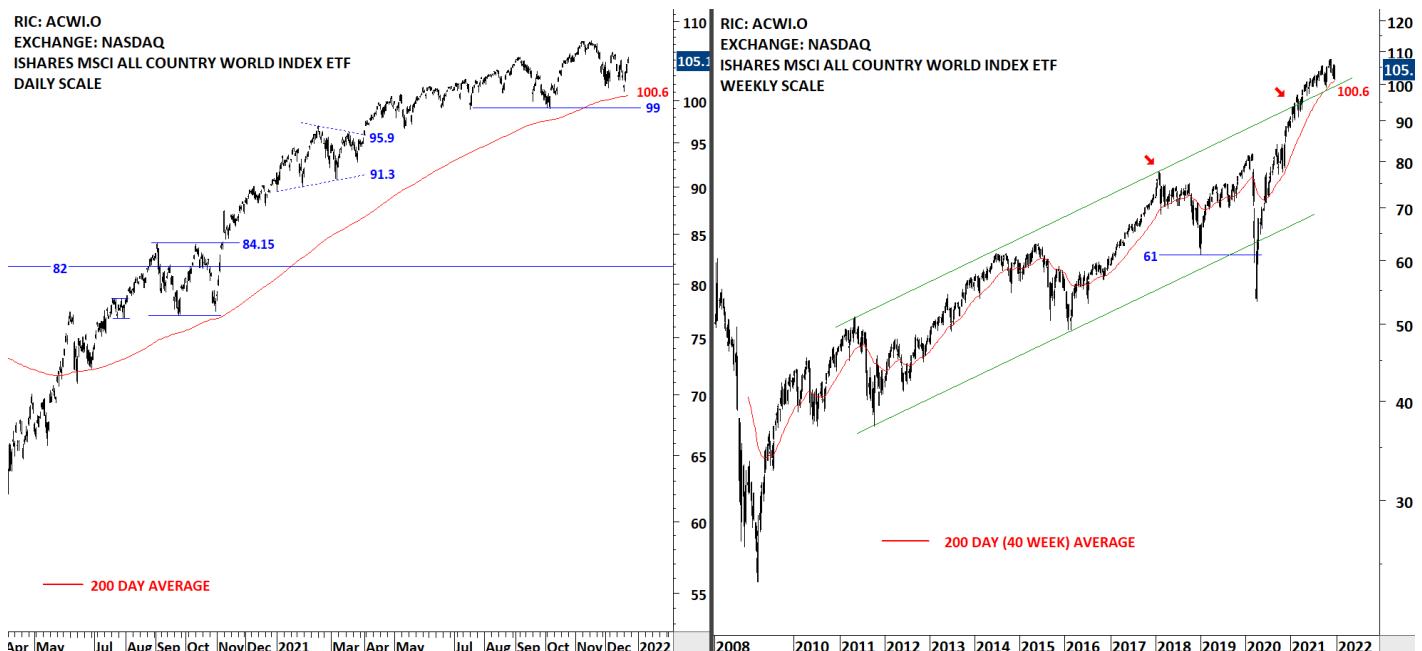


REVIEW

The benchmark for the Global equity markets performance, the iShares MSCI All Country World Index ETF (ACWI.O) is in an uptrend. The ETF pulled back towards the long-term average at 100.6 levels. So far price action has been a reversion to the mean. Strong support area remains between 99 and 100.6. On the weekly scale price chart, the upper boundary of the trend channel formed 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 25, 2021 - PART I

GLOBAL EQUITY MARKETS - DECEMBER 25, 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. With this week's price action, the ETF reached the lower boundary of the downward sloping channel. Strong resistance area remains between 51.1 and 51.7. 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.

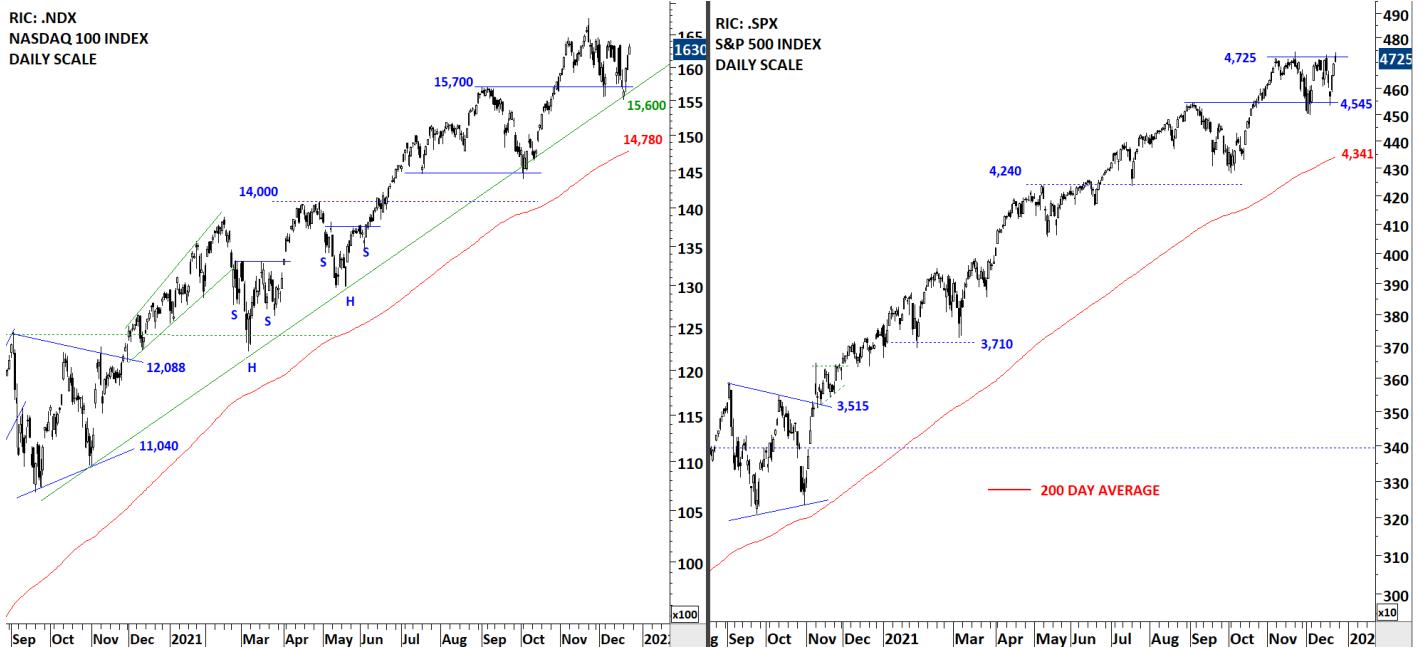


The benchmark for the Frontier equity markets performance, the iShares MSCI Frontier 100 ETF, experienced its first setback at the strong resistance at 36.2 levels. This week's price action resumed the reversion to the mean. The 200-day (40 week) average is forming support at 33 levels. Support area 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 was forming support around the same level with the minor low where the index rebounded from. 15,600-15,700 is short-term support. S&P 500 Index might be forming a short-term rectangle with the upper boundary acting resistance at 4,725 levels. S&P is in a trading range between 4,545 and 4,725 levels. Breakout above 4,725 levels can resume the existing uptrend.



Following the failed breakout above 2,360 levels, Russell 2000 Index tested the lower boundary of its multi-month long consolidation at 2,100 levels. This week's rebound started exactly from the lower boundary of the consolidation and pushed the index back above its 200-day average. Small Caps remain range-bound between 2,100 and 2,360 levels.



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 4,065 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 4,065 and 4,240 levels. As long as price remains above the 200-day average, I will treat this as a steady uptrend.



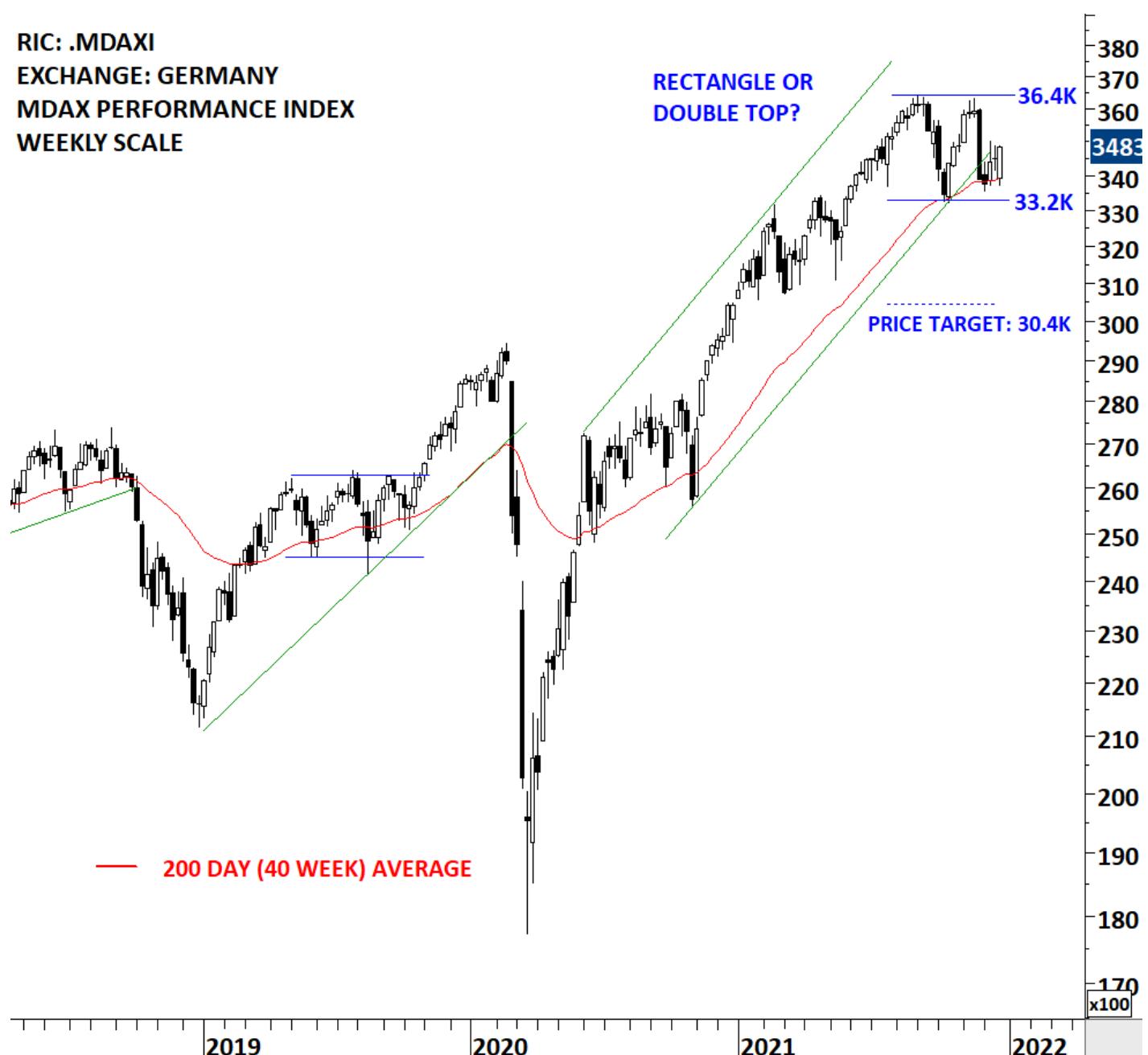
Euro Stoxx banking index failed to hold above the horizontal support and the lower boundary of the trend channel which resulted in a correction towards the 200-day average at 94 levels. If we see a breakdown below the 200-day average price can continue its correction towards 85 levels. We can identify a gap opening. The gap was filled with this week's rebound. Breakdown below the 200-day average can resume the downtrend. For now, I can conclude that the uptrend is intact.



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

RECTANGLE OR
DOUBLE TOP?



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



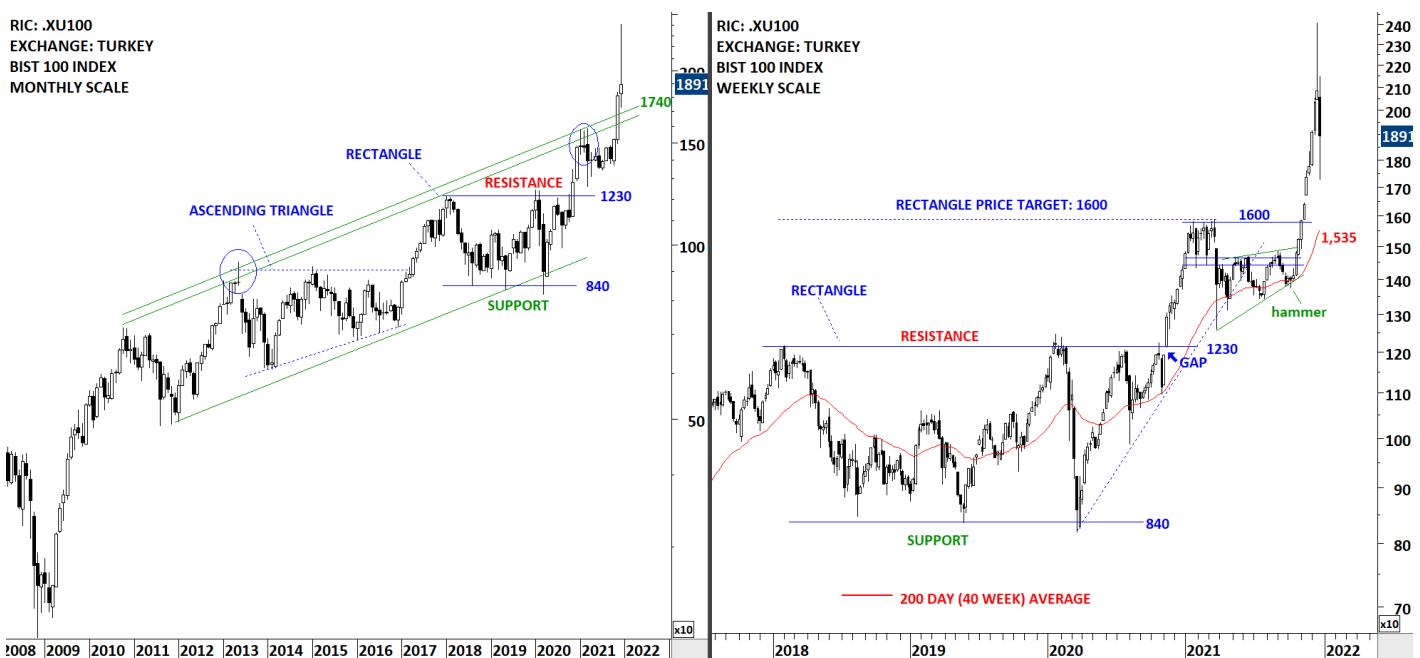
China SSE 50 Index experienced its first strong weekly rebound that pushed the index towards the long-term average. This week's price action hasn't seen a follow through. Breakout above the 200-day average can put the index back to positive territory. Next couple of weeks I will monitor China equities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

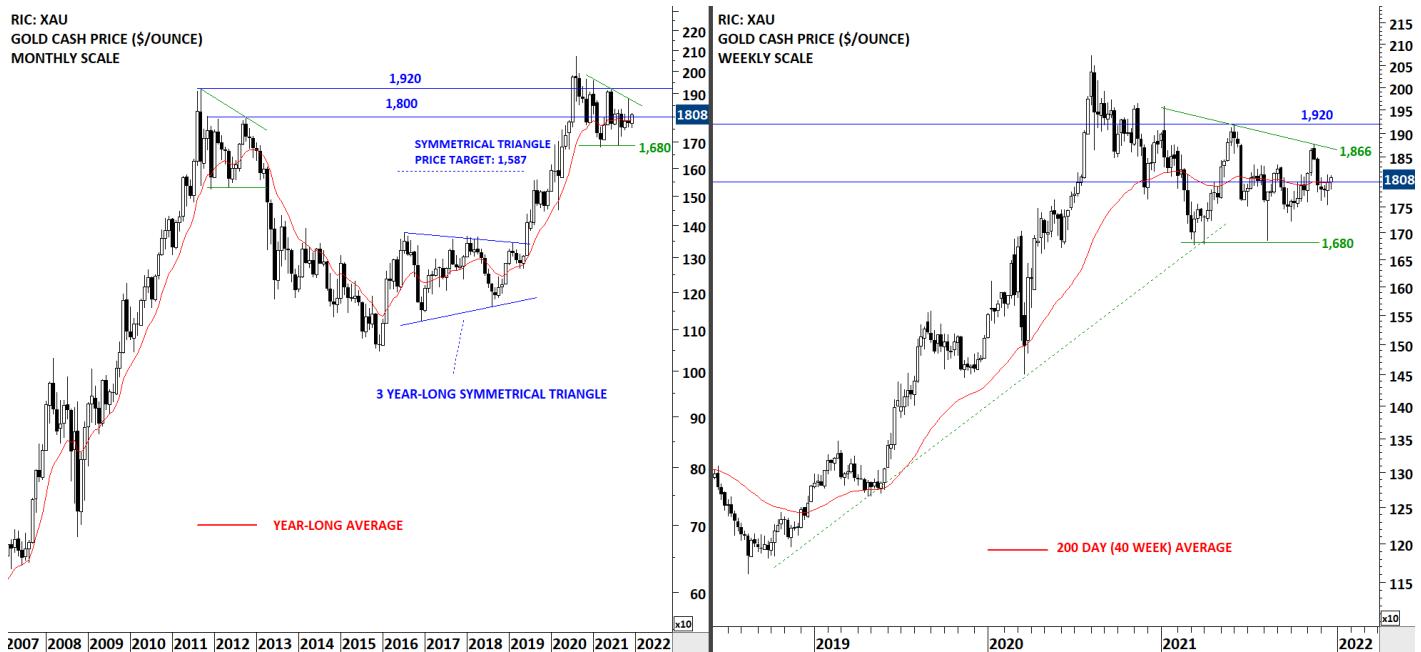


Massive volatility on local currency and also stock indices resulted in a intraday shakeout on the TUR ETF. The announcement that supported the local currency came after the local markets were closed. During the week, the governments pledge to support Turkish Lira resulted in a sharp rebound on the TRY and as a result on TUR ETF that is denominated in USD and listed on the NYSE. The range remained intact between 17.6 and 29 levels. 17.6 level is a strong support.

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. The chart pattern on monthly scale 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. I've adjusted the upper boundary of the possible descending triangle. The resistance stands at 1,866 levels.



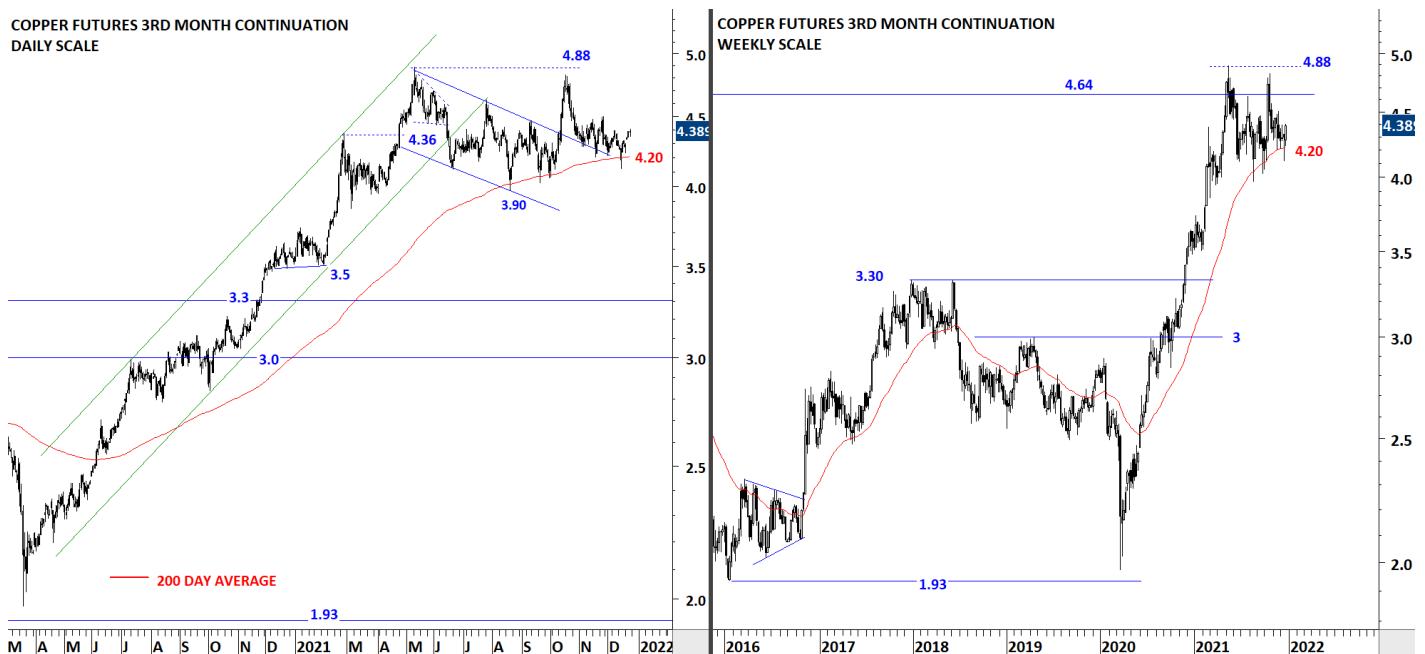
Silver remains range bound between 21.8 and 30 levels. There is also another short-term consolidation range between 21.8 and 24.7 levels. If the monthly scale can close at the highs of the candle, this will form a possible bullish reversal candlestick, suggesting buyers stepping in around the strong horizontal support.



The daily scale price chart of Silver shows much better the price action between the boundaries. Breakdown below 21.8 levels can confirm the downtrend and also compete the rectangle on the downside. I'm open for both possibilities around these levels. Breakout above 24.7 levels will not only clear the horizontal resistance but also the 200-day average.



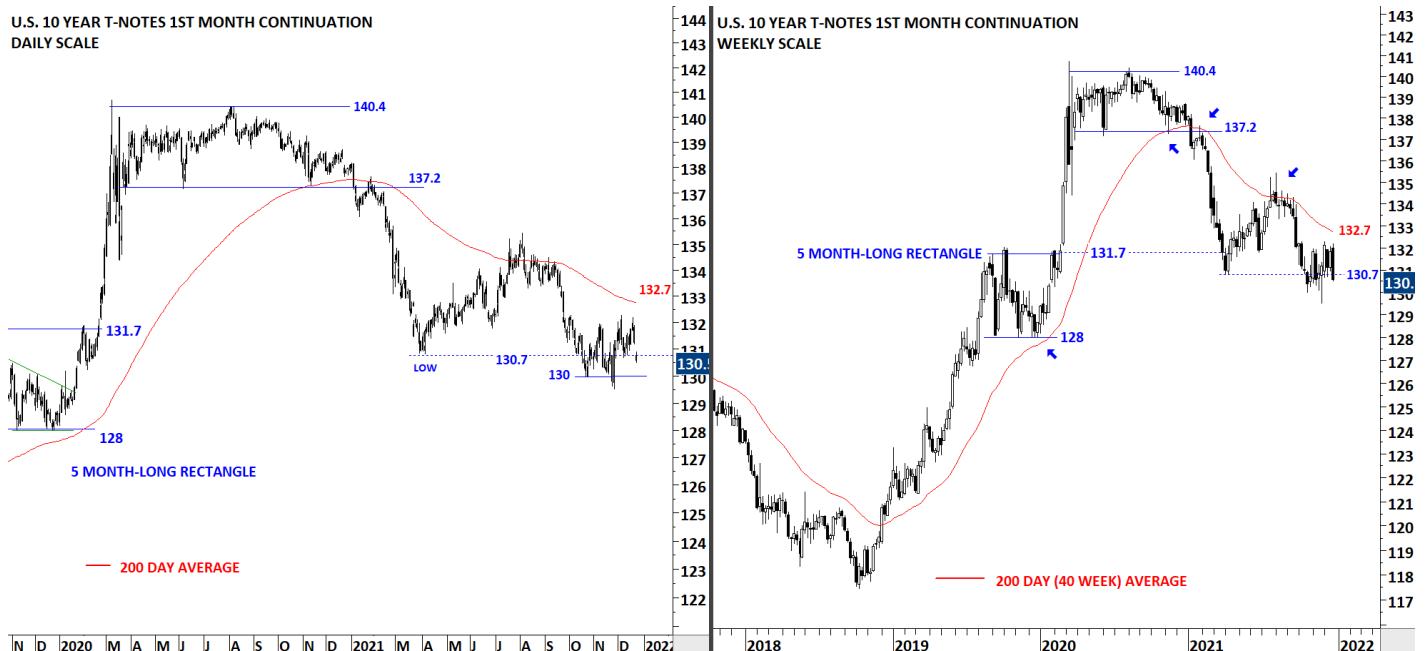
Copper once again found support and rebounded from 4.20 levels, the 200-day moving average. At this point I can conclude that price is in a trading range between 4.20 and 4.88 levels. There is no clear chart pattern on daily and weekly scale price charts. Breakdown below the 200-day average can result 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. This week's price action on weekly scale was a bearish engulfing candlestick, usually analyzed as a short-term reversal.



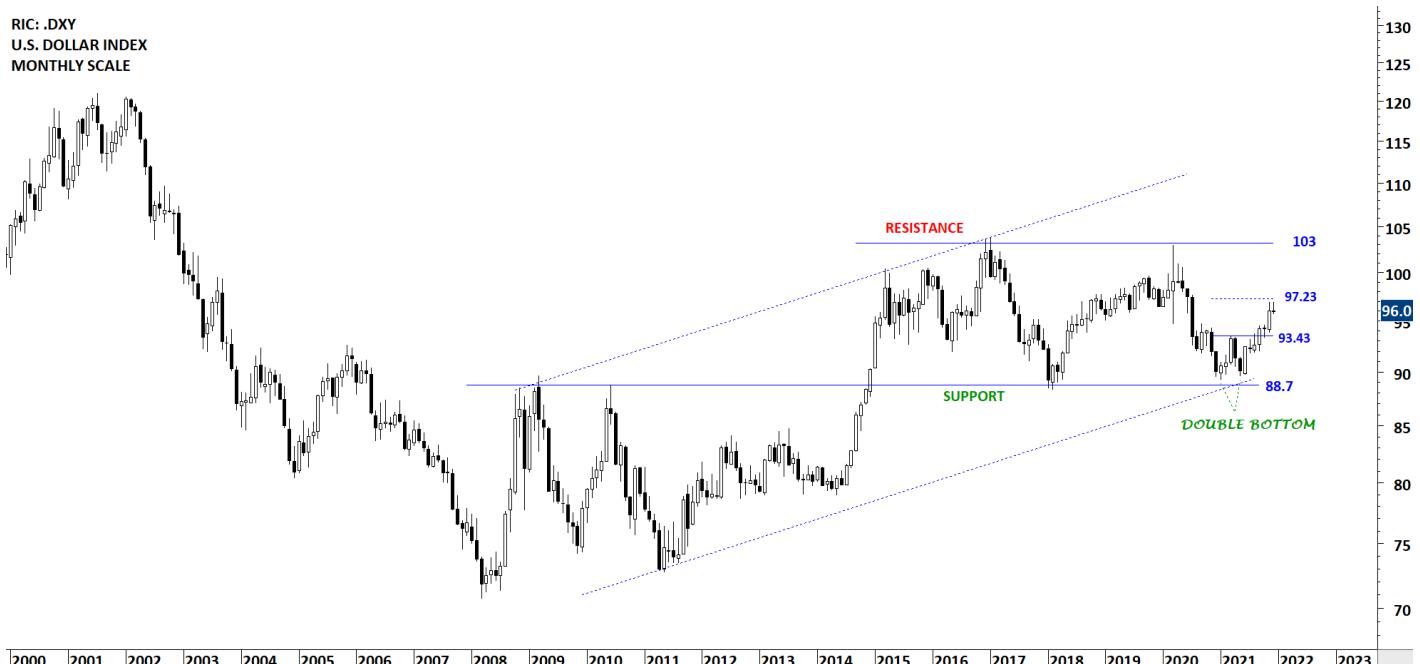
The U.S. 10 Year T-Note re-tested the lows around 130.7 levels. Support area is between 130 and 130.7. The 200-day moving average is forming resistance at 132.7 levels. If price manages to remain above short-term support area (130-130.7), I will expect a trading range between 130 and 132.7 levels. Though, 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. Breakdown below 130 levels can resume the downtrend.



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. Indian equity benchmarks possibly completed the reversion back to the mean. The 200-day average for NIFTY stands at 16.3K and for SENSEX at 54.7K. Uptrends are intact.



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.

U.S. DOLLAR/JAPANESE YEN
MONTHLY SCALE

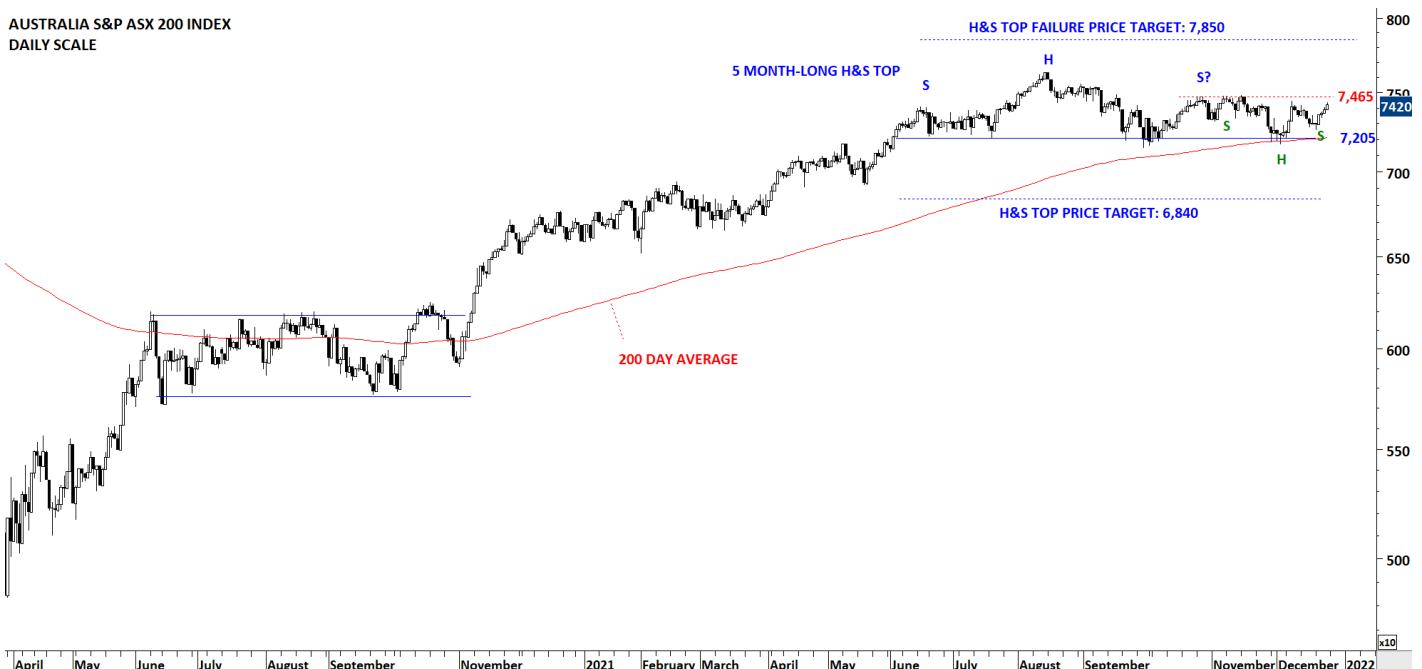


The chart below is the 10 Year U.S. Treasury Yield Index. Price fell below the 200-day average for a day and quickly recovered. Yields can remain between 14.08 and 16.9 levels, a possible trading range. Failure to hold above the 200-day average will once again raise the possibility of a reversal and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

10 YEAR U.S. TREASURY YIELDS INDEX

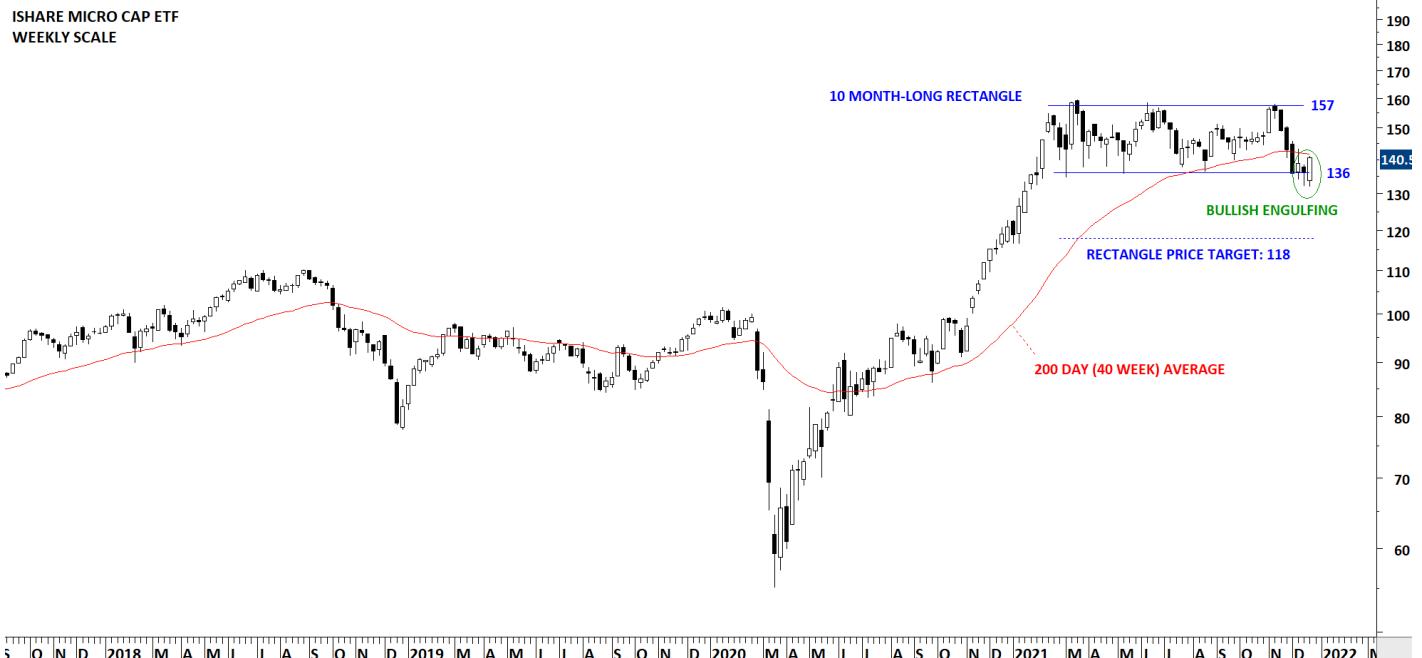


An interesting chart pattern development is taking place on Australia S&P ASX 200 Index. I added 2 important levels to keep an eye on. If this chart pattern is a H&S top, the neckline is acting as support at 7,205. Breakdown can also breach the 200-day average suggesting a downtrend towards 6,840 levels. 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. Two interlocking chart patterns are in focus. A possible H&S bottom reversal forming on the right shoulder can complete with a breakout above 7,465 levels.

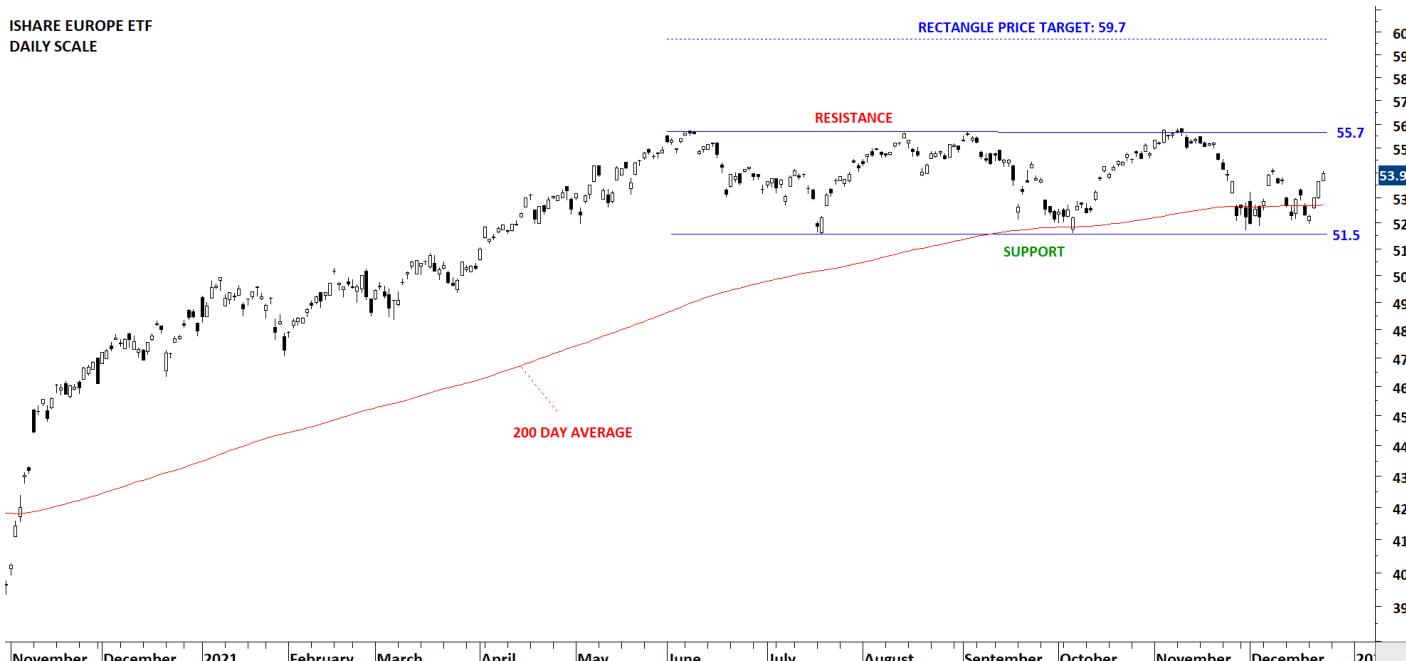


Charts below review several ETFs that have similar technical outlook. If you like to trade range-bound price actions between well-defined boundaries, those setups are valuable for you. If you like to trade breakouts/breakdowns, any weakness in the following week can become a short signal. Rectangles 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. The weekly candlestick pattern is a bullish engulfing, usually an indication of buyers stepping in at support areas. If we see a recovery above the 200-day average, I will read this as positive for risk assets.



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. Recovery back above the 200-day average puts the bullish interpretation on the cards.



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. The short-term resistance is at 79.6 levels. Breakout above that can confirm a double bottom with the price target of 82 levels.



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 recovered back above the lower boundary on a closing basis. However, I want to see more evidence of strength with price stabilizing above the 200-day average.

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. There is a possibility of a short-term double bottom with the neckline at 3.3 levels. Breakout above the minor high at 3.3 levels can also clear the 200-day average.

INVESCO DYNAMIC OIL & GAS SERVICES ETF
DAILY SCALE

