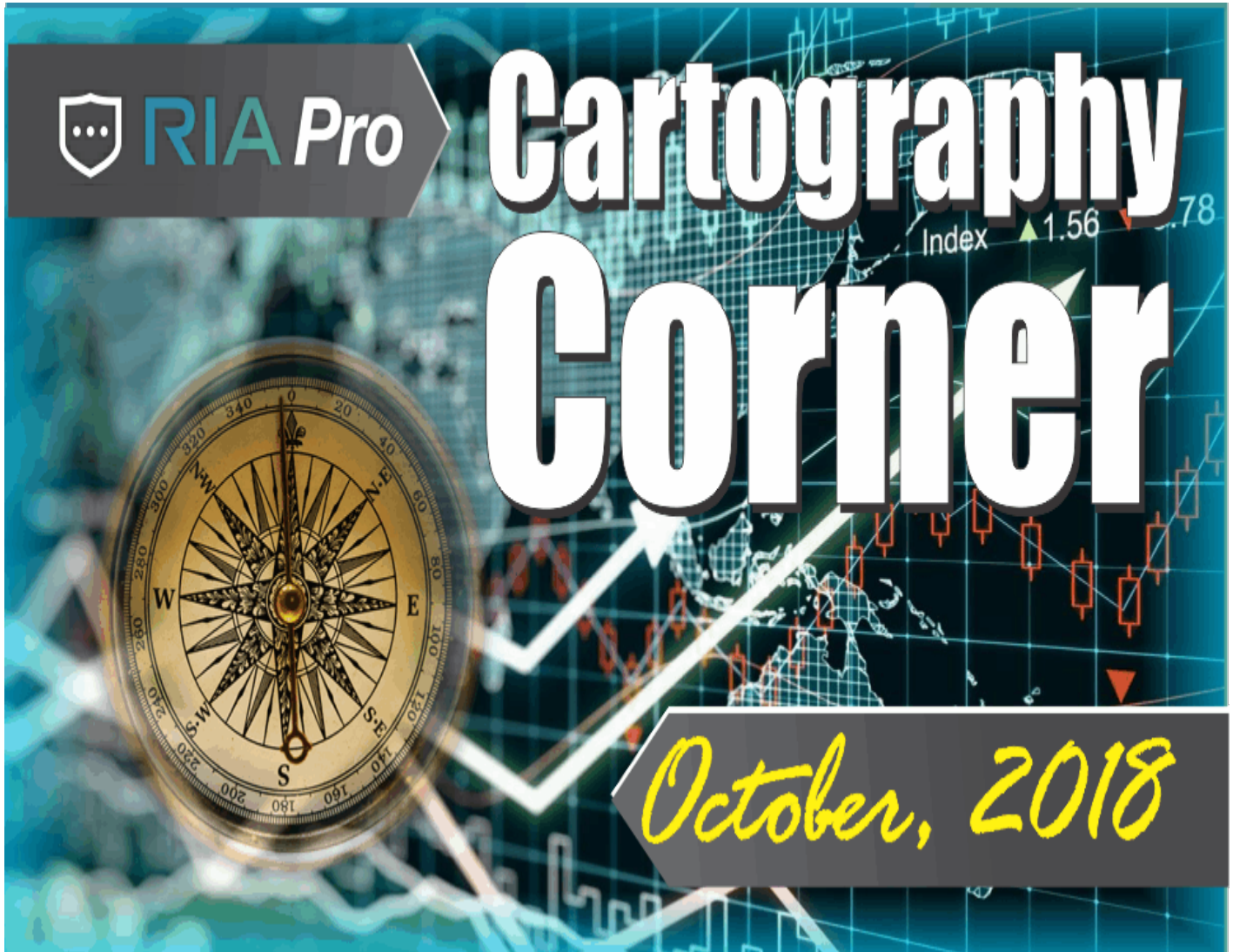


Cartography Corner - October 2018



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](#)

The Cartography Corner

By J. Brett Freeze The monthly analysis always starts with a review of the prior month's analysis. After the review, a new asset(s) is analyzed and trading strategies discussed. Please enjoy the August edition of The Cartography Corner.

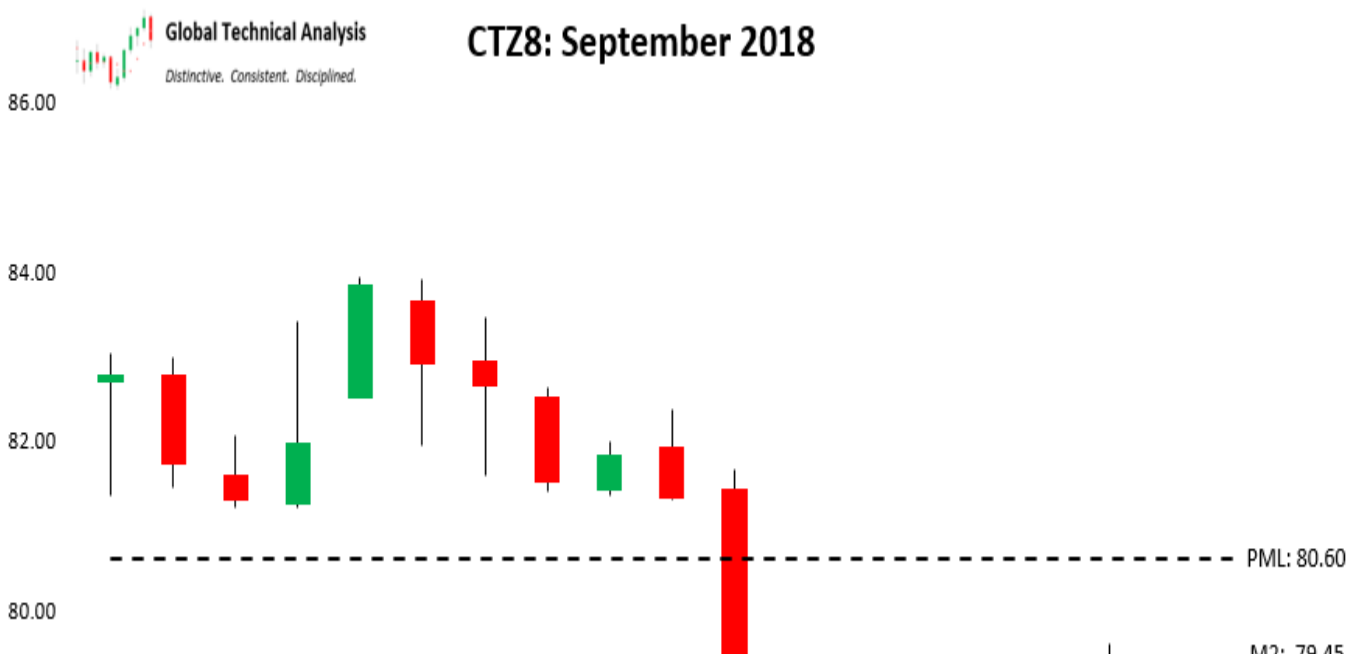
A Review Of September

Cotton (#2) Futures

We will begin with a review of Cotton (#2) Futures (CTZ8) during September 2018. In our September 2018 edition of *The Cartography Corner*, we wrote the following, with emphasis given to shaded excerpts: *In isolation, monthly support and resistance levels for September are:*

- M4???????????? 98.21
- M1???????????? 90.14
- PMH?????????? 89.98
- MTrend????? 86.20 ?????????? ???????
- Close????????? 82.22 ?????????? ?
- PML??? ???????80.60
- **M2???????????? 79.45 ?????????? ?**
- M3???????????? ?74.85 ?????????? ?
- M5???????????? 71.38

Active traders can use 86.20 as the upside pivot, whereby they maintain a long position above that level. **Active traders can use 79.45 as the downside pivot, whereby they maintain a flat or short position below it.** Figure 1 below displays the daily price action for September 2018 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. **September was a month of two-halves, almost mirror images of each other.** September opened by spending the first ten trading sessions within a 2.65-cent range, remaining above the low price of August at PML: 80.60. *The sell signal for active traders was given on September 18th*, as our isolated downside pivot at M2: 79.45 was broken. That session is circled on the graph. The following eight sessions were spent with the price descending towards, but not reaching, our next isolated support level at M3: 74.85. Cotton (#2) Futures settled the month of September at 76.37 cents, only 10 ticks off the low of the month. *By following our analysis, active traders were able to realize a gain of 2.74% on a close-to-close basis, measured from the day the sell signal was given versus the last session of September.* **Figure 1:**

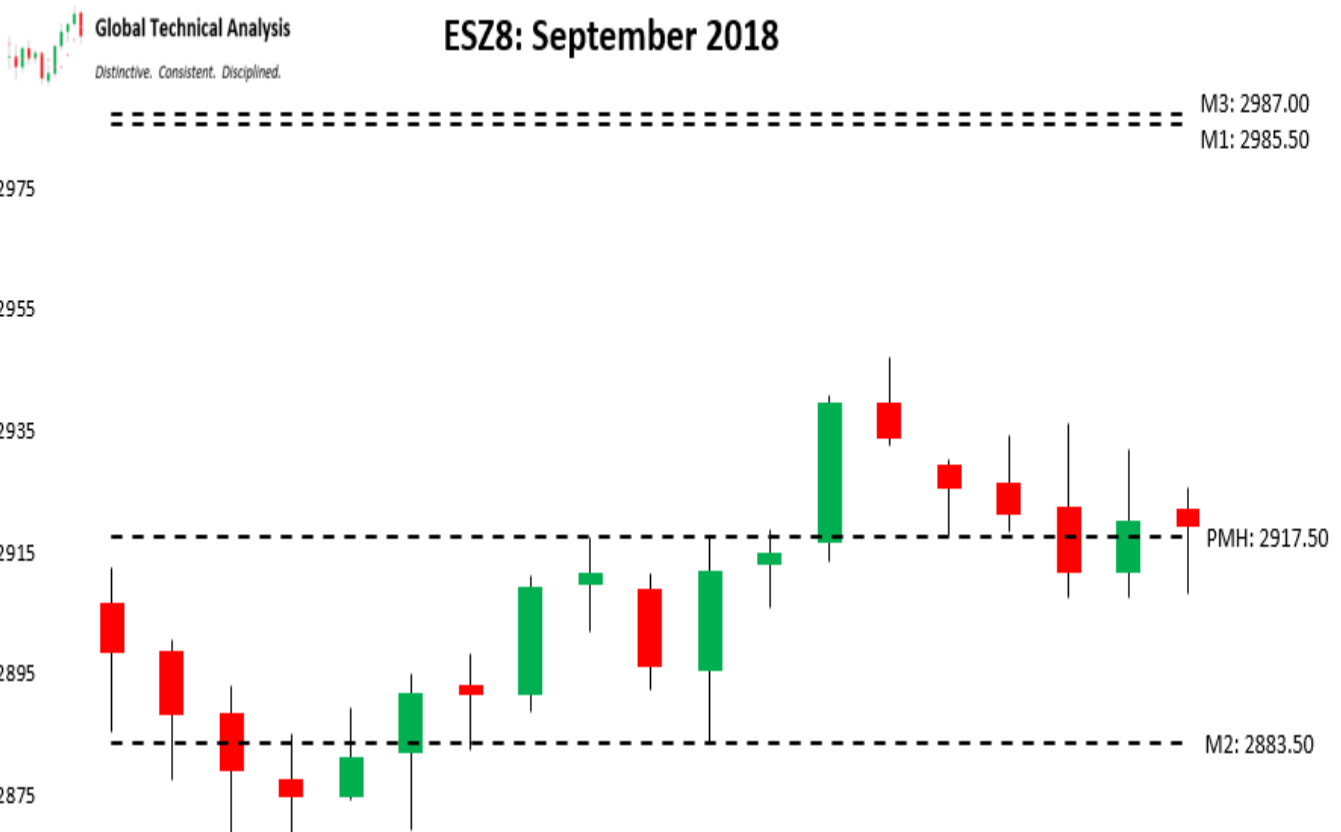


E-Mini S&P 500 Futures

We continue with a review of E-Mini S&P 500 Futures (ESU8/ESZ8) during September 2018. In our September 2018 edition of *The Cartography Corner*, we wrote the following, with emphasis given to shaded excerpts: *In isolation, monthly support and resistance levels for September are:*

- M4???????????? 3136.50
- M3???????????? 2987.00
- M1???????????? 2985.50
- **PMH???????? 2917.50** ?????? ??????
- Close??? ??????2902.00 ?????? ?
- **M2???????? 2883.50**
- MTrend??? ?2798.47 ?????? ?
- PML??? ??????2791.00 ?????? ?
- M5???????????? 2732.50

Active traders can use 2917.50 as the upside pivot, whereby they maintain a long position above that level.? Active traders can use 2883.50 as the downside pivot, whereby they maintain a flat or short position below it. Figure 2 below displays the daily price action for September 2018 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines.? September opened by reversing the strength realized in the latter-half of the trading sessions in August.? The low intra-day price and the low settlement price were achieved on the fourth session of September. The following eight sessions were spent with the price ascending back into the range defined by our isolated pivot levels at M2: 2883.50 and PMH: 2917.50. On September 20th, the market price broke solidly above our upside pivot level at PMH: 2917.50 and settled at 2939.50.? That turned out to be the high settlement price for the month. The final six trading sessions were spent with the price descending back to, and trading either side of, the previous month high at PMH: 2917.50. **Our analysis correctly isolated the important pivot points for September, however sustained follow-through was lacking in both directions.**? Active traders following our analysis completed two trades during the month.? The first trade was *scratched* for zero profit, after having a maximum of 14.00 points profit.? The second trade realized a loss of 0.95%, or 18.00 points, after having a maximum profit of 7.50 points.? **Figure 2:**



October Analysis

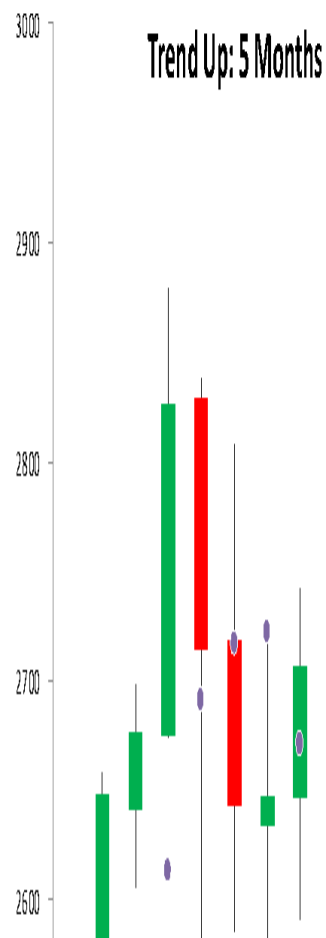
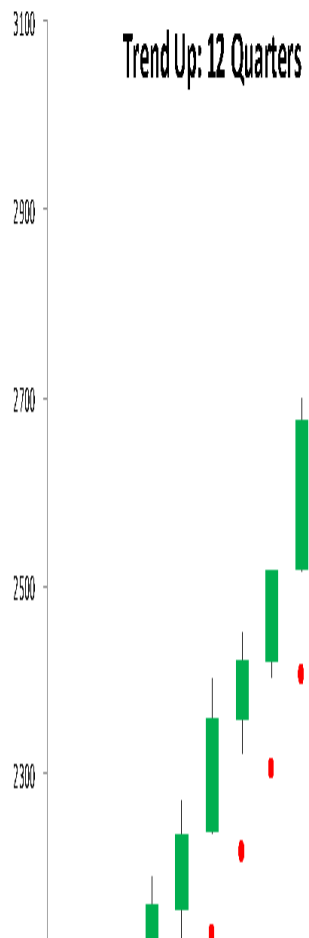
E-Mini S&P 500 Futures (ESZ8)

We begin by providing a monthly time-period analysis of **E-Mini S&P 500 Futures (ESZ8)**.? The same analysis can be completed for any time-period or in aggregate.



SP 500 Futures October 1, 2018

ESZ8	21
Q4	3342.00
Q3	3116.50
M4	3103.00
Q1	3098.00
W4	2988.50
M1	2976.50
PMH	2947.00
PQH	2947.00
D4	2942.50



Trends:

- Current Settle??? ??? ?2919.00 ???? ?
- Daily Trend???????? ???? ?2918.56
- Weekly Trend??? ??? ?2913.86 ???? ?
- Monthly Trend?? ??? ?2856.28 ???? ?
- Quarterly Trend??? ??2742.72

As can be seen in the quarterly chart above, E-Mini S&P 500 Futures have been trading higher in price since the fourth quarter of 2015 and have been ?Trend Up? for twelve straight quarters.? Stepping down one level in time-period, the monthly chart shows that E-Mini S&P 500 Futures have been ?Trend Up? for five months and above Monthly Trend for ten of the past twelve months.? The futures contract settled the month of September above Monthly Trend, *and at an all-time high.*? Stepping down to the weekly time-period, the chart shows that E-Mini S&P Futures have been ?Trend Up? for thirteen weeks. Support/Resistance: In isolation, monthly support and resistance levels for September are:

- M4???????????? ?3103.00
- M1???????????? 2976.50
- PMH???????????? 2947.00
- M2???? ????2939.00
- M3??? ?????????2936.00 ???? ?
- Close??? ???????2919.00
- PML??? ???????2865.00 ????? ?
- MTrend??? ?2856.28 ????? ?
- M5???????????? ??2812.50

Active traders can use 2947.00 as the upside pivot, whereby they maintain a long position above that level.? With an initial stop of 2935.00, the reward-to-risk can be calculated as follows:

Reward= 2976.50 (target) ? 2948.00 (entry) = 28.50 points

Risk = 2935.00 (stop) ? 2948.00 (entry) = 13.00 points

Reward / Risk = 28.50 / 13.00 = 2.2

Active traders can use 2856.28 as the downside pivot, whereby they maintain a flat or short position below it.? With an initial stop of 2866.00, the reward-to-risk can be calculated as follows: Reward= 2855.00 (entry) ? 2812.50 (target) = 42.50 points Risk = 2866.00 (stop) ? 2855.00 (entry) = 11.00 points **Reward / Risk = 42.50 / 11.00 = 3.9** *For those active market participants with a weekly time-period focus, the same analysis can be prepared using our weekly levels each week.*

30-Year U.S. Treasury Bond Yield

For the month of October, we shift our focus from the soft-commodity market to the fixed-income market.? We provide a monthly time-period analysis of the 30-Year U.S. Treasury Bond Yield (^TYX).? The same analysis can be completed for any time-period or in aggregate. *(RIA Pro note: On Friday September 28th, we put out a technical alert and trade idea based on the 30-year U.S. Treasury Bond? [LINK](#))*

Trends:

- Current Settle ?? ????3.1970 ??????? ?
- Daily Trend ?????? ????3.1931
- Weekly Trend ?? ????3.1699 ??????? ?
- Monthly Trend ? ????3.0804 ??????? ?
- Quarterly Trend???? 3.0568

As can be seen in the quarterly chart above, the 30-Year U.S. Treasury Bond Yield has been trading higher since the fourth quarter of 2016 and has been ?Trend Up? for three quarters.? Stepping down one level in time-period, the monthly chart shows that the 30-Year U.S. Treasury Bond Yield had been consolidating for the previous seven months, **with September closing above that range.**? Stepping down to the weekly time-period, the chart shows that the 30-Year U.S. Treasury Bond Yield has been ?Trend Up? for four weeks.? *Technical analysis of the 30-Year U.S. Treasury Bond Yield suggests to us that perhaps the intermediate trend is in the early stage of an additional acceleration to higher yields.*? Support/Resistance: In isolation, monthly support and resistance levels for October are:

- M4???????????? 3.5330
- M3???????????? 3.3840
- M1?????????? ????3.3490
- PMH???? ????3.2480
- Close???????? 3.1970 ??????? ?
- M2??? ??????????3.1070
- MTrend??? ?3.0804 ??????? ?
- PML?????????? 3.0350 ??????? ?
- M5???????????? 2.9230

Active traders can use 3.2480 as the upside pivot, whereby they maintain a long position above that level (long yields, short bonds).? Active traders can use 3.0804 as the downside pivot, whereby they maintain a short position below it (short yields, long bonds).

?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.*