

# **\*A MASSIVE QUARTER END STATEMENT\***

- **Here are some of the MORE MAJOR markets to watch leading up to QUARTER-MONTH END.**
- **Biggest worry is nearly ALL stock markets are looking TERMINAL, including the US.**
- **The quarterly formations have significant UPSIDE PIERCES about to be “ETCHED” in history! The TOP is technically in place for several years to come.**
- **This LEADS to USD appreciation, just as the DXY finds support and BONDS offering “value”.**
- **Most European quarterly bond yield charts have STALLED.**

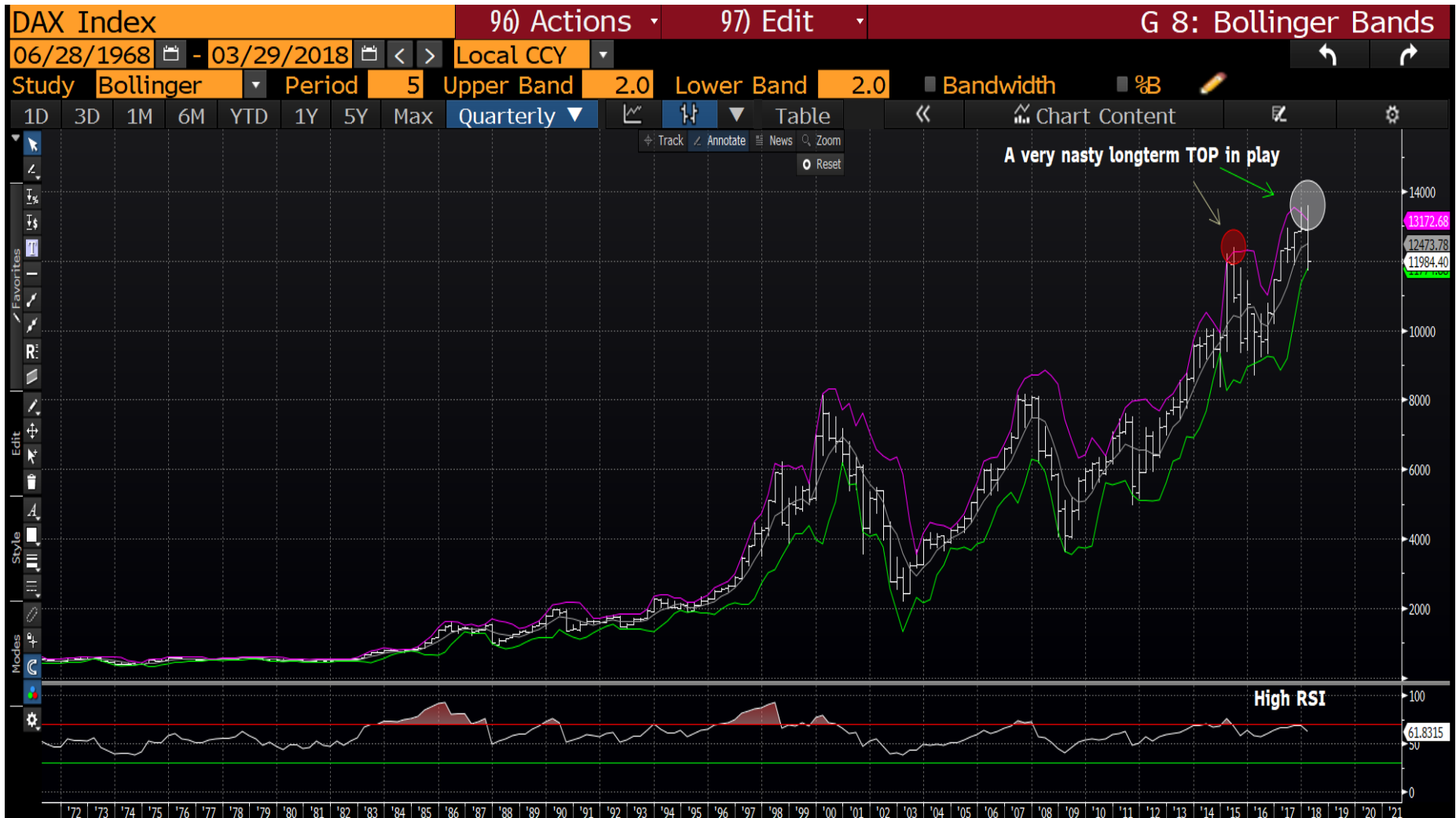
# EQUITIES

- **These have become a MAJOR CONCERN.**
- **Equities have been on watch for some time but NOW with the quarter end approaching nearly ALL look SERIOUSLY terminal!**
- **So many quarterly charts have posted a significant UPSIDE pierce and in many cases NEVER witnessed before.**
- **Europe has lead the move lower recently BUT the US is now PRIMED with EVEN more RSI dislocations. The US will fall HARD!**
- **Am sure we will have a bounce next month BUT chart wise it's a LONGTERM SELL rallies.**
- **The HARD part is understanding WHY OR WHATS the catalyst BUT technically the RALLY looks to be OVER.**

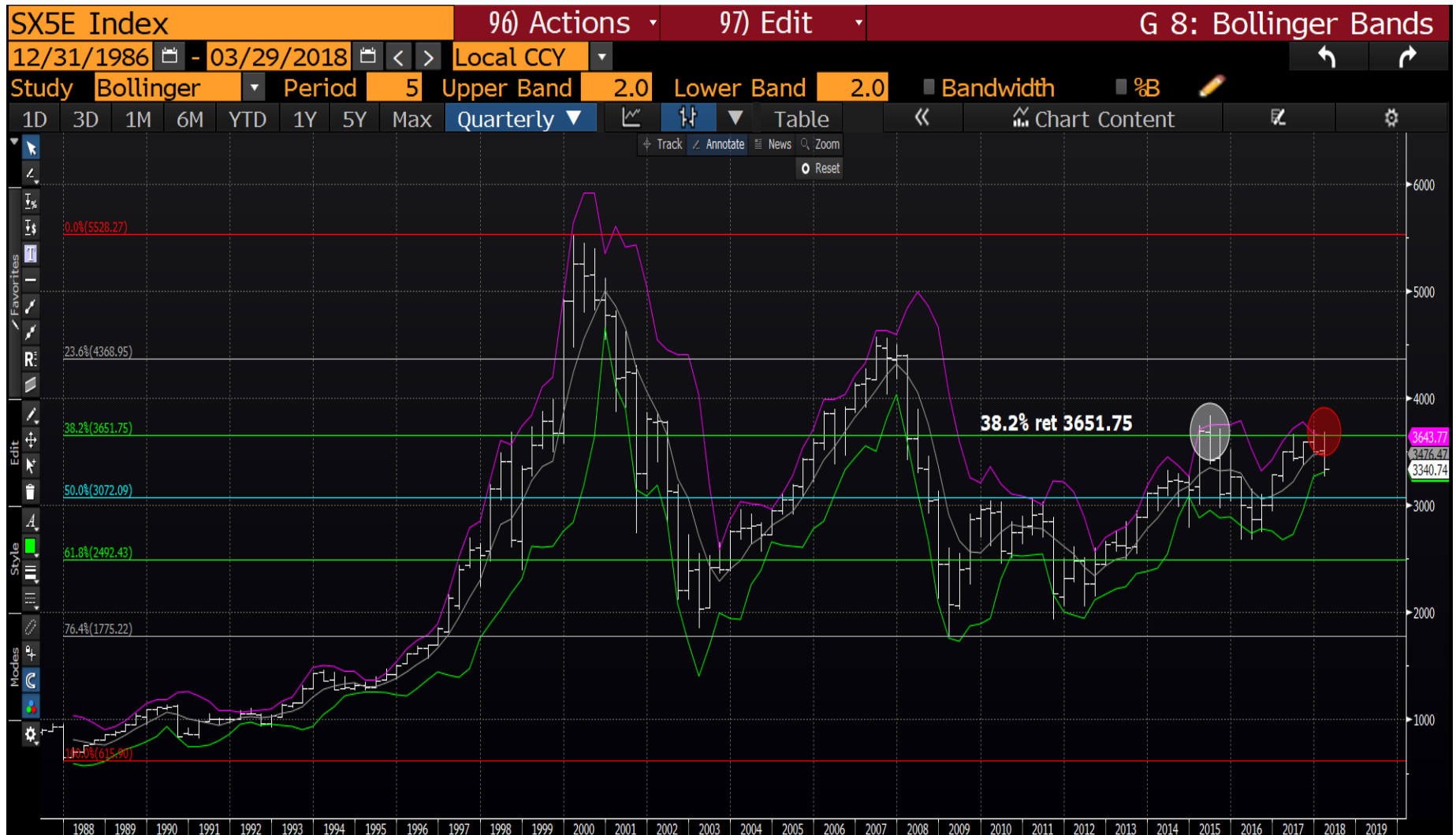
FTSE quarterly : This is a sizeable rejection for any SINGLE quarter and aided by the pierce.  
 The RSI matches 2007 thus closing here is a SERIOUS WORRY!



DAX quarterly : The dual UPSIDE pierces are very bearish as per the example in 2015.  
A close down here completes a nasty long-term TOP.



Eurostox quarterly: This has had minimal performance since 2009 lows but it has still managed to reject the 38.2% ret 3651.75. Lower we go, but at a lesser pace as the built up has been minimal.

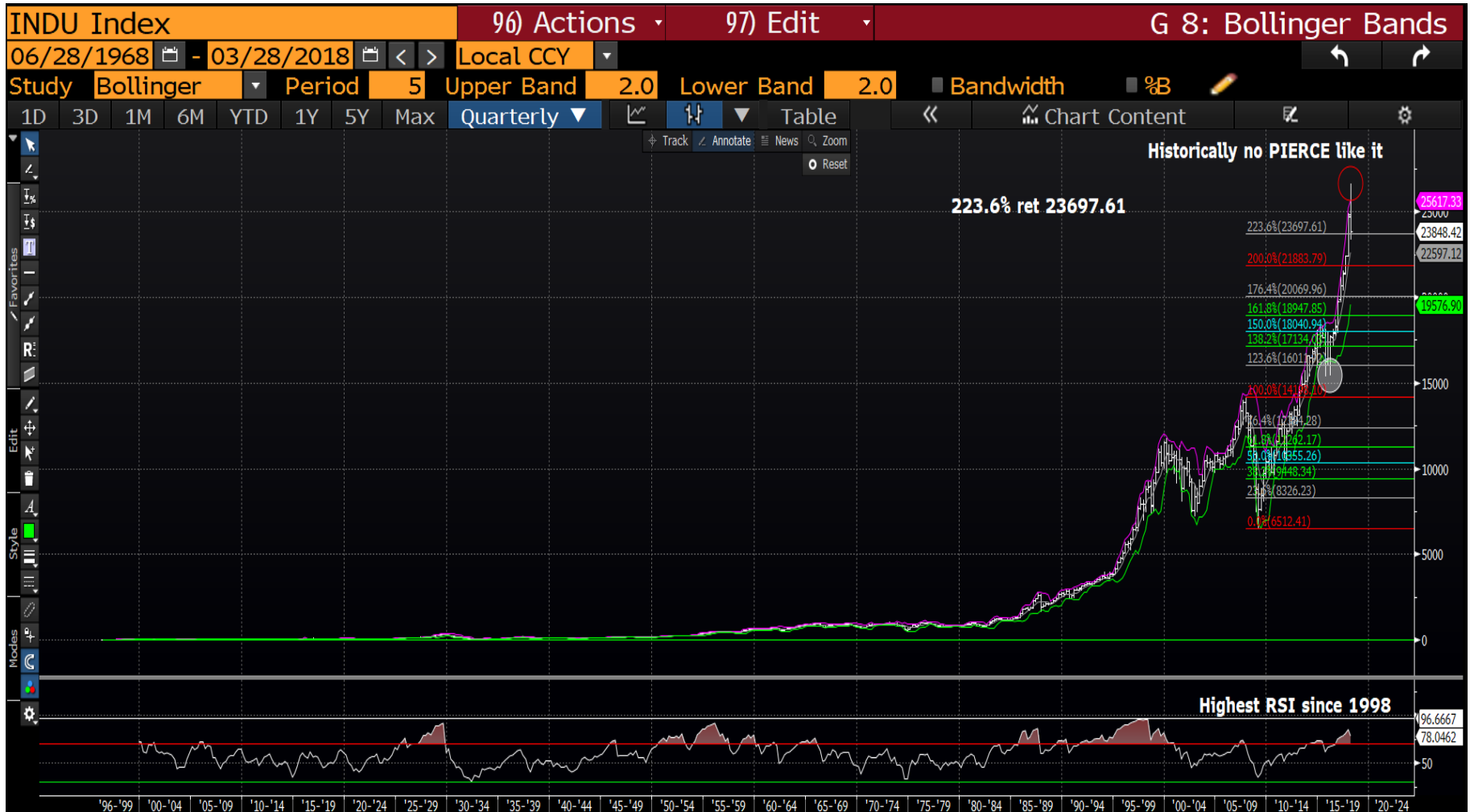


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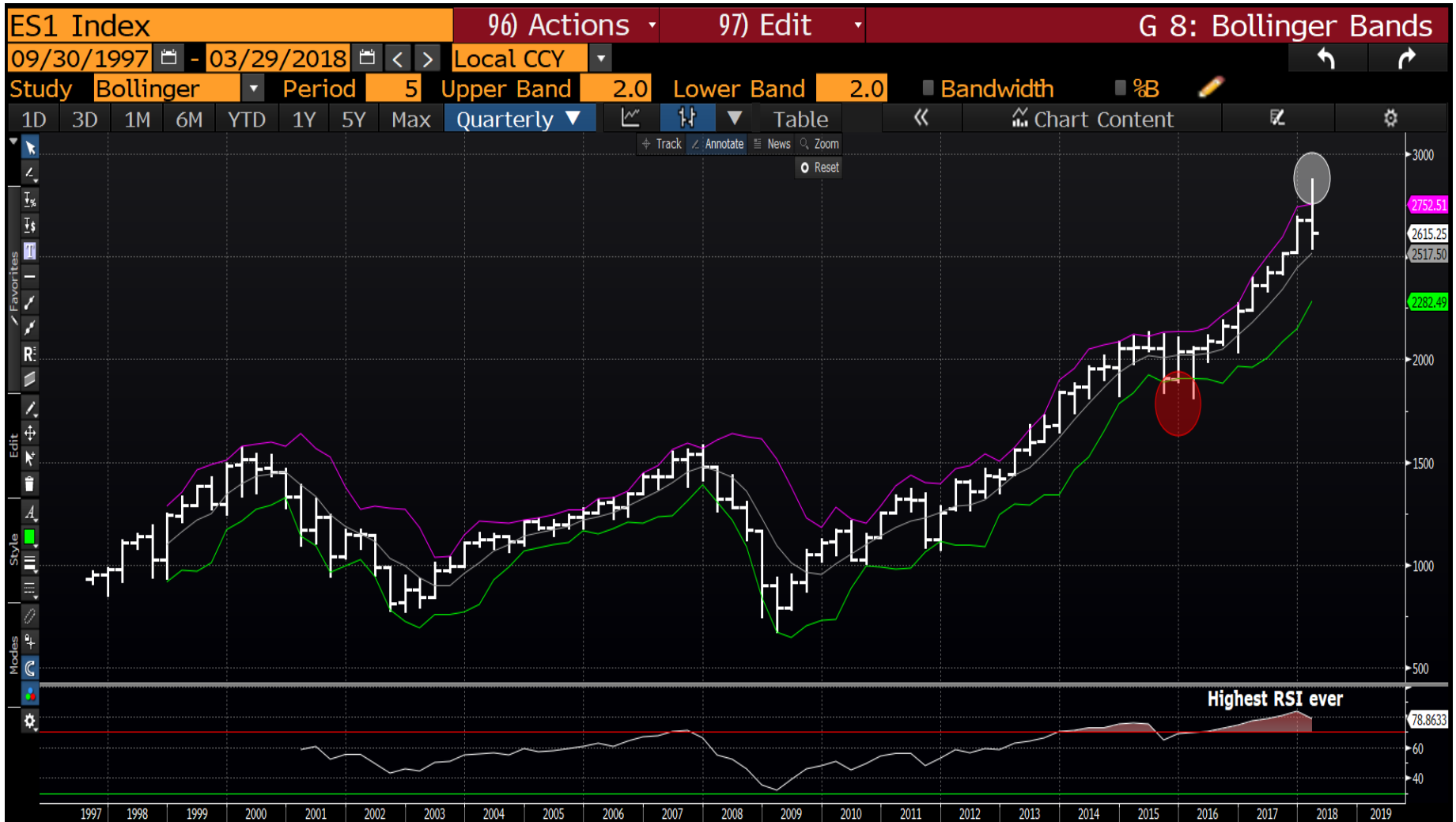
# US STOCKS THE GREATEST CONCERN.

- US stocks have massively out performed Europe and ALL RSI's are WRONG, the dislocations on the DOW monthly have never been seen before.
- The US could have a HARDER landing given its previous performance and RSI dislocations.
- The TECH sector could be the "ROTTEN APPLE".
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Dow quarterly : The RSI isn't the highest BUT we now have an UPSIDE pierce NEVER seen before! Should we subsequently close sub the 223.6% ret 23697.61 then we will have confirmation.

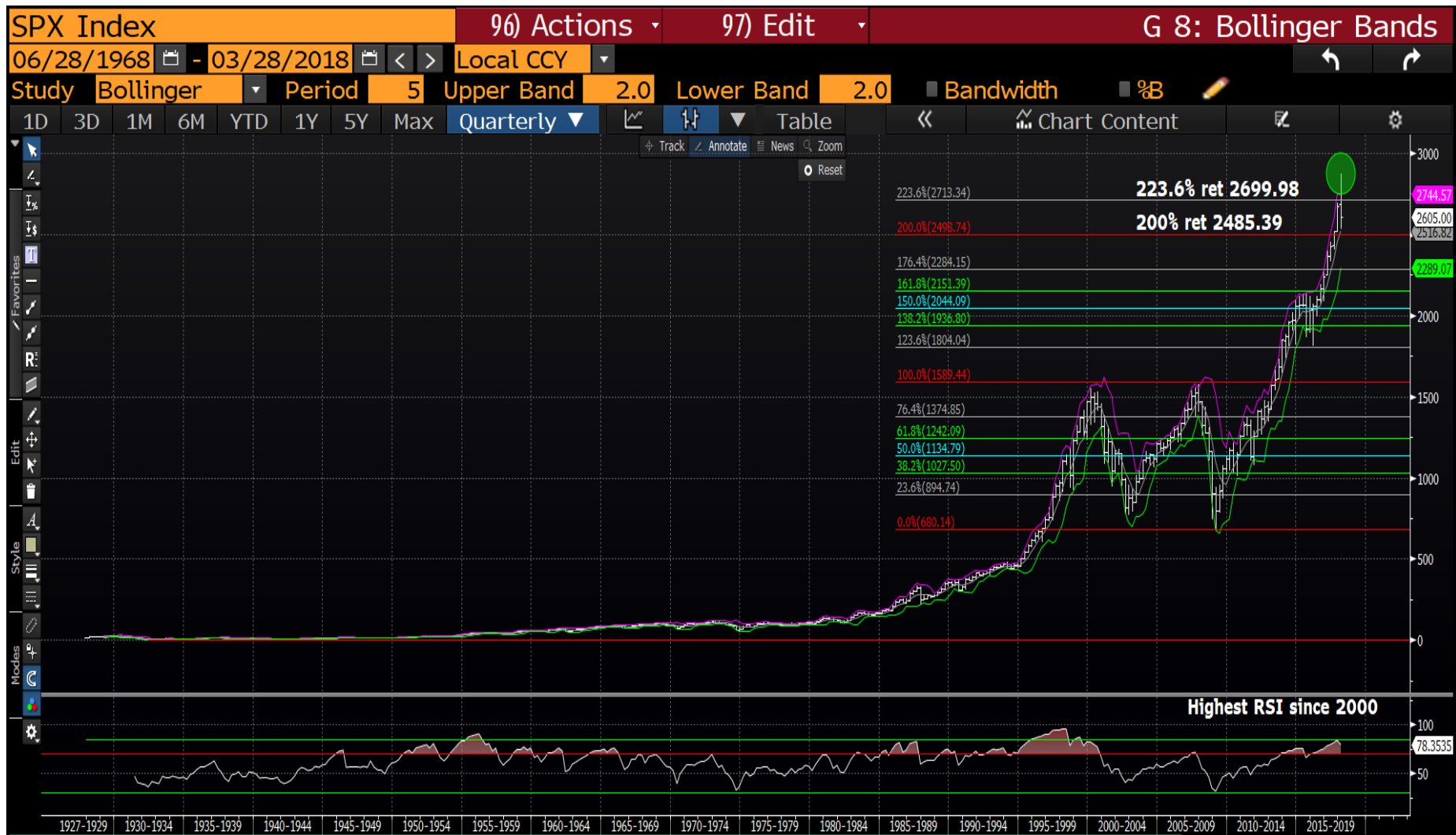


Mini S&P quarterly : The RSI is the highest EVER and we now have a pierce, this is a serious issue. The two downside pierces were a good indication on the rally so no need to explain the upside stall.

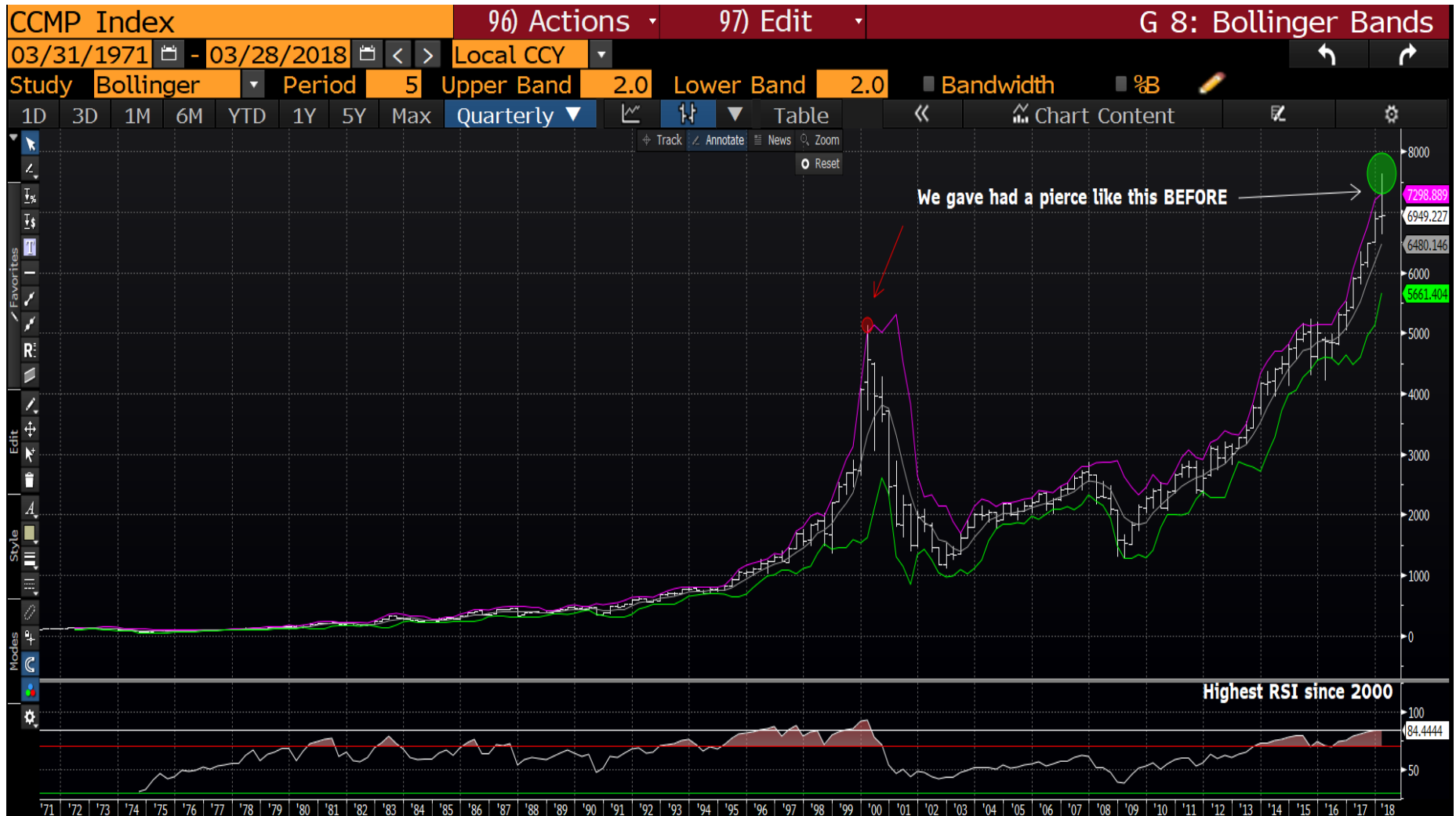




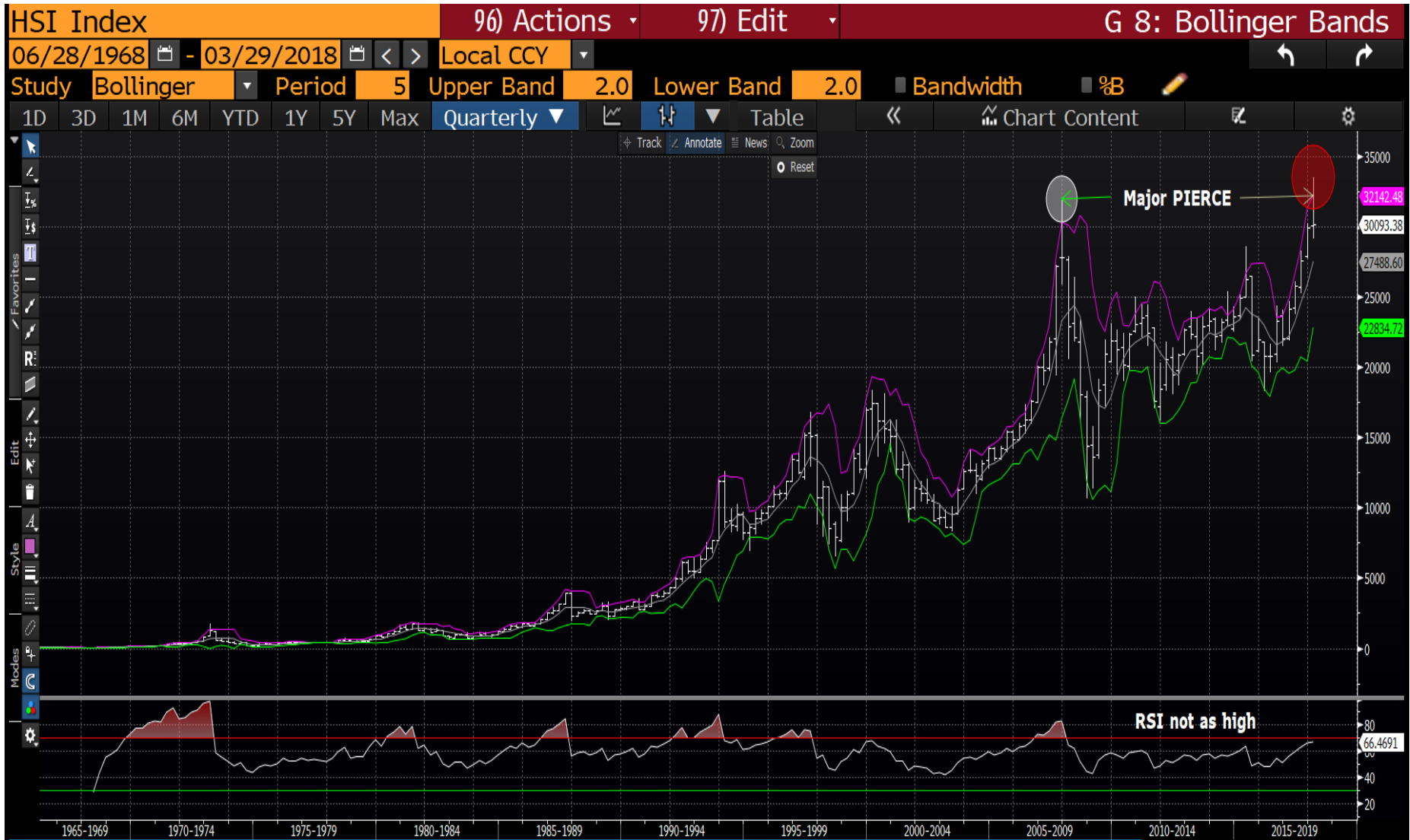
S&P index quarterly: The RSI is the HIGHEST since 2000 and the upside pierce is VERY OMINOUS. A close sub the 200% ret 2485.39 is confirmation.



Nasdaq quarterly : The RSI WORRINGLY matches that of 2000 and now the PIERCE endorses that failure. This sector has been a MAJOR return for many so could suffer badly on any reverse.



Hang Seng quarterly : The RSI isn't the highest BUT the PIERCE is, could we emulate 2008?



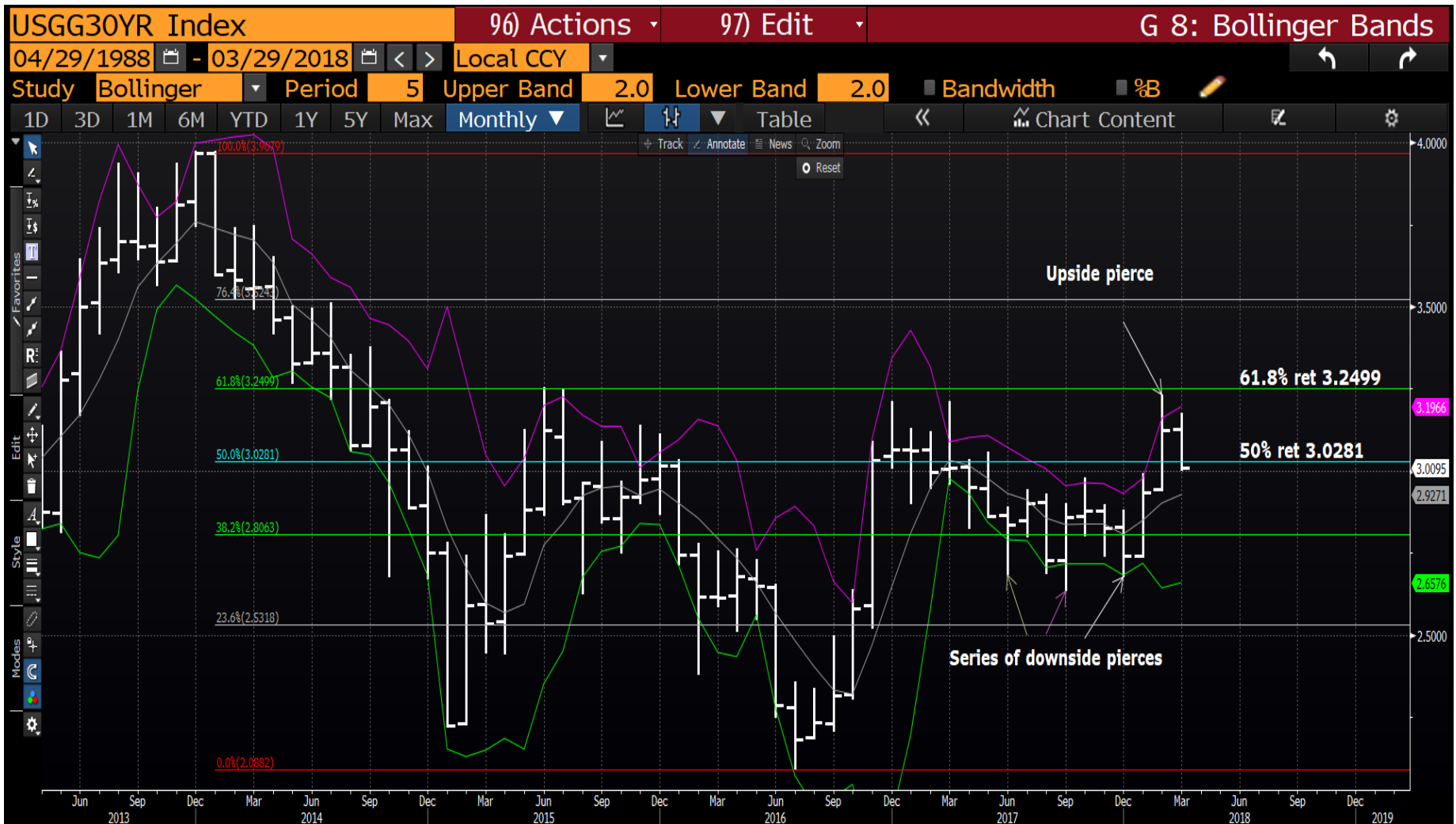
NKY quarterly : No the greatest build up rally BUT we have a pierce, high RSI and 38.2% ret rejection. A close sub the 50% ret 20523.75 will trigger stops.



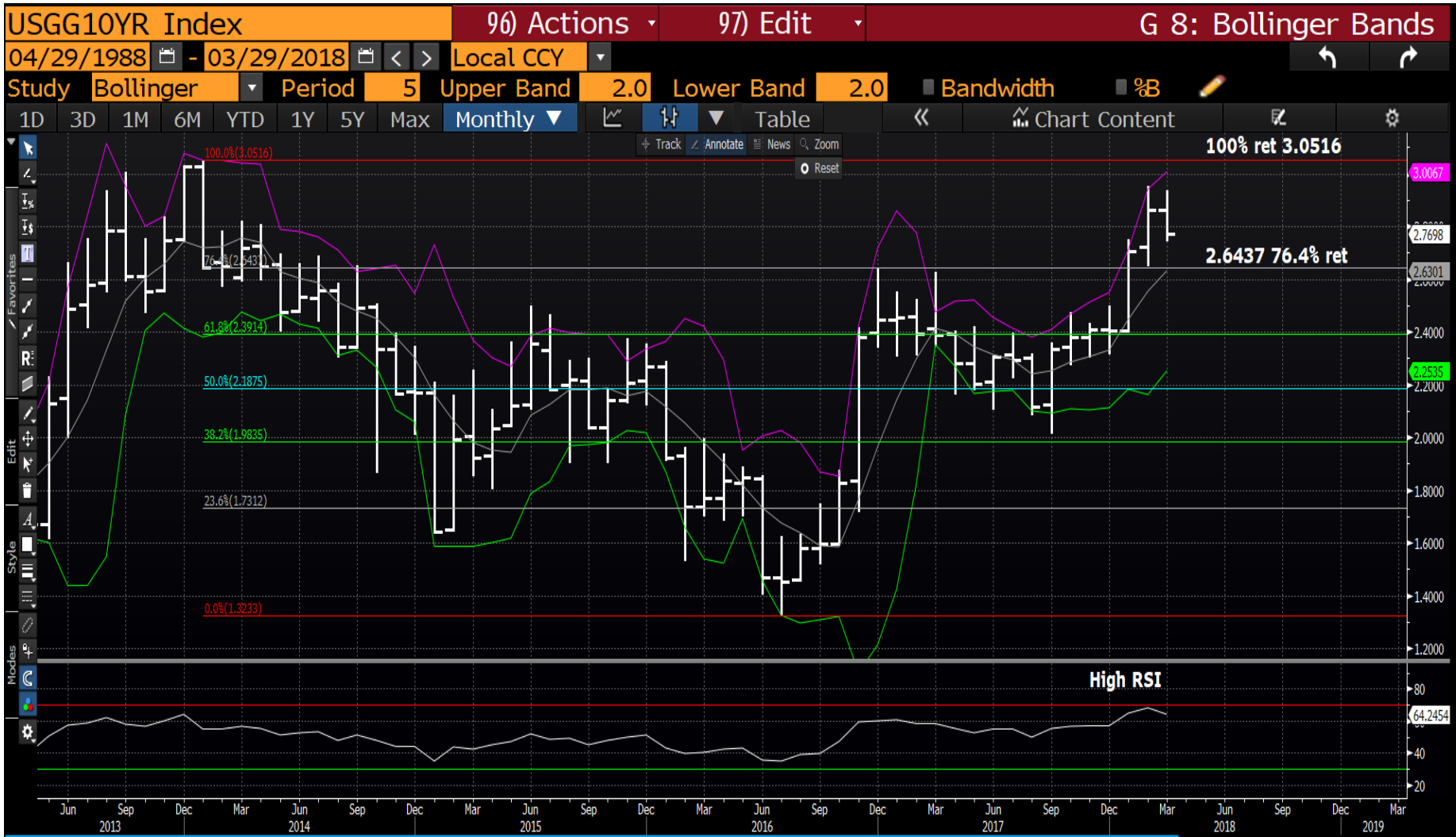
# BONDS

- **Germany and UK benefited from the latest equity weakness and feel they have further to go.**
- **US bonds are now where the PAIN could be, especially the 5yr sector as mentioned before. The 5yr SECTOR has the MOST TENSION and EXPECTATION!**
- **Am hoping this formulates into a BULL STEEPENER given the curve RSI dislocation. Ideal targets the 5-30 or 10-30, we are working on an idea for these.**

USGG30YR : We have an upside pierce left over from last month and sub the 50% ret 3.0281 is very bearish for YIELDS.



USGG10YR monthly : We don't have the pierce BUT a break of the 76.4% ret 2.6437 will be key.



USGG5YR quarterly : We have seen a MINIMAL stall BUT the RSI emulates that of 1984!.





USGG5YR monthly : We have rejected the CHANNEL and the RSI matches that of 1982.  
This has only one option i.e. LOWER YIELDS.



USGG5YR weekly : The RSI matches that of 1994 and the latest upside pierce is negative for yields.



## **US curves are historically OVERSTRETCHED.**

- **The recent steepening stalled at several of the multi year 61.8% rets BUT the monthly RSI's are FIRMLY OVERSOLD.**
- **Ideally wait for this MONTHS CLOSES to ensure confirmation as so many positioned in the flattener still. IF we do steepen we NOW NEED to breach the RECOGNISED 61.8% rets.**
- **It is tough to decide which combination to chose BUT MANY as reasonable RSI dislocation BUT any use of the 5yr may help.**

US 5-30 monthly : The RSI remains historically LOW and we should BASE here if the 5YR responds to its OVER EXTENSIONS.



US 5-10 monthly : We have the LOWEST RSI ever so should STEEPEN soon.



German 10yr yield quarterly : FALSE BREAK! This is one of the most aggressive pierces and hints at lower yields for some time to come.



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UK 10yr yield quarterly : Another upside pierce and BREAKOUT rejection. The pierce is not so aggressive as Germany so may need more time to head lower.



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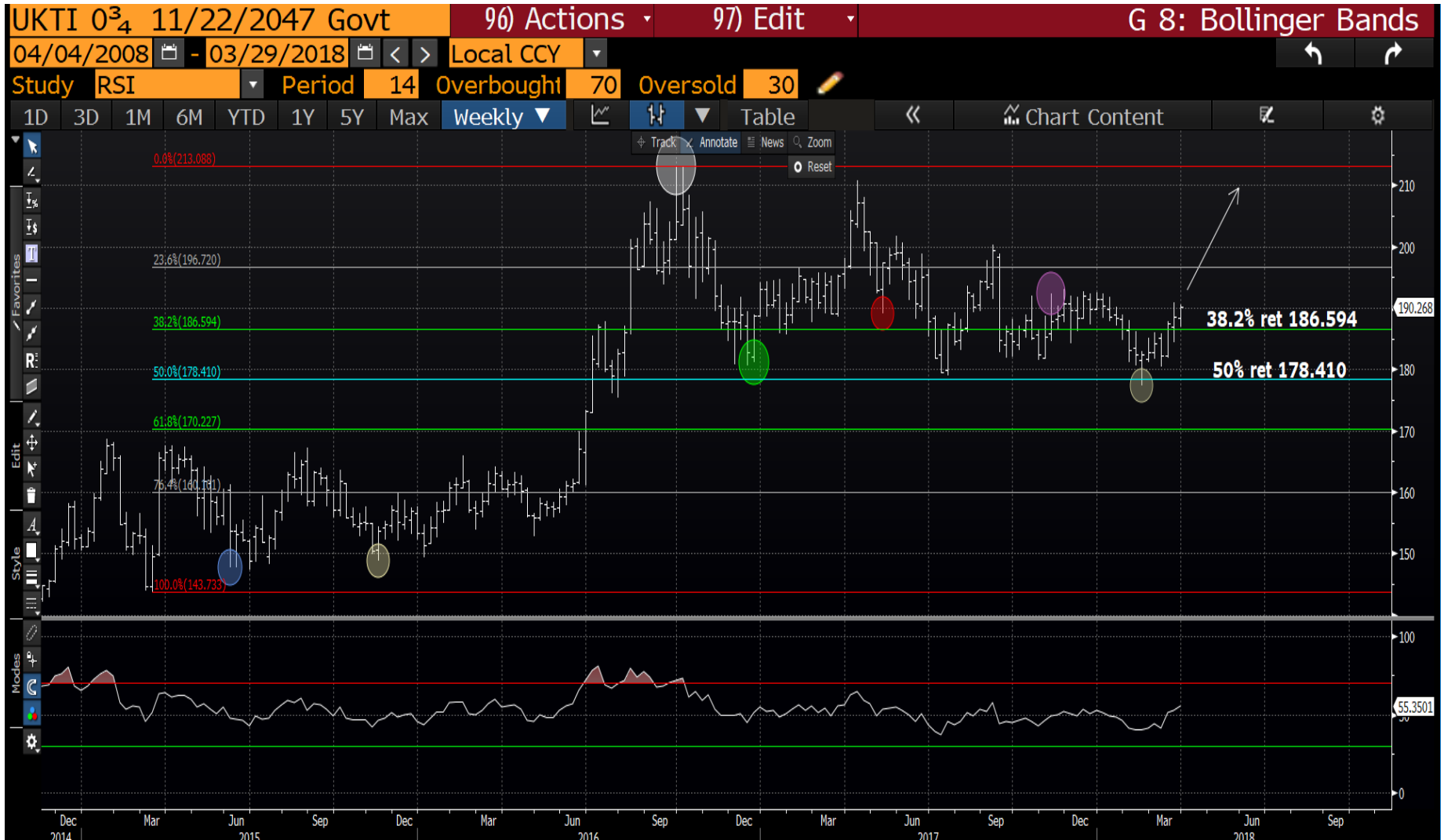
UK 10yr monthly : A nice dip back below the multi year trend line .



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UKTI 47 weekly : The momentum and trend seems for higher prices.



USGGBE10 monthly : The RSI is HIGH and a close sub the 23.6% ret 2.0669 will failure.



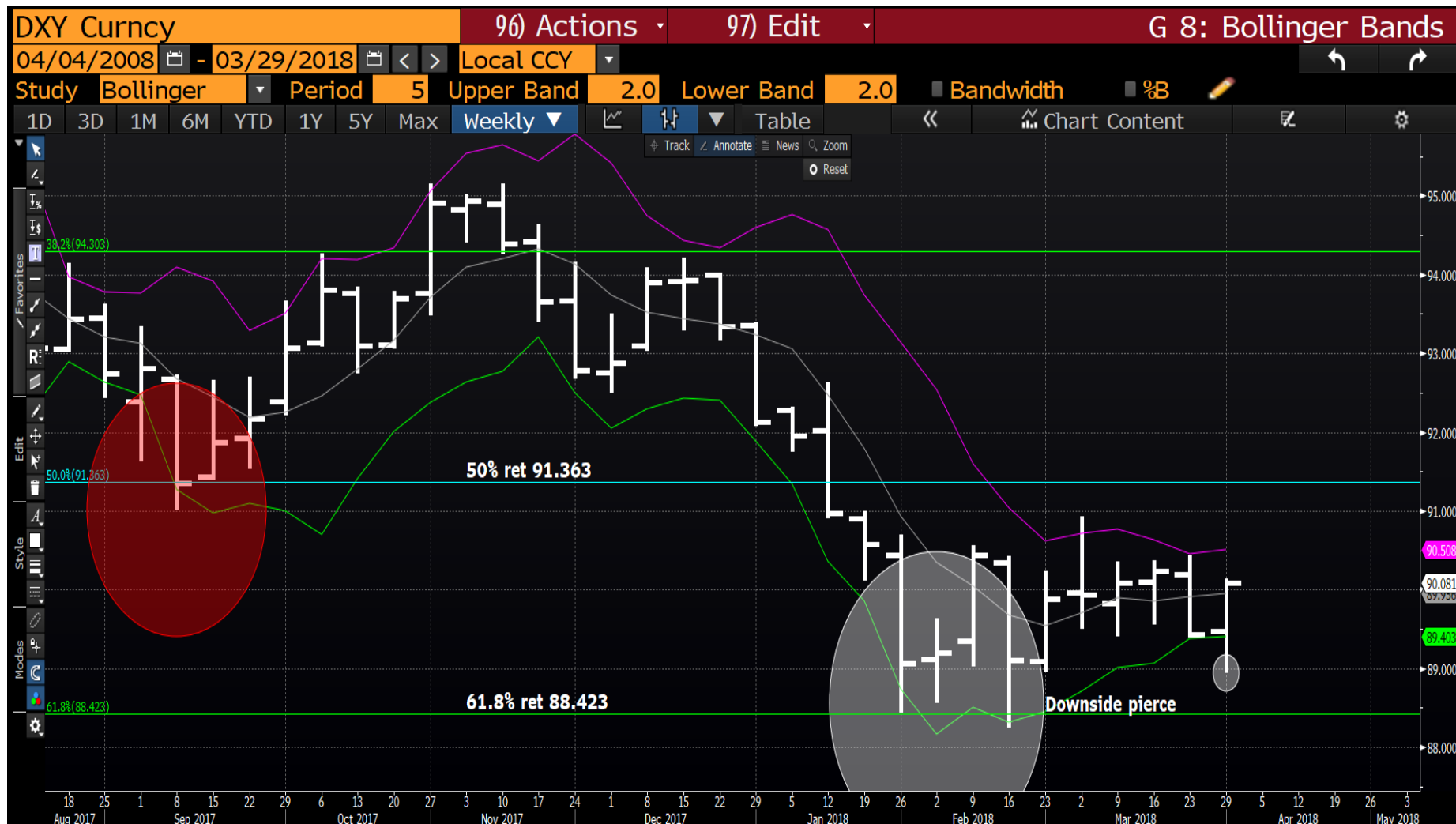
# FX UPDATE

- **FX UPDATE USD TO APPRECIATE INTO MONTH END?!**
- **The USD has given back some ground BUT all is not lost and it remains on the path for a solid recovery.**
- **USD CAD has been a major call and bounced well from the moving average. This should persist now we are above the 1.300 level.**
- **The EURO is on the brink of a MAJOR statement should we breach the 1.2167.**

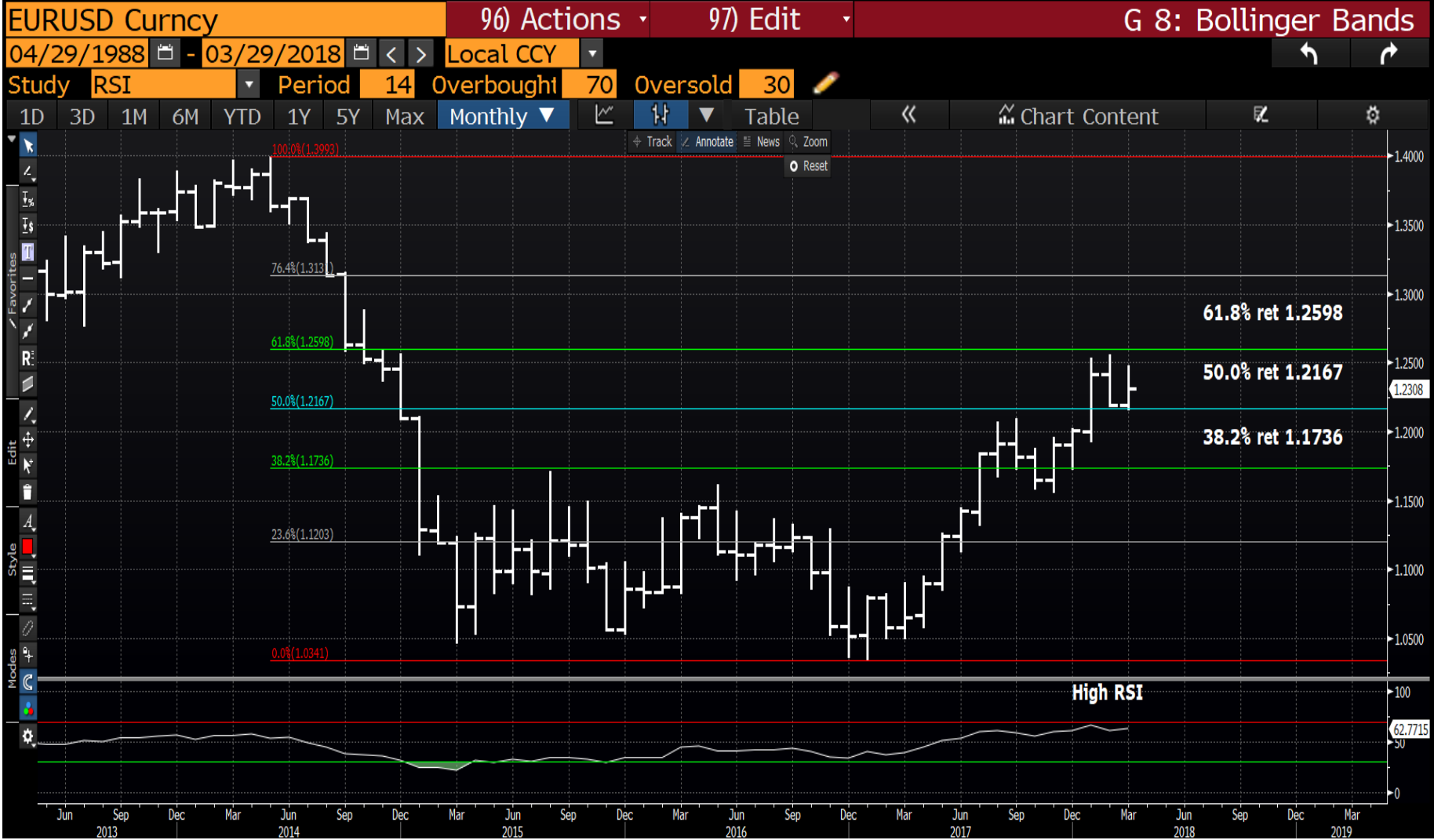
DXY monthly : We have recognised this 200 period moving average in the past so should bounce given the 2008 RSI low. A push above the 38.2% ret 91.202 will confirm and flag up a bounce.



DXY weekly : We have developed a subtle downside pierce so a strong close on the week will aid the monthly.



EUR USD monthly : We are yet to have confirmation but SUB the 50% ret 1.2167 we FAIL.



EUR GBP quarterly : This remains one of the MOST NEGATIVE formations I have seen. It is rare to see SUCH savage UPSIDE pierces. This cross is HOTTING UP, if we close sub the 0.87773 bollinger average this will be EXTREMELY negative going forward.



EUR GBP monthly : We have a NASTY upside pierce so we need a close sub the 61.8% ret 0.87088 to substantiate the call lower.





USD JPY quarterly : A reasonable range this quarter but the RSI is neutral.



USD JPY weekly : The RSI remains low so SHOULD pop back above the 61.8% ret 106.54.



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Cable Quarterly : A very solid bounce off the RSI low but the daily is now very overbought.



Cable daily : Yet another over bought signal but we have eradicated this sort of dislocation before.



AUD USD weekly : A neutral RSI so we need a breach of the trendline 0.7605 for further AUD weakness.



USD CAD monthly : This may have been too over exuberant on the rally but still has a lot of upside potential.



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