

EQUITIES

- Are stocks **HOLED** below the water line and slowly sinking? The big problem with this statement is that we really need to see the monthly closes, which is a long way off. This weeks settlements may offer a few hints to straddle the time gap.
- US stocks remain the most over bought and many have recovered **MORE** than 200% of the 2008-2009 correction.
- The **DOW** and **S&P** have major RSI dislocations spread across monthly, weekly and daily durations! This is a **DANGEROUS** combination.
- Some RSI's surpass 1950 and 1980 levels.
- US stocks highlight the most **CONCERN**.

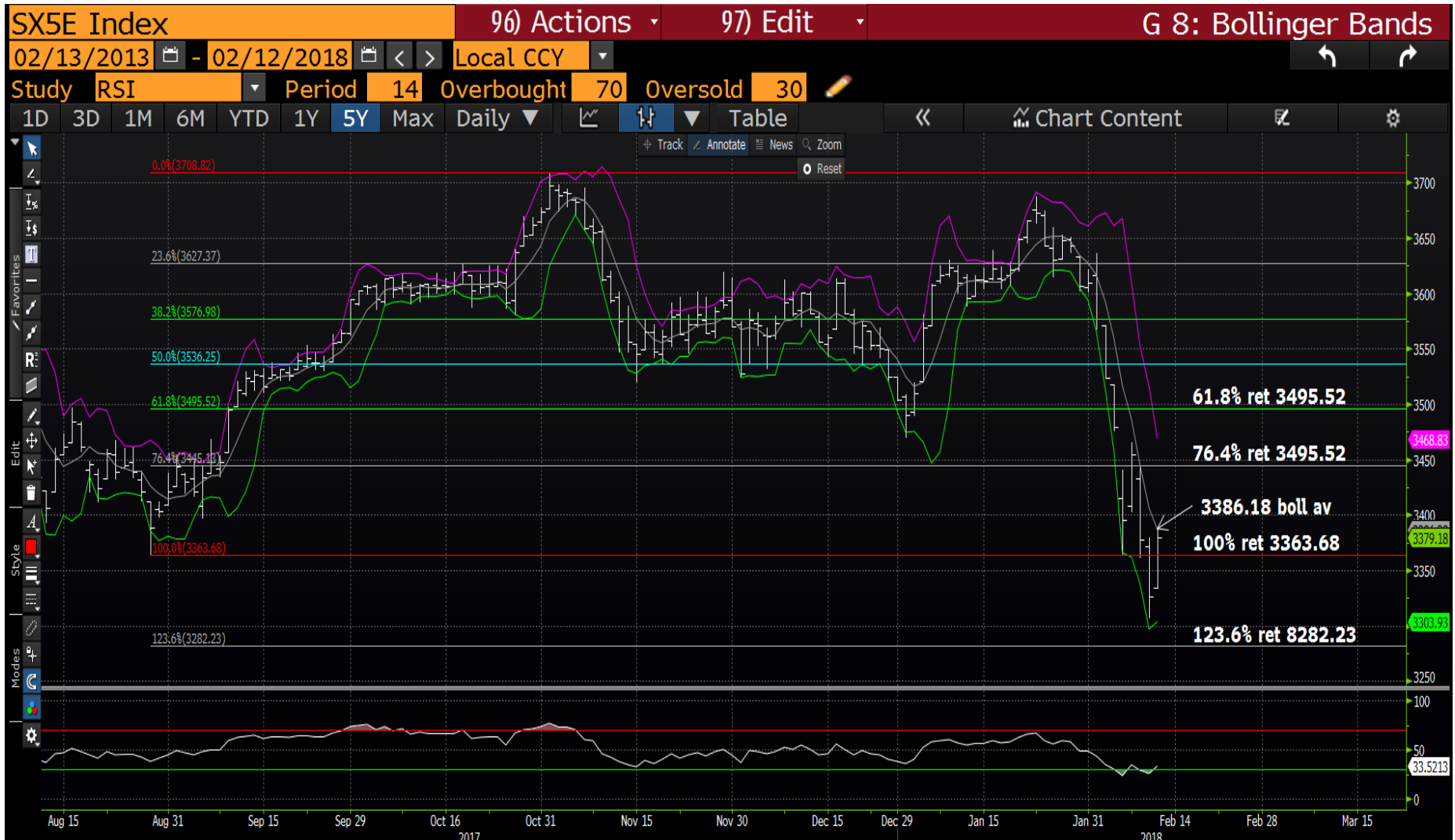
Eurostoxx monthly : We have breached the 38.2% ret 3654 having spent several months teasing the level. This is a massive range for any month so would expect a BOUNCE but a subsequent WEAK close this month will confirm a GREATER CONCERN.



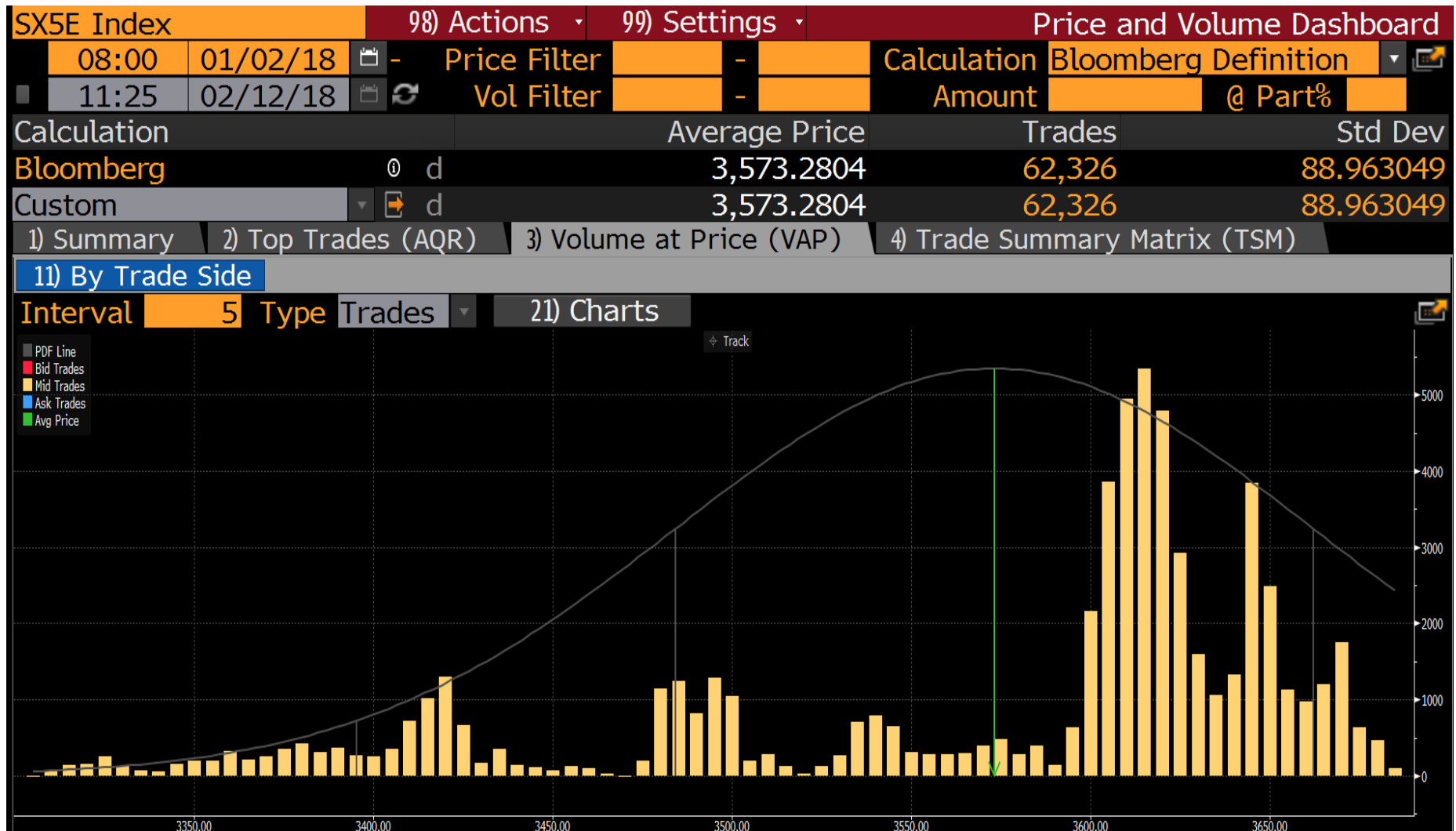
Eurostoxx weekly : Wide bollinger bands are a worry they imply nasty low volume ranges.
Unless we breach 3505.88 bollinger average then this remains a negative situation.



Eurostoxx daily : The RSI has been driven to an oversold situation by the recent price action. Despite the RSI I would be cautious about doing TOO MUCH HERE. A key test is remaining sub the 3386.18 bollinger average.



Eurostox VAP (Volume at price) : It is VERY evident we are sub a lot of volume whilst a LACK of volume means the market could be very “skittish”!



FTSE monthly : The breach of 123.6% ret 7527.88 triggered major stops and providing we close the month weak this will be a major statement.



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FTSE weekly : A speedy decline to the 100% ret 7119.35 but the RSI still has room.



FTSE daily : A decent RSI dislocation as we hit the 61.8% ret 7067.39, making it my focus contract for any “bounce”. We continue to HOLD but recovery seems limited.



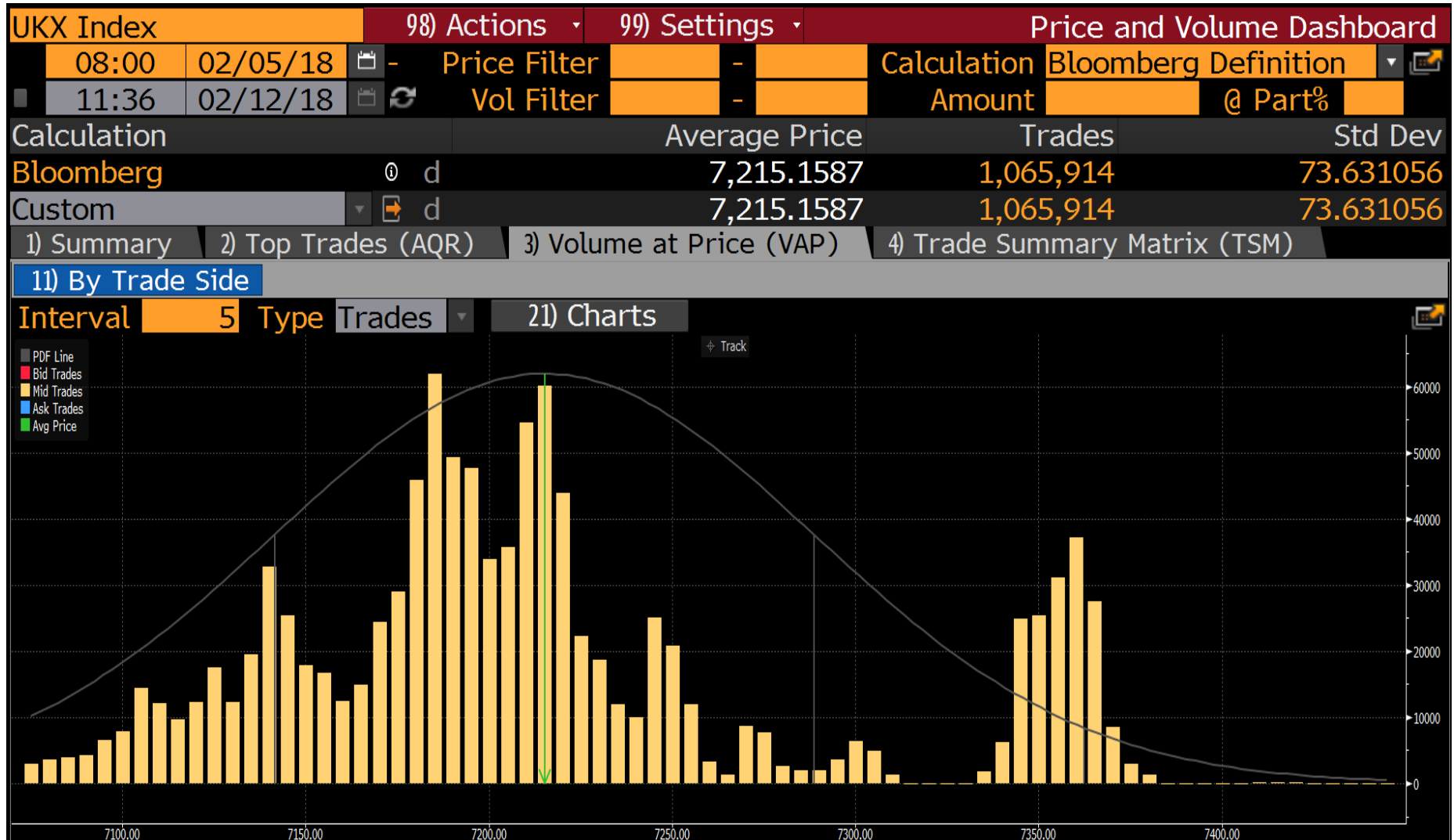
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FTSE daily : The bollingers are useful in this case given we have remained below it for some time. Above 7172.69 bollinger average will trigger stops and work off some of the RSI over sold status.



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FTSE VAP : A slightly GAPPY volume chart and sadly short on time duration BUT we are teasing around the last MAJOR volume BAR 7180.00.



DAX monthly : This had A LOT of tension built in with MONTHS of volume and positioning ABOVE the 200% ret 12741.25. It does look like that was the high.



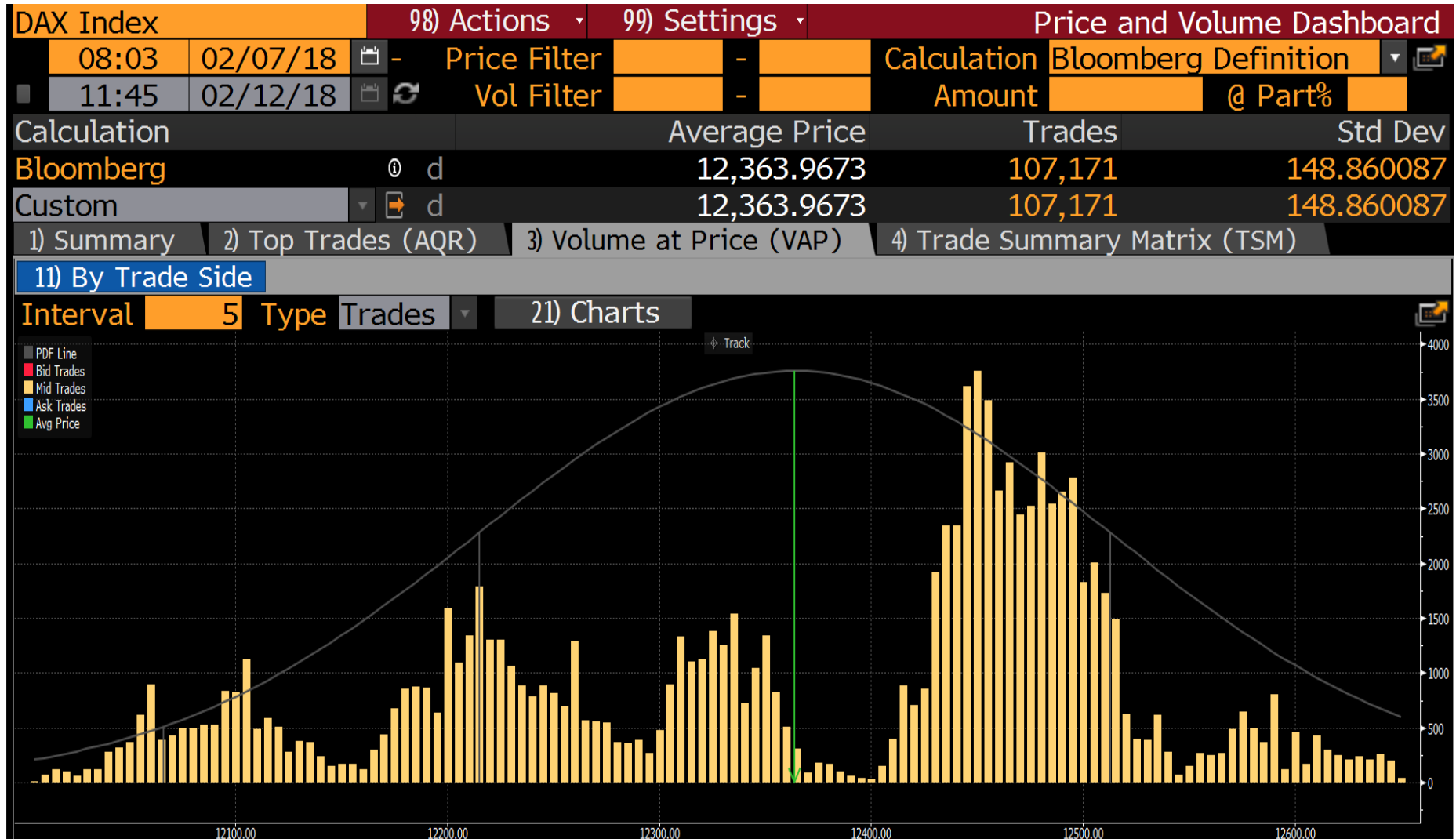
DAX weekly : The obvious scenario is to remain sub the trend channel 12930.33.



Dax daily : Another rapid drop has left a low RSI so again this could BOUNCE but daily CLOSES remain key. We need to see more price action and weekly close.



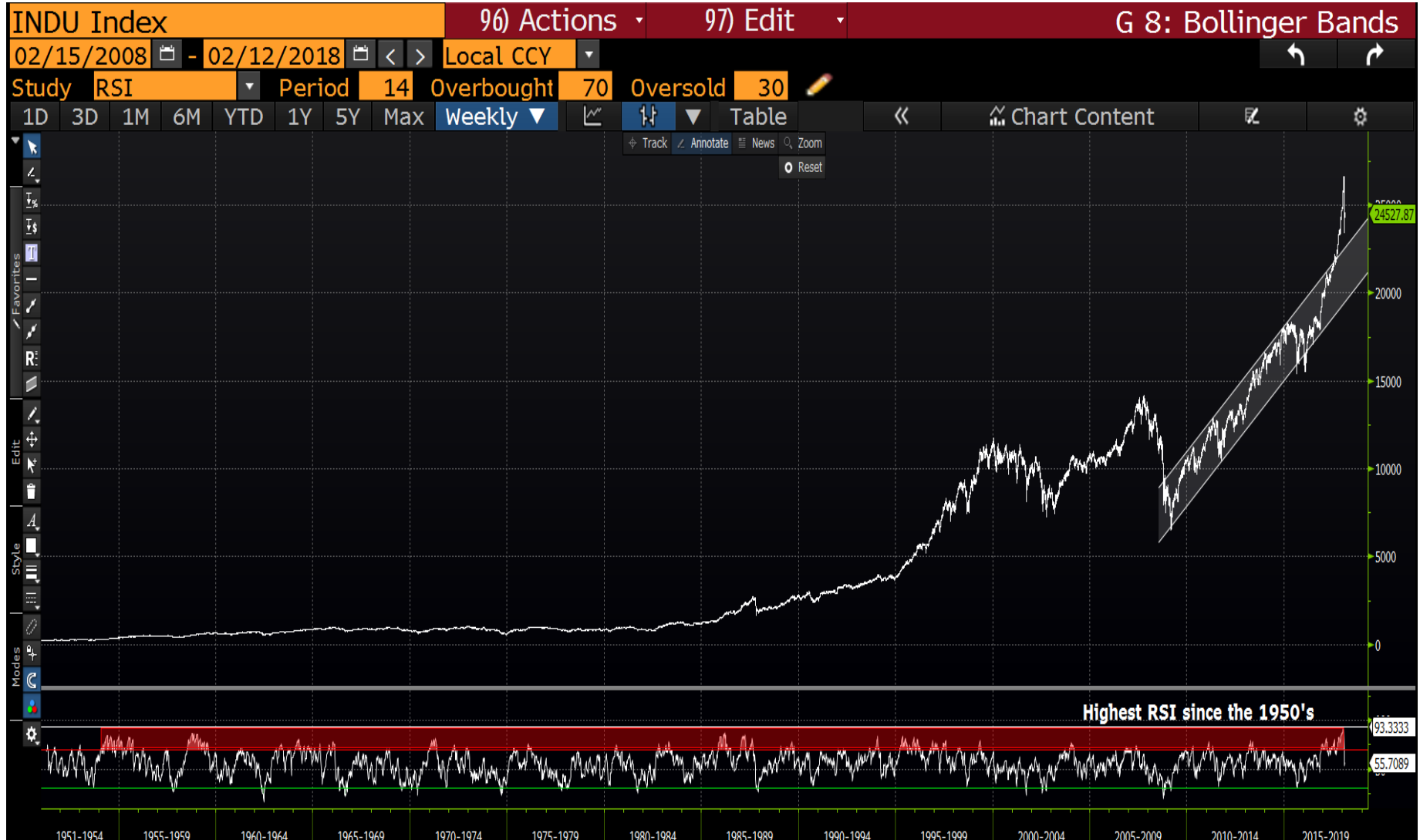
Dax VAP : We are trading 12321.06 so now above some of the VOLUME HUMPS, that said breaching the 12440 area will be tough.



Dow monthly : This RSI had SOOOOO much room for failure and the UNWIND has started. The key to further downside is a close sub 223.6% ret 23750.09.



Dow weekly : Another market that went into free fall but the overall steepness of the rally prior is a **WORRY**, it could continue.



Dow daily : The RSI is low and we have HELD the 76.4% ret 24017.55, plenty of time for the RSI to source a bounce.



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Dow daily : We struggle to find a base but the latest downside pierce should help.



S&P monthly : Another near vertical RALLY that may of just found a TOP. The RSI remains in overbought territory. A close in subsequent months sub 2485.39 200% ret WILL confirm a more major washout.



S&P monthly : As long as we persist in closing the week below the 2692.46 223.6% ret then the market remains in trouble.



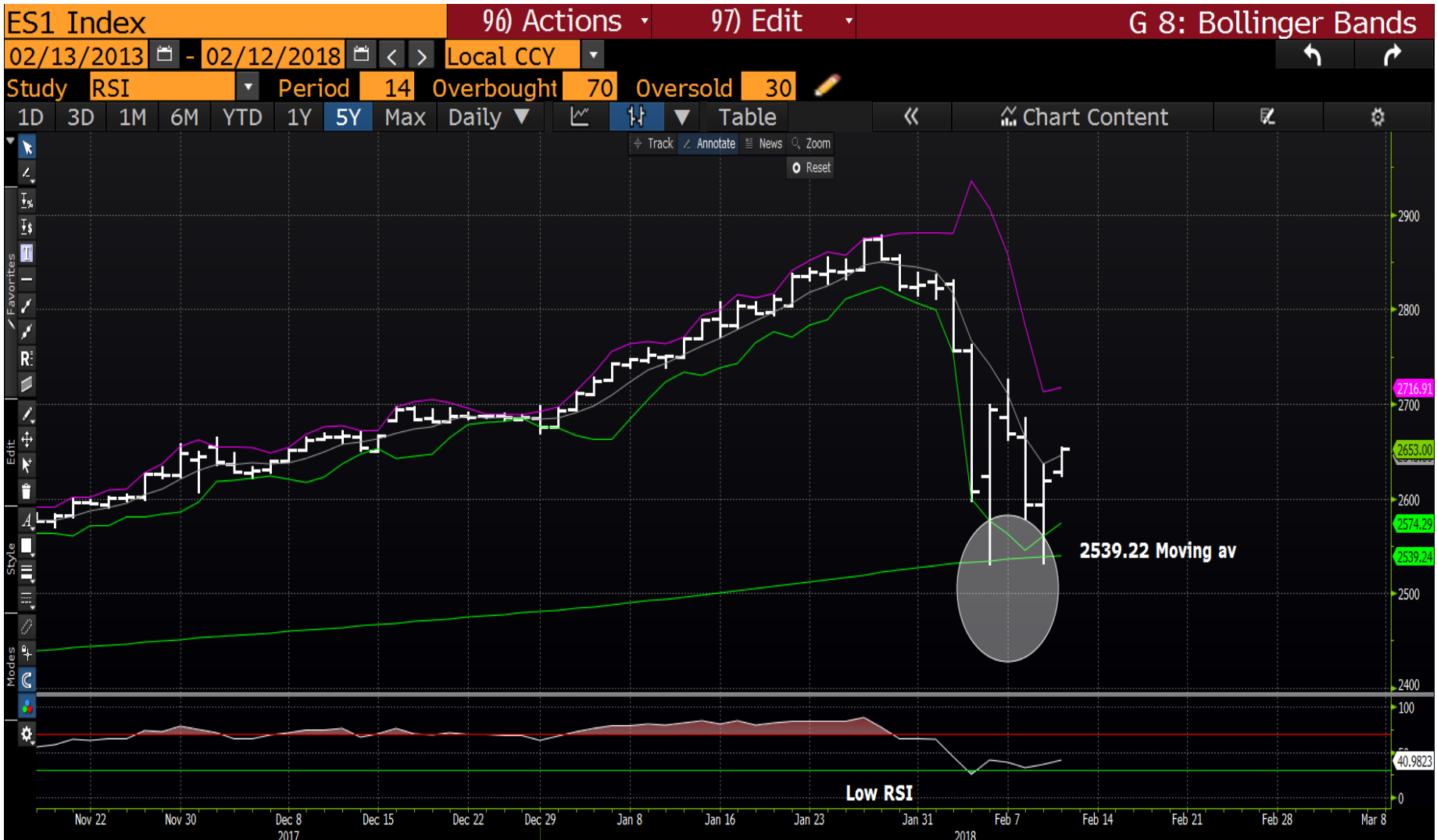
S&P daily : The RSI is low and we have held the 200 day moving average 2538.10, so lets see from here. Todays opening puts us back into the trend channel.



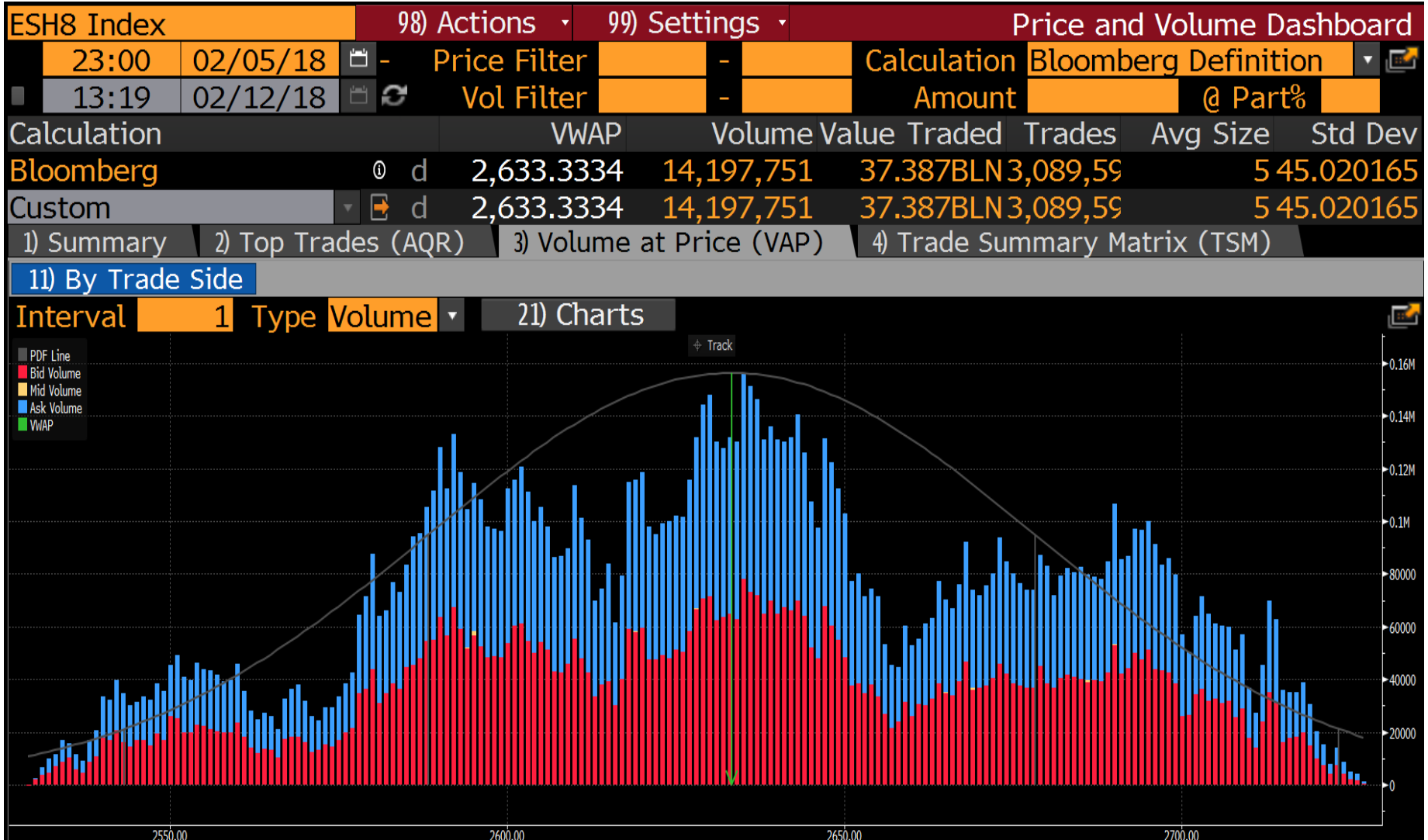
ES1 daily : For those who look at 200 day moving averages, we have hit the 2539.22 level.
The RSI is no guarantee.



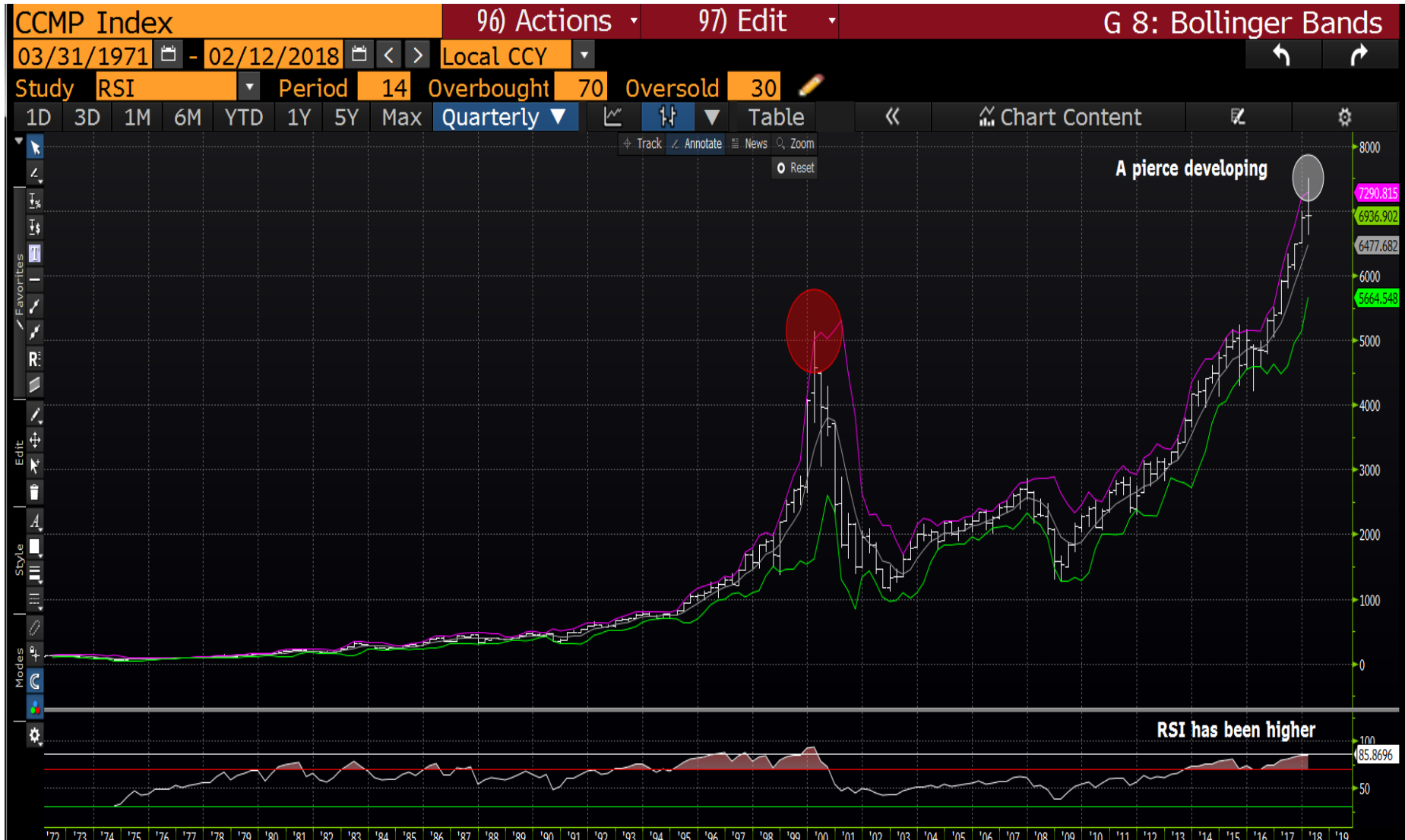
ES1 daily : This highlights the 2539.22 200 day moving average hold but the bigger struggle is to close above the 2641.75 bollinger average.



ES1 VAP : This has recovered well and is now ABOVE the 2640 volume PEAK.



Nasdaq quarterly : As the chart shows the current PIERCE is VERY RARE so despite this weeks HOLD the market may have topped!



NASDAQ monthly : We have a very DEFINED reversal of last months extended gains, the key element is to close back at or making new lows at month end. To maintain the bearish tone we need to breach 138.2% ret 6669.699.



NASDAQ daily : The RSI is now very over extended but this market has a lot of repair work to do.



Hang Seng monthly : We have dipped back below the 0.0% ret 31958.41 so could be a nasty longterm TOP formed.



Hang Seng weekly : The RSI is finally in over bought territory, highest since 2007, sub 100% ret 31958.41 will be bearish. A significant drop so lets see if we can compound on this for the remainder of the week.



Nikkei Monthly : The RSI is lofty but seems to lack positioning momentum similar to the US market.



Nikkei weekly : A nasty failure at the 150% ret 23953.13 and the RSI is now MORE defined. Key scenario is a close sub the 123.6% ret 20968.48.



MEXBOL monthly : No major signals here, the RSI is lame but we have seen a 200% bounce from the 2008-2009 move.



This research was prepared by Chris Williams. He is a self-employed contractor with Astor Ridge. A history of his research can be provided upon request in compliance with the European Commission's Market Abuse Regulation.

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