

## Cartography Corner - April 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](#)

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## March 2020 Review

### E-Mini S&P 500 Futures

We begin with a review of E-Mini S&P 500 Futures (ESM(H)0) during March 2020. In our March 2020 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for March are:

- M4 3614.00
- M1 3457.50
- PMH 3397.50
- MTrend 3166.53
- Close 2951.00 & **#2013266080;**
- PML & **#2013266080;**
- M3 & **#2013266080;**
- M2 &



**Figure 1:**

## Gold Futures

We continue with a review of Gold Futures (GCM(J)0) during March 2020. In our March 2020 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for March are:

- M4 1863.70
- M1 1770.10
- PMH 1691.70
- M2 1582.50
- Close
- MTrend 1560.26
- PML 1551.10
- **M3 1545.50**
- M5 1488.90

Active traders can use 1545.50 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 March 2020 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The first six trading sessions of March, aided by the Federal Reserve's actions on March 3<sup>rd</sup>, saw the market price ascend to and surpass intra-session February's high price at PMH: 1691.70. However, the market price did not settle above February's high. Over the following four trading sessions, the market price descended through multiple isolated support levels, including our isolated pivot at M3: 1545.50. On March 16<sup>th</sup>, our Monthly Downside Exhaustion level for March at M5: 1488.90 was achieved and exceeded intra-session. The low price for the month at 1451.74 was realized during that session. The following four sessions were spent with the market price oscillating between clustered support levels at MTrend: 1560.26 / PML: 1551.10 / M3: 1545.50, now acting as resistance, and Monthly Downside Exhaustion level acting as support. The Federal Reserve announcement of unlimited quantitative easing on March 23<sup>rd</sup> re-ignited market participant's enthusiasm for Gold. The market price cleared the clustered support levels at MTrend: 1560.26 / PML: 1551.10 / M3: 1545.50, now acting as resistance. On March 24<sup>th</sup> and March 25<sup>th</sup>, the market price ascended to and surpassed intra-session February's high price at PMH: 1691.70. The final four trading sessions of March were spent with the market price essentially drifting sideways, with a final push lower towards isolated support at M2: 1582.50. **Our analysis essentially bound the realized range for March.**

## GCM0(J0): March 2020



Figure 2:

# April 2020 Analysis

## E-Mini S&P 500 Futures

We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures (ESM0). The same analysis can be completed for any time-period or in aggregate.  
Trends:

- Monthly Trend; 2980.56
- Quarterly Trend; 2918.33
- Current Settle; 2569.75

&#2013266080;&#2013266080;&#2013266080;&#2013266080; **&#2013266080:**

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.&#2013266080; Stepping down one time-period, the monthly chart shows that E-Mini S&P 500 Futures are in ?Consolidation?, settling below Monthly Trend for two months.&#2013266080; Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures have been ?Trend Down? for five weeks.&#2013266080; The relative positioning of the Trend Levels has lost its bullish posture. We wrote in March, *?The final piece of the sustained Trend Reversal puzzle is a quarterly settlement under Quarterly Trend at QTrend: 2974.00.?&#2013266080;* March?s settlement completed the puzzle. 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.&#2013266080; We now anticipate a 2-period high in the quarterly time- period over the next four to six quarters, in the monthly time-period over the next four to six months, and in the weekly time-period within two weeks.&#2013266080; *This does not mean the market price will immediately reverse higher, as those two-period highs can occur at lower absolute levels.&#2013266080; In our judgment, in bear markets, two-period highs are the safest place to sell.* Illustrations of this concept, in the monthly time-period, can be found in our [April 2018 commentary](#). Support/Resistance: In isolation, monthly support and resistance levels for April are:

Given that the first monthly resistance and support levels are roughly 300 and 400 points away from the current market price, we suggest active traders rely upon our weekly analysis to guide them directionally. For less-active market participants with an intermediate or long time-period

focus, we suggest using MTrend: 2980.56 and QTrend: 2918.33 as the pivot, respectively. Maintain a flat or short position below the pivot and a long position above the pivot.

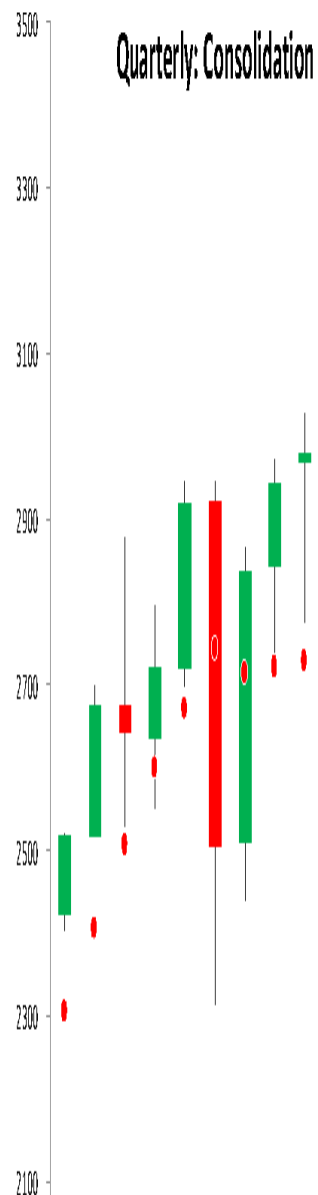


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## SP 500 Futures April 1, 2020

ESM0	152.05
Q4	3940.00
Q1	3541.00
M4	3420.75
PQH	3397.50
PMH	3137.00
W4	3007.00
MTrend	2980.56
QTrend	2918.33
M1	2876.50
D4	2826.50
W3	2759.50
D3	2672.00



# WTI Crude Oil Futures

For April, we focus on WTI Crude Oil Futures (?Crude?). We provide a monthly time-period analysis of CLK0. The same analysis can be completed for any time-period or in aggregate. Trends:

- Quarterly Trend 49.79
- Monthly Trend 44.43
- Weekly Trend 26.73
- Daily Trend 20.94
- Current Settle 20.48

As can be seen in the quarterly chart below, Crude is in ?Consolidation?; Stepping down one time-period, the monthly chart shows that Crude has been ?Trend Down? for three months; Stepping down to the weekly time-period, the chart shows that Crude has been ?Trend Down? for five weeks. Our model got short Crude in January with the break of Monthly Trend; We had no insight into the actions of Saudi Arabia concerning oil output and pricing; As we have, please consider the following words of wisdom from Ed Seykota: **?A surprise is an event that catches someone unaware; If you are already on the trend, the surprises seem to happen to the other guys.?** To our knowledge, no one predicted that Saudi Arabia would boost production and cut its selling price for oil. ;  
Support/Resistance: In isolation, monthly support and resistance levels for April are:

- [illegible]



- M5 0.00

Active traders can use 19.27 as the pivot, whereby they maintain a long position above that level and a flat or short position below it.



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# Crude Oil Futures

April 1, 2020

**CLKO 3.22**

Q4 80.31

Q1 68.96

PQH 65.65

M4 53.47

QTrend 49.79

PMH 48.66

MTrend 44.43

M1 42.66

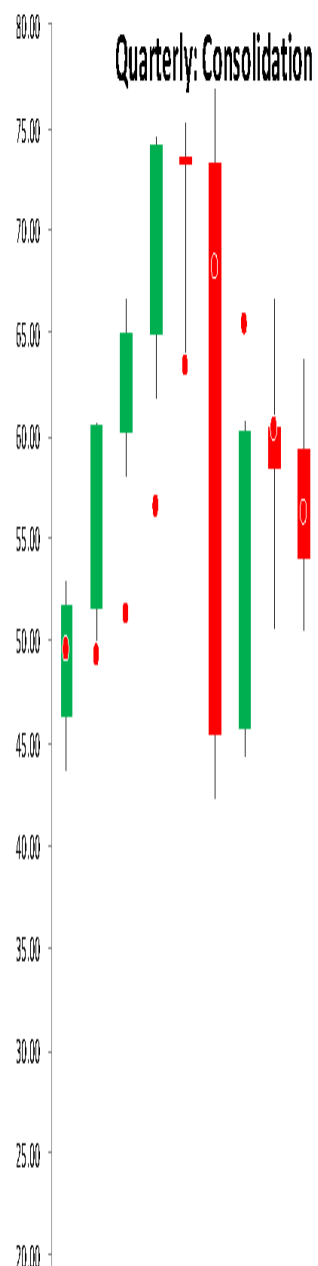
W4 29.96

WTrend 26.73

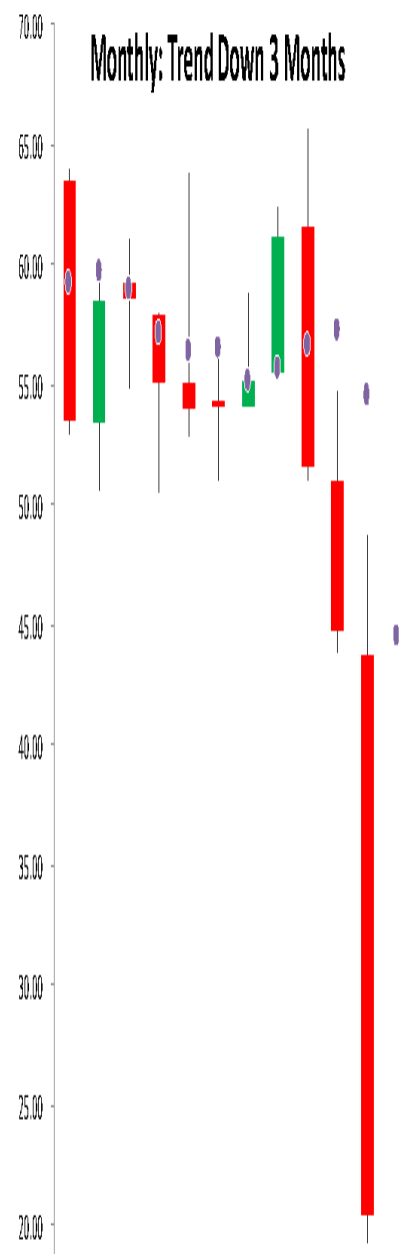
PWH 25.24

D4 24.51

Quarterly: Consolidation



Monthly: Trend Down 3 Months



# 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*.