

# Technical Trend Monitor

07 September 2015

## Bund future

The short-term consolidation phase extended after the recent successful test of the EMA-200 line at 152.96. Friday's high at 155.25 and a close at 154.89 confirms the view that the upside potential within this consolidation phase was limited, suggesting the likelihood of a lower top within the 154.65-155.00 resistance area. Today's decline is still confirming our short-term bearish view within the larger sideways pattern between 148.80 and 155.75. A close below the EMA-200 line at 153.00 followed by new short-term lows below 152.65 is required to expect a short-term decline towards the lower end of the larger trading range around 148.80 with intermediate support at the trend line around 151.55.

## US 10-year yield

The completed falling wedge pattern above 2.15% at the end of August is telling us the start of a rise in the yield with a target around 2.45%-2.50% in the coming weeks. On a short-term basis the yield is meeting strong resistance at the flat EMA-200 line at 2.21% and the declining MA-50 line at 2.23%. However, the former upper end of the falling wedge pattern, currently around 2.07%, should offer support in the development of a higher low within the overall bearish environment for 10-year US Treasuries.

## EUR/USD

The weekly momentum chart keeps rising, confirming the short-term bullish undertone in the longer-term downtrend. However, a close above the declining EMA-40 line at 1.1405 in the weekly chart is necessary to expect further gains in the next few months. Strong horizontal resistance in the weekly chart comes in between 1.1660 and 1.1945. Only a weekly close below 1.0800 would suggest renewed short-term selling pressure.

## Gold

The short-term outlook is slowly improving after prices rallied from the July lows around USD/oz.1,080. The daily chart might develop a short-term bullish continuation pattern within this rally, but should be confirmed by a close above the falling trend line around USD/oz.1,134.50. This break would suggest a short-term rise to the recent highs around USD/oz.1,170 with the declining EMA-200 line coming in around USD/oz.1,179.

## S&P500 Index

The current consolidation shows wild swings after the steep sell-off from around 2,100 to 1,867 in August. However, Friday's low at 1,911 is still above the September low at 1,903 and August low at 1,867, likely suggesting the start of a recovery after last month's sell-off. A close above the horizontal resistance area 1,971-1,991 is required to confirm further upside in the short-term downtrend with next strong horizontal resistance coming in within the area 2,040-2,046. Please note the coming death cross between the longer-term moving averages, the MA-50 line at 2,057 and the EMA-200 line at 2,050. This is a bearish confirmation of a larger bear market.

## Eurostoxx50 Index

Last week's close below the lower end of the rising trend channel in the weekly chart around 3,225 is confirming our overall bearish view and expectation for new lows below 2,973 within this correction. This break is not ruling out an immediate continuation of the downtrend without a serious pull-back in the downtrend towards the EMA-40 line 3,435.

**Fig 1 Bund future continuous contract**



Source: Update

**Fig 2 Eurostoxx50 Index weekly chart**



Source: Update

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