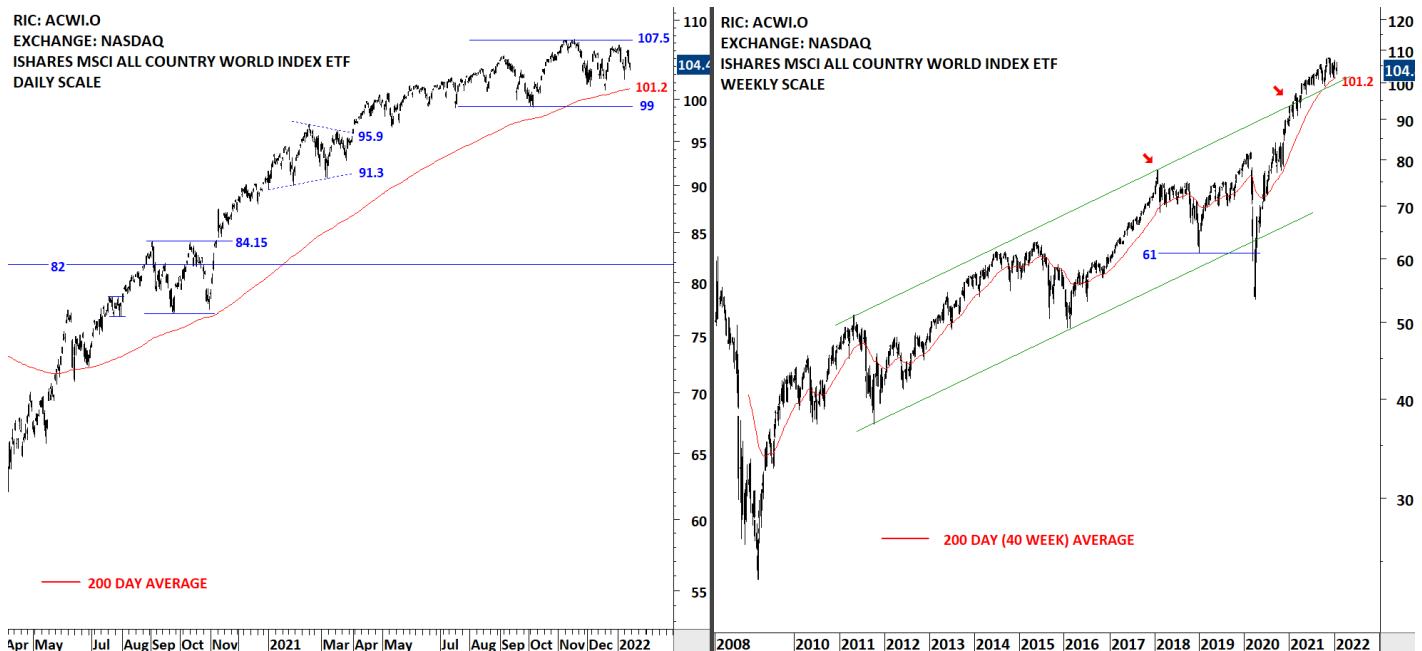


REVIEW

The benchmark for the Global equity markets performance, the iShares MSCI All Country World Index ETF (ACWI.O) is in an uptrend. The ETF found resistance at the minor high at 107.5. Price is consolidating between the 200-day average at 101.2 and the resistance at 107.5 levels. There is no top reversal chart pattern on both daily and weekly scale price charts.



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 15, 2022 - PART I](#)

[GLOBAL EQUITY MARKETS - JANUARY 15, 2022 - PART II](#)

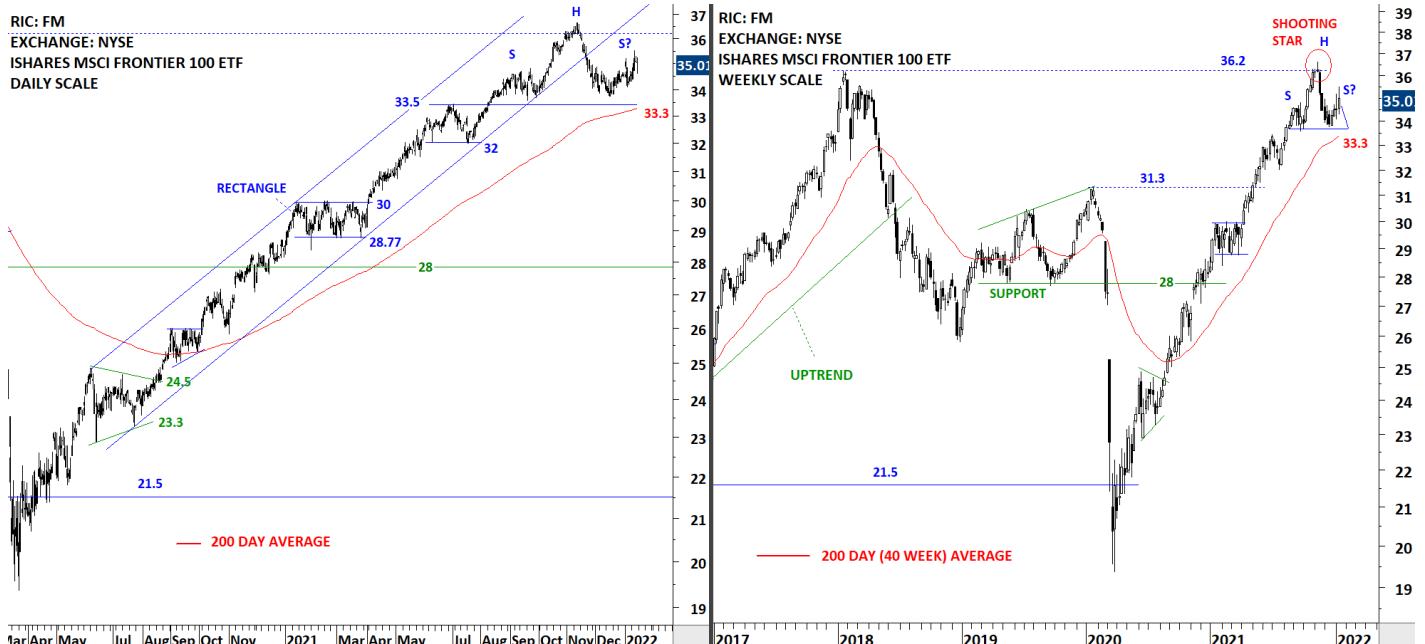


TECH CHARTS WATCHLIST - SUMMARY OF RICS & PATTERNS IN FOCUS

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 50.8 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. Breakout above resistance area between 50.8 and 51.7 can reverse the past one year's downtrend.

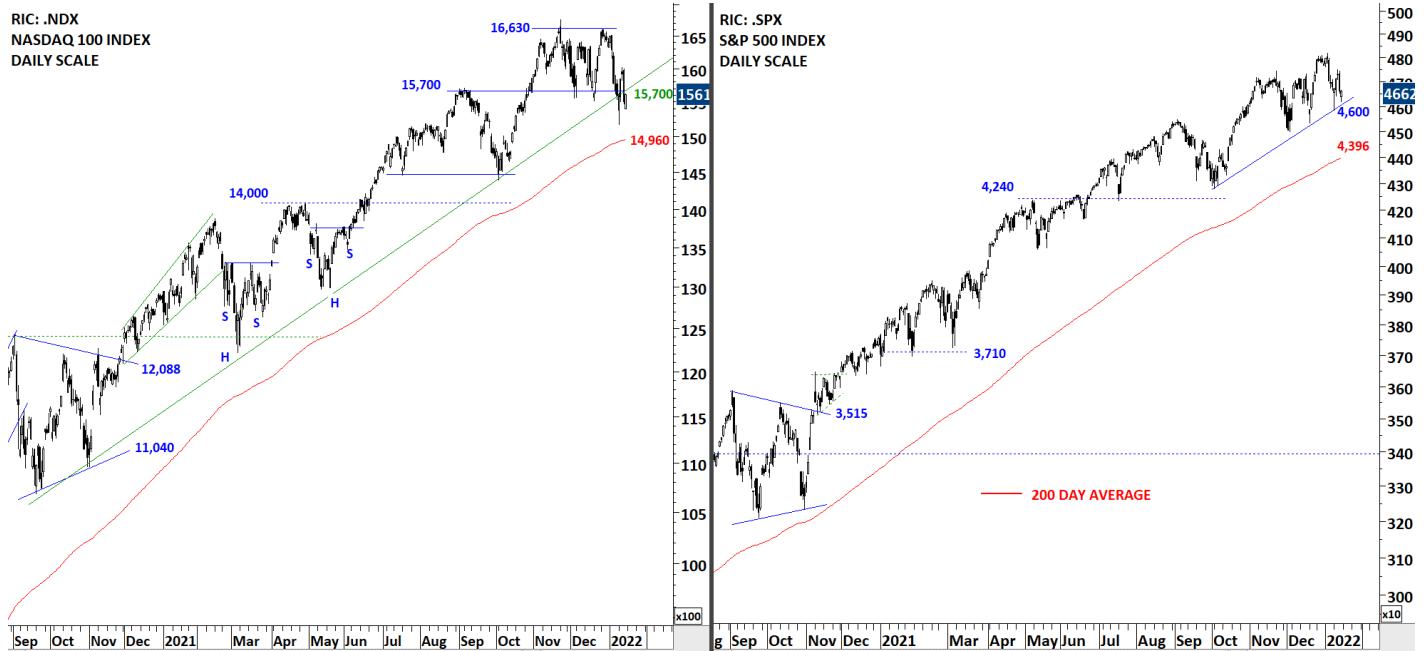


The benchmark for the Frontier equity markets performance, the iShares MSCI Frontier 100 ETF, experienced its first setback at the strong resistance at 36.2 levels. This week's price resumed the rebound after price found support at 33.5 levels. The 200-day (40 week) average is forming support at 33.3 levels. Support area remains between 33.3 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. The uptrend line for Nasdaq 100 index is forming support around the same

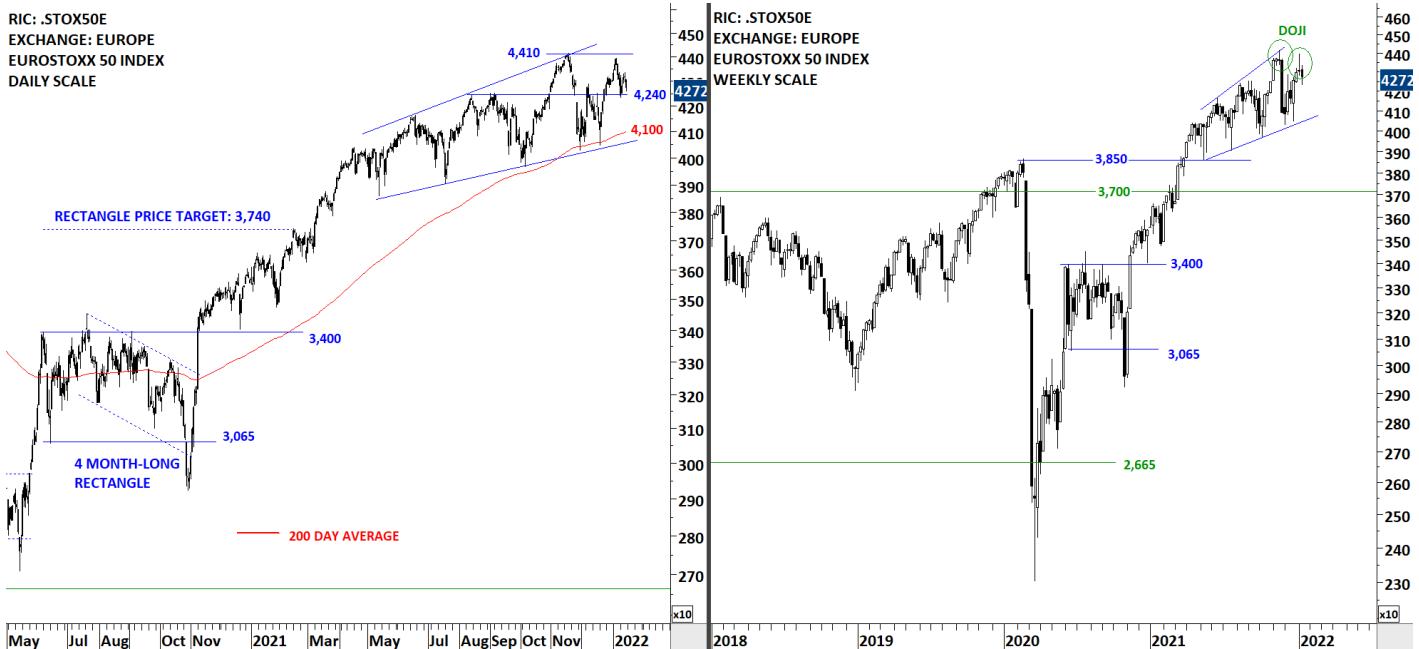
level with the minor low where the index rebounded from. 15,600-15,700 is short-term support. Short-term resistance for Nasdaq 100 stands at 16,630 levels. Breakdown below 15,600-15,700 area can result in a correction towards the 200-day average at 14,960 levels. Short-term support for S&P 500 index is at 4,600 levels. Breakdown below 4,600 can result in a pullback towards the 200-day average at 4,396 levels.



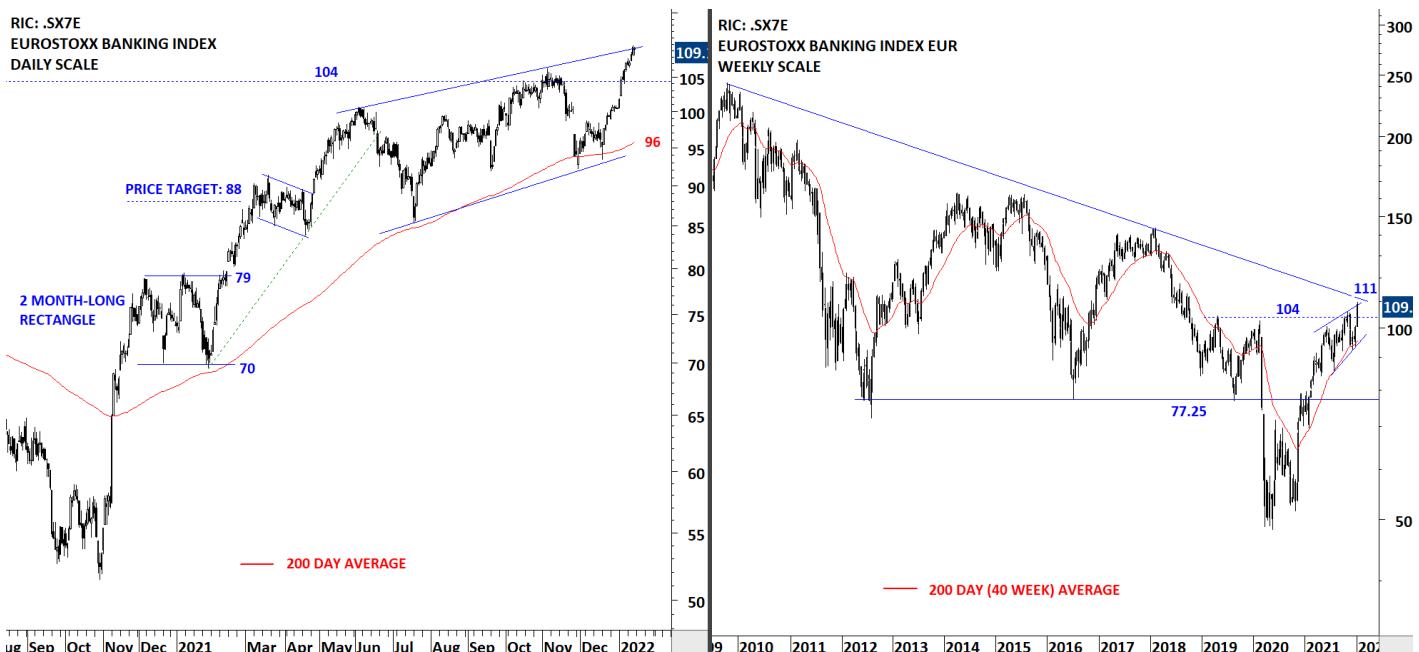
Following the failed breakout above 2,360 levels, Russell 2000 Index tested the lower boundary of its multi-month long consolidation at 2,100 levels. Small Caps remain range-bound between 2,100 and 2,360 levels. Friday's candle was a hammer, usually considered a bullish reversal candlestick.



Euro Stoxx 50 Index tested the lower boundary of its expanding channel and the 200-day average at 4,100 levels. There has been several tests of the lower boundary and I see it as a valid technical support. Currently we can focus on a trading range between 4,100 and 4,410 levels. As long as price remains above the 200-day average, I will treat this as a steady uptrend. On the weekly scale price chart we see a "doji" for the second time around the same resistance levels. This might suggest short term pause after the recent rally.



I've updated the chart study on Euro Stoxx Banking Index. Price remains above the year-long average which is forming support at 96 levels. Price is close to strong resistance area between 104 and 111 levels. Uptrend is intact but close to possibly a minor swing high.



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

PRICE TARGET: 39.3K

400

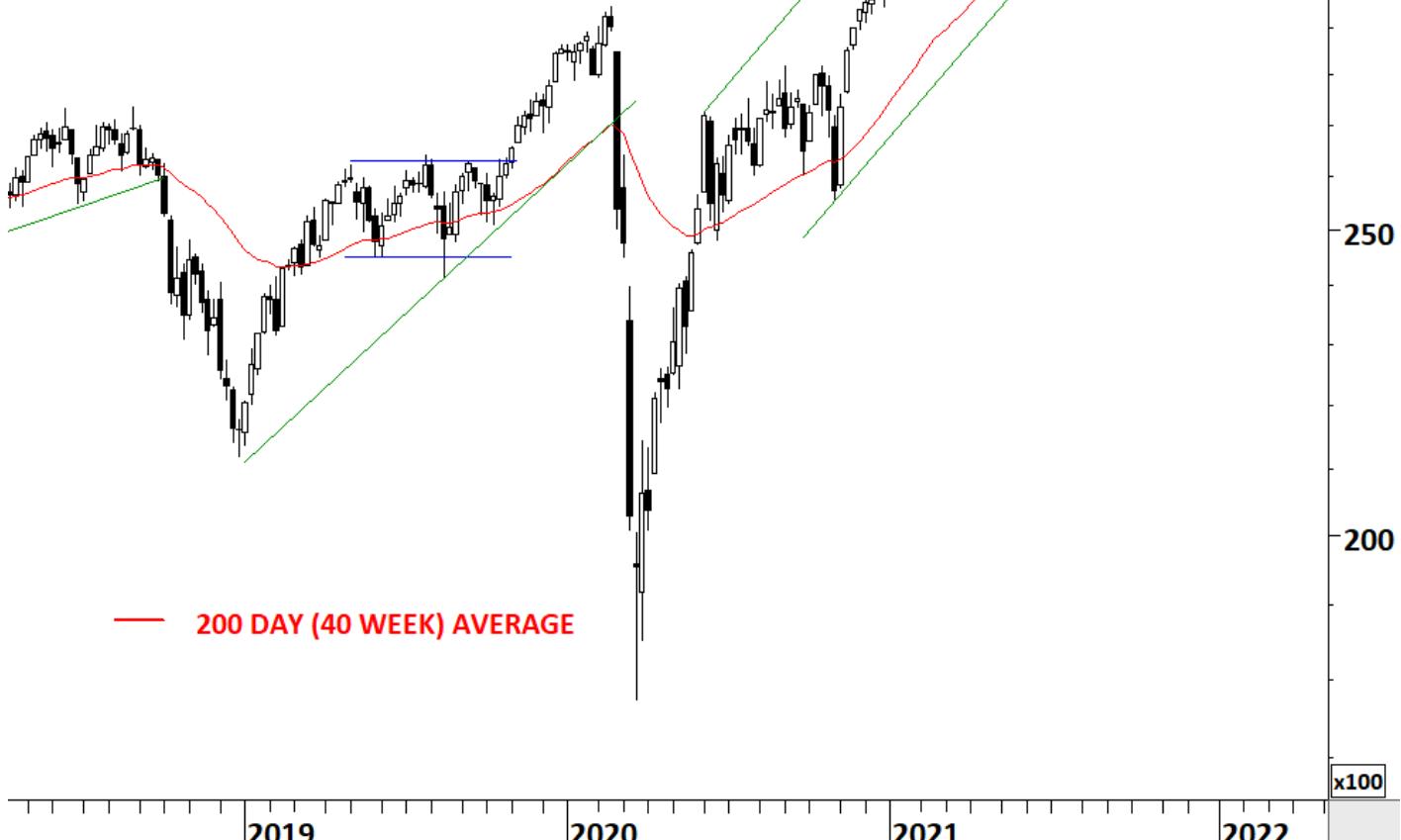
RECTANGLE OR
DOUBLE TOP?

36.4K

33.2K

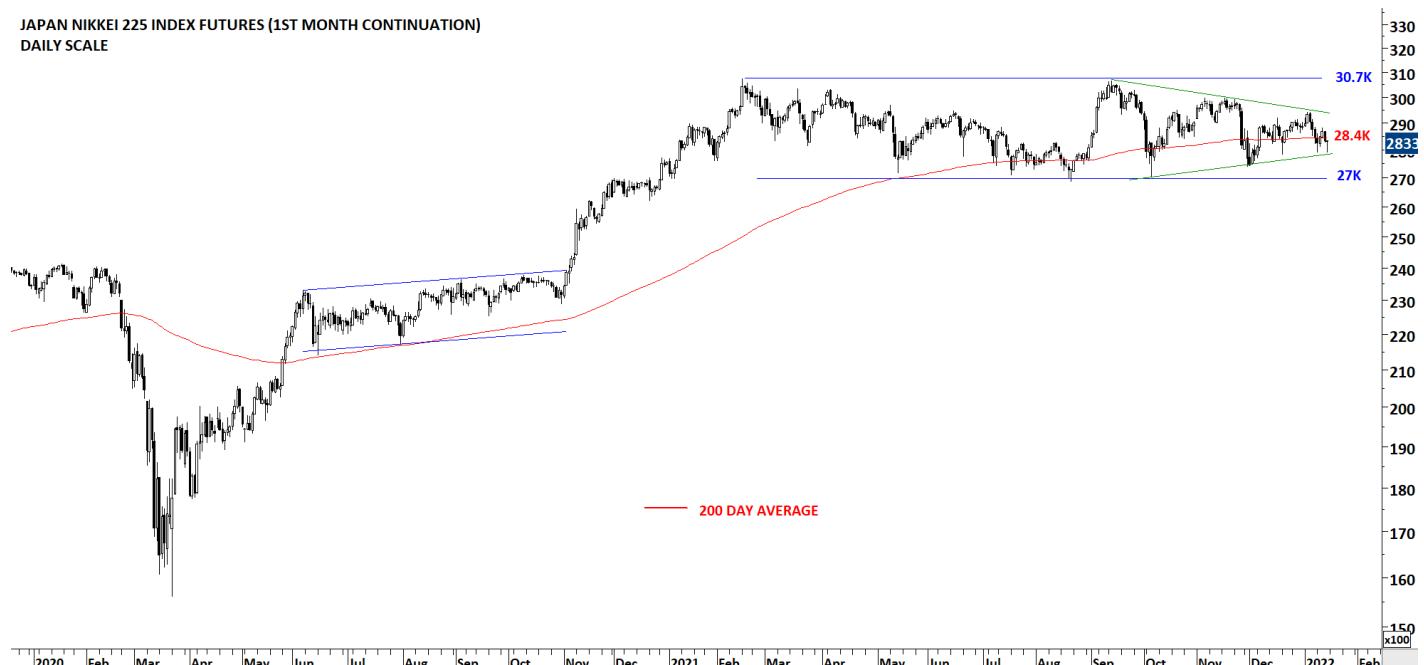
PRICE TARGET: 30.4K

300



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. This week's price action breached the lower boundary of the short-term channel. With index remaining below the 200-day average, probability of testing the minor low at 3,050 is high.

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. For now the trading range between 17.6 and 29 levels is intact.



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.



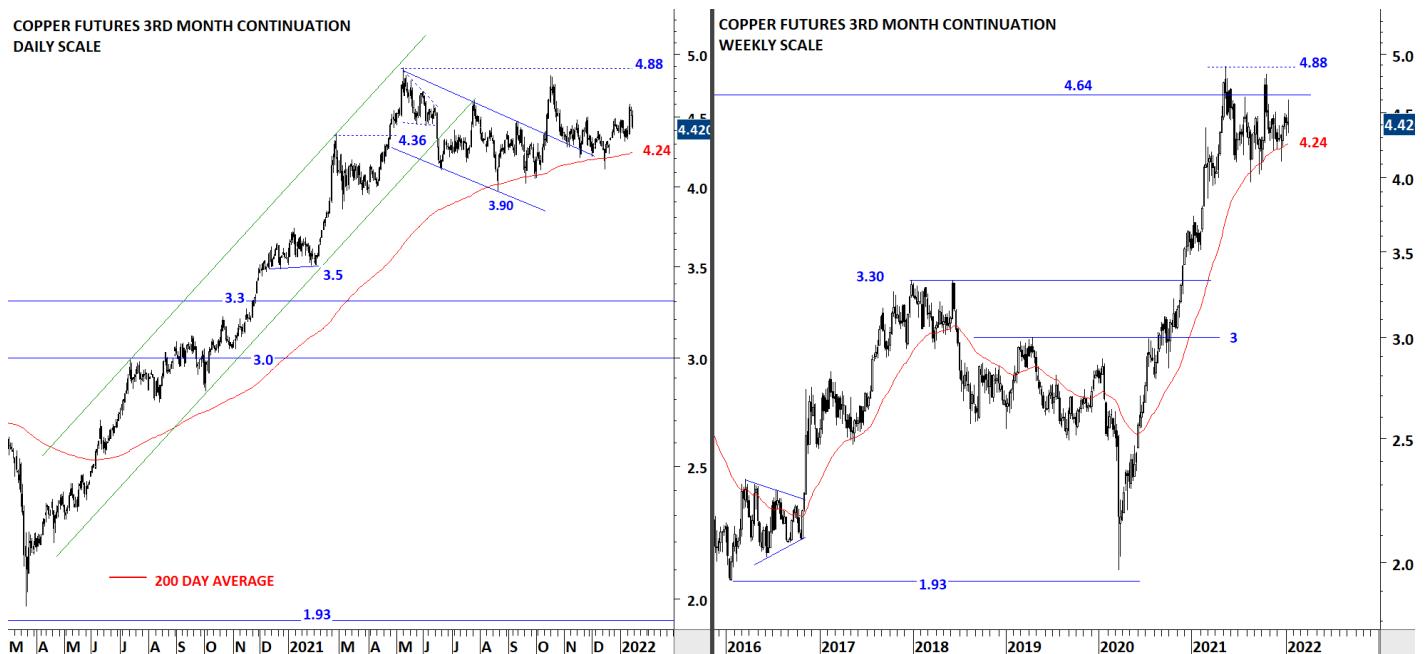
Silver remains range bound between 21.8 and 30 levels. There is also another short-term consolidation range between 21.8 and 24.7 levels. The monthly close at the highs of the candle formed a possible bullish reversal candlestick, suggesting buyers stepping in around the strong horizontal support. I'm weighing the possibility of a double bottom with the neckline standing at 24.7 levels. Failure to recover above the year-long average and target 24.7 levels can increase the likelihood of the latest consolidation becoming a bearish continuation. In that case I will closely monitor horizontal support at 21.8 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.



Copper continues to hold above the 200-day moving average. At this point I can conclude that price is in a trading range between 4.24 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. Bearish engulfing candlestick marked the minor high on the recent reversal. 167.6-169.3 area will act as support.

BUND FUTURES 1ST MONTH CONTINUATION
WEEKLY SCALE



The U.S. 10 Year T-Note broke down the support area between 130 and 130.7. The 200-day moving average is forming resistance at 132.2 levels. Breakdown below 130 levels resumed the downtrend. 130-130.7 area becomes resistance. U.S. Treasuries are in a downtrend below the 200-day average.

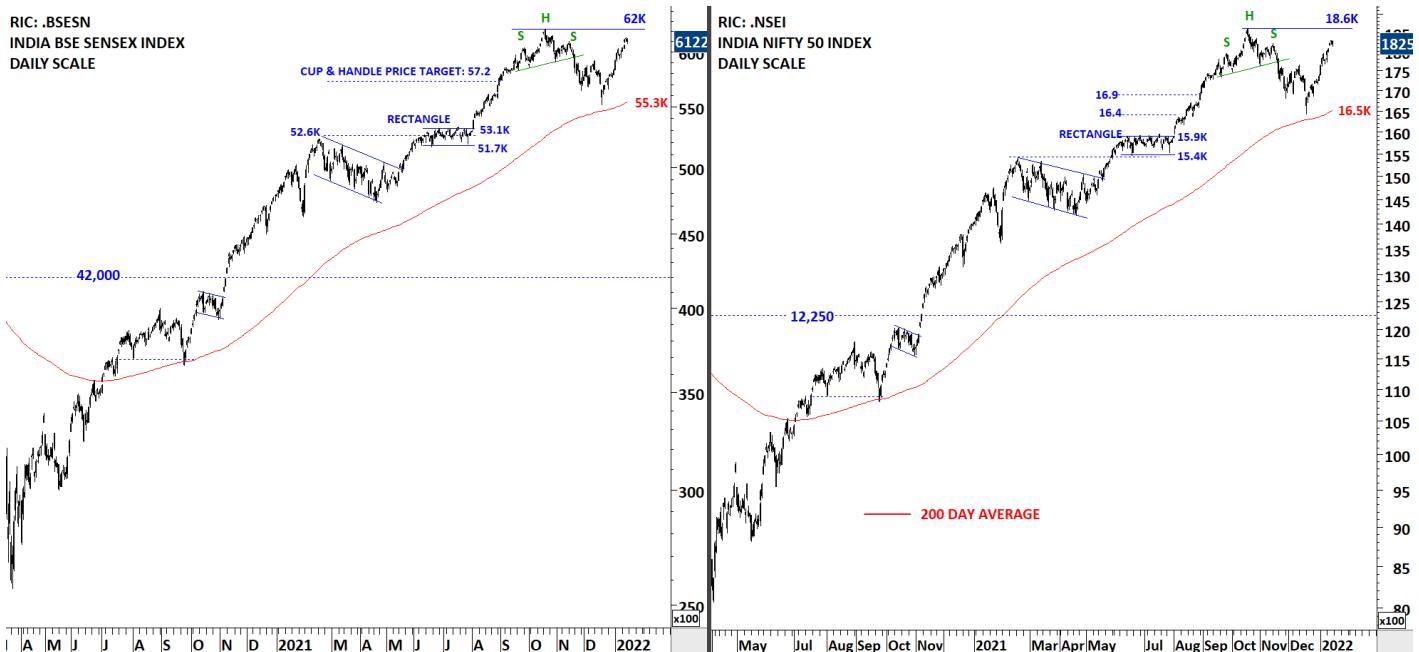
U.S. 10 YEAR T-NOTES 1ST MONTH CONTINUATION
DAILY SCALE



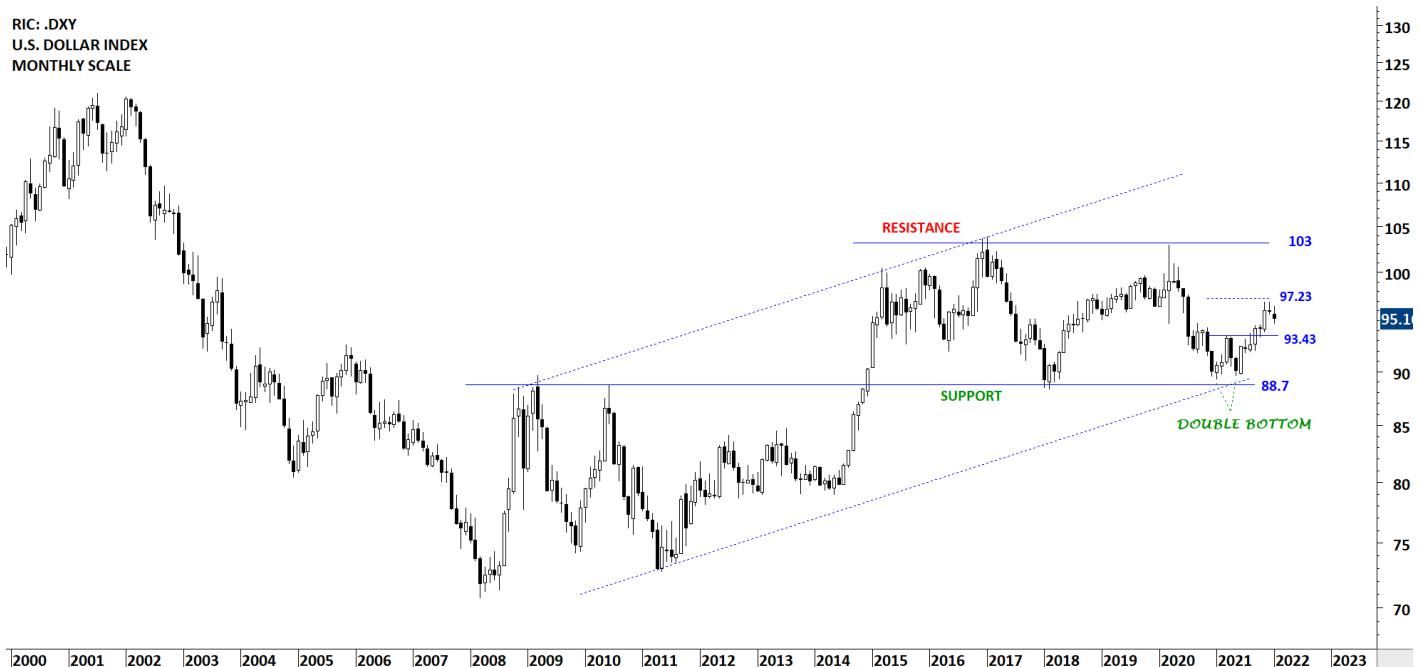
U.S. 10 YEAR T-NOTES 1ST MONTH CONTINUATION
WEEKLY SCALE



Both Nifty 50 and Sensex has been in a strong and steady uptrend. Indian equity benchmarks possibly completed the reversion back to the mean. Both charts are now close to their previous highs which can act as short-term resistance. For Sensex, short-term resistance stands at 62K and for Nifty it is at 18.6K. Wide trading range is between the 200-day averages and the minor highs.



The Dollar Index is gaining strength after forming a double bottom on the monthly scale price chart. Breakout above 93.43 was 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.



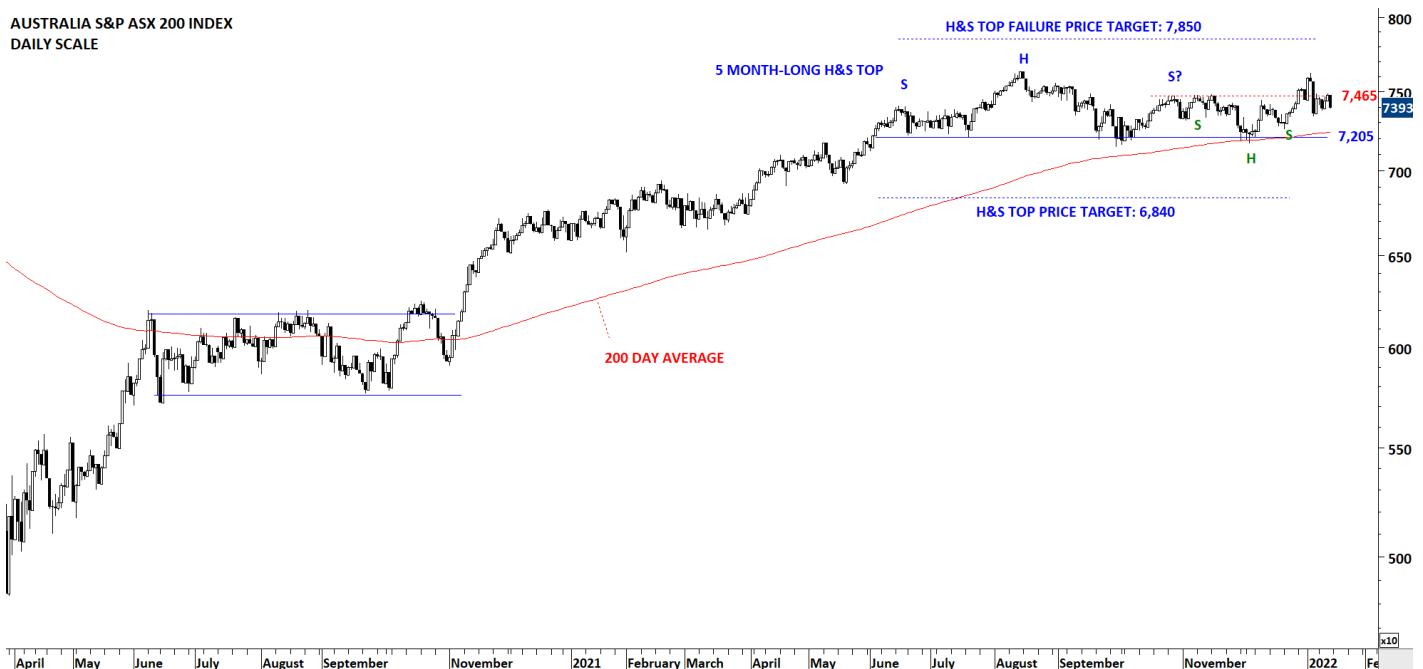
I've discussed USDJPY in the previous updates. I think the chart has completed the long-awaited breakout. Strong USD against Japanese Yen can target 125 levels in a short period of time. The pair is going through historical low volatility condition and the possible breakout can be followed by strong 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 possibly formed a multi-month long cup & handle continuation with the horizontal boundary acting as resistance at 17 levels. Friday's close was above the resistance. I will give yields another strong close above resistance to confirm the breakout with the possible price target of 23 levels.



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 recompletion of the short-term H&S bottom in the following week.



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. 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. I'm giving this index another week to prove itself. A breakdown below 131.8 will be the signal to short this ETF.



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. 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 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.



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 was monitoring this ETF to see more evidence of strength with price stabilizing above the 200-day average. It seems like rebound got rejected at the long-term average. Breakdown below horizontal support took place with gap opening. Rectangle can act as a top reversal with price target of 103.8 levels.



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. The ETF rebounded from the well-defined horizontal support. Short-term double bottom completed with the breakout above neckline at 3.3 levels. Breakout above the minor high at 3.3 levels cleared the 200-day average and came met price target at 3.65 levels. Price targets the upper boundary at 4.27 levels.



Below are some interesting bullish setups in Asia equities.

I've covered Singapore Strait Times Index in previous updates. The index has been consolidating in a well-defined range. After rebounding from the lower boundary, the index cleared the upper boundary at 3,230 levels. Breakout above 3,230 completed the 7 month-long rectangle with the price target of 3,420 levels.

SINGAPORE STRAIT TIMES INDEX
WEEKLY SCALE



Another text-book rectangle is developing on Indonesia IDX composite index. Though this one is on daily scale and slightly shorter-term than the rectangle on Singapore Index. The upper boundary of the rectangle is forming resistance at 6,745 levels. Breakout can target 6,900 levels.

INDONESIA IDX COMPOSITE INDEX
DAILY SCALE



China SSE Composite Index (larger universe) might be forming a rectangle chart pattern above the 200-day average. The upper boundary is acting as resistance at 3,720 levels. Breakout can target price objective at 4,100 levels. Price is still far from the resistance, so I still see a trading opportunity between the well-defined boundaries.

CHINA SSE COMPOSITE INDEX
WEEKLY SCALE

RECTANGLE PRICE TARGET: 4,100

