



GLOBAL CHART OUTLOOK



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BERTSCHIS CHART OUTLOOK

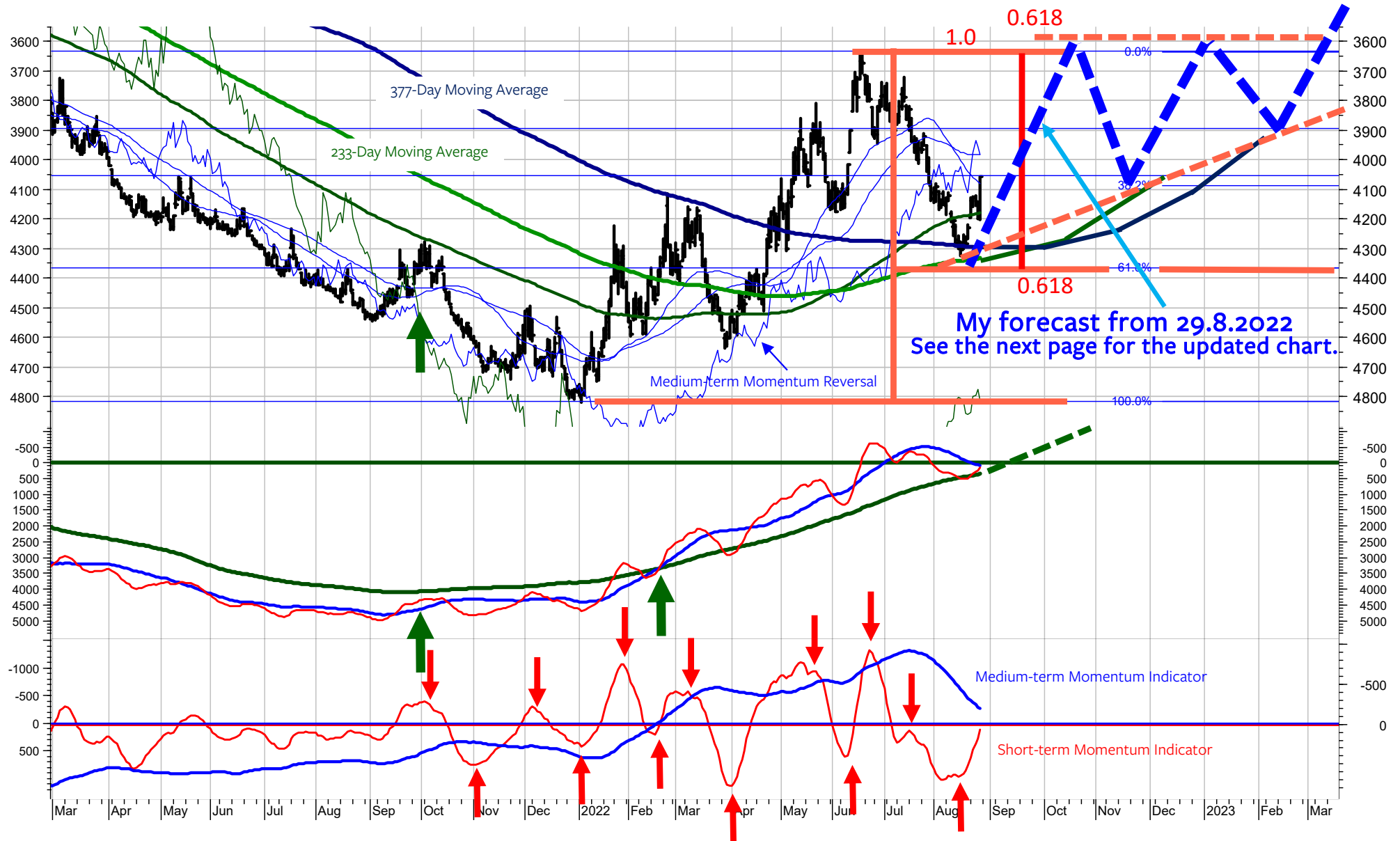
Global Markets

12th December 2022

Issue 2022 / # 48

S&P 500 Index with the scale inverted (reprinted from Chart Outlook #33 of 29.8.2022)

The chart below is reprinted from my Chart Outlook of 29.8.2022. It pictures the **S&P 500 Index** but with the **scale inverted**. The inversion allows the investor to analyze the chart with an unbiased attitude, i.e. free from emotions. Obviously, the inversion means that a BUY signal on the INVERSED scale turns into a SELL signal on the chart with a normal scale (see page 4). My forecast below is shown by the blue dashed projection line. It indicates that a BUY signal is triggered in late August although the decline from October to November would retrace most of the uptrend from August. Overall, however, my forecast pointed towards a break upwards above the high from June around 3600. Such a break would signal targets around 3250 or 2750.



S&P 500 Index with the scale inverted – updated to today, 12.12.2022

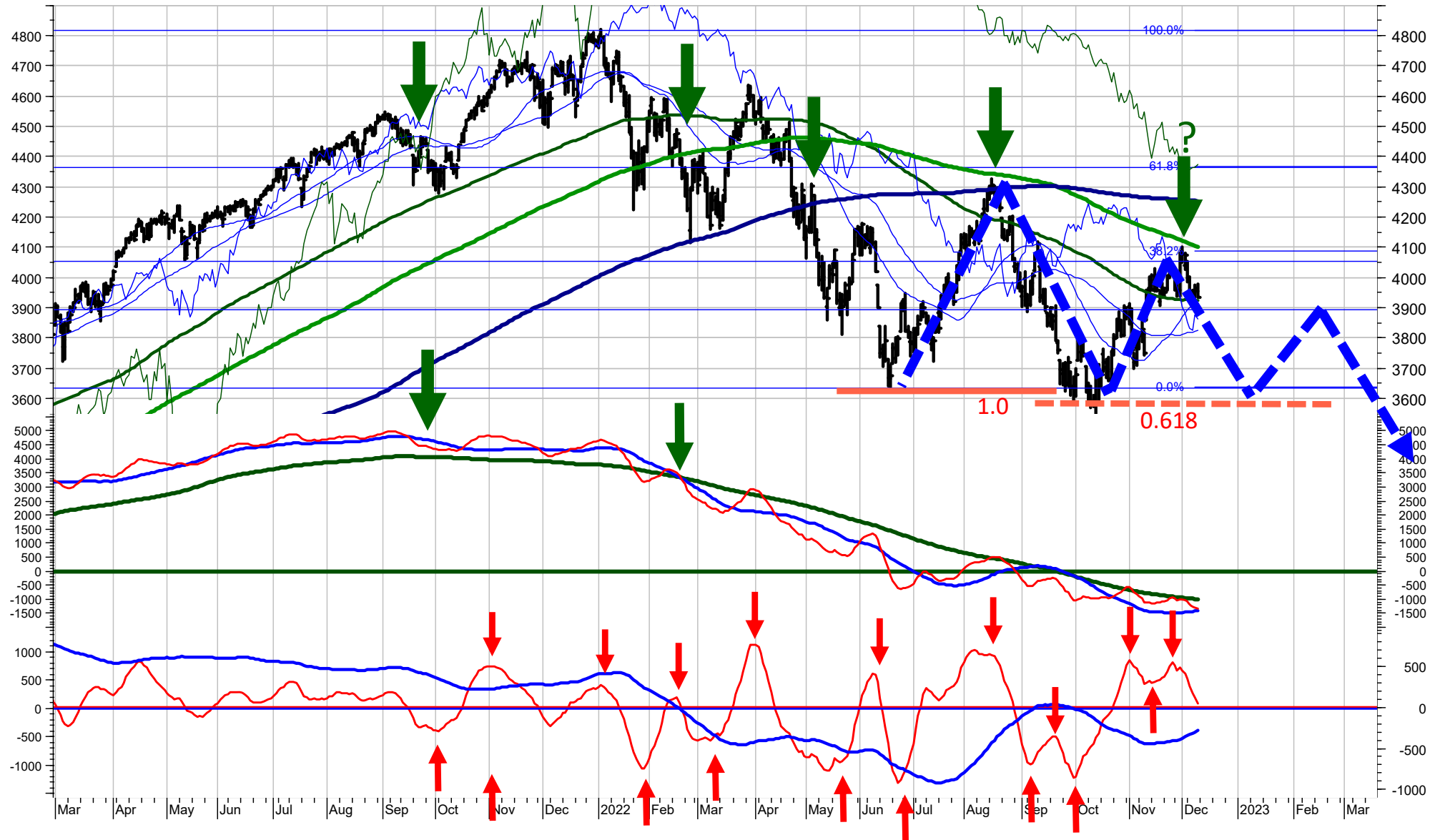
The chart below is updated to last Friday, 9.12.2022. It shows that the S&P 500 Index has perfectly tracked my forecast. The SPX rose from August to October and there, gave way to another correction. If the SPX continues to track my forecast, then it should rally towards 3600 and trace out another short-term correction from there. Thus, a major breakout to the upside could be signaled in 2Q 2023.

What could be a break upwards on the chart below, could be a break to the downside on the chart with the regular scale (see next page).



S&P 500 Index with regular scale

When you now take a look at the chart of the S&P 500 Index with the regular scale below, the you might realize how that contemplation triggers an oppressive feeling in you stomach. Initially, the feeling is created in your brain because it knows that such what the consequences would be of such a break to the downside. It would mean recession, economic and financial hardship, collective pessimism and fear. But, these are NOT feelings that you want to endure, which is why you are asking your brain to come up with a different scenario. Moreover, because the shift from crowd positivism to negativism has not yet taken place, you will not want to admit yourself that you should SELL. But, such a negative shift in the Social Mood could take place in 2023.

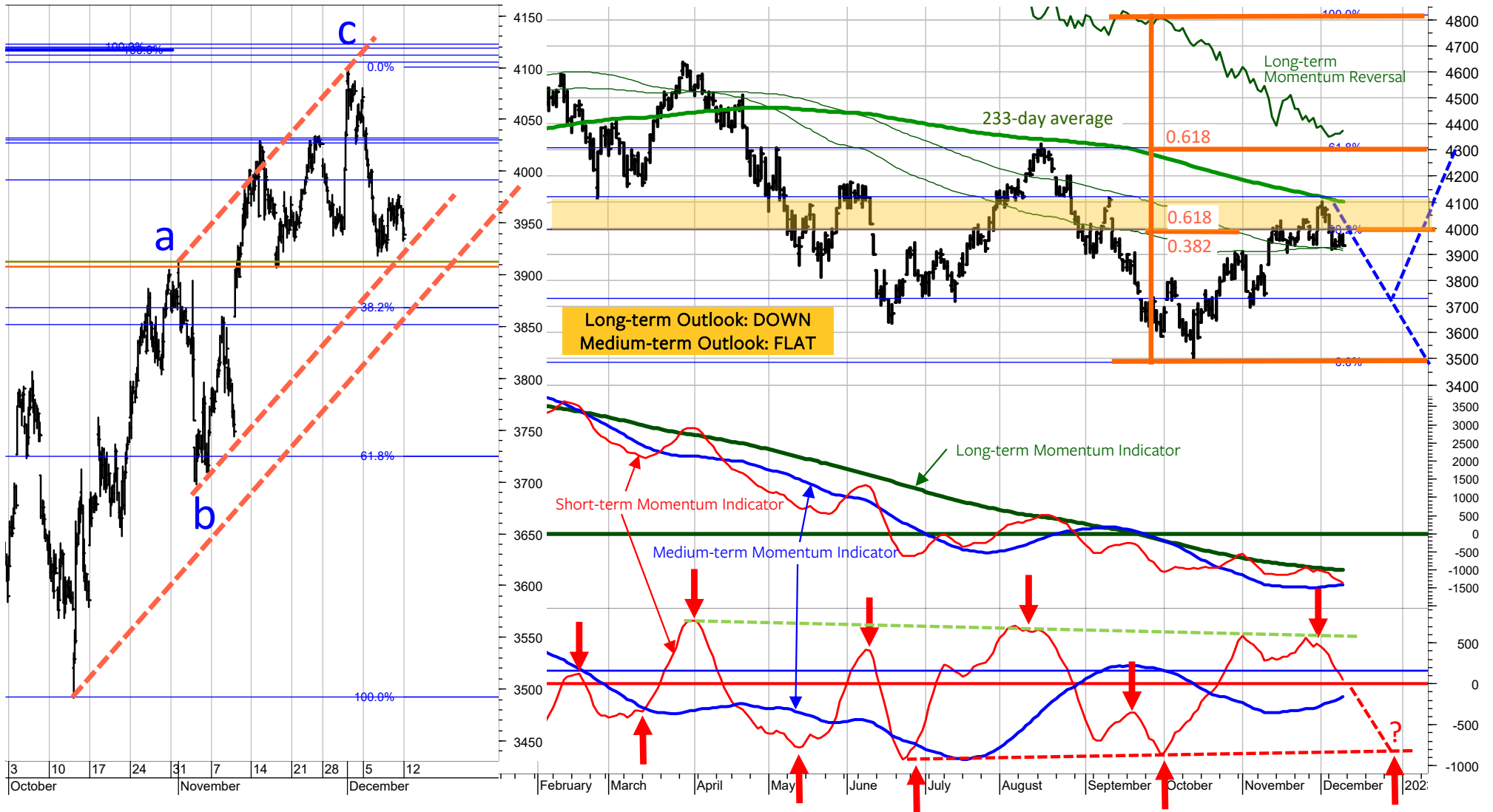


S&P 500 Index

SCORE	INDEX		PRICE	LT	MT	ST
72%	S&P 500 INDEX/d	.SPX	3963.51	do	+	dd-

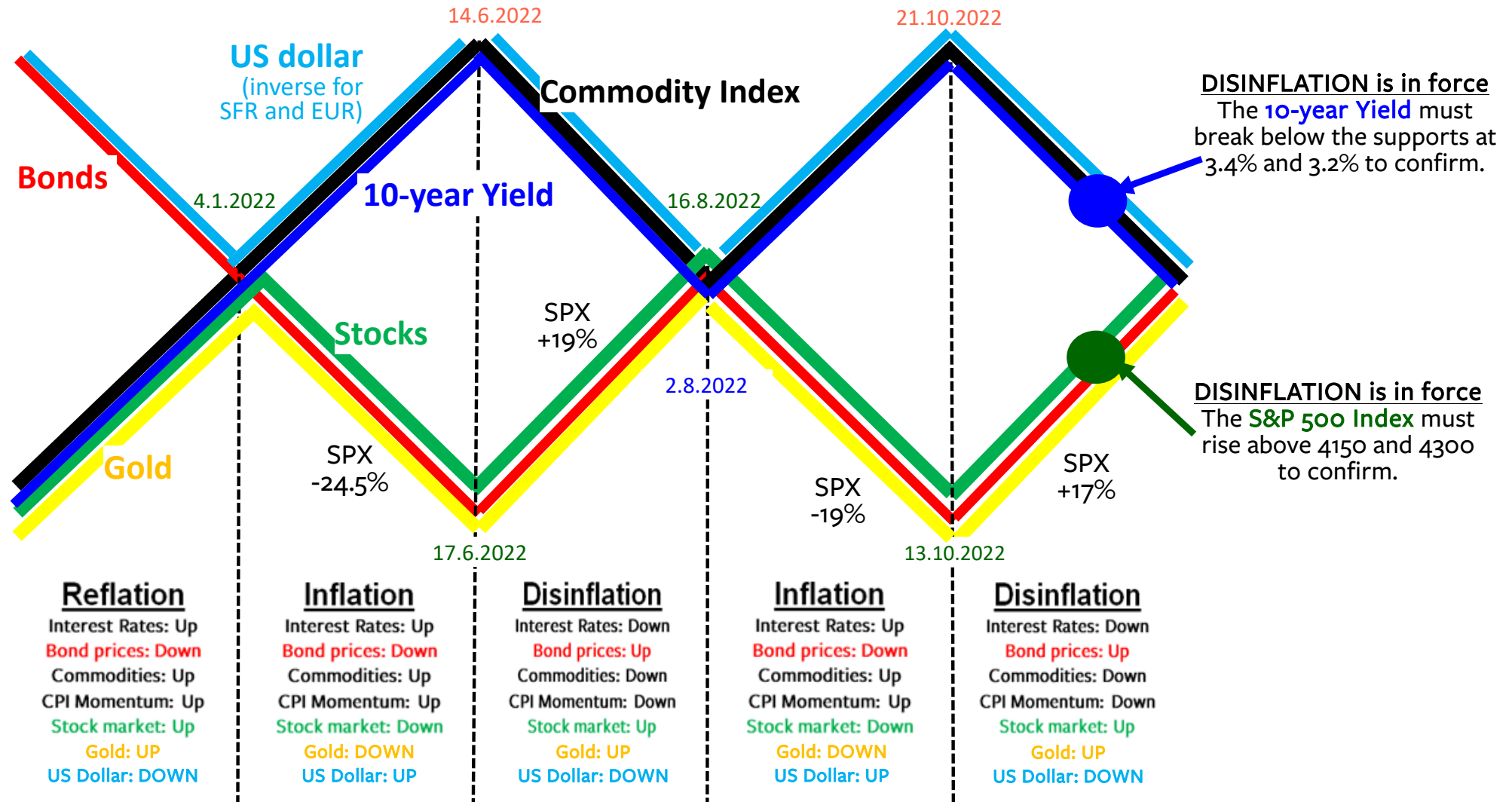
The S&P 500 Index registered a high on 1.12.2022 at 4100.51. This was just below the resistance range, which I had projected between 4100 and 4150. This range was marked by the Fibonacci resistance cluster and the level of the 233-day moving average. The high of 1.12.2022 was registered slightly above the 38.20% retracement of the January to October decline (at 4000) and slightly above the 61.80% retracement of the August to September decline (at 4000).

As of last Friday, the SPX held above the orange dashed support line (at left) but the short-term trend and momentum model already turned DOWN. The decline from 1.12.2022 would turn into a medium-term decline and it could signal the resumption of the long-term downtrend from January if the supports are broken at 3900, 3840 and 3710. Long-term supports are at 3150 or 2400. Clearly, the bearish outlook could be negated if the resistances at 4150 and 4300 as well as the long-term momentum reversal at 4350 are broken. Short-term resistance is at 3995 and 4040.



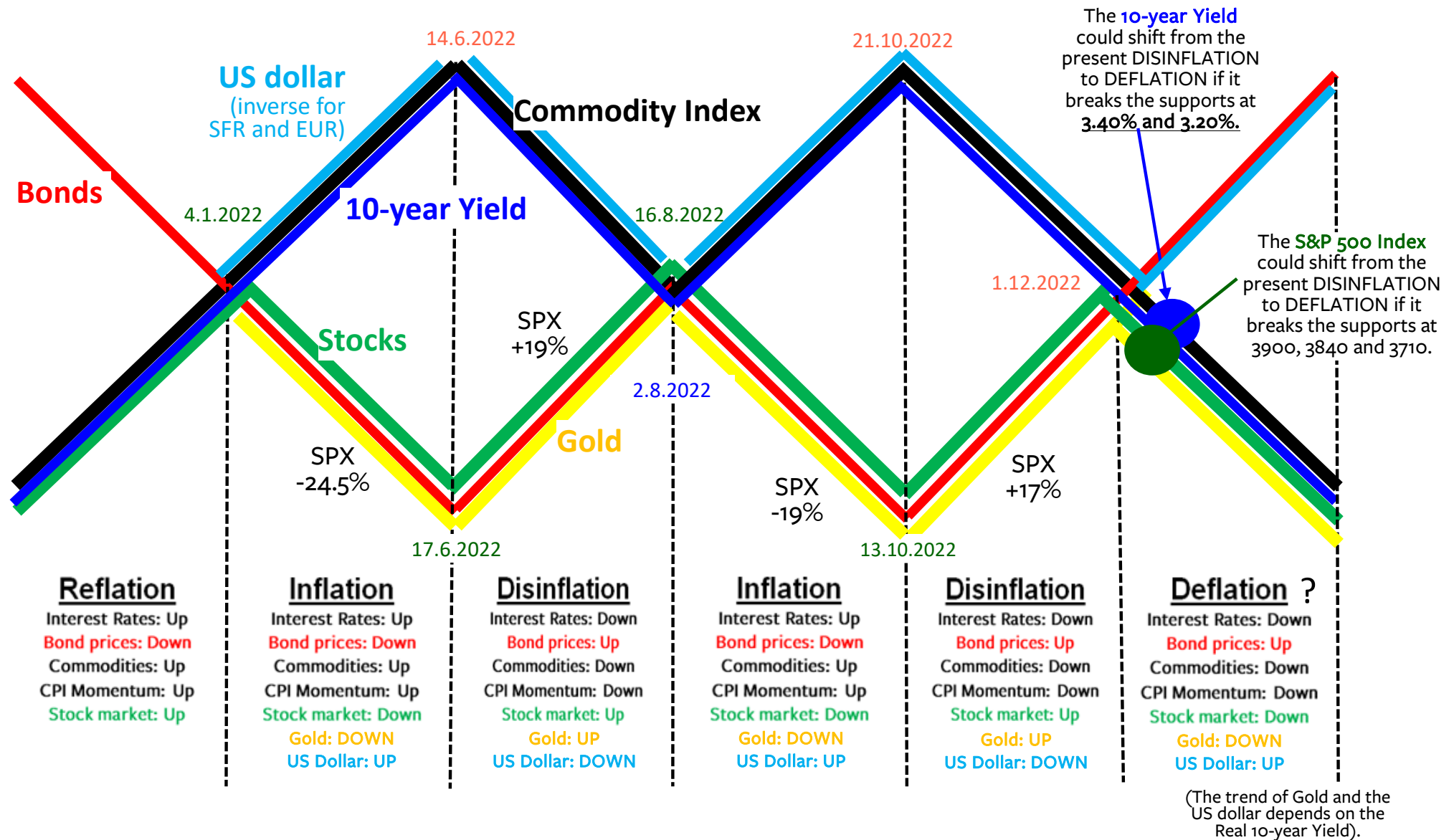
The Seasonal Financial Market Model – DISINFLATION from October 2022 remains intact

For the Disinflation from October 2022 to remain in place, the S&P 500 Index must rise above 4150 and 4300 and the 10-year Yield must break the supports at 3.4% to 3.2%.



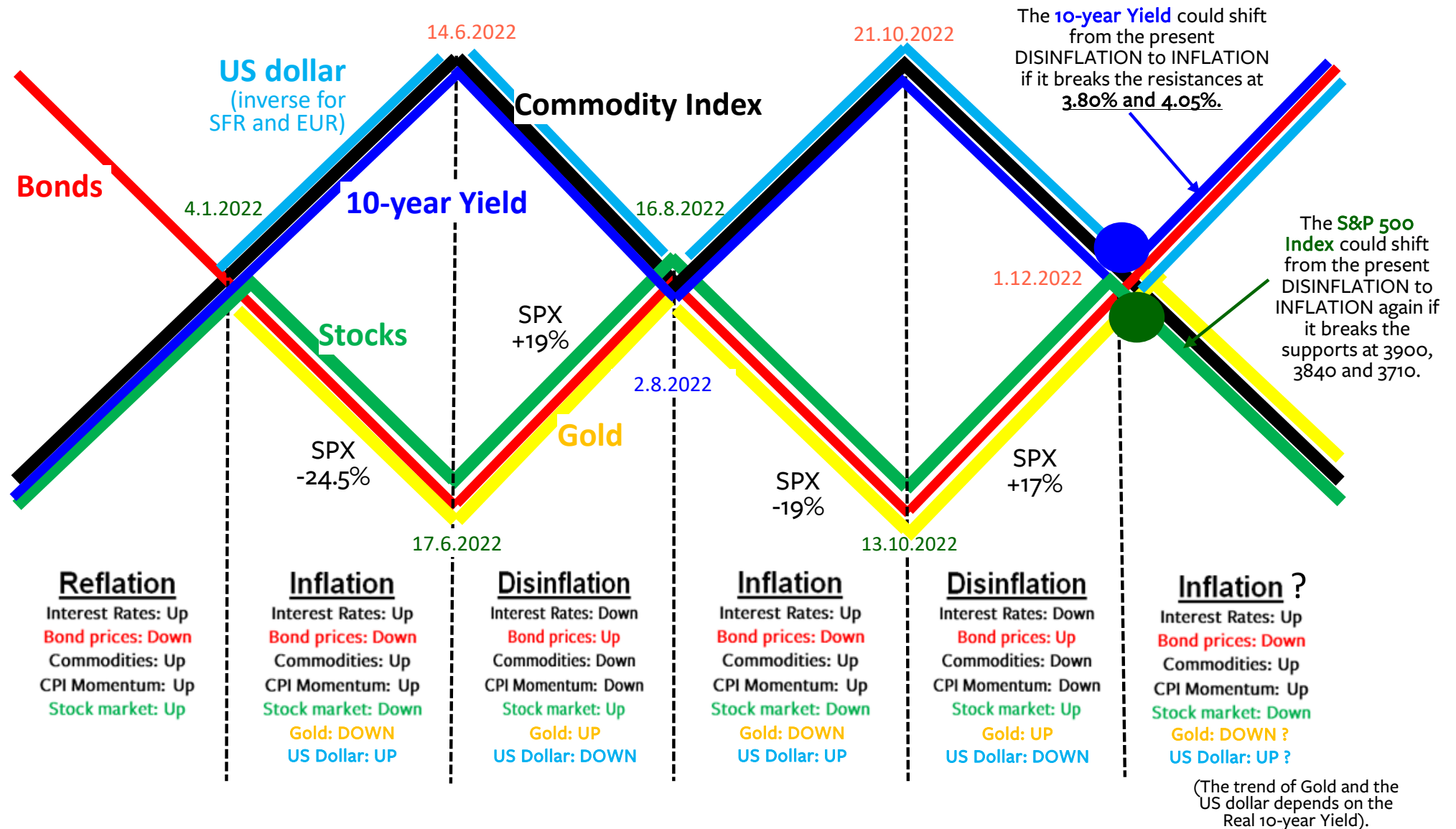
The Seasonal Financial Market Model – Shift from DISINFLATION to DEFLATION

The US 10-year Yield has dropped to the lowest support, above which the Disinflation from October is still in force. A break of the supports at 3.40% and 3.20% would signal that the US Cycle is shifting to Deflation.



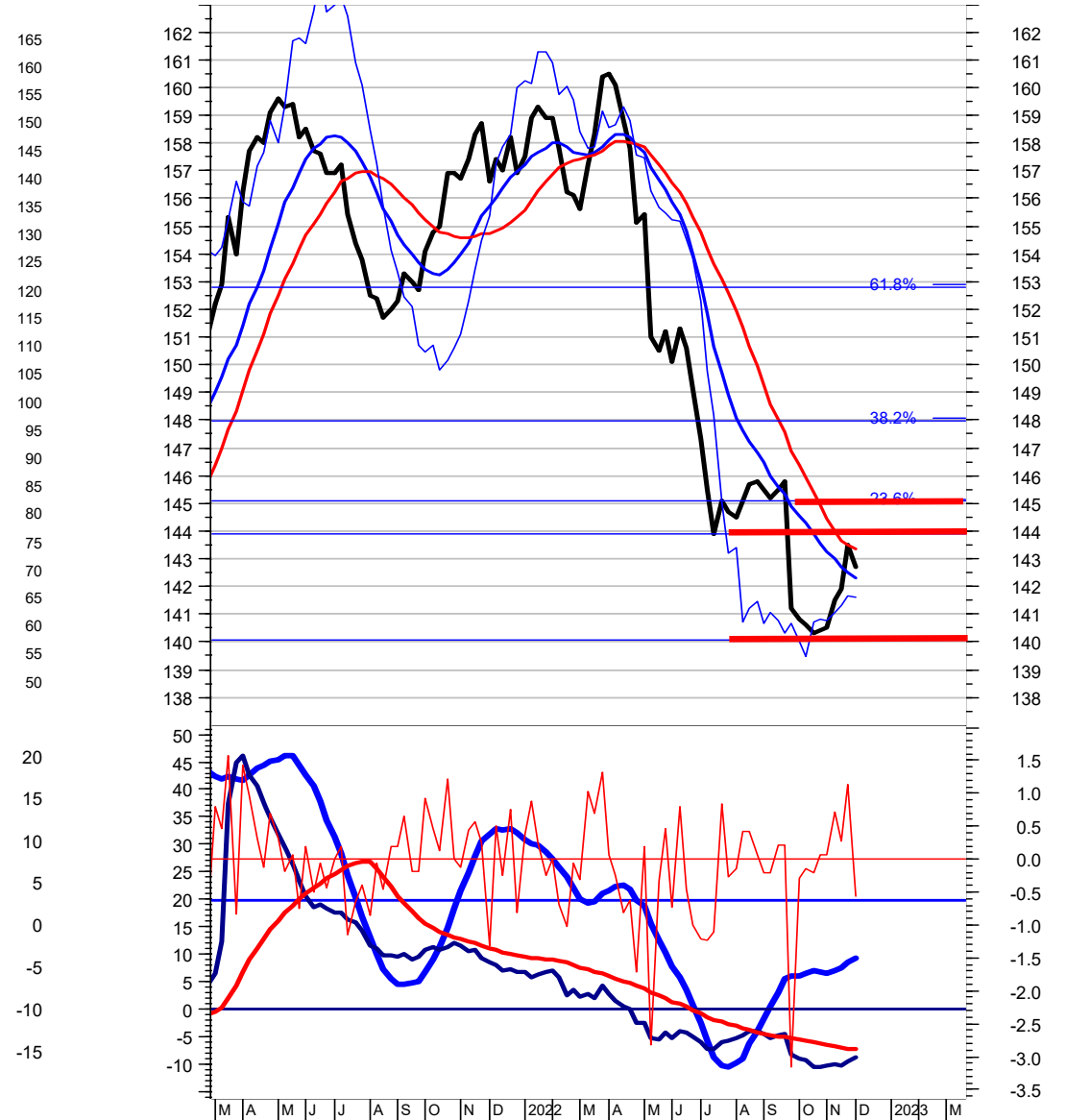
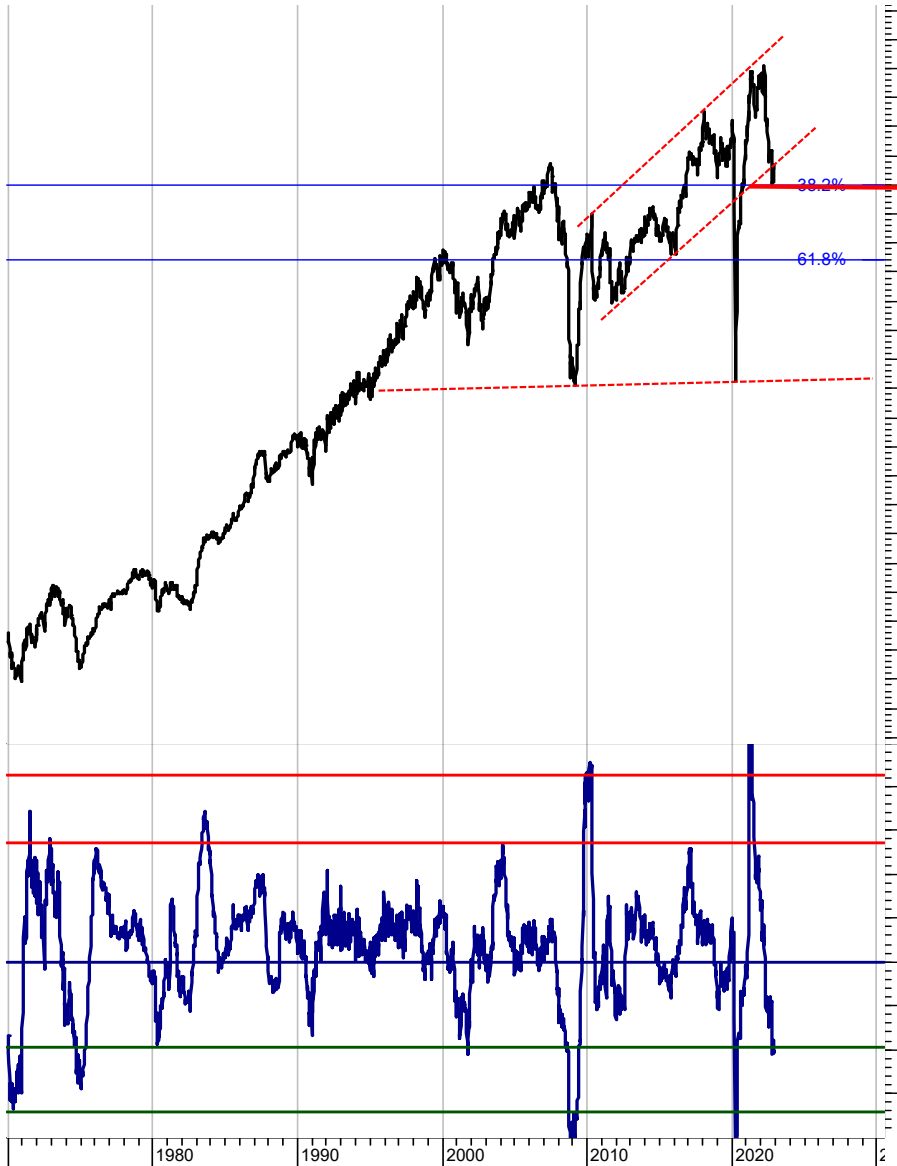
The Seasonal Financial Market Model – Shift from DISINFLATION to INFLATION

Last week, U.S. producer prices rose slightly more than expected in November amid a jump in the costs of services. It could have been a signal to expect the CPI print for November (to be released tomorrow) to be higher than expected. If the long-term uptrend in the Cpi re-accelerates, then the CPI YoY could be recorded above the October reading of 7.7%. Moreover, the slowdown in the US CPI YoY from June 2022 at 9.1% to October 7.75% is only 4 months old. The market took the decline as guaranteed that the cyclic Inflation has topped, hence the rally in the S&P 500 Index of 17%. If the CPI heats up again, it would be a massive disappointment to the financial markets.



Economic Cycle Research Institute - ECRI Weekly Leading Index

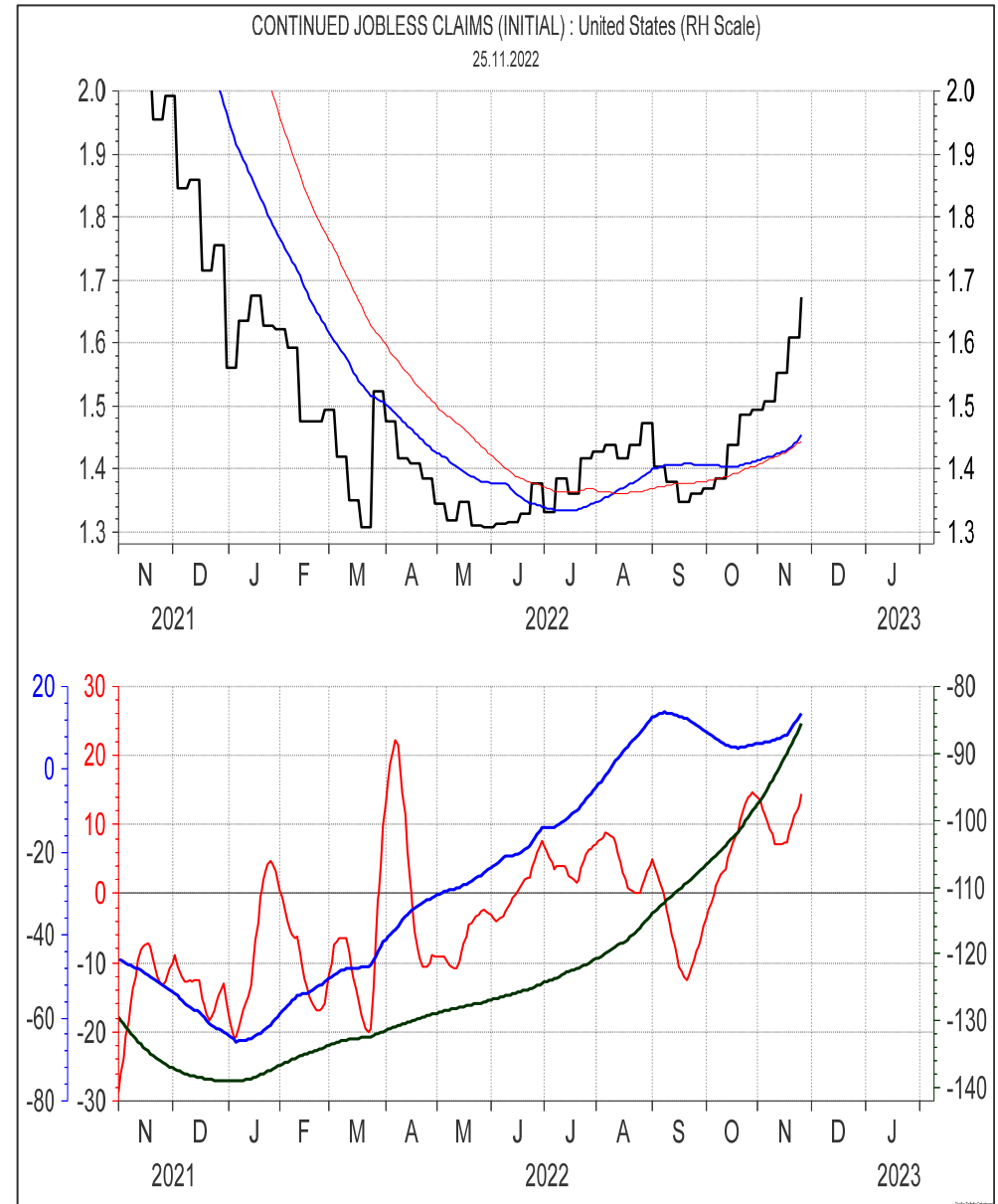
The ECRI posted a one-week decline from 143.50 on 25.11.2022 to 142.70 on 2.12.2022. The 1-week RoCh fell to -0.56% (bottom right, marked thin-curved red). The 12-month-Rate-of-Change has mildly recovered from the low of -10.58% on 21.12.2022 to -8.88% on 2.12.2022. For the ECRI to escape from the major downtrend, it would have to rise above 144 and 145. A break of the key support at 140 would be in line with a recessionary signal.



US Unemployment – Weekly Initial Jobless Claims (left) and Weekly Continued Jobless Claims (right)

The Weekly Jobless Claims (left) appears to be forming a horizontal triangle. They would signal a recession if the resistance at 240 and 260 is broken.

The Continued Jobless Claims continue to rise. The probability of a US recession could further increase if the resistances at 1.62 and 1.70 are broken.



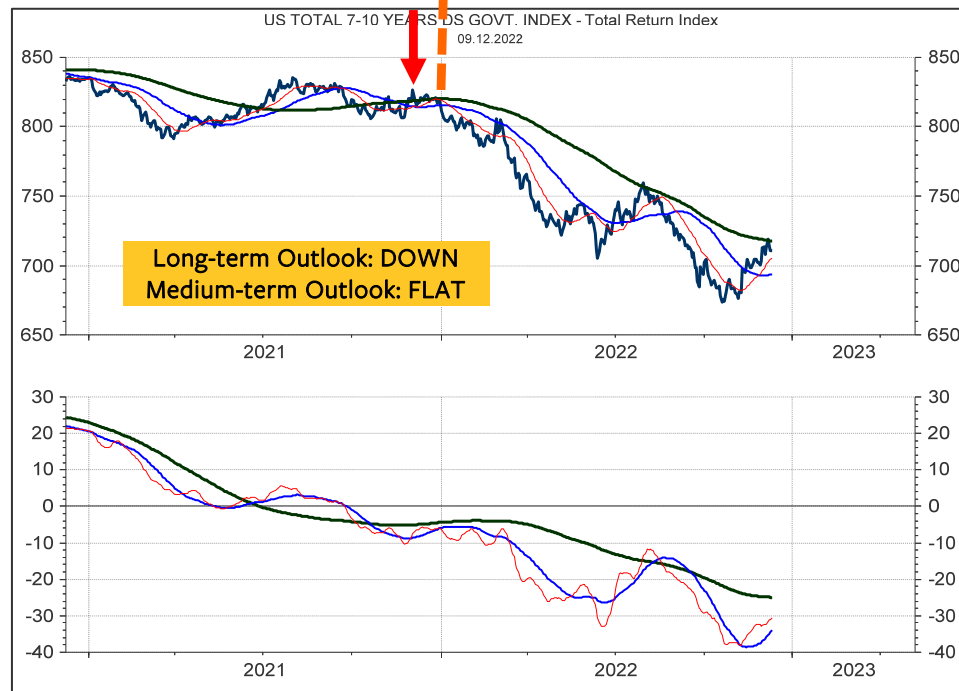
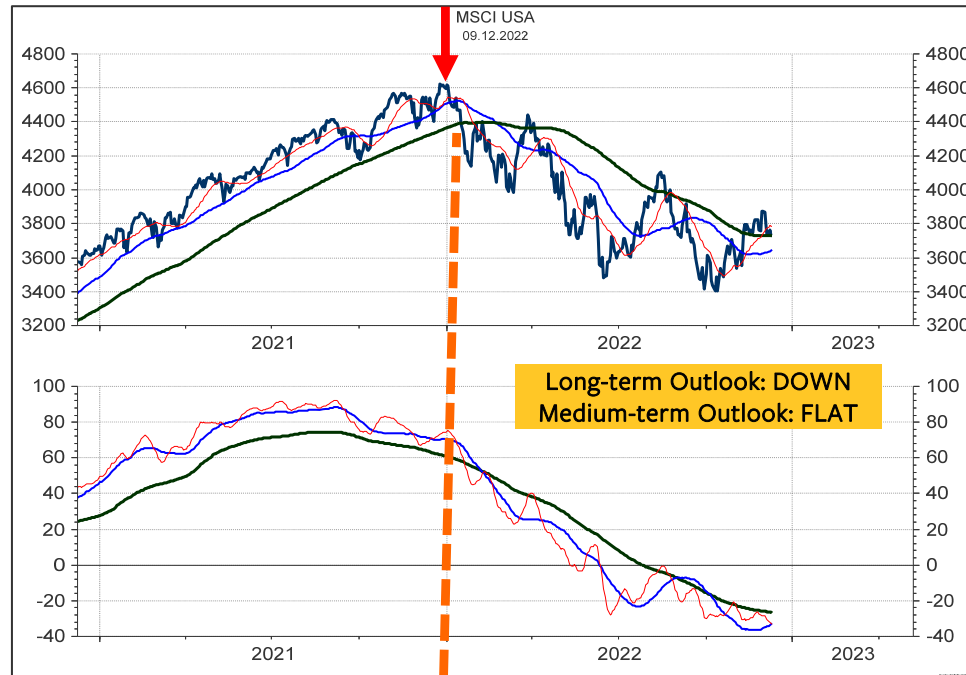
Nasdaq 100 Index

SCORE	INDEX		PRICE	LT	MT	ST
33%	NASDAQ COMPOSITE	.IXIC	11004.6	-	0	-

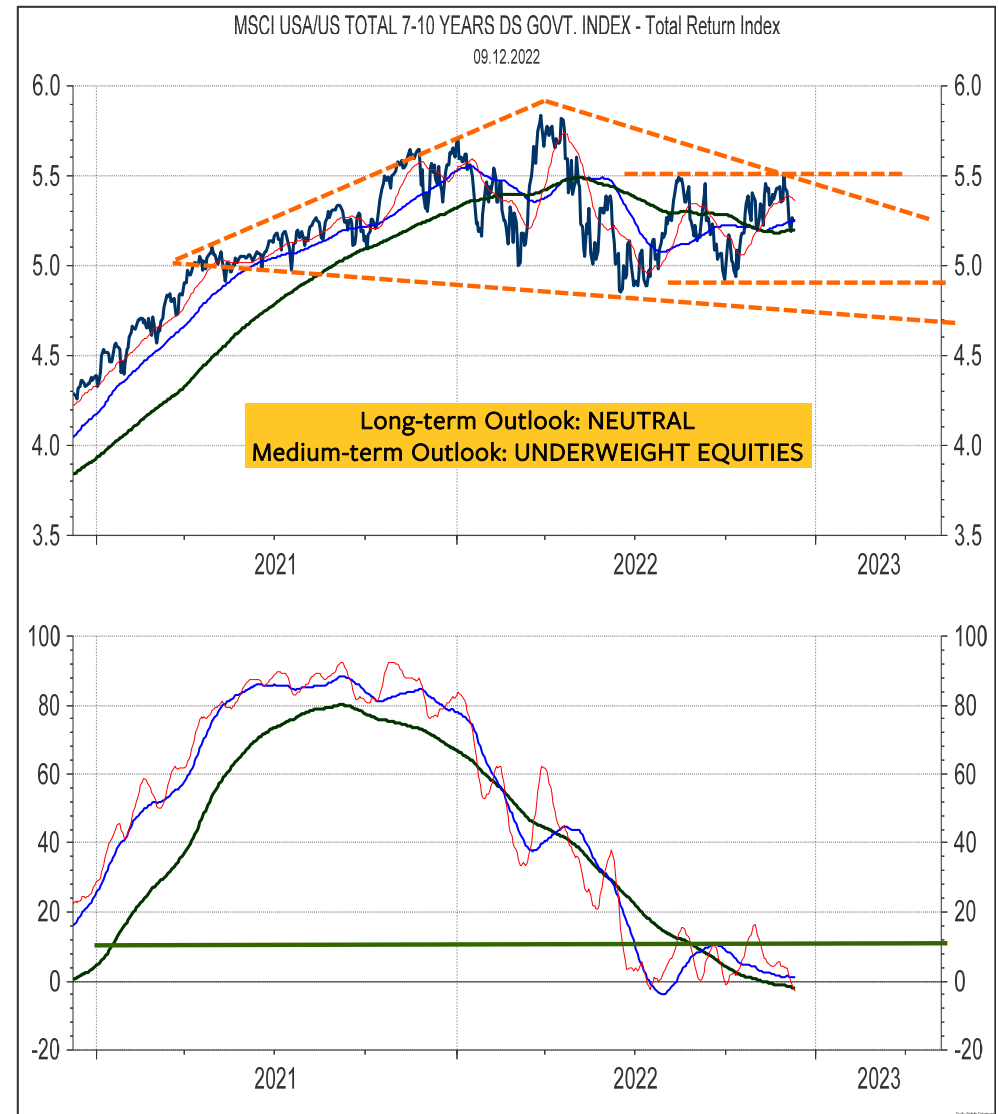
The Nasdaq 100 Index would have to rise above the resistances at 11850 and 12000 and 12300 to 12500 to escape from the downtrend, which originated in November 2021.



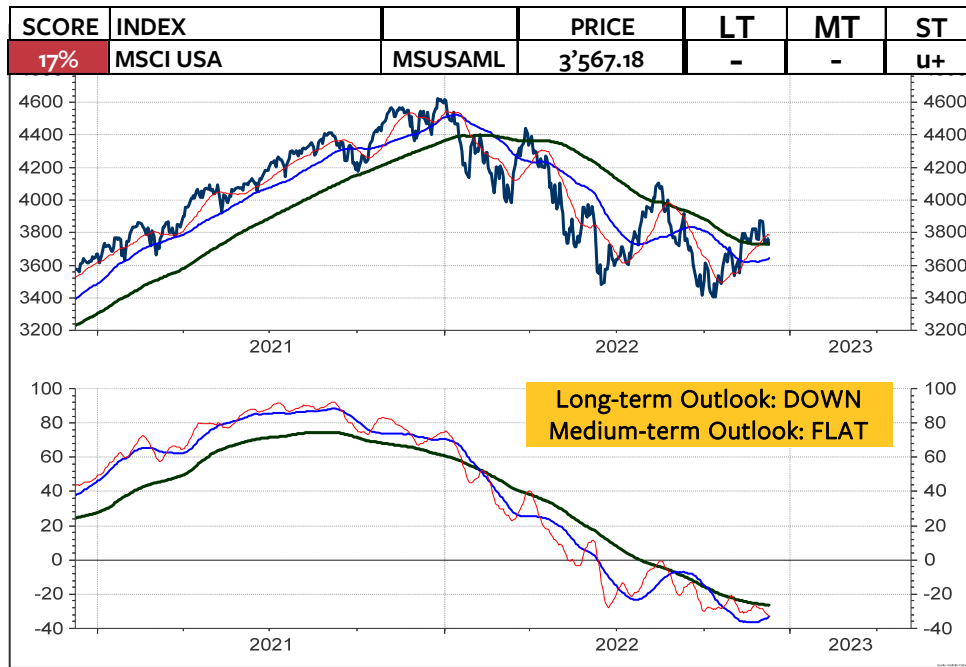
MSCI USA, the Total Return from 7-10-year US T-Notes and the MSCI USA relative to the Total Return



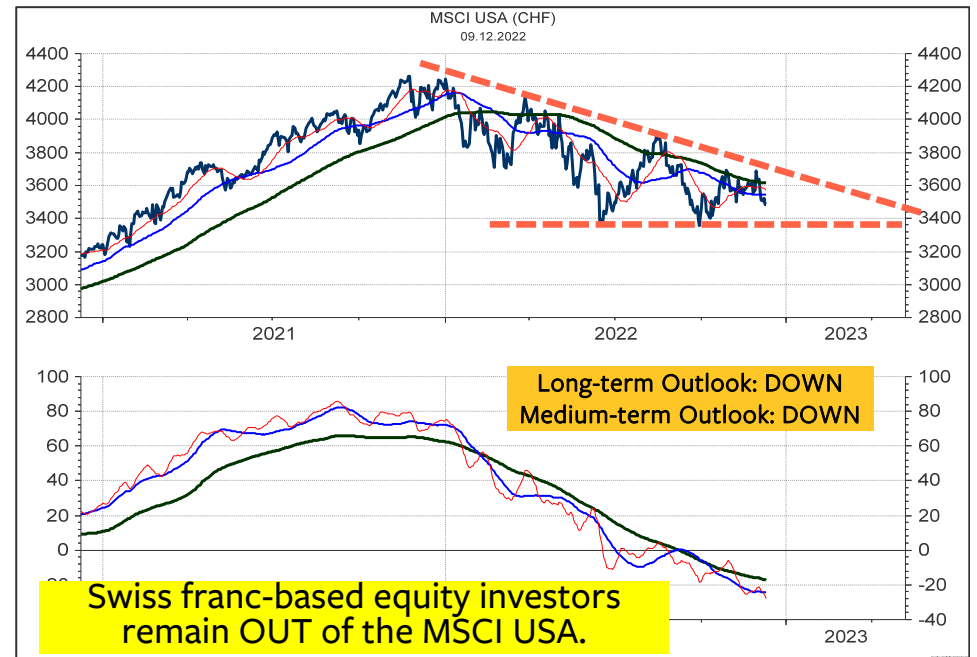
The MSCI USA (above left) and the Total Return from the 7-10-year US T-Notes (bottom left) have been tracing out a parallel long-term downtrend since January 2022. The medium-term rebound from late September has topped below the resistances, which I had projected at 5.30 and 5.50. For now, RELATIVE INVESTORS remain long-term NEUTRAL and medium-term UNDERWEIGHT EQUITIES and OVERWEIGHT BONDS. Relative medium-term downgrade could be signaled if the relative support at 4.90 is broken.



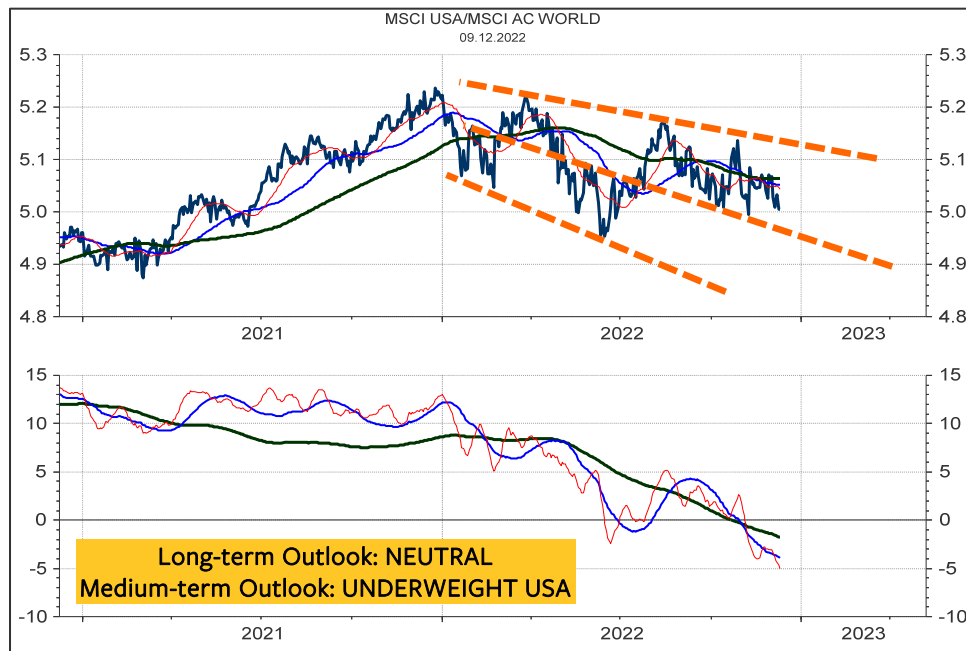
MSCI USA in US\$



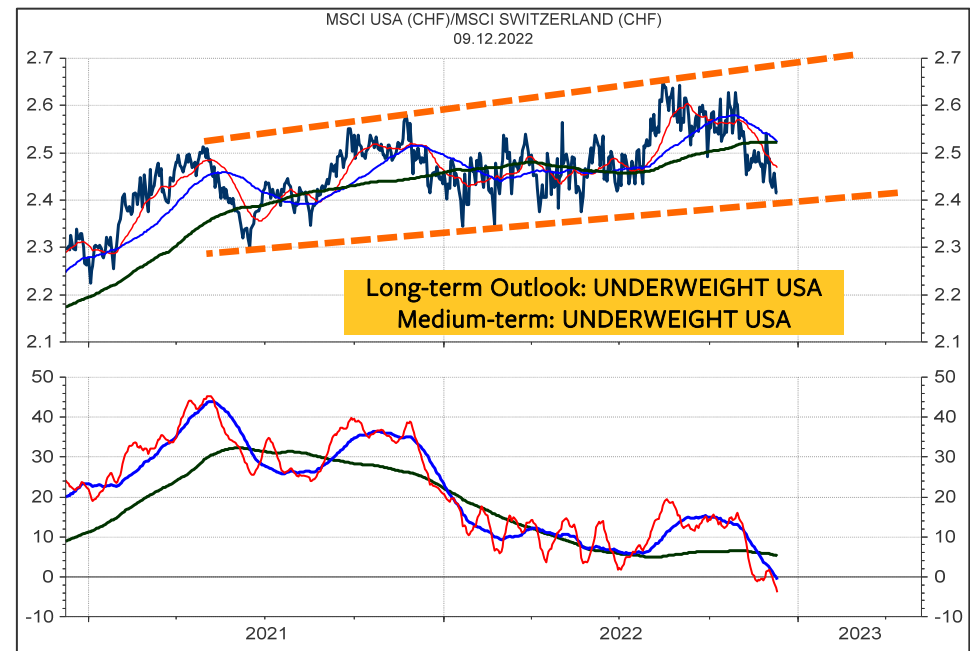
MSCI USA in Swiss franc



MSCI USA relative to the MSCI AC World



MSCI USA in SFR relative to MSCI Switzerland



Swiss Market Index

SCORE	INDEX		PRICE	LT	MT	ST
72%	SMI PR	.SSMI	11068.3	O	+	dd-

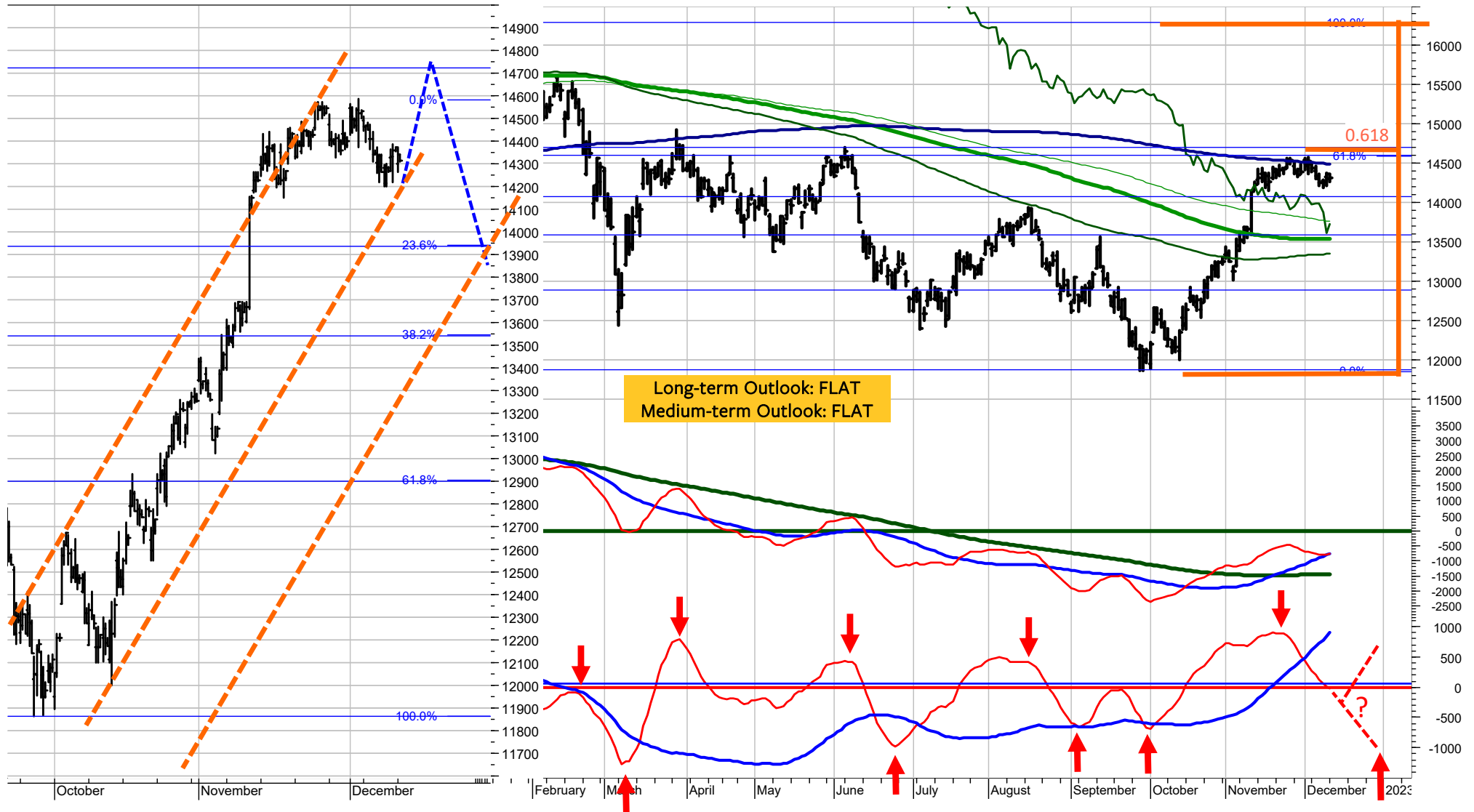
The rally from the low in October gave way to another short-term correction at the major resistance 11280 to 11350. The Medium-term and Long-term Models could move to DOWN if the supports are broken at 10930, 10800 and 10450. The bearish odds would be reduced if the resistances 11140 to 11160 are broken.



Deutscher Aktien Index DAX

SCORE	INDEX		PRICE	LT	MT	ST
83%	XETRA DAX PF/d	.GDAXI	14264.6	+	+	d-

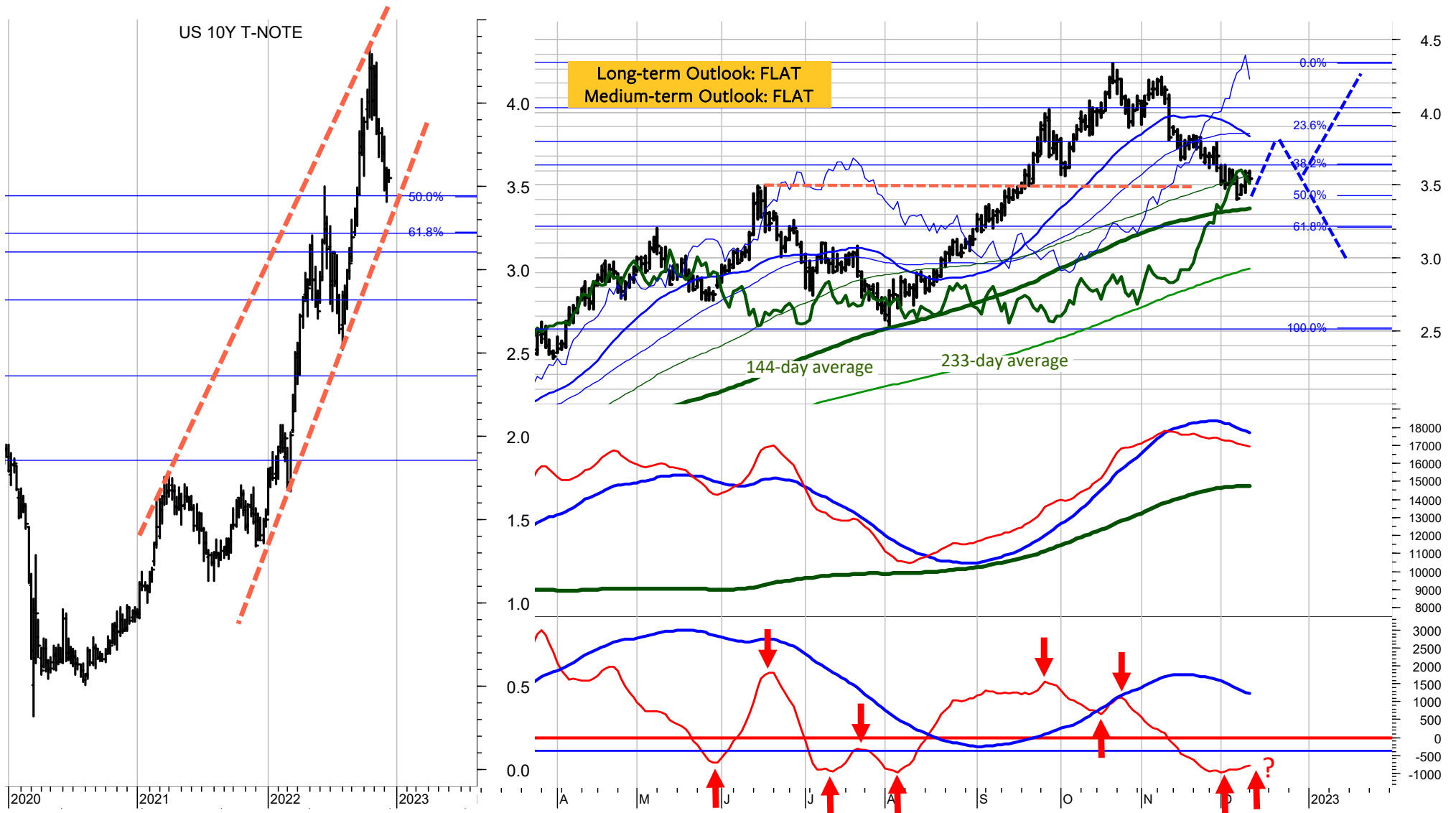
The DAX is testing the most important resistance range between 14450 and 14800. This is the 61.80% retracement resistance to the decline from January 2022 to late September. The Short-term Momentum Indicator fell to the neutral Zero line without the DAX having lost much ground. This implies that the DAX might want to rally to one more higher high around 14700 to 14800. Note that my Medium-term Outlook could move to UP if 14800 is broken. Short-term supports are 13900, 13500 and 12900.



US 10-year T-Note Yield

SCORE	COUNTRY BOND YIELD	RIC	PRICE	LT	MT	ST
22%	RF US GVT BMK BID YLD 10Y	US10YT=RR	3.5030	+	d-	-

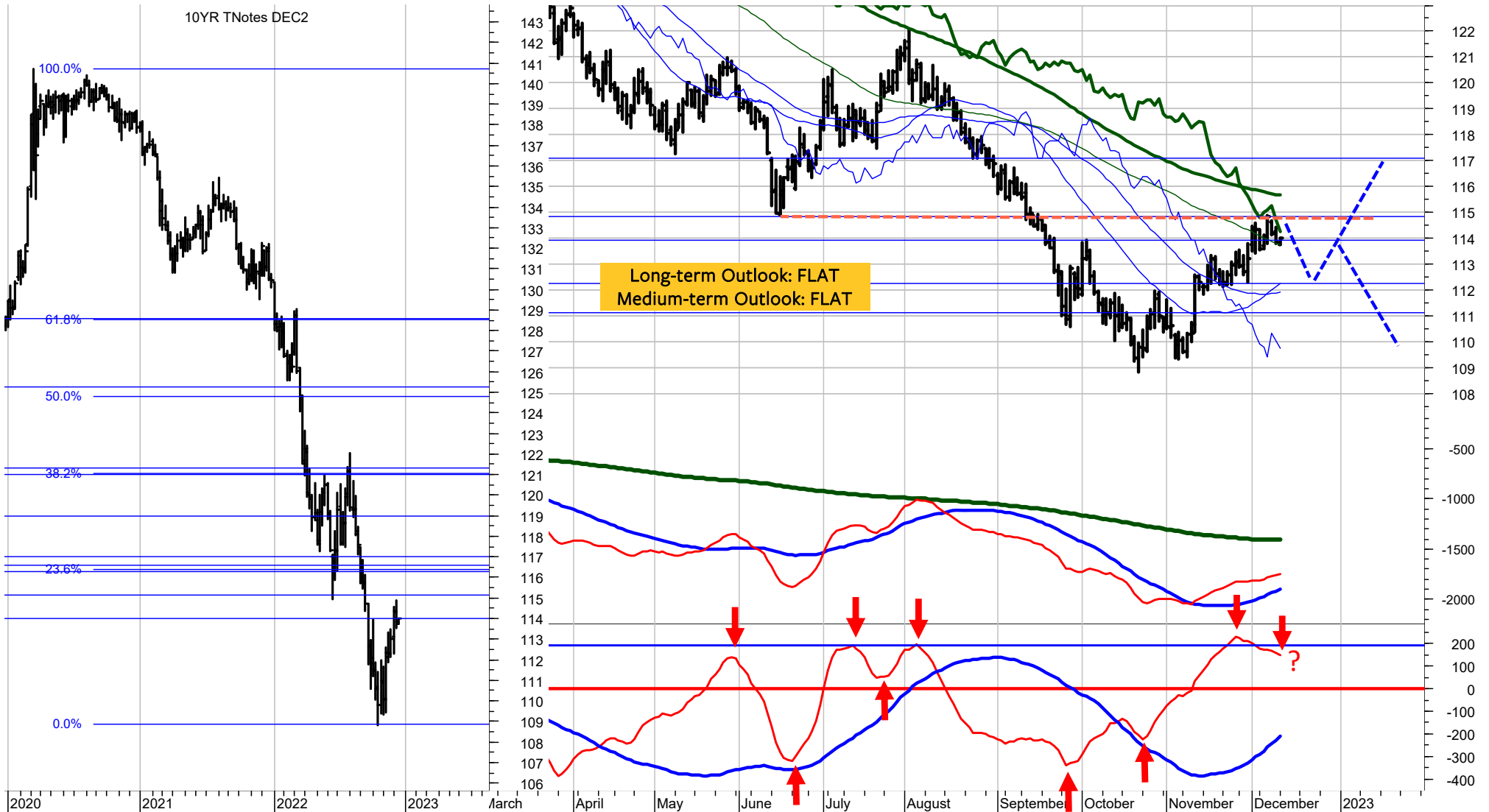
The 10-year Yield fell to the support at 3.4%. Based on the bottoming short-term momentum indicator, a rebound could start from here. But, a break of 3.4% and 3.2% could trigger a long-term downtrend signal.



US 10-year T-Notes Continuous Future

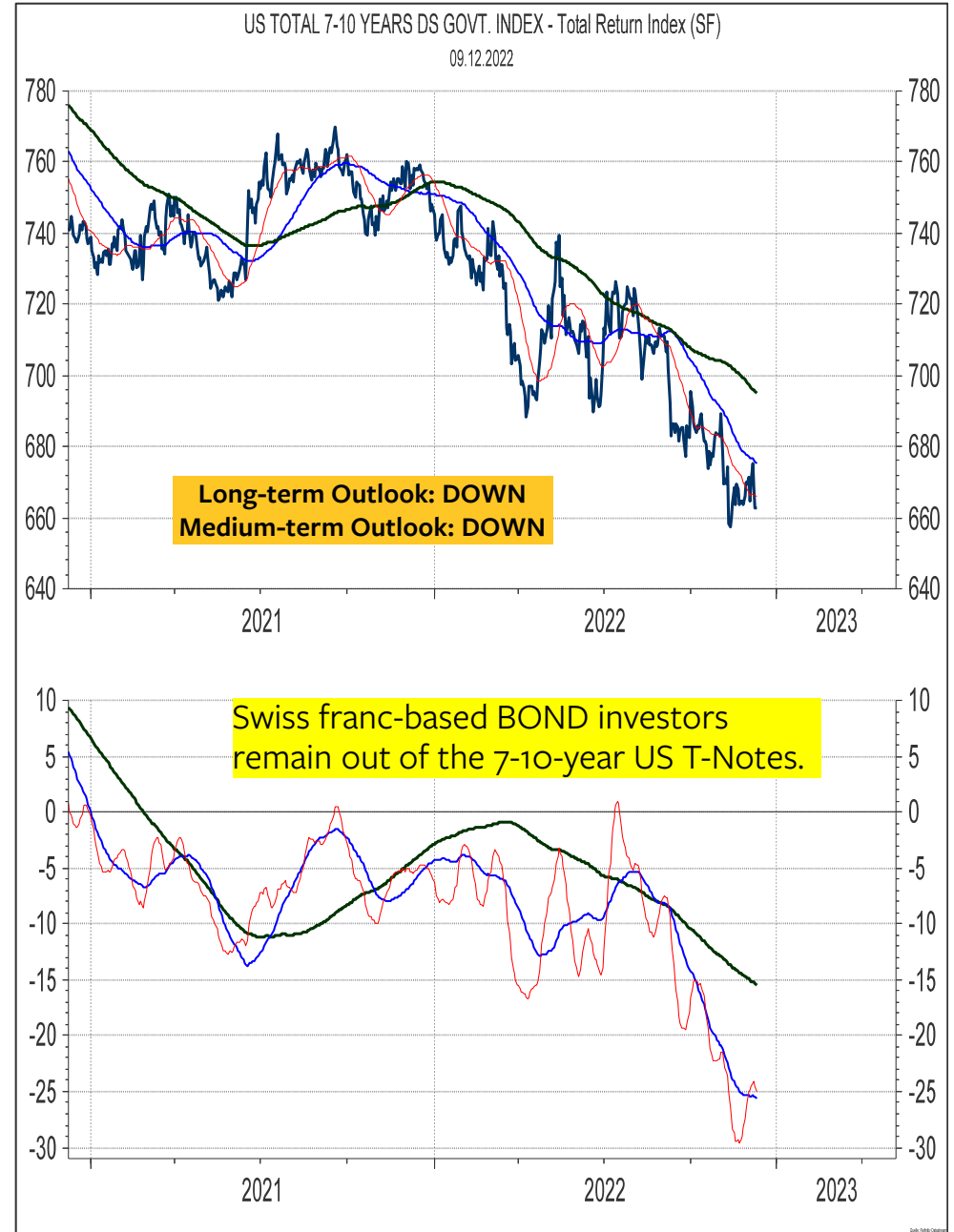
SCORE	FUTURE PRICE	CODE	PRICE	LT	MT	ST
67%	ECBOT-10 YEAR US T-NOTE CONT.	CZNC500	112.30	-	+	+

The medium-term rebound in the US 10-year T-Note Future has reached the resistance range between 114.50 and 115. The next short-term momentum decline will indicate if a long-term bottom is forming or if the long-term downtrend resumes to lower lows below 108.80. Note that my Long-term Outlook could move to UP if 115 and 116 is broken.



Total Return from 7-10-year US T-Notes in US\$

Total Return from 7-10-year US T-Notes in Swiss franc



Swiss 10-year Bond Yield

SCORE	COUNTRY BOND YIELD	RIC	PRICE	LT	MT	ST
44%	RF SWITZERLAND GVT BMK BID YLD 10Y	CH10YT=RR	1.0420	+	-	UU+

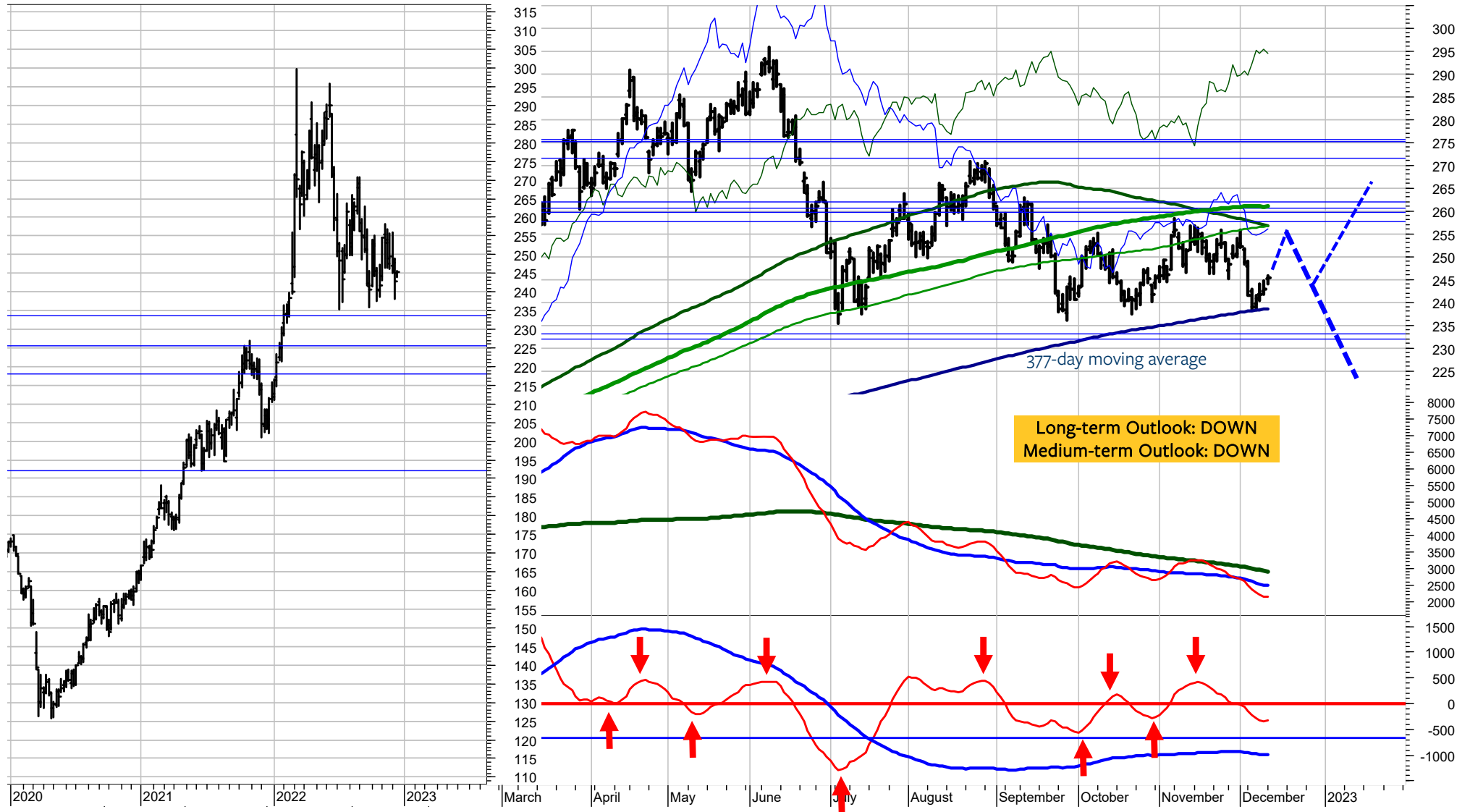
The Swiss 10-year Conf Yield remains in a trading range between resistances at 1.43% to 1.60% and supports at 0.92% to 0.80%. My Long-term Outlook could move to DOWN if the support at 0.80% is broken.



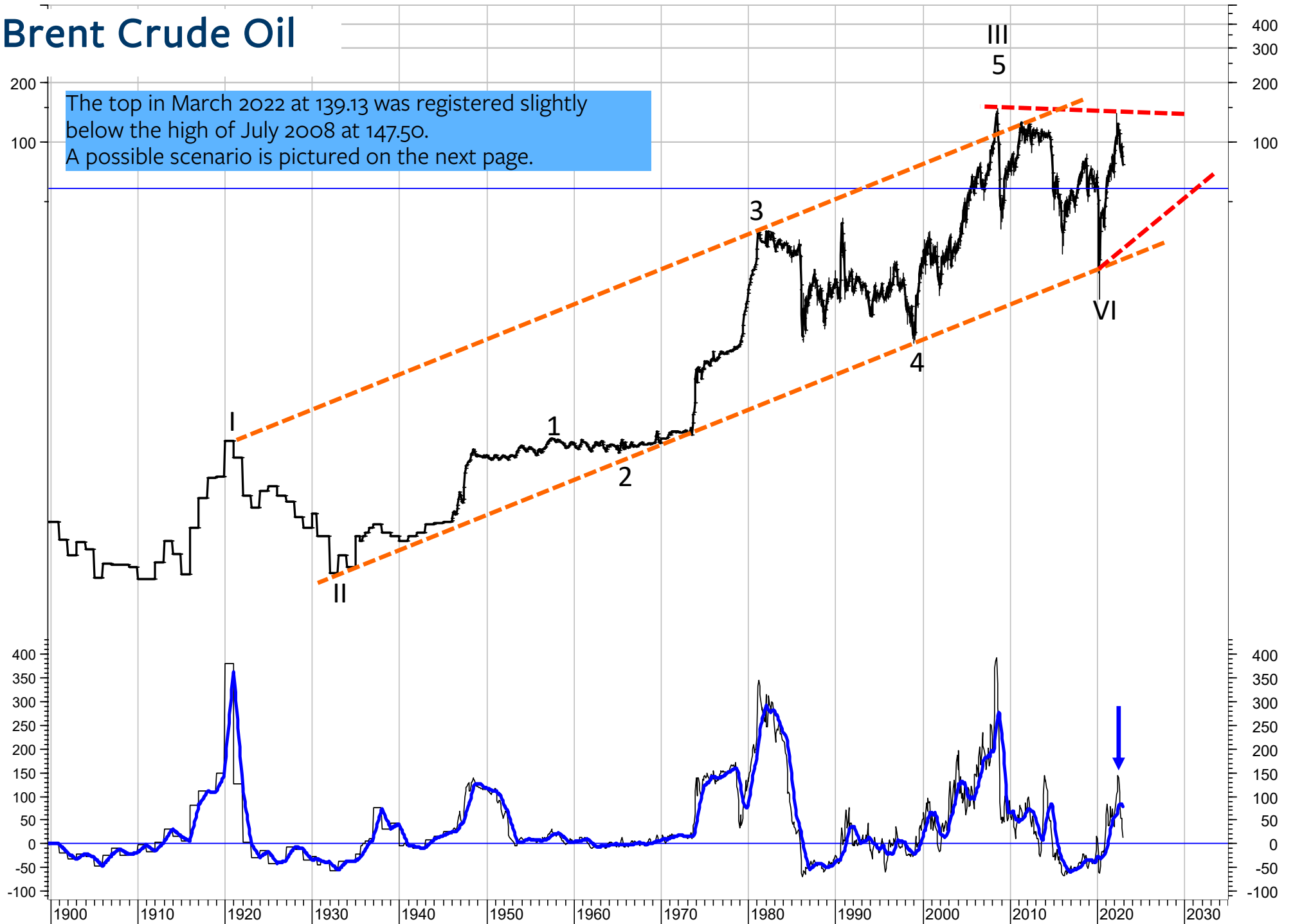
Bloomberg Commodity Total Return Index

SCORE	COMMODITY	CODE	PRICE	LT	MT	ST
39%	BLOOMBERG COMMODITY INDEX	DJUBSTR	248.97	d-	+	do

The Bloomberg Commodity Index is testing the 377-day moving average at 238, a break of which would signal more weakness to 233, 225 or 218.



Brent Crude Oil

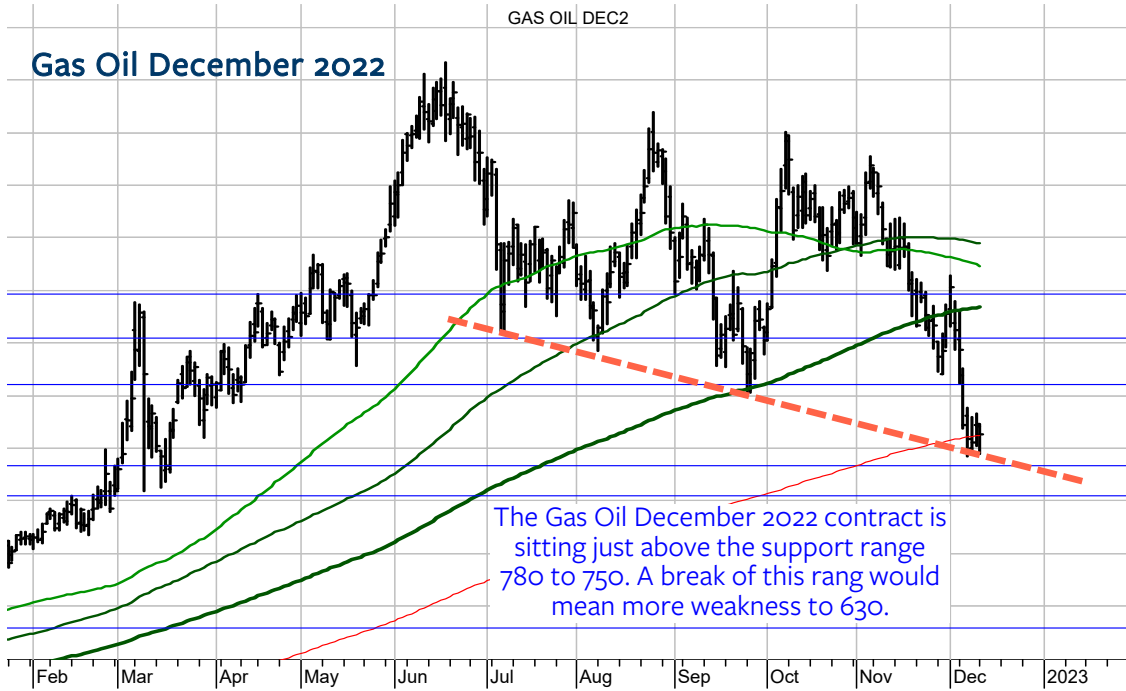


Brent Crude – February 2023 contract

Because the high in March 2022 was registered below the high from 2008, the most likely scenario is that a horizontal triangle (A-B-C-D-E) is forming. The Triangle itself could be Wave IV of the secular uptrend from the low in the year 1932. Note that trend, momentum and levels are more important than time. Major support to the present decline is at 60 to 55.



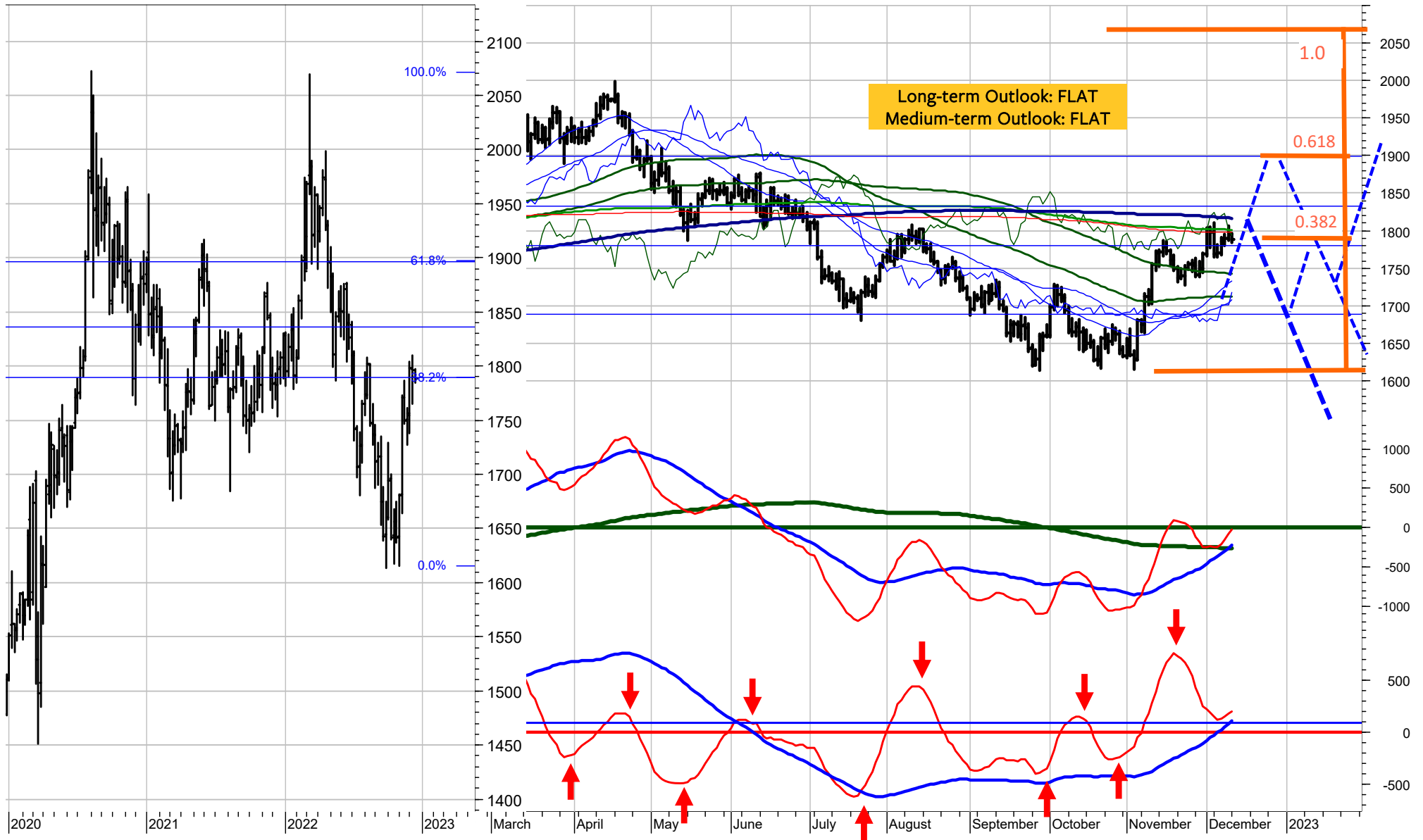
Gas Oil Contracts December 2022 to December 2027



SCORE	CONTRACT MONTH	CODE	PRICE	LT	MT	ST
0%	ICE-GAS OIL DEC 2022	LLE1222	820.75	-	-	-
0%	ICE-GAS OIL JAN 2023	LLE0123	815.00	-	-	-
0%	ICE-GAS OIL FEB 2023	LLE0223	806.25	-	-	-
0%	ICE-GAS OIL MAR 2023	LLE0323	792.25	-	-	-
0%	ICE-GAS OIL APR 2023	LLE0423	777.00	-	-	-
0%	ICE-GAS OIL MAY 2023	LLE0523	766.25	-	-	-
0%	ICE-GAS OIL JUN 2023	LLE0623	759.50	-	-	-
0%	ICE-GAS OIL JUL 2023	LLE0723	756.75	-	-	-
0%	ICE-GAS OIL AUG 2023	LLE0823	755.50	-	-	-
0%	ICE-GAS OIL SEP 2023	LLE0923	754.50	-	-	-
0%	ICE-GAS OIL OCT 2023	LLE1023	753.50	-	-	-
0%	ICE-GAS OIL NOV 2023	LLE1123	749.75	-	-	-
0%	ICE-GAS OIL DEC 2023	LLE1223	744.75	-	-	-
0%	ICE-GAS OIL JAN 2024	LLE0124	741.25	-	-	-
0%	ICE-GAS OIL FEB 2024	LLE0224	739.25	-	-	-
0%	ICE-GAS OIL MAR 2024	LLE0324	738.00	-	-	-
0%	ICE-GAS OIL APR 2024	LLE0424	736.00	-	-	-
0%	ICE-GAS OIL MAY 2024	LLE0524	734.00	-	-	-
0%	ICE-GAS OIL JUN 2024	LLE0624	732.00	-	-	-
0%	ICE-GAS OIL JUL 2024	LLE0724	730.25	-	-	-
0%	ICE-GAS OIL AUG 2024	LLE0824	728.50	-	-	-
0%	ICE-GAS OIL SEP 2024	LLE0924	727.75	-	-	-
0%	ICE-GAS OIL OCT 2024	LLE1024	727.00	-	-	-
17%	ICE-GAS OIL NOV 2024	LLE1124	725.00	-	0	-
0%	ICE-GAS OIL DEC 2024	LLE1224	721.50	-	-	-
17%	ICE-GAS OIL JAN 2025	LLE0125	720.50	-	0	-
17%	ICE-GAS OIL FEB 2025	LLE0225	718.00	-	0	-
17%	ICE-GAS OIL MAR 2025	LLE0325	717.00	-	0	-
17%	ICE-GAS OIL APR 2025	LLE0425	715.75	-	0	-
17%	ICE-GAS OIL MAY 2025	LLE0525	714.50	-	0	-
17%	ICE-GAS OIL JUN 2025	LLE0625	713.25	-	0	-
17%	ICE-GAS OIL JUL 2025	LLE0725	712.25	-	0	-
17%	ICE-GAS OIL AUG 2025	LLE0825	711.25	-	0	-
17%	ICE-GAS OIL SEP 2025	LLE0925	710.25	-	0	-
17%	ICE-GAS OIL OCT 2025	LLE1025	709.00	-	0	-
17%	ICE-GAS OIL NOV 2025	LLE1125	707.50	-	0	-
17%	ICE-GAS OIL DEC 2025	LLE1225	705.00	-	0	-
17%	ICE-GAS OIL JAN 2026	LLE0126	703.75	-	0	-
17%	ICE-GAS OIL FEB 2026	LLE0226	703.00	-	0	-
17%	ICE-GAS OIL MAR 2026	LLE0326	702.50	-	0	-
17%	ICE-GAS OIL APR 2026	LLE0426	702.00	-	0	-
17%	ICE-GAS OIL MAY 2026	LLE0526	701.50	-	0	-
17%	ICE-GAS OIL JUN 2026	LLE0626	700.75	-	0	-
17%	ICE-GAS OIL JUL 2026	LLE0726	700.50	-	0	-
17%	ICE-GAS OIL AUG 2026	LLE0826	700.00	-	0	-
17%	ICE-GAS OIL SEP 2026	LLE0926	699.50	-	0	-
17%	ICE-GAS OIL OCT 2026	LLE1026	699.25	-	0	-
17%	ICE-GAS OIL NOV 2026	LLE1126	698.75	-	0	-
17%	ICE-GAS OIL DEC 2026	LLE1226	698.25	-	0	-
17%	ICE-GAS OIL JAN 2027	LLE0127	698.00	-	0	-
17%	ICE-GAS OIL FEB 2027	LLE0227	697.75	-	0	-
17%	ICE-GAS OIL MAR 2027	LLE0327	697.50	-	0	-
17%	ICE-GAS OIL APR 2027	LLE0427	697.25	-	0	-
17%	ICE-GAS OIL MAY 2027	LLE0527	697.00	-	0	-
17%	ICE-GAS OIL JUN 2027	LLE0627	696.50	-	0	-
17%	ICE-GAS OIL AUG 2027	LLE0827	696.50	-	0	-
17%	ICE-GAS OIL SEP 2027	LLE0927	696.25	-	0	-
17%	ICE-GAS OIL OCT 2027	LLE1027	696.25	-	0	-
17%	ICE-GAS OIL NOV 2027	LLE1127	696.00	-	0	-
17%	ICE-GAS OIL DEC 2027	LLE1227	695.50	-	0	-

Gold Spot Price

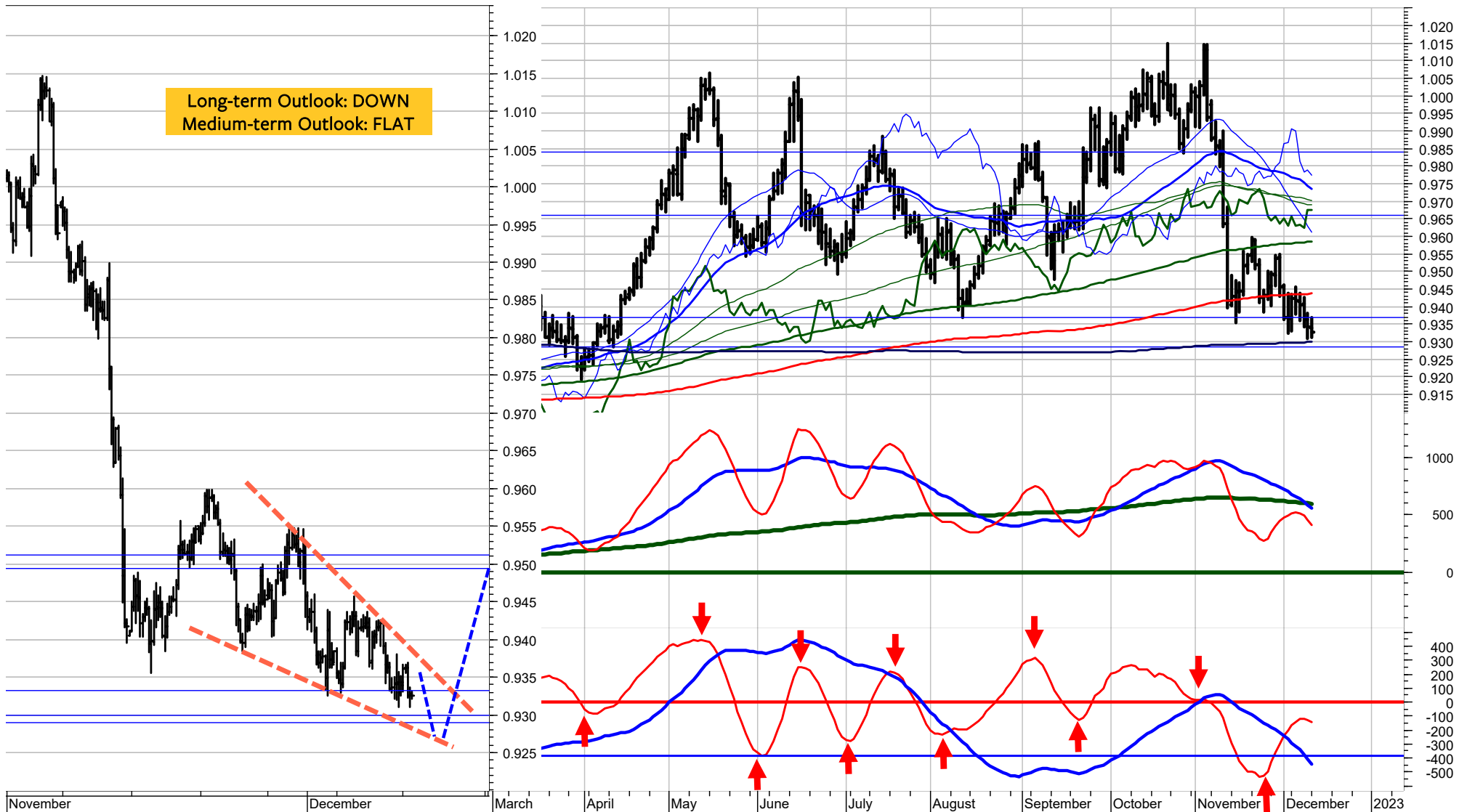
The Gold rally from early November appears to be capped by the resistance range between 1810 and 1840. The major trend is likely to turn DOWN again with the break of the supports at 1760, 1730 and 1680. Note that my Long-term Outlook could move to UP if 1840 and 1900 is broken.



Swiss Franc per US DOLLAR

SCORE	CURRENCY	RIC	PRICE	LT	MT	ST
0%	US DOLLAR/Swiss Franc	CHF=	0.9343	-	-	d-

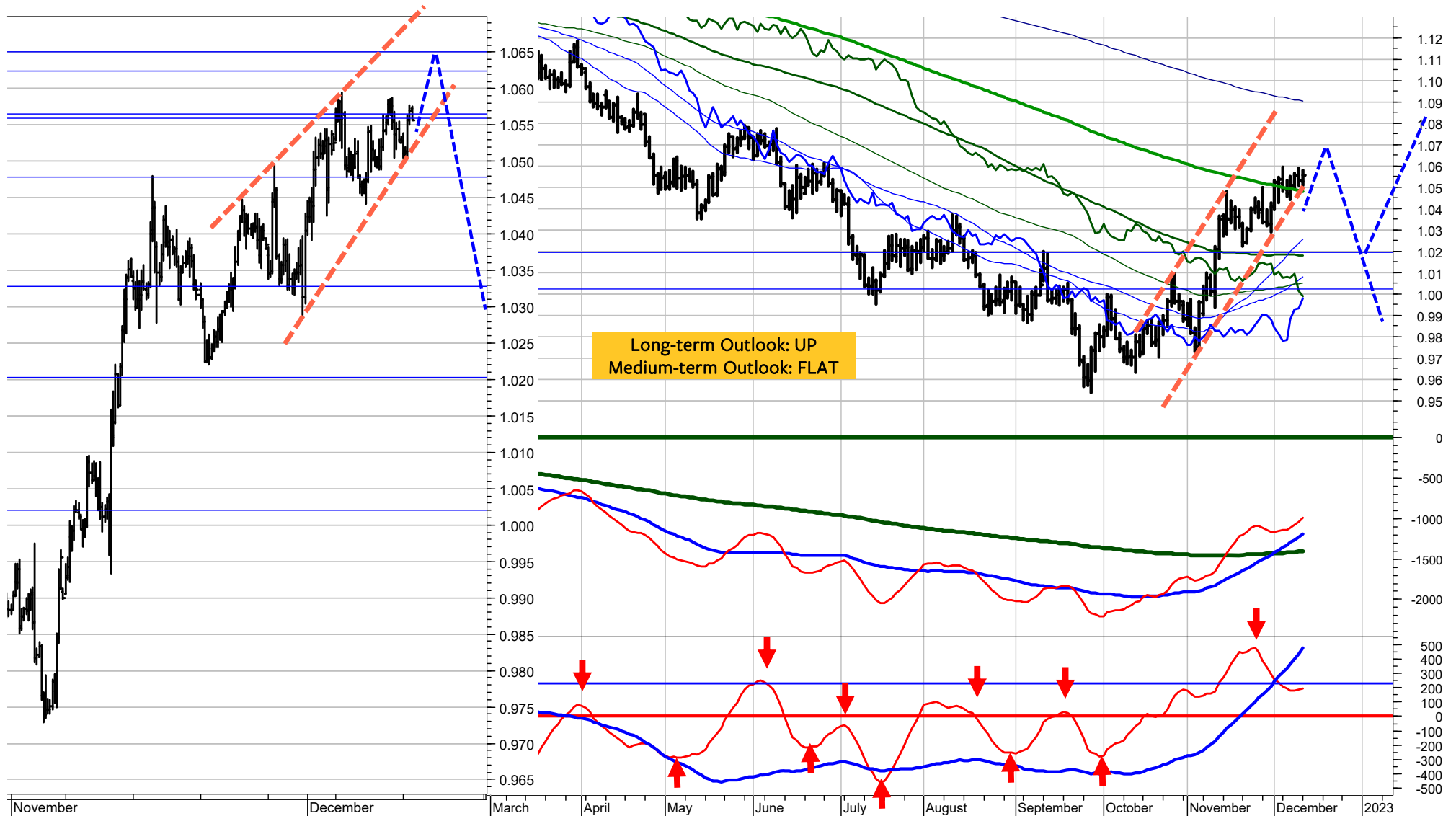
The US dollar could be forming a Wedge, which could terminate the decline from early November. Possibly, another dollar rally could be traced out from the long-term support range between 0.9350 to 0.9250. If indeed the US Cycle shifts to DEFLATION, then the US dollar could stage another strong up move.



US dollar per EURO

SCORE	CURRENCY	RIC	PRICE	LT	MT	ST
100%	Euro/US DOLLAR	EUR=	1.0530	+	+	+

The Euro could be forming a Wedge, which could terminate the Euro rally from the low in September. It could register another higher high, but should enter a decline of at least short-term degree with the break of the supports at 1.0320, 1.02 and 1.00.



Swiss franc per EURO

SCORE	CURRENCY	RIC	PRICE	LT	MT	ST
61%	Euro/SwissFranc	EURCHF=	0.9838	+	+	do

The Euro is trading in a neutral range above supports at 0.98, 0.9750, 0.96 and below resistances at 0.9920 and 0.9930. The positive long-term model would be confirmed if the Euro can break above 0.9940 and 1.0050.



US Dollar to BITCOIN Crypto

The Bitcoin would have to break above the resistance range between 17400 and 17600 to signal more strength towards 18100. The risk is that the rally from the low in November is part of a neutral consolidation and that the long-term downtrend resumes with the break of the supports at 16600, 16200 and 15700.



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Sources

The charts in this publication are from Metastock and Datastream from Refinitiv Equis. All indicators and analyses are by Rolf Bertschi.

Explanations

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

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