



Cartography Corner - August 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 July

Investment Grade Corporate Bond ETF
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We begin with a review of the Investment Corporate Bond ETF (LQD) during July 2019. In our July 2019 edition of *The Cartography Corner*,² we wrote the following: *In isolation, monthly support and resistance levels for July are:*

- $M4 \times 10^{-3}$ 130.59
- $M1 \times 10^{-3}$ 128.04
- $M3 \times 10^{-3}$ 124.44
- $PMH \times 10^{-3}$ 124.44
- $Close \times 10^{-3}$ 124.37
- $M2 \times 10^{-3}$ 122.54
- $MTrend \times 10^{-3}$ 120.69

- PML 120.41; M5 119.99
- M5 119.99

Active traders can use 124.44 as the upside pivot, whereby they maintain a long position above that level. Active traders can use 122.54 as the downside pivot, whereby they maintain a flat or short position below it. Figure 1 below displays the daily price action for July 2019 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The first three trading sessions were spent with LQD challenging and settling above, our isolated upside pivot level at PMH: 124.44. However, that early strength failed. On July 5th the market price gapped lower, rotating back below our isolated upside pivot level. Over the next seven trading sessions, the market price continued its descent towards our isolated downside pivot level at M2: 122.54. The low price for July 2019 was achieved on July 16th at 122.71. Over the following eleven trading sessions, LQD ascended back to our isolated upside pivot level at PMH: 124.44. **Essentially, the entire month was spent in a two-point range-trade bounded by our pivot levels. This was partially a result of anticipation of the July 31, 2019 FOMC policy announcement. Figure 1:**

LQD: July 2019



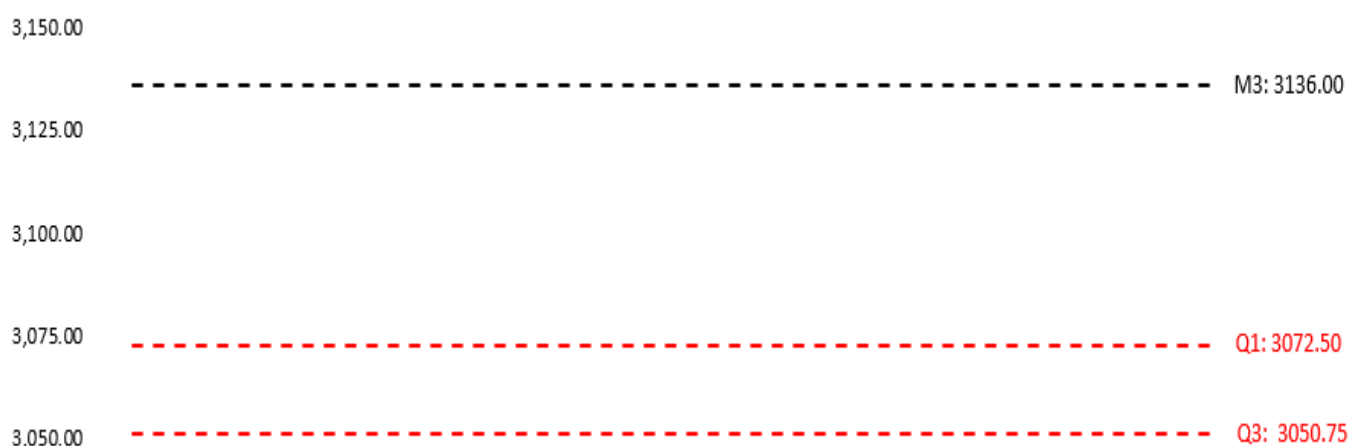
E-Mini S&P 500 Futures

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

- M4 3188.50
- M3 3136.00
- M1 2977.25
- PMH 3072.50
- Close 2977.25
- MTrend 2872.83
- PML 3072.50
- M2 3072.50
- M5 2496.25

Active traders can use 2977.25 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 2019 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The first two trading sessions of July saw the market price oscillate above and below our isolated pivot level at M1: 2977.25 intra-session, with the July 2nd settlement above that level. The remaining trading sessions of July 2019 were spent with the market price oscillating between our isolated pivot level at M1: 2977.25 and our isolated Quarterly resistance level at Q2: 3072.50. Like LQD, the entire month was spent in a range-trade in anticipation of the July 31, 2019 FOMC policy announcement. In the last two hours of trading after the July 31st FOMC meeting the entire month's range (essentially) was traversed and held. **Figure 2:**

ESU9: July 2019



August 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. Trends:

- Daily
Trend 3007.42
3007.42
- Weekly Trend
2999.83
- Current Settle
2982.25
- Monthly Trend
2897.03
- Quarterly
Trend 2727.50

The relative positioning of the Trend Levels, as shown above, is aligned in the most bullish posture possible. However, our overall characterization of E-Mini S&P 500 Futures is ?mixed?, as the market price has fallen below both the Daily Trend and Weekly Trend. Also, as discussed below, the Weekly Trend appears to be completing a topping process. In the quarterly time-period, the chart shows that E-Mini S&P 500 Futures are in ?Consolidation?. Stepping down one time-period, the monthly chart shows that E-Mini S&P 500 Futures are in ?Consolidation?. Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures have been ?Trend Up? for eight weeks. *We would like to point out the slope of the Weekly Trend has been forming a rounded top over the previous three weeks. Weekly Trend is currently developing at 2996.58 for the week of August 5, 2019. If that developing level holds (or develops lower), the topping process will be complete (in the weekly time-period) as 2996.58 is lower than this week's Weekly Trend level of 2999.83. Also, a weekly settlement this week below 2999.83 will end the current eight-week uptrend.* Support/Resistance: In isolation, monthly support and resistance levels for August are:

- M4 3330.25
- M2 3182.25
- M1
- PMH
- M3 3020.25
- Close

- PML���
���������� **�**
- M5���
���������� **�**
- MTrend���������� 2897.03

Active traders can use 3029.50 as the pivot, whereby they maintain a long position above that level and a flat or short position below it.



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SP 500 Futures

August 1, 2019

ESU9	28.32
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Q4	3500.00
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M4	3330.25
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M2	3182.25
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M1	3089.75
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W4	3084.50
----	---------

Q1	3072.50
----	---------

W3	3072.00
----	---------

Q3	3050.75
----	---------

D4	3040.00
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W1	3035.50
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PWH	3029.50
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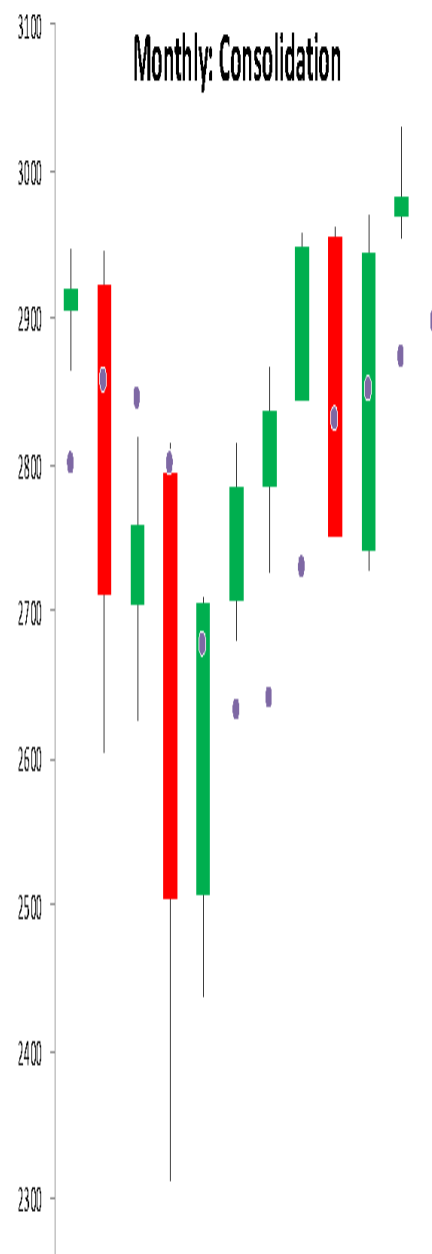
DMU	3020.50
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Quarterly: Consolidation



Developing Quarterly Trend: 2861.31

Monthly: Consolidation



Silver Futures

For the month of August, we focus on Silver Futures. We provide a monthly time-period analysis of SIU9. The same analysis can be completed for any time-period or in aggregate. Trends:

- Daily
Trend 16.459
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- Current Settle 16.405
- Weekly Trend 15.870
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- Monthly Trend 15.263
�
- Quarterly Trend 15.173

As can be seen in the quarterly chart below, Silver is in ?Consolidation?. Stepping down one time-period, the monthly chart also shows that Silver is in ?Consolidation?. Stepping down to the weekly time-period, the chart shows that Silver is in ?Consolidation?. Despite the aggressive move higher in price this past month, it is not definitive that this most recent move is not transitory, like the December 2018 ? January 2019 experience. That brief and aggressive move higher in price was immediately followed by a four-month decline that dropped below the December 2018 low price. The condition was met the week of July 22, 2019 that makes us anticipate a two-week low within the next three to five weeks. That would be fulfilled with a trade below 15.190 this week. The condition was met in July 2019 that makes us anticipate a two-month low within the next four to six months. That would be fulfilled with a trade below 14.570 in August 2019. In 2Q2019 the condition was met that made us anticipate a two-quarter high within the next four to six quarters. That was fulfilled with the trade above 16.300 in July 2019. While Silver certainly had a good month, in our judgment, it has some technical concerns on a weekly and monthly basis to contend with. Support/Resistance: In isolation, monthly support and resistance levels for August are:

- M4 18.805
- M1 17.745
- M3
- PMH 16.685
- Close 16.405
- M2 15.265

- MTrend 15.263
- PML 14.9
- M5 14.205

Active traders can use 16.685 as the pivot, whereby they maintain a long position above that level and a flat or short position below it.



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Silver Futures

August 1, 2019

SIU9 0.268

M4 18.805

W4 18.185

M1 17.745

M3 17.469

W2 17.205

D4 16.775

W1 16.745

PWH 16.685

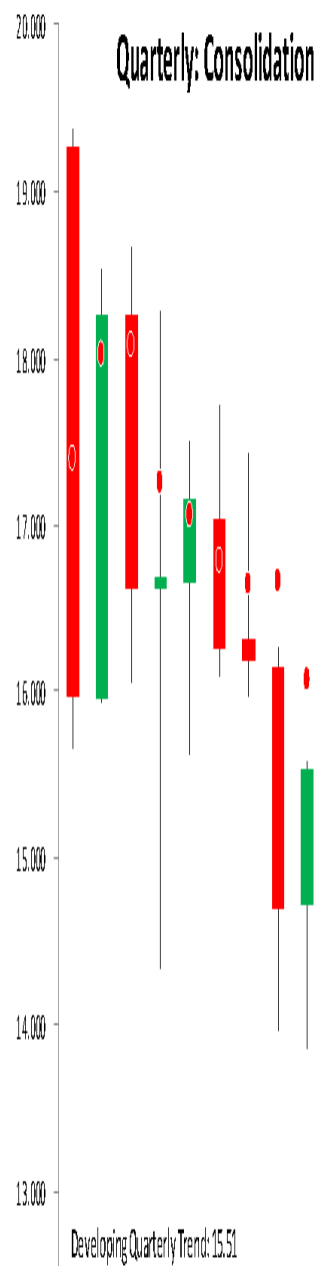
PMH 16.685

PDH 16.600

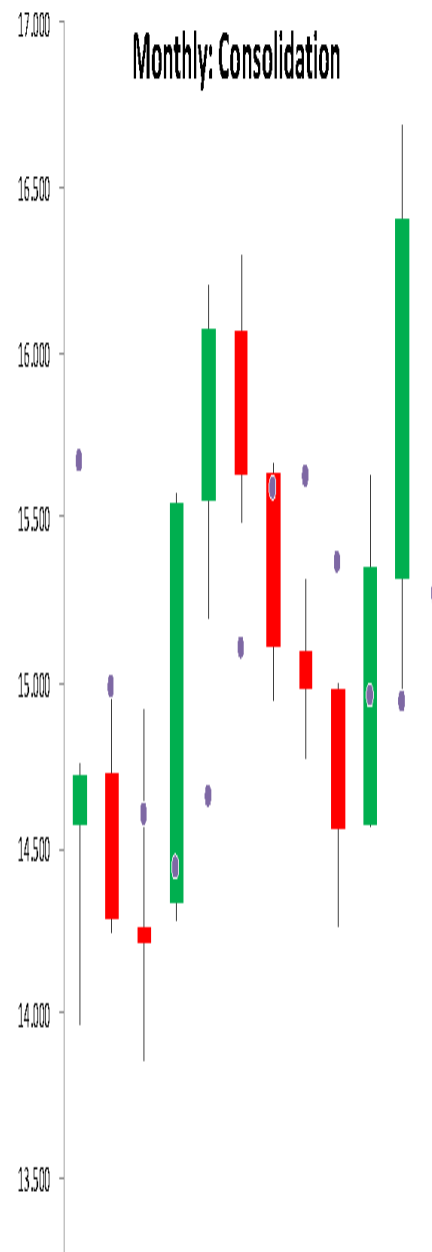
W3 16.599

D1 16.560

Quarterly: Consolidation



Monthly: Consolidation



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.*