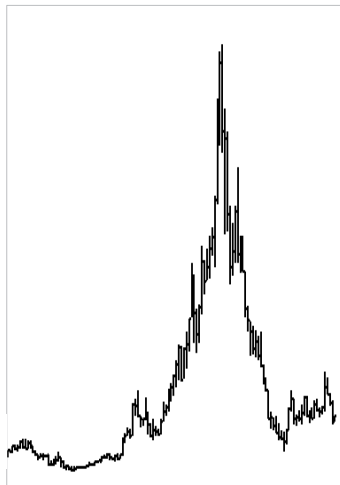




GLOBAL CHART OUTLOOK



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BERTSCHIS CHART OUTLOOK

Global Markets

28th June 2021 / Issue 2021 #24

Summary table: MSCI Stock Market Indices in local currencies

The Long-term and the Medium-term Outlook for the MSCI World Stock market Index remains UP in most countries.

However, this week again, more countries are downgraded medium term. Among the 35 country indices, there are 17 countries rated medium-term FLAT or DOWN while 18 countries remain medium-term UP.

Because the majority of the 1325 global stocks is tracing out a medium-term momentum downtrend, the risk is increasing that trend will follow its momentum and turn down in more countries. Moreover, most indices, which are still rated UP, must accelerate their present uptrend. If they fail to do so, they are most likely to break below their 34-day and 55-day moving averages. This would turn the Global Stock Market Model DOWN. Based on the 1325 global stocks, the odds for a medium-term decline are 64 to 36 in favor of the bears.

Investors should watch the support levels to see if and when medium-term downturns are triggered.

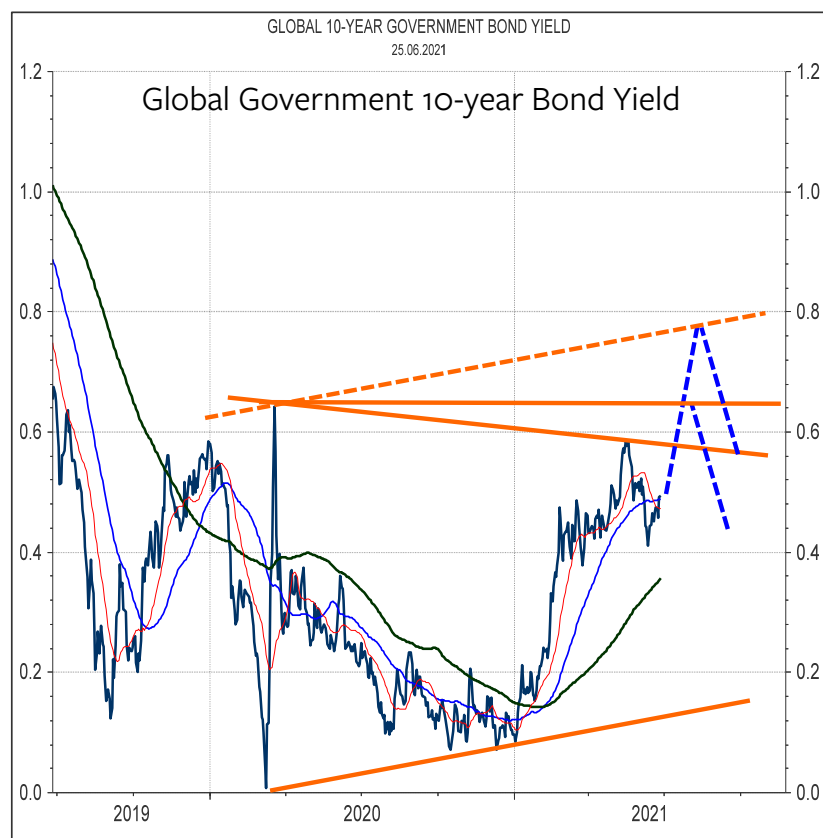
GLOBAL STOCKMARKET INDICES IN LOCAL CURRENCIES	IN LOCAL CURRENCIES		IN LOCAL CURRENCIES		COMMENT
	OUTLOOK ABSOLUTE	OUTLOOK ABSOLUTE	RELATIVE TO MSCI WORLD	RELATIVE TO MSCI WORLD	
COUNTRY	LONG-TERM	Medium term	LONG-TERM	Medium term	
MSCI World	UP	UP			
MSCI Switzerland	UP	UP	UNDERWEIGHT SWITZERLAND	NEUTRAL	
MSCI USA	UP	UP	OVERWEIGHT USA	OVERWEIGHT USA	
MSCI EMU	UP	UP	UNDERWEIGHT EMU	NEUTRAL	Relative medium-term downgrade pending.
MSCI Japan	UP	FLAT	UNDERWEIGHT Japan	UNDERWEIGHT Japan	
MSCI Emerging Markets	UP	FLAT	UNDERWEIGHT EM	UNDERWEIGHT EM	
MSCI Argentina	FLAT	FLAT	UNDERWEIGHT ARGENTINA	UNDERWEIGHT ARGENTINA	
MSCI Australia	UP	UP	UNDERWEIGHT AUSTRALIA	UNDERWEIGHT AUSTRALIA	
MSCI Austria	UP	(d) FLAT	OVERWEIGHT AUSTRIA	(d) UNDERWEIGHT AUSTRIA	M-term downgrades to flat / underweight.
MSCI Belgium	UP	UP	UNDERWEIGHT BELGIUM	UNDERWEIGHT BELGIUM	
MSCI Brazil	UP	UP	UNDERWEIGHT BRAZIL	NEUTRAL	
MSCI Canada	UP	UP	UNDERWEIGHT CANADA	NEUTRAL	
MSCI China	DOWN	DOWN	UNDERWEIGHT CHINA	UNDERWEIGHT CHINA	
MSCI Czech Republic	UP	UP	OVERWEIGHT CZECH REPUBLIC	OVERWEIGHT CZECH REPUBLIC	
MSCI Denmark	UP	UP	UNDERWEIGHT DENMARK	NEUTRAL	
MSCI Finland	UP	UP	UNDERWEIGHT FINLAND	UNDERWEIGHT FINLAND	
MSCI France	UP	UP	UNDERWEIGHT FRANCE	NEUTRAL	Relative medium-term downgrade pending.
MSCI Germany	UP	UP	UNDERWEIGHT GERMANY	NEUTRAL	
MSCI Greece	UP	(d) FLAT	UNDERWEIGHT GREECE	(d) UNDERWEIGHT GREECE	Medium-term downgrades to flat / neutral.
MSCI Hong Kong	UP	FLAT	UNDERWEIGHT HONG KONG	UNDERWEIGHT HONG KONG	
MSCI Hungary	UP	UP	NEUTRAL	OVERWEIGHT HUNGARY	
MSCI India	UP	UP	NEUTRAL	NEUTRAL	
MSCI Indonesia	FLAT	(d) DOWN	UNDERWEIGHT INDONESIA	UNDERWEIGHT INDONESIA	Medium-term downgrades to down.
MSCI Italy	UP	(d) FLAT	UNDERWEIGHT ITALY	(d) UNDERWEIGHT ITALY	M-term downgrades to flat / underweight.
MSCI Malaysia	FLAT	(d) DOWN	UNDERWEIGHT MALAYSIA	UNDERWEIGHT MALAYSIA	Medium-term downgrade to down.
MSCI Mexico	UP	UP	UNDERWEIGHT MEXICO	NEUTRAL	
MSCI Netherlands	UP	UP	OVERWEIGHT NETHERLANDS	NEUTRAL	
MSCI New Zealand	DOWN	DOWN	UNDERWEIGHT NEW ZEALAND	UNDERWEIGHT NEW ZEALAND	
MSCI Norway	UP	UP	UNDERWEIGHT NORWAY	NEUTRAL	
MSCI Philippines	FLAT	FLAT	UNDERWEIGHT PHILIPPINES	UNDERWEIGHT PHILIPPINES	
MSCI Poland	UP	UP	UNDERWEIGHT POLAND	UNDERWEIGHT POLAND	
MSCI Portugal	FLAT	FLAT	UNDERWEIGHT PORTUGAL	UNDERWEIGHT PORTUGAL	
MSCI Russia	UP	UP	NEUTRAL	NEUTRAL	
MSCI Singapore	UP	FLAT	UNDERWEIGHT SINGAPORE	UNDERWEIGHT SINGAPORE	
MSCI South Africa	(d) FLAT	(d) DOWN	UNDERWEIGHT SOUTH AFRICA	UNDERWEIGHT SOUTH AFRICA	L-term and M-term downgrades.
MSCI South Korea	UP	FLAT	NEUTRAL	UNDERWEIGHT SOUTH KOREA	
MSCI Spain	UP	(d) FLAT	UNDERWEIGHT SPAIN	(d) UNDERWEIGHT SPAIN	M-term downgrades to flat / underweight.
MSCI Sweden	UP	UP	NEUTRAL	NEUTRAL	
MSCI Taiwan	UP	UP	NEUTRAL	NEUTRAL	
MSCI Thailand	UP	FLAT	UNDERWEIGHT THAILAND	UNDERWEIGHT THAILAND	
MSCI Turkey	FLAT	FLAT	UNDERWEIGHT TURKEY	UNDERWEIGHT TURKEY	

Summary table: Global 10-year Government Bond Yields

The 10-year Yields remain in their medium-term correction which originated in late March. Based on the pattern of the weakness in the 10-year yield, I still believe that it is corrective and that one more new high can be registered.

Exceptions to this long-term bullish yield outlook are the 10-year yields in China India, Indonesia and South Africa. The weakness in the Chinese Yield is due to China's economic slowdown, which could still spread to the global economy. If it does, then the present yield decline could add one or two more corrective structures.

Also an exception to the medium-term correction is the 10-year yield in Mexico, which is already resuming the uptrend.



	OUTLOOK ABSOLUTE	OUTLOOK ABSOLUTE	
COUNTRY 10-year YIELD	LONG-TERM	Medium term	COMMENT
10-year Yield World	UP	FLAT	
10-year Yield USA	UP	FLAT	
10-year Yield EMU	UP	FLAT	
10-year Yield Japan	UP	FLAT	
Swiss 10-year Conf Yield	UP	(d) FLAT	Medium-term downgrade to flat.
10-year Yield Australia	UP	FLAT	
10-year Yield Brazil	UP	FLAT	
10-year Yield Canada	UP	FLAT	
10-year Yield China	DOWN	DOWN	
10-year Yield Czech Republic	UP	FLAT	
10-year Yield Denmark	UP	FLAT	
10-year Yield Finland	UP	FLAT	
10-year Yield France	UP	FLAT	
10-year Yield Germany	UP	FLAT	
10-year Yield Greece	FLAT	DOWN	
10-year Yield Hong Kong	UP	FLAT	
10-year Yield Hungary	UP	FLAT	
10-year Yield India	DOWN	DOWN	
10-year Yield Indonesia	DOWN	DOWN	
10-year Yield Italy	FLAT	FLAT	
10-year Yield Malaysia	UP	FLAT	
10-year Yield Mexico	UP	(u) UP	Uptrend is resuming.
10-year Yield Netherlands	UP	FLAT	
10-year Yield New Zealand	UP	FLAT	
10-year Yield Norway	UP	FLAT	
10-year Yield Philippines	(d) FLAT	DOWN	Long-term downgrade to flat.
10-year Yield Poland	UP	FLAT	
10-year Yield Portugal	UP	FLAT	
10-year Yield Russia	UP	FLAT	
10-year Yield Singapore	UP	FLAT	
10-year Yield South Africa	DOWN	DOWN	
10-year Yield South Korea	UP	FLAT	
10-year Yield Spain	UP	FLAT	
10-year Yield Sweden	UP	FLAT	
10-year Yield Taiwan	FLAT	FLAT	
10-year Yield Thailand	UP	FLAT	
10-year Yield Turkey	UP	(d) FLAT	Medium-term downgrade to flat.
10-year Yield U.K.	UP	FLAT	

Summary table: Global 10-year Bond Prices

The Bond Prices and the Total Return from the 7-10-year Government Bonds are still declining long term, mirroring the still unfolding long-term uptrend in the bond yields. However, also mirroring the 10-year yields, the bond prices are still tracing out a medium-term correction or consolidation.

Two scenarios are possible from here. Either the medium-term rebound marks a top and the long-term bond price downtrend will resume or, the bond market rebound extends by one or two more rallies, which could signal a major bottom to the long-term bond price downtrend.

For now, bond investors should remain underweight in the bonds and wait for a major low in the bond prices.



	OUTLOOK ABSOLUTE	OUTLOOK ABSOLUTE	
COUNTRY 10-yr BOND PRICE	LONG-TERM	Medium term	COMMENT
10-year Bond Price World	DOWN	FLAT	
10-year Bond Price USA	DOWN	FLAT	
10-year Bond Price EMU	DOWN	FLAT	
10-year Bond Price Japan	DOWN	FLAT	
Swiss 10-year Conf Bond Price	DOWN	(u) FLAT	Medium-term upgraded to flat.
10-year Bond Price Australia	DOWN	FLAT	
10-year Bond Price Austria	DOWN	FLAT	
10-year Bond Price Belgium	DOWN	FLAT	
10-year Bond Price Brazil			
10-year Bond Price Canada	DOWN	FLAT	
10-year Bond Price China	UP	UP	
10-year Bond Price Denmark	DOWN	FLAT	
10-year Bond Price Finland			
10-year Bond Price France	DOWN	FLAT	
10-year Bond Price Germany	DOWN	FLAT	
10-year Bond Price Greece			
10-year Bond Price Hong Kong			
10-year Bond Price India	FLAT	FLAT	
10-year Bond Price Indonesia	FLAT	FLAT	
10-year Bond Price Italy	FLAT	FLAT	
10-year Bond Price Malaysia			
10-year Bond Price Mexico	DOWN	(d) DOWN	Downtrend is resuming.
10-year Bond Price Netherlands	DOWN	FLAT	
10-year Bond Price New Zealand			
10-year Bond Price Norway			
10-year Bond Price Poland			
10-year Bond Price Portugal	DOWN	FLAT	
10-year Bond Price Russia			
10-year Bond Price Singapore			
10-year Bond Price South Africa	UP	(d) FLAT	Medium-term consolidation.
10-year Bond Price South Korea	DOWN	DOWN	
10-year Bond Price Spain	DOWN	FLAT	
10-year Bond Price Sweden	DOWN	FLAT	
10-year Bond Price U.K.	DOWN	FLAT	

Summary table: Commodities

The Bloomberg Commodity Index has entered a short-term correction, which is part of a medium-term consolidation. I am still looking for a medium-term correction once the present extension in the uptrend of the oil prices has reached a top. For now, the commodity weakness is derived mostly from the Grains, where the prices are selling off after having registered a buying climax. Also, the Industrials have entered a medium-term correction, which for Lumber has signaled the bursting of the bubble. The Precious Metals have sold off with the latest FED statement, which could mean a rate hike in late 2022. Moreover, the long-term uptrend in Palladium and Platinum could form a major top here. The best-looking commodity is Coffee, which continues to register higher highs.

	OUTLOOK ABSOLUTE	OUTLOOK ABSOLUTE	
CONTENT	LONG-TERM	Medium term	COMMENT
Refinitiv Commodity Index	UP	UP	
Bloomberg Commodity Index	UP	(d) FLAT	Medium-term consolidation.

Bloomberg Energy Index	UP	UP	Uptrend is extending.
Brent Crude Oil	UP	UP	
Light Crude Oil	UP	UP	
Gas Oil	UP	UP	
Gasoline	UP	UP	
Heating Oil	UP	UP	
Natural Gas	(u) UP	(u) UP	Breaking upwards.

Bloomberg Grains	FLAT	(d) DOWN	Major correction unfolding.
Corn	UP	FLAT	
Maize Yellow	(d) FLAT	(d) DOWN	At risk of breaking below 3100.
Oats	UP	FLAT	
Soybeans	(d) FLAT	(d) DOWN	At risk of breaking below 1300.
Soybean Meal	(d) DOWN	(d) DOWN	Major trend down with break of 400.
Soybean Oil	UP	(d) FLAT	Medium-term consolidation.
Sunflower Seed	UP	FLAT	
Wheat	(d) FLAT	FLAT	Correction unfolding.

Bloomberg Industrials	UP	(d) FLAT	Medium-term consolidation.
Aluminium	UP	FLAT	
Copper	UP	(d) FLAT	Support is 4.o.
Lead	UP	FLAT	
Nickel	FLAT	FLAT	

	OUTLOOK ABSOLUTE	OUTLOOK ABSOLUTE	
CONTENT	LONG-TERM	Medium term	COMMENT
Zinc	UP	(d) FLAT	Support is 2800, 2720.
Rhodium	(d) FLAT	(d) DOWN	Support is at 18k.
Lumber	DOWN	DOWN	Major trend down since break of 1000.

Bloomberg Precious Metals	FLAT	(d) FLAT	Medium-term consolidation.
Gold	FLAT	(d) FLAT	
Silver	FLAT	(d) FLAT	
Palladium	(d) FLAT	(d) DOWN	
Platinum	(d) FLAT	(d) DOWN	

Bloomberg Soft Commodities	UP	UP	
Cocoa	FLAT	FLAT	
Coffee C	UP	UP	
Coffee Robusta	UP	UP	
Cotton #2	UP	FLAT	
Sugar #11	UP	FLAT	
Sugar White	UP	FLAT	

Bloomberg Livestock	UP	(d) FLAT	
Feeder Cattle	UP	UP	
Live Cattle	UP	(u) UP	Uptrend is extending.
Lean Hogs	UP	(d) FLAT	Medium-term correction.
Pork Bellies	UP	UP	

Summary table: Currencies

The members of the Federal Reserve Open Markets Committee (FOMC) are nearing a tough choice. The Fed has two mandates: maximize employment and keep prices stable at an average of 2% over time. When the pandemic first struck, the Fed's policy response was cutting interest rates and buying up a bunch of bonds, which helped on both fronts. So, it was able to keep the gears of the economy running.

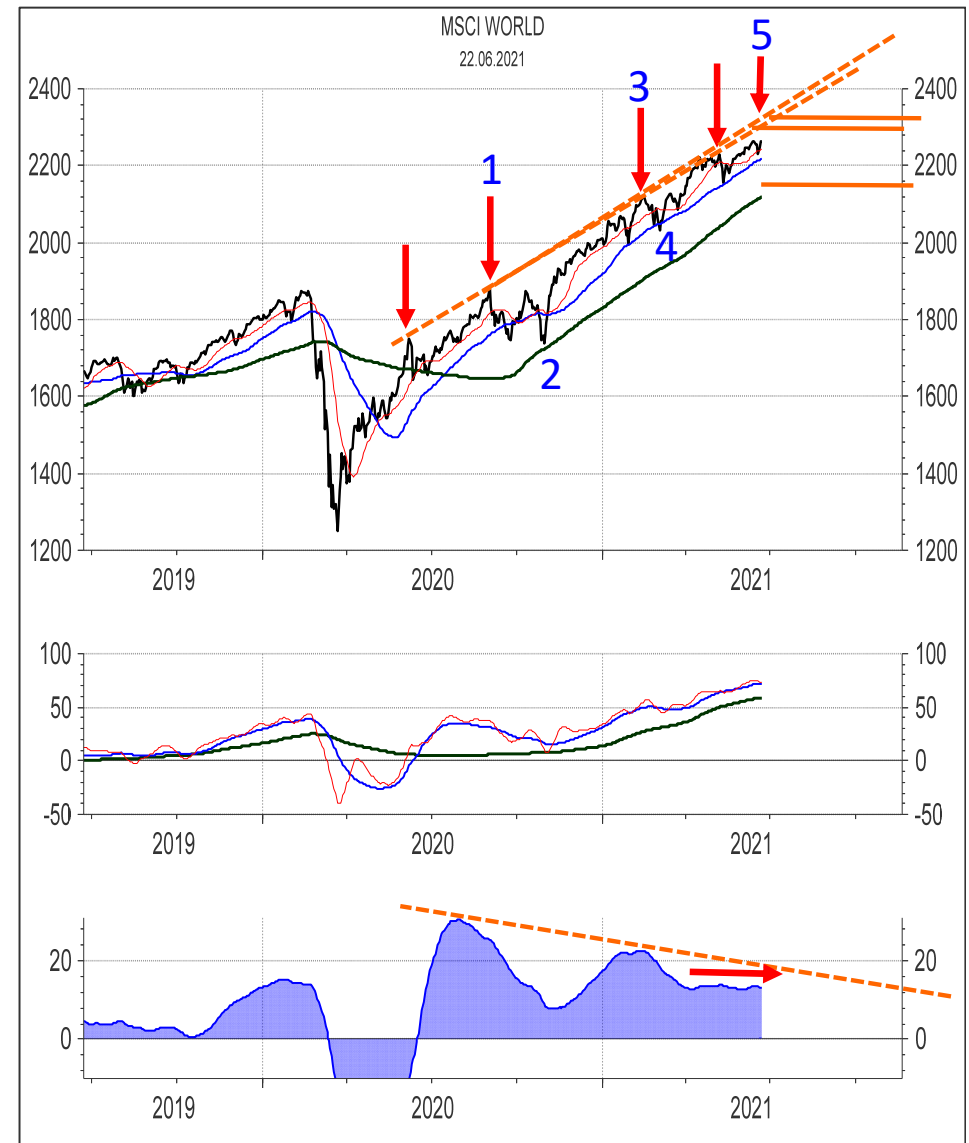
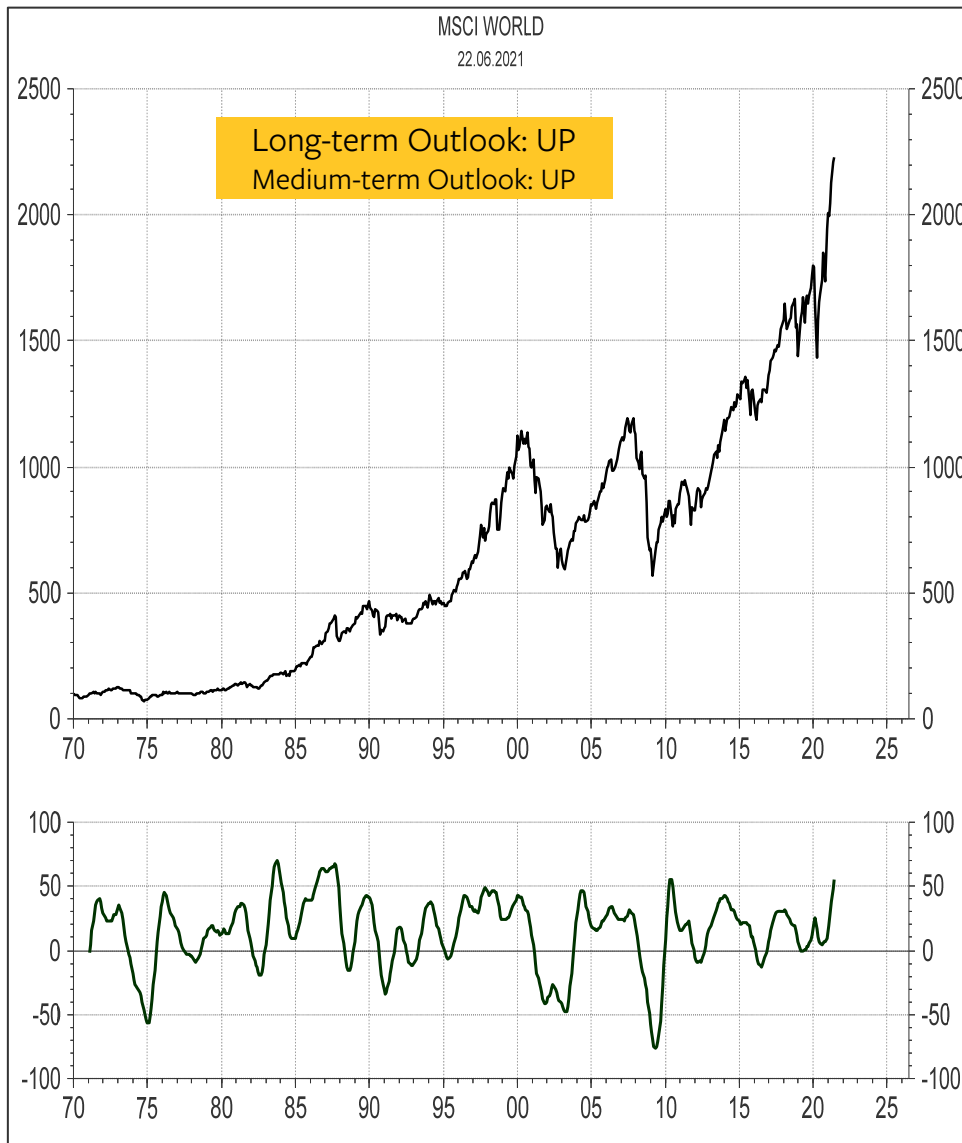
However, inflation appears to have broken upwards. It is running well above the Fed's target rate while the jobs market still needs time to convalesce. If the Fed were to raise rates that would tamp down inflation, but it would also slow economic growth and hurt the recovering labor market. By keeping rates steady, though, it's risking even greater inflation.

For now, the latest statement has triggered the US dollar-rally, which I had forecast on my chart for US dollar to the Swiss franc two weeks ago. Still, the US dollar remains in a broader consolidation against most currencies. It needs more time and evidence from the FED to signal a new break either upwards or downwards. For the US dollar / Swiss franc the chart of the Real 10-year Yield Spread is playing a key role in my dollar assessment. The latest reading was close to the long-term low in 2011. A break of this low or a new upturn around this low is likely to have a big impact on the US dollar long-term outlook. If the Fed and most investors are right that the present rise in Inflation is temporary, then it would mean that the Real Spread and the US dollar could turn long-term up. Possibly, what the FED says is not what it hopes. It could hope that Inflation continues to rise and the US real interest rate stays negative. So, by the time the FED hikes rates (in late 2022), the US dollar might be trading lower by another 10% to 20%.

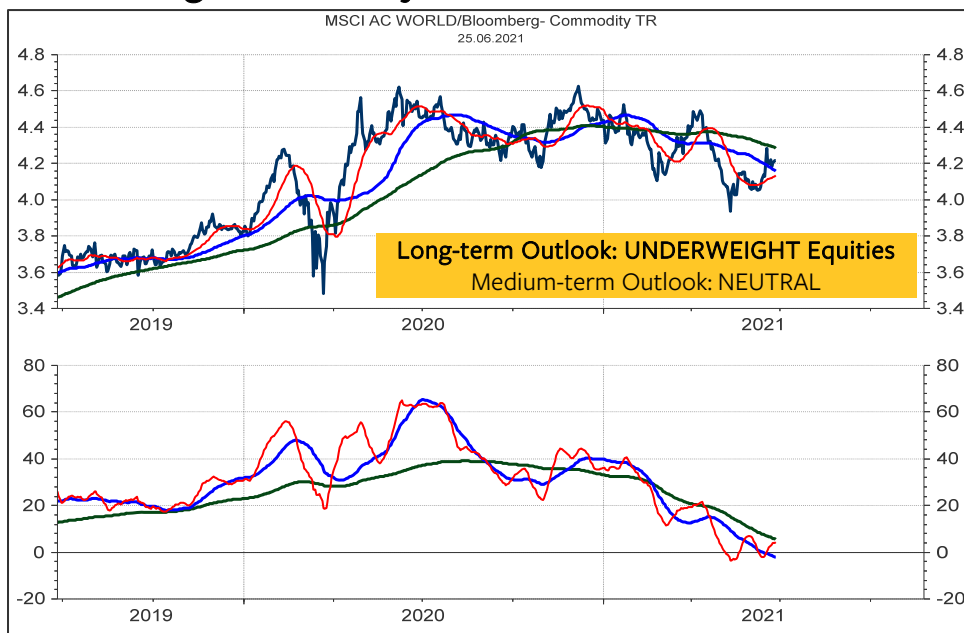
CONTENT	RIC	OUTLOOK	OUTLOOK	COMMENT
		ABSOLUTE	ABSOLUTE	
		LONG-TERM	Medium term	
US DOLLAR INDEX	.DXY	FLAT	FLAT	
Brazilian Real per US DOLLAR	BRL=	DOWN	DOWN	
Canadian dollar per US DOLLAR	CAD=	DOWN	(u) FLAT	Rebound to test the 144-day average.
Chinese Yuan per US DOLLAR	CNY=	DOWN	(u) FLAT	Rebound to test the 144-day average.
Japanese yen per US DOLLAR	JPY=	UP	(u) UP	Uptrend is extending.
Mexican Peso per US DOLLAR	MXN=	DOWN	DOWN	Downtrend to extend if 19.50 is broken.
Russia Rouble per US DOLLAR	RUB=	DOWN	DOWN	Downtrend to extend if 71.50 is broken.
Swedish krona per US DOLLAR	SEK=	FLAT	FLAT	Forming a medium-term Triangle.
Swiss franc per US DOLLAR	CHF=	FLAT	FLAT	See chart.
Turkish Lira per US DOLLAR	TRY=	UP	(u) UP	Uptrend is resuming.
US dollar per EURO	EUR=	(d) FLAT	(d) FLAT	Medium-term DOWN if 1.1840 is broken.
US dollar per BRITISH POUND	GBP=	(d) FLAT	(d) FLAT	Medium-term and Long-term DOWN <1.37.
US dollar per AUSTRALIAN DOLLAR	AUD=	UP	FLAT	
US dollar per NEW ZEALAND DOLLAR	NZD=	UP	FLAT	
British pound per EURO	EURGBP=	DOWN	FLAT	
Swedish krona per EURO	EURSEK=	DOWN	DOWN	Downtrend extension with break of 10.
Swiss franc per EURO	EURCHF=	UP	FLAT	See chart.

MSCI World

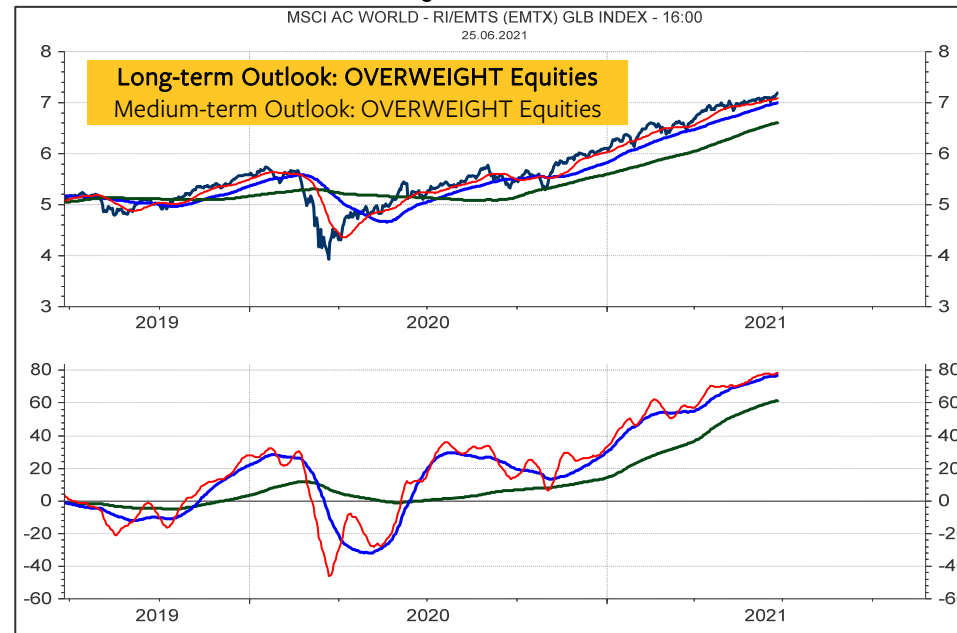
The MSCI World Index is still creeping upwards. It is close to the upper resistance line, which has been connecting the previous four index highs during the uptrend from March 2020. As I showed on page 13 in my Chart Outlook of 14.6.2021, even if a Generation-BUBBLE is forming, then the S&P 500 Index could now enter a series of medium-term corrections. The first could soon start, i.e. if it the Index fails to break upwards above 2320. The Medium-term Momentum Indicator (bottom right) also points to a medium-term correction. The uptrend from April has lacked momentum, which is why the medium-term momentum indicator has been moving sideways. A break below 2220 and 2155 would signal the start of a major selloff.



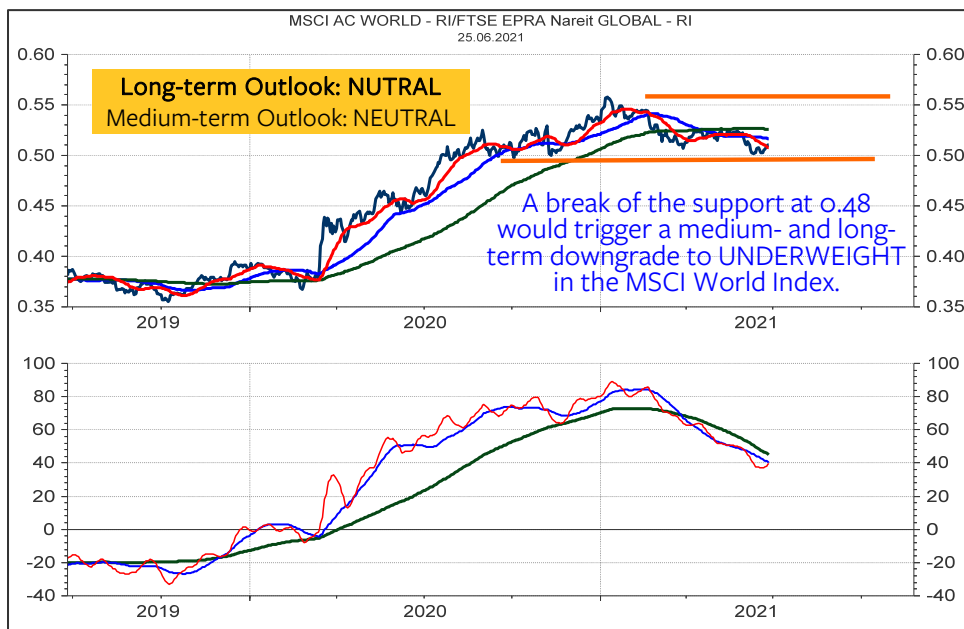
MSCI World Stock Market Index relative to the Bloomberg Commodity Index



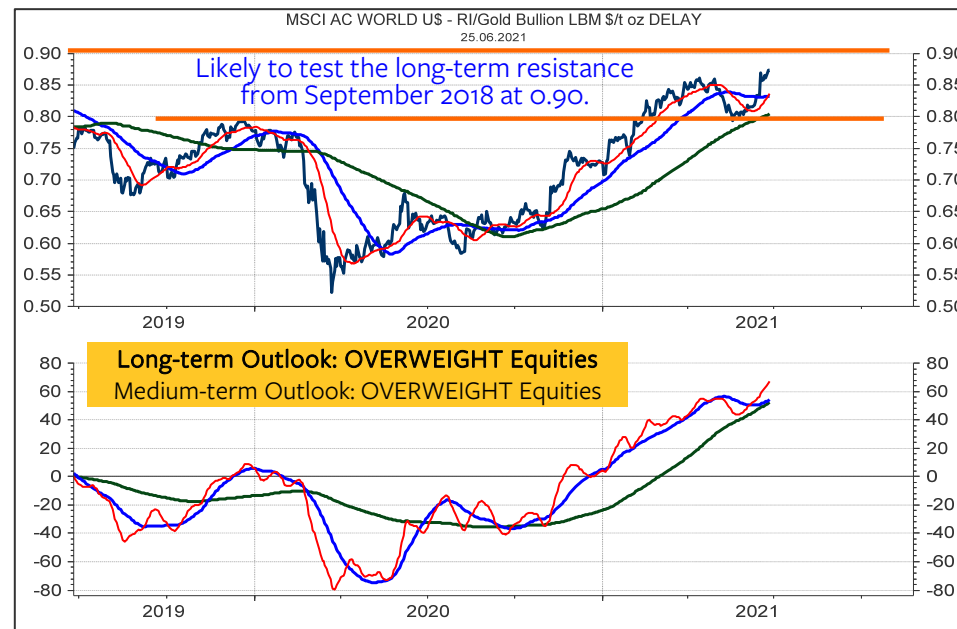
MSCI Stock Market Index relative to the Global Government 10-year Total Return Bond Index



MSCI World Stock Market Index relative to the Epra Nareit Global Real Estate Index

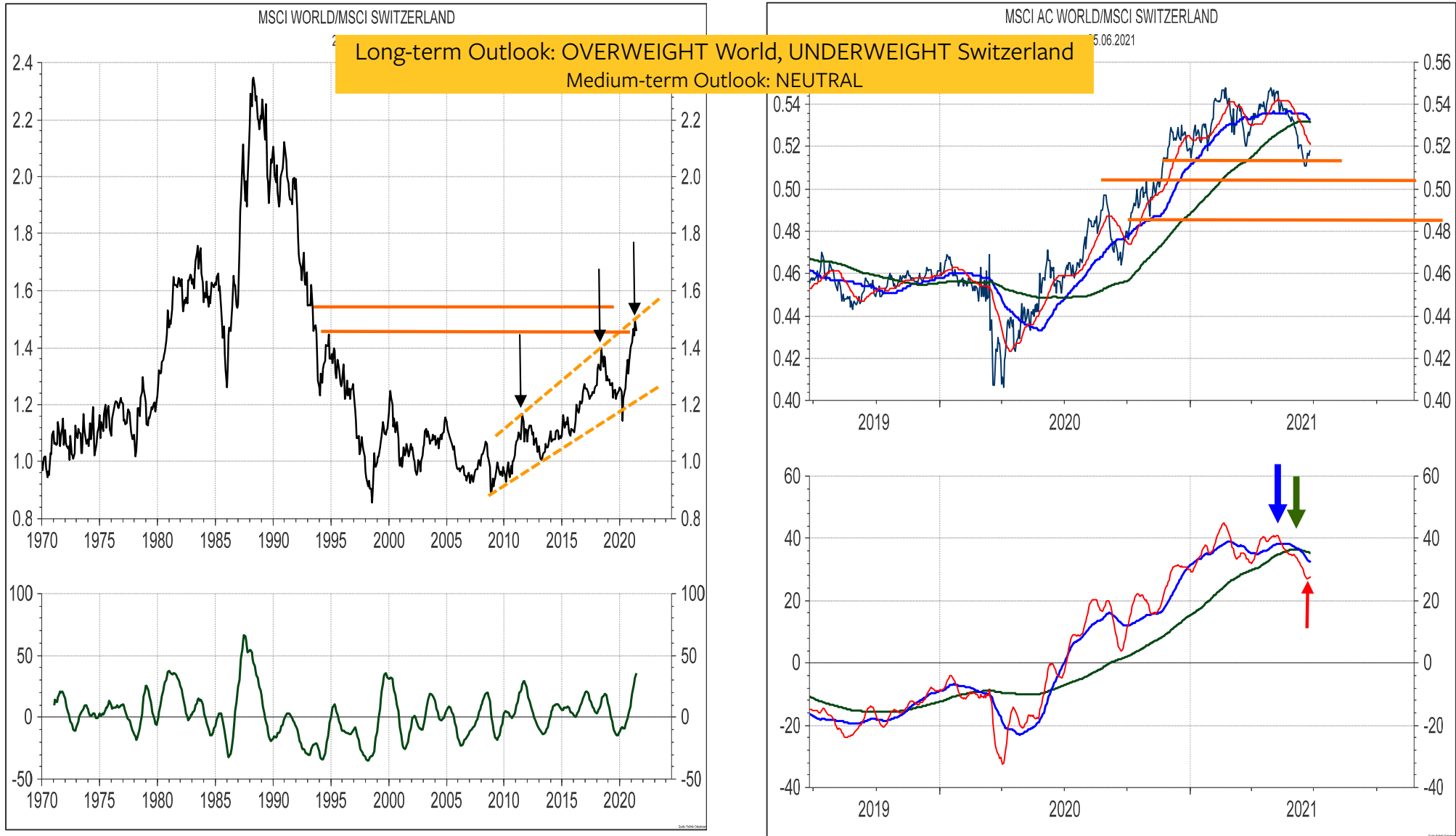


The MSCI World Stock Market Index relative to Gold



MSCI World relative to the MSCI Switzerland in local currencies

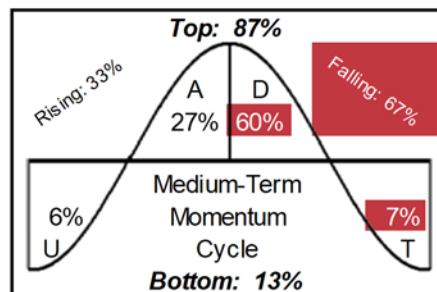
The outperformance of the MSCI World (in local currencies) relative to the MSCI Switzerland is topping. The relative chart fell below the moving averages and the momentum indicators are topping. If the present short-term rebound fails to reach new highs the weight of the evidence will move further towards new **OUTPERFORMANCE** of the MSCI Switzerland and **UNDERPERFORMANCE** of the MSCI World. A break of the relative low from 21.6.2021 at 0.5110 would signal that global equity investors should again **OVERWEIGHT** the MSCI Switzerland and **UNDERWEIGHT** the World Index.



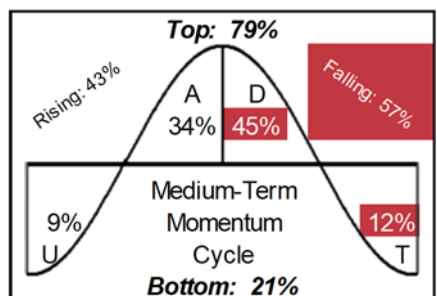
Distribution of the global 1325 stocks on the Long-term, Medium-term and Short-term Momentum Indicators

The 1325 stocks are the sum of the 500 stock constituents of the [S&P 500 Index](#) plus the 600 stock constituents of the [STOXX 600 Index](#) plus the 225 stock constituents of the [NIKKEI 225 Index](#).

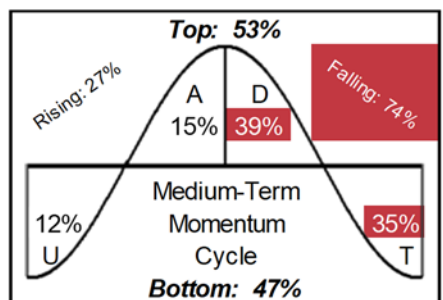
S&P 500 MEDIUM TERM



STOXX 600 MEDIUM TERM



NIKKEI 225 MEDIUM TERM



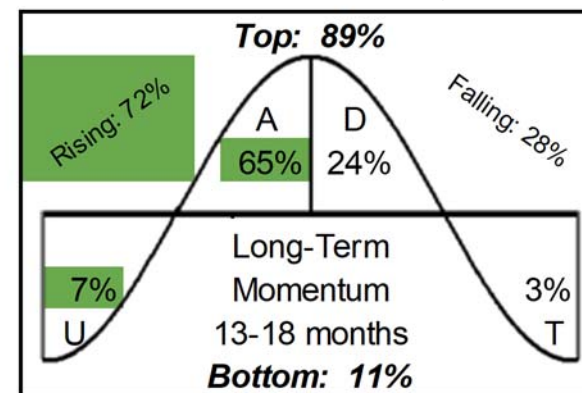
LONG-TERM (monthly data): The Long-term momentum cycle (upper right) remains POSITIVE because 72% of the 1325 constituent stocks display a RISING long-term momentum indicator in the bullish phases (U)p plus (A)dvancing. This compares to 28% of the 1325 stocks, which display a DECLINING long-term momentum indicator. The LONG-TERM UPTREND in the Global Stock Market Index remains intact but, the number of bullish rated stocks has continued to decline. Moreover, the Medium-term Momentum Cycle is declining. This could mean that also the long-term uptrend will top or at least enter a consolidation.

MEDIUM-TERM (weekly data): The Medium-term momentum cycle (middle right) is DECLINING. The screening of the 1325 stocks reveals that 64% of the 1325 stocks are positioned in the declining phases (D)eclining plus (T)erminating. This compares to 36% of the 1325 stocks, which are positioned in the bullish quadrants U+A. This medium-term momentum decline is also signaled in the MSCI World Index (page 7) and implies that also the medium-term TREND could follow its momentum and enter a medium-term DECLINE.

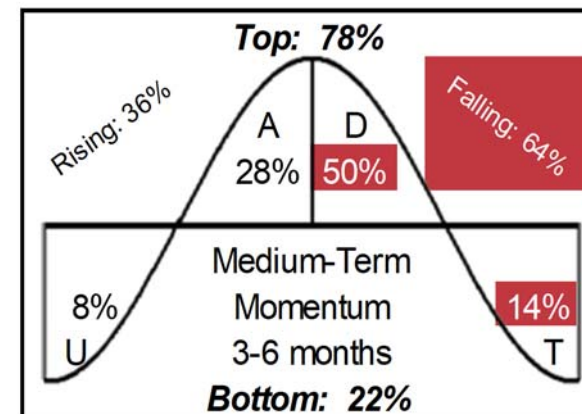
SHORT-TERM: (daily data): The global short-term momentum cycle (below right) is DECLINING. The short-term screening of the 1325 stocks shows that 54% are in the declining quadrants D+T and 46% in the rising quadrants U+A. This means that the short-term decline is still youthful. It adds to the evidence that a medium-term trend decline will persist.

OVERALL, THE GLOBAL CYCLE SCREENING OF 1325 STOCKS REVEALS THAT THE MEDIUM-TERM AND SHORT-TERM MOMENTUM CYCLES ARE DECLINING. MOST OFTEN, MOMENTUM IS LEADING AND TREND FOLLOWS ITS MOMENTUM. THUS, A MEDIUM-TERM TREND DECLINE IS LIKELY TO BE SEEN NEXT.

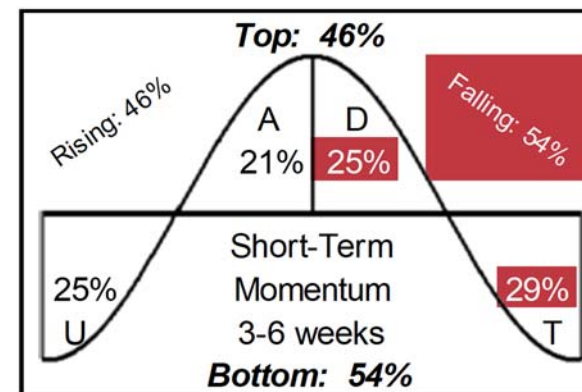
Position of the LONG-TERM Momentum Indicators of the 1325 Index constituent stocks (1325=100%)



Position of the MEDIUM-TERM Momentum Indicators of the 1325 Index constituent stocks (1325=100%)



Position of the SHORT-TERM Momentum Indicators of the 1325 Index constituent stocks (1325=100%)

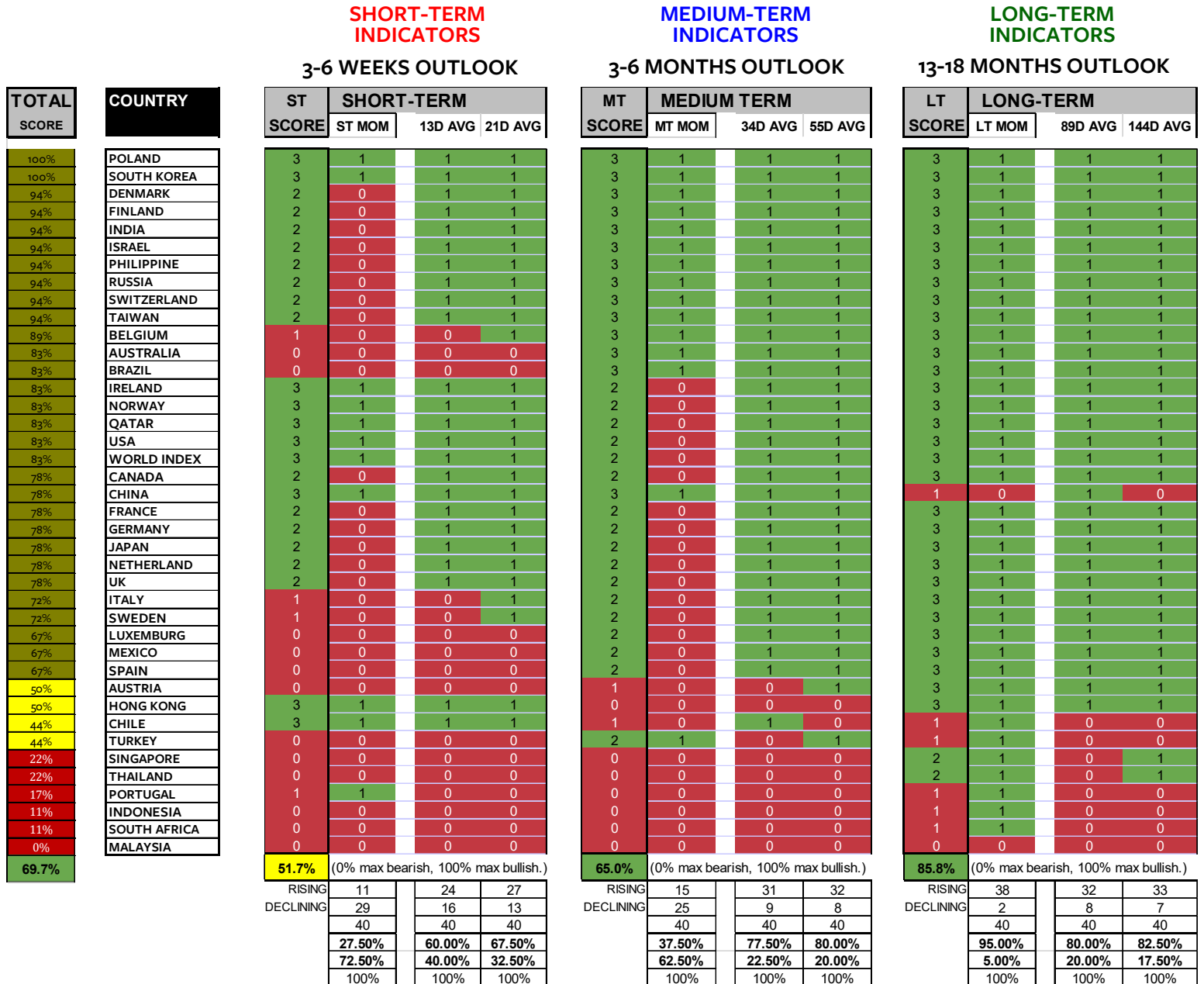


Global-40 Stock Market Indices - Trend and Momentum Model

The Total Score for the 40 stock market indices is still POSITIVE at 70%. However, the ratio of the number of RISING to DECLINING indices is 11 to 29 or 27.50% to 72.50%. This means that the risk is that the overall score will shift to NEUTRAL or even NEGATIVE.

The Short-term Model is NEUTRAL at 52%.
The Medium-term Model is barely POSITIVE as it fell to 65%.
The Long-term Model is POSITIVE at 86%.

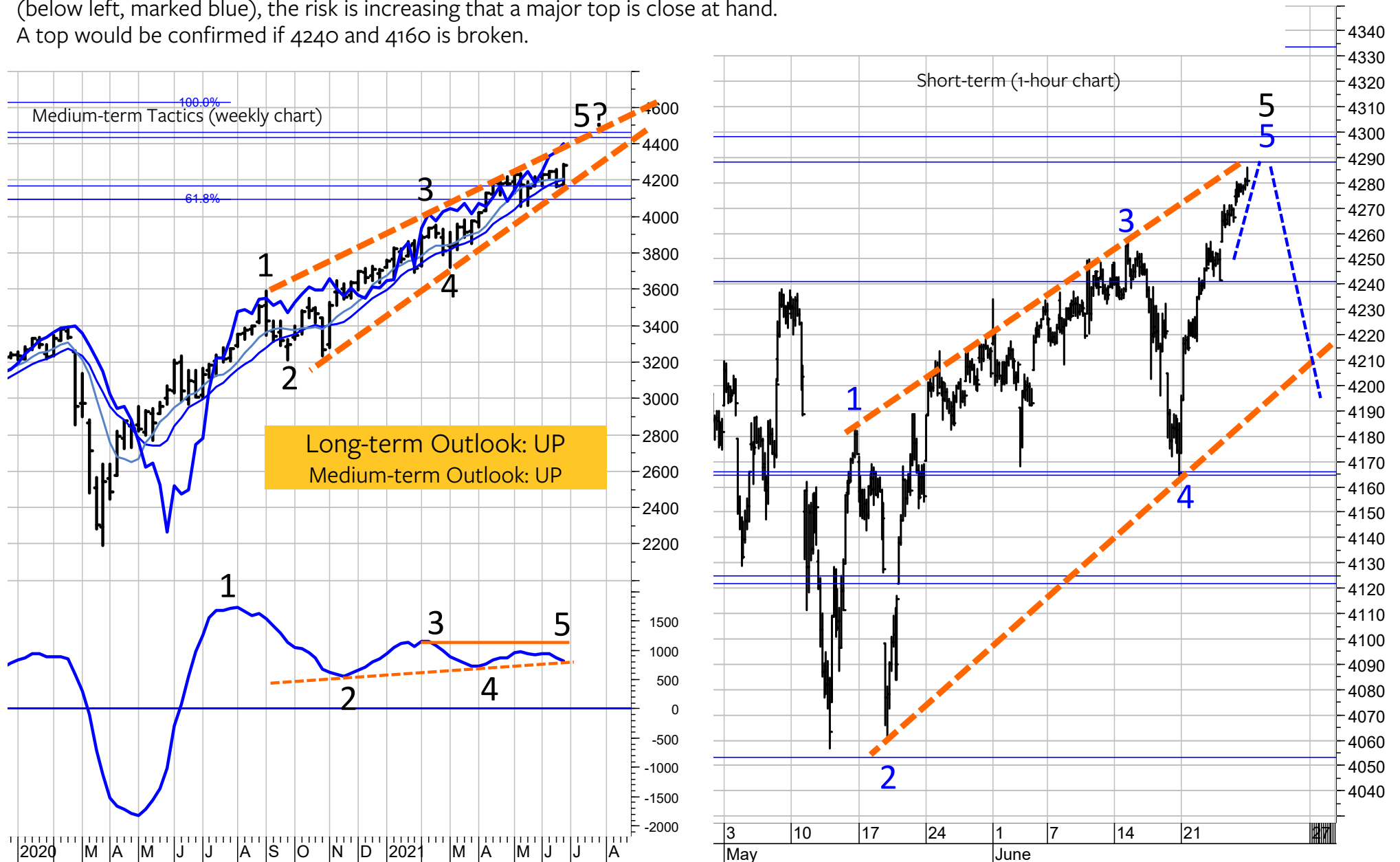
Presently, the Medium-term Model shows that the medium-term momentum indicator (MT MOM) is still DECLINING in 25 out of the 40 markets tracked. Because the short-term momentum indicators are also declining in 29 out of the 40 markets, the risk is increasing that the medium-term score will shift to NEUTRAL or even NEGATIVE. A medium-term downtrend would be signaled if also the 34-day and 55-day moving averages turn red.



S&P 500 Index

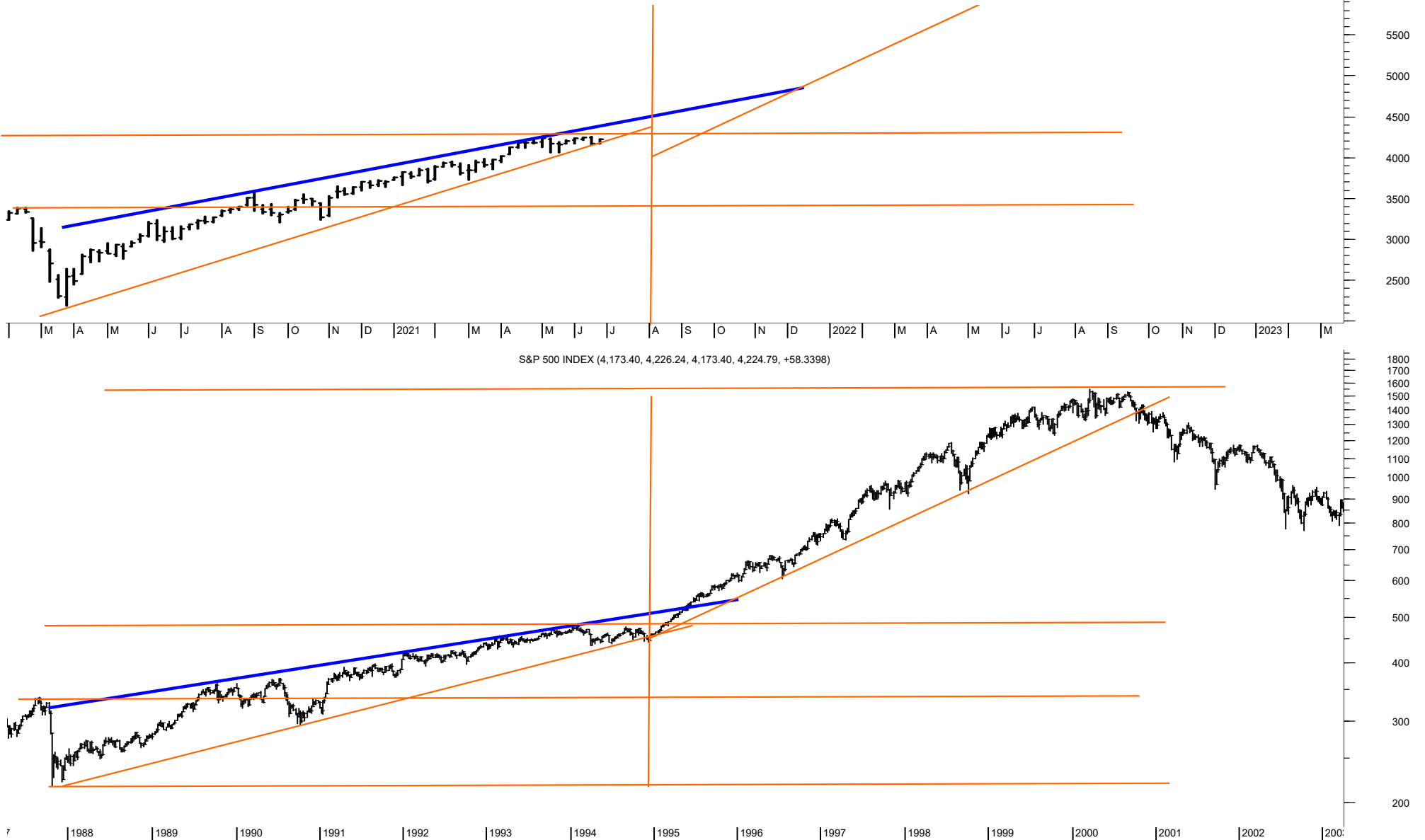
The S&P 500 Index has traced out Wave 5 of the Wedge (at right), which I had projected to rise towards 4280. If 4300 is broken, then a final extension to 4335 or 4450 is possible. But, given the negative divergence on the medium-term momentum indicator (below left, marked blue), the risk is increasing that a major top is close at hand.

A top would be confirmed if 4240 and 4160 is broken.



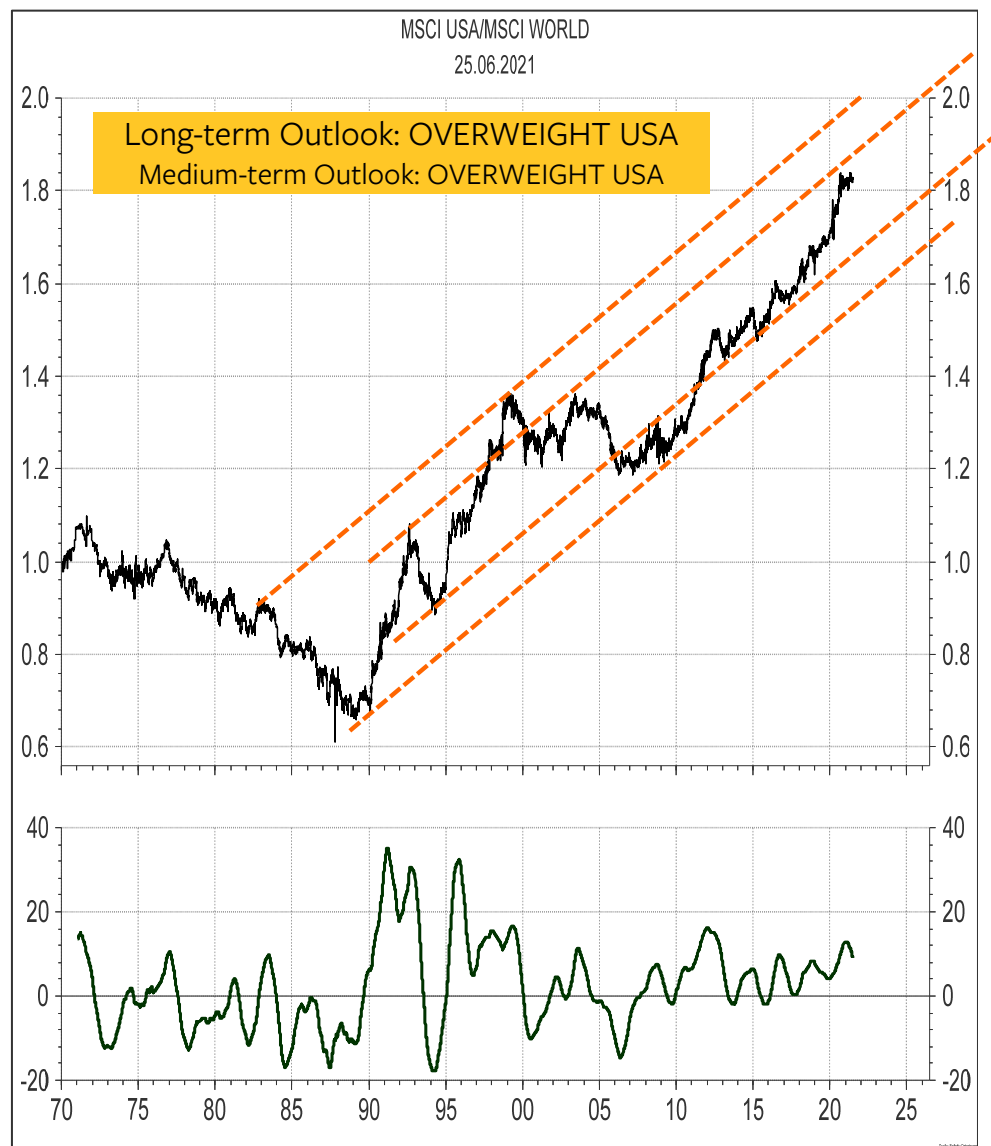
S&P 500 Index – since February 2020 (top) and from 1987 to 2000 (bottom)

If the S&P 500 Index is to follow the typical pattern of a “Generation Bubble”, then it must accelerate above the upper resistance level which has been rising since September 2020 (upper chart). Such an acceleration was seen last time in early 1995 (bottom chart), which signaled the acceleration of a “Generation Bubble”, which peaked in the Dot.com-Bubble in 2000. Obviously, a failure to break to the upside could signal the beginning of a major downtrend or at least a medium-term correction.



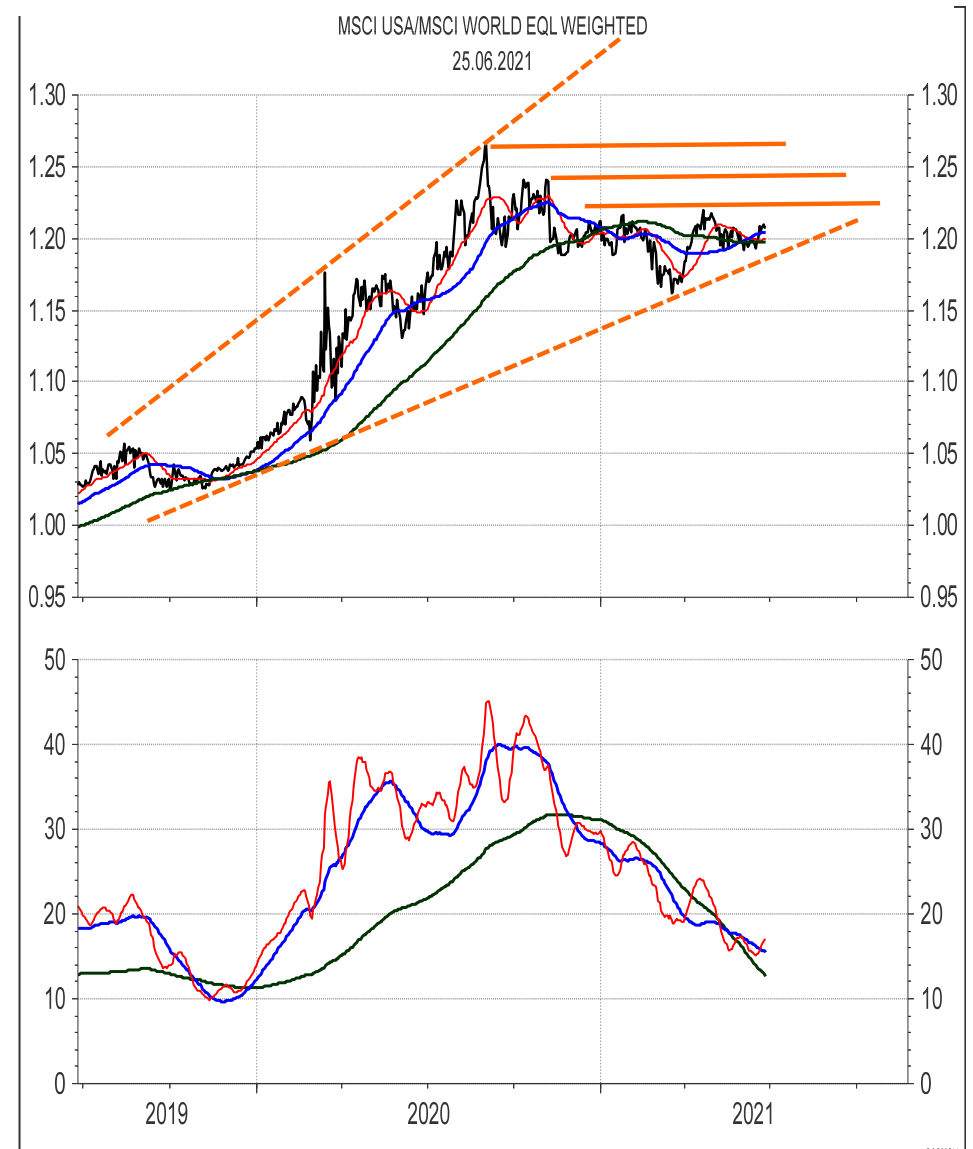
MSCI USA relative to the MSCI World Index

The MSCI USA remains rated **OVERWEIGHT** relative to the MSCI World. However, the uptrend (US outperformance) has slowed and the momentum indicators point to the downside. If the US stock market enters a phase of underperformance it could mean that the global stock markets are losing its leadership and most markets could turn down in absolute terms. Thus, a relative decline below 4.94 would signal a new medium-term and long-term downgrade to **NEUTRAL** and a decline below 4.88 would signal a downgrade to medium-term and long-term **DOWN** (**UNDERWEIGHT** the MSCI USA). On the next page, the relative performance is shown for the MSCI USA to the MSCI Equally Weighted World Index.



MSCI USA relative to the MSCI Equally Weighted World Index in local currencies

On the charts below the MSCI USA is shown NOT relative to the Weighted MSCI World Index, but it is shown relative to the Equally Weighted World Index. This chart is interesting because in the weighted World Index, the MSCI USA makes up for a weight of about 63%. This means that if the US stock market outperforms, then almost all other stock markets underperform. The chart below gives you an equally-based view towards the US stock market. It shows that the MSCI USA has been underperforming since the relative high of 1.9.2020 at 1.2640. Interestingly enough, this high is at the same level as the high in 2000 and in 1975. Relatively speaking, the MSCI USA is at the same level as in 1975 if measured relative to the equally weighted MSCI World. .



MSCI USA relative to the MSCI Equally Weighted World Index in US dollar

If the MSCI USA and the Equally Weighted MSCI World are measured not in local currencies but in US dollar, then the relative outperformance of the MSCI USA is even weaker. It will be seen if the MSCI USA can reinstate its trend of outperformance, i.e. if it can rise above the resistances at 1.12 and 1.15 to 1.17.

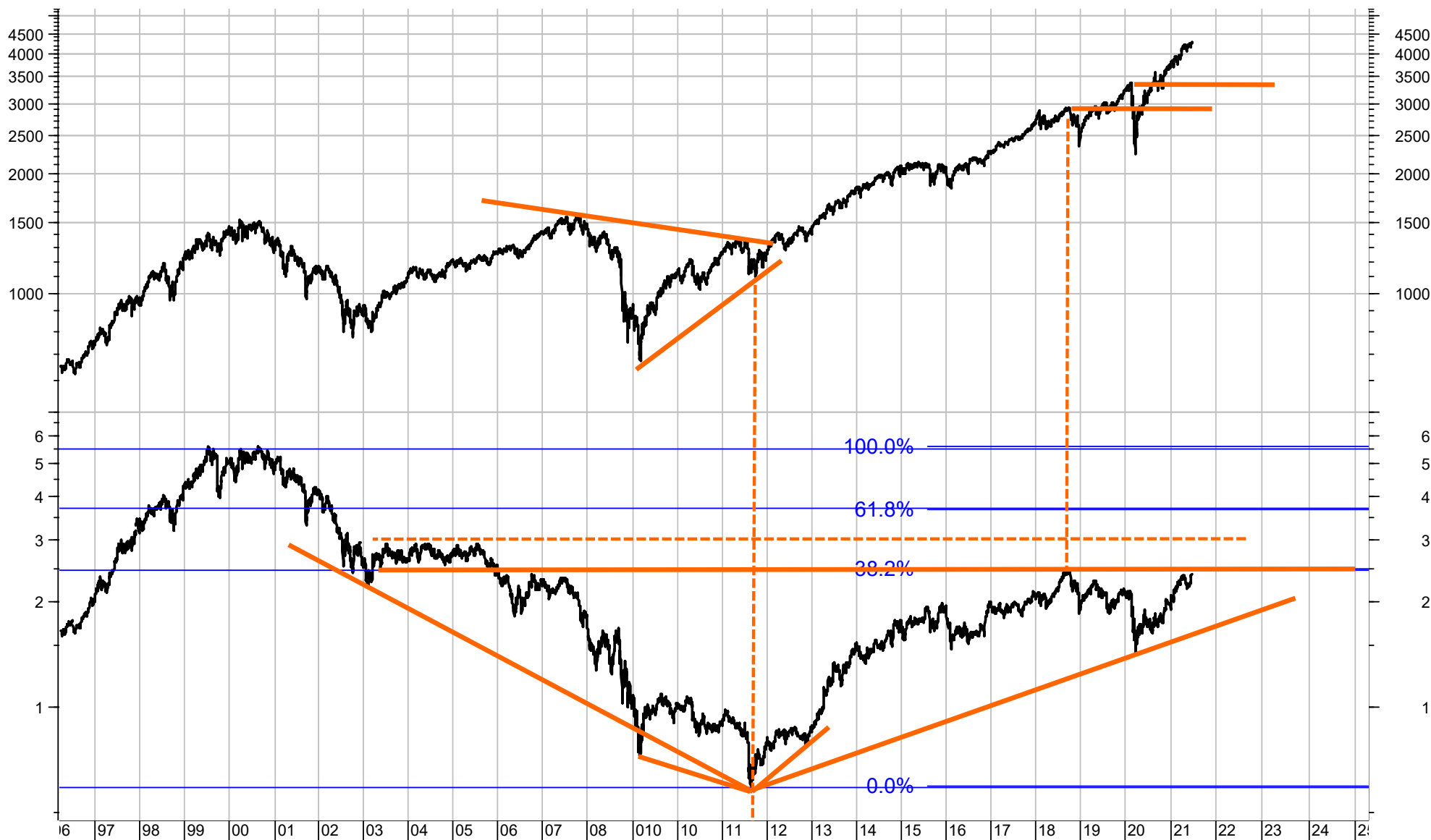


S&P 500 Index absolute (top) and relative to Gold (bottom)

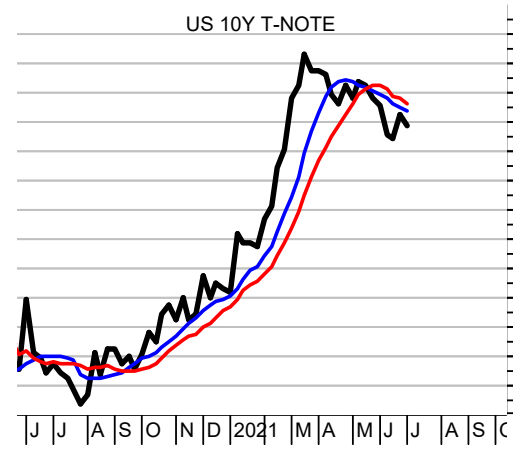
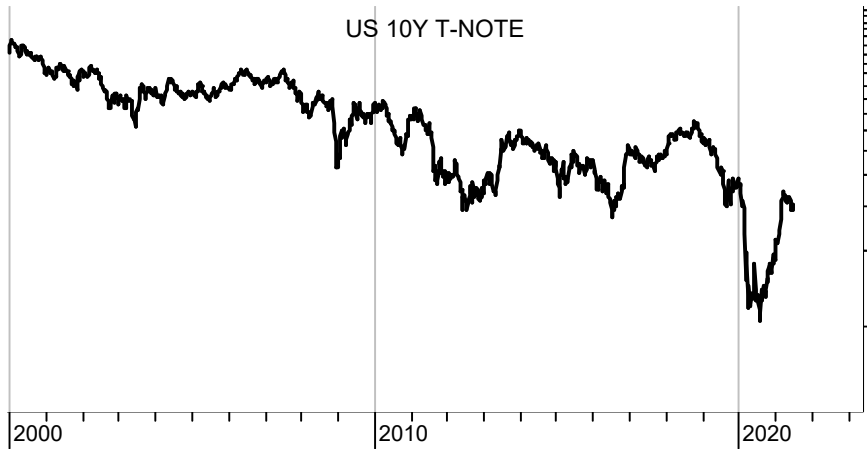
I have updated the charts below because the S&P 500 Index has reached a major resistance relative to Gold (in US dollar).

The rise in the S&P 500 Index relative to Gold from 2011 has retraced quite exactly 38.20% from the downtrend from 2000 to 2011.

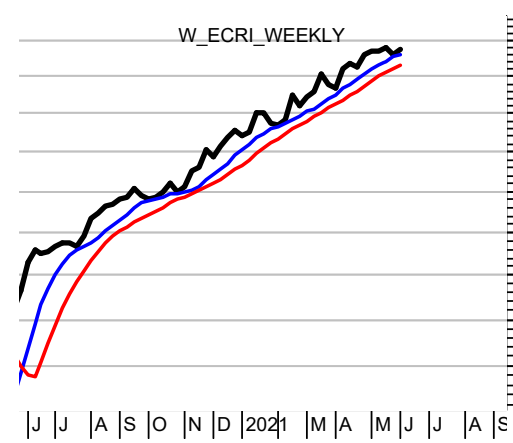
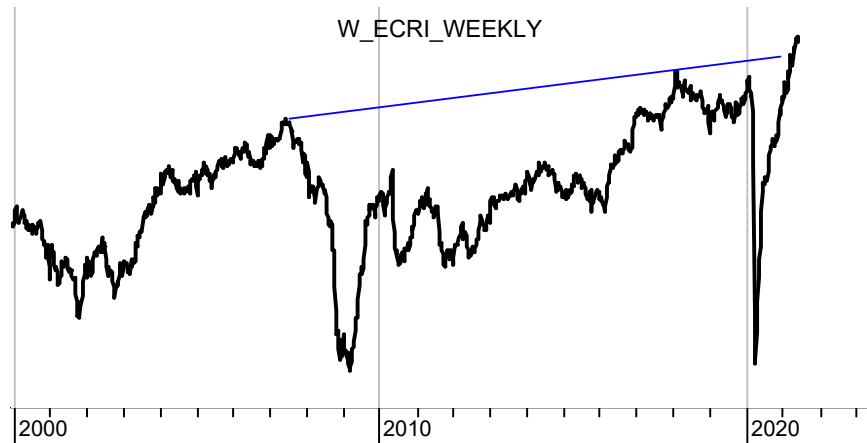
This 38.20% retracement is positioned at 2.50. A break above 2.50 would signal a higher high and thus confirm the uptrend in the absolute S&P 500 Index, which did signal the higher high already in November 2020. As I have pointed out several times in previous updates, the most healthy stock market uptrend is in place when stocks rise in absolute terms and also relative to Gold.



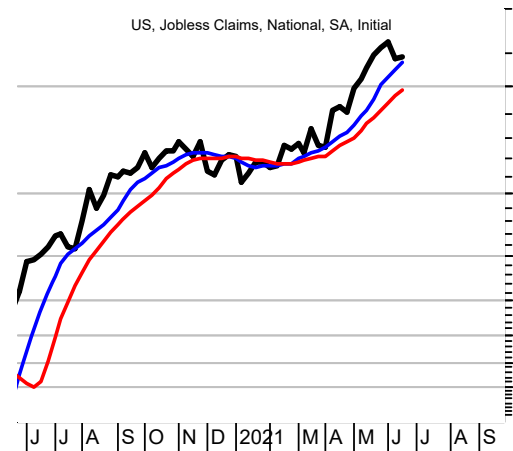
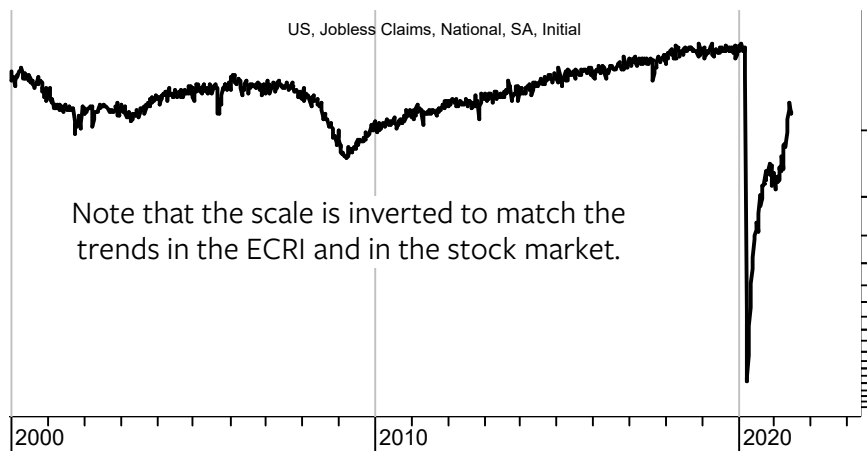
US 10-year T-Note Yield (top), US ECRI (middle) and Weekly Jobless Claims (bottom)



The **US 10-year T-Note** has been correcting from its high in March at 1.75%. It would have to rise above the 8-week and 13-week moving averages to signal the resumption of the yield uptrend.



The **Weekly Economic Cycle Research Index** has remained in its uptrend since the low in March 2020. Clearly, a break below the 2 moving averages would provide initial evidence that the economic growth trend is topping.



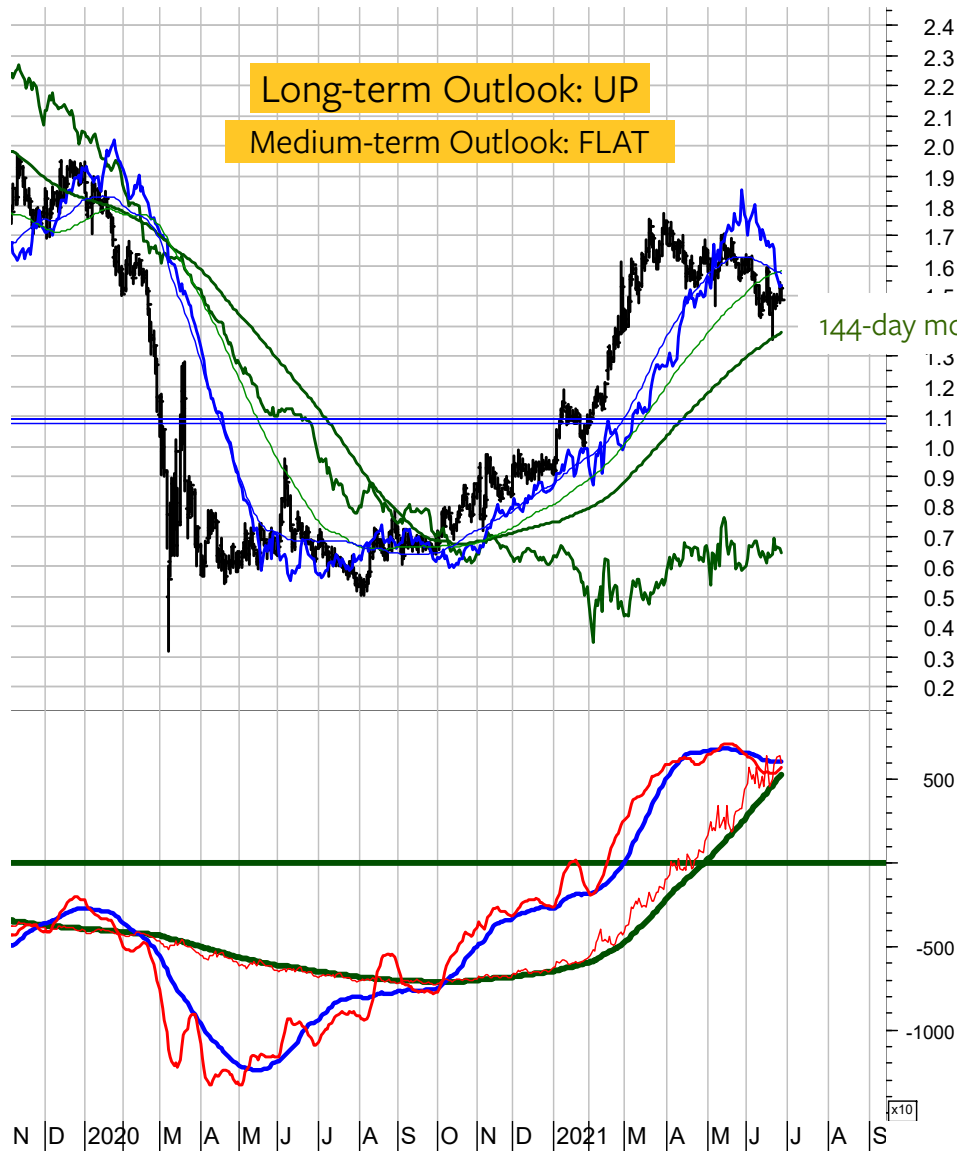
The **Weekly Initial Jobless Claims** fell (scale inverted) to 411k. The Jobless Claims would have to fall below the 2 moving averages to provide initial evidence that the economic uptrend from March 2020 is topping.

USA - 10-year nominal T-Note Yield

The 10-year T-Note Yield remains in the corrective decline, which originated in late March 2021.

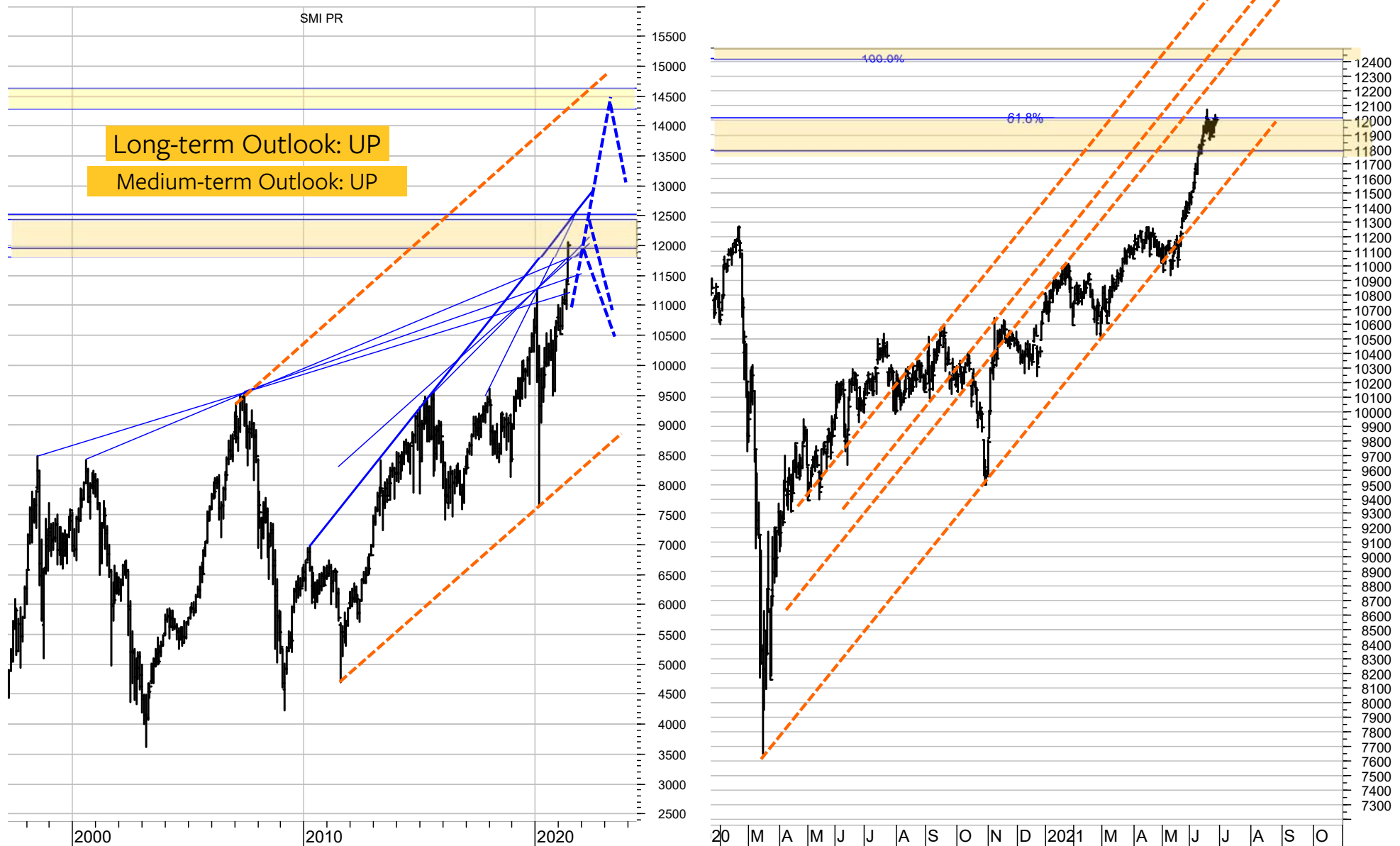
The low on 21.6.2021 at 1.3550% has successfully tested the rising 144-day moving average (left, marked green).

The long-term uptrend would be questioned if the support range 1.42% to 1.35% is broken. The Long-term Outlook could turn DOWN if the support at 1.31% to 1.29% fails to hold.



Swiss Market Index

The SMI is trading within the resistance range 12k to 12.6k. Clearly, the short-term uptrend is overbought and a correction could take over any time here. But, to differentiate between a Bubble or a Buying Climax, the SMI would have to rise above 12.6k.



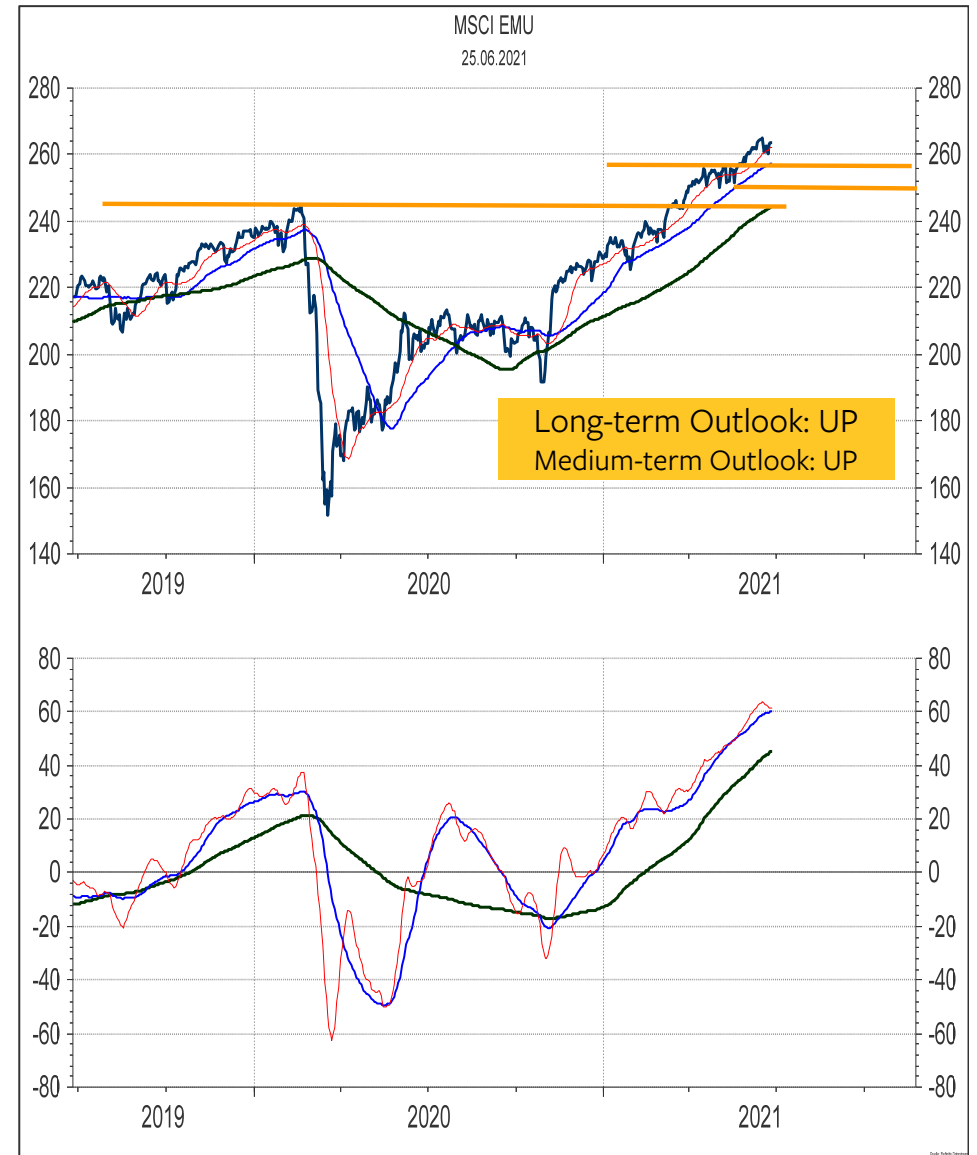
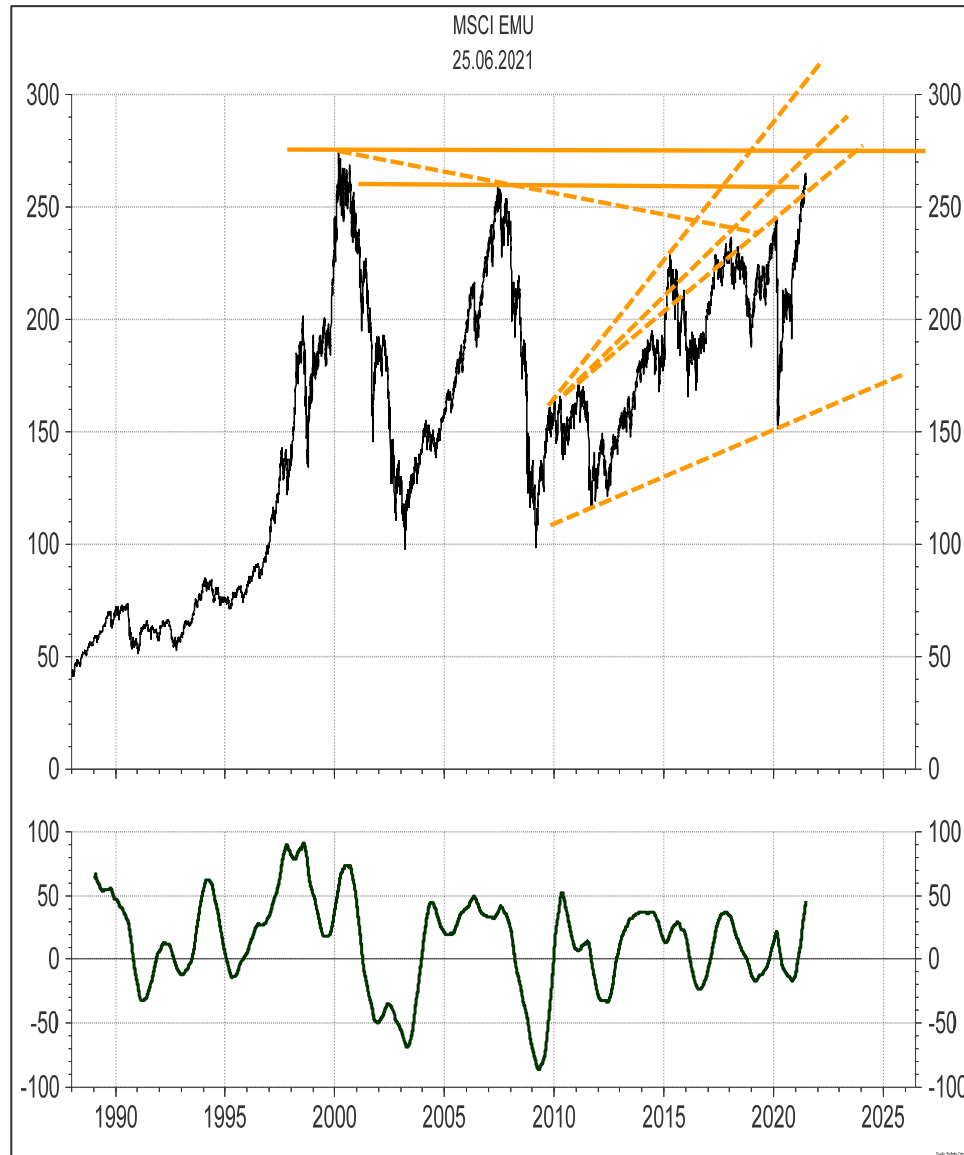
MSCI Switzerland relative to the MSCI World in local currencies

The underperformance of the MSCI Switzerland relative to the MSCI World (in local currencies) is bottoming. The relative chart rose above the moving averages and the momentum indicators are bottoming. If the present short-term correction fails to reach new lows, then the weight of the evidence will move further towards new OUTPERFORMANCE of the MSCI Switzerland and UNDERPERFORMANCE of the MSCI World. A break of the relative high at 0.72 would signal that global equity investors should again OVERWEIGHT the MSCI Switzerland.



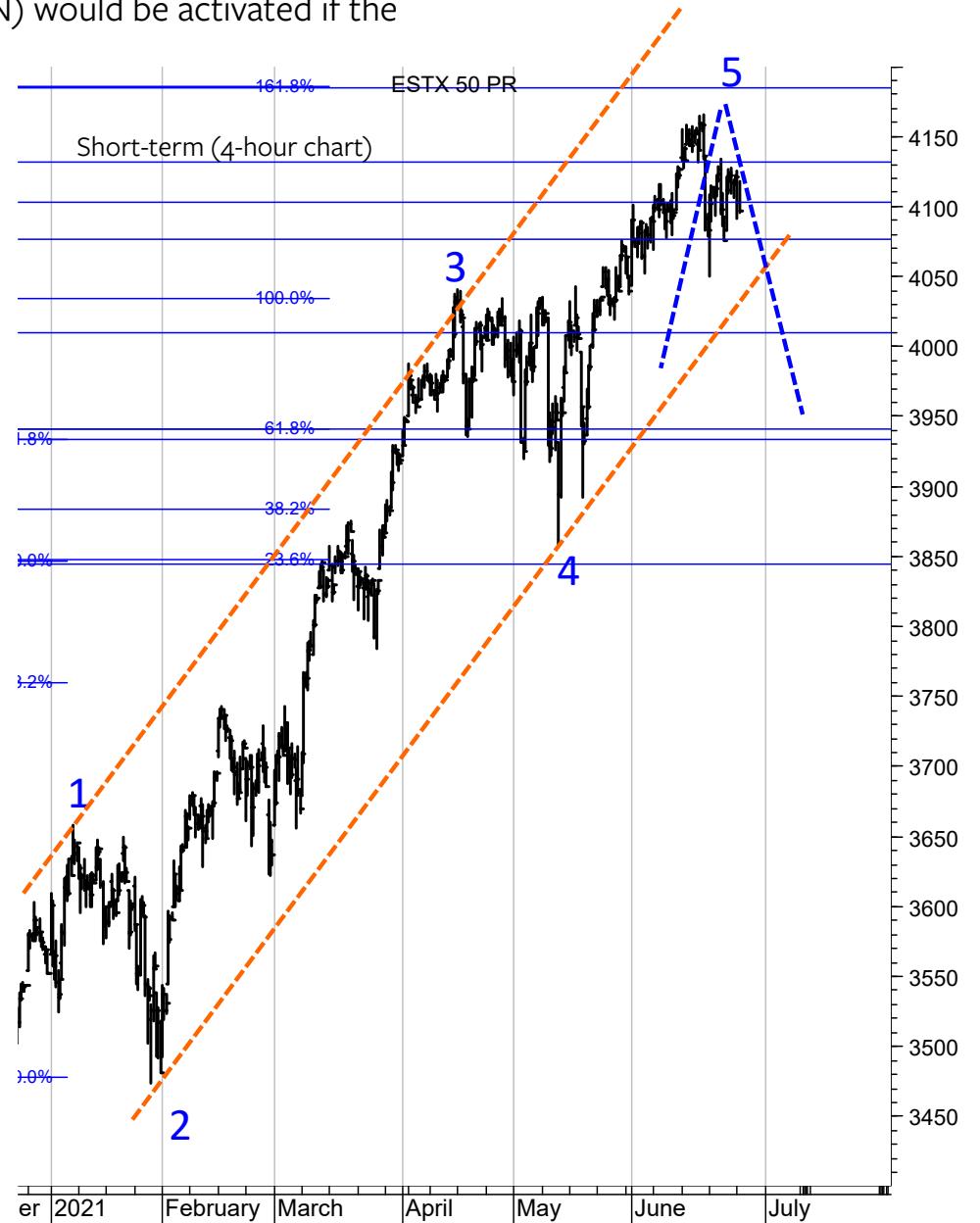
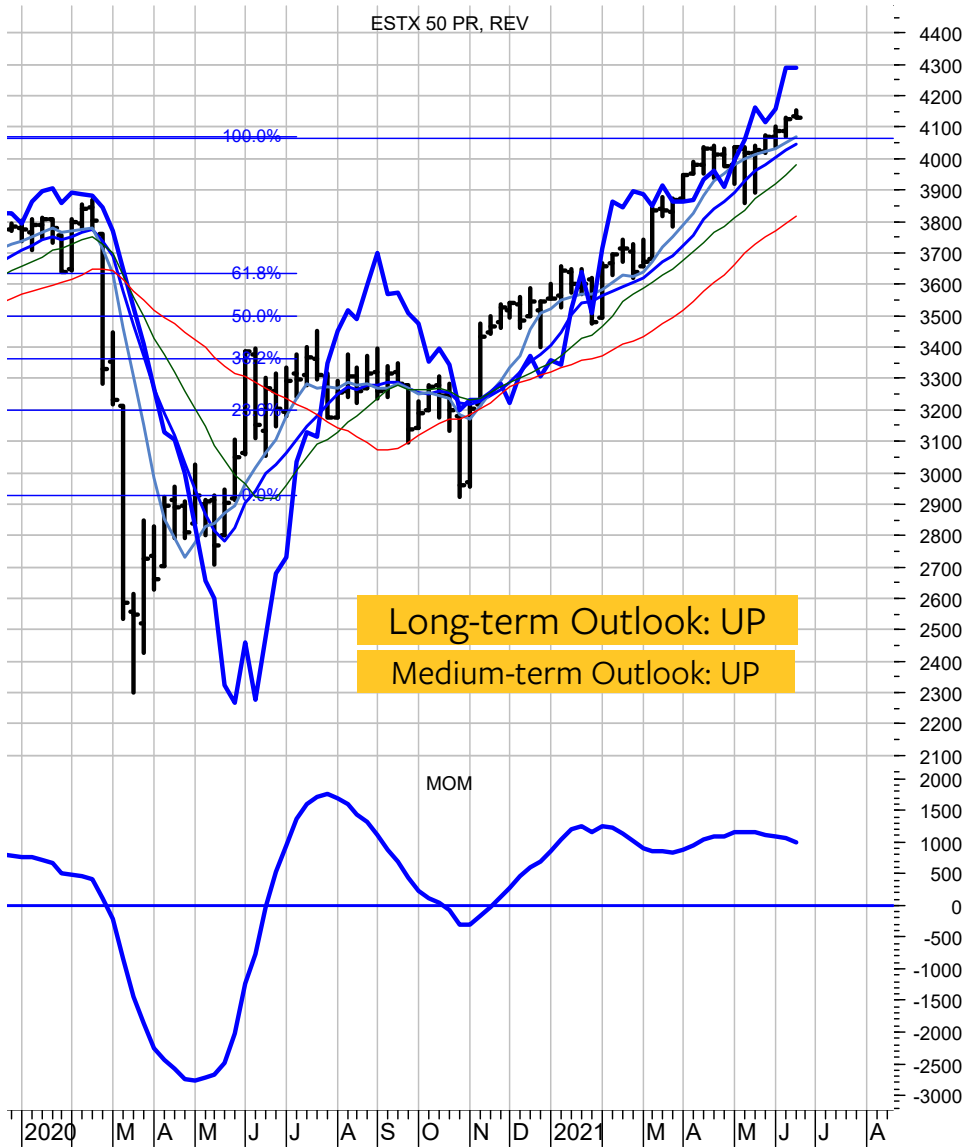
MSCI EMU

The MSCI EMU is reaching the mega-resistance, which stems from the high in the year 2000. Thus, it is close to testing a 21-year trend line at around 275. A new downtrend or medium-term correction would be signaled if 255 to 248 is broken.



Eurostoxx 50 Index

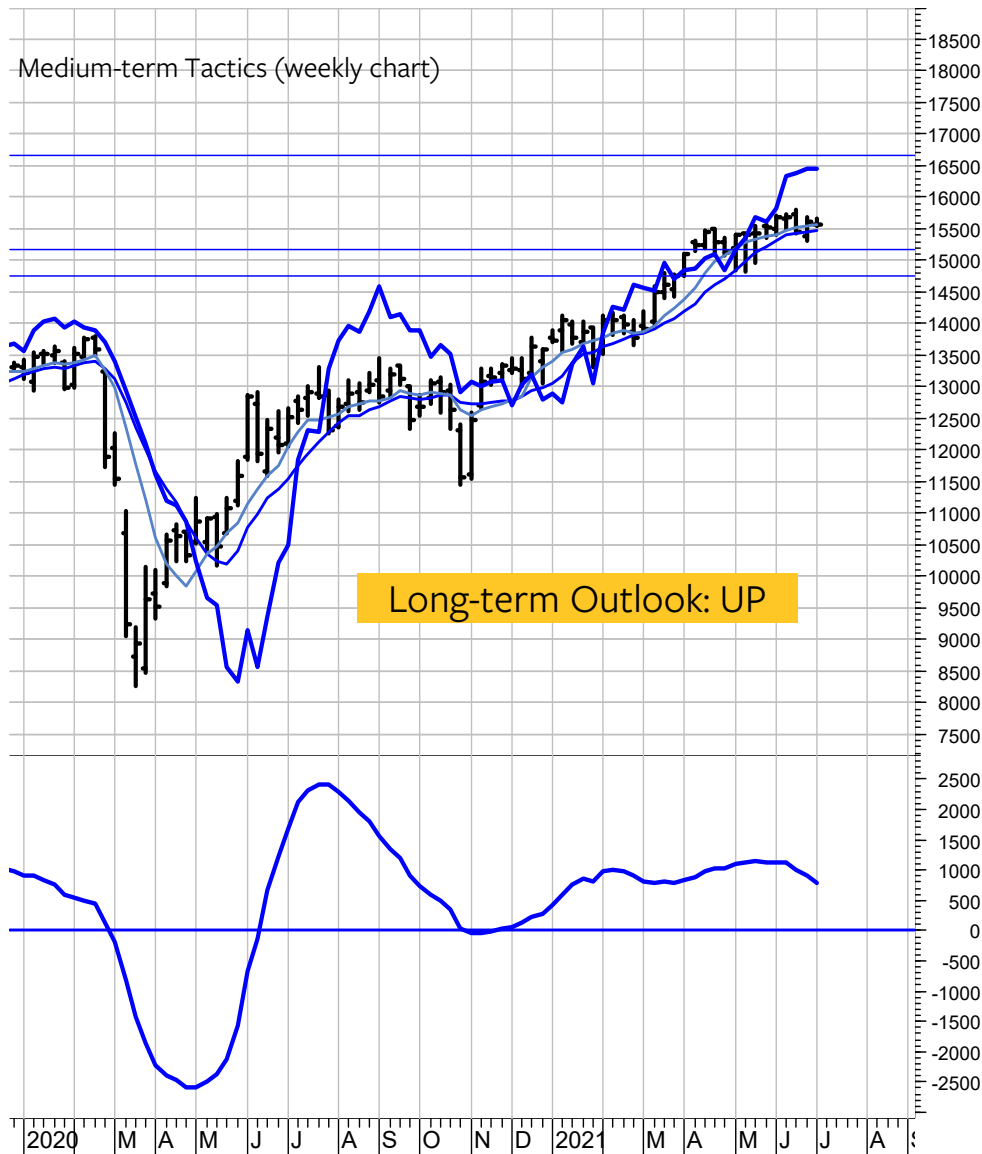
No change in the wave labeling and my overall assessment of the Eurostoxx 50 Index. The Eurostoxx 50 Index has reached the target for Wave 5, which I had projected between 4135 to 4190. The bearish scenario (a medium-term downgrade to DOWN) would be activated if the supports at 4010, 3930 and 3840 are broken.



Deutscher Aktienindex DAX

No change in the wave labeling and my overall assessment of the DAX.

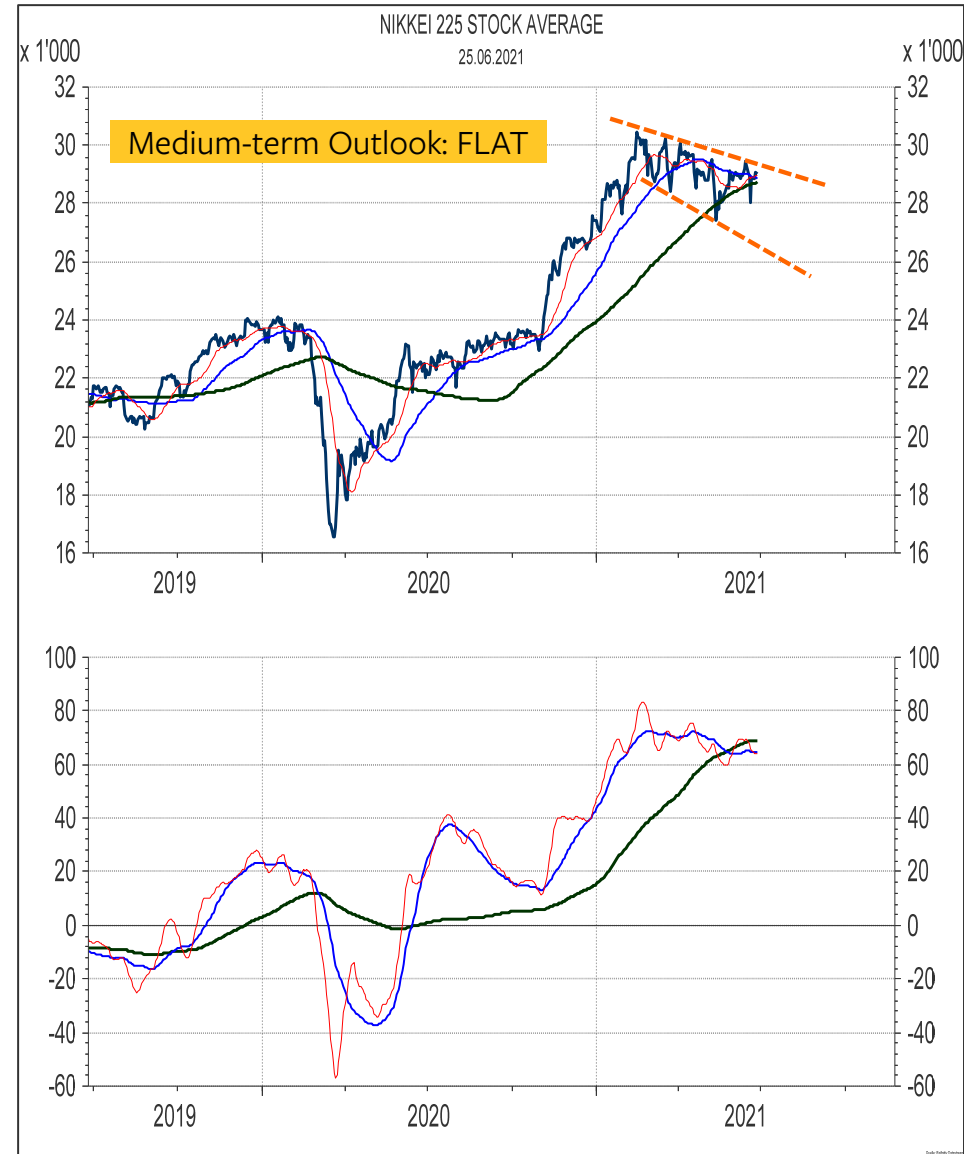
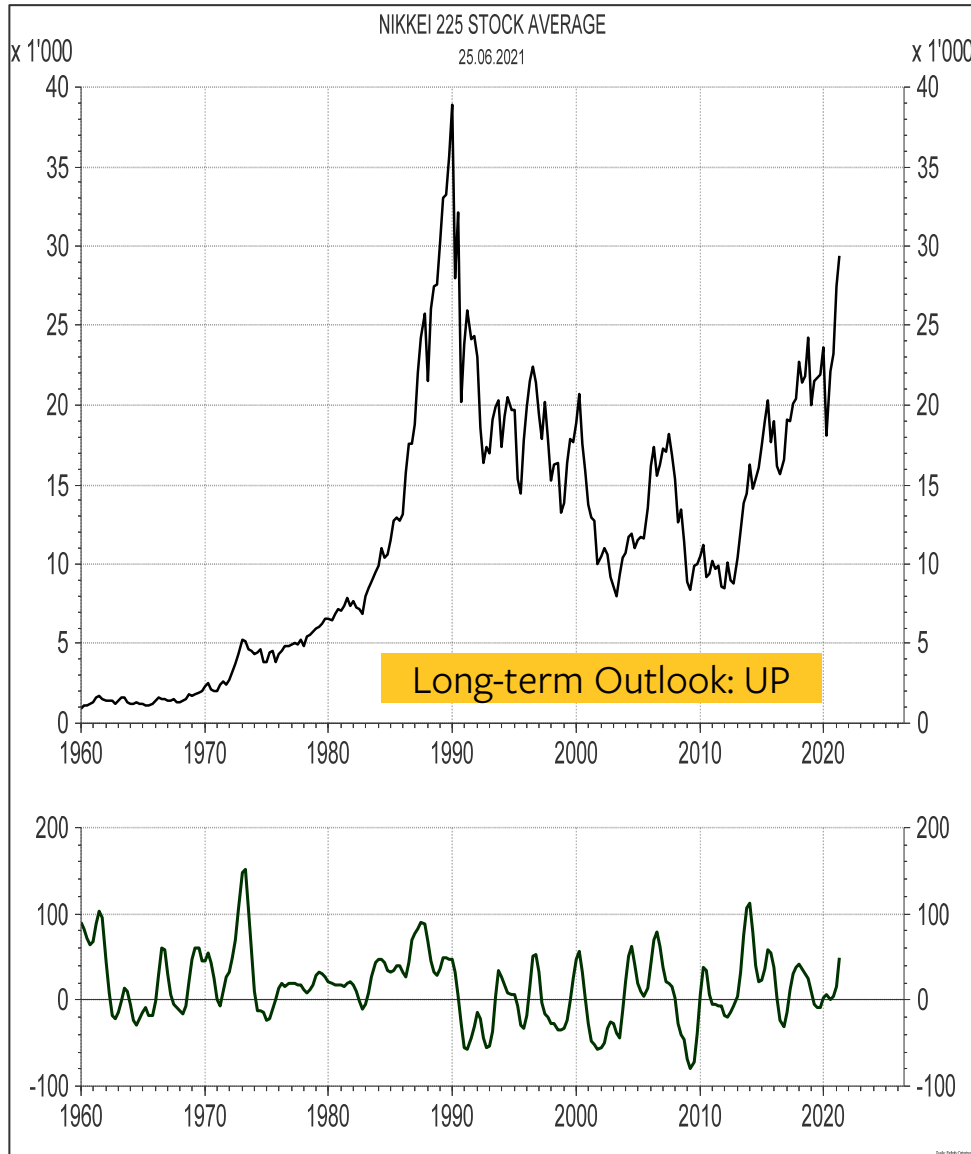
It is rising in Wave 5 of the uptrend from January and has entered a short-term correction at the resistance at 15800. It could extend the Wedge towards 16150, but a bearish outlook would be adopted if the supports at 15300, 15050 and 14750 are broken.



Nikkei 25 Index

No change in my overall assessment of the Nikkei 25 Index.

The Long-term Outlook remains UP while the Medium-term Outlook remains FLAT.



MSCI Japan relative to the MSCI World Index (left) and Equally Weighted World Index (right)

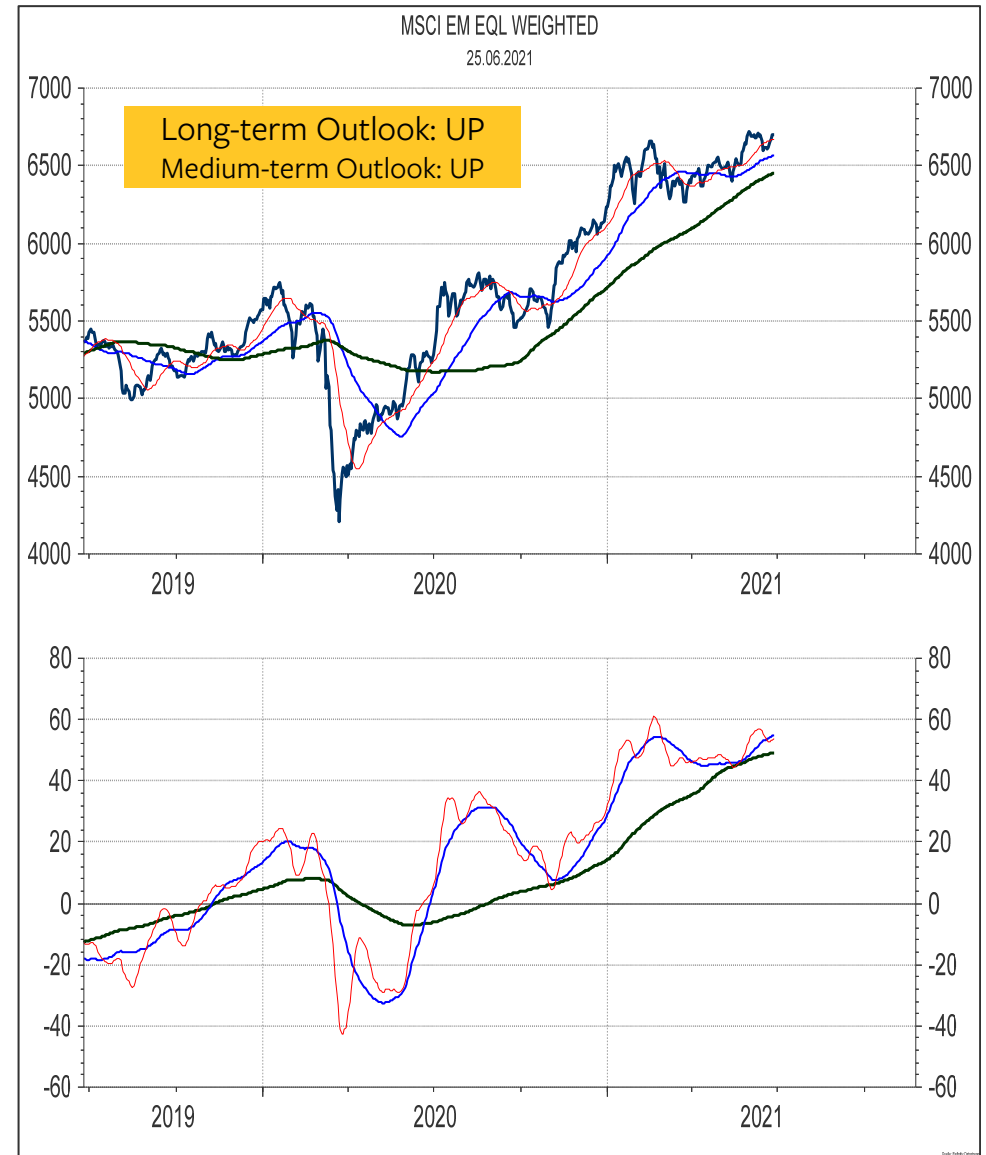
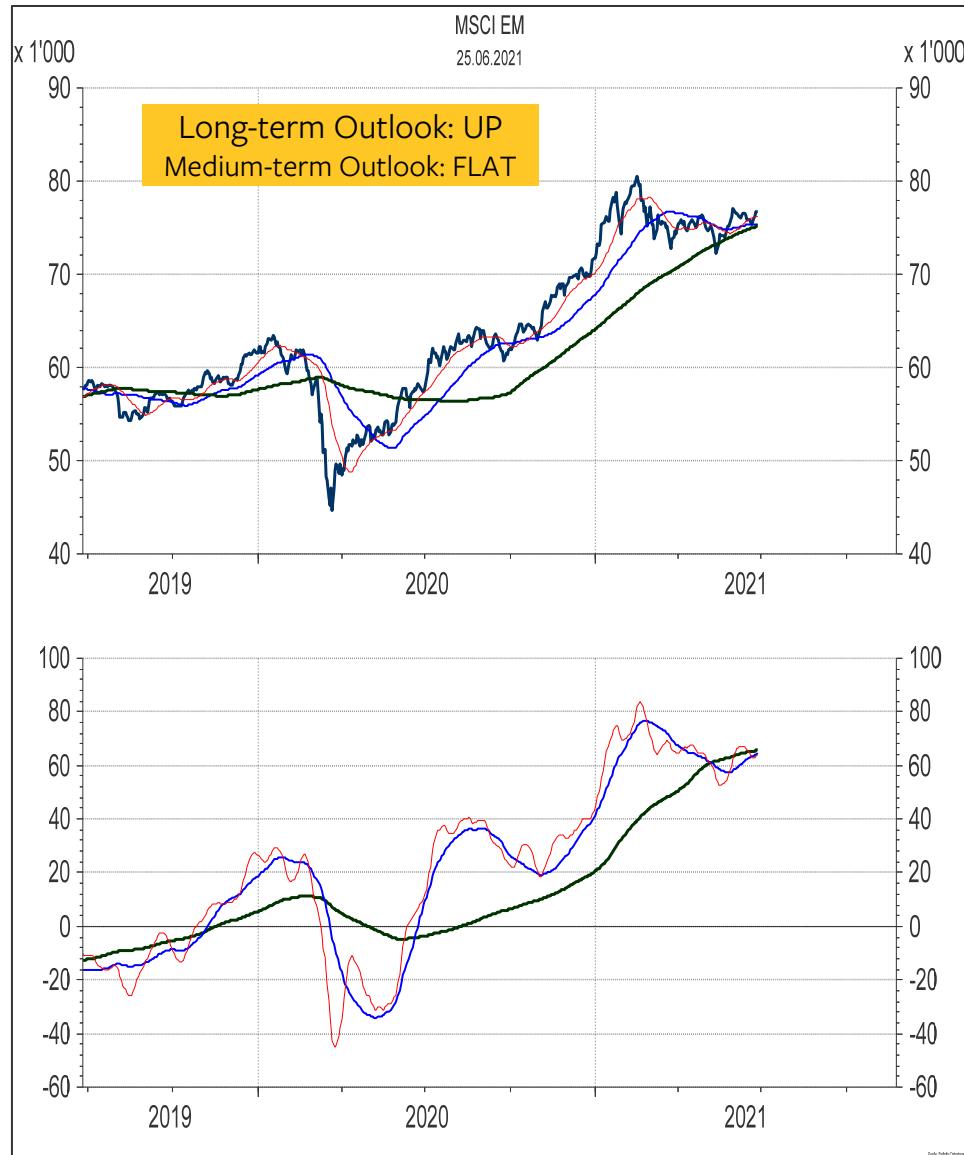
The MSCI Japan remains rated UNDERWEIGHT relative to the MSCI World Index and also relative to the Equally Weighted World Index. A change in these ratings could be signaled depending on the test of the present relative downtrend at the support levels.



MSCI Emerging Markets and Equally Weighted EM Index (both in local currency)

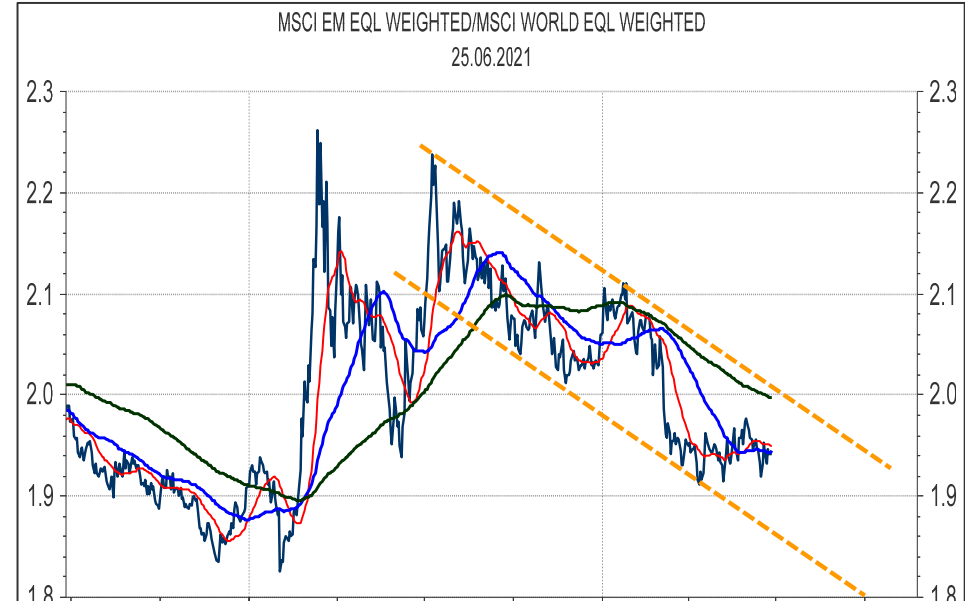
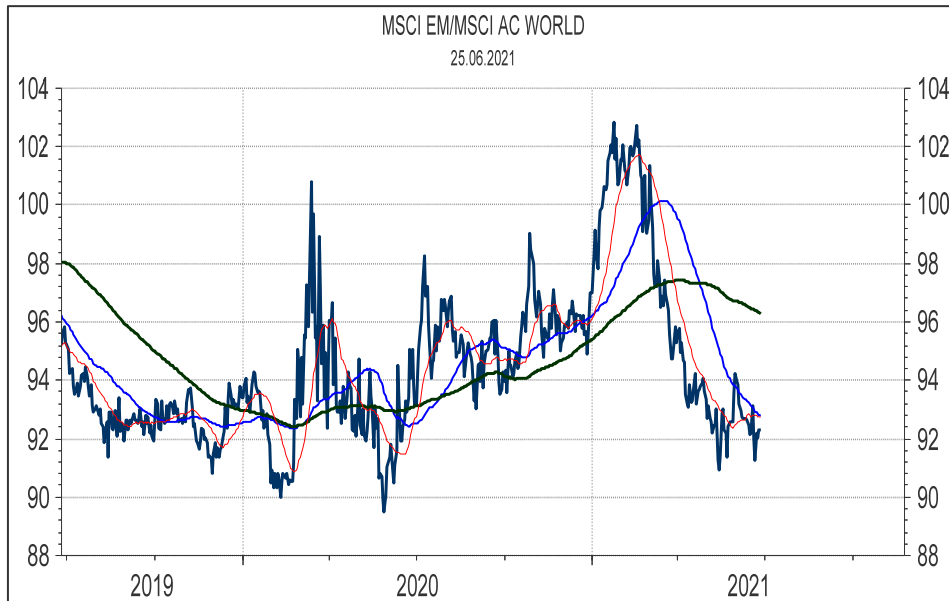
No change in my overall assessment of the MSCI Emerging Markets Indices.

The Long-term Outlook remains UP for both indices. The Medium-term Outlook remains FLAT for the weighted EM Index (left) and it remains UP for the Equally Weighted Index (right).

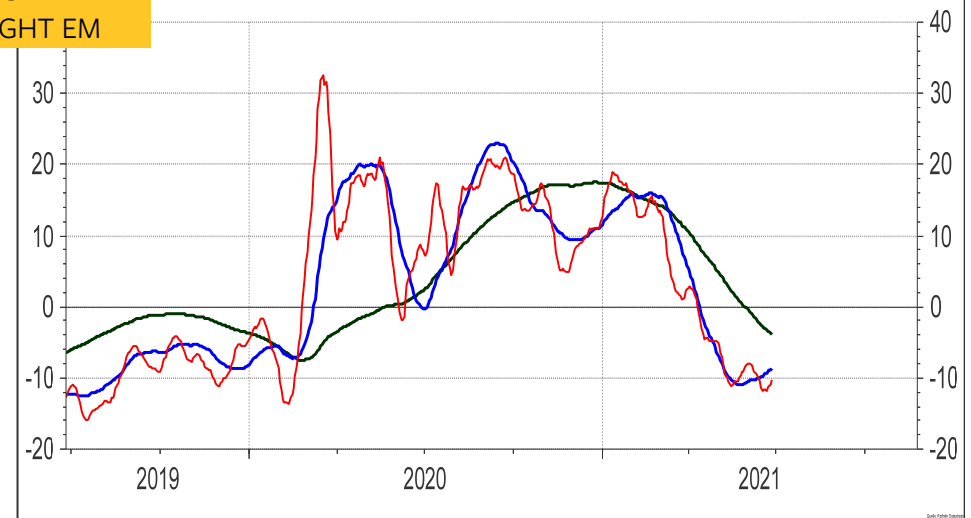
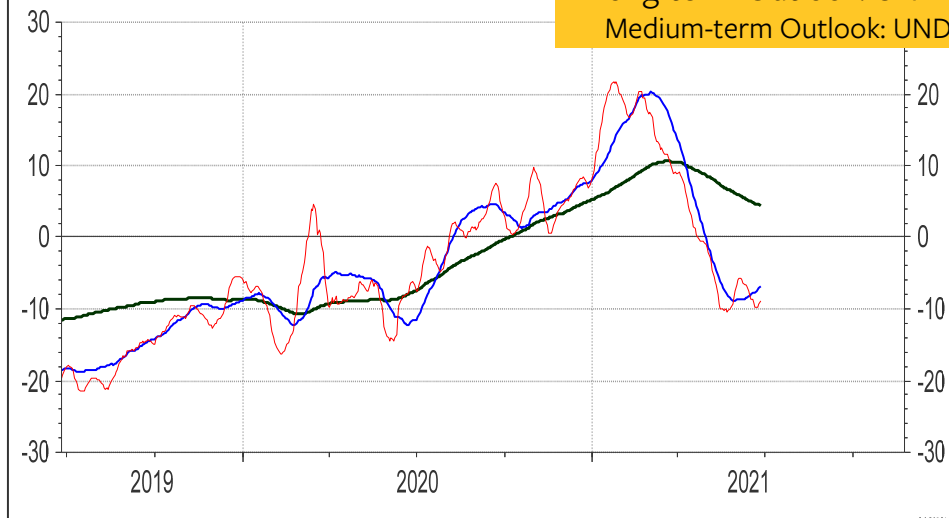


MSCI Emerging Markets relative to the MSCI World and relative to the Equally Weighted Index

The MSCI Emerging Markets remains rated UNDERWEIGHT long-term and medium-term relative to the MSCI World Index (left). The Equally Weighted EM Index relative to the Equally Weighted World Index (right) remains UNDERWEIGHT long-term and medium-term.

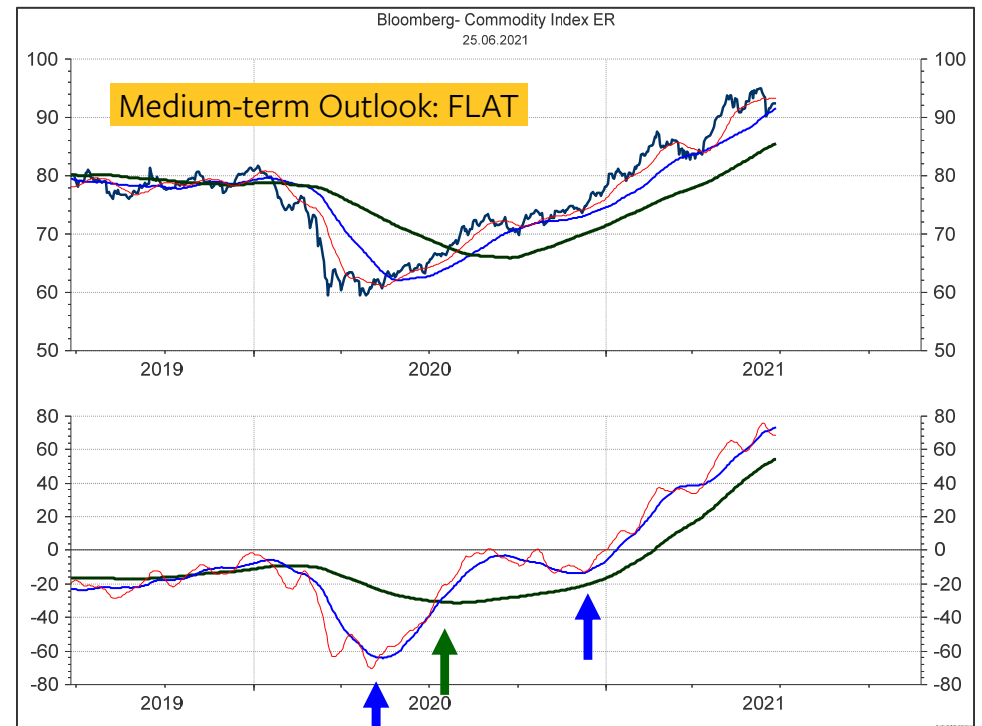
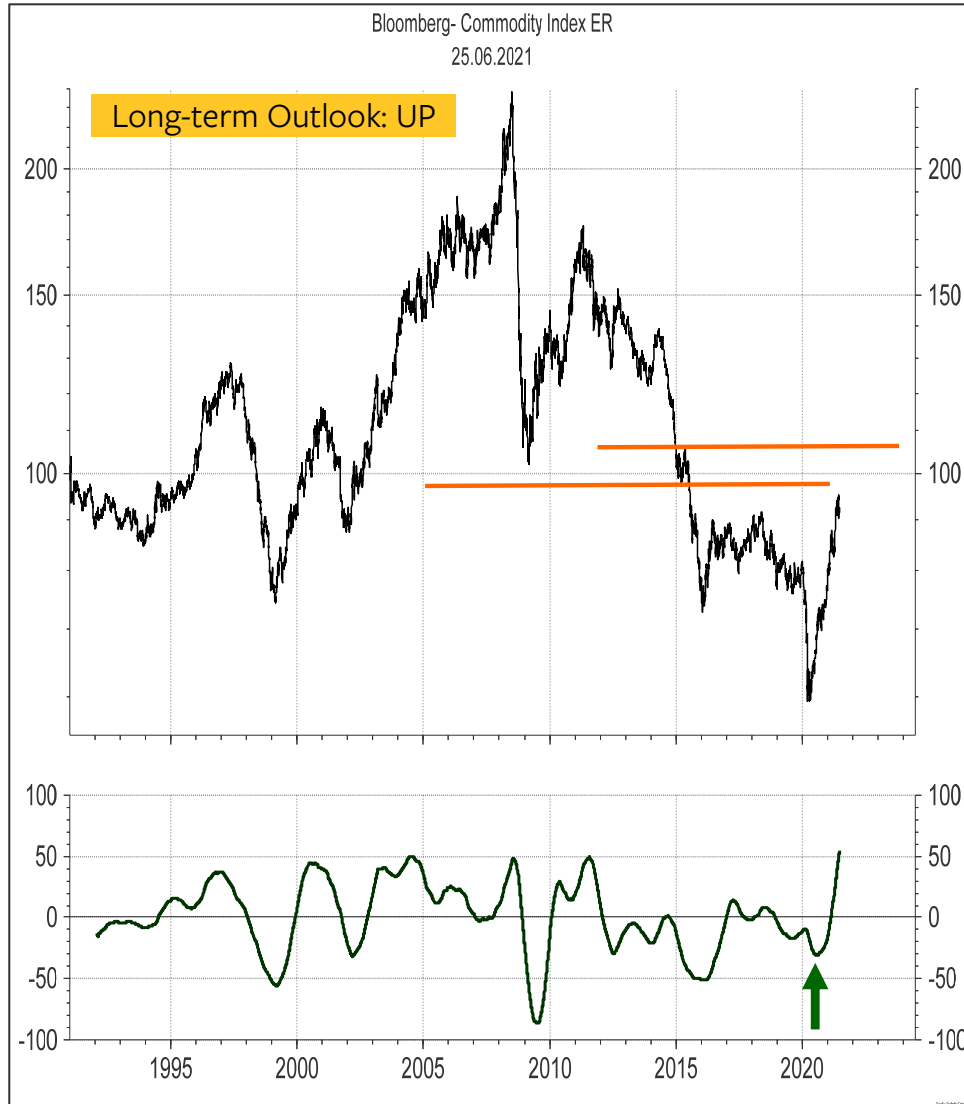


Long-term Outlook: UNDERWEIGHT EM
Medium-term Outlook: UNDERWEIGHT EM

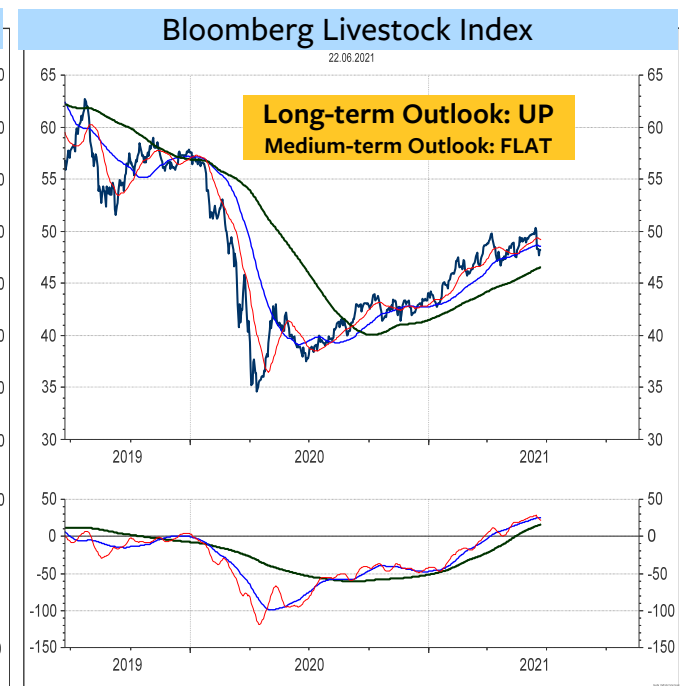
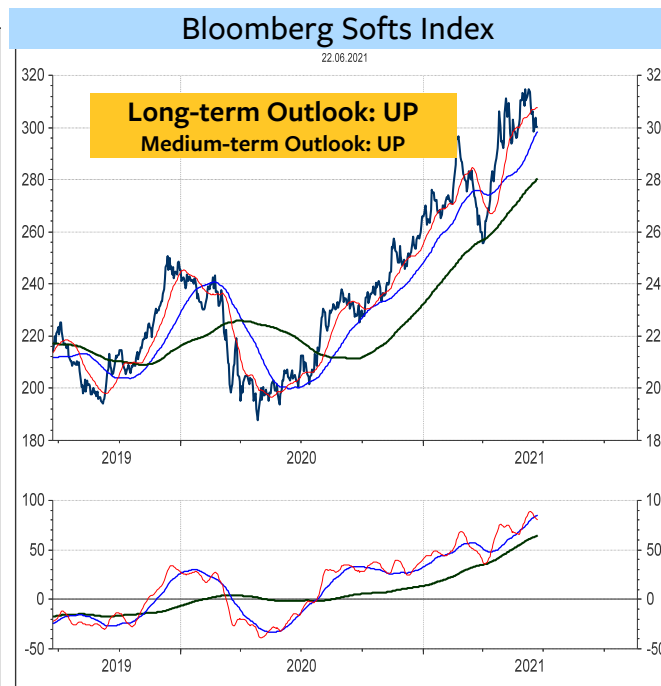
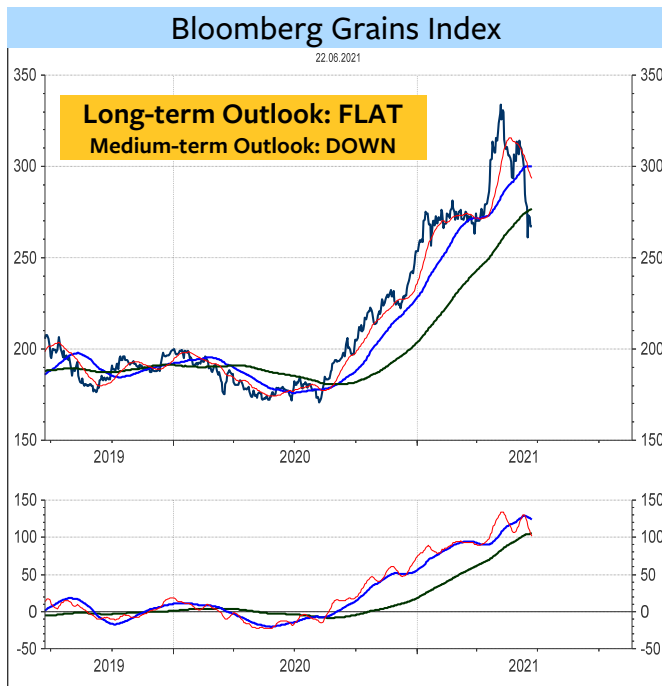
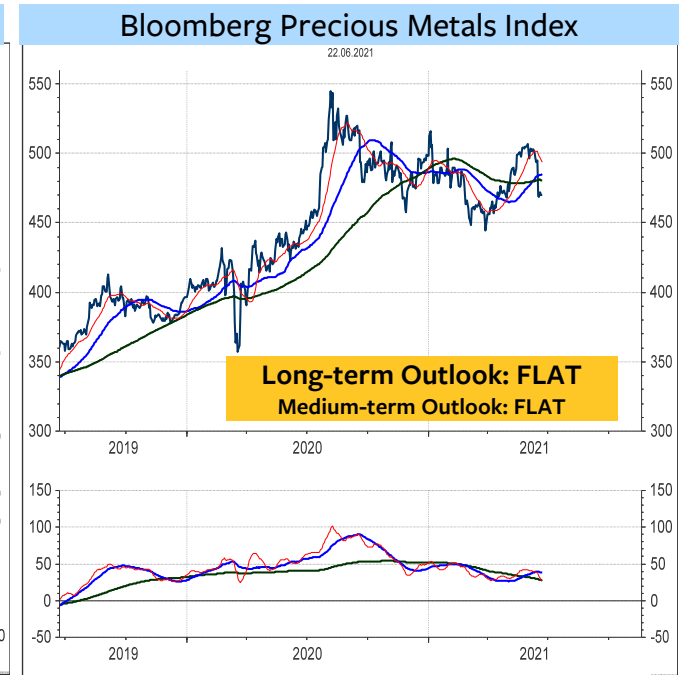
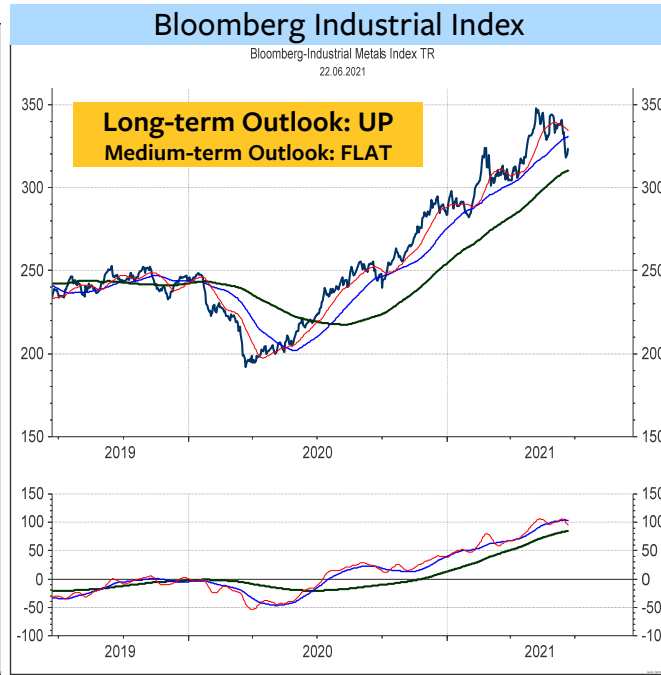
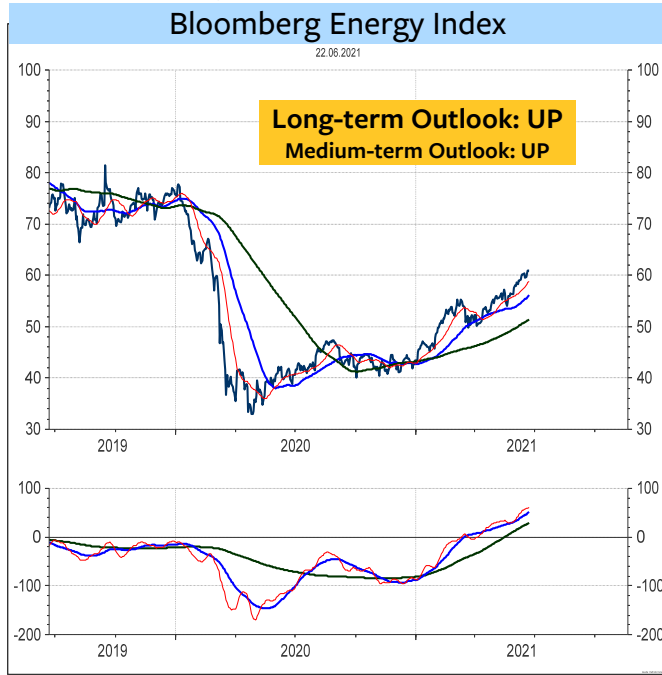


Bloomberg Commodity Index

The Bloomberg Commodity Index has reached the long-term resistance range between 95 and 105 and entered a medium-term consolidation. The Medium-term Outlook is downgraded to FLAT. It would move to DOWN if 89.50 to 87.50 is broken.

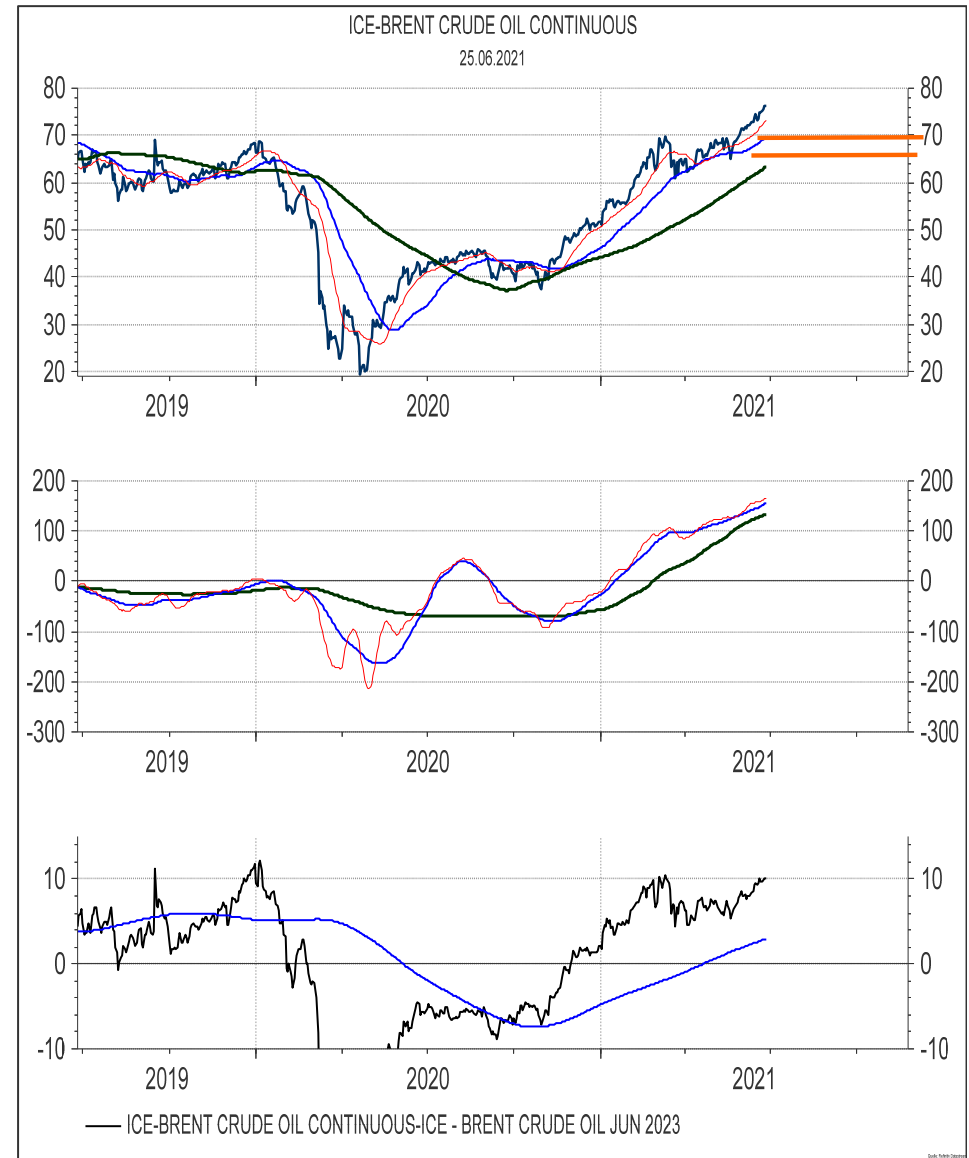
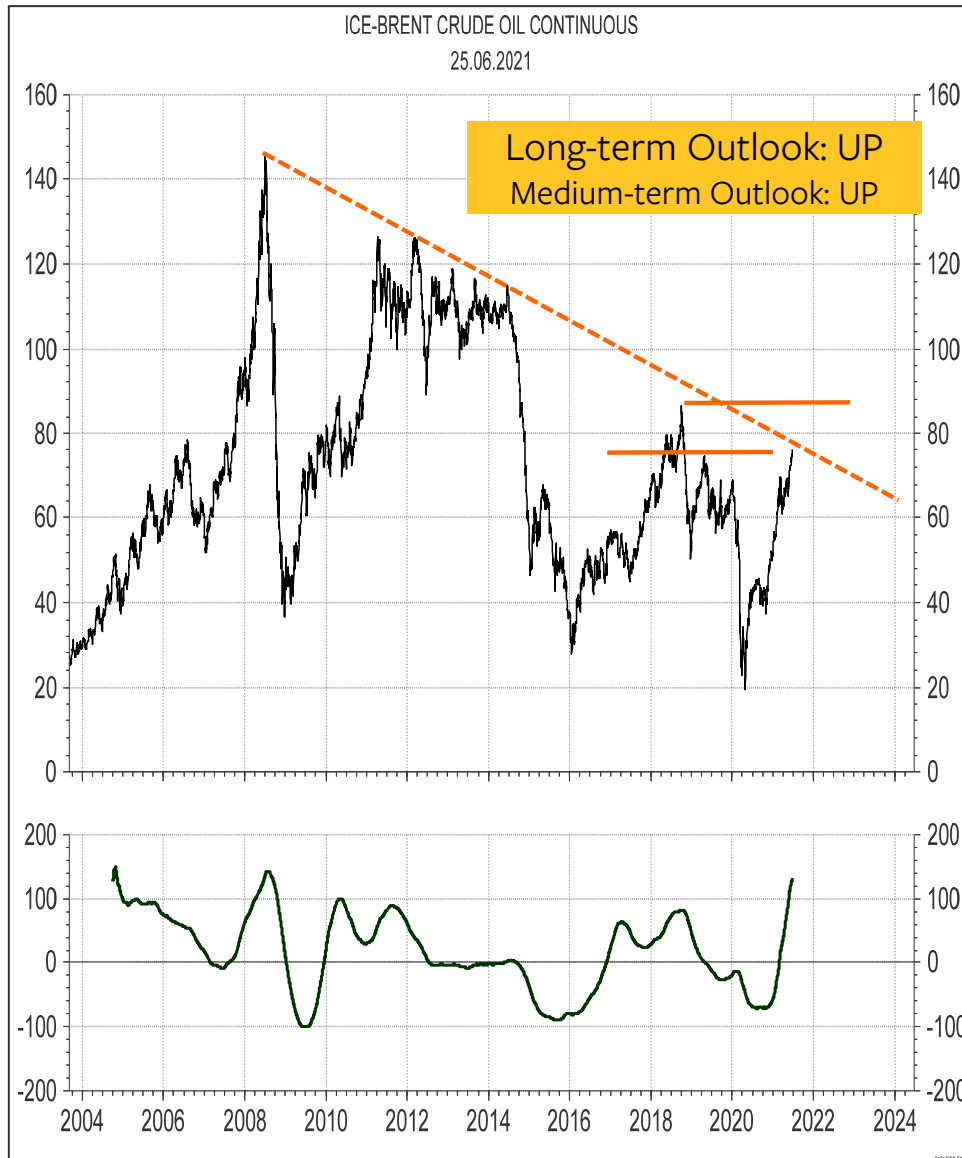


Bloomberg Commodity Sector Indices



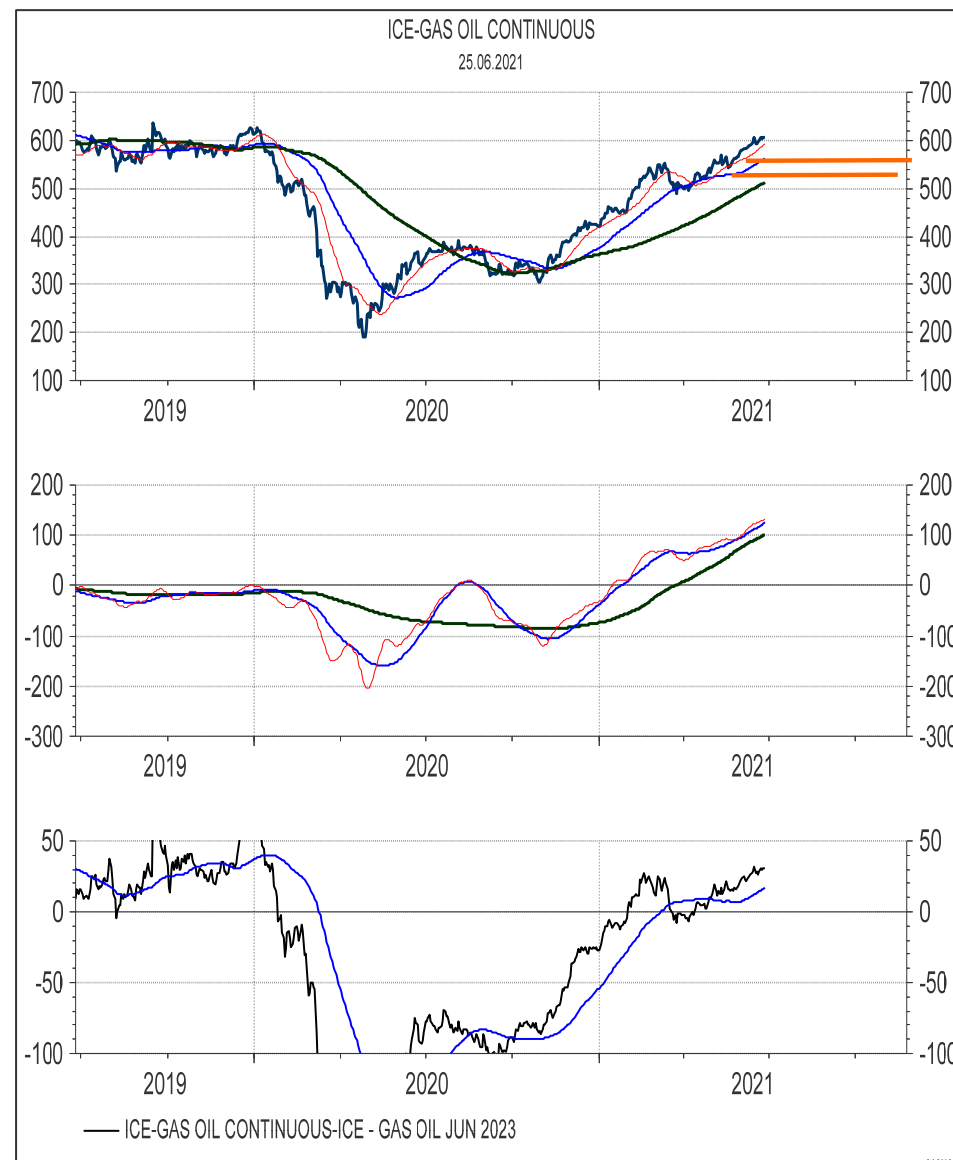
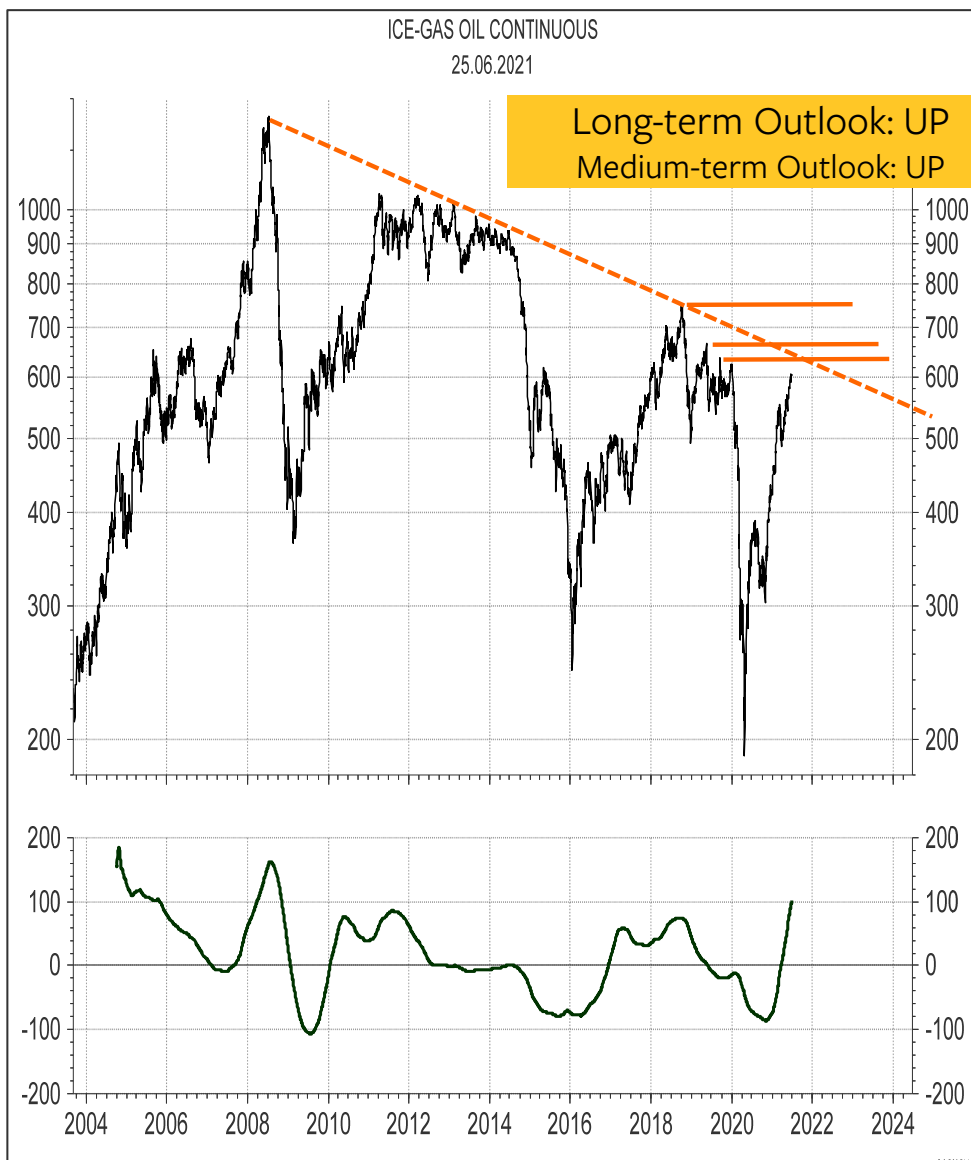
Brent Crude Oil continuous Future

Brent Crude Oil has rallied higher than I expected. Still, I believe the uptrend from the low in March is topping, at least short term. Thus, I will assess the medium-term and long-term outlook once I know the magnitude of the next short-term decline. The key supports are at 73.50, 70 to 69 or 66.50.



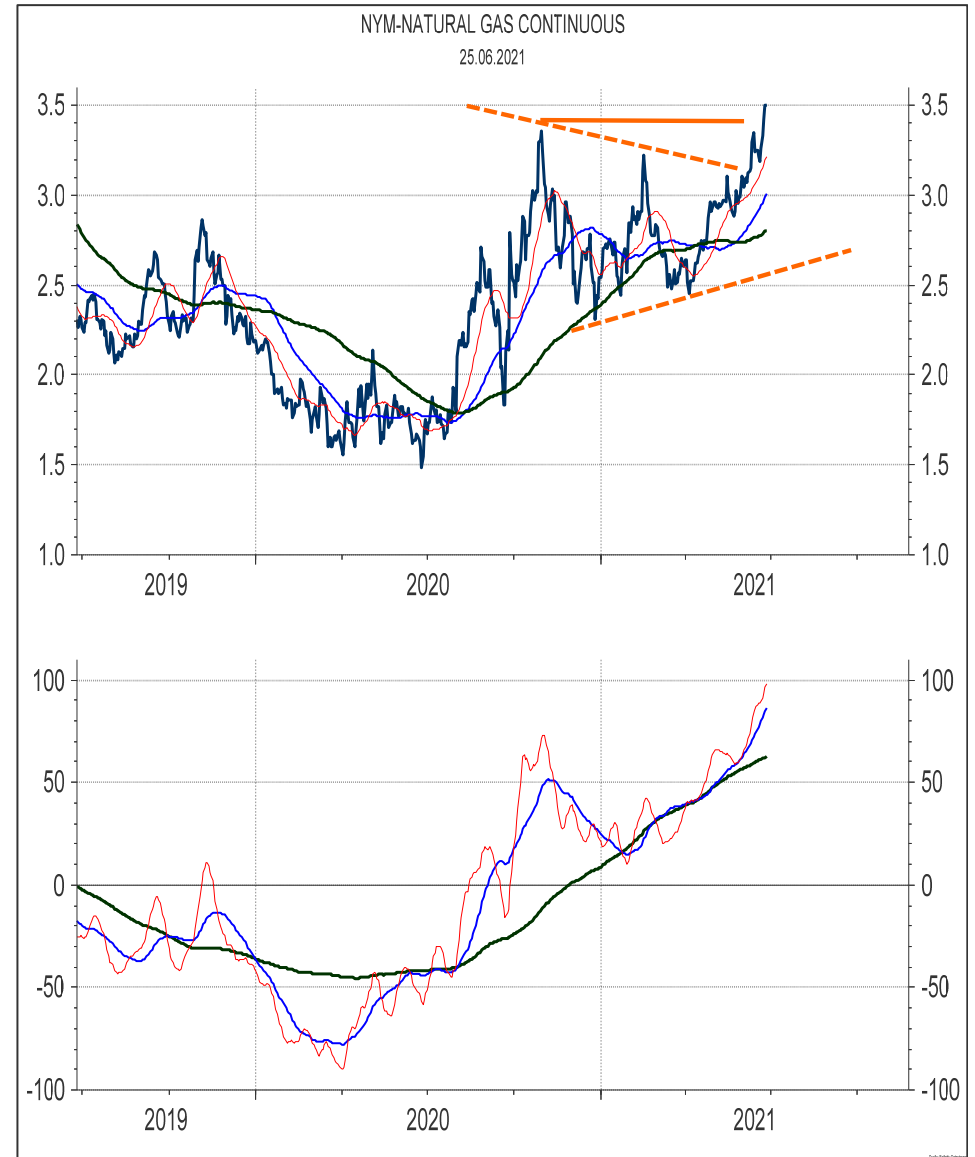
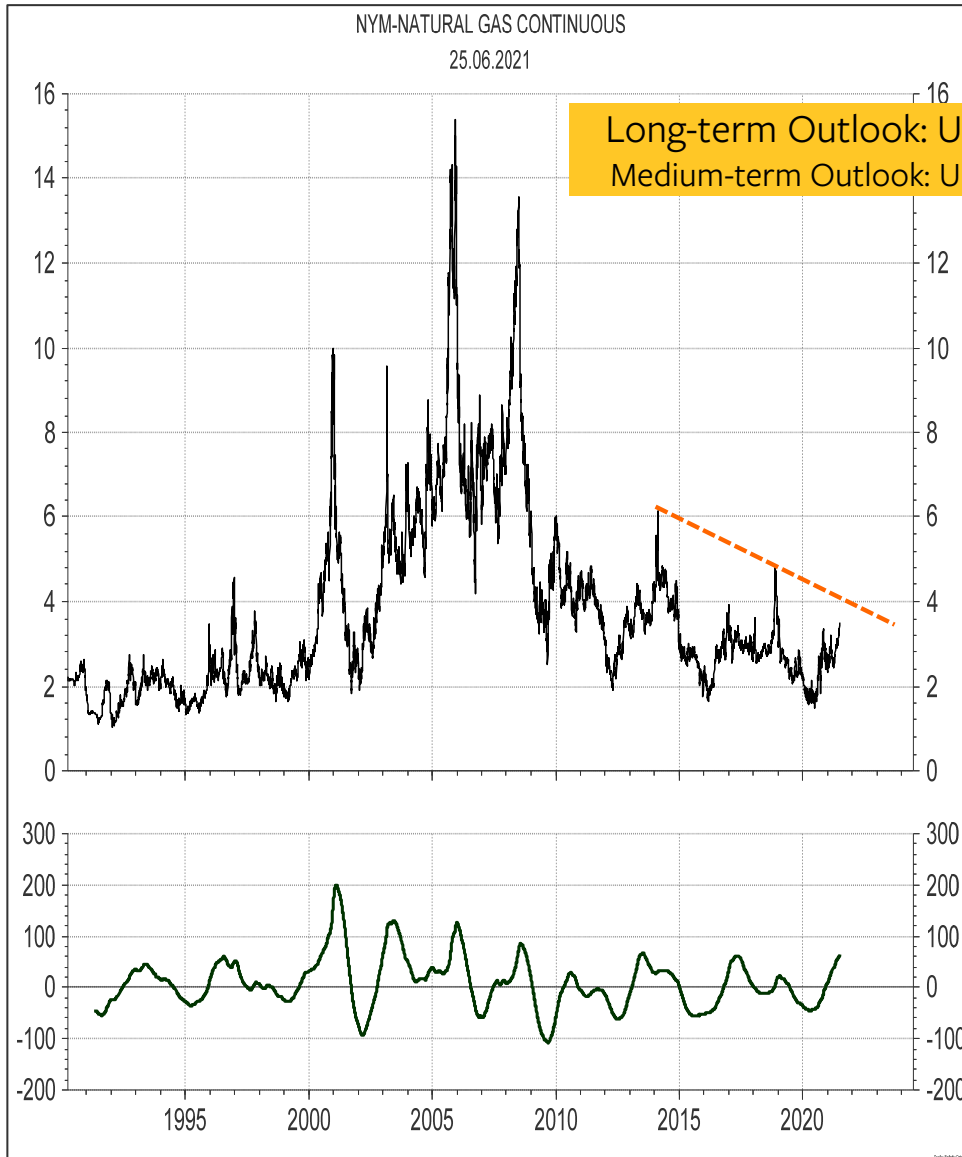
Gas Oil-EEC CIF Cargos NWE U\$/MT continuous Future

Gas Oil has rallied higher than I expected. Still, I believe the uptrend from the low in March is likely to top, at least short term. Thus, I will assess the medium-term and long-term outlook once I know the magnitude of the next short-term decline. The key supports are at 590, 580, 560 or 530.



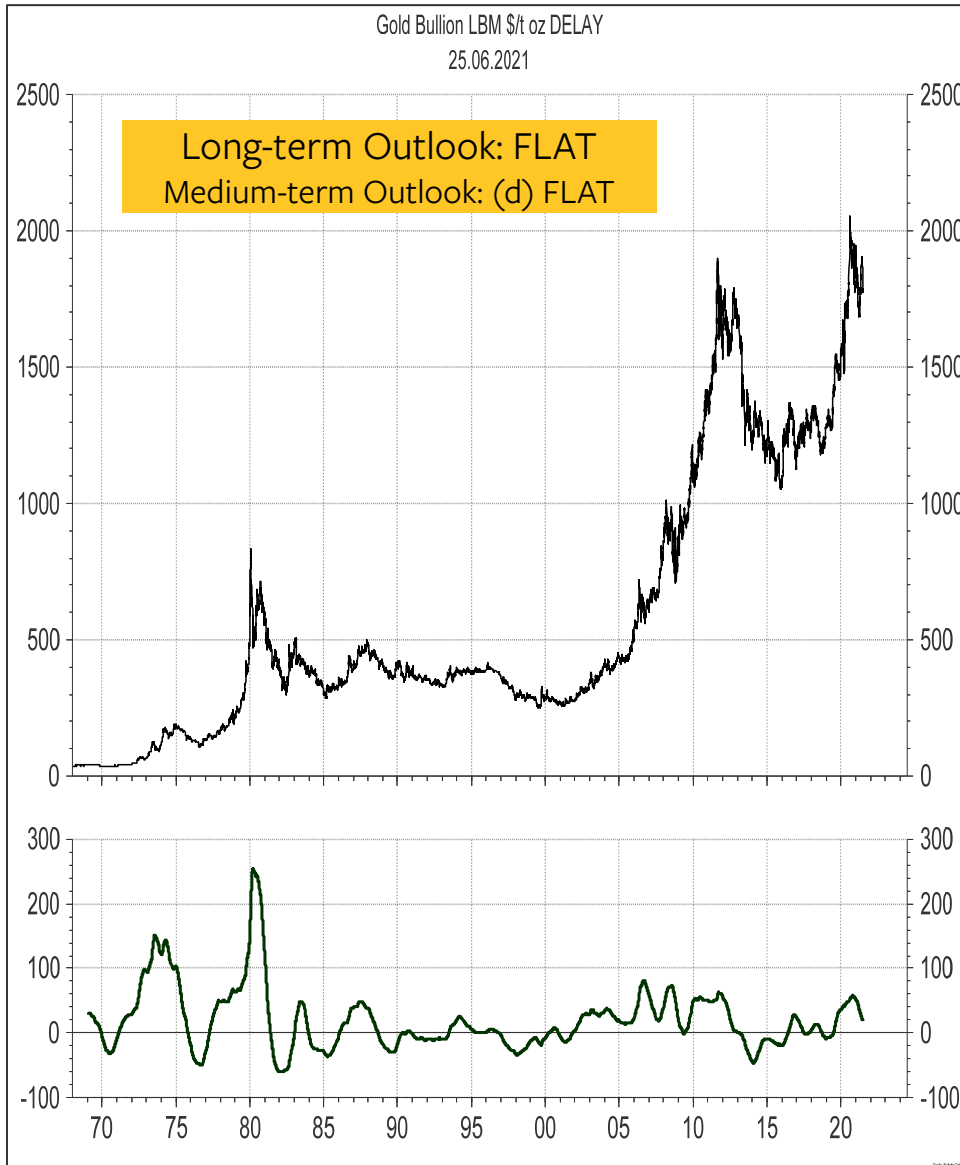
Natural Gas continuous Future

While the Brent Oil and Gas Oil Futures appear to be topping at least short term, Natural Gas is just breaking topside. The next resistance is at 4 or 6. Supports are at 3.20 and 3.05.



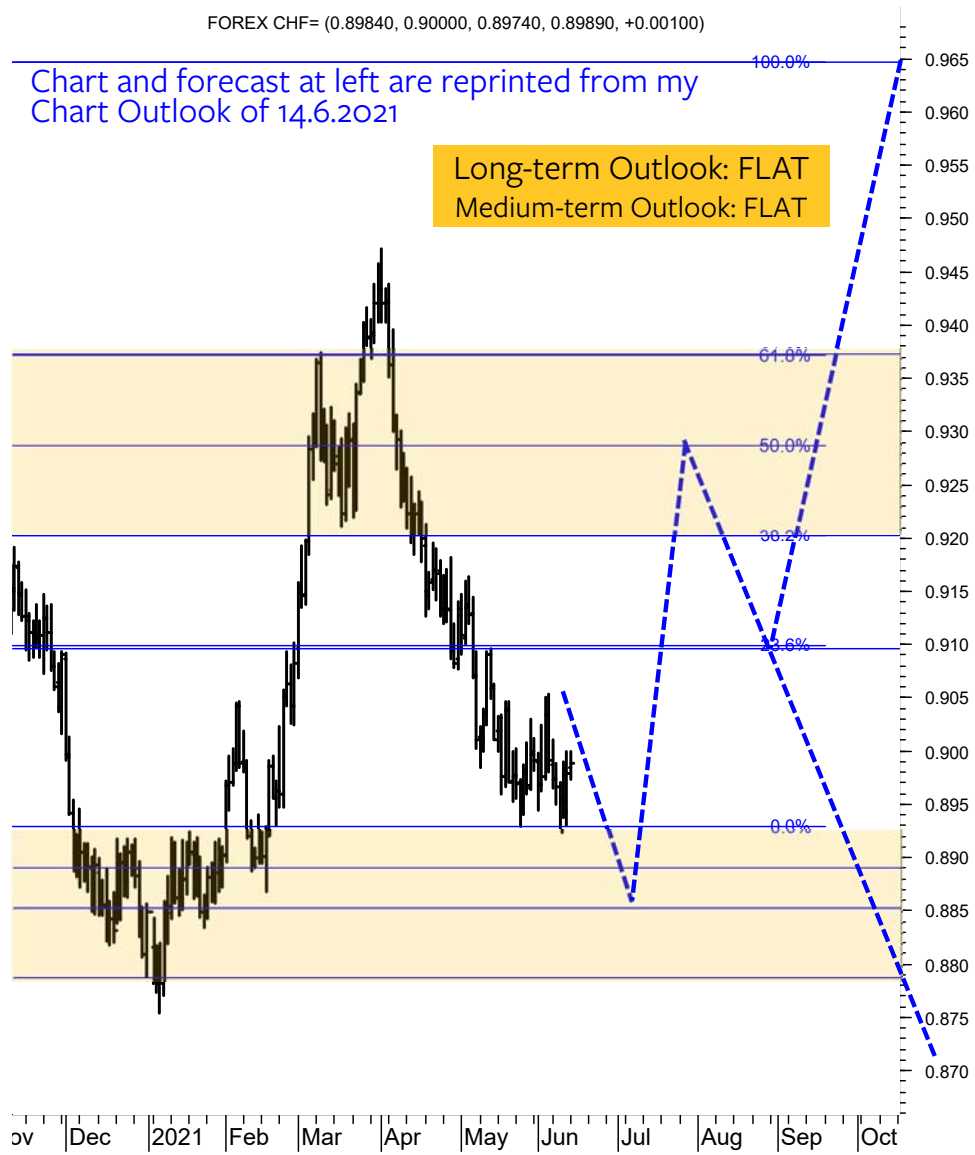
Gold Bullion Spot

The Medium-term and Long-term Outlook will move to DOWN if the supports at 1730 and 1630 are broken. Because all three momentum indicators are declining (bottom right), I think the odds favor a break to the downside.



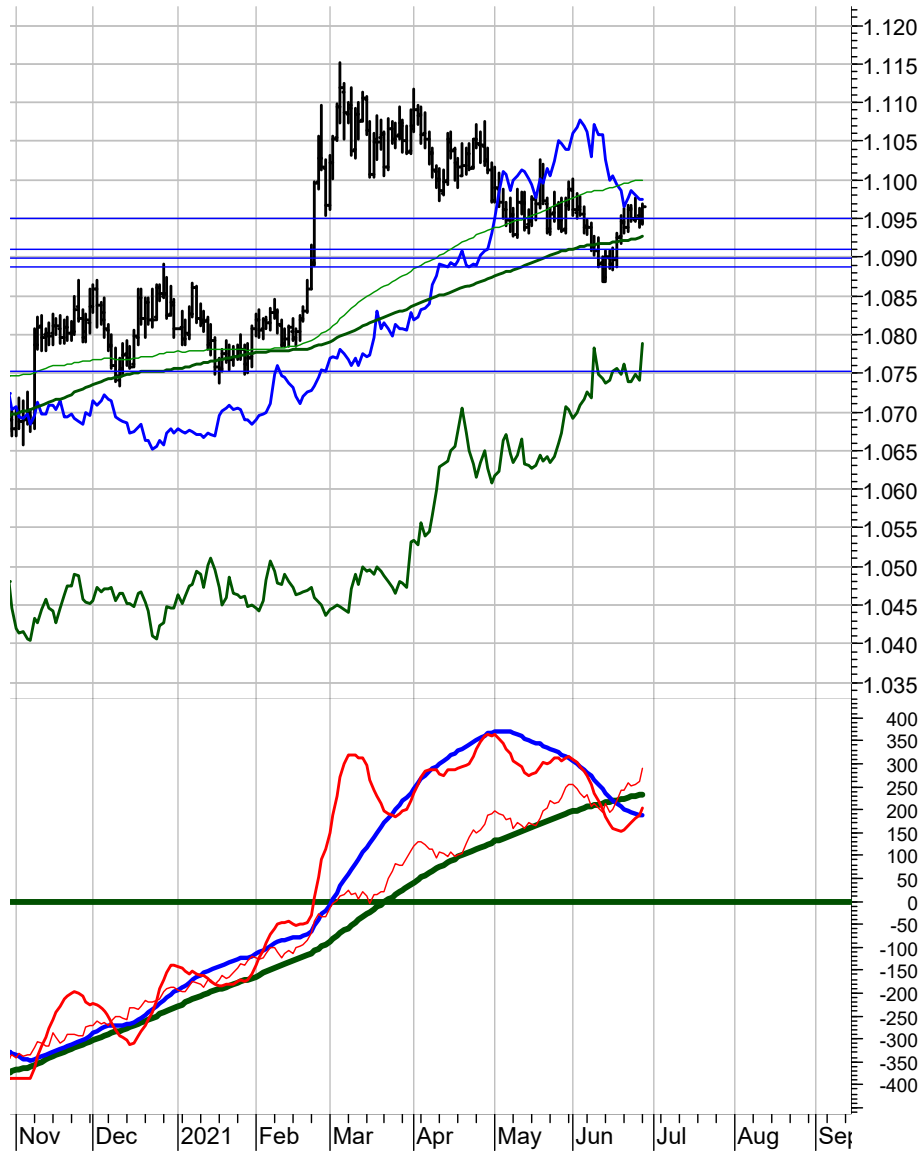
Swiss Franc per US DOLLAR

The chart at left is reprinted from my Chart Outlook of 14.6.2021. Of course I did not yet know what the FED would say about the interest rate hike or the inflation, but, I thought that a rally was likely to be traced out for a Horizontal Triangle to become the preferred wave labeling. In order to take new action, I am watching the resistances at 0.9280 and 0.9380 and the supports at 0.9030 and 0.89. For now, the Outlook remains unchanged FLAT.



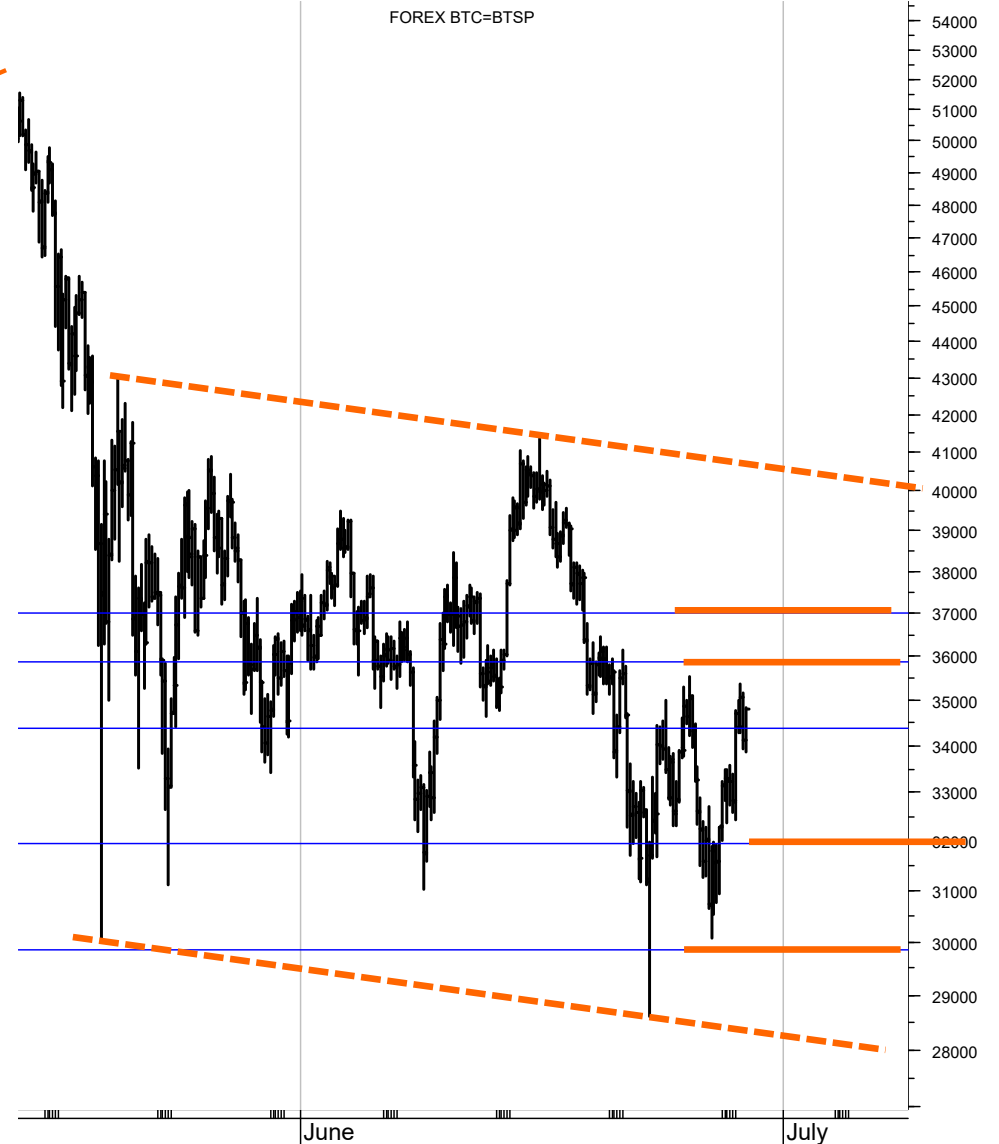
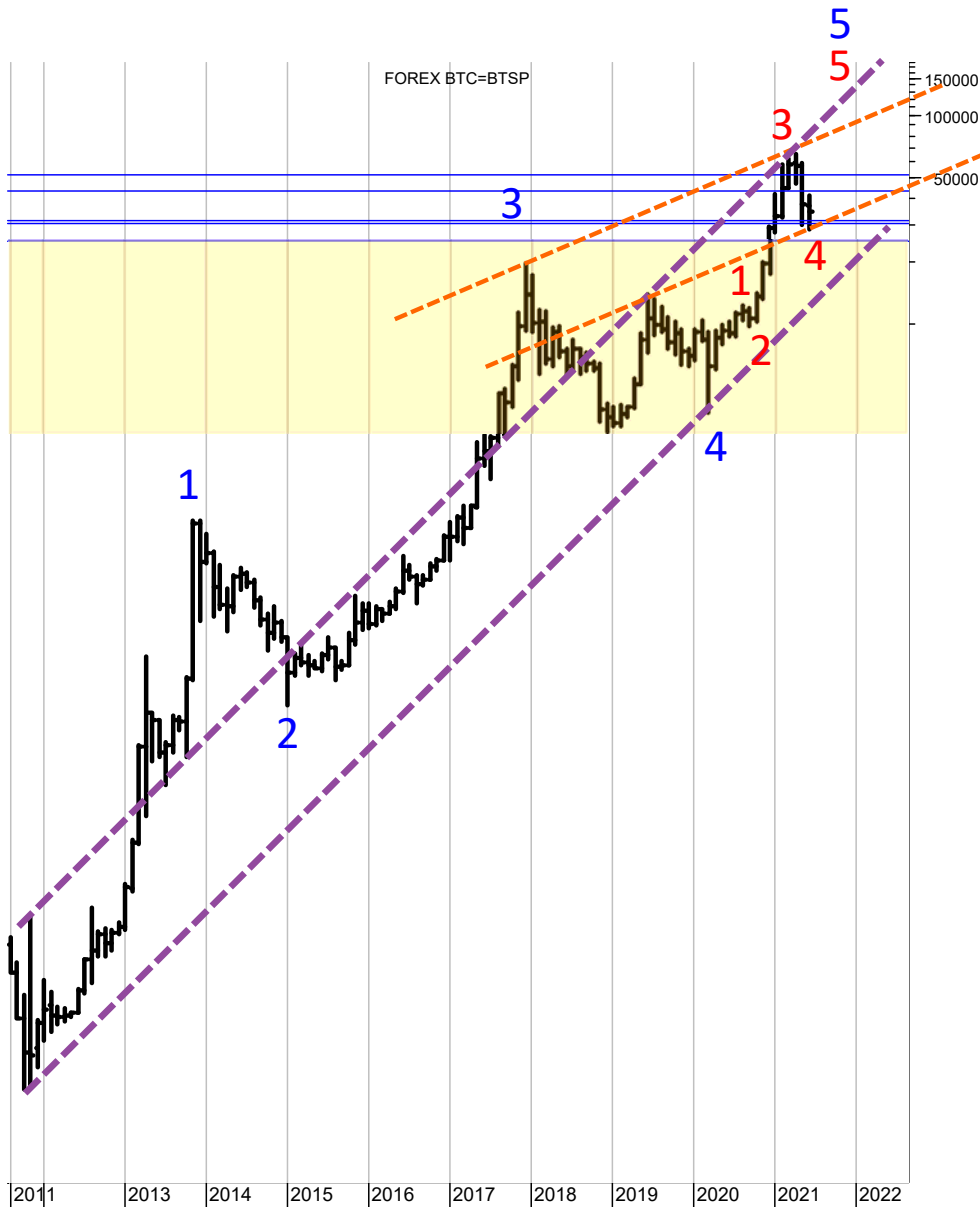
Swiss franc per EURO

I am treating the low at 1.0868 as the low of the correction, which started on early March at 1.1160. But, for the resumption of the long-term uptrend, the Euro must rise above 1.0980 and 1.1045. Moreover, it must not fall below 1.0950 and 1.0860 again.



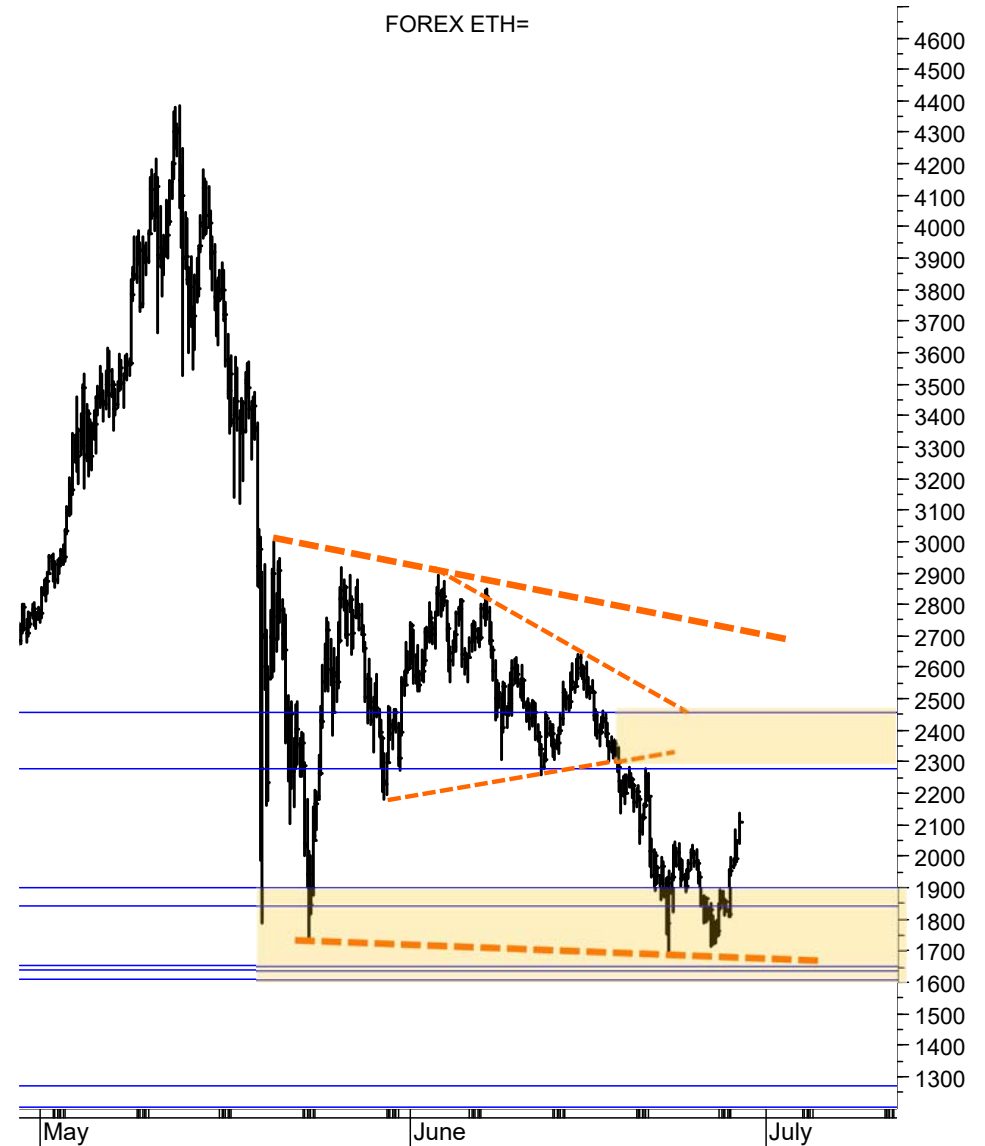
US dollar per BITCOIN

The Bitcoin would trigger new BUY signals if it breaks above 36k and 37k.
It would trigger SELL signals if it breaks below 32k and 29.5k.
The wave count at left would be negated if the Bitcoin falls below 24.9k.



US dollar per ETHEREUM

The Ethereum must rise above 2300 to 2500 for the long-term uptrend to be reinstated and for Wave 5 to push it to a new all-time high. Clearly, the long-term bullish wave count at left would be negated if the support at 1600 is broken. Such a break could signal more weakness to 1300 / 1200 or 900.



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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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