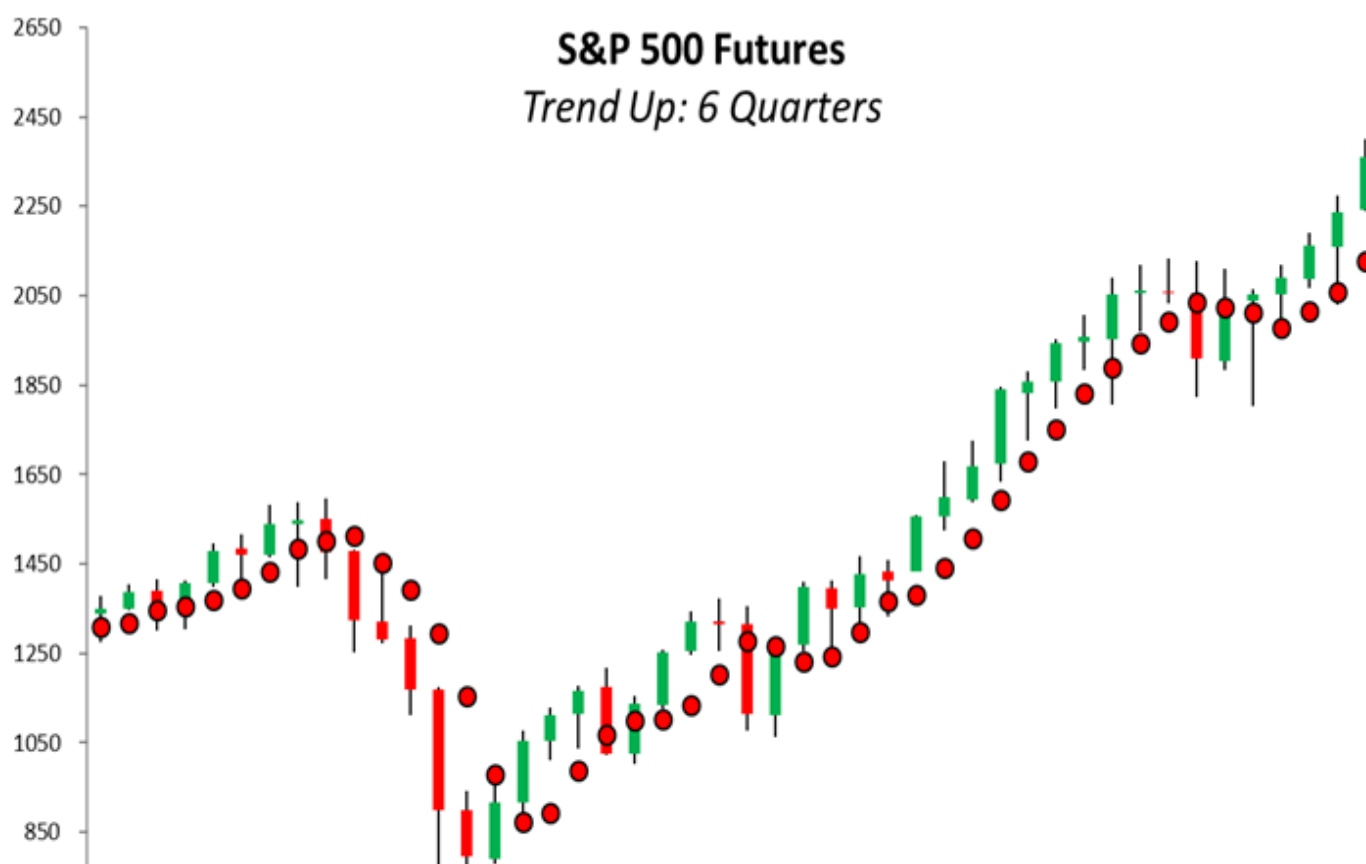




720Global is pleased to introduce J. Brett Freeze, CFA and his firm Global Technical Analysis (GTA). GTA will be providing premium subscribers of The Unseen his unique brand of technical analysis on a monthly basis. Given our largely fundamental approach to investing, this addition offers readers technical insight and a risk framework not offered in the past. We personally rely on Brett's research to help better gauge market trends, their durability, and support and resistance price levels. When put together, we can establish a reliable risk management system for not only our trading positions but our longer-term holdings. The following article penned by GTA provides a user's guide and a sample of his analysis. Going forward, we will present his analysis on a wide range of asset classes, indices, and securities. At times the analysis may agree with 720Global market 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 macroeconomics and 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. Future publications of GTA's work for Unseen subscribers will be provided *in addition* to regularly scheduled 720Global articles.

The Cartography Corner | By: J. Brett Freeze, CFA Introduction Financial markets are complex systems. Many variables exert influence on a security's price at any given point in time. These variables can be grouped into broad categories, such as asset-class, sector-specific, company-specific, macroeconomics, geopolitical, investor type, and investor sentiment. Within these broad categories consist numerous sub-categories. Combined with instant access to the 24/7 news cycle, financial market participants suffer from information overload. They have difficulty discerning information from opinion, what information to focus on, and how other market participants will process different information. Ask yourself, how many truly new pieces of relevant data are introduced on a given day? **Technical analysis reduces multi-dimensional financial market data into a filtered two-dimensional space; price and time. The chart output we produce to present our data efficiently represents the complex system.** At [Global Technical Analysis](#), our analysis is distinctive, consistent, and disciplined; across multiple asset classes. Our goal is to provide our clients with an edge to increase profitability and the tools to manage risk better. We accomplish our goal through the methodology itself, combined with the fact that it is not widely practiced. In our analysis, you will not find any reference to common technical indicators like the 200-day moving average, DeMark Analysis, or Elliott Wave Principle. Neither will you find mention of chart pattern formations like the head-and-shoulders or cup-and-handle. **We simply do not ?do what others do.?** We do not make price predictions; we fully understand no one can control market prices. However, we can control our actions *given* a market price; so, we focus our efforts on knowing what actions we will take ?when the market gets there.? Our analysis provides a map of market prices in both directions and across time-periods. Over time, this model has proven itself valuable both in understanding where the markets might be going and in managing risk. **Our Methodology** Our analysis begins with quarterly data and progresses down in time to monthly, weekly, and daily data. The output of our analysis consists of identification of key measures of trend, distinct levels of support and resistance, and identification of potential trading ranges. Time-Periods: It is not sufficient to analyze markets in single time-period isolation; context must be established across multiple time-periods. Markets frequently have different characteristics in different time-periods, which can lead to vastly different conclusions. For instance, one might be long-term bearish based, yet, at the same time, could easily be bullish over the next few weeks. By analyzing multiple time-periods, our analysis allows market participants to see the ?whole picture.? Our analysis includes Quarterly, Monthly, Weekly, and Daily time-periods; in decreasing order-of-significance. However, a market participant's time-period-focus will determine which time-periods,

price levels, and graphs he or she may emphasize. Importantly, regardless of time-period focus, investors must remain cognizant of the clustering of levels across all time-periods. Time-periods are color-coordinated: Red = Quarterly, Purple = Monthly, Blue = Weekly, Green = Daily. Trends: Financial markets are the product of a vast number of participants who, themselves, are motivated by varying influences and can be distinguished in many ways. Market prices balance these diverse participants and influences. That is to say, market prices balance supply and demand. Our trend-levels represent the price at which supply and demand are in balance. As time progresses, the movement of the trend identifies how the balance between supply and demand is changing. If selling pressure is greater than buying pressure the trend will decline. The market will have lower highs, lower lows, and lower closes. Conversely, if buying pressure is greater than selling pressure, the trend will increase. The market will have higher highs, higher lows, and higher closes. The trend takes on a positive slope in markets trending up, a negative slope in markets trending down, and has little slope in consolidating markets. Why is our measure of trend important? Futures trading is a zero-sum game; for every long position, there must exist a short position. Focus on that for a moment. The trend identifies the price level at which, on average, all of the longs and shorts transacted. When the market price is above the trend, all of the longs are in the money and all of the shorts are underwater. When the market price is below the trend, all of the shorts are in the money and all of the longs are underwater. The controlling faction, based upon where the current market price is relative to the trend, will press their positions to extract the maximum profit for themselves and at the same time exert the maximum pain to the other. The Quarterly Trend price is static for the entire current quarter, and the other trends are, respectively, static for their denoted time-periods. *Of all the levels included in our output, Quarterly Trend is the most important*, because it is more secular in nature. There are three aspects of our trend-levels that market participants should focus on: 1. The market price relative to trend-levels, 2. The trend-levels relative to one another, and 3. The slope of the trend-levels (located on the graphs). Global Technical Analysis defines a market as ?Trend Up? or ?Trend Down? if there have been 3 or more consecutive closes above or below the trend. In this case, closes refer not to daily closes but closes for the respective period. For example, the price must end each month higher than the Monthly Trend to be considered in an uptrend, in the monthly time-period. If an up or down trend has not occurred we consider the market to be in ?Consolidation.? Frequently we will find that some periods are in one trend while other periods may be in consolidation or even trending the other direction. The following graph is of S&P 500 futures, with each candlestick representing one calendar quarter. Quarterly Trend levels are presented as red dots.



There are three observations we wish to highlight from the chart: 1. The Quarterly Trend acted as reliable support and resistance through time, 2. The trend takes on a distinct slope in trending markets and little slope in the periods of consolidation, 3. Market prices extend away from the trend but are pulled back to it. Additional information regarding candlestick charting can be found at this [link](#). Support / Resistance: *The purpose of every trading session, regardless of the 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. Once that purpose is achieved, market participants need to have an idea of where the price action will be contained on the upside and/or downside; support and resistance. Knowing levels of support and resistance and the potential range, ahead of time, is powerful knowledge. This information can be used for entry and exit points of risk-positioning. We can also have confidence in knowing where any extension of price can be expected to terminate and, possibly, reverse. Within our analysis, there are five levels calculated for each time-period: labeled as 1 through 5. Additionally, we include the previous period high and low. Just as with trend levels; the quarterly levels are static for the entire current quarter, and the other levels are, respectively, static for their denoted time-periods. All levels in all time-periods are relevant and interact with one another. **Importantly, one aspect of this analysis is to identify clustered support and resistance levels across time-periods. Moves above/below clustered levels are more significant than moves above/below a single level in isolation.** Exhaustion levels are defined as the highest and lowest support/resistance levels indicated for a time-period. Exhaustion levels define the *potential* range for the time-period. When a market reaches exhaustion, it is likely to retreat to some degree in the direction it traveled from. Of great importance, however, is how far along we are in the session (i.e., early/late in the Day, Week, Month, Quarter) in determining how

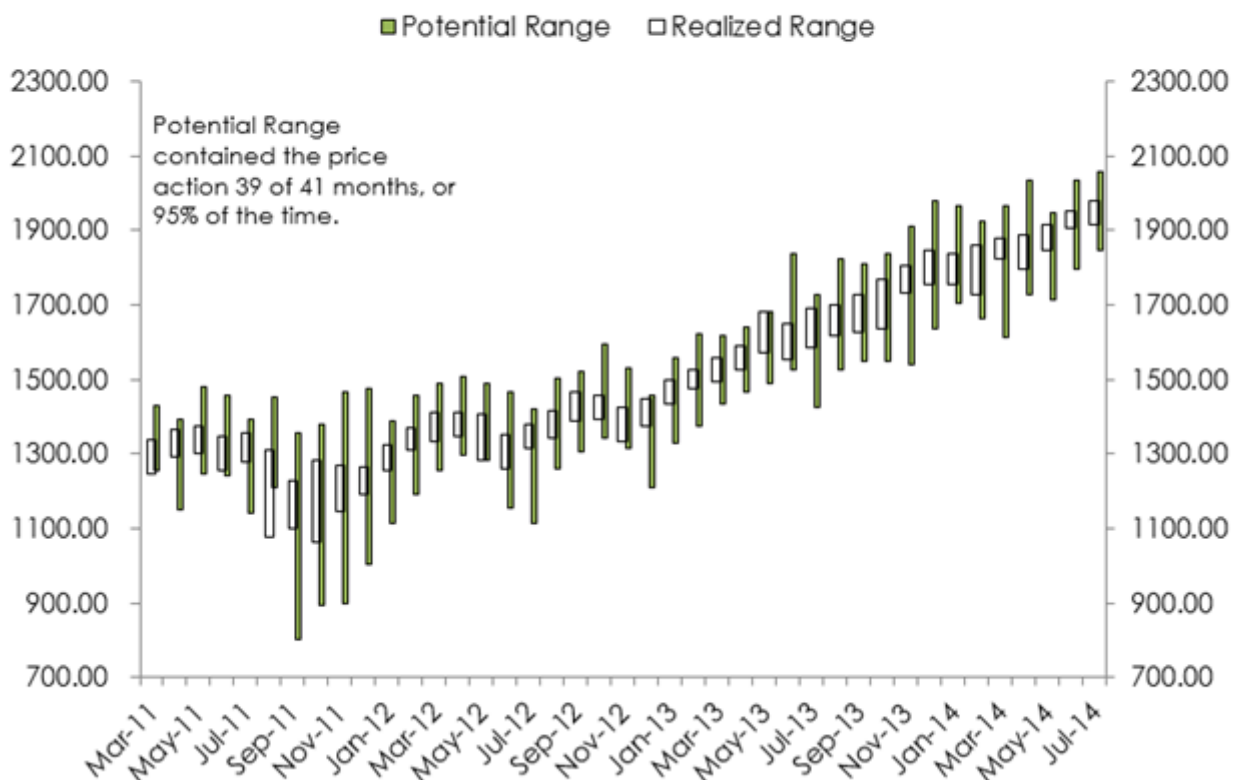
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SP 500 Futures 2011 - 2014 Monthly Ranges



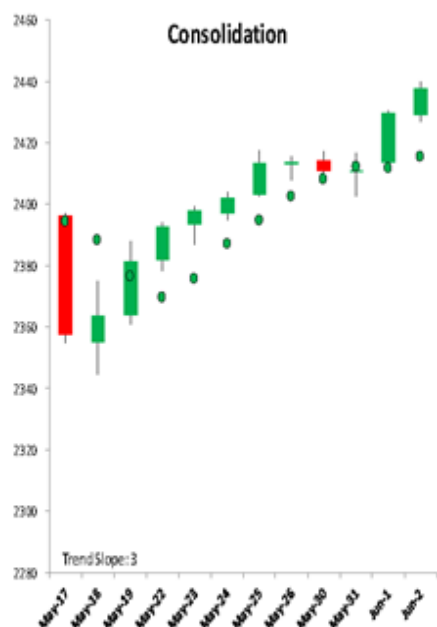
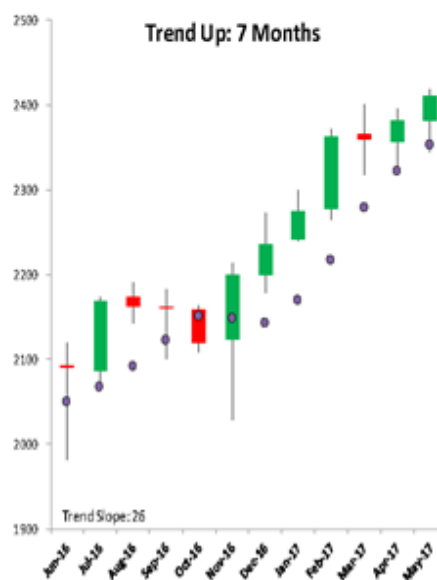
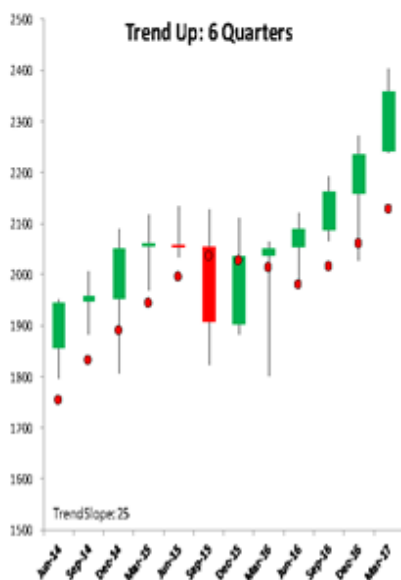
The

following is a sample of our analysis. **June 2017 Analysis - S&P500 Futures (ESM7)**

SP 500 Futures

June 5, 2017

ESM7	16
Q4	2773.50
Q1	2529.00
M4	2512.75
W4	2501.25
Q3	2482.25
D4	2469.00
W3	2461.75
W1	2461.75
Q2	2450.50
D1	2449.00
D3	2446.00
D2	2443.50
M3	2441.50
M1	2440.75
PDH	2439.75
PWH	2439.75
Close	2437.75
W2	2427.25
PDL	2427.00
D5	2423.50
DTrend	2422.83
PMH	2417.75
PWL	2402.75
WTrend	2402.28
PQH	2401.00
W5	2387.75
MTrend	2372.14
M2	2366.25
PML	2344.50
M5	2294.25
PQL	2239.50
QTrend	2217.17
Q5	2206.00



This analysis focuses on the monthly time-period. The same analysis can be completed for any time-period or in aggregate. Trends:

- Current Settle = 2437.75
- Quarterly Trend = 2217.17
- Monthly Trend = 2372.14
- Weekly Trend = 2402.28
- Daily Trend = 2422.83

Bullish: The current market price is greater than the trend in every time-period. **Bullish:** Each time-period trend is greater than the successive longer time-period trend. (i.e., Daily > Weekly, Weekly > Monthly, Monthly>Quarterly) **Bullish:** Over the previous 12 months, the Monthly Trend has increased by an average of 26 points per month. Support/Resistance: The S&P500 futures contract has been ?Trend Up? for the previous seven months. The monthly trend-level for June is 2372.14. An inspection of the monthly chart reveals that ES tested the monthly trend in both April and May, and it provided significant support each time. Given that fact, we believe market participants can use 2372.14 as a ?line in the sand.? If broken, we expect to see further downside follow-through. In isolation, monthly support and resistance levels for June are:

o M4	2512.75	Market price has settled > previous month's high.
o M3	2441.50	
o M1	2440.75	Resistance is clustered at 2440.75/2441.50, which was
o Close	2437.75	tested on Friday, June 2, 2017. Resistance held.
o PMH	2417.75	
o MTrend	2372.14	Maintaining > 2440.75/2441.50 opens up to the
o M2	2366.25	exhaustion target of 2512.75 for the month of June.
o PML	2344.50	
o M5	2294.25	We would not begin to view the market as bearish
		until market price settles < June monthly trend.

Active traders could use 2440.75/2441.50 as a simple pivot, whereby they maintain a long position above that level and a flat or short one below. In this case, the risk-reward is well-defined in both directions from those levels. For example, assume one sold-short S&P 500 futures at the market close price of 2437.75. Using our analysis, one would be risking 3.75 points (M3- Close) to make 20 points (Close ? PMH (previous monthly high)), with May?s high at 2417.75 (PMH) being the first support level underneath the market price. Conversely, if the current price rises above 2441.50 (M3) one could buy ES, risking 2 points to make 72.75 points (M4-M3). **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 to 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. [Read PDF Version](#)