

Cartography Corner - March 2020

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](#)

February 2020 Review

E-Mini S&P 500 Futures

We begin with a review of E-Mini S&P 500 Futures (ESH0) during February 2020. In our February 2020 edition of *The Cartography Corner*,¹ we wrote the following: In isolation, monthly support and resistance levels for February are:

- M4 3605.50
- M1 3421.00
- PMH 3337.50
- M2 3292.50
- Close 3224.00
- M3 3217.00
- PML 3181.00
- MTrend 3180.97
- M5 3108.00

Active traders can use 3217.00 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 February 2020 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. The first four trading sessions of February saw the market price rise, reflecting market participants' bullishness toward the recent directional bias. On February 6th, the market price exceeded, and settled above, January's high price at PMH: 3337.50. The market oscillated around that level for the following two trading sessions, building energy for the next directional move. Over the following six trading sessions, the market price continued to drift higher, reaching its high *settlement* price for the month on February 19th at 3387.25. During the following session, February 20th, the market achieved its high price for February at 3397.50 yet settled down for the trading session. **This small reversal was a precursor to the carnage that ensued.** Over the

final six trading sessions of February, risk-management and speculative actions related to fear of the economic impact(s) of the CoronaVirus gripped market participants. The market price declined (16.02%) peak-to-trough and (12.88%) on a settlement basis. To the uninformed and unprepared, the rapid decline may have appeared to be unorderly. **However, we know that is not the case?**

Figure 1:



I would like readers to focus on the ?anatomy? of the decline:

- February 20th: The small reversal referred to earlier stopped right in front of PMH: 3337.50, *then acting as support*.
- February 21st: PMH: 3337.50 again offered support, with the market price settling at 3339.25.
- February 24th: The market had an opening gap lower, with the early price action occurring in front of M2: 3292.50, *then acting as support*. Once that level gave way, the market price declined to and settled just above *our isolated pivot for February at M3: 3217.00*.
- February 25th: Clustered support levels at M3: 3217.00 / PML: 3181.00 / MTrend: 3180.97 gave way, *suggesting the market price was going to test the Monthly Downside Exhaustion at M5: 3108.00*. The low for the session was 3117.25.
- February 26th: The trading range for the session was essentially bound by MTrend: 3180.97 and PML: 3181.00, *then acting as resistance*, and M5: 3108.00, acting as support. The market price settled the session at 3110.25, with an intra-session low of 3091.00.

Our clients know that the emphasis we place on our levels increases with the length of the time period. Quarterly levels, with Quarterly Trend specifically, being the most important. Coming into the trading session of the 27th, the market had already achieved our isolated Monthly Downside Exhaustion, so what were we to do? *Our focus turned immediately to the quarterly support levels.*

- February 27th: Support at M5: 3108.00 gave way and the market price achieved, and exceeded, Quarterly Trend at QTrend: 2974.00. The market price settled at 2957.00, in between QTrend: 2974.00 and our next support level at Q2: 2934.25.
- February 28th: *The purpose of every trading session is to surpass the high or low of the previous trading session?* The trading range was essentially bound by QTrend: 2974.00, then acting as resistance, and the previous quarter low at PQL: 2855.00, acting as support. The low trade for February occurred at the price of 2853.25; *purpose fulfilled in both the monthly and quarterly time periods.*

Our analysis, yet again, proved its worth to the discerning market participant. For both long-term investors managing risk and traders actively speculating, our analysis provided a map to profitability. Subscriptions and referrals are appreciated.

Bitcoin Futures

We continue with a review of Bitcoin Futures (BTH0) during February 2020. In our February 2020 edition of *The Cartography Corner*, we wrote the following: In isolation, monthly support and resistance levels for February are:

- M4 13,070
- M3 11,670
- M1 11,520
- PMH 9,745
- Close 9,440
- MTrend 7,982
- M2 7,300
- PML 6,860
- M5 5,750

Active traders can use 9,745 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 February 2020 in a candlestick chart, with support and resistance levels isolated by our methodology represented as dashed lines. On the third trading session of February, bitcoin settled above our isolated pivot level at PMH: 9,745. The following six trading sessions saw the market price rise to a high price of 10,670 on February 13th, with the high settlement price for the month being achieved at 10,525 the session before. Over the following four trading sessions, the market price descended to and settled back below our isolated pivot level at PMH: 9,475, *then acting as support*. The final six trading sessions of the month saw the market price declining towards Monthly Trend at MTrend: 7,982. **Conservatively, active traders following our analysis had the opportunity to monetize a 10.7% profit.**

Figure 2:



March 2020 Analysis

E-Mini S&P 500 Futures

We begin by providing a monthly time-period analysis of E-Mini S&P 500 Futures (ESH0). The same analysis can be completed for any time-period or in aggregate. Trends:

- Weekly Trend 3250.44
- Monthly Trend 3166.53
- Daily Trend 3022.42
- Quarterly Trend 2974.00
- Current Settle 2951.00

In the quarterly time-period, the chart shows that E-Mini S&P 500 Futures have been ?Trend Up? for four quarters. Stepping down one time-period, the monthly chart shows that E-Mini S&P 500 Futures are in ?Consolidation?, after having been ?Trend Up? for eight months. Stepping down to the weekly time-period, the chart shows that E-Mini S&P 500 Futures are in ?Consolidation?. The relative positioning of the Trend Levels is beginning to lose its bullish posture. We wrote in February, ?The next event that needs to occur to strengthen the case of a possible Trend Reversal is a monthly settlement under Monthly Trend.? February?s settlement achieved that. **The final piece of the sustained Trend Reversal puzzle is a quarterly settlement under Quarterly Trend at QTrend: 2974.00. We eagerly anticipate the settlement price on March 31st.**

Support/Resistance: In isolation, monthly support and resistance levels for March are:

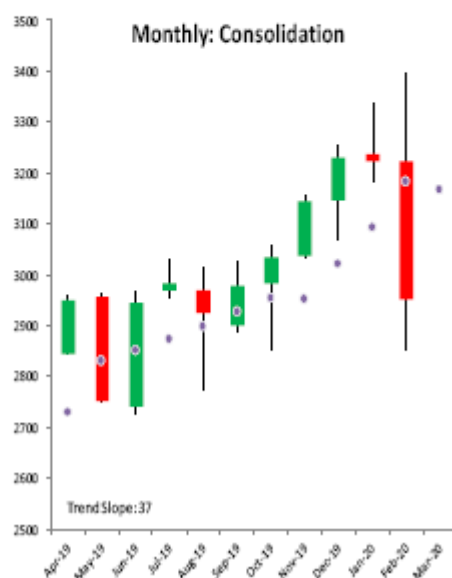
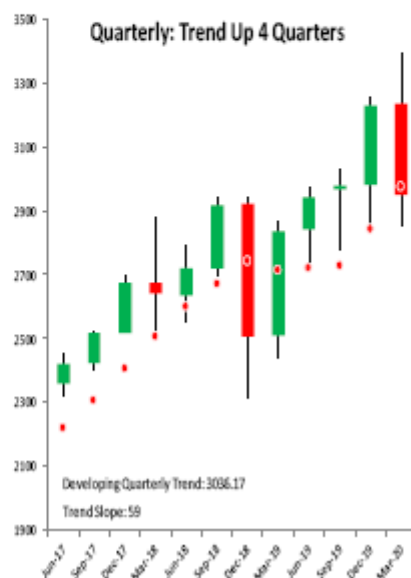
- M4 3614.00
- M1 3457.50
- PMH 3397.50
- MTrend 3166.53



Global Technical Analysis
Distinctive. Consistent. Disciplined.

SP 500 Futures
March 2, 2020

ESH0	57.61
Q4	3732.25
M4	3614.00
Q3	3483.50
Q1	3478.50
M1	3457.50
PMH	3397.50
PWH	3312.00
W4	3296.00
PQH	3254.00
WTrend	3250.44
W1	3226.50
MTrend	3166.53
D4	3023.75
DTrend	3022.42
PDH	2988.00
QTrend	2974.00
Close	2951.00
D2	2945.00



hat level



Gold Futures

For the month of March, we focus on Gold Futures (?Gold?). We provide a monthly time-period analysis of GCJ0. The same analysis can be completed for any time-period or in aggregate.

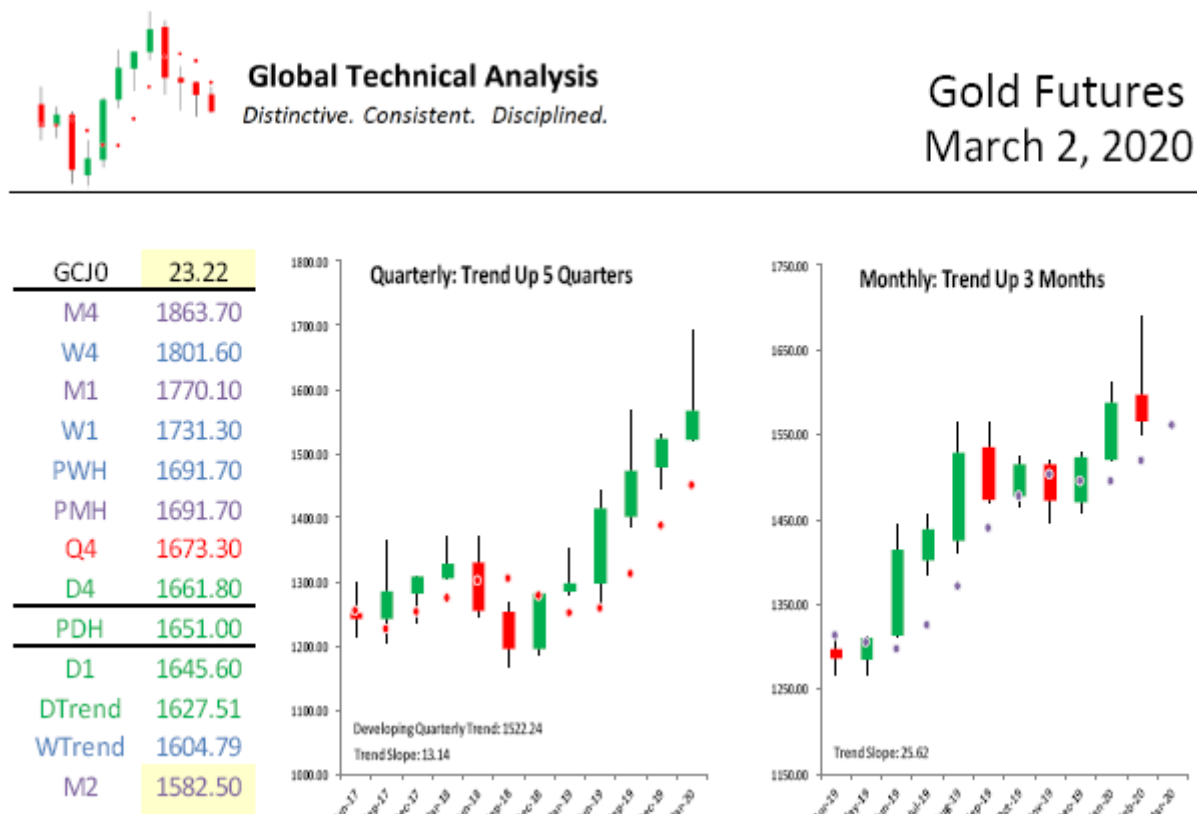
Trends:

- Daily Trend 1627.51
- Weekly Trend 1604.79
- Current Settle 1566.70
- Monthly Trend 1560.26
- Quarterly Trend 1449.56

As can be seen in the quarterly chart below, Gold has been ?Trend Up? for five quarters. Stepping down one time-period, the monthly chart shows that Gold has been ?Trend Up? for three months. Stepping down to the weekly time-period, the chart shows that Gold is in ?Consolidation?, after having been ?Trend Up? for eleven weeks. *If not for the agenda of a motivated seller on Friday, February 28th, Gold would have settled above Weekly Trend again.* However, as a technician, my primary job is to recognize the beginning of a new trend, the reversal of an existing trend, or a consolidation area, regardless of qualitative factors. Adhering to that job, Gold has begun to consolidate in the weekly time-period and is only 6.43 points away from consolidating in monthly time-period. ***This deserves attention, as Gold has had quite a rally over the past five quarters.***Support/Resistance: In isolation, monthly support and resistance levels for March are:

- M4 1863.70
- M1 1770.10
- PMH 1691.70
- M2 1582.50
- Close 1566.70
- MTrend 1560.26
- PML 1551.10
- M3 1545.50
- M5 1488.90

Active traders can use 1545.50 as the pivot, whereby they maintain a long position above that level and a flat or short position below it.



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.*