RIA
Advice

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](#)

In addition to the normal format in which we review last month?s commentary and present new analysis for the month ahead, we provide you with interesting research on long-term market cycles.

A Review of August

Silver Futures

We begin with a review of Silver Futures (SIU9/SIZ9) during August 2019. In our August 2019 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for August are:

- M4•••••••• 18.805
- M1•••••••• 17.745
- M3•• •••••••••17.469
- PMH•••••• 16.685
- Close•••• •••16.405
- M2••••••• •••15.265
- MTrend•• 15.263••••••••••
- PML••• ••••••14.915••••••••••
- M5•••••••••••• 14.205

Active traders can use 16.685 as the pivot, whereby they maintain a long position above that level and a flat or short position below it. Figure 1 below displays the daily price action for August 2019 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines.• The first five trading sessions were spent with silver ascending to and settling above, our isolated pivot level at PMH: 16.685.•*Silver?s rally, which began in June, extended significantly in August.*• The following twelve trading sessions were spent with silver consolidating with an upward bias, testing our clustered resistance levels at M3: 17.469 and M1: 17.745.• On August 26th, silver settled above M1: 17.745 and proceeded over the following three trading

sessions to test our Monthly Upside Exhaustion level at M4: 18.805. *The high price for August 2019 was achieved on August 29th at 18.760, a difference from M4 of 0.24%.* **Active traders following our analysis had the opportunity to capture a 12.4% profit.** *Figure 1:*
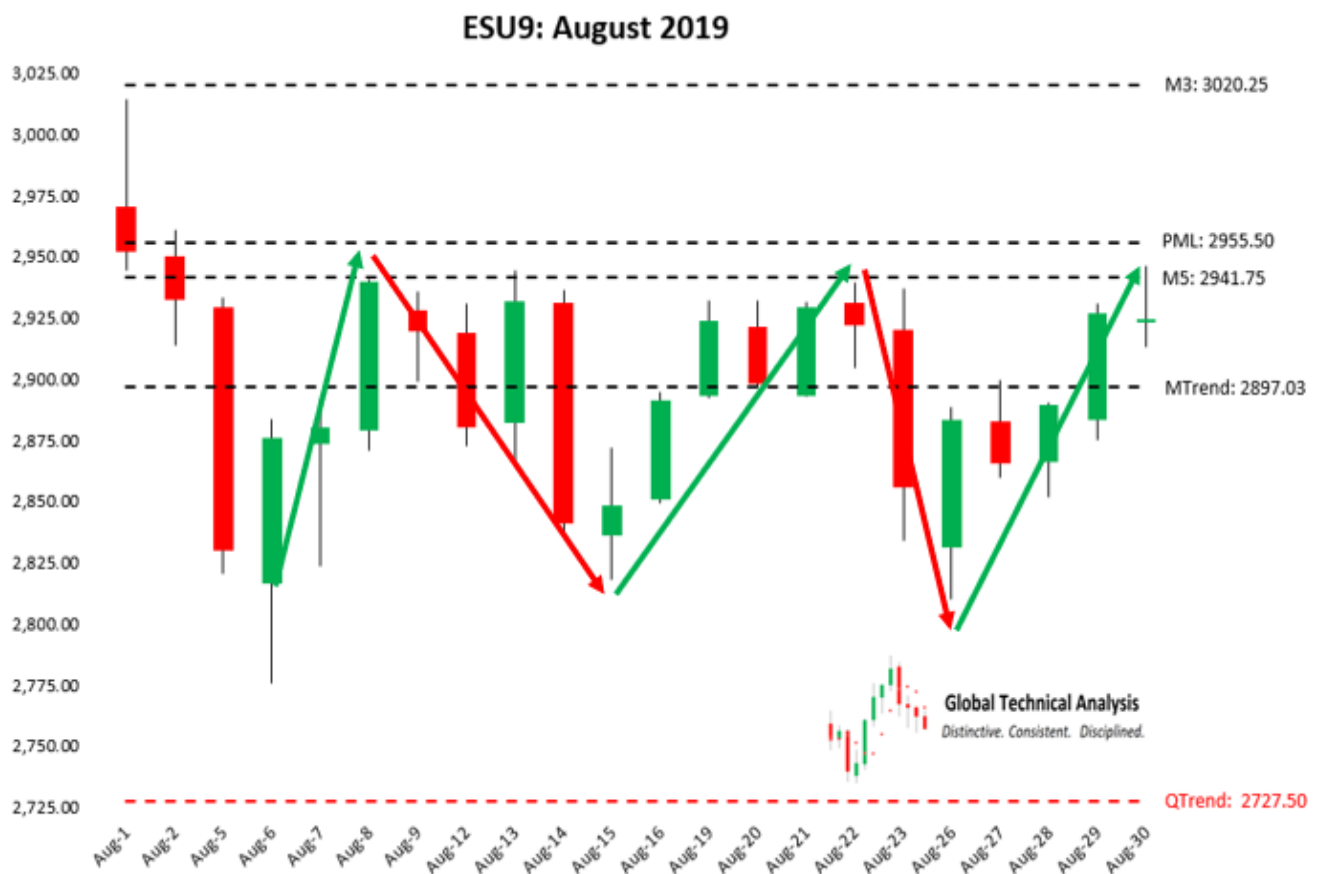

E-Mini S&P 500 Futures

We continue with a review of E-Mini S&P 500 Futures during August 2019.• In our August 2019 edition of *The Cartography Corner,* we wrote the following: In isolation, monthly support and resistance levels for August are:

- M4•••••••••••••••• 3330.25
- M2•••••••••••••••• 3182.25
- M1 •••••••••••••••3089.75
- PMH•••• ••••••••••3029.50
- M3•••••••• ••••••3020.25 •••
- Close••• ••••••••••2982.25
- PML••• ••••••••••••2955.50 ••
- M5••• •••••••••••••2941.75 •
- MTrend•••••••• 2897.03

Active traders can use 3029.50 as the pivot, whereby they maintain a long position above that level

and a flat or short position below it. Figure 2 below displays the daily price action for August 2019 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines.•**The first four trading sessions of August saw the market price collapse 206.50 points from July?s settlement price.**• The descent accelerated once our isolated support levels at PML: 2955.50 and M5: 2941.75 were breached.• When August Monthly Trend at MTrend: 2897.03 was breached, the descent accelerated again.••The remaining trading sessions of August 2019 were spent with the market price oscillating between 2817.00 (roughly) and our isolated support level at M5: 2941.75, *now acting as resistance.*• As can be seen in Figure 2, there were essentially five swing trades during the remainder of August, three up and two down.• Each swing covered approximately 125 points. The war between bulls and bears continues with the battles becoming fiercer. *Figure 2:*

ESU9: August 2019

September 2019 Analysis

We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures (ESU9).• The same analysis can be completed for any time-period or in aggregate. <u>Trends:</u>

- Monthly Trend•• •••• 2924.92 ••••
- Current Settle••• •••• 2924.75
- Daily Trend•••••••• •••• 2905.47 ••••
- Weekly Trend••• •••• 2884.92 ••••
- Quarterly Trend••••• 2727.50

In the quarterly time-period, the chart shows that E-Mini S&P 500 Futures are in ?Consolidation?.• Stepping down one time-period, the monthly chart shows that E-Mini S&P 500 Futures have been ?Trend Up? for three months.• Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures are in ?Consolidation?. We commented in August:

?We would like to point out the slope of the Weekly Trend has been forming a rounded top over the previous three weeks.• Weekly Trend is currently developing at 2996.58 for the week of August 5, 2019.• If that developing level holds (or develops lower), the topping process will be complete (in the weekly time-period) as 2996.58 is lower than this week?s Weekly Trend level of 2999.83.• Also, a weekly settlement this week below 2999.83 will end the current eight-week uptrend.?

The formation of the rounded top in the Weekly Trend was an excellent indicator of the directional turn in the short time period.• <u>Support/Resistance:</u> In isolation, monthly support and resistance levels for September are:

- M4••••••••••••••• •3073.00
- PMH•••••••••••••• •3014.25
- M1•••••••• ••••••••2999.00
- MTrend•••• •••2924.92
- Close••••• ••••• 2924.75 •••
- M3••• ••••••••••••••2867.25
- PML••• •••••••••••2775.75 ••
- M2••• ••••••••••••••2596.00 •
- M5•••••••• •••••••2522.00

Active traders can use 2924.92 as the pivot, whereby they maintain a long position above that level and a flat or short position below it.

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SP 500 Futures

September 3, 2019

ESU9	48.44
Q4	3500.00
M4	3073.00
Q1	3072.50
W4	3059.00
Q3	3050.75
Q2	3019.00
D4	3017.75
PMH	3014.25
M1	2999.00
W3	2994.00
PQH	2969.25
D1	2962.25

Quarterly: Consolidation

Developing Quarterly Trend: 2834.94
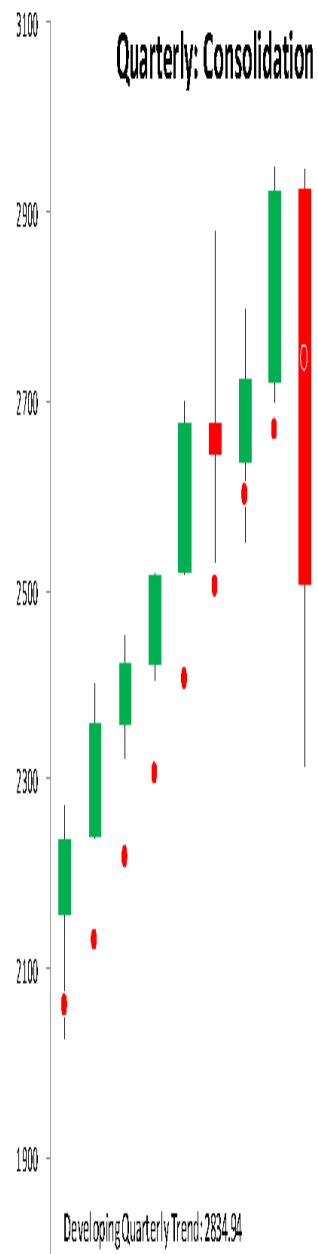
Monthly: Trend Up 3 Months
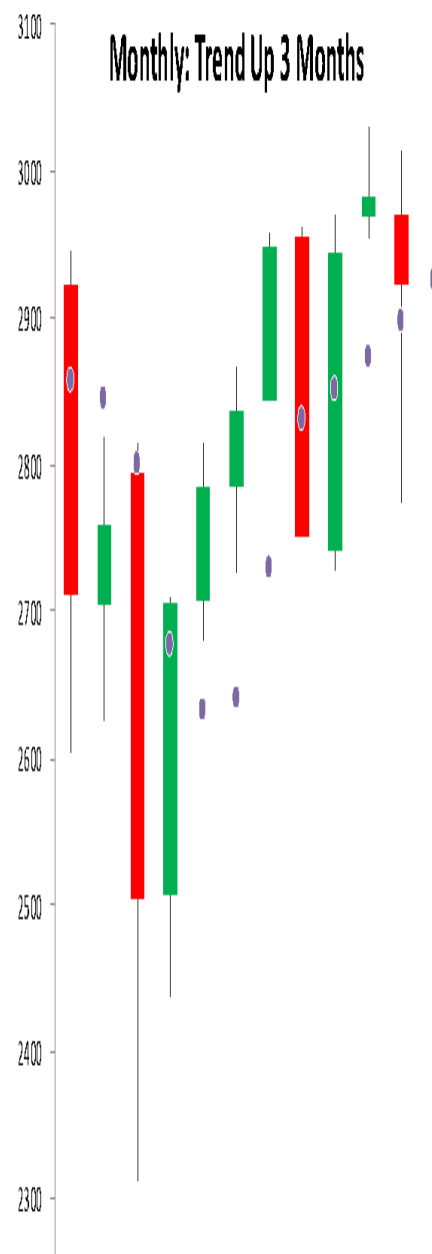
U.S. Treasury Bond Futures

For the month of September, we focus on U.S. Treasury Bond Futures (?bonds?).• We provide a monthly time-period analysis of USZ9.• The same analysis can be completed for any time-period or in aggregate. <u>Trends:</u>

- Daily Trend•••••••• ••• ↑65-20 •••••••
- Current Settle •• ••••165-08
- Weekly Trend •• ••••164-22 •••••••
- Monthly Trend•• ••• 157-17 •••••••
- Quarterly Trend•••• 147-27

As can be seen in the quarterly chart below, bonds have been ?Trend Up? for three quarters.• Stepping down one time-period, the monthly chart also shows that bonds have been ?Trend Up? for nine months.• Stepping down to the weekly time-period, the chart shows that bonds have been ?Trend Up? for five weeks. The condition was met in August 2019 that makes us anticipate a two-month low within the next four to six months.• That would be fulfilled with a trade below 152-28 in September 2019.• This is the second ?signal? that has been given since this nine-month uptrend began.• The first was given in December 2018 and the two-month low was realized three months later.• In the week of July 29th, the condition was met that made us anticipate a two-week low within the next four to six weeks from that week.• The market is entering the fifth week of that time window and a two-week low can be realized this week with a trade below 162-06. Like the rounded top highlighted in E-Mini S&P 500 futures in the August 2019 edition of *The Cartography Corner*, the Weekly Trend in bonds is beginning to take on the same curvature.• Short-time-period-focused market participants. . . ***Caveat Emptor***. •<u>Support/Resistance:</u> In isolation, monthly support and resistance levels for September are:

- M4•••••••• 181-00
- M1•••••••• 176-26
- M3•••••••• 174-29
- PMH•••••• 166-30
- Close•••• •••165-08
- MTrend••• 157-17
- M2•••••••• 157-02 ••••••••••
- PML••••••• 154-01••••••••••••
- M5••••••••••• 152-28

Active traders can use 166-30 as the pivot, whereby they maintain a long position above that level and a flat or short position below it.
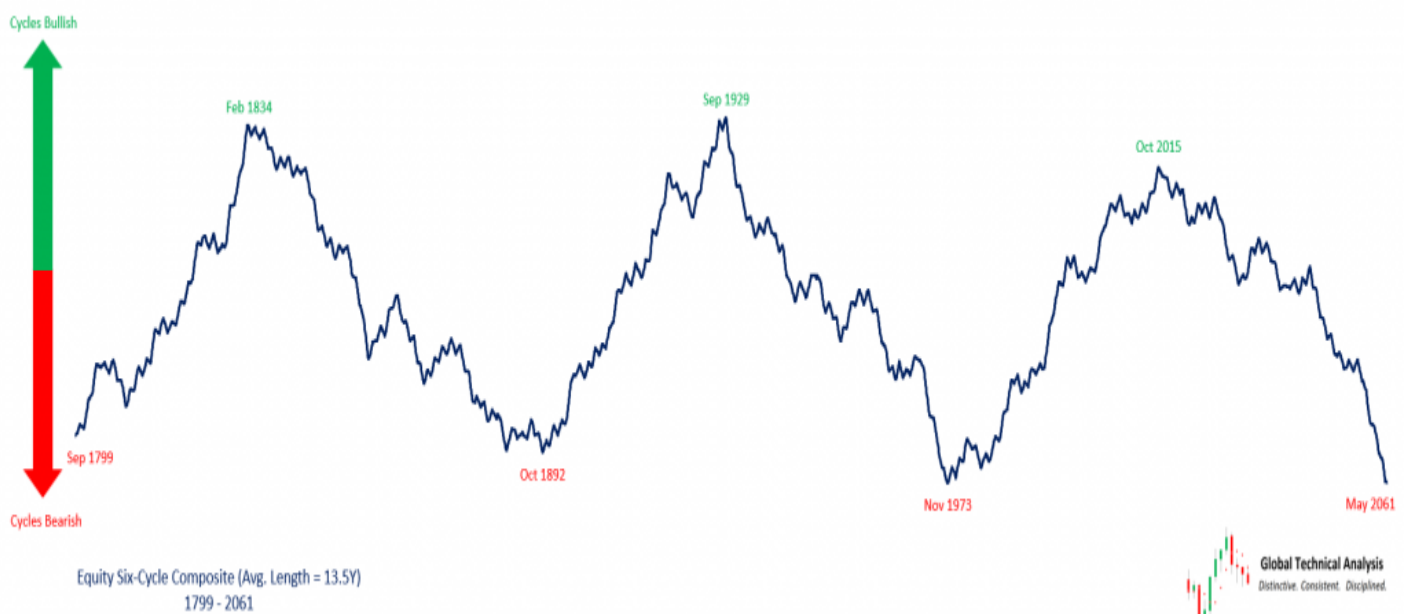

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US Bond Futures
September 3, 2019

Equity Cycle, 1799 - 2061

What if the basis of causation in human affairs, economics, and markets is embedded in the law of vibration of nature?• Sound, light, and heat are all forms of vibration.• Sound is energy vibrating at a frequency that the ear can perceive.• Light is energy vibrating at a frequency that the eye can perceive.• Heat is energy that vibrates at a frequency that our internal thermometers can perceive.• Radiation that penetrates the Earth?s atmosphere causes proven psychological changes in people. My dog barking at 2:30 each afternoon does not cause the mailman to deliver the mail to my house.• However, when my dog barks at 2:30 each afternoon, I can reliably trust that the mail is being delivered.•**Similarly, it is not necessary for the market participant to answer in-depth questions of how or why, with regards to causation.• It is only necessary to answer the question of correlation and, if a correlation exists, what are the results?•** Market participants of old, including W.D. Gann, Louise McWhirter, Donald Bradley, and others, not only recognized but successfully utilized the law of vibration across many individual markets. We spent significant time collecting, organizing, and processing planetary data in the identification and construction of the composite equity cycle graphed on the following three pages.• The composite equity cycle is comprised of six individual cycles, each with a different phase, amplitude, and length.• The average cycle length is 13.5 years. Our data series of the *nominal* equity index level spans 220 years, with a low value of 2.85 and high value of 26,864.27.• We faced the challenge of how to graphically present this data series in the most aesthetic manner.• We started by graphing lognormal values, but the result did not ?tell the story? in a legible way.• We finally were enlightened (thank you, Jack) to present a rolling return.• The benefit of using a rolling return is that the range of values is relatively narrow and presents itself well graphically.•*We set the length of the rolling return equal to the average cycle length.* The first graph displays the cycle over the entire time period, 1799 - 2061. The second graph highlights the peaks in the cycle and how well they line up with peaks in the rolling 13.5Y annualized return in the Dow Jones Industrial Average.• The dashed lines represent anticipated future peaks. The third graph highlights the troughs in the cycle and how well they line up with troughs in the rolling 13.5Y annualized return in the Dow Jones Industrial Average.• The dashed lines represent anticipated future troughs. *Compelling.* **CLICK TO ENLARGE**

Equity Six-Cycle Composite (Avg. Length = 13.5Y) v. DJIA 13.5Y Annualized (Price) Returns
1906 - 2061: Troughs

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.*