

Cartography Corner - July 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](#)

June 2021 Review

E-Mini S&P 500 Futures

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

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

o M4	4512.00
o M1	4265.50
o PMH	4238.25
o M3	4230.50
o Close	4202.50
o M2	4094.00
o MTrend	4054.64
o PML	4029.25
o M5	3847.50

Active traders can use M1: 4265.50 as the pivot, maintaining a long position above that level and a flat or short position below it.

Many clients asked why our isolated pivot was above May's high price at M1: 4265.50. We answered that we were focused on the reward-to-risk of possible entry points for being long-of risk. It was clear that above M1: 4265.50 and there was no monthly resistance until M4: 4512.00, equating to a potential profit of 246.50 points. Assuming an initial stop of one Average True Range, which was 50 points on June 1, the reward-to-risk ratio resulted in 4.93x ($246.50 / 50.00$). However, had we isolated our pivot at PMH: 4238.25 then the result of our reward-to-risk mathematics would have been considerably worse. Initial resistance at M1: 4265.50 inferred an initial profit of only 27.25 points. The resulting reward-to-risk ratio would have been 0.55x ($27.25 / 50.00$).

Figure 1 below displays the daily price action for June 2021 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. *The realized price action in June vindicated our math.* On the tenth trading session of June, the market price settled at 4245.75, above PMH: 4238.25. Over the following five trading sessions, it proceeded to decline (119.00) points (June 21st intra-session low).

As our math would have it, Monthly Trend for July was then developing at roughly the same level as the June 21st low price. As has been the case since November 2020, the market price immediately raced higher with the market-participants algorithms bulls successfully defending their positions (and intra-month shorts covering).

On June 25th, the market price settled above our isolated pivot at M1: 4265.50. With only three trading sessions remaining, the likelihood of M4: 4512.00 being realized was practically nil. The market price settled the month of June at 4288.50.

Figure 1:

ESU1: June 2021



Canadian Dollar Futures

We continue with a review of Canadian Dollar Futures (6CU1) during June 2021. In our June 2021 edition of *The Cartography Corner*, we wrote the following:

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

- o M4 0.8746
- o M1 0.8496
- o M3 0.8404
- o PMH 0.8325
- o M2 0.8288
- o Close 0.8274
- o PML 0.8096
- o MTrend 0.8088
- o M5 0.8038

Active traders can use PMH: 0.8325 as the 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 June 2021 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. **A picture is worth a thousand words.**

Figure 2:



July 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 Current Settle 4288.50
- o Daily Trend 4280.39
- o Weekly Trend 4211.69
- o Monthly Trend 4169.94
- o Quarterly Trend 3875.31

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. 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 eight months above Monthly Trend. Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures are in ?Consolidation?.

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

May 10th to anticipate a two-week high within the next four to six weeks. *That high was realized the week of May 31.*

Support/Resistance:

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.

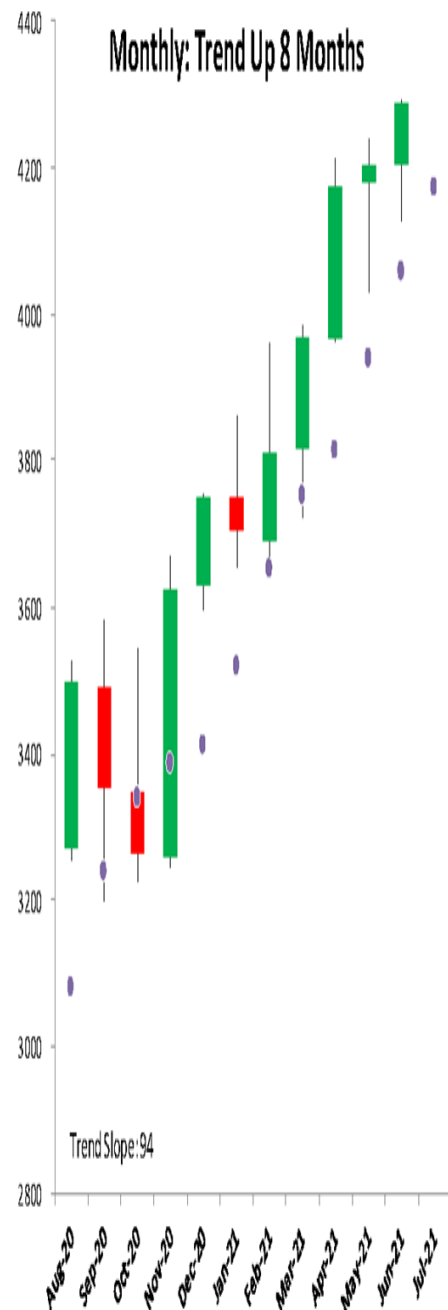
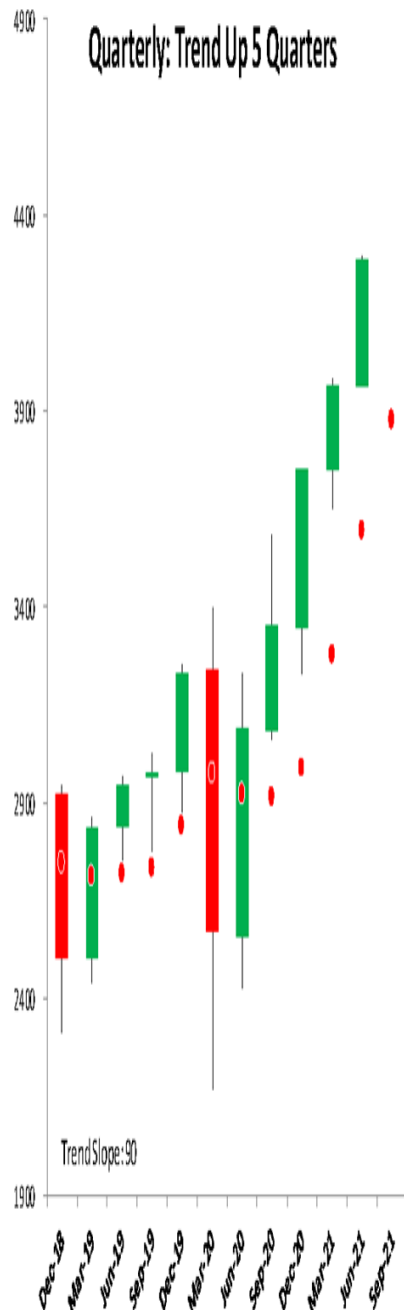


Global Technical Analysis

Distinctive. Consistent. Disciplined.

SP 500 Futures July 1, 2021

ESU1	39.59
Q4	4936.00
Q3	4609.50
Q1	4604.75
M4	4559.25
W4	4408.00
W3	4389.00
M3	4374.50
M1	4350.25
D4	4316.75
D1	4297.50
W1	4295.25
D3	4295.00
PDH	4294.25
PMH	4294.25



UST 30Y Yield

For July, we focus on the U.S. Treasury 30-Year Yield (?30Y?). We provide a monthly time-period analysis. The same analysis can be completed for any time-period or in aggregate.

Trends:

- o Monthly Trend 2.236
- o Weekly Trend 2.115
- o Daily Trend 2.097
- o Current Settle 2.086
- o Quarterly Trend 1.984

The relative positioning of the Trend Levels is bearish, denoting lower yields. 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, the 30Y is ?Trend Up?, having settled above Quarterly Trend for three quarters. Stepping down one time-period, the monthly chart shows that the 30Y is in ?Consolidation?, having settled below Monthly Trend for one month. Stepping down to the weekly time-period, the chart shows that the 30Y is ?Trend Down?, settling below Weekly Trend for five weeks.

One rule we have is to anticipate a two-period low (high), within the following four to six periods, after an Upside (Downside) Exhaustion level has been reached. The signal was given the quarter of 1Q2021 to anticipate a two-quarter low within the next four to six quarters (now, three to five quarters). *That low can be achieved this quarter with a trade below 1.638.* The signal was given the week of June 7th to anticipate a two-week high within the next four to six weeks (now, two to four weeks). *That high can be achieved this week with a trade above 2.218. A rise in yield that satisfies the need for a two-week high may be a good opportunity to position for the anticipated two-quarter low.*

Support/Resistance:

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.



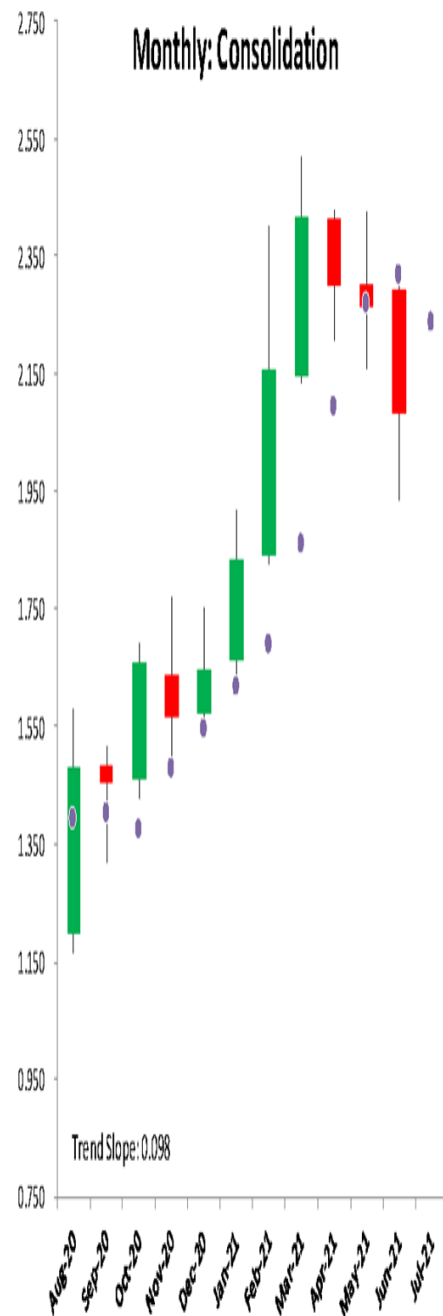
Global Technical Analysis

Distinctive. Consistent. Disciplined.

UST 30Y Yield

July 1, 2021

30Y	0.065
Q4	3.214
M4	2.502
PQH	2.426
W4	2.335
Q1	2.334
PMH	2.330
W3	2.285
MTrend	2.236
M1	2.236
Q2	2.228
PWH	2.175
W1	2.132
WTrend	2.115
D4	2.105



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.*