

EQUITIES

Equities : They have FINALLY shown the world what the European stocks have been telling us for SOME TIME, equities are in trouble. Many are breached critical levels overnight and if nothing else have confirmed ALL TOPS are now in. There should be some reprieve BUT equities are now VERY MUCH DAMAGED GOODS.

Another factor is the US markets have performed MUCH better than EUROPE thus have a potentially HARDER FALL. See the EXTENDED retracements.

**** Someone said this week, would you have your 30 years worth of pension riding on a stock APP invented by a 16 year old in his bedroom..****

Positions :

**** New position ****

Buy Dec Nikkei 19000 puts @ 75 (Now 210).

Buy DAX OCT 12000-11800 Put spread 35.00 (Now 191.5) FLAT.

Buy FTSE OCT 7350 – 7250 Put spread 23.5 (Now 99.0) FLAT.

It is worth taking some time to look at the top formations on many charts especially the US given it had the most OBLIQUE RSI's.

DAX monthly : ***THE PERFECT TOP IS FORMED***

We have breached the 50 period moving average 11344 but things do feel a LITTLE stretched. We have seen bounces before from this average BUT this time if will only be a TEMPORARY REPRIEVE.



DAX monthly : This highlights the “EXTRA” performance on this market (similar to the US) since the 2007-2009 sell off, allowing it plenty of room to head lower.



Dax daily : Despite the recent DROP the RSI is not extended! We are however sitting on a multi year 50% ret 11154.84. If the 50% ret fails to hold then the 61.8% ret 10575 should.



25/10/2018

Eurostox monthly : We are well on the way to testing the 50% ret 3069, the only saviour for this market has been the LACK of pre-drop build up.



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Eurostoxx monthly : Zero performance from the 2007-2009 drop and so a lot less potential.



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Eurostoxx daily : The RSI still has room and 61.8% ret 3068.52 the obvious support.



25/10/2018

FTSE monthly : We are through the 50 period moving average 6932 but again feel STRETCHED. We should definitely stop first time down at the 100% ret 6751.30.



FTSE monthly : We have SOME ADD ON from the 2007-2009 drop but nothing like the US.



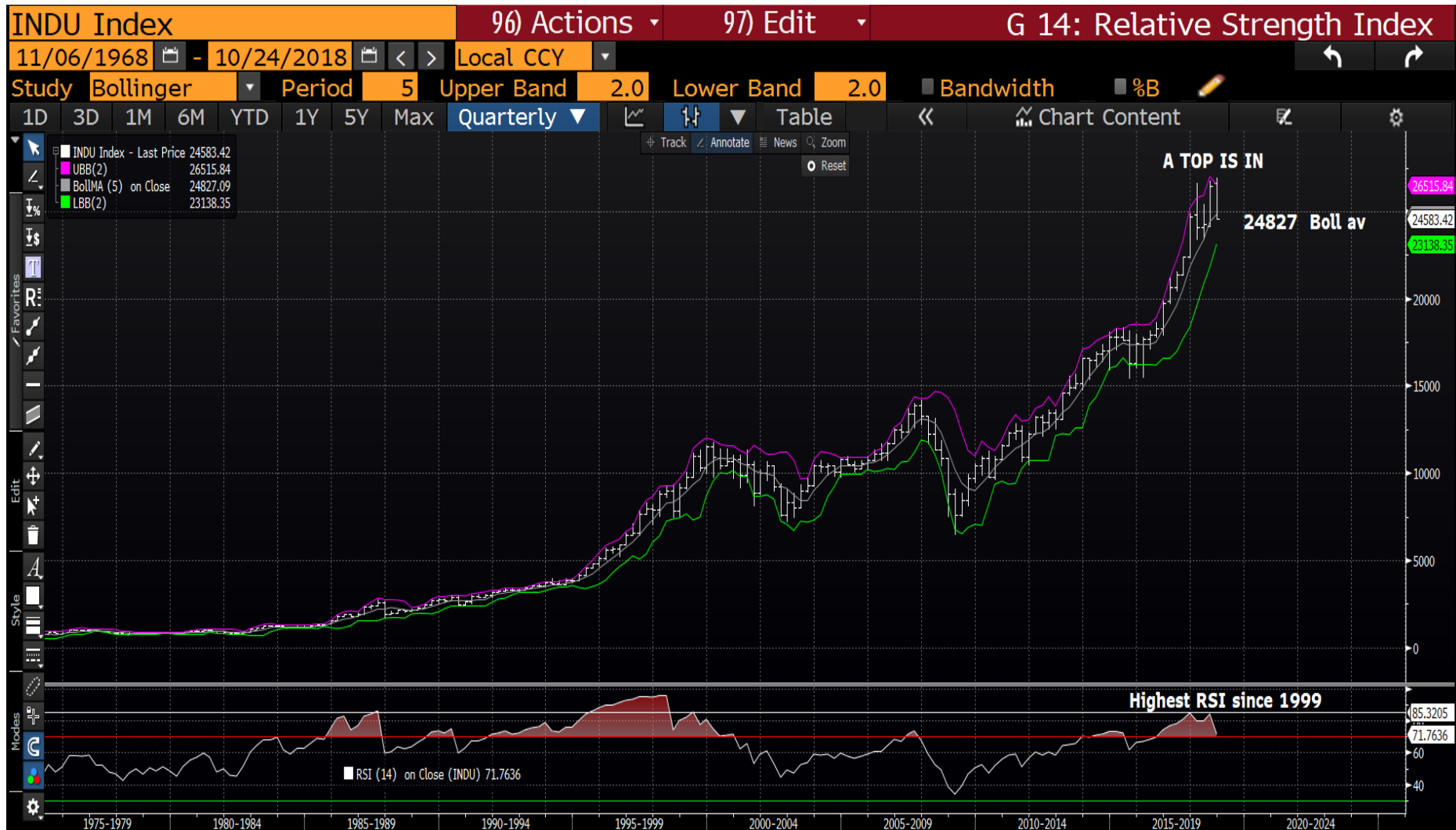
FTSE daily : Again we are in a situation where the DROP has done little to influence the RSI. Looking at the chart we MAY visit the 50% ret 6701.50 first.



S&P (future) daily : Not a pretty fall from grace, hopefully we can hold the 76.4%ret 2643.98 but that without a DISLOCATED RSI.



DOW quarterly : We have a "TOP", the trend friend bollinger average breach cements the call lower.



DOW monthly : This market has had a MASSIVE appreciation since the what seems MINOR 2007-2009 drop. We are VERY vulnerable and especially if the 223.6% ret 23750.09 is breached.



DOW daily : A worrying scenario, we are SUB the trend channel for the first time since June 2016! The 23.6%ret 24265.75 looks like first time support.



CCMP quarterly : TECH has always been the WORRY and this chart shows the concern has stepped UP A NOTCH. We are sub the TREND FRIEND BOLLINGER AVERAGE 7326.375, previously breached in early 2016. Need I mention the RSI as it remains at 2000 dislocation.



CCMP quarterly : This ADDED performance has been taken from the 2000 drop as more relevant, plenty of performance to erode.



CCMP quarterly : A worrying scenario, we are SUB the trend channel for the first time since June 2016! The RSI is also LEFT WANTING. Maybe we need to see the 38.2% ret 6776 first.



Hang Seng monthly : We are TEASING around the 25058 moving average.



Hang Seng daily : This RSI is of NO USE and so we may visit the 61.8% ret 24087.22 first.



Nikkei monthly : Mentioned this as a short at the beginning of the week and would take some profits if the 50% ret 20513.80 is hit.



Nikkei monthly : We are starting to fail the 38.2% ret 24882.74 nicely and the 50% ret 20513.80 the next stop.



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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