



Creative Global Investments

Morning markets commentary & charts

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Objectivity
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US 30-year treasuries peaked at the end of January following test of trend line resistance; since the price of the 30-year treasury bond has traded lower by around 7%, now testing the middle line of the long-term rising trend channel. We are assuming the price trades to the lower limit of the rising range, a decline of around 13% (to \$130) from present levels is still implied. On a positive note, when the long-term treasury bond prices resists from the upper band of the trading range and subsequently trades lower, equity prices typically benefit as investors rotate from one asset class to the other. A break below the centerline could act as the catalyst for this transition. The centerline has historically acted more as a level of resistance than support, implying that the potential for a bounce from current levels is weak.



March is the weakest month of the year for treasury prices with declines recorded 87% of the time over the past 24 years.

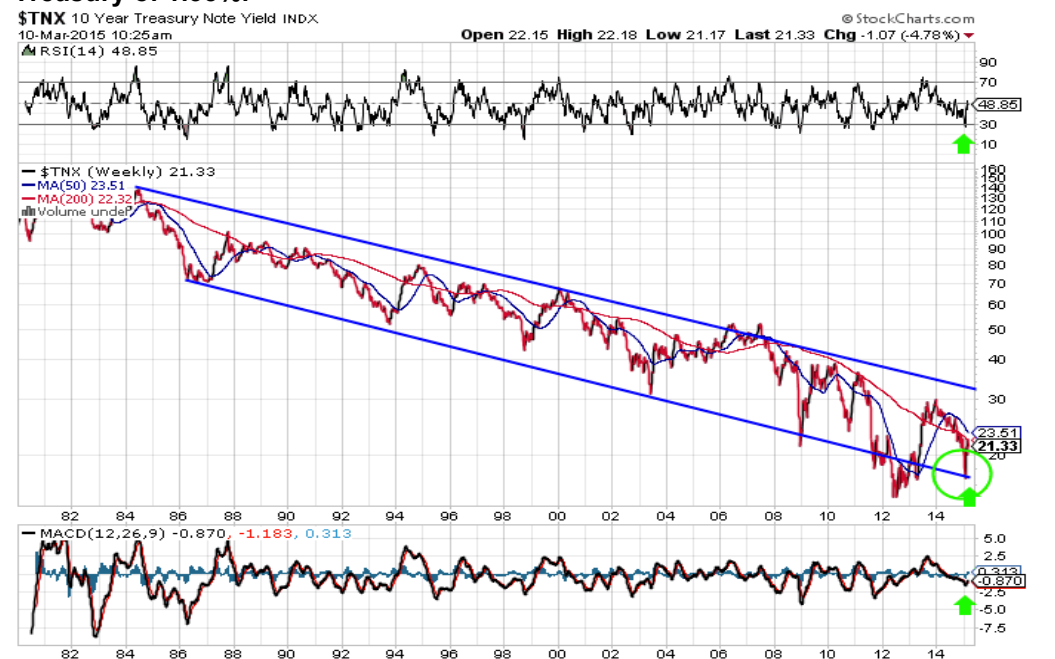


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We believe that the chart reveals yet for another leg down to come for the yield of the 10-year treasuries.



The 33-year long declining trend channel for the 10-year treasuries yield is still perfectly intact, and we keep our 2015 price target for the yield of the 10-year Treasury of 1.35%.



The following chart shows, US bonds are still more favorable relative to equities.



We want to reiterate an updated chart (we first published this chart in August 2013, when we saw the \$NIKK:\$SPX break above its 19-year trend and mark the start to outperform the \$SPX) showing that the long-term trend favoring US equities over Japan has been definitely broken and is reversing. **We continue to advising for investors to reduce holdings in US equities and increase weightings in Japanese equities like the \$NIKK.**



The \$NIKK has hit and surpassed our 2014 (fiscal year end Japan on March 31st, 2015) price target of 18,000. We stick with our 2015 price target for the \$NIKK of 21,000



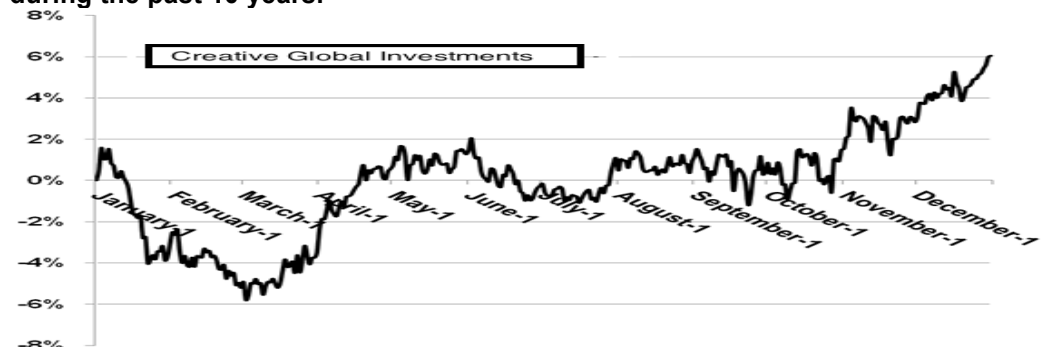
The next chart shows the \$SSEC relative to the \$SPX, and a similar trend reversal as for the \$NIKK;\$SPX has materialized here too. We continue to recommend **overweighing Chinese equities relative to US equities.**



History is repeating. Our 2015 price target for the \$SSEC is 3,600.



The Shanghai Composite Index has a history of moving higher after the Chinese New Year. Following is a Seasonality Chart for the Shanghai Composite Index during the past 10 years.



Strength in the Shanghai Composite Index is having a positive impact on copper prices despite strength in the US\$ Index.

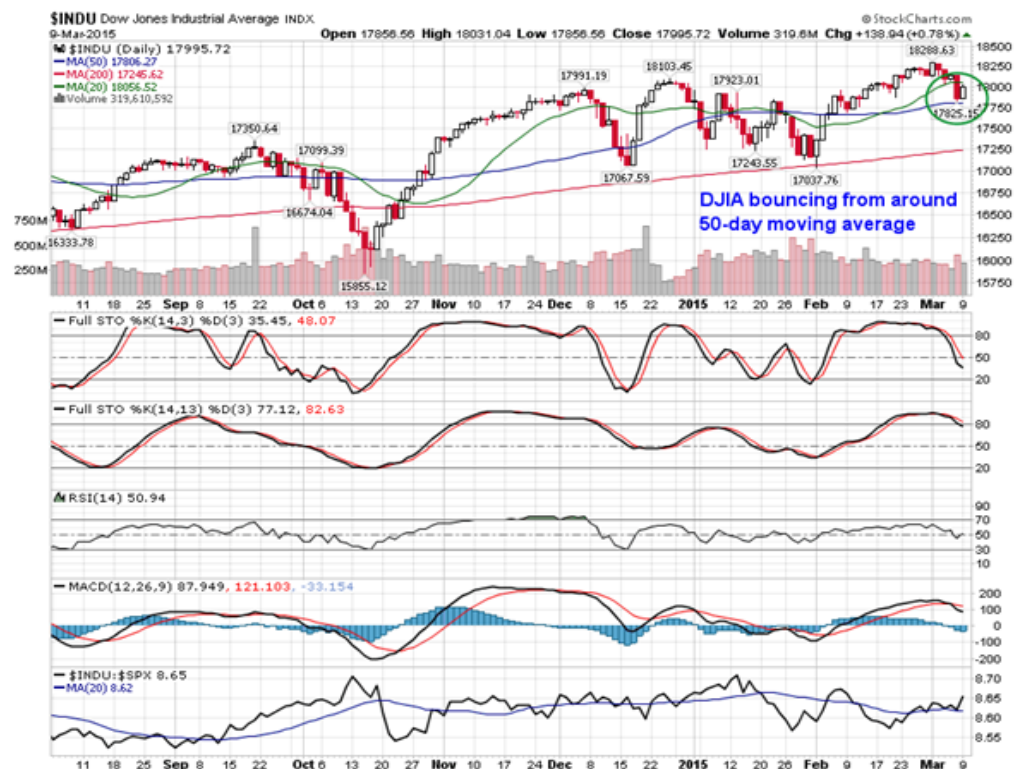
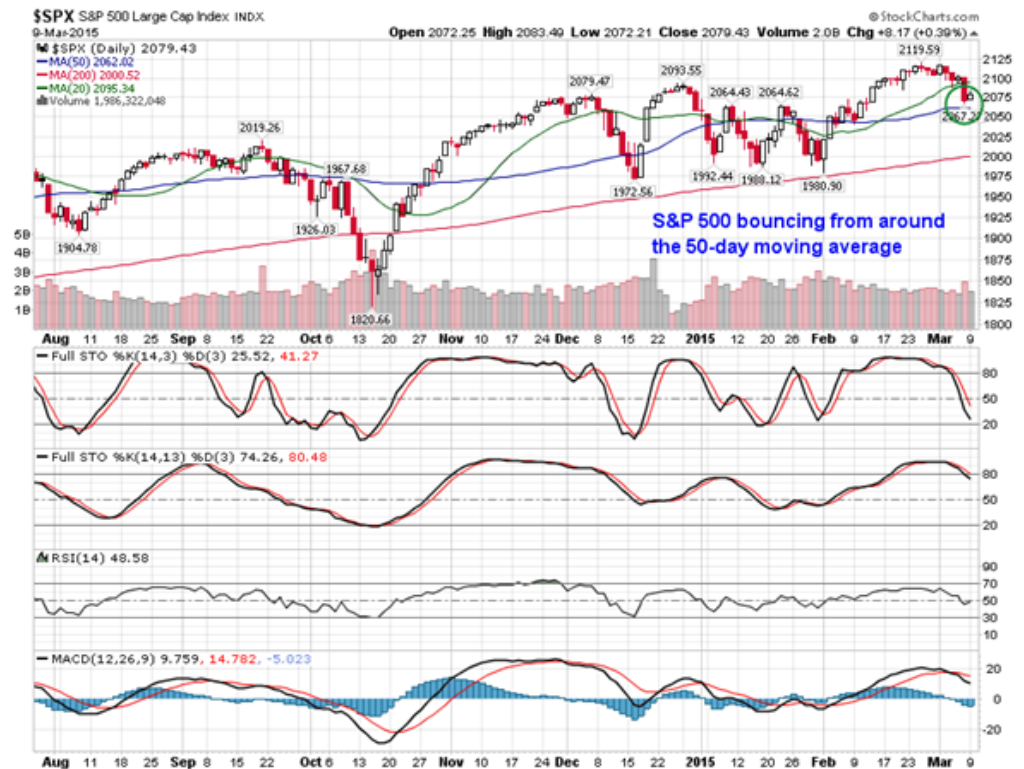


\$COPPER has entered its period of seasonal strength, which last usually until September, hence why we see chances for \$COPPER to move back towards the \$3.10 levels in the coming 6 months.



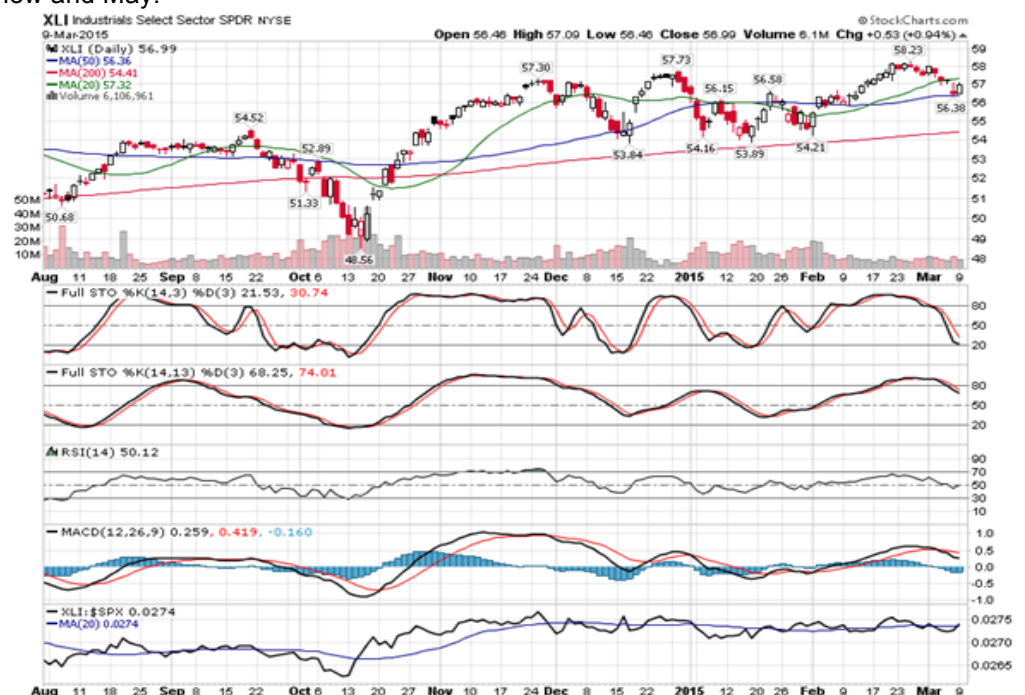
All major US equities' indices, the S&P 500 Index, Dow Jones Industrial Average, and NYSE Composite all bounced from around their respective 50-day moving average lines, attempting to hold this variable level as support.

The significant moving average continues to point higher, suggesting a positive intermediate trend.





Industrial stocks are starting to show early signs improving momentum at the start of their peak period of seasonal strength. Industrial stocks typically trade higher between now and May.



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