

Cartography Corner - October 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](#)

October 2020 Review

E-Mini S&P 500 Futures

We begin with a review of E-Mini S&P 500 Futures (ESZ0) during October 2020. In our October 2020 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for October are:

- M4 3910.45
- M1 3640.70
- PMH 3582.60
- Close 3352.00
- MTrend 3335.73
- M3 3205.00
- PML 3198.00
- M2 3141.25
- M5 2871.50

Active traders can use MTrend: 3335.73 as the pivot, maintaining a long position above that level and a flat or short position below it. ?? the week of August 31st. The signal was given that same week for us to anticipate a two-week high to occur over the next four to six weeks. Two weeks remain for that to be achieved.? - The Cartography Corner, October 2020 Figure 1 below displays the daily price action for October 2020 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The month of October began with the market price consolidating above our isolated pivot at MTrend: 3335.73. However, it did not settle below that level. As we referenced in the above quotation, we were anticipating a two-week high to occur and the early consolidation was building energy to achieve it. The week of October 5th, the two-week high was achieved with the trade above 3419.50. After the two-week high was achieved, the market had one trading session of upward follow-through. The high for October was achieved

on the 12th, with a dramatic reversal over the remainder of the month. The following twelve trading sessions saw the market price descend to, and through, our isolated pivot level at MTrend: 3335.73. The importance of Monthly Trend was reinforced as the highest daily volume and the widest daily range of the month occurred on October 28th. The final two trading sessions saw continued weakness, stopping just short of our next isolated support level at M3: 3205.00. **Figure 1:**



U.S. Dollar Index Futures

We continue with a review of U.S. Dollar Index Futures (DXZ0) during October 2020. In our October 2020 edition of *The Cartography Corner*,² we wrote the following: In isolation, monthly support and resistance levels for October are:

- M4 97.600
- M3 95.723
- M1 95.610
- PMH 94.795
- Close 93.927

- MTrend 93.555
- PML 91.725
- M2 91.460
- M5 89.470

Active traders can use MTrend: 93.555 as the pivot, maintaining a long position above that level and a flat or short position below it. Figure 2 below displays the daily price action for October 2020 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The month of October consisted of four "mini" swings: down, up, down, up. On average, the swings lasted just under five trading sessions each but finding no real follow-through. October's price action was within the larger context of the market price consolidating around our isolated pivot level at MTrend: 93.555. **Energy is building for a substantive directional move.** In our judgment that move will be higher, as evidenced by October settling the month above *Monthly Trend*; the first occurrence in six months. **Figure 2:**

DXZ0: October 2020



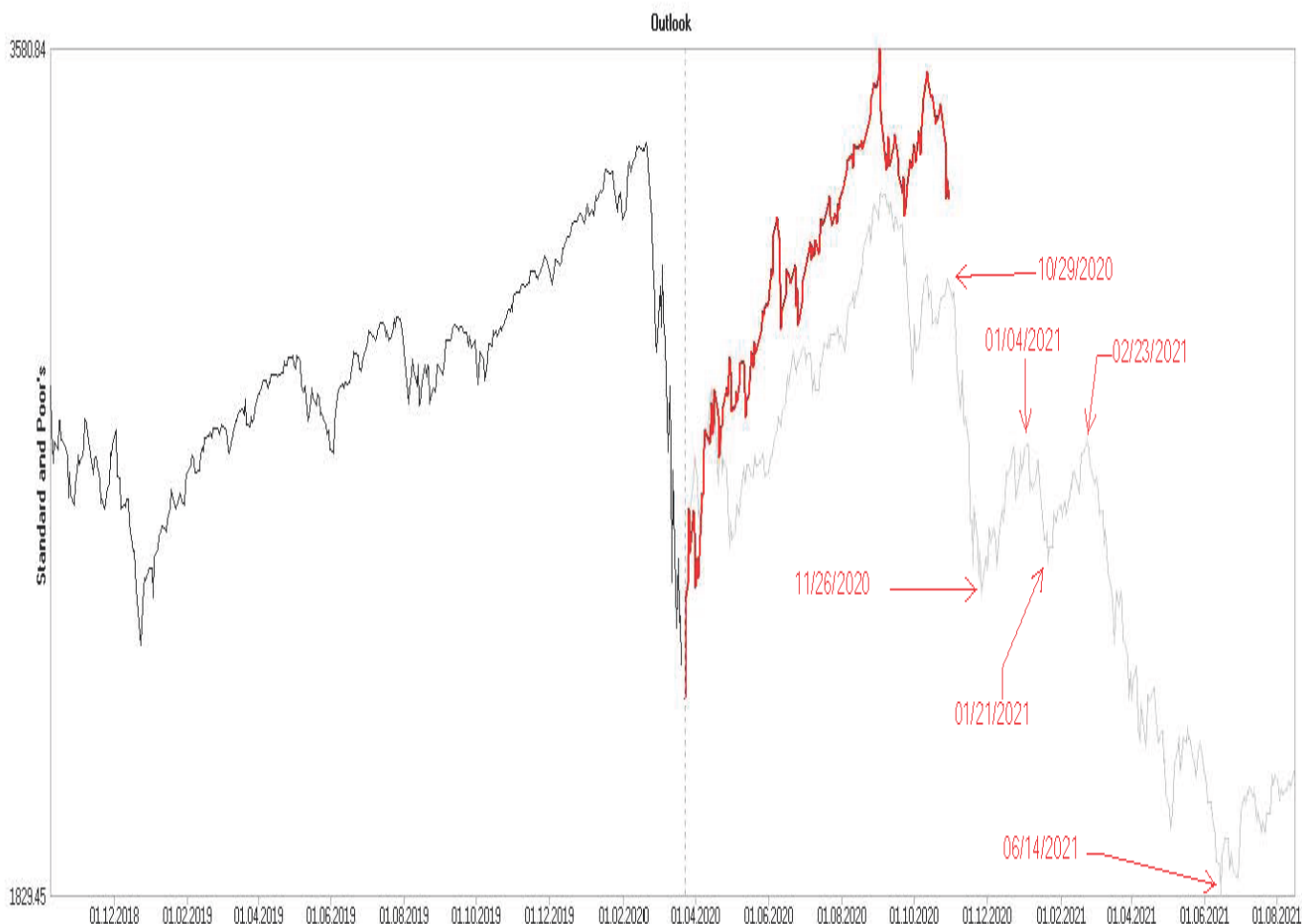
November 2020 Analysis

We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures (ESZ0). The

same analysis can be completed for any time-period or in aggregate. Trends:

- Weekly Trend 3413.50
- Monthly Trend 3382.40
- Daily Trend 3285.19
- Current Settle 3264.75
- Quarterly Trend 2986.73

The relative positioning of the Trend Levels is bullish. 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 (with exception of Daily Trend). 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 in ?Consolidation?, after having settled the previous five months above Monthly Trend. Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures are in ?Consolidation?, ending the most recent four-week uptrend. 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. As we noted earlier, the two-period high that we were anticipating in the weekly time-period was achieved during the week of October 5th. *A new signal was given during the week of October 26th for us to anticipate a two-week high to occur over the next four to six weeks.* To be achieved next week, a trade above 3496.50 is required. Also, recall, a monthly signal was given in September for us to anticipate a two-month high to occur over the following four to six months. To be achieved in November, a trade above 3582.60 is required. Anticipating two-period highs does not mean that the market will instantaneously reverse. Two-period highs can occur from lower levels. **The 1929 analog has been informative to-date concerning the timing of directional turns.** Figure 3 below is annotated for your benefit. *Based solely on the analog, November could see a sharp decline.* **Figure 3:**



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

- M4 3884.00
- PMH 3541.00
- M1 3499.40
- MTrend 3382.40
- Close 3264.75
- M2 3252.00
- PML 3225.00
- M3 3177.50
- M5 2867.40

Active traders can use MTrend: 3382.40 as the pivot, maintaining a long position above that level and a flat or short position below it.



Global Technical Analysis

Distinctive. Consistent. Disciplined.

SP 500 Futures November 2, 2020

ESZ0	65.35
------	-------

Q4	4740.45
----	---------

Q1	3938.25
----	---------

M4	3884.00
----	---------

Q2	3700.75
----	---------

Q3	3613.75
----	---------

PQH	3582.60
-----	---------

PMH	3541.00
-----	---------

M1	3499.40
----	---------

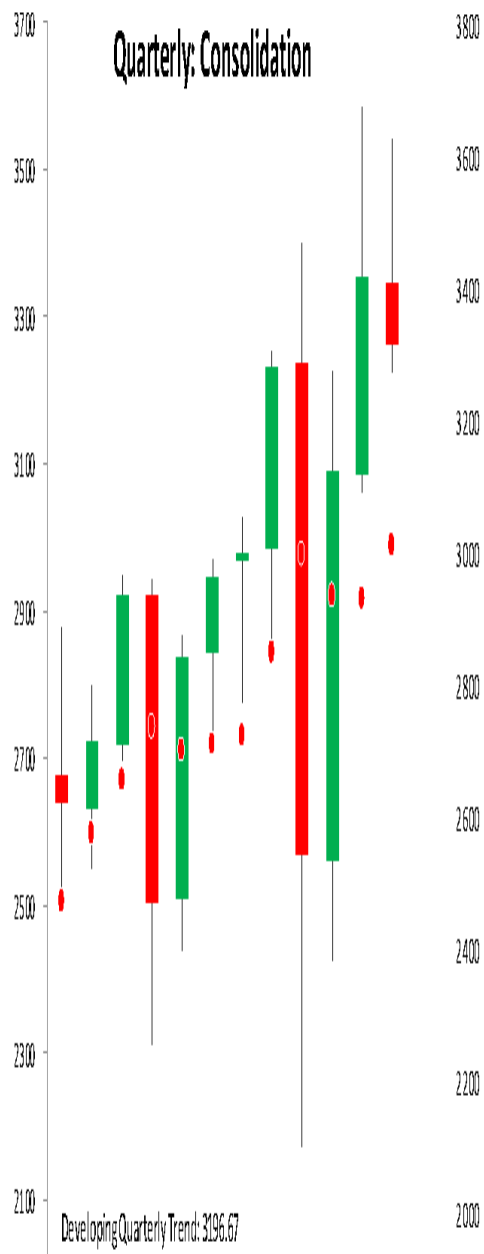
W4	3490.00
----	---------

PWH	3446.25
-----	---------

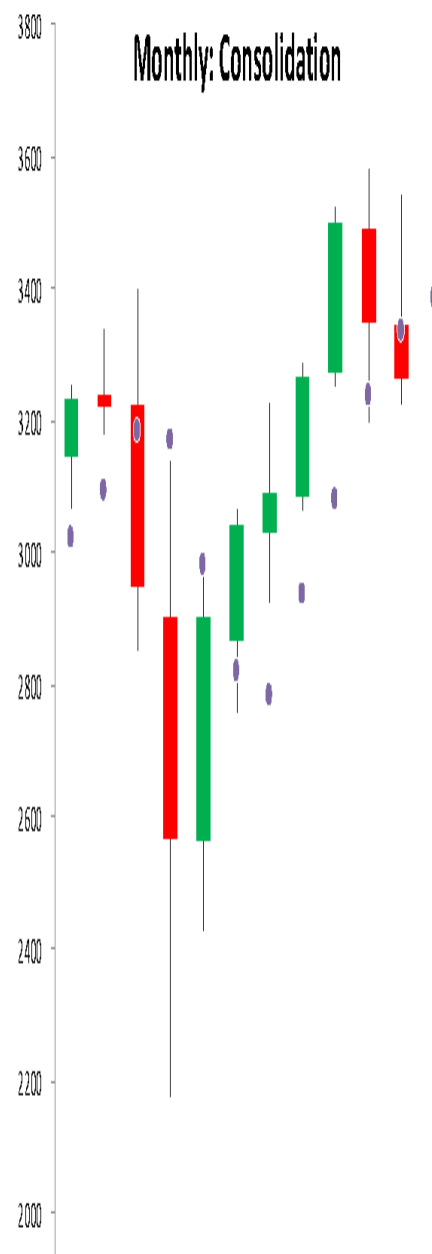
WTrend	3413.50
--------	---------

W1	3396.00
----	---------

Quarterly: Consolidation



Monthly: Consolidation



High-Grade Copper Futures

For November, we focus on High-Grade Copper Futures. We provide a monthly time-period analysis of HGZ0. The same analysis can be completed for any time-period or in aggregate. Copper prices are sensitive to cyclical industries, such as construction and industrial machinery manufacturing, as well as to political situations in countries where copper mining is government-controlled. Many market watchers track the price of copper as they believe it provides insight into China's economic activity. Further, copper is often referred to as 'Doctor Copper' as it has a decent track record of predicting turning points in the global economy. Although you may not trade copper, following the price of copper is a worthwhile exercise to better understand the economic mindset of global investors. Trends:

- Weekly Trend 3.0911
- Daily Trend 3.0634
- Close 3.0475
- Monthly Trend 3.0087
- Quarterly Trend 2.6177

The relative positioning of the Trend Levels is bullish. 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 (with exception of Daily Trend). As can be seen in the quarterly chart below, copper is in 'Consolidation'. Stepping down one time-period, the monthly chart shows that copper has been 'Trend Up' for six months. Stepping down to the weekly time-period, the chart shows that copper is in 'Consolidation', after having settled above Weekly Trend for the previous three weeks.

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

- M4 3.5225
- M1 3.3150
- PMH 3.2180
- M3 3.0625
- Close 3.0475
- MTrend 3.0087
- PML 2.8345
- M2 2.7555
- M5 2.5480

Active traders can use MTrend: 3.0087 as the pivot, maintaining a long position above that level and a flat or short position below it.



Global Technical Analysis

Distinctive. Consistent. Disciplined.

Copper Futures
November 2, 2020

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.*