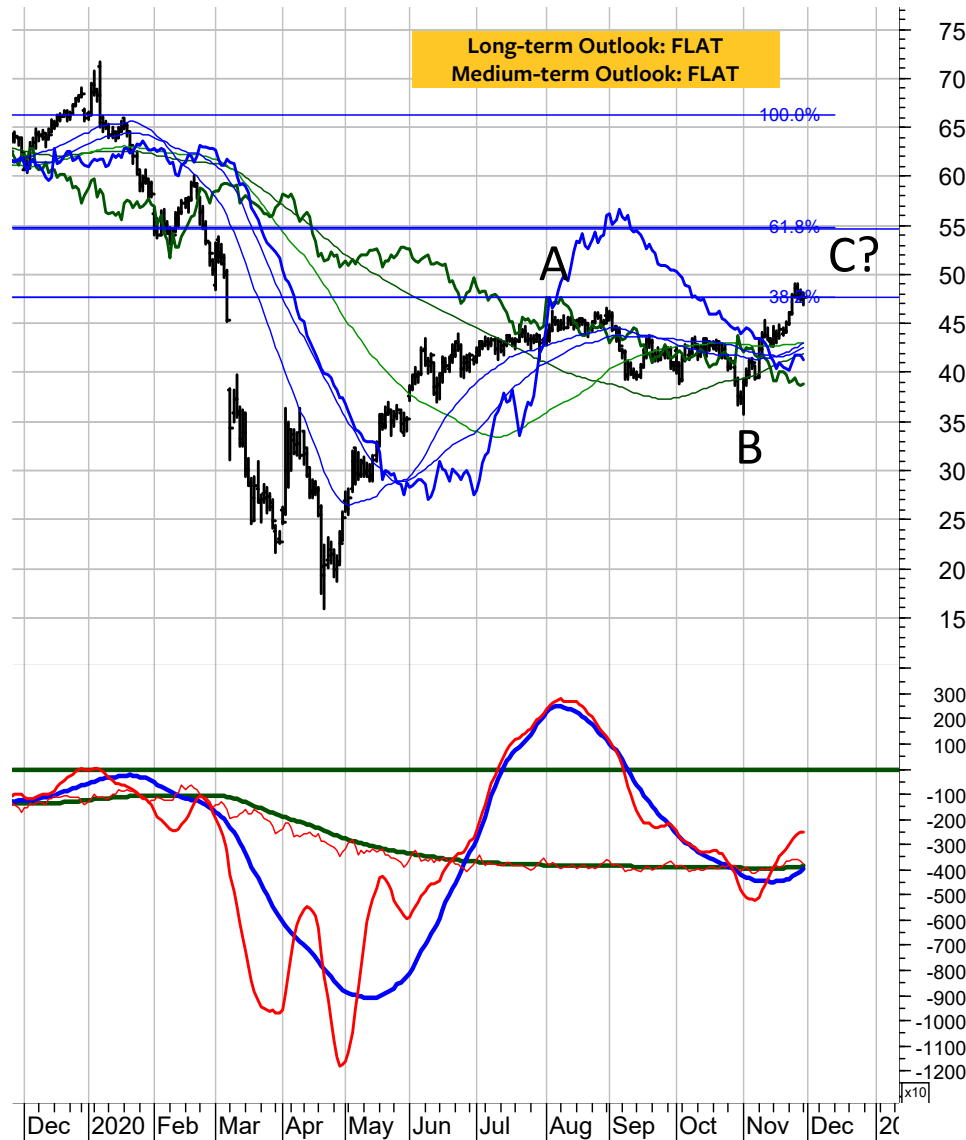
Global 10-year Bond Yield (top left) and the Global Total Return from 7-10-year Government Bonds (bottom left) and the Global Bond Total Return relative to the MSCI World Stock Market Index (right)

As the central banks remain in control of the yield curve, the volatility in the Global 10-year Bond Yield and the Global Total Return Index remains very low. The Total Return (below left) registered a high on 8.8.2020 at 563. But, it is too early to call this a major top. The Total Return Index relative to the MSCI World Stock Market Index (right) is testing the low from January. It is likely to test the support line next at 0.22 to 0.2, where it is likely to turn UP (as the stock markets turn DOWN).



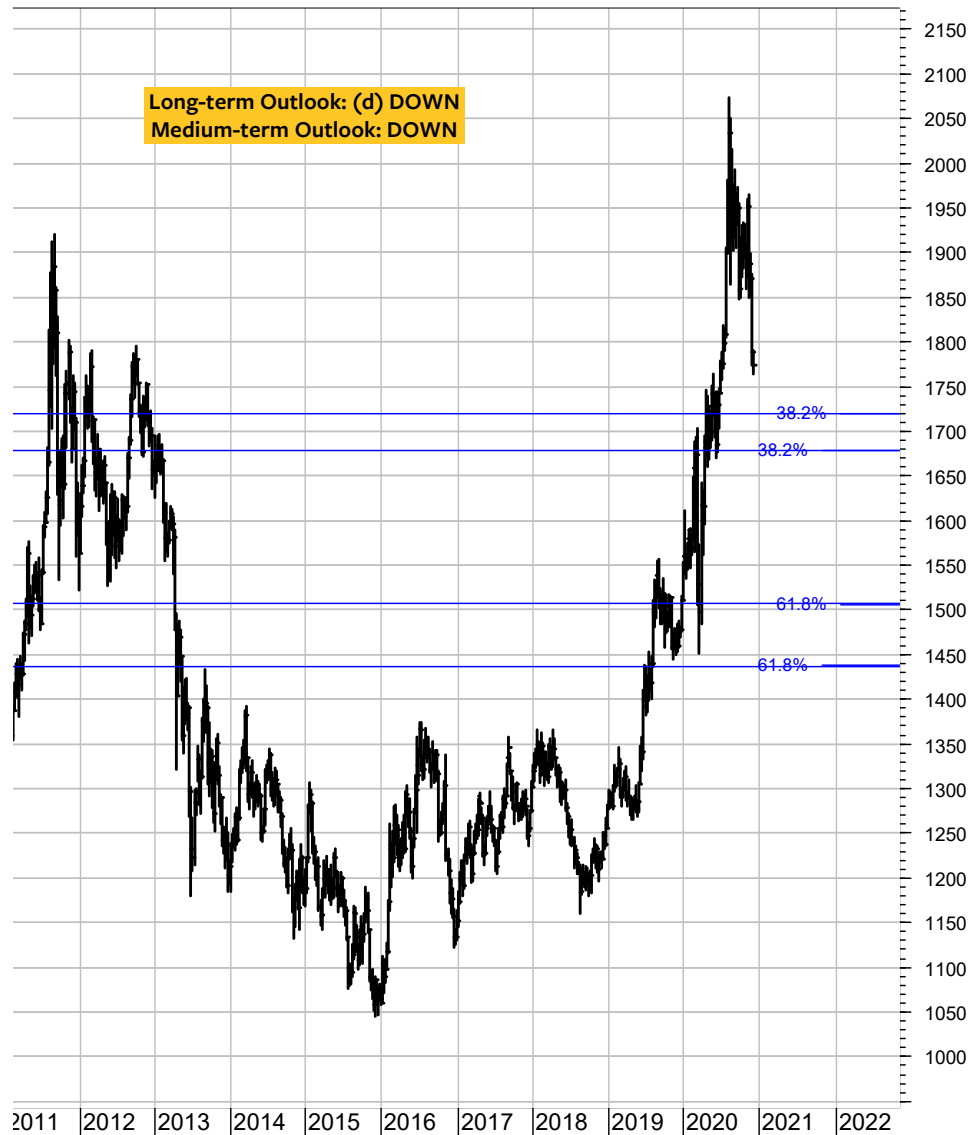
Brent Crude Oil Continuous Future (LCOc1)

Crude Oil has reached the resistance at 48 (C = 0.382 x A), a break of which would signal 55 (C = 0.618 x A). The chart at right shows that a correction started at 49. A major top would be signaled if 46 to 45 is broken.



Gold per Ounce in US dollar

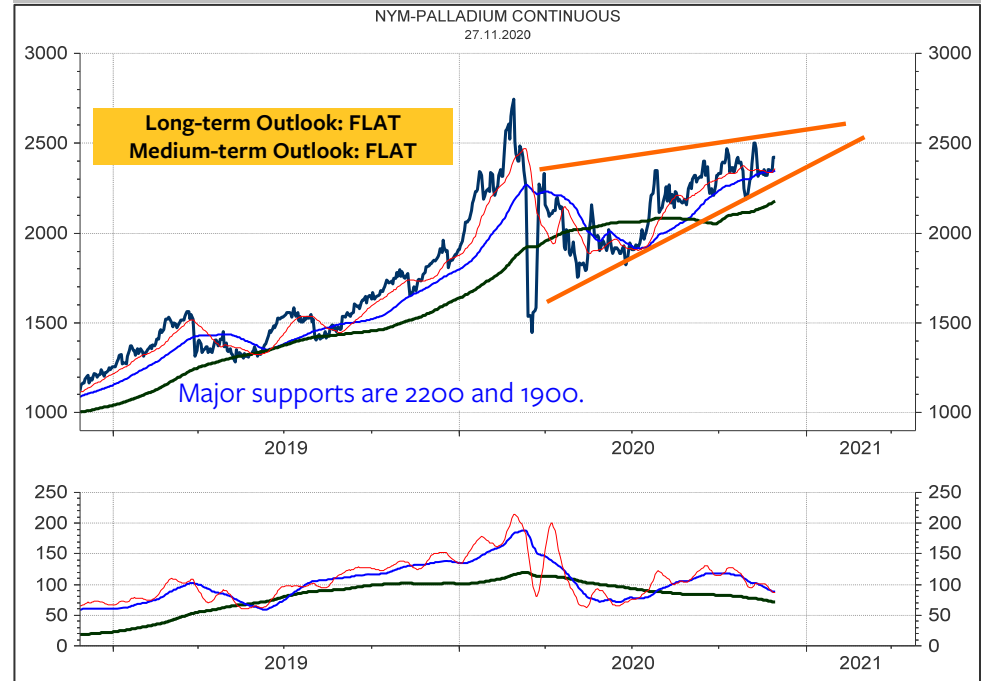
Gold broke the 144-day moving average (at 1860) and the Fibonacci support levels at 1850 and 1820. This turned the long-term outlook DOWN. The next major support is at 1740 to 1670, 1600 or 1500. For Gold to signal the resumption of the uptrend from 2016, it would have to rise above 1890 and 1960.



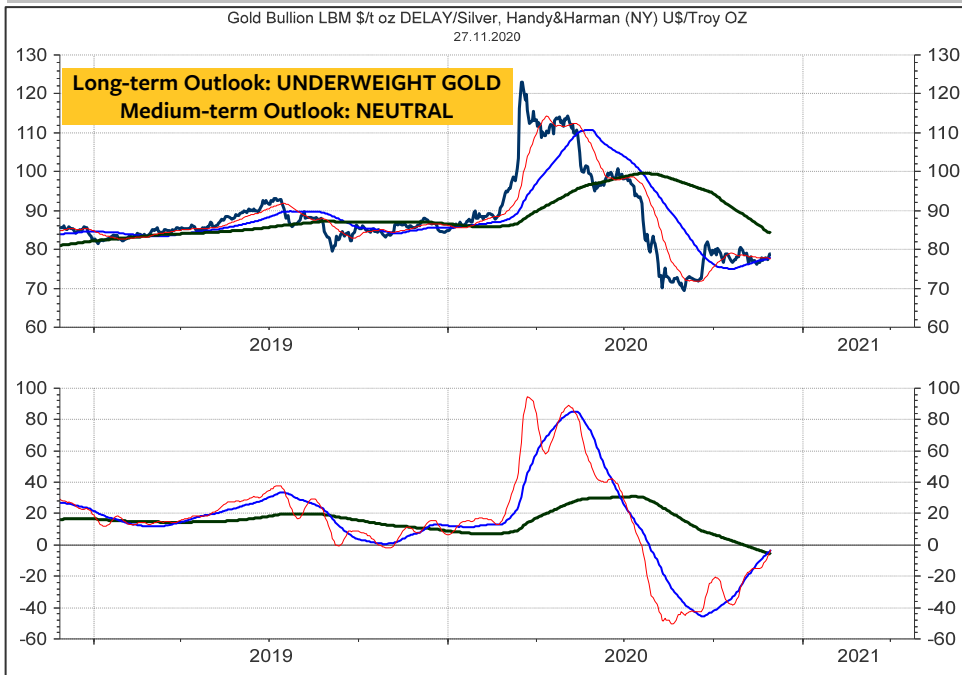
Silver



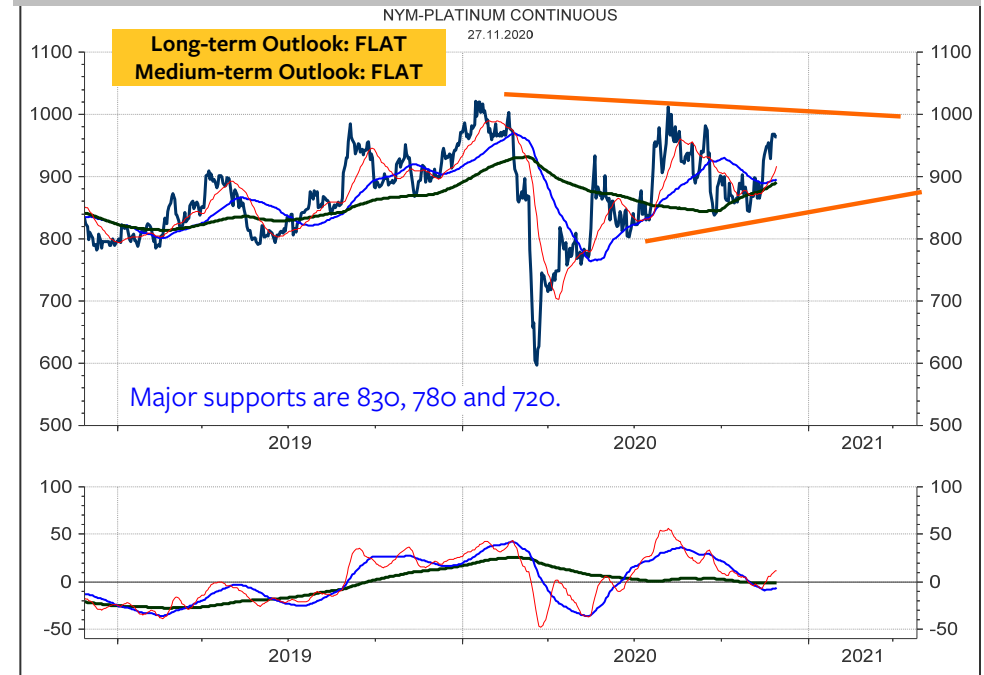
Palladium



Gold relative to Silver

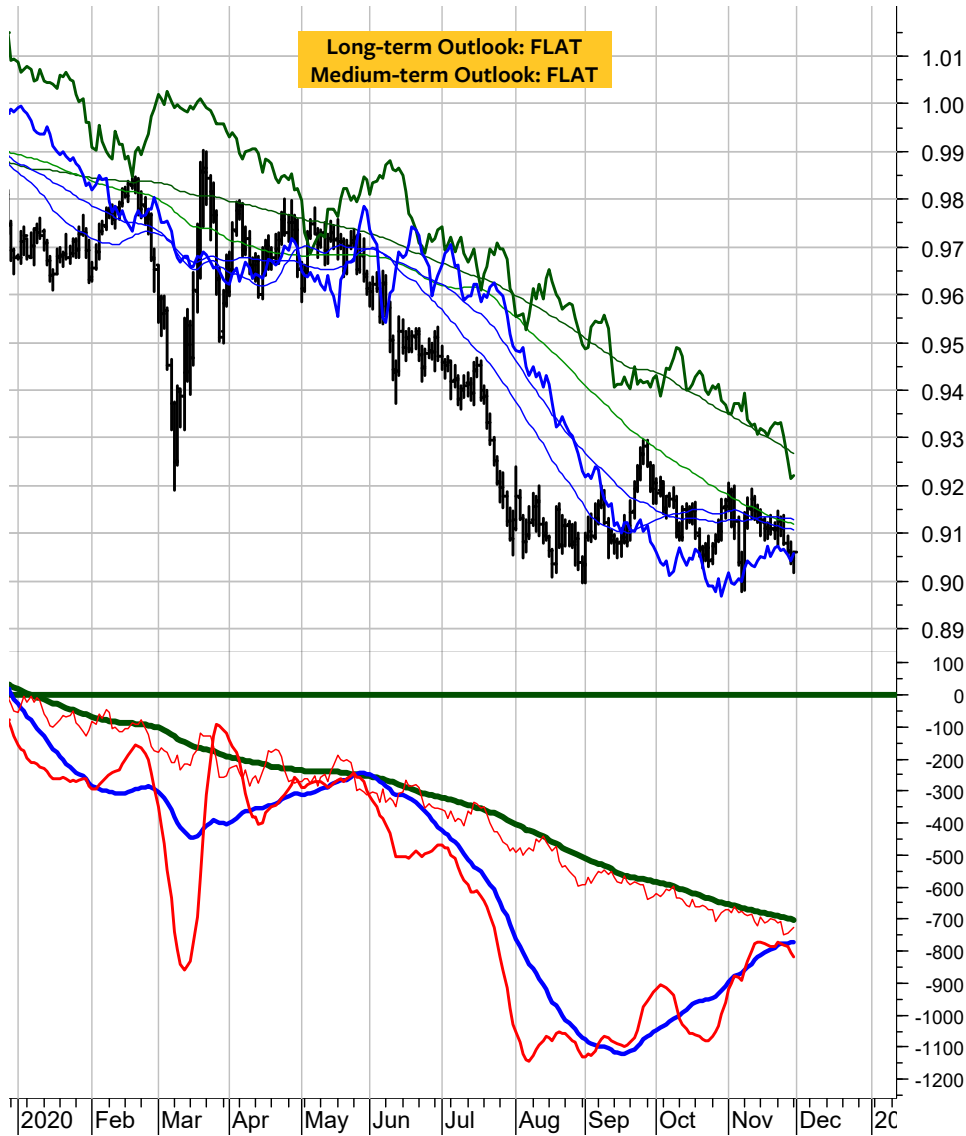


Platinum



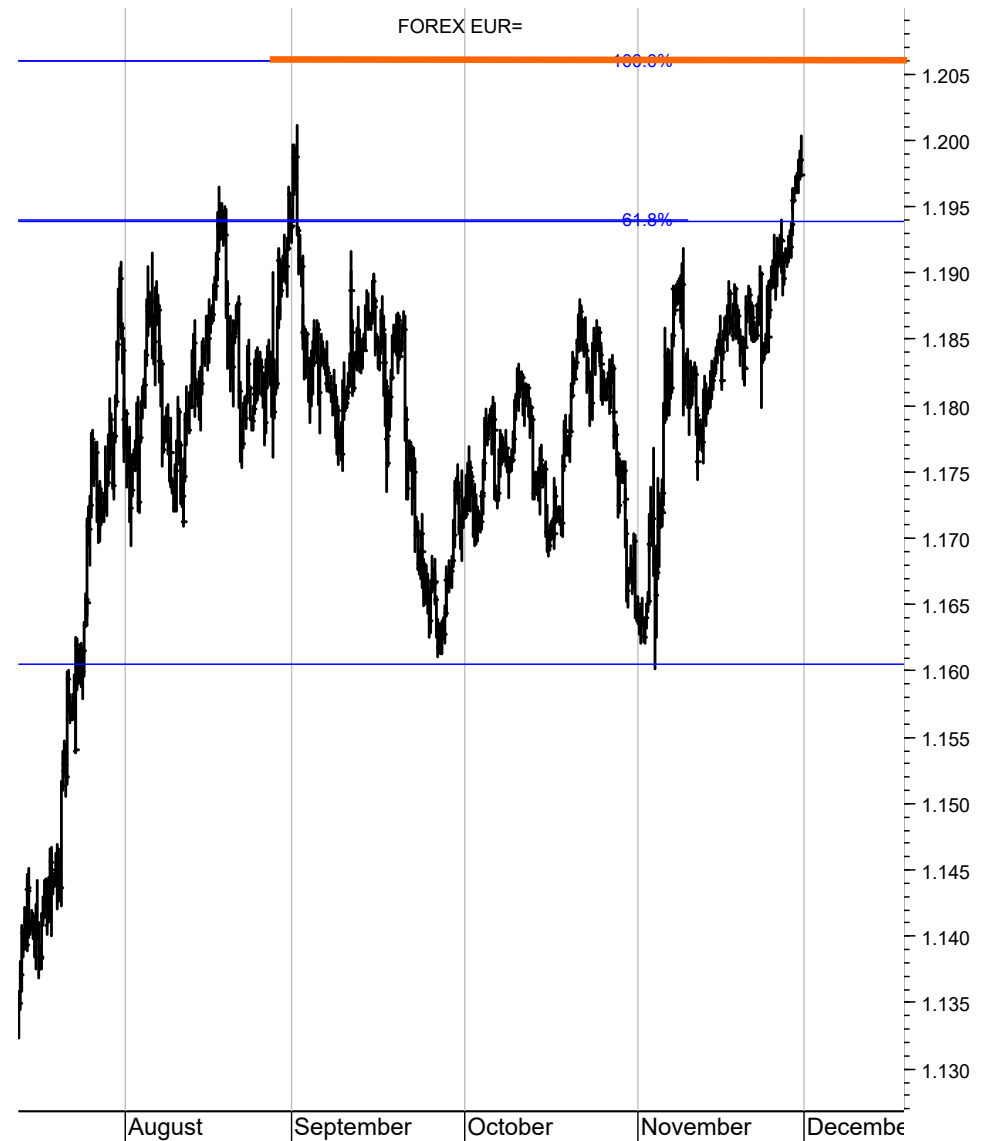
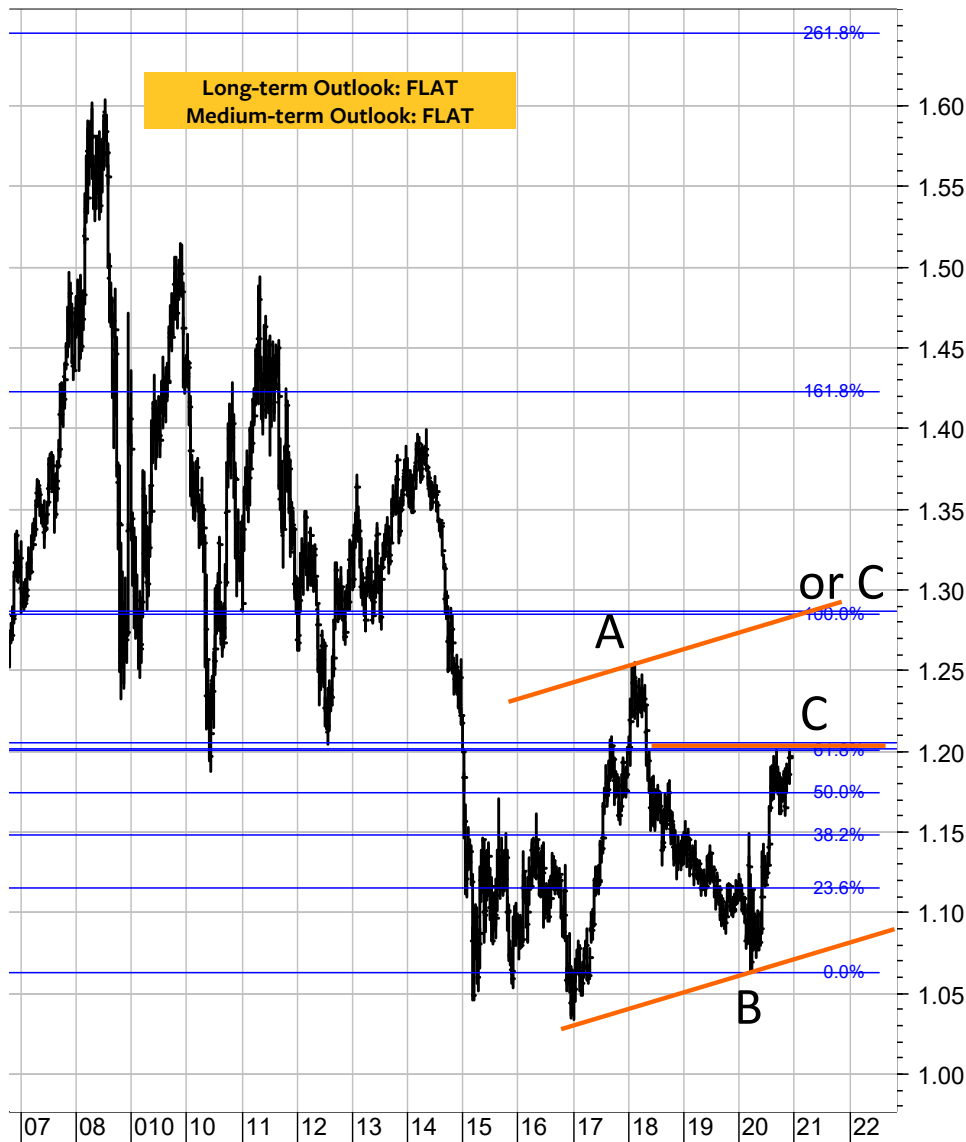
Swiss franc per US DOLLAR

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 a trend continuation formation. The resistance levels are at 0.9100, 0.9150 and 0.9230. The supports are 0.8990, 0.8940 and 0.8870. For now, the Medium-term and Long-term Outlook remains FLAT.



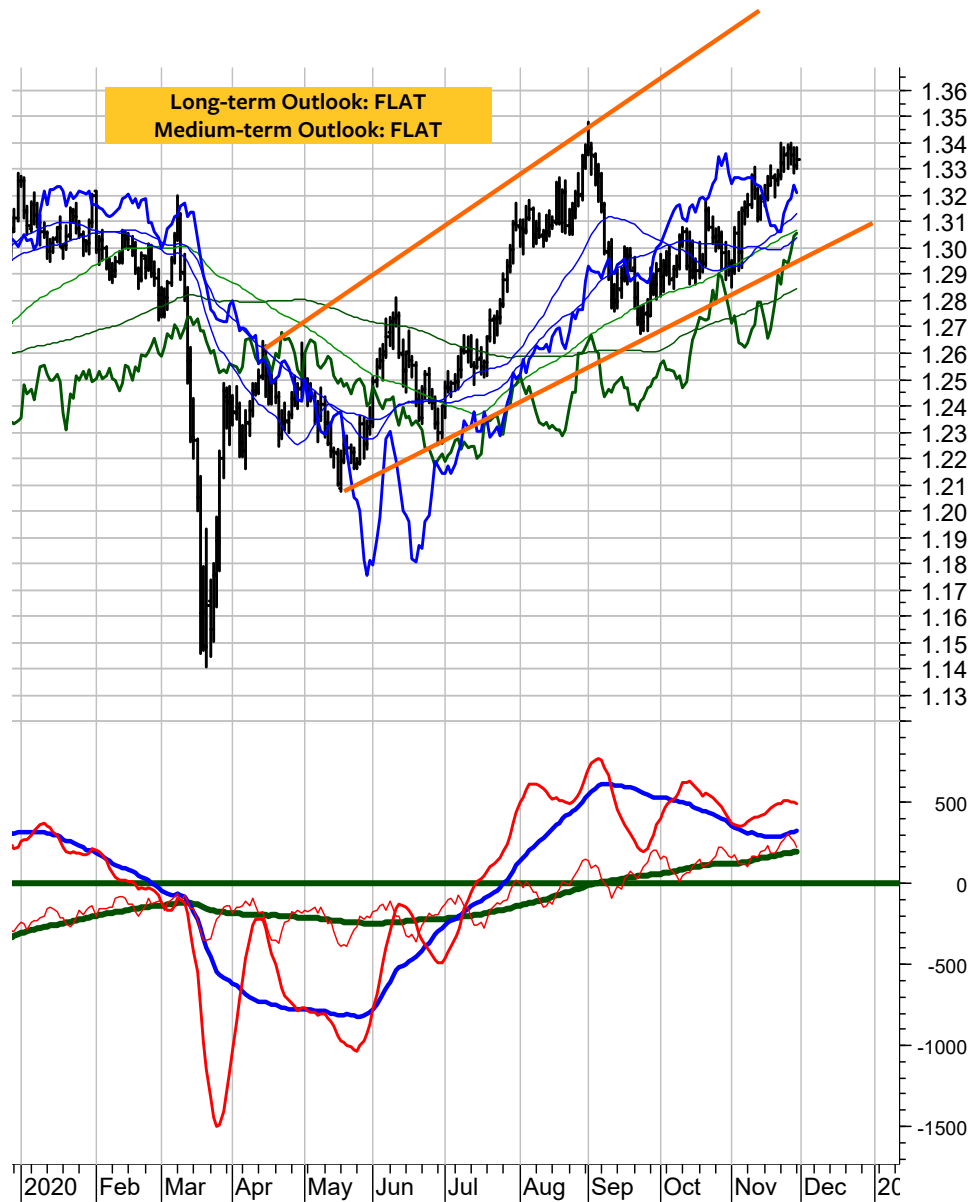
US dollar per EURO

The Euro is attempting to break the consolidation from August to the upside.
 It already broke above 1.1950 and must break 1.2050 / 1.21 ($C = 0.618 \times A$) to signal 1.29 ($C = A$).
 Therefore, my Medium-term and Long-term Outlook would turn UP if 1.2050 to 1.21 is broken.



US dollar per BRITISH POUND

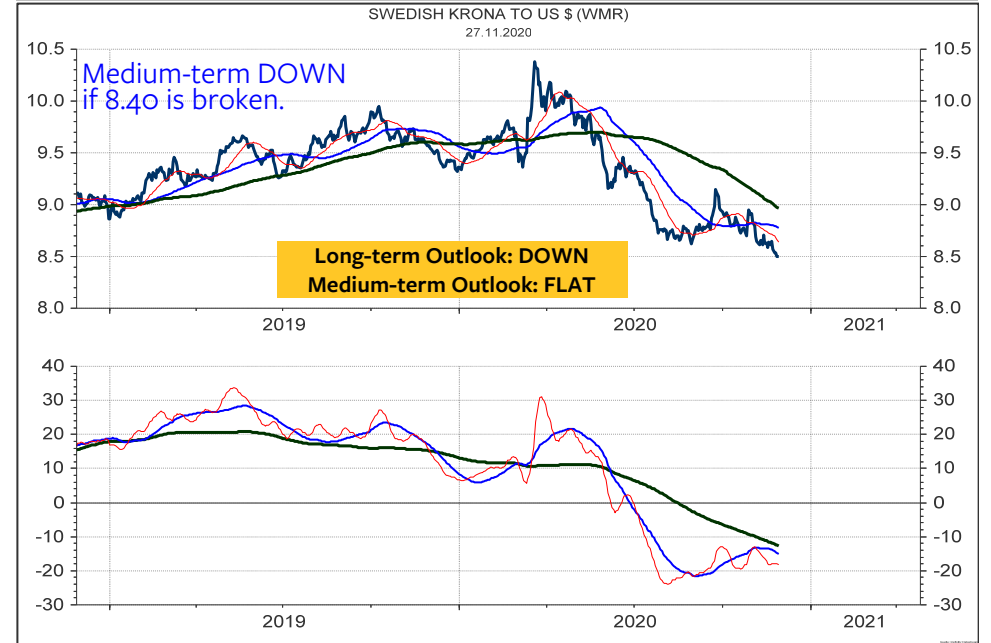
The rise from the low in September is testing a key resistance at 1.34, a break of which would signal 1.3560 to 1.3670. Thus, my Medium-term Outlook would move to UP if 1.34 is clearly broken.



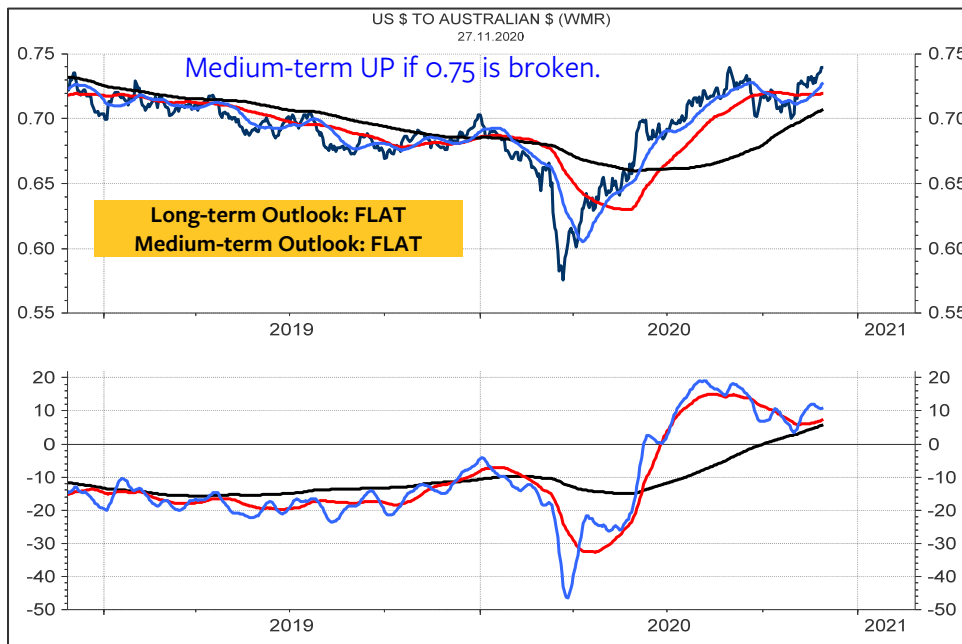
Canadian dollar per US DOLLAR



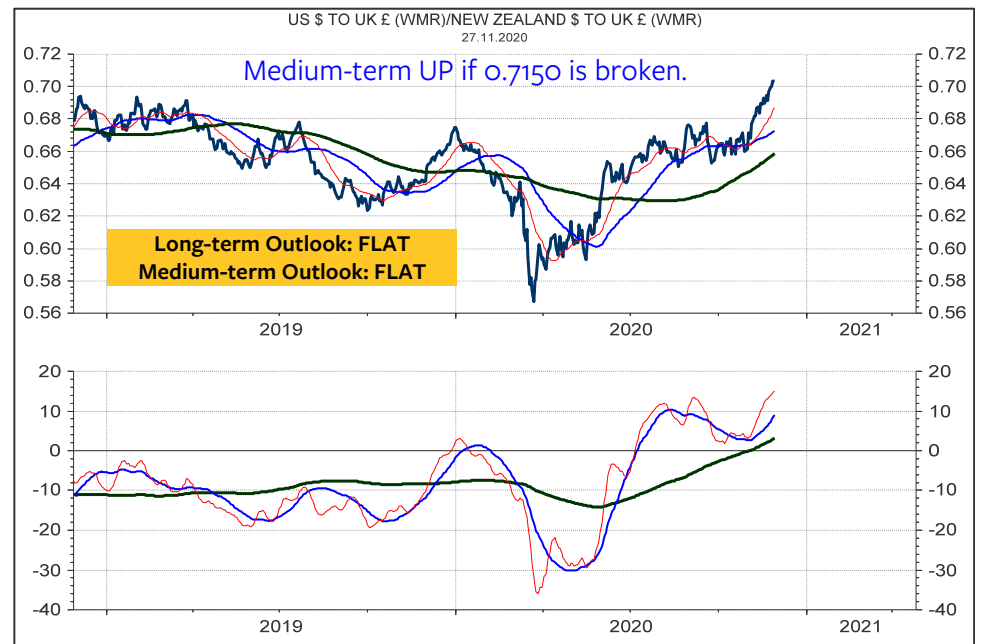
Swedish krona per US DOLLAR



US dollar per AUSTRALIAN DOLLAR



US Dollar per NEW ZEALAND DOLLAR

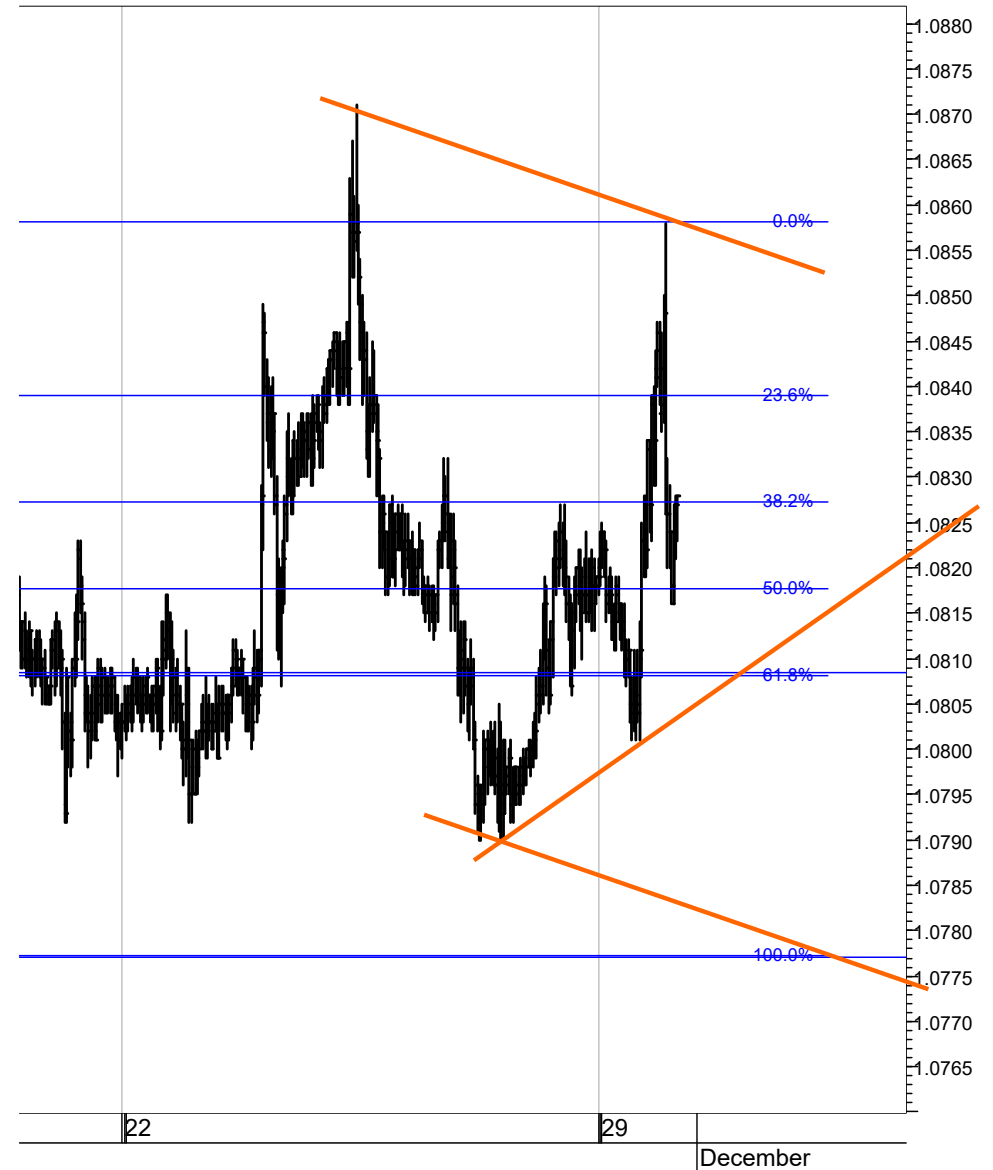
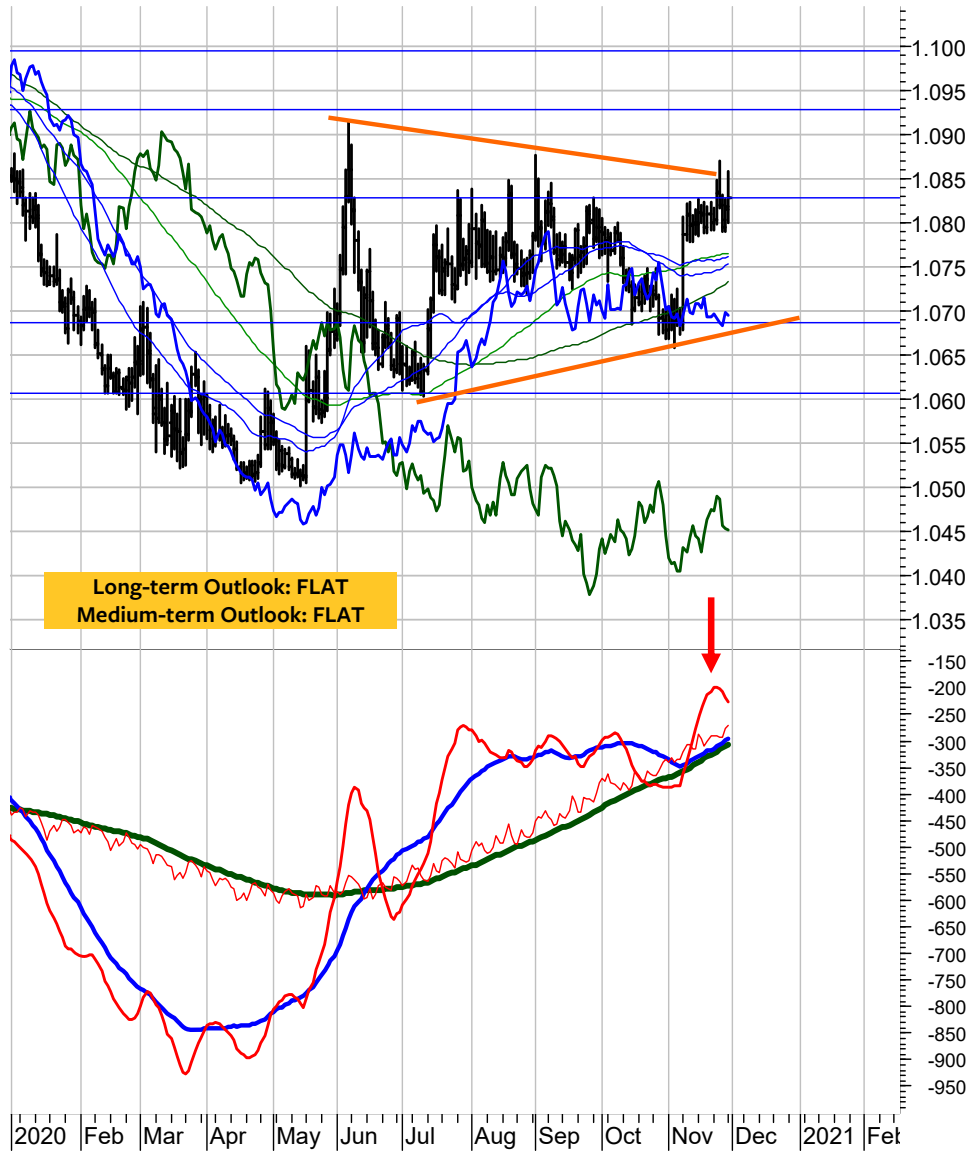


Swiss franc per EURO

The Euro is trading around the Fibonacci resistance at 1.0850.

The Short-term Momentum Indicator is declining, which suggests that the Euro could see some short-term weakness.

If 1.0850 and 1.0775 are not broken, the Euro is likely to turn higher towards 1.09 and 1.10.



Bitcoin / US dollar

Last week, I stated: “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.” This statement remains unchanged for this week. The Bitcoin reached 19800 and entered a major correction. Supports are at 18950 to 18800. If they hold, the Bitcoin could rise to 21300 or 24500. A break of 18800 would signal 18350, 17500 or 16000.



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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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