Creative Global Investments

Morning market commentary & charts

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Objectivity

Integrity

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Macro Commentary

The European Central Banks' four new measures:

1. The ECB has cut its benchmark interest rate to 0% from 0.05% as part of a package of measures intended to boost the flagging Eurozone economy.
2. The ECB will also expand its quantitative easing program from EUR 60BN to EUR 80 BN a month.
3. The scheme will now include the purchase of investment grade corporate bonds as well as government debt.
4. The ECB also decided to further cut the bank deposit rate towards minus 0.4%, down from minus 0.3%.

The package of measures, including the decision to cut the benchmark interest rate, was more radical than investors had expected.

This was a much bigger bazooka than the market was expecting and shows the ECB trying to get ahead of the confidence curve after learning its lesson in December. A weaker Euro will continue to make European exports cheaper.

European stock markets, with Frankfurt rising 2.2% and Paris jumping 2.5%. European bank shares rose sharply, with Deutsche Bank rising 4.5%, Societe Generale adding 5.3%, Santander up 4.4% and Italy's UniCredit adding 6.8%.

Currency Commentary

Investors did fear that further momentary accommodation could weigh a bit on the Euro, however, as we have been writing in the past 6 weeks, most of the Euro's negative sentiment is backed into the cake, and we see the EUR/US$ to hold the next support level of 1,0680.

The EUR/USD fell initially by 1% to $1.0863 and shed 0.5% the Yen and the Swiss franc. However, it then rallied towards EUR/US$ 1.104. We have been repeatedly commenting on the EUR/US$ trade having been the most one-sided trade for 18 months, with 90% of investors having been on the short side of the Euro. In the past year, the Euro has traded up against the US$, and that despite fears of a "Grexit", fears of "the Immigrant Crisis" fears of a "Brexit" and impressions of insufficient "inflation" and the ECB being out of ammunition to combat all the financial and economic troubles the Eurozone is facing.

We do not think that the EUR/US$ has a lot more risk to the downside, as the Eurozone's fiscal situation is not deteriorating to worse levels than we have had in the past 5 years, and the Eurozone growth, albeit faint, is stable and accelerating, plus with global growth slowing, the US included, the Euro does not seem to have a lot more risks than any of its competing big global currencies. We maintain our 2016 price target of EUR/US$ 1.22, as we believe that the US is overvalued from many aspects such as PPP, trade weighted, GDP weighted ad mostly from a interest rate delta comparison aspect.

It’s been a year since the ECB launched its EUR 700 BN bond-buying program in an effort to boost economic performance and inflation. However, since that time, the Euro has remained essentially flat.

Summary: STRONG BUY

Moving Averages:	STRONG BUY	Buy (12)	Sell (0)
Technical Indicators:	STRONG BUY	Buy (6)	Sell (2)

Name	S3	S2	S1	Pivot Points	R1	R2	R3
Classic	1.0705	1.0764	1.0840	**1.0899**	1.0975	1.1034	1.1110
Fibonacci	1.0764	1.0816	1.0847	**1.0899**	1.0951	1.0982	1.1034
Camarilla	1.0880	1.0892	1.0905	**1.0899**	1.0929	1.0942	1.0954
Woodie's	1.0715	1.0769	1.0850	**1.0904**	1.0985	1.1039	1.1120
DeMark's	-	-	1.0870	**1.0914**	1.1005	-	-

Name	Value	Action
RSI(14)	63.578	Buy
STOCH(9,6)	52.937	Neutral
STOCHRSI(14)	100.000	Overbought
MACD(12,26)	-0.001	Sell
ADX(14)	37.297	Sell
Williams %R	0.000	Overbought
CCI(14)	186.0160	Buy
ATR(14)	0.0042	High Volatility
Highs/Lows(14)	0.0097	Buy
Ultimate Oscillator	57.696	Buy
ROC	0.920	Buy
Bull/Bear Power(13)	0.0057	Buy

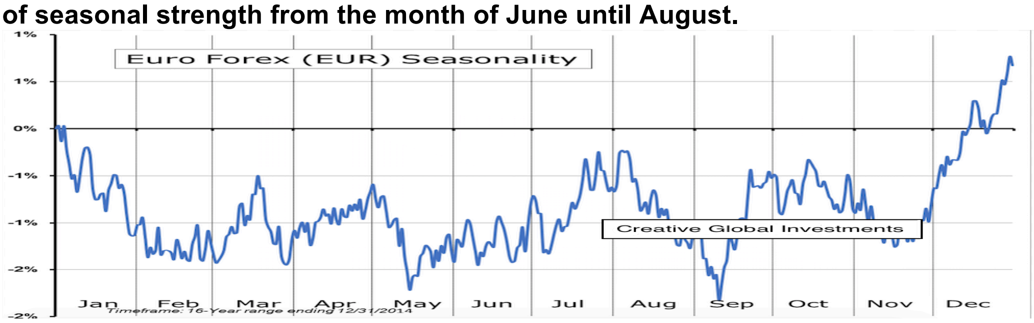
Buy: 6 Sell: 2 Neutral: 3
Summary: STRONG BUY

Moving Averages » Mar 10, 2016 02:12PM GMT

Period	Simple	Exponential
MA5	1.0960 Buy	1.0978 Buy
MA10	1.0965 Buy	1.0971 Buy
MA20	1.0977 Buy	1.0973 Buy
MA50	1.0989 Buy	1.0983 Buy
MA100	1.0993 Buy	1.0975 Buy
MA200	1.0941 Buy	1.0977 Buy

Buy: 12 Sell: 0
Summary: STRONG BUY

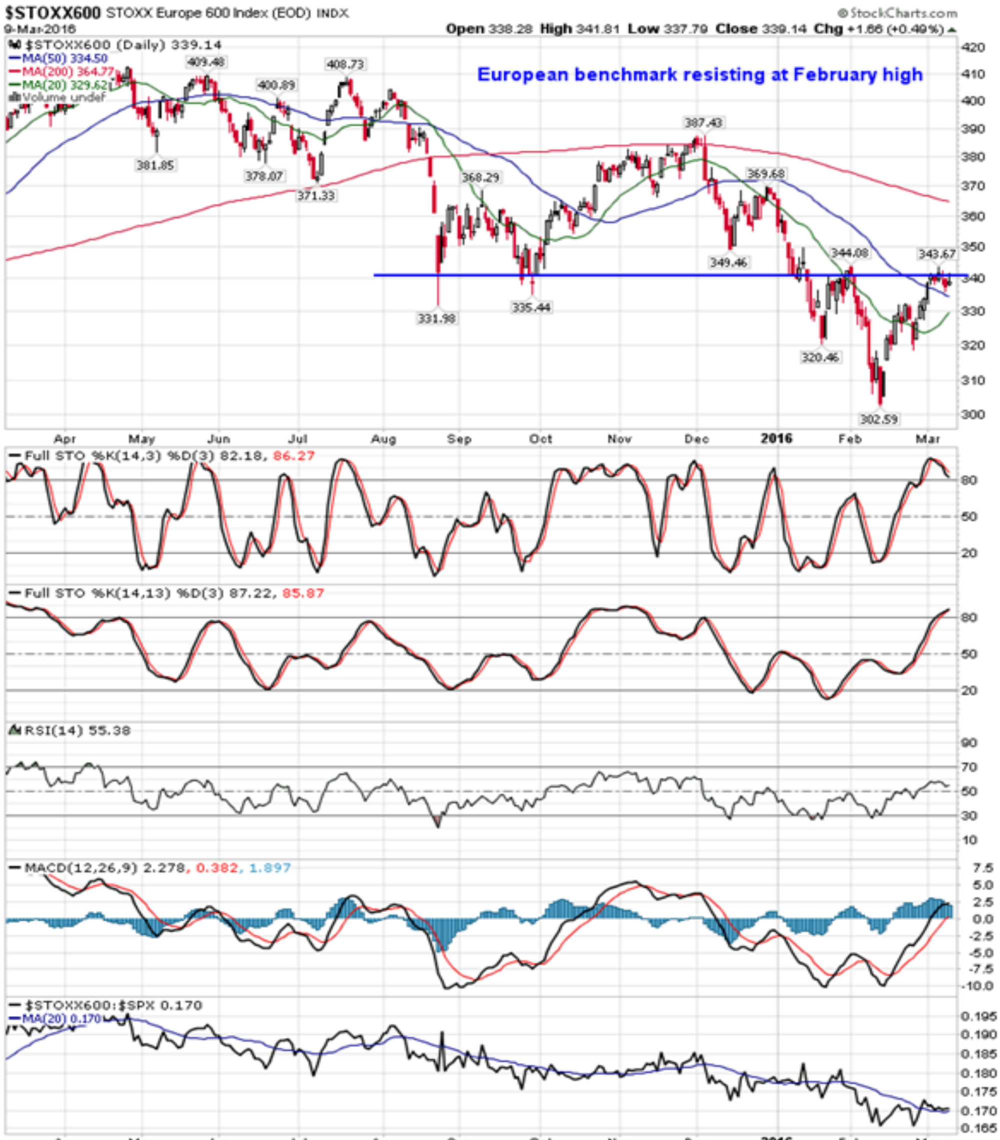
The Euro’ s seasonality is fairly neutral from March until June, but enters a period of seasonal strength from the month of June until August.



European Equities Commentary

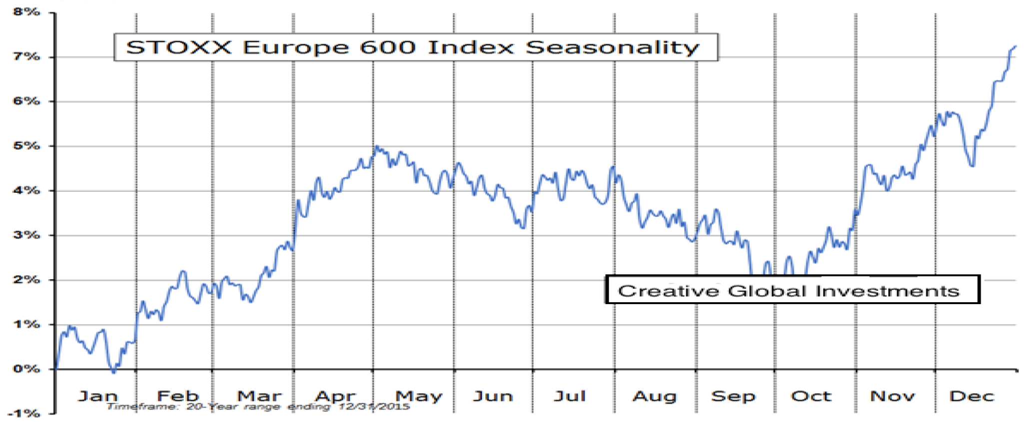
The Europe Stoxx 600 index is down just over 14%. While the import/export activity out of Germany has held up better than other areas of the world, the global economic slowdown has prevented more robust performance across the Eurozone.

Europe's Stoxx 600 Index is presently resisting around the February high of 340 while a trend of underperformance versus the S&P 500 Index remains apparent.



For equity investors and balanced fund managers this has been a reliable alpha generating strategy for over 33 years that we are advising global institutional investors

European benchmarks enter their seasonal pattern of strength starting in October and exiting in mid-May (due to the annual dividend pay-out structures of continental European companies, and hence, why we continue to advise our clients to actively engage in "Sell in May & Go Away".

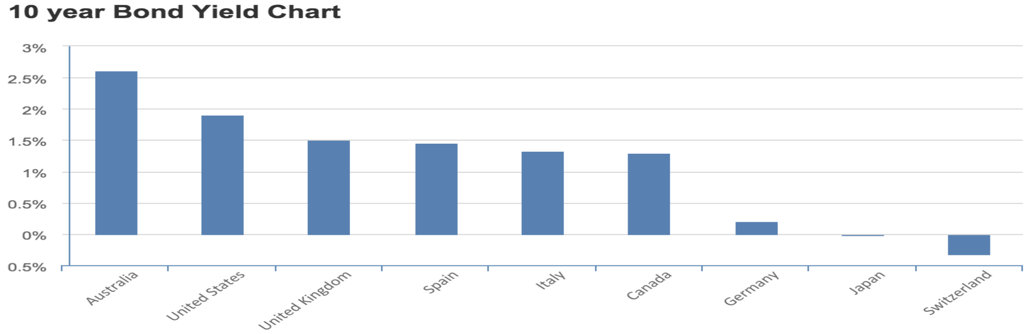


International Bonds Commentary

The yield differentials between US and European 10-Year bonds are excessive, and we are expecting for the US 10-Year bond yields to compress over the next 4 – 12 weeks back towards 1.50% levels.

Over the next days, however, the technical short-term outlook for US 10-Year Government Bonds is negative.

We are anticipating the yield to move towards the 2.05% to 2.15 (200-day MVA) before continuing its trend lower back towards the 1.50% levels by middle to late Q2 in 2016.



Summary:	STRONG BUY		
Moving Averages:	STRONG BUY	Buy (12)	Sell (0)
Technical Indicators:	STRONG BUY	Buy (9)	Sell (1)

Name	S3	S2	S1	Pivot Points	R1	R2	R3
Classic	1.835	1.849	1.871	**1.886**	1.908	1.923	1.945
Fibonacci	1.849	1.863	1.872	**1.886**	1.900	1.909	1.923
Camarilla	1.883	1.887	1.890	**1.886**	1.897	1.900	1.904
Woodie's	1.839	1.851	1.875	**1.888**	1.912	1.925	1.949
DeMark's	-	-	1.860	**1.881**	1.897	-	-

Name	Value	Action
RSI(14)	64.811	Buy
STOCH(9,6)	40.921	Sell
STOCHRSI(14)	100.000	Overbought
MACD(12,26)	0.007	Buy
ADX(14)	40.116	Buy
Williams %R	-20.000	Buy
CCI(14)	164.9710	Buy
ATR(14)	0.0156	High Volatility
Highs/Lows(14)	0.0184	Buy
Ultimate Oscillator	61.995	Buy
ROC	1.217	Buy
Bull/Bear Power(13)	0.0463	Buy

Buy: 9 Sell: 1 Neutral: 1
Summary: STRONG BUY

Moving Averages » Mar 10, 2016 02:20PM GMT

Period	Simple	Exponential
MA5	1.884 Buy	1.889 Buy
MA10	1.877 Buy	1.883 Buy
MA20	1.880 Buy	1.878 Buy
MA50	1.862 Buy	1.873 Buy
MA100	1.873 Buy	1.862 Buy
MA200	1.838 Buy	1.842 Buy

Buy: 12 Sell: 0
Summary: STRONG BUY

Oil Commentary

One more time, the bottom for Oil is in!

Investors are now focusing on the ongoing trend of declining oil production, along with the fall in gasoline inventories as demand ticks higher. T

The price of oil and gasoline surged to the highest levels of the year, both testing long-term trend line resistance.

Gasoline inventories fell by 4.5 MN barrels, despite an uptick in production in the latest week. The days of supply of gasoline now sits at 26.9, which is precisely inline with the seasonal average for this time of year.

Ending stocks of gasoline remain above average; however, this is of little concern given the supply/demand balance that is following seasonal norms. The supply of gasoline typically declines through to August, reaching a low near the peak of the summer driving season.

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