

Cartography Corner - August 2021

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](#)

July 2021 Review

E-Mini S&P 500 Futures

We begin with a review of E-Mini S&P 500 Futures (ESU1) during July 2021. In our July 2021 edition of *The Cartography Corner*, we wrote the following:

In isolation, monthly support and resistance levels for July are:

| | |
|----------|---------|
| o M4 | 4559.25 |
| o M3 | 4374.50 |
| o M1 | 4350.25 |
| o PMH | 4294.25 |
| o Close | 4288.50 |
| o M2 | 4224.25 |
| o MTrend | 4169.94 |
| o PML | 4126.75 |
| o M5 | 4015.25 |

Active traders can use M3: 4374.25 as the pivot, maintaining a long position above that level and a flat or short position below it.

The price action in July mimicked the price action in June. Figure 1 below displays both months, with prices indexed to one. Is the dominant algorithm now being reset monthly?

Figure 1:

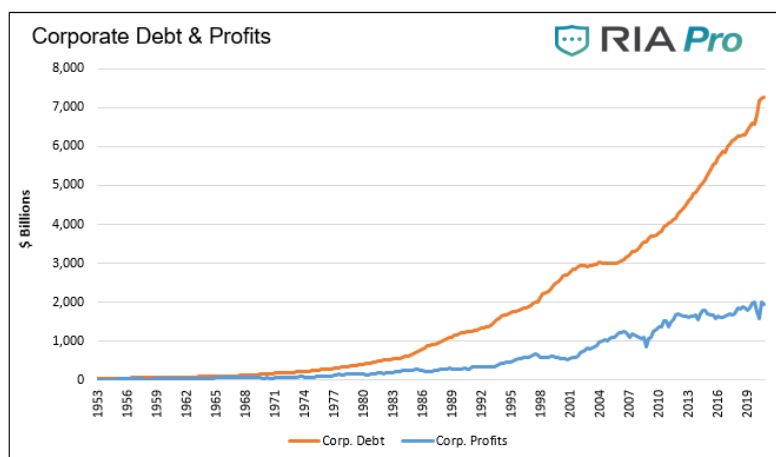
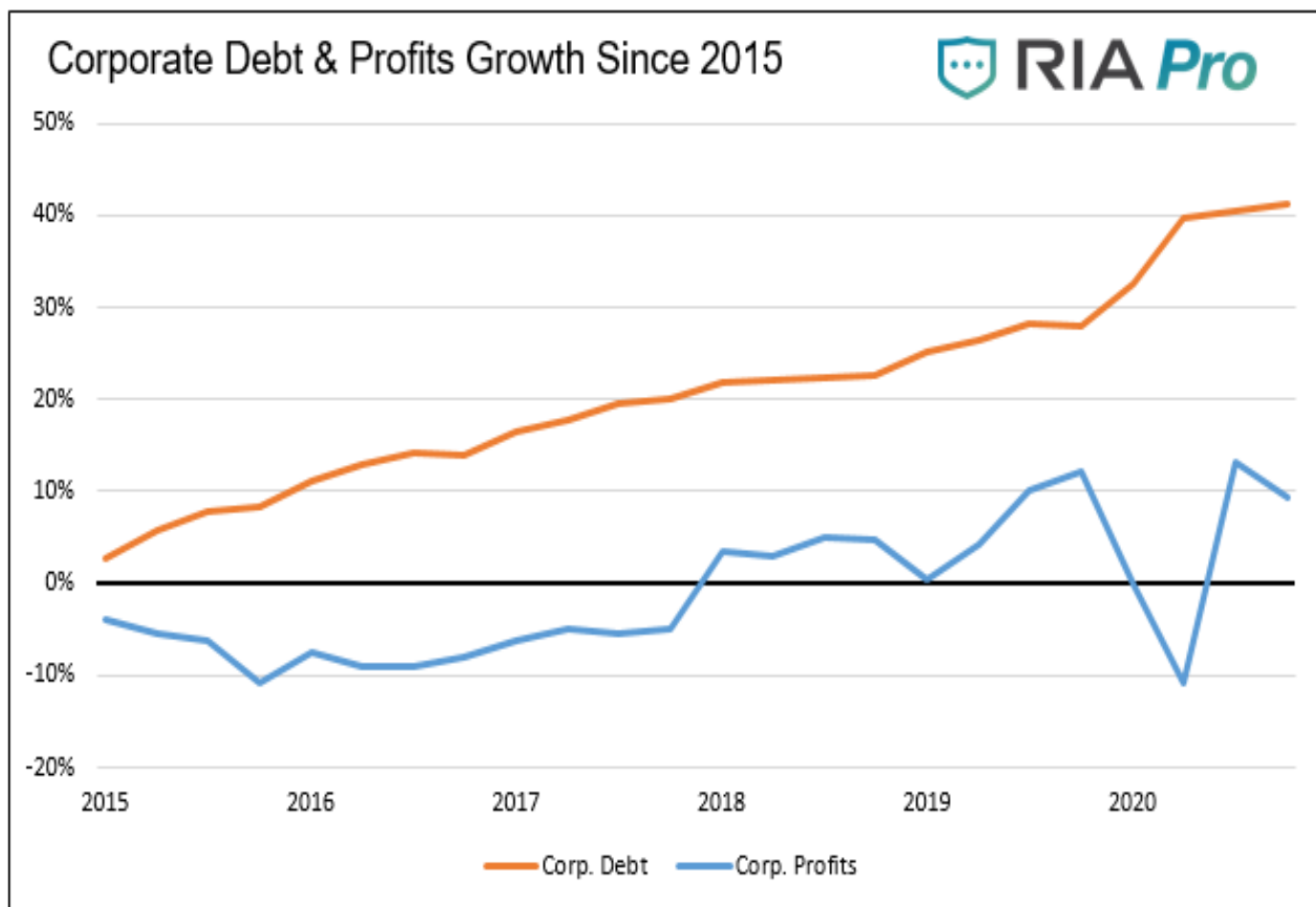


Figure 2 below displays the daily price action for July 2021 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. By the end of the second trading session, the market price was testing the first of our isolated resistance levels at M1: 4350.25. It flirted with that level for the following two sessions before being rejected on July 8th. The market rolled back down during that session to PMH: 4294.25. The following two trading sessions saw the market price rally sharply to our second isolated resistance level at M3: 4374.50.

After testing that level in the overnight session of July 13th, the market rolled over. Over the following four trading sessions, the market price declined 132.50 points (high-to-low), or -3%. *The decline stopped at our isolated support level at M2: 4224.25.*

Just like in June, the market price immediately raced higher with the ~~market-participants~~ algorithms bulls successfully defending their positions (and intra-month shorts covering). On July 23rd, the market price settled, solidly, above our isolated pivot at M3: 4374.50. The final five trading sessions of July saw the market price consolidate, within a narrow range, above that level.

Figure 2:



U.S. Treasury 30-Year Yield

We continue with a review of the U.S. Treasury 30-Year Yield (?30Y?) during July 2021. In our July 2021 edition of *The Cartography Corner*, we wrote the following:

In isolation, monthly support and resistance levels for July are:

- o M4 2.502
- o PMH 2.330
- o MTrend 2.236
- o M1 2.236
- o Close 2.086
- o PML 1.933
- o M3 1.909
- o M2 1.708
- o M5 1.442

Active traders can use PMH: 2.330 as the upside pivot, maintaining a long position (yield perspective) above that level. Active traders can use M3: 1.909 as the downside pivot, maintaining a short position (yield perspective) below that level.

Figure 3 below displays the daily price action for July 2021 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The month of July consisted of five swings, three down and two up, *approximately centered around our isolated downside pivot*.

The first five trading sessions saw the 30Y race to our isolated downside pivot level at M3: 1.909. On July 8th, the 30Y traded five basis points through that level but settled above it. The following three trading sessions saw the 30Y retrace most of the previous swing down.

On July 14th, the 30Y began its second swing down. This swing reached its nadir early in the session of July 20th, reaching a low yield of 1.782, *shy of our isolated support level at M2: 1.708*. The following two (plus) trading sessions saw the 30Y retrace most of the previous swing down.

The final six (plus) trading sessions saw the 30Y complete its third swing down. The gradient of this descent was less than the first two. The 30Y settled the month at 1.905, *essentially on our isolated downside pivot*.

Figure 3:



August 2021 Analysis

We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures (ESU1). The same analysis can be completed for any time-period or in aggregate.

Trends:

o Daily Trend 4395.44

| | |
|-------------------|---------|
| o Current Settle | 4389.50 |
| o Weekly Trend | 4358.81 |
| o Monthly Trend | 4246.17 |
| o Quarterly Trend | 3875.31 |

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 five quarters. Stepping down one time-period, the monthly chart shows that E-Mini S&P 500 Futures are 'Trend Up?', settling nine months above Monthly Trend. Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures are 'Trend Up?', with six consecutive closes above Weekly Trend.

Support/Resistance:

In isolation, monthly support and resistance levels for August are:

| | |
|----------|---------|
| o M4 | 4718.25 |
| o M1 | 4550.75 |
| o M3 | 4490.50 |
| o PMH | 4422.50 |
| o Close | 4389.50 |
| o M2 | 4321.25 |
| o MTrend | 4246.17 |
| o PML | 4224.00 |
| o M5 | 4153.75 |

Active traders can use PMH: 4422.50 as the pivot, maintaining a long position above that level and a flat or short position below it.

Outlook

3508.01

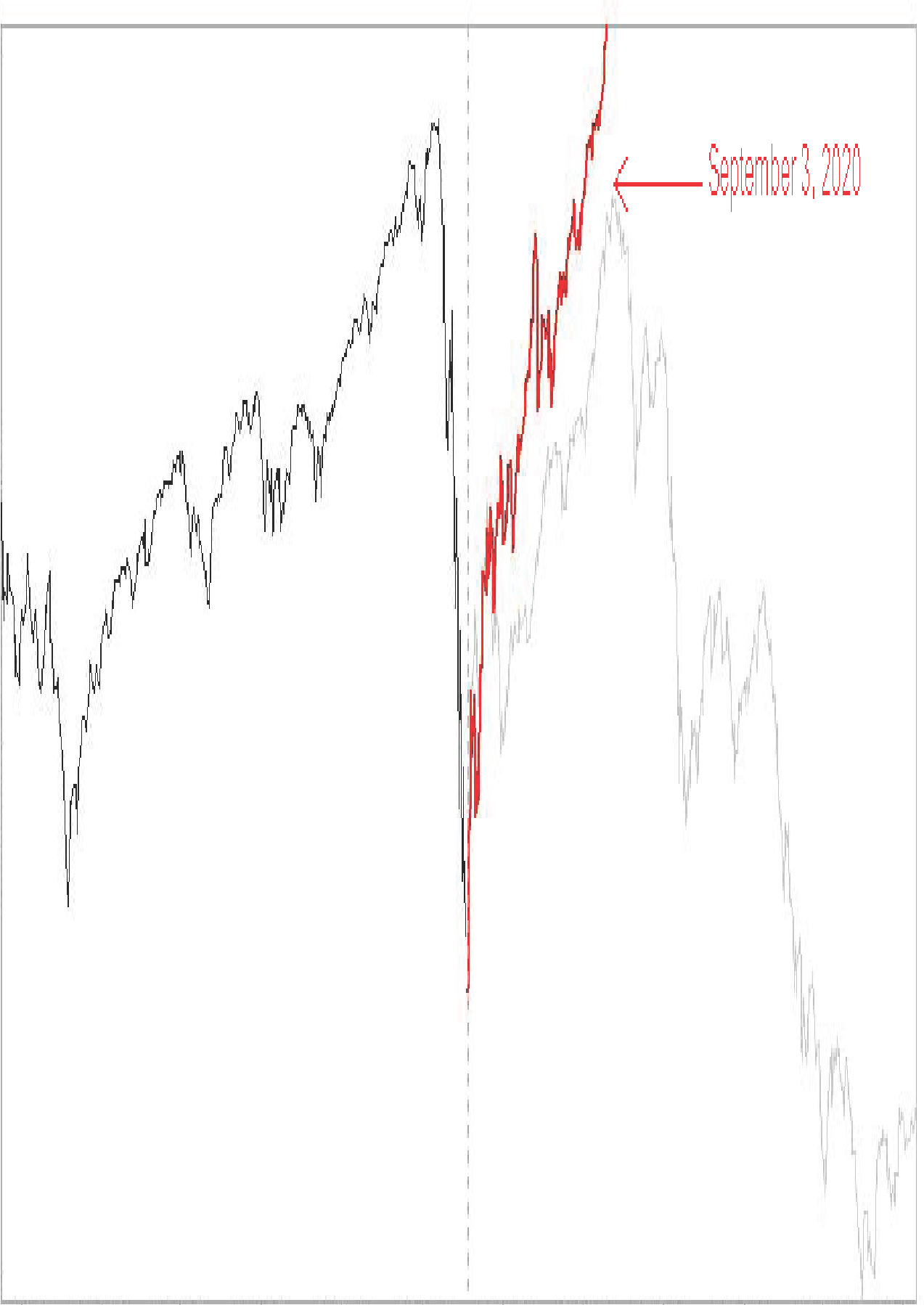
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Standard and Poor's

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September 3, 2020



High-Grade Copper

For August, we focus on High-Grade Copper Futures. We provide a monthly time-period analysis of HGU1. 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. Copper is often referred to as 'Doctor Copper' as it has a decent track record of predicting turning points in the global economy. Following the price of copper is a worthwhile exercise to better understand the economic mindset of global investors.

Trends:

| | |
|-------------------|--------|
| o Daily Trend | 4.5016 |
| o Monthly Trend | 4.4852 |
| o Current Settle | 4.4825 |
| o Weekly Trend | 4.3863 |
| o Quarterly Trend | 3.8867 |

The relative positioning of the Trend Levels is transitioning from bullish to bearish. 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, copper is 'Trend Up?', having settled five quarters above Quarterly Trend. Stepping down one time-period, the monthly chart shows that copper is 'Above Trend: 1 Months?'. ***We recently changed the logic in our labeling. Although copper settled above Monthly Trend, it has not done so for at least three consecutive observations. We still consider this to be 'Consolidation?', however, we are trying to be precise with our description by acknowledging that it is above Monthly Trend.*** Stepping down one time-period, the weekly chart shows that copper is 'Trend Up?', having settled above Weekly Trend for four 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 month of June to anticipate a two-month high within the next four to six months (now, three to five months). *That high can be achieved this month with a trade above 4.7070.*

Support/Resistance:

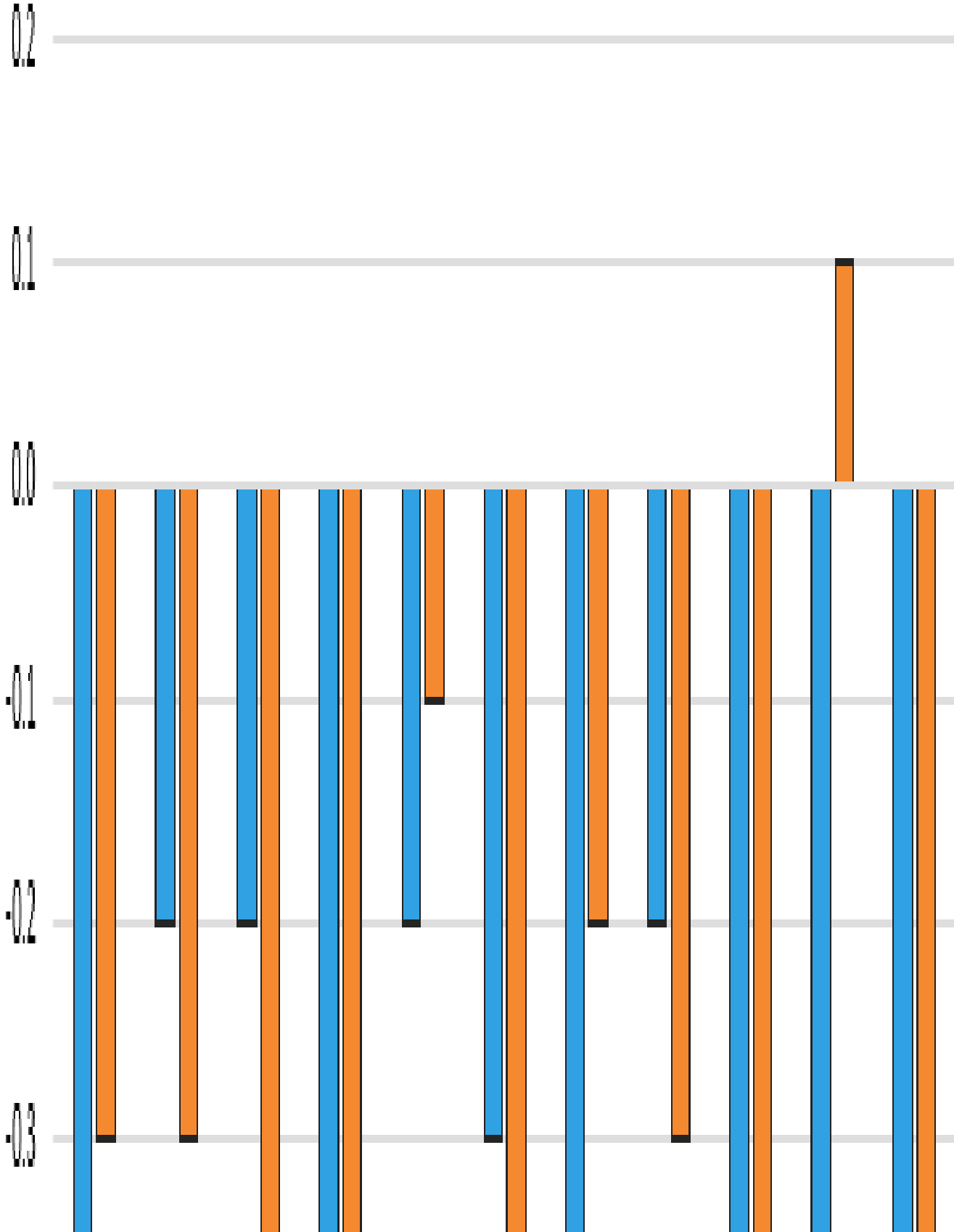
In isolation, monthly support and resistance levels for August are:

| | |
|----------|--------|
| o M4 | 5.1610 |
| o M3 | 4.6760 |
| o PMH | 4.6275 |
| o M1 | 4.5480 |
| o MTrend | 4.4852 |
| o Close | 4.4825 |
| o M2 | 4.2390 |
| o PML | 4.1665 |

o M5 3.6260

Active traders can use M3: 4.6760 as the pivot, maintaining a long position above that level and a flat or short position below it.

Atlanta Fed Wage Tracker - Wage Growth Changes



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.*