

Cartography Corner - December 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](#)

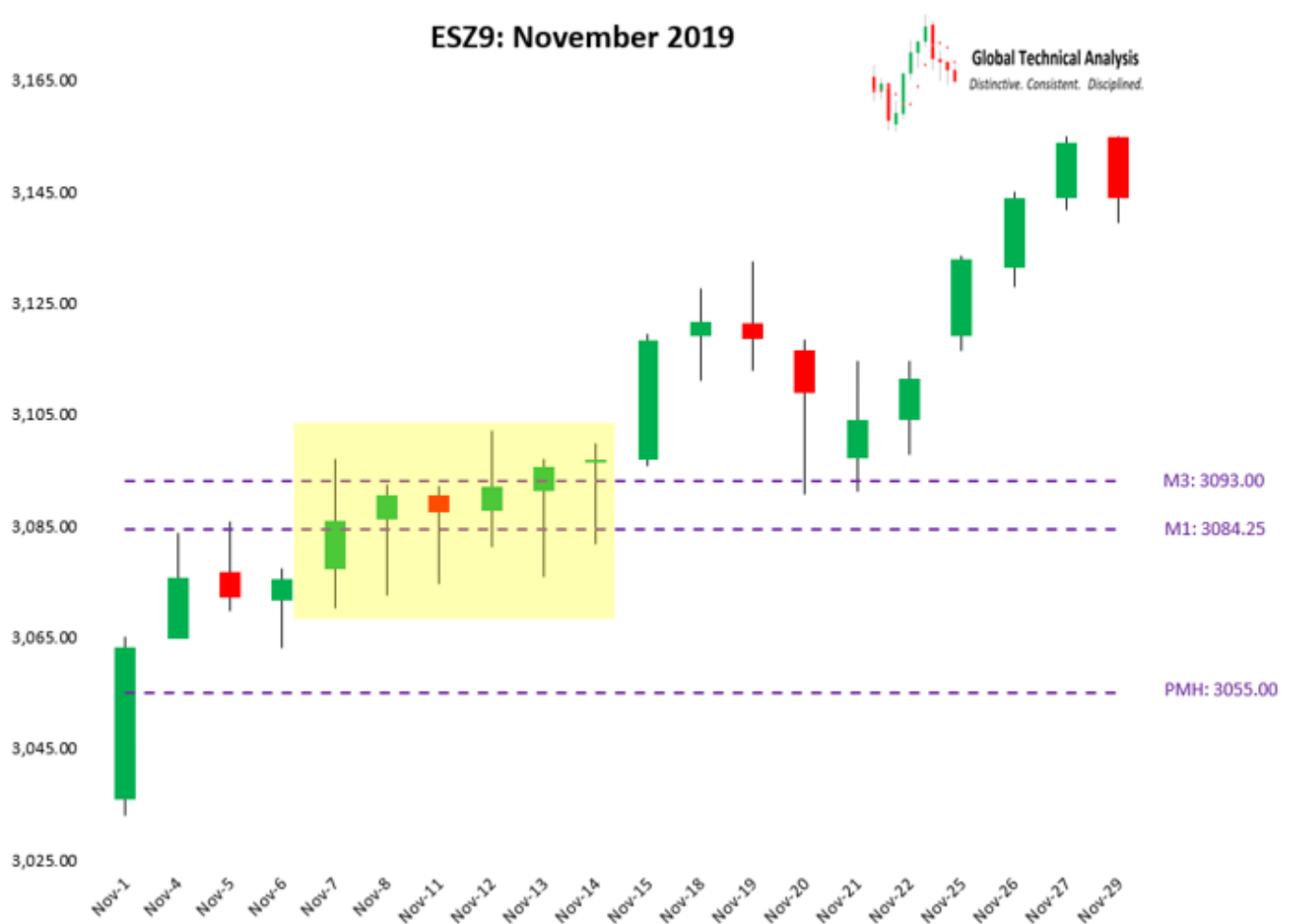
A Review of November

E-Mini S&P 500 Futures We begin with a review of E-Mini S&P 500 Futures (ESZ9) during November 2019. In our November 2019 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for November are:

- M4 3221.00
- M3 3093.00
- M1 2950.42
- PMH 3035.75
- Close 3035.75
- MTrend 2950.42
- PML 3035.75
- M2 3035.75
- M5 3035.75

Active traders can use 3055.00 as the upside pivot, whereby they maintain a long position above that level. Active traders can use 2950.42 as the downside pivot, whereby they maintain a flat or short position below that level. Figure 1 below displays the daily price action for November 2019 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The first trading session of November saw the market price settle above our isolated upside pivot level at PMH: 3055.00. *The market price never looked back.* Over the following eight trading sessions, the market price ascended, and settled, above our next isolated resistance levels at M1: 3084.25 and M3: 3093.00. It is worth noting the long lower shadows on the six candlesticks of November 8th through November 14th (highlighted in the chart). These lower shadows demonstrate the battle between longs and shorts, through increased intra-session volatility, as these isolated resistance levels were reached. Once the market price settled above these levels, despite the volatility, it never rotated back below them on a settlement basis. *These candlesticks provide a good example of why we choose to emphasize settlements in our decision-making framework.* The remainder of November was spent with the market price continuing its ascent towards our isolated Monthly Upside Exhaustion level at M4: 3221.00, stopping short by 2.05%. **Active traders following our analysis had the opportunity to capture a 2.63% profit.**

Figure 1:



New Zealand Dollar Futures We continue with a review of New Zealand Dollar Futures (?Kiwi?, 6NZ9) during November 2019. In our November 2019 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for November are:

- M4 0.6627
- M3 0.6558
- PMH 0.6444
- M1 0.6426
- Close 0.6416
- MTrend 0.6361
- PML 0.6215
- M2 0.6169
- M5 0.5968

Active traders can use 0.6361 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 November 2019 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The first eight trading sessions were primarily spent with the market price descending to, and settling below, our isolated pivot level at MTrend: 0.6361. The low settlement price for the month of November was realized on November 8th at 0.6330, 0.48% below the Monthly Trend. Three trading sessions later, on November 13th, Kiwi traded a big-figure higher, testing our isolated resistance level at M1: 0.6426. In the November 14th session, Kiwi reversed course again, testing Monthly Trend at MTrend: 0.6361. *Volatility anyone?* The remainder of November was spent with Kiwi ascending back to, and essentially straddling, our isolated resistance level at M1: 0.6426. After much volatility, Kiwi settled the month of November at 0.6423, basically unchanged from October. *We retain a positive intermediate outlook, for a sustained Trend Reversal, since November's settlement price remained above Monthly Trend.* **Active traders following our work most likely were victims of the intra-month volatility, in the worst-case capturing an approximate 2.00% loss. Figure 2:**



December 2019 Analysis

We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures (ESZ9). The same analysis can be completed for any time-period or in aggregate. Trends:

- Daily

Trend 3145.06
3145.06
3145.06

- Current Settle

3143.75

- Weekly Trend

3118.03
3118.03

- Monthly Trend

3018.97
3018.97

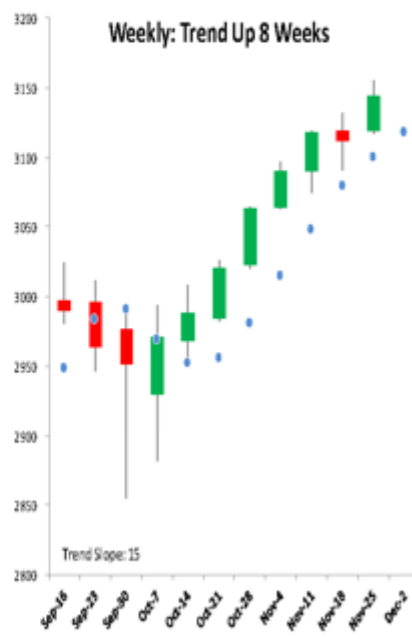
- Quarterly

Trend 2840.92

In the quarterly time-period, the chart shows that E-Mini S&P 500 Futures have been ?Trend Up? for three quarters. Stepping down one time-period, the monthly chart shows that E-Mini S&P 500 Futures have been ?Trend Up? for six months. Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures have been ?Trend Up? for eight weeks. *The relative positioning of the Trend Levels is bullishly aligned. The market price is above all of them (with exception of Daily Trend) which is bullish as well.*



ESZ9	24.89
M4	3455.00
Q4	3330.25
M1	3255.00
M3	3251.75
W4	3219.25
M2	3211.00
W1	3177.50
W3	3176.00
D4	3168.25
D1	3155.00
PDH	3155.00
PWH	3155.00
PMH	3155.00
DTrend	3145.06
Close	3143.75
W2	3142.25
PDL	3139.50
D2	3137.25
D3	3133.75
D5	3124.00
WTrend	3118.03
PWL	3116.50
W5	3100.50
Q1	3089.75
PML	3033.00
PQH	3029.50
MTrend	3018.97
Q3	3012.75
M5	3011.00
QTrend	2840.92
Q2	2822.75
PQL	2775.75
Q5	2582.25

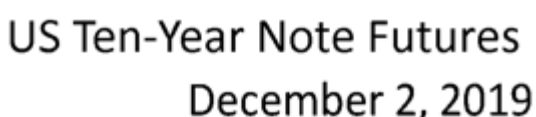


Support/Resistance: In isolation, monthly support and resistance levels for December are:

- M4 3455.00
- M1 3255.00
- M3 3251.75

- Active traders can use 3155.00 as the pivot, whereby they maintain a long position above that level and a flat or short position below it. **U.S. Ten-Year Note Futures** For the month of December, we focus on U.S. Ten-Year Note Futures (?Tens?).� We provide a monthly time-period analysis of TYH0.� The same analysis can be completed for any time-period or in aggregate. Trends:

- As can be seen in the quarterly chart below, Tens have been "Trend Up" for four quarters. Stepping down one time-period, the monthly chart shows that Tens are in "Consolidation", after having been "Trend Up" for twelve months. Stepping down to the weekly time-period, the chart shows that Tens are in "Consolidation", after having been "Trend Down" for six weeks. **The Trend Levels are beginning to rotate above the market price.** In the monthly time-period, the "signal" was given in August 2019 to anticipate a two-month low within the following four to six months. That two-month low was realized in November 2019 with the trade below 128-16. As we stated in our November edition, *"Our first priority in performing technical analysis is to identify the beginning of a new trend, the reversal of an existing trend, or a consolidation area."* **The twelve-month uptrend that began in November 2018 has ended.** Only time will tell if this weakness is consolidation or if a new downtrend develops.



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

- [illegible]

Active traders can use 130-16 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*.