

Cartography Corner - December 2018

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](#)

The Cartography Corner

A Review of November

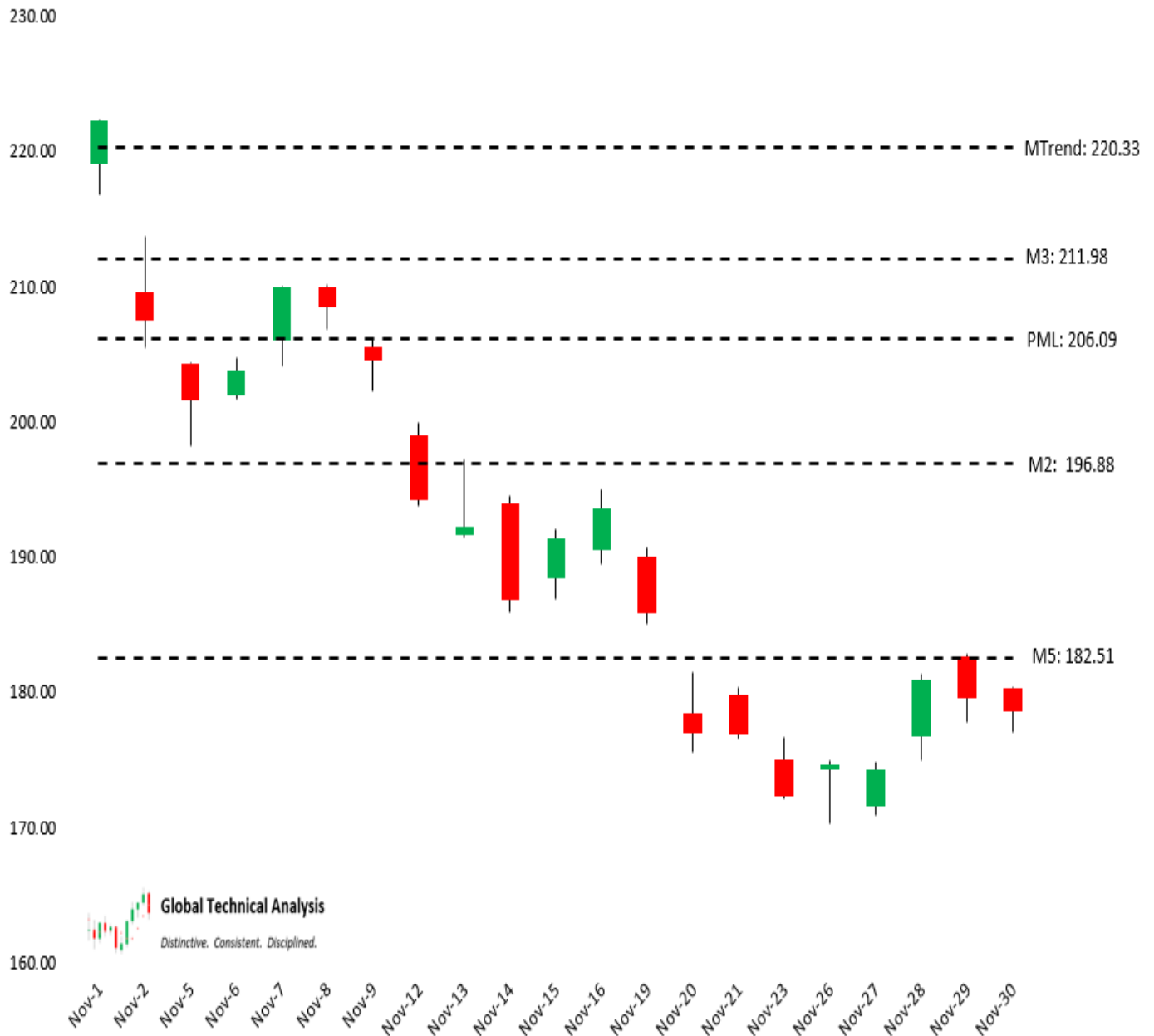
Apple Inc. We will begin with a review of Apple Inc. (AAPL) during November 2018. In our November 2018 edition of [The Cartography Corner](#), we wrote the following, with emphasis given to shaded excerpts: In isolation, monthly support and resistance levels for November are:

- M4 251.64
- M1 237.27
- PMH 233.47
- **MTrend 220.33**
- Close 218.86
- **M3 211.98**
- PML

- M2: 196.88
Active traders can use 220.33 as the upside pivot, whereby they maintain a long position above that level; Active traders can use 211.98 as the downside pivot, whereby they maintain a short or flat position below it.
- M5: 182.51

Figure 1 below displays the daily price action for November 2018 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. During the first trading day of November, the price ascended to, and closed above, our isolated upside pivot at MTrend: 220.33. The buy signal for active traders was given. However, Apple released quarterly earnings after the market closed on that day. Market participants were disappointed with the earnings release and immediately started to sell Apple in the after-market hours. **The price never recovered.** The following two trading sessions were spent with the price blowing through our first-two support levels at M3: 211.98 and PML: 206.09, with the decline stopping just in front of our third support level at M2: 196.88. The sell signal for active traders was given. The following three trading sessions were spent with price ascending to, but not reaching, our isolated downside pivot at M3: 211.98, *now acting as resistance*. The following eleven trading sessions saw Apple's price decline hard into, and through, our monthly downside exhaustion level at M5: 182.51. The final four trading sessions were spent with the price ascending back to, but not surpassing, our downside exhaustion level. *Active traders following our work completed two trades during the month. Using closing prices, they bought \$222.20 which was stopped out at \$207.48. They sold-short \$207.48 which was covered at \$176.98. The net of the two trades was a gain of 8.08%.* **Figure 1:**

AAPL: November 2018



E-Mini S&P 500 Futures We continue with a review of E-Mini S&P 500 Futures (ESZ8) during November 2018. In our November 2018 edition of *The Cartography Corner*, we wrote the following, with emphasis given to shaded excerpts: In isolation, monthly support and resistance levels for November are:

- M4 3024.50
- PMH 2944.75
- M1 2942.50
- **MTrend 2844.47**
- Close 2711.50

• PML

- M3

• M2

• M5

2259.00

Active traders can use 2844.47 as the upside pivot, whereby they maintain a long position above that level. Active traders can use 2603.00 as the downside pivot, whereby they maintain a flat or short position below it. **Given the large distance between monthly levels, unless October's low is breached, we suggest using the weekly levels each week to guide us through the month of November.** Figure 2 below displays the daily price action for November 2018 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. October opened with the price rallying 105.50 points (closing basis) during the first five trading sessions. *We believe the surge is a classic bear-market rally. And then the rug was pulled out from under market participants.* The following eleven trading sessions were spent with the price declining 187.00 points (closing basis) from the high close of November 7th. The last week of November was a repeat of the first week; the price rallied 128.75 points (closing basis) from the low close of November 23rd. *Another bear-market rally? Active traders, with a monthly time-period focus, completed no trades during November. The price-action was contained within our isolated upside and downside pivots. Our weekly analysis accurately identified the major pivots during the month. Figure 2:*

ESZ8: November 2018



December 2018 Analysis

We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures (ESZ8). The same analysis can be completed for any time-period or in aggregate.

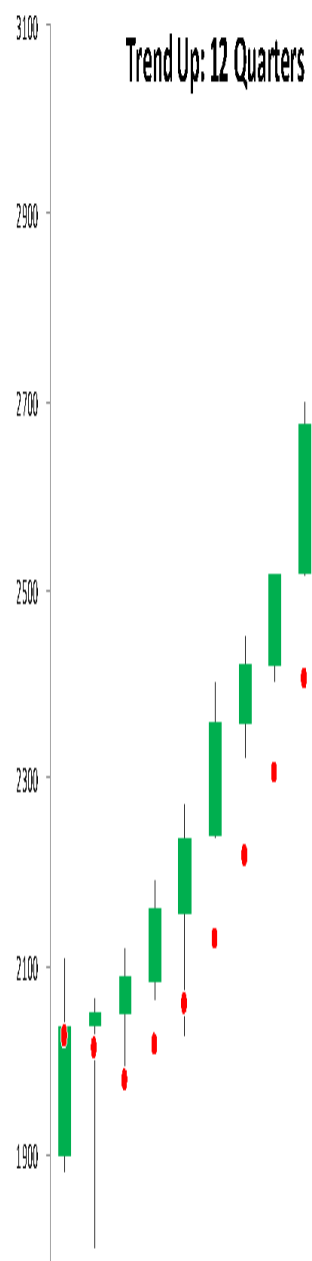


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SP 500 Futures December 3, 2018

ESZ8	47
Q4	3342.00
Q3	3116.50
Q1	3098.00
M4	3033.00
PQH	2947.00
W4	2903.50
W3	2887.00
Q2	2845.00
PMH	2818.00
D4	2806.25
M3	2805.50
MTrend	2799.11



Trends:

- Monthly Trend
2799.11
2013266080;
- Current Settle
2758.25
- Quarterly Trend
2742.72
2013266080;
- Daily
Trend
2737.94
2013266080;
- Weekly Trend
2707

As can be seen in the quarterly chart above, E-Mini S&P 500 Futures have been trading higher in price since the fourth quarter of 2015 and have been ?Trend Up? for twelve straight quarters .**2013266080;** However, the market price spent the majority of October and November below Quarterly Trend.**2013266080;** Patience is required as this is a quarterly time-frame. If the price closes below the Quarterly Trend of 2742.72 the impressive twelve-quarter trend will have broken. Stepping down one level in time-period, the monthly chart shows that E-Mini S&P 500 Futures are now in ?Consolidation?, having ended the most recent five-month uptrend.**2013266080;** With a December settlement below Monthly Trend, they will be ?Trend Down? in the monthly time-period. **2013266080;** Stepping down to the weekly time-period, the chart shows that E-Mini S&P Futures are in ?Consolidation?.**2013266080;** The previous six weeks have been spent with the price trading either side of a roughly 200-point range. *Technical analysis of E-Mini S&P 500 Futures suggests that the market is aggressively trying to turn lower for a sustained downtrend.* As is typical, the shorter time periods signal a trend change first.**2013266080;** Conviction is gained as the longer monthly and quarterly periods confirm the change. Support/Resistance: In isolation, monthly support and resistance levels for December are:

- M4
3033.00
- PMH
2818.00
- M3
2805.50
- MTrend
2799.11
- Close
2758
2013266080;
- M1
2737.94
2013266080;
- M2
2013266080;
- PML
2013266080;

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- M5��������2307.25

Active traders can use 2818.00 as the upside pivot, whereby they maintain a long position above that level.� Active traders can use 2691.25 as the downside pivot, whereby they maintain a flat or short position below it. *Given the still-relatively-large distance between monthly levels, we suggest using the weekly levels each week to guide us through the month of December*
We want to stress the point that if the S&P futures close the month of December below 2742.72, the market is providing a strong signal that the nine-year-old bull market may likely be in jeopardy. **Orange Juice** For the month of December, we focus on Orange Juice Futures.� We provide a monthly time-period analysis of Orange Juice Futures (OJF9).� The same analysis can be completed for any time-period or in aggregate.



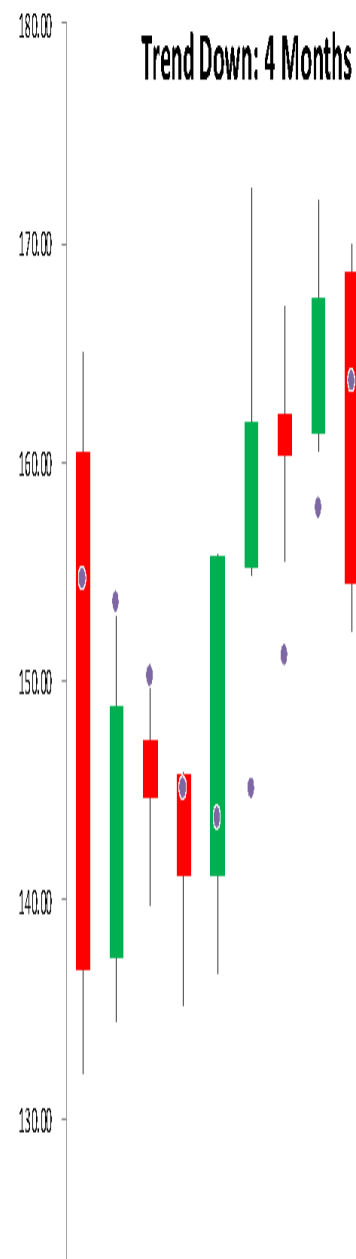
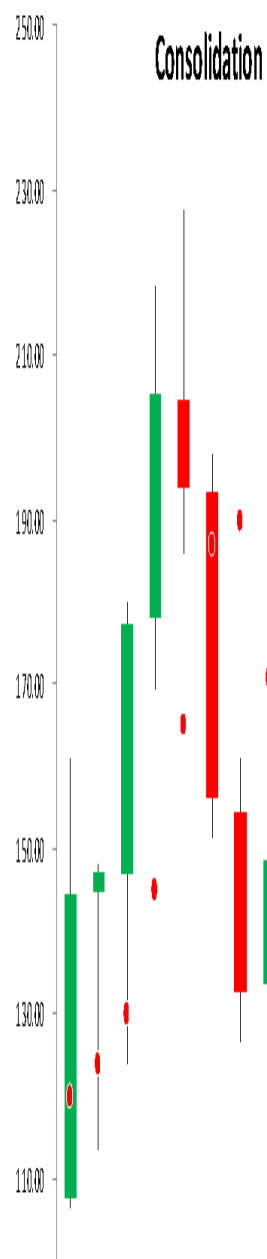
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Orange Juice Futures

December 3, 2018

OJF9	2.91
Q4	207.35
PQH	172.00
Q1	171.55
M4	154.20
Q2	153.35
W4	152.75
QTrend	151.39
M3	150.30
D4	149.45
W1	146.40
W3	146.30
D1	145.00



Trends:

- Quarterly Trend 151.39
- Monthly Trend 143.98
- Current Settle 143.95
- Daily Trend 142.05
- Weekly Trend 139.54

As can be seen in the quarterly chart above, Orange Juice is in ?Consolidation?, after having been ?Trend Down? for five quarters. Stepping down one level in time-period, the monthly chart shows that Orange Juice has been ?Trend Down? for four months, effectively having the pulp beat out of it for a roughly 23% decline. Stepping down to the weekly time-period, the chart shows that Orange Juice is in ?Consolidation?, after having been ?Trend Down? for ten weeks. *Technical analysis of Orange Juice suggests to us that perhaps the intermediate trend is in the early stage of a reversal to higher prices.* Support/Resistance: In isolation, monthly support and resistance levels for December are:

- M4 154.20
- M3 150.30
- PMH 144.90
- MTrend 143.98
- Close 143.95
- M1 128.00
- PML 114.15

Active traders can use 144.90 as the upside pivot, whereby they maintain a long position above

that level. Active traders can use 140.35 as the downside pivot, whereby they maintain a short or flat 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 to 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*.