

Thomas Anthonj

[ta@sta-anthonj.com](mailto:ta@sta-anthonj.com)

+41-438830640

08/07/2022

## China remains the best candidate for an extended recovery

### Indices:

The positive tone in **western indices** persists, but as already explained in preceding reports, the upside looks rather limited to minor 38.2 % Fib-retracements at 4019 in the leading **S & P 500** or to 12652 in the **Nasdaq 100**. Only decisive breaks above these key-resistance barriers, which would have to include a break above pivotal resistance between 4115 and 4177 in the leading **S & P 500** would open the door for a broader countertrend rally and would eliminate the risk of still missing the completing 5<sup>th</sup> wave sell-off. Particularly below 4019 and below 12652 in the Nasdaq 100, lower targets between 3498 (wave 3 projection) and 3233 (int. 38.2 % on higher scale) in the **S & P 500** and equivalent at 10750/10663 (int. 38.2 % on 2 scales) in the **Nasdaq 100** remain in focus. The resilience of the **Chinese indices** on the other hand remains remarkable, where setbacks are extremely short-lived and are not even endangering minor 38.2 % Fib. -retracements cutting in at 3246 in the **Shanghai Composite** and at 4255 in the **CSI 300**. Above 3246 in the Shanghai Composite, the upside remains open for a straight extension higher into weekly trend line resistance at 3585. As for **European indices**, I keep watching the **Euro Stoxx 50** (see App. 1) closely as the range break out of the latter between an internal 50 % retracement at 3359 and pivotal resistance at 3599 will most likely provide directions to either support a broader countertrend rally as indicated in blue or the straight extension of the broader down-consolidation (red) towards 2921 (October 2020 low) and possibly to 2801/2755 (int. 76.4/78.6 %).



# Morning Call

**Fixed Income: 10 YR US yields have most likely resumed their broader uptrend** – Having come very close to the projected wave 4 setback target cluster in **10 YR US yields** (see App. 2) between 2.71/2.67 and 2.59 % (pivot/int. 38.2 % on higher scales) on Monday, yields rebounded dynamically and already broke above the first crucial resistance zone between 2.94 % and 3.01 % (minor 38.2 %/pivot) yesterday, which suggests that the 4<sup>th</sup> wave low is in place at 2.75 % and that the 5<sup>th</sup> wave advance towards 3.93 % and 4.45 % (internal wave 3 projections) is already on its way. The final confirmation for this view would however only be given via a decisive break above a minor countertrend rally target zone at 3.32/3.34 % (minor 76.4/78.6 %). A failure to clear the latter could lead into another setback to the key-support zone between 2.71/2.67 and 2.59 %. The strong rebound of **10 YR Bund yields** from a projected wave 4 setback target zone between 1.03/0.99 % and 0.93 % (int. 38.2 % on different scales) suggests that the yield uptrend towards projected wave 5 targets at 2.05/10 % (September 2013 top/Fib.-projection) or to 2.93 % (int. 38.2 % on higher scale) has already been resumed. But as long as pivotal resistance at 1.35 % is not taken out and the hourly lagging line is not displaying two consecutive higher hourly closes above the Ichimoku-cloud (currently at 1.40 %), another setback into 1.03/0.99/0.93 % can't be excluded yet.

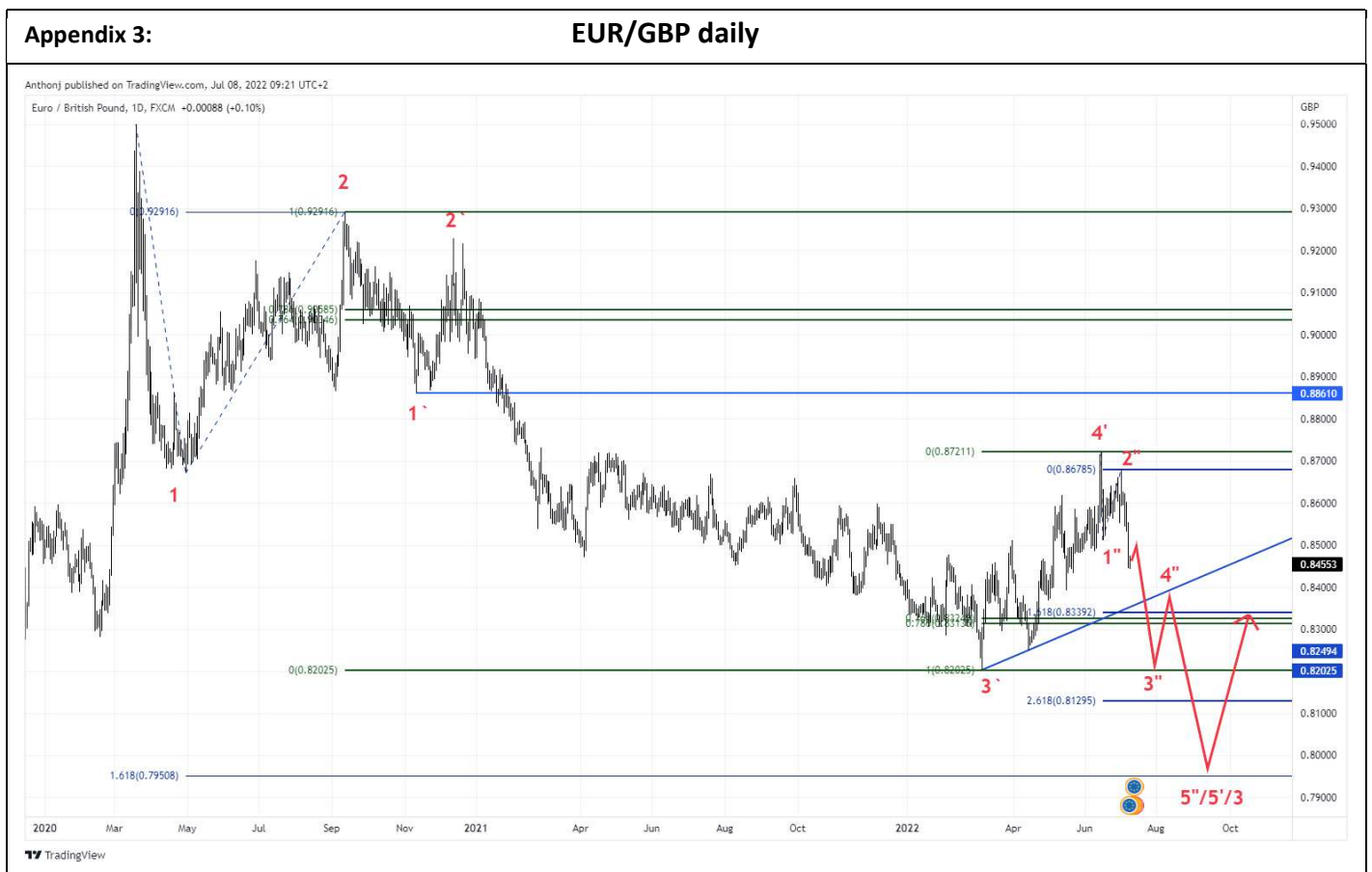


## Open Positions

									Total % retrun	17,31%
									Average % retrun	1,73%
									Weighted P & L	
Trade	Market	Entry date	Entry Level	Current Level	Stop loss	Units	Target (1)	Target (2)	since entry %	Comments
Short	EUR/KRW	07.07.22	1320,0	1313,8	1345,0	1.0	1220,0000		0,47%	Anticipating a 3rd wave selloff
Short	Bunds (1st)	06.07.22	151,85	150,88	156,20	0.5	138,00		0,32%	Type II, add at 153,50
Long	Gold	05.07.22	1775,00	1745,00					-0,85%	Stopped at 1745 on 6th of July (- 0.85 %)
Short	USD/JPY	05.07.22	136,35	135,63	137,50	0.5	124,0000		0,27%	Added 0.5 units at 136,35 on 5th of July
Short	USD/JPY	01.07.22	135,45	135,63	137,50	0.5	124,0000		-0,07%	
Long	Bitcoin	30.06.22	18700,00	21673,00	20600,00	0.5	23000,00		7,95%	Working a 17000 bid underneath
Short	NZD/CAD	29.06.22	0,8001	0,8015	0,8125	1.0	0,7450	0,7100	-0,17%	Type III, anticipating a C-wave sell-off
Short	EUR/BRL	29.06.22	5,4963	5,4012	5,7000	0.5	4,8500		0,88%	Type II, add 0.5 units at 5.6300 or on 5,3550 on stop
Short	EUR/USD	28.06.22	1,0562	1,0100					2,32%	Taken half profit at 1.0100 on 8th of July (+ 2.32 % carry adj.)
Short	EUR/USD	28.06.22	1,0562	1,0118	1,0400	0.5		0,9300	2,19%	Type III, anticipating a C-wave sell-off
Long	Bunds (1st)	23.06.22	147,00	148,90					1,29%	Taken profit at 148,90 on 5th of July (+ 1.29 %)
Short	GBP/JPY	21.06.22	166,52	162,14	165,50	1.0	159,00	156,00	2,70%	Type III, anticipating a C-wave sell-off

# Morning Call

**Forex: The price action is still favouring an extended USD rally (Unchanged)** – With western risk markets showing a bit of a better tone, I see the **USD** uptrend taking a short pause, but as the recovery potential in risk markets looks very limited as explained in section 1, I also expect setbacks in the USD to be rather small and short-lived. That said, only a rebound past first crucial resistance at 1,0221/31 (minor 38.2 % on 2 scales) in **EUR/USD** or two consecutive higher hourly closes of the lagging line above the cloud (currently at 1.0351) would now start denting the prevailing downtrend which has already reached key-support at 1.0074/0.9902 (76.4/78.6 % of the 2000-2008 rally) so that I took half of my profit on my strategic shorts while placing a stop now at 1.0400 for the balance to keep the door for a trend extension towards 0.9243 (wave 1 x 1.618) open. Something interesting to keep an eye on in this respect is **GBP/USD**, which shows relative resilience having reached the 2016 low at 1.1905. This is remarkable as the latter could be the left shoulder of a multi-year, inverted H & S bottoming pattern, meaning as long as it is not broken decisively, say below 1.1800) we might just form the right shoulder of this broad bottoming pattern, which would have very bullish implications for **GBP/USD** and very negative implications for **EUR/GBP** (see App. 3). Looking at the longer-term chart of the latter, I see strong evidence given that this pair marked an internal 4<sup>th</sup> wave top at 0.8720 in June, which implies that we'd now be dealing with the completing 5<sup>th</sup> wave selloff to roundabout 0.8064/46 or to 0.7951 (Fib. - projections). The latest breaks below 0.8486/69 (pivots/c = a) already provided confirming evidence for this bear view so that bounces would ideally be limited to 0.8505 (minor 38.2 %) now. The latest bounce off the 50 % retracement at 0.6758 in **AUD/USD** is also not weakening the down-bias yet, which would only be the case once the market would break the row of lower lows at 0.6895 in the hourly chart. Below, a deeper setback to at least 0.6622 (C = A) remains favoured. If the latter would fail to provide support, we'd even have to be prepared for a deeper setback towards 0.6098/43 (76.4/78.6 % of the 2020-2021 rally).



# Morning Call

**Gold: A deeper wave C-setback into 1678/72 is indicted now (Unchanged)** – The latest failure to defend the support zone between 1770/62 (int. 76.4/78.6 %) and 1753 (pivot) took me out of my long position (-0.85%) as this break re-opened the door for a deeper C-wave setback into the next lower support cluster at 1678/72 (March 2021 low/C = A). The latter is the last good support zone which could potentially provide a base to resume the long-term uptrend from. In line I am working a 1685 bid to re-establish a strategic long position in anticipation of a still missing 5<sup>th</sup> wave advance to roundabout 2183 (Fib. - projection). Looking at the internal structure of the whole downtrend from the March high at 2071 though, you could argue that it shows a 5-wave pattern, which inherits the risk of “only” performing the A-leg down of a much broader down-consolidation. In that case any rally from the assumed wave A bottom around 1678/72 would only be a countertrend B-wave rally. In anticipation of that, partial profit taking is highly advisable against the projected countertrend rally target zone, currently at 1991/1998 (int. 76.4/78.6 %). But as long as any bounce remains capped below 1764 to 1778/1780 (minor 38.2 % on different scales), the bears remain in full control and should not hesitate to push towards the projected wave C target zone at 1678/1672. Only above 1780 and 1785 (pivot), I’d see the broader countertrend rally or the resumption of the long-term uptrend on its way.



# Morning Call

**Crypto's: A Make or Break at crucial 38.2 % Fib. -retracements at 23025 in Bitcoin and at 1314 in Ethereum** – Having defended key-support at 18629/18535 (minor 76.4/78.6 %) in **Bitcoin** last week, I managed to re-enter a strategic long position which received conforming evidence in favour of a minimum recovery up to 22958/23025 (minor 38.2 % on 2 scales) via yesterday's triangle breakout in the hourly chart at 20711. But unless 23035 is broken decisively on daily close (i.e., above 23140 using a 0.5 % filter), a missing 5<sup>th</sup> wave sell-off, which would most likely re-challenge the wave II target zone in the 18436/16980 (76.4/78.6 %) handle can't be excluded yet, so that I now protect my longs from 18700 with a stop below the first crucial support zone between 21096 and 20918/20750 (minor 38.2 %/pivots) with the intention to re-enter a strategic long position at 17000. As for **Ethereum** and given last week's defense of 975/966 (minor 76.4/78.6 %) and the latest penetration of pivotal resistance at 1161, chances of re-challenging key-resistance between 1276 and 1314 (minor 38.2 % on 2 scales) have improved significantly. But only a decisive break and daily close above the latter i.e., above 1320 using a 0.5 % filter) would open the door for a much broader recovery to at least 1912 (int. 38.2 % on higher scale), which I'd follow. Particularly below 1276/1314 though, another sell-off to a slightly new low can't be excluded yet.



# Morning Call

## Oil (WTI Spot): Below 103.07, another setback into the 91.00 to 87.23 handle can't be excluded yet –

The latest bounce managed to clear the first crucial resistance zone at 99.39/100.13 (minor 38.2 %/pivot), which put the odds in favour of the bullish blue scenario in the assumption that we saw a C-wave low at 93.16 on Wednesday. But looking into the internal structure of the sell-off from the 121.31 June top, I can't exclude a missing 5<sup>th</sup> wave sell-off towards the next major support zone between 91.00 and 87.23 (int. 38.2 % on higher scale/C = A), as long as pivotal resistance at 103.07 (potential, internal wave 1 low) has not been cleared. Below, the red scenario still has a chance to unfold, which I'd used to re-establish a strategic long position by working a 92.80 bid for 0.5 units only to be able to add up at 88.00 in case the market intends to also challenge 87.23. Only on a break above 103.07 I'd see a stronger countertrend rally to 114.67/115.29 (int. 76.4/78.6 %) or the resumption of the long-term uptrend towards 131 or 138 (Fib. -projections) back on track.



## Disclaimer

Unless otherwise agreed, the intellectual property rights to the work results and/or analyses prepared by Thomas Anthonj shall belong to him. Work results and analyses may not be reproduced or distributed by the contracting partner (hereinafter referred to as "CLIENT") or otherwise made publicly available, nor may they be made available to third parties, unless the parties have agreed otherwise in writing in this regard. If analyses and/or work results are made available to third parties in accordance with such an agreement, it must be pointed out to these third parties that the intellectual property is owned by Thomas Anthonj and that Thomas Anthonj assumes no liability towards the third party.

Thomas Anthonj also has the right to use ideas, concepts, insights and procedures acquired in the performance of services in the performance of services of a similar nature for other clients.

If analyses are prepared by Thomas Anthonj on the basis of an order placed and accepted by Thomas Anthonj, such analyses shall not constitute a recommendation or invitation to the CLIENT to buy or sell financial market instruments or investment products of any kind or to engage in any other transactions. An analysis prepared by Thomas Anthonj serves exclusively for information purposes and is neither legal nor investment advice. An analysis is not suitable for making investment decisions on this basis. Under no circumstances can it serve to replace individual investment or other advice or to define an investment strategy. Investment decisions require individual adjustment to the financial circumstances of an investor, their risk capacity and their market and risk knowledge. However, no account is taken of these individual factors in analyses. These factors must be taken into account before investment decisions are made. Consequently, the analyses cannot serve as a basis for making investment decisions.

Furthermore, analyses are in no case intended for distribution to or use by natural or legal persons who are citizens of a country or have their domicile or registered office in a country in which the distribution, publication, provision or use of these analyses would violate applicable laws or regulations or in which Thomas Anthonj would have to fulfil registration or licensing obligations. The CLIENT is prohibited from making analyses available to natural persons or legal entities domiciled or having their registered office in such countries.

All information, including facts, opinions or quotations, which are reproduced in analyses may be abbreviated or summarized and refer to the status on the date of preparation of the document in which the analysis is reproduced. The information contained in the analyses is only general market commentary and does not in any way constitute regulated financial advice or legal, tax or other regulated financial services.

Thomas Anthonj performs his services carefully. He prepares analyses with reasonable care within the framework of the following special provisions and taking into account that the analyses are not intended to serve as a basis for investment decisions and are primarily of an informative nature.

In case of direct, immediate damages, Thomas Anthonj is liable for illegal intent and gross negligence to the maximum extent of the amount invoiced by him to the CLIENT for the service, which caused direct, immediate damage in a causally adequate manner. Any further liability is excluded to the extent legally permissible (see Art. 100 OR). Liability for vicarious agents is also excluded to the extent permitted by law.

Liability for indirect or consequential damages, such as loss of profit, unrealized savings, claims by third parties, etc., is excluded to the extent permitted by law. As mentioned above, an analysis cannot provide a basis for investment decisions. Consequently, Thomas Anthonj declines all liability for damages in connection with investments, dis-investment in investment instruments of any kind.

Thomas Anthonj is entitled to engage third parties for the provision of his services. If Thomas Anthonj involves a third party, it is only liable for due diligence in the choice and instruction of the third party.

If analyses prepared by Thomas Anthonj is transmitted electronically, the CLIENT bears the risk of transmission errors.

If an order includes the preparation of an analysis (Technical Analysis / Chart Analysis), the CLIENT acknowledges that this analysis is prepared on the basis of information that is publicly available. Thomas Anthonj cannot guarantee the accuracy and completeness of such information. Likewise, Thomas Anthonj does not guarantee that it will consider all relevant, publicly available information for an analysis. Further Thomas Anthonj does not guarantee that the information used has been correctly weighted or correctly evaluated. Thomas Anthonj points out that the weighting and evaluation of information is based on the exercise of discretion, which is why no guarantee can be given for an objective weighting and evaluation.

Insofar as the analysis contains forecasts, there is no guarantee that the development forecast will actually occur. Forecasts of future developments are based on estimates and assumptions. Forecasts are therefore not a reliable indicator for future developments of a financial instrument or a financial index or a financial centre or an economy. Furthermore, analyses take into account publicly available information up to the creation date of the analysis. An analysis may therefore be outdated due to later developments. Accordingly, Thomas Anthonj does not guarantee that an analysis reflects the actual development.

Past market developments can neither be understood as an indication nor as a guarantee for future results, nor is there an explicit or implied guarantee for future market developments. Insofar as analyses contain statements on possible future developments, these statements are forward-looking and therefore involve various risks and uncertainties.

Unless otherwise stated in the analysis, all figures are unaudited, and Thomas Anthonj does not guarantee the accuracy of such figures.

The exclusive place of jurisdiction is Thomas Anthonj's registered office.

This material is strictly for specified recipients only and may not be reproduced, distributed or forwarded in any manner without the permission of Thomas Anthonj.