



## GLOBAL CHART OUTLOOK

### BERTSCHIS CHART OUTLOOK

Global Markets

21<sup>st</sup> December 2020 / Issue #48

The S&P 500 Index ended the uptrend from early November, and probably from March 2020, when it terminated the Wedge (see the S&P 500 Index on page 4), which has been perfectly forming from 23.11.2020 to 18.12.2020. As is most often the case, a Wedge is fully retraced, which means that the S&P 500 Index has support at 3560 to 3540. Given the possible wave count that the five-wave advance from March 2020 is completed, means that the S&P 500 Index could well fall to 3420 / 3370 or 3150 or 2800. The Long-term Outlook could move to DOWN if 3540 to 3420 to 3370 is broken.

The supports for the SMI are 10200, 9950 and 9500.

The Medium-term Outlook for most of the MSCI Stock Market Indices at right, are rated FLAT long-term and FLAT medium-term. Notice that with the termination of the Wedge, the present selloff has well the potential to trigger medium-term and long-term downgrades to DOWN.

Best is to watch and understand the technical situation in the SMI (next page). The present correction, which would still be a bullish one, would turn into a major decline if the SMI registered a "Failure" on 18.12.2020 at 10594.65. If you do not want to wait for the break of the supports at 10200 and 9950, then, I would likely to remind you that some US sentiment indicators have reached the highest level of the past 20 years. This means that the stock market has become a very crowded place, even for the long-term investors.

#### MSCI INDICES IN LOCAL CURRENCIES, ABSOLUTE

SCORE	INDEX	RIC	PRICE	LONG-TERM		MEDIUM-TERM		MSCI INDICES IN SWISS FRANC RELATIVE TO THE MSCI SWITZERLAND	
				MODEL	OUTLOOK	MODEL	OUTLOOK	LONG-TERM OUTLOOK	MEDIUM-TERM OUTLOOK
100%	ARGENTINA	.dMIARoc	13'201'380	+		+			
100%	AUSTRALIA	.dMIAUoc	1'310.33	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
94%	AUSTRIA	.dMIAToc	481.64	+		+			
89%	BELGIUM	.dMIBEoc	923.69	+		+			
100%	BRAZIL	.dMIBRoc	1'336.00	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
94%	CANADA	.dMICAoc	2'199.24	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	CHILE	.dMICLod	3'692.28	+		+			
100%	CHINA	.dMICNoc	106.24	+	UP	+	FLAT	NEUTRAL	NEUTRAL
100%	COLOMBIA	.dMICOoc	2'472.50	+		+			
100%	CZECH REPUBLIC	.dMICZoc	199.93	+		+			
100%	DENMARK	.dMIDKoc	12'255.06	+		+			
0%	EGYPT	.dMIEGoc	2'343.70	-		-			
100%	EM	.dMIEFoc	70'502.01	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	EMU	.dMIEMoc	227.79	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
94%	FINLAND	.dMIFioc	761.88	+		+			
83%	FRANCE	.dMIFRoc	2'010.41	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	GERMANY	.dMIDEoc	1'007.70	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
78%	GREECE	.dMIGRoc	39.09	do	FLAT	+	FLAT	UNDERWEIGHT GREECE	NEUTRAL
100%	HONG KONG	.dMIHKoc	16'481.29	+	FLAT	+	FLAT	UNDERWEIGHT HONG KONG	NEUTRAL
100%	HUNGARY	.dMIHUoc	1'946.53	+	FLAT	+	FLAT	(u) NEUTRAL	NEUTRAL
100%	INDIA	.dMIINoc	1'573.68	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	INDONESIA FREE	.dMIIDoc	6'787.89	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	ITALY	.dMIIToc	707.41	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
94%	JAPAN	.dMIJPoc	1'093.88	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
94%	KOREA	.dMIKRoc	881.35	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
89%	MALAYSIA FREE	.dMIIMYoc	545.23	+		+			
94%	MEXICO FREE	.dMIIMXoc	40'434.83	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	NETHERLANDS	.dMINLoc	2'142.26	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
17%	NEW ZEALAND	.dMINZoc	191.96	d-		do			
100%	NORWAY	.dMINOoc	2'772.50	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	PAKISTAN	.dMIPKoc	348.33	u+		u+			
100%	PHILIPPINES FREE	.dMIPHoc	1'219.45	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
89%	POLAND	.dMIPLoc	1'291.11	+	DOWN	+	FLAT	UNDERWEIGHT POLAND	UNDERWEIGHT POLAND
89%	PORTUGAL	.dMIPToc	97.04	O	FLAT	+	FLAT	UNDERWEIGHT PORTUGAL	NEUTRAL
89%	QATAR	.dMIQAoc	796.06	+		u+			
100%	RUSSIA	.dMIRUoc	1'322.35	u+	DOWN	+	FLAT	UNDERWEIGHT RUSSIA	(u) NEUTRAL
100%	SINGAPORE	.dMISGoc	1'510	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
100%	SOUTH AFRICA	.dMIZAoc	1'371.52	+		+			
83%	SPAIN	.dMIESoc	787.88	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
83%	SWEDEN	.dMISEoc	15'162.08	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
89%	SWITZERLAND	.dMICHoc	1'400.88	O	FLAT	+	FLAT		
94%	TAIWAN	.dMITWoc	571.15	+	FLAT	+	FLAT	NEUTRAL	NEUTRAL
94%	THAILAND FREE	.dMITHoc	496.36	+		+			
100%	TURKEY	.dMITRoc	1'632'210.20	+	FLAT	+	FLAT	UNDERWEIGHT TURKEY	NEUTRAL
89%	UK	.dMIGBoc	1'831	+	FLAT	+	FLAT	UNDERWEIGHT U.K.	NEUTRAL
94%	UNITED ARAB EMIRATES	.dMIAEoc	321.26	+		+			
94%	UNITED STATES	.dMIUSoc	3'630.91	+	FLAT	+	FLAT	OVERWEIGHT USA	NEUTRAL
100%	WORLD	.dMIWDoc	732.85	+	FLAT	+	FLAT	OVERWEIGHT WORLD	NEUTRAL

# Swiss Market Index SMI

For the last few weeks, my focus has been on the level at 10650 to 10750. A break of this range is required to signal 11300 to 11400. The SMI has been correcting below the high of 9.11.2020 at 10644.22. I rated the odds of a break above 10650 to 10750 as about 40%. The bearish outlook, which was the break of the major supports at 9900 to 9500 was given the 60% odds. But, the bearish odds could rise sharply. The SMI registered yet another short-term high at 10594.10 on 18.12.2020, which was below the high of early November at 10644. Because it failed to register another higher high, it increases the probability that the SMI is forming a corrective Flat (a-b-c), shown by the orange a-b-c on the chart to the right. The key supports are at 10200 (c = a) or 9980 to 9930 (c = 1.618 x a). A break of 9950 to 9900 would mean that the Flat correction is giving way to a major downtrend and that the high of 18.12.2020 was the top of Wave 5 and thus registered a "Failure".

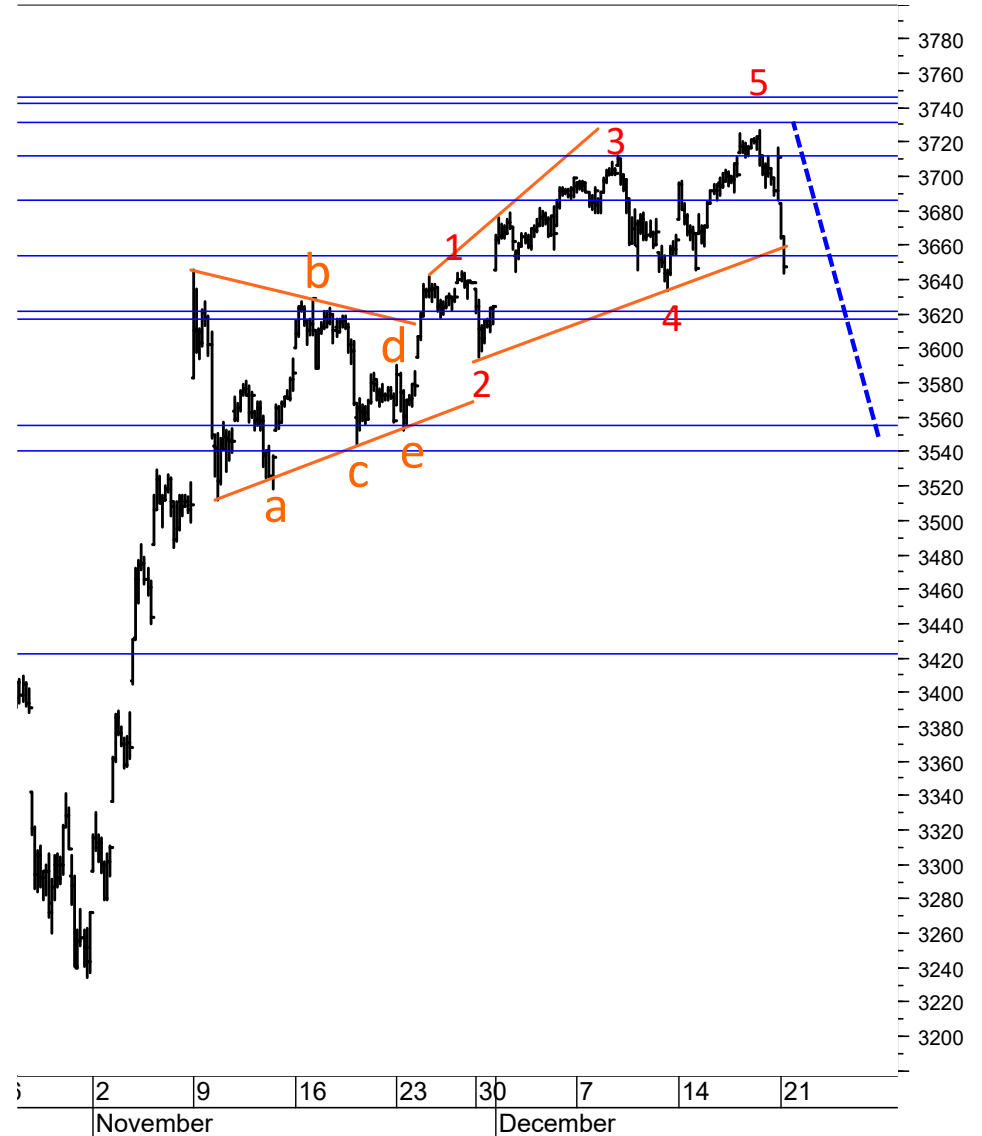
The high in January 2020 at 11270 marks a test and a failure of the uptrend line from 1998 to 2007 to 2020. During this entire period, the SMI has been underperforming the MSCI World Index (bottom left). The SMI would have to break the Wedge from 1998 to the upside above 11200 to 12000 to really become positive for the long term.



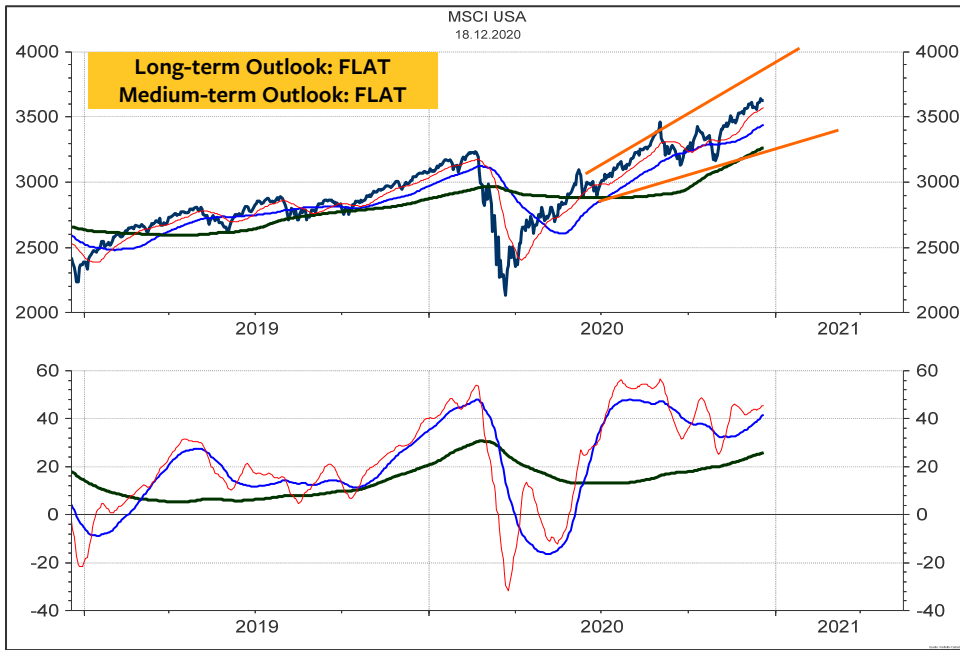
# S & P 500 Index

The S&P 500 Index ended the uptrend from early November, and probably from March 2020, when it terminated the Wedge, which has been perfectly forming from 23.11.2020 to 18.12.2020. As is most often the case, a Wedge is fully retraced, which means that the S&P 500 Index has support at 3560 to 3540.

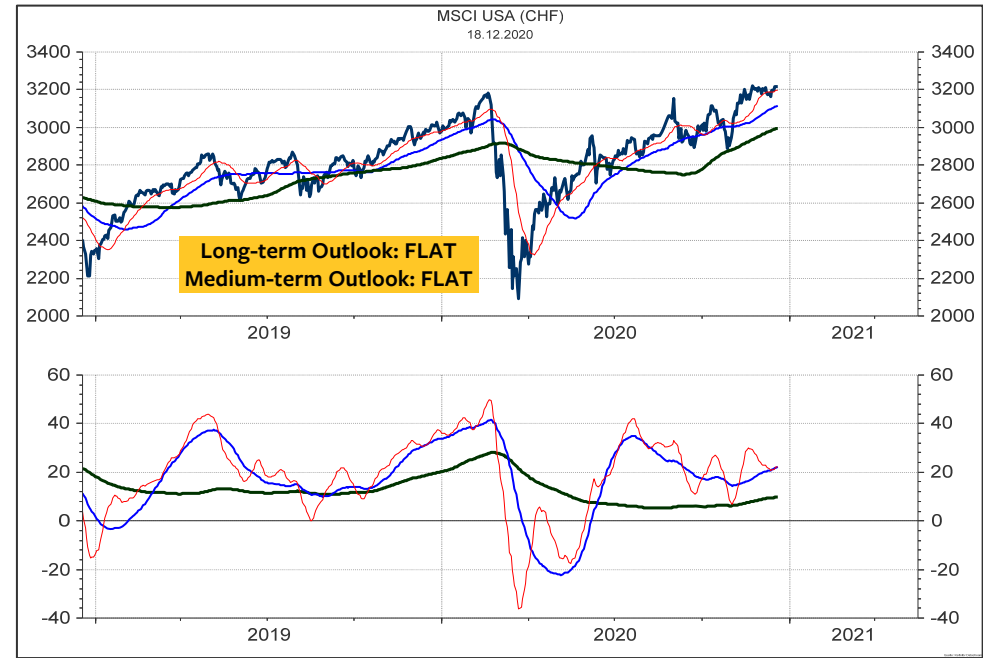
Given the completion of the five-wave advance from March 2020 (at left), the S&P 500 Index could well fall to 3420 / 3370 or 3150 or 2800. The Medium-term Outlook is downgraded to DOWN. The Long-term Outlook could move to DOWN if 3540 to 3420 to 3370 is broken.



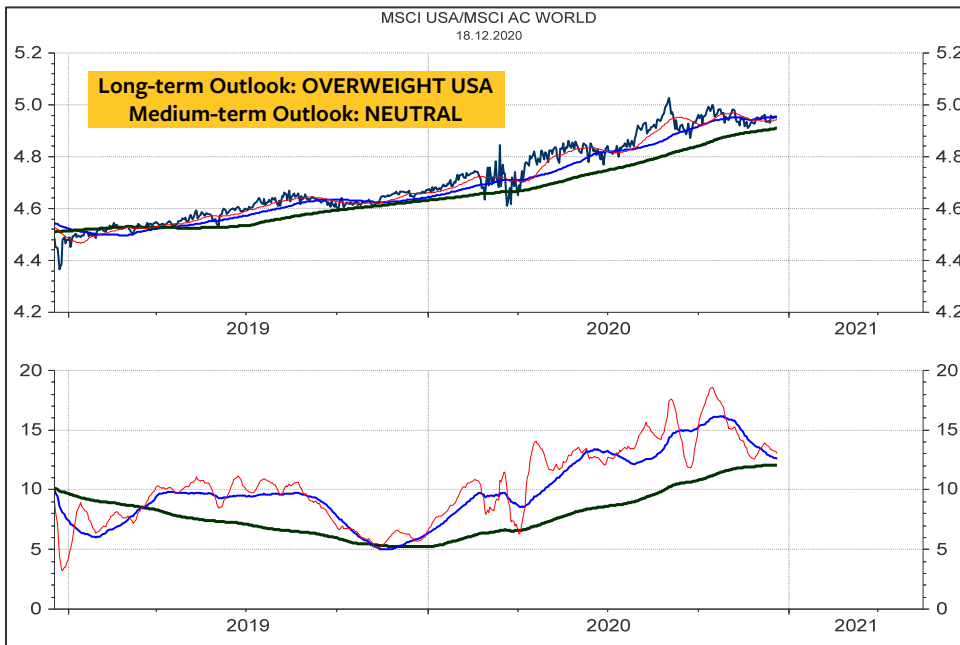
## MSCI USA in US\$



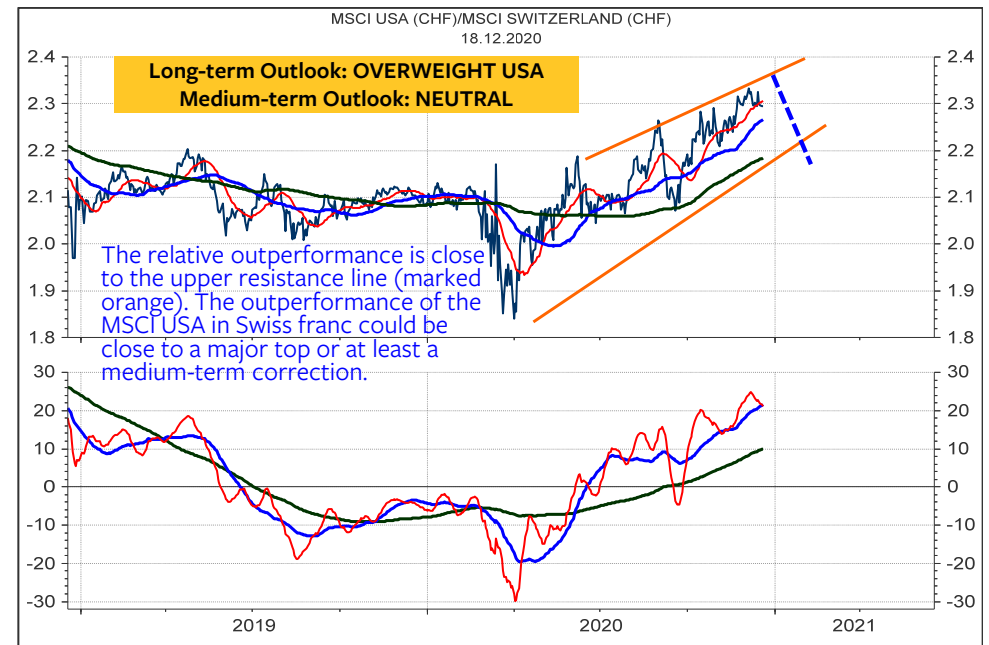
## MSCI USA in Swiss franc



## MSCI USA relative to the MSCI AC World



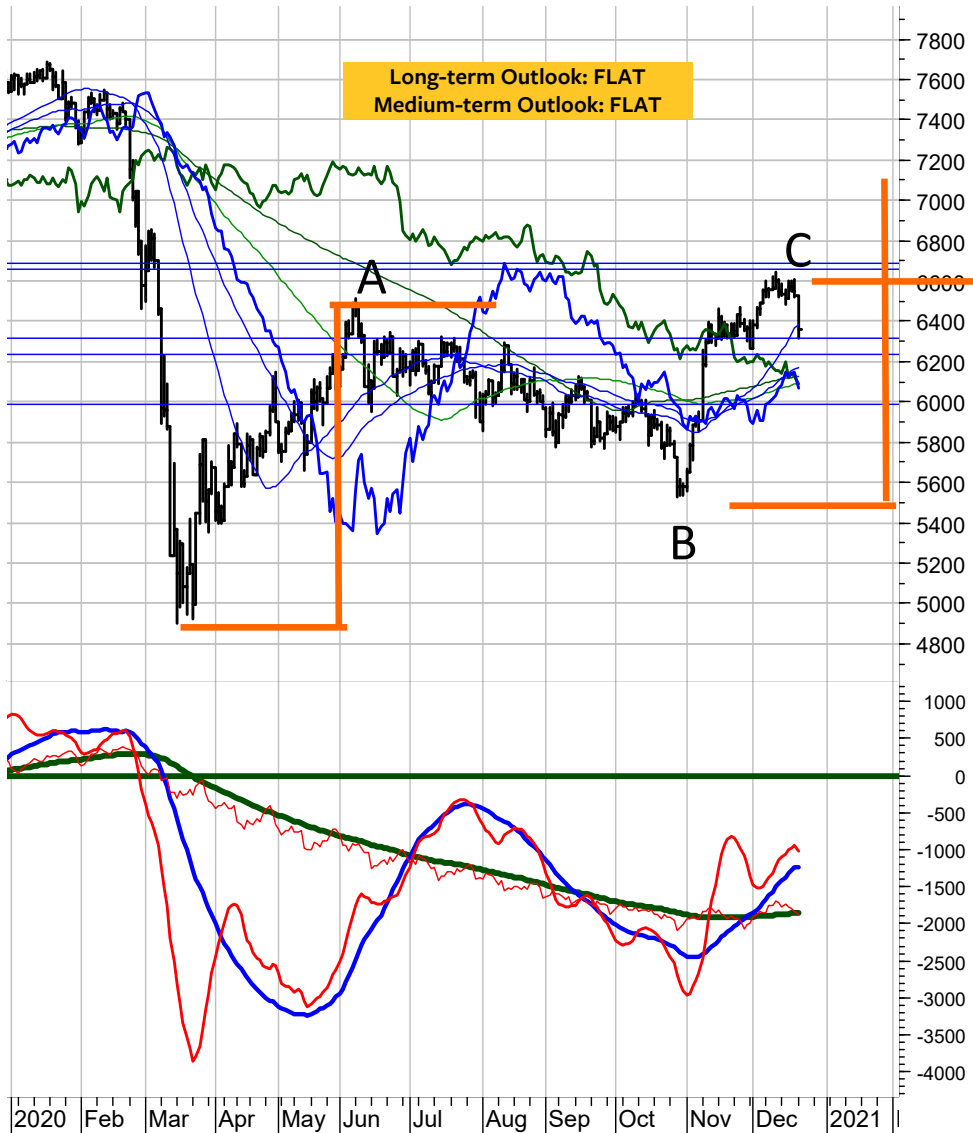
## MSCI USA in SFR relative to MSCI Switzerland



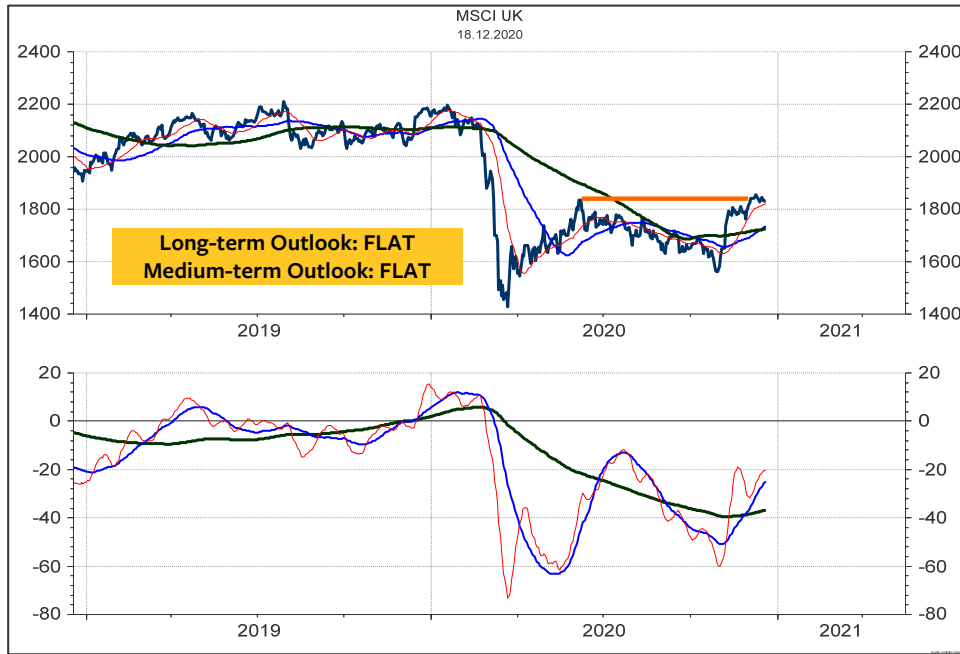
# FTSE 100 Index

The FTSE 100 Index was turned down by the resistance, which I had projected at 6500 to 6650. The Medium-term Outlook would turn DOWN if 6300 to 6150 is broken. Next support is 5950.

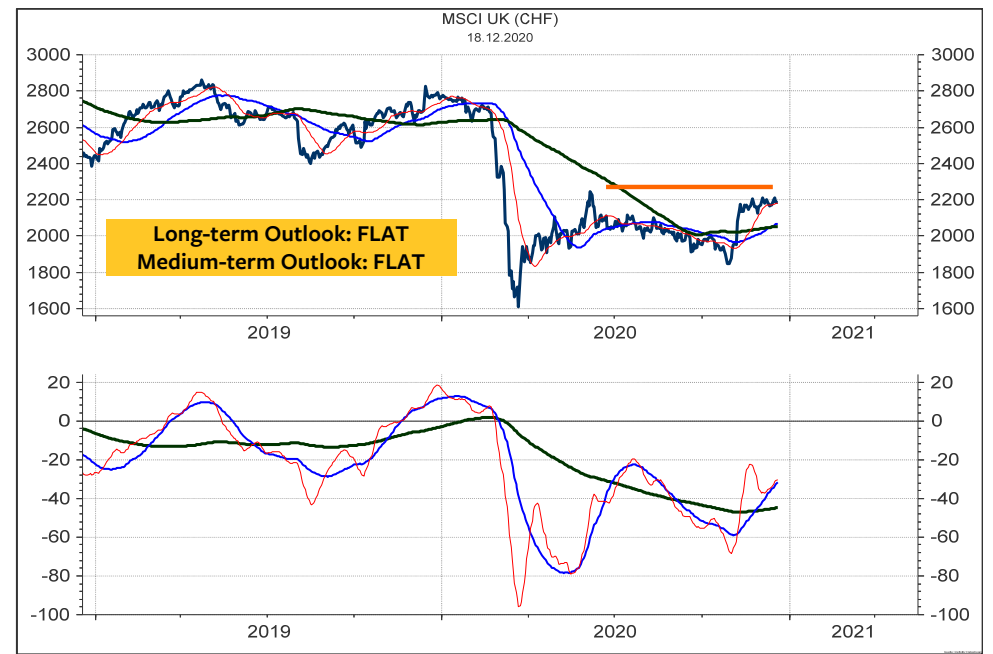
The MSCI U.K. measured in Swiss franc relative to the MSCI Switzerland (next page, lower right) appears to be turning down again. For now, the relative outlook remains neutral medium-term and long-term. But, a resumption of the U.K. underperformance relative to the MSCI Switzerland has become more likely.



## MSCI U.K. in British Pound



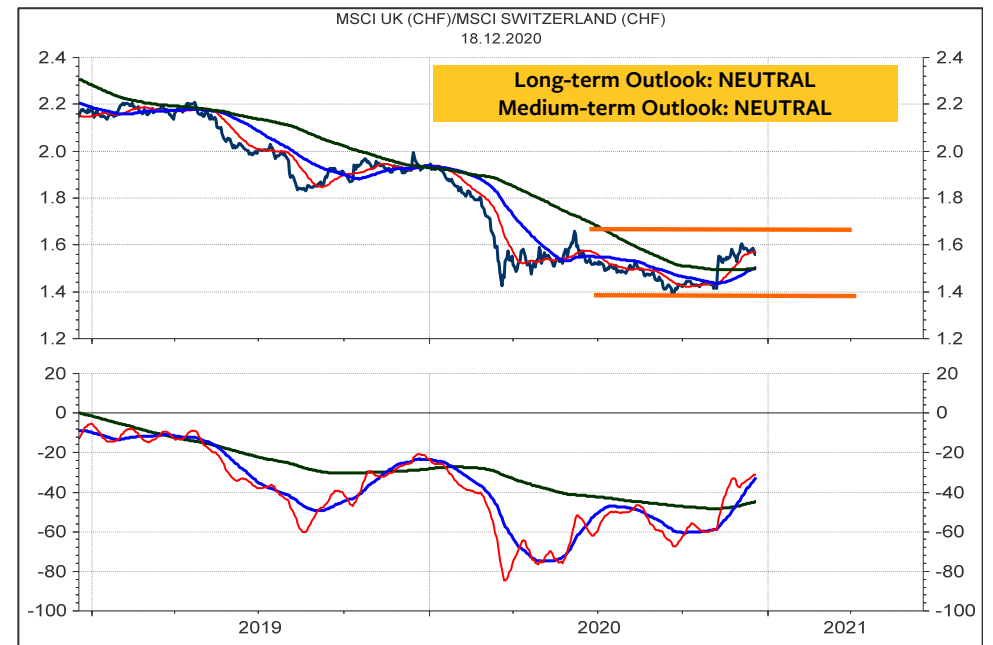
## MSCI U.K. in Swiss franc



## MSCI U.K. relative to the MSCI AC World



## MSCI U.K. in SFR relative to MSCI Switzerland



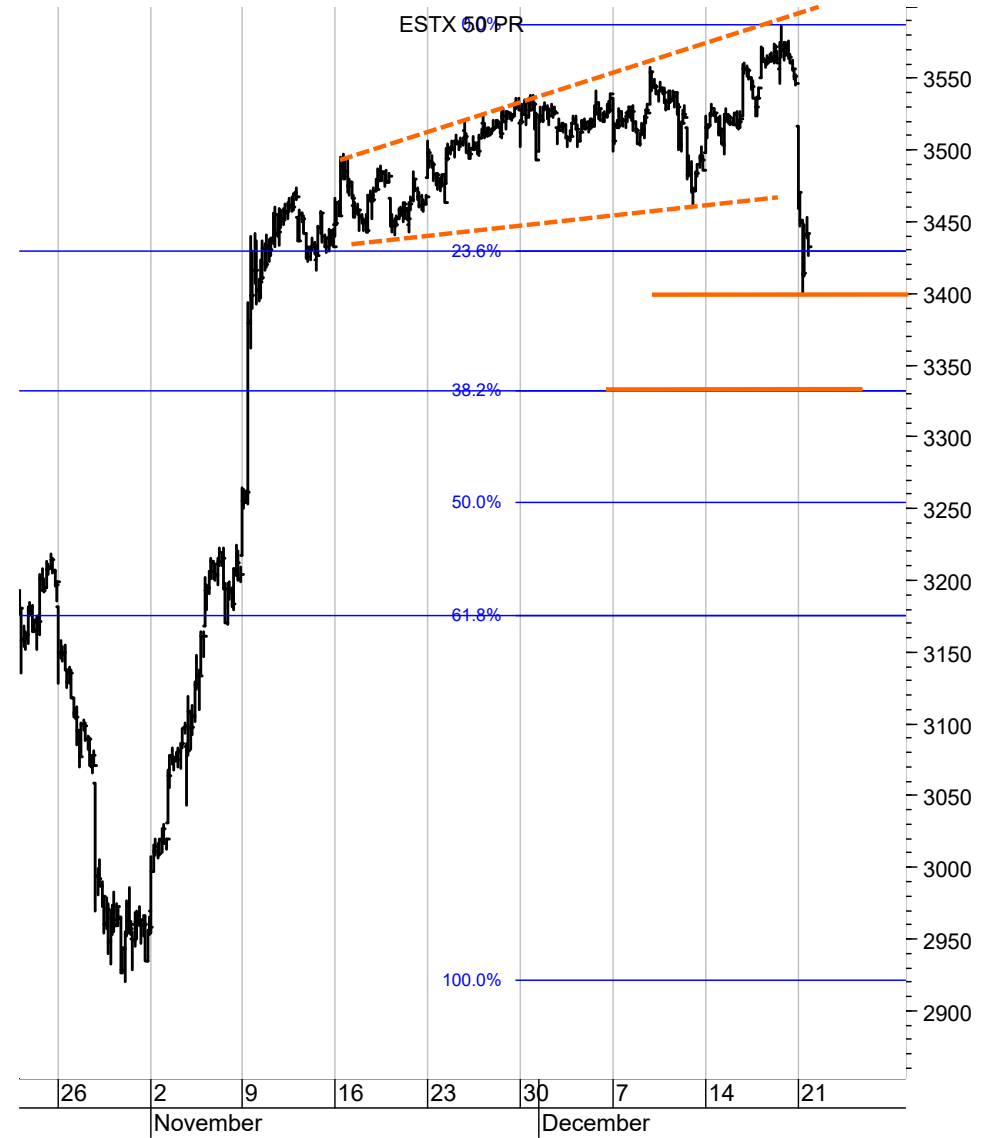
# Eurostoxx 50 Index

Two weeks ago, I stated that “Wave C is likely to top between 3540 and 3570.”

The present selloff confirms that the top of Wave C was registered at 3586. The Medium-term Outlook will turn DOWN if 3400 and 3320 is broken.

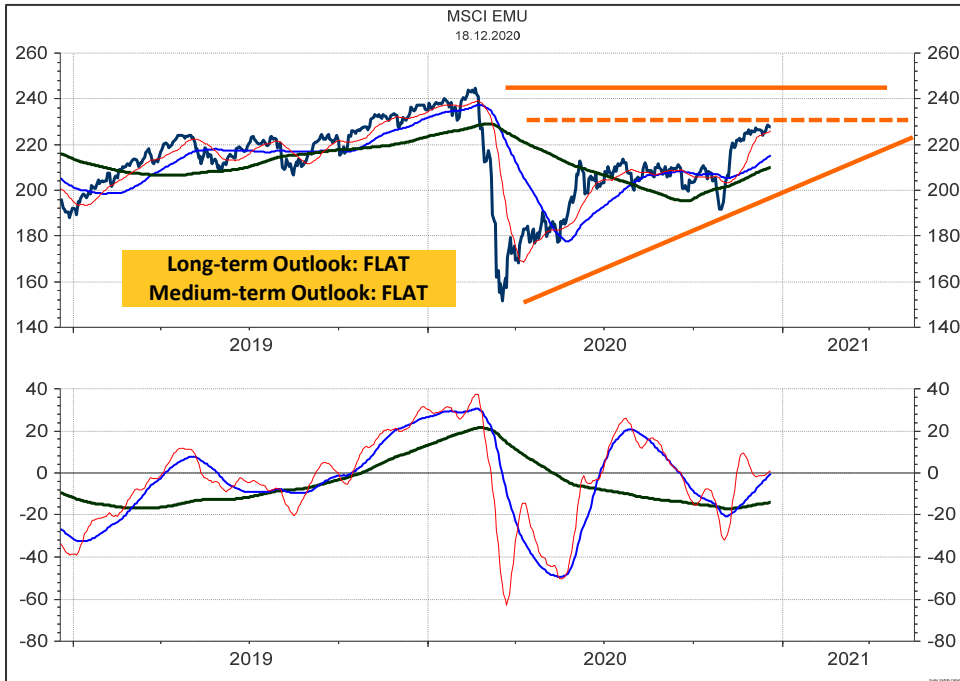
Next support is 3170.

The MSCI EMU measured in Swiss franc relative to the MSCI Switzerland (next page, lower right) appears to be topping below the resistance range 10 to 10.50. A correction (relative EMU underperformance) is likely from this range. For now, the relative outlook remains NEUTRAL medium-term and long-term.

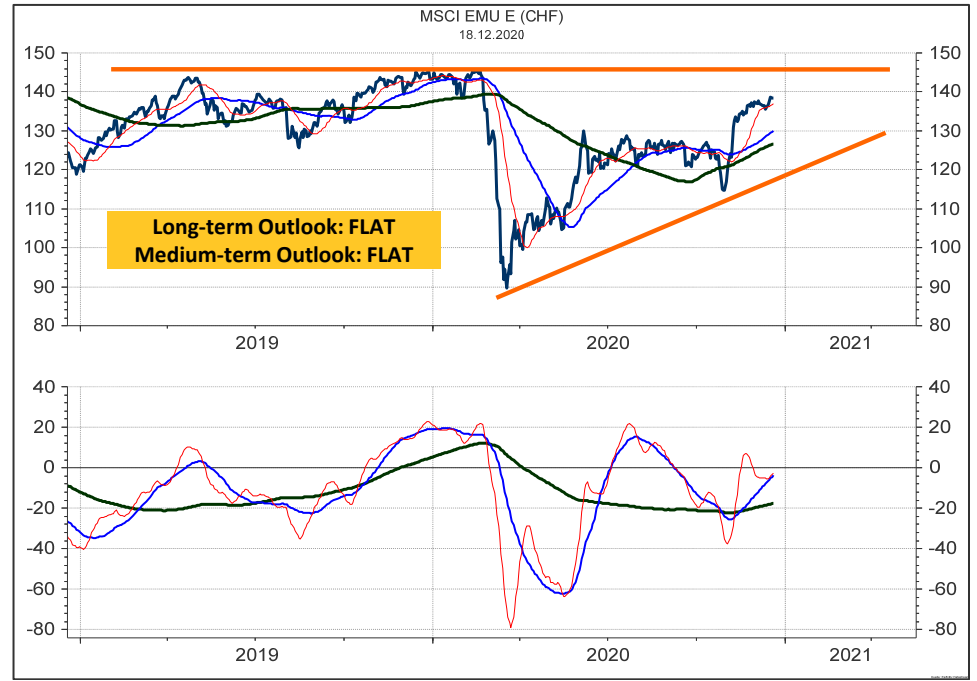




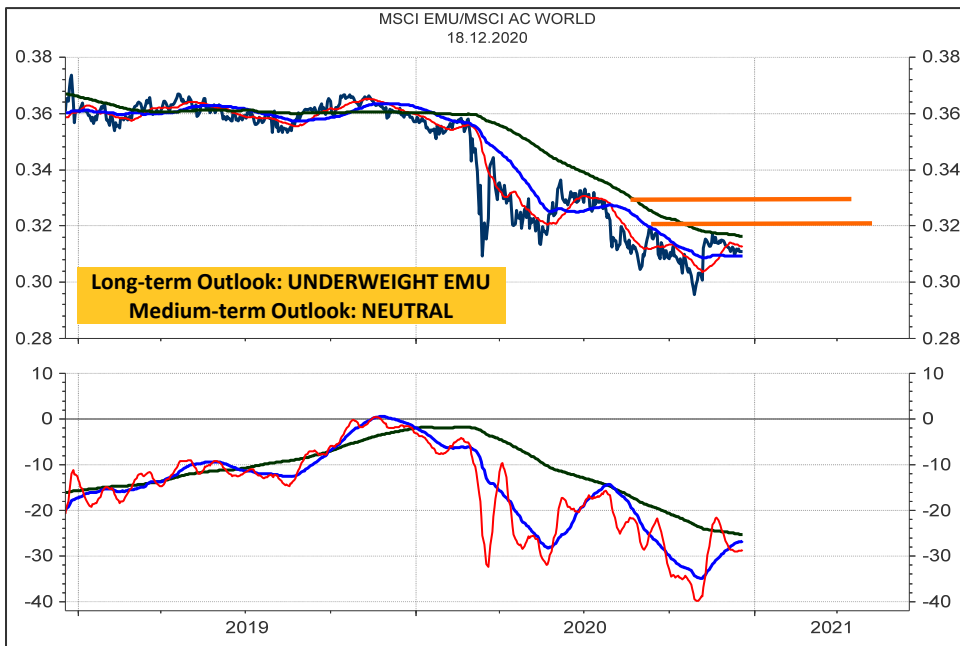
## MSCI EMU in Euro



## MSCI EMU in Swiss franc



## MSCI EMU relative to the MSCI AC World

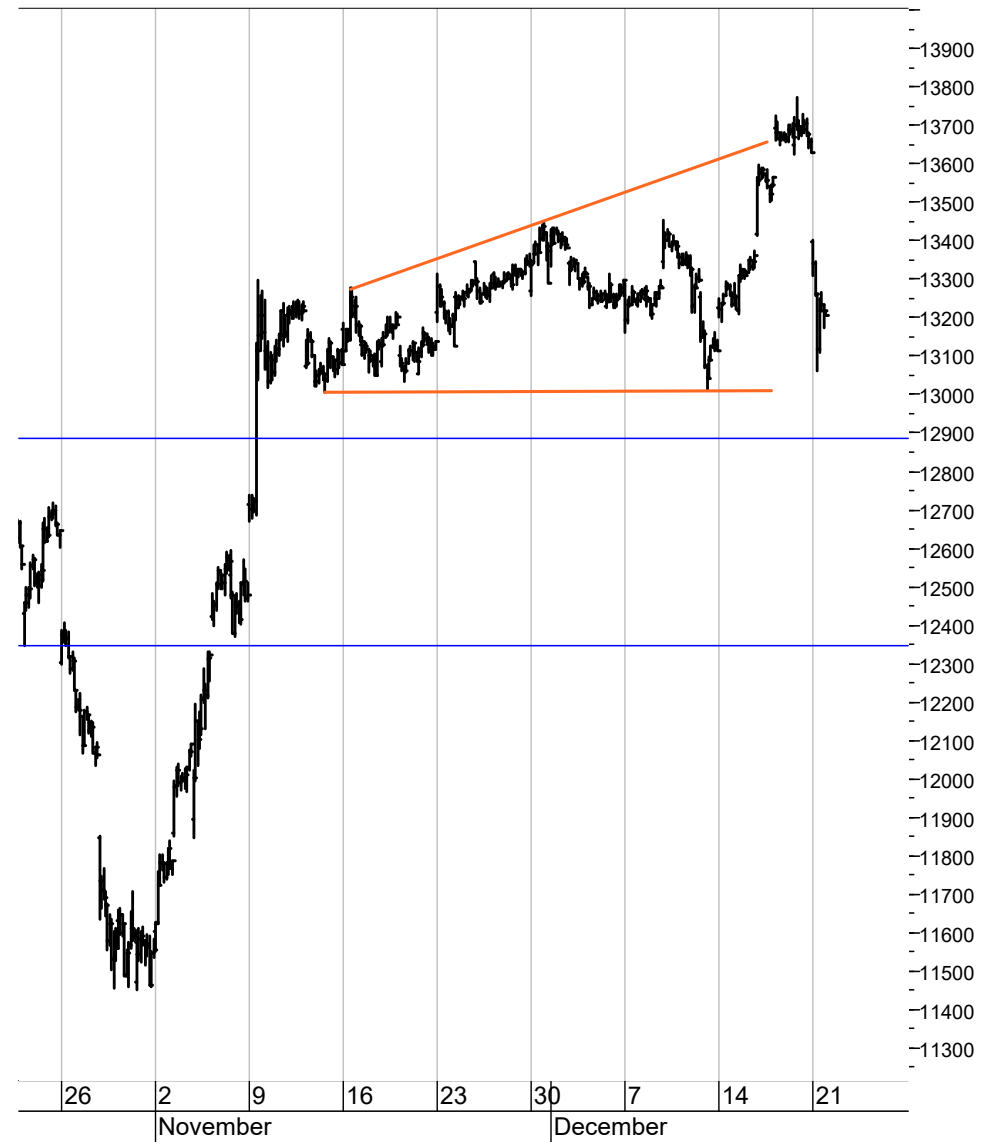
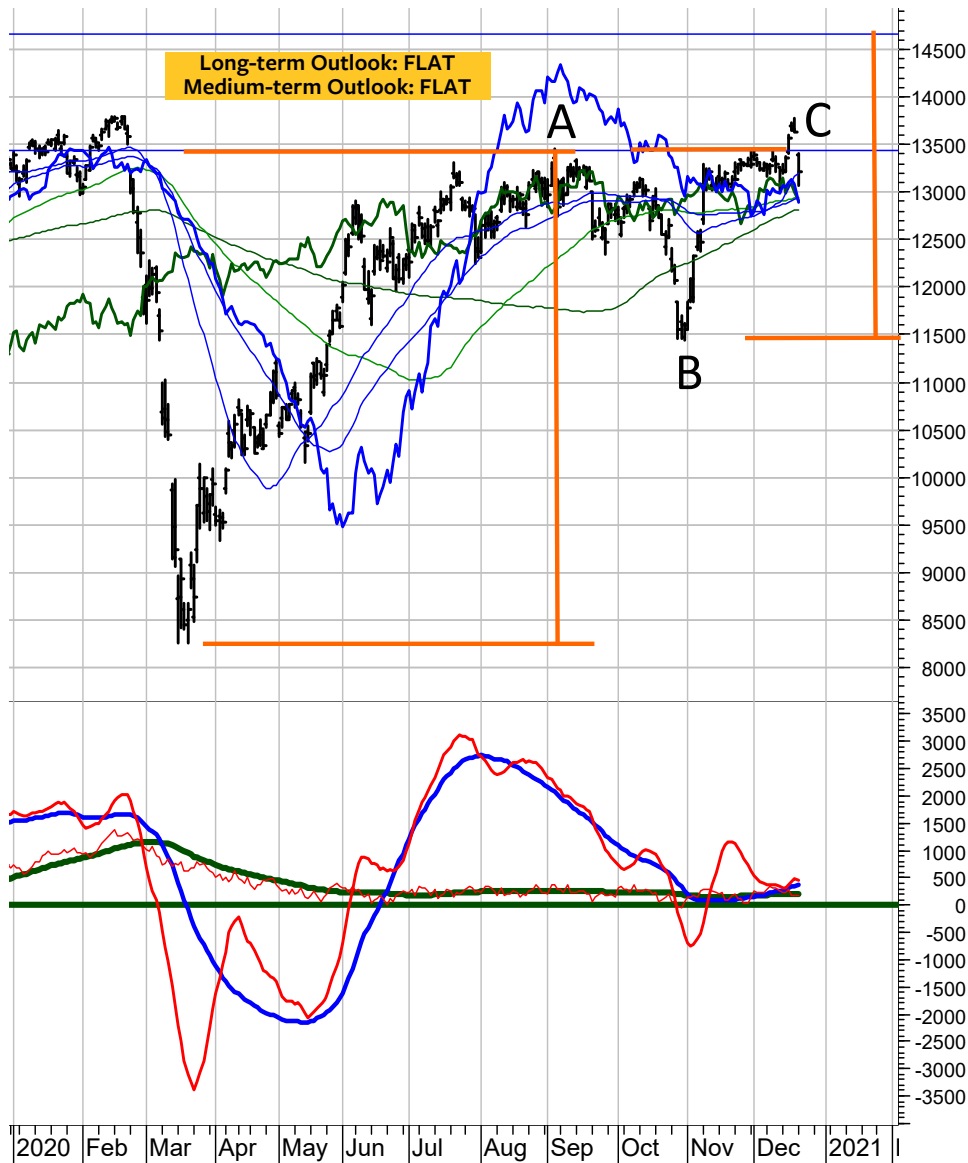


## MSCI EMU in CHF relative to MSCI Switzerland



# Deutscher Aktien Index DAX

Wave C of the inverse correction A-B-C from March 2020 was extended slightly above the resistance, which I had projected at 13500. The present correction is retracing part of the advance from early November. The Medium-term Outlook would turn DOWN if 12850 and 12300 is broken.



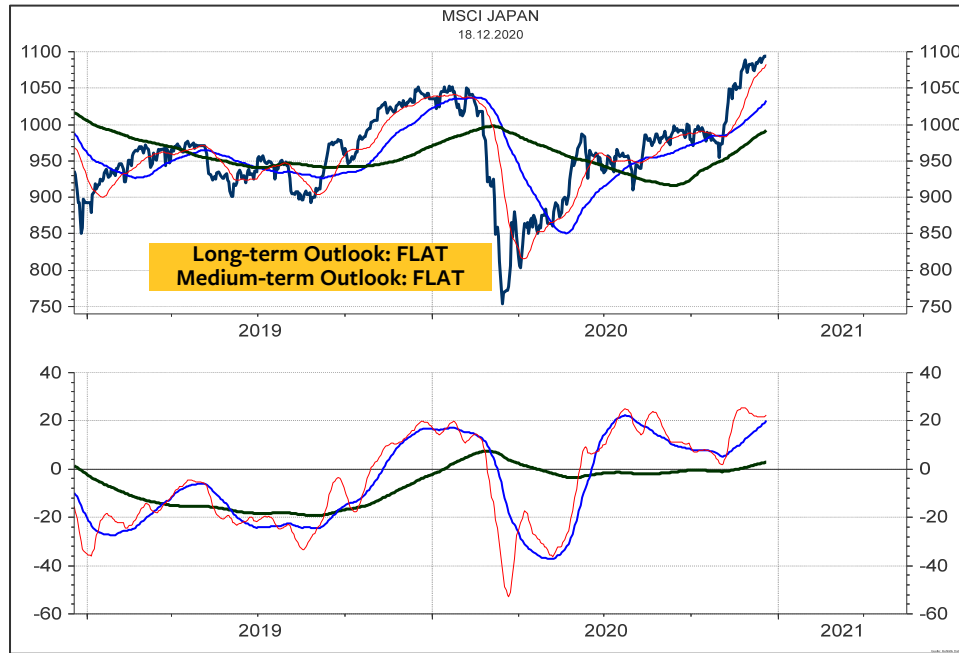
## Nikkei 225 Index continuous Future

The Nikkei 225 Index is correcting from the resistance range, which I had projected between 26500 and 27500. The Medium-term Outlook would turn DOWN if 26150 and 25950 to 25800 is broken.

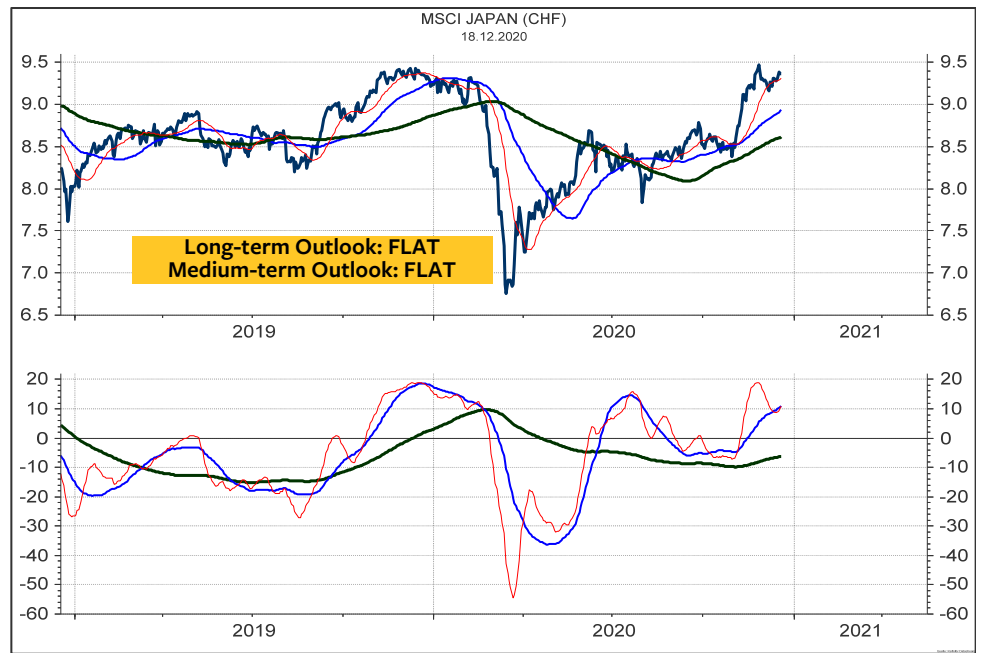
As you can see on the next page (lower right chart), the performance of the Nikkei Index in Swiss franc relative to the MSCI Switzerland remains positioned below the relative resistance at 6.90. Possibly, if the absolute uptrend is capped by 27500, the relative outperformance from August 2020 could also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



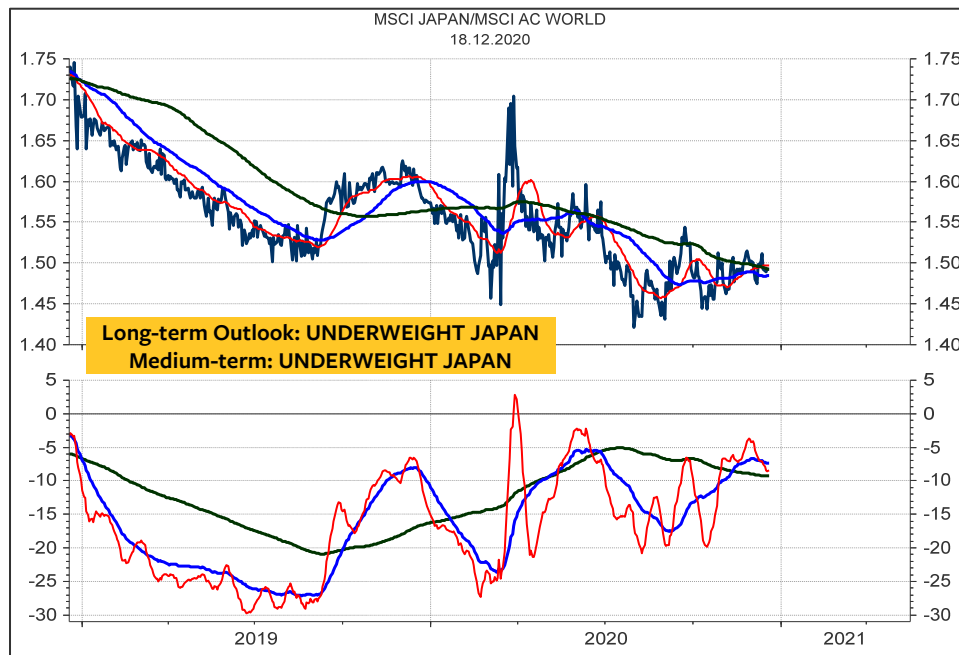
## MSCI JAPAN in Yen



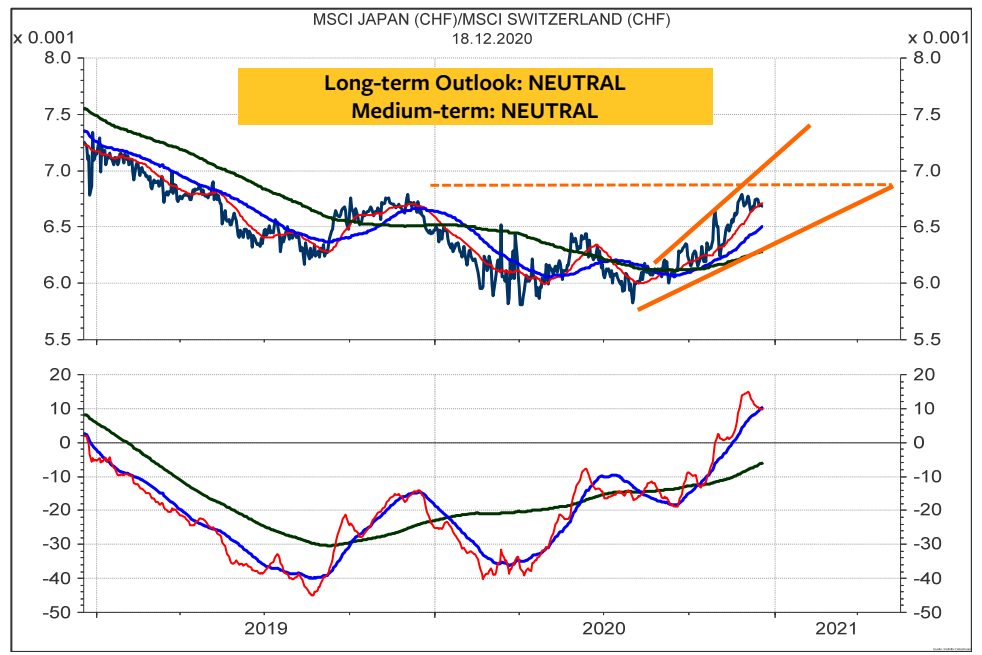
## MSCI JAPAN in Swiss franc



## MSCI JAPAN relative to the MSCI AC World



## MSCI JAPAN in SFR relative to MSCI Switzerland



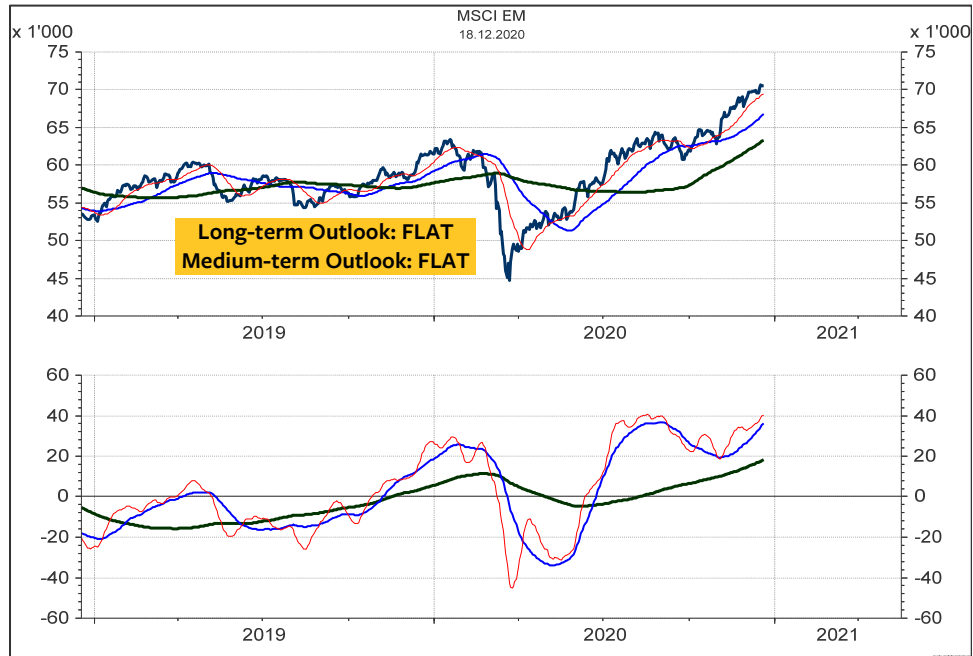
# MSCI Emerging Market Index

The MSCI Emerging Markets Index is testing the high of January 2018 at 1278.53. If it is broken, the uptrend from March could stretch to 1350. But, a correction appears more likely from this major resistance.

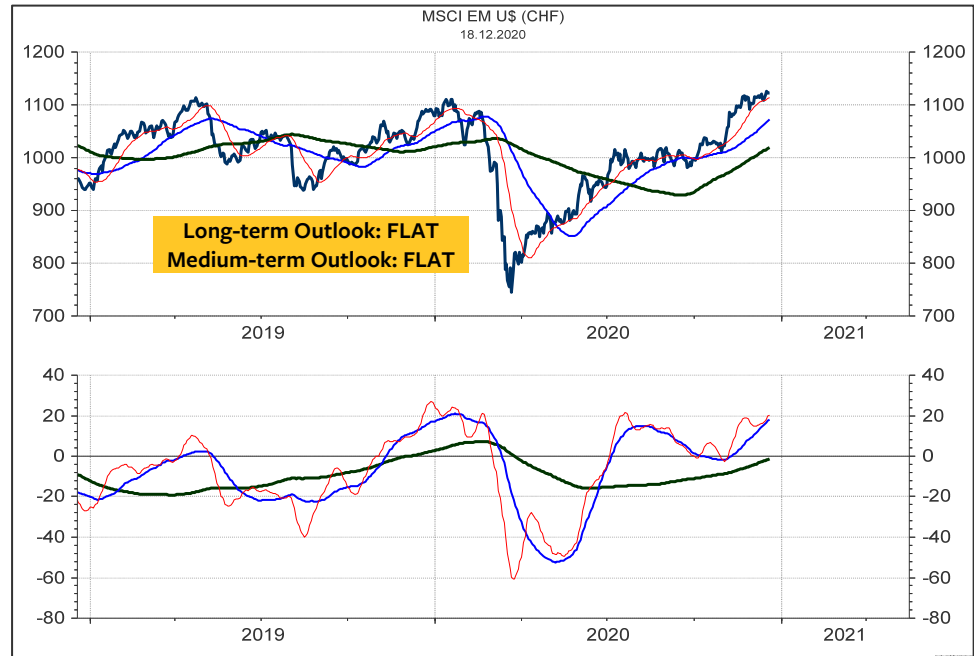
As you can see on the next page (lower right chart), the performance of the MSCI EM Index in Swiss franc relative to the MSCI Switzerland is testing the relative resistance around 0.82. If the absolute uptrend is capped by 1350, the relative outperformance from March 2020 could also register a top. For now, the relative outlook remains medium-term and long-term NEUTRAL.



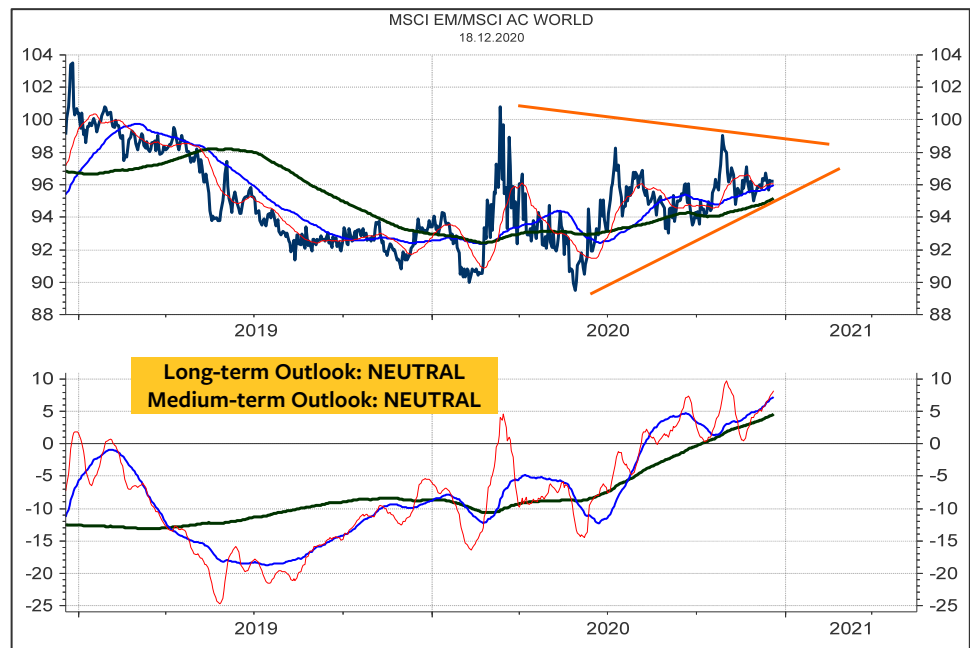
## MSCI EMERGING MARKETS in local currencies



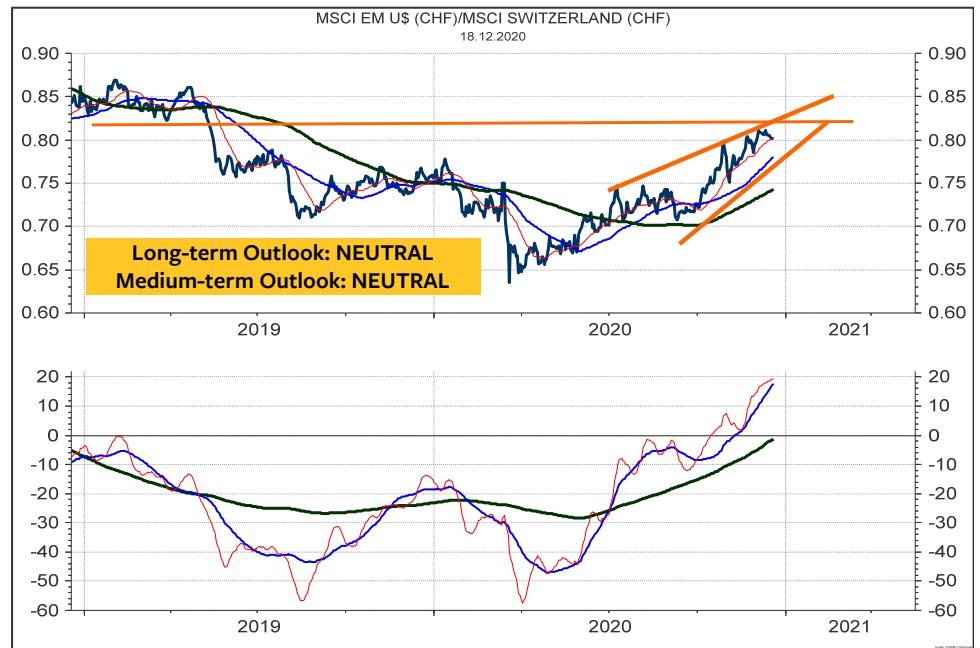
## MSCI EMERGING MARKETS in Swiss franc



## MSCI EMERGING MARKETS relative to the MSCI AC World



## MSCI EMERGING MARKETS in CHF relative to MSCI Switzerland

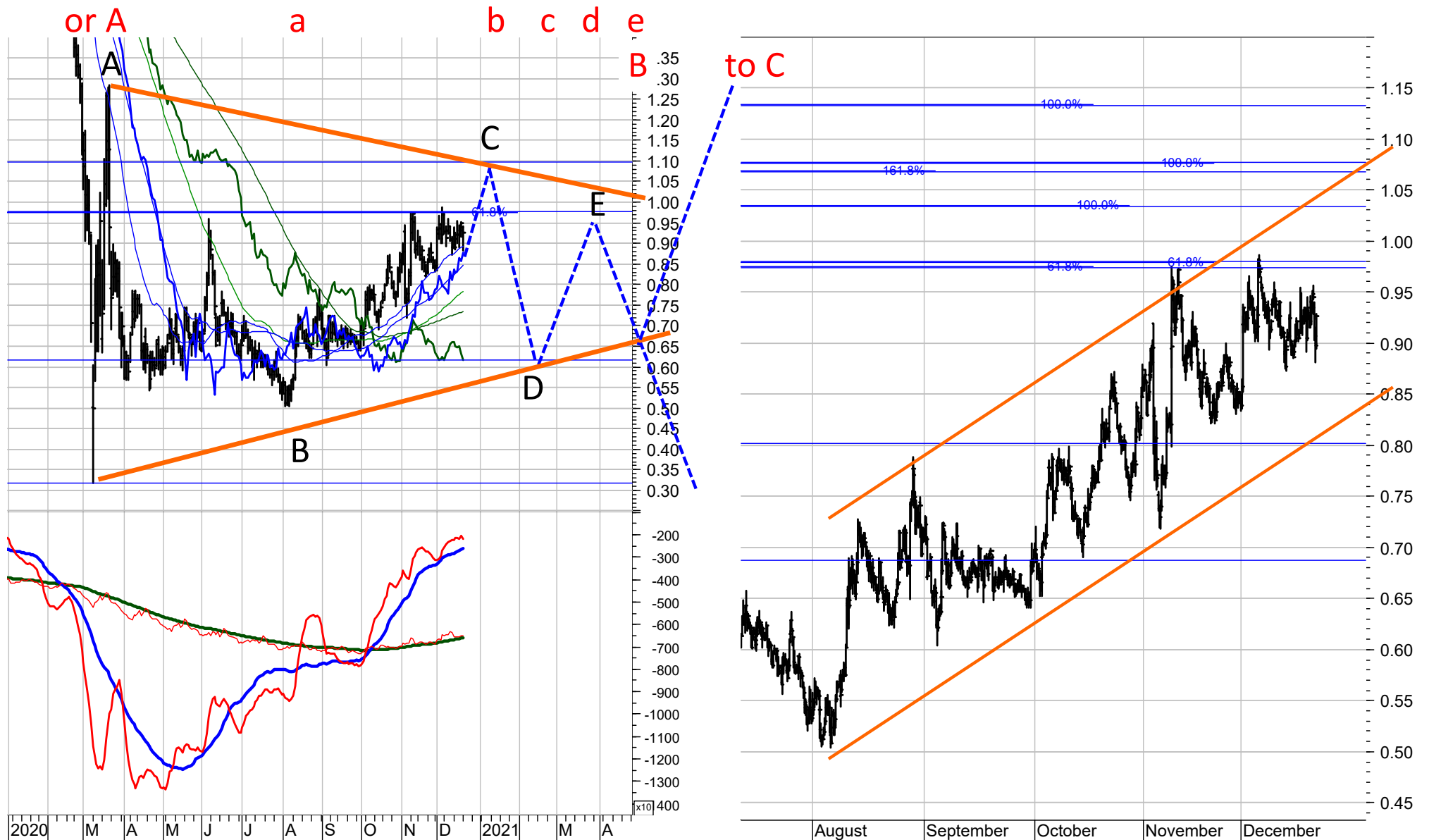


# US 10-year T-Notes Yield

The 10-year T-Note Yield is likely to form a horizontal Triangle.

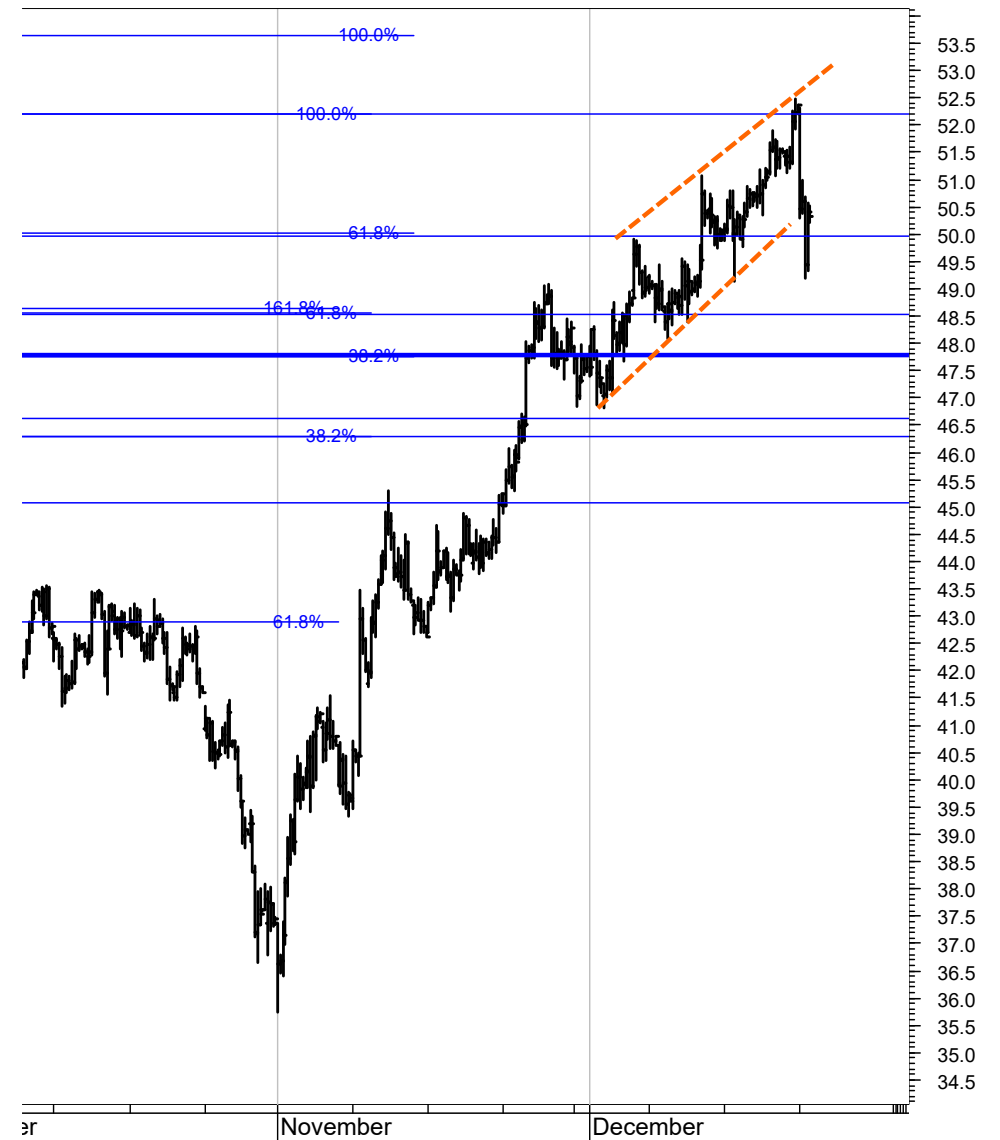
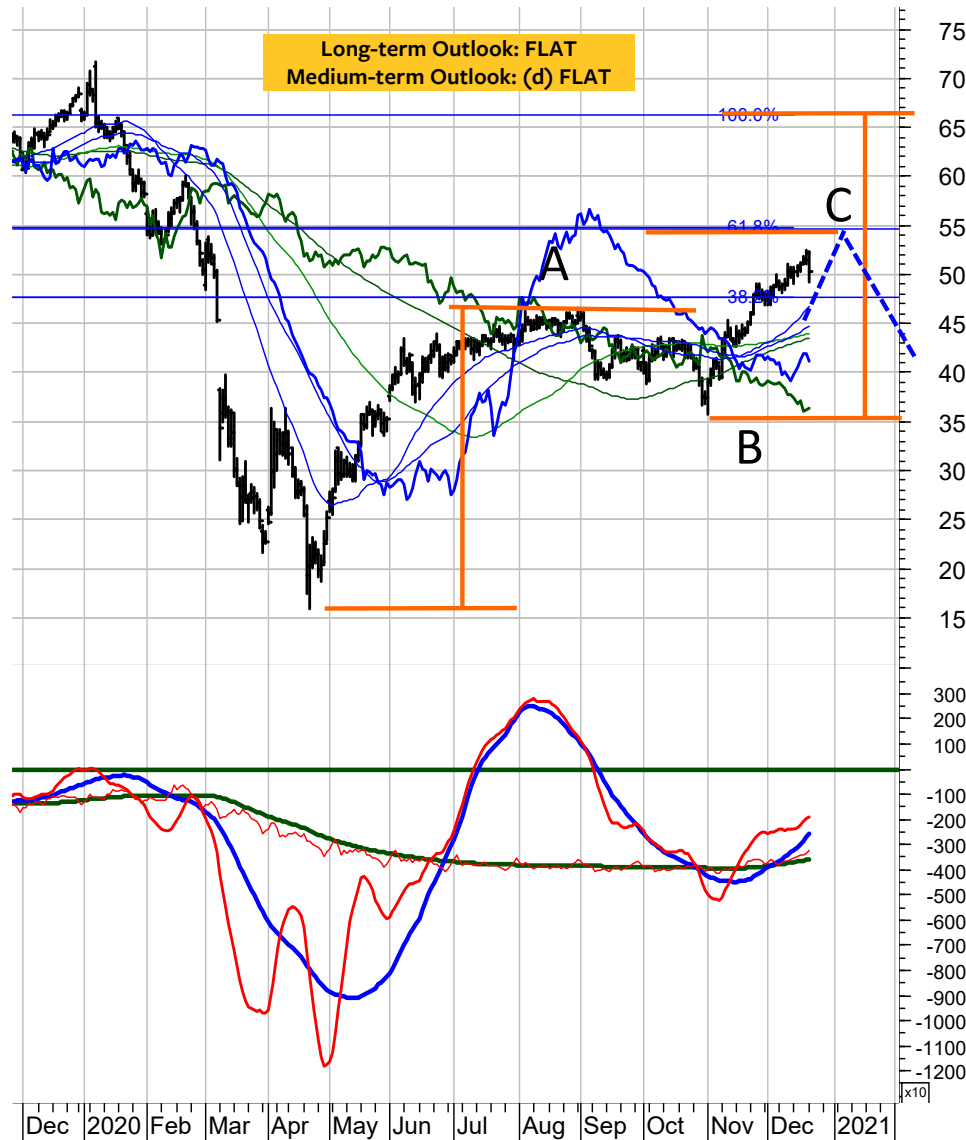
It remains to be seen if the Triangle is a major bottom formation or a (down)trend continuation formation. The latter implies that a decline below the low of March 2020 could be expected.

Supports are 0.80% and 0.68%.



# Brent Crude Oil Continuous Future (LCOc1)

The uptrend from 2.11.2020 at 35.74 is likely to have topped at 52.48 on 18.12.2020. This was slightly below the target for Wave C at 55. Supports are 48.50, 47.50 and 45. The Medium-term Outlook is downgraded to FLAT. It would be downgraded to DOWN if 47.50 is broken.



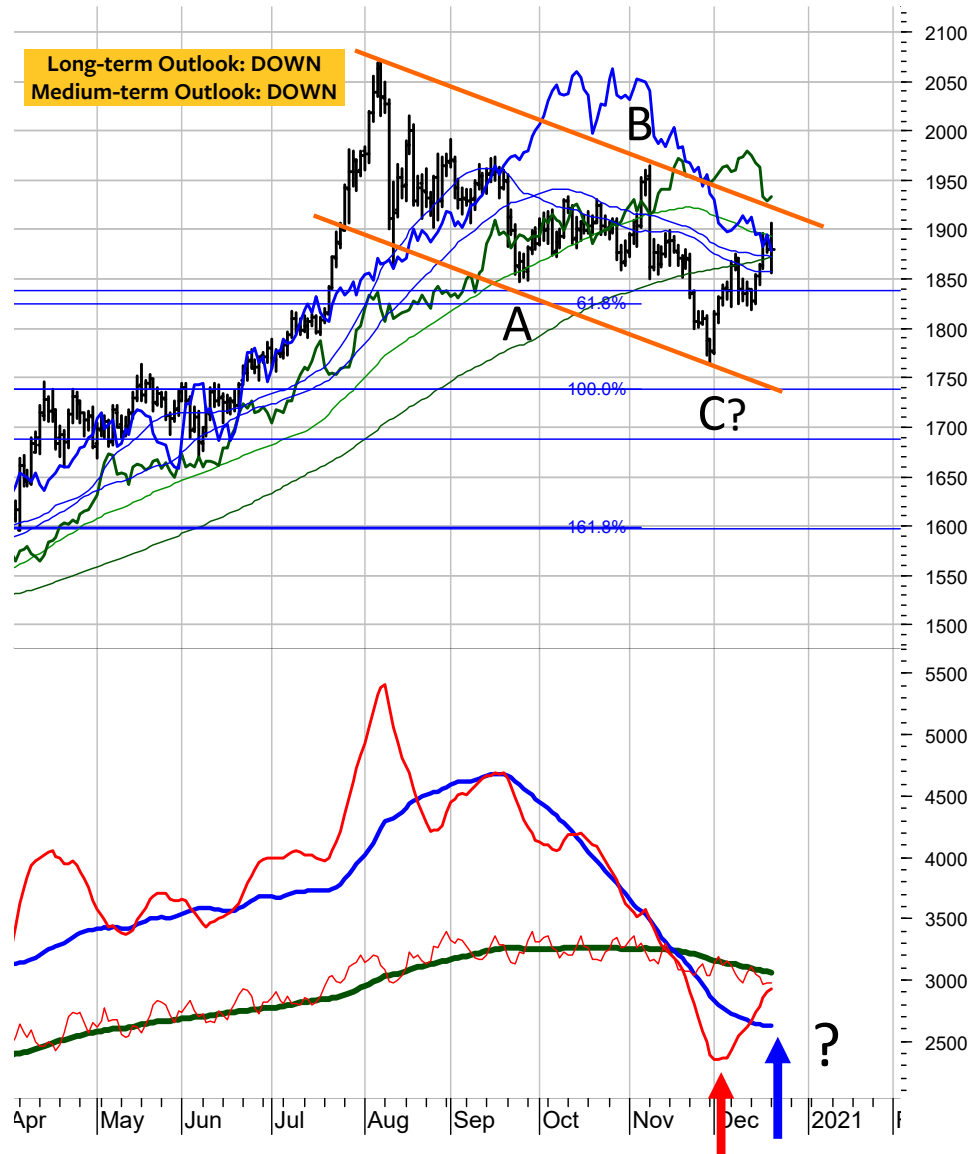


# Gold per Ounce in US dollar

Two weeks ago, I stated that: “in order to reduce the odds of the downside, Gold must rise above 1875 to 1910.”

The present selloff is unfolding from the resistance at 1910.

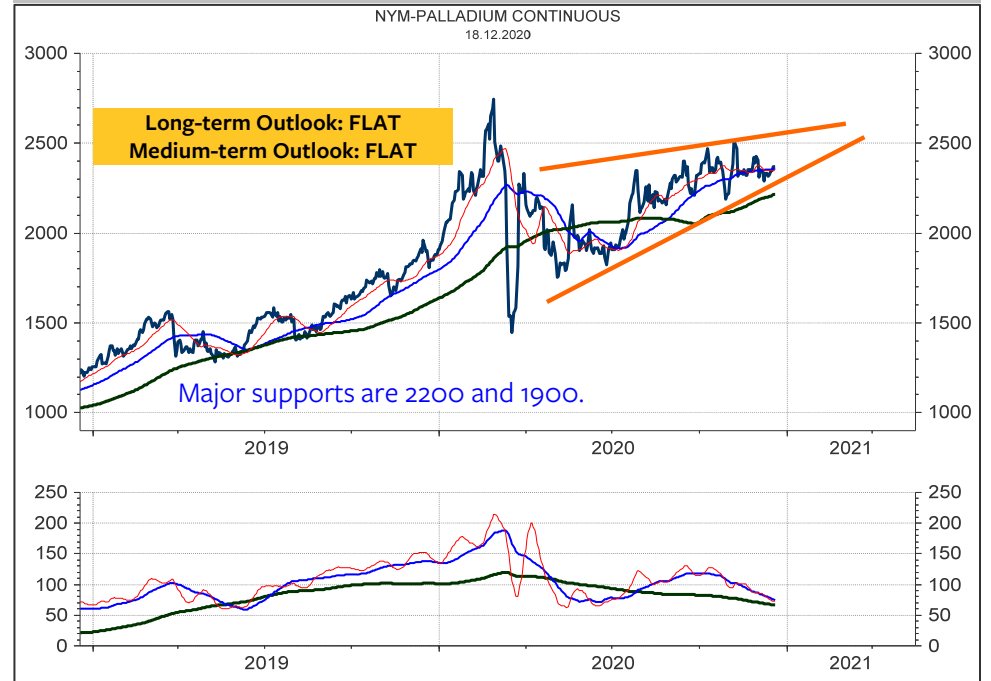
For the Medium-term Momentum Indicator (bottom left, marked blue) to signal a new uptrend, Gold must rise above 1910 and 1935.



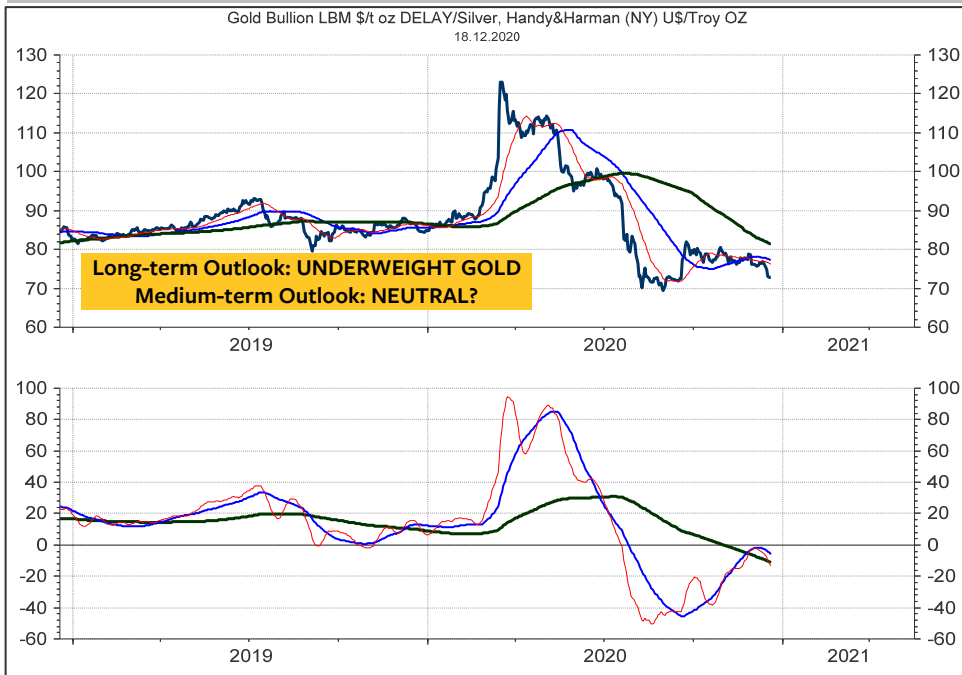
## Silver



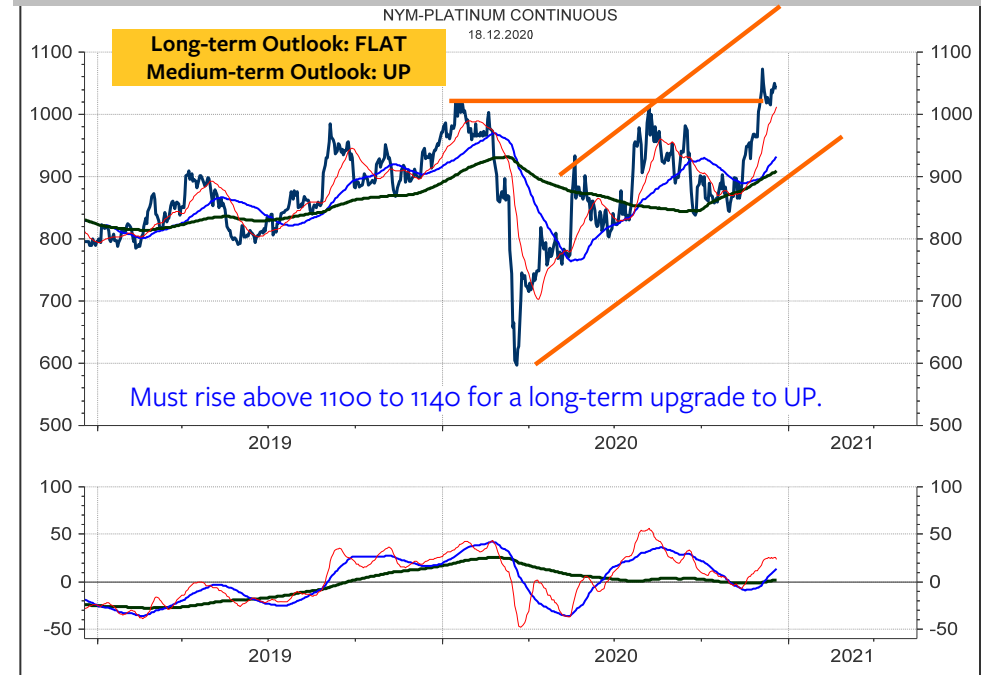
## Palladium



## Gold relative to Silver



## Platinum



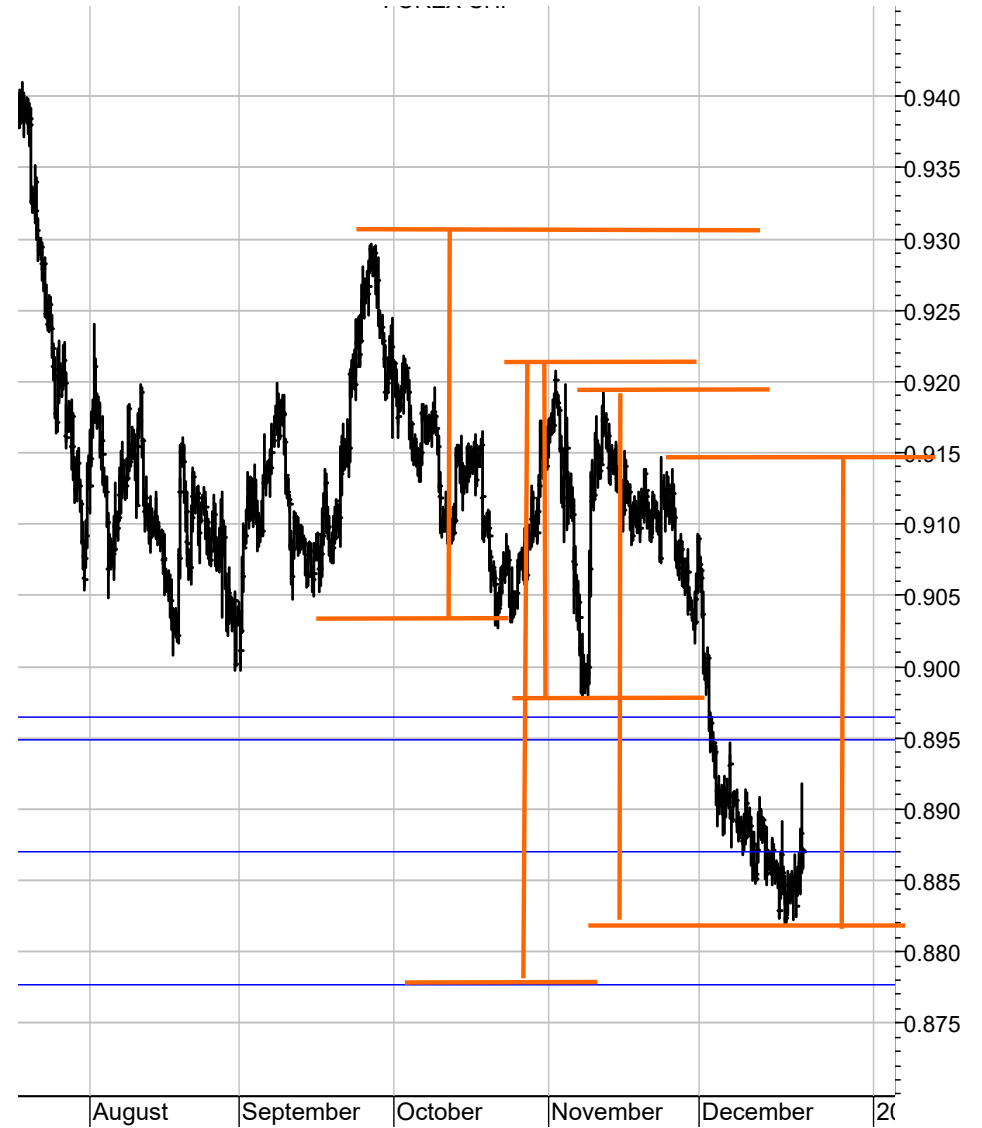
# Swiss franc per US DOLLAR

The US dollar is testing the multiple support cluster between 0.8870 and 0.8770.

A short-term low is likely to be registered in this range.

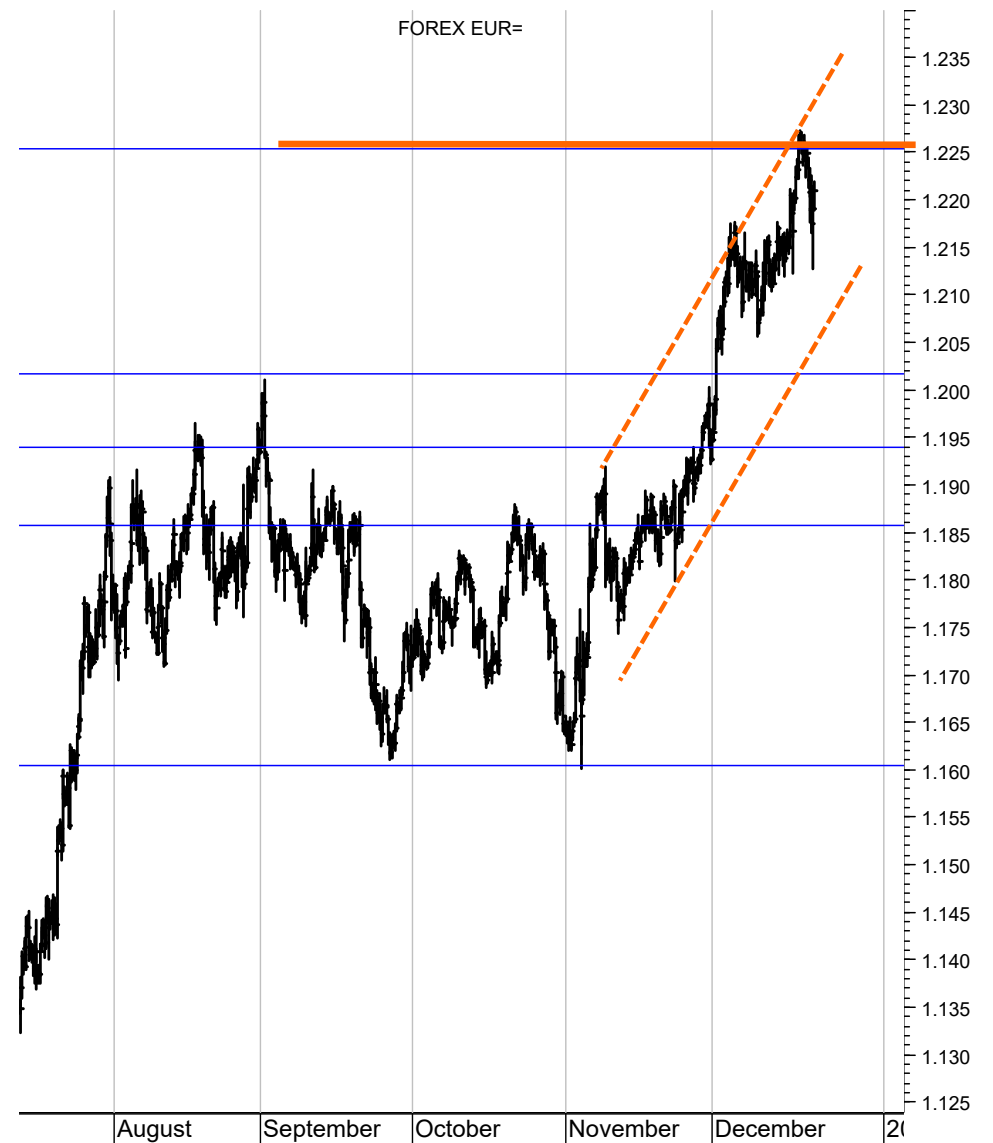
Resistance is 0.8950 to 0.8970.

Supports below 0.87 are 0.83 to 0.82. Thus, the long-term trend would turn DOWN again if 0.87 is clearly broken.



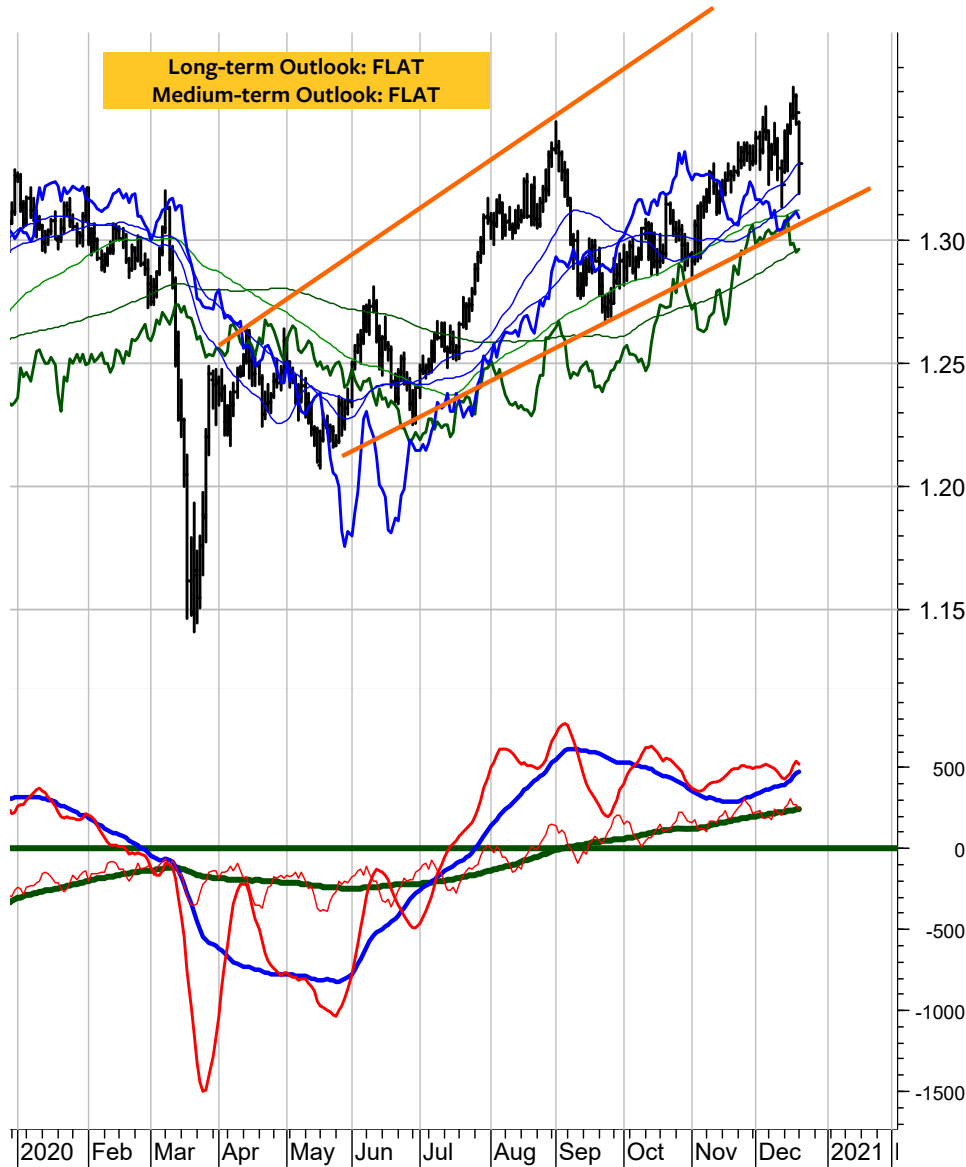
# US dollar per EURO

The Euro is correcting below the resistance at 1.225. A break above 1.23 would signal 1.29 (C = A).  
For the Long-term Outlook to move to UP, the Euro would have to hold above 1.20 and rise above 1.23.

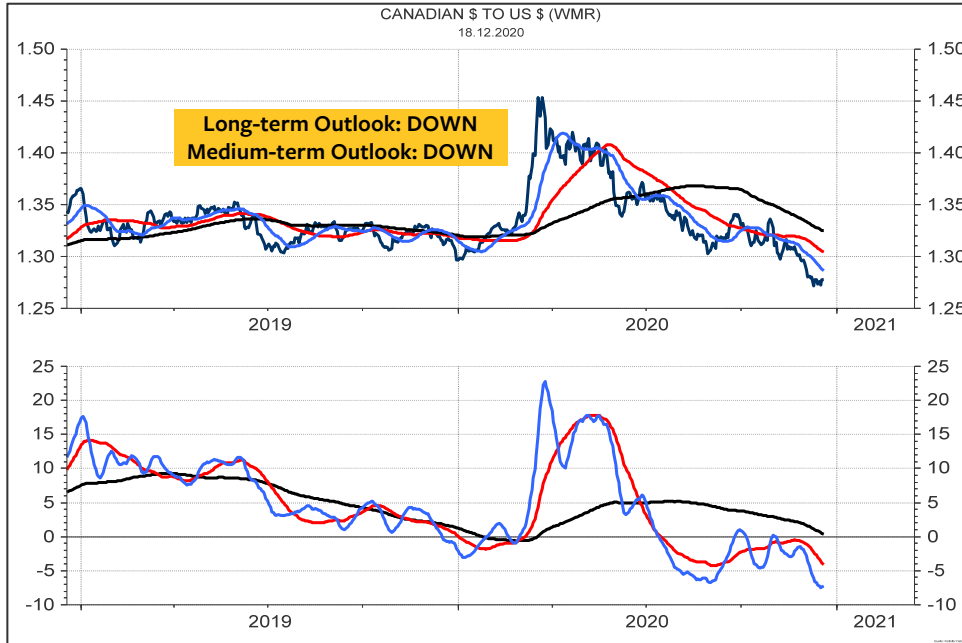


# US dollar per BRITISH POUND

The British pound entered a selloff from the resistance, which, two weeks ago, I had projected at 1.3560 to 1.3670. The supports are at 1.3140 and 1.3040. My Medium-term Outlook is likely to turn DOWN if 1.31 to 1.30 is broken. Notice that the 3 long-term trend and momentum indicators (at left, marked green) are positioned between 1.31 and 1.2950. Thus, the Long-term Model would move to DOWN if 1.29 is broken.



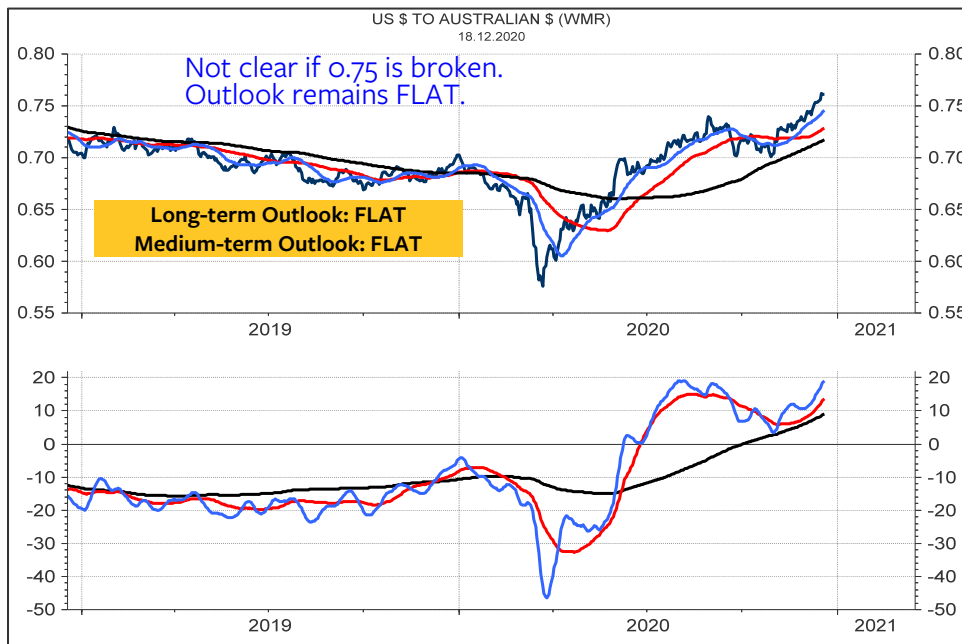
## Canadian dollar per US DOLLAR



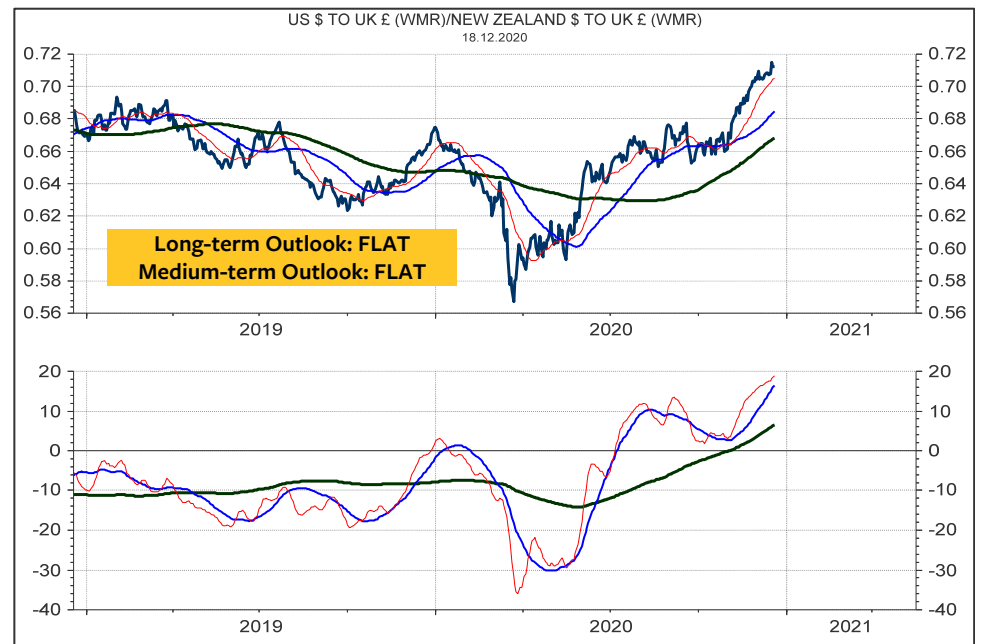
## Swedish krona per US DOLLAR



## US dollar per AUSTRALIAN DOLLAR

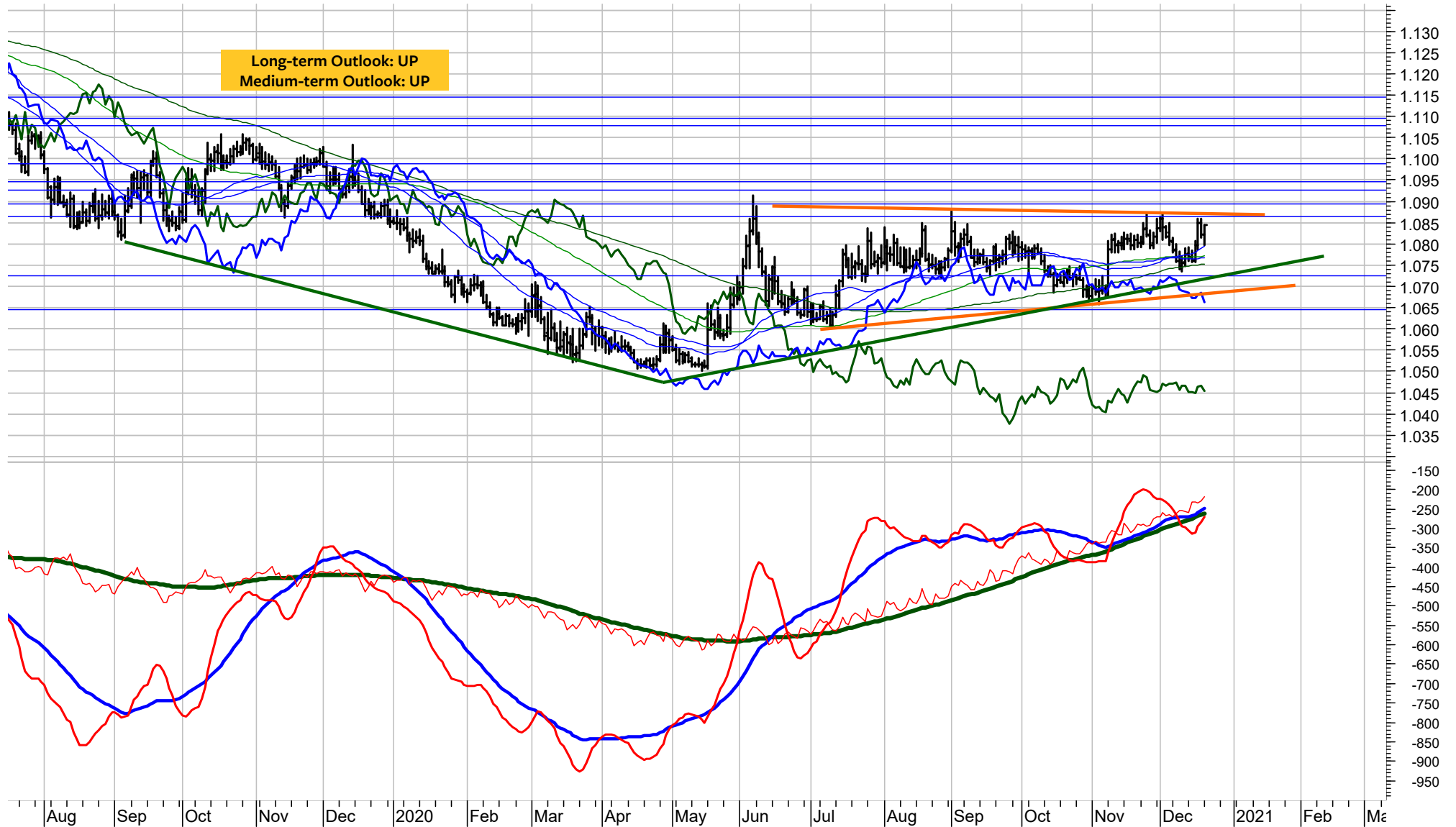


## US Dollar per NEW ZEALAND DOLLAR



# Swiss franc per EURO

The Euro is again testing the major resistance of the Triangle, which has been forming since June 2020. The magnitude of the various uplegs and downlegs within the Triangle indicate major resistance levels at 1.09, 1.0950, 1.10 and 1.1080 to 1.1150. The odds favor a break of these resistance levels. This would leave behind a major bottom formation in the Euro from July 2019. The supports are 1.0720 and 1.0640.



# Bitcoin / US dollar

Two weeks ago, I stated that: “Notice that a break above 21200 would signal 24500.”

The Bitcoin registered a top at 24300 and entered a correction. Supports are 21700 and 20800 to 20100.

A break above 24400 to 24500 would signal 26200, 27600 and 28600. If these medium-term resistance levels are broken, then the next long-term resistance levels are at 32000 to 35500.





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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

[www.chartoutlook.com](http://www.chartoutlook.com)

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