

## Cartography Corner - February 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](#)

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### A Review of January

#### Euro FX Futures

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

- M4 1.1900
- M3 1.1723
- M1 1.1605
- **PMH 1.1575**
- Close 1.1523
- **MTrend 1.1437**
- M2
- PML



# E-Mini S&P 500 Futures

We continue with a review of E-Mini S&P 500 Futures during January 2019. In our January 2019 edition of *The Cartography Corner*, we wrote the following, with emphasis given to bolded excerpts: In isolation, monthly support and resistance levels for January are:

- M4 3002.00
- **PMH 2814.00**
- M1 2810.00
- MTrend 2677.03
- Close 2500.00
- **PML 2313.00**
- M3 2100.00
- M2 2000.00
- M5 1808.00

Active traders can use 2814.00 as the upside pivot, whereby they maintain a long position above that level. Active traders can use 2313.00 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 January.** Figure 2 below displays the daily price action for January 2019 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. With exception of January's Monthly Trend level, our monthly levels were so far removed from January's price range that they are not included on the chart. However, we have included the first quarter's Quarterly Trend level. In lieu of our standard commentary, we wish to highlight 2 observations. The first, which can be used as a rule, is the following: **When market prices get abnormally extended away from Monthly Trend, as they were at December's low, they normally will attempt to rally back to Monthly Trend.** We always expect a rejection on the first test of that level and a fierce battle between longs and shorts on subsequent attempts. The 2 circles on the graph highlight the test of January's Monthly Trend in the first candle and the solid rejection of that level in the second candle. In the first instance, that rejection was worth 60 points. In the second instance, that rejection was worth 50.25 points. 110 points will pay the light bill. A mentor of ours used to say, *"Markets make three drives to a high."* The two rejections of, and subsequent penetration through, January's Monthly Trend level are a clear example of this, which leads to our second observation. Despite having closed above Monthly Trend, and the associated noise surrounding market participant expectations of Federal Reserve policy, **the market's ascent**

**stopped directly in front of Quarterly Trend (2710).** As stated in the above discussion regarding Monthly Trend, we expect a rejection on the first test of that quarterly level and a fierce battle between longs and shorts on subsequent attempts. A quarterly settlement above that level would be significant in our judgment and, although not anticipated, we would respect it. *Active traders following our work completed no trades during January.* **Figure 2:**

### ESH9: January 2019



## February 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.



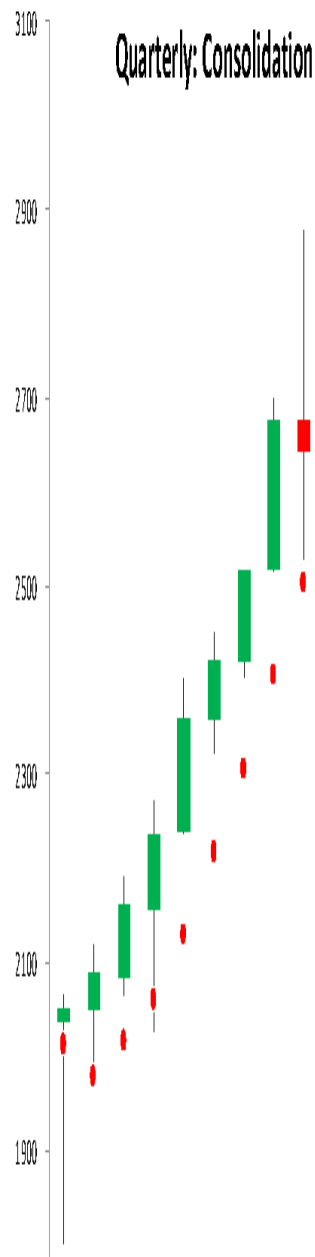
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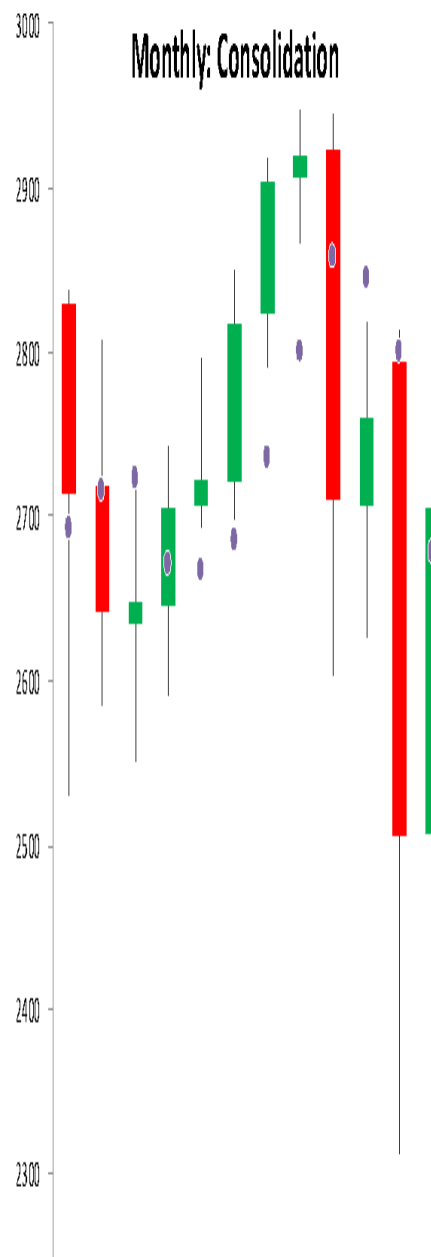
## SP 500 Futures February 1, 2019

ESH9	49
Q4	3191.00
M4	3105.00
PQH	2944.75
Q1	2942.50
M3	2903.75
D4	2781.75
W4	2779.75
D1	2728.25
D3	2726.50
D2	2715.25
QTrend	2710.78
PMH	2709.00

Quarterly: Consolidation



Monthly: Consolidation



## Trends:

- Quarterly Trend **2710.78**;  
**2710.78**;
- Current Settle **2704.50**;
- Daily  
Trend **2668.50**;  
**2668.50**;
- Monthly Trend **2631.83**;
- Weekly Trend **2620.00**;

As can be seen in the quarterly chart above, the impressive twelve-quarter uptrend ended in 4Q2018. **2710.78**; 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.* Only one month into the new quarter and the market price is testing Quarterly Trend from below. Perhaps Chairman Powell, as witnessed by his apparent U-turn in monetary policy, understands its significance, but we digress? Stepping down one level in time-period, the monthly chart shows that E-Mini S&P 500 Futures are now in ?Consolidation?, after having been ?Trend Down? for three months. Stepping down to the weekly time-period, the chart shows that E-Mini S&P Futures have been ?Trend Up? for four weeks. *Technical analysis of E-Mini S&P 500 Futures suggests that the market has turned lower for a sustained downtrend, despite this rally off the December 2018 low.* In our January 2019 edition we wrote, **?In the intermediate-term, we anticipate a rally possibly back to clustered-resistance at Monthly Trend and Quarterly Trend, MTrend: 2677.03 / QTrend: 2710.78.** Additionally, we wrote, **?Currently, we anticipate a 2-month high??** The time window for that 2-month high is in the next one to three months, with our focus on March. In order to achieve it in February, the market price would need to trade above 2814.00. *So far, our anticipation has proved correct.* Support/Resistance: In isolation, monthly support and resistance levels for February are:

- M4 **3105.00**;
- M3 **2903.75**;
- PMH **2709.00**;
- Close **2704.50**;
- MTrend **2631.83**;  
**2631.83**;
- M1 **2631.83**;
- M2 **2620.00**;

- PML  
M5  
2063.00
- M5  
2063.00

Active traders can use 2709.00 as the pivot, whereby they maintain a long position above that level and a flat or short position below it.

## WTI Crude Oil Futures

For the month of February, we focus on WTI Crude Oil Futures. We provide a monthly time-period analysis of CLH9. The same analysis can be completed for any time-period or in aggregate.

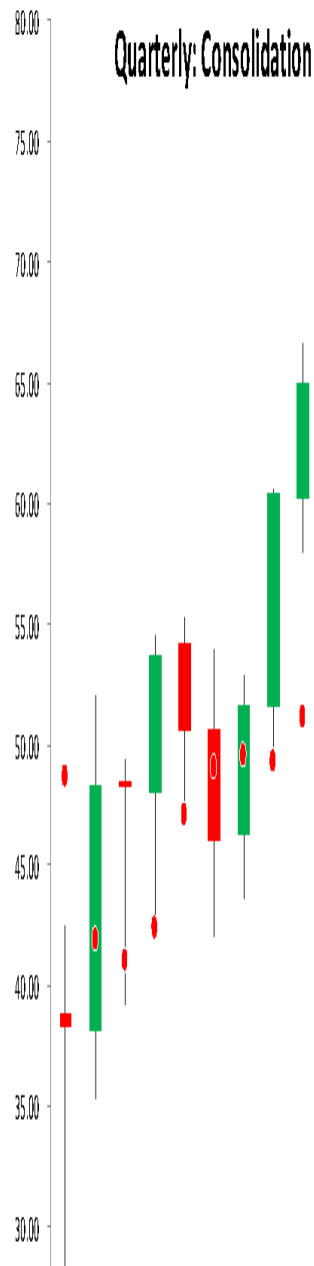


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## Crude Oil Futures February 1, 2019

CLH9	2.10
Q4	89.80
Q1	78.53
PQH	76.90
M4	68.38
QTrend	65.29
M3	62.17
W4	58.53
D4	57.65
M1	56.19
D1	55.81
PDH	55.37
PMH	55.37





Trends:

- Quarterly Trend 65.29  
**&#2013266080;**
- Current Settle 53.79
- Daily Trend 53.79  
**&#2013266080;**
- Weekly Trend 52.43  
**&#2013266080;**
- Monthly Trend 51.28

As can be seen in the quarterly chart above, WTI Crude Futures are in ?Consolidation?. Having settled below Quarterly Trend in 4Q2018, the most recent five quarter uptrend ended. **&#2013266080;** Stepping down one level in time-period, the monthly chart shows that WTI Crude Oil Futures have been ?Trend Down? for four consecutive months. Stepping down to the weekly time-period, the chart shows that WTI Crude Oil Futures have been ?Trend Up? for three weeks. *Technical analysis of WTI Crude Oil Futures suggests that the market has turned lower for a sustained downtrend, despite this rally off the December 2018 low. We have been anticipating a 2-month high since November and any trade above January?s high price will fulfill that expectation. &#2013266080;*  
Support/Resistance: In isolation, monthly support and resistance levels for February are:

- M4 68.38
- M3
- M1 56.19
- PMH 55.37
- Close 53.79
- MTrend 51.28  
**&#2013266080;**
- M2
- PML  
**&#2013266080;**

- M5 34.15

Active traders can use 56.19 as the upside pivot, whereby they maintain a long position above that level. Active traders can use 51.28 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.*