



Investment matters – “Off the Peg Timing Charts”

Unlike "fundamental analysis," which leaves much to human interpretation, Charts never lie as "**price is what it is**"

Today's investment markets are dominated by mutual funds' (collectives known as Unit and Investment trusts, OEICs, ETFs) with most being predominantly "index-trackers," so it is important to know how the main geographical stock-indices have performed, and more importantly, are **likely** to perform.

The "Off the Shelf" service does just that for the main stock indices of the US, UK, Europe X UK, Japan, Asia X Japan and for the \$US Gold price

A Currencytiming service is available on a sister site whereas the "Bespoke" service offers the same template for any other quoted security, be it a stock-index, individual share, bonds, fund, or commodity.

Each area consists of a 1-year daily data chart and a 10-year monthly data chart, which include the colour-coded **Buy**, **Sell** and **Neutral** panels, moving averages, momentum indicators and Fibonacci ratios, which provide likely support levels for price corrections.

These indicators are explained at the end of this report and although they are of interest to most of our clients' by far the most important guide is the colour-coded signal panels, which historically have provided excellent buy and sell entry and exit points.

Any change to these **Buy**, **Sell** and **Neutral** signals intra-month will be notified to you by email.

Report as at 1st January 2019:

No.	Table of Indices	Close	Price% 1 week ago	Price% 1 month ago	Price% between 31/12/17 and 1 day ago
1	Gold (LBM) \$	\$1,283.60	▲ 1.88	▲ 5.29	▼ -1.5
2	I - FTSE All-World Index - Asia Pacific ex Japan	492.72	▲ 1.63	▼ -2.68	▼ -16.7
3	I - FTSE All-Share	3,671.79	▲ 0.65	▼ -3.96	▼ -12.9
4	I - FTSE All-World Index - Europe ex UK	230.78	▲ 0.88	▼ -4.85	▼ -17.4
5	I - S&P 500	2,506.85	▲ 6.62	▼ -9.18	▼ -7.0
6	I - Nikkei 225	20,014.75	▼ -0.75	▼ -10.45	

Index: \$US Gold Price - 1st January 2019

Price: - 1283

Short Term Trend

Last indicator **BUY** @ the \$1228 level on the 3rd December 2018

Trend is sideways to higher

- Guides:
- Green/Pink** = BUY/SELL Panels
 - Red** = Current Trend Channel
 - Blue Red** = 200 & 21 Day Moving Average

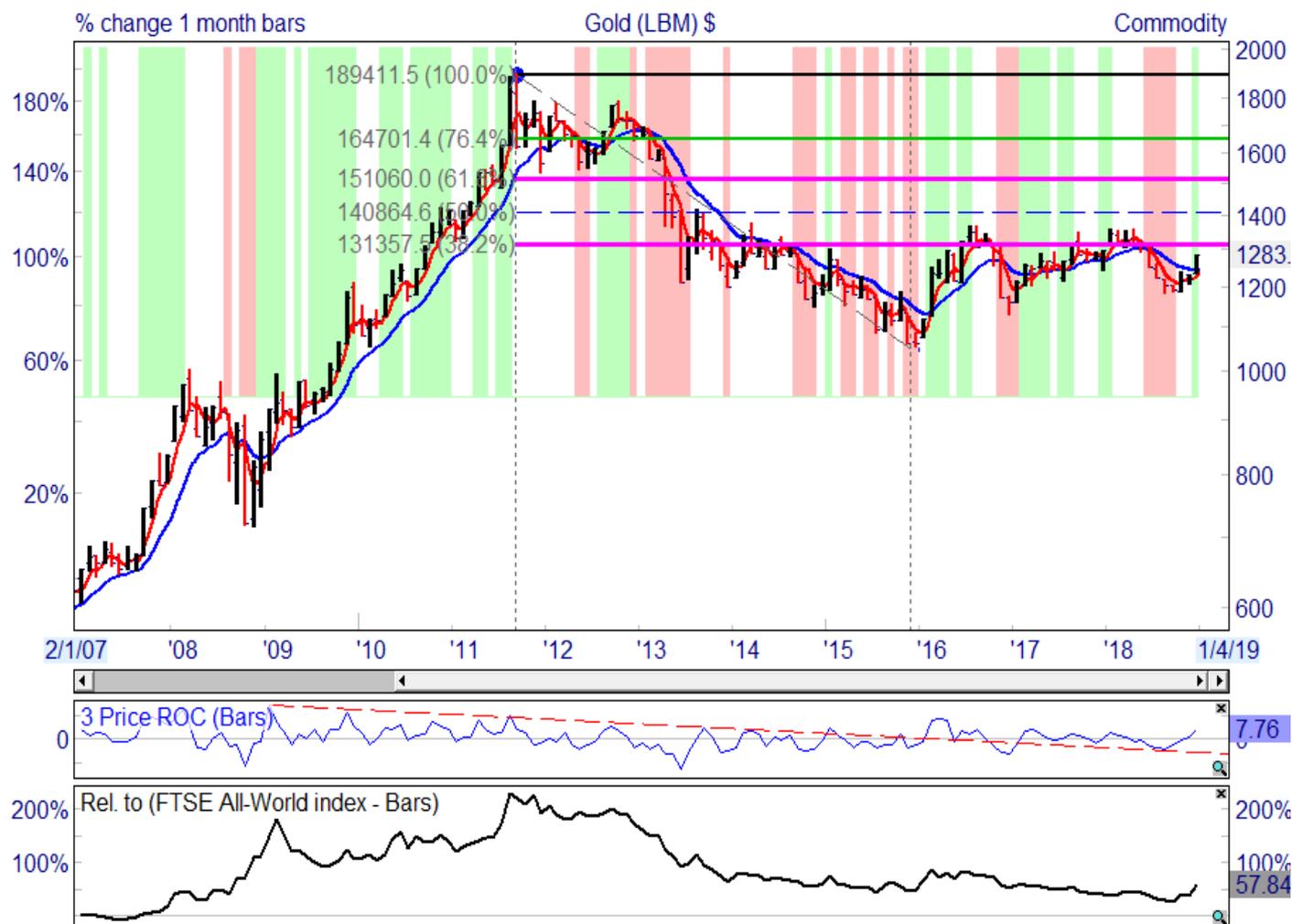


Observations

1. The price gained 5.3% over the month, changing to a **Buy** signal.
2. Price is above both MAs with the **21 MA** above the **200**, bullish .
3. The two momentum indicators are overbought short-term but positive.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The price is above both LT MAs, bullish.
2. The LT momentum indicators are turning higher, suggesting a bounce higher.
3. Longer term support is at 1230 with resistance at 1300.

Conclusion

1. Price is bullish ST & LT but may consolidate the recent gain.
2. Longer term support at 1230 and needs to hold.
3. Await the e-mail alert

Index: FTA All Share Index – 1st January 2019

Price: - 3675

Short Term Trend

Last indicator = *Neutral* @ 3657 Level on 24th December 2018

Trend is lower

Guides: **Green/Pink** = BUY/SELL panel phases
 Red = Current Trend Channel
 Blue Red = 200 and 21 Day Moving Average



Observations

1. The index fell by **3.9%** over the month, changing to **Sell** then back to **Neutral** .
2. Price is below both MAs, bearish.
- 3 The two momentum indicators have turned higher, relieving an oversold position.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The index is below both MAs, with a "**Death Cross**" triggered, very bearish.
2. The ROC momentum indicator is weak, also bearish, with a the Fib 38.2% a target.
3. Longer term support is at 3520 with resistance at 4000

Conclusions

1. The index is bearish ST and bearish LT.
2. The 3520 support is important
3. Await the e-mail alert

Index: FTSE Europe EX UK - 1st January 2019

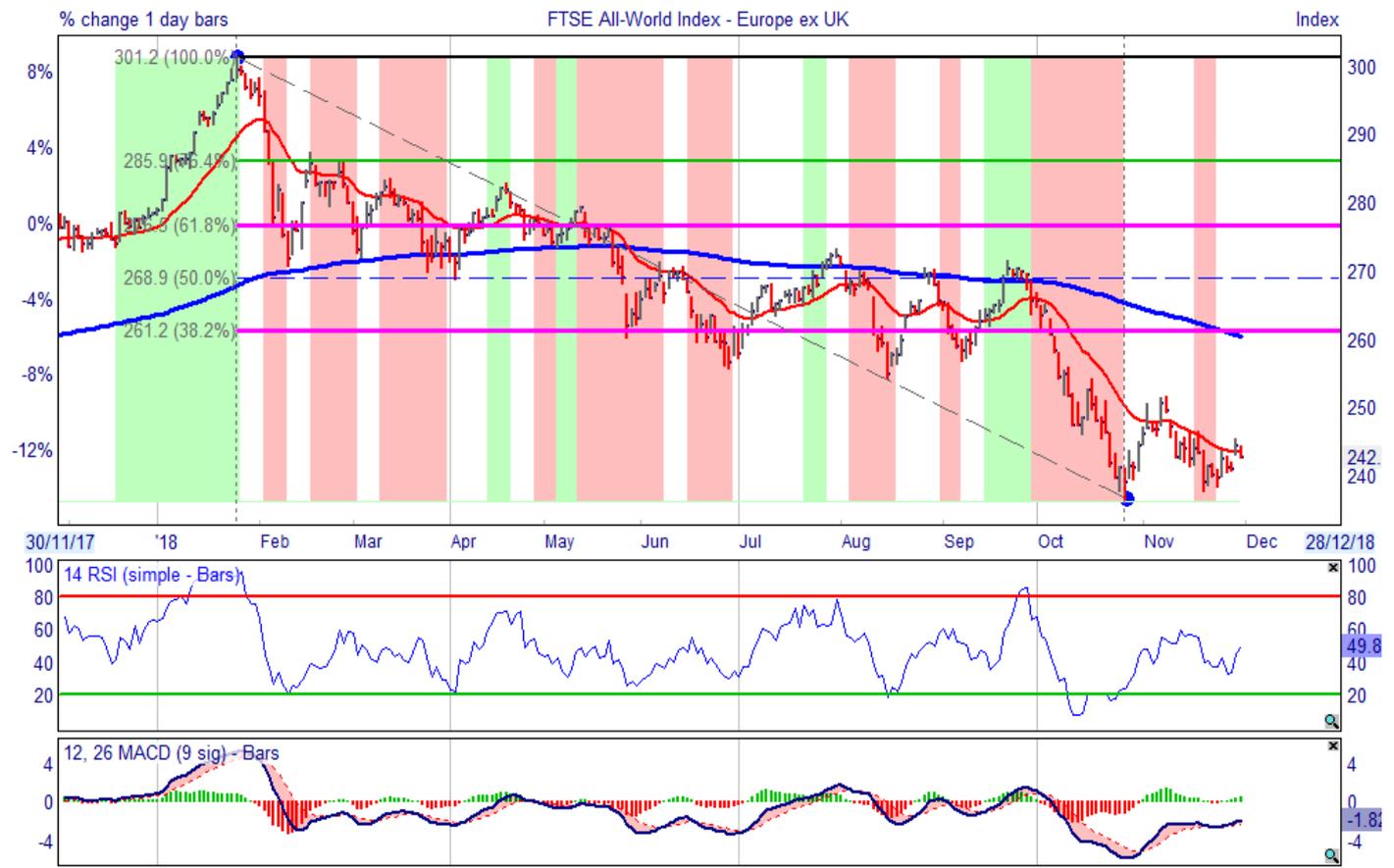
Price: - 230

Short Term Trend

Last indicator = Neutral @ the 229 level on 24th December 2018

Trend is lower

Guides: **Green/Pink** = BUY/SELL Panels
Red = Trend Channel
Blue Red = 200 and 21 Day Moving Average

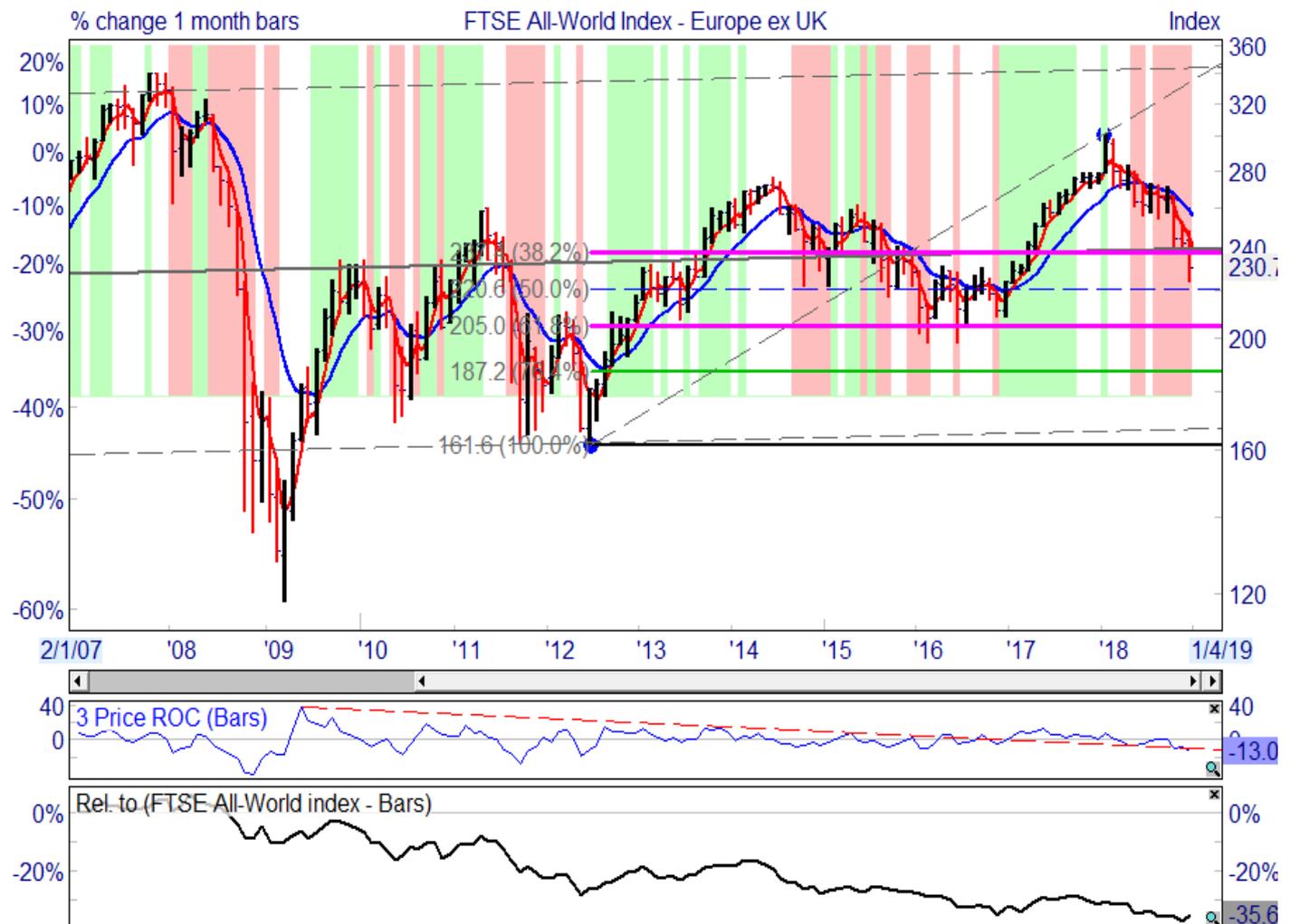


Observations

1. The index fell by 5% over the month, changing to Buy then a Neutral signal .
2. The index is below both MAs and is bearish unless it can regain both.
3. The two momentum indicators have turned higher, relieving an OS position.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. Price is below both MAs and the LT "**Death Cross**" remains, bearish.
2. The two momentum indicators are heading lower, bearish.
3. Longer term support is at 220 with resistance at 255

Conclusion

1. Price is bearish on both time frames despite the ST bounce.
2. Watch the longer term support at 220, as it's important.
3. Await the e-mail alert

Index: FTSE Asia EX Japan - 1st January 2019

Price: - 492

Short Term Trend

Last indicator = Neutral @ the 486 level on 27th December 2018

Trend is lower

Guides: **Green/Pink** = **BUY/SELL Panels**
 Red = **Current Trend Channel**
 Blue Red = **200 and 21 Day Moving Average**

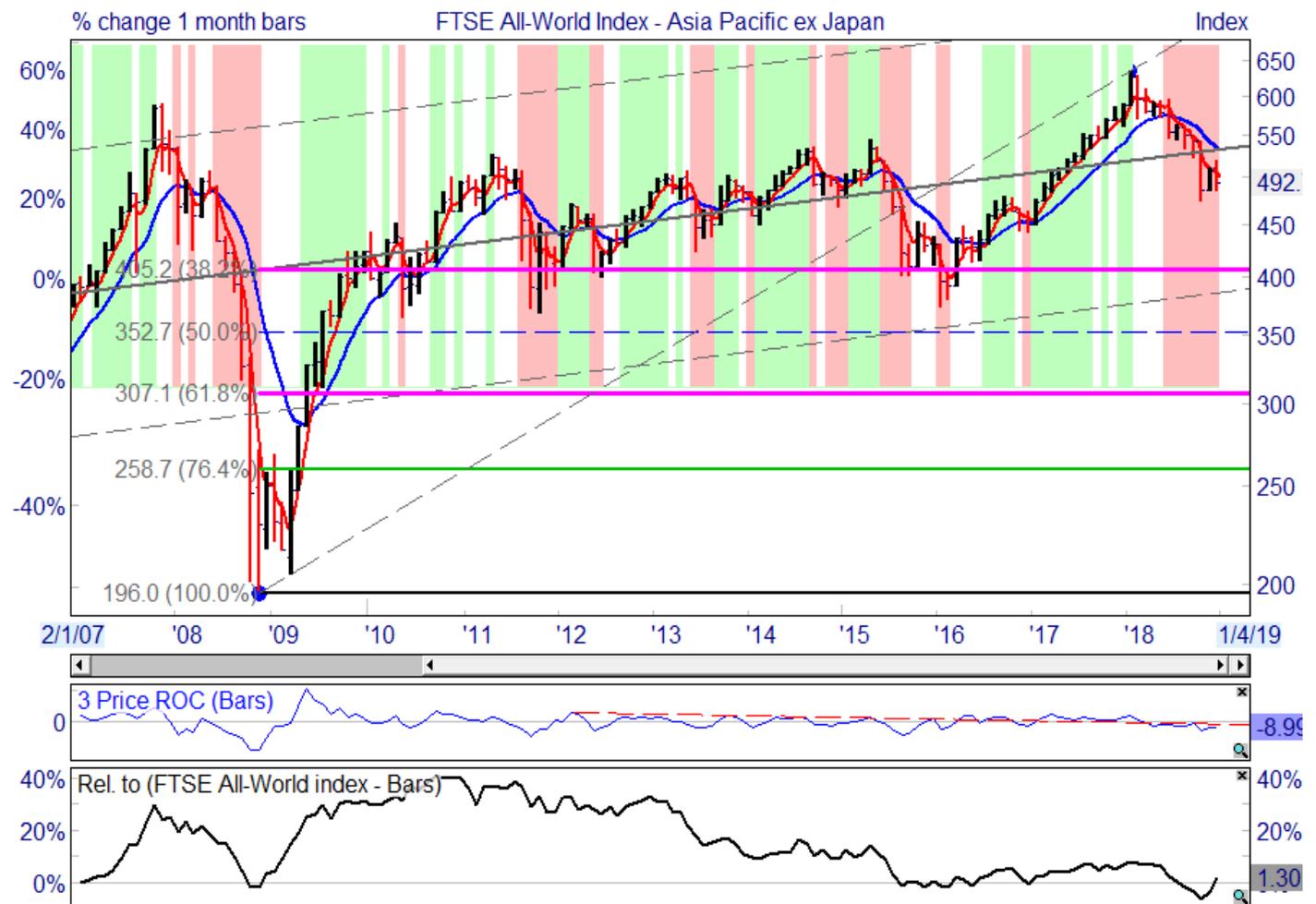


Observations

1. The index fell by **2.8%** over the month, switching to **SELL** then back to **Neutral**.
2. The index continues to fight with the **21 MA**, but the "**Death Cross**" remains, bearish.
3. The two momentum indicators are moving higher, relieving an oversold position.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The index is below both MAs plus a "Death Cross" remains in place, very bearish.
2. The ROC momentum indicator and the price relative are falling, bearish.
3. Longer term support is at 475 with resistance at 520.

Conclusion

1. The price is uncertain ST and bearish LT and needs to regain the MAs.
2. The index needs to hold support at 475.
3. Await the e-mail alert

Index: NIKKEI Dow 225 1st January 2019

Price: - 20014

Short Term Trend

Last indicator = **Sell** @ the 22340 level on the 4th December 2018

Trend is sideways to lower

Guides: **Green/pink** = **BUY/SELL Panels**
 Red = **Current Trend Channel**
 Blue Red = **200 and 21 Day Moving Average**



Observations

1. The index fell by **10.5%** over the month, with a signal change to **Sell**.
2. The index is below both MAs with a "**Death Cross**" triggered, very bearish .
3. The two momentum indicators have turned higher, relieving a ST OS position.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The index is below both LT MAs with a "Death Cross" triggered. Very bearish.
2. The momentum indicators are rolling over, also bearish
3. Longer term support is at 18250 with resistance at 22700

Conclusions

1. The index is bearish on both time frames unless it can regain the MAs.
2. The 18250 support level needs to hold.
3. Await the e-mail alert

Index: S&P 500 – 1st January 2019

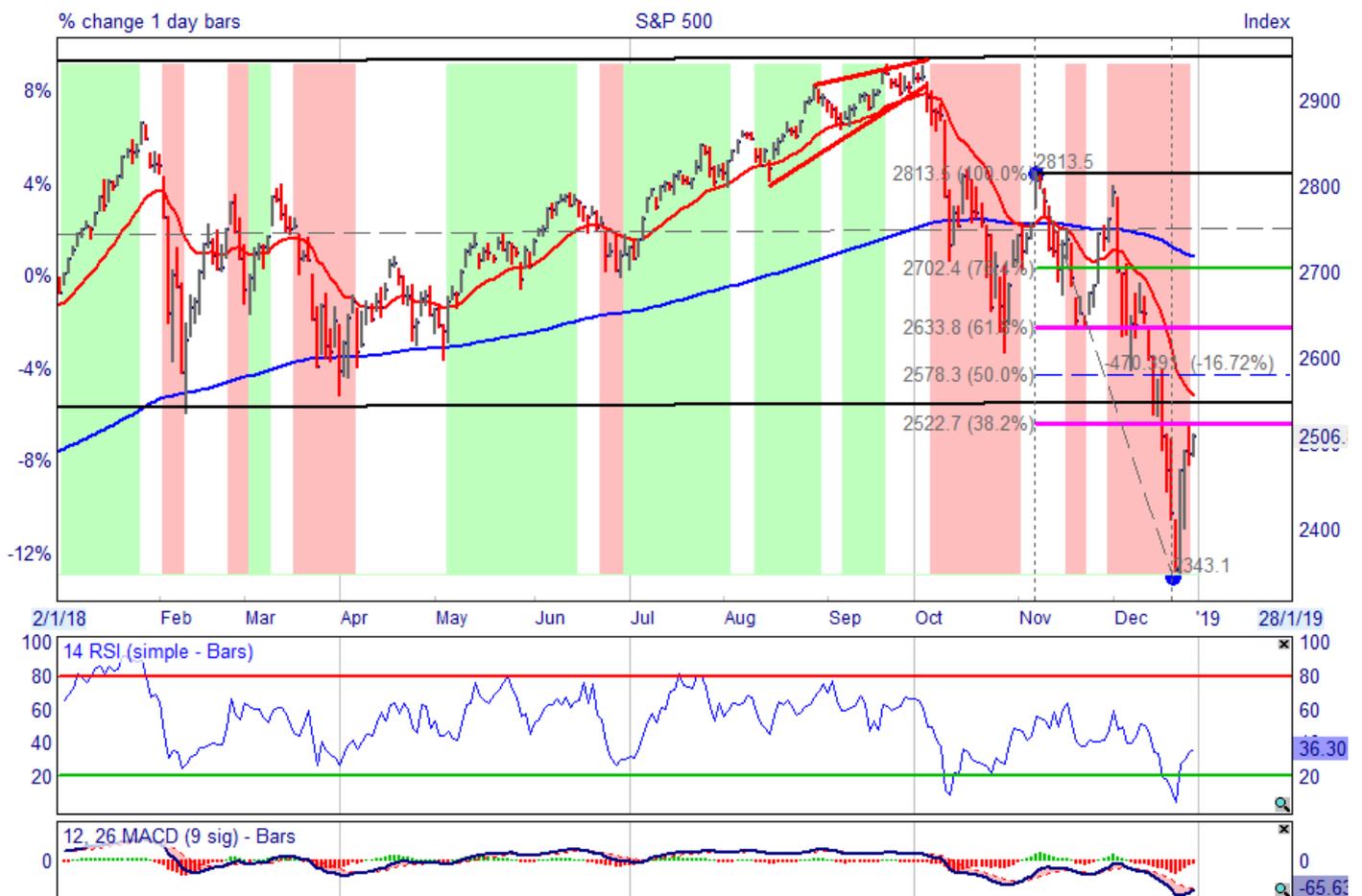
Price: - 2506

Short Term Trend

Last indicator = **Sell** @ 2753 on the 4th December 2018

Trend is sideways to lower

Guides: **Green/Pink** = BUY/SELL panels
 Red = Current trend Channel
 Blue Red = 200 and 21 Day Moving Average



Observations

1. The index fell by **9.2%**, changing to a **Sell** signal.
2. The index is below both MAs, with a "**Death Cross**" triggered, very bearish.
3. The two momentum indicators have turned higher, relieving an OS position.

Long Term Trend

Red 50 & Blue 200 Day MAs on the Monthly Chart



Observations

1. The index is below both LT MAs, with a "Death Cross" triggered, very bearish.
2. The ROC indicator and price relative are rolling over, uncertain.
3. Long term support is at 2200 with resistance at 2600.

Conclusions

1. The index has changed to bearish in both time frames and the MAs are crucial.
2. The 2200 support level is important.
3. Await the email alert

Guidance notes on indicators used:

Within the main body of the chart:

Moving Averages (MAs):

Moving averages smooth the price data to form a trend following indicator. They do not predict price direction, but rather define the current direction with a lag.

We use a **21-Day** and a **200-Day** Exponential Moving Average (EMA) within the 1-year chart and a **50-Day** and **200-Day** EMA within the 10-year monthly chart.

Price ideally should be above both MAs, with the shorter term MA above the longer term MA in a "**bull phase**," rising index or security price and below both MAs, with the shorter term MA below the longer term MA in a "**bear phase**," falling index or security price.

When a shorter term MA crosses above a longer term MA, it is known as a "**Golden Cross**," which confirms a move higher for the index or security price, whereas a shorter term MA crossing below a longer term MA is known as a "**Death Cross**," confirming a move lower for an index or security price.

Fibonacci Retracements or Extensions:

Fibonacci Retracements are ratios used to identify potential reversal levels. These ratios are found in the Fibonacci sequence. By taking two extreme points (usually a major peak and trough) on a chart price the key Fibonacci ratios of 23.6%, 38.2%, 50%, 61.8%, 76.4% and 100% are shown.

These ratios are used to identify potential reversal levels, during corrections within the main price trend and by Fibonacci Extensions as assistance to projecting a price target within the trend.

Within the lower panels of the charts:

1-Year Daily Chart:

Relative Strength Index (RSI):

An RSI is a momentum indicator that compares the magnitude of recent gains and losses over a specified time period to measure speed and change of price movements of a security (we use 14 daily and monthly periods.) Momentum is akin to slowing down in a car before you consider either stopping or going into reverse, and although an RSI can remain either overbought (**above 80**) OR oversold (**under 20**) for longer than you expect, it does provide a useful guide of when an index or security is overvalued and/or undervalued.

Price Relative to the FTSE World Stock Index:

Simply put it shows the price movement of the index or security against a bench-market of the World Stock Index, a measure of every quoted stock in the world. If it is rising, the measured index or security is out-performing the world index OR vice-versa under-performing the world index if falling.

10-Year Monthly Chart:

3 month Rate of Change (ROC):

This is another momentum measure, in our case over a rolling 3-month period, which assists with identifying trend turning points. It is also used to flag "diversification," against the index or security price trend. In plain English, if price is going one way and the ROC the other, it is a warning that the price trend will likely change.

Moving average convergence divergence (MACD)

This is a trend-following momentum indicator that shows the relationship between two moving averages of prices, the 13 and 26, plus a MACD Histogram is used to anticipate signal line crossovers, the signal line being a 9-day EMA.

Again, this combination helps to identify trend turning points and support the major price trend and it is occasionally used within the monthly chart instead of the preferred RSI.

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