

Cartography Corner - April 2019

J. Brett Freeze and his firm Global Technical Analysis (GTA) provides RIA Pro subscribers Cartography Corner on a monthly basis. Brett's analysis offers readers a truly unique brand of technical insight and risk framework. We personally rely on Brett's research to help better gauge market trends, their durability, and support and resistance price levels.

GTA presents their monthly analysis on a wide range of asset classes, indices, and securities. At times the analysis may agree with RIA Pro technical opinions, and other times it will run contrary to our thoughts. Our goal is not to push a single view or opinion, but provide research to help you better understand the markets. Please contact us with any questions or comments. If you are interested in learning more about GTA's services, please connect with them through the links provided in the article. The link below penned by GTA provides a user's guide and a sample of his analysis.

[GTA Users Guide](#)

A Review of March

Palladium Futures; We will begin with a review of Palladium Futures during March 2019. In our March 2019 edition of *The Cartography Corner*, we wrote the following, with emphasis given to bolded excerpts: In isolation, monthly support and resistance levels for March are:

- M4 1861.5
- M3 1703.1
- M1 1655.2
- **PMH 1525.8**
- Close 1501.5
- M2 1416.3
- **MTrend 1306.7**
- PML

- M5 1210.0

Active traders can use 1525.8 as the pivot, whereby they maintain a long position above that level and a flat or short position below it. Figure 1 below displays the daily price action for March 2019 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. During the first eleven trading sessions of March, the market price oscillated within a 68.5-point range. *The price remained below February's high price at PMH: 1525.8.* On March 18th, the market price traded and settled above February's high price. Over the next three trading sessions, Palladium Futures achieved marginally higher prices, with the high settlement-price for the month of March achieved on March 20th and the high price reached March 21st. *The decline that followed was truly awe-inspiring. Over the following five trading sessions, the market price declined 251.2 points or 15.9% on a settlement basis.* The decline halted at our clustered-support area at MTrend: 1306.7 / PML: 1303.2. The final trading session saw Palladium Futures bounce marginally from that clustered-support area. *In our judgment, the correction of the parabolic rise in Palladium futures is in its early stages.* **Figure 1:**

PAM9: March 2019



E-Mini S&P 500 Futures We continue with a review of E-Mini S&P 500 Futures during March 2019. In our March 2019 edition of *The Cartography Corner*, we wrote the

following, with emphasis given to bolded excerpts: In isolation, monthly support and resistance levels for March are:

- M4 3189.50
- M2 2923.00
- M1 2919.00
- **M3 2865.00**
- **PMH 2814.00**
- Close 2784.00
- PML 2784.00
- M5 2784.00
- MTrend 2640.42

Active traders can use 2814.00 as the pivot, whereby they maintain a long position above that level and a flat or short position below it. Figure 2 below displays the daily price action for March 2019 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The first six trading sessions of March were spent with the market price exceeding (intra-day, March 4th) and subsequently declining hard (approximately 100 points) off our isolated upside-pivot level at PMH: 2814.00. Three sessions later, on March 13th, the market price traded and settled above our isolated upside-pivot level at PMH: 2814.00. The following six trading sessions saw E-Mini S&P Futures ascend to our isolated resistance level at M3: 2865.00. The high price for the month was achieved on March 21st at the price of 2866.00. The final six trading sessions were spent with the price declining back to, and oscillating around, February's high price at PMH: 2814.00. **Figure 2:**

ESM9 (H9): March 2019



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April 2019 Analysis

We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures.�
The same analysis can be completed for any time-period or in aggregate.



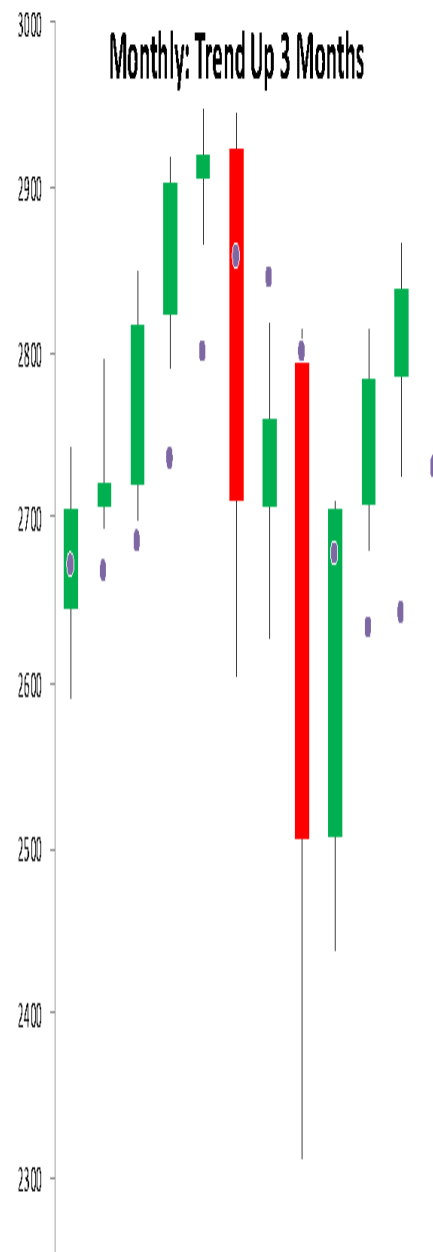
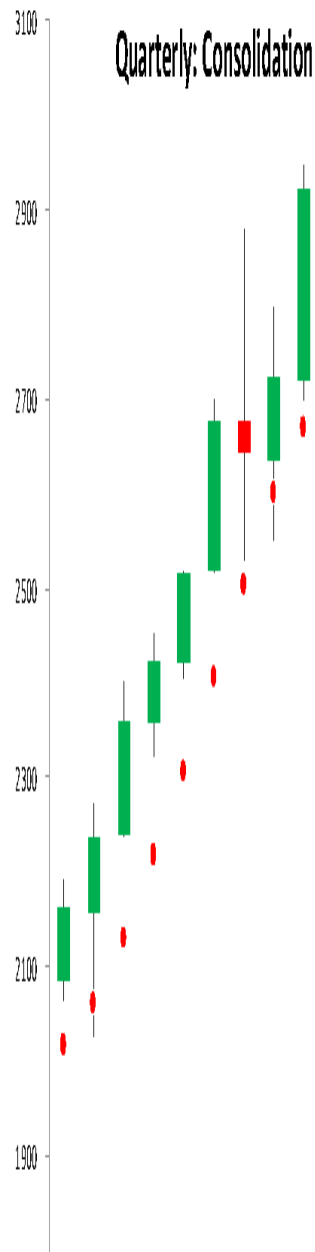
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SP 500 Futures

April 1, 2019

ESM9	32.83
Q4	3419.00
Q3	3170.25
M4	3051.25
M1	2918.00
M3	2890.75
D4	2886.50
W4	2876.25
PQH	2866.00
PMH	2866.00
W3	2864.75
D1	2857.25
D2	2854.50



Trends:

- Current Settle 2837.75
2837.75; **2013266080;**
- Daily
Trend 2819.22
2819.22; **2013266080;**
- Weekly Trend 2817.56
2817.56; **2013266080;**
- Monthly Trend 2729.08
2729.08; **2013266080;**
- Quarterly Trend 2718.86
2718.86

As can be seen in the quarterly chart above, the impressive twelve-quarter uptrend ended in 4Q2018. **2013266080;** As we have stated many times, *of all the levels included in our output, Quarterly Trend is the most important, because it is more secular in nature.* 2013266080; The market price settled back above Quarterly Trend in 1Q2019, leaving the market in ?Consolidation?. Stepping down one level in time-period, the monthly chart shows that E-Mini S&P 500 Futures have been ?Trend Up? for three months. 2013266080; Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures have also been ?Trend Up? for three weeks. **Within the context of the market price relative to the trend levels and the relative positioning of the trend levels to one another, technical analysis of E-Mini S&P 500 Futures is bullish.** 2013266080; 2013266080; We have written extensively about our anticipation of a two-month high being needed in E-Mini S&P 500 Futures. 2013266080; We anticipated it occurring in the month of March and it was realized during the second trading session of the month. 2013266080; *The rally from the December 2018 low has completed its objective. We continue to view this time window and price area as the last and best opportunity to sell longs (get short), anticipating an extended decline in both time and price.* 2013266080; Based upon historical occurrences, **we will know in the next month or so if we are correct in our timing.** We recognize the risks from here as binary: either the market is going to decline substantially or it will achieve new all-time highs. Support/Resistance: In isolation, monthly support and resistance levels for April are:

- M4 3051.25
3051.25; **2013266080;**
- M1 2918.00
2918.00; **2013266080;**
- M3 2890.75
2890.75; **2013266080;**
- PMH 2860
2860; **2013266080;**
- Close 2837
2837; **2013266080;**
- M2 2718.86
2718.86; **2013266080;**

- MTrend 2729.08
- PML
- M5 2639.00

Active traders can use 2866.00 as the upside-pivot, whereby they maintain a long position above that level. Active traders can use 2772.25 as the downside-pivot, whereby they maintain a flat or short position below it. **Ultra-Long Bond Futures** For the month of April, we focus on Ultra-Long Bond Futures. We provide a monthly time-period analysis of UBM9. The same analysis can be completed for any time-period or in aggregate.



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Ultra-Long Bond Futures

April 1, 2019

UBM9 **46.73**

Q4 190 5/32

M4 178 25/32

W4 176 27/32

M3 176 13/32

Q1 175 17/32

Q3 175 11/32

M1 175

W1 171 1/32

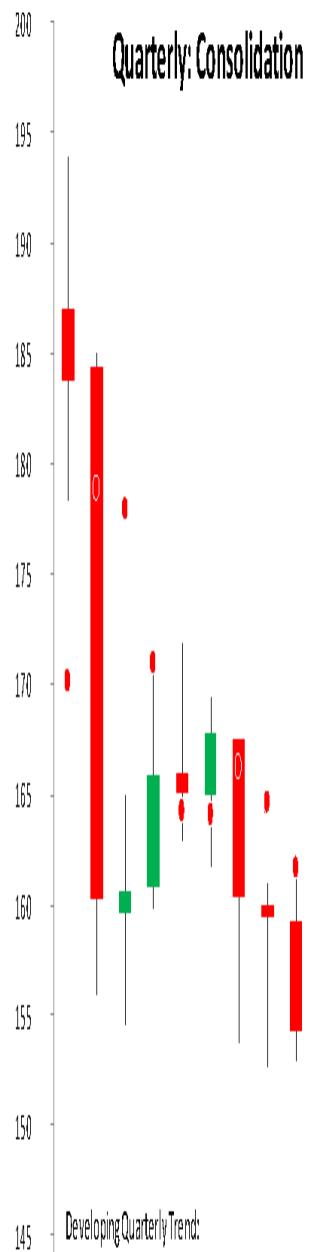
W3 170

W2 169 17/32

D4 **169 1/32**

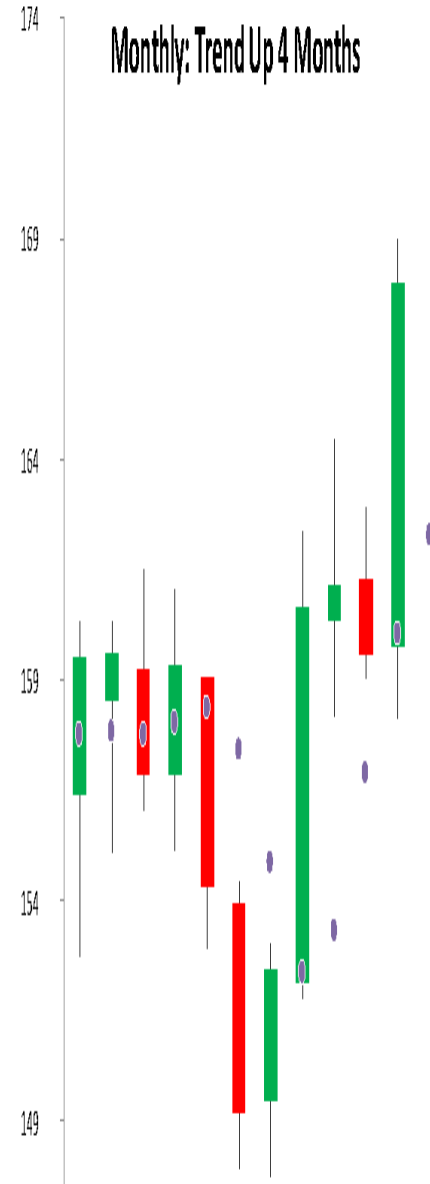
D1 168 22/32

Quarterly: Consolidation



Developing Quarterly Trend:

Monthly: Trend Up 4 Months



Developing Monthly Trend:

Trends:

- Current Settle 168-00
2013266080;
- Daily Trend 167-29
2013266080;
- Weekly Trend 164-19
2013266080;
- Monthly Trend 162-08
2013266080;
- Quarterly Trend 159-12

As can be seen in the quarterly chart above, Ultra-Long Bond Futures are in ?Consolidation?. With a quarterly settlement above 159-12 this quarter, Ultra-Long Bond Futures will be ?Trend Up?. **2013266080;** Stepping down one level in time-period, the monthly chart shows that Ultra-Long Bond Futures have been ?Trend Up? for four consecutive months. Stepping down to the weekly time-period, the chart shows that Ultra-Long Bond Futures have been ?Trend Up? for four weeks. **Technical analysis of Ultra-Long Bond Futures is unequivocally bullish.** Having said that, *there is one technical factor that gives us caution.* The condition was met in March that makes us anticipate a 2-month low within the next four to six months. Support/Resistance: In isolation, monthly support and resistance levels for April are:

- M4 178-25
- M3 176-13
- M1 175-00
- PMH 168-30
- Close 168-00
- MTrend 162-08
2013266080;
- PML 158-03
- M2 03
2013266080;
2013266080;

- M5 153-10

Active traders can use 168-30 as the pivot, whereby they maintain a long position above that level and a flat or short position below it. It is worth noting that it is somewhat unusual for stocks and bonds to be as well correlated in price as we saw in the first quarter. The stock market rally and accompanying sharp decline in yields, along with some yield curve inversions, are implying two different fundamental economic stories. We believe that if you can determine which one is right you will have much success over the coming few months. We caution ourselves regarding the delicate balance between conviction and stubbornness with the following:

Stubbornly maintaining a position based on fundamental analysis in the face of adverse technical indicators and an adverse price trend constitutes a quick method of running up substantial trading losses. In short, do not ignore the technical action of the market no matter how fundamentally-oriented a trader you could be.

Summary

The power of technical analysis is in its ability to reduce multi-dimensional markets into a filtered two-dimensional space of price and time. Our methodology applies a consistent framework that identifies key measures of trend, distinct levels of support and resistance, and identification of potential trading ranges. Our methodology can be applied to any security or index, across markets, for which we can attain a reliable price history. We look forward to bringing you our unique brand of technical analysis and insight into many different markets. If you are a professional market participant and are open to discovering more, please [connect](#) with us. We are not asking for a subscription, we are asking you to listen.