



Investment matters – “Off the Peg Timing Charts”

Unlike "fundamental analysis," which leaves much to human interpretation, Charts never lie as "**price is what it is**"

Today's investment markets are dominated by mutual funds' (collectives known as Unit and Investment trusts, OEICs, ETFs) with most being predominantly "index-trackers," so it is important to know how the main geographical stock-indices have performed, and more importantly, are likely to perform.

The "Off the Shelf" service does just that for the main stock indices of the US, UK, Europe X UK, Japan, Asia X Japan and for the \$US Gold price

A Currencytiming service is available on a sister site whereas the "Bespoke" service offers the same template for any other quoted security, be it a stock-index, individual share, bonds, fund, or commodity.

Each area consists of a 1-year daily data chart and a 10-year+ monthly data chart, which include the colour-coded **Buy**, **Sell** and **Neutral** panels, moving averages, momentum indicators and Fibonacci ratios, which provide likely support levels for price corrections.

These indicators are explained at the end of this report and although they are of interest to most of our clients' by far the most important guide is the colour-coded signal panels, which historically have provided excellent buy and sell entry and exit points.

Any change to these **Buy**, **Sell** and **Neutral** signals intra-month will be notified to you by email.

Report as at 1st November 2017:

Index: \$US Gold Price - 1st November 2017

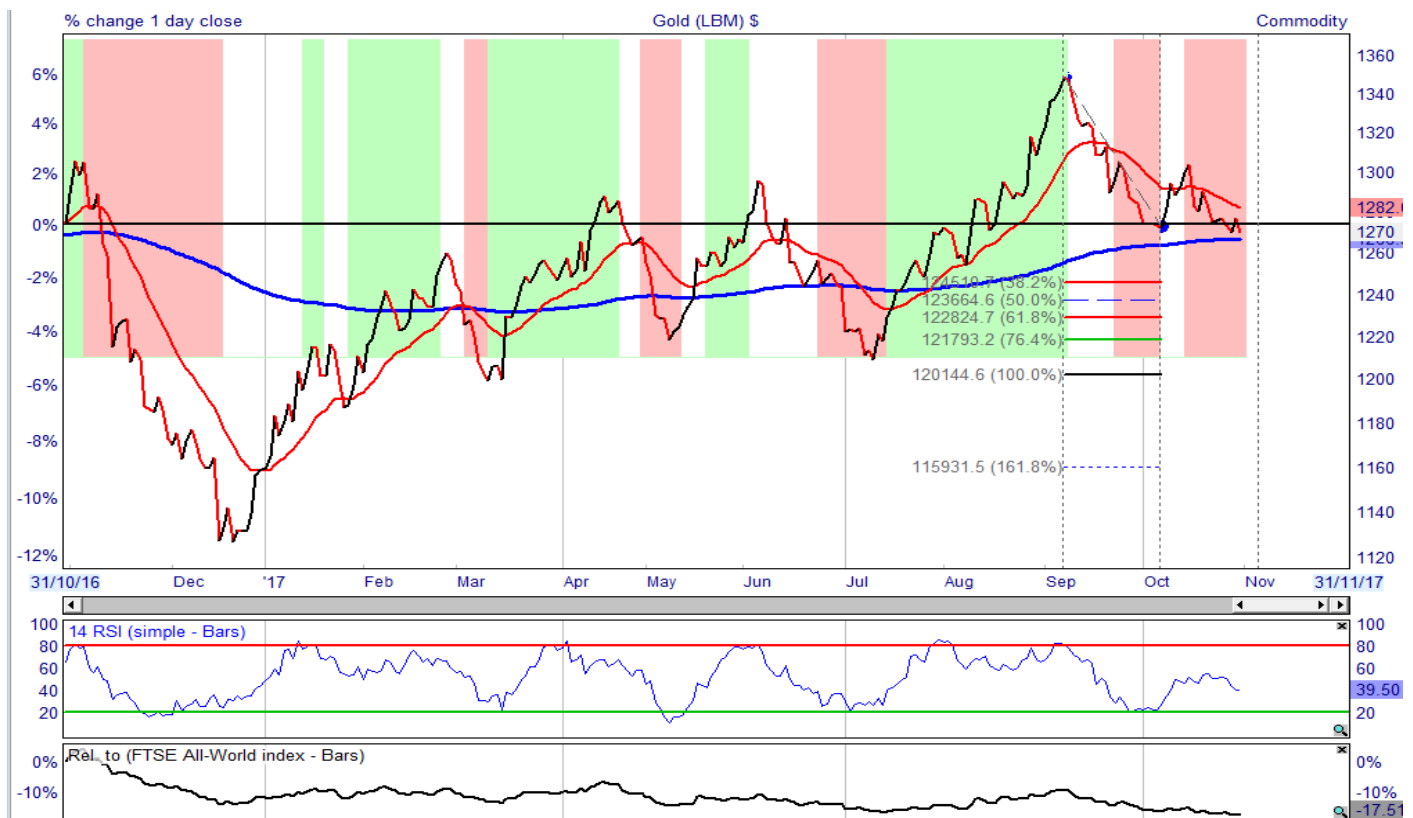
Price: - 1270

Short Term Trend

Last indicator = Sell @ the \$1300 level on the 13th October 2017

Trend is sideways to higher

Guides: **Green/Pink** = **BUY/SELL Panels**
 Red = **Current Trend Channel**
 Blue Red = **200 & 21 Day Moving Average**

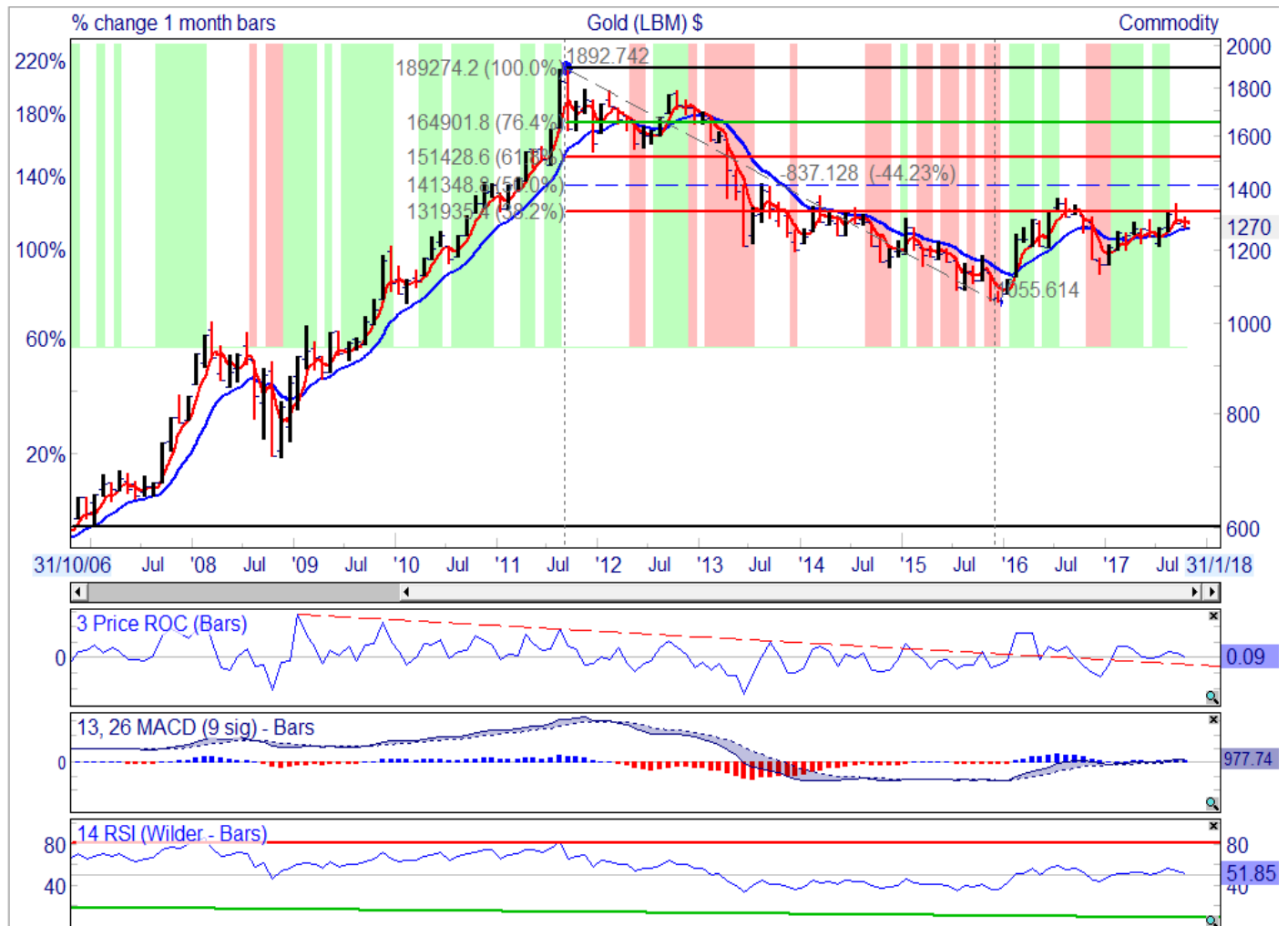


Observations

1. The price fell by 1% over the month, changing to Neutral then back to Sell.
2. The price is below the 21 MA, bearish and needs to regain it.
3. The RSI momentum indicator has unwound, so a bounce may be due.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The price has slipped below the 50 MA and needs to regain it.
2. The LT momentum indicators are rolling over, bearish.
3. Longer term support is at 1250 with resistance at 1290.

Conclusion

1. Price is bearish ST and hesitant LT.
2. Longer term support at 1250 needs to hold.
3. Await the e-mail alert

Index: FTA All Share Index – 1st November 2017

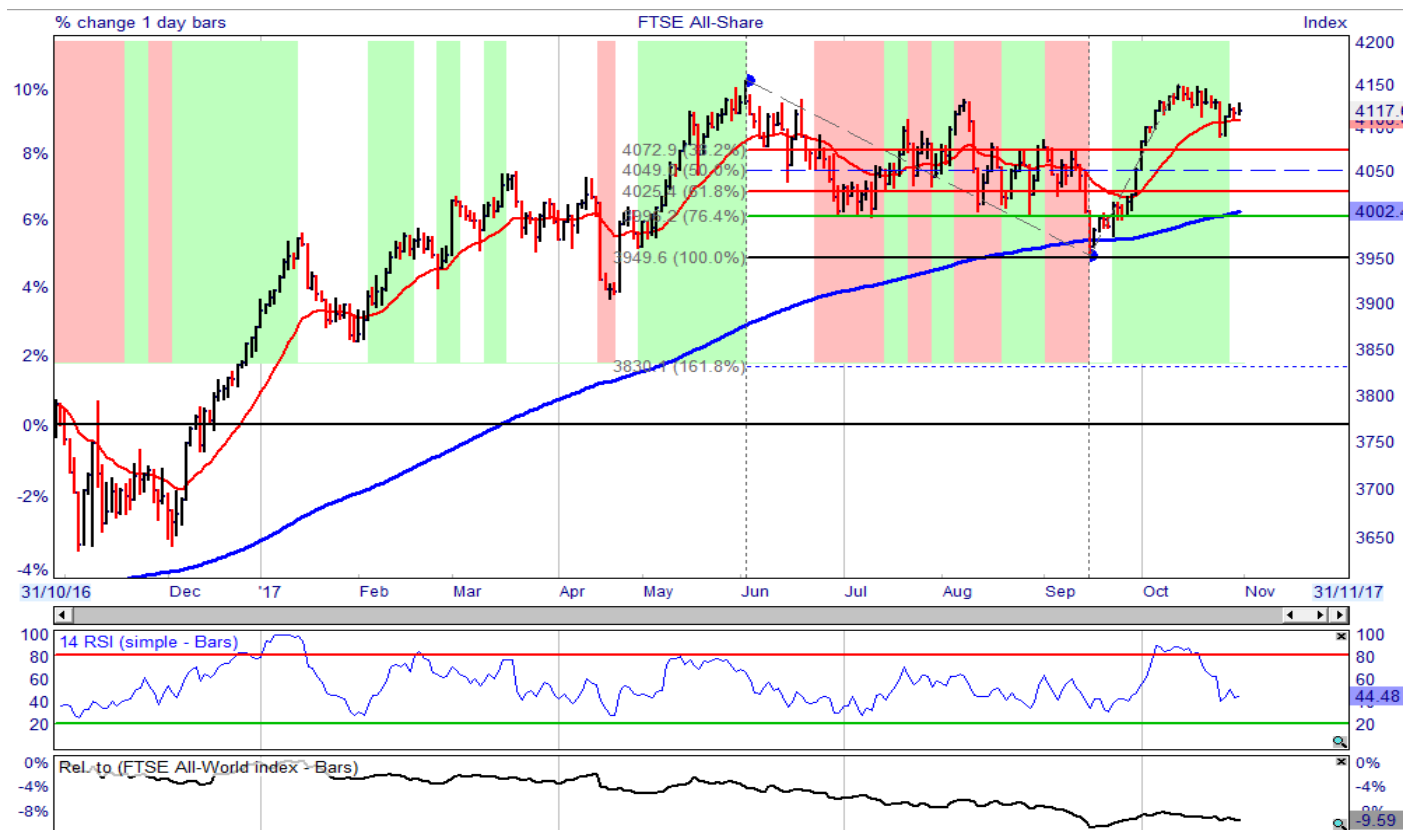
Price: - 4117

Short Term Trend

Last indicator = Neutral @ 4117 Level on 30th October 2017

Trend is sideways

Guides: **Green/Pink** = BUY/SELL panel phases
 Red = Current Trend Channel
 Blue Red = 200 and 21 Day Moving Average

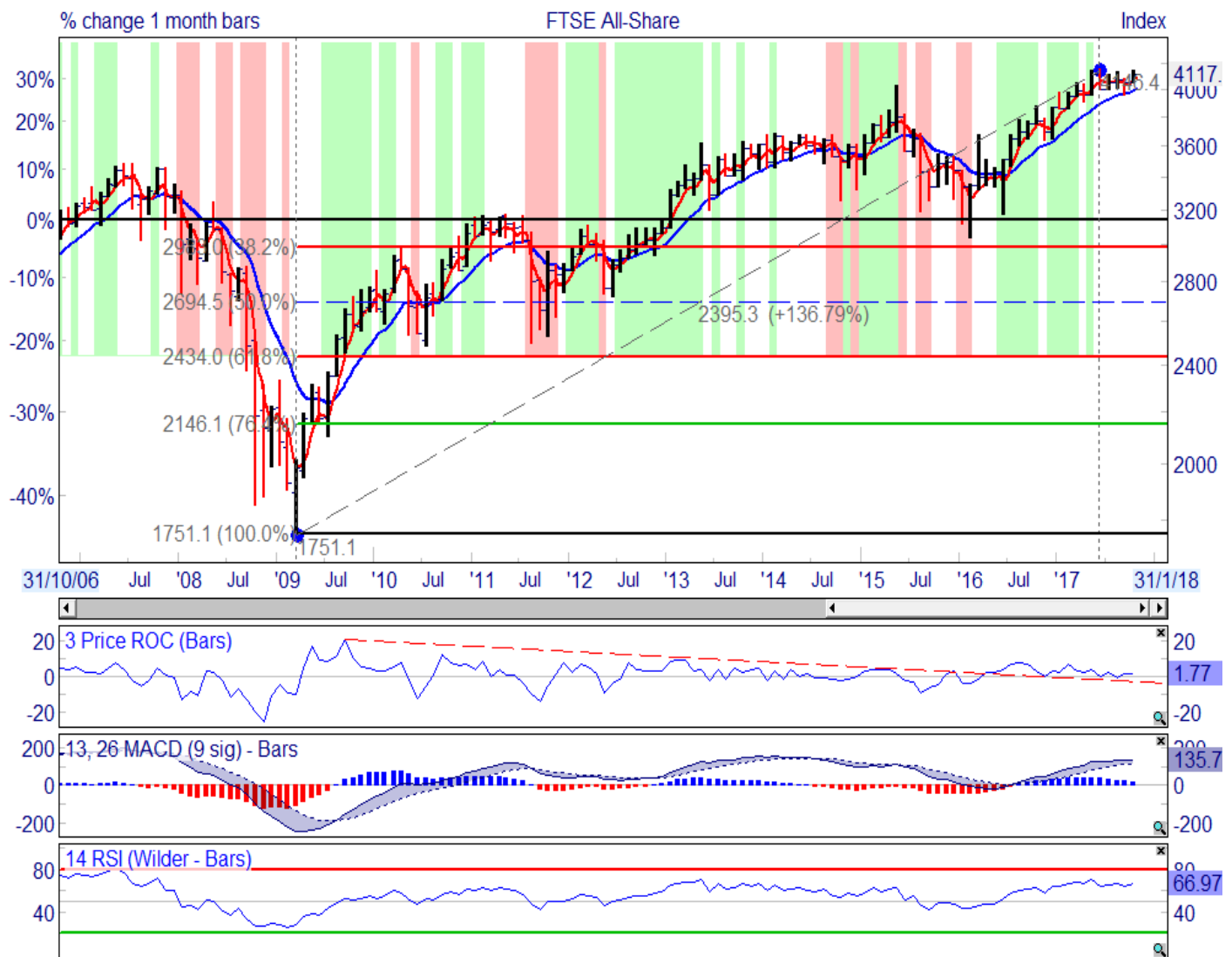


Observations

1. The index gained 1.7% over the month, changing to a Neutral signal.
2. Price is testing the 21 day MA support and needs to hold.
- 3 The RSI momentum indicator and price relative have turned lower, bearish.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The index is above both MAs, , bullish, but has changed to a Neutral signal.
2. The two LT momentum indicators have diverged, uncertain.
3. Longer term support is at 3950 with resistance at 4150

Conclusions

1. The index is showing signs of uncertainty and needs to hold the MAs.
2. The 3950 support is important
3. Await the e-mail alert

Index: FTSE Europe EX UK - 1st November 2017

Price: - 276

Short Term Trend

Last indicator = Neutral @ the 277 level on 16th October 2017

Trend is sideways to higher

Guides: **Green/Pink** = BUY/SELL Panels
 Red = Trend Channel
 Blue Red = 200 and 21 Day Moving Average

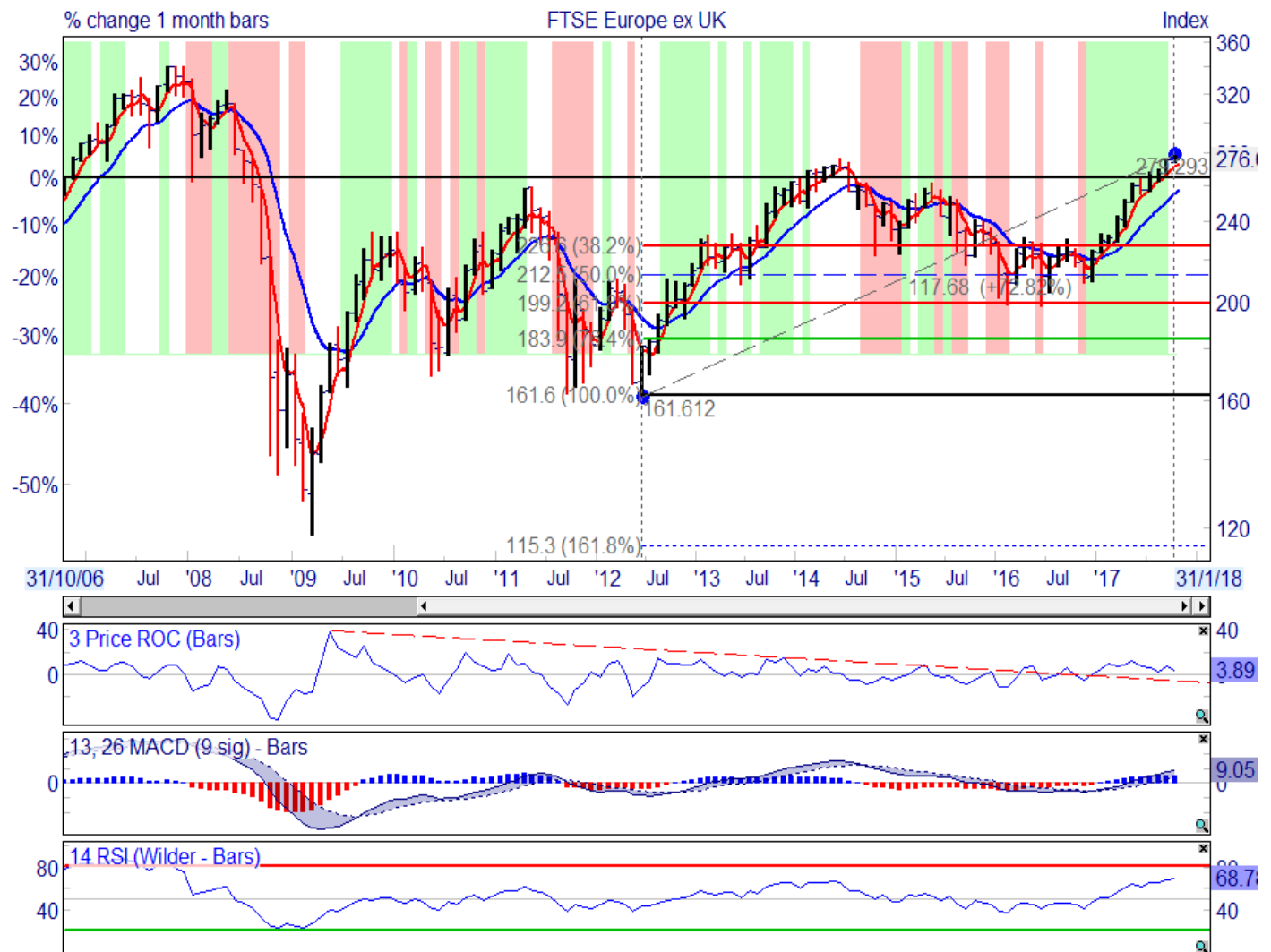


Observations

1. The index gained 0.4% over the month, whipsawed to a buy then back to neutral.
2. The index is testing the 21 day MA and needs to hold it, uncertain.
3. The RSI momentum indicator has turned lower, unwinding ST overbought.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. Price remains above both LT MAs, bullish.
2. The LT momentum indicators are moving higher, bullish.
3. Longer term support is at 260 with resistance at 280

Conclusion

1. Price is uncertain short term.
2. Watch the longer term support at 260, as it's important.
3. Await the e-mail alert

Index: FTSE Asia EX Japan - 1st November 2017

Price: - 567

Short Term Trend

Last indicator = Buy @ the 565 level on 30th October 2017

Trend is higher

Guides: **Green/Pink** = BUY/SELL Panels
Red = Current Trend Channel
Blue Red = 200 and 21 Day Moving Average

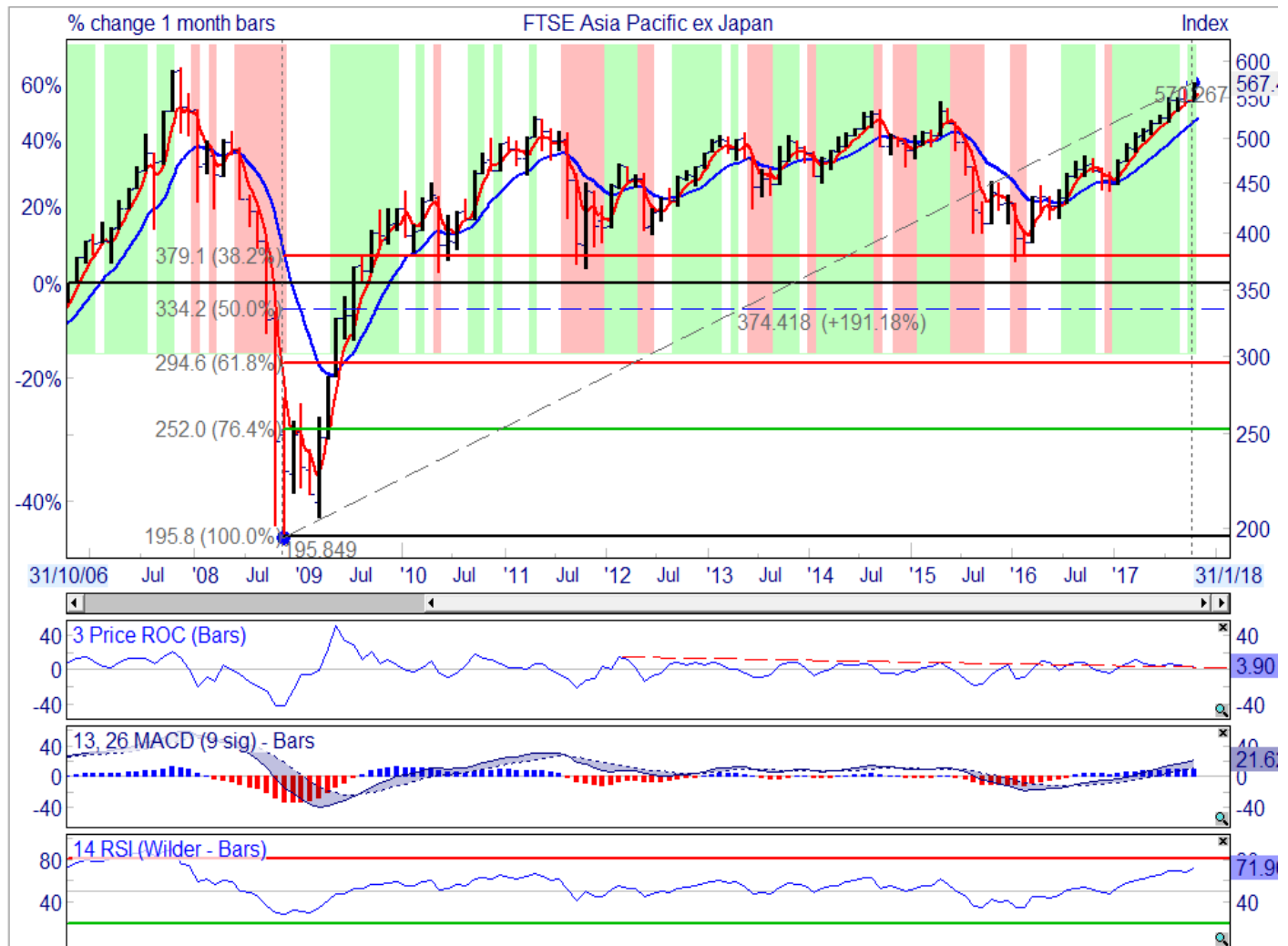


Observations

1. The index rose by 4% over the month, flipping from Buy to Neutral then Buy.
2. The index is above both MAs, bullish, albeit it is unwinding from overbought.
3. The RSI momentum indicator has turned lower, also unwinding the OB situation.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The index is above both LT MAs, bullish.
2. The momentum indicators are mixed, uncertain.
3. Longer term support is at 525 with resistance at 580

Conclusion

1. The price is bullish over both periods, albeit unwinding a short-term OB position
2. The index needs to hold support at 525.
3. Await the e-mail alert

Index: NIKKEI Dow 225 1st November 2017

Price: - 22011

Short Term Trend

Last indicator = Buy @ the 19500 level on the 11th September 2017

Trend is higher

Guides: **Green/pink** = **BUY/SELL Panels**
 Red = **Current Trend Channel**
 Blue Red = **200 and 21 Day Moving Average**

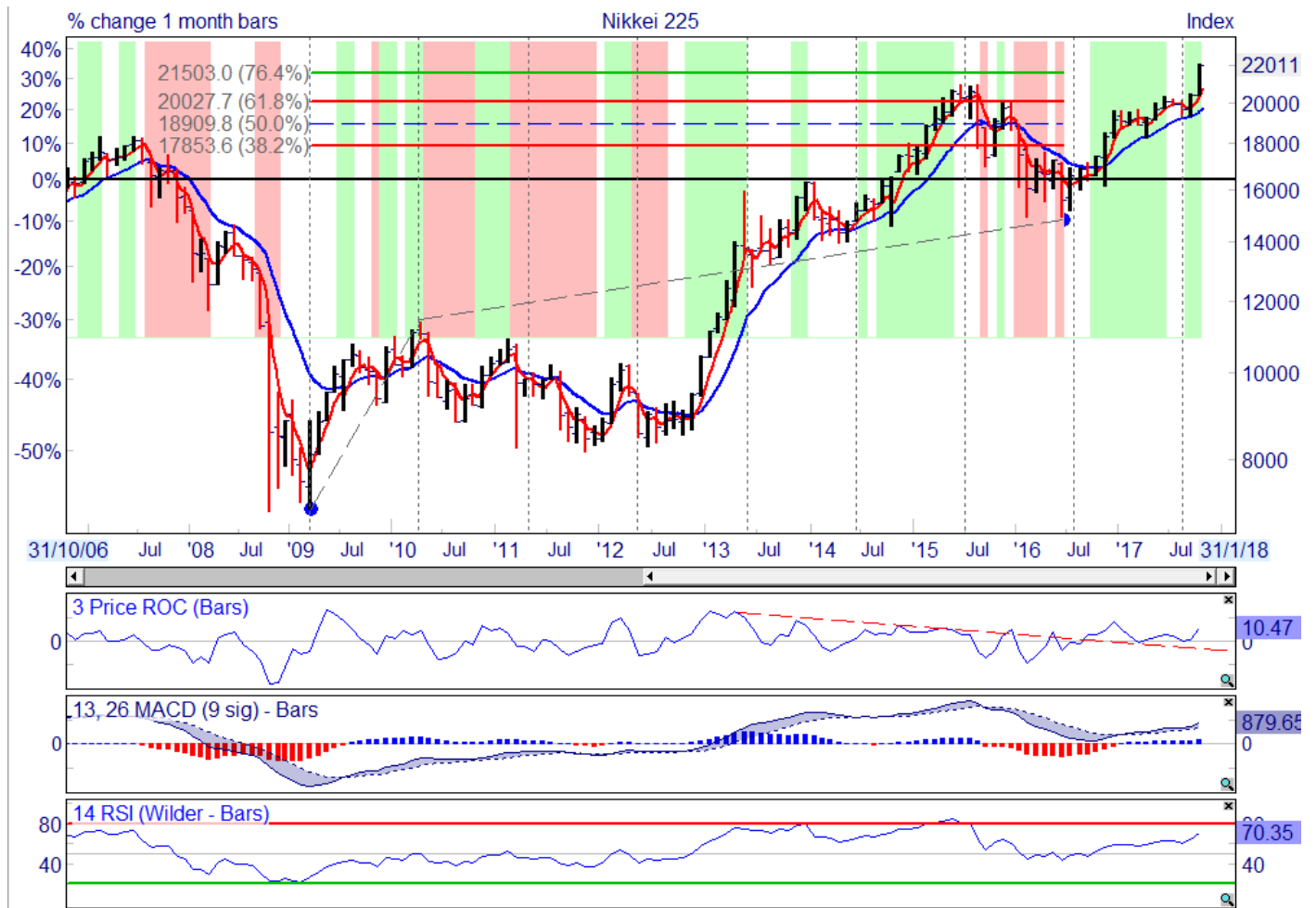


Observations

1. The index gained 8.1% over the month, remaining on a Buy signal.
2. The index is above both MAs, bullish but overbought.
3. The RSI is overbought and price may fill that gap, see red arrow.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The index is above both MAs, bullish and has reached the Fibonacci targets.
2. The momentum indicators have turned higher, also bullish
3. Longer term support is at 19650 with resistance at 22650

Conclusions

1. The index is bullish shorter and longer term, albeit overbought.
2. The 19650 support level needs to hold.
3. Await the e-mail alert

Index: S&P 500 – 1st November 2017

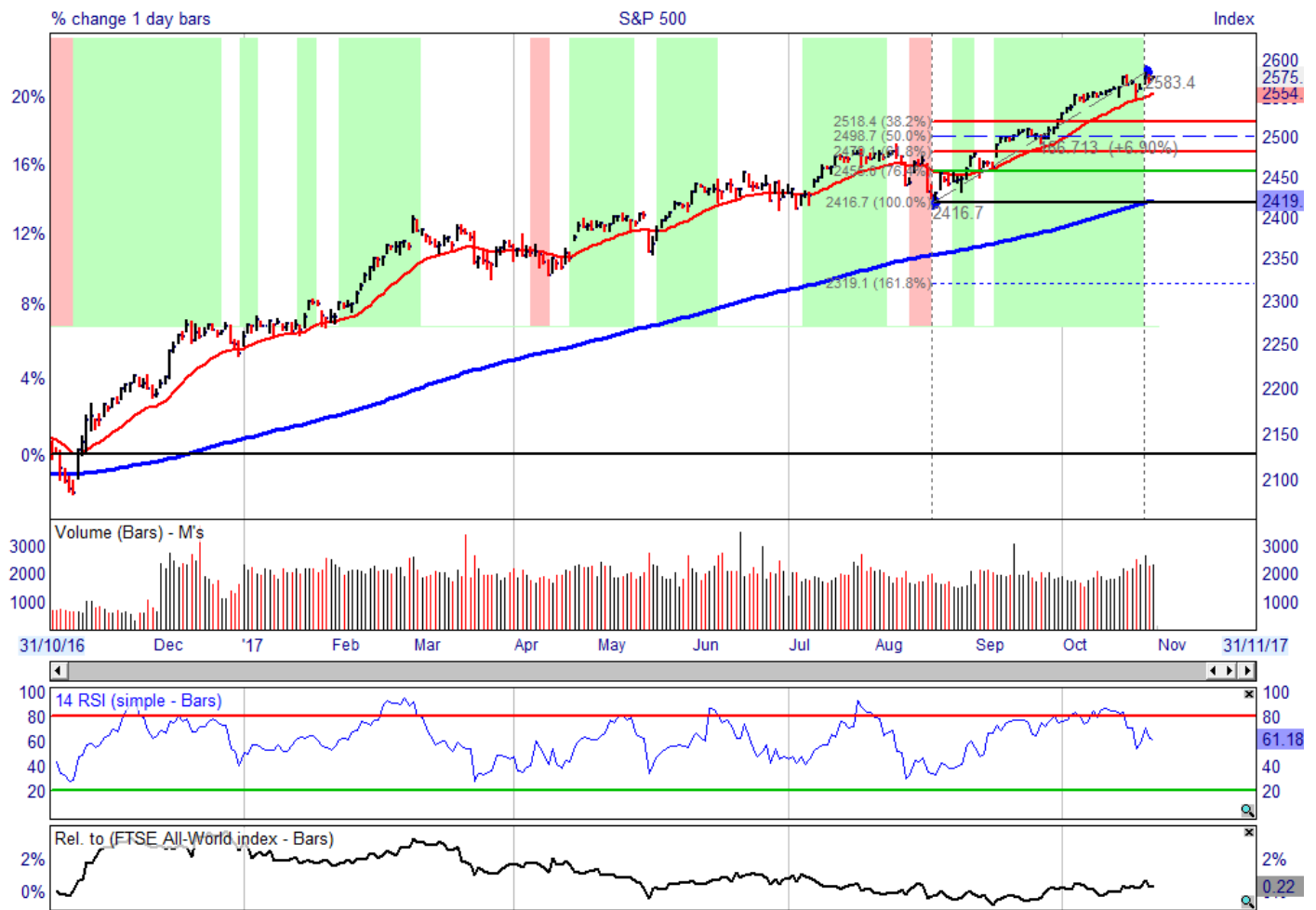
Price: - 2575

Short Term Trend

Last indicator = Neutral @ 2573 on the 30th October 2017

Trend is higher

Guides: Green/Pink = BUY/SELL panels
Red = Current trend Channel
Blue Red = 200 and 21 Day Moving Average

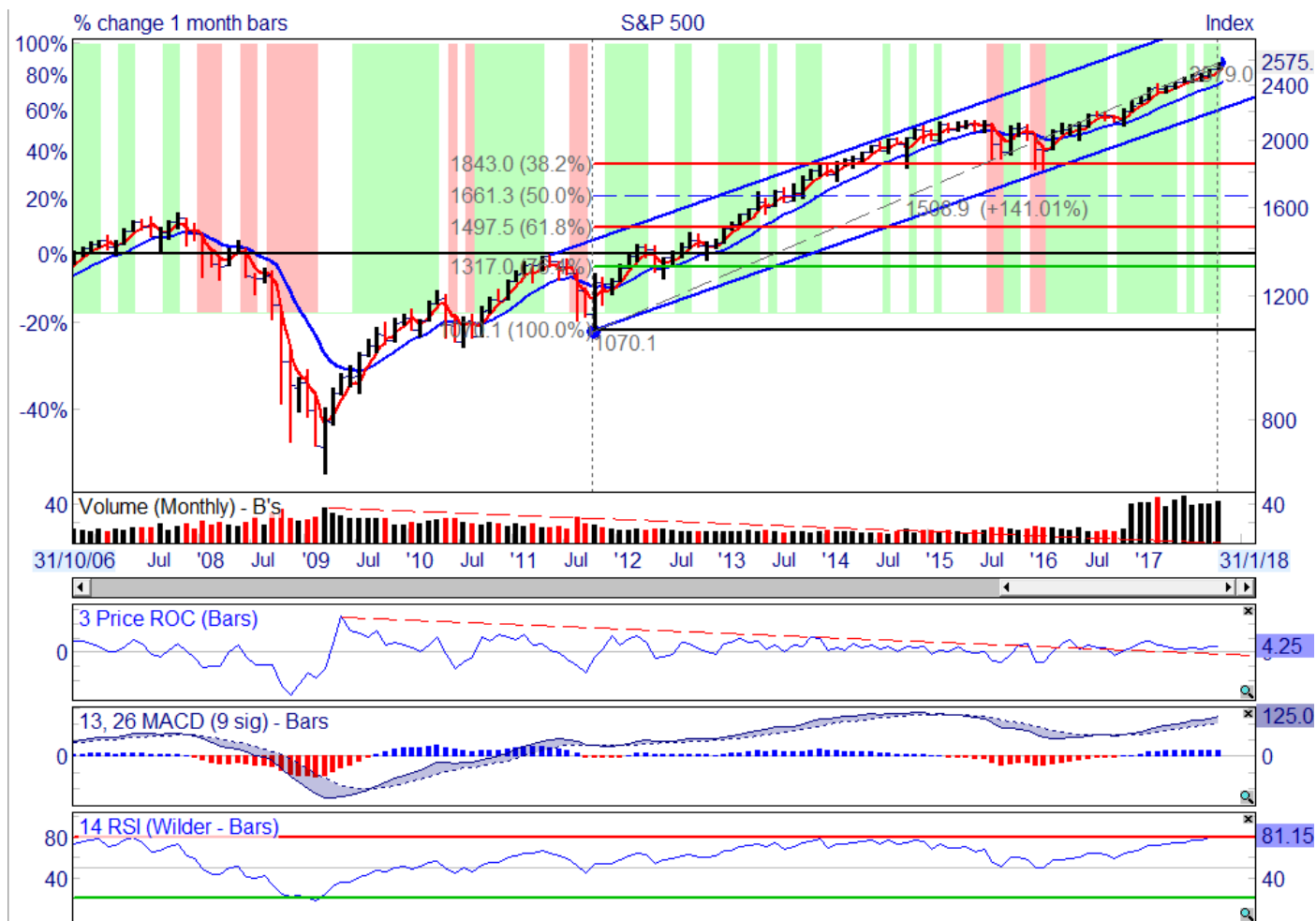


Observations

1. The index gained 2.2%, flipping to neutral at the month end.
2. The RSI momentum indicator has turned lower, unwinding overbought.
3. The index remains above both MAs, bullish.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The index is above both LT MAs, bullish.
2. The LT momentum indicators are moving higher, also bullish
3. Long term support is at 2450 with resistance at 2600

Conclusions

1. The index is bullish on both time frames.
2. The 2450 support level is important.
3. Await the email alert

Guidance notes on indicators used:

Within the main body of the chart:

Moving Averages (MAs):

Moving averages smooth the price data to form a trend following indicator. They do not predict price direction, but rather define the current direction with a lag.

We use a **21-Day** and a **200-Day** Exponential Moving Average (EMA) within the 1-year chart and a **50-Day** and **200-Day** EMA within the 10-year monthly chart.

Price ideally should be above both MAs, with the shorter term MA above the longer term MA in a "**bull phase**," rising index or security price and below both MAs, with the shorter term MA below the longer term MA in a "**bear phase**," falling index or security price.

When a shorter term MA crosses above a longer term MA, it is known as a "**Golden Cross**," which confirms a move higher for the index or security price, whereas a shorter term MA crossing below a longer term MA is known as a "**Death Cross**," confirming a move lower for an index or security price.

Fibonacci Retracements or Extensions:

Fibonacci Retracements are ratios used to identify potential reversal levels. These ratios are found in the Fibonacci sequence. By taking two extreme points (usually a major peak and trough) on a chart price the key Fibonacci ratios of 23.6%, 38.2%, 50%, 61.8% and 100% are shown..

These ratios are used to identify potential reversal levels, during corrections within the main price trend and by Fibonacci Extensions as assistance to projecting a price target within the trend.

Within the lower panels of the charts:

1-Year Daily Chart:

Relative Strength Index (RSI):

An RSI is a momentum indicator that compares the magnitude of recent gains and losses over a specified time period to measure speed and change of price movements of a security (we use 14 daily and monthly periods.) Momentum is akin to slowing down in a car before you consider either stopping or going into reverse, and although an RSI can remain either overbought (**above 80**) OR oversold (**under 20**) for longer than you expect, it does provide a useful guide of when an index or security is overvalued and/or undervalued.

Price Relative to the FTSE World Stock Index:

Simply put it shows the price movement of the index or security against a bench-market of the World Stock Index, a measure of every quoted stock in the world. If it is rising, the measured index or security is out-performing the world index OR vice-versa under-performing the world index if falling.

10-Year Monthly Chart:

3 month Rate of Change (ROC):

This is another momentum measure, in our case over a rolling 3-month period, which assists with identifying trend turning points. It is also used to flag "diversification," against the index or security price trend. In plain English, if price is going one way and the ROC the other, it is a warning that the price trend will likely change.

Moving average convergence divergence (MACD)

This is a trend-following momentum indicator that shows the relationship between two moving averages of prices, the 13 and 26, plus a MACD Histogram is used to anticipate signal line crossovers, the signal line being a 9-day EMA.

Again, this combination helps to identify trend turning points and support the major price trend.

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