Creative Global Investments

Weekly market commentary & charts

Monday, February 27th, 2017

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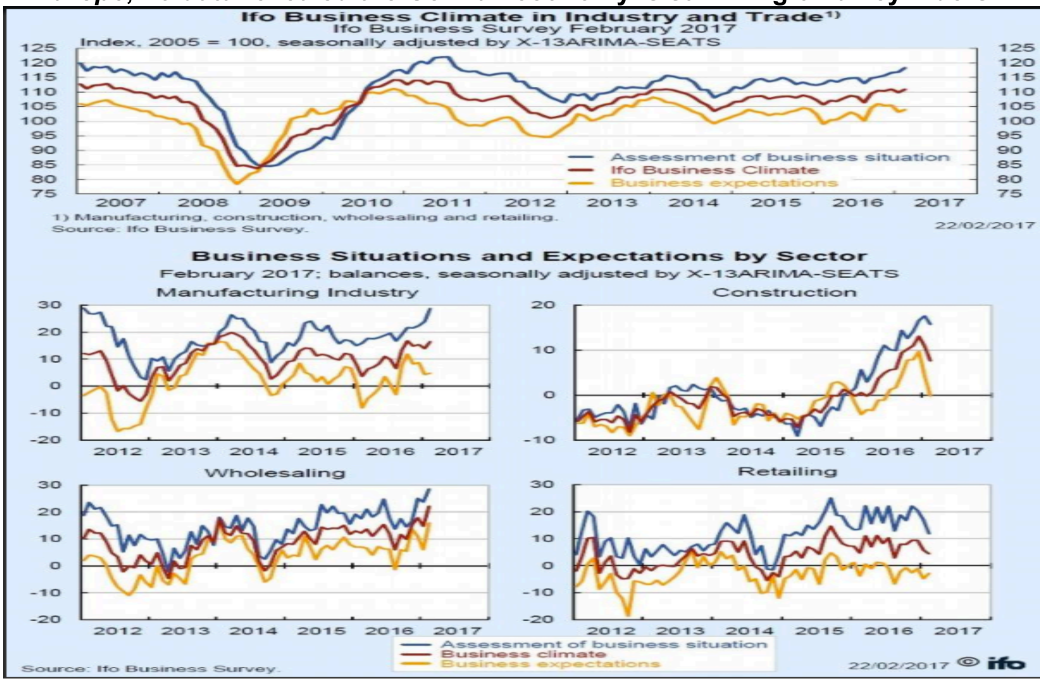
Objectivity

Integrity

Creativity

Macro Commentary

***In Europe*, Ifo data revealed the German economy is still firing on all cylinders.**



In France, political polling revealed good news for the Independent candidate Emmanuel Macron. One poll by Odoxa/Dentsu-Consulting showed Macron would beat Marie Le Pen in the run-off with 61% of the vote, versus 39% for her while another poll, this time by Figaro/LCI, showed Macron winning the runoff by 58% to 42%. The impact of his tie-up with Bayrou has not had an overwhelming effect on the Euro and therefore we think that our two-way risk expectations for the currency still hold up; lower into the Dutch elections, higher following the French.

In the UK, Theresa May is preparing for the Scottish government to call a second independence referendum to coincide with the triggering of Article 50 next month. Senior government sources say there is serious concern that Nicola Sturgeon will use the start of the Brexit process to demand another vote on the future of the UK and that Whitehall is planning for that event.

The Government's obsession with Brexit will harm the economy if it fails to address urgent issues such as the country's "broken business rates system", the head of the British Chambers of Commerce is warning. Adam Marshall, director general of the business group, will tell delegates at its annual conference tomorrow that policymakers risk hurting UK businesses if they neglect the need for high-quality infrastructure and support for new businesses. Rising inflation and higher business rates could hit smaller businesses disproportionately hard, as a rise in inflation to 2.7%, so bumping up the price of imported goods, would add GBP 6.8BN to smaller company costs, when they were already suffering from an increase in business rates, the expense of auto-enrolment and the apprenticeship levy

In the US, US consumer sentiment weakened in February, according to the final reading from the University of Michigan. The consumer sentiment index printed at 96.3, better than the preliminary estimate of 95.7 but below January's 13-year high of 98.5 and the reading of 91.7 in February 2016. Analysts had expected a reading of 96.0.

Meanwhile, the current economic conditions index nudged up to 111.5 in February from 111.3 the previous month and 106.8 in the same month last year. The index of consumer expectations, the more important one of the two, fell to 86.5 from 90.3 in January, but was up from 81.9 in February 2016.

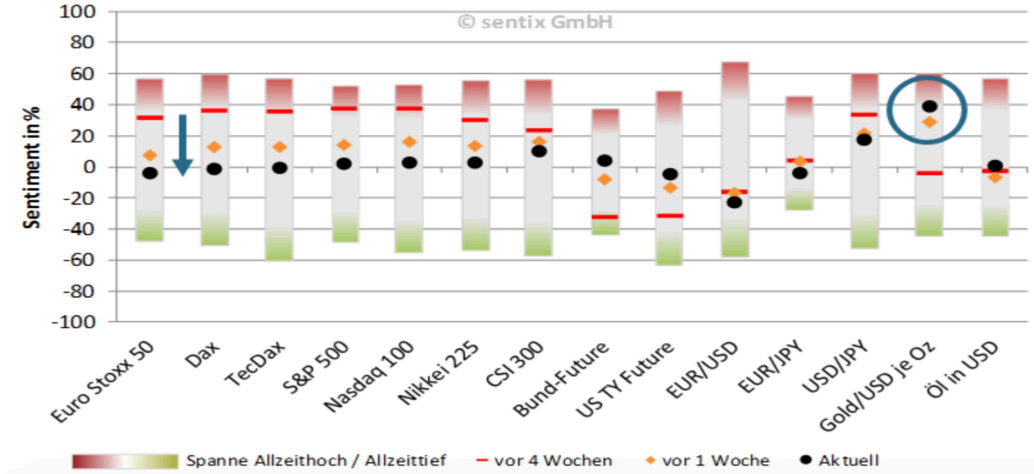
Some economic data continues to beat expectations, this time with the report on existing home sales. The headline print showed that sales of existing homes came in at a seasonally adjusted annual rate of 5.69MN for January, exceeding the consensus forecast calling for 5.575MN, higher by 3.3% vs. the December revised rate of 5.51MN.

However, when stripping out the seasonal adjustments, sales were actually lower by 26.8%, better than the average decline for the first month of the year of 27.2%. Strength in sales in the Midwest and south helped support the above average result. The story of existing home sales continues to revolve around supply, which remains depressed at only 3.6 months of inventory. A balanced market is typically characterized by 6 months of supply. The result continues to place upward pressure on prices, which, from a non-seasonally adjusted perspective, declined by only -1.9%, approximately half of the average decline for the first month of the year. While this trend of above average growth in house prices is a benefit to the balance sheets of current homeowners, the incremental buyer is increasingly being squeezed, not only by higher house prices, but also higher financing costs.

The average 30-year fixed mortgage rate in the US currently sits at 4.15%, the highest level since Q3 of 2014. In the past few months, the cost of borrowing on this 30-year term broke above resistance at 4% and has since been consolidating in what could be argued as a flag pattern. This bullish setup, which would be confirmed by a break above 4.30%, projects upside potential of at least 0.5%, potentially targeting the highs charted six years ago. The double bottom support around 3.3%-/3.4% could mean a reversal of the long-term trend of declining rates, and the likelihood of normal levels of mortgage rates of at least 5% in the next couple of years.

Weekly Investment Conclusion

As we had been forecasting, the recent decline in US real yields to under 2.40% for the 10-Year Treasuries (we keep our Q1 target of 2.15%), which have dipped into negative territory, has provided support to sentiment towards Gold. This can be seen in the latest ***sentix survey***, with optimism on Gold now running at elevated levels, while readings based on investors' medium-term strategic bias on Gold continue to head higher. As we noted last week, the medium-term strategic attraction of Gold appears to be investors' focus for now in a commodity context, which chimes with survey participants' less negative strategic bias on bunds versus Eurozone equities.



We continue recommending for investors to use the current US$ strength and diversify into the seasonally better performing European and EM equities. As we have written in the past 3 months, we see a stronger case in favor of higher European allocations until mid May. We believe that the political and sovereign tail risks for Europe, particularly with respect to potential Eurozone disintegration, are fully priced in the weak Euro and European equities. Looking ahead, Europe is facing Dutch elections in March, the UK is set to kick off negotiations to exit from out of the European Union after last year's referendum, French elections are slated for April/May and Germany is expected to hold elections in September that could result in a leadership change. There's also speculation Italy could call a snap election in 2017, possibly in June. The earnings cycle in Europe is bottoming and therefore turning the decade long downturn in relative profit growth around in Europe's favor. So far the signs are positive. Earnings are now rising relative to the US and we expect double-digit EPS growth in 2017. European companies are currently trading around a forward P/E ratio of 14.7, compared with a P/E of 17.8 in the US. But as we pointed out in the past, the tides may be turning now with a weaker Euro and its tailwind benefits and that US corporations will be hard pressed to squeeze their margins further, after going through significant cost-cutting measures in the aftermath of the financial crisis.

US stocks at 40 Year high versus European stocks
MSCI US versus MSCI Europe (Total return indices in US$)

Currencies Commentary

The US$ mixed performance once again highlights the divergence between what is going on in the real economy and the threat posed by the intrusion of the political world, which is increasingly affecting the sense of certainty about the economic outlook. Markets certainly want to see more detail about the upcoming fiscal stimulus package that has been promised in coming weeks, as the contents of this will help determine what the Fed does next month and how strong the economy will be in 2H of the year. **At the moment the current and projected strength of inflation and of growth look likely to justify two interest rate hikes this year, however, we do not believe that the FED will even proceed with those, as they would likely cause a stronger US$, which the US currently cannot cope with, and particularly given the Trump administrations economic and fiscal objectives. The markets have begun to price in a third rate hike by the end of the year, but it could quickly vanish if the Trump stimulus fails to get delivered on time.**

US$ Index formed a head & shoulders top, with the left shoulder and head put in, and a possible right shoulder is in progress; the neckline has support around 98. If it follows through and breaks the neckline it could open up about a 4 point move based on the head vs neckline measure rule; that would put the price target around 95 - 92 and right back in the old range. The latest rally failed to break upper resistance, and is struggling with the 101 level, so either way there should be doubts on its strength. **Overall technical view: Bearish bias on the basis of an H & S top.**

CGI FX Forecasts – DM currencies					
	27-Feb	CGI Q1 2017	CGI Q2 2017	CGI Q3 2017	CGI Q4 2017
EUR	1.0541	1.080	1.120	1.080	1.18
JPY	112.84	116.00	120.00	122.00	124.00
CHF	1.0026	1.0300	1.0500	1.1000	1.1000
GBP	1.2412	1.2200	1.1800	1.2000	1.1300
AUD	0.7664	0.7300	0.7200	0.7000	0.7000
CAD	1.3096	1.3500	1.3400	1.3200	1.3000
EURGBP	0.8561	0.8607	0.8644	0.8000	0.7407
EURJPY	119.81	121.80	118.32	120.00	122.00
EURCHF	1.0644	1.0815	1.0710	1.1000	1.1000
NZDUSD	0.7162	0.6900	0.6700	0.6500	0.6500

CGI FX Forecasts - EM currencies					
	27-Feb	CGI Q1 2017	CGI Q2 2017	CGI Q3 2017	CGI Q4 2017
SAR	3.7503	3.7500	3.7500	3.7500	3.7500
AED	3.6729	3.6700	3.6700	3.6700	3.6700
KWD	0.3053	0.2900	0.2900	0.2900	0.3000
OMR	0.3850	0.3800	0.3800	0.3800	0.3800
BHD	0.3770	0.3760	0.3760	0.3760	0.3760
QAR	3.6414	3.6400	3.6400	3.6400	3.6400
EPN	16.1493	18.0000	18.5000	18.7500	19.0000
INR	67.020	68.000	66.000	65.000	65.000
CNY	6.8665	7.0000	7.1000	7.2000	7.4000

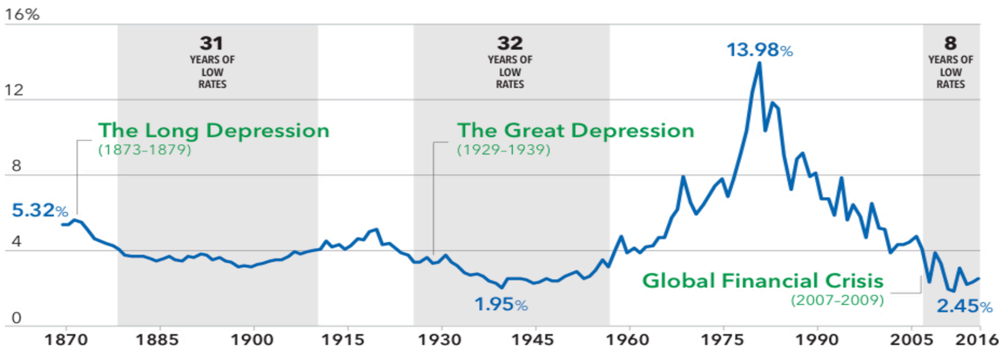
Source: Bloomberg

Fixed Income Commentary

In the US, as we have been warning for 4 weeks, investors would be wise to watch the recent consolidation in treasury yields, which could threaten the upside momentum in financial stocks during the last two months of the seasonal trade. The yields on the 10 and 30-year treasury bond continue to hold within a descending triangle pattern; a break of the lower limit could see a retracement of the bulk of the post-election move. Yields have bounced mildly higher in the past few sessions, certainly not reminiscent of the move in stocks, which have exceeded their consolidation ranges.

US Treasuries are forming a notable descending triangle, we see initial price target for a downside break of around a yield of 2%, which would still position it around the top end of the previous range. Speculative futures positioning also remains stretched to the short side, which would tend to bias the expectation toward a drop in yields from a contrarian standpoint. **Overall technical view: We expect yields to fall (bonds to rally) further towards 2.15%.**

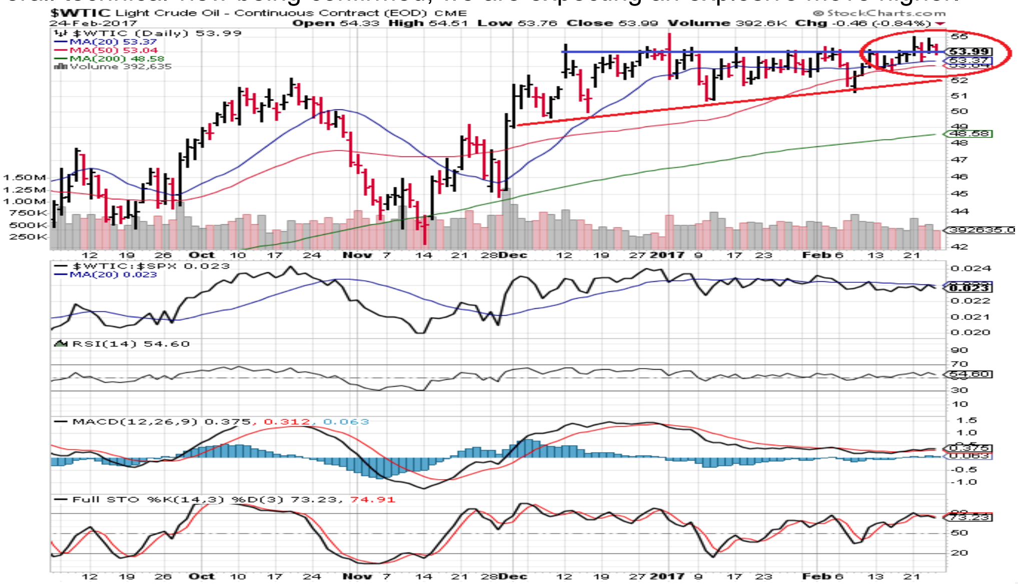
We have been observing that investors are getting quite bullish on inflation, particularly in the US, however, Interest rates are low because growth and inflation in the US have been relatively tame, and foreign central banks continue to buy bonds, pushing down global yields. In order to see significantly higher yields, we probably need to see both a hawkish Fed and high inflation, but we see the probability of both of those things low.

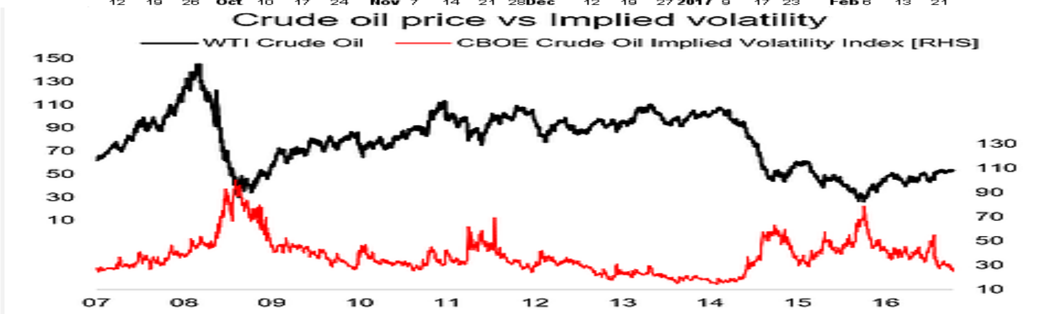


Sources: Federal Reserve, Robert Shiller, Thomson Reuters Datastream. Data from 1871–1961 represents average monthly U.S. long-term government bond yields compiled by Robert Shiller. Data from 1962–2016 represents year-end 10-year Treasury yields.

Commodities Commentary

Crude Oil has been forming an ascending triangle, and our initial price target would be around $59 - $60 a barrel. We previously talked about the crunch in volatility for Crude Oil in the commodities and the fact that the implied volatility index for oil has also fallen considerably, and that this could be a harbinger of a potential surge in volatility to follow shortly. Well, this is now confirmed by last weeks' price action and our overall technical view being confirmed, we are expecting an explosive move higher.





Equities Commentary

Best performing equity markets

1 week Index	Change	YTD Index	Change
Mongolia	7.34%	Poland	13.34%
Chinext	2.95%	Argentina	13.00%
SZ SME	2.63%	Turkey	12.95%
Shenzhen	2.41%	Brazil	10.68%
Shanghai	1.60%	Hong Kong	8.95%
India	1.49%	NASDAQ	8.59%
Poland	1.18%	India	8.56%
Norway	1.02%	Vietnam	7.57%
United States	0.96%	Singapore	7.55%
Vietnam	0.94%	Rus 3000 growth	7.29%

Worst performing equity markets

1 week Index	Change	YTD Index	Change
Argentina	-2.87%	Nigeria	-6.04%
Hungary	-2.79%	Italy	-2.89%
Russia	-2.26%	Russia	-1.93%
Italy	-2.16%	Israel	-1.22%
Canada	-1.93%	Chinext	-1.20%
Austria	-1.62%	Ireland	-0.50%
Brazil	-1.60%	Paris	-0.37%
Luxembourg	-1.13%	Egypt	0.00%
S. Africa	-1.10%	Greece	0.27%
Australia	-1.10%	Portugal	0.33%

The "still bullish case for Japanese equities"

As we had written over the past year, the Japanese economy is close to full employment, and we are expecting for wages to grow, and hence, why we see a good chance that Japan will soon be exiting its long dark era of deflation, which will be a huge surprise to investors.

The fundamental reasons for our beliefs lie on structural issues that caused deflation to first take hold in Japan's economy, including the bursting of the real estate bubble in 1991, and corporate deleveraging, are finally coming to an end.

The government is finally throwing the full weight of a unified set of policies at the problem. Prime Minister Shinzo Abe took office in late 2012 vowing to shake deflation, but that goal was muddled by another that worked at cross-purposes: shoring up Japan's fiscal health. The government increased the national sales tax in 2014 to whittle down the country's debt burden, which is among the highest in the world. The tax increase — from 5% to 8% — throttled consumption and sent the country into a recession.

One of the biggest headwinds to a stronger Japanese economy is structural: its aging population. However, first data from the central bank's measurement of the labor force input gap turned positive for the first time in Q3 of last year, meaning the economy ran out of spare workers.

Source: Bank of Japan

It's worth noting that the input gap measurement has been positive during a few periods ever since the initial 1991 downturn, including one stretch that began in 2005, but was interrupted by the global financial crisis and recession. A second period started in 2014, as some of the early enthusiasm about "Abenomics" bolstered growth, but it faltered along with the rest of the economy. But it wasn't just a cooling economy that increased labor market slack. One of Abenomics' most elusive components was its "third arrow", big structural economic changes like liberalizing immigration and deregulating industries like agriculture and energy in order to complement monetary and fiscal stimulus.

Among those reforms, one of the most important was drawing more women into the labor force, a goal that was unexpectedly successful. The female labor force participation rate was 50.4% in December, compared to 47.8% when Abe took office in December 2012. The success of "womenomics" is another reason why the Bank of Japan estimates that pretty much all the people who want to be working already are. That's borne out by some statistics: that labor force input gap measurement in Q3 of last year was five basis points higher than its peak in 2014 before turning negative. At the same time, Japan's jobless rate remains low at 3.1% in December, and the ratio of job openings to applicants hit the highest since 1991 in December. This is signaling that the labor market is starting to really heat up, and that employers will have no choice but to increase wages to compete for workers, and as the balance tips from prime-age workers saving for retirement to pensioners spending their savings,

The demographics are moving from being a deflationary force to a reflationary one, and signs point to changes in incomes and movement away from the two-decade malaise of no inflation, limited growth, and continuously rising savings rates as people worked longer and accumulated more money in order to protect themselves in their old age, which we see this as a bullish scenario for investors, as wages will pick up enough to spur inflation, that means downward pressure on the Yen, which would generate a virtuous cycle for the economy, exports will benefit, and the economy will overheat some more, and inflation expectations will rise further.

We continue to see Japanese equities, and particularly banks to be a good investment as the economy begins to reflate and the yield curve begins to steepen.

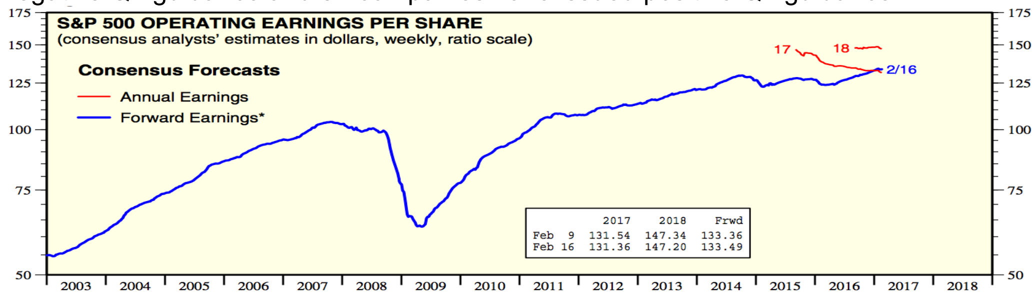
In the US, stocks are far too overbought and investors too bullish the post-election rally and the "Trump Bump" continued last week following comments by Trump that US tax reform proposals could arrive this week. Broadly based North American equity indices reached all-time highs. Economic news this week is expected to be mixed. Focus is on Trump's presentation to Congress on Tuesday and Yellen's speech on Friday.

Strength in stocks last week came from a narrowing number of unexpected sectors (e.g. Utilities, Consumer Staples). North American equity indices and economic sensitive sectors currently are overbought and showing early signs of rolling over. History shows that upside potential between now and mid-April after election of a new President is limited. Stick with seasonal trades that are working (e.g. Industrials, Financials, Precious Metals), but be aware that technical indicators are likely to trigger profit taking between now and early March

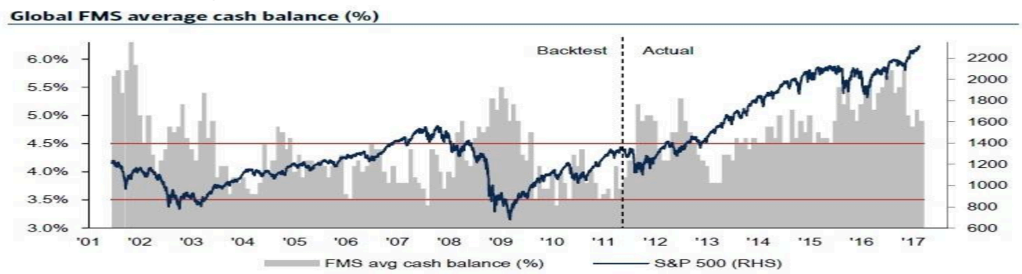
Bullish sentiment, or expectations that stocks will rise over the next six months, was up 5.4 percentage points at 38.5%, according to a Feb. 23 survey from the AAII. As we will see the US market starting to go down, it will start triggering selling, and then it will be like an avalanche. Technical action by S&P 500 stocks was still bullish last week, with 39 stocks breaking above intermediate resistance levels and 16 stocks breaking intermediate support levels (mostly energy stocks). Short-term technical indicators (e.g. 20 day moving averages, short term momentum indicators) for a wide variety of equity indices, sectors and commodities rolled over from overbought levels late last week. Intermediate term technical indicators (e.g. Percent of stocks trading above their 50 day moving average, Bullish Percent Index) remain intermediate overbought and (e.g. TSX Composite) clearly have rolled over.

Q4 reports by S&P 500 companies are beginning to wind down: 92% have reported to date. Focus this week is on retail merchandiser company reports. 66% of reporting companies beat consensus earnings and 52% beat consensus revenues. Blended earnings per share to date are up 4.9% y-o-y.

Beyond Q4, earnings by S&P 500 companies remain encouraging. Consensus for Q1 y-o-y earnings is for a gain of 10.2%, consensus for Q2 earnings is for a gain of 9.2% and consensus for 2017 is for a gain of 10.3%. To date, 67 companies have issued negative Q1 guidance and 31 companies have issued positive Q1 guidance.



US Markets are in the midst of an epic bubble that is being ignored by investors at their peril. At 21x GAAP earnings (which are inflated by low interest rates, low corporate tax rates and sluggish wage growth), the S&P 500 is trading just below the 24x P/E it reached during the Internet Bubble. The S&P 500 rose 9.5% last year without profits increasing for a 2 year in a row. The index hasn't seen a decline of 1% or more in 84 consecutive trading sessions, a feat last seen in 2006 and before that in 1996.



Back-testing is hypothetical in nature and reflects application of the strategy prior to its introduction. It is not actual performance and it is not intended to be indicative of future performance.

US equity markets weekly charts

The VIX Index dropped 0.02 points (0.17%) last week.

Intermediate trend remains Negative. The Index closed just above its 20-day moving average. Price is trapped between the moving averages.

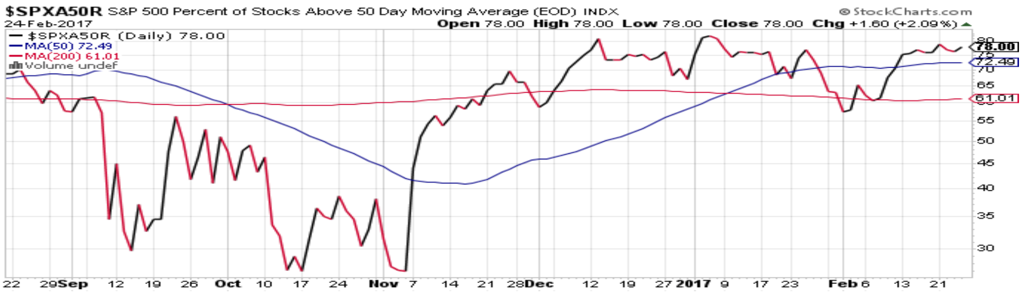
The S&P 500 Index added 16.18 points (0.69%) last week.

Intermediate trend remains Positive. The Index closed above its 20-day moving average. $SPX bullish momentum is not stopping yet.

Short-term momentum indicators are Positive and Overbought.

Percent of S&P 500 stocks trading above their 50-day moving average dropped last week to 78.00 from 79.00.

The index remained above the 50-day moving average.



Percent of S&P 500 stocks trading above their 200-day moving average rose last week to 82.40 from 82.20

The index moved to a yet new high and remained above the 200-day moving average.

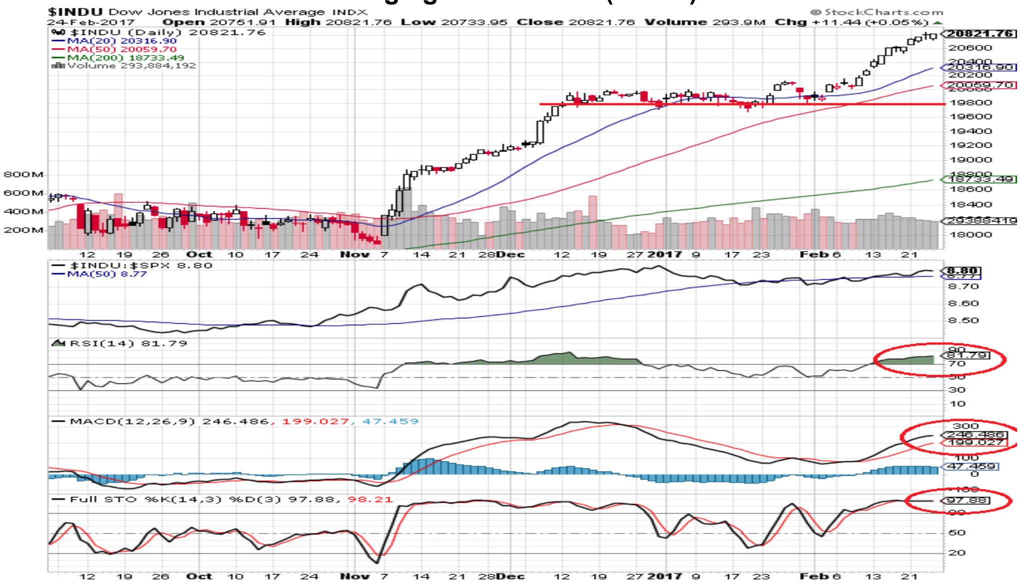
Bullish Percent Index for S&P 500 stocks rose last week to 77.20 from 76.60 and remained above its 50-day moving average.

The Index is showing signs of exhaustion but staying above the 50-day moving average.

The Dow Jones Industrial Average gained 197.71 (0.96%) last week.

$INDU is still in the bullish momentum. Strength related to the S&P 500 changed remains Positive.

The Average closed above its 20-day moving average. Short-term momentum indicators are Positive and Overbought.



Bullish Percent Index for Dow Jones Industrial Average stocks rose last week to 83.33 from 76.67 and moved above its 20-day moving average.

The Index broke through the 200-day moving average in a swift move.

The Dow Jones Transportation Average lost 73.52 points (0.77%) last week.

Dow Jones Transportation Index is correcting towards the lower trendline.

Strength relative to the S&P 500 changed from Neutral to Negative. The $TRAN closed above its 20- day moving average.

Short-term momentum indicators are Negative.

Bullish Percent Index rose last week to 66.36 from 66.10 and remained above its 20-day moving average.

The Index remained above the 20-day moving average.

The NASDAQ Composite Index gained 6.73 points (0.12%) last week.

$COMPQ rebounded from the 5800 support. Strength relative to the S&P 500 Index remains Positive.

The Index remained above its 20-day moving average.

Short-term momentum indicators are rolling over.

The Russell 2000 Index dropped 5.34 points (0.38%) last week.

$RUT rejected the throwback from the moving average. Strength relative to the S&P 500 Index changed from Neutral to Negative.

The Index remained above the 20-day moving average. Short-term momentum indicators are Negative.

The S&P Energy Index lost 6.77 points (1.29%) last week.

Intermediate trend changed from Neutral to Negative. $SPEN closed outside of the triangle. Strength relative to the S&P 500 Index remains Negative.

The Index remains below the 20-day moving average. Short-term momentum indicators are Negative.

The Philadelphia Oil Services Index lost 0.47 points (0.27%) last week.

$OSX continues the bearish momentum along the lower trendline.

The Index closed below its 20-day moving average. Short-term momentum indicators are Negative.

The AMEX Gold Bug Index dropped 8.20 points (3.82%) last week.

$HUI is breaking down towards the 50-day moving average support.
Strength relative to the S&P 500 Index changed from Positive to Neutral.

The Index moved below its 20-day moving average. Short-term momentum indicators are Negative.

Latam equity markets weekly charts

$BVSP corrected back towards the channel and 66 000 support.

Short-term momentum indicators are Negative.

The BOVESPA lost 1086 points last week.

Intermediate trend remains Positive. $MXX is inside a short-term Coil and looks highly compressed.

Short-term momentum indicators are Negative.

The Mexican dropped 117 points last week.

Canadian equity markets weekly charts

Bullish Percent Index for TSX Composite dropped to 76.73 from 77.55 and moved below its 20-day moving average.

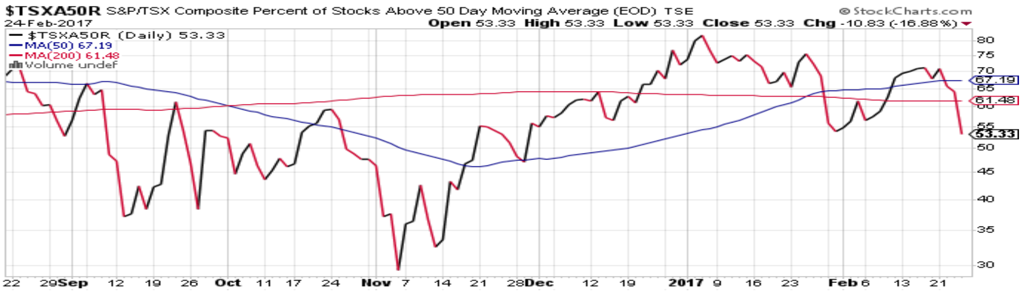
The Index moved below the 20-day moving average.

The TSX Composite Index lost 305.16 points (1.93%) last week.

Intermediate trend changed from Positive to Neutral. The Index corrected violently to the 50-day moving average.

The Index moved below the 20-day moving average. Short-term momentum indicators are slightly Overbought.

Percent of TSX stocks trading above their 50-day moving average dropped last week to 53.33% from 70.83%.



The index moved below the 50-day moving average.

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Percent of TSX stocks trading above their 200 day dropped last week to 67.50% from 72.08%.

The index moved back below the 50-day moving average.

Asian equity markets weekly charts

The SENSEX added 591.70 points (2.09%) last week.

$BSE made a new high but shows signs of exhaustion.

Short-term momentum indicators are slightly Overbought.

The Nikkei Average gained 48.92 points (0.25%) last week.

Intermediate trend changed from Positive to Neutral. Strength relative to the S&P 500 Index remains Negative. $NIKK remains ranging between the 20MA and 19500 resistance.

The $NIKK remains above its 20-day moving average. Short-term momentum is rolling over.

The Shanghai Composite Index added 51.36 points (1.60%) last week.

Intermediate trend remains Positive. $SSEC broke through the 3225 resistance.

The $SSEC remained above the 20-day moving average. Short-term momentum indicators are slightly Overbought.

Intermediate trend changed from Positive to Neutral. Strength relative to the S&P 500 Index remains Positive.

Units closed below the lower trendline. Short-term momentum indicators are rolling over.

Emerging Markets iShares gained $0.09 (0.23%) last week.

Intermediate trend remains Positive. Strength relative to the S&P 500 Index remains Negative. $AORD corrected towards the 20-day moving average.

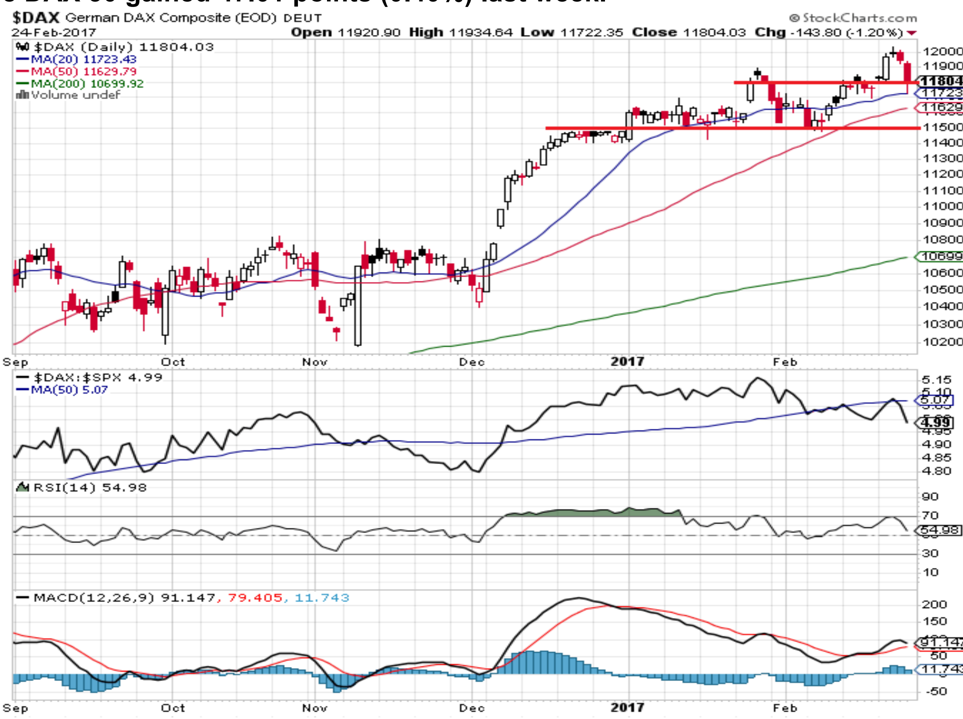
The $AORD remained above the 20-day moving average. Short-term momentum indicators are starting to roll over.

The Australia All Ordinaries Index dropped 64.10 points (1.10%) last week.

European equity markets weekly charts

Intermediate trend changed from Neutral to Positive. $DAX continues to rebound of the 20-day moving average. Strength relative to the S&P 500 Index remains Negative. Short-term momentum indicators are Negative.

The DAX 30 gained 47.01 points (0.40%) last week.



The CAC 40 dropped 22.34 points (0.46%) last week.

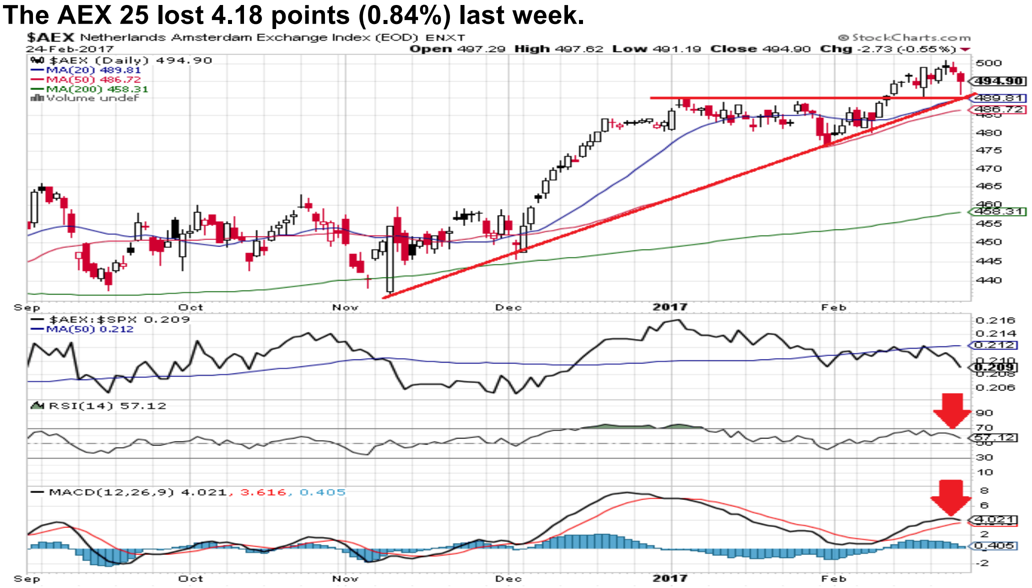
Intermediate trend changed back to Neutral. $CAC was stopped by the 50-day moving average once again.

Short-term momentum indicators are rolling over.

The AEX 25 lost 4.18 points (0.84%) last week.

Intermediate trend remains Positive. Index rebounded from lower trendline once again.

Short-term momentum indicators are rolling over.



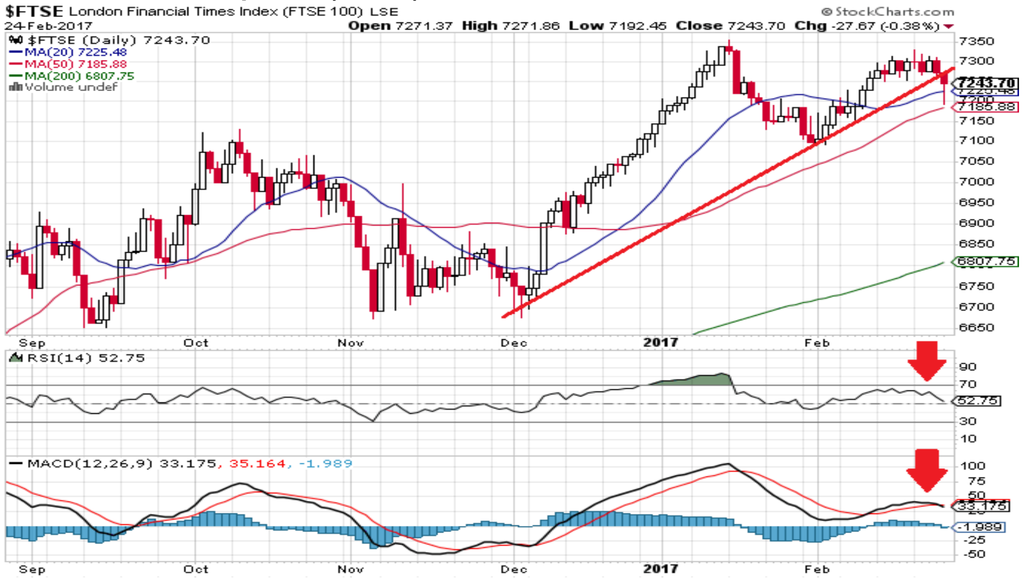
The IBEX 35 dropped 46.80 points (0.49%) last week.

$IBEX rebounded from the moving average. Strength relative to the S&P 500 remained Negative.

The Index remains above the 20-day moving average.

Short-term momentum indicators are Negative.

The FTSE lost 56.26 points (0.77%) last week.



Intermediate trend changed from Positive to Neutral.
Index closed below the lower trendline.

Short-term momentum indicators are Negative.

Europe iShares gained $0.18 (0.37%) last week.

Intermediate trend changed from Positive to Neutral. Strength relative to the S&P 500 remains Negative.
$IEV is possibly experiencing a trend shift.
Units closed below the 20-day moving average.
Short-term momentum indicators are Negative.

Fixed income markets weekly charts

International Bonds

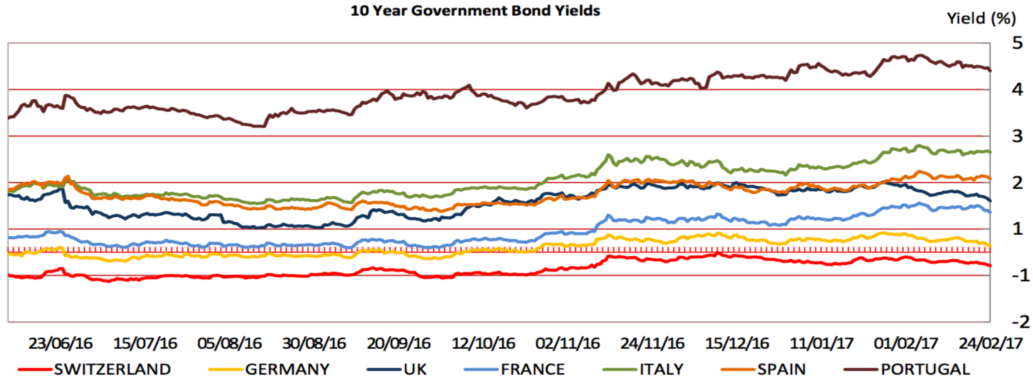
As per our 2017 Q1 Global Investment Strategy Outlook for 10-Y government bonds, US 10-Year government bonds have not fully reached our 2017 price targets yet, and we see yields to continue to move lower towards 2.15%

Ten year government bond spreads

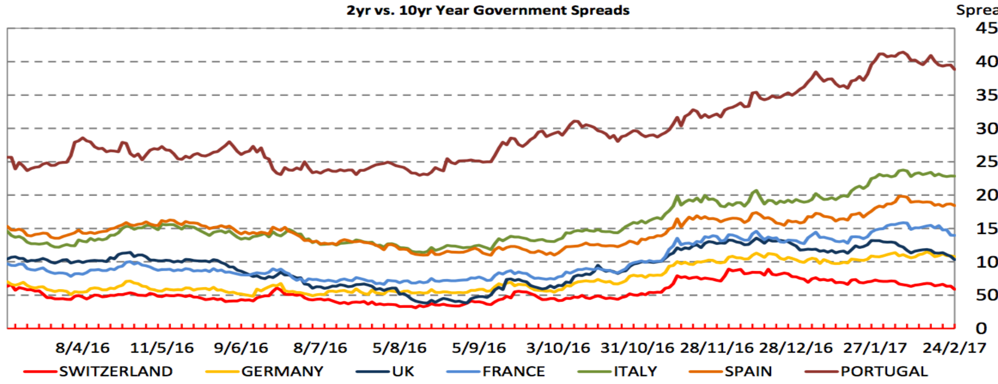
Country	Latest yield	Spread vs bund	Spread vs T-notes
Australia	2.73%	+2.53	+0.38
Austria	0.45%	+0.26	-1.90
Belgium	0.73%	+0.54	-1.62
Canada	--	--	--
Denmark	0.22%	+0.02	-2.13
Finland	0.39%	+0.19	-1.96
France	0.92%	+0.73	-1.43
Germany	0.19%	--	-2.16
Greece	7.25%	+7.06	+4.90
Ireland	0.91%	+0.72	-1.44
Italy	2.20%	+2.01	-0.15
Japan	0.05%	-0.14	-2.30
Netherlands	0.32%	+0.13	-2.03
New Zealand	3.25%	+3.05	+0.90
Portugal	3.94%	+3.74	+1.59
Spain	1.70%	+1.51	-0.65
Sweden	0.55%	+0.36	-1.79
Switzerland	-0.22%	-0.41	-2.57
UK	1.08%	+0.89	-1.26
US	2.33%	+2.14	--

Data delayed at least 15 minutes, as of Feb 27 2017 09:10 GMT.

We continue recommending taking profits in German 10-Y Bunds.



We can see yields in France and the Benelux move down by another -20bps to -40 bps over the next 3 months, and similarly to decline by -30bps to -50bps in Spain, Italy, Portugal and Greece.



US Bonds

Yield on 10 year Treasuries lost 1.08 basis points (4.45%) last week.

Intermediate trend changed from Neutral to Negative. $TNX is pressuring the support at 23. $TNX remained below its 20-day moving average.

Short-term momentum indicators are Negative.

The long term Treasury ETF added 1.69 points (1.40%) last week.

Intermediate trend changed from Neutral to Positive.
TLT broke out upwards from the Coil. It remained above the 20-day moving average.

Short-term momentum indicators are Positive.

Currency markets weekly charts

The Euro dropped 0.36 points (0.34%) last week.

Intermediate trend remained Neutral. $XEU remains around the moving averages.

The $XEU remains below the 20-day moving average.

Short-term momentum indicators are Mixed.

The US$ added 0.14 points (0.14%) last week.

Intermediate trend remains Neutral.
$USD is forming the right shoulder of the H&S pattern.
The US$ moved below its 20- day moving average.

Short-term momentum indicators are rolling over.

The Japanese Yen gained 0.71 points (0.80%) last week.

Intermediate trend changed from Neutral to Positive. $XJY remains above the 20-day moving average.

Short-term momentum indicators are Positive.

The Canadian Dollar lost 0.62 points (0.81%) last week.

Intermediate trend changed remains Neutral. $CDW still struggles to close below the 200-day moving average.

Short-term momentum indicators remain Negative.

Commodity markets weekly charts

The CRB Index dropped 1.19 points (0.62%) last week.

Intermediate trend changed from Neutral to Negative. Strength relative to the S&P 500 Index remained Negative. $CRB closed outside of the triangle.

The $CRB remained below its 20-day moving average.

Short-term momentum indicators are Negative.

Copper lost $0.01 per lb. (0.41%) last week.

Intermediate trend remains Positive. Strength relative to the S&P 500 Index remains Neutral. Copper did a lower trendline fake out.

Copper closed on the 20-day moving average.

Short-term momentum indicators are Negative.

Lumber added $4.20 (1.16%) last week.

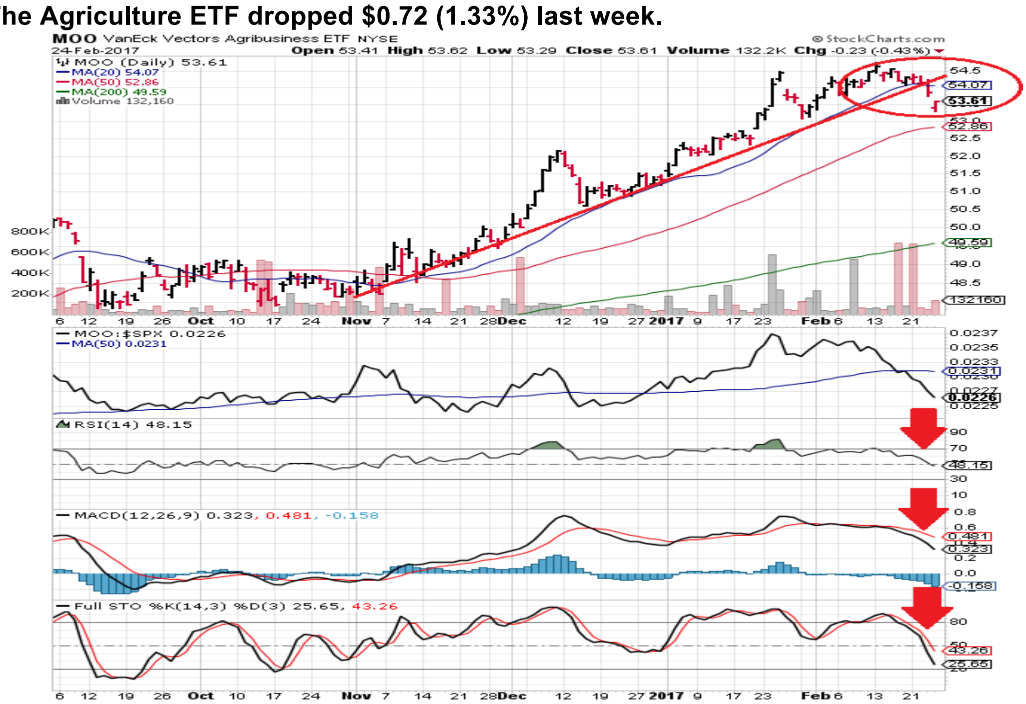
Intermediate trend remains Positive. Strength relative to the S&P 500 Index remains Positive. 360 support is holding the pressure for now.

Lumber remains above the 20-day MA. Short-term momentum indicators are Mixed.

The Grain ETN lost $0.54 (1.81%) last week.

Intermediate trend is Positive.
Units corrected to the lower trendline.
Price remained above the 20-day MA. Short-term momentum indicators have rolled over to Negative.

The Agriculture ETF dropped $0.72 (1.33%) last week.



Intermediate trend flipped from Positive to Negative. Strength relative to the S&P 500 Index changed from Neutral to Negative.

Units closed above the 20-day moving average.

Short-term momentum indicators are Negative.

Gold & precious metals markets weekly charts

Gold gained $19.20 (1.55%) last week.

Gold is about to test the very important 200-day moving average.

Gold remained above its 20-day moving average.

Short-term momentum indicators are Positive and slightly Overbought.

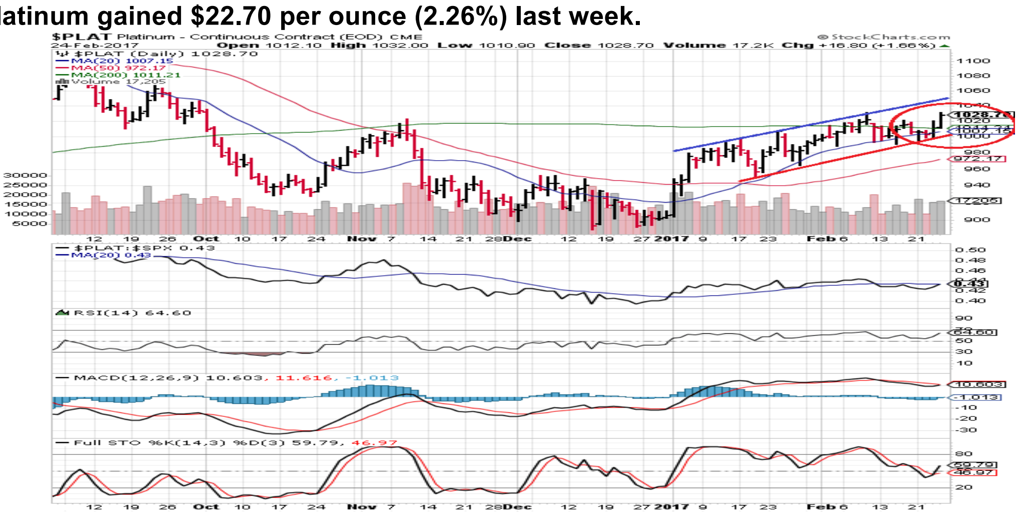
Silver added $0.38 per ounce (2.09%) last week.

Silver broke through the important 200-day moving average.

Silver is above its 20-day moving average.

Short-term momentum indicators remain Positive and slightly overbought.

Platinum gained $22.70 per ounce (2.26%) last week.



Intermediate trend remains Positive. Strength relative to the S&P 500 Index remains Neutral. $PLAT is looking to test the upper trendline.

$PLAT trades above its 20-day Moving Average. Momentum indicators are Negative.

Palladium lost $7.55 per ounce (0.97%) last week.

Intermediate trend remains Positive. Strength relative to the S&P 500 Index remains Neutral.

$PALL was rejected by the 20-day moving average and remains above it.

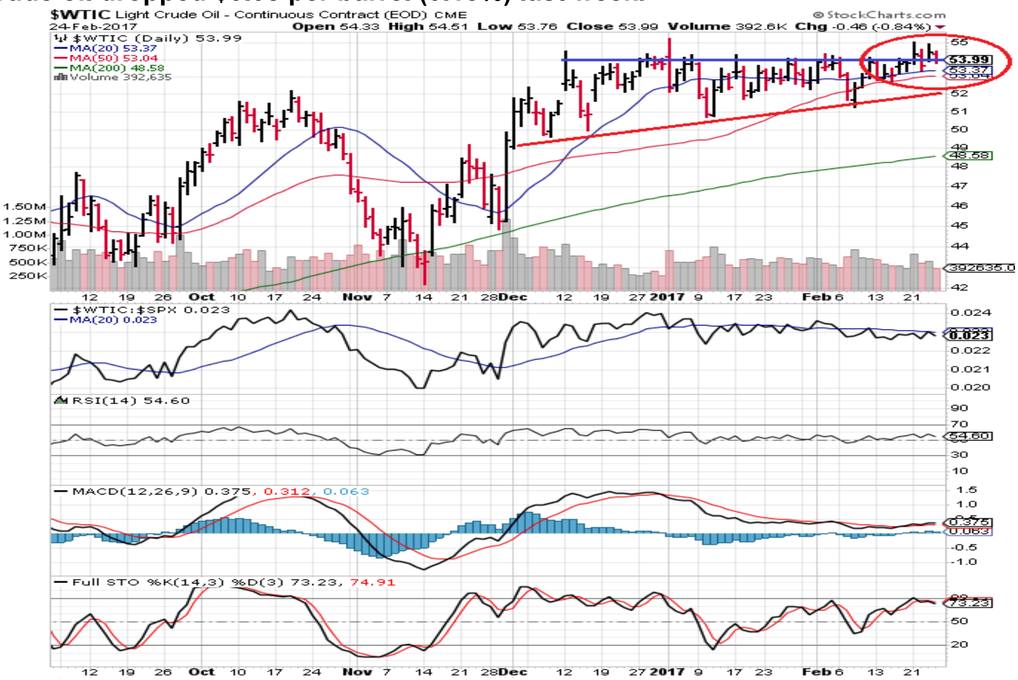
Short-term momentum indicators have rolled over.

Oil, gas & energy markets weekly charts

Crude oil dropped $0.08 per barrel (0.15%) last week.

Intermediate trend remains Positive. Strength relative to the S&P 500 Index is Neutral. $WTIC is strongly pressuring the resistance. Upward breakout remains the most probable scenario and when it happens it is bound to be violent.

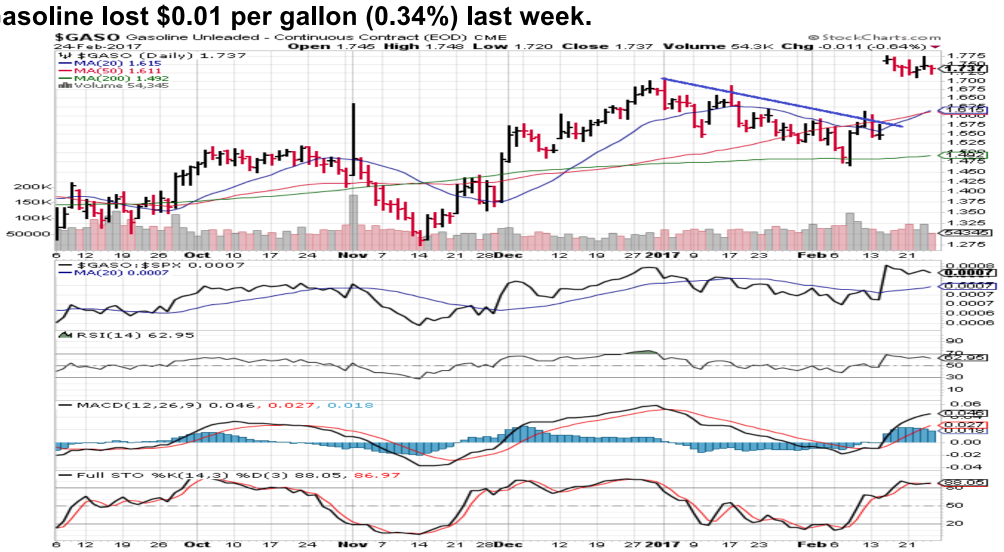
Short-term momentum indicators are Mixed.



Gasoline lost $0.01 per gallon (0.34%) last week.

Intermediate trend remains Positive. Strength relative to the S&P 500 Index remains Positive. $GASO is ranging post the gap breakout.

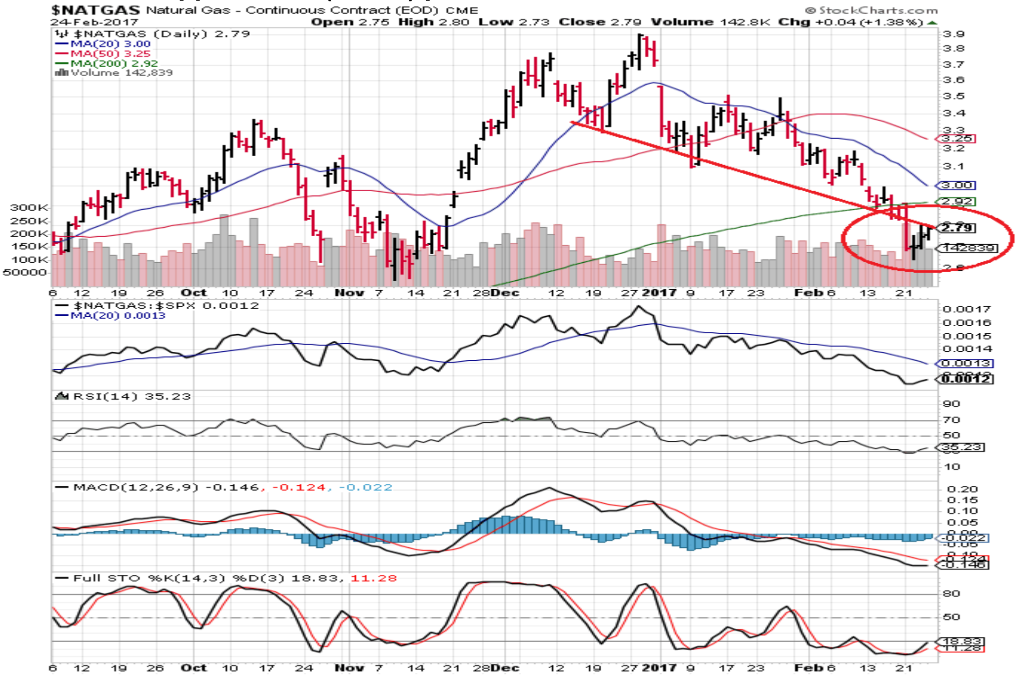
$GASO closed above the 20-day moving average. Short-term momentum indicators are Positive.



Intermediate trend remains Negative. Strength relative to the S&P 500 Index remains Negative.
$NATGAS pulled back towards the old trendline but not completely inside the channel.

$NATGAS remains below the 20-day moving average. Short-term momentum indicators are rolling over.

Natural Gas dropped $0.05 (1.66%) per MBtu last week.



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