



Creative Global Investments

Morning markets commentary & charts

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Carlo R. Besenius
Chief Executive Officer
cbesenius@cg-inv.com
+(352) 2625 8640



Creative Global Investments LLC
115 East 57th Street
11th Floor
New York, NY 10022
Tel: 212 939 7256
Mob: 917 301 3734

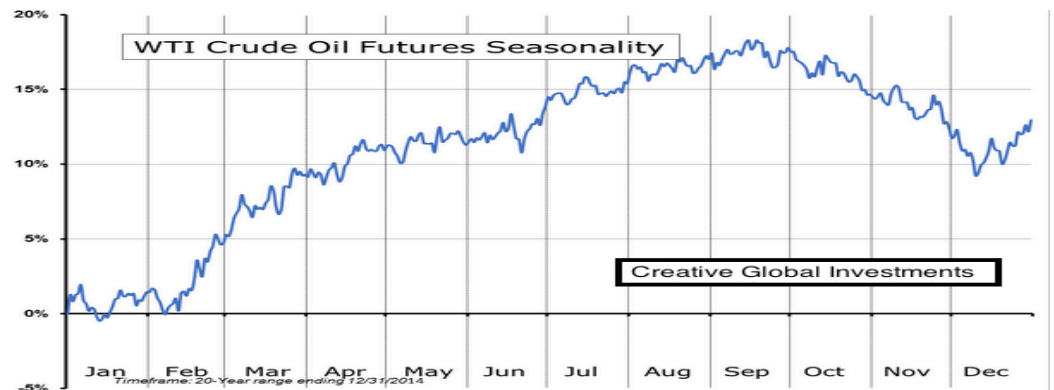
Creative Global Investments/Europe
5, op der Heed
L-1709 Senningerberg
Tel: +(352) 2625 8640
Mob: +(352) 691 106 969

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Despite the bearish oil report, and the significant headwind imposed by the stronger US\$, the price of \$WTIC closed firmly higher, breaking resistance charted around the 50-day moving average. Momentum indicators are starting to curl high after briefly rolling over in the month of February. A break above the February high around \$54 would confirm a higher short-term low charted in recent days, providing a strong first step towards a series of higher-highs and higher-lows.

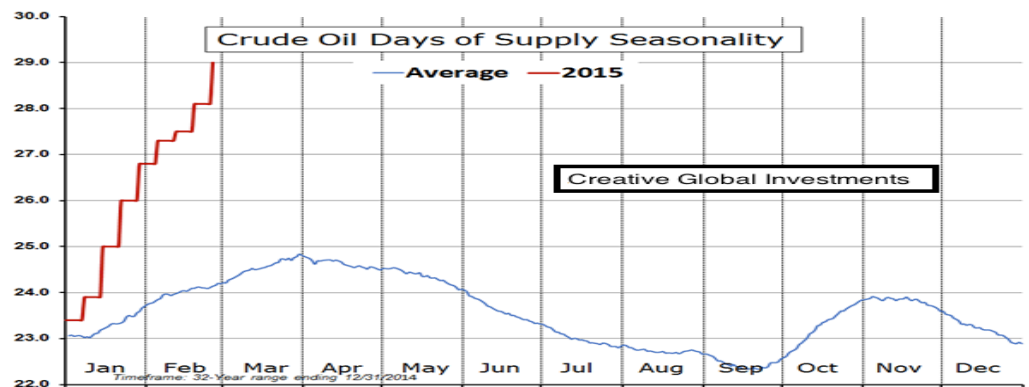


\$WTIC is setup for a move higher to recoup some of the losses accumulated over the past eight months. The energy sector remains in a period of seasonal strength through to May.

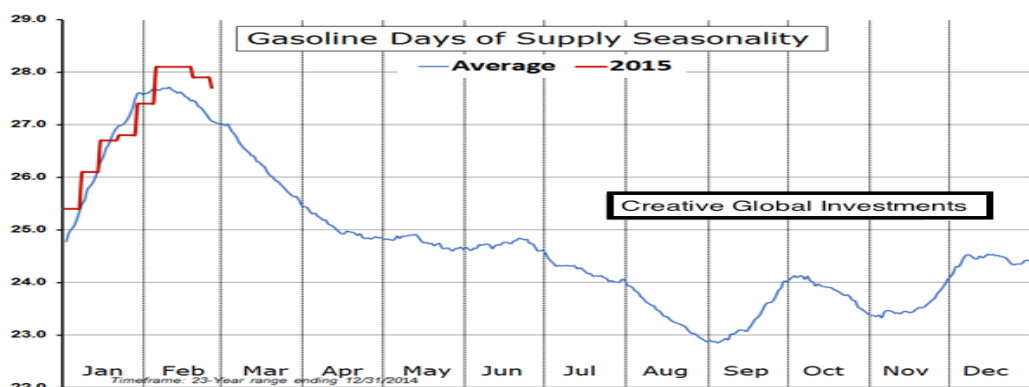


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The Energy Information Administration (EIA) indicated that Crude Oil Inventories increased by another 10.3 Million barrels in the previous week, setting another all time high. The days of supply, which factors in demand for the commodity, jumped to 29, the highest level in almost 25 years. Supply of crude oil above 29 days was fairly common in the early to mid 1980's, particularly in the winter and spring when demand was low, but, for the past 20 years, the days of supply has typically remained below 25.



The trend of rising supplies typically peaks around the end of March as more refiners start to come back online to produce summer blend gasoline. Gasoline days of supply continues to decline, now at 27.7, following the peak hit just recently at 28.1. The Days of supply of Gasoline seasonally declines through the spring months.



European Central Bank President Mario Draghi said purchases of government bonds under its program of quantitative easing would start March 9, and will help boost economic growth and return inflation to target. As expected, the ECB also kept interest rates unchanged.

The Euro broke to a new low prior to news today about the Eurozone's Quantitative Easing program,



Weakness in the Euro prompted the US\$ Index to break to a new high.



Strength in the US\$ Index prompted new downtrends by short term momentum indicators from overbought levels for US equity indices including the S&P 500 Index, Dow Jones Industrial Average and NASDAQ Composite Index.

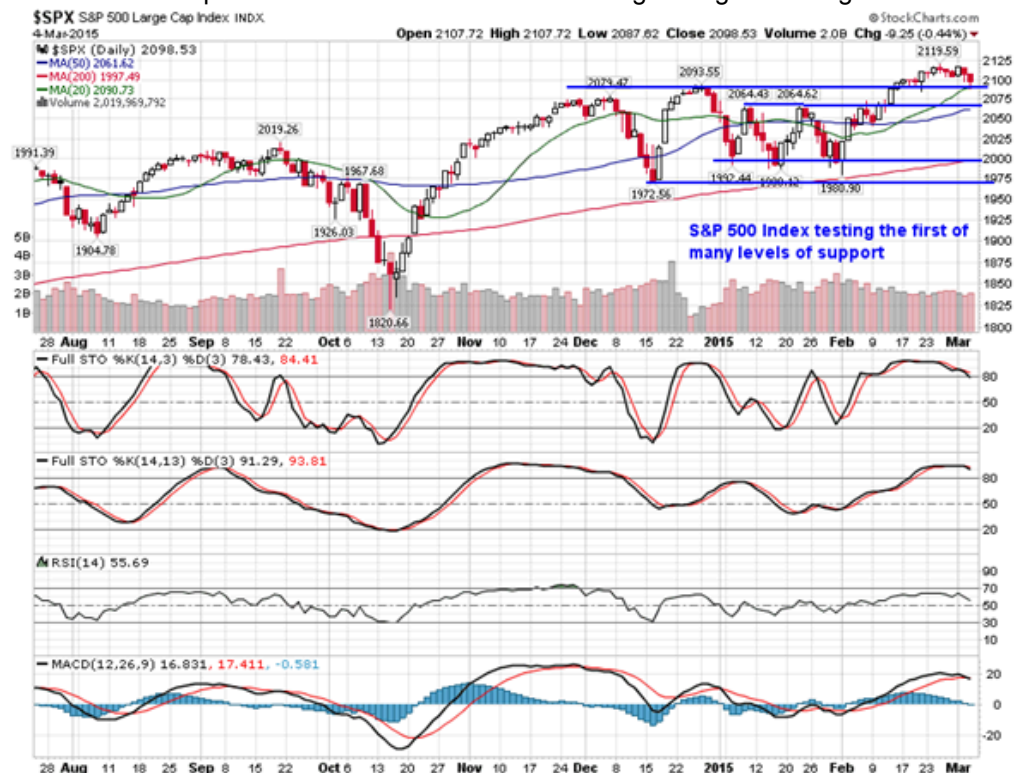


Yesterday US Stocks ended lower for a second day as investors book profits following a strong month for equities in February. Major benchmarks in the US declined by less than half of one percent, testing variable support at rising 20-day moving average lines. Momentum sell signals with respect to MACD are presently being triggered.

The S&P 500 Index as a proxy for the market, numerous levels of support exist below. Prior to February's breakout above resistance, the large-cap benchmark traded within a tight range for a few months, highlighting a number of levels of significance.

First level of horizontal support, on a closing basis, is the previous high charted at the end of December at 2093. Below this previous high, levels around 2065 and 2080 acted as resistance in December and January. These previous levels of resistance are implied to now become support. If market momentum deteriorates further as a result of a negative catalyst, the December and January lows between 1972 and 1992 would be the target, now also around the 200-day moving average. In addition to the horizontal levels of support, the variable levels at the 20 and 50-day moving averages, which continue to point higher, remain unbroken on a closing basis, providing the positive momentum required to continue with further gains.

A significant negative catalyst would be required to break levels of support below in one swift move. The predominant trend remains that of higher-highs and higher lows.



Carlo R Besenius, CEO & Head of Global Strategy

cbesenius@cg-inv.com

office: +(352) 26 25 86 40

mobile: +(352) 691 106 969

Luxembourg/Europe

Sabine CJ Blümel, Head of Global Automotive Research

sblumel@cg-inv.com

office: +44 (7785) 301588

London, UK

Trish Twining, Managing Director of Sales

ttwining@cg-inv.com

office: 7817710117

Boston, MA, USA

Gary Schieneman, Managing Director,

Global Accounting and Finance

gschieneman@cg-inv.com

office: 917-868-6842

New York, NY, USA

Steve Gluckstein, Global Strategist

sgluckstein@cg-inv.com

office: 212 939 7256

mobile: 732 768 8843

New York, NY, USA

Marc Peters, Head of Global Industrial Strategy

mpeters@cg-inv.com

office: +(352) 26 25 86 40

mobile: +352 621 36 44 50

Luxembourg/Europe

Allison M Cimon, Director of Sales & Technology

amcimon@cg-inv.com

office: 646 228 4321

Boston, MA, USA

Jennifer Crisman, COO

jcrisman@cg-inv.com

office: +(352) 26 25 86 40

Luxembourg/Europe

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