

Dear Tech Charts Members,

Another year is behind us. I want to take this opportunity to Thank you all for being part of Tech Charts community. As I shared knowledge with our members, I have learned a lot form our communications. It is definitely not a one way journey. Give and take... Like in every other part of life. Constructing ideas, putting them to test, being responsible to communicate them clearly, keeping track of statistics, getting feedback from many of you has added tremendous value over the past 5 years. I'm grateful for having you as members and part of our community. I look forward to serving you in the New Year with great chart pattern ideas, educational videos and with many more new interactive communications.

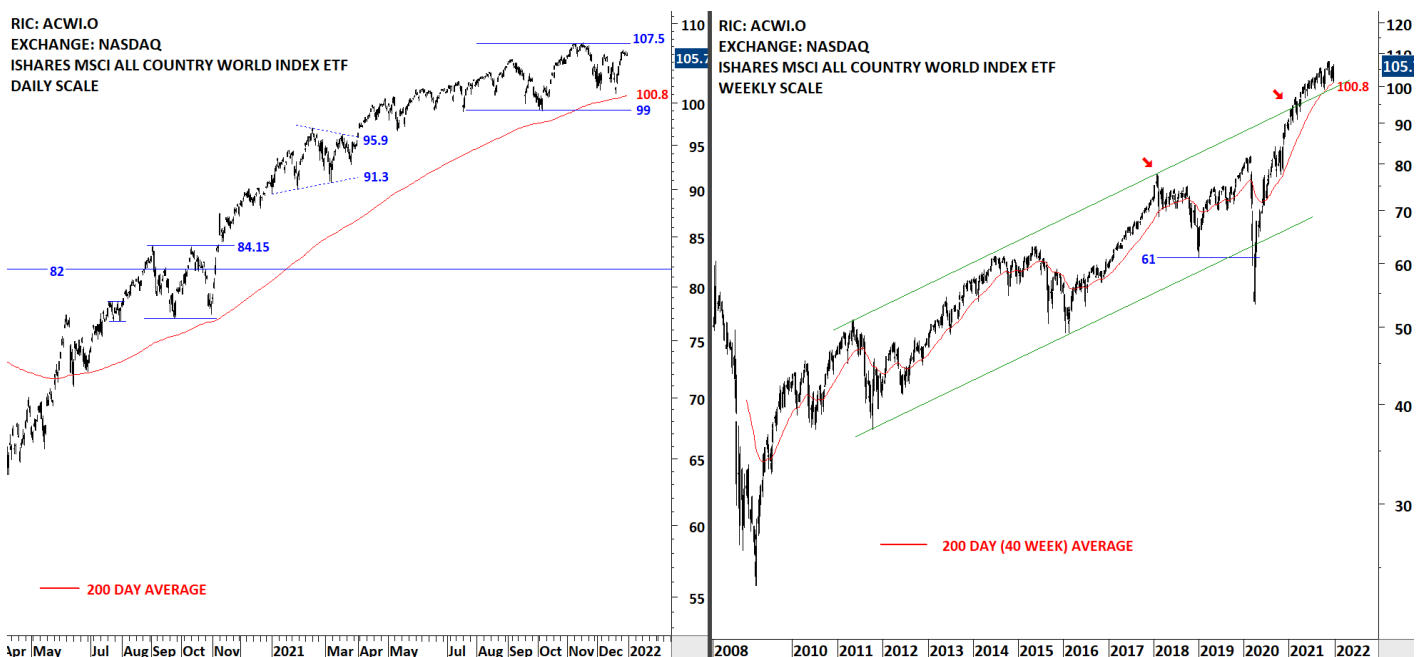
I wish you all a healthy and successful New Year.

Regards,

Aksel Kibar, CMT

## 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 100.8 levels and rebounded. Strong support area remains between 99 and 100.8. 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. Previous minor high at 107.5 will act as resistance in the following days.



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 - JANUARY 1, 2022 - PART I

## GLOBAL EQUITY MARKETS - JANUARY 1, 2022 - PART II



## TECH CHARTS WATCHLIST - SUMMARY OF RICS & PATTERNS IN FOCUS

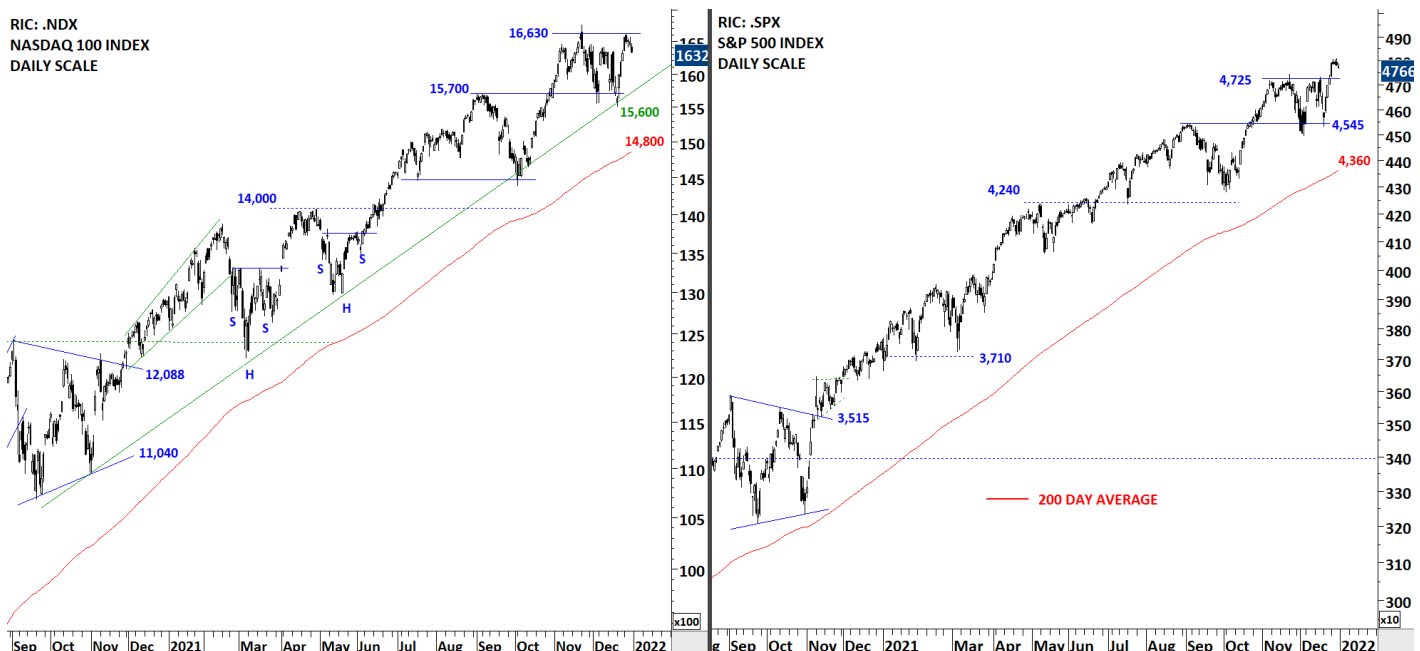
The benchmark for the Emerging Markets performance, the iShares MSCI Emerging Markets Index ETF (EEM) is trading below the 200-day average. The ETF has been recording lower lows and lower highs confirming the downtrend in Emerging Markets. The ETF rebounded from the lower boundary of the downward sloping channel. Strong resistance area remains between 51 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.



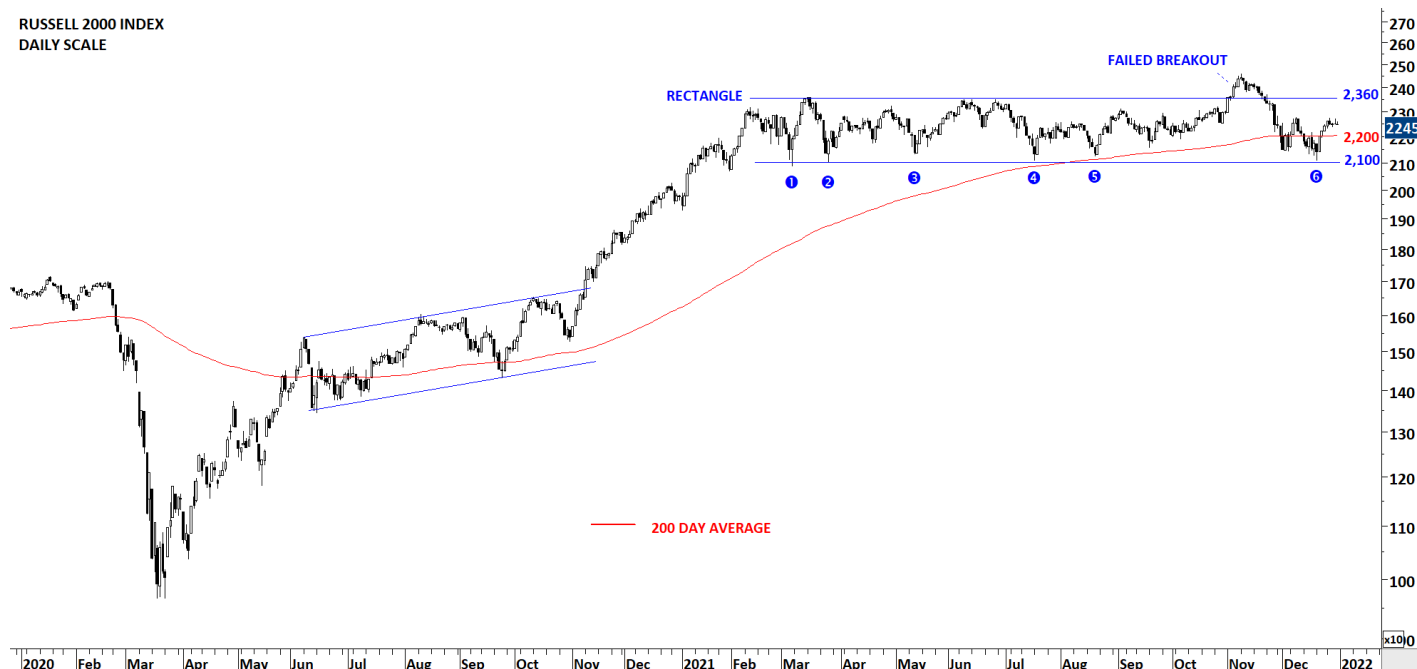
The benchmark for the Frontier equity markets performance, the iShares MSCI Frontier 100 ETF, experienced its first setback at the strong resistance at 36.2 levels. This week's price resumed the rebound after price found support at 33.5 levels. The 200-day (40 week) average is forming support at 33.1 levels. Support area remains between 33.1 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.



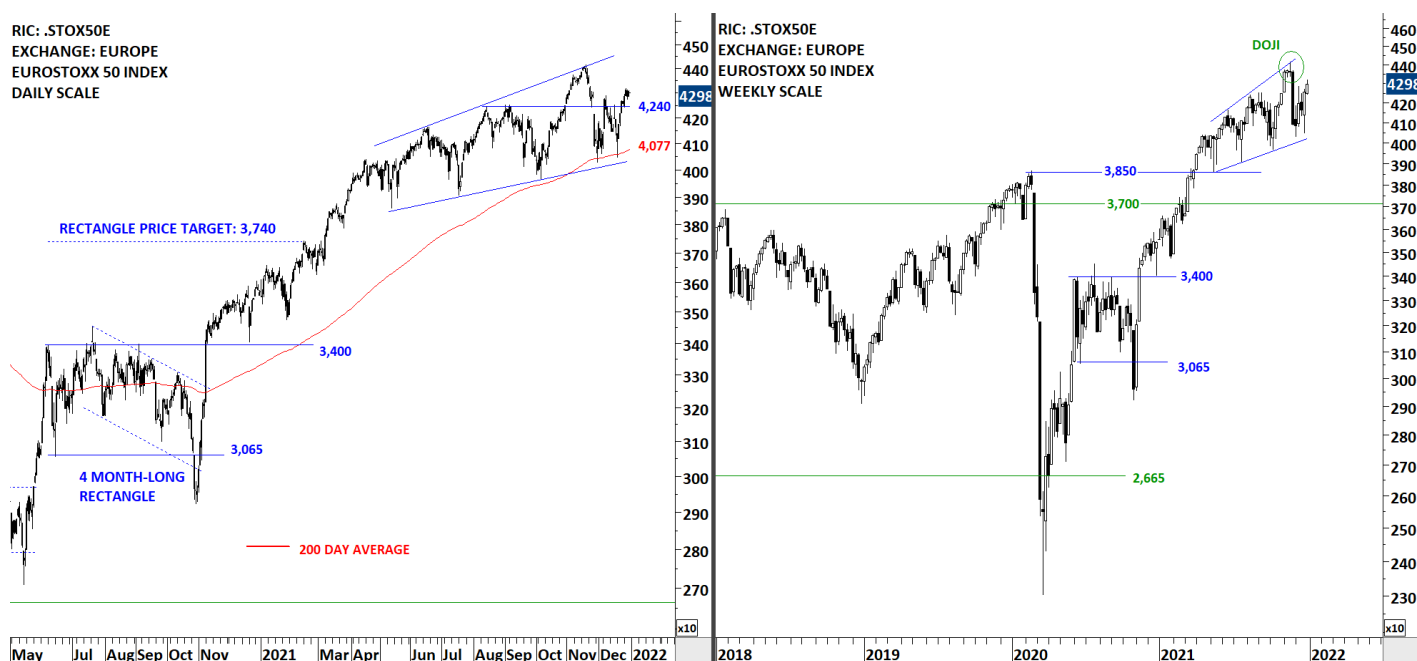
Both Nasdaq 100 and S&P 500 are in a steady uptrend. There are no reversal chart patterns on daily scale price charts. Both indices rebounded from the minor support/resistance levels without correcting further towards their 200-day averages. The support was at 15,700 levels for the Nasdaq 100 index and 4,545 levels for the S&P 500 Index. 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 possibly completed a short-term rectangle with the upper boundary that was acting as resistance at 4,725 levels. Breakout above 4,725 levels resumed the existing uptrend. Short-term resistance for Nasdaq 100 stands at 16,630 levels.



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. Last 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 4,077 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 4,077 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 4,077 and 4,400 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 at 100.5 and the lower boundary of the trend channel which resulted in a correction towards the 200-day average at 94.6 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 last two week's rebound. For now, I can conclude that the uptrend is intact. 100.5-104 area will act as resistance.



Germany's Midcap equity benchmark reversed from its previous high at 36.4K. As price tested the lower boundary at 33.2K, I started 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. Last 4 months price action can be identified as a symmetrical triangle inside a long-term rectangle.

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

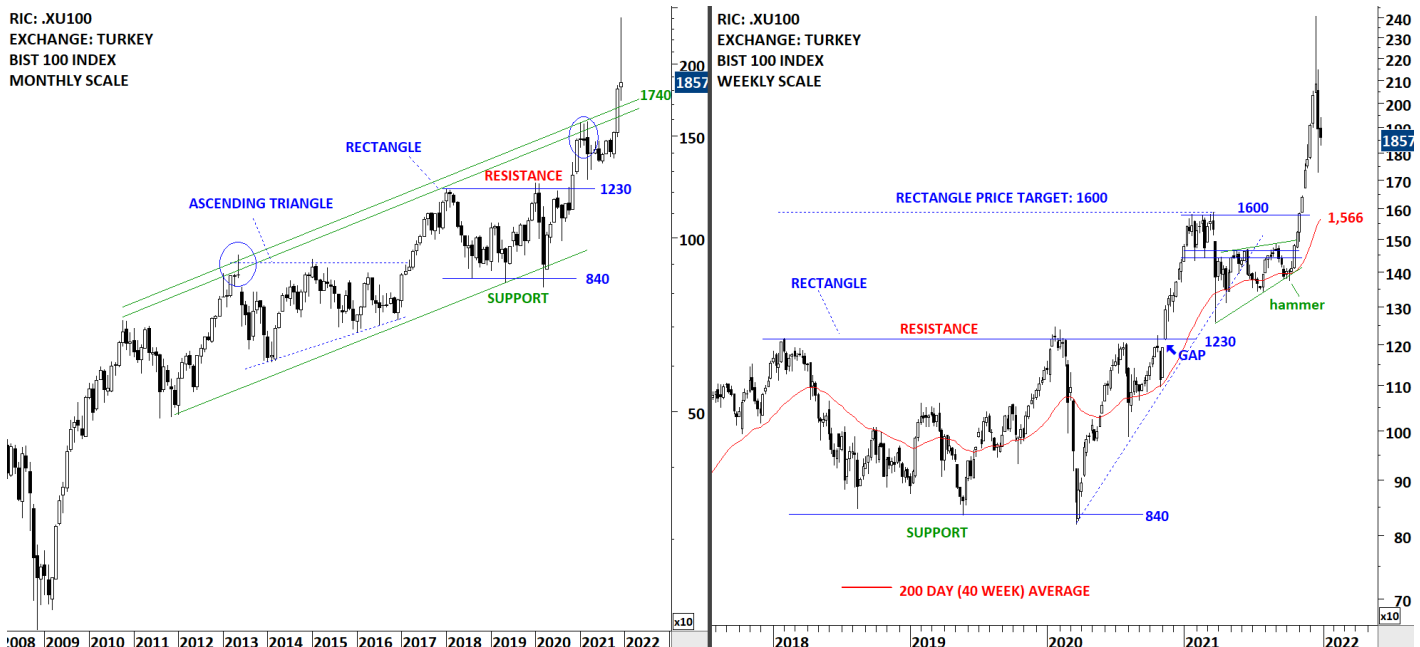


China SSE 50 Index experienced a rebound from the support at 3,050 levels. The rebound on the weekly scale met the 200-day average at 3,315 levels. I will monitor Chinese equities to see if the benchmark will be able to settle above the 200-day average. Last 3 months upward channel can act as a bearish continuation if the index fails to recover above the 200-day average at 3,315 levels.

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 (monthly scale) is usually followed by a runaway price action (strong rally). The monthly close for November and December were 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.

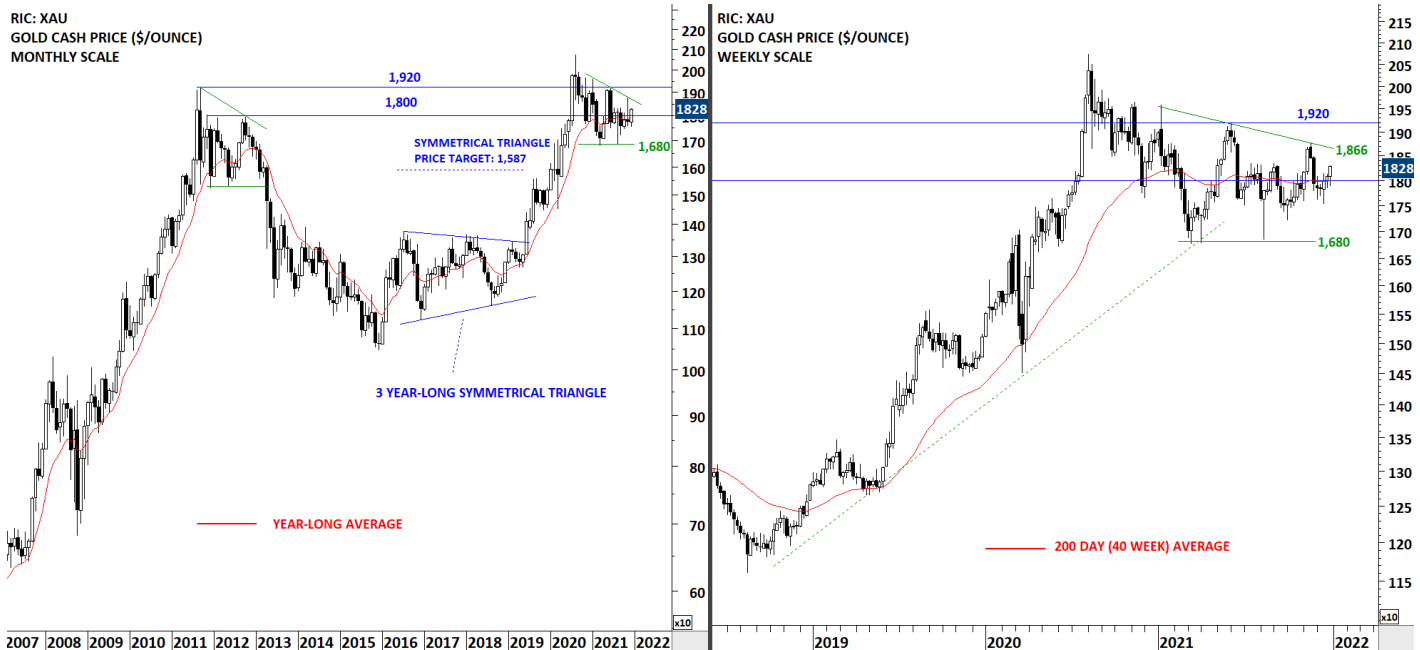


Volatility on Turkish Lira continues and the ETF is trying to hold above the lower boundary of its multi-year long consolidation at 17.6 levels. This is a monthly scale price chart and long-term consolidation is between 17.6 and 29 levels. Breakdown below 17.6 levels (consecutive daily closes) will suggest lower prices towards the chart pattern price target at 11.

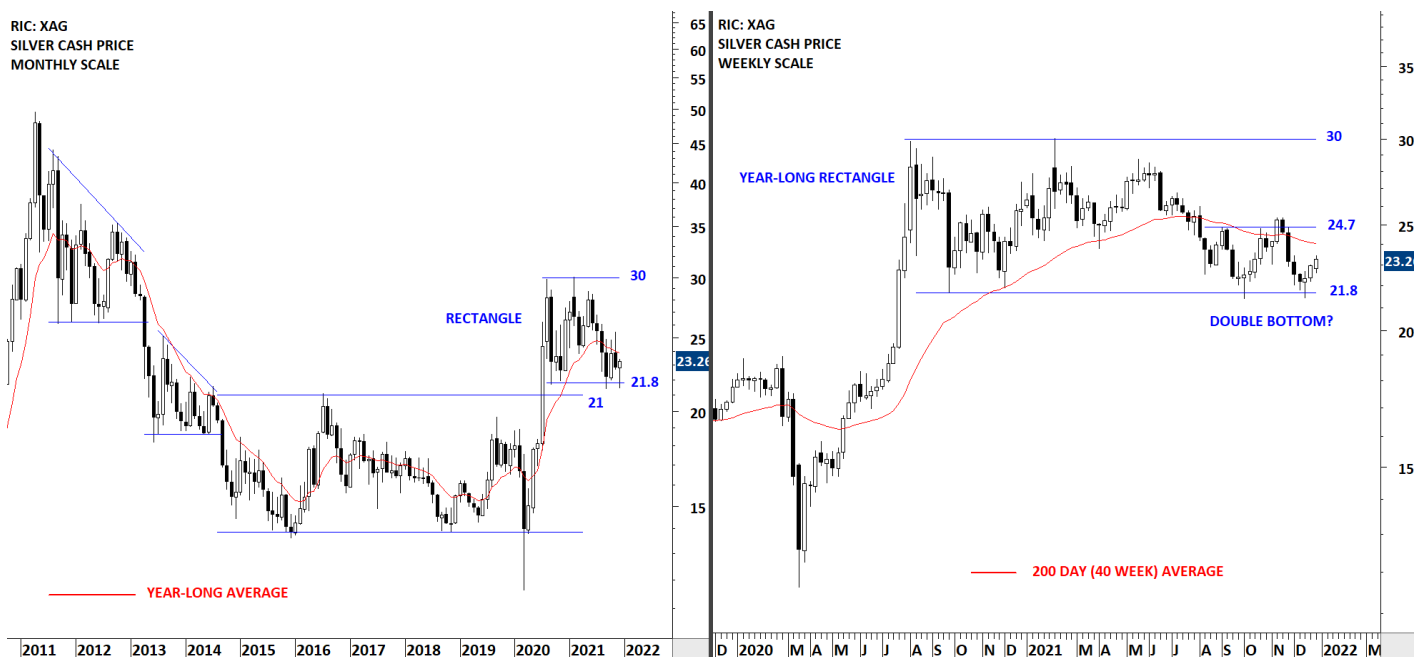


Price chart of cash Gold price has been forming lower highs since the last quarter of 2020. Price is trading around the 200-day average at 1,800 levels. The chart pattern on monthly scale can become a descending triangle with the horizontal support at 1,680 levels. Another test of 1,680 levels can put the long-term uptrend in jeopardy. I've adjusted the upper boundary of the possible descending triangle. The resistance stands at 1,866 levels. Breakout above 1,866 levels will negate the descending triangle.





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. The monthly close at the highs of the candle formed a possible bullish reversal candlestick, suggesting buyers stepping in around the strong horizontal support. I'm weighing the possibility of a double bottom with the neckline standing at 24.7 levels.

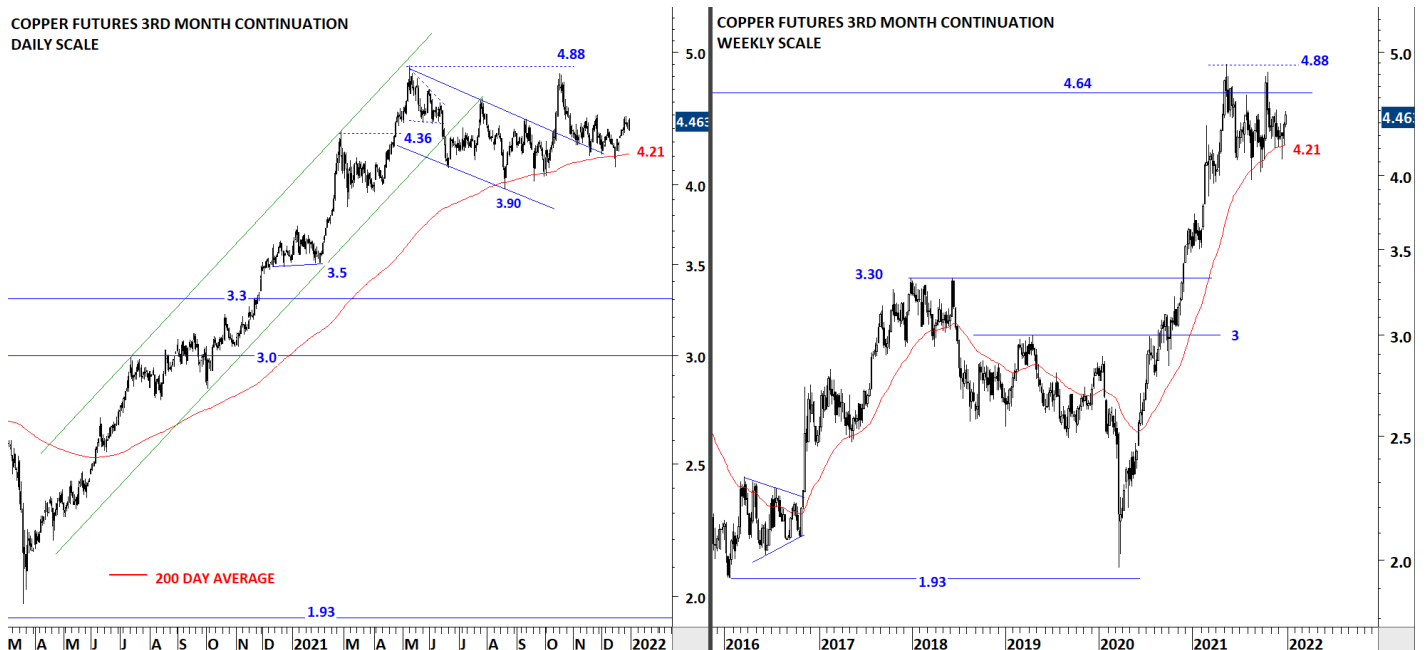


The daily scale price chart of Silver shows much better the price action between the boundaries. Breakdown below 21.8 levels can confirm the downtrend and also complete the rectangle on the downside. I'm open for both possibilities around these levels. Breakout above 24.7 levels will not only clear the horizontal resistance but also the 200-day average. Breakout above 24.7 can complete the possible double bottom and target the upper boundary of the rectangle consolidation at 29.3 levels.

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



Copper once again found support and rebounded from 4.21 levels, the 200-day moving average. At this point I can conclude that price is in a trading range between 4.21 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. As long as price remains above the 200-day average, I will treat this chart as an uptrend.



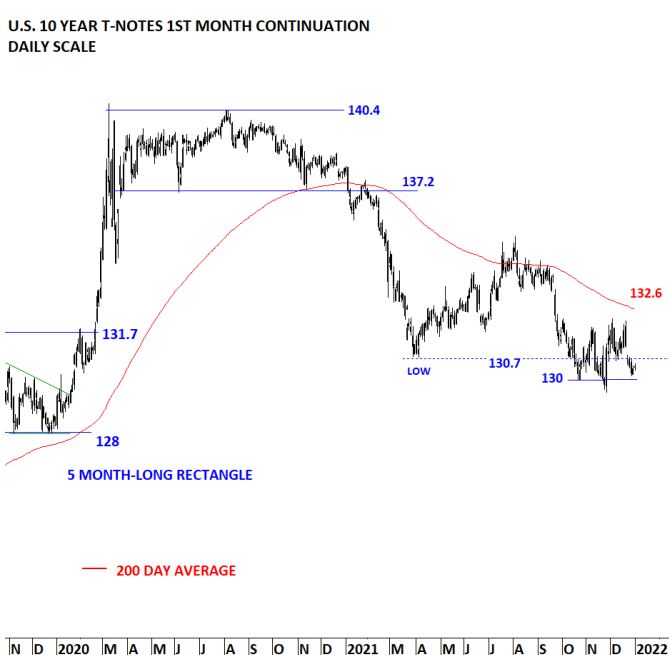
European Bund price is in a wide consolidation range between 169.3 and 179.7 levels. The trading range is possibly forming a 20 month-long rectangle. Strong support remains at 169.3 levels. Last week's price action on weekly scale was a bearish engulfing candlestick, usually analyzed as a short-term reversal.

BUND FUTURES 1ST MONTH CONTINUATION  
WEEKLY SCALE

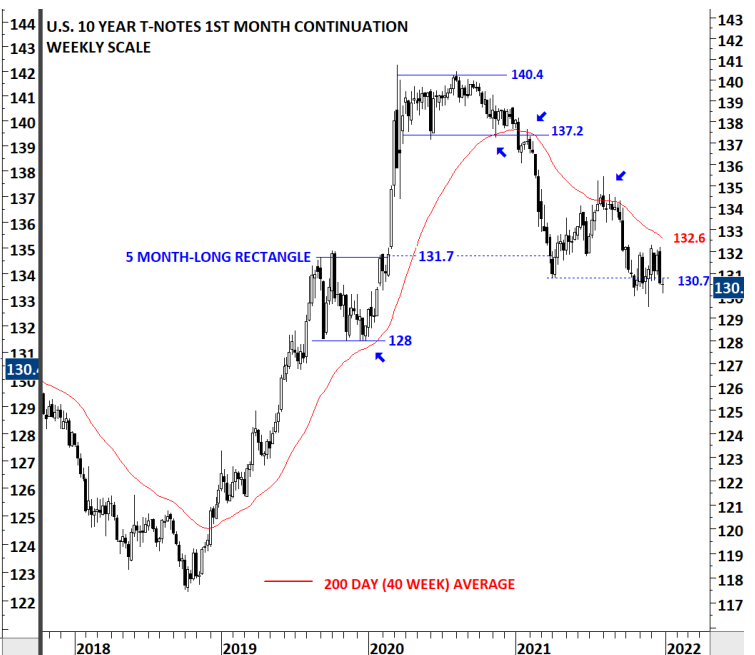


The U.S. 10 Year T-Note re-tested the lows around 130.7 levels. Support area is between 130 and 130.7. The 200-day moving average is forming resistance at 132.6 levels. If price manages to remain above short-term support area (130-130.7), I will expect a trading range between 130 and 132.6 levels. Though, 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.

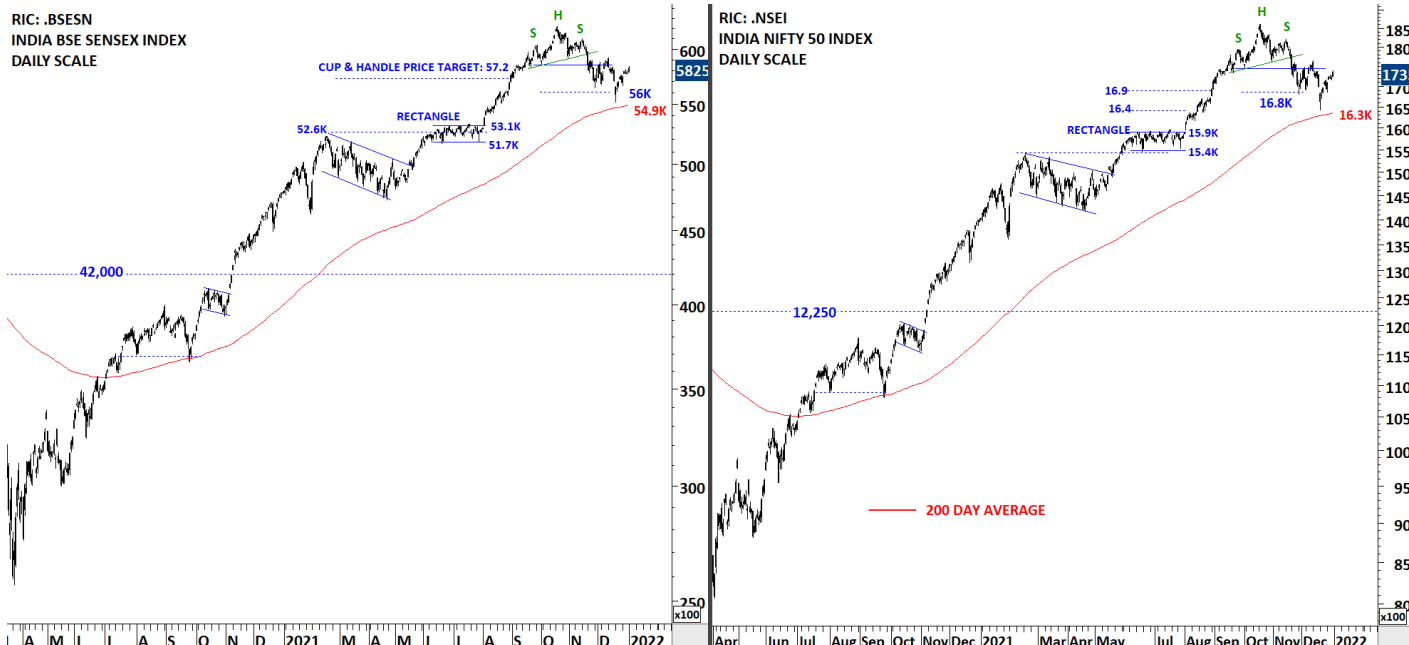
U.S. 10 YEAR T-NOTES 1ST MONTH CONTINUATION  
DAILY SCALE



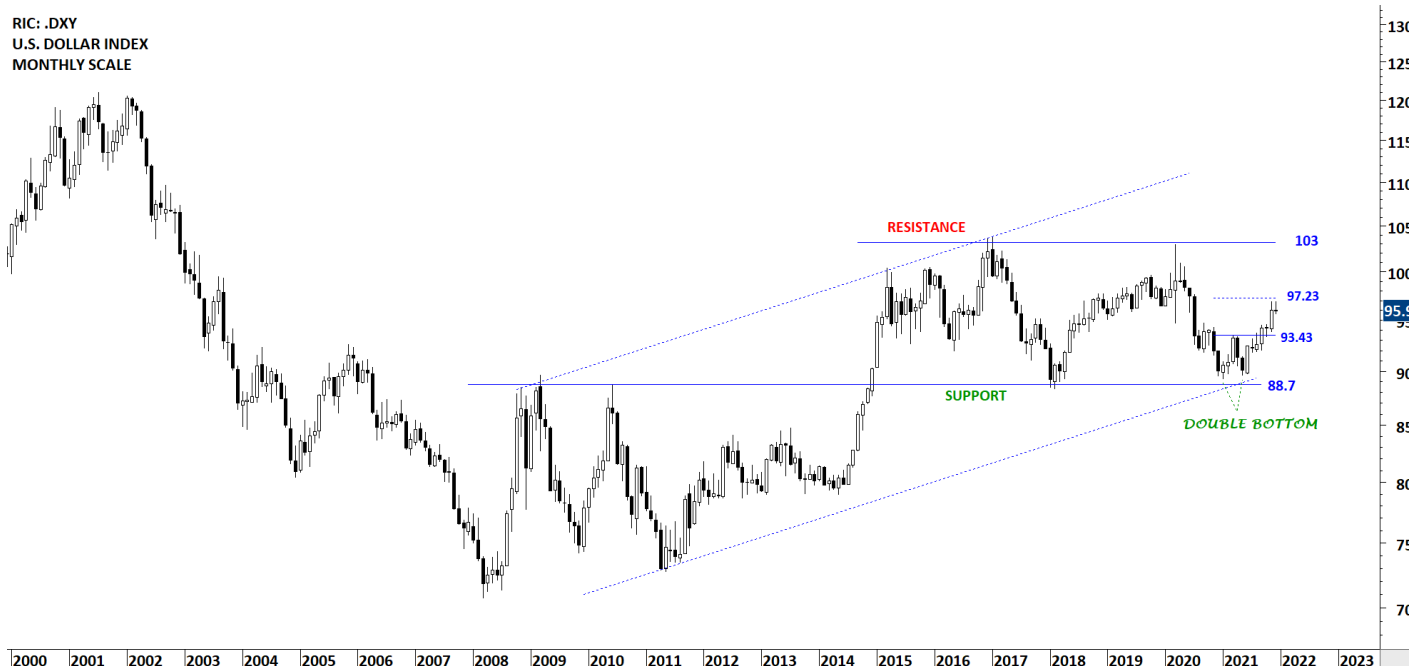
U.S. 10 YEAR T-NOTES 1ST MONTH CONTINUATION  
WEEKLY SCALE



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. 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 54.9K. Uptrends are intact.



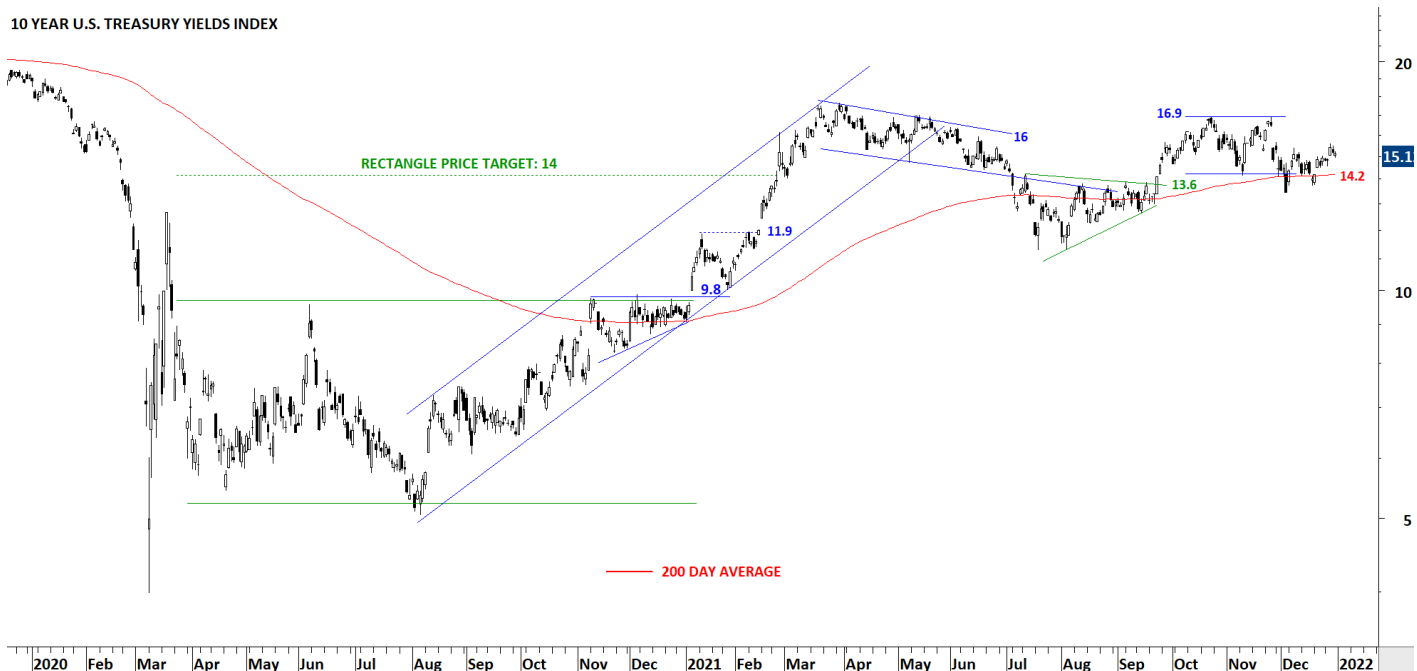
The Dollar Index is gaining strength after forming a double bottom on the monthly scale price chart. Breakout above 93.43 is now being followed by a steady uptrend towards the price target at 97.23 levels. Previous resistance at 93.43 levels becomes the new support. Long-term price chart shows a wide 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). For the breakout to succeed, price needs to accelerate on the upside.

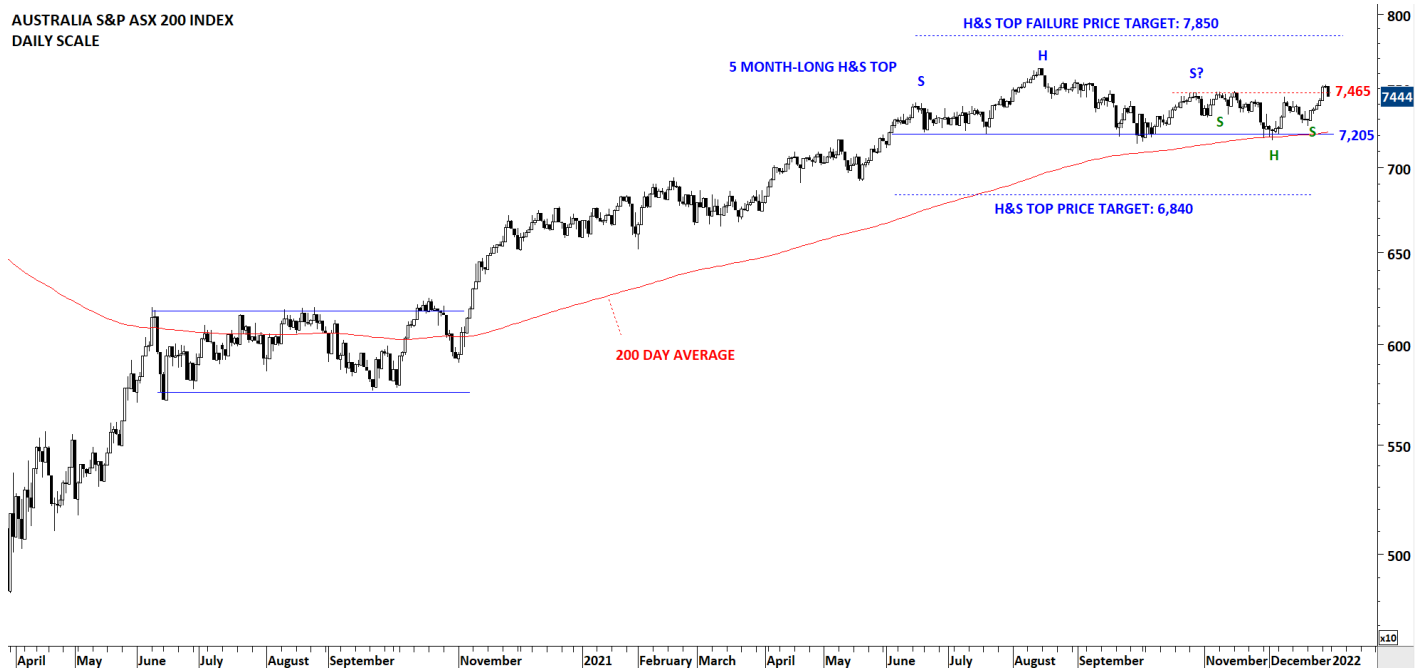


The chart below is the 10 Year U.S. Treasury Yield Index. Price fell below the 200-day average for a day and quickly recovered. Yields can remain between 14.2 and 16.9 levels, a possible trading range. Failure to hold above the 200-day average will once again raise the possibility of a reversal and test of 11 levels, the minor low.



An interesting chart pattern development is taking place on Australia S&P ASX 200 Index. 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. Breach above that level signaled the continuation of the uptrend with a price target of 7,850 levels. Two interlocking chart patterns are in focus. Possible H&S bottom reversal completed with the breakout above 7,465 levels. I will monitor this index to see if there will be follow through in the first days of the new year.

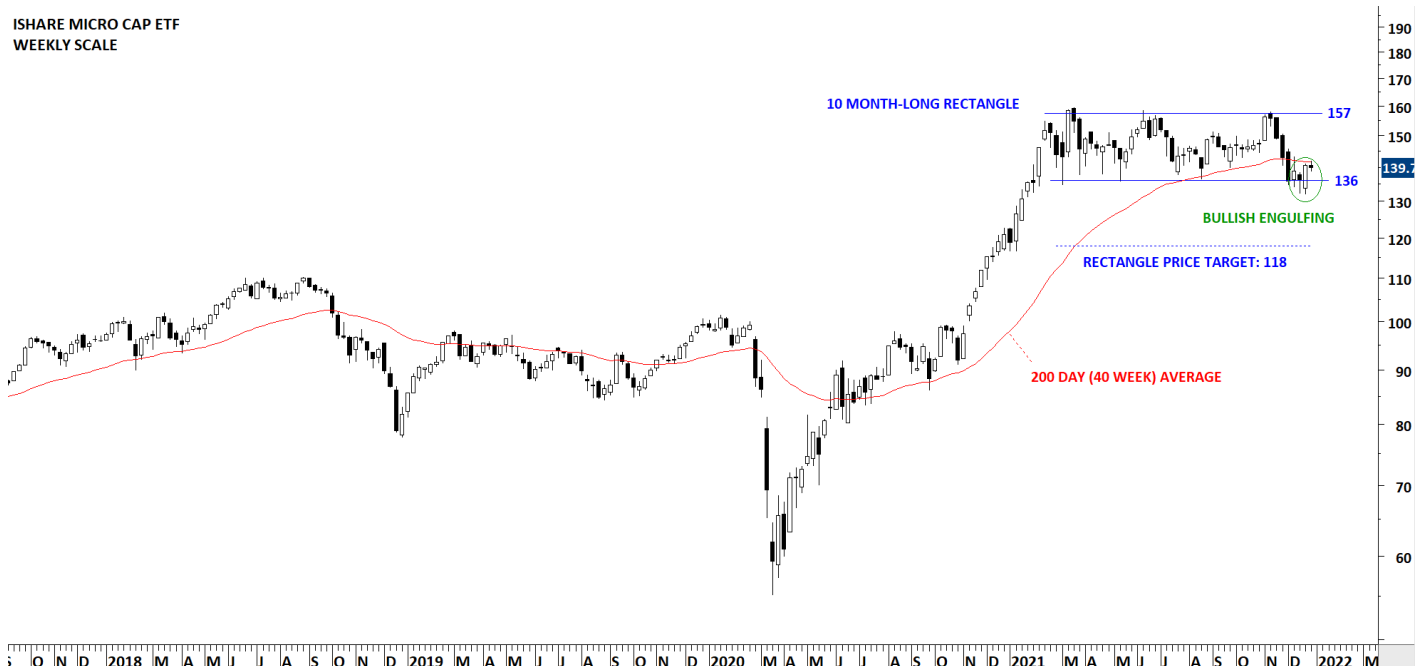
AUSTRALIA S&P ASX 200 INDEX  
DAILY SCALE



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. Last week's price action rebounded from the lower boundary of the rectangle at 136 levels with a bullish engulfing candlestick. The ETF still didn't recover above the 200-day average. Breakdown below 136 levels can confirm the rectangle as a top reversal with possible price target of 118 levels. If we see a recovery above the 200-day average, I will read this as positive for risk assets and expect the ETF to target the upper boundary of its multi-month long consolidation at 157 levels.

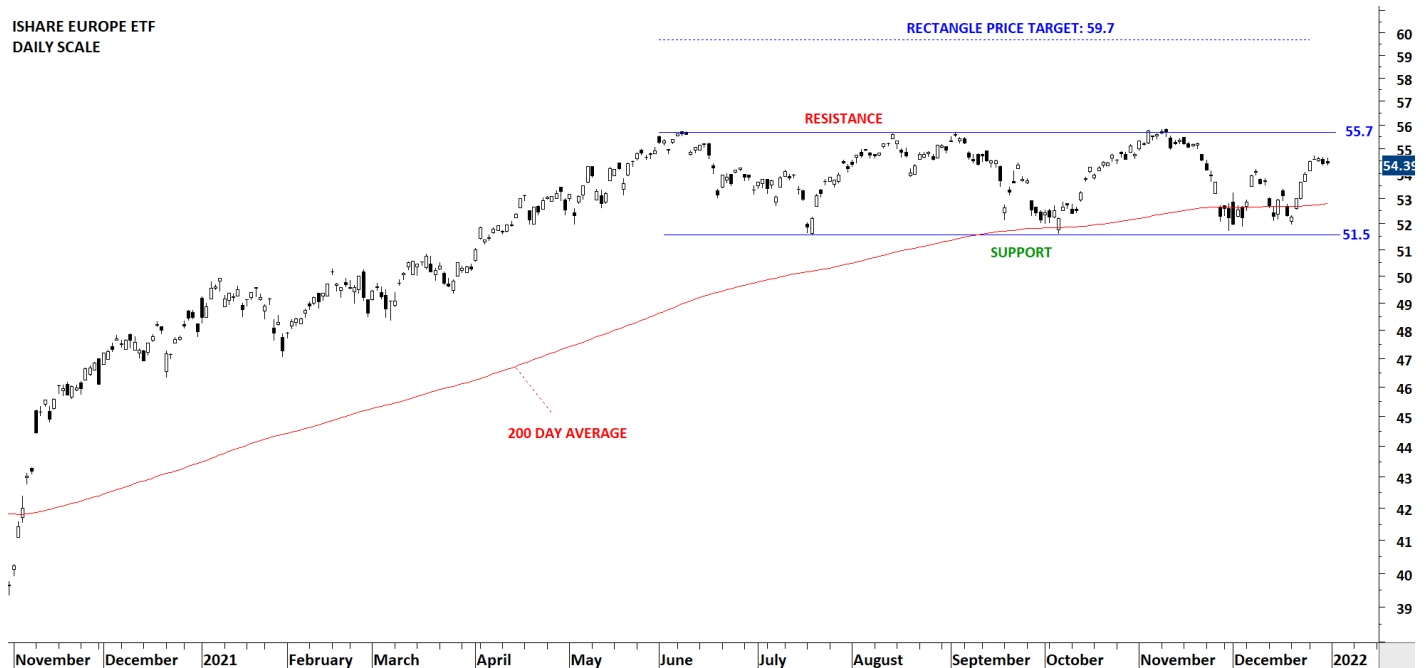
ISHARE MICRO CAP ETF  
WEEKLY SCALE



ISHARE EUROPE ETF (IEV) formed a 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. Breakout above 55.7 levels can resume the existing uptrend with the price objective at 59.7 levels.

The ETF is offering trading opportunity between boundaries. Recovery back above the 200-day average put the bullish interpretation on the cards.

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

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 recovered back above the lower boundary on a closing basis. I want to see more evidence of strength with price stabilizing above the 200-day average. Support at 105.4 levels is intact.

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

