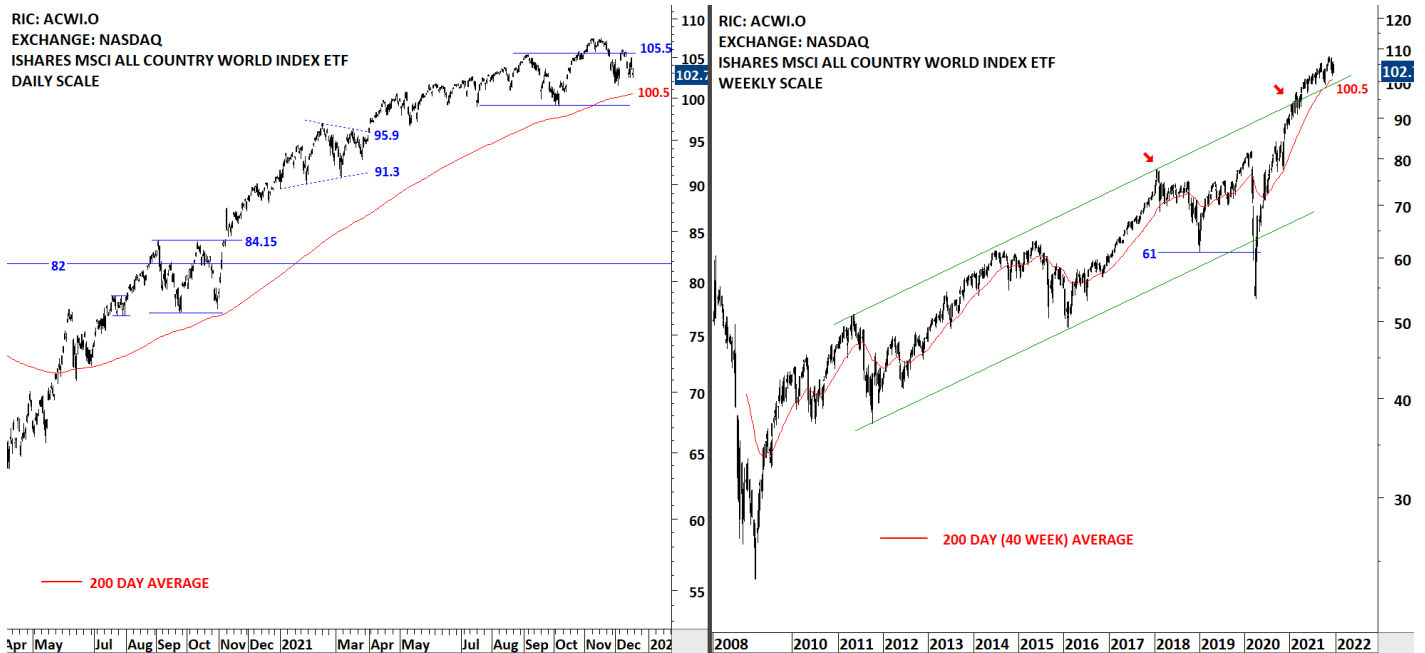


REVIEW

The benchmark for the Global equity markets performance, the iShares MSCI All Country World Index ETF (ACWI.O) is in an uptrend. Failure to hold above 105.5 levels resulted in a failed breakout and the ETF pulled back towards the long-term average at 100.5 levels. So far price action has been a reversion to the mean. Strong support area remains between 99 and 100.5. On the weekly scale price chart the upper boundary of the trend channel is likely to form support around the same level with the 200-day average. Breakdown below the long-term average can change the outlook to negative on ACWI ETF.



Note: We have received many requests for the possibility to have the report in PDF format. Going forward I will attach a PDF version of the report for our members who would like to read on paper and also offline. Due to large size (given that I like to keep charts in large format) this is the best layout I could put the report. I hope this will be useful.



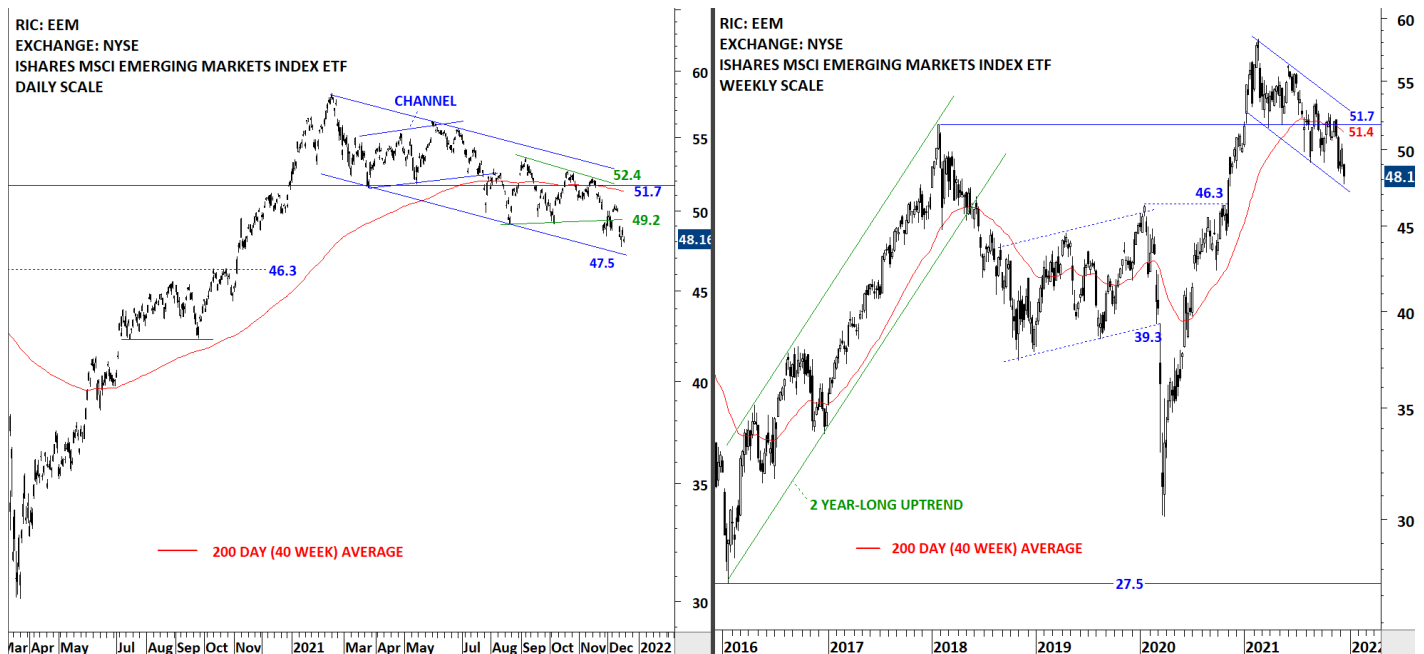
GLOBAL EQUITY MARKETS - DECEMBER 18, 2021 - PART I

GLOBAL EQUITY MARKETS - DECEMBER 18, 2021 - PART II

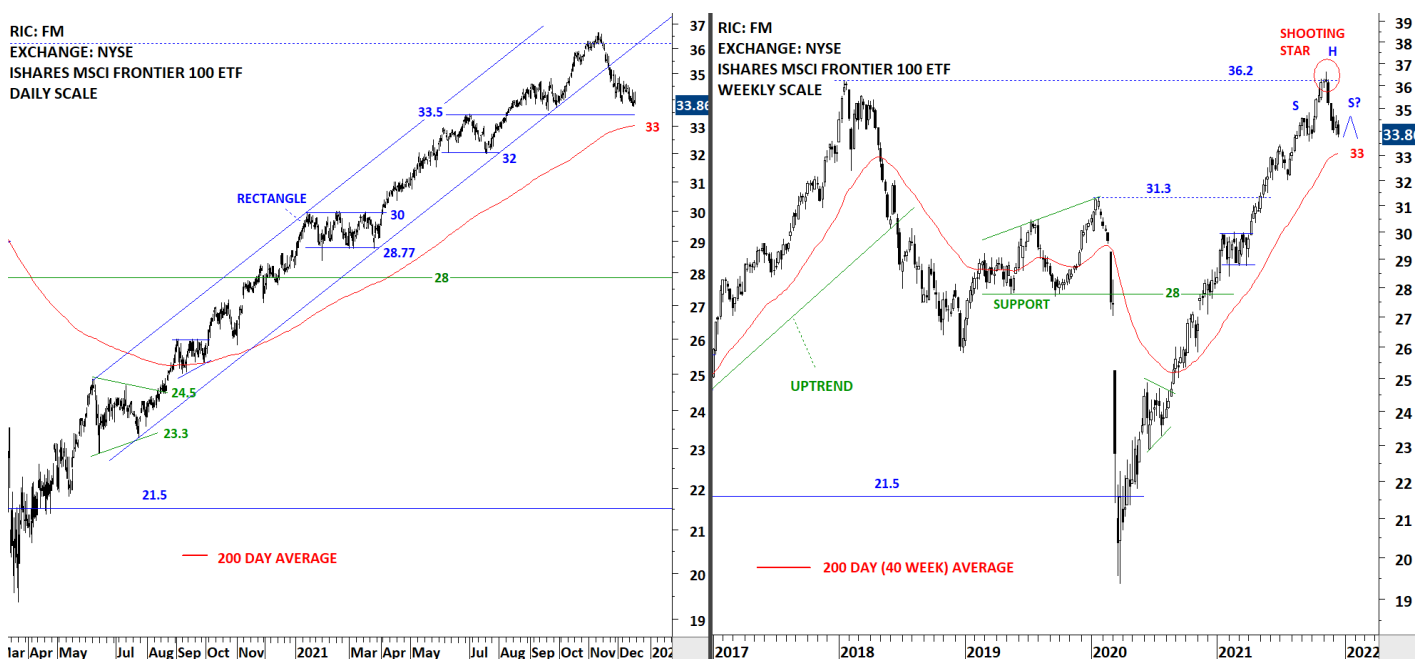


TECH CHARTS WATCHLIST - SUMMARY OF RICS & PATTERNS IN FOCUS

The benchmark for the Emerging Markets performance, the iShares MSCI Emerging Markets Index ETF (EEM) is trading below the 200-day average. The ETF has been recording lower lows and lower highs confirming the downtrend in Emerging Markets. Strong resistance area remains between 51.7 and 52.4. The longer price remains below the 200-day average, the higher the chances of an established downtrend. There is no bottom reversal chart pattern on daily scale.

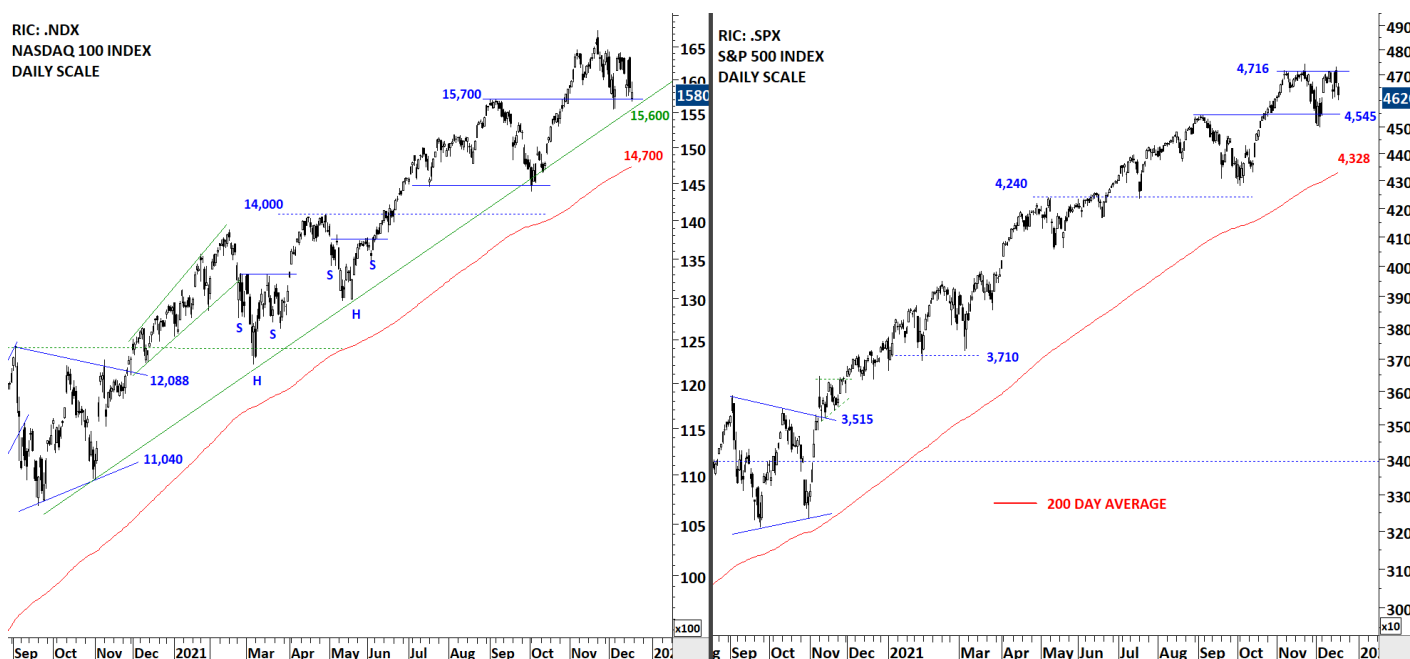


The benchmark for the Frontier equity markets performance, the iShares MSCI Frontier 100 ETF, experienced its first setback at the strong resistance at 36.2 levels. This week's price action resumed the reversion to the mean. The 200-day (40 week) average is forming support at 33 levels. Support area remains between 33 and 33.5 levels. I'm weighing the possibility of a H&S top with the right shoulder in progress. I will be looking for symmetry between shoulders.

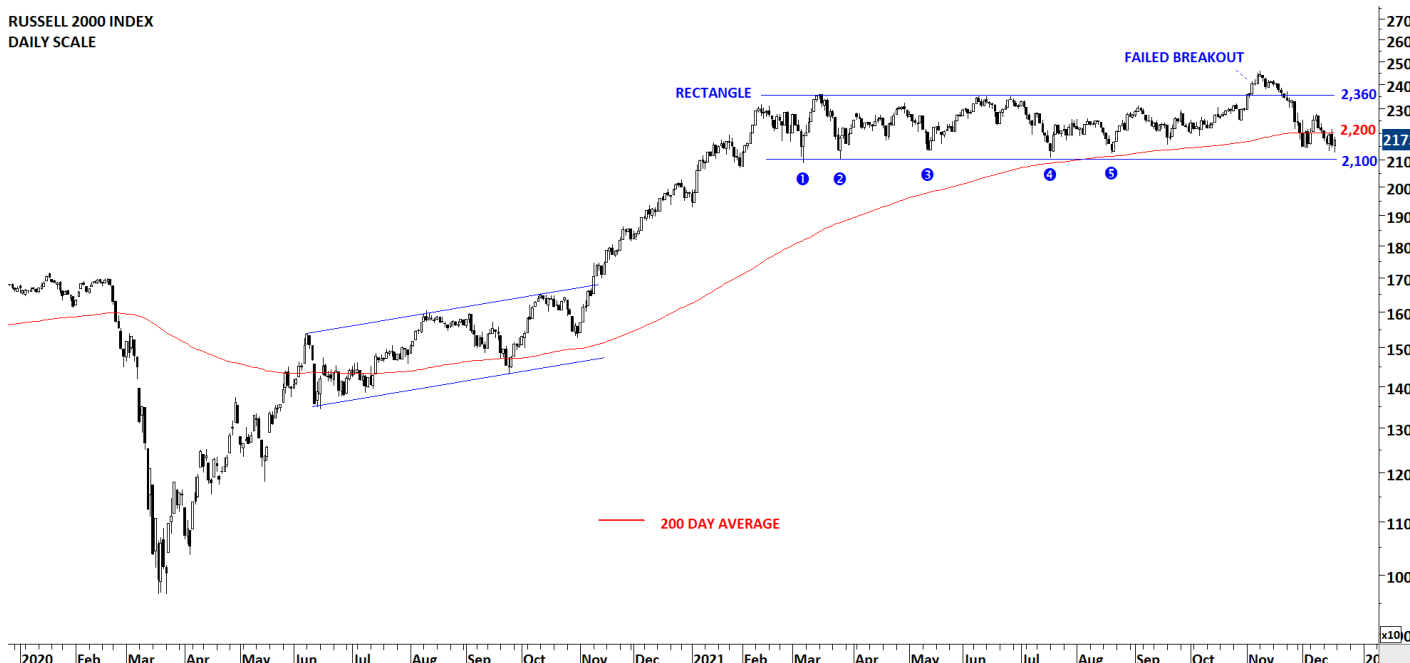


Both Nasdaq 100 and S&P 500 are in a steady uptrend. There are no reversal chart patterns on daily scale price charts. Both indices rebounded from the minor support/resistance levels without correcting further towards their 200-day averages. The support was at 15,700 levels for the Nasdaq 100 index and 4,545 levels for the S&P 500 Index. Both charts are showing a steady uptrend. The

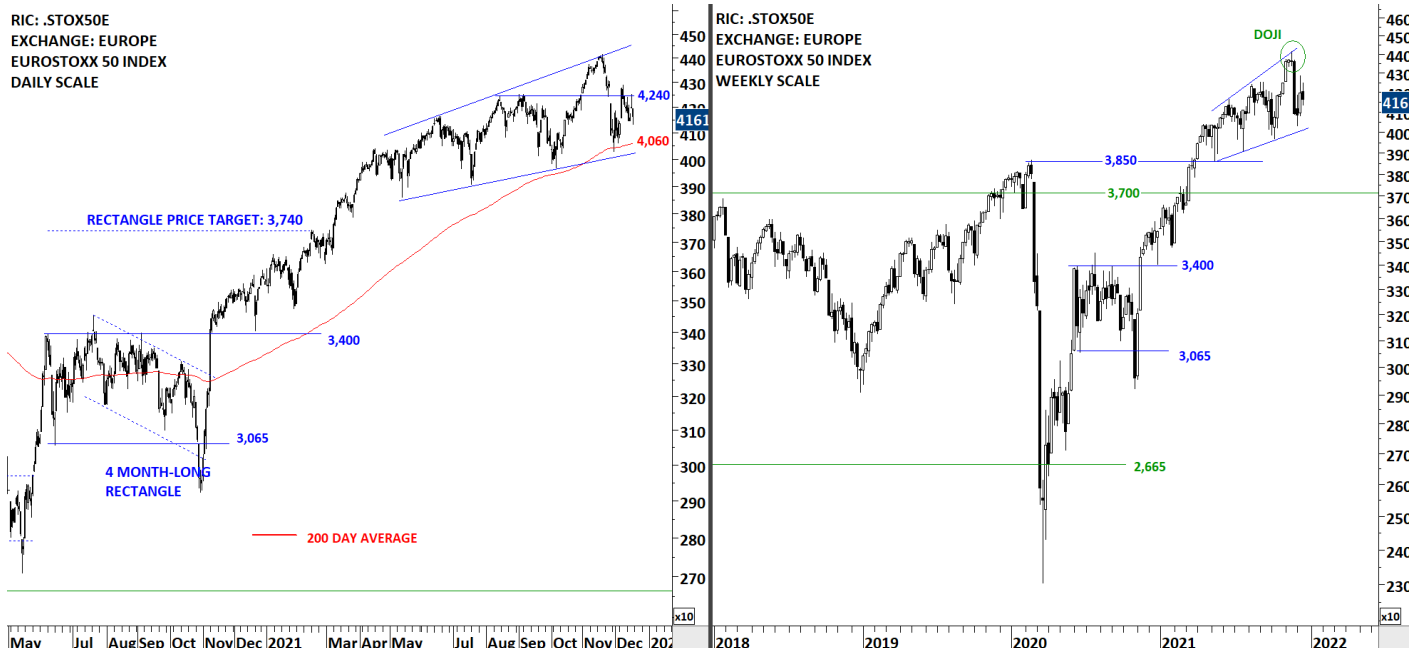
uptrend line for Nasdaq 100 index is forming support around the same level with the minor low. 15,600-15,700 is short-term support. Breakdown below this area can target the 200-day average at 14,700 levels. S&P 500 Index might be forming a H&S continuation chart pattern (bullish) with the neckline standing at 4,716 levels. S&P is in a trading range between 4,545 and 4,716 levels.



The benchmark for small cap equities, experienced a failed breakout. Price tested the 200-day average at 2,200 levels. 2,360 becomes the resistance. It has been a challenging year for small caps and it continues to be difficult for breakout setups. Last horizontal support stands at 2,100 levels. Unless the index quickly recovers above the 200-day average, it will risk breaking down 2,100 levels. A rebound from current levels can increase the probability of a double bottom reversal.



Euro Stoxx 50 Index tested the lower boundary of its expanding channel and the 200-day average at 4,040 levels. There has been several tests of the lower boundary and I see it as a valid technical support. Over the past few trading sessions we have seen a rebound from the support area. Breakdown of the last strong support at 4,060 levels can change the trend from up to down and result in further correction towards the next support at 3,850 levels. Currently we can focus on a trading range between 4,060 and 4,240 levels.



Euro Stoxx banking index failed to hold above the horizontal support and the lower boundary of the trend channel which resulted in a correction towards the 200-day average at 94 levels. If we see a breakdown below the 200-day average price can continue its correction towards 85 levels. We can identify a gap opening. If this is a breakaway gap, it will not get filled. Breakdown below the 200-day average can resume the downtrend.



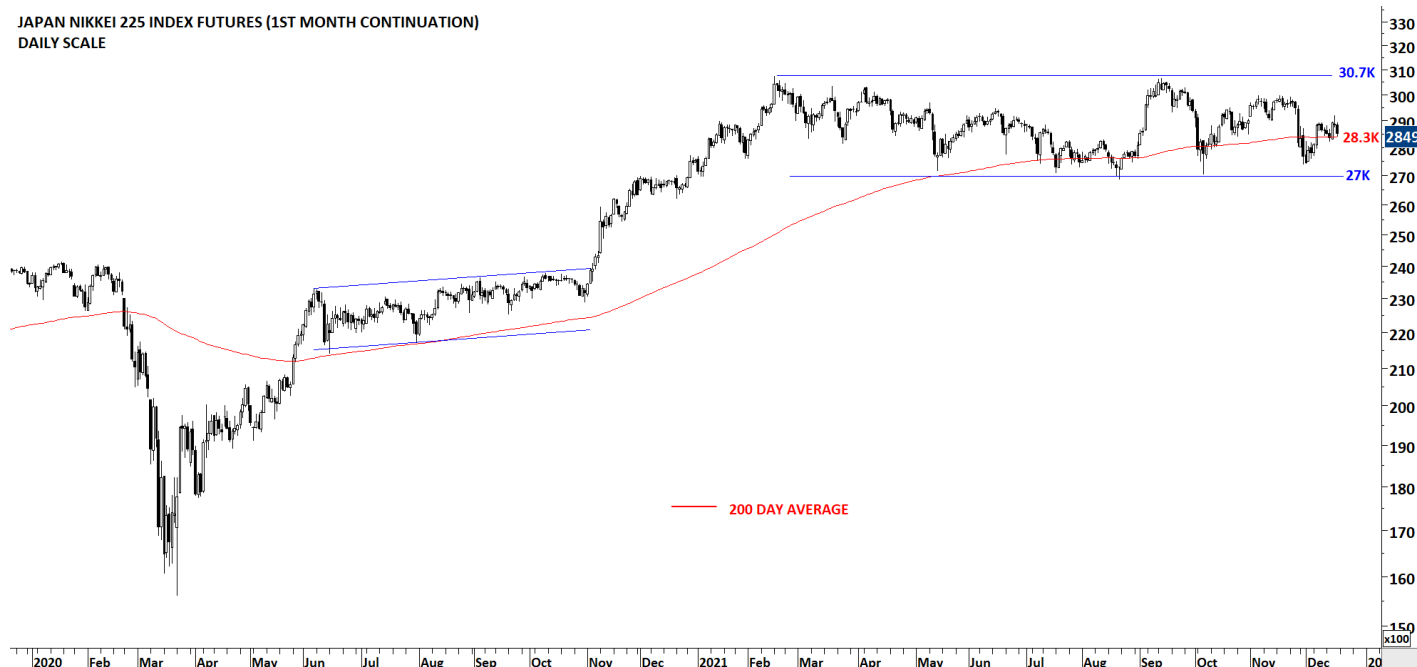
Germany's Midcap equity benchmark reversed from its previous high at 36.4K. As price tests the lower boundary at 33.2K, I will be looking at two options; possibility to rebound and form a rectangle consolidation or possibility to breakdown and complete a double top with price objective of 30.4K. It is important to note that the 200-day average and the lower boundary are overlapping around the same level. I call these type of support areas as inflection points.

RIC: .MDAXI
 EXCHANGE: GERMANY
 MDAX PERFORMANCE INDEX
 WEEKLY SCALE



Japan's NIKKEI 225 Index is possibly forming a multi-month long rectangle and can trade between 27K and 30.7K. Breakdown below the 200-day average resulted in a test of the lower boundary at 27K levels. The index is offering trading opportunity between well-defined boundaries.

JAPAN NIKKEI 225 INDEX FUTURES (1ST MONTH CONTINUATION)
DAILY SCALE



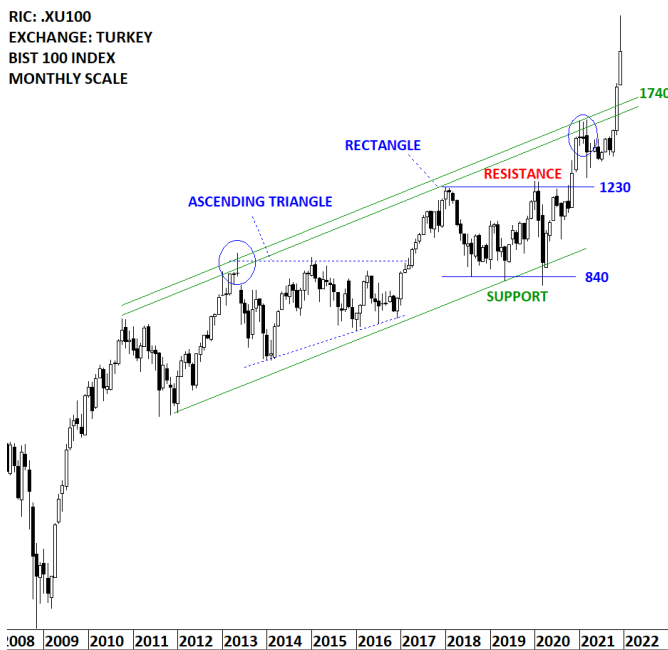
China SSE 50 Index experienced its first strong weekly rebound that pushed the index towards the long-term average. This week's price action hasn't seen a follow through. Breakout above the 200-day average can put the index back to positive territory. Next couple of weeks I will monitor China equities closely for possible recovery and stability above the 200-day average.

RIC: .SSE50
CHINA SSE 50 INDEX
MONTHLY SCALE



Turkey's BIST 100 equity benchmark cleared the resistance at 1,600 levels on weekly scale. Breakout above a rising trend channel is usually followed by a runaway price action (strong rally). The monthly close was above the upper boundary of the trend channel. The upper boundary of the monthly scale price chart is at 1,740 levels that is expected to be support during pullbacks. The daily scale price chart shows a blow off top with the long upper shadow. I expect the index to consolidate and possibly pullback to the upper boundary of the rising trend channel.

RIC: .XU100
EXCHANGE: TURKEY
BIST 100 INDEX
MONTHLY SCALE



Weakness in local currency continues to put pressure on TUR ETF listed on the Nasdaq Stock Exchange. The ETF is a good representation of stock market performance for foreign investors. While the indices are rallying on local currency based benchmarks, the opportunity cost by being invested in Turkish Lira assets can be seen from the chart below. The chart shows a decade-long downtrend, which I call it as the lost decade. Since the beginning of 2019, the ETF formed a possible rectangle chart pattern with the lower boundary acting as support at 17.6 and the upper boundary as resistance at 29 levels. Breakdown below the lower boundary can result in a correction to all-time lows with a price target of 11 levels. This week's price action was mainly driven by Friday's sell-off and continued strength on USD vs the local currency. I will give this chart another week to conclude on the breakdown from the multi-year long rectangle.

ISHARES MSCI TURKEY ETF
TUR.O
MONTHLY SCALE



Price chart of cash Gold price has been forming lower highs since the last quarter of 2020. Price is trading around the 200-day average at 1,800 levels. Breakout above 1,840 levels failed. Monthly scale price chart is still not showing a clean breakout. The chart pattern can become a descending triangle with the horizontal support at 1,680 levels. Another test of 1,680 levels can put the long-term uptrend in jeopardy.



Silver remains range bound between 21.8 and 30 levels. Breakout above the 200-day average and the neckline at 24.7 levels failed. Chart pattern is morphing. 21.8 is long-term support and until there is a breakdown, price offers trading opportunity between boundaries. The trading range is between 21.8 and 24.7 levels.

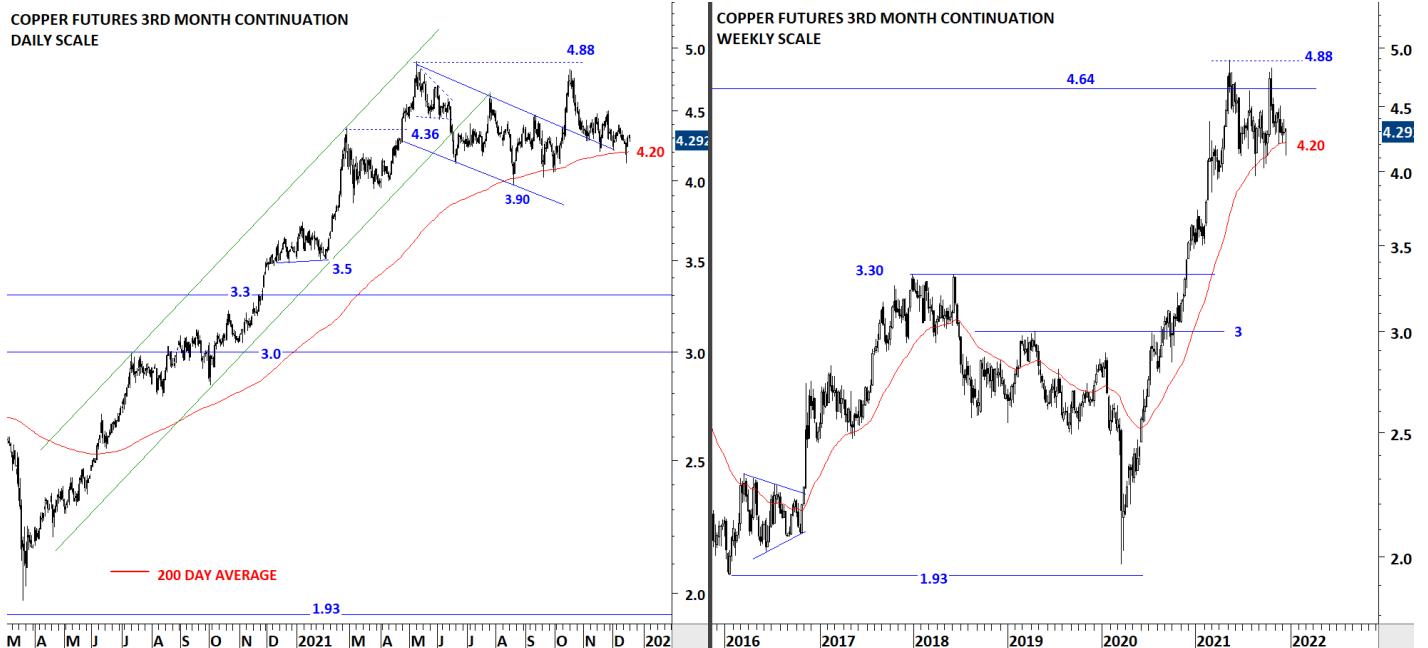


The daily scale price chart of Silver shows much better the price action between the boundaries. It is important to note that as Silver is testing the lower boundary at 21.8 levels, price remains below the long-term average. Breakdown below 21.8 levels can confirm the downtrend and also complete the rectangle on the downside. I'm open for both possibilities around these levels. A rebound and keeping the trading range intact or a breakdown and a correction towards next support level at 19 levels.

RIC: XAG=
SILVER CASH (\$/ounce)



Copper once again found support and rebounded from 4.20 levels, the 200-day moving average. At this point I can conclude that price is in a trading range between 4.20 and 4.88 levels. There is no clear chart pattern on daily and weekly scale price charts. Breakdown below the 200-day average can result in a larger scale correction towards the next support at 3.9.



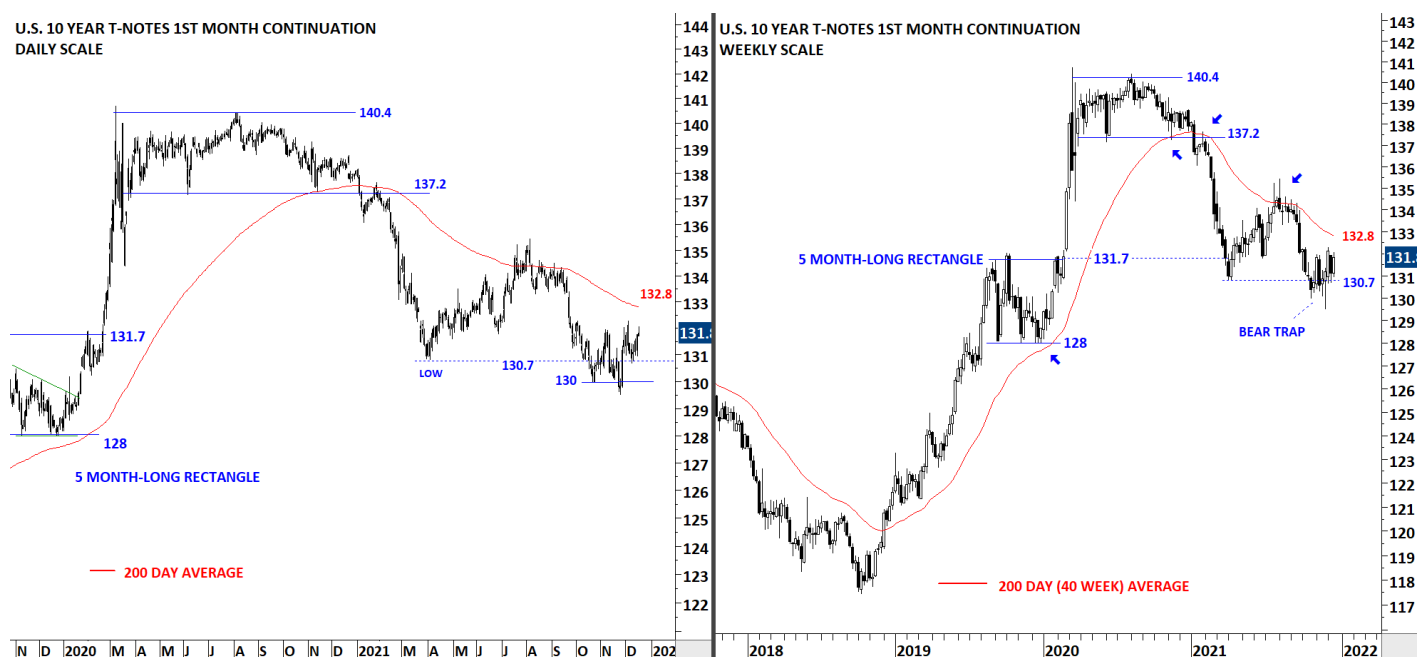
European Bund price is in a wide consolidation range between 169.3 and 179.7 levels. The trading range is possibly forming a 20 month-long rectangle. Strong support remains at 169.3 levels. Recovery back above 169.3 is possibly acting as a bottom reversal.

BUND FUTURES 1ST MONTH CONTINUATION
WEEKLY SCALE

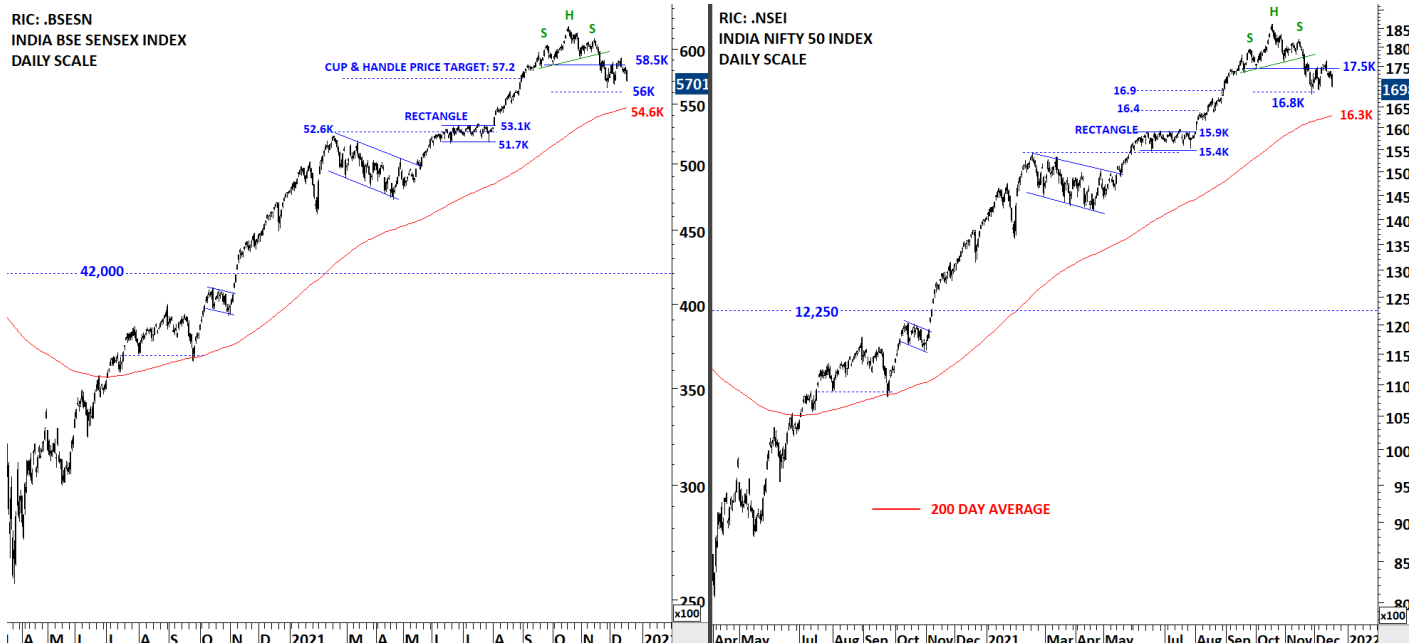


The U.S. 10 Year T-Note re-tested the lows around 130.7 levels. Support area is between 130 and 130.7. The 200-day moving average is forming resistance at 132.8 levels. If price manages to remain above short-term support area (130-130.7), I will expect a trading range between 130 and 132.8 levels. Though, it is important to note that price is below the long-term average, which confirms the downtrend on U.S. Treasuries. A recovery above the 200-day average can put the outlook back to positive for U.S. Treasuries.

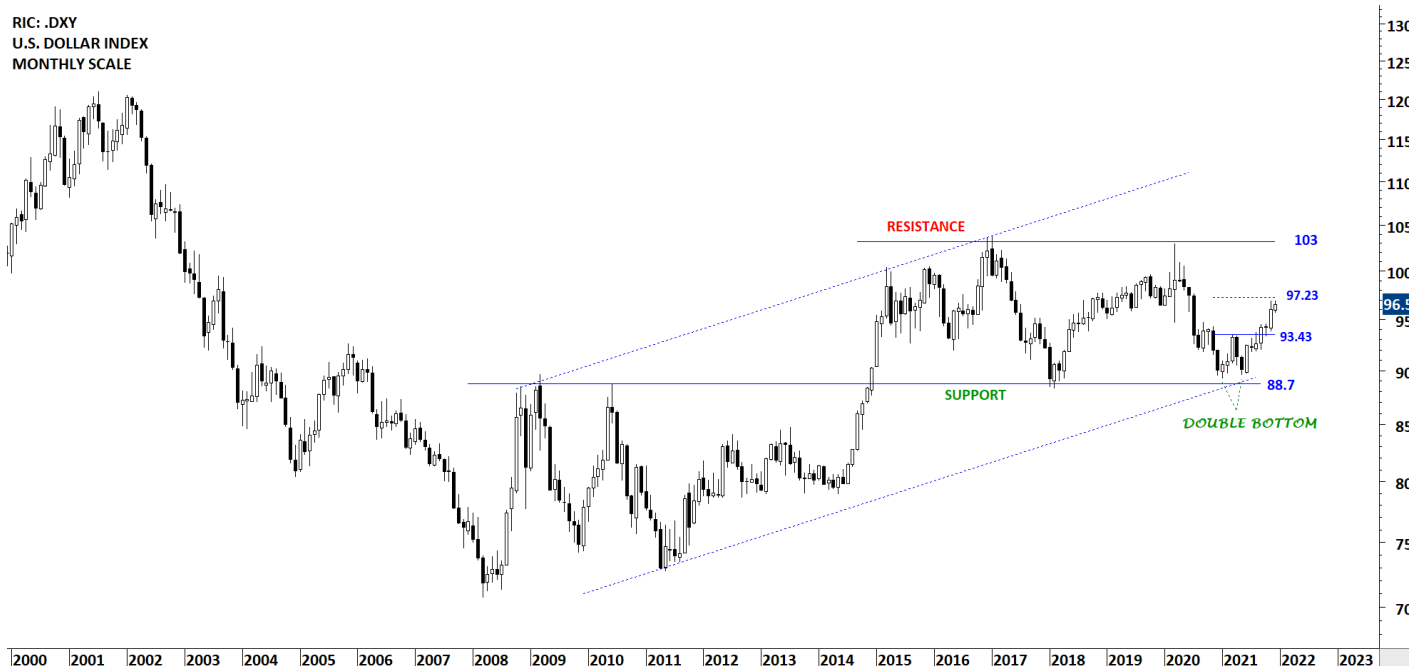
U.S. 10 YEAR T-NOTES 1ST MONTH CONTINUATION
DAILY SCALE



Both Nifty 50 and Sensex has been in a strong and steady uptrend. Price has taken a parabolic shape and parabolic price action was not sustainable. The index pulled back to fill the gap openings. Daily scale price chart completed short-term H&S top reversals. The patterns on daily scale price charts completed as expected (H&S tops) and price entered into reversion to the mean stage and pullback towards the 200-day averages. Short-term H&S top price targets for Sensex at 56K and for Nifty 50 at 16.8K were met. Both indices failed to show follow through after forming minor bottom reversals. The charts are possibly continuing the reversion back to the mean. The 200-day average for NIFTY stands at 16.3K and for SENSEX at 54.6K.



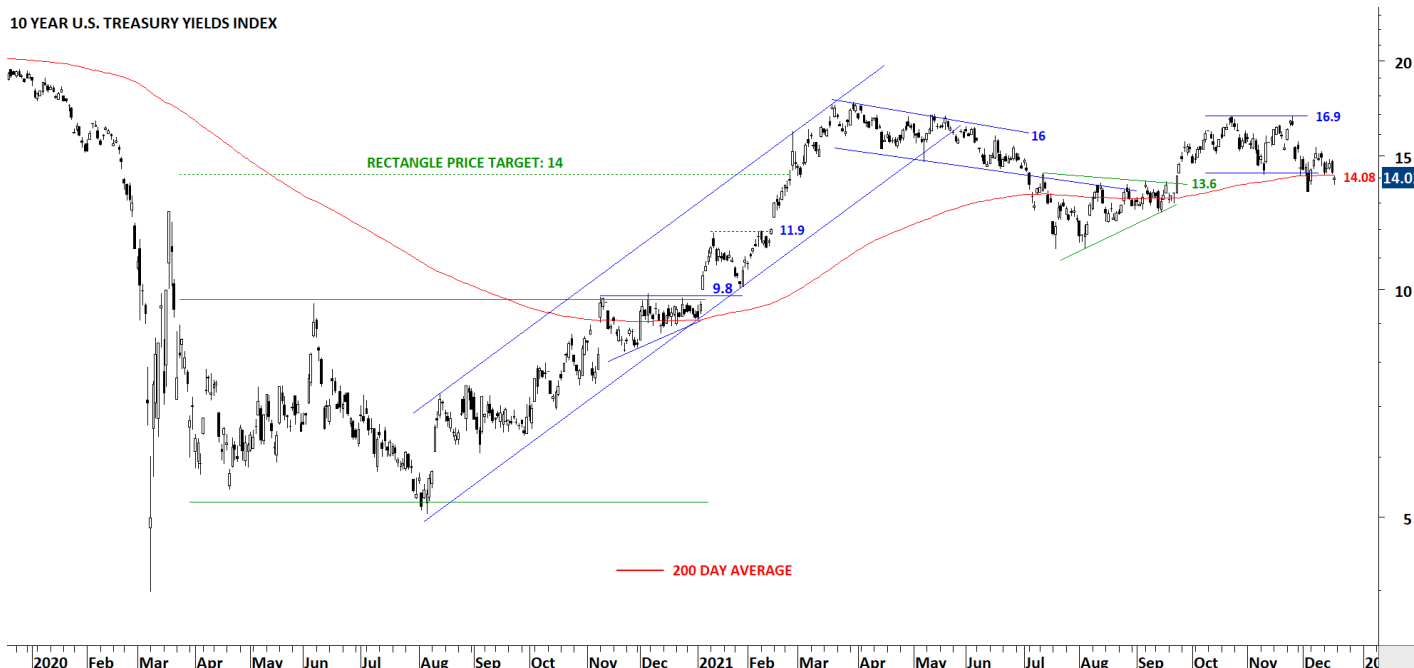
The Dollar Index is gaining strength after forming a double bottom on the monthly scale price chart. Breakout above 93.43 is now being followed by a steady uptrend towards the price target at 97.23 levels. Previous resistance at 93.43 levels becomes the new support. Long-term price chart shows a wide range between 88.7 and 103 levels.



I've discussed USDJPY in the previous updates. I think the chart has completed the long-awaited breakout. Strong USD against Japanese Yen can target 125 levels in a short period of time. The pair is going through historical low volatility condition and the possible breakout can be followed by strong price action (back to back monthly long white candles). October's candle was a long white candle with a close at the highs of the month. November was muted. For the breakout to succeed, price needs to accelerate on the upside.

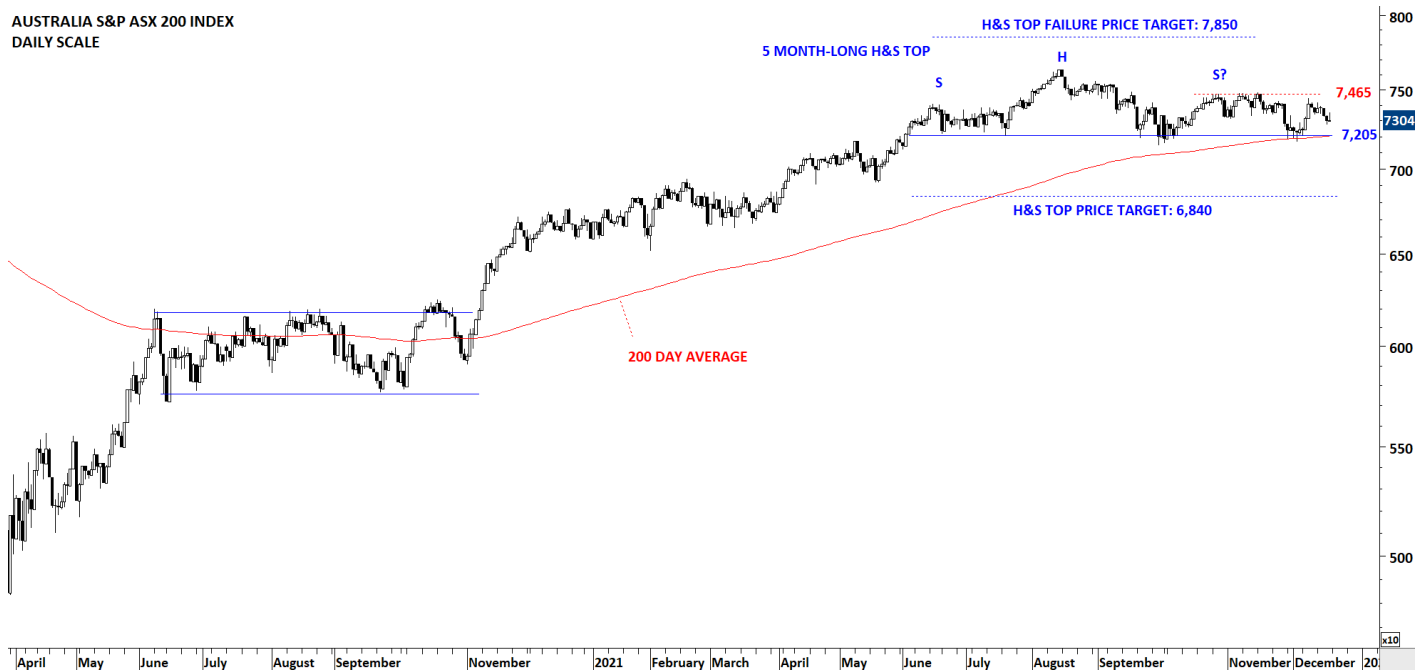


The chart below is the 10 Year U.S. Treasury Yield Index. Price fell below the 200-day average for a day and quickly recovered. Yields can remain between 14.08 and 16.9 levels, a possible trading range. Failure to hold above the 200-day average will once again raise the possibility of a reversal and test of 11 levels, the minor low.



An interesting chart pattern development is taking place on Australia S&P ASX 200 Index. We might be at the early stages of this chart pattern and also the failure of it can suggest continuation of the uptrend. So I added 2 important levels to keep an eye on. If this chart pattern is a H&S top, the neckline is acting as support at 7,205. Breakdown can also breach the 200-day average suggesting a downtrend towards 6,840 levels. Chart pattern negation level is the high of the right shoulder at 7,465 levels. A breach above that level will signal the continuation of the uptrend with a price target of 7,850 levels.

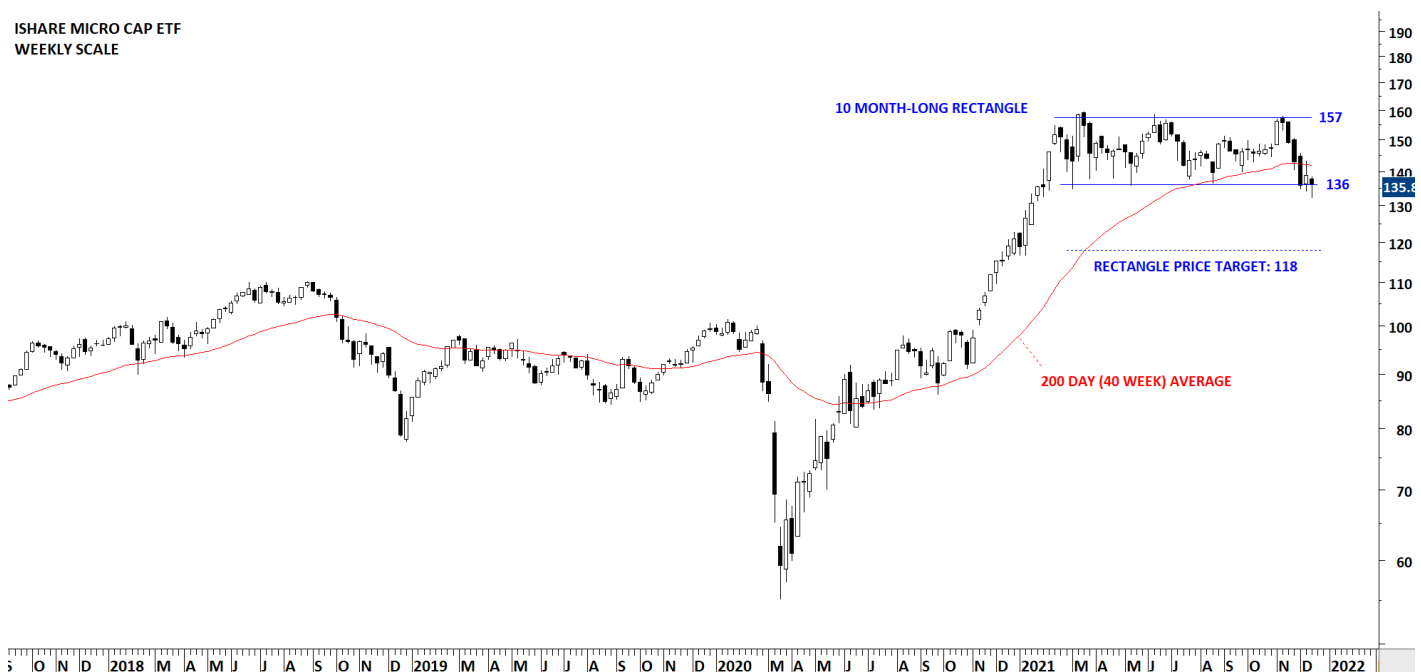
AUSTRALIA S&P ASX 200 INDEX
DAILY SCALE



Charts below review several ETFs that have similar technical outlook. If you like to trade range-bound price actions between well-defined boundaries, those setups are valuable for you. If you like to trade breakouts/breakdowns, any weakness in the following week can become a short signal. Rectangles can act as top reversals and reverse uptrends. Until that happens those well-defined ranges are offering trading opportunity between horizontal boundaries.

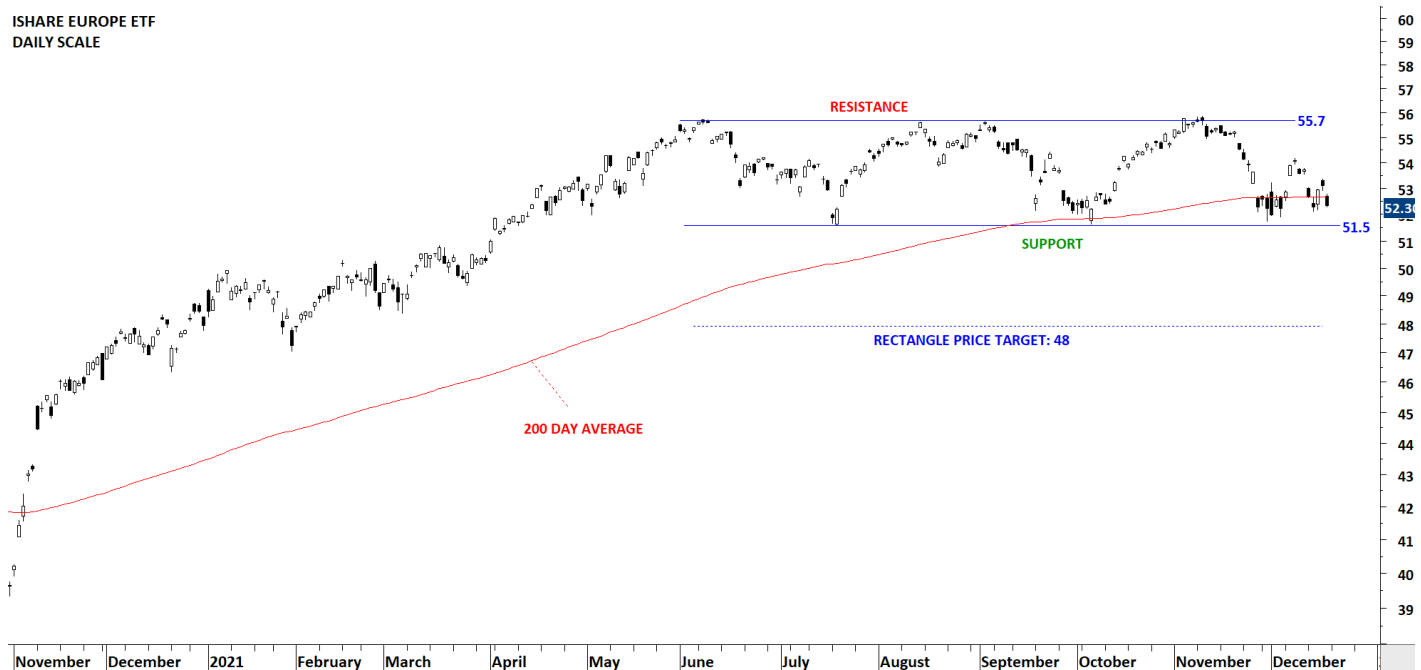
ISHARE MICRO CAP ETF (IWC) formed a 10 month-long rectangle. This week's price action rebounded from the lower boundary of the rectangle at 136 levels but failed to recover above the 200-day average. Breakdown can confirm the rectangle as a top reversal with possible price target of 118 levels.

ISHARE MICRO CAP ETF
WEEKLY SCALE



ISHARE EUROPE ETF (IEV) formed 6 month-long rectangle with the lower boundary acting as support at 51.5 and the upper boundary as resistance at 55.7 levels. Breakdown below the lower boundary can confirm the rectangle as a top reversal with the possible price target of 48 levels. The ETF is offering trading opportunity between boundaries.

ISHARE EUROPE ETF
DAILY SCALE



ISHARE MSCI EAFE ETF (EFA) formed a 6 month-long rectangle with the upper boundary acting as resistance at 82 and the lower boundary as support at 76.4 levels. Price recovered above the 200-day average. Breakdown below the horizontal support can result in a top reversal with the price target at 71 levels. Until we see a breakdown or breakout, the ETF will offer trading opportunity between boundaries. Breakdown from a well-defined consolidation that takes place below the 200-day average will be a high conviction trade.

ISHARE MSCI EAFE ETF
DAILY SCALE



ISHARES 0-5 YR TIPS BOND ETF (STIP.K) formed a 6 month-long rectangle with the lower boundary acting as support at 105.4 and the upper boundary as resistance at 107.1 levels. Price failed to hold above the lower boundary. I will confirm this breakdown after another day of weakness in the following week.

ISHARE 0-5 YR TIPS BOND ETF
DAILY SCALE



Invesco Dynamic Oil & Gas Services ETF formed an 8 month-long rectangle with the lower boundary acting as support at 2.98 and the upper boundary as resistance at 4.27 levels. Breakdown below 2.98 can result in a downtrend towards 2.1 levels. The ETF rebounded from the well-defined horizontal support. Though, price still remains below the 200-day average.

INVESCO DYNAMIC OIL & GAS SERVICES ETF
DAILY SCALE

