

Cartography Corner - August 2020

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](#)

July 2020 Review

E-Mini S&P 500 Futures

We begin with a review of E-Mini S&P 500 Futures (ESU0) during July 2020. In our July 2020 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for July are:

- M4 3693.65
- M1 3388.40
- PMH 3226.95
- M3 3138.50
- Close 3090.25
- M2 3087.25
- MTrend 2933.44
- PML 2923.75
- M5 2782.00

Active traders can use M2: 3087.25 as the pivot, maintaining a long position above that level and a flat or short position below it. Figure 1 below displays the daily price action for July 2020 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The month of July began with the market price overcoming early-session weakness to settle above our isolated pivot level at M2: 3087.25. Over the following two trading sessions, the market price ascended to and settled above our first isolated resistance level at M3: 3138.50. The three-session cumulative gain, relative to June's settlement price, totaled 2.65%. *Collective patriotism is not limited to fireworks and barbecues.* The following six trading sessions saw the market price trade in a range, bound on the upside by our next isolated resistance level at PMH: 3226.95 and on the downside by M3: 3138.50 *now acting as support*. Despite some long upper and lower shadows on the candles, the market price settled above M3: 3138.50 on five of six

trading sessions by an average of 0.64%. *Energy was building for the next move.* **Figure 1:**



Starting on July 15th, the market price experienced a mini "phase-shift" higher, with our next isolated resistance level at PMH: 3226.95 acting as a magnet. The final thirteen trading sessions were spent with the market price oscillating in a 3.01% range around that level. **Market participants following our analysis ended the month, on a mark-to-market basis, with a 5.7% gain on their positions.**

Silver Futures

We continue with a review of Silver Futures (SIU0) during July 2020. In our July 2020 edition of *The Cartography Corner*,¹ we wrote the following: In isolation, monthly support and resistance levels for July are:

- M4 23.140
- M2 19.610
- M1 19.365
- PMH 18.950

- M3 18.775
- Close 18.637
- PML 17.185
- MTrend 16.868
- M5 15.835

Active traders can use 18.950 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 July 2020 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The first five trading sessions of July saw the market price ascend to, and settle above, our isolated pivot level at PMH: 18.950. *First hurdle cleared.* The following seven trading sessions saw the market price ascend towards and surpass our next isolated clustered-resistance levels at M1: 19.365 / M2: 19.610. *Last hurdle cleared.* The following three trading sessions saw the market price make a quick ascent to our isolated Monthly Upside Exhaustion Level at M4: 23.14. *Monthly objective achieved.* With seven trading sessions remaining in the month, our analysis had one level remaining to be achieved. On June 30th, our analysis isolated the 3Q2020 Quarterly Upside Exhaustion Level at Q4: 26.215. On July 28th, the high price for the month was achieved at 26.275. *Quarterly objective achieved. We anticipate a two-month low AND a two-quarter low over the following four to six periods, respectively. At a minimum, market participants following our analysis realized a 22.0% gain. Figure 2:*

SIU0: July 2020

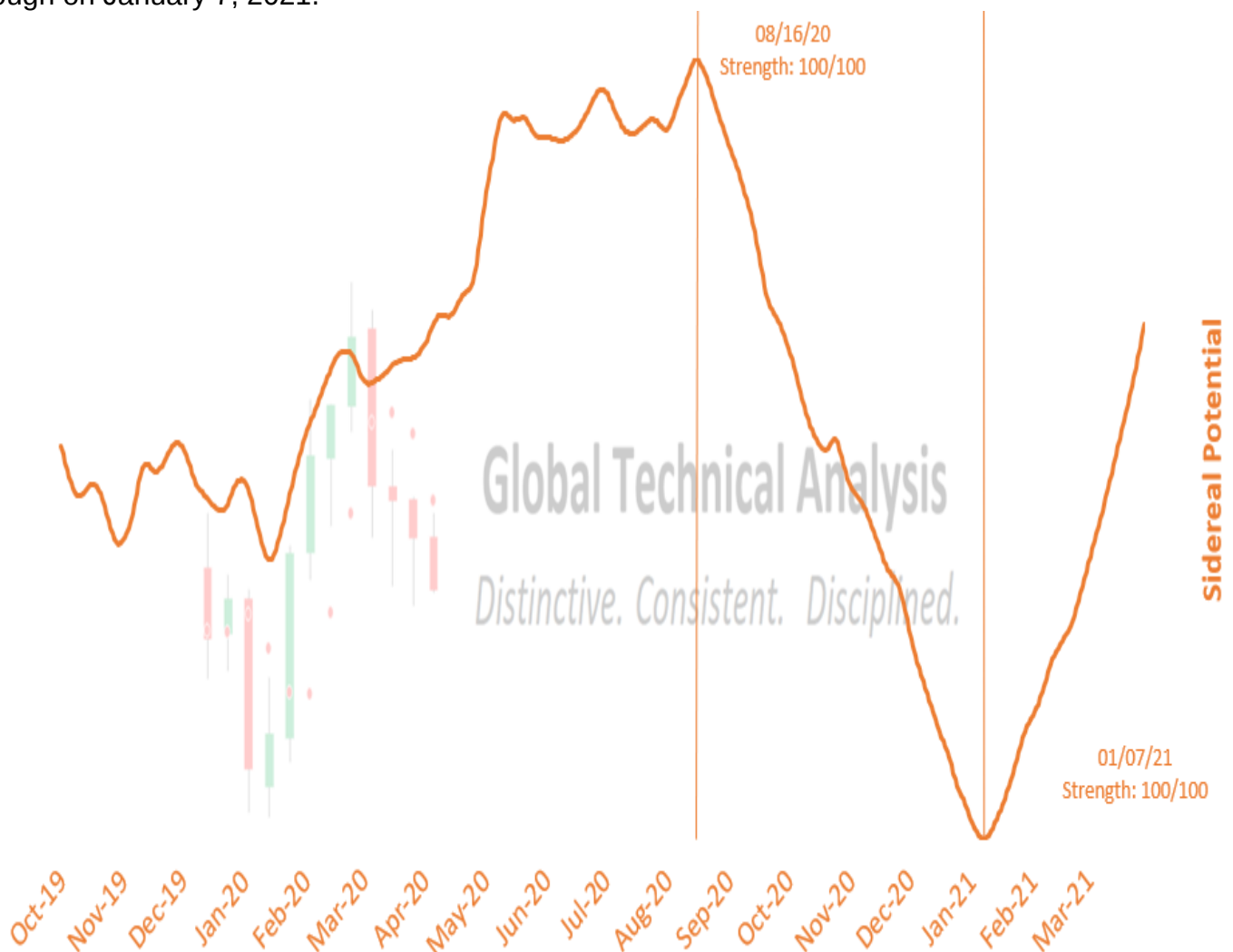


August 2020 Analysis

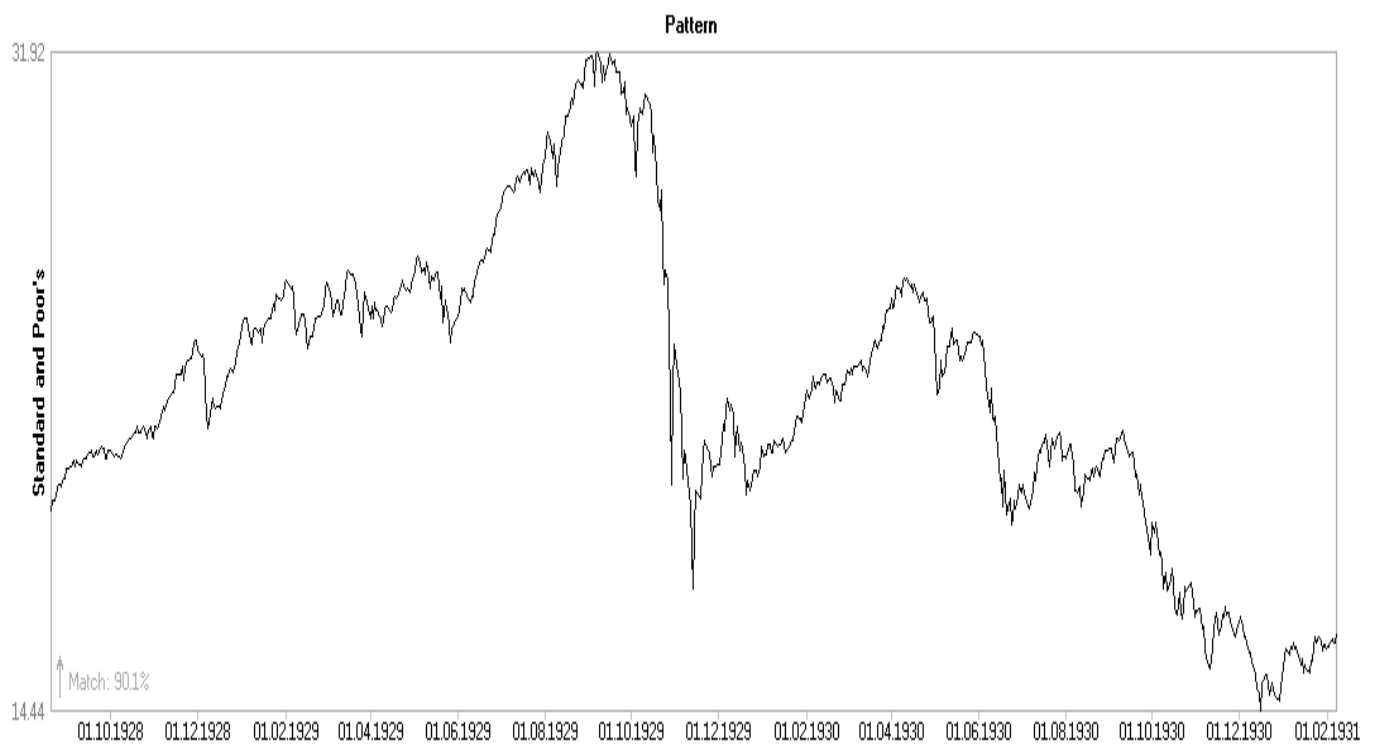
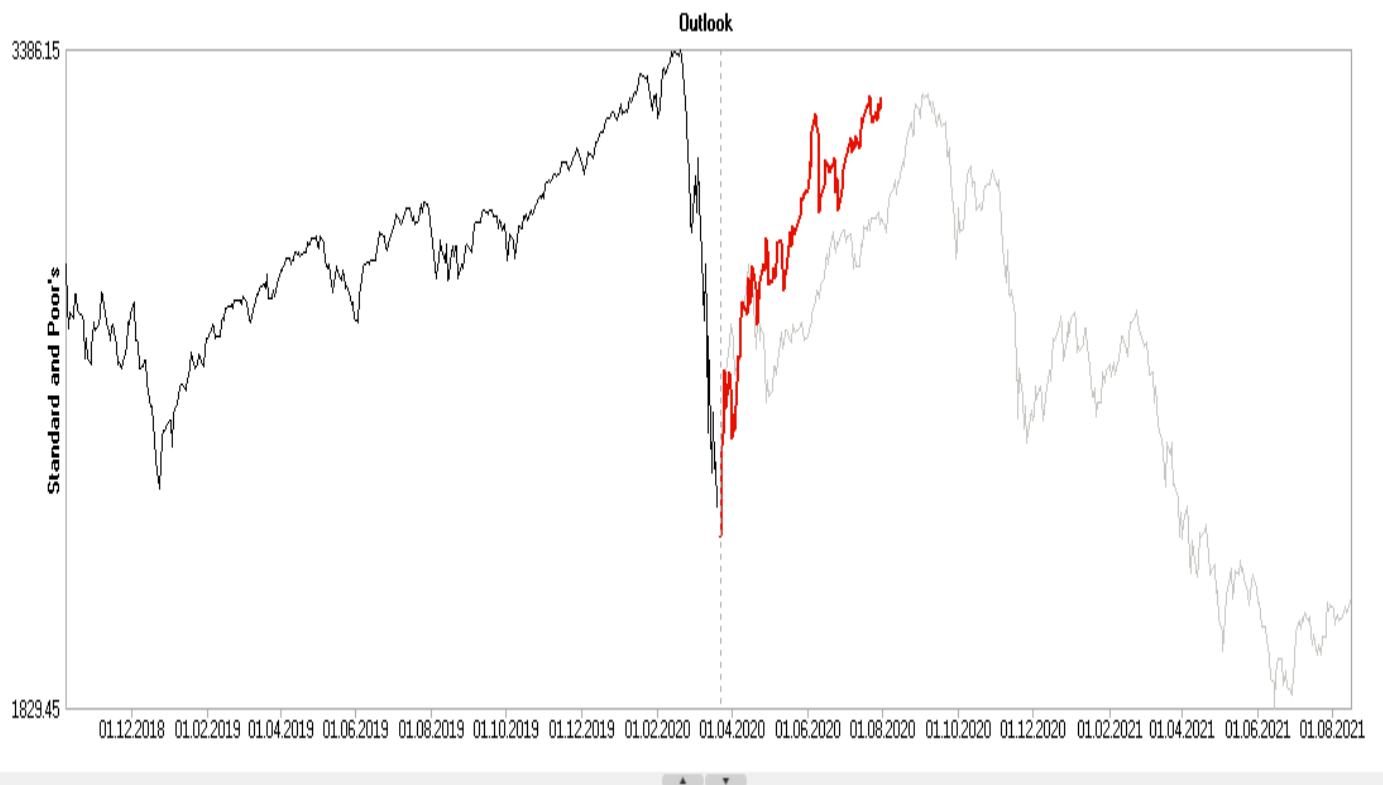
We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures (ESU0). The same analysis can be completed for any time-period or in aggregate. Trends:

- Current Settle 3263.50
- Daily Trend 3240.47
- Weekly Trend 3219.36
- Monthly Trend 3079.94
- Quarterly Trend 2913.69

The relative positioning of the Trend Levels is as bullish as possible. Think of the relative positioning of the Trend Levels like you would a moving-average cross; the Trend Levels are higher as the time-periods decrease. In the quarterly time-period, the chart shows that E-Mini S&P 500 Futures are in ?Consolidation?, after having been ?Trend Up? for four quarters. Stepping down one time-period, the monthly chart shows that E-Mini S&P 500 Futures are ?Trend Up?, having settled for three months above Monthly Trend. Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures are ?Trend Up?, having settled for five weeks above Weekly Trend. One rule we have is to anticipate a two-period high (low), within the following four to six periods, after a Downside (Upside) Exhaustion level has been reached. Recall, these two-period highs may occur at higher levels but can also occur from lower levels. We now anticipate a two-period high in the quarterly time-period over the next three to five quarters. *If this were to be achieved in 3Q2020, a trade to a new all-time high is required.* To reiterate, it can also be achieved in another quarter at lower levels. Our timing-cycle work reaches its local apex, meaning it is most supportive of the market price, on August 16, 2020. It then declines rapidly, reaching its local trough on January 7, 2021.



The 1929 analog is also reaching its apex.



Support/Resistance: In isolation, monthly support and resistance levels for August are:

- M4 3645.25
- M3 3436.75
- M1 3342.05
- PMH 3284.50
- Close 3263.50
- M2 3201.75
- MTrend 3079.94
- PML 3062.75

• M5 2898.55

Active traders can use PMH: 3284.50 as the pivot, maintaining a long position above that level and a flat or short position below it.



Global Technical Analysis

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SP 500 Futures August 3, 2020

ESU0	62.84
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Q4	4279.90
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M4	3645.25
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Q3	3610.75
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M3	3436.75
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W4	3357.25
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D4	3352.50
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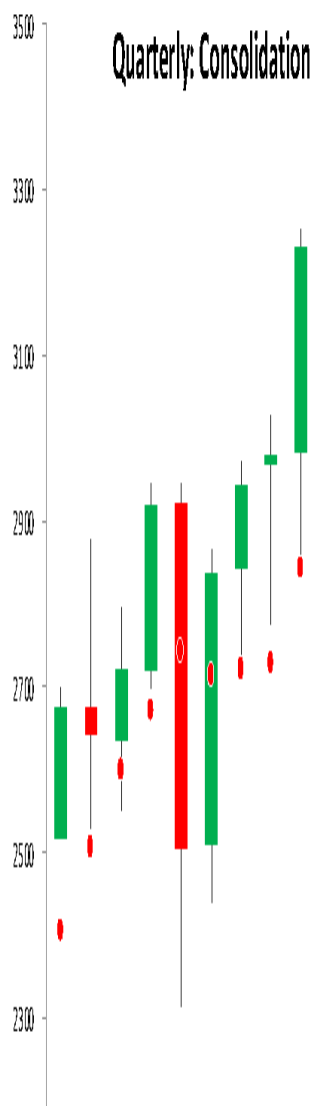
M1	3342.05
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W3	3323.00
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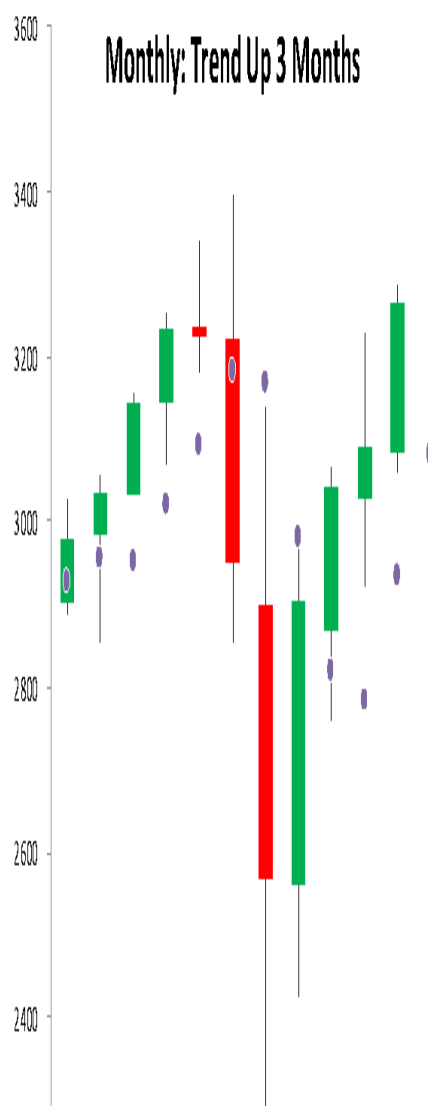
D1	3290.50
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PMH	3284.50
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Quarterly: Consolidation



Monthly: Trend Up 3 Months



Euro FX Futures

For August, we focus on Euro FX Futures (?the Euro?). We provide a monthly time-period analysis of 6EU0. The same analysis can be completed for any time-period or in aggregate. Trends:

- Daily Trend 1.1807
- Current Settle 1.1800
- Weekly Trend 1.1593
- Monthly Trend 1.1305
- Quarterly Trend 1.1135

The relative positioning of the Trend Levels is as bullish as possible. Think of the relative positioning of the Trend Levels like you would a moving-average cross; the Trend Levels are higher as the time-periods decrease. As can be seen in the quarterly chart below, the Euro is in ?Consolidation?. Stepping down one time-period, the monthly chart shows that the Euro is ?Trend Up?, having settled above Monthly Trend for three months. Stepping down to the weekly time-period, the chart shows that the Euro is ?Trend Up?, having settled above Weekly Trend for four weeks. Support/Resistance: In isolation, monthly support and resistance levels for August are:

- M4 1.2736
- M1 1.2397
- M3 1.2346
- PMH 1.1920
- Close 1.1800
- MTrend 1.1305
- M2 1.1301
- PML 1.1202
- M5 1.0962

Active traders can use 1.1920 as the pivot, whereby they maintain a long position above that level and a flat or short position below it.



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.*
