

Cartography Corner - January 2022

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](#)

December 2021 Review

E-Mini S&P 500 Futures

We begin with a review of E-Mini S&P 500 Futures (ESH2) during December 2021. In our December 2021 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for December are:

o M4	5221.00	o M1	4878.25
M2	4854.00	o PMH	4740.50
o Close	4566.25	o PML	4557.00
M3	4535.50	o M5	4511.25
o MTrend	4495.83		

Active traders can use MTrend: 4495.83 as the pivot, maintaining a long position above that level and a flat or short position below it. Figure 1 below displays the daily price action for December 2021 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. *Our isolated pivot at Monthly Trend was tested intra-session during two of the first three trading sessions. On a settlement basis, it held.* The low market price for the month was realized on December 3rd at 4492.00. Over the following nine trading sessions, the market price rallied 5.59% from the previous low to the intra-day high on December 16th. On that day, it became clear that Senator Manchin (D- WV) would not support President Biden's Build Back Better spending bill. Reversing from its intra-session high, and our isolated resistance at PMH: 4740.50, the market price declined over the next two trading sessions by (4.70%). *That decline found support right in the meat of our clustered support levels.* On progressively declining volume, the asset management community bid the market price up over the four days entering and exiting the Christmas holiday. On a settlement basis, the market price rallied by 4.91%. *Managers want to be paid.* **Figure 1:**

ESH2: December 2021



Coffee Futures

We continue with a review of Coffee Futures (KCH2) during December 2021. In our December 2021 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for December are:

o M4	305.10	o M1	281.25	o M3	260.11
o PMH	248.20	o Close	232.20	o M2	211.60
o PML	207.63	o M5	187.75	o MTrend	207.63

Active traders can use PMH: 248.20 as the initial 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 December 2021 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. **The first four trading sessions in December saw the market price ascend to 249.75 (settlement basis)**, just above our isolated pivot level at PMH: 248.20. *The market price reversed, during the following trading session, from this level.* This price action reinforces the following foundational tenet, as excerpted from our [Introduction and User's Guide](#). *The purpose of every trading session, regardless of time-period, is to surpass the high or low of the previous trading session.* If that were not the case, market prices would never substantially change. This is simple and profound, yet, many market participants seem oblivious to it. *As noted in our December commentary*, speculative positioning, structural momentum, and trend persistence were all in the extreme right tail of their distributions. *Collectively, these cautioned a high probability of the realized December price action.* The remainder of December saw the market price decline into the middle of our isolated range between resistance at PMH: 248.20 and support at M2: 211.60. Active traders following our analysis executed two trades, realizing a gain of 4.98%.

Figure 2:

KCH2: December 2021



January 2022 Analysis

We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures (ESH2). The same analysis can be completed for any time-period or in aggregate. Trends:

o Daily Trend	4775.25	o Current Settle	4758.50	o Weekly Trend	4686.89	o Monthly Trend	4597.08
o Quarterly Trend	4381.64						

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. In the quarterly time-period, the chart shows that E-Mini S&P 500 Futures are 'Trend Up?', having settled above Quarterly Trend for seven quarters. Stepping down one time-period, the monthly chart shows that E-Mini S&P 500 Futures are 'Trend Up?', having settled above Monthly

Trend for three months. Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures are ?Above Trend: 2 Weeks?. 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. The signal was given the week of November 22nd to anticipate a two-week high within the next four to six weeks. *That high was achieved the week of December 13th*. A signal was given again in December (within the first three trading sessions) to anticipate a two-month high within the next four to six months. *By the end of December, that high was also achieved*. We have not run the statistics, but we have been using this methodology for 27 years? **receiving a monthly signal and fulfilling it intra-month is a rare event**. Support/Resistance: In isolation, monthly support and resistance levels for January are:

o M4	5042.50	o M3	4950.75
M1	4859.00	o PMH	4799.75
		o Close	4758.50
		o MTrend	4597.08
PML	4492.00	o M2	4427.00
		o M5	4243.50

Active traders can use PMH: 4799.75 as the pivot, maintaining a long position above that level and a flat or short position below it.

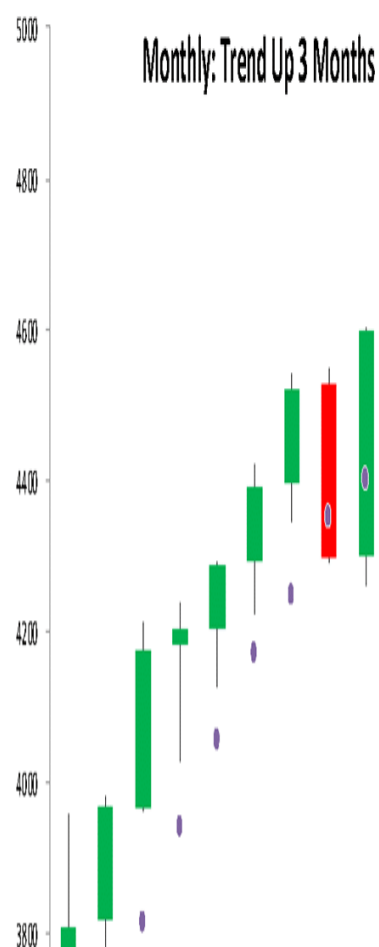
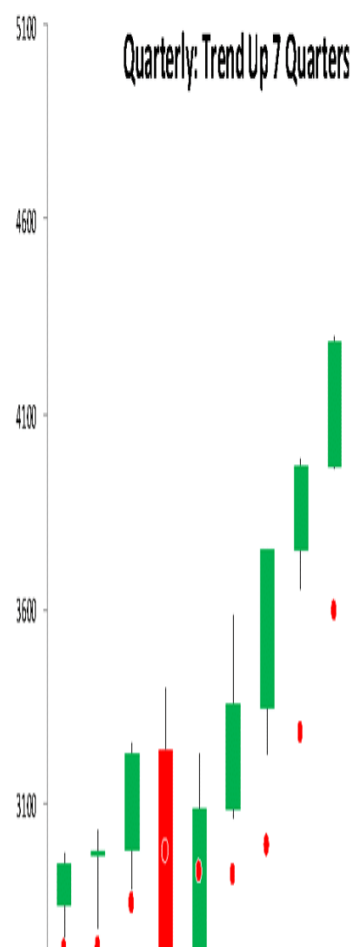


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SP 500 Futures January 3, 2022

ESH2	61.77
Q4	5375.50
Q3	5219.25
W4	5079.25
Q1	5052.00
M4	5042.50
M3	4950.75
W2	4906.25
W1	4868.25
M1	4859.00



Gold Futures

For January, we focus on Gold Futures. We provide a monthly time-period analysis of GCG2. The same analysis can be completed for any time-period or in aggregate. Trends: o Current Settle 1828.60 o Daily Trend 1811.36 o Weekly Trend 1803.30 o Monthly Trend 1796.79 o Quarterly Trend 1791.29 The relative positioning of the Trend Levels is as bullish as possible. Think of the relative positioning of the Trend Levels like you would a moving-average cross. As can be seen in the quarterly chart below, gold is ?Above Trend: 1 Quarters?. Stepping down one time-period, the monthly chart shows that gold is ?Above Trend: 1 Months?. Stepping down to the weekly time-period, the chart shows that gold is ?Trend Up?, having settled above Weekly Trend for three weeks. Speculative positioning, structural momentum, and trend persistence are all *essentially neutral*. We encourage clients to review those graphs on the website. Support/Resistance: In isolation, monthly support and resistance levels for January are: o M4 1900.90 o M3 1880.70 o PMH 1829.70 o Close 1828.60 o MTrend 1796.79 o QTrend 1791.29 o M1 1779.42 o PML 1753.00 o M2 1747.50 o M5 1626.02 Active traders can use QTrend: 1791.29 as the initial pivot, maintaining a long position above that level and a flat or short position below it.



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Gold Futures January 3, 2022

GCG2	20.25
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Q4 2084.06

Q1 1922.46

M4 1900.90

Q3 1900.20

M3 1880.70

PQH 1879.98

W4 1874.40

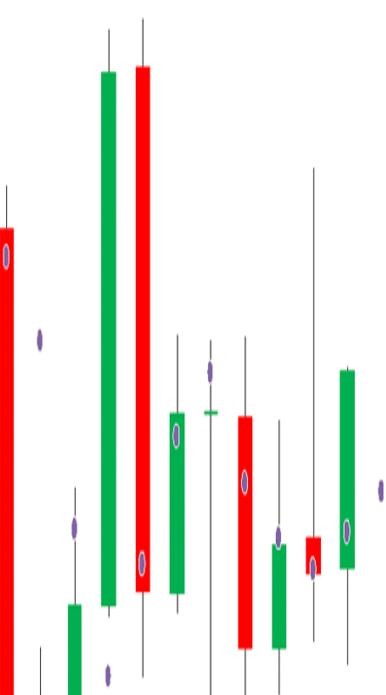
2200.00
2000.00
1800.00
1600.00

Above Trend: 1 Quarters



1950.00
1900.00
1850.00
1800.00
1750.00

Above Trend: 1 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.*